



**BUSINESS REPORT
FOR THE PERIOD JANUARY- SEPTEMBER 2016**

Document Reference

IZ.P. 16/03

**BUSINESS REPORT
FOR THE PERIOD
JANUARY – SEPTEMBER 2016**

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Key words : TIGAR, REPORT, BUSINESS, SEPTEMBER 2016		Document Reference
		IZ.P.16/03
Date: 2016-11-09	Author: Branislav Čurić	Approved by: Nebojša Petrović



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ASSESSMENT OF PERFORMANCE IN THE PERIOD JANUARY – SEPTEMBER 2016

Business in the third quarter of 2016 was strongly influenced by the situation in which company is for a longer period, but also by the conditions which characterize domestic business in general.

From the beginning of the year the total sale of Tigar's program is at the level of RSD 1,46 billion, of which 73% was achieved in export and is by 15% higher in relation to the same period last year. The sale of the Rubber footwear program is by 18% higher in relation to the first nine months last year. Production in Tigar a.d. in the period January – September 2016 has recorded a decline by 12% in relation to the same period last year in the domain of footwear program in tons, i.e. a decline by 15% when we observe production in pairs. Although there was recorded a decline in physical production volume of footwear in pairs by 15% in relation to the same period last year, the structure of production program has been changed significantly given that in the first nine months of 2016 production was intended for export market as well as in the last two months of 2015. Realization ensued in the first quarter of this year and it mostly dealt with items of higher value. There was recorded an increase in production of safety footwear by 64%, fashion footwear by 34% and children's footwear by 69% in relation to the same period last year, resulting in greater income, whereas a decline was recorded predominantly in programs intended for domestic market, primarily when it comes to low footwear and work footwear, by 24% and 27% respectively.

Production of the Technical Good's program is by 20% lower in relation to last year in tons, whereas when it comes to Chemical Product's program production in tons is higher by 16%.

According to the data of European Commission on export of rubber – plastic footwear in the European Union in the period 2012 – 201 Tigar a.d. ranks second, right after China, with the realization of 5, 578 million euros, which represents the best data on export for Tigar a.d. in the last 5 years on the six-month basis.

Consolidated operating income recorded a growth by 12% in relation to the same period last year. The most important operating indicators such as EBIT and EBITDA continue the trend of business stabilization in the first nine months of 2016, as well. The stated operating profit (EBIT) in the period January – September amounted to 58,789 thousand dinars, whereas in the same period last year was stated operating loss in the amount of 11,433 thousand dinars. Operating profit prior to amortization (EBITDA) amounted to 179,931 thousand dinars, whereas in the same period last year was recorded operating profit prior to amortization in the amount of 127,509 thousand dinars.

In the first quarter the Company has presented, at the session of the Board of Creditors, the current implementation of measures envisaged by the PPoR. Given that one of the measures envisaged – the sale of property – did not bear any fruits, there came about problems in the settlement of obligations and then it was concluded that it was necessary to amend the conditions from the PPoR.

The Company drafted the proposal for new, more favourable conditions and meetings concerning amends to the proposed conditions were held with all larger creditors. To obtain the final opinion of banks, their condition, as well as the condition of DEG as one of the largest creditors, is the attitude of State, that is state creditors is necessary.

The banks were offered debt-to-equity conversion as well, which is one of the measures envisaged by the PPoR as an enforceable document, but the banks were not interested in conversion in the so far negotiations.



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Meetings were held in the Commercial Court in Nis in order to implement the amends to the condition in the best possible manner, pursuant to the Law.

Based on measures envisaged by the PPoR as of 13.09.2016 the Government of the Republic of Serbia passed the Conclusion whereby state creditors with share in equity are given approval and recommendation to convert the Company's debt into equity. Right after passing the Conclusion it was undertaken reconciliation of balances, making adequate decisions at the managing bodies and adjusting the text of the contract on conversion. After positive decisions were made by creditors it was approached to creating new projections, and negotiations with commercial creditors will be continued.

When it comes to the settlement of obligations towards creditors, they are settled in accordance with possibilities. In the beginning of the implementation of the PPoR the settlement ran smoothly, however from the moment the Footwear principals matured the possibility for the settlement of obligations became difficult. There were held meetings with larger creditors and they were presented with the steps that the Company undertakes to overcome the problem. The creditors showed understanding and continuation of negotiations is ahead.

In the reporting period the Company's management continued communication with the largest owners and representatives of the Government of the Republic of Serbia, as the largest individual shareholder, with the purpose of reaching accordance on key decisions for the Company, pursuant to the measures envisaged by the PPoR.'

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



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1. INTRODUCTION

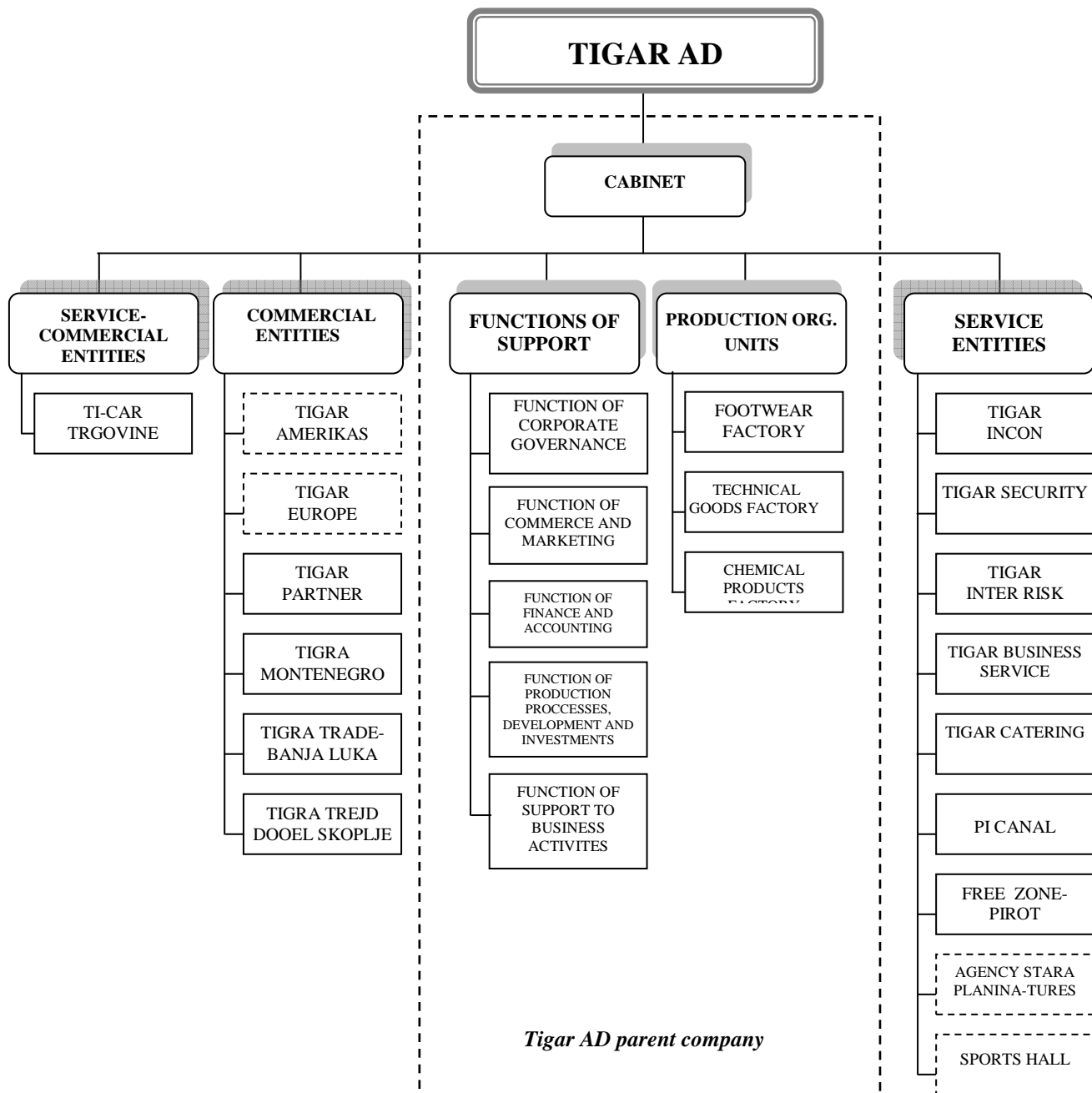
1.1. GENERAL

Registered name: Akcionarsko društvo "Tigar" Pirot (Joint-Stock Company Tigar Pirot, hereinafter also referred to as Tigar / the Company / the Holding)	Registered address: 213, Nikole Pašića Street, 18 300 Pirot, Serbia
Corporate ID: 07187769	Tax ID: 100358298
Web site: www.tigar.com	Certificate of incorporation: Registry File 1-1087
Core activity: 6420- Holdings	Number of employees: 30/09/2016 1,493
Number of shareholders: 30/09/2016 4,393	Capital: 30/09/2016 (000 din) 0
Assets: 30/09/2016 (000 din 5,651,555)	Capitalization: 30 /09/2016 (000 din) 171,846



1.2.CORPORATE STRUCTURE

On the day of writing this report, the organizational structure of the corporation is as follows from the graph below:



Note: Commercial and service entities marked in broken line are in the process of liquidation, except for Tigar Americas in process of extinguishing.



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1.3 INVESTMENTS

During the three quarters in 2016, the investment status was as follows:

In thousands RSD	Purchases of fixed assets and intangible investments
	January – September 2016
Tigar a.d.- White Mixing Room	30,687
Tigar Technical Goods	1,015
Tigar Chemical Products	0
Tigar Footwear	0
Tigar a.d.-functions	514
Total A.D.	32,216
Service entites	14,115
Total	46,331

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

Investments were appropriate to the real needs and opportunities of Tigar's business system, in the given period, so they primarily refer to the necessary investment maintenance of production equipment and servicing of the existing computer equipment.

When it comes to Tigar a.d. investments refer to the construction of new object for production of rubber compounds at the location Tigar III, and adaptation of the warehouse no.20 at the location Tigar III, Dragoš, for the purpose of storing material due to moving from location Tigar II.

When it comes to service entities there was done procurement of the necessary computer equipment, equipment for testing fire extinguishers and piston pumps for Tigar Security, computer equipment for Tigar Catering as well as software and spare parts for Tigar Incon and Pi Canal, and other parts necessary for performing regular business activities.

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



2. PRODUCTION LEVELS AND SALES OF GOODS AND SERVICES

2.1. BREAKDOWN OF PRODUCTION AND SALES

Structure of production and sales program in the period January – September 2016 was as given below:

Footwear Program

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

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

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

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

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

Technical Rubber Goods Program

Technical Rubber Goods actual program includes the following product groups:

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

Chemical Products Program

Tigar Chemical Products manufactures more than 300 products classified into:

- *Horizontal road signage materials.*
- *Self-spreading flooring.*



- „Coil coatings“ are used to protect outer steel-sheet and aluminum surfaces of buildings and „can coatings“, group of products is designated for the tin packaging industry

- *Anti-corrosion coatings* are designed for consumer spending and construction industry
- *Adhesives for consumer market and construction industry, various industrial adhesives, and special-purpose adhesives.* A special product belonging to this group is conveyor belt adhesive designed for the mining industry.

Complementary goods

Through service-sales network of commercial enterprise is performed the sale of tires and spare parts for vehicles. Companies abroad sell tires of the Tigar brand, manufactured by the factory Tigar Tyres and by other manufacturers. In the domestic market it offers passenger, light truck and truck tires of all manufacturers in the world. Of complementary products include motor oil, car batteries, car care products, air exhausters etc., domestic and foreign suppliers as well as garden program. Tigar's sales - service network Stop & Drive, extend tire, car repair services, vehicle washing, tracking and storage of tires.

The specialized chain Bottega, in addition to women's and children's footwear produced by Tigar also sells goods of other producers (fashion women's, men's and children's leather footwear), in order to maintain the season.

Other Commercial Activities

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

- *Construction and engineering,*
- *Free Zone Piroč, on 101ha 15a and 09m² of infrastructure-equipped land provides services to the business that is done without payment of customs duties, VAT and certain municipal charges,*
- *Transport,* including both domestic and international freight forwarding,
- *Food production* for internal purposes of Tigar a.d. but also for external markets, as well as *accommodation and hospitality services* to tourists, business people, delegations and sports teams.
- *Business unit,* dealing with collecting and processing secondary raw materials.
- Activity in the field of broadcasting radio and TV programme

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

Tigar's business and development strategy for the period 2016 – 2019 implies the following guidelines:

- Volume growth, through increased sales to both existing and new customers and markets and through introduction of new products;
- Ongoing product mix changes, focusing on highly sophisticated products;
- Lowering the labor cost to the optimal level, with a further reduction of fixed and semi - variable costs.
- Long-term financing based on the favorable long-term loans, with low interests and with no significant debt in the early years of the projection pursuant to the Prepackaged Plan of Reorganization.



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- Export as a dominant form of selling products of Tigar plants.
- Growth in sales of its own brands, particularly in exports.
- Introduction of new selling channels
- Growth in sales to end users of tires, footwear, and other complementary goods in the Serbian market.
- Fusioning of operations through integration (status change of merging production units conducted on 11.09.2015) and implementing measures defined by the Prepackaged Plan of Reorganization of Tigar a.d. for service entities.
- Increase of the sales volume of its own brand product through companies abroad (region)
- Increased revenues from the provision of external services in services, in the field of construction and Free Zone Pirot.
- Maintaining the level of internal services at the level of needs of both Tigar a.d. and Tigar Tyres

In the ongoing business and marketing environment, Tigar endeavored and still endeavors to integrate itself better in the vertical supply chain, optimises its production-market portfolio by keeping track of the customers' demands for new products.

2.3 EVALUATION OF THE MARKET POSITION OF FOOTWEAR PROGRAM IN THE PERIOD JANUARY – SEPTEMBER 2016

Total sales of finished products and goods in the first three quarters of 2016 is by 14% higher in relation to the same period last year:

<i>Net income from sales of goods and products in Serbia and from Serbia 000 rsd</i>	January – September 2015	January – September 2016	%
Footwear	1,091,518	1,287,265	18%
Rubber Technical Goods	156,601	137,037	-12%
Chemical Products	22,956	32,377	41%
Tires	24,425	22,693	-7%
Other programs	8,909	7,734	-13%
TOTAL	1,304,410	1,487,107	14%

Sales of products and goods in Serbia and from Serbia in the period January – September 2016 amounted to slightly more than RSD 1.487 billion, of which 72% (RSD 1,069 million) was exported. The program of rubber footwear still has the greatest share in export in the amount of 93% (RSD 994 million).

<i>Net income from sales of goods and products in Serbia and from Serbia 000 rsd</i>	January – September 2015	January – September 2016	%
Domestic market	437,559	417,778	-5%
- Tigar Rubber Footwear	297,816	292,900	-2%
- Rubber Technical Goods	94,183	81,595	-13%
- Chemical Products	12,226	12,855	5%
- Tires	24,425	22,693	-7%
- Other programs	8,909	7,734	-13%

<i>Net income from sales of goods and products in Serbia and from Serbia 000 rsd</i>	January – September 2015	January – September 2016	%
Export	866,851	1,069,330	23%
- Tigar Rubber Footwear	793,702	994,365	25%



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- Rubber Technical Goods	62,418	55,442	-11%
- Chemical Products	10,731	19,523	82%

Sales of program of rubber footwear in the first three quarters of 2016 is by 18% higher in relation to the same period last year, whereby export is by 25% higher, whereas there was recorded a decline in sales volume in the domestic market by 2% in relation to the same period last year.

<i>Net income from sales of goods and products in Serbia and from Serbia 000 rsd</i>	January – September 2015	January – September 2016	%
Footwear Tigar	1,091,518	1,287,265	18%
- Domestic market	297,816	292,900	-2%
- Export	793,702	994,365	25%

The most significant characteristic of the first three quarters of year 2016 is the increase in the volume of sales in export by 25% in relation to the same period last year, with continuous realization of demands and needs of the existing customers and all demands have been realized within the envisioned and requested terms. Main factors brought to the sales increase in export such as: deliveries of special protective boots for the needs of Finnish Army, significant increase in demand by Berner (FIN) as well as the result of continuous winning of new models of rubber footwear for the customer Ilse Jacobsen Hornbaek (DEN) resulting in an increase of delivered quantities so that in the first nine months for the said customer the quantity delivered is higher than the quantity delivered throughout the entire year of 2015.

The first three quarters of this year were marked by the contacts achieved, announcement of cooperation, samples exchange and winning of new articles for Shepherd (SWE), Tretorn (SWE), Mikal Kulik (CZE), Franschetti (ITA), Intechplast (POL), Magum (POL) and retail chain from FRA (Auchan), and in the third quarter there came about realization of activities with the majority of them. The year's last quarter is reserved for meetings with the customers, forecasts and arranging co-operation for the next year 2017.

In the domestic market in the first nine months was recorded a sales decline by 2% in relation to the same period in 2015 while continuing the application of the new sales strategy, precise market segmentation and strict realization of annual contracts with largest customers with clearly specified payment and delivery deadlines (on the monthly and quarterly basis), thus maintaining a significant level of advance as a condition for neutralizing the effects arising due to the sales seasonal character of rubber footwear and the need for continuous production. Considering the extremely seasonal character of the sale and the height of advances in the previous period the weather conditions were such that the purchasers decided to withdraw the goods later in relation to their advances.

It is important to emphasize the follow-up of synchronized action with customers in the domestic market and region, where the emphasis is on the advance payments which represent an extremely important financial instrument in conditions of production/sale of goods with extremely seasonal character, bearing in mind that Tigar did not make any additional debts with banks in the previous period.



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2.4 EVALUATION OF THE MARKET POSITION OF RUBBER TECHNICAL GOODS PROGRAM IN THE PERIOD JANUARY – SEPTEMBER 2016

In the first nine months of 2016 the sales of the production program of technical goods is by 12% lower compared to the same period in 2015 and in view of the trend of decline of realization and insufficient capacity utilization, business is seriously threatened and steps are being taken towards reorganization of that production part as well as downsizing and redistribution.

<i>Net income from sales of goods and products in Serbia and from Serbia 000 rsd</i>	January – September 2015	January – September 2016	%
Rubber Technical Goods	156,601	137,037	-12%
- Domestic market	94,183	81,595	-13%
- Export	62,418	55,442	-11%

Dominant factor in the sales decrease in longer period is the lack of realization of goods in export, primarily of rubber hoses in the market of RUS and reduced volume of demand in products from recycled rubber. An additional effect on the reduced sales volume had the lack of realization of work according to the conducted public procurement of the Ministry of Defence of the Republic of Serbia for tanks because realization of the tender was postponed for an indefinite period of time.

Positive characteristics of this period are winning new positions for created parts and their commercialization in the form of increased demands for the pressed parts for the company Metso (SWE) when it comes to products for mining industry for which products are increasingly being placed in their centers all over the world. Winning and approval of rubber hoses for a customer from Serbia is in progress, with an effort to substitute the competition and export from TUR. In the third quarter there came about realization of cooperation and delivery of injection moulded products for the company Gomma Line (products for the automotive industry). At the same time at this quarter there came about an increase in the scope of cooperation with Ironworks Smederevo (Hesteel), but also a decrease in scope when it comes to RTB Bor and Prim Kostolac due to problems in their businesses.

Market position of this plant is threatened by the conditions in construction industry and by the situation in which large business systems found themselves (mining complex).

2.5 EVALUATION OF THE MARKET POSITION OF THE CHEMICAL PRODUCTS PROGRAM IN THE PERIOD JANUARY – SEPTEMBER 2016

In difficult conditions (reduced capacity, location problem...) the factory Chemical Products was able to meet the needs of Tigar Rubber Footwear and other entities, as well as the needs of Tigar Tyres for adhesives.

Sales volume in the first nine months is by 41 % higher compared to the same period last year.

<i>Net income from sales of goods and products in Serbia and from Serbia 000 rsd</i>	January – September 2015	January – September 2016	%
Chemical Products	22,956	32,377	41%
- Domestic market	12,226	12,855	5%
- Exports	10,731	19,523	82%



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2.6. DISTRIBUTION OF TIRES, OTHER COMPLEMENTARY PRODUCTS AND SERVICES OF THE SERVICE NETWORK IN THE PERIOD JANUARY – SEPTEMBER 2016

The process of restructuring of the service network retails and colonials is continuing. Parallel to this process was continued the regular supply of networks with tires, footwear and complementary programs (batteries, motor oils, etc..)

In the first nine months the service network has recorded a decrease in sales volume by 9% compared to the same period last year.

<i>Net income from sales of goods and products in Serbia and from Serbia 000 rsd</i>	January – September 2015	January – September 2016	%
- Tires	24,425	22,693	-7%
- Other programs	8,909	7,734	-13%
TOTAL	33,334	30,428	-9%

Despite the continuous rationalization of the retail-service network, reduction of the number of employed, improvement and concentration of the offer, the recorded decrease in sales compared to the observed period in 2015 implies that the results are still unsatisfactory.

The actions taken should show the cost-effectiveness and rentability of each object, which will result in closing down some retail service and opening of new ones. It is important to point out activities related to finding a long term solution for the supply of tires, so that in this regard collaboration with Tigar Tyres is continued.

Each retail-service object shall be subjected to a detailed analysis of expediency of its further existence and way of functioning despite the growth of sales volume in the period observed, which is, primarily, a consequence of low comparable sizes in the previous period, so that the process of rationalization of costs is continued, as well as closing down of the unprofitable objects is being continued in the first half of the year as well.

2.7. PRICE FLUCTUATIONS OF KEY RAW MATERIALS AND COMPLEMENTARY PRODUCTS

Prices of some key raw materials fluctuated according to the ongoing events in the global market, fluctuation of oil price, and the influence of other external and internal factors.

According to the above mentioned events, prices of natural and synthetic rubber have recorded changes in the third quarter this year in relation to the second quarter of 2016. The price of natural rubber decreased by 4% on average in the third quarter in relation to the second, whereas the price of synthetic SBR rubber increased by 5% in the same period.

In the third quarter of 2016 prices of EPDM compounds were mostly steady with slight deviations.

The prices of char increased by 20% in the third quarter in relation to the second quarter, whereas the prices of technical textiles did not change.

When it comes to solvents the prices on average increased by 5%.

Average price of oil fuel in the third quarter 2016 is by 8% higher in relation to the second quarter.



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2.8. PRODUCTION OUTPUT

There was realized the following production by programs:

Production (pairs)	January – September 2015	January – September 2016	%
Tigar Footwear	1,019,396	867,981	-15%

Production (tons)	January – September 2015	January – September 2016	%
Tigar Technical Goods	335	268	-20%
Chemical Products	111	129	16%
TOTAL	446	396	-11%

During the period January – September 2016, total realized production in Footwear factory was 867,981 pairs, which is by 15% lower in relation to the same period last year. Total production in tons in the factories Rubber Technical Goods and Chemical Product was 396 t, which is by 11% lower with respect to the same period last year.



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3. FINANCIALS FOR THE PERIOD JANUARY – SEPTEMBER 2016

3.1. KEY INDICATORS FOR THE PARENT COMPANY TIGAR A.D.

Tigar AD's unconsolidated financials in thousands of dinars	January - September 2015	January – September 2016
Total assets	6,189,388	5,651,555
Equity		
Operating income	1,696,762	1,728,932
EBIT	141,126	28,858
EBITDA	179,834	133,120
Financial income	57,929	59,693
Other income	58,851	15,117
Total income	1,813,542	1,803,742
Net result	18,888	182,296
<u>Significant ratios</u>		
Current Ratio	1.26	1.26
Debt-to-assets ratio	1.33	1.44
Net result/total income	-1.04%	-10.11%

The principal reasons for the stated loss are the significant financial expenses on the basis of interest and the foreign exchange differences which for the period January – September amounted to RSD 283,3 million.

As of 11.09.2015 there came about the status change of merger of the dependent entities Tigar Footwear, Tigar Technical Goods and Tigar Chemical Products to the parent company Tigar a.d. Following the status change as of 12.09.2015 the whole business of these entities has been shown within the data referring to the parent company Tigar a.d. The status change of merger of the dependant entity Tigar Tours to the parent company Tigar a.d. occurred on 22.04.2016. Following the status change, as of 22.04.2016 the entire business of this entity is shown within the data referring to the parent company Tigar a.d. That is why the data given in the income balance are not comparable.

3.2. KEY INDICATORS AT THE CONSOLIDATED LEVEL

The bulk of the cash flow from operations, generated from the sales of products and services enters and goes out through the parent company .Internal cash flows are related to flows from operating activities on the basis of payment for services rendered and purchased/sold goods and products, flows from financing - long-term loans which the parent company directs toward its subsidiaries and short-term loans among entities and trends based on withdrawn earnings from subsidiaries.

Due to statutory change, the manufacturing companies were merged to the parent company and continue their business operations within Tigar a.d. 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 individual level, there are service entities whose dependence on the internal market is more pronounced: Tigar Inter Risk, Tigar Security and Tiger Catering.



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Consolidated financials of Tigar AD in thousands of dinars	January – September 2015	January – September 2016	% changes
Total assets	6,696,889	6,438,751	-4%
Sales revenues	1,991,202	2,224,166	12%
EBIT	-11,433	58,789	dobitak vs gubitak
EBITDA	127,509	179,931	41%
Financial revenues	42,038	29,544	-30%
Other incomes	34,938	28,081	-20%
Net result	-317,110	-194,473	39%

Total revenues from sales of goods, products and services on a consolidated basis, for the period January-September 2016 amounted to 2,208,388 thousand dinars which is by 12% higher than in the same period last year when they amounted to 1,970,172 thousand dinars. Operating income realized in the same period in the amount of 2,224,166 thousand dinars which is by 12% more compared to the same period last year when they amounted to 1,991,202 thousand dinars.

Consolidated operating expenses in the amount of 2,165,377 thousand dinars increased by 8% in relation to the period January – September 2015 when they amounted to 2,002,635 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 41%; Expenses for the costs of materials and energy corrected for the increase of inventories accounted for 35%; The cost of goods accounts for 2%; expenses, depreciation and provisions accounted for 5% and other expenses accounted for 17%.

Financing costs on a consolidated basis in the period January- September 2016 amounted to RSD 290,800 thousand while the cost of funding at the consolidated level in the same period last year amounted to RSD 332,173 thousand. The largest part of financial expenses are the costs of interest, which at the consolidated level amounted to about RSD 192,668 thousand, while the foreign exchange losses and other financial expenses amount up to RSD 98,133 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) amounted to 58,789 thousand dinars, while the operating profit for the same period last year amounted to -11,433 thousand dinars, which represents a better result for 70,222 thousand dinars. EBIT growth in 2016 compared to the same period last year is an indicator of good business moves that gave these results.

Reported profit before amortization (EBITDA) amounted to 179,931 thousand dinars while in the same period last year was reported an operating profit before amortization in the amount of 127,509 thousand dinars, which represents an improvement for 52,422 thousand dinars.

At the consolidated level, the value of total assets amounted to RSD 6.5 billion, of which fixed assets RSD 4.5 billion, while current assets RSD 2,0 billion.

A part that relates to receivables in the amount of RSD 286 million for the most part includes current receivables of domestic and foreign customers. The receivables of domestic customers amounted to RSD 204 million where the 7 largest customers claimed RSD 70.4



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million. Foreign customer receivables amounted to RSD 82 million, whereas out of 7 largest foreign customers RSD 64.1 million are claimed.

In the part of older receivables, the largest single claims are asserted against GP AUTO – SHOP Ilc Lazarevac in the amount of RSD 20.6 million. The stated receivables, together with the claim in the amount of RSD 17.6 million were registered in the bankruptcy proceedings initiated before the Commercial Court in Belgrade in case no. St-80/14 on two occasions: 22.10.2014 and 08.09.2015. Also, in the same proceeding there was carried out the registration of claims together with the receivables for Tigar Business Service in the amount of RSD 206 thousands – receivables and RSD 254 thousands liabilities. Both times the bankruptcy process was suspended. By checking at the site of Business Registers Agency it was stipulated that GP AUTO-SHOP Ilc with the status of active business company, and by checking at the site of National Bank of Serbia it was found out that the company was blocked. In progress is the check for the possibility of litigation.

As for the customer Ema from Pozarevac the due amount is RSD 30.9 million. Also, towards this customer we have liabilities in the amount of RSD 10 million. For the receivables (reduced for the existing liabilities) towards this purchaser there were activated the bills of exchange by the end of 2013. By checking at the site of Business Registers Agency it was stipulated that EMA Pozarevac is in great blockage.

As the Law of Contract and Torts (Articles 336. 337) envisages the possibility of unilateral compensation, when one side is in blockade, by the third quarter end unilateral compensations were drafted and delivered to the creditors in blockade. Implementation of these compensation in the accounting depends on obtaining a confirmation of receipt of the said by the creditor. Given that confirmations of receipt by the creditors were not received recording these compensations in the books is doubtful.

There is a disputable claim from the company L.K. from Greece in the amount of RSD 9.6 million. For the settlement of receivables from this company there was initiated a proceeding before the foreign arbitration before Chamber of Commerce and Industry of Serbia in the case no. T-18/14. The first hearing was held on May 9th, 2016 and the process is in progress. A significant amount of receivables is related to the entities operating abroad. Tigar Partner Macedonia claims from its customers 23.9 million dinars, Tigra Montenegro 2.1 million dinars, and Tigra Trade Banja Luka claims 31.5 million dinars.

At the consolidated level, the loss above the capital is RSD 2.3 billion. On the liabilities side, the equity value is 0, liabilities for long term loans and reserves are RSD 7.0 billion, short-term financial liabilities are 0.4 billion and other operating liabilities amount to approximately RSD 1.4 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 CONSOLIDATED FINANCIAL RESULT

BALANCE SHEET (in thousands of RSD)

ASSETS	31.12.2014	31.12.2015	30.09.2016
A. SUBSCRIBED CAPITAL UNPAID			
B. NON-CURRENT ASSETS	5,113,669	4,530,441	4,459,194
I. INTANGIBLE ASSETS	415,482	279,860	247,052
Investment in development	368,482	268,544	236,728
Concessions, patents , licenses , trademarks , software and other rights	16,243	7,434	6,403
Goodwill			
Other intangible assets		3	



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Intangible assets under construction	30,757	3,879	3,921
Advances for intangible assets			
II. PROPERTY, PLANT AND EQUIPMENT	4,674,321	4,240,075	4,201,636
Land	525,279	517,802	510,410
Buildings	2,678,462	2,518,424	2,513,178
Plant and equipment	800,631	723,714	670,250
Investment property	582,070	292,513	292,513
Other property, plant and equipment			
Property, plant and equipment construction	57,190	161,394	190,655
Investments in others property, plants and equipment	10,749	6,288	4,690
Advances for property , plant and equipment	19,940	19,940	19,940
III. BIOLOGICAL AGENTS			
IV. LONG-TERM FINANCIAL PLACEMENTS	23,866	10,506	10,506
Shares in subsidiaries			
Shares in associated companies and joint ventures	12,018	491	491
Equity investments in other companies and other securities	94	94	94
Other long-term investments	11,754	9,921	9,921
V. LONG-TERM RECEIVABLES			
V. DEFERRED TAX ASSETS			
G. CURRENT ASSETS	1,884,157	2,117,297	1,979,557
I. INVENTORIES	1,174,846	1,588,154	1,492,883
Supplies , spare parts , tools and supplies	97,547	129,280	140,190
Unfinished production and unfinished services	166,214	136,514	143,402
Finished Products	252,125	391,998	361,717
Goods	595,272	509,357	455,011
Fixed assets held for sale	27,162	399,680	383,313
Advances paid for supplies and services	36,526	21,325	9,250
II. RECEIVABLES FROM SALE	393,108	310,266	285,812
Customers in the country - the parent and subsidiaries			
Customers abroad - parent and subsidiaries			
Customers in the country - other related parties	3,402	3,832	15,016
Customers abroad - other related parties			
Customers in the country	282,629	224,271	175,037
Customers abroad	107,077	82,163	82,330
Other receivables from sales			13,429
III. RECEIVABLES FROM SPECIFIC OPERATIONS	1,384	129	
IV. OTHER RECEIVABLES	52,005	70,845	48,244
V. FINANCIAL ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT			
VI. SHORT-TERM FINANCIAL PLACEMENTS	472		
Short-term loans and investments - parent and subsidiaries			
Short-term loans and investments - other related parties	472		
VII. CASH AND CASH EQUIVALENTS	194,656	85,481	96,443
VIII. VALUE ADDED TAX	22,943	16,541	16,114
IX. PREPAYMENTS	44,743	45,881	40,061
D. TOTAL ASSETS -	6,997,826	6,647,738	6,438,751
D. OFF BALANCE SHEET ASSETS		811,313	811,313
EQUITY AND LIABILITIES	31.12.2014.	31.12.2015.	30.09.2016.
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			
IV. RESERVES	5,409	5,411	3,576
V. Revaluation reserves based on the revaluation of intangible assets, property , plant and equipment	1,509,155	1,509,372	1,509,372
VI. UNREALIZED GAINS ON SECURITIES VALUE AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULTS	77,139	84,716	88,299
VII. UNREALIZED LOSSES ON SECURITIES VALUE AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULTS	3,593	4,976	4,976
VIII. RETAINED EARNINGS			
Retained profit from previous years			
Retained profit from financial year			
IX. PARTICIPATION RIGHTS WITHOUT CONTROL	87,802	91,147	107,345
X. LOSS	3,814,092	4,405,805	4,617,169
Loss of previous years	2,369,755	3,814,093	4,405,805
Loss for the year	1,444,337	591,712	211,364



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B. LONG-TERM PROVISIONS AND LIABILITIES	2,024,795	6,862,923	6,968,831
I. LONG-TERM PROVISIONS	254,496	255,595	254,526
Provision for retirement and other employee benefits	36,736	42,692	41,682
Provision for lawsuits	217,760	211,193	212,844
Other long-term provisions		1,710	
II. LONG-TERM LIABILITIES	1,770,299	6,607,328	6,714,305
Liabilities from securities in period exceeding one year		317,125	
Long-term loans and loans in the country	535,359	4,379,536	4,756,472
Long-term loans and loans abroad	944,950	950,167	963,188
Liabilities arising from finance lease	15,881	11,425	11,581
Other long-term liabilities	274,109	949,075	983,064
V. DEFERRED TAX LIABILITIES	114,777	107,363	107,361
G. CURRENT LIABILITIES	6,353,730	1,754,883	1,633,408
I. SHORT-TERM FINANCIAL LIABILITIES	3,555,912	416,816	382,974
Short-term loans from parent companies and subsidiaries			
Short-term loans from other related parties			
Short-term loans and loans in the country	2,042,605		
Short-term loans and loans abroad			
Liabilities in respect of fixed assets and resources discontinued operations held for sale	27,162	9,452	
Other current financial liabilities	1,486,145	407,364	382,974
II. PREPAYMENTS, DEPOSITS AND GUARANTEES	100,564	56,025	21,737
III. ACCOUNTS PAYABLE	1,050,547	768,531	682,922
Suppliers - parent and subsidiaries in the country			
Suppliers - parent and subsidiaries abroad			
Suppliers - other related parties in the country	4,259	4,835	2,638
Suppliers - Other related legal entities abroad			
Suppliers in the country	502,240	459,272	416,928
Foreign suppliers	532,398	298,686	257,813
Other liabilities	11,650	5,738	5,543
IV. OTHER CURRENT LIABILITIES	1,419,881	433,906	481,894
V. LIABILITIES FOR VALUE ADDED TAX	32,172	6,591	8,221
VI. OTHER TAXES, CONTRIBUTIONS AND OTHER FEES	28,787	12,758	5,292
VII. ACCRUALS	165,867	60,256	50,369
D. THE LOSS IN EXCESS OF CAPITAL	1,495,476	2,077,431	2,270,849
Đ. TOTAL LIABILITIES	6,997,826	6,647,738	6,438,751
G. OFF BALANCE SHEET LIABILITIES		811,313	811,313

Income statement (in thousands of RSD)	January – September 2015	January-September 2016	%
INCOME FROM OPERATIONS			
A. OPERATING INCOME	1,991,202	2,224,166	12%
I. Sales of goods	97,939	45,543	-53%
II. Sales of products and services	1,872,233	2,162,845	16%
III. Revenues from premiums, subsidies, donations, grants etc.			
IV. Other operating income	21,030	15,778	-25%
EXPENSES FROM OPERATIONS			
B. OPERATING EXPENSES	2,002,635	2,165,377	8%
I. Cost of commercial goods sold	38,656	36,570	-5%
II. Work performed by the company and capitalized	36,048	18,071	-50%
III. Increase in inventories of finished products and work in progress	78,707		
IV. Decrease in inventories of finished products and work in progress		19,671	
V. Material consumed	641,353	650,669	1%
VI. Fuel and energy consumed	124,655	105,985	-15%
VII. Staff costs	844,085	886,647	5%
VIII. Production expenses	251,194	289,862	15%
IX. Amortization	138,942	121,142	-13%
X. Costs of long-term provisions			
XI. Intangible costs	78,505	72,902	-7%
V. PROFIT FROM OPERATIONS		58,789	
G. LOSS FROM OPERATIONS	11,433		
D. FINANCE INCOME	42,038	29,544	-30%



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I. Financial income from related persons and other financial income	59	14,136	
II. Interest income (from third parties)	2,378	907	-62%
III. Gains and positive effects of currency clause	39,601	14,501	-63%
D. FINANCE EXPENSES	332,173	290,800	-12%
I. Financial expenses related party transactions and other financial expenses	4,872	5,103	
II. Interest expense (by third parties)	296,881	192,668	-35%
III. Foreign exchange gains and negative effects of currency clause	30,420	93,029	206%
E. PROFIT FROM FINANCING			
Z. LOSS FROM FINANCING	290,135	261,256	10%
Z. INCOME FROM VALUATION ADJUSTMENTS OF OTHER ASSETS CARRIED AT FAIR VALUE TROUGH INCOME STATEMENT	1,917	582	
I. LOSS ADJUSTMENT OTHER PROPERTY CARRIED AT FAIR VALUE TROUGH INCOME STATEMENT	1,661	2,769	67%
J. OTHER INCOME	33,021	27,499	-17%
K. OTHER EXPENSES	39,947	2,198	-94%
L. OPERATING PROFIT BEFORE TAX			
LJ. LOSS FROM OPERATIONS BEFORE TAX	308,238	179,353	42%
M. NET PROFIT FROM DISCONTINUED OPERATIONS, THE EFFECTS OF CHANGES IN ACCOUNTING POLICIES AND CORRECTION OF ERRORS FROM PREVIOUS PERIOD			
N. NET LOSS FROM DISCONTINUED OPERATIONS, THE EFFECTS OF CHANGES IN ACCOUNTING POLICIES AND CORRECTION OF ERRORS FROM PREVIOUS PERIOD			
NJ. PROFIT BEFORE TAXATION			
O. LOSS BEFORE TAXATION	308,238	179,353	42%
P. INCOME TAX			
I. Current tax expense	14,427	15,120	5%
II. Deferred income tax expense			
III. Deferred income tax benefit	5,555		
R. EARNINGS OF EMPLOYER			
S. NET PROFIT			
T. NET LOSS	317,110	194,473	39%

3.4. 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. 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.

BALANCE SHEET (in thousands of RSD)

ASSETS	31.12.2014	31.12.2015	30.09.2016
A. SUBSCRIBED CAPITAL UNPAID			
B. NON-CURRENT ASSETS	1,983,302	3,894,327	3,815,415
I. INTANGIBLE ASSETS	13,758	279,515	245,709
Investment in development	33	268,544	236,728
Concessions, patents , licenses , trademarks , software and other rights	9,823	7,200	5,226
Goodwill			
Other intangible assets			
Intangible assets under construction	3,902	3,771	3,755
Advances for intangible assets			
II. PROPERTY, PLANT AND EQUIPMENT	1,257,829	3,291,008	3,248,112
Land	54,376	454,761	454,761
Buildings	643,255	1,713,331	1,685,430
Plant and equipment	231,157	675,729	630,877
Investment property	290,896	292,513	292,513
Other property, plant and equipment			
Property, plant and equipment construction	28,945	129,511	160,680
Investments in others property, plants and equipment	9,200	5,223	3,911
Advances for property , plant and equipment		19,940	19,940
III. BIOLOGICAL AGENTS			



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IV. LONG-TERM FINANCIAL PLACEMENTS	504,651	323,804	321,594
Shares in subsidiaries	480,785	313,298	311,088
Shares in associated companies and joint ventures	12,018	491	491
Equity investments in other companies and other securities	94	94	94
Other long-term investments	11,754	9,921	9,921
V. LONG-TERM RECEIVABLES	207,064		
Receivables from parent company and its subsidiaries	207,064		
V. DEFERRED TAX ASSETS			
G. CURRENT ASSETS	2,851,148	1,976,298	1,836,140
I. INVENTORIES	453,874	1,399,397	1,326,519
Supplies , spare parts , tools and supplies	5,574	151,414	131,979
Unfinished production and unfinished services		136,514	143,402
Finished Products		391,998	361,717
Goods	430,666	347,474	329,611
Fixed assets held for sale		362,160	355,542
Advances paid for supplies and services	17,634	9,837	4,268
II. RECEIVABLES FROM SALE	1,892,079	502,322	421,447
Customers in the country - the parent and subsidiaries	1,648,171	239,730	189,484
Customers abroad - parent and subsidiaries	115,847	125,698	122,418
Customers in the country - other related parties	585	1,093	1,621
Customers abroad- other related parties			
Customers in the country	57,380	72,487	42,709
Customers abroad	70,096	63,314	65,215
Other receivables from sales			
III. RECEIVABLES FROM SPECIFIC OPERATIONS			
IV. OTHER RECEIVABLES	57,116	26,818	29,569
V. FINANCIAL ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT			
VI. SHORT-TERM FINANCIAL PLACEMENTS	239,953		16,472
Short-term loans and investments - parent and subsidiaries	239,480		16,472
Short-term loans and investments – other related parties	456		
Other short-term financial investments	17		
VII. CASH AND CASH EQUIVALENTS	109,103	1,430	955
VIII. VALUE ADDED TAX	12,297	12,914	10,353
IX. PREPAYMENTS	86,726	33,417	30,825
D. TOTAL ASSETS	4,834,450	5,870,625	5,651,555
D. OFF BALANCE SHEET ASSETS		798,813	798,813
EQUITY AND LIABILITIES	31.12.2014.	31.12.2015.	30.09.2016.
A. EQUITY			
I. OSNOVNI KAPITAL	642,704	642,704	642,704
SHARE AND OTHER CAPITAL	642,704	642,704	642,704
II. SUBSCRIBED CAPITAL UNPAID			
III. TREASURY SHARES			
IV. RESERVES	143	143	143
V. Revaluation reserves based on the revaluation of intangible assets, property , plant and equipment	112,818	205,809	205,809
VI. UNREALIZED GAINS ON SECURITIES VALUE AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULTS	6		
VII. UNREALIZED LOSSES ON SECURITIES VALUE AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULTS		2,042	2,077
VIII. RETAINED EARNINGS		1,823	1,823
Retained profit from previous years		1,823	1,823
Retained profit from financial year			
IX. PARTICIPATION RIGHTS WITHOUT CONTROL			
X. LOSS	1,814,668	3,371,206	3,554,215
Loss of previous years	962,476	3,106,851	3,371,919
Loss for the year	852,192	264,355	182,296
B. LONG-TERM PROVISIONS AND LIABILITIES	755,963	6,785,725	6,892,058
I. LONG-TERM PROVISIONS	220,604	240,390	239,903
Provision for retirement and other employee benefits	5,920	29,197	28,769
Provision for lawsuits	214,684	211,193	211,134
Other long-term provisions			
II. LONG-TERM LIABILITIES	535,359	6,545,335	6,652,155
Liabilities from securities in period exceeding one year		317,125	
Long-term loans and loans in the country	535,359	4,379,536	4,756,472
Long-term loans and loans abroad		950,167	963,188
Liabilities arising from finance lease			
Other long-term liabilities		898,507	932,495



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V. DEFERRED TAX LIABILITIES		3,075	3,076
G. CURRENT LIABILITIES	5,137,484	1,604,594	1,462,234
I. SHORT-TERM FINANCIAL LIABILITIES	3,051,513	418,543	383,875
Short-term loans from parent companies and subsidiaries	119,984	16,086	3,260
Short-term loans from other related parties			
Short-term loans and loans in the country	2,042,117		
Other current financial liabilities			
Liabilities based on current assets and funds of discontinued operations held for sale			
Other current financial liabilities	889,412	402,457	380,615
II. PREPAYMENTS, DEPOSITS AND GUARANTEES	52,541	44,436	11,406
III. ACCOUNTS PAYABLE	990,652	743,878	638,867
Suppliers - parent and subsidiaries in the country	164,010	83,712	84,324
Suppliers - parent and subsidiaries abroad	50,584	50,507	48,038
Suppliers - other related parties in the country	3,972	2,158	2,530
Suppliers – other related parties abroad			
Suppliers in the country	293,792	321,310	263,770
Foreign suppliers	478,113	283,504	237,716
Other liabilities	181	2,687	2,489
IV. OTHER CURRENT LIABILITIES	945,237	347,760	393,175
V. LIABILITIES FOR VALUE ADDED TAX		74	74
VI. OTHER TAXES, CONTRIBUTIONS AND OTHER FEES	15,364	6,563	1,766
VII. ACCRUALS	82,177	43,340	33,071
D. THE LOSS IN EXCESS OF CAPITAL	1,058,997	2,522,769	2,705,813
Đ. TOTAL LIABILITIES	4,834,450	5,870,625	5,651,555
G. OFF BALANCE SHEET LIABILITIES		798,813	798,813

By the Prepackaged Plan of Reorganization becoming 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.

Income statement (in thousands of RSD)	January – December 2014	January- December 2015	January – September 2015	January September 2016
INCOME FROM OPERATIONS				
A. OPERATING INCOME	1,855,835	2,362,695	1,696,762	1,728,932
I. Sales of goods	1,446,938	1,374,616	1,360,363	9,013
II. Sales of products and services	392,320	854,765	324,151	1,483,844
III. Revenues from premiums, subsidies, donations, grants etc				
IV. Other operating income	16,577	133,314	12,248	236,075
EXPENSES FROM OPERATIONS				
B. OPERATING EXPENSES	1,755,978	2,200,658	1,555,636	1,700,074
I. Cost of commercial goods sold	1,261,701	1,178,334	1,160,810	7,410
II. Work performed by the company and capitalized				
III. Increase in inventories of finished products and work in progress		40,189	13,268	7,214
IV. Decrease in inventories of finished products and work in progress				26,885
V. Material consumed	4,648	307,667	49,204	599,085
VI. Fuel and energy consumed	85,143	121,011	58,218	141,803
VII. Staff costs	196,104	359,814	158,592	609,725
VIII. Production expenses	58,742	51,906	29,411	37,606
IX. Amortization	48,456	77,624	38,708	104,262
X. Costs of long-term provisions	302	7,102		
XI. Intangible costs	100,882	137,389	73,961	180,512
V. PROFIT FROM OPERATIONS	99,857	162,037	141,126	28,858
G. LOSS FROM OPERATIONS				
D. FINANCE INCOME	49,695	115,048	57,929	59,693
I. Financial income from related persons and other financial income	25,950	95,997	27,843	46,191
II. Interest income (from third parties)	2,135	1,118	972	592
III. Gains and positive effects of currency clause	21,610	17,933	29,114	12,910
Đ. FINANCE EXPENSES	612,261	429,085	238,330	283,321
I. Financial expenses related party transactions and other	14,276	10,848	4,760	5,103



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financial expenses				
II. Interest expense (by third parties)	415,261	293,980	205,571	186,489
III. Foreign exchange gains and negative effects of currency clause	182,724	124,257	27,999	91,729
E. PROFIT FROM FINANCING				
Z. LOSS FROM FINANCING	562,566	314,037	180,401	223,628
Z. INCOME FROM VALUATION ADJUSTMENTS OF OTHER ASSETS CARRIED AT FAIR VALUE TROUGH INCOME STATEMENT	1,832	13,838		
I. LOSS ADJUSTMENT OTHER PROPERTY CARRIED AT FAIR VALUE TROUGH INCOME STATEMENT	385,418	37,373	850	1,939
J. OTHER INCOME	18,963	72,377	58,851	15,117
K. OTHER EXPENSES	24,861	152,900	37,614	1,143
L. OPERATING PROFIT BEFORE TAX				
LJ. LOSS FROM OPERATIONS BEFORE TAX	852,193	256,058	18,888	182,735
M. NET PROFIT FROM DISCONTINUED OPERATIONS, THE EFFECTS OF CHANGES IN ACCOUNTING POLICIES AND CORRECTION OF ERRORS FROM PREVIOUS PERIOD				439
N. NET LOSS FROM DISCONTINUED OPERATIONS, THE EFFECTS OF CHANGES IN ACCOUNTING POLICIES AND CORRECTION OF ERRORS FROM PREVIOUS PERIOD		3,506		
NJ. PROFIT BEFORE TAXATION				
O. LOSS BEFORE TAXATION	852,193	259,564	18,888	182,296
P. INCOME TAX				
I. Current tax expense		4,791		
II. Deferred income tax expense				
III. Deferred income tax benefit				
R. EARNINGS OF EMPLOYER				
S. NET PROFIT				
T. NET LOSS	852,193	264,355	18,888	182,296

CASH FLOWS (in thousands of RSD)	January- September 2015	January - September 2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash inflow from operating activities	1,336,099	1,575,768
Cash outflow from operating activities	1,448,785	1,517,408
Net cash inflow from operating activities		58,360
Net outflow from operating activities	112,686	
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash inflow from investing activities	26,819	27,498
Cash outflow from investing activities	37,794	44,145
Net cash inflow from investing activities		
Net cash outflow from investing activities	10,975	16,647
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash inflow from financing activities	11,586	
Cash outflow from financing activities		41,462
Net cash inflow from financing activities	11,586	
Net cash outflow from financing activities		41,462
NET CASH INFLOW	1,374,504	1,603,266
NET CASH OUTFLOW	1,486,579	1,603,015
NET CASH INFLOW		251
NET CASH OUTFLOW	112,075	
Cash and cash equivalents at beginning of year	109,103	1,430
Foreign exchange gains on translation of cash and cash equivalents	7,593	
Foreign exchange losses on translation of cash and cash equivalents	595	726
Cash inflow from operating activities	4,026	955

On 01.06.2015 the Prepackaged Plan of Reorganization of Tigar AD 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.l.c., Tigar Rubber Technical Goods I.l.c. and Tigar Chemical Products I.l.c. as assignors, and the Joint Stock



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Company Tigar as the acquiring company. Date of the status change, i.e. the merger is 11.09.2015.

On 25.02.2016 there was concluded the Agreement on the merger of dependent entity Tigar Tours as assignor, and the Joint Stock Company Tigar as the acquiring company. Date of the status change, i.e. the merger is 22.04.2016.

In the following table is given a detailed review of the merged balance sheet items of Tigar AD and Tigar Tours with the elimination of internal relations:

Balance Sheet as of 22.04.2016 in
thousand dinars

POSITIONS	Marks AOP- a	Tigar AD	Tigar Tours	Total I	eliminations	corrections	Total II
1		2	3	4=2+3	5	6	6=4+5+6
ASSETS							
A. SUBSCRIBED CAPITAL UNPAID	0001	0	0	0			0
B. NON-CURRENT ASSETS (0003 + 0010 + 0019 + 0024 + 0034)	0002	3.868.725	21	3.868.746	-2.210	0	3.866.536
I. INTANGIBLE ASSETS (0004 + 0005 + 0006 + 0007 + 0008 + 0009)	0003	264.479	0	264.479	0	0	264.479
1. Investment in development	0004	254.403	0	254.403			254.403
2. Concessions, patents , licenses , trademarks , software and other rights	0005	6.321	0	6.321			6.321
3. Goodwill	0006	0	0	0			0
4. Other intangible assets	0007	0	0	0			0
5. Intangible assets under construction	0008	3.755	0	3.755			3.755
6. Advances for intangible assets	0009	0	0	0			0
II. PROPERTY, PLANT AND EQUIPMENT (0011 + 0012 + 0013 + 0014 + 0015 + 0016 + 0017 + 0018)	0010	3.280.442	21	3.280.463	0	0	3.280.463
1. Land	0011	454.761	0	454.761			454.761
2. Buildings	0012	1.703.458	0	1.703.458			1.703.458
3. Plant and equipment	0013	655.525	21	655.546			655.546
4. Investment property	0014	292.513	0	292.513			292.513
5. Other property, plant and equipment	0015	0	0	0			0
6. Property, plant and equipment construction	0016	149.605	0	149.605			149.605
7. Investments in others property, plants and equipment	0017	4.640	0	4.640			4.640
8. Advances for property , plant and equipment	0018	19.940	0	19.940			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
2. Basic herd	0021	0	0	0			0
3. Biological agents in the preparation	0022	0	0	0			0
4. Advances for biological agents	0023	0	0	0			0
IV. LONG-TERM FINANCIAL PLACEMENTS (0025 + 0026 + 0027 + 0028 + 0029 + 0030 + 0031 + 0032 + 0033)	0024	323.804	0	323.804	-2.210	0	321.594
1. Shares in subsidiaries	0025	313.298	0	313.298	-2.210		311.088
2. Shares in associated companies and joint ventures	0026	491	0	491			491
3. Equity investments in other companies and other securities	0027	94	0	94			94
4. Long term placements to the parent company and other related parties	0028	0	0	0			0
5. Long-term placements with other related parties	0029	0	0	0			0
6. Long-term investments in the country	0030	0	0	0			0



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7. Long-term investments abroad	0031	0	0	0			0
8. Securities held to maturity	0032	0	0	0			0
9. Other long-term investments	0033	9.921	0	9.921			9.921
V. LONG-TERM RECEIVABLES (0035 + 0036 + 0037 + 0038 + 0039 + 0040 + 0041)	0034	0	0	0	0	0	0
1. Receivables from parent company and its subsidiaries	0035	0	0	0			0
2. Receivables from other related parties	0036	0	0	0			0
3. Receivables from sales on trade credit	0037	0	0	0			0
4. Receivables for sale under the agreement on financial leasing	0038	0	0	0			0
5. Receivables in respect of sureties	0039	0	0	0			0
6. Disputed and doubtful receivables	0040	0	0	0			0
7. Other long-term receivables	0041	0	0	0			0
V. DEFERRED TAX ASSETS	0042	0	0	0			0
G. CURRENT ASSETS (0044 + 0051 + 0059 + 0060 + 0061 + 0062 + 0068 + 0069 + 0070)	0043	1.869.235	3.062	1.872.297	-3.001	0	1.869.296
I. INVENTORIES (0045 + 0046 + 0047 + 0048 + 0049 + 0050)	0044	1.360.613	0	1.360.613	0	0	1.360.613
1. Supplies , spare parts , tools and supplies	0045	144.396	0	144.396			144.396
2. Unfinished production and unfinished services	0046	137.101	0	137.101			137.101
3. Finished Products	0047	393.060	0	393.060			393.060
4. Goods	0048	318.502	0	318.502			318.502
5. Fixed assets held for sale	0049	361.768	0	361.768			361.768
6. Advances paid to suppliers	0050	5.786	0	5.786			5.786
II. RECEIVABLES FROM SALE (0052 + 0053 + 0054 + 0055 + 0056 + 0057 + 0058)	0051	419.845	2.950	422.795	-3.001	0	419.794
1. Customers in the country - the parent and subsidiaries	0052	204.943	2.802	207.745	-3.001		204.744
2. Customers abroad - parent and subsidiaries	0053	124.117	0	124.117			124.117
3. Customers in the country - other related parties	0054	1.659	0	1.659			1.659
4. Customers abroad - other related parties	0055	0	0	0			0
5. Customers in the country	0056	22.595	148	22.743			22.743
6. Customers abroad	0057	66.531	0	66.531			66.531
7. Other receivables from sales	0058	0	0	0			0
III. RECEIVABLES FROM SPECIFIC OPERATIONS	0059	0	0	0			0
22 IV. OTHER RECEIVABLES	0060	18.446	60	18.506			18.506
V. FINANCIAL ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT	0061	0	0	0			0
VI SHORT-TERM FINANCIAL PLACEMENTS (0063 + 0064 + 0065 + 0066 + 0067)	0062	19.291	47	19.338	0	0	19.338
1. Short-term loans and investments - parent and subsidiaries	0063	19.291	47	19.338			19.338
2. Short-term loans and investments - other related parties	0064	0	0	0			0
3. Short-term loans and loans in the country	0065	0	0	0			0
4. Short-term loans and loans abroad	0066	0	0	0			0
5. Other short-term financial investments	0067	0	0	0			0
VII. CASH AND CASH EQUIVALENTS	0068	1.183	5	1.188			1.188
VIII. VALUE ADDED TAX	0069	12.733	0	12.733			12.733
IX. PREPAYMENTS	0070	37.124	0	37.124			37.124
D. TOTAL ASSETS = OPERATING ASSETS (0001 + 0002 + 0042 + 0043)	0071	5.737.960	3.083	5.741.043	-5.211	0	5.735.832
Đ. OFF BALANCE SHEET ASSETS	0072	798.813		798.813			798.813
EQUITY AND LIABILITIES							
A. EQUITY (0402 + 0411 - 0412 + 0413 + 0414 + 0415 - 0416 + 0417 + 0420 - 0421) ≥ 0 = (0071 -	0401	0	1.464	0	0	0	0



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0424 - 0441 - 0442)							
I. SHARE AND OTHER CAPITAL (0403 + 0404 + 0405 + 0406 + 0407 + 0408 + 0409 + 0410)	0402	642.704	3.184	645.888	-3.184	0	642.704
1. Share Capital	0403	642.704	0	642.704			642.704
2. Shares of limited liability companies	0404	0	3.184	3.184	-3.184		0
3. Stakes	0405	0	0	0			0
4. State capital	0406	0	0	0			0
5. Social capital	0407	0	0	0			0
6. Cooperative shares	0408	0	0	0			0
7. Share premium	0409	0	0	0			0
8. Other capital	0410	0	0	0			0
II. SUBSCRIBED CAPITAL UNPAID	0411	0	0	0			0
III. TREASURY SHARES	0412	0	0	0			0
IV. RESERVES	0413	143	0	143			143
V. Revaluation reserves based on the revaluation of intangible assets, property, plant and equipment	0414	205.809	0	205.809			205.809
VI. UNREALIZED GAINS ON SECURITIES VALUE AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULTS (credit balance accounts of group 33 except 330)	0415	0	0	0			0
VII. UNREALIZED LOSSES ON SECURITIES VALUE AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULTS (debit balance of the account group 33 except 330)	0416	2.042	34	2.076			2.076
VIII RETAINED EARNINGS (0418 + 0 419)	0417	1.823	0	1.823	0	0	1.823
1. Retained profit from previous years	0418	1.823	0	1.823			1.823
2. Retained profit from financial year	0419	0	0	0			0
IX. PARTICIPATION RIGHTS WITHOUT CONTROL	0420	0	0	0			0
X. LOSS (0422 + 0423)	0421	3.404.965	1.686	3.406.651	-974	0	3.405.677
1. Loss of previous years	0422	3.371.206	1.297	3.372.503	-974		3.371.529
2. Loss for the year	0423	33.759	389	34.148			34.148
B. LONG-TERM PROVISIONS AND LIABILITIES (0425 + 0432)	0424	6.745.696	158	6.745.854	0	0	6.745.854
I. LONG-TERM PROVISIONS ((0426 + 0427 + 0428 + 0429 + 0430 + 0431)	0425	239.996	158	240.154	0	0	240.154
1. For expenses in warranty period	0426	0	0	0			0
2. For restoration of natural resources	0427	0	0	0			0
3. Provisions for restructuring costs	0428	0	0	0			0
4. Provision for retirement and other employee benefits	0429	28.862	158	29.020			29.020
5. Provision for lawsuits	0430	211.134	0	211.134			211.134
6. Other long-term provisions	0431	0	0	0			0
41 II. LONG-TERM LIABILITIES (0433 + 0434 + 0435 + 0436 + 0437 + 0438 + 0439 + 0440)	0432	6.505.700	0	6.505.700	0	0	6.505.700
1. Liabilities convertible into equity	0433	0	0	0			0
2. Liabilities to parent companies and subsidiaries	0434	0	0	0			0
3. Due to other related parties	0435	0	0	0			0
4. Liabilities from securities in period exceeding one year	0436	0	0	0			0
5. Long-term loans and loans in the country	0437	4.732.072	0	4.732.072			4.732.072
6. Long-term loans and loans abroad	0438	957.926	0	957.926			957.926
7. Liabilities arising from finance lease	0439	0	0	0			0
8. Other long-term liabilities	0440	815.702	0	815.702			815.702
V. DEFERRED TAX LIABILITIES	0441	3.075	1	3.076			3.076
G. CURRENT LIABILITIES (0443 + 0450 + 0451 + 0459 + 0460 + 0461 + 0462)	0442	1.545.717	1.460	1.547.177	-3.001	0	1.544.176



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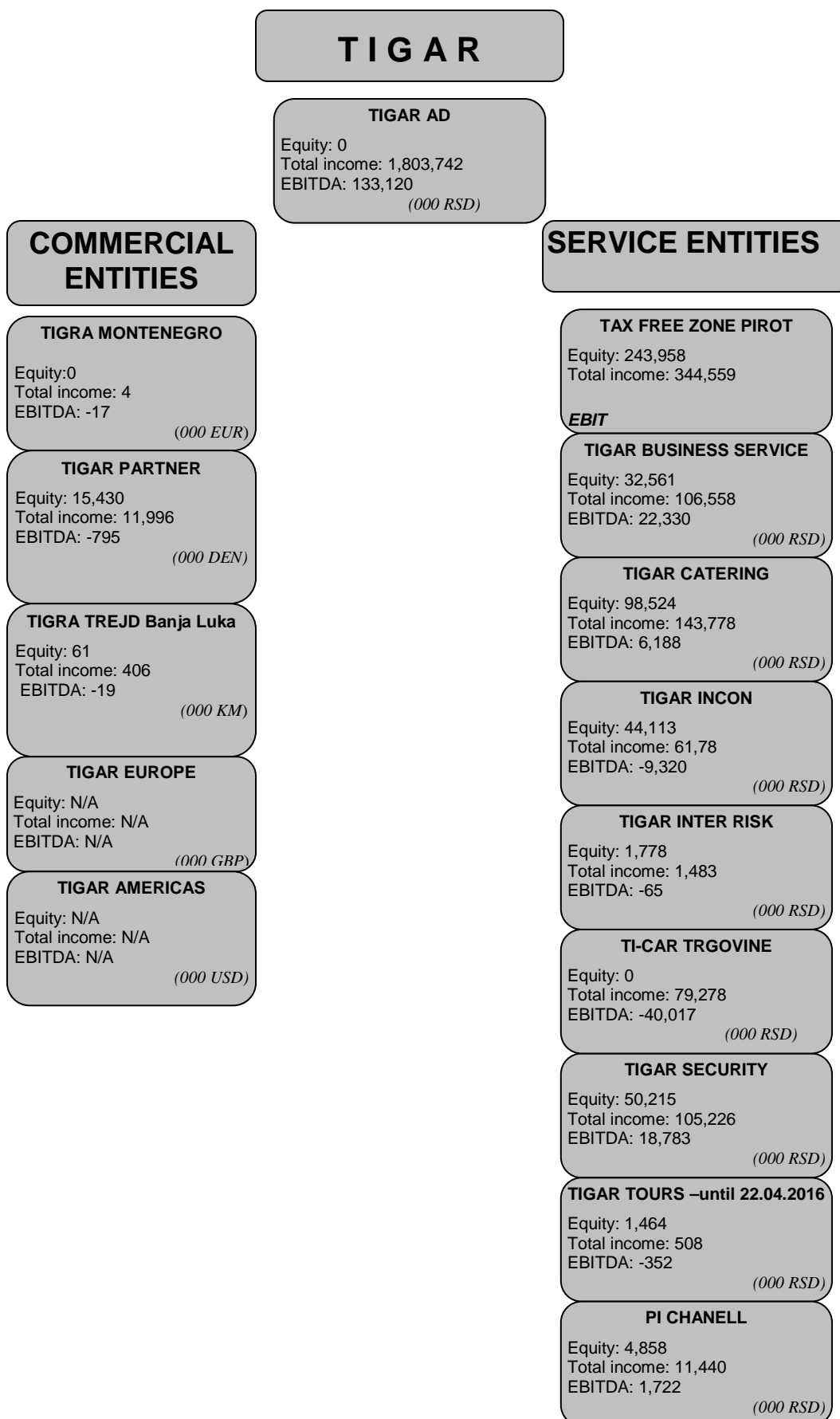
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I. SHORT-TERM FINANCIAL LIABILITIES (0444 + 0445 + 0446 + 0447 + 0448 + 0449)	0443	409.535	365	409.900	0	0	409.900
1. Short-term loans from parent companies and subsidiaries	0444	19.343	365	19.708			19.708
2. Short-term loans from other related parties	0445	0	0	0			0
3. Short-term loans and loans in the country	0446	0	0	0			0
4. Short-term loans and loans abroad	0447	0	0	0			0
5. Liabilities based on fixed assets and funds of discontinued operations held for sale	0448	0	0	0			0
6. Other current financial liabilities	0449	390.192	0	390.192			390.192
II. PREPAYMENTS, DEPOSITS AND GUARANTEES	0450	22.519	0	22.519			22.519
III. ACCOUNTS PAYABLE (0452 + 0453 + 0454 + 0455 + 0456 + 0457 + 0458)	0451	750.878	343	751.221	-3.001	0	748.220
1. Suppliers - parent and subsidiaries in the country	0452	79.473	267	79.740	-3.001		76.739
2. Suppliers - parent and subsidiaries abroad	0453	49.276	0	49.276			49.276
3. Suppliers - other related parties in the country	0454	2.099	0	2.099			2.099
4. Suppliers - Other related legal entities abroad	0455	0	0	0			0
5. Suppliers in the country	0456	303.652	76	303.728			303.728
6. Foreign suppliers	0457	312.884	0	312.884			312.884
7. Other liabilities	0458	3.494	0	3.494			3.494
IV. OTHER CURRENT LIABILITIES	0459	323.542	670	324.212			324.212
V. LIABILITIES FOR VALUE ADDED TAX	0460	74	2	76			76
VI. OTHER TAXES, CONTRIBUTIONS AND OTHER FEES	0461	6.559	0	6.559			6.559
VII. ACCRUALS	0462	32.610	80	32.690			32.690
D. THE LOSS IN EXCESS OF CAPITAL (0412 + 0416 + 0421 - 0420 - 0417 - 0415 - 0414 - 0413 - 0411 - 0402) ≥ 0 = (0441 + 0424 + 0442 - 0071) ≥ 0	0463	2.556.528	0	2.555.064	2.210	0	2.557.274
Đ. TOTAL LIABILITIES (0424 + 0442 + 0441 + 0401 - 0463) ≥ 0	0464	5.737.960	3.083	5.741.043	-5.211	0	5.735.832
G. OFF BALANCE SHEET LIABILITIES	0465	798.813	0	0			0

Bearing in mind two status changes: as of 11.09.2015 when the manufacturing entities (Tigar Rubber Footwear, Tigar Technical Rubber Goods and Tigar Chemical Products) merged with the parent company, and as of 22.04.2016 when the service entity Tigar Tours was merged with the parent Company and we note that the data given as of 30th September 2016 are not comparable with the data given for the period January – September 2015 (income statement), i.e. not comparable with the data given as of 31th December 2015 (balance sheet).



3.5. KEY FINANCIAL RESULTS OF THE SUBSIDIARIES





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3.6. FOOTWEAR FACTORY

* 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 business as independent entities until 11.09.2015. After the status change 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 31.12.2014	as of 11.09.2015
A. SUBSCRIBED CAPITAL UNPAID		
B. NON-CURRENT ASSETS	1,742,297	1,687,440
I. INTANGIBLE ASSETS	397,703	360,986
Investment in development	368,449	333,404
Concessions, patents , licenses , trademarks , software and other rights	2,400	727
Intangible assets under construction	26,854	26,855
II. PROPERTY, PLANT AND EQUIPMENT	1,344,594	1,326,454
Land	323,840	323,840
Buildings	646,232	641,035
Plant and equipment	231,635	211,810
Investment property	142,605	142,604
Property, plant and equipment construction	282	7,165
III. BIOLOGICAL AGENTS		
IV. LONG-TERM FINANCIAL PLACEMENTS		
V. LONG-TERM RECEIVABLES		
V. DEFERRED TAX ASSETS		
G. CURRENT ASSETS	618,118	773,732
I. INVENTORIES	323,237	388,875
Supplies , spare parts , tools and supplies	31,450	31,374
Unfinished production and unfinished services	99,958	71,206
Finished Products	190,049	284,690
Advances paid to suppliers	1,780	1,605
II. DUE ON SALE	286,603	284,039
Customers in the country - the parent and subsidiaries	285,963	283,347
Customers abroad - parent and subsidiaries		2
Customers in the country - other related parties		
Customers in the country	640	631
Customers abroad		59
Other receivables based on sale		
III. RECEIVABLES FROM SPECIFIC		
IV. OTHER RECEIVABLES	207	492
V. FINANCIAL ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT		
VI. SHORT-TERM FINANCIAL PLACEMENTS		94,326
Short-term loans and placements – parent and subsidiaries		94,326
VII. CASH AND CASH EQUIVALENTS	135	127
VIII. VALUE ADDED TAX		11
IX. PREPAYMENTS	7,936	5,861
D. TOTAL ASSETS = OPERATION ASSETS	2,360,415	2,461,172
D. OFF BALANCE SHEET ASSETS		
EQUITY AND LIABILITIES	as of 31.12.2014	as of 11.09.2015
A. EQUITY		
I. SHARE AND OTHER CAPITAL	1,108,838	1,108,838
II. SUBSCRIBED CAPITAL UNPAID		
III. TREASURY SHARES		
IV. RESERVES		
V. REVALUATION RESERVES BASED ON REVALUATION OF INTANGIBLE ASSETS, PROPERTY, PLANT AND EQUIPMENT	52,314	52,314
VI. UNREALIZED GAINS ON SECURITIES VALUE AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULTS		
VII. UNREALIZED LOSSES ON SECURITIES VALUE AND OTHER COMPONENTS OF OTHER	1,672	1,672



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COMPREHENSIVE RESULTS		
VIII. RETAINED EARNINGS		
IX. PARTICIPATION RIGHTS WITHOUT CONTROL		
X. LOSS	1,698,064	1,848,865
Loss of previous years	1,211,102	1,698,063
Loss for the year	486,962	150,802
B. LONG TERM PROVISIONS AND LIABILITIES	1,607,203	1,497,607
I. LONG-TERM PROVISIONS	14,241	13,847
Provision for retirement and other employee benefits	14,241	13,847
Provisions for lawsuits		
Other long-term provisions		
II. LONG-TERM LIABILITIES	1,592,962	1,483,760
Liabilities to parent companies and subsidiaries	393,534	287,559
Long-term loans and loans abroad	944,950	939,993
Other long-term liabilities	254,478	256,208
C. DEFERRED TAX LIABILITIES	8,630	3,075
G. CURRENT LIABILITIES	1,283,166	1,649,874
I. SHORT-TERM FINANCIAL LIABILITIES	327,616	329,407
Short-term loans from parent companies and subsidiaries	11,613	15,062
Other current financial liabilities	316,003	314,345
II. PREPAYMENTS, DEPOSITS AND GUARANTEES	4	
III. ACCOUNTS PAYABLE	715,008	1,078,314
Suppliers - parent and subsidiaries in the country	696,154	1,055,561
Suppliers - parent and subsidiaries abroad	199	212
Suppliers in the country	15,545	17,085
Foreign suppliers	1,870	4,716
Other liabilities	1,240	740
IV. OTHER CURRENT LIABILITIES	115,358	124,704
V. LIABILITIES FOR VALUE ADDED TAX	16,662	14,959
VI. OTHER TAXES, CONTRIBUTIONS AND OTHER FEES		
VII. ACCRUALS	108,518	102,490
D. THE LOSS IN EXCESS OF CAPITAL	538,584	689,385
Đ. TOTAL LIABILITIES	2,360,415	2,461,172
G. OFF BALANCE SHEET LIABILITIES		

Income Statement (in thousands of RSD)	January – December 2014	January – 11 th September 2015
INCOME FROM OPERATIONS		
A. OPERATING INCOME	1,346,781	838,655
I. Sales of goods		
II. Sales of products and services	1,339,262	833,623
III. Revenues from premiums, subsidies, donations, grants etc.		
IV. Other operating income	7,519	5,032
EXPENSES FROM OPERATIONS		
B. OPERATING EXPENSES	1,615,117	952,515
I. Cost of commercial goods sold		
II. Work performed by the company and capitalized		
III. Increase in inventories of finished products and work in progress		65,889
IV. Decrease in inventories of finished products and work in progress	13,146	
V. Material consumed	758,954	484,710
VI. Fuel and energy consumed	91,022	59,194
VII. Staff costs	453,712	324,704
VIII. Production expenses	9,735	6,313
IX. Amortization	105,896	61,740
X. Costs of long-term provisions		
XI. Intangible costs	182,652	81,743
V. PROFIT FROM OPERATIONS		
G. LOSS FROM OPERATIONS	268,336	113,860
D. FINANCE INCOME	217	6,840
I. Financial income from related persons and other financial income		
II. Interest income (from third parties)		
III. Gains and positive effects of currency clause	217	6,840
Đ. FINANCE EXPENSES	241,050	50,235
I. Financial expenses related party transactions and other financial expenses		
II. Interest expense (by third parties)	77,089	49,988



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III. Foreign exchange gains and negative effects of currency clause	163,961	247
E. PROFIT FROM FINANCING		
Z. LOSS FROM FINANCING	240,833	43,395
Z. INCOME FROM VALUATION ADJUSTMENTS OF OTHER ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT	10,039	15
I. LOSS ADJUSTMENT OTHER PROPERTY CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT	1,212	247
J. OTHER INCOME	13,182	1,589
K. OTHER EXPENSES	289	459
L. OPERATING PROFIT BEFORE TAX		
LJ. LOSS FROM OPERATIONS BEFORE TAX	487,449	156,357
NJ. PROFIT BEFORE TAXATION		
O. LOSS BEFORE TAXATION	487,449	156,357
P. INCOME TAXES		
I. Current tax expense		
II. Deferred income tax expense		
III. Deferred income tax benefit	487	5,555
R. EARNINGS OF EMPLOYER		
S. NET PROFIT		
T. NET LOSS	486,962	150,802

CASH FLOWS (in thousands of RSD)	January – 11. September 2015	
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash inflow from operating activities	848,590	
Cash outflow from operating activities	755,297	
Net cash inflow from operating activities	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	92,405	
Net cash inflow from financing activities		
Net cash outflow from financing activities	92,405	
NET CASH INFLOW	109	
NET CASH OUTFLOW		
Cash and cash equivalents at beginning of year	134	
Foreign exchange gains on translation of cash and cash equivalents	19	
Foreign exchange losses on translation of cash and cash equivalents	135	
CASH AND CASH EQUIVALENTS AT END OF PERIOD	127	

3.7. 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 change 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 31.12.2014	as of 11.09.2015
A. SUBSCRIBED CAPITAL UNPAID		
B. NON-CURRENT ASSETS	949,233	930,170
I INTANGIBLE ASSETS	25	10
Concessions, patents, licenses, trademarks, software and other rights	25	10
II PROPERTY, PLANT AND EQUIPMENT	935,617	916,569



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Land	27,084	27,084
Buildings	407,048	402,446
Plant and equipment	279,257	264,556
Investment property	201,921	201,921
Property, plant and equipment construction	367	622
Advances for property, plant and equipment	19,940	19,940
III BIOLOGICAL AGENTS		
IV LONG-TERM FINANCIAL PLACEMENTS		
V LONG-TERM RECEIVABLES	13,591	13,591
Receivables from parent company and its subsidiaries	13,591	13,591
C. DEFERRED TAX ASSETS		
D. CURRENT ASSETS	298,298	346,556
I INVENTORIES	84,413	78,508
Supplies , spare parts , tools and supplies	32,529	30,543
Unfinished production and unfinished services	2,620	2,463
Finished products	49,165	45,461
Advances paid to suppliers	99	41
II RECEIVABLES FROM SALE	212,054	266,985
Customers in the country - the parent and subsidiaries	201,797	255,558
Customers abroad - parent and subsidiaries	6,501	6,406
Customers in the country - other related parties	7	7
Customers abroad - other related parties		
Customers in the country	3,683	5,014
Customers abroad	66	
III RECEIVABLES FROM SPECIFIC		
IV OTHER RECEIVABLES	181	264
V FINANCIAL ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT		
VI SHORT-TERM FINANCIAL PLACEMENTS		
Short-term loans and investments - parent and subsidiaries		
VII CASH AND CASH EQUIVALENTS		4
VIII VALUE ADDED TAX	348	32
IX PREPAYMENTS	1,302	763
I. TOTAL ASSETS	1,247,531	1,276,726
EQUITY AND LIABILITIES	31.12.2014.	11.09.2015.
A. EQUITY		
I SHARE AND OTHER CAPITAL	626,048	626,048
Share Capital		
II SUBSCRIBED CAPITAL UNPAID		
III TREASURY SHARES		
IV RESERVES		
V REVALUATION RESERVES BASED ON REVALUATION OF INTANGIBLE ASSETS, PROPERTY, PLANT AND EQUIPMENT	9,150	9,150
VI UNREALIZED GAINS ON SECURITIES VALUE AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULTS		
VII UNREALIZED LOSSES ON SECURITIES VALUE AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULTS	99	99
VIII RETAINED EARNINGS		
IX PARTICIPATION RIGHTS WITHOUT CONTROL		
X LOSS	1,078,776	1,163,762
Loss of previous years	825,496	1,078,776
Loss for the year	253,280	84,986
B. NON-CURRENT ASSETS	6,489	430,820
I LONG-TERM PROVISIONS	6,489	6,231
Provision for retirement and other employee benefits	5,124	4,866
Provision for lawsuits	1,365	1,365
II LONG-TERM LIABILITIES		424,589
Long-term loans in the country		330,099
Liabilities arising from finance lease		
Other long-term liabilities		94,490
C. DEFERRED TAX LIABILITIES		
D. CURRENT LIABILITIES	1,684,719	1,374,569
I SHORT-TERM FINANCIAL LIABILITIES	347,404	71,196
Short-term loans from parent companies and subsidiaries	71,196	71,196
Other current financial liabilities	276,208	
II PREPAYMENTS, DEPOSITS AND GUARANTEES	320	179
III ACCOUNTS PAYABLE	1,171,002	1,263,234



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Suppliers - parent and subsidiaries in the country	1,140,276	1,241,710
Suppliers - other related parties in the country	5	5
Suppliers in the country	20,096	11,095
Foreign suppliers	7,697	7,523
Other liabilities	2,928	2,901
IV OTHER CURRENT LIABILITIES	149,000	29,430
V LIABILITIES FOR VALUE ADDED TAX		286
VI OTHER TAXES, CONTRIBUTIONS AND OTHER FEES		
VII ACCRUALS	16,993	10,244
I. THE LOSS IN EXCESS OF CAPITAL	443,677	528,663
F. TOTAL LIABILITIES	1,247,531	1,276,726

Income statement (in thousands of RSD)	January – December 2014	January - 11. September 2015
INCOME FROM OPERATIONS		
A. OPERATING INCOME	241,245	132,669
I Sales of goods	834	
II Sales of products and services	240,399	132,669
III Revenues from premiums, subsidies, donations, grants etc.		
IV Other operating income	12	
EXPENSES FROM OPERATIONS		
B. OPERATING EXPENSES	382,830	195,987
I Cost of commercial goods sold	745	
II Work performed by the company and capitalized	0	
III Increase in inventories of finished products and work in progress		
IV Decrease in inventories of finished products and work in progress	1,396	3,860
V Material consumed	99,836	49,949
VI Fuel and energy consumed	36,318	22,225
VII Staff costs	109,747	67,433
VIII Production expenses	6,620	4,937
IX Amortization	28,596	19,522
X Costs of long-term provisions	1,365	
XI Intangible costs	98,207	28,061
C. PROFIT FROM OPERATIONS		
D. LOSS FROM OPERATIONS	141,585	63,318
I. FINANCE INCOME	1,530	2,262
I Financial income from related persons and other financial income		
II Interest income (from third parties)		
III Gains and positive effects of currency clause	1,530	2,262
F. FINANCE EXPENSES	93,912	25,415
I Financial expenses related party transactions and other financial expenses		
II Interest expense (by third parties)	41,866	25,229
III Foreign exchange gains and negative effects of currency clause	52,046	186
G. PROFIT FROM FINANCING		
H. LOSS FROM FINANCING	92,382	23,153
I. INCOME FROM VALUATION ADJUSTMENTS OF OTHER ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT	810	353
J. LOSS ADJUSTMENT OTHER PROPERTY CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT	9,180	
K. OTHER INCOME	6,424	1,295
L. OTHER EXPENSES	17,366	163
M. OPERATING PROFIT BEFORE TAX		
N. LOSS FROM OPERATIONS BEFORE TAX	253,280	84,986
Q. PROFIT BEFORE TAXATION		
R. LOSS BEFORE TAXATION	253,280	84,986
S. INCOME TAXES		
I Current tax expense		
II Deferred income tax expense		
III Deferred income tax benefit		
T. EARNINGS OF EMPLOYER		
U. NET PROFIT		
V. NET LOSS	253,280	84,986



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

3.8. 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 a.d. 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 a.d.

BALANCE SHEET IN THOUSANDS OF DINARS

ASSETS	as of 31.12.2014	as of 11.09.2015
A. SUBSCRIBED CAPITAL UNPAID		
B. NON-CURRENT ASSETS	215,799	228,241
I INTANGIBLE ASSETS	3,724	3,374
Investment in development	3,700	3,371
Concessions, patents, licenses, trademarks, software and other rights	24	4
II PROPERTY, PLANT AND EQUIPMENT	161,888	174,680
Land	54,278	54,278
Buildings	32	30
Plant and equipment	242	105
Investment property	89,253	102,184
Property, plant and equipment construction	18,083	18,083
III BIOLOGICAL AGENTS		
IV LONG-TERM FINANCIAL PLACEMENTS		
V LONG-TERM RECEIVABLES	50,187	50,187
Receivables from parent company and its subsidiaries	50,187	50,187
C. DEFERRED TAX ASSETS		
D. CURRENT ASSETS	105,376	133,123
I INVENTORIES	30,790	25,800
II RECEIVABLES FORM SALE	71,235	103,869
Customers in the country - the parent and subsidiaries	56,835	88,960
Customers in the country	6,705	8,060
Customers abroad	7,695	6,850
III RECEIVABLES FROM SPECIFIC OPERATIONS		
IV OTHER RECEIVABLES	13	7



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V FINANCIAL ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT		
VI SHORT-TERM FINANCIAL PLACEMENTS	2,639	2,640
Short-term loans and investments - parent and subsidiaries	2,639	2,640
VII CASH AND CASH EQUIVALENTS		
VIII VALUE ADDED TAX	84	807
IX PREPAYMENTS	615	
E. TOTAL ASSETS	321,175	361,364
F. OFF BALANCE SHEET ASSETS		
EQUITY AND LIABILITIES	31.12.2014.	11.09.2015.
A. EQUITY	75,276	77,099
I SHARE AND OTHER CAPITAL	256,841	256,841
Shares of limited liability companies	256,841	256,841
II SUBSCRIBED CAPITAL UNPAID		
III TREASURY SHARES		
IV RESERVES		
V REVALUATION RESERVES BASED ON REVALUATION OF INTANGIBLE ASSETS, PROPERTY, PLANT AND EQUIPMENT	31,527	31,527
VI UNREALIZED GAINS ON SECURITIES VALUE AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULTS	6	6
VII UNREALIZED LOSSES ON SECURITIES VALUE AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULTS		
VIII RETAINED EARNINGS		1,823
IX PARTICIPATION RIGHTS WITHOUT CONTROL		
X LOSS	213,098	213,098
Loss of previous years	158,108	213,098
Loss for the year	54,990	
B. LONG TERM PROVISIONS AND LIABILITIES	903	18,618
I LONG-TERM PROVISIONS	903	903
Provision for retirement and other employee benefits	903	903
II LONG-TERM LIABILITIES		17,715
C. DEFERRED TAX LIABILITIES		
D. CURRENT LIABILITIES	244,996	265,647
I SHORT-TERM FINANCIAL LIABILITIES	100,408	100,408
Short-term loans from parent companies and subsidiaries	100,408	100,408
II PREPAYMENTS, DEPOSITS AND GUARANTEES	1,049	
III ACCOUNTS PAYABLE	90,692	130,415
Suppliers - parent and subsidiaries in the country	64,277	105,323
Suppliers in the country	10,848	10,399
Foreign suppliers	14,092	13,218
Other liabilities	1,475	1,475
IV OTHER CURRENT LIABILITIES	42,586	31,657
V LIABILITIES FOR VALUE ADDED TAX	3,026	1,137
VI OTHER TAXES, CONTRIBUTIONS AND OTHER FEES		
VII ACCRUALS	7,235	2,031
E. THE LOSS IN EXCESS OF CAPITAL		
F. TOTAL LIABILITIES	321,175	361,364
G. OFF BALANCE SHEET LIABILITIES		

INCOME STATEMENT IN THOUSANDS OF DINARS	January – December 2014	January - 11. September 2015
INCOME FROM OPERATIONS		
A. OPERATING INCOME	81,120	57,354
I Sales of goods	4,511	617
II Sales of products and services	75,505	46,668
III Revenues from premiums, subsidies, donations, grants etc.		
IV Other operating income	1,104	10,069
EXPENSES FROM OPERATIONS		
B. OPERATING EXPENSES	89,191	52,187
I Cost of commercial goods sold	3,845	533
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	884	2,968
V Material consumed	38,520	18,506



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VI Fuel and energy consumed	2,524	1,292
VII Staff costs	24,721	16,195
VIII Production expenses	1,864	2,029
IX Amortization	916	489
X Costs of long-term provisions		
XI Intangible costs	15,917	10,176
C. PROFIT FROM OPERATIONS		5,167
D. LOSS FROM OPERATIONS	8,071	
E FINANCE INCOME	403	106
I Financial income from related persons and other financial income		
II Interest income (from third parties)		
III Gains and positive effects of currency clause	403	106
F. FINANCE EXPENSES	4,171	3,453
I Financial expenses related party transactions and other financial expenses		
II Interest expense (by third parties)	3,446	3,376
III Foreign exchange gains and negative effects of currency clause	725	77
G. PROFIT FROM FINANCING		
H. LOSS FROM FINANCING	3,768	3,347
I. INCOME FROM VALUATION ADJUSTMENTS OF OTHER ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT		
J. LOSS ADJUSTMENT OTHER PROPERTY CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT	293	489
K. OTHER INCOME	10,109	1,226
L. OTHER EXPENSES	52,967	733
M. OPERATING PROFIT BEFORE TAX		1,823
N. LOSS FROM OPERATIONS BEFORE TAX	54,990	
Q. PROFIT BEFORE TAXATION		1,823
R. LOSS BEFORE TAXATION	54,990	
S. INCOME TAXES		
I Current tax expense		
II Deferred income tax expense		
III Deferred income tax benefit		
T. EARNINGS OF EMPLOYER		
U. NET PROFIT		1,823
V. NET LOSS	54,990	

CASH FLOWS (in thousands of RSD)	Januar - 11. September 2015
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash inflow from operating activities	35,895
Cash outflow from operating activities	35,894
Net cash inflow from operating activities	1
Net outflow from operating activities	
CASH FLOWS FROM INVESTING ACTIVITIES	
Cash inflow from investing activities	
Cash outflow from investing activities	
Net cash inflow from investing activities	
Net cash outflow from investing activities	
CASH FLOWS FROM FINANCING ACTIVITIES	
Cash inflow from financing activities	
Cash outflow from financing activities	
Net cash inflow from financing activities	
Net cash outflow from financing activities	
Total cash inflow	35,895
Total cash outflow	35,894
NET CASH INFLOW	1
NET CASH OUTFLOW	
Cash and cash equivalents at beginning of year	
Foreign exchange gains on translation of cash and cash equivalents	
Foreign exchange losses on translation of cash and cash equivalents	
CASH AND CASH EQUIVALENTS AT END OF PERIOD	1



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

Balance sheet in thousands GBP	as of 31.12.2013 audited	as of 11.08.2014	as of 31.12. 2014 in bankruptcy
TOTAL ASSETS			
Fixed Assets			
Current assets	3,291	2,503	351
Deferred tax assets			
Total assets	3,291	2,503	351
TOTAL LIABILITIES			
Equity	2,538	2,487	
Non-current liabilities			
Short-term liabilities	753	15	351
Deferred tax liabilities			
Total liabilities	3,291	2,503	351

INCOME STATEMENT (in thousands GBP)	January – December 2013 audited	January – August 2014 last report
Sales revenue	4,434	167
Cost of goods sold	4,058	151
Gross margin	376	16
Administrative expenses	566	110
Operating result	-191	-94
Interest income	10	6
Other income		
Profit before tax	-181	-88
Income tax	110	37
Retained profit for the financial year	-71	-51

3.10. TIGRA MONTENEGRO – MONTENEGRO

BALANCE SHEET Tigra Montenegro (in thousands of EUR)	as of 31.12.2014	as of 31.12.2015	as of 30.09.2016
Non-current assets	3	3	3
Current assets	182	45	37
Deferred tax assets			
TOTAL ASSETS	185	48	39
Equity	45	3	-17
Long-term liabilities and provisions			
Current liabilities	140	44	57
Deferred tax liabilities			
TOTAL EQUITY AND LIABILITIES	185	48	39

Tigra Montenegro (in thousands of EUR)	January – December 2014	January – December 2015	January – September 2015	January – September 2016
Total income	172	16	15	4
Total expenses	223	57	49	25
PROFIT/LOSS BEFORE TAXATION	-50	-41	-34	-21
Income taxes				
Deferred Income Tax expense				



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Deferred Income Tax benefit				
NET PROFIT/LOSS	-50	-41	-34	-21

3.11. TIGRA TREJD – REPUBLIC OF SRPSKA

BALANCE SHEET (in thousands of KM)	as of 31.12.2014	as of 31.12.2015	as of 30.09.2016
Fixed Assets	269	258	249
Current assets	909	954	978
Deferred tax assets			
Loss above equity value			
TOTAL ASSETS	1,178	1,212	1,227
Equity	88	89	61
Non – current liabilities			
Short-term liabilities	1,090	1,122	1,166
Deferred tax liabilities			
TOTAL EQUITY AND LIABILITIES	1,178	1,212	1,227

Income statement in thousands of KM)	January – December 2014	January – December 2015	January – September 2015	January – September 2016
Total income	1,452	1,182	604	406
Total expenses	1,430	1,181	634	434
PROFIT/LOSS BEFORE TAXATION	23	1	-30	-28
Income taxes	5	0		
Deferred Income Tax expense				
Deferred Income Tax benefit				
NET PROFIT/LOSS	17	1	-30	-28

3.12. TIGAR PARTNER – MACEDONIA

BALANCE SHEET (in thousands of Denars)	as of 31.12.2014	as of 31.12.2015	as of 30.09.2016
Fixed Assets	6	2	1.631
Current assets	21,187	20,249	19,787
Deferred tax assets	0	0	0
TOTAL ASSETS	21,193	20,251	19,789
Equity	16,457	15,989	15,430
Non-current liabilities	0	0	0
Short-term liabilities	4,736	4,262	4,359
Deferred tax liabilities	0	0	0
TOTAL EQUITY AND LIABILITIES	21,193	20,251	19,789

Income Statement (in thousands of Denars)	January – December 2014	January – December 2015	January – September 2015	January – September 2016
Total income	24,115	20,590	12,937	11,996
Total expenses	25,512	21,052	13,523	12,553



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PROFIT/LOSS BEFORE TAXATION	-1,397	-462	-586	-558
Income taxes	10	6	4	2
Deferred Income Tax expense	0	0	0	0
Deferred Income Tax benefit	0	0	0	0
NET PROFIT/LOSS	-1,407	-468	-590	-560

3.13. 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 Trgovine I.l.c.

BALANCE SHEET (in thousands of RSD)

ASSETS	as of 31.12.2014	as of 31.12.2015	as of 30.09.2016
A. SUBSCRIBED CAPITAL UNPAID			
B. NON-CURRENT ASSETS	46,473	1,558	1,515
I. INTANGIBLE ASSETS			
II. PROPERTY, PLANT AND EQUIPMENT	30,085	1,558	1,515
Land	1,932		
Buildings	27,796	1,355	1,333
Plant and equipment	259	104	83
Property, plant and equipment construction	98	99	99
III. BIOLOGICAL AGENTS			
IV. LONG-TERM FINANCIAL PLACEMENTS			
V. LONG-TERM RECEIVABLES	16,388		
Receivables from parent company and its subsidiaries	16,388		
C. DEFERRED TAX ASSETS	145	132	132
D. CURRENT ASSETS	569,909	248,520	154,781
I. INVENTORIES	128,835	125,062	111,369
Goods	115,161	85,482	82,010
Fixed assets held for sale		28,068	27,770
Advances paid to suppliers	13,674	11,512	1,589
II. RECEIVABLES FROM SALE	303,415	87,855	15,189
Customers in the country - the parent and subsidiaries	229,186	66,217	8,459
Customers abroad - parent and subsidiaries	6,682	1,123	1,108
Customers in the country - other related parties	9	68	68
Customers abroad - other related parties			
Customers in the country	43,063	20,439	5,423
Customers abroad	24,475	8	131
Other receivables from sales			
III RECEIVABLES FROM SPECIFIC OPERATIONS			
IV. OTHER RECEIVABLES	6,073	12,622	13,362
V. FINANCIAL ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT			
VI. SHORT-TERM FINANCIAL PLACEMENTS	110,163	19,315	8,070
Short-term loans and investments - parent and subsidiaries	110,163	19,315	8,070
VII. CASH AND CASH EQUIVALENTS	329	329	1,820
VIII. VALUE ADDED TAX	9,694	29	1,121
IX. PREPAYMENTS	11,400	3,308	3,850
I. TOTAL ASSETS	616,527	250,210	156,428
F. OFF BALANCE SHEET ASSETS			
EQUITY AND LIABILITIES	31.12.2014.	31.12.2015.	30.09.2016.
A. EQUITY			
I. SHARE AND OTHER CAPITAL	1,348	1,348	1,348
Share Capital			
Shares of limited liability companies	1,348	1,348	1,348
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			



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VII. UNREALIZED LOSSES ON SECURITIES VALUE AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULTS	389	364	364
VIII. RETAINED EARNINGS	10,688		
Retained profit from previous years			
Retained profit from financial year	10,688		
IX. PARTICIPATION RIGHTS WITHOUT CONTROL			
X. LOSS	14,787	73,316	106,187
Loss of previous years	14,787	4,099	73,315
Loss for the year		69,217	32,872
B. LONG-TERM PROVISIONS AND LIABILITIES	818	507	457
I. LONG-TERM PROVISIONS	818	507	457
Provision for retirement and other employee benefits	818	507	457
Provision for lawsuits			
Other long-term provisions			
II. LONG-TERM LIABILITIES			
C. DEFERRED TAX LIABILITIES			
D. CURRENT LIABILITIES	618,849	322,035	261,174
I. SHORT-TERM FINANCIAL LIABILITIES	107,721	8,740	31,624
Short-term loans from parent companies and subsidiaries	107,721	8,740	31,624
II. PREPAYMENTS, DEPOSITS AND GUARANTEES	41,728	9,217	5,371
III. ACCOUNTS PAYABLE	434,221	271,236	205,059
Suppliers - parent and subsidiaries in the country	354,486	238,201	179,613
Suppliers - parent and subsidiaries abroad			
Suppliers - other related parties in the country		48	91
Suppliers - Other related legal entities abroad			
Suppliers in the country	49,497	25,730	18,028
Foreign suppliers	24,842	4,433	4,418
Other liabilities	5,396	2,824	2,909
IV. OTHER CURRENT LIABILITIES	32,218	26,523	15,140
V. LIABILITIES FOR VALUE ADDED TAX	2,041	2,416	
VI OTHER TAXES, CONTRIBUTIONS AND OTHER FEES	372	155	155
VII. ACCRUALS	548	3,748	3,825
I. THE LOSS IN EXCESS OF CAPITAL	3,140	72,332	105,203
F. TOTAL LIABILITIES	616,527	250,210	156,428
G. OFF BALANCE SHEET LIABILITIES			

Income statement (in thousands of RSD)	January – December 2014	January – December 2015	January – September 2015	January – September 2016
INCOME FROM OPERATIONS				
A. OPERATING INCOME	1,383,904	425,010	356,743	71,532
I. Sales of goods	1,367,802	415,589	349,839	69,373
II. Sales of products and services	13,500	7,846	5,367	2,015
III. Revenues from premiums, subsidies, donations, grants etc.				
IV. Other operating income	2,602	1,575	1,537	144
EXPENSES FROM OPERATIONS				
B. OPERATING EXPENSES	1,354,607	483,929	412,810	111,593
I. Cost of commercial goods sold	1,224,188	362,512	313,624	53,826
II. Work performed by the company and capitalized				
V. Material consumed	9,992	1,354	2,749	436
VI. Fuel and energy consumed	11,982	8,855	6,692	2,838
VII. Staff costs	64,305	60,787	47,415	33,700
VIII. Production expenses	22,239	14,181	13,123	7,050
IX. Amortization	780	459	515	44
X. Costs of long-term provisions	284	91		
XI. Intangible costs	20,837	35,690	28,692	13,699
C. PROFIT FROM OPERATIONS	29,297			
D. LOSS FROM OPERATIONS		58,919	56,067	40,061
I. FINANCE INCOME	2,417	789	568	121
I. Financial income from related persons and other financial income				
II. Interest income (from third parties)				
III. Gains and positive effects of currency clause	2,417	789	568	121
F. FINANCE EXPENSES	4,841	1,110	774	441



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I. Financial expenses related party transactions and other financial expenses				
II. Interest expense (by third parties)	1,516	279	176	162
III. Foreign exchange gains and negative effects of currency clause	3,325	831	598	279
G. PROFIT FROM FINANCING				
H. LOSS FROM FINANCING	2,424	321	206	320
I. INCOME FROM VALUATION ADJUSTMENTS OF OTHER ASSETS CARRIED AT FAIR VALUE TROUGH INCOME STATEMENT	1,018			
J. LOSS ADJUSTMENT OTHER PROPERTY CARRIED AT FAIR VALUE TROUGH INCOME STATEMENT	10,601	7,660		
K. OTHER INCOME	394	298	150	7,625
L. OTHER EXPENSES	6,672	2,603	67	116
M. OPERATING PROFIT BEFORE TAX	11,012			
N. LOSS FROM OPERATIONS BEFORE TAX		69,205	56,190	32,872
Q. PROFIT BEFORE TAXATION	11,012			
P. LOSS BEFORE TAXATION		69,205	56,190	32,872
R. INCOME TAX				
I. Current tax expense	279		209	
II. Deferred income tax expense	45	12		
III. Deferred income tax benefit				
T. EARNINGS OF EMPLOYER				
U. NET PROFIT	10,688			
V. NET LOSS		69,217	56,399	32,872

CASH FLOWS (in thousands of RSD)	January – September 2015	January - September 2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash inflow from operating activities	527,692	150,775
Cash outflow from operating activities	589,645	170,123
Net cash inflow from operating activities		
Net outflow from operating activities	61,953	19,348
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash inflow from investing activities		6,578
Cash outflow from investing activities		
Net cash inflow from investing activities		6,578
Net cash outflow from investing activities		
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash inflow from financing activities	114,910	23,555
Cash outflow from financing activities	53,045	9,289
Net cash inflow from financing activities	61,865	14,266
Net cash outflow from financing activities		
Total cash inflow	642,602	180,908
Total cash outflow	642,690	179,412
NET CASH INFLOW		1,496
NET CASH OUTFLOW	88	
Cash and cash equivalents at beginning of year	329	329
Foreign exchange gains on translation of cash and cash equivalents		
Foreign exchange losses on translation of cash and cash equivalents	165	5
CASH AND CASH EQUIVALENTS AT END OF PERIOD	76	1,820

3.14. TIGAR BUSINESS SERVICE

BALANCE SHEET (in thousands of RSD)

ASSETS	as of 31.12.2014	as of 31.12.2015	as of 30.09. 2016
A. SUBSCRIBED CAPITAL UNPAID			
B. NON-CURRENT ASSETS	58,980	38,790	32,573
I. INTANGIBLE ASSETS	4	1	
II. PROPERTY, PLANT AND EQUIPMENT	45,480	38,789	32,573
Land	2,765	2,765	2,765
Buildings	13,591	13,374	13,212
Plant and equipment	29,124	22,510	16,570
Property, plant and equipment construction		140	26
III. BIOLOGICAL AGENTS			



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IV. LONG-TERM FINANCIAL PLACEMENTS			
V. LONG-TERM RECEIVABLES	13,496		
Receivables from parent company and its subsidiaries	13,496		
C. DEFERRED TAX ASSETS	2,417	2,549	2,549
D. CURRENT ASSETS	71,303	48,948	65,274
I. INVENTORIES	2,791	4,241	4,746
Material , spare parts , tools and supplies	1,230	1,018	713
Advances paid to suppliers			
II. Receivables from sale	1,561	3,223	4,033
Customers in the country - the parent and subsidiaries	8,397	27,171	27,902
Customers abroad - parent and subsidiaries	224	299	453
Customers in the country			
Customers abroad			
III RECEIVABLES FROM SPECIFIC OPERATIONS	8,173	26,373	27,446
IV. OTHER RECEIVABLES		499	3
V. FINANCIAL ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT			
VI. SHORT-TERM FINANCIAL PLACEMENTS	276	107	146
Short-term loans and investments - parent and subsidiaries			
VII. CASH AND CASH EQUIVALENTS	58,760	16,879	32,345
VIII. VALUE ADDED TAX	58,760	16,879	32,345
IX. PREPAYMENTS	2	32	
I. TOTAL ASSETS	521		
F. OFF BALANCE SHEET ASSETS	556	518	135
EQUITY AND LIABILITIES	132,700	90,287	100,396
A. EQUITY			
I. SHARE AND OTHER CAPITAL	31.12.2014.	31.12.2015.	30.09.2016
Share Capital	36,231	40,609	32,561
Shares of limited liability companies	23,104	23,104	23,104
II. SUBSCRIBED CAPITAL UNPAID			
III. TREASURY SHARES	23,104	23,104	23,104
IV. RESERVES			
VI. UNREALIZED GAINS ON SECURITIES VALUE AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULTS			
VII. UNREALIZED LOSSES ON SECURITIES VALUE AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULTS			
VIII. RETAINED EARNINGS			
Retained profit from previous years			
Retained profit from financial year	497	474	474
IX. PARTICIPATION RIGHTS WITHOUT CONTROL	23,108	19,079	11,031
X. LOSS	15,513		
Loss of previous years	7,595	19,079	11,031
Loss for the year			
B. NON-CURRENT ASSETS	9,484	1,100	1,100
I. LONG-TERM PROVISIONS	9,484	1,100	1,100
Provision for retirement and other employee benefits			
II. LONG-TERM LIABILITIES	17,279	12,844	13,000
C. DEFERRED TAX LIABILITIES	1,398	1,419	1,419
D. CURRENT LIABILITIES	1,398	1,419	1,419
I. SHORT-TERM FINANCIAL LIABILITIES	15,881	11,425	11,581
Short-term loans from parent companies and subsidiaries			
II. PREPAYMENTS, DEPOSITS AND GUARANTEES	79,190	36,834	54,835
III. ACCOUNTS PAYABLE	50,092	7,996	7,057
Suppliers - parent and subsidiaries in the country	45,570	3,089	5,095
Suppliers - other related parties in the country	4,522	4,907	1,962
Suppliers in the country	2,859	4,319	4,180
Foreign suppliers	12,058	12,516	21,722
Other liabilities	3,281	2,130	3,308
IV. OTHER CURRENT LIABILITIES	90		
V. LIABILITIES FOR VALUE ADDED TAX	8,512	10,131	17,898
VI OTHER TAXES, CONTRIBUTIONS AND OTHER FEES	173	255	516
VII. ACCRUALS	2		
I. THE LOSS IN EXCESS OF CAPITAL	9,130	7,441	19,004
F. TOTAL LIABILITIES		551	297
G. OFF BALANCE SHEET LIABILITIES	1,549	1,920	424
	3,502	2,091	2,151



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	132,700	90,287	100,396
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Income statement (in thousands of RSD)	January – December 2014	January – December 2015	January – September 2015	January – September 2016
INCOME FROM OPERATIONS				
A. OPERATING INCOME	119,549	148,941	111,195	105,749
I. Sales of goods		5		6
II. Sales of products and services	119,549	148,936	111,195	105,743
III. Revenues from premiums, subsidies, donations, grants etc.				
IV. Other operating income				
EXPENSES FROM OPERATIONS				
B. OPERATING EXPENSES	103,127	124,302	90,602	89,668
I. Cost of commercial goods sold				
V. Material consumed	3,968	4,189	2,700	3,034
VI. Fuel and energy consumed	30,978	32,940	25,038	21,460
VII. Staff costs	31,329	35,055	25,728	25,727
VIII. Production expenses	12,130	23,874	16,900	18,338
IX. Amortization	11,217	8,969	6,859	6,249
X. Costs of long-term provisions		44		
XI. Intangible costs	13,505	19,231	13,377	14,860
C. PROFIT FROM OPERATIONS	16,422	24,639	20,593	16,081
D. LOSS FROM OPERATIONS				
I. FINANCE INCOME	46	104	228	45
I. Financial income from related persons and other financial income				
II. Interest income (from third parties)	13	44	44	
III. Gains and positive effects of currency clause	33	60	184	45
F. FINANCE EXPENSES	7,483	3,217	1,712	1,601
I. Financial expenses related party transactions and other financial expenses				
II. Interest expense (by third parties)	6,198	3,004	1,706	1,262
III. Foreign exchange gains and negative effects of currency clause	1,285	213	6	339
G. PROFIT FROM FINANCING				
H. LOSS FROM FINANCING	7,437	3,113	1,484	1,556
I. INCOME FROM VALUATION ADJUSTMENTS OF OTHER ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT		114		
J. LOSS ADJUSTMENT OTHER PROPERTY CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT	446			
K. OTHER INCOME	3,272	3,105	2,347	764
L. OTHER EXPENSES	2,312	159	111	30
M. OPERATING PROFIT BEFORE TAX	9,499	24,586	21,345	15,259
N. LOSS FROM OPERATIONS BEFORE TAX				
Q. PROFIT BEFORE TAXATION	9,499	24,586	21,345	15,259
R. LOSS BEFORE TAXATION				
R. INCOME TAX				
I. Current tax expense	3,617	5,638	3,042	4,228
II. Deferred income tax expense				
III. Deferred income tax benefit	1,148	131		
T. EARNINGS OF EMPLOYER				
U. NET PROFIT	7,030	19,079	18,303	11,031
V. NET LOSS				



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3.15. TIGAR CATERING

BALANCE SHEET (in thousands of RSD)

ASSETS	as of 31.12.2014	as of 31.12.2015	as of 30.09.2016
A. A. SUBSCRIBED CAPITAL UNPAID			
B. NON-CURRENT ASSETS	166,933	163,808	160,629
I. INTANGIBLE ASSETS	8	110	108
Concessions, patents , licenses , trademarks , software and other rights	8	2	
Other intangible assets		108	
Intangible assets under construction			108
II. PROPERTY, PLANT AND EQUIPMENT	164,226	163,698	160,521
Land	27,190	27,190	27,190
Buildings	129,574	127,234	125,454
Plant and equipment	6,475	7,691	6,256
Property, plant and equipment construction	987	1,583	1,621
III. BIOLOGICAL AGENTS			
IV. LONG-TERM FINANCIAL PLACEMENTS			
V. LONG-TERM RECEIVABLES	2,699		
Receivables from parent company and subsidiaries	2,699		
V. DEFERRED TAX ASSETS			
G. CURRENT ASSETS	89,568	62,502	34,792
I. INVENTORIES	5,839	6,096	3,581
Supplies , spare parts , tools and supplies	3,840	4,018	2,809
Goods	1,146	1,128	772
Advances paid to suppliers	853	950	
II. DUE ON SALE	25,954	11,536	7,518
Customers in the country - the parent and subsidiaries	8,543	2,757	221
Customers in the country - other related parties	20	25	25
Customers in the country	17,273	8,754	7,272
Customers abroad	118		
III. RECEIVABLES FROM SPECIFIC			
IV. OTHER RECEIVABLES	33,822	35,826	20,222
V. FINANCIAL ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT			
VI. SHORT-TERM FINANCIAL PLACEMENTS	23,065	8,362	2,846
Short-term loans and placements – parent and subsidiaries	23,065	8,362	2,846
VII. CASH AND CASH EQUIVALENTS		67	47
VIII. VALUE ADDED TAX			
IX. PREPAYMENTS	888	615	578
D. TOTAL ASSETS = OPERATION ASSETS	256,501	226,310	195,421
Đ. OFF BALANCE SHEET ASSETS			
EQUITY AND LIABILITIES	31.12.2014.	31.12.2015.	30.09.2016.
A. EQUITY	99,619	97,875	98,524
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			
III. TREASURY SHARES			
IV. RESERVES			
V. REVALUATION RESERVES BASED ON REVALUATION OF INTANGIBLE ASSETS,PROPERTY, PLANT AND EQUIPMENT			
VI. UNREALIZED GAINS ON SECURITIES VALUE AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULTS			
VII. UNREALIZED LOSSES ON SECURITIES VALUE AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULTS	35	749	749
VIII. RETAINED EARNINGS			649
Unretained earnings for the year			649
IX. PARTICIPATION RIGHTS WITHOUT CONTROL			
X. LOSS	104,454	105,484	105,484
Loss of previous years	93,976	104,454	105,484
Loss for the year	10,478	1,030	
B. LONG TERM PROVISIONS AND LIABILITIES	2,388	13,421	13,294
I. LONG-TERM PROVISIONS	2,388	3,371	3,244
Provision for retirement and other employee benefits	2,388	3,371	3,244
II. LONG-TERM LIABILITIES		10,050	10,050



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V. DEFERRED TAX LIABILITIES	631	228	228
G. CURRENT LIABILITIES	153,863	114,786	83,375
I. SHORT-TERM FINANCIAL LIABILITIES	15,766	2,754	18,926
Short-term loans from parent companies and subsidiaries	15,766	2,754	18,926
II. PREPAYMENTS, DEPOSITS AND GUARANTEES	374	794	403
III. ACCOUNTS PAYABLE	99,193	93,837	46,603
Suppliers - parent and subsidiaries in the country	50,730	56,900	5,596
Suppliers – subsidiaries in the country	12	12	12
Suppliers in the country	48,279	36,758	40,764
Foreign suppliers	172	149	214
Other liabilities		18	17
IV. OTHER CURRENT LIABILITIES	32,530	11,788	11,925
V. LIABILITIES FOR VALUE ADDED TAX	1,587	1,556	1,538
VI. OTHER TAXES, CONTRIBUTIONS AND OTHER FEES			
VII. ACCRUALS	4,413	4,057	3,980
D. THE LOSS IN EXCESS OF CAPITAL			
Đ. TOTAL LIABILITIES	256,501	226,310	195,421
G. OFF BALANCE SHEET LIABILITIES			

Income statement (in thousands of RSD)	January - December 2014	January – December 2015	January – September 2015	January – September 2016
INCOME FROM OPERATIONS				
A. OPERATING INCOME	177,211	205,323	150,512	143,615
I. Sales of goods	12,281	11,198	62,361	6,191
II. Sales of products and services	164,906	194,125	88,151	137,424
III. Revenues from premiums, subsidies, donations, grants etc.				
IV. Other operating income	24			
EXPENSES FROM OPERATIONS				
B. OPERATING EXPENSES	180,543	203,801	147,478	140,685
I. Cost of commercial goods sold	5,830	5,863	4,488	3,199
II. Work performed by the company and capitalized	270	331	274	194
III. VALUE INCREASE OF SUPPLIES OF UNFINISHED, FINISHED GOODS AND UNPROVIDED SERVICES				
IV. VALUE DECREASE OF SUPPLIES UNFINISHED, FINISHED GOODS AND UNPROVIDED SERVICES				
V. Material consumed	88,491	101,935	73,217	69,580
VI. Fuel and energy consumed	7,640	8,181	5,798	4,725
VII. Staff costs	58,672	64,305	47,543	46,565
VIII. Production expenses	3,012	4,337	3,166	2,464
IX. Amortization	4,341	4,288	2,812	3,258
X. Costs of long-term provisions	1,160	454		
XI. Intangible costs	11,667	14,769	10,728	11,088
V. PROFIT FROM OPERATIONS		1,522	3,034	2,930
G. LOSS FROM OPERATIONS	3,332			
D. FINANCE INCOME		4	1	20
I. Financial income from related persons and other financial income				
II. Interest income (from third parties)		3		20
III. Gains and positive effects of currency clause		1	1	
Đ. FINANCE EXPENSES	7,814	2,919	1,972	2,195
I. Financial expenses related party transactions and other financial expenses				
II. Interest expense (by third parties)	7,813	2,910	1,963	2,195
III. Foreign exchange gains and negative effects of	1	9	9	



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currency clause				
E. PROFIT FROM FINANCING				
Z. LOSS FROM FINANCING	7,814	2,915	1,971	2,175
Z. INCOME FROM VALUATION ADJUSTMENTS OF OTHER ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT	56			
I. . LOSS ADJUSTMENT OTHER PROPERTY CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT	250	386		
J. OTHER INCOME	1,738	839	100	143
K. OTHER EXPENSES	738	493	264	249
L. OPERATING PROFIT BEFORE TAX			899	649
LJ. LOSS FROM OPERATIONS BEFORE TAX	10,340	1,433		
NJ. PROFIT BEFORE TAXATION			899	649
O. LOSS BEFORE TAXATION	10,340	1,433		
P. INCOME TAX				
I. Current tax expense				
II. Deferred income tax expense	138			
III. Deferred income tax benefit		403		
R. EARNINGS OF EMPLOYER				
S. NET PROFIT			899	649
T. NET LOSS	10,478	1,030		

CASH FLOWS (in thousands of RSD)	January – September 2015	January – September 2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash inflow from operating activities	170,026	190,308
Cash outflow from operating activities	167,127	211,660
Net cash inflow from operating activities	2,899	
Net outflow from operating activities		21,352
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash inflow from investing activities		
Cash outflow from investing activities	783	1,187
Net cash inflow from investing activities		
Net cash outflow from investing activities	783	1,187
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash inflow from financing activities		22,518
Cash outflow from financing activities	2,114	
Net cash inflow from financing activities		22,518
Net cash outflow from financing activities	2,114	
Total cash inflow	170,026	212,826
Total cash outflow	170,024	212,847
NET CASH INFLOW	2	
NET CASH OUTFLOW		21
Cash and cash equivalents at beginning of year		68
Foreign exchange gains on translation of cash and cash equivalents		
Foreign exchange losses on translation of cash and cash equivalents		
CASH AND CASH EQUIVALENTS AT END OF PERIOD	2	47



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3.16. TIGAR INCON

BALANCE SHEET (in thousands of RSD)

ASSETS	as of 31.12.2014	as of 31.12.2015	as of 30.09.2016
A. SUBSCRIBED CAPITAL UNPAID			
B. NON-CURRENT ASSETS	159,642	146,443	143,166
I INTANGIBLE ASSETS	12	2	58
Concessions, patents, licenses, trademarks and service marks, software and other rights	12	2	
Intangible assets under construction			58
II PROPERTY, PLANT AND EQUIPMENT	151,310	146,441	143,108
Land	7,727	7,727	7,727
Buildings	132,443	130,335	128,752
Plant and equipment	11,140	8,050	6,300
Other property, plant and equipment		329	329
III BIOLOGICAL AGENTS			
IV LONG-TERM FINANCIAL PLACEMENTS			
V LONG-TERM RECEIVABLES	8,320		
Receivables from parent company and its subsidiaries	8,320		
V DEFERRED TAX ASSETS			
G. CURRENT ASSETS	55,809	32,286	26,448
I INVENTORIES	5,887	7,065	5,839
Material, spare parts, tools and supplies	5,118	6,325	4,689
Advances paid to suppliers	769	740	1,150
II RECEIVABLES FROM SALE	42,467	17,807	13,118
Customers in the country - the parent and subsidiaries	8,603	8,375	2,243
Kupci u Inostranstvu - matična i zavisna pravna lica			
Customers abroad - parent and subsidiaries	2,636	2,636	2,636
Customers in the country - other related parties	31,228	6,796	8,239
III RECEIVABLES FROM SPECIFIC OPERATIONS			
IV OTHER RECEIVABLES		60	48
V FINANCIAL ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT			
VI SHORT-TERM FINANCIAL PLACEMENTS	7,351	2,118	3,986
Short-term loans and investments - parent and subsidiaries	7,351	2,118	3,986
Other short-term financial investments			
VII CASH AND CASH EQUIVALENTS	6	7	6
VIII VALUE ADDED TAX		1,254	3,137
IX PREPAYMENTS	98	3,975	314
D. TOTAL ASSETS	215,451	178,729	169,614
EQUITY AND LIABILITIES	31.12.2014.	31.12.2015.	30.09.2016.
A. EQUITY	74,401	58,443	44,113
I. SHARE AND OTHER CAPITAL	162,425	162,425	162,425
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	572	640	640
VIII RETAINED EARNINGS	7,371		
Retained profit from previous years	7,371		
IX PARTICIPATION RIGHTS WITHOUT CONTROL			
X LOSS	94,823	103,342	117,672
Loss of previous years	68,127	87,451	103,342
Loss for the year	26,696	15,891	14,330
B. NON-CURRENT LIABILITIES	2,727	43,127	43,005
I LONG-TERM PROVISIONS	2,727	2,608	2,487
Provision for retirement and other employee benefits	2,727	2,608	2,487
II LONG-TERM LIABILITIES		40,519	40,518
Other long-term liabilities		40,519	40,518
V. DEFERRED TAX LIABILITIES	1,369	382	382
G. CURRENT LIABILITIES	136,954	76,777	82,114



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I SHORT-TERM FINANCIAL LIABILITIES	29,657	22,629	23,782
Short-term loans from parent companies and subsidiaries	29,657	22,629	23,782
II PREPAYMENTS, DEPOSITS AND GUARANTEES		15,038	12,268
III ACCOUNTS PAYABLE	44,487	23,844	27,147
Suppliers - parent and subsidiaries in the country	25,066	13,085	10,048
Suppliers in the country	19,421	10,759	16,990
Foreign suppliers			109
IV OTHER CURRENT LIABILITIES	54,135	13,202	16,414
V LIABILITIES FOR VALUE ADDED TAX	1,996		
VI OTHER TAXES, CONTRIBUTIONS AND OTHER FEES			
VII ACCRUALS	6,679	2,064	2,503
D. THE LOSS IN EXCESS OF CAPITAL			
Đ. TOTAL LIABILITIES	215,451	178,729	169,614

Income statement (in thousands of RSD)	January – December 2014	January – December 2015	January – September 2015	January – September 2016
INCOME FROM OPERATIONS				
A. OPERATING INCOME	73,187	95,661	72,992	61,688
I. Sales of goods				
II. Sales of products and services	73,187	94,361	72,992	58,888
III. Revenues from premiums, subsidies, donations, grants etc.				
IV. Other operating income		1,300		2,800
EXPENSES FROM OPERATIONS				
B. OPERATING EXPENSES	92,482	107,121	80,163	74,459
II. Work performed by the company and capitalized				
V. Material consumed	16,885	34,436	26,631	20,638
VI. Fuel and energy consumed	2,990	2,360	1,491	1,477
VII. Staff costs	48,728	50,071	37,719	34,401
VIII. Production expenses	5,941	3,370	1,969	6,554
IX. Amortization	5,837	5,279	3,987	3,451
X. Costs of long-term provisions		160		
XI. Intangible costs	12,101	11,445	8,366	7,938
C. PROFIT FROM OPERATIONS				
D. LOSS FROM OPERATIONS	19,295	11,460	7,171	12,771
I. FINANCE INCOME		716	716	
I. Financial income from related persons and other financial income				
II. Interest income (from third parties)		716	716	
III. Gains and positive effects of currency clause				
F. FINANCE EXPENSES	8,987	6,665	5,390	1,331
I. Financial expenses related party transactions and other financial expenses				
II. Interest expense (by third parties)	8,987	6,665	5,390	1,331
III. Foreign exchange gains and negative effects of currency clause				
G. PROFIT FROM FINANCING				
H. LOSS FROM FINANCING	8,987	5,949	4,674	1,331
I. INCOME FROM VALUATION ADJUSTMENTS OF OTHER ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT	289	441		
J. LOSS ADJUSTMENT OTHER PROPERTY CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT				
K. OTHER INCOME	1,541	200	79	93
L. OTHER EXPENSES	323	110		321
M. OPERATING PROFIT BEFORE TAX				
N. LOSS FROM OPERATIONS BEFORE TAX	26,775	16,878	11,766	14,330
Q. PROFIT BEFORE TAXATION				
R. LOSS BEFORE TAXATION	26,775	16,878	11,766	14,330
R. INCOME TAX				
I. Current tax expense				
II. Deferred income tax expense				
III. Deferred income tax benefit	79	987		
T. EARNINGS OF EMPLOYER				
U. NET PROFIT				
V. NET LOSS	26,696	15,891	11,766	14,330



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CASH FLOWS (in thousands of RSD)	January – September 2015	January – September 2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash inflow from operating activities	51,471	71,128
Cash outflow from operating activities	39,767	70,414
Net cash inflow from operating activities	11,704	714
Net outflow from operating activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash inflow from investing activities		
Cash outflow from investing activities		
Net cash inflow from investing activities		
Net cash outflow from investing activities		
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash inflow from financing activities		
Cash outflow from financing activities	11,586	715
Net cash inflow from financing activities		
Net cash outflow from financing activities	11,586	715
Total cash inflow	51,471	71,128
Total cash outflow	51,353	71,129
NET CASH INFLOW	118	
NET CASH OUTFLOW		1
Cash and cash equivalents at beginning of year	6	7
Foreign exchange gains on translation of cash and cash equivalents		
Foreign exchange losses on translation of cash and cash equivalents		
CASH AND CASH EQUIVALENTS AT END OF PERIOD	124	6

3.17. TAX FREE ZONE PIROT

BALANCE SHEET (in thousands of RSD)

ASSETS	as of 31.12.2014	as of 31.12.2015	as of 30.09.2016
A. SUBSCRIBED CAPITAL UNPAID			
B. NON-CURRENT ASSETS	77,451	116,615	131,517
I INTANGIBLE ASSETS	247	232	1,178
Concessions, patents , licenses, trademarks and service marks, software and other rights	247	232	1,178
II PROPERTY, PLANT AND EQUIPMENT	77,204	116,383	130,339
Land	18,090	18,412	11,020
Buildings	45,805	48,166	74,827
Plant and equipment	4,171	3,294	4,509
Property, plant and equipment construction	8,428	29,733	27,566
Leasehold property, plant and equipment	710	512	419
Advances for property , plant and equipment		16,266	11,998
III BIOLOGICAL AGENTS			
IV LONG-TERM FINANCIAL PLACEMENTS			
Other long-term investments			
V LONG-TERM RECEIVABLES			
Receivables from parent company and its subsidiaries			
V DEFERRED TAX ASSETS			
G. CURRENT ASSETS	188,527	124,663	170,410
I INVENTORIES	1,133	651	3,147
Goods	1,019	541	540
Advances paid to suppliers	114	110	2,607
II Receivables from sale	43,249	40,497	60,478
Customers in the country - the parent and subsidiaries	7,887	1,104	6,625
Customers in the country	31,307	35,105	47,362
Customers abroad	4,055	4,288	6,491
III RECEIVABLES FROM SPECIFIC OPERATIONS	1,255		
IV OTHER RECEIVABLES	15,905	142	196
V FINANCIAL ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT			
VI SHORT-TERM FINANCIAL PLACEMENTS	45,000		13,000



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Short-term loans and investments - parent and subsidiaries	45,000		13,000
VII CASH AND CASH EQUIVALENTS	79,048	79,413	92,104
VIII VALUE ADDED TAX		2,092	
IX PREPAYMENTS	2,937	1,868	1,485
D. TOTAL ASSETS	265,978	241,278	301,927
D. OFF BALANCE SHEET ASSETS	12,500	12,500	12,500
EQUITY AND LIABILITIES	31.12.2014.	31.12.2015.	30.09.2016.
A. EQUITY	222,112	196,161	243,958
I SHARE AND OTHER CAPITAL	118,439	118,439	118,439
Share Capital	118,439	118,439	118,439
II SUBSCRIBED CAPITAL UNPAID			
III TREASURY SHARES		34,854	34,854
IV RESERVES	5,016	5,016	5,016
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	556		
VII UNREALIZED LOSSES ON SECURITIES VALUE AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULTS		101	101
VIII RETAINED EARNINGS	98,101	107,661	155,458
Retained profit from previous years	75,923	64,921	107,662
Retained profit from financial year	22,178	42,740	47,796
IX PARTICIPATION RIGHTS WITHOUT CONTROL			
X LOSS			
B. NON-CURRENT ASSETS	2,792	4,635	4,635
I LONG-TERM PROVISIONS	2,792	4,635	4,635
Provision for retirement and other employee benefits	1,082	2,925	2,925
Provisions for lawsuits	1,710	1,710	1,710
II LONG-TERM LIABILITIES			
V. DEFERRED TAX LIABILITIES	411	292	292
G. CURRENT LIABILITIES	40,663	40,190	53,042
I SHORT-TERM FINANCIAL LIABILITIES			
II PREPAYMENTS, DEPOSITS AND GUARANTEES	2,182	2,210	3,672
III ACCOUNTS PAYABLE	25,800	27,680	38,600
Suppliers - parent and subsidiaries in the country	5,229	2,671	1,123
Suppliers in the country	14,947	14,311	22,511
Foreign suppliers	5,438	10,493	14,840
Other liabilities	186	205	126
IV OTHER CURRENT LIABILITIES	6,611	7,391	7,346
V LIABILITIES FOR VALUE ADDED TAX	1,167	1	1,455
VI OTHER TAXES, CONTRIBUTIONS AND OTHER FEES	4,300	2,549	1,692
VII ACCRUALS	603	359	277
D. THE LOSS IN EXCESS OF CAPITAL			
D. TOTAL LIABILITIES	265,978	241,278	301,927
G. . OFF BALANCE SHEET LIABILITIES	12,500	12,500	12,500

Income statement (in thousands of RSD)	January – December 2014	January – December 2015	January – September 2015	January – September 2016
INCOME FROM OPERATIONS				
A. OPERATING INCOME	261,118	375,156	290,107	338,950
I. Sales of goods	5			2
II. Sales of products and services	261,113	375,156	290,107	338,948
III. Revenues from premiums, subsidies, donations, grants etc.				
IV. Other operating income				
EXPENSES FROM OPERATIONS				
B. OPERATING EXPENSES	226,644	315,767	241,575	287,154
I. Cost of commercial goods sold	202			1
V. Material consumed	1,984	1,563	738	1,340
VI. Fuel and energy consumed	4,461	4,586	3,230	3,694
VII. Staff costs	55,515	60,701	44,263	51,014



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VIII. Production expenses	148,736	231,825	182,267	220,138
IX. Amortization	2,867	3,028	2,304	2,336
X. Costs of long-term provisions	170	1,188		
XI. Intangible costs	12,709	12,876	8,773	8,631
C. PROFIT FROM OPERATIONS	34,474	59,389	48,532	51,796
D. LOSS FROM OPERATIONS				
I. FINANCE INCOME	14,757	6,704	974	1,521
I. Financial income from related persons and other financial income	10,245	4,695		319
II. Interest income (from third parties)	181	645	495	43
III. Gains and positive effects of currency clause	4,331	1,364	479	1,159
F. FINANCE EXPENSES	716	1,148	1,203	700
I. Financial expenses related party transactions and other financial expenses	9	5	5	40
II. Interest expense (by third parties)	7	2		
III. Foreign exchange gains and negative effects of currency clause	700	1,141	1,198	660
G. PROFIT FROM FINANCING	14,041	5,556		821
H. LOSS FROM FINANCING			229	
I. INCOME FROM VALUATION ADJUSTMENTS OF OTHER ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT	2,656	3,712	1,917	582
J. LOSS ADJUSTMENT OTHER PROPERTY CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT	23,072	16,156		830
K. OTHER INCOME	268	383	322	3,506
L. OTHER EXPENSES	256	710	74	119
M. OPERATING PROFIT BEFORE TAX	28,111	52,174	50,468	55,756
N. LOSS FROM OPERATIONS BEFORE TAX				
Q. PROFIT BEFORE TAXATION	28,111	52,174	50,468	55,756
R. LOSS BEFORE TAXATION				
R. INCOME TAX				
I. Current tax expense	5,420	9,552	5,739	7,960
II. Deferred income tax expense	513			
III. Deferred income tax benefit		118		
T. EARNINGS OF EMPLOYER				
U. NET PROFIT	22,178	42,740	44,729	47,796
V. NET LOSS				

3.18. TIGAR SECURITY

BALANCE SHEET (in thousands of RSD)

ASSETS	as of 31.12.2014	as of 31.12.2015	as of 30.09.2016
A. SUBSCRIBED CAPITAL UNPAID			
B. NON-CURRENT ASSETS	90,532	27,832	27,242
I. INTANGIBLE ASSETS			
Investments in development			
Concessions, patents, licenses, trademarks and service marks, software and other rights			
Intangible assets under construction			
Advances for intangible assets			
II. PROPERTY, PLANT AND EQUIPMENT	29,111	27,832	27,242
Land	1,558	1,558	1,558
Buildings	23,674	23,272	22,971
Plant and equipment	3,358	2,742	2,315
Investment property			
Property, plant and equipment construction			333
Leasehold property, plant and equipment	521	260	65
III. BIOLOGICAL AGENTS			
IV. LONG-TERM FINANCIAL PLACEMENTS			
Equity investments in subsidiaries			
Equity investments in subsidiaries and joint ventures			
Equity investments in subsidiaries and other securities held for sale			
Other long-term receivables			
V. LONG-TERM RECEIVABLES	61,421		
Receivables from parent company and its subsidiaries	61,421		
V. DEFERRED TAX ASSETS	280	468	468



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G. CURRENT ASSETS	114,939	63,666	70,882
I. INVENTORIES	116	413	429
Material, spare parts, tools and inventories			
Unfinished products and services			
Goods			
Current assets held for sale			
Advances paid for inventories and services	116	413	429
II. Receivables from sale	69,099	54,501	65,607
Customers in the country - the parent and subsidiaries	48,600	41,761	52,348
Customers abroad – the parent and subsidiaries			
Customers in the country – subsidiaries	84	10	36
Customers in the country	20,415	12,730	13,223
Foreign customers			
Other receivables from sales			
III. RECEIVABLES FROM SPECIFIC OPERATIONS			
IV. OTHER RECEIVABLES	123	3,421	125
V FINANCIAL ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT			
VI SHORT – TERM FINANCIAL PLACEMENTS	45,434	4,858	4,559
Short-term loans and investments - parent and subsidiaries	45,434	4,858	4,559
Short-term loans and investments - other related parties			
Other short-term financial investments			
VII. CASH AND CASH EQUIVALENTS		7	
VIII. VALUE ADDED TAX			
IX. PREPAYMENTS	167	466	162
D. TOTAL ASSETS	205,751	91,966	98,592
Đ. OFF BALANCE SHEET ASSETS			
EQUITY AND LIABILITIES	31.12.2014.	31.12.2015.	30.09.2016.
A. EQUITY	87,821	48,823	50,215
I. SHARE AND OTHER CAPITAL	39,413	39,413	39,413
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	42	551	551
VIII. RETAINED EARNINGS	51,372	12,883	14,275
Retained profit for previous years	27,592		
Retained profit of year	23,780	12,883	14,275
IX. PARTICIPATION RIGHTS WITHOUT CONTROL			
X. LOSS	2,922	2,922	2,922
Loss of previous years	1,433	2,922	2,922
Loss for the year	1,489		
B. NON-CURRENT ASSETS	1,861	2,418	2,293
I. LONG-TERM PROVISIONS	1,861	2,418	2,293
Provision for retirement and other employee benefits	1,861	2,418	2,293
Provisions for lawsuits			
Other long-term provisions			
II. LONG-TERM LIABILITIES			
Long-term loans and loans in the country			
Obligations arising from finance lease			
V. DEFERRED TAX LIABILITIES			
G. CURRENT LIABILITIES	116,069	40,725	46,084
I. SHORT-TERM FINANCIAL LIABILITIES	32,286		740
Short-term loans from parent companies and subsidiaries	32,286		740
Short-term loans from parent companies and other related parties			
Short-term loans in the country			
Other short – term financial liabilities			
II. PREPAYMENTS, DEPOSITS AND GUARANTEES	50	36	1,260
III. ACCOUNTS PAYABLE	8,629	6,033	4,415
Suppliers - parent and subsidiaries in the country	4,024	1,840	2,905
Suppliers - parent and subsidiaries abroad			



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Suppliers - other related parties in the country	180		5
Suppliers in the country	4,425	4,193	1,505
Foreign suppliers			
Other liabilities			
IV. OTHER CURRENT LIABILITIES	58,454	26,889	31,564
V. LIABILITIES FOR VALUE ADDED TAX	4,997	1,982	3,537
VI. OTHER TAXES, CONTRIBUTIONS AND OTHER FEES	6,914	1,184	242
VII. ACCRUALS	4,739	4,601	4,326
D. THE LOSS IN EXCESS OF CAPITAL			
Đ. TOTAL LIABILITIES	205,751	91,966	98,592
G. OFF BALANCE SHEET LIABILITIES			

Income statement (in thousands of RSD)	January – December 2014	January- December 2015	January – September 2015	January – September 2016
INCOME FROM OPERATIONS				
A. OPERATING INCOME	126,214	119,795	88,810	105,111
I. Sales of goods				
II. Sales of products and services	126,214	119,795	88,810	104,246
III. Revenues from premiums, subsidies, donations, grants etc.				
IV. Other operating income				865
EXPENSES FROM OPERATIONS				
B. OPERATING EXPENSES	86,597	99,200	71,858	87,251
I. Cost of commercial goods sold				
II. Work performed by the company and capitalized				
V. Material consumed	1,684	144	109	196
VI. Fuel and energy consumed	1,179	1,260	793	717
VII. Staff costs	76,217	85,298	62,949	76,090
VIII. Production expenses	1,325	1,227	700	547
IX. Amortization	1,461	1,312	1,006	923
X. Costs of long-term provisions		136		
XI. Intangible costs	4,731	9,823	6,301	8,778
C. PROFIT FROM OPERATIONS	39,617	20,595	16,952	17,860
D. LOSS FROM OPERATIONS				
I. FINANCE INCOME			0	
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				
F. FINANCE EXPENSES	10,867	4,008	3,453	788
I. Financial expenses related party transactions and other financial expenses				
II. Interest expense (by third parties)	10,867	4,008	3,453	788
III. Foreign exchange gains and negative effects of currency clause				
G. PROFIT FROM FINANCING				
H. LOSS FROM FINANCING	10,867	4,008	3,453	788
I. INCOME FROM VALUATION ADJUSTMENTS OF OTHER ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT				
J. LOSS ADJUSTMENT OTHER PROPERTY CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT	131	192		
K. OTHER INCOME	863	166	5	115
L. OTHER EXPENSES	10	16	16	25
M. OPERATING PROFIT BEFORE TAX	29,472	16,545	13,488	17,162
N. LOSS FROM OPERATIONS BEFORE TAX				
Q. PROFIT BEFORE TAXATION	29,472	16,545	13,488	17,162
R. LOSS BEFORE TAXATION				
R. INCOME TAX				
I. Current tax expense	7,147	3,850	5,360	2,887
II. Deferred income tax expense	34			
III. Deferred income tax benefit		188		



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T. EARNINGS OF EMPLOYER				
U. NET PROFIT	22,291	12,883	8,128	14,275
V. NET LOSS				

3.19. PI – CHANNEL

BALANCE SHEET (in thousands of RSD)

ASSETS	as of 31.12.2014	as of 31.12.2015	as of 30.09.2016
A. SUBSCRIBED CAPITAL UNPAID			
B. NON-CURRENT ASSETS	6,717	6,013	5,682
I. INTANGIBLE ASSETS			20
Intangible assets under construction			20
II. PROPERTY, PLANT AND EQUIPMENT	6,717	6,013	5,662
Buildings	67	67	62
Plant and equipment	1,193	584	293
Property, plant and equipment construction		33	68
Leasehold property, plant and equipment	5,457	5,329	5,239
III. BIOLOGICAL AGENTS			
IV. LONG-TERM FINANCIAL PLACEMENTS			
V. LONG-TERM RECEIVABLES			
Receivables from parent company and its subsidiaries			
C. DEFERRED TAX ASSETS	17	48	48
D. CURRENT ASSETS	4,710	2,581	3,086
I. INVENTORIES	239	405	
Advances paid to suppliers	239	405	
II. RECEIVABLES FROM SALE	3,322	1,105	2,410
Customers in the country - other related parties	2,630	232	978
Customers in the country	692	873	1,432
Other receivables from sales			
III RECEIVABLES FROM SPECIFIC OPERATIONS			
IV. OTHER RECEIVABLES	398	205	165
V. FINANCIAL ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT			
VI. SHORT-TERM FINANCIAL PLACEMENTS			
VII. CASH AND CASH EQUIVALENTS	683	743	511
VIII. VALUE ADDED TAX			
IX. PREPAYMENTS	68	123	
I. TOTAL ASSETS	11,444	8,642	8,816
F. OFF BALANCE SHEET ASSETS			
EQUITY AND LIABILITIES	31.12.2014.	31.12.2015.	30.09.2016.
A. EQUITY	5,499	3,547	4,858
I. SHARE AND OTHER CAPITAL	3,166	3,166	3,166
Shares of limited liability companies	3,166	3,166	3,166
II. SUBSCRIBED CAPITAL UNPAID			
III. TREASURY SHARES			
IV. RESERVES	115	115	115
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			
VIII. RETAINED EARNINGS	3,143	266	1,577
Retained profit from previous years	3,143		266
Retained profit from financial year		266	1,311
IX. PARTICIPATION RIGHTS WITHOUT CONTROL			
X. LOSS	925		
Loss of previous years			
Loss for the year	925		
B. NON-CURRENT ASSETS			
I. LONG-TERM PROVISIONS			
II. LONG-TERM LIABILITIES			
C. DEFERRED TAX LIABILITIES			
D. CURRENT LIABILITIES	5,945	5,095	3,958
I. SHORT-TERM FINANCIAL LIABILITIES	124		



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Other short-term liabilities	124		
II. PREPAYMENTS, DEPOSITS AND GUARANTEES	177	376	
III. ACCOUNTS PAYABLE	3,867	3,158	2,267
Suppliers - other related parties in the country	2,703	1,615	2,124
Suppliers in the country	1,164	1,543	143
IV. OTHER CURRENT LIABILITIES	1,140	1,307	872
V. LIABILITIES FOR VALUE ADDED TAX	486	78	369
VI OTHER TAXES, CONTRIBUTIONS AND OTHER FEES			
VII. ACCRUALS	151	176	450
I. THE LOSS IN EXCESS OF CAPITAL			
F. TOTAL LIABILITIES	11,444	8,642	8,816
G. OFF BALANCE SHEET LIABILITIES			

Income statement (in thousands of RSD)	January – December 2014	January – December 2015	January – September 2015	January – September 2016
INCOME FROM OPERATIONS				
A. OPERATING INCOME	13,015	14,872	10,116	11,394
I. Sales of goods				
II. Sales of products and services	13,015	4,627	3,637	6,153
III. Revenues from premiums, subsidies, donations, grants etc.				
IV. Other operating income		10,245	6,479	5,241
EXPENSES FROM OPERATIONS				
B. OPERATING EXPENSES	14,074	14,608	10,106	10,058
I. Cost of commercial goods sold				
II. Work performed by the company and capitalized				
III. VALUE INCREASE OF SUPPLIES OF UNFINISHED, FINISHED GOODS AND UNPROVIDED SERVICES				
IV. VALUE DECREASE OF SUPPLIES UNFINISHED, FINISHED GOODS AND UNPROVIDED SERVICES				
V. Material consumed	214	220	158	67
VI. Fuel and energy consumed	1,185	1,102	642	569
VII. Staff costs	9,388	9,892	6,935	7,802
VIII. Production expenses	1,206	776	532	506
IX. Amortization	805	755	577	386
X. Costs of long-term provisions				
XI. Intangible costs	1,276	1,863	1,262	728
V. PROFIT FROM OPERATIONS		264	10	1,336
G. LOSS FROM OPERATIONS	1,059			
D. FINANCE INCOME	59	10	9	
I. Financial income from related persons and other financial income				
II. Interest income (from third parties)	59	10	9	
III. Gains and positive effects of currency clause				
D. FINANCE EXPENSES	39	27	18	13
I. Financial expenses related party transactions and other financial expenses				
II. Interest expense (by third parties)	23	26	17	13
III. Foreign exchange gains and negative effects of currency clause	16	1	1	
E. PROFIT FROM FINANCING	20			
Z. LOSS FROM FINANCING		17	9	13
Z. INCOME FROM VALUATION ADJUSTMENTS OF OTHER ASSETS CARRIED AT FAIR VALUE TROUGH INCOME STATEMENT	52	38		
I. . LOSS ADJUSTMENT OTHER PROPERTY CARRIED AT FAIR VALUE TROUGH INCOME STATEMENT				
J. OTHER INCOME	287	4	2	46



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K. OTHER EXPENSES	240	40		47
L. OPERATING PROFIT BEFORE TAX		249	3	1,322
LJ. LOSS FROM OPERATIONS BEFORE TAX	940			
M. NET PROFIT FROM DISCONTINUED OPERATIONS, THE EFFECTS OF CHANGES IN ACCOUNTING POLICIES AND CORRECTION OF ERRORS FROM PREVIOUS PERIOD				
N. NET LOSS FROM DISCONTINUED OPERATIONS, THE EFFECTS OF CHANGES IN ACCOUNTING POLICIES AND CORRECTION OF ERRORS FROM PREVIOUS PERIOD				
NJ. PROFIT BEFORE TAXATION		249	3	1,322
O. LOSS BEFORE TAXATION	940			
P. INCOME TAX				
I. Current tax expense		14		11
II. Deferred income tax expense				
III. Deferred income tax benefit	15	31		
R. EARNINGS OF EMPLOYER				
S. NET PROFIT		266	3	1,311
T. NET LOSS	925			

3.20. TIGAR TOURS

* On 22.04.2016 was executed the status change implying the merger of the subsidiary Tigar Tours to the parent company Tigar AD. The data shown for this entity includes its business as an independent entity until 22.04.2016. After the status change as of 22.04.2016 the business of this entity is shown within the data pertaining to the parent company Tigar a.d.

BALANCE SHEET (in thousands of RSD)

ASSETS	as of 31.12.2014	as of 31.12.2015	as of 22.04.2016
A. SUBSCRIBED CAPITAL UNPAID			
B. NON-CURRENT ASSETS	6,073	26	21
I. INTANGIBLE ASSETS			
Investments in development			
Concessions, patents, licenses, trademarks and service marks, software and other rights			
Intangible assets under construction			
Advances for intangible assets			
II. PROPERTY, PLANT AND EQUIPMENT	6,016	26	21
Land	1,048		
Buildings	4,922		
Plant and equipment	46	26	21
Investment property			
Property, plant and equipment construction			
Leasehold property, plant and equipment			
III. BIOLOGICAL AGENTS			
IV. LONG-TERM FINANCIAL PLACEMENTS			
V. LONG-TERM RECEIVABLES	57		
Receivables from parent company and its subsidiaries	57		
V. DEFERRED TAX ASSETS			
G. CURRENT ASSETS	4,745	3,787	3,062
I. INVENTORIES	251	360	
Material, spare parts, tools and inventories			
Unfinished products and services			
Goods			
Current assets held for sale			
Advances paid for inventories and services	251	360	
II. Receivables from sale	3,470	3,289	2,950
Customers in the country - the parent and subsidiaries	2,502	3,046	2,802
Customers abroad - the parent and subsidiaries			
Customers in the country - subsidiaries			
Customers in the country	651	243	148
	317		
Other receivables from sales			
III. RECEIVABLES FROM SPECIFIC OPERATIONS			



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IV. OTHER RECEIVABLES	45	44	60
V. FINANCIAL ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT			
VI. KRATKOROČNI FINANSIJSKI PLASMANI	53	47	47
Short-term loans and investments - parent and subsidiaries	53	47	47
Short-term loans and investments - other related parties			
Other short-term financial investments			
VII. CASH AND CASH EQUIVALENTS	925	45	5
VIII. VALUE ADDED TAX			
IX. PREPAYMENTS	1	2	
D. TOTAL ASSETS	10,818	3,813	3,083
D. OFF BALANCE SHEET ASSETS			
EQUITY AND LIABILITIES	31.12.2014.	31.12.2015.	22.04.2016.
A. EQUITY	8,059	1,853	1,464
I. SHARE AND OTHER CAPITAL	9,103	3,184	3,184
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	43	34	34
VIII. RETAINED EARNINGS	474		
Retained profit from previous years	474		
IX. PARTICIPATION RIGHTS WITHOUT CONTROL			
X. LOSS	1,475	1,297	1,686
Loss of previous years	1,137	1,001	1,297
Loss for the year	338	296	389
B. NON-CURRENT ASSETS	190	158	158
I. LONG-TERM PROVISIONS	190	158	158
Provision for retirement and other employee benefits	190	158	158
Provisions for lawsuits			
Other long-term provisions			
II. LONG-TERM LIABILITIES			
Long-term loans and loans in the country			
Obligations arising from finance lease			
V. DEFERRED TAX LIABILITIES	47		
G. CURRENT LIABILITIES	2,522	1,802	1,460
I. SHORT-TERM FINANCIAL LIABILITIES	531	365	365
Short-term loans from parent companies and subsidiaries	531	365	365
Short-term loans from parent companies and other related parties			
Short-term loans in the country			
Other short-term financial liabilities			
II. PREPAYMENTS, DEPOSITS AND GUARANTEES			
III. ACCOUNTS PAYABLE	1,090	564	343
Suppliers - parent and subsidiaries in the country	557	214	267
Suppliers - parent and subsidiaries abroad			
Suppliers - other related parties in the country			
Suppliers in the country	471	349	76
Foreign suppliers			
Other liabilities	62	1	
IV. OTHER CURRENT LIABILITIES	715	772	670
V. LIABILITIES FOR VALUE ADDED TAX	71	12	2
VI. OTHER TAXES, CONTRIBUTIONS AND OTHER FEES			
VII. ACCRUALS	115	89	80
D. THE LOSS IN EXCESS OF CAPITAL			
D. TOTAL LIABILITIES	10,818	3,813	3,083
G. OFF BALANCE SHEET LIABILITIES			



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Income statement (in thousands of RSD)	January – December 2014	January – December 2015	January – September 2015	January – 22..April 2016
INCOME FROM OPERATIONS				
A. OPERATING INCOME	2,706	2,286	2,094	371
I. Sales of goods			2,094	
II. Sales of products and services	2,706	2,286		371
III. Revenues from premiums, subsidies, donations, grants etc.				
IV. Other operating income				
EXPENSES FROM OPERATIONS				
B. OPERATING EXPENSES	3,060	2,768	2,062	728
I. Cost of commercial goods sold				
V. Material consumed	37	33	28	1
VI. Fuel and energy consumed	51	69	48	3
VII Staff costs	2,038	1,955	1,454	607
VIII. Production expenses	129	172	124	21
IX. Amortization	144	70	66	5
X. Costs of long-term provisions	22	10		
XI. Intangible costs	639	459	342	91
V. PROFIT FROM OPERATIONS			32	
G. LOSS FROM OPERATIONS	354	482		357
D. FINANCE INCOME	26	162	52	2
I. Financial income from related persons and other financial income				
II. Interest income (from third parties)	10	4	4	
III. Gains and positive effects of currency clause	16	158	48	2
D. FINANCE EXPENSES	16	76	77	4
I. Financial expenses related party transactions and other financial expenses				
II. Interest expense (by third parties)	3	2	5	1
III. Foreign exchange gains and negative effects of currency clause	13	74	71	3
E. PROFIT FROM FINANCING	10	86		
Z. LOSS FROM FINANCING			25	2
Z. INCOME FROM VALUATION ADJUSTMENTS OF OTHER ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT				
I. . LOSS ADJUSTMENT OTHER PROPERTY CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT	16	41		
J. OTHER INCOME	26	95		135
K. OTHER EXPENSES			117	165
L. OPERATING PROFIT BEFORE TAX				
LJ. LOSS FROM OPERATIONS BEFORE TAX	334	342	111	389
M. NET PROFIT FROM DISCONTINUED OPERATIONS, THE EFFECTS OF CHANGES IN ACCOUNTING POLICIES AND CORRECTION OF ERRORS FROM PREVIOUS PERIOD				
N. NET LOSS FROM DISCONTINUED OPERATIONS, THE EFFECTS OF CHANGES IN ACCOUNTING POLICIES AND CORRECTION OF ERRORS FROM PREVIOUS PERIOD				
NJ. PROFIT BEFORE TAXATION				
O. LOSS BEFORE TAXATION	334	342	111	389
P. INCOME TAX				
I. Current tax expense				
II. Deferred income tax expense	4			
III. Deferred income tax benefit		46		
R. EARNINGS OF EMPLOYER				
S. NET PROFIT				
T. NET LOSS	338	296	111	389



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3.21. TIGAR INTER – RISK

BALANCE SHEET (in thousands of RSD)

ASSETS	as of 31.12.2014	as of 31.12.2015	as of 30.09.2016
A. SUBSCRIBED CAPITAL UNPAID			
B. NON-CURRENT ASSETS	695	21	14
I. INTANGIBLE ASSETS			
Investments in development			
Concessions, patents , licenses, trademarks and service marks, software and other rights			
Intangible assets under construction			
Advances for intangible assets			
II. PROPERTY, PLANT AND EQUIPMENT	15	21	14
Land			
Buildings			
Plant and equipment	15	21	14
Investment property			
Property, plant and equipment construction			
Leasehold property, plant and equipment			
III. BIOLOGICAL AGENTS			
IV. LONG-TERM FINANCIAL PLACEMENTS			
V. LONG-TERM RECEIVABLES	680		
Receivables from parent company and its subsidiaries	680		
V. DEFERRED TAX ASSETS			
G. CURRENT ASSETS	4,600	2,958	2,970
I. INVENTORIES	85	1	
Material, spare parts, tools and inventories			
Unfinished products and services			
Goods			
Current assets held for sale			
Advances paid for inventories and services	85	1	
II. Receivables from sale	815	513	564
Customers in the country - the parent and subsidiaries	624	188	158
Customers abroad – the parent and subsidiaries			
Customers in the country – subsidiaries			
Customers in the country	191	325	406
Customers abroad			
Other receivables from sales			
III. RECEIVABLES FROM SPECIFIC OPERATIONS			
IV. OTHER RECEIVABLES	146	197	155
V. FINANCIAL ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT			
VI. KRATKOROČNI FINANSIJSKI PLASMANI	3,434	2,132	2,198
Short-term loans and investments - parent and subsidiaries	3,434	2,132	2,198
Short-term loans and investments - other related parties			
Other short-term financial investments			
VII. CASH AND CASH EQUIVALENTS	120	75	45
VIII. VALUE ADDED TAX			
IX. PREPAYMENTS		40	7
D. TOTAL ASSETS	5,295	2,979	2,984
Đ. OFF BALANCE SHEET ASSETS			
EQUITY AND LIABILITIES	31.12.2014.	31.12.2015.	30.09.2016.
A. EQUITY	3,969	1,992	1,778
I. SHARE AND OTHER CAPITAL	1,973	1,973	1,973
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	7	19	19



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VIII. RETAINED EARNINGS	2,003	93	
Retained profit from previous years	1,995		
Retained profit for the year	8	93	
IX. PARTICIPATION RIGHTS WITHOUT CONTROL			
X. LOSS		55	176
Loss of previous years		55	55
Loss for the year			122
B. NON-CURRENT ASSETS	84	89	89
I. LONG-TERM PROVISIONS	84	89	89
Provision for retirement and other employee benefits	84	89	89
Provisions for lawsuits			
Other long-term provisions			
II. LONG-TERM LIABILITIES			
Long-term loans and loans in the country			
Obligations arising from finance lease			
V. DEFERRED TAX LIABILITIES		2	2
G. CURRENT LIABILITIES	1,242	896	1,115
I. SHORT-TERM FINANCIAL LIABILITIES	301	48	48
Short-term loans from parent companies and subsidiaries	301	48	48
Short-term loans from parent companies and other related parties			
Short-term loans in the country			
Other short – term financial liabilities			
II. PREPAYMENTS, DEPOSITS AND GUARANTEES			
III. ACCOUNTS PAYABLE	190	73	294
Suppliers - parent and subsidiaries in the country	179	57	294
Suppliers - parent and subsidiaries abroad			
Suppliers - other related parties in the country			
Suppliers in the country	11	16	
Foreign suppliers			
Other liabilities			
IV. OTHER CURRENT LIABILITIES	629	680	697
V. LIABILITIES FOR VALUE ADDED TAX			
VI. OTHER TAXES, CONTRIBUTIONS AND OTHER FEES	21		
VII. ACCRUALS	101	95	76
D. THE LOSS IN EXCESS OF CAPITAL			
Đ. TOTAL LIABILITIES	5,295	2,979	2,984
G. OFF BALANCE SHEET LIABILITIES			

Income statement (in thousands of RSD)	January– December 2014	January – December 2015	January – September 2015	January – September 2016
INCOME FROM OPERATIONS				
A. OPERATING INCOME	2,100	2,382	1,858	1,483
I. Sales of goods				
II. Sales of products and services	2,100	2,382	1,858	1,483
III. Revenues from premiums, subsidies, donations, grants etc.				
IV. Other operating income				
EXPENSES FROM OPERATIONS				
B. OPERATING EXPENSES	1,885	2,375	1,732	1,555
I. Cost of commercial goods sold				
II. Work performed by the company and capitalized	11	7	5	12
V. Material consumed	61	92	62	40
VI. Fuel and energy consumed	1,515	1,899	1,414	1,222
VII. Staff costs	27	29	20	5
VIII. Production expenses	14	8	5	7
IX. Amortization		2		
X. Costs of long-term provisions	257	338	225	269
XI. Intangible costs	215	7	126	
C. PROFIT FROM OPERATIONS				72
D. LOSS FROM OPERATIONS	2	1	1	
I. FINANCE INCOME				
I. Financial income from related persons and other financial income	2	1	1	
II. Interest income (from third parties)				
III. Gains and positive effects of currency clause	1	5		7
F. FINANCE EXPENSES				
I. Financial expenses related party transactions and other financial expenses	1	5		7



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II. Interest expense (by third parties)				
III. Foreign exchange gains and negative effects of currency clause	1		1	
G. PROFIT FROM FINANCING		4		7
H.LOSS FROM FINANCING		134		
I. INCOME FROM VALUATION ADJUSTMENTS OF OTHER ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT	114			
J. LOSS ADJUSTMENT OTHER PROPERTY CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT	23	11		
K. OTHER INCOME	25			3
L. OTHER EXPENSES	100	148	127	
M. OPERATING PROFIT BEFORE TAX				83
N. LOSS FROM OPERATIONS BEFORE TAX	100	148	127	
Q. PROFIT BEFORE TAXATION				83
P. LOSS BEFORE TAXATION				
R. INCOME TAX	92	53	69	39
I. Current tax expense		2		
II. Deferred income tax expense				
III. Deferred income tax benefit				
T.EARNINGS OF EMPLOYER	8	93	58	
U. NET PROFIT				122
V. NET LOSS				

4. REAL ESTATE AND LEGAL MATTERS

4.1 REAL ESTATE

All of Tigar's manufacturing facilities are located in Pirot at the location Tigar 3. Tigar owns a number of buildings in Belgrade and across Serbia (office premises, warehouses and retail outlets and other).

Over the ownership of real estate held within locations 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 at the location of '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 30.09.2016 is 185, of which 320,203 m², is undeveloped land, while the useful area is 97,233 m². The total carrying value of the land on 30.09.2016 is RSD 454,000,520.96.

The carrying value of the land of the Free Zone on 30.09.2016 is RSD 11,020,165.78.

Buildings

Tigar and its main subsidiaries own a total of 172 buildings.

The aggregate useful surface area owned by Tigar and its main subsidiaries is 93,233 m².

As of 30.09.2016, the carrying value of the buildings owned by Tigar and its major subsidiaries was RSD 2,051,978,602.55

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

Entity	Value in RSD as of 30.09.2016
Tigar AD	292.512.747,00
Total:	292.512.747,00



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Book value of buildings

BOOK VALUE OF BUILDINGS (IN '000 RSD)			
Entity	31.03.2016	30.06.2016	30.09.2016
Tigar AD	1,705,925,912.65	1,698,521,329.35	1,685,430,372.46
Ti-car Trgovine	1,347,779.62	1,340,406.62	1,333,033.62
Tigar Business Service	13,320,311.46	13,266,134.46	13,211,955.46
Tigar Security	23,171,931.07	23,071,405.07	22,970,878.07
Tax Free Zone Pirot	66,536,410.28	66,221,418.17	74,826,556.31
Tigar Incon	129,806,689.57	129,279,229.57	128,751,772.57
Tigar Catering	126,640,751.46	126,047,393.46	125,454,034.06
Total:	2,066,749,786.11	2,057,747,316.70	2,051,978,602.55

The values of assets held for sale are given in the following table:

Entity	Value in dinars on 30.09. 2016
Tigar AD	355,542,560.04
Ti car trgovine	27,770,247.11
Total:	383,312,807.15

Real estate transactions

Pursuant to the Prepackaged Plan of Reorganization, at the public tender held on 05.05.2016 there were sold:

- a garage (garage no 19) at 122, Kozaracka Street in Pirot and
- business premises – part of the building no.1 with the land under the business premises and around the building, at 96, Trg Republike Street in Pirot
- by the settlement on the recognition of property rights to real estate, concluded in the form of public notary records the day 01.07.2016. between the Free Zone and Tigar ad Pirot, to the Free Zone was sold part in joint ownership of real estate in an area of 259 m2, warehouse No. 1, Building No. 1, on the cadastral plot 4536/1, LN 8800, KO Pirot Grad.

Pursuant to the Prepackaged Plan of Reorganization, at the public tender held on 29.08.2016 there were sold:

- land at 10 cadastral plots registered at LN 368 KO Brlog, total area of 12.776 m2 and
- 23 buildings, at the location Vrelo.

Liens

At the end of the third quarter 2016, the immovable property of the Company was encumbered by the following liens:

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.



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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

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.



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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. 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 and Tigar Incon, 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.

Mortgage statement OPU-1405-2015 dated 22.10.2015 places lien on immovable property in Pirot – land from the Register from Cadastre 705 KO Dobri Do and the object of Human Resources Department at the location Tigar II in favor of Societe Generale bank a.d. Belgrade.



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Mortgage statement OPU – 1734- 2015 dated 24.12.2015 places a lien on immovables in Pirot – location of the 'Old Rubber Footwear' and Cardboard, as well as on business premises in Belgrade, 37, Cara Nikolaja II Street in favor of Srpska banka a.d. Belgrade.

Mortgage Statement OPU – 1636-2015 and 1637-2015 dated 07.12.2015 places a lien on immovables in Pirot – land Tigar III and objects no.9,10,26,45,47 and 48 on cadaster lot 3620/1 in favor of Societe Generale bank a.d. Belgrade and Postal Savings bank a.d. Belgrade.

Mortgage Statement OPU – 1635- 2015 dated 07.12.2015 places a lien on immovables in Pirot – land and objects on Planinarski dom, Register from Cadastre 1302 KO Izvor in favor of AIK bank a.d. Niš.

Mortgage Statement OPU: 1735-2015 dated 24.12.2015 places a lien on immovables in Temerin – 2 and Pećinci, in favor of Banca Intesa a.d. Belgrade.

By the Resolution of RGA, Real Estate Cadastre Service in Pirot no. 952-02-12-49/2016 dated 22.09.2016, on the basis of the Mortgage Statement OPU: 938 – 2016 dated 27.06.2016 places lien on immovable properties in Pirot – buildings at the location Tigar 2, on the cadaster lots: **3390/41**, **3390/44**, **3390/65** listed in LN 7950 KP Pirot City, and factory yard at the location Tigar 2 at the cadaster lot 3390/66 listed in LN 7950 KO Pirot City, in favor of Postal Savings Bank Belgrade;

By the Resolution of RGA, Real Estate Cadastre Service in Pirot no.952-02-12-48/2016 dated 19.09.2016, Mortgage Statement OPU: 939 – 2016 dated 27.06.2016 places executive extrajudicial mortgage on immovables in Pirot – Administrative building at the location Tigar 2 on the cadastral lot **3390/3** listed in LN 7950 in favor of Deposit Insurance Agency.

Mortgage Statement no.II 96/2009 places a lien on immovables, residential – commercial building in Kruševac, on the cadastral lot no. 2049, listed in LN no.7469 KO Kruševac. By the Resolution of RGA, Real Estate Cadastre Service in Pirot no. 952-02-4-3642/2016 dated 16.08.2016 places ownership in favor of Tigar a.d. Pirot.

4.2. LEGAL PROCEEDINGS

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

The largest disputes at the corporate level occurred prior to the year 2000. They include the following (excluding interest): Trepca-Zvecan 9,637,376; Union Bank 6,194,000; Lola Corporation 8,210,350; and Tigar Prom Nova Varos 3,636,676; totaling 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 due to unexplainable reasons have not been completed.

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



5. CAPITAL MARKET POSITION

Trading on the BSE from the beginning of 2016 was still characterized by a low level of investment activity and low liquidity. 2015 is the fourth year in a row that records the increase of BSE indices, until the sixth month when a decrease of indices was recorded, belex 15 by 8.86% and belexline by 8.27%. Decrease in value of stock indices was continued in the first half of 2016 when belex 15 recorded a decrease by 5,54%, and belexline 3,59%. In the third quarter of 2016 Belex 15 recorded an increase by 5,23% and belexline an increase by 8,53%. Positive trends of the BSE indices have been present for several months, which partly represents the response of the owners of capital surplus at the currently relatively limited offer of investment products and opportunities in Serbia. During September the achieved turnover at the domestic capital market is slight increase in relation to the previous month. 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.

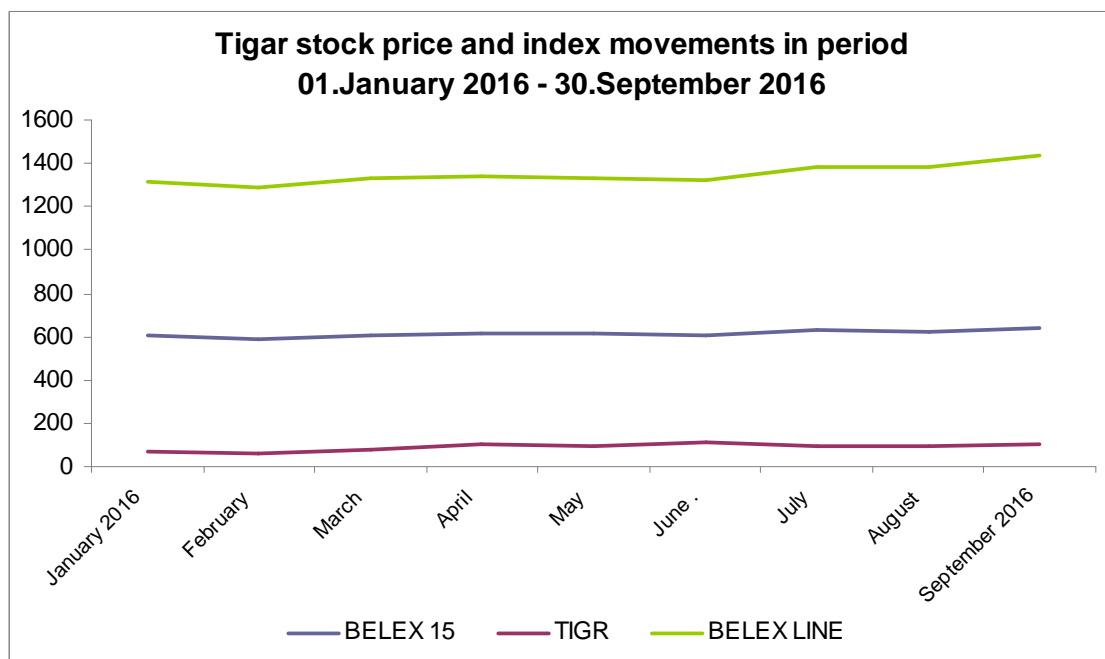
The negative trend in the movement of share prices which is observed from the mid of the year 2012, continued in 2013 and 2014 and in the first quarter of 2015. In mid-March, the price of Tigar's shares reached the lowest level of 30 RSD. By the end of the same month, there was recorded a significant increase in the price of company's shares. Trading in the third and fourth quarter of 2015 proceeded at a level of 76 - 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 first three trimesters of 2016 the price ranged from RSD 60-120, which represents a great price fluctuation. It was traded with 126.032 shares, equal to 7, 33% of the total number of issued shares. By mid-June and in early July there was recorded a significant growth in price of the Company's shares to RSD 120, which represents a growth in price by 17, 65% in relation to the price at which was traded on the last day of 2015 as well a growth in price by 100, 00% in relation to the lowest price of RSD 60 at which was traded during the year 2016.

The following table contains a summary of key data from trading of Company's shares during the other two quarters of 2016

	30 JUNE 2016	30 SEPTEMBER 2016	% OF CHANGE
Number of shareholders	4,403	4,393	-0,23
Total number of shares	1,718,460	1,718,460	
Book value of shares	-1.566,27	-1.574,56	
Market price of shares	109,00	100,00	-8,26
Lowest price during the period (in RSD)	81.00 – 01.04.2016		
Highest price during the period (in RSD)	120.00 – 05.07.2016		
Average price I-IX 2016	88,11		
Market capitalization in RSD	187,312,140	171,846,000	

The graph below shows the parallel representation of stock price and index movements during the period January – September 2016.



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.

Due to its inability to settle the accumulated liabilities towards its creditors the Company has held the Extraordinary session of General Assembly on 14.04.2014, at which it was decided to submit the proposal for initiating bankruptcy proceedings through reorganization pursuant to the Prepackaged Plan of Reorganization (PpoR), which was handed over to the Commercial Court in Nis on 29.05.2014.

The Prepackaged Plan of Reorganization for Tigar a.d. became valid on 01.06.2015, and on 16.06.2015 began its implementation in accordance with repayment schedules.

Ownership structure at the end of the third quarter of 2016

Shareholders	30.09.2016
Legal entities	60.47
Individuals	34.12
Custody accounts	5.41

Tigar's ownership structure in the first three quarters of 2016 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 individuals.



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Top ten shareholders as of 30.09.2016

Compared with the same period in 2015 when there were traded 335.938 shares, in the first three quarters of 2016, trading volume with the Company's shares is lower for 62,48%. 126.032 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	AKCIONARSKI FOND AD BEOGRAD	429,429	24.99
2	NIKOMMS DOO BEOGRAD	380,579	22.15
3	PIO FOND RS	149,981	8.73
4	ERSTE BANK AD NOVI SAD - Kastodi račun	63,518	3.70
5	RADENKOVIĆ NIKOLA	39,540	2.30
6	TZR NATURA VITA	25,100	1.46
7	SOCIETE GENERALE BANKA SRBIJA- Kastodi račun	11,480	0.67
8	JOKIĆ MILOŠ	10,643	0.62
9	MILJKOVIĆ IVAN	10,607	0.62
10	ĐILAS MIROSLAV	10,312	0.60

Data from the Central Registry of Securities and the Depository and Clearing House as of 30.09.2016 were published at www.crhov.rs

6. SUSTAINABLE DEVELOPMENT

6.1. EMPLOYEES

Headcount and structure

On 30.09.2016 the number of people employed in Tigar Group was the following:

Workforce on 30.09.2016	
Company	Number of employees
Tigar a.d. collectively	1,047
– Tigar a.d.	237
– Tigar Rubber Footwear plant	681
– Tigar Technical Rubber Goods plant	108
– Tigar Chemical Products plant	21
Other	446
Total	1,493

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



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Employee expenses

Total employee expenses in the period I-IX 2016 incurred by Tigar a.d. and its subsidiaries in the country with 100% ownership, apart from net wages include the costs related to taxes and contributions, in-house meals, and local transportation.

Total employee expenses in the period I-IX 2016

	Net salaries and wages in 000 RSD	Gross salaries and wages in 000 RSD
TIGAR AD collectively	348.951	592.187
– <i>Tigar a.d.</i>	86.049	144.093
-Tigar Rubber Footwear	220.042	375.036
-Tigar Technical Rubber Goods	35.524	60.066
-Tigar Chemical Products	7.335	12.992
Other	126.130	212.728
Total	475.081	804.914

Optimization of human resources

During the period I-IX 2016, 64 of permanently employed people have left Tigar a.d. and its dependent entities on various basis.

Organizational unit	No. of employees/ RSD	Pension	Redundancy	Other*	TOTAL
Tigar AD collectively	No. of employees	24	3	50	77
	Amount in RSD	2.976.994,00	310.581,00		3.287.575,00
– <i>Tigar a.d.</i>	No. of employees	1	3	12	16
	Amount in RSD	126,058.00	310,581.00		436,639.00
– <i>Tigar Rubber Footwear</i>	No. of employees	16		30	46
	Amount in RSD	1,996,434.00			1,996,434.00
– <i>Tigar Technical Rubber Goods</i>	No. of employees	7		5	12
	Amount in RSD	854,502.00			854,502.00
– <i>Tigar Chemical products</i>	No. of employees			3	3
	Amount in RSD				
Other	No. of employees	9	1	14	24
	Amount in RSD	1,135,376.00	19,233.00		1,154,609.00
Total	No. of employees	33	4	64	101
	Amount in RSD	4,112,370.00	329,814.00		4,442,184.00

*As of these 64 full-time employees who terminated their employment on other grounds, 56 employees resigned of their own volition, termination of employment for violation of obligations – 4 employees, fatal case – 3 employees, mirovanje radnog odnosa – 1 employee.

Optimization and reduction in the number of permanent employees is an integral part of the restructuring process. This process began in 2013 and continues in 2016 also.



Employee training

The following number of employees was trained in the period I – IX 2016 through internal and external training programs:

Employee training – internal and external			
	INTERNAL TRAININGS	EXTERNAL TRAININGS	TOTAL
Tigar AD collectively	1119	34	1153
1. Tigar a.d.	57	23	80
2. Footwear	859	11	870
3. Technical Rubber Goods	201	0	201
4. Chemical Products	2	0	2
Others	513	0	513
Total	1,632	34	1,666

Employee training expenses in the period I - IX 2016 amounted to RSD 976,971.00 or 0.12 % of paid gross salaries.

In the period January- September 2016, 240 students from Pirot secondary schools have completed their internships in Tigar.

12 students have accomplished internships (professional practice) in the period January-September 2016.

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.

The first half of 2016 was marked by the upgrading of the documentation basis of the company Tigar Rubber Technical Goods 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 Technical Goods. In May were certified integrated management systems of the factory Tigar Rubber Technical Goods 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.

In the same period in the Footwear factory was conducted I inspection by the certification body TUV Rheinland Inter Cert I.I.c. from Belgrade. The inspection of IMS in the Footwear factory which was certified last year is successfully maintained and improved. During the evaluation there were no inconsistencies registered.



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In September was carried out supervision by the Ministry of Defence – Administration for Defence Technology with the purpose of verifying whether conditions are met to extend the license for manufacturing NVO in the area of development, designing and production of components of armaments and military equipment made of rubber and combination of rubber and other materials, as well as paints and adhesives intended for means for NVO.

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 a.d. 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. About the generated waste takes care the company Ti-car Trade I.I.c. working unit- 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. 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.d.

In September was carried out inspection by the municipal inspector for environmental protection of City Administration Pirot, Department for urbanization, housing and utilities, construction and inspection. Inspector for environmental did not observe any omissions and deficiencies in operation and management of waste materials of the operator TI-CAR I.I.c.

In the period June – September 2016 was carried out the sampling and testing of waste water quality and the testing results are within the permissible limits.

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 in Serbian, 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 of the Joint Stock Company Tigar. The above name fulfills all legal requirements. Tigar is registered under the said name with the Serbian Business Registers Agency.



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Registered trademarks as of 30 September 2016:

Br. Zahteva	Datum Zah.	Br. Reg.	Zaštitni znak	Važi do	Vlasnik
Ž-247/80	30.04.80.	31499	Tigar	21.12.17.	Tigar AD
Ž-2606/06	14.11.06.	54763	Tigar	14.11.16.	Tigar AD
Ž-84/385	17.01.84.	29947	Tigar Tg 615	25.05.17.	Tigar AD
Ž-947/07	30.04.07.	55640	Tigar Planinarski dom	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 Sportski program	11.07.23.	Tigar AD
Ž-152/07	29.01.07.	56018	Tigar	29.01.17.	Tigar AD
Ž-1703/07	26.7.2007	56315	Tigar Footwear	26.07.17.	Tigar AD
Ž-1704/07	26.07.07.	56315	Tigar Obuća	26.07.17.	Tigar AD
Z-2440/07	17.10.07.	56731	Tigar Hemijski proizvodi	17.10.17.	Tigar AD
Ž-212/08	5.2.2008	57737	Tigrostik	05.02.18.	Tigar AD
Ž-211/08	05.02.08.	57738	Tigrolux	05.02.18.	Tigar AD
Ž-214/08	05.02.08.	57650	Tigropren	05.02.18.	Tigar AD
Ž-213/08	05.02.08.	57649	Tigrokol	05.02.18.	Tigar AD
Ž-768/08	31.03.08.	57538	Hotel Stara planina	31.03.18.	Tigar AD
Ž-1433/08	06.06.08.	58815	Overload	06.06.18.	Tigar AD
Ž-1475/08	11.06.08.	58462	Waterpolo Senior	11.06.18.	Tigar AD
Ž-1473/08	11.06.08.	58427	Waterpolo Mini Mini	11.06.18.	Tigar AD
Ž-1431/08	06.06.08.	58813	Waterpolo Junior	06.06.18.	Tigar AD
Ž-1472/08	11.06.08.	58428	Specijal	11.06.18.	Tigar AD
Ž-1432/08	06.06.08.	59305	Basketball Tg21 Official	06.06.18.	Tigar AD
Ž-1474/08	11.06.08.	58424	Neos	06.06.18.	Tigar AD
Ž-1469/08	11.06.08.	58426	Tricker Ball Basket Ball	11.06.18.	Tigar AD
Ž-1471/08	11.06.08.	59401	Bistro	11.06.18.	Tigar AD
Ž-1468/08	11.06.08.	58423	Overload Handball	11.06.18.	Tigar AD
Ž-1470/08	11.06.08.	58425	Dynamic Overload	11.06.18.	Tigar AD
Ž-1429/08	06.06.08.	58464	Overload Waterpolo Junior	06.06.18.	Tigar AD
Ž-1467/08	11.06.08.	58430	Overload Waterpolo Mini Mini	11.06.18.	Tigar AD
Ž-1476/08	11.06.08.	58463	Overload Waterpolo Senior	11.06.18.	Tigar AD
Ž-1430/08	06.06.08.	59304	Basketball TG21 Overload	06.06.18.	Tigar AD
Z-2441/07	17.10.07.	56730	Tigar Tehnička guma	17.10.17.	Tigar AD
Ž-2681/08	03.11.08.	59486	Trapper	03.11.18.	Tigar AD
Ž-2682/08	03.11.08.	59485	Pesca	03.11.18.	Tigar AD
Ž-2679/08	03.11.08.	59327	Rainydays	03.11.18.	Tigar AD
Ž-2680/08	03.11.08.	59334	Nency	03.11.18.	Tigar AD
Ž-2678/08	03.11.08.	59333	Ladybird	03.11.18.	Tigar AD
Ž-2677/08	03.11.08.	59336	Ratar	03.11.18.	Tigar AD
Ž-2676/08	03.11.08.	59451	Balerina	03.11.18.	Tigar AD
Ž-2675/08	03.11.08.	59335	Work	03.11.18.	Tigar AD
Ž-2904/08	02.12.08.	59458	Polar	03.11.18.	Tigar AD
Ž-2674/08	03.11.08.	59337	Protecta	03.11.18.	Tigar AD
Ž-2673/08	03.11.08.	59390	Forestry Line	03.11.18.	Tigar AD
Ž-2672/08	03.11.08.	60043	Fireproof	03.11.18.	Tigar AD
Ž-2671/08	03.11.08.	59326	Cryo	03.11.18.	Tigar AD
Ž-2670/08	03.11.08.	59387	Sparclesafety	03.11.18.	Tigar AD
Ž-2661/08	31.10.08.	59341	Firefighter Super Safety	31.10.18.	Tigar AD
Ž-2662/08	31.10.08.	59452	Century Super Safety	31.10.18.	Tigar AD
Ž-2659/08	31.10.08.	59334	Century 4000 Safety	31.10.18.	Tigar AD
Ž-2660/08	31.10.08.	59345	Forester 3000	31.10.18.	Tigar AD
Ž-2903/08	02.12.08.	60464	Trendy	02.12.18.	Tigar AD
Ž-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



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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
Med.Zaštitni Zn.	03.07.97.	675 773	Tigar	20.05.17.	Tigar AD
Med. Zaštitn. Zn. 237003/1	07.09.09.	1020263	Brolly	07.09.19.	Tigar AD
Med. Zaštitn. Zn. 235877/1	07.09.09.	1019318	Maniera	07.09.19.	Tigar AD
SAD	07.09.09.	3870299	Maniera	07.09.19.	Tigar AD
79075140					
SAD	07.09.09.	3906894	Brolly	07.09.19.	Tigar AD
79075638					
Kanada	25.05.90.	368832	Forester	25.05.20.	Tigar Obuća

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 (outstanding contribution to increasing productivity, improving quality, new technical solutions and improvements in production processes). 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 for data processing
- 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 Intranet 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



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philanthropy and other givings. In this way certain priority areas in which Tigar 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 are support the building of an inclusive society, contribution to the general welfare of the community, strengthen the environmental awareness. 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, support and help to vulnerable groups as well as support to education and sport at the local level through contribution to physical development of children.

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.

Support to education and physical development of children and youth continues during 2016.

Sports equipment was donated to the women's volleyball club and support at the local level was provided for the football club, chess club as well as for the ski center.

Organization of the republic competition in Tehnicka secondary school was supported in the form of donation of sports equipment, which were awarded to the best competitors.

Financial help was provided for the organization 'A friend in need' which was founded with the aim to provide help in cooperation with the donators for people such as children and adults who are differently-abled, without parental care.

During March 2016 due to weather disasters that hit west Serbia there were donated rubber boots to the people of the affected area.

Office furniture of older date was donated to the National Theater in Pirot, for the needs of theater performances.

This year also was provided help in goods for the needs of Diocese of Raska – Prizren and to National kitchens in Kosovo. Support (donation) in rubber footwear also received members of Civil Protection so as to be properly equipped in case of emercy situations in the country.

Care of seniors and support for the organization of traditional excursion was also a part of CSR activities.

Donation of rubber footwear to a primary school in Pirot was carried out. Also support was given to the association 'Damsko srce' which cherishes the tradition of manufacturing Pirot kilim.

By helping sports clubs we support physical development and good habits of the young at the local level. Also was supported the event of national importance Plum days in Blace.

For our blood donors we provided help and support for participation in the annual meetings of the voluntary blood donors.



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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
- Velibor Stević

***On 30.09.2016 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:

- Branislav Ćurić, ED for Commerce and Marketing
- Gorica Stanković, ED for Finance and Accounting
- Biljana Bogdanović, ED for Business Activities Support
- Zoran Mančić, ED for Productional processes, Development and Investment
- Nataša Pop-Krstić, ED for Corporate Governance

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

7. MAJOR JANUARY – SEPTEMBER 2016 TRANSACTIONS WITH RELATED PARTIES

Tigar's operating system functions as a mixed holding company made of the parent company - Tigar ad and 16 dependent entities of which 8 are 100% owned by the parent company; while remaining dependent entities are in its majority ownership. On 22.04.2016 there was executed the status change of merger of Tigar Tours to Tigar a.d.

The parent company, Tigar AD, deals with: a) production and b) holding operations - management, financing and development of dependent entities in which it holds 100% or majority ownership, c) commercial activities, and d) 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) commercial 2) service entities, 3) service- commercial 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 comprehensive enterprise. To some degree or completely the basic functions and support functions have been transferred to the parent company.

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



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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, but also a characteristic of own-brand product development.

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



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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. Women'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 was finalized by the end of 2015. Certification of the working rubber boots program according to the requirements of standard 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 brands owned by Tigar 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.

Service network

Today the sales network covers the chain comprising 4 service centers for the sale of vehicle tires and batteries, oil for cars and the provision of light services and 21 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 multi-product - 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

In the part of rubber footwear, potential strategic partnerships are possible not only with some of the manufacturers but also with some of the suppliers of essential raw materials but also 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.



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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.

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.



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- 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 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 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, primarily, 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

In the period January – September 2016 it was traded with 126.032 shares, meaning that 7,33% of the total number of issued shares changed their owner and led to significant changes in the Company's ownership structure.

The state, through its two funds - Equity Fund and Pension and Disability Insurance Fund, is the company's largest shareholder with a share of 33.72%. Regarding the sale of the state-owned shares, there are no indications at the moment that this process could begin during 2016.

The Prepackaged Plan of Reorganization for Tigar a.d. envisages the possibility of conversion of debt into equity, of both the state i.e. state creditors and other creditors. Pursuant to that, on 13.09.2016 the Government of the Republic of Serbia passed a Conclusion on conversion.

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 manage reputation risk and that strategic management deals with it as one of priorities

10. SIGNIFICANT BUSINESS EVENTS THAT HAVE OCCURRED DURING AND AFTER THE III QUARTER OF 2016

Changes in the business of the entities Tigar Europe, Tigar Americas and Tigr Montenegro

The process of voluntary liquidation of the company Tigar Europe with its headquarters in London, where Tigar a.d. owns 50% of the share capital began in August 2014. The entire part of the liquidation estate belonging to the Company was paid out. Pursuant to the UK legislation are to ensue activities with the purpose of obtaining the final liquidation balance sheet as well as the notice on completion of the process of voluntary liquidation.

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 a.d. figures as the owner of 100% of the share capital. The Company has hired and entitled a lawyer to conduct the proceedings.

Bearing in mind the fact that Tigr Montenegro has shown negative business result, the parent company Tigar a.d. has undertaken activities in order to sell its share in Tigr Montenegro I.I.c. Podgorica to the second founder on the basis of pre-emptive right. Since the agreement with the second founder failed, the Company initiated negotiations on the sale of share to the interested third parties. As the last resort of resolving the status of this entity shall be initiation of bankruptcy proceedings before the competent authorities.



Implementing measures from the PPoR

On 06.10.2016 the Company announced the sale of service entities Tigar Business Service I.I.c., Tigar Incon I.I.c., Tigar Catering I.I.c., Tigar Security I.I.c., and Pi Canal I.I.c. in the newspaper 'Politika' pursuant to the measures of the legally adopted PPoR of Tigar a.d. Pirot.

Making decisions of importance of the managing body of Tigar a.d.:

Since one of the measures of the legally confirmed PPoR of Tigar a.d. Pirot represents the conversion of debt into equity, the state, being one of the creditors passed the Conclusion which recommended to other creditors with which the state has its share in capital to convert the debts into equity of Tigar a.d. The creditors accepted the recommendation and made decisions at their decision-making bodies. At the session of the Supervisory Board of Tigar a.d. as of 01.11.2016 were made necessary decisions with the purpose of realizing the conversion procedure.

Changes in the composition of the managing body and acquisition of shares by the members of the Supervisory Board of Tigar a.d.:

By the decisions on dismissal and appointment made at the session of the Supervisory Board held on 29.08.2016 there came about a change in the composition of the Executive Board. From the function of ED for Business Activities Support was discharged Zorica Mladenović and for the new executive director was appointed Biljana Bogdanović.

Member of the Supervisory Board Velibor Stević bought 5.628 shares of Tigar a.d. registered at the Central Registry of Securities on 04.11.2016. Also, on 09.11.2016 an increase in the number of shares by 66 was recorded in the Book of Shareholders of Tigar a.d. with the Central Registry of Securities, so that the total number of shares owned by the member of Supervisory Board Velibor Stević amounts to 5.694.

Board of Creditors:

The Board of Creditors held several sessions in the III quarter of 2016. On 07.07.2016 was held electronic session and the Board of Creditors accepted the new member of the Supervisory Board Velibor Stević at the proposal of the shareholders Nikomms and Nikola Radenković, whereas at the session held on 25.07.2016 were considered and adopted decisions on on appointing new CEO, report of an independent expert Finaudit for Q4 2015 and Q1 2016 as well as proposal for correction of the financing conditions from the PpoR with the possibility of reducing interest rates to 3M EURIBOR + 1,5%, extending the repayment period from 7 to 10 years, writing off 40% of debt and debt-to-equity conversion. At this session of the Board of Creditors it was repeated and concluded that the final declaration of the banks on accepting the changes of the conditions depends on the State's attitude, i.e. state creditors. On 15.09.2016 was held electronic session and the text of the advertisement for the sale of service entities was approved pursuant to the PPoR. On 3.10.2016 was held electronic session with one item on the agenda: approval for appointment of the proposed new members of the Supervisory Board by the shareholders of the company Nikkomms I.I.c. from Belgrade and Nikola Radenković from Belgrade. The Board of Creditors did not approve the appointment of the proposed candidates.



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**DIRECTOR OF ACCOUNTING FUNCTION
TIGAR AD**

Aleksandra Đorđević

MANAGING DIRECTOR OF TIGAR AD

Branislav Čurić

**CHAIRMAN OF TIGAR AD
SUPERVISORY BOARD**

Nebojša Petrović



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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 statement

The Supervisory Board of the Company has reviewed and approved the quarterly report at its session held on 14 November 2016.

**DIRECTOR OF ACCOUNTING FUNCTION
TIGAR AD**

Aleksandra Đorđević

MANAGING DIRECTOR OF TIGAR AD

Branislav Čurić

**CHAIRMAN OF TIGAR AD
SUPERVISORY BOARD**

Nebojša Petrović