



Pursuant to the Law on the Market of Securities and Other Financial Instruments (Official Gazette of the Republic of Serbia, no. 47/2006),

The issuer of securities:

**AKCIONARSKO DRUŠTVO «TIGAR» - PIROT
(JOINT-STOCK COMPANY TIGAR - PIROT)**

hereby issues its

PROSPECTUS FOR THE ISSUE OF SECURITIES

A) INTRODUCTION

The Securities Commission shall not be responsible for the accuracy and completeness of the information stated in the Securities Distribution Prospectus or for the ability of the issuer of the securities to fulfill the obligations arising from the securities it issues.

1. ISSUER OF SHARES

1.1. Name, registered address, corporate ID number, and fiscal ID number:

Akcionarsko društvo "Tigar", Pirot / Joint-Stock Company Tigar, Pirot (Tigar AD)
Nikole Pašića 213, 18300 Pirot, Serbia
Corporate ID number: 07187769
Fiscal ID number: 100358298

1.2. Core activity:

74150 - Holdings

1.3. Subscribed capital as reported in the most recent financial statements:

2,062,152,000.00 RSD as of 31 December 2010.

2. SHARES TO BE ISSUED

2.1. Type, class, issue designation, CFI Code and ISIN Number of security

3. TOTAL VOLUME OF THE ISSUE

3.1. Total nominal value of all securities to be issued, in RSD:



4. NUMBER OF SHARES AND THEIR NOMINAL VALUE

4.1. Total number of securities to be issued

4.2. Nominal value per security:

5. ISSUE PRICE OF SHARES

5.1. Offered price of security:

5.2. Method of payment for the securities:

6. RIGHTS AND OBLIGATIONS ATTACHED TO SHARES

6.1. All rights and obligations attached to shares:

6.2. Pre-emptive rights:

6.2.1. Persons with pre-emptive rights of subscription and payment of shares and grounds for such rights (owners of ordinary shares, holders of warrants, convertible bonds, preferred convertible shares):

6.2.2. Total number of securities with respect to which pre-emptive rights of subscription are exercised

6.2.3. Number of shares of the new issue with respect to which pre-emptive rights of subscription can be exercised

6.3. Tax obligations of shareholders

6.3.1. Property tax, sales tax, profit tax, tax relief, tax incentives:

6.4. Method for settlement of any dispute between the issuer and a holder of securities, and name of competent court for the settlement of disputes:

7. TIME, PLACE AND TIME PERIOD FOR SUBSCRIPTION OF SHARES

7.1. Registered name, seat, address, and business hours of BDC/bank and time period for subscription of shares (time period for subscription based on pre-emptive rights stated separately):

8. LOCATION AND TERMS OF PAYMENT OF SHARES

8.1. Registered name, seat, address, and time period for payment of shares and business hours of bank at which payment is to be made:

8.2. Method to be applied in the distribution of excess subscribed and paid-up securities to persons who have subscribed and paid for the securities:

8.3. Consequences of non-payment or late payment:

- 8.4. Number of securities which must be subscribed and paid-up to deem the sale successful (success threshold):
- 8.5. Method and deadline for reimbursement of amounts paid if the sale is not successful, including the interest rate and calculation method to be applied to the amounts paid:
- 8.6. Name and seat of the person in charge of keeping records and of clearing and settlement of obligations arising from the securities to be issued (Central Registry):

9. SECURITIES TRADING MARKET

- 9.1. Name and seat of the organized market, date of admission of the same type of shares to the organized market, volume of transactions with this type of security in the organized market during the past six months, and the high and low prices realized:

10. SUMMARY INFORMATION ABOUT THE ISSUER

- 10.1. Name of the issuer's competent body and date of its resolution/decision under which the securities are issued:
- 10.2. Basic facts about the issuer's business operations and development plans:

11. BROKER/DEALER COMPANY AND/OR AUTHORIZED BANK WHICH IS PARTICIPATING IN THE COORDINATION OF THE PUBLIC OFFERING

- 11.1. Registered name and address of the agent or underwriter of the issue, who is participating in the coordination of the issue of securities:
- 11.2. Registered name and address of the global coordinator of the issue, if several parties are involved:
- 11.3. Type of issue coordination agreement and type of responsibility of the agent or underwriter:
- 11.4. Amounts payable to the agent or underwriter for issue coordination services, or margin to be applied when the underwriter re-sells the securities in the distribution process:
- 11.5. Does the obligation of the agent or underwriter relate to all or a specific portion of the securities to be issued?

B) BASIC PROSPECTUS

- „This Prospectus for the Issue of Securities, including any appendices hereto, discloses all significant facts which allow investors to objectively assess the financial and legal position of the issuer of securities and to assess the rights and obligation attached to such securities.“
- „This Prospectus for the Issue of Securities does not include any facts which might influence investors to gain a misleading impression of the issuer of securities, the securities to be issued, and the securities which have already been issued.“

1. DESCRIPTION OF THE ISSUER

1.1. GENERAL INFORMATION

1.1.1. Name, seat, address, corporate identification number and fiscal identification number:

Akcionarsko društvo "Tigar" Pirot /Joint-Stock Company Tigar – Pirot (Tigar AD)
Short name: **Tigar AD Pirot**
Nikole Pašića 213, Pirot, Serbia
CID 07187769
FID 100358298

1.1.2. Date and number of registration entry at the Business Registers Agency:

BD 6728/2005, 25 March 2005

1.1.3. Date of establishment:

Originally established in 1935 (as an industrial workshop for the manufacture of rubber products and various types of rubber footwear). In line with changes in the business environment and in the legal framework, the organization underwent several status changes, from a socially-owned enterprise to a joint-stock company.

1.1.4. Position of the issuer within the corporate group:

Holding company

1.1.4.1. Type of issuer's affiliation with other legal entities:

Tigar AD Pirot is a holding/parent company. It holds interest in 17 companies, five of which operate abroad. Of the 17 subsidiaries which make up the Tigar Group, Tigar AD controls 16 companies and has a 50% equity stake in one – Tigar Europe. Tigar has a stake in two joint ventures with the local government - Agencija Stara planina d.o.o. Pirot (Mt. Stara Planina Agency Ltd.) and Dom sportova d.o.o. Pirot (Sports Center Ltd.).

Of all the companies within the Tigar Group:

(a) 13 were established and conduct their business in Serbia:

Tigar AD holds a 100% stake in: Tigar Obuća, Tigar Tehnička guma, Tigar Hemijski proizvodi, Tigar Trade, Tigar Incon, Tigar Poslovni servis, Tigar Obezbeđenje, Tigar Inter risk, Tigar Zaštitna radionica, and Tigar Tours. Tigar AD holds a 75.06% stake in the Pirot Free Economic Zone, and a 75% stake in the Pi Channel.

(b) and 5 were established and conduct their business abroad:

Tigar Europe UK (in which Tigar AD holds a 50% stake), Tigar Americas USA (100%), Tigar Partner Macedonia (70%); Tigar Trade Republika Srpska (70%), and Tigar Montenegro (80%).

1.1.4.2. Type of issuer's affiliation with other legal entities:

1.1.4.3. Grounds for issuer's participation in the management of other legal entities and/or grounds for participation of other legal entities in the management of the issuer's legal entity:

Other legal entities participate in the management of the issuer, depending on the number of shares they hold. The issuer participates in the management of other legal entities based on 100% or partial interest in their capital..

1.1.5. Issuer's general acts

1.1.5.1. Time and place where the articles of association or by-laws and other general acts of the issuer (as most recently amended) may be inspected:

General acts may be inspected at the corporate headquarters of the issuer in Pirot, Nikole Pašića 213, on any business day between 09:00 and 14:00 hours.

1.2. ISSUER'S CAPITAL

1.2.1. Capital (in thousands of RSD)

	<u>31 December 2009</u>	<u>30 December 2010</u>
Total capital:	2,811,407	2,827,796
1.2.1.1. Subscribed capital	2,062,152	2,062,152
1.2.1.2. Other capital:		
1.2.1.3. Subscribed, unpaid capital: N/A		
1.2.1.4. Reserves including premium on issue:		
1.2.1.5. Reserves:	206,215	206,215
1.2.1.6. Retained earnings:	543,040	559,429
1.2.1.7. Accumulated loss:		
1.2.1.8. Acquired treasury shares:		

1.2.2. Issued shares

1.2.2.1. Number of issued ordinary shares, CFI Code, and ISIN number:

On 8 June 2006, the General Assembly of Shareholders resolved to distribute shares due to a change in their par value. According to the records of the Central Registry in Belgrade, **1,718,460** Class D ordinary voting shares have been issued.

(a) A stock split was implemented, whereby each previous share was split into 10 shares and its par value was reduced proportionally.

The previous 171,846 shares, whose par value was 12,000.00 RSD, were replaced with 1,718,460 shares whose par value is 1,200.00 RSD.

(b) By force of applicable law:

(1) 429,429 Class D shares are held by the Shareholders' Fund; and

(2) 149,981 Class D shares are held by the Pension and Disability Fund.

CFI Code: ESVUFR

ISIN Number: RSTIGRE55421

1.2.2.2. Number of issued preferred shares by class, CFI Code, and ISIN Number: NIL

1.2.2.3. Rights attached to shares by type and class:

- (1) Participation in the management of the company, proportional to the par value of shares held,
- (2) Participation in profits at a par value of 1,200 RSD (right to dividends),
- (3) All shares rank equally and *per se* regarding pre-emptive rights and rights of first refusal.
- (4) Management rights, proportional to the interest in the subscribed capital;
- (5) Participation in the distribution of profits, proportional to the interest in the capital;
- (6) Right to a portion of the liquidation estate, in the event of liquidation, proportional to the interest in the capital, upon settlement of debts to creditors;
- (7) Pre-emptive right of purchase of shares of subsequent issues, proportional to the nominal value of shares held, in accordance with the respective issue resolution/decision; and
- (8) Disposal of shares pursuant to the law, the company's Articles of Association, and the respective issue resolution/decision;

Non-voting shares:

- (1) Shares held by the Shareholders' Fund participate in the management and in the General Assembly of Shareholders only when specific decisions/resolutions defined by law are passed, primarily dealing with changes in capital and amendments of the Articles of Association of the company;
- (2) No management rights are attached to the shares held by the Pension and Disability Fund.
- (3) No management rights are attached to the treasury shares held by Tigar AD.

1.2.2.4. Method of issue:

Certificate of the Securities Commission no. 4/0–29-2979/4-06, approving the issue of shares (stock split) without a public offering.

1.2.3. Capital changes
1.2.3.1. Provisions from the issuer's general acts which relate to capital changes:

Resolutions relating to changes in capital are passed by the General Assembly of Shareholders, through amendments of the Articles of Association (based on its Articles 88 (a) (8) and 110).

Description of changes in subscribed capital, revaluation and other reserves, subscribed but unpaid capital, treasury shares, premium on issue, and total capital (over the past three years):

(in thousands of RSD)

	2008	2009
Share capital		
<i>Opening balance</i>	2,062,152	2,062,152
Adjustment of opening balance		
Increase/decrease		
Transfers within equity		
Current year gain		
Distribution of profit		
Paid dividends		
Other		
<i>Year ended 31 December</i>	2,062,152	2,062,152
Revaluation and other reserves		
<i>Opening balance</i>	574,953	574,953
Adjustment of opening balance		
Increase/decrease		(368,738)
Transfers within equity		
Current year gain		
Distribution of profit		
Paid dividends		
Other		
<i>Year ended 31 December</i>	574,953	206,215
Subscribed, unpaid equity		
Acquired treasury shares	(26,019)	
Premium on issue	13,781	
Treasury shares		
<i>Opening balance</i>		
Adjustment of opening balance	48,734	111,926
Increase/decrease		
Current year gain		368,738
Distribution of profit	168,103	113,682
Paid dividends	(104,911)	(56,709)
Other		
<i>Year ended 31 December</i>		5,403
<i>Opening balance</i>	111,926	543,040
Total		
<i>Opening balance</i>	2,685,839	2,736,793
Adjustment of opening balance		
Increase/decrease		
Current year gain	168,103	113,682
Transfers within equity		
Paid dividends	(104,911)	(56,709)
Other	(12,238)	17,641
<i>Year ended 31 December</i>	2,736,793	2,811,407

	2009	2010
Share capital		
<i>Opening balance</i>	2,062,152	2,062,152
Adjustment of opening balance		
Increase/decrease		
Transfers within equity		
Current year gain		
Distribution of profit		
Paid dividends		
Other		
<i>Year ended 31 December</i>	2,062,152	2,062,152
Revaluation and other reserves		
<i>Opening balance</i>	574,953	206,215
Adjustment of opening balance		
Increase/decrease	(368,738)	
Transfers within equity		
Current year gain		
Distribution of profit		
Paid dividends		
Other		
<i>Year ended 31 December</i>	206,215	206,215
Subscribed, unpaid equity		
Acquired treasury shares		
Premium on issue		
Treasury shares		
Undistributed profit		
<i>Opening balance</i>	111,926	543,040
Adjustment of opening balance		
Increase/decrease	368,738	
Current year gain	113,682	54,283
Distribution of profit	(56,709)	(37,894)
Paid dividends		
Other	5,403	
<i>Year ended 31 December</i>	543,040	559,429
Total		
<i>Opening balance</i>	2,736,793	2,811,407
Adjustment of opening balance		
Increase/decrease		
Current year gain	113,682	54,283
Transfers within equity		
Paid dividends	(56,709)	(37,894)
Other	17,641	
<i>Year ended 31 December</i>	2,811,407	2,827,796

2008 AND 2009 CAPITAL CHANGES, CONSOLIDATED STATEMENT (in thousands of RSD)								
	Share capital	Acquired treasury shares	Contingencies	Revaluation provisions	Retained profit	Minority interest	Translation reserves	Total
1 January 2008	2,062,152		575,611	11,168	13,775	42,816		2,705,522
Adjustment of opening balance								
Effect of change in scope of consolidation				1,194,324				1,194,324
New stock issue			16,084					16,084
Current year profit (loss) corrected					89,953			89,953
Profit of minority interest					(5,014)	5,014		
Distribution of profit					(104,912)			(104,912)
New investments made during the year (minority interest)								
Provisions								
Paid dividends								
Other		(26,018)	(2,426)	(119,431)		(773)	(7,131)	(155,779)
Year ended 31 December 2008	2,062,152	(26,018)	589,269	1,086,061	(6,198)	47,057	(7,131)	3,745,192
1 January 2009	2,062,152	(26,018)	589,269	1,086,061	(6,198)	47,057	(7,131)	3,745,192
Adjustment of opening balance								
Effect of change in scope of consolidation		26,018	(11,107)					14,911
New stock issue								
Current year profit (loss) corrected					(222,571)			(222,571)
Profit of minority interest						2,673		2,673
Distribution of profit					(56,709)			(56,709)
New investments made during the year (minority interest)								
Provisions			(371,412)		371,412			
Paid dividends								
Other			1,175	(11,846)			41,258	30,587
Year ended 31 December 2009	2,062,152		207,925	1,074,215	85,934	49,730	34,127	3,514,083

1.2.3.2. Significant elements of the issuer's articles of association concerning authorized capital; date of resolution; and aggregate amount of capital increase:

At its regular session held on 8 June 2006, the General Assembly of Shareholders passed a resolution which amends Article 23 of Tigar AD's Articles of Association, and states that:

- The Company has 429,615 approved/unissued, authorized/ordinary shares, representing 25% of the total number of issued ordinary shares (1,718,460 shares) with the same par value, as of 8 June 2006.
- The General Assembly of Shareholders has authorized the Board of Directors of the Company to decide on the number, timing and other conditions for the issue of authorized shares, over the next five-year period.

The Board of Directors will decide on such issue of shares depending on financial needs, strategies, and investment policies of the Company, in order to ensure flexibility of operations as well as an efficient and rapid increase in share capital to address business and development needs of the Company. The Board of Directors has taken a decision regarding

the new issue of shares based on the resolution by the General Assembly of Shareholders concerning authorized shares.

- 1.2.3.3. Significant elements of the articles of association, date of resolution on contingent capital increase, aggregate amount of capital increase, number and type of issued shares, and detailed description of criteria for the issue of stock: N/A

1.2.4. Treasury shares

- 1.2.4.1. Number and percentage of treasury shares by class:

During the financial year 2010, the Company has not acquired its own shares.

- 1.2.4.2. Time of and reason for acquisition : According to the Central Registry, Tigar AD still holds 275 treasury shares, resulting from rounding-off during the privatization process.

1.3. BOOK VALUE OF SHARES AND TRADING OF ISSUER'S SECURITIES

1.3.1. Book value of shares

- 1.3.1.1. The most recent book value of shares by class, and date of computation; if the most recent book value was computed in the absence of a certified auditor's report, state the book value of shares based on reviewed data; provide a brief description of the method applied to compute the book value of shares:

The adjusted book value of shares was determined applying the methodology specified in Privatization Stock Trading Regulations enacted by Beogradska berza AD (Belgrade Stock Exchange) and, based on January-June 2010 financial statements, it amounts to **1.646 RSD**.

1.3.2. Trading of issuer's securities

- 1.3.2.1. Organized market in which issuer's shares are traded:

Beogradska berza AD (Belgrade Stock Exchange), since 31 May 2005

- 1.3.2.2. Time period set for the trading of such shares:

Issuer's stock is traded on the open stock exchange, Listing A, on a continuous basis, every work day from 10 a.m. to 1 p.m.

1.3.2.3. Graphical representation of daily fluctuations of the average price and of the trading volume during the last six months – where the h axis signifies the date and the u axis signifies the price, i.e., trading volume:



1.4. SHAREHOLDERS

1.4.1.

	Shareholders	Number of shares	% stake
1	AKCIONARSKI FOND AD BEOGRAD	429429	24.98918
2	PIO FOND RS	149981	8.72764
3	ARTIO INT. EQUITY FUND	123132	7.16525
4	ERSTE BANK CUSTODY 00001	87728	5.10504
5	SG SRBIJA KASTODI RACUN	55654	3.23860
6	RAIFFEISEN BANK INTERNATIONAL	42164	2.45359
7	ERSTE&STEIERMARKISCHE BANK D.D	37637	2.19016
8	KOMERCIJALNA BANKA-KASTODI	26062	1.51659
9	SWEDBANK AS	24851	1.44612
10	UNICREDIT BANK KASTODI RACUN	18500	1.07655

Data of the Central Securities Depository and Clearing House as of 31.12.2010 are posted on their respective web site www.crhov.rs

2. ISSUER'S BUSINESS, ASSETS, AND LIABILITIES

2.1. ISSUER'S BUSINESS

If the issuer is a parent company, it should provide information about itself and the corresponding information about its subsidiaries (in which it has a minimum 25% stake in the subscribed capital), including: registered name, seat, corporate identification number of subsidiary(ies), and percent stake in the capital and in decision making, which the parent holds in the subsidiary(ies).

2.1.1. Core business activity

2.1.1.1. Core activity heading and code:

The Company's business operations are aimed at direct or indirect investment in the business operations of subsidiary, affiliated and other types of related companies; as such, it manages subsidiary and other related companies in which it holds interest in capital.

Core activity: Holdings, 74150

2.1.2. Income from business activity – consolidated report)

2.1.2.1. Revenues from activity which resulted in the highest levels of earnings over the past three years:

Revenues from sales of products and services of the parent company and its subsidiaries relating to the registered area of activity (in thousands of RSD)

2008	3,315,792
2009.	3,349,344
2010	4,288,191

Tigar AD consolidates the financial statements of the companies it controls, and partially consolidates the financial statements of Tigar Europe (at 50%).

With regard to the fact that in December 2009 was realized the sale of the remaining 10 % owned in the enterprise Tigar Tyres, within the consolidated results for 2009 and 2010 was not included the part of the pertaining result of Tigar Tyres, which was the case in 2008.

2.1.3. Market position

2.1.3.1.

Rubber footwear

Tigar Obuća (Tigar Footwear) is a wholly-owned subsidiary of Tigar AD.

Its products include:

- Safety footwear for civilian and military use, including products intended for the chemical industry, mining industry, forestry, petroleum industry, and fire fighting;
- Women's fashion footwear and children's footwear;
- Rubber footwear for hunting and fishing;
- General-purpose rubber footwear; and
- Rubber footwear for agricultural uses.

A new footwear factory was put into operation in September 2008 at the new, Tigar 3 location. Its capacity is 4 million pairs. The overall investment was 17.6 million, of which 7 million was invested in equipment. This factory is the European leader in its market segment in terms of capacity and production facilities.

In August 2008, Tigar Footwear acquired the Century Division of the UK company Hunter Boot Limited, which specializes in safety footwear. Under this transaction, Tigar Footwear became the owner of three internationally-recognized safety footwear brands: Century, Forester, and Firefighter. It also acquired the leading-edge dipping technology.

Tigar Footwear intends to focus on the development of its proprietary brands.

Exports are largely comprised of safety and work boots, certified by international certification bodies, manufactured from special materials to withstand extreme temperatures and work environments. Farmers' and general-purpose footwear makes up a minor portion of Tigar Footwear's output.

In 2010 was sold rubber footwear totaling 1,63 bill which is for 57% more than in 2009. As from the total sale, 67% or 1,247 bill were sold in exports which is for 69% more than in 2009.

In the domestic market is placed rubber footwear everyday use and for agriculture, and since 2010 a significant part of sales comes from fashion and children's rubber footwear. Competition consists of rubber footwear imports originated from China, Italy, Romania and Turkey as well as products made by domestic manufacturers whom are having significantly lower range and quality when compared to Tigar's rubber footwear. According to the National Statistical Office, the average share of Tigar rubber footwear on Serbian rubber footwear market is 75%. In 2010 were sold goods worth 387 million RSD, which is 28% more than in 2009.

The adopted growth strategy calls for both volume growth and qualitative restructuring of the product mix through re-orientation toward sophisticated products, mostly safety, sports, and general-purpose footwear. With regard to the international market, in addition to off-take manufacturing of products under globally recognized brand names, the BP calls for sales to large distribution chains and independent dealers. Manufacturing under the Century brand name, which includes the dipping technology, positions Tigar among premium brand manufacturers and allows for further development of the Tigar brand in the middle market segment. Projections for the period include a significant increase in sales to the domestic market, not only of farmers' and general-purpose footwear, but also of sports, stylish, children's and safety footwear. In the domestic market, special attention will be devoted to end users, both individuals and fleet buyers (primarily large industrial complexes). A significant growth in retail sales will be achieved through expansion of the special footwear chain within the scope of Tigar Trade.

In addition to off-take exports made under customers' brand names, Tigar will sell products under its proprietary brand names, such as Tigar and Century safety boots, Maniera stylish footwear, Brolly children's footwear, and other types of footwear made under the Tigar brand name. Bottega stores will offer complementary Italian imports.

Exports will target the following markets:

- Europe, particularly the UK and Scandinavian countries;
- Canada and the US; and
- Balkan countries.

The adverse effect of seasonality will be eliminated by boosting production of safety footwear and introducing new groups of products.

Further increase in market share is based on the following assumptions:

- Intensified development of proprietary-brand products, including the Century brand and other private brands;
- Development project with the Canadian company STC;
- Special collections of stylish and children's footwear for each season;
- Redesign of standard footwear styles, especially of sports footwear;
- High product quality at competitive prices;
- Short lead time;
- Servicing of the industrial sector;
- Entry into the medium dealer segment (in addition to the large dealer segment);
- Continued shutting down of European footwear factories.

Technical rubber goods

Tigar Tehnička guma (Tigar Technical Rubber Goods, TTRG) is a wholly-owned subsidiary of Tigar AD.

It manufactures:

- Rubber/metal products;
- Molded rubber products for the construction industry;
- Various rubber products for the automotive industry;
- Tire-retreading material;
- Rubber balls and various other types of sporting goods;
- Diverse types of products made from recycled rubber; and
- Fuel tanks for fighter aircraft and rubber parts for tanks.

Based on the physical completion plan, the reconstruction and upgrading of TTRG's manufacturing facilities should have been completed by 31 October 2010. This includes the completion of upgrading of the rubber profiles line, the activation of the thermoplastic profile line, the completion of the recycled-rubber products plant, and the completion of a number of other activities called for by the upgrading plan. TTRG's basic product lines resumed standard production in November 2009, while the recycled-rubber products plant is expected to begin producing for the market in March 2010. Due to impossibility to entirely close the structure of financing, the physical implementation of the basic project has been postponed to June 30th 2011.

According to the National Statistical Office, TTRG's share of the Serbian market is the following: molded rubber items for the construction industry (40%), rubber tubing (30%), and sporting goods (15%).

TTRG's major competitor in the molded-items market segment is Vulkan from Niš. It has no domestic competition in the sporting goods segment; its competition mainly comes from imports.

In the past, TTRG did not have a significant presence in the global market. This will change following the commissioning of its new factory at which both standard products and recycled-rubber products will be manufactured.

For the time being, production of finished goods made from recycled rubber, which was launched in 2006, targets the domestic market. 2010 plans call for a 100% increase in sales levels relative to 2008, when the factory operated at its previous location (it was virtually shut down throughout January-November 2009). This increase will include sales of recycled-rubber products to the tune of 2M€, of which products worth 1M€ will be sold to former customers of Bilgutex – a company which TTRG acquired in 2009 and transferred its equipment and technology to Pirot.

Following the addition of binders and after pressing, recycled rubber (rubber granulates) can be transformed into a large number of low-tech products and can be used for various applications, such as asphalt fillers, elastic overlays for sports courts and playgrounds, underlays for grassed surfaces, and the like. The granulation process is becoming increasingly popular, because it allows the recycling of scrap tires from dumpsites where their non-degradability poses an ongoing

problem. Products made from rubber granulates of different sizes (0.5 – 5mm) and binders, finished or unfinished, of different colors and shapes, are used to overlay and protect outdoor and indoor surfaces (squares, sidewalks, promenades, parking lots, school and daycare center yards, corridors in public institutions, sports arenas, areas surrounding swimming pools, and so on.

3000 x 1220 x 60mm rubber mats, which can be split into sheets with a minimum thickness of 3 mm, can be used for soundproofing and insulation by the construction industry, as light and sound barriers along roads, for waterproofing landfills and various types of storage areas, as dock and port shock-absorbing components, for lining factory walls in areas of forklift activity, as mats for production machinery, and wherever there is danger from vibration or impact. Another widespread use is in agriculture, for the production of spring vegetables, where the consumption of water, fertilizers and pesticides is minimal.

These products have many uses and open a wide market due to their ease of installation, excellent proofing properties, and high resistance to atmospheric and virtually all chemical impacts.

Overlays for sports courts include a rubber tile base (the thickness of which varies based on the type of court), covered with a finishing layer. Different sizes of granulates and types of surface finishes are used, depending on the sport. The formula is adjusted to the required properties (elasticity, shock absorption, friction, resistance to weather conditions, etc.) and the intended use (recreational sports, playgrounds, school grounds, professional sports, tennis courts, sports arenas, athletic tracks, etc.).

The list of industrial rubber products based on recycled rubber and made by extruding and pressing is very long. It includes rubber doormats, carpeting, various kinds of bumpers (e.g., for docking facilities), rubber components for the automotive industry, rubber belts, rubber tubing, and many others. This group also includes rubber sheeting for soundproofing in the construction industry, rubber tiles, rubber flooring, roofing sheets, sheeting for landfills, etc.

Following the acquisition of the Danish company Bilgutex, TTRG will be manufacturing the following groups of products at its new plant:

- Bilgusafe – playground tiles
- Bilgusand – sandbox edging
- Bilgusign – traffic sign bases
- Bilgubollards - bollards
- Bilgulane – rubber mats
- Bilguwell – products for other uses

Recycled rubber is used as a raw material for a wide range of final products with excellent technical characteristics and for a variety of useful purposes. The most frequently produced granulate size is 1 to 4 mm. Particles smaller than these are, in effect, rubber powder, and are produced when required by the market. 6 mm granulates (the so-called rubber chips) are also produced frequently. They are virtually a semi-finished product in the granulation process. Granulates come in various shapes and uniformities. Their metal content is not higher than 0.1% and their moisture content is up to 1%.

The following features of products made out of recycled rubber can be provided:

- permeability,
- imperviousness,
- high elasticity,
- resistance to wear,
- resistance to elongation, twisting and tearing,
- smooth surface finish,
- coarse surface finish,
- color scheme as required by customer,
- open pore surface, and
- many others.

Chemical products

Tigar Hemijski proizvodi (Tigar Chemical Products, TCP) is a wholly-owned subsidiary of Tigar AD.

TCP produces:

- Special conveyor belt adhesives;
- Various types of adhesives for furniture, footwear and other industries;
- Road paint;
- Special dyes for the food industry;
- Paint for the construction industry;
- Anti-corrosion coatings;
- Special self-spreading polyurethane flooring for industrial plants, sports courts and large enclosures; and
- Diverse products for the consumer market.

TCP's products generally target the domestic market. Major domestic competitors include: Duga from Belgrade, Zvezda Helios from Gornji Milanovac, Zorka Boje from Šabac, Prvi Maj from Čačak, and Grmeč from Belgrade.

According to the National Statistical Office, TCP has the following market share: 40% for conveyor belt adhesives in mining operations and roughly 50% of the road paint segment.

TCP's major export markets are South Africa (adhesives for conveyor belts) and Greece (road paint).

Because of the reported high level of loss in 2010, there is a special study being prepared in relation to this program that should show at what level of production and in which structure this program should work after the resettlement of the site Tigar 3a.

2.1.4. Operations away from corporate seat

2.1.4.1. Locations, other than the issuer's corporate seat, where the issuer conducts business (organizational/business units and branch offices):

Sales in Serbia

Tigar Trade is Tigar's domestic sales network and a wholly-owned subsidiary of Tigar AD.

Tigar's domestic sales network is comprised of:

- **AUTOMOTIVE SERVICE NETWORK „STOP & DRIVE“**, which offers a wide range of tires and automotive accessories following a multi-brand/multi-product strategy, as well all automotive services such as light vehicle servicing, tire replacement, tire balancing, wheel alignment, tire repair, oil change, and car wash. In August 2009 this network began to conduct mandatory vehicle inspections. It also operates a number of mobile units which offer on-the-spot tire removal, installation and balancing services. Stop & Drive is comprised of 21 service centers (1 for trucks and the remainder for cars and light utility vehicles) and 4 mobile units (3 for trucks and 1 for cars).
- **RETAIL NETWORK**, comprised of 23 retail outlets which offer rubber footwear, technical rubber goods and chemical products made by Tigar. Some of these outlets also sell tires and automotive afterparts and car care products.
- Specialized BOTTEGA footwear chain, currently comprised of four outlets (in Belgrade, Niš, Novi Sad and Pirot), which offers men's women's and children's leather footwear throughout the year. During the October-March period, a significant portion of the product offering is made up Tigar Footwear's new collection of fashion footwear. Development plans call for the opening of 15 new outlets of this type. Sales via „islands“ at the Delta City and Ušće shopping malls will begin in October 2010.
- **3 REGIONAL BRANCH OFFICES**, in Belgrade, Novi Sad and Niš
- **3 WAREHOUSES**, in Pirot, Belgrade and Novi Sad
- Company's headquarters in Pirot.

Tigar Trade conducts purchasing, sales and logistical activities in the domestic and international markets for Tigar Footwear and Tigar Technical Rubber Goods. Additionally, the Automotive Service Network sells tires, automotive afterparts and car care products, and provides automotive services.

Sales to international markets

Tigar Europe, United Kingdom

Tigar has been very active in the UK market for more than 15 years via Tigar Europe, in which it holds a 50% interest. Tigar Europe has an excellent knowledge of the UK market and a well-established client base, and it provides superior services. Tigar Europe, a wholesale company, also has the know-how, capability and business connections to act as a supplier of equipment, materials, spare parts, and other goods to Tigar and its subsidiaries. In addition to tire and footwear sales to the UK market, Tigar Europe will in the future intensify purchasing activities and support a number of corporate projects.

Tigar Americas

Tigar Americas covers US and Canadian markets. Tigar Americas was the first commercial company which Tigar set up abroad and, prior to the trade embargo, had annual revenues of \$20 million. Following the lifting of the trade embargo, Tigar decided to renew its business operations in North America and to focus on sales of rubber footwear. Its plans also call for a significant increase in purchasing of equipment, materials and spare parts from the US dollar market for Tigar Trade and the manufacturing subsidiaries controlled by Tigar.

The Balkans

Tigar AD's subsidiaries in the Balkans are co-owned by Tigar AD and its local partners, with Tigar AD holding the controlling interest in each of these companies. Prior to the 1990's, these companies were Tigar's branch offices in the various republics of the former Yugoslavia and, consequently, Tigar's tradition in these markets is well established.

Market research

A representative office in Sofia, Bulgaria, is currently conducting market research and assessing the potential of the Bulgarian market as well as the markets of other countries in the region.

2.1.5. Special circumstances

2.1.5.1. Other significant facts and circumstances which might affect the issuer's business operations and performance

There are no binding agreements concerning to particular circumstances

2.1.6. Discontinuities of business operations

2.1.6.1. Any discontinuities of the issuer's business operations during the past three years, and reasons for such discontinuities:

There were no discontinuities of operations.

2.2. ISSUER'S ASSETS AS OF 30 JUNE 2010

If the issuer is a parent company, information should be provided about all subsidiaries along with their names:

NON-CURRENT ASSETS (in thousands of RSD)	
- Land, buildings, and equipment	536,919
- Intangible expenditures	77,175
- Long-term investments	2,437,440
TOTAL, FIXED ASSETS:	3,051,534
<u>CURRENT ASSETS (in thousands of RSD)</u>	
- Inventories	24,582
- Fixed assets intended for sale	4,367
- Accounts receivable	627,505
- Short-term investments	356,805
Cash and cash equivalents	213,404
Deferred tax	
TOTAL, CURRENT ASSETS:	1,226,663
TOTAL, ASSETS (in thousands of RSD):	4,278,197

2.2.1. Real property, plants, and equipment

TYPE OF PROPERTY	SURFACE AREA IN M²	BOOK VALUE IN THOUSANDS OF RSD (30 June 2010)
LAND		
Tigar II	139,250	36,216
Tigar III	156,814	9,037
Tigar Workshop	1,702	692
Total, land:	297,766	45,945
BUILDINGS, TIGAR AD.		
Tigar AD Pirot		80,735
Sales outlet, Tigar IV	263	4,987
Belgrade, Resavska St.	201	4,772
Tigar III	18,452	163,094
Buildings in progress		44,980
Total, Tigar AD	18,916	298,518
TIGAR TRADE Serbia		
Branch offices incl. warehouses		
Niš	870	61,632
Beograd (Šimanovci)	1,706	20,008
Novi Sad i Temerin	1,555	21,726
Prodavnice		
Pirot II	76	4,793
Pirot V	155	5,338
Pirot I	301	31,829
Pirot	33	533
Vlasotince	35	1,748
Sokobanja	81	
Knjaževac	59	1,357
Bor	160	4,227
Svilajnac	70	3,465
Kruševac	119	1,952
Trstenik	67	1,368
Užice	100	8,684
Beograd III	79	11,152
Beograd IV	121	9,241
Zrenjanin	73	3,524
Subotica	63	7,300
Bačka Palanka	118	7,915
Čačak	71	12,914
Buildings in progress		45,845
Total, Tigar Trade buildings:	5,912	266,551
MANUFACTURING SUBSIDIARIES		
Tigar Chemical Products		42
Buildings in progress Tigar Chemical Products		102,822
Tigar Technical Rubber Goods	7,462	420,075
Tigar Footwear	30,719	811,145
Total, buildings of manufacturing subsidiaries:	38,361	1,334,084
SERVICE SUBSIDIARIES		
Tigar Business Services	4,248	158,174
Tigar Security	129	799
Tigar Workshop	482	10,797
Tigar Tours	54	6,323
Tigar Incon	1112	132,298
Total, buildings of service subsidiaries:	4,913	308,391
GRAND TOTAL:		2,253,489

2.2.1.1. Real property abroad

- Warehouses in Banja Luka, Republika Srpska, used by Tigar Trade Banja Luka, 800 m².
- Office space in Skopje, Macedonia, used by Tigar Partner, 72 m².
- Office space in Goražde, Bosnia and Herzegovina, used by third party, 56m².
- Office space in Zagreb, Croatia (161 m²) and building land in Sesvete, Municipality of Zagreb (13,424 m²), user unknown.

These real properties have been excluded from the issuer's business books, since settlement is pending among the former Yugoslav republics.

REAL PROPERTY UNDER LEASE

Tigar Trade Serbia leases 28 stores and two warehouse in Serbia.

2.2.1.2. Value of plants and equipment

	<i>Book value in thousands of RSD (31.12. 2010.)</i>
Tigar AD	179,586
Tigar Footwear	360,307
Tigar Chemical Products	5,042
Tigar Technical Rubber Goods	270,900
Tigar Trade (Serbia)	151,848
Tigar Business Services	58,347
Tigar Tours	238
Tigar Incon	26,285
Tigar Inter Risk	35
Tigar Workshop	2,233
Tigar Security	6,340

2.2.2. Interest in other legal entities
2.2.2.1.

	<i>Name and seat</i>	<i>Capital contribution to issuer's assets (000 RSD)</i>	<i>Issuer's stake in the capital (%)</i>	<i>Issuer's voting rights (%)</i>
1.	TIGAR Obuća d.o.o. Pirot / Tigar Footwear		100	100
2.	TIGAR Tehnička guma d.o.o. Pirot / Tigar Technical Rubber Goods		100	100
3.	TIGAR Hemijski proizvodi d.o.o. Pirot / Tigar Chemical Products		100	100
4.	Tigar Trade d.o.o. Pirot		100	100
5.	Tigar Montenegro d.o.o. Podgorica (Montenegro)		80	80
6.	Tigar Partner d.o.o. Skopje (FYR of Macedonia)		70	70
7.	Tigar Trade d.o.o. Banja Luka (Rep. Srpska)		70	70
8.	Tigar Europe, London (UK)		50	50
9.	Tigar Americas (USA)		100	100
10.	Tigar Poslovni servis d.o.o. Pirot / Tigar Business Services		100	100
11.	Tigar Tours d.o.o. Pirot		100	100
12.	Hotel StarA d.o.o. Pirot		100	100
13.	Tigar Obezbeđenje d.o.o. Pirot / Tigar Security		100	100
14.	Tigar Zaštitna radionica d.o.o. Pirot / Tigar Workshop		100	100
15.	Tigar Inter Risk d.o.o. Pirot		100	100
16.	Tigar Incon d.o.o. Pirot		100	100
17.	Tigar Ugostiteljstvo d.o.o. Pirot		100	100
18.	Slobodna zona a.d. Pirot		75.06	75.06
19.	Pi Kanal d.o.o. Pirot / Pi Chanel		75	75
20.	Dom Sportova / Sports Center		50	50
21.	Agencija Stara planina Tures d.o.o. Pirot / Mt. Stara Planina Agency		40	40

The above table should include issuer's investments which have resulted in a stake in the capital of other legal entities of 10% or more.

If the issuer is a parent company, the table should also include the following information about subsidiaries:


- Line of business,
- Management,
- Development policy and strategy,
- Total profit/loss for past three years,
- Total capital for past three years,
- Total assets for past three years.


NAME, SEAT, LINE(S) OF BUSINESS, DEVELOPMENT POLICY AND STRATEGY

NAME AND SEAT	TIGAR OBUČA d.o.o. Pirot / TIGAR FOOTWEAR	
LINE(S) OF BUSINESS	<p>19303 Manufacture of rubber footwear 51420 Wholesale, clothing and footwear 52430 Retail, footwear and leather goods 52630 Retail, other, away from outlet</p>	
MANAGEMENT	<p>BOARD OF DIRECTORS</p> <p>Miodrag Tančić, Chairman Jelena Petković, Member Ivan Mijalković, Member Slobodan Sotirov, Member Miodrag Dopuđa, Employee Representative</p> <p>EXECUTIVE OFFICER</p> <p>Miodrag Tančić</p>	
DEVELOPMENT POLICY AND STRATEGY	<p>Development strategy includes both production growth and changes in the product mix through a re-orientation toward sophisticated products, primarily in the areas of safety, sports, and general-purpose rubber footwear. It also focuses on the introduction and manufacturing of products made under globally-recognized brand names, with parallel development of Tigar-brand products for the domestic and international markets.</p> <p>In the international market, the focus is on off-take manufacture of globally-recognized brands and sales to large distribution chains and independent dealers, to whom Tigar-brand and private-brand products introduced in the meantime will be offered. In addition to European markets, plans call for expansion in the US and Canada. In 2010, activities aimed at positioning proprietary brands of safety, sports, fashion and children's footwear were undertaken in Australia and Russia.</p> <p>Plans call for a significant growth in sales to the domestic market, not only of products for agricultural and general-purpose uses, but of safety, fashion, and children's footwear as well. Domestic market sales will focus on end users which, in addition to natural persons, include fleet buyers, primarily large industrial complexes.</p> <p>In 2008, Tigar Footwear moved to the new, Tigar 3 industrial location, where a full upgrade of manufacturing processes was implemented with the goal of a significant increase in productivity and reduction in production costs, primarily through reductions in scraps and waste, and employee expenses. Lower costs should allow for a full valorization of the introduction of new, more sophisticated products manufactured for international markets in the past.</p> <p>Exports target the following markets:</p> <ul style="list-style-type: none"> - Europe, particularly the UK and Scandinavian countries; - Canada and the US; and - The Balkans. <p>Elimination of negative seasonal impact through higher output of safety footwear and the introduction of new groups of products, such as:</p> <ul style="list-style-type: none"> - Rubber/fabric; - Rubber/PVC; and - Rubber/leather, <p>should significantly improve the bottom line.</p> <p>The investment program was financed by Tigar AD, in the form of a Tigar Footwear capital increase, and from a long-term capital loan granted by DEG.</p>	

NAME AND SEAT	TIGAR TEHNIČKA GUMA d.o.o. Pirot / TIGAR TECHNICAL RUBBER GOODS
LINE(S) OF BUSINESS	25130 Manufacture of other rubber products 36400 Manufacture of sporting goods 29560 Manufacture of other machinery
MANAGEMENT	<p>BOARD OF DIRECTORS Goran Jovanovic, Chairman Zlatica Pešić Goran Stamenović Miodrag Tancic Mihajlo Najdanović</p> <p>EXECUTIVE OFFICER Goran Jovanović</p>
DEVELOPMENT POLICY AND STRATEGY	<p>In 2008, the old plants were shut down at the Tigar 2 location. They are being relocated and upgraded with the goal of increasing productivity and cutting production costs. The new plants, which were put into operation in November 2009, manufacture:</p> <ul style="list-style-type: none"> - Rubber profiles for the construction industry; - Rubber/metal products; - Tubing and other rubber products for the automotive industry; - Products for military use. <p>In December 2009, TTRG acquired the Danish company Bilgutex. This acquisition included equipment, technology, brand, certified products, and goodwill in the Scandinavian market. The equipment was relocated to Pirot and will be used to manufacture the following recycled-rubber products:</p> <p style="text-align: center;">Bilgusafe – playground tiles Bilgusand – sandbox edging Bilgusign – traffic sign bases Bilgubollards - bollards Bilgulane – rubber mats Bilguwell – products for other uses</p> <p>TTRG'S new plant for the manufacture of final products from recycled rubber for both international and domestic markets was commissioned in March 2010.</p> <p>In collaboration with an international and a domestic partner, TTRG intends to set up a tire recycling plant. Due to a delay in the enactment of pertinent legislation, the commissioning of this plant has been deferred until 2011.</p> <p>TTRG has applied for an EU grant whose proceeds would be used to finance environmental projects in Serbia.</p> <p>During the period, technical support of the EBRD/TAM BAS program was secured for TTRG's projects.</p> <p>Based on recently-enacted legislation addressing the collection and disposal of rubber waste, the Environmental Protection Fund will be granting the following financial incentives to recyclers:</p> <ul style="list-style-type: none"> • For re-use of rubber or use of rubber as raw material: <u>15,300 RSD/t</u> • For use of rubber in energy generation: <u>3,000 RSD/t</u> <p>The funds required to implement this project amount to 6 million €. This figure does not include investment in a tire collection system. Tigar is currently securing sources of funding for the project. Based on plans, the facility will be located at a special site owned by the company Jupiter. Jupiter will construct the plant building, which will either constitute an equity contribution or be leased to Tigar. The preferred option will be negotiated shortly.</p>



NAME AND SEAT	TIGAR HEMIJSKI PROIZVODI d.o.o. Pirot / TIGAR CHEMICAL PRODUCTS																			
LINE(S) OF BUSINESS	24300 Manufacture of paints, varnishes and similar products; printing inks and kits 24620 Manufacture of gelatin and adhesives 24660 Manufacture of other chemical products, not mentioned elsewhere																			
MANAGEMENT	BOARD OF DIRECTORS Miodrag Tančić, Chairman Jelena Kostić Jovica Ščulac Goran Jovanović Bojan Živković EXECUTIVE OFFICER Milan Džunić																			
DEVELOPMENT POLICY AND STRATEGY	<p>Increase in volume of the following product lines:</p> <ul style="list-style-type: none"> - Adhesives for conveyor belts in mining and other industrial applications; - High-quality self-spreading flooring for industrial plants and large enclosures; - Road paint; - Anti-corrosion coatings; - Paint for the metalworking industry and household appliances; and - Adhesives for the furniture and footwear industries. <p>Plans call for an increase in sales to the domestic market, especially to the construction industry and road infrastructure, as well as exports to the former-Yugoslav republics, the EU and the Middle East. An increased proportion of products for mining companies and various industries will considerably reduce the seasonal impact on sales. Existing production facilities will be shut down at the end of 2010. New facilities, at the new location, will match current capacity.</p> <p>TCP's presence in the domestic industrial coatings market segment is summarized in the following table:</p> <table border="1" data-bbox="424 999 1517 1178"> <thead> <tr> <th>Product line</th> <th>Position</th> <th>Market share</th> </tr> </thead> <tbody> <tr> <td>Road marking paint</td> <td>1</td> <td>>50%</td> </tr> <tr> <td>Self-spreading polyurethane flooring</td> <td>1</td> <td>>50%</td> </tr> <tr> <td>Can coatings</td> <td>1</td> <td>Approx. 40%</td> </tr> <tr> <td>Coil coatings</td> <td>2</td> <td>Approx. 20%</td> </tr> <tr> <td>Anti-corrosion coatings</td> <td>3-4</td> <td>Approx. 10%</td> </tr> </tbody> </table> <p>In the coming years, TCP expects significant changes and favorable developments in the Serbian market, as a result of more stringent legislation pertaining to fire protection, warehouses and storage spaces, and environmental protection. Additionally, manufacturers will be required to meet more stringent standards. Since many current manufacturers will be unable to comply with these standards, it is very likely that their customers will have to seek other sources and this will open new opportunities for TCP.</p>		Product line	Position	Market share	Road marking paint	1	>50%	Self-spreading polyurethane flooring	1	>50%	Can coatings	1	Approx. 40%	Coil coatings	2	Approx. 20%	Anti-corrosion coatings	3-4	Approx. 10%
Product line	Position	Market share																		
Road marking paint	1	>50%																		
Self-spreading polyurethane flooring	1	>50%																		
Can coatings	1	Approx. 40%																		
Coil coatings	2	Approx. 20%																		
Anti-corrosion coatings	3-4	Approx. 10%																		

NAME AND SEAT	TIGAR TRADE d.o.o. Pirot	
LINE(S) OF BUSINESS	51700 Wholesale, other	
MANAGEMENT	<p>BOARD OF DIRECTORS Jelena Petković, Chairperson Miodrag Tančić Goran Jovanović Marjan Avzner Gorica Stanković</p> <p>EXECUTIVE OFFICER Jelena Petković</p>	
DEVELOPMENT POLICY AND STRATEGY	<p>Tigar Trade began its operations on 1 January 2009; it is the legal successor of Tigar Trgovine (DSN) and Tigar Export-Import, which ceased to operate on the same date.</p> <p>Tigar Trade performs the following functions:</p> <ul style="list-style-type: none"> - Export transactions for Tigar Footwear and Tigar Technical Rubber Goods; - Wholesale transactions in Serbia related to products manufactured by Tigar Footwear and Tigar Technical Rubber Goods, as well as tires, car care products, and automotive afterparts; - Retail sales of tires and automotive products via its network of automotive service centers and mobile service units in Serbia, which also offer „light servicing“ of vehicles; - Retail sales of footwear manufactured by Tigar Footwear and other (mostly imported) footwear products, as well as products manufactured by Tigar Technical Rubber Goods and Tigar Chemical Products; - Purchasing of all raw materials and spare parts in the domestic and international markets for Tigar Footwear and Tigar Technical Rubber Goods, as well as supplies for the entire Tigar Group; and - Logistics and transportation. <p>Tigar Trade’s strategy calls for the following:</p> <ul style="list-style-type: none"> - Development of domestic and international sales of Tigar-brand products; - Increase in exports to leading international distributors and large retail chains; - Wholesale expansion, particularly in the footwear and technical rubber goods segments, but also in the tire and complementary automotive product segment; - Creation of the strongest multi product/multi brand automotive service chain in the country, which will offer tires, complementary automotive products, and light servicing of vehicles in Serbia; - Creation of a specialized footwear chain in 2009-2010; - Creation of chemical product sales centers after 2012; - Creation of an optimal purchasing system for the Tigar Group; and - Development of logistics. 	

NAME AND SEAT	Tigar Europe, London (UK)	
LINE(S) OF BUSINESS	Registered abroad for mediation, representation, sales, purchasing, and logistics in the UK.	
MANAGEMENT	<p>BOARD OF DIRECTORS Dragan Nikolić Jelena Petković Živan Garčev George Edwards</p> <p>MANAGING DIRECTOR Živan Garčev</p>	
DEVELOPMENT POLICY AND STRATEGY	<p>The core activity in the mid-term will continue to be tire sales to the UK market on an ongoing basis and without regard to growing competition, particularly from the Far East.</p> <p>Characteristic of Tigar Europe’s business is continuous improvement in the product mix offered to this market, which allows for higher margins both for the company and its suppliers.</p> <p>Plans as of 2010 call for an increase in sales of footwear to small and medium buyers in the UK and the EU, out of a warehouse located in Dumfries. This will contribute to the positioning of Tigar brands in these markets.</p> <p>Increase in footwear sales levels and generating business for Tigar Technical Rubber Goods in the UK market are among Tigar Europe’s important mid-term objectives.</p> <p>Plans also call for an increase in material and equipment purchases and the implementation of various corporate projects via Tigar Europe.</p>	

NAME AND SEAT	Tigar Americas (USA)
LINE(S) OF BUSINESS	Registered abroad for mediation, representation, sales, purchasing, and logistics in the US market.
MANAGEMENT	GENERAL ASSEMBLY Dragan Nikolić Gorica Stanković Milorad Manić MANAGING DIRECTOR Milan Nikolić
DEVELOPMENT POLICY AND STRATEGY	Main mid-term goals include market research in the US and Canada on behalf of Tigar's entities, and an increase in sales (especially of rubber footwear). Tigar Americas will continue to be the focal point for supplies of raw materials and goods to the Tigar Group from the dollar market. Plans call for the development of sales in all markets (except Europe and Russia), including Australia in particular.

NAME AND SEAT	Tigar Partner d.o.o. Skopje, Macedonia
LINE(S) OF BUSINESS	Registered in Macedonia for mediation, representation, sales, purchasing, and logistics in the Macedonian market.
MANAGEMENT	GENERAL ASSEMBLY Marjan Avzner, Chairman Dušan Jankuloski Đorđe Džunić MANAGING DIRECTOR Dušan Jankuloski
DEVELOPMENT POLICY AND STRATEGY	All Balkan counties in which Tigar AD has subsidiaries are expected to become members of a tax and customs union with a potential of more than 50 million inhabitants. The development strategy for this market is based on the setting up of a distribution center, with Tigar Trade being the owner of the goods and the local company providing distribution services and continuing to conduct direct sales.

NAME AND SEAT	Tigar Trade d.o.o. Banja Luka, Rep. Srpska
LINE(S) OF BUSINESS	Registered abroad for mediation, representation, sales, purchasing, and logistics in the markets of Republika Srpska and the Federation of Bosnia and Herzegovina.
MANAGEMENT	GENERAL ASSEMBLY Marjan Avzner, Chairman Djordje Džunić Vera Zarić MANAGING DIRECTOR Milorad Manić
DEVELOPMENT POLICY AND STRATEGY	The strategy is the same as for the other Balkan subsidiaries, and includes upgrading of sales processes and increase in sales to the markets of Republika Srpska and the Federation of Bosnia and Herzegovina. The development strategy for this market is based on the setting up of a distribution center, with Tigar Trade being the owner of the goods and the local company providing distribution services and continuing to conduct direct sales.

NAME AND SEAT	Tigar Montenegro d.o.o. Podgorica, Montenegro
LINE(S) OF BUSINESS	Registered abroad for mediation, representation, sales, purchasing and logistics in the Montenegrin market.
MANAGEMENT	BOARD OF DIRECTORS Marjan Avzner, Chairman Djordje Džunić Dušan Krstajić MANAGING DIRECTOR Dušan Krstajić
DEVELOPMENT POLICY AND STRATEGY	The strategy is the same as for the other Balkan subsidiaries, and includes upgrading of sales processes and increase in sales to the Montenegrin market. Special attention will also be devoted to cooperation with mining companies and industrial facilities.

NAME AND SEAT	Tigar Poslovni servis d.o.o. Pirot / Tigar Business Services
LINE(S) OF BUSINESS	55300 Restaurants 60250 Overland freight carriage
MANAGEMENT	BOARD OF DIRECTORS Djordje Džunić, Chairman Milivoje Nikolic Dragan Kostić Dejan Vojičić Vladan Pop-Krstić EXECUTIVE OFFICER Radiško Cvetković
DEVELOPMENT POLICY AND STRATEGY	As of 1 January 2007, this subsidiary was re-organized and its construction unit was moved to Tigar Incon (engineering and consulting). In 2009, TBS merged with the StarA Hotel and they now operate as a single company – Tigar Business Services. TBS continues to conduct its previous activities, including food production for the Tigar Group and transportation management. In 2008, TBS engaged the consulting company TAM/BAS, which is providing assistance in the areas of hotel upgrades and food production and distribution. TBS intends to expand its food production segment to include non-Tigar clients, as well as to upgrade its motor pool in order to increase the quality and volume of its transportation services. TBS's development strategy calls for an independent transportation unit and for consolidation of the food production unit with other entities whose activities are related to tourism and hospitality. The hotel development project, in connection with general investment activities within the Mt. Stara Planina National Park, will be implemented in two stages: - Reconstruction and upgrading of current facilities; - Consolidation with entities in the food production, tourism and hospitality business. A study of updates and upgrades has been prepared in collaboration with Swiss and Slovenian consultants. The project arising from this study will be included in the post-2012 business plan.

NAME AND SEAT	Tigar Tours d.o.o. Pirot
LINE(S) OF BUSINESS	63300 Travel agencies, tour operators, and tourist assistance, not mentioned elsewhere
MANAGEMENT	MANAGING DIRECTOR Živko Čurić
DEVELOPMENT POLICY AND STRATEGY	Tigar Tours development strategy is two-fold: (1) Promotion and development of tourism within the scope of the Mt. Stara Planina National Park, including Tigar's hotel on Mt. Stara Planina; and (2) Increase in package tour sales activities within the Pirot District. It will also continue to provide standard services to the Tigar Group. Tigar Tours's development strategy calls for eventual merging with Tigar's food production, tourism and hotel businesses.

NAME AND SEAT	Hotel StarA d.o.o. Pirot – merged with Tigar Business Services
NAME AND SEAT	Tigar Obezbeđenje d.o.o. Pirot / Tigar Security
LINE(S) OF BUSINESS	74600 Protection, security, and search for missing persons 75250 Fire fighting
MANAGEMENT	MANAGING DIRECTOR Dragan Tosic
DEVELOPMENT POLICY AND STRATEGY	Since this is a purely budget-based unit, whose core activity is the provision of security services relating to the property and workforce of Tigar, Tigar's subsidiaries and Tigar Tyres, the goal is to continue upgrading equipment and security systems in order to ensure an adequate level of security.

NAME AND SEAT	Tigar Zaštitna Radionica d.o.o. Pirot / Tigar Workshop
LINE(S) OF BUSINESS	20300 Fabrication of wooden components for the construction industry 20400 Fabrication of crates 93010 Washing and dry cleaning
MANAGEMENT	MANAGING DIRECTOR Miodrag Petrović
DEVELOPMENT POLICY AND STRATEGY	A new downtown location was purchased to support the development of this subsidiary, while one of its segments was moved to the Tigar 3 location. The core activity continues to be the disposal and selling of secondary raw materials, but plans also call for the introduction of manufacture of new products from used materials. Plans call for significant growth in profitable activities, particularly recycling of diverse types of materials. This subsidiary demonstrates Tigar's social responsibility and commitment.

NAME AND SEAT	Tigar Incon d.o.o. Pirot
LINE(S) OF BUSINESS	74203 Engineering
MANAGEMENT	BOARD OF DIRECTORS Branislav Mitrović, Chairman Zoran Petrovic Slobodan Sotirov EXECUTIVE OFFICER Sonja Kostic
DEVELOPMENT POLICY AND STRATEGY	Until 2007, major activities of this subsidiary included: - Engineering and consulting services; - Design and supervision of construction projects, and technical acceptance of construction projects; and - All other activities associated with the acquisition and disposal of real estate at the Tigar Group level and for third parties. With the goal of a comprehensive offering and the ability to undertake turnkey construction and reconstruction projects, the construction unit was moved to this subsidiary on 1 January 2007. Due to Tigar's extensive investment activities during the 2008-2010 period, this subsidiary will continue to largely provide services to the Tigar Group. This integration is expected to ensure better utilization of resources for municipal construction projects, and specifically projects relating to the imminent construction of the highway from Niš to the Bulgarian border.

NAME AND SEAT	Tigar Inter Risk d.o.o. Pirot
LINE(S) OF BUSINESS	67200 Ancillary activities relating to insurance and pension funds
MANAGEMENT	MANAGING DIRECTOR Dragan Pejčić
DEVELOPMENT POLICY AND STRATEGY	Plans call for further development in the area of insurance services, primarily oriented toward the needs of the Tigar Group and its employees.

NAME AND SEAT	PI kanal d.o.o. Pirot / PI Channel
LINE(S) OF BUSINESS	22000 Radio and television 54200 Telecommunications 74130 Market research and public surveys 74402 Other advertising services
MANAGEMENT	GENERAL ASSEMBLY Milivoje Nikolić, Chairman Srdjan Stojanović Dragan Denčić MANAGING DIRECTOR Boban Mitić
DEVELOPMENT POLICY AND STRATEGY	Seeking suitable partners for media-related activities with the goal of increasing the scope and type of projects, increasing production, and introducing a radio program and a separate sports channel.

NAME AND SEAT	Slobodna Zona a.d. Pirot / Free Economic Zone
LINE(S) OF BUSINESS	Organizes construction and identifies construction criteria based on the law, secures space and technical conditions for unimpeded business flow within the Zone, and undertakes environmental protection measures.
MANAGEMENT	BOARD OF DIRECTORS Dragan Kostić, Chairman Vladan Vasić Branislav Mitrović Momčilo Živković Aleksandra Lilić Dragana Manić Blagojević Miroslav Kostić MANAGING DIRECTOR Dragan Kostić
DEVELOPMENT POLICY AND STRATEGY	In addition to support provided in relation to the manufacture of semi-finished products for Tigar Tyres, and organization of warehousing, transportation, and freight forwarding, plans call for the introduction of new manufacturing activities and increase in business for non-Tigar Group clients. Since the accession of Romania and Bulgaria to the EU, potential investors have shown greater interest in conducting manufacturing and other activities within the Pirot Free Economic Zone. Expansion of Free Economic Zone infrastructures has a Priority 2 designation under the Mid-Term Investment Plan. Further development also requires investments by the local community, either self-funded or through the use of Development Program funds.

NAME AND SEAT	Dom sportova a.d. Pirot / Sports Center
LINE(S) OF BUSINESS	Coordination and proposing of measures and activities aimed at completing the sports center project, and at obtaining the needed funding
MANAGEMENT	GENERAL ASSEMBLY Vladan Vasić, Chairman Milorad Spasić Zoran Krstić Dejan Živković Miodrag Đorđević Branislav Mitrović Đorđe Džunić Slavoljub Stanković MANAGING DIRECTOR Aleksandar Manojlović
DEVELOPMENT POLICY AND STRATEGY	This is a joint project with the local government, aimed at improving the quality of life in the local community.

NAME AND SEAT	Agencija Stara planina Tures d.o.o. Pirot / Mt. Stara Planina Agency
LINE(S) OF BUSINESS	75130 Development and contributions to the successful functioning of the economy
MANAGEMENT	<p>GENERAL ASSEMBLY Djordje Džunić, Chairman Aleksandar Manojlović Milan Popović Ljuba Jonić Mirosljub Kostić</p> <p>MANAGING DIRECTOR Zoran Lazarević</p>
DEVELOPMENT POLICY AND STRATEGY	Participation in the utilization of Mt. Stara Planina National Park resources through the development of: <ul style="list-style-type: none"> - Hotel capacity including a full-service tourist offering; - Collection and processing of medicinal plants; and - Utilization of water resources for drinking water supply and renewable sources of energy.

KEY FINANCIAL INDICATORS OF RELATED ENTITIES (in thousands of RSD)
Manufacturing entities

<i>r.b.</i>	<i>Name and seat</i>	<i>Year</i>	<i>Total profit (loss) in past three years</i>	<i>Total capital in past three years</i>	<i>Total assets in past three years</i>
1.	TIGAR Footwear (in thousands of RSD)	2008	34,655	817,610	2,094,228
		2009	35,818	853,427	2,044,401
		2010	4,046	857,475	2,557,678
2.	TIGAR Technical Rubber Goods (in thousands of RSD),	2008	4,586	174,416	424,271
		2009	-78,579	330,415	871,259
		2010	-33,871	296,544	1,120,618
3.	TIGAR Chemical Products (in thousands of RSD), 2008 capital gain from sale of building)	2008	204,135	110,263	376,319
		2009	10,105	97,650	193,805
		2010	-57,850	131,031	271,301

Commercial entities

	<i>Name and seat</i>	<i>Year</i>	<i>Total profit (loss) in past three years</i>	<i>Total capital in past three years</i>	<i>Total assets in past three years</i>
1.	TIGAR Trade (Serbia) (in thousands of RSD) preduzeće posluje od 1. januara 2009. godine	2009	28,635	209,850	1,728,231
		2010	8,138	249,516	2,511,259
2.	TIGAR Montenegro (EUR)	2008	56,045	100,495	259,379
		2009	20,522	92,994	221,862
		2010	21,480	108,318	274,790
3.	TIGAR Partner (EUR)	2008	27,422	291,826	719,159
		2009	-18,346	284,295	446,384
		2010	1,540	285,835	388,801
4.	TIGAR Trade (KM)	2008	107,877	465,561	2,487,850
		2009	19,871	485,432	1,497,713
		2010	3,285	434,777	1,690,499
5.	TIGAR Europe (GBP)	2008	499,472	3,124,441	5,201,441
		2009	257,452	2,581,588	3,927,569
		2010	272,766	2,667,895	4,222,016
6.	TIGAR Americas (USD)	2008	20,546	458,840	492,550
		2009	-37,365	429,178	516,904
		2010	10,593	435,954	537,746

Service entities

	<i>Name and seat</i>	<i>Year</i>	<i>Total profit (loss) in past three years</i>	<i>Total capital in past three years</i>	<i>Total assets in past three years</i>
1.	TIGAR Business Services (in thousands of RSD)	2008.	4,813	100,718	232,383
		2009.	323	96,228	200,939
		2010.	-13,585	169,308	302,960
2.	TIGAR Tours (in thousands of RSD)	2008.	315	9,242	13,059
		2009.	591	9,518	10,630
		2010.	423	9,646	12,481
3.	Hotel StarA (in thousands of RSD) Since 01.01.2010, Hotel StarA was integrated to Tigar Business Service.	2008.	-9,085	72,056	87,258
		2009.	591	9,518	10,630
4.	TIGAR Security (in thousands of RSD)	2008.	3,692	15,662	28,879
		2009.	1,794	13,764	44,115
		2010.	4,262	14,068	45,713
5.	TIGAR Workshop (in thousands of RSD)	2008.	8,324	5,480	31,435
		2009.	11,411	8,567	35,519
		2010.	6,805	3,678	47,204
6.	Tigar Inter Risk (in thousands of RSD)	2008.	211	1,368	3,422
		2009.	81	1,639	2,869
		2010.	261	1,859	2,913
7.	Tigar Incon (in thousands of RSD)	2008.	10,256	39,717	113,053
		2009.	20,619	50,080	101,033
		2010.	10,930	169,561	275,608
8.	Free Economic Zone (in thousands of RSD)	2008.	8,116	134,044	150,601
		2009.	8,169	138,156	157,245
		2010.	10,937	146,369	178,403
9.	PI Channel (in thousands of RSD)	2008.	48	3,591	6,419
		2009.	925	4,514	12,768
		2010.	366	4,086	12,687
10.	Sports Center (in thousands of RSD)	2008.	/	14,802	14,943
		2009.	/	14,802	15,684
		2010.	/	15,931	16,304

2.2.3. Patents, concessions, special permits

- 2.2.3.1. Brief description of the conditions and expected durations of granted concessions, patents, major commercial contracts, franchise agreements, special import/export permits and/or business activity permits, and the like:

2.2.4. Major capital investments

- 2.2.4.1. Description of major investments and withdrawals of funds invested in above assets during the past three years, and description of the financing method for each investment; description of other significant investments and withdrawals of investment funds, and of respective financing methods:

Tigar's largest investment was made in its new industrial compound – Tigar 3, which was purchased in 2006. The surface area of this location is 138,362m² and it holds two industrial buildings of 18,452m². Following the purchase, Tigar implemented an extensive construction, reconstruction and refurbishment project. Current occupants of the location are: a central power station, the footwear factory, the technical rubber goods factory, the recycled-rubber products plant, construction unit plants, and transportation unit facilities. Premises are currently being prepared for Tigar Workshop. Additional space was purchased in 2009, adding 6.8 ha of land and some 20,000 m² of industrial and warehouse premises to the Tigar 3 location. The key investment priority in 2010 is the development and outfitting of the new space, including new infrastructures and reconstruction of existing buildings. Plans call for the additional space to hold a central warehouse for Tigar Footwear and Tigar Technical Rubber Goods, a rubber compound mixing plant, and a new factory for Tigar Chemical Products .

The second largest investment was made in the restructuring and expansion of Tigar's sales network, Plans call for the number of Stop&Drive centers to be increased from the current 22 to 30 by the end of 2012. The Bottega Chain, which is currently comprised of three specialty stores, will operate 15 in three years. The number of general retail outlets will be reduced to 15.

A large number of service businesses, especially those whose activities are not directly related to Tigar's industrial and commercial businesses (considered to be its core businesses), render corporate operations widely diversified. On the one hand, this diversification disperses the risk and has a positive effect on overall business operations. However, on the other hand, it has an adverse impact on coordination efficiency in view of a high level of internal sales which opens the issue of transfer pricing. The current business plan calls for consolidation of these companies through separations and mergers, aimed at creating companies which conduct one or more related activities and are more powerful in business and financial terms. Special studies by line of business will be prepared to ensure that changes are based on solid arguments and financial projections.

The separation of the construction unit of Tigar Business Services and its merging with Tigar Incon, whose main activities include design, engineering and supervision, has created a substantially stronger subsidiary which is able to offer both design and contractor services. As in 2008, Tigar Incon will focus on services for the Tigar Corporation in 2009. However, as of 2010, it will start seeking non-Tigar customers and become involved in imminent Corridor X and gas pipeline projects. Its ability to procure major contracts depends on the machinery at its disposal and a special development study will be prepared to show whether Tigar Incon should become a strong construction contractor or retain its current level of business. Tigar Incon's present business plan is based on its available resources.

At the beginning of 2011 was carried out the separation of the entity Tigar Business Services on two smaller units - Tigar Business Service where are performed transport-related jobs and Tigar Catering where are combined jobs related to food preparation and a hotel . these changes has occurred due to merge of related activities.

In March 2011 was published through APR the Act on merger of Tigar ad and Tigar Trade in order to comply with procedures prescribed by the law, before making a final decision about this change. The aim of such change is to merge Tigar Trade, commercial entity to its parent

company - Tigar ad, in order to make Tigar ad become a stronger business enterprise with a very high level of income and quality structure of balance sheet.

Pirot Free Economic Zone's business plan is based on its current capability, including available infrastructure. A special study will have to address the development potential and propose a development concept, which will have to be approved by Tigar's partner in this company.

Business plans for Tigar's other service subsidiaries are based on their current performance and projected growth using available resources. In view of all the activities that have to be completed and the projects that have to be prepared in 2009, the restructuring of Tigar's other subsidiaries has been deferred until the 2010-2012 period.

2.2.5. Liens

2.2.5.1. Basic data on issuer's property on which has been constituted a lien: type of lien, the value of pledged assets and pledge receivables, duration of pledge, name of the lienor (lien creditor):

Municipal Court of Pirot Ruling ref. I no. 1562/04 dated 21 December 2004, under agreement in favor of Yu Banka Belgrade, places a lien against real property (cardboard and footwear plant buildings) serving as a security for the following agreements between Yu Banka and Tigar:

Agreement reference	Date	Currency	Total amount	Outstanding balance
3617/04	6 October 2004	EUR	704,494.39	240,239.09
3618/04	6 October 2004	EUR	2,439,711.58	827,935.12
3619/04	6 October 2004	USD	2,362,641.42	805,682.55

Debt Collateral Agreement ref. 622/09 dated 25 June 2009, places a lien against the Occupational Health Service Building in favor of Hypo Alpe Adria Bank from Belgrade.

Agreement ref. I.VII 11645/09 dated 27 July 2009, places a lien against an apartment on Resava Street in Belgrade in favor of Hypo Alpe Adria Bank from Belgrade.

Mortgage Statements, ref. 93/2009, 94/2009, 95/2009 and 96/2009 dated 15 October 2009, place liens against business premises in Zrenjanin, Bačka Palanka, Užice and Kruševac in favor of Privredna Banka from Belgrade.

Debt Collateral Agreement ref. 1238/2009 dated 29 December 2009, places a lien against the Occupational Health Service Building in favor of Hypo Alpe Adria Bank AD, Belgrade.

Mortgage Statement ref. 1416/2010 dated 31 March 2010, places a lien against real estate in Pirot and the Tourism Building-StarA Hotel in favor of AIK Bank AD, Niš.

Mortgage Statement ref.1587/2010 dated 13 April 2010, places a lien against real property in Kruševac and Užice in favor of Privredna Banka AD, Belgrade.

Debt Collateral Agreement ref. 1402/2010 dated 16 April 2009, places a lien against the Occupational Health Service Building in favor of Hypo Alpe Adria Bank AD, Belgrade.

Mortgage Statement ref. 1707/2010 dated 26 April 2010, places a lien against a building for other industrial activities/administration building in favor of AIK Bank AD, Niš.

Mortgage Statement ref. 1929/2010 dated 4 May 2010, places a lien against business premises in Novi Sad in favor of AIK Bank AD, Niš.

Mortgage Statement ref. 2350/10 dated 26 May 2010, places a lien against real property in Niš and business premises of Tigar Tours and Tigar Incon, in favor of Societe Generale Bank AD, Belgrade.

Debt Collateral Agreement ref. 19712 dated 17 June 2010, places a lien against movable property as specified in Recital 1, in favor of Banca Intesa AD, Belgrade.

Mortgage Statement ref. 2794/2010 dated 23 June 2010, places a lien against real property: boiler facility, industrial water tank, fuel oil storage tank, and fuel oil transfer building in favor of Banca Intesa AD, Belgrade.

Mortgage Statement ref. 2713/2010 dated 17 June 2010, places a lien against a building for other industrial activities/administration building and business premises in Čačak, in favor of UniCredit Bank AD, Belgrade.

Mortgage Statements, ref. 2898/2010, 2899/10 and 2900/10 dated 2 July 2010, place a line against real property – business premises in Pirot, Knjaževac and Subotica in favor of Privredna Banka AD, Belgrade.

Belgrade 1st General Court Ruling ref. 8-I-55362/2010 dated 27 August 2010, places a lien against an apartment in Belgrade in favor of Hypo Alpe Adria Bank AD, Belgrade. Mortgage Statement ref. 4400/2010 and 4401/2010 dated 23 November 2010, places a lien against real property in Niš and business premises of Tigar Tours in favor of Societe Generale Bank AD, Belgrade.

2.2.6. Litigation and other proceedings

2.2.6.1. Data is provided only for significant proceedings before a court or administrative body: the number of procedures in which the issuer is defendant and total value of all litigation; number of cases where the issuer is a prosecutor and total value of all litigation; procedures relating to industrial property rights and abuse of monopoly are given separately:

The value of court cases of the issuer against its debtors amounts to 33,588,000.00 RSD, while the value of litigations against the company amounts to 2,697,000.00 RSD.

The Issuer is not currently involved in any litigation nor procedure in relation to industrial property rights.

2.2.7. Total non-due accounts payable at the time of submission of application

2.2.7.1. Total liabilities based on bank credit facilities,

	<i>In 000 rsd</i>
Long term	430,363
Short term	1,021,677
Total:	1,452,040

2.2.7.2. Total liabilities arising from issued debentures:

On 5 August 2009, the Company issued short-term corporate bonds in the aggregate nominal value of 95,000,000 RSD through a closed issue for a specific buyer, maturing in one year and carrying an interest rate of 16%. These bonds matured on 5 August 2010. The Company has redeemed the bonds in their entirety (principal plus interest). In August 2010, the Company implemented an issue of long-term bonds in the aggregate value of 165 million RSD, for specific buyers – institutional investors: Komercijalna Banka a.d. Belgrade, Wiener Insurance, and Takovo Insurance.

2.2.7.3. In 2010, the company has issued long-term corporate bonds through closed emission for a known buyer, with total nominal value of 250,332,500, with maturity up to five years. All relative documentation and transaction terms were publicly published.

2.2.8. Total past-due accounts payable at the time of submission of application

2.2.8.1. Total liabilities arising from bank loans: NIL

2.2.8.2. Total liabilities arising from issued debentures: NIL

2.2.8.3. Other liabilities of the issuer: NIL

2.2.9. Employees (Note: figures do not include Tigar Tyres)

2.2.9.1. Total number of employees employed by the issuer, breakdown by qualifications, and average number of employees for past three years:

	2008	2009	2010
University degree	328	363	380
Junior college degree	124	101	126
Highly skilled	10	5	11
Secondary education	580	638	659
Skilled	672	847	743
Semi-skilled	15	3	15
Unskilled	398	94	318
TOTAL:	2,127	2,051	2,252

The average number of employees over the past three years was 2,143

2.2.9.2. ggregate amount owed to employees: NIL

2.3. FINANCIAL INFORMATION
2.3.1. Summary of unconsolidated financial statements of the issuer for the past three years

2.3.1.1. Balance sheet:

***IAS/IFRS-adjusted key balance-sheet indicators (in thousands of RSD)**

B. Assets and liabilities	<u>As of 31 December 2008</u>	<u>As of 31 December 2009 (audited)</u>
TOTAL ASSETS:	4,079,756	3,997,793
Non-current assets	2,859,685	2,780,230
Subscribed, unpaid equity		
Goodwill		
Intangible assets	19,216	20,769
Property, plants, and equipment	613,771	612,227
Long-term investments	2,226,698	2,147,234
Equity investments	2,175,560	2,099,576
Other long-term investments	51,138	47,658
Current assets	1,219,416	1,217,563
- Inventories	29,011	26,005
- Non-current assets classified as held for sale	6,675	4,367
- Short-term accounts receivable, placements and cash	1,183,730	1,187,191
- Deferred tax assets	655	
Assets	4,079,756	3,997,793
Accumulated losses in excess of net assets		
Off-balance sheet assets		
TOTAL LIABILITIES:	4,079,756	3,997,793
Equity	2,736,793	2,811,407
- Share and other capital	2,062,152	2,062,152
- Subscribed, unpaid equity		
- Provisions	588,734	206,215
- Revaluation provisions		
- Retained earnings	111,926	543,040
- Loss		
- Acquisition of treasury shares		
Non-current liabilities	1,342,963	1,185,593
- Long-term provisions	7,624	9,562
- Long-term liabilities	198,503	171,009
- Long-term borrowings	198,135	171,009
- Other long-term liabilities	368	
- Short-term liabilities	1,136,836	1,005,022
- Short-term borrowings and other financial liabilities	893,682	862,551
- Liabilities directly associated with non-current assets classified as held		
- Accounts payable	164,553	93,932
- Value added tax and other taxes Payable and accruals	5,352	3,868
- Other current liabilities	32,116	35,135
- Income tax payable	41,133	9,536
- Deferred tax liabilities		793
Off-balance sheet liabilities		

B. Assets and liabilities	<u>As of 31 December 2009</u> (audited)	<u>As of 30 December 2010</u>
TOTAL ASSETS:	3,997,793	4,278,197
Non-current assets	2,780,230	3,051,534
Subscribed, unpaid equity		
Goodwill		
Intangible assets	20,769	77,175
Property, plants, and equipment	612,227	536,919
Long-term investments	2,147,234	2,437,440
Equity investments	2,099,576	2,391,972
Other long-term investments	47,658	45,468
Current assets	1,217,563	1,226,663
- Inventories	26,005	24,582
- Non-current assets classified as held for sale	4,367	4,367
- Short-term accounts receivable, placements and cash	1,187,191	1,197,714
- Deferred tax assets		
Assets	3,997,793	4,278,197
Accumulated losses in excess of net assets		
Off-balance sheet assets		
TOTAL LIABILITIES:	3,997,793	4,278,197
Equity	2,811,407	2,827,796
- Share and other capital	2,062,152	2,062,152
- Subscribed, unpaid equity		
- Provisions	206,215	206,215
- Revaluation provisions		
- Retained earnings	543,040	559,429
- Loss		
- Acquisition of treasury shares	26,019	
Non-current liabilities	1,185,593	1,448,936
- Long-term provisions	9,562	10,212
- Long-term liabilities	171,009	440,820
- Long-term borrowings	171,009	239,258
- Other long-term liabilities		
- Short-term liabilities	1,005,022	997,904
- Short-term borrowings and other financial liabilities	862,551	796,224
- Liabilities directly associated with non-current assets classified as held		
- Accounts payable	93,932	91,801
- Value added tax and other taxes Payable and accruals	3,868	52,468
- Other current liabilities	35,135	44,800
- Income tax payable	9,536	12,611
- Deferred tax liabilities	793	1,465
Off-balance sheet liabilities		

2.3.1.2. Income statement:

***IAS-adjusted key income-statement indicators (in thousands of RSD)**

A. Income and expenses	<u>2008</u>	<u>2009</u> <i>(audited)</i>
TOTAL INCOME:	1,619,929	1,116,252
Operating income	252,793	273,211
- Sales	182,411	242,016
- Work performed by the company and capitalized	37,833	9,361
- Increase in inventories of finished products and work in progress		
- Decrease in inventories of finished products and work in progress		
- Other operating income	32,549	21,834
Finance income	262,757	154,698
Other income	1,104,379	688,343
Extraordinary income		
TOTAL EXPENSES:	1,408,892	970,973
Operating expenses	516,981	535,534
- Cost of commercial goods sold	2,479	38
- Other materials, fuel and energy	40,373	80,494
- Staff costs	224,056	245,379
- Depreciation, amortization and provisions	14,631	22,235
- Other operating expenses	235,442	187,388
Finance expenses	198,143	140,161
Other expenses	693,768	295,278
PROFIT (LOSS) FROM OPERATIONS BEFORE TAXATION	211,037	145,279
PROFIT (LOSS) FROM DISCONTINUED OPERATIONS		
PROFIT (LOSS) BEFORE TAXATION	211,037	145,279
INCOME TAX	42,934	31,597
Tax expenses of the period	41,133	30,148
Deferred income tax expense	1,801	1,449
Deferred income tax benefit		
Owners account		
NET PROFIT (LOSS)	168,103	113,682
MINORITY INTEREST		
EQUITY HOLDERS OF THE PARENT		
EARNINGS PER SHARE (RSD))	97.94	66.44

A. Income and expenses	<u>2009</u> <i>(audited)</i>	2010
TOTAL INCOME:	1,116,252	998,634
Operating income	273,211	651,666
- Sales	242,016	577,430
- Work performed by the company and capitalized	9,361	53,219
- Increase in inventories of finished products and work in progress		
- Decrease in inventories of finished products and work in progress		
- Other operating income	21,834	21,017
Finance income	154,698	114,725
Other income	688,343	232,243
Extraordinary income		
TOTAL EXPENSES:	970,973	920,353
Operating expenses	535,534	603,292
- Cost of commercial goods sold	38	
- Other materials, fuel and energy	80,494	116,930
- Staff costs	245,379	267,903
- Depreciation, amortization and provisions	22,235	26,513
- Other operating expenses	187,388	191,946
Finance expenses	140,161	160,894
Other expenses	295,278	156,167
PROFIT (LOSS) FROM OPERATIONS BEFORE TAXATION	145,279	78,281
PROFIT (LOSS) FROM DISCONTINUED OPERATIONS		
PROFIT (LOSS) BEFORE TAXATION	145,279	78,281
INCOME TAX	31,597	23,997
Tax expenses of the period	30,148	23,326
Deferred income tax expense	1,449	671
Deferred income tax benefit		
Owners account		
NET PROFIT (LOSS)	113,682	54,284
MINORITY INTEREST		
EQUITY HOLDERS OF THE PARENT		
EARNINGS PER SHARE (RSD))	66.44	31.59

2.3.1.3. Cash flow statements (in thousands of RSD)

	2008	2009 (audited)
<i>Cash flows from operations</i>		
Cash inflows from operations	176,296	223,943
Cash outflows from operations	569,030	767,235
Net cash used in operations	(392,734)	(543,292)
<i>Cash flows from investment activities</i>		
Cash inflows from investment activities	917,126	1,519,336
Cash outflows from investment activities	766,233	360,214
Net cash used in investment activities	150,893	1,159,122
<i>Cash flows from financing activities</i>		
Cash inflows from financing activities	292,141	17,641
Cash outflows from financing activities	113,877	156,727
Net cash provided from financing activities	178,264	(139,086)
<i>Net increase in cash and cash equivalents</i>	(63,577)	476,744
Cash and cash equivalents at the beginning of the year	113,277	52,935
Foreign exchange gains	3,235	909
Foreign exchange loss		
Cash and cash equivalents at year end	52,935	530,588

	2009 (audited)	2010
<i>Cash flows from operations</i>		
Cash inflows from operations	223,943	350,788
Cash outflows from operations	767,235	785,124
Net cash used in operations	(543,292)	(434,336)
<i>Cash flows from investment activities</i>		
Cash inflows from investment activities	1,519,336	35,982
Cash outflows from investment activities	360,214	24,423
Net cash used in investment activities	1,159,122	11,559
<i>Cash flows from financing activities</i>		
Cash inflows from financing activities	17,641	131,688
Cash outflows from financing activities	156,727	57,993
Net cash provided from financing activities	(139,086)	73,695
<i>Net increase in cash and cash equivalents</i>	476,744	(349,082)
Cash and cash equivalents at the beginning of the year	52,935	530,588
Foreign exchange gains	909	31,898
Foreign exchange loss		
Cash and cash equivalents at year end	530,588	213,404

2.3.1.4. Statements of changes in equity (in thousands of RSD):

	<u>2008</u>	<u>2009</u> <i>(audited)</i>
Opening balance	2,685,839	2,736,793
IFRS adjustments		
New investments made during the year		
Profit for the year	168,103	113,682
Dividends distributed to shareholders	(104,911)	(56,709)
Other changes	(12,238)	17,641
Balance at year end	2,736,793	2,811,407

	<u>2009</u> <i>(audited)</i>	<u>2010</u>
Opening balance	2,736,793	2,811,407
IFRS adjustments		
New investments made during the year		
Profit for the year	113,682	54,283
Dividends distributed to shareholders	(56,709)	(37,894)
Other changes	17,641	
Balance at year end	2,811,407	2,827,796

LONG-TERM INVESTMENTS (in thousands of RSD)

	<u>2008</u>	<u>2009</u>	<u>2010</u>
Interest in the capital of related legal entities	2,189,976	2,114,040	2,406,436
Interest in the capital of banks	137	89	89
Interest in the capital of other legal entities	19	19	19
Adjustment	14,572	14,572	14,572
TOTAL:	2,175,560	2,099,576	2,391,972

2.3.1.5. Important notes to financial statements as shown in the financial statements
2.3.1.6. Auditor's summary opinion:
Extract from 2009 auditor's opinion:

In the auditors' opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2009, and the its financial performance and its cash flows for the year then ended, in accordance with the accounting regulations of the Republic of Serbia.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 2.1 to the financial statements disclosing that the accompanying financial statements include only the receivables, payables, results of operation, changes in equity and cash flows of the Company, without those of its subsidiaries. Investments in subsidiaries are included in these financial statements at cost. The consolidated financial statements, which the Company is required to prepare and submit to the Serbian Business Registers Agency by the end of April 2010 pursuant to the Law on Accounting and Auditing of the Republic of Serbia (Official Gazette of RS, number 46 as of June 2,2006), provide a better insight into the Company's financial position.

2.3.2. Summary of consolidated financial statements of the issuer for the past three years

2.3.2.1. Legal entities included in consolidated financial statements:

Tigar Footwear, Tigar Technical Rubber Goods, Tigar Chemical Products, Tigar Trade Pirot, Tigar Incon, Tigar Business Services, Tigar Tours, Hotel StarA, Tigar Security, Tigar Workshop, Tigar Inter Risk, Pirot Free Economic Zone, Tigar Montenegro, Tigar Trade (Republika Srpska), Tigar Partner (Macedonia), Tigar Americas and Tigar Europe – UK (Tigar Europe consolidated at 50%, commensurate with the interest held).

2.3.2.2. Consolidated balance sheet

***IAS-adjusted key balance-sheet indicators (in thousands of RSD)**

B. Assets and Liabilities	<u>As of 31 December 2008</u>	<u>As of 31 December 2009 (audited)</u>
TOTAL ASSETS:	6,967,130	7,155,209
Non-current assets	3,462,719	4,110,708
Subscribed, unpaid equity		
Intangible assets	74,702	111,442
Property, plants, and equipment	3,323,718	3,939,938
Long-term investments	64,299	59,328
Equity investments	12,498	11,670
Other long-term investments	51,801	47,658
Current assets	3,504,411	3,026,465
- Inventories	1,289,581	1,442,628
- Non-current assets classified as held for sale	948,689	19,884
- Short-term accounts receivable, placements and cash	1,248,126	1,563,953
- Deferred tax assets	18,015	18,036
Assets	6,967,130	7,155,209
Accumulated losses in excess of net assets		
Off-balance sheet assets		
TOTAL LIABILITIES:	6,967,130	7,155,209
Equity	3,745,192	3,514,083
- Share and other capital	2,062,152	2,096,279
- Subscribed, unpaid equity		
- Provisions	582,138	207,925
- Revaluation provisions	1,086,061	1,074,215
- Retained earnings	(6,198)	85,934
- Minority interest	47,057	49,730
- Acquisition of treasury shares	26,018	
Non-current liabilities	3,099,366	3,513,163
- Long-term provisions	81,891	79,861
- Long-term liabilities	679,018	1,149,078
- Long-term borrowings	652,805	1,132,408
- Other long-term liabilities	26,213	16,670
- Short-term liabilities	2,338,457	2,284,224
- Short-term borrowings and other financial liabilities	1,184,001	1,432,181
- Accounts payable	879,547	639,111
- Value added tax and other taxes payable	50,178	43,134
- Other current liabilities and accruals	139,819	151,136
- Income tax payable	84,912	18,662
- Deferred tax liabilities	122,572	127,963
Off-balance sheet liabilities		

B. Assets and Liabilities	<u>As of 31 December 2009</u> <i>(audited)</i>	<u>As of 31 December 2010</u> <i>(preliminary)</i>
TOTAL ASSETS:	7,155,209	8,221,149
Non-current assets	4,110,708	4,744,123
Subscribed, unpaid equity		
Intangible assets	111,442	398,125
Property, plants, and equipment	3,939,938	4,288,710
Long-term investments	59,328	57,287
Equity investments	11,670	11,819
Other long-term investments	47,658	45,468
Current assets	3,026,465	3,455,722
- Inventories	1,442,628	1,823,646
- Non-current assets classified as held for sale	19,884	20,039
- Short-term accounts receivable, placements and cash	1,563,953	1,612,037
- Deferred tax assets	18,036	21,305
Assets	7,155,209	8,221,149
Accumulated losses in excess of net assets		
Off-balance sheet assets		
TOTAL LIABILITIES:	7,155,209	8,221,149
Equity	3,514,083	3,394,261
- Share and other capital	2,096,279	2,089,299
- Short-term accounts receivable, placements and cash		
- Deferred tax assets	207,925	940
- Revaluation provisions	1,074,215	1,055,000
- nerealizovani gubici po osnovu hartija od vrednosti		
- Retained earnings	85,934	193,853
- Minority interest	49,730	55,169
- Acquisition of treasury shares		
Non-current liabilities	3,513,163	4,692,192
- Long-term provisions	79,861	83,087
- Long-term liabilities	1,149,078	1,729,281
- Long-term borrowings	1,132,408	1,512,668
- Other long-term liabilities	16,670	216,614
- Short-term liabilities	2,284,224	2,879,824
- Short-term borrowings and other financial liabilities	1,432,181	1,716,210
- Accounts payable	639,111	851,146
- Value added tax and other taxes payable	43,134	110,455
- Other current liabilities and accruals	151,136	183,927
- Income tax payable	18,662	18,086
- Deferred tax liabilities	127,963	134,696
Off-balance sheet liabilities		

2.3.2.3. Consolidated income statement

*IAS/IFRS-adjusted key income-statement indicators (in thousands of RSD)

A. Income and expenses	<u>2008</u>	<u>2009</u> <u>(audited)</u>
TOTAL INCOME:	5,050,798	4,283,174
Operating income	3,751,613	3,880,745
- Sales	3,315,792	3,349,344
- Work performed by the company and capitalized	392,524	441,254
- Increase in inventories of finished products and work in progress		57,463
- Decrease in inventories of finished products and work in progress	26,402	
- Other operating income	69,699	32,684
Finance income	202,587	74,609
Other income	1,096,598	327,820
Extraordinary income		
TOTAL EXPENSES:	4,855,478	4,455,495
Operating expenses	4,466,831	4,163,474
- Cost of commercial goods sold	1,177,607	914,976
- Other materials, fuel and energy	1,245,092	1,174,529
- Staff costs	1,501,211	1,500,700
- Depreciation, amortization and provisions	88,801	148,471
- Other operating expenses	454,120	424,798
Finance expenses	353,424	262,493
Other expenses	35,223	29,528
PROFIT (LOSS) FROM OPERATIONS BEFORE TAXATION	195,320	(172,320)
PROFIT (LOSS) FROM DISCONTINUED OPERATIONS		
PROFIT (LOSS) BEFORE TAXATION	195,320	(172,320)
INCOME TAX		
Tax expenses of the period	99,318	41,236
Deferred income tax expense	6,049	6,342
Deferred income tax benefit		
Owners account		
NET PROFIT (LOSS)	89,953	(219,898)
MINORITY INTEREST	5,014	2,673
EQUITY HOLDERS OF THE PARENT	84,939	(222,571)
EARNINGS PER SHARE		
1. Base earnings		
2. Reduced earnings per share		

A. Income and expenses	<u>2009</u> <i>(audited)</i>	<u>2010</u> <i>(preliminary)</i>
TOTAL INCOME:	4,283,174	5,304,315
Operating income	3,880,745	5,160,951
- Sales	3,349,344	4,288,191
- Work performed by the company and capitalized	441,254	743,308
- Increase in inventories of finished products and work in progress	57,463	89,828
- Decrease in inventories of finished products and work in progress		
- Other operating income	32,684	39,624
Finance income	74,609	72,136
Other income	327,820	71,228
Extraordinary income		
TOTAL EXPENSES:	4,455,495	5,327,279
Operating expenses	4,163,474	4,889,596
- Cost of commercial goods sold	914,976	835,533
- Other materials, fuel and energy	1,174,529	1,628,076
- Staff costs	1,500,700	1,613,490
- Depreciation, amortization and provisions	148,471	187,982
- Other operating expenses	424,798	624,515
Finance expenses	262,493	391,035
Other expenses	29,528	46,648
PROFIT (LOSS) FROM OPERATIONS BEFORE TAXATION	(172,320)	(22,964)
PROFIT (LOSS) FROM DISCONTINUED OPERATIONS		
PROFIT (LOSS) BEFORE TAXATION	(172,320)	(22,964)
INCOME TAX		
Tax expenses of the period	41,236	31,088
Deferred income tax expense	6,342	6,349
Deferred income tax benefit		
Owners account		
NET PROFIT (LOSS)	(219,898)	(60,401)
MINORITY INTEREST	2,673	5,439
EQUITY HOLDERS OF THE PARENT	(222,571)	(65,840)
EARNINGS PER SHARE		
1. Base earnings		
2. Reduced earnings per share		

Note:

In accordance with International Accounting Standards, Tigar AD's stake in Tigar Tyres was recognized in the consolidated balance sheet at 31 December 2008 applying the interest method, whereas in Tigar AD's individual balance sheet it was recognized at cost. Upon disposal in 2009, the stake was removed at cost (the amount reported by the Holding Company), resulting in a loss of -288,381,000 RSD. This loss was included in the 2009 consolidated balance sheet, given that it was reported as income in consolidated income statements for previous fiscal years.

In the consolidated balance sheet as at 31 December 2009, the loss was covered by retained earnings from previous fiscal years. As such, the current year gain in the consolidated income statement in fact amounts to 68,483,000 RSD.

2.3.2.4. Consolidated cash flow statements in thousands of RSD

	<u>2007</u>	<u>2008</u>
<i>Cash flows from operations</i>		
Cash inflows from operations	4,446,699	3,451,783
Cash outflows from operations	5,369,332	4,458,380
Net cash used in operations	(922,633)	(1,006,597)
<i>Cash flows from investment activities</i>		
Cash inflows from investment activities	1,200,731	1,321,485
Cash outflows from investment activities	325,752	1,038,647
Net cash used in investment activities	874,979	282,838
<i>Cash flows from financing activities</i>		
Cash inflows from financing activities	109,167	784,946
Cash outflows from financing activities	42,000	118,514
Net cash provided from financing activities	67,167	666,432
<i>Net increase in cash and cash equivalents</i>	19,513	(57,327)
Cash and cash equivalents at the beginning of the year	309,356	325,936
Foreign exchange gains		
Foreign exchange loss	2,933	26,199
Cash and cash equivalents at year end	325,936	242,410

	<u>2008</u>	<u>2009</u> <u>(audited)</u>
<i>Cash flows from operations</i>		
Cash inflows from operations	3,451,783	3,633,427
Cash outflows from operations	4,458,380	4,716,425
Net cash used in operations	(1,006,597)	(1,082,998)
<i>Cash flows from investment activities</i>		
Cash inflows from investment activities	1,321,485	1,251,781
Cash outflows from investment activities	1,038,647	349,565
Net cash used in investment activities	282,838	902,216
<i>Cash flows from financing activities</i>		
Cash inflows from financing activities	784,946	711,052
Cash outflows from financing activities	118,514	70,537
Net cash provided from financing activities	666,432	640,515
<i>Net increase in cash and cash equivalents</i>	(57,327)	459,733
Cash and cash equivalents at the beginning of the year	325,936	242,410
Foreign exchange gains		
Foreign exchange loss	26,199	134
Cash and cash equivalents at year end	242,410	702,009

2.3.2.5. Consolidated statements of changes in equity, in thousands of RSD

	<u>2007</u>	<u>2008</u>
Opening balance	2,672,120	2,705,522
IFRS adjustments		
Revaluation		1,074,893
New investments made during the year		
Effect of change in consolidation scope		
New issue of shares		
Profit (loss) for the year	165,027	89,953
Dividends distributed to shareholders	(43,477)	(104,911)
Other changes	(88,148)	(20,266)
Balance at year end	2,705,522	3,745,191

	<u>2008</u>	<u>2009</u> (audited)
Opening balance	2,705,522	3,745,191
IFRS adjustments		
Revaluation	1,074,893	
New investments made during the year		
Effect of change in consolidation scope		
New issue of shares		
Profit (loss) for the year	89,953	(219,898)
Dividends distributed to shareholders	(104,911)	(56,709)
Other changes	(20,266)	45,499
Balance at year end	3,745,191	3,514,083

2.3.2.6. Major notes to financial statements, as shown in the financial statements:

In accordance with international principles of consolidated, financial investments of the parent company and the capital of the companies whose financial statements are consolidated, were eliminated upon consolidation.

2.3.2.7. Auditor's summary opinion (2009):

Extract from 2009 auditors' opinion:

In the auditors' opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company and its subsidiaries as of December 31, 2009, and their consolidated financial performance and consolidated cash flows for the year then ended, in accordance with the accounting regulations of the Republic of Serbia.

2.3.3. Major performance and success indicators (Tigar AD's preliminary consolidated report)

2.3.3.1. Major performance indicators such as liquidity, solvency, net working fund ratio, profitability, etc. relevant to the core activity of the issuer. Issuers from the financial sector, for whom special regulations define the types, accounting methods and levels of various indicators, should state achieved and prescribed levels:

CURRENT RATIO

0.13

QUICK RATIO

0.57

NET WORKING FUND RATIOS:

Current assets – current liabilities / working capital

 $575,898 / 3,455,722 = 0.17$

Current assets – current liabilities / operating assets

 $575,898 / 8,221,149 = 0.07$ **FINANCIAL STABILITY**

Equity / operating liabilities

 $3,394,261 / 8,221,149 = 0.41$ **DEBT-TO-ASSETS RATIO**

0.56

RETURN ON ASSETS

-0.73%

RETURN ON EQUITY

-1.78%

2.3.4. Employee expenses

2.3.4.1. Gross and net employee expenses for the past three months:

GROSS SALARIES (000 RSD)	
October 2010	123.789
November 2010	123.799
December 2010	137.817
NET SALARIES (000 RSD)	
October 2010	72.112
November 2010	72.113
December 2010	80.489

2.3.5. rofit/loss per share

2.3.5.1. Net profit or loss per share for the past three fiscal years, based on unconsolidated financial statements (if the number of shares has changed during the past three years, figures should reflect these changes; describe the method applied to determine the value of exchanged shares):

	Net profit	Number of shares	Profit per share
2008	168,103,000	1,718,460	97.94
2009	113,682,000	1,718,460	66.44
2010	54,284,000	1,718,460	31.59

Based on the resolution regarding the distribution of retained profits from prior fiscal years, the resolution on the distribution of securities without a public offering passed at the extraordinary session of the General Assembly of Shareholders held on 27 October 2005, and the decision of the Securities Commission granting approval for the issue of securities without a public offering no. 4/0-24-3252/7-05 of 29 December 2005, a portion of retained profits from previous fiscal years in the total amount of 481,508,000.00 RSD was allocated as follows:

- A total of 294,044,000.00 RSD was used for provisions and contingencies, and
- A total of 187,464,000.00 RSD was used to increase capital assets of the Company.

Total subscribed capital amounted to RSD 2,062,152,000.00 (171,846 shares, par value RSD 12,000.00).

Based on the resolution regarding the distribution of shares due to a stock split, passed at the annual session of the General Assembly of Shareholders held on 8 June 2006, each ordinary share of stock was divided into 10 shares, while their nominal value was simultaneously lowered by a factor of 10.

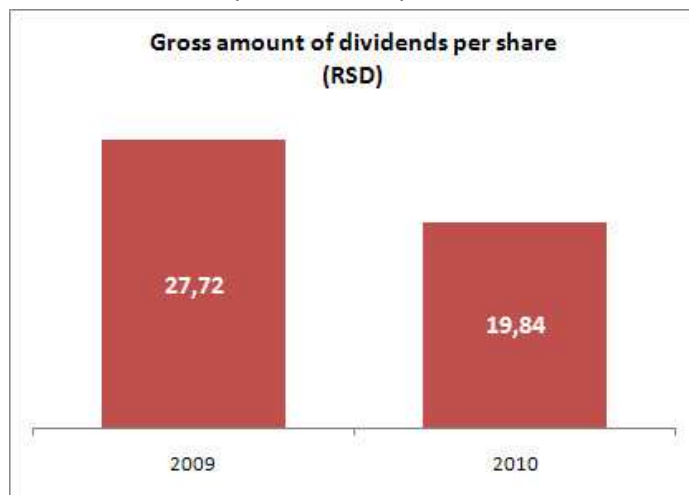
Total capital assets remain unchanged at RSD 2,062,152.00 (1,718,460 shares, par value of RSD 1,200.00).

2.3.6. Paid dividends

2.3.6.1. State the following:

- Dividend payout dates for the past three years:
December 26th 2010.
July 22nd 2009.
July 4th 2008.

The amount of the paid dividend per share for each class in particular:



- Paid dividend per share by class:

Ex-dividend day – a specific date prior to the dividend payout date on which registered shareholders become entitled to dividends, even though a different person may hold the shares at the time of actual payout:

- June 19th 2010.
- June 19th 2009.
- June 4th 2008.

2.3.7. Off-balance sheet items

2.3.7.1. Description of significant off-balance sheet items:

2.4. OTHER SIGNIFICANT FACTS

2.4.1. Other significant facts which might be relevant to decision making by investors with regard to the issuer's business, activities, and financial position:

NIL

3. ISSUER'S DEVELOPMENT POLICY

3.1. PLANNED DEVELOPMENT ACTIVITIES

3.1.1. *Planned capital increase*

3.1.1.1. Describe capital increase plans and methods, and the projected timeline:

Based on a 2006 resolution of the General Assembly, the Company might issue 25% of new shares to meet investment needs. The Board of Directors will decide whether to go ahead depending on market developments. Current plans call for the Board of Directors to consider the sale of stock to a specific buyer/institutional investor pursuant to Articles 54 and 532 of the Securities Law, at its August 2010 meeting.

3.1.2. *Planned expansion of business activities*

3.1.2.1. Introduction of new lines of business and increase in scope of current lines of business:

In this regard, plans call for the following:

- Development of products made under Tigar's proprietary brand names (including Tigar, Century, Forestry, Firefigher, Maniera, Brolly, Bilgusafe, Bilgusand, Bilgusaigh Bases, Bilgubollards, Bilgulane, and Bilguwell);
- Intensified development of other recycled-rubber products;
- Implementation of the tire recycling project; and
- Development of a network of end users in Serbia and other Balkan countries, via the domestic sales network.

3.1.3. *Planned investments*

3.1.3.1. In order to achieve the objectives set for the period 2010-2012 are required the following investments:

- Industrial facilities in controlled ownership of the corporation,
- Development and elimination of bottlenecks in production, process modernization and re-engineering process in all programs,
- Introduction of new products, development and promotion of brand and acquisition of internationally recognizable brands,
- Maintenance and improving the integrated system of quality management and ecological processes,
- Improving energy efficiency in all units through the processes of energy saving,
- Development of commercial network,
- Improving the corporation's management system and
- Investments in education, training programs and staff trainings.

Financing of investments of Tigar Trade is planned from the internal cash and credit facilities.

Other planned investments are included in financial plans of entities and are not of great volume so that they are to be financed from internal cash.

3.1.4. Business trends**3.1.4.1. Issuer's business development expectations; price trends of services rendered and/or goods sold:**

In 2011 is expected the full market valuation of investments from the previous three years in a program of rubber footwear, rubber technical goods, including products from recycled rubber and development of the sales network. The highest growth in 2011 is expected in exports of rubber footwear, particularly in the EU market, thanks to sales growth in the existing network of customers, and through sales to new large customers. In rubber technical goods program is expected the triple digit growth, given the low level of production and sales, due to process of modernization and opening of new production capacities. As regards to the price development, there will be performed continuous synchronization of finished products prices with those of raw materials in the world market, especially in terms of rubber and textiles, but the part of the growth must be compensated by increasing productivity

3.1.5. Position in the relevant sector

By the implementation of the modernization-related plan in rubber footwear program, it is anticipated the increase of the market share in Europe, up to 15%. Tigar Rubber Footwear Plant figures as the largest of this kind by its capacities and as the most modern by its equipment in Europe.

A streamlined program of rubber technical goods, which should include a program of finished products made from recycled rubber, should also be in the group of leading European manufacturers.

Realization of the sales network development program should provide leading position in dealing with car tires, car afterparts and rubber footwear on Serbian market.

Development of other activities should enable their classification into the group of leaders in Serbia, for specific activity.

3.1.5.1. Issuer's assessment with regard to its position within the sector in which it operates:

Ongoing successful development is dependent on the following conditions:

- Political stabilization;
- Changes in legislation, particularly relating to corporate law, taxation and protection from unfair competition;
- Creation of a favorable environment for foreign investors, in order to stabilize market conditions and neutralize non-economic influences on corporate performance;
- Jumpstarting of domestic industries and increase in the purchasing power of the domestic market; and
- Favorable loan terms supportable by performing businesses.

4. MANAGEMENT AND SUPERVISORY BOARD**4.1. MANAGEMENT AND SUPERVISORY BOARD MEMBERS****4.1.1. State the following:**

- Name of chief executive officer: Dragan Nikolić
- **Names and positions of Board of Directors members:**
 - Independent directors:**
Aleksej Misailovic ,
Tihomir Nenadić
 - Non-executive directors:**
Vladimir Nikolić,
Gordana Lazarevic ,
Jose Alexandre F. Da Costa.
 - Executive directors:**
Dragan Nikolić,
Jelena Petković,
Slobodan Sotirov,
Miodrag Tancic
- **Names and positions of Supervisory Board members:**
Milivoje Cvetanović, Chairman
Milić Radović
Dragan Milosavljević
- **Names and positions of Executive Board members:**
Dragan Nikolić, Chief Executive Officer
Jelena Petković, ED for Corporate Management Support
Đorđe Džunić, ED for Financial Affairs
Miodrag Tančić, ED for Manufacturing
Slobodan Sotirov, ED for Quality Assurance
Branislav Mitrović, ED for IT and Investments
Milivoje Nikolić, ED for Human Resources

4.2. REMUNERATION AND OTHER PROCEEDS PAID BY THE ISSUER**4.2.1. Remuneration paid to management (over past three years, individually, in net amounts, to the Director General and Board of Directors members):**

- **Aggregate of salaries and other types of management remuneration:**

2008	Net	8,939,221.00 RSD
	Gross:	13,462,682.00 RSD
2009	Net:	11,943,139.00 RSD
	Gross:	17,986,655.00 RSD
2010:	Net	855.888.00 RSD
	Gross	7,316.084.00 RSD

- Aggregate amounts of loans approved for management: NIL
- Aggregate of other benefits for management: NIL

4.2.2. Remuneration paid to Supervisory Board members (over the past three years, individually, in net amounts):**• Aggregate remuneration of Supervisory Board members:**

2008	Net	1,996,864.00 RSD
	Gross:	3,007,325.00 RSD
2009	Net :	1,428,012.00 RSD
	Gross :	2,150,620.00 RSD
2010	Net:	623.952,00 RSD
	Gross:	1.563.638,00 RSD

• Aggregate of other proceeds to Supervisory Board members: NIL**4.2.3. Special rights and benefits of management and Supervisory Board members:**

Other cash earnings, other benefits or other rights granted by the issuer to management and Supervisory Board members: NIL

4.2.4. Business transactions between the issuer and management/Supervisory Board members:

Significant business transactions between the issuer and management/Supervisory Board members, or between the issuer and persons connected with management/Supervisory Board members, during the past year: NIL

4.3. MANAGEMENT AND EMPLOYEE INTEREST IN ISSUER'S CAPITAL**4.3.1. Interest of management/Supervisory Board members in issuer's capital**

3,355 shares, or 0.19% of the share capital

4.3.2. Interest of issuer's other employees in issuer's equity:

Prior to stock exchange listing and secondary trading, the aggregate employee interest was 64.96%. The percentage now varies constantly due to daily trading.

4.3.3. Issuer's policy with regard to employee interest in issuer's equity:

The policy is the same as for all other shareholders.

5. OFFICERS

5.1. Full name(s) of individual(s) responsible for the contents of this Prospectus

Dragan Nikolić
Jelena Petković
Aleksandra Lilić

5.2. Individual(s) responsible for the contents of this Prospectus hereby sign(s) the following affidavit:

„I hereby attest that this Prospectus contains a true, correct, and full disclosure of all significant facts relating to the issuer of the security, which are relevant to decision making by investors!“

Executed in Belgrade on 31 March 2011

Signature(s) of individual(s) duly authorized to represent the issuer:

Dragan Nikolić, CEO

Jelena Petković

Aleksandra Lilić

This Prospectus is signed and certified by individual(s) authorized to represent the issuer.
This Prospectus may additionally be signed by individuals who participated in its preparation.

Signature(s) of individual(s) duly authorized to represent the issuer:

Dragoslav Veličković, Broker-Dealer Department Manager



6. COMMISSION'S CERTIFICATE OF APPROVAL

6.1. Number and date of the Commission's Certificate of Approval of this Prospectus for the Issue of Securities

Number:

Date: