



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

Document Reference

**IZ.P. 16/01**

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

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## **ASSESSMENT OF THE PERFORMANCE IN THE PERIOD JANUARY- MARCH 2016**

Trends that are present on our market for many years due to difficult legacy, continue to be significantly reflected in the purchasing power of citizens. On the other hand, operations in the first quarter of 2016 were strongly influenced by the situation in which the company is for a longer period of time, but in conditions that characterize the local economy in general.

Total external sale of Tigar's program, from the beginning of the year, is RSD 582 million, where 77% of this amount was made in the export and this external sale is higher for 24% compared to the last year. Sales of Tigar Rubber Footwear is higher for 30% compared to the first quarter last year.

Production in Tigar AD (the Joint Stock Company Tigar Pirot) in the period January- March 2016 recorded a decrease compared to the same period last year of 27% in the field of production of rubber footwear in tons, or decrease of 38% when speaking of the production in pairs.

Production in tons of Tigar Rubber Technical Goods decreased by 16% in relation to the last year, while the production in tons in Tigar Chemical Products has decreased by 15%.

Although it was recorded the decline of physical volume of footwear production in pairs by 38% compared to the same period last year, the structure of the production program has significantly changed, given that the production in the first quarter was mainly for the export market. There has been an increase in production of safety shoes for 111% and fashion footwear for 103% compared to the same quarter of the last year, which had an impact to the revenues that became higher, while the decline in production was recorded mainly in programs aimed for the domestic market, primarily among low shoes for 68%.

**Realized volume of production in this quarter is in accordance with the strategy of optimization of storaged rubber footwear (especially in the low shoes program), with rationalization of costs of taking care of the storaged rubber footwear and better managing with already existed reserves.**

Consolidated operating income has recorded a growth compared to the same period last year by 19%. The most significant business indicators such as EBIT and EBITDA are also continuing with the trend of stabilization of business operations in the first quarter of 2016. The operating profit (EBIT) in the period January- March was recorded in the amount of RSD 47,487 thousand while in the same period last year was reported operating profit of RSD 25,488 thousand. Operating profit before depreciation (EBITDA) amounted to RSD 88,379 thousand and in the same period last year was recorded an operating profit before depreciation in the amount of RSD 76,054 thousand.

We especially emphasize the fact that in the first quarter of 2016, Tigar AD has also continued its operations without any additional borrowing from the banks.

At the end of the first quarter, there were initiated activities in the process of construction of a factory for the production of compounds, on the surface area of 1,780 m<sup>2</sup>. All the equipment was relocated and the factory officially started to work on 20 April 2016. The construction of the object was financed from own funds.

After the finality of the Prepackaged Plan of Reorganization of Tigar Rubber Footwear at the end of 2014, and the Prepackaged Plan of Reorganization of Tigar AD on 01 June 2015, there has begun the implementation of the measures that have been envisaged in the Plan.

After the statutory change of the merge of production entities: Tigar Rubber Footwear Pirot, Tigar Technical Rubber Goods and Tigar Chemical Products I.I.c. to the parent company - Tigar AD Pirot in 2016, the process of merging of Tigar Tours began.

The settlement of liabilities toward the creditors have been paid according to the possibilities, repayment schedules and deadlines defined by Tigar AD, while the direct creditors of Tigar Rubber Footwear are settled according to repayment schedules set forth in the Prepackaged Plan of Reorganization of Tigar Rubber Footwear.

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

CHAIRMAN OF SUPERVISORY BOARD OF TIGAR AD  
NEBOJSA PETROVIC



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## 1. INTRODUCTION

### 1.1. GENERAL

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

**Corporate ID:** 07187769

**Web site:** [www.tigar.com](http://www.tigar.com)

**Core activity:** 6420 – holdings

**Number of shareholders:** 31/03/2016 4,427

**Assets:** 31/03/2016 (000 din) 5,720,631

**Registered address:** Nikole Pašića Street no.  
 213, 18300 Pirot

**Tax ID:** 100358298

**Certificate of incorporation:** Registry File 1-  
 1087

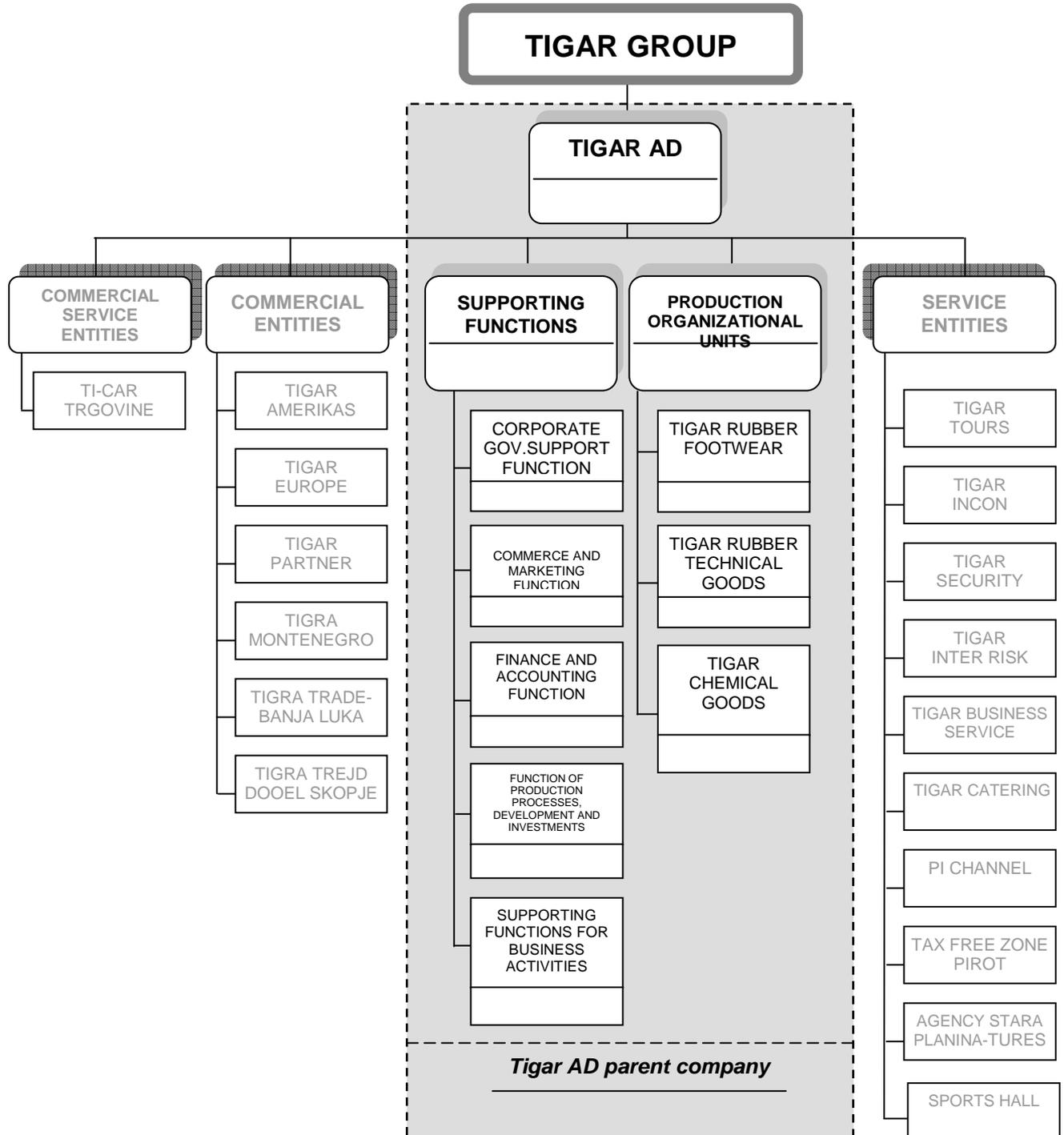
**Number of employees:** : 31/03 /2016 1,535

**Capital:** 31/03 /2016 (000 din) 0

**Capitalization:** 31 /03/2016 (000 din) 139,195

## 1.2. CORPORATE STRUCTURE

On the day of writing this report, the corporate structure of the corporation looks like it is given in the graphic below:





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### 1.3. INVESTMENTS

During the first quarter of 2016 the investment status was as follows:

In '000 RSD	Purchases of fixed assets and intangible investments	
	January- March 2016	
Tigar AD		15,247
Service entities		4,310
<b>Total</b>		<b>19,557</b>

The process of financial consolidation and efforts to meet the requirements of customers and market conditions without any borrowing inevitably affected the possible level of investment.

Investments were adequate to realistic needs and capabilities of Tigar's business system in a given period, so they relate primarily to the necessary maintenance of production equipment and servicing of existing computer equipment.

Investments in Tigar AD are related to the construction of object for production of compounds on the location Tigar III and adaptation of warehouse no. 20 on the location Tigar III Dragos, for the needs of storing material and because of moving from the location of Tigar II.

In the part of service entities, there were the construction of two warehouses for bolts (warehouse no. 6 and warehouse no. 7) in the Tax Free Zone Pirot, the same as the purchase of necessary computing equipment and the equipment for the catering (computer equipment, universal cuisine machines) necessary for the regular conduct of jobs in the area of Tigar Catering.

Investment in further development are necessary but they will be strictly selected and will be aimed primarily towards the rationalization of business activities and investment in expanding of the market potential.



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

### 2.1. BREAKDOWN OF PRODUCTION AND SALES

Structure of production and sales program in the period January- March 2016 was as given below:

#### Rubber Footwear Program

Tigar Footwear's product lines currently include the following product groups:

- *Safety footwear*
- *Work boots*
- *Sports footwear*
- *Fashion footwear*
- *Children's footwear*
- *Low footwear*

Rubber footwear encompasses a wide range of products for diverse uses, which are made in a large number of standardized styles in accordance with defined environmental standards to ensure minimal pollution of the workplace and the environment at the end of their life cycle.

The quality and characteristics of raw materials and the quality of the final product are defined by stringent technical & technological specifications consistent with international standards and specific requirements of respective markets and customers.

Besides the production of exporting items, items that are produced under the brand of a customer, safety rubber footwear is made also under the brands' name Tigar and Century, Maniera fashion footwear, Brolly children's footwear, and other types of footwear are made under the Tigar brand name.

#### Rubber Technical Goods Program

Tigar Rubber Technical Good's product lines currently include the following product groups:

- *Molded rubber products*
- *Rubber profiles*, where are the most present EPDM profiles for construction
- *Hoses including flexible hoses*
- *Combined products and semi-finished rubber products*, such as rubber-metal products, shock absorbers
- *Special-purpose products*, such as tanks for combat aircrafts, covers for the cannon of the tank and invulnerable wheels
- *Produced made of recycled (crumb) rubber*, used to overlay and protect outdoor and indoor surfaces, including rubber matting, used for soundproofing in the construction industry, rubber tiles for childrens playgrounds, as well as for various holders of traffic signalization – rubber bollards.
- *Sports court flooring* is basically comprised of rubber matting of different thickness – indoor sports courts or rubber granulate for outdoor sports courts, depending on the purpose of such sports court.

#### Chemical Products Program

Production program of Tigar Chemical products plant consists of more than 300 products:

- *Horizontal road signage materials*
- *Self-spreading flooring*
- *„Coil coatings“* - a range of products made to to protect outer steel-sheet and aluminum surfaces of buildings and „can coatings“, group of products designed for the industry of sheet metal packaging.
- *Anti-corrosion coatings designed for consumer market and the construction industry*

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- *Adhesives for consumer market and construction, industrial and special-purpose adhesives*  
A special product belonging to this group is conveyor belt adhesive designed for the mining industry.

### **Complementary goods**

Through service&sales network of commercial entities are being sold tires and spare parts for cars. Companies from abroad are selling Tigar-brand tires manufactured by Tigar Tyres and from other manufacturers. In the domestic market are sold passenger, light truck and truck tires of all world-known manufacturers. Other complementary products include motor oils, batteries, car care products, exhausts, etc., of domestic and foreign suppliers and the garden program. Ti-car sales and service network provides services related to tire repair, car repair services, vehicle washing, tracking and storage of tires.

Tigar's specialized Bottega chain offers Tigar branded women's and children's footwear, as well as Italian and domestic leather men's, women's and children's footwear to bridge the seasonality.

### **Other services**

In the part of services, dependent entities support and contribute to Tigar's core businesses and provide high-quality services to both the Company and the local community.

#### *-Construction and Engineering*

-*Tax Free Zone Pirot*, which on 101ha 15a 09m<sup>2</sup> of infrastructure-enabled land renders services that may be carried out free from duty or VAT and certain municipal charges.

-*Transport*, including domestic and international freight forwarding

- *Food production* for internal needs of Tigar AD, but also for the external market, as well as hospitality services offered to tourists, business men and women, delegations, and sports teams

-*Protective Workshop*, dealing with solid waste collection and recycling

- *Services in the areas of radio and TV broadcasting*

## **2.2. STRATEGY OF THE APPROACH ON THE MARKET OF GOODS AND SERVICES**

Business and development strategy for the period 2016- 2019 implies the following general guidelines:

- Volume growth, through increased sales to both existing and new customers and markets and through introduction of new products;
- Ongoing product mix changes, focusing on highly sophisticated products;
- Lowering of labor costs to an optimum level and further reduction of fixed and semi-variable costs
- Long-term financing based on favorable long-term loans, at low interest rates, without important indebtedness during the first years of projection
- Exports as the main source of revenue of Tigar's plants;
- Growing proprietary brand sales, particularly to export markets;
- Introduction of new sales methods
- Higher sales to end users of tires, footwear and complementary goods in the Serbian market
- Fusion of the business through the integration of parts that do not have an independent market perspective
- Maintenance of the sales volume of tires and complementary goods via Tigar's entities operating abroad;
- Increased revenues from external services in services, construction and Tax Free Zone Pirot;
- Maintenance of internal services at the level required by the Tigar AD and Tigar Tyres

In the current business and market environment, Tigar has sought and still is, to better integrate in the vertical supply chain, to optimize its production & market portfolio, following the demands of customers for new products.

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### 2.3. APPRAISAL OF THE MARKET POSITION OF THE RUBBER FOOTWEAR PROGRAM IN THE PERIOD JANUARY- MARCH 2016

In the first quarter of 2016, total sales of finished goods and products were higher by 24% in relation to the last year:

<i>Net income from sales of goods and products in Serbia and from Serbia</i>	1 <sup>st</sup> quarter 2015	1 <sup>st</sup> quarter 2016	%
<i>In ' 000 RSD</i>			
Tigar Rubber Footwear	410,055	532,294	30%
Rubber Technical Goods	53,273	44,828	-16%
Chemical Products	7,386	4,481	-39%
Tires	4,022	6,730	67%
Other programs	2,771	2,687	-3%
<b>TOTAL</b>	<b>477,507</b>	<b>591,020</b>	<b>24%</b>

Sale of Tigar's goods and products in Serbia and from Serbia in the period January- March 2016 amounts a bit more than RSD 591 million, of which 76% in export (RSD 447 million). Tigar Rubber Footwear Plant stil records the highest share in export 96% (RSD 427 million).

<i>Net income from sales of goods and products in Serbia and from Serbia</i>	1 <sup>st</sup> quarter 2015	1 <sup>st</sup> quarter 2016	%
<i>In ' 000 RSD</i>			
<b>Domestic market</b>	<b>135,901</b>	<b>143,689</b>	<b>6%</b>
- Tigar Rubber Footwear	92,300	105,079	14%
- Rubber Technical Goods	32,923	24,900	-24%
- Chemical Products	3,886	4,294	11%
- Tires	4,022	6,730	67%
- Other programs	2,771	2,687	-3%

<i>Net income from sales of goods and products in Serbia and from Serbia</i>	1 <sup>st</sup> quarter 2015	1 <sup>st</sup> quarter 2016	%
<i>In ' 000 RSD</i>			
<b>Export</b>	<b>341,606</b>	<b>447,331</b>	<b>31%</b>
- Tigar Rubber Footwear	317,755	427,215	34%
- Rubber Technical Goods	20,350	19,929	-2%
- Chemical Products	3,501	187	-95%

The sale of the rubber footwear program in the first quarter of 2016 is higher for 30% than the same period last year, the export is higher for 34%, while the sales volume at the domestic market is higher for 14% than the same period last year.

<i>Net income from sales of goods and products in Serbia and from Serbia</i>	1 <sup>st</sup> quarter 2015	1 <sup>st</sup> quarter 2015	%
<i>In ' 000 RSD</i>			
<b>Tigar Rubber Footwear</b>	<b>410,055</b>	<b>532,294</b>	<b>30%</b>
- Domestic market	92,300	105,079	14%
- Export	317,755	427,215	34%

For the first quarter of this year, characteristic is the significant increase of sales on the domestic market (14%) in comparison to the same period of last year, what is the result of changes in the sale strategy,

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precise segmentation of the market and conclusions of the annual contracts with the biggest customers with clearly defined payment schedules and delivery schedules (on the monthly and quarterly level).

The main characteristic of the first quarter of 2016 in export was the increase of the production volume for 34% in comparison to the same period of the last year, with the continuous accomplishment of demands and needs of the customers and all demands were accomplished within the prescribed deadline. Main factors that influenced the increase of production volume in export are the delivers of the special safety boots for the needs of Finland army, significant increase of the demands of the customer Berner (Finland); the same as the result of the continuous making of new models of rubber footwear for the customer Ilse Jacobsen Hornbek (Denmark) what resulted in increase of the delivered amounts.

The first quarter of this year was also marked by the contacts, the announcement of cooperation, exchange of samples and winning some articles for Shepherd (SWE) Tretorn (SWE) and retail chain from FRA (Auchan).

It is very important to emphasize the continuation of the synchronized actions with customers in the domestic market and the region, where the emphasis is on advance payments that are extremely important financial instrument in terms of production/sales of goods that have a accentuated seasonal character, bearing in mind that Tigar did not make any additional borrowings from banks.

## 2.4. ASSESSMENT OF TIGAR RUBBER TECHNICAL GOODS MARKET POSITION IN THE PERIOD JANUARY- MARCH 2016

The sale in the first quarter of 2016 in the factory Tigar Rubber Technical Goods was by 16% lower when compared to the same period last year, and due to the trend of decrease of the realization and insufficient capacity utilization, operations have been seriously jeopardized and measures are taken in relation to the reorganization of this production entity as well as the reduction of the number of employees and their redistribution.

<i>Net income from sales of goods and products in Serbia and from Serbia</i>	1 <sup>st</sup> quarter 2015	1 <sup>st</sup> quarter 2016	%
<i>In ' 000 RSD</i>			
<b>Rubber Technical Goods</b>	<b>53,273</b>	<b>44,828</b>	<b>-16%</b>
- Domestic market	32,923	24,900	-24%
- Export	20,350	19,929	-2%

This period was characterized by a significant decline in sales in the domestic market (24%) compared to the same period last year, but the dominant factor is the decrease of sales over a longer period of time is the lack of realization of the goods in exports, primarily of rubber hoses Russian market and reducing of the volume of needed products made of recycled rubber. An additional effect of the reduced sales volume had a lack of realization of the business related to the public procurement of the Ministry of Defence of the Republic of Serbia for tanks because the realization of the won tender was postponed for an indefinite period.

Positive feature of this period is winning of new positions for the moulded parts for the company Metso (SWE) in the part of the products intended for the mining industry which is produced in greater volume and then sold in the above's company's retail stores worldwide. It is also in progress the winning and homologation of small pressure rubber hoses for the customer from ITA (Martinello) and the bigger volume of exporting of the rubber membrane for the customer Eder (AUT).

Market position of this factory is at risk partly due to the situation in the construction industry and the situation in large business systems (mining complex).

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## 2.5. ASSESSMENT OF TIGAR CHEMICAL PRODUCTS MARKET POSITION IN THE PERIOD JANUARY- MARCH 2016

In the difficult conditions of production (reduced capacity, fire, new relocation...) Tigar Chemical Products was able to meet the needs of Tigar Rubber Footwear and Tigar Tyres for adhesives.

Sales volumes is lower by 39% compared to the same period last year, primarily as a consequence of the decline of sales in export (adhesives for the mining industry in the markets of RSA, BUL, MAC).

The decline of the realization caused the rationalization of the costs and reduction of the number of employees in the previous year.

<i>Net income from sales of goods and products in Serbia and from Serbia</i>	1 <sup>st</sup> quarter 2015	1 <sup>st</sup> quarter 2016	%
<i>In ' 000 RSD</i>			
<b>Chemical Products</b>	<b>7,386</b>	<b>4,481</b>	<b>-39%</b>
- Domestic market	3,886	4,294	11%
- Exports	3,501	187	-95%

## 2.6. DISTRIBUTION OF TIRES, OTHER COMPLEMENTARY PRODUCTS AND SERVICES OFFERED BY THE SERVICE NETWORK IN THE PERIOD JANUARY- MARCH 2016

There was continued the process of restructuring of the service network, retail and colonials. Parallel to this process began the more regular supply of the network with tires, footwear, complementary programs (batteries, motor oil, etc.) and the garden program what resulted like an increase of the sale volume by 39% in comparison to the same period of the last year.

<i>Net income from sales of goods and products in Serbia and from Serbia</i>	1 <sup>st</sup> quarter 2015	1 <sup>st</sup> quarter 2016	%
<i>In ' 000 RSD</i>			
- Tires	4,022	6,730	67%
- Other programs	2,771	2,687	-3%
<b>TOTAL</b>	<b>6,793</b>	<b>9,417</b>	<b>39%</b>

Although it was noticed an increase in sales comparing with 2015 together with rationalization of the retail-service chain, reduction of the number of employees, prosperity and concentration of offers, total results are still unsatisfactory.

Activities undertaken must demonstrate viability and profitability of each of the objects, which will result in the closure of some retail-service objects and opening of the new ones. It is important to point out activities on finding a long term solution for the supply of tires and in this regard are ongoing negotiations for concluding a contract with Tigar Tyres and the retail objects were supplied with tires.

Every retail-service object will be subject to a detailed analysis of the purposefulness of further survival and manner of functioning despite the growth of the sales volume in the reporting period, which is primarily a consequence of the low comparative values in the previous period. Thus, the process of rationalization of costs and closing of unprofitable facilities is being continued in the first quarter of this year.

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## 2.7. PRICE FLUCTUATIONS OF KEY RAW MATERIALS AND COMPLEMENTARY PRODUCTS

The prices of some key materials were changing comparing with the states of world markets, changes of the price of oil and the influence of other extern and intern factors.

According to everything mentioned above, the prices of natural and synthetical rubber had a decrease in the first quarter of this year in comparison to the last quarter of 2015 by an average of 10%.

In the first quarter of 2016, the prices of EPDM compounds were mainly stable with slight deviation.

Prices of char recorded a decrease of about 15% in the first quarter of 2016 in comparison with the last quarter of 2015.

In the section of technical fabrics, prices were not changed in the first quarter 2016, while the prices of non-woven textiles in the first quarter were lower for about 25% in comparison to the last quarter in 2015.

Prices of solvent are in average lower by 8% in the first quarter of 2016 in comparison to the end 2015.

Fuel oil prices also decreased so that the average price of crude oil for the first quarter of 2016 on average lower by 9.3% compared to the last quarter of 2015 and 23% lower than the average price of crude oil for the whole year 2015.

## 2.8. PRODUCTION OUTPUT

The tables below show breakdowns by manufacturing programs.

Production (pairs)	January- March 2015	January- March 2016	%
Tigar Rubber Footwear	430,053	267,326	-38%

Production (tons)	January- March 2015	January- March 2016	%
Tigar R.Technical Goods	110	92	-16%
Chemical Products	43	37	-15%
<b>TOTAL</b>	<b>153</b>	<b>129</b>	<b>-16%</b>

In the period January- March 2016, the total realized production in Tigar Rubber Footwear plant amounts to 267,326 pairs, which is by 38% lower in relation to the same period last year. Total realized production in tons in plants – Tigar Rubber Technical Goods and Tigar Chemical Products amounts to 129, which is by 16% less in relation to the same period last year.

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### 3. FINANCIALS FOR THE PERIOD JANUARY- MARCH 2016

#### 3.1 KEY INDICATORS OF THE HOLDING COMPANY (TIGAR AD)

**Note:** In all Balance Sheets made on the 31 December 2015 were used data that were given to the Business Registry Agency for statistical purposes.

<b>Tigar AD's unconsolidated financials in thousands of dinars</b>	<b>January-March 2015</b>	<b>January-March 2016</b>
Total assets	5,225,579	5,720,631
Equity		
Operating income	545,687	676,800
EBIT	52,079	37,958
EBITDA	63,149	73,060
Financial income	16,761	12,850
Other income	1,600	3,880
Total income	564,048	693,530
Net result	-61,052	-87,883
<u>Significant ratios</u>		
Current Ratio	0.58	1.18
Debt-to-assets ratio	1.09	1.41
Net result/total income	-10.82%	-12.67%

On 11 September 2015 was implemented the status change implying the merger of dependent entities Tigar Rubber Footwear, Tigar Technical Rubber Goods and Tigar Chemical Products to the parent company Tigar AD. After the status change and starting with 12 September 2015, the overall business operations of these production entities is shown within the data pertaining to the parent company, Tigar AD. Thus, the data given in the income statement are not comparable.

	<b>BUSINESS REPORT</b>	Document Reference
	<b>FOR THE PERIOD JANUARY- MARCH 2016</b>	<b>IZ.P. 16/01</b>

### 3.2. KEY CONSOLIDATED INDICATORS

The bulk of the cash flow from operations, generated from the sales of products and services enters and goes out through the parent company and gets distributed among the parent company and the core manufacturing entities. Internal cash flows are related to operating flows arising from payments for services rendered and purchased/sold goods and products, flows from financing - long-term loans that the parent company directs in its subsidiaries and short-term borrowings from financial companies and flows based on profit withdrawn from dependent entities.

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

Consolidated financials of Tigar AD in thousands of dinars	January-March 2015	January-March 2016	% of change
Total assets	7,257,223	6,521,129	-10%
Sales revenues	695,685	831,700	20%
EBIT	25,488	47,487	86%
EBITDA	76,054	88,379	16%
Financial revenues	27,947	13,343	-52%
Other incomes	2,462	8,165	232%
Net loss	-110,938	-81,146	27%

Total revenues from sales of goods, products and services on a consolidated basis, for the period January- March 2016 amounted to RSD 831,700 thousand which is by 20% higher compared to the same period last year, when they amounted to RSD 695,685 thousand. In the same period was realized a business income in the amount of RSD 836,874 thousand, which is by 19% higher compared to the same period last year, when they amounted to RSD 700,528 thousand.

Consolidated operating expenses in the amount of RSD 789,387 thousand were higher by 17% compared to the period January- March 2015 when they amounted to RSD 675,040 thousand.

Structure of operating expenses in total cost by groups is as follows: costs of wages, salaries and other personnel expenses account for about 40%; Expenses for the costs of materials, energy corrected for the increase of inventories accounted for 37%; Purchase value of goods accounts for 1%; expenses, depreciation and provisions accounted for 6% and other expenses accounted for 16%.

Financing costs on a consolidated basis in the period January- March 2016 amounted to RSD 144,847 thousand, while the cost of funding at the consolidated level in the same period last year amounted to RSD 163,468 thousand. The largest part of financial expenses are the costs of interest, which at the consolidated level amounts to about RSD 71,513 thousand, while the foreign exchange losses and other financial expenses amount up to RSD 73,335 thousand. The effects of the reduction in financial expenses are the result of finality of the Prepackaged Plan of Reorganization and its implementation. It is evident that the amount of interest remains very high and significant.

Reported operating profit (EBIT) is amounted to RSD 47,487 thousands, while the operating loss for the same period last year amounted to RSD 25,488 thousand, which represents a better result for RSD 21,999 thousand. EBIT growth in 2016 compared to the last year is an indicator of good business moves that gave these results.

	<b>BUSINESS REPORT</b>	Document Reference
	<b>FOR THE PERIOD JANUARY- MARCH 2016</b>	<b>IZ.P. 16/01</b>

Reported profit before depreciation and amortization (EBITDA) is amounted to RSD 88,379 thousand, while in the same period last year was reported an operating profit before amortization in the amount of RSD 76,054 thousand, which represents an improvement for even RSD 12,325 thousand.

At the consolidated level, the value of total assets amounted to RSD 6.5 billion, of which fixed assets RSD 4,5 billion, while current assets RSD 2,1 billion.

A part that relates to claims in the amount of RSD 315 million for the most part include current receivables of domestic and foreign customers. The structure of domestic customer receivables is RSD 205 million, where the 8 largest domestic customers claimed RSD 59 million. Claims of foreign customers are RSD 110 million, while seven largest foreign customer receivables amounted to RSD 93 million. In the part of older receivables, the largest single claims are asserted against GP AUTO-SHOP in the amount of RSD 20.6 million. Claim mentioned previously together with liability in the amount of RSD 17,6 million were mentioned in the bankruptcy proceeding which was undertaken in the Commercial Court in Belgrade, under the number St-80/14, twice: on 22 October 2014 and 8 September 2015. Also in the same application procedure, there was a claim of demands together with the obligation and for Tigar Business Service in the amount of RSD 206 thousand - receivables and RSD 254 thousand - obligations. In both cases, the bankruptcy proceedings were suspended. By checking on the website of Agency for Business Registers, we have found that the GP AUTO-SHOP doo is an active company, and by checking on the website of the NBS, we came to the data that this company's actions are blocked. The compensation is possible after the end of the blockade.

At the moment, there is a check up made of the possibilities of making a suit against the customer. Considering the customer Ema from Pozarevac, the amount of receivables (due amount) is RSD 30.9 million. It is also anticipated a compensation with this customer in the amount of about RSD 10 million. But, according to the fact this company is blocked, the compensation can not be payed, the same as other obligations. In order to decrease the obligations for this customer, the bills were used, at the end of 2013. Disputed claim is also for the company L.K. Commerce from Greece in the amount of 9.6 million dinars. For the collection of receivables from this company were initiated proceedings before the arbitral foreign trade in PKS under the number T-18/14. The first hearing is scheduled for 9 May 2016. A significant amount of the receivables are with entities abroad. Tigar Partner Macedonia claims from its customers RSD 22,8 million, from Tigra Montenegro RSD 3,4 million and from Tigar Trejd Banja Luka RSD 29,3 million.

At the consolidated level, the loss above the capital is RSD 2,16 billion. On the liabilities side, the equity value is RSD 0, liabilities for long term loans and reservations around RSD 6,8 billion, liabilities under short-term loans were RSD 0,4 billion and other short-term liabilities amount to approximately RSD 1,4 billion.

By replacing short-term liabilities with the long-term loans, through a process of long-term financial stabilization, was provided a better impact on the current liquidity of the company.

### 3.3. CONSOLIDATED FINANCE RESULT

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

ASSETS	As of 31 December 2014	As of 31 December 2015	As of 31 March 2016
<b>A. SUBSCRIBED CAPITAL UNPAID</b>			
<b>B. NON-CURRENT ASSETS</b>	<b>5,113,669</b>	<b>4,609,177</b>	<b>4,501,908</b>
I INTANGIBLE ASSETS	415,482	359,660	268,601
Investment in development	368,482	321,358	257,939
Concessions, patents , licenses , trademarks , software and other rights	16,243	7,434	6,799
Goodwill			
Other intangible assets		3	
Intangible assets under construction	30,757	30,865	3,863
Advances for intangible assets			
II PROPERTY, PLANT AND EQUIPMENT	4,674,321	4,239,011	4,222,801

	<b>BUSINESS REPORT</b>	Document Reference
	<b>FOR THE PERIOD JANUARY- MARCH 2016</b>	<b>IZ.P. 16/01</b>

Land	525,279	517,802	510,410
Buildings	2,678,462	2,515,505	2,528,112
Plant and equipment	800,631	726,852	707,693
Investment property	582,070	290,896	292,513
Other property, plant and equipment			
Property, plant and equipment construction	57,190	161,959	161,697
Investments in property, plants and equipment	10,749	6,057	2,435
Advances for property , plant and equipment	19,940	19,940	19,940
III BIOLOGICAL AGENTS			
IV LONG-TERM FINANCIAL PLACEMENTS	23,866	10,506	10,506
Shares in subsidiaries			
Shares in associated companies and joint ventures	12,018	491	491
Equity investments in other companies and other securities	94	94	94
Other long-term investments	11,754	9,921	9,921
V LONG-TERM RECEIVABLES			
<b>C. DEFERRED TAX ASSETS</b>			
<b>D. CURRENT ASSETS</b>	<b>1,820,521</b>	<b>2,051,105</b>	<b>2,019,221</b>
I INVENTORIES	1,111,209	1,525,720	1,485,520
Material , spare parts , tools and supplies	97,547	129,280	151,808
Unfinished production and unfinished services	102,577	72,877	142,225
Finished Products	252,125	391,998	331,394
Goods	595,272	508,615	449,470
Fixed assets held for sale	27,162	399,680	399,288
Advances paid to suppliers	36,526	23,270	11,334
II RECEIVABLES FROM SALE	393,108	292,720	315,261
Customers in the country - the parent and subsidiaries			
Customers abroad - parent and subsidiaries			
Customers in the country - other related parties	3,402	3,865	4,370
Customers abroad - other related parties			
Customers in the country	282,629	225,074	200,854
Customers abroad	107,077	63,781	110,037
Other receivables from sales			
III RECEIVABLES FROM SPECIFIC OPERATIONS	1,384	129	
IV OTHER RECEIVABLES	52,005	85,150	61,972
V FINANCIAL ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT			
VI SHORT-TERM FINANCIAL PLACEMENTS	473	472	
Short-term loans and investments - parent and subsidiaries			
Short-term loans and investments - other related parties	473	472	
VII CASH AND CASH EQUIVALENTS	194,656	85,474	101,444
VIII VALUE ADDED TAX	22,943	16,541	6,774
IX PREPAYMENTS	44,743	44,899	48,250
<b>I. TOTAL ASSETS</b>	<b>6,934,190</b>	<b>6,660,282</b>	<b>6,521,129</b>
<b>F. OFF BALANCE SHEET ASSETS</b>		<b>811,313</b>	<b>811,313</b>
<b>EQUITY AND LIABILITIES</b>	<b>As of 31 December 2014</b>	<b>As of 31 December 2015</b>	<b>As of 31 March 2016</b>
<b>A. EQUITY</b>			
I SHARE AND OTHER CAPITAL	642,704	642,704	642,704
Share Capital	642,704	642,704	642,704
II SUBSCRIBED CAPITAL UNPAID			
III TREASURY SHARES			
IV RESERVES	5,409	5,411	5,414
V Revaluation reserves based on the revaluation of intangible assets, property , plant and equipment	1,509,155	1,509,372	1,509,373
VI UNREALIZED GAINS ON SECURITIES VALUE AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULTS	77,139	84,691	84,880
VII UNREALIZED LOSSES ON SECURITIES VALUE AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULTS	3,593	4,907	4,976
VIII RETAINED EARNINGS			
Retained profit from previous years			
Retained profit from financial year			
IX PARTICIPATION RIGHTS WITHOUT CONTROL	87,802	94,530	101,331
X LOSS	3,832,302	4,356,075	4,497,130
Loss of previous years	2,420,235	3,832,302	4,409,163
Loss for the year	1,412,067	523,773	87,967
<b>B. LONG-TERM PROVISIONS AND LIABILITIES</b>	<b>2,024,794</b>	<b>6,870,782</b>	<b>6,837,182</b>
I LONG-TERM PROVISIONS	254,496	258,132	255,545
Provision for retirement and other employee benefits	36,736	42,380	42,642
Provision for lawsuits	217,760	214,041	212,903
Other long-term provisions		1,711	

	<b>BUSINESS REPORT</b>	Document Reference
	<b>FOR THE PERIOD JANUARY- MARCH 2016</b>	<b>IZ.P. 16/01</b>

<b>II LONG-TERM LIABILITIES</b>	1,770,298	6,612,650	6,581,637
Liabilities from securities in period longer than one year		317,126	320,511
Long-term loans and loans in the country	535,359	4,379,109	4,422,963
Long-term loans and loans abroad	944,950	950,167	960,310
Liabilities arising from finance lease	15,881	15,187	11,546
Other long-term liabilities	274,109	951,061	866,307
<b>C. DEFERRED TAX LIABILITIES</b>	<b>114,777</b>	<b>108,656</b>	<b>107,361</b>
<b>D. CURRENT LIABILITIES</b>	<b>6,308,305</b>	<b>1,705,118</b>	<b>1,734,989</b>
<b>I SHORT-TERM FINANCIAL LIABILITIES</b>	<b>3,555,912</b>	<b>416,816</b>	<b>406,145</b>
Short-term loans from parent companies and subsidiaries			
Short-term loans from other related parties			
Short-term loans and loans in the country	2,042,605		
Short-term loans and loans abroad			
Liabilities in respect of fixed assets and resources discontinued operations held for sale	27,162	9,452	9,452
Other current financial liabilities	1,486,145	407,364	396,693
<b>II PREPAYMENTS, DEPOSITS AND GUARANTEES</b>	<b>100,564</b>	<b>55,971</b>	<b>26,837</b>
<b>III ACCOUNTS PAYABLE</b>	<b>1,050,541</b>	<b>768,698</b>	<b>818,113</b>
Suppliers - other related parties in the country	4,259	4,281	4,981
Suppliers - Other related legal entities abroad			
Suppliers in the country	502,240	453,044	444,307
Foreign suppliers	532,398	305,825	331,839
Other liabilities	11,644	5,548	36,986
<b>IV OTHER CURRENT LIABILITIES</b>	<b>1,374,461</b>	<b>367,706</b>	<b>413,734</b>
<b>V LIABILITIES FOR VALUE ADDED TAX</b>	<b>32,172</b>	<b>6,591</b>	<b>7,390</b>
<b>VI OTHER TAXES, CONTRIBUTIONS AND OTHER FEES</b>	<b>28,787</b>	<b>5,787</b>	<b>11,902</b>
<b>VII ACCRUALS</b>	<b>165,868</b>	<b>83,549</b>	<b>50,869</b>
<b>I. THE LOSS IN EXCESS OF CAPITAL</b>	<b>1,513,686</b>	<b>2,024,274</b>	<b>2,158,404</b>
<b>F. TOTAL LIABILITIES</b>	<b>6,934,190</b>	<b>6,660,282</b>	<b>6,521,129</b>
<b>G. OFF BALANCE SHEET LIABILITIES</b>		<b>811,313</b>	<b>811,313</b>

Income statement (in thousands of RSD)	January-March 2015	January-March 2016	%
<b>INCOME FROM OPERATIONS</b>			
<b>A. OPERATING INCOME</b>	<b>700,528</b>	<b>836,874</b>	<b>19%</b>
I Sales of goods	29,388	13,218	-55%
II Sales of products and services	<b>666,296</b>	<b>818,482</b>	<b>23%</b>
III Revenues from premiums, subsidies, donations, grants etc.			
IV Other operating income	4,843	5,173	<b>7%</b>
<b>EXPENSES FROM OPERATIONS</b>			
<b>B. OPERATING EXPENSES</b>	<b>675,040</b>	<b>789,387</b>	<b>17%</b>
I Cost of commercial goods sold	9,786	6,816	-30%
II Work performed by the company and capitalized	63	3,298	
III Increase in inventories of finished products and work in progress	63,775		
IV Decrease in inventories of finished products and work in progress		56,034	
V Material consumed	233,392	234,406	<b>0%</b>
VI Fuel and energy consumed	52,876	37,526	-29%
VII Staff costs	285,823	296,238	<b>4%</b>
VIII Production expenses	84,445	98,335	<b>16%</b>
IX Amortization	50,566	40,892	-19%
X Costs of long-term provisions			
XI Intangible costs	21,990	22,438	<b>2%</b>
<b>C. PROFIT FROM OPERATIONS</b>	<b>25,488</b>	<b>47,487</b>	
<b>D. LOSS FROM OPERATIONS</b>			
<b>I. FINANCE INCOME</b>	<b>27,947</b>	<b>13,343</b>	-52%
I Financial income from related persons and other financial income	26	1	-96%
II Interest income (from third parties)	775	432	-44%
III Gains and positive effects of currency clause	27,145	12,909	-52%
<b>F. FINANCE EXPENSES</b>	<b>163,468</b>	<b>144,847</b>	-11%
I Financial expenses related party transactions and other financial expenses	2,022	1,843	-9%
II Interest expense (by third parties)	110,305	71,513	-35%
III Foreign exchange gains and negative effects of currency clause	51,141	71,491	<b>40%</b>
<b>G. PROFIT FROM FINANCING</b>			
<b>H. LOSS FROM FINANCING</b>	<b>135,521</b>	<b>131,504</b>	<b>3%</b>
<b>I. INCOME FROM VALUATION ADJUSTMENTS OF OTHER ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT</b>			
<b>J. LOSS ADJUSTMENT OTHER PROPERTY CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT</b>			

	<b>BUSINESS REPORT</b>	Document Reference
	<b>FOR THE PERIOD JANUARY- MARCH 2016</b>	<b>IZ.P. 16/01</b>

<b>K. OTHER INCOME</b>	2,462	8,165	232%
<b>L. OTHER EXPENSES</b>	251	749	198%
<b>M. OPERATING PROFIT BEFORE TAX</b>			
<b>N. LOSS FROM OPERATIONS BEFORE TAX</b>	107,822	76,601	29%
<b>M. NET INCOME FROM DISCONTINUED OPERATIONS , THE EFFECTS OF CHANGES IN ACCOUNTING POLICIES AND CORRECTIONS FROM PREVIOUS PERIOD</b>			
<b>N. NET LOSS FROM DISCONTINUED OPERATIONS , EXPENSES CHANGE IN ACCOUNTING POLICIES AND CORRECTIONS FROM PREVIOUS PERIOD</b>		247	
<b>Q. PROFIT BEFORE TAXATION</b>			
<b>P. LOSS BEFORE TAXATION</b>	107,822	76,848	29%
<b>R. INCOME TAX</b>			
I Current tax expense	3,093	4,285	39%
II Deferred income tax expense	23	13	-43%
III Deferred income tax benefit			
<b>T. EARNINGS OF EMPLOYER</b>			
<b>U. NET PROFIT</b>			
<b>V. NET LOSS</b>	110,938	81,146	27%

### 3.4. TIGAR AD PARENT COMPANY

\* On 11 September 2015 was implemented the status change implying the merger of dependent entities Tigar Rubber Footwear, Tigar Technical Rubber Goods and Tigar Chemical Products to the parent company Tigar AD. After the status change and starting with 12 September 2015, the overall business operations of these production entities is shown within the data pertaining to the parent company, Tigar AD.

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

ASSETS	As of 31 December 2014	As of 31 December 2015	As of 31 March 2016
<b>A. SUBSCRIBED CAPITAL UNPAID</b>			
<b>B. NON-CURRENT ASSETS</b>	<b>1,983,302</b>	<b>4,008,238</b>	<b>3,874,448</b>
I INTANGIBLE ASSETS	13,758	359,315	268,234
Investment in development	33	321,358	257,940
Concessions, patents , licenses , trademarks , software and other rights	9,823	7,200	6,539
Goodwill			
Other intangible assets			
Intangible assets under construction	3,902	30,757	3,755
Advances for intangible assets			
II PROPERTY, PLANT AND EQUIPMENT	1,257,829	3,289,943	3,282,410
Land	54,376	454,761	454,761
Buildings	643,255	1,710,412	1,705,926
Plant and equipment	231,157	678,867	659,805
Investment property	290,896	290,896	292,513
Other property, plant and equipment			
Property, plant and equipment construction	28,945	130,075	144,679
Investments in property, plants and equipment	9,200	4,992	4,786
Advances for property , plant and equipment		19,940	19,940
III BIOLOGICAL AGENTS			
IV LONG-TERM FINANCIAL PLACEMENTS	504,651	358,980	323,804
Shares in subsidiaries	480,785	348,474	313,298
Shares in associated companies and joint ventures	12,018	491	491
Equity investments in other companies and other securities	94	94	94
Other long-term investments	11,754	9,921	9,921
V LONG-TERM RECEIVABLES	207,064		
Receivables from parent company and its subsidiaries	207,064		
<b>D. CURRENT ASSETS</b>	<b>2,851,148</b>	<b>1,913,883</b>	<b>1,846,183</b>
I INVENTORIES	453,874	1,337,171	1,299,708
Material , spare parts , tools and supplies	5,574	151,414	141,435
Unfinished production and unfinished services		72,877	142,225
Finished Products		391,998	331,395
Goods	430,666	346,940	317,662
Fixed assets held for sale		362,160	361,768
Advances paid to suppliers	17,634	11,782	5,223
II RECEIVABLES FROM SALE	1,892,079	502,708	458,647
Customers in the country - the parent and subsidiaries	1,648,171	240,132	200,570

	<b>BUSINESS REPORT</b>	Document Reference
	<b>FOR THE PERIOD JANUARY- MARCH 2016</b>	<b>IZ.P. 16/01</b>

Customers abroad - parent and subsidiaries	115,847	125,698	123,430
Customers in the country - other related parties	585	1,126	1,632
Customers abroad - other related parties			
Customers in the country	57,380	72,438	28,545
Customers abroad	70,096	63,314	104,470
Other receivables from sales			
<b>III RECEIVABLES FROM SPECIFIC OPERATIONS</b>			
<b>IV OTHER RECEIVABLES</b>	57,116	26,366	26,495
<b>V FINANCIAL ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT</b>			
<b>VI SHORT-TERM FINANCIAL PLACEMENTS</b>	239,953	473	19,079
Short-term loans and investments - parent and subsidiaries	239,480		19,079
Short-term loans and investments - other related parties	456	456	
Short-term loans and loans in the country			
Short-term loans and loans abroad			
Other short-term financial investments	17	17	
<b>VII CASH AND CASH EQUIVALENTS</b>	109,103	1,423	1,869
<b>VIII VALUE ADDED TAX</b>	12,297	12,914	4,632
<b>IX PREPAYMENTS</b>	86,726	32,828	35,753
<b>I. TOTAL ASSETS</b>	<b>4,834,450</b>	<b>5,922,121</b>	<b>5,720,631</b>
<b>F. OFF BALANCE SHEET ASSETS</b>		<b>798,813</b>	<b>798,813</b>
<b>EQUITY AND LIABILITIES</b>	<b>As of 31 December 2014</b>	<b>As of 31 December 2015</b>	<b>As of 31 March 2016</b>
<b>A. EQUITY</b>			
<b>I SHARE AND OTHER CAPITAL</b>	642,704	642,704	642,704
Share Capital	642,704	642,704	642,704
<b>IV RESERVES</b>	143	143	143
V Revaluation reserves based on the revaluation of intangible assets, property, plant and equipment	112,818	205,809	205,809
<b>VI UNREALIZED GAINS ON SECURITIES VALUE AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULTS</b>	6		
<b>VII UNREALIZED LOSSES ON SECURITIES VALUE AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULTS</b>		2,042	2,042
<b>VIII RETAINED EARNINGS</b>		1,823	1,823
Retained profit from previous years			1,823
Retained profit from financial year		1,823	
<b>IX PARTICIPATION RIGHTS WITHOUT CONTROL</b>			
<b>X LOSS</b>	1,811,014	3,288,635	3,459,089
Loss of previous years	961,899	2,900,254	3,371,206
Loss for the year	849,115	388,381	87,883
<b>B. LONG-TERM PROVISIONS AND LIABILITIES</b>	<b>755,963</b>	<b>6,793,894</b>	<b>6,759,913</b>
<b>I LONG-TERM PROVISIONS</b>	220,604	243,238	240,390
Provision for retirement and other employee benefits	5,920	29,197	29,197
Provision for lawsuits	214,684	214,041	211,193
Other long-term provisions			
<b>II LONG-TERM LIABILITIES</b>	535,359	6,550,656	6,519,523
Liabilities from securities in period longer than one year		317,126	320,511
Long-term loans and loans in the country	535,359	4,379,109	4,422,963
Long-term loans and loans abroad		950,167	960,310
Liabilities arising from finance lease			
Other long-term liabilities		904,254	815,739
<b>C. DEFERRED TAX LIABILITIES</b>		<b>3,075</b>	<b>3,075</b>
<b>D. CURRENT LIABILITIES</b>	<b>5,133,830</b>	<b>1,565,350</b>	<b>1,568,295</b>
<b>I SHORT-TERM FINANCIAL LIABILITIES</b>	3,051,513	418,543	408,384
Short-term loans from parent companies and subsidiaries	119,984	16,086	15,626
Short-term loans from other related parties			
Short-term loans and loans in the country	2,042,117		
Short-term loans and loans abroad			
Other current financial liabilities	889,412	402,457	392,758
<b>II PREPAYMENTS, DEPOSITS AND GUARANTEES</b>	52,541	44,436	17,045
<b>III ACCOUNTS PAYABLE</b>	990,652	746,492	775,281
Suppliers - parent and subsidiaries in the country	164,010	82,978	79,841
Suppliers - parent and subsidiaries abroad	50,584	50,507	49,221
Suppliers - other related parties in the country	3,972	1,604	1,979
Suppliers - Other related legal entities abroad			
Suppliers in the country	293,792	318,362	299,720
Foreign suppliers	478,113	290,540	310,606
Other liabilities	181	2,501	33,914
<b>IV OTHER CURRENT LIABILITIES</b>	941,583	287,067	326,483
<b>V LIABILITIES FOR VALUE ADDED TAX</b>		74	74

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VI OTHER TAXES, CONTRIBUTIONS AND OTHER FEES	15,364	1,772	6,559
VII ACCRUALS	82,177	66,966	34,469
<b>I. THE LOSS IN EXCESS OF CAPITAL</b>	<b>1,055,343</b>	<b>2,440,198</b>	<b>2,610,652</b>
<b>F. TOTAL LIABILITIES</b>	<b>4,834,450</b>	<b>5,922,121</b>	<b>5,720,631</b>
<b>G. OFF BALANCE SHEET LIABILITIES</b>		<b>798,813</b>	<b>798,813</b>

When the Prepackaged Plan of Reorganization of Tigar AD became valid and final on 01 June 2015, short-term liabilities were replaced with the long-term loans, which caused a better impact on the current liquidity.

Income statement (in thousands of RSD)	January-December 2014	January-December 2015	January-March 2015	January-March 2016
<b>INCOME FROM OPERATIONS</b>				
<b>A. OPERATING INCOME</b>	<b>1,855,836</b>	<b>2,362,579</b>	<b>545,687</b>	<b>676,800</b>
I Sales of goods	1,446,938	1,374,754	468,883	2,767
II Sales of products and services	<b>392,321</b>	<b>954,509</b>	<b>73,141</b>	<b>593,096</b>
III Revenues from premiums, subsidies, donations, grants etc.				
IV Other operating income	16,577	33,316	3,663	80,937
<b>EXPENSES FROM OPERATIONS</b>				
<b>B. OPERATING EXPENSES</b>	<b>1,752,901</b>	<b>2,209,499</b>	<b>493,608</b>	<b>638,842</b>
I Cost of commercial goods sold	1,261,701	1,178,868	395,358	2,329
II Work performed by the company and capitalized				
III Increase in inventories of finished products and work in progress		40,189		5,641
IV Decrease in inventories of finished products and work in progress				61,676
V Material consumed	4,648	314,442	622	217,618
VI Fuel and energy consumed	85,143	121,009	25,143	48,347
VII Staff costs	193,027	360,380	42,528	206,061
VIII Production expenses	58,742	51,996	6,649	12,877
IX Amortization	48,456	77,690	11,070	35,102
X Costs of long-term provisions	302	7,102		
XI Intangible costs	100,882	138,201	12,238	60,473
<b>C. PROFIT FROM OPERATIONS</b>	<b>102,935</b>	<b>153,080</b>	<b>52,079</b>	<b>37,958</b>
<b>D. LOSS FROM OPERATIONS</b>				
<b>I. FINANCE INCOME</b>	<b>49,695</b>	<b>115,048</b>	<b>16,761</b>	<b>12,850</b>
I Financial income from related persons and other financial income	25,950	95,997		
II Interest income (from third parties)	2,135	1,118	604	156
III Gains and positive effects of currency clause	21,610	17,933	16,157	12,694
<b>F. FINANCE EXPENSES</b>	<b>612,261</b>	<b>395,541</b>	<b>131,481</b>	<b>141,753</b>
I Financial expenses related party transactions and other financial expenses	14,276	6,152	2,021	1,787
II Interest expense (by third parties)	415,261	264,750	80,030	70,170
III Foreign exchange gains and negative effects of currency clause	182,724	124,639	49,430	69,796
<b>G. PROFIT FROM FINANCING</b>				
<b>H. LOSS FROM FINANCING</b>	<b>562,566</b>	<b>280,493</b>	<b>114,720</b>	<b>128,903</b>
<b>I. INCOME FROM VALUATION ADJUSTMENTS OF OTHER ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT</b>	<b>1,832</b>	<b>13,838</b>		
<b>J. LOSS ADJUSTMENT OTHER PROPERTY CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT</b>	<b>385,418</b>	<b>2,181</b>		
<b>K. OTHER INCOME</b>	<b>18,963</b>	<b>70,758</b>	<b>1,600</b>	<b>3,880</b>
<b>L. OTHER EXPENSES</b>	<b>24,861</b>	<b>73,149</b>	<b>11</b>	<b>571</b>
<b>M. OPERATING PROFIT BEFORE TAX</b>				
<b>N. LOSS FROM OPERATIONS BEFORE TAX</b>	<b>849,115</b>	<b>118,147</b>	<b>61,052</b>	<b>87,636</b>
<b>M. NET INCOME FROM DISCONTINUED OPERATIONS , THE EFFECTS OF CHANGES IN ACCOUNTING POLICIES AND CORRECTIONS FROM PREVIOUS PERIOD</b>				
<b>N. NET LOSS FROM DISCONTINUED OPERATIONS , EXPENSES CHANGE IN ACCOUNTING POLICIES AND CORRECTIONS FROM PREVIOUS PERIOD</b>		<b>34,719</b>		<b>247</b>
<b>Q. PROFIT BEFORE TAXATION</b>				
<b>P. LOSS BEFORE TAXATION</b>	<b>849,115</b>	<b>152,866</b>	<b>61,052</b>	<b>87,883</b>
<b>R. INCOME TAX</b>				
I Current tax expense				
II Deferred income tax expense				

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III Deferred income tax benefit				
<b>T. EARNINGS OF EMPLOYER</b>				
<b>U. NET PROFIT</b>				
<b>V. NET LOSS</b>	849,115	152,866	61,052	87,883

CASH FLOWS (in thousands of RSD)	January-March 2015	January-March 2016
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash inflow from operating activities	430,935	638,653
Cash outflow from operating activities	444,205	575,336
Net cash inflow from operating activities		63,317
Net cash outflow from operating activities	13,270	
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Cash inflow from investing activities		
Cash outflow from investing activities		28,781
Net cash inflow from investing activities		
Net cash outflow from investing activities		28,781
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Cash inflow from financing activities	2,016	
Cash outflow from financing activities		33,858
Net cash inflow from financing activities	2,016	
Net cash outflow from financing activities		33,858
<b>Total cash inflow</b>	<b>432,951</b>	<b>638,653</b>
<b>Total cash outflow</b>	<b>444,205</b>	<b>637,975</b>
<b>NET CASH INFLOW</b>		678
<b>NET CASH OUTFLOW</b>	11,254	
<b>Cash and cash equivalents at beginning of year</b>	<b>109,103</b>	<b>1,430</b>
Foreign exchange gains on translation of cash and cash equivalents	7,471	
Foreign exchange losses on translation of cash and cash equivalents	2	239
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>105,318</b>	<b>1,869</b>

On 01 June 2015 when the Prepackaged Plan of Reorganization became final and valid at the court, there were launched the activities in the part of its enforcement and implementation. In this regard, on 06 August 2015 were made Decisions on the adoption of the Agreement on the merger of dependent entities Tigar Rubber Footwear I.I.c., Tigar Rubber Technical Goods I.I.c. and Tigar Chemical Products I.I.c. as assignors, to the Joint Stock Company Tigar as the acquiring company. Date of the status change, ie the merger is 11 September 2015.

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### 3.5. SUMMARY OF KEY FINANCIAL RESULTS BY ENTITY

#### TIGAR

##### TIGAR AD

Equity: 0  
Total income: 693,530  
EBITDA: 73,060  
(000 RSD)

#### COMMERCIAL ENTITIES

##### TIGRA MONTENEGRO

Equity: 0  
Total income: 0  
EBITDA: -7  
(000 EUR)

##### TIGAR PARTNER

Equity: 15,833  
Total income: 4,263  
EBITDA: -270  
(000 DEN)

##### TIGRA TREJD Banja Luka

Equity: 72  
Total income: 124  
EBITDA: -14  
(000 KM)

##### TIGAR EUROPE

Equity: N/A  
Total income: N/A  
EBITDA: N/A  
(000 GBP)

##### TIGAR AMERICAS

Equity: N/A  
Total income: N/A  
EBITDA: N/A  
(000 USD)

#### SERVICE ENTITIES

##### SLOBODNA ZONA PIROT

Equity: 215,407  
Total income: 119,681  
EBITDA: 19,713  
(000 RSD)

##### TIGAR POSLOVNI SERVIS

Equity: 47,777  
Total income: 38,492  
EBITDA: 10,631  
(000 RSD)

##### TIGAR UGOSTITELJSTVO

Equity: 98,381  
Total income: 49,596  
EBITDA: 1,946  
(000 RSD)

##### TIGAR INCON

Equity: 49,617  
Total income: 13,962  
EBITDA: -7,131  
(000 RSD)

##### TIGAR INTER RISK

Equity: 1,874  
Total income: 525  
EBITDA: -99  
(000 RSD)

##### TI-CAR TRGOVINE

Equity: 0  
Total income: 23,591  
EBITDA: -13,290  
(000 RSD)

##### TIGAR OBEZBEĐENJE

Equity: 53,474  
Total income: 33,256  
EBITDA: 6,009  
(000 RSD)

##### TIGAR TOURS

Equity: 1,634  
Total income: 366  
EBITDA: -213  
(000 RSD)

##### PI KANAL

Equity: 3,479  
Total income: 3,274  
EBITDA: 184  
(000 RSD)

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	<b>FOR THE PERIOD JANUARY- MARCH 2016</b>	<b>IZ.P. 16/01</b>

### 3.6. TIGAR RUBBER FOOTWEAR

\* On 11 September 2015 was executed the status change implying the merger of subsidiaries Tigar Rubber Footwear, Tigar Technical Rubber Goods and Tigar Chemical Products to the parent company Tigar AD. The data shown for production entities include their businesses as independent entities until 11 September 2015. After the status changes as of 12 September 2015, the whole business of these production entities is shown within the data pertaining to the parent company Tigar AD.

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

ASSETS	As of 31 December 2014	As of 11 September 2015
<b>A. SUBSCRIBED CAPITAL UNPAID</b>		
<b>B. NON-CURRENT ASSETS</b>	<b>1,742,297</b>	<b>1,687,440</b>
I INTANGIBLE ASSETS	397,703	360,986
Investment in development	368,449	333,404
Concessions, patents , licenses , trademarks , software and other rights	2,400	727
Intangible assets under construction	26,854	26,855
II PROPERTY, PLANT AND EQUIPMENT	1,344,594	1,326,454
Land	323,840	323,840
Buildings	646,232	641,035
Plant and equipment	231,635	211,810
Investment property	142,605	142,604
Property, plant and equipment construction	282	7,165
III BIOLOGICAL AGENTS		
IV LONG-TERM FINANCIAL PLACEMENTS		
V LONG-TERM RECEIVABLES		
<b>C. DEFERRED TAX ASSETS</b>		
<b>D. CURRENT ASSETS</b>	<b>618,118</b>	<b>773,732</b>
I INVENTORIES	323,237	388,875
Materials , spare parts , tools and supplies	31,450	31,374
Unfinished production and unfinished services	99,958	71,206
Finished Products	190,049	284,690
Advances paid to suppliers	1,780	1,605
II DUE ON SALE	286,603	284,039
Customers in the country - the parent and subsidiaries	285,963	283,347
Customers abroad - parent and subsidiaries		2
Customers in the country - other related parties		
Customers in the country	640	631
Customers abroad		59
III RECEIVABLES FROM SPECIFIC		
IV OTHER RECEIVABLES	207	492
V FINANCIAL ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT		
VI SHORT-TERM FINANCIAL PLACEMENTS		94,326
VII CASH AND CASH EQUIVALENTS	135	127
VIII VALUE ADDED TAX		11
IX PREPAYMENTS	7,936	5,861
<b>I. TOTAL ASSETS</b>	<b>2,360,415</b>	<b>2,461,172</b>
<b>F. OFF BALANCE SHEET ASSETS</b>		
<b>EQUITY AND LIABILITIES</b>	<b>As of 31 December 2014</b>	<b>As of 11 September 2015</b>
<b>A. EQUITY</b>		
I SHARE AND OTHER CAPITAL	1,108,838	1,108,838
II SUBSCRIBED CAPITAL UNPAID		
III TREASURY SHARES		
IV RESERVES		
V REVALUATION RESERVES BASED ON REVALUATION OF INTANGIBLE ASSETS, PROPERTY, PLANT AND EQUIPMENT	52,314	52,314
VI UNREALIZED GAINS ON SECURITIES VALUE AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULTS		
VII UNREALIZED LOSSES ON SECURITIES VALUE AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULTS	1,672	1,672
VIII RETAINED EARNINGS		
IX PARTICIPATION RIGHTS WITHOUT CONTROL		
X LOSS	1,698,064	1,848,865
Loss of previous years	1,211,102	1,698,063
Loss for the year	486,962	150,802
<b>B. LONG TERM PROVISIONS AND LIABILITIES</b>	<b>1,607,203</b>	<b>1,497,607</b>

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I LONG-TERM PROVISIONS	14,241	13,847
Provision for retirement and other employee benefits	14,241	13,847
II LONG-TERM LIABILITIES	1,592,962	1,483,760
Liabilities to parent companies and subsidiaries	393,534	287,559
Long-term loans and loans abroad	944,950	939,993
Other long-term liabilities	254,478	256,208
<b>C. DEFERRED TAX LIABILITIES</b>	<b>8,630</b>	<b>3,075</b>
<b>D. CURRENT LIABILITIES</b>	<b>1,283,166</b>	<b>1,649,874</b>
I SHORT-TERM FINANCIAL LIABILITIES	327,616	329,407
Short-term loans from parent companies and subsidiaries	11,613	15,062
Other current financial liabilities	316,003	314,345
II PREPAYMENTS, DEPOSITS AND GUARANTEES	4	
III ACCOUNTS PAYABLE	715,008	1,078,314
Suppliers - parent and subsidiaries in the country	696,154	1,055,561
Suppliers - parent and subsidiaries abroad	199	212
Suppliers in the country	15,545	17,085
Foreign suppliers	1,870	4,716
Other liabilities	1,240	740
IV OTHER CURRENT LIABILITIES	115,358	124,704
V LIABILITIES FOR VALUE ADDED TAX	16,662	14,959
VI OTHER TAXES, CONTRIBUTIONS AND OTHER FEES		
VII ACCRUALS	108,518	102,490
<b>I. THE LOSS IN EXCESS OF CAPITAL</b>	<b>538,584</b>	<b>689,385</b>
<b>F. TOTAL LIABILITIES</b>	<b>2,360,415</b>	<b>2,461,172</b>
<b>G. OFF BALANCE SHEET LIABILITIES</b>		

Income statement (in thousands of RSD)	January- December 2014	January- 11. September 2015	January- March 2015
<b>INCOME FROM OPERATIONS</b>			
<b>A. OPERATING INCOME</b>	<b>1,346,781</b>	<b>838,655</b>	<b>344,347</b>
I Sales of goods			
II Sales of products and services	1,339,262	833,623	342,579
III Revenues from premiums, subsidies, donations, grants etc.			
IV Other operating income	7,519	5,032	1,768
<b>EXPENSES FROM OPERATIONS</b>			
<b>B. OPERATING EXPENSES</b>	<b>1,615,117</b>	<b>952,515</b>	<b>353,617</b>
I Cost of commercial goods sold			
II Work performed by the company and capitalized			
III Increase in inventories of finished products and work in progress		65,889	49,262
IV Decrease in inventories of finished products and work in progress	13,146		
V Material consumed	758,954	484,710	195,411
VI Fuel and energy consumed	91,022	59,194	27,177
VII Staff costs	453,712	324,704	122,878
VIII Production expenses	9,735	6,313	2,567
IX Amortization	105,896	61,740	25,301
X Costs of long-term provisions			
XI Intangible costs	182,652	81,743	29,545
<b>C. PROFIT FROM OPERATIONS</b>			
<b>D. LOSS FROM OPERATIONS</b>	<b>268,336</b>	<b>113,860</b>	<b>9,270</b>
<b>I. FINANCE INCOME</b>	<b>217</b>	<b>6,840</b>	<b>7,825</b>
I Financial income from related persons and other financial income			
II Interest income (from third parties)			
III Gains and positive effects of currency clause	217	6,840	7,825
<b>F. FINANCE EXPENSES</b>	<b>241,050</b>	<b>50,235</b>	<b>19,252</b>
I Financial expenses related party transactions and other financial expenses			
II Interest expense (by third parties)	77,089	49,988	19,057
III Foreign exchange gains and negative effects of currency clause	163,961	247	196
<b>G. PROFIT FROM FINANCING</b>			
<b>H. LOSS FROM FINANCING</b>	<b>240,833</b>	<b>43,395</b>	<b>11,428</b>
<b>I. INCOME FROM VALUATION ADJUSTMENTS OF OTHER ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT</b>	<b>10,039</b>	<b>15</b>	
<b>J. LOSS ADJUSTMENT OTHER PROPERTY CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT</b>	<b>1,212</b>	<b>247</b>	
<b>K. OTHER INCOME</b>	<b>13,182</b>	<b>1,589</b>	<b>479</b>
<b>L. OTHER EXPENSES</b>	<b>289</b>	<b>459</b>	
<b>M. OPERATING PROFIT BEFORE TAX</b>			
<b>N. LOSS FROM OPERATIONS BEFORE TAX</b>	<b>487,449</b>	<b>156,357</b>	<b>20,218</b>
<b>O. NET PROFIT FROM DISCONTINUED OPERATIONS, THE EFFECTS OF</b>			

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<b>CHANGES IN ACCOUNTING POLICIES AND CORRECTIONS FROM PREVIOUS PERIOD</b>			
<b>P.NET LOSS FROM DISCONTINUED OPERATIONS, LOSS CHANGES IN ACCOUNTING POLICIES AND CORRECTIONS FROM PREVIOUS PERIOD</b>			
<b>Q. PROFIT BEFORE TAXATION</b>			
<b>R. LOSS BEFORE TAXATION</b>	487,449	156,357	20,218
<b>S. INCOME TAXES</b>			
I Current tax expense			
II Deferred income tax expense			
III Deferred income tax benefit	487	5,555	
<b>T.EARNINGS OF EMPLOYER</b>			
<b>U. NET PROFIT</b>			
<b>V. NET LOSS</b>	486,962	150,802	20,218

CASH FLOWS (in thousands of RSD)	January-March 2015
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash inflow from operating activities	353,879
Cash outflow from operating activities	352,973
Net cash inflow from operating activities	906
Net outflow from operating activities	
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Cash inflow from investing activities	
Cash outflow from investing activities	
Net cash inflow from investing activities	
Net cash outflow from investing activities	
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Cash inflow from financing activities	
Cash outflow from financing activities	
Net cash inflow from financing activities	
Net cash outflow from financing activities	
<b>NET CASH INFLOW</b>	906
<b>NET CASH OUTFLOW</b>	
Cash and cash equivalents at beginning of year	134
Foreign exchange gains on translation of cash and cash equivalents	12
Foreign exchange losses on translation of cash and cash equivalents	58
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	994

### 3.7. TIGAR RUBBER TECHNICAL GOODS

\* On 11 September 2015 was executed the status change implying the merger of subsidiaries Tigar Rubber Footwear, Tigar Technical Rubber Goods and Tigar Chemical Products to the parent company Tigar AD. The data shown for production entities include their businesses as independent entities until 11 September 2015. After the status changes as of 12 September 2015, the whole business of these production entities is shown within the data which refer to the parent company Tigar AD.

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

ASSETS	As of 31 December 2014	As of 11 September 2015
<b>A. SUBSCRIBED CAPITAL UNPAID</b>		
<b>B. NON-CURRENT ASSETS</b>	949,233	930,170
I INTANGIBLE ASSETS	25	10
Concessions, patents, licenses, trademarks, software and other rights	25	10
II PROPERTY, PLANT AND EQUIPMENT	935,617	916,569
Land	27,084	27,084
Buildings	407,048	402,446
Plant and equipment	279,257	264,556
Investment property	201,921	201,921
Property, plant and equipment construction	367	622
Advances for property, plant and equipment	19,940	19,940
III BIOLOGICAL AGENTS		
IV LONG-TERM FINANCIAL PLACEMENTS		
V LONG-TERM RECEIVABLES	13,591	13,591

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Receivables from parent company and its subsidiaries	13,591	13,591
<b>C. DEFERRED TAX ASSETS</b>		
<b>D. CURRENT ASSETS</b>	<b>298,298</b>	<b>346,556</b>
I INVENTORIES	84,413	78,508
Supplies , spare parts , tools and supplies	32,529	30,543
Unfinished production and unfinished services	2,620	2,463
Finished products	49,165	45,461
Advances paid to suppliers	99	41
II RECEIVABLES FROM SALE	212,054	266,985
Customers in the country - the parent and subsidiaries	201,797	255,558
Customers abroad - parent and subsidiaries	6,501	6,406
Customers in the country - other related parties	7	7
Customers abroad - other related parties		
Customers in the country	3,683	5,014
Customers abroad	66	
III RECEIVABLES FROM SPECIFIC		
IV OTHER RECEIVABLES	181	264
V FINANCIAL ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT		
VI SHORT-TERM FINANCIAL PLACEMENTS		
Short-term loans and investments - parent and subsidiaries		
VII CASH AND CASH EQUIVALENTS		4
VIII VALUE ADDED TAX	348	32
IX PREPAYMENTS	1,302	763
<b>I. TOTAL ASSETS</b>	<b>1,247,531</b>	<b>1,276,726</b>
<b>EQUITY AND LIABILITIES</b>	<b>As of 31 December 2014</b>	<b>As of 11 September 2015</b>
<b>A. EQUITY</b>		
I SHARE AND OTHER CAPITAL	626,048	626,048
Share Capital		
II SUBSCRIBED CAPITAL UNPAID		
III TREASURY SHARES		
IV RESERVES		
V REVALUATION RESERVES BASED ON REVALUATION OF INTANGIBLE ASSETS,PROPERTY, PLANT AND EQUIPMENT	9,150	9,150
VI UNREALIZED GAINS ON SECURITIES VALUE AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULTS		
VII UNREALIZED LOSSES ON SECURITIES VALUE AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULTS	99	99
VIII RETAINED EARNINGS		
IX PARTICIPATION RIGHTS WITHOUT CONTROL		
X LOSS	1,078,776	1,163,762
Loss of previous years	825,496	1,078,776
Loss for the year	253,280	84,986
<b>B. NON-CURRENT ASSETS</b>	<b>6,489</b>	<b>430,820</b>
I LONG-TERM PROVISIONS	6,489	6,231
Provision for retirement and other employee benefits	5,124	4,866
Provision for lawsuits	1,365	1,365
II LONG-TERM LIABILITIES		424,589
Long-term loans in the country		330,099
Liabilities arising from finance lease		
Other long-term liabilities		94,490
<b>C. DEFERRED TAX LIABILITIES</b>		
<b>D. CURRENT LIABILITIES</b>	<b>1,684,719</b>	<b>1,374,569</b>
I SHORT-TERM FINANCIAL LIABILITIES	347,404	71,196
Short-term loans from parent companies and subsidiaries	71,196	71,196
Other current financial liabilities	276,208	
II PREPAYMENTS, DEPOSITS AND GUARANTEES	320	179
III ACCOUNTS PAYABLE	1,171,002	1,263,234
Suppliers - parent and subsidiaries in the country	1,140,276	1,241,710
Suppliers - other related parties in the country	5	5
Suppliers in the country	20,096	11,095
Foreign suppliers	7,697	7,523
Other liabilities	2,928	2,901
IV OTHER CURRENT LIABILITIES	149,000	29,430
V LIABILITIES FOR VALUE ADDED TAX		286
VI OTHER TAXES, CONTRIBUTIONS AND OTHER FEES		
VII ACCRUALS	16,993	10,244
<b>I. THE LOSS IN EXCESS OF CAPITAL</b>	<b>443,677</b>	<b>528,663</b>
<b>F. TOTAL LIABILITIES</b>	<b>1,247,531</b>	<b>1,276,726</b>

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Income statement (in thousands of RSD)	January- Decembar 2014	January- 11 September 2015	January- March 2015
<b>INCOME FROM OPERATIONS</b>			
<b>A. OPERATING INCOME</b>	<b>241,245</b>	<b>132,669</b>	<b>49,028</b>
I Sales of goods	834		
II Sales of products and services	240,399	132,669	49,028
III Revenues from premiums, subsidies, donations, grants etc.			
IV Other operating income	12		
<b>EXPENSES FROM OPERATIONS</b>			
<b>B. OPERATING EXPENSES</b>	<b>382,830</b>	<b>195,987</b>	<b>72,529</b>
I Cost of commercial goods sold	745		
II Work performed by the company and capitalized	0		
III Increase in inventories of finished products and work in progress			2,644
IV Decrease in inventories of finished products and work in progress	1,396	3,860	
V Material consumed	99,836	49,949	21,020
VI Fuel and energy consumed	36,318	22,225	9,575
VII Staff costs	109,747	67,433	25,757
VIII Production expenses	6,620	4,937	1,548
IX Amortization	28,596	19,522	7,253
X Costs of long-term provisions	1,365		
XI Intangible costs	98,207	28,061	10,020
<b>C. PROFIT FROM OPERATIONS</b>			
<b>D. LOSS FROM OPERATIONS</b>	<b>141,585</b>	<b>63,318</b>	<b>23,502</b>
<b>I. FINANCE INCOME</b>	<b>1,530</b>	<b>2,262</b>	<b>1,867</b>
I Financial income from related persons and other financial income			
II Interest income (from third parties)			
III Gains and positive effects of currency clause	1,530	2,262	1,867
<b>F. FINANCE EXPENSES</b>	<b>93,912</b>	<b>25,415</b>	<b>7,237</b>
I Financial expenses related party transactions and other financial expenses			
II Interest expense (by third parties)	41,866	25,229	7,073
III Foreign exchange gains and negative effects of currency clause	52,046	186	164
<b>G. PROFIT FROM FINANCING</b>			
<b>H. LOSS FROM FINANCING</b>	<b>92,382</b>	<b>23,153</b>	<b>5,371</b>
<b>I. INCOME FROM VALUATION ADJUSTMENTS OF OTHER ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT</b>	<b>810</b>	<b>353</b>	
<b>J. LOSS ADJUSTMENT OTHER PROPERTY CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT</b>	<b>9,180</b>		
<b>K. OTHER INCOME</b>	<b>6,424</b>	<b>1,295</b>	<b>137</b>
<b>L. OTHER EXPENSES</b>	<b>17,366</b>	<b>163</b>	<b>2</b>
<b>M. OPERATING PROFIT BEFORE TAX</b>			
<b>N. LOSS FROM OPERATIONS BEFORE TAX</b>	<b>253,280</b>	<b>84,986</b>	<b>28,737</b>
<b>Q. PROFIT BEFORE TAXATION</b>			
<b>R. LOSS BEFORE TAXATION</b>	<b>253,280</b>	<b>84,986</b>	<b>28,737</b>
<b>S. INCOME TAXES</b>			
I Current tax expense			
II Deferred income tax expense			
III Deferred income tax benefit			
<b>T. EARNINGS OF EMPLOYER</b>			
<b>U. NET PROFIT</b>			
<b>V. NET LOSS</b>	<b>253,280</b>	<b>84,986</b>	<b>28,737</b>

CASH FLOWS (in thousands of RSD)	January-March 2015
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash inflow from operating activities	27,354
Cash outflow from operating activities	27,354
Net cash inflow from operating activities	
Net outflow from operating activities	

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<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Cash inflow from investing activities	
Cash outflow from investing activities	
Net cash inflow from investing activities	
Net cash outflow from investing activities	
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Cash inflow from financing activities	
Cash outflow from financing activities	
Net cash inflow from financing activities	
Net cash outflow from financing activities	
<b>Total cash inflow</b>	<b>27,354</b>
<b>Total cash outflow</b>	<b>27,354</b>
<b>NET CASH INFLOW</b>	
<b>NET CASH OUTFLOW</b>	
Cash and cash equivalents at beginning of year	
Foreign exchange gains on translation of cash and cash equivalents	
Foreign exchange losses on translation of cash and cash equivalents	
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	

### 3.8. TIGAR CHEMICAL PRODUCTS

\* On 11 September 2015 was executed the status change implying the merger of subsidiaries Tigar Rubber Footwear, Tigar Technical Rubber Goods and Tigar Chemical Products to the parent company Tigar AD. The data shown for production entities include their businesses as independent entities until 11 September 2015. After the status changes as of 12 September 2015, the whole business of these production entities is shown within the data pertaining to the parent company Tigar AD.

#### BALANCE SHEET IN THOUSANDS OF DINARS

ASSETS	As of 31 December 2014	As of 11 September 2015
<b>A. SUBSCRIBED CAPITAL UNPAID</b>		
<b>B. NON-CURRENT ASSETS</b>	<b>215,799</b>	<b>228,241</b>
I INTANGIBLE ASSETS	3,724	3,374
Investment in development	3,700	3,371
Concessions, patents , licenses , trademarks , software and other rights	24	4
II PROPERTY, PLANT AND EQUIPMENT	161,888	174,680
Land	54,278	54,278
Buildings	32	30
Plant and equipment	242	105
Investment property	89,253	102,184
Property, plant and equipment construction	18,083	18,083
III BIOLOGICAL AGENTS		
IV LONG-TERM FINANCIAL PLACEMENTS		
V LONG-TERM RECEIVABLES	50,187	50,187
Receivables from parent company and its subsidiaries	50,187	50,187
<b>C. DEFERRED TAX ASSETS</b>		
<b>D. CURRENT ASSETS</b>	<b>105,376</b>	<b>133,123</b>
I INVENTORIES	30,790	25,800
II RECEIVABLES FORM SALE	71,235	103,869
Customers in the country - the parent and subsidiaries	56,835	88,960
Customers in the country	6,705	8,060
Customers abroad	7,695	6,850
III RECEIVABLES FROM SPECIFIC OPERATIONS		
IV OTHER RECEIVABLES	13	7
V FINANCIAL ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT		
VI SHORT-TERM FINANCIAL PLACEMENTS	2,639	2,640
Short-term loans and investments - parent and subsidiaries	2,639	2,640

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VII CASH AND CASH EQUIVALENTS		
VIII VALUE ADDED TAX	84	807
IX PREPAYMENTS	615	
<b>E. TOTAL ASSETS</b>	<b>321,175</b>	<b>361,364</b>
<b>F. OFF BALANCE SHEET ASSETS</b>		
<b>EQUITY AND LIABILITIES</b>	<b>As of 31 December 2014</b>	<b>As of 11 September 2015</b>
<b>A. EQUITY</b>	<b>75,276</b>	<b>77,099</b>
I SHARE AND OTHER CAPITAL	256,841	256,841
Shares of limited liability companies	256,841	256,841
II SUBSCRIBED CAPITAL UNPAID		
III TREASURY SHARES		
IV RESERVES		
V REVALUATION RESERVES BASED ON REVALUATION OF INTANGIBLE ASSETS, PROPERTY, PLANT AND EQUIPMENT	31,527	31,527
VI UNREALIZED GAINS ON SECURITIES VALUE AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULTS	6	6
VII UNREALIZED LOSSES ON SECURITIES VALUE AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULTS		
VIII RETAINED EARNINGS		1,823
IX PARTICIPATION RIGHTS WITHOUT CONTROL		
X LOSS	213,098	213,098
Loss of previous years	158,108	213,098
Loss for the year	54,990	
<b>B. LONG TERM PROVISIONS AND LIABILITIES</b>	<b>903</b>	<b>18,618</b>
I LONG-TERM PROVISIONS	903	903
Provision for retirement and other employee benefits	903	903
II LONG-TERM LIABILITIES		17,715
<b>C. DEFERRED TAX LIABILITIES</b>		
<b>D. CURRENT LIABILITIES</b>	<b>244,996</b>	<b>265,647</b>
I SHORT-TERM FINANCIAL LIABILITIES	100,408	100,408
Short-term loans from parent companies and subsidiaries	100,408	100,408
II PREPAYMENTS, DEPOSITS AND GUARANTEES	1,049	
III ACCOUNTS PAYABLE	90,692	130,415
Suppliers - parent and subsidiaries in the country	64,277	105,323
Suppliers in the country	10,848	10,399
Foreign suppliers	14,092	13,218
Other liabilities	1,475	1,475
IV OTHER CURRENT LIABILITIES	42,586	31,657
V LIABILITIES FOR VALUE ADDED TAX	3,026	1,137
VI OTHER TAXES, CONTRIBUTIONS AND OTHER FEES		
VII ACCRUALS	7,235	2,031
<b>E. THE LOSS IN EXCESS OF CAPITAL</b>		
<b>F. TOTAL LIABILITIES</b>	<b>321,175</b>	<b>361,364</b>
<b>G. OFF BALANCE SHEET LIABILITIES</b>		

INCOME STATEMENT IN THOUSANDS OF DINARS	January-December 2014	January - 11. September 2015	January-March 2015
<b>INCOME FROM OPERATIONS</b>			
<b>A. OPERATING INCOME</b>	<b>81,120</b>	<b>57,354</b>	<b>18,986</b>
I Sales of goods	4,511	617	220
II Sales of products and services	75,505	46,668	18,322
III Revenues from premiums, subsidies, donations, grants etc.			
IV Other operating income	1,104	10,069	443
<b>EXPENSES FROM OPERATIONS</b>			
<b>B. OPERATING EXPENSES</b>	<b>89,191</b>	<b>52,187</b>	<b>18,982</b>
I Cost of commercial goods sold	3,845	533	193
II Work performed by the company and capitalized			
III Increase in inventories of finished products and work in progress			88
IV Decrease in inventories of finished products and work in progress	884	2,968	
V Material consumed	38,520	18,506	8,411
VI Fuel and energy consumed	2,524	1,292	543
VII Staff costs	24,721	16,195	5,672
VIII Production expenses	1,864	2,029	927
IX Amortization	916	489	180
X Costs of long-term provisions			
XI Intangible costs	15,917	10,176	3,144

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<b>C. PROFIT FROM OPERATIONS</b>		5,167	4
<b>D. LOSS FROM OPERATIONS</b>	8,071		
<b>E FINANCE INCOME</b>	403	106	86
I Financial income from related persons and other financial income			
II Interest income (from third parties)			
III Gains and positive effects of currency clause	403	106	86
<b>F. FINANCE EXPENSES</b>	4,171	3,453	271
I Financial expenses related party transactions and other financial expenses			
II Interest expense (by third parties)	3,446	3,376	164
III Foreign exchange gains and negative effects of currency clause	725	77	107
<b>G. PROFIT FROM FINANCING</b>			
<b>H. LOSS FROM FINANCING</b>	3,768	3,347	185
<b>I. INCOME FROM VALUATION ADJUSTMENTS OF OTHER ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT</b>			
<b>J. LOSS ADJUSTMENT OTHER PROPERTY CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT</b>	293	489	
<b>K. OTHER INCOME</b>	10,109	1,226	194
<b>L. OTHER EXPENSES</b>	52,967	733	
<b>M. OPERATING PROFIT BEFORE TAX</b>		1,823	13
<b>N. LOSS FROM OPERATIONS BEFORE TAX</b>	54,990		
<b>Q. PROFIT BEFORE TAXATION</b>		1,823	13
<b>R. LOSS BEFORE TAXATION</b>	54,990		
<b>S. INCOME TAXES</b>			
I Current tax expense			
II Deferred income tax expense			
III Deferred income tax benefit			
<b>T. EARNINGS OF EMPLOYER</b>			
<b>U. NET PROFIT</b>		1,823	13
<b>V. NET LOSS</b>	54,990		

CASH FLOWS (in thousands of RSD)	January-March 2015
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash inflow from operating activities	8,811
Cash outflow from operating activities	8,811
Net cash inflow from operating activities	
Net outflow from operating activities	
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Cash inflow from investing activities	
Cash outflow from investing activities	
Net cash inflow from investing activities	
Net cash outflow from investing activities	
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Cash inflow from financing activities	
Cash outflow from financing activities	
Net cash inflow from financing activities	
Net cash outflow from financing activities	
<b>Total cash inflow</b>	8,811
<b>Total cash outflow</b>	8,811
<b>NET CASH INFLOW</b>	
<b>NET CASH OUTFLOW</b>	
Cash and cash equivalents at beginning of year	
Foreign exchange gains on translation of cash and cash equivalents	
Foreign exchange losses on translation of cash and cash equivalents	
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	

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

Balance sheet in thousands GBP	As of 31.12.2013. audited	As of 11.08.2014.	As of 31.12.2014. In bankruptcy
<b>TOTAL ASSETS</b>			
Fixed Assets			
Current assets	3,291	2,503	351
Deferred tax assets			
<b>Total assets</b>	<b>3,391</b>	<b>2,503</b>	<b>351</b>
<b>TOTAL LIABILITIES</b>			
Equity	2,538	2,487	
Non-current liabilities			
Short-term liabilities	753	15	351
Deferred tax liabilities			
<b>Total liabilities</b>	<b>3,291</b>	<b>2,503</b>	<b>351</b>

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

### 3.10. TIGRA MONTENEGRO – MONTENEGRO

BALANCE SHEET (in thousands of EUR)	As of 31 December 2014	As of 31 December 2015	As of 31 March 2016
Non-current assets	3	3	3
Current assets	182	45	41
Loss above capital value			4
<b>TOTAL ASSETS</b>	<b>185</b>	<b>48</b>	<b>47</b>
Equity			
Long-term liabilities and provisions	45	3	0
Current liabilities			
Deferred tax liabilities	140	44	47
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>185</b>	<b>48</b>	<b>47</b>

Income statement in thousands of EUR	January- December 2014	January- December 2015	January-March 2015	January-March 2016
Total income	172	16	7	0
Total expenses	223	57	20	7
<b>PROFIT/LOSS BEFORE TAXATION</b>	<b>-50</b>	<b>-41</b>	<b>-12</b>	<b>-7</b>
Income taxes				
Deferred Income Tax expense				
Deferred Income Tax benefit				
<b>NET PROFIT/LOSS</b>	<b>-50</b>	<b>-41</b>	<b>-12</b>	<b>-7</b>



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**3.11. TIGRA TREJD – REPUBLIC SRPSKA**

<b>BALANCE SHEET (in thousands of KM)</b>	<b>As of 31 December 2014</b>	<b>As of 31 December 2015</b>	<b>As of 31 March 2016</b>
Fixed Assets	269	258	255
Current assets	909	954	905
Deferred tax assets			
<b>TOTAL ASSETS</b>	<b>1,178</b>	<b>1,212</b>	<b>1,159</b>
Equity	88	89	72
Non-current liabilities			
Short-term liabilities	1,090	1,122	1,088
Deferred tax liabilities			
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,178</b>	<b>1,212</b>	<b>1,159</b>

<b>Income statement in thousands of KM</b>	<b>January-December 2014</b>	<b>January-December 2015</b>	<b>January-March 2015</b>	<b>January-March 2016</b>
<b>Total income</b>	<b>1,452</b>	<b>1,182</b>	<b>252</b>	<b>124</b>
<b>Total expenses</b>	<b>1,430</b>	<b>1,181</b>	<b>261</b>	<b>141</b>
<b>PROFIT/LOSS BEFORE TAXATION</b>	<b>23</b>	<b>1</b>	<b>-9</b>	<b>-18</b>
<b>Income taxes</b>	<b>5</b>	<b>0</b>		
<b>Deferred Income Tax expense</b>				
<b>Deferred Income Tax benefit</b>				
<b>NET PROFIT/LOSS</b>	<b>17</b>	<b>1</b>	<b>-9</b>	<b>-18</b>

**3.12. TIGAR PARTNER – MACEDONIA**

<b>BALANCE SHEET (in thousands of Denars)</b>	<b>As of 31 December 2014</b>	<b>As of 31 December 2015</b>	<b>As of 31 March 2016</b>
Fixed Assets	6	2	1.654
Current assets	21,187	20,249	21,302
Deferred tax assets			
<b>TOTAL ASSETS</b>	<b>21,193</b>	<b>20,251</b>	<b>21,303</b>
Equity	16,457	15,989	15,833
Non-current liabilities			
Short-term liabilities	4,736	4,262	5,471
Deferred tax liabilities			
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>21,193</b>	<b>20,251</b>	<b>21,303</b>

<b>Income Statement (in thousands of Denars)</b>	<b>January-December 2014</b>	<b>January-December 2015</b>	<b>January-March 2015</b>	<b>January-March 2016</b>
<b>Total income</b>	<b>24,115</b>	<b>20,590</b>	<b>4,903</b>	<b>4,263</b>
<b>Total expenses</b>	<b>25,512</b>	<b>21,052</b>	<b>5,210</b>	<b>4,420</b>
<b>PROFIT/LOSS BEFORE TAXATION</b>	<b>-1,397</b>	<b>-462</b>	<b>-307</b>	<b>-157</b>
<b>Income taxes</b>	<b>10</b>	<b>6</b>		<b>0</b>
<b>Deferred Income Tax expense</b>			<b>2</b>	
<b>Deferred Income Tax benefit</b>				
<b>NET PROFIT/LOSS</b>	<b>-1,407</b>	<b>-468</b>	<b>-309</b>	<b>-157</b>

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### 3.13. TI-CAR TRGOVINE

In 2014, the retail network and services were set apart from Tigar AD and merged to Protective Workshop which parallelly with that changed its name into TI-CAR Trgovina I.I.c. (TI-CAR Trgovine d.o.o.)

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

ASSETS	As of 31 December 2014	As of 31 December 2015	As of 31 March 2016
<b>A. SUBSCRIBED CAPITAL UNPAID</b>			
<b>B. NON-CURRENT ASSETS</b>	<b>46,473</b>	<b>1,558</b>	<b>1,544</b>
I INTANGIBLE ASSETS			
II PROPERTY, PLANT AND EQUIPMENT	30,085	1,558	1,544
Land	1,932		
Buildings	27,796	1,355	1,348
Plant and equipment	259	104	97
Investment property			
Other property, plant and equipment			
Property, plant and equipment construction	98	99	99
Investments in property, plants and equipment			
Advances for property , plant and equipment			
III BIOLOGICAL AGENTS			
IV LONG-TERM FINANCIAL PLACEMENTS			
V LONG-TERM RECEIVABLES	16,388		
Receivables from parent company and its subsidiaries	16,388		
<b>C. DEFERRED TAX ASSETS</b>	<b>145</b>	<b>145</b>	<b>132</b>
<b>D. CURRENT ASSETS</b>	<b>569,909</b>	<b>248,899</b>	<b>203,419</b>
I INVENTORIES	128,835	124,854	118,451
Material , spare parts , tools and supplies			
Unfinished production and unfinished services			
Finished Products			
Goods	115,161	85,274	89,401
Fixed assets held for sale		28,068	28,068
Advances paid to suppliers	13,674	11,512	982
II RECEIVABLES FROM SALE	303,415	88,707	55,533
Customers in the country - the parent and subsidiaries	229,186	66,217	36,950
Customers abroad - parent and subsidiaries	6,682	1,123	1,105
Customers in the country - other related parties	9	68	58
Customers abroad - other related parties			
Customers in the country	43,063	21,291	17,314
Customers abroad	24,475	8	106
Other receivables from sales			
III RECEIVABLES FROM SPECIFIC OPERATIONS			
IV OTHER RECEIVABLES	6,073	12,381	8,997
V FINANCIAL ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT			
VI SHORT-TERM FINANCIAL PLACEMENTS	110,163	19,315	13,715
Short-term loans and investments - parent and subsidiaries	110,163	19,315	13,715
Short-term loans and investments - other related parties			
Short-term loans and loans in the country			
Short-term loans and loans abroad			
Other short-term financial investments			
VII CASH AND CASH EQUIVALENTS	329	329	2,637
VIII VALUE ADDED TAX	9,694	29	726
IX PREPAYMENTS	11,400	3,284	3,360
<b>I. TOTAL ASSETS</b>	<b>616,527</b>	<b>250,602</b>	<b>205,095</b>
<b>F. OFF BALANCE SHEET ASSETS</b>			
<b>EQUITY AND LIABILITIES</b>	<b>As of 31 December 2014</b>	<b>As of 31 December 2015</b>	<b>As of 31 March 2016</b>
<b>A. EQUITY</b>			
I SHARE AND OTHER CAPITAL	1,348	1,348	1,348
Share Capital			
Shares of limited liability companies	1,348	1,348	1,348
II SUBSCRIBED CAPITAL UNPAID			
III TREASURY SHARES			
IV RESERVES			
V Revaluation reserves based on the revaluation of intangible assets, property , plant and equipment			
VI UNREALIZED GAINS ON SECURITIES VALUE AND OTHER COMPONENTS OF OTHER COMPREHENSIVE			

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RESULTS			
VII UNREALIZED LOSSES ON SECURITIES VALUE AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULTS	389	364	364
VIII RETAINED EARNINGS	12,140		
Retained profit from previous years			
Retained profit from financial year	12,140		
IX PARTICIPATION RIGHTS WITHOUT CONTROL			
X LOSS	14,439	74,150	86,707
Loss of previous years	14,439	2,299	73,315
Loss for the year		71,851	13,392
<b>B. LONG-TERM PROVISIONS AND LIABILITIES</b>	<b>818</b>	<b>507</b>	<b>457</b>
I LONG-TERM PROVISIONS	818	507	457
For expenses in warranty period			
For restoration of natural resources			
Provisions for restructuring costs			
Provision for retirement and other employee benefits	818	507	457
Provision for lawsuits			
Other long-term provisions			
II LONG-TERM LIABILITIES			
<b>C. DEFERRED TAX LIABILITIES</b>			
<b>D. CURRENT LIABILITIES</b>	<b>617,049</b>	<b>323,261</b>	<b>290,361</b>
I SHORT-TERM FINANCIAL LIABILITIES	107,721	8,740	31,665
Short-term loans from parent companies and subsidiaries	107,721	8,740	31,665
Short-term loans from other related parties			
Short-term loans and loans in the country			
Short-term loans and loans abroad			
Liabilities in respect of fixed assets and resources discontinued operations held for sale			
Other current financial liabilities			
II PREPAYMENTS, DEPOSITS AND GUARANTEES	41,728	9,216	5,372
III ACCOUNTS PAYABLE	434,221	272,441	224,055
Suppliers - parent and subsidiaries in the country	354,486	239,618	197,107
Suppliers - parent and subsidiaries abroad			
Suppliers - other related parties in the country		48	58
Suppliers - Other related legal entities abroad			
Suppliers in the country	49,497	25,518	19,840
Foreign suppliers	24,842	4,433	4,222
Other liabilities	5,396	2,824	2,828
IV OTHER CURRENT LIABILITIES	30,418	26,523	25,696
V LIABILITIES FOR VALUE ADDED TAX	2,041	2,416	
VI OTHER TAXES, CONTRIBUTIONS AND OTHER FEES	372	177	155
VII ACCRUALS	548	3,748	3,418
<b>I. THE LOSS IN EXCESS OF CAPITAL</b>	<b>1,340</b>	<b>73,166</b>	<b>85,723</b>
<b>F. TOTAL LIABILITIES</b>	<b>616,527</b>	<b>250,602</b>	<b>205,095</b>
<b>G. OFF BALANCE SHEET LIABILITIES</b>			

Income statement (in thousands of RSD)	January- December 2014	January- December 2015	January- March 2015	January- March 2016
<b>INCOME FROM OPERATIONS</b>				
<b>A. OPERATING INCOME</b>	<b>1,383,904</b>	<b>425,010</b>	<b>212,576</b>	<b>23,459</b>
I Sales of goods	1,367,802	415,589	209,447	22,882
II Sales of products and services	13,500	7,846	2,423	439
III Revenues from premiums, subsidies, donations, grants etc.				
IV Other operating income	2,602	1,575	706	138
<b>EXPENSES FROM OPERATIONS</b>				
<b>B. OPERATING EXPENSES</b>	<b>1,353,155</b>	<b>483,967</b>	<b>229,175</b>	<b>36,764</b>
I Cost of commercial goods sold	1,224,188	362,512	189,287	16,911
II Work performed by the company and capitalized				
III Increase in inventories of finished products and work in progress				
IV Decrease in inventories of finished products and work in progress				
V Material consumed	9,992	1,409	1,833	98
VI Fuel and energy consumed	11,982	8,838	3,029	1,154
VII Staff costs	62,853	60,787	16,749	11,554

	<b>BUSINESS REPORT</b>	Document Reference
	<b>FOR THE PERIOD JANUARY- MARCH 2016</b>	<b>IZ.P. 16/01</b>

VIII Production expenses	22,239	14,181	4,163	1,965
IX Amortization	780	459	194	15
X Costs of long-term provisions	284	91		
XI Intangible costs	20,837	35,690	13,920	5,067
<b>C. PROFIT FROM OPERATIONS</b>	<b>30,749</b>			
<b>D. LOSS FROM OPERATIONS</b>		<b>58,957</b>	<b>16,599</b>	<b>13,305</b>
<b>I. FINANCE INCOME</b>	<b>2,417</b>	<b>789</b>	<b>544</b>	<b>132</b>
I Financial income from related persons and other financial income				
II Interest income (from third parties)				
III Gains and positive effects of currency clause	2,417	789	544	132
<b>F. FINANCE EXPENSES</b>	<b>4,841</b>	<b>1,109</b>	<b>561</b>	<b>213</b>
I Financial expenses related party transactions and other financial expenses				
II Interest expense (by third parties)	1,516	279	80	56
III Foreign exchange gains and negative effects of currency clause	3,325	830	481	157
<b>G. PROFIT FROM FINANCING</b>				
<b>H. LOSS FROM FINANCING</b>	<b>2,424</b>	<b>320</b>	<b>17</b>	<b>81</b>
<b>I. INCOME FROM VALUATION ADJUSTMENTS OF OTHER ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT</b>	<b>1,018</b>			
<b>J. LOSS ADJUSTMENT OTHER PROPERTY CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT</b>	<b>10,601</b>	<b>8,225</b>		
<b>K. OTHER INCOME</b>	<b>394</b>	<b>298</b>	<b>14</b>	
<b>L. OTHER EXPENSES</b>	<b>6,672</b>	<b>2,568</b>		<b>6</b>
<b>M. OPERATING PROFIT BEFORE TAX</b>	<b>12,464</b>			
<b>N. LOSS FROM OPERATIONS BEFORE TAX</b>		<b>69,772</b>	<b>16,602</b>	<b>13,392</b>
<b>M. NET INCOME FROM DISCONTINUED OPERATIONS , THE EFFECTS OF CHANGES IN ACCOUNTING POLICIES AND CORRECTIONS FROM PREVIOUS PERIOD</b>				
<b>N. NET LOSS FROM DISCONTINUED OPERATIONS , EXPENSES CHANGE IN ACCOUNTING POLICIES AND CORRECTIONS FROM PREVIOUS PERIOD</b>		<b>1,800</b>		
<b>Q. PROFIT BEFORE TAXATION</b>	<b>12,464</b>			
<b>P. LOSS BEFORE TAXATION</b>		<b>71,572</b>	<b>16,602</b>	<b>13,392</b>
<b>R. INCOME TAX</b>				
I Current tax expense	279	279		
II Deferred income tax expense	45			
III Deferred income tax benefit				
<b>T. EARNINGS OF EMPLOYER</b>				
<b>U. NET PROFIT</b>	<b>12,140</b>			
<b>V. NET LOSS</b>		<b>71,851</b>	<b>16,602</b>	<b>13,392</b>

### 3.14. TIGAR BUSINESS SERVICE

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

ASSETS	As of 31 December 2014	As of 31 December 2015	As of 31 March 2016
<b>A. SUBSCRIBED CAPITAL UNPAID</b>			
<b>B. NON-CURRENT ASSETS</b>	<b>58,980</b>	<b>38,790</b>	<b>36,672</b>
I. INTANGIBLE ASSETS	4	1	
II. PROPERTY, PLANT AND EQUIPMENT	45,480	38,789	36,672
Land	2,765	2,765	2,765
Buildings	13,591	13,374	13,320
Plant and equipment	29,124	22,510	20,472
Property, plant and equipment construction		140	115
III. BIOLOGICAL AGENTS			
IV. LONG-TERM FINANCIAL PLACEMENTS			
V. LONG-TERM RECEIVABLES	13,496		
Receivables from parent company and its subsidiaries	13,496		
<b>C. DEFERRED TAX ASSETS</b>	<b>2,417</b>	<b>2,417</b>	<b>2,549</b>
<b>D. CURRENT ASSETS</b>	<b>71,303</b>	<b>48,948</b>	<b>63,415</b>
I. INVENTORIES	2,791	4,241	4,086
Material , spare parts , tools and supplies	1,230	1,018	719
Advances paid to suppliers	1,561	3,223	3,367
II. Receivable from sale	8,397	27,171	28,591
Customers in the country - the parent and subsidiaries	224	299	1,077
Customers abroad - parent and subsidiaries			
Customers in the country - other related parties			

	<b>BUSINESS REPORT</b>	Document Reference
	<b>FOR THE PERIOD JANUARY- MARCH 2016</b>	<b>IZ.P. 16/01</b>

Customers in the country	8,173	26,373	26,872
Customers abroad		499	642
III RECEIVABLES FROM SPECIFIC OPERATIONS			
IV. OTHER RECEIVABLES	276	107	2,416
V. FINANCIAL ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT			
VI. SHORT-TERM FINANCIAL PLACEMENTS	58,760	16,879	28,113
Short-term loans and investments - parent and subsidiaries	58,760	16,879	28,113
VII. CASH AND CASH EQUIVALENTS	2	32	16
VIII. VALUE ADDED TAX	521		
IX. PREPAYMENTS	556	518	193
<b>I. TOTAL ASSETS</b>	<b>132,700</b>	<b>90,155</b>	<b>102,636</b>
<b>F. OFF BALANCE SHEET ASSETS</b>			
<b>EQUITY AND LIABILITIES</b>	<b>As of 31 December 2014</b>	<b>As of 31 December 2015</b>	<b>As of 31 March 2016</b>
<b>A. EQUITY</b>	<b>37,331</b>	<b>42,059</b>	<b>47,776</b>
I. SHARE AND OTHER CAPITAL	23,104	23,104	23,104
Share Capital			
Shares of limited liability companies	23,104	23,104	23,104
II. SUBSCRIBED CAPITAL UNPAID			
III. TREASURY SHARES			
IV. RESERVES			
VI. UNREALIZED GAINS ON SECURITIES VALUE AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULTS			
VII. UNREALIZED LOSSES ON SECURITIES VALUE AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULTS	497	474	474
VIII. RETAINED EARNINGS	23,108	19,429	26,246
Retained profit from previous years	15,513		19,079
Retained profit from financial year	7,595	19,429	7,167
IX. PARTICIPATION RIGHTS WITHOUT CONTROL			
X. LOSS	8,384		1,100
Loss of previous years	8,384		1,100
Loss for the year			
<b>B. NON-CURRENT ASSETS</b>	<b>17,279</b>	<b>12,844</b>	<b>12,965</b>
I. LONG-TERM PROVISIONS	1,398	1,419	1,419
Provision for retirement and other employee benefits	1,398	1,419	1,419
II. LONG-TERM LIABILITIES	15,881	11,425	11,546
<b>C. DEFERRED TAX LIABILITIES</b>			
<b>D. CURRENT LIABILITIES</b>	<b>78,090</b>	<b>35,252</b>	<b>41,895</b>
I. SHORT-TERM FINANCIAL LIABILITIES	50,092	7,996	12,440
Short-term loans from parent companies and subsidiaries	45,570	3,089	8,506
II. PREPAYMENTS, DEPOSITS AND GUARANTEES	2,859	4,319	3,830
III. ACCOUNTS PAYABLE	12,058	12,516	13,402
Suppliers - parent and subsidiaries in the country	3,281	2,130	2,416
Suppliers - other related parties in the country	90		
Suppliers in the country	8,512	10,131	10,600
Foreign suppliers	173	255	386
Other liabilities	2		
IV. OTHER CURRENT LIABILITIES	8,030	7,441	7,244
V. LIABILITIES FOR VALUE ADDED TAX		551	474
VI OTHER TAXES, CONTRIBUTIONS AND OTHER FEES	1,549	338	2,310
VII. ACCRUALS	3,502	2,091	2,195
<b>I. THE LOSS IN EXCESS OF CAPITAL</b>			
<b>F. TOTAL LIABILITIES</b>	<b>132,700</b>	<b>90,155</b>	<b>102,636</b>
<b>G. OFF BALANCE SHEET LIABILITIES</b>			

Income statement (in thousands of RSD)	January-December 2014	January-December 2015	January-March 2015	January-March 2016
<b>INCOME FROM OPERATIONS</b>				
<b>A. OPERATING INCOME</b>	<b>119,549</b>	<b>148,941</b>	<b>32,756</b>	<b>37,817</b>
I. Sales of goods		5		6
II. Sales of products and services	119,549	148,936	32,756	37,810
III. Revenues from premiums, subsidies, donations, grants				

	<b>BUSINESS REPORT</b>	Document Reference
	<b>FOR THE PERIOD JANUARY- MARCH 2016</b>	<b>IZ.P. 16/01</b>

etc.				
IV. Other operating income				
<b>EXPENSES FROM OPERATIONS</b>				
<b>B. OPERATING EXPENSES</b>	<b>102,562</b>	<b>124,302</b>	<b>26,040</b>	<b>29,325</b>
I. Cost of commercial goods sold				
V. Material consumed	3,968	4,189	652	1,041
VI. Fuel and energy consumed	30,978	32,940	7,441	7,329
VII. Staff costs	30,765	35,055	7,891	8,326
VIII. Production expenses	12,130	23,874	3,559	6,542
IX. Amortization	11,217	8,969	2,702	2,139
X. Costs of long-term provisions		44		
XI. Intangible costs	13,505	19,231	3,795	3,949
<b>C. PROFIT FROM OPERATIONS</b>	<b>16,987</b>	<b>24,639</b>	<b>6,716</b>	<b>8,492</b>
<b>D. LOSS FROM OPERATIONS</b>				
<b>I. FINANCE INCOME</b>	<b>46</b>	<b>104</b>	<b>148</b>	<b>17</b>
I. Financial income from related persons and other financial income				
II. Interest income (from third parties)	13	44	30	
III. Gains and positive effects of currency clause	33	60	117	17
<b>F. FINANCE EXPENSES</b>	<b>7,483</b>	<b>3,217</b>	<b>548</b>	<b>590</b>
I. Financial expenses related party transactions and other financial expenses				
II. Interest expense (by third parties)	6,198	3,004	546	353
III. Foreign exchange gains and negative effects of currency clause	1,285	213	2	238
<b>G. PROFIT FROM FINANCING</b>				
<b>H. LOSS FROM FINANCING</b>	<b>7,437</b>	<b>3,113</b>	<b>400</b>	<b>573</b>
<b>I. INCOME FROM VALUATION ADJUSTMENTS OF OTHER ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT</b>		<b>114</b>		
<b>J. LOSS ADJUSTMENT OTHER PROPERTY CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT</b>	<b>446</b>			
<b>K. OTHER INCOME</b>	<b>3,272</b>	<b>3,105</b>	<b>38</b>	<b>658</b>
<b>L. OTHER EXPENSES</b>	<b>2,312</b>	<b>159</b>	<b>1</b>	
<b>M. OPERATING PROFIT BEFORE TAX</b>	<b>10,064</b>	<b>24,586</b>	<b>6,353</b>	<b>8,577</b>
<b>N. LOSS FROM OPERATIONS BEFORE TAX</b>				
<b>Q. PROFIT BEFORE TAXATION</b>	<b>10,064</b>	<b>23,486</b>	<b>6,353</b>	<b>8,577</b>
<b>R. LOSS BEFORE TAXATION</b>				
<b>R. INCOME TAX</b>				
I. Current tax expense	3,617	4,057	1,016	1,409
II. Deferred income tax expense				
III. Deferred income tax benefit	1,148			
<b>T. EARNINGS OF EMPLOYER</b>				
<b>U. NET PROFIT</b>	<b>7,595</b>	<b>19,429</b>	<b>5,337</b>	<b>7,167</b>
<b>V. NET LOSS</b>				

### 3.15. TIGAR CATERING

#### BALANCE SHEET IN THOUSANDS OF DINARS

ASSETS	As of 31 December 2014	As of 31 December 2015	As of 31 March 2016
<b>A. SUBSCRIBED CAPITAL UNPAID</b>			
<b>B. NON-CURRENT ASSETS</b>	<b>166,933</b>	<b>163,808</b>	<b>162,764</b>
I INTANGIBLE ASSETS	8	110	108
Concessions, patents, licenses, trademarks, software and other rights	8	2	
Other intangible assets		108	
Intangible assets under construction			108
II PROPERTY, PLANT AND EQUIPMENT	164,226	163,698	162,656
Land	27,190	27,190	27,190
Buildings	129,574	127,234	126,641
Plant and equipment	6,475	7,691	7,242
Property, plant and equipment construction	987	1,583	1,583
III BIOLOGICAL AGENTS			
IV LONG-TERM FINANCIAL PLACEMENTS			
V LONG-TERM RECEIVABLES	2,699		
Receivables from parent company and its subsidiaries	2,699		
<b>C. DEFERRED TAX ASSETS</b>			
<b>D. CURRENT ASSETS</b>	<b>89,568</b>	<b>62,502</b>	<b>48,169</b>

	<b>BUSINESS REPORT</b>	Document Reference
	<b>FOR THE PERIOD JANUARY- MARCH 2016</b>	<b>IZ.P. 16/01</b>

I INVENTORIES	5,839	6,096	4,009
II RECEIVABLES FORM SALE	25,954	11,536	10,420
Customers in the country - the parent and subsidiaries	8,543	2,757	3,148
Customers in the country - other related parties	20	25	25
Customers in the country	17,273	8,754	7,247
Customers abroad	118		
III RECEIVABLES FROM SPECIFIC OPERATIONS			
IV OTHER RECEIVABLES	33,822	35,826	23,338
V FINANCIAL ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT			
VI SHORT-TERM FINANCIAL PLACEMENTS	23,065	8,362	9,727
Short-term loans and investments - parent and subsidiaries	23,065	8,362	9,727
VII CASH AND CASH EQUIVALENTS		67	50
VIII VALUE ADDED TAX			
IX PREPAYMENTS	888	615	625
<b>E. TOTAL ASSETS</b>	<b>256,501</b>	<b>226,310</b>	<b>210,932</b>
<b>F. OFF BALANCE SHEET ASSETS</b>			
<b>EQUITY AND LIABILITIES</b>	<b>As of 31 December 2014</b>	<b>As of 31 December 2015</b>	<b>As of 31 March 2016</b>
<b>A. EQUITY</b>	<b>102,027</b>	<b>97,875</b>	<b>98,381</b>
I SHARE AND OTHER CAPITAL	204,108	204,108	204,108
Shares of limited liability companies	204,108	204,108	204,108
II SUBSCRIBED CAPITAL UNPAID			
III TREASURY SHARES			
IV RESERVES			
V REVALUATION RESERVES BASED ON REVALUATION OF INTANGIBLE ASSETS, PROPERTY, PLANT AND EQUIPMENT			
VI UNREALIZED GAINS ON SECURITIES VALUE AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULTS			
VII UNREALIZED LOSSES ON SECURITIES VALUE AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULTS	35	749	749
VIII RETAINED EARNINGS			506
Retained profit from the year			506
IX PARTICIPATION RIGHTS WITHOUT CONTROL			
X LOSS	102,046	105,484	105,484
Loss of previous years	92,699	102,046	105,484
Loss for the year	9,347	3,438	
<b>B. LONG TERM PROVISIONS AND LIABILITIES</b>	<b>2,388</b>	<b>13,421</b>	<b>13,421</b>
I LONG-TERM PROVISIONS	2,388	3,371	3,371
Provision for retirement and other employee benefits	2,388	3,371	3,371
II LONG-TERM LIABILITIES		10,050	10,050
<b>C. DEFERRED TAX LIABILITIES</b>	<b>631</b>	<b>228</b>	<b>228</b>
<b>D. CURRENT LIABILITIES</b>	<b>151,455</b>	<b>114,786</b>	<b>98,903</b>
I SHORT-TERM FINANCIAL LIABILITIES	15,766	2,754	10,615
Short-term loans from parent companies and subsidiaries	15,766	2,754	10,615
II PREPAYMENTS, DEPOSITS AND GUARANTEES	374	794	
III ACCOUNTS PAYABLE	99,193	93,837	70,714
Suppliers - parent and subsidiaries in the country	50,730	56,900	34,511
Suppliers - other related parties in the country	12	12	12
Suppliers in the country	48,279	36,758	35,916
Foreign suppliers	172	149	257
Other liabilities		18	18
IV OTHER CURRENT LIABILITIES	30,122	11,788	11,865
V LIABILITIES FOR VALUE ADDED TAX	1,587	1,556	2,014
VI OTHER TAXES, CONTRIBUTIONS AND OTHER FEES			
VII ACCRUALS	4,413	4,057	3,694
<b>E. THE LOSS IN EXCESS OF CAPITAL</b>			
<b>F. TOTAL LIABILITIES</b>	<b>256,501</b>	<b>226,310</b>	<b>210,932</b>
<b>G. OFF BALANCE SHEET LIABILITIES</b>			

INCOME STATEMENT IN THOUSANDS OF DINARS	January- December 2014	January- December 2015	January- March 2015	January- March 2016
<b>INCOME FROM OPERATIONS</b>				
<b>A. OPERATING INCOME</b>	<b>177,211</b>	<b>205,323</b>	<b>49,376</b>	<b>49,572</b>
I Sales of goods	95,452	80,387	21,551	2,280

	<b>BUSINESS REPORT</b>	Document Reference
	<b>FOR THE PERIOD JANUARY- MARCH 2016</b>	<b>IZ.P. 16/01</b>

II Sales of products and services	81,735	124,936	27,825	47,292
III Revenues from premiums, subsidies, donations, grants etc.				
IV Other operating income	24			
<b>EXPENSES FROM OPERATIONS</b>				
<b>B. OPERATING EXPENSES</b>	<b>179,412</b>	<b>203,801</b>	<b>47,259</b>	<b>48,737</b>
I Cost of commercial goods sold	5,830	5,863	1,235	1,071
II Work performed by the company and capitalized	270	331	63	44
III Increase in inventories of finished products and work in progress				
IV Decrease in inventories of finished products and work in progress				
V Material consumed	88,491	101,935	23,680	24,273
VI Fuel and energy consumed	7,640	8,181	2,437	2,057
VII Staff costs	57,541	64,305	14,937	15,608
VIII Production expenses	3,012	4,337	798	978
IX Amortization	4,341	4,288	1,048	1,111
X Costs of long-term provisions	1,160	454		
XI Intangible costs	11,667	14,769	3,187	3,682
<b>C. PROFIT FROM OPERATIONS</b>		<b>1,522</b>	<b>2,117</b>	<b>834</b>
<b>D. LOSS FROM OPERATIONS</b>	<b>2,201</b>			
<b>E FINANCE INCOME</b>		<b>4</b>	<b>1</b>	
I Financial income from related persons and other financial income				
II Interest income (from third parties)		3		
III Gains and positive effects of currency clause		1	1	
<b>F. FINANCE EXPENSES</b>	<b>7,814</b>	<b>2,919</b>	<b>47</b>	<b>229</b>
I Financial expenses related party transactions and other financial expenses				
II Interest expense (by third parties)	7,813	2,910	38	229
III Foreign exchange gains and negative effects of currency clause	1	9	9	
<b>G. PROFIT FROM FINANCING</b>				
<b>H. LOSS FROM FINANCING</b>	<b>7,814</b>	<b>2,915</b>	<b>46</b>	<b>229</b>
<b>I. INCOME FROM VALUATION ADJUSTMENTS OF OTHER ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT</b>	<b>56</b>			
<b>J. LOSS ADJUSTMENT OTHER PROPERTY CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT</b>	<b>250</b>	<b>386</b>		
<b>K. OTHER INCOME</b>	<b>1,738</b>	<b>839</b>		<b>24</b>
<b>L. OTHER EXPENSES</b>	<b>738</b>	<b>493</b>	<b>18</b>	<b>123</b>
<b>M. OPERATING PROFIT BEFORE TAX</b>			<b>2,053</b>	<b>506</b>
<b>N. LOSS FROM OPERATIONS BEFORE TAX</b>	<b>9,209</b>	<b>1,433</b>		
<b>P. NET LOSS FROM DISCONTINUED OPERATIONS , EXPENSES CHANGE IN ACCOUNTING POLICIES AND CORRECTIONS FROM PREVIOUS PERIOD</b>		<b>2,408</b>		
<b>Q. PROFIT BEFORE TAXATION</b>			<b>2,053</b>	<b>506</b>
<b>R. LOSS BEFORE TAXATION</b>	<b>9,209</b>	<b>3,841</b>		
<b>S. INCOME TAXES</b>				
I Current tax expense				
II Deferred income tax expense	138			
III Deferred income tax benefit		403		
<b>T. EARNINGS OF EMPLOYER</b>				
<b>U. NET PROFIT</b>			<b>2,053</b>	<b>506</b>
<b>V. NET LOSS</b>	<b>9,347</b>	<b>3,438</b>		

CASH FLOWS (in thousands of RSD)	January-March 2015	January-March 2016
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash inflow from operating activities	39,310	72,666
Cash outflow from operating activities	36,885	78,060
Net cash inflow from operating activities	2,425	
Net outflow from operating activities		5,395

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<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Cash inflow from investing activities		
Cash outflow from investing activities		1,150
Net cash inflow from investing activities		
Net cash outflow from investing activities		1,150
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Cash inflow from financing activities		6,527
Cash outflow from financing activities	2,422	
Net cash inflow from financing activities		6,527
Net cash outflow from financing activities	2,422	
<b>Total cash inflow</b>	<b>39,310</b>	<b>79,193</b>
<b>Total cash outflow</b>	<b>39,307</b>	<b>79,210</b>
<b>NET CASH INFLOW</b>	<b>3</b>	
<b>NET CASH OUTFLOW</b>		<b>17</b>
<b>Cash and cash equivalents at beginning of year</b>		<b>67</b>
<b>Foreign exchange gains on translation of cash and cash equivalents</b>		
<b>Foreign exchange losses on translation of cash and cash equivalents</b>		
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>3</b>	<b>50</b>

### 3.16. TIGAR INCON

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

ASSETS	As of 31 December 2014	As of 31 December 2015	As of 31 March 2016
<b>A. SUBSCRIBED CAPITAL UNPAID</b>			
<b>B. NON-CURRENT ASSETS</b>	<b>159,642</b>	<b>146,443</b>	<b>145,260</b>
I INTANGIBLE ASSETS	12	2	
Concessions, patents , licenses , trademarks , software and other rights	12	2	
II PROPERTY, PLANT AND EQUIPMENT	151,310	146,441	145,260
Land	7,727	7,727	7,727
Buildings	132,443	130,335	129,807
Plant and equipment	11,140	8,050	7,397
Property, plant and equipment construction		329	329
III BIOLOGICAL AGENTS			
IV LONG-TERM FINANCIAL PLACEMENTS			
V LONG-TERM RECEIVABLES	8,320		
Receivables from parent company and its subsidiaries	8,320		
<b>C. DEFERRED TAX ASSETS</b>			
<b>D. CURRENT ASSETS</b>	<b>55,809</b>	<b>32,286</b>	<b>27,303</b>
I INVENTORIES	5,887	7,065	6,767
Supplies , spare parts , tools and supplies	5,118	6,325	5,612
Advances paid to suppliers	769	740	1,155
II RECEIVABLES FROM SALE	42,467	17,807	13,284
Customers in the country - the parent and subsidiaries	8,603	8,375	3,492
Customers abroad - parent and subsidiaries			
Customers in the country - other related parties	2,636	2,636	2,636
Customers in the country	31,228	6,796	7,156
III RECEIVABLES FROM SPECIFIC			
IV OTHER RECEIVABLES		60	60
V FINANCIAL ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT			
VI SHORT-TERM FINANCIAL PLACEMENTS	7,351	2,118	2,118
Short-term loans and investments - parent and subsidiaries	7,351	2,118	2,118
VII CASH AND CASH EQUIVALENTS	6	7	19
VIII VALUE ADDED TAX		1,254	1,184
IX PREPAYMENTS	98	3,975	3,871
<b>I. TOTAL ASSETS</b>	<b>215,451</b>	<b>178,729</b>	<b>172,563</b>
<b>EQUITY AND LIABILITIES</b>	<b>As of 31 December 2014</b>	<b>As of 31 December 2015</b>	<b>As of 31 March 2016</b>

	<b>BUSINESS REPORT</b>	Document Reference
	<b>FOR THE PERIOD JANUARY- MARCH 2016</b>	<b>IZ.P. 16/01</b>

<b>A. EQUITY</b>	76,772	57,456	49,617
I SHARE AND OTHER CAPITAL	162,425	162,425	162,425
Share Capital			
II SUBSCRIBED CAPITAL UNPAID			
III TREASURY SHARES			
IV RESERVES			
V REVALUATION RESERVES BASED ON REVALUATION OF INTANGIBLE ASSETS, PROPERTY, PLANT AND EQUIPMENT			
VI UNREALIZED GAINS ON SECURITIES VALUE AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULTS			
VII UNREALIZED LOSSES ON SECURITIES VALUE AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULTS	572	640	640
VIII RETAINED EARNINGS	7,371		
Retained profit from previous years	7,371		
IX PARTICIPATION RIGHTS WITHOUT CONTROL			
X LOSS	92,452	104,329	112,168
Loss of previous years	66,862	85,080	103,342
Loss for the year	25,590	19,249	8,826
<b>B. NON-CURRENT ASSETS</b>	<b>2,727</b>	<b>43,127</b>	<b>43,126</b>
I LONG-TERM PROVISIONS	2,727	2,608	2,608
Provision for retirement and other employee benefits	2,727	2,608	2,608
II LONG-TERM LIABILITIES		40,519	40,518
<b>C. DEFERRED TAX LIABILITIES</b>	<b>1,369</b>	<b>1,369</b>	<b>382</b>
<b>D. CURRENT LIABILITIES</b>	<b>134,583</b>	<b>76,777</b>	<b>79,438</b>
I SHORT-TERM FINANCIAL LIABILITIES	29,657	22,629	24,008
Short-term loans from parent companies and subsidiaries	29,657	22,629	24,008
II PREPAYMENTS, DEPOSITS AND GUARANTEES		15,038	21,084
III ACCOUNTS PAYABLE	44,487	23,844	18,138
Suppliers - parent and subsidiaries in the country	25,066	13,085	7,482
Suppliers in the country	19,421	10,713	10,656
Foreign suppliers		46	
IV OTHER CURRENT LIABILITIES	51,764	13,202	14,165
V LIABILITIES FOR VALUE ADDED TAX	1,996		
VI OTHER TAXES, CONTRIBUTIONS AND OTHER FEES			
VII ACCRUALS	6,679	2,064	2,043
<b>I. THE LOSS IN EXCESS OF CAPITAL</b>			
<b>F. TOTAL LIABILITIES</b>	<b>215,451</b>	<b>178,729</b>	<b>172,563</b>

Income statement (in thousands of RSD)	January-December 2014	January-December 2015	January-March 2015	January-March 2016
<b>INCOME FROM OPERATIONS</b>				
<b>A. OPERATING INCOME</b>	<b>73,187</b>	<b>95,661</b>	<b>16,222</b>	<b>13,886</b>
I Sales of goods				
II Sales of products and services	73,187	94,361	16,222	12,997
III Revenues from premiums, subsidies, donations, grants etc.				
IV Other operating income		1,300		889
<b>EXPENSES FROM OPERATIONS</b>				
<b>B. OPERATING EXPENSES</b>	<b>91,376</b>	<b>107,121</b>	<b>21,559</b>	<b>22,201</b>
II Work performed by the company and capitalized				
V Material consumed	16,885	34,436	4,044	5,216
VI Fuel and energy consumed	2,990	2,360	587	607
VII Staff costs	47,622	50,071	12,386	11,566
VIII Production expenses	5,941	3,370	609	700
IX Amortization	5,837	5,279	1,387	1,183
X Costs of long-term provisions		160		
XI Intangible costs	12,101	11,445	2,546	2,929
<b>C. PROFIT FROM OPERATIONS</b>				
<b>D. LOSS FROM OPERATIONS</b>	<b>18,189</b>	<b>11,460</b>	<b>5,337</b>	<b>8,315</b>
<b>I. FINANCE INCOME</b>		<b>716</b>		
I Financial income from related persons and other financial income				
II Interest income (from third parties)		716		
III Gains and positive effects of currency clause				
<b>F. FINANCE EXPENSES</b>	<b>8,987</b>	<b>6,665</b>	<b>39</b>	<b>559</b>
I Financial expenses related party transactions and other financial expenses				

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II Interest expense (by third parties)	8,987	6,665	39	559
III Foreign exchange gains and negative effects of currency clause				
<b>G. PROFIT FROM FINANCING</b>				
<b>H. LOSS FROM FINANCING</b>	<b>8,987</b>	<b>5,949</b>	<b>39</b>	<b>559</b>
<b>I. INCOME FROM VALUATION ADJUSTMENTS OF OTHER ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT</b>	289	441		
<b>J. LOSS ADJUSTMENT OTHER PROPERTY CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT</b>				
<b>K. OTHER INCOME</b>	1,541	200		75
<b>L. OTHER EXPENSES</b>	323	110		27
<b>M. OPERATING PROFIT BEFORE TAX</b>				
<b>N. LOSS FROM OPERATIONS BEFORE TAX</b>	<b>25,669</b>	<b>16,878</b>	<b>5,376</b>	<b>8,826</b>
<b>O. NET PROFIT FROM DISCONTINUED OPERATIONS, THE EFFECTS OF CHANGES IN ACCOUNTING POLICIES AND CORRECTION OF ERRORS FROM PREVIOUS PERIOD</b>				
<b>P. NET LOSS FROM DISCONTINUED OPERATIONS, EXPENSES CHANGE IN ACCOUNTING POLICIES AND CORRECTIONS FROM PREVIOUS PERIOD</b>		2,371		
<b>Q. PROFIT BEFORE TAXATION</b>				
<b>R. LOSS BEFORE TAXATION</b>	<b>25,669</b>	<b>19,249</b>	<b>5,376</b>	<b>8,826</b>
<b>S. INCOME TAXES</b>				
I Current tax expense				
II Deferred income tax expense				
III Deferred income tax benefit	79			
<b>T. EARNINGS OF EMPLOYER</b>				
<b>U. NET PROFIT</b>				
<b>V. NET LOSS</b>	<b>25,590</b>	<b>19,249</b>	<b>5,376</b>	<b>8,826</b>

CASH FLOWS (in thousands of RSD)	January-March 2015	January-March 2016
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash inflow from operating activities	24,549	26,353
Cash outflow from operating activities	26,908	27,720
Net cash inflow from operating activities		
Net outflow from operating activities	2,359	1,367
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Cash inflow from investing activities		
Cash outflow from investing activities		
Net cash inflow from investing activities		
Net cash outflow from investing activities		
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Cash inflow from financing activities	2,359	6,979
Cash outflow from financing activities		5,600
Net cash inflow from financing activities	2,359	1,379
Net cash outflow from financing activities		
<b>Total cash inflow</b>	<b>26,908</b>	<b>33,332</b>
<b>Total cash outflow</b>	<b>26,908</b>	<b>33,320</b>
<b>NET CASH INFLOW</b>		12
<b>NET CASH OUTFLOW</b>		
Cash and cash equivalents at beginning of year	6	7
Foreign exchange gains on translation of cash and cash equivalents		
Foreign exchange losses on translation of cash and cash equivalents		
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>6</b>	<b>19</b>

	<b>BUSINESS REPORT</b>	Document Reference
	<b>FOR THE PERIOD JANUARY- MARCH 2016</b>	<b>IZ.P. 16/01</b>

### 3.17. TAX FREE ZONE PIROT

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

ASSETS	As of 31 December 2014	As of 31 December 2015	As of 31 March 2016
<b>A. SUBSCRIBED CAPITAL UNPAID</b>			
<b>B. NON-CURRENT ASSETS</b>	<b>77,451</b>	<b>116,616</b>	<b>115,710</b>
I INTANGIBLE ASSETS	247	232	260
Concessions, patents, licenses, trademarks, software and other rights	247	232	260
II PROPERTY, PLANT AND EQUIPMENT	77,204	116,384	115,450
Land	18,090	18,412	11,020
Buildings	45,805	48,166	66,536
Plant and equipment	4,171	3,295	3,182
Property, plant and equipment construction	8,428	29,733	14,873
Investments in property, plants and equipment	710	512	505
Advances for property, plant and equipment		16,266	19,334
III BIOLOGICAL AGENTS			
IV LONG-TERM FINANCIAL PLACEMENTS			
V LONG-TERM RECEIVABLES			
Receivables from parent company and its subsidiaries			
<b>C. DEFERRED TAX ASSETS</b>			
<b>D. CURRENT ASSETS</b>	<b>188,527</b>	<b>133,249</b>	<b>164,506</b>
I INVENTORIES	1,133	651	2,817
Goods	1,019	541	541
Advances paid to suppliers	114	110	2,276
II RECEIVABLES FROM SALE	43,249	43,461	58,012
Customers in the country - the parent and subsidiaries	7,887	4,120	2,773
Customers in the country	31,307	35,053	49,488
Customers abroad	4,055	4,288	5,751
III RECEIVABLES FROM SPECIFIC	1,255		
IV OTHER RECEIVABLES	15,905	6,132	31
V FINANCIAL ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT			
VI SHORT-TERM FINANCIAL PLACEMENTS	45,000		8,000
Short-term loans and investments - parent and subsidiaries	45,000		8,000
VII CASH AND CASH EQUIVALENTS	79,048	79,413	94,581
VIII VALUE ADDED TAX		2,092	
IX PREPAYMENTS	2,937	1,500	1,065
<b>I. TOTAL ASSETS</b>	<b>265,978</b>	<b>249,865</b>	<b>280,216</b>
<b>F. OFF BALANCE SHEET ASSETS</b>	<b>12,500</b>	<b>12,500</b>	<b>12,500</b>
<b>EQUITY AND LIABILITIES</b>	<b>As of 31 December 2014</b>	<b>As of 31 December 2015</b>	<b>As of 31 March 2016</b>
<b>A. EQUITY</b>	<b>222,112</b>	<b>205,728</b>	<b>215,407</b>
I SHARE AND OTHER CAPITAL	118,439	118,439	118,439
Share Capital	118,439	118,439	118,439
II SUBSCRIBED CAPITAL UNPAID			
III TREASURY SHARES		34,854	34,854
IV RESERVES	5,016	5,016	5,016
V REVALUATION RESERVES BASED ON REVALUATION OF INTANGIBLE ASSETS, PROPERTY, PLANT AND EQUIPMENT			
VI UNREALIZED GAINS ON SECURITIES VALUE AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULTS	556		
VII UNREALIZED LOSSES ON SECURITIES VALUE AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULTS		33	101
VIII RETAINED EARNINGS	98,101	117,160	126,907
Retained profit from previous years	75,923	64,921	107,662
Retained profit for the year	22,178	52,239	19,245
IX PARTICIPATION RIGHTS WITHOUT CONTROL			
X LOSS			
<b>B. NON-CURRENT ASSETS</b>	<b>2,792</b>	<b>4,322</b>	<b>4,635</b>
I LONG-TERM PROVISIONS	2,792	4,322	4,635
Provision for retirement and other employee benefits	1,082	2,612	2,925
Provision for lawsuits	1,710	1,710	1,710
II LONG-TERM LIABILITIES			
<b>C. DEFERRED TAX LIABILITIES</b>	<b>411</b>	<b>293</b>	<b>292</b>
<b>D. CURRENT LIABILITIES</b>	<b>40,663</b>	<b>39,522</b>	<b>59,882</b>
I SHORT-TERM FINANCIAL LIABILITIES			
Other short-term liabilities			

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II PREPAYMENTS, DEPOSITS AND GUARANTEES	2,182	1,876	1,630
III ACCOUNTS PAYABLE	25,800	27,726	46,638
Suppliers - parent and subsidiaries in the country	5,229	2,671	1,461
Suppliers in the country	14,947	14,258	28,728
Foreign suppliers	5,438	10,596	16,367
Other liabilities	186	201	82
IV OTHER CURRENT LIABILITIES	6,611	7,338	7,714
V LIABILITIES FOR VALUE ADDED TAX	1,167		1,099
VI OTHER TAXES, CONTRIBUTIONS AND OTHER FEES	4,300	2,556	2,251
VII ACCRUALS	603	26	550
<b>I. THE LOSS IN EXCESS OF CAPITAL</b>			
<b>F. TOTAL LIABILITIES</b>	<b>265,978</b>	<b>249,865</b>	<b>280,216</b>
<b>G. OFF BALANCE SHEET LIABILITIES</b>	<b>12,500</b>	<b>12,500</b>	<b>12,500</b>

Income statement (in thousands of RSD)	January- December 2014	January- December 2015	January- March 2015	January- March 2016
<b>INCOME FROM OPERATIONS</b>				
<b>A. OPERATING INCOME</b>	<b>261,118</b>	<b>375,156</b>	<b>99,473</b>	<b>116,110</b>
I Sales of goods	5			
II Sales of products and services	261,113	375,156	99,473	116,110
III Revenues from premiums, subsidies, donations, grants etc.				
IV Other operating income				
<b>EXPENSES FROM OPERATIONS</b>				
<b>B. OPERATING EXPENSES</b>	<b>226,644</b>	<b>315,112</b>	<b>85,061</b>	<b>97,224</b>
I Cost of commercial goods sold	202			
V Material consumed	1,984	1,546	83	308
VI Fuel and energy consumed	4,461	4,585	1,379	1,700
VII Staff costs	55,515	60,644	13,622	16,058
VIII Production expenses	148,736	231,840	66,620	75,566
IX Amortization	2,867	3,027	731	827
X Costs of long-term provisions	170	944		
XI Intangible costs	12,709	12,526	2,626	2,765
<b>C. PROFIT FROM OPERATIONS</b>	<b>34,474</b>	<b>60,044</b>	<b>14,412</b>	<b>18,886</b>
<b>D. LOSS FROM OPERATIONS</b>				
<b>I. FINANCE INCOME</b>	<b>14,757</b>	<b>6,680</b>	<b>663</b>	<b>90</b>
I Financial income from related persons and other financial income	10,245	4,696		
II Interest income (from third parties)	181	645	139	26
III Gains and positive effects of currency clause	4,331	1,339	524	64
<b>F. FINANCE EXPENSES</b>	<b>716</b>	<b>1,252</b>	<b>708</b>	<b>1,299</b>
I Financial expenses related party transactions and other financial expenses	9	5	2	
II Interest expense (by third parties)	7	3		
III Foreign exchange gains and negative effects of currency clause	700	1,244	706	1,299
<b>G. PROFIT FROM FINANCING</b>	<b>14,041</b>	<b>5,428</b>		
<b>H. LOSS FROM FINANCING</b>			<b>45</b>	<b>1,209</b>
<b>I. INCOME FROM VALUATION ADJUSTMENTS OF OTHER ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT</b>	<b>2,656</b>	<b>3,712</b>		
<b>J. LOSS ADJUSTMENT OTHER PROPERTY CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT</b>	<b>23,072</b>	<b>7,639</b>		
<b>K. OTHER INCOME</b>	<b>268</b>	<b>383</b>		<b>3,481</b>
<b>L. OTHER EXPENSES</b>	<b>256</b>	<b>248</b>		
<b>M. OPERATING PROFIT BEFORE TAX</b>	<b>28,111</b>	<b>61,680</b>	<b>14,367</b>	<b>21,158</b>
<b>N. LOSS FROM OPERATIONS BEFORE TAX</b>				
<b>Q. PROFIT BEFORE TAXATION</b>	<b>28,111</b>	<b>61,680</b>	<b>14,367</b>	<b>21,158</b>
<b>R. LOSS BEFORE TAXATION</b>				
<b>S. INCOME TAXES</b>				
I Current tax expense	5,420	9,559	284	1,913
II Deferred income tax expense	513			
III Deferred income tax benefit		118		
<b>T. EARNINGS OF EMPLOYER</b>				
<b>U. NET PROFIT</b>	<b>22,178</b>	<b>52,239</b>	<b>14,083</b>	<b>19,245</b>
<b>V. NET LOSS</b>				

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### 3.18. TIGAR SECURITY

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

ASSETS	As of 31 December 2014	As of 31 December 2015	As of 31 March 2016
<b>A. SUBSCRIBED CAPITAL UNPAID</b>			
<b>B. NON-CURRENT ASSETS</b>	<b>90,532</b>	<b>27,832</b>	<b>27,544</b>
I INTANGIBLE ASSETS			
II PROPERTY, PLANT AND EQUIPMENT	29,111	27,832	27,544
Land	1,558	1,558	1,558
Buildings	23,674	23,272	23,172
Plant and equipment	3,358	2,742	2,599
Property, plant and equipment construction			20
Investments in property, plants and equipment	521	260	195
III BIOLOGICAL AGENTS			
IV LONG-TERM FINANCIAL PLACEMENTS			
V LONG-TERM RECEIVABLES	61,421		
Receivables from parent company and its subsidiaries	61,421		
<b>C. DEFERRED TAX ASSETS</b>	<b>280</b>	<b>280</b>	<b>468</b>
<b>D. CURRENT ASSETS</b>	<b>114,939</b>	<b>60,370</b>	<b>70,462</b>
I INVENTORIES	116	413	369
Advances paid to suppliers	116	413	369
II RECEIVABLES FROM SALE	69,099	54,501	56,175
Customers in the country - the parent and subsidiaries	48,600	41,761	43,053
Customers abroad - parent and subsidiaries			
Customers in the country - other related parties	84	10	19
Customers in the country	20,415	12,730	13,104
III RECEIVABLES FROM SPECIFIC			
IV OTHER RECEIVABLES	123	125	3,655
V FINANCIAL ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT			
VI SHORT-TERM FINANCIAL PLACEMENTS	45,434	4,858	9,561
Short-term loans and investments - parent and subsidiaries	45,434	4,858	9,561
VII CASH AND CASH EQUIVALENTS		7	6
VIII VALUE ADDED TAX			
IX PREPAYMENTS	167	466	695
<b>I. TOTAL ASSETS</b>	<b>205,751</b>	<b>88,482</b>	<b>98,474</b>
<b>F. OFF BALANCE SHEET ASSETS</b>			
<b>EQUITY AND LIABILITIES</b>	<b>As of 31 December 2014</b>	<b>As of 31 December 2015</b>	<b>As of 31 March 2016</b>
<b>A. EQUITY</b>	<b>90,743</b>	<b>45,429</b>	<b>53,474</b>
I SHARE AND OTHER CAPITAL	39,413	39,413	39,413
Share Capital			
II SUBSCRIBED CAPITAL UNPAID			
III TREASURY SHARES			
IV RESERVES			
V REVALUATION RESERVES BASED ON REVALUATION OF INTANGIBLE ASSETS, PROPERTY, PLANT AND EQUIPMENT			
VI UNREALIZED GAINS ON SECURITIES VALUE AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULTS			
VII UNREALIZED LOSSES ON SECURITIES VALUE AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULTS	42	551	551
VIII RETAINED EARNINGS	51,372	6,567	17,535
Retained profit from previous years	27,592		12,883
Retained profit for the year	23,780	6,567	4,652
IX PARTICIPATION RIGHTS WITHOUT CONTROL			
X LOSS			2,922
<b>B. NON-CURRENT ASSETS</b>	<b>1,861</b>	<b>2,418</b>	<b>2,419</b>
I LONG-TERM PROVISIONS	1,861	2,418	2,419
Provision for retirement and other employee benefits	1,861	2,418	2,419
II LONG-TERM LIABILITIES			
Long-term loans in the country			
<b>C. DEFERRED TAX LIABILITIES</b>			
<b>D. CURRENT LIABILITIES</b>	<b>113,147</b>	<b>40,635</b>	<b>42,582</b>
I SHORT-TERM FINANCIAL LIABILITIES	32,286		1,660
Short-term loans from parent companies and subsidiaries	32,286		1,660
Other current financial liabilities			
II PREPAYMENTS, DEPOSITS AND GUARANTEES	50	36	2,499
III ACCOUNTS PAYABLE	8,629	6,033	4,421

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Suppliers - parent and subsidiaries in the country	4,024	1,840	1,229
Suppliers - other related parties in the country	180		
Suppliers in the country	4,425	4,193	3,192
IV OTHER CURRENT LIABILITIES	55,532	27,426	27,184
V LIABILITIES FOR VALUE ADDED TAX	4,997	1,982	2,005
VI OTHER TAXES, CONTRIBUTIONS AND OTHER FEES	6,914	557	473
VII ACCRUALS	4,739	4,601	4,339
<b>I. THE LOSS IN EXCESS OF CAPITAL</b>			
<b>F. TOTAL LIABILITIES</b>	<b>205,751</b>	<b>88,482</b>	<b>98,474</b>
<b>G. OFF BALANCE SHEET LIABILITIES</b>			

Income statement (in thousands of RSD)	January- December 2014	January- December 2015	January- March 2015	January- March 2016
<b>INCOME FROM OPERATIONS</b>				
<b>A. OPERATING INCOME</b>	<b>126,214</b>	<b>119,795</b>	<b>29,201</b>	<b>33,208</b>
I Sales of goods				
II Sales of products and services	126,214	119,795	29,201	33,208
III Revenues from premiums, subsidies, donations, grants etc.				
IV Other operating income				
<b>EXPENSES FROM OPERATIONS</b>				
<b>B. OPERATING EXPENSES</b>	<b>85,108</b>	<b>99,200</b>	<b>21,874</b>	<b>27,507</b>
I Cost of commercial goods sold				
II Work performed by the company and capitalized				
III Increase in inventories of finished products and work in progress				
IV Decrease in inventories of finished products and work in progress				
V Material consumed	1,684	144	54	83
VI Fuel and energy consumed	1,179	1,260	284	389
VII Staff costs	74,728	85,298	19,044	23,702
VIII Production expenses	1,325	1,227	177	294
IX Amortization	1,461	1,312	355	308
X Costs of long-term provisions		136		
XI Intangible costs	4,731	9,823	1,960	2,731
<b>C. PROFIT FROM OPERATIONS</b>	<b>41,106</b>	<b>20,595</b>	<b>7,327</b>	<b>5,701</b>
<b>D. LOSS FROM OPERATIONS</b>				
<b>I. FINANCE INCOME</b>			<b>0</b>	
I Financial income from related persons and other financial income				
II Interest income (from third parties)			0	
III Gains and positive effects of currency clause				
<b>F. FINANCE EXPENSES</b>	<b>10,867</b>	<b>3,381</b>	<b>3,260</b>	<b>135</b>
I Financial expenses related party transactions and other financial expenses				
II Interest expense (by third parties)	10,867	3,381	3,260	135
III Foreign exchange gains and negative effects of currency clause				
<b>G. PROFIT FROM FINANCING</b>				
<b>H. LOSS FROM FINANCING</b>	<b>10,867</b>	<b>3,381</b>	<b>3,260</b>	<b>135</b>
<b>I. INCOME FROM VALUATION ADJUSTMENTS OF OTHER ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT</b>				
<b>J. LOSS ADJUSTMENT OTHER PROPERTY CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT</b>	131	192		
<b>K. OTHER INCOME</b>	863	166		48
<b>L. OTHER EXPENSES</b>	10	16		
<b>M. OPERATING PROFIT BEFORE TAX</b>	<b>30,961</b>	<b>17,172</b>	<b>4,067</b>	<b>5,614</b>
<b>N. LOSS FROM OPERATIONS BEFORE TAX</b>				
<b>O. NET PROFIT FROM DISCONTINUED OPERATIONS , EXPENSES CHANGE IN ACCOUNTING POLICIES AND CORRECTIONS FROM PREVIOUS PERIOD</b>				
<b>P. NET LOSS FROM DISCONTINUED OPERATIONS , EXPENSES CHANGE IN ACCOUNTING POLICIES AND CORRECTIONS FROM PREVIOUS PERIOD</b>		3,459		
<b>Q. PROFIT BEFORE TAXATION</b>	<b>30,961</b>	<b>13,713</b>	<b>4,067</b>	<b>5,614</b>
<b>R. LOSS BEFORE TAXATION</b>				
<b>S. INCOME TAXES</b>				
I Current tax expense	7,147	7,146	1,790	962
II Deferred income tax expense	34			
III Deferred income tax benefit				
<b>T. EARNINGS OF EMPLOYER</b>				
<b>U. NET PROFIT</b>	<b>23,780</b>	<b>6,567</b>	<b>2,278</b>	<b>4,652</b>
<b>V. NET LOSS</b>				



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**3.19. PI CHANNEL****BALANCE SHEET IN THOUSANDS OF DINARS**

<b>ASSETS</b>	<b>As of 31 December 2014</b>	<b>As of 31 December 2015</b>	<b>As of 31 March 2016</b>
<b>A. SUBSCRIBED CAPITAL UNPAID</b>			
<b>B. NON-CURRENT ASSETS</b>	<b>6,717</b>	<b>6,014</b>	<b>5,832</b>
I INTANGIBLE ASSETS			20
II PROPERTY, PLANT AND EQUIPMENT	6,717	6,014	5,812
Land			
Buildings	67	64	65
Plant and equipment	1,193	584	406
Investment property			
Property, plant and equipment construction		33	52
Investments in property, plants and equipment	5,457	5,333	5,289
III BIOLOGICAL AGENTS			
IV LONG-TERM FINANCIAL PLACEMENTS			
V LONG-TERM RECEIVABLES			
Receivables from parent company and its subsidiaries			
<b>C. DEFERRED TAX ASSETS</b>	<b>17</b>	<b>17</b>	<b>48</b>
<b>D. CURRENT ASSETS</b>	<b>4,710</b>	<b>2,273</b>	<b>2,929</b>
I INVENTORIES	239		
Advances paid to suppliers	239		
II RECEIVABLES FORM SALE	3,322	1,188	1,149
Customers in the country - other related parties	2,630	312	70
Customers in the country	692	876	1,079
III RECEIVABLES FROM SPECIFIC OPERATIONS			
IV OTHER RECEIVABLES	398	219	205
V FINANCIAL ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT			
VI SHORT-TERM FINANCIAL PLACEMENTS			
VII CASH AND CASH EQUIVALENTS	683	743	1,520
VIII VALUE ADDED TAX			
IX PREPAYMENTS	68	123	56
<b>E. TOTAL ASSETS</b>	<b>11,444</b>	<b>8,304</b>	<b>8,809</b>
<b>F. OFF BALANCE SHEET ASSETS</b>			
<b>EQUITY AND LIABILITIES</b>	<b>As of 31 December 2014</b>	<b>As of 31 December 2015</b>	<b>As of 31 March 2016</b>
<b>A. EQUITY</b>	<b>5,499</b>	<b>3,674</b>	<b>3,479</b>
I SHARE AND OTHER CAPITAL	3,166	3,166	3,166
Shares of limited liability companies	3,166	3,166	3,166
II SUBSCRIBED CAPITAL UNPAID			
III TREASURY SHARES			
IV RESERVES	115	115	115
V REVALUATION RESERVES BASED ON REVALUATION OF INTANGIBLE ASSETS, PROPERTY, PLANT AND EQUIPMENT			
VI UNREALIZED GAINS ON SECURITIES VALUE AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULTS			
VII UNREALIZED LOSSES ON SECURITIES VALUE AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULTS			
VIII RETAINED EARNINGS	3,143	393	266
Retained profit from previous years	3,143		266
Retained profit from the year		393	
IX PARTICIPATION RIGHTS WITHOUT CONTROL			
X LOSS	925		68
Loss of previous years			
Loss for the year	925		68
<b>B. LONG TERM PROVISIONS AND LIABILITIES</b>			
I LONG-TERM PROVISIONS			
II LONG-TERM LIABILITIES			
<b>C. DEFERRED TAX LIABILITIES</b>			
<b>D. CURRENT LIABILITIES</b>	<b>5,945</b>	<b>4,630</b>	<b>5,330</b>
I SHORT-TERM FINANCIAL LIABILITIES	124		
Other current financial liabilities	124		
II PREPAYMENTS, DEPOSITS AND GUARANTEES	177	376	
III ACCOUNTS PAYABLE	3,867	2,693	2,749
Suppliers - other related parties in the country	2,703	1,656	2,124
Suppliers in the country	1,164	1,037	625
IV OTHER CURRENT LIABILITIES	1,140	1,307	784

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V LIABILITIES FOR VALUE ADDED TAX	486	78	196
VI OTHER TAXES, CONTRIBUTIONS AND OTHER FEES			0
VII ACCRUALS	151	176	1,600
<b>E. THE LOSS IN EXCESS OF CAPITAL</b>			
<b>F. TOTAL LIABILITIES</b>	<b>11,444</b>	<b>8,304</b>	<b>8,809</b>
<b>G. OFF BALANCE SHEET LIABILITIES</b>			

INCOME STATEMENT IN THOUSANDS OF DINARS	January- December 2014	January- December 2015	January- March 2015	January- March 2016
<b>INCOME FROM OPERATIONS</b>				
<b>A. OPERATING INCOME</b>	<b>13,015</b>	<b>14,871</b>	<b>2,915</b>	<b>3,256</b>
I Sales of goods				
II Sales of products and services	13,015	4,626	1,346	1,656
III Revenues from premiums, subsidies, donations, grants etc.				
IV Other operating income		10,245	1,568	1,600
<b>EXPENSES FROM OPERATIONS</b>				
<b>B. OPERATING EXPENSES</b>	<b>14,074</b>	<b>14,463</b>	<b>2,390</b>	<b>3,292</b>
I Cost of commercial goods sold				
II Work performed by the company and capitalized				
III Increase in inventories of finished products and work in progress				
IV Decrease in inventories of finished products and work in progress				
V Material consumed	214	220	76	33
VI Fuel and energy consumed	1,185	1,102	233	199
VII Staff costs	9,388	9,749	1,589	2,452
VIII Production expenses	1,206	776	104	114
IX Amortization	805	755	192	220
X Costs of long-term provisions				
XI Intangible costs	1,276	1,861	196	273
<b>C. PROFIT FROM OPERATIONS</b>		<b>408</b>	<b>525</b>	
<b>D. LOSS FROM OPERATIONS</b>	<b>1,059</b>			<b>36</b>
<b>E. FINANCE INCOME</b>	<b>59</b>	<b>10</b>	<b>1</b>	
I Financial income from related persons and other financial income				
II Interest income (from third parties)	59	10	1	
III Gains and positive effects of currency clause				
<b>F. FINANCE EXPENSES</b>	<b>39</b>	<b>27</b>	<b>6</b>	<b>3</b>
I Financial expenses related party transactions and other financial expenses				
II Interest expense (by third parties)	23	26	6	3
III Foreign exchange gains and negative effects of currency clause	16	1		
<b>G. PROFIT FROM FINANCING</b>	<b>20</b>			
<b>H. LOSS FROM FINANCING</b>		<b>17</b>	<b>5</b>	<b>3</b>
<b>I. INCOME FROM VALUATION ADJUSTMENTS OF OTHER ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT</b>	<b>52</b>	<b>38</b>		
<b>J. LOSS ADJUSTMENT OTHER PROPERTY CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT</b>				
<b>K. OTHER INCOME</b>	<b>287</b>	<b>4</b>	<b>0</b>	<b>18</b>
<b>L. OTHER EXPENSES</b>	<b>240</b>	<b>40</b>		<b>47</b>
<b>M. OPERATING PROFIT BEFORE TAX</b>		<b>393</b>	<b>521</b>	
<b>N. LOSS FROM OPERATIONS BEFORE TAX</b>	<b>940</b>			<b>68</b>
<b>Q. PROFIT BEFORE TAXATION</b>		<b>393</b>	<b>521</b>	
<b>R. LOSS BEFORE TAXATION</b>	<b>940</b>			<b>68</b>
<b>S. INCOME TAXES</b>				
I Current tax expense			25	
II Deferred income tax expense				
III Deferred income tax benefit	15			
<b>T. EARNINGS OF EMPLOYER</b>				
<b>U. NET PROFIT</b>		<b>393</b>	<b>496</b>	
<b>V. NET LOSS</b>	<b>925</b>			<b>68</b>

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### 3.20. TIGAR TOURS

Income statement (in thousands of RSD)	January- December 2014	January- December 2015	January- March 2015	January- March 2016
<b>INCOME FROM OPERATIONS</b>				
<b>A. OPERATING INCOME</b>	2,706	2,286	652	363
I Sales of goods				
II Sales of products and services	2,706	2,286	652	363
III Revenues from premiums, subsidies, donations, grants etc.				
IV Other operating income				
<b>EXPENSES FROM OPERATIONS</b>				
<b>B. OPERATING EXPENSES</b>	3,033	2,767	773	580
I Cost of commercial goods sold				
II Work performed by the company and capitalized				
V Material consumed	37	33	29	1
VI Fuel and energy consumed	51	69	18	3
VII Staff costs	2,011	1,955	532	492
VIII Production expenses	129	171	15	19
IX Amortization	144	70	30	4
X Costs of long-term provisions	22	10		
XI Intangible costs	639	459	149	62
<b>C. PROFIT FROM OPERATIONS</b>				
<b>D. LOSS FROM OPERATIONS</b>	327	481	122	217
<b>I. FINANCE INCOME</b>	26	162	25	2
I Financial income from related persons and other financial income				
II Interest income (from third parties)	10	4	1	
III Gains and positive effects of currency clause	16	158	24	2
<b>F. FINANCE EXPENSES</b>	16	76	30	3
I Financial expenses related party transactions and other financial expenses				
II Interest expense (by third parties)	3	2	5	
III Foreign exchange gains and negative effects of currency clause	13	74	25	3
<b>G. PROFIT FROM FINANCING</b>	10	86		
<b>H. LOSS FROM FINANCING</b>			5	1
<b>I. INCOME FROM VALUATION ADJUSTMENTS OF OTHER ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT</b>				
<b>J. LOSS ADJUSTMENT OTHER PROPERTY CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT</b>	16	41		
<b>K. OTHER INCOME</b>	26	95		1
<b>L. OTHER EXPENSES</b>				
<b>M. OPERATING PROFIT BEFORE TAX</b>				
<b>N. LOSS FROM OPERATIONS BEFORE TAX</b>	307	341	126	218
<b>Q. PROFIT BEFORE TAXATION</b>				
<b>P. LOSS BEFORE TAXATION</b>	307	396	126	218
<b>R. INCOME TAX</b>				
I Current tax expense				
II Deferred income tax expense	4			
III Deferred income tax benefit		46		
<b>T. EARNINGS OF EMPLOYER</b>				
<b>U. NET PROFIT</b>				
<b>V. NET LOSS</b>	311	350	126	218

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### 3.21. TIGAR INTER RISK

Income statement (in thousands of RSD)	January- December 2014	January- December 2015	January- March 2015	January- March 2016
<b>INCOME FROM OPERATIONS</b>				
<b>A. OPERATING INCOME</b>	<b>2,100</b>	<b>2,382</b>	<b>696</b>	<b>525</b>
I. Sales of goods				
II. Sales of products and services	2,100	2,382	696	525
III. Revenues from premiums, subsidies, donations, grants etc.				
IV. Other operating income				
<b>EXPENSES FROM OPERATIONS</b>				
<b>B. OPERATING EXPENSES</b>	<b>1,858</b>	<b>2,375</b>	<b>570</b>	<b>625</b>
I. Cost of commercial goods sold				
II. Work performed by the company and capitalized				
V. Material consumed	11	7		3
VI. Fuel and energy consumed	61	92	29	23
VII. Staff costs	1,488	1,899	443	482
VIII. Production expenses	27	29	3	1
IX. Amortization	14	8	2	2
X. Costs of long-term provisions		2		
XI. Intangible costs	257	338	92	114
<b>C. PROFIT FROM OPERATIONS</b>	<b>242</b>	<b>7</b>	<b>126</b>	
<b>D. LOSS FROM OPERATIONS</b>				<b>101</b>
<b>I. FINANCE INCOME</b>	<b>2</b>	<b>1</b>		
I. Financial income from related persons and other financial income				
II. Interest income (from third parties)	2	1		
III. Gains and positive effects of currency clause				
<b>F. FINANCE EXPENSES</b>	<b>1</b>	<b>5</b>		<b>3</b>
I. Financial expenses related party transactions and other financial expenses				
II. Interest expense (by third parties)	1	5		3
III. Foreign exchange gains and negative effects of currency clause				
<b>G. PROFIT FROM FINANCING</b>	<b>1</b>			
<b>H. LOSS FROM FINANCING</b>		<b>4</b>		<b>3</b>
<b>I. INCOME FROM VALUATION ADJUSTMENTS OF OTHER ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT</b>		<b>134</b>		
<b>J. LOSS ADJUSTMENT OTHER PROPERTY CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT</b>	<b>114</b>			
<b>K. OTHER INCOME</b>	<b>23</b>	<b>11</b>		
<b>L. OTHER EXPENSES</b>	<b>25</b>			<b>3</b>
<b>M. OPERATING PROFIT BEFORE TAX</b>	<b>127</b>	<b>148</b>	<b>126</b>	
<b>N. LOSS FROM OPERATIONS BEFORE TAX</b>				<b>106</b>
<b>Q. PROFIT BEFORE TAXATION</b>	<b>127</b>	<b>93</b>	<b>126</b>	
<b>P. LOSS BEFORE TAXATION</b>				<b>106</b>
<b>R. INCOME TAX</b>				
I. Current tax expense	92	91	23	13
II. Deferred income tax expense		2		
III. Deferred income tax benefit				
<b>T. EARNINGS OF EMPLOYER</b>				
<b>U. NET PROFIT</b>	<b>35</b>		<b>103</b>	
<b>V. NET LOSS</b>				<b>119</b>

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## 4. REAL ESTATE AND LEGAL MATTERS

### 4.1. REAL ESTATE

All of Tigar's (the Joint Stock Company Tigar Pirot) manufacturing facilities are located in Pirot on the location 3. Tigar owns a number of buildings in Belgrade and across Serbia (office space, warehouses, retail outlets and others).

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

#### Land

The total number of cadastral lots owned by Tigar and its dependent entities, without Tax Free Zone Pirot, as of 31 March 2016 is 197, of which 333,280 m<sup>2</sup>, is undeveloped land, while the area is 98,071 m<sup>2</sup>. The total carrying value on this day, 31 March 2016 of the land is RSD 494,000,520.96.

The carrying value of the land of the Tax Free Zone was RSD 11,020,165.78 on 31 March 2016.

#### Buildings

Tigar and its main subsidiaries own a total of 197 buildings

The total surface area owned by Tigar and its main subsidiaries is 98,071 m<sup>2</sup>.

As of 31 March 2016, the carrying value of the buildings owned by Tigar and its major subsidiaries was RSD 2,066,749,786.11.

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

Entity	Value in RSD as of 31 March 2016
Tigar AD	292,512,747.00
<b>Total:</b>	<b>292,512,747.00</b>

#### Book value of buildings

<b>BOOK VALUE OF BUILDINGS (IN '000 RSD)</b>			
Entity	30 September 2015	31 December 2015	31 March 2016
Tigar AD	1,742,931,515.33	1,710,412,053.41	1,705,925,912.65
Ti-car Trgovine	19,320,073.63	1,355,152.00	1,347,779.62
Tigar Business Service	13,428,667.46	13,374,490.46	13,320,311.46
Tigar Security	23,372,983.96	23,272,457.07	23,171,931.07
Tax Free Zone Pirot	46,562,936.96	48,166,222.75	66,536,410.28
Tigar Incon	116,046,502.71	130,334,147.57	129,806,689.57
Tigar Catering	56,168,359.72	127,234,110.46	126,640,751.46
<b>Total:</b>	<b>2,017,831,038.88</b>	<b>2,054,148,633.72</b>	<b>2,066,749,786.11</b>

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There are significant deviations in the value of buildings related to Ti-car trgovina, Tigar Incon and Tigar Catering. On 31st of December 2015, construction facilities in Ti car were transferred in the assets held for sale according to the adopted Prepackaged Plan of Reorganization. On the other side, facilities of Tigar Incon and Tigar Catering were primarily transferred on the assets held for sale in accordance to the adopted Prepackaged Plan of Reorganization on 30 September, and after, on 31 of December, 2015, they were returned to the construction facilities, in accordance with the International financial reporting standards for small and medium-sized enterprises for MSP (which does not allow small businesses to have the position of assets held for sale).

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

Entity	Value in dinars on 31 March 2016
<b>Tigar AD</b>	<b>361,767,753.27</b>
<b>Ti car trgovine</b>	<b>28,068,424.33</b>
<b>Total:</b>	<b>389,836,177.60</b>

### **Real estate transactions**

At the public auction held on 29 January 2016, one garage at the location Kozaračka Street, number 122 in Pirot was sold in accordance with the Prepackaged Plan of Reorganization

### **Liens**

At the end of the first quarter of 2016, the property of the Company was burdened by the following liens, according to the below stated court orders:

Mortgage statement no. 4048/2009 dated 29 June 2009 places lien on immovable property in Temerin and Simanovci in favor of Banca Intesa AD Belgrade.

Mortgage statement no. 1492/2010 dated 7 April 2010 places lien on immovable property in Temerin and Simanovci in favor of Banca Intesa AD Belgrade.

Mortgage statement no. 4709/2010 dated 23 December 2010 places lien on immovable property in Temerin and Simanovci in favor of Banca Intesa AD Belgrade.

Mortgage statement no. 516/2013 dated 20 February 2013 places lien on immovable property in Temerin and Simanovci in favor of Banca Intesa AD Belgrade.

Mortgage statements nos. 1742/11 dated 22 June 2011 and 1863/11 dated 1 July 2011, places lien on immovable property in Pirot – location Tigar III b in favor of Banca Intesa AD Belgrade.

Mortgage statements nos. 93/2009 dated 15 October 2009, 1587/2010 dated 13 April 2010 and 1092/2011 dated 19 April 2011 places lien on business premises in Zrenjanin in favor of Privredna banka AD Belgrade.

Mortgage statements nos. 2901/2010 dated 2 July 2010 and 1090/2011 dated 19 April 2011 places lien on business premises in Svilajnac in favor of Privredna banka AD Belgrade.

Mortgage statement no. 2900/2010 dated 2 July 2010 places lien on business premises in Knjazevac in favor of Privredna banka AD Belgrade.

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Mortgage statement no. 1089/2011 dated 19 April 2011 places lien on business premises in Knjazevac and Subotica in favor of Privredna banka AD Belgrade.

Mortgage statement no. 1091/2011 dated 19 April 2011, extrajudicial mortgage II order no. 2017/09 dated 17 September 2009 and 2018/09 dated 17 September 2009 places lien on business premises in Uzice in favor of Privredna banka AD Belgrade.

Mortgage statements nos. 1373/09 dated 04 November 2009, 1739/11 dated 3 June 2011 and 1781/11 dated 6 June 2011 places lien on business premises in Backa Palanka in favor of Privredna banka AD Belgrade.

Mortgage statement no. 2898/2011 dated 19 April 2011 places lien on business premises in Subotica in favor of Privredna banka AD Belgrade.

Mortgage statements nos. 3513/12 and 1810/2011 dated 26 September 2012 places lien on immovable property in Belgrade, Resavska Street in favor of Hypo Alpe Adria Bank AD Belgrade.

Resolution of the collateral agreement I no. 622/09 dated 25 June 2009 and mortgage statements nos. 3511/12 dated 26 July 2012, 2282/12 dated 18 June 2012 places lien on immovable property in Pirot – Occupational Health Building in favor of Hypo Alpe Adria Bank AD Belgrade.

Mortgage statements nos. 691/09 dated 20 July 2009, resolution no. 1238/09 dated 29 December 2009, 1810/2011 dated 28 June 2011, 1809/11 dated 28 June 2011 and 3510/12 dated 26 September 2012 places lien on immovable property in Pirot – Rubber Technical Goods in favor of Hypo Alpe Adria Bank AD Belgrade.

Mortgage statement no. 2382/2012 dated 26 June 2012 places lien on immovable property in Belgrade, Cara Nikolaja II Street and lien on the Administrative Building in Pirot in favor of Srpska banka AD Belgrade.

Mortgage statements nos. 2381/2012 dated 26 June 2012 and 1907/2014 dated 29 May 2014 places lien on immovable property in Pirotu - „Old Rubber Footwear“- Cardboard, land and objects, in favor of Srpska banka AD Belgrade.

Mortgage statements nos. 4714/10 dated 21 April 2010, 2352/10 dated 26 May 2010 and 420/13 dated 12 February 2013 place lien on immovable property in Nis in favor of Societe Generale bank AD Belgrade.

Mortgage statements nos. 1712/2010 dated 21 February 2010, 2351/10 dated 26 May 2010 places lien on immovable property in Pirot – business premises of Tigar Incon, in favor of Societe Generale bank AD Belgrade.

Mortgage statement no. 3279/11 dated 21 November 2011 places lien on immovable property in Pirot – business premises of Tigar Incon in favor of Societe Generale bank AD Belgrade.

Mortgage statement no. 3281/11 dated 21 November 2011 places lien on immovable property in Pirot – business premises in Dragos street in favor of Societe Generale bank AD Belgrade.

Mortgage statement no. 3278/11 dated 21 November 2011 places lien on immovable property in Pirot – central kitchen, in favor of Societe Generale bank AD Belgrade.

Mortgage statements nos. 428/2012 dated 14 February 2012 and 1849/2012 dated 21 May 2012 and 2612/2012 dated 10 July 2012 places lien on immovable property in Pirot, Cacak and Novi Sad, in favor of AIK bank AD Nis.

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Mortgage statement no. 3165/2012, od 30 August 2012 places lien on immovable property in Pirot – building of Energetics (Power Plant) and of Hotel StarA , in favor of Erste bank AD Novi Sad.

Mortgage statements nos. 1917/12 dated 25 May 2012, 1918/12 dated 25 May 2012, 1919/12 dated 25 May 2012 and 1920/12 dated 25 May 2012 –Tigar III b, in favor of Postal Savings Bank AD Belgrade.

Resolution no. 05-433-100358298/2014-2 dated 8 April 2014 and resolution no. 079-433-05-161/2014/5 dated 26 June 2014 places lien on immovable property in Pirot in favor of Tax Administration, branch office Pirot.

Mortgage statement no. 4169/12 dated 09 November 2012 places lien on immovable property in Pirot, in favor of Development Fund of the Republic of Serbia.

According to the mortgage statement no. 10957/08, dated 14 October 2008, a lien on real estate was made in Pirot- Tigar Rubber Footwear, in favor of German Investment Bank.

According to mortgage statement no. OPU-1405-2015 made on 22 October 2015, a lien on real estate was made in Pirot, for the land no. 705 KO Dobri Do in the List of real estate and for the object of Personnel Department on the location of Tigar II in favor of Societe Generale Bank AD Belgrade.

According to mortgage statement no. OPU- 1734-2015 dated 24 December 2015, a lien on real estate was made in Pirot- location of an old Tigar Rubber Footwear and Cardboard Plant, the same as business space in Belgrade, Car Nikolaj II Street no. 37 in favor of Serbian Bank AD Belgrade.

According to mortgage statement no. OPU- 1636-2015 and no. 1637-2015 dated 7 December 2015, a lien on real estate was made in Pirot- land of Tigar 3 and objects no. 9, 10, 26, 45, 47 and 48 in the Land Registar under the number 3620/1 in favor Societe Generale Bank AD Belgrade and Bank Postanska Stedionica AD Belgrade.

According to mortgage statement no. OPU- 1635-2015 dated 7 December 2015, a lien on real estate was made in Pirot-land and objects on Planinarski dom in Pirot, Real Estate Folio in the Land Register number 1302 KO Izvor in favor of AIK Bank AD Nis.

## 4.2. LEGAL PROCEEDINGS

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

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

For all of these disputes, effective court rulings exists, 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.

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

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## 5. THE POSITION ON THE CAPITAL MARKET

Trading on the BSE from the beginning of 2016 was still characterized by a low level of investment activity and low liquidity. The year 2015 is the fourth year in a row that records the increase of BSE indices – until the sixth month when was recorded the decrease of BSE indices, belex 15 by 8.86% and belexline by 8.27%. The decrease of BSE indices has been continued in the first quarter of 2016 when belex 15 recorded a decrease by 4.12% and belexline had a decrease by 2.58%. Expected recuperation of trading was not achieved, thus chronic illiquidity unfortunately became one of the main characteristics of Serbian capitals market. Successful revision of the program with the International Monetary Fund, lower deficits and stable exchange rate could have a positive impact on potential investors and the growth of domestic capital markets in the future.

The negative trend in the movement of share prices which is observed from the mid of the year 2012, continued in 2013 and 2014 and in the first quarter of 2015. In mid-March, the price of Tigar's shares reached a low of 30 RSD. By the end of the same month, there was recorded a significant increase in the price of company's shares. Trading in the third and fourth quarter of 2015 proceeded at a level of 76 - 100 dinars, which is significantly below the nominal value of 374 RSD, but is almost three times higher in relation to the lowest price at which Tigar's shares were traded during the first quarter of 2015 and by 40.85% higher in relation to the prices shares were traded on the last day of 2014.

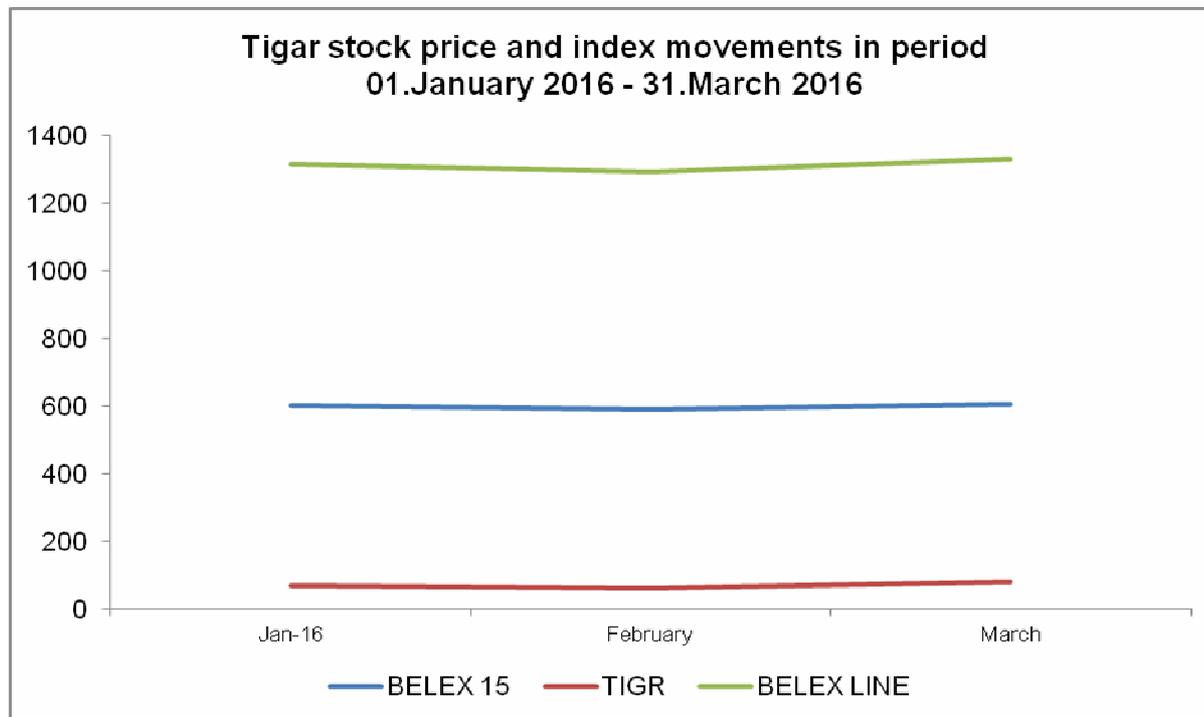
In the first quarter of 2016, the price of Company's shares was fluctuating between RSD 60-81, and it was traded 5,526 shares, equal to 0.32% of the total number of issued shares. On the last day of March, it was recorded the significant increase of price from RSD 62 to RSD 81, which is actually growth of the price for 30,65%.

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

	31 DECEMBER 2015	31 MARCH 2016	% OF CHANGE
<b>Number of shareholders</b>	4,441	4,427	- 0,32
<b>Total number of shares</b>	1,718, 460	1,718,460	
<b>Book value of shares</b>	-1.420,00	-1.519,18	
<b>Market price of shares</b>	76,00	81,00	6,58
<b>Lowest price during the period (in RSD)</b>	60.00 – 11.02.2016.		
<b>Highest price during the period (in RSD)</b>	81.00 –31.03.2016.		
<b>Average price I-III 2016</b>	67,77		
<b>Market capitalization in RSD</b>	130,602,960	139,195,260	

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

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

In the second quarter of 2014, the company has held the Extraordinary session of General Assembly at which approval has been given for the launching of the Prepackaged Plan of Reorganization, which was handed over on 29 May 2014 to the Commercial Court in Nis.

The Prepackaged Plan of Reorganization became final on 1 June 2015 and on 16 June 2015 began its implementation in accordance with repayment schedules.

Ownership structure at the end of the first quarter of 2016:

<b>Shareholders</b>	<b>31 March 2016</b>
Legal entities	53.78
Individuals	35.34
Custody accounts	10.88

Tigar's ownership structure in the first quarter of 2016 is characterized by stable stakes of three groups of shareholders: the Serbian government (via its two national funds); institutional investors (domestic and international) and a group of natural persons.

#### **Top ten shareholders as of 31 March 2016**

Compared with the same period in 2015, when there were traded 157,433 shares, during the first quarter of 2016 5,526 shares have changed their owners which did not lead to significant changes in the top ten shareholders.



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The order of the first ten shareholders and their ownership structure is shown in the following table:

Ord.no.	Shareholder – Name/Business name	Number of shares	% of share
1	NATIONAL SHARE FUND AD BELGRADE	429,429	24.99
2	NIKOMMS DOO BELGRADE	261,903	15.24
3	NATIONAL PENSION AND DISABILITY FUND OF THE REPUBLIC OF SERBIA	149,981	8.73
4	ERSTE BANK AD NOVI SAD - Custody account	87,387	5.08
5	ERSTE BANK AD NOVI SAD - Custody account	64,518	3.75
6	RADENKOVIC NIKOLA	39,540	2.30
7	TZR NATURA VITA	25,100	1.46
8	SOCIETE GENERALE BANK SERBIA - Custody account	11,480	0.67
9	JOKIC MILOS	10,643	0.62
10	MILJKOVIC IVAN	10,607	0.62

Data from the Central Registry of Securities and the Depository and Clearing House as of 31 March 2016 were published at [www.crhov.rs](http://www.crhov.rs)

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## 6. SUSTAINABLE DEVELOPMENT

### 6.1. EMPLOYEES

#### Headcount and structure

On 31 March 2016 the number of people employed in Tigar Corporation was the following:

<b>Workforce on 31 March 2016</b>	
<b>Company</b>	<b>Number of employees</b>
Tigar AD collectively	<b>1,077</b>
– Tigar AD	245
– Tigar Rubber Footwear plant	694
– Tigar Technical Rubber Goods plant	117
– Tigar Chemical Products plant	21
<b>Other</b>	<b>458</b>
<b>Total</b>	<b>1,535</b>

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

#### Employee expenses

Total employee expenses in the period I-III 2016 incurred by Tigar AD and its subsidiaries (100% of Company's ownership), apart of net wages include the costs related to taxes and contributions, in-house meals, and local transportation.

<b>Total employee expenses in the period I-III 2016</b>		
	Net salaries and wages in 000 RSD	Gross salaries and wages in 000 RSD
<b>TIGAR AD collectively</b>	<b>116,882</b>	<b>198,626</b>
Tigar AD	28,556	47,977
Tigar Rubber Footwear	73,593	125,507
Tigar Technical Rubber Goods	12,208	20,662
Tigar Chemical Products	2,525	4,480
<b>Other</b>	<b>41,992</b>	<b>70,979</b>
<b>Total</b>	<b>158,874</b>	<b>269,605</b>

#### Optimization of human resources

During the period I-III 2016, 28 of permanently employed people have left Tigar AD and its dependent entities.

<b>Organizational unit</b>	<b>No. of employees/ RSD</b>	<b>Pension</b>	<b>Redundancy</b>	<b>Other*</b>	<b>TOTAL</b>
Tigar AD collectively	No. of employees	8	3	13	24

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	Amount in RSD	972,802.00	310,581.00		1,283,383.00
– Tigar AD	No. of employees		3	4	7
	Amount in RSD		310,581.00		393,920.00
– Tigar Rubber Footwear	No. of employees	6		5	11
	Amount in RSD	749,750.00			749,750.00
– Tigar Technical Rubber Goods	No. of employees	2		2	4
	Amount in RSD	223,052.00			223,052.00
– Tigar Chemical products	No. of employees			2	2
	Amount in RSD				
Other	No. of employees			4	4
	Amount in RSD				
Total	<b>No. of employees</b>	<b>8</b>	<b>3</b>	<b>17</b>	<b>28</b>
	<b>Amount in RSD</b>	<b>972,802.00</b>	<b>310,581.00</b>		<b>1,283,383.00</b>

As of these 17 full-time employees who terminated their employment on other grounds, 14 employees resigned of their own volition, termination of employment for violation of obligations - 2 employees and job protected time away- 1 employee.

Optimization and reduction in the number of permanent employees is an integral part of the restructuring process. This process began in 2013 and continued in 2016.

### Employee training

The following number of employees was trained in the period I-III 2016 through internal and external training programs:

Employee training – internal and external			
	INTERNAL TRAININGS	EXTERNAL TRAININGS	TOTAL
<b>Tigar AD collectively</b>	375	11	386
Tigar AD	40	10	50
Tigar Rubber Footwear	238	1	239
Tigar Technical Rubber Goods	95	0	95
Tigar Chemical Products	2	0	2
<b>Others</b>	<b>237</b>	<b>0</b>	<b>237</b>
<b>Total</b>	<b>312</b>	<b>11</b>	<b>623</b>

Employee training expenses in their period I-III 2016 amounted to RSD 412,610.00 or 0.15% of paid gross salaries.

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In the period January- March 2016, 55 Pirot secondary school students have completed their internships in Tigar.

2 students have carried out internships (professional practice) in the period January- March 2016.

## 6.2. INTEGRATED MANAGEMENT SYSTEMS

Tigar's quality management system (ISO 9001) was initially certified in 1995 by the then Federal Standardization Bureau. Following the introduction of environmental management standards (ISO 14001) in 2003, and occupational health and safety standards (OHSAS 18001) in 2010, Tigar's system was upgraded accordingly. Even in difficult business conditions are made efforts for the preservation and promotion of integrated management systems although the certification cycle in rubber footwear plant terminated, the IMS is not abandoned. The first quarter of 2015 was marked by the upgrading of the documentation basis of the company Tigar Rubber Footwear, and of the related processes within Tigar AD, and were carried out preparatory works for the re-certification of integrated management systems in manufacturing entity Tigar Rubber Footwear. In June were certified integrated management systems according to ISO 9001, ISO 14001 and OHSAS 18001 certification by TUV Rheinland Inter Cert I.I.c. from Belgrade. In the current system there was not established any inconsistency with the requirements of the relevant standards. At the moment there are preparing activities for the re-certification of integrated management systems of Tigar Technical Rubber Goods and activities for conducting an inspection in Tigar Rubber Footwear.

## 6.3. ENVIRONMENTAL PROTECTION AND OCCUPATIONAL HEALTH AND SAFETY

Tigar's manufacturing facilities, production of rubber footwear, technical rubber goods and recycled rubber products are located in the industrial zone of the city, at the end of the Pirot valley. Condition of the natural environment and the unaltered ecosystem attest to the good environmental practices of the company. The commitment towards sustainable development and care about its employees is the long years policy and practice. Production of chemical products has been relocated and now takes place in the rented industrial space of the former company Suko AD out of the inhabited settlement.

By the estimation of the Ministry in terms of environmental impacts, production activities of the company are qualified as an activity with low environmental risk. Production entities are not listed either in the IPPC nor in the group of SEVESO facilities. Handling and storage of chemicals is carried out in accordance with regulations and internally defined procedures with the help of internal experts. About the generated waste takes care the company Ti-car Secondary raw materials, a certified operator for waste management. As for the fire safety, security and response to emergencies, there is in charge Tigar Security. Taking care of packaging and packaging waste, air quality monitoring and waste water, determining safety of electrical installations and equipment in terms of security as well as determining the condition of the working environment, shall be entrusted to external authorized institutions.

In accordance with the legislation, in March 2015 were made the reportings on environmental parameters by the direct entering of data into the information system of the Agency for the Environment. There were generated annual reports on packaging and packaging waste, Products which after use become special waste streams, Annual reports on waste for production entities of the company, the annual report on the balance of emissions of air pollutants. There was also made the registration of imported chemicals and products of the company Tigar Chemical Products, which are subject to registration and to the Ministry of Agriculture and Environmental Protection was submitted supporting documentation that includes a Dossier on chemicals for all chemicals and the Safety data sheet for hazardous materials. Local Self-

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Government was submitted the reports for the purpose of forming the Local registry of pollution sources, in accordance with the law.

Previously entered long-term contracts with operators of packaging waste management, Ekostar pak and Sekopak are still valid, only that because of the merger of productional entities to parent company (status change), the contract with Sekopak was concluded with Tigar AD.

In the period January - March 2016 was carried out sampling and testing of wastewater quality.

#### 6.4. INTELLECTUAL PROPERTY

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

##### Registered trademarks ending with 31 March 2016:

Request No.	Request	Req.	Trademark	Valid	Owner
Z-247/80	30.04.80.	31499	Tigar	21.12.17.	Tigar AD
Z-2606/06	14.11.06.	54763	Tigar	14.11.16.	Tigar AD
Z-84/385	17.01.84.	29947	Tigar Tq 615	25.05.17.	Tigar AD
Z-947/07	30.04.07.	55640	Tigar Mountain	30.04.17.	Tigar AD
Z-918/07	27.04.07.	55822	Tigar Tours	27.04.17.	Tigar AD
Z-842/07	18.04.07.	55612	Markol	18.04.17.	Tigar AD
Z-1129/07	17.05.07.	55735	Tigar Incon	17.05.17.	Tigar AD
Z-890/80	11.07.03.	49590	Tigar Sports	11.07.23.	Tigar AD
Z-152/07	29.01.07.	56018	Tigar	29.01.17.	Tigar AD
Z-1703/07	26.7.2007	56315	Tigar R.	26.07.17.	Tigar AD
Z-1704/07	26.07.07.	56315	Tigar R.	26.07.17.	Tigar AD
Z-2440/07	17.10.07.	56731	Tigar Chemical	17.10.17.	Tigar AD
Z-212/08	5.2.2008	57737	Tigrostik	05.02.18.	Tigar AD
Z-211/08	05.02.08.	57738	Tigrolux	05.02.18.	Tigar AD
Z-214/08	05.02.08.	57650	Tigropren	05.02.18.	Tigar AD
Z-213/08	05.02.08.	57649	Tigrokol	05.02.18.	Tigar AD
Z-768/08	31.03.08.	57538	Hotel StarA	31.03.18.	Tigar AD
Z-1433/08	06.06.08.	58815	Overload	06.06.18.	Tigar AD
Z-1475/08	11.06.08.	58462	Waterpolo	11.06.18.	Tigar AD
Z-1473/08	11.06.08.	58427	Waterpolo Mini	11.06.18.	Tigar AD
Z-1431/08	06.06.08.	58813	Waterpolo Junior	06.06.18.	Tigar AD
Z-1472/08	11.06.08.	58428	Specijal	11.06.18.	Tigar AD
Z-1432/08	06.06.08.	59305	Basketball Tq21	06.06.18.	Tigar AD
Z-1474/08	11.06.08.	58424	Neos	06.06.18.	Tigar AD
Z-1469/08	11.06.08.	58426	Tricker Ball	11.06.18.	Tigar AD
Z-1471/08	11.06.08.	59401	Bistro	11.06.18.	Tigar AD
Z-1468/08	11.06.08.	58423	Overload	11.06.18.	Tigar AD
Z-1470/08	11.06.08.	58425	Dynamic	11.06.18.	Tigar AD
Z-1429/08	06.06.08.	58464	Overload	06.06.18.	Tigar AD
Z-1467/08	11.06.08.	58430	Overload	11.06.18.	Tigar AD
Z-1476/08	11.06.08.	58463	Overload	11.06.18.	Tigar AD
Z-1430/08	06.06.08.	59304	Basketball TG21	06.06.18.	Tigar AD
Z-2441/07	17.10.07.	56730	Tigar	17.10.17.	Tigar AD
Z-2681/08	03.11.08.	59486	Trapper	03.11.18.	Tigar AD
Z-2682/08	03.11.08.	59485	Pesca	03.11.18.	Tigar AD
Z-2679/08	03.11.08.	59327	Rainydays	03.11.18.	Tigar AD
Z-2680/08	03.11.08.	59334	Nency	03.11.18.	Tigar AD

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Z-2678/08	03.11.08.	59333	Ladybird	03.11.18.	Tigar AD
Z-2677/08	03.11.08.	59336	Ratar	03.11.18.	Tigar AD
Z-2676/08	03.11.08.	59451	Balerina	03.11.18.	Tigar AD
Z-2675/08	03.11.08.	59335	Work	03.11.18.	Tigar AD
Z-2904/08	02.12.08.	59458	Polar	03.11.18.	Tigar AD
Z-2674/08	03.11.08.	59337	Protecta	03.11.18.	Tigar AD
Z-2673/08	03.11.08.	59390	Forestry Line	03.11.18.	Tigar AD
Z-2672/08	03.11.08.	60043	Fireproof	03.11.18.	Tigar AD
Z-2671/08	03.11.08.	59326	Cryo	03.11.18.	Tigar AD
Z-2670/08	03.11.08.	59387	Sparclesafety	03.11.18.	Tigar AD
Z-2661/08	31.10.08.	59341	Firefighter Super	31.10.18.	Tigar AD
Z-2662/08	31.10.08.	59452	Century Super	31.10.18.	Tigar AD
Z-2659/08	31.10.08.	59334	Century 4000	31.10.18.	Tigar AD
Z-2660/08	31.10.08.	59345	Forester 3000	31.10.18.	Tigar AD
Z-2903/08	02.12.08.	60464	Trendy	02.12.18.	Tigar AD
Z-1468/05	31.10.05.	53797	Tigar Trgovine	31.10.15.	Tigar AD
Z-551/09	27.03.09.	60789	Bottega	27.03.19.	Tigar AD
Z-639/09	13.04.09.	59942	Hotel StarA	13.04.19.	Tigar AD
Z-1011/09	30.06.09.	59367	Brolly	30.06.19.	Tigar AD
Z-1012/09	30.06.09.	59366	Maniera	30.06.19.	Tigar AD
Z-1685/09	03.11.09.	60513	Stop&Drive	03.11.19.	Tigar AD
Z-1686/09	03.11.09.	60514	S&D	03.11.19.	Tigar AD
Internat. trademark	03.07.97.	675 773	Tigar	20.05.17.	Tigar AD
Internat.trademark237003/1	07.09.09.	1020263	Brolly	07.09.19.	Tigar AD
Internat.trademark235877/1	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	25.05.20.	T.R.Footwear
Finland	20.11.85.	94345	Forester	20.11.15.	T.R. Footwear
Norvey	14.11.85.	123042	Forester	14.11.15.	T.R. Footwear
Sweden	26.07.85.	197287	Forester	26.07.15.	T.R. Footwear

The flagship trademark is “a stylization of a tiger's head with the logo 'Tigar' inscribed in the Cyrillic or Latin alphabet” (Article 1 of the By-Laws). The design and contents of the flagship trademark fall within the jurisdiction of the Supervisory Board. Affiliated companies, which are controlled by Tigar AD, may use the flagship trademark.

Tigar AD holds three internet domain names: [www.tigar.com](http://www.tigar.com), [www.tigar.co.rs](http://www.tigar.co.rs) and [tigar.rs](http://tigar.rs)

Tigar holds no software copyrights or broadcasting rights. Tigar uses standard software under licenses duly acquired from software manufacturers or distributors. Pursuant to Article 55 paragraph 2 of the Particular Collective Contract, employees are entitled to compensation on the basis of innovation (outstanding contribution to increasing productivity, improving quality, new technical solutions and improvements in production processes).

No objections or claims are filed toward Tigar, or by Tigar, in connection with the violation of intellectual property rights.

## 6.5. INFORMATION TECHNOLOGY

The IT Department is a part of Tigar AD dealing with the processing of business data on a central host computer for all the parts of Tigar company. Its key activities include:

- Development of application software
- Installation of software

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- 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 within the corporation

## 6.6. SOCIAL RESPONSIBILITY

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

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

The company has defined as its philanthropic policy key principle that specific projects and actions must contribute to the general development and welfare of many people. Key areas of philanthropic activities of Tigar support the building of an inclusive society and strengthen the environmental awareness. The Company has made clear commitment to the further development of employee volunteering, giving support to the development of knowledge and talent, promoting positive entrepreneurial climate and encouraging the development of leadership skills and knowledge.

Philanthropic projects in the reporting period were related to key areas - contribution to the general welfare of the community, building an inclusive society and support to the school system and sport on the local level through contribution to children's physical development.

In its so-far work, Tigar AD has shown initiative in the field of CSR and philanthropy and was the support and participant in many types of humanitarian actions.

The support to the school system and physical development of children and youth is being continued in 2016.

On the local level, sports equipment was donated to the women's volleyball club, and support was given to the football and chess club and ski center.

Tigar AD supported the organization of the republican contest in Technical school in Pirot in the means of a donation of sports equipment which was given to the best contestants.

Tigar AD provided financial assistance for the organization "A friend in need" which was established with the aim of providing assistance, in cooperation with donors, for children and adults with disabilities or without parental care.

Because of natural disasters which have happened in western Serbia in March 2015, Tigar AD donated rubber boots to the affected people.

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Tigar AD donated older office furniture to the National Theatre in Pirot (Narodno pozoriste Pirot), for the needs of performance in the Theatre.

## 6.7. CORPORATE GOVERNANCE

### Supervisory Board of Tigar AD Pirot

The Supervisory Board, as the body of the bicameral management system operates and makes decisions in the following composition:

Nebojsa Petrovic, Chairman  
Aleksandar Djurkovic  
Aleksandar Radojevic  
Bogdan Popara  
Nikola Radenkovic

\*\*\*On 31 March 2016, Nikola Radenkovic holds 39.540 shares, while other members of the Supervisory Board do not hold any of company's shares.

### Executive Board of Tigar AD Pirot

Executive Board operates in the following composition:

Nebojsa Djenadic, ED for Corporate Management  
Gorica Stankovic, ED for Finances and Accounting  
Zorica Mladenovic, ED for the support of Business Activities  
Branislav Curic, ED for Commerce and Marketing  
Zoran Mancic, ED for Production Processes, Development and Investments

The Executive Board will make decisions falling within its competence on the occasion of its respective sessions.

## 7. MAJOR JANUARY- MARCH 2016 TRANSACTIONS WITH RELATED PARTIES

Tigar's operating system functions as a mixed holding company made of the parent company - Tigar AD and 17 dependent entities of which 9 are 100% owned by the parent company; while remaining dependent entities are in its majority ownership. On 11 September 2015, there was conducted a status change by merging of production factories (Tigar Rubber Footwear, Tigar Technical Rubber, Tigar Chemical Products) to Tigar AD and in accordance with the Prepackaged Plan of Reorganization.

The parent company, Tigar AD, deals with: a) production operations, b) holding operations - management, financing and development of dependent entities in which it holds 100% or majority ownership, c) commercial activities, and d) the generation of energy and fluids (for productional entities). Dependent entities are grouped into divisions according to the basic type of activities they perform: 1) commercial entities, 2) service entities and 3) commercial & service entities. None of the dependent productional or service entities that is 100% owned by the parent company is not in a functional sense rounded and holistic enterprise. To some degree or on an overall basis, the basic functions and support functions have been transferred to the parent company.

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

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

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

## **8. RESEARCH AND DEVELOPMENT**

One of the main goals of development is to maintain the current flexibility and willingness to meet the specific requirements of customers. Costs of product research and development are regular component of the off-take production. There are significant opportunities related to capitalization of these costs through the development and improvement of production and characteristics of own-brand products.

## **9. ADVANTAGES AND RISKS**

### **9.1. ADVANTAGES**

#### **Leading producer of rubber products in the region**

Tigar's product portfolio includes rubber footwear, rubber technical goods and chemical products. Its production facilities for manufacturing rubber are located within a single industrial location, ensuring their strong synergy. For example, certain groups of products made by one segment constitute semi-finished products for another segment. In addition to its industrial capacities, Tigar operates a national sales network which offers both Tigar-made products and complementary products made by other manufacturers, including tires and car parts.

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### Convenient location

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

### Brands

The Tigar corporate brand holds a dominant and distinctive position in both Serbian and regional markets. Within this particular brand is specially recognized the redesigned brand **Tigar hunting program**, which was won in 2011 and in 2015 acquired its full market recognition. Woman's fashion program **Maniera** and children's program **Brolly** are among the brands created by their own R&D - from construction, technology, choice of material until the model and product branding. Offering children's, women's fashion-, yachting, leisure and lux categories of footwear, these brands have yet to fight for their recognition and market share. However, the fact is that most of the rubber footwear production is done under private brands of customers – contract manufacturing - (55%), and that Tigar branded rubber footwear is not properly positioned, regardless of the high quality of products. Through international acquisitions, Tigar has acquired ownership of the safety footwear brands - Century and finished products made from recycled rubber - Bilgutex. In the previous period we have invested efforts in certification and recertification of the complete safety program Century was finalized by the end of 2015. Certification of the working rubber boots program is undergoing. The process of developing, i.e., winning new private brands in the safety and hunting rubber footwear program is in progress as well as the development and redesign of the fashion program under the brands of our existing customers. In the Chemical Products program exist several private brands, which are owned by Tigar and include the Tigar name, such as tigrostik, tigrokol, markol, tigrolux...

Strategy in the coming years is based on the constant strengthening of Tigar owned brands on both domestic and international market, with the ultimate goal of equalizing income from sales of goods under its own brands with brands that are owned by other customers.

### Service network

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

Through the analysis of business activities shall be carried out the allocation of certain facilities, the closure of unprofitable objects and the opening of new, profitable sales & service centers.

### Long-term experience in international strategic partners

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

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## 9.2. RISKS

Risk management with which the company is facing can be classified into strategic and operational risks. In the part of managing strategic risk, the company can not affect the possible risk factors, such as:

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

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

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

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

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

### **Market- and Industry-related risks**

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

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

#### The market is characterized by:

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

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

The market is characterized by:

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

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

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

The market is characterized by:

- low purchasing power of the domestic market
- accentuated price sensitivity of demand.
- high pressure of competitors in all market segments.

### **Credit risk and the cost of borrowed capital**

Financial risks include the market risk (foreign currency and interest rate), credit risk and liquidity risk. Exposure to foreign currency risk is reflected in payables toward suppliers from from abroad, borrowings, as well as cash and cash equivalents.

Exposure to price change risk is greatest in the part related to procurement of raw materials imported and is associated with exposure to foreign exchange risk. The Company has applied the stabilization of operations and measures to decrease the impact of this risk to the business, which is mainly associated with contracting long term business relationship with suppliers from abroad and timely procurement of raw materials.

The Company does not use any financial instruments to avoid the impact of financial risks on business operations because such instruments are not widely used, nor is there an organized market for such instruments in the Republic of Serbia.

By neglecting this group of risks, the corporation found itself in the pre-bankruptcy state in the previous period. Using the tools to control credit risk, there is envisaged to create as soon as possible a business system that will be creditworthy, firstly, in the long-term and investment loans. By continuous monitoring of analytical indicators are set the guidelines for taking immediate corrective measures concerning the business operations. Management of the cash flow aims to lower the cost of borrowed capital.

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

During the reporting period, there were no major changes in ownership structure and shareholding concentration. The current situation does not indicate that in the near future the company may face with the risk of a large concentration of ownership that could significantly affect the existing business strategy and development policies. Regular communication with major shareholders allows it to anticipate possible developments in the part of the ownership consolidation.

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The state, through its two funds - Equity Fund and Pension and Disability Insurance Fund, is the company's largest shareholder with a share of 33.71%. Regarding the sale of the state-owned shares, there are no indications at the moment that this process could begin during 2016.

There is no formal risk management framework for the Company's capital. The Company's management considers the capital risk, on the basis of risk mitigation and the belief that the company will be able to maintain the principle of business continuity.

### **Reputation risk**

Series of activities in the Company and those related to it, initiated the need to pay greater attention on monitoring the level of reputational risk in the future and to set it as one of priorities.



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

### **Registration of the status change of the merger of the subsidiary to the parent company**

By the decision issued by the Agency for Business Registers no. 32088/16 dated 22 April 2016, the Company for providing tourist services Tigar Tours I.I.c. Pirot was removed from the Agency for Business Registers, due to the status change of merging to the parent company- Tigar AD Pirot (the Joint Stock Company Tigar Pirot), as acquiring company.

### **Changes in the business of the entities Tigar Europe and Tigar Americas:**

It is undergoing the process of voluntary liquidation of the company Tigar Europe with the seat in London, where Tigar AD owns 50% of the share capital. The corresponding part of the liquidation estate shall be paid in installments and used for dedicated purpose, in accordance with the decisions of the Supervisory Board.

Due to the lack of communication with the director and unsatisfactory operating results, the process of shutdown of Tigar Americas is ongoing, commercial enterprise based on the territory of the United States of America in which Tigar AD figures as the owner of 100% of the share capital.

### **Investment activities**

Construction works on building the first phase of plant for production of rubber compounds begun in July, 2015 and ended at the end of the first quarter of 2016.

Test production in the plant for production of rubber compounds begun on 11 April 2016 and this plant was officially opened on 20 April 2016.

**DIRECTOR OF ACCOUNTING FUNCTION  
TIGAR AD**

**Aleksandra Djordjevic**

**MANAGING DIRECTOR OF TIGAR AD**

**Nebojsa Djenadic**

**CHAIRMAN OF TIGAR AD  
SUPERVISORY BOARD**

**Nebojsa Petrovic**

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## **DECLARATION**

Pursuant to the article 50, item 3 of the Capital Market Law, as individuals responsible for the preparation of quarterly reports, we hereby declare that to our best knowledge these Reports have been prepared applying appropriate international financial reporting standards and that it is a true and objective presentation of the assets, liabilities, financial position, business, profits, losses, cash flows, and capital changes of this public company, including its subsidiaries whose results are included within the consolidated statements.

The Supervisory Board of the Company has reviewed and approved the quarter report at its meeting held on 12 May 2016.

**DIRECTOR OF ACCOUNTING FUNCTION  
TIGAR AD**

**Aleksandra Djordjevic**

**MANAGING DIRECTOR OF TIGAR AD**

**Nebojsa Djenadic**

**CHAIRMAN OF TIGAR AD  
SUPERVISORY BOARD**

**Nebojsa Petrovic**