



**BUSINESS REPORT
FOR THE PERIOD JANUARY- SEPTEMBER 2015**

Document Reference

IZ.P. 15/03

**BUSINESS REPORT
FOR THE PERIOD
JANUARY – SEPTEMBER 2015.**

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ASSESSMENT OF THE PERFORMANCE IN THE PERIOD JANUARY-SEPTEMBER 2015

According to the data of the Republic Bureau of Statistics, the quarterly gross domestic product at constant prices (flash estimate) in the third quarter of 2015 recorded an increase of 2% compared to the same period last year. Trends that are present on our market for many years due to difficult legacy, continue to be significantly reflected in the purchasing power of citizens. On the other hand, evaluation of operations in the period January-September 2015 was strongly influenced by the situation in which the company is for a longer period of time, but in conditions that characterize the local economy in general.

Production in Tigar ad in the period January-September 2015 recorded a growth compared to the same period last year of 21% in the field of production of rubber footwear in tons, or an increase of 30% when speaking of the production in pairs. Production in tons of Tigar Rubber Technical Goods decreased by 23% in relation to the last year, while the production in tons in Tigar Chemical Products has decreased by 4%. Total external sales of Tigar's program since the beginning of the year stood at 1.273 million dinars, of which 68.12% was achieved in exports and is lower by 4.98% compared to the previous year. The sale of the Tigar Rubber Footwear program declined by 2% in relation to the same period last year. Consolidated operating income has recorded a growth compared to the same period last year by 3%. The most significant business indicators such as EBIT and EBITDA are also continuing with the trend of stabilization of business operations in 2015. The operating loss (EBIT) in the period January-September 2015 was recorded in the amount of RSD 11.433 thousand while in the same period last year was reported operating loss of RSD 248.785 thousand. Operating profit before depreciation (EBITDA) amounted to RSD 127.509 thousand and in the same period last year was recorded an operating loss before depreciation in the amount of RSD 87.553 thousand. The growth trend indicates stabilization of business operations.

We especially emphasize the fact that in the third quarter of 2015, Tigar ad has also continued its operations without any additional borrowing with the banks.

There were initiated activities in part of the construction of a factory for the production of compounds. During 2015, the company will invest more than one million euros in the construction of a new factory plant for the production of rubber mixtures which are essential for the production of rubber products. Representatives of the company Tigar ad signed a contract for design and construction with Delta Engineering, the later being the contractor. Area of new facilities will be 1.700m², and the total area on which the plant will be built is 3,000m².

After the finality of the Prepackaged Plan of Reorganization of Tigar Rubber Footwear at the end of 2014, and the Prepackaged Plan of Reorganization of Tigar AD on 01.06.2015, there has begun the implementation of the measures that have been envisaged in the Plan.

As one of the measures of implementation of the Prepackaged Plan of Reorganization of Tigar ad was carried out the status change implying the merger of production entities: Tigar Rubber Footwear, Tigar Technical Rubber Goods and Tigar Chemical Products to the parent company - Tigar AD Pirot. Legal consequences of the merger to the parent company or deletion from the register of the above stated business entities became effective on the date of registration of the status change at the Agency for Business Registers on 11.09.2015.

The settlement of liabilities toward the creditors have been paid on regular basis so far, according to repayment schedules and deadlines defined by Tigar AD, while the direct creditors of Tigar Rubber Footwear are settled according to repayment schedules set forth in the Prepackaged Plan of Reorganization of Tigar Rubber Footwear.

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In the reporting period, the company's management has continued with the constant communication with the largest owners and representatives of the government of the Republic of Serbia, as the largest individual shareholder, in order to achieve consensus on the key decisions for the company.

CHAIRMAN OF SUPERVISORY BOARD OF TIGAR A.D.
NEBOJŠA PETROVIĆ



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I.Z.P. 15/03**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: 30/09/2015 4,448

Assets: 30/09/2015 (000 din) 6.189.388

Registered address: Nikole Pašića 213, 18300 Pirot

Tax ID: 100358298

Certificate of incorporation: Registry File 1-1087

Number of employees: 30/09/2015 1,546

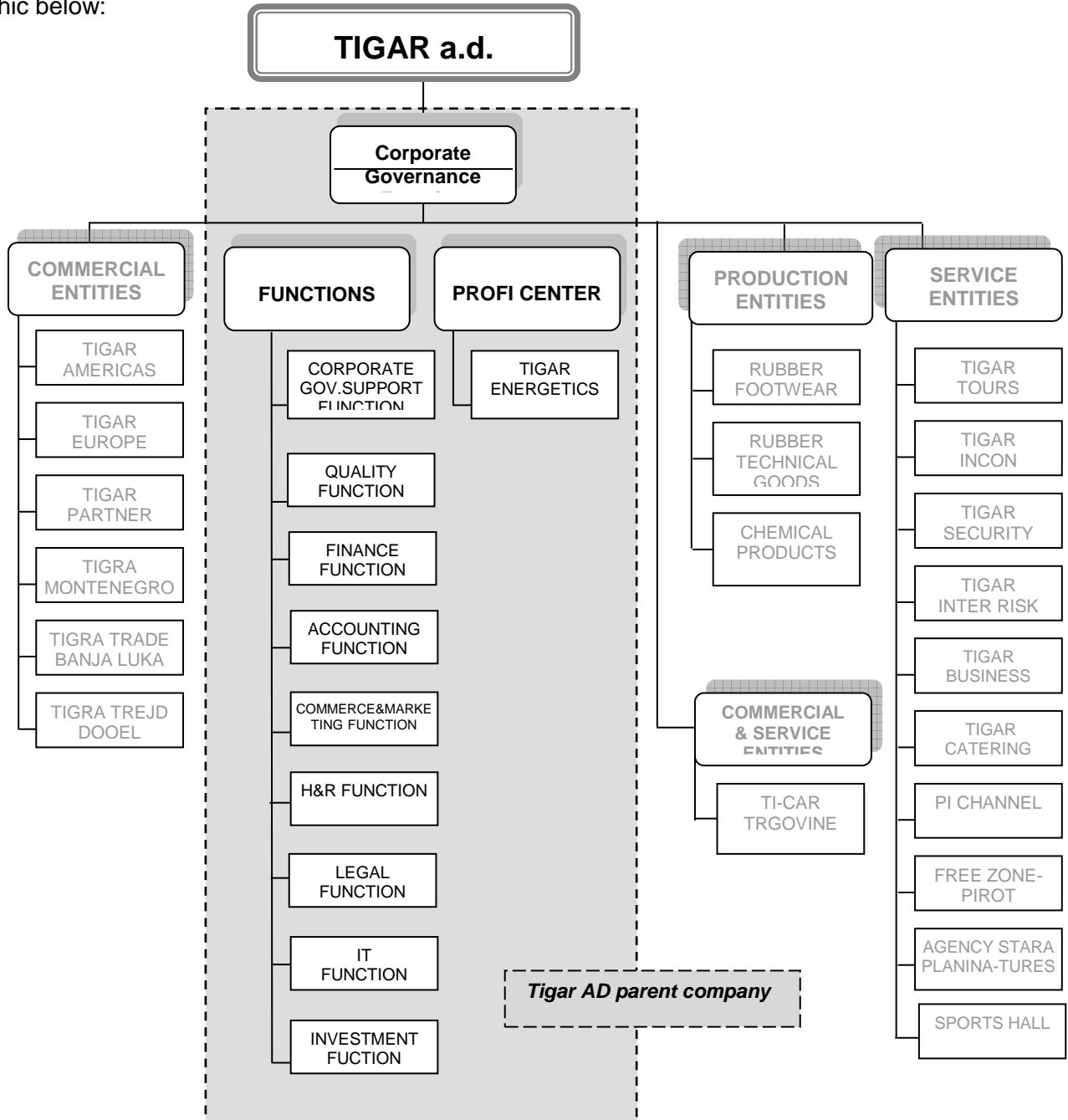
Capital: 30/09/2015 (000 din) 0

Capitalization: 30 /09/2015 (000 din) 163,253



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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IZ.P. 15/03**1.3. INVESTMENTS**

During the reporting period (first three quarters of 2015), the investment status was as follows:

| In '000 RSD | Purchases of fixed assets and intangible investments |
|------------------------------------|--|
| | January-September 2015 |
| Tigar a.d. | 46,416 |
| Tigar Rubber Footwear Plant | 6,885 |
| Tigar Technical Rubber Goods Plant | 255 |
| Tigar Chemical Products Plant | 0 |
| - Tigar a.d. - functions | 39,276 |
| Service entities | 6,063 |
| Total | 52,479 |

* On 11.09.2015 was implemented the status change implying the merger of dependent entities Tigar Rubber Footwear, Tigar Technical Rubber Goods and Tigar Chemical Products to the parent company Tigar AD. The data shown for those production entities include their businesses as independent entities until 11.09.2015, when they featured as independent entities within the Company. After the status change and starting with 12.09.2015, the overall business operations of these production entities is shown within the data pertaining to the parent company, Tigar AD.

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.

At Tigar AD, investments are related to the construction of the warehouse for the bolt (screw) goods in the Free Zone, as well as the construction of a plant for the production of rubber compounds on the location Tigar III.

In the part of service entities were carried out repairs of the hotel StarA – lobby, hallway and rooms and there was acquired necessary computer equipment, as well as the equipment for the catering (scales, cabinets, convection ovens...) necessary for the regular conduct of jobs.

In the Business Service was performed the acquisition of computer equipment and of one trailer vehicle, in order to modernize and perform more successfully its basic activity.

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 the period January-September 2015 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, Broly 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.

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 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*



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- *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 Tigar-brand tires manufactured by Tigar Tyres and from other manufacturers. In the domestic market are sold passenger, light truck and truck tires of all world-known manufacturers, but mostly tires from Michelin Group, which includes Tigar-brand tires. Other complementary products include motor oils, batteries, car care products, exhausts, etc., of domestic and foreign suppliers and the garden program. Tigar's sales and service network Stop & Drive provides services related to tire repair, car repair services, vehicle washing, tracking and storage of tires. These services are performed in stable passenger and cargo services.

Tigar's specialized Bottega chain offers Tigar branded women's and children's footwear, as well as Italian and domestic leather men's, women's and children's footwear to bridge the 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 101ha 15a 09m² 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 2013-2019 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

Exports as the main source of revenue of Tigar's plants;

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 Piroć;

Maintenance of internal services at the level required by the Tigar Group and Tigar Tyres



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In the current business and market environment, Tigar has sought and still is, to better integrate in the vertical supply chain, to optimize its production & 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- SEPTEMBER 2015

In the first nine months of 2015, total sales of finished goods and products was lower by 3% in relation to the same period last year:

| <i>Net income from sales of goods and products in Serbia and from Serbia</i> <i>In ' 000 RSD</i> | january- september 2014. | januayr- september 2015. | % |
|---|--------------------------------|--------------------------------|------------|
| Tigar Rubber Footwear | 1,117,463 | 1,092,499 | -2% |
| Rubber Technical Goods | 192,580 | 156,601 | -19% |
| Chemical Products | 29,269 | 23,490 | -20% |
| Tires | 8,053 | 24,425 | 203% |
| Other programs | 5,294 | 8,909 | 68% |
| TOTAL | 1,352,659 | 1,305,924 | -3% |

Sale of Tigar's goods and products in Serbia and from Serbia in the first nine months of 2015 amounts to over RSD 1.305.924, of which 66% in export (RSD 867 million). Tigar Rubber Footwear Plant still records the highest share in export - 92%.

| <i>Net income from sales of goods and products in Serbia and from Serbia</i> <i>In ' 000 RSD</i> | january- september 2014. | january- september 2015. | % |
|---|--------------------------------|--------------------------------|------------|
| Domaće tržište | 377,053 | 439,073 | 16% |
| Tigar Rubber Footwear | 267,515 | 298,796 | 12% |
| Rubber Technical Goods | 81,245 | 94,182 | 16% |
| Chemical Products | 14,947 | 12,760 | -15% |
| Tires | 8,053 | 24,425 | 203% |
| Other programs | 5,294 | 8,909 | 68% |

| <i>Net income from sales of goods and products in Serbia and from Serbia</i> <i>In ' 000 RSD</i> | january- september 2014. | january- september 2015. | % |
|---|--------------------------------|--------------------------------|------------|
| Export | 975,606 | 866,851 | 11% |
| Tigar Rubber Footwear | 849,948 | 793,702 | -7% |
| Rubber Technical Goods | 111,335 | 62,418 | 44% |
| Chemical Products | 14,323 | 10,731 | 25% |

The sale of the rubber footwear program in the period January-September 2015 was lower by 2% in relation to the same period last year where the dominant influence to such decline had the sales in export by 7% while was recorded the growth of the sales volume on the domestic market by 12% in relation to the same period last year:



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| <i>Net income from sales of goods and products in Serbia and from Serbia</i> | january- september 2014. | january- september 2015. | % |
|--|--------------------------------|--------------------------------|------------|
| <i>In ' 000 RSD</i> | | | |
| Tigar Rubber Footwear | 1,117,463 | 1,092,499 | -2% |
| - Domestic market | 267,515 | 298,796 | 12% |
| - Export | 849,948 | 793,702 | -7% |

The first nine months of 2015 were characterized by significant growth in sales in the domestic market (12%) in relation to the same period last year which partly resulted as a consequence of changes in the sales strategy and the conclusion of annual contracts with major customers with clearly specific deadlines for payments and deliveries (on a monthly level). In comparative terms, in relation to the same period of 2014, the growth of the sales volume in the domestic market has been registered although this period last year was characterized by extreme weather and floods and the period behind us was characterized by unfavorable weather conditions when speaking for this type of product having the seasonal character and directly depends on meteorological conditions .

The main characteristic of the first nine months of this year in export has been the continuous meeting the demands and needs of existing customers in envisaged deadlines, but due to the decline of the in aggregate demand in major export markets was registered a decrease in sales by 7% in relation to the same period last year; then the deliveries of special rubber footwear (special technical requirements) for the Finnish and Sweden Army for the customer Berner (FIN). During this period was also obtained the tender for the supply of fire-fighting units in Hong Kong with safety rubber boots, after strict certification requirements and the tender itself and harsh competition (realization of the contract obligation begun in the second quarter and will be continued until the end of the year); as for the customer Ilse Jacobsen Hornabaek (DEN), we successively win new models and deliver them in accordance with the submitted delivery schedule depending of the season for which they're intended for, and the plan provides monthly deliveries of about 9,000 pairs, so that in this period were won 70 models for the new forthcoming season fall-winter. With the customer Oxyprod (ITA) are defined quantities and structure of deliveries until the end of the year.

There were initiated negotiations with potential new customers from GBR, FRA, POL, ROM and CZE and some of them have visited the factory where were presented our possibilities in the part of fishing, hunting and safety program. Homologation of products has been completed or is in progress and first deliveries to market of FRA and ROM are expected early in the third quarter.

It is very important to emphasize the continuation of the synchronized actions with customers in the domestic market and the region, 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 THE PRIOD JANUARY-SEPTEMBER 2015.

The sale in the first nine months of 2015 in the factory Tigar Rubber Technical Goods was by 19% lower when compared to the same period last year, and due to the trend of decrease of the realization and insufficient capacity utilization, operations have been seriously jeopardized and measures are taken in relation to the reorganization of this production entity as well as the reduction of the number of employees and their redistribution.



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| <i>Net income from sales of goods and products in Serbia and from Serbia</i> <i>In ' 000 RSD</i> | january- september 2014. | january- september 2015. | % |
|---|---|---|------------|
| | | | - |
| Rubber Technical Goods | 192,580 | 156,601 | 19% |
| - Domestic market | 81,245 | 94,182 | 16% |
| | | | - |
| - Export | 111,335 | 62,418 | 44% |

The previous year was characterized by significant growth in sales in the domestic market (16%) in relation to the same period last year and the dominant factor of the overall decrease in sales is the lack of realization of goods in export, mostly of rubber hoses on Russian market and the lowered volume of demand for the products made of recycled rubber. An additional effect of the reduced sales volume had a lack of realization of the business related to the public procurement of the Ministry of Defence of the Republic of Serbia for tanks because the realization of the won tender was postponed for an indefinite period.

Positive features of the first nine months include the conclusion of the agreement on the sale of two sets of air-fuel tank and their delivery to Asia (delivered) and is expected the confirmation for the delivery of one more set (in the fourth quarter), winning of new positions for the moulded parts for the company Metso (SWE) in the part of the products intended for the mining industry which is produced in greater volume and then sold in the above's company's retail outlets worldwide. It is also in progress the winning and homologation of small pressure rubber hoses for the customer from ITA (Martinello).

Market position of this factory is at risk partly due to the situation in the construction industry and the situation in large business systems (mining complex).

2.5. ASSESSMENT OF TIGAR CHEMICAL PRODUCTS MARKET POSITION IN THE PERIOD JANUARY-SEPTEMBER 2015

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.

Sales volumes is lower by 20% compared to the same period last year, primarily as a consequence of the decline of sales in export (primarily, adhesives for the mining industry in the markets of RSA, BUL, MAC),

| <i>Net income from sales of goods and products in Serbia and from Serbia</i> <i>In ' 000 RSD</i> | january- september 2014. | january- september 2015. | % |
|---|---|---|------------|
| | | | - |
| Chemical Products | 29,269 | 23,490 | 20% |
| | | | - |
| - Domestic market | 14,947 | 12,760 | 15% |
| | | | - |
| - Exports | 14,323 | 10,731 | 25% |



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2.6. DISTRIBUTION OF TIRES, OTHER COMPLEMENTARY PRODUCTS AND SERVICES OFFERED BY THE SERVICE NETWORK IN THE PRIOD JANUARY-SEPTEMBER 2015

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.

| <i>Net income from sales of goods and products in Serbia and from Serbia</i> | january- september 2014. | january- september 2015. | % |
|--|--------------------------------|--------------------------------|-------------|
| <i>In ' 000 RSD</i> | | | |
| Tires | 8,053 | 24,425 | 203% |
| Other programs | 5,294 | 8,909 | 68% |
| TOTAL | 13,347 | 33,334 | 150% |

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 and the retail objects were supplied with tires for the summer campaign.

Every retail-service object will be subject to a detailed analysis of the purposefulness of further survival and manner of functioning despite the growth of the sales volume in the reporting period, which is primarily a consequence of the low comparative values in the previous period.

2.7. PRICE FLUCTUATIONS OF KEY RAW MATERIALS AND COMPLEMENTARY PRODUCTS

The prices of some key materials during the first quarter of 2015 have decreased compared to the previous year - synthetic rubber in relation to which was recorded a significant price decrease (for about 19%), but in the second quarter was recorded a growing trend of synthetic rubber prices in relation to those from the first quarter for 17%. (the prices in the second quarter in relation to prices at the end of last year are lower for about 1.5%).

Some synthetic rubber prices have increased in the third compared to the second quarter by 5% (SBR1502), while the prices of other rubber recorded a decline (CR, NBR).

In line with developments on the world market in the first quarter of 2015 is present the tendency of growth of natural rubber prices due to drastic growth of dollar exchange rate and of exchange rates EUR / USD so that the natural rubber prise increased on average by 8% in the first quarter compared to the end of 2014 and for about 7% in the second quarter compared with the first quarter. The price of natural rubber in the III quarter in relation to the second one was lower by 2%.

The prices of carbon blacks in the second quarter are for about 30% lower then in the first quarter of 2015, while the prices of certain carbon blacks in the third quarter are lower by 9% in relation to those from the second one.

Price of EPDM compounds was on average increased by 1.6% in the third compared to the second quarter, but the price of polyurethane in the same period declined by 6%.

Prices of textiles in the first quarter were lower by an average of 5% compared to the last quarter of the previous year, and as for the second and third quarter, they remained unchanged. Prices of non-woven



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textiles that are not covered by the lowering of the first quarter, in the second quarter were lower for about 3% but have remained unchanged in the third quarter.

In the first quarter of 2015, the prices of solvents were by 14% lower than in the last quarter of 2014 and have the tendency of further reductions: in the second quarter in relation to the first one for an average of 5%, and in the third quarter in relation to the second one for 6%.

A significant impact on the Company's operations will have a change in the price of fuel oil, which in the third quarter was lower by 16,5%. compared to the second quarter.

2.8. PRODUCTION OUTPUT

The tables below show breakdowns by manufacturing programs.

| Production (pairs) | january-september 2014. | january-september2015. | % |
|---------------------------|--------------------------------|-------------------------------|----------|
| Tigar Rubber Footwear | 782,984 | 1,019,396 | 30% |

| Production (tons | january-september 2014. | january-september2015. | % |
|-------------------------|--------------------------------|-------------------------------|-------------|
| Tigar R.Technical Goods | 437 | 335 | -23% |
| Chemical Products | 116 | 111 | -4% |
| TOTAL | 552 | 445 | -19% |

In the period January-September 2015, the total realized production in Tigar Rubber Footwear plant amounts to 1,019,396 pairs, which is by 30% higher in relation to the same period last year. Total realized production in tons in plants – Tigar Rubber Technical Goods and Tigar Chemical Products amounts to 445, which is by 19% less in relation to the same period last year.



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3. FINANCIALS FOR THE PERIOD JANUARY-SEPTEMBER 2015.

3.1 KEY INDICATORS OF THE HOLDING COMPANY (TIGAR AD)

| Tigar AD's unconsolidated financials in thousands of Dinars | january - september 2014 | january - september 2015 |
|--|---------------------------------|---------------------------------|
| Total assets | 6,077,380 | 6,189,388 |
| Equity | | |
| Operating income | 1,337,401 | 1,696,762 |
| EBIT | 62,366 | 141,126 |
| EBITDA | 98,962 | 179,834 |
| Financial income | 16,845 | 57,929 |
| Other income | 8,310 | 58,851 |
| Total income | 1,362,556 | 1,813,542 |
| Net loss | 377,647 | 18,888 |
| | | |
| <u>Significant ratios</u> | | |
| Current Ratio | 0.63 | 1.26 |
| Level of indebtedness | 0.96 | 1.33 |
| Net result / total income | 27.72% | 1.04% |

* On 11.09.2015 was implemented the status change implying the merger of dependent entities Tigar Rubber Footwear, Tigar Technical Rubber Goods and Tigar Chemical Products to the parent company Tigar AD. The data shown for those production entities include their businesses as independent entities until 11.09.2015. After the status change and starting with 12.09.2015, the overall business operations of these production entities is shown within the data pertaining to the parent company, Tigar AD, which has also reflected in the operating result of Tigar AD, which is now negative for this reason (in relation to what it would be if Tigar AD continued to operate independently). Parallely with that, the business results are also being incomparable with the results from the same period last year.

If in the opinion of the auditor should be made corrections due to statutory changes, they will be subsequently disclosed.

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.

Due to statutory change, the manufacturing companies were merged to the parent company and continue their business operations within Tigar AD. Commercial entities are enterprises abroad and are primarily engaged in commercial activity. Service entities are predominantly oriented toward the external market related to the procurement of necessary inputs, as well as in terms of sales or provision of services. At the



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individual level, there are service entities whose dependence on the internal market is more pronounced - Tigar Tours, Tigar Inter Risk, Tigar Security and Tiger Catering.

| Consolidated financials of Tigar a.d. in thousands of dinars | january-september 2014 | january-september 2015 | % change |
|---|-------------------------------|-------------------------------|-----------------|
| Total assets | 8,092,257 | 6,696,889 | -18% |
| Sales revenues | 1,924,750 | 1,970,172 | 2% |
| EBIT | -248,785 | -11,433 | 95% |
| EBITDA | -87,553 | 127,509 | 246% |
| Financial revenues | 23,896 | 42,038 | 76% |
| Other incomes | 22,303 | 34,938 | 57% |
| Net loss | -863,374 | -317,110 | 63% |

Total revenues from sales of goods, products and services on a consolidated basis, for the period January-September 2015 amounted to 1,970,172 thousand dinars which is by 2,36% higher compared to the same period last year, when they amounted to 1,924,750 thousand dinars. In the same period was realized a business income in the amount of 1,991,202 thousand dinars, which is by 2,66% higher compared to the same period last year, when they amounted to 1,939,536 thousand dinars.

Consolidated operating expenses in the amount of 2,002,635 thousand dinars were lower by 8,49% compared to the period January-September 2014 when they amounted to 2,188,321 thousand dinars.

Structure of operating expenses in total cost by groups is as follows: costs of wages, salaries and other personnel expenses account for about 42%; Expenses for the costs of materials, energy corrected for the increase of inventories accounted for 33%; The cost of goods accounts for 2%; expenses, depreciation and provisions accounted for 7% and other expenses accounted for 16%.

Financing costs on a consolidated basis in the period January-September 2015 amounted to RSD 332,173 thousands, while the cost of funding at the consolidated level in the same period last year amounted to RSD 644.277 thousand. The largest part of financial expenses are the costs of interest, which at the consolidated level amounts to about RSD 296,881 thousand, while the foreign exchange losses and other financial expenses amount up to RSD 35,291 thousand. The effects of the reduction in financial expenses are the result of finality of the Prepackaged Plan of reorganization and its implementation. It is evident that the amount of interest remains very high and significant.

Reported operating profit (EBIT) in the three quarters of 2015 amounted to 11.433 thousands dinars, while the operating loss for the same period last year amounted to RSD 248.785 thousand, which represents a better result for RSD 237.352 thousand. EBIT growth in the first three quarters of 2015 compared to the same period last year is an indicator of good business moves that gave these results.

The reported operating loss for the first three quarters was influenced by the use of collective vacation in August, but we expect to have the positive operating result at the end of the year.

Reported profit before depreciation and amortization (EBITDA) for the nine months of 2015 amounted to RSD 127.509 thousand, while in the same period last year was reported an operating loss before amortization in the amount of RSD 87.553 thousand, which represents an improvement for even RSD 215.062 thousand. The trend of growth indicates stabilization of business operations.

At the consolidated level, the value of total assets amounted to RSD 6.7 billion, of which fixed assets RSD 4.9 billion, while current assets RSD 1.8 billion.

A part that relates to claims in the amount of RSD 314 million for the most part include current receivables of domestic and foreign customers. The structure of domestic customer receivables relate to current



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receivables where the 8 largest customers claimed RSD 74.8 million. Seven largest foreign customer receivables amounted to RSD 67.4 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 26 million, Tigar Montenegro 4 million, and Tigar Trade Banja Luka 30.9 million. There is a disputed claim in the factory Tigar Chemical Products in the amount of 9.6 million dinars towards the company LK Commerce from Greece.

At the consolidated level, the loss above the capital is RSD 1.8 billion. On the liabilities side, the equity value is 0, liabilities for long term loans around RSD 7.1 billion, other long-term liabilities 0.3 billion, liabilities under short-term loans were 0.3 billion and other short-term liabilities amount to approximately 1.1 billion.

By replacing short-term liabilities with the long-term loans, through a process of long-term financial stabilization, was provided a better impact on the current liquidity of the company.

3.3. TIGAR AD PARENT COMPANY

* On 11.09.2015 was implemented the status change implying the merger of dependent entities Tigar Rubber Footwear, Tigar Technical Rubber Goods and Tigar Chemical Products to the parent company Tigar AD. The data shown for those production entities include their businesses as independent entities until 11.09.2015. After the status change and starting with 12.09.2015, the overall business operations of these production entities is shown within the data pertaining to the parent company, Tigar AD.

If in the opinion of the auditor should be made corrections due to statutory changes, they will be subsequently disclosed.

| BALANCE SHEET (in thousands of RSD) | | | |
|--|--------------------------|--------------------------|--------------------------|
| ASSETS | As of 31.12.2013. | As of 31.12.2014. | As of 30.09.2015. |
| A. SUBSCRIBED CAPITAL UNPAID | | | 0 |
| B. NON-CURRENT ASSETS | 2,308,016 | 1,983,302 | 4,352,508 |
| I. INTANGIBLE ASSETS | 16,381 | 13,758 | 373,269 |
| Investment in development | 71 | 33 | 334,049 |
| Concessions, patents , licenses , trademarks , software and other rights | 12,157 | 9,823 | 8,464 |
| Intangible assets under construction | 4,153 | 3,902 | 30,756 |
| Advances for intangible assets | 0 | 0 | 0 |
| II. PROPERTY, PLANT AND EQUIPMENT | 1,410,676 | 1,257,829 | 3,600,980 |
| Land | 54,156 | 54,376 | 457,188 |
| Buildings | 655,518 | 643,255 | 1,742,932 |
| Plant and equipment | 260,838 | 231,157 | 688,360 |
| Investment property | 395,695 | 290,896 | 595,001 |
| Property, plant and equipment construction | 37,706 | 28,945 | 90,160 |
| Investments in others property, plants and equipment | 6,763 | 9,200 | 7,399 |
| Advances for property , plant and equipment | 0 | 0 | 19,940 |
| III. BIOLOGICAL AGENTS | 0 | 0 | 0 |
| IV. LONG-TERM FINANCIAL PLACEMENTS | 880,959 | 504,651 | 378,259 |
| Shares in subsidiaries | 856,716 | 480,785 | 354,393 |
| Shares in associated companies and joint ventures | 12,020 | 12,018 | 12,018 |
| Equity investments in other companies and other securities | 153 | 94 | 94 |



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| | | | |
|--|--------------------------|--------------------------|--------------------------|
| Other long-term investments | 12,070 | 11,754 | 11,754 |
| V. LONG-TERM RECEIVABLES | 0 | 207,064 | 0 |
| Receivables from parent company and its subsidiaries | 0 | 207,064 | 0 |
| C. DEFERRED TAX ASSETS | 0 | 0 | 0 |
| D. CURRENT ASSETS | 2,936,294 | 2,851,148 | 1,836,880 |
| I. INVENTORIES | 621,303 | 453,874 | 999,842 |
| Supplies , spare parts , tools and supplies | 6,531 | 5,574 | 147,439 |
| Unfinished production and unfinished services | 67,895 | 0 | 70,837 |
| Finished Products | 0 | 0 | 353,219 |
| Goods | 532,532 | 430,666 | 386,200 |
| Fixed assets held for sale | 0 | 0 | 39,587 |
| Advances paid to suppliers | 14,345 | 17,634 | 2,560 |
| II.RECEIVABLES FROM SALE | 1,811,666 | 1,892,079 | 565,610 |
| Customers in the country - the parent and subsidiaries | 1,419,098 | 1,648,171 | 338,844 |
| Customers abroad - parent and subsidiaries | 127,897 | 115,847 | 120,334 |
| Customers in the country - other related parties | 978 | 585 | 1,205 |
| Customers in the country | 172,988 | 57,380 | 28,799 |
| Customers abroad | 90,705 | 70,096 | 76,428 |
| Other receivables from sales | 0 | 0 | 0 |
| III RECEIVABLES FROM SPECIFIC OPERATIONS | 0 | 0 | 0 |
| IV. OTHER RECEIVABLES | 206,744 | 57,116 | 27,351 |
| V. FINANCIAL ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT | 0 | 0 | 0 |
| VI. SHORT-TERM FINANCIAL PLACEMENTS | 276,539 | 239,953 | 172,938 |
| Short-term loans and investments - parent and subsidiaries | 276,539 | 239,480 | 172,465 |
| Short-term loans and investments - other related parties | 0 | 456 | 456 |
| Other short-term financial investments | 0 | 17 | 17 |
| VII. CASH AND CASH EQUIVALENTS | 2,088 | 109,103 | 4,026 |
| VIII. VALUE ADDED TAX | 0 | 12,297 | 11,380 |
| IX. PREPAYMENTS | 17,954 | 86,726 | 55,733 |
| I. TOTAL ASSETS | 5,244,310 | 4,834,450 | 6,189,388 |
| F. OFF BALANCE SHEET ASSETS | | | 0 |
| EQUITY AND LIABILITIES | As of 31.12.2013. | As of 31.12.2014. | As of 30.09.2015. |
| A. EQUITY | 0 | 0 | 0 |
| I. SHARE AND OTHER CAPITAL | 642,704 | 642,704 | 642,704 |
| Share Capital | 642,704 | 642,704 | 642,704 |
| II. SUBSCRIBED CAPITAL UNPAID | 0 | 0 | 0 |
| III. TREASURY SHARES | 0 | 0 | 0 |
| IV. RESERVES | 143 | 143 | 143 |
| V.Revaluation reserves based on the revaluation of intangible assets, property , plant and equipment | 112,818 | 112,818 | 205,809 |
| VI. UNREALIZED GAINS ON SECURITIES VALUE AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULTS | 0 | 6 | 0 |
| VII. UNREALIZED LOSSES ON SECURITIES VALUE AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULTS | 0 | 0 | 1,760 |
| VIII. RETAINED EARNINGS | 0 | 0 | 1,823 |
| Retained profit from previous years | 0 | 0 | 0 |
| Retained profit from financial year | 0 | 0 | 1,823 |
| IX. PARTICIPATION RIGHTS WITHOUT CONTROL | 0 | 0 | 0 |
| X. LOSS | 961,899 | 1,811,014 | 3,154,930 |
| Loss of previous years | 143,183 | 961,899 | 2,900,254 |
| Loss for the year | 818,716 | 849,115 | 254,676 |
| B. LONG-TERM PROVISIONS AND LIABILITIES | 893,579 | 755,963 | 7,037,999 |
| I. LONG-TERM PROVISIONS | 221,704 | 220,604 | 239,360 |
| Provision for retirement and other employee benefits | 7,429 | 5,920 | 25,319 |
| Provision for lawsuits | 214,275 | 214,684 | 214,041 |
| Other long-term provisions | 0 | 0 | 0 |
| II. LONG-TERM LIABILITIES | 671,875 | 535,359 | 6,798,639 |
| Liabilities to parent companies and subsidiaries | 0 | 0 | 81,339 |
| Liabilities from securities in period exceeding one year | 0 | 0 | 312,232 |
| Long-term loans and loans in the country | 671,875 | 535,359 | 4,321,781 |



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|---|------------------|------------------|------------------|
| Long-term loans and loans abroad | 0 | 0 | 935,503 |
| Liabilities arising from finance lease | 0 | 0 | 0 |
| Other long-term liabilities | 0 | 0 | 1,147,784 |
| C. DEFERRED TAX LIABILITIES | 0 | 0 | 3,076 |
| D. CURRENT LIABILITIES | 4,556,965 | 5,133,830 | 1,454,524 |
| I. SHORT-TERM FINANCIAL LIABILITIES | 2,781,875 | 3,051,513 | 427,069 |
| Short-term loans from parent companies and subsidiaries | 66,187 | 119,984 | 114,225 |
| Short-term loans from other related parties | 0 | 0 | 0 |
| Short-term loans and loans in the country | 1,992,538 | 2,042,117 | 0 |
| Other current financial liabilities | 723,150 | 889,412 | 312,844 |
| II. PREPAYMENTS, DEPOSITS AND GUARANTEES | 52,114 | 52,541 | 15,860 |
| III. ACCOUNTS PAYABLE | 1,048,472 | 990,652 | 660,185 |
| Suppliers - parent and subsidiaries in the country | 212,622 | 164,010 | 250,379 |
| Suppliers - parent and subsidiaries abroad | 41,642 | 50,584 | 49,118 |
| Suppliers - other related parties in the country | 4,949 | 3,972 | 1,621 |
| Suppliers in the country | 396,512 | 293,792 | 211,688 |
| Foreign suppliers | 391,121 | 478,113 | 143,580 |
| Other liabilities | 1,626 | 181 | 3,799 |
| IV. OTHER CURRENT LIABILITIES | 590,544 | 941,583 | 287,501 |
| V. LIABILITIES FOR VALUE ADDED TAX | 4,905 | 0 | 11,895 |
| VI OTHER TAXES, CONTRIBUTIONS AND OTHER FEES | 18,550 | 15,364 | 1,765 |
| VII. ACCRUALS | 60,505 | 82,177 | 50,249 |
| I. THE LOSS IN EXCESS OF CAPITAL | 206,234 | 1,055,343 | 2,306,211 |
| F. TOTAL LIABILITIES | 5,244,310 | 4,834,450 | 6,189,388 |
| G. OFF BALANCE SHEET LIABILITIES | 0 | 0 | 0 |

When the Prepackaged Plan of Reorganization became valid and final on 01.06.2015, there were replaced the short-term liabilities into the long-term loans, which caused a better impact on the current liquidity. Short-term liabilities of Tigar ad are primarily related to liabilities of subsidiaries at home and abroad.

| Income statement (in thousands of RSD) | january- december 2013 | january- december 2014 | january- september 2014 | january- september 2015 |
|--|------------------------------|------------------------------|-------------------------------|-------------------------------|
| INCOME FROM OPERATIONS | | | | |
| A. OPERATING INCOME | 2,958,181 | 1,855,836 | 1,337,401 | 1,696,762 |
| I. Sales of goods | 2,521,459 | 1,446,938 | 1,021,764 | 1,360,363 |
| II. Sales of products and services | 421,092 | 392,321 | 301,652 | 324,151 |
| III. Revenues from premiums, subsidies, donations, grants etc. | 0 | 0 | 0 | 0 |
| IV. Other operating income | 15,630 | 16,577 | 13,985 | 12,248 |
| EXPENSES FROM OPERATIONS | 0 | 0 | 0 | 0 |
| B. OPERATING EXPENSES | 2,890,597 | 1,752,901 | 1,275,035 | 1,555,636 |
| I. Cost of commercial goods sold | 2,205,412 | 1,261,701 | 886,036 | 1,160,810 |
| II. Work performed by the company and capitalized | 0 | 0 | 0 | 0 |
| III. Increase in inventories of finished products and work in progress | 0 | 0 | 0 | 13,268 |
| IV. Decrease in inventories of finished products and work in progress | 0 | 0 | 0 | 0 |
| V. Material consumed | 11,253 | 4,648 | 2,366 | 49,204 |
| VI. Fuel and energy consumed | 88,516 | 85,143 | 55,985 | 58,218 |
| VII. Staff costs | 304,380 | 193,027 | 161,932 | 158,592 |
| VIII. Production expenses | 104,341 | 58,742 | 46,198 | 29,411 |
| IX. Amortization | 53,821 | 48,456 | 36,596 | 38,708 |
| X. Costs of long-term provisions | 683 | 302 | 0 | 0 |
| XI. Intangible costs | 122,191 | 100,882 | 85,922 | 73,961 |
| C. PROFIT FROM OPERATIONS | 67,584 | 102,935 | 62,366 | 141,126 |
| D. LOSS FROM OPERATIONS | 0 | 0 | 0 | 0 |
| I. FINANCE INCOME | 18,446 | 49,695 | 16,845 | 57,929 |
| I. Financial income from related persons and other financial income | 1,187 | 25,950 | 1,640 | 27,843 |
| II. Interest income (from third parties) | 493 | 2,135 | 414 | 972 |



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| | | | | |
|--|----------------|----------------|----------------|----------------|
| III. Gains and positive effects of currency clause | 16,766 | 21,610 | 14,790 | 29,114 |
| F. FINANCE EXPENSES | 503,280 | 612,261 | 458,136 | 238,330 |
| I. Financial expenses related party transactions and other financial expenses | 21,852 | 14,276 | 2,852 | 4,760 |
| II. Interest expense (by third parties) | 422,753 | 415,261 | 333,945 | 205,571 |
| III. Foreign exchange gains and negative effects of currency clause | 58,675 | 182,724 | 121,339 | 27,999 |
| G. PROFIT FROM FINANCING | 0 | 0 | 0 | 0 |
| H.LOSS FROM FINANCING | 484,834 | 562,566 | 441,292 | 180,401 |
| I. INCOME FROM VALUATION ADJUSTMENTS OF OTHER ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT | 18,949 | 1,832 | 1,777 | 0 |
| J. LOSS ADJUSTMENT OTHER PROPERTY CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT | 494,874 | 385,418 | 97 | 850 |
| K. OTHER INCOME | 71,842 | 18,963 | 6,533 | 58,851 |
| L. OTHER EXPENSES | 34,283 | 24,861 | 6,935 | 37,614 |
| M. OPERATING PROFIT BEFORE TAX | 0 | 0 | 0 | 0 |
| N. LOSS FROM OPERATIONS BEFORE TAX | 855,616 | 849,115 | 377,647 | 18,888 |
| Q. PROFIT BEFORE TAXATION | 0 | 0 | 0 | 0 |
| P. LOSS BEFORE TAXATION | 855,616 | 849,115 | 377,647 | 18,888 |
| R. INCOME TAX | 0 | 0 | 0 | 0 |
| I. Current tax expense | 124 | 0 | 0 | 0 |
| II. Deferred income tax expense | 0 | 0 | 0 | 0 |
| III. Deferred income tax benefit | 37,024 | 0 | 0 | 0 |
| T.EARNINGS OF EMPLOYER | 0 | 0 | 0 | 0 |
| U. NET PROFIT | 0 | 0 | 0 | 0 |
| V. NET LOSS | 818,716 | 849,115 | 377,647 | 18,888 |

| CASH (in thousands of RSD) | FLOWS | January-September 2014 | January-September 2015 |
|--|----------------|-------------------------------|-------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Cash inflow from operating activities | 720,506 | 1,336,099 | |
| Cash outflow from operating activities | 655,255 | 1,448,785 | |
| Net cash inflow from operating activities | 65,251 | 0 | |
| Net outflow from operating activities | 0 | 112,686 | |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Cash inflow from investing activities | 0 | 26,819 | |
| Cash outflow from investing activities | 1,336 | 37,794 | |
| Net cash inflow from investing activities | 0 | 0 | |
| Net cash outflow from investing activities | 1,336 | 10,975 | |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Cash inflow from financing activities | 0 | 11,586 | |
| Cash outflow from financing activities | 50,778 | 0 | |
| Net cash inflow from financing activities | 0 | 11,586 | |
| Net cash outflow from financing activities | 50,778 | 0 | |
| NET CASH INFLOW | 720,506 | 1,374,504 | |
| NET CASH OUTFLOW | 707,369 | 1,486,579 | |
| Cash and cash equivalents at beginning of year | 13,137 | 0 | |
| Foreign exchange gains on translation of cash and cash equivalents | 0 | 112,075 | |
| Foreign exchange losses on translation of cash and cash equivalents | 2,088 | 109,103 | |
| CASH AND CASH EQUIVALENTS AT END OF PERIOD | 0 | 7,593 | |
| CASH FLOWS FROM OPERATING ACTIVITIES | 195 | 595 | |
| Cash inflow from operating activities | 15,030 | 4,026 | |



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On 01.06.2015 when the Prepackaged Plan of Reorganization became final and valid before the court, there were launched the activities in the part of its enforcement and implementation. In this regard, on 06.08.2015 were made Decisions on the adoption of the Agreement on the merger of dependent entities Tigar Rubber Footwear I.I.c., Tigar Rubber Technical Goods I.I.c. and Tigar Chemical Products I.I.c. as assignors, and the Joint Stock Company Tigar as the acquiring company. Date of the status change, ie the merger is 11.09.2015.

The following table gives a detailed review of the merged balance sheet items of Tigar AD, Tigar Rubber Footwear, Tigar Technical Rubber Goods and Tigar Chemical Products with the elimination of internal relations:

Balance sheet as of 11.09.2015.

In thous

| POSITIONS | Marks | Tigar AD | Tigar Rubber footwear | Tigar Technical Rubber goods | Tigar Chemical products | Total I | elimina |
|---|-------|-----------|-----------------------|------------------------------|-------------------------|-----------|---------|
| 1 | | 2 | 3 | 4 | 5 | 6=2-3-4-5 | 7 |
| ASSETS | | | | | | | |
| A. SUBSCRIBED CAPITAL UNPAID | 0001 | 0 | 0 | 0 | 0 | 0 | |
| B. NON-CURRENT ASSETS (0003 + 0010 + 0019 + 0024 + 0034) | 0002 | 1,938,578 | 1,687,440 | 930,170 | 228,242 | 4,784,430 | -400,55 |
| I. INTANGIBLE ASSETS (0004 + 0005 + 0006 + 0007 + 0008 + 0009) | 0003 | 11,847 | 360,986 | 10 | 3,375 | 376,218 | 0 |
| 1. Investment in development | 0004 | 193 | 333,404 | 0 | 3,371 | 336,968 | |
| 2. Concessions, patents , licenses , trademarks , software and other rights | 0005 | 11,654 | 727 | 10 | 4 | 12,395 | |
| 3. Goodwill | 0006 | 0 | 0 | 0 | 0 | 0 | |
| 4. Other intangible assets | 0007 | 0 | 0 | 0 | 0 | 0 | |
| 5. Intangible assets under construction | 0008 | | 26,855 | 0 | 0 | 26,855 | |
| 6. Advances for intangible assets | 0009 | 0 | 0 | 0 | 0 | 0 | |
| II. PROPERTY, PLANT AND EQUIPMENT (0011 + 0012 + 0013 + 0014 + 0015 + 0016 + 0017 + 0018) | 0010 | 1,250,379 | 1,326,454 | 916,569 | 174,680 | 3,668,082 | -38,683 |
| 1. Land | 0011 | 54,376 | 323,840 | 27,084 | 54,278 | 459,578 | |
| 2. Buildings | 0012 | 631,916 | 641,035 | 402,446 | 30 | 1,675,427 | -38,683 |
| 3. Plant and equipment | 0013 | 215,478 | 211,810 | 264,556 | 105 | 691,949 | |
| 4. Investment property | 0014 | 290,896 | 142,604 | 201,921 | 102,184 | 737,605 | |
| 5. Other property, plant and equipment | 0015 | 0 | 0 | 0 | 0 | 0 | |
| 6. Property, plant and equipment construction | 0016 | 50,187 | 7,165 | 622 | 18,083 | 76,057 | |
| 7. Investments in others property, plants and equipment | 0017 | 7,526 | 0 | 0 | 0 | 7,526 | |
| 8. Advances for property , plant and equipment | 0018 | 0 | 0 | 19,940 | 0 | 19,940 | |
| III. BIOLOGICAL AGENTS (0020 + 0021 + 0022 + 0023) | 0019 | 0 | 0 | 0 | 0 | 0 | 0 |
| 1. Woods and plants | 0020 | 0 | 0 | 0 | 0 | 0 | |
| 2. Basic herd | 0021 | 0 | 0 | 0 | 0 | 0 | |
| 3. Biological agents in the preparation | 0022 | 0 | 0 | 0 | 0 | 0 | |
| 4. Advances for biological agents | 0023 | 0 | 0 | 0 | 0 | 0 | |
| IV. LONG-TERM FINANCIAL PLACEMENTS (0025 + 0026 + 0027 + 0028 + 0029 + 0030 + 0031 + 0032 + 0033) | 0024 | 469,288 | 0 | 0 | 0 | 469,288 | -91,029 |
| 1. Shares in subsidiaries | 0025 | 445,422 | 0 | 0 | 0 | 445,4 | -91,029 |



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|--|------|------------------|---------|---------|---------|-----------|------------|
| | | | | | | 22 | |
| 2. Shares in associated companies and joint ventures | 0026 | 12,018 | 0 | 0 | 0 | 12,018 | |
| 3. Equity investments in other companies and other securities | 0027 | 94 | 0 | 0 | 0 | 94 | |
| 4. Securities available for sale | 0028 | 0 | 0 | 0 | 0 | 0 | |
| 5. Long-term placements with other related parties | 0029 | 0 | 0 | 0 | 0 | 0 | |
| 6. Long-term investments in the country | 0030 | 0 | 0 | 0 | 0 | 0 | |
| 7. Long-term investments abroad | 0031 | 0 | 0 | 0 | 0 | 0 | |
| 8. Securities held to maturity | 0032 | 0 | 0 | 0 | 0 | 0 | |
| 9. Other long-term investments | 0033 | 11,754 | 0 | 0 | 0 | 11,754 | |
| V. LONG-TERM RECEIVABLES (0035 + 0036 + 0037 + 0038 + 0039 + 0040 + 0041) | 0034 | 207,064 | 0 | 13,591 | 50,187 | 270,842 | -270,842 |
| 1. Receivables from parent company and its subsidiaries | 0035 | 207,064 | 0 | 13,591 | 50,187 | 270,842 | -270,842 |
| 2. Receivables from other related parties | 0036 | 0 | 0 | 0 | 0 | 0 | |
| 3. Receivables from sales on trade credit | 0037 | 0 | 0 | 0 | 0 | 0 | |
| 4. Receivables for sale under the agreement on financial leasing | 0038 | 0 | 0 | 0 | 0 | 0 | |
| 5. Receivables in respect of sureties | 0039 | 0 | 0 | 0 | 0 | 0 | |
| 6. Disputed and doubtful receivables | 0040 | 0 | 0 | 0 | 0 | 0 | |
| 7. Other long-term receivables | 0041 | 0 | 0 | 0 | 0 | 0 | |
| V. DEFERRED TAX ASSETS | 0042 | 0 | 0 | 0 | 0 | 0 | |
| G. CURRENT ASSETS (0044 + 0051 + 0059 + 0060 + 0061 + 0062 + 0068 + 0069 + 0070) | 0043 | 3,027,122 | 773,731 | 346,556 | 133,123 | 4,280,532 | -2,549,600 |
| I. INVENTORIES (0045 + 0046 + 0047 + 0048 + 0049 + 0050) | 0044 | 413,075 | 388,875 | 78,508 | 25,799 | 906,257 | 0 |
| 1. Supplies , spare parts , tools and supplies | 0045 | 4,554 | 31,374 | 30,543 | 15,832 | 82,303 | |
| 2. Unfinished production and unfinished services | 0046 | 0 | 71,206 | 2,463 | 0 | 73,669 | |
| 3. Finished Products | 0047 | 0 | 284,690 | 45,461 | 9,943 | 340,094 | |
| 4. Goods | 0048 | 406,630 | 0 | 0 | 0 | 406,630 | |
| 5. Fixed assets held for sale | 0049 | 0 | 0 | 0 | 0 | 0 | |
| 6. Advances paid to suppliers | 0050 | 1,891 | 1,605 | 41 | 24 | 3,561 | |
| II. RECEIVABLES FROM SALE (0052 + 0053 + 0054 + 0055 + 0056 + 0057 + 0058) | 0051 | 2,203,306 | 284,039 | 266,985 | 103,870 | 2,858,200 | -2,301,000 |
| 1. Customers in the country - the parent and subsidiaries | 0052 | 2,014,226 | 283,347 | 255,558 | 88,960 | 2,642,091 | -2,301,000 |
| 2. Customers abroad - parent and subsidiaries | 0053 | 123,065 | 2 | 6,406 | 0 | 129,473 | |
| 3. Customers in the country - other related parties | 0054 | 1,345 | 0 | 7 | 0 | 1,352 | |
| 4. Customers abroad - other related parties | 0055 | 0 | 0 | 0 | 0 | 0 | |
| 5. Customers in the country | 0056 | 11,543 | 631 | 5,014 | 8,060 | 25,248 | |
| 6. Customers abroad | 0057 | 53,127 | 59 | 0 | 6,850 | 60,036 | |
| 7. Other receivables from sales | 0058 | 0 | 0 | 0 | 0 | 0 | |
| III. RECEIVABLES FROM SPECIFIC OPERATIONS | 0059 | 0 | 0 | 0 | 0 | 0 | |
| IV. OTHER RECEIVABLES | 0060 | 54,156 | 492 | 264 | 7 | 54,919 | -25,979 |
| V. FINANCIAL ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT | 0061 | 0 | 0 | 0 | 0 | 0 | |



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|---|------|------------------|------------------|------------------|----------------|------------------|-----------------|
| VI. SHORT-TERM FINANCIAL PLACEMENTS (0063 + 0064 + 0065 + 0066 + 0067) | 0062 | 223,813 | 94,326 | 0 | 2,640 | 320,779 | -147,84 |
| 1. Short-term loans and investments - parent and subsidiaries | 0063 | 223,341 | 94,326 | 0 | 2,640 | 320,307 | -147,84 |
| 2. Short-term loans and investments - other related parties | 0064 | 456 | 0 | 0 | 0 | 456 | |
| 3. Short-term loans and loans in the country | 0065 | 0 | 0 | 0 | 0 | 0 | |
| 4. Short-term loans and loans abroad | 0066 | 0 | 0 | 0 | 0 | 0 | |
| 5. Other short-term financial investments | 0067 | 16 | 0 | 0 | 0 | 16 | |
| VII. CASH AND CASH EQUIVALENTS | 0068 | 3,468 | 127 | 4 | | 3,599 | |
| VIII. VALUE ADDED TAX | 0069 | 20,912 | 11 | 32 | 807 | 21,762 | |
| IX. PREPAYMENTS | 0070 | 108,392 | 5,861 | 763 | 0 | 115,016 | -74,812 |
| D. TOTAL ASSETS (0001 + 0002 + 0042 + 0043) | 0071 | 4,965,700 | 2,461,171 | 1,276,726 | 361,365 | 9,064,962 | -2,950,2 |
| D. OFF BALANCE SHEET ASSETS | 0072 | | | | | 0 | |
| EQUITY AND LIABILITIES | | | | | | | |
| A. EQUITY (0402 + 0411 - 0412 + 0413 + 0414 + 0415 - 0416 + 0417 + 0420 - 0421) ≥ 0 = (0071 - 0424 - 0441 - 0442) | 0401 | 0 | 0 | 0 | 77,099 | 0 | 0 |
| I. SHARE AND OTHER CAPITAL (0403 + 0404 + 0405 + 0406 + 0407 + 0408 + 0409 + 0410) | 0402 | 642,704 | 1,108,838 | 626,048 | 256,841 | 2,634,431 | -1,991,7 |
| 1. Share Capital | 0403 | 642,704 | 0 | 0 | 0 | 642,704 | |
| 2. Shares of limited liability companies | 0404 | 0 | 1,108,838 | 626,048 | 256,841 | 1,991,727 | -1,991,7 |
| 3. Stakes | 0405 | 0 | 0 | 0 | 0 | 0 | |
| 4. State capital | 0406 | 0 | 0 | 0 | 0 | 0 | |
| 5. Social capital | 0407 | 0 | 0 | 0 | 0 | 0 | |
| 6. Cooperative shares | 0408 | 0 | 0 | 0 | 0 | 0 | |
| 7. Share premium | 0409 | 0 | 0 | 0 | 0 | 0 | |
| 8. Other capital | 0410 | 0 | 0 | 0 | 0 | 0 | |
| II. SUBSCRIBED CAPITAL UNPAID | 0411 | 0 | 0 | 0 | 0 | 0 | |
| III. TREASURY SHARES | 0412 | 0 | 0 | 0 | 0 | 0 | |
| IV. RESERVES | 0413 | 143 | 0 | 0 | 0 | 143 | |
| V. Revaluation reserves based on the revaluation of intangible assets, property, plant and equipment | 0414 | 112,817 | 52,314 | 9,150 | 31,527 | 205,808 | |
| VI. UNREALIZED GAINS ON SECURITIES VALUE AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULTS (credit balance accounts of group 33 except 330) | 0415 | 6 | 0 | 0 | 6 | 12 | |
| VII. UNREALIZED LOSSES ON SECURITIES VALUE AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULTS (debit balance of the account group 33 except 330) | 0416 | 0 | 1,672 | 99 | 0 | 1,771 | |
| VIII. RETAINED EARNINGS (0418 + 0419) | 0417 | 0 | 0 | 0 | 1,823 | 1,823 | 0 |
| 1. Retained profit from previous years | 0418 | 0 | 0 | 0 | 0 | 0 | |
| 2. Retained profit from financial year | 0419 | 0 | 0 | 0 | 1,823 | 1,823 | |
| IX. PARTICIPATION RIGHTS WITHOUT CONTROL | 0420 | 0 | 0 | 0 | 0 | 0 | |
| X. LOSS (0422 + 0423) | 0421 | 1,847,492 | 1,848,865 | 1,163,762 | 213,098 | 5,073 | -1,900,6 |



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|---|------|-----------|-----------|-----------|---------|-----------|----------|
| 1. Loss of previous years | 0422 | 1,811,014 | 1,698,063 | 1,078,776 | 213,098 | 4,800,951 | -1,900,6 |
| 2. Loss for the year | 0423 | 36,478 | 150,802 | 84,986 | 0 | 272,266 | |
| B. LONG-TERM PROVISIONS AND LIABILITIES (0425 + 0432) | 0424 | 5,326,531 | 1,497,607 | 430,820 | 18,618 | 7,273,576 | -206,22 |
| I. LONG-TERM PROVISIONS (0426 + 0427 + 0428 + 0429 + 0430 + 0431) | 0425 | 218,379 | 13,847 | 6,231 | 903 | 239,360 | 0 |
| 1. For expenses in warranty period | 0426 | 0 | 0 | 0 | 0 | 0 | |
| 2. For restoration of natural resources | 0427 | 0 | 0 | 0 | 0 | 0 | |
| 3. Provisions for restructuring costs | 0428 | 0 | 0 | 0 | 0 | 0 | |
| 4. Provision for retirement and other employee benefits | 0429 | 5,703 | 13,847 | 4,866 | 903 | 25,319 | |
| 5. Provision for lawsuits | 0430 | 212,676 | 0 | 1,365 | 0 | 214,041 | |
| 6. Other long-term provisions | 0431 | 0 | 0 | 0 | 0 | 0 | |
| II. LONG-TERM LIABILITIES (0433 + 0434 + 0435 + 0436 + 0437 + 0438 + 0439 + 0440) | 0432 | 5,108,152 | 1,483,760 | 424,589 | 17,715 | 7,034,216 | -206,22 |
| 1. The obligations that are convertible into equity | 0433 | 0 | 0 | 0 | 0 | 0 | |
| 2. Liabilities to parent companies and subsidiaries | 0434 | 0 | 287,559 | 0 | 0 | 287,559 | -206,22 |
| 3. Due to other related parties | 0435 | 0 | 0 | 0 | 0 | 0 | |
| 4. Liabilities from securities in period exceeding one year | 0436 | 313,730 | 0 | 0 | 0 | 313,730 | |
| 5. Long-term loans and loans in the country | 0437 | 4,012,624 | 0 | 330,099 | 0 | 4,342,723 | |
| 6. Long-term loans and loans abroad | 0438 | 0 | 939,993 | 0 | 0 | 939,993 | |
| 7. Liabilities arising from finance lease | 0439 | 0 | 0 | 0 | 0 | 0 | |
| 8. Other long-term liabilities | 0440 | 781,798 | 256,208 | 94,490 | 17,715 | 1,150,211 | |
| V. DEFERRED TAX LIABILITIES | 0441 | 0 | 3,075 | 0 | 0 | 3,075 | |
| G. CURRENT LIABILITIES (0443 + 0450 + 0451 + 0459 + 0460 + 0461 + 0462) | 0442 | 730,991 | 1,649,874 | 1,374,569 | 265,648 | 4,021,082 | -2,635,8 |
| I. SHORT-TERM FINANCIAL LIABILITIES (0444 + 0445 + 0446 + 0447 + 0448 + 0449) | 0443 | 75,401 | 329,407 | 71,196 | 100,408 | 576,412 | -147,84 |
| 1. Short-term loans from parent companies and subsidiaries | 0444 | 75,401 | 15,062 | 71,196 | 100,408 | 262,067 | -147,84 |
| 2. Short-term loans from other related parties | 0445 | 0 | 0 | 0 | 0 | 0 | |
| 3. Short-term loans and loans in the country | 0446 | 0 | 0 | 0 | 0 | 0 | |
| 4. Short-term loans and loans abroad | 0447 | 0 | 0 | 0 | 0 | 0 | |
| 5. Liabilities in respect of fixed assets and resources discontinued operations held for sale | 0448 | 0 | 0 | 0 | 0 | 0 | |
| 6. Other current financial liabilities | 0449 | 0 | 314,345 | 0 | 0 | 314,345 | |
| II. PREPAYMENTS, DEPOSITS AND GUARANTEES | 0450 | 11,223 | 0 | 179 | 0 | 11,402 | |
| III. ACCOUNTS PAYABLE (0452 + 0453 + 0454 + 0455 + 0456 + 0457 + 0458) | 0451 | 479,428 | 1,078,314 | 1,263,234 | 130,415 | 2,951,391 | -2,363,6 |
| 1. Suppliers - parent and subsidiaries in the country | 0452 | 229,175 | 1,055,561 | 1,241,710 | 105,323 | 2,631,769 | -2,365,0 |
| 2. Suppliers - parent and subsidiaries abroad | 0453 | 49,360 | 212 | 0 | 0 | 49,572 | |
| 3. Suppliers - other related parties in the country | 0454 | 1,616 | 0 | 5 | 0 | 1,621 | |
| 4. Suppliers - Other related legal entities | 0455 | 0 | 0 | 0 | 0 | 0 | |



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| abroad | | | | | | | |
| 5. Suppliers in the country | 0456 | 140,668 | 17,085 | 11,095 | 10,399 | 179,247 | 1,386 |
| 6. Foreign suppliers | 0457 | 58,428 | 4,716 | 7,523 | 13,218 | 83,885 | |
| 7. Other liabilities | 0458 | 181 | 740 | 2,901 | 1,475 | 5,297 | |
| IV. OTHER CURRENT LIABILITIES | 0459 | 124,198 | 124,704 | 29,430 | 31,657 | 309,989 | -25,979 |
| V. LIABILITIES FOR VALUE ADDED TAX | 0460 | 7,850 | 14,959 | 286 | 1,137 | 24,232 | |
| VI. OTHER TAXES, CONTRIBUTIONS AND OTHER FEES | 0461 | 1,579 | 0 | 0 | 0 | 1,579 | |
| VII. ACCRUALS | 0462 | 31,312 | 102,490 | 10,244 | 2,031 | 146,077 | -98,293 |
| D. THE LOSS IN EXCESS OF CAPITAL (0412 + 0416+0421 - 0420 - 0417 - 0415 - 0414 - 0413 - 0411 - 0402) ≥ 0 = (0441 + 0424 + 0442 - 0071) ≥ 0 | 0463 | 1,091,822 | 689,385 | 528,663 | 0 | 2,232,771 | 91,029 |
| D. TOTAL LIABILITIES (0424 + 0442 + 0441 + 0401 - 0463) ≥ 0 | 0464 | 4,965,700 | 2,461,171 | 1,276,726 | 361,365 | 9,064,962 | -2,933,0 |
| G. OFF BALANCE SHEET LIABILITIES | 0465 | 0 | 0 | | | 0 | |

Financial statements for the period January-September 2015 include income and expenses of Tigar AD, which, in accordance with the statutory change have been significantly increased compared to the comparative figure from the previous year.

Having in mind the fact that on 11.09.2015 the manufacturing entities (Tigar Rubber Footwear, Tigar Technical Rubber Goods and Tigar Chemical Products) merged with the parent company, data given on 30 September 2015 are not comparable with the data given on 31 December 2014 (balance sheet), and are not comparable with the data given for the period January-September 2014.

3.4. CONSOLIDATED FINANCIAL RESULTS

| BALANCE SHEET (in thousands of RSD) | | | |
|---|-------------------------|-------------------------|-------------------------|
| ASSETS | As of 31.12.2013 | As of 31.12.2014 | As of 30.09.2015 |
| A. SUBSCRIBED CAPITAL UNPAID | | | |
| B. NON-CURRENT ASSETS | 5,477,305 | 5,113,669 | 4,874,350 |
| I. INTANGIBLE ASSETS | 487,546 | 415,482 | 373,470 |
| Investment in development | 434,142 | 368,482 | 334,049 |
| Concessions, patents, licenses, trademarks, software and other rights | 17,450 | 16,243 | 8,658 |
| Goodwill | | | |
| Other intangible assets | 100 | | 6 |
| Intangible assets under construction | 35,854 | 30,757 | 30,757 |
| Advances for intangible assets | | | |
| II. PROPERTY, PLANT AND EQUIPMENT | 4,965,518 | 4,674,322 | 4,477,358 |
| Land | 444,382 | 525,279 | 496,091 |
| Buildings | 2,787,681 | 2,678,462 | 2,481,156 |
| Plant and equipment | 877,165 | 800,631 | 737,087 |
| Investment property | 755,514 | 582,070 | 595,001 |
| Other property, plant and equipment | | | |
| Property, plant and equipment construction | 72,020 | 57,190 | 100,133 |
| Investments in others property, plants and equipment | 8,816 | 10,749 | 8,585 |
| Advances for property, plant and equipment | 19,940 | 19,940 | 59,305 |
| III. BIOLOGICAL AGENTS | | | |
| IV. LONG-TERM FINANCIAL PLACEMENTS | 24,241 | 23,866 | 23,522 |
| Shares in subsidiaries | | | |
| Shares in associated companies and joint ventures | 12,171 | 12,018 | 11,674 |
| Equity investments in other companies and other securities | | 94 | 94 |



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| | | | |
|--|-------------------------|-------------------------|-------------------------|
| Other long-term investments | 12,070 | 11,754 | 11,754 |
| V. LONG-TERM RECEIVABLES | | 0 | |
| C. DEFERRED TAX ASSETS | 1,875 | | |
| D. CURRENT ASSETS | 2,164,386 | 1,820,521 | 1,822,539 |
| I. INVENTORIES | 1,147,985 | 1,111,209 | 1,295,387 |
| Supplies , spare parts , tools and supplies | 99,618 | 97,547 | 138,856 |
| Unfinished production and unfinished services | 234,208 | 102,577 | 70,837 |
| Finished Products | 116,740 | 252,125 | 353,219 |
| Goods | 670,223 | 595,272 | 548,621 |
| Fixed assets held for sale | | 27,162 | 176,947 |
| Advances paid to suppliers | 27,196 | 36,525 | 6,907 |
| II.RECEIVABLES FROM SALE | 520,025 | 393,108 | 317,789 |
| Customers in the country - the parent and subsidiaries | | | |
| Customers abroad - parent and subsidiaries | | | |
| Customers in the country - other related parties | 29,457 | 3,402 | 4,020 |
| Customers abroad - other related parties | | | |
| Customers in the country | 361,661 | 282,629 | 236,998 |
| Customers abroad | 128,907 | 107,077 | 76,771 |
| Other receivables from sales | | | |
| III RECEIVABLES FROM SPECIFIC OPERATIONS | 4,761 | 1,384 | 129 |
| IV. OTHER RECEIVABLES | 63,176 | 52,005 | 55,791 |
| V. FINANCIAL ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT | | | |
| VI. SHORT-TERM FINANCIAL PLACEMENTS | 472 | 473 | |
| Short-term loans and investments - parent and subsidiaries | | | |
| Short-term loans and investments - other related parties | 472 | 473 | |
| VII. CASH AND CASH EQUIVALENTS | 220,447 | 194,656 | 73,166 |
| VIII. VALUE ADDED TAX | 19,634 | 22,943 | 13,533 |
| IX. PREPAYMENTS | 187,886 | 44,743 | 66,744 |
| I. TOTAL ASSETS | 7,643,566 | 6,934,190 | 6,696,889 |
| F. OFF BALANCE SHEET ASSETS | | | |
| EQUITY AND LIABILITIES | As of 31.12.2013 | As of 31.12.2014 | As of 30.09.2015 |
| A. EQUITY | | | |
| I. SHARE AND OTHER CAPITAL | 642,704 | 642,704 | 642,704 |
| Share Capital | 642,704 | 642,704 | 642,704 |
| II. SUBSCRIBED CAPITAL UNPAID | | | |
| III. TREASURY SHARES | | | 34,854 |
| IV. RESERVES | 5,396 | 5,409 | 5,407 |
| V.Revaluation reserves based on the revaluation of intangible assets, property , plant and equipment | 1,506,949 | 1,509,155 | 1,509,367 |
| VI. UNREALIZED GAINS ON SECURITIES VALUE AND OTHER COMPONENTS OF COMPREHENSIVE RESULTS | 87,216 | 77,139 | 108,601 |
| VII. UNREALIZED LOSSES ON SECURITIES VALUE AND OTHER COMPONENTS OF COMPREHENSIVE RESULTS | | 3,593 | 2,788 |
| VIII. RETAINED EARNINGS | | | |
| Retained profit from previous years | | | |
| Retained profit from financial year | | | |
| IX. PARTICIPATION RIGHTS WITHOUT CONTROL | 88,216 | 87,802 | 106,435 |
| X. LOSS | 2,413,007 | 3,832,302 | 4,162,941 |
| Loss of previous years | 1,374,171 | 2,420,235 | 3,833,849 |
| Loss for the year | 1,038,836 | 1,412,067 | 329,092 |
| B. LONG-TERM PROVISIONS AND LIABILITIES | 1,321,211 | 2,024,794 | 7,053,297 |
| I. LONG-TERM PROVISIONS | 291,854 | 254,496 | 251,324 |
| Provision for retirement and other employee benefits | 78,654 | 36,736 | 35,572 |
| Provision for lawsuits | 213,200 | 217,760 | 215,752 |
| Other long-term provisions | | | |
| II. LONG-TERM LIABILITIES | 1,029,357 | 1,770,298 | 6,801,973 |
| Liabilities from securities in period exceeding one year | | | 312,232 |
| Long-term loans and loans in the country | 724,075 | 535,359 | 4,321,781 |
| Long-term loans and loans abroad | 301,462 | 944,950 | 935,503 |



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| Liabilities arising from finance lease | 3,820 | 15,881 | 15,722 |
| Other long-term liabilities | | 274,109 | 1,216,735 |
| C. DEFERRED TAX LIABILITIES | 117,631 | 114,777 | 109,377 |
| D. CURRENT LIABILITIES | 6,287,250 | 6,308,305 | 1,362,284 |
| I. SHORT-TERM FINANCIAL LIABILITIES | 3,709,620 | 3,555,912 | 323,697 |
| Short-term loans from parent companies and subsidiaries | | | |
| Short-term loans from other related parties | | | |
| Short-term loans and loans in the country | 2,211,127 | 2,042,605 | |
| Short-term loans and loans abroad | | | |
| Liabilities in respect of fixed assets and resources discontinued operations held for sale | | 27,162 | 9,708 |
| Other current financial liabilities | 1,498,493 | 1,486,145 | 313,989 |
| II. PREPAYMENTS, DEPOSITS AND GUARANTEES | 78,241 | 100,564 | 26,893 |
| III. ACCOUNTS PAYABLE | 1,037,057 | 1,050,541 | 549,309 |
| Suppliers - parent and subsidiaries in the country | | | |
| Suppliers - parent and subsidiaries abroad | | | |
| Suppliers - other related parties in the country | 18,099 | 4,259 | 3,962 |
| Suppliers - Other related legal entities abroad | | | |
| Suppliers in the country | 544,868 | 502,240 | 357,488 |
| Foreign suppliers | 448,955 | 532,398 | 175,498 |
| Other liabilities | 25,135 | 11,644 | 12,361 |
| IV. OTHER CURRENT LIABILITIES | 1,296,447 | 1,374,461 | 375,475 |
| V. LIABILITIES FOR VALUE ADDED TAX | 32,691 | 32,172 | 18,400 |
| VI OTHER TAXES, CONTRIBUTIONS AND OTHER FEES | 43,954 | 28,787 | 4,042 |
| VII. ACCRUALS | 89,240 | 165,868 | 64,468 |
| I. THE LOSS IN EXCESS OF CAPITAL | 82,526 | 1,513,686 | 1,828,069 |
| F. TOTAL LIABILITIES | 7,643,566 | 6,934,190 | 6,696,889 |
| G. OFF BALANCE SHEET LIABILITIES | | | |



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| Income statement (in thousands of RSD) | january- december 2013 | january- december 2014 | january- septembar 2014 | january- september 2015 |
|---|------------------------------|------------------------------|-------------------------------|-------------------------------|
| INCOME FROM OPERATIONS | | | | |
| A. OPERATING INCOME | 3,106,115 | 2,734,470 | 1,939,536 | 1,991,202 |
| I. Sales of goods | 448,739 | 145,519 | 103,547 | 97,939 |
| II. Sales of products and services | 2,640,019 | 2,566,507 | 1,821,202 | 1,872,233 |
| III. Revenues from premiums, subsidies, donations, grants etc. | | | | |
| IV. Other operating income | 17,357 | 22,445 | 14,786 | 21,030 |
| EXPENSES FROM OPERATIONS | | | | |
| B. OPERATING EXPENSES | 3,587,638 | 2,961,349 | 2,188,321 | 2,002,635 |
| I. Cost of commercial goods sold | 253,004 | 63,057 | 53,432 | 38,656 |
| II. Work performed by the company and capitalized | 26,124 | 270 | 1,243 | 36,048 |
| III. Increase in inventories of finished products and work in progress | | 0 | | 78,707 |
| IV. Decrease in inventories of finished products and work in progress | 64,583 | 15,425 | 59,886 | |
| V. Material consumed | 1,102,762 | 941,854 | 637,318 | 641,353 |
| VI. Fuel and energy consumed | 181,005 | 185,212 | 129,044 | 124,655 |
| VII. Staff costs | 1,278,153 | 1,132,331 | 831,974 | 844,085 |
| VIII. Production expenses | 328,753 | 261,439 | 195,605 | 251,194 |
| IX. Amortization | 218,277 | 213,002 | 161,232 | 138,942 |
| X. Costs of long-term provisions | 1,704 | 3,302 | | |
| XI. Intangible costs | 185,523 | 145,996 | 121,073 | 78,505 |
| C. PROFIT FROM OPERATIONS | | | | |
| D. LOSS FROM OPERATIONS | 481,523 | 226,879 | 248,785 | 11,433 |
| I. FINANCE INCOME | 26,162 | 33,875 | 23,896 | 42,038 |
| I. Financial income from related persons and other financial income | 1,661 | 973 | 980 | 59 |
| II. Interest income (from third parties) | 4,251 | 2,344 | 513 | 2,378 |
| III. Gains and positive effects of currency clause | 20,250 | 30,558 | 22,403 | 39,601 |
| F. FINANCE EXPENSES | 644,722 | 982,153 | 644,277 | 332,173 |
| I. Financial expenses related party transactions and other financial expenses | 6,442 | 4,031 | 2,858 | 4,872 |
| II. Interest expense (by third parties) | 513,923 | 573,282 | 406,291 | 296,881 |
| III. Foreign exchange gains and negative effects of currency clause | 124,358 | 404,839 | 235,128 | 30,420 |
| G. PROFIT FROM FINANCING | | | | |
| H. LOSS FROM FINANCING | 618,559 | 948,278 | 620,381 | 290,135 |
| I. INCOME FROM VALUATION ADJUSTMENTS OF OTHER ASSETS CARRIED AT FAIR VALUE TROUGH INCOME STATEMENT | 19,015 | 14,044 | | 1,917 |
| J. LOSS ADJUSTMENT OTHER PROPERTY CARRIED AT FAIR VALUE TROUGH INCOME STATEMENT | 69,991 | 158,210 | | 1,661 |
| K. OTHER INCOME | 151,029 | 50,077 | 22,303 | 33,021 |
| L. OTHER EXPENSES | 87,495 | 124,017 | 10,623 | 39,947 |
| M. OPERATING PROFIT BEFORE TAX | | | | |
| N. LOSS FROM OPERATIONS BEFORE TAX | 1,087,524 | 1,393,262 | 857,486 | 308,238 |
| Q. PROFIT BEFORE TAXATION | | | | |
| P. LOSS BEFORE TAXATION | 1,087,524 | 1,393,262 | 857,486 | 308,238 |
| R. INCOME TAX | | | | |
| I. Current tax expense | 6,519 | 16,893 | 6,758 | 14,427 |
| II. Deferred income tax expense | 863 | 735 | | |
| III. Deferred income tax benefit | 60,682 | 4,354 | 870 | 5,555 |
| T. EARNINGS OF EMPLOYER | | | | |
| U. NET PROFIT | | | | |
| V. NET LOSS | 1,034,224 | 1,406,536 | 863,374 | 317,110 |



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3.5. SUMMARY OF KEY FINANCIAL RESULTS BY ENTITY

TIGAR

TIGAR AD

Equity: 0
Total income: 1,813,542
EBITDA: 179,834
(000 RSD)

PRODUCTION ENTITIES

TIGAR RUBBER FOOTWEAR

Equity: 0
Total income: 847,099
EBITDA: -52,120
(000 RSD)

TIGAR R. TECHNICAL GOODS

Equity: 0
Total income: 136,579
EBITDA: -43,796
(000 RSD)

TIGAR CHEMICAL PRODUCTS

Equity: 77,099
Total income: 58,687
EBITDA: 5,656
(000 RSD)

COMMERCIAL ENTITIES

TIGRA MONTENEGRO

Equity: 11
Total income: 15
EBITDA: -28
(000 EUR)

TIGAR PARTNER

Equity: 15,867
Total income: 12,937
EBITDA: -672
(000 DEN)

TIGRA TREJD Banja Luka

Equity: 58
Total income: 604
EBITDA: -15
(000 KM)

TIGAR EUROPE

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

TIGAR AMERICAS

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

SERVICE ENTITIES

FREE ZONE PIROT

Equity: 198,807
Total income: 293,320
EBITDA: 50,836
(000 RSD)

TIGAR BUSINESS SERVICE

Equity: 55,634
Total income: 113,770
EBITDA: 27,452
(000 RSD)

TIGAR CATERING

Equity: 102,926
Total income: 150,613
EBITDA: 5,845
(000 RSD)

TIGAR INCON

Equity: 65,007
Total income: 73,787
EBITDA: -3,184
(000 RSD)

TIGAR INTER RISK

Equity: 4,082
Total income: 1,859
EBITDA: 131
(000 RSD)

TI-CAR TRGOVINE

Equity: 0
Total income: 357,461
EBITDA: -55,552
(000 RSD)

TIGAR SECURITY

Equity: 98,871
Total income: 88,815
EBITDA: 17,958
(000 RSD)

TIGAR TOURS

Equity: 8,003
Total income: 2,146
EBITDA: 98
(000 RSD)

PI channel

Equity :3,284
Total income: 10,128
EBITDA: 587
(000 RSD)

Note: The key financial results of the production entities are referring to the period until 11.09.2015, before the status change / merger.



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IZ.P. 15/03**3.6. TIGAR RUBBER FOOTWEAR**

* On 11.09.2015 was executed the status change implying the merger of subsidiaries Tigar Rubber Footwear, Tigar Technical Rubber Goods and Tigar Chemical Products to the parent company Tigar AD. The data shown for production entities include their businesses as independent entities until 11.09.2015. After the status changes as of 12.09.2015, the business of these production entities is shown within the data pertaining to the parent company Tigar ad

BALANCE SHEET (in thousands of RSD)

| ASSETS | As of 31 December 2013 | As of 31 December 2014 | As of 11 September 2015 |
|--|-------------------------------|-------------------------------|--------------------------------|
| A. SUBSCRIBED CAPITAL UNPAID | | | 0 |
| B. NON-CURRENT ASSETS | 1,840,052 | 1,742,297 | 1,687,440 |
| I INTANGIBLE ASSETS | 466,512 | 397,703 | 360,986 |
| Investment in development | 429,969 | 368,449 | 333,404 |
| Concessions, patents , licenses , trademarks , software and other rights | 4,841 | 2,400 | 727 |
| Intangible assets under construction | 31,702 | 26,854 | 26,855 |
| II PROPERTY, PLANT AND EQUIPMENT | 1,373,540 | 1,344,594 | 1,326,454 |
| Land | 288,352 | 323,840 | 323,840 |
| Buildings | 689,367 | 646,232 | 641,035 |
| Plant and equipment | 262,973 | 231,635 | 211,810 |
| Investment property | 132,566 | 142,605 | 142,604 |
| Property, plant and equipment construction | 282 | 282 | 7,165 |
| III BIOLOGICAL AGENTS | 0 | 0 | 0 |
| IV LONG-TERM FINANCIAL PLACEMENTS | 0 | 0 | 0 |
| V LONG-TERM RECEIVABLES | 0 | 0 | 0 |
| C. DEFERRED TAX ASSETS | 0 | 0 | 0 |
| D. CURRENT ASSETS | 724,719 | 618,118 | 773,732 |
| I INVENTORIES | 330,570 | 323,237 | 388,875 |
| Supplies , spare parts , tools and supplies | 27,048 | 31,450 | 31,374 |
| Unfinished production and unfinished services | 88,902 | 99,958 | 71,206 |
| Finished Products | 214,251 | 190,049 | 284,690 |
| Advances paid to suppliers | 369 | 1,780 | 1,605 |
| II DUE ON SALE | 270,299 | 286,603 | 284,039 |
| Customers in the country - the parent and subsidiaries | 269,745 | 285,963 | 283,347 |
| Customers abroad - parent and subsidiaries | 0 | 0 | 2 |
| Customers in the country - other related parties | 395 | 0 | 0 |
| Customers in the country | 159 | 640 | 631 |
| Customers abroad | 0 | 0 | 59 |
| III RECEIVABLES FROM SPECIFIC | 0 | 0 | 0 |
| IV OTHER RECEIVABLES | 400 | 207 | 492 |
| V FINANCIAL ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT | 0 | 0 | 0 |
| VI SHORT-TERM FINANCIAL PLACEMENTS | 0 | 0 | 94,326 |
| VII CASH AND CASH EQUIVALENTS | 122 | 135 | 127 |
| VIII VALUE ADDED TAX | 0 | 0 | 11 |
| IX PREPAYMENTS | 123,328 | 7,936 | 5,861 |
| I. TOTAL ASSETS | 2,564,771 | 2,360,415 | 2,461,172 |
| F. OFF BALANCE SHEET ASSETS | | | 0 |
| EQUITY AND LIABILITIES | As of 31 December 2013 | As of 31 December 2014 | As of 11 September 2015 |
| A. EQUITY | 0 | 0 | 0 |
| I SHARE AND OTHER CAPITAL | 1,108,838 | 1,108,838 | 1,108,838 |
| II SUBSCRIBED CAPITAL UNPAID | 0 | 0 | 0 |
| III TREASURY SHARES | 0 | 0 | 0 |



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| | | | |
|---|------------------|------------------|------------------|
| IV RESERVES | 0 | 0 | 0 |
| 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 | 0 | 0 | 0 |
| VII UNREALIZED LOSSES ON SECURITIES VALUE AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULTS | 0 | 1,672 | 1,672 |
| VIII RETAINED EARNINGS | 0 | 0 | 0 |
| IX PARTICIPATION RIGHTS WITHOUT CONTROL | 0 | 0 | 0 |
| X LOSS | 1,206,254 | 1,698,064 | 1,848,865 |
| Loss of previous years | 786,393 | 1,211,102 | 1,698,063 |
| Loss for the year | 419,861 | 486,962 | 150,802 |
| B. LONG-TERM PROVISIONS AND LIABILITIES | 327,995 | 1,607,203 | 1,497,607 |
| I LONG-TERM PROVISIONS | 27,059 | 14,241 | 13,847 |
| Provision for retirement and other employee benefits | 27,059 | 14,241 | 13,847 |
| II LONG-TERM LIABILITIES | 300,936 | 1,592,962 | 1,483,760 |
| Liabilities to parent companies and subsidiaries | 0 | 393,534 | 287,559 |
| Long-term loans and loans abroad | 300,936 | 944,950 | 939,993 |
| Other long-term liabilities | 0 | 254,478 | 256,208 |
| C. DEFERRED TAX LIABILITIES | 9,118 | 8,630 | 3,075 |
| D. CURRENT LIABILITIES | 2,272,760 | 1,283,166 | 1,649,874 |
| I SHORT-TERM FINANCIAL LIABILITIES | 877,680 | 327,616 | 329,407 |
| Short-term loans from parent companies and subsidiaries | 112,444 | 11,613 | 15,062 |
| Other current financial liabilities | 765,236 | 316,003 | 314,345 |
| II PREPAYMENTS, DEPOSITS AND GUARANTEES | 3,214 | 4 | 0 |
| III ACCOUNTS PAYABLE | 712,773 | 715,008 | 1,078,314 |
| Suppliers - parent and subsidiaries in the country | 682,959 | 696,154 | 1,055,561 |
| Suppliers - parent and subsidiaries abroad | 166 | 199 | 212 |
| Suppliers in the country | 24,963 | 15,545 | 17,085 |
| Foreign suppliers | 1,239 | 1,870 | 4,716 |
| Other liabilities | 3,446 | 1,240 | 740 |
| IV OTHER CURRENT LIABILITIES | 566,657 | 115,358 | 124,704 |
| V LIABILITIES FOR VALUE ADDED TAX | 11,826 | 16,662 | 14,959 |
| VI OTHER TAXES, CONTRIBUTIONS AND OTHER FEES | 13,876 | 0 | 0 |
| VII ACCRUALS | 86,734 | 108,518 | 102,490 |
| I. THE LOSS IN EXCESS OF CAPITAL | 45,102 | 538,584 | 689,385 |
| F. TOTAL LIABILITIES | 2,564,771 | 2,360,415 | 2,461,172 |
| G. OFF BALANCE SHEET LIABILITIES | 0 | 0 | 0 |



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| Income statement (in thousands of RSD) | January- December 2013 | January- December 2014 | January- September 2014 | January- September 2015 |
|---|------------------------------|------------------------------|-------------------------------|-------------------------------|
| INCOME FROM OPERATIONS | | | | |
| A. OPERATING INCOME | 1,314,393 | 1,346,781 | 926,980 | 838,655 |
| I Sales of goods | 0 | 0 | 0 | 0 |
| II Sales of products and services | 1,300,092 | 1,339,262 | 921,478 | 833,623 |
| III Revenues from premiums, subsidies, donations, grants etc. | 0 | 0 | 0 | 0 |
| IV Other operating income | 14,301 | 7,519 | 5,502 | 5,032 |
| EXPENSES FROM OPERATIONS | 0 | 0 | 0 | 0 |
| B. OPERATING EXPENSES | 1,668,029 | 1,615,117 | 1,189,643 | 952,515 |
| I Cost of commercial goods sold | 0 | 0 | 0 | 0 |
| II Work performed by the company and capitalized | 11,525 | 0 | 0 | 0 |
| III Increase in inventories of finished products and work in progress | 0 | 0 | 0 | 65,889 |
| IV Decrease in inventories of finished products and work in progress | 26,961 | 13,146 | 58,356 | 0 |
| V Material consumed | 768,469 | 758,954 | 508,750 | 484,710 |
| VI Fuel and energy consumed | 84,529 | 91,022 | 63,542 | 59,194 |
| VII Staff costs | 465,505 | 453,712 | 324,122 | 324,704 |
| VIII Production expenses | 9,569 | 9,735 | 7,027 | 6,313 |
| IX Amortization | 109,946 | 105,896 | 80,598 | 61,740 |
| X Costs of long-term provisions | 0 | 0 | 0 | 0 |
| XI Intangible costs | 214,575 | 182,652 | 147,249 | 81,743 |
| C. PROFIT FROM OPERATIONS | 0 | 0 | 0 | 0 |
| D. LOSS FROM OPERATIONS | 353,636 | 268,336 | 262,662 | 113,860 |
| I. FINANCE INCOME | 634 | 217 | 139 | 6,840 |
| I Financial income from related persons and other financial income | 0 | 0 | 0 | 0 |
| II Interest income (from third parties) | 0 | 0 | 0 | 0 |
| III Gains and positive effects of currency clause | 634 | 217 | 139 | 6,840 |
| F. FINANCE EXPENSES | 112,088 | 241,050 | 131,848 | 50,235 |
| I Financial expenses related party transactions and other financial expenses | 7 | 0 | 0 | 0 |
| II Interest expense (by third parties) | 62,245 | 77,089 | 50,931 | 49,988 |
| III Foreign exchange gains and negative effects of currency clause | 49,836 | 163,961 | 80,918 | 247 |
| G. PROFIT FROM FINANCING | 0 | 0 | 0 | 0 |
| H. LOSS FROM FINANCING | 111,454 | 240,833 | 131,709 | 43,395 |
| I. INCOME FROM VALUATION ADJUSTMENTS OF OTHER ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT | 0 | 10,039 | 0 | 15 |
| J. LOSS ADJUSTMENT OTHER PROPERTY CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT | 12 | 1,212 | 0 | 247 |
| K. OTHER INCOME | 50,158 | 13,182 | 431 | 1,589 |
| L. OTHER EXPENSES | 4,807 | 289 | 19 | 459 |
| M. OPERATING PROFIT BEFORE TAX | 0 | 0 | 0 | 0 |
| N. LOSS FROM OPERATIONS BEFORE TAX | 419,751 | 487,449 | 393,959 | 156,357 |
| O. NET PROFIT FROM DISCONTINUED OPERATIONS, THE EFFECTS OF CHANGES IN ACCOUNTING POLICIES AND CORRECTIONS FROM PREVIOUS PERIOD | 0 | 0 | 0 | 0 |
| P. NET LOSS FROM DISCONTINUED OPERATIONS, LOSS CHANGES IN ACCOUNTING POLICIES AND CORRECTIONS FROM PREVIOUS PERIOD | 0 | 0 | 0 | 0 |
| Q. PROFIT BEFORE TAXATION | 0 | 0 | 0 | 0 |
| R. LOSS BEFORE TAXATION | 419,751 | 487,449 | 393,959 | 156,357 |
| S. INCOME TAXES | 0 | 0 | 0 | 0 |
| I Current tax expense | 0 | 0 | 0 | 0 |
| II Deferred income tax expense | 110 | 0 | 0 | 0 |
| III Deferred income tax benefit | 0 | 487 | 0 | 5,555 |
| T. EARNINGS OF EMPLOYER | 0 | 0 | 0 | 0 |
| U. NET PROFIT | 0 | 0 | 0 | 0 |
| V. NET LOSS | 419,861 | 486,962 | 393,959 | 150,802 |



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| CASH (in thousands of RSD) | FLOWS | January-September 2014 | January-September 2015 |
|--|--------------|-------------------------------|-------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Cash inflow from operating activities | | 195,177 | 848,590 |
| Cash outflow from operating activities | | 191,267 | 755,297 |
| Net cash inflow from operating activities | | 3,910 | 93,293 |
| Net outflow from operating activities | | | |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Cash inflow from investing activities | | | |
| Cash outflow from investing activities | | | 779 |
| Net cash inflow from investing activities | | | |
| Net cash outflow from investing activities | | | 779 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Cash inflow from financing activities | | | |
| Cash outflow from financing activities | | 1,053 | 92,405 |
| Net cash inflow from financing activities | | | |
| Net cash outflow from financing activities | | 1,053 | 92,405 |
| NET CASH INFLOW | | 2,857 | 109 |
| NET CASH OUTFLOW | | | |
| Cash and cash equivalents at beginning of year | | 122 | 134 |
| Foreign exchange gains on translation of cash and cash equivalents | | | 19 |
| Foreign exchange losses on translation of cash and cash equivalents | | 5 | 135 |
| CASH AND CASH EQUIVALENTS AT END OF PERIOD | | 2,974 | 127 |

3.7. TIGAR RUBBER TECHNICAL GOODS

* On 11.09.2015 was executed the status change implying the merger of subsidiaries Tigar Rubber Footwear, Tigar Technical Rubber Goods and Tigar Chemical Products to the parent company Tigar AD. The data shown for production entities include their businesses as independent entities until 11.09.2015. After the status changes as of 12.09.2015, the business of these production entities is shown within the data pertaining to the parent company Tigar ad

BALANCE SHEET (in thousands of RSD)

| ASSETS | As of 31 December 2013 | As of 31 December 2014 | As of 11 September 2015 |
|---|-------------------------------|-------------------------------|--------------------------------|
| A. SUBSCRIBED CAPITAL UNPAID | | | 0 |
| B. NON-CURRENT ASSETS | 980,401 | 949,233 | 930,170 |
| I INTANGIBLE ASSETS | 46 | 25 | 10 |
| Concessions, patents, licenses, trademarks, software and other rights | 46 | 25 | 10 |
| II PROPERTY, PLANT AND EQUIPMENT | 980,355 | 935,617 | 916,569 |
| Land | 0 | 27,084 | 27,084 |
| Buildings | 440,750 | 407,048 | 402,446 |
| Plant and equipment | 300,784 | 279,257 | 264,556 |
| Investment property | 218,126 | 201,921 | 201,921 |
| Property, plant and equipment construction | 755 | 367 | 622 |
| Advances for property, plant and equipment | 19,940 | 19,940 | 19,940 |
| III BIOLOGICAL AGENTS | 0 | 0 | 0 |
| IV LONG-TERM FINANCIAL PLACEMENTS | 0 | 0 | 0 |
| V LONG-TERM RECEIVABLES | 0 | 13,591 | 13,591 |
| Receivables from parent company and its | 0 | 13,591 | 13,591 |



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| | | | |
|--|-------------------------------|-------------------------------|--------------------------------|
| subsidiaries | | | |
| C. DEFERRED TAX ASSETS | 0 | 0 | 0 |
| D. CURRENT ASSETS | 248,091 | 298,298 | 346,556 |
| I INVENTORIES | 88,292 | 84,413 | 78,508 |
| Supplies , spare parts , tools and supplies | 34,780 | 32,529 | 30,543 |
| Unfinished production and unfinished services | 5,726 | 2,620 | 2,463 |
| Finished products | 47,454 | 49,165 | 45,461 |
| Advances paid to suppliers | 332 | 99 | 41 |
| II RECEIVABLES FROM SALE | 112,568 | 212,054 | 266,985 |
| Customers in the country - the parent and subsidiaries | 86,951 | 201,797 | 255,558 |
| Customers abroad - parent and subsidiaries | 6,187 | 6,501 | 6,406 |
| Customers in the country - other related parties | 7 | 7 | 7 |
| Customers abroad - other related parties | 58 | 0 | 0 |
| Customers in the country | 19,254 | 3,683 | 5,014 |
| Customers abroad | 111 | 66 | 0 |
| III RECEIVABLES FROM SPECIFIC | 0 | 0 | 0 |
| IV OTHER RECEIVABLES | 562 | 181 | 264 |
| V FINANCIAL ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT | 0 | 0 | 0 |
| VI SHORT-TERM FINANCIAL PLACEMENTS | 146 | 0 | 0 |
| Short-term loans and investments - parent and subsidiaries | 146 | 0 | 0 |
| VII CASH AND CASH EQUIVALENTS | 1 | 0 | 4 |
| VIII VALUE ADDED TAX | 9,169 | 348 | 32 |
| IX PREPAYMENTS | 37,353 | 1,302 | 763 |
| I. TOTAL ASSETS | 1,228,492 | 1,247,531 | 1,276,726 |
| EQUITY AND LIABILITIES | As of 31 December 2013 | As of 31 December 2014 | As of 11 September 2015 |
| A. EQUITY | 0 | 0 | 0 |
| I SHARE AND OTHER CAPITAL | 626,048 | 626,048 | 626,048 |
| Share Capital | 0 | 0 | 0 |
| II SUBSCRIBED CAPITAL UNPAID | 0 | 0 | 0 |
| III TREASURY SHARES | 0 | 0 | 0 |
| IV RESERVES | 0 | 0 | 0 |
| 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 | 0 | 0 | 0 |
| VII UNREALIZED LOSSES ON SECURITIES VALUE AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULTS | 0 | 99 | 99 |
| VIII RETAINED EARNINGS | 0 | 0 | 0 |
| IX PARTICIPATION RIGHTS WITHOUT CONTROL | 0 | 0 | 0 |
| X LOSS | 825,497 | 1,078,776 | 1,163,762 |
| Loss of previous years | 603,297 | 825,496 | 1,078,776 |
| Loss for the year | 222,200 | 253,280 | 84,986 |
| B. LONG-TERM PROVISIONS AND LIABILITIES | 63,509 | 6,489 | 430,820 |
| I LONG-TERM PROVISIONS | 11,309 | 6,489 | 6,231 |
| Provision for retirement and other employee benefits | 11,309 | 5,124 | 4,866 |
| Provision for lawsuits | 0 | 1,365 | 1,365 |



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| | | | |
|---|------------------|------------------|------------------|
| II LONG-TERM LIABILITIES | 52,200 | 0 | 424,589 |
| Long-term loans in the country | 52,200 | 0 | 330,099 |
| Liabilities arising from finance lease | 0 | 0 | 0 |
| Other long-term liabilities | 0 | 0 | 94,490 |
| C. DEFERRED TAX LIABILITIES | 0 | 0 | 0 |
| D. CURRENT LIABILITIES | 1,355,282 | 1,684,719 | 1,374,569 |
| I SHORT-TERM FINANCIAL LIABILITIES | 281,610 | 347,404 | 71,196 |
| Short-term loans from parent companies and subsidiaries | 72,807 | 71,196 | 71,196 |
| Other current financial liabilities | 208,803 | 276,208 | 0 |
| II PREPAYMENTS, DEPOSITS AND GUARANTEES | 158 | 320 | 179 |
| III ACCOUNTS PAYABLE | 947,480 | 1,171,002 | 1,263,234 |
| Suppliers - parent and subsidiaries in the country | 912,580 | 1,140,276 | 1,241,710 |
| Suppliers - other related parties in the country | 5 | 5 | 5 |
| Suppliers in the country | 13,724 | 20,096 | 11,095 |
| Foreign suppliers | 9,051 | 7,697 | 7,523 |
| Other liabilities | 12,120 | 2,928 | 2,901 |
| IV OTHER CURRENT LIABILITIES | 114,600 | 149,000 | 29,430 |
| V LIABILITIES FOR VALUE ADDED TAX | 725 | 0 | 286 |
| VI OTHER TAXES, CONTRIBUTIONS AND OTHER FEES | 0 | 0 | 0 |
| VII ACCRUALS | 10,709 | 16,993 | 10,244 |
| I. THE LOSS IN EXCESS OF CAPITAL | 190,299 | 443,677 | 528,663 |
| F. TOTAL LIABILITIES | 1,228,492 | 1,247,531 | 1,276,726 |

| Income statement (in thousands of RSD) | January-December 2013 | January-December 2014 | January-September 2014 | January-11 September 2015 |
|---|-----------------------|-----------------------|------------------------|---------------------------|
| INCOME FROM OPERATIONS | | | | |
| A. OPERATING INCOME | 352,773 | 241,245 | 168,407 | 132,669 |
| I Sales of goods | 28,252 | 834 | 834 | 0 |
| II Sales of products and services | 324,406 | 240,399 | 167,562 | 132,669 |
| III Revenues from premiums, subsidies, donations, grants etc. | 0 | 0 | 0 | 0 |
| IV Other operating income | 115 | 12 | 12 | 0 |
| EXPENSES FROM OPERATIONS | 0 | 0 | 0 | 0 |
| B. OPERATING EXPENSES | 529,543 | 382,830 | 276,708 | 195,987 |
| I Cost of commercial goods sold | 25,758 | 745 | 745 | 0 |
| II Work performed by the company and capitalized | 166 | 0 | 595 | 0 |
| III Increase in inventories of finished products and work in progress | 0 | 0 | 1,797 | 0 |
| IV Decrease in inventories of finished products and work in progress | 33,282 | 1,396 | 0 | 3,860 |
| V Material consumed | 143,468 | 99,836 | 67,955 | 49,949 |
| VI Fuel and energy consumed | 46,870 | 36,318 | 24,942 | 22,225 |
| VII Staff costs | 130,439 | 109,747 | 78,472 | 67,433 |
| VIII Production expenses | 7,517 | 6,620 | 4,826 | 4,937 |
| IX Amortization | 28,724 | 28,596 | 22,454 | 19,522 |
| X Costs of long-term provisions | 0 | 1,365 | 0 | 0 |
| XI Intangible costs | 113,651 | 98,207 | 79,708 | 28,061 |
| C. PROFIT FROM OPERATIONS | 0 | 0 | 0 | 0 |
| D. LOSS FROM OPERATIONS | 176,770 | 141,585 | 108,301 | 63,318 |
| I. FINANCE INCOME | 227 | 1,530 | 1,031 | 2,262 |
| I Financial income from related persons and other financial income | 0 | 0 | 0 | 0 |
| II Interest income (from third parties) | 0 | 0 | 0 | 0 |
| III Gains and positive effects of currency clause | 227 | 1,530 | 1,031 | 2,262 |
| F. FINANCE EXPENSES | 33,673 | 93,912 | 46,432 | 25,415 |



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| | | | | |
|---|----------------|----------------|----------------|---------------|
| I Financial expenses related party transactions and other financial expenses | 0 | 0 | 0 | 0 |
| II Interest expense (by third parties) | 21,832 | 41,866 | 17,622 | 25,229 |
| III Foreign exchange gains and negative effects of currency clause | 11,841 | 52,046 | 28,810 | 186 |
| G. PROFIT FROM FINANCING | 0 | 0 | 0 | 0 |
| H.LOSS FROM FINANCING | 33,446 | 92,382 | 45,401 | 23,153 |
| I. INCOME FROM VALUATION ADJUSTMENTS OF OTHER ASSETS CARRIED AT FAIR VALUE TROUGH INCOME STATEMENT | 0 | 810 | 1,102 | 353 |
| J. LOSS ADJUSTMENT OTHER PROPERTY CARRIED AT FAIR VALUE TROUGH INCOME STATEMENT | 425 | 9,180 | 0 | 0 |
| K. OTHER INCOME | 2,574 | 6,424 | 133 | 1,295 |
| L. OTHER EXPENSES | 31,362 | 17,366 | 801 | 163 |
| M. OPERATING PROFIT BEFORE TAX | 0 | 0 | 0 | 0 |
| N. LOSS FROM OPERATIONS BEFORE TAX | 239,429 | 253,280 | 153,268 | 84,986 |
| Q. PROFIT BEFORE TAXATION | 0 | 0 | 0 | 0 |
| R. LOSS BEFORE TAXATION | 239,429 | 253,280 | 153,268 | 84,986 |
| S. INCOME TAXES | 0 | 0 | 0 | 0 |
| I Current tax expense | 0 | 0 | 0 | 0 |
| II Deferred income tax expense | 0 | 0 | 0 | 0 |
| III Deferred income tax benefit | 17,229 | 0 | 0 | 0 |
| T.EARNINGS OF EMPLOYER | 0 | 0 | 0 | 0 |
| U. NET PROFIT | 0 | 0 | 0 | 0 |
| V. NET LOSS | 222,200 | 253,280 | 153,268 | 84,986 |

| CASH (in thousands of RSD) | FLOWS | January-September 2014 | January-11 September 2015 |
|--|--------------|---|--|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Cash inflow from operating activities | | 72,533 | 104,306 |
| Cash outflow from operating activities | | 60,490 | 104,279 |
| Net cash inflow from operating activities | | 12,043 | 27 |
| Net outflow from operating activities | | 0 | 0 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Cash inflow from investing activities | | 0 | 0 |
| Cash outflow from investing activities | | 0 | 0 |
| Net cash inflow from investing activities | | 0 | 0 |
| Net cash outflow from investing activities | | 0 | 0 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Cash inflow from financing activities | | 0 | 0 |
| Cash outflow from financing activities | | 12,037 | 26 |
| Net cash inflow from financing activities | | 0 | 0 |
| Net cash outflow from financing activities | | 12,037 | 26 |
| Total cash inflow | | 72,533 | 104,306 |
| Total cash outflow | | 72,527 | 104,305 |
| NET CASH INFLOW | | 6 | 1 |
| NET CASH OUTFLOW | | 0 | 0 |
| Cash and cash equivalents at beginning of year | | 1 | 0 |
| Foreign exchange gains on translation of cash and cash equivalents | | 0 | 3 |
| Foreign exchange losses on translation of cash and cash equivalents | | 7 | 0 |
| CASH AND CASH EQUIVALENTS AT END OF PERIOD | | 0 | 4 |



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3.8. TIGAR CHEMICAL PRODUCTS

* On 11.09.2015 was executed the status change implying the merger of subsidiaries Tigar Rubber Footwear, Tigar Technical Rubber Goods and Tigar Chemical Products to the parent company Tigar AD. The data shown for production entities include their businesses as independent entities until 11.09.2015. After the status changes as of 12.09.2015, the business of these production entities is shown within the data pertaining to the parent company Tigar ad

BALANCE SHEET IN THOUSANDS OF DINARS

| ASSETS | As of 31.12.2013. | As of 31.12.2014. | As of 11.09.2015. |
|--|--------------------------|--------------------------|--------------------------|
| A. SUBSCRIBED CAPITAL UNPAID | | | 0 |
| B. NON-CURRENT ASSETS | 219,012 | 215,799 | 228,241 |
| I INTANGIBLE ASSETS | 4,225 | 3,724 | 3,374 |
| Investment in development | 4,172 | 3,700 | 3,371 |
| Concessions, patents , licenses , trademarks , software and other rights | 53 | 24 | 4 |
| II PROPERTY, PLANT AND EQUIPMENT | 214,787 | 161,888 | 174,680 |
| Land | 54,278 | 54,278 | 54,278 |
| Buildings | 34 | 32 | 30 |
| Plant and equipment | 656 | 242 | 105 |
| Investment property | 141,693 | 89,253 | 102,184 |
| Property, plant and equipment construction | 18,126 | 18,083 | 18,083 |
| III BIOLOGICAL AGENTS | 0 | 0 | 0 |
| IV LONG-TERM FINANCIAL PLACEMENTS | 0 | 0 | 0 |
| V LONG-TERM RECEIVABLES | 0 | 50,187 | 50,187 |
| Receivables from parent company and its subsidiaries | 0 | 50,187 | 50,187 |
| C. DEFERRED TAX ASSETS | 0 | 0 | 0 |
| D. CURRENT ASSETS | 92,965 | 105,376 | 133,123 |
| I INVENTORIES | 33,998 | 30,790 | 25,800 |
| II RECEIVABLES FORM SALE | 52,930 | 71,235 | 103,869 |
| Customers in the country - the parent and subsidiaries | 43,434 | 56,835 | 88,960 |
| Customers in the country | 2,203 | 6,705 | 8,060 |
| Customers abroad | 7,293 | 7,695 | 6,850 |
| III RECEIVABLES FROM SPECIFIC OPERATIONS | 0 | 0 | 0 |
| IV OTHER RECEIVABLES | 5,260 | 13 | 7 |
| V FINANCIAL ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT | 0 | 0 | 0 |
| VI SHORT-TERM FINANCIAL PLACEMENTS | 0 | 2,639 | 2,640 |
| Short-term loans and investments - parent and subsidiaries | 0 | 2,639 | 2,640 |
| VII CASH AND CASH EQUIVALENTS | 0 | 0 | 0 |
| VIII VALUE ADDED TAX | 171 | 84 | 807 |
| IX PREPAYMENTS | 606 | 615 | 0 |
| E. TOTAL ASSETS | 311,977 | 321,175 | 361,364 |
| F. OFF BALANCE SHEET ASSETS | | | 0 |
| EQUITY AND LIABILITIES | As of 31.12.2013. | As of 31.12.2014. | As of 11.09.2015. |
| A. EQUITY | 130,260 | 75,276 | 77,099 |
| I SHARE AND OTHER CAPITAL | 256,841 | 256,841 | 256,841 |
| Shares of limited liability companies | 256,841 | 256,841 | 256,841 |
| II SUBSCRIBED CAPITAL UNPAID | 0 | 0 | 0 |
| III TREASURY SHARES | 0 | 0 | 0 |
| IV RESERVES | 0 | 0 | 0 |
| 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 | 0 | 6 | 6 |
| VII UNREALIZED LOSSES ON SECURITIES VALUE AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULTS | 0 | 0 | 0 |
| VIII RETAINED EARNINGS | 0 | 0 | 1,823 |
| IX PARTICIPATION RIGHTS WITHOUT CONTROL | 0 | 0 | 0 |
| X LOSS | 158,108 | 213,098 | 213,098 |



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| | | | |
|---|----------------|----------------|----------------|
| Loss of previous years | 127,601 | 158,108 | 213,098 |
| Loss for the year | 30,507 | 54,990 | 0 |
| B. LONG-TERM PROVISIONS AND LIABILITIES | 1,231 | 903 | 18,618 |
| I LONG-TERM PROVISIONS | 1,231 | 903 | 903 |
| Provision for retirement and other employee benefits | 1,231 | 903 | 903 |
| II LONG-TERM LIABILITIES | 0 | 0 | 17,715 |
| C. DEFERRED TAX LIABILITIES | 0 | 0 | 0 |
| D. CURRENT LIABILITIES | 180,486 | 244,996 | 265,647 |
| I SHORT-TERM FINANCIAL LIABILITIES | 94,051 | 100,408 | 100,408 |
| Short-term loans from parent companies and subsidiaries | 94,051 | 100,408 | 100,408 |
| II PREPAYMENTS, DEPOSITS AND GUARANTEES | 3,580 | 1,049 | 0 |
| III ACCOUNTS PAYABLE | 35,555 | 90,692 | 130,415 |
| Suppliers - parent and subsidiaries in the country | 14,182 | 64,277 | 105,323 |
| Suppliers in the country | 10,021 | 10,848 | 10,399 |
| Foreign suppliers | 9,859 | 14,092 | 13,218 |
| Other liabilities | 1,493 | 1,475 | 1,475 |
| IV OTHER CURRENT LIABILITIES | 40,927 | 42,586 | 31,657 |
| V LIABILITIES FOR VALUE ADDED TAX | 749 | 3,026 | 1,137 |
| VI OTHER TAXES, CONTRIBUTIONS AND OTHER FEES | 0 | 0 | 0 |
| VII ACCRUALS | 5,624 | 7,235 | 2,031 |
| E. THE LOSS IN EXCESS OF CAPITAL | 0 | 0 | 0 |
| F. TOTAL LIABILITIES | 311,977 | 321,175 | 361,364 |
| G. OFF BALANCE SHEET LIABILITIES | 0 | 0 | 0 |

| INCOME STATEMENT IN THOUSANDS OF DINARS | January- December 2013 | January- December 2014 | January- September 2014 | January 11. September 2015 |
|--|------------------------------|------------------------------|-------------------------------|-------------------------------------|
| INCOME FROM OPERATIONS | | | | |
| A. OPERATING INCOME | 90,023 | 81,120 | 55,216 | 57,354 |
| I Sales of goods | 796 | 4,511 | 3,227 | 617 |
| II Sales of products and services | 89,227 | 75,505 | 51,771 | 46,668 |
| III Revenues from premiums, subsidies, donations, grants etc. | 0 | 0 | 0 | 0 |
| IV Other operating income | 0 | 1,104 | 218 | 10,069 |
| EXPENSES FROM OPERATIONS | 0 | 0 | 0 | 0 |
| B. OPERATING EXPENSES | 110,899 | 89,191 | 64,404 | 52,187 |
| I Cost of commercial goods sold | 665 | 3,845 | 2,765 | 533 |
| II Work performed by the company and capitalized | 0 | 0 | 0 | 0 |
| III Increase in inventories of finished products and work in progress | 0 | 0 | 0 | 0 |
| IV Decrease in inventories of finished products and work in progress | 4,340 | 884 | 3,326 | 2,968 |
| V Material consumed | 45,907 | 38,520 | 25,491 | 18,506 |
| VI Fuel and energy consumed | 2,829 | 2,524 | 1,751 | 1,292 |
| VII Staff costs | 30,268 | 24,721 | 17,152 | 16,195 |
| VIII Production expenses | 3,439 | 1,864 | 903 | 2,029 |
| IX Amortization | 1,448 | 916 | 695 | 489 |
| X Costs of long-term provisions | 0 | 0 | 0 | 0 |
| XI Intangible costs | 22,003 | 15,917 | 12,320 | 10,176 |
| C. PROFIT FROM OPERATIONS | 0 | 0 | 0 | 5,167 |
| D. LOSS FROM OPERATIONS | 20,876 | 8,071 | 9,187 | 0 |
| I FINANCE INCOME | 480 | 403 | 606 | 106 |
| I Financial income from related persons and other financial income | 0 | 0 | 0 | 0 |
| II Interest income (from third parties) | 0 | 0 | 0 | 0 |
| III Gains and positive effects of currency clause | 480 | 403 | 606 | 106 |
| F. FINANCE EXPENSES | 668 | 4,171 | 938 | 3,453 |
| I Financial expenses related party transactions and other financial expenses | 0 | 0 | 0 | 0 |
| II Interest expense (by third parties) | 265 | 3,446 | 490 | 3,376 |
| III Foreign exchange gains and negative effects of currency | 403 | 725 | 448 | 77 |



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| clause | | | | |
|--|---------------|---------------|--------------|--------------|
| G. PROFIT FROM FINANCING | 0 | 0 | 0 | 0 |
| H.LOSS FROM FINANCING | 188 | 3,768 | 332 | 3,347 |
| I. INCOME FROM VALUATION ADJUSTMENTS OF OTHER ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT | 42 | 0 | 0 | 0 |
| J. LOSS ADJUSTMENT OTHER PROPERTY CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT | 0 | 293 | 0 | 489 |
| K. OTHER INCOME | 1,278 | 10,109 | 8,725 | 1,226 |
| L. OTHER EXPENSES | 15,047 | 52,967 | 16 | 733 |
| M. OPERATING PROFIT BEFORE TAX | 0 | 0 | 0 | 1,823 |
| N. LOSS FROM OPERATIONS BEFORE TAX | 34,791 | 54,990 | 810 | 0 |
| Q. PROFIT BEFORE TAXATION | 0 | 0 | 0 | 1,823 |
| R. LOSS BEFORE TAXATION | 34,791 | 54,990 | 810 | 0 |
| S. INCOME TAXES | | | 0 | 0 |
| I Current tax expense | | | 0 | 0 |
| II Deferred income tax expense | | | 0 | 0 |
| III Deferred income tax benefit | 4,285 | | 0 | 0 |
| T.EARNINGS OF EMPLOYER | | | 0 | 0 |
| U. NET PROFIT | | | 0 | 1,823 |
| V. NET LOSS | 30,506 | 54,990 | 810 | 0 |

| CASH FLOWS in thousands of RSD) | January-September 2014 | January - 11. September 2015 |
|---|-------------------------------|-------------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Cash inflow from operating activities | 14,658 | 35,895 |
| Cash outflow from operating activities | 17,733 | 35,894 |
| Net cash inflow from operating activities | 0 | 1 |
| Net outflow from operating activities | 3,075 | 0 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Cash inflow from investing activities | 0 | 0 |
| Cash outflow from investing activities | 0 | 0 |
| Net cash inflow from investing activities | 0 | 0 |
| Net cash outflow from investing activities | 0 | 0 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Cash inflow from financing activities | 3,275 | 0 |
| Cash outflow from financing activities | 200 | 0 |
| Net cash inflow from financing activities | 3,075 | 0 |
| Net cash outflow from financing activities | 0 | 0 |
| Total cash inflow | 17,933 | 35,895 |
| Total cash outflow | 17,933 | 35,894 |
| NET CASH INFLOW | 0 | 1 |
| NET CASH OUTFLOW | 0 | 0 |
| Cash and cash equivalents at beginning of year | 0 | 0 |
| Foreign exchange gains on translation of cash and cash equivalents | 0 | 0 |
| Foreign exchange losses on translation of cash and cash equivalents | 0 | 0 |
| CASH AND CASH EQUIVALENTS AT END OF PERIOD | 0 | 1 |



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3.8. TIGAR EUROPE UK – In the procedure of voluntary wind-up

| Balance sheet in thousands GBP | As of 31.12.2012. audited | As 31.12.2013. audited | of As of 11.08.2014. | As 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 |

3.9. TIGRA MONTENEGRO – MONTENEGRO

| BALANCE SHEET (in thousands of EUR) | As of 31.12.2013. | As of 31.12.2014. | As of 30.09.2015. |
|--------------------------------------|-------------------|-------------------|-------------------|
| Non-current assets | 4 | 3 | 3 |
| Current assets | 356 | 182 | 70 |
| Deferred tax assets | | | |
| TOTAL ASSETS | 360 | 185 | 73 |
| Equity | 95 | 45 | 11 |
| Long-term liabilities and provisions | | | |
| Current liabilities | 265 | 140 | 62 |
| Deferred tax liabilities | | | |
| TOTAL EQUITY AND LIABILITIES | 360 | 185 | 73 |

| Income statement in thousands of EUR | january- december 2013 | january- december 2014 | january- september 2014 | january- september 2015 |
|--------------------------------------|---------------------------|---------------------------|----------------------------|----------------------------|
| Total income | 486 | 172 | 93 | 15 |
| Total expenses | 497 | 223 | 133 | 49 |
| PROFIT/LOSS BEFORE TAXATION | -11 | -50 | -40 | -34 |
| Income taxes | | | | |
| Deferred Income Tax expense | | | | |



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| | | | | |
|-----------------------------|------------|------------|------------|------------|
| Deferred Income Tax benefit | | | | |
| NET PROFIT/LOSS | -11 | -50 | -40 | -34 |

3.10. TIGRA TREJD – REPUBLIC SRPSKA

| BALANCE SHEET (in thousands of KM) | As of 31.12.2013. | As of 31.12.2014. | As of 30.09.2015. |
|---|--------------------------|--------------------------|--------------------------|
| Fixed Assets | 283 | 269 | 260 |
| Current assets | 905 | 909 | 844 |
| Deferred tax assets | | | |
| Loss above capital value | | | |
| TOTAL ASSETS | 1,188 | 1,178 | 1,104 |
| Equity | 71 | 88 | 58 |
| Non-current liabilities | 9 | | |
| Short-term liabilities | 1,108 | 1,090 | 1,046 |
| Deferred tax liabilities | | | |
| TOTAL EQUITY AND LIABILITIES | 1,188 | 1,178 | 1,104 |

| Income statement in thousands of KM | january- december 2013 | january- december 2014 | january- september 2014 | january- september 2015 |
|--|-----------------------------------|-----------------------------------|--|--|
| Total income | 1,226 | 1,452 | 980 | 604 |
| Total expenses | 1,156 | 1,430 | 952 | 634 |
| PROFIT/LOSS BEFORE TAXATION | 70 | 23 | 27 | -30 |
| Income taxes | | 5 | | |
| Deferred Income Tax expense | | | | |
| Deferred Income Tax benefit | | | | |
| NET PROFIT/LOSS | 70 | 17 | 27 | -30 |

3.11. TIGAR PARTNER – MACEDONIA

| BALANCE SHEET (in thousands of Denars) | As of 31.12.2013. | As of 31.12.2014. | As of 30.09.2015. |
|---|--------------------------|--------------------------|--------------------------|
| Fixed Assets | 17 | 6 | 6 |
| Current assets | 27,076 | 21,366 | 20,437 |
| Deferred tax assets | 0 | 0 | 0 |
| TOTAL ASSETS | 27,094 | 21,373 | 20,443 |
| Equity | 17,865 | 16,597 | 15,867 |
| Non-current liabilities | 0 | 0 | 0 |
| Short-term liabilities | 9,229 | 4,776 | 4,576 |
| Deferred tax liabilities | 0 | 0 | 0 |
| TOTAL EQUITY AND LIABILITIES | 27,094 | 21,373 | 20,443 |

| Income Statement (in thousands of Denars) | january- december 2013 | january- december 2014 | january-september 2014 | january-september 2015 |
|--|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| Total income | 27,272 | 24,115 | 13,638 | 12,937 |
| Total expenses | 27,201 | 25,512 | 14,620 | 13,523 |
| PROFIT/LOSS BEFORE TAXATION | 71 | -1,397 | -982 | -586 |



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| | | | | |
|------------------------------------|-----------|---------------|-------------|-------------|
| | | | | |
| Income taxes | 9 | 10 | 5 | 4 |
| Deferred Income Tax expense | 0 | 0 | 0 | 0 |
| Deferred Income Tax benefit | 0 | 0 | 0 | 0 |
| | | | | |
| NET PROFIT/LOSS | 62 | -1,407 | -987 | -590 |

3.12. TI-CAR TRGOVINE

In 2014, the retail network and services were set apart from Tigar ad and merged to Protective Workshop which parallelly with that changed its name into TI-CAR Trgovina I.I.c. Just as well as that, a part of the sale of finished products and the purchase of raw materials have proceeded through this entity in 2014, while during the first three quarters of 2015, the turnover was carried out through the parent company, because of which the data are not fully comparable.

BALANCE SHEET (in thousands of RSD)

| ASSETS | As of 31.12.2013. | As of 31.12.2014. | As of 30.09.2015. |
|---|--------------------------|--------------------------|--------------------------|
| A. SUBSCRIBED CAPITAL UNPAID | | | |
| B. NON-CURRENT ASSETS | 30,758 | 46,473 | 37,097 |
| I. INTANGIBLE ASSETS | | | |
| Investment in development | | | |
| Concessions, patents, licenses, trademarks, software and other rights | | | |
| Intangible assets under construction | | | |
| Advances for intangible assets | | | |
| II. PROPERTY, PLANT AND EQUIPMENT | 30,758 | 30,085 | 20,709 |
| Land | 1,932 | 1,932 | 1,178 |
| Buildings | 28,374 | 27,796 | 19,320 |
| Plant and equipment | 437 | 259 | 112 |
| Investment property | | | |
| Property, plant and equipment construction | 15 | 98 | 99 |
| Investments in property, plants and equipment | | | |
| III. BIOLOGICAL AGENTS | | | |
| IV. LONG-TERM FINANCIAL PLACEMENTS | | | |
| Shares in subsidiaries | | | |
| Shares in associated companies and joint ventures | | | |
| Equity investments in other companies and other securities | | | |
| Other long-term investments | | | |
| V. LONG-TERM RECEIVABLES | | 16,388 | 16,388 |
| Receivables from parent company and its subsidiaries | | 16,388 | 16,388 |
| C. DEFERRED TAX ASSETS | 190 | 145 | 145 |
| D. CURRENT ASSETS | 192,218 | 569,909 | 534,720 |
| I. INVENTORIES | 59,655 | 128,835 | 117,858 |
| Supplies, spare parts, tools and supplies | | | |
| Unfinished production and unfinished services | | | |
| Goods | 53,992 | 115,161 | 108,038 |
| Fixed assets held for sale | | | 8,862 |
| Advances paid to suppliers | 5,663 | 13,674 | 959 |
| II. RECEIVABLES FROM SALE | 100,544 | 303,415 | 275,170 |
| Customers in the country - the parent and subsidiaries | 66,721 | 229,186 | 243,378 |
| Customers abroad - parent and subsidiaries | 1,883 | 6,682 | 1,311 |
| Customers in the country - other related parties | | 9 | 45 |
| Customers in the country | 13,744 | 43,063 | 20,048 |
| Customers abroad | 18,196 | 24,475 | 10,387 |
| Other receivables from sales | | | |
| III. RECEIVABLES FROM SPECIFIC OPERATIONS | | | |
| IV. OTHER RECEIVABLES | 15,820 | 6,073 | 9,059 |
| V. FINANCIAL ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT | | | |
| VI. SHORT-TERM FINANCIAL PLACEMENTS | | 110,163 | 127,945 |
| Short-term loans and investments - parent and subsidiaries | | 110,163 | 127,945 |



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| | | | |
|--|--------------------------|--------------------------|--------------------------|
| Short-term loans and investments - other related parties | | | |
| Other short-term financial investments | | | |
| VII. CASH AND CASH EQUIVALENTS | 133 | 329 | 77 |
| VIII. VALUE ADDED TAX | 9,976 | 9,694 | 1,632 |
| IX. PREPAYMENTS | 6,090 | 11,400 | 2,981 |
| I. TOTAL ASSETS | 223,166 | 616,527 | 571,962 |
| F. OFF BALANCE SHEET ASSETS | | | |
| EQUITY AND LIABILITIES | As of 31.12.2013. | As of 31.12.2014. | As of 30.09.2015. |
| A. EQUITY | | | |
| I. SHARE AND OTHER CAPITAL | 1,348 | 1,348 | 1,348 |
| Share Capital | | | |
| II. SUBSCRIBED CAPITAL UNPAID | | | |
| III. TREASURY SHARES | | | |
| IV. RESERVES | | | |
| V.Revaluation reserves based on the 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 | 389 |
| VIII. RETAINED EARNINGS | | 12,140 | 12,139 |
| Retained profit from previous years | | | 12,139 |
| IX. PARTICIPATION RIGHTS WITHOUT CONTROL | | | |
| X. LOSS | 14,439 | 14,439 | 70,837 |
| Loss of previous years | 13,050 | 14,439 | 14,438 |
| Loss for the year | 1,389 | | 56,399 |
| B. LONG-TERM PROVISIONS AND LIABILITIES | 395 | 818 | 710 |
| I. LONG-TERM PROVISIONS | 395 | 818 | 710 |
| Provision for retirement and other employee benefits | 395 | 818 | 710 |
| Provision for lawsuits | | | |
| Other long-term provisions | | | |
| II. LONG-TERM LIABILITIES | | | |
| Long-term loans and loans in the country | | | |
| Liabilities arising from finance lease | | | |
| C. DEFERRED TAX LIABILITIES | | | |
| D. CURRENT LIABILITIES | 235,862 | 617,049 | 628,991 |
| I. SHORT-TERM FINANCIAL LIABILITIES | 17,489 | 107,721 | 198,137 |
| Short-term loans from parent companies and subsidiaries | 17,489 | 107,721 | 198,137 |
| Short-term loans from other related parties | | | |
| Short-term loans and loans in the country | | | |
| Other current financial liabilities | | | |
| II. PREPAYMENTS, DEPOSITS AND GUARANTEES | 16,940 | 41,728 | 4,072 |
| III. ACCOUNTS PAYABLE | 182,533 | 434,221 | 396,099 |
| Suppliers - parent and subsidiaries in the country | 149,035 | 354,486 | 347,613 |
| Suppliers - parent and subsidiaries abroad | | | |
| Suppliers - other related parties in the country | 14 | | 34 |
| Suppliers in the country | 14,315 | 49,497 | 26,959 |
| Foreign suppliers | 12,817 | 24,842 | 15,493 |
| Other liabilities | 6,352 | 5,396 | 6,000 |
| IV. OTHER CURRENT LIABILITIES | 18,445 | 30,418 | 29,126 |
| V. LIABILITIES FOR VALUE ADDED TAX | | 2,041 | 321 |
| VI OTHER TAXES, CONTRIBUTIONS AND OTHER FEES | | 372 | 177 |
| VII. ACCRUALS | 455 | 548 | 1,061 |
| I. THE LOSS IN EXCESS OF CAPITAL | 13,091 | 1,340 | 57,739 |
| F. TOTAL LIABILITIES | 223,166 | 616,527 | 571,962 |
| G. OFF BALANCE SHEET LIABILITIES | | | |



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| Income statement (in thousands of RSD) | january- december 2013 | january- december 2014 | january- september 2014 | january- september 2015 |
|--|------------------------------|------------------------------|-------------------------------|-------------------------------|
| INCOME FROM OPERATIONS | | | | |
| A. OPERATING INCOME | 193,999 | 1,383,904 | 958,178 | 356,743 |
| I. Sales of goods | 189,152 | 1,367,802 | 947,573 | 349,839 |
| II. Sales of products and services | 4,629 | 13,500 | 9,175 | 5,367 |
| III. Revenues from premiums, subsidies, donations, grants etc. | | | | |
| IV. Other operating income | 218 | 2,602 | 1,430 | 1,537 |
| EXPENSES FROM OPERATIONS | | | | |
| B. OPERATING EXPENSES | 195,184 | 1,353,155 | 939,041 | 412,810 |
| I. Cost of commercial goods sold | 166,498 | 1,224,188 | 849,536 | 313,624 |
| 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 | 7,743 | 2,749 |
| VI. Fuel and energy consumed | 1,187 | 11,982 | 8,762 | 6,692 |
| VII. Staff costs | 16,016 | 62,853 | 43,647 | 47,415 |
| VIII. Production expenses | 4,210 | 22,239 | 13,944 | 13,123 |
| IX. Amortization | 974 | 780 | 599 | 515 |
| X. Costs of long-term provisions | | 284 | | |
| XI. Intangible costs | 4,723 | 20,837 | 14,810 | 28,692 |
| C. PROFIT FROM OPERATIONS | | 30,749 | 19,137 | |
| D. LOSS FROM OPERATIONS | 1,185 | | | 56,067 |
| I. FINANCE INCOME | 179 | 2,417 | 1,426 | 568 |
| 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 | 1,426 | 568 |
| F. FINANCE EXPENSES | 175 | 4,841 | 3,616 | 774 |
| I. Financial expenses related party transactions and other financial expenses | | | | |
| II. Interest expense (by third parties) | 2 | 1,516 | 1,259 | 176 |
| III. Foreign exchange gains and negative effects of currency clause | 173 | 3,325 | 2,357 | 598 |
| G. PROFIT FROM FINANCING | 4 | | | |
| H. LOSS FROM FINANCING | | 2,424 | 2,190 | 206 |
| 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 | | |
| K. OTHER INCOME | 377 | 394 | 6 | 150 |
| L. OTHER EXPENSES | 174 | 6,672 | 1,152 | 67 |
| M. OPERATING PROFIT BEFORE TAX | | 12,464 | 15,802 | |
| N. LOSS FROM OPERATIONS BEFORE TAX | 1,371 | | | 56,190 |
| M. NET INCOME FROM DISCONTINUED OPERATIONS , THE EFFECTS OF CHANGES IN ACCOUNTING POLICIES AND CORRECTIONS FROM PREVIOUS PERIOD | | | | |
| N. NET LOSS FROM DISCONTINUED OPERATIONS , EXPENSES CHANGE IN ACCOUNTING POLICIES AND CORRECTIONS FROM PREVIOUS PERIOD | | | | |
| Q. PROFIT BEFORE TAXATION | | 12,464 | 15,802 | |
| P. LOSS BEFORE TAXATION | 1,371 | | | 56,190 |
| R. INCOME TAX | | | | |
| I. Current tax expense | | 279 | | 209 |
| II. Deferred income tax expense | | 45 | | |
| III. Deferred income tax benefit | | | | |
| T. EARNINGS OF EMPLOYER | | | | |
| U. NET PROFIT | | 12,140 | 15,802 | |
| V. NET LOSS | 1,371 | | | 56,399 |



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3.13. TIGAR BUSINESS SERVICE

BALANCE SHEET (in thousands of RSD)

| | As of 31.12.2013. | As of 31.12.2014. | As of 30.09.2015. |
|---|--------------------------|--------------------------|--------------------------|
| ASSETS | | | |
| A. SUBSCRIBED CAPITAL UNPAID | | | 0 |
| B. NON-CURRENT ASSETS | 37,547 | 58,980 | 52,826 |
| I. INTANGIBLE ASSETS | 7 | 4 | 2 |
| Investment in development | 0 | 0 | 0 |
| Concessions, patents , licenses , trademarks , software and other rights | 7 | 4 | 2 |
| Intangible assets under construction | 0 | 0 | 0 |
| Advances for intangible assets | 0 | 0 | 0 |
| II. PROPERTY, PLANT AND EQUIPMENT | 37,540 | 45,480 | 39,328 |
| Land | 0 | 2,765 | 2,764 |
| Buildings | 16,573 | 13,591 | 13,429 |
| Plant and equipment | 15,144 | 29,124 | 22,994 |
| Investment property | 0 | 0 | 0 |
| Property, plant and equipment construction | 5,823 | 0 | 141 |
| Investments in property, plants and equipment | 0 | 0 | 0 |
| III. BIOLOGICAL AGENTS | 0 | 0 | 0 |
| IV. LONG-TERM FINANCIAL PLACEMENTS | 0 | 0 | 0 |
| V. LONG-TERM RECEIVABLES | 0 | 13,496 | 13,496 |
| Receivables from parent company and its subsidiaries | 0 | 13,496 | 13,496 |
| C. DEFERRED TAX ASSETS | 1,269 | 2,417 | 2,417 |
| D. CURRENT ASSETS | 45,713 | 71,303 | 124,749 |
| I. INVENTORIES | 4,452 | 2,791 | 2,744 |
| Supplies , spare parts , tools and supplies | 1,439 | 1,230 | 1,093 |
| Advances paid to suppliers | 3,013 | 1,561 | 1,651 |
| II. RECEIVABLES FROM SALE | 15,715 | 8,397 | 19,836 |
| Customers in the country - the parent and subsidiaries | 676 | 224 | 588 |
| Customers abroad - parent and subsidiaries | 57 | 0 | 0 |
| Customers in the country - other related parties | 0 | 0 | 0 |
| Customers in the country | 14,982 | 8,173 | 18,885 |
| Customers abroad | 0 | 0 | 363 |
| Other receivables from sales | 0 | 0 | 0 |
| III RECEIVABLES FROM SPECIFIC OPERATIONS | 0 | 0 | 0 |
| IV. OTHER RECEIVABLES | 1,202 | 276 | 1,309 |
| V. FINANCIAL ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT | 0 | 0 | 0 |
| VI. SHORT-TERM FINANCIAL PLACEMENTS | 23,977 | 58,760 | 100,139 |
| Short-term loans and investments - parent and subsidiaries | 23,977 | 58,760 | 100,139 |
| Short-term loans and investments - other related parties | 0 | 0 | 0 |
| Other short-term financial investments | 0 | 0 | 0 |
| VII. CASH AND CASH EQUIVALENTS | 0 | 2 | 73 |
| VIII. VALUE ADDED TAX | 0 | 521 | 521 |
| IX. PREPAYMENTS | 367 | 556 | 127 |
| I. TOTAL ASSETS | 84,529 | 132,700 | 179,992 |
| F. OFF BALANCE SHEET ASSETS | | | 0 |
| EQUITY AND LIABILITIES | As of 31.12.2013. | As of 31.12.2014. | As of 30.09.2015. |
| A. EQUITY | 30,233 | 37,331 | 55,634 |
| I. SHARE AND OTHER CAPITAL | 23,104 | 23,104 | 23,104 |
| Share Capital | 0 | 0 | 0 |
| II. SUBSCRIBED CAPITAL UNPAID | 0 | 0 | 0 |
| III. TREASURY SHARES | 0 | 0 | 0 |
| IV. RESERVES | 0 | 0 | 0 |
| V. Revaluation reserves based on the revaluation of intangible assets, property , plant and equipment | 0 | 0 | 0 |
| VI. UNREALIZED GAINS ON SECURITIES VALUE AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULTS | 0 | 0 | 0 |
| VII. UNREALIZED LOSSES ON SECURITIES VALUE AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULTS | 0 | 497 | 497 |



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| | | | |
|---|---------------|----------------|----------------|
| VIII. RETAINED EARNINGS | 15,513 | 23,108 | 41,411 |
| Retained profit from previous years | 4,732 | 15,513 | 23,108 |
| Retained profit from financial year | 10,781 | 7,595 | 18,303 |
| IX. PARTICIPATION RIGHTS WITHOUT CONTROL | 0 | 0 | 0 |
| X. LOSS | 8,384 | 8,384 | 8,384 |
| Loss of previous years | 8,384 | 8,384 | 8,384 |
| Loss for the year | 0 | 0 | 0 |
| B. LONG-TERM PROVISIONS AND LIABILITIES | 6,012 | 17,279 | 17,120 |
| I. LONG-TERM PROVISIONS | 2,192 | 1,398 | 1,398 |
| Provision for retirement and other employee benefits | 2,192 | 1,398 | 1,398 |
| Provision for lawsuits | 0 | 0 | 0 |
| Other long-term provisions | 0 | 0 | 0 |
| II. LONG-TERM LIABILITIES | 3,820 | 15,881 | 15,722 |
| Long-term loans and loans in the country | 0 | 0 | 0 |
| Liabilities arising from finance lease | 3,820 | 15,881 | 15,722 |
| C. DEFERRED TAX LIABILITIES | 0 | 0 | 0 |
| D. CURRENT LIABILITIES | 48,284 | 78,090 | 107,238 |
| I. SHORT-TERM FINANCIAL LIABILITIES | 10,187 | 50,092 | 81,334 |
| Short-term loans from parent companies and subsidiaries | 8,884 | 45,570 | 80,189 |
| Short-term loans from other related parties | 0 | 0 | 0 |
| Short-term loans and loans in the country | 0 | 0 | 0 |
| Other current financial liabilities | 1,303 | 4,522 | 1,145 |
| II. PREPAYMENTS, DEPOSITS AND GUARANTEES | 1,373 | 2,859 | 4,136 |
| III. ACCOUNTS PAYABLE | 13,701 | 12,058 | 12,106 |
| Suppliers - parent and subsidiaries in the country | 3,281 | 3,281 | 2,595 |
| Suppliers - parent and subsidiaries abroad | 0 | 0 | 0 |
| Suppliers - other related parties in the country | 0 | 90 | 0 |
| Suppliers in the country | 10,358 | 8,512 | 9,153 |
| Foreign suppliers | 52 | 173 | 358 |
| Other liabilities | 10 | 2 | 0 |
| IV. OTHER CURRENT LIABILITIES | 19,394 | 8,030 | 5,917 |
| V. LIABILITIES FOR VALUE ADDED TAX | 1,305 | 0 | 1,248 |
| VI OTHER TAXES, CONTRIBUTIONS AND OTHER FEES | 809 | 1,549 | 312 |
| VII. ACCRUALS | 1,515 | 3,502 | 2,185 |
| I. THE LOSS IN EXCESS OF CAPITAL | 0 | 0 | 0 |
| F. TOTAL LIABILITIES | 84,529 | 132,700 | 179,992 |
| G. OFF BALANCE SHEET LIABILITIES | 0 | 0 | 0 |

| Income statement (in thousands of RSD) | january- december 2013 | january- december 2014 | january- september 2014 | january- september 2015 |
|--|------------------------------|------------------------------|-------------------------------|-------------------------------|
| INCOME FROM OPERATIONS | | | | |
| A. OPERATING INCOME | 117,517 | 119,549 | 91,221 | 111,195 |
| I. Sales of goods | 24 | 0 | 0 | 0 |
| II. Sales of products and services | 117,493 | 119,549 | 91,221 | 111,195 |
| III. Revenues from premiums, subsidies, donations, grants etc. | | | 0 | 0 |
| IV. Other operating income | | | 0 | 0 |
| EXPENSES FROM OPERATIONS | | | 0 | 0 |
| B. OPERATING EXPENSES | 105,078 | 102,562 | 75,358 | 90,602 |
| I. Cost of commercial goods sold | | | 0 | 0 |
| V. Material consumed | 3,787 | 3,968 | 2,390 | 2,700 |
| VI. Fuel and energy consumed | 31,652 | 30,978 | 25,964 | 25,038 |
| VII. Staff costs | 31,463 | 30,765 | 20,933 | 25,728 |
| VIII. Production expenses | 15,403 | 12,130 | 9,516 | 16,900 |
| IX. Amortization | 8,041 | 11,217 | 8,173 | 6,859 |
| X. Costs of long-term provisions | 575 | 0 | 0 | 0 |
| XI. Intangible costs | 14,157 | 13,505 | 8,382 | 13,377 |
| C. PROFIT FROM OPERATIONS | 12,439 | 16,987 | 15,863 | 20,593 |
| D. LOSS FROM OPERATIONS | 0 | 0 | 0 | 0 |
| I. FINANCE INCOME | 171 | 46 | 42 | 228 |



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| | | | | |
|--|---------------|---------------|---------------|---------------|
| I. Financial income from related persons and other financial income | | | 0 | 0 |
| II. Interest income (from third parties) | 21 | 13 | 13 | 44 |
| III. Gains and positive effects of currency clause | 150 | 33 | 29 | 184 |
| F. FINANCE EXPENSES | 2,032 | 7,483 | 1,460 | 1,712 |
| I. Financial expenses related party transactions and other financial expenses | | | 0 | 0 |
| II. Interest expense (by third parties) | 641 | 6,198 | 601 | 1,706 |
| III. Foreign exchange gains and negative effects of currency clause | 1,391 | 1,285 | 859 | 6 |
| G. PROFIT FROM FINANCING | 0 | 0 | 0 | 0 |
| H. LOSS FROM FINANCING | 1,861 | 7,437 | 1,418 | 1,484 |
| I. INCOME FROM VALUATION ADJUSTMENTS OF OTHER ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT | 11 | 0 | 0 | 0 |
| J. LOSS ADJUSTMENT OTHER PROPERTY CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT | 0 | 446 | 0 | 0 |
| K. OTHER INCOME | 1,732 | 3,272 | 1,014 | 2,347 |
| L. OTHER EXPENSES | 357 | 2,312 | 1 | 111 |
| M. OPERATING PROFIT BEFORE TAX | 11,964 | 10,064 | 15,457 | 21,345 |
| N. LOSS FROM OPERATIONS BEFORE TAX | 0 | 0 | 0 | 0 |
| Q. PROFIT BEFORE TAXATION | 11,964 | 10,064 | 15,457 | 21,345 |
| P. LOSS BEFORE TAXATION | 0 | 0 | 0 | 0 |
| R. INCOME TAX | 0 | 0 | 0 | 0 |
| I. Current tax expense | 809 | 3,617 | 1,692 | 3,042 |
| II. Deferred income tax expense | 375 | 0 | 0 | 0 |
| III. Deferred income tax benefit | 0 | 1,148 | 0 | 0 |
| T. EARNINGS OF EMPLOYER | 0 | 0 | 0 | 0 |
| U. NET PROFIT | 10,780 | 7,595 | 13,765 | 18,303 |
| V. NET LOSS | 0 | 0 | 0 | 0 |

3.14. TIGAR CATERING

BALANCE SHEET IN THOUSANDS OF DINARS

| ASSETS | As of 31.12.2013. | As of 31.12.2014. | As of 30.09.2015. |
|---|-------------------|-------------------|-------------------|
| A. SUBSCRIBED CAPITAL UNPAID | | | 0 |
| B. NON-CURRENT ASSETS | 167,772 | 166,933 | 68,919 |
| I INTANGIBLE ASSETS | 14 | 8 | 3 |
| Concessions, patents, licenses, trademarks, software and other rights | 14 | 8 | 3 |
| II PROPERTY, PLANT AND EQUIPMENT | 167,758 | 164,226 | 66,217 |
| Land | 22,838 | 27,190 | 2,196 |
| Buildings | 136,307 | 129,574 | 56,168 |
| Plant and equipment | 7,736 | 6,475 | 7,264 |
| Property, plant and equipment construction | 877 | 987 | 588 |
| III BIOLOGICAL AGENTS | 0 | 0 | 0 |
| IV LONG-TERM FINANCIAL PLACEMENTS | 0 | 0 | 0 |
| V LONG-TERM RECEIVABLES | 0 | 2,699 | 2,699 |
| Receivables from parent company and its subsidiaries | 0 | 2,699 | 2,699 |
| C. DEFERRED TAX ASSETS | 0 | 0 | 0 |
| D. CURRENT ASSETS | 53,197 | 89,568 | 198,628 |
| I INVENTORIES | 6,620 | 5,839 | 102,914 |
| Material, spare parts, tools and supplies | 4,651 | 3,840 | 3,917 |
| Goods | 1,035 | 1,146 | 884 |
| Fixed assets held for sale | 0 | 0 | 98,113 |
| Advances paid to suppliers | 934 | 853 | 0 |
| II RECEIVABLES FOR SALE | 14,107 | 25,954 | 20,260 |
| Customers in the country - the parent and subsidiaries | 6,160 | 8,543 | 8,493 |
| Customers in the country - other related parties | 20 | 20 | 25 |
| Customers in the country | 7,927 | 17,273 | 11,742 |
| Customers abroad | 0 | 118 | 0 |



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| | | | |
|---|--------------------------|--------------------------|--------------------------|
| III RECEIVABLES FROM SPECIFIC OPERATIONS | 0 | 0 | 0 |
| IV OTHER RECEIVABLES | 26,211 | 33,822 | 50,318 |
| V FINANCIAL ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT | 0 | 0 | 0 |
| VI SHORT-TERM FINANCIAL PLACEMENTS | 4,182 | 23,065 | 24,513 |
| Short-term loans and investments - parent and subsidiaries | 4,182 | 23,065 | 24,513 |
| VII CASH AND CASH EQUIVALENTS | 1,309 | 0 | 2 |
| VIII VALUE ADDED TAX | 0 | 0 | 0 |
| IX PREPAYMENTS | 768 | 888 | 621 |
| E. TOTAL ASSETS | 220,969 | 256,501 | 267,547 |
| F. OFF BALANCE SHEET ASSETS | | | 0 |
| EQUITY AND LIABILITIES | As of 31.12.2013. | As of 31.12.2014. | As of 30.09.2015. |
| A. EQUITY | 111,409 | 102,027 | 102,926 |
| I SHARE AND OTHER CAPITAL | 204,108 | 204,108 | 204,108 |
| Shares of limited liability companies | 204,108 | 204,108 | 204,108 |
| II SUBSCRIBED CAPITAL UNPAID | 0 | 0 | 0 |
| III TREASURY SHARES | 0 | 0 | 0 |
| IV RESERVES | 0 | 0 | 0 |
| V REVALUATION RESERVES BASED ON REVALUATION OF INTANGIBLE ASSETS, PROPERTY, PLANT AND EQUIPMENT | 0 | 0 | 0 |
| VI UNREALIZED GAINS ON SECURITIES VALUE AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULTS | 0 | 0 | 0 |
| VII UNREALIZED LOSSES ON SECURITIES VALUE AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULTS | 0 | 35 | 35 |
| VIII RETAINED EARNINGS | 0 | 0 | 899 |
| Retained profit from the year | 0 | 0 | 899 |
| IX PARTICIPATION RIGHTS WITHOUT CONTROL | 0 | 0 | 0 |
| X LOSS | 92,699 | 102,046 | 102,046 |
| Loss of previous years | 78,884 | 92,699 | 102,046 |
| Loss for the year | 13,815 | 9,347 | 0 |
| B. LONG-TERM PROVISIONS AND LIABILITIES | 1,157 | 2,388 | 11,126 |
| I LONG-TERM PROVISIONS | 1,157 | 2,388 | 2,324 |
| Provision for retirement and other employee benefits | 1,157 | 2,388 | 2,324 |
| II LONG-TERM LIABILITIES | 0 | 0 | 8,802 |
| C. DEFERRED TAX LIABILITIES | 492 | 631 | 631 |
| D. CURRENT LIABILITIES | 107,911 | 151,455 | 152,864 |
| I SHORT-TERM FINANCIAL LIABILITIES | 10,988 | 15,766 | 15,101 |
| Short-term loans from parent companies and subsidiaries | 10,988 | 15,766 | 15,101 |
| II PREPAYMENTS, DEPOSITS AND GUARANTEES | 380 | 374 | 0 |
| III ACCOUNTS PAYABLE | 48,504 | 99,193 | 122,837 |
| Suppliers - parent and subsidiaries in the country | 6,564 | 50,730 | 81,416 |
| Suppliers - other related parties in the country | 12 | 12 | 12 |
| Suppliers in the country | 41,796 | 48,279 | 40,973 |
| Foreign suppliers | 124 | 172 | 418 |
| Other liabilities | 8 | 0 | 18 |
| IV OTHER CURRENT LIABILITIES | 41,690 | 30,122 | 8,630 |
| V LIABILITIES FOR VALUE ADDED TAX | 2,521 | 1,587 | 1,596 |
| VI OTHER TAXES, CONTRIBUTIONS AND OTHER FEES | 0 | 0 | 0 |
| VII ACCRUALS | 3,828 | 4,413 | 4,700 |
| E. THE LOSS IN EXCESS OF CAPITAL | 0 | 0 | 0 |
| F. TOTAL LIABILITIES | 220,969 | 256,501 | 267,547 |
| G. OFF BALANCE SHEET LIABILITIES | 0 | 0 | 0 |



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| INCOME STATEMENT IN THOUSANDS OF DINARS | January-December 2013 | January-December 2014 | January-September 2014 | January-September 2015 |
|--|-----------------------|-----------------------|------------------------|------------------------|
| INCOME FROM OPERATIONS | | | | |
| A. OPERATING INCOME | 150,552 | 177,211 | 130,747 | 150,511 |
| I Sales of goods | 63,936 | 95,452 | 70,600 | 62,360 |
| II Sales of products and services | 86,432 | 81,735 | 60,146 | 88,151 |
| III Revenues from premiums, subsidies, donations, grants etc. | 0 | 0 | 0 | 0 |
| IV Other operating income | 184 | 24 | 1 | 0 |
| EXPENSES FROM OPERATIONS | 0 | 0 | 0 | 0 |
| B. OPERATING EXPENSES | 167,712 | 179,412 | 131,386 | 147,478 |
| I Cost of commercial goods sold | 6,298 | 5,830 | 4,270 | 4,488 |
| II Work performed by the company and capitalized | 158 | 270 | 221 | 274 |
| III Increase in inventories of finished products and work in progress | 0 | 0 | 0 | 0 |
| IV Decrease in inventories of finished products and work in progress | 0 | 0 | 0 | 0 |
| V Material consumed | 78,013 | 88,491 | 66,682 | 73,217 |
| VI Fuel and energy consumed | 6,803 | 7,640 | 4,961 | 5,798 |
| VII Staff costs | 57,819 | 57,541 | 41,718 | 47,543 |
| VIII Production expenses | 2,576 | 3,012 | 2,094 | 3,166 |
| IX Amortization | 4,523 | 4,341 | 3,339 | 2,812 |
| X Costs of long-term provisions | 0 | 1,160 | 0 | 0 |
| XI Intangible costs | 11,838 | 11,667 | 8,543 | 10,728 |
| C. PROFIT FROM OPERATIONS | 0 | 0 | 0 | 3,033 |
| D. LOSS FROM OPERATIONS | 17,160 | 2,201 | 639 | 0 |
| I FINANCE INCOME | 373 | 0 | 0 | 1 |
| I Financial income from related persons and other financial income | 0 | 0 | 0 | 0 |
| II Interest income (from third parties) | 372 | 0 | 0 | 0 |
| III Gains and positive effects of currency clause | 1 | 0 | 0 | 1 |
| F. FINANCE EXPENSES | 633 | 7,814 | 444 | 1,972 |
| I Financial expenses related party transactions and other financial expenses | 0 | 0 | 0 | 0 |
| II Interest expense (by third parties) | 616 | 7,813 | 444 | 1,963 |
| III Foreign exchange gains and negative effects of currency clause | 17 | 1 | 0 | 9 |
| G. PROFIT FROM FINANCING | 0 | 0 | 0 | 0 |
| H. LOSS FROM FINANCING | 260 | 7,814 | 444 | 1,971 |
| I. INCOME FROM VALUATION ADJUSTMENTS OF OTHER ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT | 0 | 56 | 0 | 0 |
| J. LOSS ADJUSTMENT OTHER PROPERTY CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT | 170 | 250 | 0 | 0 |
| K. OTHER INCOME | 4,672 | 1,738 | 398 | 100 |
| L. OTHER EXPENSES | 688 | 738 | 259 | 264 |
| M. OPERATING PROFIT BEFORE TAX | 0 | 0 | 0 | 899 |
| N. LOSS FROM OPERATIONS BEFORE TAX | 13,606 | 9,209 | 944 | 0 |
| Q. PROFIT BEFORE TAXATION | 0 | 0 | 0 | 899 |
| R. LOSS BEFORE TAXATION | 13,606 | 9,209 | 944 | 0 |
| S. INCOME TAXES | | | 0 | 0 |
| I Current tax expense | | | 0 | 0 |
| II Deferred income tax expense | 209 | 138 | 0 | 0 |
| III Deferred income tax benefit | 0 | 0 | 0 | 0 |
| T. EARNINGS OF EMPLOYER | 0 | 0 | 0 | 0 |
| U. NET PROFIT | 0 | 0 | 0 | 899 |
| V. NET LOSS | 13,815 | 9,347 | 944 | 0 |



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| CASH FLOWS in thousands of RSD) | January-September 2014 | January-September 2015 |
|--|------------------------|------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Cash inflow from operating activities | 116,914 | 170,026 |
| Cash outflow from operating activities | 87,841 | 167,127 |
| Net cash inflow from operating activities | 29,073 | 2,899 |
| Net outflow from operating activities | 0 | 0 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Cash inflow from investing activities | 0 | 0 |
| Cash outflow from investing activities | 952 | 783 |
| Net cash inflow from investing activities | 0 | 0 |
| Net cash outflow from investing activities | 952 | 783 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Cash inflow from financing activities | 0 | 0 |
| Cash outflow from financing activities | 29,430 | 2,114 |
| Net cash inflow from financing activities | 0 | 0 |
| Net cash outflow from financing activities | 29,430 | 2,114 |
| Total cash inflow | 116,914 | 170,026 |
| Total cash outflow | 118,223 | 170,024 |
| NET CASH INFLOW | 0 | 2 |
| NET CASH OUTFLOW | 1,309 | 0 |
| Cash and cash equivalents at beginning of year | 1,309 | 0 |
| Foreign exchange gains on translation of cash and cash equivalents | 0 | 0 |
| Foreign exchange losses on translation of cash and cash equivalents | 0 | 0 |
| CASH AND CASH EQUIVALENTS AT END OF PERIOD | 0 | 2 |

3.15. TIGAR INCON

BALANCE SHEET (in thousands of RSD)

| ASSETS | As of 31 December 2013 | As of 31 December 2014 | As of 30 September 2015 |
|---|------------------------|------------------------|-------------------------|
| A. SUBSCRIBED CAPITAL UNPAID | | | 0 |
| B. NON-CURRENT ASSETS | 157,169 | 159,642 | 141,068 |
| I INTANGIBLE ASSETS | 22 | 12 | 5 |
| Concessions, patents, licenses, trademarks, software and other rights | 22 | 12 | 5 |
| II PROPERTY, PLANT AND EQUIPMENT | 157,147 | 151,310 | 132,743 |
| Land | 586 | 7,727 | 7,727 |
| Buildings | 141,695 | 132,443 | 116,047 |
| Plant and equipment | 14,866 | 11,140 | 8,683 |
| Property, plant and equipment construction | 0 | 0 | 286 |
| III BIOLOGICAL AGENTS | 0 | 0 | 0 |
| IV LONG-TERM FINANCIAL PLACEMENTS | 0 | 0 | 0 |
| V LONG-TERM RECEIVABLES | 0 | 8,320 | 8,320 |
| Receivables from parent company and its subsidiaries | 0 | 8,320 | 8,320 |
| C. DEFERRED TAX ASSETS | 0 | 0 | 0 |
| D. CURRENT ASSETS | 40,425 | 55,809 | 48,620 |
| I INVENTORIES | 5,823 | 5,887 | 19,052 |
| Supplies, spare parts, tools and supplies | 4,935 | 5,118 | 4,177 |
| Advances paid to suppliers | 888 | 769 | 0 |
| II RECEIVABLES FROM SALE | 30,525 | 42,467 | 17,485 |
| Customers in the country - the parent and subsidiaries | 8,242 | 8,603 | 7,675 |



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| | | | |
|---|-------------------------------|-------------------------------|--------------------------------|
| Customers abroad - parent and subsidiaries | 0 | 0 | 0 |
| Customers in the country - other related parties | 2,614 | 2,636 | 2,636 |
| Customers in the country | 19,669 | 31,228 | 7,174 |
| III RECEIVABLES FROM SPECIFIC | 0 | 0 | 0 |
| IV OTHER RECEIVABLES | 570 | 0 | 60 |
| V FINANCIAL ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT | 0 | 0 | 0 |
| VI SHORT-TERM FINANCIAL PLACEMENTS | 3,436 | 7,351 | 7,291 |
| Short-term loans and investments - parent and subsidiaries | 3,436 | 7,351 | 7,291 |
| VII CASH AND CASH EQUIVALENTS | 61 | 6 | 124 |
| VIII VALUE ADDED TAX | 0 | 0 | 0 |
| IX PREPAYMENTS | 10 | 98 | 4,609 |
| I. TOTAL ASSETS | 197,594 | 215,451 | 189,687 |
| EQUITY AND LIABILITIES | As of 31 December 2013 | As of 31 December 2014 | As of 30 September 2015 |
| A. EQUITY | 102,935 | 76,772 | 65,007 |
| I SHARE AND OTHER CAPITAL | 162,425 | 162,425 | 162,425 |
| Share Capital | 0 | 0 | 0 |
| II SUBSCRIBED CAPITAL UNPAID | 0 | 0 | 0 |
| III TREASURY SHARES | 0 | 0 | 0 |
| IV RESERVES | 0 | 0 | 0 |
| V REVALUATION RESERVES BASED ON REVALUATION OF INTANGIBLE ASSETS, PROPERTY, PLANT AND EQUIPMENT | 0 | 0 | 0 |
| VI UNREALIZED GAINS ON SECURITIES VALUE AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULTS | 0 | 0 | 0 |
| VII UNREALIZED LOSSES ON SECURITIES VALUE AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULTS | 0 | 572 | 572 |
| VIII RETAINED EARNINGS | 7,371 | 7,371 | 7,371 |
| Retained profit from previous years | 7,371 | 7,371 | 7,371 |
| IX PARTICIPATION RIGHTS WITHOUT CONTROL | 0 | 0 | 0 |
| X LOSS | 66,861 | 92,452 | 104,217 |
| Loss of previous years | 42,557 | 66,862 | 92,451 |
| Loss for the year | 24,304 | 25,590 | 11,766 |
| B. LONG-TERM PROVISIONS AND LIABILITIES | 4,194 | 2,727 | 43,124 |
| I LONG-TERM PROVISIONS | 4,194 | 2,727 | 2,605 |
| Provision for retirement and other employee benefits | 4,194 | 2,727 | 2,605 |
| II LONG-TERM LIABILITIES | 0 | 0 | 40,518 |
| C. DEFERRED TAX LIABILITIES | 1,448 | 1,369 | 1,369 |
| D. CURRENT LIABILITIES | 89,017 | 134,583 | 80,188 |
| I SHORT-TERM FINANCIAL LIABILITIES | 7,237 | 29,657 | 23,673 |
| Short-term loans from parent companies and subsidiaries | 7,237 | 29,657 | 23,673 |
| II PREPAYMENTS, DEPOSITS AND GUARANTEES | 0 | 0 | 0 |
| III ACCOUNTS PAYABLE | 20,413 | 44,487 | 38,509 |
| Suppliers - parent and subsidiaries in the country | 8,829 | 25,066 | 30,933 |
| Suppliers in the country | 11,584 | 19,421 | 7,419 |
| Other liabilities | 0 | 0 | 101 |
| IV OTHER CURRENT LIABILITIES | 50,355 | 51,764 | 15,702 |



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|--|----------------|----------------|----------------|
| V LIABILITIES FOR VALUE ADDED TAX | 2,063 | 1,996 | 480 |
| VI OTHER TAXES, CONTRIBUTIONS AND OTHER FEES | 0 | 0 | 0 |
| VII ACCRUALS | 8,949 | 6,679 | 1,824 |
| I. THE LOSS IN EXCESS OF CAPITAL | 0 | 0 | 0 |
| F. TOTAL LIABILITIES | 197,594 | 215,451 | 189,687 |

| Income statement (in thousands of RSD) | January-December 2013 | January-December 2014 | January-September 2014 | January-September 2015 |
|--|-----------------------|-----------------------|------------------------|------------------------|
| INCOME FROM OPERATIONS | | | | |
| A. OPERATING INCOME | 144,293 | 73,187 | 50,808 | 72,992 |
| I Sales of goods | 0 | 0 | 0 | 0 |
| II Sales of products and services | 144,293 | 73,187 | 50,808 | 72,992 |
| III Revenues from premiums, subsidies, donations, grants etc. | 0 | 0 | 0 | 0 |
| IV Other operating income | 0 | 0 | 0 | 0 |
| EXPENSES FROM OPERATIONS | 0 | 0 | 0 | 0 |
| B. OPERATING EXPENSES | 169,385 | 91,376 | 66,190 | 80,163 |
| II Work performed by the company and capitalized | 219 | 0 | 0 | 0 |
| V Material consumed | 47,302 | 16,885 | 12,161 | 26,631 |
| VI Fuel and energy consumed | 3,724 | 2,990 | 1,638 | 1,491 |
| VII Staff costs | 72,223 | 47,622 | 33,303 | 37,719 |
| VIII Production expenses | 23,896 | 5,941 | 5,132 | 1,969 |
| IX Amortization | 5,791 | 5,837 | 4,492 | 3,987 |
| X Costs of long-term provisions | 0 | 0 | 0 | 0 |
| XI Intangible costs | 16,668 | 12,101 | 9,464 | 8,366 |
| C. PROFIT FROM OPERATIONS | 0 | 0 | 0 | 0 |
| D. LOSS FROM OPERATIONS | 25,092 | 18,189 | 15,382 | 7,171 |
| I. FINANCE INCOME | 5,492 | 0 | 0 | 716 |
| I Financial income from related persons and other financial income | 5,482 | 0 | 0 | 0 |
| II Interest income (from third parties) | 0 | 0 | 0 | 716 |
| III Gains and positive effects of currency clause | 10 | 0 | 0 | 0 |
| F. FINANCE EXPENSES | 4,912 | 8,987 | 583 | 5,391 |
| I Financial expenses related party transactions and other financial expenses | 0 | 0 | 0 | 0 |
| II Interest expense (by third parties) | 4,430 | 8,987 | 583 | 5,391 |
| III Foreign exchange gains and negative effects of currency clause | 482 | 0 | 0 | 0 |
| G. PROFIT FROM FINANCING | 580 | 0 | 0 | 0 |
| H. LOSS FROM FINANCING | 0 | 8,987 | 583 | 4,675 |
| I. INCOME FROM VALUATION ADJUSTMENTS OF OTHER ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT | 0 | 289 | 0 | 0 |
| J. LOSS ADJUSTMENT OTHER PROPERTY CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT | 1,148 | 0 | 0 | 0 |
| K. OTHER INCOME | 1,493 | 1,541 | 42 | 79 |
| L. OTHER EXPENSES | 126 | 323 | 62 | 0 |
| M. OPERATING PROFIT BEFORE TAX | 0 | 0 | 0 | 0 |
| N. LOSS FROM OPERATIONS BEFORE TAX | 24,293 | 25,669 | 15,985 | 11,766 |
| Q. PROFIT BEFORE TAXATION | 0 | 0 | 0 | 0 |
| R. LOSS BEFORE TAXATION | 24,293 | 25,669 | 15,985 | 11,766 |
| S. INCOME TAXES | 0 | 0 | 0 | 0 |
| I Current tax expense | 0 | 0 | 0 | 0 |
| II Deferred income tax expense | 10 | 0 | 0 | 0 |
| III Deferred income tax benefit | 0 | 79 | 0 | 0 |
| T. EARNINGS OF EMPLOYER | 0 | 0 | 0 | 0 |
| U. NET PROFIT | 0 | 0 | 0 | 0 |
| V. NET LOSS | 24,303 | 25,590 | 15,985 | 11,766 |



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| CASH (in thousands of RSD) | FLOWS | January-September 2014 | January-September 2015 |
|--|--------------|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Cash inflow from operating activities | | 15,702 | 51,471 |
| Cash outflow from operating activities | | 18,947 | 39,767 |
| Net cash inflow from operating activities | | 0 | 11,704 |
| Net outflow from operating activities | | 3,245 | 0 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Cash inflow from investing activities | | 0 | 0 |
| Cash outflow from investing activities | | 0 | 0 |
| Net cash inflow from investing activities | | 0 | 0 |
| Net cash outflow from investing activities | | 0 | 0 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Cash inflow from financing activities | | 3,190 | 0 |
| Cash outflow from financing activities | | 0 | 11,586 |
| Net cash inflow from financing activities | | 3,190 | 0 |
| Net cash outflow from financing activities | | 0 | 11,586 |
| Total cash inflow | | 18,892 | 51,471 |
| Total cash outflow | | 18,947 | 51,353 |
| NET CASH INFLOW | | 0 | 118 |
| NET CASH OUTFLOW | | 55 | 0 |
| Cash and cash equivalents at beginning of year | | 61 | 6 |
| Foreign exchange gains on translation of cash and cash equivalents | | 0 | 0 |
| Foreign exchange losses on translation of cash and cash equivalents | | 0 | 0 |
| CASH AND CASH EQUIVALENTS AT END OF PERIOD | | 6 | 124 |

3.16. FREE ZONE PIROT

BALANCE SHEET (in thousands of RSD)

| ASSETS | As of 31 December 2013 | As of 31 December 2014 | As of 30 September 2015 |
|--|-------------------------------|-------------------------------|--------------------------------|
| A. SUBSCRIBED CAPITAL UNPAID | | | 0 |
| B. NON-CURRENT ASSETS | 75,359 | 77,451 | 116,938 |
| I INTANGIBLE ASSETS | 338 | 247 | 191 |
| II PROPERTY, PLANT AND EQUIPMENT | 75,021 | 77,204 | 116,747 |
| Land | 18,090 | 18,090 | 18,090 |
| Buildings | 42,169 | 45,805 | 46,563 |
| Plant and equipment | 5,408 | 4,171 | 3,323 |
| Property, plant and equipment construction | 8,428 | 8,428 | 8,844 |
| Investments in property, plants and equipment | 926 | 710 | 563 |
| Advances for property, plant and equipment | 0 | 0 | 39,364 |
| III BIOLOGICAL AGENTS | 0 | 0 | 0 |
| IV LONG-TERM FINANCIAL PLACEMENTS | 0 | 0 | 0 |
| V LONG-TERM RECEIVABLES | 0 | 0 | 0 |
| Receivables from parent company and its subsidiaries | 0 | 0 | 0 |
| C. DEFERRED TAX ASSETS | 102 | 0 | 0 |
| D. CURRENT ASSETS | 160,996 | 188,527 | 139,162 |
| I INVENTORIES | 1,256 | 1,133 | 1,119 |
| II RECEIVABLES FROM SALE | 58,152 | 43,249 | 69,439 |
| Customers in the country - the parent and subsidiaries | 6,005 | 7,887 | 6,824 |
| Customers in the country | 48,459 | 31,307 | 56,084 |
| Customers abroad | 3,688 | 4,055 | 6,531 |
| III RECEIVABLES FROM SPECIFIC | 4,761 | 1,255 | 0 |
| IV OTHER RECEIVABLES | 15,413 | 15,905 | 1,494 |



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| | | | |
|---|-------------------------------|-------------------------------|--------------------------------|
| V FINANCIAL ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT | 0 | 0 | 0 |
| VI SHORT-TERM FINANCIAL PLACEMENTS | 45,000 | 45,000 | 0 |
| Short-term loans and investments - parent and subsidiaries | 45,000 | 45,000 | 0 |
| VII CASH AND CASH EQUIVALENTS | 35,469 | 79,048 | 65,180 |
| VIII VALUE ADDED TAX | 0 | 0 | 0 |
| IX PREPAYMENTS | 945 | 2,937 | 1,930 |
| I. TOTAL ASSETS | 236,457 | 265,978 | 256,100 |
| F. OFF BALANCE SHEET ASSETS | 20,000 | 12,500 | 12,500 |
| EQUITY AND LIABILITIES | As of 31 December 2013 | As of 31 December 2014 | As of 30 September 2015 |
| A. EQUITY | 199,378 | 222,112 | 198,807 |
| I SHARE AND OTHER CAPITAL | 118,439 | 118,439 | 118,439 |
| Share Capital | 118,439 | 118,439 | 118,439 |
| II SUBSCRIBED CAPITAL UNPAID | 0 | 0 | 0 |
| III TREASURY SHARES | 0 | 0 | 34,854 |
| IV RESERVES | 5,016 | 5,016 | 5,016 |
| V REVALUATION RESERVES BASED ON REVALUATION OF INTANGIBLE ASSETS, PROPERTY, PLANT AND EQUIPMENT | 0 | 0 | 0 |
| VI UNREALIZED GAINS ON SECURITIES VALUE AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULTS | 0 | 664 | 556 |
| VII UNREALIZED LOSSES ON SECURITIES VALUE AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULTS | 0 | 108 | 0 |
| VIII RETAINED EARNINGS | 75,923 | 98,101 | 109,650 |
| Retained profit from previous years | 57,565 | 75,923 | 64,921 |
| Retained profit for the year | 18,358 | 22,178 | 44,729 |
| IX PARTICIPATION RIGHTS WITHOUT CONTROL | 0 | 0 | 0 |
| X LOSS | 0 | 0 | 0 |
| B. LONG-TERM PROVISIONS AND LIABILITIES | 3,274 | 2,792 | 2,792 |
| I LONG-TERM PROVISIONS | 3,274 | 2,792 | 2,792 |
| Provision for retirement and other employee benefits | 1,564 | 1,082 | 1,082 |
| Provision for lawsuits | 1,710 | 1,710 | 1,710 |
| II LONG-TERM LIABILITIES | 0 | 0 | 0 |
| C. DEFERRED TAX LIABILITIES | 0 | 411 | 411 |
| D. CURRENT LIABILITIES | 33,805 | 40,663 | 54,090 |
| I SHORT-TERM FINANCIAL LIABILITIES | 2,977 | 0 | 0 |
| Other current financial liabilities | 2,977 | 0 | 0 |
| II PREPAYMENTS, DEPOSITS AND GUARANTEES | 2,543 | 2,182 | 2,825 |
| III ACCOUNTS PAYABLE | 20,481 | 25,800 | 42,288 |
| Suppliers - parent and subsidiaries in the country | 1,335 | 5,229 | 5,585 |
| Suppliers in the country | 11,787 | 14,947 | 20,568 |
| Foreign suppliers | 7,218 | 5,438 | 15,649 |
| Other liabilities | 141 | 186 | 486 |
| IV OTHER CURRENT LIABILITIES | 6,540 | 6,611 | 6,688 |
| V LIABILITIES FOR VALUE ADDED TAX | 1,034 | 1,167 | 1,651 |
| VI OTHER TAXES, CONTRIBUTIONS AND OTHER FEES | 0 | 4,300 | 638 |
| VII ACCRUALS | 230 | 603 | 0 |
| I. THE LOSS IN EXCESS OF CAPITAL | 0 | 0 | 0 |
| F. TOTAL LIABILITIES | 236,457 | 265,978 | 256,100 |
| G. OFF BALANCE SHEET LIABILITIES | 20,000 | 12,500 | 12,500 |



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| Income statement (in thousands of RSD) | January- December 2013 | January- December 2014 | January- September 2014 | January- September 2015 |
|--|------------------------------|------------------------------|-------------------------------|-------------------------------|
| INCOME FROM OPERATIONS | | | | |
| A. OPERATING INCOME | 250,009 | 261,118 | 194,915 | 290,107 |
| I Sales of goods | 0 | 5 | 0 | 0 |
| II Sales of products and services | 250,009 | 261,113 | 194,915 | 290,107 |
| III Revenues from premiums, subsidies, donations, grants etc. | 0 | 0 | 0 | 0 |
| IV Other operating income | 0 | 0 | 0 | 0 |
| EXPENSES FROM OPERATIONS | 0 | 0 | 0 | 0 |
| B. OPERATING EXPENSES | 233,970 | 226,644 | 167,473 | 241,575 |
| I Cost of commercial goods sold | 0 | 202 | 198 | 0 |
| V Material consumed | 981 | 1,984 | 1,002 | 738 |
| VI Fuel and energy consumed | 3,164 | 4,461 | 2,671 | 3,230 |
| VII Staff costs | 53,062 | 55,515 | 41,794 | 44,263 |
| VIII Production expenses | 162,894 | 148,736 | 111,423 | 182,267 |
| IX Amortization | 2,512 | 2,867 | 2,128 | 2,304 |
| X Costs of long-term provisions | 374 | 170 | 0 | 0 |
| XI Intangible costs | 10,983 | 12,709 | 8,257 | 8,773 |
| C. PROFIT FROM OPERATIONS | 16,039 | 34,474 | 27,442 | 48,532 |
| D. LOSS FROM OPERATIONS | 0 | 0 | 0 | 0 |
| I. FINANCE INCOME | 13,887 | 14,757 | 2,810 | 974 |
| I Financial income from related persons and other financial income | 11,996 | 10,245 | 0 | 0 |
| II Interest income (from third parties) | 101 | 181 | 72 | 495 |
| III Gains and positive effects of currency clause | 1,790 | 4,331 | 2,738 | 479 |
| F. FINANCE EXPENSES | 1,544 | 716 | 369 | 1,203 |
| I Financial expenses related party transactions and other financial expenses | 16 | 9 | 11 | 5 |
| 1. Finance expenses from relations with parent companies and subsidiaries | 16 | 9 | 6 | 3 |
| 2. Finance expenses from relations with other related parties | 0 | 0 | 5 | 2 |
| II Interest expense (by third parties) | 3 | 7 | 0 | 0 |
| III Foreign exchange gains and negative effects of currency clause | 1,525 | 700 | 358 | 1,198 |
| G. PROFIT FROM FINANCING | 12,343 | 14,041 | 2,441 | 0 |
| H. LOSS FROM FINANCING | 0 | 0 | 0 | 229 |
| I. INCOME FROM VALUATION ADJUSTMENTS OF OTHER ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT | 501 | 2,656 | 1,231 | 1,917 |
| J. LOSS ADJUSTMENT OTHER PROPERTY CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT | 19,375 | 23,072 | 955 | 0 |
| K. OTHER INCOME | 11,566 | 268 | 165 | 322 |
| L. OTHER EXPENSES | 365 | 256 | 239 | 74 |
| M. OPERATING PROFIT BEFORE TAX | 20,709 | 28,111 | 30,085 | 50,468 |
| N. LOSS FROM OPERATIONS BEFORE TAX | 0 | 0 | 0 | 0 |
| Q. PROFIT BEFORE TAXATION | 20,709 | 28,111 | 30,085 | 50,468 |
| R. LOSS BEFORE TAXATION | 0 | 0 | 0 | 0 |
| S. INCOME TAXES | 0 | 0 | 0 | 0 |
| I Current tax expense | 2,239 | 5,420 | 853 | 5,739 |
| II Deferred income tax expense | 112 | 513 | 0 | 0 |
| III Deferred income tax benefit | 0 | 0 | 0 | 0 |
| T. EARNINGS OF EMPLOYER | 0 | 0 | 0 | 0 |
| U. NET PROFIT | 18,358 | 22,178 | 29,232 | 44,729 |
| V. NET LOSS | 0 | 0 | 0 | 0 |



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| ASSETS | As of 31 December 2013 | As of 31 December 2014 | As of 30 September 2015 |
|---|-------------------------------|-------------------------------|--------------------------------|
| A. SUBSCRIBED CAPITAL UNPAID | | | 0 |
| B. NON-CURRENT ASSETS | 30,577 | 90,532 | 89,526 |
| I INTANGIBLE ASSETS | 0 | 0 | 0 |
| II PROPERTY, PLANT AND EQUIPMENT | 30,577 | 29,111 | 28,105 |
| Land | 0 | 1,558 | 1,557 |
| Buildings | 25,634 | 23,674 | 23,373 |
| Plant and equipment | 4,162 | 3,358 | 2,849 |
| Investment property | 0 | 0 | 0 |
| Property, plant and equipment construction | 0 | 0 | 0 |
| Investments in property, plants and equipment | 781 | 521 | 326 |
| III BIOLOGICAL AGENTS | 0 | 0 | 0 |
| IV LONG-TERM FINANCIAL PLACEMENTS | 0 | 0 | 0 |
| V LONG-TERM RECEIVABLES | 0 | 61,421 | 61,421 |
| Receivables from parent company and its subsidiaries | 0 | 61,421 | 61,421 |
| C. DEFERRED TAX ASSETS | 314 | 280 | 280 |
| D. CURRENT ASSETS | 98,905 | 114,939 | 104,780 |
| I INVENTORIES | 221 | 116 | 0 |
| Advances paid to suppliers | 221 | 116 | 0 |
| II RECEIVABLES FROM SALE | 79,407 | 69,099 | 58,234 |
| Customers in the country - the parent and subsidiaries | 68,484 | 48,600 | 40,787 |
| Customers abroad - parent and subsidiaries | 0 | 0 | 0 |
| Customers in the country - other related parties | 50 | 84 | 110 |
| Customers in the country | 10,873 | 20,415 | 17,337 |
| Customers abroad | 0 | 0 | 0 |
| III RECEIVABLES FROM SPECIFIC | 0 | 0 | 0 |
| IV OTHER RECEIVABLES | 125 | 123 | 147 |
| V FINANCIAL ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT | 0 | 0 | 0 |
| VI SHORT-TERM FINANCIAL PLACEMENTS | 19,004 | 45,434 | 46,253 |
| Short-term loans and investments - parent and subsidiaries | 19,004 | 45,434 | 46,253 |
| VII CASH AND CASH EQUIVALENTS | 0 | 0 | 10 |
| VIII VALUE ADDED TAX | 0 | 0 | 0 |
| IX PREPAYMENTS | 148 | 167 | 136 |
| I. TOTAL ASSETS | 129,796 | 205,751 | 194,586 |
| F. OFF BALANCE SHEET ASSETS | 0 | 0 | 0 |
| EQUITY AND LIABILITIES | As of 31 December 2013 | As of 31 December 2014 | As of 30 September 2015 |
| A. EQUITY | 67,005 | 90,743 | 98,871 |
| I SHARE AND OTHER CAPITAL | 39,413 | 39,413 | 39,413 |
| Share Capital | 0 | 0 | 0 |
| II SUBSCRIBED CAPITAL UNPAID | 0 | 0 | 0 |
| III TREASURY SHARES | 0 | 0 | 0 |
| IV RESERVES | 0 | 0 | 0 |
| V REVALUATION RESERVES BASED ON REVALUATION OF INTANGIBLE ASSETS, PROPERTY, PLANT AND EQUIPMENT | 0 | 0 | 0 |
| VI UNREALIZED GAINS ON SECURITIES VALUE AND OTHER COMPONENTS OF OTHER | 0 | 0 | 0 |



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| COMPREHENSIVE RESULTS | | | |
| VII UNREALIZED LOSSES ON SECURITIES VALUE AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULTS | 0 | 42 | 42 |
| VIII RETAINED EARNINGS | 27,592 | 51,372 | 59,500 |
| Retained profit from previous years | 938 | 27,592 | 51,372 |
| Retained profit for the year | 26,654 | 23,780 | 8,128 |
| IX PARTICIPATION RIGHTS WITHOUT CONTROL | 0 | 0 | 0 |
| X LOSS | 0 | 0 | 0 |
| B. LONG-TERM PROVISIONS AND LIABILITIES | 3,102 | 1,861 | 1,861 |
| I LONG-TERM PROVISIONS | 3,102 | 1,861 | 1,861 |
| Provision for retirement and other employee benefits | 3,102 | 1,861 | 1,861 |
| II LONG-TERM LIABILITIES | 0 | 0 | 0 |
| Long-term loans in the country | 0 | 0 | 0 |
| C. DEFERRED TAX LIABILITIES | 0 | 0 | 0 |
| D. CURRENT LIABILITIES | 59,689 | 113,147 | 93,854 |
| I SHORT-TERM FINANCIAL LIABILITIES | 1,618 | 32,286 | 48,970 |
| Short-term loans from parent companies and subsidiaries | 1,618 | 32,286 | 48,970 |
| Other current financial liabilities | 0 | 0 | 0 |
| II PREPAYMENTS, DEPOSITS AND GUARANTEES | 8 | 50 | 0 |
| III ACCOUNTS PAYABLE | 4,102 | 8,629 | 9,572 |
| Suppliers - parent and subsidiaries in the country | 549 | 4,024 | 4,334 |
| Suppliers - other related parties in the country | 0 | 180 | 180 |
| Suppliers in the country | 3,553 | 4,425 | 4,758 |
| Foreign suppliers | 0 | 0 | 0 |
| Other liabilities | 0 | 0 | 300 |
| IV OTHER CURRENT LIABILITIES | 44,453 | 55,532 | 28,836 |
| V LIABILITIES FOR VALUE ADDED TAX | 5,136 | 4,997 | 1,008 |
| VI OTHER TAXES, CONTRIBUTIONS AND OTHER FEES | 2,132 | 6,914 | 824 |
| VII ACCRUALS | 2,240 | 4,739 | 4,644 |
| I. THE LOSS IN EXCESS OF CAPITAL | 0 | 0 | 0 |
| F. TOTAL LIABILITIES | 129,796 | 205,751 | 194,586 |
| G. OFF BALANCE SHEET LIABILITIES | 0 | 0 | 0 |

| Income statement (in thousands of RSD) | January-December 2013 | January-December 2014 | January-September 2014 | January-September 2015 |
|---|-----------------------|-----------------------|------------------------|------------------------|
| INCOME FROM OPERATIONS | | | | |
| A. OPERATING INCOME | 105,752 | 126,214 | 93,753 | 88,810 |
| I Sales of goods | 0 | 0 | 0 | 0 |
| II Sales of products and services | 105,752 | 126,214 | 93,753 | 88,810 |
| III Revenues from premiums, subsidies, donations, grants etc. | 0 | 0 | 0 | 0 |
| IV Other operating income | 0 | 0 | 0 | 0 |
| EXPENSES FROM OPERATIONS | 0 | 0 | 0 | 0 |
| B. OPERATING EXPENSES | 75,717 | 85,108 | 60,671 | 71,858 |
| I Cost of commercial goods sold | 0 | 0 | 0 | 0 |
| II Work performed by the company and capitalized | 0 | 0 | 0 | 0 |
| III Increase in inventories of finished products and work in progress | 0 | 0 | 0 | 0 |
| IV Decrease in inventories of finished products and work in progress | 0 | 0 | 0 | 0 |
| V Material consumed | 1,492 | 1,684 | 1,497 | 109 |



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|---|---------------|---------------|---------------|---------------|
| VI Fuel and energy consumed | 835 | 1,179 | 680 | 793 |
| VII Staff costs | 65,631 | 74,728 | 53,816 | 62,949 |
| VIII Production expenses | 2,617 | 1,325 | 867 | 700 |
| IX Amortization | 1,645 | 1,461 | 1,123 | 1,006 |
| X Costs of long-term provisions | 0 | 0 | 0 | 0 |
| XI Intangible costs | 3,497 | 4,731 | 2,688 | 6,301 |
| C. PROFIT FROM OPERATIONS | 30,035 | 41,106 | 33,082 | 16,952 |
| D. LOSS FROM OPERATIONS | 0 | 0 | 0 | 0 |
| I. FINANCE INCOME | 0 | 0 | 0 | 0 |
| I Financial income from related persons and other financial income | 0 | 0 | 0 | 0 |
| II Interest income (from third parties) | 0 | 0 | 0 | 0 |
| III Gains and positive effects of currency clause | 0 | 0 | 0 | 0 |
| F. FINANCE EXPENSES | 338 | 10,867 | 209 | 3,453 |
| I Financial expenses related party transactions and other financial expenses | 0 | 0 | 0 | 0 |
| II Interest expense (by third parties) | 338 | 10,867 | 209 | 3,453 |
| III Foreign exchange gains and negative effects of currency clause | 0 | 0 | 0 | 0 |
| G. PROFIT FROM FINANCING | 0 | 0 | 0 | 0 |
| H. LOSS FROM FINANCING | 338 | 10,867 | 209 | 3,453 |
| I. INCOME FROM VALUATION ADJUSTMENTS OF OTHER ASSETS CARRIED AT FAIR VALUE TROUGH INCOME STATEMENT | 0 | 0 | 0 | 0 |
| J. LOSS ADJUSTMENT OTHER PROPERTY CARRIED AT FAIR VALUE TROUGH INCOME STATEMENT | 224 | 131 | 0 | 0 |
| K. OTHER INCOME | 354 | 863 | 11 | 5 |
| L. OTHER EXPENSES | 66 | 10 | 0 | 16 |
| M. OPERATING PROFIT BEFORE TAX | 29,761 | 30,961 | 32,884 | 13,488 |
| N. LOSS FROM OPERATIONS BEFORE TAX | 0 | 0 | 0 | 0 |
| Q. PROFIT BEFORE TAXATION | 29,761 | 30,961 | 32,884 | 13,488 |
| R. LOSS BEFORE TAXATION | 0 | 0 | 0 | 0 |
| S. INCOME TAXES | 0 | 0 | 0 | 0 |
| I Current tax expense | 3,083 | 7,146 | 4,018 | 5,360 |
| II Deferred income tax expense | 25 | 34 | 0 | 0 |
| III Deferred income tax benefit | 0 | 0 | 0 | 0 |
| T. EARNINGS OF EMPLOYER | 0 | 0 | 0 | 0 |
| U. NET PROFIT | 26,653 | 23,780 | 28,866 | 8,128 |
| V. NET LOSS | 0 | 0 | 0 | 0 |

3.18. PI CHANNEL**BALANCE SHEET IN THOUSANDS OF DINARS**

| ASSETS | As of 31.12.2013. | As of 31.12.2014. | As of 30.09.2015. |
|--|--------------------------|--------------------------|--------------------------|
| A. SUBSCRIBED CAPITAL UNPAID | | | 0 |
| B. NON-CURRENT ASSETS | 7,384 | 6,717 | 6,140 |
| I INTANGIBLE ASSETS | 0 | 0 | 0 |
| II PROPERTY, PLANT AND EQUIPMENT | 7,384 | 6,717 | 6,140 |
| Land | 70 | 67 | 0 |
| Buildings | 1,733 | 1,193 | 65 |
| Plant and equipment | 0 | 0 | 712 |
| Investments in property, plants and equipment | 5,581 | 5,457 | 5,364 |
| III BIOLOGICAL AGENTS | 0 | 0 | 0 |
| IV LONG-TERM FINANCIAL PLACEMENTS | 0 | 0 | 0 |
| V LONG-TERM RECEIVABLES | 0 | 0 | 0 |
| Receivables from parent company and its subsidiaries | 0 | 0 | 0 |
| C. DEFERRED TAX ASSETS | 2 | 17 | 17 |
| D. CURRENT ASSETS | 7,471 | 4,710 | 2,256 |
| I INVENTORIES | 289 | 239 | 0 |
| II RECEIVABLES FORM SALE | 5,031 | 3,322 | 1,213 |



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| | | | |
|---|--------------------------|--------------------------|--------------------------|
| Customers in the country - other related parties | 4,195 | 2,630 | 719 |
| Customers in the country | 836 | 692 | 493 |
| III RECEIVABLES FROM SPECIFIC OPERATIONS | 0 | 0 | 0 |
| IV OTHER RECEIVABLES | 308 | 398 | 238 |
| V FINANCIAL ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT | 0 | 0 | 0 |
| VI SHORT-TERM FINANCIAL PLACEMENTS | 0 | 0 | 0 |
| VII CASH AND CASH EQUIVALENTS | 1,803 | 683 | 767 |
| VIII VALUE ADDED TAX | 0 | 0 | 0 |
| IX PREPAYMENTS | 40 | 68 | 39 |
| E. TOTAL ASSETS | 14,857 | 11,444 | 8,414 |
| F. OFF BALANCE SHEET ASSETS | | | 0 |
| EQUITY AND LIABILITIES | As of 31.12.2013. | As of 31.12.2014. | As of 30.09.2015. |
| A. EQUITY | 6,424 | 5,499 | 3,284 |
| I SHARE AND OTHER CAPITAL | 3,166 | 3,166 | 3,166 |
| II SUBSCRIBED CAPITAL UNPAID | 0 | 0 | 0 |
| III TREASURY SHARES | 0 | 0 | 0 |
| IV RESERVES | 115 | 115 | 115 |
| V REVALUATION RESERVES BASED ON REVALUATION OF INTANGIBLE ASSETS, PROPERTY, PLANT AND EQUIPMENT | 0 | 0 | 0 |
| VI UNREALIZED GAINS ON SECURITIES VALUE AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULTS | 0 | 0 | 0 |
| VII UNREALIZED LOSSES ON SECURITIES VALUE AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULTS | 0 | 0 | 0 |
| VIII RETAINED EARNINGS | 3,143 | 3,143 | 3 |
| Retained profit from previous years | 2,476 | 3,143 | 0 |
| Retained profit from the year | 667 | 0 | 3 |
| IX PARTICIPATION RIGHTS WITHOUT CONTROL | 0 | 0 | 0 |
| X LOSS | 0 | 925 | 0 |
| Loss of previous years | 0 | 0 | 0 |
| Loss for the year | 0 | 925 | 0 |
| B. LONG-TERM PROVISIONS AND LIABILITIES | 117 | 0 | 0 |
| I LONG-TERM PROVISIONS | 0 | 0 | 0 |
| II LONG-TERM LIABILITIES | 117 | 0 | 0 |
| C. DEFERRED TAX LIABILITIES | 0 | 0 | 0 |
| D. CURRENT LIABILITIES | 8,316 | 5,945 | 5,129 |
| I SHORT-TERM FINANCIAL LIABILITIES | 807 | 124 | 0 |
| Short-term loans from parent companies and subsidiaries | 456 | 0 | 0 |
| Other current financial liabilities | 351 | 124 | 0 |
| II PREPAYMENTS, DEPOSITS AND GUARANTEES | 17 | 177 | 0 |
| III ACCOUNTS PAYABLE | 4,407 | 3,867 | 2,563 |
| Suppliers - other related parties in the country | 3,135 | 2,703 | 1,746 |
| Suppliers in the country | 1,272 | 1,164 | 818 |
| Other liabilities | 0 | 0 | 0 |
| IV OTHER CURRENT LIABILITIES | 2,311 | 1,140 | 1,207 |
| V LIABILITIES FOR VALUE ADDED TAX | 680 | 486 | 72 |
| VI OTHER TAXES, CONTRIBUTIONS AND OTHER FEES | 20 | 0 | 0 |
| VII ACCRUALS | 74 | 151 | 1,287 |
| E. THE LOSS IN EXCESS OF CAPITAL | 0 | 0 | 0 |
| F. TOTAL LIABILITIES | 14,857 | 11,444 | 8,414 |
| G. OFF BALANCE SHEET LIABILITIES | 0 | 0 | 0 |



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| INCOME STATEMENT IN THOUSANDS OF DINARS | January- December 2013 | January- December 2014 | January- September 2014 | January- September 2015 |
|--|---------------------------------------|---------------------------------------|--|--|
| INCOME FROM OPERATIONS | | | | |
| A. OPERATING INCOME | 17,308 | 13,015 | 10,115 | 10,116 |
| I Sales of goods | 0 | 0 | 0 | 0 |
| II Sales of products and services | 16,538 | 13,015 | 10,115 | 3,637 |
| III Revenues from premiums, subsidies, donations, grants etc. | 0 | 0 | 0 | 0 |
| IV Other operating income | 770 | 0 | 0 | 6,479 |
| EXPENSES FROM OPERATIONS | 0 | 0 | 0 | 0 |
| B. OPERATING EXPENSES | 16,878 | 14,074 | 9,527 | 10,106 |
| I Cost of commercial goods sold | 0 | 0 | 0 | 0 |
| II Work performed by the company and capitalized | 0 | 0 | 0 | 0 |
| V Material consumed | 391 | 214 | 145 | 158 |
| VI Fuel and energy consumed | 1,901 | 1,185 | 337 | 643 |
| VII Staff costs | 10,972 | 9,388 | 6,862 | 6,935 |
| VIII Production expenses | 1,628 | 1,206 | 776 | 532 |
| IX Amortization | 894 | 805 | 614 | 577 |
| X Costs of long-term provisions | 0 | 0 | 0 | 0 |
| XI Intangible costs | 1,092 | 1,276 | 793 | 1,262 |
| C. PROFIT FROM OPERATIONS | 430 | 0 | 588 | 10 |
| D. LOSS FROM OPERATIONS | 0 | 1,059 | 0 | 0 |
| I FINANCE INCOME | 235 | 59 | 49 | 9 |
| I Financial income from related persons and other financial income | 0 | 0 | 0 | 0 |
| II Interest income (from third parties) | 232 | 59 | 49 | 9 |
| III Gains and positive effects of currency clause | 3 | 0 | 0 | 0 |
| F. FINANCE EXPENSES | 40 | 39 | 29 | 18 |
| I Financial expenses related party transactions and other financial expenses | 0 | 0 | 0 | 0 |
| II Interest expense (by third parties) | 37 | 23 | 16 | 17 |
| III Foreign exchange gains and negative effects of currency clause | 3 | 16 | 13 | 1 |
| G. PROFIT FROM FINANCING | 195 | 20 | 20 | 0 |
| H. LOSS FROM FINANCING | 0 | 0 | 0 | 9 |
| I. INCOME FROM VALUATION ADJUSTMENTS OF OTHER ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT | 56 | 52 | 0 | 0 |
| J. LOSS ADJUSTMENT OTHER PROPERTY CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT | | | 0 | 0 |
| K. OTHER INCOME | 149 | 287 | 4 | 2 |
| L. OTHER EXPENSES | 17 | 240 | 0 | 0 |
| M. OPERATING PROFIT BEFORE TAX | 813 | 0 | 612 | 3 |
| N. LOSS FROM OPERATIONS BEFORE TAX | 0 | 940 | 0 | 0 |
| Q. PROFIT BEFORE TAXATION | 813 | 0 | 612 | 3 |
| R. LOSS BEFORE TAXATION | 0 | 940 | 0 | 0 |
| S. INCOME TAXES | | | 0 | 0 |
| I Current tax expense | 99 | 0 | 74 | 0 |
| II Deferred income tax expense | 47 | 0 | 0 | 0 |
| III Deferred income tax benefit | 0 | 15 | 0 | 0 |
| T. EARNINGS OF EMPLOYER | 0 | 0 | 0 | 0 |
| U. NET PROFIT | 667 | 0 | 538 | 3 |
| V. NET LOSS | | 925 | 0 | 0 |



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| Income statement (in thousands of RSD) | january- december 2013 | january- december 2014 | january- september 2014 | january- september 2015 |
|--|------------------------------|------------------------------|-------------------------------|-------------------------------|
| INCOME FROM OPERATIONS | | | | |
| A. OPERATING INCOME | 2,993 | 2,706 | 1,980 | 2,094 |
| I. Sales of goods | | | 1,980 | 2,094 |
| II. Sales of products and services | 2,835 | 2,706 | 0 | 0 |
| III. Revenues from premiums, subsidies, donations, grants etc. | | | 0 | 0 |
| IV. Other operating income | 158 | | 0 | 0 |
| EXPENSES FROM OPERATIONS | | | 0 | 0 |
| B. OPERATING EXPENSES | 3,345 | 3,033 | 2,264 | 2,062 |
| I. Cost of commercial goods sold | | | 0 | 0 |
| II. Work performed by the company and capitalized | | | 0 | 0 |
| V. Material consumed | 34 | 37 | 25 | 28 |
| VI. Fuel and energy consumed | 36 | 51 | 33 | 48 |
| VII. Staff costs | 2,089 | 2,011 | 1,508 | 1,454 |
| VIII. Production expenses | 210 | 129 | 91 | 124 |
| IX. Amortization | 66 | 144 | 123 | 66 |
| X. Costs of long-term provisions | 71 | 22 | 0 | 0 |
| XI. Intangible costs | 839 | 639 | 484 | 342 |
| C. PROFIT FROM OPERATIONS | 0 | 0 | 0 | 32 |
| D. LOSS FROM OPERATIONS | 352 | 327 | 284 | 0 |
| I. FINANCE INCOME | 59 | 26 | 13 | 52 |
| I. Financial income from related persons and other financial income | | | 0 | 0 |
| II. Interest income (from third parties) | 45 | 10 | 9 | 4 |
| III. Gains and positive effects of currency clause | 14 | 16 | 4 | 48 |
| F. FINANCE EXPENSES | 5 | 16 | 5 | 77 |
| I. Financial expenses related party transactions and other financial expenses | | | 0 | 0 |
| II. Interest expense (by third parties) | 2 | 3 | 2 | 5 |
| III. Foreign exchange gains and negative effects of currency clause | 3 | 13 | 3 | 71 |
| G. PROFIT FROM FINANCING | 54 | 10 | 8 | 0 |
| H. LOSS FROM FINANCING | 0 | 0 | 0 | 25 |
| I. INCOME FROM VALUATION ADJUSTMENTS OF OTHER ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT | | 0 | 0 | 0 |
| J. LOSS ADJUSTMENT OTHER PROPERTY CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT | 336 | 16 | 0 | 0 |
| K. OTHER INCOME | 45 | 26 | 0 | 0 |
| L. OTHER EXPENSES | 518 | 0 | 0 | 117 |
| M. OPERATING PROFIT BEFORE TAX | 0 | 0 | 0 | 0 |
| N. LOSS FROM OPERATIONS BEFORE TAX | 1,107 | 307 | 276 | 111 |
| Q. PROFIT BEFORE TAXATION | 0 | 0 | 0 | 0 |
| P. LOSS BEFORE TAXATION | 1,107 | 307 | 276 | 111 |
| R. INCOME TAX | 0 | 0 | 0 | 0 |
| I. Current tax expense | | | 0 | 0 |
| II. Deferred income tax expense | 3 | 4 | 0 | 0 |
| III. Deferred income tax benefit | | | 0 | 0 |
| T. EARNINGS OF EMPLOYER | 0 | 0 | 0 | 0 |
| U. NET PROFIT | 0 | 0 | 0 | 0 |
| V. NET LOSS | 1,110 | 311 | 276 | 111 |



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3.20. TIGAR INTER RISK

| Income statement (in thousands of RSD) | january- december 2013 | january- december 2014 | january- september 2014 | january- september 2015 |
|--|------------------------------|------------------------------|-------------------------------|-------------------------------|
| INCOME FROM OPERATIONS | | | | |
| A. OPERATING INCOME | 3,018 | 2,100 | 1,740 | 1,858 |
| I. Sales of goods | | | 0 | 0 |
| II. Sales of products and services | 3,018 | 2,100 | 1,740 | 1,858 |
| III. Revenues from premiums, subsidies, donations, grants etc. | | | 0 | 0 |
| IV. Other operating income | | | 0 | 0 |
| EXPENSES FROM OPERATIONS | | | 0 | 0 |
| B. OPERATING EXPENSES | 2,113 | 1,858 | 1,278 | 1,732 |
| I. Cost of commercial goods sold | | | 0 | 0 |
| II. Work performed by the company and capitalized | | | 0 | 0 |
| V. Material consumed | 6 | 11 | 0 | 5 |
| VI. Fuel and energy consumed | 68 | 61 | 35 | 62 |
| VII. Staff costs | 1,768 | 1,488 | 1,060 | 1,414 |
| VIII. Production expenses | 40 | 27 | 16 | 20 |
| IX. Amortization | 21 | 14 | 12 | 5 |
| X. Costs of long-term provisions | | | 0 | 0 |
| XI. Intangible costs | 210 | 257 | 155 | 225 |
| C. PROFIT FROM OPERATIONS | 905 | 242 | 461 | 126 |
| D. LOSS FROM OPERATIONS | 0 | 0 | 0 | 0 |
| I. FINANCE INCOME | 1 | 2 | 1 | 1 |
| I. Financial income from related persons and other financial income | | | 0 | 0 |
| II. Interest income (from third parties) | 1 | 2 | 1 | 1 |
| III. Gains and positive effects of currency clause | | | 0 | 0 |
| F. FINANCE EXPENSES | 0 | 1 | 0 | 0 |
| I. Financial expenses related party transactions and other financial expenses | | | 0 | 0 |
| II. Interest expense (by third parties) | | 1 | 0 | 0 |
| III. Foreign exchange gains and negative effects of currency clause | | | 0 | 0 |
| G. PROFIT FROM FINANCING | 1 | 1 | 1 | 1 |
| H. LOSS FROM FINANCING | 0 | 0 | 0 | 0 |
| I. INCOME FROM VALUATION ADJUSTMENTS OF OTHER ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT | 13 | 0 | 0 | 0 |
| J. LOSS ADJUSTMENT OTHER PROPERTY CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT | 0 | 114 | 0 | 0 |
| K. OTHER INCOME | 107 | 23 | 0 | 0 |
| L. OTHER EXPENSES | 0 | 25 | 25 | 0 |
| M. OPERATING PROFIT BEFORE TAX | 1,026 | 127 | 437 | 127 |
| N. LOSS FROM OPERATIONS BEFORE TAX | 0 | 0 | 0 | 0 |
| Q. PROFIT BEFORE TAXATION | 1,026 | 127 | 437 | 127 |
| P. LOSS BEFORE TAXATION | 0 | 0 | 0 | 0 |
| R. INCOME TAX | 0 | 0 | 0 | 0 |
| I. Current tax expense | 248 | 92 | 186 | 69 |
| II. Deferred income tax expense | | | 0 | 0 |
| III. Deferred income tax benefit | | | 0 | 0 |
| T. EARNINGS OF EMPLOYER | 0 | 0 | 0 | 0 |
| U. NET PROFIT | 778 | 35 | 251 | 58 |
| V. NET LOSS | 0 | 0 | 0 | 0 |



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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 30.09.2015 is 113, of which 309,862 m², is undeveloped land, while the useful area is 93,167 m². The total carrying value of the land is RSD 472.611.152,10.

The carrying value of the land of the Free Zone was RSD 18,090,326.24 on September 30th 2015.

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 93,167m².

As of 30 September 2015, the carrying value of the buildings owned by Tigar and its major subsidiaries was RSD 2,017,831,038.88.

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

| Entity | Value in RSD as of 30.09.2015. |
|---------------|--------------------------------|
| Tigar AD | 595.000.642,88 |
| Total: | 595.000.642,88 |

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.

Book value of buildings

| BOOK VALUE OF BUILDINGS (in '000 RSD) | | | |
|--|-------------------------|-------------------------|-------------------------|
| Entity | 31.03.2015. | 30.06.2015. | 30.09.2015. |
| Tigar AD | 639.469.269,23 | 639.129.948,71 | 1.742.931.515,33 |
| Tigar Rubber Technical Goods | 405.531.919,14 | 403.750.979,72 | / |
| Tigar Chemical Products | 31.368,00 | 30.753,00 | / |
| Tigar Rubber Footwear | 644.320.426,18 | 642.408.753,77 | / |
| Tigar trgovine | 27.651.224,77 | 27.506.566,77 | 19.320.073,63 |
| Tigar Business Service | 13.537.023,46 | 13.482.846,46 | 13.428.667,46 |
| Tigar Tours | 4.896.506,66 | 4.871.382,42 | / |
| Tigar Security | 23.574.036,07 | 23.473.510,07 | 23.372.983,96 |
| Free Zone | 45.587.039,22 | 46.792.796,24 | 46.562.936,96 |
| Tigar Incon | 131.916.521,57 | 131.740.702,57 | 116.046.502,71 |
| Tigar Catering | 128.980.080,29 | 128.420.827,46 | 56.168.359,72 |
| Total: | 2.065.495.414,59 | 2.057.609.067,19 | 2.017.831.038,88 |



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Real estate transactions

In the period January-September 2015, there were no real estate transactions.

Liens

At the end of September 2015, 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 Šimanovci 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 Šimanovci 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 Šimanovci 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 Šimanovci 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.

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 17.09.2009 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.



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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 place 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 statements nos. 4714/10 dated 21.04.2010, 2352/10 dated 26.05.2010 and 420/13 dated 12.02.2013 place 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.

Mortgage statement no. 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.

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.



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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-Zvečan 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 as it is the case with the company 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 2015 was still characterized by a low level of investment activity and low liquidity. 2015 is the fourth year in a row that records the decrease of BSE indices – belex 15 by 8.86% and belexline by 8.27%. 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. Successful revision of the program with the International Monetary Fund, lower deficits and stable exchange rate could have a positive impact on potential investors and the growth of domestic capital markets in the future.

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 and in the first quarter of 2015. In mid-March, the price of Tigar's shares reached a low of 30 RSD. By the end of the same month, there was recorded a significant increase in the price of company's shares. Trading in the second and third quarter of 2015 proceeded at a level of 80 - 100 dinars, which is significantly below the nominal value of 374 RSD, but is almost three times higher in relation to the lowest price at which Tigar's shares were traded during the first quarter of 2015 and by 40,85% higher in relation to the prices shares were traded on the last day of 2014.

In the reporting period (I-IX 2015) was traded with 335.938 shares, equal to 19,55% of the total number of issued shares. The biggest turnover was realized in March, when in 1 day only were traded 108.949 shares, which is 6.34% of the total number of issued shares. The main feature of share trading in the last nine months are significant price fluctuations.

The following table contains a summary of key data from trading of Company's shares during the three quarters of 2015.

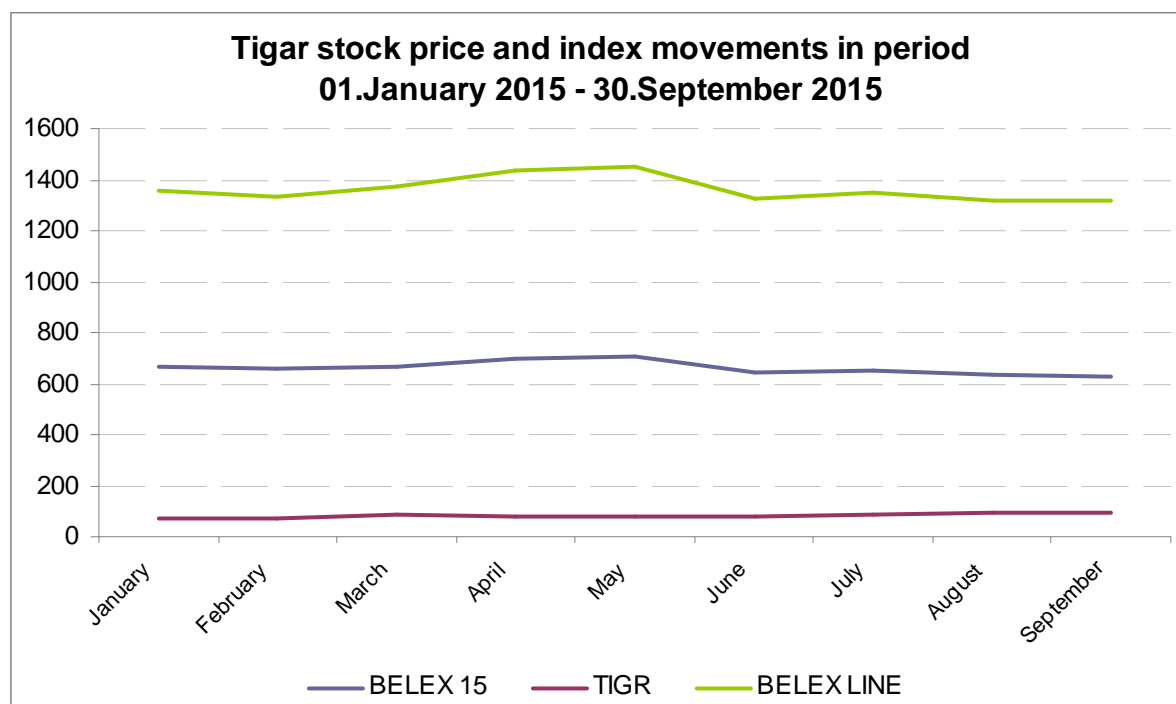
| | 31. DECEMBER 2014. | 30. SEPTEMBER 2015. | % CHANGE |
|---------------------------------|-------------------------------|--------------------------------|-----------------|
| Number of shareholders | 4,476 | 4,448 | - 0,63 |
| Total number of shares | 1,718, 460 | 1,718,460 | |
| Book value of shares | -614,12 | -1.342,02 | |
| Market price of shares | 71,00 | 95,00 | 33,80 |
| Lowest price during the period | 30.00 – 20.03.2015. | | |
| Highest price during the period | 100.00 –23.09.2015. | | |
| Average price I-IX 2015* | 78,17 | | |
| Market capitalization in RSD | 122,010,660 | 163,253,700 | |

The graph below shows the parallel representation of Tigar stock price and index movements during the period January 2015 – September 2015.



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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 of 2014, the company has held the Extraordinary session of General Assembly at which approval has been given for the launching of the Prepackaged Plan of Reorganization, which was handed over on May 29th to the Commercial Court in Nis. After the adoption of the Prepackaged Plan of Reorganization on 29.09.2014, the Court issued a Decision on the Ratification of the adoption of the revised text of the Prepackaged Plan of Reorganization.

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.

The Prepackaged Plan of Reorganization became final on 01.06.2015, and on 16.06.2015 begun its implementation in accordance with repayment schedules.

Ownership structure at the end of the third quarter of 2015

| Shareholders | 30.09.2015. |
|---------------------|--------------------|
| Legal entities | 53,73 |
| Individuals | 35,35 |
| Custody accounts | 10,92 |

Tigar's ownership structure in 2015 is characterized by stable stakes of three groups of shareholders: the Serbian government (via its two national funds); institutional investors (domestic and international) and a group of natural persons.



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Top ten shareholders as of 30 September 2015

Compared with the same period in 2014 when there were traded only 79.446 shares, in the first three quarters of 2015, 335.938 shares changed their owners, which led to significant changes in the top ten shareholders.

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 | 24.99 |
| 2 | NIKOMMS DOO BELGRADE | 261,903 | 15,24 |
| 3 | NATIONAL PENSION AND DISABILITY FUND OF THE REPUBLIC OF SERBIA | 149,981 | 8,73 |
| 4 | ERSTE BANK AD NOVI SAD - Custody account | 87,387 | 5.08 |
| 5 | ERSTE BANK AD NOVI SAD - Custody account | 64,518 | 3,75 |
| 6 | RADENKOVIĆ NIKOLA | 43,042 | 2,50 |
| 7 | TZR NATURA VITA | 25,100 | 1,46 |
| 8 | SOCIETE GENERALE BANK SERBIA - Custody account | 11,480 | 0,67 |
| 9 | JOKIĆ MILOŠ | 10,643 | 0,62 |
| 10 | MILJKOVIĆ IVAN | 10,607 | 0,62 |

Data from the Central Registry of Securities and the Depository and Clearing House as of 30 September 2015 were published at www.crhov.rs



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6. SUSTAINABLE DEVELOPMENT

6.1. EMPLOYEES

Headcount and structure

On 30 September 2015 the number of people employed in Tigar Corporation was the following:

| Workforce as of 30.09.2015 | |
|------------------------------------|-------------------------|
| Company | No. of employees |
| Tigar a.d. collectively (1) | 1.080 |
| Tigar a.d. | 211 |
| T.R. Footwear plant | 699 |
| TTRG plant | 140 |
| TCP plant | 30 |
| Other (2) | 466 |
| Total (1+2) | 1.546 |

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-IX 2015 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.

| Total employee expenses in the period I-IX 2015 | | |
|--|-----------------------------------|-------------------------------------|
| | Net salaries and wages in 000 RSD | Gross salaries and wages in 000 RSD |
| Tigar Ad collectively (1) | 326,394 | 553,625 |
| Tigar Ad | 98,622 | 166,561 |
| Tigar Rubber Footwear | 181,092 | 308,157 |
| Tigar Technical Rubber Goods | 37,916 | 63,661 |
| Tigar Chemical Products | 8,764 | 15,246 |
| Other (2) | 128,705 | 217,441 |
| Total (1+2) | 455,099 | 771,066 |

* Note: The costs of salaries for the month of September 2015, for people employed in Tigar Rubber Footwear, Tigar Technical Rubber Goods and Tigar Chemical Products have been entered as costs of salaries of Tigar AD, due to merger of these entities to Tigar AD.



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Optimization of human resources

During the period I-IX 2015, 51 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. (1) | No. of employees | 10 | | 28 | 38 |
| | Amount in RSD | 1.242.246,00 | | | 1.242.246,00 |
| Tigar a.d. | No. of employees | 4 | | 4 | 8 |
| | Amount in RSD | 467.270,00 | | | |
| Tigar Rubber Footwear (TRF plant) | No. of employees | 3 | | 16 | 19 |
| | Amount in RSD | 393.920,00 | | | 393.920,00 |
| Tigar Technical Rubber Goods (TTRG plant) | No. of employees | 2 | | 6 | 8 |
| | Amount in RSD | 258.452,00 | | | 258.452,00 |
| Tigar Chemical Products (TCP plant) | No. of employees | 1 | | 2 | 3 |
| | Amount in RSD | 122.604,00 | | | 122.604,00 |
| Other (2) | No. of employees | 3 | 3 | 7 | 13 |
| | Amount in RSD | 355.974,00 | 877.538,00 | | 1.233.512,00 |
| Total (1+2) | No. of employees | 13 | 3 | 35 | 51 |
| | Amount in RSD | 1.598.220,00 | 877.538,00 | | 2.475.758,00 |

Note: Tigar ad 1 includes the total of Tigar ad, TRF plant, TTRG plant and TCP plant.

As of these 35 full-time employees who terminated their employment on other grounds, 30 employees resigned of their own volition, termination of employment for violation of obligations - 3 employees and fatal case – 2 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 and in 2015.

Employee training

The following number of employees was trained in the period I-IX 2015 through internal and external training programs:

| Employee training – internal and external | | | |
|---|--------------------|--------------------|-------|
| | INTERNAL TRAININGS | EXTERNAL TRAININGS | TOTAL |
| Tigar a.d. (1) | 1.011 | 50 | 1.061 |
| Tigar a.d. | 218 | 24 | 242 |
| Tigar Rubber Footwear | 651 | 12 | 663 |
| Tigar Technical Rubber Goods | 108 | 14 | 122 |
| Tigar Chemical Products | 34 | 0 | 34 |
| Others (2) | 473 | 7 | 480 |

| | | |
|---|---|--------------------|
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| | | | |
|--------------------|-------|----|-------|
| Total (1+2) | 1.484 | 57 | 1.541 |
|--------------------|-------|----|-------|

Employee training expenses in the period I-IX 2015 amounted to 878.967,00 RSD or 0.11% of paid gross salaries.

Professional Practice for 9 unemployed through NSZ started in June 2015 and runs until December 2015. In the period January-September 2015, 205 Pirot secondary school students have completed their internships in Tigar.

6 students have carried out internships (professional practice) in the period January-September 2015

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. Even in difficult business conditions are made efforts for the preservation and promotion of integrated management systems although the certification cycle in rubber footwear plant terminated, the IMS is not abandoned. The first quarter of 2015 was marked by the upgrading of the documentation basis of the company Tigar Rubber Footwear, and of the related processes within Tigar AD, and were carried out preparatory works for the re-certification of integrated management systems in manufacturing entity Tigar Rubber Footwear. In June were certified integrated management systems according to ISO 9001, ISO 14001 and OHSAS 18001 certification by TUV Rheinland Inter Cert I.I.c. from Belgrade. In the current system was not established any inconsistency with the requirements of the relevant standards.

During June, in Tigar Incon was conducted the resertification 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.

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.



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In accordance with the legislation, in March 2015 were 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.

Previously entered long-term contracts with operators of packaging waste management, Ekostar pak and Sekopak are still valid, only that because of the merger of productional entities to parent company (status change), the contract with Sekopak was concluded with Tigar a.s.

In the period January – September 2015 was carried out the sampling and testing of waste water quality, measurement of emissions of pollutants on the technology emitters in the rubber footwear plant, measuring of emissions of pollutants on the emitters of the steam boiler of Tigar AD – Energetic plant.

In accordance with the legislation were made reportings toward the Agency for Environmental Protection regarding the use of volatile organic solvents.

6.4. INTELLECTUAL PROPERTY

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

Registered trademarks as of 30 Septembre 2015:

| Request No. | Request | Req. | Trademark | Valid | 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 Tq 615 | 25.05.17. | Tigar AD |
| Ž-947/07 | 30.04.07. | 55640 | Tigar Mountain | 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 |
| Ž-2440/07 | 17.10.07. | 56731 | Tigar Chemical | 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 | 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 |



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| | | | | | |
|---------------------|-----------|---------|----------------------|-----------|----------|
| Ž-1472/08 | 11.06.08. | 58428 | Specijal | 11.06.18. | Tigar AD |
| Ž-1432/08 | 06.06.08. | 59305 | Basketball Tq21 | 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 | 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 | 06.06.18. | Tigar AD |
| Ž-1467/08 | 11.06.08. | 58430 | Overload Waterpolo | 11.06.18. | Tigar AD |
| Ž-1476/08 | 11.06.08. | 58463 | Overload Waterpolo | 11.06.18. | Tigar AD |
| Ž-1430/08 | 06.06.08. | 59304 | Basketball TG21 | 06.06.18. | Tigar AD |
| Z-2441/07 | 17.10.07. | 56730 | Tigar R.Technical | 17.10.17. | Tigar AD |
| Ž-2681/08 | 03.11.08. | 59486 | Trapper | 03.11.18. | Tigar AD |
| Ž-2682/08 | 03.11.08. | 59485 | Pesca | 03.11.18. | Tigar AD |
| Ž-2679/08 | 03.11.08. | 59327 | Rainydays | 03.11.18. | Tigar AD |
| Ž-2680/08 | 03.11.08. | 59334 | Nency | 03.11.18. | Tigar AD |
| Ž-2678/08 | 03.11.08. | 59333 | Ladybird | 03.11.18. | Tigar AD |
| Ž-2677/08 | 03.11.08. | 59336 | Ratar | 03.11.18. | Tigar AD |
| Ž-2676/08 | 03.11.08. | 59451 | Balerina | 03.11.18. | Tigar AD |
| Ž-2675/08 | 03.11.08. | 59335 | Work | 03.11.18. | Tigar AD |
| Ž-2904/08 | 02.12.08. | 59458 | Polar | 03.11.18. | Tigar AD |
| Ž-2674/08 | 03.11.08. | 59337 | Protecta | 03.11.18. | Tigar AD |
| Ž-2673/08 | 03.11.08. | 59390 | Forestry Line | 03.11.18. | Tigar AD |
| Ž-2672/08 | 03.11.08. | 60043 | Fireproof | 03.11.18. | Tigar AD |
| Ž-2671/08 | 03.11.08. | 59326 | Cryo | 03.11.18. | Tigar AD |
| Ž-2670/08 | 03.11.08. | 59387 | Sparclesafety | 03.11.18. | Tigar AD |
| Ž-2661/08 | 31.10.08. | 59341 | Firefighter Super | 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 | 07.09.09. | 1020263 | Brolly | 07.09.19. | Tigar AD |
| Internat. trademark | 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 | 25.05.20. | Tigar R. |
| Finland | 20.11.85. | 94345 | Forester | 20.11.15. | Tigar R. |
| Norvey | 14.11.85. | 123042 | Forester | 14.11.15. | Tigar R. |
| Sweden | 26.07.85. | 197287 | Forester | 26.07.15. | Tigar R. |

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. Pursuant to Article 55 paragraph 2 of the Particular Collective Contract, employees are entitled to compensation on the basis of innovation



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(outstanding contribution to increasing productivity, improving quality, new technical solutions and improvements in production processes). The level of remuneration is regulated by a separate contract between the employee and Tigar AD, in the form of an increase of the employee's salary. This contract represents an annex to the individual employment contract; its contents are confidential and it is valid for one year. No objections or claims are filed toward Tigar, or by Tigar, in connection with the violation of intellectual property rights.

6.5. INFORMATION TECHNOLOGY

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

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

6.6. SOCIAL RESPONSIBILITY

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

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.



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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.

In order to support educational and physical development of children, in the first quarter of 2015 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. There was also supported the action of rewarding the best students of Pirot Gymnasium as well as the projects of cultural significance, such as Bitef Theatre. In order to help the pensioners was rendered assistance to the subsidiary of pensioners Pirot.

In order to help the diseased persons and to socially and medically vulnerable people, there was given the help and support to Associations of people suffering from multiple sclerosis as well as to disadvantaged families in a need of footwear for the normal living and working.

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
 Aleksandar Đurković
 Aleksandar Radojević
 Bogdan Popara
 Nikola Radenković

***On 30.09.2015, Nikola Radenkovic holds 43.042 shares, while other members of the Supervisory Board do not hold any of 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

The Executive Board will make decisions falling within its competence on the occasion of its respective sessions.



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7. MAJOR JANUARY-SEPTEMBER 2015 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, 3) service entities and 4) commercial & service entities. None of the dependent productional or 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 have been transferred to the parent company. The parent company is functionally organized and within it functions the profit center - 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 dependent service subsidiaries. Through a number of analysis was also reviewed the importance of the 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 Serbian and regional markets. Within this particular brand is specially recognized the redesigned brand **Tigar hunting program**, which was won in 2011 and in 2015 acquired its full market recognition. Woman's fashion program **Maniera** and children's program **Brolly** are among the brands created by their own R&D - from construction, technology, choice of material until the model and product branding. Offering children's, women's fashion-, yachting, leisure and lux categories of footwear, these brands have yet to fight for their recognition and market share. However, the fact is that most of the rubber footwear production is done under private brands of customers – contract manufacturing - (55%), 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 previous period we have invested efforts in certification and recertification of the complete safety program Century that according to the plan should be finalized by the end of November. Certification of the working rubber boots program is undergoing. The process of developing, i.e., winning new private brands in the safety and hunting rubber footwear program is in progress as well as the development and redesign of the fashion program under the brands of our existing customers. 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.



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Service network

The sales network covers the chain comprising 9 service centers for the sale of vehicle tires and batteries, oil for cars and the provision of light services and 18 retail buildings of colonial type. The company uses its sales network to sell its products, but also products made by other manufacturers, following the principle multiproduct - multi-brand strategy.

Through the analysis of business activities shall be carried out the allocation of certain facilities, the closure of unprofitable objects and the opening of new, profitable sales & service centers.

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 the establishing of strategic partnerships.

9.2. RISKS

Risk management with which the company is facing can be classified into strategic and operational risks.

In the part of managing strategic risk, the company can not affect the possible risk factors, such as:

Risks related to changes to the legislation, in particular due to major changes being implemented in the process of harmonization with EU legislation;

Economic or political instability;

Macroeconomic environment and general business conditions;

Entering the market of the European Union as well as access to the Russian market (registration and commercial aspects)

All manufacturing and service entities are operating in the market with very strong competition and due to various risk factors, their market position may be compromised.

As a stock company, Tigar is affected and depends on capital market developments and on the structure of ownership, there is always the possibility of changing corporate policies and strategies.

In the part of operational risks, the Company faces risks related to the very industry in which it operates as well as with a group of financial risks.

There is no single organizational unit in the company that deals with risk management, they are monitored within each entity and function 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.



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Market- and Industry-related risks

Tigar Marketing Strategy is defined in terms of opportunities and threats of the market and business environment and is consistent with the fundamental competitive advantages of Tigar in the production of rubber footwear.

Its main elements are: 1) the differentiation of production based on the high quality of production and products, continued development of programs and products and high-quality service related to product development for the off-take production, 2) off-take production as the main form of the market expansion, and 3) development and profiling of own brand.

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. Exposure to foreign currency risk is reflected in payables toward suppliers from from abroad, borrowings, as well as cash and cash equivalents.

Exposure to price change risk is greatest in the part related to procurement of raw materials imported and is associated with exposure to foreign exchange risk. The Company has applied the stabilization of operations and measures to decrease the impact of this risk to the business, which is mainly associated



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with contracting long term business relationship with suppliers from abroad and timely procurement of raw materials.

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

Risks related to shareholder and corporate structure

During the reporting period, there were no major changes in ownership structure and shareholding concentration. The current situation does not indicate that in the near future the company may face with the risk of a large concentration of ownership that could significantly affect the existing business strategy and development policies. 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 III QUARTER OF 2015

Realization of the Prepackaged Plan of Reorganization

As one of the measures of realization of the Prepackaged Plan of Reorganization of Tigar AD, there was implemented a status change implying the merger of production companies: Tigar Rubber Footwear, Tigar Technical Rubber Goods and Tigar Chemical Products to the parent company - Tigar AD Pirot. Legal consequences of the merger to the parent company, or deletion from the register of the said business entities, became effective on the date of registration of the status change at the Agency for Business Registers on 11.09.2015.

The Prepackaged Plan of Reorganization of Tigar ad Pirot is applied through the implementation of reorganization measures in all areas. As for the settlement of obligations towards the creditors, for now on, they are being paid on regular basis, according to repayment schedules and deadlines defined for Tigar AD, while the direct creditors of Tigar Rubber Footwear are settled according to repayment schedules set forth in the Prepackaged Plan of Reorganization for Tigar Rubber Footwear.

Changes in the composition of the Supervisory Board

By the decision of the Supervisory Board as of 26.08.2015, there was co-opted the new Supervisory Board member Nikola Radenković.

Changes in the business of the entities Tigar Europe and Tigar Americas:

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.

Due to the lack of communication with the director and unsatisfactory operating results, it is undergoing the shutdown of Tigar Americas, commercial enterprise based in the territory of the United States in which Tigar AD figures as the owner of 100% of the share capital.

Investment activities

In July 2015, the company has directed certain funds towards the improvement of the warehouse space. There was adapted the warehouse area of 2.837 m². This warehouse is rented.

On 22 July 2015 were launched the works on the construction of the new plant for the manufacture of rubber compounds.

**DIRECTOR OF ACCOUNTING FUNCTION
TIGAR AD**

Aleksandra Đorđević

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 quarterly reports, we hereby declare that to our best knowledge these Reports have 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 results are included within the consolidated statements.

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

The Supervisory Board of the Company has reviewed and approved the nine-months report at its meeting held on 12 November 2015.

DIRECTOR OF ACCOUNTING FUNCTION
TIGAR AD

Aleksandra Đorđević

MANAGING DIRECTOR OF TIGAR AD

Nebojsa Djenadic

CHAIRMAN OF TIGAR AD
SUPERVISORY BOARD

Nebojsa Petrovic