



Tigar®

TIGAR AD PIROT

JANUARY-SEPTEMBER 2011 INTERIM REPORT

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OVERVIEW OF JANUARY-SEPTEMBER 2011 PERFORMANCE

The business environment is highly unfavorable this year, primarily because of the depreciation of the Dinar (which reduced export revenues converted into Dinars and revenues earned by Tigar's subsidiaries and affiliates operating abroad), the inflation rate (which increases expenses), and raw material price increases in the global marketplace. The Company addressed these challenges largely through productivity and sales price adjustments. During the first three quarters Tigar's revenue growth trend continued, regardless of seasonal impacts and the state of the business environment. Our consolidated operating income increased by 10%, while the Holding Company's operating income grew by 23%. The lower increase in consolidated sales revenues, relative to those recorded by the Holding Company, was a result of lower sales by Tigar's subsidiaries based abroad.

Viewed by segment, the greatest sales revenue growth was reported by Tigar Footwear, where operating income at the end of the reporting period equaled that recorded for the entire year 2010. In terms of markets, the highest growth (36%) in this segment was recorded in EU markets, which absorbed 88% of all exports. No footwear exports were made to Russia during the period because planned public procurements were not implemented. Due to a product mix modification caused by the introduction of new groups of products in the safety footwear line for the Canadian market, as well as the fact that initial deliveries of fashion footwear for the North American market were made during the 3rd quarter, sales to these markets were lower than last year but a highly favorable market response will likely result in multifold sales increases during the 4th quarter of 2011 and in 2012.

A Tigar branch in Australia began operating during the 3rd quarter, given that initial market research and trade show exhibits both last year and this year showed that there was a demand for Tigar's footwear and technical rubber products in Australia, New Zealand and other countries in the region, regardless of existing competition.

However, the sales income growth rate was adversely affected by liquidity issues, such that output was up to 40% lower compared to the volume of buyer orders.

Top supply priority was given to the footwear segment, followed by technical rubber products and chemical products.

Tigar Footwear modified its product mix, reducing the proportion of low-end products. This had a certain adverse effect on the sales volume, but not on profitability. Several development and marketing activities were completed during the reporting period, which focused on proprietary brands primarily for export markets. This is expected to contribute to further market expansion and a higher profitability level, particularly in 2012 but also in the following years. A new generation of safety footwear, produced applying the so-called dipping technology, was certified in the EU. These products feature superior properties compared to any other currently available technology. Initial deliveries of DT safety footwear were made in October 2011 to the UK.

In the tire sales segment, insufficient supply and the anticipated mandatory winter tire legislation caused a dip in sales.

Financing of a high growth rate from cash flow and short-term loans proved to be inadequate and untimely, because it was not possible to secure the level of funding required for Tigar's production cycles which last six months on average, from the time of purchasing raw materials to the time of payment for the final product, resulting in both production and sales below plan. Our inability to support the planned level of growth and reduce some of the fixed costs without threatening normal operations of the entire business system, as well as increased finance expenses, produced a bottom line which was below that reported last year.

Market volatility and the effects of the economic crisis led banks to impose more stringent terms and conditions with regard to both loan repayments and new loans, and to focus on short-term financing. Capital cost grew considerably since subsidized export loans were discontinued at the end of May 2011, such that, contrary to last year, loans were available only under commercial terms and conditions. During the 3rd quarter, Tigar applied via commercial banks for a 6.7 million € loan for permanent working capital from the Apex IV credit line of the European Investment Bank. It has been approved and should become operational in December 2011, meaning that the outcome of this superior source of long-term financing will be felt in 2012. Given the need for financial bridging in anticipation of this credit line, as well as the need to provide collateral in the form of mortgages, during the 3rd quarter Tigar focused on the issuance of short-term corporate bonds with a 30-90 day term, where bills of exchange served as collateral.

Given the lack of funding for investment activities, especially low-profitability investments, in its negotiations with Michelin concerning the sale of some real estate to their subsidiary Tigar Tyres, Tigar reduced the scope of the transaction to certain


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land and buildings which are unrelated to its core activities and for which no replacements need to be provided. The transaction is expected to be completed by the end of 2011. The proceeds will contribute to further financial stabilization of the group and also support expansion of the Pirot Free Economic Zone, where Tigar AD is the majority shareholder.

During the 3rd quarter, concrete discussions were held with several international partners about joint ventures and long-term commercial alliances in the technical rubber goods segments, including molded rubber products, rubber/metal products and rubber tubing. The products will target the EU market via one of Europe's leading manufacturers.

In the chemical products segment, the current focus is on preparations for relocation.

The product development activities which we have already completed, and those that are currently under way, will ensure a broader product offering, especially for the international marketplace. These activities focused both on custom-made products under buyer brand names and groups of products made under Tigar's proprietary brand names. Our key development priorities included expansion of our high-end product offerings (especially those made under our proprietary brand names) and expansion of our customer base in both domestic and international markets.

In the human resources area, we continued to follow a policy of optimizing the size of our workforce and providing ongoing training, in order to achieve the planned productivity growth.

Our completed investment activities largely centered around outfitting of the additional space within the Tigar 3B compound and on purchases of new tools and molds. Further investment activities will depend solely on our ability to secure agreed international investment loans and the time they become operational. No major investment activity will be undertaken unless the required sources of funding are in place, with the exception of equipment for our technical rubber goods segment, which is nearing completion in Spain and will be used to manufacture rubber and thermoplastic profiles, tubing, and other products which primarily target construction and automotive industries, both domestically and abroad.

One of our key business priorities with regard to restructuring of our sources of funding will be to modify loan maturities through the EIB credit line arrangement, the issuance of long-term corporate bonds, and potential recapitalization.

Dragan Nikolić

Chairman of the Board of Directors



1. EXECUTIVE SUMMARY

1.1. BASIC FACTS

Registered name: Akcionarsko društvo "Tigar" Pirot
(Joint-Stock Company Tigar Pirot, hereinafter also referred to as Tigar, Tigar AD, the Company, and the Holding Company)

Corporate ID: 07187769

Web site: www.tigar.com

Core activity: Holdings

Number of shareholders: 4,531 at 30/09/2011

Assets: 7,004,030 (000 RSD) at 30/09/2011

Registered address: Nikole Pašića 213, 18300 Pirot, Serbia

Tax ID: 100358298

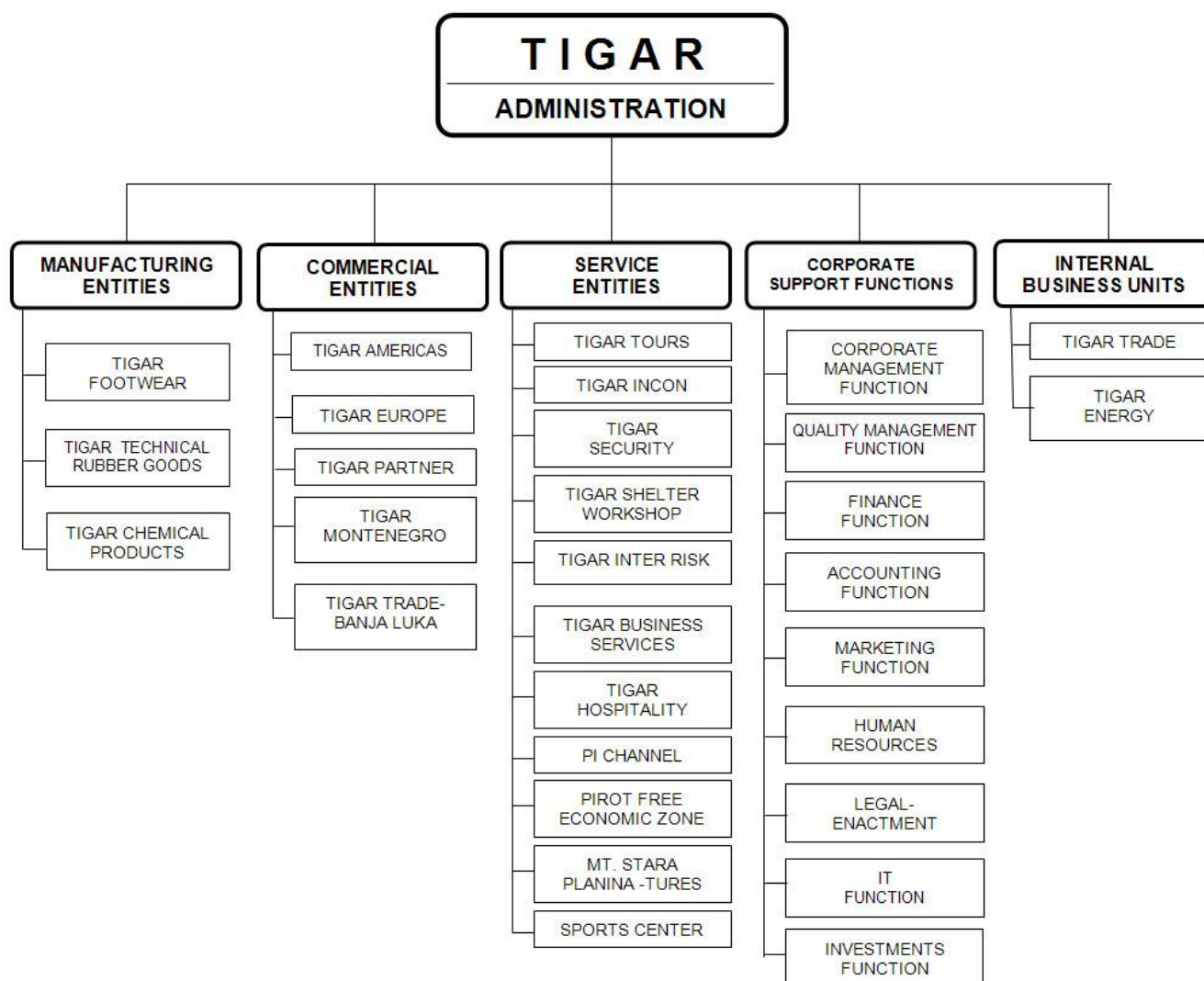
Certificate of Incorporation: Registry File 1-1087

Number of employees: 2,179 at 30/09/2011

Capital: 2,800,949 (000 RSD) at 30/09/2011

Capitalization: 1,053,416 (000 RSD) at 30/09/2011

1.2. CORPORATE STRUCTURE





1.3. PRODUCTION AND SALES OVERVIEW

FOOTWEAR

- Safety and work boots
- Fashion and children's footwear
- General purpose footwear
- Hunting and fishing boots

TECHNICAL RUBBER GOODS

- Molded rubber products for diverse industries, including the construction industry and road industries (e.g. speed bumps), vehicles (e.g. floor mats and fuel tanks), and rubber-coated products;
- Rubber profiles for diverse applications, such as those in the construction and automotive industries;
- A wide assortment of rubber hoses and tubing, including fabric-reinforced tubing and steel-spring flexible hoses;
- Rubber-metal products and semi-finished rubber products, including rubber-coated cabling, rubber compounds, vehicle shock absorbers, and shock mounts for rail vehicles;
- Sporting goods;
- Products made from recycled rubber for the road and construction industries, playgrounds, sports facilities, public areas, and the like.

CHEMICAL PRODUCTS

- Conveyor belt splicing kits
- Road paint
- Industrial and general-purpose adhesives
- Coatings, solvents, thinners, and chemicals.

COMPLEMENTARY GOODS

- Tires made by domestic and international manufacturers
- Motor oils, vehicle batteries, car care products, and afterparts
- Imported leather shoes

SERVICES

Tigar's automotive service and sales network STOP&DRIVE offered the following services during the reporting period:

- Tire repair, including wheel removal and installation, balancing, tire inspection, and filling with liquid nitrogen;
- Auto-mechanic services, including wheel alignment; inspection of brakes, shock absorbers and suspensions; replacement of axels, shock absorbers, and brake discs and plates; disc machining; air conditioning unit cleaning and disinfection; oil, oil filter and fuel filter changes; and replacement of shock absorbers;
- Car washes;
- Tire monitoring and safe-keeping.

The above services are provided by service centers and mobile units for both cars and trucks.



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Other services supplied by the Tigar Group:

- Diverse services related to the construction and maintenance of buildings and infrastructure, supported by an engineering group;
- Services of the Pirot Free Economic Zone, a specially designated area where businesses are exempted from customs duties, VAT, and a number of municipal levies;
- Overland transportation services, including national and international freight forwarding, contracted or sub-contracted international transport, and vehicle maintenance;
- Tourist services, tracing to Tigar's resources on Mt. Stara Planina and to Pirot as a tourist destination;
- A number of other services largely provided within the Tigar Group.

1.4. INVESTMENT ACTIVITIES

Our investment activities during the reporting period, at the manufacturing segment level, were reduced to capital improvement, purchases of tools and molds for new products, outfitting of sales and warehouse premises, and development of the Tigar 3B compound. In this regard, through the year end, Tigar will pay the remaining installments for the rubber and thermoplastic profile production lines, so that they can be delivered in December and made operational at the beginning of 2012. All other investment activities will be put on hold until appropriate sources of funding are in place, except for the development of project documents for future investment activities, largely related to the relocation of Tigar Chemical Products.

in thousands of RSD	Purchases of fixed assets and intangible investments January-September 2011
Tigar Technical Rubber Goods	73,608
Tigar Chemical Products	12,830
Tigar Footwear	145,011
Service entities	18,856
Holding company	114,262
Total	364,567

* Tigar AD figure includes Tigar Trade January-April 2011 purchases of fixed and intangible assets.

1.5. R&D AND CERTIFICATION ACTIVITIES

Tigar Footwear is currently developing 112 new products. To improve the functional and esthetic characteristics of its products and enhance its competitive edge, Tigar Footwear introduced 61 new or alternate raw materials and is currently testing another 34 new materials. The introduction of new materials is required for both new products and modifications of existing products. During the reporting period, Tigar Footwear industrialized 39 new products which are now in production. Major inroads were made into the industrialization of Tigar-brand products, applying the dipping technology, which are expected to significantly improve sales of Tigar-brand safety, farmers' and general-purpose footwear to the international marketplace.

Tigar Technical Rubber Goods (TTRG) is actively developing a considerable number of new groups of products, largely targeting the construction industry, development of public areas, and the road industry. In the rubber sheets segment, TTRG focused on the development of granulated rubber fillers for cabling, in the sporting goods segment it focused on the development of three new types of balls, and in the industrial rubber coating segment it is currently developing new types of bladders. However, the majority of its development activities centered on products made from recycled rubber. In the rubber profiles segment, TTRG will intensify its development activities following installation of additional EPDM and thermoplastic profile lines. If terms and conditions are agreed upon in the interim, these activities will be undertaken in collaboration with one of Europe's leading manufacturers of rubber parts for automobiles.

Tigar Chemical Products is currently expanding its assortment of water-soluble products, consistent with the latest standards.



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1.6. PRODUCTION OUTPUT

Following is a summary of production levels by segment, expressed in tons.

Production in tons	January - September		%
	2010	2011	
Tigar Footwear	1,429	1,584	11%
Tigar Technical Rubber Goods	1,662	1,180	-29%
Tigar Chemical Products	758	195	-74%
TOTAL:	3,848	2,959	-23%

Tigar Footwear recorded an 11% production growth, along with a significant product mix improvement. Its output of low footwear and work boots matched last year's levels, but a significant growth was recorded in the fashion footwear segment (128%), children's footwear segment (40%) and hunting boots segment (23%). The safety boots segment reported a 5% growth, but this is expected to increase considerably through the year end because in October Tigar Footwear initiated production of Tigar-brand safety boots, applying the dipping technology, as well as of new safety boots for the Canadian market. Given the level of sales, inventories (expressed in pairs) decreased by 20% but with an entirely different mix from that which existed last year.

TTRG's production volume and product mix were adversely impacted by the fact that the addition of the two-component profile line and the thermoplastic profile line were deferred until the second half of 2011. In all segments, growth was largely associated with production for existing buyers. As in the case of Tigar Footwear, TTRG recorded a significant increase in orders after the first year of operation on its new premises, such that large projects were initiated for buyers in Germany, Italy and North European countries in the last quarter of 2010, which are yet to produce results. In the recycled-rubber products segment, production continues to target former Bilgutex buyers. Here TTRG focused on increasing volume and improving its product mix for these buyers, including activities associated with the modification and certification of these types of products for the domestic and regional markets, where there has not yet been any notable demand.

Tigar Chemical Products (TCP) recorded a positive trend during the reporting period, although its output in tons was lower. Given that production for the road infrastructure had the largest share by weight, it also had the greatest impact on TCP's production output. It should be noted that production for the Tigar Group during the reporting period is shown differently because as of this year production for Tigar Footwear consists only of finishing, given that Tigar Footwear now purchases raw materials (as opposed to TCP purchasing raw materials in the past). As such, production for internal needs did not slump but is now presented in a different manner.

1.7. SALES OF GOODS AND SERVICES

SERBIA

At the end of the reporting period, Tigar's net income from sales of products, goods and services within and out of Serbia (excluding the companies operating abroad), amounted to 1,812,570 million RSD, or 8% more than at the end of the same period a year ago. Footwear sales contributed 71% to overall sales. Exports contributed 64%, and exports to the EU made up 88.4% of all exports. Tigar Footwear reported the highest growth, which is an expected outcome of past investments in this segment, both in capacity and product and market development, as well as of the fact that Tigar Footwear's new facilities have been operational for more than two years, which was the minimum time required to stabilize this subsidiary's market position. Liquidity also resulted in reduced sales because the other three factories could not accept more than 60% of buyer orders. A significant decline in tire sales was a result of liquidity issues, as well as the fact that winter tires will become mandatory this year. This affected sales of summer tires. In the upcoming high season, based on supply projections, sales are expected to match last year's levels.



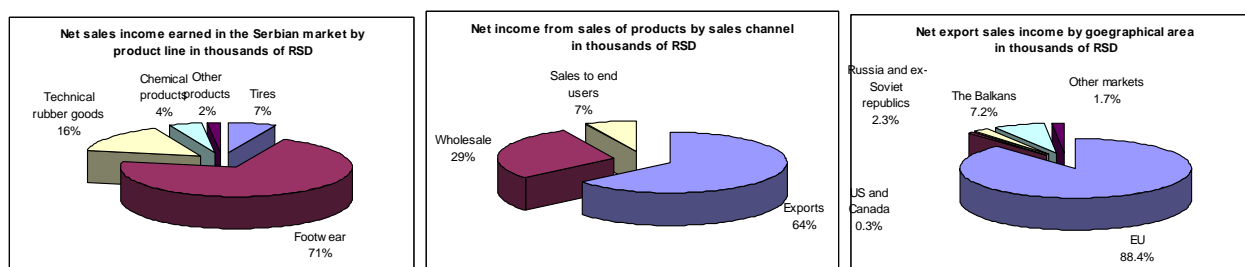
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<i>Net sales income from goods and products</i>	Actual 2009	Actual 2010	Actual January- September 2010	Actual January- September 2011
<i>in thousands of RSD</i>				
Sales by product line				
Tires	449,762	322,394	232,356	119,054
Footwear	1,039,679	1,634,536	1,018,606	1,295,647
Technical rubber goods	185,073	334,986	227,386	282,530
Chemical products	187,237	192,561	167,293	79,147
Other products	40,591	61,593	39,627	36,191
TOTAL SALES WITHIN AND OUT OF SERBIA	1,902,342	2,546,068	1,685,267	1,812,570

Structure of sales within and out of Serbia for the period January-September 2011



Generally, in 2011 our resources focus on the footwear segment, which is our largest business, resulting in its largest proportion of overall revenues. During the upcoming high season, assuming that supply will revert to normal, the contribution of tire sales will certainly grow, as will those of technical rubber goods where orders grew in the 4th quarter, especially from new international customers.

Exports recorded a 29% growth during the reporting period. The highest sales growth was noted in the EU market, owing to increasing sales to existing buyers and sales to new buyers. Tigar attracted three new customers in 2010 (Barbour, Ilse Jacobsen and Decathlon), who are among the five largest buyers in 2011. Sales to these buyers are expected to grow. The number of buyers in the Balkans also increased, as did sales, particularly of fashion and children's footwear. Three new products from the safety boots range are currently being developed for the US market, and a considerable effort is aimed at fashion footwear sales to Canada and the US, supported by extensive marketing and PR campaigns.

SUBSIDIARIES AND AFFILIATES OPERATING ABROAD

<i>Net income from sales of products by subsidiaries and affiliates</i>	Actual 2009	Actual 2010	Actual January- September 2010	Actual January- September 2011
<i>operating abroad, in thousands of RSD</i>				
Sales by product lines				
Tires	809,410	1,000,748	765,359	705,427
Footwear	128,419	157,287	103,398	64,341
TRG	5,937	3,424	2,886	1,730
Other products	10,579	2,340	1,964	20
TOTAL SALES ABROAD	954,346	1,163,799	873,607	771,518

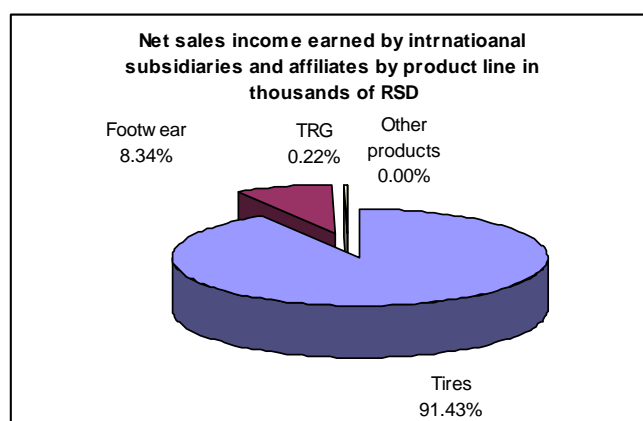
* Tigar Europe at 50%



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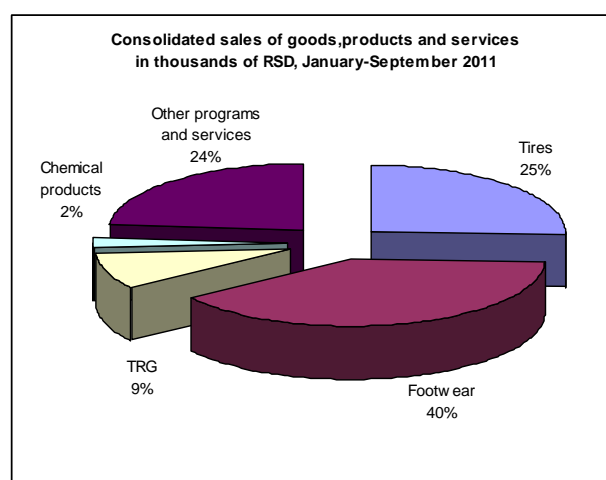
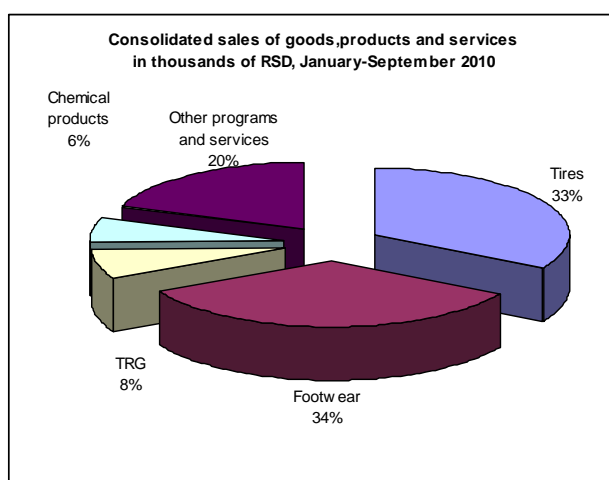


Tigar Americas is a wholly-owned Tigar subsidiary based in the US. Tigar AD is the majority shareholder of all Tigar companies operating in the Balkans, while Tigar Europe is a joint venture, in which Tigar AD holds a 50% stake. Apart from Tigar Americas which focuses on footwear sales, the other companies from this group largely sell Tigar-brand tires. Tigar Americas is the only company operating abroad that also purchases raw materials for the Tigar Group. In view of the corporate policy which calls for all sales outside of the EU and Russia to be channeled through Tigar Americas, and given that raw material purchases via this company will likely increase, Tigar Americas is expected to report the highest growth. In addition to North America, Tigar Americas is focusing on the Australian market, where a branch was opened during the 3rd quarter.

In the tire sales segment, Tigar Europe reported the highest sales among this group of companies. It continues to be the exclusive distributor of Tigar-brand tires in the UK and Ireland. Sales in the upcoming period will largely depend on Michelin Group's policy with regard to this market. Tigar's current focus is on increasing sales of footwear and other products made by the Tigar Group and this will be a key driver of Tigar's corporate policy associated with its international subsidiaries. Its policy toward Tigar Europe, in view of its large tire sales volume, will be governed by tire sales developments.

TOTAL EXTERNAL REVENUES, INCLUDING REVENUES FROM SALES OF GOODS VIA COMPANIES OPERATING ABROAD AND REVENUES FROM EXTERNAL SERVICES

	Actual 2009	Actual 2010	Actual January-September 2010	Actual January-September 2011
<i>In thousands of RSD</i>				
Consolidated sales of goods, products and services	3,349,344	4,288,191	2,985,199	3,229,019





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2. KEY FINANCIAL INDICATORS OF THE PERIOD

At the end of the reporting period, the Company's consolidated operating income recorded a 10% growth, while total income grew by 13%. Consolidated expenses were 13% higher. The largest contributor to expenses was the cost of raw materials, with a 35% share. The increase in raw material costs was largely a result of increased consumption (in physical units) and a general increase in raw material prices, particularly of natural rubber (where prices doubled) and fabric (where the price of cotton increased on global commodity exchanges). To offset this raw material price increase, in February and July we increased our final-product prices by 10% on average. The second largest expense item was employee expenses, with a 35% share. They were 12% higher than a year ago, largely as a result of hiring of additional workers by Tigar Footwear. The cost of goods sold contributed 14% to overall expenses. Write-offs, depreciation and provisions grew by 8%, as a result of activation of fixed assets, particularly at the recycled-rubber products plant, and had a 3% share in overall expenses. Other expenses recorded an 11% increase and had a 12% share in total operating expenses. This expense item includes production- and sales-related costs (such as transportation, maintenance, PR and marketing), various administrative expenses, audit fees, tax and other consulting fees, capital market expenses (the largest items being corporate agent and Stock Exchange fees), expenses attributed to the activities of Tigar's governing bodies, and the like. Most of our finance expenses were made up of interest and currency translations associated with short-term loans. Other expenses were not materially significant. Exchange rate fluctuations considerably impacted our loan debt expressed in Dinars, particularly with regard to long-term loans, such that the effects of shrinkage in original currencies are not recognizable. This is a result of the fact that all long-term loans and most short-term loans are denominated in Euros. The increase in loan debt due to exchange rates also had a major impact on reported ratios, particularly with regard to equity and assets employed, since these are denominated in Dinars and do not change. Short-term liabilities include long-term loan repayments which mature within the next twelve months.

Receivables are collectable from both domestic and international markets, such that there are no bad debts. Inventories were 15% higher, as an expected consequence of production and sales growth. Additionally, the structure of inventories of final products, unfinished products and raw materials was different because of the modified product mix, since growth focused on more sophisticated sports, safety and fashion footwear, while the output of inexpensive low footwear and work boots stagnated. At the end of the reporting period, there was no significant increase in the number of physical units, but inventories carried costlier products than at the end of last year. Inventories of raw materials, unfinished products and finished products all grew in terms of value.

The main challenge was financing of the high production and sales growth, which increased the need for working capital. At the same time, during the reporting period, a semi-annual installment of a Paris Club loan, a quarterly installment of a TTRG capital loan, and a semi-annual installment of a Tigar Footwear capital loan were paid. This permanent outflow reduced our potential for financing business operations. Consequently, an agreement was reached with Hypo Alpe Adria Bank to extend the grace period granted to TTRG (following payment of the first installment) and to Tigar AD. The maintenance or reduction of our overall loan debt, on the one hand, and high production and sales growth, on the other hand, are irreconcilable trends and the Company is, therefore, actively seeking non-credit funds which will be used to both increase working capital and finance investments (in infrastructure, equipment, and market and product development). Market and product development in both 2010 and the first half of 2011 incurred considerable expenses, but they were necessitated by the projected level of growth. Since our market position has never been better and will likely continue to improve across all our businesses, and given that both our manufacturing segments and sales network are capable of responding to market demands, the main task is to ensure financing of growth through a long-term permanent working capital loan and modification of maturity dates with re-orientation toward long-term sources, in view of the fact that our growth will ensure a much better financial position in the upcoming period.

From an analytical perspective, the ratio of our financial results to assets employed is not high, but this is primarily a result of the fact that the Company changed its core activity two years ago, that it commissioned three new plants within a period of two years, and that a certain time is required following investments in buildings and equipment, as well as in product development, to start producing concrete commercial and financial benefits, leading to a significant improvement of this ratio. The loan debt, relative to assets, is not high, but the ratio of total debt to total income is unfavorable because one half of the debt is attributed to long-term loans which will mature in the coming years. These loans were taken out to finance the development of new capacities and products. It is more realistic to view current liabilities relative to annual income, because future long-term loan repayments will be made along with a considerable increase in sales revenues.



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TIGAR

TIGAR AD

Equity: 2,800,949
 Total income: 3,266,020
 EBITDA: 108,349
 (000 RSD)

PRODUCTION ENTITIES

TIGAR FOOTWEAR

Equity: 873,379
 Total income: 1,562,805
 EBITDA: 45,783
 (000 RSD)

TIGAR TECHNICAL RUBBER GOODS

Equity: 250,650
 Total income: 354,963
 EBITDA: -16,891
 (000 RSD)

TIGAR CHEMICAL PRODUCTS

Equity: 131,867
 Total income: 124,315
 EBITDA: 4,937
 (000 RSD)

COMMERCIAL ENTITIES

TIGAR MONTENEGRO

Equity: 117
 Total income: 377
 EBITDA: 9
 (000 EUR)

TIGAR PARTNER

Equity: 17,724
 Total income: 17,903
 EBITDA: 244
 (000 DEN)

TIGAR TRADE Banja Luka

Equity: 299
 Total income: 721
 EBITDA: -104
 (000 KM)

TIGAR EUROPE

Equity: 3,026
 Total income: 11,411
 EBITDA: 471
 (000 GBP)

SERVICE ENTITIES

PIROT FREE ZONE

Equity: 156,785
 Total income: 214,901
 EBITDA: 20,682
 (000 RSD)

TIGAR BUSINESS SERVICES

Equity: 30,605
 Total income: 107,747
 EBITDA: 12,239
 (000 RSD)

TIGAR HOSPITALITY

Equity: 137,789
 Total income: 134,605
 EBITDA: -452
 (000 RSD)

TIGAR INCON

Equity: 172,070
 Total income: 218,274
 EBITDA: 7,917
 (000 RSD)

TIGAR INTER RISK

Equity: 2,445
 Total income: 3,200
 EBITDA: 741
 (000 RSD)

TIGAR WORKSHOP

Equity: 3,738
 Total income: 26,988
 EBITDA: 993
 (000 RSD)

TIGAR SECURITY

Equity: 30,883
 Total income: 74,494
 EBITDA: 17,992
 (000 RSD)

TIGAR TOURS

Equity: 10,017
 Total income: 4,710
 EBITDA: 709
 (000 RSD)

PI CHANNEL

Equity: 4,542
 Total income: 11,494
 EBITDA: 1,185
 (000 RSD)


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CONSOLIDATED INDICATORS

Tigar AD's consolidated financials in thousands of Dinars	Actual January-September 2010	Actual January- September 2011	% change
Assets	7,946,843	8,739,804	10%
Equity	3,514,817	3,326,737	-5%
Operating income	3,455,411	3,810,506	10%
EBIT	169,716	110,401	-35%
EBITDA	284,032	233,473	-18%
Total income	3,571,087	4,049,337	13%
Net income	33,552	7,393	-78%
<u>Significant ratios</u>			
Return on equity (ROE)	0.95%	0.22%	-77%
Return on total assets (ROA)	0.42%	0.08%	-80%
Current Ratio	1.58	1.14	-28%
Debt-to-assets ratio	0.53	0.60	11%
Debt / Equity	1.21	1.56	30%
Net profit/total income	0.94%	0.18%	-81%

TIGAR AD (HOLDING COMPANY): UNCONSOLIDATED INDICATORS

Tigar AD's unconsolidated financials in thousands of Dinars	Actual January-September 2010	Actual January- September 2011	% change
Assets	5,675,142	7,004,030	23%
Equity	2,816,456	2,800,949	-1%
Operating income	2,468,099	3,024,669	23%
Total Income	2,559,472	3,266,020	28%
EBIT	128,702	70,935	-45%
EBITDA	165,669	108,349	-35%
Net income	63,812	38,094	-40%
<u>Significant ratios</u>			
Return on equity (ROE)	2.27%	1.36%	-40%
Return on total assets (ROA)	1.12%	0.54%	-52%
Current Ratio	1.37	1.12	-19%
Debt-to-assets ratio	0.50	0.60	19%
Net profit/total income	2.49%	1.17%	-53%



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3. CAPITAL MARKET POSITION

Tigar's stock is traded on the Prime Market of the Belgrade Stock Exchange and included in both its indices: the Belex Line (general) and Belex 15 (top performers). The table below summarizes Tigar stock trading during the reporting period.

	AT 30 JUNE 2011	AT 30 SEPTEMBER 2011	% CHANGE
Number of shareholders	4,586	4,531	-1.20%
Total number of shares	1,718,460	1,718,460	-
Book value of shares	1,636	1,636	-
Market price of shares	780.00	613.00	-21.4%
Low	613.00 (30.09.2011.)		
High	815.00 (22.07.2011.)		
Q3 average *	734.00		
Market capitalization in RSD	1,340,398,800.00	1,053,415,980.00	-21.4%
P/ BV **	0.45		
P/E ** *	33.11		
EPS ****	22.17		

* The average price is based on closing prices and the number of trading days during the period.

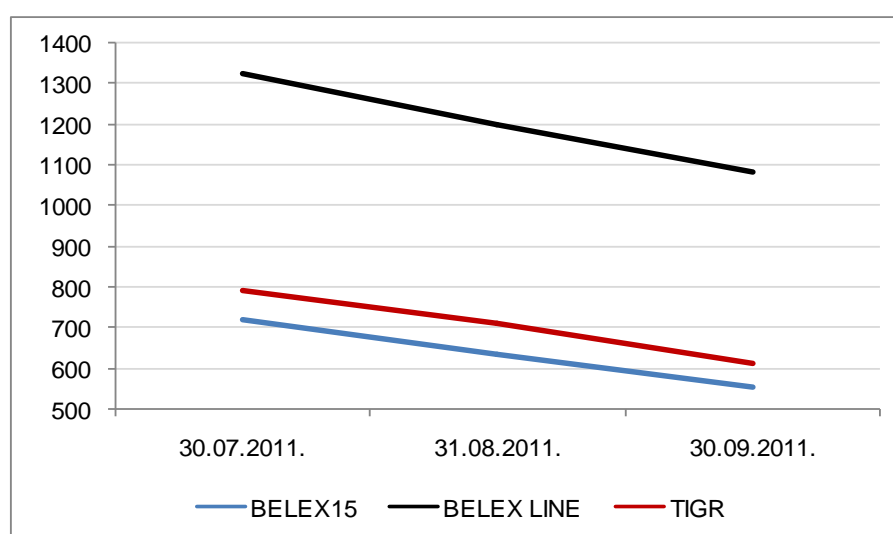
** Average market price to book value ratio.

*** Price-to-earnings ratio.

**** Earnings per share during the period.

At the beginning of August, the Serbian stock market was shaken by increasing impacts of the regional crisis, along with the general sentiment on global stock exchanges. A lack of liquidity on the domestic stock exchange mostly affected low-capitalization companies, including Tigar.

The graphic below is a parallel representation of TIGR, Belex 15 and Belex Line movements during the 3rd quarter.



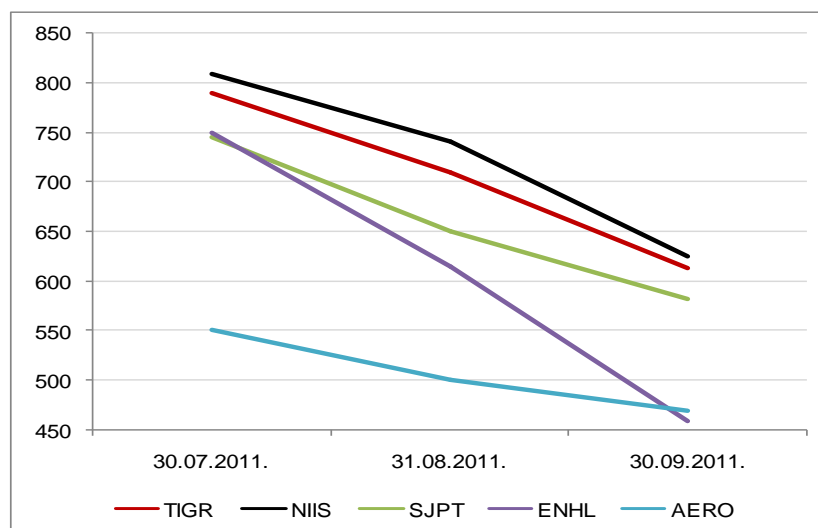


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Unfortunately, the largest contributor to these downward trends of the reference indices was stock price movement on the Prime Market, as reflected in the graph below.



Q3 2011 changes in shareholder structure

Tigar's ownership structure was characterized by stable stakes of three groups of shareholders: the Serbian government (via two national funds); domestic and international institutional investors; and retail investors.

Shareholders	30 June 2011	30 September 2011	% Change
Legal entities	44.64%	44.38%	-0.26
Individuals	26.77%	26.28%	-0.49
Custody accounts	28.60%	29.32%	0.72

A relatively modest turnover during the period caused the number of our retail shareholders to decrease in favor of a group of international investors operating via bank custody accounts.



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Top ten shareholders as of 30 September 2011

Apart from the two national funds, our largest shareholders include international investment funds. Two custody accounts hold more than 5% each of Tigar stock.

	Shareholder	Number of shares	% Stake
1	AKCIONARSKI FOND AD BEOGRAD	429,429	24.98
2	PIO FOND RS	149,981	8.72
3	ERSTE BANK CUSTODY 00001	127,999	7.45
4	ERSTE BANK CUSTODY	104,947	6.1
5	UNICREDIT BANK AUSTRIA AG	75,503	4.39
6	RAIFFEISEN BANK INTERNATIONAL	52,505	3.05
7	SWEDBANK AS	49,851	2.9
8	KOMERCIJALNA BANKA-CUSTODY	26,062	1.51
9	HERMA INVESTMENTS CO. LTD	20,000	1.16
10	UNICREDIT BANK-CUSTODY	18,500	1.08

Members of Tigar's Board of Directors hold less than 1% of Tigar stock on aggregate. The following table shows the number of shares held by members of the Board of Directors as of 30 September 2011.

Name	Number of shares held on 31 May 2005	Number of shares held on 30 September 2011	% Stake
Dragan Nikolić	880	898	0.052
Jelena Petković	275	281	0.016
Slobodan Sotirov	539	550	0.032
Miodrag Tančić	460	460	0.027
Vladimir Nikolić	803	803	0.050
Jose Alexandre F. da Costa	-	-	-
Tihomir Nenadić	-	-	-
Gordana Lazarević	-	-	-
Aleksej Misailović	-	-	-

Some Board members increased their stake as a result of participation in a pro-rated sale of treasury shares by Tigar in 2009. Members of the Supervisory Board do not hold any Tigar stock.

Investor Relations

During the period, the Company reported to its shareholders and the capital market on a regular basis. Its 2011 Semi-Annual Report was published as required by stock exchange regulations. The Company made several IR presentations and held a number of meetings with current shareholders and potential investors.

The Company also issued short-term corporate bonds on four occasions, preceded by a number of IR presentations and meetings with domestic professional investors.



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4. SUSTAINABLE DEVELOPMENT

4.1. EMPLOYEES

Headcount and structure

At the end of the reporting period, Tigar had 2,179 employees in Serbia. In addition, Tigar's entities in the United States, United Kingdom, Macedonia, Montenegro, and Bosnia and Herzegovina employed a total of 24 local employees. On 30 September 2011, the employee structure was as follows:

Workforce as of 30 September 2011	
Entities	2011
Tigar AD	477
Tigar Rubber Footwear	971
Tigar Technical Rubber Goods	221
Tigar Chemical Products	37
Others	473
Total	2,179

* Number of employees of Tigar's subsidiaries based in Serbia.

* Due to the seasonal nature of its production, Tigar Footwear hired 414 temporary workers in September

All employees sign standard employment contracts with the Company's top executives, stipulating the basic conditions of employment, from working hours to grounds for termination of contract. Full-time employment entails 40 working hours per week. Employment contracts are confidential.

Upon retirement, all employees are entitled to three monthly salaries in accordance with Art. 119 (1) (1) of the Labor Law, while those who opt to retire as soon as they fulfill one of the two criteria for retirement receive two additional monthly salaries as an incentive. Tigar's retired employees generally continue to maintain contact with Tigar. For example, in case of death of its retired employee, Tigar pays to the family one monthly salary. Currently, 38 employees and retirees are repaying housing loans obtained from Tigar. Apart from statutory requirements, Tigar has no special programs or funds for employees' health insurance, retirement or other social security matters.

Employee expenses

January-September 2011 employee expenses incurred by Tigar AD and its subsidiaries, including net earnings, taxes, pension fund and health insurance contributions, in-house meals, and local transportation subsidies, are shown in the table below, along with percentages of sales income.

January-September 2011 Employee expenses			
	Net salaries and wages in 000 RSD	Gross salaries and wages in 000 RSD	% of sales income
Tigar AD	214,921	363,559	12.5%
Tigar Footwear	278,077	475,442	40.1%
Tigar Technical Rubber Goods	68,649	117,709	46.0%
Tigar Chemical Products	20,322	34,808	35.2%
Others	138,949	238,446	43.3%
Total	720,918	1,229,964	24.6%

*Earnings of employees of Tigar's wholly-owned subsidiaries.

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Optimization of Human Resources

During the reporting period, 23 employees left Tigar on the following grounds:

	Retirement	Redundancy	Other*	TOTAL
Tigar AD	1	3	2	6
Tigar Footwear	3	2	4	9
Tigar Technical Rubber Goods	1		1	2
Tigar Chemical Products	1			1
Others	1		4	5
Total	7	5	11	23

* Of these 11 employees, 5 voluntarily left the Company, 5 were dismissed and 1 passed away.

The numbers do not show large shifts in the number of employees.

Retrenchment is inherent in the restructuring process. This process will continue during 2011. Solving the problem of employee redundancy on a voluntary basis was a major component of Tigar's contribution to social stability.

All-inclusive expenses associated with the optimization of human resources and percentages relative to gross salaries are shown below:

Workforce downsizing costs and percentage of gross salaries		
	In thousands of RSD	%
Tigar AD	2,090	0.57
Tigar Footwear	477	0.10
Tigar Technical Rubber Goods	147	0.12
Tigar Chemical Products	236	0.68
Others	247	0.10
Total	3,197	0.26

Professional Education

In 2011, Tigar's continues to follow its policy of ensuring the availability of professionals through the offering of scholarships to Pirot secondary school students.

Scholarships were paid for students at the following colleges/universities during the reporting period:

Professional education (2011)				
	Technical sciences	Manufacturing process engineering	Economics and business administration	Other
Total	23	8	7	12

Tuition and scholarship expenses paid during the reporting period amounted to 2,128,000 RSD, or 0.17% of gross salaries.



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Employee Training

The following numbers of employees were trained through internal and external training programs during the reporting period:

Employee training - internal and external (2011)			
	Internal	External	Total
Tigar AD	19	97	116
Tigar Footwear	862	39	901
Tigar Technical Rubber	224	21	245
Tigar Chemical Products		3	3
Other	699	24	723
Total	1,804	184	1,988

Employee training expenses during the reporting period amounted to 3,986,820 RSD, or 0.32% of gross salaries.

4.2. QUALITY ASSURANCE

Tigar's quality management system (ISO 9001) was initially certified in 1995 by the then Federal Standardization Bureau. Tigar was the third company in the country to obtain certification of its quality management system. Following the introduction of environmental management standards (ISO 14001), and occupational health and safety standards (OHSAS 18001), Tigar's system was upgraded accordingly so that today Tigar has a well-established integrated management system which ensures that all risks associated with quality, the environment, and employee health and safety are monitored and addressed.

Regular annual maintenance and improvement audits per ISO 9001, ISO 14001 and OHSAS 18001 certifications, conducted by YUQS, attested to Tigar's long-term commitment to customer and stakeholder satisfaction. IQNet is a leading national certification body and member of IQNet, an international association of certification bodies, which in addition to domestic accreditations holds an accreditation of the French body COFRAC.

In July 2010, Tigar Footwear underwent an audit and certification check of its integrated management system, at which time occupational health and safety management per OHSAS 18001 was added to the existing quality and environmental management components of the integrated management system at this company. A regular annual inspection of its integrated management system was conducted in July 2011.

The Tigar Technical Rubber Goods integrated management system was audited at the end of December 2010, per ISO 9001, ISO 14001, and OHSAS 18001, with all three management component being re-certified. A regular annual inspection of its integrated management system will be conducted in December 2011.

In 2010, Tigar Incon initiated an action plan aimed at certifying an integrated management systems per ISO 9001, ISO 14001 and OHSAS 18001 requirements at this company. By the end of 2011, Tigar Incon, which provides design and engineering services, will be certified as well.

Tigar Footwear and Tigar Technical Rubber Goods underwent a number of independent audits which were carried out by buyers or experts on their behalf.

Tigar Hospitality, which provides lodging and catering services, is currently conducting preparations for the implementation of the HACCP (food safety) management system.



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4.3. ENVIRONMENTAL PROTECTION AND OCCUPATIONAL HEALTH AND SAFETY

Tigar's manufacturing facilities are located within the industrial zone of Pirot, at the end of the Pirot Gorge. The condition of the natural environment and the unaltered ecosystem here attest to the Company's good environmental practices. Tigar continues to be committed to sustainable development and employee well-being.

At Tigar, environmental management and occupational health and safety management are incorporated with quality management. At the corporate level, the overall responsibility for environmental protection resides with the Executive Director for Quality Management and all environment-related tasks and responsibilities are coordinated by Tigar's Quality Management Function. At the subsidiary level, respective environmental concerns are addressed by individual Quality Management Departments.

Tigar received its initial environmental management (ISO 14001) certification in 2003. Since then, the system has been upgraded on an ongoing basis and improvements are evident. The initial certification of the occupational health and safety management system per OHSAS 18001 standards was completed in 2010.

The Environmental Ministry has classified Tigar as a company whose activities involve a low level of environmental risk. Tigar's subsidiaries do not operate IPPC or Seveso facilities, and have been categorized as such.

In general, any environmental impacts which result from activities in the rubber industry primarily originate from:

- Generation of solid waste;
- Utilization of natural resources;
- Emissions into the atmosphere; and
- Wastewater discharges.

Some occupational health and safety risks exist in areas where natural rubber is mixed and rubber sheeting produced, due to rotating equipment components which are common in rubber industry machinery.

Potential occupational health risks and environmental impacts trace to the use of raw materials classified as hazardous substances. These substances are purchased, stored, and used in accordance with applicable regulations aimed at preventing accidents. All raw materials are visibly marked, warning signs are posted as appropriate, and an internal safety data sheet is provided for each raw material. Each safety data sheet is comprised of 16 sections which clearly describe the nature of the substance, its possible affect on health and the environment, procedures to be implemented in the event of an accident, procedures to be undertaken related to packaging and packaging waste, etc. All employees who come in contact with the substance receive regular training and re-training. All corporate documents are consistent with the new Chemicals Law (Official Gazette of the Republic of Serbia 36/2009) and related secondary legislation. Pursuant to recent legislation, in March Tigar Trade registered 128 imported chemicals with the Chemicals Agency (under the Ministry of Environment, Mining and Spatial Planning), and Tigar Chemical Products, which both imports and manufactures chemicals, registered 165 chemical substances. Appropriate files and material safety data sheets have been submitted to the Agency and all applicable fees paid as required by law.

Multi-disciplinary teams, including occupational medicine specialists in the capacity as independent consultants, have prepared risk assessments for all workplaces and work environments within the Company based on in-depth analyses. These documents identify workplaces at potential risk and stipulate measures which must be undertaken to prevent hazards. All requirements per OHSAS 18001 and all provisions of the Occupational Safety Law (Official Gazette of the Republic of Serbia 101/2005) and related secondary legislation have been satisfied. At Tigar's manufacturing subsidiaries, 14 work assignments, with a total of 139 employees, were identified as being at elevated risk. These employees are kept under special scrutiny.

At locations containing raw materials, in addition to preventative measures being carried out, action plans are in place in the event of accidental spills of raw materials, to ensure that the health of employees is maintained and the environment protected. Tigar's industrial facilities are not classified as Seveso facilities (i.e., facilities in which hazardous substances are produced, stored, or used in quantities which may result in chemical accidents). The quantities of hazardous substances stored at Tigar facilities are significantly below specified potentially-critical levels. None of Tigar's subsidiaries store or use radioactive substances.

Tigar waste is classified based on the Handbook of Rules and Regulations on the Classification, Packing, and Storing of Secondary Raw Materials (Official Gazette 56/10). Lab analyses of all kinds of waste have been conducted (i.e., characterization and classification of waste) and a waste management plan consistent with the Waste Management Law (Official Gazette of the Republic of Serbia 135/09) prepared. The plan is being



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implemented by Tigar Shelter Workshop, which holds a special permit for waste collection, transportation, and storage, issued by the Ministry of Environment and Spatial Planning.

Recyclable waste is kept onsite for only a short period of time, in a special warehouse intended for secondary raw materials, and is sold or given away to certified recyclers. A portion of rubber waste is processed within Tigar Technical Rubber Goods. Waste which has no useful value (i.e. which cannot be recycled) is stored and disposed of at the municipal landfill. All waste disposals at Tigar are handled under contract with the local utility. Waste management at the Company is based on specified internal criteria and rules, which control all waste flows.

In March, annual waste management reports were submitted to the Environmental Agency (under the Ministry of Environment, Mining and Spatial Planning), addressing: Tigar Footwear, Tigar Technical Rubber Goods, and Tigar Chemical Products, as required by applicable legislation (Official Gazette of the RoS, no. 96/2010).

Packaging waste management has been delegated to operators certified by the Ministry of Environment and Spatial Planning. This is one of the options offered by the Law on Packaging and Packaging Waste (Official Gazette of the Republic of Serbia 135/09), which has been adopted by Tigar. These arrangements allow Tigar to use the Green Dot on its packaging. Tigar Footwear, Tigar Technical Rubber Goods and Tigar Chemical Products have delegated their obligations to Sekopak, while Tigar Trade entered into an agreement with Ekostarpak. Tigar Shelter Workshop, which collects packaging waste, also has a contract with the latter operator. Payments are made and reports submitted on a monthly basis. Pursuant to applicable legislation, 2010 Annual Packaging Material Disposal Reports were submitted to the Environmental Agency in March for Tigar Footwear, Tigar Technical Rubber Goods, Tigar Chemical Products, and Tigar Trade. The certified waste management operators used by Tigar have met national objectives and ensured recycling of Tigar's packaging materials, such that Tigar's subsidiaries are among the 9% of Serbian companies who have fully complied with the law in this regard.

Tigar operates a leading-edge automated power station designed to fire either oil or natural gas. Gas emissions at source are checked once a year by a certified institution. Air quality within the industrial zone is monitored by the Public Health Institute of Pirot on an ongoing basis.

Tigar's subsidiaries use both water from the public water supply system and industrial water. Water is used for sanitary needs, as a source of energy (steam), and as a cooling fluid. None of Tigar's subsidiaries use water as part of their manufacturing processes and, as such, do not produce any industrial wastewater.

Tigar's liquid effluents, generally standard urban wastewaters, are discharged into the public sewage system based on stipulations set out in Tigar's Water Permit. Wastewater quality is routinely monitored by certified laboratories, based on the law, and has to date always been found to be compliant. The monitoring encompasses a number of parameters which may have significant impact on the recipient – the Nišava River. All indicators to date have shown that the impact of Tigar's wastewater is equal to that of wastewater discharged from residential areas (urban wastewater). Consistent with the use of water by the Company, no exceedance of permissible levels of pollutants has been recorded and Tigar's discharges, therefore, are not seen to present a threat to the environment.

Fire risk is inherent in the production processes of all manufacturing companies. As such, all required permits, preventative measures, and Fire Response Plans are in place for assets exposed to fire risk. All buildings are covered by a video surveillance system. Tigar Security, which manages this system, is well-equipped and adequately staffed to provide fire protection, fire fighting, and physical security services.

There are no pending proceedings against Tigar or its subsidiaries regarding environmental or occupational health and safety issues. There are no litigation proceedings involving Tigar arising out of environmental or social concerns.

Tigar Footwear, Tigar Technical Rubber Goods, and Tigar Chemical Products regularly submit information to the local administration, as required for the Register of Polluters pursuant to applicable legislation (Official Gazette no. 91/2010). This obligation also includes reporting on the monitoring of environmental parameters (wastewater quality, gas emissions, types and quantities of generated waste, types and quantities of hazardous waste), and submission of information about major raw materials, manufactured products, and the like. All such information is available to the public.

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The following environmental and occupational health and safety laws, including relevant sub-legal acts, apply to the Company:

- The Occupational Health and Safety Law,
- The Environmental Protection Law,
- The Air Protection Law,
- The Waste Management Law,
- The Law on Packaging Materials and Waste,
- The Environmental Noise Protection Law,
- The Chemicals Law,
- The Water Law,
- The Fire Protection Law, and
- The Law on Explosive Substances and Flammable Liquids and Gases.

Tigar regularly monitors its legal environment to ensure that all regulations are observed. A synchronization period for new requirements is generally defined and an action plan prepared to make sure that activities are carried out, resources procured and responsibilities assigned, as required.

All audits performed by national environmental and occupational health and safety inspectors confirm the Company's full compliance with legislation.

4.4. INTELLECTUAL PROPERTY

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



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Registered trademarks as of 30 September 2011:

Application number	Application date	Registration number	Trademark	Valid until	Owner
Ž-247/80	30.04.80.	31499	Tigar	21.12.17.	Tigar AD
Ž-2606/06	14.11.06.	54763	Tigar	14.11.16.	Tigar AD
Ž-84/385	17.01.84.	29947	Tigar Tg 615	25.05.17.	Tigar AD
Ž-947/07	30.04.07.	55640	Tigar Planinarski dom	30.04.17.	Tigar AD
Ž-918/07	27.04.07.	55822	Tigar Tours	27.04.17.	Tigar AD
Ž-842/07	18.04.07.	55612	Markol	18.04.17.	Tigar AD
Ž-1129/07	17.05.07.	55735	Tigar Incon	17.05.17.	Tigar AD
Ž-890/80	11.07.03.	49590	Tigar Sportski program	11.07.13.	Tigar AD
Ž-152/07	29.01.07.	56018	Tigar	29.01.07.	Tigar AD
Ž-1703/07	26.07.07	56315	Tigar Footwear	26.07.17.	Tigar AD
Ž-1704/07	26.07.07.	56315	Tigar Obuća	26.07.17.	Tigar AD
Ž-2440/07	17.10.07.	56731	Tigar Hemijski proizvodi	17.10.17.	Tigar AD
Ž-212/08	05.02.08	57737	Tigrostik	05.02.18.	Tigar AD
Ž-211/08	05.02.08.	57738	Tigrolux	05.02.18.	Tigar AD
Ž-214/08	05.02.08.	57650	Tigropren	05.02.18.	Tigar AD
Ž-213/08	05.02.08.	57649	Tigrokol	05.02.18.	Tigar AD
Ž-768/08	31.03.08.	57538	Hotel Stara planina	31.03.18.	Tigar AD
Ž-1433/08	06.06.08.	58815	Overload	06.06.18.	Tigar AD
Ž-1475/08	11.06.08.	58462	Waterpolo Senior	11.06.18.	Tigar AD
Ž-1473/08	11.06.08.	58427	Waterpolo Mini Mini	11.06.18.	Tigar AD
Ž-1431/08	06.06.08.	58813	Waterpolo Junior	06.06.18.	Tigar AD
Ž-1472/08	11.06.08.	58428	Specijal	11.06.18.	Tigar AD
Ž-1432/08	06.06.08.	59305	Basketball Tg 21 Official	06.06.18.	Tigar AD
Ž-1474/08	11.06.08.	58424	Neos	06.06.18.	Tigar AD
Ž-1469/08	11.06.08.	58426	Tricker Ball Basket Ball	11.06.18.	Tigar AD
Ž-1471/08	11.06.08.	59401	Bistro	11.06.18.	Tigar AD
Ž-1468/08	11.06.08.	58423	Overload Handball	11.06.18.	Tigar AD
Ž-1470/08	11.06.08.	58425	Dynamic Overload	11.06.18.	Tigar AD
Ž-1429/08	06.06.08.	58464	Overload Waterpolo Junior	06.06.18.	Tigar AD
Ž-1467/08	11.06.08.	58430	Overload Waterpolo Mini Mini	11.06.18.	Tigar AD
Ž-1476/08	11.06.08.	58463	Overload Waterpolo Senior	11.06.18.	Tigar AD
Ž-1430/08	06.06.08.	59304	Basketball TG21 Overload	06.06.18.	Tigar AD
Ž-2441/07	17.10.07.	56730	Tigar Tehnička Guma	17.10.17.	Tigar AD
Ž-2681/08	03.11.08.	59486	Trapper	03.11.18.	Tigar AD
Ž-2682/08	03.11.08.	59485	Pesca	03.11.18.	Tigar AD
Ž-2679/08	03.11.08.	59327	Rainydays	03.11.18.	Tigar AD
Ž-2680/08	03.11.08.	59334	Nency	03.11.18.	Tigar AD
Ž-2678/08	03.11.08.	59333	Ladybird	03.11.18.	Tigar AD
Ž-2677/08	03.11.08.	59336	Ratar	03.11.18.	Tigar AD
Ž-2676/08	03.11.08.	59451	Balerina	03.11.18.	Tigar AD
Ž-2675/08	03.11.08.	59335	Work	03.11.18.	Tigar AD
Ž-2904/08	02.12.08.	59458	Polar	03.11.18.	Tigar AD
Ž-2674/08	03.11.08.	59337	Protecta	03.11.18.	Tigar AD
Ž-2673/08	03.11.08.	59390	Forestry Line	03.11.18.	Tigar AD
Ž-2672/08	03.11.08.	60043	Fireproof	03.11.18.	Tigar AD
Ž-2671/08	03.11.08.	59326	Cryo	03.11.18.	Tigar AD
Ž-2670/08	03.11.08.	59387	Sparclesafety	03.11.18.	Tigar AD
Ž-2661/08	31.10.08.	59341	Firefighter Super Safety	31.10.18.	Tigar AD
Ž-2662/08	31.10.08.	59452	Century Super Safety	31.10.18.	Tigar AD
Ž-2659/08	31.10.08.	59334	Century 4000 Safety	31.10.18.	Tigar AD
Ž-2660/08	31.10.08.	59345	Forester 3000	31.10.18.	Tigar AD
Ž-2903/08	02.12.08.	60464	Trendy	02.12.18.	Tigar AD
Ž-247R/80	30.04.80.	49044	Tigar	30.09.15.	Tigar Tyres
Ž-1369/05	17.10.05.	49768	Tigar Tyres	17.10.15.	Tigar Tyres
Ž-1373/05	17.10.05.	49792	Hittis Logo	17.10.15.	Tigar Tyres
Ž-1371/05	17.10.05.	49819	Cargo Speed Logo	17.10.15.	Tigar Tyres
Ž-1372/05	17.10.05.	49912	Wintera Logo	17.10.15.	Tigar Tyres
Ž-1468/05	31.10.05.	53797	Tigar Trgovine	31.10.15.	Tigar AD
Ž-551/09	27.03.09.	60789	Bottega	27.03.19.	Tigar AD
Ž-639/09	13.04.09.	59942	Hotel StarA	13.04.19.	Tigar AD
Ž-1011/09	30.06.09.	59367	Brolly	30.06.19.	Tigar AD
Ž-1012/09	30.06.09.	59366	Maniera	30.06.19.	Tigar AD
Ž-1685/09	03.11.09.	60513	Stop&Drive	03.11.19.	Tigar AD
Ž-1686/09	03.11.09.	60514	S&D	03.11.19.	Tigar AD
International	03.07.97.	675 773	Tigar	20.05.17.	Tigar AD
		675 773A	Tigar	20.05.17.	Tigar Tyres
USA	24.10.78.	1174089	Tigar Logo	15.08.12.	Tigar Americas Corp.
	02.11.07.	77320619	Tigar	-	Tigar Americas Corp.
Int'l 237003/1	07.09.09.	1020263	Brolly	07.09.19.	Tigar AD
Int'l. 235877/1	07.09.09.	1019318	Maniera	07.09.19.	Tigar AD
USA 79075140	07.09.09.	3870299	Maniera	07.09.19.	Tigar AD
USA 79075638	07.09.09.	3906894	Brolly	07.09.19.	Tigar AD
Canada	25.05.90.	368832	Forester	25.05.15.	Tigar Footwear
Finland	20.11.85.	94345	Forester	20.11.15.	Tigar Footwear
Norway	14.11.85.	123042	Forester	14.11.15.	Tigar Footwear
Sweden	26.07.85.	0197287	Forester	26.07.15.	Tigar Footwear
UK	23.06.95.	2025055	Century	23.06.15.	Tigar Footwear
UK	31.05.84.	1219898	Forester	31.05.15.	Tigar Footwear
UK	23.06.95.	2025057	Forester	23.06.15.	Tigar Footwear



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The flagship trademark is “a stylization of a tiger's head with the logo 'Tigar' inscribed in the Cyrillic or Latin alphabet” (Article 17 of the Articles of Association). The design and contents of the flagship trademark fall within the jurisdiction of the Board of Directors. Affiliated companies, which are controlled by Tigar AD, may use the flagship trademark.

In 2006, the flagship trademark was protected as a registered trademark within the territory of the Republic of Serbia for goods in international Classes 1, 7, 17, 20, 25 and 28, as a separate trademark only for tires in Class 12, and as an international trademark in 43 countries for the same classes previously listed and for Class 12 (vehicle tires); all are in the name of Tigar AD. A variation of the flagship trademark, «Tigar MH», is protected in Serbia for tires and processing of materials (Classes 12 and 40) in the name of Tigar Tyres. Under a Trademark Assignment Agreement, signed by Tigar AD and MHPB in 2002, Tigar AD is obligated to assign its flagship trademark for tires and inner tubes (Class 12) only to Tigar Tyres. The proceedings for recording of the assignment have been completed for Serbia and the member states of the Madrid Agreement. Transfer to the US is pending.

In 2007, Tigar AD applied for registration of 9 new trademarks in Serbia and for territorial expansion of trademark 675773 to include eight additional member states of the Madrid Agreement (application EX-I/397708101/CB). Also in 2007, Tigar applied for registration of the Tigar trademark in the name of the Tigar Americas Corporation in the USA, for Classes 7, 17, 25 and 35 (application 77320619).

In 2008, Tigar initiated the registration of marks with which its products and product lines are identified.

In 2009, Tigar initiated national and international registration of its Maniera and Brolly trademarks.

In 2011, Tigar initiated national registration of the trademark “Srbija na dlanu” (Serbia on the Palm of your Hand”) (application Ž-795/11 dated 30 May 2011).

On 12 April 2011, the patent application submitted by Tigar Technical Rubber Goods to the Serbian Intellectual Property Office, for its invention entitled “*Tigar Flex*” *Flexible Hose Production Technology*, was approved under reference P-2006/0071. The patent was registered under no. 51610.

Tigar AD holds internet domain names: www.tigar.com, www.tigar.co.rs, www.tigar.rs.

Tigar Footwear holds five domain names: www.century-safety.com, www.century-safety.de, www.century-safety.fr, www.century-safety.es and www.century-safety.co.uk .

Tigar holds no software copyrights or neighboring rights. Tigar uses standard software under licenses duly acquired from software manufacturers or distributors.

Article 12 (3) of the Particular Collective Contract stipulates that employees have a right to be remunerated for copyrights, technical innovations, and improvements in production processes. The level of remuneration is regulated by a separate contract between the employee and Tigar AD, in the form of an increase of the employee's salary. This contract represents an annex to the individual employment contract; its contents are confidential and it is valid for one year.

Tigar has not been notified of any complaints, objections or claims and Tigar has not filed any complaints, objections or claims with respect to any infringement of intellectual property rights.



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4.5. INFORMATION TECHNOLOGY

The IT Function is a part of Tigar AD. It provides integrated data management services to Tigar and its key activities include:

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

Main features of Tigar's Information System include:

- **Comprehensive support:** The system supports all corporate activities, including manufacturing, design, purchasing, warehousing, sales, HR, finance, and accounting.
- **One-time data entry:** Documents are entered solely at the point of generation. Data redundancy has been minimized. Once entered, information can be used by all parts of the system.
- **Highest level of security:** System security is under the full control of the administrator; there is a three-tiered data security feature which ensures:
 - Protection from unauthorized access,
 - Protection from unauthorized use of system functions,
 - Protection from unauthorized retrieval of data,
 - The user has access to data only if such access is allowed by the administrator,
 - Query, modification, deletion, and addition rights are defined at document level,
 - User registration and allocation of user privileges is centralized,
 - Switching to other modules or programs does not require logging off and on.
- **Multi-company system:** The system allows for instantaneous monitoring of multiple companies within the same database and for consolidation at Company level.
- **Multi-currency system:** Business transactions can be entered and monitored in both the national currency and in foreign currencies.
- **Centralized coding system:** Product, customer and supplier codes can be entered by several users, but only authorized users can approve or modify codes.
- **Integrated approach:** All business functions of the Company have been integrated by means of a single database. The system automatically generates a large number of different documents, such as bookkeeping/accounting entries, warehouse receipts, delivery notes, and the like. Any document can be cancelled regardless of its level, along with any other documents which might have been created on the basis of such document.
- **Openness:** The system is readily expandable and can be interfaced with other information systems and the Windows environment.
- **Flexibility:** The system can be adapted to any specific needs of the Company, based on a large number of parameters which were set at the time of implementation.
- **Modular approach:** Individual modules can be operated independently or as part of the integrated system.
- **Simple and consistent user interface:** Requires little training and is easy to operate. Flexible menus, graphic user interface, and online context-sensitive help.
- **Large processing and storage capacity:** For example, the system supports a payroll of 4,000.
- **Multiple-user support:** The system supports several hundred interactive users.
- **Three-layer architecture:** The use of leading-edge internet technologies facilitates administration and access from several locations.



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4.6. REAL ESTATE AND LEGAL SECURITY

All of Tigar's manufacturing facilities are located in Pirot. Four manufacturing plants operated at two separate locations in 2009, 2010, and the first nine months of 2011. The larger location holds tire and chemical products manufacturing facilities. Tigar Footwear and Tigar Technical Rubber Goods have been relocated to another site. The new Tigar 3 location purchased in 2006 was refurbished and prepared for re-location in 2008. It was booked as „construction in progress“. Tigar owns several buildings in Belgrade, and Tigar Trade owns buildings across Serbia (office buildings, warehouses, and retail outlets).

Per Serbian laws, urban land zoned for construction is owned by the state, and Tigar has acquired the permanent right to use such land. Land away from urban construction zones is owned by Tigar. Tigar owns the land in the Tigar 2, Tigar 3 and Tigar 3B compounds, as well as within the Free Economic Zone (Phase 1).

Land

The total number of parcels of land owned by Tigar and its subsidiaries (excluding the Free Economic Zone) was 126 as of 30 September 2011. Their total surface area is 408,371 m², of which 303,958 m² constitutes undeveloped land.

Buildings

Tigar and its main subsidiaries own a total of 175 buildings, with a surface area of 104,413 m².

Legal Proceedings

Tigar is party to a number of legal disputes that have arisen in the course of its business, including: commercial litigation; administrative proceedings; employee litigation; liquidation, bankruptcy and mandatory settlement proceedings; and participation in criminal proceedings against individuals who had victimized Tigar, usually by thefts or bad checks. These proceedings are not unusual and are not expected to have a significant impact on Tigar's financial position.

Major proceedings date back to before the year 2000; they are shown in the following table (excluding interest):

DEFENDANT	CLAIM
TREPČA-Zvečan	9,637,376
UNION BANKA	6,194,000
LOLA KORPORACIJA	7,159,000
2M-Pirot	2,247,300
TIGAR PROM-Nova Varoš	3,636,000
TOTAL:	28,873,676

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

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



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4.7. CORPORATE SOCIAL RESPONSIBILITY

In keeping with its corporate policy of social responsibility, Tigar is committed to a high level of corporate responsibility toward its employees and the community in which it earns its profits. All stakeholders are treated in a responsible and ethical manner.

Corporate social responsibility (CSR) is ensured by Tigar's strategic corporate documents and the Codex, which constitute an integral part of Tigar's overall business policy. Tigar's vision and mission clearly define its relationships with employees, shareholders, customers, the local community and society, and its attitude toward the environment, which are consistent with CSR strategies that are well-established today. Tigar, which was elected the most socially-responsible company in Serbia in 2008, continued to be a CSR leader in 2011. At a national competition for CSR advancement sponsored by the Serbian Chamber of Commerce, Tigar was ranked the fourth company in Serbia in 2010.

At Tigar, the synergy of business ethics and environmental protection, with a clear policy focused on employees, the local community and society in general, along with a high respect for shareholders, consumers and stakeholders, was demonstrated during the reporting period across all corporate segments.

Respect for its employees is one of the most important aspects of Tigar's CSR policy. In line with the principle that employee health and safety are Tigar's number one priority, Tigar conducts training courses for all new employees to acquaint them with potential risks inherent in their workplace. The Company also provides regular medical examinations of employees working in special environments and ensures training is provided for all employees operating newly-acquired equipment.

Demonstrating its commitment to occupational health and safety, which is the most valuable CSR component, the Company partnered with the Serbian Chamber of Commerce to organize a conference entitled Occupational Health and Safety: An Investment in the Future, to mark the 28th of April, the World Health and Safety Day. Tigar also launched an internal campaign – No Injury at Work: Our Common Goal – seeking to reduce the number of injuries at work through internal communication channels, the Tigar Info Newsletter, and bulletin boards at Tigar.

During the reporting period, the Company continued to support employee participation in sports competitions. At the 10th HEMINS competition for workers in the chemical and non-metal industries of Serbia which was held in Kladovo, there were 56 Tigar employees among 500 participants from 25 companies. Tigar employees were also offered the use of sports and recreational facilities in Pirot at Tigar's expense.

Tigar has been a reliable partner to its local and wider community for decades. The Company is committed to securing knowledge and developing talent; during the reporting period, it continued to support schools in Pirot and work with them to advance learning. An example of good practice was the Ship of Friendship project. The key objectives and outcomes of this project included learning of foreign languages, an exchange of ideas and experiences, familiarization with different cultures, a show of respect for diversity and tolerance, and promotion of the Pirot region and the entire country.

It is a tradition at Tigar to sponsor an award ceremony at the end of each school year at the Pirot High School. This year the Company awarded golden pens and presented other attractive recognitions to its best students. Additionally, each top graduating student is offered a scholarship by Tigar if their future course of study is pertinent to Tigar's line of business and development plans.

Another aspect of Tigar's CSR has to do with supporting disabled and handicapped individuals. In 2011, Tigar initiated a local radio show called "Seeking the Right to Rights". The goal of this project was to contribute to a quicker and easier social inclusion of disabled and handicapped individuals.

During the period, the Company also sponsored the participation of disabled student athletes from the Mladost School at the Special Summer Olympics in Athens. These students made the best use of this opportunity to showcase their abilities by winning five gold medals in basketball, soccer and swimming.

In an endeavor to motivate young architects to produce environmentally friendly and sustainable designs of houses, apartment buildings, business premises and public areas, the Company partnered with the House Style magazine to sponsor a competition for young architects called Environmentally Friendly Design. The goal of this competition was to promote the creativity of young professionals, as well as to raise awareness about the use of



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products made from recycled rubber and environmental protection. There were 26 entries and the awards went to those who scored the most points in the areas of technical feasibility, useful value, originality, and attractiveness.

Tigar supported local environmental efforts within the scope of the Clean Serbia campaign, organized to mark the World Environment Day on 5 June. At twenty locations in Pirot some 3000 volunteers collected 2.5 tons of paper, plastic (PET) containers and 300 cubic meters of large pieces of solid waste.

This year Tigar took part in the global campaign to mark 22nd September, the European Day without Cars. In doing so, the Company demonstrated its own efforts aimed at protecting the environment, promoting healthy lifestyles, and motivating both employees and citizens to be more responsible toward the local environment. Along with the local administration, Tigar invited its employees and the citizens of Pirot to use bicycles or public transportation, or simply walk that day. It distributed awareness-raising materials and hosted a series of events on the main street in which youngsters from Čika Jova Zmaj Preschool, students from the Traffic Management School, and members of the Black Cobra Kickboxing Club took part.

Aiming to support healthy lifestyles and sports, the Company helped build a ski facility on Mt. Stara Planina, in the immediate vicinity of the StarA Hotel, to contribute to the advancements of sports tourism in this part of Serbia. The Company also supported or organized summer camps, one of which was "Open Fun Football" which attracted 200 children from the Pirot District between the ages of 7 and 11.

This year, too, Tigar supported the Belgrade International Games (BIG 2011), in which 350 student athletes from 18 universities from 12 different countries and some 400 students from the University of Belgrade participated.

In addition to sponsoring a Book Fair in Pirot, through its branch office in Niš Tigar helped organize a New Year's Symphonic Concert there.

To help promote CSR, Tigar invited and showcased its CSR approach and demonstrated good CSR practices to non-governmental organizations from Bulgaria and Pirot and to students of the American College at Blagoevgrad.

Tigar took an active part in the project called CSR Certification of Serbian Companies of the National Alliance for Economic Development and the Smart Union. Tigar presented its corporate governance approach at a conference entitled "Which Companies Practice CSR in Serbia?", hosted by Naled on 21 September. Tigar also actively participates in the CSR Council of the Serbian Chamber of Commerce, whose mission is to promote and advance CSR, support the implementation of the ISO 26000 standard, and raise awareness of this concept in both corporate circles and the wider Serbian community.



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4.8. MANAGEMENT

The management system remained unchanged: Tigar's Shareholders' Assembly elects the Board of Directors, and the Board of Directors elects the Executive Board. Day-to-day management is within the scope of the Executive Board. There is also a Supervisory Board comprised of three members, who monitor Tigar's assets and corporate documents, and report to shareholders on these and other matters. At its ordinary session held in June 2011, Tigar's Shareholders' Assembly re-elected the Board of Directors.

At the end of the reporting period, Tigar's management bodies included:

The Board of Directors

Name	Responsibility at Tigar/Position outside Tigar
<i>Executive members:</i>	
Dragan Nikolić	Management Body Chairman and Chief Executive Officer
Jelena Petković	Executive Director for Corporate Management Support
Slobodan Sotirov	Executive Director for Quality Management
Miodrag Tancic	Executive Director for Manufacturing Processes
<i>Non-executive members:</i>	
Vladimir Nikolić	Chief Executive Officer of Tigar Tyres
Gordana Lazarevic	Officer of the Ministry of Finance
Jose Alexandre F. da Costa	Legal Counsel to Tigar AD's CEO
<i>Independent members:</i>	
Aleksej Misailović	Chief Executive Officer of Adventis
Tihomir Nenadić	Director of Mayfield Management d.o.o., a member of the Fordgate Group, UK

Members of the Board of Directors can be reached at Tigar's business address: Nikole Pašića 213 18300 Pirot, Republic of Serbia. During the reporting period, members of the Board of Directors received remuneration in the gross aggregate amount of RSD 5,227,107. The Board of Directors held six meetings.

There have been no changes in the composition of the Executive Board since the last published report.

Name	Position at Tigar
Dragan Nikolić	Chief Executive Officer
Jelena Petković	Executive Director (ED) for Corporate Management Support
Đorđe Džunić	ED for Financial Affairs
Miodrag Tančić	ED for Manufacturing
Slobodan Sotirov	ED for Quality Management
Branislav Mitrović	ED for IT and Investments
Milivoje Nikolić	ED for Human Resources

Members of the Executive Board can be reached at Tigar's business address: Nikole Pašića 213, 18300 Pirot, Republic of Serbia.

During the reporting period, the Executive Board held twelve meetings at which monthly performance against Business Plan objectives and other issues relevant to operations were reviewed.

Members of the Executive Board receive no special compensation for their services as members of the Executive Board.

There are no service contracts between Tigar and/or its subsidiaries and Executive Board members providing for benefits upon termination of Executive Board membership.

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The Supervisory Board

Full name	SB position	Principal activities outside Tigar
Milivoje Cvetanović	Chairman	Independent Accounting Consultant
Dr. Milić Radović	Member	Full Professor, Belgrade University School of Business Administration
Dragan Milosavljević	Member	Ministry of Finance, Treasury Administration, Belgrade

Members of the Supervisory Board can be reached at Tigar's business address: Nikole Pašića 213, 18300 Pirot, Republic of Serbia.

Members of the Supervisory Board received an aggregate gross compensation of 388,825 RSD during the reporting period.


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5. SUMMARY OF FINANCIAL PERFORMANCE

5.1. TIGAR AD (THE HOLDING COMPANY)

Aggregate financials of Tigar AD and Tigar Trade:

BALANCE SHEET (in thousands of RSD)	As of 31 December 2009	As of 31 December 2010	As of 30 September 2011
Non-current assets	2,900,089	3,226,938	3,288,858
Current assets	2,131,950	2,944,421	3,715,172
Deferred tax assets			
TOTAL ASSETS	5,032,039	6,171,359	7,004,030
Equity	2,790,539	2,800,749	2,800,949
Long-term liabilities and provisions	209,074	652,611	868,377
Current liabilities	2,030,290	2,714,626	3,331,341
Deferred tax liabilities	2,136	3,373	3,363
TOTAL EQUITY AND LIABILITIES	5,032,039	6,171,359	7,004,030

INCOME STATEMENT (in thousands of RSD)	Actual 2009	Actual 2010	Actual January-September 2010	Actual January-September 2011
Operating income	2,490,945	3,826,909	2,468,099	3,024,669
Operating expenses	2,742,644	3,688,742	2,339,397	2,953,734
PROFIT/LOSS FROM OPERATIONS	-251,699	138,167	128,702	70,935
Finance income	162,358	125,476	77,018	158,253
Finance expenses	192,140	273,347	140,729	246,064
Other income	698,824	249,369	14,355	83,098
Other expenses	245,030	166,301	4,318	20,624
PROFIT/LOSS BEFORE TAXATION	172,313	73,364	75,028	45,598
INCOME TAXES				
Current tax expense	31,217	24,023	11,216	7,514
Deferred income tax expense	1,961	1,236		
Deferred income tax benefit				10
NET PROFIT/LOSS	139,135	48,105	63,812	38,094

* Aggregate financials of Tigar AD and Tigar Trade


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5.2. TIGAR FOOTWEAR

BALANCE SHEET (in thousands of RSD)	As of 31 December 2009	As of 31 December 2010	As of 30 September 2011
Non-current assets	1,229,437	1,420,256	1,524,213
Current assets	814,964	1,137,422	1,421,637
Deferred tax assets			
TOTAL ASSETS	2,044,401	2,557,678	2,945,850
Equity	853,427	857,475	873,379
Long-term liabilities and provisions	701,950	772,345	741,654
Current liabilities	484,356	920,603	1,323,562
Deferred tax liabilities	4,668	7,255	7,255
TOTAL EQUITY AND LIABILITIES	2,044,401	2,557,678	2,945,850

INCOME STATEMENT (in thousands of RSD)	Actual 2009	Actual 2010	Actual January-September 2010	Actual January-September 2011
Operating income	1,094,733	1,508,921	1,053,740	1,524,921
Operating expenses	1,207,366	1,553,008	1,012,703	1,520,193
PROFIT/LOSS FROM OPERATIONS	-112,633	-44,087	41,037	4,728
Finance income	11,141	1,147	1,072	36,915
Finance expenses	26,216	67,491	38,734	23,618
Other income	171,518	144,231	23,110	969
Other expenses	2,921	26,910	20,153	2,896
PROFIT/LOSS BEFORE TAXATION	40,889	6,890	6,332	16,098
INCOME TAXES				
Current tax expense	1,853	257	1,235	192
Deferred income tax expense	3,218	2,587		
Deferred income tax benefit				
NET PROFIT/LOSS	35,818	4,046	5,097	15,906


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5.3. TIGAR TECHNICAL RUBBER GOODS

BALANCE SHEET (in thousands of RSD)	As of 31 December 2009	As of 31 December 2010	As of 30 September 2011
Non-current assets	636,132	741,043	795,376
Current assets	235,127	379,575	330,299
Deferred tax assets			
TOTAL ASSETS	871,259	1,120,618	1,125,675
Equity	330,415	296,544	250,650
Long-term liabilities and provisions	270,367	350,698	335,703
Current liabilities	269,570	469,550	535,495
Deferred tax liabilities	907	3,826	3,827
TOTAL EQUITY AND LIABILITIES	871,259	1,120,618	1,125,675

INCOME STATEMENT (in thousands of RSD)	Actual 2009	Actual 2010	Actual January-September 2010	Actual January-September 2011
Operating income	212,354	581,761	408,228	339,821
Operating expenses	309,092	617,183	420,743	375,974
PROFIT/LOSS FROM OPERATIONS	-96,738	-35,422	-12,515	-36,153
Finance income	2,764	1,414	1,558	14,393
Finance expenses	14,376	35,112	18,684	23,405
Other income	37,195	38,801	10,428	749
Other expenses	5,962	632	286	1,478
PROFIT/LOSS BEFORE TAXATION	-77,117	-30,951	-19,499	-45,894
INCOME TAXES				
Current tax expense				
Deferred income tax expense	1,462	2,920		
Deferred income tax benefit				
NET PROFIT/LOSS	-78,579	-33,871	-19,499	-45,894


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5.4. TIGAR CHEMICAL PRODUCTS

BALANCE SHEET (in thousands of RSD)	As of 31 December 2009	As of 31 December 2010	As of 30 September 2011
Non-current assets	9,446	124,800	136,092
Current assets	183,572	145,528	131,506
Deferred tax assets	787	973	973
TOTAL ASSETS	193,805	271,301	268,571
Equity	91,112	131,031	131,866
Long-term liabilities and provisions	3,043	2,806	2,656
Current liabilities	99,650	137,464	134,049
Deferred tax liabilities			
TOTAL EQUITY AND LIABILITIES	193,805	271,301	268,571

INCOME STATEMENT (in thousands of RSD)	Actual 2009	Actual 2010	Actual January-September 2010	Actual January-September 2011
Operating income	252,603	199,256	150,622	122,728
Operating expenses	247,080	256,565	195,565	119,328
PROFIT/LOSS FROM OPERATIONS	5,523	-57,309	-44,943	3,400
Finance income	2,170	2,269	2,514	1,148
Finance expenses	20,394	6,258	3,198	3,363
Other income	24,203	4,036	1,101	439
Other expenses	6,533	774	475	789
PROFIT/LOSS BEFORE TAXATION	4,969	-58,036	-45,001	835
INCOME TAXES				
Current tax expense	1,594		1,300	
Deferred income tax expense				
Deferred income tax benefit	192	186		
NET PROFIT/LOSS	3,567	-57,850	-46,301	835


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5.5. TIGAR EUROPE UK

BALANCE SHEET (in thousands of GBP)		As of 31 December 2009	As of 31 December 2010	As of 30 September 2011
Assets				
	Non-current assets	7	5	3
	Current assets	3,921	4,217	4,912
	Deferred tax assets	0	0	0
	Total assets	3,928	4,222	4,915
Equity and liabilities				
	Equity	2,582	2,668	3,026
	Long-term liabilities and provisions	0	0	0
	Current liabilities	1,346	1,554	1,890
	Deferred tax liabilities			
	TOTAL EQUITY AND LIABILITIES	3,928	4,222	4,915

INCOME STATEMENT (in thousands of GBP)	Actual 2009	Actual 2010	Actual January- September 2010	Actual January- September 2011
Turnover	12,993	14,698	11,848	11,407
Cost of sales	12,137	13,737	11,101	10,464
Gross Profit	856	961	747	943
Administrative expenses	569	616	466	474
Operating Profit	287	345	281	469
Interest receivable	10	7	5	4
Profit on Ordinary Activities Before Taxation	330	352	286	473
Tax on profit on ordinary activities	72	79	60	115
Retained Profit for the Financial Year	257	273	226	358


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5.6.TIGAR MONTENEGRO, Montenegro

BALANCE SHEET (in thousands of EUR)		As of 31 December 2009	As of 31 December 2010	As of 30 September 2011
Assets				
	Non-current assets	4	4	4
	Current assets	218	271	293
	Deferred tax assets	0	0	0
	Total assets	222	275	297
Equity and liabilities				
	Equity	93	108	117
	Long-term liabilities and provisions	0	0	0
	Current liabilities	129	166	179
	Deferred tax liabilities	0	0	0
	TOTAL EQUITY AND LIABILITIES	222	275	297

INCOME STATEMENT (in thousands of EUR)	Actual 2009	Actual 2010	Actual January- September 2010	Actual January-September 2011
Total income	718	774	477	377
Total expenses	696	750	464	368
Profit/Loss from operations	23	24	13	9
Current tax expense	2	2	0	0
Deferred income tax expense	0	0	0	0
Deferred income tax benefit	0	0	0	0
Net profit/Loss	21	21	13	9


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5.7. TIGAR TRADE, Republika Srpska

BALANCE SHEET (in thousands of KM))		As of 31 December 2009	As of 31 December 2010	As of 30 September 2011
Assets				
	Non-current assets	243	244	224
	Current assets	1,254	1,446	1,199
	Deferred tax assets	0	0	0
	Total assets	1,498	1,691	1,423
Equity and liabilities				
	Equity	485	435	299
	Long-term liabilities and provisions	0	0	0
	Current liabilities	1,012	1,256	1,124
	Deferred tax liabilities	0	0	0
	TOTAL EQUITY AND LIABILITIES	1,498	1,691	1,423

INCOME STATEMENT (in thousands of KM)	Actual 2009	Actual 2010	Actual January-September 2010	Actual January-September 2011
Total income	2,603	2,455	1,273	721
Total expenses	2,580	2,451	1,351	857
Profit/Loss from operations	22	4	-78	-136
Current tax expense	2	1	0	0
Deferred income tax expense	0	0	0	0
Deferred income tax benefit	0	0	0	0
Net profit/Loss	20	3	-78	-136


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5.8. TIGAR PARTNER, Macedonia

BALANCE SHEET (in thousands of DENARS)		As of 31 December 2009	As of 31 December 2010	As of 30 September 2011
Assets				
	Non-current assets	615	334	130
	Current assets	27,061	23,772	24,612
	Deferred tax assets	0	0	0
	Total assets	27,676	24,106	24,741
Equity and liabilities				
	Equity	17,626	17,722	17,724
	Long-term liabilities and provisions	0	0	0
	Current liabilities	10,050	6,384	7,017
	Deferred tax liabilities	0	0	0
	TOTAL EQUITY AND LIABILITIES	27,676	24,106	24,741

INCOME STATEMENT (in thousands of DENARS)	Actual 2009	Actual 2010	Actual January-September 2010	Actual January-September 2011
Total income	45,032	31,092	17,500	17,903
Total expenses	46,116	30,978	19,680	17,896
Profit/Loss from operations	-1,084	114	-2,180	7
Current tax expense	54	19	10	4
Deferred income tax expense	0	0	0	0
Deferred income tax benefit	0	0	0	0
Net profit/Loss	-1,137	95	-2,190	3



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5.9. TIGAR BUSINESS SERVICES

BALANCE SHEET (in thousands of RSD)	As of 31 December 2009	As of 31 December 2010	As of 30 September 2011
Non-current assets	130,543	218,217	52,388
Current assets	70,396	84,664	16,565
Deferred tax assets		79	79
TOTAL ASSETS	200,939	302,960	69,032
Equity	96,228	169,308	30,605
Long-term liabilities and provisions	30,313	20,025	12,286
Current liabilities	74,223	113,627	26,141
Deferred tax liabilities	175		
TOTAL EQUITY AND LIABILITIES	200,939	302,960	69,032

Note: On 1 February 2011, a business unit was spun-off from Tigar Business Services and merged with Tigar Hospitality Ltd.

INCOME STATEMENT (in thousands of RSD)	Actual 2009	Actual 2010	Actual January- September 2010	Actual January-September 2011
Operating income	286,700	311,757	223,503	103,979
Operating expenses	290,230	321,654	233,072	101,053
PROFIT/LOSS FROM OPERATIONS	-3,530	-9,897	-9,569	2,926
Finance income	982	82	60	1,844
Finance expenses	6,910	4,736	2,139	3,422
Other income	11,179	1,732	1,512	1,924
Other expenses	1,252	991	169	220
PROFIT/LOSS BEFORE TAXATION	469	-13,810	-10,305	3,052
INCOME TAXES				
Current tax expense	340		255	
Deferred income tax expense				
Deferred income tax benefit	194	225		
NET PROFIT/LOSS	323	-13,585	-10,560	3,052

Note: On 1 February 2011, a business unit was spun-off from Tigar Business Services and merged with Tigar Hospitality Ltd.


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5.10. TIGAR HOSPITALITY

BALANCE SHEET (in thousands of RSD)	Opening balance as of 1 February 2011	As of 30 September 2011
Non-current assets	157,308	154,511
Current assets	48,822	64,733
Deferred tax assets		
TOTAL ASSETS	206,130	219,244
Equity	141,755	137,789
Long-term liabilities and provisions	5,841	5,650
Current liabilities	58,534	75,805
Deferred tax liabilities		
TOTAL EQUITY AND LIABILITIES	206,130	219,244

INCOME STATEMENT (in thousands of RSD)	Actual February-September 2011
Operating income	133,412
Operating expenses	137,618
PROFIT/LOSS FROM OPERATIONS	-4,206
Finance income	180
Finance expenses	863
Other income	1,013
Other expenses	87
PROFIT/LOSS BEFORE TAXATION	-3,963
INCOME TAXES	
Current tax expense	56
Deferred income tax expense	
Deferred income tax benefit	
NET PROFIT/LOSS	-4,019


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5.11. TIGAR INCON

BALANCE SHEET (in thousands of RSD)	As of 31 December 2009	As of 31 December 2010	As of 30 September 2011
Non-current assets	26,351	161,407	169,448
Current assets	74,682	114,201	56,590
Deferred tax assets			
TOTAL ASSETS	101,033	275,608	226,038
Equity	50,080	169,561	172,070
Long-term liabilities and provisions	5,883	5,860	5,860
Current liabilities	44,451	99,404	47,325
Deferred tax liabilities	619	783	783
TOTAL EQUITY AND LIABILITIES	101,033	275,608	226,038

INCOME STATEMENT (in thousands of RSD)	Actual 2009	Actual 2010	Actual January-September 2010	Actual January-September 2011
Operating income	300,236	233,516	158,795	218,196
Operating expenses	277,173	223,194	138,001	214,869
PROFIT/LOSS FROM OPERATIONS	23,063	10,322	20,794	3,327
Finance income	95	870	869	17
Finance expenses	795	230	225	401
Other income	37	1,408	518	61
Other expenses	434	661	225	34
PROFIT/LOSS BEFORE TAXATION	21,966	11,709	21,731	2,970
INCOME TAXES				
Current tax expense	1,197	614	898	461
Deferred income tax expense	150	165		
Deferred income tax benefit				
NET PROFIT/LOSS	20,619	10,930	20,833	2,509


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5.12. PIROT FREE ECONOMIC ZONE

BALANCE SHEET (in thousands of RSD)	As of 31 December 2009	As of 31 December 2010	As of 30 September 2011
Non-current assets	125,799	131,986	130,149
Current assets	31,434	68,879	79,320
Deferred tax assets	12	110	110
TOTAL ASSETS	157,245	200,975	209,579
Off balance sheet assets	25,500	25,500	25,500
Equity	138,156	140,069	156,785
Long-term liabilities and provisions	2,634	3,555	3,567
Current liabilities	16,455	57,351	49,227
Deferred tax liabilities			
TOTAL EQUITY AND LIABILITIES	157,245	200,975	209,579
Off balance sheet liabilities	25,500	25,500	25,500

INCOME STATEMENT (in thousands of RSD)	Actual 2009	Actual 2010	Actual January- September 2010	Actual January- September 2011
Operating income	58,078	214,364	148,595	212,964
Operating expenses	51,980	194,755	131,916	194,621
PROFIT/LOSS FROM OPERATIONS	6,098	19,609	16,679	18,343
Finance income	2,286	2,358	643	1,144
Finance expenses	434	1,048	795	1,728
Other income	1,821	740	84	793
Other expenses	1,330	1,377	1	1,272
PROFIT/LOSS BEFORE TAXATION	8,441	20,282	16,610	17,280
INCOME TAXES				
Current tax expense	261	678	0	565
Deferred income tax expense	11	0	0	0
Deferred income tax benefit	0	98	0	0
NET PROFIT/LOSS	8,169	19,702	16,610	16,715


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5.13. OTHER SERVICE ENTITIES: AGGREGATE FINANCIALS

INCOME STATEMENT (in thousands of RSD)	Actual 2009	Actual 2010	Actual January-September 2010	Actual January-September 2011
Operating income	165,115	153,123	121,323	120,390
Operating expenses	162,329	143,842	104,313	101,765
PROFIT/LOSS FROM OPERATIONS	2,786	9,281	17,010	18,625
Finance income	754	309	272	136
Finance expenses	192	207	171	61
Other income	11,549	3,332	2,348	360
Other expenses	1,502	213	0	64
PROFIT/LOSS BEFORE TAXATION	13,395	12,502	19,459	18,996
INCOME TAXES				
Current tax expense	597	488	536	366
Deferred income tax expense	28	0	0	0
Deferred income tax benefit	106	103	0	0
NET PROFIT/LOSS	12,876	12,117	18,923	18,630


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5.14. CONSOLIDATED FINANCIALS

Tigar ad Consolidated Balance Sheet (in thousands of RSD)	As of 31 December 2009	As of 31 December 2010	As of 30 September 2011
ASSETS			
Non-current assets	4,110,708	4,743,526	4,958,642
Intangible assets	111,442	398,125	552,126
Property, plant and equipment	3,939,938	4,288,114	4,349,229
Property, plant and equipment	3,939,938	4,288,114	4,349,229
Long-term financial placements	59,328	57,287	57,287
Equity investments	11,670	11,819	11,819
Other long-term financial placements	47,658	45,468	45,468
Current assets	3,026,465	3,455,721	3,761,373
Inventories	1,442,628	1,823,646	2,016,520
Assets held-for-sale	19,884	20,039	20,039
Accounts receivable, placements and cash	1,563,953	1,612,036	1,724,814
Accounts receivable	727,066	903,162	839,136
Receivables from over-paid taxes	14,303	7,097	1,640
Short-term financial placements	5,736	4,986	4,795
Cash and cash equivalents	702,009	369,524	361,217
Value added tax and prepayments	114,839	327,267	518,026
Deferred tax assets	18,036	21,305	19,788
TOTAL ASSETS	7,155,209	8,220,552	8,739,804
EQUITY AND LIABILITIES			
Equity	3,514,083	3,393,665	3,326,737
Share and other capital	2,146,009	2,144,189	2,121,350
Share issuing premiums			
Reserves	207,925	941	590
Revaluation reserves	1,074,215	1,051,401	1,042,518
Retained earnings	85,934	197,134	162,279
Loss			
Shares buyback			
Long-term liabilities and provisions	3,513,163	4,692,191	5,278,382
Long-term provisions	79,861	83,087	77,798
Long-term liabilities	1,149,078	1,729,282	1,901,493
Long-term debt	1,132,408	1,512,668	1,601,775
Other long-term liabilities	16,670	216,614	299,718
Current liabilities	2,284,224	2,879,822	3,299,091
Short-term financial liabilities	1,432,181	1,716,210	2,161,142
Account payable	639,111	851,145	896,401
Other current liabilities	151,136	183,926	176,927
Value added tax and other taxes payable and accruals	43,134	110,455	47,005
Income taxes payable	18,662	18,086	17,616
Deferred tax liabilities	127,963	134,696	134,685
TOTAL EQUITY AND LIABILITIES	7,155,209	8,220,552	8,739,804


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Tigar AD Consolidated Income statement (in thousands of RSD)	Actual 2009	Actual 2010	Actual January-September 2010	Actual January- September 2011
OPERATING INCOME	3,880,745	5,160,882	3,455,411	3,810,506
Sales of goods, products and services	3,349,344	4,288,191	2,985,199	3,229,019
Work performed by the company and capitalized	441,254	743,239	297,643	312,949
Increase in inventories of finished products and work in progress	57,463	89,828	141,023	228,240
Decrease in inventories of finished products and work in progress	0	0		0
Other operating income	32,684	39,624	31,546	40,298
OPERATING EXPENSES	4,163,474	4,889,597	3,285,695	3,700,105
Cost of commercial goods sold	914,976	902,193	587,529	503,242
Material, fuel and energy consumed	1,174,529	1,563,187	1,005,592	1,312,267
Staff costs	1,500,700	1,611,720	1,166,545	1,303,744
Depreciation, amortization and provisions	148,471	187,982	114,316	123,072
Other operating expenses	424,798	624,515	411,713	457,780
PROFIT/LOSS FROM OPERATIONS	-282,729	271,285	169,716	110,401
FINANCE INCOME	74,609	72,209	61,829	149,695
FINANCE EXPENSES	262,493	391,035	206,754	304,266
OTHER INCOME	327,820	74,505	53,847	89,136
OTHER EXPENSES	29,528	46,648	26,195	21,714
PROFIT/LOSS BEFORE TAXATION	-172,320	-19,684	52,443	23,252
INCOME TAXES				
Current tax expense	41,236	31,088	17,586	15,868
Deferred income tax expense	6,831	6,907	1,305	
Deferred income tax benefit	489	558	0	9
NET PROFIT/LOSS	-219,898	-57,121	33,552	7,393

TIGAR AD

Jelena Petković
Executive Director for Corporate
Management Support

Dragan Nikolić
Board of Directors Chairman