

Pursuant to Article 64 of the Law on Securities and Other Financial Instruments and Article 6 of Rulebook on Contents and Manner of Public Companies Reporting and Notification on Voting Shares Holding

“Sojaprotein” A.D. Becej Announces

THE REPORT ON SIGNIFICANT EVENT

Reorganization of the Raw Materials Procurement within the VICTORIA GROUP

Current improvement of corporate management within “Victoriagroup” coincides with the reorganization made within all member companies and at the Group level through integration of business functions necessary to be performed for several members, such as contracting of production and procurement of raw materials, transport and store of goods resulting in reduced variable operating costs and expenses. From 2009 these functions will be performed by a newly incorporated company “Victoria Logistic” DOO Novi Sad.

Some of individual functions were performed by employees of “Sojaprotein” AD Becej assigned to the Raw Material Sector within the Raw Materials Procurement Function as needed by “Victoriaoil” AD Sid and some other members, either fully or partially. It is expected that the integration of logistic activities within the area of procurement and buy-up of oil and other field crops will lead to a more rational utilization of Sojaprotein’s resources as well as the entire Group and, hence, reduce the total logistic costs. Furthermore, positive effects on total operations through profit rate growth, higher operating profit and rationalization and reduce of accompanying costs is expected by bringing in focus and primarily engaging current and future potentials of Sojaprotein on improvement of soybean processing as its core activity, particularly by increasing the higher levels of processing defined for food industry and products for human consumption.

It is a fact that frequently same entities supply both oil crop raw materials (soybean, sunflower and rape) and other field crops and, therefore, this change will facilitate and simplify the relations with suppliers as well as lead to business operations of better quality and strengthen current relations with partners. In the same time, since “Sojaprotein” AD had to engage significant share of its current capital for contracting raw materials needed by other member companies in former years it will be able to reduce this share significantly, particularly considering the current state in the area of financing, as well as to secure raw materials necessary for its core activity and continuous operation from one supplier under the stable terms and conditions that will be based on contracted strategic partnership with respect to supply of genetically unmodified soybean grain of adequate quality and in the volume required for annual production cycle.

Implementation of functional organization and improvement of corporate management was supported by recommendation of the European Bank for Reconstruction and Development (EBRD) when granting of a financial support facility of this Institution to Victoria Group was considered; this further confirms the logicity and justifiability of this approach to the Group’s organizational structure.

Implementation of this reorganization will result in reduce of total income as well as total expenses of Sojaprotein with respect to the sector of operating with other types of goods, except for soybean, whereas EBITDA will show positive effects due to reduced scope of engaged current capital which will be certainly more expensive under the current world financial crises. Furthermore, positive effects on cash flows are expected as well as reduce of labor costs to some degree and accompanying variable costs.

Continuous monitoring and adjustment to the optimum work organization in compliance with the operating strategy is conditioned by integration of functional units with the objective to strengthen a position of the Group in area of agricultural business.

OF DIRECTORS

CHAIRMAN OF THE BOARD

Zoran Mitrovic