



STOCK CORPORATION "TIGAR", PIROT

213, Nikole Pašića Str.
18300 PIROT
REPUBLIC of SERBIA

Phone: 313333
Fax: 313122
Telex:

COMMERCIAL COURT NIŠ
REGISTRATION INSERT: 1 – 1087
Corporate ID: 07187769
Acc. No: 180 – 0173750101000 – 57
160 – 0000000007202 – 04

Number: 10200
Date: 2007-05-11

2ND QUARTER BUSINESS PLAN STATEMENT OF THE TIGAR CORPORATION

Pursuant to Article 5 of the Regulation on Public Company Reporting and Disclosure of Voting Shareholdings, the Corporation's management hereby issues the following Tigar AD Business Plan Statement for the January-June 2007 period:

GENERAL INFORMATION

Registered name: **Akcionarsko društvo "Tigar" Pirot (Stock Corporation Tigar AD Pirot, hereinafter referred to as Tigar AD, the Corporation, and the Holding Company)**

Registered address: **Nikole Pašića 213, 18300 Pirot, Serbia**

Corporate ID number: **07187769**

Fiscal ID number: **100358298**

Incorporation certificate: **Registry file no. 1-1087**

Web site: **www.tigar.com**

Business activity: **Holdings**

BOARD OF DIRECTORS

Executive members:

Dragan Nikolić, Chairman

Jelena Petković
Slobodan Sotirov
Milivoje Nikolić

Non-executive members:

Vladimir Nikolić

Ljubiša Nikolovski
Jose Alexandre F. da Costa

Independent members:

Dr. Živko Mitrović
Tihomir Nenadić

Tigar AD's Board of Directors has approved a 2007-2009 Business Plan and 2007 Monthly Plan for the Holding Company and each of its subsidiaries. The plans' opening balance is the 2006 result. The plans are based on the following initial assumptions for the year 2007: average exchange rate RSD/EUR 83.3 and inflation rate 8.25%, calculated and updated on a monthly basis.

The methodical approach to the development of the Business Plan allows for reporting at both Holding Company and subsidiary levels, as well as by subsidiary product line and/or sales channel. The Business Plan is comprised of several sections including: initial assumptions, investments, revenues and expenditures, balance sheet and income statement, working capital, and key ratios. The Business Plan of the Holding Company projects revenues from services defined by adopted budgets, revenues from subsidiary dividends based on respective stockholdings and the adopted dividend policy, and revenues from capital gain based on the estimated difference between the book value and the achieved price. Operating costs have been reduced, primarily as a result of the planned reduction in the number of employees, and finance expenses have been calculated based on existing long-term loans and a projected reduction in short-term borrowings. Planned subsidiary production and sales levels for the first two quarters are lower than for the last two quarters of the

current year, due to the seasonal nature of some of the businesses. The Business Plan calls for production and sales growth relative to the same period of the previous year, changes in the manufacturing/sales product mix (especially in the rubber footwear and rubber goods segments), as well as a higher operating result relative to the same period of the previous year. Major investment activities during the first two quarters target infrastructure development (including energy supply for the new Tigar III industrial location), development of the network of service centers, purchasing of equipment necessary for the achievement of footwear and rubber goods business plans, construction, and outfitting of new business premises in Belgrade. Tigar AD will adopt and publish its 2nd Quarter Report (January-June 2007) by the 15th of August 2007.

Tigar AD
Board of Directors

Dragan Nikolic
Chairman