



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

Document Reference

**IZ.P. 16/02**

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

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**ASSESSMENT OF PERFORMANCE IN THE PERIOD JANUARY – JUNE 2016**

The trends present in our market for a longer period of time in great measure still reflect on the purchasing power of the population due to difficult heritage. On the other hand, business in the first half 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.

Total external sale of Tigar's program since the beginning of the year is at the level of approximately RSD 1.00 billion, of which 76% achieved in export and higher by 14% in relation to last year. The sale of Footwear program is by 18% higher in relation to the first half of last year.

Production in Tigar a.d. in the period January – June 2016 recorded a decline by 17% in relation to the same period last year in the field of production program of footwear in tons, that is, a decline by 20% when production in pairs is considered. Production program of Technical Rubber Goods decreased by 15% in relation to last year in tons, whereas in the program of Chemical Products, the production in tons is by 9% higher. Although there was recorded a decline in physical production volume of footwear in pairs by 20% in relation to the same period last year, the structure of production program considering the fact that production in the first half of the year was predominantly intended for export market. There was recorded an increase in production of safety footwear by 107%, fashion footwear by 61% and children's footwear by 76% in relation to the same period last year, as an effect having greater income, whereas a decline by 33% in production was recorded predominantly in programs intended for domestic market, primarily when it comes to low footwear.

Realized production volume in this quarter, is in accordance with the strategy of optimization of footwear supplies, especially in the program of low footwear, through rationalization of costs of keeping the supplies and better management of the existing supplies. Consolidated operating income has recorded a growth compared to the same period last year by 13%. The most significant business indicators such as EBIT and EBITDA are also continuing with the trend of stabilization of business operations in the first half 2016 also. The operating profit (EBIT) in the period January- June 2016 was recorded in the amount of RSD 50,159 thousand while in the same period last year was reported operating profit in the amount of RSD 7,240 thousand. Operating profit before depreciation (EBITDA) amounted to RSD 131,441 thousand and in the same period last year was recorded an operating profit before depreciation in the amount of RSD 101,155 thousand.

By the decision of the Business Registers Agency no. 32088/16 dated 22.04.2016 the company for providing touristic services Tigar Tours I.l.c. is deleted from the Registry of Business Entities, due to the status change of merger to the parent company – Tigar a.d. Pirot, as the acquisitive company.

Last payment from the liquidation estate from Tigar Europe was made at the account of Tigar a.d. on 14.06.2016.



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On 20.06.2016 Nebojša Đenadić handed in his resignation at the position of the Managing Director Tigar a.d. and at the position of ED for Corporate Governance. By the Supervisory Board for the new CEO was appointed Branislav Čurić, ED for Commerce and Marketing, who held the position of the deputy of CEO in the past year and a half. For the ED for Corporate Governance was appointed Natasa Pop-Krstić, who in the previous period was engaged at the tasks of the Head of the Cabinet.

On 22.06.2016 was held the annual General Shareholders Assembly at which were adopted individual and consolidated financial statements for year 2015, new auditor for 2016 was elected, there were adopted amendments to the By-Laws and for a member of the Supervisory Board was elected Nikola Radenković.

At the session of the Board of Creditors held on 10.02.2016 the creditors, were also familiarized with the measures envisaged by the Prepackaged Plan of Reorganization. Bearing in mind that one of the measures envisaged – sale of assets – did not bear fruit there came about a problem concerning the settlement of liabilities. At the very session it was concluded that it is necessary to make amends to the conditions of the Prepackaged Plan of Reorganization in the sense of reducing interest rates to 3M EURIBOR + 1,5%, extending the repayment period from 7 to 10 years, writing off minimum 40% of the debt. Competent authorities of Tigar a.d. in cooperation with the adviser Expert plan from Niš created a preliminar draft of the amends to the Prepackaged Plan of Reorganization.

In the second quarter meetings were held with all larger creditors concerning the amends to the proposed conditions. In order to give their final declaration, banks, as well as DEG who is one of the largest creditors, have one condition to know the State's attitude, i.e. the attitude of the state creditors.

Debt-to-equity conversion, envisioned as one of the measures by the Prepackaged Plan of Reorganization as an executive document was also proposed to the banks, but the banks were not interested in conversion in the negotiations so far.

Meetings were also held in the Commercial Court in Niš, in order to amend the conditions in the best way possible, pursuant to the Law.

Final responses of the creditors are expected after their authority bodies consider and decide on it. After that there will be created the final version of the projections which will be delivered to the Supervisory Board of Tigar a.d.

The optimal solution, and measure envisaged by the Prepackaged Plan of Reorganization is to convert the state creditors' debt into equity, thus considerably relieving the company, and along with the proposed changes to the banks, the company would have secure future.

When it comes to the settlement of liabilities toward the creditors, the liabilities have been settled according to the possibilities. In the beginning of the implementation of the Prepackaged Plan of Reorganization settlement of liabilities went smoothly, however, ever since the principals for Tigar Footwear have been due, the possibility of settlement of liabilities became more difficult. Requests were sent to all larger creditors to pause the



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payment until final decisions on amends to the conditions are reached and no later than 30.09.2016.

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

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



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**INTRODUCTION**

1.1.GENERAL:

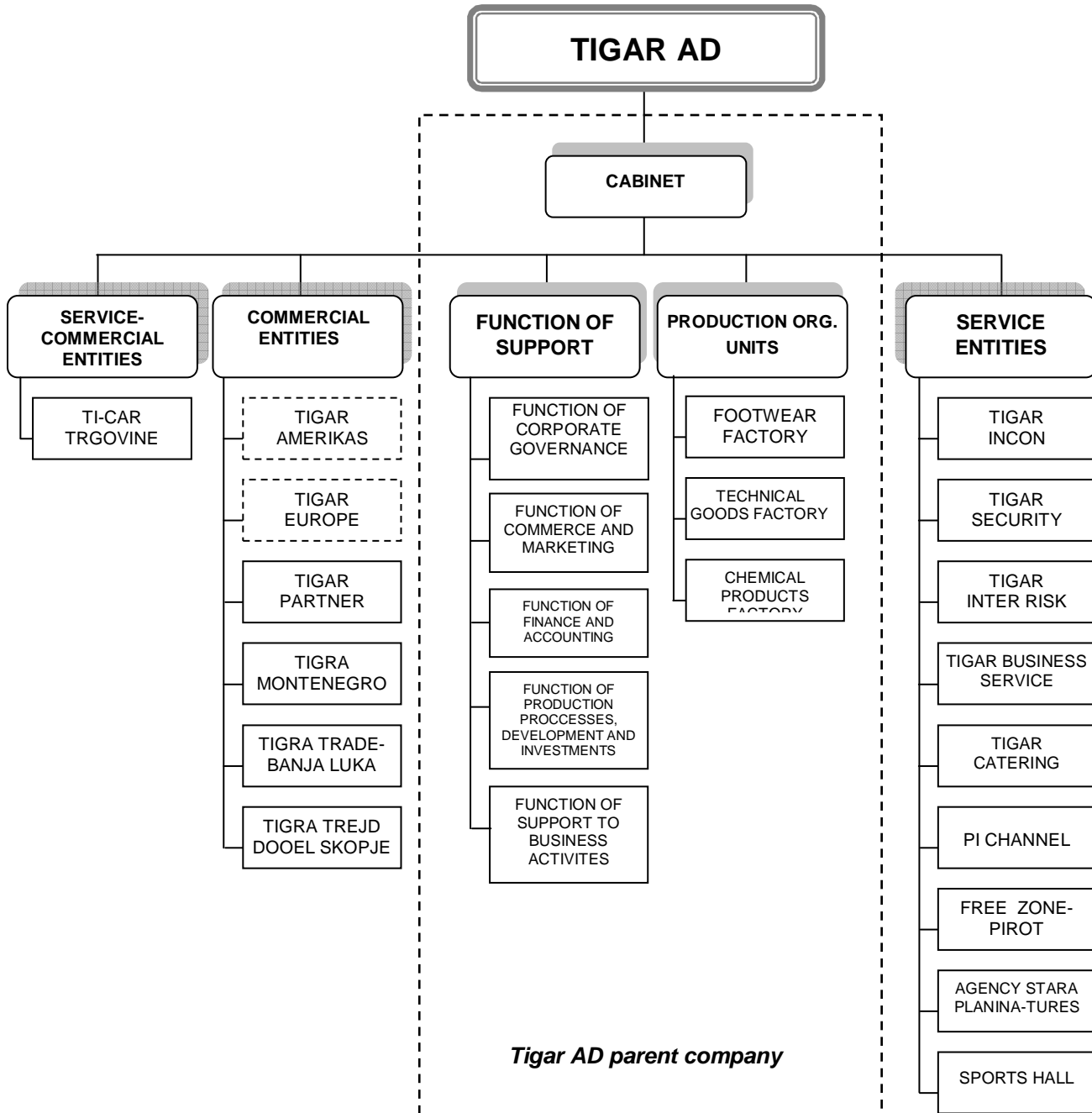
<b>Registered name:</b> Akcionarsko društvo "Tigar" Pirot (Joint-Stock Company Tigar Pirot, hereinafter also referred to as Tigar / the Company / the Holding)	<b>Registered address:</b> 213, Nikole Pašića Street, 18 300 Pirot, Serbia
<b>Corporate ID:</b> 07187769	<b>Tax ID:</b> 100358298
<b>Web site:</b> <a href="http://www.tigar.com">www.tigar.com</a>	<b>Certificate of incorporation:</b> Registry File 1-1087
<b>Core activity:</b> 6420- Holdings	<b>Number of employees:</b> 30/06 /2016 1,518
<b>Number of shareholders:</b> 30/06/2016 4,403	<b>Capital:</b> 30/06 /2016 (000 din) 0
<b>Assets:</b> 30/06/2016 (000 din 5,653,915)	<b>Capitalization:</b> 30 /06/2016 (000 din) 187,312





## 1.2.CORPORATE STRUCTURE

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





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### 1.3. INVESTMENTS

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

In '000 RSD	Purchases of fixed assets and intangible investments
	January - June 2016
<b>Tigar a.d.</b>	<b>31,409</b>
<b>Service entities</b>	<b>14,427</b>
<b>Total</b>	<b>45,836</b>

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

Investments were appropriate to the real needs and opportunities of Tigar's business system at that time, so they're primarily related to the necessary investment maintenance of production equipment, 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 the moving from location Tigar II.

When it comes to service entities there was done procurement of the necessary computer equipment, equipment for testing the 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 Channel, 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.



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## **2.PRODUCTION LEVELS AND SALES OF GOODS AND SERVICES**

### 2.1.BREAKDOWN OF PRODUCTION AND SALES

Structure of production and sales program in the period January-June 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 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.



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- *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 selling only tires Tigar brand, manufactured by Tigar Tyres. In the domestic market offers passenger, light truck and truck tires of all manufacturers in the world, and most tires from Michelin group, which includes tires Tigar brand. Of complementary products include motor oil, car batteries, car care products, brake systems, etc., domestic and foreign suppliers. Tigar's sales - service network Stop & Drive, extend tire, car repair services, vehicle washing, tracking and storage of tires.

The 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 Pirot, on 101ha 15a and 09m<sup>2</sup> 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*



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## 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 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.
- Export as a dominant form of selling products of Tigar plants.
- Growth in sales of its own brands, particularly in exports.
- Introduction of new selling channels
- Growth in sales to end users of tires, footwear, and other complementary goods in the Serbian market.
- Fusion of operations through the integration of parts that do not have an independent market perspective.
- Increase of the sales volume of its own brand tires and other complementary goods through companies abroad.
- Increased revenues from the provision of external services in services in the field of construction and Free Zone Pirot.
- Maintaining the level of internal services at the level of needs of both Tigar 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 – JUNE 2016

Total sales in the first semester of 2016 is by 15% 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- June 2015	January- June 2016	%
Footwear	749,040	881,891	18%
Rubber Technical Goods	101,522	93,835	-8%
Chemical Products	19,271	19,771	3%
Tires	13,359	15,913	19%
Other programs	5,483	6,194	13%
<b>TOTAL</b>	<b>888,674</b>	<b>1,017,604</b>	<b>15%</b>



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Sales of products and goods in Serbia and from Serbia in the period January – June 2016 amounted to slightly less than RSD 1.018 billion, of which 75% (RSD 758 million) was exported. The program of rubber footwear still has the greatest share in export in the amount of 94% (RSD 710 million).

<i>Net income from sales of goods and products in Serbia and from Serbia 000 rsd</i>	January- June 2015	January- June 2016	%
<b>Domestic market</b>	<b>263,914</b>	<b>259,061</b>	<b>-2%</b>
- Tigar Rubber Footwear	176,457	171,648	-3%
- Rubber Technical Goods	60,076	56,264	-6%
- Chemical Products	8,540	9,042	6%
- Tires	13,359	15,913	19%
- Other programs	5,483	6,194	13%

<i>Net income from sales of goods and products in Serbia and from Serbia 000 rsd</i>	January- June 2015	January- June 2016	%
<b>Export</b>	<b>624,759</b>	<b>758,543</b>	<b>21%</b>
- Tigar Rubber Footwear	572,583	710,243	24%
- Rubber Technical Goods	41,446	37,571	-9%
- Chemical Products	10,731	10,729	0%

Sales of program of rubber footwear in the first half of 2016 is by 18% higher in relation to the same period last year, whereby export is by 24% higher, whereas there was recorded a decline in sales volume in the domestic market by 3% 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- June 2015	January- June 2016	%
<b>Tigar Rubber Footwear</b>	<b>749,040</b>	<b>881,891</b>	<b>18%</b>
- Domestic market	176,457	171,648	-3%
- Export	572,583	710,243	24%

The most significant characteristic of the first half of year 2016 is the increase in the volume of sales in export by 24% 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 in within the envisaged 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 demands 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 six months for the said customer the quantity delivered is almost equal to the quantity delivered throughout the year 2015.

The first two quarters of this year were marked by the contacts achieved, announcement of cooperation, samples exchange and winning of new articles for Shepherd (SWE), Botty Kulik (CZE), Franschetti (ITA), Intechplast (POL) and retail chain from FRA (Auchan). Commercialization of some activities, after winning, approval and certification is expected in the third quarter.



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In the domestic market in the first six months was recorded a sales decline by 3% 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.

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

#### 2.4. EVALUATION OF THE MARKET POSITION OF RUBBER TECHNICAL GOODS PROGRAM IN THE PERIOD JANUARY – JUNE 2016

In the first half of 2016 the sales of the production program of technical goods is by 8% 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 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- June 2015	January- June 2016	%
<b>Rubber Technical Goods</b>	<b>101,522</b>	<b>93,835</b>	<b>-8%</b>
- Domestic market	60,076	56,264	-6%
- Export	41,446	37,571	-9%

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 for 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 indefinite period of time.

Positive characteristics of this period are winning new positions for cleated 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 it is expected the start of production and delivery of injection moulded products for the company Gomma Line (products for the automotive industry).

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).



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**2.5. EVALUATION OF THE MARKET POSITION OF THE CHEMICAL PRODUCTS PROGRAM IN THE PERIOD JANUARY – JUNE 2016**

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

Sales volume is by 3% higher compared to the same period last year.

Decline in realization caused rationalization of costs and downsizing the number of workers in the previous year and adjustment to the new market position.

<i>Net income from sales of goods and products in Serbia and from Serbia 000 rsd</i>	January- June 2015	January- June 2016	%
<b>Chemical Products</b>	<b>19,271</b>	<b>19,771</b>	<b>3%</b>
- Domestic market	8,540	9,042	6%
- Exports	10,731	10,729	0%

**2.6. DISTRIBUTION OF TIRES, OTHER COMPLEMENTARY PRODUCTS AND SERVICES OFFERED BY THE SERVICE NETWORK IN THE PERIOD JANUARY – JUNE 2016**

The process of restructuring of the service network retails and colonials is continuing. Parallel to this process also began regular supply of networks with tires, footwear and complementary programs (batteries, motor oils, etc..) as well as gardening program resulting with an increase in the sales volume by 17% 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- June 2015	January- June 2016	%
- Tires	13,359	15,913	19%
- Other programs	5,483	6,194	13%
<b>TOTAL</b>	<b>18,841</b>	<b>22,107</b>	<b>17%</b>

Although there was recorded a sales increase compared to the observed period in 2015, together with rationalization of the retail service network, reduction of the number of employed, improvement and concentration of the offer, total results are still unsatisfactory.

The actions taken should show the cost-effectiveness and rentability of each of the objects, 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





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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 an increase in the second quarter of 2016. Due to the shortage and poor offer of natural rubber cv 60, the price is higher by 17% in the second quarter in relation to the first, whereas the price of the other type of natural rubber decreased by 6% in average. The price of SBR rubber in the II quarter in comparison to the I quarter increased on average by 10%.

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

The prices of charcoal and technical textiles did not change in the second quarter compared to the first quarter 2016.

When it comes solvents, prices remained at the level of the first quarter on average.

Average price of oil fuel for the II quarter 2016 is 15% higher compared with the first quarter, which resulted in an increase in production costs.

## 2.8. PRODUCTION OUTPUT

There was realized the following production by programs:

Production (pairs)	January - June 2015.	January - June 2016.	%
Tigar Rubber Footwear	696,586	558,718	-20%

Production (tons)	January- June 2015.	January - June 2016.	%
Tigar R.Technical Goods	229	194	-15%
Chemical Products	79	86	9%
<b>TOTAL</b>	<b>308</b>	<b>280</b>	<b>-9%</b>

During the period January – June 2016, total realized production in Footwear factory was 558,718 pairs, which is by 20% lower in relation to the same period last year. Total production in tons in the factories Rubber Technical Goods and Chemical Product was 280 t, which is by 9% lower with respect to the same period last year.



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**3. FINANCIALS FOR THE PERIOD JANUARY – JUNE 2016**

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

<b>Tigar AD's unconsolidated financials in thousands of dinars</b>	<b>January - June 2015</b>	<b>January - June 2016</b>
Total assets	4,902,318	5,653,915
Equity		
Operating income	1,104,993	1,179,964
EBIT	94,835	26,142
EBITDA	116,910	96,060
Financial income	48,434	22,625
Other income	18,352	7,691
Total income	1,171,779	1,210,280
Net result	-62,454	-168,052
<u>Significant ratios</u>		
Current Ratio	5.16	1.24
Debt-to-assets ratio	1.18	1.43
Net result/total income	-5.33%	-13.89%

The principal reason for the stated loss are the significant financial expenses on the basis of interest and the foreign exchange differences which for the period January – June amounted to RSD 223,9 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 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. that 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.



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### 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 companies.

Due to statutory change, the manufacturing companies were merged to the parent company and continue their business operations within Tigar AD. Commercial entities are enterprises abroad and are primarily engaged in commercial activity. Service entities are predominantly oriented toward the external market related to the procurement of necessary inputs, as well as in terms of sales or provision of services. At the individual level, there are service entities whose dependence on the internal market is more pronounced - Tigar Tours, Tigar Inter Risk, Tigar Security and Tigar Catering.

<b>Consolidated financials of Tigar AD in thousands of dinars</b>	<b>January - June 2015</b>	<b>January - June 2016.</b>	<b>% changes</b>
Total assets	6,826,289	6,460,472	-5%
Sales revenues	1,324,621	1,503,017	13%
EBIT	7,240	50,159	593%
EBITDA	101,155	131,441	30%
Financial revenues	27,569	10,453	-62%
Other incomes	20,675	18,699	-10%
Net result	-239,466	-160,529	-33%

Total revenues from sales of goods, products and services on a consolidated basis, for the period January-June 2016 amounted to 1,503,017 thousand dinars which is by 13 % higher than in the same period last year when they amounted to 1,324,621 thousand dinars. Operating income realized in the same period in the amount of 1,513,124 thousand dinars which is by 13% more compared to the same period last year when they amounted to 1,333,682 thousand dinars.

Consolidated operating expenses in the amount of 1,462,964 thousand dinars increased by 10% in relation to the period January – June 2016 when they amounted to 1,326,442 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 40%; Expenses for the costs of materials and energy corrected for the increase of inventories accounted for 36%; The cost of goods accounts for 1%; expenses, depreciation and provisions accounted for 6% and other expenses accounted for 17%.

Financing costs on a consolidated basis in the period January-June 2016 amounted to RSD 227,791 thousand while the cost of funding at the consolidated level in the same period last year amounted to RSD 273,073 thousand. The largest part of financial expenses are the costs of interest, which at the consolidated level amounted to about



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RSD 131,847 thousand, while the foreign exchange losses and other financial expenses amount up to RSD 95,944 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 50,159 thousand dinars, while the operating profit for the same period last year amounted to 7,240 thousand dinars, which represents a better result for 42,919 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 131,441 thousand dinars while in the same period last year was reported an operating profit before amortization in the amount of 101,155 thousand dinar, which represents an improvement for 30,286 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 billion.

A part that relates to receivables in the amount of RSD 240 million for the most part includes current receivables of domestic and foreign customers. The receivables of domestic customers amounted to RSD 169 million where the 8 largest customers claimed RSD 58 million. Foreign customer receivables amounted to RSD 71 million, whereas out of 7 largest foreign customers RSD 59 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 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. Since the possibility of uni-lateral compensation is envisaged by the law when one party is blocked, in the next period there will be performed a unilateral compensation which will be submitted to the purchaser. Following the reception of the compensation by the purchaser we will be able to enter it in our books. 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. Since Ema Pozarevac is blocked, and since the possibility of uni-lateral compensation is envisaged by the law when one party is blocked, in the next period there will be performed a unilateral compensation which will be submitted to the purchaser. Following the reception of the compensation by the purchaser we will be able to enter it in our books. For the receivables reduced for the existing liabilities towards this purchaser there were activated the bills of exchange by the end of 2013.



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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 20.4 million dinars, Tigr Montenegro 2.2 million dinars, and Tigar Trade Banja Luka 30.1 million dinars.

At the consolidated level, the loss above the capital is RSD 2.2 billion. On the liability 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 1.3 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	As of 31 <sup>st</sup> December 2014	As of 31 <sup>st</sup> December 2015	As of 30 <sup>th</sup> June 2016
<b>A. SUBSCRIBED CAPITAL UNPAID</b>			
<b>B. NON-CURRENT ASSETS</b>	<b>5,113,669</b>	<b>4,530,441</b>	<b>4,488,447</b>
<b>I. INTANGIBLE ASSETS</b>	415,482	279,860	258,178
Investments in development	368,482	268,544	247,334
Concessions, patents , licenses, trademarks and service marks, software and other rights	16,243	7,434	6,924
Goodwill			
Other intangible assets		3	
Intangible assets under construction	30,757	3,879	3,921
Advances for intangible assets			
<b>II. PROPERTY, PLANT AND EQUIPMENT</b>	4,674,321	4,240,075	4,219,763
Land	525,279	517,802	510,410
Buildings	2,678,462	2,518,424	2,519,043
Plant and equipment	800,631	723,714	688,591
Investment property	582,070	292,513	292,513
Other property, plant and equipment			
Property, plant and equipment construction	57,190	161,394	184,016
Leasehold property, plant and equipment	10,749	6,288	5,250
Advances for property , plant and equipment	19,940	19,940	19,940
<b>III. BIOLOGICAL AGENTS</b>			
<b>IV. LONG-TERM FINANCIAL PLACEMENTS</b>	23,866	10,506	10,506
Shares in subsidiaries			
Shares in associated companies and joint ventures	12,018	491	491
Shares in other legal entities and other securities			
Available for sale	94	94	94
Other long-term investments	11,754	9,921	9,921
<b>V. LONG-TERM RECEIVABLES</b>			
<b>C. DEFERRED TAX ASSETS</b>			
<b>D. CURRENT ASSETS</b>	<b>1,884,157</b>	<b>2,117,297</b>	<b>1,972,024</b>
<b>I. INVENTORIES</b>	1,174,846	1,588,154	1,502,889
Material , spare parts , tools and supplies	97,547	129,280	142,963
Unfinished goods and services	166,214	136,514	152,689
Finished goods	252,125	391,998	375,407
Goods	595,272	509,357	433,359



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Current assets held for sale	27,162	399,680	389,225
Advances paid to suppliers	36,526	21,325	9,246
II. RECEIVABLES FROM SALE	393,108	310,266	240,087
Customers in the country - the parent and subsidiaries			
Customers abroad - parent and subsidiaries			
Customers in the country - other related parties	3,402	3,832	13,302
Buyers abroad - other related parties			
Customers in the country	282,629	224,271	155,579
Customers abroad	107,077	82,163	71,206
Other receivables from sales			
III RECEIVABLES FROM SPECIFIC OPERATIONS	1,384	129	
IV. OTHER RECEIVABLES	52,005	70,845	57,084
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	106,269
VIII. VALUE ADDED TAX	22,943	16,541	18,365
IX. PREPAYMENTS	44,743	45,881	47,332
<b>I. TOTAL ASSETS</b>	<b>6,997,826</b>	<b>6,647,738</b>	<b>6,460,472</b>
<b>F. OFF BALANCE SHEET ASSETS</b>		<b>811,313</b>	<b>811,313</b>
<b>EQUITY AND LIABILITIES</b>	<b>As of 31<sup>st</sup> December 2014</b>	<b>As of 31<sup>st</sup> December 2015</b>	<b>As of 30<sup>th</sup> June 2016</b>
<b>A. EQUITY</b>			
I. SHARE AND OTHER CAPITAL			
Share Capital	642,704	642,704	642,704
II. SUBSCRIBED CAPITAL UNPAID	642,704	642,704	642,704
III. TREASURY SHARES			
IV. RESERVES			
IV. RESERVES	5,409	5,411	5,414
V. Revaluation reserves based on the revaluation of intangible assets, property, plant and equipment	1,509,155	1,509,372	1,509,374
VI. UNREALIZED GAINS ON SECURITIES VALUE AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULTS	77,139	84,716	99,293
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	102,984
X. LOSS			
Loss of previous years	3,814,092	4,405,805	4,578,019
Loss for the year	2,369,755	3,814,093	4,405,805
	1,444,337	591,712	172,214
<b>B. NON-CURRENT ASSETS</b>	<b>2,024,795</b>	<b>6,862,923</b>	<b>6,963,629</b>
I. LONG-TERM PROVISIONS			
Provision for retirement and other employee benefits	254,496	255,595	254,830
Provisions for lawsuits	36,736	42,692	41,986
Other long-term provisions	217,760	211,193	212,844
II. LONG-TERM LIABILITIES			
Liabilities from securities in for more than a year			
Long-term loans and loans in the country	1,770,299	6,607,328	6,708,799
Long-term loans and loans abroad			
Obligations arising from finance lease	535,359	4,379,536	4,757,377
Other long-term liabilities	944,950	950,167	963,333
	15,881	11,425	11,583
	274,109	949,075	976,505
<b>C. DEFERRED TAX LIABILITIES</b>	<b>114,777</b>	<b>107,363</b>	<b>107,361</b>
<b>D. CURRENT LIABILITIES</b>	<b>6,353,730</b>	<b>1,754,883</b>	<b>1,612,708</b>
I. SHORT-TERM FINANCIAL LIABILITIES			
Short-term loans from parent companies and subsidiaries	3,555,912	416,816	384,132
Short-term loans from other related parties			
Short-term loans and loans in the country	2,042,605		



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Short-term loans and loans abroad			
Liabilities for investments in fixed assets and funds discontinued operations held for sale	27,162	9,452	
Other short-term liabilities	1,486,145	407,364	384,132
<b>II. PREPAYMENTS, DEPOSITS AND GUARANTEES</b>	<b>100,564</b>	<b>56,025</b>	<b>22,802</b>
<b>III. ACCOUNTS PAYABLE</b>	<b>1,050,547</b>	<b>768,531</b>	<b>697,596</b>
Suppliers - parent and subsidiaries in the country			
Suppliers - parent and subsidiaries abroad			
Suppliers - other related parties in the country	4,259	4,835	2,139
Suppliers - Other related legal entities abroad			
Suppliers in the country	502,240	459,272	437,344
Foreign suppliers	532,398	298,686	253,104
Other liabilities	11,650	5,738	5,010
<b>IV. OTHER CURRENT LIABILITIES</b>	<b>1,419,881</b>	<b>433,906</b>	<b>444,168</b>
<b>V. LIABILITIES FOR VALUE ADDED TAX</b>	<b>32,172</b>	<b>6,591</b>	<b>14,228</b>
<b>VI OTHER TAXES, CONTRIBUTIONS AND OTHER FEES</b>	<b>28,787</b>	<b>12,758</b>	<b>6,439</b>
<b>VII. ACCRUALS</b>	<b>165,867</b>	<b>60,256</b>	<b>43,343</b>
<b>I. THE LOSS IN EXCESS OF CAPITAL</b>	<b>1,495,476</b>	<b>2,077,431</b>	<b>2,223,226</b>
<b>F. TOTAL LIABILITIES</b>	<b>6,997,826</b>	<b>6,647,738</b>	<b>6,460,472</b>
<b>G. OFF BALANCE SHEET LIABILITIES</b>		<b>811,313</b>	<b>811,313</b>

Income statement (in thousands of RSD)	January-June 2015	January-June 2016	%
<b>INCOME FROM OPERATIONS</b>			
<b>A. OPERATING INCOME</b>	<b>1,333,682</b>	<b>1,513,124</b>	<b>13%</b>
I. Sales of goods	65,748	29,039	-56%
II. Sales of products and services	1,258,873	1,473,978	17%
III. Revenues from premiums, subsidies, donations, grants etc.			
IV. Other operating income	9,061	10,107	12%
<b>EXPENSES FROM OPERATIONS</b>			
<b>B. OPERATING EXPENSES</b>	<b>1,326,442</b>	<b>1,462,964</b>	<b>10%</b>
I. Cost of commercial goods sold	21,333	24,112	13%
II. Work performed by the company and capitalized	5,863	11,981	104%
III. Increase in inventories of finished products and work in progress	57,972		
IV. Decrease in inventories of finished products and work in progress		883	
V. Material consumed	405,876	461,993	14%
VI. Fuel and energy consumed	87,438	71,683	-18%
VII. Staff costs	562,981	589,420	5%
VIII. Production expenses	165,493	196,103	18%
IX. Amortization	93,915	81,281	-13%
X. Costs of long-term provisions			
XI. Intangible costs	53,242	49,469	-7%
<b>C. PROFIT FROM OPERATIONS</b>	<b>7,240</b>	<b>50,159</b>	<b>593%</b>
<b>D. LOSS FROM OPERATIONS</b>			
<b>I. FINANCE INCOME</b>	<b>27,569</b>	<b>10,453</b>	<b>-62%</b>
I. Financial income from related persons and other financial income			
II. Interest income (from third parties)	1,384	825	-40%
III. Gains and positive effects of currency clause	26,184	9,628	-63%
<b>F. FINANCE EXPENSES</b>	<b>273,073</b>	<b>227,791</b>	<b>-17%</b>
I. Financial expenses related party transactions and other financial expenses	0	4,019	
II. Interest expense (by third parties)	217,430	131,847	-39%
III. Foreign exchange gains and negative effects of currency clause	55,643	91,925	65%
<b>G. PROFIT FROM FINANCING</b>			
<b>H. LOSS FROM FINANCING</b>	<b>245,504</b>	<b>217,338</b>	<b>11%</b>



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<b>I. INCOME FROM VALUATION ADJUSTMENTS OF OTHER ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT</b>			73
<b>J. LOSS ADJUSTMENT OTHER PROPERTY CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT</b>	850		-100%
<b>K. OTHER INCOME</b>	20,675	18,626	-10%
<b>L. OTHER EXPENSES</b>	11,409	1,705	-85%
<b>M. OPERATING PROFIT BEFORE TAX</b>			
<b>N. LOSS FROM OPERATIONS BEFORE TAX</b>	229,848	150,184	35%
<b>Q. PROFIT BEFORE TAXATION</b>			
<b>R. LOSS BEFORE TAXATION</b>	229,848	150,184	35%
<b>R. INCOME TAX</b>			
I. Current tax expense	9,573	10,318	8%
II. Deferred income tax expense	46	26	-43%
III. Deferred income tax benefit			
<b>T. EARNINGS OF EMPLOYER</b>			
<b>U. NET PROFIT</b>			
<b>V. NET LOSS</b>	239,466	160,529	33%

#### 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	As of 31 <sup>st</sup> December 2014	As of 31 <sup>st</sup> December 2015	As of 30 <sup>th</sup> June 2016
<b>A. SUBSCRIBED CAPITAL UNPAID</b>			
<b>B. NON-CURRENT ASSETS</b>	<b>1,983,302</b>	<b>3,894,327</b>	<b>3,854,191</b>
I. INTANGIBLE ASSETS	13,758	279,515	256,971
Investments in development	33	268,544	247,334
Concessions, patents, licenses, trademarks and service marks, software and other rights	9,823	7,200	5,882
Intangible assets under construction	3,902	3,771	3,755
II. PROPERTY, PLANT AND EQUIPMENT	1,257,829	3,291,008	3,275,626
Land	54,376	454,761	454,761
Buildings	643,255	1,713,331	1,698,521
Plant and equipment	231,157	675,729	645,696
Investment property	290,896	292,513	292,513
Property, plant and equipment construction	28,945	129,511	159,847
Leasehold property, plant and equipment	9,200	5,223	4,348
Advances for property, plant and equipment		19,940	19,940
III. BIOLOGICAL AGENTS			
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
Shares in other legal entities and other securities			
Available for sale	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		
<b>C. DEFERRED TAX ASSETS</b>			
<b>D. CURRENT ASSETS</b>	<b>2,851,148</b>	<b>1,976,298</b>	<b>1,799,724</b>
I. INVENTORIES	453,874	1,399,397	1,333,687
Material, spare parts, tools and supplies	5,574	151,414	133,696





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Unfinished goods and services		136,514	151,955
Finished goods		391,998	375,407
Goods	430,666	347,474	306,286
Current assets held for sale		362,160	361,455
Advances paid to suppliers	17,634	9,837	4,888
II. RECEIVABLES FROM SALE	1,892,079	502,322	385,066
Customers in the country - the parent and subsidiaries	1,648,171	239,730	188,374
Customers abroad - parent and subsidiaries	115,847	125,698	124,423
Customers in the country - other related parties	585	1,093	1,541
Customers in the country	57,380	72,487	26,599
Customers abroad	70,096	63,314	44,129
Other receivables from sales			
III RECEIVABLES FROM SPECIFIC OPERATIONS			
IV. OTHER RECEIVABLES	57,116	26,818	15,848
V. FINANCIAL ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT			
VI. SHORT-TERM FINANCIAL PLACEMENTS	239,953		14,102
Short-term loans and investments - parent and subsidiaries	239,480		14,102
Short-term loans and investments - other related parties	456		
Other short-term financial investments	17		
VII. CASH AND CASH EQUIVALENTS	109,103	1,430	1,217
VIII. VALUE ADDED TAX	12,297	12,914	14,174
IX. PREPAYMENTS	86,726	33,417	35,630
<b>I. TOTAL ASSETS</b>	<b>4,834,450</b>	<b>5,870,625</b>	<b>5,653,915</b>
<b>F. OFF BALANCE SHEET ASSETS</b>		<b>798,813</b>	<b>798,813</b>
<b>EQUITY AND LIABILITIES</b>	<b>As of 31 December 2014</b>	<b>As of 31 December 2015</b>	<b>As of 30 June 2016</b>
<b>A. EQUITY</b>			
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	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
IX. PARTICIPATION RIGHTS WITHOUT CONTROL			
X. LOSS	1,814,668	3,371,206	3,539,971
Loss of previous years	962,476	3,106,851	3,371,919
Loss for the year	852,192	264,355	168,052
<b>B. NON-CURRENT ASSETS</b>	<b>755,963</b>	<b>6,785,725</b>	<b>6,886,677</b>
I. LONG-TERM PROVISIONS	220,604	240,390	240,030
Provision for retirement and other employee benefits	5,920	29,197	28,896
Provisions for lawsuits	214,684	211,193	211,134
Other long-term provisions			
II. LONG-TERM LIABILITIES	535,359	6,545,335	6,646,647
Liabilities from securities in for more than a year		317,125	
Long-term loans and loans in the country	535,359	4,379,536	4,757,377
Long-term loans and loans abroad		950,167	963,333
Other long-term liabilities		898,507	925,937
<b>C. DEFERRED TAX LIABILITIES</b>		<b>3,075</b>	<b>3,076</b>
<b>D. CURRENT LIABILITIES</b>	<b>5,137,484</b>	<b>1,604,594</b>	<b>1,455,731</b>
I. SHORT-TERM FINANCIAL LIABILITIES	3,051,513	418,543	413,518
Short-term loans from parent companies and	119,984	16,086	32,808



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subsidiaries			
Short-term loans and loans in the country	2,042,117		
Other short-term liabilities	889,412	402,457	380,710
<b>II. PREPAYMENTS, DEPOSITS AND GUARANTEES</b>	<b>52,541</b>	<b>44,436</b>	<b>10,715</b>
<b>III. ACCOUNTS PAYABLE</b>	<b>990,652</b>	<b>743,878</b>	<b>653,997</b>
Suppliers - parent and subsidiaries in the country	164,010	83,712	79,674
Suppliers - parent and subsidiaries abroad	50,584	50,507	48,915
Suppliers - other related parties in the country	3,972	2,158	2,050
Suppliers in the country	293,792	321,310	289,783
Foreign suppliers	478,113	283,504	231,545
Other liabilities	181	2,687	2,030
<b>IV. OTHER CURRENT LIABILITIES</b>	<b>945,237</b>	<b>347,760</b>	<b>348,905</b>
<b>V. LIABILITIES FOR VALUE ADDED TAX</b>		<b>74</b>	<b>74</b>
<b>VI OTHER TAXES, CONTRIBUTIONS AND OTHER FEES</b>	<b>15,364</b>	<b>6,563</b>	<b>1,767</b>
<b>VII. ACCRUALS</b>	<b>82,177</b>	<b>43,340</b>	<b>26,755</b>
<b>I. THE LOSS IN EXCESS OF CAPITAL</b>	<b>1,058,997</b>	<b>2,522,769</b>	<b>2,691,569</b>
<b>F. TOTAL LIABILITIES</b>	<b>4,834,450</b>	<b>5,870,625</b>	<b>5,653,915</b>
<b>G. OFF BALANCE SHEET LIABILITIES</b>		<b>798,813</b>	<b>798,813</b>

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-June 2015	January-June 2016
<b>INCOME FROM OPERATIONS</b>				
<b>A. OPERATING INCOME</b>	<b>1,855,835</b>	<b>2,362,695</b>	<b>1,104,993</b>	<b>1,179,964</b>
I. Sales of goods	1,446,938	1,374,616	954,891	4,910
II. Sales of products and services	392,320	854,765	143,004	1,013,362
III. Revenues from premiums, subsidies, donations, grants etc.				
IV. Other operating income	16,577	133,314	7,098	161,692
<b>EXPENSES FROM OPERATIONS</b>				
<b>B. OPERATING EXPENSES</b>	<b>1,755,978</b>	<b>2,200,658</b>	<b>1,010,158</b>	<b>1,153,822</b>
I. Cost of commercial goods sold	1,261,701	1,178,334	805,986	4,121
II. Work performed by the company and capitalized				
III. Increase in inventories of finished products and work in progress		40,189		7,589
IV. Decrease in inventories of finished products and work in progress				8,472
V. Material consumed	4,648	307,667	2,873	431,136
VI. Fuel and energy consumed	85,143	121,011	36,990	94,861
VII. Staff costs	196,104	359,814	84,920	405,568
VIII. Production expenses	58,742	51,906	17,154	23,586
IX. Amortization	48,456	77,624	22,075	69,918
X. Costs of long-term provisions	302	7,102		
XI. Intangible costs	100,882	137,389	40,160	123,749
<b>C. PROFIT FROM OPERATIONS</b>	<b>99,857</b>	<b>162,037</b>	<b>94,835</b>	<b>26,142</b>
<b>D. LOSS FROM OPERATIONS</b>				
<b>I. FINANCE INCOME</b>	<b>49,695</b>	<b>115,048</b>	<b>48,434</b>	<b>22,625</b>
I. Financial income from related persons and other financial income	25,950	95,997	27,843	14,067
II. Interest income (from third parties)	2,135	1,118	918	547
III. Gains and positive effects of currency clause	21,610	17,933	19,673	8,011
<b>F. FINANCE EXPENSES</b>	<b>612,261</b>	<b>429,085</b>	<b>213,108</b>	<b>223,908</b>
I. Financial expenses related party transactions and other financial expenses	14,276	10,848	3,472	4,018
II. Interest expense (by third parties)	415,261	293,980	158,886	129,026
III. Foreign exchange gains and negative effects	182,724	124,257	50,750	90,864



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of currency clause				
<b>G. PROFIT FROM FINANCING</b>				
<b>H. LOSS FROM FINANCING</b>	562,566	314,037	164,674	201,283
<b>I. INCOME FROM VALUATION ADJUSTMENTS OF OTHER ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT</b>	1,832	13,838		
<b>J. LOSS ADJUSTMENT OTHER PROPERTY CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT</b>	385,418	37,373	850	
<b>K. OTHER INCOME</b>	18,963	72,377	18,352	7,691
<b>L. OTHER EXPENSES</b>	24,861	152,900	10,117	968
<b>M. OPERATING PROFIT BEFORE TAX</b>				
<b>N. LOSS FROM OPERATIONS BEFORE TAX</b>	852,193	256,058	62,454	168,418
<b>M. NET PROFIT FROM DISCONTINUED OPERATIONS, THE EFFECTS OF CHANGES IN ACCOUNTING POLICIES AND CORRECTION OF ERRORS FROM PREVIOUS PERIOD</b>				366
<b>N. NET LOSS FROM DISCONTINUED OPERATIONS, COSTS ACCOUNTING POLICY CHANGES AND CORRECTIONS OF PRIOR PERIOD</b>		3,506		
<b>Q. PROFIT BEFORE TAXATION</b>				
<b>R. LOSS BEFORE TAXATION</b>	852,193	259,564	62,454	168,052
<b>R. INCOME TAX</b>				
I. Current tax expense		4,791		
II. Deferred income tax expense				
III. Deferred income tax benefit				
<b>T. EARNINGS OF EMPLOYER</b>				
<b>U. NET PROFIT</b>				
<b>V. NET LOSS</b>	852,193	264,355	62,454	168,052

CASH FLOWS (in thousands of RSD)	January-June 2015	January-June 2016
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash inflow from operating activities	834,039	1,107,269
Cash outflow from operating activities	949,798	1,050,813
Net cash inflow from operating activities		56,456
Net cash outflow from operating activities	115,759	
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Cash inflow from investing activities	26,819	10,047
Cash outflow from investing activities	24,604	41,145
Net cash inflow from investing activities	2,215	
Net cash outflow from investing activities		31,098
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Cash inflow from financing activities		2,303
Cash outflow from financing activities		27,405
Net cash inflow from financing activities		
Net cash outflow from financing activities		25,102
<b>Total cash inflow</b>	<b>860,858</b>	<b>1,119,619</b>
<b>Total cash outflow</b>	<b>974,402</b>	<b>1,119,363</b>
<b>NET CASH INFLOW</b>		256
<b>NET CASH OUTFLOW</b>	113,544	
<b>Cash and cash equivalents at beginning of year</b>	<b>109,103</b>	<b>1,430</b>
Foreign exchange gains on translation of cash and cash equivalents	7,593	
Foreign exchange losses on translation of cash and cash equivalents	436	469
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>2,716</b>	<b>1,217</b>

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



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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 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 of RSD

POSITIONS	Marks	Tigar Rubber footwear	Tigar Tours	Total I	eliminations	corrections	Total II
1		2	3	4=2+3	5	6	6=4+5+6
<b>ASSETS</b>							
<b>A. SUBSCRIBED CAPITAL UNPAID</b>	0001	0	0	0			0
<b>B. NON-CURRENT ASSETS (0003 + 0010 + 0019 + 0024 + 0034)</b>	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



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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
<b>IV. LONG-TERM FINANCIAL PLACEMENTS (0025 + 0026 + 0027 + 0028 + 0029 + 0030 + 0031 + 0032 + 0033)</b>	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. Securities available for sale	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
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
<b>V. LONG-TERM RECEIVABLES (0035 + 0036 + 0037 + 0038 + 0039 + 0040 + 0041)</b>	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
<b>V. DEFERRED TAX ASSETS</b>	0042	0	0	0			0
<b>G. CURRENT ASSETS (0044 + 0051 + 0059 + 0060 + 0061 + 0062 + 0068 + 0069 + 0070)</b>	0043	1.869.235	3.062	1.872.297	-3.001	0	1.869.296
<b>I. INVENTORIES (0045 + 0046 + 0047 + 0048 + 0049 + 0050)</b>	0044	1.360.613	0	1.360.613	0	0	1.360.613
1. Material , 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
<b>II. RECEIVABLES FROM SALE (0052 + 0053 + 0054 + 0055 + 0056 + 0057 + 0058)</b>	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



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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
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
<b>D. TOTAL ASSETS (0001 + 0002 + 0042 + 0043)</b>	0071	5.737.960	3.083	5.741.043	-5.211	0	5.735.832
<b>D. OFF BALANCE SHEET ASSETS</b>	0072	798.813		798.813			798.813
<b>EQUITY AND LIABILITIES</b>							
<b>A. EQUITY (0402 + 0411 - 0412 + 0413 + 0414 + 0415 - 0416 + 0417 + 0420 - 0421) ≥ 0 = (0071 - 0424 - 0441 - 0442)</b>	0401	0	1.464	0	0	0	0
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	0415	0	0	0			0



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OTHER COMPREHENSIVE RESULTS (credit balance accounts of group 33 except 330)							
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 + 0419)	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>B. LONG-TERM PROVISIONS AND LIABILITIES (0425 + 0432)</b>	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
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. The obligations that are 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
<b>V. DEFERRED TAX LIABILITIES</b>	0441	3.075	1	3.076			3.076
<b>G. CURRENT LIABILITIES (0443 + 0450 + 0451 + 0459 + 0460 + 0461 + 0462)</b>	0442	1.545.717	1.460	1.547.177	-3.001	0	1.544.176
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



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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 in respect of fixed assets and resources discontinued operations held for sale	0448	0	0	0			0
6. Other current financial liabilities	0449	390.192	0	390.192			390.192
<b>II. PREPAYMENTS, DEPOSITS AND GUARANTEES</b>	0450	22.519	0	22.519			22.519
<b>III. ACCOUNTS PAYABLE (0452 + 0453 + 0454 + 0455 + 0456 + 0457 + 0458)</b>	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
<b>IV. OTHER CURRENT LIABILITIES</b>	0459	323.542	670	324.212			324.212
<b>V. LIABILITIES FOR VALUE ADDED TAX</b>	0460	74	2	76			76
<b>VI. OTHER TAXES, CONTRIBUTIONS AND OTHER FEES</b>	0461	6.559	0	6.559			6.559
<b>VII. ACCRUALS</b>	0462	32.610	80	32.690			32.690
<b>D. THE LOSS IN EXCESS OF CAPITAL (0412 + 0416+0421 - 0420 - 0417 - 0415 - 0414 - 0413 - 0411 - 0402) ≥ 0 = (0441 + 0424 + 0442 - 0071) ≥ 0</b>	0463	2.556.528	0	2.555.064	2.210	0	2.557.274
<b>D. TOTAL LIABILITIES (0424 + 0442 + 0441 + 0401 - 0463) ≥ 0</b>	0464	5.737.960	3.083	5.741.043	-5.211	0	5.735.832
<b>G. OFF BALANCE SHEET LIABILITIES</b>	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 June 2016 are not comparable with the data given for the period January – June 2015 (income statement), i.e. not comparable with the data given as of 31st December 2015 (balance sheet).



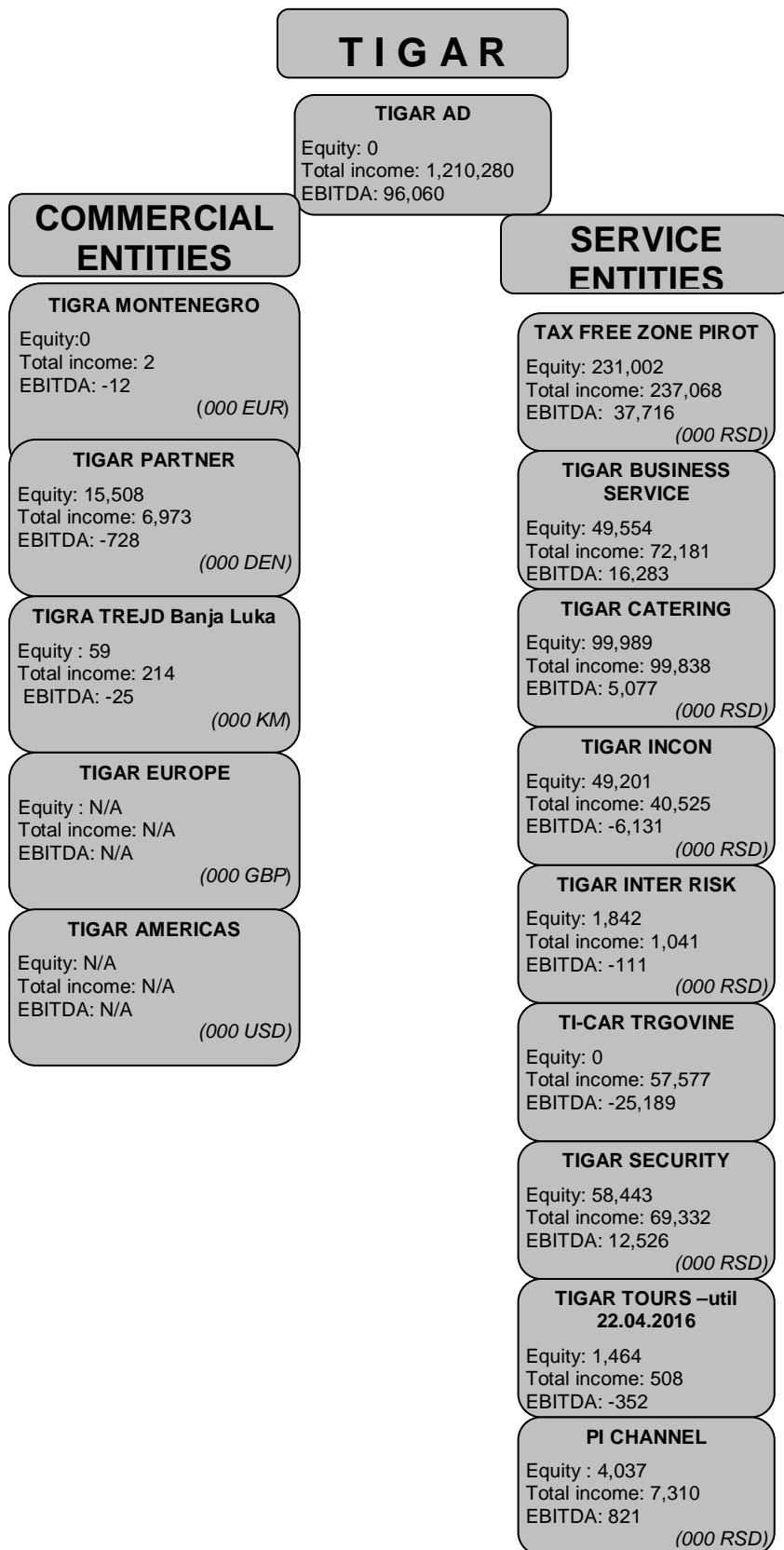


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3.5. KEY FINANCIAL RESULTS OF THE SUBSIDIARIES





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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 changes as of 12.09.2015, the business of these production entities is shown within the data pertaining to the parent company Tigar ad.

**BALANCE SHEET (in thousands of RSD)**

<b>ASSETS</b>	<b>As of 31<sup>st</sup> December 2014</b>	<b>As of 11<sup>th</sup> September 2015</b>
<b>A. SUBSCRIBED CAPITAL UNPAID</b>		
<b>B. NON-CURRENT ASSETS</b>	<b>1,742,297</b>	<b>1,687,440</b>
<b>I INTANGIBLE ASSETS</b>	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
<b>II PROPERTY, PLANT AND EQUIPMENT</b>	<b>1,344,594</b>	<b>1,326,454</b>
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
<b>III BIOLOGICAL AGENTS</b>		
<b>IV LONG-TERM FINANCIAL PLACEMENTS</b>		
<b>V LONG-TERM RECEIVABLES</b>		
<b>C. DEFERRED TAX ASSETS</b>		
<b>D. CURRENT ASSETS</b>	<b>618,118</b>	<b>773,732</b>
<b>I INVENTORIES</b>	323,237	388,875
Materials , 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
<b>II DUE ON SALE</b>	<b>286,603</b>	<b>284,039</b>
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
<b>III RECEIVABLES FROM SPECIFIC</b>		
<b>IV OTHER RECEIVABLES</b>	207	492
<b>V FINANCIAL ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT</b>		
<b>VI SHORT-TERM FINANCIAL PLACEMENTS</b>		94,326
<b>VII CASH AND CASH EQUIVALENTS</b>	135	127
<b>VIII VALUE ADDED TAX</b>		11
<b>IX PREPAYMENTS</b>	7,936	5,861
<b>I. TOTAL ASSETS</b>	<b>2,360,415</b>	<b>2,461,172</b>
<b>F. OFF BALANCE SHEET ASSETS</b>		
<b>EQUITY AND LIABILITIES</b>	<b>As of 31 December 2014</b>	<b>As of 11 September 2015</b>
<b>A. EQUITY</b>		
<b>I SHARE AND OTHER CAPITAL</b>	1,108,838	1,108,838
<b>II SUBSCRIBED CAPITAL UNPAID</b>		
<b>III TREASURY SHARES</b>		
<b>IV RESERVES</b>		
<b>V REVALUATION RESERVES BASED ON REVALUATION OF INTANGIBLE ASSETS, PROPERTY, PLANT AND EQUIPMENT</b>	52,314	52,314
<b>VI UNREALIZED GAINS ON SECURITIES VALUE AND</b>		



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OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULTS		
VII UNREALIZED LOSSES ON SECURITIES VALUE AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULTS	1,672	1,672
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>B. LONG TERM PROVISIONS AND LIABILITIES</b>	<b>1,607,203</b>	<b>1,497,607</b>
I LONG-TERM PROVISIONS	14,241	13,847
Provision for retirement and other employee benefits	14,241	13,847
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
<b>C. DEFERRED TAX LIABILITIES</b>	<b>8,630</b>	<b>3,075</b>
<b>D. CURRENT LIABILITIES</b>	<b>1,283,166</b>	<b>1,649,874</b>
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
<b>I. THE LOSS IN EXCESS OF CAPITAL</b>	<b>538,584</b>	<b>689,385</b>
<b>F. TOTAL LIABILITIES</b>	<b>2,360,415</b>	<b>2,461,172</b>
<b>G. OFF BALANCE SHEET LIABILITIES</b>		

Income statement (in thousands of RSD)	January - December 2014	January-11 <sup>th</sup> September 2015	January-June 2015
<b>INCOME FROM OPERATIONS</b>			
<b>A. OPERATING INCOME</b>	<b>1,346,781</b>	<b>838,655</b>	<b>638,140</b>
I Sales of goods			
II Sales of products and services	1,339,262	833,623	634,252
III Revenues from premiums, subsidies, donations, grants etc.			
IV Other operating income	7,519	5,032	3,888
<b>EXPENSES FROM OPERATIONS</b>			
<b>B. OPERATING EXPENSES</b>	<b>1,615,117</b>	<b>952,515</b>	<b>689,852</b>
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	58,406
IV Decrease in inventories of finished products and work in progress	13,146		
V Material consumed	758,954	484,710	360,326
VI Fuel and energy consumed	91,022	59,194	44,478
VII Staff costs	453,712	324,704	235,323
VIII Production expenses	9,735	6,313	4,654
IX Amortization	105,896	61,740	44,508
X Costs of long-term provisions			
XI Intangible costs	182,652	81,743	58,969



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<b>C. PROFIT FROM OPERATIONS</b>			
<b>D. LOSS FROM OPERATIONS</b>	268,336	113,860	51,712
<b>I. FINANCE INCOME</b>	217	6,840	3,846
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	3,846
<b>F. FINANCE EXPENSES</b>	241,050	50,235	42,463
I Financial expenses related party transactions and other financial expenses			
II Interest expense (by third parties)	77,089	49,988	42,255
III Foreign exchange gains and negative effects of currency clause	163,961	247	208
<b>G. PROFIT FROM FINANCING</b>			
<b>H. LOSS FROM FINANCING</b>	240,833	43,395	38,617
<b>I. INCOME FROM VALUATION ADJUSTMENTS OF OTHER ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT</b>	10,039	15	
<b>J. LOSS ADJUSTMENT OTHER PROPERTY CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT</b>	1,212	247	
<b>K. OTHER INCOME</b>	13,182	1,589	612
<b>L. OTHER EXPENSES</b>	289	459	459
<b>M. OPERATING PROFIT BEFORE TAX</b>			
<b>N. LOSS FROM OPERATIONS BEFORE TAX</b>	487,449	156,357	90,176
<b>S. INCOME TAXES</b>			
I Current tax expense			
II Deferred income tax expense			
III Deferred income tax benefit	487	5,555	
<b>T. EARNINGS OF EMPLOYER</b>			
<b>U. NET PROFIT</b>			
<b>V. NET LOSS</b>	486,962	150,802	90,176

CASH FLOWS (in thousands of RSD)	January-June 2015
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash inflow from operating activities	693,058
Cash outflow from operating activities	605,505
Net cash inflow from operating activities	87,553
Net outflow from operating activities	
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Cash inflow from investing activities	
Cash outflow from investing activities	88
Net cash inflow from investing activities	
Net cash outflow from investing activities	88
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Cash inflow from financing activities	2,735
Cash outflow from financing activities	90,130
Net cash inflow from financing activities	
Net cash outflow from financing activities	87,395
<b>NET CASH INFLOW</b>	70
<b>NET CASH OUTFLOW</b>	
<b>Cash and cash equivalents at beginning of year</b>	134
Foreign exchange gains on translation of cash and cash equivalents	15
Foreign exchange losses on translation of cash and cash equivalents	92
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	127



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### 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 changes as of 12.09.2015, the business of these production entities is shown within the data pertaining to the parent company Tigar ad.

#### BALANCE SHEET (in thousands of RSD)

ASSETS	As of 31 <sup>st</sup> December 2014	As of 11 <sup>th</sup> September 2015
<b>A. SUBSCRIBED CAPITAL UNPAID</b>		<b>0</b>
<b>B. NON-CURRENT ASSETS</b>	<b>949,233</b>	<b>930,170</b>
I INTANGIBLE ASSETS	25	10
Concessions, patents, licenses, trademarks, software and other rights	25	10
II PROPERTY, PLANT AND EQUIPMENT	935,617	916,569
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	0	0
IV LONG-TERM FINANCIAL PLACEMENTS	0	0
V LONG-TERM RECEIVABLES	13,591	13,591
Receivables from parent company and its subsidiaries	13,591	13,591
<b>C. DEFERRED TAX ASSETS</b>	<b>0</b>	<b>0</b>
<b>D. CURRENT ASSETS</b>	<b>298,298</b>	<b>346,556</b>
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	0	0
Customers in the country	3,683	5,014
Customers abroad	66	0
III RECEIVABLES FROM SPECIFIC	0	0
IV OTHER RECEIVABLES	181	264
V FINANCIAL ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT	0	0
VI SHORT-TERM FINANCIAL PLACEMENTS	0	0
Short-term loans and investments - parent and subsidiaries	0	0
VII CASH AND CASH EQUIVALENTS	0	4
VIII VALUE ADDED TAX	348	32
IX PREPAYMENTS	1,302	763
<b>I. TOTAL ASSETS</b>	<b>1,247,531</b>	<b>1,276,726</b>
<b>EQUITY AND LIABILITIES</b>	<b>As of 31<sup>st</sup> December 2014</b>	<b>As of 11<sup>th</sup> September 2015</b>
<b>A. EQUITY</b>	<b>0</b>	<b>0</b>
I SHARE AND OTHER CAPITAL	626,048	626,048
Share Capital	0	0
II SUBSCRIBED CAPITAL UNPAID	0	0
III TREASURY SHARES	0	0
IV RESERVES	0	0
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	0	0



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COMPONENTS OF OTHER COMPREHENSIVE RESULTS		
VII UNREALIZED LOSSES ON SECURITIES VALUE AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULTS	99	99
VIII RETAINED EARNINGS	0	0
IX PARTICIPATION RIGHTS WITHOUT CONTROL	0	0
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>B. NON-CURRENT ASSETS</b>	<b>6,489</b>	<b>430,820</b>
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	0	424,589
Long-term loans in the country	0	330,099
Liabilities arising from finance lease	0	0
Other long-term liabilities	0	94,490
<b>C. DEFERRED TAX LIABILITIES</b>	<b>0</b>	<b>0</b>
<b>D. CURRENT LIABILITIES</b>	<b>1,684,719</b>	<b>1,374,569</b>
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	0
II PREPAYMENTS, DEPOSITS AND GUARANTEES	320	179
III ACCOUNTS PAYABLE	1,171,002	1,263,234
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	0	286
VI OTHER TAXES, CONTRIBUTIONS AND OTHER FEES	0	0
VII ACCRUALS	16,993	10,244
<b>I. THE LOSS IN EXCESS OF CAPITAL</b>	<b>443,677</b>	<b>528,663</b>
<b>F. TOTAL LIABILITIES</b>	<b>1,247,531</b>	<b>1,276,726</b>

Income statement (in thousands of RSD)	January-December 2014	January – 11 <sup>th</sup> September 2015	January-June 2015
<b>INCOME FROM OPERATIONS</b>			
<b>A. OPERATING INCOME</b>	<b>241,245</b>	<b>132,669</b>	<b>95,005</b>
I Sales of goods	834		
II Sales of products and services	240,399	132,669	95,005
III Revenues from premiums, subsidies, donations, grants etc.			
IV Other operating income	12		
<b>EXPENSES FROM OPERATIONS</b>			
<b>B. OPERATING EXPENSES</b>	<b>382,830</b>	<b>195,987</b>	<b>137,396</b>
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			2,103
IV Decrease in inventories of finished products and work in progress	1,396	3,860	
V Material consumed	99,836	49,949	37,459
VI Fuel and energy consumed	36,318	22,225	16,474
VII Staff costs	109,747	67,433	48,254
VIII Production expenses	6,620	4,937	3,412
IX Amortization	28,596	19,522	14,031
X Costs of long-term provisions	1,365		
XI Intangible costs	98,207	28,061	19,869
<b>C. PROFIT FROM OPERATIONS</b>			
<b>D. LOSS FROM OPERATIONS</b>	<b>141,585</b>	<b>63,318</b>	<b>42,391</b>
<b>I. FINANCE INCOME</b>	<b>1,530</b>	<b>2,262</b>	<b>1,681</b>



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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	1,681
<b>F. FINANCE EXPENSES</b>	<b>93,912</b>	<b>25,415</b>	<b>11,381</b>
I Financial expenses related party transactions and other financial expenses			
II Interest expense (by third parties)	41,866	25,229	11,249
III Foreign exchange gains and negative effects of currency clause	52,046	186	132
<b>G. PROFIT FROM FINANCING</b>			
<b>H.LOSS FROM FINANCING</b>	<b>92,382</b>	<b>23,153</b>	<b>9,700</b>
<b>I. INCOME FROM VALUATION ADJUSTMENTS OF OTHER ASSETS CARRIED AT FAIR VALUE TROUGH INCOME STATEMENT</b>	810	353	
<b>J. LOSS ADJUSTMENT OTHER PROPERTY CARRIED AT FAIR VALUE TROUGH INCOME STATEMENT</b>	9,180		
<b>K. OTHER INCOME</b>	6,424	1,295	341
<b>L. OTHER EXPENSES</b>	17,366	163	19
<b>M. OPERATING PROFIT BEFORE TAX</b>			
<b>N. LOSS FROM OPERATIONS BEFORE TAX</b>	<b>253,280</b>	<b>84,986</b>	<b>51,769</b>
<b>Q. PROFIT BEFORE TAXATION</b>			
<b>R. LOSS BEFORE TAXATION</b>	<b>253,280</b>	<b>84,986</b>	<b>51,769</b>
<b>S. INCOME TAXES</b>			
I Current tax expense			
II Deferred income tax expense			
III Deferred income tax benefit			
<b>T.EARNINGS OF EMPLOYER</b>			
<b>U. NET PROFIT</b>			
<b>V. NET LOSS</b>	<b>253,280</b>	<b>84,986</b>	<b>51,769</b>

CASH FLOWS (in thousands of RSD)	January - June 2015
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash inflow from operating activities	48,979
Cash outflow from operating activities	48,979
Net cash inflow from operating activities	
Net outflow from operating activities	
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Cash inflow from investing activities	
Cash outflow from investing activities	
Net cash inflow from investing activities	
Net cash outflow from investing activities	
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Cash inflow from financing activities	
Cash outflow from financing activities	
Net cash inflow from financing activities	
Net cash outflow from financing activities	
<b>Total cash inflow</b>	<b>48,979</b>
<b>Total cash outflow</b>	<b>48,979</b>
<b>NET CASH INFLOW</b>	
<b>NET CASH OUTFLOW</b>	
<b>Cash and cash equivalents at beginning of year</b>	
<b>Foreign exchange gains on translation of cash and cash equivalents</b>	
<b>Foreign exchange losses on translation of cash and cash equivalents</b>	
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	



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### 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 <sup>st</sup> December 2014	As of 11 <sup>th</sup> September 2015
<b>A. SUBSCRIBED CAPITAL UNPAID</b>		
<b>B. NON-CURRENT ASSETS</b>	<b>215,799</b>	<b>228,241</b>
<b>I INTANGIBLE ASSETS</b>	3,724	3,374
Investment in development	3,700	3,371
Concessions, patents , licenses , trademarks , software and other rights	24	4
<b>II PROPERTY, PLANT AND EQUIPMENT</b>	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
<b>III BIOLOGICAL AGENTS</b>		
<b>IV LONG-TERM FINANCIAL PLACEMENTS</b>		
<b>V LONG-TERM RECEIVABLES</b>	50,187	50,187
Receivables from parent company and its subsidiaries	50,187	50,187
<b>C. DEFERRED TAX ASSETS</b>		
<b>D. CURRENT ASSETS</b>	<b>105,376</b>	<b>133,123</b>
<b>I INVENTORIES</b>	30,790	25,800
<b>II RECEIVABLES FORM SALE</b>	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
<b>III RECEIVABLES FROM SPECIFIC OPERATIONS</b>		
<b>IV OTHER RECEIVABLES</b>	13	7
<b>V FINANCIAL ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT</b>		
<b>VI SHORT-TERM FINANCIAL PLACEMENTS</b>	2,639	2,640
Short-term loans and investments - parent and subsidiaries	2,639	2,640
<b>VII CASH AND CASH EQUIVALENTS</b>		
<b>VIII VALUE ADDED TAX</b>	84	807
<b>IX PREPAYMENTS</b>	615	
<b>E. TOTAL ASSETS</b>	<b>321,175</b>	<b>361,364</b>
<b>F. OFF BALANCE SHEET ASSETS</b>		
<b>EQUITY AND LIABILITIES</b>	<b>As of 31<sup>st</sup> December 2014</b>	<b>As of 11<sup>th</sup> September 2015</b>
<b>A. EQUITY</b>	<b>75,276</b>	<b>77,099</b>
<b>I SHARE AND OTHER CAPITAL</b>	256,841	256,841
Shares of limited liability companies	256,841	256,841
<b>II SUBSCRIBED CAPITAL UNPAID</b>		
<b>III TREASURY SHARES</b>		
<b>IV RESERVES</b>		
<b>V REVALUATION RESERVES BASED ON REVALUATION OF INTANGIBLE ASSETS, PROPERTY, PLANT AND EQUIPMENT</b>	31,527	31,527
<b>VI UNREALIZED GAINS ON SECURITIES VALUE AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULTS</b>	6	6
<b>VII UNREALIZED LOSSES ON SECURITIES VALUE AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULTS</b>		





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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>B. LONG TERM PROVISIONS AND LIABILITIES</b>	<b>903</b>	<b>18,618</b>
I LONG-TERM PROVISIONS	903	903
Provision for retirement and other employee benefits	903	903
II LONG-TERM LIABILITIES		17,715
<b>C. DEFERRED TAX LIABILITIES</b>		
<b>D. CURRENT LIABILITIES</b>	<b>244,996</b>	<b>265,647</b>
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
<b>E. THE LOSS IN EXCESS OF CAPITAL</b>		
<b>F. TOTAL LIABILITIES</b>	<b>321,175</b>	<b>361,364</b>
<b>G. OFF BALANCE SHEET LIABILITIES</b>		

INCOME STATEMENT IN THOUSANDS OF DINARS	January-December 2014	January – 11 <sup>th</sup> September 2015	January-June 2015
<b>INCOME FROM OPERATIONS</b>			
<b>A. OPERATING INCOME</b>	<b>81,120</b>	<b>57,354</b>	<b>38,754</b>
I Sales of goods	4,511	617	431
II Sales of products and services	75,505	46,668	37,217
III Revenues from premiums, subsidies, donations, grants etc.			
IV Other operating income	1,104	10,069	1,106
<b>EXPENSES FROM OPERATIONS</b>			
<b>B. OPERATING EXPENSES</b>	<b>89,191</b>	<b>52,187</b>	<b>38,946</b>
I Cost of commercial goods sold	3,845	533	376
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	2,536
V Material consumed	38,520	18,506	15,217
VI Fuel and energy consumed	2,524	1,292	1,093
VII Staff costs	24,721	16,195	11,401
VIII Production expenses	1,864	2,029	1,477
IX Amortization	916	489	355
X Costs of long-term provisions			
XI Intangible costs	15,917	10,176	6,491
<b>C. PROFIT FROM OPERATIONS</b>		<b>5,167</b>	
<b>D. LOSS FROM OPERATIONS</b>	<b>8,071</b>		<b>192</b>
<b>E FINANCE INCOME</b>	<b>403</b>	<b>106</b>	<b>39</b>
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	39
<b>F. FINANCE EXPENSES</b>	<b>4,171</b>	<b>3,453</b>	<b>240</b>
I Financial expenses related party transactions and other financial expenses			
II Interest expense (by third parties)	3,446	3,376	192
III Foreign exchange gains and negative effects of currency clause	725	77	49
<b>G. PROFIT FROM FINANCING</b>			



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<b>H. LOSS FROM FINANCING</b>	3,768	3,347	201
<b>I. INCOME FROM VALUATION ADJUSTMENTS OF OTHER ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT</b>			
<b>J. LOSS ADJUSTMENT OTHER PROPERTY CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT</b>	293	489	
<b>K. OTHER INCOME</b>	10,109	1,226	217
<b>L. OTHER EXPENSES</b>	52,967	733	
<b>M. OPERATING PROFIT BEFORE TAX</b>		1,823	
<b>N. LOSS FROM OPERATIONS BEFORE TAX</b>	54,990		176
<b>Q. PROFIT BEFORE TAXATION</b>		1,823	
<b>R. LOSS BEFORE TAXATION</b>	54,990		176
<b>S. INCOME TAXES</b>			
I Current tax expense			
II Deferred income tax expense			
III Deferred income tax benefit			
<b>T. EARNINGS OF EMPLOYER</b>			
<b>U. NET PROFIT</b>		1,823	
<b>V. NET LOSS</b>	54,990		176

CASH FLOWS (in thousands of RSD)	January-June 2015
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash inflow from operating activities	15,726
Cash outflow from operating activities	15,726
Net cash inflow from operating activities	
Net outflow from operating activities	
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Cash inflow from investing activities	
Cash outflow from investing activities	
Net cash inflow from investing activities	
Net cash outflow from investing activities	
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Cash inflow from financing activities	
Cash outflow from financing activities	
Net cash inflow from financing activities	
Net cash outflow from financing activities	
<b>Total cash inflow</b>	15,726
<b>Total cash outflow</b>	15,726
<b>NET CASH INFLOW</b>	
<b>NET CASH OUTFLOW</b>	
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	
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	



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

Balance sheet in thousands GBP	As of 31 <sup>st</sup> December 2013 audited	As of 11 <sup>th</sup> August 2014	As of 31 <sup>st</sup> December 2014 In bankruptcy
<b>TOTAL ASSETS</b>			
Fixed Assets			
Current assets	3,291	2,503	351
Deferred tax assets			
<b>Total assets</b>	<b>3,391</b>	<b>2,503</b>	<b>351</b>
<b>TOTAL LIABILITIES</b>			
Equity	2,538	2,487	
Non-current liabilities			
Short-term liabilities	753	15	351
Deferred tax liabilities			
<b>Total liabilities</b>	<b>3,291</b>	<b>2,503</b>	<b>351</b>

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

3.10. TIGRA MONTENEGRO – MONTENEGRO

BALANCE SHEET (in thousands of EUR)	As of 31 <sup>st</sup> December 2014	As of 31 <sup>st</sup> December 2015	As of 30 <sup>th</sup> June 2016
Non-current assets	3	3	3
Current assets	182	45	38
Loss above capital value			
<b>TOTAL ASSETS</b>	<b>185</b>	<b>48</b>	<b>41</b>
Equity	45	3	-11
Long-term liabilities and provisions			
Current liabilities	140	44	51
Deferred tax liabilities			
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>185</b>	<b>48</b>	<b>41</b>



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Income statement in thousands of EUR	January - December 2014	January- December 2015	January-June 2015	January-June 2016
Total income	172	16	13	2
Total expenses	223	57	38	16
<b>PROFIT/LOSS BEFORE TAXATION</b>	<b>-50</b>	<b>-41</b>	<b>-26</b>	<b>-14</b>
Income taxes				
Deferred Income Tax expense				
Deferred Income Tax benefit				
<b>NET PROFIT/LOSS</b>	<b>-50</b>	<b>-41</b>	<b>-26</b>	<b>-14</b>

3.11. TIGRA TREJD – REPUBLIC OF SRPSKA

BALANCE SHEET (in thousands of KM)	As of 31 <sup>st</sup> December 2014	As of 31 <sup>st</sup> December 2015	As of 30 <sup>th</sup> June 2016
Fixed Assets	269	258	252
Current assets	909	954	912
Deferred tax assets			
<b>TOTAL ASSETS</b>	<b>1,178</b>	<b>1,212</b>	<b>1,164</b>
Equity	88	89	59
Non-current liabilities			
Short-term liabilities	1,090	1,122	1,105
Deferred tax liabilities			
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,178</b>	<b>1,212</b>	<b>1,164</b>

Income statement in thousands of KM)	January- December 2014	January- December 2015	January- June 2015	January-June 2016
Total income	1,452	1,182	377	214
Total expenses	1,430	1,181	411	245
<b>PROFIT/LOSS BEFORE TAXATION</b>	<b>23</b>	<b>1</b>	<b>-35</b>	<b>-31</b>
Income taxes	5	0		
Deferred Income Tax expense				
Deferred Income Tax benefit				
<b>NET PROFIT/LOSS</b>	<b>17</b>	<b>1</b>	<b>-35</b>	<b>-31</b>



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3.12. TIGAR PARTNER – MACEDONIA

BALANCE SHEET (in thousands of Denars)	As of 31 <sup>st</sup> December 2014	As of 31 <sup>st</sup> December 2015	As of 30 <sup>th</sup> June 2016
Fixed Assets	6	2	1.631
Current assets	21,187	20,249	21,308
Deferred tax assets	0	0	0
<b>TOTAL ASSETS</b>	<b>21,193</b>	<b>20,251</b>	<b>21,310</b>
Equity	16,457	15,989	15,508
Non-current liabilities	0	0	0
Short-term liabilities	4,736	4,262	5,802
Deferred tax liabilities	0	0	0
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>21,193</b>	<b>20,251</b>	<b>21,310</b>

Income Statement (in thousands of Denars)	January-December 2014	January-December 2015	January-June 2015	January-June 2016
Total income	24,115	20,590	7,953	6,973
Total expenses	25,512	21,052	8,467	7,454
<b>PROFIT/LOSS BEFORE TAXATION</b>	<b>-1,397</b>	<b>-462</b>	<b>-514</b>	<b>-480</b>
Income taxes	10	6	3	1
Deferred Income Tax expense	0	0	0	0
Deferred Income Tax benefit	0	0	0	0
<b>NET PROFIT/LOSS</b>	<b>-1,407</b>	<b>-468</b>	<b>-517</b>	<b>-481</b>

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 Trgovina I.l.c.

**BALANCE SHEET (in thousands of RSD)**

ASSETS	As of 31 December 2014.	As of 31 December 2015.	As of 30 June 2016.
<b>A. SUBSCRIBED CAPITAL UNPAID</b>			
<b>B. NON-CURRENT ASSETS</b>	<b>46,473</b>	<b>1,558</b>	<b>1,529</b>
I. INTANGIBLE ASSETS			
II. PROPERTY, PLANT AND EQUIPMENT	30,085	1,558	1,529
Land	1,932		
Buildings	27,796	1,355	1,340
Plant and equipment	259	104	90
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		
<b>C. DEFERRED TAX ASSETS</b>	<b>145</b>	<b>132</b>	<b>132</b>
<b>D. CURRENT ASSETS</b>	<b>569,909</b>	<b>248,520</b>	<b>166,440</b>



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I. INVENTORIES	128,835	125,062	109,632
Goods	115,161	85,482	80,874
Fixed assets held for sale		28,068	27,770
Advances paid to suppliers	13,674	11,512	988
II. RECEIVABLES FROM SALE	303,415	87,855	29,624
Customers in the country - the parent and subsidiaries	229,186	66,217	23,762
Customers abroad - parent and subsidiaries	6,682	1,123	1,108
Customers in the country - other related parties	9	68	77
Customers abroad - other related parties			
Customers in the country	43,063	20,439	4,557
Customers abroad	24,475	8	120
Other receivables from sales			
III RECEIVABLES FROM SPECIFIC OPERATIONS			
IV. OTHER RECEIVABLES	6,073	12,622	13,245
V. FINANCIAL ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT			
VI. SHORT-TERM FINANCIAL PLACEMENTS	110,163	19,315	8,410
Short-term loans and investments - parent and subsidiaries	110,163	19,315	8,410
VII. CASH AND CASH EQUIVALENTS	329	329	2,010
VIII. VALUE ADDED TAX	9,694	29	152
IX. PREPAYMENTS	11,400	3,308	3,367
<b>I. TOTAL ASSETS</b>	<b>616,527</b>	<b>250,210</b>	<b>168,101</b>
<b>F. OFF BALANCE SHEET ASSETS</b>			
<b>EQUITY AND LIABILITIES</b>	<b>As of 31<sup>st</sup> December 2014</b>	<b>As of 31<sup>st</sup> December 2015</b>	<b>As of 30<sup>th</sup> June 2016</b>
<b>A. EQUITY</b>			
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			
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	92,506
Loss of previous years	14,787	4,099	73,315
Loss for the year		69,217	19,191
<b>B. LONG-TERM PROVISIONS AND LIABILITIES</b>	<b>818</b>	<b>507</b>	<b>385</b>
I. LONG-TERM PROVISIONS	818	507	385
Provision for retirement and other employee benefits	818	507	385
Provision for lawsuits			
Other long-term provisions			
II. LONG-TERM LIABILITIES			
<b>C. DEFERRED TAX LIABILITIES</b>			
<b>D. CURRENT LIABILITIES</b>	<b>618,849</b>	<b>322,035</b>	<b>259,238</b>



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<b>I. SHORT-TERM FINANCIAL LIABILITIES</b>	107,721	8,740	31,624
Short-term loans from parent companies and subsidiaries	107,721	8,740	31,624
<b>II. PREPAYMENTS, DEPOSITS AND GUARANTEES</b>	41,728	9,217	5,385
<b>III. ACCOUNTS PAYABLE</b>	434,221	271,236	201,293
Suppliers - parent and subsidiaries in the country	354,486	238,201	180,744
Suppliers - parent and subsidiaries abroad			
Suppliers - other related parties in the country		48	72
Suppliers - Other related legal entities abroad			
Suppliers in the country	49,497	25,730	13,410
Foreign suppliers	24,842	4,433	4,236
Other liabilities	5,396	2,824	2,831
<b>IV. OTHER CURRENT LIABILITIES</b>	32,218	26,523	15,972
<b>V. LIABILITIES FOR VALUE ADDED TAX</b>	2,041	2,416	1,072
<b>VI OTHER TAXES, CONTRIBUTIONS AND OTHER FEES</b>	372	155	155
<b>VII. ACCRUALS</b>	548	3,748	3,737
<b>I. THE LOSS IN EXCESS OF CAPITAL</b>	<b>3,140</b>	<b>72,332</b>	<b>91,522</b>
<b>F. TOTAL LIABILITIES</b>	<b>616,527</b>	<b>250,210</b>	<b>168,101</b>
<b>G. OFF BALANCE SHEET LIABILITIES</b>			

Income statement (in thousands of RSD)	January-December 2014	January-December 2015	January-June 2015	January-June 2016
<b>INCOME FROM OPERATIONS</b>				
<b>A. OPERATING INCOME</b>	<b>1,383,904</b>	<b>425,010</b>	<b>313,087</b>	<b>51,126</b>
I. Sales of goods	1,367,802	415,589	307,243	49,489
II. Sales of products and services	<b>13,500</b>	<b>7,846</b>	<b>4,583</b>	<b>1,493</b>
III. Revenues from premiums, subsidies, donations, grants etc.				
IV. Other operating income	2,602	1,575	1,261	144
<b>EXPENSES FROM OPERATIONS</b>				
<b>B. OPERATING EXPENSES</b>	<b>1,354,607</b>	<b>483,929</b>	<b>350,089</b>	<b>76,344</b>
I. Cost of commercial goods sold	1,224,188	362,512	278,865	37,781
II. Work performed by the company and capitalized				
V. Material consumed	9,992	1,354	1,960	282
VI. Fuel and energy consumed	11,982	8,855	5,895	2,016
VII. Staff costs	64,305	60,787	32,966	22,478
VIII. Production expenses	22,239	14,181	8,307	4,279
IX. Amortization	780	459	387	29
X. Costs of long-term provisions	284	91		
XI. Intangible costs	20,837	35,690	21,709	9,479
<b>C. PROFIT FROM OPERATIONS</b>	<b>29,297</b>			
<b>D. LOSS FROM OPERATIONS</b>		<b>58,919</b>	<b>37,002</b>	<b>25,218</b>
<b>I. FINANCE INCOME</b>	<b>2,417</b>	<b>789</b>	<b>400</b>	<b>131</b>
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	400	131
<b>F. FINANCE EXPENSES</b>	<b>4,841</b>	<b>1,110</b>	<b>543</b>	<b>332</b>
I. Financial expenses related party transactions and other financial expenses				
II. Interest expense (by third parties)	1,516	279	135	104
III. Foreign exchange gains and negative effects of currency clause	3,325	831	408	228
<b>G. PROFIT FROM FINANCING</b>				
<b>H. LOSS FROM FINANCING</b>	<b>2,424</b>	<b>321</b>	<b>143</b>	<b>201</b>
<b>I. INCOME FROM VALUATION</b>	<b>1,018</b>			



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ADJUSMENTS OF OTHER ASSETS CARRIED AT FAIR VALUE TROUGH INCOME STATEMENT				
J. LOSS ADJUSTMENT OTHER PROPERTY CARRIED AT FAIR VALUE TROUGH INCOME STATEMENT	10,601	7,660		
K. OTHER INCOME	394	298	89	6,320
L. OTHER EXPENSES	6,672	2,603	67	92
M. OPERATING PROFIT BEFORE TAX	11,012			
N. LOSS FROM OPERATIONS BEFORE TAX		69,205	37,123	19,191
Q. PROFIT BEFORE TAXATION	11,012			
P. LOSS BEFORE TAXATION		69,205	37,123	19,191
R. INCOME TAX				
I. Current tax expense	279		140	
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	37,263	19,191

CASH FLOWS (in thousands of RSD)	January-June 2015	January-June 2016
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash inflow from operating activities	400,105	114,609
Cash outflow from operating activities	453,537	139,799
Net cash inflow from operating activities		
Net outflow from operating activities	53,432	25,190
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
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		
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Cash inflow from financing activities	53,270	29,585
Cash outflow from financing activities		9,289
Net cash inflow from financing activities	53,270	20,296
Net cash outflow from financing activities		
<b>Total cash inflow</b>	<b>453,375</b>	<b>150,772</b>
<b>Total cash outflow</b>	<b>453,537</b>	<b>149,088</b>
<b>NET CASH INFLOW</b>		1,684
<b>NET CASH OUTFLOW</b>	162	
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	141	3
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>26</b>	<b>2,010</b>





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3.14. TIGAR BUSINESS SERVICE

**BALANCE SHEET (in thousands of RSD)**

<b>ASSETS</b>	<b>As of 31<sup>st</sup> December 2014</b>	<b>As of 31<sup>st</sup> December 2015</b>	<b>As of 30<sup>th</sup> June 2016</b>
<b>A. SUBSCRIBED CAPITAL UNPAID</b>			
<b>B. NON-CURRENT ASSETS</b>	<b>58,980</b>	<b>38,790</b>	<b>34,600</b>
I. INTANGIBLE ASSETS	4	1	
II. PROPERTY, PLANT AND EQUIPMENT	45,480	38,789	34,600
Land	2,765	2,765	2,765
Buildings	13,591	13,374	13,266
Plant and equipment	29,124	22,510	18,454
Property, plant and equipment construction		140	115
III. BIOLOGICAL AGENTS			
IV. LONG-TERM FINANCIAL PLACEMENTS			
V. LONG-TERM RECEIVABLES	13,496		
Receivables from parent company and its subsidiaries	13,496		
<b>C. DEFERRED TAX ASSETS</b>	<b>2,417</b>	<b>2,549</b>	<b>2,549</b>
<b>D. CURRENT ASSETS</b>	<b>71,303</b>	<b>48,948</b>	<b>69,005</b>
I. INVENTORIES	2,791	4,241	4,842
Material , spare parts , tools and supplies	1,230	1,018	809
Advances paid to suppliers	1,561	3,223	4,033
II. Receivables from sale	8,397	27,171	26,353
Customers in the country - the parent and subsidiaries	224	299	203
Customers abroad - parent and subsidiaries			62
Customers in the country	8,173	26,373	25,644
Customers abroad		499	444
III RECEIVABLES FROM SPECIFIC OPERATIONS			
IV. OTHER RECEIVABLES	276	107	1,407
V. FINANCIAL ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT			
VI. SHORT-TERM FINANCIAL PLACEMENTS	58,760	16,879	36,188
Short-term loans and investments - parent and subsidiaries	58,760	16,879	36,188
VII. CASH AND CASH EQUIVALENTS	2	32	87
VIII. VALUE ADDED TAX	521		
IX. PREPAYMENTS	556	518	128
<b>I. TOTAL ASSETS</b>	<b>132,700</b>	<b>90,287</b>	<b>106,154</b>
<b>F. OFF BALANCE SHEET ASSETS</b>			
<b>EQUITY AND LIABILITIES</b>	<b>As of 31<sup>st</sup> December 2014</b>	<b>As of 31<sup>st</sup> December 2015</b>	<b>As of 30<sup>th</sup> June 2016</b>
<b>A. EQUITY</b>	<b>36,231</b>	<b>40,609</b>	<b>49,554</b>
I. SHARE AND OTHER CAPITAL	23,104	23,104	23,104
Share Capital			
Shares of limited liability companies	23,104	23,104	23,104
II. SUBSCRIBED CAPITAL UNPAID			
III. TREASURY SHARES			
IV. RESERVES			
VI. UNREALIZED GAINS ON SECURITIES VALUE AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULTS			
VII. UNREALIZED LOSSES ON SECURITIES VALUE AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULTS	497	474	474
VIII. RETAINED EARNINGS	23,108	19,079	28,024
Retained profit from previous years	15,513		19,079
Retained profit from financial year	7,595	19,079	8,945
IX. PARTICIPATION RIGHTS WITHOUT CONTROL			
X. LOSS	9,484	1,100	1,100
Loss of previous years	9,484	1,100	1,100
Loss for the year			
<b>B. NON-CURRENT ASSETS</b>	<b>17,279</b>	<b>12,844</b>	<b>13,002</b>
I. LONG-TERM PROVISIONS	1,398	1,419	1,419



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Provision for retirement and other employee benefits	1,398	1,419	1,419
<b>II. LONG-TERM LIABILITIES</b>	<b>15,881</b>	<b>11,425</b>	<b>11,583</b>
<b>C. DEFERRED TAX LIABILITIES</b>			
<b>D. CURRENT LIABILITIES</b>	<b>79,190</b>	<b>36,834</b>	<b>43,598</b>
<b>I. SHORT-TERM FINANCIAL LIABILITIES</b>	<b>50,092</b>	<b>7,996</b>	<b>7,985</b>
Short-term loans from parent companies and subsidiaries	45,570	3,089	4,960
<b>II. PREPAYMENTS, DEPOSITS AND GUARANTEES</b>	<b>2,859</b>	<b>4,319</b>	<b>4,180</b>
<b>III. ACCOUNTS PAYABLE</b>	<b>12,058</b>	<b>12,516</b>	<b>16,659</b>
Suppliers - parent and subsidiaries in the country	3,281	2,130	2,221
Suppliers - other related parties in the country	90		
Suppliers in the country	8,512	10,131	313
Foreign suppliers	173	255	
Other liabilities	2		8,633
<b>IV. OTHER CURRENT LIABILITIES</b>	<b>9,130</b>	<b>7,441</b>	<b>976</b>
<b>V. LIABILITIES FOR VALUE ADDED TAX</b>		<b>551</b>	<b>3,040</b>
<b>VI OTHER TAXES, CONTRIBUTIONS AND OTHER FEES</b>	<b>1,549</b>	<b>1,920</b>	<b>2,125</b>
<b>VII. ACCRUALS</b>	<b>3,502</b>	<b>2,091</b>	
<b>I. THE LOSS IN EXCESS OF CAPITAL</b>			
<b>F. TOTAL LIABILITIES</b>	<b>132,700</b>	<b>90,287</b>	<b>106,154</b>
<b>G. OFF BALANCE SHEET LIABILITIES</b>			

Income statement (in thousands of RSD)	January- December 2014	January- December 2015	January- June 2015	January- June 2016
<b>INCOME FROM OPERATIONS</b>				
<b>A. OPERATING INCOME</b>	<b>119,549</b>	<b>148,941</b>	<b>67,484</b>	<b>71,463</b>
I. Sales of goods		5		6
II. Sales of products and services	119,549	148,936	67,484	71,457
III. Revenues from premiums, subsidies, donations, grants etc.				
IV. Other operating income				
<b>EXPENSES FROM OPERATIONS</b>				
<b>B. OPERATING EXPENSES</b>	<b>103,127</b>	<b>124,302</b>	<b>56,057</b>	<b>59,390</b>
I. Cost of commercial goods sold				
V. Material consumed	3,968	4,189	1,499	1,816
VI. Fuel and energy consumed	30,978	32,940	15,552	14,096
VII. Staff costs	31,329	35,055	16,646	17,171
VIII. Production expenses	12,130	23,874	8,723	12,556
IX. Amortization	11,217	8,969	4,792	4,210
X. Costs of long-term provisions		44		
XI. Intangible costs	13,505	19,231	8,845	9,541
<b>C. PROFIT FROM OPERATIONS</b>	<b>16,422</b>	<b>24,639</b>	<b>11,427</b>	<b>12,073</b>
<b>D. LOSS FROM OPERATIONS</b>				
<b>I. FINANCE INCOME</b>	<b>46</b>	<b>104</b>	<b>90</b>	<b>46</b>
I. Financial income from related persons and other financial income				
II. Interest income (from third parties)	13	44	30	
III. Gains and positive effects of currency clause	33	60	60	46
<b>F. FINANCE EXPENSES</b>	<b>7,483</b>	<b>3,217</b>	<b>1,273</b>	<b>996</b>
I. Financial expenses related party transactions and other financial expenses				
II. Interest expense (by third parties)	6,198	3,004	1,272	669
III. Foreign exchange gains and negative effects of currency clause	1,285	213	1	327
<b>G. PROFIT FROM FINANCING</b>				
<b>H. LOSS FROM FINANCING</b>	<b>7,437</b>	<b>3,113</b>	<b>1,183</b>	<b>950</b>
<b>I. INCOME FROM VALUATION ADJUSTMENTS OF OTHER ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT</b>		<b>114</b>		
<b>J. LOSS ADJUSTMENT OTHER PROPERTY CARRIED AT FAIR VALUE THROUGH INCOME</b>	<b>446</b>			



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STATEMENT				
<b>K. OTHER INCOME</b>	<b>3,272</b>	<b>3,105</b>	<b>911</b>	<b>672</b>
<b>L. OTHER EXPENSES</b>	<b>2,312</b>	<b>159</b>	<b>1</b>	<b>31</b>
<b>M. OPERATING PROFIT BEFORE TAX</b>	<b>9,499</b>	<b>24,586</b>	<b>11,154</b>	<b>11,764</b>
<b>N. LOSS FROM OPERATIONS BEFORE TAX</b>				
<b>Q. PROFIT BEFORE TAXATION</b>	<b>9,499</b>	<b>24,586</b>	<b>11,154</b>	<b>11,764</b>
<b>R. LOSS BEFORE TAXATION</b>				
<b>R. INCOME TAX</b>				
I. Current tax expense	3,617	5,638	2,028	2,819
II. Deferred income tax expense				
III. Deferred income tax benefit	1,148	131		
<b>T.EARNINGS OF EMPLOYER</b>				
<b>U. NET PROFIT</b>	<b>7,030</b>	<b>19,079</b>	<b>9,126</b>	<b>8,945</b>
<b>V. NET LOSS</b>				

### 3.15. TIGAR CATERING

#### BALANCE SHEET (in thousands of RSD)

ASSETS	As of 31 <sup>st</sup> December 2014	As of 31st December 2015	As of 30th June 2016
<b>A. SUBSCRIBED CAPITAL UNPAID</b>			
<b>B. NON-CURRENT ASSETS</b>	<b>166,933</b>	<b>163,808</b>	<b>161,696</b>
<b>I. INTANGIBLE ASSETS</b>	<b>8</b>	<b>110</b>	<b>108</b>
Concessions, patents , licenses, trademarks and service marks, software and other rights	8	2	
Goodwill			
Other intangible assets		108	
Intangible assets under construction			108
Advances for intangible assets			
<b>II. PROPERTY, PLANT AND EQUIPMENT</b>	<b>164,226</b>	<b>163,698</b>	<b>161,588</b>
Land	27,190	27,190	27,190
Buildings	129,574	127,234	126,047
Plant and equipment	6,475	7,691	6,768
Property, plant and equipment construction	987	1,583	1,583
<b>III. BIOLOGICAL AGENTS</b>			
<b>IV. LONG-TERM FINANCIAL PLACEMENTS</b>			
<b>V. LONG-TERM RECEIVABLES</b>	<b>2,699</b>		
Receivables from parent company and its subsidiaries	2,699		
<b>C. DEFERRED TAX ASSETS</b>			
<b>D. CURRENT ASSETS</b>	<b>89,568</b>	<b>62,502</b>	<b>46,725</b>
<b>I. INVENTORIES</b>	<b>5,839</b>	<b>6,096</b>	<b>3,083</b>
Material , spare parts , tools and supplies	3,840	4,018	2,349
Goods	1,146	1,128	734
Advances paid to suppliers	853	950	
<b>II. Receivables from sale</b>	<b>25,954</b>	<b>11,536</b>	<b>7,172</b>
Customers in the country - the parent and subsidiaries	8,543	2,757	342
Customers in the country - other related parties	20	25	25
Customers in the country	17,273	8,754	6,805
Customers abroad	118		
<b>III RECEIVABLES FROM SPECIFIC OPERATIONS</b>			
<b>IV. OTHER RECEIVABLES</b>	<b>33,822</b>	<b>35,826</b>	<b>24,297</b>
<b>V. FINANCIAL ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT</b>			
<b>VI. SHORT-TERM FINANCIAL PLACEMENTS</b>	<b>23,065</b>	<b>8,362</b>	<b>11,577</b>
Short-term loans and investments - parent and subsidiaries	23,065	8,362	11,577
<b>VII. CASH AND CASH EQUIVALENTS</b>		<b>67</b>	<b>84</b>
<b>VIII. VALUE ADDED TAX</b>			
<b>IX. PREPAYMENTS</b>	<b>888</b>	<b>615</b>	<b>512</b>



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<b>I. TOTAL ASSETS</b>	<b>256,501</b>	<b>226,310</b>	<b>208,421</b>
<b>F. OFF BALANCE SHEET ASSETS</b>			
<b>EQUITY AND LIABILITIES</b>	<b>As of 31 December 2014</b>	<b>As of 31 December 2015</b>	<b>As of 30 June 2016</b>
<b>A. EQUITY</b>	<b>99,619</b>	<b>97,875</b>	<b>99,989</b>
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 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	35	749	749
VIII. RETAINED EARNINGS			2,114
Retained profit from financial year			2,114
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>B. NON-CURRENT ASSETS</b>	<b>2,388</b>	<b>13,421</b>	<b>13,421</b>
I. LONG-TERM PROVISIONS	2,388	3,371	3,371
Provision for retirement and other employee benefits	2,388	3,371	3,371
II. LONG-TERM LIABILITIES		10,050	10,050
<b>C. DEFERRED TAX LIABILITIES</b>	<b>631</b>	<b>228</b>	<b>228</b>
<b>D. CURRENT LIABILITIES</b>	<b>153,863</b>	<b>114,786</b>	<b>94,783</b>
I. SHORT-TERM FINANCIAL LIABILITIES	15,766	2,754	11,965
Short-term loans from parent companies and subsidiaries	15,766	2,754	11,965
II. PREPAYMENTS, DEPOSITS AND GUARANTEES	374	794	
III. ACCOUNTS PAYABLE	99,193	93,837	61,070
Suppliers - parent and subsidiaries in the country	50,730	56,900	20,666
Suppliers - other related parties in the country	12	12	12
Suppliers in the country	48,279	36,758	40,122
Foreign suppliers	172	149	252
Other liabilities		18	18
IV. OTHER CURRENT LIABILITIES	32,530	11,788	14,229
V. LIABILITIES FOR VALUE ADDED TAX	1,587	1,556	3,557
VI OTHER TAXES, CONTRIBUTIONS AND OTHER FEES			
VII. ACCRUALS	4,413	4,057	3,962
<b>I. THE LOSS IN EXCESS OF CAPITAL</b>			
<b>F. TOTAL LIABILITIES</b>	<b>256,501</b>	<b>226,310</b>	<b>208,421</b>
<b>G. OFF BALANCE SHEET LIABILITIES</b>			

<b>Income statement (in thousands of RSD)</b>	<b>January- December 2014</b>	<b>January- December 2015</b>	<b>January- June 2015</b>	<b>January- June 2016</b>
<b>INCOME FROM OPERATIONS</b>				
<b>A. OPERATING INCOME</b>	<b>177,211</b>	<b>205,323</b>	<b>100,735</b>	<b>99,701</b>
I. Sales of goods	12,281	11,198	42,934	4,669
II. Sales of products and services	164,906	194,125	57,801	95,032
III. Revenues from premiums, subsidies, donations, grants etc.				
IV. Other operating income	24			
<b>EXPENSES FROM OPERATIONS</b>				
<b>B. OPERATING EXPENSES</b>	<b>180,543</b>	<b>203,801</b>	<b>97,444</b>	<b>96,816</b>
I. Cost of commercial goods sold	5,830	5,863	2,722	2,322
II. Work performed by the company and capitalized	270	331	202	93



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V. Material consumed	88,491	101,935	49,336	47,904
VI. Fuel and energy consumed	7,640	8,181	4,248	3,773
VII. Staff costs	58,672	64,305	30,434	31,353
VIII. Production expenses	3,012	4,337	2,150	1,841
IX. Amortization	4,341	4,288	2,100	2,192
X. Costs of long-term provisions	1,160	454		
XI. Intangible costs	11,667	14,769	6,656	7,524
<b>C. PROFIT FROM OPERATIONS</b>		<b>1,522</b>	<b>3,291</b>	<b>2,885</b>
<b>D. LOSS FROM OPERATIONS</b>	<b>3,332</b>			
<b>I. FINANCE INCOME</b>		<b>4</b>	<b>1</b>	
I. Financial income from related persons and other financial income				
II. Interest income (from third parties)		3		
III. Gains and positive effects of currency clause		1	1	
<b>F. FINANCE EXPENSES</b>	<b>7,814</b>	<b>2,919</b>	<b>49</b>	<b>714</b>
I. Financial expenses related party transactions and other financial expenses				
II. Interest expense (by third parties)	7,813	2,910	40	714
III. Foreign exchange gains and negative effects of currency clause	1	9	9	
<b>G. PROFIT FROM FINANCING</b>				
<b>H. LOSS FROM FINANCING</b>	<b>7,814</b>	<b>2,915</b>	<b>48</b>	<b>714</b>
<b>I. INCOME FROM VALUATION ADJUSTMENTS OF OTHER ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT</b>	<b>56</b>			
<b>J. LOSS ADJUSTMENT OTHER PROPERTY CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT</b>	<b>250</b>	<b>386</b>		
<b>K. OTHER INCOME</b>	<b>1,738</b>	<b>839</b>		<b>137</b>
<b>L. OTHER EXPENSES</b>	<b>738</b>	<b>493</b>	<b>184</b>	<b>194</b>
<b>M. OPERATING PROFIT BEFORE TAX</b>			<b>3,059</b>	<b>2,114</b>
<b>N. LOSS FROM OPERATIONS BEFORE TAX</b>	<b>10,340</b>	<b>1,433</b>		
<b>Q. PROFIT BEFORE TAXATION</b>			<b>3,059</b>	<b>2,114</b>
<b>R. LOSS BEFORE TAXATION</b>	<b>10,340</b>	<b>1,433</b>		
<b>R. INCOME TAX</b>				
I. Current tax expense				
II. Deferred income tax expense	138			
III. Deferred income tax benefit		403		
<b>T. EARNINGS OF EMPLOYER</b>				
<b>U. NET PROFIT</b>			<b>3,059</b>	<b>2,114</b>
<b>V. NET LOSS</b>	<b>10,478</b>	<b>1,030</b>		

<b>CASH FLOWS (in thousands of RSD)</b>	<b>January-June 2015</b>	<b>January-June 2016</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash inflow from operating activities	71,271	134,516
Cash outflow from operating activities	69,239	139,708
Net cash inflow from operating activities	2,032	
Net outflow from operating activities		5,192
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Cash inflow from investing activities		
Cash outflow from investing activities		1,187
Net cash inflow from investing activities		
Net cash outflow from investing activities		1,187
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Cash inflow from financing activities		6,396
Cash outflow from financing activities	2,024	
Net cash inflow from financing activities		6,396
Net cash outflow from financing activities	2,024	
<b>Total cash inflow</b>	<b>71,271</b>	<b>140,912</b>



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Total cash outflow	71,263	140,895
<b>NET CASH INFLOW</b>	8	17
<b>NET CASH OUTFLOW</b>		
Cash and cash equivalents at beginning of year		67
Foreign exchange gains on translation of cash and cash equivalents		
Foreign exchange losses on translation of cash and cash equivalents		
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>8</b>	<b>84</b>

3.16. TIGAR INCON

**BALANCE SHEET (in thousands of RSD)**

<b>ASSETS</b>	<b>As of 31<sup>st</sup> December 2014</b>	<b>As of 31<sup>st</sup> December 2015</b>	<b>As of 30<sup>th</sup> June 2016</b>
<b>A. SUBSCRIBED CAPITAL UNPAID</b>			
<b>B. NON-CURRENT ASSETS</b>	<b>159,642</b>	<b>146,443</b>	<b>144,293</b>
<b>I. INTANGIBLE ASSETS</b>	12	2	58
Concessions, patents , licenses, trademarks and service marks, software and other rights	12	2	
Intangible assets under construction			58
<b>II. PROPERTY, PLANT AND EQUIPMENT</b>	151,310	146,441	144,235
Land	7,727	7,727	7,727
Buildings	132,443	130,335	129,279
Plant and equipment	11,140	8,050	6,900
Other property, plant and equipment			
Property, plant and equipment construction		329	329
<b>III. BIOLOGICAL AGENTS</b>			
<b>IV. LONG-TERM FINANCIAL PLACEMENTS</b>			
<b>V. LONG-TERM RECEIVABLES</b>	8,320		
Receivables from parent company and its subsidiaries	8,320		
<b>C. DEFERRED TAX ASSETS</b>			
<b>D. CURRENT ASSETS</b>	<b>55,809</b>	<b>32,286</b>	<b>27,693</b>
<b>I. INVENTORIES</b>	5,887	7,065	7,259
Material , spare parts , tools and supplies	5,118	6,325	6,109
Advances paid to suppliers	769	740	1,150
<b>II. Receivables from sale</b>	42,467	17,807	11,561
Customers in the country - the parent and subsidiaries	8,603	8,375	2,793
Customers abroad - parent and subsidiaries			
Customers in the country - other related parties	2,636	2,636	2,636
Customers in the country	31,228	6,796	6,132
<b>III RECEIVABLES FROM SPECIFIC OPERATIONS</b>			
<b>IV. OTHER RECEIVABLES</b>		60	60
<b>V. FINANCIAL ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT</b>			
<b>VI. SHORT-TERM FINANCIAL PLACEMENTS</b>	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			
<b>VII. CASH AND CASH EQUIVALENTS</b>	6	7	10
<b>VIII. VALUE ADDED TAX</b>		1,254	1,909
<b>IX. PREPAYMENTS</b>	98	3,975	2,908
<b>I. TOTAL ASSETS</b>	<b>215,451</b>	<b>178,729</b>	<b>171,986</b>
<b>EQUITY AND LIABILITIES</b>	<b>As of 31 December 2014</b>	<b>As of 31 December 2015</b>	<b>As of 30 June 2016</b>
<b>A. EQUITY</b>	74,401	58,443	49,201
<b>I. SHARE AND OTHER CAPITAL</b>	162,425	162,425	162,425
Share Capital			
<b>II. SUBSCRIBED CAPITAL UNPAID</b>			
<b>III. TREASURY SHARES</b>			
<b>IV. RESERVES</b>			
V. Revaluation reserves based on the revaluation of			



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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	112,584
Loss of previous years	68,127	87,451	103,342
Loss for the year	26,696	15,891	9,242
<b>B. NON-CURRENT ASSETS</b>	<b>2,727</b>	<b>43,127</b>	<b>43,126</b>
I. LONG-TERM PROVISIONS	2,727	2,608	2,608
Provision for retirement and other employee benefits	2,727	2,608	2,608
II. LONG-TERM LIABILITIES		40,519	40,518
<b>C. DEFERRED TAX LIABILITIES</b>	<b>1,369</b>	<b>382</b>	<b>382</b>
<b>D. CURRENT LIABILITIES</b>	<b>136,954</b>	<b>76,777</b>	<b>79,277</b>
I. SHORT-TERM FINANCIAL LIABILITIES	29,657	22,629	18,151
Short-term loans from parent companies and subsidiaries	29,657	22,629	18,151
II. PREPAYMENTS, DEPOSITS AND GUARANTEES		15,038	20,644
III. ACCOUNTS PAYABLE	44,487	23,844	22,763
Suppliers - parent and subsidiaries in the country	25,066	13,085	7,392
Suppliers in the country	19,421	10,759	15,262
Foreign suppliers			109
IV. OTHER CURRENT LIABILITIES	54,135	13,202	15,412
V. LIABILITIES FOR VALUE ADDED TAX	1,996		
VI OTHER TAXES, CONTRIBUTIONS AND OTHER FEES			
VII. ACCRUALS	6,679	2,064	2,307
<b>I. THE LOSS IN EXCESS OF CAPITAL</b>			
<b>F. TOTAL LIABILITIES</b>	<b>215,451</b>	<b>178,729</b>	<b>171,986</b>

Income statement (in thousands of RSD)	January - December 2014	January- December 2015	January- June 2015	January- June 2016
<b>INCOME FROM OPERATIONS</b>				
<b>A. OPERATING INCOME</b>	<b>73,187</b>	<b>95,661</b>	<b>39,682</b>	<b>40,433</b>
I. Sales of goods				
II. Sales of products and services	73,187	94,361	39,682	38,605
III. Revenues from premiums, subsidies, donations, grants etc.				
IV. Other operating income		1,300		1,828
<b>EXPENSES FROM OPERATIONS</b>				
<b>B. OPERATING EXPENSES</b>	<b>92,482</b>	<b>107,121</b>	<b>46,866</b>	<b>48,887</b>
II. Work performed by the company and capitalized				
V. Material consumed	16,885	34,436	10,819	13,094
VI. Fuel and energy consumed	2,990	2,360	1,117	1,088
VII. Staff costs	48,728	50,071	25,327	23,186
VIII. Production expenses	5,941	3,370	1,237	3,481
IX. Amortization	5,837	5,279	2,739	2,323
X. Costs of long-term provisions		160		
XI. Intangible costs	12,101	11,445	5,627	5,715
<b>C. PROFIT FROM OPERATIONS</b>				
<b>D. LOSS FROM OPERATIONS</b>	<b>19,295</b>	<b>11,460</b>	<b>7,184</b>	<b>8,454</b>
<b>I. FINANCE INCOME</b>		<b>716</b>		
I. Financial income from related persons and other financial income				
II. Interest income (from third parties)		716		



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III. Gains and positive effects of currency clause				
<b>F. FINANCE EXPENSES</b>	<b>8,987</b>	<b>6,665</b>	<b>64</b>	<b>653</b>
I. Financial expenses related party transactions and other financial expenses				
II. Interest expense (by third parties)	8,987	6,665	64	653
III. Foreign exchange gains and negative effects of currency clause				
<b>G. PROFIT FROM FINANCING</b>				
<b>H.LOSS FROM FINANCING</b>	<b>8,987</b>	<b>5,949</b>	<b>64</b>	<b>653</b>
<b>I. INCOME FROM VALUATION ADJUSTMENTS OF OTHER ASSETS CARRIED AT FAIR VALUE TROUGH INCOME STATEMENT</b>	289	441		
<b>J. LOSS ADJUSTMENT OTHER PROPERTY CARRIED AT FAIR VALUE TROUGH INCOME STATEMENT</b>				
<b>K. OTHER INCOME</b>	1,541	200		<b>92</b>
<b>L. OTHER EXPENSES</b>	323	110		<b>227</b>
<b>M. OPERATING PROFIT BEFORE TAX</b>				
<b>N. LOSS FROM OPERATIONS BEFORE TAX</b>	<b>26,775</b>	<b>16,878</b>	<b>7,248</b>	<b>9,242</b>
<b>Q. PROFIT BEFORE TAXATION</b>				
<b>R. LOSS BEFORE TAXATION</b>	<b>26,775</b>	<b>16,878</b>	<b>7,248</b>	<b>9,242</b>
<b>R. INCOME TAX</b>				
I. Current tax expense				
II. Deferred income tax expense				
III. Deferred income tax benefit	79	987		
<b>T.EARNINGS OF EMPLOYER</b>				
<b>U. NET PROFIT</b>				
<b>V. NET LOSS</b>	<b>26,696</b>	<b>15,891</b>	<b>7,248</b>	<b>9,242</b>

CASH FLOWS (in thousands of RSD)	January-June 2015	January-June 2016
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash inflow from operating activities	30,802	56,812
Cash outflow from operating activities	35,813	50,463
Net cash inflow from operating activities		6,349
Net outflow from operating activities	5,011	
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Cash inflow from investing activities		
Cash outflow from investing activities		
Net cash inflow from investing activities		
Net cash outflow from investing activities		
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Cash inflow from financing activities	5,011	14,349
Cash outflow from financing activities		20,695
Net cash inflow from financing activities	5,011	
Net cash outflow from financing activities		6,346
<b>Total cash inflow</b>	<b>35,813</b>	<b>71,161</b>
<b>Total cash outflow</b>	<b>35,813</b>	<b>71,158</b>
<b>NET CASH INFLOW</b>		3
<b>NET CASH OUTFLOW</b>		
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		
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>6</b>	<b>10</b>





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3.17. TAX FREE ZONE PIROT

**BALANCE SHEET (in thousands of RSD)**

<b>ASSETS</b>	<b>As of 31 st December 2014</b>	<b>As of 31 st December 2015</b>	<b>As of 30<sup>th</sup> June 2016</b>
<b>A. SUBSCRIBED CAPITAL UNPAID</b>			
<b>B. NON-CURRENT ASSETS</b>	<b>77,451</b>	<b>116,615</b>	<b>125,429</b>
I. INTANGIBLE ASSETS	247	232	1,041
Concessions, patents , licenses, trademarks and service marks, software and other rights	247	232	1,041
II. PROPERTY, PLANT AND EQUIPMENT	77,204	116,383	124,388
Land	18,090	18,412	11,020
Buildings	45,805	48,166	66,221
Plant and equipment	4,171	3,294	4,774
Property, plant and equipment construction	8,428	29,733	21,710
Leasehold property, plant and equipment	710	512	477
Advances for property , plant and equipment		16,266	20,186
III. BIOLOGICAL AGENTS			
IV. LONG-TERM FINANCIAL PLACEMENTS			
Other long-term investments			
V. LONG-TERM RECEIVABLES			
Receivables from parent company and its subsidiaries			
<b>C. DEFERRED TAX ASSETS</b>			
<b>D. CURRENT ASSETS</b>	<b>188,527</b>	<b>124,663</b>	<b>166,767</b>
I. INVENTORIES	1,133	651	2,261
Goods	1,019	541	540
Advances paid to suppliers	114	110	1,721
II. Receivables from sale	43,249	40,497	53,025
Customers in the country - the parent and subsidiaries	7,887	1,104	3,945
Customers in the country	31,307	35,105	43,024
Customers abroad	4,055	4,288	6,056
III RECEIVABLES FROM SPECIFIC OPERATIONS	1,255		
IV. OTHER RECEIVABLES	15,905	142	167
V. FINANCIAL ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT			
VI. SHORT-TERM FINANCIAL PLACEMENTS	45,000		8,000
Short-term loans and investments - parent and subsidiaries	45,000		8,000
VII. CASH AND CASH EQUIVALENTS	79,048	79,413	101,619
VIII. VALUE ADDED TAX		2,092	
IX. PREPAYMENTS	2,937	1,868	1,695
<b>I. TOTAL ASSETS</b>	<b>265,978</b>	<b>241,278</b>	<b>292,196</b>
<b>F. OFF BALANCE SHEET ASSETS</b>	<b>12,500</b>	<b>12,500</b>	<b>12,500</b>
<b>EQUITY AND LIABILITIES</b>	<b>As of 31 December 2014</b>	<b>As of 31 December 2015</b>	<b>As of 30 June 2016</b>
<b>A. EQUITY</b>	<b>222,112</b>	<b>196,161</b>	<b>231,002</b>
I. SHARE AND OTHER CAPITAL	<b>118,439</b>	<b>118,439</b>	<b>118,439</b>
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	142,502
Retained profit from previous years	75,923	64,921	107,662
Retained profit from financial year	22,178	42,740	34,840
IX. PARTICIPATION RIGHTS WITHOUT CONTROL			



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X. LOSS			
Loss of previous years			
Loss for the year			
<b>B. NON-CURRENT ASSETS</b>	<b>2,792</b>	<b>4,635</b>	<b>4,635</b>
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			
<b>C. DEFERRED TAX LIABILITIES</b>	<b>411</b>	<b>292</b>	<b>292</b>
<b>D. CURRENT LIABILITIES</b>	<b>40,663</b>	<b>40,190</b>	<b>56,267</b>
I. SHORT-TERM FINANCIAL LIABILITIES			
II. PREPAYMENTS, DEPOSITS AND GUARANTEES	2,182	2,210	4,766
III. ACCOUNTS PAYABLE	25,800	27,680	41,145
Suppliers - parent and subsidiaries in the country	5,229	2,671	824
Suppliers in the country	14,947	14,311	24,381
Foreign suppliers	5,438	10,493	15,809
Other liabilities	186	205	131
IV. OTHER CURRENT LIABILITIES	6,611	7,391	8,452
V. LIABILITIES FOR VALUE ADDED TAX	1,167	1	1,132
VI OTHER TAXES, CONTRIBUTIONS AND OTHER FEES	4,300	2,549	772
VII. ACCRUALS	603	359	
<b>I. THE LOSS IN EXCESS OF CAPITAL</b>			
<b>F. TOTAL LIABILITIES</b>	<b>265,978</b>	<b>241,278</b>	<b>292,196</b>
<b>G. OFF BALANCE SHEET LIABILITIES</b>	<b>12,500</b>	<b>12,500</b>	<b>12,500</b>

Income statement (in thousands of RSD)	January- December 2014	January- December 2015	January- June 2015	January- June 2016
<b>INCOME FROM OPERATIONS</b>				
<b>A. OPERATING INCOME</b>	<b>261,118</b>	<b>375,156</b>	<b>194,350</b>	<b>232,298</b>
I. Sales of goods	5			1
II. Sales of products and services	261,113	375,156	194,350	232,297
III. Revenues from premiums, subsidies, donations, grants etc.				
IV. Other operating income				
<b>EXPENSES FROM OPERATIONS</b>				
<b>B. OPERATING EXPENSES</b>	<b>226,644</b>	<b>315,767</b>	<b>163,761</b>	<b>196,162</b>
I. Cost of commercial goods sold	202			1
V. Material consumed	1,984	1,563	360	828
VI. Fuel and energy consumed	4,461	4,586	2,373	2,781
VII. Staff costs	55,515	60,701	28,473	33,365
VIII. Production expenses	148,736	231,825	124,809	151,634
IX. Amortization	2,867	3,028	1,541	1,580
X. Costs of long-term provisions	170	1,188		
XI. Intangible costs	12,709	12,876	6,204	5,973
<b>C. PROFIT FROM OPERATIONS</b>	<b>34,474</b>	<b>59,389</b>	<b>30,589</b>	<b>36,136</b>
<b>D. LOSS FROM OPERATIONS</b>				
<b>I. FINANCE INCOME</b>	<b>14,757</b>	<b>6,704</b>	<b>702</b>	<b>1,216</b>
I. Financial income from related persons and other financial income	10,245	4,695		
II. Interest income (from third parties)	181	645	247	27
III. Gains and positive effects of currency clause	4,331	1,364	456	1,189
<b>F. FINANCE EXPENSES</b>	<b>716</b>	<b>1,148</b>	<b>551</b>	<b>494</b>
I. Financial expenses related party transactions and other financial expenses	9	5	5	1
II. Interest expense (by third parties)	7	2		
III. Foreign exchange gains and negative effects of currency clause	700	1,141	546	493
<b>G. PROFIT FROM FINANCING</b>	<b>14,041</b>	<b>5,556</b>	<b>151</b>	<b>722</b>
<b>H. LOSS FROM FINANCING</b>				
<b>I. INCOME FROM VALUATION ADJUSTMENTS</b>	<b>2,656</b>	<b>3,712</b>		<b>73</b>



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<b>OF OTHER ASSETS CARRIED AT FAIR VALUE TROUGH INCOME STATEMENT</b>				
<b>J. LOSS ADJUSTMENT OTHER PROPERTY CARRIED AT FAIR VALUE TROUGH INCOME STATEMENT</b>	23,072	16,156		
<b>K. OTHER INCOME</b>	268	383	153	3,481
<b>L. OTHER EXPENSES</b>	256	710	0	
<b>M. OPERATING PROFIT BEFORE TAX</b>	<b>28,111</b>	<b>52,174</b>	<b>30,893</b>	<b>40,412</b>
<b>N. LOSS FROM OPERATIONS BEFORE TAX</b>				
<b>Q. PROFIT BEFORE TAXATION</b>	<b>28,111</b>	<b>52,174</b>	<b>30,893</b>	<b>40,412</b>
<b>R. LOSS BEFORE TAXATION</b>				
<b>R. INCOME TAX</b>				
I. Current tax expense	5,420	9,552	3,826	5,572
II. Deferred income tax expense	513			
III. Deferred income tax benefit		118		
<b>T.EARNINGS OF EMPLOYER</b>				
<b>U. NET PROFIT</b>	<b>22,178</b>	<b>42,740</b>	<b>27,067</b>	<b>34,840</b>
<b>V. NET LOSS</b>				

### 3.18. TIGAR SECURITY

**BALANCE SHEET (in thousands of RSD)**

<b>ASSETS</b>	<b>As of 31<sup>st</sup> December 2014</b>	<b>As of 31<sup>st</sup> December 2015</b>	<b>As of 30<sup>th</sup> June 2016</b>
<b>A. SUBSCRIBED CAPITAL UNPAID</b>			
<b>B. NON-CURRENT ASSETS</b>	<b>90,532</b>	<b>27,832</b>	<b>27,550</b>
I. INTANGIBLE ASSETS			
II. PROPERTY, PLANT AND EQUIPMENT	<b>29,111</b>	<b>27,832</b>	<b>27,550</b>
Land	1,558	1,558	1,558
Buildings	23,674	23,272	23,072
Plant and equipment	3,358	2,742	2,457
Investment property			
Property, plant and equipment construction			333
Leasehold property, plant and equipment	521	260	130
III. BIOLOGICAL AGENTS			
IV. LONG-TERM FINANCIAL PLACEMENTS			
Shares in subsidiaries			
Shares in associated companies and joint ventures			
Shares in other legal entities and other securities Available for sale			
Other long-term investments			
<b>V. LONG-TERM RECEIVABLES</b>	<b>61,421</b>		
Receivables from parent company and its subsidiaries	61,421		
<b>C. DEFERRED TAX ASSETS</b>	<b>280</b>	<b>468</b>	<b>468</b>
<b>D. CURRENT ASSETS</b>	<b>114,939</b>	<b>63,666</b>	<b>81,528</b>
I. INVENTORIES	116	413	429
Advances paid to suppliers	116	413	429
II. Receivables from sale	69,099	54,501	61,163
Customers in the country - the parent and subsidiaries	48,600	41,761	47,073
Customers abroad - parent and subsidiaries			
Customers in the country - other	84	10	27



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related parties			
Customers in the country	20,415	12,730	14,063
Customers abroad			
Other receivables from sales			
III RECEIVABLES FROM SPECIFIC OPERATIONS			
IV. OTHER RECEIVABLES	123	3,421	3,293
V. FINANCIAL ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT			
VI. SHORT-TERM FINANCIAL PLACEMENTS	45,434	4,858	16,202
Short-term loans and investments - parent and subsidiaries	45,434	4,858	16,202
Short-term loans and investments - other related parties			
Other short-term financial investments			
VII. CASH AND CASH EQUIVALENTS		7	6
VIII. VALUE ADDED TAX			
IX. PREPAYMENTS	167	466	435
<b>I. TOTAL ASSETS</b>	<b>205,751</b>	<b>91,966</b>	<b>109,546</b>
<b>F. OFF BALANCE SHEET ASSETS</b>			
<b>EQUITY AND LIABILITIES</b>	<b>As of 31<sup>st</sup> December 2014</b>	<b>As of 31<sup>st</sup> December 2015</b>	<b>As of 30<sup>th</sup> June 2016</b>
<b>A. EQUITY</b>	87,821	48,823	58,443
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	22,503
Retained profit from previous years	27,592		12,883
Retained profit from financial year	23,780	12,883	9,620
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>B. NON-CURRENT ASSETS</b>	<b>1,861</b>	<b>2,418</b>	<b>2,293</b>
I. LONG-TERM PROVISIONS	1,861	2,418	2,293
Provision for retirement and other employee benefits	1,861	2,418	2,293
II. LONG-TERM LIABILITIES			
<b>C. DEFERRED TAX LIABILITIES</b>			
<b>D. CURRENT LIABILITIES</b>	<b>116,069</b>	<b>40,725</b>	<b>48,810</b>



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I. SHORT-TERM FINANCIAL LIABILITIES	32,286		1,040
Short-term loans from parent companies and subsidiaries	32,286		1,040
II. PREPAYMENTS, DEPOSITS AND GUARANTEES	50	36	1,260
III. ACCOUNTS PAYABLE	8,629	6,033	3,756
Suppliers - parent and subsidiaries in the country	4,024	1,840	1,947
Suppliers - parent and subsidiaries abroad			
Suppliers - other related parties in the country	180		5
Suppliers in the country	4,425	4,193	1,804
Foreign suppliers			
Other liabilities			
IV. OTHER CURRENT LIABILITIES	58,454	26,889	31,540
V. LIABILITIES FOR VALUE ADDED TAX	4,997	1,982	6,455
VI OTHER TAXES, CONTRIBUTIONS AND OTHER FEES	6,914	1,184	434
VII. ACCRUALS	4,739	4,601	4,325
<b>I. THE LOSS IN EXCESS OF CAPITAL</b>			
<b>F. TOTAL LIABILITIES</b>	<b>205,751</b>	<b>91,966</b>	<b>109,546</b>
<b>G. OFF BALANCE SHEET LIABILITIES</b>			

Income statement (in thousands of RSD)	January-December 2014	January-December 2015	January-June 2015	January-June 2016
<b>INCOME FROM OPERATIONS</b>				
<b>A. OPERATING INCOME</b>	<b>126,214</b>	<b>119,795</b>	<b>58,499</b>	<b>69,234</b>
I. Sales of goods				
II. Sales of products and services	126,214	119,795	58,499	68,657
III. Revenues from premiums, subsidies, donations, grants etc.				
IV. Other operating income				577
<b>EXPENSES FROM OPERATIONS</b>				
<b>B. OPERATING EXPENSES</b>	<b>86,597</b>	<b>99,200</b>	<b>47,163</b>	<b>57,324</b>
I. Cost of commercial goods sold				
II. Work performed by the company and capitalized				
V. Material consumed	1,684	144	81	131
VI. Fuel and energy consumed	1,179	1,260	548	584
VII. Staff costs	76,217	85,298	41,262	49,868
VIII. Production expenses	1,325	1,227	481	440
IX. Amortization	1,461	1,312	699	616
X. Costs of long-term provisions		136		
XI. Intangible costs	4,731	9,823	4,092	5,685
<b>C. PROFIT FROM OPERATIONS</b>	<b>39,617</b>	<b>20,595</b>	<b>11,336</b>	<b>11,910</b>
<b>D. LOSS FROM OPERATIONS</b>				
<b>I. FINANCE INCOME</b>			<b>0</b>	
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				
<b>F. FINANCE EXPENSES</b>	<b>10,867</b>	<b>4,008</b>	<b>3,310</b>	<b>439</b>
I. Financial expenses related party transactions and other financial expenses				



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II. Interest expense (by third parties)	10,867	4,008	3,310	439
III. Foreign exchange gains and negative effects of currency clause				
<b>G. PROFIT FROM FINANCING</b>				
<b>H. LOSS FROM FINANCING</b>	<b>10,867</b>	<b>4,008</b>	<b>3,310</b>	<b>439</b>
<b>I. INCOME FROM VALUATION ADJUSTMENTS OF OTHER ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT</b>				
<b>J. LOSS ADJUSTMENT OTHER PROPERTY CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT</b>	131	192		
<b>K. OTHER INCOME</b>	863	166		<b>98</b>
<b>L. OTHER EXPENSES</b>	10	16	<b>16</b>	<b>25</b>
<b>M. OPERATING PROFIT BEFORE TAX</b>	<b>29,472</b>	<b>16,545</b>	<b>8,010</b>	<b>11,544</b>
<b>N. LOSS FROM OPERATIONS BEFORE TAX</b>				
<b>Q. PROFIT BEFORE TAXATION</b>	<b>29,472</b>	<b>16,545</b>	<b>8,010</b>	<b>11,544</b>
<b>R. LOSS BEFORE TAXATION</b>				
<b>R. INCOME TAX</b>				
I. Current tax expense	7,147	3,850	3,573	1,924
II. Deferred income tax expense	34			
III. Deferred income tax benefit		188		
<b>T. EARNINGS OF EMPLOYER</b>				
<b>U. NET PROFIT</b>	<b>22,291</b>	<b>12,883</b>	<b>4,437</b>	<b>9,620</b>
<b>V. NET LOSS</b>				

3.19. PI – CHANNEL

**BALANCE SHEET (in thousands of RSD)**

<b>ASSETS</b>	<b>As of 31<sup>st</sup> December 2014</b>	<b>As of 31<sup>st</sup> December 2015</b>	<b>As of 30<sup>th</sup> June 2016</b>
<b>A. SUBSCRIBED CAPITAL UNPAID</b>			
<b>B. NON-CURRENT ASSETS</b>	<b>6,717</b>	<b>6,013</b>	<b>5,758</b>
I. INTANGIBLE ASSETS			20
Intangible assets under construction			20
II. PROPERTY, PLANT AND EQUIPMENT	6,717	6,013	5,738
Buildings	67	67	64
Plant and equipment	1,193	584	353
Property, plant and equipment construction		33	52
Leasehold property, plant and equipment	5,457	5,329	5,269
III. BIOLOGICAL AGENTS			
IV. LONG-TERM FINANCIAL PLACEMENTS			
V. LONG-TERM RECEIVABLES			
Receivables from parent company and its subsidiaries			
<b>C. DEFERRED TAX ASSETS</b>	<b>17</b>	<b>48</b>	<b>48</b>
<b>D. CURRENT ASSETS</b>	<b>4,710</b>	<b>2,581</b>	<b>2,444</b>
I. INVENTORIES	239	405	
Advances paid to suppliers	239	405	
II. Receivables from sale	3,322	1,105	2,042
Customers in the country - other related parties	2,630	232	274
Customers in the country	692	873	1,768
Other receivables from sales			
III RECEIVABLES FROM SPECIFIC OPERATIONS			
IV. OTHER RECEIVABLES	398	205	201
V. FINANCIAL ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT			
VI. SHORT-TERM FINANCIAL PLACEMENTS			
VII. CASH AND CASH EQUIVALENTS	683	743	178
VIII. VALUE ADDED TAX			
IX. PREPAYMENTS	68	123	23
<b>I. TOTAL ASSETS</b>	<b>11,444</b>	<b>8,642</b>	<b>8,250</b>



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<b>F. OFF BALANCE SHEET ASSETS</b>			
<b>EQUITY AND LIABILITIES</b>	<b>As of 31 December 2014</b>	<b>As of 31 December 2015</b>	<b>As of 30 June 2016</b>
<b>A. EQUITY</b>	5,499	3,547	<b>4,037</b>
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	756
Retained profit from previous years	3,143		266
Retained profit from financial year		266	490
IX. PARTICIPATION RIGHTS WITHOUT CONTROL			
X. LOSS	925		
Loss of previous years			
Loss for the year	925		
<b>B. NON-CURRENT ASSETS</b>			
I. LONG-TERM PROVISIONS			
II. LONG-TERM LIABILITIES			
<b>C. DEFERRED TAX LIABILITIES</b>			
<b>D. CURRENT LIABILITIES</b>	<b>5,945</b>	<b>5,095</b>	<b>4,213</b>
I. SHORT-TERM FINANCIAL LIABILITIES	124		
Other short-term liabilities	124		
II. PREPAYMENTS, DEPOSITS AND GUARANTEES	177	376	
III. ACCOUNTS PAYABLE	3,867	3,158	2,713
Suppliers - other related parties in the country	2,703	1,615	2,042
Suppliers in the country	1,164	1,543	671
IV. OTHER CURRENT LIABILITIES	1,140	1,307	1,195
V. LIABILITIES FOR VALUE ADDED TAX	486	78	305
VI OTHER TAXES, CONTRIBUTIONS AND OTHER FEES			
VII. ACCRUALS	151	176	
<b>I. THE LOSS IN EXCESS OF CAPITAL</b>			
<b>F. TOTAL LIABILITIES</b>	<b>11,444</b>	<b>8,642</b>	<b>8,250</b>
<b>G. OFF BALANCE SHEET LIABILITIES</b>			

<b>Income statement (in thousands of RSD)</b>	<b>January- December 2014</b>	<b>January- December 2015</b>	<b>January- June 2015</b>	<b>January- June 2016</b>
<b>INCOME FROM OPERATIONS</b>				
<b>A. OPERATING INCOME</b>	<b>13,015</b>	<b>14,872</b>	<b>6,137</b>	<b>7,284</b>
I. Sales of goods				
II. Sales of products and services	13,015	4,627	2,668	4,084
III. Revenues from premiums, subsidies, donations, grants etc.				
IV. Other operating income		10,245	3,470	3,200
<b>EXPENSES FROM OPERATIONS</b>				
<b>B. OPERATING EXPENSES</b>	<b>14,074</b>	<b>14,608</b>	<b>6,226</b>	<b>6,757</b>
I. Cost of commercial goods sold				
V. Material consumed	214	220	116	51
VI. Fuel and energy consumed	1,185	1,102	495	442



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VII. Staff costs	9,388	9,892	4,458	5,127
VIII. Production expenses	1,206	776	298	328
IX. Amortization	805	755	385	294
X. Costs of long-term provisions				
XI. Intangible costs	1,276	1,863	474	515
<b>C. PROFIT FROM OPERATIONS</b>		<b>264</b>		<b>527</b>
<b>D. LOSS FROM OPERATIONS</b>	<b>1,059</b>		<b>88</b>	
<b>I. FINANCE INCOME</b>	<b>59</b>	<b>10</b>	<b>9</b>	
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				
<b>F. FINANCE EXPENSES</b>	<b>39</b>	<b>27</b>	<b>15</b>	<b>8</b>
I. Financial expenses related party transactions and other financial expenses				
II. Interest expense (by third parties)	23	26	14	8
III. Foreign exchange gains and negative effects of currency clause	16	1	1	
<b>G. PROFIT FROM FINANCING</b>	<b>20</b>			
<b>H. LOSS FROM FINANCING</b>		<b>17</b>	<b>6</b>	<b>8</b>
<b>I. INCOME FROM VALUATION ADJUSTMENTS OF OTHER ASSETS CARRIED AT FAIR VALUE TROUGH INCOME STATEMENT</b>	<b>52</b>	<b>38</b>		
<b>J. LOSS ADJUSTMENT OTHER PROPERTY CARRIED AT FAIR VALUE TROUGH INCOME STATEMENT</b>				
<b>K. OTHER INCOME</b>	<b>287</b>	<b>4</b>	<b>1</b>	<b>26</b>
<b>L. OTHER EXPENSES</b>	<b>240</b>	<b>40</b>		<b>47</b>
<b>M. OPERATING PROFIT BEFORE TAX</b>		<b>249</b>		<b>498</b>
<b>N. LOSS FROM OPERATIONS BEFORE TAX</b>	<b>940</b>		<b>93</b>	
<b>Q. PROFIT BEFORE TAXATION</b>		<b>249</b>		<b>498</b>
<b>R. LOSS BEFORE TAXATION</b>	<b>940</b>		<b>93</b>	
<b>R. INCOME TAX</b>				
I. Current tax expense		14		7
II. Deferred income tax expense				
III. Deferred income tax benefit	15	31		
<b>T.EARNINGS OF EMPLOYER</b>				
<b>U. NET PROFIT</b>		<b>266</b>		<b>490</b>
<b>V. NET LOSS</b>	<b>925</b>		<b>93</b>	

### 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 <sup>st</sup> December 2014	As of 31 <sup>st</sup> December 2015	As of 22 <sup>nd</sup> April 2016
<b>A. SUBSCRIBED CAPITAL UNPAID</b>			
<b>B. NON-CURRENT ASSETS</b>	<b>6,073</b>	<b>26</b>	<b>21</b>
<b>I. INTANGIBLE ASSETS</b>			
Investments in development			
Concessions, patents , licenses, trademarks and service marks, software and other rights			
Intangible assets under construction			





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Advances for intangible assets			
<b>II. PROPERTY, PLANT AND EQUIPMENT</b>	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			
<b>III. BIOLOGICAL AGENTS</b>			
<b>IV. LONG-TERM FINANCIAL PLACEMENTS</b>			
<b>V. LONG-TERM RECEIVABLES</b>	57		
Receivables from parent company and its subsidiaries	57		
<b>C. DEFERRED TAX ASSETS</b>			
<b>D. CURRENT ASSETS</b>	<b>4,745</b>	<b>3,787</b>	<b>3,061</b>
<b>I. INVENTORIES</b>	251	360	
Advances paid to suppliers	251	360	
<b>II. RECEIVABLES FROM SALE</b>	3,470	3,289	2,949
Customers in the country - the parent and subsidiaries	2,502	3,046	2,802
Customers in the country	651	243	147
Customers abroad	317		
Other receivables from sales			
<b>III RECEIVABLES FROM SPECIFIC OPERATIONS</b>			
<b>IV. OTHER RECEIVABLES</b>	45	44	60
<b>V. FINANCIAL ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT</b>			
<b>VI. SHORT-TERM FINANCIAL PLACEMENTS</b>	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			
<b>VII. CASH AND CASH EQUIVALENTS</b>	925	45	5
<b>VIII. VALUE ADDED TAX</b>			
<b>IX. PREPAYMENTS</b>	1	2	
<b>I. TOTAL ASSETS</b>	<b>10,818</b>	<b>3,813</b>	<b>3,082</b>
<b>F. OFF BALANCE SHEET ASSETS</b>			
<b>EQUITY AND LIABILITIES</b>	<b>As of 31 December 2014</b>	<b>As of 31 December 2015</b>	<b>As of 22 April 2016</b>
<b>A. EQUITY</b>	<b>8,059</b>	<b>1,853</b>	<b>1,463</b>
<b>I. SHARE AND OTHER CAPITAL</b>	9,103	3,184	3,184
Share Capital			
<b>II. SUBSCRIBED CAPITAL UNPAID</b>			
<b>III. TREASURY SHARES</b>			
<b>IV. RESERVES</b>			
V. Revaluation reserves based on the revaluation of intangible assets, property , plant and equipment			
<b>VI. UNREALIZED GAINS ON SECURITIES VALUE AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULTS</b>			
<b>VII. UNREALIZED LOSSES ON SECURITIES VALUE AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULTS</b>	43	34	34
<b>VIII. RETAINED EARNINGS</b>	474		
Retained profit from previous years	474		
<b>IX. PARTICIPATION RIGHTS WITHOUT CONTROL</b>			
<b>X. LOSS</b>	1,475	1,297	1,687
Loss of previous years	1,137	1,001	1,297
Loss for the year	338	296	389
<b>B. NON-CURRENT ASSETS</b>	<b>190</b>	<b>158</b>	<b>158</b>
<b>I. LONG-TERM PROVISIONS</b>	190	158	158
Provision for retirement and other employee benefits	190	158	158
Provisions for lawsuits			
Other long-term provisions			
<b>II. LONG-TERM LIABILITIES</b>			



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Long-term loans and loans in the country			
Obligations arising from finance lease			
<b>C. DEFERRED TAX LIABILITIES</b>	<b>47</b>		
<b>D. CURRENT LIABILITIES</b>	<b>2,522</b>	<b>1,802</b>	<b>1,461</b>
<b>I. SHORT-TERM FINANCIAL LIABILITIES</b>	<b>531</b>	<b>365</b>	<b>365</b>
Short-term loans from parent companies and subsidiaries	531	365	365
<b>II. PREPAYMENTS, DEPOSITS AND GUARANTEES</b>			
<b>III. ACCOUNTS PAYABLE</b>	<b>1,090</b>	<b>564</b>	<b>343</b>
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	
<b>IV. OTHER CURRENT LIABILITIES</b>	<b>715</b>	<b>772</b>	<b>671</b>
<b>V. LIABILITIES FOR VALUE ADDED TAX</b>	<b>71</b>	<b>12</b>	<b>2</b>
<b>VI. OTHER TAXES, CONTRIBUTIONS AND OTHER FEES</b>			
<b>VII. ACCRUALS</b>	<b>115</b>	<b>89</b>	<b>80</b>
<b>I. THE LOSS IN EXCESS OF CAPITAL</b>			
<b>F. TOTAL LIABILITIES</b>	<b>10,818</b>	<b>3,813</b>	<b>3,082</b>
<b>G. OFF BALANCE SHEET LIABILITIES</b>			

Income statement (in thousands of RSD)	January- December 2014	January- December 2015	January- June 2015	January-22 April 2016
<b>INCOME FROM OPERATIONS</b>				
<b>A. OPERATING INCOME</b>	<b>2,706</b>	<b>2,286</b>	<b>1,391</b>	<b>371</b>
I. Sales of goods				
II. Sales of products and services	2,706	2,286	1,391	371
III. Revenues from premiums, subsidies, donations, grants etc.				
IV. Other operating income				
<b>EXPENSES FROM OPERATIONS</b>				
<b>B. OPERATING EXPENSES</b>	<b>3,060</b>	<b>2,768</b>	<b>1,391</b>	<b>727</b>
I. Cost of commercial goods sold				
II. Work performed by the company and capitalized				
V. Material consumed	37	33	21	1
VI. Fuel and energy consumed	51	69	32	3
VII. Staff costs	2,038	1,955	956	607
VIII. Production expenses	129	172	94	21
IX. Amortization	144	70	61	5
X. Costs of long-term provisions	22	10		
XI. Intangible costs	639	459	227	91
<b>C. PROFIT FROM OPERATIONS</b>				
<b>D. LOSS FROM OPERATIONS</b>	<b>354</b>	<b>482</b>		<b>356</b>
<b>I. FINANCE INCOME</b>	<b>26</b>	<b>162</b>	<b>32</b>	<b>2</b>
I. Financial income from related persons and other financial income				
II. Interest income (from third parties)	10	4	3	
III. Gains and positive effects of currency clause	16	158	29	2
<b>F. FINANCE EXPENSES</b>	<b>16</b>	<b>76</b>	<b>49</b>	<b>4</b>
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	44	3
<b>G. PROFIT FROM FINANCING</b>	<b>10</b>	<b>86</b>		



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<b>H. LOSS FROM FINANCING</b>			<b>17</b>	<b>2</b>
<b>I. INCOME FROM VALUATION ADJUSTMENTS OF OTHER ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT</b>				
<b>J. LOSS ADJUSTMENT OTHER PROPERTY CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT</b>	<b>16</b>	<b>41</b>		
<b>K. OTHER INCOME</b>	<b>26</b>	<b>95</b>		<b>135</b>
<b>L. OTHER EXPENSES</b>				<b>165</b>
<b>M. OPERATING PROFIT BEFORE TAX</b>				
<b>N. LOSS FROM OPERATIONS BEFORE TAX</b>	<b>334</b>	<b>342</b>	<b>17</b>	<b>389</b>
<b>Q. PROFIT BEFORE TAXATION</b>				
<b>P. LOSS BEFORE TAXATION</b>	<b>334</b>	<b>342</b>	<b>17</b>	<b>389</b>
<b>R. INCOME TAX</b>				
I. Current tax expense				
II. Deferred income tax expense	4			
III. Deferred income tax benefit		46		
<b>T. EARNINGS OF EMPLOYER</b>				
<b>U. NET PROFIT</b>				
<b>V. NET LOSS</b>	<b>338</b>	<b>296</b>	<b>17</b>	<b>389</b>

### 3.21. TIGAR INTER – RISK

#### BALANCE SHEET (in thousands of RSD)

<b>ASSETS</b>	<b>As of 31<sup>st</sup> December 2014</b>	<b>As of 31<sup>st</sup> December 2015</b>	<b>As of 30<sup>th</sup> June 2016</b>
<b>A. SUBSCRIBED CAPITAL UNPAID</b>			
<b>B. NON-CURRENT ASSETS</b>	<b>695</b>	<b>21</b>	<b>16</b>
I. INTANGIBLE ASSETS			
II. PROPERTY, PLANT AND EQUIPMENT	15	21	16
Land			
Buildings			
Plant and equipment	15	21	16
Property, plant and equipment construction			
III. BIOLOGICAL AGENTS			
IV. LONG-TERM FINANCIAL PLACEMENTS			
V. LONG-TERM RECEIVABLES	680		
Receivables from parent company and its subsidiaries	680		
<b>C. DEFERRED TAX ASSETS</b>			
<b>D. CURRENT ASSETS</b>	<b>4,600</b>	<b>2,958</b>	<b>2,952</b>
I. INVENTORIES	85	1	
Material , spare parts , tools and supplies			
Advances paid to suppliers	85	1	
II. Receivables from sale	815	513	632
Customers in the country - the parent and subsidiaries	624	188	211
Customers abroad - parent and subsidiaries			
Customers in the country - other related parties			
Customers in the country	191	325	421
Customers abroad			
III RECEIVABLES FROM SPECIFIC OPERATIONS			
IV. OTHER RECEIVABLES	146	197	168
V. FINANCIAL ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT			
VI. SHORT-TERM FINANCIAL PLACEMENTS	3,434	2,132	2,132
Short-term loans and investments - parent and subsidiaries	3,434	2,132	2,132
VII. CASH AND CASH EQUIVALENTS	120	75	2
VIII. VALUE ADDED TAX			
IX. PREPAYMENTS		40	18
<b>I. TOTAL ASSETS</b>	<b>5,295</b>	<b>2,979</b>	<b>2,968</b>



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<b>F. OFF BALANCE SHEET ASSETS</b>			
<b>EQUITY AND LIABILITIES</b>	<b>As of 31 st December 2014</b>	<b>As of 31 st December 2015</b>	<b>As of 30<sup>th</sup> June 2016</b>
<b>A. EQUITY</b>	<b>3,969</b>	<b>1,992</b>	<b>1,842</b>
I. SHARE AND OTHER CAPITAL	1,973	1,973	1,973
Share Capital			
II. SUBSCRIBED CAPITAL UNPAID			
III. TREASURY SHARES			
IV. RESERVES			
VI. UNREALIZED GAINS ON SECURITIES VALUE AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULTS			
VII. UNREALIZED LOSSES ON SECURITIES VALUE AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULTS	7	19	19
VIII. RETAINED EARNINGS	2,003	93	93
Retained profit from previous years	1,995		93
IX. PARTICIPATION RIGHTS WITHOUT CONTROL			
X. LOSS		55	205
Loss of previous years		55	55
Loss for the year			150
<b>B. NON-CURRENT ASSETS</b>	<b>84</b>	<b>89</b>	<b>89</b>
I. LONG-TERM PROVISIONS	84	89	89
Provision for retirement and other employee benefits	84	89	89
II. LONG-TERM LIABILITIES			
<b>C. DEFERRED TAX LIABILITIES</b>		<b>2</b>	<b>2</b>
<b>D. CURRENT LIABILITIES</b>	<b>1,242</b>	<b>896</b>	<b>1,035</b>
I. SHORT-TERM FINANCIAL LIABILITIES	301	48	48
Short-term loans from parent companies and subsidiaries	301	48	48
II. PREPAYMENTS, DEPOSITS AND GUARANTEES			
III. ACCOUNTS PAYABLE	190	73	235
Suppliers - parent and subsidiaries in the country	179	57	235
Suppliers - other related parties in the country			
Suppliers in the country	11	16	
Foreign suppliers			
Other liabilities			
IV. OTHER CURRENT LIABILITIES	629	680	676
V. LIABILITIES FOR VALUE ADDED TAX			
VI OTHER TAXES, CONTRIBUTIONS AND OTHER FEES	21		
VII. ACCRUALS	101	95	76
<b>I. THE LOSS IN EXCESS OF CAPITAL</b>			
<b>F. TOTAL LIABILITIES</b>	<b>5,295</b>	<b>2,979</b>	<b>2,968</b>
<b>G. OFF BALANCE SHEET LIABILITIES</b>			

<b>Income statement (in thousands of RSD)</b>	<b>January - December 2014</b>	<b>January - December 2015</b>	<b>January- June 2015</b>	<b>January- June 2016</b>
<b>INCOME FROM OPERATIONS</b>				
<b>A. OPERATING INCOME</b>	<b>2,100</b>	<b>2,382</b>	<b>1,248</b>	<b>1,041</b>
I. Sales of goods				
II. Sales of products and services	2,100	2,382	1,248	1,041
III. Revenues from premiums, subsidies, donations, grants etc.				
IV. Other operating income				
<b>EXPENSES FROM OPERATIONS</b>				
<b>B. OPERATING EXPENSES</b>	<b>1,885</b>	<b>2,375</b>	<b>1,135</b>	<b>1,156</b>
I. Cost of commercial goods sold				
II. Work performed by the company and capitalized				
V. Material consumed	11	7	4	8



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VI. Fuel and energy consumed	61	92	49	33
VII. Staff costs	1,515	1,899	917	910
VIII. Production expenses	27	29	8	3
IX. Amortization	14	8	4	4
X. Costs of long-term provisions		2		
XI. Intangible costs	257	338	153	198
<b>C. PROFIT FROM OPERATIONS</b>	<b>215</b>	<b>7</b>	<b>113</b>	
<b>D. LOSS FROM OPERATIONS</b>				<b>115</b>
<b>I. FINANCE INCOME</b>	<b>2</b>	<b>1</b>	<b>1</b>	
I. Financial income from related persons and other financial income				
II. Interest income (from third parties)	2	1	1	
III. Gains and positive effects of currency clause				
<b>F. FINANCE EXPENSES</b>	<b>1</b>	<b>5</b>		<b>6</b>
I. Financial expenses related party transactions and other financial expenses				
II. Interest expense (by third parties)	1	5		6
III. Foreign exchange gains and negative effects of currency clause				
<b>G. PROFIT FROM FINANCING</b>	<b>1</b>		<b>1</b>	
<b>H. LOSS FROM FINANCING</b>		<b>4</b>		<b>6</b>
<b>I. INCOME FROM VALUATION ADJUSTMENTS OF OTHER ASSETS CARRIED AT FAIR VALUE TROUGH INCOME STATEMENT</b>		<b>134</b>		
<b>J. LOSS ADJUSTMENT OTHER PROPERTY CARRIED AT FAIR VALUE TROUGH INCOME STATEMENT</b>	<b>114</b>			
<b>K. OTHER INCOME</b>	<b>23</b>	<b>11</b>		
<b>L. OTHER EXPENSES</b>	<b>25</b>			<b>3</b>
<b>M. OPERATING PROFIT BEFORE TAX</b>	<b>100</b>	<b>148</b>	<b>114</b>	
<b>N. LOSS FROM OPERATIONS BEFORE TAX</b>				<b>124</b>
<b>Q. PROFIT BEFORE TAXATION</b>	<b>100</b>	<b>148</b>	<b>114</b>	
<b>P. LOSS BEFORE TAXATION</b>				<b>124</b>
<b>R. INCOME TAX</b>				
I. Current tax expense	92	53	46	26
II. Deferred income tax expense		2		
III. Deferred income tax benefit				
<b>T. EARNINGS OF EMPLOYER</b>				
<b>U. NET PROFIT</b>	<b>8</b>	<b>93</b>	<b>68</b>	
<b>V. NET LOSS</b>				<b>150</b>



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#### **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).

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

##### **Land**

The total number of cadastral lots owned by Tigar and its dependent entities, without Free Zone, as of 30.06.2016 is 195, of which 332,979 m<sup>2</sup>, is undeveloped land, while the useful area is 98,014 m<sup>2</sup>. The total carrying value of the land on 30.06.2016 is RSD 494,000,520.96.

The carrying value of the land of the Free Zone on 30.06.2016 is RSD 11,020,165.78.

##### **Buildings**

Tigar and its main subsidiaries own a total of 195 buildings

The aggregate useful surface area owned by Tigar and its main subsidiaries is 98,014 m<sup>2</sup>.

As of 30 June 2016, the carrying value of the buildings owned by Tigar and its major subsidiaries was RSD 2,057,747,316.70

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

<b>Entity</b>	<b>Value in RSD as of 30th June 2016</b>
Tigar AD	292.512.747,00
<b>Total:</b>	<b>292.512.747,00</b>



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**Book value of buildings**

<b>BOOK VALUE OF BUILDINGS (IN '000 RSD)</b>			
<b>Entity</b>	<b>31<sup>st</sup> December 2015</b>	<b>31<sup>st</sup> March 2016</b>	<b>30<sup>th</sup> June 2016</b>
Tigar AD	1,713,330,486.65	1,705,925,912.65	1,698,521,329.35
Ti-car Trgovine	1,355,152.00	1,347,779.62	1,340,406.62
Tigar Business Service	13,374,490.46	13,320,311.46	13,266,134.46
Tigar Security	23,272,457.07	23,171,931.07	23,071,405.07
Tax Free Zone Pirot	48,166,222.75	66,536,410.28	66,221,418.17
Tigar Incon	130,334,147.57	129,806,689.57	129,279,229.57
Tigar Catering	127,234,110.46	126,640,751.46	126,047,393.46
<b>Total:</b>	<b>2.057.067.066,96</b>	<b>2,066,749,786.11</b>	<b>2,057,747,316.70</b>

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

<b>Entity</b>	<b>Value in dinars on 30th June 2016</b>
<b>Tigar AD</b>	<b>361,455,214.71</b>
<b>Ti car trgovine</b>	<b>27,770,247.11</b>
<b>Total:</b>	<b>389,225,461.82</b>

**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

**Liens**

At the end of the second quarter 2016, the 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.

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



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

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

Mortgage statements nos. 4714/10 dated 21.04.2010, 2352/10 dated 26.05.2010 and 420/13 dated 12.02.2013 place lien on immovable property in Nis in favor of Societe Generale bank a.d. Belgrade.

Mortgage statements nos. 1712/2010 dated 21.02.2010, 2351/10 dated 26.05.2010 places lien on immovable property in Pirot – business premises 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.



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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.

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.

#### 4.2. LEGAL PROCEEDINGS

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

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

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

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



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## 5. CAPITAL MARKET POSITION

Trading on the BSE from the beginning of 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%. The expected recovery of the turnover failed, so that the already chronic lack of liquidity has unfortunately established as one of the main features of Serbian capital markets. Successful revision of the program with the International Monetary Fund, lower deficits and stable exchange rate could have a positive impact on potential investors and the growth of domestic capital markets in the future.

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.

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

In the first half of 2016 the price ranged from RSD 60-120, which represents a great price fluctuation of up to 93.33%. It was traded with 123.589 shares, equal to 7,19% of the total number of issued shares. By mid-July there was recorded a significant growth in price of the Company's shares to RSD 120, which represents a growth in price by 43,21% in relation to the price at which was traded on the last day of the first quarter.

The following table contains a summary of key data from trading of Company's shares during the first half of 2016.

	<b>31 MARCH 2016</b>	<b>30 JUNE 2016</b>	<b>% OF CHANGE</b>
<b>Number of shareholders</b>	4,427	4,403	- 0,54
<b>Total number of shares</b>	1,718, 460	1,718,460	
<b>Book value of shares</b>	-1.519,18	-1.566,27	
<b>Market price of shares</b>	81,00	109,00	34,57
<b>Lowest price during the period (in RSD)</b>	60.00 – 08.02.2016.		
<b>Highest price during the period (in RSD)</b>	120.00 –09.06.2016.		
<b>Average price I-VI 2016</b>	82,93		
<b>Market capitalization in RSD</b>	139,195,260	187,312,140	

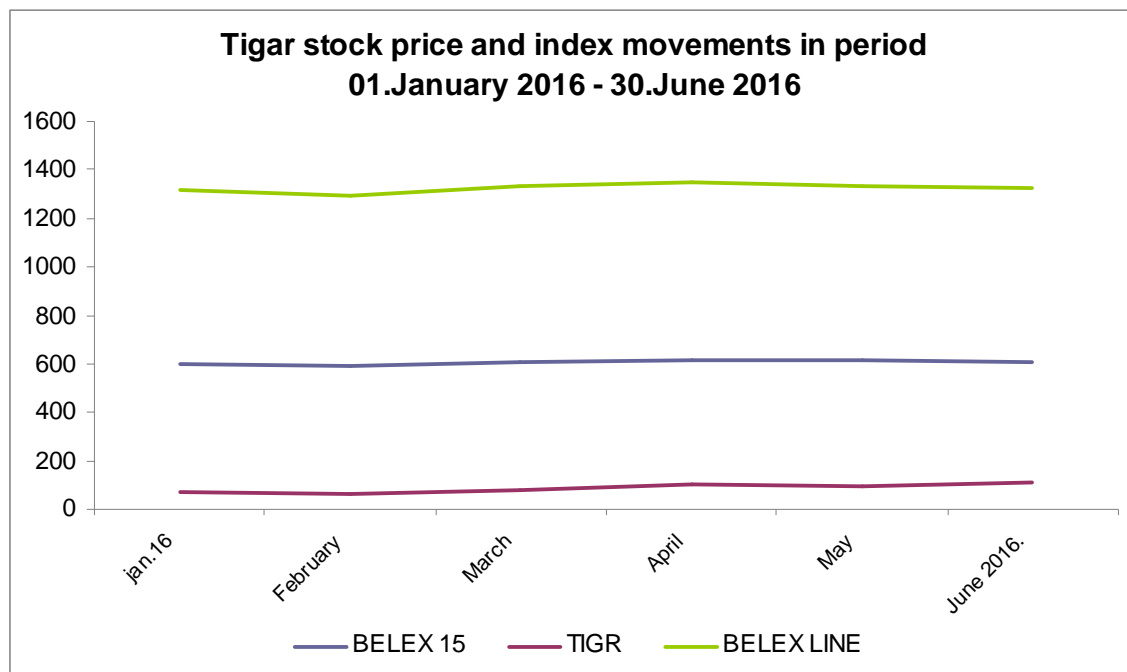
The graph below shows the parallel representation of stock price and index movements during the period January – June 2016.



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

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 begun its implementation in accordance with repayment schedules.

**Ownership structure at the end of the second quarter of 2016**

<b>Shareholders</b>	<b>30th June 2016</b>
Legal entities	60.44
Individuals	34.15
Custody accounts	5.41



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Tigar's ownership structure in the first two 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 natural persons.

**Top ten shareholders as of 30.06.2016**

Compared with the same period in 2015 when there were traded only 243.827 shares, in the first quarter of 2016, trading volume with the Company's shares is lower for 50,68%. 123.583 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:

<b>Ord.no.</b>	<b>Shareholder – Name/Business name</b>	<b>Number of shares</b>	<b>% of share</b>
1	NATIONAL SHARE FUND AD BELGRADE	429,429	24.99
2	NIKOMMS DOO BELGRADE	379,564	22.09
3	NATIONAL PENSION AND DISABILITY FUND OF THE REPUBLIC OF SERBIA	149,981	8.73
4	ERSTE BANK AD NOVI SAD - Custody account	63,518	3.70
5	RADENKOVIĆ NIKOLA	39,540	2.30
6	TZR NATURA VITA	25,100	1.46
7	SOCIETE GENERALE BANKA SRBIJA- Custody account	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 30.06.2016 were published at [www.crhov.rs](http://www.crhov.rs)



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**6. SUSTAINABLE DEVELOPMENT**

6.1 EMPLOYEES

**Headcount and structure**

On 30.06.2015 the number of people employed in Tigar Group was the following:

<b>Workforce on 30<sup>th</sup> June 2016</b>	
<b>Company</b>	<b>Number of employees</b>
Tigar AD collectively	<b>1,063</b>
– Tigar AD	241
– Tigar Rubber Footwear plant	687
– Tigar Technical Rubber Goods plant	114
– Tigar Chemical Products plant	21
<b>Other</b>	455
<b>Total</b>	<b>1,518</b>

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

**Employee expenses**

Total employee expenses in the period I-VI 2016 incurred by Tigar a.d. and its subsidiaries 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-VI 2016**

	Net salaries and wages in 000 RSD	Gross salaries and wages in 000 RSD
<b>TIGAR AD collectively</b>	230,929	392,074
-Tigar AD	57,517	96,190
-Tigar Rubber Footwear	144,578	246,638
-Tigar Technical Rubber Goods	23,918	40,512
-Tigar Chemical Products	4,916	8,735
<b>Other</b>	84,396	142,510
<b>Total</b>	315,325	534,584



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### Optimization of human resources

During the period I-VI 2016, 60 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
<b>Tigar AD collectively</b>	<b>No. of employees</b>	<b>15</b>	<b>3</b>	<b>34</b>	<b>52</b>
	<b>Amount in RSD</b>	<b>1.841.208,00</b>	<b>310.581,00</b>		<b>2.151.789,00</b>
1. Tigar a.d.	No. of employees	1	3	9	13
	Amount in RSD	126,058.00	310,581.00		436,639.00
2. Tigar Rubber Footwear	No. of employees	10		19	29
	Amount in RSD	1,243,482.00			1,243,482.00
3. Tigar Technical Rubber Goods	No. of employees	4		3	7
	Amount in RSD	471,668.00			471,668.00
4. Tigar Chemical products	No. of employees			3	3
	Amount in RSD				
<b>Other</b>	No. of employees	4		<b>4</b>	<b>8</b>
	Amount in RSD	511,102.00			511,102.00
<b>Total</b>	No. of employees	<b>19</b>	<b>3</b>	<b>38</b>	<b>60</b>
	Amount in RSD	<b>3,325,112.00</b>	<b>310,581.00</b>		<b>3,635,693.00</b>

\*As of these 38 full-time employees who terminated their employment on other grounds, 31 employees resigned of their own volition, termination of employment for violation of obligations – 4 employees, fatal case – 2 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 – VI 2016 through internal and external training programs:

Employee training – internal and external			
	INTERNAL TRAININGS	EXTERNAL TRAININGS	TOTAL
<b>Tigar AD collectively</b>	<b>923</b>	<b>32</b>	<b>955</b>
Tigar AD	43	21	64
Footwear	690	11	701
Technical Rubber Goods	188	0	188
Chemical Products	2	0	2
<b>Others</b>	<b>248</b>	<b>0</b>	<b>248</b>



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<b>Total</b>	<b>1,171</b>	<b>32</b>	<b>1,203</b>
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Employee training expenses in the period I - VI 2016 amounted to RSD 833,930.00 or 0.16% of paid gross salaries.

In the period January-June 2016, 120 Pirot secondary school students have completed their internships in Tigar.

7 students have accomplished internships (professional practice) in the period January-June 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 quarter 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.l.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.l.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.

## 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.





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By the estimation of the Ministry in terms of environmental impacts, production activities of the company are qualified as an activity with low environmental risk. Production entities are not listed either in the IPPC nor in the group of SEVESO facilities. Handling and storage of chemicals is carried out in accordance with regulations and internally defined procedures with the help of internal experts. About the generated waste takes care the company Ti-car Trade I.l.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 the period January – June 2016 was carried out the sampling and testing of waste water quality.

#### 6.4. INTELLECTUAL PROPERTY

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

#### Registered trademarks as of 30 June 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



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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-1468/05	31.10.05.	53797	Tigar Trgovine	31.10.15.	Tigar AD
Ž-551/09	27.03.09.	60789	Bottega	27.03.19.	Tigar AD
Ž-639/09	13.04.09.	59942	Hotel StarA	13.04.19.	Tigar AD
Ž-1011/09	30.06.09.	59367	Brolly	30.06.19.	Tigar AD
Ž-1012/09	30.06.09.	59366	Maniera	30.06.19.	Tigar AD
Ž-1685/09	03.11.09.	60513	Stop&Drive	03.11.19.	Tigar AD
Ž-1686/09	03.11.09.	60514	S&D	03.11.19.	Tigar AD
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 Obuča
Finska	20.11.85.	94345	Forester	20.11.15.	Tigar Obuča
Norveška	14.11.85.	123042	Forester	14.11.15.	Tigar Obuča
Švedska	26.07.85.	197287	Forester	26.07.15.	Tigar Obuča



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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](http://www.tigar.com), [www.tigar.co.rs](http://www.tigar.co.rs) and [tigar.rs](http://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 internet access
- Standardization of corporate hardware and software within the corporation

#### 6.6. SOCIAL RESPONSIBILITY

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

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



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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 emergency 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.



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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
- Nikola Radenković

\*\*\*On 30.06.2016, Nikola Radenkovic holds 39.540 shares, while other members of the Supervisory Board do not hold any of company's shares.

### **Executive Board of Tigar ad Pirot**

Executive Board operates in the following composition:

- Branislav Ćurić, ED for Commerce and Marketing
- Gorica Stanković, ED for Finance and Accounting
- Zorica Mladenović, ED for HR
- 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 – JUNE 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.



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

Estimate of justification of the current level of business diversification and a proposal for further development directions in the field of activity with which the corporation deals are done continuously, taking into account the following criteria: I) the compatibility of non-core activities with basic ("core") activities, II) the importance of non-core activities for the business in the field of basic ("core") activities, III) the profitability of dependent service subsidiaries. Through a number of analysis was also reviewed the importance of the non-core activities in relation to "core" activities, which was evaluated with consideration of the following parameters: a) the importance of the internal market for business volume and revenue of the parent company and its subsidiaries b) cash flows that the parent company exercised based on its ownership in subsidiaries and c) the impact of the subsidiaries on the involvement of working capital through short-term financing.

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

## **8. RESEARCH AND DEVELOPMENT**

One of the main goals of development is to maintain the current flexibility and willingness to meet the specific requirements of customers. Costs of product research and development are regular component of the off-take production, 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.



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### **Convenient location**

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

### **Brands**

The Tigar corporate brand holds a dominant and distinctive position in both Serbian and regional markets. Within this particular brand is specially recognized the redesigned brand **Tigar hunting program**, which was won in 2011 and in 2015 acquired its full market recognition. 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**

The sales network covers the chain comprising 6 service centers for the sale of vehicle tires and batteries, oil for cars and the provision of light services and 18 retail buildings of colonial type. The company uses its sales network to sell its products, but also products made by other manufacturers, following the principle multiproduct - multi-brand strategy.



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

### 9.2. RISKS

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

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

- Risks related to changes to the legislation, in particular due to major changes being implemented in the process of harmonization with EU legislation;
- Economic or political instability;
- Macroeconomic environment and general business conditions;
- Entering the market of the European Union as well as access to the Russian market (registration and commercial aspects)
- All manufacturing and service entities are operating in the market with very strong competition and due to various risk factors, their market position may be compromised.
- As a stock company, Tigar is affected and depends on capital market developments and on the structure of ownership, there is always the possibility of changing corporate policies and strategies.

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

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

### **Risks conditioned by the macroeconomic environment and general business conditions**

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





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**Market- and Industry-related risks**

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

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

The market is characterized by:

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

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

The market is characterized by:

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

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

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

The market is characterized by:

- low purchasing power of the domestic market
- accentuated price sensitivity of demand.



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- 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, firstly, in the long-term and investment loans. By continuous monitoring of analytical indicators are set the guidelines for taking immediate corrective measures concerning the business operations. Management of the cash flow aims to lower the cost of borrowed capital.

### **Risks related to shareholder and corporate structure**

During the reporting period, there came about significant changes in ownership structure and shareholding concentration.

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.

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.



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

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

It is undergoing 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. The last payment of the liquidation estate was made on the account of Tigar a.d. on 14.06.2016. The funds are used for dedicated purpose, in accordance with the decisions of the Supervisory Board. The activities which are to ensue with the purpose of final deletion of the company from the register are expected to be realized pursuant to the UK legislation in the following few months, when all actions planned shall be implemented and the final liquidation balance sheet made, with which the process of voluntary liquidation will be completed.

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.

Bearing in mind the fact that Tigra Montenegro has shown negative business result, the parent company Tigar a.d. has undertaken activities in order to sell its share in Tigra Montenegro I.I.c. Podgorica to the second founder. In case of failure to reach an agreement on sale of Tigar's share in the entity Tigra Montenegro I.I.c. Podgorica, with the second founder, there will be initiated the procedure of sale of share to the interested third parties, and as the last resort of resolving the status of this entity shall be initiation of bankruptcy proceedings before the competent authorities.

**Status change:**

There was registered the status change of merger of a dependant entity to the Joint Stock Company Tigar Pirot: company for providing touristic services Tigar Tours I.I.c. Pirot, as a company which by merger stops to exist, due to which is deleted from the Registry of Business Entities. Legal implications of the merger have occurred on 22.04.2016 ( enactment of the Decision of the Business Registers Agency).

**Changes in the composition of the managing body**

At the session of the Supervisory Board as of 08.07.2016 was accepted the resignation of Nikola Radenkovic at the function of member of the Supervisory Board, and at his post in the composition of the Supervisory Board was co-opted Velibor Stević.

On 20.06.2016 Nebojša Đenadić handed in his resignation at the post of CEO of Tigar a.d. and at the post of ED for Corporative Governance. For the position of the new CEO was appointed Branislav Čuric, ED for Commerce and Marketing, who held the position of the deputy of CEO in the past year and a half. At the same session of the Supervisory Board, for the Executive Director for Corporate Governance was appointed Natasa Pop



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– Krstić, in the previous period engaged at the tasks of the Head of the Cabinet previously.

**Board of Creditors:**

The Board of Creditors, through electronic session held on 07.07.2016 accepted Velibor Stević as a new member of the Supervisory Board, whereas at the session held on 25.07.2016 there were considered and adopted decisions 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 that the final declaration of the banks on accepting the changes of the conditions depends on the State's attitude, i.e. state creditors.

**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 statements.

The Supervisory Board of the Company has reviewed and approved the quarterly report at its session held on August 29th 2016.

**DIRECTOR OF ACCOUNTING FUNCTION  
TIGAR AD**

**Aleksandra Đorđević**

**MANAGING DIRECTOR OF TIGAR AD**

**Branislav Čurić**

**CHAIRMAN OF TIGAR AD  
SUPERVISORY BOARD**

**Nebojša Petrović**