

2012

SOJAPROTEIN

PERFORMANCE AND GROWTH STRATEGY



SOJAPROTEIN



AGENDA

COMPANY PROFILE

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STOCK EXCHANGE



SOJAPROTEIN



COMPANY PROFILE



SOJAPROTEIN


VICTORIAGROUP


Sinteza Invest Group a.d.

INTRODUCTION



- Main activity is processing of soybeans - one of this kind in Serbia.
 - Sojaprotein was founded back in 1985.
 - The company is headquartered in the town of Becej, in Vojvodina Province, Serbia.
 - It became a member of a domestic holding company Victoria Group in 2002 which now holds 63% of stated capital.
 - It currently employs around 400 people.
 - Sojaprotein is one of five companies listed in the Prime market on the BSE.
-
- Core Business:
 - Processing capacities: **300,000 tons/year**.
 - Annual supply: **230,000 tons of soybean**.
 - Own raw material base - market-stable, competitive and independent of imports.
 - Only **NON-GMO soybean corn** grown on Serbian fields:
 - **150,000-160,000 ha** under soybean corns in Serbia.
 - **100,000 ha** for Sojaprotein.
 - NON-GMO quality certified by Swiss-based SGS Agency.



GENERAL INFORMATION

- **Market presence:**

- Sojaprotein is a leading soybean processor in Serbia and neighboring countries.
- First in Serbia SPC production – all aimed for export.
- Crude soybean oil sale met 40%, while Soybean meal sale met nearly 50% of the domestic market needs.
- Production of Soybean meal ended with 2012.
- Main foreign markets are EU/EFTA, CEFTA, Russia, Belarus, Ukraine, Middle East and Turkey.

- **Technology:**

- The company uses cutting-edge technology provided by the leading German and USA vendors.
- The technology keeps nutritive and biological value of soybeans.
- **New SPC Plant with cutting-edge technology.**
- “Wenger” extruder enables the expansion of product portfolio.
- New lines for production of soy flour and modern lines for packaging.

- **The company meets all international quality standards:**

- | | |
|------------------|----------|
| • ISO 9001-2008 | • HACCP |
| • ISO 22000-2005 | • GMP+ |
| • ISO 14000-2004 | • KOSHER |
| • ISO 18001-2007 | • HALAL |





BUSINESS REVIEW



SOJAPROTEIN



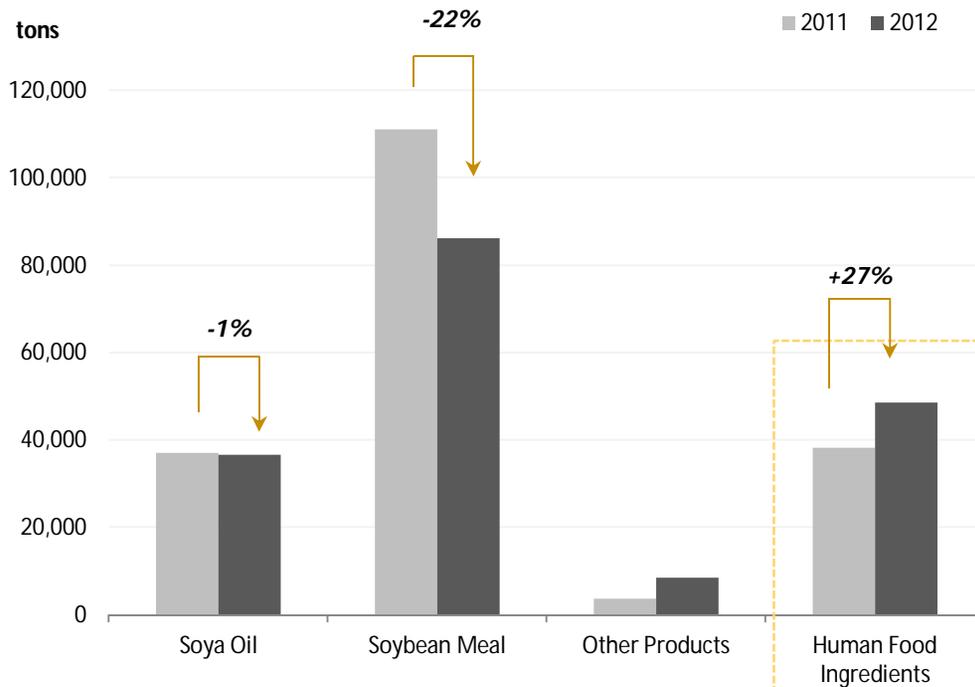
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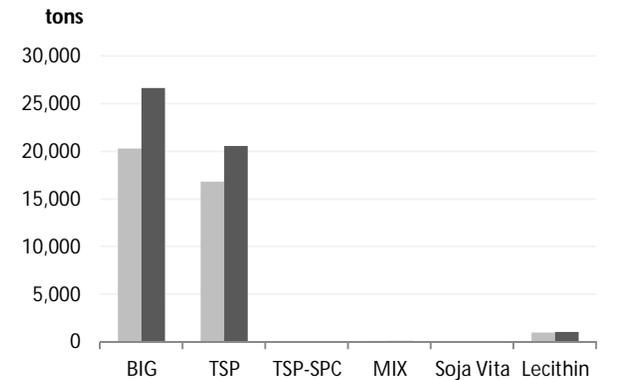
PRODUCTION - 2012

Quantity Produced: 2012/2011



- Total of 217.553 t of soybean was processed, a 8% more than in 2011, while own processing amounted to 192,412 t.
- Total production was 180.072 tons, a 5% drop yoy.
- HFI production jumped 27% fuelled by foreign sales.
- Tests were carried out in 2012 and production for textured soy protein concentrates (TSP-SPC) started in Q4 in 2012.

Human Food Ingredients: 2012/2011

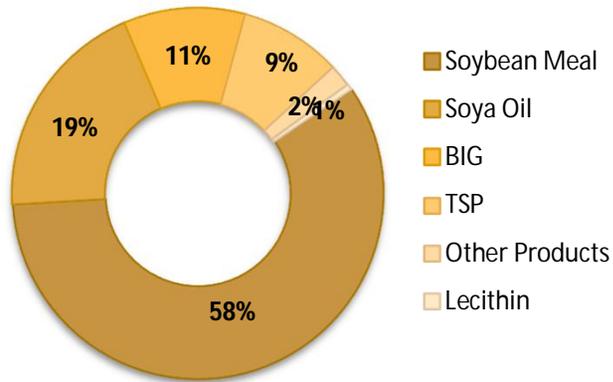


-5%

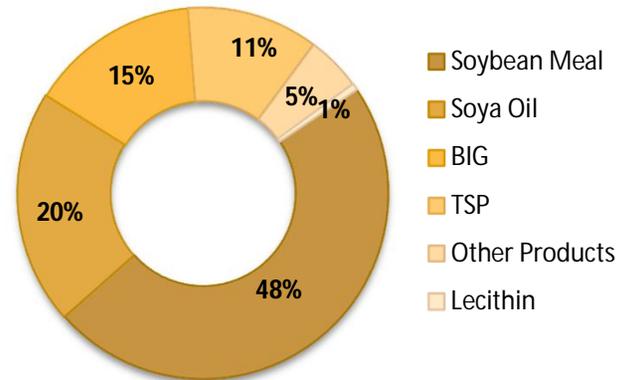
PRODUCTION – 2012 - PRODUCT BREAKDOWN

Q in tons	2011	Participation	2012	Participation	YOY
Human Food Ingredients	38,319	20%	48,650	27%	27%
<i>BIG</i>	20,284	11%	26,671	15%	31%
<i>TSP</i>	16,844	9%	20,608	11%	22%
<i>TSP-SPC</i>	0	0%	101	0%	-
<i>MIX</i>	131	0%	110	0%	-16%
<i>Soja Vita</i>	56	0%	59	0%	6%
<i>Lecithin</i>	1,004	1%	1,100	1%	10%
Soya Oil	37,061	19%	36,716	20%	-1%
Soybean Meal	111,155	58%	86,147	48%	-22%
Other Products	3,661	2%	8,560	5%	134%
TOTAL	190,196	100%	180,072	100%	-5%

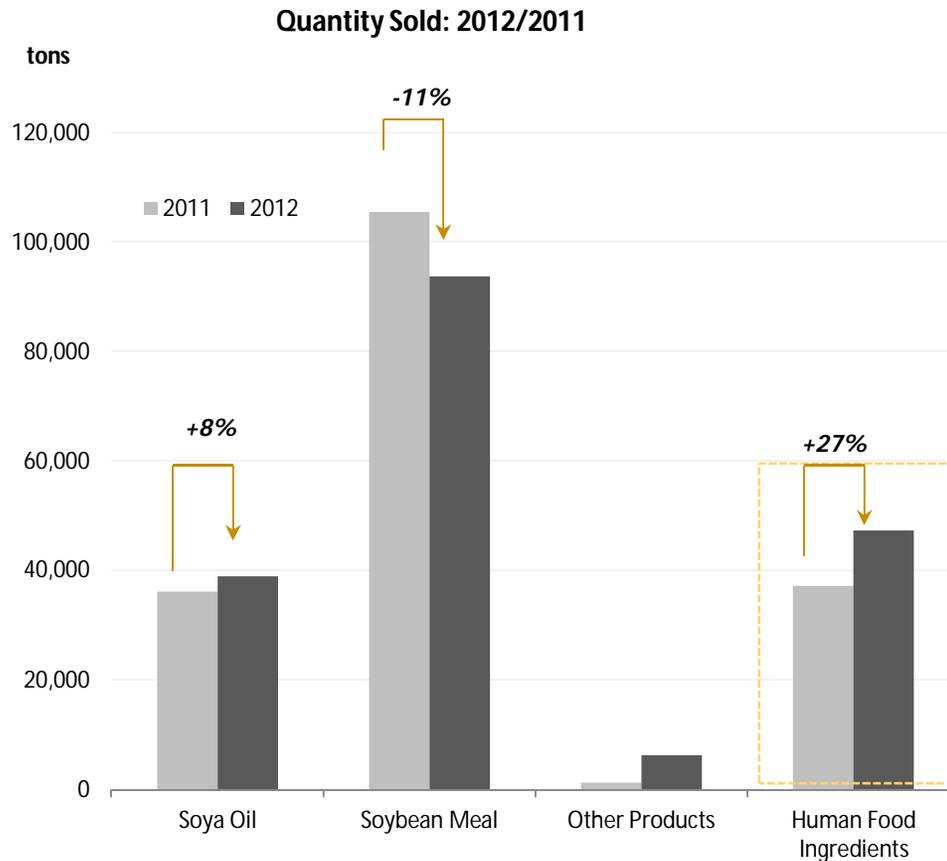
2011



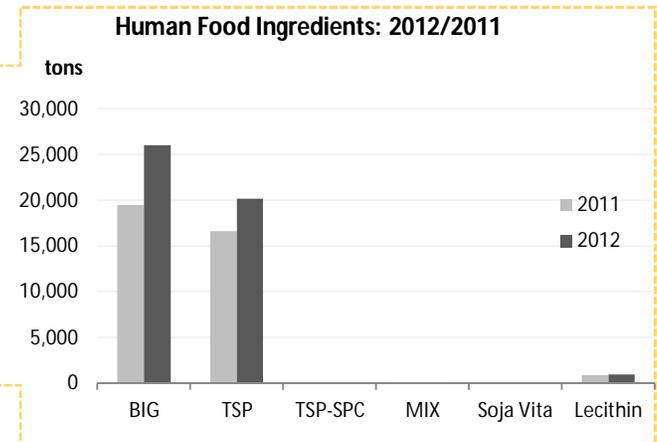
2012



SALE – 2012 - QUANTITY

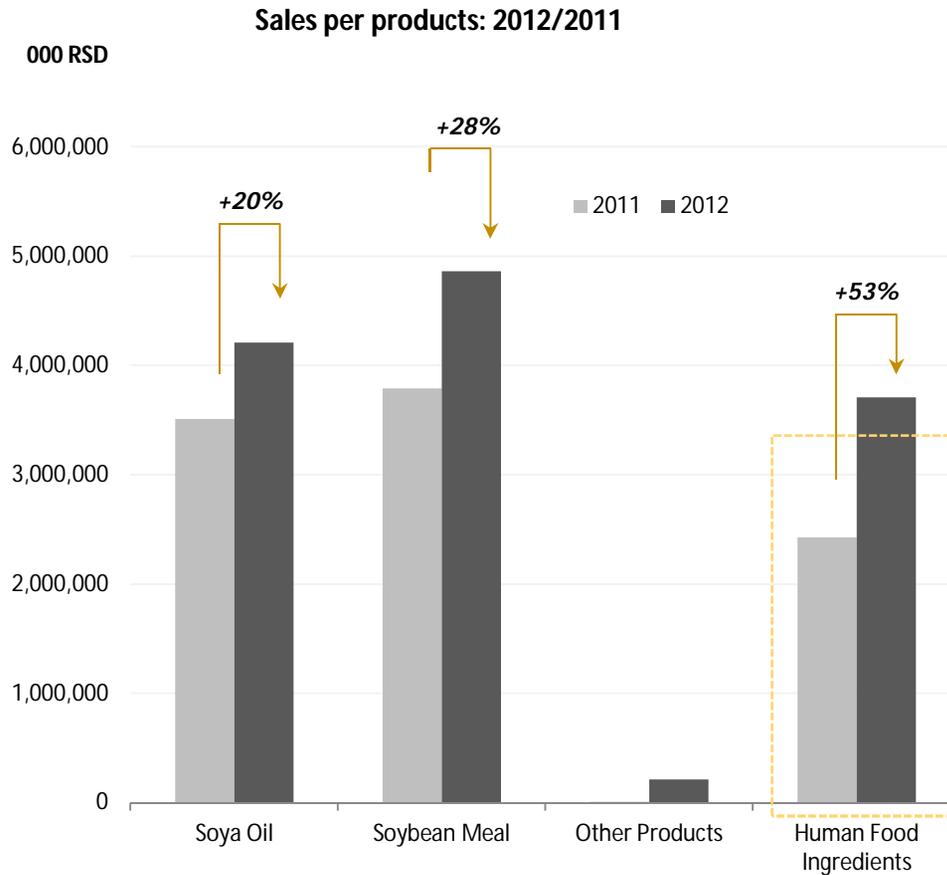


- 3.5% rise in quantity sold (186k t) of all products.
- The rise fuelled by the jump in export (21%), while domestic sale fell 5%. Export rose due to the sale of HFI (+27%) and Soya Oil (+8%).
- Sale of HFI made strong increase owing to great export performance yoy (+28%). HFI share in total sales rose from 18% to 23%. Protein flours (BIG) and TSP contributed the most in sale performance enhancement.

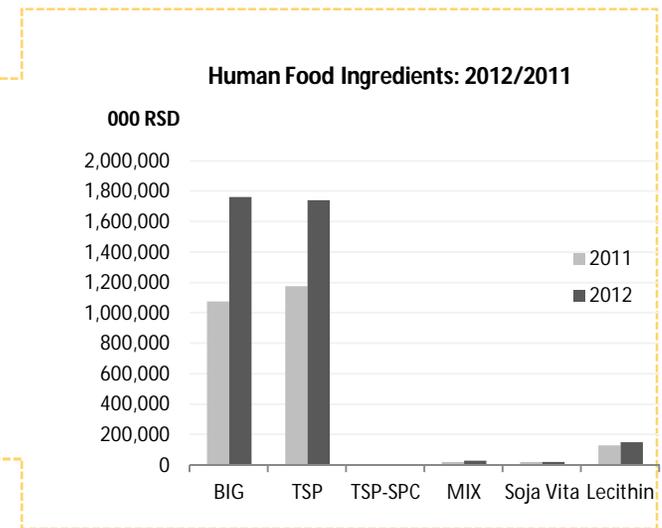


+3%

SALE – 2012 - VALUE



- All products recorded rise in sales.
- Soybean meal sale soared due to the higher prices on domestic market, although quantity sale fell.
- Due to the rise in exported quantity and the price appreciation, the sale in Soya oil climbed 20% . Increased share to 36% from 32%.
- The sale in BIG advanced 64%, in TSP jumped 48%.



+33%

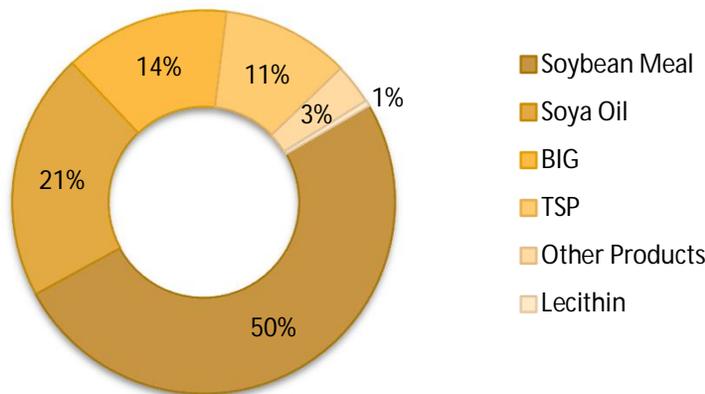
- Total sales amounted to 13bn RSD, soared by a third yoy

SALE – 2012 – PRODUCT BREAKDOWN

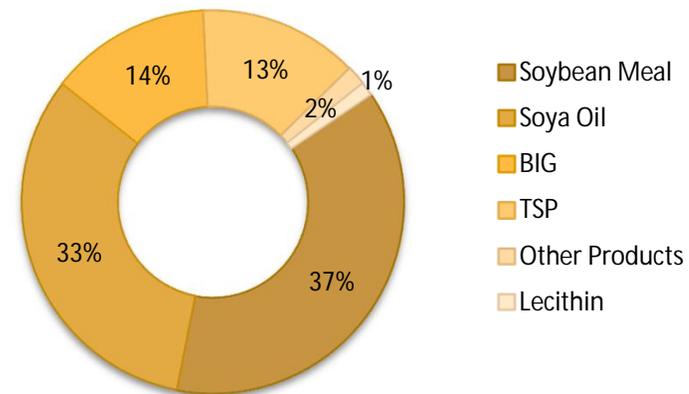
	2011		2012	
	Q (tons)	Value (000 RSD)	Q (tons)	Value (000 RSD)
Human Food Ingredients	37,205	2,429,675	47,329	3,712,265
<i>BIG</i>	19,533	1,076,081	26,086	1,765,529
<i>TSP</i>	16,649	1,177,861	20,164	1,742,735
<i>TSP-SPC</i>	0	0	0	50
<i>MIX</i>	112	22,600	138	27,981
<i>Soja Vita</i>	56	22,480	49	23,368
<i>Lecithin</i>	912	130,654	941	152,602
Soya Oil	36,192	3,514,428	38,960	4,214,524
Soybean Meal	105,492	3,790,963	93,812	4,862,023
Other Products	1,268	12,584	6,348	217,122
TOTAL	180,157	9,747,650	186,449	13,005,934

- Soybean Meal had the largest share in volume sold, although its fell from 60% to 50% in 2012. The fall was caused by Sojaprotein strategy to focus more on products with higher profit margin, HFI and SPC.
- Due to a higher selling price, Soya Oil had higher participation in overall sales (33%).
- HFI participation also increased to 29% in 2012 from 25% in 2011 in sales value.

Quantity Breakdown

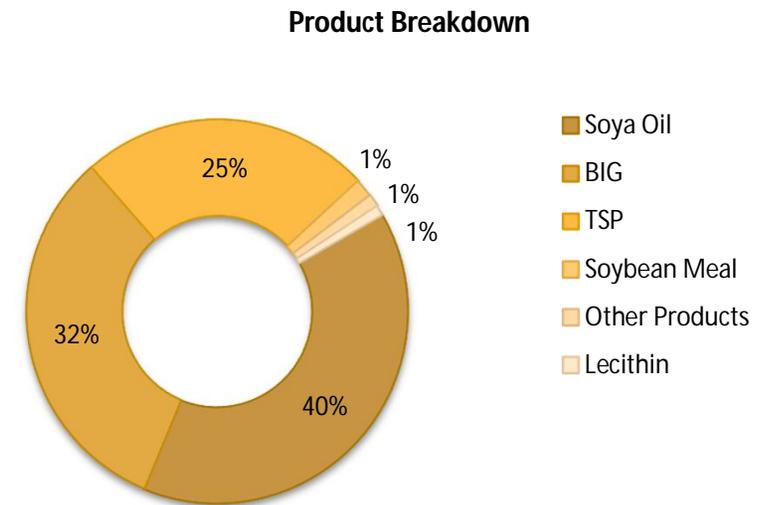
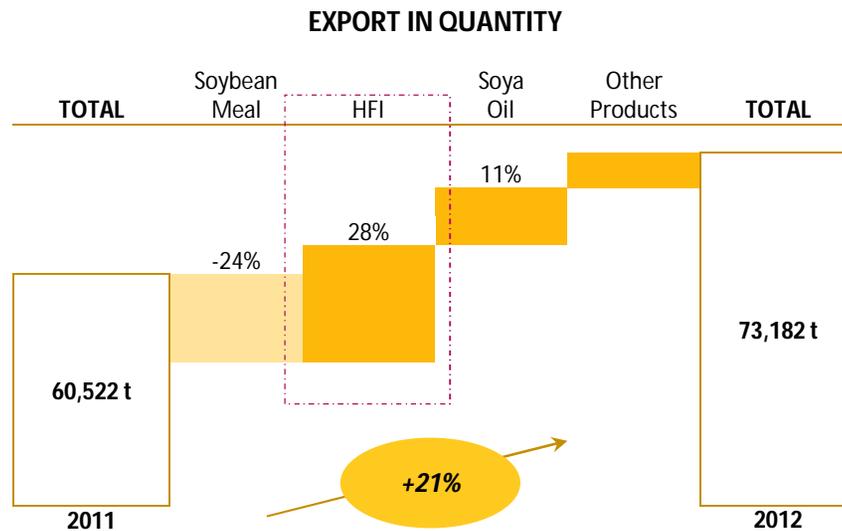


Sales Breakdown



EXPORT – 2012 – QUANTITY

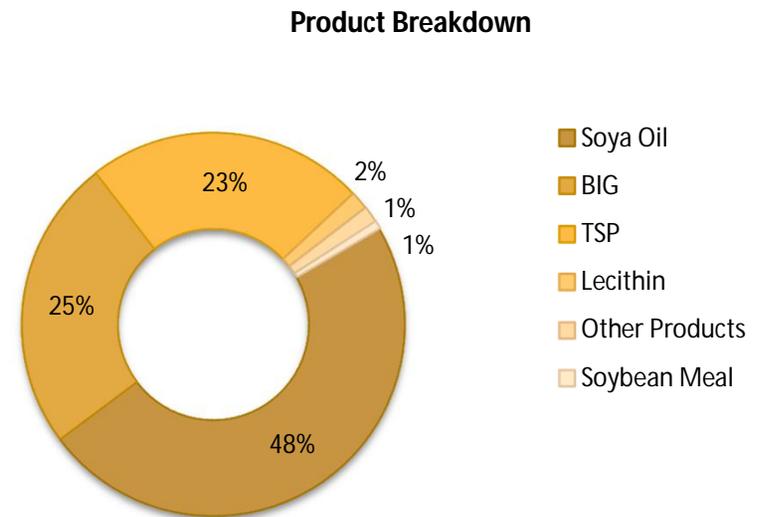
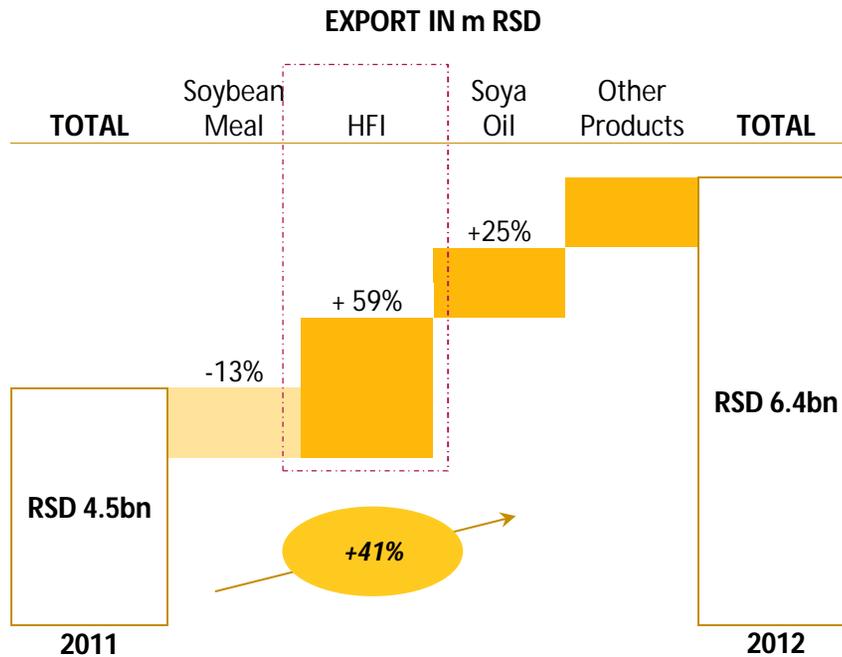
- The high growth in foreign sales and TSP and BIG has come from the growing global demand for non-GMO soy products quality at all major markets, and as a result of a wider range of products and timely delivering.
- Quantity export in 2012 accounted for 39.2% in total quantity sale from 33.6% in 2011.



- Total and especially HFI **export** continue to enhance foreign market presence. **HFI export share rose 4 p.p. to 58%.** **BIG flours** saw the export increase of **35%** (22% in 2011) and contributed the most to the rise in volume sold abroad of HFI.
- Soya Oil also recorded export growth mostly due to favorable market conditions.
- **More than 80%** of export placed in **EU/EFTA** member states' markets.

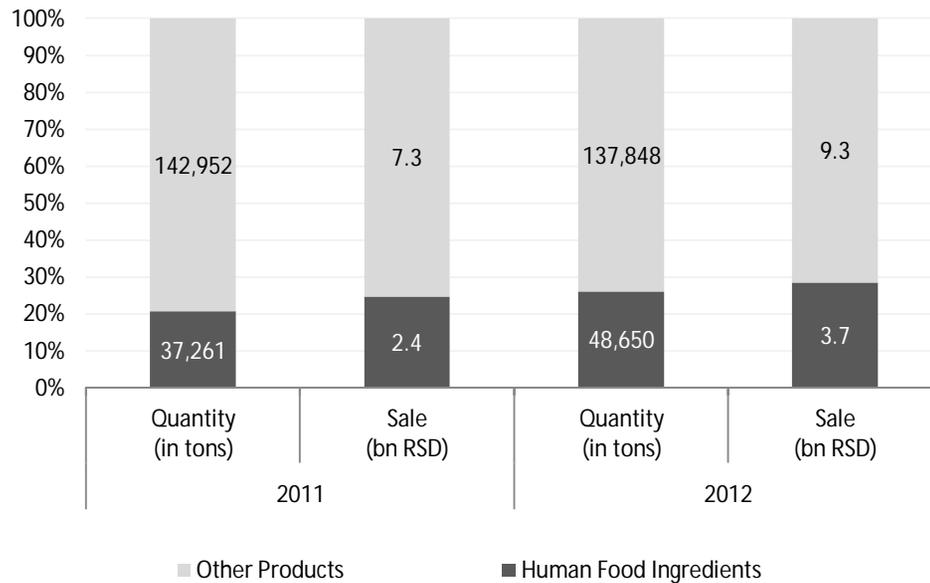
EXPORT – 2012 – VALUE

- Export share in total sales rose from 46.7% in 2011 to 49.5% in 2012.
- BIG enjoyed the largest increase in foreign market placement (70% yoy).
- HFI products group export accounted for half of all exported value in 2012 (growth by 6 p.p.), while almost all other half went on Soya Oil.

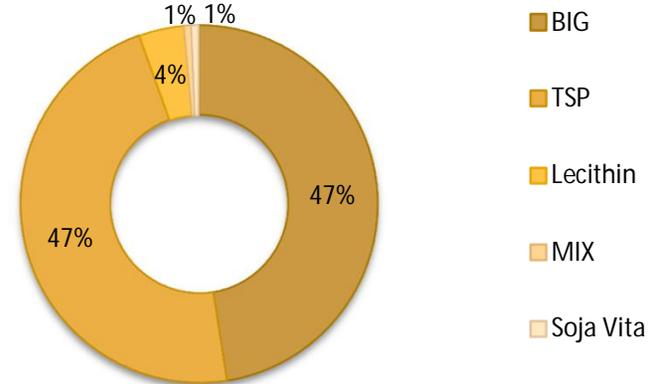


HFI - SALE PER PRODUCTS

Share in Total Sale



Product Breakdown in 2012 (value)



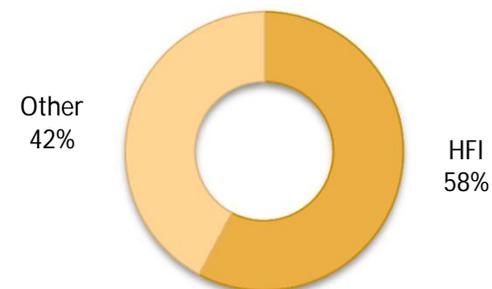
- The volume sale in HFI **increased by 27%** y-o-y, while value sale surged **53%**.
- TSP and BIG made **94%** of the total sale in protein products (same as 2011).
- Export of HFI products made 87% of all HFI sale in 2012.

HFI - SALE PER PRODUCTS

EXPORT: Quantity Breakdown

Q in tons	2011	2012	YOY	Share - 2012
Human Food Ingredients	32,920	42,288	28%	100%
<i>BIG</i>	17,453	23,586	35%	56%
<i>TSP</i>	14,835	17,982	21%	43%
<i>TSP-SPC</i>	0	0	-	0%
<i>MIX</i>	47	71	52%	0%
<i>Soja Vita</i>	4	3	-15%	0%
<i>Lecithin</i>	581	645	11%	2%

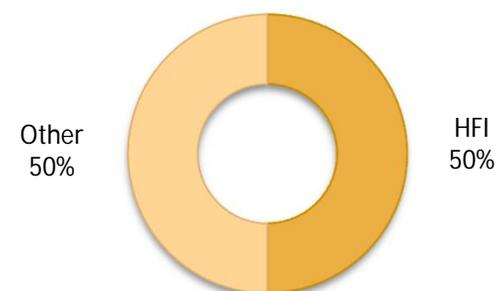
% in Total Export - Quantity



EXPORT: Value Breakdown

RSD in 000	2011	2012	YOY	Share - 2012
Human Food Ingredients	2,023,405	3,213,727	59%	100%
<i>BIG</i>	933,879	1,590,754	70%	49%
<i>TSP</i>	1,001,291	1,509,057	51%	47%
<i>TSP-SPC</i>	0	50	-	0%
<i>MIX</i>	9,557	14,370	50%	0%
<i>Soja Vita</i>	1,143	1,311	15%	0%
<i>Lecithin</i>	77,536	98,185	27%	3%

% in Total Export - Value



- Products mostly exported to EU member states.



FINANCIAL HIGHLIGHTS



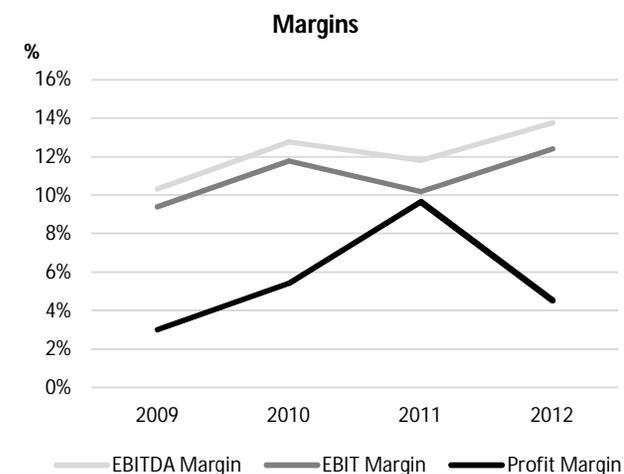
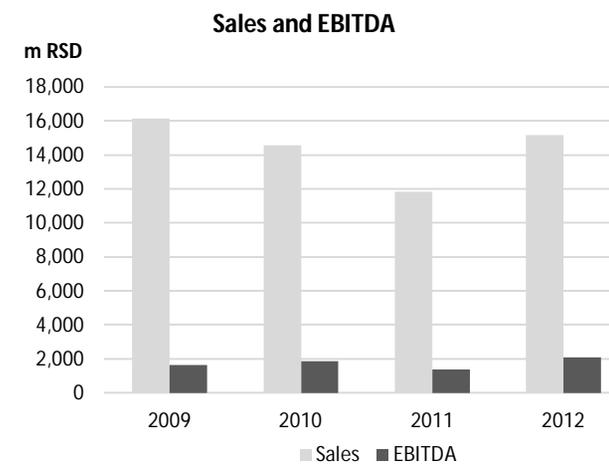
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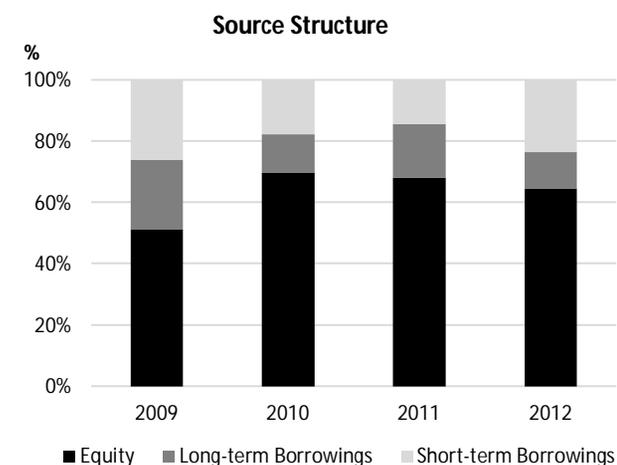
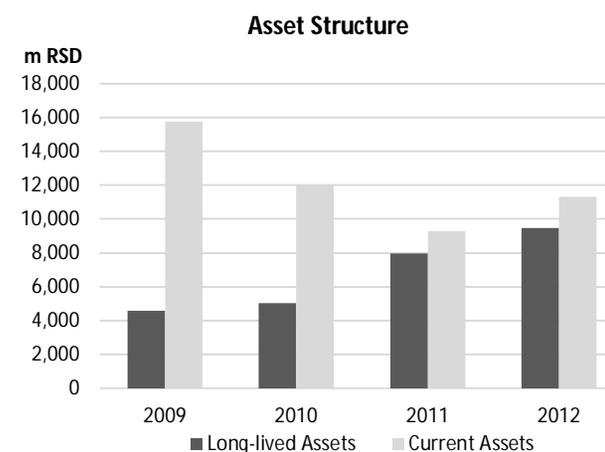
INCOME STATEMENT

ØFX EURRSD	93.95	103.04	101.95	113.04
Statement of Earnings (m RSD)	2009	2010	2011	2012
Operating Revenues	16,441	14,513	12,189	14,945
Sales	16,138	14,586	11,834	15,195
<i>Growth</i>	<i>-16%</i>	<i>-10%</i>	<i>-19%</i>	<i>28%</i>
Change in Inventories	303	-73	355	-249
Operating Expenses	14,925	12,794	10,981	13,056
COGS	6,172	3,979	1,818	1,823
Cost of Materials	7,808	7,846	7,915	9,733
Other Operating Expenses	945	969	1,248	1,500
EBITDA	1,666	1,867	1,399	2,096
<i>Growth</i>	<i>-20%</i>	<i>12%</i>	<i>-25%</i>	<i>50%</i>
EBIT	1,516	1,719	1,208	1,889
<i>Growth</i>	<i>-22%</i>	<i>13%</i>	<i>-30%</i>	<i>56%</i>
Other Non-Operating Items	-1,028	-927	-65	-1,200
Net Income	488	792	1,143	689
<i>Growth</i>	<i>20%</i>	<i>62%</i>	<i>44%</i>	<i>-40%</i>



BALANCE SHEET

FX EURRSD	95.89	105.50	104.64	113.72
Balance Sheet (m RSD)	2009	2010	2011	2012
Assets	20,373	17,072	17,294	20,838
Long-lived Assets	4,599	5,050	7,987	9,495
PP&E	3,728	4,184	7,117	8,647
Other Long-lived Assets	871	866	870	849
Current Assets	15,774	12,022	9,307	11,343
Inventories	8,261	5,727	4,744	5,532
Receivables	5,913	4,563	3,777	3,878
Cash and Cash Equivalents	88	221	524	128
Deferred Tax Assets	0	0	0	0
Equity	9,341	10,096	11,260	12,449
Liabilities	10,900	6,840	5,899	8,017
Long-term Borrowings	4,155	1,791	2,896	2,306
Other Long-term Liabilities	45	45	50	25
Short-term Liabilities	6,700	5,004	2,953	5,686
Short-term Borrowings	4,732	2,559	2,346	4,499
Accounts Payable	1,901	2,381	522	690
Other Short-term Liabilities	67	64	85	498
Deferred Tax Liabilities	132	136	136	372



CASH FLOW STATEMENT

ØFX EURRSD	93.95	103.04	101.95	113.04
Cash Flow Statement (m RSD)	2009	2010	2011	2012
Inflows from Operating Activities	20,509	18,072	13,988	16,278
Sale and Received Payments in Advance	20,040	17,292	13,118	15,788
Other Inflows from Operating Activities	469	779	870	490
Outflows from Operating Activities	18,626	12,555	14,089	15,161
Outflows to Suppliers and Payments in Advance	17,236	11,024	13,458	16,366
Salaries and other Labour Costs	1,390	1,532	631	-1,204
CFO	1,883	5,516	-101	1,116
Inflows from Investing Activities	196	218	35	1
Property Sale	196	8	11	1
Other Financial Investments (net inflows)	0	209	24	0
Outflows from Investing Activities	1,892	235	1,702	2,601
Property Purchase	176	235	1,702	851
Other Financial Investments (net outflows)	1,717	0	0	1,750
CFI	-1,696	-17	-1,666	-2,600
Inflows from Financing Activities	3,721	0	2,067	1,089
Long and Short-term Loans (net inflows)	1,773	0	2,067	1,089
Other Inflows from Financing Activities	1,948	0	0	0
Outflows from Financing Activities	4,328	5,373	1	1
Long and Short-term loans and other liabilities (net outflows)	4,321	5,330	0	0
Other Outflows from Financing Activities	7	43	1	1
CFF	-607	-5,373	2,066	1,088
NET INFLOWS/OUTFLOWS	-420	126	299	-395

- Significant rise in **CFO** due to the jump in inflows from sales (+16%).
- Still, net flow was negative due to the large outflow from investing activities.



MAIN RATIOS

LIQUIDITY	2009	2010	2011	2012
Current Ratio	2.35	2.40	3.15	1.99
Quick Ratio	1.12	1.26	1.55	1.02
Cash Ratio	0.01	0.04	0.18	0.02

SOLVENCY	2009	2010	2011	2012
Debt-to-Equity	0.95	0.43	0.47	0.55
Debt-to-Capital	0.49	0.30	0.32	0.35
Debt-to-Assets	0.44	0.25	0.30	0.33
Financial Leverage	2.18	1.69	1.54	1.67
Financial Liabilities/EBITDA	5.33	2.33	3.75	3.25

PROFITABILITY - Margins	2009	2010	2011	2012
EBITDA Margin	10.3%	12.8%	11.8%	13.8%
EBIT Margin	9.4%	11.8%	10.2%	12.4%
Profit Margin	3.0%	5.4%	9.7%	4.5%

PROFITABILITY - Returns	2009	2010	2011	2012
Operating Return on Assets	7.6%	9.2%	7.0%	9.9%
Return on Assets (ROA)	2.4%	4.2%	6.7%	3.6%
Return on Equity (ROE)	6.0%	8.1%	10.7%	5.8%
Return on Capital (ROTC)	8.5%	10.5%	7.8%	10.6%

- Despite the rise in debt, main Company's solvency ratios stabilized at acceptable levels, especially compared to 2009.
- This is owing to the rise in equity which had resulted from earnings in previous years.





INVESTMENTS & GROWTH



SOJAPROTEIN



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INVESTMENTS

- Major investments realized in 2012 were:
 - Completion of construction of the Traditional SPC Production Plant.
 - Construction of high-bay warehouse for finished products with 14,000 palette places.
 - Completion of construction and trial run of the new water plant.
 - Completion of the boiler for molasses.
 - Completion of high-pressure pellet boiler.
- Current investments:
 - The Project of construction of the Functional SPC Plant is currently in the phase of obtaining the location permit after development of the Conceptual Project at the beginning of November.
- The most important investments in previous years were:
 - The construction of a biomass boiler for energy.
 - Purchase of equipment for soy flour milling.
 - Expanding the capacity of the extrusion line.
 - Installation of a new plant for the production of vegetarian pâtés.

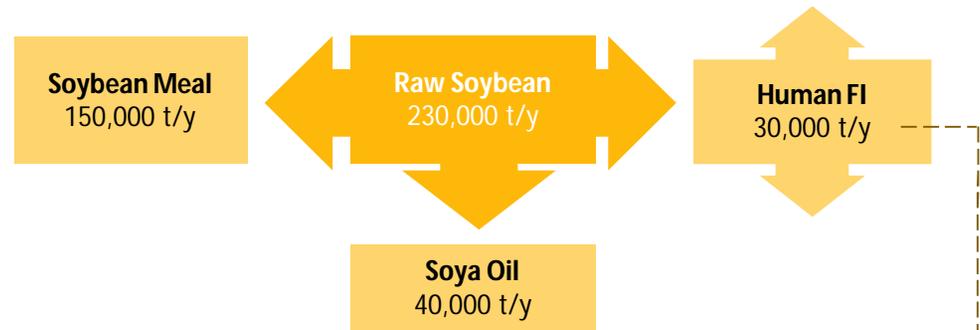


SOJAPROTEIN

GROWTH PLANS

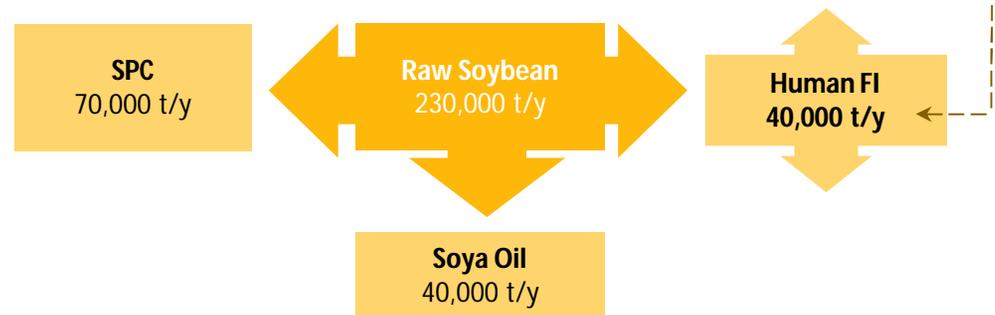
PRODUCTION IN 2012

- Sales: RSD 15bn
- EBITDA: RSD 2bn
- EBITDA Margin: 14%



FUTURE PRODUCTION

- Sales*: RSD 18bn
- EBITDA: RSD 4bn
- EBITDA Margin: 24%

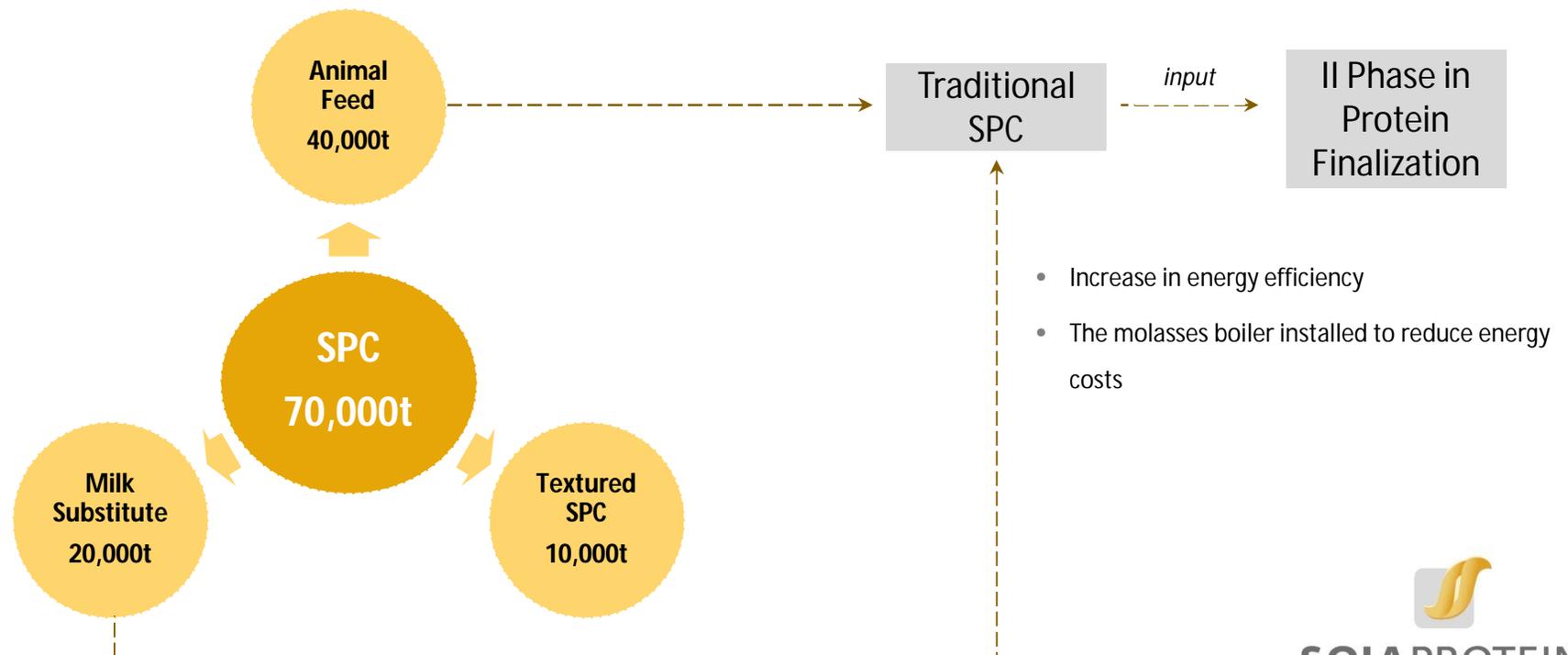


- The same raw material base by type and quantity
- The production of SPC replaces the production of Soybean Meal,
- The increase in protein product production

* 2015 incl. functional concentrates

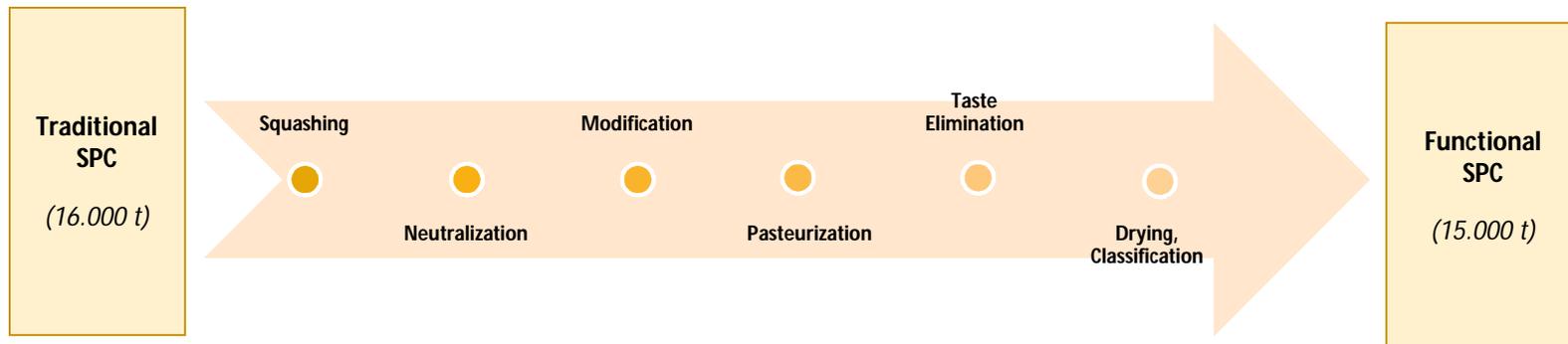
SPC

- In 2012, the major investment in new Soy Protein Concentrate Plant with annual capacity of 70,00 worth EUR 31m was completed.
- The investment started in March 2011, trial run commenced in August 2012, and in September 2012, the SPC factory was put into operation.
- The processing equipment worth EUR 10m bought from Crown UK - cutting-edge technology in SPC production.
- Loan issued to UniCredit Bank Belgrade to finance the project totals to: EUR 17.6m.
- 100% rate of utilization is expected in 2014.
- 35 people were employed.



FUNCTIONAL SPC

- They have quite high level of nutritive and functional substance, largely used in food industry.
- After the implementation of the strategy, the Company will be fully vertically integrated.
- The investment starts in **2015** and set to be finished during **2016**.
- The investment is worth around EUR 30m (equipment EUR 21m + HP Boiler EUR 9m).



- 16,000t of traditional SPC.
- Full capacity utilization expected in one year after the investment has been completed.
 - The utilization rate in the first and the second year: 50% and 100% respectively.
 - The biomass boiler installed to reduce energy costs.



STOCK EXCHANGE



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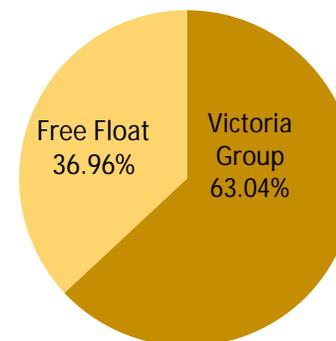


STOCK EXCHANGE

General Information

Company Name	Sojaprotein
Country of Domicile	Serbia
Home City	Becej
Sector	Manufacturing Industry, Food
Security Type	Ordinary Shares
ISIN	RSSOJAE21837
CFI Code	ESVUFR
Primary Stock Exchange	The Belgrade Stock Exchange
Stock Exchange Ticker	SJPT
Bloomberg Ticker	SJPT:SG Equity
Stock Exchange Segment	Prime market
Trading Method	Continuous
Market-maker	Sinteza Invest Group Ltd
Benchmark	Belex15 Index
Number of Shares	14,895,524
Market Float	37%
Auditor	EKI Revizija
Website	www.sojaprotein.rs, www.soyaprotein.com
Fiscal Year	January 1 - December 31

Shareholding Structure



- Sojaprotein as a part of Victoria Group (VG) which is a regional leader in agribusiness has one of the better diversified shareholding structure.

Strengths/Opportunities

- focus on the added-value investment projects
- prevailing position in the soybean market
- increased transparency in the operating activities
- cutting edge technology and state-of-the art equipment for the processing system
- non-GMO raw material base
- focus on export
- new management with strong background
- listed in the Prime market of the BSE

Weakness/Threats

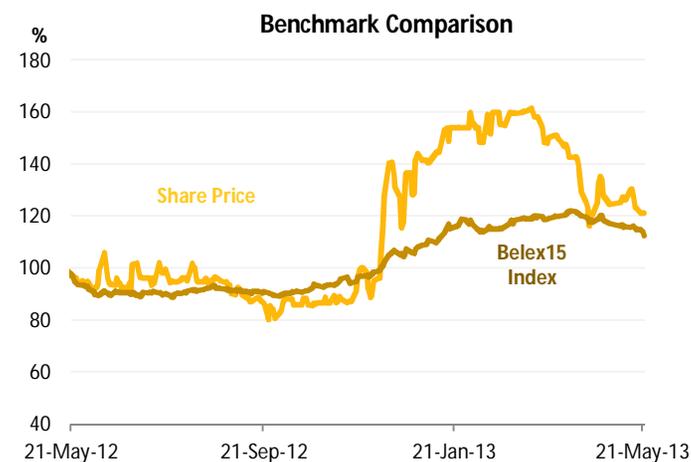
- global crisis
- possible price fluctuations of raw materials can hurt the margins
- sales drop during the change in production structure
- possible threats to NON-GMO products export due to the interests of some big GMO players in the market

STOCK EXCHANGE

MAIN STOCK VALUES	2009	2010	2011	2012	22-May-13
Price	687	562	565	735	629
Face Value	N/A	N/A	N/A	N/A	N/A
Book Value per Share (BVPS)	627	678	756	836	836
Earnings per Share (EPS)*	32.8	53.2	76.7	46.3	46.3
Dividend per Share (DVPS)	0.0	0.0	0.0	0.0	0.0
Dividend Yield	0.0%	0.0%	0.0%	0.0%	0.0%
Price-to-Earnings	20.97	10.57	7.36	15.89	13.60
Price-to-EBITDA	6.14	4.48	6.02	5.22	4.47
Price-to-Book	1.10	0.83	0.75	0.88	0.75
Price-to-Sales	0.63	0.57	0.71	0.72	0.62
Market Cap (in m RSD)	10,233	8,371	8,416	10,948	9,369
Enterprise Value (m RSD)	19,032	12,500	13,134	17,625	16,046
Enterprise Value-to-EBITDA	11.42	6.70	9.39	8.41	7.66
Enterprise Value-to-EBIT	12.55	7.27	10.87	9.33	8.49

*calculated on total outstanding (not weighted average) number of ordinary shares

INFORMATION ON TRADING (RSD)	22-May-13	INFORMATION ON STOCK PRICE	22-May-13
Last Trading Value	-	Last Price	629
5-Day-Trading Value	1,511,435	All-Time-High	6,699
30-Day-Trading Value	6,911,404	All-Time-Low	180
90-Day-Trading Value	734,774,760	1M Change	-1%
YTD Average	13,400,788	3M Change	-22%
Last Trading Volume	-	YTD	-14%
5-Day-Trading Volume	2,293	52-Week-Change	22%
30-Day-Trading Volume	10,622		
90-Day-Trading Volume	885,749		
YTD Average	16,195		



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