

BUSINESS REPORT FOR THE PERIOD JANUARY – DECEMBER 2014.

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ASSESSMENT OF THE PERFORMANCE IN THE PERIOD JANUARY-DECEMBER 2014

An overall assessment of the business in the period January-December 2014 was strongly influenced by the situation the company's facing with for a longer period of time, but also by conditions that characterize the local economy in general. The Company's business in 2014 was marked by trends that are present on our market for many years. The entire public sector and the economy because of the difficult legacy are facing many challenges, resulting in a low purchasing power of citizens.

Production in tons in 2014 recorded a growth of 1% in the production of the rubber footwear program. Production of the programs of Tigar Rubber Technical Goods and of Chemical Products decreased by 50% compared to last year. The decline refers to the share of production intended for the domestic market. Total external sales of Tigar's program since the beginning of the year stood at RSD 1,903 million, of which 70% was achieved in exports, and which decreased by 3% compared to the previous year, while the sales of Tigar Rubber Footwear program increased by 4%.

Consolidated operating revenues have recorded a drop compared to the same period last year by 12%. Great impact on reported lower sales on a consolidated basis had the liquidation of Tigar Europe from Great Britain. Liquidation was approached due to the termination of the contract on the sale of tires in the UK market, which this entity had with Tigar Tyres. With the termination of this agreement and therefore the revenues that Tigar Europe realized on that basis, there was lost the economic feasibility of operations of this dependent entity. From all the above it is clear that decline in revenue at the consolidated level is not followed by real business activity but because of the liquidation of the company that has been operating in the UK market.

Consolidated operating expenses were lower by 17% compared to 2013. Lower operating expenses on a consolidated basis in 2014 are the result of the taken measures and controls concerning the reduction of expenditures, rationalization of labor, business optimization, as well as external factors - falling of raw material prices.

The most important performance indicators such as EBIT and EBITDA show a trend of stabilization of business operations in 2014. Reported operating loss (EBIT) in 2014 was better than in 2013 by 53% while the reported an operating loss before depreciation and amortization (EBITDA) in 2014, compared to the same period last year was better by 96%. The difference compared to the balance sheets for statistical purposes which were handed on 31.03.2015 in which were covered invoices from previous periods and which burdened business in 2014, after reviewing by the auditors, such invoices were booked at the expense of previous years and affected EBIT and EBITDA to be better in 2014.

We emphasize the fact that Tigar continues its operations without any additional borrowing.

To overcome the problem that arose because of the impossibility of the realization of the Conclusion of the Serbian Government concerning the issuance of a guarantee, at meetings held in February and March 2014, the largest creditors, ie. Banks, proposed the launching of the procedure of submission of the Prepackaged Plan of Reorganization. The Supervisory Board of Tigar AD at its meeting held on 12 March 2014 made a decision on convening the Extraordinary General Assembly for 14 April 2014, at which a decision was made on filing the proposal for the initiation of the bankruptcy procedure through reorganization, with the Prepackaged Plan of Reorganization. Prepackaged Plan of Reorganization for Tigar AD and Tigar

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Rubber Footwear was handed over to the Commercial Court in Nis on 29.05.2014. The voting on the occasion of which the plan was adopted by the majority of creditors was held on 18/09/2014 for Tigar ad and on 09.23.2014 for Tigar Rubber Footwear. There were no appeals in relation to the plan of Tigar Rubber Footwear so that it became valid before the court on 26/11/2014, and begun with its implementation on 11.12.2014. Repayment to direct creditors of Tigar Rubber Footwear began on 01/11/2015.

Privredna Banka Belgrade in bankruptcy made an appeal in relation to the adopted plan of Tigar ad, and by the Resolution of the Commercial Court of Appeals in Belgrade as of 31.12.2014 was ordered the correction of the plan. Such correction of the plan was done and the revised text of the Prepackaged Reorganization Plan was handed over to the Court on 20/02/2015. At a hearing held in the Commercial Court in Nis on 04/07/2015, by the majority decision of creditors was adopted the Prepackaged Reorganization Plan of Tigar AD.

In the reporting 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 the aim to reach an agreement on the key decisions for the company.

CHAIRMAN OF SUPERVISORY BOARD OF TIGAR A.D.

NEBOJSA PETROVIC



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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: 6420 - Holdings

Number of shareholders: 31/12/2014 4,476

Assets: 31/12/2014 ('000 RSD) 4,834,450

Registered address: Nikole Pašića 213, 18300 Pirot, Serbia

Tax ID: 100358298

Certificate of incorporation: Registry File 1-1087

Number of employees: 1,616 as of 31/12/2014

Capital: 31/12/2014 (000 din) (rsd 000) 0

Capitalization: 31/12/2014 (000 din) 122,010

1.2. CORPORATE STRUCTURE

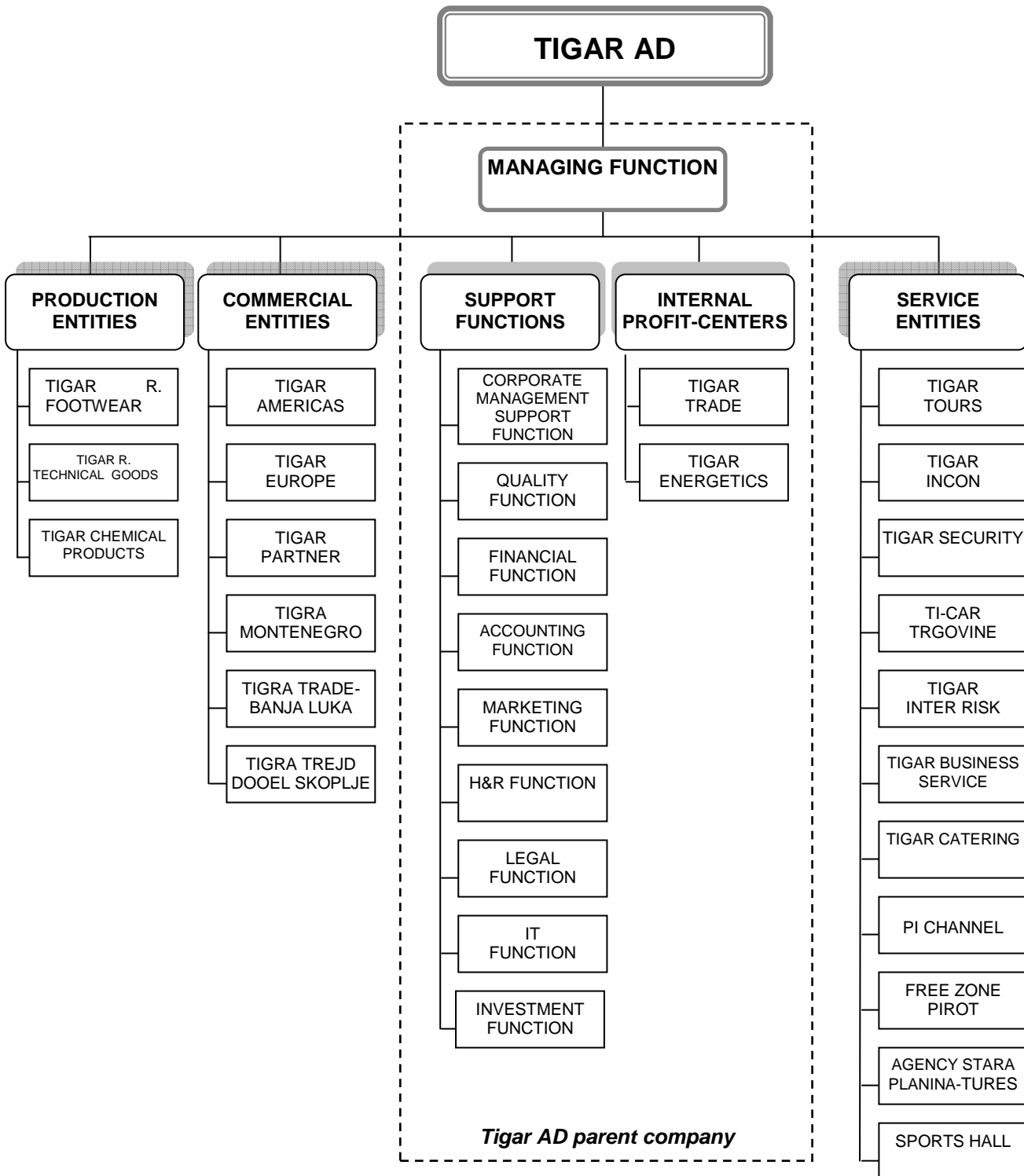
On the day of writing this report, the corporate structure of the corporation looks like it is given in the graphic below:



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1.3. INVESTMENTS

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

In '000 RSD	Purchases of fixed assets and intangible investments
	January-December 2014
Tigar Technical Rubber Goods	635
Tigar Chemical products	0
Tigar Rubber Footwear	3,474
Service entities	25,024
Tigar a.d.	817
Total	29,950

The process of financial consolidation and efforts to meet the requirements of customers and market conditions without any borrowing inevitably affected the possible level of investment.

Investments were adequate to realistic needs and capabilities of Tigar's business system in a given period, so they relate primarily to the necessary maintenance of production equipment and servicing of existing computer equipment and telephone exchange central at Tigar AD

In the part of service entities were carried out repairs of the hotel StarA and there was acquired equipment necessary for the regular conduct of jobs.

Investment in further development are necessary but they will be strictly selected and will be aimed primarily towards the rationalization of business activities and investment in expanding of the market potential.



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2. PRODUCTION LEVELS AND SALES OF GOODS AND SERVICES

2.1. BREAKDOWN OF PRODUCTION AND SALES

Structure of production and sales program in 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 defined environmental standards to ensure minimal pollution of the workplace and the 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 fashion footwear, Brolly children's footwear, and other types of footwear made under the Tigar brand name.

Rubber Technical Goods Program

Tigar Rubber Technical Good's product lines currently include the following product groups:

- *Molded rubber products*
- *Rubber profiles*, where are the most present EPDM profiles for construction
- *Hoses including flexible hoses*
- *Combined products and semi-finished rubber products*, such as rubber-metal products, shock absorbers
- *Special-purpose products*, such as tanks for combat aircrafts, covers for the cannon of the tank and invulnerable wheels
- *Product made of recycled (crumb) rubber*, used to overlay and protect outdoor and indoor surfaces, including rubber matting, used for soundproofing in the construction industry, rubber tiles for childrens playgrounds, as well as for various holders of traffic signalization – rubber bollards.
- *Sports court flooring* is basically comprised of rubber matting of different thickness – indoor sports courts or rubber granulate for outdoor sports courts, depending on the purpose of such sports court.



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Chemical Products Program

Production program of Tigar Chemical products plant consists of more than 300 products:

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

Complementary goods

Through service&sales network of commercial entities are being sold tires and spare parts for cars. Companies from abroad are selling solely Tigar-brand tires manufactured by Tigar Tyres. In the domestic market are sold passenger, light truck and truck tires of all world manufacturers, and most tires from Michelin Group, which includes Tigar-brand tires. Other complementary products include motor oils, batteries, car care products, exhausts, etc., domestic and foreign suppliers and garden program. Tigar's sales and service network Stop & Drive extend tire repair, car repair services, vehicle washing, tracking and storage of tires. These services are performed in stable passenger and cargo services. In addition to the stable ones, the network also has a mobile service that are equipped for the field work.

Tigar's specialized Bottega chain offers women's and children's footwear, as well as Italian leather men's, women's and children's footwear to bridge seasonality.

Other services

In the part of services, dependent entities support and contribute to Tigar's core businesses and provide high-quality services to both the Company and the local community.

- *Construction and Engineering*
- *Free Zone Piroć, which on 5ha 09a 41m² of infrastructure-enabled land renders services that may be carried out free from duty or VAT and certain municipal charges.*
- *Transport, including domestic and international freight forwarding*
- *Food production for internal needs of Tigar AD and Tigar Tyres, but also for the external market, as well as hospitality services offered to tourists, business men and women, delegations, and sports teams*
- *Protective Workshop, dealing with solid waste collection and recycling*
- *Services in the areas of radio and TV broadcasting*

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

Business and development strategy for the period 2013-2017 implies the following general 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 of labor costs to an optimum level and further reduction of fixed and semi-variable costs
- Investments in order to achieve significant savings in production
- Long-term financing based on favorable long-term loans, at low interest rates, without important indebtedness during the first years of projection



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- Exports, as the main source of Tigar's facilities revenue;
- Growing proprietary brand sales, particularly to export markets;
- Introduction of new sales methods
- Higher sales to end users of tires, footwear and complementary goods in the Serbian market
- Fusion of the business through the integration of parts that do not have an independent market perspective
- Maintenance of the sales volume of tires and complementary goods via Tigar's entities operating abroad;
- Increased revenues from external services in services, construction and Free Economic Zone Pirot;
- Maintenance of internal services at the level required by the Tigar Group and Tigar Tyres

In the current business and market environment, Tigar has sought to better integrate in the vertical supply chain, to optimize its production and market portfolio, following the demands of customers for new products.

2.3. APPRAISAL OF THE MARKET POSITION OF THE RUBBER FOOTWEAR PROGRAM IN THE PERIOD JANUARY-DECEMBER 2014

In 2014, consolidated external revenues from sales of goods and services were by 4% lower in relation to the previous year:

<i>Net income from sales of goods and products in Serbia and from Serbia</i>	2013	2014	%
<i>In ' 000 RSD</i>			
Tigar Rubber Footwear	1,521,186	1,588,941	4%
Rubber Technical Goods	376,589	273,154	-27%
Chemical Products	59,294	41,370	-30%
Tires	27,752	17,290	-38%
Other programs	17,872	8,945	-50%
TOTAL	2,002,692	1,929,699	-4%

Sale of Tigar's products in 2014 amounts to cca RSD 2 billion, of which 69% in export. Tigar Rubber Footwear Plant still records the highest share in export - 87%.

<i>Net income from sales of goods and products in Serbia and from Serbia</i>	2013	2014	%
<i>In ' 000 RSD</i>			
Domestic market	677,515	598,672	-12%
Tigar Rubber Footwear	370,124	426,545	15%
Rubber Technical Goods	239,863	125,630	-48%
Chemical Products	21,905	20,262	-7%
Tires	27,752	17,290	-38%
Other programs	17,872	8,945	-50%

<i>Net income from sales of goods and products in Serbia and from Serbia</i>	2013	2014	%
<i>In ' 000 RSD</i>			
Exports	1,325,177	1,331,027	0%
Tigar Rubber Footwear	1,151,062	1,162,395	1%
Rubber Technical Goods	136,725	147,524	8%
Chemical Products	37,389	21,108	-44%



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The sale of the rubber footwear program in 2014 was higher by 4% in relation to last year where the dominant influence to such increase had the growth of the sales volume on the domestic market (15%):

<i>Net income from sales of goods and products in Serbia and from Serbia</i>	2013	2014	%
<i>In ' 000 RSD</i>			
Tigar Rubber Footwear	1,521,186	1,588,941	4%
- Domestic market	370,124	426,545	15%
- Export	1,151,062	1,162,395	1%

The previous year was characterized by significant growth in sales in the domestic market (15%) which partly resulted from unfavorable weather conditions that have occurred in our country and wider region which caused a higher demand for rubber footwear.

Along with regular servicing of existing customers in exports, 2014 was marked by the renewal of cooperation with the company Battistini Fratelli (ITA) after a long break, to which has delivered more than 45,000 pairs of rubber footwear while in 2015 is expected further sales growth for the same customer to 100 -120.000 pairs. In the terms of the economic crisis in much of Europe, the level of sales for the most important customers was approximately at the same level (total sales growth of 1%). The previous year was also marked by the continued production of special models of rubber boots for the Finnish and the Swedish army (cooperation will continue in the future) on the basis of specific technical requirements of the customer Berner (Finland), we have acquired a tender for the supply of fire brigade with safety rubber boots in Hong Kong (implementation during 2015); we have renewed cooperation with the firms Euro PM (GER) and Raitex (ITA) and started the cooperation with the firm Hound & Craft (USA / France) for which have already been industrialized (won) and delivered 14 models for the North American market; we are in the process of continuous winning and deliveries of fashion rubber footwear for the customer Ilse Jacobsen Hornabaek (DEN); deliveries for the buyer Oxyprod (ITA) in 2014 were by 40% higher than in the previous year and we have realized a significant market share in neighboring countries.

At the end of the year were initiated negotiations with potential new customers from GBR, FRA, POL and CAN.

It is very important to emphasize the continuation of the synchronized actions with customers in the domestic market, where the emphasis is on advance payments that are extremely important financial instrument in terms of production / sales of goods that have a accentuated seasonal character, bearing in mind that Tigar did not make any additional borrowings from banks.

2.4. ASSESSMENT OF TIGAR RUBBER TECHNICAL GOODS MARKET POSITION IN 2014.

The 2014 sales of the factory Tigar Rubber Technical Goods was by 27% lower when compared to the previous year and the lack of domestic market due to problems at the level of the overall economy has seriously jeopardized operations and there will follow the reorganization of this production entity.

A significant drop in sales was recorded on the domestic market (primarily because of the difficulties with which were facing the large systems and companies in the field of construction which resulted in a lower volume of sales of rubber profiles, liquidity problems of domestic economic entities, the lack of public procurement for the needs of the Army of Serbia...) while the volume of sales in export increased by 8% in relation to the previous year.



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<i>Net income from sales of goods and products in Serbia and from Serbia</i>	2013	2014	%
<i>In ' 000 RSD</i>			
Rubber Technical Goods	376,588	273,154	-27%
- Domestic market	239,863	125,630	-48%
- Export	136,725	147,524	8%

Export sales recorded a growth, although in the second half there was not continued the cooperation in the part of deliveries of rubber hoses for the automotive industry at the Russian market (first installation) because of the crisis in this part of Europe, then, in terms of reduced volume demand for products made from recycled rubber. The positive trend continued in the part of selling rubber membranes to Austrian market, significant supplies of rubber foils for the protection of buildings from salt water (for Italian market), there is continued the winning of new positions related to pressed parts for the company Metso (SWE) in the part of the products for the mining industry which is being recorded a production growth and placement in their centers throughout the world.

2.5. ASSESSMENT OF TIGAR CHEMICAL GOODS MARKET POSITION IN 2014

In the difficult conditions of production (reduced capacity, fire, new relocation...) Tigar Chemical Products was able to meet the needs of Tigar Rubber Footwear and Tigar Tyres for adhesives. For these reasons, the realization of sales was considerably lower than in the same period last year. In the second quarter was made a step forward in the realization of deliveries for the mining industry in Bulgaria and there was renovated the cooperation with the firm Eltim Engineering (RSA) for the market of South Africa. It is also more regular the supply of the domestic market.

<i>Net income from sales of goods and products in Serbia and from Serbia</i>	2013	2014	%
<i>In ' 000 RSD</i>			
Chemical Products	59,294	41,370	-30%
- Domestic market	21,905	20,262	-7%
- Exports	37,389	21,108	-44%

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

There was continued the process of restructuring of the service network, retail and colonials. Parallel to this process began the more regular supply of the network with tires, footwear and complementary programs (batteries, motor oil, etc.), the garden program.

Activities undertaken must demonstrate viability and profitability of each of the objects, which will result in the closure of some retail-service objects and opening of the new ones. It is important to point out activities on finding a long term solution for the supply of tires and in this regard are ongoing negotiations for concluding a contract with Tigar Tyres.



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2.7. PRICE FLUCTUATIONS OF KEY RAW MATERIALS AND COMPLEMENTARY PRODUCTS

The prices of some key materials during 2014 have decreased compared to the previous year (natural and synthetic rubber, fillers) while others were mostly stable (technical fabrics).

In accordance with developments in the global market was requested from the suppliers to correct the prices of their products in line with current trends, after which followed lower prices of certain raw materials with a tendency to further reductions in the first quarter of 2015.

In the reporting period were initiated and implemented the introductions of alternative raw materials in important segments of procurement.

2.8. PRODUCTION OUTPUT

The tables below show breakdowns by manufacturing segment, in pairs and in tons.

Production (pairs)	January-December 2013.	January-December 2014.	%
Tigar Rubber Footwear	1,291,235	1,253,246	-3%

Production (tons)	January-December 2013.	January-December 2014.	%
Tigar R.Technical Goods	1,379	626	-55%
Chemical Products	187	172	-8%
TOTAL	1,566	798	-49%

In the period January-December 2014, the total realized production in Tigar Rubber Footwear plant amounts to 1.253.246 pairs, which is for 3% less in relation to the same period last year, but is different in the structure of the product mix. Total realized production in tons in plants – Tigar Rubber Technical Goods and Tigar Chemical Products amounts to 798, which is by 49% less in relation to the same period last year.



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3. FINANCIALS FOR THE PERIOD JANUARY-DECEMBER 2014

3.1 KEY INDICATORS OF THE HOLDING COMPANY (TIGAR AD)

Tigar AD's unconsolidated financials in thousands of Dinars	January - December 2013.	January - December 2014.	% changes
Equity	5,244,310	4,834,450	-8%
Operating income	2,958,181	1,855,836	-37%
EBIT	67,584	102,935	52%
EBITDA	122,088	151,693	24%
Financial income	18,446	49,695	169%
Other income	90,791	20,795	-77%
Total income	3,067,418	1,926,326	-37%
Net loss	-818,716	-849,115	-4%
<u>Significant ratios</u>			
Current Ratio	0.64	0.56	-13%
Debt / Equity	1	1.2	17%
Net profit/total income	-26.69%	-44.08%	-65%

In 2014 the retail network and set apart from Tigar AD and annexed to Tigar Protective Workshop which was also renamed into TI-CAR Trade I.l.c. A part of the sale of finished products and raw materials procurement is also conducted through this entity. In order to compare and evaluate the effects of the business, there shall be collectively considered Tigar ad and TI-CAR trade I.l.c.

For this reason, on page 21 was shown the income statement of the parent company and TI-CAR with the elimination of internal relations. Viewed collectively, Tigar ad and Tigar Ti-Car have achieved operating profit in 2014, amounting to RSD 133 million, which is by 101% more than in the same period last year.

3.2. KEY CONSOLIDATED INDICATORS

The bulk of the cash flow from operations, generated from the sales of products and services enters and goes out through the parent company and gets distributed among the parent company and the core manufacturing entities. Internal cash flows are related to operating flows arising from payments for services rendered and purchased / sold goods and products, flows from financing - long-term loans that the parent company directs in its subsidiaries and short-term borrowings from financial companies and flows based on profit withdrawn from dependent entities.

Production entities essentially operate as a production division of the holding company. Commercial entities are enterprises operating abroad and are primarily engaged in commercial activity. Service entities are predominantly oriented to the external market in procurement of necessary inputs, as well as in terms of sales or provision of services. At the individual level, there are dependent service entities whose dependence on the internal market is more pronounced Tigar Tours, Tigar Inter Risk, Tigar Security and Tigar Catering.

Consolidated financials of Tigar a.d. in thousands of dinars	January - December 2013.	January - December 2014.	% promene
Total assets	7,643,566	6,934,190	-9%
Sales revenues	3,088,758	2,712,026	-12%
EBIT	-481,523	-226,879	53%



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EBITDA	-261,543	-10,575	96%
Financial revenues	26,162	33,875	29%
Other incomes	170,044	64,122	-62%
Net loss	-1,034,224	-1,406,536	-36%

Total revenues from sales of goods, products and services on a consolidated basis, for the period January-December 2014 amounted to 2,712,026 thousand dinars which is by 12% lower compared to the same period last year, when they amounted to 3,088,758 thousand dinars. In the same period, business income was in the amount of 2,734,470 thousand dinars, which is also by 12% less compared to the same period last year, when they amounted to 3,106,115 thousand dinars. Great impact on reported lower sales on a consolidated basis had the liquidation of Tigar Europe from Great Britain. Liquidation was approached due to the termination of the contract on the sale of tires in the UK market, Tigar Europe had with Tigar Tyres. The termination of this agreement and of revenues Tigar Europe has realized on that basis, there was lost the economic feasibility of operations of this dependent entity. The drop of sales of the companies from abroad, caused by lower sales revenue mainly of Tigar Europe, in the amount of 302,000 thousand dinars compared to 2013, while the decline in external revenues of companies that operate in Serbia decreased by 69.558 thousand dinars compared to the year 2013. From all of the above can be clearly seen that the decline in revenue at the consolidated level is not followed by real business activity but because of the liquidation of the company which has been operating in the UK market.

Consolidated operating expenses in the amount of 2,961,349 thousand dinars were lower by 17% compared to 2013 when they amounted to 3,587,638 thousand dinars. Lower operating expenses on a consolidated basis in 2014 are the result of the taken measures and controls in part to reduce expenditures, rationalization of labor, business optimization, as well as external factors – decrease of raw material prices.

Structure of operating expenses in 2014 in total cost by groups is as follows: costs of wages, salaries and other personnel expenses account for about 38%; Expenses for the costs of materials, energy and the reduction of inventories accounted for 39%; The cost of goods accounts for 2%; expenses, depreciation and provisions accounted for 7% and other expenses accounted for 14%. In the costs structure for the observed period are also included the costs related to the elaboration of the Prepackaged Plan of Reorganization for Tigar Rubber Footwear and Tigar ad.

Reported operating loss (EBIT) in 2014 amounted to 226.879 thousand dinars, while operating loss in 2013 amounted to RSD 481.523 thousand, which represents a better result for 254.644 thousand dinars, or 53%. EBIT growth in 2014 compared to the previous year is an indicator of good business moves that gave these results.

Reported operating loss before depreciation and long-term provisions (EBITDA) in 2014 amounted to RSD 10,575 thousand, while in the same period last year was expressed an operating loss before amortization in the amount of RSD 261.543 thousand, which represents an improvement for RSD 250.968 thousand, or 96%. EBITDA in 2014 improved by RSD 435.093 thousand compared to the year 2012. The growth trend indicates the stabilization of business operations.

EBITDA in 2014 would be even better if the business was not burdened by expenses in the amount of RSD 33,900 thousand which were related to the tax expense based on the submission of pledged goods to UBB bank – RSD 8,200 thousand; enforced collection costs – RSD 3,300 dinars, the cost of preparing the Prepackaged Plan of Reorganization (cost of bankruptcy proceedings – RSD 2,000 thousand, costs of appraisers –RSD 5,200 dinars, audit costs – RSD 2,000 dinars, costs of consultants RSD 1,000 thousand), and / or are not directly related to the ordinary operations of the Company (cost of sponsorships and donations – RSD 12,200 thousand).



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Financing costs on a consolidated basis in the period January-December 2014 amounted to RSD 982.153 thousands, while the cost of funding at the consolidated level in the same period last year amounted to RSD 644.722 thousand. **The largest part of financial expenses are the costs of interest, which at the consolidated level amounts to about RSD 573.282 thousand. The level of debt denominated in dinars significantly influenced by changes of the dinar exchange rate, which was on the balance sheet date at the end of the year higher than at the end of last year, so on that basis we have foreign exchange losses and other financial expenses in the amount of RSD 408.870 thousand.**

At the consolidated level, the value of total assets amounted to RSD 6.9 billion, of which fixed assets RSD 5.1 billion, while current assets RSD 1.8 billion.

Changes in the law have caused the engagement of an independent appraiser for the purpose of making assessments on facilities and equipment under IAS 36 and IAS 40. In compliance with such appraisal, the Company has conducted bookings which have affected in the regular report on business operations the position of investment property in the balance sheet at both individual and on a consolidated basis, namely: as for Tigar AD it was reduced by 104.8 million dinars in Tigar Rubber Footwear was increased by 10 million, in Tigar Rubber Technical Goods decreased by 16.4 million dinars in Tigar Chemical Products decreased by 52.4 million dinars, while according to estimates, there were no changes when speaking of other dependent entities.

A part that relates to claims in the amount of RSD 393 million for the most part include current receivables of domestic and foreign customers. The structure of domestic customer receivables relate to current receivables where the 8 largest customers claimed RSD 65 million. Seven largest foreign customer receivables amounted to RSD 69.6 million. In the part of older receivables, the largest single claims are asserted against GP auto shop in bankruptcy in the amount of RSD 20.6 million. As for this customer was expected compensation in the amount of about RSD 17 million, while the rest will be settled from the bankruptcy estate. As for the customer Ema from Pozarevac the due amount is RSD 30.9 million. It is also anticipated a compensation with this customer in the amount of about RSD 10 million, while for the rest of the amount were activated bills at the end of 2013. A significant amount of receivables is related to the entities operating abroad. Tigar Partner Macedonia claims from its customers 25.6 million, Tigar Montenegro 8.3 million, and Tigar Trade Banja Luka 28.7 million. There is a disputed claim in the factory Tigar Chemical Pproducts in the amount of 9.7 million dinars towards the company LK Commerce from Greece.

At the consolidated level, the loss above the capital is RSD 1.5 billion. On the liabilities side, the equity value is 0, liabilities for long term loans around RSD 1.8 billion, other long-term liabilities 0.3 billion, liabilities under short-term loans were 3.6 billion and other short-term liabilities amount to approximately 2.9 billion. This level of short-term liabilities compared to the available working capital is a lot higher, so that the current liquidity ratio is below the desirable one. By replacing short-term liabilities with the long-term loans, through a process of long-term financial stabilization, there will be provided a better impact on the current liquidity of the company.

3.3. TIGAR AD PARENT COMPANY

BALANCE SHEET (in thousands of RSD)

ASSETS	As of 31 december 2012	As of 31 december 2013	As of 31 december 2014
A. SUBSCRIBED CAPITAL UNPAID			0
B. NON-CURRENT ASSETS	2,888,125	2,308,016	1,983,302
I. INTANGIBLE ASSETS	28,701	16,381	13,758
Investment in development	5	71	33
Concessions, patents , licenses , trademarks , software and other rights	14,767	12,157	9,823
Intangible assets under construction	13,929	4,153	3,902
Advances for intangible assets	0	0	0



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II. PROPERTY, PLANT AND EQUIPMENT	1,505,315	1,410,676	1,257,829
Land	26,060	54,156	54,376
Buildings	678,835	655,518	643,255
Plant and equipment	295,680	260,838	231,157
Investment property	455,444	395,695	290,896
Property, plant and equipment construction	33,009	37,706	28,945
Investments in property, plants and equipment	16,287	6,763	9,200
III. BIOLOGICAL AGENTS	0	0	0
IV. LONG-TERM FINANCIAL PLACEMENTS	1,354,109	880,959	504,651
Shares in subsidiaries	1,303,534	856,716	480,785
Shares in associated companies and joint ventures	11,677	12,020	12,018
Shares in other legal entities and other securities for available for sale	153	153	94
Other long-term investments	38,745	12,070	11,754
V. LONG-TERM RECEIVABLES	0	0	207,064
Receivables from parent company and its subsidiaries	0	0	207,064
C. DEFERRED TAX ASSETS	0	0	0
D. CURRENT ASSETS	3,332,031	2,936,294	2,851,148
I. INVENTORIES	665,669	621,303	453,874
Material, spare parts, tools and supplies	9,149	6,531	5,574
Unfinished production and unfinished services	67,882	67,895	0
Goods	567,095	532,532	430,666
Fixed assets for sale	6,337	0	0
Advances paid to suppliers	15,206	14,345	17,634
II. DUE ON SALE	1,917,668	1,811,666	1,892,079
Customers in the country - the parent and subsidiaries	1,409,118	1,419,098	1,648,171
Customers abroad - parent and subsidiaries	102,829	127,897	115,847
Customers in the country - other related parties	834	978	585
Customers in the country	301,275	172,988	57,380
Customers abroad	103,612	90,705	70,096
Other receivables from sales	0	0	0
III RECEIVABLES FROM SPECIFIC	0	0	0
IV. OTHER RECEIVABLES	236,964	206,744	57,116
V. FINANCIAL ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT	0	0	0
VI. SHORT-TERM FINANCIAL PLACEMENTS	120,752	276,539	239,953
Short-term loans and investments - parent and subsidiaries	120,752	276,539	239,480
Short-term loans and investments - other related parties	0	0	456
Other short-term financial investments	0	0	17
VII. CASH AND CASH EQUIVALENTS	7,571	2,088	109,103
VIII. VALUE ADDED TAX	16,402	0	12,297
IX. PREPAYMENTS	367,005	17,954	86,726
I. TOTAL ASSETS	6,220,156	5,244,310	4,834,450
F. OFF BALANCE SHEET ASSETS			
	As of 31.december 2012	As of 31.december 2013	As of 31.december 2014
EQUITY AND LIABILITIES			
A. EQUITY	649,897	0	0
I. SHARE AND OTHER CAPITAL	2,062,152	642,704	642,704
Share Capital	2,062,152	642,704	642,704
II. SUBSCRIBED CAPITAL UNPAID	0	0	0
III. TREASURY SHARES	0	0	0
IV. RESERVES	206,215	143	143
V. REVALUATION RESERVES BASED ON REVALUATION OF INTANGIBLE ASSETS, PROPERTY, PLANT AND EQUIPMENT	167,943	112,817	112,818
VI. UNREALIZED GAINS ON SECURITIES VALUE AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULTS	0	0	6
VII. UNREALIZED LOSSES ON SECURITIES VALUE AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULTS	0	0	0
VIII. RETAINED EARNINGS	623,646	0	0
Retained profit from previous years	623,646	0	0
IX. PARTICIPATION RIGHTS WITHOUT CONTROL	0	0	0
X. LOSS	2,410,059	961,899	1,811,014
Loss of previous years	210,396	144,549	961,899



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Loss for the year	2,199,663	817,350	849,115
B. NON-CURRENT ASSETS	757,641	893,579	755,963
I. LONG-TERM PROVISIONS	224,262	221,704	220,604
Provision for retirement and other employee benefits	11,061	7,429	5,920
Provision for lawsuits	213,201	214,275	214,684
Other long-term provisions	0	0	
II. LONG-TERM LIABILITIES	533,379	671,875	535,359
Long-term loans in the country	532,961	671,875	535,359
Liabilities based on financial leasing	418	0	0
C. DEFERRED TAX LIABILITIES	37,024	0	0
D. CURRENT LIABILITIES	4,775,594	4,556,965	5,133,830
I. SHORT-TERM FINANCIAL LIABILITIES	2,667,176	2,781,875	3,051,513
Short-term loans from parent companies and subsidiaries	45,000	66,187	119,984
Short-term loans from other related parties	0	0	0
Short-term loans in the country	2,150,564	1,992,538	2,042,117
Other current financial liabilities	471,612	723,150	889,412
II. PREPAYMENTS, DEPOSITS AND GUARANTEES	54,140	52,114	52,541
III. ACCOUNTS PAYABLE	1,485,044	1,048,472	990,652
Suppliers - parent and subsidiaries in the country	628,966	212,622	164,010
Suppliers - parent and subsidiaries abroad	42,182	41,642	50,584
Suppliers - other related parties in the country	4,619	4,949	3,972
Suppliers in the country	381,229	396,512	293,792
Foreign suppliers	354,742	391,121	478,113
Other liabilities	73,306	1,626	181
IV. OTHER CURRENT LIABILITIES	404,910	590,544	941,583
V. LIABILITIES FOR VALUE ADDED TAX	4,538	4,905	0
VI OTHER TAXES, CONTRIBUTIONS AND OTHER FEES	41,764	18,550	15,364
VII. ACCRUALS	118,022	60,505	82,177
I. THE LOSS IN EXCESS OF CAPITAL	0	206,234	1,055,343
F. TOTAL LIABILITIES	6,220,156	5,244,310	4,834,450
G. OFF BALANCE SHEET LIABILITIES	0	0	0

Liabilities and receivables from operations are at a higher level compared to 2013, mainly because in the part of internal claims and internal obligations has not been implemented the compensation due to the blocked account of the entity.

On December 31, 2014, the long-term provisions amounted to RSD 220.6 million. Of this amount, RSD 4 million relates to the long-term provisions for employee benefits arising from the legal retirement severance, while RSD 1.92 million are for the long-term provisions for jubilee awards. Provision for contingent liabilities relating to a customs offense amounts to RSD 213.2 million (provision has been made in 2012 and refers to goods exempted from customs supervision by the Decision of the Customs) and provisions for potential liabilities arising from court proceedings which amount to RSD 1.5 million.

Income statement (in thousands of RSD)	january-december 2013	january-december 2014	%
INCOME FROM OPERATIONS			
A. OPERATING INCOME	2,958,181	1,855,836	-37%
I. Sales of goods	2,521,459	1,446,938	-43%
II. Sales of products and services	421,092	392,321	-7%
III. Revenues from premiums, subsidies, donations, grants etc.			
IV. Other operating income	15,630	16,577	6%
EXPENSES FROM OPERATIONS			
B. OPERATING EXPENSES	2,890,597	1,752,901	-39%
I. Cost of commercial goods sold	2,205,412	1,261,701	-43%
II. Work performed by the company and capitalized			
III. Increase in inventories of finished products and work in progress			
IV. Decrease in inventories of finished products and work in progress			
V. Material consumed	11,253	4,648	-59%
VI. Fuel and energy consumed	88,516	85,143	-4%
VII. Staff costs	304,380	193,027	-37%
VIII. Production expenses	104,341	58,742	-44%
IX. Amortization	53,821	48,456	-10%



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X. Costs of long-term provisions	683	302	-56%
XI. Intangible costs	122,191	100,882	-17%
C. PROFIT FROM OPERATIONS	67,584	102,935	52%
D. LOSS FROM OPERATIONS			
I. FINANCE INCOME	18,446	49,695	169%
I. Financial income from related persons and other financial income	1,187	25,950	2086%
II. Interest income (from third parties)	493	2,135	333%
III. Gains and positive effects of currency clause	16,766	21,610	29%
F. FINANCE EXPENSES	503,280	612,261	22%
I. Financial expenses related party transactions and other financial expenses	21,852	14,276	-35%
II. Interest expense (by third parties)	422,753	415,261	-2%
III. Foreign exchange gains and negative effects of currency clause	58,675	182,724	211%
G. PROFIT FROM FINANCING			
H. LOSS FROM FINANCING	484,834	562,566	16%
I. INCOME FROM VALUATION ADJUSTMENTS OF OTHER ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT	18,949	1,832	-90%
J. LOSS ADJUSTMENT OTHER PROPERTY CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT	494,874	385,418	-22%
K. OTHER INCOME	71,842	18,963	-74%
L. OTHER EXPENSES	34,283	24,861	-27%
M. OPERATING PROFIT BEFORE TAX			
N. LOSS FROM OPERATIONS BEFORE TAX	855,616	849,115	1%
Q. PROFIT BEFORE TAXATION			
R. LOSS BEFORE TAXATION	855,616	849,115	1%
S. INCOME TAXES			
I. Current tax expense	124		
II. Deferred income tax expense			
III. Deferred income tax benefit	37,024		
T. EARNINGS OF EMPLOYER			
U. NET PROFIT			
V. NET LOSS	818,716	849,115	-4%

During the reporting period, the business was burdened by costs which are reported in operating expenses and are not directly related to business activities - such as the cost of VAT based on the submitted pledged goods to UBB Bank in the amount of RSD 8.17 million, enforced collection costs in the amount of RSD 3.3 million, costs and donations and sponsorship in the amount of RSD 12.2 million, expenses in connection with the preparation of the Prepackaged Plan of Reorganization and are related to the extraordinary audit, appraisers, counsels and consultants and the very bankruptcy proceedings in the amount of RSD 8.4 million).

CASH FLOWS(IN THOUSANDS OF RSD)	January-December 2013	January-December 2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash inflow from operating activities	1,769,223	1,086,042
Cash outflow from operating activities	1,562,963	1,073,067
Net cash inflow from operating activities	206,260	12,975
Net outflow from operating activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash inflow from investing activities	1,218	146,418
Cash outflow from investing activities	3,282	2,619
Net cash inflow from investing activities		143,799
Net cash outflow from investing activities	2,064	
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash inflow from financing activities	280,840	
Cash outflow from financing activities	488,984	51,959
Net cash inflow from financing activities		
Net cash outflow from financing activities	208,144	51,959
Total cash inflow	2,051,281	1,232,460
Total cash outflow	2,055,229	1,127,645
NET CASH INFLOW		104,815
NET CASH OUTFLOW	3,948	
Cash and cash equivalents at beginning of year	7,571	2,088
Foreign exchange gains on translation of cash and cash equivalents		2,523
Foreign exchange losses on translation of cash and cash	1,535	323



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equivalents		
CASH AND CASH EQUIVALENTS AT END OF PERIOD	2,088	109,103

3.4. INCOME STATEMENT OF TIGAR AD AND TI-CAR TRGOVINE - CONJOINT

In 2014, the retail network and services get detached from Tigar a.d. and incorporated to Protective Workshop which simultaneously with that changes its name into TI-CAR trgovine I.I.c. Part of the sale of finished products and purchase of raw materials are proceeding through this entity.

For the purpose of comparison is shown the income statement of the parent company and of Ti-CAR with the elimination of internal relations. Viewed collectively, Tigar ad and Tigar Ti-Car have achieved operating profit in 2014 of EUR 133 million, 101% more than in the same period last year.

Income statement (in thousands of RSD)	january- december 2013	january- december 2014	%
INCOME FROM OPERATIONS			
A. OPERATING INCOME	3,144,803	3,105,329	-1%
I. Sales of goods	2,705,340	2,688,504	-1%
II. Sales of products and services	423,617	397,737	-6%
III. Revenues from premiums, subsidies, donations, grants etc.			
IV. Other operating income	15,846	19,088	20%
EXPENSES FROM OPERATIONS			
B. OPERATING EXPENSES	3,078,404	2,971,645	-3%
I. Cost of commercial goods sold	2,366,639	2,359,653	0%
II. Work performed by the company and capitalized			
III. Increase in inventories of finished products and work in progress			
IV. Decrease in inventories of finished products and work in progress			
V. Material consumed	12,829	14,640	14%
VI. Fuel and energy consumed	89,703	97,125	8%
VII. Staff costs	320,396	255,880	-20%
VIII. Production expenses	108,551	80,981	-25%
IX. Amortization	54,795	49,236	-10%
X. Costs of long-term provisions	683	586	
XI. Intangible costs	124,808	113,544	-9%
C. PROFIT FROM OPERATIONS	66,399	133,684	101%
D. LOSS FROM OPERATIONS			

3.5. CONSOLIDATED FINANCIALS

BALANCE SHEET (in thousands of RSD)

ASSETS	As of 31 december 2012	As of 31 december 2013	As of 31 december 2014
A. SUBSCRIBED CAPITAL UNPAID			
B. NON-CURRENT ASSETS	5,728,837	5,477,305	5,113,669
I. INTANGIBLE ASSETS	581,929	487,546	415,482
Investment in development	463,708	434,142	368,482
Concessions, patents , licenses , trademarks , software and other rights	23,451	17,450	16,243
Goodwil	0	0	0
Other inangible assets	82	100	0
Intangible assets under construction	94,688	35,854	30,757
Advances for intagible assets	0	0	0
II. PROPERTY, PLANT AND EQUIPMENT	5,096,336	4,965,518	4,674,322
Land	366,965	444,382	525,279
Buildings	2,761,877	2,787,681	2,678,462
Plant and equipment	982,115	877,165	800,631
Investment property	815,262	755,514	582,070



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Property, plant and equipment construction	152,293	72,020	57,190
Investments in property, plants and equipment	17,824	8,816	10,749
Advances for properties, plant and equipment	0	19,940	19,940
III. BIOLOGICAL AGENTS	0	0	0
IV. LONG-TERM FINANCIAL PLACEMENTS	50,572	24,241	23,866
Shares in subsidiaries	0	0	0
Shares in associated companies and joint ventures	11,827	12,171	12,018
Shares in other legal entities and other	0	0	94
Other long-term investments	38,745	12,070	11,754
V. LONG-TERM RECEIVABLES	0	0	0
C. DEFERRED TAX ASSETS	23,924	1,875	0
D. CURRENT ASSETS	2,466,739	2,164,386	1,820,521
I. INVENTORIES	1,218,266	1,147,985	1,111,209
Material, spare parts, tools and supplies	115,301	99,618	97,547
Unfinished production and unfinished services	302,068	234,208	102,577
Finished products	621,937	116,740	252,125
Goods	132,050	670,223	595,272
Fixed assets for sale	6,337	0	27,162
Advances paid to suppliers	40,573	27,196	36,525
II. DUE ON SALE	689,592	520,025	393,108
Customers in the country - the parent and subsidiaries	0	0	0
Customers abroad - parent and subsidiaries	0	0	0
Customers in the country - other related parties	28,354	29,457	3,402
Customers in the country	452,465	361,661	282,629
Customers abroad	208,773	128,907	107,077
Other receivables from sales	0	0	0
III RECEIVABLES FROM SPECIFIC	0	4,761	1,384
IV. OTHER RECEIVABLES	47,204	63,176	52,005
V. FINANCIAL ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT	0	0	0
VI. SHORT-TERM FINANCIAL PLACEMENTS	5,223	472	473
Short-term loans and investments - parent and subsidiaries	0	0	0
Short-term loans and investments - other related parties	5,180	472	472
Other short-term financial investments	43	0	0
VII. CASH AND CASH EQUIVALENTS	198,767	220,447	194,656
VIII. VALUE ADDED TAX	16,894	19,634	22,943
IX. PREPAYMENTS	290,793	187,886	44,743
I. TOTAL ASSETS	8,219,500	7,643,566	6,934,190
F. OFF BALANCE SHEET ASSETS			0
EQUITY AND LIABILITIES	As of 31 december 2012	As of 31 december 2013	As of 31 december 2014
A. EQUITY	951,593	0	0
I. SHARE AND OTHER CAPITAL	2,062,152	642,704	642,704
Share Capital	2,062,152	642,704	642,704
II. SUBSCRIBED CAPITAL UNPAID	0	0	0
III. TREASURY SHARES	0	0	0
IV. RESERVES	5,252	5,396	5,409
V. REVALUATION RESERVES BASED ON REVALUATION OF INTANGIBLE ASSETS, PROPERTY, PLANT AND EQUIPMENT	1,571,185	1,506,949	1,509,155
VI. UNREALIZED GAINS ON SECURITIES VALUE AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULTS	53,087	87,216	77,139
VII. UNREALIZED LOSSES ON SECURITIES VALUE AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULTS	0	0	3,593
VIII. RETAINED EARNINGS	0	0	0
IX. PARTICIPATION RIGHTS WITHOUT CONTROL	83,604	88,216	87,802



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X. LOSS	2,823,686	2,413,007	3,832,302
Loss of previous years	678,249	1,374,171	2,420,235
Loss for the year	2,145,437	1,038,836	1,412,067
B. NON-CURRENT ASSETS	1,548,185	1,321,211	2,024,794
I. LONG-TERM PROVISIONS	293,185	291,854	254,496
Provision for retirement and other employee benefits	79,985	78,654	36,736
Provision for lawsuits	213,200	213,200	217,760
Other long-term provisions	0	0	0
II. LONG-TERM LIABILITIES	1,255,000	1,029,357	1,770,298
Long-term loans in the country	1,153,779	724,075	535,359
Long-term loans abroad	100,803	301,462	944,950
Liabilities based on financial leasing	418	3,820	15,881
Other long-term liabilities	0	0	274,109
C. DEFERRED TAX LIABILITIES	175,839	117,631	114,777
D. CURRENT LIABILITIES	5,543,883	6,287,250	6,308,305
I. SHORT-TERM FINANCIAL LIABILITIES	3,272,752	3,709,620	3,555,912
Short-term loans in the country	2,197,566	2,211,127	2,042,605
Liabilities on fixes assets and assets from	0	0	27,162
Other current financial liabilities	1,075,186	1,498,493	1,486,145
II. PREPAYMENTS, DEPOSITS AND GUARANTEES	57,554	78,241	100,564
III. ACCOUNTS PAYABLE	1,006,006	1,037,057	1,050,541
Suppliers - other related parties in the country	41,518	18,099	4,259
Suppliers in the country	513,118	544,868	502,240
Foreign suppliers	444,695	448,955	532,398
Other liabilities	6,675	25,135	11,644
IV. OTHER CURRENT LIABILITIES	947,479	1,296,447	1,374,461
V. LIABILITIES FOR VALUE ADDED TAX	61,360	32,691	32,172
VI OTHER TAXES, CONTRIBUTIONS AND OTHER FEES	66,228	43,954	28,787
VII. ACCRUALS	132,504	89,240	165,868
I. THE LOSS IN EXCESS OF CAPITAL	0	82,526	1,513,686
F. TOTAL LIABILITIES	8,219,500	7,643,566	6,934,190
G. OFF BALANCE SHEET LIABILITIES	0	0	0

Income statement (in thousands of RSD)	January-December 2013	January-December 2014	%
INCOME FROM OPERATIONS			
A. OPERATING INCOME	3,106,115	2,734,470	-12%
I Sales of goods	448,739	145,519	-68%
II Sales of products and services	2,640,019	2,566,507	-3%
III Revenues from premiums, subsidies, donations, grants etc.			
IV Other operating income	17,357	22,445	29%
EXPENSES FROM OPERATIONS			
B. OPERATING EXPENSES	3,587,638	2,961,349	-17%
I Cost of commercial goods sold	253,004	63,057	-75%
II Work performed by the company and capitalized	26,124	270	-99%
III Increase in inventories of finished products and work in progress		0	
IV Decrease in inventories of finished products and work in progress	64,583	15,425	-76%
V Material consumed	1,102,762	941,854	-15%
VI Fuel and energy consumed	181,005	185,212	2%
VII Staff costs	1,278,153	1,132,331	-11%
VIII Production expenses	328,753	261,439	-20%



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IX Amortization	218,277	213,002	-2%
X Costs of long-term provisions	1,704	3,302	94%
XI Intangible costs	185,523	145,996	-21%
C. PROFIT FROM OPERATIONS			
D. LOSS FROM OPERATIONS	481,523	226,879	-53%
I. FINANCE INCOME	26,162	33,875	29%
I Financial income from related persons and other financial income	1,661	973	-41%
II Interest expense (by third parties)	4,251	2,344	-45%
III Foreign exchange gains and negative effects of currency clause	20,250	30,558	51%
F. FINANCE EXPENSES	644,722	982,153	52%
I Financial expenses related party transactions and other financial expenses	6,442	4,031	-37%
II Interest expense (by third parties)	513,923	573,282	12%
III Foreign exchange gains and negative effects of currency clause	124,358	404,839	226%
G. PROFIT FROM FINANCING			
H. LOSS FROM FINANCING	618,559	948,278	53%
I. INCOME FROM VALUATION ADJUSTMENTS OF OTHER ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT	19,015	14,044	-26%
J. LOSS ADJUSTMENT OTHER PROPERTY CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT	69,991	158,210	126%
K. OTHER INCOME	151,029	50,077	-67%
L. OTHER EXPENSES	87,495	124,017	42%
M. OPERATING PROFIT BEFORE TAX			
N. LOSS FROM OPERATIONS BEFORE TAX	1,087,524	1,393,262	-28%
Q. PROFIT BEFORE TAXATION			
R. LOSS BEFORE TAXATION	1,087,524	1,393,262	-28%
S. INCOME TAXES			
I Current tax expense	6,519	16,893	159%
II Deferred income tax expense	863	735	-15%
III Deferred income tax benefit	60,682	4,354	-93%
T. EARNINGS OF EMPLOYER			
U. NET PROFIT			
V. NET LOSS	1,034,224	1,406,536	-36%

Other operating expenditure at the consolidated level in the period January-December 2014 have been additionally burdened by the costs related to the tax expense based on pledged goods to UBB bank – RSD 8,200 thousand; enforced collection costs RSD - 3,300 thousands, the cost of preparing the Prepackaged Plan of Reorganization (cost of bankruptcy proceedings – RSD 2,000 thousand, costs of appraisers – RSD 5,200 thousands, audit-related costs – RSD 2,000, costs of consultants – RSD 1,000 thousand) and / or are not directly related to the ordinary operations of the Company (cost of sponsorships and donations – RSD 12,200 thousand).

Financial expenses on a consolidated basis in the period January-December 2014 were additionally burdened by the cost related to effects of demarcation of exchange rate differences in the amount of 142 million dinars.



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SUMMARY OF KEY FINANCIAL RESULTS BY ENTITY

TIGAR**TIGAR AD**

Equity: 0
Total income: 1,926,326
EBITDA: 151,693
(000 RSD)

PRODUCTION ENTITIES**TIGAR RUBBER FOOTWEAR**

Equity: 0
Total income: 1,370,219
EBITDA: -162,440
(000 RSD)

TIGAR RUBBER TECHNICAL GOODS

Equity: 0
Total income: 250,009
EBITDA: -111,624

TIGAR CHEMICAL PRODUCTS

Equity: 75,276
Total income: 91,632
EBITDA: -7,155
(000 RSD)

COMMERCIAL ENTITIES**TIGRA MONTENEGRO**

Equity: 45
Total income: 172
EBITDA: -47
(000 EUR)

TIGAR PARTNER

Equity: 16,458
Total income: 24,115
EBITDA: -918
(000 DEN)

TIGRA TRADE Banja Luka

Equity: 88
Total income: 1,452
EBITDA: 30
(000 KM)

TIGAR EUROPE

Equity: 2,487
Total income: 173
EBITDA: -94
(000 GBP)

TIGAR AMERICAS

Equity: N/A
Total income: N/A
EBITDA: N/A
(000 USD)

SERVICE ENTITIES**FREE ZONE PIROT**

Equity: 222,112
Total income: 278,799
EBITDA: : 37,511
(000 RSD)

TIGAR BUSINESS SERVICE

Equity: 37,331
Total income: 122,867
EBITDA: 28,203
(000 RSD)

TIGAR CATERING

Equity: 102,027
Total income: 179,005
EBITDA: 3,300
(000 RSD)

TIGAR INCON

Equity: 78,627
Total income: 75,017
EBITDA: -12,352
(000 RSD)

TIGAR INTER RISK

Equity: 4,024
Total income: 2,125
EBITDA: 256
(000 RSD)

TI-CAR TRGOVINE

Equity: 0
Total income: 1,387,733
EBITDA: 31,813
(000 RSD)

TIGAR SECURITY

Equity: 90,743
Total income: 127,077
EBITDA: 42,567
(000 RSD)

TIGAR TOURS

Equity: 8,113
Total income: 2,758
EBITDA: -161
(000 RSD)

PI CHANNEL

Kapital: 5,499
Total income: 13,413
EBITDA: -254
(000 RSD)



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TIGAR RUBBER FOOTWEAR

BALANCE SHEET (in thousands of RSD)

ASSETS	31.12.2012.	31.12.2013.	31.12.2014.
A. SUBSCRIBED CAPITAL UNPAID			
B. NON-CURRENT ASSETS	1,938,803	1,840,052	1,742,297
I. INTANGIBLE ASSETS	517,911	466,512	397,703
II. PROPERTY, PLANT AND EQUIPMENT	1,420,892	1,373,540	1,344,594
Land	288,352	288,352	323,840
Buildings	695,368	689,367	646,232
Plant and equipment	303,801	262,973	231,635
Investment property	132,566	132,566	142,605
Property, plant and equipment construction	805	282	282
III. BIOLOGICAL AGENTS			
IV. LONG-TERM FINANCIAL PLACEMENTS			
V. LONG-TERM RECEIVABLES			
Receivables from parent company and its subsidiaries			
C. DEFERRED TAX ASSETS			
D. CURRENT ASSETS	1,036,043	724,719	618,118
I. INVENTORIES	365,618	330,570	323,237
II. DUE ON SALE	517,328	270,299	286,603
Customers in the country - the parent and subsidiaries	516,714	269,745	285,963
Customers abroad - parent and subsidiaries			
Customers in the country - other related parties	395	395	
Customers in the country	219	159	640
Customers abroad			
III RECEIVABLES FROM SPECIFIC			
IV. OTHER RECEIVABLES	207	400	207
V. FINANCIAL ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT			
VI. SHORT-TERM FINANCIAL PLACEMENTS			
Short-term loans and investments - parent and subsidiaries			
VII. CASH AND CASH EQUIVALENTS	128	122	135
VIII. VALUE ADDED TAX			
IX. PREPAYMENTS	152,762	123,328	7,936
I. TOTAL ASSETS	2,974,846	2,564,771	2,360,415
F. OFF BALANCE SHEET ASSETS			
EQUITY AND LIABILITIES	31.12.2012.	31.12.2013.	31.12.2014.
A. EQUITY	360,895		
I. SHARE AND OTHER CAPITAL	1,108,838	1,108,838	1,108,838
Share Capital			
Shares of limited liability companies	1,108,838	1,108,838	1,108,838
II. SUBSCRIBED CAPITAL UNPAID			
III. TREASURY SHARES			
IV. RESERVES			
V. REVALUATION RESERVES BASED ON REVALUATION OF INTANGIBLE ASSETS, PROPERTY, PLANT AND EQUIPMENT	52,314	52,314	52,314
VI. UNREALIZED GAINS ON SECURITIES VALUE AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULTS			
VII. UNREALIZED LOSSES ON SECURITIES VALUE AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULTS			1,672
VIII. RETAINED EARNINGS	54,028		
Retained profit from previous years	54,028		
Retained profit for the financial year			
IX. PARTICIPATION RIGHTS WITHOUT CONTROL			
X. LOSS	854,285	1,206,254	1,698,064
Loss of previous years	854,285	786,393	1,211,102
Loss for the year		419,861	486,962
B. NON-CURRENT ASSETS	589,226	327,995	1,607,203
I. LONG-TERM PROVISIONS	31,350	27,059	14,241
Provision for retirement and other employee benefits	31,350	27,059	14,241
II. LONG-TERM LIABILITIES	557,876	300,936	1,592,962
C. DEFERRED TAX LIABILITIES	9,008	9,118	8,630
D. CURRENT LIABILITIES	2,015,717	2,272,760	1,283,166
I. SHORT-TERM FINANCIAL LIABILITIES	499,704	877,680	327,616
Short-term loans from parent companies and subsidiaries		112,444	11,613
Other current financial liabilities	499,704	765,236	316,003



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II. PREPAYMENTS, DEPOSITS AND GUARANTEES	249	3,214	4
III. ACCOUNTS PAYABLE	734,470	712,773	715,008
Suppliers - parent and subsidiaries in the country	689,569	682,959	696,154
Suppliers - parent and subsidiaries abroad	172	166	199
Suppliers in the country	23,892	24,963	15,545
Foreign suppliers	17,243	1,239	1,870
Other liabilities	3,594	3,446	1,240
IV. OTHER CURRENT LIABILITIES	415,968	566,657	115,358
V. LIABILITIES FOR VALUE ADDED TAX	32,625	11,826	16,662
VI OTHER TAXES, CONTRIBUTIONS AND OTHER FEES	23,506	13,876	
VII. ACCRUALS	309,195	86,734	108,518
I. THE LOSS IN EXCESS OF CAPITAL		45,102	538,584
F. TOTAL LIABILITIES	2,974,846	2,564,771	2,360,415
G. OFF BALANCE SHEET LIABILITIES			

Income statement (in thousands of RSD)	January- December 2013	January- December 2014	%
INCOME FROM OPERATIONS			
A. OPERATING INCOME	1,314,393	1,346,781	2%
I. Sales of goods			
II. Sales of products and services	1,300,092	1,339,262	3%
III. Revenues from premiums, subsidies, donations, grants etc.			
IV. Other operating income	14,301	7,519	-47%
EXPENSES FROM OPERATIONS			
B. OPERATING EXPENSES	1,668,029	1,615,117	-3%
I. Cost of commercial goods sold			
II. Work performed by the company and capitalized	11,525		
III. Increase in inventories of finished products and work in progress			
IV. Decrease in inventories of finished products and work in progress	26,961	13,146	
V. Material consumed	768,469	758,954	-1%
VI. Fuel and energy consumed	84,529	91,022	8%
VII. Staff costs	465,505	453,712	-3%
VIII. Production expenses	9,569	9,735	2%
IX. Amortization	109,946	105,896	-4%
X. Costs of long-term provisions			
XI. Intangible costs	214,575	182,652	-15%
C. PROFIT FROM OPERATIONS			
D. LOSS FROM OPERATIONS	353,636	268,336	24%
I. FINANCE INCOME	634	217	-66%
I. Financial income from related persons and other financial income			
II. Interest income (from third parties)			
III. Gains and positive effects of currency clause	634	217	-66%
F. FINANCE EXPENSES	112,088	241,050	115%
I. Financial expenses related party transactions and other financial expenses	7		
II. Interest expense (by third parties)	62,245	77,089	24%
III. Foreign exchange gains and negative effects of currency clause	49,836	163,961	229%
G. PROFIT FROM FINANCING			
H. LOSS FROM FINANCING	111,454	240,833	-116%
I. INCOME FROM VALUATION ADJUSTMENTS OF OTHER ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT		10,039	
J. LOSS ADJUSTMENT OTHER PROPERTY CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT	12	1,212	10000%
K. OTHER INCOME	50,158	13,182	-74%
L. OTHER EXPENSES	4,807	289	-94%
M. OPERATING PROFIT BEFORE TAX			
N. LOSS FROM OPERATIONS BEFORE TAX	419,751	487,449	-16%
O. NET PROFIT FROM DISCONTINUED OPERATIONS, THE EFFECTS OF CHANGES IN ACCOUNTING POLICIES AND CORRECTIONS FROM PREVIOUS PERIOD			
P. NET LOSS FROM DISCONTINUED OPERATIONS, LOSS CHANGES IN ACCOUNTING POLICIES AND CORRECTIONS FROM PREVIOUS PERIOD			
Q. PROFIT BEFORE TAXATION			
R. LOSS BEFORE TAXATION	419,751	487,449	-16%
S. INCOME TAXES			
I. Current tax expense			



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II. Deferred income tax expense	110		
III. Deferred income tax benefit		487	
T.EARNINGS OF EMPLOYER			
U. NET PROFIT			
V. NET LOSS	419,861	486,962	-16%

In the period January-December 2014, financial expenses were increased due to deferred foreign exchange differences from previous periods in the amount of 106 million dinars, which has caused such a large increase in costs compared to the same period last year.

In the part of operating expenses has occurred the increase of the following costs: the cost of audit for the preparation of the Prepackaged Plan of Reorganization – about 1 million dinars and the cost of the bankruptcy proceedings in the amount of 1 million dinars.

CASH FLOWS (in thousands of RSD)	January-December 2013	January-December 2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash inflow from operating activities	205,010	467,597
Cash outflow from operating activities	195,601	469,365
Net cash inflow from operating activities	9,409	
Net outflow from operating activities		1,768
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash inflow from investing activities		
Cash outflow from investing activities	1,165	2,938
Net cash inflow from investing activities		
Net cash outflow from investing activities	1,165	2,938
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash inflow from financing activities	5,302	4,748
Cash outflow from financing activities	13,507	
Net cash inflow from financing activities		4,748
Net cash outflow from financing activities	8,205	
Total cash inflow	210,312	472,345
Total cash outflow	210,273	472,302
NET CASH INFLOW	39	43
NET CASH OUTFLOW		
Cash and cash equivalents at beginning of year	128	122
Foreign exchange gains on translation of cash and cash equivalents	4	7
Foreign exchange losses on translation of cash and cash equivalents	49	38
CASH AND CASH EQUIVALENTS AT END OF PERIOD	122	134

3.7. TIGAR RUBBER TECHNICAL GOODS

BALANCE SHEET (in thousands of RSD)	As of 31 december 2012	As of 31 december 2013	As of 31 december 2014
ASSETS			
A. SUBSCRIBED CAPITAL UNPAID			
B. NON-CURRENT ASSETS	1,015,247	980,401	949,233
I INTANGIBLE ASSETS	30,198	46	25
II PROPERTY, PLANT AND EQUIPMENT	985,049	980,355	935,617
Land			27,084
Buildings	446,191	440,750	407,048
Plant and equipment	316,289	300,784	279,257
Investment property	218,126	218,126	201,921
Property, plant and equipment construction	4,443	755	367
Advances for property, plant and equipment		19,940	19,940
III BIOLOGICAL AGENTS			
IV LONG-TERM FINANCIAL PLACEMENTS			
V LONG-TERM RECEIVABLES			13,591
Receivables from parent company and its subsidiaries			13,591



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C. DEFERRED TAX ASSETS			
D. CURRENT ASSETS	292,891	248,091	298,298
I INVENTORIES	137,462	88,292	84,413
II RECEIVABLES FROM SALE	107,269	112,568	212,054
Customers in the country - the parent and subsidiaries	105,283	86,951	201,797
Customers abroad - parent and subsidiaries	228	6,187	6,501
Customers in the country - other related parties	7	7	7
Kupci u inostranstvu - ostala povezana pravna lica		58	
Customers in the country	1,751	19,254	3,683
Customers abroad		111	66
III RECEIVABLES FROM SPECIFIC			
IV OTHER RECEIVABLES	501	562	181
V FINANCIAL ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT			
VI SHORT-TERM FINANCIAL PLACEMENTS	337	146	
Short-term loans and investments - parent and subsidiaries	337	146	
VII CASH AND CASH EQUIVALENTS	24	1	
VIII VALUE ADDED TAX		9,169	348
IX PREPAYMENTS	47,298	37,353	1,302
I. TOTAL ASSETS	1,308,138	1,228,492	1,247,531
F. OFF BALANCE SHEET ASSETS			
EQUITY AND LIABILITIES	As of 31 december 2012	As of 31 december 2013	As of 31 december 2014
A. EQUITY	31,902		
I SHARE AND OTHER CAPITAL	626,048	626,048	626,048
Share Capital			
Shares of limited liability companies	626,048	626,048	626,048
II SUBSCRIBED CAPITAL UNPAID			
III TREASURY SHARES			
IV RESERVES			
V REVALUATION RESERVES BASED ON REVALUATION OF INTANGIBLE ASSETS, PROPERTY, PLANT AND EQUIPMENT	9,150	9,150	9,150
VI UNREALIZED GAINS ON SECURITIES VALUE AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULTS			
VII UNREALIZED LOSSES ON SECURITIES VALUE AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULTS			99
VIII RETAINED EARNINGS			
Retained profit from previous years			
Retained profit for the year			
IX PARTICIPATION RIGHTS WITHOUT CONTROL			
X LOSS	603,296	825,497	1,078,776
Loss of previous years	409,103	603,297	825,496
Loss for the year	194,193	222,200	253,280
B. NON-CURRENT ASSETS	171,222	63,509	6,489
I LONG-TERM PROVISIONS	15,417	11,309	6,489
Provision for retirement and other employee benefits	15,417	11,309	5,124
II LONG-TERM LIABILITIES	155,805	52,200	
C. DEFERRED TAX LIABILITIES	17,230		
D. CURRENT LIABILITIES	1,087,784	1,355,282	1,684,719
I SHORT-TERM FINANCIAL LIABILITIES	146,245	281,610	347,404
Short-term loans from parent companies and subsidiaries	42,375	72,807	71,196
II PREPAYMENTS, DEPOSITS AND GUARANTEES	142	158	320
III ACCOUNTS PAYABLE	795,243	947,480	1,171,002
Suppliers - parent and subsidiaries in the country	772,775	912,580	1,140,276
Suppliers - other related parties in the country	5	5	5
Suppliers in the country	12,430	13,724	20,096
Foreign suppliers	7,758	9,051	7,697
Other liabilities	2,275	12,120	2,928
IV OTHER CURRENT LIABILITIES	94,333	114,600	149,000
V LIABILITIES FOR VALUE ADDED TAX	2,425	725	
VI OTHER TAXES, CONTRIBUTIONS AND OTHER FEES			
VII ACCRUALS	49,396	10,709	16,993
I. THE LOSS IN EXCESS OF CAPITAL		190,299	443,677
F. TOTAL LIABILITIES	1,308,138	1,228,492	1,247,531
G. OFF BALANCE SHEET LIABILITIES			



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Income statement (in thousands of RSD)	January-December 2013	January-December 2014	%
INCOME FROM OPERATIONS			
A. OPERATING INCOME	352,773	241,245	-32%
I Sales of goods	28,252	834	-97%
II Sales of products and services	324,406	240,399	-26%
III Revenues from premiums, subsidies, donations, grants etc.			
IV Other operating income	115	12	
EXPENSES FROM OPERATIONS			
B. OPERATING EXPENSES	529,543	382,830	-28%
I Cost of commercial goods sold	25,758	745	-97%
II Work performed by the company and capitalized	166		
III Increase in inventories of finished products and work in progress			
IV Decrease in inventories of finished products and work in progress	33,282	1,396	
V Material consumed	143,468	99,836	-30%
VI Fuel and energy consumed	46,870	36,318	-23%
VII Staff costs	130,439	109,747	-16%
VIII Production expenses	7,517	6,620	-12%
IX Amortization	28,724	28,596	0%
X Costs of long-term provisions		1,365	
XI Intangible costs	113,651	98,207	-14%
C. PROFIT FROM OPERATIONS			
D. LOSS FROM OPERATIONS	176,770	141,585	20%
I. FINANCE INCOME	227	1,530	574%
I Financial income from related persons and other financial income			
II Interest income (from third parties)			
III Gains and positive effects of currency clause	227	1,530	574%
F. FINANCE EXPENSES	33,673	93,912	179%
I Financial expenses related party transactions and other financial expenses			
II Interest expense (by third parties)	21,832	41,866	92%
III Foreign exchange gains and negative effects of currency clause	11,841	52,046	340%
G. PROFIT FROM FINANCING			
H. LOSS FROM FINANCING	33,446	92,382	-176%
I. INCOME FROM VALUATION ADJUSTMENTS OF OTHER ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT		810	
J. LOSS ADJUSTMENT OTHER PROPERTY CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT	425	9,180	2060%
K. OTHER INCOME	2,574	6,424	150%
L. OTHER EXPENSES	31,362	17,366	-45%
M. OPERATING PROFIT BEFORE TAX			
N. LOSS FROM OPERATIONS BEFORE TAX	239,429	253,280	-6%
Q. PROFIT BEFORE TAXATION			
R. LOSS BEFORE TAXATION	239,429	253,280	-6%
S. INCOME TAXES			
I Current tax expense			
II Deferred income tax expense			
III Deferred income tax benefit	17,229		
T. EARNINGS OF EMPLOYER			
U. NET PROFIT			
V. NET LOSS	222,200	253,280	-14%

During the period January-December 2014, financial expenses were increased due to deferred foreign exchange differences from previous periods in the amount of RSD 36 million, which caused such a large increase in costs compared to the same period last year.

CASH FLOWS (in thousands of RSD)	January-December 2013	January-December 2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash inflow from operating activities	100,397	137,497
Cash outflow from operating activities	94,230	126,599



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Net cash inflow from operating activities	6,167	10,898
Net outflow from operating activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash inflow from investing activities	15	
Cash outflow from investing activities	6,005	
Net cash inflow from investing activities		
Net cash outflow from investing activities	5,990	
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash inflow from financing activities	9,939	
Cash outflow from financing activities	10,119	10,892
Net cash inflow from financing activities		
Net cash outflow from financing activities	180	10,892
Total cash inflow	110,351	137,497
Total cash outflow	110,354	137,491
NET CASH INFLOW		6
NET CASH OUTFLOW	3	
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	25	7
CASH AND CASH EQUIVALENTS AT END OF PERIOD	1	

TIGAR CHEMICAL PRODUCTS

BALANCE SHEET IN THOUSANDS OF DINARS

ASSETS	31.12.2012.	31.12.2013.	31.12.2014.
A. SUBSCRIBED CAPITAL UNPAID			
B. NON-CURRENT ASSETS	235,435	219,012	215,799
I INTANGIBLE ASSETS	4,728	4,225	3,724
II PROPERTY, PLANT AND EQUIPMENT	230,707	214,787	161,888
Land		54,278	54,278
Buildings	37	34	32
Plant and equipment	1,647	656	242
Investment property	141,693	141,693	89,253
Property, plant and equipment construction	87,330	18,126	18,083
III BIOLOGICAL AGENTS			
IV LONG-TERM FINANCIAL PLACEMENTS			
V LONG-TERM RECEIVABLES			50,187
Receivables from parent company and its subsidiaries			50,187
C. DEFERRED TAX ASSETS			
D. CURRENT ASSETS	69,791	92,965	105,376
I INVENTORIES	39,138	33,998	30,790
II RECEIVABLES FORM SALE	25,383	52,930	71,235
Customers in the country - the parent and subsidiaries	22,236	43,434	56,835
Customers in the country	1,371	2,203	6,705
Customers abroad	1,776	7,293	7,695
III RECEIVABLES FROM SPECIFIC OPERATIONS			
IV OTHER RECEIVABLES	439	5,260	13
V FINANCIAL ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT			
VI SHORT-TERM FINANCIAL PLACEMENTS			2,639
Short-term loans and investments - parent and subsidiaries			2,639
VII CASH AND CASH EQUIVALENTS	15		
VIII VALUE ADDED TAX	677	171	84
IX PREPAYMENTS	4,139	606	615
E. TOTAL ASSETS	305,226	311,977	321,175
F. OFF BALANCE SHEET ASSETS			
EQUITY AND LIABILITIES	31.12.2012.	31.12.2013.	31.12.2014.
A. EQUITY	160,767	130,260	75,276
I SHARE AND OTHER CAPITAL	256,841	256,841	256,841
Share Capital			
Shares of limited liability companies	256,841	256,841	256,841
II SUBSCRIBED CAPITAL UNPAID			
III TREASURY SHARES			
IV RESERVES			
V REVALUATION RESERVES BASED ON REVALUATION OF INTANGIBLE ASSETS, PROPERTY, PLANT AND EQUIPMENT	31,527	31,527	31,527
VI UNREALIZED GAINS ON SECURITIES VALUE AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULTS			6



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VII UNREALIZED LOSSES ON SECURITIES VALUE AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULTS			
VIII RETAINED EARNINGS			
Retained profit from previous years			
Retained profit from the year			
IX PARTICIPATION RIGHTS WITHOUT CONTROL			
X LOSS	127,601	158,108	213,098
Loss of previous years	73,681	127,601	158,108
Loss for the year	53,920	30,507	54,990
B. NON-CURRENT ASSETS	1,874	1,231	903
I LONG-TERM PROVISIONS	1,874	1,231	903
Provision for retirement and other employee benefits	1,874	1,231	903
II LONG-TERM LIABILITIES			
C. DEFERRED TAX LIABILITIES	4,286		
D. CURRENT LIABILITIES	138,299	180,486	244,996
I SHORT-TERM FINANCIAL LIABILITIES	54,870	94,051	100,408
Short-term loans from parent companies and subsidiaries	54,870	94,051	100,408
II PREPAYMENTS, DEPOSITS AND GUARANTEES	51	3,580	1,049
III ACCOUNTS PAYABLE	44,829	35,555	90,692
Suppliers - parent and subsidiaries in the country	21,182	14,182	64,277
Suppliers in the country	11,680	10,021	10,848
Foreign suppliers	8,817	9,859	14,092
Other liabilities	3,150	1,493	1,475
IV OTHER CURRENT LIABILITIES	38,502	40,927	42,586
V LIABILITIES FOR VALUE ADDED TAX		749	3,026
VI OTHER TAXES, CONTRIBUTIONS AND OTHER FEES			
VII ACCRUALS	47	5,624	7,235
E. THE LOSS IN EXCESS OF CAPITAL			
F. TOTAL LIABILITIES	305,226	311,977	321,175
G. OFF BALANCE SHEET LIABILITIES			

INCOME STATEMENT IN THOUSANDS OF DINARS	January-December 2013	January-December 2014	%
INCOME FROM OPERATIONS			
A. OPERATING INCOME	90,023	81,120	-10%
I Sales of goods	796	4,511	467%
II Sales of products and services	89,227	75,505	-15%
III Revenues from premiums, subsidies, donations, grants etc.			
IV Other operating income		1,104	
EXPENSES FROM OPERATIONS			
B. OPERATING EXPENSES	110,899	89,191	-20%
I Cost of commercial goods sold	665	3,845	478%
II Work performed by the company and capitalized			
III Increase in inventories of finished products and work in progress			
IV Decrease in inventories of finished products and work in progress	4,340	884	
V Material consumed	45,907	38,520	-16%
VI Fuel and energy consumed	2,829	2,524	-11%
VII Staff costs	30,268	24,721	-18%
VIII Production expenses	3,439	1,864	-46%
IX Amortization	1,448	916	-37%
X Costs of long-term provisions			
XI Intangible costs	22,003	15,917	-28%
C. PROFIT FROM OPERATIONS			
D. LOSS FROM OPERATIONS	20,876	8,071	61%
I FINANCE INCOME	480	403	-16%
I Financial income from related persons and other financial income			
II Interest income (from third parties)			
III Gains and positive effects of currency clause	480	403	-16%
F. FINANCE EXPENSES	668	4,171	524%
I Financial expenses related party transactions and other financial expenses			
II Interest expense (by third parties)	265	3,446	1200%
III Foreign exchange gains and negative effects of currency clause	403	725	80%
G. PROFIT FROM FINANCING			
H. LOSS FROM FINANCING	188	3,768	-1904%
I. INCOME FROM VALUATION ADJUSTMENTS OF OTHER ASSETS CARRIED AT FAIR VALUE TROUGH INCOME STATEMENT	42		-100%
J. LOSS ADJUSTMENT OTHER PROPERTY CARRIED AT FAIR VALUE TROUGH INCOME STATEMENT		293	
K. OTHER INCOME	1,278	10,109	691%
L. OTHER EXPENSES	15,047	52,967	252%



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M. OPERATING PROFIT BEFORE TAX			
N. LOSS FROM OPERATIONS BEFORE TAX	34,791	54,990	-58%
Q. PROFIT BEFORE TAXATION			
R. LOSS BEFORE TAXATION	34,791	54,990	-58%
S. INCOME TAXES			
I Current tax expense			
II Deferred income tax expense			
III Deferred income tax benefit	4,285		
T.EARNINGS OF EMPLOYER			
U. NET PROFIT			
V. NET LOSS	30,506	54,990	-80%

CASH FLOWS in thousands of RSD)	January-December 2013	January-December 2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash inflow from operating activities	61,258	37,671
Cash outflow from operating activities	87,259	49,654
Net cash inflow from operating activities		
Net outflow from operating activities	26,001	11,983
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	50,432	17,108
Cash outflow from financing activities	24,369	5,125
Net cash inflow from financing activities	26,063	11,983
Net cash outflow from financing activities		
Total cash inflow	111,690	54,779
Total cash outflow	111,628	54,779
NET CASH INFLOW	62	
NET CASH OUTFLOW		
Cash and cash equivalents at beginning of year	15	
Foreign exchange gains on translation of cash and cash equivalents	13	
Foreign exchange losses on translation of cash and cash equivalents	90	
CASH AND CASH EQUIVALENTS AT END OF PERIOD		

3.9. TIGAR EUROPE UK – in the procedure of voluntary liquidation

Balance sheet in thousands GBP	As of 31.12.2012. audited	As of 31.12.2013. audited	As of 11.08.2014.	As of 31.12.2014. In bankruptcy
TOTAL ASSETS				
Fixed Assets	2			
Current assets	3,390	3,291	2,503	351
Deferred tax assets				
Total assets	3,392	3,291	2,503	351
TOTAL LIABILITIES				
Equity	2,609	2,538	2,487	
Non-current liabilities				
Short-term liabilities	783	753	15	351
Deferred tax liabilities				
Total liabilities	3,392	3,291	2,503	351

INCOME STATEMENT (in thousands GBP)	January-December 2012. Audited	January-December 2013. Audited	January-August 2014.- last report
Sales revenue	9,322	4,434	167
Cost of goods sold	8,514	4,058	151
Gross margin	808	376	16
Administrative expenses	613	566	110
Operating result	195	-191	-94
Interest income	8	10	6
Other income			
Profit before tax	204	-181	-88
Income tax	41	110	37
Retained profit for the financial year	163	-71	-51



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3.10. TIGRA MONTENEGRO – MONTENEGRO

BALANCE SHEET (in thousands of EUR)	As of 31.12.2012.	As of 31.12.2013.	As of 31.12.2014.
Non-current assets	4	4	3
Current assets	261	356	182
Deferred tax assets			
TOTAL ASSETS	265	360	185
Equity	106	95	45
Long-term liabilities and provisions			
Current liabilities	159	265	140
Deferred tax liabilities			
TOTAL EQUITY AND LIABILITIES	265	360	185

Income Statement (in thousands of EUR)	January-December 2013	January-December 2014
Total income	486	172
Total expenses	497	223
PROFIT/LOSS BEFORE TAXATION	-11	-50
Income taxes		
Deferred Income Tax expense		
Deferred Income Tax benefit		
NET PROFIT/LOSS	-11	-50

3.11. TIGRA TRADE – REPUBLIKA SRPSKA

BALANCE SHEET (in thousands of KM)	As of 31.12.2012.	As of 31.12.2013.	As of 31.12.2014.
Fixed Assets	234	283	269
Current assets	771	905	909
Deferred tax assets			
TOTAL ASSETS	41	1,188	1,178
Equity	0	71	88
Non-current liabilities		9	
Short-term liabilities	1,046	1,108	1,090
Deferred tax liabilities			
TOTAL EQUITY AND LIABILITIES	1,046	1,188	1,178

Income statement (in thousands of KM)	January-December 2012	January-December 2013	January-December 2014
Total income	865	1,226	1,452
Total expenses	1,051	1,156	1,430
PROFIT/LOSS BEFORE TAXATION	-186	70	23
Income taxes	0	0	5
Deferred Income Tax expense	0	0	0
Deferred Income Tax benefit	0	0	0
NET PROFIT/LOSS	-186	70	17



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3.12. TIGAR PARTNER – MACEDONIA

BALANCE SHEET (in thousands of Denars)	As of 31.12.2012.	As of 31.12.2013.	As of 31.12.2014.
Fixed Assets	29	17	6
Current assets	23,393	27,076	21,366
Deferred tax assets	0	0	0
TOTAL ASSETS	23,422	27,094	21,373
Equity	17,803	17,865	16,597
Non-current liabilities	0	0	0
Short-term liabilities	5,618	9,229	4,776
Deferred tax liabilities	0	0	0
TOTAL EQUITY AND LIABILITIES	23,422	27,094	21,373

Income Statement (in thousands of Denars)	January-December 2012.	January-December 2013	January-December 2014
Total income	31,071	27,272	24,115
Total expenses	31,004	27,201	25,512
PROFIT/LOSS BEFORE TAXATION	67	71	-1,397
Income taxes	8	9	10
Deferred Income Tax expense	0	0	0
Deferred Income Tax benefit	0	0	0
NET PROFIT/LOSS	59	62	-1,407

3.13. TI-CAR TRGOVINE

BALANCE SHEET (in thousands of RSD)

ASSETS	31.12.2012.	31.12.2013.	31.12.2014.
A. SUBSCRIBED CAPITAL UNPAID			
B. NON-CURRENT ASSETS	31,818	30,758	46,473
I. INTANGIBLE ASSETS			
II. PROPERTY, PLANT AND EQUIPMENT	31,818	30,758	29,970
Land	692	1,932	G
Buildings	30,113	28,374	27,796
Plant and equipment	1,013	437	259
Investments in property, plants and equipment		15	98
III. BIOLOGICAL AGENTS			
IV. LONG-TERM FINANCIAL PLACEMENTS			
V. LONG-TERM RECEIVABLES			16,388
Receivables from parent company and its subsidiaries			16,388
C. DEFERRED TAX ASSETS	208	190	145
D. CURRENT ASSETS	5,963	192,218	569,909
I. INVENTORIES	2,369	59,655	128,835
Goods	2,308	53,992	115,161
Advances paid to suppliers	61	5,663	13,674
II. Receivable from sale	2,492	100,544	303,415
Customers in the country - the parent and subsidiaries	1,733	66,721	229,186
Customers abroad - parent and subsidiaries		1,883	6,682
Customers in the country - other related parties			9
Customers in the country	759	13,744	43,063
Customers abroad		18,196	24,475
III RECEIVABLES FROM SPECIFIC OPERATIONS			
IV. OTHER RECEIVABLES	972	15,820	6,073
V. FINANCIAL ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT			
VI. SHORT-TERM FINANCIAL PLACEMENTS			110,163
Short-term loans and investments - parent and subsidiaries			110,163
VII. CASH AND CASH EQUIVALENTS	46	133	329
VIII. VALUE ADDED TAX		9,976	9,694
IX. PREPAYMENTS	84	6,090	11,400
I. TOTAL ASSETS	37,989	223,166	616,527
F. OFF BALANCE SHEET ASSETS			
EQUITY AND LIABILITIES	31.12.2012.	31.12.2013.	31.12.2014.



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A. EQUITY			
I. SHARE AND OTHER CAPITAL			
Share Capital	1,348	1,348	1,348
II. SUBSCRIBED CAPITAL UNPAID			
III. TREASURY SHARES			
IV. RESERVES			
V. REVALUATION RESERVES BASED ON REVALUATION OF INTANGIBLE ASSETS, PROPERTY, PLANT AND EQUIPMENT			
VI. UNREALIZED GAINS ON SECURITIES VALUE AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULTS			
VII. UNREALIZED LOSSES ON SECURITIES VALUE AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULTS			389
VIII. RETAINED EARNINGS	6,521		12,140
Retained profit from previous years	6,521		
Retained profit from financial year			12,140
IX. PARTICIPATION RIGHTS WITHOUT CONTROL			
X. LOSS	19,572	13,929	14,439
Loss of previous years	6,984	13,050	14,439
Loss for the year	12,588	879	
B. NON-CURRENT ASSETS	912	395	818
I. LONG-TERM PROVISIONS	912	395	818
Provision for retirement and other employee benefits	912	395	818
II. LONG-TERM LIABILITIES			
C. DEFERRED TAX LIABILITIES			
D. CURRENT LIABILITIES	48,780	235,352	617,049
I. SHORT-TERM FINANCIAL LIABILITIES	9,174	17,489	107,721
Short-term loans from parent companies and subsidiaries	9,174	17,489	107,721
II. PREPAYMENTS, DEPOSITS AND GUARANTEES	39	16,940	41,728
III. ACCOUNTS PAYABLE	20,051	182,533	434,221
Suppliers - parent and subsidiaries in the country	19,426	149,035	354,486
Suppliers - other related parties in the country		14	
Suppliers in the country	610	14,315	49,497
Foreign suppliers		12,817	24,842
Other liabilities	15	6,352	5,396
IV. OTHER CURRENT LIABILITIES	19,225	17,935	30,418
V. LIABILITIES FOR VALUE ADDED TAX	217		2,041
VI OTHER TAXES, CONTRIBUTIONS AND OTHER FEES			372
VII. ACCRUALS	74	455	548
I. THE LOSS IN EXCESS OF CAPITAL	11,703	12,581	1,340
F. TOTAL LIABILITIES	37,989	223,166	616,527
G. OFF BALANCE SHEET LIABILITIES			

Income statement (in thousands of RSD)	January-December 2013	January-December 2014	%
INCOME FROM OPERATIONS			
A. OPERATING INCOME	193,999	1,383,904	613%
I. Sales of goods	189,152	1,367,802	623%
II. Sales of products and services	4,629	13,500	192%
III. Revenues from premiums, subsidies, donations, grants etc.			
IV. Other operating income	218	2,602	1094%
EXPENSES FROM OPERATIONS			
B. OPERATING EXPENSES	195,184	1,353,155	593%
I. Cost of commercial goods sold	166,498	1,224,188	635%
II. Work performed by the company and capitalized			
III. Increase in inventories of finished products and work in progress			
IV. Decrease in inventories of finished products and work in progress			
V. Material consumed	1,576	9,992	534%
VI. Fuel and energy consumed	1,187	11,982	909%
VII. Staff costs	16,016	62,853	292%
VIII. Production expenses	4,210	22,239	428%
IX. Amortization	974	780	-20%
X. Costs of long-term provisions		284	
XI. Intangible costs	4,723	20,837	341%
C. PROFIT FROM OPERATIONS		30,749	



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D. LOSS FROM OPERATIONS	1,185		
I. FINANCE INCOME	179	2,417	1250%
I. Financial income from related persons and other financial income			
II. Interest income (from third parties)	0		
III. Gains and positive effects of currency clause	179	2,417	1250%
F. FINANCE EXPENSES	175	4,841	2666%
I. Financial expenses related party transactions and other financial expenses			
II. Interest expense (by third parties)	2	1,516	75700%
III. Foreign exchange gains and negative effects of currency clause	173	3,325	1822%
G. PROFIT FROM FINANCING	4		
H. LOSS FROM FINANCING		2,424	
I. INCOME FROM VALUATION ADJUSTMENTS OF OTHER ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT		1,018	
J. LOSS ADJUSTMENT OTHER PROPERTY CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT	393	10,601	2597%
K. OTHER INCOME	377	394	5%
L. OTHER EXPENSES	174	6,672	3734%
M. OPERATING PROFIT BEFORE TAX		12,464	
N. LOSS FROM OPERATIONS BEFORE TAX	1,371		
Q. PROFIT BEFORE TAXATION		12,464	profit vs loss
R. LOSS BEFORE TAXATION	1,371		
S. INCOME TAXES			
I. Current tax expense		279	
II. Deferred income tax expense		45	
III. Deferred income tax benefit			
T. EARNINGS OF EMPLOYER			
U. NET PROFIT		12,140	profit vs loss
V. NET LOSS	1,371		

3.14. TIGAR BUSINESS SERVICE

BALANCE SHEET (in thousands of RSD)

ASSETS	31.12.2012.	31.12.2013.	31.12.2014.
A. SUBSCRIBED CAPITAL UNPAID			
B. NON-CURRENT ASSETS	39,751	37,547	58,980
I. INTANGIBLE ASSETS	10	7	4
II. PROPERTY, PLANT AND EQUIPMENT	39,741	37,540	45,480
Land			2,765
Buildings	16,709	16,573	13,591
Plant and equipment	23,032	15,144	29,124
Property, plant and equipment construction		5,823	
III. BIOLOGICAL AGENTS			
IV. LONG-TERM FINANCIAL PLACEMENTS			
V. LONG-TERM RECEIVABLES			13,496
Receivables from parent company and its subsidiaries			13,496
C. DEFERRED TAX ASSETS	1,644	1,269	2,417
D. CURRENT ASSETS	35,381	45,713	71,303
I. INVENTORIES	1,403	4,452	2,791
Goods			
Advances paid to suppliers	144	3,013	1,561
II. Receivable from sale	27,050	15,715	8,397
Customers in the country - the parent and subsidiaries	4,694	676	224
Customers abroad - parent and subsidiaries		57	
Customers in the country - other related parties			
Customers in the country	22,356	14,982	8,173
Customers abroad			
III RECEIVABLES FROM SPECIFIC OPERATIONS			
IV. OTHER RECEIVABLES	1,492	1,202	276
V. FINANCIAL ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT			
VI. SHORT-TERM FINANCIAL PLACEMENTS	4,526	23,977	58,760
Short-term loans and investments - parent and subsidiaries	4,526	23,977	58,760
VII. CASH AND CASH EQUIVALENTS	32		2



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VIII. VALUE ADDED TAX			521
IX. PREPAYMENTS	878	367	556
I. TOTAL ASSETS	76,776	84,529	132,700
F. OFF BALANCE SHEET ASSETS			
EQUITY AND LIABILITIES	31.12.2012.	31.12.2013.	31.12.2014.
A. EQUITY	19,453	30,233	37,331
I. SHARE AND OTHER CAPITAL	23,104	23,104	23,104
Share Capital			
Shares of limited liability companies	23,104	23,104	23,104
II. SUBSCRIBED CAPITAL UNPAID			
III. TREASURY SHARES			
IV. RESERVES			
VI. UNREALIZED GAINS ON SECURITIES VALUE AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULTS			
VII. UNREALIZED LOSSES ON SECURITIES VALUE AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULTS			497
VIII. RETAINED EARNINGS	4,733	15,513	23,108
Retained profit from previous years	4,733	4,732	15,513
Retained profit from financial year		10,781	7,595
IX. PARTICIPATION RIGHTS WITHOUT CONTROL			
X. LOSS	8,384	8,384	8,384
Loss of previous years	8,384	8,384	8,384
Loss for the year			
B. NON-CURRENT ASSETS	1,941	6,012	17,279
I. LONG-TERM PROVISIONS	1,941	2,192	1,398
Provision for retirement and other employee benefits	1,941	2,192	1,398
II. LONG-TERM LIABILITIES		3,820	15,881
C. DEFERRED TAX LIABILITIES			
D. CURRENT LIABILITIES	55,382	48,284	78,090
I. SHORT-TERM FINANCIAL LIABILITIES	2,231	10,187	50,092
Short-term loans from parent companies and subsidiaries		8,884	45,570
II. PREPAYMENTS, DEPOSITS AND GUARANTEES	3,065	1,373	2,859
III. ACCOUNTS PAYABLE	28,455	13,701	12,058
Suppliers - parent and subsidiaries in the country	4,089	3,281	3,281
Suppliers - other related parties in the country			90
Suppliers in the country	13,290	10,358	8,512
Foreign suppliers	145	52	173
Other liabilities	10,931	10	2
IV. OTHER CURRENT LIABILITIES	18,669	19,394	8,030
V. LIABILITIES FOR VALUE ADDED TAX	2,866	1,305	
VI OTHER TAXES, CONTRIBUTIONS AND OTHER FEES		809	1,549
VII. ACCRUALS	96	1,515	3,502
I. THE LOSS IN EXCESS OF CAPITAL			
F. TOTAL LIABILITIES	76,776	84,529	132,700
G. OFF BALANCE SHEET LIABILITIES			

Income statement (in thousands of RSD)	january- december 2013	january- december 2014	%
INCOME FROM OPERATIONS			
A. OPERATING INCOME	117,517	119,549	2%
I. Sales of goods	24		-100%
II. Sales of products and services	117,493	119,549	2%
III. Revenues from premiums, subsidies, donations, grants etc.			
IV. Other operating income			
EXPENSES FROM OPERATIONS			
B. OPERATING EXPENSES	105,078	102,562	-2%
I. Cost of commercial goods sold			
V. Material consumed	3,787	3,968	5%
VI. Fuel and energy consumed	31,652	30,978	-2%
VII. Staff costs	31,463	30,765	-2%
VIII. Production expenses	15,403	12,130	-21%
IX. Amortization	8,041	11,217	39%
X. Costs of long-term provisions	575		
XI. Intangible costs	14,157	13,505	-5%
C. PROFIT FROM OPERATIONS	12,439	16,987	37%
D. LOSS FROM OPERATIONS			



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I. FINANCE INCOME	171	46	-73%
I. Financial income from related persons and other financial income			
II. Interest income (from third parties)	21	13	
III. Gains and positive effects of currency clause	150	33	-78%
F. FINANCE EXPENSES	2,032	7,483	268%
I. Financial expenses related party transactions and other financial expenses			
II. Interest expense (by third parties)	641	6,198	867%
III. Foreign exchange gains and negative effects of currency clause	1,391	1,285	-8%
G. PROFIT FROM FINANCING			
H. LOSS FROM FINANCING	1,861	7,437	300%
I. INCOME FROM VALUATION ADJUSTMENTS OF OTHER ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT	11		-100%
J. LOSS ADJUSTMENT OTHER PROPERTY CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT		446	
K. OTHER INCOME	1,732	3,272	89%
L. OTHER EXPENSES	357	2,312	548%
M. OPERATING PROFIT BEFORE TAX	11,964	10,064	
N. LOSS FROM OPERATIONS BEFORE TAX			
Q. PROFIT BEFORE TAXATION	11,964	10,064	-16%
R. LOSS BEFORE TAXATION			
R. LOSS BEFORE TAXATION			
I. Current tax expense	809	3,617	
II. Deferred income tax expense	375		
III. Deferred income tax benefit		1,148	
T. EARNINGS OF EMPLOYER			
U. NET PROFIT	10,781	7,595	-30%
V. NET LOSS			

3.15. TIGAR CATERING

BALANCE SHEET IN THOUSANDS OF DINARS

ASSETS	31.12.2012.	31.12.2013.	31.12.2014.
A. SUBSCRIBED CAPITAL UNPAID			
B. NON-CURRENT ASSETS	170,947	167,772	166,933
I INTANGIBLE ASSETS	21	14	8
II PROPERTY, PLANT AND EQUIPMENT	170,926	167,758	164,226
Land	22,838	22,838	27,190
Buildings	138,375	136,307	129,574
Plant and equipment	9,364	7,716	6,475
Investment property			
Property, plant and equipment construction	71	897	987
III BIOLOGICAL AGENTS			
IV LONG-TERM FINANCIAL PLACEMENTS			
V LONG-TERM RECEIVABLES			2,699
Receivables from parent company and its subsidiaries			2,699
C. DEFERRED TAX ASSETS			
D. CURRENT ASSETS	52,867	53,197	89,568
I INVENTORIES	8,483	6,620	5,839
II RECEIVABLES FROM SALE	17,386	14,107	25,954
Customers in the country - the parent and subsidiaries	6,612	6,160	8,543
	23	20	20
Customers in the country	10,751	7,927	17,273
Customers abroad			118
III RECEIVABLES FROM SPECIFIC OPERATIONS			
IV OTHER RECEIVABLES	16,153	26,211	33,822
V FINANCIAL ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT			
VI SHORT-TERM FINANCIAL PLACEMENTS	10,293	4,182	23,065
Short-term loans and investments - parent and subsidiaries	10,293	4,182	23,065
VII CASH AND CASH EQUIVALENTS	38	1,309	
VIII VALUE ADDED TAX			
IX PREPAYMENTS	514	768	888
E. TOTAL ASSETS	223,814	220,969	256,501
F. OFF BALANCE SHEET ASSETS			
EQUITY AND LIABILITIES	31.12.2012.	31.12.2013.	31.12.2014.
A. EQUITY	125,224	111,409	102,027
I SHARE AND OTHER CAPITAL	204,108	204,108	204,108
Share Capital			
Shares of limited liability companies	204,108	204,108	204,108
II SUBSCRIBED CAPITAL UNPAID			



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III TREASURY SHARES			
IV RESERVES			
V REVALUATION RESERVES BASED ON REVALUATION OF INTANGIBLE ASSETS, PROPERTY, PLANT AND EQUIPMENT			
VI UNREALIZED GAINS ON SECURITIES VALUE AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULTS			
VII UNREALIZED LOSSES ON SECURITIES VALUE AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULTS			35
VIII RETAINED EARNINGS	1,914		
Retained profit from previous years	1,914		
Retained profit from the year			
IX PARTICIPATION RIGHTS WITHOUT CONTROL			
X LOSS	80,798	92,699	102,046
Loss of previous years	50,786	78,884	92,699
Loss for the year	30,012	13,815	9,347
B. NON-CURRENT ASSETS	4,963	1,157	2,388
I LONG-TERM PROVISIONS	4,963	1,157	2,388
Provision for retirement and other employee benefits	4,963	1,157	2,388
II LONG-TERM LIABILITIES			
C. DEFERRED TAX LIABILITIES	283	492	631
D. CURRENT LIABILITIES	93,344	107,911	151,455
I SHORT-TERM FINANCIAL LIABILITIES	2,775	10,988	15,766
Short-term loans from parent companies and subsidiaries	2,152	10,988	15,766
	623		
II PREPAYMENTS, DEPOSITS AND GUARANTEES	576	380	374
III ACCOUNTS PAYABLE	45,230	48,504	99,193
Suppliers - parent and subsidiaries in the country	2,890	6,564	50,730
Suppliers in the country	40,384	41,796	48,279
Foreign suppliers	107	124	172
Other liabilities	1,836	8	
IV OTHER CURRENT LIABILITIES	38,831	41,690	30,122
V LIABILITIES FOR VALUE ADDED TAX	4,358	2,521	1,587
VI OTHER TAXES, CONTRIBUTIONS AND OTHER FEES			
VII ACCRUALS	1,574	3,828	4,413
E. THE LOSS IN EXCESS OF CAPITAL			
F. TOTAL LIABILITIES	223,814	220,969	256,501
G. OFF BALANCE SHEET LIABILITIES			

INCOME STATEMENT IN THOUSANDS OF DINARS	January-December 2013	January-December 2014	%
INCOME FROM OPERATIONS			
A. OPERATING INCOME	150,552	177,211	18%
I Sales of goods	63,936	95,452	49%
II Sales of products and services	86,432	81,735	-5%
III Revenues from premiums, subsidies, donations, grants etc.			
IV Other operating income	184	24	
EXPENSES FROM OPERATIONS			
B. OPERATING EXPENSES	167,712	179,412	7%
I Cost of commercial goods sold	6,298	5,830	-7%
II Work performed by the company and capitalized	158	270	
III Increase in inventories of finished products and work in progress			
IV Decrease in inventories of finished products and work in progress			
V Material consumed	78,013	88,491	13%
VI Fuel and energy consumed	6,803	7,640	12%
VII Staff costs	57,819	57,541	0%
VIII Production expenses	2,576	3,012	17%
IX Amortization	4,523	4,341	-4%
X Costs of long-term provisions		1,160	
XI Intangible costs	11,838	11,667	-1%
C. PROFIT FROM OPERATIONS			
D. LOSS FROM OPERATIONS	17,160	2,201	87%
I FINANCE INCOME	373		-100%
I Financial income from related persons and other financial income			
II Interest income (from third parties)	372		
III Gains and positive effects of currency clause	1		-100%
F. FINANCE EXPENSES	633	7,814	1134%
I Financial expenses related party transactions and other financial expenses			
II Interest expense (by third parties)	616	7,813	1168%
III Foreign exchange gains and negative effects of currency clause	17	1	-94%
G. PROFIT FROM FINANCING			



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H. LOSS FROM FINANCING	260	7,814	-2905%
I. INCOME FROM VALUATION ADJUSTMENTS OF OTHER ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT		56	
J. LOSS ADJUSTMENT OTHER PROPERTY CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT	170	250	
K. OTHER INCOME	4,672	1,738	-63%
L. OTHER EXPENSES	688	738	7%
M. OPERATING PROFIT BEFORE TAX			
N. LOSS FROM OPERATIONS BEFORE TAX	13,606	9,209	32%
Q. PROFIT BEFORE TAXATION			
R. LOSS BEFORE TAXATION	13,606	9,209	32%
S. INCOME TAXES			
I Current tax expense			
II Deferred income tax expense	209	138	
III Deferred income tax benefit			
T. EARNINGS OF EMPLOYER			
U. NET PROFIT			
V. NET LOSS	13,815	9,347	32%

CASH FLOWS in thousands of RSD)	January-December 2013	January-December 2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash inflow from operating activities	153,138	122,986
Cash outflow from operating activities	150,634	93,899
Net cash inflow from operating activities	2,504	29,087
Net outflow from operating activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash inflow from investing activities	128	
Cash outflow from investing activities	1,351	1,037
Net cash inflow from investing activities		
Net cash outflow from investing activities	1,223	1,037
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash inflow from financing activities	629	
Cash outflow from financing activities	635	29,359
Net cash inflow from financing activities		
Net cash outflow from financing activities	6	29,359
Total cash inflow	153,895	122,986
Total cash outflow	152,620	124,295
NET CASH INFLOW	1,275	
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	1	
Foreign exchange losses on translation of cash and cash equivalents	5	
CASH AND CASH EQUIVALENTS AT END OF PERIOD	1,309	

3.16. TIGAR INCON

BALANCE SHEET (in thousands of RSD)	As of 31 december 2012	As of 31 december 2013	As of 31 december 2014
ASSETS			
A. SUBSCRIBED CAPITAL UNPAID			
B. NON-CURRENT ASSETS	162,842	157,169	159,335
I INTANGIBLE ASSETS	45	22	12
II PROPERTY, PLANT AND EQUIPMENT	162,797	157,147	151,003
Land	586	586	7,727
Buildings	143,605	141,695	132,136
Plant and equipment	18,606	14,866	11,140
Investment property			
Property, plant and equipment construction			
Advances for property, plant and equipment			
III BIOLOGICAL AGENTS			
IV LONG-TERM FINANCIAL PLACEMENTS			
V LONG-TERM RECEIVABLES			8,320
Receivables from parent company and its subsidiaries			8,320
C. DEFERRED TAX ASSETS			
D. CURRENT ASSETS	95,177	40,425	55,808



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I INVENTORIES	13,220	5,823	5,887
Supplies, spare parts, tools and supplies	9,427	4,935	5,118
Advances paid to suppliers	3,793	888	769
II RECEIVABLES FROM SALE	38,786	30,525	42,467
Customers in the country - the parent and subsidiaries	12,352	8,242	8,603
Customers in the country - other related parties	736	2,614	2,636
Customers in the country	25,698	19,669	31,228
Customers abroad			
III RECEIVABLES FROM SPECIFIC			
IV OTHER RECEIVABLES	570	570	
V FINANCIAL ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT			
VI SHORT-TERM FINANCIAL PLACEMENTS	42,383	3,436	7,351
Short-term loans and investments - parent and subsidiaries	42,383	3,436	7,351
VII CASH AND CASH EQUIVALENTS	137	61	6
VIII VALUE ADDED TAX			
IX PREPAYMENTS	81	10	97
I. TOTAL ASSETS	258,019	197,594	215,143
F. OFF BALANCE SHEET ASSETS			
EQUITY AND LIABILITIES	As of 31 december 2012	As of 31 december 2013	As of 31 december 2014
A. EQUITY	127,238	102,935	78,320
I SHARE AND OTHER CAPITAL	162,425	162,425	162,425
Share Capital			
Shares of limited liability companies	162,425	162,425	162,425
II SUBSCRIBED CAPITAL UNPAID			
III TREASURY SHARES			
IV RESERVES			
V REVALUATION RESERVES BASED ON REVALUATION OF INTANGIBLE ASSETS, PROPERTY, PLANT AND EQUIPMENT			
VI UNREALIZED GAINS ON SECURITIES VALUE AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULTS			
VII UNREALIZED LOSSES ON SECURITIES VALUE AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULTS			572
VIII RETAINED EARNINGS	13,191	7,371	7,371
Retained profit from previous years	13,191	7,371	7,371
Retained profit for the year			
IX PARTICIPATION RIGHTS WITHOUT CONTROL			
X LOSS	48,378	66,861	90,905
Loss of previous years	48,378	42,557	65,314
Loss for the year		24,304	25,591
B. NON-CURRENT ASSETS	5,829	4,194	2,727
I LONG-TERM PROVISIONS	5,829	4,194	2,727
Provision for retirement and other employee benefits	5,829	4,194	2,727
II LONG-TERM LIABILITIES			
C. DEFERRED TAX LIABILITIES	1,437	1,448	1,369
D. CURRENT LIABILITIES	123,515	89,017	132,728
I SHORT-TERM FINANCIAL LIABILITIES	42,737	7,237	29,657
Short-term loans from parent companies and subsidiaries	220	7,237	29,657
short-term loans in the country	42,517		
II PREPAYMENTS, DEPOSITS AND GUARANTEES			
III ACCOUNTS PAYABLE	28,152	20,413	44,487
Suppliers - parent and subsidiaries in the country	15,249	8,829	25,066
Suppliers - other related parties in the country			
Suppliers in the country	12,877	11,584	19,421
Foreign suppliers			
Other liabilities	26		
IV OTHER CURRENT LIABILITIES	48,740	50,355	51,764
V LIABILITIES FOR VALUE ADDED TAX		2,063	1,996
VI OTHER TAXES, CONTRIBUTIONS AND OTHER FEES			
VII ACCRUALS	3,886	8,949	4,824
I. THE LOSS IN EXCESS OF CAPITAL			
F. TOTAL LIABILITIES	258,019	197,594	215,143
G. OFF BALANCE SHEET LIABILITIES			



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Income statement (in thousands of RSD)	January-December 2013	January-December 2014	%
INCOME FROM OPERATIONS			
A. OPERATING INCOME	144,293	73,187	-49%
I Sales of goods			
II Sales of products and services	144,293	73,187	-49%
III Revenues from premiums, subsidies, donations, grants etc.			
IV Other operating income			
EXPENSES FROM OPERATIONS			
B. OPERATING EXPENSES	169,385	91,376	-46%
I Cost of commercial goods sold			
II Work performed by the company and capitalized	219		
III Increase in inventories of finished products and work in progress			
IV Decrease in inventories of finished products and work in progress			
V Material consumed	47,302	16,885	-64%
VI Fuel and energy consumed	3,724	2,990	-20%
VII Staff costs	72,223	47,622	-34%
VIII Production expenses	23,896	5,941	-75%
IX Amortization	5,791	5,837	1%
X Costs of long-term provisions			
XI Intangible costs	16,668	12,101	-27%
C. PROFIT FROM OPERATIONS			
D. LOSS FROM OPERATIONS	25,092	18,189	28%
I. FINANCE INCOME	5,492		-100%
I Financial income from related persons and other financial income	5,482		
II Interest income (from third parties)			
III Gains and positive effects of currency clause	10		-100%
F. FINANCE EXPENSES	4,912	8,987	83%
I Financial expenses related party transactions and other financial expenses			
II Interest expense (by third parties)	4,430	8,987	103%
III Foreign exchange gains and negative effects of currency clause	482		-100%
G. PROFIT FROM FINANCING	580		
H. LOSS FROM FINANCING		8,987	
I. INCOME FROM VALUATION ADJUSTMENTS OF OTHER ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT		289	
J. LOSS ADJUSTMENT OTHER PROPERTY CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT	1,148		-100%
K. OTHER INCOME	1,493	1,541	3%
L. OTHER EXPENSES	126	323	156%
M. OPERATING PROFIT BEFORE TAX			
N. LOSS FROM OPERATIONS BEFORE TAX	24,293	25,669	-6%
Q. PROFIT BEFORE TAXATION			
R. LOSS BEFORE TAXATION	24,293	25,669	-6%
S. INCOME TAXES			
I Current tax expense			
II Deferred income tax expense	10		
III Deferred income tax benefit		79	
T. EARNINGS OF EMPLOYER			
U. NET PROFIT			
V. NET LOSS	24,303	25,590	-5%

CASH FLOWS (in thousands of RSD)	January-December 2013	January-December 2014
CASH FLOW FROM OPERATING ACTIVITIES		
Cash inflow from operating activities	122,326	15,788
Cash outflow from operating activities	126,026	19,033
Net cash inflow from operating activities		
Net outflow from operating activities	3,700	3,245
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash inflow from investing activities		
Cash outflow from investing activities	177	
Net cash inflow from investing activities		
Net cash outflow from investing activities	177	
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash inflow from financing activities	14,649	5,958



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Cash outflow from financing activities	10,848	2,768
Net cash inflow from financing activities	3,801	3,190
Net cash outflow from financing activities		
Total cash inflow	136,975	21,746
Total cash outflow	137,051	21,801
NET CASH INFLOW		
NET CASH OUTFLOW	76	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 PERIOD	61	6

3.17. FREE ZONE PIROT

BALANCE SHEET (in thousands of RSD)			
ASSETS	As of 31 december 2012	As of 31 december 2013	As of 31 december 2014
A. SUBSCRIBED CAPITAL UNPAID			
B. NON-CURRENT ASSETS	79,758	75,359	77,451
I INTANGIBLE ASSETS	297	338	247
II PROPERTY, PLANT AND EQUIPMENT	79,461	75,021	77,204
Land	23,047	18,090	18,090
Buildings	23,243	42,169	45,805
Plant and equipment	6,319	5,408	4,171
Investment property			
Property, plant and equipment construction	26,635	8,428	8,428
Investments in property, plants and equipment	217	926	710
III BIOLOGICAL AGENTS			
IV LONG-TERM FINANCIAL PLACEMENTS			
V LONG-TERM RECEIVABLES			
Receivables from parent company and its subsidiaries			
C. DEFERRED TAX ASSETS	214	102	
D. CURRENT ASSETS	148,311	160,996	188,527
I INVENTORIES	1,239	1,256	1,133
II RECEIVABLES FROM SALE	61,557	58,152	43,249
Customers in the country - the parent and subsidiaries	31,517	6,005	7,887
Customers abroad - parent and subsidiaries			
Customers in the country - other related parties			
Customers in the country	26,736	48,459	31,307
Customers abroad	3,304	3,688	4,055
III RECEIVABLES FROM SPECIFIC		4,761	1,255
IV OTHER RECEIVABLES	4,968	15,413	15,905
V FINANCIAL ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT			
VI SHORT-TERM FINANCIAL PLACEMENTS	45,000	45,000	45,000
Short-term loans and investments - parent and subsidiaries	45,000	45,000	45,000
VII CASH AND CASH EQUIVALENTS	34,832	35,469	79,048
VIII VALUE ADDED TAX			
IX PREPAYMENTS	715	945	2,937
I. TOTAL ASSETS	228,283	236,457	265,978
F. OFF BALANCE SHEET ASSETS	23,000	20,000	12,500
EQUITY AND LIABILITIES	As of 31 december 2012	As of 31 december 2013	As of 31 december 2014
A. EQUITY	181,020	199,378	222,112
I SHARE AND OTHER CAPITAL	118,439	118,439	118,439
Share Capital	118,439	118,439	118,439
II SUBSCRIBED CAPITAL UNPAID			
III TREASURY SHARES			
IV RESERVES	5,016	5,016	5,016
V REVALUATION RESERVES BASED ON REVALUATION OF INTANGIBLE ASSETS, PROPERTY, PLANT AND EQUIPMENT			
VI UNREALIZED GAINS ON SECURITIES VALUE AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULTS			664



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VII UNREALIZED LOSSES ON SECURITIES VALUE AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULTS			108
VIII RETAINED EARNINGS	57,565	75,923	98,101
Retained profit from previous years	17,206	57,565	75,923
Retained profit for the year	40,359	18,358	22,178
IX PARTICIPATION RIGHTS WITHOUT CONTROL			
X LOSS			
Loss of previous years			
Loss for the year			
B. NON-CURRENT ASSETS	2,900	3,274	2,792
I LONG-TERM PROVISIONS	2,900	3,274	2,792
Provision for retirement and other employee benefits	1,190	1,564	1,082
II LONG-TERM LIABILITIES			
C. DEFERRED TAX LIABILITIES			411
D. CURRENT LIABILITIES	44,363	33,805	40,663
I SHORT-TERM FINANCIAL LIABILITIES	5	2,977	
Short-term loans from parent companies and subsidiaries			
II PREPAYMENTS, DEPOSITS AND GUARANTEES	2,410	2,543	2,182
III ACCOUNTS PAYABLE	19,866	20,481	25,800
Suppliers - parent and subsidiaries in the country	4,897	1,335	5,229
Suppliers - other related parties in the country			
Suppliers in the country	10,885	11,787	14,947
Foreign suppliers	3,976	7,218	5,438
Other liabilities	108	141	186
IV OTHER CURRENT LIABILITIES	21,225	6,540	6,611
V LIABILITIES FOR VALUE ADDED TAX	768	1,034	1,167
VI OTHER TAXES, CONTRIBUTIONS AND OTHER FEES			4,300
VII ACCRUALS	89	230	603
I. THE LOSS IN EXCESS OF CAPITAL			
F. TOTAL LIABILITIES	228,283	236,457	265,978
G. OFF BALANCE SHEET LIABILITIES	23,000	20,000	12,500

Income statement (in thousands of RSD)	January-December 2013	January-December 2014	%
INCOME FROM OPERATIONS			
A. OPERATING INCOME	250,009	261,118	4%
I Sales of goods		5	
II Sales of products and services	250,009	261,113	4%
III Revenues from premiums, subsidies, donations, grants etc.			
IV Other operating income			
EXPENSES FROM OPERATIONS			
B. OPERATING EXPENSES	233,970	226,644	-3%
I Cost of commercial goods sold		202	
II Work performed by the company and capitalized			
III Increase in inventories of finished products and work in progress			
IV Decrease in inventories of finished products and work in progress			
V Material consumed	981	1,984	102%
VI Fuel and energy consumed	3,164	4,461	41%
VII Staff costs	53,062	55,515	5%
VIII Production expenses	162,894	148,736	-9%
IX Amortization	2,512	2,867	14%
X Costs of long-term provisions	374	170	
XI Intangible costs	10,983	12,709	16%
C. PROFIT FROM OPERATIONS	16,039	34,474	
D. LOSS FROM OPERATIONS			
I. FINANCE INCOME	13,887	14,757	6%
I Financial income from related persons and other financial income	11,996	10,245	
II Interest income (from third parties)	101	181	
III Gains and positive effects of currency clause	1,790	4,331	142%
F. FINANCE EXPENSES	1,544	716	-54%
I Financial expenses related party transactions and other financial expenses	16	9	
II Interest expense (by third parties)	3	7	133%
III Foreign exchange gains and negative effects of currency	1,525	700	-54%



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clause			
G. PROFIT FROM FINANCING	12,343	14,041	
H.LOSS FROM FINANCING			
K. OTHER INCOME	12,067	2,924	-76%
L. OTHER EXPENSES	19,740	23,328	18%
M. OPERATING PROFIT BEFORE TAX	20,709	28,111	36%
N. LOSS FROM OPERATIONS BEFORE TAX			
Q. PROFIT BEFORE TAXATION	20,709	28,111	36%
R. LOSS BEFORE TAXATION			
S. INCOME TAXES			
I Current tax expense	2,239	5,420	142%
II Deferred income tax expense	112	513	358%
III Deferred income tax benefit			
T.EARNINGS OF EMPLOYER			
U. NET PROFIT	18,358	22,178	21%
V. NET LOSS			

3.18. OTHER SERVICE ENTITIES – COLLECTIVELY

Income statement (in thousands of RSD)	january- december 2013	january- december 2014	%
INCOME FROM OPERATIONS			
A.OPERATING INCOME	129,071	144,035	12%
I. Sales of goods			
II.Sales of products and services	128,143	144,035	12%
III. Revenues from premiums, subsidies, donations, grants etc.			
IV. Other operating income	928		-100%
EXPENSES FROM OPERATIONS			
B. OPERATING EXPENSES	98,053	104,073	6%
I. Cost of commercial goods sold			
V. Material consumed	1,923	1,946	1%
VI. Fuel and energy consumed	2,840	2,476	-13%
VII. Staff costs	80,460	87,615	9%
VIII. Production expenses	4,495	2,687	-40%
IX. Amortization	2,626	2,424	-8%
X. Costs of long-term provisions	71	22	-69%
XI. Intangible costs	5,638	6,903	22%
C. PROFIT FROM OPERATIONS	31,018	39,962	29%
D. LOSS FROM OPERATIONS			
I. FINANCE INCOME	295	87	-71%
I. Financial income from related persons and other financial income			
II. Interest income (from third parties)	278	71	
III. Gains and positive effects of currency clause	17	16	
F. FINANCE EXPENSES	383	10,923	2752%
I. Financial expenses related party transactions and other financial expenses			
II. Interest expense (by third parties)	377	10,894	
III. Foreign exchange gains and negative effects of currency clause	6	29	
G. PROFIT FROM FINANCING			
H.LOSS FROM FINANCING	88	10,836	
I. INCOME FROM VALUATION ADJUSTMENTS OF OTHER ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT	69	52	
J. LOSS ADJUSTMENT OTHER PROPERTY CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT	560	261	
K. OTHER INCOME	655	1,199	83%
L. OTHER EXPENSES	601	275	
M. OPERATING PROFIT BEFORE TAX	30,493	29,841	
N. LOSS FROM OPERATIONS BEFORE TAX			
Q. PROFIT BEFORE TAXATION	30,493	29,841	-2%
R. LOSS BEFORE TAXATION			
R. LOSS BEFORE TAXATION			
I. Current tax expense	3,430	7,238	
II. Deferred income tax expense	75	38	
III. Deferred income tax benefit		15	
T.EARNINGS OF EMPLOYER			
U. NET PROFIT	26,988	22,579	-16%
V. NET LOSS			

* Other service entities include Tigar Security, Tigar Inter risk, Tigar Tours, Pi channe



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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 been relocated to Tigar 3 – Polet location which was purchased in 2006 and completely outfitted in 2007 and 2008. Tigar owns a number of buildings in Belgrade and across Serbia (office space, warehouses and retail outlets).

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'.

Land

The total number of cadastral lots owned by Tigar and its dependent entities, without Free Zone, as of 31.12.2014 is 122, of which 317,947 m² is undeveloped land, while the useful area is 94,593 m². The total carrying value of the land is RSD 501, 798, 881.35.

The carrying value of the land of the Free Zone was RSD 18,090,326.24 on December 31st 2014.

Buildings

Tigar and its main subsidiaries own a total of 199 buildings.

The aggregate useful surface area owned by Tigar and its main subsidiaries is 94,593m².

As of 31 December 2014, the carrying value of the buildings owned by Tigar and its major subsidiaries was 2,074,066 thousands dinars.

The value of of investment properties is given in the table below:

Entity	Value in RSD as of 31.12.2014.
Tigar AD	290,896
Tigar R. Footwear	142,605
Tigar R. Technical Goods	201,921
Tigar Chemical Products	89,253
Total:	724,675

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



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BOOK VALUE OF BUILDINGS (in '000 RSD)			
Entity	30.06.2014.	30.09.2014.	31.12.2014.
Tigar AD	652,862	648,979	643,255
Tigar Rubber Technical Goods	435,873	434,117	407,048
Tigar Chemical Products	33	33	32
Tigar Rubber Footwear	683,312	681,303	646,232
Ticar trgovine	29,219	29,070	27,796
Tigar Business Service	16,322	16,257	13,591
Tigar Tours	5,906	5,876	4,922
Tigar Security	25,354	25,247	23,675
Free Zone	44,129	46,047	45,805
Tigar Incon	140,280	139,725	132,136
Tigar Catering	134,704	134,092	129,574
Total:	2,167,993	2,160,745	2,074,066

Real estate transactions

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

Liens

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

Mortgage statement no. 4048/2009 dated 29. 06. 2009 places lien on immovable property in Temerin and Simanovci in favor of Banca Intesa a.d. Belgrade.

Mortgage statement no. 1492/2010 dated 07. 04. 2010 places lien on immovable property in Temerin and Simanovci in favor of Banca Intesa a.d. Belgrade.

Mortgage statement no. 4709/2010 dated 23. 12. 2010 places lien on immovable property in Temerin and Simanovci in favor of Banca Intesa a.d. Belgrade.

Mortgage statement no. 516/2013 dated 20. 02. 2013 places lien on immovable property in Temerin and Simanovci in favor of Banca Intesa a.d. Belgrade.

Mortgage statements nos. 1742/11 dated 22. 06. 2011 and 1863/11 dated 01. 07. 2011, places lien on immovable property in Pirot – location Tigar III b in favor of Banca Intesa a.d. Belgrade.

Mortgage statements nos. 93/2009 dated 15. 10. 2009, 1587/2010 dated 13 04.2010 and 1092/2011 dated 19. 04. 2011 places lien on business premises in Zrenjanin in favor of Privredna banka a.d. Belgrade.

Mortgage statements nos. 2901/2010 dated 02.07.2010 and 1090/2011 dated 19.04.2011 places lien on business premises in Svilajnac in favor of Privredna banka a.d. Belgrade.

Mortgage statement no. 2900/2010 dated 02.07.2010 places lien on business premises in Knjaževac in favor of Privredna banka a.d. Belgrade.



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Mortgage statement no. 1089/2011 dated 19.04.2011 places lien on business premises in Knjaževac and Subotica in favor of Privredna banka a.d. Belgrade.

Mortgage statement no. 1091/2011 dated 19.04.2011, extrajudicial mortgage II order no. 2017/09 dated 17.09.209 and 2018/09 dated 17.09.2009 places lien on business premises in Uzice in favor of Privredna banka a.d. Belgrade.

Mortgage statements nos. 1373/09 dated 04.11.2009, 1739/11 dated 03.06.2011 and 1781/11 dated 06.06.2011 places lien on business premises in Backa Palanka in favor of Privredna banka a.d. Belgrade.

Mortgage statement no. 2898/2011 dated 19.04.2011 places lien on business premises in Subotica in favor of Privredna banka a.d. Belgrade.

Mortgage statements nos. 3513/12 and 1810/2011 dated 26.09.2012 places lien on immovable property in Belgrade, Resavska Street in favor of Hypo Alpe Adria Bank a.d. Belgrade.

Resolution of the collateral agreement I no. 622/09 dated 25.06.2009 and mortgage statements nos. 3511/12 dated 26.07.2012, 2282/12 dated 18.06.2012 places lien on immovable property in Pirot – Occupational Health Building in favor of Hypo Alpe Adria Bank a.d. Belgrade.

Mortgage statements nos. 691/09 dated 20.07.2009, resolution no. 1238/09 dated 29.12.2009, 1810/2011 dated 28.06.2011, 1809/11 dated 28.06.2011 and 3510/12 dated 26.09.2012 places lien on immovable property in Pirot – Rubber Technical Goods in favor of Hypo Alpe Adria Bank a.d. Belgrade.

Mortgage statement no. 2382/2012 dated 26.06.2012 places lien on immovable property in Belgrade, Cara Nikolaja II Street and lien on the Administrative Building in Pirot in favor of Srpska banka a.d. Belgrade.

Mortgage statements nos. 3179/2011 dated 08.11.2011, 3659/2011 dated 27.12.2011, 472/2012 dated 22.02.2012, 734/2012 dated 12.03.2012, 736/2012 dated 12.03.2012, 2382/2012 dated 26.06.2012 places lien on immovable property on Administrative building in Pirot, in favor of Srpska banka a.d. Belgrade.

Mortgage statements nos. 2381/2012 dated 26.06.2012 and 1907/2014 dated 29.05.2014 places lien on immovable property in Pirotu - „Old rubber Footwear“- Cardboard, land and objects, in favor of Srpska banka a.d. Belgrade.

Mortgage statement no. 420/13 dated 12.02.2013 places lien on immovable property in Nis in favor of Societe Generale bank a.d. Belgrade.

Mortgage statements nos. 1712/2010 dated 21.02.2010, 2351/10 dated 26.05.2010 places lien on immovable property in Pirot – business premises of Tigar Tours and Tigar Incon, in favor of Societe Generale bank a.d. Belgrade.

Založnom izjavom Ov.I. br. 3280/11, od 21.11.2011 places lien on immovable property in Pirot – business premises of Tigar Tours, in favor of Societe Generale bank a.d. Belgrade.

Mortgage statement no. 3279/11 dated 21.11.2011 places lien on immovable property in Pirot – business premises of Tigar Incon in favor of Societe Generale bank a.d. Belgrade.

Mortgage statement no. 3281/11 dated 21.11.2011 places lien on immovable property in Pirot – business premises in Dragos street in favor of Societe Generale bank a.d. Belgrade.



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Mortgage statement no. 3278/11 dated 21.11.2011 places lien on immovable property in Pirot – central kitchen, in favor of Societe Generale bank a.d. Belgrade.

Mortgage statements nos. 428/2012 dated 14.02.2012 and 1849/2012 dated 21.05.2012 and 2612/2012 dated 10.07.2012 places lien on immovable property in Pirot, Cacak and Novi Sad, in favor of AIK bank a.d. Nis.

Mortgage statement no. 3165/2012, od 30.08.2012 places lien on immovable property in Pirot – building of Energetics (Power Plant) and of Hotel StarA , in favor of Erste bank a.d. Novi Sad.

Mortgage statements nos. 1917/12 dated 25.05.2012, 1918/12 dated 25.05.2012, 1919/12 dated 25.05.2012 and 1920/12 dated 25.05.2012 –Tigar III b, in favor of Postal Savings Bank a.d. Belgrade.

Resolution no. 05-433-100358298/2014-2 dated 08.04.2014 and resolution no. 079-433-05-161/2014/5 dated 26.06.2014 places lien on immovable property in Pirot in favor of Tax Administration, branch office Pirot.

Mortgage statement no. 4169/12 dated 09.11.2012 places lien on immovable property in Pirot, in favor of Development Fund of the Republic of Serbia.

Mortgage statement no. 10957/08 dated 14.10.2008 places lien on immovable property in Pirot – Rubber Footwear Plant, in favor of German Investment Bank.

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 the year 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.



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5. CAPITAL MARKET POSITION

Trading on the BSE from the beginning of 2014 was still characterized by a low level of investment activity and low liquidity. Total trading turnover in 2014 of EUR 173.5 million is for 35.20 per cent lower compared to the the year 2013, when it amounted EUR 267 million with the simultaneous reduction of the number of transactions for 30%. The average share of foreign investors in trading within the reporting period is getting lower from quarter to quarter, and in the last one it reached 51.43% which is similar to the first one. The average share of foreign investors in trading within the reporting period was 45.66% which has reflected in a reduction of the overall turnover. Previous year is the third year in a row in which the value of index indicators of the Belgrade Stock Exchange recorded growth. Looking at 2014 and comparing it with 2013, Belex 15 has recorded a growth by 19.54%, and the Belex line by 21.71%. Although the indices were positive, the recovery of the turnover failed, so that the already chronic lack of liquidity has unfortunately established as one of the main features of Serbian capital markets.

Decision of the Listing Committee of the Belgrade Stock Exchange as of 27.08.2013, Tigar's shares are traded on the Open market, given that Tigar was not able, within the deadline prescribed by the Committee to provide the auditor's opinion on the financial statements for 2012, positive or restraint, which is one of the basic conditions for the companies from A and B share listings. Within the regular audit of indices of the Belgrade Stock Exchange, shares of Tigar since mid-September 2013 are not part of the index basket of the top quality shares – Belex 15.

The negative trend in the movement of share prices which is observed from the mid of the year 2012, continued in 2013 and 2014. In the first half of August, the price of Tigar's shares reached a low of 42 RSD. In mid-September there is a significant increase in the price of shares of the company. Trading was completed in 2014 at a level of 71 dinars, which is significantly below the nominal value of 374 RSD, or 68% more than the lowest price at which was traded during 2014, which was reached in mid-third quarter of 2014.

In the reporting period was traded with 102,606 shares, equal to 5.97% of the total number of issued shares. The biggest turnover was realized in the period from 11.09 to 15.09.2014, when for just 3 days were traded 44,971 shares, which is 2.62% of the total number of issued shares. Compared with 2013 when there were traded 120,454 shares, the turnover has decreased by 14.82%.

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

	31. DECEMBER 2013.	31. DECEMBER 2014.	% CHANGES
Number of shareholders	4,482	4,476	-0,01
Total number of shares	1,718,460	1,718,460	
Book value of shares	-120,70	-466,25	
Market price of shares	131,00	71,00	-45,80
Lowest price during the period	42.00 – 12.08.2014.		
Highest price during the period	156.00 – 22.10.2014.		
Average price in 2014*	83,62		
Market capitalization in RSD	225,118,260	122,010,660	
P/ BV *	-0,19		

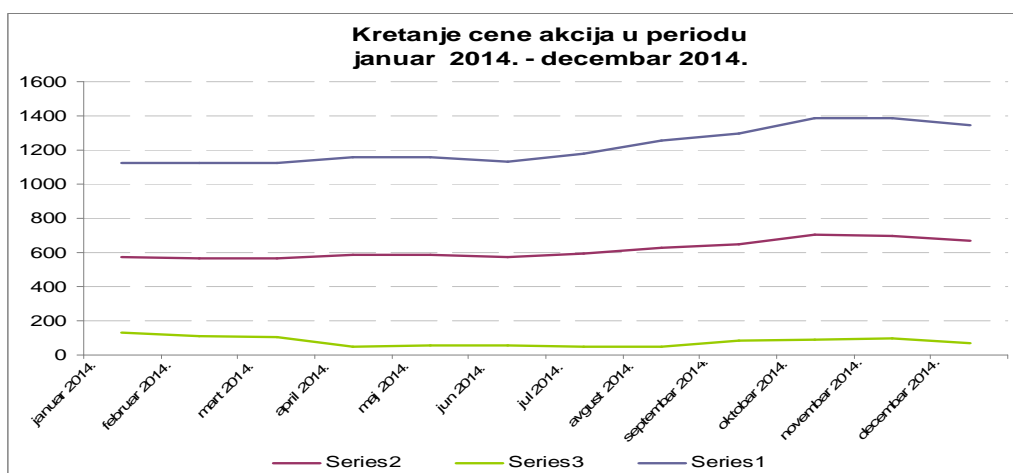
In May 2014, based on auditors' findings and recommendations were corrected financial statements for the year 2013. After such corrections, Tigar ad has reported an operating loss above the capital in the amount of 206.235 dinars, so the book value of share for 2013 was negative.

The graph below shows Tigar stock price and index movements in 2014.



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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 held the Extraordinary session of General Assembly at which approval has been given for the launching of the Prepackaged reorganization plan (UPPR), which was handed over on May 29th to the Commercial Court in Nis. After the procedure and the hearings which was held before the Court on 18.09.2014, by a majority decision of creditors was adopted UPPR of Tigar AD on 29.09.2014. The Court issued a Decision on the Ratification of the adoption of the revised text of the Prepackaged Reorganization Plan.

Following the appeal related to the adopted plan of Tigar ad by Privredna Banka Belgrade in bankruptcy, by the decision of the Commercial Court of Appeals in Belgrade on 31.12.2014 was ordered the correction of the above plan. The correction was made and at the hearing in the Commercial Court in Nis on 07.04.2015, The Prepackaged Plan of reorganization was adopted by majority of creditors.

Waiting for its finality, after which will start its implementation

Ownership structure at the end of the FY 2014.

Shareholders	31.12.2014.
Legal entities	42,49
Individuals	34,33
Custody accounts	23,18

Tigar's ownership structure in 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.



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Top ten shareholders as of 31 December 2014

During 2014 occurred minor changes in the group of the ten largest shareholders in relation to the year 2013.

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

Ord.no.	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	155,250	9,03
3	NATIONAL PENSION AND DISABILITY FUND OF THE REPUBLIC OF SERBIA	149,981	8,73
4	UNICREDIT BANK SERBIA AD– Custody account	114,222	6,65
5	ERSTE BANK AD NOVI SAD – Custody account	87,387	5,08
6	RADENKOVIĆ NIKOLA	43,000	2,50
7	TZR NATURA VITA	25,100	1,46
8	COMP. DUNAV INSURANCE A.D.O	17,120	1,00
9	HERMA INVESTMENTS CO.LTD.	14,669	0,85
10	SOCIETE GENERALE BANK SERBIA- Custody account	11,480	0,67

Source: Central Registry of Securities, Depository and Clearing House, 31 December 2014, www.crhov.rs



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6. SUSTAINABLE DEVELOPMENT

6.1. EMPLOYEES

Headcount and structure

On 31 December 2014, the number of people employed in Tigar Corporation was 1,616.

Workforce as of 31.12.2014	
Company	No. of employees
Tigar AD	215
T.R.Footwear	737
T.R.T.G.	171
T.C.Products	33
Other	460
TOTAL	1,616

All employees sign standard employment contracts with the Company's top executives, stipulating the basic conditions of employment in accordance with the Labor Law and internal acts.

Employee expenses

Total employee expenses in the period I-XII 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-XII 2014			
	Net salaries and wages in 000 RSD	Gross salaries and wages in 000 RSD	% of sales income
Tigar AD	102,432	172,491	9%
Tigar Rubber Footwear	256,049	431,284	32%
Tigar Technical Rubber Goods	62,787	105,084	44%
Tigar Chemical Products	13,077	22,890	29%
Others	158,709	268,232	12%
Total	593,054	999,981	18%



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Optimization of human resources

During the period I-XII 2014, a 170 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	6	22	27	55
	Amount in RSD	935.712,00	4.349.197,00		5.284.909,00
Tigar Rubber Footwear	No. of employees	22	4	43	69
	Amount in RSD	3.003.649,00	1.751.850,00		4.755.499,00
Tigar Technical Rubber Goods	No. of employees	5	0	6	11
	Amount in RSD	743.127,00			743.127,00
Tigar Chemical Products	No. of employees	1	1	5	7
	Amount in RSD	179.346,00	355.919,00		535.265,00
Others	No. of employees	10	0	18	28
	Amount in RSD	1.512.291,00			1.512.291,00
Total	No. of employees	44	27	99	170
	Amount in RSD	6.374.125,00	6.456.966,00		12.831.091,00

* As of these 99 full-time employees who terminated their employment on other grounds, 89 employees resigned of their own volition, termination of employment for violation of obligations - 6 employees, termination of employment on the basis of completing the years of service – 1 employee, and fatal case – 3 employees.

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.

Costs of optimization of the number of employees, on all grounds, as well as percentages relative to gross salaries are shown below:

Employee training

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

Employee training – internal and external			
	INTERNAL TRAININGS	EXTERNAL TRAININGS	TOTAL
Tigar AD	31	39	70
Tigar Rubber Footwear	415	11	427
Tigar Technical Rubber Goods	64	21	85
Tigar Chemical Products	28	0	28
Others	694	3	697
Total	1,232	74	1,306

Employee training expenses in their period I-XII 2014 amounted to 1.239.680,00 RSD or 0.12% of paid gross salaries.



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6.2. INTEGRATED MANAGEMENT SYSTEMS

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, Tigar's system was upgraded accordingly so that today Tigar has a well-established integrated management system which ensures that all risks associated with quality, the environment, and employee health and safety are monitored and addressed. The first half of 2014 was marked by the upgrade of the documentation basis of the company Tigar Rubber Footwear, and the related processes within Tigar AD, in order to meet the requirements defined in Supplier Quality Book of one of the major buyers of off-take category - Decathlon.

During May, in Tigar Incon was conducted the second regular checking of integrated management systems per ISO 9001, ISO 14001 and OHSAS 18001 requirements by the certification body 'Kvalitet a.d.' from Nis. It was highly rated and there was not established any inconsistency with the requirements of the relevant standards

Certification of integrated management systems at Tigar Rubber Footwear which was to take place by August, was postponed until the completion of activities planned in relation to the reorganization of the Tigar Group.

6.3. ENVIRONMENTAL PROTECTION AND OCCUPATIONAL HEALTH AND SAFETY

Tigar's manufacturing facilities, production of rubber footwear, technical rubber goods and recycled rubber products are located in the industrial zone of the city, at the end of the Pirot valley. Condition of the natural environment and the unaltered ecosystem attest to the good environmental practices of the company. The commitment towards sustainable development and care about its employees is the long years policy and practice. Production of chemical products has been relocated and now takes place in the rented industrial space of the former company Suko ad out of the inhabited settlement.

By the estimation of the Ministry in terms of environmental impacts, production activities of the company are qualified as an activity with low environmental risk. Production entities are not listed either in the IPPC nor in the group of SEVESO facilities. Handling and storage of chemicals is carried out in accordance with regulations and internally defined procedures with the help of internal experts. About the generated waste takes care the company Ti-car secondary raw materials, a certified operator for waste management. As for the fire safety, security and response to emergencies, there is in charge Tigar Security. Taking care of packaging and packaging waste, air quality monitoring and waste water, determining safety of electrical installations and equipment in terms of security as well as determining the condition of the working environment, shall be entrusted to external authorized institutions.

In accordance with the legislation, in March 2014 made the reportings on environmental parameters by the direct entering of data into the information system of the Agency for the Environment. There were generated annual reports on packaging and packaging waste, Products which after use become special waste streams, Annual reports on waste for production entities of the company, the annual report on the balance of emissions of air pollutants. There was also made the registration of imported chemicals and products of the company Tigar Chemical Products, which are subject to registration and to the Ministry of Agriculture and Environmental Protection was submitted supporting documentation that includes a Dossier on chemicals for all chemicals and the Safety data sheet for hazardous materials. Local Self-Government was submitted the reports for the purpose of forming the Local registry of pollution sources, in accordance with the law, which was noted by the republic inspector of environmental protection, during his regular checks.



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Previously entered long-term contracts with operators of packaging waste management, Ekostar pak and Sekopak are still valid. In the first, second, third and fourth quarter was carried out sampling and testing of waste water quality. In 2014 as well were made the measurements of emissions of pollutants. Measurements that have been implemented, indicate that all the parameters of air quality in the industrial zone are good and that production processes of Tigar Corporation did not lead to the endangerment of the environment.

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 31 December 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 R.Footwear	26.07.17.	Tigar AD
Ž-1704/07	26.07.07.	56315	Tigar R.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
Ž-213/08	05.02.08.	57649	Tigrokol	05.02.18.	Tigar AD
Ž-768/08	31.03.08.	57538	Hotel Stara planina	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 R.Technical Goods	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



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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	Sparclesafety	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
Internat. trademark 237003/1	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	07.09.09.	3906894	Brolly	07.09.19.	Tigar AD
79075638					
Canada	25.05.90.	368832	Forester	25.05.15.	Tigar R. Footwear
Finland	20.11.85.	94345	Forester	20.11.15.	Tigar R. Footwear
Norvey	14.11.85.	123042	Forester	14.11.15.	Tigar R. Footwear
Sweden	26.07.85.	197287	Forester	26.07.15.	Tigar R. Footwear
Great Britain	23.06.95.	2025055	Century	23.06.15.	Tigar R. Footwear
Great Britain	31.05.84.	1219898	Forester	31.05.15.	Tigar R. Footwear
Great Britain	23.06.95.	2025057	Forester	23.06.15.	Tigar R. Footwear

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 three internet domain names: www.tigar.com, www.tigar.co.rs and tigar.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.



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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.

With its vision, mission and corporate values, the company clearly demonstrates its commitment towards sustainable development and the principles governing the field of corporate social responsibility are defined in the document **Guidelines in the field of philanthropy and other givings**. In this way certain priority areas in which the tiger participates, as well as the criteria for deciding on the support of various CSR initiatives, i.e the evaluation of achieved effects.

The company has defined as its philanthropic policy key principle that specific projects and actions must contribute to the general development and welfare of many people. Key areas of philanthropic activities of Tigar support the building of an inclusive society and strengthen the environmental awareness, which includes projects that show the importance of recycling and usage of recycled products. As for the forthcoming period, the Company has made clear its commitment to the further development of employee volunteering, giving support to the development of knowledge and talent, promoting positive entrepreneurial climate and encouraging the development of leadership skills and knowledge.

Philanthropic projects in the reporting period were related to key areas - contribution to the general welfare of the community, building an inclusive society and support to media projects which should contribute to the inclusion of persons with disabilities in the local community.

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

During the period of martial law in Serbia and the Republika Srpska caused by floods in May and September, Tigar ad reacted adequately and put its production to operate in function of needs of competent state institutions and affected population and realized the same as its own donations or through cooperation with our business partners that have donated our rubber footwear.



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In its so-far work, Tigar ad has shown initiative in the field of CSR and philanthropy and was the support and participant in many types of humanitarian actions.

To social welfare institution in Sremcica, which takes care of the life and health of more than 300 young people with special needs, Tigar has donated rubber footwear in cooperation with the humanitarian organization 'Japanese society'. This institution was selected upon the recommendation of the Ministry of Labour, Employment and Social Affairs.

To «Zvoncica (Tinker Bell)» institution which houses children suffering from cancer and their families, Tigar donated children's rubber footwear.

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 more sustainable national kitchens in the future.

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

6.7. CORPORATE GOVERNANCE

Supervisory Board of Tigar ad Pirot

The Supervisory Board, as the body of the bicameral management system operates and makes decisions in the following composition:

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

***members of Supervisory Board as of 31.12.2014 do not own company's shares

Executive Board of Tigar ad Pirot

Executive Board operates in the following composition:

- Nebojša Đenadić, ED for Corporate Management Support and Business System Development
- Gorica Stanković, ED for Finances
- Zorica Mladenović, ED for HR
- Branislav Ćurić, ED for Commerce and Marketing
- Zoran Mančić, ED for Investments and IT

Decision falling within its competence, the Executive Board makes on its respective sessions.



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7. MAJOR JANUARY-DECEMBER 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. 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.

Estimate of justification of the current level of business diversification and a proposal for further development directions in the field of activity with which the corporation deals are done continuously, taking into account the following criteria: 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.



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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 (55% of total realization in 2014), 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 all other brands owned by Tigar. 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, such as tigrostik, tigrokol, markol, tigrolux...

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



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retail outlets, while today the chain is comprised of 11 service centers which sell vehicle tires and afterparts, and offer light vehicle servicing and 20 sales outlets, including the chain of specialized 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.

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 2008.

In the part of rubber footwear, potential strategic partnerships are not possible only with manufacturers but also with the suppliers of essential raw materials or through acquisition of ownership over some of the remaining European manufacturers. However, in the part of rubber technical goods, there are opportunities and the need for strategic partnerships.

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



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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.

The market is characterized by:

- The growing trend of import demand on existing and international markets for rubber-plastic footwear - strong pressure of competitors and substitutes Pu, PVC ...
- Significant sensitivity to fluctuations in the price of inputs (basic inputs are exchange products)
- When speaking of the working footwear market, there is an increase of participation of cheap competition from China in foreign as well as on domestic market; competition from Southeast Asia is less sensitive to fluctuations in the price of inputs.
- Low purchasing capacity of the domestic market in the segment of the consumer market defines the market of fashion and children's footwear, as well as price sensitivity of consumers.

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.

The market is characterized by:

- significant sensitivity to fluctuations in the price of inputs (basic inputs are exchange products)
- strong pressure of domestic and international competitors in all segments
- strong pressure of small price competitive producers on the domestic market
- low purchasing capacity of the domestic market

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.

In the part 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.

The market is characterized by:

- low purchasing power of the domestic market
- accentuated price sensitivity of demand.
- high pressure of competitors in all market segments.

Credit risk and the cost of borrowed capital

Financial risks include the market risk (foreign currency and interest rate), credit risk and liquidity risk. Financial risks are reviewed on a timely basis and primarily are avoided by reducing the Company's exposure to such risks. The Company does not use any financial instruments to avoid the impact of financial risks on business operations because such instruments are not widely used, nor is there an organized market for such instruments in the Republic of Serbia.

By neglecting this group of risks, the corporation found itself in the pre-bankruptcy state in the previous period. Using the tools to control credit risk, there is envisaged to create as soon as possible a business system that will be creditworthy, firstly, in the long-term and investment loans. Bz



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continuous monitoring of analytical indicators are set the guidelines for taking immediate corrective measures concerning the business operations. Management of cash flow aims to lower the cost of borrowed capital.

Risks related to shareholder and corporate structure

In 2014, 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 it to anticipate possible developments in the part of the ownership consolidation.

The state, through its two funds - Equity Fund and Pension and Disability Insurance Fund, is the company's largest shareholder with a share of 33.71%. Regarding the sale of the state-owned shares, there are no indications at the moment that this process could begin during 2015.

There is no formal risk management framework for the Company's capital. The Company's management considers the capital risk, on the basis of risk mitigation and the belief that the company will be able to maintain the principle of business continuity.

Reputation risk

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



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10. SIGNIFICANT BUSINESS EVENTS THAT HAVE OCCURRED DURING AND AFTER THE FISCAL YEAR 2014

After the completion of the procedure initiated in 2014, the Commercial Court in Nis on 07.04.2015. has issued a decision by which was adopted the Prepackaged Plan of Reorganization, file St. 43/2014.

We are now waiting for its becoming final, after which will start its implementation.

Resolution no. 1. St.16/2014 of the Commercial Court in Nis as of 30.09.2014 by which was confirmed the adoption of the revised text of the Prepackaged Plan of Reorganization of Tigar Rubber Footwear I.l.c. Pirot became valid and final. **The Prepackaged Plan of Reorganization for Tigar Rubber Footwear I.l.c. Pirot has been applied since 11.12.2014.**

Changes in the business of the entity Tigar Europe:

It is undergoing the process of voluntary liquidation of the company Tigar Europe with the seat in London, where Tigar ad owns 50% of the share capital. The corresponding part of the liquidation estate shall be paid in installments and used for dedicated purpose, in accordance with the decisions of the Supervisory Board.

Facility for the production of rubber compounds

In September 2014 was made a Decision to launch the project for the construction of a facility for the production of rubber compounds, because the contract with Tigar Tyres on the lease of the White Mixing Room has expired. There were formed project teams and was chosen the variant of the preliminary design and location where the factory would be built.

During 2015, the company will invest more than a million euros in the construction of a new facility for the production of rubber compounds which are essential for the manufacture of rubber products. Representatives of Tigar ad signed a contract for design and construction with Delta Engineering, the later being a contractor.

The area of the manufacturing facility will be 1.700m², and the total surface on which the plant will be built is 3,000m².

**DIRECTOR OF ACCOUNTING FUNCTION
TIGAR AD**

Dragoslava Brankovic

MANAGING DIRECTOR OF TIGAR AD

Nebojsa Djenadic

**CHAIRMAN OF TIGAR AD
SUPERVISORY BOARD**

Nebojsa Petrovic



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DECLARATION

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.

Audit of annual reports has not been carried out, so that reports are unaudited.

The Supervisory Board of the Company has reviewed and approved this Annual Report at its meeting held on 28 May 2014.

**DIRECTOR OF ACCOUNTING FUNCTION
TIGAR AD**

Dragoslava Brankovic

MANAGING DIRECTOR OF TIGAR AD

Nebojsa Djenadic

**CHAIRMAN OF TIGAR AD
SUPERVISORY BOARD**

Nebojsa Petrovic