



**SOJAPROTEIN**

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Report of Sojaprotein a.d. for the 3<sup>rd</sup> quarter  
and first nine months of the Year 2013

Becej,, November 2013

# Report of Sojaprotein a.d. for the 3<sup>rd</sup> Quarter and First Nine Months of the Year 2013

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Name of the Legal Entity: "SOJAPROTEIN" AD  
Registered Office: BECEJ  
Identification Number:  
Activity Code:  
Tax Identification Number:

8114072  
1041  
100741587

### INCOME STATEMENT

for the period from January 1, 2013 to September 30, 2013

- In '000 of RSD -

| Group of accounts, Account | I T E M  | ADP        | Note no. | AMOUNT           |                   |
|----------------------------|--|------------|----------|------------------|-------------------|
|                            |  |            |          | Current year     | Previous year     |
| 1                          | 2  | 3          | 4        | 5                | 6                 |
|                            | <b>A. OPERATING INCOME AND EXPENSES</b>                          |            |          |                  |                   |
|                            | <b>I. OPERATING INCOME (202+203+204-205+206)</b>                 | <b>201</b> |          | <b>6,258,445</b> | <b>10,751,346</b> |
| 60 and 61                  | 1. Sales   | 202        |          | 7,254,828        | 10,853,080        |
| 62                         | 2. Income from activating own goods and products                 | 203        |          | 29,766           | 21,535            |
| 630                        | 3. Increase in inventories of finished goods                     | 204        |          | 930,941          |                   |
| 631                        | 4. Decrease in inventories of finished goods                     | 205        |          |                  | 169,349           |
| 64 and 65                  | 5. Other operating income  | 206        |          | 42,910           | 46,080            |
|                            | <b>II. OPERATING EXPENSES (208 to 212)</b>                       | <b>207</b> |          | <b>8,757,011</b> | <b>9,161,851</b>  |
| 50                         | 1. Cost of goods sold  | 208        |          | 332,247          | 1,661,009         |
| 51                         | 2. Material cost   | 209        |          | 7,070,800        | 6,403,348         |
| 652                        | 3. Salaries, salary compensations and fringe benefits            | 210        |          | 419,447          | 355,238           |
| 54                         | 4. Depreciation and provisions                                   | 211        |          | 255,510          | 152,169           |
| 53 and 55                  | 5. Other operating expenses                                      | 212        |          | 679,007          | 590,087           |
|                            | <b>III. OPERATING PROFIT (201 - 207)</b>                         | <b>213</b> |          |                  | <b>1,589,495</b>  |
|                            | <b>IV. OPERATING LOSS (207 - 201)</b>                            | <b>214</b> |          | <b>498,566</b>   |                   |
| 66                         | <b>V. FINANCIAL INCOME</b>                                       | <b>215</b> |          | <b>238,141</b>   | <b>504,463</b>    |
| 56                         | <b>VI. FINANCIAL EXPENSES</b>                                    | <b>216</b> |          | <b>331,533</b>   | <b>935,157</b>    |
| 67 and 68                  | <b>VII. OTHER INCOME</b>   | <b>217</b> |          | <b>138,025</b>   | <b>33,395</b>     |
| 57 and 58                  | <b>VIII. OTHER EXPENSES</b>                                      | <b>218</b> |          | <b>10,986</b>    | <b>15,877</b>     |
|                            | <b>IX. OPERATING PROFIT BEFORE TAX (213-214+215-216+217-218)</b> | <b>219</b> |          |                  | <b>1,176,319</b>  |
|                            | <b>X. OPERATING LOSS BEFORE TAX (214-213-215+216-217+218)</b>    | <b>220</b> |          | <b>464,919</b>   |                   |
| 69 -59                     | <b>XI. NET OPERATING GAINS FROM DISCONTINUED OPERATIONS</b>      | <b>221</b> |          |                  |                   |
| 59 -69                     | <b>XII. NET OPERATING LOSS FROM DISCONTINUED OPERATIONS</b>      | <b>222</b> |          |                  |                   |
|                            | <b>B. PROFIT BEFORE TAX (219-220+221-222)</b>                    | <b>223</b> |          |                  | <b>1,176,319</b>  |
|                            | <b>C. LOSS BEFORE TAX (220-219+222-221)</b>                      | <b>224</b> |          |                  |                   |
|                            | <b>D. CORPORATE INCOME TAX</b>                                   |            |          |                  | <b>117,632</b>    |
| 721                        | 1. Taxable expenses of the period                                | 225        |          |                  |                   |
| 722                        | 2. Deferred tax expenses of the period                           | 226        |          |                  |                   |
| 722                        | 3. Deferred tax income of the period                             | 227        |          |                  |                   |
| 723                        | <b>E. PERSONAL EARNINGS PAID TO THE EMPLOYER</b>                 | <b>228</b> |          |                  |                   |
|                            | <b>F. NET PROFIT ( 223-224-225-226+227-228)</b>                  | <b>229</b> |          |                  | <b>1,058,687</b>  |
|                            | <b>G. NET LOSS (224-223+225+226-227+228)</b>                     | <b>230</b> |          | <b>464,919</b>   |                   |
|                            | <b>H. NET PROFIT OF MINORITY INTERESTS</b>                       | <b>231</b> |          |                  |                   |
|                            | <b>I. NET PROFIT OF EQUITY HOLDERS OF PARENT</b>                 | <b>232</b> |          |                  |                   |
|                            | <b>J. EARNINGS PER SHARE</b>                                     |            |          |                  |                   |
|                            | 1. Basic earnings per share                                      | 233        |          |                  |                   |
|                            | 2. Diluted earnings per share                                    | 234        |          |                  |                   |

In Becej, this September 30, 2013

Person responsible for the Statement preparation – Andjelkovic Dragana  
Signature




Director  
James Patrick King  
Signature



Name of the Legal Entity: "SOJAPROTEIN" AD  
Registered Office: BECEJ  
Identification Number:  
Activity Code:  
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8114072  
1041  
100741587

**BALANCE SHEET**  
As of September 30, 2013

- In '000 of RSD -

| Group of Accounts.<br>Account           | I T E M   | ADP | Note No. | A m o u n t       |                   |
|---|---|-----|----------|-------------------|-------------------|
|   |   |     |          | Current Year      | Previous Year     |
| 1                                       | 2   | 3   | 4        | 5                 | 6                 |
|   | <b>ASSETS</b>   |     |          |                   |                   |
|   | <b>A. NON-CURRENT ASSETS (002+003+004+005+009)</b>                              | 001 |          | <b>9,909,463</b>  | 9,495,497         |
| 00                                      | I. SUBSCRIBED CAPITAL UNPAID  | 002 |          |                   |                   |
| 012                                     | II. GOODWILL  | 003 |          |                   |                   |
| 01 without 012                          | III. INTANGIBLE ASSETS  | 004 |          | 13,859            | 16,437            |
|   | IV. PROPERTY, PLANT, EQUIPMENT AND BIOLOGICAL ASSETS (006+007+008)              | 005 |          | <b>9,063,376</b>  | <b>8,646,695</b>  |
| 020,022,023,026,027(part),028(part),029 | 1. Property, plant and equipment  | 006 |          | 8,630,355         | 8,055,231         |
| 024,027(part),028(part)                 | 2. Investment assets  | 007 |          | 430,388           | 588,698           |
| 021,025,027(part),028(part)             | 3. Biological assets  | 008 |          | 2,633             | 2,766             |
|   | V. LONG-TERM FINANCIAL INVESTMENTS (010+011)                                    | 009 |          | <b>832,228</b>    | <b>832,365</b>    |
| 030 to 032,039(part)                    | 1. Stakes in capital  | 010 |          | 831,179           | 831,179           |
| 033 to 038,039(part) minus 37           | 2. Other long-term financial investments  | 011 |          | 1,049             | 1,186             |
|   | <b>B. CURRENT ASSETS (013+014+015)</b>  | 012 |          | <b>9,081,230</b>  | <b>11,342,512</b> |
| 10 to 13, 15                            | I. INVENTORIES  | 013 |          | 4,081,332         | 5,531,714         |
| 14                                      | II. NON-CURRENT ASSETS AVAILABLE FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS | 014 |          |                   |                   |
|   | III. SHORT-TERM RECEIVABLES, INVESTMENTS AND CASH (016+017+018+019+020)         | 015 |          | <b>4,999,898</b>  | <b>5,810,798</b>  |
| 20,21 and 22 excl. 223                  | 1. Trade receivables  | 016 |          | 2,921,091         | 3,877,544         |
| 223                                     | 2. Receivables from overpaid corporate income tax                               | 017 |          | 53,603            | 3,591             |
| 23 minus 237                            | 3. Short-term financial investments   | 018 |          | 1,617,126         | 1,784,961         |
| 24                                      | 4. Cash and cash equivalents  | 019 |          | 336,938           | 128,389           |
| 27 and 28 excl. 288                     | 5. Value added tax and prepaid expenses   | 020 |          | 71,140            | 16,313            |
| 288                                     | <b>C. DEFERRED TAX ASSETS</b>   | 021 |          |                   |                   |
|   | <b>D. OPERATING ASSETS (001+012+021)</b>  | 022 |          | <b>18,990,693</b> | <b>20,838,009</b> |
| 29                                      | <b>E. LOSS OVER CAPITAL</b>   | 023 |          |                   |                   |
|   | <b>F. TOTAL ASSETS (022+023)</b>  | 024 |          | <b>18,990,693</b> | <b>20,838,009</b> |
| 88                                      | <b>G. OFF-BALANCE ASSETS</b>  | 025 |          | 9,297,030         | 10,705,965        |

| <b>EQUITY AND LIABILITIES</b>          |   |     |  |                   |                   |
|--|---|-----|--|-------------------|-------------------|
|  | <b>A. EQUITY (102+103+104+105+106-107+108-109-110)</b>                          | 101 |  | <b>11,546,173</b> | <b>12,449,372</b> |
| 30                                     | I. ORIGINAL AND OTHER CAPITAL   | 102 |  | 6,906,480         | 6,906,480         |
| 31                                     | II. SUBSCRIBED CAPITAL UNPAID   | 103 |  |                   |                   |
| 32                                     | III. RESERVES   | 104 |  | 1,270,882         | 1,428,760         |
| 330 and 331                            | IV. REVALUATION RESERVES  | 105 |  | 2,358,577         | 2,359,864         |
| 332                                    | V. UNREALIZED PROFIT FROM SECURITIES  | 106 |  |                   | 0                 |
| 333                                    | VI. UNREALIZED LOSSES ON SECURITIES   | 107 |  | 23,817            | 23,817            |
| 34                                     | VII. RETAINED PROFIT  | 108 |  | 1,744,017         | 1,778,085         |
| 35                                     | VIII. LOSS  | 109 |  | 464,919           |                   |
| 037 and 237                            | IX. BOUGHT-UP TREASURY SHARES   | 110 |  | 245,047           |                   |
|  | <b>B. LONG-TERM PROVISIONS AND LIABILITIES (112+113+116)</b>                    | 111 |  | <b>7,072,861</b>  | <b>8,016,978</b>  |
| 40                                     | I. LONG-TERM PROVISIONS   | 112 |  | 24,815            | 24,815            |
| 41                                     | II. LONG-TERM LIABILITIES (114+115)   | 113 |  | <b>3,392,597</b>  | <b>2,306,316</b>  |
| 414, 415                               | 1. Long-term borrowings   | 114 |  | 3,392,597         | 2,306,316         |
| 41 without<br>414 and 415              | 2. Other long-term liabilities  | 115 |  |                   | 0                 |
|  | <b>III. SHORT-TERM LIABILITIES (117+118+119+120+121+122)</b>                    | 116 |  | <b>3,655,449</b>  | <b>5,685,847</b>  |
| 42 excl. 427                           | 1. Short-term financial liabilities   | 117 |  | 1,147,759         | 4,498,562         |
| 427                                    | 2. Liabilities related to assets available for sale and discontinued operations | 118 |  |                   |                   |
| 43 and 44                              | 3. Operating liabilities  | 119 |  | 2,390,129         | 689,578           |
| 45 and 46                              | 4. Other short-term liabilities   | 120 |  | 54,500            | 392,802           |
| 47 48 excl. 481<br>and 49 excl.<br>498 | 5. Value added tax liabilities and other public expenses payable                | 121 |  | 63,061            | 104,905           |
| 481                                    | 6. Corporate income tax liabilities   | 122 |  |                   | 0                 |
| 498                                    | IV. DEFERRED TAX LIABILITIES  | 123 |  | 371,659           | 371,659           |
|  | <b>D. TOTAL LIABILITIES (101+111+123)</b>                                       | 124 |  | <b>18,990,693</b> | <b>20,838,009</b> |
| 89                                     | <b>E. OFF-BALANCE LIABILITIES</b>   | 125 |  | 9,297,030         | 10,705,965        |

In Becej, this September 30, 2013

Person responsible for the Statement  
preparation – Andjelkovic Dragana

Signature




Director  
James Patrick King  
Signature





## CASH FLOW STATEMENT

for the period from January 1 to September 30, 2013

- In '000 of RSD -

| Item<br>1   | ADP<br>2 | Amount            |                    |
|---|----------|-------------------|--------------------|
|   |          | Current year<br>3 | Previous year<br>4 |
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>   |          |                   |                    |
| <b>I Cash inflow from operating activities (1 to 3)</b>                               | 301      | <b>9,019,486</b>  | <b>11,593,727</b>  |
| 1. Sales and prepayments  | 302      | 8,654,484         | 11,121,838         |
| 2. Interest income received from operating activities                                 | 303      | 95,345            | 118,410            |
| 3. Other inflow from operating activities   | 304      | 269,657           | 353,479            |
| <b>II Cash outflow from operating activities (1 to 8)</b>                             | 305      | <b>5,659,527</b>  | <b>10,217,930</b>  |
| 1. Trade payments and advances made   | 306      | 4,671,379         | 9,626,938          |
| 2. Salaries, salary compensations and other benefits to employees                     | 307      | 409,674           | 343,864            |
| 3. Interest paid  | 308      | 511,281           | 161,632            |
| 4. Corporate income tax   | 309      | 50,012            | 64,450             |
| 5. Payments of other public expenses  | 310      | 17,181            | 21,046             |
| <b>III Net cash inflow from operating activities (I-II)</b>                           | 311      | <b>3,359,959</b>  | <b>1,375,797</b>   |
| <b>IV Net cash outflow from operating activities (II-I)</b>                           | 312      |                   |                    |
| <b>B. CASH FLOW FROM INVESTMENT ACTIVITIES</b>  |          |                   |                    |
| <b>I Cash inflow from investment activities (1 to 5)</b>                              | 313      | <b>168,214</b>    | <b>163</b>         |
| 1. Disposal of shares and stakes (net inflows)  | 314      |                   |                    |
| 2. Disposal of intangible assets, property, plant, equipment and biological assets    | 315      | 516               | 163                |
| 3. Other financial investments (net inflows)  | 316      | 167,698           |                    |
| 4. Interest received from investment activities                                       | 317      |                   |                    |
| 5. Dividends received   | 318      |                   |                    |
| <b>II Cash outflows from investment activities (1 to 3)</b>                           | 319      | <b>1,048,281</b>  | <b>675,764</b>     |
| 1. Acquisition of shares and stakes (net outflows)                                    | 320      | 434,516           |                    |
| 2. Acquisition of intangible assets, property, plant, equipment and biological assets | 321      | 613,765           | 675,764            |
| 3. Other financial investments  | 322      |                   |                    |
| <b>III Net cash inflow from investment activities (I-II)</b>                          | 323      |                   |                    |
| <b>IV Net cash outflow from investment activities (II-I)</b>                          | 324      | <b>880,067</b>    | <b>675,601</b>     |
| <b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>   |          |                   |                    |
| <b>I Cash inflow from financing activities (1 to 3)</b>                               | 325      | <b>0</b>          | <b>0</b>           |
| 1. Increase of the capital stock  | 326      |                   |                    |
| 2. Long-term and short-term borrowings (net inflows)                                  | 327      |                   |                    |
| 3. Other long-term and short-term liabilities   | 328      |                   |                    |
| <b>II Cash outflows from financing activities (1 to 4)</b>                            | 329      | <b>2,270,080</b>  | <b>890,376</b>     |
| 1. Buy-up of treasury shares and stakes   | 330      |                   |                    |
| 2. Long-term and short-term borrowings and other liabilities (net outflows)           | 331      | 2,270,012         | 889,845            |
| 3. Financial lease  | 332      | 68                | 531                |
| 4. Dividends paid   | 333      |                   |                    |
| <b>III Net cash inflow from financing activities (I-II)</b>                           | 334      |                   |                    |
| <b>IV Net cash outflow from financing activities (II-I)</b>                           | 335      | <b>2,270,080</b>  | <b>890,376</b>     |
| <b>D. TOTAL CASH INFLOW (301+313+325)</b>   | 336      | <b>9,187,700</b>  | <b>11,593,890</b>  |
| <b>E. TOTAL CASH OUTFLOWS (305+319+329)</b>   | 337      | <b>8,977,888</b>  | <b>11,784,070</b>  |
| <b>F. NET CASH INFLOW (336-337)</b>   | 338      | <b>209,812</b>    |                    |
| <b>G. NET CASH OUTFLOW (337-336)</b>  | 339      |                   | <b>190,180</b>     |
| <b>H. OPENING CASH BALANCE OF THE PERIOD</b>  | 340      | 128,389           | 523,815            |
| <b>I. CURRENCY DIFFERENTIAL GAINS FROM CASH TRANSLATIONS</b>                          | 341      |                   | 10                 |
| <b>J. CURRENCY DIFFERENTIAL LOSSES FROM CASH TRANSLATIONS</b>                         | 342      | 1,263             | 11,525             |
| <b>K. CLOSING CASH BALANCE OF THE PERIOD (338-339+340+341-342)</b>                    | 343      | <b>336,938</b>    | <b>322,120</b>     |

In Becej, this September 30, 2013

Person responsible for the Statement  
preparation – Andjelkovic Dragana  
Signature




Director  
James Patrick King  
Signature



## STATEMENT ON CHANGES IN EQUITY

for the period from January 1 to September 30, 2013

- In '000 of RSD -

| Ord. No. | Item  | ADP | 1                                  | 2                                    | 3                        | 4                                    | 5                        | 6                        | 7                               | 8                              | 9  | 10                         | 11                           | 12   | 13                                     | 14                          |
|----------|---|-----|------------------------------------|--------------------------------------|--------------------------|--------------------------------------|--------------------------|--------------------------|---------------------------------|--------------------------------|--|----------------------------|------------------------------|--|--|-----------------------------|
|          |   |     | Balance as of Jan. 1 previous year | Capital stock (Group 30 without 309) | Other capital (acc. 309) | Subscribed capital unpaid (Group 31) | Issue premium (acc. 320) | Reserves (acc. 321, 322) | Revaluation reserves (group 33) | Unrealized gains on securities | Unrealized losses on securities (acc. 332) | Retained profit (Group 34) | Loss up to equity (Group 35) | Bought-up treasury shares and stakes (acc. 037, 237) | Total (col. 2+3+4+5+6+7+8 +9+10+11+12) | Loss over equity (Group 29) |
| 1        | Balance as of Jan. 1 previous year  | 401 | 6,906,480                          |                                      |                          |                                      | 875,438                  | 496,150                  | 1,837,936                       | 571                            |  | 1,143,440                  |                              |  | 11,260,015                             |                             |
| 2        | Correction of materially significant errors and changes in accounting policies in the previous year - increase  | 402 |                                    |                                      |                          |                                      |                          |                          |                                 |                                |  |                            |                              |  | 0                                      |                             |
| 3        | Correction of materially significant errors and changes in accounting policies in the previous year - reduction | 403 |                                    |                                      |                          |                                      |                          |                          |                                 |                                |  |                            |                              |  | 0                                      |                             |
| 4        | Adjusted opening balance as of Jan. 1 previous year (lt. 1+2-3)   | 404 | 6,906,480                          | 0                                    | 0                        | 0                                    | 875,438                  | 496,150                  | 1,837,936                       | 571                            | 0  | 1,143,440                  |                              | 0  | 11,260,015                             | 0                           |
| 5        | Total increases in the previous year  | 405 |                                    |                                      |                          |                                      |                          | 57,172                   | 750,046                         | 2,629                          | 23,817                                     | 1,835,256                  |                              |  | 2,645,103                              |                             |
| 6        | Total reductions in the previous year   | 406 |                                    |                                      |                          |                                      |                          |                          | 228,118                         | 3,200                          |  | 1,200,611                  |                              |  | 1,455,746                              |                             |
| 7        | Balance as of Dec. 31 previous year (IT. 4+5-6)   | 407 | 6,906,480                          | 0                                    | 0                        | 0                                    | 875,438                  | 533,322                  | 2,359,864                       | 0                              | 23,817                                     | 1,778,085                  |                              | 0  | 12,449,372                             | 0                           |
| 8        | Correction of materially significant errors and changes in accounting policies in the current year - increase   | 408 |                                    |                                      |                          |                                      |                          |                          |                                 |                                |  |                            |                              |  | 0                                      |                             |
| 9        | Correction of materially significant errors and changes in accounting policies in the current year - reduction  | 409 |                                    |                                      |                          |                                      |                          |                          |                                 |                                |  |                            |                              |  | 0                                      |                             |
| 10       | Adjusted opening balance as of Jan. 1 current year (lt. 7+8-9)  | 410 | 6,906,480                          | 0                                    | 0                        | 0                                    | 875,438                  | 533,322                  | 2,359,864                       | 0                              | 23,817                                     | 1,778,085                  |                              | 0  | 12,449,372                             | 0                           |
| 11       | Total increases in the current year   | 411 |                                    |                                      |                          |                                      |                          | 34,590                   |                                 |                                |  | 522                        | 464,919                      | 245,047  | 35,112                                 |                             |
| 12       | Total reductions in the current year  | 412 |                                    |                                      |                          |                                      | 192,468                  |                          | 1,287                           |                                |  | 34,590                     | 0                            |  | 938,311                                |                             |
| 13       | Balance on the last day of quarter in the current year (IT. 10+11-12)   | 413 | 6,906,480                          | 0                                    | 0                        | 0                                    | 682,970                  | 587,912                  | 2,358,577                       | 0                              | 23,817                                     | 1,744,017                  | 464,919                      | 245,047  | 11,546,173                             | 0                           |

In Beceji, this September 30, 2013

Person responsible for the Statement preparation – Anđelković Dragana  
Signature




Director  
Signature



**SOJAPROTEIN A.D. BECEJ**

**NOTES TO THE INCOME STATEMENT  
AND BALANCE SHEET**

**As of September 30, 2013**



**BASIC INFORMATION ON THE COMPANY**

Sojaprotein A.D. Becej (hereinafter referred to as: the "Company") is the leading soybean processor in Serbia and one of the major processors in Central and Eastern Europe. Company was incorporated in 1977 as a work organization for industrial soybean processing in establishing; its incorporation was completed in 1985.

During 1991 the Company Management passed the Decision on issue of internal shares to employees and thus transformed the Company in a joint stock company. During 2000 and 2001 the Company had privatized the remaining socially-owned capital by issue of free shares subscribed to employees and other natural persons, pursuant to provisions of the Law on Proprietary Transformation 1997.

Core activity of the Company is soybean grain processing, whereby a series of full-fat and fat-free products in the form of flours, groats and textured forms, as well as soybean oil, soybean meal and soybean lecithin is produced. Supporting segment of the Company operations includes rendering services in agricultural production, wholesale and retail trade and buy-up of agricultural products.

Registered office of the Company is located at 1, Industrijska St., Becej. Company had 417 employees on the date of the Statements preparation.

**BASES FOR PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS AND THE ACCOUNTING METHODOLOGY****Financial Statements**

Financial Statements of the Company include: Balance Sheet as of September 30, 2013; Income Statement, Statement on Changes in Equity and Cash Flow Statement for the period up to September 30, 2013; and review of significant accounting policies and estimates as well as Notes to the Financial Statements.

**Bases for Preparation and Presentation of Financial Statements**

Pursuant to the Law on Accounting and Auditing ("Official Gazette of the Republic of Serbia", no. 46 dated June 2, 2006 and no. 111 dated December 29, 2009) legal entities and entrepreneurs operating in the Republic of Serbia are obliged: to maintain business books; to recognize and evaluate their assets and liabilities and income and expenses; to prepare, represent, file and disclose their financial statements in accordance with legal and professional regulations, that is, the Framework for Preparation and Presentation of Financial Statements ("Framework"), International Accounting Standards ("IAS"), i.e. International Financial Reporting Standards ("IFRS"), as well as interpretations which form an integral part of standards in effect on December 31, 2002.

Amendments to IAS and the new IFRS and corresponding interpretations issued by the International Accounting Standards Board ("Board") and the International Financial Reporting Interpretations Committee ("Committee") were officially adopted by Resolutions of the Minister of Finance of the Republic of Serbia ("Ministry") in the period from December 31, 2002 to January 1, 2009 and published in the Official Gazette of the Republic of Serbia no. 77 dated October 25, 2010.

But, however, until the date of preparation of the enclosed Financial Statements, all amendments of IAS/IFRS and IFRIC interpretations entering into force for annual periods beginning on January 1, 2009 have not been translated. Furthermore, the enclosed Financial Statements are presented in the format prescribed under the Rule on Chart of Accounts and Contents of Accounts in the Chart of Accounts for Companies, Cooperatives, Other Legal Entities and Entrepreneurs ("Official Gazette of the Republic of Serbia" no. 114 dated December 22, 2006; no. 119 dated December

26, 2008; no. 9 dated February 6, 2009 and no. 4 dated January 29, 2010) wherein the entire set of financial statements defined under the Law has been determined and it deviates from the set of financial statements defined under IAS 1 "Presentation of Financial Statements" and, in addition, individual parts differ from the manner of presentation of certain balance items envisaged thereunder. Published standards and interpretations in effect in the current period which have not been yet officially translated and adopted, as well as published standards and interpretations which have not been yet implemented are disclosed in notes 2.2 and 2.3, respectively.

Therefore, having in mind the statements mentioned above and potential material effects that may result from differences in the Serbian accounting regulations as compared to IFRS and IAS in terms of accurateness and fairness of financial statements of a commercial company, it may be considered that the enclosed Financial Statements were prepared in compliance with IFRS and IAS.

Financial Statements were prepared in compliance with the historical cost principle, unless stated otherwise in accounting policies provided below.

When preparing its Financial Statements, the Company adopted accounting policies explained in note 3.

Financial Statements of the Company are given in thousands of dinars. Dinar /RSD/ represents the official reporting currency in the Republic of Serbia.

#### **Published Standards and Interpretations in Effect in the Current Period which have not been yet Officially Translated and Adopted**

As of the date of Financial Statements publishing, the below given standards and their amendments were issued by the International Accounting Standards Board and the Committee announced the following interpretations of international financial reporting but, however, they were not officially adopted in the Republic of Serbia for annual periods beginning on January 1, 2010:

- Amendments to IFRS 7 – "Financial Instruments Disclosures" – Amendments related to improved disclosures of the fair value and liquidity risks (revised in March 2009, and in effect for annual periods beginning on or after January 1, 2009),
- Amendments to IFRS 1 – "First-time Adoption of International Financial Reporting Standards" – Additional exemptions for entities who for the first time adopted IFRS Amendments relevant for the assets in oil and gas industry and determining if the contracts include lease as well (revised in July 2009, in effect for annual periods beginning on or after January 1, 2010),
- Amendments of various standards and interpretations resulting from the Improvements to IFRSs 2009 Project published on April 16, 2009 (IFRS 5, IFRS 8, IAS 1, IAS 7, IAS 17, IAS 36, IAS 39, IFRIC 16) with primary intention to eliminate inconsistencies and clarify formulations given in the wording (amendments of the standards shall be in effect for annual periods beginning on or after January 1, 2010 and the amendment of IFRIC on or after July 1, 2009),
- Amendments to IAS 38 – "Intangible Assets" (in effect for annual periods beginning on or after July 1, 2009)

**NOTES TO THE FINANCIAL STATEMENTS****September 30, 2013**

- Amendments of IFRS 2 – “Share Based Payments” – Amendments resulting from the Annual Improvements to IFRSs Project (revised in April 2009, in effect for annual periods beginning on or after July 1, 2009) and the amendment referring to a transactions of a Group share based payments in cash (revised in June 2009, in effect for annual periods beginning on or after January 1, 2010),
- Amendments of IFRIC 9 – “Reassessment of Embedded Derivatives” – shall be in effect for annual periods beginning on or after July 1, 2009 and IAS 39 – “Financial Instruments: Recognition and Measurement” – Embedded Derivatives (in effect for annual periods beginning on or after June 30, 2009),
- IFRIC 18 – “Transfer of Assets from Customers” (in effect for annual periods beginning on or after July 1, 2009),

**Published Standards and Interpretations not yet in Effect**

On the date of issue of these Financial Statements the following standards, their supplements and I interpretations were published but not yet in effect:

- “Conceptual Framework for Financial Reporting 2010” whereby “Framework for Preparation and Presentation of Financial Statements” was amended (in effect from the date of its publishing, i.e. September 2010),
- IFRS 9 - “Financial Instruments” (in effect for annual periods beginning on or after January 1, 2013),
- Supplements to IFRS 1 - “First-time Adoption of International Financial Reporting Standards” – Limited exemption from comparative disclosures prescribed under IFRS 7 for an entity who for the first-time adopted IFRS (in effect for annual periods beginning on or after July 1, 2010),
- Supplements to IFRS 1 - “First-time Adoption of International Financial Reporting Standards” – High hyperinflation and elimination of fixed dates for entities who for the first-time adopted IFRS (in effect for annual periods beginning on or after July 1, 2011),
- Supplements to IFRS 7 - “Financial Instruments: Disclosures” – Transfer of financial assets (in effect for annual periods beginning on or after July 1, 2011),
- Supplements to IAS 12 – “Income Taxes” – Deferred tax: recovery of assets included in base (in effect for annual periods beginning on or after January 1, 2012),
- Supplements to IAS 24 - “Related Party Disclosures” – Simplified requirements for disclosures of parties under (significant) control or impact of the government and clarification of the definition of a related party (in effect for annual periods beginning on or after January 1, 2011),
- Supplements to IAS 32 - “Financial Instruments: Presentation” – Accounting of Classification of Rights Issue (in effect for annual periods beginning on or after February 1, 2010),

**BASES FOR PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS AND THE ACCOUNTING METHODOLOGY (continued)****Published Standards and Interpretations not yet in Effect (continued)**

- Supplements to various standards and interpretations “Improving IFRSs 2010” resulting from the Improvements to IFRSs 2010 published on May 6, 2010 (IFRS 1, IFRS 3, IFRS 7, IAS 1, IAS 27, IAS 34, IFRIC 13) with primary intention to eliminate inconsistencies and clarify the wording (majority of supplements shall be in effect for annual periods beginning on or after January 1, 2011),
- Supplement to IFRIC 14 - “IAS 19 – The Limit on a Defined Benefit, Minimum Funding Requirements and Their Interaction” – Prepayment of Minimum Funding Requirements (in effect for annual periods beginning on or after January 1, 2011).
- IFRIC 19 – “Extinguishing Financial Liabilities with Equity Instruments” (in effect for annual periods beginning on or after July 1, 2010).

**Comparative Data**

Financial Statements of the Company as of December 31, 2012 represent comparative data for Balance Sheet, and for Income Statement and Cash Flow Statement comparative data represent the Financial Statements of the Company as of September 30, 2012.

**REVIEW OF SIGNIFICANT ACCOUNTING POLICIES****Income and Expense**

Income from sales is recognized when risks and benefits related to proprietary rights are transferred to a customer, that is, on the products delivery date. Income from services is recognized when the respective service has been provided.

Income is presented at fair value of assets received or that should be received, in net amount after deduction of discounts granted and value added tax.

Interest income and expense are credited, i.e. debited in the period they refer to.

On the date when income is posted the corresponding expense should be also posted (Matching Principle).

Fixed assets maintenance and repair costs are covered from income of the accounting period in which they occurred.

**Translation of Assets and Liabilities Paid in Foreign Currency**

Business transactions in foreign currencies were translated in dinars at the mean exchange rate prevailing on the Interbank Market on the date of transaction.



**NOTES TO THE FINANCIAL STATEMENTS****September 30, 2013**

Assets and liabilities carried in foreign currencies were translated at the mean exchange rate prevailing on the Interbank Market on the Balance Sheet date.

Currency differential gains and losses arising from business transactions in foreign currencies and at the time of translation of the Balance items carried in foreign currencies were credited, i.e. debited in the Income Statement, as currency differential gains, i.e. losses.

**REVIEW OF SIGNIFICANT ACCOUNTING POLICIES (continued)****Employee Benefits*****a) Taxes and Contributions to the Employee Social Security Funds***

Pursuant to the governing regulations of the Republic of Serbia, the Company is liable to pay taxes and contributions to tax authorities and state funds whereby the social security of employees is secured. These liabilities include taxes and contributions for employees charged to the employer at rates prescribed under the legal regulations. In addition, the Company is liable to deduct contributions from gross salaries of its employees and pay them to funds on their behalf. Taxes and contributions charged to the employer and taxes and contributions charged to an employee are debited as the expense of the period they relate to.

***b) Liabilities Related to Redundancy Pay and Jubilee Awards***

Pursuant to provisions of the Labor Law, the Company is liable to pay to its employees redundancy pay at the time of their retirement subject to the right on pension which is equal to three average wages paid in the Republic of Serbia, in compliance with the last data published by the Republic authority in charge of statistics. In addition, the Company is liable to pay jubilee awards to its employees depending on the years of continuous service with the Company.

**Taxes and Contributions****Corporate Income Tax*****a) Current Corporate Income Tax***

Current corporate income tax represents an amount calculated and paid in accordance with the governing Law on Corporate Income Tax in the Republic of Serbia.

Corporate income tax equal to 15% (2011: 10%) should be paid on the tax base determined in the Tax Balance. Tax base presented in the Tax Balance includes the corporate income presented in the official Income Statement and adjustments defined under tax regulations of the Republic of Serbia.

Serbian tax regulations do not envisage a possibility to use tax losses in the current period as the base for recovery of the tax paid in previous periods. However, losses in the current period may be carried forward to the corporate income account of future accounting periods, provided that time period is limited up to ten years.

Deferred corporate income tax was calculated by applying the Liability Method to Balance Sheet items related to temporary differences arising from a difference between the tax base of assets and liabilities presented in the Balance Sheet and their respective book value. Tax rates prevailing on the Balance Sheet date were used for determining the amount of deferred corporate income tax. Deferred tax liabilities were recognized for all taxable temporary differences. Deferred tax assets were recognized for all types of deductible temporary differences and effects in the Tax Balance

**NOTES TO THE FINANCIAL STATEMENTS****September 30, 2013**

referring to the loss carried forward and tax credits which may be carried forward to the extent of probable taxable corporate income to be used as deferred tax assets.

**REVIEW OF SIGNIFICANT ACCOUNTING POLICIES (continued)****Taxes and Contributions (continued)*****b) Deferred Corporate Income Tax***

Deferred tax was debited or credited in the Income Statement, except in case of items credited or debited directly in equity when the respective deferred tax was also classified in the equity.

**Taxes and Contributions not Depending on Performance**

Taxes and contributions not depending on performance are property tax and other taxes and contributions paid in accordance with various Republic and municipal regulations. Other taxes and contributions were recognized as expense of the period in which they were incurred.

**Property, Investment Assets, Plant and Equipment**

Initial measurement of property, plant and equipment fulfilling requirements for recognition as an asset is made at its cost. Additional expenses related to property, plant and equipment were recognized as an asset only when those expenses have upgraded the asset as compared to its originally evaluated standard effect. All other subsequently incurred costs were recognized as an expense of the period in which they were incurred.

After initial recognition, property (land and building facilities) were carried at their revaluated values which show their fair value on the date of revaluation reduced for total adjustments made with respect to depreciation and total adjustments resulting from their impairment.

Fair values of property are their market values determined by their respective evaluation. Revaluation is made only when the fair value of the revaluated property significantly differs from its carrying value.

After initial recognition, plant and equipment were carried at cost reduced for the amount of total accrued depreciation and amount of total losses resulting from their impairment.

Gains or losses resulting from decommissioning or disposal were recognized in the Income Statement as income or expense.

**Depreciation**

Depreciation of property, plant and equipment was calculated by applying the straight line method during their estimated useful lives. Useful lives and depreciation rates of the main group of assets were as follows:

| <b><u>Main Groups of Fixed Assets</u></b> | <b><u>Rate (%)</u></b> |
|---|------------------------|
| Building facilities                       | 1.5-5%                 |
| Manufacturing equipment                   | 5-25%                  |
| Field and passenger vehicles              | 10-20%                 |
| Computers                                 | 20-34%                 |
| Other equipment                           | 1.5-50%                |

**REVIEW OF SIGNIFICANT ACCOUNTING POLICIES (continued)****Property, Investment Assets, Plant and Equipment (continued)****Depreciation (continued)**

Depreciation rates are revised each year in order to determine the depreciation which reflects actual utilization of these assets in operations, based on their remaining useful life.

**Investment Assets**

Investment assets represent the property which Company as their owner holds to gain income from lease or to increase the value of equity or for both reasons, but not to use it for services providing or administrative purposes or their disposal within regular Company operations. Initial evaluation of investment assets at the time of their acquisition is made at cost. After the initial recognition, investment assets are carried at their revaluated amounts which reflect their respective fair value on the date of revaluation, i.e. date of assessment, reduced for total adjustments based on depreciation and total adjustments based on losses resulting from their impairment.

**Intangible Assets**

Intangible assets relate to the procured software and trade mark and they are carried at cost reduced for amortization. Intangible assets are written-off by applying the straight-line method within the time period from two to ten years.

**Long-term Financial Investments**

Long-term financial investments include stakes in capital of related parties, commercial banks and other legal entities and they are carried at cost reduced for impairment based on the Management's estimates in order to reflect their respective recoverable values. These loans are carried at their nominal value.

**Impairment**

On each balance sheet date the Company reviews book values of its tangible property in order to establish if any indications of impairment of their value exist. If any such indication is observed, the recoverable value is estimated to determine any potential losses resulting from impairment. If it is impossible to estimate the recoverable amount of an individual asset, the Company assesses the recoverable amount of the cash generating unit wherein the asset is used.

Recoverable value represents a net selling price or value-in-use, whichever is higher. For assessment of value-in-use the estimated future cash flows are discounted to the current value applying a discount rate, before tax, reflecting the current market estimate of the time value of money and risks specific to the asset.

**REVIEW OF SIGNIFICANT ACCOUNTING POLICIES (continued)****Impairment (continued)**

If the estimated recoverable value of an asset (or the cash generating unit) is lower than its book value then its book value (or of the cash generating unit) should be reduced to the recoverable value. Impairment losses are immediately recognized as expense, except in case of land or buildings not used as investment assets which are carried at their revaluated value – in this case the impairment loss is presented as reduced value resulting from the asset revaluation.

In case of subsequent reversal of impairment losses, the book value of the asset (cash generating unit) should be increased up to the revised estimated recoverable value of the asset; provided, however, that the increased book value may not exceed the book value that would be determined in previous years if no impairment loss of the asset (cash generating unit) was recognized due to impairment. Reversal of impairment is immediately recognized as income, except when the asset is not carried at its estimated value – in this case the reversal of impairment is presented as increased value resulting from revaluation.

**Inventories**

Inventories are carried at cost or net selling value, whichever is lower. Net expected selling value represents a price at which the inventories may be sold in regular business circumstances after deducting their respective sale costs.

Value of material and spare parts on stock is determined by applying the average cost method. Cost includes the supplier's invoiced value, transport and ancillary costs.

Value of the work in progress and finished products includes all direct production costs and the aliquot portion of the plant overheads.

Goods on stock in a warehouse are recorded at cost, and inventories of goods in retail trade at retail prices. At the end of the period value of inventories is equated to their cost by allocation of the price differential, calculated on an average base, between cost of the goods sold and inventories at the end of the year.

Adjustment of inventories by debiting other expenses is made when it is assessed that their value should be equated to the net expected selling value (slow-moving inventories, redundant and obsolete inventories including). Damaged inventories and inventories whose quality does not meet standards are written-off.

**Financial Instruments**

Financial assets and financial liabilities are recorded in the Company Balance Sheet at the time when the Company bounds itself to the instrument by contractual provisions. Acquisition or disposal of a financial asset is recognized by applying calculation on the settlement date, i.e. on the date when the asset is delivered to other party.



**REVIEW OF SIGNIFICANT ACCOUNTING POLICIES (continued)****Financial Instruments (continued)**

Financial assets cease to be recognized when the Company defeats control of the contracted rights on the instrument; this happens when the utilization rights of the instrument had been exercised, expired, waived or assigned. A financial liability cease to be recognized when the liability determined under the contract is fulfilled, cancelled or expired.

*a) Stakes in Equity*

Stakes in equity of banks and other legal entities listed at an exchange are initially measured at their cost. Subsequent measurement is made on each balance sheet date in order to equate their value with the market value.

Long-term financial investments which include stakes in equity of related parties, commercial banks and other legal entities listed at an exchange are carried at cost reduced by impairment in accordance with the Management's estimate in order to be equated to their recoverable value.

*b) Trade Receivables, Short-term Investments and Other Short-term Receivables*

Trade receivables, short-term investments and other short-term receivables are carried at their nominal value reduced by adjustments made regarding their collectability, as estimated by the Management.

*c) Cash and Cash Equivalents*

The item 'Cash and Cash Equivalents' in the Financial Statements of the Company reflects cash at hand and balances on current accounts and other money assets available up to three months.

*d) Financial Liabilities*

Financial liability instruments are classified in accordance with the very essence of the contracted provisions. Financial liabilities are carried at their nominal value increased by interest based on the entered contracts, which corresponds to the effective interest rate.

*e) Operating Liabilities*

Trade payables and other operating liabilities are evaluated at the value of received assets.

**REVIEW OF SIGNIFICANT ACCOUNTING ESTIMATES**

Presentation of financial statements demands use of the best possible estimates and reasonable assumptions of the Company Management which have impact on the presented value of assets and liabilities, as well as disclosures of potential receivables and payables as of the date of the financial statements preparation and income and expense of the reporting period. These estimates and assumptions are based on information available on the date of preparation of financial statements.

Key assumptions related to the future and other sources for assessing uncertainties representing significant risks on

**NOTES TO THE FINANCIAL STATEMENTS****September 30, 2013**

the balance sheet date are presented below and they are used to make material correction of the balance sheet item amounts in the next financial year.

**Depreciation and Depreciation Rates**

Depreciation and amortization are calculated and depreciation and amortization rates are based on the projected economic useful life of equipment and intangible assets. The Company annually estimates the economic useful life on the basis of current predictions.

**Adjustments of Receivables and Short-term Investments**

The Company makes impairment of bad trade receivables and other debts on the basis of estimated losses to be incurred in case when debtors are not able to make payments. When estimating a loss resulting from impairment of bad receivables, the Company relies on the age of a particular receivable, former experience related to its write-off, financial standing of customers and changes in payment terms and conditions. Therefore, estimates should be tied to future behavior of customers and the resulting collection. However, significant portion of the Company's receivables are receivables from related parties which, based on estimates and former experience, should allow collectability of receivables in full.

**REVIEW OF SIGNIFICANT ACCOUNTING ESTIMATES (continued)****Fair Value**

Business policy of the Company is to disclose information on fair value of assets and liabilities with available official market information even if the fair value significantly differs from the book value. There is insufficient market experience in the Republic of Serbia and lack of stability and liquidity with respect to acquisition and disposal of receivables and other financial assets and liabilities, since the official market information is not always available. Therefore, it is impossible to determine a reliable fair value in the absence of an active market. The Company Management estimates risks and when it assesses that the book value at which assets are carried may not be achieved it makes corresponding adjustments. In the opinion of the Company Management, amounts presented in these Financial Statements reflect the value which is, under the given circumstances, most accurate and appropriate for reporting purposes.

**NOTE A-1****SALES**

In thousands of dinars /RSD/

|  | <u>09/30/2013</u> | <u>09/30/2012</u> |
|--|-------------------|-------------------|
| Income from sale of goods:                 |                   |                   |
| - Related parties                          | 68,120            | 1,606,844         |
| - Other legal entities in the country      | 128,416           | 113,587           |
| - Other legal entities abroad              | 114,876           | -                 |
|  | <u>311,412</u>    | <u>1,720,431</u>  |
| Income from sale of products and services: |                   |                   |
| - Related parties                          | 630,484           | 1,011,110         |
| - Other legal entities in the country      | 1,558,398         | 3,770,709         |
| - Other legal entities abroad              | 4,754,534         | 4,350,830         |
|  | <u>6,943,416</u>  | <u>9,132,649</u>  |
|  | <u>7,254,828</u>  | <u>10,853,080</u> |

In its Income Statement the Company presented total income from sales in the amount of 7,254,828 thousand dinars. The stated amount includes income from sales of commercial goods of 311,412 thousand dinars and income from sales of products and services of 6,943,416 thousand dinars.

**NOTES TO THE FINANCIAL STATEMENTS**

September 30, 2013

Major income realized by sales of commercial goods:

|                    |                               |
|--------------------|-------------------------------|
| - Related parties: |                               |
| Soybean grain      | 64,710 thousand dinars        |
| Soybean oil        | 3,410 thousand dinars         |
| <b>TOTAL</b>       | <b>68,120 thousand dinars</b> |

|                        |                                |
|------------------------|--------------------------------|
| - Other legal entities |                                |
| Soybean grain          | 98,902 thousand dinars         |
| Crude soybean oil      | 19,266 thousand dinars         |
| Other                  | 10,248 thousand dinars         |
| <b>TOTAL</b>           | <b>128,416 thousand dinars</b> |

|                               |                                |
|-------------------------------|--------------------------------|
| - Other legal entities abroad |                                |
| Soybean oil                   | 114,876 thousand dinars        |
| <b>TOTAL</b>                  | <b>114,876 thousand dinars</b> |

Income from sales of products and services

|                   |                                |
|-------------------|--------------------------------|
| -Related parties  |                                |
| Concentrates      | 31,117 thousand dinars         |
| Soybean meal      | 200,777 thousand dinars        |
| Crude soybean oil | 33,646 thousand dinars         |
| Protein products  | 304,950 thousand dinars        |
| Other             | 59,994 thousand dinars         |
| <b>TOTAL</b>      | <b>630,484 thousand dinars</b> |

|                        |                                     |
|------------------------|-------------------------------------|
| - Other legal entities |                                     |
| Concentrates           | 4,628 thousand dinars               |
| Soybean meal           | 584,135 thousand dinars             |
| Crude soybean oil      | 531,284 thousand dinars             |
| Protein products       | 336,873 thousand dinars             |
| Other                  | 101,478 thousand dinars             |
| <b>TOTAL</b>           | <b>1,558,398 thousand of dinars</b> |

|                               |                                  |
|-------------------------------|----------------------------------|
| - Other legal entities abroad |                                  |
| Concentrates                  | 1,354,929 thousand dinars        |
| Crude soybean oil             | 1,012,139 thousand dinars        |
| Protein products              | 2,339,021 thousand dinars        |
| Other                         | 48,445 thousand dinars           |
| <b>TOTAL</b>                  | <b>4,754,534 thousand dinars</b> |

**NOTE – 2  
OTHER OPERATING INCOME**

In thousands of dinars /RSD/

|                                      | <u>09/30/2013</u> | <u>09/30/2012</u> |
|--------------------------------------|-------------------|-------------------|
| Income from subsidies and incentives | 118               | 2,270             |
| Lease                                | 42,624            | 42,675            |
| Other operating income               | 168               | 1,135             |
|                                      | <u>42,910</u>     | <u>46,080</u>     |

**NOTES TO THE FINANCIAL STATEMENTS**

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**NOTE – 3  
COST OF GOODS SOLD**

In thousands of dinars /RSD/

|                    | <u>09/30/2013</u> | <u>09/30/2012</u> |
|--------------------|-------------------|-------------------|
| Cost of goods sold | 332,247           | 1,661,009         |

In its Income Statement the Company presented the amount of 332,247 thousand dinars as cost of commercial goods sold. Most significant amounts relate to:

|                   |                                |
|-------------------|--------------------------------|
| Soybean grain     | 183,561 thousand dinars        |
| Crude soybean oil | 138,943 thousand dinars        |
| Other             | 9,743 thousand dinars          |
| <b>Total</b>      | <b>332,247 thousand dinars</b> |

**NOTE – 4  
COSTS OF MATERIAL AND ENERGY**

In thousands of dinars /RSD/

|                 | <u>09/30/2013</u> | <u>09/30/2012</u> |
|-----------------|-------------------|-------------------|
| Raw materials   | 6,575,471         | 6,103,591         |
| Other material  | 52,735            | 38,130            |
| Fuel and energy | 442,594           | 261,627           |
|                 | <u>7,070,800</u>  | <u>6,403,348</u>  |

**NOTE – 5  
COSTS OF SALARIES, SALARY COMPENSATIONS AND FRINGE BENEFITS**

In thousands of dinars /RSD/

|   | <u>09/30/2013</u>     | <u>09/30/2012</u>     |
|---|-----------------------|-----------------------|
| Gross salaries                                  | 320,628               | 267,716               |
| Contributions charged to the employer           | 55,780                | 47,515                |
| Business trip costs reimbursement to employees  | 8,599                 | 9,660                 |
| Transportation costs reimbursement to employees | 14,290                | 13,711                |
| Scholarships                                    | 279                   | 2,716                 |
| Fees under author's contract                    | 9,678                 | 1,375                 |
| Redundancy pay and jubilee awards               | 6,193                 | 6,160                 |
| Fees to members of the BoD and SB               | 1,291                 | 813                   |
| Other personal benefits and allowances          | <u>2,709</u>          | <u>5,572</u>          |
| <b>TOTAL</b>                                    | <b><u>419,447</u></b> | <b><u>355,238</u></b> |



**NOTES TO THE FINANCIAL STATEMENTS**

September 30, 2013

**NOTE – 6****COSTS OF DEPRECIATION AND AMORTIZATION AND PROVISIONS**

In thousands of dinars /RSD/

|                               | <u>09/30/2013</u> | <u>09/30/2012</u> |
|-------------------------------|-------------------|-------------------|
| Depreciation and amortization | 255,510           | 152,169           |

**NOTE – 7****OTHER OPERATING EXPENSES**

In thousands of dinars /RSD/

|  | <u>09/30/2013</u> | <u>09/30/2012</u> |
|--|-------------------|-------------------|
| Bank services and payment transaction services | 8,307             | 19,145            |
| Maintenance services                           | 48,022            | 78,256            |
| Laboratory services                            | 111,323           | 43,654            |
| Transport expenses                             | 136,350           | 115,487           |
| Lease  | 42,846            | 57,723            |
| Utility services                               | 20,898            | 14,036            |
| Insurance premiums                             | 24,321            | 14,777            |
| Indirect taxes and contributions               | 42,420            | 18,112            |
| Brokerage services                             | 224               | 697               |
| Legal and consulting services                  | 1,678             | 128               |
| Internet, telephone and postal expenses        | 7,425             | 6,238             |
| Entertainment costs                            | 10,272            | 16,230            |
| Fairs and other events                         | 7,281             | 8,305             |
| Advertising and promotion                      | 1,797             | 2,142             |
| Other manufacturing services                   | 8,422             | 6,820             |
| Other intangible costs                         | 207,421           | 188,338           |
|  | <u>679,007</u>    | <u>590,087</u>    |

**NOTE – 8****FINANCIAL INCOME**

In thousands of dinars /RSD/

|  | <u>09/30/2013</u> | <u>09/30/2012</u> |
|--|-------------------|-------------------|
| Financial income – related parties               | 82,259            | 35,355            |
| Currency differential gains                      | 137,108           | 433,630           |
| Gains resulting from the currency clause effects | 5,277             | 6,134             |
| Interest   | 13,496            | 26,986            |
| Other financial income                           | 1                 | 2,358             |
|  | <u>238,141</u>    | <u>504,463</u>    |

**NOTE – 9****FINANCIAL EXPENSES**

In thousands of dinars /RSD/

|   | <u>09/30/2013</u> | <u>09/30/2012</u> |
|---|-------------------|-------------------|
| Currency differential losses                      | 133,052           | 846,386           |
| Interest costs                                    | 184,655           | 87,910            |
| Losses resulting from the currency clause effects | 4,513             | 861               |
| Other financial expenses                          | 9,313             | -                 |
|   | <u>331,533</u>    | <u>935,157</u>    |

**NOTES TO THE FINANCIAL STATEMENTS**

September 30, 2013

**NOTE – 10  
OTHER INCOME**

In thousands of dinars /RSD/

|   | <u>09/30/2013</u> | <u>09/30/2012</u> |
|---|-------------------|-------------------|
| Income from disposal of equipment and intangible assets | 1                 | -                 |
| Gains from value equating                               | 126,081           | 12,194            |
| Surpluses   | 2,540             | 4,257             |
| Damage compensation from insurance companies            | 2,629             | 5,864             |
| Income from materials sold                              | 419               | 8,318             |
| Other income  | 6,355             | 2,762             |
|   | <u>138,025</u>    | <u>33,395</u>     |

**NOTE – 11  
OTHER EXPENSES**

In thousands of dinars /RSD/

|  | <u>09/30/2013</u> | <u>09/30/2012</u> |
|--|-------------------|-------------------|
| Impairment of receivables and short-term investments | -                 | 85                |
| Material disposal losses                             | 386               | 7,647             |
| Write-off of receivables from housing credits        | 342               | 1,468             |
| Other expenses                                       | 10,258            | 6,677             |
|  | <u>10,986</u>     | <u>15,877</u>     |

**NOTE – 12  
RESULTS****c) Equation of Corporate Income Tax in the Income Statement and the Product of Profit before Tax and Prescribed Tax Rate**

In thousands of dinars /RSD/

|   | <u>09/30/2013</u>           | <u>09/30/2012</u> |
|---|-----------------------------|-------------------|
| Profit before tax                           | -                           | 1,176,319         |
| Corporate income tax calculated at 15% rate | -                           | 117,632           |
| Losses                                      | 464,919                     | -                 |
| Profit after tax                            | <u>                    </u> | <u>1,058,867</u>  |
| Effective tax rate                          | <u>                    </u> | <u>10%</u>        |

## NOTES TO THE FINANCIAL STATEMENTS

September 30, 2013

**NOTE – 13**  
**PROPERTY, PLANT AND EQUIPMENT, BIOLOGICAL ASSETS.**  
**INVESTMENT ASSETS AND INTANGIBLE ASSETS**

|                               | In thousands of dinars /RSD/                |           |   |             |                      |                   |
|-------------------------------|---|-----------|---|-------------|----------------------|-------------------|
|                               | Land, buildings<br>and biological<br>assets | Equipment | Prepayments for<br>fixed assets and<br>current<br>investments | Total       | Investment<br>assets | Intangible assets |
| <b>Cost</b>                   |   |           |   |             |                      |                   |
| Balance as of Jan. 1, 2012    | 1,952,848                                   | 2,345,056 | 3,416,749   | 7,714,654   | 331,953              | 28,993            |
| Increases during the year     | 501,531                                     | 258,227   | 1,472,329   | 2,232,087   | 26,965               | 8,611             |
| Capitalized interest          | 146   |           | 86,578  | 86,724      |                      |                   |
| Transfers                     |   |           | (760,104)   | (760,104)   |                      | (2,854)           |
| Trade payables closing        |   |           | (711,608)   | (711,608)   |                      |                   |
| Transfer to investment assets | (31,622)                                    | (80)      | (31,702)  |             |                      |                   |
| Decommissioning               | (48)  | (24,793)  |   | (25,021)    | (38)                 | (600)             |
| Disposal                      |   | (3,900)   |   | (3,901)     |                      |                   |
| Other – estimate              | 205,383                                     | (644,938) |   | (439,555)   | 229,819              |                   |
| Balance as of Dec. 31, 2012   | 2,628,238                                   | 1,929,392 | 3,503,944   | 8,061,574   | 588,699              | 34,149            |
| Balance as of Jan. 1, 2013    | 2,628,238                                   | 1,929,392 | 3,503,944   | 8,061,574   | 588,699              | 34,149            |
| Increases during the year     | 439,858                                     | 2,539,966 | 1,252,082   | 4,231,906   |                      | 9,685             |
| Capitalized interest          |   |           |   |             |                      |                   |
| Transfers                     | 158,311                                     |           | (2,977,201)   | (2,818,890) | (158,311)            | (9,152)           |
| Trade payables closing        |   |           | (584,656)   | (584,656)   |                      |                   |
| Transfer to investment assets |   |           |   |             |                      |                   |
| Decommissioning               |   | (9)       | (9)   |             |                      |                   |
| Disposal                      |   | (981)     | (981)   |             |                      |                   |
| Other                         |   |           |   |             |                      |                   |
| Balance as of Sep. 30, 2013   | 3,226,407                                   | 4,468,368 | 1,194,169   | 8,888,944   | 430,388              | 34,682            |
| <b>Adjustments</b>            |   |           |   |             |                      |                   |
| Balance as of Jan. 1, 2012    | 238,130                                     | 691,600   | -   | 929,730     | -                    | 15,205            |
| Annual depreciation           | 49,039                                      | 154,416   |   | 203,455     |                      | 3,107             |
| Transfer to investment assets |   | (72)      |   | (72)        |                      |                   |
| Disposal                      |   | (3,901)   |   | (3,901)     |                      |                   |
| Decommissioning               | (4,525)                                     | (22,520)  |   | (27,045)    |                      | (600)             |
| Other – estimate              |   |           |   |             |                      |                   |
| Balance as of Dec. 31, 2012   | 3,578                                       | 0         |   | 3,578       |                      | 17,712            |
| <b>Adjustments</b>            |   |           |   |             |                      |                   |
| Balance as of Jan. 1, 2012    | 3,578                                       |           |   | 3,578       |                      | 17,712            |
| Current year depreciation     | 62,549                                      | 189,852   |   | 252,400     |                      | 3,111             |
| Transfer to investment assets |   |           |   |             |                      |                   |
| Disposal                      |   | (22)      |   | (22)        |                      |                   |
| Decommissioning               |   | (1)       |   | (1)         |                      |                   |
| Balance as of Sep. 30, 2013   | 66,127                                      | 189,829   |   | 255,985     |                      | 20,823            |
| - September 30, 2013          | 3,160,280                                   | 4,278,539 | 1,194,169   | 8,632,988   | 430,388              | 13,859            |
| - December 31, 2012           | 2,624,660                                   | 1,929,392 | 3,503,944   | 8,057,996   | 588,699              | 16,437            |

**NOTES TO THE FINANCIAL STATEMENTS**

September 30, 2013

The Company presented intangible assets in the amount of 13,859 thousand dinars.

The Company presented property, plant and equipment in the amount of 9,063,377 thousand dinars as of September 30, 2013.

Depreciation was calculated by applying the straight-line method to the cost.

**NOTE – 14  
STAKES IN EQUITY**

|   |         | In thousands of dinars /RSD/ |            |
|---|---------|------------------------------|------------|
|   | Stake % | 09/30/2013                   | 12/31/2012 |
| <i>Stakes in equity of subsidiaries</i>         |         |                              |            |
| ZAO Vobeks – Intersoy, Russia                   | 85.00%  | 1,112                        | 1,112      |
| Veterinarski Zavod Subotica a.d.                |         | 1,112                        | 1,112      |
| <i>Stakes in equity of related parties</i>      |         |                              |            |
| Hotel Bela Ladja a.d., Becej                    | 31.81%  | 43,438                       | 43,438     |
| Veterinarski zavod Subotica a.d.                | 31.39%  | 783,618                      | 783,618    |
|   |         | 827,056                      | 827,056    |
| <i>Stakes in equity of banks</i>                |         |                              |            |
| Novosadski Sajam a.d., Novi Sad                 |         | 1,181                        | 1,181      |
| <i>Stakes in equity of other legal entities</i> |         |                              |            |
|   |         | 1,830                        | 1,830      |
|   |         | 830,067                      | 830,067    |

**NOTE – 15  
OTHER LONG-TERM FINANCIAL INVESTMENTS**

|                              | In thousands of dinars /RSD/ |            |
|------------------------------|------------------------------|------------|
|                              | 09/30/2013                   | 12/31/2012 |
| Housing credits to employees | 1,049                        | 1,185      |
|                              | 1,049                        | 1,185      |

**NOTE – 16  
INVENTORIES**

|  | In thousands of dinars /RSD/ |            |
|--|------------------------------|------------|
|  | 09/30/2013                   | 12/31/2012 |
| Material                                       | 2,460,109                    | 3,803,535  |
| Spare parts                                    | 43,556                       | 24,623     |
| Tools and consumables                          | 43,060                       | 46,068     |
| Finished products                              | 1,264,307                    | 422,324    |
| Production in progress                         | 164,983                      | 76,025     |
| Prepayments made                               | 114,202                      | 1,055,046  |
| Goods:   |                              |            |
| - in wholesale trade                           | 15,025                       | 125,609    |
| - stored in warehouses of other legal entities |                              |            |
|  | 4,105,242                    | 5,553,230  |
| Minus: Adjustments of materials on stock       | (23,910)                     | (21,516)   |
|  | 4,081,332                    | 5,531,714  |

## NOTES TO THE FINANCIAL STATEMENTS

September 30, 2013

The Company presented inventories in its Income Statement in the amount of 4,081,332 thousand dinars. Major items on inventories were raw materials and material amounting to 2,460,109 thousand dinars of which the key raw material (soybean grain) was valued to 2,405,183 thousand dinars calculated at the average cost, i.e. in volume of 46,504,610 kg soybean grain of the JUS standard.

**NOTE – 17**  
**RECEIVABLES**

|  | In thousands of dinars /RSD/ |                   |
|--|------------------------------|-------------------|
|  | <u>09/30/2013</u>            | <u>12/31/2012</u> |
| Trade receivables:                                   |                              |                   |
| - Related parties                                    | 644,431                      | 1,745,496         |
| - In the country                                     | 965,013                      | 1,437,484         |
| - Abroad   | 1,266,222                    | 1,022,386         |
| Receivables from exporters                           | -                            | -                 |
| Receivables from specific transactions               | 11,118                       | 5,687             |
| Receivables from interest                            | 18,447                       | 18,319            |
| Receivables from state authorities and organizations | -                            | 33                |
| Overpaid other taxes and contributions               | 4                            | 4                 |
| Other receivables:                                   | <u>290,838</u>               | <u>24,445</u>     |
|  |                              | <u>4,253,854</u>  |
| Minus: adjustment of trade receivables               | <u>(275,052)</u>             | <u>(376,310)</u>  |
|  | <u>2,291,091</u>             | <u>3,877,544</u>  |

**NOTE – 18**  
**SHORT-TERM FINANCIAL INVESTMENTS**

|  | In thousands of dinars /RSD/ |                   |
|--|------------------------------|-------------------|
|  | <u>09/30/2013</u>            | <u>12/31/2012</u> |
| Short-term borrowings to related parties | 731,520                      | 1,474,862         |
| Credit for winter food stores            | 15,584                       | 11,613            |
| Short-term credits in the country        | 43,575                       | 68,803            |
| Other financial investments              | 826,447                      | 229,683           |
| Bought-up treasury shares                | <u>(245,047)</u>             | <u>-</u>          |
|  | <u>1,617,126</u>             | <u>1,784,961</u>  |

Pursuant to the Decision on Acquisition and Disposal of Major Assets passed at the Extraordinary Company Meeting held on December 25, 2012 and based on dissenting shareholders' request for buy-up of their shares in "Sojaprotein" A.D. Becej, the procedure of buy-up of treasury shares from dissenting shareholders is in process. As of September 30, 2013, "Sojaprotein" A.D. Becej has bought-up 528,505 shares at the price of 827,01 dinars per share (representing the highest value of shares when considering their market, estimated and book value) in the treasury shares acquisition procedure.

## NOTES TO THE FINANCIAL STATEMENTS

September 30, 2013

**NOTE – 19  
CASH AND CASH EQUIVALENTS**

|   | In thousands of dinars /RSD/ |                   |
|---|------------------------------|-------------------|
|   | <u>09/30/2013</u>            | <u>12/31/2012</u> |
| Current account                             |                              |                   |
| - in dinars                                 | 12,398                       | 22,342            |
| - in foreign currency                       | 324,496                      | 102,773           |
| Restricted cash funds and letters of credit | 24                           | 19                |
| Treasury                                    | 20                           | -                 |
| Foreign currency letters of credit          | -                            | -                 |
| Other cash funds                            | -                            | 3,255             |
|   | <u>336,938</u>               | <u>128,389</u>    |

**NOTE – 20  
VALUE ADDED TAX AND PREPAYMENTS AND ACCRUED INCOME**

|                                      | In thousands of dinars /RSD/ |                   |
|--------------------------------------|------------------------------|-------------------|
|                                      | <u>09/30/2013</u>            | <u>12/31/2012</u> |
| Prepaid costs up to one year         | 17,730                       | 12,075            |
| Receivable for overpaid VAT          | 1,673                        | -                 |
| Accrued value added tax              | -                            | 3,487             |
| Other prepayments and accrued income | 51,737                       | 751               |
|                                      | <u>71,140</u>                | <u>16,313</u>     |

**NOTE – 21  
OFF-BALANCE ASSETS**

As of September 30, 2013 off-balance assets amounted to 9,297,030 thousand dinars. The amount of 9,290,229 thousand dinars relates to guarantees and collaterals provided by Sojaprotein AD as a guarantor. The amount of 6,801 thousand dinars relates to goods of other legal entities stored in our warehouses.

**OFF-BALANCE ASSETS/LIABILITIES**

|                                | In thousands of dinars /RSD/ |                   |
|--------------------------------|------------------------------|-------------------|
|                                | <u>09/30/2013</u>            | <u>12/31/2012</u> |
| Assets of other legal entities | 6,801                        | 123,659           |
| Sureties, bills and guarantees | 9,290,229                    | 10,582,306        |
|                                | <u>9,297,030</u>             | <u>10,705,965</u> |

**NOTES TO THE FINANCIAL STATEMENTS**

September 30, 2013

**NOTE – 22  
CAPITAL STOCK**

Capital stock of the Company amounts to 6,906,479,571.15 dinars and it is divided in 14,895,524 shares with no nominal value and book value of 463.661404 dinars per share.

Shares of 10<sup>th</sup> issue were entered in the database of the Central Securities, Depository and Clearing House on August 9, 2011.

Structure of the Company share capital was on September 30, 2013 as follows:

| Stakeholders                                | 09/30/2013 |                  |                  |
|---|------------|------------------|------------------|
|   | Stakes %   | Number of shares | Value of capital |
| Viktoria Group AD                           | 50.94%     | 7,587,503        | 3,518,032        |
| Raiffeisenbank AD Beograd – Custody account | 10.71%     | 1,594,786        | 739,441          |
| Mitrovic Zoran                              | 6.07%      | 904,675          | 419,463          |
| Babovic Milija                              | 6.03%      | 897,835          | 416,291          |
| Raiffeisenbank AD Beograd – Custody account | 5.89%      | 876,626          | 406,458          |
| Sojaprotein AD Becej                        | 3.71%      | 551,971          | 255,928          |
| Gistaviad. Fonder Aktie                     | 1.14%      | 170,000          | 78,822           |
| Polunin Discovery Gunds                     | 0.57%      | 85,500           | 39,643           |
| Raiffeisenbank AD Beograd – Custody account | 0.52%      | 76,933           | 35,671           |
| The Royal Bank of Scotland PLC              | 0.31%      | 45,876           | 21,271           |
| Other legal entities and natural persons    | 14.11%     | 2,103,819        | 975,460          |
|   | 100.0%     | 14,895,524       | 6,906,480        |
| Treasury shares                             |            | 551,971          |                  |
| Share capital                               |            | 14,343,553       | 6,906,480        |

23,466 treasury shares acquired as free shares of the 10<sup>th</sup> issue have remained to be sold.

**MANDATORY RESERVES**

As of September 30, 2013, mandatory reserves of the Company amounting to 339,645 thousand dinars represent earmarked portion of retained profit from previous years, in accordance with the Decision on the Profit Distribution realized in the business year 2012 passed by the Company Meeting, whereby the Company earmarked 5% of net profit realized in the business year to the mandatory reserves account – until reaching 10% of the Company capital stock.

**STATUTORY RESERVES**

As of September 30, 2013, statutory reserves of the Company amounted to 248,267 thousand dinars. At the time of net profit distribution realized in the business year, the Company earmarks assets to the reserves in accordance with its Statute. The Company may freely avail of these reserves and their purpose is not specifically defined under the current internal by-laws.

Statutory reserves were not used.

**NOTES TO THE FINANCIAL STATEMENTS**

September 30, 2013

**NOTE – 23  
LONG-TERM LOANS**

|                                | In thousands of dinars /RSD/ |                  |
|--------------------------------|------------------------------|------------------|
|                                | 09/30/2013                   | 12/31/2012       |
| Long-term loans in the country | 2.350.986                    | 4.273.863        |
| Long-term loans abroad         | 1.272.534                    | 1.621.199        |
|                                | <u>3.623.520</u>             | <u>5.895.062</u> |
| Current maturities             | (230.923)                    | (3.588.746)      |
|                                | <u>3.392.597</u>             | <u>2.306.316</u> |

**LONG-TERM LOANS ABROAD**

|   | Currency | Amount in the<br>currency | In thousands of dinars /RSD/ |                  |
|---|----------|---------------------------|------------------------------|------------------|
|   |          |                           | 09/30/2013                   | 12/31/2012       |
| Erste Bank                              | EUR      | 3,718,000                 | 426,099                      | -                |
| Vojvodjanska Banka a.d., Novi Sad       | EUR      | 10,756,277                | -                            | 1,223,185        |
| European Bank                           | EUR      | 1,785,714                 | 204,651                      | 284,296          |
| European Bank                           | EUR      |                           | -                            | 113,718          |
| IFC /International Finance Corporation/ | EUR      | 5,600,000                 | 641,784                      | -                |
|   |          |                           | <u>1,272,534</u>             | <u>1,621,199</u> |
| Current maturities                      |          |                           | -                            | (194,946)        |
|   |          |                           | <u>1,272,534</u>             | <u>1,426,253</u> |

As of December 31, 2012, liabilities for refinanced credits granted by the Paris Club Creditors of 1,223,185 thousand dinars (EUR 10,756,277) represented the principal which the Company presented in its Financial Statements as of December 31, 2012.

In the pending dispute against Vojvodjanska Banka a.d. Novi Sad referring to the liability on refinanced loans, the second instance award was passed in favor of the Plaintiff and, currently, the case has been reconsidered in the judicial procedure before the Supreme Court of Appeals.

Pursuant to the Award the Commercial Court in Novi Sad, the principal and the accrued interest and corresponding costs were paid to the Plaintiff – Vojvodjanska Banka a.d. Novi Sad on April 3, 2013.



## NOTES TO THE FINANCIAL STATEMENTS

September 30, 2013

## LONG-TERM LOANS IN THE COUNTRY

|                       | Currency | Amount in the<br>currency | In thousands of dinars /RSD/ |             |
|-----------------------|----------|---------------------------|------------------------------|-------------|
|                       |          |                           | 09/30/2013                   | 12/31/2012  |
| Uni Credit Bank       | EUR      | 15,125,144                | 1,540,807                    | 1,815,562   |
| Banca Intesa          | EUR      | 1,750,000                 | -                            | 132,672     |
| Banca Intesa          | EUR      | 2,000,000                 | -                            | 151,624     |
| Banca Intesa          | EUR      | 4,500,000                 | -                            | 341,155     |
| Societe Generale Bank | EUR      | 7,050,000                 | 540,933                      | 1,250,901   |
| Eurobanka EFG         | EUR      | 1,600,000                 | 84,631                       | 181,949     |
| Eurobanka EFG         |          |                           | 184,615                      | 400,000     |
|                       |          |                           | 2,350,986                    | 4,273,863   |
| Minus:                |          |                           | (230,923)                    | (2,170,615) |
| Current maturities    |          |                           | 2,120,063                    | 2,103,248   |

Long-term loans in the country were granted for financing the Concentrate Plant, non-current working capital and export deals.

Grace period varies from three to six month at interest rates equal to one-month and three-month EURIBOR increased by the percentage point ranging within 2.40% and 4.25% on annual basis.

## NOTE – 24

## SHORT-TERM FINANCIAL LIABILITIES

|                      | In thousands of dinars /RSD/ |            |
|----------------------|------------------------------|------------|
|                      | 09/30/2013                   | 12/31/2012 |
| Current maturities:  |                              |            |
| - of long-term loans | 230,923                      | 3,588,746  |
| Short-term credits   | 916,835                      | 909,747    |
| Other                | 1                            | 68         |
|                      | 1,147,759                    | 4,498,561  |

## Short-term Credits:

| Creditor:             | Amount in the<br>currency | 09/30/2013 | 12/31/2012 |
|-----------------------|---------------------------|------------|------------|
| Societe Generale Bank | 3,000,000                 | 343,813    | 341,155    |
| Credit Agricole       | 5,000,000                 | -          | 568,591    |
| Credit Agricole       | 1,300,000                 | 148,986    | -          |
| Credit Agricole       | 3,700,000                 | 424,036    | -          |
|                       |                           | 916,835    | 909,746    |

Short-term domestic credits were obtained for financing non-current working capital at interest rate equal to one-month EURIBOR increased by the percentage point ranging within 3.90% and 4.30% on annual basis.

**NOTES TO THE FINANCIAL STATEMENTS**

September 30, 2013

**NOTE – 25  
OPERATING LIABILITIES**

|   | In thousands of dinars /RSD/ |                |
|---|------------------------------|----------------|
|   | 09/30/2013                   | 12/31/2012     |
| Liabilities based on received prepayments | 27,678                       | 26,376         |
| Trade payables:                           |                              |                |
| - Parent and subsidiaries                 | -                            | 29,453         |
| - Other related parties                   | 1,490,353                    | 245,484        |
| - Domestic suppliers                      | 768,717                      | 286,109        |
| - Foreign suppliers                       | 32,366                       | 46,174         |
| - Other operating liabilities             | 71,016                       | 55,982         |
|   | <u>2,390,130</u>             | <u>689,578</u> |

**NOTE – 26  
OTHER SHORT-TERM LIABILITIES**

|  | In thousands of dinars /RSD/ |                |
|--|------------------------------|----------------|
|  | 09/30/2013                   | 12/31/2012     |
| Net salaries and salary compensations          | 13,380                       | 12,610         |
| Taxes and contributions on salaries            | 8,050                        | 7,858          |
| Interest and financing costs                   | 28,345                       | 368,750        |
| Dividends                                      | 3,017                        | 3,017          |
| Fees to natural persons engaged under contract | 1,147                        | 188            |
| Refundable net salaries                        | 77                           | 216            |
| Taxes and contributions on refundable salaries | 40                           | 81             |
| Fees of members of BoD and SB                  | 145                          | 30             |
| Other liabilities                              | 297                          | 52             |
|  | <u>54,498</u>                | <u>392,802</u> |

**NOTE – 27  
VALUE ADDED TAX AND OTHER PUBLIC EXPENSES AND ACCRUALS AND DEFERRED INCOME**

|  | In thousands of dinars /RSD/ |                |
|--|------------------------------|----------------|
|  | 09/30/2013                   | 12/31/2012     |
| Taxes, custom duties and other levies  | 31,103                       | 85,191         |
| Calculated income of the future period | 204                          | 256            |
| Accrued value added tax                | -                            | 4,181          |
| Other accruals and deferred income     | -                            | 15,277         |
| Pre-calculated costs                   | 31,754                       | -              |
|  | <u>63,061</u>                | <u>104,905</u> |

**FINANCIAL INSTRUMENTS AND RISKS MANAGEMENT OBJECTIVES****Capital Risk Management**

The objective of the capital risk management is to maintain the going concern of the Company operations within unlimited time period in the foreseeable future, to keep the optimum structure of its capital aiming to reduce capital costs and obtain secure capital yield to its owners. Debts, long-term loans including, other long-term liabilities, long-term and short-term investments, cash and cash equivalents and capital attributable to owners make the structure of the Company equity and includes stakes, other capital, reserves and accumulated profit.

Persons responsible for the Company finances conduct annual audit of the equity structure.

Debt indicators of the Company with balance as of September 30, 2013 were as follows:

|                             | In thousands of dinars /RSD/ |            |
|-----------------------------|------------------------------|------------|
|                             | 09/30/2013                   | 12/31/2012 |
| Indebtedness a)             | 4,540,356                    | 6,804,878  |
| Cash and cash equivalents   | 316,938                      | 128,380    |
| Net indebtedness            | 4,203,418                    | 6,676,489  |
| Equity b)                   | 11,546,173                   | 12,449,372 |
| Total debts to equity ratio | 0.36                         | 0.54       |

a) Indebtedness relates to long-term and short-term financial liabilities.

b) Equity includes share capital, reserves and accumulated profit reduced by losses of the period and bought-up treasury shares.

**FINANCIAL INSTRUMENTS AND RISKS MANAGEMENT OBJECTIVES (continued)****Classes of Financial Instruments**

|  | In thousands of dinars /RSD/ |            |
|--|------------------------------|------------|
|  | 09/30/2013                   | 12/31/2012 |
| <b>Financial assets</b>                |                              |            |
| Stakes in equity                       | 3,012                        | 3,012      |
| Other long-term financial investments  | 1,049                        | 1,186      |
| Receivables                            | 2,921,087                    | 3,877,508  |
| Short-term financial investments       | 1,846,598                    | 1,773,348  |
| Cash and cash equivalents              | 336,938                      | 128,389    |
|  | 5,108,684                    | 5,783,443  |
| <b>Financial liabilities</b>           |                              |            |
| Long-term loans and short-term credits | 4,540,356                    | 6,804,878  |
| Trade payables                         | 2,362,452                    | 663,202    |
| Other liabilities                      | 32,807                       | 371,955    |
|  | 6,935,615                    | 7,840,035  |

**NOTES TO THE FINANCIAL STATEMENTS****September 30, 2013**

Main financial instruments of the Company are cash and cash equivalents, receivables, financial investments resulting directly from the Company operations, as well as long-term loans, trade payables and other liabilities whose basic purpose is to finance the current Company operations. In regular business environment the Company is exposed to the below mentioned risks.

**Financial Risk Management Objectives**

Financial risks include market risks (currency risk and interest risk) and credit risks. Financial risks are assessed on a timely basis and they are mainly evaded by reducing exposure of the Company to these risks. Company does not use any financial instruments to evade effects of financial risks on its operations, since these instruments are not used and no organized market of these instruments is established in the Republic of Serbia.

**Market Risks**

In its operations the Company is exposed to financial risks resulting from fluctuation of exchange rates and interest rates. Exposure to the market risks is assessed by sensitivity analysis. Neither significant changes in exposure of the Company to market risks were observed nor in the manner in which the Company manages and measures the market risks.

**Currency Risks**

Company is exposed to currency risks mainly through cash and cash equivalents, trade receivables, long-term loans and trade payables denominated in foreign currencies. Company does not use any specific financial instruments as a protection against these risks since they are not common in the Republic of Serbia.

Stability of economic environment in which the Company is operating depends to a great extent on Government measures in commerce, including the implementation of an adequate legal and regulatory framework.

**FINANCIAL INSTRUMENTS AND OBJECTIVES OF RISKS MANAGEMENT (continued)****Market Risks (continued)****Currency Risks (continued)**

Book value of the Company monetary assets and liabilities carried in foreign currencies on the reporting date were as follows:

|     | Assets           |                  | Liabilities      |                  |
|-----|------------------|------------------|------------------|------------------|
|     | 09/30/2013       | 12/31/2012       | 09/30/2013       | 12/31/2012       |
| EUR | 2,280,593        | 946,723          | 4,339,426        | 7,201,333        |
| USD | 346,866          | 497,399          | 2,053            | -                |
| GBP | 27,975           | 10,074           | -                | -                |
| CHF |                  |                  | 460              |                  |
|     | <u>2,655,434</u> | <u>1,454,196</u> | <u>4,341,939</u> | <u>7,201,333</u> |

**NOTES TO THE FINANCIAL STATEMENTS****September 30, 2013**

Company is sensitive to movement of euro (EUR) and American dollar (USD) exchange rates. Table below shows detailed sensitivity analysis of the Company in case of 10% increase and decrease of exchange rate of dinar against a respective foreign currency. 10% sensitivity rate is used in internal presentation of currency risks and represents the Management's estimate of reasonably expected movements in foreign currency exchange rates. Sensitivity analysis includes only outstanding receivables and payables carried in foreign currencies and equates their translation at the end of the period with 10% change of foreign currency exchange rates. A positive figure in the table indicates increase of performance results in the period in case of dinar revaluation against the specified foreign currencies. In case of 10% devaluation of dinar against the specified foreign currency, effects on the performance results in the current period would be contrary to the effects given in the previous case.

|   | <b>In thousands of dinars /RSD/</b> |                   |
|---|-------------------------------------|-------------------|
|   | <b>09/30/2013</b>                   | <b>12/31/2012</b> |
| EUR currency                              | (211,862)                           | (625,461)         |
| USD currency                              | 34,481                              | 49,740            |
| GBP currency                              | 2,798                               | 1,007             |
| CHF currency                              | (46)                                |                   |
| Performance results in the current period | <u>(174,629)</u>                    | <u>(274,714)</u>  |

Sensitivity of the Company to movements of foreign currencies has been reduced in the current period mainly due to reduced credit liabilities.

**Interest Risks**

Company is exposed to risks of fluctuations in interest rates in case of assets and liabilities with variable interest rate. These risks depend on the financial market and the Company avails of no instruments whereby it could mitigate their effects.

**FINANCIAL INSTRUMENTS AND RISKS MANAGEMENT (OBJECTIVES continued)****Market Risks (continued)****Interest Risks (continued)**

|                                       | <b>In thousands of dinars /RSD/</b> |                   |
|---------------------------------------|-------------------------------------|-------------------|
|                                       | <b>09/30/2013</b>                   | <b>12/31/2012</b> |
| <b>Financial assets</b>               |                                     |                   |
| <i>Interest free</i>                  |                                     |                   |
| Long-term financial investments       | 3,012                               | 3,012             |
| Other long-term financial investments | 1,049                               | 1,186             |
| Trade receivables                     | 2,921,087                           | 3,877,508         |
| Short-term financial investments      | 43,683                              | 43,523            |
| Cash and cash equivalents             | 336,938                             | 128,389           |
|                                       | <u>3,305,769</u>                    | <u>4,053,348</u>  |
| <i>Fixed interest rate</i>            |                                     |                   |
| Short-term financial investments      | <u>731,250</u>                      | <u>1,688,966</u>  |
| <i>Variable interest rate</i>         |                                     |                   |
| Short-term financial investments      | <u>3,749</u>                        | <u>41,129</u>     |
|                                       | <u>4,041,038</u>                    | <u>5,783,443</u>  |

**NOTES TO THE FINANCIAL STATEMENTS**

September 30, 2013

**Financial liabilities***Interest free*

|                   |                  |                  |
|-------------------|------------------|------------------|
| Trade payables    | 2,362,452        | 663,202          |
| Other liabilities | 32,807           | 371,955          |
|                   | <u>2,395,259</u> | <u>1,035,157</u> |

*Fixed interest rate*

|  |        |         |
|--|--------|---------|
| Long-term loans and short-term credits | 84,631 | 181,949 |
|--|--------|---------|

*Variable interest rate*

|  |                  |                  |
|--|------------------|------------------|
| Long-term loans and short-term credits | 4,455,725        | 6,622,929        |
|  | <u>4,540,356</u> | <u>7,840,035</u> |

Below presented sensitivity analyses were made on the basis of exposure to fluctuations of interest rates of non-derivative instruments as of the Balance Sheet date. Analysis of liabilities with variable rate was made under the assumption that the remaining balance of assets and liabilities on the Balance Sheet date has not changed during the entire year. The Management's estimate was that 1% increase or decrease represents a reasonable possibility of changes in interest rates. Should the interest rate increase/decrease by 1% and all other variables remain unchanged, the Company would accomplish operating profit/(loss) of 44,520 thousand dinars more or less, respectively, in the year ending on September 30, 2013. This situation results from the Company's exposure to contracted variable interest rates on long-term loans.

**Credit Risks*****Management of Trade Receivables***

Company is exposed to credit risks, i.e. risks that debtors will not have ability to settle their debts to the Company in full and timely and, consequently, the Company will suffer financial losses. Company's exposure to these risks is limited to trade receivables on the Balance Sheet date. Significant portion of trade receivables relates to related parties.

**FINANCIAL INSTRUMENTS AND RISKS MANAGEMENT OBJECTIVES (continued)****Credit Risks (continued)*****Management of Trade Receivables (continued)***

Trade receivables are from:

| <u>Account</u>      | In thousands of dinars /RSD/ |                   |
|---------------------|------------------------------|-------------------|
|                     | <u>09/30/2013</u>            | <u>12/31/2012</u> |
| - Related parties   | 644,431                      | 1,838,577         |
| - Third parties     | 1,956,182                    | 1,470,720         |
| - Other receivables | 320,474                      | 568,211           |
|                     | <u>2,921,087</u>             | <u>3,877,508</u>  |

**NOTES TO THE FINANCIAL STATEMENTS**

September 30, 2013

Table below shows the structure of trade receivables on September 30, 2013.

|  | <b>Gross<br/>exposure</b> | <b>In thousands of dinars<br/>Adjustment</b> | <b>Net exposure</b> |
|--|---------------------------|--|---------------------|
| Trade receivables – undue              | 1,220,850                 | -  | 1,220,850           |
| Trade receivables – due and adjusted   | 347,432                   | (347,432)                                    | -                   |
| Trade receivables – due and unadjusted | 1,700,237                 | -  | 1,700,237           |
|  | <u>3,268,519</u>          | <u>(347,432)</u>                             | <u>2,921,087</u>    |

On December 31, 2012 the structure of trade payables was as follows:

|                                     | <b>Gross<br/>exposure</b> | <b>In thousands of dinars<br/>Adjustment</b> | <b>Net exposure</b> |
|-------------------------------------|---------------------------|--|---------------------|
| Trade payables – outstanding        | 2,946,159                 | -  | 2,946,159           |
| Trade payables – due and adjusted   | 446,781                   | (446,781)                                    | -                   |
| Trade payables – due and unadjusted | 931,349                   | -  | 931,349             |
|                                     | <u>4,324,289</u>          | <u>(446,781)</u>                             | <u>3,877,508</u>    |

**FINANCIAL INSTRUMENTS AND RISKS MANAGEMENT OBJECTIVES (continued)****Credit Risks (continued)****Management of Trade Receivables (continued)***Undue Trade Receivables*

Undue trade receivables presented in the amount of 1,220,850 thousand dinars on September 30, 2013 (December 31, 2012: 2,946,159 thousand dinars) mainly relate to trade receivables from sale of crude soybean oil, soybean meal, soybean textures, flours and concentrates. Maturity of these trade receivables ranges mainly within 60 days from the date of invoicing.

*Due and Adjusted Trade Receivables*

In previous periods, impairment of due trade receivables amounted to 347,432 thousand dinars (2012: 446,781 thousand dinars) since the Company established changes in financial standing of the accounts and, estimated that the receivables shall not be collected in full.

*Due and Unadjusted Trade Receivables*

Trade receivables amounting to 1,700,237 thousand dinars as of September 30, 2013 (December 31, 2012: 931,349 thousand dinars) were not impaired since no change in financial standing of accounts was established and due to the fact that major portion of these trade receivables relate to related parties; a portion of receivables relate to soybean oil and soybean meal, TSP, F&G and soybean concentrates agreed to be sold subject to deferred payment. Therefore, the Company Management estimates that the current value of these trade receivables shall be collected in full.

**NOTES TO THE FINANCIAL STATEMENTS****September 30, 2013***Due and Unadjusted Trade Receivables (continued)*

Below given table shows the age of due and unadjusted trade receivables.

|                   | In thousands of dinars /RSD/ |            |
|-------------------|------------------------------|------------|
|                   | 09/30/2013                   | 12/31/2012 |
| Less than 30 days | 486,552                      | 144,648    |
| 31-90 days        | 327,414                      | 333,704    |
| 91-180 days       | 319,300                      | 9,258      |
| 181-365 days      | 552,651                      | 426,745    |
| Over 365 days     | 14,230                       | 16,994     |
|                   | 1,700,237                    | 931,349    |

**Management of Trade Payables**

On September 30, 2013 trade payables were presented in the amount of 2,362,452 thousand dinars (December 31, 2012: 663,202 thousand dinars). Suppliers do not calculate a default interest on due and outstanding payables, provided that the Company settles its liabilities within the agreed time period, in accordance with its policies related to the management of trade payables. Average term of trade payables settlement is 47 days.

**FINANCIAL INSTRUMENTS AND RISKS MANAGEMENT OBJECTIVES (continued)****Fair Value of Financial Instruments (continued)***Assumptions in Estimating Current Fair Value of Financial Instruments*

Since there is insufficient market experience, stability and liquidity in acquisition and disposal of financial assets and liabilities and no market information available for eventual use when disclosing a fair value of financial assets and liabilities, the discounted cash flow method was used. This evaluation method uses interest rates on financial instruments of similar characteristics in order to obtain relevant estimates of the market value of financial instruments on the Balance Sheet date.

Assumptions used in evaluating current fair values were that the book value of short-term trade receivables and trade payables represent their approximated fair value, since their maturity for payment/collection ranges within a relatively short time period.

**TAX RISKS**

Tax regulations of the Republic of Serbia are often interpreted differently and they are frequently amended. Interpretation of tax regulations by the tax authorities with respect to transactions and activities of the Company may differ from the Management's interpretation. Therefore, transactions may be disputed by tax authorities and certain additional tax, penalties and interests may be imposed to the Company. The limitation period of a tax liability is five years. In practice, it means that the tax authorities are entitled to determine payment of outstanding liabilities within a five-year period from the date the liability was made.

**DISPUTES**

On September 30, 2013, five disputes are pending against the Company and their estimated value is 27,790 thousand dinars.



## NOTES TO THE FINANCIAL STATEMENTS

September 30, 2013

In the proceedings against Vojvodjanska Banka a.d. Novi Sad, in case of liabilities under the refinanced credits granted by the Paris Club Creditors - initial estimated value of EUR 13,206,878.65 – the second instance award was passed in favor of the Plaintiff.

On April 3, 2013 the Company settled its liability to the Vojvodjanska Banka a.d. Novi Sad in full.

The case is currently being reconsidered by the Supreme Court of Appeals.

## CURRENT ECONOMIC ENVIRONMENT AND ITS IMPACT ON THE COMPANY

During the year Company operations were significantly affected by actual global financial crisis and aggravated economic conditions. In 2013 no significantly different conditions are expected. Due to the current crisis on global market and its impact on the Serbian market, it may be expected that the Company will operate under aggravated and uncertain economic conditions. Currently, it is impossible to predict a full impact of the crisis on future operations of the Company and, hence, an element of general uncertainty is present. Aggravation of economic situation in the country shall probably make an impact on positions of certain industries and indirectly it will reflect on the Company operations as well.

Nevertheless, the Company had no major problems to maintain its liquidity.

## FOREIGN CURRENCY EXCHANGE RATES

Mean exchange rates established at the Interbank Market were used for translating in dinars the Balance Sheet items carried in foreign currency, and they were as follows for individual main currencies:

|     | <u>09/30/2013</u> | <u>12/31/2012</u> |
|-----|-------------------|-------------------|
| USD | 84.8859           | 86.1763           |
| EUR | 114.6044          | 113.7183          |

In Becej, this September 30, 2013

Legal Representative  
James Patrick King  
Chief Executive Officer  
*Signature*

PLACE OF SEAL  
SOJAPROTEIN  
Soybean Processing  
Joint Stock Company  
Becej 21



**SOJAPROTEIN**

**“SOJAPROTEIN” A.D. BECEJ**

**OPERATING REPORT**

**January – September 2013**

**November 2013**

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## Operating Report for the Period January – September 2013

“Sojaprotein” A.D. Becej is the leading company in soybean processing, both in Serbia and regional market and in South-Eastern Europe. The Company is a stable business partner and reliable supplier of high-quality soybean products intended for food and pharmaceutical industries; from the third quarter of 2012 it commenced production of high-protein products (Traditional Soybean Protein Concentrate) for intensive animal feeding.

“Sojaprotein” operates as an open joint stock company and it is listed on the Prime Market of the Belgrade Stock Exchange from 2007. Domestic production of soybean seed and grain represents the major base for soybean processing in our plant and all our products are manufactured from a genetically unmodified soybean grain originating from Serbia with IP Certificate (Identity Preservation Program) whereby genetic purity of the soybean seed up to delivery of final products is secured. Limited domestic market with respect to the volume, structure and marketability against the paying ability of demand and orientation on marketing of protein products used in food industry have focused the sale of final soybean products in foreign markets. Export increase trend which commenced earlier is being intensified every year and has provided better results with orientation to extended capacities by introducing a new production program after putting into operation the new production plant.

In spite of continued both financial and economic crises, a steady growth of sales on foreign markets marks total sales due to changed structure of the production program. Sales of soybean products on domestic market are conducted in circumstances of reduced demand resulting from smaller processing capacities and reduced possibility of the goods marketability, as well as seriously threatened liquidity of customers. Major consequences may be seen in the livestock industry which would be a potential consumer of soybean concentrates as a component of forage, but due to high prices of this product within the observed period, poor demand and low payment capacities this product is currently symbolically present and marketed at domestic market.

In the beginning of 2013, the decision on suspension of the soybean meal production was made. Decision on suspension of the soybean meal production was necessary in order to separate production/transport lines of soybean protein concentrates from soybean meal and provide better quality of SPC as the only appropriate long-term perspective in the field of livestock fodder. This essential change in the structure of current production program to higher phase production of protein products (SPC, TSPC and FSPC) which yield higher profit margin shall quickly contribute to higher profitability of all operations. On the other part, the Company may remain partially present in the local market by producing soybean meal from time to time and achieving maximum utilization of its processing capacities until reaching maximum production/sales of SPC and, to the other part, using a well-known and recognized quality of soybean meal produced to additionally improve the production and financial results. Harmonization of SPC products continued in the period January – September, particularly of SPC products for animal feed.

In total, 100,317 tons of soybean grain had been processed in the period January – September. The processed quantity is by 31.25% lower than in the same period of 2012 when 145,909 tons of soybean grain had been processed. The lower processing volume was achieved in grain processing, but also an increase in production of white flakes necessary in production of SPCs. In total, 29,959 tons of higher phase products had been produced for human consumption, by 12.53% lower than in the same period of 2012.

As compared to the previous year, production of soybean oil shows the following deviation: in the first nine months of 2013, 18,558 tons of soybean oil had been produced, i.e. by 29.96% lower than in the same period of the previous year when 26,497 tons of the product had been produced. Production of soybean oil was reduced as compared to the previous year due to new mode of soybean processing in hexane extraction.

## SOJAPROTEIN AD BECEJ – OPERATING REPORT FOR THE PERIOD JANUARY-SEPTEMBER 2013

In the reporting period, the protein part of production achieved lower production results in almost all types of products as compared to the previous year. Volume of TSP production was 13,912 tons of finished products, whereas volume of flours and groats production was 15,298 tons. Furthermore, technology testing and upgrading of the plant to allow production of textured soybean protein concentrates (TSPC) had been performed in the first quarter.

Within the CAPEX investment implementation cycle in Sojaprotein, several projects commenced in 2013 with the objective of maintaining high quality of products, upgrading and optimizing individual phases of the production process. Most significant investments realized in the period January – September 2013 were: procurement and installation of big-bag filler for SPC; procurement and installation of packaging machine and palletizer for TSP; reconstruction of lines for receiving, cleaning, calibrating and issuing soybean grain; procurement of the SPC processing equipment.

Concurrently with construction of the Traditional Soybean Concentrates Plant preparatory works for construction of the Functional Soybean Concentrates Production Plant are in progress. Site permit for the FSCP Construction Project was obtained after development of the preliminary design and adoption of the Environment Impact Study is underway. Final design for the high-pressure boiler room on pellets is completed.

As of September 30, 2013, Sojaprotein had 417 employees.

In 2013, the System Management Center performed various activities. Objectives in 2013 and implementation of programs within defined terms and appointed leaders were established in January. These objectives include QMS/FSMS and OH&S standards.

Training of employees (heads of all organizational units) in the field of handling hazardous materials and training of participants for the title Chemicals Advisor were performed.

Internal training of executors within SOJAPROTEIN AD were implemented in accordance with training plans in the field of GMP/GMP+/HACCP to become executors in the alcohol extraction plant, SPC processing plant, fuel station and F&G and TSP plants. Furthermore, training of certain number of executors for final products and intermediaries sampling, as well as training of employees for work and conduct in the 'clean' room were implemented. External training in the field of HACCP System was also performed.

Employees of CSM participated in external training for internal auditors. Training within the Product Quality Analysis System – PAQ was performed, program module for alcohol extraction created as well as summary reporting module by group of products. External training in the field of ISCC System was performed.

Within regular activities of CSM, activities of the HACCP Team were intensified with respect to evaluation of SPCs production, active participation in the Project of Microbiological Image Upgrading in Production, monitoring of gluten, alpha toxin and products safety. Consistent OHSAS 180001:2007 standard management has been confirmed in supervisory inspection performed by SGS in April. Internal control for this inspection was made in the period March 6 – March 8, 2013. Continuation and extension of the KOSHER Certificate was made in March 2013. Procedure to obtain HALAL Certificate for SPC products has been also initiated.

Total sales of products in the period January – September 2013 were reduced than in the same period of the previous year. Most important reasons for this reduce were: significantly lower sales of SPC, soybean meal and soybean oil and, partially, reduced sales of products of higher-phase soybean processing. Delay in obtaining the conditional approval of export quality has crucial impact on drop of planned export of SPC, on the one part, but also on the planned sales of soybean meal in the local market, to the other part.

## SOJAPROTEIN AD BECEJ – OPERATING REPORT FOR THE PERIOD JANUARY-SEPTEMBER 2013

After suspension of soybean meal production, the Company has retreated from the domestic market and the resulting sales of this product were significantly below the realization achieved in the same period of 2012 (drop by 86%). Decision on suspension of the soybean meal production was necessary to allow permanent separation of SPC production/transport lines from soybean meal production/transport lines and, hence, to achieve higher quality of SPC as the only appropriate long-term perspective in the field of livestock fodder. Sales of product within the Human Consumption Program contributed to growth of higher-phase processing products share in total sales of soybean products – in terms of volume, current realized export even 64.44% as compared to 38.72% in 2012. Share of financial effects of export in total sales of soybean products was 73% in the period January – June 2013, whereas in the same period of the previous year its share in total financial results of sold finished soybean products was 50.97%.

Although the observed period recorded mild reduce in sales of higher-phase processing products (F&G, TSP, SPC-textured, Mixes, Soja Vita) as compared to 2012, good market positions on strategic markets have remained and, concurrently, prerequisites for future growth of total sales were created, particularly export based on expected lower prices of soybean grain – crop 2013.

Regionally considering, export to markets of countries – members of EU/EFTA was dominant. For all groups of products, except for Sopromixes, EU/EFTA market was major and with respect to soybean oil and SPC it was practically the only export market. Sales of first volumes of higher-phase processing products opened some new markets and indicated new export perspectives to SOJAPROTEIN in the future period.

Value of total export in the period January – September 2013 has reached 45.9 million euros or 5.16 billion dinars.

**SOJAPROTEIN AD BECEJ – OPERATING REPORT FOR THE PERIOD JANUARY-SEPTEMBER 2013**

1. FINANCIAL INDICATORS

(Realization against the same reporting period of the previous year)

1.1 Income Statement

In '000 RSD

| Reporting Period: 01/01-09/30/2013                   | Y.T.D.<br>REALIZED<br>Jan-Sep 2013 | Y.T.D.<br>REALIZED<br>Jan-Sep 2012 | Y.T.D.<br>REALIZED<br>DIFFERENCES<br>(1-2) | Y.T.D.<br>REALIZED<br>DIFFERENCES<br>in % |
|--|------------------------------------|------------------------------------|--|---|
|  | 1                                  | 2                                  | 3  | 4   |
| <b>Operating income</b>                              | <b>8.258.445</b>                   | <b>10.751.346</b>                  | <b>-2.492.901</b>                          | <b>-23.19%</b>                            |
| <b>Sales of goods, products and services</b>         | <b>7.254.828</b>                   | <b>10.853.080</b>                  | <b>-3.598.252</b>                          | <b>-33.15%</b>                            |
| <b>Sales to domestic market – third parties</b>      | <b>1,686,814</b>                   | <b>3,884,296</b>                   | <b>-2,197,482</b>                          | <b>-56.57%</b>                            |
| Crude soybean oil                                    | 531,284                            | 552,691                            | -21,407                                    | -3.87%                                    |
| Soybean meal   | 584,131                            | 2,668,515                          | -2,084,384                                 | -78.11%                                   |
| Concentrates   | 4,628                              | 39,359                             | -34,731                                    | -88.24%                                   |
| Flour and groats                                     | 130,265                            | 136,336                            | -6,071                                     | -4.45%                                    |
| Textured soybean products                            | 165,347                            | 178,564                            | -13,217                                    | -7.40%                                    |
| SPC-textured   | 4,886                              | 0                                  | 4,886                                      | 0.00%                                     |
| Mix  | 23,483                             | 9,850                              | 13,633                                     | 138.41%                                   |
| Soja Vita  | 12,874                             | 13,594                             | -720                                       | -5.30%                                    |
| Lecithin   | 30,908                             | 41,621                             | -10,713                                    | -25.74%                                   |
| Other  | 66,743                             | 55,442                             | 11,301                                     | 20.38%                                    |
| Commercial goods                                     | 128,416                            | 113,587                            | 14,829                                     | 13.06%                                    |
| Services   | 1,070                              | 71,762                             | -71,692                                    | -98.510%                                  |
| Other income   | 2,779                              | 2,975                              | -196                                       | -6.59%                                    |
| <b>Income from sales to foreign markets</b>          | <b>5,165,046</b>                   | <b>4,594,322</b>                   | <b>570,724</b>                             | <b>12.42%</b>                             |
| Crude soybean oil                                    | 1,012,139                          | 2,354,835                          | -1,342,696                                 | -57.02%                                   |
| Soybean meal   | 0                                  | 45,190                             | -45,190                                    | -100.00%                                  |
| Concentrates   | 1,357,529                          | 0                                  | 1,357,529                                  | 0.00%                                     |
| Flour and groats                                     | 1,178,819                          | 1,056,619                          | 122,200                                    | 11.57%                                    |
| Textured soybean products                            | 1,352,319                          | 1,054,956                          | 297,363                                    | 28.19%                                    |
| Textured concentrates                                | 93,935                             | 0                                  | 93,935                                     | 0.00%                                     |
| Mix  | 6,838                              | 7,509                              | -671                                       | -8.94%                                    |
| Soja Vita  | 146                                | 1,111                              | -965                                       | -86.86%                                   |
| Lecithin   | 47,814                             | 74,012                             | -26,288                                    | -35.48%                                   |
| Other  | 631                                | 0                                  | 631  | 0.00%                                     |
| Commercial goods                                     | 114,876                            | 0                                  | 114,876                                    | 0.00%                                     |
| <b>Income from sales to related parties</b>          | <b>402,968</b>                     | <b>2,374,462</b>                   | <b>-1,971,494</b>                          | <b>-83.03%</b>                            |
| Crude soybean oil                                    | 33,646                             | 5,346                              | 28,300                                     | 529.37%                                   |
| Soybean meal   | 200,777                            | 714,026                            | -513,249                                   | -71.88%                                   |
| Concentrates   | 28,517                             | 3,432                              | 25,085                                     | 730.91%                                   |
| Flour and groats                                     | 6,319                              | 10,407                             | -4,088                                     | -39.28%                                   |
| TSP  | 6,236                              | 0                                  | 6,236                                      | 0.00%                                     |
| Lecithin   | 965                                | 0                                  | 965  | 0.00%                                     |
| Other (shell+TSP-SH)                                 | 41,456                             | 0                                  | 41,456                                     | 0.00%                                     |
| Commercial goods                                     | 68,120                             | 1,606,844                          | -1,538,724                                 | -95.76%                                   |
| Services   | 16,932                             | 34,407                             | -17,475                                    | -50.79%                                   |
| <b>Discounts (rebates)</b>                           | <b>0</b>                           | <b>0</b>                           | <b>0</b>                                   | <b>0.00%</b>                              |
| <b>Income from activating own goods and products</b> | <b>29,766</b>                      | <b>21,535</b>                      | <b>8,231</b>                               | <b>38.22%</b>                             |
| <b>Increase of inventories of finished products</b>  | <b>930,941</b>                     | <b>0</b>                           | <b>930,941</b>                             | <b>0.00%</b>                              |
| <b>Decrease of inventories of finished products</b>  | <b>256,231</b>                     | <b>728,112</b>                     | <b>-471,881</b>                            | <b>-64.81%</b>                            |

**SOJAPROTEIN AD BECEJ – OPERATING REPORT FOR THE PERIOD JANUARY-SEPTEMBER 2013**

|   |                  |                  |                   |                 |
|---|------------------|------------------|-------------------|-----------------|
| <b>Other operating income</b>                             | <b>42,910</b>    | <b>46,080</b>    | <b>-3,170</b>     | <b>-6.88%</b>   |
| 640 – Subsidies, grants, donations                        | 118              | 2,269            | - 2,151           | -94.80%         |
| 650 – Lease   | 42,625           | 43,811           | -1,186            | -2.71%          |
| 65x – Other operating income                              | 167              | 0                | 167               | 0.00%           |
| 659 – Income from rebilling                               | 0                | 0                | 0                 | 0.00%           |
| <b>Operating expenses</b>                                 | <b>8,501,501</b> | <b>9,009,682</b> | <b>-508,181</b>   | <b>-5.64%</b>   |
| <b>Cost of goods sold</b>                                 | <b>332,247</b>   | <b>1,661,009</b> | <b>-1,328,762</b> | <b>-80.00%</b>  |
| <b>Material costs</b>                                     | <b>7,070,800</b> | <b>6,403,348</b> | <b>667,452</b>    | <b>10.42%</b>   |
| 511 – Raw materials                                       | 6,383,376        | 5,895,311        | 488,065           | 8.28%           |
| 511 – Ancillary material                                  | 41,615           | 72,091           | -30,476           | -42.27%         |
| 511 – Packaging material                                  | 134,392          | 124,893          | 9,499             | 7.61%           |
| 511 – Other   | 15,640           | 10,556           | 5,084             | 48.16%          |
| 512 – Spare parts   | 46,586           | 31,266           | 15,320            | 49.00%          |
| 512 – Other (overhead) materials                          | 6,597            | 7,604            | -1,007            | -13.24%         |
| 513 – Fuel and energy                                     | 442,594          | 261,627          | 180,967           | 69.17%          |
| <b>Salaries, salary compensations and fringe benefits</b> | <b>419,447</b>   | <b>355,238</b>   | <b>64,209</b>     | <b>18.07%</b>   |
| 520 – Salaries and salary compensations                   | 320,628          | 267,717          | 52,911            | 19.76%          |
| 521 – Contributions charged to the employer               | 55,780           | 47,516           | 8,264             | 17.39%          |
| 52X – Fees under contracts entered                        | 10,969           | 4,587            | 6,382             | 139.13%         |
| 529 – Other fringe benefits                               | 32,070           | 35,418           | -3,348            | -9.45%          |
| <b>Other operating expenses</b>                           | <b>387,772</b>   | <b>349,074</b>   | <b>38,698</b>     | <b>11.09%</b>   |
| 530 – Services for activating own goods and products      | 0                | 0                | 0                 | 0.00%           |
| 531 – Transport services                                  | 128,479          | 102,130          | 26,349            | 25.80%          |
| 532 – Maintenance services                                | 46,901           | 63,275           | -16,241           | -25.72%         |
| 533 – Rents   | 22,855           | 25,210           | -2,355            | -9.34%          |
| 534 – Fairs   | 7,281            | 8,305            | -1,024            | -12.33%         |
| 535 – Advertising and promotion                           | 1,639            | 2,142            | -503              | -23.48%         |
| 539 – Other services                                      | 25,898           | 17,637           | 8,261             | 46.84%          |
| 550 – Non-production services                             | 62,277           | 46,246           | 16,031            | 34.66%          |
| 551 – Entertainment                                       | 10,272           | 16,230           | -5,958            | -36.71%         |
| 552 – Insurance premiums                                  | 24,321           | 14,777           | 9,544             | 64.59%          |
| 553 – Payment transactions                                | 8,307            | 19,145           | -10,838           | -56.61%         |
| 554 – Membership fees                                     | 1,249            | 1,250            | -1                | -0.08%          |
| - 555 – Taxes   | 38,930           | 15,847           | 23,083            | 145.66%         |
| 556 – Contributions                                       | 3,490            | 2,265            | 1,225             | 54.08%          |
| 559 – Other intangible expenses                           | 5,873            | 14,748           | -8,875            | -60.18%         |
| Other IC operating expense                                | 159,122          | 120,476          | 38,646            | 32.08%          |
| Corporate expenses  | 132,113          | 120,537          | 11,576            | 9.60%           |
| <b>E.B.I.T.D.A.</b>                                       | <b>-243,056</b>  | <b>1,741,664</b> | <b>-1,984,720</b> | <b>-113.96%</b> |
| <b>Other income</b>                                       | <b>138,025</b>   | <b>33,395</b>    | <b>104,630</b>    | <b>313.31%</b>  |
| 67 – Sales gains  | 11,944           | 21,201           | -9,257            | -43.66%         |
| 68 – Value equation gains                                 | 126,081          | 12,194           | 113,887           | 933.96%         |
| 69 – Income from suspended operations                     | 0                | 0                | 0                 | 0.00%           |
| <b>Other expenses</b>                                     | <b>10,986</b>    | <b>15,877</b>    | <b>-4,891</b>     | <b>-30.81%</b>  |
| 57 – Losses / Decommissioning expenses                    | 394              | 7,647            | -7,253            | -94.85%         |
| 579 – Other expenses not mentioned elsewhere              | 8,572            | 8,145            | 427               | 5.24%           |
| 58 – Property impairment                                  | 2,020            | 85               | 1,935             | 2,276.47%       |
| 59 – Losses from discontinued operations                  | 0                | 0                | 0                 | 0.00%           |
| <b>Depreciation and amortization</b>                      | <b>255,510</b>   | <b>152,169</b>   | <b>103,341</b>    | <b>67.91%</b>   |
| <b>E.B.I.T.</b>   | <b>-371,527</b>  | <b>1,607,013</b> | <b>-1,978,540</b> | <b>-123.12%</b> |
| <b>Financial income</b>                                   | <b>238,141</b>   | <b>504,463</b>   | <b>-266,322</b>   | <b>-52.79%</b>  |
| Currency differential gains                               | 137,108          | 433,629          | -296,521          | -68.38%         |
| Currency differential gains – IC                          | 0                | 0                | 0                 | 0.00%           |



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|  |                 |                  |                   |                 |
|--|-----------------|------------------|-------------------|-----------------|
| Interest                               | 13,496          | 26,986           | -13,490           | -49.99%         |
| Interest – IC                          | 82,259          | 35,355           | 46,904            | 132.67%         |
| Other net financial income             | 5,278           | 8,493            | -3,215            | -37.85%         |
| Other net financial income – IC        | 0               | 0                | 0                 | 0.00%           |
| <b>Financial expense</b>               | <b>331,533</b>  | <b>935,157</b>   | <b>-603,624</b>   | <b>-64.55%</b>  |
| Currency differential losses – credits | 57,275          | 747,581          | -690,306          | -92.34%         |
| Currency differential losses – other   | 75,778          | 98,805           | -23,027           | -23.31%         |
| Currency differential losses – IC      | 0               | 0                | 0                 | 0.00%           |
| Interest paid – credits                | 168,954         | 87,611           | 81,343            | 92.85%          |
| Interest paid – other                  | 15,683          | 299              | 15,384            | 5,145.15%       |
| Interest paid – IC                     | 0               | 0                | 0                 | 0.00%           |
| Other net financial expenses           | 13,825          | 861              | 12,964            | 1,505.69%       |
| Other net financial expenses – IC      | 18              | 0                | 18                | 0.00%           |
| <b>Corporate income before tax</b>     | <b>-464,919</b> | <b>1,176,319</b> | <b>-1,641,238</b> | <b>-139.52%</b> |
| <b>Profit tax</b>                      | <b>0</b>        | <b>117,632</b>   | <b>-117,632</b>   | <b>0.00%</b>    |
| <b>Corporate income after tax</b>      | <b>-464,919</b> | <b>1,058,687</b> | <b>-1,523,606</b> | <b>-143.91%</b> |

## SOJAPROTEIN AD BECEJ – OPERATING REPORT FOR THE PERIOD JANUARY-SEPTEMBER 2013

In the period January – September 2013, a negative EBITDA of -243,056 thousand dinars was recorded as difference between the operating income and operating expenses and it is lower than in the same period of the previous year by 1,984,720 thousand dinars, i.e. 113.96%.

Both the operating income and the operating expenses were reduced in the observed period. Operating income was lower by 2,492,901 thousand dinars, i.e. 23.19%, and operating expenses were lower by 508,181 thousand dinars, i.e. 5.64% as compared to the period January – September 2012.

In the period January – September 2013, income from sales of goods, products and services amounted to 7,254,828 thousand dinars and was lower by 3,598,252 thousand dinars, i.e. 33.15% as compared to the same period of the previous year. Due to changed structure of production wherein the production of soybean meal was replaced by the more profitable products – traditional soybean protein concentrates – and the respective sales vacuum which occurred in that transitional period, sales income recorded reduce as compared to the same period of the previous year. Soybean meal was sold on the domestic market, whereas sales of concentrates are solely anticipated on picky foreign markets. Therefore, a certain time is necessary for introducing new products on foreign markets and accepting them by customers. Increase of income from sales of flours and groats, textures, mixes, soybean shell and molasses on foreign markets was insufficient to replace the reduced income from sales of soybean meal, regardless that the achieved prices were higher in the period January – September 2013 than in the same period of the previous year.

In addition to reduced sales of soybean meal due to suspended production of soybean meal, reduce in sales of concentrates and lecithin in higher percentage and crude soybean oil, flours and groats, textures and products of Soja Vita Program in insignificant percentage were also recorded on domestic market. As compared to the period January – September 2012, income from sold oil was lower by 21,407 thousand dinars, i.e. 3.87%. Income has been reduced due to lower achieved prices (average selling price in the period January – September 2013 was lower than in the same period of the previous year), whereas the volume of sales was higher by 3.21%. Significant percentage growth was recorded in income from sales of mixes. In 2013 the realized income was by 138.41% higher than in the previous year, primarily resulting from increased volume of sales and insignificant price increase. A drop of income from provided services was evident since there were no processing services in 2013 as compared to 2012 which made a major portion of income from services in the period January – September 2012.

In the reporting period, income of 5,165,046 thousand dinars was realized on foreign markets and it was higher by 570,724 thousand dinars, i.e. 12.42% than in the same period of the previous year. Significant increase by 122,200 thousand dinars, i.e. 11.57% was observed in sales of flours and groats on foreign markets, followed by textured soybean products which were by 297,363 thousand dinars, i.e. 28.19% higher as compared to the same period of the previous year, as well as concentrates and textured soybean concentrates which did not exist in the sales structure in the period January – September 2012. Sales of crude soybean oil were reduced against the same period of the previous year solely as a result of reduced sales volume and partially due to lower prices. Crude soybean oil is the stock exchange merchandise and it was mainly sold on foreign markets in the previous year. Therefore, sale of oil depends on demand and supply conditions on the world stock exchanges and, consequently, reflects to the accrued income. Reduced income from mixes, products of Soja Vita Program and lecithin was gained due to lower sales volume. Exchange rate of dinar against euro also had impact on the rate of income gained on foreign markets. According to data of the National Bank of Serbia, average mean exchange rate of euro was 112.6766 RSD against 1 EUR in the period January – September 2013, while in the same period of the previous year it was 112.8938 RSD against 1 EUR.

Scope of trade in commercial goods has significantly reduced as a result of the decision that Sojaprotein AD should perform solely its core business activity.

Increase in value of own goods and products on stock was 930,941 thousand dinars in the period January – September 2013, whereas in the same period of 2012 reduce in their value by 169,349 thousand dinars was recorded.

## SOJAPROTEIN AD BECEJ – OPERATING REPORT FOR THE PERIOD JANUARY-SEPTEMBER 2013

Increase in value of own goods and products on stock resulted from higher volume and prices of inventories at which they were evaluated. Increase of inventories as of September 30, 2013 as compared to the balances as of December 31, 2012 was recorded for all goods and products, except for flours and groats. On September 30, 2013, cost of finished products and production in progress were higher than those on September 30, 2012 since the soybean grain of crop 2012 has been processed in the period January – September 2013 (and insignificant quantity of soybean grain – crop 2013 of lower price) which was by 58.01% more expensive than soybean grain – crop 2011 which had been processed in the period January – September 2012. Furthermore, other expenses included in the cost have increased as well. Due to severe draught in our country and other soybean producing countries, the price of soybean grain of crop 2012 has reached its historical maximum.

In the period January – September 2013, operating expenses were lower by 508,181 thousand dinars as compared to the same period of the previous year, i.e. by 5.64%. Within operating expenses purchase value of commercial goods recorded reduce by 1,382,672 thousand dinars, i.e. 80.00%; material costs increased by 667,452 thousand dinars, i.e. 10.42%; salaries and salary compensations recorded increase by 64,165 thousand dinar, i.e. 18.06% and other operating expenses increased by 64,209 thousand dinars, i.e. 18.07% with intercompany costs included.

In the group of material costs, most significant absolute increase was presented for the item 'Cost of Raw Materials' - increase by 488,065 thousand dinars, i.e. 8.28% as compared to the same period of the previous year. In the period January – September 2013, 100,317 tons of soybean grain was processed, and in the same period of 2012 - 145,909 tons of soybean grain was processed. This means that processing of soybean grain was lower by 45% and the costs were higher by 8.28%.

Cost of ancillary material was lower than in the period January – September 2012 as a result of lower processed volume. In the reporting period 2013, salaries and salary compensations were higher by 64,209 thousand dinars, i.e. 18.07% as compared to the same period of 2012. On September 30, 2012 there were 414 employees against 471 employed on September 30, 2013.

As compared to the period January – September 2012, other operating expenses were higher by 38,698 thousand dinars, i.e. 11.09% in the same period of 2013, of which laboratory services made the major portion due to necessity of frequent analyses of finished products, particularly traditional soybean concentrates as products requiring special attention since these new products are in initial production phase and should reach best parameters – it is a fact that analysis costs of this group of products were higher than analysis costs of all other finished products. Increase of transport services costs resulted from increased export of products to foreign markets as compared to the year 2012. Major portion of soybean concentrates was realized on DAP basis, that is, Sojaprotein organized transport to the customer and, hence, recorded transport costs. Increase of insurance premium costs against the previous year resulted from additional insurance of assets and inventories at the banks' demand.

EBITDA resulting from movements in operating income and operating expenses amounted to 243,056 thousand dinars and it was lower by 1,984,720 thousand dinars, i.e. 113.96% than in the previous year.

Depreciation and amortization costs in the reporting period were higher by 103,341 thousand dinars, i.e. 67.91% as compared to the same period of the previous year as a result of putting into operation the Traditional Soybean Concentrates Plant.

Realized EBITDA increased by other income and reduced by other expenses and depreciation and amortization shows EBIT which amounted to -371,527 thousand dinars – by 123.12% lower than in the same period of 2012.

In the period January – September 2013, financial income was by 266,322 thousand dinars lower, i.e. 52.79%, than in the same period of the previous year.

In the period January – September 2013, financial expenses were by 603,624 thousand dinars lower, i.e. 64.55%, than in the same period of the previous year, due to reduced currency differential losses.

EBIT correction by financial income and expenses showed EBT loss of 464,919 thousand dinars, whereas in the same period of the previous year gain of 1,176,319 thousand dinars was recorded.

**SOJAPROTEIN AD BECEJ – OPERATING REPORT FOR THE PERIOD JANUARY-SEPTEMBER 2013**

1.2 Balance Sheet

In '000 RSD

| Reporting period: 01/01-09/30/2013                       | Balance as of<br>09/30/2013 | Balance as of<br>12/31/2012 | DIFFERENCES<br>09/30/2013-<br>12/31/2012 | DIFFERENCES<br>% |
|--|-----------------------------|-----------------------------|--|------------------|
| <b>NON-CURRENT ASSETS</b>                                | <b>9,909,484</b>            | <b>9,495,497</b>            | <b>413,967</b>                           | <b>4.36%</b>     |
| I. SUBSCRIBED CAPITAL UNPAID                             | 0                           | 0                           | 0  | 0.00%            |
| II. GOODWILL   | 0                           | 0                           | 0  | 0.00%            |
| III. INTANGIBLE ASSETS                                   | 13,859                      | 16,437                      | -2,578                                   | -15.68%          |
| <b>IV. PROPERTY, PLANT, EQUIPMENT AND BIOL. ASSETS</b>   | <b>9,063,376</b>            | <b>8,646,695</b>            | <b>416,681</b>                           | <b>4.82%</b>     |
| 1. Property, plant and equipment                         | 8,630,355                   | 8,052,231                   | 575,124                                  | 7.14%            |
| 2. Investment assets                                     | 430,388                     | 588,698                     | -158,310                                 | -26.89%          |
| 3. Biological assets                                     | 2,633                       | 2,766                       | -133                                     | -4.81%           |
| <b>V. LONG-TERM FINANCIAL INVESTMENTS</b>                | <b>832,229</b>              | <b>832,365</b>              | <b>-136</b>                              | <b>-0.02%</b>    |
| 1. Stakes in equity                                      | 831,179                     | 831,179                     | 0  | 0.00%            |
| 2. Other long-term financial investments                 | 1,050                       | 1,186                       | -136                                     | -11.47%          |
| <b>CURRENT ASSETS</b>                                    | <b>9,081,290</b>            | <b>11,342,512</b>           | <b>-2,261,282</b>                        | <b>-19.94%</b>   |
| <b>I. INVENTORIES</b>                                    | <b>4,081,332</b>            | <b>5,531,714</b>            | <b>-1,450,382</b>                        | <b>-26.22%</b>   |
| - Commercial goods                                       | 15,025                      | 125,609                     | -110,584                                 | -88.04%          |
| - Raw materials  | 2,408,630                   | 3,740,999                   | -1,332,369                               | -35.62%          |
| - Ancillary material                                     | 32,281                      | 24,639                      | 7,642                                    | 31.02%           |
| - Packaging material                                     | 17,660                      | 22,013                      | -4,353                                   | -19.77%          |
| - Other material   | 64,244                      | 65,059                      | -815                                     | -1.25%           |
| - Production in progress                                 | 164,983                     | 76,025                      | 88,958                                   | 117.01%          |
| - Finished products                                      | 1,264,307                   | 422,324                     | 841,983                                  | 199.37%          |
| - Prepayments  | 114,202                     | 1,055,046                   | -940,844                                 | -89.18%          |
| - Other  | 0                           | 0                           | 0  | 0.00%            |
| II. NON-CURRENT ASSETS HELD FOR SALE                     | 0                           | 0                           | 0  | 0.00%            |
| <b>III. SHORT-TERM RECEIVABLES, INVESTMENTS AND CASH</b> | <b>4,999,898</b>            | <b>5,810,798</b>            | <b>-810,900</b>                          | <b>-13.96%</b>   |
| <b>1. Receivables</b>                                    | <b>2,921,091</b>            | <b>3,877,544</b>            | <b>-956,453</b>                          | <b>-24.67%</b>   |
| Receivables on domestic market – from third parties      | 747,101                     | 1,106,493                   | -359,392                                 | -32.48%          |
| Receivables from related parties                         | 924,591                     | 1,748,665                   | -824,074                                 | -47.13%          |
| Receivables on foreign markets                           | 1,022,386                   | 757,477                     | 264,909                                  | 34.97%           |
| 2. Receivables from overpaid corporate income tax        | 53,603                      | 3,591                       | 50,012                                   | 1,392.70%        |
| 3. Short-term financial investments                      | 1,617,126                   | 1,784,961                   | -167,836                                 | -9.40%           |
| 4. Cash and cash equivalents                             | 336,938                     | 128,389                     | 208,549                                  | 162.44%          |
| 5. Value added tax and prepayments and accrued income    | 71,140                      | 16,313                      | 54,827                                   | 336.09%          |
| C. DEFERRED TAX ASSETS                                   | 0                           | 0                           | 0  | 0.00%            |
| <b>TOTAL ASSETS</b>                                      | <b>18,990,694</b>           | <b>20,838,009</b>           | <b>-1,847,315</b>                        | <b>-8.87%</b>    |
| OFF-BALANCE ASSETS                                       | 9,297,030                   | 10,705,965                  | -1,408,935                               | -13.16%          |
| <b>EQUITY AND LIABILITIES</b>                            |                             |                             |  |                  |
| <b>EQUITY</b>  | <b>11,546,173</b>           | <b>12,449,372</b>           | <b>-903,199</b>                          | <b>-7.25%</b>    |
| I. ORIGINAL CAPITAL                                      | 6,906,480                   | 6,906,480                   | 0  | 0.00%            |
| II. SUBSCRIBED CAPITAL UNPAID                            | 0                           | 0                           | 0  | 0.00%            |
| III. RESERVES  | 1,270,882                   | 1,428,760                   | -157,878                                 | -11.05%          |
| IV. REVALUATION RESERVES                                 | 2,358,577                   | 2,359,864                   | -1,287                                   | -0.05%           |
| V. UNREALIZED GAINS ON SECURITIES                        | 0                           | 0                           | 0  | 0.00%            |
| VI. UNREALIZED LOSSES ON SECURITIES                      | 23,817                      | 23,817                      | 0  | 0.00%            |
| VII. RETAINED PROFIT                                     | 1,744,017                   | 1,778,085                   | -34,068                                  | -1.92%           |
| VIII. LOSSES   | 434,919                     | 0                           | 464,919                                  | 0.00%            |
| IX. BOUGHT-UP TREASURY SHARES                            | 245,047                     | 0                           | 245,047                                  | 0.00%            |
| <b>LONG-TERM PROVISIONS AND LIABILITIES</b>              | <b>7,444,521</b>            | <b>8,388,637</b>            | <b>-944,116</b>                          | <b>-11.25%</b>   |
| I LONG-TERM PROVISIONS                                   | 24,815                      | 24,815                      | 0  | 0.00%            |
| <b>II. LONG-TERM LIABILITIES</b>                         | <b>3,392,597</b>            | <b>2,306,316</b>            | <b>1,086,281</b>                         | <b>47.10%</b>    |
| 1. Long-term loans                                       | 3,392,597                   | 2,306,316                   | 1,086,281                                | 47.10%           |
| 2. Other long-term liabilities                           | 0                           | 0                           | 0  | 0.00%            |
| <b>III. SHORT-TERM LIABILITIES</b>                       | <b>5,685,847</b>            | <b>2,952,947</b>            | <b>2,732,900</b>                         | <b>92.55%</b>    |
| 1. Short-term financial liabilities                      | 4,498,562                   | 2,345,998                   | 2,152,564                                | 91.75%           |
| 2. Liabilities for assets held for trade                 | 0                           | 0                           | 0  | 0.00%            |

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| <b>3. Operating liabilities</b>                              | <b>2,390,130</b>  | <b>689,578</b>    | <b>1,700,552</b>  | <b>246.61%</b> |
|--|-------------------|-------------------|-------------------|----------------|
| Liabilities on domestic market – to third parties            | 791,659           | 312,485           | 479,174           | 153.34%        |
| Liabilities to related parties                               | 1,544,001         | 330,919           | 1,213,082         | 366.58%        |
| Liabilities on foreign markets                               | 54,470            | 46,174            | 8,296             | 17.97%         |
| <b>4. Other short-term liabilities</b>                       | <b>54,500</b>     | <b>392,802</b>    | <b>-338,302</b>   | <b>-86.13%</b> |
| 5. VAT and other public duties, accruals and deferred income | 63,061            | 104,905           | -41,844           | -39.89%        |
| 6. Corporate income tax                                      | 0                 | 0                 | 0                 | 0.00%          |
| C. DEFERRED TAX LIABILITIES                                  | 0                 | 0                 | 0                 | 0.00%          |
| <b>TOTAL EQUITY AND LIABILITIES</b>                          | <b>18,990,694</b> | <b>20,838,009</b> | <b>-1,847,315</b> | <b>-8.87%</b>  |
| OFF-BALANCE LIABILITIES                                      | 9,297,030         | 10,705,965        | -1,408,935        | -13.16%        |

On September 30, 2013 balance of assets and equity and liabilities was 18,990,694 thousand dinars and it is lower by 1,847,315 thousand dinars, i.e. 8.87% than on December 31, 2012. Major reduce in assets was recorded within inventories and with respect to equity and liabilities within short-term liabilities.

Non-current assets were higher by 413,967 thousand dinars, i.e. 4.36% as compared to the balance on December 31, 2012. Within non-current assets – item ‘Property, Plant, Equipment and Biological Assets’ – increase amounted to 416,681 thousand dinars, i.e. 4.32%, as a result of investments made in the period January – September 2013. Major increase was presented within the item ‘Property, Plant, Equipment and Biological Assets’ – 575,124 thousand dinars, i.e. 7.14%, whereas decrease in investment assets was recorded (158,310 thousand dinars) as a result of reclassification of the asset in fixed assets due to changed use of the asset (value of property, plant and equipment was increased by this amount).

Within current assets, which were lower by 2,261,282 thousand dinars, i.e. 19.94% on September 30, 2013 as compared to the balance on December 31, 2012; major absolute reduction was recorded within ‘Inventories’ – items ‘Raw Materials’ and ‘Prepayments Made’ and the major increase was recorded within the item ‘Finished Products’. Balance of raw materials on stock amounted to 2,408,630 thousand dinars on September 30, 2013 and was lower by 1,332,369 thousand dinars, i.e. 35.62% than on December 31, 2012 due to higher consumption of soybean against the procured volume; balance of prepayments made was lower by 940,844 thousand dinars since the invoices for soybean grain supplied in the period January – September 2013 were settled from the earmarked prepayments made in the previous year. Therefore, no larger prepayments were made within the observed period.

Inventories of production in progress were by 88,958 thousand dinars, i.e. 117.01% higher than on December 31, 2012, whereas finished products on stock were higher by 841,983 thousand dinars. Major cause of increase in inventories of production in progress and finished products were higher quantities of concentrate as a finished product and increased volume of crude soybean oil resulting from reduced sales in the observed period.

On September 30, 2013 ancillary material on stock were higher by 31.02%, i.e. 7,642 thousand dinars as compared to their value on December 31, 2012. Increase resulted from higher inventories of ancillary materials, both in volume and value, which are used in the production of soybean protein concentrates.

Short-term receivables, investment and cash were lower by 810,900 thousand dinars, i.e. 13.96% on September 30, 2013 as compared to their balance on December 31, 2012. Within this group of current assets on individual basis, most significant absolute reduction was recorded within the item ‘Receivables from Related Parties’ – 824,074 thousand dinars, i.e. 47.13%, as a result of lower volume of trade with related parties. Short-term financial investments were lower by 167,835 thousand dinars on September 30, 2013 as compared to the balance on December 31, 2012 primarily due to higher repayments made by borrowers against new investments. On September 30, 2013 receivables from foreign markets were by 22.20%, i.e. 227,013 thousand dinars higher as compared to the balance on December 31, 2012 as a result of increased sales of the Sojaprotein’s finished products on foreign markets.

On September 30, 2013 the item ‘Value Added Tax and Prepayments and Accrued Income’ recorded increase by 54,827 thousand dinars, i.e. 336.09% as a result of higher value of prepayments and accrued income as compared to the balance on December 31, 2012.

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On September 30, 2013 capital recorded reduce by 903,199 thousand dinars, i.e. 7.25% than on December 31, 2012. Changes in items 'Reserves', 'Retained Profit', 'Bought-up Treasury Shares' and presented loss in the period January – September 2013 had cumulative impact on reduction of capital. On the basis of the Decision passed by the Company Meeting on June 28, 2013, a portion of retained profit of 34,591 thousand dinars was reclassified in reserves and represented the major portion of retained profit reduction as compared to its balance on December 31, 2012.

In 2012, the Company Meeting passed the Decision on Acquisition and Disposal of Major Assets whereby 528,505 shares was bought up from dissenting shareholders in the period January – July 2013 – 437,078 thousand dinars and presented in the Balance Sheet within the item 'Bought-up Treasury Shares' at their nominal value and the remaining balance of buy-up to the account 'Reserves', i.e. the account 'Issue Premiums'.

Balance of long-term loans as of September 30, 2013 was higher by 1,086,281 thousand dinars, i.e. 47.10% and the balance of short-term liabilities was lower by 2,030,397 thousand dinars, i.e. 35.71% as compared to their respective balances as of December 31, 2012. In addition to the difference in mean exchange rates of RSD against EUR (on September 30, 2013 - 114.6044 and on December 31, 2012 - 113.7813) a higher balance of long-term loans carried in foreign currencies, i.e. with a currency clause, had an impact as compared to the balance at the beginning of the year. Reduce of short-term financial liabilities by 3,350,803 thousand dinars resulted from payment of the claim of Vojvodjanska Banka based on the debt to the Paris Club Creditors, in accordance with the second-instance award of the Commercial Court in Novi Sad and regular settlement of due and outstanding installments of other loans.

A reconsideration of the award of the Commercial Court in Novi Sad was filed and the procedure is pending before the Supreme Court of Appeals.

As of September 30, 2013 the balance of operating liabilities was higher by 1,700,552 thousand dinars, i.e. 246.61% as compared to its balance as of December 31, 2012. Major absolute increase was recorded within items 'Liabilities to Related Parties' and 'Trade Payables in the Country – Third Parties'. Balance of liabilities to related parties mainly relate to the soybean grain supplied for soybean meal. Since the production of soybean meal in the period January – September 2013 has been reduced and suspended no compensation arrangements were agreed for settlement of liabilities and resulted in higher settlement in cash.

Liabilities to supplied but uninvoiced soybean grain make a major portion of the structure of liabilities to business partners on domestic market – third parties.

Other short-term liabilities (consisting of accrued salaries, fees and taxes and contributions, interest and other short-term liabilities) were lower by 338,302 thousand dinars as compared to their balance as of December 31, 2012. Reduced value equals to the amount of liability settled in April 2013 which was calculated as of December 31, 2012 in accordance with the award of the Commercial Court in Novi Sad referring to the claims of Vojvodjanska Banka for interest accrued on the debt principal to the Paris Club of Creditors.

Reduced balance of the item 'VAT and Other Public Expenses, Accruals and Deferred Income' by 41,844 thousand dinars, i.e. 39.89% occurred due to the payment of value added tax on January 15, 2013 as a liability recorded as of December 31, 2012. In the same time, due to lower volume of sales on domestic market and higher previous value added tax, the VAT balance as of September 30, 2013 was lower than the same liability presented as of December 12, 2012.

## 2. REALIZED PRODUCTION

In the period January – September 2013, 100,317 tons of soybean grain owned by Sojaprotein had been processed against 145,909 tons processed in the period January – September 2012.

Due to reduce and suspension of soybean meal production in the first six months of 2013, volume of processed soybean grain owned by Sojaprotein was lower than in the previous year. Furthermore, putting into operation of the SPC Plant in second-half of 2012, caused higher processing of soybean in white flakes in the current year; it required smaller processing capacities as compared to the processing requirements of soybean meal.

As compared to the previous year, production of soybean oil reduced due to new mode of soybean processing operations in the hexane extraction (its work is caused by production of SPC), but reduced volume of production as well.

Reduced production of flours and groats and textured soybean products was caused by the plant overhaull performed in June 2013. Production of Mixes recorded growth resulting from increased sales, primarily on the domestic market.

Production of Soja Vita Program products solely relates to the realized sales.

Demand for shells and molasses has increased in 2013; in the same period of the previous year there was no production of molasses and sales of soybean shells showed increase as compared to the first nine months of 2012.

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**3. REALIZATION**

**3.1. REALIZATION OF SOJAPROTEIN PRODUCTS PRESENTED BY VOLUME in tons**

|   | <i>REALIZATION<br/>Jan.-Sep.<br/>2013 (t)</i> | <i>REALIZATION<br/>Jan.-Sep.<br/>2012 (t)</i> | <i>Difference<br/>2013 - 2012</i> | <i>Difference in<br/>%</i> | <i>% share in<br/>total sales<br/>2013</i> | <i>% share in<br/>total sales<br/>2012</i> |
|---|---|---|-----------------------------------|----------------------------|--|--|
| <b>Sale on local market – third parties</b>     | <b>23,011</b>                                 | <b>70,997</b>                                 | <b>-47,986</b>                    | <b>-67.59%</b>             | <b>32.90%</b>                              | <b>58.88%</b>                              |
| Soybean – crude oil                             | 5,136   | 4,976   | 160                               | 3.21%                      | 7.34%                                      | 4.13%                                      |
| Soybean - meal                                  | 9,212   | 57,927  | -48,715                           | -84.10%                    | 13.17%                                     | 48.04%                                     |
| F&G   | 1,270   | 2,026   | -756                              | -37.30%                    | 1.82%                                      | 1.68%                                      |
| TSP   | 1,267   | 1,793   | -526                              | -29.34%                    | 1.81%                                      | 1.49%                                      |
| Mix   | 115   | 49  | 66                                | 135.25%                    | 0.17%                                      | 0.04%                                      |
| Soja Vita                                       | 22  | 31  | -10                               | -30.64%                    | 0.03%                                      | 0.03%                                      |
| Lecithin  | 131   | 245   | -114                              | -46.63%                    | 0.19%                                      | 0.20%                                      |
| Shell   | 3,254   | 3,334   | -80                               | -2.40%                     | 4.65%                                      | 2.77%                                      |
| Molasses  | 2,318   | 21  | 2,297                             | 11,174.32%                 | 3.31%                                      | 0.02%                                      |
| Moist TSP                                       | 133   | 81  | 52                                | 63.83%                     | 0.19%                                      | 0.07%                                      |
| SPL soybean samples                             | 22  | 0   | 22                                | 0.00%                      | 0.03%                                      | 0.00%                                      |
| SPC - textured                                  | 36  | 0   | 36                                | 0.00%                      | 0.05%                                      | 0.00%                                      |
| SPC   | 48  | 513   | -465                              | -90.66%                    | 0.07%                                      | 0.43%                                      |
| Oil residue                                     | 47  | 0   | 47                                | 0.00%                      | 0.07%                                      | 0.00%                                      |
| <b>Sale on foreign markets – third part.</b>    | <b>46,926</b>                                 | <b>49,583</b>                                 | <b>-2,658</b>                     | <b>-5.36%</b>              | <b>67.10%</b>                              | <b>41.12%</b>                              |
| Soybean – crude oil                             | 10,000  | 21,966  | -11,966                           | -54.47%                    | 14.30%                                     | 18.22%                                     |
| Soybean - meal                                  | 0   | 1,124   | -1,124                            | -100.00%                   | 0.00%                                      | 0.93%                                      |
| F&G   | 12,471  | 16,152  | -3,682                            | -22.79%                    | 17.83%                                     | 13.40%                                     |
| TSP   | 11,100  | 9,811   | 1,289                             | 13.14%                     | 15.87%                                     | 8.14%                                      |
| Concentrates:                                   | 12,386  | 0   | 12,386                            | 0.00%                      | 17.71%                                     | 0.00%                                      |
| - Human program                                 | 1,164   | 0   | 1,164                             | 0.00%                      | 1.66%                                      | 0.00%                                      |
| - Animal program                                | 11,222  | 0   | 11,222                            | 0.00%                      | 16.05%                                     | 0.00%                                      |
| Mix   | 35  | 37  | -2                                | -6.04%                     | 0.05%                                      | 0.03%                                      |
| SPC – textured                                  | 536   | 0   | 536                               | 0.00%                      | 0.77%                                      | 0.00%                                      |
| Soja Vita                                       | 0   | 3   | -2                                | -85.59%                    | 0.00%                                      | 0.00%                                      |
| Lecithin  | 307   | 490   | -183                              | -37.29%                    | 0.44%                                      | 0.41%                                      |
| Shell   | 16  | 0   | 16                                | 0.00%                      | 0.02%                                      | 0.00%                                      |
| Molasses  | 74  | 0   | 74                                | 0.00%                      | 0.11%                                      | 0.00%                                      |
| <b>Sales – TOTAL (related parties excluded)</b> | <b>69,937</b>                                 | <b>120,580</b>                                | <b>-50,643</b>                    | <b>-42.00%</b>             | <b>100.00%</b>                             | <b>100.00%</b>                             |
| Soybean – crude oil                             | 15,136  | 26,942  | -11,806                           | -43.82%                    | 21.64%                                     | 22.34%                                     |
| Soybean - meal                                  | 9,212   | 59,052  | -49,839                           | -84.40%                    | 13.17%                                     | 48.97%                                     |
| Concentrates                                    | 12,434  | 513   | 11,921                            | 2,323.37%                  | 17.78%                                     | 0.43%                                      |
| F&G   | 13,741  | 18,178  | -4,437                            | -24.41%                    | 19.65%                                     | 15.08%                                     |
| TSP   | 12,367  | 11,604  | 763                               | 6.58%                      | 17.68%                                     | 9.62%                                      |
| Mix   | 150   | 86  | 64                                | 74.25%                     | 0.22%                                      | 0.07%                                      |
| SPC – textured                                  | 572   | 0   | 572                               | 0.00%                      | 0.82%                                      | 0.00%                                      |
| Soja Vita                                       | 22  | 34  | -12                               | -35.09%                    | 0.03%                                      | 0.03%                                      |
| Lecithin  | 438   | 735   | -297                              | -40.40%                    | 0.63%                                      | 0.61%                                      |
| Shell   | 3,271   | 3,334   | -64                               | -1.91%                     | 4.68%                                      | 2.77%                                      |
| Molasses  | 2,392   | 21  | 2,371                             | 11,535.56%                 | 3.42%                                      | 0.02%                                      |
| Moist TSP                                       | 133   | 81  | 52                                | 63.83%                     | 0.19%                                      | 0.07%                                      |
| SPL soybean samples                             | 22  | 0   | 22                                | 0.00%                      | 0.03%                                      | 0.00%                                      |
| Oil residue                                     | 47  | 0   | 47                                | 0.00%                      | 0.07%                                      | 0.00%                                      |



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| <b>SOJAPROTEIN AD BECEJ – OPERATING REPORT FOR THE PERIOD JANUARY-SEPTEMBER 2013</b> |
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### ***Sales on Local Market to Third Parties***

Drop in sales to 9,212 tons in the first nine months of 2013 was caused by putting into operation the SPC Plant and resulting significantly lower production of soybean meal in 2013.

On local market, sales to third parties of crude soybean oil increased by volume by 159 tons, i.e. 3.21%. At the beginning of 2013 more favorable export conditions existed and the soybean oil was mainly exported; but, however, the price showed decline at the world exchanges concurrently with growing demand of major domestic users of soybean oil resulting in sales inducement of oil on local market in the second and third quarters.

Drop in sales of F&G by 756 tons (37.30%) as compared to the same period of the previous year was caused by lower volume of sales to confectionary industry.

Sales of TSP recorded drop by 526 tons (29.34%) as compared to the same period of the previous year due to reduced production of meat industry.

Sales of Mix recorded growth by 66 tons (135.25%) as compared to the same period of the previous year as a result of reduced export of soybean concentrates and isolates combined with sales to new customers.

Soja Vita products recorded reduced sales in volume by 9.62 tons (30.64%) resulting from drop in public spending.

Sales of lecithin were lower by 114 tons (46.63%) due to reduced production of confectionary industry, orientation to production of cheaper products and presence of lecithin at significantly lower price on the local market.

### ***Sales on Foreign Markets to Third Parties***

In the period January – September 2013, total sales of soybean products to third parties were 46,926 tons, almost at the same level as in the previous year when 49,583 tons was realized or by 5.36% less. Most significant export characteristic in the period was the change in its structure, i.e. increase of SPC sales, particularly in the 3<sup>rd</sup> quarter, which, however, could not compensate the large shortfall in export of soybean oil.

In the period January-September, and particularly in the 3<sup>rd</sup> quarter, a good quality of our SPCs was finally affirmed, especially intended for animal feed, primarily to foreign CMR users (calves milk replacement) as well as for fish feed (salmon, etc.), for which leading world producers demand top quality. Therefore, exported volume of SPC was 12,922 tons of which common 12,386 tons and textured 534 tons. These are our first steps in use of our SPC both in meat and other food industries. When we achieve additional quality of our textured SPC a solid base for long-term export expansion and for food industries (primarily meat and baking industries) shall be established as well as for pharmaceutical industry.

Export of soybean oil within the reporting period recorded significant drop – 9,999 tons was exported, i.e. by 11,966 tons or 54.47% lesser than in the same period of the previous year.

In the observed period a mild decline of total sales of textured SPC (F&G, TSP, Mixes, Soja Vita) of higher processing phase on foreign markets was recorded. In total, 23,607 tons of various products were exported, i.e. by 2,397 tons less than in the same period of 2012, i.e. by 9.22% in volume. Somewhat larger drop was recorded with respect to flours and groats (22.79%), and TSP recorded growth by volume in spite of high prices (by 13.14%). Although the long-term export expansion of F&G was temporarily stopped, prerequisites for return on the market, particularly on the full-fat and fat-free flours market, in the 3<sup>rd</sup> quarter were created based on expected lower prices of soybean grain – crop 2013.

In spite of high prices of our products, Sojaprotein has retained its favorable position on the TSP market in addition to the sales volume, gaining higher selling margin in the same time. Growing global demand of NON GMO soybean

products on all major markets and the widened assortment and timely deliveries in compliance with market demands contributed to creation of prerequisites for introducing our new products – SPC HC and textured SPC. In regional terms, export on the market of EU/EFTA country-members dominated. Except for Sopromixes, all other groups of products were mainly sold to the EU/EFTA market, and it is practically the only export market for soybean oil and SPC.

Hence, even 43,831 tons of various soybean products (of that 21,500 tons of higher processing phase products for human consumption) or 85% of total export was marketed to the EU/EFTA market. In terms of value, with 40 million euros, the share of EU/EFTA market is even higher – 87.4%. Export of soybean products to Russia, Belarus and Ukraine (11.2% by volume) recorded continuous increase from mid-3<sup>rd</sup> quarter due to favorable market conditions resulting in increased share of that region in total export, both by volume and in value (9.2%) and, thus, confirmed its traditionally great significance in foreign trade of Sojaprotein. Sales of higher processing phase products are also predominant on other markets (CEFTA, BSIS) and by sales of first quantities of SPC and other higher phase processing products have definitely opened the region of Scandinavian countries as a new market which should be considered as a long-term export potential of SOJAPROTEIN in future.

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**REALIZATION OF SOJAPROTEIN PRODUCTS EXPRESSED IN VALUE**

|   | <b>REALIZATION<br/>Jan.-Sep. 2013<br/>(‘000 RSD)</b> | <b>REALIZATIO<br/>N<br/>Jan.-Sep.<br/>2012 (‘000<br/>RSD)</b> | <b>Difference<br/>2013- 2012</b> | <b>Difference in<br/>%</b> | <b>% share in<br/>total sales<br/>2012</b> | <b>% share in<br/>total sales<br/>2011</b> |
|---|--|---|----------------------------------|----------------------------|--|--|
| <b>Sale on local market – third parties</b>         | <b>1,550,193</b>                                     | <b>3,686,034</b>  | <b>-2,135,841</b>                | <b>-57.94%</b>             | <b>24.59%</b>                              | <b>47.30%</b>                              |
| Soybean – crude oil                                 | 531,597  | 552,691   | -21,094                          | -3.82%                     | 8.43%                                      | 7.09%                                      |
| Soybean - meal                                      | 584,135  | 2,668,515   | -2,084,380                       | -78.11%                    | 9.27%                                      | 34.24%                                     |
| F&G   | 130,261  | 136,336   | -6,705                           | -4.46%                     | 2.07%                                      | 1.75%                                      |
| TSP   | 165,347  | 178,564   | -13,217                          | -7.40%                     | 2.62%                                      | 2.29%                                      |
| Mix   | 23,483   | 9,850   | 13,633                           | 138.41%                    | 0.37%                                      | 0.13%                                      |
| Soja Vita   | 12,637   | 13,498  | -861                             | -6.38%                     | 0.20%                                      | 0.17%                                      |
| Lecithin  | 31,145   | 41,717  | -10,572                          | -25.34%                    | 0.49%                                      | 0.54%                                      |
| Shell   | 44,732   | 44,781  | -50                              | -0.11%                     | 0.71%                                      | 0.57%                                      |
| Molasses  | 14,689   | 185   | 14,504                           | 7,838.26%                  | 0.23%                                      | 0.00%                                      |
| Moist TSP   | 1,723  | 538   | 1,185                            | 220.32%                    | 0.03%                                      | 0.01%                                      |
| SPL soybean samples                                 | 548  | 0   | 548                              | 0.00%                      | 0.01%                                      | 0.00%                                      |
| SPC - textured                                      | 4,886  | 0   | 4,886                            | 0.00%                      | 0.08%                                      | 0.00%                                      |
| SPC   | 4,628  | 39,359  | -34,731                          | -88.24%                    | 0.07%                                      | 0.51%                                      |
| Oil residue   | 383  | 0   | 383                              | 0.00%                      | 0.01%                                      | 0.00%                                      |
| <b>Sale on foreign markets – third part.</b>        | <b>4,753,867</b>                                     | <b>4,107,515</b>  | <b>646,353</b>                   | <b>15.74%</b>              | <b>75.41%</b>                              | <b>52.70%</b>                              |
| Soybean – crude oil                                 | 1,012,139  | 2,354,835   | -1,342,696                       | -57.02%                    | 16.06%                                     | 30.22%                                     |
| Soybean - meal                                      | 0  | 45,190  | -45,190                          | -100.00%                   | 0.00%                                      | 0.58%                                      |
| F&G   | 1,070,042  | 1,009,076   | 60,966                           | 6.04%                      | 16.97%                                     | 12.95%                                     |
| TSP   | 1,170,858  | 615,692   | 555,166                          | 90.17%                     | 18.57%                                     | 7.90%                                      |
| Concentrates:                                       | 1,354,929  | 0   | 1,354,929                        | 0.00%                      | 21.49%                                     | 0.00%                                      |
| - Human program                                     | 166,072  | 0   | 166,072                          | 0.00%                      | 2.63%                                      | 0.00%                                      |
| - Animal program                                    | 1,188,857  | 0   | 1,188,857                        | 0.00%                      | 18.86%                                     | 0.00%                                      |
| Mix   | 6,838  | 7,508   | -670                             | -8.93%                     | 0.11%                                      | 0.10%                                      |
| SPC – textured                                      | 90,471   | 0   | -0,471                           | 0.00%                      | 1.44%                                      | 0.00%                                      |
| Soja Vita   | 146  | 1,111   | -965                             | -86.85%                    | 0.00%                                      | 0.01%                                      |
| Lecithin  | 47,814   | 74,012  | -26,288                          | -35.48%                    | 0.76%                                      | 0.95%                                      |
| Shell   | 221  | 0   | 221                              | 0.00%                      | 0.00%                                      | 0.00%                                      |
| Molasses  | 410  | 0   | 410                              | 0.00%                      | 0.01%                                      | 0.00%                                      |
| <b>Sales – TOTAL (related parties<br/>excluded)</b> | <b>6,304,061</b>                                     | <b>7,793,548</b>  | <b>-1,489,488</b>                | <b>-19.11%</b>             | <b>100.00%</b>                             | <b>100.00%</b>                             |
| Soybean – crude oil                                 | 1,543,736  | 2,907,526   | -1,363,791                       | -46.91%                    | 24.49%                                     | 37.31%                                     |
| Soybean - meal                                      | 584,135  | 2,713,705   | -2,129,569                       | -78.47%                    | 9.27%                                      | 34.82%                                     |
| Concentrates  | 1,359,557  | 39,359  | 1,320,198                        | 3,354.28%                  | 21.57%                                     | 0.51%                                      |
| F&G   | 1,200,303  | 1,145,412   | 54,890                           | 4.79%                      | 19.04%                                     | 14.70%                                     |
| TSP   | 1,336,205  | 794,256   | 541,949                          | 68.23%                     | 21.20%                                     | 10.19%                                     |
| Mix   | 30,321   | 17,358  | 12,963                           | 74.68%                     | 0.48%                                      | 0.22%                                      |
| SPC – textured                                      | 95,357   | 0   | 95,357                           | 0.00%                      | 1.51%                                      | 0.00%                                      |
| Soja Vita   | 12,783   | 14,609  | -1,826                           | -12.50%                    | 0.20%                                      | 0.19%                                      |
| Lecithin  | 78,959   | 115,819   | -36,861                          | -31.83%                    | 1.25%                                      | 1.49%                                      |
| Shell   | 44,952   | 44,781  | 171                              | 0.38%                      | 0.71%                                      | 0.57%                                      |
| Molasses  | 15,099   | 185   | 14,914                           | 8,060.01%                  | 0.24%                                      | 0.00%                                      |
| Moist TSP   | 1,723  | 538   | 1,185                            | 220.32%                    | 0.03%                                      | 0.01%                                      |
| SPL soybean samples                                 | 548  | 0   | 548                              | 0.00%                      | 0.01%                                      | 0.00%                                      |
| Oil residue   | 383  | 0   | 383                              | 0.00%                      | 0.01%                                      | 0.00%                                      |

### ***Domestic Sales to Third Parties***

Drop of income from soybean meal sales in the observed period January – September 2013 as compared to 2012 amounted to 12,084,379.6 thousand dinars (by 78.11%) and resulted from the planned discontinuing of soybean meal production in Sojaprotein and commencing production of new SPC products.

Sales of soybean oil in terms of their value were lower by 21,094.2 thousand dinars (3.82%). This insignificant deviation resulted from somewhat lower average selling price of oil in 2013 as compared to the previous year.

Income from sales of F&G were lower by only 6,075.48 thousand dinars (4.46%) due to higher average selling price which replaced lesser volumes of soybean flours sold as compared to the same period of the previous year.

Sales of TSP in terms of value were by 13,217 thousand dinars (7.40%) lower than in the previous year and resulted from lesser volume of sales and higher average selling prices.

Sales of Mixes were by 13,633.2 thousand dinars (138.41%) higher and it collated to increase in realization by volume on the domestic market.

Soja Vita recorded drop by 860.7 thousand dinars (6.38% against the volume realization which was lower by 30.64%). This is a result of significantly higher achieved average selling price than in the first three quarters of 2012.

Value of sold lecithin was lower by 10,572.2 thousand dinars (25.34%) and it was caused by reduced sales in volume as compared to the previous year.

### ***Foreign Trade to Third Parties***

Unlike natural results achieved in foreign trade, the realization in terms of value was by 646,352.8 thousand dinars or 15.74% higher as compared to the same period of the previous year. Commencement of export of SPC made a major contribution to this growth with 1,354,928.9 thousand dinars in 2013, as well as excellent value results in export of higher processing phase products. On the other part, reduced sales and somewhat lower average prices of soybean oil in 2013 against 2012 diminished positive export results achieved.

Realized value of exported soybean oil in the observed period amounted to 1,012,138.9 thousand dinars, i.e. it was by 57.02% lower than the value realized in the same period of the previous year. These trends collated to natural indicators of exported soybean oil.

Growth of total sales value of higher processing phase products (F&G, TSP, SPC-textured, Mixes, Soja Vita) was recorded in the observed period. Total value of various products exported amounted to 3,693.383.8 thousand dinars, i.e. it was higher even by 83.65% than in the same period of 2012. Uneven realized value by groups of products is also present: Soja Vita Program recorded drop in value; Mixes showed moderate decline by 8.93%, whereas export of flours and groats and TSP showed expansion and resulted in growth – flours and groats by 6.04% and TSP even by 90.17% as compared to the same period of 2012.

In the observed period, a significant average increase of prices for higher processing phase products was additionally stimulated by devaluation of RSD against EUR (in average in the period January – September 2013: 112.68 dinars) as compared to the same period of 2012 (112.89 dinars).

Value of total export amounted to 45.9 million euros in the observed period.

**EXPECTED DEVELOPMENT OF THE COMPANY IN THE FUTURE PERIOD, CHANGES IN BUSINESS POLICIES OF THE COMPANY AND KEY RISKS AND THREATS TO WHICH THE COMPANY OPERATIONS ARE EXPOSED**

In its development, the Company is committed to increase sales of traditional soybean protein concentrates in EU countries and to increase its market share on the market of sophisticated, highly valued protein products.

Completing the investment in construction of the Traditional Soybean Protein Concentrates Plant, Sojaprotein accomplished its first development objective to increase share of protein products of high processing finalization, created conditions for achieving vertical integrated soybean grain processing and made a significant step to become one of major European producers of soybean products for human consumption and sophisticated soybean products for animal feed. Furthermore, the Company is planning construction of the Functional Soybean Protein Concentrates Plant – 2<sup>nd</sup> phase of the SPC Plant construction.

In its business operations, the Company is facing the risk of availability of needed raw materials in sufficient quantities and changes in their prices. During 2012, dramatic changes in prices occurred within the soybean complex and caused short-term disturbance of the world market with a mid-term tendency.

Soybean grain of Serbian origin and NON-GMO quality and, hence, domestic raw materials shall make the base for supplying the production with needed quantities of grain for their processing in future period as well.

**Market Risks**

In its operations the Company is exposed to financial risks resulting from fluctuation of exchange rates and interest rates. Exposure to the market risks is assessed by sensitivity analysis. Neither significant changes in the Company's exposure to market risks were observed nor in the manner in which the Company is managing and measuring the market risks.

**Currency Risk**

Company is exposed to currency risk mainly through cash and cash equivalents, trade receivables, long-term loans and trade payables denominated in foreign currencies. Company does not use any specific financial instruments as a protection against these risks since they are not common in the Republic of Serbia.

Stability of economic environment in which the Company is operating depends to a great extent on Government measures in commerce, including the implementation of an adequate legal and regulatory framework.

Company is mainly sensitive to fluctuations of exchange rates of euro (EUR) and American dollar (USD). Table below presents results of the sensitivity analysis on the Company in case of increase and decrease by 10% of the exchange rates of dinar against a particular foreign currency.

Book value of the Company monetary assets and liabilities carried in foreign currencies on the reporting date were as follows:

|     | <b>Assets</b>     |                   | <b>Liabilities</b> |                   |
|-----|-------------------|-------------------|--------------------|-------------------|
|     | <b>09/30/2013</b> | <b>12/31/2012</b> | <b>09/30/2013</b>  | <b>12/31/2012</b> |
| EUR | 2,280,593         | 946,723           | 4,339,426          | 7,201,333         |
| USD | 346,866           | 497,399           | 2,053              | -                 |
| GBP | 27,975            | 10,074            | -                  | -                 |
| CHF |                   |                   | 460                | -                 |
|     | <b>2,655,434</b>  | <b>1,454,196</b>  | <b>4,341,939</b>   | <b>7,201,333</b>  |

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10% sensitivity rate is used in internal presentation of currency risks and represents the Management's estimate of reasonably expected movements of foreign currency exchange rates. Sensitivity analysis includes only outstanding receivables and payables carried in foreign currencies and equates their translation at the end of the period with 10% change of foreign currency exchange rates.

|              | In thousands of dinars /RSD/ |            |
|--------------|------------------------------|------------|
|              | 09/30/2013                   | 12/31/2012 |
| EUR currency | (211,862)                    | (625,461)  |
| USD currency | 34,481                       | 49,740     |
| GBP currency | 2,798                        | 1,007      |
| CHF currency | (46)                         |            |
|              | (174,629)                    | (274,714)  |

Sensitivity of the Company on movements of foreign currencies has been reduced in the current period mainly due to reduced credit liabilities. Based on the award of the Commercial Court in Novi Sad, Sojprotein settled its liability to Vojvodjanska Banka referring to claims of the Paris Club Creditors in cash from its own assets, thus reducing its credit liabilities in addition to regular settlement of other credit liabilities at the time of their maturity.

### **Interest Risks**

Company is exposed to risks of movements in interest rates in case of assets and liabilities with variable interest rate. These risks depend on the financial market and the Company avails of no instruments whereby it could mitigate their effects. When analyzing liabilities with variable rate it was assumed that the balance of assets and liabilities as of the Balance Sheet date remained unchanged during the entire year. In the Management's opinion increase or decrease by 1% represents a reasonable possible change of interest rates. If the interest rate would increase/decrease by 1%, subject to unchanged other variables, the Company would realize operating profit/loss of 44,520 thousand dinars in the year ending on September 30, 2013. This may be assigned to the Company's exposure to variable interest rates applied to long-term loans.

### **Credit Risks**

#### *Management of Trade Receivables*

Company is exposed to credit risks, i.e. risks that debtors will not have ability to settle their debts to the Company in full and timely and, consequently, the Company will suffer financial losses. Company's exposure to these risks is limited to trade receivables on the Balance Sheet date.

#### *Undue Trade Receivables*

Undue trade receivables presented in the amount of 1,220,850 thousand dinars on September 30, 2013 (December 31, 2012: 2,946,159 thousand dinars) mainly relate to trade receivables from sale of crude soybean oil, soybean meal, soybean textures, flour and concentrates. Maturity of these trade receivables ranges mainly within 60 days from the date of invoicing, depending on the contracted payment terms.

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### *Due and Adjusted Trade Receivables*

In previous periods, impairment of due trade receivables amounted to 347,432 thousand dinars (2012: 446,781 thousand dinars) since the Company established changes in financial standing of the accounts and, estimated that the receivables shall not be collected in full.

### *Due and Unadjusted Trade Receivables*

Trade receivables amounting to 1,700,237 thousand dinars as of September 30, 2013 (December 31, 2012: 931,349 thousand dinars) were not impaired since no change in financial standing of accounts was established and due to the fact that major portion of these trade receivables are from related parties; a portion of receivables relate to soybean oil and soybean meal, TSP, F&G and soybean concentrates agreed to be sold subject to deferred payment. Therefore, the Company Management estimates that the current value of these trade receivables shall be collected in full.

### *Management of Trade Payables*

On September 30, 2013 trade payables were presented in the amount of 2,362,452 thousand dinars (December 31, 2012: 663,202 thousand dinars). Suppliers do not calculate a default interest on due and outstanding payables, provided that the Company settles its liabilities within the agreed time period, in accordance with its policies related to the management of trade payables. Average term of trade payables settlement is 47 days.

## **Liquidity Risks**

Company manages its liquidity risks by maintaining corresponding cash reserves through continuous monitoring of the planned and actual cash flows as well as maintaining adequate ratio between maturities of assets and liabilities.

## **TAX RISKS**

Tax regulations of the Republic of Serbia are often interpreted differently and they are frequently amended. Interpretation of tax regulations by tax authorities with respect to transactions and activities of the Company may differ from the Management's interpretation. Therefore, transactions may be disputed by tax authorities and certain additional tax, penalties and interests may be imposed to the Company. The limitation period of a tax liability is five years. In practice, it means that the tax authorities are entitled to determine payment of outstanding liabilities within a five-year period from the date the liability was made.

## **MORE SIGNIFICANT BUSINESS EVENTS AFTER EXPIRY OF THE REPORTING PERIOD**

On the basis of Decision on Acquisition and Disposal of Major Assets adopted by the Company Meeting on October 16, 2012, the Company conducted the procedure of acquiring shares from dissenting shareholder at the price of 788.01 dinars per a share.

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**RESEARCH AND DEVELOPMENT ACTIVITIES OF THE COMPANY**

In its research and development the Company uses accomplishments available on the market. Adopted policies are focused on use of soybean protein concentrates in human consumption and animal feed. Products portfolio is also included and based on achieving the most efficient and profitable use and marketing of by-products, development of high quality cattle feed and development of top quality products for human consumption. Development objective is production with quality standards not easily available in products portfolio of competitors which certainly may be achieved due to raw materials of high quality.

**BUSINESS RELATIONS WITH RELATED PARTIES**

**Volume, Structure and Value of Finished Products Sales to Related Parties in the Period January – September 2013 as Compared to the Period January – September 2012 and December 31, 2012**

|                           | <i>REALIZATION<br/>Jan-Sep 2013<br/>(t)</i> | <i>REALIZATION<br/>Jan-Sep 2012<br/>(t)</i> | <i>REALIZATION<br/>Jan-Dec 2012<br/>(t)</i> | <i>REALIZATION<br/>Jan-Sep 2013<br/>('000 RSD)</i> | <i>REALIZATION<br/>Jan-Sep 2012<br/>('000 RSD)</i> | <i>REALIZATION<br/>Jan-Dec 2012<br/>('000 RSD)</i> |
|---------------------------|---|---|---|--|--|--|
| <b>Intercompany sales</b> | <b>8,392</b>                                | <b>19,024</b>                               | <b>35,428</b>                               | <b>614,219</b>                                     | <b>1,220,018</b>                                   | <b>2,469,197</b>                                   |
| Soybean – crude oil       | 302   | 47  | 137   | 33,646   | 5,346  | 15,111   |
| Soybean – meal            | 3,044                                       | 14,269                                      | 29,417                                      | 200,777  | 714,026  | 1,767,177  |
| F&G                       | 1,703                                       | 1,169                                       | 1,242                                       | 126,924  | 57,950   | 63,836   |
| SPC                       | 313   | 43  | 44  | 31,117   | 3,432  | 3,540  |
| TSP                       | 2,035                                       | 3,496                                       | 4,416                                       | 175,869  | 439,264  | 610,253  |
| TSP ' SPC                 | 24  | 0   | 0   | 3,463  | 0  | 0  |
| Shell                     | 460   | 0   | 75  | 6,088  | 0  | 1,268  |
| Dry TSP                   | 505   | 0   | 99  | 35,369   | 0  | 8,012  |
| Lecithin                  | 7   | 0   | 0   | 965  | 0  | 0  |

**Volume, Structure and Value of Commercial Goods Sales to Related Parties in the Period January – September 2013 as Compared to the Period January – September 2012 and December 31, 2012**

|                         | <i>REALIZATION<br/>Jan-Sep 2013<br/>(t)</i> | <i>REALIZATION<br/>Jan-Sep 2012<br/>(t)</i> | <i>REALIZATION<br/>Jan-Dec 2012<br/>(t)</i> | <i>REALIZATION<br/>Jan-Sep 2013<br/>('000 RSD)</i> | <i>REALIZATION<br/>Jan-Sep 2012<br/>('000 RSD)</i> | <i>REALIZATION<br/>Jan-Dec 2012<br/>('000 RSD)</i> |
|-------------------------|---|---|---|--|--|--|
| <b>Commercial goods</b> | <b>1,208</b>                                | <b>37,963</b>                               | <b>40,196</b>                               | <b>68,119</b>                                      | <b>1,606,844</b>                                   | <b>1,769,240</b>                                   |
| Soybean – crude oil     | 1,179                                       | 37,963                                      | 38,036                                      | 64,710   | 1,606,844  | 1,611,820  |
| Soybean – meal          | 29  | 0   | 1,155                                       | 3,409  | 0  | 119,640  |
| F&G                     | 0   | 0   | 1,005                                       | 0  | 0  | 37,780   |



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In the period January-December 2012, the share of trade with related parties, measured by natural indicators, in total sales of finished products was 12% (in the same period of the previous year – 15.78%), and share in income from the sold products was 9.74%. Major share in trade was realized in sales of soybean meal. Trade volume with related parties in sales of commercial goods was insignificant in the period January – September 2013.

Trade of finished products and commercial goods with related parties was carried under market conditions both with respect to prices and delivery terms. When considering the sales segment and income from sales against transactions stated in the last financial statements for the period January-September 2013, as well as sales to third parties on domestic market sales of soybean meal in higher volumes was not recorded due to suspension of the soybean meal production in the first six months.

In 2012, soybean grain not fulfilling high criteria required for higher processing phases was marketed with related parties and remained on stock in the period January – September 2013. Company has committed itself to mainly operate the production within its core activity and, hence, the volume of trade in commercial goods both with related parties and third parties was reduced.

**Balance of Receivables from and Trade with Related Parties**

In thousands of dinars /RSD/

|                                | <b>Opening balance</b> | <b>Trade – debits Jan-Sep 2013</b> | <b>Trade-credits Jan-Sep 2013</b> | <b>Balance as of Sep. 30, 2013</b> |
|--------------------------------|------------------------|------------------------------------|-----------------------------------|------------------------------------|
| Receivables                    | 1,838,577              | 824,989                            | 1,867,770                         | 795,796                            |
| Prepayments made               | 1,014,973              | 2,428,048                          | 3,443,021                         | 0                                  |
| Receivables from interest      | 13                     | 82,008                             | 82,021                            | 0                                  |
| Short-term investments         | 1,474,862              | 1,304,309                          | 2,047,651                         | 731,5520                           |
| <b>Related parties - total</b> | <b>4,328,425</b>       | <b>4,639,354</b>                   | <b>7,440,463</b>                  | <b>1,527,315</b>                   |

**Balance of Liabilities to and Trade with Related Parties**

In thousands of dinars /RSD/

|                                | <b>Balance as of Dec. 31, 2012</b> | <b>Trade – debits Jan-Sep 2013</b> | <b>Trade-credits Jan-Sep 2013</b> | <b>Balance as of Sep. 30, 2013</b> |
|--------------------------------|------------------------------------|------------------------------------|-----------------------------------|------------------------------------|
| Trade payables                 | 274,937                            | 4,461,941                          | 5,677,357                         | 1,490,353                          |
| Other operating liabilities    | 55,982                             | 2,334                              | 0                                 | 53,648                             |
| <b>Related parties - total</b> | <b>330,919</b>                     | <b>4,464,275</b>                   | <b>5,677,357</b>                  | <b>1,544,001</b>                   |

**SOJAPROTEIN AD BECEJ – OPERATING REPORT FOR THE PERIOD JANUARY-SEPTEMBER 2013**

Business operations with related parties has been carried under market condition and the changes occurring in transactions against transactions stated in the last Annual Financial Statements reflect reduced receivables as compared to December 31, 2012 and increased balance of liabilities to related parties. Reduced balance of receivables from related parties as well as from customers resulted from lesser volume of trade in the first nine months of 2013, mainly due to smaller realized income from sales of soybean meal, settlement of liabilities for supplied soybean grain with prepayments made and increased cash inflows based on granted short-term financial investments against cash outflows on this basis. On September 30, 2013 balance of liabilities to related parties was higher than the opening balance due to reduced trade in soybean meal since a portion of soybean grain buy-up was compensated for soybean meal in the previous period.

## **S U M M A R Y**

In the period January – September 2013, customization of production and transport lines in the new Traditional Soybean Protein Concentrates Plant continued in order to meet strict requirements of SPC end users for feed and food consumption. In accordance with the requirements of SPC users for feed with low content of antigens in SPC to be used in the CMR (calves milk replacement) industry a series of action was performed for separation of transport lines, division of storing cells and packaging lines to prevent contamination with products of current programs. Concurrently, activities related to improvement of the SPC quality for food use were performed, particularly for textured SPC with the aim to additionally enlarge the scope of production assortment and closed the offerings of higher processing phases SPC. Insignificant sales of SPC for animal feeding as well as human consumption resulted from these customizations and new products testing within the observed period. However, at the end of the period the prerequisites for achieving continuous production of the required quality were created and represent the base of more intensive sales, particularly export in the second half of 2013.

At the beginning of 2013 the decision on suspension of soybean meal production was passed in order to allow the implementation of the activities mentioned above. This decision was necessary to perform permanent separation of production and transport lines of SPC from production and transport lines of soybean meal and make essential change in the former structure of the production program in favor of higher processing phases protein products. On the other part, Company is now able to produce soybean meal from time to time and remain partially present on the local market in order to achieve maximum utilization of its processing capacities until production/sales of SPC do not reach their maximum, on the one part, and to use the well-known and recognized quality of soybean meal it has been producing for additional improvement of its sales and financial results, to the other part.

Draughts beyond the living memory in the key vegetation period of soybean – crop 2012, resulted in the highest purchase price of soybean grain in the history and made impact to high price of soybean products and, consequently, selling prices significantly reducing competitiveness of Sojaprotein in the market, particularly foreign markets which are demanding and selective both in terms of quality and price of soybean products. In spite of high prices of finished products, due to securing sufficient volumes of NON-GMO soybean of Serbian origin and high quality of final products Company was able to retain, and with respect to higher processing phases even improve its market position whereby conditions for continuing the expansions of export of current products within the human program were created as well as for new types of SPCs both for animal feed and human consumption.

It is obvious that the Company has permanently oriented itself to production and export of higher phase protein products (SPC, TSPC and FSPC in future) with higher profit margins and a possibility to quickly achieve significant increase of profitability of the entire Company operations.

## STATEMENT OF PERSONS RESPONSIBLE TO PREPARE QUARTERLY REPORTS

To the best of our knowledge the quarterly financial statements were prepared in compliance with the corresponding International Financial Reporting Standards and provides true and fair data on assets, liabilities, financial position and operating results, profit and loss, cash flows and changes in equity of the Public Company.

Persons responsible to prepare the Annual Financial Statements  
of "Sojaprotein" A.D. Becej, Industrijska no. 1, 21220 Becej

Chief Executive Officer: James Patrick King

  
Signature, sgd.

Executive Officer – Head of Finance: Nikolic Ankica, graduate in economics

  
Signature, sgd.

Head of Accounting> Andjelkovic Dragana, graduate in economics

Signature, sgd.  


PLACE OF COMPANY SEAL

