

NOTES TO THE INCOME STATEMENT as of September 30, 2008

In '000 RSD

NOTE 1 – SALES INCOME	
Company presented the amount of RSD 13,115,475 thousand. The stated amount includes:	
- Income from sale of merchandise	7,356,660
Most significant income from sale of merchandise was achieved in two ways: 1. Delivery and invoicing of seeds, mineral fertilizers and pesticides and other material to farmers. Within its business policy Company is continuously contracting and investing in production of oil plants through deliveries of seeds and intermediaries (mineral fertilizers, pesticides, fuel) to farmers. Company invoices the goods delivered for oil plants production and presents the relevant revenues as 'Income from Merchandise', while in the Balance Statement it presents trade receivables from manufacturers which are settled by delivery of raw materials. In this manner, Company secures 40-50% of required volume of raw materials for annual production through financing in advance.	
2. Procurement of oil plants required for processing within the related party – company "Victoria Oil"AD Sid. Sojaprotein's Department of Raw Materials is contracting and buying-up oil plants necessary for operation of "Victoria Oil"AD Sid aimed to lessen costs and achieve more efficient procurement of raw materials. Sojaprotein is selling and invoicing the entire volume of sunflower and rape to the company "Victoria Oil" and represents the relevant revenues as 'Income from Merchandise'.	
- Income from sale of own products	5,720,690
Major income relates to sale of soybean meal and amounts to RSD 2,990,223 thousand, followed by income from sale of crude soybean oil of RSD 1,494,675 thousand and other income is gained by sale of textures, flour, lecithin, fish fodder and other soybean products.	
- Other sales income	22,388
- Revenue from retail trade	15,737
NOTE 2 – INCREASE OF VALUE OF INVENTORIES OF FINISHED PRODUCTS	
Company presented increase of inventories of finished products as of September 30, 2008 in amount of RSD 1,113 thousand as compared to the balance as of December 31, 2007. Stock of crude soybean oil has decreased to 573,850 kg, i.e. for the value of 12,791 thousand, whereas stocks of soybean meal increased to 229,016 kg, i.e. for the value of RSD 6,083 thousand. The value is carried at the cost of these products whereas the respective sales prices are significantly higher.	

NOTE 3 – COST OF GOODS SOLD	
Company presented the amount of RSD 6,737,354 thousand as cost of merchandise sold in the Income Statement.	
Major share of these costs relates to procurement of intermediaries and amounts to RSD 2,759,728 thousand, whereas cost of seeds is presented in amount of RSD 599,768 thousand; cost of sunflower – crop 2008 – amounted to RSD 2,188,022 thousand; cost of rape – crop 2008 – amounted to RSD 527,000 thousand. Intermediaries and seeds were delivered to farmers and sunflower and rape were delivered to the company VICTORIA Oil AD Sid in accordance with their regular production needs.	
NOTE 4 – MATERIAL COSTS	
Company presented the amount of RSD 3,991,163 thousand in its Income Statement. Cost of basic raw material (soybean grain) was :	3,487,054
Cost of all materials is carried at the mean cost. Other material costs relate primarily to hexane, corn and wheat.	
NOTE 5 – OTHER OPERATING COSTS	
Company presented other operating costs in amount of RSD 264,074 thousand. Structure of these costs is as follows:	
- Maintenance services cost	37,148
Major share of these costs relates to maintenance of building facilities and equipment in amount of RSD 18,784 thousand, and maintenance of the Information System including licenses in amount of RSD 5,831 thousand.	
- Costs of services in the course of finished products manufacturing	6,562
- Transportation costs	26,521
Major share of transportation costs relates to the costs of transportation of finished products in the country and abroad.	
- Laboratory services	29,650
- Costs of other services	19,223
- Costs of non-productive services	17,920
- Costs of payment transactions, commissions and bank fees	57,844
- Other costs	69,206
NOTE 6 – FINANCIAL INCOME	
Company presented the amount of RSD 687,954 thousand in the Income Statement. The major share relates to the exchange currency gains amounting to RSD 651,978 thousand.	

NOTE 7 – FINANCIAL COSTS	
Company presented the amount of RSD 761,894 in the Income Statement. Most significant costs relate to:	
- Interest on credits	235,512
- Exchange currency losses	454,785
NOTE 8 – OTHER INCOME	
Company presented the amount of RSD 19,382 thousand in the Income Statement.	
<i>Major share relates to collection of receivables, sale of materials and damage compensations.</i>	
NOTE 9 – OTHER EXPENSES	
Company presented the amount of RSD 46,403 thousand in the Income Statement. Most significant item is:	
- Impairment of receivables	39,554
NOTE 10 – PROFIT BEFORE TAX	
Data related to operations in 2008 are as follows :	
Total income	13,864,353
Total costs and expenses	12,190,814
Gross profit	1,673,539
Profit tax	167,354
Deferred tax assets	0,00
Net profit	1,506,185
NOTE 11 – EARNINGS PER SHARE	
Value of earnings per share was calculated on the basis of realized net profit divided with weighted number of shares and amount to RSD 279.88 for the first nine months of 2008. Earnings per share for the same period of 2007 was calculated on the basis of reconciled new average number of weighted shares amounted to RSD 162.46	

Becej, _____.____.2008

LEGAL REPRESENTATIVE

Pavlovic Branislava