

NOTES TO THE INCOME STATEMENT as of December 31, 2007

NOTE 1 – SALES INCOME

The Company has presented in its Income Statement amount of RSD14,231,493 thousand. The amount includes:

- Sales of marketable goods	RSD7,402,478 thousand
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Within its business policies the Company is continuously investing in production of oil crops by contracting the production of mentioned crops and delivering seeds and inputs (mineral fertilizers, pesticides, fuel) to manufacturers in advance.

In this manner 30-50% of the demanded volume of raw materials is financed and obtained in advance prior to the buy-up period tied to the annual production.

Within its Raw Materials Division "Sojaprotein" is contracting and buying-up of sunflower and rape whereby procurement of raw materials is integrated at the Victoria Group system level with aim to achieve better efficiency and reduced costs. Due to the reasons mentioned above the bought-up volume of these oil crops is sold to Victoria Oil to meet its demand.

- Sale of own products	RSD6,746,484 thousand
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Major income amounting to RSD3,691,069 thousand related to the sale of soybean meal and sale of raw soybean oil amounted to RSD2,001,458 thousand and other revenue was accomplished in sale of textures, flour, lecithin, fish meal and other soybean products.

- Other sales revenue	RSD56,309 thousand
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- Retail sales	RSD26,222 thousand
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NOTE 2 – REDUCED VALUE OF EFFECT ON STOCK

The Company presented reduce of finished products on stock as of December 31, 2007 against the opening balance as of January 1, 2007 amounting to RSD39,162 thousand.

Reduce of the finished products on stock resulted from increased sale of finished products, particularly raw soybean oil and soybean meal.

NOTE 3 – COSTS OF GOODS SOLD

The Company presented RSD6,794,405 thousand in its Income Statement related to the costs of goods sold.

Major part of the costs related to the procurement of inputs and seeds delivered to agricultural manufacturers.

NOTE 4 – COSTS OF MATERIAL

The Company presented RSD5,440,266 thousand in its Income Statement. In it the share of cost of basic raw materials (soybean grain) is RSD4,898,661 thousand.

Used inventories are reported at the average cost.

NOTE 5 – OTHER OPERATING EXPENSES

The Company presented other operating expenses in amount of RSD450,387 thousand. The structure of expenses is as follows:

- Maintenance services	RSD63,633 thousand
Major share relates to the licensed Information System maintenance services amounting to RSD14,680 thousand and building facilities and equipment maintenance services amounting to RSD20,861 thousand.	
- Effects production services	RSD2,158 thousand
- Transportation services	RSD188,213 thousand
Major share of transportation services relates to the transport of sunflower and rape, as well as costs related to transport of finished products in the country and abroad.	
- Rent	RSD548 thousand
- Costs of other services	RSD72,373 thousand
- Costs of non-manufacturing services	RSD14,765 thousand
- Payment transactions, bank commissions and fees	RSD32,127 thousand
- Other costs	RSD76,570 thousand

NOTE 6 – FINANCIAL INCOME

The Company presented in its Income Statement the amount of RSD582,300 thousand. Within this item the most significant share have exchange differences gains in amount of RSD546,331 thousand.

NOTES 7 – FINANCIAL EXPENSES

The Company presented in its Income Statement the amount of RSD859,687 thousand. Within this item the most significant amounts are:

- Interest on credits granted	RSD220,139 thousand
- Exchange differences losses	RSD585,172 thousand

NOTE 8 – OTHER REVENUE

The Company presented in its Income Statement the amount of RSD569,699 thousand. Within this item the most significant amounts are:

- Gains from stakes and other securities sold	RSD498,830 thousand
- Other revenue	RSD54,125 thousand

(discounts, rebates, damage compensations, surpluses, etc.)

NOTE 9 – OTHER EXPENSES

The Company presented in its Income Statement the amount of RSD67,828 thousand. Within this item the most significant amounts are:

- Receivables write-offs, donations	RSD7,366 thousand
- Shortages	RSD23,168 thousand
- Costs of acquiring and sale of shares	RSD4,958 thousand

NOTE 10 – PROFIT BEFORE TAX

Data related to the operating results in 2007 are as follows:

- Total income	RSD15,403,168 thousand
- Total expenses	RSD14,103,088 thousand
- Gross profit	RSD1,300,080 thousand
- Profit tax	RSD71,114 thousand
- Deferred tax revenue	RSD24,498 thousand
- Net profit	RSD1,253,434 thousand

NOTE 11 – EARNINGS PER SHARE

Earnings per share are RSD1,341.22

In Becej, this February 29, 2008

LEGAL REPRESENTATIVE

Pavlovic Branislava