



TIGAR AD'S BOARD OF DIRECTORS MEETS IN PIROT

PIROT, 31 August 2009: Tigar Corporation's Board of Directors adopted the holding company's semi-annual report and consolidated financial statements for its 21 subsidiaries, five of which operate abroad.

In this reporting Period, Tigar's major investments targeted the new factory of Tigar Technical Rubber Goods at the Tigar 3 location, equipment required for the completion of the Tigar Footwear upgrading project, and the expansion and upgrading of the largest national automotive service and sales network through the opening of new Stop&Drive service centers and Bottega footwear stores within Tigar Trade.

During the first half of the year, Tigar's footwear business earned a 10% higher sales income than during the same period of 2008. Footwear exports, which account for 65% of this business's income, grew by 22%, while sales to the domestic market were 20% lower.

Tigar Technical Rubber Goods, which discontinued production at its previous location in December of last year and which will resume production at its new location in September 2009, reported a 60% decline relative to the same period of a year ago, while Tigar Chemical Products reported a 10% increase.

Exports contribute 48% to Tigar Trade's sales of Tigar products. The Stop&Drive network sold goods worth 140 million Dinars, or 50% more than during the same period of 2008.

According to Jelena Petković, Executive Director for Corporate Management, Tigar AD's profit is 155 million Dinars and the consolidated result is 112 million. However, the operating result at the consolidated level is negative due to the method applied to report the result of the parent company which operates as a holding company.

- A specific feature of the holding company is that it earns revenues solely from services and rentals, while its income from the results reported by its subsidiaries, finance income, and extraordinary income earned from transactions using its own assets, are not treated as income from operations. On the other hand, all expenses, except finance expenses, constitute operating expenses, stated Ms. Petković.