

NOTES TO THE INCOME STATEMENT as of June 30, 2010

NOTE 1 – SALES												
Company presented in its income statement the amount of RSD 6,645,990 thousand. The stated amount includes:												
- Merchandise sold		RSD 1,985,255 thousand										
<p>During the first quarter of 2009, contracting of oil plants, investments in farming by delivery of seed plants and intermediaries, as well as procurement and buy-up of agricultural products were transferred to the Company Victoria Logistic DOO Novi Sad within the implemented reorganization and pooling up logistics function of raw materials procurement, transport and storage of goods necessary for the operation of the Victoria Group Members.</p> <p>Major income was realized in sale of the following merchandise:</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">WHEAT – crop 2009</td> <td style="text-align: right;">RSD 783,467 thousand</td> </tr> <tr> <td>SUNFLOWER</td> <td style="text-align: right;">RSD 796,989 thousand</td> </tr> <tr> <td>CRUDE SUNFLOWER OIL</td> <td style="text-align: right;">RSD 24,960 thousand</td> </tr> <tr> <td>SUNFLOWER MEAL</td> <td style="text-align: right;">RSD 31,403 thousand</td> </tr> <tr> <td>CORN</td> <td style="text-align: right;">RSD 26,627 thousand</td> </tr> </table>		WHEAT – crop 2009	RSD 783,467 thousand	SUNFLOWER	RSD 796,989 thousand	CRUDE SUNFLOWER OIL	RSD 24,960 thousand	SUNFLOWER MEAL	RSD 31,403 thousand	CORN	RSD 26,627 thousand	
WHEAT – crop 2009	RSD 783,467 thousand											
SUNFLOWER	RSD 796,989 thousand											
CRUDE SUNFLOWER OIL	RSD 24,960 thousand											
SUNFLOWER MEAL	RSD 31,403 thousand											
CORN	RSD 26,627 thousand											
- Products sold and services rendered		RSD 4,660,735 thousand										
Major income were realized in sale of meal - RSD 2,461,858 thousand; sale of crude soybean oil - RSD 1,235,384 thousand; other income was realized by sale of textures, flour, lecithin and other soybean products.												
NOTE 2 – INCREASE IN VALU OF FINISHED PRODUCTS ON STOCK												
<p>As compared to the balance as of December 31, 2009 the Company showed increase of finished products on stock by RSD 2,998 thousand as of June 30, 2010.</p> <p>Most significant reduce of stocks was presented in crude soybean oil and soybean meal. Reduce in volume of soybean oil on stock was by 1,018,140 kg, i.e. in value - RSD 17,552 thousand; reduce in volume of soybean meal was by 1,479,106 kg or in value RSD 62,758 thousand.</p> <p>No significant changes of other finished products on stock were recorded. Value of soybean meal as an intermediary showed increase in volume by 2,040,848 kg., i.e. in value - RSD 79,696 thousand.</p> <p>The value is carried at cost of these products.</p>												
NOTE 3 – COST OF GOODS SOLD												
<p>The Company presented in its income statement the amount of RSD 1,977,541 thousand for costs of merchandise sold. Most significant costs were as follows :</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">WHEAT</td> <td style="text-align: right;">RSD 791,734 thousand</td> </tr> <tr> <td>SUNFLOWER</td> <td style="text-align: right;">RSD 795,490 thousand</td> </tr> <tr> <td>SUNFLOWER MEAL</td> <td style="text-align: right;">RSD 31,735 thousand</td> </tr> <tr> <td>REFINED SUNFLOWER OIL</td> <td style="text-align: right;">RSD 24,960 thousand</td> </tr> </table>		WHEAT	RSD 791,734 thousand	SUNFLOWER	RSD 795,490 thousand	SUNFLOWER MEAL	RSD 31,735 thousand	REFINED SUNFLOWER OIL	RSD 24,960 thousand			
WHEAT	RSD 791,734 thousand											
SUNFLOWER	RSD 795,490 thousand											
SUNFLOWER MEAL	RSD 31,735 thousand											
REFINED SUNFLOWER OIL	RSD 24,960 thousand											

NOTE 4 – MATERIAL COST	
The Company presented in its income statement the amount of RSD 3,548,478 thousand, of which cost of basic raw material (soybean grain) amounted to RSD 3,290,461 thousand. Material cost is carried at average procurement prices.	RSD 3,548,478 thousand

NOTE 5 – OTHER OPERATING EXPENSES	
The Company presented other operating expenses in the amount of RSD 189,738 thousand. Structure of expenses was as follows:	
- Maintenance services	RSD 21.767 thousand
Major share relates to maintenance of building facilities and equipment - RSD 8,001 thousand and the information system maintenance and respective licenses - RSD 4,580 thousand.	
- Transportation services	RSD 29.667 thousand
Major share of transportation costs relates to transport of finished products in the country and abroad.	
- Other services (laboratory analyses, utility services, etc.)	RSD 38,467 thousand
- Non-production services	RSD 10,977 thousand
- Payment transactions, commissions and bank fees	RSD 26,105 thousand
- Rent	RSD 17,988 thousand
- Other non-material costs – mainly taxes and duties	RSD 8,659 thousand
- Fairs, advertising and promotion	RSD 5,137 thousand
- Insurance premiums	RSD 11,666 thousand
- Other costs	RSD 19,303 thousand
NOTE 6 – FINANCIAL INCOME	
The Company presented in its income statement the amount of RSD 136,665 thousand. Most significant item was currency differential gains amounting to RSD 130,669 thousand.	
NOTE 7 – FINANCIAL EXPENSES	
The Company presented in its income statement the amount of RSD 985,827 thousand. Most significant items are as follows:	
- Interest on credits	RSD 149,997 thousand
- Currency differential losses	RSD 833,727 thousand
NOTE 8 – OTHER REVENUES	
The Company presented in its income statement the amount of RSD 11,878 thousand. Major share relates to the receivables collected.	
NOTE 9 – OTHER EXPENSES	
The Company presented in its income statement the amount of RSD 17,011 thousand.	

Most significant items are as follows:	
-Receivables impairment	RSD 12,984 thousand
NOTE 10 – LOSS BEFORE TAX	
In the first half of 2010 a loss before tax as difference between total income and total expenses was presented in the amount of RSD 61,500 thousand. Operating profit in the same period amounted to RSD 805,656 thousand, and the final loss resulted from financial expenses incurred due to increase of the EUR rate as of December 31, 2009 and relates to currency differentials on credits.	

Data relevant for performance until June 30, 2010 are as follows:	
Total income	RSD 6.921.087 thousand
Total expenses	RSD 6.969.726 thousand
Loss	RSD 48.639 thousand
Tax liabilities for the period	RSD 12.861 thousand
Net loss	RSD 61.500 thousand

Becej, June 30, 2010

LEGAL REPRESENTATIVE

Pavlovic Branislava