

Pursuant to Article 5 of the Regulations on Public Company Reporting and Disclosure of Possession of Voting Shares enacted by the Securities Commission, management of the Joint-Stock Company Tigar Pirot (hereafter: Tigar AD) hereby releases a

STATEMENT REGARDING SIX-MONTH 2008 OPERATIONS OF TIGAR AD WHOSE STOCK IS TRADED IN THE ORGANIZED MARKET

1) Registered name and other general information:

Registered name: Joint-Stock Company Tigar – Pirot

Registered address: 213 Nikole Pašića Street, Pirot, Serbia

Governing bodies: General Assembly of Shareholders, Board of Directors, and Supervisory Board;

Fiscal ID number: 100358298

Under a decision of the Listing and Quotation Commission of the Belgrade Stock Exchange dated 2 April 2007, Tigar AD's stock was admitted to trading on Listing A of the Belgrade Stock Exchange.

Belgrade Stock Exchange symbol: TIGR.

2) Web site address and e-mail address: www.tigar.com

3) Number and date of entry into the Register of Commercial Entities:

BD 6728, corporate ID no. 07187769

4) Core activity, code and description

7415 – Holdings

The Company is entitled to conduct all business activities allowed under the law.

5) Chairperson and members of the Board of Directors (full names):

- Dragan Nikolic, Chairman
- Zivko Mitrovic, Member
- Tihomir Nenadic, Member
- Vladimir Nikolic, Member
- Ljubisa Nikolovski, Member
- J.A. da Costa, Member
- Jelena Petkovic, Member
- Slobodan Sotirov, Member
- Milivoje Nikolic, Member



6) General information about business operations during the first six months of the current financial year, including information about important events and transactions to date, which have a significant impact on the Company's standing, success, and cash flow

General

Under its registered core activity, Tigar AD manages and finances its subsidiary and affiliated companies. Tigar AD defines the status and directions of development of the subsidiaries it controls and monitors their performance based on adopted business plan objectives. Through its representatives, Tigar AD participates in the management of companies in which it holds an equal or minority stake. Tigar AD's 2008 Business Plan addresses business operations of the holding company, 17 controlled subsidiaries, three affiliated companies, and one agency.

At its meeting held on 14 April 2008, Tigar AD's Board of Directors approved the 0-1 Version of the 2008-2010 Business Plan for Tigar AD and the companies which operate within Tigar AD, as well as the January-December 2008 Monthly Plan for Tigar AD and its subsidiaries. The Six-Month 2008 Business Plan is an extract from the 2008 Monthly Plan.

Key assumptions of the Business Plan:

Annual inflation rate: 6%

Average exchange rate: 89.18 RSD / 1 EUR

Exchange rate at end of period: 91.85 RSD / 1 EUR.

Key development goals for the January-June 2008 period

- Preparations for commissioning of a new rubber footwear manufacturing plant at the Tigar 3 location in September of 2008;
- Preparations for commissioning of a new industrial facility for the manufacture of technical rubber goods and products made from recycled rubber at the Tigar 3 location in September of 2008;
- Opening of 3 new sales and automotive service centers, as part of ongoing development of the Domestic Sales Network, and preparation of a restructuring project for the DSN segment which sells products manufactured by the Tigar Group and complementary products, in cooperation with external consultants;
- Preparations for the Service Business Restructuring and Upgrading Project, in cooperation with external consultants;
- Entry into a contract with a strategic partner in the footwear segment;
- Continuation of negotiations with strategic partners in the technical rubber goods and recycling segments; and
- Implementation of a transaction with the Michelin Group involving the disposal of high-value assets.

The planned level of investment for the first half of 2008 is roughly 400 million Dinars and it targets:

- Process development and upgrading, and removal of manufacturing bottlenecks;
- Introduction of new products and brand-name promotion;

- Maintenance and refinement of the integrated quality and environmental management system;
- Development of the commercial network; and
- Employee education and training.

Transactions of special importance

A transaction with the Michelin Group was the most important transaction during the first half of 2008. At the end of 2007, Tigar AD and the Michelin Group defined the basic terms and conditions of this transaction, which the General Assembly approved on 27 February 2008. The scope of the transaction is the sale of Tigar AD's 30% interest in Tigar Tyres between July 2008 and February 2010, and the sale of land with infrastructures at the Tigar 2 location, in the total value of 18,611,588 EUR and 571 million RSD. At the subsidiary level, it includes the sale and compensation for relocation costs of the Tigar Technical Rubber Goods plant and ancillary facilities in 2008, and of the Tigar Chemical Products plant and ancillary facilities in 2009, in the aggregate amount of 587 million RSD. These facilities will move from the Tigar 2 to the Tigar 3 location. The respective contracts have been signed and the proceeds during the first six months of 2008 will be 380 million RSD.

General Assembly of Shareholders

The annual General Assembly of Shareholders will be held during the first half of 2008. The Board of Directors will be recommending to the General Assembly to adopt Tigar AD's 2007 Financial Report and 2007 Consolidated Report; to approve the distribution of dividends and revised versions of the Articles of Associations and the Board of Directors Remuneration and Incentive Policy; and to appoint Tigar AD's independent auditors.

Performance projections for the first six months, in thousands of Dinars

	Tigar AD	Controlled manufacturing subsidiaries	Service subsidiaries	Tigar Trade DSN	Tigar Export-Import	Companies located abroad
INCOME	726,576	1,365,459	412,216	687,672	687,672	1,153,254
EXPENSES	561,860	1,223,651	378,333	686,283	686,283	1,093,561
TAX	26,896	25,818	3,265	1,389	106	19,617
NET PROFIT	137,821	115,990	30,618	1,283	1,283	40,007



 Dragan Nikolic
 

 Board of Directors Chairman

JAP