



Tigar®

TIGAR AD PIROT

BUSINESS REPORT FOR THE PERIOD JANUARY – JUNE 2014

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	BUSINESS REPORT	Document Reference
	FOR THE PERIOD JANUARY- JUNE 2014.	IZ.P. 14/02

TABLE OF CONTENT

GENERAL ASSESSMENT OF THE PERFORMANCE IN THE PERIOD JANUARY-JUNE2014	4
1. INTRODUCTION	5
1.1. GENERAL	5
1.2. CORPORATE STRUCTURE	5
1.3. INVESTMENTS	6
2. PRODUCTION LEVELS AND SALES OF GOODS AND SERVICES	7
2.1. STRUCTURE OF PRODUCTIONAL AND SALES PROGRAM	7
2.2. STRATEGY OF APPROACH AT THE MARKET OF GOODS AND SERVICES	9
2.3. EVALUATION OF THE MARKET POSITION OF RUBBER FOOTWEAR PROGRAM IN THE PERIOD JANUARY-JUNE 2014.	9
2.4. EVALUATION OF THE MARKET POSITION OF RUBBER TECHNICAL GOODS PROGRAM IN THE PERIOD JANUARY-JUNE 2014	11
2.5. EVALUATION OF THE MARKET POSITION OF CHEMICAL PRODUCTS PROGRAM IN THE PERIOD JANUARY - JUNE 2014	11
2.6. DISTRIBUTION OF TIRES, OTHER COMPLEMENRAY PRODUCTS AND SERVICES IN THE PERIOD JANUARY-JUNE 2014.	12
2.7. PRICE FLUCTUATIONS OF KEY RAW MATERIALS AND COMPLEMENTARY PRODUCTS	12
2.8. PRODUCTION OUTPUT	12
3. FINANCIALS IN THE PERIOD JANUARY-JUNE 2014.	13
3.1. KEY INDICATORS OF THE HOLDING COMPANY - TIGAR AD	
3.2. KEY CONSOLIDATED INDICATORS	13
3.3. TIGAR AD (HOLDING COMPANY)	14
3.4. CONSOLIDATED FINANCIALS	17
3.6. TIGAR RUBBER FOOTWEAR	20
3.7. TIGAR RUBBER TECHNICAL GOODS	22



**BUSINESS REPORT
FOR THE PERIOD JANUARY- JUNE 2014.**

Document Reference

IZ.P. 14/02

3.8. TIGAR CHEMICAL PRODUCTS	24
3.9. TIGAR EUROPE UK	25
3.10. TIGRA MONTENEGRO – MONTENEGRO	26
3.11. TIGRA TRADE – REPUBLIKA SRPSKA	26
3.12. TIGAR PARTNER – MACEDONIA	27
3.13. TIGAR BUSINESS SERVICE	28
3.14. TIGAR CATERING	29
3.15. TIGAR INCON	31
3.16. FREE ZONE PIROT	33
3.17. OTHER SERVICE ENTITIES – COLLECTIVELY	34
4. REAL ESTATE AND LEGAL MATTERS	34
4.1. REAL ESTATE	34
4.2. LEGAL PROCEEDINGS	38
5. CAPITAL MARKET POSITION	38
6. SUSTAINABLE DEVELOPMENT	41
6.1. EMPLOYEES	41
6.2. INTEGRATED MANAGEMENT SYSTEMS	42
6.3. ENVIRONMENTAL PROTECTION AND OCCUPATIONAL HEALTH AND SAFETY	42
6.4. INTELLECTUAL PROPERTY	43
6.5. INFORMATION TECHNOLOGY	45
6.6. CORPORATE SOCIAL RESPONSIBILITY	45
6.7. CORPORATE GOVERNANCE	46
7. MAJOR TRANSACTIONS WITH RELATED PARTIES IN THE PERIOD JANUARY-JUNE 2014	47
8. RESEARCH AND DEVELOPMENT	47
9. COMPETITIVE ADVANTAGES AND RISKS	48
9.1. ADVANTAGES	48

	BUSINESS REPORT	Document Reference
	FOR THE PERIOD JANUARY- JUNE 2014.	IZ.P. 14/02

9.2. RISKS	49
10. MAJOR EVENTS THAT HAVE OCCURRED DURING AND AFTER EXPIRATION OF THE FIRST SEMESTER OF 2014	50

GENERAL ASSESSMENT OF THE PERFORMANCE IN THE PERIOD JANUARY-JUNE 2014

Tigar's business in the first half of the year was strongly influenced by internal factors and by situation in which the company is for a longer period of time, but also in circumstances characterizing the local economy in general.

In conditions of poor market slump and the weak purchasing power, primarily in the domestic market, production has recorded a decline compared to the second quarter of last year for 24% in the production of footwear, while, as compared to the first half of last year was recorded a growth of 1%. Production of Tigar Rubber Technical Goods and of Chemical Products programs decreased by 57% compared to the first half of last year. The decline is related to the portion of production intended for the domestic market.

Total external sales of Tigar's entities since the beginning of the year stood at around RSD 861 million, of which three-quarters were realized from the export.

Consolidated operating revenues have recorded the growth compared to the same period last year by 7%, but they also recorded a decline compared to the average of last year by 20%.

At the Extraordinary session of General Assembly held on 14 April 2014, a decision was made on the submission of Proposal for the initiation of the bankruptcy proceedings through reorganization, with the prepackaged plan of reorganization. Having in mind the decision about initiating the 'UPPR', in the period from March to May was invested an intensive work on the development of the plan. There were organized several meetings with each of the creditors, with the aim to make better plan and its approval by creditors. The Plan was completed and submitted to the Court within the legally provided deadline - 29.05.2014. Upon surrender of the Plan, some creditors had certain remarks to the plan and submitted the same to the Court. The deadline for submitting applications before the Court was 02/07/2014. With most of the banks that had objections to the plan were held meetings and all reasonable objections were accepted and implemented. A revised version of the plan was submitted to the Court and there was scheduled a new hearing for 18.09.2014.

Despite the fact that the 'UPPR' was not adopted in this period, the company is continuously working on the implementation of the measures provided by the Plan of business and financial consolidation, which was adopted in December 2013 and is an integral part of the pre-packaged reorganization plan. The aim of these measures is to stabilize the business and continued growth in production and sales with maximum reduction of costs and their rationalization. In parallel with that, there is employed an intensive work on the project of restructuring the Tigar group in order to create an efficient business system that will service its obligations and make profit to owners. With special emphasis on the fact that Tigar ad is entering its second year of operation without any additional borrowing.

	BUSINESS REPORT	Document Reference
	FOR THE PERIOD JANUARY- JUNE 2014.	IZ.P. 14/02

During the observed period, the company's management had continuous communication with the largest owners and representatives of the government of the Republic of Serbia, as the largest individual shareholder with a view to reaching consensus on the key decisions for the company.

Chairman of Supervisory Board of Tigar a.d.

NEBOJŠA PETROVIĆ

1. INTRODUCTION

1.1. GENERAL

Registered name: Akcionarsko društvo "Tigar" Pirot
(Joint-Stock Company Tigar Pirot, hereinafter also referred to as Tigar, the Company, and the Holding)

Corporate ID: 07187769

Web site: www.tigar.com

Core activity: Holdings

Number of shareholders: 30/06/2014 4,467

Assets: 31/12/2014 ('000 RSD) 5,792,172

Registered address: Nikole Pašića 213, 18300 Pirot, Serbia

Tax ID: 100358298

Certificate of incorporation: Registry File 1-1087

Number of employees: 1,622 as of 30/06/2014

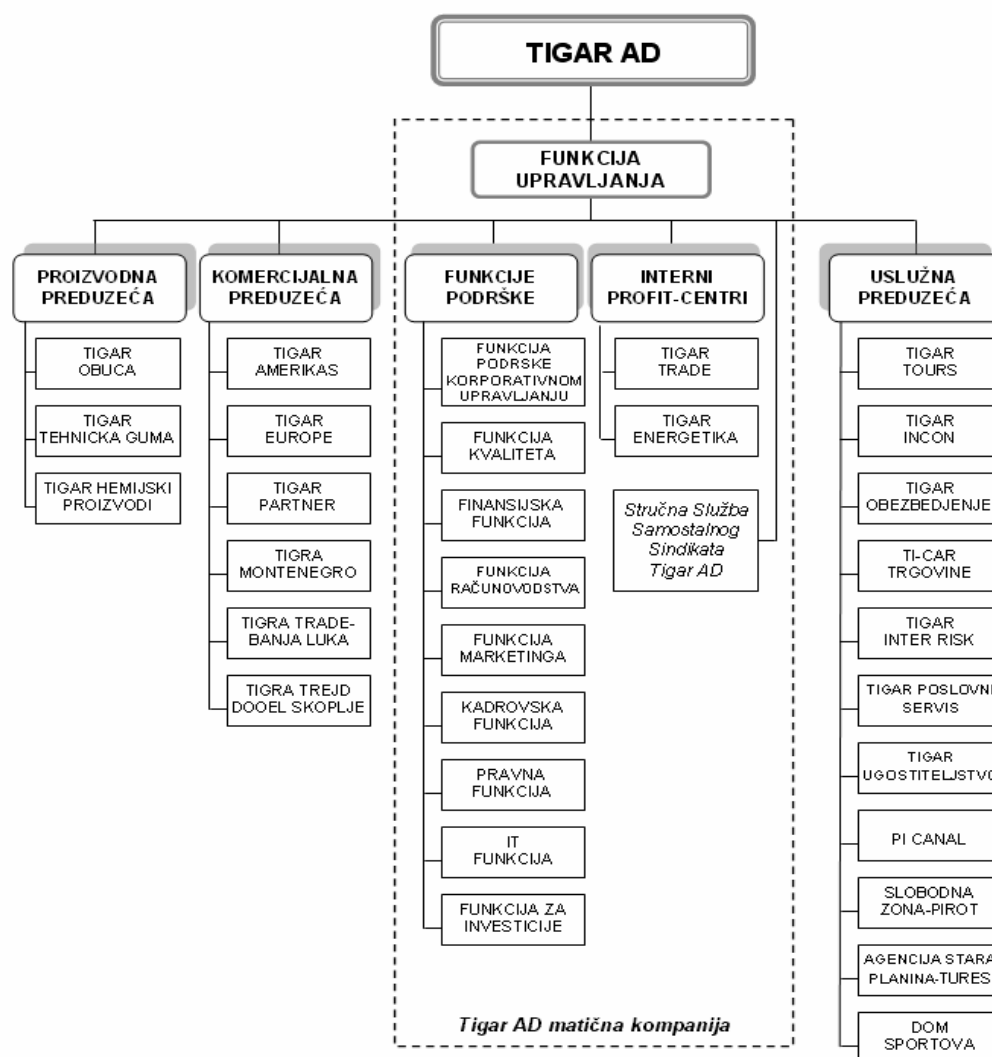
Capital: 30/06/2014 (000 din) 0

Capitalization: 30/06/2014 (000 din) 89,360

1.2. CORPORATE STRUCTURE

On the day of writing this report, the organizational structure of the corporation look like it follows in the graph below:

	BUSINESS REPORT	Document Reference
	FOR THE PERIOD JANUARY- JUNE 2014.	IZ.P. 14/02



1.3. INVESTMENTS

During the reporting period (second quarter of 2014), the investment status was as follows:

In thousands RSD	Purchases of fixed assets and intangible investments	
	january-june 2014	
Tigar Technical Rubber Goods		635
Tigar Chemical products		0
Tigar Rubber Footwear		322
Service entities		19,448
Holding company		609
Total		21,014

	BUSINESS REPORT	Document Reference
	FOR THE PERIOD JANUARY- JUNE 2014.	IZ.P. 14/02

The process of financial consolidation and efforts to respond to customers' requirements and market conditions without any borrowing have inevitably had an impact on the possible level of investment.

Investments were appropriate to the real needs and opportunities of Tigar's business system at that time, so they're primarily related to the necessary investment maintenance of production equipment, expansion and acquisition of computer equipment at Tigar AD

In the service sector, there was made the sanation of the object - hotel StarA and was purchased the necessary equipment for regular performance of jobs, while the Business Services has acquired two new vehicles with most modern engines, Scania brands.

Investment in further development are necessary but they will be strictly selected and will be aimed primarily to streamline business operations, as well as investments in expanding of market potential.

2. PRODUCTION LEVELS AND SALES OF GOODS AND SERVICES

2.1. BREAKDOWN OF PRODUCTION AND SALES

Structure of production and sales program in the period January-June 2014 was as given below:

Rubber Footwear Program

Tigar Footwear's product lines currently include the following product groups:

- *Safety footwear*
- *Work boots*
- *Sports footwear*
- *Fashion footwear*
- *Children's footwear*
- *Low footwear*

Rubber footwear encompasses a wide range of products for diverse uses, which are made in a large number of standardized styles, in accordance with specific environmental standards to ensure minimal contamination of working environment at the end of their life cycle.

The quality and characteristics of raw materials and the quality of the final product are defined by stringent technical&technological specifications consistent with international standards and specific requirements of respective markets and customers.

In addition to off-take exports made under customers' brand names, Tigar sells safety rubber footwear under its proprietary brand names, such as Tigar and Century, Maniera stylish footwear, Brolly children's footwear, and other types of footwear made under the Tigar brand name.



**BUSINESS REPORT FOR THE PERIOD
JANUARY- JUNE 2014.**

Document Reference

IZ.P. 14/02

Rubber Technical Goods Program

Tigar Rubber Technical Goods actual program includes the following product groups:

- *Molded rubber products.*
- *Rubber profiles*, with the most common EPDM profiles for construction industry
- *Hoses, including flexi hoses*
- *Combined products and semi-finished rubber products*, like rubber-metal products, shock absorbers...
- *Special purpose products*, such as tanks for combat aircraft, covers the top of the tank and invulnerable wheels
- *Products made from recycled (crumb) rubber* of different particle sizes that are used to overlay and protect outdoor and indoor surfaces, including rubber mat used in construction industry for soundproofing, rubber tiles for children's playgrounds, as well as various bollards for traffic signalization.
- *Sports court flooring* is basically comprised of rubber matting of different thickness – indoor sports facilities or rubber granulate for outdoor sports facilities, depending on their purpose.

Chemical Products Program

Tigar Chemical Products manufactures more than 300 products classified into:

- *Horizontal road signage materials.*
- *Self-spreading flooring.*
- „*Coil coatings*“ are used to protect outer steel-sheet and aluminum surfaces of buildings and „can coatings“, group of products is designated for the tin packaging industry
- *Anti-corrosion coatings* are designed for consumer spending and construction industry
- *Adhesives for consumer market and construction industry, various industrial adhesives, and special-purpose adhesives.* A special product belonging to this group is conveyor belt adhesive designed for the mining industry. |

Complementary goods

Subsidiaries in the service sector are contributing to core businesses and provide quality services to the Company and to customers in the local environment

- Construction and engineering,
- Free Zone Pirot, on 5ha 09a and 41m2 of infrastructure-equipped land provides services to the business that is done without payment of customs duties, VAT and certain municipal charges,
- Transport, including domestic and international freight forwarding,
- -Food production for internal purposes of Tigar ad and also for external markets including food preparation for employees of Tigar Tyres, as well as accommodation and hospitality services to tourists, business people, delegations, sports teams
- Business unit dealing with collection and processing of secondary raw materials,

Although they have a significant influence on the diversification of the business system, all these activities generate over 60% of the income from Tigar Tyres, which provides them with a basis for confidence in their business.



**BUSINESS REPORT FOR THE PERIOD
JANUARY- JUNE 2014.**

Document Reference

IZ.P. 14/02

OTHER COMMERCIAL ACTIVITIES

Through service-sales network of commercial enterprise is the sale of tires and spare parts for vehicles. Companies abroad selling only tires Tigar brand, manufactured by Tigar Tyres. In the domestic market offers passenger, light truck and truck tires of all manufacturers in the world, and most tires from Michelin group, which includes tires Tigar brand. Of complementary products include motor oil, car batteries, car care products, brake systems, etc., domestic and foreign suppliers. Tigar's sales - service network Stop & Drive, extend tire, car repair services, vehicle washing, tracking and storage of tires. The above services are performed in the stable passenger and cargo services. In addition to the stable, the network also has mobile services which are equipped for field work.

The specialized chain Bottega, in addition to women's and children's footwear, sold, in order to maintain the season and goods of domestic producers fashion women's, men's and children's footwear.

2.2. STRATEGY OF THE APPROACH ON THE MARKET OF GOODS AND SERVICES

Tigar's business and development strategy for the period 2013-2017 implies the following guidelines:

- Volume growth, through increased sales to both existing and new customers and markets and through introduction of new products;
- Ongoing product mix changes, focusing on highly sophisticated products;
- Lowering the labor cost to the optimal level, with a further reduction of fixed and variable costs.
- Investments in order to achieve cost savings in production.
- Long-term financing based on the favorable long-term loans, with no significant debt in the early years of the projection.
- Export as a dominant form of selling products of Tigar plants.
- Growth in sales of its own brands, particularly in exports.
- Introduction of new selling channels
- Growth in sales to end users of tires, footwear, and other complementary goods in the Serbian market.
- Fusion of operations through the integration of parts that do not have an independent market perspective.
- Maintenance of the sales volume of tires and other complementary goods through companies abroad.
- Increased revenues from the provision of external services in services in the field of construction and Free Zone Pirot.
- Maintaining the level of internal services at the level of needs of both Tigar ad and Tigar Tyres.

2.3. EVALUATION OF THE MARKET POSITION OF RUBBER FOOTWEAR PROGRAM IN THE PERIOD JANUARY-JUNE 2014.

Total sales in the first semester of 2014 is by 6% higher in relation to the same period last year:



**BUSINESS REPORT FOR THE PERIOD
JANUARY- JUNE 2014.**

Document Reference

IZ.P. 14/02

<i>Net income from the sale of goods and products</i> <i>In '000 RSD</i>	january- june 2013.	january- june 2014.	%
Tigar Rubber Footwear	579,403	711,739	23%
Tigar rubber Technical Goods	178,651	124,452	-30%
Chemical Products	31,224	14,283	-54%
Tires and other programs	26,333	10,924	-59%
TOTAL	815,611	861,396	6%

<i>Net income from the sale of goods and products</i> <i>on domestic market In '000 RSD</i>	january- june 2013.	january- june 2014.	%
Total domestic market	244,013	205,884	-16%
Tigar Rubber Footwear	95,332	133,063	40%
Tigar rubber Technical Goods	110,846	51,283	-54%
Chemical Products	11,502	10,615	-8%
Tires and other programs	26,333	10,924	-59%

<i>Net income from the sale of goods and products</i> <i>on foreign market In '000 RSD</i>	january- june 2013.	january- june 2014.	%
Total foreign market	571,599	655,513	15%
Tigar Rubber Footwear	484,071	578,676	20%
Tigar rubber Technical Goods	67,805	73,169	8%
Chemical Products	19,722	3,668	-81%

Sales of Tigar products in the first half of the year (January-June) of 2014 amounted to RSD 861 million, of which 76% were realized in export. Tigar Rubber Footwear plant still has the largest share in exports, which in the first half of 2014 amounted to 81.39% of realized production.

Sales of the rubber footwear program in the first half of 2014 was by 23% higher compared to the same period last year.

<i>Net income from the sale of goods and products</i> <i>In '000 RSD</i>	january-june 2013.	january- june 2014.	%
	579,403	711,739	23%
Tigar Rubber Footwear			
- Domestic market	95,332	133,063	40%
- Export	484,071	578,676	20%

The period January-June this year, with regular servicing of existing customers in exports, was marked by an agreement on the renewal of cooperation with the firm Battistini (ITA) after a long break (expected sales of 60,000 pairs of footwear by the end of the year worth about EUR 500,000, with the goal to reach the volume of sales in 2016 to be 200,000 pairs), then renewing cooperation with the firm Euro PM (GER), as well as the beginning of cooperation with the firm Hound & Craft (CAN/FRA) for which were won 14 models for the North American market. As for the customer Ilse Jacobsen Hornabaek (DEN), it is in progress the winning the 8 new models. There are intensified negotiations to deliver significant quantities of Tigar branded hunting boots in the Canadian market (first deliveries are planned for September). In the course are also negotiations and preparation of samples for potential buyers from the Republic of Ireland (Spats Boots).

It is important to emphasize the synchronized action with customers in the domestic market, where the emphasis is on the advance payments.



**BUSINESS REPORT FOR THE PERIOD
JANUARY- JUNE 2014.**

Document Reference

IZ.P. 14/02

2.4. EVALUATION OF THE MARKET POSITION OF RUBBER TECHNICAL GOODS PROGRAM IN THE PERIOD JANUARY-JUNE 2014.

In Tigar Rubber Technical Goods plant, the sales was by 30% lower when compared to the first half of last year. The main cause of the stagnation is the lack of working capital to finance the production, so that many anticipated deliveries were not implemented, especially in the export of products from recycled rubber, which mainly relates to the first quarter of the current year. In the second quarter, in contrast to the first one, the supply was regular and there was an upward trend in sales volume. Potential danger is the loss of some customers due to the inability to meet the demand, but it is also evident that the biggest buyers of Tigar Rubber Technical Goods - primarily Nissal and RTB Bor (on the domestic market) are undergoing an organizational transformation. The crisis that has gripped most of construction is recorded in a part of the demand for profiles, prime-time program of the Rubber Technical Goods Plant.

<i>Net income from the sale of goods and products</i>	january- june 2013.	january- june 2014.	%
<i>In '000 RSD</i>			
T. Rubber Technical Goods			
- Domestic market	110,846	51,283	-54%
- Export	67,805	73,169	8%

It is important to point out that the main problem with the customer's of Tigar Rubber Technical Goods plant, other than reduced requirements is their liquidity and status.

It is continued the trend of increasing sales of rubber hoses on the Russian market (for the first installation of automobile and bus industry) as well as the cooperation with Metso (SWE) in the area of products for the mining industry, for which we produce and sell in increasing volume, in their centers around the world.

2.5. EVALUATION OF THE MARKET POSITION OF THE CHEMICAL PRODUCTS PROGRAM IN THE PERIOD JANUARY - JUNE 2014.

In difficult conditions due to fire at the end of last year, the factory was able to meet the needs of Tigar Rubber Footwear and of Tigar Tyres for adhesives. For these reasons, the realization of sales is significantly lower compared to the same period last year. In the second quarter was made a step forward in the implementation of supply for the mining industry in Bulgaria, for which are planned deliveries in the remaining two quarters of 2014. It is also more regular the supply of the domestic market.

<i>Net income from the sale of goods and products</i>	january- june2013.	january- june 2014.	%
<i>In '000 RSD</i>			
Chemical Products			
- Domestic market	11,502	10,615	-8%
- Export	19,722	3,668	-81%



**BUSINESS REPORT FOR THE PERIOD
JANUARY- JUNE 2014.**

Document Reference

IZ.P. 14/02

2.6. DISTRIBUTION OF TIRES, OTHER COMPLEMENTARY PRODUCTS AND SERVICES OFFERED BY THE SERVICE NETWORK IN THE PERIOD JANUARY-JUNE 2014.

The process of restructuring of the service network and retails is continuing. Parallel to this process began and supply networks tires, footwear and complementary programs (batteries, etc.). There was performed the re-registration of Tigar Protective Workshop in Ti-Car Trgovine and a new organizational framework for the specified network.

In the second quarter was realized the procurement of the brand Accelera tires, which was then distributed in retail stores.

Continuation of this action, which practically has to show the cost-effectiveness and rentability of each store, is planned for the second quarter of this year. It is important to point out activities related to finding a long term solution for the supply of tires, so that in this regard was initiated activity on the acquisition of the brand Accelera.

2.7. PRICE FLUCTUATIONS OF KEY RAW MATERIALS AND COMPLEMENTARY PRODUCTS

Prices of key raw materials during the first two quarters were stable, so there were no significant deviations of price in relation to the previous period. It is also significant that there was no announcement of price increases for the next quarter.

The biggest problem is still the instability in the supply of textiles for the manufacture of footwear. It is in course the introduction of 4-5 new suppliers to this segment in order to normalize the supply both qualitatively and quantitatively. During the first quarter began intensive efforts to replace some critical suppliers, primarily in the area of key materials - rubber and textiles. The introduction of new suppliers for textiles will provide additional quality in the supply of materials, the availability of alternatives and capacity, but also with respect to price pressure on existing suppliers.

2.8. PRODUCTION OUTPUT

Monthly production plans are done in compliance with the sales demands.

There was realized the following production by programs:

Production (pairs)	january-june 2013.	january-june 2014.	%
Tigar Rubber Footwear	512,737	452,896	-12%

Production (tons)	january-june 2013.	january-june 2014.	%
Tigar Rubber Technical Goods	772	302	-61%
Chemical Products	92	70	-24%
TOTAL	864	371	-57%

During the period January-June 2014, total realized production in Tigar Rubber Footwear plant was 452,896 pairs, which is by 12% lower in relation to the same period last year. Total production in tons in Tigar Rubber Technical Goods and Chemical Product plants was 371 t, which is by 57% lower with respect to the same period last year.



**BUSINESS REPORT FOR THE PERIOD
JANUARY- JUNE 2014.**

Document Reference

IZ.P. 14/02

3. FINANCIALS FOR THE PERIOD JANUARY-JUNE 2014

KEY INDICATORS OF THE HOLDING COMPANY (TIGAR AD)

Tigar AD's unconsolidated financials in thousands of dinars	January - June 2013.	January - June 2014.	% change
Assets	6,350,928	5,792,172	-9%
Equity	597,152		-100%
Operating income	1,362,282	878,148	-36%
EBIT	26,855	22,113	-18%
EBITDA	54,837	46,702	-15%
Financial income	7,909	4,511	-43%
Other income	4,801	7,395	54%
Total income	1,374,992	890,054	-35%
Net income	-213,638	-233,410	-9%
Ratios			
Current Ratio	0.69	0.63	-8%
Debt-to-assets ratio	0.87	0.96	11%
Neto profit/total income	-15.54%	-26.22%	-69%

3.2. KEY INDICATORS AT CONSOLIDATED LEVEL

The majority of cash flow from operations, generated through the sales of products and services inputs and outputs through the parent company and is distributed between the parent company and core manufacturing entities. Cash flows from borrowed external sources are dominantly inputted to the parent company and then directed toward other parts of the system, in accordance with the needs for working capital, investment policy and plans. There are some exceptions, such as Tigar Rubber Footwear llc. (DEG long-term loan). Internal cash flows are related to flows from operating activities on the basis of payment for services rendered and purchased/sold goods and products, flows from financing - long-term loans which the parent company directs toward its subsidiaries and short-term loans among entities and trends based on withdrawn earnings from subsidiaries companies.

Manufacturing entities essentially operate as manufacturing divisions of the holding company. Commercial enterprises are enterprises abroad and are primarily engaged in commercial activity. Service entities are predominantly oriented to the external market for the procurement of necessary inputs, as well as in terms of sales or provision of services. At the individual level, there are service subsidiaries whose dependence on the internal market is more pronounced: Tigar Tours, Tigar Security and Tigar Catering.

Tigar AD's consolidated financials in thousands of dinars	January - June 2013.	January - June 2014.	% change
Assets	8,230,360	7,833,939	-5%
Equity	650,011		-100%
Sales Revenues	1,363,566	1,232,367	-10%



**BUSINESS REPORT FOR THE PERIOD
JANUARY- JUNE 2014.**

Document Reference

IZ.P. 14/02

EBIT	-319,457	-219,420	31%
EBITDA	-206,995	-112,479	46%
Financial income	10,131	6,932	-32%
Other income	7,837	17,823	127%
Total income	1,340,192	1,253,096	-6%
Net income	-626,780	-560,714	11%

Total revenues from sales of goods, products and services on a consolidated basis, for the period January-June 2014 amounted in '000 up to RSD 1,232,367 which is by 10% lower than in the same period last year. During the reporting period there were no major revenues in part of activating effects. Operating income realized in the period January-June 2014 fell by 7% compared to the same period last year.

Consolidated operating expenses were lower by 12%, due to the low level of productive activity in the first quarter of this year. In the structure of operating expenses significant item are the staff costs, which in total costs accounted for about 39%. Employee expenses are lower than in the same period last year by 2%, partly as a consequence of the reduction in the total number of workers, as well as of reduction of earnings. Expenditures for the costs of materials and energy in the total costs accounted for 37%. The cost of goods in total expenditure accounted for 1%. Expenses, depreciation and provisions to total operating expenses accounted for 7%. Other expenses were lower by 5% and participate in total operating expenses with 16%. Within the structure of these expenditures are "accompanying" costs of production and sales, such as transport, maintaining costs, PR and marketing, as well as various administrative expenses, and expense costs of taxation and other consulting expenses related to the position on the capital market, the work of management and the like.

Financing costs on a consolidated basis, for the period January-June 2014 amounted to RSD 358 million.

The largest part of financial expenses are interest expense, which on a consolidated basis amounted to about 280 million RSD. The level of debt denominated in dinars is significantly affected by changes in exchange rates, which is on the balance sheet at the end of the quarter, higher than at the end of last year, so on that basis we have foreign exchange losses.

At the consolidated level, the value of total assets is RSD 7.8 billion, of which the fixed assets of RSD 5.6 billion and current assets about RSD 2.0 billion loss in excess of capital RSD 0.2 billion. On the liabilities side, equity value is 0, long-term borrowings are about RSD 1 billion, liabilities based on short-term borrowings were RSD 3.7 billion and other short-term liabilities amounted to about RSD 2.8 billion. This level of short-term liabilities compared with the available current assets is much higher, so that the current liquidity ratio is below the desirable one. Substituting current liabilities with the long-term borrowings through the process of long-term financial stabilization will be provided a better impact on current liquidity business.

3.3. TIGAR AD – PARENT COMPANY

BALANCE SHEET (in thousands of RSD)	As of 31.12.2012.	As of 31.12.2013.	As of 30.06.2014.
ASSETS			
Non-current assets	3,002,068	2,417,661	2,398,877



**BUSINESS REPORT FOR THE PERIOD
JANUARY- JUNE 2014.**

Document Reference

IZ.P. 14/02

Intangible assets	40,138	27,818	26,506
Property, plant and equipment	1,607,821	1,509,553	1,486,885
Property, plant and equipment	1,152,377	1,113,858	1,091,190
Investment property	455,444	395,695	395,695
Biological agents			
Long-term financial placements	1,354,109	880,290	885,486
Equity investments	1,315,364	868,220	873,416
Other long-term financial placements	38,745	12,070	12,070
Current assets	3,332,031	2,933,562	3,108,033
Inventories	659,332	621,303	494,511
Assets held-for-sale	6,337		
Accounts receivable, placements and cash	2,666,362	2,312,259	2,613,522
Accounts receivable	2,154,510	2,016,860	2,259,727
Receivables from over-paid taxes	122		
Short-term financial placements	120,752	276,539	316,514
Cash and cash equivalents	7,571	2,088	4,955
Value added tax and prepayments	383,407	16,772	32,326
Deferred tax assets			
OPERATING ASSETS	6,334,099	5,351,223	5,506,910
Loss in excess of capital		69,145	285,262
TOTAL ASSETS	6,334,099	5,420,368	5,792,172
EQUITY AND LIABILITIES			
Equity	810,790		
Share and other capital	2,062,152	642,704	642,704
Share issuing premiums			
Reserves	206,215	143	143
Revaluation reserves	167,943	112,817	112,818
Retained earnings	623,646		
Loss	2,249,166	755,664	755,665
Shares buyback			
Long-term provisions and liabilities	5,486,285	5,420,368	5,792,172
Long-term provisions	224,262	221,704	221,499
Long-term liabilities	533,379	671,875	644,042
Long-term debt	532,961	671,875	644,042
Other long-term liabilities	418		
Current liabilities	4,728,644	4,526,789	4,926,631
Short-term financial liabilities	2,667,176	2,781,875	2,853,296
Account payable	1,539,184	1,099,362	1,217,167
Other current liabilities	362,498	555,005	776,291
Value added tax and other taxes payable and accruals	119,795	73,769	63,592
Income taxes payable	39,991	16,778	16,285
Deferred tax liabilities	37,024		
TOTAL EQUITY AND LIABILITIES	6,334,099	5,420,368	5,792,172

Income statement (in thousands of RSD)	January- December 2012.	January- December 2013.	January- June 2013.	January- June 2014.
OPERATING INCOME	3,797,210	2,958,181	1,362,282	878,148



**BUSINESS REPORT FOR THE PERIOD
JANUARY- JUNE 2014.**

Document Reference

IZ.P. 14/02

Sales of goods, products and services	3,745,673	2,942,551	1,354,124	867,195
Work performed by the company and capitalized	21,694			
Increase in inventories of finished products and work in progress				
Decrease in inventories of finished products and work in progress				
Other operating income	29,843	15,630	8,158	10,953
OPERATING EXPENSES	4,024,794	2,883,347	1,335,427	856,035
Cost of commercial goods sold	2,805,063	2,205,412	1,010,380	570,540
Material, fuel and energy consumed	160,739	100,951	43,769	40,834
Staff costs	524,877	295,592	145,139	119,701
Depreciation, amortization and provisions	270,328	56,084	27,982	24,589
Other operating expenses	263,787	225,308	108,157	100,371
PROFIT/LOSS FROM OPERATIONS	-227,584	74,834	26,855	22,113
FINANCE INCOME	100,142	18,446	7,909	4,511
FINANCE EXPENSES	784,864	515,955	251,503	264,106
OTHER INCOME	386,530	90,791	4,801	7,395
OTHER EXPENSES	1,634,959	529,826	1,700	3,323
PROFIT/LOSS BEFORE TAXATION	-2,160,735	-861,710	-213,638	-233,410
INCOME TAXES				
Current tax expense	36,155	124		
Deferred income tax expense	2,773			
Deferred income tax benefit		37,024		
NET PROFIT/LOSS	-2,199,663	-824,810	-213,638	-233,410

CASH FLOWS (in thousands of RSD)	January-June 2013.	January-June 2014.
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash inflow from operating activities	812,741	414,336
1. Cash receipts from customers	781,507	403,523
2. Interest received from operating activities	777	123
3. Other receipts from operating activities	30,457	10,690
Cash outflow from operating activities	830,576	360,597
1. Cash paid to suppliers for raw materials and other expenses	624,968	284,929
2. Gross salaries and other personnel costs paid	134,893	55,027
3. Interest paid	69,232	5,167
4. Income tax expense		799
5. Other levies paid	1,483	14,675
Net cash inflow from operating activities		53,739
Net outflow from operating activities	17,835	
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash inflow from investing activities	391	
1. Sale shares and stakes (net inflow)		
2. Sales of fixed assets	391	



**BUSINESS REPORT FOR THE PERIOD
JANUARY- JUNE 2014.**

Document Reference

IZ.P. 14/02

3. Other financial placements (net inflow)		
4. Interest received from investment activities		
5. Dividends received		
Cash outflow from investing activities	1,620	1,136
1. Purchase of shares (net outflow)		579
2. Purchase of fixed assets	1,620	557
3. Other financial placements (net outflow)		
Net cash inflow from investing activities		
Net cash outflow from investing activities	1,229	1,136
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash inflow from financing activities	411,502	
1. Increase in capital		
2. Long-term and short-term borrowings (net inflow)	411,502	
3. Other long-term and short-term liabilities		
Cash outflow from financing activities	390,359	49,612
1. Buyback of own shares and stakes		
2. Long-term and short-term borrowings (net outflow)	389,484	49,487
3. Financial lease	875	125
4. Dividends paid		
Net cash inflow from financing activities	21,143	
Net cash outflow from financing activities		49,612
Total cash inflow	1,224,634	414,336
Total cash outflow	1,222,555	411,345
NET CASH INFLOW	2,079	2,991
NET CASH OUTFLOW		
Cash and cash equivalents at beginning of year	7,571	2,088
Foreign exchange gains on translation of cash and cash equivalents		
Foreign exchange losses on translation of cash and cash equivalents	745	124
CASH AND CASH EQUIVALENTS AT END OF YEAR	8,905	4,955

The present financial statements for 2013 and 2014 are not audited.

3.4. CONSOLIDATED FINANCIAL RESULT

Tigar ad Consolidated Balance Sheet (in thousands of RSD)	As of 31.12.2012.	As of 31.12.2013.	As of 30.06.2014.
ASSETS			
NON-CURRENT ASSETS	5,936,392	5,720,259	5,633,997
Intangible assets	686,978	621,615	587,775
Property, plant and equipment	5,198,842	5,074,747	5,022,325
Property, plant and equipment	4,383,580	4,319,233	4,266,811
Investment property	815,262	755,514	755,514
Long-term financial placements	50,572	23,897	23,897
Equity investments	11,827	11,827	11,827
Other long-term financial placements	38,745	12,070	12,070
Current assets	2,537,383	2,226,455	1,981,344
Inventories	1,282,573	1,217,035	1,097,475
Non-current assets held for sale and assets of discontinued operations	6,337		
Accounts receivable, placements and cash	1,248,473	1,009,420	883,869
Accounts receivable	732,244	577,801	460,718
Receivables from over-paid taxes	4,552	4,506	2,309
Short-term financial placements	5,223	472	472



**BUSINESS REPORT FOR THE PERIOD
JANUARY- JUNE 2014.**

Document Reference

IZ.P. 14/02

Cash and cash equivalents	198,767	220,447	231,879
Value added tax and prepayments	307,687	206,194	188,491
Deferred tax assets	23,924		1,875
OPERATING ASSETS			
Loss in excess of capital			216,723
TOTAL ASSETS	8,497,699	7,946,714	7,833,939
EQUITY AND LIABILITIES			
Equity	1,281,373	322,359	
Share and other capital	2,200,119	831,559	831,919
Share issuing premiums	5,453	5,599	5,511
Revaluation reserves	1,569,704	1,506,746	1,502,932
Retained earnings			
Loss	2,493,903	2,021,545	2,340,362
Shares buyback			
Long-term liabilities and provisions	7,040,487	7,508,598	7,716,307
Long-term provisions	293,185	291,854	274,140
Long-term liabilities	1,254,999	1,029,357	1,020,067
Long-term debt	1,254,581	1,025,537	1,000,857
Other long-term liabilities	418	3,820	19,210
Current liabilities	5,492,303	6,187,387	6,422,100
Short-term financial liabilities	3,272,753	3,709,619	3,702,971
Account payable	1,063,560	1,114,130	1,011,577
Other current liabilities	905,067	1,207,924	1,515,189
Value added tax and other taxes payable and accruals	196,217	121,947	158,026
Income taxes payable	54,706	33,767	34,337
Deferred tax liabilities	175,839	115,757	117,632
TOTAL EQUITY AND LIABILITIES	8,497,699	7,946,714	7,833,939

Income statement (in thousands of RSD)	January- December 2012.	January- December 2013.	January- June 2013.	January- June 2014.
OPERATING INCOME	3,991,439	3,061,964	1,322,224	1,228,341
Sales of goods, products and services	3,911,854	3,083,210	1,363,566	1,232,367
Work performed by the company and capitalized	237,940	26,124	12,478	6,372
Increase in inventories of finished products and work in progress			758	
Decrease in inventories of finished products and work in progress	181,271	64,583	62,916	21,342
Other operating income	22,916	17,213	8,338	10,944
OPERATING EXPENSES	4,876,813	3,499,236	1,641,681	1,447,761
Cost of commercial goods sold	834,745	252,072	132,056	21,599
Material, fuel and energy consumed	1,406,630	1,284,949	584,189	529,436
Staff costs	1,664,505	1,230,177	573,602	562,141
Depreciation, amortization and provisions	439,707	226,175	112,462	106,941
Other operating expenses	531,226	505,863	239,372	227,644
PROFIT/LOSS FROM OPERATIONS	-885,374	-437,272	-319,457	-219,420
FINANCE INCOME	68,893	26,162	10,131	6,932
FINANCE EXPENSES	947,186	642,430	321,013	357,972
OTHER INCOME	98,275	170,045	7,837	17,823



**BUSINESS REPORT FOR THE PERIOD
JANUARY- JUNE 2014.**

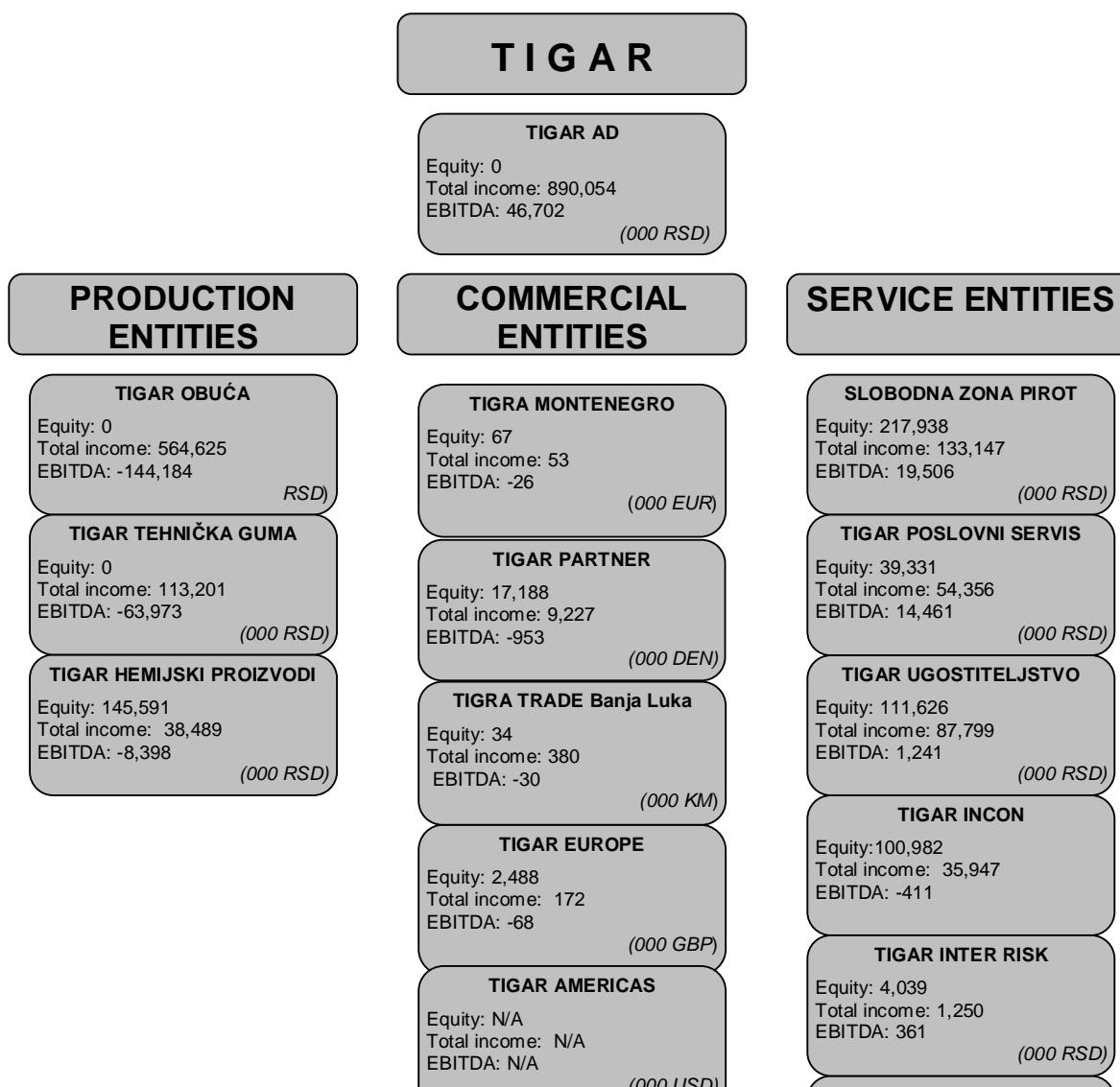
Document Reference

IZ.P. 14/02

OTHER EXPENSES	568,748	112,284	2,723	4,441
PROFIT/LOSS BEFORE TAXATION	-2,234,140	-995,779	-625,225	-557,078
INCOME TAXES				
Current tax expense	42,009	6,519	1,555	4,506
Deferred income tax expense		863		
Deferred income tax benefit	825	60,682		870
NET PROFIT/LOSS	-2,275,324	-942,479	-626,780	-560,714

The present financial statements for 2013, 2014 are not audited.

KEY FINANCIAL RESULTS BY ENTITY





**BUSINESS REPORT FOR THE PERIOD
JANUARY- JUNE 2014.**

Document Reference

I.Z.P. 14/02

3.6. TIGAR RUBBER FOOTWEAR

BALANCE SHEET (in thousands of RSD)	As of 31.12.2012.	As of 31.12.2013.	As of 30.06.2014.
Non-current assets	2,032,415	1,931,628	1,878,085
Current assets	1,036,043	724,575	1,088,331
Deferred tax assets			
Loss above equity			95,413
TOTAL ASSETS	3,068,458	2,656,203	3,061,829
Equity	522,401	165,351	
Long-term liabilities and provisions	589,226	327,995	330,224
Current liabilities	1,947,823	2,153,739	2,722,487
Deferred tax liabilities	9,008	9,118	9,118
TOTAL EQUITY AND LIABILITIES	3,068,458	2,656,203	3,061,829

Income statement (in thousands of RSD)	January- December 2012.	January- December 2013.	January-June 2013.	January- June 2014.
OPERATING INCOME	1,340,145	1,298,813	475,516	564,206
Sales of goods, products and services	1,275,763	1,300,092	496,483	582,955
Work performed by the company and capitalized	159,367	11,525	6,128	
Increase in inventories of finished products and work in progress				
Decrease in inventories of finished products and work in progress	95,013	26,961	35,943	22,347
Other operating income	28	14,157	8,848	3,598
OPERATING EXPENSES	1,693,400	1,626,814	702,182	762,254
Cost of commercial goods sold				
Material, fuel and energy consumed	853,392	852,998	370,091	386,394
Staff costs	511,722	439,810	172,469	215,037
Depreciation, amortization and provisions	103,786	111,982	55,095	53,864
Other operating expenses	224,500	222,024	104,527	106,959
PROFIT/LOSS FROM OPERATIONS	-353,255	-328,001	-226,666	-198,048
FINANCE INCOME	970	634	585	54
FINANCE EXPENSES	83,959	97,122	46,554	63,117
OTHER INCOME	880	50,158	265	365
OTHER EXPENSES	252,115	4,819	243	19
PROFIT/LOSS BEFORE TAXATION	-687,479	-379,150	-272,613	-260,765
INCOME TAXES				
Current tax expense				
Deferred income tax expense		110		
Deferred income tax benefit	11,475			
NET PROFIT/LOSS	-676,004	-379,259	-272,613	-260,765



**BUSINESS REPORT FOR THE PERIOD
JANUARY- JUNE 2014.**

Document Reference

IZ.P. 14/02

CASH FLOWS (in thousands of RSD)	January-June 2013.	January-June 2014.
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash inflow from operating activities	82,224	42,036
Cash outflow from operating activities	77,518	46,418
Net cash inflow from operating activities	4,706	
Net outflow from operating activities		4,382
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash inflow from investing activities		
Cash outflow from investing activities		
Net cash inflow from investing activities		
Net cash outflow from investing activities		
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash inflow from financing activities	2,255	4,502
Cash outflow from financing activities	6,957	
Net cash inflow from financing activities		4,502
Net cash outflow from financing activities	4,702	
NET CASH INFLOW	4	120
NET CASH OUTFLOW		
Cash and cash equivalents at beginning of year	128	122
Foreign exchange gains on translation of cash and cash equivalents		
Foreign exchange losses on translation of cash and cash equivalents	10	5
CASH AND CASH EQUIVALENTS AT END OF YEAR	122	237

The present financial statements for 2014 are not audited.



**BUSINESS REPORT FOR THE PERIOD
JANUARY- JUNE 2014.**

Document Reference

IZ.P. 14/02

3.7. TIGAR RUBBER TECHNICAL GOODS

BALANCE SHEET (in thousands of RSD)	As of 31.12.2012.	As of 31.12.2013.	As of 30.06.2014.
Non-current assets	1,015,247	1,008,133	993,750
Current assets	295,640	249,246	294,147
Deferred tax assets			
Loss above equity		155,915	261,809
TOTAL ASSETS	1,310,887	1,413,294	1,549,705
Equity	39,283		
Long-term liabilities and provisions	171,222	63,509	64,008
Current liabilities	1,083,152	1,349,785	1,485,697
Deferred tax liabilities	17,230		
TOTAL EQUITY AND LIABILITIES	1,310,887	1,413,294	1,549,705

Income statement (in thousands of RSD)	January- December 2012.	January- December 2013.	January- June 2013.	January- June 2014.
OPERATING INCOME	339,700	319,657	134,770	112,780
Sales of goods, products and services	342,371	352,658	161,654	109,134
Work performed by the company and capitalized	22,658	166		595
Increase in inventories of finished products and work in progress				3,039
Decrease in inventories of finished products and work in progress	25,329	33,282	26,973	
Other operating income		115	89	12
OPERATING EXPENSES	555,961	492,433	241,630	191,772
Cost of commercial goods sold		25,758		745
Material, fuel and energy consumed	237,930	190,338	103,994	64,808
Staff costs	168,270	124,942	66,147	52,216
Depreciation, amortization and provisions	30,113	30,227	15,117	15,019
Other operating expenses	119,648	121,168	56,372	58,984
PROFIT/LOSS FROM OPERATIONS	-216,261	-172,776	-106,860	-78,992
FINANCE INCOME	13,666	227	186	288
FINANCE EXPENSES	64,085	33,673	17,048	26,523
OTHER INCOME	4,244	2,574	444	133
OTHER EXPENSES	62,477	1,397	158	801
PROFIT/LOSS BEFORE TAXATION	-324,913	-205,045	-123,436	-105,895
INCOME TAXES				
Current tax expense				
Deferred income tax expense	8,844			
Deferred income tax benefit		17,229		
NET PROFIT/LOSS	-333,757	-187,816	-123,436	-105,895



**BUSINESS REPORT FOR THE PERIOD
JANUARY- JUNE 2014.**

Document Reference

IZ.P. 14/02

CASH FLOWS (in thousands of RSD)	January-June 2013.	January-June 2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash inflow from operating activities	54,572	72,319
Cash outflow from operating activities	50,366	60,276
Net cash inflow from operating activities	4,206	12,043
Net outflow from operating activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash inflow from investing activities		
Cash outflow from investing activities	2,349	
Net cash inflow from investing activities		
Net cash outflow from investing activities	2,349	
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash inflow from financing activities		
Cash outflow from financing activities	1,881	12,037
Net cash inflow from financing activities		
Net cash outflow from financing activities	1,881	12,037
NET CASH INFLOW		6
NET CASH OUTFLOW	24	
Cash and cash equivalents at beginning of year	24	1
Foreign exchange gains on translation of cash and cash equivalents	5	
Foreign exchange losses on translation of cash and cash equivalents	5	7
CASH AND CASH EQUIVALENTS AT END OF YEAR		

The present financial statements for 2014 are not audited.



**BUSINESS REPORT FOR THE PERIOD
JANUARY- JUNE 2014.**

Document Reference

IZ.P. 14/02

3.8. TIGAR CHEMICAL PRODUCTS

BALANCE SHEET (in thousands of RSD)	As of 31.12.2012.	As of 31.12.2013.	As of 30.06.2014.
Non-current assets	235,435	233,981	233,508
Current assets	69,791	92,965	111,771
Deferred tax assets			
TOTAL ASSETS	305,226	326,946	345,279
Equity	160,767	150,312	145,591
Long-term liabilities and provisions	1,874	1,231	1,232
Current liabilities	138,299	175,403	198,456
Deferred tax liabilities	4,286		
TOTAL EQUITY AND LIABILITIES	305,226	326,946	345,279

Income statement (in thousands of RSD)	January- December 2012.	January- December 2013.	January- June 2013.	January- June 2014.
OPERATING INCOME	91,733	85,683	43,927	29,707
Sales of goods, products and services	112,666	90,023	43,169	31,741
Work performed by the company and capitalized				
Increase in inventories of finished products and work in progress			758	
Decrease in inventories of finished products and work in progress	21,541	4,340		2,034
Other operating income	608			
OPERATING EXPENSES	131,785	101,477	55,867	38,578
Cost of commercial goods sold		665		2,421
Material, fuel and energy consumed	61,567	48,737	24,498	15,500
Staff costs	35,122	29,478	19,150	11,295
Depreciation, amortization and provisions	1,860	1,448	794	473
Other operating expenses	33,236	21,149	11,425	8,889
PROFIT/LOSS FROM OPERATIONS	-40,052	-15,794	-11,940	-8,871
FINANCE INCOME	2,450	480	405	165
FINANCE EXPENSES	6,877	668	417	323
OTHER INCOME	451	1,320	167	8,617
OTHER EXPENSES	12,743	78		16
PROFIT/LOSS BEFORE TAXATION	-56,771	-14,740	-11,785	-428
INCOME TAXES				
Current tax expense				
Deferred income tax expense				
Deferred income tax benefit	331	4,285		
NET PROFIT/LOSS	-56,440	-10,455	-11,785	-428



**BUSINESS REPORT FOR THE PERIOD
JANUARY- JUNE 2014.**

Document Reference

IZ.P. 14/02

CASH FLOWS (in thousands of RSD)	January-June 2013.	January-June 2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash inflow from operating activities	20,834	14,607
Cash outflow from operating activities	34,228	17,682
Net cash inflow from operating activities		
Net outflow from operating activities	13,394	3,075
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash inflow from investing activities		
Cash outflow from investing activities		
Net cash inflow from investing activities		
Net cash outflow from investing activities		
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash inflow from financing activities	13,929	3,275
Cash outflow from financing activities	395	200
Net cash inflow from financing activities	13,534	3,075
Net cash outflow from financing activities		
NET CASH INFLOW	140	
NET CASH OUTFLOW		
Cash and cash equivalents at beginning of year	15	
Foreign exchange gains on translation of cash and cash equivalents	81	
Foreign exchange losses on translation of cash and cash equivalents	10	
CASH AND CASH EQUIVALENTS AT END OF YEAR	226	

The present financial statements for 2014 are not audited.

TIGAR EUROPE UK

Balance Sheet in thousands of GBP	As of 31.12.2012. Audited	As of 31.12.2013. Audited	As of 30.06.2014.
Assets			
Non-current assets	2		
Current assets	3,390	3,291	2,604
Deferred tax assets			
Total assets	3,392	3,291	2,604
Equity and liabilities			
Equity	2,609	2,538	2,488
Non-current liabilities			
Current liabilities	783	753	117
Deferred tax liabilities			
Total equity and liabilities	3,392	3,291	2,604

INCOME STATEMENT (in thousands of GBP)	January- December 2012. Audited	January- December 2013. Audited	January-June 2013.	January-June 2014.
Turnover	9,322	4,807	2,577	167
Cost of sales	8,514	4,058	2,302	151
Gross Profit	808	749	275	16
Administrative expenses	613	940	302	84
Operating Profit	195	-191	-28	-68
Interest receivable	8	10	5	5
Commission				
Profit on Ordinary Activities Before Taxation	204	-181	-23	-63
Tax on profit on ordinary activities	41	110	5	12
Retained Profit for the Financial Year	163	-71	-18	-51



**BUSINESS REPORT FOR THE PERIOD
JANUARY- JUNE 2014.**

Document Reference

IZ.P. 14/02**TIGRA MONTENEGRO – MONTENEGRO**

BALANCE SHEET (in thousands of EUR)	As of 31.12.2012.	As of 31.12.2013.	As of 30.06.2014.
Non-current assets	4	4	3
Current assets	261	356	248
Deferred tax assets			
Total assets	265	360	251
Equity	106	95	67
Non-current liabilities			
Current liabilities	159	265	185
Deferred tax liabilities			
Total equity and liabilities	265	360	251

INCOME STATEMENT (in thousands of EUR)	January- December 2012.	January- December 2013.	January-June 2013.	January-June 2014.
Total income	647	486	157	53
Total expenses	645	497	168	81
PROFIT/LOSS BEFORE TAXATION	1	-11	-11	-28
Income taxes	0			
Deferred income tax expense				
Deferred income tax benefit				
NET PROFIT/LOSS	1	-11	-11	-28

The present financial statements for 2014 are not audited.

3.11. TIGRA TRADE – REPUBLIC SRPSKA

BALANCE SHEET (in thousands of KM)	As of 31.12.2012.	As of 31.12.2013.	As of 30.06.2014.
Non-current assets	234	283	285
Current assets	771	905	953
Deferred tax assets			
Loss above equity	41		
TOTAL ASSETS	1,046	1,188	1,238
Equity	0	71	34
Long-term liabilities and provisions		9	
Current liabilities	1,046	1,108	1,204
Deferred tax liabilities			
TOTAL EQUITY AND LIABILITIES	1,046	1,188	1,238

Income statement (in thousands of KM)	January- December 2012.	January- December 2013.	January- June 2013.	January- June 2014.
Total income	865	1,226	193	380
Total expenses	1,051	1,156	259	409
PROFIT/LOSS BEFORE TAXATION	-186	70	-66	-30
Income taxes				
Deferred income tax expense				
Deferred income tax benefit				
NET PROFIT/LOSS	-186	70	-66	-30

The present financial statements for 2014 are not audited.



**BUSINESS REPORT FOR THE PERIOD
JANUARY- JUNE 2014.**

Document Reference

IZ.P. 14/02**TIGAR PARTNER – MACEDONIA**

BALANCE SHEET (in thousands of Denars)	As of 31.12.2012.	As of 31.12.2013.	As of 30.06.2014.
Non-current assets	29	17	2
Current assets	23,393	27,076	28,984
Deferred tax assets			0
TOTAL ASSETS	23,422	27,094	28,986
Equity	17,803	17,865	17,187
Long-term liabilities and provisions			0
Current liabilities	5,618	9,229	11,798
Deferred tax liabilities			0
TOTAL EQUITY AND LIABILITIES	23,422	27,094	28,986

Income statement (in thousands of Denars)	January- December 2012.	January- December 2013.	January-June 2013.	January-June 2014.
Total income	31,071	27,272	9,821	9,227
Total expenses	31,004	27,201	10,128	9,901
PROFIT/LOSS BEFORE TAXATION	67	71	-307	-674
Income taxes	8	9	2	4
Deferred Income Tax expense			0	0
Deferred Income Tax benefit			0	0
NET PROFIT/LOSS	59	62	-309	-677

The present financial statements for 2014 are not audited.



**BUSINESS REPORT FOR THE PERIOD
JANUARY- JUNE 2014.**

Document Reference

I.Z.P. 14/02**3.13. TIGAR BUSINESS SERVICE**

BALANCE SHEET (in thousands of RSD)	As of 31.12.2012.	As of 31.12.2013.	As of 30.06.2014.
Non-current assets	39,751	37,425	51,547
Current assets	35,381	45,713	102,187
Deferred tax assets	1,644	1,269	1,269
TOTAL ASSETS	76,776	84,407	155,003
Equity	19,453	31,568	39,331
Long-term liabilities and provisions	1,941	6,012	21,402
Current liabilities	55,382	46,827	94,270
Deferred tax liabilities			
TOTAL EQUITY AND LIABILITIES	76,776	84,407	155,003

Income statement (in thousands of RSD)	January- December 2012.	January- December 2013.	January- June 2013.	January- June 2014.
OPERATING INCOME	111,654	117,517	52,091	54,101
Sales of goods, products and services	111,654	117,517	52,091	54,101
Work performed by the company and capitalized				
Increase in inventories of finished products and work in progress				
Decrease in inventories of finished products and work in progress				
Other operating income				
OPERATING EXPENSES	114,593	103,743	48,485	44,672
Cost of commercial goods sold				
Material, fuel and energy consumed	39,025	35,439	15,390	15,326
Staff costs	37,154	30,679	15,342	12,540
Depreciation, amortization and provisions	12,838	8,738	4,291	5,032
Other operating expenses	25,576	28,887	13,462	11,774
PROFIT/LOSS FROM OPERATIONS	-2,939	13,774	3,606	9,429
FINANCE INCOME	576	171	401	25
FINANCE EXPENSES	6,751	2,032	928	791
OTHER INCOME	315	1,743	994	230
OTHER EXPENSES	683	357	256	1
PROFIT/LOSS BEFORE TAXATION	-9,482	13,299	3,817	8,892
INCOME TAXES				
Current tax expense		809		1,128
Deferred income tax expense		375		
Deferred income tax benefit	1,098			
NET PROFIT/LOSS	-8,384	12,115	3,817	7,764

The present financial statements for 2014 are not audited.



**BUSINESS REPORT FOR THE PERIOD
JANUARY- JUNE 2014.**

Document Reference

IZ.P. 14/02**3.14. TIGAR CATERING**

BALANCE SHEET (in thousands of RSD)	As of 31.12.2012.	As of 31.12.2013.	As of 30.06.2014.
Non-current assets	170,947	167,393	165,406
Current assets	52,867	53,197	86,655
Deferred tax assets			
TOTAL ASSETS	223,814	220,590	252,062
Equity	125,224	112,904	111,626
Long-term liabilities and provisions	4,963	1,157	1,157
Current liabilities	93,344	106,037	138,786
Deferred tax liabilities	283	492	492
TOTAL EQUITY AND LIABILITIES	223,814	220,590	252,062

Income statement (in thousands of RSD)	January- December 2012.	January- December 2013.	January- June 2013.	January- June 2014.
OPERATING INCOME	169,131	150,710	68,226	87,562
Sales of goods, products and services	168,647	150,368	68,050	87,357
Work performed by the company and capitalized	300	158	71	204
Increase in inventories of finished products and work in progress				
Decrease in inventories of finished products and work in progress				
Other operating income	184	184	105	1
OPERATING EXPENSES	194,442	166,375	80,447	88,578
Cost of commercial goods sold	7,846	6,298	2,889	3,100
Material, fuel and energy consumed	90,928	84,816	39,089	47,664
Staff costs	73,945	55,945	28,798	28,292
Depreciation, amortization and provisions	6,066	4,902	2,541	2,257
Other operating expenses	15,657	14,414	7,130	7,265
PROFIT/LOSS FROM OPERATIONS	-25,311	-15,665	-12,221	-1,016
FINANCE INCOME	139	373	386	
FINANCE EXPENSES	4,586	633	496	312
OTHER INCOME	493	4,672	851	237
OTHER EXPENSES	615	858	384	186
PROFIT/LOSS BEFORE TAXATION	-29,880	-12,111	-11,864	-1,277
INCOME TAXES				
Current tax expense				
Deferred income tax expense	132	209		
Deferred income tax benefit				
NET PROFIT/LOSS	-30,012	-12,320	-11,864	-1,277



**BUSINESS REPORT FOR THE PERIOD
JANUARY- JUNE 2014.**

Document Reference

IZ.P. 14/02

CASH FLOWS (in thousands of RSD)	January-June 2013.	January-June 2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash inflow from operating activities	66,101	101,652
Cash outflow from operating activities	71,746	75,205
Net cash inflow from operating activities		26,447
Net outflow from operating activities	5,645	
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash inflow from investing activities		
Cash outflow from investing activities	236	952
Net cash inflow from investing activities		
Net cash outflow from investing activities	236	952
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash inflow from financing activities	6,558	
Cash outflow from financing activities	538	26,804
Net cash inflow from financing activities	6,020	
Net cash outflow from financing activities		26,804
NET CASH INFLOW	139	
NET CASH OUTFLOW		1,309
Cash and cash equivalents at beginning of year	38	1,309
Foreign exchange gains on translation of cash and cash equivalents		
Foreign exchange losses on translation of cash and cash equivalents		
CASH AND CASH EQUIVALENTS AT END OF YEAR	177	

The present financial statements for 2014 are not audited.



**BUSINESS REPORT FOR THE PERIOD
JANUARY- JUNE 2014.**

Document Reference

IZ.P. 14/02**3.15. TIGAR INCON**

BALANCE SHEET (in thousands of RSD)	As of 31.12.2012.	As of 31.12.2013.	As of 30.06.2014.
Non-current assets	162,842	156,862	153,856
Current assets	95,177	40,425	49,814
Deferred tax assets			
TOTAL ASSETS	258,019	197,287	203,670
Equity	127,238	104,483	100,982
Long-term liabilities and provisions	5,829	4,194	3,815
Current liabilities	123,515	87,162	97,425
Deferred tax liabilities	1,437	1,448	1,448
TOTAL EQUITY AND LIABILITIES	258,019	197,287	203,670

Income statement (in thousands of RSD)	January- December 2012.	January- December 2013.	January- June 2013.	January- June 2014.
OPERATING INCOME	158,727	144,512	82,038	35,905
Sales of goods, products and services	157,205	144,293	81,819	35,905
Work performed by the company and capitalized	1,522	219	219	
Increase in inventories of finished products and work in progress				
Decrease in inventories of finished products and work in progress				
Other operating income				
OPERATING EXPENSES	195,455	168,056	85,225	39,322
Cost of commercial goods sold				
Material, fuel and energy consumed	71,023	51,026	30,909	5,549
Staff costs	95,839	70,368	35,502	20,861
Depreciation, amortization and provisions	6,848	6,098	3,070	3,006
Other operating expenses	21,745	40,564	15,744	9,906
PROFIT/LOSS FROM OPERATIONS	-36,728	-23,544	-3,187	-3,417
FINANCE INCOME	4,439	5,492	9	
FINANCE EXPENSES	5,647	4,912	2,408	118
OTHER INCOME	69	1,493	333	42
OTHER EXPENSES	4,159	1,274	62	7
PROFIT/LOSS BEFORE TAXATION	-42,026	-22,745	-5,315	-3,500
INCOME TAXES				
Current tax expense				
Deferred income tax expense	532	10		
Deferred income tax benefit				
NET PROFIT/LOSS	-42,558	-22,755	-5,315	-3,500



**BUSINESS REPORT FOR THE PERIOD
JANUARY- JUNE 2014.**

Document Reference

IZ.P. 14/02

CASH FLOWS (in thousands of RSD)	January-June 2013.	January-June 2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash inflow from operating activities	69,293	15,414
Cash outflow from operating activities	76,311	18,710
Net cash inflow from operating activities		
Net outflow from operating activities	7,018	3,296
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash inflow from investing activities		
Cash outflow from investing activities		
Net cash inflow from investing activities		
Net cash outflow from investing activities		
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash inflow from financing activities	21,428	3,241
Cash outflow from financing activities	14,465	
Net cash inflow from financing activities	6,963	3,241
Net cash outflow from financing activities		
NET CASH INFLOW		
NET CASH OUTFLOW	55	55
Cash and cash equivalents at beginning of year	137	61
Foreign exchange gains on translation of cash and cash equivalents		
Foreign exchange losses on translation of cash and cash equivalents		
CASH AND CASH EQUIVALENTS AT END OF YEAR	82	6

The present financial statements for 2014 are not audited.



**BUSINESS REPORT FOR THE PERIOD
JANUARY- JUNE 2014.**

Document Reference

IZ.P. 14/02**FREE ZONE PIROT**

BALANCE SHEET (in thousands of RSD)	As of 31.12.2012.	As of 31.12.2013.	As of 30.06.2014.
Non-current assets	79,758	75,359	76,977
Current assets	148,311	160,996	178,991
Deferred tax assets	214	102	102
TOTAL ASSETS	228,283	236,457	256,070
Off-balance sheet assets	23,000	20,000	12,500
Equity	181,020	199,378	217,938
Long-term liabilities and provisions	2,900	3,274	3,274
Current liabilities	44,363	33,805	34,858
Deferred tax liabilities			
TOTAL EQUITY AND LIABILITIES	228,283	236,457	256,070
Off-balance sheet liabilities	23,000	20,000	12,500

Income statement (in thousands of RSD)	January- December 2012.	January- December 2013.	January- June 2013.	January- June 2014.
OPERATING INCOME	252,047	250,009	129,788	131,859
Sales of goods, products and services	252,047	250,009	129,788	131,859
Work performed by the company and capitalized				
Increase in inventories of finished products and work in progress				
Decrease in inventories of finished products and work in progress				
Other operating income				
OPERATING EXPENSES	243,242	233,970	122,560	113,753
Cost of commercial goods sold	16			198
Material, fuel and energy consumed	3,809	4,145	1,905	2,405
Staff costs	49,837	53,062	25,510	27,271
Depreciation, amortization and provisions	2,617	2,886	1,199	1,400
Other operating expenses	186,963	173,877	93,946	82,479
PROFIT/LOSS FROM OPERATIONS	8,805	16,039	7,228	18,106
FINANCE INCOME	12,403	13,887	1,366	496
FINANCE EXPENSES	2,225	1,544	1,167	265
OTHER INCOME	24,155	12,067	139	792
OTHER EXPENSES	2,376	19,740	22	1
PROFIT/LOSS BEFORE TAXATION	40,762	20,709	7,544	19,128
INCOME TAXES				
Current tax expense	2,282	2,239	1,227	568
Deferred income tax expense		112		
Deferred income tax benefit	85			
NET PROFIT/LOSS	38,565	18,358	6,317	18,560

The present financial statements for 2014 are not audited.



**BUSINESS REPORT FOR THE PERIOD
JANUARY- JUNE 2014.**

Document Reference

IZ.P. 14/02

3.17. OTHER SERVICE ENTITIES – COLLECTIVELY

Income statement (in thousands of RSD)	January- December 2012.	January- December 2013.	January- June 2013.	January- June 2014.
OPERATING INCOME	155,212	323,070	73,922	662,768
Sales of goods, products and services	154,329	321,924	73,708	661,949
Work performed by the company and capitalized				
Increase in inventories of finished products and work in progress				
Decrease in inventories of finished products and work in progress				
Other operating income	883	1,146	214	819
OPERATING EXPENSES	139,680	289,387	61,929	630,679
Cost of commercial goods sold	3,109	166,498	4,910	526,327
Material, fuel and energy consumed	3,600	6,200	1,675	11,614
Staff costs	115,752	93,785	47,240	70,671
Depreciation, amortization and provisions	4,716	3,940	2,006	1,672
Other operating expenses	12,503	18,964	6,098	20,395
PROFIT/LOSS FROM OPERATIONS	15,532	33,683	11,993	32,089
FINANCE INCOME	404	474	182	476
FINANCE EXPENSES	4,259	558	64	2,255
OTHER INCOME	1,062	1,101	234	91
OTHER EXPENSES	1,929	1,216	79	25
PROFIT/LOSS BEFORE TAXATION	10,810	33,484	12,266	30,376
INCOME TAXES				
Current tax expense	905	3,430	742	2,851
Deferred income tax expense	15	93		
Deferred income tax benefit	218			
NET PROFIT/LOSS	10,108	29,961	11,524	27,525

* Other service entities include TI-CAR trgovine, Tigar Security, Tigar Inter risk, Tigar Tours, Pi channel

The present financial statements for 2014 are not audited.

4. REAL ESTATE AND LEGAL MATTERS

4.1. REAL ESTATE

All of Tigar's manufacturing facilities are located in Pirot. Tigar Rubber Footwear and Tigar Rubber Technical Goods have relocated to Tigar 3 location which was purchased in 2006 and outfitted in 2007 and 2008. Tigar owns a number of buildings in Belgrade and across Serbia (office space, warehouses and retail outlets).

All the real estate owned by the Company has been entered into the land registry.

The ownership of real estate held within Tigar 2, Tigar 3 and Tigar 3B and the Cardboard Plant (where Tigar's production facilities and warehouses are located) was carried out the conversion of ownership, as well as that of 'Vrelo' and 'Planinarski Dom' tourist facilities, and they now constitute 'private property'.



**BUSINESS REPORT FOR THE PERIOD
JANUARY- JUNE 2014.**

Document Reference

IZ.P. 14/02**Land**

The total number of cadastral lots owned by Tigar and its dependent entities, without Free Zone, as of 30.06.2014 is 113, of which 309,862m² is undeveloped land, while the useful area is 93,167m². The total carrying value of the land is RSD 412,096,048.53.

The carrying value of the land of the Free Economic Zone was RSD 18,090,326.24 on June 30th 2014.

Buildings

Tigar and its main subsidiaries own a total of 170 buildings.

The aggregate useful surface area owned by Tigar and its main subsidiaries is 93,167m².

As of 30 June 2014, the carrying value of the buildings owned by Tigar and its major subsidiaries was RSD 2,167,992,521.14.

The carrying value of the buildings owned by individual entities is given in the table below.

Entity	Value in RSD as of 30.06.2014.
Tigar AD	395,695,081.41
Tigar R. Footwear	132,565,516.16
Tigar R. Technical Goods	218,125,914.19
Tigar Chemical Products	141,692,766.12
Total:	888,079,277.88

In addition to the value of buildings owned by the nine largest subsidiaries, this part also covers the data on the Free Economic Zone. The carrying value of the buildings owned by individual entities is given in the table below.

BOOK VALUE OF BUILDINGS

BOOK VALUE OF BUILDINGS (in RSD)		
Entity	31.12.2013.	30.06.2014.
Tigar AD	660,607,659.42	652,862,191.37
Tigar Rubber Technical Goods	439,246,687.64	435,872,882.57
Tigar Chemical Products	34,444.00	33,214.00
Tigar Rubber Footwear	687,330,611.62	683,312,081.62
Tigar Protective Workshop	29,517,170.18	29,219,021.18
Tigar Business Service	16,451,072.65	16,321,981.65
Tigar Tours	5,965,233.10	5,905,548.10
Tigar Security	25,567,238.49	25,353,738.49
Free Zone	42,169,158.93	44,128,730.55
Tigar Incon	141,388,064.55	140,279,586.55
Tigar Catering	135,927,327.06	134,703,545.06
Total:	2,184,204,667.64	2,167,992,521.14



**BUSINESS REPORT FOR THE PERIOD
JANUARY- JUNE 2014.**

Document Reference

IZ.P. 14/02

Real estate transactions

In the period January-June 2014, there were no major real estate transactions.

Liens

At the end of June 2014, the property of the Company was burdened by the following liens, according to the below stated court orders:

Collateral agreement I 622/09 dated 25 June 2009 places a lien on the Occupational Health Building in favor of Hypo Alpe Adria Banka a.d., Belgrade.

Mortgage statements 93/2009, 94/2009, 95/2009 and 96/2009 dated 15 October 2009 place liens on business premises in Zrenjanin, Bačka Palanka, Užice and Kruševac in favor of Privredna Banka a.d., Belgrade.

Mortgage statement 1587/2010 dated 13 April 2010 and 1586/10, 1585/10 and 1584/10 places liens on immovable property in Kruševac, Bačka Palanka, Zrenjanin and Užice in favor of Privredna Banka a.d. Belgrade.

Collateral agreement I 1402/2010 dated 16 April 2010 places a lien on the Occupational Health Building in favor of Hypo Alpe Adria Banka a.d., Belgrade.

Mortgage statement 2351/10 and 2350/10 dated 26 May 2010 places liens on immovable property in Niš and business premises of Tigar Tours and Tigar Incon in favor of Societe Generale Bank a.d., Belgrade.

Mortgage statement no. 2901/10, 2898/10 and 2900/10 dated 2 July 2010 places liens on immovable property over business premises in Knjaževac, Pirot and Subotica in favor of Privredna banka a.d. Belgrade.

Belgrade First Basic Court ruling 8-I-55362/2010 dated 27 August 2010 places a lien on a 6-bedroom apartment in Belgrade in favor of Hypo Alpe Adria Banka a.d., Belgrade.

Mortgage statements I 4400/2010 and 4401/2010 dated 23 November 2010 place liens on real estate in Niš and business premises of Tigar Tours in favor of Societe Generale Banka a.d., Belgrade.

Mortgage statement II 37/2011 and 38/11 dated 11 March 2011 places liens on immovable property in Pirot, Čačak and Novi Sad in favor of AIK Bank a.d., Niš.

Mortgage statements I 1091/2011, 1092/2011, 1090/2011, 1089/2011, 1088/2011 and 1085/2011 dated 19 April 2011 place liens on immovable property in Bačka Palanka, Pirot, Subotica, Knjaževac, Svilajnac, Užice and Zrenjanin in favor of Privredna Banka a.d., Belgrade.

Mortgage statements I 1809/2011 and 1810/2011 dated 28 June 2011 place liens on real estate in Pirot in favor of Hypo Alpe Adria Bank a.d., Belgrade.

Mortgage Statement I 1774/2011 dated 24 June 2011 places a lien on real estate in Pirot in favor of AIK Bank a.d., Niš.

Mortgage Statement I 2987/2011 dated 19 October 2011 places a lien on real estate in Pirot (Administrative Building) in favor of Srpska Banka a.d., Belgrade.



**BUSINESS REPORT FOR THE PERIOD
JANUARY- JUNE 2014.**

Document Reference

IZ.P. 14/02

Mortgage Statement I 3179/2011 dated 8 November 2011 places a lien on real estate in Pirot in favor of Srpska Banka a.d., Belgrade.

Mortgage Statement I 3280/2011 dated 21 November 2011 places a lien on real estate in Pirot - Tigar Tours in favor of Societe Generale Bank a.d., Belgrade.

Mortgage Statement I 3670/2011 dated 27 December 2011 places a lien on real estate in Pirot in favor of AIK Bank a.d., Niš.

Mortgage Statement I 3659/2011 dated 27 December 2011 places a lien on real estate in Pirot (Administrative Building) in favor of Srpska Banka a.d., Belgrade.

Mortgage Statement I 428/2012 dated 14 February 2012 places a lien on real estate in Pirot, Novi Sad and Cacak in favor of AIK Bank a.d., Niš.

Mortgage Statement I 472/2012 dated 22 February 2012 places a lien on real estate in Pirot (Administrative Building) in favor of Srpska Banka a.d., Belgrade.

Mortgage Statement I 734/2012 places a lien on real estate in Pirot (Administrative Building) in favor of Srpska Banka a.d., Belgrade.

Mortgage Statement I 1849/2012 dated 21 May 2012 places a lien on real estate in Pirot in favor of AIK Bank a.d., Niš.

Mortgage Statement I 2282/2012 dated 18 June 2012 places a lien on real estate in Pirot in favor of Hypo Alpe-Adria bank a.d. Belgrade.

Mortgage Statement I 2382/2012 dated 26 June 2012 places a lien on real estate in Pirot and Vračar in favor of Srpska Banka a.d., Belgrade.

Mortgage Statement I 2612/2012 dated 10 July 2012 places a lien on real estate in Pirot in favor of AIK Bank a.d., Niš.

Mortgage Statement I 3165/2012 dated 30 August 2012 places a lien on real estate in Pirot in favor of Erste Banka a.d., Niš.

Mortgage Statement I 3512/2012 dated 26 September 2012 places a lien on real estate in Pirot in favor of AIK Bank a.d., Niš.

Mortgage Statement I 3510/2012 dated 26 September 2012 places a lien on real estate in Pirot and Belgrade in favor of Hypo Alpe-Adria Bank a.d. Belgrade.

Mortgage Statement I 4169/2012 dated 9 November 2012 places a lien on real estate in Pirot in favor of the Development Fund of the Republic of Serbia, Nis.

Mortgage Statement I 1920/2013 dated 20 May 2013 places a lien on real estate in Temerin and Šimanovci in favor of Banca Intesa a.d. Belgrade.

All real estate mortgages established in favor of the Development Fund of the Republic of Serbia are deleted, except in the case of mortgages on real estate in Zrenjanin and Backa Palanka, whose deletion is expected, given that corresponding requests have been presented in the relevant cadastre.



**BUSINESS REPORT FOR THE PERIOD
JANUARY- JUNE 2014.**

Document Reference

IZ.P. 14/02

4.2. LEGAL PROCEEDINGS

Tigar is party to a number of legal disputes that have arisen in the course of its business. These proceedings are not unusual and are not expected to have a significant impact on Tigar's financial position.

The largest disputes at the corporate level occurred prior to 2000. They include the following (excluding interest): Trepca-Zvecan 9,637,376; Union Banka 6,194,000; Lola Corporation 8,210,350; and Tigar Prom Nova Varos 3,636,676; totalling 27,678,402.

For all of these disputes, effective court rulings exist, but payout has not been realized due to political problems (e.g. Trepca), multiple-year liquidation proceedings which for unexplainable reasons have not been completed, and long-term restructuring processes (e.g. Lola Corporation Belgrade).

Regardless of the delay in the execution of the court decisions, it is realistic to expect their partial or complete payout in the coming years. Since the value of the claims has already been booked against expenses, the payout of the court decisions will represent considerable extraordinary income for the Company.

5. CAPITAL MARKET POSITION

Trading on the BSE since the beginning of 2014 is still characterized by a low level of investment activity and low liquidity. Total turnover in the trading of 51 million euros in the second quarter of 2014 is by 7.28% lower compared to the first quarter of 2014 when it stood at 55 million euros. The average share of foreign investors in trading in the reporting period was by 47.05% lower than their share in the first quarter of 2014, when it was at a level of 53.48%. It's still not enough to seriously increase traffic level or the more significant increase in index indicators. The year 2014 is the third year in a row in which the value of index indicators of the BSE are recording growth. Looking at the first six months compared to the end of 2013, Belex 15 increased by 11.2% and Belex line by 2.49%. Although the indices are in plus, the traffic recovery is absent, so that the already chronic illiquidity is established as one of the main features of the Serbian capital markets.

By the Decision of the Listing Committee of the BSE from 27.08.2013, Tigar shares are traded on the Open market, given the fact that Tigar has not been able to, within the deadline provided by the Committee, to provide the auditor's opinion on the financial statements for the year 2012, positive or restrained, which is one of the basic conditions for companies to be listed at A and B stock market listings. As part of a regular audit of the BSE indices, Tigar's shares from mid-September 2013 are not part of the index basket of the finest shares on Belex 15.

The negative trend in the movements of share prices that could be observed from the middle of 2012 has continued throughout 2013 and in the first half of 2014. Trading in the second quarter of 2014 has ended at the level of 52 dinars, which is significantly below the nominal value, and also on a very low



**BUSINESS REPORT FOR THE PERIOD
JANUARY- JUNE 2014.**

Document Reference

IZ.P. 14/02

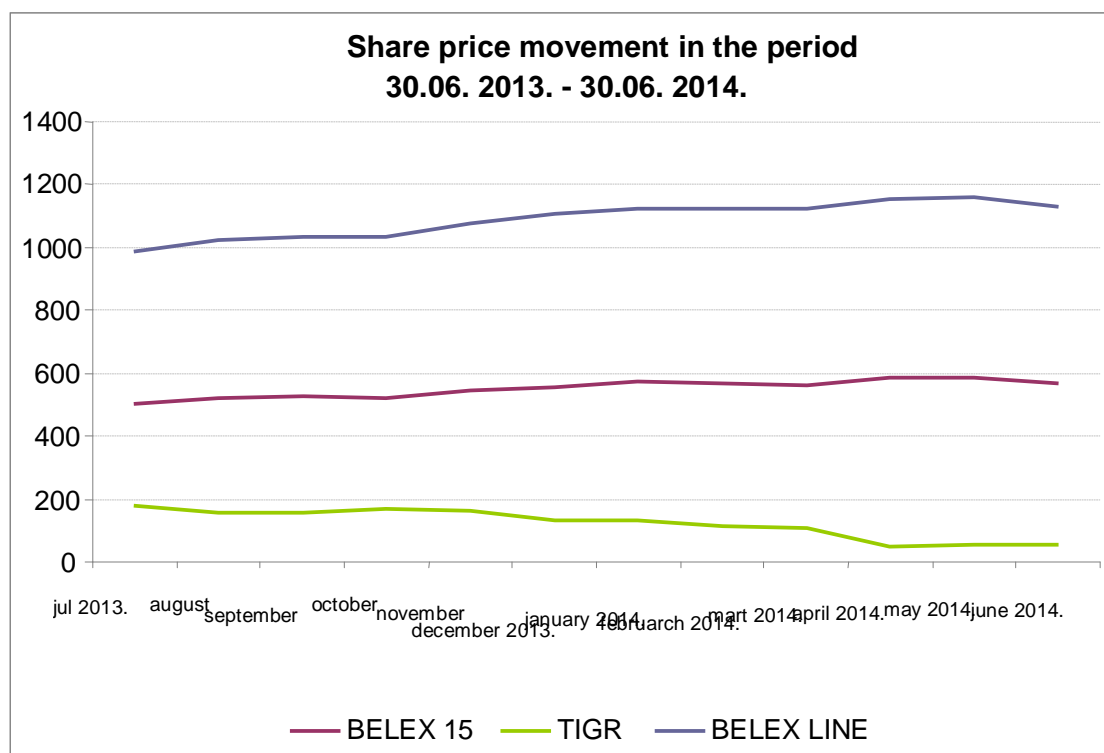
scale. There has been no major trade stocks, and thus no significant changes in the ownership structure and the number of shareholders.

During the observed period, there was traded with only 22,840 shares which is 1.33% of the total number of issued shares.

The following table contains a summary of key data from trading of Company's shares during the second quarter of 2014.

	31. MARCH 2014.	30. JUNE 2014.	% CHANGES
Number of shareholders	4,473	4,467	-0,14
Total number of shares	1,718, 460	1,718, 460	
Book value of shares	-21,62	-166,00	
Market price of shares	84.00	52.00	-38,10
Lowest price during the period	50.00 – 30.04.2014.		
Highest price during the period	79.00 –03.04.2014.		
Average price in the period III-VI 2014	53		
Market capitalization in RSD		89,359,920	
P/ BV *		-0,31	

The graph below shows Tigar stock price and index movements in the period 30.06.2013.-30.06.2014.



The efforts of the company to openly and transparently communicate with the investment community marked the observed period, in accordance with Tigar's good practice to periodically and consistently report the public on its operations. There have been regularly prepared and published information, through which existing and potential investors were informed about important events as well as major business activities of Tigar.

In the second quarter, the company has first held the Extraordinary session of General Assembly at



**BUSINESS REPORT FOR THE PERIOD
JANUARY- JUNE 2014.**

Document Reference

IZ.P. 14/02

which approval has been given for the launching of the Pre-packaged reorganization plan (UPPR), which was handed over on May 29th to the Commercial Court in Nis. There was held the regular General Assembly. On the occasion of its regular session on June 24th 2014, the GA decided to approve the financial and consolidated financial statements of the company for the year 2013 and elected an independent auditor for the year 2014.

The ownership structure at the end of the second quarter of 2014

Shareholders	30.06.2014.
Legal entities	43,78
Individuals	30,37
Custody accounts	25,85

Tigar's ownership structure in the second quarter of 2014 is characterized by stable stakes of three groups of shareholders: the Serbian government (via two national funds); institutional investors (domestic and international) and a group of natural persons.

Top ten shareholders as of 30 June 2014

In the second quarter of 2014 occurred minor changes in the group of the ten largest shareholders in relation to the first quarter of 2014.

The order of the first ten shareholders and their ownership structure is shown in the following table:

	Shareholder – Name/Business name	Number of shares	% of share
1	NATIONAL SHARE FUND AD BELGRADE	429,429	24.98
2	ERSTE BANK NOVI SAD - Custody account	158,295	9,21
3	NATIONAL PENSION AND DISABILITY FUND OF THE REPUBLIC OF SERBIA	149,981	8,73
4	UNICREDIT BANK SERBIA AD– Custody account	134,231	7,81
5	ERSTE BANK AD NOVI SAD – Custody account	87,387	5.08
6	TZR NATURA VITA	25,100	1,46
7	SALINK LIMITED	23,371	1,36
8	HERMA INVESTMENTS	20,000	1.16
9	VOJVODJANSKA BANKA AD Novi Sad- Custody account	20,000	1,16
10	COMP. DUNAV INSURANCE A.D.O	17,120	0,99

Source: Central Registry of Securities, Depository and Clearing House, 30 June 2014, www.crhov.rs



**BUSINESS REPORT FOR THE PERIOD
JANUARY- JUNE 2014.**

Document Reference

IZ.P. 14/02

6. SUSTAINABLE DEVELOPMENT

6.1. EMPLOYEES

Headcount and structure

On 30 June 2014, the number of people employed in Tigar Corporation was 1,622.

Workforce as of 30.06.2014.	
Company	No of employees
Tigar AD	230
T.R.Footwear	718
T.R.T.G.	181
T.C.Products	34
Other	459
TOTAL	1,622

Employee expenses

Total employee expenses in the period I-VI 2014 incurred by Tigar AD and its subsidiaries, apart of net wages include the costs related to taxes and contributions, in-house meals, and local transportation. The table below shows paid salaries and wages as a percentage of sales income.

Total employee expenses in the period I-VI 2014			
	Net salaries and wages in 000 RSD	Gross salaries and wages in 000 RSD	% of sales income
Tigar AD	55,726	93,717	11%
Tigar Rubber Footwear	117,692	197,739	34%
Tigar Technical Rubber Goods	31,095	52,254	48%
Tigar Chemical Products	6,247	10,896	34%
Others	75,814	127,631	13%
Total	286,574	482,237	19%

Optimization of human resources

During the period I-VI 2014, a 100 of permanently employed people have left Tigar a.d. and its dependent entities.

Organizational unit	No. of employees/RSD	Pension	Redundancy	Other	TOTAL
Tigar a.d.	No. of employees	3	22	15	40
	Amount in RSD	564.138,00	4.349.197,00		4.913.335,00
Tigar Rubber Footwear	No. of employees	5	4	22	31
	Amount in RSD	837.300,00	1.751.850,00		2.589.150,00
Tigar Technical Rubber Goods	No. of employees	2	0	4	6
	Amount in RSD	368.847,00			368.847,00
Tigar Chemical Products	No. of employees	1	1	4	6
	Amount in RSD	179.346,00	355.919,00		535.265,00
Others	No. of employees	4		13	17
	Amount in RSD	768.561,00			768.561,00
Total	No. of employees	15	27	58	100
	Amount in RSD	2.718.192,00	6.456.966,00		9.175.158,00



**BUSINESS REPORT FOR THE PERIOD
JANUARY- JUNE 2014.**

Document Reference

IZ.P. 14/02

* As of these 100 full-time employees who terminated their employment on other grounds, 51 employees resigned of their own volition, termination of employment for violation of obligations - 5 employees, termination of employment on the basis of completing the years of service – 1 employee, and fatal case – 1 employee.

Optimization and reduction in the number of permanent employees is an integral part of the restructuring process. This process began in 2013 and continued in 2014.

Employee training

The following number of employees was trained in the period I-VI 2014 through internal and external training programs:

Employee training – internal and external			
	INTERNAL TRAININGS	EXTERNAL TRAININGS	TOTAL
Tigar AD	25	16	41
Tigar Rubber Footwear	143	6	149
Tigar Technical Rubber Goods	38	20	58
Tigar Chemical Products	28	0	28
Others	606	1	607
Total	840	43	883

Employee training expenses in ther period I-VI 2014 amounted to 847.480,00 RSD or 0.18% of gross salaries.

6.2. INTEGRATED MANAGEMENT SYSTEMS

Preservation and promotion of integrated management systems (ISO 9001, ISO 14001 and OHSAS 18001) figures as a priority even in these difficult business conditions. There are being implemented all necessary activities related to recertification of IMS of Tigar Rubber Footwear and Tigar Rubber Technical Goods plants.

Tigar's quality management system (ISO 9001) was initially certified in 1995 by the then Federal Standardization Bureau. Following the introduction of environmental management standards (ISO 14001) in 2003, and occupational health and safety standards (OHSAS 18001) in 2010.

6.3. ENVIRONMENTAL PROTECTION AND OCCUPATIONAL HEALTH AND SAFETY

From the standpoint of environmental impact, production activities of the company (manufacturing plants, manufacturing of rubber footwear, rubber technical goods and products made from recycled tires in an industrial area on the outskirts of the city of Pirot basin and chemical products outside the settlement in a rented industrial space companies in bankruptcy Suko. ad) are qualified as activities with low environmental risk, and manufacturing subsidiaries Tigra, do not fall into the group of the IPPC, or in Seveso installations.



**BUSINESS REPORT FOR THE PERIOD
JANUARY- JUNE 2014.**

Document Reference

IZ.P. 14/02

Monitoring of air quality and waste water, determining the safety of electrical installations and equipment in terms of safety and determining of the condition of the working environment are entrusted to external authorized institutions.

On waste, packaging and packaging waste are taking care providers authorized for the waste management (internally and externally). Handling and storage of chemicals is carried out in accordance with legislation and internally defined procedures.

As for the fire protection, safety and response in case of emergency, it is entrusted to Tigar Security.

In accordance with relevant laws and regulations in the period January-June 2014:

- There have been carried out the reportings on environmental parameters by entering data into the information system of the Environment Agency, where there are generated Annual reports on packaging and packaging waste, Annual reports on waste for production companies and Report on the annual balance of emissions of air pollutants.
- There were submitted reports to local government for the needs of establishment of a Local Register of pollution sources.
- There has been carried out the registration of chemicals and products imported in Tigar Chemical Products which are subject to registration. Ministry of Energy, Development and Environmental Protection was submitted the required documentation.
- There has been carried out the sampling and testing of the waste water quality for the first quarter and the test report was sent to relevant institutions.
- There has been carried out the sampling and testing of the air quality in the energy broadcaster for the first six months, and the test report was sent to relevant institutions.

6.4. INTELLECTUAL PROPERTY

Tigar's full registered name is *Joint-Stock Company Tigar – Pirot* in English, and *Akcionarsko društvo Tigar – Pirot*, in Serbian. Its short name is Tigar AD – Pirot, and JSC Tigar in English. The registered name and its use are regulated by the provisions of Articles 10 and 14 of the By/Laws. The above name fulfills all legal requirements. Tigar is registered under the said name with the Serbian Business Registers Agency.

Registered trademarks as of 30 June 2014:

Request No.	Request Date	Reg. No.	Trademark	Valid until	Owner
Ž-247/80	30.04.80.	31499	Tigar	21.12.17.	Tigar AD
Ž-2606/06	14.11.06.	54763	Tigar	14.11.16.	Tigar AD
Ž-84/385	17.01.84.	29947	Tigar Tg 615	25.05.17.	Tigar AD
Ž-947/07	30.04.07.	55640	Tigar Mountain House	30.04.17.	Tigar AD
Ž-918/07	27.04.07.	55822	Tigar Tours	27.04.17.	Tigar AD
Ž-842/07	18.04.07.	55612	Markol	18.04.17.	Tigar AD
Ž-1129/07	17.05.07.	55735	Tigar Incon	17.05.17.	Tigar AD
Ž-890/80	11.07.03.	49590	Tigar Sports program	11.07.23.	Tigar AD
Ž-152/07	29.01.07.	56018	Tigar	29.01.17.	Tigar AD
Ž-1703/07	26.7.2007	56315	Tigar Footwear	26.07.17.	Tigar AD
Ž-1704/07	26.07.07.	56315	Tigar Footwear	26.07.17.	Tigar AD
Z-2440/07	17.10.07.	56731	Tigar Chemical Products	17.10.17.	Tigar AD
Ž-212/08	5.2.2008	57737	Tigrostik	05.02.18.	Tigar AD
Ž-211/08	05.02.08.	57738	Tigrolux	05.02.18.	Tigar AD
Ž-214/08	05.02.08.	57650	Tigropren	05.02.18.	Tigar AD



**BUSINESS REPORT FOR THE PERIOD
JANUARY- JUNE 2014.**

Document Reference

I.Z.P. 14/02

Ž-213/08	05.02.08.	57649	Tigrokol	05.02.18.	Tigar AD
Ž-768/08	31.03.08.	57538	Hotel Old Mountain	31.03.18.	Tigar AD
Ž-1433/08	06.06.08.	58815	Overload	06.06.18.	Tigar AD
Ž-1475/08	11.06.08.	58462	Waterpolo Senior	11.06.18.	Tigar AD
Ž-1473/08	11.06.08.	58427	Waterpolo Mini Mini	11.06.18.	Tigar AD
Ž-1431/08	06.06.08.	58813	Waterpolo Junior	06.06.18.	Tigar AD
Ž-1472/08	11.06.08.	58428	Specijal	11.06.18.	Tigar AD
Ž-1432/08	06.06.08.	59305	Basketball Tg21 Official	06.06.18.	Tigar AD
Ž-1474/08	11.06.08.	58424	Neos	06.06.18.	Tigar AD
Ž-1469/08	11.06.08.	58426	Tricker Ball Basket Ball	11.06.18.	Tigar AD
Ž-1471/08	11.06.08.	59401	Bistro	11.06.18.	Tigar AD
Ž-1468/08	11.06.08.	58423	Overload Handball	11.06.18.	Tigar AD
Ž-1470/08	11.06.08.	58425	Dynamic Overload	11.06.18.	Tigar AD
Ž-1429/08	06.06.08.	58464	Overload Waterpolo Junior	06.06.18.	Tigar AD
Ž-1467/08	11.06.08.	58430	Overload Waterpolo Mini Mini	11.06.18.	Tigar AD
Ž-1476/08	11.06.08.	58463	Overload Waterpolo Senior	11.06.18.	Tigar AD
Ž-1430/08	06.06.08.	59304	Basketball TG21 Overload	06.06.18.	Tigar AD
Z-2441/07	17.10.07.	56730	Tigar Tehnička guma	17.10.17.	Tigar AD
Ž-2681/08	03.11.08.	59486	Trapper	03.11.18.	Tigar AD
Ž-2682/08	03.11.08.	59485	Pesca	03.11.18.	Tigar AD
Ž-2679/08	03.11.08.	59327	Rainydays	03.11.18.	Tigar AD
Ž-2680/08	03.11.08.	59334	Nency	03.11.18.	Tigar AD
Ž-2678/08	03.11.08.	59333	Ladybird	03.11.18.	Tigar AD
Ž-2677/08	03.11.08.	59336	Ratar	03.11.18.	Tigar AD
Ž-2676/08	03.11.08.	59451	Balerina	03.11.18.	Tigar AD
Ž-2675/08	03.11.08.	59335	Work	03.11.18.	Tigar AD
Ž-2904/08	02.12.08.	59458	Polar	03.11.18.	Tigar AD
Ž-2674/08	03.11.08.	59337	Protecta	03.11.18.	Tigar AD
Ž-2673/08	03.11.08.	59390	Forestry Line	03.11.18.	Tigar AD
Ž-2672/08	03.11.08.	60043	Fireproof	03.11.18.	Tigar AD
Ž-2671/08	03.11.08.	59326	Cryo	03.11.18.	Tigar AD
Ž-2670/08	03.11.08.	59387	Sparcsafety	03.11.18.	Tigar AD
Ž-2661/08	31.10.08.	59341	Firefighter Super Safety	31.10.18.	Tigar AD
Ž-2662/08	31.10.08.	59452	Century Super Safety	31.10.18.	Tigar AD
Ž-2659/08	31.10.08.	59334	Century 4000 Safety	31.10.18.	Tigar AD
Ž-2660/08	31.10.08.	59345	Forester 3000	31.10.18.	Tigar AD
Ž-2903/08	02.12.08.	60464	Trendy	02.12.18.	Tigar AD
Ž-1468/05	31.10.05.	53797	Tigar Trgovine	31.10.15.	Tigar AD
Ž-551/09	27.03.09.	60789	Bottega	27.03.19.	Tigar AD
Ž-639/09	13.04.09.	59942	Hotel StarA	13.04.19.	Tigar AD
Ž-1011/09	30.06.09.	59367	Brolly	30.06.19.	Tigar AD
Ž-1012/09	30.06.09.	59366	Maniera	30.06.19.	Tigar AD
Ž-1685/09	03.11.09.	60513	Stop&Drive	03.11.19.	Tigar AD
Ž-1686/09	03.11.09.	60514	S&D	03.11.19.	Tigar AD
Internat. trademark.	03.07.97.	675 773	Tigar	20.05.17.	Tigar AD
		1174089	Tigar Logo	15.08.12.	Tigar Americas Corp.
USA	02.11.07.	77320619	Tigar	-	Tigar Americas Corp.
Internat. trademark 37003/1	07.09.09.	1020263	Brolly	07.09.19.	Tigar AD
Internat. trademark 235877/1	07.09.09.	1019318	Maniera	07.09.19.	Tigar AD
USA	07.09.09.	3870299	Maniera	07.09.19.	Tigar AD
79075140					
USA		3906894	Brolly	07.09.19.	Tigar AD
79075638	07.09.09.				
Canada	25.05.90.	368832	Forester	25.05.15.	Tigar Footwear
Finland	20.11.85.	94345	Forester	20.11.15.	Tigar Footwear
Norway	14.11.85.	123042	Forester	14.11.15.	Tigar Footwear
Šveden	26.07.85.	197287	Forester	26.07.15.	Tigar Footwear
Great Britain	23.06.95.	2025055	Century	23.06.15.	Tigar Footwear
Great Britain	31.05.84.	1219898	Forester	31.05.15.	Tigar Footwear
Great Britain	23.06.95.	2025057	Forester	23.06.15.	Tigar Footwear



BUSINESS REPORT FOR THE PERIOD JANUARY- JUNE 2014.

Document Reference

IZ.P. 14/02

The flagship trademark is “a stylization of a tiger's head with the logo 'Tigar' inscribed in the Cyrillic or Latin alphabet” (Article 1 of the By-Laws). The design and contents of the flagship trademark fall within the jurisdiction of the Supervisory Board. Affiliated companies, which are controlled by Tigar AD, may use the flagship trademark.

Tigar AD holds two internet domain names: www.tigar.com and www.tigar.co.rs.

Tigar holds no software copyrights or broadcasting rights. Tigar uses standard software under licenses duly acquired from software manufacturers or distributors. Article 12 (3) of the Particular Collective Contract stipulates that employees have a right to be remunerated for copyrights, technical innovations, and improvements in production processes. The level of remuneration is regulated by a separate contract between the employee and Tigar AD, in the form of an increase of the employee's salary. This contract represents an annex to the individual employment contract; its contents are confidential and it is valid for one year. No objections or claims are filed toward Tigar, or by Tigar, in connection with the violation of intellectual property rights.

6.5. INFORMATION TECHNOLOGY

The IT Function is a part of Tigar AD dealing with the processing of business data on a central host computer for all the parts of Tigar company. Its key activities include:

- Development of application software
- Installation of software
- Software and hardware user training
- Logistic support to users
- Database maintenance
- Data security
- Installation and maintenance of hardware and software
- Administration and user access management
- Local area network management and anti-virus protection
- Maintenance of internet and internet access
- Standardization of corporate hardware and software within the corporation

6.6. SOCIAL RESPONSIBILITY

The concept of corporate social responsibility of Tigar implies a high level of responsibility toward its employees and toward the community in which it makes profits, with socially responsible and ethical approach to all social actors.

By its vision, mission and corporate values, the company clearly stated its commitment toward sustainable development and the principles it is guiding with in the part of the socially responsible business are defined in the document **Guidelines in the field of philanthropy and other benefits**. In this way are determined certain priority areas in which Tigar participates, as well as the criteria used to decide on support to various CSR initiatives, and evaluation of actual effects.

The basic principle of Tigar's philanthropic policy is that the projects and activities supported must contribute to the general progress and welfare of a large number of people. Key areas of its philanthropic activities support the building of an inclusive society, contributing to the general welfare of the community, strengthening of environmental awareness, which includes projects that highlight the importance of recycling and using recycled products. The company has made clear its commitment to the development of volunteer staff, along with supporting the development of skills and



**BUSINESS REPORT FOR THE PERIOD
JANUARY- JUNE 2014.**

Document Reference

IZ.P. 14/02

talents, thus improving a positive entrepreneurial climate and encouraging the development of leadership skills and knowledge.

Philanthropic projects in the observed period are relating to key areas - contributing to the general welfare of the community, building an inclusive society and support media projects that should contribute to the inclusion of persons with disabilities in the local community.

Within the project "Different and yet the same" of Radio Plus are realized on weekly basis the news about the activities of persons with disabilities and organizations that are dedicated to children with disabilities, with the broadcast of excerpts from the Inclusive bon-ton.

During the state of emergency in Serbia and the Republic of Srpska, conditioned by floods in May, Tigar ad has reacted adequately and its production was put into the function of needs of the state institutions and the affected population through realization of donation or through cooperation with business partners who have donated tigar's rubber footwear.

Tigar ad has shown in its so far work the initiative in the area of CSR social responsibility and philanthropy and was a support and a participant in many humanitarian actions.

Social welfare institution in Sremcica, who cares about the life and health of more than 300 young people with special needs, Tigar has donated rubber footwear to all users in collaboration with the humanitarian organization of Japanese Society. This institution has been selected upon the recommendation of the Ministry of Labour, Employment and Social Policy.

In order to contribute to the general welfare of the community and support our people in Kosovo and Metohija, there was supported a project that aims to make national kitchens more sustainable in the future.

In order to support the educational and physical development of the children, there was realized the donation of sports equipment to primary schools and was supported the project of the Pirot District related to assistance to schools.

6.7. CORPORATE GOVERNANCE

Supervisory Board of Tigar ad Pirot

After changes that have occurred in relation to the composition of the Supervisory Board in the second quarter of 2014, upon the appointing of tow new members of the Supervisory Board (Aleksandar Đurković and Aleksandar Radojević), this body functions in the following composition:

- Nebojša Petrović, Chairman
- Igor Markičević
- Gordana Lazarević
- Aleksandar Đurković
- Aleksandar Radojević

***members of Supervisory Board as of 30.06 2014 do not own company's shares

Executive Board of Tigar ad Pirot

After changes in the composition of the Executive Board which have occurred in the second quarter of 2014 – dismissal of existing (Ivan Mijalković and Milan Ilić) and appointing of new members (Branislav Čurić), the Executive Board now functions in the following composition:

- Nebojša Đenadić, ED for Corporate Management Support and Business System Development



**BUSINESS REPORT FOR THE PERIOD
JANUARY- JUNE 2014.**

Document Reference

IZ.P. 14/02

- Gorica Stanković, ED for Finances
- Zorica Mladenović, ED for HR
- Biljana Tošić, ED for Quality
- Branislav Ćurić, ED for Commerce and Marketing

7. MAJOR JANUARY-JUNE 2014 TRANSACTIONS WITH RELATED PARTIES

Tigar's operating system functions as a mixed holding company made of the parent company - Tigar ad and 17 dependent entities of which 12 are 100% owned by the parent company; while remaining dependent entities are in its majority ownership. The parent company, Tigar AD, deals with: a) holding operations - management, financing and development of dependent entities in which it holds 100% or majority ownership, b) commercial activities, and c) the generation of energy and fluids (for productional entities). Dependent entities are grouped into divisions according to the basic type of activities they perform: 1) productional entities, 2) commercial entities, and 3) service entities. None of the dependent productional and service entities that is 100% owned by the parent company is not in a functional sense rounded and holistic enterprise. To some degree or on an overall basis, the basic functions and support functions were transferred to the parent company. The parent company is functionally organized and in its composition there are two profit centers (trade and energetics).

The majority of the cash flow from operations, generated from the sales of products and services, enters into and goes out from the system through the parent company and is distributed between the parent company and the core manufacturing entities. Cash flows from borrowed external sources are dominantly being inputted through the parent company then are directed toward other parts of the system, in accordance with the need for working capital, investment policy and plans. There are some exceptions, such as Tigar Rubber Footwear LLC (DEG's long-term loan). Internal cash flows are related to flows from operating activities on the basis of payment for services rendered and purchased / sold goods and products, flows from financing - long-term loans which the parent company directs toward its subsidiaries and short-term loans among entities and cash flows based on withdrawn earnings from subsidiaries.

I) the compatibility of non-core activities with basic ("core") activities, II) the importance of non-core activities for the business in the field of basic ("core") activities, III) the profitability of service subsidiaries. Through the analysis was also reviewed the importance of non-core activities in relation to "core" activities, which was evaluated with consideration of the following parameters: a) the importance of the internal market for business volume and revenue of the parent company and its subsidiaries b) cash flows that the parent company exercised based on its ownership in subsidiaries and c) the impact of the subsidiaries on the involvement of working capital through short-term financing.

The aforementioned program of business restructuring involves the status change, i.e., merger of most of the subsidiaries to the parent company.

8. RESEARCH AND DEVELOPMENT

One of the main goals of development is to maintain the current flexibility and willingness to meet the specific requirements of customers. Costs of product research and development are regular component of the off-take production. There are significant opportunities related to capitalization of these costs through the development and improvement of production and characteristics of own-brand products.



**BUSINESS REPORT FOR THE PERIOD
JANUARY- JUNE 2014.**

Document Reference

IZ.P. 14/02

9. ADVANTAGES AND RISKS

9.1. ADVANTAGES

Leading producer of rubber products in the region

Tigar's product portfolio includes rubber footwear, rubber technical goods and chemical products. Its production facilities are located within a single industrial location, ensuring their strong synergy. For example, certain groups of products made by one segment constitute semi-finished products for another segment. In addition to its industrial capacities, Tigar operates a national sales network which offers both Tigar-made products and complementary products made by other manufacturers, including tires and car parts.

Convenient location

Tigar's production facilities are located in Pirot, Southeast Serbia. This geographical location offers strategic advantages and a number of product distribution options. An additional benefit is the proximity to the state border and other countries in the region. Tigar is located at a distance of 600 km from the Port of Bar in Montenegro, 380 km from the Port of Thessaloniki in Greece and 480 km from the Port of Varna in Bulgaria, allowing it to combine different modes of transportation, including shipping via the Adriatic, Mediterranean and Black Sea. Tigar's strategic location will become increasingly important as countries in the region form alliances, including the lifting of customs barriers and creating a common market of 55 million consumers.

Brands

The Tigar corporate brand holds a dominant and distinctive position in both domestic and regional markets. However, the fact is that most of the rubber footwear production is done under private brands of customers, and that Tigar branded rubber footwear is not properly positioned, regardless of the high quality of products. Through international acquisitions, Tigar has acquired ownership of the safety footwear brands - Century and finished products made from recycled rubber - Bilgutex. In the coming period, it is necessary to make further efforts on the market for these brands could be properly positioned, which also applies to fashion rubber footwear Maniera and Broolly, program of children's rubber footwear. The process of developing, i.e., winning new private brands in the sports rubber footwear program is in progress. In the Chemical Products program exist several private brands, which are owned by Tigar and include the Tigar name. Strategy in the coming years is based on the constant strengthening of Tigar owned brands on both domestic and international market, with the ultimate goal of equalizing income from sales of goods under its own brands with brands that are owned by other customers.

First national automotive service network

Tigar began developing its sales network in the 1970s. As a result of previous investments in this area, Tigar now operates the largest national vehicle, tire and afterpart chain. In 2004, the Company initiated a complete reconstruction and updating of this chain, by shutting down unprofitable facilities and developing new, highly-profitable service centers. Prior to this project, the Company operated 80 retail outlets, while today the chain is comprised of 11 service centers which sell vehicle tires and afterparts, and offer light vehicle servicing; 3 mobile service units; and 19 sales outlets. It also operates a chain of specialty footwear stores - Bottega. The Company uses these chains to sell its own products, as well as products made by other manufacturers, following a multi-product/multi-brand strategy.



**BUSINESS REPORT FOR THE PERIOD
JANUARY- JUNE 2014.**

Document Reference

IZ.P. 14/02

Long-term experience in international strategic partners

Tigar had partnered with the American BF Goodrich for more than 30 years. After Michelin acquired this company, Tigar became and remained its strategic partner in the tire segment for nearly twenty years, from the early 1990's to the year 2010. Given that Tigar is the European leader in the footwear market, it does not seek strategic alliances in this segment as there are opportunities for Tigar to acquire one or more of the remaining European manufacturers, or to independently organize, or with some other partners, a production outside of Serbia. However, there are opportunities for strategic partnerships in the technical rubber goods segment.

9.2. RISKS

Risk management of the company covers a group of risks related to the macroeconomic environment and general business conditions, risks related to the very industry in which it operates, and a group of financial risks. The company can not affect the possible risk factors such as economic or political instability. All manufacturing and service entities are operating in markets with very strong competition and due to various risk factors, their market position may be compromised. Tigar is also exposed to risks related to legislation, especially because of some major changes of regulation being implemented within the procedure of harmonization with the EU legislation.

Being a joint-stock company, Tigar is affected by capital market developments and therefore, there is always a possibility that major shareholders may be willing to modify corporate policies and strategies.

There is no separate organizational unit within the company that deals with the risk management; they are monitored within individual entities and functions at the corporate level.

Risks conditioned by the macroeconomic environment and general business conditions

The company's business is significantly influenced by the macroeconomic environment, and also by the business conditions in the markets in which it produces almost half of its total revenue, or on the markets of procurement of the key raw materials - natural and synthetic rubber. In the domestic market are analyzed factors that influence the demand, the company's business, legislation.

Market- and Industry-related risks

Tigar Marketing Strategy is defined in terms of opportunities and threats of the market and business environment and is consistent with the fundamental competitive advantages of Tigar in the production of rubber footwear. Its main elements are: 1) the differentiation of production based on the high quality of production and products, continued development of programs and products and high-quality service related to product development for the off-take production, 2) off-take production as the main form of the market expansion, and 3) development and profiling of own brand.

Technical rubber goods segment is based on the following elements: 1) Brand Strategy (purchased Bilgutex brand and Tigar brand), 2) continued development of new materials and products, and 3) differentiation on the basis of product quality, and adaptability to specific customer needs.

Production and market access of Tigar Chemical Products is based on differentiation from the competition, through development of its own proprietary products and ensuring stable product quality confirmed by relevant certificates.



**BUSINESS REPORT FOR THE PERIOD
JANUARY- JUNE 2014.**

Document Reference

IZ.P. 14/02

In the process of providing services - selling passenger tires, there are monitored activities in the part of the legal regulation of this area and the presence of competition at the national or regional markets.

Credit risk and the cost of borrowed capital

By neglecting this risk group, the corporation has come into a pre-bankruptcy condition. By using tools to control credit risk, it is envisaged to create as soon as possible, a business system that will be creditworthy primarily in the area of long-term and investment loans. Continuous monitoring of analytical indicators provide guidelines for taking immediate corrective measures in the business. Management of cash flows aims to lower the cost of debt capital.

Risks related to shareholder and corporate structure

During the considered period, there were no major changes in shareholding concentration and no takeover announcements, which might affect corporate business and development policies. Overall developments do not suggest that the Company might be facing this type of risk in the near future. Regular communication with major shareholders allows to anticipate possible developments in the area of ownership consolidation.

Sale of state shares should take place after the completion of the overall consolidation process and the full stabilization of the program within the system, and at this point there is no indication that this process could begin in the course of 2014.

Reputation risk

Series of activities in the Company and those related to it, initiated the need to set as one of priorities the monitoring of the level of reputational risk in the future.

10. SIGNIFICANT BUSINESS EVENTS THAT HAVE OCCURRED DURING AND AFTER THE FIRST SEMESTER OF 2014

Change in the composition of the Supervisory Board:

At the extraordinary session of General Assembly as of 14.04.2014, Mr. Aleksandar Đurković was appointed for the member of the Supervisory Board.

At the regular annual session of General Assembly as of 24.06.2014, Mr. Aleksandar Radojević was appointed for the member of the Supervisory Board.

During July, Mrs. Gordana Lazarević has filed resignation to her position as a member of the Supervisory Board.

Changes in the composition of the Executive Board:

On the occasion of the Supervisory Board session as of 22.05.2014, Mr. Branislav Ćurić was appointed as ED for commerce and marketing.

On the occasion of the Supervisory Board session as of 05.06.2014 were dismissed the following members of the Executive Board: Ivan Mijalković, ED for Production processes and programs and Milan Ilić, ED for Investments and IT.

On the occasion of the Supervisory Board session as of 16.07.2014 was dismissed Mrs. Biljana Tošić, ED for Quality, based on her submitted resignation to a position of the member of Executive Board.

On the occasion of the Supervisory Board session as of 29.07.2014 was appointed Mr. Zoran Mančić as ED for Investments and IT.



**BUSINESS REPORT FOR THE PERIOD
JANUARY- JUNE 2014.**

Document Reference

IZ.P. 14/02**Sessions of the General Assembly:**

On 14.04.2014 was held the extraordinary session of General Assembly of Tigar a.d., on the occasion of which was made a Decision on approval of filing the proposal for the initiating of the bankruptcy proceeding through reorganization in compliance with the 'UPPR'.

On 24.06.2014 was held the regular annual session of General Assembly of Tigar a.d., on the occasion of which were adopted financial statements for the year 2013, elected independent auditor for the year 2014 and made other decisions falling under the competence of the General Assembly.

On 05/29/2014 is submitted to the Commercial Court in Nis, the Proposal for the initiating of the bankruptcy proceeding through reorganization, in accordance with 'UPPR' for Tigar ad Pirot and Tigar Rubber Footwear llc Pirot.

It is in progress the preliminary hearing to determine whether are filled the conditions for the initiation of bankruptcy proceedings in accordance with the prepackaged plan of reorganization.

A hearing for the adoption of the 'UPPR' of Tigar a.d. is scheduled for 18.09.2014.

Changes in business of the entity Tigar Europe:

Here we suggest an event occurring after the expiration of the second quarter and is important for the investment public and is referring to the initiation of the voluntary liquidation of the company Tigar Europe, seated in London, in which Tigar ad owns 50% of the share capital.

**MANAGING DIRECTOR
TIGAR AD**

Nebojša Djenadić

**CHAIRMAN OF
TIGAR AD SUPERVISORY BOARD**

Nebojša Petrović

**BUSINESS REPORT FOR THE PERIOD
JANUARY- JUNE 2014.**

Document Reference

IZ.P. 14/02**DECLARATION OF INDIVIDUALS RESPONSIBLE FOR THE
PREPARATION OF ANNUAL REPORTS**

Pursuant to article 50 (3) of the Capital Market Law, as individuals responsible for the preparation of annual reports, we hereby declare that to our best knowledge this Annual Report has been prepared applying appropriate international financial reporting standards and that it is a true and objective presentation of the assets, liabilities, financial position, business, profits, losses, cash flows, and capital changes of this public company, including its subsidiaries whose financial statements are consolidated.

DIRECTOR OF TIGAR AD ACCOUNTING FUNCTION**Aleksandra Đorđević****MANAGING DIRECTOR
TIGAR AD****Nebojša Djenadić****CHAIRMAN OF
TIGAR AD SUPERVISORY BOARD****Nebojša Petrović**

**BUSINESS REPORT FOR THE PERIOD
JANUARY- JUNE 2014.**

Document Reference

IZ.P. 14/02**DECISION ON ADOPTION OF THE
SEMI-ANNUAL FINANCIAL STATEMENTS**

Supervisory Board of the Company has reviewed and approved the semi-annual report of the Company at its meeting held on 26.08.2014.

**MANAGING DIRECTOR
TIGAR AD**

Nebojša Djenadić

**CHAIRMAN OF
TIGAR AD SUPERVISORY BOARD**

Nebojša Petrović