

ANNUAL REPORT RELEASED FOR 2011.

SOJAPROTEIN A.D. BEČEJ

| | | | | | | | | | | |
|---|--|--|---------------|----|----|----|---------------------------|----|----|----|
| To be entered by legal entity - entrepreneur | | | | | | | | | | |
| 08114072 | | | | | | | 100741587 | | | |
| Identification number | | | Industry code | | | | Tax Identification Number | | | |
| To be completed by the Business Registers Agency | | | | | | | | | | |
| 750 | | | □ | □ | □ | □ | □ | □ | □ | |
| 1 2 3 Type of Business | | | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 |

Name: Sojaprotein AD

Main office: Bečej, Industrijska 1

INCOME STATEMENT

(bar code)

7005011241438

Period from 01/01/2011 to 31/12/2011

-in thousands RSD

| Column titles illegible | | | | | |
|-------------------------|---|-----|----|----------|----------|
| | A. INCOME AND EXPENSES FROM CONTINUING OPERATIONS | | | | |
| | I. OPERATING INCOME (202+203+204-205+206) | 201 | | 12188506 | 14512842 |
| 60 and 61 | 1. Income from the sale of merchandise | 202 | 1 | 11669080 | 14271961 |
| 62 | 2. Income from the own use of products, services and merchandise | 203 | | 49297 | 10844 |
| 630 | 3. Increase in value of inventories of work in progress and finished products | 204 | | 354653 | 0 |
| 631 | 4. Decrease in value of inventories of work in progress and finished products | 205 | | 0 | 73087 |
| 64 and 65 | 5. Other operating income | 206 | 2 | 115476 | 303124 |
| | II. OPERATING EXPENSES (2008 TO 212) | 207 | | 10980994 | 12793654 |
| 50 | 1. Costs of merchandise sold | 208 | 3 | 1817512 | 3978674 |
| 51 | 2. Costs of material | 209 | 4 | 7915251 | 7846026 |
| 52 | 3. Costs of salaries, fringe benefits and other personal expenses | 210 | 5 | 410847 | 364311 |
| 54 | 4. Costs of depreciation and provisions | 211 | 6 | 191408 | 147607 |
| 53 and 55 | 5. Other operating expenses | 212 | 7 | 645976 | 457036 |
| | III. OPERATING PROFIT (201-207) | 213 | | 1207512 | 1719188 |
| | IV. OPERATING LOSS (207-201) | 214 | | | |
| 66 | V. FINANCIAL INCOME | 215 | 8 | 748737 | 499070 |
| 56 | VI. FINANCIAL EXPENSES | 216 | 9 | 735778 | 1376629 |
| 67 and 68 | VII. OTHER INCOME | 217 | 10 | 39487 | 41137 |
| 57 and 58 | VIII. OTHER EXPENSES | 218 | 11 | 54874 | 43257 |
| | IX. INCOME FROM CONTINUING OPERATIONS BEFORE TAXES (213-214+215-216+217-218) | 219 | 12 | 1205084 | 839509 |
| | X. LOSS FROM CONTINUING OPERATIONS BEFORE TAXES (214-213-215+216-217+218) | 220 | | | |
| 69 - 59 | XI. NET INCOME FROM DISCONTINUED OPERATIONS | 221 | | | |
| 59 - 69 | XII. NET LOSS FROM DISCONTINUES OPERATIONS | 222 | | | |

-in thousands RSD

| | Column titles Illegible | | | | |
|-----|---|-----|----|---------|--------|
| | B. INCOME BEFORE TAXES (219+220+221-222) | 223 | 12 | 1205084 | 839509 |
| | V. LOSS BEFORE TAXES (220-219+222-221) | 224 | | | |
| | G. INCOME TAX | | | | |
| 721 | 1. Tax expense of the period | 225 | | 62394 | 43134 |
| 722 | 2. Deferred tax expenses of the period | 226 | | 0 | 4361 |
| 722 | 3. Deferred tax income of the period | 227 | | 142 | 0 |
| 723 | D. Personal earnings of the employer, paid | 228 | | | |
| | DJ. NET PROFIT (223-224-225-226+227-228) | 229 | | 1142832 | 792014 |
| | E. NET LOSS (224-223+225+226-227+228) | 230 | | | |
| | A...A".NET PROFIT BELONGING TO MINORITY INVESTORS | 231 | | | |
| | Z. NET PROFIT BELONGING TO OWNERS OF PARENT LEGAL ENTITY | 232 | | | |
| | I. EARNINGS PER SHARE | | 13 | | |
| | 1. Basic earnings per share | 233 | | | |
| | 2. Impairment (diluted) earnings per share | 234 | | | |

In Bečej, as of 28/02/2012

Person responsible for preparation
of financial statements

/company stamp/

Legal representative

/signature/

[Handwritten signature]

Sojaprotein
JOINT STOCK COMPANY
FOR SOYBEAN PROCESSING
BEČEJ 21

[Company stamp and signature]
AKCION. DRUŠTVO
ZA PRAVILNOST
BEČEJ

Form prescribed by Regulations on Form and Content of Financial Statements of Enterprises, Cooperatives, other Legal Entities and Entrepreneurs ("Official Gazette of RS", No. 114/06, 5/07, 119/08 and 2/10)

| | | | | | | | | | |
|---|---------------|---------------------------|----|----|----|----|----|----|---|
| To be entered by legal entity - entrepreneur | | | | | | | | | |
| 08114072 | | 100741587 | | | | | | | |
| Identification number | Industry code | Tax Identification Number | | | | | | | |
| To be completed by the Business Registers Agency | | | | | | | | | |
| 750 | □ | □ | □ | □ | □ | □ | □ | □ | □ |
| 1 2 3 Type of Business | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | |

Name: Sojaprotein AD

Main office: Bečej, Industrijska 1

BALANCE SHEET

(bar code)

7005011241421

As of 31/12/2011

in thousands RSD

| | Column titles illegible | | | | |
|---|--|-----|----|---------|----------|
| | A. NON-CURRENT ASSETS | 001 | | 7987256 | 5050467 |
| 00 | I. SUBSCRIBED CAPITAL, UNPAID | 002 | | | |
| 012 | II. GOODWILL | 003 | | | |
| 01 without 012 | III. INTANGIBLE ASSETS | 004 | 14 | 13787 | 6742 |
| | IV. PROPERTY, PLANT, EQUIPMENT AND NATURAL ASSETS (006+007+008) | 005 | 14 | 7116877 | 4184023 |
| 020, 022, 023, 026, 027 (part), 028 (part), 029 | 1. Property, plant and equipment | 006 | | 6781872 | 3848651 |
| 024, 027 (part), 028 (part) | 2. Investment property | 007 | | 331953 | 332034 |
| 021, 025, 027 (part), 028(part) | 3. Natural assets | 008 | | 3052 | 3338 |
| | V. LONG-TERM FINANCIAL INVESTMENTS (010+011) | 009 | | 856592 | 859702 |
| 030 to 032, 039 (part) | 1. Equity investments | 010 | 15 | 855688 | 857593 |
| 033 to 038, 039 (part) minus 037 | 2. Other long-term financial investments | 011 | 16 | 904 | 2109 |
| | B. CURRENT ASSETS (013+014+015) | 012 | | 9306798 | 12022222 |
| 10 to 13, 15 | I. INVENTORIES | 013 | 17 | 4744120 | 5727088 |
| 14 | II. NON-CURRENT ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS | 014 | | | |
| | III. SHORT-TERM RECEIVABLES, INVESTMENTS AND CASH (016+017+018+019+020) | 015 | | 4562678 | 6295134 |
| 20, 21 and 22, except 223 | 1. Receivables | 016 | 18 | 3776562 | 4563152 |
| 223 | 2. Receivables for prepaid income tax | 017 | | | |
| 23 minus 237 | 3. Short-term financial investments | 018 | 19 | 128804 | 1274229 |
| 24 | 4. Cash equivalents and cash | 019 | 20 | 523815 | 221357 |

-in thousands RSD

| | Column titles illegible | | | | |
|---|--|-----|----|----------|----------|
| 27 and 28 except 288 | 5. Value added tax and prepayments and accrued income | 020 | 21 | 133497 | 236396 |
| 288 | V. DEFERRED TAX ASSETS | 021 | | | |
| | G. OPERATING ASSETS | 022 | | 17294054 | 17072689 |
| 29 | D. LOSS OVER CAPITAL | 023 | | | |
| | DJ. TOTAL ASSETS (022+023) | 024 | | 17294054 | 17072689 |
| 88 | E. OFF-BANALCE SHEET ASSETS | 025 | 22 | 10593951 | 8469955 |
| | Column titles illegible | | | | |
| | A. CAPITAL (102+103+104+105+106-107+108-109-110) | 101 | | 11260015 | 10096066 |
| 30 | I. BASIC CAPITAL | 102 | 23 | 6906480 | 4564674 |
| 31 | II. SUBSCRIBED CAPITAL, UNPAID | 103 | | | |
| 32 | III. RESERVES | 104 | | 1371588 | 1328380 |
| 330 and 331 | IV. EFFECT OF RESTATEMENT OF CAPITAL | 105 | | 1837936 | 1839541 |
| 332 | V. UNREALIZED GAIN ON SECURITIES | 106 | | 571 | 2476 |
| 333 | VI. UNREALIZED LOSS ON SECURITIES | 107 | | | |
| 34 | VII. RETAINED PROFIT | 108 | | 1143440 | 2381407 |
| 35 | VIII. LOSS | 109 | | | |
| 037 and 237 | IX. OWN SHARES PURCHASED | 110 | 24 | 0 | 20412 |
| | B. LONG-TERM PROVISIONS AND LIABILITIES (112+113+116) | 111 | | 5898403 | 6840668 |
| 40 | I. LONG-TERM PROVISIONS | 112 | 25 | 49890 | 45136 |
| 41 | II. LONG-TERM LIABILITIES (114+115) | 113 | | 2895566 | 1791150 |
| 414, 415 | 1. Long-term loans | 114 | 26 | 2895503 | 1790364 |
| 41 without 4141 and 415 | 2. Other long-term liabilities | 115 | | 63 | 786 |
| | III. SHORT-TERM LIABILITIES (117+118+119+120+121+122) | 116 | | 2952947 | 5004382 |
| 42, except 427 | 1. Short-term financial liabilities | 117 | 27 | 2345998 | 2559443 |
| 427 | 2. Liabilities from assets held for sale and assets from discontinued operations | 118 | | | |
| 43 and 44 | 3. Operating liabilities | 119 | 28 | 521683 | 2381489 |
| 45 and 46 | 4. Other short-term liabilities | 120 | 29 | 32794 | 23986 |
| 47, 48 except 481 and 49 except 498 | 5. Liabilities from Value Added Tax and other public revenues and accruals and deferred income | 121 | 30 | 29618 | 24098 |
| 481 | 6. Liabilities from income tax | 122 | | 22854 | 15366 |

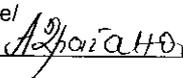
-in thousands RSD

| V. | Column titles illegible | | | | |
|-----|------------------------------------|-----|----|----------|----------|
| 498 | V. DEFERRED TAX LIABILITIES | 123 | 31 | 135636 | 135955 |
| | V. TOTAL LIABILITIES (101+111+123) | 124 | | 17294054 | 17072689 |
| 89 | D. OFF-BALANCE SHEET LIABILITIES | 125 | | 10593951 | 8469955 |

In Bečej, as of 28/02/2012

Person responsible for preparation
of financial statements

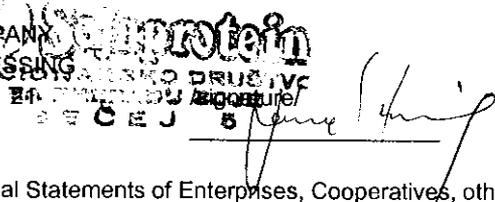
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/company stamp/

Sojaprotein
JOINT STOCK COMPANY
FOR SOYBEAN PROCESSING
BEČEJ

Legal representative



Form prescribed by Regulations on Form and Content of Financial Statements of Enterprises, Cooperatives, other Legal Entities and Entrepreneurs ("Official Gazette of RS", No. 114/06, 5/07, 119/08 and 2/10)

| | | | | | | | | | | |
|---|--|--|---------------|----|----|----|---------------------------|----|----|----|
| To be entered by legal entity - entrepreneur | | | | | | | | | | |
| 08114072 | | | | | | | 100741587 | | | |
| Identification number | | | Industry code | | | | Tax Identification Number | | | |
| To be completed by the Business Registers Agency | | | | | | | | | | |
| 750 | | | □ | □ | □ | □ | □ | □ | □ | |
| 1 2 3 | | | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 |
| Type of Business | | | | | | | | | | |

Name: Sojaprotein AD

Main office: Bečej, Industrijska 1

STATEMENT OF CHANGES IN CAPITAL

(bar code)

7005011241469

Period from 01/01/2011 to 31/12/2011

-in thousands RSD

| | Column titles illegible | | | | | | | | |
|----|---|-----|---------|-----|--|-----|--|-----|--------|
| 1 | Balance on Jan. 1 of previous year | 401 | 3533705 | 414 | | 427 | | 440 | 887764 |
| 2 | Correction of significant material errors and changes in accounting policies in previous year-increase | 402 | | 415 | | 428 | | 441 | |
| 3 | Correction of significant material errors and changes in accounting policies in previous year-decrease | 403 | | 416 | | 429 | | 442 | |
| 4 | Corrected opening balance on Jan.1 of previous year _____ (No. 1+2+3) | 404 | 3533705 | 417 | | 430 | | 443 | 887764 |
| 5 | Total increase in the previous year | 405 | 1030969 | 418 | | 431 | | 444 | |
| 6 | Total decrease in the previous year | 406 | | 419 | | 432 | | 445 | 15933 |
| 7 | Balance on Dec. 31 of previous year _____ (No. 4+5+6) | 407 | 4564674 | 420 | | 433 | | 446 | 871831 |
| 8 | Correction of significant material errors and changes in accounting policies in the current year - increase | 408 | | 421 | | 434 | | 447 | |
| 9 | Correction of significant material errors and changes in accounting policies in the current year - decrease | 409 | | 422 | | 435 | | 448 | |
| 10 | Corrected opening balance on Jan. 1 of the current year _____ (No. 7+8+9) | 410 | 4564674 | 423 | | 436 | | 449 | 871831 |
| 11 | Total increase in the current year | 411 | 2341806 | 424 | | 437 | | 450 | 4309 |
| 12 | Total decrease in the current year | 412 | | 425 | | 438 | | 451 | 702 |
| 13 | Balance on Dec. 31 of the current year _____ (No. 10+11+12) | 413 | 6906480 | 426 | | 439 | | 452 | 875438 |

-in thousands of RSD

| | Column titles illegible | | | | | | | | |
|----|---|-----|--------|-----|---------|-----|------|-----|--|
| 1 | Balance on Jan. 1 of previous year | 453 | 432137 | 466 | 1843864 | 479 | 2857 | 492 | |
| 2 | Correction of significant material errors and changes in accounting policies in previous year-increase | 454 | | 467 | | 480 | | 493 | |
| 3 | Correction of significant material errors and changes in accounting policies in previous year-decrease | 455 | | 468 | | 481 | | 494 | |
| 4 | Corrected opening balance on Jan.1 of previous year (No. 1+2+3) | 456 | 432137 | 469 | 1843864 | 482 | 2857 | 495 | |
| 5 | Total increase in the previous year | 457 | 24412 | 470 | | 483 | | 496 | |
| 6 | Total decrease in the previous year | 458 | | 471 | 4323 | 484 | 381 | 497 | |
| 7 | Balance on Dec. 31 of previous year _____ (No. 4+5+6) | 459 | 456549 | 472 | 1839541 | 485 | 2476 | 498 | |
| 8 | Correction of significant material errors and changes in accounting policies in the current year - increase | 460 | | 473 | | 486 | | 499 | |
| 9 | Correction of significant material errors and changes in accounting policies in the current year - decrease | 461 | | 474 | | 487 | | 500 | |
| 10 | Corrected opening balance on Jan. 1 of the current year _____ (No. 7+8+9) | 462 | 456549 | 475 | 1839541 | 488 | 2476 | 501 | |
| 11 | Total increase in the current year | 463 | 39601 | 476 | | 489 | | 502 | |
| 12 | Total decrease in the current year | 464 | | 477 | 1605 | 490 | 1905 | 503 | |
| 13 | Balance on Dec. 31 of the current year _____ (No. 10+11+12) | 465 | 496150 | 478 | 1837936 | 491 | 571 | 504 | |

-in thousands of RSD

| | Column titles illegible | | | | | | | | |
|----|---|-----|---------|-----|--|-----|-------|-----|----------|
| 1 | Balance on Jan. 1 of previous year | 505 | 2640544 | 518 | | 531 | | 544 | 9340871 |
| 2 | Correction of significant material errors and changes in accounting policies in previous year-increase | 506 | | 519 | | 532 | | 545 | |
| 3 | Correction of significant material errors and changes in accounting policies in previous year-decrease | 507 | | 520 | | 533 | | 546 | |
| 4 | Corrected opening balance on Jan.1 of previous year _____ (No. 1+2+3) | 508 | 2640544 | 521 | | 534 | | 547 | 9340871 |
| 5 | Total increase in the previous year | 509 | 796244 | 522 | | 535 | 20412 | 548 | 1831213 |
| 6 | Total decrease in the previous year | 510 | 1055381 | 523 | | 536 | | 549 | 1076018 |
| 7 | Balance on Dec. 31 of previous year _____ (No. 4+5+6) | 511 | 2381407 | 524 | | 537 | 20412 | 550 | 10096066 |
| 8 | Correction of significant material errors and changes in accounting policies in the current year - increase | 512 | | 525 | | 538 | | 551 | |
| 9 | Correction of significant material errors and changes in accounting policies in the current year - decrease | 513 | | 526 | | 539 | | 552 | |
| 10 | Corrected opening balance on Jan. 1 of the current year _____ (No. 7+8+9) | 514 | 2381407 | 527 | | 540 | 20412 | 553 | 10096066 |
| 11 | Total increase in the current year | 515 | 1143440 | 528 | | 541 | 796 | 554 | 3528360 |
| 12 | Total decrease in the current year | 516 | 2381407 | 529 | | 542 | 21208 | 555 | 2364411 |
| 13 | Balance on Dec. 31 of the current year _____ (No. 10+11+12) | 517 | 1143440 | 530 | | 543 | | 556 | 11260015 |

-in thousands of RSD

| | Column titles illegible. | | |
|----|---|-----|--|
| 1 | Balance on Jan. 1 of previous year | 557 | |
| 2 | Correction of significant material errors and changes in accounting policies in previous year-increase | 558 | |
| 3 | Correction of significant material errors and changes in accounting policies in previous year-decrease | 559 | |
| 4 | Corrected opening balance on Jan.1 of previous year _____ (No. 1+2+3) | 560 | |
| 5 | Total increase in the previous year | 561 | |
| 6 | Total decrease in the previous year | 562 | |
| 7 | Balance on Dec. 31 of previous year _____ (No. 4+5+6) | 563 | |
| 8 | Correction of significant material errors and changes in accounting policies in the current year - increase | 564 | |
| 9 | Correction of significant material errors and changes in accounting policies in the current year - decrease | 565 | |
| 10 | Corrected opening balance on Jan. 1 of the current year _____ (No. 7+8+9) | 566 | |
| 11 | Total increase in the current year | 567 | |
| 12 | Total decrease in the current year | 568 | |
| 13 | Balance on Dec. 31 of the current year _____ (No. 10+11+12) | 569 | |

In Bečej, as of 28/02/2012

Person responsible for preparation of financial statements

/signature/

A. Jovanović

/company stamp/

Sojaprotein
 JOINT STOCK COMPANY
 FOR SOYBEAN PROCESSING
 BEČEJ
 AKCIONARNO DRUŠTVO
 ZA ZELJENIČARSTVO
 BEČEJ

Legal representative

/signature/

[Handwritten signature]

Form prescribed by Regulations on Form and Content of Financial Statements of Enterprises, Cooperatives, other Legal Entities and Entrepreneurs ("Official Gazette of RS", No. 114/06, 5/07, 119/08 and 2/10)

| | | | | | | | | | |
|---|---------------|----|----|----|---------------------------|----|----|----|---|
| To be entered by legal entity - entrepreneur | | | | | | | | | |
| 08114072 | | | | | 100741587 | | | | |
| Identification number | Industry code | | | | Tax Identification Number | | | | |
| To be completed by the Business Registers Agency | | | | | | | | | |
| 750 | □ | □ | □ | □ | □ | □ | □ | □ | □ |
| 1 2 3 Type of Business | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | |

Name: Sojaprotein AD

Main office: Bečej, Industrijska 1

CASH FLOW STATEMENT

(bar code)

7005011241445

period from 01/01/2011 to 31/12/2011

in thousands RSD

| Column titles illegible | | | |
|---|-----|----------|----------|
| A. CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| I. Cash inflows from operating activities (1 to 3) | 301 | 13988185 | 18071536 |
| 1. Sales and advances received | 302 | 13118111 | 17292258 |
| 2. Interests received from operating activities | 303 | 244050 | 1777 |
| 3. Other inflows from operating activities | 304 | 626024 | 777501 |
| II. Cash outflows from operating activities (1 to 5) | 305 | 14089109 | 12555243 |
| 1. Payments to suppliers and advance payments | 306 | 13457839 | 11023539 |
| 2. Salaries, fringe benefits and other personal expenses | 307 | 402977 | 359266 |
| 3. Interests paid | 308 | 155126 | 250812 |
| 4. Income tax | 309 | 54906 | 35039 |
| 5. Payments incurred with other public revenues | 310 | 18261 | 886587 |
| III. Net cash inflow from operating activities (I-II) | 311 | 0 | 5516293 |
| IV. Net cash outflow from operating activities (II-I) | 312 | 100924 | 0 |
| B. CASH FLOWS FROM INVESTMENT ACTIVITIES | | | |
| I. Cash inflows from investment activities (1 to 5) | 313 | 35089 | 217555 |
| 1. Sales of stocks and shares (net inflows) | 314 | 24019 | 0 |
| 2. Sales of intangible assets, property, plant, equipment and natural assets | 315 | 11070 | 8288 |
| 3. Other financial investments (net inflows) | 316 | 0 | 209267 |
| 4. Interests received from investment activities | 317 | | |
| 5. Dividends received | 318 | | |
| II. Cash outflows from investment activities (1 to 3) | 319 | 1701500 | 234678 |
| 1. Purchase of stocks and shares (net outflows) | 320 | | |
| 2. Purchase of intangible assets, property, plant, equipment and natural assets | 321 | 1701500 | 234678 |
| 3. Other financial investments (net outflows) | 322 | | |
| III. Net cash inflow from investment activities (I – II) | 323 | | |
| IV. Net cash outflows from investment activities (II – I) | 324 | 1666411 | 17123 |

in thousands RSD

| Column titles illegible | | | |
|--|-----|----------|----------|
| A. CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| I. Cash inflows from financing activities (1 to 3) | 325 | 2066773 | 0 |
| 1. Increase in basic capital | 326 | | |
| 2. Long-term and short-term loans (net inflows) | 327 | 2066773 | 0 |
| 3. Other long-term and short-term liabilities | 328 | | |
| II. Cash outflows from financing activities (1 to 4) | 329 | 846 | 5372787 |
| 1. Purchase of own shares and stakes | 330 | 0 | 36345 |
| 2. Long-term and short-term loans and other liabilities (net outflows) | 331 | 0 | 5330389 |
| 3. Financial leasing | 332 | 846 | 6053 |
| 4. Dividends paid | 333 | | |
| III. Net cash inflow from financing activities (I-II) | 334 | 2065927 | 0 |
| IV. Net cash outflows from financing activities (II-I) | 335 | 0 | 5372787 |
| G. TOTAL CASH INFLOWS (301+313+325) | 336 | 16090047 | 18289091 |
| D. TOTAL CASH OUTFLOWS (305+319+329) | 337 | 15791455 | 18162708 |
| DJ. NET CASH INFLOWS (336-337) | 338 | 298592 | 126383 |
| E. NET CASH OUTFLOWS (337-336) | 339 | | |
| Å...Å". CASH AT THE BEGINNING OF ACCOUNTING PERIOD | 340 | 221357 | 87953 |
| Z. FOREIGN EXCHANGE GAINS ON CONVERSION OF CASH | 341 | 4515 | 20781 |
| I. FOREIGN EXCHANGE LOSSES ON CONVERSION OF CASH | 342 | 649 | 13760 |
| J. CASH AT THE END OF ACCOUNTING PERIOD (338-339+340+341-342) | 343 | 523815 | 221357 |

In Bečej, as of 28/02/2012

Person responsible for preparation
of financial statements

/signature/

A. Jarić

/company stamp/

Sojaprotein

JOINT STOCK COMPANY
FOR SOYBEAN PROCESSING
BEČEJ

AKCIONARNO DRUŠTVO
ZA PRERAĐU SOJE
BEČEJ B

Legal representative

/signature/

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Form prescribed by Regulations on Form and Content of Financial Statements of Enterprises, Cooperatives, other Legal Entities and Entrepreneurs ("Official Gazette of RS", No. 114/06, 5/07, 119/08 and 2/10)

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| 08114072 | | | | | | 100741587 | | | |
| Identification number | Industry code | | | | | Tax Identification Number | | | |
| To be completed by the Business Registers Agency | | | | | | | | | |
| 750 | □ | □ | □ | □ | □ | □ | □ | □ | □ |
| 1 2 3 Type of Business | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | |

Name: Sojaprotein AD

Main office: Bečej, Industrijska 1

STATISTICAL ANNEX

(bar code)

7005011241452

For year 2011

I GENERAL INFORMATION ABOUT THE LEGAL ENTITY – ENTREPRENEUR

| Column titles illegible | | | |
|--|-----|-----|-----|
| 1 Number of months of operations (Indication from 1 to 12) | 601 | 12 | 12 |
| 2 Size indication (indication from 1 to 3) | 602 | 3 | 3 |
| 3 Ownership structure indication (indication from 1 to 5) | 603 | 2 | 2 |
| 4 Number of foreign (legal or individual) entities holding a share in capital | 604 | 292 | 287 |
| 5 Average number of employees, based on the number at the end of each month (whole number) | 605 | 386 | 382 |

II GROSS MOVEMENTS IN INTANGIBLE ASSETS AND PROPERTY, PLANT, EQUIPMENT AND NATURAL ASSETS

amounts in thousands RSD

| | Column titles illegible | | | | |
|----|---|-----|---------|------------|---------|
| 01 | 1. INTANGIBLE ASSETS | | | | |
| | 1.1. Balance at the beginning of year | 606 | 19396 | 12654 | 6742 |
| | 1.2. Additions (purchases) during the year | 607 | 12560 | XXXXXXXXXX | 10008 |
| | 1.3. Disposals during the year | 608 | 2936 | XXXXXXXXXX | 2936 |
| | 1.4. Revaluation | 609 | | XXXXXXXXXX | |
| | 1.5. Balance at the end of year (606+607-608+609) | 610 | 28993 | 15206 | 13787 |
| 02 | 2. Property, plant, equipment and natural assets | | | | |
| | 2.1. Balance at the beginning of year | 611 | 4936554 | 752531 | 4184023 |
| | 2.2. Additions (purchases) during the year | 612 | 6617823 | XXXXXXXXXX | 6617823 |
| | 2.3. Disposals during the year | 613 | 3507770 | XXXXXXXXXX | 3684969 |
| | 2.4. Revaluation | 614 | | XXXXXXXXXX | |
| | 2.5. Balance at the end of year (611+612-613+614) | 615 | 8046607 | 929730 | 7116877 |

III INVENTORY STRUCTURE

amounts in thousands RSD

| | Column titles illegible | | | |
|----|---|------------|----------------|----------------|
| 10 | 1. Inventories of material | 616 | 2305690 | 4999635 |
| 11 | 2. Work in progress | 617 | 69397 | 30897 |
| 12 | 3. Finished products | 618 | 678330 | 362178 |
| 13 | 4. Merchandise (Goods, purchases for sale) | 619 | 5914 | 16549 |
| 14 | 5. Non-current assets held for sale | 620 | | |
| 15 | 6. Advances paid | 621 | 1684789 | 317829 |
| | 7. TOTAL (616+617+618+619+620+621=013+014) | 622 | 4744120 | 5727088 |

IV BASIC CAPITAL STRUCTURE

amounts in thousands RSD

| | Column titles illegible | | | |
|-----|---|------------|----------------|----------------|
| 300 | 1. Share capital | 623 | 6906480 | 4564674 |
| | out of which : foreign capital | 624 | 376217 | 374444 |
| 301 | 2. Stakes of limited liability companies | 625 | | |
| | out of which : foreign capital | 626 | | |
| 302 | 3. Stakes of partnership or limited partnership | 627 | | |
| | out of which : foreign capital | 628 | | |
| 303 | 4. State-owned capital | 629 | | |
| 304 | 5. Socially-owned capital | 630 | | |
| 305 | 6. Stakes in cooperatives | 631 | | |
| 309 | 7. Other non-current capital | 632 | | |
| 30 | TOTAL (623+625+627+629+630+631+632=102) | 633 | 6906480 | 4564674 |

V SHARE CAPITAL STRUCTURE

-number of shares as a whole number
-amounts in thousands RSD

| | Column titles illegible | | | |
|-------------|---|------------|----------------|----------------|
| | 1. Ordinary shares | | | |
| | 1.1. Number of ordinary shares | 634 | 14895524 | 9844844 |
| part 300 | 1.2. Nominal value of ordinary shares - total | 635 | 6906480 | 4564674 |
| | 2. Preference shares | | | |
| | 2.1. Number of preference shares | 636 | | |
| part 300 | 2.2. Nominal value of preference shares | 637 | | |
| 300 | 3. TOTAL – nominal value of shares (635+637=623) | 638 | 6906480 | 4564674 |

VI RECEIVABLES AND LIABILITIES

amounts in thousands RSD

| | Naslovi u tabeli nečitki | | | |
|--------------------|---|-----|----------|----------|
| 20 | 1. Receivables from sales (balance at the end of year 639 <= 016) | 639 | 3630177 | 4259621 |
| 43 | 2. Operating liabilities (balance at the end of year 640<= 119) | 640 | 521683 | 2381489 |
| part 228 | 3. Receivables from insurance companies for compensation of damage during the year (debit turnover without opening balance) | 641 | | |
| 27 | 4. Value Added Tax – previous tax (annual amount as per tax returns) | 642 | 1415031 | 862862 |
| 43 | 5. Liabilities from business operations (credit turnover without opening balance) | 643 | 22348488 | 32915993 |
| 450 | 6. Liabilities for net salaries and fringe benefits (credit turnover without opening balance) | 644 | 223546 | 195824 |
| 451 | 7. Liabilities for taxes on salaries and fringe benefits charged to employees (credit turnover without opening balance) | 645 | 33596 | 29349 |
| 452 | 8. Liabilities for contributions on salaries and fringe benefits charged to employees (credit turnover without opening balance) | 646 | 55779 | 48506 |
| 461,462 and 723 | 9. Liabilities for dividends, share in profit and personal earnings of the employer (credit turnover without opening balance) | 647 | | |
| 465 | 10. Liabilities to individuals for contracted fees (credit turnover without opening balance) | 648 | 2422 | 2968 |
| 47 | 11. Liabilities for VAT (annual amount as per tax returns) | 649 | 1091006 | 1635637 |
| | 12. Control total (from 639 to 649) | 650 | 29321728 | 42332249 |

VII OTHER COSTS AND EXPENSES

amounts in thousands RSD

| | Column titles illegible | | | |
|--|---|-----|--------|--------|
| 513 | 1. Costs of fuel and energy | 651 | 316652 | 323794 |
| 520 | 2. Costs of salaries and fringe benefits (gross) | 652 | 312492 | 273677 |
| 521 | 3. Costs of taxes and contributions on salaries and fringe benefits charged to employer | 653 | 55778 | 48506 |
| 522,523, 524,525 | 4. Costs of remuneration to individuals (gross) according to contracts | 654 | 3579 | 4408 |
| 526 | 5. Costs of remuneration to members of Management Board and Supervisory Board (gross) | 655 | 1084 | 1084 |
| 529 | 6. Other personal expenses and remuneration | 656 | 37914 | 36636 |
| 53 | 7. Costs of production services | 657 | 393931 | 262804 |
| 533, part 540 and part 525 | 8. Rental costs | 658 | 58662 | 38344 |
| part 533, part 540 and part 525 | 9. Land-rental costs | 659 | | |
| 536,537 | 10. Costs of researching activities and development | 660 | | |
| 540 | 11. Depreciation costs | 661 | 186655 | 147457 |
| 552 | 12. Costs of insurance premiums | 662 | 25245 | 21105 |
| 553 | 13. Costs of payment operations | 663 | 42881 | 57453 |

amounts in thousands RSD

| | Column titles illegible | | | |
|--|---|------------|----------------|----------------|
| 554 | 14. Costs of membership fees | 664 | 2112 | 2101 |
| 555 | 15. Tax costs | 665 | 16697 | 20311 |
| 556 | 16. Contribution costs | 666 | 2445 | 2229 |
| 562 | 17. Interest expenses | 667 | 135141 | 251463 |
| part 560, part 561 and 562 | 18. Interest expenses and part of financial expenses | 668 | 135141 | 251463 |
| part 560, part 561 and part 562 | 19. Interest expenses incurred by bank loans and other | 669 | 133502 | 249025 |
| part 579 | 20. Expenses for humanitarian, cultural, health, educational, scientific and religious purposes, for environmental protection and for sports purposes | 670 | 382 | 0 |
| | 21. Control total (from 651 to 670) | 671 | 1860293 | 1991860 |

VIII OTHER INCOME

amounts in thousands RSD

| | Column titles illegible | | | |
|------------------------------------|--|------------|----------------|----------------|
| 60 | 1. Income from the sale of merchandise | 672 | 1834308 | 4466339 |
| 640 | 2. Income from premiums, subventions, donations, compensations and tax returns | 673 | 54579 | 252427 |
| 641 | 3. Income from donations under specified conditions | 674 | 5998 | 1237 |
| part 650 | 4. Land-rental income | 675 | | |
| 651 | 5. Membership fees income | 676 | | |
| part 660, part 661, 662 | 6. Income from interests | 677 | 158317 | 204715 |
| part 660, part 661, part 662 | 7. Income from interest incurred with accounts and bank deposits and other financial organizations | 678 | 7078 | 5115 |
| part 660, part 661 part 669 | 8. Income incurred with dividends and share in profit | 679 | | |
| | 9. Control total (672 to 679) | 680 | 2060280 | 4929833 |

IX OTHER INFORMATION

amounts in thousands RSD

| Column titles illegible | | | |
|--|-----|------|-------|
| 1. Excise duties (as per annual calculation of excise) | 681 | | |
| 2. Calculated customs duties and other import duties (total annual amount as per calculation) | 682 | 3248 | 25095 |
| 3. Capital subsidies and other state grants for construction and procurement of fixed assets and intangible assets | 683 | | |
| 4. State grants for premiums, reimbursement and coverage of current operating expenses | 684 | | |
| 5. Other state grants | 685 | | |
| 6. Foreign received donations and other grants in money or natural goods received from foreign legal entities or individuals | 686 | | |
| 7. Personal earnings of entrepreneurs from net income (to be entered by entrepreneurs only) | 687 | | |
| 8. Control total (from 681 to 687) | 688 | 3248 | 25095 |

In Bečej, as of 28/02/2012

Person responsible for preparation
of financial statements

/signature/

A. Horvath

/company stamp/

Sojaprotein
JOINT STOCK COMPANY
FOR SOYBEAN PROCESSING
BEČEJ
AKCIONARNO DROŽIŠTVO
ZA PRAVU SOJIN
BEČEJ

Legal representative

/signature/

[Handwritten signature]

Form prescribed by Regulations on Form and Content of Financial Statements of Enterprises, Cooperatives, other Legal Entities and Entrepreneurs ("Official Gazette of RS", No. 114/06, 5/07, 119/08 and 2/10)

SOJAPROTEIN A.D. BEČEJ

**NOTES TO INCOME STATEMENT
AND BALANCE SHEET**

December 31, 2011

1. GENERAL INFORMATION ABOUT THE COMPANY

Sojaprotein A.D., Bečej, (hereinafter referred to as "Company") is the largest processor of soybean in Serbia and one of the most significant processors of soybean in Central and Eastern Europe. The Company was founded in 1977, as a labor organization for industrial processing of soybean in process of establishment, and the establishment was completed in 1985.

In 1991, the management of the Company reached a decision on issuance of internal shares to employees, thus performing the transformation into a joint stock company. During 2000 and 2001, the Company privatized the remaining socially-owned capital by emission of free shares, subscribed by the employees and other individuals, all in accordance with the Law on Ownership Transformation from the year 1997.

The core business activity of the Company is soybean processing, which results in a number of full-fat and fat-free products in the form of flour, semolina and textured forms, as well as the soybean oil, soybean meal and soy lecithin.

The seat of Company is in Bečej, Street Industrijska 1. As of the date of balance sheet the Company employed 394 people.

FRAMEWORK FOR THE PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS AND THE ACCOUNTING METHOD

Financial Statements

Financial statements of the Company include Balance Sheet as of December 31, 2011, Income Statement, Statement on Changes in Capital and Cash Flow Statement for the year that ended on that date, as well as the Summary of Significant Accounting Policies and Assessments, and finally Notes to Financial Statement.

2. FRAMEWORK FOR THE PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS AND THE ACCOUNTING METHOD

2.1. Framework for the Preparation and Presentation of Financial Statements

Pursuant to the Accounting and Auditing Law ("Official Gazette of RS" No. 46 dated June 2, 2006 and No. 111 dated December 29, 2009), legal entities and entrepreneurs in the Republic of Serbia are obliged to perform the bookkeeping, subscription and assessment of property and liabilities, income, expenses, preparation, presentation, submission and disclosure of financial statements in accordance with legal and professional regulations, which include the Frameworks for the Preparation and Presentation of Financial Statements ("Framework"), International Accounting Standards ("IAS"), i.e. International Financial Reporting Standards ("IFRS"), as well as the interpretations which form an integral part of the Standards applicable as of December 31, 2002.

Amendments to IAS, as well as the new IFRS and the appropriate interpretations have been issued by the International Accounting Standards Board ("Board") and the International Financial Reporting Interpretations Committee ("Committee"), in the period from December 31, 2002 to January 1, 2009, were officially adopted pursuant to the Decision of the Minister of Finance of the Republic of Serbia ("Ministry") and published in the Official Gazette of RS No. 77 as of October 25, 2010.

However, until the date of preparation of the attached financial statements, all the amendments to IAS/IFRS and IFRIC interpretations applicable to annual periods starting on January 1, 2009 have not been translated. In addition, the attached financial statements have been presented in a format prescribed under the Regulation on

the Layout of Chart of Accounts for business companies, cooperatives and other legal entities and entrepreneurs ("Official Gazette of RS" No. 114/2006 to 2/2011) which assumes legally defined complete set of financial statements which deviates from the set defined under IAS 1 "Presentation of Financial Statements", but in addition to that in some of its parts it deviates from the method of presentation of some balance sheet items predicted by the underlying standard. Published standards and interpretations in effect for the current period which have not yet been officially translated and adopted, as well as published standards and interpretations which are not in use yet, have been disclosed under notes 2.2 and 2.3.

Consequently, and bearing in mind the contingent material effects which the deviation of the accounting regulations of the Republic of Serbia from IFRS and IAS might have to the accuracy and objectivity of the Company financial statements, the attached financial statements may not be considered as financial statements prepared in accordance with IFRS and IAS.

Financial statements have been prepared in accordance with the historical cost principle, unless otherwise stated in the accounting policies given in the text below.

In preparation of these financial statements the Company applied the accounting policies explained in Note 3.

Financial statements of the Company have been presented in thousands of RSD. RSD is the official reporting currency in the Republic of Serbia.

2. FRAMEWORK FOR THE PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS AND THE ACCOUNTING METHOD (continued)

2.2. Published standards and interpretations in effect for the current period which have not yet been officially translated and adopted

At the date of presentation of these financial statements, the standards and amendments thereof described below were issued by the International Accounting Standards Board, and the following interpretations were published by the International Financial Reporting Interpretations Committee, but have not been officially adopted in the Republic of Serbia for annual periods beginning on January 1, 2010:

- Amendments to IFRS 7 "Financial Instruments: Disclosures" – Amendments improving disclosures of fair value and liquidity risk (revised in March 2009, in effect for annual periods beginning on or after January 1, 2009),
- Amendments to IFRS 1 "First-time Adoption of International Financial Reporting Standards" – Additional exceptions for entities first-time adopting IFRS Amendments relating to assets in oil and gas industry and determination whether the contracts contain leasing (revised in July 2009, in effect for annual periods beginning on or after January 1, 2010),
- Amendments to various standards and interpretations are the result of the Project of Annual Qualitative Improvements to IFRS published on April 16, 2009 (IFRS 5, IFRS 8, IAS 1, IAS 17, IAS 36, IAS 39, IFRIC 16, primarily intending to eliminate discrepancies and to explain formulations in the text (amendments to standards come in effect for annual periods beginning on or after January 1, 2010, and the amendment to IFRIC on or after July 1, 2009),
- Amendments to IAS 38 "Intangible assets" (in effect for annual periods beginning on or after July 1, 2009)

- Amendments to IFRS 2 "Share-based payments": Amendments as a result of the Project of Annual Qualitative Improvements to IFRS (revised on April 2009, in effect for annual periods beginning on or after July 1, 2009) and the amendment relating to share-based payment transactions of the group based on cash (revised in June 2009, in effect for annual periods beginning on or after January 1, 2010);
- Amendments to IFRIC 9 "Reassessment of Embedded Derivatives" comes in effect for annual periods beginning on or after July 1, 2009 and IAS 39 "Financial Instruments : Recognition and Measurement" – Embedded derivatives (in effect for annual periods beginning on or after June 30, 2009),
- IFRIC 18 " Transfer of Assets from Customers" (in effect for annual periods beginning on or after July 1, 2009);
- "Comprehensive Framework for Financial Reporting in the year 2010" which represents the amendment to "Framework for the Preparation and Presentation of Financial Statements" (in effect from the date of publication, i.e. from September 2010),
- Amendments to IFRS 1 "First-time Adoption of International Financial Reporting Standards" – Limited exception from comparative disclosures prescribed within IFRS 7 for entities first-time adopting IFRS (in effect for annual periods beginning on or after July 1, 2010),
- Amendments to IAS 24 "Related Party Disclosures" – Simplified requests for disclosure for entities under (significant) government control or influence and clarifying the definition of related party (in effect for annual periods beginning on or after January 1, 2011),
- Amendments to IAS 32 "Financial Instruments: Presentation" – Accounting inclusion of pre-emption rights on new shares (in effect for annual periods beginning on or after February 1, 2010),
- Amendments to various standards and interpretations "Improvements to IFRS (2010)" are the result of the Project of Annual Qualitative Improvements to IFRS published on May 6, 2010 (IFRS 1, IFRS 3, IFRS 7, IAS 1, IAS 27, IAS 34, IFRIC 13) primarily intending to eliminate discrepancies and to clarify formulations in the text (majority of amendments shall be in effect for annual periods beginning on or after January 1, 2011),
- Amendments to IFRIC 14 "IAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction". Prepaid minimum funding requests (in effect for annual periods beginning on or after January 1, 2011),
- IFRIC 19 "Extinguishing Financial Liabilities with Equity Instruments" (in effect for annual periods beginning on or after July 1, 2010).

2. FRAMEWORK FOR THE PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS AND THE ACCOUNTING METHOD (continued)

2.3. Published standards and interpretations which have not entered into force yet

At the date of presentation of these financial statements, the following standards, amendments and interpretations thereof were published, but have not entered into force yet:

- IFRS 9 "Financial Instruments" (in effect for annual periods beginning on or after January 1, 2015),
- IFRS 10 "Consolidated Financial Statements" (in effect for annual periods beginning on or after January 1, 2013),
- IFRS 11 "Joint Arrangements" (in effect for annual periods beginning on or after January 1, 2013),
- IFRS 12 "Disclosure of Interests in Other Entities" (in effect for annual periods beginning on or after January 1, 2013),
- IFRS 13 "Fair Value Measurement" (in effect for annual periods beginning on or after January 1, 2013),
- IAS 27 (revised in 2011) "Individual Financial Statements" – (in effect for annual periods beginning on or after January 1, 2013),
- IAS 28 (revised in 2011) "Investments in Associates and Joint Ventures" – (in effect for annual periods beginning on or after January 1, 2013),
- Amendments to IFRS 1 "First-time Adoption of International Financial Reporting Standards" – Major hyperinflation and elimination of fixed dates for entities first-time adopting IFRS (in effect for annual periods beginning on or after July 1, 2011),
- Amendments to IFRS 7 "Financial Instruments: Disclosures" – Transfer of financial assets (in effect for annual periods beginning on or after July 1, 2011),
- Amendments to IFRS 7 "Financial Instruments: Disclosures" – Offsetting financial assets and financial liabilities (in effect for annual periods beginning on or after January 1, 2013),
- Amendments to IFRS 9 "Financial Instruments" and IFRS "Financial Instruments : Disclosures" – Mandatory coming into effect and transitional disclosures.
- Amendments to IAS 1 "Presentation of Financial Statements" – Presentation of total other results items (in effect for annual periods beginning on or after July 1, 2012),
- Amendments to IAS 12 "Income Taxes" – Deferred tax: return on assets used for tax calculation (in effect for annual periods beginning on or after January 1, 2012),
- Amendments to IAS 19 "Employee Benefits" – Improvement of accounting inclusion for post-employment benefits (in effect for annual periods beginning on or after January 1, 2013),
- Amendments to IAS 32 "Financial Instruments : Presentation" – Offsetting financial assets and financial liabilities (in effect for annual periods beginning on or after January 1, 2014),
- IFRIC 20 "Stripping Costs in the Production Phase of a Surface Mine" (in effect for annual periods beginning on or after January 1, 2013).

Comparative figures

Comparative figures are presented by Company financial statements at the date and for the year that ended on December 31, 2010, which were the subject of an independent audit.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**Income and Expenses**

Income from the sale of merchandise is recognized when the risk and benefit relating to the ownership rights have been transferred to the buyer, which is actually the date of delivery of goods to the buyer. Income from services is recognized when the service has been provided.

Incomes are presented as per fair value of assets that have been received or shall be received, in net amount after deductions for discounts and Value Added Tax.

Income and expenses from interests are credited or charged to the accounting period they relate to.

The date on which incomes are booked also contains the appropriate expenses booked (the principle of incomes and expenses causality).

The costs of non-current assets maintenance and repairs are covered from the income of the accounting period they are incurred in.

Conversion of assets and liabilities in foreign currencies

Business transactions denominated in foreign currencies have been converted into RSD at the average exchange rate determined at Interbank Market, valid at the date of business transaction.

Assets and liabilities denominated in foreign currencies at the balance sheet date, have been converted into RSD at the average exchange rate determined at Interbank Market, valid on that day.

Foreign exchange gains and losses incurred with business transactions in foreign currencies and with calculations of balance sheet items denominated in foreign currencies are credited or debited to income statement, as well as foreign exchange gains and losses.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**Employee benefits*****a) Taxes and contributions to employees' social security funds***

Pursuant to regulations applicable in the Republic of Serbia, the Company is obliged to pay taxes and contributions to tax authorities and state funds which ensure the employees' social security. These liabilities include taxes and contributions for employees charged to the employer in the amounts calculated as per the rates prescribed under legal regulations. The Company is also obliged to retain contributions out of employee gross earnings and to pay them to funds on behalf of the employed. Taxes and contributions charged to the employer and taxes and contributions charged to employees are debited to expenses of the period they relate to.

b) Liabilities for severance payments and jubilee awards

The Company is, pursuant to the provision of the Labor Law, obliged to effect severance payments to employees after termination of employment for the use of pension rights, in the amount of three average monthly salaries paid in the Republic, according to the latest published information of the state authority responsible for statistical operations. Moreover, the Company is obliged to pay jubilee awards to employees depending on duration of continuous work within the Company in the amount of one average monthly salary realized in the Company in the month preceding the month when jubilee awards are paid.

Taxes and contributions**Income tax****a) Current income tax**

Current income tax represents the amount calculated and paid pursuant to the Law on Corporate Income Tax applicable in the Republic of Serbia.

Income tax in the amount of 10% (year 2011: 10%) is paid to the tax base determined according to tax balance. Tax base presented in tax balance includes the profit presented in the official income statement and corrections defined under tax regulations of the Republic of Serbia.

Tax regulations of the Republic of Serbia do not contain the possibility of tax losses from the current period being used as a base for refund of tax paid in previous periods. However, current period losses may be offset against profit from future accounting periods, but not exceeding the period of ten years.

Deferred income tax is calculated using the method of liability determination as per the balance sheet, for temporary differences arising from the difference between the balance sheet tax base of assets and liabilities and the carrying amount thereof. Applicable tax rates at the balance sheet date are used to determine the amount of accrued income tax. Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences and the tax effects of losses and tax loans carried forward to the tax balance, which can be carried forward, to the extent that it is probable that taxable profit will be available against which deferred tax assets may be utilized.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**Taxes and contributions (continued)****Income tax (continued)****b) Deferred income tax**

Deferred tax is debited or credited to income statement, except when it relates to items directly debited or credited to capital, and in that case deferred tax is also distributed within capital.

Taxes and contributions not dependent on results (Indirect Taxes and Contributions)

Taxes and contributions not dependent on results include property tax and other taxes and contributions paid in accordance with various republic and municipal regulations. Other taxes and contributions are recognized as expenses for the period to which they relate.

Property, investment property, plant and equipment

Initial measurement of property, plant and equipment, which meet the conditions for asset recognition, is performed as per the acquisition value or cost. Additional expenses for property, plant and equipment are recognized as assets only when the expenses shall improve the state of an asset over its initially assessed standard effect. All other subsequently incurred expenditures are recognized as expenses for the period to which they relate.

After initial recognition, property (land and construction facilities) is carried at revalued amount, which expresses fair value thereof at the date of revaluation, less the total amount of provisions for depreciation and total amount of provisions for loss due to impairment.

Fair value of property includes market value thereof determined by assessment. Revaluation is performed only when the fair value of the revalued asset significantly differs from the carrying amount thereof.

After initial recognition, plant and equipment are carried at acquisition value or cost less total amount of calculated depreciation and total amount of loss due to impairment.

Gains or losses arising from writing-offs or disposals are recognized as incomes or expenses in the Income statement.

Depreciation

Depreciation of property, plant and equipment is calculated using the proportional method, during the evaluated term of useful life. Useful life and depreciation rates for main groups of assets are as follows:

| <u>Main groups of non-current assets</u> | <u>Rate (%)</u> |
|--|-----------------|
| Construction facilities | 1,5 – 5% |
| Production equipment | 5 – 25% |
| Terrain or passenger vehicles | 10 – 20% |
| Computers | 20 – 33% |
| Other equipment | 1,5 – 50% |

SUMMARY OF THE SIGNIFICANT ACCOUNTING POLICIES (continued)**Property, investment property, plant and equipment (continued)****Depreciation (continued)**

Depreciation rates are revised annually for the purpose of determining the depreciation that best represents the actual expenditure of these assets in the course of business operations based on the remaining useful life thereof.

Investment property

Investment property is the property held by the Company, as the owner thereof, for the purpose of making profit from property rental or for the purpose of increase in the amount of capital or for the purpose of both, but not for the purpose of utilization for provision of services or administrative business operations or sales within the frame of standard business operations. Initial measurement of investment property on occasion of acquisition thereof is performed according to acquisition value or cost. After initial recognition, investment property is carried at revalued amount, stating the fair value thereof at the revaluation date i.e. assessment date, less total amount of provisions for depreciation and total amount of provisions for impairment.

Other intangible assets

Intangible assets refer to purchased software and stamp and are carried at cost less depreciation. Intangible assets are written off using the proportional method within the period of two to eight years.

Long-term financial investments

Long-term financial investments include share in the capital of related legal entities, business banks and other legal entities carried using the cost method less impairment according to management assessment for the purpose of reduction to recoverable value thereof. These loans are carried at nominal value.

Impairment

At each Balance Sheet date, the Company reassesses carrying amounts of its tangible assets in order to determine the existence of indications of loss due to impairment value of the underlying assets. Should such indications exist, the recoverable amount of the assets is assessed in order to determine possible loss due to impairment. In the event the recoverable amount of an individual asset is not possible, the Company assesses the recoverable amount of the revenue generating unit, which the asset belongs to.

Recoverable value is the net sale price or the value in use, depending on which of the two is higher. For the purpose of value in use assessment, evaluated future cash flows are discounted to present value using the discount rate before taxation which reflects the present market assessment of the time value of money and risks specific for that asset.

SUMMARY OF THE SIGNIFICANT ACCOUNTING POLICIES (continued)**Impairment (continued)**

If the evaluated recoverable amount of an asset (or a revenue generating unit) is less than the carrying amount thereof, then the carrying amount of an asset (or a revenue generating unit) is reduced to the recoverable amount. Impairment losses are immediately carried as expenses, unless the asset is land or a facility in use other than investment property carried at revalued amount, in which case the impairment loss is carried as impairment due to asset revaluation.

On occasion of subsequent reversal of impairment loss, the carrying amount of an asset (a revenue generating unit) is increased to the revised evaluated recoverable amount thereof, on condition that higher carrying amount does not exceed the carrying amount which would have been determined if there had not been

NOTES TO FINACIAL STATEMENTS**December 31, 2011**

recognized losses on the asset (revenue generating unit) in previous years due to impairment. Reversal of impairment loss is immediately recognized as an income, unless the underlying asset is carried at appraised value, in which case the reversal of impairment loss is carried as increase due to revaluation.

As of December 31, 2011, pursuant to Company management assessment, there are no indications that the value of property, plant and equipment has been impaired.

Inventories

Inventories are carried at the lower of the two, cost or net sale price. Net expected market value is the price at which the inventories might be sold in normal operating conditions after price reduction for selling costs.

The value of inventories of materials and spare parts is determined according to the method of the average purchase price. Purchase price includes the values invoiced by suppliers, transportation and incremental costs.

The value of production in progress and finished products includes all direct production costs as well as the aliquot part of utility operating expenses.

Inventories of goods in the storehouse are recorded at purchase prices, and inventories of goods in retail facilities at retail prices. At the end of an accounting period, the Company performs the reduction of the value of inventories to purchase value by allocating the difference in price, calculated at an average basis, between purchase value of goods sold and goods in stock at the end of year.

Provisions for the value of inventories are carried by debiting other expenditures in cases when the evaluation indicates that it is necessary to reduce the value thereof to net expected market value (including inventories with slow turnover, redundant and obsolete inventories). Damaged inventories and inventories not in accordance with standards are written off.

Financial instruments

Financial assets and financial liabilities are recorded in the Company Balance Sheet, from the moment when the contractual provisions related the company to an asset. Financial assets purchase or sale is carried using the calculation at the date of offsetting, i.e. the date when the asset was delivered to the other party.

SUMMARY OF THE SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets cease to be recognized when the Company loses control over contractual rights over the underlying financial instruments, which occurs when the rights of use of instruments have been implemented, expired, abandoned or assigned.

a) Share in capital

Shares in capital of banks and other legal entities quoted at the Stock Exchange are initially evaluated at cost. Subsequent evaluation is performed at each Balance Sheet date for the purpose of reconciliation of the value thereof with market value.

Long-term financial investments that include shares in capital of related legal entities, business banks and other legal entities not quoted at the Stock Exchange are carried as per the method of purchase value reduced for impairments based on the management assessment, for the purpose of reduction to recoverable value thereof.

NOTES TO FINANCIAL STATEMENTS**December 31, 2011***b) Trade receivables, short-term investments and other short-term receivables*

Trade receivables, short-term investments and other short-term receivables are carried at nominal value, reduced for provisions made according to evaluation of their collectability by the management.

v) Cash and cash equivalents

Cash and cash equivalents in the Company financial statements means stating cash on hand and current accounts balances and other monetary funds available for up to three months.

g) Financial liabilities

Instruments of financial liabilities are classified in accordance with the essence of contractual provisions. Financial liabilities are carried at nominal value, increased for interests of concluded contracts, which corresponds to the effective interest rate.

d) Liabilities from business operations

Liabilities to suppliers and other liabilities from business operations are evaluated as per the value of funds received.

SUMMARY OF THE SIGNIFICANT ACCOUNTING ESTIMATES

Presentation of financial statements requires the management to use best possible assessments and reasonable assumptions, which influence the presented values of assets and liabilities as well as disclosure of contingent receivables and liabilities at the date of financial statements preparation, together with incomes and expenses during the reporting period. These assessments and assumptions are based on information available on the day of preparation of financial statements.

The text below contains key assumptions related to the future and other sources of uncertainty assessment at the date of Balance Sheet that are a significant risk for material corrections of Balance Sheet items' values in the following financial year.

Depreciation and depreciation rates

Calculation of depreciation and depreciation rates is based on the projected economic life of equipment and intangible assets. Once a year the Company evaluates the economic life based on current anticipation.

Provisions for receivables and short-term investments

The Company impairs doubtful trade receivables and other debtors based on estimated losses incurred if the debtors are unable to effect payments. When estimating the appropriate amount of loss due to impairment for doubtful receivables, the Company relays to the age of a receivable, prior write-off experience, purchasers' solvency and changes in conditions of payment. This requires assessments relating to future behavior of purchasers and thus incurred future collections. However, the significant part of Company receivables relates to receivables from subsidiaries where, according to evaluations and previous experience, the total present value of receivables is collectible.

NOTES TO FINANCIAL STATEMENTS **December 31, 2011**
SUMMARY OF THE SIGNIFICANT ACCOUNTING ESTIMATES (continued)

Fair value

Business policy of the Company includes disclosure of information relating to fair value of assets and liabilities subject to official market information and when the fair value significantly differs from the book value. The Republic of Serbia lacks market experience, as well as stability and liquidity when purchasing or selling receivables and other financial assets and liabilities, owing to the fact that official market information are not available at all times. Therefore, fair value may not be reliably determined in the absence of active market. The Company management performs the risk analysis, and in cases when the estimates indicate the possibility that the value of assets in business books shall not be realized, provisions are made. According to the opinion of Company management, the amounts stated in these financial statements reflect the value which is, in circumstances given, the most trustworthy and most useful for reporting purposes.

NOTE – 1
INCOME FROM SALES

| | In thousands RSD | |
|---|------------------------------------|------------|
| | For the Year ended on December 31, | |
| | 2011 | 2010 |
| Income from the sales of merchandise: | | |
| - related legal entities | 640.453 | 3.940.636 |
| - other domestic legal entities | 1.193.856 | 525.678 |
| - other foreign legal entities | | 24 |
| | 1.834.309 | 4.466.338 |
| Income from sales of products and services rendered | | |
| - related legal entities | 1.001.923 | 2.190.136 |
| - other domestic legal entities | 4.281.044 | 4.462.909 |
| - other foreign legal entities | 4.551.804 | 3.152.578 |
| | 9.834.771 | 9.805.623 |
| | 11.669.080 | 14.271.961 |

The Company reported in the Income Statement total income from sales in the amount of 11.669.080 thousand RSD. The amount stated includes income from sales of merchandise in the amount of 1.834.309 thousands RSD and the income from the sales of products and services rendered in the amount of 9.834.771 thousand RSD.

The most significant income from the sales of merchandise was achieved from sales to:

-Related legal entities

| | |
|-----------|----------------------|
| Soybeans | 624.076 thousand RSD |
| Soy meal | 2.389 thousand RSD |
| Crude oil | 13.988 thousand RSD |
| TOTAL | 640.453 thousand RSD |

-Other legal entities

| | |
|-----------------------|------------------------|
| Soy meal | 503.400 thousand RSD |
| Refined sunflower oil | 604.589 thousand RSD |
| Sunflower meal | 9.195 thousand RSD |
| Raw soybean oil | 1.023 thousand RSD |
| Other | 75.649 thousand RSD |
| TOTAL | 1.193.856 thousand RSD |

NOTES TO FINANCIAL STATEMENTS**December 31, 2011**

Income from the sales of products and services rendered

-Related legal entities

| | |
|------------------|------------------------|
| Soy meal | 954.165 thousand RSD |
| Raw soybean oil | 2.816 thousand RSD |
| Protein products | 5.551 thousand RSD |
| Other | 39.391 thousand RSD |
| TOTAL | 1.001.923 thousand RSD |

-Other legal entities

| | |
|------------------|------------------------|
| Soy meal | 2.785.134 thousand RSD |
| Raw soybean oil | 1.037.513 thousand RSD |
| Protein products | 347.602 thousand RSD |
| Other | 110.795 thousand RSD |
| TOTAL | 4.281.044 thousand RSD |

-Other foreign legal entities

| | |
|------------------|------------------------|
| Soy meal | 51.663 thousand RSD |
| Raw soybean oil | 2.474.098 thousand RSD |
| Protein products | 1.945.870 thousand RSD |
| Other | 80.173 thousand RSD |
| TOTAL | 4.551.804 thousand RSD |

NOTE – 2**OTHER OPERATING INCOME**

| | In thousands RSD | |
|--------------------------------------|------------------------------------|---------|
| | For the Year ended on December 31, | |
| | 2011 | 2010 |
| Income from subsidies and incentives | 60.577 | 252.427 |
| Rental fees income | 54.674 | 49.379 |
| Other operating income | 225 | 1.318 |
| | 115.476 | 303.124 |

Income from subsidies reported in the amount of 60.577 thousand RSD entirely relate to income approved in accordance with the Regulation on the use of incentives to producers of agricultural products and foodstuffs for the year 2010 ("Official Gazette of RS" No. 20/10).

As the budget of RS provided no further means for these purposes, the income arising under subsidies have not been further collected or booked in the year 2011.

NOTES TO FINANCIAL STATEMENTS**December 31, 2011****NOTE – 3****COST OF MERCHANDISE SOLD**

| | In thousands RSD | |
|--------------------------|------------------------------------|------------------|
| | For the Year ended on December 31, | |
| | 2011 | 2010 |
| Cost of merchandise sold | 1.817.512 | 3.978.674 |
| | <u>1.817.512</u> | <u>3.978.674</u> |

The Company reported in the Income Statement the amount of 1.817.512 thousand RSD which relates to costs of merchandise sold. The most significant amounts relate to:

| | |
|-----------------------|------------------------|
| Refined sunflower oil | 604.589 thousand RSD |
| Soybeans | 606.455 thousand RSD |
| Other | 606.468 thousand RSD |
| TOTAL | 1.817.512 thousand RSD |

NOTE – 4**COSTS OF MATERIAL AND ENERGY**

| | In thousands RSD | |
|----------------------------------|------------------------------------|------------------|
| | For the Year ended on December 31, | |
| | 2011 | 2010 |
| Costs of material for production | 7.421.016 | 7.343.075 |
| Costs of other material | 177.583 | 179.158 |
| Costs of fuel and energy | 316.652 | 323.793 |
| | <u>7.915.251</u> | <u>7.846.026</u> |

NOTE - 5**COSTS OF SALARIES, FRINGE BENEFITS AND OTHER PERSONAL EXPENSES**

| | In thousands RSD | |
|---|------------------------------------|---------|
| | For the Year ended on December 31, | |
| | 2011 | 2010 |
| Costs of gross salaries | 312.492 | 273.677 |
| Costs of contributions charged to the employer | 55.779 | 48.506 |
| Reimbursement of costs to employees on business trips | 9.792 | 11.404 |
| Reimbursement of transportation costs to employees | 14.629 | 12.392 |
| Grants/scholarships | 4.922 | 5.288 |
| Costs of remuneration according to author's costs | 3.579 | 2.232 |
| Severance pays and jubilee awards | 2.034 | 2.572 |

NOTES TO FINANCIAL STATEMENTS**December 31, 2011**

| | | |
|--|----------------|----------------|
| Costs of remuneration to members of Management Board and Supervisory Board | 1.084 | 1.084 |
| Other personal expenses and compensations | 6.536 | 7.156 |
| | <u>410.847</u> | <u>364.311</u> |

MANAGEMENT EARNINGS

During 2011, the Company paid benefits to key management which consists of the members of Management Board and earnings to management in gross amount of 18.406 thousand RSD (in the year 2010 11.914 thousand RSD) according to the structure given in the following table:

| | In thousands RSD For the Year ended on December 31, | |
|--|--|---------------|
| | 2011 | 2010 |
| Management Earnings | 17.322 | 10.830 |
| Management Board Remuneration to members of Management Board | 1.084 | 1.084 |
| | <u>18.406</u> | <u>11.914</u> |

NOTE – 6**COSTS OF DEPRECIATION AND PROVISIONS**

| | In thousands RSD For the Year ended on December 31, | |
|-----------------------|--|----------------|
| | 2011 | 2010 |
| Costs of depreciation | 186.655 | 147.451 |
| Costs of provisions | 4.753 | 156 |
| | <u>191.408</u> | <u>147.607</u> |

NOTE – 7**OTHER OPERATING EXPENSES**

| | In thousands RSD For the Year ended on December 31, | |
|--|--|--------|
| | 2011 | 2010 |
| Costs of banking and payment operations services | 42.881 | 57.453 |
| Costs of maintenance services | 64.275 | 74.015 |
| Laboratory costs | 80.341 | 59.048 |
| Transportation costs | 146.489 | 90.112 |
| Rental fees costs | 58.662 | 38.344 |
| Utility services | 21.272 | 18.543 |
| Costs of insurance premiums | 25.245 | 21.105 |
| Indirect taxes and contributions | 19.142 | 22.540 |
| Brokers' services | 744 | 480 |
| Legal and consulting services | 787 | 3.893 |
| Costs of internet, phone and postal costs | 6.459 | 7.379 |
| Costs of representation | 13.019 | 12.766 |
| Costs of fairs and other events | 8.283 | 4.892 |

NOTES TO FINACIAL STATEMENTS**December 31, 2011**

| | | |
|--------------------------------------|----------------|----------------|
| Costs of commercials and advertising | 3.121 | 2.859 |
| Costs of other production services | 5.030 | 9.050 |
| Other intangible expenses | 150.226 | 34.557 |
| | <u>645.976</u> | <u>457.036</u> |

**NOTE - 8
FINANCIAL INCOME**

| | In thousands RSD For the Year ended on December 31, | |
|---|--|----------------|
| | 2011 | 2010 |
| Financial income – related legal entities | 218 | 1.535 |
| Foreign exchange gains | 578.701 | 276.775 |
| Income from foreign currency clause effects | 4.125 | 10.929 |
| Income from interests | 165.395 | 209.831 |
| Other financial income | 298 | - |
| | <u>748.737</u> | <u>499.070</u> |

**NOTE - 9
FINANCIAL EXPENSES**

| | In thousands RSD For the Year ended on December 31, | |
|---|--|------------------|
| | 2011 | 2010 |
| Foreign exchange losses | 592.931 | 1.123.244 |
| Interest expenses | 135.141 | 251.463 |
| Negative effects based on the given commodity loans | | - |
| Expenses from foreign currency clause effects | 7.703 | 798 |
| Other financial expenses | 3 | 1.124 |
| | <u>735.778</u> | <u>1.376.629</u> |

**NOTE - 10
OTHER INCOME**

| | In thousands RSD For the Year ended on December 31, | |
|---|--|---------------|
| | 2011 | 2010 |
| Gains from disposals of equipment and intangible assets | 228 | 6.035 |
| Gains from disposals of securities | | - |
| Income from receivables value adjustments | 6.488 | 10,151 |
| Surpluses | 8.293 | 5,011 |
| Remuneration for damages from insurance companies | 7.455 | 1,598 |
| Gains on disposals from raw materials | 3.957 | 1,369 |
| Income from liability write-offs | 12.087 | - |
| Other income | 979 | 16,973 |
| | <u>39.487</u> | <u>41.137</u> |

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

NOTE - 11

OTHER EXPENSES

| | In thousands RSD | |
|--|------------------------------------|---------------|
| | For the Year ended on December 31, | |
| | 2011 | 2010 |
| Impairment of receivables and short-term investments | 33.699 | 19.051 |
| Shortages | 496 | 4.944 |
| Losses from disposals of raw materials | 3.787 | 1.075 |
| Other commissions | | - |
| Writing-offs of receivables for given housing loans | | 63 |
| Losses for writing-offs of property and equipment | 1.858 | 289 |
| Expenses for direct writing-offs of receivables | 145 | 12.235 |
| Other expenses | 14.889 | 5.600 |
| | <u>54.874</u> | <u>43.257</u> |

NOTE - 12

PROFIT

v) Reconciliation of the amount of income tax in the Income Statement and products of pre-tax profit and the applicable tax rates

| | In thousands RSD | |
|---|------------------------------------|---------------|
| | For the Year ended on December 31, | |
| | 2011 | 2010 |
| Pre-tax profit | 1.205.084 | 839.509 |
| Income tax calculated at the rate of 10% | 120.508 | 83.950 |
| Tax effects of expenses which are not recognized in the Tax balance | 4.280 | 2.318 |
| Tax credit incurred with investments in non-current assets realized in the current year | (62.394) | (43.134) |
| Total tax expenses of the period | 62.394 | 43.134 |
| Deferred tax expenses of the period | | 4.361 |
| Deferred tax income of the period | 142 | |
| | <u>62.252</u> | <u>47.495</u> |
| Effective tax rate | <u>5.16%</u> | <u>5.66%</u> |

NOTE - 13

EARNINGS PER SHARE

| | In thousands RSD | |
|-----------------------------------|------------------------------------|-----------|
| | For the Year ended on December 31, | |
| | 2011 | 2010 |
| Net profit | 1.142.832 | 792.014 |
| Weighted average number of shares | 11.788.513 | 8.737.811 |
| Basic earnings per share (in RSD) | 96,94 | 90,64 |

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

NOTE - 14

PROPERTY, PLANT AND EQUIPMENT, NATURAL ASSETS, INVESTMENT PROPERTY AND INTANGIBLE ASSETS

In thousands RSD

| | Land, construction facilities and natural assets | equipment | Advance payments for non-current assets and investments in progress | Total | Investment property | Intangible assets | Intangible assets undr construction |
|---------------------------------|--|-----------|--|-------------|------------------------|----------------------|---|
| Purchase value/cost | | | | | | | |
| Balance on January 1, 2010 | 1.791.808 | 1.651.768 | 581.129 | 4.024.705 | 332.035 | 18.775 | |
| Increase during the year | 70.408 | 618.532 | 708.704 | 1.397.644 | | 621 | |
| Transfers | | | (791.725) | (791.725) | | | |
| Transfer to investment property | | | | | | | |
| Writing-off | | (7.636) | | (7.636) | (1) | | |
| Disposals | (3.121) | (15.349) | | (18.470) | | | |
| Other | | | | 6 | | | |
| Balance on December 31, 2010 | 1.859.095 | 2.247.315 | 498.108 | 4.004.518 | 332.034 | 19.396 | |
| Balance on January 1, 2011 | 1.859.095 | 2.247.315 | 498.108 | 4.604.518 | 332.034 | 19.396 | 1 |
| Increase during the year | 82.082 | 83.704 | 6.416.096 | 6.581.882 | | 2.964 | 9.596 |
| Transfers | | | (3.497.455) | (3.497.455) | | | (2.964) |
| Transfer to investment property | | | | | | | |
| Capitalised interest | 11.671 | 24.270 | | 35.941 | | | |
| Writing-off | | (8.516) | | (8.516) | (81) | | |
| Disposals | | (1.717) | | (1.717) | | | |
| Other | | | | | | | |
| Balance on December 31, 2011 | 1.952.848 | 2.345.056 | 3.416.749 | 7.714.653 | 331.953 | 22.360 | 6.632 |
| Provisions | | | | | | | |
| Balance on January 1, 2010 | 160.779 | 467.564 | - | 628.343 | - | 10.214 | |
| Current year depreciation | 37.539 | 107.472 | | 145.011 | | 2.440 | |
| Transfer to investment property | | | | | | | |
| Disposals | (67) | (13.976) | | (14.043) | | | |
| Writing-off | | (6.782) | | (6.782) | | | |
| Balance on December 31, 2010 | 198.251 | 554.278 | | 752.530 | | 12.654 | |
| Provisions | | | | | | | |
| Balance on January 1, 2011 | 198.251 | 554.278 | | 752.530 | | 12.654 | |
| Current year depreciation | 39.880 | 144.244 | | 184.104 | | 2.551 | |
| Transfer to investment property | | | | | | | |
| Disposals | | (5.565) | | (5.565) | | | |
| Writing-off | | (1.338) | | (1.338) | | | |
| Balance on December 31, 2010 | 238.131 | 691.599 | | 929.730 | | 15.205 | |
| -December 31, 2011 | 1.714.717 | 1.653.457 | 3.416.749 | 6.784.923 | 331.953 | 7.155 | 6.632 |
| -December 31, 2010 | 1.660.844 | 1.693.037 | 498.108 | 3.851.989 | 332.034 | 6.742 | 0 |

The Company recorded intangible assets in the amount of 13.787 thousand RSD.

The Company recorded the value of property, plant and equipment on December 31, 2011 in the amount of 6.781.872 thousand RSD.

Depreciation is calculated by using the proportional method over purchase value/cost.

Advance payments for non-current assets and investments in progress recorded on December 31, 2011 in total amount of 3.416.749 thousand RSD mostly relate to investments in facilities and equipment for the Concentrate Factory, as well as for construction of the high-bay warehouse of finished products.

NOTES TO FINANCIAL STATEMENTS**December 31, 2011**

The Company has also continued works relating to investment for construction of the Factory for production of soy protein concentrates. The first phase of this investment which includes the construction of the factory for traditional soy concentrates in the capacity of 70.000 t annually is in progress. Present activities relate to completion of facility construction, while the key equipment has been delivered and the works on installation of equipment are in progress. The plans include completion of construction, installation of equipment until April 2012, when the phase of test production shall commence. Total appraised value of the first phase of investment – construction of the factory for traditional soy concentrates is EUR 22,5 million, where the Company has already invested about EUR 25 million. The project has been revised so that it has been estimated that the value of the investment shall amount to about EUR 26,2 million. Bearing in mind that soy concentrates account for one of products with the highest level of finalization, as well as the broad use thereof in the area of animal food production, production of milk replacers for feeding pigs and calves and production of food for humans, the Company expects significant increase in soy concentrates sales revenues. After completion of the first phase of the investment, the Company shall commence the implementation of the second phase which includes the production of functional soy concentrates with the annual capacity of 15.000 t

NOTE - 15**INVESTMENTS IN CAPITAL**

| | investment % | December 31, 2011 | In thousands RSD December 31, 2010 |
|--|---------------------|------------------------------|---|
| <i>Investments in capital of parent companies and subsidiaries</i> | | | |
| ZAO Vobeks – Intersoja, Russia | 85,00% | 1.112 | 1.112 |
| Veterinarski zavod Subotica a.d. | 59,17% | 783.618 | 783.618 |
| | | <u>784.730</u> | <u>784.730</u> |
| <i>Investments in capital of associated legal entities</i> | | | |
| Hotel Bela Lađa a.d., Bečej | 31,81% | 64.626 | 64.626 |
| | | <u>64.626</u> | <u>64.626</u> |
| Investment in capital of banks | | 120 | 120 |
| Novosadski sajam a.d., Novi Sad | | 4.381 | 6.286 |
| Investments in capital of other legal entities | | 1.831 | 1.831 |
| | | <u>855.688</u> | <u>857.593</u> |

NOTE – 16**OTHER LONG-TERM FINANCIAL INVESTMENTS**

| | December 31, 2011 | In thousands RSD December 31, 2010 |
|----------------------------|------------------------------|---|
| Housing loans to employees | 904 | 2,109 |
| | <u>904</u> | <u>2,109</u> |

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

NOTE - 17

INVENTORIES

| | December, 31 2011 | In thousands RSD December 31 , 2010 |
|--|----------------------|---|
| Raw material | 2.140.423 | 4.854.582 |
| Spare parts | 140.999 | 125.456 |
| Tools and inventories | 43.201 | 37.030 |
| Finished products | 678.331 | 362.178 |
| Work in progress | 69.397 | 30.897 |
| Advances paid | 1.684.789 | 317.828 |
| Merchandise: | | |
| -Wholesale merchandise | 2.274 | 13.129 |
| - Merchandise in storehouse, and other legal entities' shops | 3.638 | 3.420 |
| | <u>4.763.052</u> | <u>5.744.520</u> |
| Minus: Provisions for inventories of material | (18.932) | (17.432) |
| | <u>4.744.120</u> | <u>5.727.088</u> |

The Company reported inventories in the amount of 4.744.120 thousand RSD in the Balance Sheet.

The most significant items include inventories of raw material and material amounting to 2.140.423 thousand RSD, out of which amount inventories of basic raw material (soybeans) amount to the value of 2.071.016 thousand RSD calculated at the average cost, i.e. the quantity of 53.505.524 kg.JUS soybeans.

Advances paid relate to the delivery of soybeans. *Victoria Logistic* sent an invoice for soybeans in January 2012 which was settled out of the above mentioned advances.

NOTE - 18

RECEIVABLES

| | December, 31 2011 | In thousands RSD December 31 , 2010 |
|--|----------------------|---|
| Trade receivables: | | |
| - associated legal entities | 2.235.680 | 3.187.660 |
| - domestic | 807.069 | 690.519 |
| - foreign | 757.477 | 524.583 |
| Receivables from exporters | | 17.950 |
| Receivables from specific business operations | 4.626 | 9.673 |
| Receivables for interests | 126.433 | 205.458 |
| Receivables from state authorities and organizations | 3.280 | 56.022 |
| Other taxes and contributions prepaid | 182 | 820 |
| Other receivables: | 13.598 | 19.586 |
| | <u>3.948.345</u> | <u>4.712.271</u> |
| Minus: provisions for trade receivables | (171.783) | (149.119) |
| | <u>3.776.562</u> | <u>4.563.152</u> |

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

NOTE - 19

SHORT-TERM FINANCIAL INVESTMENTS

| | December, 31 2011 | In thousands RSD December 31 , 2010 |
|---|----------------------|---|
| Short-term loans to associated legal entities: | | |
| -Victoria Group a.d. | | 1.148.565 |
| -Victoria Logistic d.o.o. | | - |
| -Fertil d.o.o., Bačka Palanka | | - |
| | | 1.148.565 |
| Loans for winter food supply | 10.951 | 10.130 |
| Short-term loans- domestic | 111.089 | 105.815 |
| Current portion of long term loans due within one year | 6.577 | 9.533 |
| Current portion of housing loans to employees due within one year | 186 | 186 |
| Own shares purchased | | (20.412) |
| | 128.803 | 1.274.229 |

Short-term loan in the amount of 1.148.565 thousand RSD has been returned in full amount during 2011.

NOTE - 20

CASH AND CASH EQUIVALENTS

| | December, 31 2011 | In thousands RSD December 31 , 2010 |
|--|----------------------|---|
| Current accounts | | |
| -in RSD | 212.733 | 70.561 |
| -in foreign currency | 307.808 | 147.541 |
| Cash allocated for payments and open letters of credit | 19 | - |
| Other cash and cash equivalents | 3.255 | 3.255 |
| | 523.815 | 221.357 |

NOTE - 21

VALUE ADDED TAX AND PREPAYMENTS AND ACCRUED INCOME

| | December, 31 2011 | In thousands RSD December 31 , 2010 |
|--------------------------------------|----------------------|---|
| Prepaid cost for up to one year | 6.132 | 10.504 |
| Value Added Tax paid in advance | 124.100 | 106.021 |
| Accrued Value Added Tax | 2.706 | 2.418 |
| Other prepayments and accrued income | 559 | 117.453 |
| | 133.507 | 236.396 |

NOTES TO FINANCIAL STATEMENTS**December 31, 2011**

133.497

236.396

NOTE - 22**OFF-BALANCE SHEET ASSETS**

On December 31, 2011 the off-balance sheet assets amount to 10.593.951 thousand RSD. The amount of 9.901.904 thousand RSD accounts for guarantees and sureties which Sojaprotein AD placed as a guarantor. The amount of 692.047 thousand RSD refers to goods stored in our storehouses belonging to others.

OFF-BALANCE SHEET ASSETS/LIABILITIES

| | December, 31 2011 | In thousands RSD December 31 , 2010 |
|------------------------------------|----------------------|---|
| Assets belonging to other entities | 692.047 | 335.731 |
| Guarantees and sureties given | 9.901.904 | 8.134.224 |
| | 10.593.951 | 8.469.955 |

NOTE - 23**BASIC CAPITAL**

Pursuant to decisions issued by the Company Assembly on June 30, 2011 and the Decision issued by the Commission for Securities No. 4/0-24-2926/5-11 dated July 14, 2011, the Company issued X emission of shares based on transformation of retained profit into basic capital. 5.050.680 voting shares were issued, without nominal value and with an individual accounting value of 463.661404 RSD, i.e. in total value of 2.341.805.379,95. Basic capital of the Company, after being increased based on transformation of retained profit, amounts to 6.906.479.571,15 RSD and is divided into 14.895.524 shares without nominal value and with the accounting value of 463,661 404 RSD. The shares of X emission were entered into the database of the Central Securities Depository on August 9, 2011. The structure of the Company share capital as of December 31, 2011 and December 31, 2010 was as follows:

| Description | December 31, 2011 | | | In thousands RSD December 31, 2010 | | |
|------------------------------------|-------------------|------------------|---------------------|---------------------------------------|------------------|---------------------|
| | % share | No. of shares | Value of capital | % share | No. of shares | Value of capital |
| Victoria group d.o.o., Novi Sad | 62,94% | 9.374.965 | 4.346.809 | 62,94% | 6196.161 | 2.872.912 |
| Raiffeisenbank AD Belgrade | 2,99% | 445.149 | 206.398 | | | |
| East capital asset Manag | 1,15% | 320.943 | 148.809 | 1,57% | 155.129 | 71.927 |
| Erste Bank AD Novi Sad | 1,53% | 228.192 | 105.804 | | | |
| Unicredit Bank AD Serbia | 1,37% | 203.521 | 94.365 | | | |

NOTES TO FINANCIAL STATEMENTS**December 31, 2011**

| | | | | | | |
|--------------------------------------|--------|------------|-----------|--------|-----------|-----------|
| Societe Generale Banka Serbia | 1,32% | 196.131 | 90.938 | | | |
| Gustavus Cap.Asset Mngt. | 1,13% | 168.137 | 77.959 | 1,73% | 170.010 | 78.827 |
| Hypo Alpe Adria Bank AD Belgrade | 0,85% | 126.825 | 58.804 | | | |
| DDOR ADO Novi Sad | 0,71% | 105.139 | 48.749 | | | |
| NLB Banka AD Belgrade | 0,67% | 99.688 | 46.221 | | | |
| Other legal entities and individuals | 24,34% | 3.626.834 | 1.681.624 | 23,76% | | 1.541.008 |
| | 100% | 14.895.524 | 6.906.480 | 100% | 9.844.844 | 4.564.674 |
| Own shares purchased | | | | | 44.024 | (20.412) |
| Free shares of X emission | | 23.466 | | | | |
| Share capital | 100% | 14.872.058 | 6.906.480 | 100% | 9.800.820 | 4.544.262 |

LEGAL RESERVES

Legal reserves of the Company stated on December 31, 2011 in the amount of 247.882 thousand RSD account for allocations from retained profit pursuant to the decision that the Company shall allocate minimum of 5% of net profit for the business year into the account of legal reserves, until they reach 10% of the Company basic capital.

STATUTORY RESERVES

Statutory reserves of the Company stated on December 31, 2011 amount to 248,267 thousand RSD. The Company performs allocations into these reserves in accordance with the Statute on occasion of net profit allocation for the business year. The Company freely disposes of statutory reserves, and the existing internal acts fail to give special definition to the use thereof. Funds allocated to reserves have not been used.

NOTE – 24**OWN SHARES PURCHASED**

At the regular General Meeting of Shareholders, a Decision on disposal of 45.741 own shares was issued, which accounts for 0,46% of total number of shares. In addition to already acquired 45.741 own shares, the Company disposes of X emission shares acquired based on share in the increase of basic capital out of Company assets. Own shares are disposed of by means of offer to all shareholders at pro-rata principle.

In November 2011 all 45.741 own shares were disposed of. 23.466 own shares acquired as free shares of X emission remain to be disposed of.

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

NOTE - 25

LONG-TERM PROVISIONS

| | December, 31 2011 | In thousands RSD December 31 , 2010 |
|-------------------------------|----------------------|---|
| Provisions for severance pays | 23.399 | 22.286 |
| Provisions for jubilee awards | 26.491 | 22.850 |
| | <u>49.890</u> | <u>45.136</u> |

Changes in long-term provisions during the year 2011 have been illustrated in the following table:

| | December, 31 2011 | In thousands RSD December 31 , 2010 |
|----------------------------|----------------------|---|
| Balance on January 1 | 45.136 | 44.981 |
| Provisions during the year | 4.754 | 155 |
| Used provisions | | - |
| | <u>49.890</u> | <u>45.136</u> |

NOTE - 26

LONG-TERM LOANS

| | December, 31 2011 | In thousands RSD December 31 , 2010 |
|----------------------------|----------------------|---|
| Long-term loans - domestic | 1.562.157 | - |
| Long-term loans - foreign | 1.775.815 | 2.460.346 |
| | <u>3.337.972</u> | <u>2.460.346</u> |
| Current portions | (442.469) | (669.982) |
| | <u>2.895.503</u> | <u>1.790.364</u> |

LONG-TERM LOANS - domestic

| | Annual interest rate | Currency | Amount in currency | In thousands RSD December 31, | |
|-------------------------|--------------------------|----------|-----------------------|----------------------------------|---------|
| | | | | 2011 | 2010 |
| UniCredit Bank Belgrade | 3M EURIBOR + 3,90% | EUR | 17646.000 | 1.562.157 | - |
| Minus: | | | | | |
| Current portion | | | | (158.444) | |
| | | | | <u>1.403.713</u> | <u></u> |

NOTES TO FINANCIAL STATEMENTS**December 31, 2011**

Liabilities arising under a loan approved by UniCredit bank Belgrade stated as of December 31, 2011 account for total amount of 1.562.157 thousand RSD (EUR 14.928.738,31). The Line approved in dinars (RSD) with the EUR foreign currency clause amounts to 700.633 thousand RSD (EUR 6.695.592,38), and the line approved in Euro (EUR) amounts to 861.524 thousand RSD (EUR 8.233.145,93).

The loan was approved pursuant to the contract concluded on November 4, 2010. According to the contract, the underlying funds account for a part of the loan approved for the purpose of financing, construction of a new facility for production of soy protein concentrate and for the purpose of closing the liabilities under open letters of credit for the purchase of equipment.

The above mentioned funds have been approved for the period of five years with equal quarterly installments, where the first installment shall become due upon expiration of "Grace" period of six months which shall start at the date when the last tranche of the loan has been withdrawn, but not later than August 22, 2012, while the last installment shall become due on August 22, 2017.

LONG-TERM LOANS - foreign

| | Annual interest rate | Currency | Amount in currency | In thousands RSD December 31, | |
|---|-------------------------|----------|-----------------------|----------------------------------|------------------|
| | | | | 2011 | 2010 |
| Vojvođanska banka a.d. Novi Sad | | EUR | 10756.277 | 1.125.546 | 1.134.768 |
| European Bank for Reconstruction and Development | 6.478% | EUR | 10000.000 | 313.923 | 414.457 |
| | 6M | | | | |
| European Bank for Reconstruction And Development | EURIBOR + 2.3% | EUR | 5.000.000 | 336.346 | 527.491 |
| Bank Koper d.d., Koper | 3M+ 1.3% | EUR | 3.636.364 | 0 | 383.630 |
| | | | | <u>1.775.815</u> | <u>2.460.346</u> |
| Minus: | | | | | |
| Current portion | | | | <u>(284.025)</u> | <u>(669.982)</u> |
| | | | | <u>1.491.790</u> | <u>1.790.364</u> |

Liabilities arising under Paris Club Creditors refinanced loans in the amount of 1.125.546 thousand RSD (EUR 10.756.277) account for the relevant principal of this debt, which the Company stated in Financial Statements based on the calculation submitted by Vojvođanska Banka as of March 22, 2002.

In December 2001, negotiations held between the Government of the Republic of Serbia and Paris Creditors Club resulted in significant reduction in liabilities (principal, interests and default interest calculated until March 22, 2002) in the amount of 51% of new principal with the possibility of additional writ-off of liabilities in three years up to the maximum amount of 66.67%, as an additional item to liability program. The Law Governing the Relations between the Federal Republic of Yugoslavia and Legal Entities and Banks within the Territory of the Federal Republic of Yugoslavia, who account for the original debtors of guarantors for Paris and London Club Creditors came into effect on July 4, 2002 ("Official Gazette of FRY" No. 36/2002). In accordance with the underlying Law, the Company was obliged to repay the loans approved by Paris Creditors Club to domestic banks on conditions which shall not be less favorable than those defined under the agreement with foreign creditors.

Until the date of publication of these financial statements, the Company has not concluded the Agreement on

defining the repayment of liabilities arising under loans to Paris Club Creditors with Vojvođanska Bank a.d., Novi Sad, thus reducing the principal for the written-off portion of the liability, nor has it calculated the interests or included and stated them in financial statements for the period from March 22, 2002 until the Balance Sheet date.

Considering the fact that the Company fully contests the right of creditors of the above mentioned bank, the Company is mentioned as a respondent by Vojvođanska Bana a.d. Novi Sad.

The Supreme Court of the Republic of Serbia has abolished the Appeal Judgment, thus returning the proceeding to the first instance court for decision, which rendered the judgment in favor of the Company in the retrial proceeding.

Liabilities arising under the loan approved by the European Bank for Reconstruction and Development stated on December 31, 2011 account for total amount of 650.269 thousand RSD (EUR 6.214.285,70). The loan was approved in accordance with the Agreement entered into on September 10, 2007. Namely, according to the Agreement, the underlying funds account for a part of the loan approved for the purposes of investments into operating capital as per the project of procurement of oil plants as well as investments not energy efficiency, and related to tranche 2 and tranche 3 of funds approved in total amount of EUR 45.000.000. The underlying funds have been approved for the period of five years with semi-annual installments of repayment.

Pursuant to the Loan Agreement and in accordance with the requirements referred to under paragraph 5.10. "Financial relationships (ratios)", the Company is obliged to, based on financial statements, stated in compliance with full implementation of International Accounting Standards, maintain:

1. The relationship between EBIT and interest expenses at the level not under 3, provided that the Company profit shall subsequently be corrected for:

- Any share in profit or loss of any associate company, except for dividends or other income which the Company received in cash from that associate company or joint venture, and each income from any other investment in non-current assets.
- All profits or losses directly related to disposal or discontinuation of business operations or disposal of fixed assets.
- All direct expenses of any fundamental reorganization, or restructuring having material effect on the nature and focus of business operations of the Company.
- All amounts written-off from the investment value
- Realized and unrealized foreign exchange gains and losses not related to continuing operations.

2. Interest expenses include all interests and expenses incurred with the Company financial debt as the interest, expenses or expenditures charge the Income statement of the entity.

3. The relationship between the debt and overall capitalization must be maintained at a level not exceeding 0.6 provided that the debt means only debt, but excluding any other debt provided under the Contract on pledge of inventories of goods. Overall capitalization means the sum of total share capital stated values, accumulated deferred income taxes, accumulated investment tax loans, minority shares, potential reserves and contributions as assistance in construction.

4. Minimum own capital must not be less than EUR 15,000,000.

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

Long-term loans maturity is illustrated in the following table:

| | December, 31 2011 | In thousands RSD December 31 , 2010 |
|---------------------|----------------------|---|
| - up to 1 year | 442.469 | 669.982 |
| - from 1 to 2 years | 474.903 | 286.352 |
| - from 2 to 3 years | 370.262 | 180.854 |
| - from 3 to 4 years | 370.262 | 75.356 |
| - from 4 to 5 years | 332.890 | 75.356 |
| - over 5 years | 1.347.186 | 1.172.446 |
| | <u>3.337.972</u> | <u>2.460.346</u> |

NOTE - 27
SHORT-TERM FINANCIAL LIABILITIES

| | December, 31 2011 | In thousands RSD December 31 , 2010 |
|-------------------------------|----------------------|---|
| Current portions of: | 442.469 | 669.982 |
| - long-term loans | 717 | 846 |
| - other long-term liabilities | 1.902.812 | 1.887.971 |
| Short-term loans | 0 | 644 |
| Other | | |
| | <u>2.345.998</u> | <u>2.559.443</u> |

Short-term loans:

| | Annual interest rate in % | Maturity | Amount in EUR | December 31, 2011 | In thousands RSD December 31, 2010 |
|--------------------------------|--|----------------------|------------------|----------------------|--|
| Komercijalna banka a.d. | 4.40 | March 30, 2011 | 4.000.000 | 0 | 421.993 |
| Komercijalna banka a.d. | 4.40 | April 19, 2011 | 2.000.000 | 0 | 210.996 |
| Societe Generale Bank | 3m Euribor + 3,40% | August 31, 2011 | 4.000.000 | 0 | 421.993 |
| Euro Bana EFG | 5,70% | September 6, 2011 | 1.000.000 | 0 | 105.498 |
| Credit Agricole | 3m Euribor + 3,80% | June 21, 2011 | 5.000.000 | 0 | 527.491 |
| Komercijalna banka a.d. | Ref.interest rate reduced by 1,50% | June 30, 2011 | - | | |
| Komercijalna banka a.d. | 4.40 | March 30, 2012 | | 0 | 200.000 |
| | | | 7.730.260 | <u>647.121</u> | |
| Societe Generale Bank | 3m Euribor + 3,80% | August 31, 2012 | 7.000.000 | 732.486 | |
| Credit Agricloe | 3m Euribor + 3,90% | June 27, 2012 | 5.000.000 | | |
| | | | | 523.205 | |
| | | | | <u>1.902.812</u> | <u>1.887.971</u> |

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

NOTE – 28

LIABILITIES FROM BUSINESS OPERATIONS

| | December, 31 2011 | In thousands RSD December 31 , 2010 |
|--|----------------------|---|
| Liabilities from received advances | 65.479 | 480.551 |
| Liabilities for trade payables | | |
| - parent companies and subsidiaries | - | 875 |
| - other associated legal entities | 40.740 | 992.819 |
| - trade payables– domestic | 157.256 | 893.276 |
| - trade payables – foreign | 156.505 | 13.968 |
| - other liabilities from business operations | 101.703 | |
| | <u>521.683</u> | <u>2.381.489</u> |

NOTE – 29

OTHER SHORT-TERM LIABILITIES

| | December, 31 2011 | In thousands RSD December 31 , 2010 |
|--|----------------------|---|
| Net salaries and fringe benefits | 9.879 | 8.446 |
| Taxes and contributions on salaries | 6.222 | 5.637 |
| Interests and finance costs | 13.300 | 6.159 |
| Liabilities for dividends | 3.017 | 3.017 |
| Liabilities to individuals for contracted fees | 220 | 193 |
| Liabilities for refundable net salaries and fringe benefits | 65 | 294 |
| Taxes and contributions on refundable salaries and fringe benefits | 18 | 108 |
| Liabilities to members of Management Board and Supervisory Board | 60 | 60 |
| Other liabilities | 13 | 72 |
| | <u>32.794</u> | <u>23.986</u> |

NOTE – 30

LIABILITIES FOR VALUE ADDED TAX AND OTHER PUBLIC REVENUES AND ACCRUALS AND DEFERRED INCOME

| | December, 31 2011 | In thousands RSD December 31 , 2010 |
|---|----------------------|---|
| Liabilities for taxes, customs and other duties | 168 | 153 |
| Deferred income | 327 | 399 |
| Accrued liabilities for VAT | 561 | 52 |
| Other accruals and deferred income | 28.562 | 23.494 |
| | <u>29.618</u> | <u>24.098</u> |

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

NOTE – 31**DEFERRED TAX LIABILITIES**

Deferred tax liabilities stated on December 31, 2011 in the amount of 135.636 thousand RSD relate to temporary difference for which the equipment and intangible assets are recognized in tax balance and the amount for which these assets are stated in financial reports.

NOTE – 32**FINANCIAL INSTRUMENTS AND RISK MANAGEMENT OBJECTIVES****Capital Risk Management**

The objective of capital management is enabling the Company to continue its business operations for an indefinite period of time in the foreseeable future, in order to preserve the optimal capital structure with an aim of reducing the costs of capital, and providing a return on capital to the owners. The structure of Company capital consists of debts, including long-term loans explained under Note 26, other long-term liabilities, long-term and short-term investments, cash and cash equivalents and capital attributable to owners, and which includes stakes, other capital, reserves and accumulated profit.

Persons controlling the finances at the corporate level also examine the structure of capital at the annual basis. The indicators of Company indebtedness with the balance at the end of the year were as follows:

| | December, 31 2011 | In thousands RSD December 31 , 2010 |
|--------------------------------|----------------------|---|
| Indebtedness a) | 5.241.563 | 4.350.593 |
| Cash and cash equivalents | 523.815 | 221.357 |
| Net indebtedness | 4.717.748 | 4.129.236 |
| Capital b) | 11.260.015 | 10.096.066 |
| Ratio of total debt to capital | 0.42 | 0.41 |

a) Debt relates to long-term and short-term financial liabilities.

b) Capital includes share capital, reserves and accumulated profit.

Categories of financial instruments

| | December, 31 2011 | In thousands RSD December 31 , 2010 |
|---------------------------------------|----------------------|---|
| Financial assets | | |
| Share in the capital | 855.688 | 857.593 |
| Other long-term financial investments | 904 | 2.109 |
| Receivables | 3.776.562 | 4.563.152 |
| Short-term financial investments | 117.852 | 1.264.099 |
| Cash and cash equivalents | 523.815 | 221.357 |
| | 5.274.821 | 6.908.310 |
| Financial Liabilities | | |
| Long-term and short –term loans | 5.241.563 | 4.350.593 |
| Trade payables | 456.204 | 1.900.938 |
| Other liabilities | 32.274 | 23.986 |
| | 5.730.041 | 6.275.517 |

NOTES TO FINANCIAL STATEMENTS**December 31, 2011**

Basic financial instruments of the Company consist of cash and cash equivalents, receivables, financial investments incurred directly from the Company business operations, as well as long-term loans, trade payables and other liabilities the main purpose of which is financing the Company current business operations. In standard circumstances the Company business operations are exposed to the risks stated in the text below.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT OBJECTIVES**Financial risk management objectives**

Financial risks include market risk (foreign exchange and interest rate), credit risk and liquidity risk. Financial risks are reviewed on a time basis and are primarily avoided by reducing the Company exposure to these risks. The Company uses no financial instruments in order to avoid the impact of financial risks to business operations due to the fact that such instruments are neither widely used, nor the Republic of Serbia has the organized market of such instruments.

Market risk

In its course of business the Company is exposed to financial risks of changes in foreign currency exchange rates and changes in interest rates. The exposure to market risk can be reviewed through sensitivity analysis. No significant changes were recorded neither relating to the Company exposure to market risk, nor in the method used by the Company to manage or measure the risk thereof.

Foreign currency risk

The Company is exposed to foreign currency risk primarily through cash and cash equivalents, accounts payable, long-term loans and trade receivables denominated in foreign currency. The Company uses no special financial instruments as means of protection against risks, considering the fact that such instruments are not usual in the Republic of Serbia.

Stability of the economic environment where the Company operates, largely depends on Government measures relating to economy, including the establishment of the appropriate legal and statutory frame.

The carrying amount of monetary assets and liabilities denominated in foreign currency were as follows in the Company at the reporting date:

| | Assets | | Liabilities | |
|-----|----------------------|----------------------|----------------------|----------------------|
| | December 31, 2011 | December 31, 2010 | December 31, 2011 | December 31, 2010 |
| EUR | 574.135 | 353.670 | 5.397.252 | 4,402,444 |
| USD | 469.455 | 320.821 | - | - |
| GBP | 21.798 | 19,268 | - | - |
| CHF | | | 816 | |
| | <u>1.065.388</u> | <u>693.759</u> | <u>5.398.068</u> | <u>4,402,444</u> |

The Company is sensitive to changes in foreign currency exchange rates of Euro (EUR) and US Dollar (USD). The following table shows details of the Company sensitivity analysis relating to 10% increase and decrease in the exchange rate of RSD compared to the underlying foreign currency. The sensitivity rate of 10% is used on occasion of internal presentation of foreign currency risk and shows the management assessment of reasonably expected changes in foreign currency exchange rates. The sensitivity analysis includes only outstanding receivables and liabilities denominated in foreign currency, and reconciles their conversion at the end of the period for the change of 10% in foreign currency exchange rates. Positive number from the table indicates the increase in results of the current period in cases when RSD devalues against the currency

NOTES TO FINANCIAL STATEMENTS**December 31, 2011**

concerned. In case of RSD devaluation of 10% against the foreign currency concerned, the influence at the result of the current period would be opposite to the result stated in the previous case.

| | December, 31 2011 | In thousands RSD December 31 , 2010 |
|------------------------------|------------------------------|--|
| EUR currency | (482.311) | (404.877) |
| USD currency | 46.945 | 32.082 |
| GBP currency | 2.180 | 1.927 |
| CHF currency | (82) | |
| Result of the current period | <u>(433.268)</u> | <u>(370.868)</u> |

The sensitivity of the Company to changes in foreign currency exchange rates has been increased during the current period, mostly as a result of increased credit liabilities.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT OBJECTIVES**Market risk*****Risk of changes in interest rates***

The Company is exposed to risk of changes in interest rates on assets and liabilities which have the variable interest rate. This risk depends on financial market, so the Company has at its disposal no instruments which would mitigate the influence thereof.

The carrying amount of financial assets and liabilities at the end of the reviewed period is provided in the following table:

| | December 31, 2011 | In thousands RSD December 31 , 2010 |
|---------------------------------------|------------------------------|--|
| Financial assets | | |
| <i>Non-interest bearing</i> | | |
| Long-term financial investments | 855.688 | 857.593 |
| Other long-term financial investments | 904 | 2.109 |
| Trade receivables | 3.776.562 | 4.563.152 |
| Short-term financial investments | 91.752 | 9.719 |
| Cash and cash equivalents | 523.815 | 221.357 |
| | <u>5.248.721</u> | <u>5.653.930</u> |
| <i>Fixed interest rate</i> | | |
| Short-term financial investments | | 1.148.565 |
| <i>Variable interest rate</i> | | |
| Short-term financial investments | 26.100 | 105.815 |
| | <u>5.274.821</u> | <u>6.908.310</u> |
| Financial liabilities | | |
| <i>Non-interest bearing</i> | | |
| Trade payables | 456.204 | 1.900.938 |
| Other liabilities | 32.274 | 23.986 |
| | <u>488.478</u> | <u>1.924.924</u> |
| <i>Fixed interest rate</i> | | |
| Long-term and short-term loans | 647.121 | 632.989 |
| <i>Variable interest rate</i> | | |
| Long-term and short-term loans | 4.594.442 | 3.717.604 |
| | <u>5.730.041</u> | <u>6.275.517</u> |

NOTES TO FINANCIAL STATEMENTS**December 31, 2011**

Sensitivity analysis presented in the following text have been established based on the exposure to changes in interest rates for non-derivative instruments at the date of Balance Sheet. For liabilities with variable interest rates, the analysis has been prepared assuming that the remaining amount of assets or liabilities at the date of Balance Sheet remained unchanged during the whole year. Increase or decrease of 1% represents, as far as the management is concerned, assessment of currently possible change in interest rates. If the interest rate was 1% higher/lower, and all other variables remained unchanged, the Company would make operative profit/(loss) for the year that ended on December 31, 2011 in the amount of 45.683 thousand RSD. This situation is attributed to the Company exposure which is based on variable interest rates that are calculated to long-term loans.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT OBJECTIVES**Credit risk*****Trade receivables management***

The Company is exposed to credit risk which is the risk that debtors shall not be able to settle the debts towards the Company in full amount and on time, which would result in financial loss for the Company. The exposure of the Company to this risk is limited to the amount of trade receivables at the date of balance. Trade receivables mostly relate to the associated companies.

The most significant customers are presented in the following table:

| <u>Client</u> | <u>2011</u> | <u>In thousands RSD 2010</u> |
|--|------------------|----------------------------------|
| Victoriaoil a.d. Šid | 209.449 | 751.092 |
| Victoria Logistic d.o.o., Novi Sad | 1.860.965 | 2.024.163 |
| Victoria Group d.o.o. Novi Sad | | 319.227 |
| Invej a.d., Zemun | 57.295 | 250.008 |
| Fertil d.o.o. Bačka Palanka | 1.070 | 11 |
| Veterinarski zavod Subotica (Veterinary Institute) | 164.194 | |
| Mlinovi Čurug d.o.o. | 80.079 | 86.006 |
| Tehooprema d.o.o., Bačka Topola | | 56 |
| Eraković Kula | 157.667 | |
| Biovet Bulgaria | 249.957 | 221.636 |
| Vobeks | 113.505 | |
| Metalopromet Kula | 94.990 | |
| Other receivables | 787.391 | 910.953 |
| | <u>3.776.562</u> | <u>4.563.152</u> |

The structure of trade receivables on December 31, 2010 is presented in the following table:

| | <u>Gross exposure</u> | <u>Provisions</u> | <u>In thousands RSD Net exposure</u> |
|------------------------------------|-----------------------|-------------------|--|
| Undue trade receivables | 1.104.277 | - | 1.104.277 |
| Due, corrected trade receivables | 149.119 | (149.119) | - |
| Due, uncorrected trade receivables | 3.458.875 | - | 3.458.875 |
| | <u>4.712.271</u> | <u>(149.119)</u> | <u>4.563.152</u> |

NOTES TO FINANCIAL STATEMENTS**December 31, 2011**

The structure of trade receivables on December 31, 2011 is presented in the following table:

| | Gross exposure | Provisions | In thousands RSD Net exposure |
|------------------------------------|-----------------------|-------------------|--|
| Undue trade receivables | 1.219.300 | - | 1.219.300 |
| Due, corrected trade receivables | 171.886 | (171.886) | - |
| Due, uncorrected trade receivables | 2.557.262 | - | 2.557.262 |
| | <u>3.948.448</u> | <u>(171.886)</u> | <u>3.776.562</u> |

Undue trade receivables

Undue trade receivables stated on December 2011 in the amount of 1.219.300 thousand RSD (December 31, 2010: 1.104.277 thousand RSD) mostly relate to trade receivables for disposals of soy meal, raw soybean oil, soy textures and soy flour. These receivables are mainly due within the period of 60 days after the date of invoice, depending on contracted payment deadlines.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT OBJECTIVES**Credit risk***Trade receivables management**Due, corrected trade receivables*

In the period reviewed, the Company impaired the trade receivables for due receivables in the amount of 171.886 thousand RSD (December 31, 2010: 149.119 thousand RSD), for which the Company determined that the client's creditworthiness was changed and that receivables shall not be collected in the amounts stated.

Due, uncorrected trade receivables

The Company has not impaired due receivables stated on December 31, 2011 in the amount of 2.557.262 thousand RSD (December 31, 2010: 3.458.875 thousand RSD) considering that no change in client's creditworthiness was determined, and considering that the receivables concerned mostly relate to receivables from the associated companies, and that the Company management believes that the total present value of these receivables shall be collected.

The total amount of receivables from Victoria Logistic in the amount of 1.860.967 was closed by means compensation on January 31, 2012 after final invoicing the soybeans, 2011 crop.

Age structure of due, uncorrected receivables is presented in the following table:

| | December 31, 2011 | In thousands RSD December 31, 2010 |
|-------------------|------------------------------|---|
| Less than 30 days | 622.784 | 746.418 |
| 31 – 90 days | 213.612 | 276.826 |
| 91 – 180 days | 389.112 | 2.014.813 |
| 181 – 365 days | 1.328.330 | 226.034 |
| Over 365 days | 3.424 | 194.784 |

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December 31, 2011

2.557.262

3.458.875

Trade payables management

On December 31, 2011, trade payables were stated in the amount of 456.204 thousand RSD (December 31, 2010: 1.900.938 thousand RSD). Suppliers do not calculate default interest on due liabilities, and the Company settles due trade payables, in accordance with the financial risk management policy, within the contractual deadline. Average time period allowed for settling trade payables in the year 2011 amounts to 39 days (during the year 2010 51 days).

Liquidity risk

The Company management has the final responsibility for liquidity risk management, and the appropriate system of management for purposes of short-term, medium-term and long-term financing of the Company has been established as well as the liquidity management. The Company manages the liquidity risk by maintaining the appropriate monetary reserves with continuous monitoring of the planned and actual cash flow, as well as by maintaining the adequate ratio of financial assets and liabilities maturities.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT OBJECTIVES**Liquidity risk****Tables of liquidity risk and credit risk**

The following tables show details of the remaining contractual maturities of financial assets. The amounts shown are based on undiscounted cash flows incurred with financial assets at the earliest date when the Company shall be able to collect the receivables.

*Maturities of financial assets*In thousands RSD
December 31, 2011

| | Less than one month | 1 – 3 months | From 3 months to 1 year | From 1 to 5 years | Total |
|------------------------|---------------------|--------------|-------------------------|-------------------|-----------|
| Non-interest bearing | 3.629.835 | 1.354.451 | 260.107 | 4.328 | 5.248.721 |
| Fixed interest rate | | | | | |
| -principal | - | - | - | - | - |
| -interest | - | - | 118.410 | - | 118.410 |
| | - | - | 118.410 | - | 118.410 |
| Variable interest rate | | | | | |
| -principal | | | 26.100 | - | 26.100 |
| -interest | | | 435 | - | 435 |
| | | | 26.535 | - | 26.535 |
| | 3.629.835 | 1.354.451 | 405.052 | 4.328 | 5.393.666 |

*Financial assets maturities*In thousands RSD
December 31, 2010

| | Less than one month | 1 – 3 months | From 3 months to 1 year | From 1 to 5 years | Total |
|----------------------|---------------------|--------------|-------------------------|-------------------|-----------|
| Non-interest bearing | 2.941.472 | 2.291.637 | 226.032 | 194.789 | 5.653.930 |
| Fixed interest rate | | | | | |

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NOTES TO FINANCIAL STATEMENTS

December 31, 2011

| | | | | | |
|------------------------|-----------|-----------|-----------|---------|-----------|
| -principal | - | - | 1.148.565 | - | 1.148.565 |
| -interest | - | - | 132.085 | - | 132.085 |
| | - | - | 1.280.650 | - | 1.280.650 |
| Variable interest rate | | | | | |
| -principal | 105.815 | - | - | - | 105.815 |
| -interest | 7.104 | - | - | - | 7.104 |
| | 112.919 | - | - | - | 112.919 |
| | 3.054.391 | 2.291.637 | 1.506.682 | 194.789 | 7.047.499 |

The following tables show details of the remaining contractual maturities of Company liabilities. The amounts shown are based on the undiscounted cash flows incurred with financial liabilities at the earliest date when the Company shall be able to collect the receivables.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT OBJECTIVES

Liquidity risk

Tables of liquidity risk and credit risk

Maturities of financial liabilities

| | In thousands RSD December 31, 2011 | | | | | |
|------------------------|---------------------------------------|--------------|--------------------------------|-------------------------|-----------------|-----------|
| | Less than 1 month | 1 – 3 months | From 1 month to one year | From 1 to 5 years | Over 5 years | Total |
| Non-interest bearing | 360.129 | 123.205 | 1.885 | 3.259 | | 488.478 |
| Fixed interest rate | | | | | | |
| -principal | 242.670 | 404.451 | | | | 647.121 |
| -interest | 2.981 | 4.424 | | | | 7.405 |
| | 245.651 | 408.875 | | | | 654.526 |
| Variable interest rate | | | | | | |
| -principal | | 142.013 | 1.556.927 | 1.548.317 | 1.347.185 | 4.594.442 |
| -interest | 14.582 | 50.377 | 72.726 | 206.547 | 6.266 | 353.498 |
| | 14.582 | 192.390 | 1.632.653 | 1.754.864 | 1.353.451 | 4.947.940 |
| | 620.362 | 724.470 | 1.634.538 | 1.758.123 | 1.353.451 | 6.090.944 |

Fair value of financial instruments

The following table shows present value of financial assets and financial liabilities and the fair value thereof as of December 31, 2011 and December 31, 2010.

| | In thousands of RSD | | | |
|---------------------------------------|---------------------|------------|-------------------|------------|
| | December 31, 2011 | | December 31, 2010 | |
| | Book value | Fair value | Book value | Fair value |
| Financial assets | | | | |
| Share in capital | 855.688 | 855.688 | 857.593 | 857.593 |
| Other long-term financial investments | 904 | 904 | 2.109 | 2.109 |
| Trade receivables | 3.776.562 | 3.776.562 | 4.563.152 | 4.563.152 |
| Other receivables | 117.852 | 117.852 | 1.264.099 | 1.264.099 |
| Cash and cash equivalents | 523.815 | 523.815 | 221.357 | 221.357 |
| | 5.274.821 | 5.274.821 | 6.908.310 | 6.908.310 |
| Financial liabilities | | | | |
| Long-term and short-term loans | 5.241.562 | 5.241.562 | 4.350.593 | 4.350.593 |

NOTES TO FINANCIAL STATEMENTS**December 31, 2011**

| | | | | |
|-------------------|------------------|------------------|------------------|------------------|
| Trade payables | 456.204 | 456.204 | 1.900.939 | 1.900.939 |
| Other liabilities | 32.274 | 32.274 | 23.986 | 23.986 |
| | <u>5.730.041</u> | <u>5.730.041</u> | <u>6.275.518</u> | <u>6.275.518</u> |

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT OBJECTIVES**Fair value of financial instruments***Requirements for evaluation of current fair value of financial instruments*

Considering the fact that we lack the appropriate market experience, stability and liquidity in purchase and disposal of financial assets and liabilities, and considering the fact that we lack available market information that might be used for the purpose of disclosing fair values of financial assets and liabilities, the method of discounted cash flows was used. When using this method of valuation, the interest rates for financial instruments used have similar characteristics, with an objective of achieving relevant assessment of market value of financial instruments at the balance date. The assumptions used for evaluation of the current fair value are that the book value of short-term trade receivables and liabilities to suppliers is approximate to the fair value thereof due to the fact that they become due for payment/collection in a relatively short period.

The following table shows the analysis of financial instruments which were valued after initial recognition at fair value, grouped into levels from 1 to 3, depending on possibility for fair value evaluation.

- Level 1 of fair value measurement results from the quoted market value (uncorrected) at active markets for identical property and liabilities.
- Level 2 of fair value measurement results from the input parameters, which differ from the quoted market value included under Level 1, and which are visible from assets or liabilities, directly (for example, price) or indirectly (for example, resulted from the price).
- Level 3 of fair value measurement results from evaluation techniques which include input parameters for financial assets or liabilities, and which represent the data which may not be found at the market (non-researched input parameter).

| | In thousands of RSD | | | |
|------------------------------|----------------------------|----------------|----------------|----------------|
| | December 31, 2010 | | | |
| | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> | <u>Total</u> |
| Financial assets | | | | |
| <i>available for sale</i> | | | | |
| -quoted XoB | 851.307 | - | - | 851.307 |
| -unquoted XoB | - | - | 4.381 | 4.381 |
| Long-term loans to employees | - | - | 904 | 904 |
| <i>Total</i> | <u>851.307</u> | <u>-</u> | <u>5.285</u> | <u>856.592</u> |

The table above includes only the financial assets, because the Company has no financial liabilities stated after initial recognition at fair value.

NOTES TO FINANCIAL STATEMENTS**December 31, 2011**

Total gains/(losses) shown under total other result relate to the financial assets available for sale, and they have been presented as a change "Unrealized gains incurred with Securities" within the item of capital.

TAX RISKS

Tax laws of the Republic of Serbia are often interpreted in a different way and are subject to frequent amendments. Tax laws interpretations by tax authorities when transaction and activities of the Company are concerned can differ from management interpretations. As a result, transactions may be contested by tax authorities and the additional amount of tax, penalties and interests may be allocated to the Company. Period of limitation for tax liabilities is five years. This means that the tax authorities are entitled to allocate the payment of outstanding liabilities within the period of five years after the liability was incurred.

LITIGATION

On December 31, 2011 the Company is involved in a number of legal proceedings as a defendant, the most significant of which are as follows:

- Legal proceedings with Vojvođanska banka a.d. Novi Sad, on the basis of liabilities for refinanced loans approved by Paris Creditors Club, the value of which amounts to EUR 10.756.276,60. The Supreme Court of the Republic of Serbia abolished the Appeal Judgment, thus returning the proceeding to the first instance court for decision, which rendered the judgment in favor of the Company in the retrial proceedings.
- Two legal proceedings with Agrod d.o.o., Valjevo in total value of 21.940 thousand RSD, relating to concluded contracts for construction of facilities.

The Company believes in the positive outcome of the underlying legal proceedings, so no provisions for that purpose have been formed in the attached financial statements.

FOREIGN EXCHANGE RATES

Average foreign exchange rates, determined at the Interbank Market, received for conversion of foreign currency balance sheet items into RSD, for some major currencies were as follows:

NOTES TO FINACIAL STATEMENTS

December 31, 2011

| | December 31, 2011 | December 31 , 2010 |
|-----|----------------------|-----------------------|
| USD | 80,8662 | 79.2802 |
| GBP | 124,6022 | 122.4161 |
| EUR | 104,6409 | 105.4982 |

In Bečej, February 28, 2012

(company stamp)



representative
(signature)
Branislava Pavlović
General Manager

Deloitte

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Reg. No. 07770413
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www.deloitte.com/rs

INDEPENDENT AUDITOR REPORT

To the Board of Directors and shareholders of Sojaprotein a.d. Becej

We have performed an audit of submitted financial statements (pages 3 to 43) of the Sojaprotein a.d. Becej Company (the Company in further text) including the balance sheet on December 31st 2011 and appropriate income statement, report on changes in equity and report on cash flows for the year ending on that date, as well as the review of significant accounting policies and notes with financial statements.

Responsibility of the management for financial statements

The management is responsible for the production of these financial statements in accordance with the accounting policies of Republic of Serbia, as well as internal control it finds necessary for the creation of financial statements not containing incorrect information of material significance, occurring due to criminal actions or errors.

Responsibility of an auditor

Our responsibility is to express opinion on submitted financial statements based on the audit performed. The audit was performed in accordance with International Audit Standards and Law on Accounting and Audit of Republic of Serbia. These standards imply compliance with ethical principles and planning and performance of an audit in a way that enables us, in reasonable measure, to assure ourselves that the financial statements do not include false information of material significance.

The audit includes procedures for the acquisition of audit evidence on the amounts and information disclosed in financial statements. Selected procedures are based on auditor judgment, including the risk evaluation of materially significant errors contained in the financial statements, due to criminal activity or error. In evaluating these risks, the auditor reviews internal control relevant for the production of financial statements for the purpose of comprising best possible auditor procedures, but not for the purpose of expressing opinion on the efficiency of the company's internal control system. The audit also includes evaluation of applied accounting policies and evaluation of significant estimates by the management, as well as the evaluation of the general presentation of financial statements.

We feel that the auditor evidence we have collected are sufficient and appropriate and that they secure a solid basis for expressing our opinion.

Opinion

In our opinion, financial statement of the Sojaprotein a.d. Becej company for the year ending on December 31st 2011 are produced, per all materially significant issues, in accordance with accounting regulations of Republic of Serbia.

Drawing attention

We are drawing attention to notes 29 and 36 with the financial statement in which it is stated that the Company is in legal dispute with Vojvodjanska Bank a.d. Novi Sad as the sued party, for the collection of claims based on refinanced loan of the Paris Club of Trustees, in the total amount of EUR 13,206,879. In the financial statement, with the status on December 31st 2011, the Company has presented the obligation on the given basis in the amount of the principal of the stated loan in the amount of 1,134,768 thousand RSD (EUR 10,756,277). To the date of issuing these financial statements, the Company has not concluded a contract on defining payment of the obligation towards the trustees of the Paris Club with Vojvodjanska Bank a.d. Novi Sad and reduced the principal for the part of the obligation that was written off, and no calculation of interest was performed and it was not included in the financial statements for the period from March 22nd 2002 to the balance sheet date. According to the decision of Supreme Court of Serbia the subject was returned to repeat processing in the first degree procedure at the Commercial Court in Novi Sad, for the determination of facts. Commercial Court in Novi Sad during 2011 adopted the first degree verdict for the benefit of the Company, to which Vojvodjanska Bank has appealed. Our opinion is not modified in accordance with aforementioned issues.

Belgrade April 27th 2011

Zoran Nesic

Authorized Auditor

| | | |
|--------------------------------------|---------------|------------|
| Filled by the Company – Entrepreneur | | |
| 08114072 | | 100741587 |
| Registration number | Activity code | Tax number |

Filled by the Business Registers Agency

| | | | | | | | | |
|-------|----|----|----|----|----|----|----|----|
| 850 | | | | | | | | |
| 1 2 3 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 |

Type of job

Name: Sojaprotein AD

Address: Becej, Industrijska 1

INCOME STATEMENT – consolidated

In the period January 1st 2011 to December 31st 2011

In thousand RSD

| Accounting group / Account | POSITION | AOP | Note No. | amount | |
|----------------------------|--|-----|----------|--------------|---------------|
| | | | | Current year | Previous year |
| 1 | 2 | 3 | 4 | 5 | 6 |
| | A. INCOME AND EXPENSE FROM OPERATIONS | | | | |
| | I. OPERATION INCOME (202+203+204-205+206) | 201 | | 15157432 | 17086253 |
| 60 and 61 | 1. Sales Income | 202 | 5 | 14584107 | 16806658 |
| 62 | 2. Income from output activation and goods | 203 | | 56703 | 12579 |
| 630 | 3. Stock output value increase | 204 | | 402867 | 15849 |
| 631 | 4. Stock output value reduction | 205 | | 0 | 53792 |
| 64 and 65 | 5. Other operational income | 206 | 7 | 113755 | 304959 |
| | II. BUSINESS EXPENSE (208 TO 212) | 207 | | 13717734 | 15185021 |
| 50 | 1. Sold goods purchase value | 208 | | 2365559 | 4823313 |
| 51 | 2. Material expenses | 209 | 8 | 9330379 | 8846285 |
| 52 | 3. Expenses of salaries, salary fees and other personal expenses | 210 | 9 | 722857 | 647252 |
| 54 | 4. Impairment and reserves expenses | 211 | 10 | 300114 | 264196 |

| | | | | | |
|-----------|--|-----|----|---------|---------|
| 53 and 55 | 5. Other business expenses | 212 | 11 | 800825 | 603975 |
| | III. BUSINESS PROFIT (201-207) | 213 | | 1439698 | 1901232 |
| | IV. BUSINESS LOSS (207-201) | 214 | | | |
| 66 | V. FINANCIAL PROFIT | 215 | 12 | 827086 | 582507 |
| 56 | VI. FINANCIAL EXPENSE | 216 | 13 | 875115 | 1550662 |
| 67 and 68 | VII. OTHER INCOME | 217 | 14 | 51616 | 54404 |
| 57 and 58 | VIII. OTHER EXPENSE | 218 | 15 | 156376 | 81822 |
| | IX. PROFIT FROM REGULAR OPERATION BEFORE TAXES (213-214+215-216+217-218) | 219 | | 1286909 | 905659 |
| | X. LOSS FROM REGULAR OPERATION BEFORE TAXES (214-213-215+216-217+218) | 220 | | | |
| 69-59 | XI. NET PROFIT OF DISCONTINUED OPERATIONS | 221 | | | |
| 59-69 | XII. NET LOSS OF DISCONTINUED OPERATIONS | 222 | | 303 | 553 |
| | B. PROFIT BEFORE TAXES (219-220+221-222) | 223 | | 1286606 | 905106 |
| | C. LOSS BEFORE TAXES (220-219+222-221) | 224 | | | |
| | G. INCOME TAX | | | | |
| 721 | 1. Tax expense of the period | 225 | 17 | 70839 | 49043 |
| 722 | 2. Deferred tax income of the period | 226 | | 0 | 4361 |
| 722 | 3. Deferred tax income of the period | 227 | | 1653 | 0 |
| 723 | C. Paid personal income to the employer | 228 | | | |
| | D. NET PROFIT (223-224-225-226+227-228) | 229 | | 1217420 | 851702 |
| | E. NET LOSS (224-223+225+226-227+228) | 230 | | | |
| | F. NET PROFIT OF MINORITY | 231 | | 28628 | 22019 |

| SHAREHOLDERS | | | | | |
|--------------|--|-----|----|---------|--------|
| | G. NET PROFIT OF PARENT COMPANY OWNERS | 232 | | 1188792 | 829683 |
| | H. PROFIT PER SHARE | | 16 | | |
| | 1. Basic profit per share | 233 | | | |
| | 2. Depreciated profit per share | 234 | | | |

In Becej on April 26th 2012

Person responsible for financial statement production /signed/ *Adriatic*

Legal representative /signed/ *David Kump*



| Filed by the Company – Entrepreneur | | |
|-------------------------------------|---------------|------------|
| 08114072 | | 100741587 |
| Registration number | Activity code | Tax number |

Filed by the Business Registers Agency

| | | | | | | | | |
|-------|----|----|----|----|----|----|----|----|
| 850 | | | | | | | | |
| 1 2 3 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 |

Type of job

Name: Sojaprotein AD

Address: Becej, Industrijska 1

BALANCE SHEET – consolidated

On December 31st 2011

In thousand RSD

| Accounting group / Account | POSITION | AOP | Note No. | amount | |
|----------------------------|----------|-----|----------|--------------|---------------|
| | | | | Current year | Previous year |
| 1 | 2 | 3 | 4 | 5 | 6 |
| | ASSETS | | | | |

| | | | | | |
|--|--|-----|----|----------|----------|
| | A. FIXED ASSETS (002+003+004+005+009) | 001 | | 9034600 | 6067796 |
| 00 | I. UNPAID RECORDED CAPITAL | 002 | | | |
| 012 | II. GOODWILL | 003 | 18 | 201033 | 201833 |
| 01 without 012 | III. INTANGIBLE INVESTMENTS | 004 | 18 | 48475 | 49346 |
| | IV. REAL ESTATE, MACHINES, EQUIPMENT AND BIOLOGICAL MEANS (006+007+008) | 005 | | 8646428 | 5733435 |
| 020, 022, 023, 026 027(part), 028(part), 029 | 1. Real estate, machines and equipment | 006 | 18 | 8329129 | 5415115 |
| 024, 027(part), 028(part) | 2. Investment real estate | 007 | 18 | 314247 | 314982 |
| 021, 025, 027(part), 028(part), | 3. Biological means | 008 | | 3052 | 3338 |
| | V. LONG TERM FINANCIAL PLACEMENTS (010+011) | 009 | | 138664 | 83182 |
| 030 to 032, 039 (part) | 1. Equity share | 010 | 19 | 72585 | 73305 |
| 033 to 038, 039 (part), minus 037 | 2. Other long term financial placements | 011 | 20 | 66079 | 9877 |
| | B. CURRENT ASSETS (013+014+015) | 012 | | 10770591 | 14281962 |
| 10 to 13, 15 | I. STOCK | 013 | 21 | 5220530 | 6575249 |
| 14 | II. FIXED ASSETS FOR SALE AND ASSETS OF DISCONTINUED BUSSINES | 014 | | | |
| | III. SHORT TERM CLAIMS, PLACEMENTS AND CASH (016+017+018+019+020) | 015 | | 5550061 | 7706713 |
| 20, 21 and 22, except 223 | 1. Claims | 016 | 22 | 4668630 | 5554389 |
| 223 | 2. Claims for overpaid income tax | 017 | | 139 | 9097 |
| 23 minus 237 | 3. Short term financial statements | 018 | 23 | 154624 | 1641627 |
| 24 | 4. Cash equivalent and Cash | 019 | 24 | 582718 | 234972 |
| 27 and 28 except 288 | 5. Added value tax and active accruals | 020 | | 143950 | 266628 |

| | | | | | |
|--------------------------------------|---|-----|----|----------|----------|
| 288 | C. DEFERRED TAX FUNDS | 021 | | | |
| | D. OPERATIONAL ASSETS (001+012+021) | 022 | | 19805191 | 20349758 |
| 29 | E. LOSS OVER CAPITAL | 023 | | | |
| | F. TOTAL ASSETS (022+023) | 024 | | 19805191 | 20349758 |
| 88 | G. OFF BALANCE ASSETS | 025 | | 20476875 | 16058611 |
| | LIABILITIES | | | | |
| | A. EQUITY (102+103+104+105+106-107+108-109-110) | 101 | | 13002855 | 11768097 |
| 30 | I. BASIC EQUITY | 102 | 25 | 7292899 | 4951093 |
| 31 | II. UNPAID REGISTERED EQUITY | 103 | | | |
| 32 | III. RESERVES | 104 | 26 | 1589277 | 1546090 |
| 330 and 331 | IV. EVALUATION OF RESERVES | 105 | | 2512500 | 2515122 |
| 332 | V. UNREALIZED PROFIT FROM SECURITIES | 106 | | 571 | 2476 |
| 333 | VI. UNREALIZED LOSS FROM SECURITIES | 107 | | | |
| 34 | VII. UNDISTRIBUTED PROFIT | 108 | | 1607608 | 2773837 |
| 35 | VIII. LOSS | 109 | | | |
| 037 and 237 | IX. PURCHASED OWN STOCK | 110 | | 0 | 20521 |
| | B. LONG TERM RESERVES AND DUTIES (112+113+116) | 111 | | 6621851 | 8399347 |
| 40 | I. LONG TERM RESERVES | 112 | 27 | 59269 | 55376 |
| 41 | II. LONG TERM DUTIES | 113 | | 3172862 | 2159512 |
| 414, 415 | 1. Long term loans | 114 | 28 | 3172799 | 2158726 |
| 41 without 414 and 415 | 2. Other long term duties | 115 | | 63 | 786 |
| | III. SHORT TERM DUTIES (117+118+119+120+121+122) | 116 | | 3389720 | 6184459 |
| 42, except 427 | 1. Short term financial duties | 117 | 29 | 2509902 | 3119208 |
| 427 | 2. Duties from assets for sale and funds from discontinued business | 118 | | | |
| 43 and 44 | 3. Operational duties | 119 | 30 | 765376 | 2976864 |
| 45 and 46 | 4. Other short term duties | 120 | 31 | 56875 | 47186 |
| 47, 48, except 481 and 49 except 498 | 5. Duties from added value tax and other public income and accruals | 121 | 32 | 31129 | 24817 |
| 481 | 6. Duties from income tax | 122 | | 26438 | 16384 |
| 498 | C. DEFERRED TAX | 123 | | 180485 | 182314 |

| | | | | | |
|----|---------------------------------------|-----|----|----------|----------|
| | DUTIES | | | | |
| | D. TOTAL LIABILITIES (101+111+123) | 124 | | 19805191 | 20349758 |
| 89 | E. OFF BALANCE LIABILITIES | 125 | 33 | 20476875 | 16058611 |

In Becej on April 26th 2012

Person responsible for financial statement production /signed/

Legal representative /signed/ /seal/



| | | |
|-------------------------------------|---------------|------------|
| Filed by the Company – Entrepreneur | | |
| 08114072 | | 100741587 |
| Registration number | Activity code | Tax number |

Filed by the Business Registers Agency

| | | | | | | | | |
|-------|----|----|----|----|----|----|----|----|
| 850 | | | | | | | | |
| 1 2 3 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 |

Type of job

Name: Sojaprotein AD

Address: Becej, Industrijska 1

CASH FLOW REPORT – consolidated

In the period January 1st 2011 to December 31st 2011

In thousand RSD

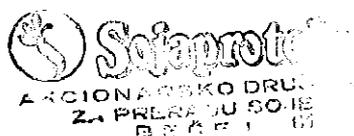
| POSITION | AOP | Amount | |
|--|-----|--------------|---------------|
| | | Current year | Previous year |
| 1 | 2 | 3 | 4 |
| A. CASH FLOW FROM OPERATIONS | | | |
| I. Cash inflow from operations (1 to 3) | 301 | 17229982 | 21061286 |
| 1. Sales and advances received | 302 | 16279901 | 19887247 |
| 2. Received interest from operations | 303 | 274271 | 2298 |
| 3. Other inflow from regular operations | 304 | 675810 | 1171741 |
| II. Cash outflow from operations (1 to 5) | 305 | 17056401 | 15561059 |
| 1. Payment to suppliers and advances given | 306 | 16003138 | 13595706 |
| 2. Salaries, salary fees and other personal expenses | 307 | 704042 | 634441 |
| 3. Interest paid | 308 | 226972 | 311711 |
| 4. Income tax | 309 | 61283 | 54290 |
| 5. Payments from other public income | 310 | 60966 | 964911 |
| III. Net cash inflow from operations (I-II) | 311 | 173581 | 5500227 |
| IV. Net cash outflow from operations (II-I) | 312 | | |
| B. CASH FLOW FROM INVESTMENTS | | | |
| I. Cash inflow from investments (1 to 5) | 313 | 317817 | 217555 |
| 1. Shares and participations sales (net inflow) | 314 | 24019 | 0 |
| 2. Sales of intangible investments, real | 315 | 24883 | 8288 |

| | | | |
|--|-----|----------|----------|
| estate, machines, equipment and biological means | | | |
| 3. Other financial placements (net inflow) | 316 | 268915 | 209267 |
| 4. Interest received from investments | 317 | | |
| 5. Dividends accepted | 318 | | |
| II. Cash outflow from investments (1 to 3) | 319 | 1770163 | 358090 |
| 1. Purchase of shares and participations (net outflow) | 320 | 1185 | 408 |
| 2. Purchase of intangible investments, real estate, machines, equipment and biological means | 321 | 1168978 | 338882 |
| 3. Other financial placements (net outflow) | 322 | 0 | 18800 |
| III. Net cash inflow from investments (I-II) | 323 | | |
| IV. Net cash outflow from investments (II-I) | 324 | 1452346 | 14035 |
| C. CASH FLOW FROM FINANCING | | | |
| I. Cash inflow from financing (1 to 3) | 325 | 2066773 | 131260 |
| 1. Basic capital increase | 326 | | |
| 2. Long term and short term loans (net income) | 327 | 2066773 | 129660 |
| 3. Other long term and short term duties | 328 | 0 | 1600 |
| II. Cash outflow from financing (1 to 4) | 329 | 444005 | 5375269 |
| 1. Own shares and participations purchase | 330 | 0 | 36345 |
| 2. Long term and short term loans and other duties (net outflow) | 331 | 442718 | 5330389 |
| 3. Financial lease | 332 | 1287 | 8535 |
| 4. Dividends paid | 333 | | |
| III. Net cash inflow from financing (I-II) | 334 | 1622768 | 0 |
| IV. Net cash outflow from financing (II-I) | 335 | 0 | 5244009 |
| D. TOTAL CASH INFLOW (301+313+325) | 336 | 19614572 | 21410101 |
| E. TOTAL CASH OUTFLOW (305+319+329) | 337 | 19270569 | 21294418 |
| F. NET CASH INFLOW (336-337) | 338 | 344003 | 115683 |
| G. NET CASH OUTFLOW (337-336) | 339 | | |
| H. CASH AT THE BEGINNING OF ACCOUNTING PERIOD | 340 | 234972 | 143754 |
| I. POSITIVE EXCHANGE RATE DIFFERENCE FROM CASH CALCULATION | 341 | 4867 | 21653 |
| J. NEGATIVE EXCHANGE RATE DIFFERENCES FROM CASH CALCULATION | 342 | 1124 | 46118 |
| K. CASH AT THE END OF ACCOUNTING PERIOD (338-339+340+341-342) | 343 | 582718 | 234972 |

In Becej on April 26th 2012

Person responsible for financial statement production /signed/ *Adriana*

Legal representative /signed/ /seal/ *Janez*



| | | |
|-------------------------------------|---------------|------------|
| Filed by the Company – Entrepreneur | | |
| 08114072 | | 100741587 |
| Registration number | Activity code | Tax number |

Filed by the Business Registers Agency

| | | | | | | | | | | |
|-----|---|---|----|----|----|----|----|----|----|----|
| 850 | | | | | | | | | | |
| 1 | 2 | 3 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 |

Type of job

Name: Sojaprotein AD

Address: Becej, Industrijska 1

EQUITY CHANGE REPORT – consolidated

In the period January 1st 2011 to December 31st 2011

In thousand RSD

| No. | DESCRIPTION | AOP | Basic equity (group 30 w/o 309) | AOP | Other equity (account 309) | AOP | Unpaid registered equity | AOP | Emission premium |
|-----|---|-----|---------------------------------|-----|----------------------------|-----|--------------------------|-----|------------------|
| | 1 | | 2 | | 3 | | 4 | | 5 |
| 1 | Status on January 1 st of previous year | 401 | 3907797 | 414 | 12393 | 427 | | 440 | 1268074 |
| 2 | Correction of significant errors and change in accounting policies in previous year – increase | 402 | | 415 | | 428 | | 441 | |
| 3 | Correction of significant errors and change in accounting policies in previous year – reduction | 403 | | 416 | | 429 | | 442 | |
| 4 | Corrected initial status on January 1 st of | 404 | 3907797 | 417 | 12393 | 430 | | 443 | 1268074 |
| 5 | Total increase in previous year | 405 | 1030903 | 418 | | 431 | | 444 | |
| 6 | Total reduction in previous year | 406 | | 419 | | 432 | | 445 | 16064 |
| 7 | Status on December 31 st | 407 | 4938700 | 420 | 12393 | 433 | | 446 | 1252010 |

| | | | | | | | | | |
|----|--|-----|---------|-----|-------|-----|--|-----|---------|
| | of previous year (4+5-6) | | | | | | | | |
| 8 | Correction of significant errors and change in accounting policies in current year – increase | 408 | | 421 | | 434 | | 447 | |
| 9 | Correction of significant errors and change in accounting policies in current year – reduction | 409 | | 422 | | 435 | | 448 | |
| 10 | Corrected initial status on January 1 st of current year | 410 | 4938700 | 423 | 12393 | 436 | | 449 | 1252010 |
| 11 | Total increase in current year | 411 | 2341806 | 424 | | 437 | | 450 | 4309 |
| 12 | Total reduction in current year | 412 | | 425 | | 438 | | 451 | 754 |
| 13 | Status on December 31 st of current year (10+11-12) | 413 | 7280506 | 426 | 12393 | 439 | | 452 | 1255565 |

| No. | DESCRIPTION | AOP | Reserves | AOP | Evaluated reserve | AOP | Unrealized profit from securities | AOP | Unrealized profit from securities |
|-----|---|-----|----------|-----|-------------------|-----|-----------------------------------|-----|-----------------------------------|
| | 1 | | 2 | | 3 | | 4 | | 5 |
| 1 | Status on January 1 st of previous year | 453 | 269591 | 466 | 2522501 | 479 | 2857 | 492 | |
| 2 | Correction of significant errors and change in accounting policies in previous year – increase | 454 | | 467 | | 480 | | 493 | |
| 3 | Correction of significant errors and change in accounting policies in previous year – reduction | 455 | | 468 | | 481 | | 494 | |
| 4 | Corrected initial status on January 1 st of | 456 | 269591 | 469 | 2522501 | 482 | 2857 | 495 | |
| 5 | Total increase in previous year | 457 | 24489 | 470 | 2273 | 483 | | 496 | |
| 6 | Total reduction in previous year | 458 | | 471 | 9652 | 484 | 381 | 497 | |
| 7 | Status on December 31 st of previous year (4+5-6) | 459 | 294080 | 472 | 2515122 | 485 | 2476 | 498 | |
| 8 | Correction of significant errors and change in accounting policies in current year – increase | 460 | | 473 | | 486 | | 499 | |
| 9 | Correction of significant errors and change in accounting policies in current year – reduction | 461 | | 474 | | 487 | | 500 | |

| | | | | | | | | | |
|----|---|-----|--------|-----|---------|-----|------|-----|--|
| 10 | Corrected initial status on January 1 st of current year | 462 | 294080 | 475 | 2515122 | 488 | 2476 | 501 | |
| 11 | Total increase in current year | 463 | 39632 | 476 | | 489 | | 502 | |
| 12 | Total reduction in current year | 464 | | 477 | 2622 | 490 | 1905 | 503 | |
| 13 | Status on December 31 st of current year (10+11-12) | 465 | 333712 | 478 | 2512500 | 491 | 571 | 504 | |

| No. | DESCRIPTION | AOP | Undistributed profit | AOP | Loss to amount of capital | AOP | Purchased own shares and participations | AOP | |
|-----|---|-----|----------------------|-----|---------------------------|-----|---|-----|----------|
| | 1 | | 2 | | 3 | | 4 | | 5 |
| 1 | Status on January 1 st of previous year | 505 | 2974541 | 518 | | 531 | | 544 | 10957754 |
| 2 | Correction of significant errors and change in accounting policies in previous year – increase | 506 | | 519 | | 532 | | 545 | |
| 3 | Correction of significant errors and change in accounting policies in previous year – reduction | 507 | | 520 | | 533 | | 546 | |
| 4 | Corrected initial status on January 1 st of | 508 | 2974541 | 521 | | 534 | | 547 | 10957754 |
| 5 | Total increase in previous year | 509 | 864917 | 522 | | 535 | 20679 | 548 | 1901903 |
| 6 | Total reduction in previous year | 510 | 1055381 | 523 | | 536 | 158 | 549 | 1081320 |
| 7 | Status on December 31 st | 511 | 2784077 | 524 | | 537 | 20521 | 550 | 11778337 |

| | | | | | | | | | |
|----|--|-----|---------|-----|--|-----|-------|-----|----------|
| | of previous year (4+5-6) | | | | | | | | |
| 8 | Correction of significant errors and change in accounting policies in current year – increase | 512 | | 525 | | 538 | | 551 | |
| 9 | Correction of significant errors and change in accounting policies in current year – reduction | 513 | 10240 | 526 | | 539 | | 552 | 10240 |
| 10 | Corrected initial status on January 1 st of current year | 514 | 2773837 | 527 | | 540 | 20521 | 553 | 1176897 |
| 11 | Total increase in current year | 515 | 1215178 | 528 | | 541 | 796 | 554 | 3600129 |
| 12 | Total reduction in current year | 516 | 2381407 | 529 | | 542 | 21317 | 555 | 2365371 |
| 13 | Status on December 31 st of current year (10+11-12) | 517 | 1607608 | 530 | | 543 | | 556 | 13002855 |

| No. | DESCRIPTION | AOP | Loss above capital | | | | | | |
|-----|--|-----|--------------------|--|--|--|--|--|--|
| | 1 | | 2 | | | | | | |
| 1 | Status on January 1 st of previous year | 557 | | | | | | | |
| 2 | Correction of significant errors and change in accounting policies in previous year – increase | 558 | | | | | | | |
| 3 | Correction of significant errors and | 559 | | | | | | | |

| | | | | | | | | | |
|----|--|-----|--|--|--|--|--|--|--|
| | change in accounting policies in previous year – reduction | | | | | | | | |
| 4 | Corrected initial status on January 1 st of | 560 | | | | | | | |
| 5 | Total increase in previous year | 561 | | | | | | | |
| 6 | Total reduction in previous year | 562 | | | | | | | |
| 7 | Status on December 31 st of previous year (4+5-6) | 563 | | | | | | | |
| 8 | Correction of significant errors and change in accounting policies in current year – increase | 564 | | | | | | | |
| 9 | Correction of significant errors and change in accounting policies in current year – reduction | 565 | | | | | | | |
| 10 | Corrected initial status on January 1 st of current year | 566 | | | | | | | |
| 11 | Total increase in current year | 567 | | | | | | | |
| 12 | Total reduction in current year | 568 | | | | | | | |
| 13 | Status on December 31 st of current year (10+11-12) | 569 | | | | | | | |

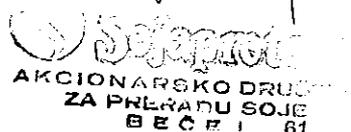
In Becej on April 26th 2012

Person responsible for financial statement production /signed/

A. J. J. J. J.

Legal representative /signed/ /seal/

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 AKCIONARSKO DRUŠTVO
 ZA PRERADU SOJE
 BEČEJ 61

| | | |
|--------------------------------------|---------------|------------|
| Filled by the Company – Entrepreneur | | |
| 08114072 | | 100741587 |
| Registration number | Activity code | Tax number |

Filed by the Business Registers Agency

| | | | | | | | | |
|-------|----|----|----|----|----|----|----|----|
| 850 | | | | | | | | |
| 1 2 3 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 |

Type of job

Name: Sojaprotein AD

Address: Becej, Industrijska 1

STATISTICAL ANNEX – consolidated

For 2011

I GENERAL DATA ON THE COMPANY OR THE ENTREPRENEUR

| DESCRIPTION | AOP | Current year | Previous year |
|--|-----|--------------|---------------|
| 1. Number of business months (1 to 12) | 601 | 12 | 12 |
| 2. Size mark (1 to 3) | 602 | 3 | 3 |
| 3. Ownership mark (1 to 5) | 603 | 2 | 2 |
| 4. Number of foreign (companies or individuals) persons with equity share | 604 | 370 | 375 |
| 5. Average employee number based on end of the month status (whole number) | 605 | 715 | 722 |

II GROSS CHANGE OF INTANGIBLE INVESTMENT AND REAL ESTATE, MACHINES, EQUIPMENT AND BIOLOGICAL MEANS

In thousands RSD

| Account group/ account | DESCRIPTION | AOP | Gross | Value correction | Net amount |
|---------------------------|---|-----|--------|------------------|------------|
| 1 | 2 | 3 | 4 | 5 | 6 |
| 01 | 1. Intangible investments | | | | |
| | 1.1. Status at year's beginning | 606 | 326398 | 75119 | 251179 |
| | 1.2. Increase (purchase) during the year | 607 | 12860 | xxxxxxxxxxxxx | 9869 |
| | 1.3. Reduction during the year | 608 | 3763 | xxxxxxxxxxxxx | 11567 |
| | 1.4. Evaluation | 609 | | xxxxxxxxxxxxx | |
| | 1.5. Status at year's end (606+607-608+609) | 610 | 335395 | 85887 | 249508 |
| 02 | 2. Real estate, machines, | | | | |

| | | | | | |
|--|---|-----|----------|---------------|---------|
| | equipment and biological means | | | | |
| | 2.1. Status at year's beginning | 611 | 7025367 | 1291932 | 5733435 |
| | 2.2. Increase (purchase) during the year | 612 | 6733271 | xxxxxxxxxxxxx | 6733271 |
| | 2.3. Reduction during the year | 613 | 3549677 | xxxxxxxxxxxxx | 3820278 |
| | 2.4. Evaluation | 614 | | xxxxxxxxxxxxx | |
| | 2.5. Status at year's end (611+612-613+614) | 615 | 10208961 | 1562533 | 8646428 |

III STOCK STRUCTURE

In thousand RSD

| Account group/ account | DESCRIPTION | AOP | Current year | Previous year |
|---------------------------|---|-----|--------------|---------------|
| 1 | 2 | 3 | 4 | 5 |
| 10 | 1. Material stock | 616 | 2554717 | 5467708 |
| 11 | 2. Unfinished production | 617 | 149582 | 99392 |
| 12 | 3. Finished products | 618 | 797584 | 464204 |
| 13 | 4. Goods | 619 | 30982 | 224801 |
| 14 | 5. Fixed assets for sale | 620 | | |
| 15 | 6. Advances given | 621 | 1687665 | 319144 |
| | 7. TOTAL (616+617+618+619+620+621=013+014) | 622 | 5220530 | 6575249 |

IV BASIC CAPITAL STRUCTURE

In thousand RSD

| Account group/ account | DESCRIPTION | AOP | Current year | Previous year |
|---------------------------|--|-----|--------------|---------------|
| 1 | 2 | 3 | 4 | 5 |
| 300 | 1. Share capital | 623 | 7280506 | 4938700 |
| | In this: foreign capital | 624 | 397637 | 397637 |
| 301 | 2. Share of companies with limited liability | 625 | | |
| | In this: foreign capital | 626 | | |
| 302 | 3. Shares of members or partnerships and limited companies | 627 | | |
| | In this: foreign capital | 628 | | |
| 303 | 4. State capital | 629 | | |
| 304 | 5. Socially owned capital | 630 | | |
| 305 | 6. Stake in cooperatives | 631 | | |
| 306 | 7. Other basic capital | 632 | 12393 | 12393 |

| | | | | |
|----|--|-----|---------|---------|
| 30 | TOTAL (623+625+627+629+630+631+632=102) | 633 | 7292899 | 4951093 |
|----|--|-----|---------|---------|

V SHARE CAPITAL STRUCTURE

Number of shares as whole number

Amounts in thousands RSD

| Account group/ account | DESCRIPTION | AOP | Current year | Previous year |
|---------------------------|--|-----|--------------|---------------|
| 1 | 2 | 3 | 4 | 5 |
| | 1. Common shares | | | |
| | 1.1. Number of common shares | 634 | 15818136 | 10767541 |
| Part 300 | 1.2. Nominal value of common shares – total | 635 | 7280506 | 4938700 |
| | 2. Priority shares | | | |
| | 2.1. Number of priority shares | 636 | | |
| Part 300 | 2.2. Nominal value of priority shares – total | 637 | | |
| 300 | 3. TOTAL – nominal value of shares (635+637=623) | 638 | 7280506 | 4938700 |

VI CLAIMS AND DUTIES

| Account group/ account | DESCRIPTION | AOP | Current year | Previous year |
|---------------------------|--|-----|--------------|---------------|
| 1 | 2 | 3 | 4 | 5 |
| 20 | 1. Claims from sales (status at year's end 639<=016) | 639 | 4668630 | 5179050 |
| 43 | 2. Duties from operations (status at year's end 639<=119) | 640 | 765376 | 2976490 |
| Part 228 | 3. Claims during the year from insurance companies for damages (debt trade without initial status) | 641 | 988 | 449 |
| 27 | 4. Added value tax – previous tax (annual amount per tax returns) | 642 | 1708069 | 1140360 |
| 43 | 5. Duties from operations (claims without initial status) | 643 | 25974248 | 36855560 |
| 450 | 6. Duties for net salaries and salary fees (claims without initial status) | 644 | 390175 | 350054 |
| 451 | 7. Duties for tax on salaries and salary fees charged to the employee (claims | 645 | 58375 | 50225 |

| | | | | |
|------------------|---|-----|----------|----------|
| | without initial status) | | | |
| 452 | 8. Duties for salary and salary fee contributions charged to the employee (claims without initial status) | 646 | 94803 | 84003 |
| 461, 462 and 723 | 9. Duties for dividends, share in profit and personal income of employer (claims without initial status) | 647 | | |
| 465 | 10. Duties towards individuals per contracts (claims without initial status) | 648 | 12808 | 12867 |
| 47 | 11. Duties for AVT (annual amount per tax returns) | 649 | 1386535 | 1894423 |
| | 12. Control sum (from 639 to 649) | 650 | 35060007 | 48543481 |

VII OTHER EXPENSES

In thousand RSD

| Account group/ account | DESCRIPTION | AOP | Current year | Previous year |
|---------------------------------|---|-----|--------------|---------------|
| 1 | 2 | 3 | 4 | 5 |
| 513 | 1. Fuel and energy expenses | 651 | 516964 | 413503 |
| 520 | 2. Salary and salary fee expenses (gross) | 652 | 541105 | 484282 |
| 521 | 3. Taxes and contributions to salaries and salary fees charged to the employer expenses | 653 | 96642 | 84004 |
| 522, 523, 524 and 525 | 4. Expense for individuals fees (gross) based on contract | 654 | 17336 | 16056 |
| 526 | 5. Expense of fees to members of the managing and supervising board (gross) | 655 | 3614 | 3614 |
| 529 | 6. Other personal expense and fees | 656 | 64160 | 59296 |
| 53 | 7. Production services expenses | 657 | 465830 | 235609 |
| 533, part 540 and part 525 | 8. Lease expenses | 658 | 82014 | 60809 |
| Part 533, part 540 and part 525 | 9. Land lease expenses | 659 | | |
| 536, 537 | 10. Research and development expenses | 660 | 0 | 96687 |
| 540 | 11. Impairment expenses | 661 | 299845 | 253956 |

| | | | | |
|----------------------------|--|-----|---------|---------|
| 552 | 12. Insurance premium expenses | 662 | 34121 | 30403 |
| 553 | 13. Payment expenses | 663 | 46253 | 61886 |
| 554 | 14. Membership expenses | 664 | 3845 | 3667 |
| 555 | 15. Tax expenses | 665 | 24625 | 27863 |
| 556 | 16. Contributions expenses | 666 | 2445 | 2389 |
| 562 | 17. Interest expenses | 667 | 207758 | 312383 |
| Part 560, part 561 and 562 | 18. Interest expense and part of financial expense | 668 | 207758 | 312383 |
| Part 560, part 561 and 562 | 19. Interest expense from bank loans | 669 | 179934 | 3033662 |
| Part 579 | 20. Expense for humanitarian, cultural, health, educational, scientific and religious purposes, for the protection of environment and sports | 670 | 382 | 0 |
| | 21. Control sum (from 651 to 670) | 671 | 2794631 | 2762452 |

VIII OTHER INCOME

In thousand RSD

| Account group/ account | DESCRIPTION | AOP | Current year | Previous year |
|---------------------------------|---|-----|--------------|---------------|
| 1 | 2 | 3 | 4 | 5 |
| 60 | 1. Income from sales of goods | 672 | 3030600 | 5731826 |
| 640 | 2. Income from premiums, subventions, grants, regress, compensations and tax returns | 673 | 55307 | 256746 |
| 641 | 3. Income from conditioned donations | 674 | 5998 | 1237 |
| Part 650 | 4. Income from land lease | 675 | | |
| 651 | 5. Income from memberships | 676 | | |
| Part 650, part 661, 662 | 6. Income from interest | 677 | 165360 | 234779 |
| Part 660, part 661 and part 662 | 7. Income from interest per accounts and deposits in banks and other financial institutions | 678 | 7589 | 5669 |
| Part 660, part 661 and part 669 | 8. Income from dividends and share in profit | 679 | | |
| | 9. Control sum (672 to 679) | 680 | 3264854 | 6230257 |

IX OTHER DATA

In thousand RSD

| DESCRIPTION | AOP | Current year | Previous year |
|--|-----|--------------|---------------|
| 1 | 2 | 3 | 4 |
| 1. Excise duties (according to annual excise calculation) | 681 | | |
| 2. Calculated customs and other import duties (total annual amount per calculation) | 682 | 14259 | 36202 |
| 3. Capital subventions and other state grants for building and purchase of fixed assets and intangible investments | 683 | | |
| 4. State grants for premiums, regress and coverage of current operational expenses | 684 | | |
| 5. Other state donations | 685 | | |
| 6. Received donations from abroad and other non-returnable funds in cash or goods from foreign companies and individuals | 686 | | |
| 7. Personal income of entrepreneurs from net profit (filled by entrepreneurs only) | 687 | | |
| 8. Control sum (681 to 687) | 688 | 14259 | 36202 |

In Becej on April 26th 2012

Person responsible for financial statement production /signed/

A. Jovanovic

Legal representative /signed/ /seal/

[Handwritten signature]

SOJAPROTEIN A.D. BECEJ

Notes with consolidated financial statement

December 31st 2011

CONTENT

Financial statements

Consolidated income statement

Consolidated balance sheet

Consolidated report on changes in equity

Consolidated report on cash flow

Notes with consolidated financial statements

In the period from January 1st to December 31st 2011

(In thousand RSD)

| | Note | 2011 | 2010 |
|---|------|--------------|--------------|
| OPERATIONAL INCOME | | | |
| Income from sales | 5 | 14.584.107 | 16.806.658 |
| Income from output activation and goods | | 56.703 | 12.579 |
| Increase/Reduction of stock value | | 402.867 | (37.943) |
| Other operational income | 7 | 113.755 | 304.959 |
| | | 15.157.432 | 17.086.253 |
| OPERATIONAL EXPENSES | | | |
| Purchase value of sold goods | | (2.563.559) | (4.823.313) |
| Material expenses | 8 | (9.330.379) | (8.846.285) |
| Expenses of salaries, salary fees and other personal expenses | 9 | (722.857) | (647.252) |
| Impairment and reserves expenses | 10 | (300.114) | (264.196) |
| Other operational expenses | 11 | (800.825) | (603.975) |
| | | (13.717.734) | (15.185.021) |
| OPERATIONAL PROFIT | | 1.439.698 | 1.901.232 |
| Financial income | 12 | 827.086 | 582.507 |
| Financial expense | 13 | (875.115) | (1.550.662) |
| Other income | 14 | 51.616 | 54.404 |
| Other expenses | 15 | (156.679) | (82.375) |
| INCOME FROM REGULAR OPERATIONS | | 1.286.606 | 905.106 |
| INCOME TAX | 17 | | |
| Tax expense of the period | | 70.839 | (49.043) |
| Deferred tax income of the period | | 1.653 | (4.361) |
| NET INCOME | | 1.217.420 | 851.802 |
| NET INCOME FOR MINORITY INVESTORS | | 28.628 | 22.019 |
| NET INCOME FOR PARENT COMPANY OWNERS | | 1.188.792 | 829.683 |
| Basic earnings per share (in RSD) | 16 | 100.84 | 95.65 |

Notes on the following pages comprise an integral part of consolidated financial statements.

These consolidated financial statements are approved by the Company management and submitted to the Business Registers Agency on April 30th 2011.

Signed by Sojaprotein A.D. Becej

Branislava Pavlovic Director

Dragana Andjelkovic Accounting Manager

CONSOLIDATED BALANCE SHEET

On December 31st 2011

(In thousands RSD)

| | Note | December 31 st 2011 | December 31 st 2010 |
|---|------|-----------------------------------|-----------------------------------|
| ASSETS | | | |
| Intangible investments | 18 | 48.475 | 49.346 |
| Goodwill | 18 | 201.033 | 201.833 |
| Real estate, machines, equipment and biological means | 18 | 8.332.181 | 5.418.453 |
| Investment real estate | 18 | 314.247 | 314.982 |
| Equity share | 19 | 72.585 | 73.305 |
| Other long term investments | 20 | 66.076 | 9.877 |
| | | 9.034.600 | 6.067.796 |
| Current assets | | | |
| Stock | 21 | 5.220.530 | 6.575.249 |
| Claims | 22 | 4.668.630 | 5.554.389 |
| Claims for overpaid income tax | | 139 | 9.097 |
| Short term financial investments | 23 | 154.624 | 1.641.627 |
| Cash and cash equivalents | 24 | 582.718 | 234.972 |
| Added value tax and active accruals | | 143.950 | 266.628 |
| | | 5.550.061 | 14.281.962 |
| Total assets | | 19.805.191 | 20.349.758 |
| LIABILITIES | | | |
| Capital | | | |
| Share capital | 25 | 6.906.480 | 4.564.674 |
| Reserves | 26 | 496.386 | 456.785 |
| Evaluated reserves | | 2.109.437 | 2.112.617 |
| Emission premium | | 875.256 | 871.701 |
| Unrealized income from securities | | 571 | 2.476 |
| Undistributed income | | 1.245.931 | 2.444.379 |
| Purchased own shares | | | (20.521) |

| | | | | | | | | | |
|---|-----------|----------|---------|-----------|-------|-------------|----------|-----------|------------|
| from sales | | | | | | | | | |
| Transfer to deferred tax duties | | | | (9.461) | | 5.495 | | | (3.966) |
| Sale of own shares | | (16.063) | | | | | (20.521) | | (36.584) |
| Reduction during the year | | | | | (381) | | | | (381) |
| Transfer from undistributed profit | | | 24.411 | | | (24.411) | | | |
| Other | | | | (1.679) | | | | | (1.679) |
| Net profit of current year | | | | | | 829.683 | | 22.019 | 851.702 |
| | 4.564.674 | 871.701 | 456.785 | 2.112.617 | 2.476 | 2.444.379 | (20.521) | 1.335.986 | 11.768.097 |
| Status on January 1 st 2011 | 4.564.674 | 871.701 | 456.785 | 2.112.617 | 2.476 | 2.444.379 | (20.521) | 1.335.986 | 11.768.097 |
| Conversion of undistributed profit to capital | 2.341.806 | | | | | (2.341.806) | | | |
| Cancellation of evaluated reserves from sales | | | | | | | | | |
| Emission premium from remaining own shares | | 4.309 | | | | | | | 4.309 |
| Purchase of own | | | | | | | (796) | | (796) |

| | | | | | | | | | |
|------------------------------------|-----------|---------|---------|-----------|---------|-----------|--------|-----------|------------|
| shares | | | | | | | | | |
| Reduction during the year | | | | (344) | (1.905) | | | | (2.249) |
| Sale of own shares | | (754) | | | | | 21.317 | | 20.563 |
| Transfer from undistributed profit | | | 39.601 | | | (39.601) | | | |
| Other | | | | (558) | | | | | (558) |
| Net profit of current year | | | | | | 1.187.139 | | 28.628 | 1.215.767 |
| | 6.906.480 | 875.256 | 496.386 | 2.109.437 | 571 | 1.245.931 | | 1.368.794 | 13.002.855 |

Notes on the following pages comprise an integral part of consolidated financial statements.

CONSOLIDATED REPORT ON CASH FLOW

In the period from January 1st to December 31st 2011

In thousand RSD

| | 2011 | 2010 |
|--|--------------|--------------|
| CASH FLOW FROM OPERATIONS | | |
| Cash inflow from operations | | |
| Sales and advances received | 16.279.901 | 19.887.247 |
| Interest received from operations | 274.271 | 2.298 |
| Other inflow from operations | 675.810 | 1.171.741 |
| Cash outflow from operations | | |
| Payment to suppliers and advances given | (16.003.138) | (13.595.706) |
| Salaries, salary fees and other personal expenses | (704.042) | (634.441) |
| Paid interest | (226.972) | (311.711) |
| Income tax | (61.283) | (54.290) |
| Payments from other public income | (60.966) | (964.911) |
| Net cash inflow from operations | 173.581 | 5.500.227 |
| | | |
| CASH FLOW FROM INVESTMENTS | | |
| Cash flow from investments | | |
| Sales of shares and participations (net inflow) | 24.019 | |
| Sales of intangible investments, real estate, machines, equipment and biological means | 24.883 | 8.288 |
| Other financial investments (net inflow) | 268.915 | 209.267 |
| Cash outflow from investments | | |
| Purchase of shares and participations (net outflow) | (1.185) | (408) |

| | | |
|---|-------------|-------------|
| Purchase of intangible investments, real estate, machines, equipment and biological means | (1.768.978) | (338.882) |
| Other financial investments (net outflow) | | (18.800) |
| Net cash outflow from investments | (1.452.346) | (140.535) |
| | | |
| CASH FLOW FROM FINANCING | | |
| Cash inflow from financing | | |
| Own capital increase | | |
| Long term and short term loans (net inflow) | 2.066.773 | 129.660 |
| Other long term and short term liabilities | | 1.600 |
| Cash outflow from financing | | |
| Purchase of own shares | | (36.345) |
| Long term and short term loans and other liabilities (net outflow) | (442.718) | (5.330.389) |
| Financial lease | (1.287) | (8.535) |
| Net inflow/outflow from financing | 1.622.768 | 5.244.009 |
| | | |
| Net cash inflow/outflow | 344.003 | 115.683 |
| Cash at the beginning of accounting period | 234.972 | 143.754 |
| Positive/negative exchange rate difference, net | (3.744) | (24.465) |
| Cash and cash equivalent at period's end | 582.719 | 234.972 |

Notes on the following pages comprise an integral part of consolidated financial statements.

NOTES WITH CONSOLIDATED FINANCIAL STATEMENTS

December 31st 2011

1. ACTIVITY

Sojaprotein A.D. Becej (Company) is the largest soy processor in Serbia and one of the most significant ones in Central and Eastern Europe. The Company was founded in 1977 as a working organization for industrial processing of soy in founding, and the constitution was ended in 1985.

During 1991 the management of the Company decided to issue internal shares to the employees and thus executed transformation into Joint Stock Company. During 2000 and 2001 the Company bought the remainder social capital by emission of free shares, registered by the employees and other individuals, and in accordance with the Law on Ownership Transformation from 1997.

The basic activity of the Company is the processing of soybean producing a series of full fat and fat free products like flour, grits and texture forms, as well as soy oil, soybean meal and soy lecithin.

The Company is located in Becej, Industrijska street number 1. On the balance sheet date the Company had 364 employees.

2. BASIS FOR THE PRODUCTION AND PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS AND ACCOUNTING METHOD

2.1. Basis of consolidation

The consolidated financial statement includes statements from parent company Sojaprotein A.D. Becej and the following related companies domestic and foreign:

| | | Share in capital percentage | |
|---|------------------------------------|--------------------------------|--------------------------------|
| | | December 31 st 2011 | December 31 st 2010 |
| 1 | Veterinary Institute Subotica A.D. | 59.18% | 59.18% |

| | | | |
|---|--------------------------------|--------|--------|
| | Subotica | | |
| 2 | ZAO Vobeks – Intersoja, Russia | 85.00% | 85.00% |
| 3 | Activex D.O.O. Subotica | 77.25% | 77.25% |

All significant amounts of transactions occurring due to mutual business relations between aforementioned related companies are eliminated in consolidated financial statements. During the development of consolidated financial statements the full consolidation method was applied.

Assets and liabilities of the company abroad were calculated in RSD per exchange rate valid on the balance sheet date. Income statement and cash flows were calculated in RSD per official average exchange rate of National Bank of Serbia for foreign currency.

For the calculation of value of related companies abroad in the balance sheet the official average exchange rate for foreign currency was used and the calculation of values in balance sheet and cash flows average mean rate was used.

2.2. Basis for producing and presentation of consolidated financial statements

In accordance with the Law on Accounting and Audit (Official Gazette RS no. 46 from June 2nd 2006 and no. 111 from December 29th 2009) companies and entrepreneurs in the Republic of Serbia are obligated to perform book keeping, recognition and evaluation of assets and liabilities, income and expense, production, presentation, submission and disclosure of consolidated financial statements in accordance with legal and professional regulations, including the Framework for preparation and presentation of financial statements (Framework), International Accounting Standards (IAS) or International Standards of Accounting Reporting (ISFR) as well as interpretation being the integral part of standards valid on December 31st 2002.

Changes in IAS as well as new ISFR and appropriate interpretations, issued by the Board of International Accounting Standards (Board) and the Committee for International Financial Reporting Interpretation (Committee) in the period from December 31st 2002 and January 1st 2009 were officially adopted by the Decision of Ministry of Finance of Republic of Serbia (Ministry) and published in the Official Gazette no. 77 on October 25th 2010.

However, to the date of production of submitted consolidated financial statements, not all changes in IAS/ISFR and IFRIC interpretations were translated valid for annual periods starting on January 1st 2009. Besides, the submitted financial reports were presented in form regulated by the Rules on quote frame and content of accounts in quote frame for companies, collective and other legal entities and entrepreneurs (Official Gazette RS no. 114 from December 22nd 2006, no. 119 from December 26th 2008, no. 9 from February 6th 2009 and no. 4 from January 29th 2010) taking legally defined complete cluster of financial statements different from the one defined in IAS 1 “Presentation of financial statements” and different in certain parts from the method of presentation of certain balance position foreseen by the stated standard. Published standards and interpretations valid in the current period not officially translated and adopted, as well as published standards and interpretations not yet in preparation, are disclosed in notes 2.2 and 2.3.

In accordance with aforementioned, and keeping in mind potentially significant effects of the deviation of accounting policies of Republic of Serbia and IAS and ISFR to the realistic and

objective nature of financial statements of the Company, the submitted financial statements cannot be considered financial statements in accordance with IAS and ISFR.

The consolidated financial statements are produced in accordance with the principle of historic expense, unless otherwise stated in accounting policies given in further text.

The company applied accounting policies disclosed in note 3 with consolidated financial statements in the production of these consolidated financial statements. The given accounting policies were consistently applied for all presented reporting periods.

Consolidated financial statements of the Company are presented in thousands RSD. The RSD is the official reporting currency in Republic of Serbia.

2.3. Published standards and interpretations valid in the current period still not officially adopted

On the day of publishing these consolidated financial statements the standards and changes of standards listed below were issued by the Board, and the following interpretations were published by the Committee, but they were not officially adopted in Republic of Serbia for annual periods initiating on January 1st 2010:

- Changes of ISFR 7 “Financial instruments: Disclosure” changes improving disclosure of fair value and liquidity risk (revised on March 2009, valid for annual periods initiating on or after January 1st 2009)
- Changes of ISFR 1 “First application of international standard of financial reporting” added exceptions for persons applying ISFR changes for the first time referring to the assets in oil and gas industry and determination whether the contracts include lease (revised on July 2009, valid for annual periods on or after January 1st 2010)
- Changes of different standards and interpretations are the result of the Project of annual quality improvement of ISFR published on April 16th 2009 (ISFR 5, ISFR 8, IAS 1, IAS 7, IAS 17, IAS 36, IAS 39, IFRIC 16 primarily with intention of removing incompliance and explanations of formulations in the text (changes of standards come into force on the day or after January 1st 2010, and the change of IFRIC on the day or after July 1st 2009)
- Changes of IAS 38 “Intangible assets” (valid for annual periods initiating on or after July 1st 2009)
- Changes of ISFR 2 “Payment with shares” (revised on April 2009, valid for annual periods initiating on or after July 1st 2009) and the change refers to the transactions of payments with shares of the group based on cash (revised on June 2009, valid for annual period initiating on or after January 1st 2010)
- Changes of IFRIC 9 “Reevaluation of installed derivations” is valid for annual periods initiating on or after July 1st 2009 and IAS 39 “Financial instruments: Recognition and measurement” – installed derivatives (valid for annual periods initiating on or after June 30th 2009)
- IFRIC 18 “Transfer of funds from buyer” (valid for annual periods initiating on or after July 1st 2009)

2.4. Published standards and interpretations still not in force

On the date of issuance of these consolidated financial statements the following standards, their amendments and interpretations were published, but are not yet in force:

- “Comprehensive framework for financial reporting 2010” representing the change of “Framework for preparation and presentation of financial statements” (valid from the publishing date, that is from September 2010)
- ISFR 9 “Financial instruments” (valid for annual periods initiating on or after January 1st 2013)
- Amendment of ISFR 1 “First application of international standards of financial reporting” limited exclusion of comparative disclosures regulated within ISFR 7 and with persons applying ISFR for the first time (valid for annual periods initiating on or after July 1st 2010)
- Amendments of ISFR 1 “First application of international standards of financial reporting” large hyperinflation and removal of fixed dates for persons applying ISFR for the first time (valid for annual periods initiating on or after July 1st 2011)
- Amendments of ISFR 7 “Financial instruments: disclosures” transfer of financial assets (valid for annual period initiating on or after July 1st 2011)
- Amendments of ISFR 12 “Income tax” deferred taxes: return of funds located in basis (valid for annual periods initiating on or after January 1st 2012)
- Amendments of IAS 24 “Disclosures of related parties” simplified requirements for disclosures with persons under (significant) control or influence of government and explanation of definition of related person (valid for annual periods initiating on the day or after January 1st 2011)
- Amendments IAS 32 “Financial instruments: presentation” accounting inclusion of pre-emptive right to new shares (valid for annual periods initiating on or after February 1st 2010)
- Amendments of different standards and interpretations “Improvement of ISFR (2010)” are the result of the Project of annual quality improvement of ISFR published on May 6th 2010 (ISFR 1, ISFR 3, ISFR 7, IAS 1, IAS 27, IAS 34, IFRIC 13) primarily with the intention of removing incompliance and explanations of formulations in the text (majority of amendments will be valid for annual periods initiating on or after January 1st 2011)
- Amendments of IFRIC 14 “IAS 19 – Limitation of defined income, minimum requirements for financing and their interactions” overpaid minimum requests for financing (valid for annual periods initiating on or after January 1st 2011)
- IFRIC 19 “Settlement of financial duties by capital instruments” (valid for annual periods initiating on or after July 1st 2010)

3. REVIEW OF SIGNIFICANT ACCOUNTING POLICIES

3.1. Income and expenses

Income from sales is recognized when the risk and benefit related to the ownership right are transferred to the buyer, and this includes goods delivery date to the buyer. Income is presented per fair value received or that will be received, in net amount after the impairment for given discounts and added value tax.

Income and expense from interest is booked for the benefit or burden of calculation period on which it refers.

Expense is calculated per causality principle of income and expense.

Current maintenance expenses and repairs of fixed assets are booked at the charge of income statement in the calculation period of occurrence.

3.2. Calculation of assets and liabilities in foreign currencies

Business changes in foreign currency during the year are calculated in RSD per official average exchange rate valid on that day.

All positions of assets and liabilities in foreign currency are calculated in the RSD value per official rate, valid on balance sheet day.

Positive and negative exchange rate difference from calculation of business changes of claims and liabilities in foreign currency are booked for the benefit or at burden of income statement.

3.3. Borrowing expenses

Borrowing expenses that are directly written to acquiring, building or producing assets qualified are included in purchase value of this asset up to the period when all activities are completed necessary for the asset to prepare for planned usage or sale. Assets qualified refer to assets requiring significant time period in order to be ready for intended purpose.

Income from investments from temporary investment of borrowed funds is deducted from incurred expenses of borrowing for financial assets qualified.

All other borrowing expenses are recognized in the income account and loss account in the period of referral.

3.4. Employee benefits

a) Taxes and contributions to the funds for employee social security

In accordance with the regulations applied in Republic of Serbia, the Company is obligated to pay taxes and contributions to tax administration and state funds securing social security of the employees. All duties include taxes and contributions for the employees at the charge of employer in the amount calculated per rates regulated by law. The Company is also obligated to deduct contributions from employee's gross salary, and to make payments to the funds in the name of the employees. Taxes and contributions charged to the employer and taxes and contributions charged to the employee are booked as expense of the period of occurrence.

b) Duties from severances and jubilee awards

In accordance with the Labor Law the Company is obligated to pay severance to employees, upon the termination of employment for the usage of right to pension, in the amount of three average monthly salaries paid in Republic of Serbia, in accordance with the latest data from the republic statistics body.

In addition, the Company is obligated to pay jubilee awards to employees depending on the duration of uninterrupted work in the Company in the amount of one to three average salaries in the Company for the month preceding the month in which jubilee awards are paid, depending on the uninterrupted work duration in the Company. Management of the Company regards the stated reserves materially insignificant for the consolidated financial statements.

3.5. Fair value

International accounting standard 32 “Financial instrument: disclosure and presentation” foresees disclosure of fair value of financial assets and financial liabilities in the notes with financial statements. For the given requirement, fair value is defined as amount for which some asset can be exchanged for, or a duty settled, in the transaction between well informed and willing parties. The obligation of the Company is to disclose all information regarding fair value of the asset, claims and duties for which there are available market information and for which materially significant difference is identified between book value and fair value.

In the Republic of Serbia there is not enough experience, stability and liquidity with purchase and sale of financial assets and liabilities, as well as other financial instruments, and public market information are not available at any moment. Therefore, fair value cannot be reliably determined in the conditions of active market non-existence, required by the IAS and ISFR. In the opinion of management, the amounts disclosed in consolidated financial reports present realistic value that is most reliable in given circumstances and most usable for reporting. For the amount of identified estimated risk that the book value will not be realized, correction of values based on the Company management decision is performed.

3.6. Taxes and contributions

3.6.1. Income tax

Current income tax

Current income tax is the amount calculated by the application of regulated tax rate of 10% to the basis determined by tax balance, representing the amount of income before taxes from deduction of the effect of income and expense compliance, in accordance with tax regulations of Republic of Serbia, with reduction for regulated tax loans.

Law on Income Tax of Republic of Serbia does not provide for the tax loss from the current period to be used as basis for tax return paid in previous periods. However, loss presented in tax balance up to 2009 can be used for the reduction of tax basis of future accounting periods in the next ten years from the day of right establishment, and loss incurred and presented in tax balance for 2010 and onward, can be used for the reduction of tax basis of future accounting periods, but no longer than five years.

Deferred income tax

Deferred income tax is calculated using the method of determining liabilities in accordance with the balance sheet, for temporary difference arising out of the difference between the tax basis of assets and liabilities in balance sheet and their book value. Valid tax rates on balance sheet date are used for the determination of accrued amount of income tax. Deferred tax duties are recognized for all taxable temporary difference. Deferred tax funds are recognized for all deductive temporary differences and effects of transferred loss and tax

loans to tax balance that cannot be transferred, to the level by which taxable income will probably exist out of which deferred tax assets can be used.

Deferred tax is booked at charge or in favor of income statement, except when it refers to positions booked directly in favor or at charge of capital, and in this case the deferred tax is distributed within capital.

3.6.2. Taxes and contributions not depending on results

Taxes and contributions not depending on results include income tax and other taxes and contributions paid in accordance with various republic and municipal regulations.

3.7. Real estate, machines and equipment

Real estate, machines and equipment purchased before December 31st 2005 are presented per value determined based on evaluation executed by independent authorized evaluators with status on December 31st 2005.

Initial measurement of real estate, machines and equipment, meeting the conditions for recognition of assets, is done per purchase price or cost. Additional costs for real estate, machines and equipment are recognized as assets only when these costs improve the condition of assets above primarily evaluated standard performance. All other costs are recognized as costs in the period of occurrence.

After the initial recognition, real estate (land and buildings) are presented in evaluated amount, expressing its fair value on the evaluation date, depreciated for the total amount of value correction from impairment and the total amount of value correction from loss due to impairment.

Real estate fair value is comprised of its market value determined by evaluation. Reevaluation is performed only when fair value of reevaluated assets is significantly different from presented value.

Machines and equipment after the initial recognition are presented per purchase price or cost depreciated for the total amount of calculated impairment and total amount of loss due to impairment.

Income or loss arising from usage or sale is recognized as income or expense in the balance sheet.

3.8. Depreciation

Depreciation of real estate, machines and equipment is calculated by proportional method, during the estimated useful life. Useful life and depreciation rate for main asset groups are the following:

| Main groups of fixed assets | Rate (%) |
|------------------------------|-----------|
| Buildings | 1.5 – 10% |
| Production equipment | 1.7 – 46% |
| Field and passenger vehicles | 6.7 – 50% |
| Computers | 5.9 – 42% |
| Other equipment | 1.5 – 50% |

Depreciation rates are reviewed annually for determination of this depreciation presenting realistic usage of these assets during operations based on the remainder of useful life.

3.9. Investment real estate

Investment real estate of the Company is the real estate the Company, as owner, holds for making profit from renting the real estate or for capital increase or both, and not for providing services or administrative business or sale within regular operations. Initial measurement of investment real estate during acquisition is performed per purchase value or cost. After the initial recognition, measurement of investment real estate is performed per purchase price or cost depreciated for a total amount of value correction from depreciation and the total amount of correction of value based on the depreciation.

3.10. Goodwill and intangible investments

The Company has presented goodwill in its books on December 31st 2009 incurred by the acquisition of the company Symbiofarm d.o.o. Belgrade per price larger than the value of purchased net assets of the company. After the initial recognition, on balance sheet date, the Company evaluates and records the goodwill impairment in the books.

Intangible investments refer to purchased software and seal and are presented per purchase value depreciated and written off per proportional method in the period from two to eight years.

3.11. Impairment

On every balance sheet date the Company reviews book amounts of its property to determine whether there are signs that loss has occurred due to impairment of property. If there are such signs, the reimbursable amount of assets is evaluated in order to determine possible loss due to impairment. If it is not possible to determine the reimbursable amount of some asset, the Company evaluates the reimbursable amount of the unit generating money, owning the asset.

Reimbursable value is net sales price or value in usage depending which is larger. For the requirement of value in usage estimate, the evaluated future cash flows are discounted to present value by the application of discount rate before taxes presenting present market evaluation of time value of money and risks specific to that asset.

If the evaluated reimbursable amount of assets (or unit generating money) is less than the book amount, then the book amount of that asset (or unit generating money) is impaired to reimbursable amount. Loss from impairment are recognized initially as expense, unless the asset is land or building not used as investment real estate presented in reevaluated amount, in which case the impairment loss is presented as depreciation from asset reevaluation.

With the annulation of loss from impairment afterwards, book keeping amount of assets (unit generating money) increases to revised evaluated reimbursable amount of that asset, where a larger book amount does not exceed the book value that would have been determined if there were no recognized loss in previous years on that asset (unit generating money) due to depreciation. Loss from impairment annulation is initially recognized as income, unless the

given asset is not presented per evaluated value, in which case the loss from impairment annulation is presented as increase due to reevaluation.

On December 31st 2010 based on the decision from the management of the Company, there are no indications that the value of real estate, machines or equipment is impaired.

3.12. Lease

Lease is classified as financial lease in all cases when the lease transfers to lease user in majority all risks and benefits arising from the ownership of the assets. Every other lease is classified as operational lease.

Company as the provider of lease

Income from operational lease (rent income) is recognized with the application of linear method during the lease period. Indirect expenses incurred in negotiations and contracting of the operational risk are added to the book amount of the leased asset and recognized on the proportional basis during the lease period.

Company as the user of the lease

Assets held by financial lease contracts are initially recognized as assets of the Company per present value of minimum lease installments determined at the beginning of lease period. Appropriate liability towards the Lessor is included in the balance sheet as financial lease liability.

Lease installments payments are distributed between the financial expenses and reduction of liabilities from lease with the purpose of achieving constant rate of share in unsettled amount of the liability. Financial expense is recognized initially in income statement, unless they can be directly registered to the assets capacitated for usage, in which case they are capitalized in accordance with the general policy of the Company on borrowing expenses (note 3.3).

Installments from operational lease are recognized as expense per linear basis for the duration of the lease, unless there is another systematic basis shedding clearer picture on the time schedule of spending economic benefit from leased asset.

In case of approving lease benefits, they enter the operational lease and are recognized as liability. Total favor of benefits is recognized as reduction of lease costs on linear basis, except when there is another systematic basis shedding clearer picture on the time schedule of spending economic benefit from leased asset.

3.13. Stock

Stock is presented per cost or net sale value depending which is lower. Net expected sale value is the price on which the stock can be sold in normal business conditions after the depreciation of the sale price for sale costs.

Stock value of material and spare parts is determined based on the method of average purchase price. Purchase price includes value per supplier invoice, transport and related costs.

Value of unfinished production and finished products includes all direct costs of production as well as quote part of drive costs.

Stock in warehouse is recorded per purchase price and stock in retail per retail prices. At the end of an accounting period a reduction is performed of stock value to purchase value by allocation of price difference, calculated on average basis, between the purchase value of sold goods and goods at stock at the end of the year.

By charging other expenses a correction of stock value is performed in cases it is estimated that its value should be reduced to net expected sale value (including stock with comparable turnover, excessive and out-of-date stock). Damaged stock and stock not up to quality standard are written off.

3.14. Financial instruments

Only the contractual right producing the financial asset and financial liability or capital instrument is recognized as financial instrument on settlement date.

During the initial recognition the financial assets and financial liabilities are measured per purchase value representing fair value of the fee given (in case of assets) or received (in case of liabilities).

Long term financial investments

Long term financial investments after the initial recognition are measured by:

- Fair value, if held for trading
- Depreciated value, if they have a fixed due date
- Purchase value, if they do not have a fixed due date

Long term financial investments

Long term financial investments held for trading, and for which, due to non-existence of active market, it is not possible to determine the market value, are presented per purchase value.

Short term claims and investments

Short term claims and investments include claims from sales and other claims as well as short term investments to employees of agricultural producers.

Claims from sale of finished products, services and goods are measured per value from the original invoice. Interest invoicing regarding sale of goods and services are recognized as other claims and presented in income in the period of occurrence.

Other claims and investments arising from the company are measured per depreciated value.

Every difference between the presented amount and measurement afterwards is recognized as income or loss in the period of occurrence.

Financial assets impairment

On every balance sheet date an evaluation is performed of objective evidence on the asset value with the analysis of expected net cash inflow.

For all claims for which there is a justified doubt that they will not be collected in nominal amount, claims correction is performed. Direct write off is executed only in after the finalization of court litigation or by the decision of the managing body.

Cash and cash equivalents

Cash and cash equivalents include cash on accounts with banks and in the cashier.

Financial liabilities

Financial liabilities include long term liabilities (long term loans and other long term liabilities), short term financial liabilities (short term loans and other short term liabilities), short term liabilities from operations and other liabilities.

Financial liabilities are initially recognized in the amount of received assets. After the initial recognition the financial liabilities are measured in the amount of initial recognition, reduced for principal payments, increased for the amount of capitalized interest and reduced for any write off approved by the trustee. Obligations from interest to financial liabilities are recorded at the charge of financial expense in the period it relates to and are presented within other short term liabilities and passive accruals.

3.15. Disclosure of relations with related parties

For the purpose of these financial statements, legal entities are treated as related if one legal entity has the possibility of control of another legal entity or has significant influence on the financial and business decisions of another entity in accordance with provisions of IAS 24: Disclosure of relations with related parties.

By related parties in the sense of aforementioned standard the Company considers legal entities in which it has share in capital, or legal entities with share in capital of the Company.

Related parties can enter transactions that unrelated parties probably would not perform and transactions with related parties can be performed under different conditions and amounts compared to the same transactions with unrelated parties.

The Company provides services to related parties and at the same time it is the user of its services. Relations between the company and related parties are regulated on contractual basis and per market conditions.

4. REVIEW OF SIGNIFICANT ACCOUNTING EVALUATIONS

Presentation of financial statements requires the management of the Company to use the best possible evaluations and reasonable assumptions, with effect on the presented values of assets and liabilities as well as disclosure of possible claims and liabilities on the day of the production of financial statements, as well and income and expense during the reporting period. These evaluations and assumptions are based on information available on the day of financial statements production.

4.1. Evaluation and assumption

The following text includes key assumptions related to the future and other sources of evaluation of uncertainty on the balance sheet date representing significant risk, for material corrections of the amount of balance sheet positions in the following financial year.

4.2. Depreciation and depreciation rate

Depreciation and depreciation rate calculation is based on projected economic life of real estate, machines and equipment. Once per year the company evaluates economic life based on present forecast.

4.3. Reserves for litigations

Generally, reserves are significantly subject to evaluation. The company evaluates the possibility that the unwanted cases might occur as the result of past events and evaluates the amount necessary to settle the liability. Even though the Company honors the principle of caution in evaluation, considering the fact that there is a large dose of uncertainty, in specific cases real results might differ from these evaluations.

4.4. Claims and short term financial investments value correction

The Company calculates impairment of suspicious claims from the buyers and short term financial investments from evaluated loss occurring, if the debtors are not able to pay. In the evaluation of an appropriate amount of loss from impairment for suspicious claims, the Company relies upon the age of claims, previous experience with the write off, buyer solvency and changes in payment conditions. This requires evaluation required for future behavior of the buyer and future payment regarding this.

4.5. Fair value

Business policy of the Company is to disclose information on fair value of assets and liabilities for which there are available official market information and when the fair value is significantly different from the book value. In Republic of Serbia there is not enough market experience, or stability or liquidity with the purchase and sales of claims and other financial assets and liabilities, since official market information are not available at any moment. Therefore, the fair value cannot be reliably determined in the absence of active market. The Company's management evaluates risk and in cases when it is evaluated that the value of the property in business books will not be realized, performs the correction of value. In the opinion of the Company management, the amounts in these consolidated financial reports present the value which is, in given circumstances, the most reliable and most useful for reporting purposes.

5. INCOME FROM SALES

| | In thousand RSD | |
|--|--|-----------|
| | Year ending on December 31 st | |
| | 2011 | 2010 |
| Income from goods sale | | |
| Related legal entities | 621.063 | 3.927.848 |
| Other domestic legal entities | 2.404.590 | 1.797.180 |
| Other foreign legal entities | | 1.727 |
| Income from sale of goods and services | | |
| Related legal entities | 732.875 | 1.990.743 |

| | | |
|-------------------------------|------------|------------|
| Other domestic legal entities | 6.306.535 | 6.009.607 |
| Other foreign legal entities | 4.519.044 | 3.079.553 |
| | 14.584.107 | 16.806.658 |

6. BUSINESS AND GEOGRAPHICAL SEGMENTS

Products and services within business segments

For management purposes, the Company is organized in five business segments. These segments are the basis on which the Company reports its primary information on segments. Basic products and services of each of the segments are as follows:

Finished products – raw soy oil – production and sales of raw soy oil

Finished products – meal – production and sales of toasted meal, bulk, toasted meal 44/40 kg and toasted meal 44/10 kg

Finished products – other – production and sales of other finished products: sopro-leab, sopro-ptb, soy flour, soprotexturates, soy lecithin, sopro mixes, soya-vita program

Merchant goods – retail and wholesale of goods

Services – other – providing storing services

Income from sales by business segments

In thousand RSD

| | External sales | | Internal sales | | Total | |
|---------------------------|----------------|------------|----------------|---------|------------|------------|
| | 2011 | 2010 | 2011 | 2010 | 2011 | 2010 |
| Production spots | | | | | | |
| Raw oil | 3.511.611 | 2.780.159 | 2.816 | 1.209 | 3.514.427 | 2.781.368 |
| Meal | 3.514.049 | 4.594.591 | 276.914 | 206.103 | 3.790.963 | 4.800.694 |
| Other | 2.956.990 | 4.895.164 | 219.634 | 241.151 | 3.176.624 | 5.136.315 |
| Cattle food | 1.336.829 | | 4.947 | | 1.341.776 | |
| Merchant goods | 3.105.797 | 4.479.600 | 12.554 | 7.717 | 3.118.348 | 4.487.317 |
| Services | 158.834 | 57.144 | 4.882 | 2.159 | 163.716 | 59.303 |
| Total for all segments | 14.584.107 | 16.806.658 | 521.747 | 458.339 | 15.105.854 | 17.264.997 |
| Internal sale elimination | | | | | (521.747) | (458.339) |
| Consolidated sales income | | | | | 14.584.107 | 16.806.658 |

Results per business segments

| | In thousand RSD | |
|-------------|--|------|
| | Year ending on December 31 st | |
| | 2011 | 2011 |
| Sales spots | | |

| | | |
|------------------------|-----------|-----------|
| Raw oil | 546.592 | 591.767 |
| Meal | 86.284 | (155.591) |
| Other | 458.919 | 91.150 |
| Cattle food | 23.447 | |
| Merchant goods | 19.415 | 146.943 |
| Services | 149.080 | 237.739 |
| Total for all segments | 1.283.737 | 912.008 |
| Eliminations | 3.172 | 3.338 |
| Income before taxes | 1.286.909 | 915.346 |

Other information per segments

| In thousand RSD | | | | |
|------------------|---|---------|-----------------------|---------|
| | Fixed assets and intangible assets purchase | | Depreciation expenses | |
| | 2011 | 2010 | 2011 | 2010 |
| Production spots | | | | |
| Raw oil | 56.210 | 41.347 | 66.706 | 29.317 |
| Meal | 20.100 | 168.217 | 71.949 | 102.010 |
| Other | 200.487 | 40.818 | 109.325 | 19.825 |
| Merchant goods | | 22.270 | 14.498 | 16.340 |
| Services | 8.547 | 182.315 | 27.487 | 91.966 |
| | 285.344 | 454.967 | 289.985 | 259.458 |

Income from sales of products, goods and services on foreign market per geographical area

| | In thousand RSD | |
|------------------------|--|---------|
| | Year ending on December 31 st | |
| | 2011 | 2011 |
| Albania | 8.386 | |
| Great Britain | 72.245 | |
| Iraq | 1.495 | |
| Morocco | 1.547 | |
| Holland | 275.325 | |
| Syria | 6.508 | |
| Turkey | 156.301 | |
| Bulgaria | 956.315 | 778.521 |
| Belarus | 38.852 | |
| Romania | 173.727 | 123.774 |
| Bosnia and Herzegovina | 128.283 | 152.700 |
| Poland | 181.012 | 149.056 |
| Czech Republic | 44.661 | 54.127 |
| Slovakia | 37.431 | 41.130 |
| Macedonia | 107.797 | 146.707 |
| France | 110.246 | 110.176 |
| Latvia | 9.771 | 4.583 |
| Croatia | 24.258 | 40.717 |
| Italy | 347.962 | 95.072 |
| Montenegro | 35.689 | 66.621 |
| Germany | 58.585 | 37.200 |
| Moldova | 14.115 | 16.562 |

| | | |
|-------------|-----------|-----------|
| Hungary | 316.499 | 126.655 |
| Spain | 60.234 | 64.868 |
| Slovenia | 608.406 | 340.302 |
| Ukraine | 2.391 | 5.357 |
| Greece | 87.825 | 59.651 |
| Israel | 29.595 | 25.601 |
| Portugal | 16.382 | 16.244 |
| Egypt | 11.262 | 6.116 |
| Austria | 18.411 | 10.453 |
| Switzerland | 574.879 | 52.058 |
| Others | | 557.029 |
| | 4.516.398 | 3.081.280 |

7. OTHER BUSINESS INCOME

| | In thousand RSD | |
|--|--|---------|
| | Year ending on December 31 st | |
| | 2011 | 2011 |
| Income from premiums, subventions, donations | 61.305 | 257.983 |
| Leases | 52.225 | 46.895 |
| Other | 225 | 81 |
| | 113.755 | 304.959 |

Income from premiums, subventions, donations and conditioned donations are presented in the amount of 61.305 thousand RSD in whole are referred to income approved in accordance with the Decision on using the incentive to producers of agricultural and food products for 2010 (Official Gazette RS no. 20/10). Since there was no extra funds in the RS budget for these purposes, income from subventions were not charged or booked in 2011.

8. RAW MATERIAL EXPENSES

| | In thousand RSD | |
|-----------------------------------|--|-----------|
| | Year ending on December 31 st | |
| | 2011 | 2011 |
| Development raw material expenses | 8.722.765 | 8.241.558 |
| Other raw material expenses | 190.650 | 191.224 |
| Energy costs | 416.964 | 413.503 |
| | 9.330.379 | 8.846.285 |

9. SALARY, SALARY FEES AND OTHER PERSONAL EXPENSES

| | In thousand RSD | |
|--|--|---------|
| | Year ending on December 31 st | |
| | 2011 | 2011 |
| Gross salary expenses | 541.108 | 484.282 |
| Contributions charged to employer expenses | 96.643 | 84.008 |
| Service contract expenses | 9.288 | 6.919 |

| | | |
|--|---------|---------|
| Expenses from contracts on temporary and seasonal jobs | 1.674 | 1.983 |
| Fees to individuals from other contracts | 6.371 | 7.154 |
| Fees to members of management and supervisory boards | 3.614 | 3.614 |
| Transport and per diem for official travel expenses | 21.544 | 17.076 |
| Transport to and from work expenses | 23.833 | 24.067 |
| Grants | 5.061 | 5.304 |
| Severances and jubilee rewards | 9.022 | 4.210 |
| Other | 4.699 | 8.635 |
| | 722.857 | 647.252 |

10. DEPRECIATION AND RESERVES EXPENSES

| | In thousand RSD | |
|---|--|---------|
| | Year ending on December 31 st | |
| | 2011 | 2011 |
| Depreciation expenses | 295.361 | 253.800 |
| Fees and other employee benefits reserves | 4.753 | 156 |
| | 300.114 | 253.956 |

11. OTHER OPERATIONAL EXPENSES

| | In thousand RSD | |
|-------------------------------------|--|---------|
| | Year ending on December 31 st | |
| | 2011 | 2011 |
| Output development service expense | 955 | 21.363 |
| Transport services expenses | 181.900 | 112.996 |
| Postal services | 4.808 | 8.498 |
| Maintenance service expenses | 74.277 | 81.203 |
| Lease expenses | 75.607 | 58.263 |
| Fairs expenses | 8.283 | 6.412 |
| Advertising and propaganda expenses | 5.966 | 5.137 |
| Other service expenses | 24.115 | 20.350 |
| Laboratory services | 80.341 | 59.048 |
| Water and other utilities expenses | 16.999 | 17.289 |
| Non-production services expenses | 28.794 | 30.313 |
| Corporate analysis service expenses | 136.725 | 4.601 |
| Representation expenses | 19.531 | 19.561 |
| Insurance premium expenses | 34.121 | 30.403 |
| Payment expenses | 26.341 | 24.366 |
| Guarantee issuance bank services | 3.913 | 18.250 |
| Representative commission | 16.585 | 19.270 |
| Membership expenses | 3.845 | 3.667 |
| Indirect taxes and contributions | 27.071 | 30.252 |
| Other | 30.648 | 32.733 |
| | 800.825 | 603.975 |

12. FINANCIAL INCOME

| | In thousand RSD | |
|---|--|---------|
| | Year ending on December 31 st | |
| | 2011 | 2011 |
| Financial income from related companies | 165.578 | 233.249 |
| Positive exchange rate difference | 649.475 | 322.729 |
| Income from interest | 7.589 | 8.735 |
| Income from the effect of currency clause | 4.134 | 17.793 |
| Other | 310 | 1 |
| | | |
| | 827.086 | 582.507 |

13. FINANCIAL EXPENSES

| | In thousand RSD | |
|---|--|-----------|
| | Year ending on December 31 st | |
| | 2011 | 2011 |
| Negative exchange rate difference | 658.836 | 1.229.471 |
| Expense from interests | 207.757 | 312.383 |
| Expenses from the effect of currency clause | 7.708 | 5.132 |
| Other | 814 | 3.676 |
| | | |
| | 875.115 | 1.550.662 |

14. OTHER INCOME

| | In thousand RSD | |
|--|--|--------|
| | Year ending on December 31 st | |
| | 2011 | 2011 |
| Income from sale of securities | | |
| Surplus | 9.008 | 6.025 |
| Income from long term reserve cancellation | 861 | |
| Paid written off claims | 790 | 477 |
| Income from equipment sale | 713 | 6.035 |
| Damages reimbursement income | 8.443 | 2.047 |
| Income from raw material sale | 4.064 | 634 |
| Income from liabilities reduction | 6.712 | 5.790 |
| Income from compliance of value of claims and short term financial investments | 6.488 | 18.221 |
| Other | 14.537 | 15.175 |
| | | |
| | 51.616 | 54.404 |

15. OTHER EXPENSES

| | In thousand RSD | |
|-------------------------------------|--|-------|
| | Year ending on December 31 st | |
| | 2011 | 2011 |
| Shortages | 9.560 | 5.066 |
| Loss from equipment usage and sales | 1.944 | 331 |

| | | |
|--|---------|--------|
| Expenses from direct write off of claims | 3.109 | 13.139 |
| Depreciation | | |
| Of claims | 80.356 | 41.983 |
| Of raw material and goods | | 7.166 |
| Of intangible investments – goodwill | 800 | 700 |
| Of biological means | | |
| Loss from raw material sale | 3.893 | 583 |
| Net loss from discontinued operations | 56.714 | 12.854 |
| | | |
| | 156.679 | 82.375 |

16. EARNINGS PER SHARE

| | In thousand RSD | |
|-----------------------------------|-----------------|-----------|
| | 2011 | 2011 |
| Net profit | 1.188.792 | 829.683 |
| Average weighted number of shares | 11.788.513 | 8.737.810 |
| Basic earnings per share (in RSD) | 100.84 | 94.95 |

17. INCOME TAX

a) Income tax components

| | In thousand RSD | |
|---|---------------------------|----------|
| | December 31 st | |
| | 2011 | 2011 |
| Period tax expense | (70.839) | (49.043) |
| Deferred tax expense/profit of the period | 1.653 | (4.361) |
| | | |
| | (69.186) | (53.404) |

b) Adjustment of amounts of income tax in the income statement and products of profit before taxes and regulated tax rate

| | In thousand RSD | |
|---|-----------------|----------|
| | 2011 | 2011 |
| Net profit before taxes | 1.286.606 | 905.106 |
| Income tax calculated per rate of 10% | 128.661 | 90.511 |
| Tax effects of expense not recognized in the tax balance | 4.280 | 12.558 |
| Tax loans from investments in real estate, machines and equipment | (62.394) | (43.134) |
| Tax expense of the period | 70.547 | 59.935 |
| Deferred tax expense/profit of the period | (1.653) | 4.361 |
| Total tax expense of the period | 68.894 | 64.296 |
| Effective tax rate | 5.35% | 7.10% |

c) Deferred tax duties

Deferred tax duties in the amount of 180.485 thousand RSD on December 31st 2011 refer to taxable temporary differences from the difference between book basis for real estate, machines, equipment and intangible assets and their value recognized for tax purposes.

Movement on the account of deferred tax duties in 2011 and 2010 is presented at the following table (in thousands RSD)

| | 2011 | 2010 |
|--|---------|---------|
| Status on January 1 st | 182.314 | 178.433 |
| Cancellation of temporary tax duties for reevaluation of reserves based on | | |
| Equipment sale | (176) | (480) |
| Transfer to investment real estate | | |
| Deferred tax expense/profit of the period | (1.653) | 4.361 |
| Other | | |
| Status on December 31 st | 180.485 | 182.314 |

18. REAL ESTATE, MACHINES AND EQUIPMENT, INVESTMENT REAL ESTATE AND INTANGIBLE INVESTMENTS

In thousands RSD

| | Land and buildings | Equipment | Advances for fixed assets and ongoing investments | Investments in other's fixed assets | Total fixed assets | Investment real estate | Good will | Intangible investments |
|--|--------------------|-----------|---|-------------------------------------|--------------------|------------------------|-----------|------------------------|
| Purchase value | | | | | | | | |
| Status on January 1 st 2010 | 2.940.427 | 2.410.323 | 676.206 | 11.831 | 6.038.787 | 315.452 | 202.533 | 118.226 |
| Purchase during period | 70.406 | 618.785 | 708.704 | 5.640 | 1.403.536 | | | 621 |
| Transfer from ongoing investments | (209) | 178.918 | 125.450 | | 304.159 | 309 | | |
| Sale and usage | (8.488) | (25.664) | | | (34.152) | (1) | | (16) |
| Advance closing | | | (995.907) | | (995.907) | | | |
| Goodwill depreciation | | | | | | | (700) | |
| Other | | | | 966 | 966 | | | |
| Status | 3.003. | 3.182.3 | 514.453 | 18.437 | 6.717.3 | 315.760 | 201.8 | 118.787 |

| | | | | | | | | |
|---|---------------|---------------|-----------------|--------|-----------------|---------|-------------|---------|
| on Decemb er 31 st 2010 | 136 | 63 | | | 89 | | 33 | |
| Status on January 1 st 2011 | 3.003. 136 | 3.182.3 63 | 514.453 | 18.437 | 6.717.3 89 | 315.760 | 201.8 33 | 118.787 |
| Purchas e during period | 129.22 0 | 117.21 9 | 6.450.89 0 | | 6.697.3 29 | | | 3.264 |
| Transfer s | 6.813 | 952 | (201.727) | | (193.96 2) | | | |
| Sale and usage | | (42.440) | | | (42.440) | (81) | | |
| Advance closing | | | (3.320.9 75) | | (3.320.9 75) | | | |
| Capitaliz ed interest | 11.671 | 24.270 | | | 35.941 | | | |
| Goodwill depreciat ion | | | | | | | (800) | |
| Status on Decemb er 31 st 2011 | 3.149. 840 | 3.282.3 64 | 3.442.64 1 | 18.437 | 9.893.2 82 | 315.679 | 201.0 33 | 122.051 |
| Correctio n of values | | | | | | | | |
| Status on January 1 st 2010 | 299.32 9 | 782.84 8 | | 982 | 1.083.1 59 | 113 | | 55.867 |
| Deprecia tion | 76.499 | 159.99 5 | | 1.01 | 239.505 | 721 | | 13.574 |
| Sale and usage | (1.499) | (23.195) | | | (24.694) | | | |
| Other reductio ns | | | | 966 | 966 | (56) | | |
| Status on Decemb er 31 st 2010 | 376.32 9 | 919.64 8 | | 2.959 | 1.298.9 36 | 778 | | 69.441 |
| Status on January 1 st 2011 | 376.32 9 | 919.64 8 | | 2.959 | 1.298.9 36 | 778 | | 69.441 |
| Deprecia tion | 79.549 | 206.20 3 | | 2.203 | 289.965 | 654 | | 10.762 |

| | | | | | | | | |
|---|-----------|-----------|-----------|--------|-----------|---------|---------|--------|
| Sales and usage | | (27.790) | | | (27.790) | | | |
| Other | | | | | | | | 5 |
| Status on December 31 st 2011 | 455.878 | 1.100.061 | | 5.162 | 1.561.101 | 1432 | | 80.208 |
| Status on January 1 st 2011, net | 2.625.807 | 2.262.715 | 514.453 | 15.478 | 5.418.453 | 314.982 | 201.833 | 49.346 |
| Status on December 31 st 2011, net | 2.693.962 | 2.182.303 | 3.442.641 | 13.275 | 8.332.181 | 314.247 | 201.033 | 41.843 |

The company has presented intangible investments in the amount of 48.475 thousand RSD. The company has presented value of real estate, machines and equipment on December 31st 2011 in the amount of 8.329.129 thousand RSD.

Advances for fixed assets and ongoing investments presented on December 31st 2011 in the total amount of 3.442.641 thousand RSD are largely referred to investments in objects and equipment for the Concentrate Factory, as well as building high regal storage of finished products and the biomass boiler for the new project of Functional Concentrate. The work on investments for building the Factory for production of soy protein concentrate was continued. Execution of the first phase of this investment is ongoing including the building of the factory of traditional soy concentrate of capacity of 70.000 t per year. Current activities refer to finishing building of the object, while the key equipment is delivered and equipment installation works are ongoing as well. Completion of building, equipment installation is planned in May 2012 after which trial production will initiate. Total estimated value of the first phase of the investment – building the factory of traditional soy concentrate is 22.5 million EUR, where the company has already invested 25 million EUR. Revision of the project was performed so the investment is evaluated at 26.2 million EUR. Keeping in mind that the soy concentrate is one of the products with the largest finalization, and wide application in the area of animal feed, production of milk substitute for pig and calf nutrition and the production of human food, the Company expects a large profit increase from the sale of soy concentrate. After the completion of the first phase of investment the Company will execute second phase including the production of functional soy concentrate with the capacity of 15.000 t annually.

19. INVESTMENTS IN CAPITAL

| | In thousand RSD | |
|--|--------------------------------|--------------------------------|
| | December 31 st 2011 | December 31 st 2010 |
| | | |

| | | |
|---|---------|--------|
| Investments in capital of related companies | | |
| SP Laboratory A.D. Becej | | |
| Bela Ladja Hotel A.D. Becej 31.83% | 64.626 | 64.626 |
| Investments in capital of other banks | 120 | 120 |
| Novi Sad Fair A.D. Novi Sad | 6.286 | 6.668 |
| Investments in capital of other companies | 3.371 | 2.272 |
| | | |
| | 74.403 | 73.686 |
| Investment in capital value correction | (1.955) | (381) |
| | 72.448 | 73.305 |

20. OTHER LONG TERM FINANCIAL INVESTMENTS

| | In thousand RSD | |
|---|-----------------------------------|-----------------------------------|
| | December 31 st 2011 | December 31 st 2010 |
| Long term loans to agricultural manufacturers | | |
| Long term loans to employees | 8.336 | 9.877 |
| Other | 57.743 | |
| | 66.079 | 9.877 |

Long term approved loans to employees are presented on December 31st 2011 in the amount of 8.336 thousand RSD are approved for the resolution of housing requirements of employees for a period from three to 30 years, with fixed interest rate of 8% to a total amount of approved loan, with the condition that the interest rate cannot exceed the rate of growth of average net salary in the industry of Republic of Serbia.

21. STOCK

| | In thousand RSD | |
|---------------------------------------|-----------------------------------|-----------------------------------|
| | December 31 st 2011 | December 31 st 2010 |
| Raw material | 2.355.240 | 5.289.747 |
| Spare parts | 146.072 | 130.926 |
| Tools and inventory | 85.336 | 76.478 |
| Unfinished production | 149.582 | 99.392 |
| Finished products | 797.585 | 464.204 |
| Goods on trade | | |
| Wholesale | 21.861 | 216.351 |
| Retail | 5.481 | 5.030 |
| In storage with other companies | 3.638 | 3.420 |
| Advances given for stock and services | 1.687.665 | 319.144 |
| | 5.252.460 | 6.604.692 |
| Value correction | | |
| Raw material stock | (31.930) | (29.443) |
| | 5.220.530 | 6.575.249 |

For securing regular payment of the loans disclosed in notes 28 and 29 with consolidated financial statements the Company has founded a lien over the stock of mercantile soy and finished soy products.

22. CLAIMS

| | In thousand RSD | |
|--|-----------------------------------|-----------------------------------|
| | December 31 st 2011 | December 31 st 2010 |
| Claims from buyers | | |
| Related companies | 2.074.494 | 3.104.836 |
| Other domestic companies | 1.755.041 | 1.661.314 |
| Other foreign companies | 845.349 | 581.260 |
| Claims from exporters | | 17.950 |
| Claims from specific operations | 4.626 | 9.673 |
| Claims with interest | 133.480 | 235.525 |
| Claims from state institutions | 3.280 | 65.859 |
| Overpaid other taxes and contributions | 182 | 839 |
| Other claims | 73.829 | 52.650 |
| | 4.890.281 | 5.729.906 |
| Value correction | | |
| Claims from buyers | (213.873) | (168.360) |
| Other claims | (7.778) | (7.157) |
| | (221.651) | (175.517) |
| | 4.668.630 | 5.554.389 |

23. SHORT TERM FINANCIAL INVESTMENTS

| | In thousand RSD | |
|--|-----------------------------------|-----------------------------------|
| | December 31 st 2011 | December 31 st 2010 |
| Short term loans | | |
| Related companies | | 1.426.065 |
| Domestic | 122.040 | 117.264 |
| Part of long term loans due in a year | 6.763 | 186 |
| Other short term investments | 76.311 | 126.706 |
| | 205.114 | 1.670.221 |
| Value correction | | |
| Other short term financial investments | (50.490) | (28.594) |
| | 154.624 | 1.641.627 |

Short term loans to related companies presented with the status on December 31st 2010 in the amount of 1.426.065 thousand RSD were completely returned during 2011.

24. CASH AND CASH EQUIVALENTS

| | In thousand RSD | |
|--------------------------------------|-----------------------------------|-----------------------------------|
| | December 31 st 2011 | December 31 st 2010 |
| Accounts | | |
| In RSD | 218.042 | 81.019 |
| In foreign currency | 359.911 | 149.039 |
| Cash allocated and letters of credit | 19 | |
| Cashier | | 22 |
| Other monetary assets | 4.746 | 4.892 |

| | | |
|--|---------|---------|
| | 582.718 | 234.972 |
|--|---------|---------|

25. CAPITAL

Basic capital

Based on the decision of the Assembly of the Company adopted on June 30th 2011 and the decision of the Securities Commission no. 4/0-24-2926/5-11 from July 14th 2011 X shares emissions were issued based on the transformation of undistributed profit into basic capital. 5.050.680 shares were issued with the right to vote, without nominal value with individual accounting value of 463.661404 RSD, or total value of 2.341.805.379.95. Basic capital of the company after the increase from transforming undistributed profit is 6.906.479.571.15 RSD and is divided to 14.895.524 shares without nominal value with accounting value of 463.661404 RSD. Shares of X emission are registered in the base of Central Registry of Securities on August 9th 2011.

Structure of share capital of the Company on December 31st 2011 and 2010 was the following:

In thousand RSD

| Shareholder name | December 31 st 2011 | | | December 31 st 2010 | | |
|---------------------------------|--------------------------------|------------------|---------------|--------------------------------|------------------|---------------|
| | % of share | Number of shares | Capital value | % of share | Number of shares | Capital value |
| Victoria Group doo Novi Sad | 62.94% | 9.374.965 | 4.346.809 | 62.94% | 6196.161 | 2.872.912 |
| Gustavus Capital Asset Mngt | 1.13% | 168.137 | 77.959 | 1.73% | 170.010 | 78.827 |
| East Capital Asset Management | 2.15% | 320.943 | 148.809 | 1.57% | 155.129 | 71.927 |
| Raiffeisen Bank AD Belgrade | 2.99% | 445.149 | 206.398 | | | |
| Societe Generale Bank Serbia | 1.32% | 196.131 | 90.938 | | | |
| Erste Bank Serbia | 1.53% | 228.192 | 105.804 | | | |
| UNiCredit Bank Serbia | 1.37% | 203.521 | 94.365 | | | |
| Hypo Alpe Adria Bank Belgrade | 0.85% | 126.825 | 58.804 | | | |
| DDOR ADO Novi Sad | 0.71% | 105.139 | 48.749 | | | |
| NLB Bank AD Belgrade | 0.67% | 99.688 | 46.221 | | | |
| Other companies and individuals | 24.34% | 3.626.834 | 1.681.625 | 23.76% | | 1.541.008 |
| | 100% | 14.895.524 | 6.906.480 | 100% | 9.844.844 | 4.564.674 |
| Own shares purchased | | | | | 44.024 | (20.412) |
| Free shares of X emission | | 23.466 | | | | |
| Share capital | 100.00% | 14.872.058 | 6.906.480 | 100.00% | 9.800.820 | 4.544.262 |

On a regular assembly of shareholders of the company a decision was adopted on the sale of 45.741 of own shares which is 0.46% of total number of shares. In addition to acquired 45.471 of own shares the Company sells shares of X emission from the share in basic capital increase from the funds of the Company. Own shares are sold offered to all shareholders on pro-rata principle. In November of 2011 all 45.471 of own shares were sold. There is the remaining 23.466 of shares acquired as free X emission shares.

26. LEGAL AND STATUTORY RESERVES

Legal and statutory reserves presented on December 31st 2011 in the amount of 1.589.277 thousand RSD are largely separations from undistributed profit in accordance with the decision that the company should allocate at least 5% of net profit for a business year on the account of legal reserve, until it reaches 10% of basic capital of the company. Based on the Shareholder Assembly decision from June 30th 2011 allocation to legal and statutory reserve was performed charged to undistributed profit of 39.601 thousand RSD. Statutory reserves are available to the Company, and existing internal acts do not specify their purpose. The reserve funds were not used.

27. LONG TERM RESERVES

| | In thousand RSD | |
|-----------------------------|-----------------------------------|-----------------------------------|
| | December 31 st 2011 | December 31 st 2010 |
| Reserves for severance | 23.399 | 21.790 |
| Reserves for jubilee awards | 26.491 | 23.346 |
| | 49.890 | 45.136 |

Changes

Assumptions used in the actuary evaluation are the following

| | 2011 | 2010 |
|--|-------|------|
| Nominal discount rate | 9.75% | 7% |
| Expected rate of nominal salary growth | 12% | 6% |

Changes in long term reserves during 2011 and 2010 are presented in the following table:

| | In thousand RSD | |
|-------------------------------------|--|---------|
| | Year ending on December 31 st | |
| | 2011 | 2010 |
| Status on January 1 st | 45.136 | 46.541 |
| Reserves during the year | 4.754 | 155 |
| Used reserves | | |
| Other | | (1.560) |
| Status on December 31 st | 49.890 | 45.136 |

28. LONG TERM LOANS

| | Annual interest rate | Amount in currency | December 31 st | |
|--|-------------------------|-----------------------|---------------------------|------|
| | | | 2011 | 2010 |
| | | | | |

| | | | | |
|---|--------------------|------------|-----------|-----------|
| Hypo Group Netherlands Corporate Finance BV | 3M EURIBOR + 1.83% | 543.848.18 | 56.909 | 88.838 |
| Vojvodjanska Banka AD Novi Sad | | 10.756.277 | 1.125.546 | 1.134.768 |
| European Bank for Renewal and Development | 6.478% | 3.928.571 | 313.923 | 414.457 |
| European Bank for Renewal and Development | 6.278% | 5.000.000 | 336.346 | 527.491 |
| Banka Koper DD Koper | 3M+1.3% | 3.636.364 | | 383.630 |
| Komercijalna Banka AD Belgrade | 8% | 3.439.116 | 308.520 | 362.822 |
| Unicredit Banka Belgrade | 3M Euribor + 3.90% | 17.646.000 | 1.562.157 | |
| | | | 3.703.401 | 2.912.006 |
| Minus | | | | |
| Current year | | | (530.602) | (753.280) |
| | | | 3.172.799 | 2.158.726 |

Liabilities based on long term loan from Hypo Group Netherlands Corporate Finance Amsterdam on December 31st 2011 amount 56.909 thousand RSD (543.848.18 EUR) with the purpose for financing liabilities of loan debt. Due date of the loan is September 30th 2013.

Liabilities based on refinanced loan from the Paris Club of trustees in the amount of 1.125.546 thousand RSD (EUR 10.756.277) represent relevant principal of this debt, the Company presented in financial statements based on calculation delivered from Vojvodjanska bank on March 22nd 2002.

In December 2001 the negotiation between the government of SR Yugoslavia and Paris Club of trustees resulted in significant reduction of liabilities (principal, interest and default interest calculated until March 22nd 2002) in the amount of 51% of new principal with the possibility of additional write off for three years to a maximum amount of 66.67% as additional item of reprogramming of liabilities. Law on regulating relation between SR Yugoslavia and companies and banks on the territory of SR Yugoslavia that were the primary debtors or guarantors towards the trustees of the Paris and London Club came into force on July 4th 2002 (Official Gazette SRJ no. 36/2002). In accordance with the mentioned law, the Company was obligated to pay to domestic banks the loans approved by the Paris Club under conditions that will not be less favorable than those defined by the agreement with foreign creditors.

The Company has not concluded a contract on defining liabilities payment for loans from the Paris Club to the day of these financial statements with Vojvodjanska bank AD Novi Sad and reduced the principal for portion of liabilities written off, and it has not executed the calculation of interest and their inclusion and presentation in financial statements for the period from March 22nd 2002 to the balance sheet date.

In accordance to the decision of the Supreme Court of Serbia, the issue was returned to additional deciding in the first degree procedure in front of the Commercial Court in Novi Sad for the determination of factual state. The first degree court reached a verdict in favor of the Company. The procedure is ongoing regarding the appeal of the prosecutor.

Liabilities based on the loan approved by the European Bank for renewal and development was presented on December 31st 2010 in the total amount of 650.269 thousand RSD (6.214.285.70 EUR). The loan was approved based on the contract from September 10th 2007. In accordance with the contract the funds represent a portion of approved loan for investments in working capital per project of purchasing of 235.000 tons of soy and 60.000 sunflower 15.000 tons of rapeseed as well as investment in energy efficiency, regarding the line 2 and line 3 of approved funds in the total amount of 45.000.000 EUR. Stated amounts were approved to a period of five years with six month annuity of payment.

In accordance with the loan contract and in accordance with the requirements of section 5.10. Financial relation (ratio) the Company is obligated based on financial statements presented in full application with International accounting standards, maintain:

1. Relation of EBIT and interest expense on the level not less than 3 where the profit of the Company is additionally corrected for:
 - Every share in profit or loss of any joint company, except for dividends or other income the Company accepted in cash from that joint company or joint venture, and any profit from any investment in fixed assets
 - Every profit or loss directly connected to sale of discontinuation of business or sale of fixed assets
 - All direct expenses of any fundamental reorganization or restructuring with significant effect to a nature or focus of the Company's business
 - All amounts written off from investment value
 - Realized and unrealized exchange rate profit and loss referring to regular operations
2. The interest expense includes all interest and expenses occurring in connection to financial debt of the Company as such interest and expenses burden the balance sheet of that company
3. Ratio of debt and total capitalization must be maintained on the level not larger than 0.6 where the debt includes only debt, and excludes any debt secured by the Contract on stock pledge. Total capitalization is the sum of presented values of total share capital, accumulated deferred income tax, accumulated investment tax loans, minority share, potential reserves and contributions as the aid to building.
4. Minimum own capital must not be less than EUR 15.000.000

The loan approved by the Bank Koper DD Koper presented on December 31st 2010 in the total amount of 383.630 thousand RSD (3.636.346 EUR) is paid in full on October 28th 2011.

Liabilities towards Komercijalna Banka on December 31st 2011 amount to 308.520 thousand RSD or 2.948.372.26 EUR. The loan was approved on August 29th 2008 in the amount of 4.000.000 EUR with the purpose of building office space interest rate was 8%, grace period till September 17th 2009, where the last installment is due for payment on September 17th 2016.

Liabilities based on loan approved by the Unicredit bank Belgrade presented on December 31st 2011 amount in total 1.562.157 thousand RSD (14.928.738.31 EUR).

Line approved in RSD with currency EUR clause amounts 700.633 thousand RSD (6.695.592.38 EUR) and the line approved in EUR amounts to 861.524 thousand RSD (8.233.145.93 EUR).

The loan was approved based on contract signed on November 4th 2010. In accordance with the contract the stated funds represent a part of approved loan for financing new facility for the production of soy protein concentrate and for closing liabilities of open equipment purchase letters of credit.

Stated funds are approved for five years with equal quarter installments where the first installment is due upon the expiration of grace period of six months initiating from the withdrawal of the last line, and on August 22nd 2012 at the latest, while the latest installment is due on August 22nd 2017.

Maturity of long term loans is presented in the following table:

| | In thousand RSD | |
|-------------------------|--------------------------------|--------------------------------|
| | December 31 st 2011 | December 31 st 2010 |
| To 1 year | 530.602 | 753.279 |
| From 1 to 2 years | 559.523 | 374.829 |
| From 2 to 3 years | 435.491 | 266.485 |
| From 3 to 4 years | 440.905 | 141.119 |
| From 4 to 5 years | 389.694 | 146.578 |
| Over 5 years | 221.640 | 94.948 |
| Vojvodjanska Banka loan | 1.125.546 | 1.134.768 |
| | 3.703.401 | 2.912.006 |

29. SHORT TERM FINANCIAL LIABILITIES

| | In thousand RSD | |
|--|--------------------------------|--------------------------------|
| | December 31 st 2011 | December 31 st 2010 |
| Current maturity | | |
| Long term loans | 530.602 | 753.280 |
| Other long term loans | 717 | 1.298 |
| Short term loans | 1.977.812 | 2.329.954 |
| Other short term financial liabilities | 771 | 34.678 |
| | 2.509.902 | 3.119.208 |

Short term loans

In thousand RSD

| Creditor | Annual interest rate in % | Maturity | Amount in EUR | December 31 st 2011 | December 31 st 2010 |
|-----------------------|---------------------------|-----------------------------|---------------|--------------------------------|--------------------------------|
| Komercijalna banka AD | 4.40 | March 30 th 2011 | 4.000.000 | | 421.993 |
| | 4.40 | April 19 th 2011 | 2.000.000 | | 210.996 |
| | RKS – 1.5% | April 19 th 2011 | | | 200.000 |
| | 6.50 | June 30 th 2011 | 2.000.000 | | 200.000 |
| | 5.50 | May 19 th 2011 | | | 210.997 |
| | | April 21 th 2011 | | | |

| | | | | | |
|----------------------------------|--------------------|--------------------------------|-----------|-----------|-----------|
| Societe Generale Bank AD | 3M Euribor + 3.40% | August 31 st 2011 | 4.000.000 | | 421.993 |
| Eurobank EFG AD | 3M Euribor + 5.70% | September 6 th 2011 | 1.000.000 | | 105.498 |
| Credit Agricole AD | 3M Euribor + 3.80% | June 21 st 2011 | 5.000.000 | | 527.491 |
| Development Fund of AP Vojvodina | 4.00 | January 31 st 2011 | 292.836 | | 30.986 |
| Komercijalna Banka AD | 4.40 | March 30 th 2012 | 7.730.260 | 647.121 | |
| Societe Generale Bank AD | 3M euribor + 3.80% | August 31 st 2012 | 7.000.000 | 732.486 | |
| Credit Agricole bank AD | 3M Euribor + 3.90% | June 27 th 2012 | 5.000.000 | 523.205 | |
| Komercijalna Banka AD | 12.25 | March 15 th 2012 | | 75.000 | |
| | | | | 1.977.812 | 2.329.954 |

30. LIABILITIES FROM OPERATIONS

| | In thousand RSD | |
|------------------------------------|--------------------------------|--------------------------------|
| | December 31 st 2011 | December 31 st 2010 |
| Liabilities from advances received | 66.162 | 484.307 |
| Liabilities to suppliers | | |
| Related companies | 164.423 | 989.751 |
| Domestic | 257.900 | 1.458.999 |
| Foreign | 174.472 | 36.238 |
| Liabilities to importer | | |
| Other liabilities from operations | 102.114 | 7.569 |
| | 765.376 | 2.976.864 |

31. OTHER SHORT TERM LIABILITIES

| | In thousand RSD | |
|--|--------------------------------|--------------------------------|
| | December 31 st 2011 | December 31 st 2010 |
| Liabilities for net salaries | 22.919 | 20.498 |
| Liabilities for tax and salary contributions | 14.600 | 13.991 |
| Liabilities from interest | 13.300 | 6.504 |
| Liabilities for dividends | 4.389 | 4.389 |
| Liabilities to employees | 798 | 1.157 |
| Liabilities to members of managing and supervisory board | 200 | 200 |
| Other liabilities | 669 | 447 |
| | 56.875 | 47.186 |

32. LIABILITIES FROM ADDED VALUE TAX AND OTHER PUBLIC INCOME AND PASSIVE ACCRUALS

| | In thousand RSD | |
|--|--------------------------------|--------------------------------|
| | December 31 st 2011 | December 31 st 2010 |
| Liabilities from added value tax | 308 | 133 |
| Liabilities from taxes and customs | | |
| Liabilities from contributions charging expenses | | 16 |
| Liabilities from taxes, contributions and other expenses | 631 | 594 |
| Calculated profit of future income | 327 | 399 |
| Accrued liabilities for AVT | 909 | 181 |
| Other passive accruals | 28.954 | 23.494 |
| | 31.129 | 24.817 |

33. OFF BALANCE ASSETS/LIABILITIES

| | In thousand RSD | |
|--------------------------------------|--------------------------------|--------------------------------|
| | December 31 st 2011 | December 31 st 2010 |
| Other's goods on own storage | 716.999 | 335.731 |
| Given avail and guarantees | 19.383.659 | 15.290.704 |
| Other off balance assets/liabilities | 376.217 | 432.176 |
| | 20.476.875 | 16.058.611 |

Avails and guarantees given presented on December 31st 2011 in the amount of 19.383.611 thousand RSD contain given guarantees for regular payment of Company's loans as well as provided guarantees for loans of other companies within Victoria Group.

34. TRANSACTIONS WITH RELATED COMPANIES

a) Income and expense from transactions with related companies are as follows:

| | In thousand RSD | |
|-------------------------------------|-----------------|-----------|
| | 2011 | 2010 |
| Income | | |
| Income from sales | | |
| Victoria oil AD Sid | 623.410 | 2.661.200 |
| Victoria Group DOO Novi Sad | 6.101 | 46.214 |
| Fertil DOO Backa Palanka | 1.058 | 6.107 |
| Victoria Logistics DOO Novi Sad | 747.377 | 3.195.466 |
| SP Laboratories AD Novi Sad | 7.910 | 7.472 |
| Backa Palanka Port AD Backa Palanka | 132 | 68 |
| Victoria Phosphate DOO Bosilegrad | 5.400 | 1.970 |
| Victoria Zorka DOO Sabac | 575 | 94 |
| Riboteks Ljubovija | 757 | |
| | 1.392.720 | 5.918.591 |
| Financial income | | |
| Victoria Group DOO Novi Sad | 165.142 | 135.985 |
| SP Laboratories AD Novi Sad | 7 | |
| Fertil DOO Backa Palanka | | 1.221 |
| SIG Sinteza | 435 | |

| | | |
|-------------------------------------|-----------|-----------|
| Victoria Logistics DOO Novi Sad | 48.769 | 96.043 |
| Backa Palanka Port | 120 | |
| | 214.473 | 233.249 |
| Other income | | |
| Victoria Group DOO Novi Sad | 228 | |
| Victoria Logistics DOO Novi Sad | 925 | 3.223 |
| SP Laboratories AD Novi Sad | 20 | 2.906 |
| Victoria oil AD Sid | | 411 |
| Backa Palanka Port AD Backa Palanka | | |
| Fertil DOO Backa Palanka | | 10 |
| | 1.173 | 6.552 |
| Total income | 1.608.366 | 6.158.392 |

| | In thousand RSD | |
|-------------------------------------|-----------------|-----------|
| | 2011 | 2010 |
| Expenses | | |
| Purchase value of sold goods | | |
| Victoria oil AD Sid | 1.124.773 | 977.022 |
| Victoria Group DOO Novi Sad | | |
| Fertil DOO Backa Palanka | | |
| Victoria Logistics DOO Novi Sad | 75.003 | 670.922 |
| Backa Palanka Port AD Backa Palanka | | |
| Macvanka DOO Bogatic | | |
| | 1.199.776 | 1.647.944 |
| Raw material expenses | | |
| Victoria oil AD Sid | 161.387 | 261.860 |
| Victoria Logistics DOO Novi Sad | 2.685.572 | 2.462.057 |
| Victoria Group DOO Novi Sad | | 949.251 |
| Backa Palanka Port AD Backa Palanka | | |
| Fertil DOO Backa Palanka | | |
| | 2.846.959 | 3.673.168 |
| Other operational expenses | | |
| SP Laboratories AD Novi Sad | 82.079 | 59.035 |
| Fertil DOO Backa Palanka | 19 | |
| Victoria Group DOO Novi Sad | 139.015 | 8.004 |
| Victoria oil AD Sid | | |
| Victoria Logistics DOO Novi Sad | 29.346 | 6.800 |
| Bela Ladja AD Becej | 317 | |
| SIG Sinteza Invest Group Belgrade | 757 | 595 |
| | 251.526 | 74.434 |
| Other expenses | | |
| Victoria Logistics DOO Novi Sad | | 384 |
| Victoria oil AD Sid | 1.539 | |
| | | |
| Total expenses | 4.299.800 | 5.395.930 |
| | | |
| Profit, net | (2.691.434) | 762.462 |

b) Balance of claims and liabilities from transactions with related companies are presented in the following table:

| | In thousand RSD | |
|-------------------------------------|-----------------|---------------|
| | December 2011 | December 2010 |
| Claims | | |
| Advances given | | |
| Victoria Logistics DOO Novi Sad | 1.757.005 | |
| Victoria Group DOO Novi Sad | | |
| | 1.757.005 | |
| Claims from buyers | | |
| Victoria oil AD Sid | 209.449 | 751.091 |
| Victoria Group DOO Novi Sad | | 319.227 |
| Fertil DOO Backa Palanka | 1.070 | 11 |
| Victoria Logistics DOO Novi Sad | 1.860.967 | 2.024.163 |
| SP Laboratories AD Novi Sad | 7 | 7.676 |
| Backa Palanka Port AD Backa Palanka | 1 | 66 |
| Vetzavod Skopje | | 228 |
| Victoria Phosphate DOO Bosilegrad | | 2.325 |
| Victoria Zorka DOO Sabac | | 49 |
| | 2.071.494 | 3.104.836 |
| Loans to related parties | | |
| Victoria Group DOO Novi Sad | | 1.426.065 |
| Fertil DOO Backa Palanka | | |
| Victoria Logistics DOO Novi Sad | | |
| SIG Sinteza Invest Group Belgrade | 26.100 | |
| | 26.100 | 1.426.065 |
| Claims from interest | | |
| Victoria Group DOO Novi Sad | 125.453 | 134.449 |
| Fertil DOO Backa Palanka | | 1.221 |
| Victoria Logistics DOO Novi Sad | | 96.043 |
| SIG Sinteza Invest Group Belgrade | 435 | |
| | 125.888 | 201.649 |
| Total claims | 3.980.487 | 4.762.614 |
| Liabilities | | |
| Liabilities to suppliers | | |
| Victoria Group DOO Novi Sad | 21.015 | 563 |
| SP Laboratories AD Novi Sad | 40.720 | 3.333 |
| Victoria Logistics DOO Novi Sad | 20 | 979.066 |
| Victoria oil AD Sid | 102.973 | 6.543 |
| Bela Ladja AD Becej | | |
| SIG Sinteza Invest Group Belgrade | | 246 |
| | 164.728 | 989.751 |
| Short term liabilities | | |
| SP Laboratories AD Novi Sad | 4.951 | |
| Liabilities | 169.679 | 989.751 |
| Claims, net | 3.810.808 | 3.541.150 |

35. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT GOALS

Capital management goal is that Company maintains the capability to continue with its operations in unlimited period of time in foreseeable future, in order to maintain the optimal

structure of capital with the purpose to reduce capital expenses, and secure the owners with capital profit. Capital structure of the company includes debt, including long term loans explained in special note, other long term liabilities, long term and short term investments, cash and cash equivalents and capital registered to owners, including shares, other capital, reserves as well as accumulated profit.

Persons controlling finances on Company level examine the structure of capital on annual level.

Capital risk management

Debt indicators of the Company with the status at year's end are the following:

| | In thousand RSD | |
|----------------------------------|-----------------|---------------|
| | December 2011 | December 2010 |
| Debt | 5.682.701 | 5.277.934 |
| Cash and cash equivalents | 582.718 | 234.972 |
| Net debt | 5.099.983 | 5.042.962 |
| Capital | 13.002.855 | 11.778.337 |
| Ration of total debt and capital | 0.39 | 0.43 |

- a) Debt refers to long term loans with current maturity and short term financial liabilities
- b) Capital includes share capital reduced for bought own shares, reserves, accumulated income

Financial instruments categories

| | In thousand RSD | |
|---------------------------------------|-----------------|---------------|
| | December 2011 | December 2010 |
| Financial assets | | |
| Long term financial investments | 72.585 | 73.305 |
| Other long term financial investments | 66.079 | 9.877 |
| Claims from buyers | 4.668.630 | 5.484.985 |
| Short term financial investments | 154.624 | 1.641.627 |
| Cash and cash equivalents | 582.718 | 234.972 |
| | 5.544.636 | 7.444.766 |
| Financial liabilities | | |
| Long term and short term loans | 5.682.701 | 5.277.934 |
| Liabilities to suppliers | 765.376 | 2.484.988 |
| Other liabilities | 114.505 | 10.893 |
| | 6.562.582 | 7.773.815 |

Basic financial instruments of the Company are cash and cash equivalents, claims, financial investments from direct operations of the Company, as well as long term loans, obligations to suppliers and other obligations whose main purpose is financing current operations. In normal conditions Company operations are exposed to risk.

Financial risk management goals

Financial risks include market risk (foreign currency and interest) credit risk and liquidity risk. Financial risks are viewed on time basis and are avoided by lowering exposure of Company to those risks. The Company uses no financial instruments to avoid the influence of financial risk to operations since these instruments are not widely used, and there is no organized market of such instruments in the Republic of Serbia.

Market risk

In its operations the Company is directly proportional to financial risk from the changes of foreign currency rates and interest rates changes.

Exposure to market risk is viewed through analysis to market change sensitivity. There were no significant changes to exposure of the Company to market risk, nor in the method by which the Company manages those risks or measures them.

Foreign currency risk

The Company is exposed to foreign currency risk primarily through cash and cash equivalents, claims from buyers, long term loans and liabilities towards suppliers that are nominated in foreign currency. The company uses no special financial instruments as protection from risk, considering the fact that such instruments are not usual in Republic of Serbia.

Stability of economic environment in which the Company operates, in a large measure depends on the measures and economic policy of the government in industry, including the establishment of appropriate legal and legislative framework.

Book value of funds and liabilities presented in foreign currency on the reporting date in the Company were the following:

| | Funds | | Liabilities | |
|-----|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| | December 31 st 2011 | December 31 st 2010 | December 31 st 2011 | December 31 st 2010 |
| EUR | 575.329 | 471.140 | 5.400.791 | 5.117.844 |
| USD | 320.821 | 320.821 | | |
| GBP | 19.268 | 19.268 | 816 | |
| | 915.418 | 811.229 | 5.401.607 | 5.117.844 |

The Company is sensitive to changes of foreign currency exchange rate of euro (EUR) and American dollar (USD). The following table presents detailed analysis of Company sensitivity to increase and decrease of 10% of exchange rate compared to foreign currency. Sensitivity rate of 10% is used in internal presentation of foreign currency risk and is the evaluation of management of reasonable expected changes in foreign currency rates. Sensitivity analysis includes only the claims not collected and liabilities presented in foreign currency and adjusts their translation at the end of the period to a change of 10% in foreign currency exchange rate. Positive number in the table points to increase of results increase of the current period in cases when RSD devalues compared to currency at hand. In case of RSD devaluation of 10% compared to given foreign currency, result influence of the current period would be contrary to the one presented in previous case.

| | In thousand RSD | |
|------------------------|--------------------------------|--------------------------------|
| | December 31 st 2011 | December 31 st 2010 |
| EUR currency | (506.846) | (464.670) |
| USD currency | 46.945 | 32.082 |
| CHF currency | (82) | |
| GBP currency | 2.180 | 1.927 |
| Current period results | (457.803) | (430.662) |

Interest rate change risk

The company is exposed to interest rate change risk to funds and liabilities where the interest rate is variable. This risk depends on financial market so company has no instruments available that would mitigate its influence.

Book value of funds and liabilities at the end of the observed period is given in the following review.

| | In thousand RSD | |
|---------------------------------------|--------------------------------|--------------------------------|
| | December 31 st 2011 | December 31 st 2010 |
| Funds | | |
| Non-interest bearing | | |
| Long term financial interests | 72.585 | 73.305 |
| Other long term financial investments | 66.079 | 9.877 |
| Claims from buyers | 4.668.630 | 5.484.985 |
| Short term financial investments | 128.524 | 109.747 |
| Cash and cash equivalents | 582.718 | 234.972 |
| | 5.518.536 | 5.912.886 |
| Fixed interest rate | | |
| Short term financial investments | | 1.426.065 |
| | | |
| Variable interest rate | | |
| Short term financial investments | 26.100 | 105.815 |
| | 5.544.636 | 7.444.766 |
| Financial liabilities | | |
| Non-interest bearing | | |
| Liabilities to suppliers | 765.376 | 2.484.988 |
| Other obligations | 114.505 | 10.893 |
| | 879.881 | 2.495.881 |
| Fixed interest rate | | |
| Long term and short term loans | 647.121 | 696.332 |
| | | |
| Variable interest rate | | |
| Long term and short term loans | 5.035.580 | 4.581.602 |
| | 6.562.582 | 7.773.815 |

Sensitivity analysis in further text is established based on exposure to interest rate change on balance sheet date. For liabilities with variable rate, the analysis is produced under the assumption that the remaining amount of funds and liabilities on balance sheet date was unchanged during the entire year. Increase of decrease of 1% in management opinion is

evaluation of realistic change in interest rates. If the interest rate was 1% lower/higher and all other variables remain unchanged, the Company would achieve operational income/loss for the year ending on December 31st 2011 in the amount of 50.095 thousand RSD (December 31st 2010 44.758 thousand RSD). This situation is registered to the exposure of the Company based on variable interest rates calculated on long term loans.

Credit risk

Claims from buyers' management

The Company is exposed to credit risk representing the risk that the debtors will not be able to settle the debt towards the Company is full and in due time, which would result in financial loss for the Company. The exposure of the Company to this risk is limited to the amount of claims from the buyers on balance sheet date. Claims from buyers are significantly in regards to related parties.

Claims from buyers structure on December 31st 2011 is presented in the following table:

| | | | In thousand RSD |
|-------------------------------------|----------------|------------------|-----------------|
| | Gross exposure | Value correction | Net exposure |
| Undue claims from buyers | 1.796.855 | | 1.796.855 |
| Due, corrected claims from buyers | 213.976 | (213.976) | |
| Due, uncorrected claims from buyers | 2.871.775 | | 2.871.775 |
| | 4.882.606 | (213.976) | 4.668.630 |

Claims from buyers structure on December 31st 2010 is presented in the following table:

| | | | In thousand RSD |
|-------------------------------------|----------------|------------------|-----------------|
| | Gross exposure | Value correction | Net exposure |
| Undue claims from buyers | 2.059.291 | | 2.059.291 |
| Due, corrected claims from buyers | 168.360 | (168.360) | |
| Due, uncorrected claims from buyers | 3.425.694 | | 3.425.694 |
| | 5.653.345 | (168.360) | 5.484.985 |

Undue claims from buyers

Undue claims from buyers presented on December 31st 2011 in the amount of 1.796.855 thousand RSD (December 31st 2010 2.059.291 thousand RSD) are largely referred to claims from buyers of soybean meal. These claims are due in 60 days on average after the invoice date, depending on contractual payment dates. Average payment period of claims in 2011 in 122 days (2010: 122 days).

Due, corrected claims from buyers

The company has depreciated claims from buyers in the previous period for due claims in the amount of 213.976 thousand RSD (2010: 168.360 thousand RSD) for which the Company has determined that there has been a change in credit capability of the client and that the claims will not be collected in the next period.

Due, uncorrected claims from buyers

Due uncorrected claims from buyers presented with status on December 31st 2011 in the amount of 2.871.775 thousand RSD (2010: 3.425.694 thousand RSD) is largely, in the amount of 1.957.448 thousand RSD (2010: 3.425.694 thousand RSD) referred to claims from related parties by structure presented on the following table:

| | In thousand RSD | |
|---------------------------------|--------------------------------|--------------------------------|
| | December 31 st 2011 | December 31 st 2010 |
| Victoria oil AD Sid | 209.449 | 751.092 |
| Victoria Group DOO Novi Sad | | 319.227 |
| Victoria Logistics DOO Novi Sad | 1.746.929 | 2.024.163 |
| Fertil DOO Backa Palanka | 1.070 | |
| Other related companies | | |
| Others | | 331.212 |
| | 1.957.448 | 3.425.694 |

Maturity structure of due uncorrected claims is presented in the following table:

| | In thousand RSD | |
|-------------------|--------------------------------|--------------------------------|
| | December 31 st 2011 | December 31 st 2010 |
| Less than 30 days | 750.691 | 746.418 |
| 31-90 days | 282.943 | 276.826 |
| 91-180 days | 478.373 | 2.014.813 |
| 181-365 days | 1.340.823 | 226.034 |
| Over 365 days | 18.945 | 492.815 |
| | 2.871.775 | 3.425.694 |

Liabilities to suppliers' management

Liabilities to suppliers on December 31st 2011 is presented in the amount of 765.365 thousand RSD (December 31st 2010: 2.976.864 thousand RSD). The suppliers do not calculate default interest on due liabilities for lag, where the Company in accordance with its policy of financial risk management settles the liabilities in due time. Average time of liabilities settlement towards suppliers during 2011 was 45 days (in 2010: 67 days).

Liquidity risk

Final responsibility for liquidity risk management is on the management of the Company that has established an appropriate management system for the short term, mid-term and long term financing of the Company and liquidity management. The company manages liquidity management maintaining appropriate monetary reserves by tracking planned and realistic cash flow, as well as maintaining adequate ratio of due funds and liabilities.

Liquidity risk and credit risk tables

The following tables present details of remaining contractual maturities of funds. The presented amounts are based on non-discounted cash flows incurred based on funds on earliest date on which the Company will be able to collect the claims.

Funds maturity

| In thousand RSD December 31 st 2011 | | | | | |
|---|------------------------|------------|---------------------------------|--------------|-----------|
| | Less than one month | 1-3 months | From 3 months to one year | 1 to 5 years | Total |
| Non-interest bearing | 3.788.298 | 1.758.701 | 780.949 | 96.681 | 6.424.629 |
| Fixed interest rate | | | | | |
| Principal | | | | | |
| Interest | | | 118.410 | | 118.410 |
| Variable interest rate | | | | | |
| Principal | | | 26.100 | | 26.100 |
| Interest | | | 435 | | 435 |
| | | | 26.535 | | 26.535 |
| | 3.788.298 | 1.758.701 | 925.894 | 96.681 | 6.569.574 |

| In thousand RSD December 31 st 2010 | | | | | |
|---|------------------------|------------|---------------------------------|--------------|-----------|
| | Less than one month | 1-3 months | From 3 months to one year | 1 to 5 years | Total |
| Non-interest bearing | 2.628.075 | 2.469.454 | 503.951 | 311.406 | 5.912.886 |
| Fixed interest rate | | | | | |
| Principal | | | 1.426.065 | | 1.426.065 |
| Interest | | | 163.998 | | 163.998 |
| | | | 1.590.063 | | 1.590.063 |
| Variable interest rate | | | | | |
| Principal | 105.815 | | | | 105.815 |
| Interest | 7.104 | | | | 7.104 |
| | 112.919 | | | | 112.919 |
| | 2.740.994 | 2.469.454 | 2.094.014 | 311.406 | 7.615.868 |

The following tables present details of remaining contractual maturities of the Company. The presented amounts are based on undiscounted cash flow incurred based on financial liabilities on earliest date on which the Company will be obligated to settle such liabilities.

Maturity of financial liabilities

| In thousand RSD December 31 st 2011 | | | | | | |
|---|------------------------|------------|---------------------------------|-----------------|-----------------|---------|
| | Less than one month | 1-3 months | From 3 months to one year | 1 to 5 years | Over 5 years | Total |
| Non-interest bearing | 454.031 | 255.638 | 193.815 | 3.259 | | 906.743 |
| Fixed | | | | | | |

| | | | | | | |
|------------------------|---------|---------|-----------|-----------|-----------|-----------|
| interest rate | | | | | | |
| Principal | 242.670 | 404.451 | | | | 647.121 |
| Interest | 2.981 | 4.424 | | | | 7.405 |
| | | | | | | |
| Variable interest rate | | | | | | |
| Principal | 30.238 | 209.166 | 1.623.440 | 1.825.613 | 1.347.185 | 5.035.642 |
| Interest | 14.582 | 50.377 | 75.726 | 206.547 | 6.266 | 353.498 |
| | 44.820 | 259.543 | 1.698.166 | 2.032.160 | 1.353.451 | 5.389.140 |
| | 744.502 | 924.056 | 1.892.981 | 2.035.419 | 1.353.451 | 6.950.409 |

| In thousand RSD December 31 st 2010 | | | | | | |
|---|---------------------|------------|---------------------------|--------------|--------------|-----------|
| | Less than one month | 1-3 months | From 3 months to one year | 1 to 5 years | Over 5 years | Total |
| Non-interest bearing | 2.115.389 | 361.159 | 9.104 | 10.229 | | 2.495.861 |
| Fixed interest rate | | | | | | |
| Principal | 52.460 | 559.166 | 84.708 | | | 696.332 |
| Interest | 2.373 | 6.567 | 1.432 | | | 10.372 |
| | 54.833 | 565.733 | 86.138 | | | 706.704 |
| Variable interest rate | | | | | | |
| Principal | 209.808 | 469.615 | 1.441.210 | 920.946 | 1.540.023 | 4.581.602 |
| Interest | 7.500 | 14.720 | 46.008 | 59.906 | 107.599 | 235.733 |
| | 217.308 | 484.335 | 1.487.218 | 980.852 | 1.647.622 | 4.817.335 |
| | 2.387.530 | 1.411.227 | 1.582.460 | 991.081 | 1.647.622 | 8.019.920 |

Financial instruments fair value

The following table presents present value of financial assets and financial liabilities and their fair value on December 31st 2011 and December 31st 2010.

| In thousand RSD | | | | |
|---------------------------------------|--------------------------------|------------|--------------------------------|------------|
| | December 31 st 2011 | | December 31 st 2010 | |
| | Book value | Fair value | Book value | Fair value |
| Financial assets | | | | |
| Long term financial investments | 72.585 | 72.585 | 73.305 | 73.305 |
| Other long term financial investments | 66.079 | 66.079 | 9.877 | 9.877 |
| Claims from buyers | 4.668.630 | 4.668.630 | 5.484.985 | 5.484.985 |
| Other claims | 154.624 | 154.624 | 1.641.627 | 1.641.627 |
| Cash and cash equivalents | 582.718 | 582.718 | 234.972 | 234.972 |
| | 5.544.718 | 5.544.718 | 7.444.766 | 7.444.766 |

| | | | | |
|--------------------------------|-----------|-----------|-----------|-----------|
| | | | | |
| Financial liabilities | | | | |
| Long term and short term loans | 5.682.701 | 5.682.701 | 5.277.934 | 5.277.934 |
| Liabilities to suppliers | 756.376 | 756.376 | 2.484.988 | 2.484.988 |
| Other liabilities | 114.505 | 114.505 | 10.893 | 10.893 |
| | 6.562.582 | 6.562.582 | 7.773.815 | 7.773.815 |

Assumptions for the evaluation of present fair value of financial instruments

Considering the fact that there is not enough market experience, stability and liquidity in purchase and sale of financial assets and liabilities, as well as the fact that there are no available market information that could be used for disclosing fair value of financial assets and liabilities, a method of discounting cash flows was used. In using this method, interest rates are used for financial instruments with similar characteristics, for the purpose of having relevant evaluation of market value of financial instruments on balance date.

36. LITIGATIONS

On December 31st 2011 the Company has a number of disputes as respondent where the most significant ones are:

- Litigation with Vojvodjanska Bank AD Novi Sad, for liabilities per refinanced loan from the Paris Club in the value of EUR 10.756.276.60. The second degree verdict was cancelled by the Supreme Court of Serbia and the repeated process resulted in the decision in favor of the Company
- Two litigations with Agro DOO Valjevo of total value of 21.940 thousand RSD regarding the concluded contract on object building

The Company believes in favorable outcome of litigations, and there are no reserves on that basis in the submitted financial statements.

37. TAX RISKS

Tax laws of Republic of Serbia are often differently interpreted and are subject to frequent changes. Interpretation of tax laws by the tax authority related to transactions and activities of the company can be different from the interpretation of the management. The transaction therefore can be challenged by the administration and the Company can receive an increased amount to pay. Maturity date of tax obligation is 5 years. This means that the tax administration has the right to set payment of unpaid liabilities within five years from the occurrence of the duty.

38. FOREIGN CURRENCY EXCHANGE RATES

Average rates for foreign currency, determined on inter-banking market, are applied for the calculation of foreign currency positions of balance sheet in RSD, for certain main currencies:

| | December 31 st 2011 | December 31 st 2010 |
|-----|--------------------------------|--------------------------------|
| USD | 80.8662 | 79.2808 |
| EUR | 104.6409 | 105.4982 |
| GBP | 124.6022 | 122.4161 |

CEO Sojaprotein AD



Sojaprot

Branislava Pavlovic

AKCIONARSKO DRU
ZA PRERADU SOJE
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SOJAPROTEIN
MEMBER OF THE VICTORIA GROUP

JOINT STOCK COMPANY SOJAPROTEIN BUSINESS REPORT

For the period I-XII 2011

Becej 2012

Operations of Sojaprotein in 2011 were executed in difficult industrial conditions.

Global economic crisis caused demand drop which lead to disturbance on domestic market and slowing of industrial activities. In 2011 the sales activities were directed to realization of products from own core business and less in activities of purchase and sale of goods. Limitations of domestic market regarding the volume and structure of payable demand and orientation to the production of protein products in food industry directed the execution of finished products to foreign market. Deepening of economic crisis followed by the growth of non-liquidity and difficulties in payments caused the drop of sales. Within the production program of Sojaprotein the reduced demand was especially visible with the animal food products. Reduced demand caused the drop of soybean meal sale which is the major ingredient. At the same time, the drop of standard between the consumers caused the drop of sales in the human food products. For the purpose of prevailing and depreciation of drop the business policy of the company was directed in larger export to foreign markets that should secure steady and continuous sale.

In 2011 investment was started in building a factory for the production of soy traditional concentrate, whose operation is expected in 2012. Soy protein concentrate (SPC) is one of the growing segments of soy protein industry. The applications are significant in all sectors of food industry, meat production, baking, soups, beverages and baby food. This production will replace soybean meal production which is a product with low profit margin. New products have more complex technological process and larger sale price that should secure sufficient difference for larger gross profit.

In regional sale in 2011 export to EU countries dominated in the foreign trade with 80%. For all products except for sopromix and soybean meal, the EU market was dominant and with soy oil it is the only export market. The soy products export to Russia has a traditionally large influence in foreign sale of Sojaprotein. Income from sale in Russia, Belarus and Ukraine make 10% of foreign trade. Participation of CEFTA market is stagnated compared to previous year but it has a significant place in regional structure with share of 5%. Increase of export in Turkey, Middle East and north Africa bears a share of 5%.

Evaluation visit of certified house SGS in February 2011 referred to repeated certification of the health management and safety at work system in accordance with the standard OHSAS 18001:2007 and was completed successfully.

High value and quality of its products Sojaprotein AD confirmed with the prolongation and expansion of the KOSHER certificate for Soja Vita pates, in March 2011.

The project Valid IT secured all necessary conditions for the sale of products on UK market, and entrance into market chains like KERRY. The project was ended in March 2011.

Sojaprotein prolonged certificate for 26 products in accordance with HALAL regulation, issued by the HALAL certificate.

SGS has reevaluated management system: quality system in accordance to standard ISO 9001, product safety system in accordance with ISO 22000 / HACCP and environment protection system in accordance with ISO 14001.

In accordance with the planned dynamics, all regular internal checks were performed in management system in accordance with QMS, ISO 22000, HACCP, EMS and OHSAS.

During 2011 training of managers were performed in accordance with the schedule.

All activities regarding raw material control, inter phase and final products were performed by the SP LABORATORY,

On December 31st 2011 there were 347 full time employees and 47 part time employees.

| Education level | Total |
|-----------------|-------|
| I | 48 |
| II | 5 |
| III | 120 |
| IV | 136 |
| V | 15 |
| VI | 27 |
| VII | 43 |
| Total | 394 |

Level of education per organizational units

| Organizational unit | Education level | | | | | | | Total |
|-------------------------|-----------------|----|-----|-----|----|----|-----|-------|
| | I | II | III | IV | V | VI | VII | |
| Director and staff | 0 | 0 | 0 | 1 | 0 | 0 | 2 | 3 |
| Management system | 1 | 0 | 2 | 6 | 0 | 1 | 5 | 15 |
| Production and technics | 33 | 3 | 106 | 87 | 14 | 15 | 17 | 275 |
| Supply sector | 0 | 0 | 1 | 5 | 1 | 2 | 2 | 11 |
| Sales sector | 7 | 0 | 6 | 15 | 0 | 5 | 12 | 45 |
| Finance sector | 0 | 0 | 2 | 13 | 0 | 3 | 3 | 21 |
| Legal sector | 7 | 2 | 3 | 9 | 0 | 1 | 2 | 24 |
| Total | 49 | 5 | 120 | 136 | 15 | 27 | 43 | 394 |

During 2011 during the program first chance from the National employment agency 25 employees were employed, 15 of which became full time employees on probation.

At the end of 2011 a portion of 12 ha of land was bought bordering with the land owned by Sojaprotein with the intent of expanding future investments.

Investments in 2011 include building high regal storage of finished products with 14.000 pallet locations in accordance with world standard FIFO in value of 4.374.500 euro, then investments securing production of texture protein concentrate of soy and the investment in the reconstruction and improvement of soybean meal production in grinding soy protein concentrate with the purchase of new mill value of which is 350.000 euro. Besides, investments in the reconstruction of gas boiler and connecting the well with the water factory took 700.000 euros.

The most significant investment is the building of the first phase of the Factory of soy protein concentrate for the production of 70.000 t of traditional soy protein concentrate executed in 75%. The object is finishing now and all key equipment is delivered and installing.

The most significant investments were finishing of the factory building by April 2012, then the design of the Factory of functional soy protein concentrate of capacity of 15.000 t annually, as well as the purchase of new steam boiler for the biomass.

In the situation of reduction of NON GMO soy by one of the biggest world manufacturers and growing demand for it, Sojaprotein has large comparative advantage on the world market.

The largest supplier of Sojaprotein with raw material in Victoria Logistics DOO Novi Sad, in 74% of total purchased soy seed in 2011.

For the production of 2011 a total of 135.769.338 kg of soy of JUS quality was purchased:

- | | |
|-----------------|----------------|
| - Soy 2010 crop | 23.242.838 kg |
| - Soy 2011 crop | 112.526.500 kg |

FINANCIAL STATEMENTS

The results of the Company property management in the business year 2011 have been presented in financial statements, the most important of which are Income Statement, Balance Sheet and Cash Flow Statement.

INCOME STATEMENT

IN 000 RSD

| REALIZED 2011 | REALIZED 2010 |
|------------------|------------------|
|------------------|------------------|

| | 12.188.506 | 14.512.842 |
|--|------------------|------------------|
| Operating income | 12.188.506 | 14.512.842 |
| Income from the sale of merchandise, products and services rendered | 11.669.080 | 14.271.961 |
| Income from the sale of merch. to domestic customers – 3rd parties | 5.474.900 | 4.988.587 |
| Soybean – crude oil | 1.037.513 | 634.543 |
| Soybean – oil meal | 2.785.134 | 3.324.144 |
| BiG | 142.202 | 159.891 |
| TSP | 171.052 | 174.590 |
| Mix | 13.042 | 13.518 |
| Soja Vita | 21.306 | 28.042 |
| Other – lecithin | 53.118 | 49.082 |
| Finished goods | 1.193.659 | 525.678 |
| Other (retail shell III category transp.serv.other) | 57.874 | 23.386 |
| Sopro PTG / SH | | 55.713 |
| Income from the sale to foreign customers | 4.551.804 | 3.152.602 |
| Soybean – crude oil | 2.474.097 | 1.256.645 |
| Soybean – oil meal | 51.664 | 143.533 |
| BiG | 933.878 | 753.691 |
| TSP | 1.001.290 | 898.058 |
| Mix | 9.557 | 34.851 |
| Soy Vita | 1.144 | 368 |
| Other – lecithin | 77.536 | 65.432 |
| Finished goods | | 24 |
| Income from the services rendered | 2.638 | |
| Income from the sale to associated legal entities | 1.642.376 | 6.130.772 |
| Soybean – crude oil | 2.816 | 890.536 |
| Soybean – oil meal | 954.165 | 1.204.817 |
| TSP | 5.519 | 32.395 |

| | | |
|---|----------------|----------------|
| Soy Vita | 32 | 199 |
| Lecithin | | 45 |
| Sopro PTG/SH | | 5.248 |
| Finished goods | 640.453 | 3.940.636 |
| Income from services rendered | 39.391 | 56.896 |
| Discounts (rebates) | 0 | 0 |
| Income from the own use of products, services and merchandise | 49.297 | 10.844 |
| Increase in value of inventories of work in progress and finished products | 1.082.765 | 0 |
| Decrease in value of inventories of work in progress and finished products | (728.112) | -73087 |
| Other operating income | 115.476 | 303.124 |
| 640 - Subventions, subsidies, donations | 60.577 | 252.427 |
| 650 – Rental fees income | 54.674 | 49.379 |
| 65x – Other operating income | 225 | 1.238 |
| 659 – Pass-through income | 0 | 80 |

| | | |
|---|-------------------|-------------------|
| Operating expenses | 10.794.339 | 12.646.203 |
| Cost of merchandise sold | 1.817.512 | 3.978.674 |
| Cost of material | 7.915.251 | 7.846.026 |
| 511 – Raw material | 7.373.635 | 7.298.288 |
| 511 – Additional material | 34.807 | 33.984 |
| 511 – Packaging | 132.655 | 108.004 |
| 511 – Other | 20.520. | 18.558 |
| 512 – Costs of other material (overhead) | 36.982 | 63.398 |
| 513 – Costs of fuel and energy | 316.652 | 323.794 |
| Costs of salaries, fringe benefits and other personal expenses | 410.847 | 364.311 |
| 520 – Costs of salaries and fringe benefits | 312.492 | 273.677 |
| 521 – Costs of contributions charged to employer | 55.778 | 48.506 |
| 52x – Costs of remunerations according to contracts | 4.665 | 5.492 |
| 529 – Other personal expenses | 37.912 | 36.636 |
| Other operating expenses | 650.729 | 457.192 |
| 530 – Costs of services used in production process of own costs capitalized | 267 | 284 |
| 531 – Costs of transport services | 152.949 | 97.491 |
| 532 – Maintenance costs | 64.275 | 74.015 |
| 533 – Rental costs | 58.662 | 38.345 |
| 534 – Fairs exhibit costs | 8.283 | 4.892 |
| 535 – Advertising costs | 3.121 | 2.859 |
| 539 – Costs of other services rendered | 106.374 | 83.263 |
| 545 – Costs of long-term provisions (actuaries) | 4.753 | 156 |
| 550 – Costs of non-production services | 135.580 | 22.508 |
| 551 – Representation costs | 13.019 | 12.766 |
| 552 – Costs of insurance premiums | 25.245 | 21.105 |
| 553 – Costs of payment operations | 42.881 | 57.452 |
| 554 – Costs of membership fees | 2.112 | 2.101 |
| 555 – Tax costs | 16.697 | 20.311 |
| 556 – Contribution costs | 2.445 | 2.229 |

| | | |
|---|------------------|------------------|
| 559 – Other non-production costs | 14.066 | 17.415 |
| E.B.I.T.D.A | 1.394.167 | 1.866.639 |
| Other income | 39.487 | 41.137 |
| 67 – Gains on disposals | 32.999 | 30.986 |
| 68 – Income from assets valuation adjustments | 6.488 | 10.151 |
| 69 – Income from discontinued operations | 0 | |
| Other expenses | 54.874 | 43.257 |
| 57 – Losses / Expenses on writing-offs | 6.287 | 18.543 |
| 579 – Other unlisted expenses | 14.888 | 5.663 |
| 58 – Impairment expenses | 33.699 | 19.051 |
| 59 – Losses from discontinued operations | 0 | |
| Depreciation | 186.655 | 147.451 |
| E.B.I.T | 1.192.125 | 1.717.068 |
| Financial income | 748.737 | 499.070 |
| Foreign exchange gains | 578.701 | 276.775 |
| Foreign exchange gains – IK | 0 | |
| Interest income | 7.079 | 8.181 |
| Interest income – IK | 158.317 | 203.185 |
| Other net financial income | 4.125 | 10.929 |
| Other net financial expenses – IK | 515 | |
| Financial expenses | 735.778 | 1.376.629 |
| Foreign exchange expenses – loans | 449.630 | 1.072.573 |
| Foreign exchange expenses – other | 143.302 | 50.672 |
| Foreign exchange expenses – IK | 0 | |
| Interest expenses – loans | 134.235 | 249.931 |
| Interest expenses – other | 906 | 1.532 |
| Interest expenses – IK | 0 | 0 |
| Other net financial expenses | 7.705 | 1.921 |
| Other net financial expenses - IK | 0 | 0 |
| Pretax income | 1.205.084 | 839.509 |
| Tax on profit (0,1) | 62.252 | 47.495 |
| After-tax income | 1.142.832 | 792.014 |

In 2011 the Company realized net profit in the amount of RSD 1.142.832 thousand.

Total income generated in the year 2011 amounted to RSD 12.976.730 thousand. If we analyze individual types of income, the following has been generated:

- Operating income RSD 12.188.506 thousand
- Financial income RSD 748.737 thousand
- Other income RSD 39.487 thousand

Total expenses generated in 2011 amounted to RSD 11.771.645 thousand out of which amount:

- Operating expenses RSD 10.980.993 thousand
- Financial expenses RSD 735.778 thousand
- Other expenses RSD 54.874 thousand

For a real understanding of business operations and meeting the preset goals it is necessary to show the income and expenses trends in the current year compared to the previous year.

In 2010 the total income in the amount RSD 15.053.048 thousand was generated and total expenses in the amount of RSD 14.213.539 thousand. The greatest difference occurred at the positions of income and expenses from trade goods.

The volume of trading in the year 2010 totaled in the amount of RSD 4.466.314 thousand compared to the volume realized in the year 2011 in the amount of RSD 1.834.112 thousand. A positive difference in the amount of RSD 487.640 thousand was generated from the activities of trade in goods.

Within the scope of operating income for the year 2011, the income from the sale of soybean products amounted to RSD 9,745 billion, out of which amount the income generated in foreign markets accounted for RSD 4,549 billion, and RSD 4,236 billion in domestic market as well as the income generated in the inter-company sale in the amount of RSD 962.531 thousand.

Income from the sale of Sojaprotein products in the domestic market recorded a decline of 5% in 2011 compared to 2010.

Associated party transactions: income from sales of merchandise to associated parties was generated from the sale of merchandise in total value of RSD 640.453 thousand, out of which amount soybeans account for the value of RSD 624.076 thousand, sunflower meal for the value of RSD 2.389 thousand and crude oil for the value of RSD 13.988 thousand.

Income from the sale of products and services to the associated legal entities was generated in the year 2011 as follows:

| | | |
|-------------------|-----|--------------------|
| Soy meal | RSD | 954.165 thousand |
| Crude soybean oil | RSD | 2.816 thousand |
| Protein products | RSD | 5.551 thousand |
| Other | RSD | 39.391 thousand |
| TOTAL | RSD | 1,001.923 thousand |

Significant income was generated from the sale of crude soybean oil and lecithin, while all other products recorded a decrease in income, where the soybean meal recorded the sharpest decrease. Decrease in income from the sale of soybean meal is the result of the problems faced by the most significant consumers of this product (livestock breeding and meat industry) and is not influenced by competition.

The most significant change in operating expenses relates to the increased income from foreign market which has increased from 32,42% in 2010 to 46,67% in 2011.

Income generated in foreign markets increased by 44% in the year 2011 compared to the year 2010, and the increase was generated from the sale of crude degummed soybean oil, flour and grits and textured soy products.

The structure of income generated from the sale of products of the own core business was changed in the current compared to the previous year. In 2010 the income from the sale of soybean meal of 48%, degummed soybean oil of 28,60%, textured soy products of 11,36%, flour and grits of 9,45% had the largest share in income generated from the sale of Sojaprotein products. In 2011 soybean meal had the largest share in income but with a smaller percentage (38,89%), crude degummed soybean oil with the percentage of 36,05%, textured soy products of 12,08%, flour and grits of 11,04%.

Operating expenses generated in the year 2011 decreased by 14% compared to the operating expenses in 2010. The largest percentage of decrease related to the purchase price of merchandise.

Costs of materials increased compared to the year 2010 by approximately 1%, and within the scope of this group of expenses the costs of packaging recorded the largest increase.

Costs of raw materials increased for only RSD 75.347 thousand in the year 2011 compared to 2010, and the reason happens to be the reduced use of soybeans (in 2010 217.999 t were processed compared to 200.680 t processed in 2011).

Costs of salaries increased slightly for the reason of the grading procedure performed at the level of Victoria Group, which was developed in accordance with the instructions of Price Waterhouse Coopers with participation of the HR department, so that the salaries of employees within one grade have been leveled, thus causing the increase in the amount of total expenses. The application of this model began with the payment of salaries for January 2011.

Other operating expenses recorded the increase of RSD 193.537 thousand, and within this group the increase in costs of transport and non-production services is the most significant. Increase in the costs of transport is the result of the increased realization of products in foreign markets because in cases of foreign sales the parity of delivery of merchandise DAP is contracted so that Sojaprotein is obliged to hire carriers and to bear the costs of transport.

Costs of non-production services were increased for reasons of corporate costs appearing for the first time in the year 2011.

Depreciation costs in 2011 were increased for the amount of RSD 39.204 thousand compared to 2010 due to investments in property, plant and equipment.

Due to the above mentioned trends in income and expenses, EBITDA realized in 2011 decreased by RSD 472.472 thousand compared to the previous year, while the realized EBIT decreased by RSD 524.943 thousand.

Financial income in the year 2011 increased by 50,03% compared to the year 2010 while at the same time the financial expenses were reduced by 46,55%. The reason for such trends in financial income and expenses is the change in RSD exchange rate. Calculated at the average exchange rate of NBS for EUR on December 31, 2011 compared to the value of the average exchange rate on December 31, 2010, RSD recorded appreciation. In the first half of the year the appreciation of RSD compared to EUR was more significant, and although the second half of the year recorded depreciation of RSD compared to the first six months of 2011, the exchange rate of RSD against EUR on December 31, 2011 reached the value of 104,6409 RSD, which is less compared to December 31, 2010 when the average exchange rate of RSD for EUR amounted to 105,4982.

Net profit generated amounted to RSD 1.142.832 thousand, and recorded the increase of 44,29% compared to the year 2010.

BALANCE SHEET

| | REALIZED 2011 | REALIZED 2010 |
|--|------------------|-------------------|
| CURRENT ASSETS | 9.306.798 | 12.022.222 |
| I. INVENTORIES | 4.744.120 | 5.727.088 |
| - Merchandise | 5.914 | 16.549 |
| III. INTANGIBLE INVESTMENTS | 2.129.517 | 4.846.762 |
| Raw materials | 7.116.877 | 4.184.023 |
| IV. PROPERTY, PLANT, EQUIPMENT AND NATURAL ASSETS | 7.109.817 | 4.184.023 |
| Additional material | 6.781.872 | 3.848.521 |
| 1. Property, plant and equipment | 23.015 | 18.924 |
| Packaging | 231.953 | 226.920 |
| 2. Investment property | 142.253 | 30.897 |
| Other material | 69.397 | 30.897 |
| 3. Natural assets | 69.397 | 30.897 |
| Work in progress | 69.397 | 30.897 |
| IV. LONG TERM FINANCIAL INVESTMENTS | 69.397 | 30.897 |
| Finished products | 1.684.789 | 317.829 |
| - Advances | 0 | 0 |
| - Other | 0 | 0 |
| II. FIXED ASSETS HELD FOR SALE | 0 | 0 |
| III. SHORT-TERM RECEIVABLES, INVESTMENTS AND CASH | 4.562.678 | 6.295.134 |
| 1. Receivables | 3.776.562 | 4.563.152 |
| Receivables in domestic market – 3 rd parties | 664.559 | 649.260 |
| Receivables in foreign market | 757.477 | 524.583 |
| Receivables from associated legal entities | 2.354.526 | 3.389.309 |
| 2. Receivables for prepaid income tax | | 0 |
| 3. Short-term financial investments | 128.804 | 1.274.229 |

| | | |
|---|-------------------|-------------------|
| 4. Cash and cash equivalents | 523.815 | 221.357 |
| 5. VAT and AVR | 133.497 | 236.396 |
| IV. DEFERED TAX ASSETS | | 0 |
| V. LOSS OVER CAPITAL | | |
| TOTAL ASSETS | 17.294.054 | 17.072.689 |
| LIABILITIES | | |
| CAPITAL | 11.260.015 | 10.096.066 |
| I. BASIC CAPITAL | 6.906.480 | 4.564.674 |
| II. SUBSCRIBED CAPITAL UNPAID | | 0 |
| III. RESERVES | 1.371.588 | 1.328.380 |
| IV. EFFECT OF RESTATEMENT OF CAPITAL | 1.837.936 | 1.839.541 |
| V. UNREALIZED GAINS FROM SECURITIES | 571 | 2.476 |
| VI. UNREALIZED LOSSES FROM SECURITIES | | 0 |
| VII. RETAINED PROFIT | 1.143.440 | 2.381.407 |
| VIII. LOSS | | 0 |
| IX. OWN SHARES PURCHASED | 0 | 20.412 |
| LONG-TERM PROVISIONS AND LIABILITIES | 6.034.039 | 6.976.623 |
| I. LONG-TERM PROVISIONS | 49.890 | 45.136 |
| II. LONG-TERM LIABILITIES | 2.895.566 | 1.791.150 |
| 1. Long-term loans | 2.895.503 | 1.790.364 |
| 2. Other long-term liabilities | 63 | 786 |
| III. SHORT-TERM LIABILITIES | 2.952.947 | 5.004.382 |
| 1. Short-term financial liabilities | 2.345.998 | 2.559.443 |
| 2. Liabilities from assets held for sale | | 0 |
| 3. Liabilities from business operations | 521.683 | 2.381.489 |
| Liabilities in domestic market – 3 rd parties | 317.492 | 1.373.827 |
| Liabilities to associated legal entities | 158.500 | 993.694 |
| Liabilities in foreign market | 45.691 | 13.968 |
| 4. Other short-term liabilities | 32.794 | 23.986 |
| 5. Liabilities for VAT and other public revenues and accruals and deferred income | 29.618 | 24.098 |
| 6. Liabilities for taxes on profit | 22.854 | 15.366 |
| IV. DEFERED TAX LIABILITES | 135.636 | 135.955 |
| TOTAL LIABILITES | 17.294.054 | 17.072.689 |
| Off-balance sheet assets | 10.593.951 | 8.469.955 |
| Off-balance sheet liabilities | 10.593.951 | 8.469.955 |

Data on the balance and property, liabilities and capital management of the company between the two business years can be obtained by comparing the balance sheet items as of the last day of the two business years.

- The balance of property, plant and equipment and natural assets in the year 2011 is RSD 2.932.854 thousand higher compared to the same period in the previous year, where the most significant investment relates to the land purchased for the construction of the plant for soy protein concentrates, extraction for the factory for production of soy protein concentrates and the facilities relating to the construction of the SPC factory and the equipment purchased such as an extruder, mills, packing machine for finished products, additional equipment for the biomass boiler, forklifts and other equipment.
- The balance of inventories was reduced by 17% compared to the balance on December 31, 2010. The most significant reduction was recorded at the item of inventories of raw materials which were reduced by RSD 2.714.054 thousand compared to the previous year, i.e. by 56%. Unlike the previous year, the most important supplier of the basic raw

material – soybeans – Victoria Logistics d.o.o. Novi Sad failed to perform the invoicing of the entire purchased amount of the soybeans in December of 2011, thus causing the inventories on December 31, 2011 to amount to only 53.505 tons of soybeans of JUS quality as opposed to the year 2010 when the year-end stock amounted to 138.385 tons of soybeans. Invoicing of the remaining amount of soybean was performed in January 2012.

During the year 2011, for the purpose of financing the purchase of soybean, the advances were paid to Victoria Logistics which partly remained on balance as of the date of making the balance sheet due to the impossibility of closing the liability because the advanced amount of the soybean failed to be invoiced in December 2011, but was invoiced in January 2012.

- Work in process and finished products recorded higher values compared to the previous year due to the reduced realization of soybean meal, which accounts for one reason why the amount of meal was left on stock.
- Receivables from foreign customers on December 31, 2011 were by RSD 232.894 thousand higher compared to the balance on December 31, 2010 due to the increased sale of program for humans in foreign market. Receivables from associated entities were reduced compared to the previous year by RSD 1.034.783 thousand owing to the fact that the scope of trade with the associated entities was reduced, especially the trade in merchandise. The inspection of transactions with associated legal entities has been provided in notes to financial statements.
- Basic capital of the Company was increased on December 31, 2011 by RSD 2.341.806 thousand compared to the same period in the previous year.

Based on the decision issued by the Company Assembly of Shareholders dated June 30, 2011 the issuance of shares of X emission was performed based on the conversion of the retained profit into basic capital. 5.050.680 items of shares with voting rights but with no par value and with individual book value of RSD 463,661404, i.e. of total value of RSD 2.341.805.379,95 were issued. The basic capital of the company after the increase based on converting the retained earnings amounted to RSD 6.906.479.571,15 and was divided into 14.895.524 shares. The shares of X emission were entered into the database of the Central Securities Database on August 9, 2011.

On December 31, 2010 the Company recorded the amount of RSD 20.412 as the item of own shares purchased.

At the meeting held on October 20, 2010 the Board of Directors made a Decision on acquiring own shares in the organized market in order to prevent disturbances in the securities market and in order to prevent major and immediate damages to the company. Sojaprotein AD Bečej has acquired 45.741 own shares in Belgrade stock exchange market.

In accordance with the legal regulations, the Decision on disposal of 45.741 own shares has been issued, which accounts for 0,46% of total shares. In addition to the already acquired 45.741 own shares, the Company will have disposed of the own shares of X emission acquired on the basis of participation in the increase of basic capital out of the Company assets by August 9, 2012. Own shares shall be sold on the basis of offer submitted to all the shareholders according to the pro-rata basis.

- Increase in the position of liabilities for long-term loans in the amount of RSD 1.105.139 thousand occurred as a result the indebtedness for investment loan for the construction of the plant for production of soy protein concentrate.
- Decrease in short-term liabilities in the year 2011 compared to 2010 amounted to RSD 2.051.435 thousand.

The largest decrease in liabilities was recorded in the position of liabilities to 3rd parties which was reduced by RSD 1.056.335 thousand compared to December 31, 2010. This decrease is a result of settlement of liabilities by means of compensation. Liabilities to associated legal entities were reduced compared to the previous year because the associated legal entity Victoria Logistics failed to invoice the soybeans.

CASH FLOWS

| | Realization 2011 000 RSD | Realization 2010 000 RSD |
|--|--------------------------------|--------------------------------|
| INFLOW– 3rd | 12.625.875 | 10.984.313 |
| 1. Cash inflows from business activities | 8.917.187 | 8.038.645 |
| Sale of crude soybean oil | 2.744.271 | 1.273.605 |
| Sale of program for humans | 2.418.788 | 2.261.943 |
| Sale of soybean meal | 3.156.211 | 4.148.765 |
| Income from subsidies from sale of oil | 53.994 | 61.972 |
| Subsidies from the sale of program for humans | 54.444 | 144.484 |
| Other inflows (premiums, donations, rentals, employee receivables) | 102.635 | 146.891 |
| VAT refund | 386.844 | 985 |
| 2. Cash inflows from investment activities | 92.244 | 0 |
| Sale of shares and stocks | 25.508 | 0 |
| Sale of property, plant and equipment | 0 | 0 |
| Other financial investments | 66.736 | 0 |
| 3. Cash inflows from financing activities | 3.616.444 | 2.945.668 |
| Increase of basic capital | 0 | 0 |
| Long-term and short-term loans | 3.532.139 | 2.945.668 |

| | | |
|---|-------------------|-------------------|
| Other long-term and short-term liabilities | 84.305 | 0 |
| OUTFLOW – 3rd | 7.912.236 | 12.189.122 |
| 1. Cash outflows from business activities | 2.034.105 | 3.112.264 |
| Purchase of soybean | 89.558 | 690.615 |
| Purchase of other raw materials and packaging | 122.514 | 98.971 |
| Other payments to suppliers | 678.488 | 609.835 |
| Advances | 50.715 | 0 |
| Salaries, fringe benefits and other personal expenses | 425.510 | 382.731 |
| Interest paid | 162.943 | 288.233 |
| Tax on profit | 54.905 | 35.233 |
| Duty clearance and other taxes (except for VAT) | 371.068 | 144.331 |
| VAT paid | 76.847 | 862.315 |
| Other outflows | 1.557 | |
| 2. Cash outflows from investment activities | 3.230.197 | 749.138 |
| Purchase of shares and stocks | 0 | 36.345 |
| Purchase of property, plant and equipment - INVESTMENTS | 3.091.045 | 609.979 |
| Other financial investments | 139.152 | 102.814 |
| 3. Cash outflows from financing activities | 2.647.934 | 8.327.720 |
| Purchase of own shares and stocks | 1.517 | 0 |
| Long-term and short-term loans | 2.645.490 | 8.321.080 |
| Financial leasing | 927 | 6.640 |
| Dividends paid | 0 | 0 |
| Cash flows from business activities | 6.883.082 | 4.926.381 |
| Cash flows from investment activities | -3.137.953 | -749.138 |
| Cash flows from financing activities | 968.510 | -5.382.052 |

A comparative overview of the generated cash inflows in the year 2011 compared to the year 2010 shows the evident increase in the inflow from the sale of crude soybean oil by 115%. The recorded inflow of funds from the sale of oil has been initiated by the increased export of crude soybean oil and the increased oil prices in world stock exchange markets.

- Inflows from the sale of higher phases of processing in 2011 were by 7% higher compared to the same period in the previous year by with the tendency of additional increase and the orientation of Sojaprotein AD to export programs.
- The period observed recorded the decrease in the inflow of funds from the sale of meal by 24% in the year 2011 compared to the year 2010 due to the general illiquidity of the consumers of the soybean meal and reduced sale in animal feed.
- Decrease in the inflow from subsidies from oil exports in the year 2011 by 13%, and the program for humans by 62% occurred due to suspended disbursement of funds on that basis. Inflow of funds on the basis of subsidies in 2011 relates to the collected amount of exports effected in 2010.
- Increase in the inflows of funds in 2011 from the VAT refund by 39173% compared to the year 2010 is the result of investing activities into new investments as well as the increased sales in foreign markets which is not subject to calculation and payment of value added tax.
- In the year 2011, Sojaprotein AD had major investment activities into construction of the factory for traditional soy concentrates (SPC), storage facility for finished products,

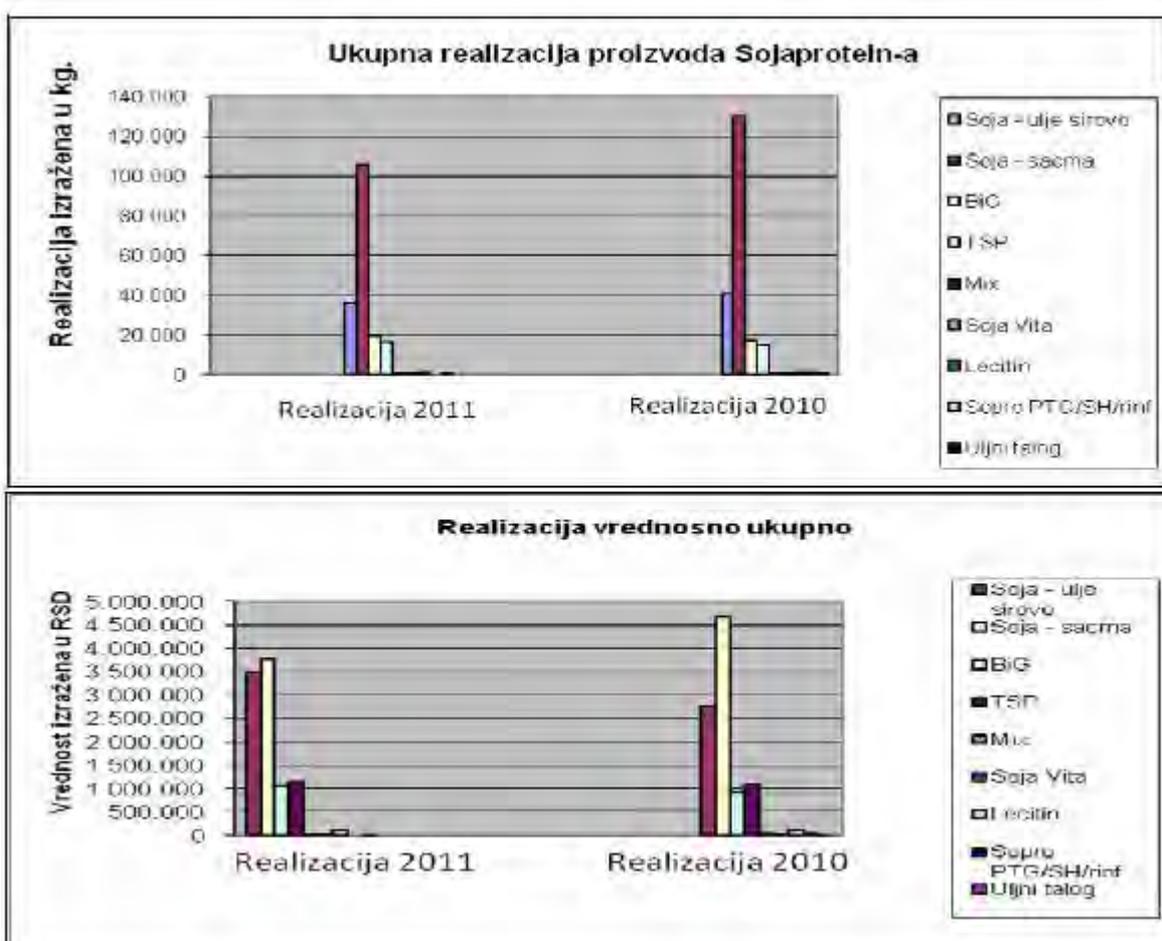
extractors for concentrate texturing which resulted in the increased outflow of funds for purchase of property, plant and equipment by 407%.

- At the same time the increase in investment activities caused the increase in paid duties by 157% in the year 2011 and enabled the increased deduction item in the position of VAT, thus causing the reduced outflow for VAT by 91% in the year 2011.
- After redirecting the loan burden for procurement of raw materials to Victoria Logistics, there was a decrease in loan activities and reduced indebtedness of Sojaprotein, so that in the future Sojaprotein shall be indebted only for purposes of the own core business. This resulted in lower outflow of funds in 2011 by 68% for purposes of the long-term and short-term loans, as well as the lower outflow of funds for payment of interest rates in 2011 by 43% compared to 2010.

Outflows for the purchase of soybeans in the year 2011 recorded the decrease of 87% compared to the observed period in 2010 when the purchase of soybeans from exports was performed which caused the increased outflow of funds for these purposes in 2010.

INFORMATION ON SALES OF FINISHED PRODUCTS

Economic difficulties and decreased demand influenced the sales of soybean products. Reduction in economic activities, especially in the meat industry and livestock breeding sectors, resulted in the reduction of the entire physical scope of Sojaprotein products realization in 2011 by 12,28% compared to the year 2010.



REVIEW OF SOJAPROTEIN PRODUCTS REALIZATION per quantity

| | REALIZATION in kg realiz. Jan.- Dec '11 | REALIZATION in kg realiz. Jan.-Dec '12 |
|----------------------|--|---|
| Sales - TOTAL | 180.213.414 | 205.373.047 |
| Soybean – crude oil | 36.192.260 | 40.522.440 |
| Soybean – meal | 105.492.420 | 130.052.386 |
| BiG | 19.532.960 | 16.959.830 |
| TSP | 16.648.826 | 15.000.448 |
| Mix | 111.840 | 219.765 |
| Soja Vita | 56.008 | 65.199 |
| Lecithin | 911.800 | 960.780 |
| Sopro PTG /SH / bulk | 0 | 1.345.680 |
| Shells | 1.184.460 | 128.420 |
| Oil residue | 82.840 | 118.100 |
| Program for humans | 37.261.434 | 33.206.022 |

Domestic sales

Decrease in sales of soybean meal in 2011 compared to 2010 was caused by the reduced demand in soybean meal as the component for animal feed, mostly due to

significantly reduced livestock in the country, and only partly due to the presence of competition. Speaking in terms of value, the income in the year 2011 was reduced by 16,21% compared to the same period in the previous year which was the result of lower sales in the amount and lower realized sales prices compared to the previous year.

The volume of the soybean oil sales in domestic market was increased by 1.912 t in 2011. Due to the achieved good prices, the income generated was higher by RSD 403.326 thousand i.e. by 63,60% compared to the year 2010.

Decrease in the sale of BiG by 16, 32% compared to the previous year was caused by the reduced volume of production in confectionery industry, the presence of competitors offering the significantly lower price of flour, as well as occasional suspensions of deliveries of flour to customers who are in arrears with settling the liabilities. The income generated is reduced by RSD 17.689 thousand i.e. by 11%, but the sales prices achieved were by 68,85% higher compared to 2010.

Sale of TSP, BiG and Mix was at about the same level of realization as in the previous year when taking into account the quantity and the values realized, although the production in meat industry recorded some decrease.

Sale of lecithin was slightly lower in terms of the quantities sold compared to the previous year, but the income generated from the sale was increased due to the increase in prices.

Sale of Soja Vita products recorded decrease of 12 t in terms of quantity caused by the reduced standard of living and reduced public spending.

Foreign sales

Realization of total exports of finished soybean products in the year 2011 in the amount of 60.521 t compared to the realized 48.514 t in 2010 was increased in volume by 24,75%. The larger physical volume of realization resulted in the realized income increase of 44% compared to 2010.

The greatest expansion, and thus the greatest impact on the growth of exports of finished soybean products in the year 2011 recorded foreign sales of crude soybean oil which was increased by 60% compared to 2010. Thanks to the commitment that Sojaprotein shall directly realize oil in foreign markets and the favorable trends in prices of this product in world markets, the company achieved larger income compared to 2010.

In terms of sales of products from the program for humans (BiG, TSP, Mixes, Soja Vita, Lecithin) the expansion of exports was continued in accordance with the strategic orientation of Sojaprotein. In 2011, the total amount of 32.920 t of final products of program for humans were exported, which is by 17% larger volume compared to the year 2010.

Regionally speaking, the year 2011 was dominated by exports in the markets of EU member states. 48.000 t of soybean products were placed in the markets of EU member states, or almost 80% of total exports.

Exports of soybean products to Russia (9,9%), especially TSP and Flour have traditionally had major importance in the foreign trade of SOJAPROTEIN but in other markets also (CEFTA, BSISA) the sale of products belonging to higher phases of processing is predominant, so, although having modest share of 5% in total exports, these markets represent an indication of new export perspectives of SOJAPROTEIN in the future.

KEY INDICATORS

A. Profitability

| | |
|------------------------------|--------|
| Gross margin | 10,53% |
| EBITDA margin | 11,44% |
| EBIT margin | 9,78% |
| EBT margin | 9,89% |
| Net profit margin | 9,38% |
| Return on equity (ROE) | 10,27% |
| Return on total assets (ROA) | 9.14% |

B. Liquidity indicators

| | |
|--|------|
| General liquidity ratio | 3,15 |
| Reduced liquidity ratio or quick ratio | 1,55 |

C. Effectiveness of asset management

| | |
|---|-------|
| Ratio of trade receivables | 2,98 |
| Ratio of trade receivables third parties | 9,34 |
| Ratio of trade receivables from foreign customers | 7,10 |
| Inventory turnover ratio | 2,39 |
| Ratio of accounts payable | 15,13 |
| Fixed assets turnover ratio | 1,82 |
| Turnover ratio of net fixed assets | 1,20 |
| Turnover ratio of total assets | 0,69 |

IMPORTANT BUSINESS EVENTS BETWEEN BALANCING DATE AND REPORTING DATE

In the first quarter of 2012, the construction of the high-rack storage of finished products with 14.000 pallet positions in accordance with international FIFO standards was completed and put into operation, which significantly improved the Company logistic capacity in the area of delivery of finished products.

The final works in the construction of the Factory of soy protein concentrates for production of 70.000 t of traditional soy protein concentrates are in progress, and it is probable that the test run of this factory shall commence in the second half of May 2012.

April of 2012 recorded the successfully carried out monitoring of the health and operational safety management systems in accordance with the standard OHSAS 18001:2007. High value and quality of products were confirmed by Sojaprotein AD by the extension and expansion of KOSHER certificate for all its products in March 2012.

CONCLUSION

Company business operations were affected by the current global financial crisis and deteriorated economic conditions during the year. Because of the economic crisis in the global market and its impact on the Serbian market, deterioration of business situation in the country affected the position of certain branches of business activities which was indirectly and partly reflected in the Company business operations.

Generally speaking, it can be said that the year 2011 represents the turning point in the foreign business operations of SOJAPROTEIN. Although the impact of the global financial crisis, accompanied with the recession, contributed to some regions or countries recording decrease in sales, the achieved results are beyond all expectations. This is especially the case with the sale of products of higher levels of processing in the EU market which was achieved at the level of even 65% of total exports of products of higher levels of processing. Obviously, the long-term strategy of SOJAPROTEIN oriented to the production of solely NON GMO soybean products in conditions of the increased global demand for the same has given the right results. This creates the conditions for further growth in exports of SOJAPROTEIN products, both from the existing and from future production programs. Implementation of the investment SPC project shall achieve the full independence from the sale of low-profit soybean meal in domestic market with an emphasis on the highly profitable and total exports.

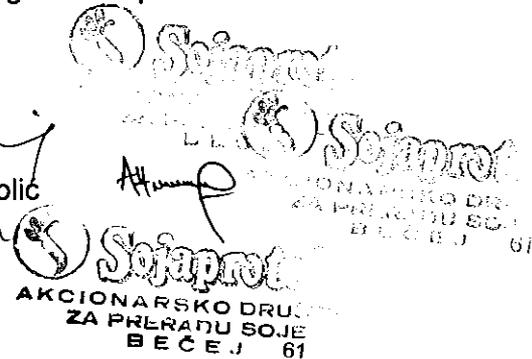
 **Sojaprot** GENERAL MANAGER
AKCIONARSKO DRU
ZA PRERAĐU SOJ
BEOGRAD 61
Branislava Pavlović

STATEMENT OF PERSONS RESPONSIBLE FOR PREPARATION OF THE REPORT

To our best knowledge, the annual financial report has been prepared in accordance with the appropriate international standards of financial reporting and provides accurate and objective data on the assets, liabilities, financial position and business operations, income and losses, cash flows and changes in equity of the public company, including the companies included in the consolidated statements.

Persons responsible for preparation of the annual report:
"Sojaprotein" A.D. Bečej, Industrijska No.1, 21220 Bečej

General Manager BSc. Lawyer Branislava Pavlović
Executive Manager of Finance Department: BSc.Ecc. Ankica Nikolić
Chief of Accounting: Econ. Dragana Anđelković



ASSEMBLY DECISION ON THE APPROVAL OF THE COMPANY CONSOLIDATED ANNUAL FINANCIAL REPORT*

Note*:

Financial Report "Sojaprotein" A.D. Bečej for the year 2011 was approved and accepted on February 28, 2012 by the Board of Directors of the issuer and timely delivered to the Business Registers Agency on February 29, 2012.

Consolidated Financial Report "Sojaprotein" A.D. Bečej for the year 2011 was approved and accepted on April 27, 2012 by the Board of Directors of the issuer and timely delivered to the Business Registers Agency on April 27, 2012.

By the time of reporting the Audit Report of the Consolidated Financial Statements has not yet been completed and submitted. The Company shall immediately upon delivery and acceptance of the Audit Report, submit the same to the Commission and publish it on its website.

Annual Report of the company at the time of publication has not yet been approved by the Company's competent authority (Shareholders Assembly). The Company shall subsequently publish the full decision of the competent authority on the adoption of the Annual Report.

DECISION OF THE GENERAL ASSEMBLY OF SHAREHOLDERS ON DISTRIBUTION OF PROFIT*

Note*

Decision on distribution of profit of the Company for the year 2011 shall be issued on a regular annual Assembly of Shareholders. The Company shall subsequently publish the Decision of the competent authority on distribution of the Company profit.

The public company is obliged to prepare the Annual Report, publish it to the public and submit it to the Commission, and this report shall be submitted to the regulated market, i.e. MTP, if the securities of the Company have been involved in trading, not later than four months after the end of each fiscal year, and is also obliged to ensure that the Annual Financial Report is made available to the public during at least five years from the date of publication.

The Company is responsible for the accuracy and truthfulness of the information specified in the Annual Report.

Persons responsible for preparation of the Annual Report:
"Sojaprotein" A.D. Bečej, Industrijska No.1, 21220 Bečej

General Manager BSc. Lawyer Branislava Pavlović
Executive Manager of Finance Department: BSc.Ecc. Ankica Nikolić
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