

NOTES TO THE BALANCE SHEET as of March 31, 2008

Company "Sojaprotein"A.D. with registered office at Becej, Industrijska Zona bb, is the open joint stock company incorporated in 1985 as the socially-owned company.

The Company operates as a joint stock company from 2001.

Company's core activity is production of crude oils and fats.

Share of ten major shareholders in the total structure of share capital was 59.54% as of March 31, 2008.

The Company had 398 employed as of the Balance Sheet date.

NOTE 1 – INTANGIBLE INVESTMENTS

Intangible investments were originally valued at purchase value or cost.

After the initial recognition, intangible assets were recorded at purchase value or cost reduced for accumulated amortization and total impairment losses.

NOTE 2 – PROPERTY, PLANTS AND EQUIPMENT

Carrying value of the Company property, plants and equipment was RSD 3,335,794 thousand. All items classified in this group were recorded at their fair value.

PROPORTIONAL method on purchase value was used for calculation of depreciation.

From January 1 until March 31, 2008 the Company made the following investments:

New EQUIPMENT:	RSD	13,561,306.80
New FACILITIES:	RSD	62.427,50

As of March 31, 2008 the balance of investments during the year amounted to RSD 347,362,843.53.

Major investments are:

1. SPI/SPC PLANT / Project documentation	RSD	36,553,036.14
2. "Kirka" Boiler	RSD	53,972,182.25
3. BIOMASS DRIVEN BOILER-ROOM	RSD	85,093,937.31
4. BIOMASS WAREHOUSE	RSD	63,186,996.66

The construction of biomass driven boiler-room (soybean straw and silo waste) with warehouse and chemical water treatment plant is completed and the trial run is in progress. Total investment in this project with the corresponding infrastructure amounted to RSD 293,534,873.03. Economic effects of the investment will be reflected in lower power cost due to replacement of the current use of gas by the power generated from biomass, as well as the significant impact to the environment by reduced emission of CO2 and global pollution.

Implementation of the Project for Soybean Protein Isolates and Concentrates Plant Construction commenced by future plant project documentation – conceptual design is completed and consulting services agreed with the company recognized throughout the world, specialized in project consulting in the field of soybean proteins industry.

Prepayments made for the investment amounted to RSD 18,935,077.67.

NOTE 3 – INVESTMENT REAL ESTATES

As of March 31, 2008 the investment real estates amounted to RSD 110,424,222.39 and relate to:

1. MIXER in B.Palanka	RSD	26.280.000,00
2. WAREHOUSE in B.Palanka	RSD	2.842.000,00
3. MASTER CENTER	RSD	81.302.222,39

NOTE 4 – STAKES IN CAPITAL

The Company has following stakes :

1. Stakes in subsidiaries :	RSD	1.111.812,38
- "VOBEX_INTERSOJA" Moscow 85.00%		
2. Stakes in other related legal entities :	RSD	445.357.861,40
In this group the stakes in capital of following companies are classified:		
- Hotel "BELA LADJA" 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:	RSD	4.178.487,82

In this group the stakes in capital of several banks are classified; however none of individual stake represents substantially significant item.

NOTE 5 – OTHER LONG-TERM FINANCIAL PLACEMENTS

Carrying value of the Company long-term placements was RSD 178,762,659.06.

Major items are conditional borrowings. Part of the Sojaprotein's business policy relates to active support of primary agricultural production and securing of raw materials on a long-term basis. A way to secure them is granting of conditional borrowings to the major manufacturers of oil plants appropriated for construction of storing capacities. On the other part, the Company secures storing capacities for the bought-up raw materials on a long-term basis, as well as raw materials needed for processing by their buy-up from the same manufacturers. Major placements in the form of conditional borrowings 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

NOTE 6 - INVENTORIES

Carrying value of inventories in the Company Balance Sheet amounted to RSD 3,892,790,837.98.

Volume of basic raw material (soybean grain) is highest and amounted to RSD 1,874,929,704.91.

As of March 31, 2008 the stocks of basic raw material were 89,282,515.50kg.

Major stocks of marketable goods are:

- Corn (1,202,250 kg)	RSD	18,119,783.47
- Soybean seed, sunflower seed	RSD	138,674,680.70

In 2006, the quantity of 5,798,070.30kg of soybean grain – crop 2006 was processed, as well as 46,313,730.28kg of soybean grain – crop 2007.

Cost of finished products is established on the basis of actual consumption of raw materials as specified in the production orders and respective dependent costs.

Produced volume of crude soybean oil in 2008 was 9,884,348 kg, and soybean meal - 35,092,988 kg.

As of March 31, 2008 stocks of soybean crude oil amounted to 2,743,289 kg , i.e. RSD 62,190,361.63; stocks of soybean meal were 6,228,050kg, i.e. RSD 167,223,142.50.

Carrying value of stocks of finished products was recorded at their cost.

Amount of RSD 1,257,247,604.14 relates to the prepayments made for raw materials – crop 2008 through procurement of seeds, intermediaries and granted cash advances.

NOTE 7 – RECEIVABLES

In the Company Balance Sheet carrying value of total receivables amounted to RSD 5,193,520 thousand as follows:

- Trade receivables from parent legal entities	RSD	411,838,000
--	-----	-------------

Victoria Group is the one of major customers and suppliers with respect to the scope of trade in the Company operations; the amount of RSD 389,389 thousand relates to trade receivables and it is regularly settled at their respective due dates.

- Trade receivables from related legal entities	RSD	285,697,000
---	-----	-------------

Amount of RSD 282,992 thousand relates to Victoriaoil based on the volume of crude soybean oil sold in exchange for refined sunflower oil and pursuant to the entered contract.

- Domestic trade receivables	RSD	4,293,085,000
------------------------------	-----	---------------

Receivable amounting to RSD 2,092,923 thousand relates to the supplied intermediaries necessary for oil plants production – crop 2008; it will be settled by takeover of the produced raw materials from manufacturers.

Receivable amounting to RSD 1,610,294 thousand relates to the supplied mineral fertilizers to be distributed to agricultural manufacturers, which will be paid either in cash or in kind (oil plants - crop 2008), at the manufacturer's option.

Receivable amounting to RSD 589,868 thousand relates to regular commercial trade of products from the current production program.

- Foreign trade receivables	RSD	173,668 thousand
-----------------------------	-----	------------------

NOTE 8 – SHORT-TERM FINANCIAL PLACEMENTS

Short-term financial placements amounted to RSD 9,194,626.06 and their major share relates to the short-term part of conditional borrowings granted to agricultural manufacturers.

NOTE 9 – OFF-BALANCE ASSETS

Off-balance assets of RSD 2,945,762,105.20 mainly relate to issued guarantees and sureties amounting to RSD 2,821,501,369.30 as of March 31, 2008.

"Sojaprotein" mainly grants sureties and guarantees to related legal entities, except in some individual cases when it grants sureties to the business partners based on the long-term business cooperation.

The amount of RSD 124,260,735.90 relates to the goods stored in our warehouse, mainly corn and soybean, owned by other legal entities.

NOTE 10 – ORIGINAL CAPITAL

The 7th issue of shares for the purpose of replacing the current shares for their division was approved by the Decision of Securities and Exchange Commission dated December 27, 2007. In accordance with the Decision of the Sojaprotein AD Meeting passed on December 20, 2007 replacement of 1,078,000 shares with book value of RSD 2,318.30702 per share was made in such a manner that the original capital amounting to RSD 2,499,134,967.56 was divided in 5,390,000 ordinary shares with total book value of RSD 463,661,404.

Increased number of shares by issue of 5,390,000 new shares in compliance with the defined ratio 1:5 did not, however, caused any change in percentage share of each shareholder in the original capital.

Capital structure as of March 31, 2008 is as follows:

VICTORIA GROUP Novi Sad-25.58%, Privredna Banka Zagreb DD-5.82%,

VICTORIA OIL AD Sid-5.51%, FERTIL DOO Backa Palanka-4.64%, ZB INVEST DOO ZA

UPR.INVEST.FO-4.03%, SOCIETE GENERALE –Splitska Banka-3.03%, Elik sir Group doo Sabac-2.84%

Fashion Company DOO Belgrade-2.80%, Raiffeisen Zentralbank-2.66%, Hypo Kastodi 4-2.63% equal to 52.92% of total equity.

NOTE 11 – LONG-TERM PROVISIONS

Long-term provisions for severance pay in case of retirement or jubilee awards (applying IAS 19) amounted to RSD 45,573,433.00.

NOTE 12 – LONG-TERM LIABILITIES

Item 'Long-term liabilities' includes foreign long-term borrowings.

Foreign long-term borrowings	TOTAL	LONG-TERM
		BORROWING
1.HYPO ALPE-ADRIA BANK	EUR 30,000,000	EUR 3,074,210.91
2.EBRD (Eur. Bank for Recon. & Devel.)	EUR 10,000,000	EUR 10,000,000
3.EBRD(Eur. Bank for Recon. & Devel.)	EUR 5,000,000	EUR 5,000,000
4.VOJVODJANSKA BANKA (PARIS CLUB)	EUR 10,756,276.60	DISPUTE PENDING

(The court proceedings are pending related to justification of the specified credit facility).

Long-term liabilities based on financial leasing amounted to RSD 12,980,835.27.

NOTE 13 – SHORT-TERM LIABILITIES

- Short-term part of credit /HYPO - Bank/	RSD	2,216,385,558
Domestic short-term borrowings	RSD	6,399,502
- Short-term part of the financial leasing	RSD	4,410,233

NOTE 14 – OPERATING LIABILITIES

The Company showed in the Balance Sheet the amount of RSD 1,687,677,000
Listed liabilities relate to :

- Received advances amounting to RSD 78,347,000

These liabilities relate to successive supply of soybean meal which will be taken over evenly during the agreed period.

- Liabilities to parent legal entities amounting to RSD 55,713,000

This liability relates to the Victoria Group and it will be compensated with the respective receivables.

- Liabilities to related legal entities amounting to RSD 410,335,000

Liability to related legal entities will be compensated in the course of next quarter with the existing receivables from the respective legal entities

- Other domestic trade payables amounting to RSD 1,019,025,000

Liabilities of RSD 753,529 thousand relate to the delivered soybean grain from barter deals (oil, soybean and sunflower meals).

Liability related to the seed appropriated for oil plants production amounts to RSD 132,877 thousand. Investments in fixed assets resulted in liabilities of RSD 27,795 thousand, and the remaining balance of RSD 104,824 thousand relates to other liabilities.

- Foreign trade payables amounting to: RSD 3,061,000

- Liabilities for uninvoiced goods amounting to: RSD 121,196,000

In Becej,
March 31, 2008

LEGAL REPRESENTATIVE

Pavlovic Branislava