

NOTES TO BALANCE SHEET as of September 30, 2008

In '000 RSD

<p>Company "Sojaprotein"A.D. with registered office at Industrijska zona bb, Becej is the open joint stock company incorporated in 1985 as an socially-owned enterprise. It operates as a joint stock company from 2001. Company's core activity is production of crude oils and fats.</p>	
<p>Ten major shareholders in the structure of capital have 59.71% share of the total share capital as of September 30, 2008.</p>	
<p>There were 404 employees in the Company on the Balance Sheet date.</p>	
<p>NOTE 1 – INTANGIBLE INVESTMENTS</p>	
<p>Intangible investments are initially valued at their purchase price or cost. After initial recognition, intangible investments are carried at cost reduced for generated amortization and total impairment losses.</p>	
<p>NOTE 2 – PROPERTY, PLANTS AND EQUIPMENT</p>	
<p>Company presented the value of property, plants and equipment in amount of RSD 3,339,241 thousand. All goods classified in this group are carried at their fair value. Amortization is calculated by use of the STRAIGHT LINE method applied to the purchase price. From January 1 until September 30, 2008 the Company invested in:</p>	
<p>New EQUIPMENT</p>	31,087
<p>New FACILITIES</p>	16,950
<p>As of September 30, 2008 the balance of investments made during the year amounted to RSD 392,237 thousand. Major investments were as follows:</p>	
<p>1. SPI/SPC FACTORY – Project documentation</p>	44,523
<p>2. "Kirka" BOILER</p>	60,068
<p>3. BOILER-ROOM FUELED BY BIOMASS</p>	86,294
<p>4. STORAGE ROOM NEXT TO THE BOILER-ROOM FUELED BY BIOMASS</p>	69,236
<p>Construction of boiler-room fueled by biomass (soybean straw and silo waste) and storage room and chemical water treatment unit is completed and the trial run is in progress. Total investments in this project with corresponding infrastructure included were RSD 308,239 thousand. Economic effects of the investment are lower prices of power sources achieved by replacement of current gas with biomass for power generation as well significant ecological effects achieved by reduced emission of CO₂ and global pollution.</p>	

Implementation of the Soybean Protein Isolates and Concentrates Production Plant Production Project commenced by creation of project documentation for future plant; conceptual design is developed and consulting services are contracted with the company specialized in providing consulting services in the soybean proteins industry and recognized through the world. Down payments for the investment in progress amounted to RSD 21,781 thousand.	
NOTE 3 – INVESTMENT PROPERTY	
As of September 30, 2008 investment property amounted to 110,424 thousand and related to:	
1. MIXING PLANT in B. Palanka	26,280
2. WAREHOUSE in B. Palanka	2,842
3. MASTER CENTER	81,302
NOTE 4 – STAKES IN CAPITAL	
The Company has following stakes:	
1. Stakes in subsidiaries :	1,112
- "VOBEX_INTERSOJA" Moscow 85.00%	
2. Stakes in other related parties :	445,358
This group covers stakes in capital of the following companies:	
- "BELA LADJA" Hotel AD Becej - 31.81%	
- "VETERINARY INSTITUTE"AD Subotica – 32.05%	
- "SP LABORATORIES"A.D. Becej – 15.28%	
3.Stakes in capital of other legal entities :	5,838
In this Group stakes in capital of several banks are included; however, each individual stake does not present substantially important item.	
NOTE 5 – OTHER LONG-TERM FINANCIAL PLACEMENTS	
The Company presented the value of long-term financial placements in amount of RSD 302,557 thousand. Major items relate to the granted conditional loans. A part of Sojaprotein's business policies is active participation in support of primary agricultural production and long-term provision of raw materials. Granting of conditional loans to major oil plant manufacturers for construction of storage capacities is one mode of support. By these placements Company provides storage capacities for bought-up raw materials for a longer time periods while simultaneously securing raw materials required for processing by their buy-up from the manufacturers. Major placements in form of conditional loans were granted to the following companies:	
- "AGROPOTEZ" Adasevac	
- DOO"AGROGRNJA" Pivnice	

- OZZ"EVROPA" Backa Palanka	
- DOO"UNICOOP" Zabalj	
- DOO"VENTURA" Belgrade	
- "AGROPROMET" Becej	
- OZZ"NIZINE" Plavna	
- "ALBATROS"MM Sid	
NOTE 6 – INVENTORIES	
In the Balance Sheet inventories are presented in the amount of: Major share of stocks relate to the basic raw materials (soybean grain) in amount of RSD 4,129,315 thousand.	6,946,530
As of September 30, 2008 stocks of basic raw material were: 154,460,338 kg of soybean grain of JUS quality standard. Major stocks of merchandise are as follows:	
- Wheat / 29,569,111 kg /	357,499
- Sunflower / 44,633,726 kg /	1,045,249
- Various types of fertilizers / 5,194 t /	205,185
In 2008 5,938,396 kg of JUS quality soybean grain – crop 2006 and 137,758,551 kg of JUS quality soybean grain – crop 2007 and 2,368,567 kg of JUS quality soybean grain – crop 2008, respectively, was processed.	
Cost of finished products is defined on the basis of actual consumption of raw materials which are determined through production orders issued within the manufacturing department and depending costs.	
Produced volume of crude soybean oil and soybean meal in 2008 was 27,388,500 kg and 93,922,438 kg, respectively.	
Stocks of crude soybean oil as of September 30, 2008 were 421,204 kg, i.e. RSD 9,391 thousand, and soybean meal 742,596kg, i.e. RSD 19,724 thousand. Value of stocks of finished products is carried at cost.	
Down payments amount to RSD1,036,935 thousand and relate to the raw materials paid in advance for crop 2008 in the form of procured seeds, intermediaries and cash payments.	
Down payments to foreign suppliers amount to RSD 34,259 thousand.	
NOTE 7 – RECEIVABLES	
Company presented total receivables of RSD 9,641,933 thousand in the Balance Sheet as follows:	
- Receivables from parents Note: full receivable were paid up to 10 th day in a month in 2008.	1,143,873
- Receivables from related legal entities amounted to	3,217,938
Major share in amount of RSD 2,625,465 thousand relate to Victoria Oil on the basis of sold sunflower grain and rape as per the entered Contract, and the amount of RSD 525,238 thousand relates to Fertil for delivered mineral fertilizers which was settled through compensation in October 2008.	
- Domestic trade receivables	4,904,354

<p>The receivable of RSD 1,865,716 thousand relates to the intermediaries supplied for oil plants production – crop 2008 and it will be settled by delivery of these raw materials by the manufacturer.</p> <p>The receivable of RSD 2,281,989 thousand relates to supplied mineral fertilizers that was distributed to farmers against cash payments or in kind, at their discretion, for oil plants – crop 2008.</p> <p>The receivable of RSD 126,948 thousand relates to supplied pesticides distributed to farmers against cash payments or in kind, at their discretion, for oil plants – crop 2008.</p> <p>The receivable of RSD 629,701 thousand originates from regular sale of merchandise within the current range of production program.</p>	
- Foreign trade receivables amount to	312,641
- Receivables from specific deals and from government authorities are	63,127
NOTE 8 – SHORT-TERM FINANCIAL PLACEMENTS	
<p>Short-term financial placements amounted to RSD 683,950 thousand as of September 30, 2008 and relate to loans granted to related parties. They were paid in full during October 2008. Short-term financial placement amounting to RSD 14,509 thousand relates mainly to a share of conditional loans granted to farmers that will become due within the year.</p> <p>Short-term credits granted to employees for food provisions for winter in accordance with the provisions under Individual Collective Labor Contracts amount to RSD 15,437 thousand.</p>	
NOTE 9 – OFF-BALANCE ASSETS	
<p>The amount of RSD 2,394,355 thousand relates mainly to guarantees and security granted and amounted to RSD 2,097,814 thousand as of September 30, 2008.</p> <p>"Sojaprotein" issues security and guarantees primarily to its related parties, except for some individual cases when security is granted to business partners due to long standing business cooperation.</p> <p>The amount of RSD 295,976 thousand relates to goods in ownership of other entities that is stored in our warehouses, i.e. sunflower – crop 2008.</p>	
NOTE 10 – ORIGINAL CAPITAL	

<p>By the decision of Securities and Exchange Commission dated December 27, 2007 approval for 6th issue of shares for replacement of existing shares for their distribution was granted. Pursuant to the Decision of the Sojaprotein AD Meeting dated December 20, 2007 replacement of 1,078,000 shares of individual book value of RSD 2,318.30702 was effected resulting in original capital of RSD 2,499,134,967.56 divided in 5,390,000 common shares of individual book vale of RSD 463.661404. Issue of new 5,390,000 shares resulted in increase of shares in accordance with the replacement ratio 1:5; however, percentage share of each shareholder in the original capital remained unchanged.</p> <p>Structure of capital as of September 30, 2008 was as follows: VICTORIA GROUP Novi Sad-25.59%, Privredna Banka Zagreb DD-5.71%, VICTORIA OIL AD Sid-5.51%, FERTIL DOO Backa Palanka-4.64%, Raiffeisen Zentral Bank 3.88%; ZB INVEST DOO ZA UPR.INVEST.FO-3.23%, SOCIETE GENERALE –Splitska banka-2.86%, Elixir Group DOO Sabac-2.84% , Fashion Company DOO Belgrade-2.80%, Hypo Kastodi -2.65% making 59.71% of total capital.</p>	
<p>Pursuant to the Decision of Board of Directors dated February 4, 2008 and the Decision of Securities and Exchange Commission dated March 20, 2008 “Sojaprotein” A.D. Becej announced public offer for subscription and payment of common shares of 8th issue with the objective to increase the original capital in full amount of RSD 301,379,912,60, i.e. 650,000 common shares with no par value and book value of RSD 463.661404. Term for subscription and payment of shares of 8th issue was determined from April 21, 2008 until July 18, 2008. The issue was unsuccessful due to insufficient number of subscribed and paid shares, and upon expiry of the term defined for subscription and payment of shares paid funds amounting to RSD 42,922 thousand were refunded.</p>	
<p>NOTE 11 – BOUGH-UP TREASURY SHARES</p>	
<p>On the basis of Decision of Board of Directors dated March 18, 2008 on acquisition of treasury shares on the organized market in order to prevent further higher and direct damage to the Company (whereby acquisition of 9.99% of treasury shares was approved) “Sojaprotein” A.D. Becej had acquired 13,909 treasury shares bought at the Belgrade Exchange in total amount of RSD 34,109 thousand. After initial posting reclassification of bough-up treasury shares was made to treasury shares available for disposal within a year in amount of RSD 6,449 thousand and to the issue premium in amount of RSD 27,660 thousand.</p>	
<p>NOTE 12 – LONG-TERM PROVISIONS</p>	
<p>Long-term provisions for redundancy pay at the time of retirement and jubilee awards (pursuant to IAS 19) amounted to RSD 45, thousand.</p>	

NOTE 13 – LONG-TERM LIABILITIES		
Long-term liabilities consist of foreign long-term credits.		
Foreign long-term credits		7,512,053
1.VOJVODJANSKA BANKA (PARIS CLUB)	EUR 10,756,276.60 court proceedings	823,901
Long-term liabilities based on financial lease amounted to RSD12,981 thousand. The amount of foreign long-term credits relates to credits used for procurement of all oil plants – crop 2008, as well as other farming crops (corn, wheat, seeds).		
NOTE 14 – SHORT-TERM FINANCIAL LIABILITIES		
- Current share of the credit granted by HYPO - Bank/	EUR 10,629,747	814.209
- Financial lease – current share		1.498
NOTE 15 – OPERATING LIABILITIES		
Company presented in the Balance Sheet the amount of:		4.257.190
Specified liabilities relate to:		
- Liabilities for received advances in amount of:		29.316
These liabilities relate to successive deliveries of soybean meal which is evenly withdrawn within the contracted term.		
- Liabilities to parents :		
In amount of:		337.865
- Liability to parents was fully settled by compensation in October 2008.		
- Liabilities to related parties:		
In amount of:		178.114
Liability to related parties was fully settled by compensation in October 2008.		
- Other trade payables:		
In amount of:		1.854.396
Liabilities of RSD 479,924 thousand relate to the liability for delivered soybean grain in visible trade (oil, soybean and sunflower meal). Liability based on accepted soybean grain from crop 2008 with corresponding costs amounted to RSD 592,463 thousand and sunflower from crop 2008 of RSD 559,917 thousand. These liabilities were in full settled or compensated in October 2008. Liabilities for seeds appropriated fro oil plants production amounted to RSD 86,182 thousand. Liabilities related to investments in fixed assets amounted to RSD 29,992 thousand and the remaining balance of RSD 105,918 thousand relates to other liabilities.		
- Foreign trade payables:		
In amount of:		8,294

- Liabilities related to uninvoiced goods:	
In amount of:	1,849,205
The liability relates to received raw materials, oil plants, which were not invoiced until September 30, 2008.	

Becej, September 30, 2008

LEGAL REPRESENTATIVE

Pavlovic Branislava