



## PRESS RELEASE

**Pirot, 31 August 2010.** At today's meeting, Tigar Corporation's Board of Directors adopted Tigar's semi-annual business report and delivered several decisions of significance to corporate operations.

The corporation reported a semi-annual consolidated result of 77 million dinars, and a 33% increase in sales income. Half of Tigar's sales income continues to trace to exports, more than 80% of which go to the EU market.

Key business characteristics during the first half of the year include the effects of the global economic downturn felt in both domestic and international markets, but also the initiation of sales to a number of new customers, particularly in the footwear segment, resulting in higher exports. Due to a delay in commissioning of Tigar's plant for the manufacture of final products from recycled rubber, which was placed online at the end of March, this segment did not meet original expectations but still delivered 300 tons of product to the Scandinavian market during the second quarter.

- In 2008 and 2009, our transaction with Michelin involving the sale of our stake in the joint-venture company, had a significant positive impact on Tigar's financial performance. However, this year our semi-annual result traces solely to business activities and market performance of our entities, stated Dragan Nikolić, Tigar's chief executive officer. As expected, the largest contributor to our bottom line was the footwear segment, in which we invested heavily over the past few years. It is not surprising that footwear exports were 50% higher at the end of June, and are expected to be 100% higher at the end of the year, compared to 2009. The fact that Tigar recorded a consolidated profit of 77 million dinars, despite reporting a loss last year, shows that our system has stabilized. In the coming months we will be focusing on performing to plan, emphasized Nikolić.

Tigar's Board of Directors, which now includes three new members recently appointed by the General Assembly of Shareholders (Alekselj Misailović, Gordana Lazarević and Miodrag Tančić), stated that despite adverse capital market conditions over a relatively long period of time, Tigar's recent first issue of long-term bonds demonstrates that the corporation is attractive to investors. This was deemed to be a positive signal for new issues of debentures and shares.

Tigar AD  
Communications Center