



**BUSINESS REPORT
FOR THE PERIOD JANUARY- DECEMBER 2015**

Document Reference

IZ.P. 15/04

**BUSINESS REPORT
FOR THE PERIOD
JANUARY – DECEMBER 2015**

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ASSESSMENT OF THE PERFORMANCE IN THE PERIOD JANUARY- DECEMBER 2015

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 2015 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.

Production in Tigar AD (Joint Stock Company Tigar Pirot) in the period January-December 2015 recorded a growth compared to the same period last year of 8% in the field of production of rubber footwear in tons, or an increase of 12% when speaking of the production in pairs. Production in tons of Tigar Rubber Technical Goods decreased by 27% in relation to the last year, while the production in tons in Tigar Chemical Products has decreased by 12%. Total external sales of Tigar's program since the beginning of the year stood at 1.834 million dinars, of which 66,63% was achieved in exports and is lower by 3,66% compared to the previous year. The sale of the Tigar Rubber Footwear program is at the same level as it was in the same period last year. Consolidated operating income has recorded a growth compared to the same period last year by 3%. The most significant business indicators such as EBIT and EBITDA are also continuing with the trend of stabilization of business operations in 2015. The operating profit (EBIT) in the period January- December 2015 was recorded in the amount of RSD 19,916 thousand while in the same period last year was reported operating loss of RSD 248,501 thousand. Operating profit before depreciation (EBITDA) amounted to RSD 213,226 thousand and in the same period last year was recorded an operating loss before depreciation in the amount of RSD 32,197 thousand. This was the first time of achieving the positive business result after the process of stabilization.

We especially emphasize the fact that in the fourth quarter of 2015, Tigar AD has also continued its operations without any additional borrowing with the banks.

At that time, there were initiated activities in part of the construction of a factory for the production of compounds. Representatives of the company Tigar AD signed the Contract for design and construction with Delta Engineering, which was later the contractor. The project predicted that the construction of the factory on the total area of 3.000 m², will be realized in two phases. The first phase predicts the construction of a production object for making rubber mixtures, and the second one predicts the construction of a warehouse and laboratory for controlling of raw materials. The first phase of the project, which is the construction of the new production object on the area of 1.780 m² was successfully realized in less than nine months, ending with date March 31, 2016. The value of investment in the first phase is 1,175,872.80 euros. 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 June 1, 2015, there has begun the implementation of the measures that have been envisaged in the Plan.

As one of the measures of implementation of the Prepackaged Plan of Reorganization of Tigar AD was carried out the status change implying the merger of production entities: Tigar Rubber Footwear, Tigar Technical Rubber Goods and Tigar Chemical Products to the parent company - Tigar AD Pirot. Legal consequences of the merger to the parent company or deletion from the register of the above stated business entities became effective on the date of registration of the status change at the Agency for Business Registers on September 11, 2015.

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.



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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, Tigar AD, the Company, and the Holding)

Corporate ID: 07187769

Web site: www.tigar.com

Core activity: 6420 – holdings

Number of shareholders: 31/12/2015 4,441

Assets: 31/12/2015 (000 din) 5,870,625

Registered address: 213 Nikole Pašića Street, 18300 Pirot, Republic of Serbia

Tax ID: 100358298

Certificate of incorporation: Registry File 1-1087

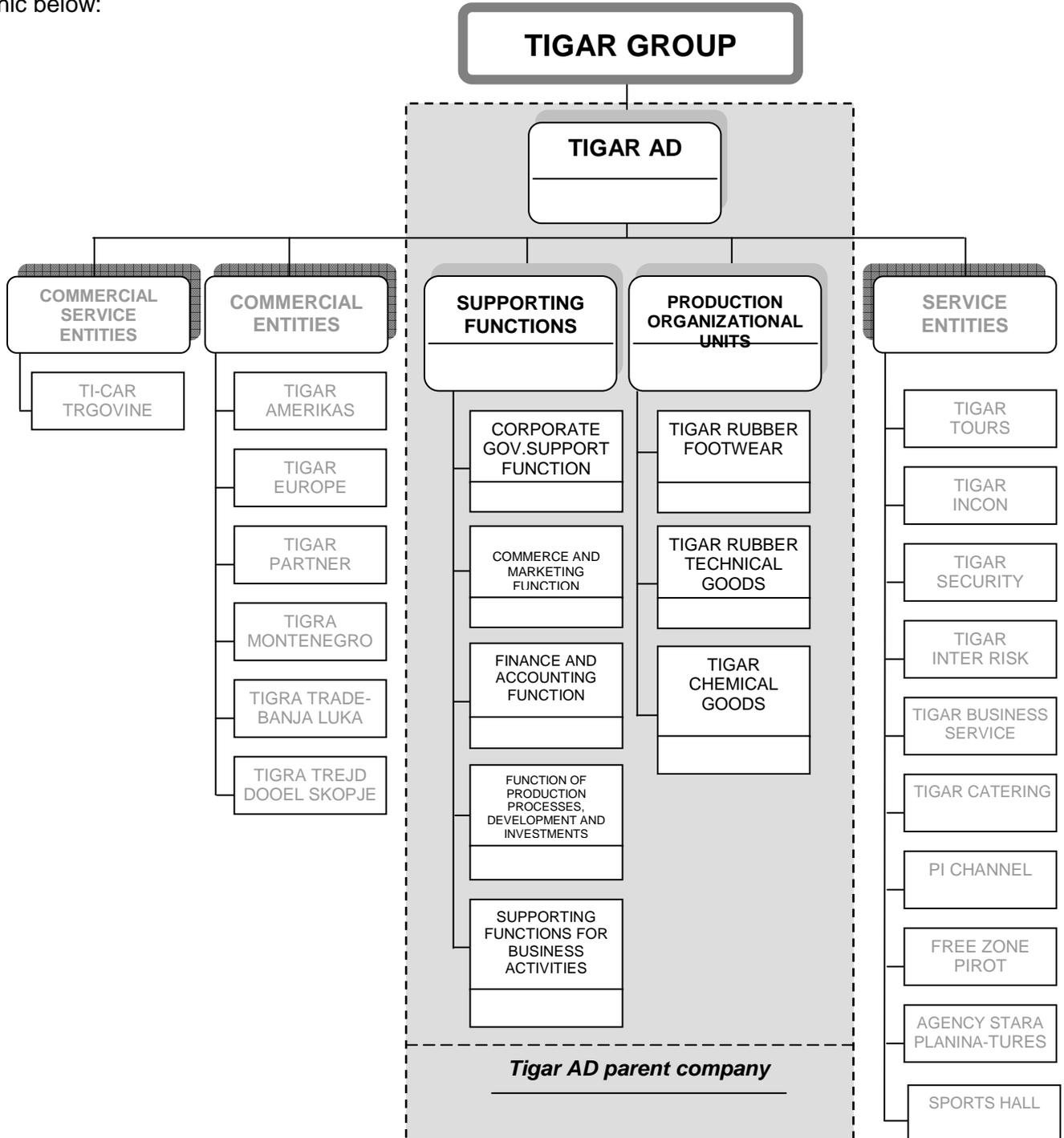
Number of employees: 31/12 /2015 1,564

Capital: 31/12/2015 (000 din) 0

Capitalization: 31/12/2015 (000 din) 130,603

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 2015 the investment status was as follows:

In '000 RSD	Purchases of fixed assets and intangible investments
	January-December 2015
Tigar Technical Rubber Goods Plant- until 11.09.2015.	255
Tigar Chemical Products Plant- until 11.09.2015.	0
Tigar Rubber Footwear Plant- until 11.09.2015.	6,882
Service entities	32,117
Tigar a.d.	85,728
Total	124,982

* On September 11, 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.

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.

At Tigar AD, investments are related to the construction of the warehouse for the bolt (screw) goods in the Tax Free Zone Piro, as well as the construction of a plant for the production of rubber compounds on the location Tigar III.

In the part of service entities were carried out repairs of the Hotel Stara – lobby, hallway and rooms and there was acquired necessary computer equipment, as well as the equipment for the catering (computer equipment, universal machines for the kitchen) necessary for the regular conduct of jobs.

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- December 2015 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.

In addition to off-take exports made under customers' brand names, Tigar sells safety rubber footwear under its proprietary brand names, such as Tigar and Century, Maniera fashion footwear, Broly children's footwear, and other types of footwear 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
- *Product 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 09m² 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 2015-2019 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

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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.

2.3. APPRAISAL OF THE MARKET POSITION OF THE RUBBER FOOTWEAR PROGRAM IN THE PERIOD JANUARY- DECEMBER 2015

In 2015, total sales of finished goods and products was lower by 2% in relation to the last year:

<i>Net income from sales of goods and products in Serbia and from Serbia</i>			
<i>In ' 000 RSD</i>	2014	2015	%
Tigar Rubber Footwear	1,588,941	1,587,149	0%
Rubber Technical Goods	273,154	216,853	-21%
Chemical Products	41,370	29,754	-28%
Tires	17,290	42,674	147%
Other programs	8,945	13,198	48%
TOTAL	1,929,699	1,889,628	-2%

Sale of Tigar's goods and products in Serbia and from Serbia in 2015 amounts little less than one billion and nine hundred million dinars (RSD), of which 66% in export (RSD 1.222 million). Tigar Rubber Footwear Plant stil records the highest share in export 92%.

<i>Net income from sales of goods and products in Serbia and from Serbia</i>			
<i>In ' 000 RSD</i>	2014	2015	%
Domestic market	598,672	667,776	12%
Tigar Rubber Footwear	426,545	467,077	10%
Rubber Technical Goods	125,630	128,059	2%
Chemical Products	20,262	16,768	-17%
Tires	17,290	42,674	147%
Other programs	8,945	13,198	48%

<i>Net income from sales of goods and products in Serbia and from Serbia</i>			
<i>In ' 000 RSD</i>	2014	2015	%
Export	1,331,027	1,221,852	-8%
Tigar Rubber Footwear	1,162,395	1,120,072	-4%
Rubber Technical Goods	147,524	88,794	-40%
Chemical Products	21,108	12,986	-38%

The sale of the rubber footwaer program in 2015 is at the same level as in the same period last year and there is decline in the sales in export by 4% while was recorded the growth of the sales volume on the domestic market by 10% in relation to the same period last year:

<i>Net income from sales of goods and products in Serbia and from Serbia</i>			
<i>In ' 000 RSD</i>	2014	2015	%
Tigar Rubber Footwear	1,588,941	1,587,149	0%
- Domestic market	426,545	467,077	10%
- Export	1,162,395	1,120,072	-4%

The 2015 were characterized by significant growth in sales in the domestic market (10%) in relation to the same period last year which partly resulted as a consequence of changes in the sales strategy and the

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conclusion of annual contracts with major customers with clearly specific deadlines for payments and deliveries (on a monthly and quarterly level). In comparative terms, in relation to the same period of 2014, the growth of the sales volume in the domestic market has been registered although this period last year was characterized by extreme weather and floods and the period behind us was characterized by unfavorable weather conditions when speaking for this type of product having the seasonal character and directly depends on meteorological conditions which were disadvantageous in the last quarter.

The main characteristic of the year 2015 in export has been the continuous meeting the demands and needs of existing customers in envisaged deadlines, but due to the decline of the in aggregate demand in major export markets was registered a decrease in sales by 4% in relation to the same period last year. During last year was also obtained and realized the tender for the supply of fire-fighting units in Hong Kong with safety rubber boots, after strict certification requirements and the tender itself and harsh competition; as for the customer Ilse Jacobsen Hornabaek (DEN), Tigar successively made new models and deliver them in accordance with the submitted delivery schedule, where the climax (in the sense of delivery) is expected in the first and second quarter of 2016 (for this customer were made more than 70 new models for the autumn- winter collection during 2015).

There were made contacts and realized businesses on the market in 2015 with CZE, SVK and BUL. It was renewed the cooperation with the new owner of the company Lindstrom and Nilsen (SWE) who was significant buyer of rubber footwear in the previous period and he has an intention to move the production from China to Europe. There were made contacts with the retail chain from FRA (Auchen).

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- DECEMBER 2015

The sale in 2015 in the factory Tigar Rubber Technical Goods was by 21% 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>			
<i>In ' 000 RSD</i>	2014	2015	%
Rubber Technical Goods	273,154	216,853	-21%
- Domestic market	125,630	128,059	2%
- Export	147,524	88,794	-40%

The previous year was characterized by significant growth in sales in the domestic market (2%) in relation to the same period last year and the dominant factor of the overall decrease in sales is the lack of realization of goods in export, mostly of rubber hoses on Russian market and the lowered volume of demand for the 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.

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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 outlets worldwide. It is also in progress the winning and homologation of small pressure rubber hoses for the customer from ITA (Martinello).

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).

2.5. ASSESSMENT OF TIGAR CHEMICAL PRODUCTS MARKET POSITION IN THE PERIOD JANUARY- DECEMBER 2015

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 28% 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).

At the end of 2015, Tigar has achieved the tender for the delivery of glue for the needs of Bulgarian Electric Power Industry what is expected to be realised in the second quarter of 2016.

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>			
<i>In ' 000 RSD</i>	2014	2015	%
Chemical Products	41,370	29,754	-28%
- Domestic market	20,262	16,768	-17%
- Exports	21,108	12,986	-38%

2.6. DISTRIBUTION OF TIRES, OTHER COMPLEMENTARY PRODUCTS AND SERVICES OFFERED BY THE SERVICE NETWORK IN THE PERIOD JANUARY- DECEMBER 2015

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.

<i>Net income from sales of goods and products in Serbia and from Serbia</i>			
<i>In ' 000 RSD</i>	2014	2015	%
Tires	17,290	42,674	147%
Other programs	8,945	13,198	48%
TOTAL	26,234	55,872	113%

Although it was noticed an increase in sales comparing with 2014 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

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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 for the autumn campaign.

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.

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, drastic increase of US dollar's value in comparison with euro's value and the influence of other extern and intern factors.

According to everything mentioned above, the prices of natural rubber had an increase in two quarters of this year, but from the beginning of the third quarter until the end of the year there was a decrease in prices with the significant decline in the last quarter (the price is 15% lower in the fourth quarter than in the third).

The prices of synthetic rubber have significantly declined in the first quarter in comparison with the end of the previous year for about 19%. When it is about synthetic rubber, there was an increase in prices with SBR, and a decline with NBR and CR, in the second and third quartal. In the last quarter, the price of this type of rubber fell for 14%, comparing to the previous quarter.

During 2015, the prices of EPDM compounds were mostly stable with slight deviation, while the price of polyurethane was in average lower for 6%.

Prices of char recorded a decrease of about 30% in the second quarter in comparison with the first quarter. There is a present decline in prices by an average of 10%, in the third and fourth quarter.

In the section of technical fabrics, prices were not changed during 2015 (after the initial decrease of woven textiles for 5% and more non-woven textiles for 3% than in 2014).

Prices of solvent are in the continuous decline, starting at the beginning of the year in quarters (for 14% in average, comparing with the end of 2014 and then in every upcoming quarters in average for 5 %)

The price of the oil fuel in quartals had also a decline, thus in the last quarter the price was lower for 13% comparing with the previous one, and the price was lower for 20% in comparison with the first three quarters.

2.8. PRODUCTION OUTPUT

The tables below show breakdowns by manufacturing programs.

Production (pairs)	January- December 2014.	January- December 2015.	%
Tigar Rubber Footwear	1,253,246	1,397,908	12%

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Production (tons)	January- December 2014.	January- December 2015.	%
Tigar R.Technical Goods	626	459	-27%
Chemical Products	172	152	-12%
TOTAL	798	611	-24%

In the period January- December 2015, the total realized production in Tigar Rubber Footwear plant amounts to 1,397,908 pairs, which is by 12% higher 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 611, which is by 24% less in relation to the same period last year.

3. FINANCIALS FOR THE PERIOD JANUARY- DECEMBER 2015

3.1 KEY INDICATORS OF THE HOLDING COMPANY (TIGAR AD)

* On September 11, 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. The data shown for those production entities include their businesses as independent entities until September 11, 2015. After the status change and starting with September 12, 2015, the overall business operations of these production entities is shown within the data pertaining to the parent company. Parallely with that, the business results are also being incomparable with the results from the same period last year.

Tigar AD's unconsolidated financials in thousands of Dinars	January - December 2014	January - December 2015
Total assets	4,834,450	5,870,625
Equity		
Operating income	1,855,835	2,362,695
EBIT	99,857	162,037
EBITDA	148,615	246,763
Financial income	49,695	115,048
Other income	20,795	86,215
Total income	1,926,325	2,563,958
Net result	-852,193	-264,355
<u>Significant ratios</u>		
Current Ratio	0.55	1.23
Level of indebtedness	1.17	1.39
Net result / total income	-44.24%	-10.31%

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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 the change of status, 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 a.d. in thousands of dinars	January- December 2014	January- December 2015	% of change
Total assets	6,997,826	6,647,738	-5%
Sales revenues	2,712,026	2,780,175	3%
EBIT	-248,501	19,916	profit vs loss
EBITDA	-32,197	213,226	profit vs loss
Financial revenues	33,875	32,486	-4%
Other incomes	64,121	102,695	60%
Net loss	-1,438,806	-576,608	60%

Total revenues from sales of goods, products and services on a consolidated basis, for the period January- December 2015 amounted to RSD 2,780,175 thousand which is by 2,51% higher compared to the same period last year, when they amounted to RSD 2,712,026 thousand. In the same period was realized a business income in the amount of RSD 2,826,617 thousand, which is by 3,37% higher compared to the same period last year, when they amounted to RSD 2,734,471 thousand.

Consolidated operating expenses in the amount of RSD 2,806,701 thousand were lower by 5,91% compared to the period January- December 2014 when they amounted to RSD 2,982,972 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 35%; The cost of goods accounts for 2%; expenses, depreciation and provisions accounted for 7% and other expenses accounted for 16%.

Financing costs on a consolidated basis in the period January- December 2015 amounted to RSD 522,808 thousand, while the cost of funding at the consolidated level in the same period last year amounted to RSD 992,800 thousand. The largest part of financial expenses are the costs of interest, which at the consolidated level amounts to about RSD 389,474 thousand, while the foreign exchange losses and other financial expenses amount up to RSD 133,334 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) in 2015 amounted to RSD 19,916 thousands, while the operating loss for the same period last year amounted to RSD 248,501 thousand, which represents a better result for RSD 268,417 thousand. EBIT growth in the first three quarters of 2015 compared to the same period last year is an indicator of good business moves that gave these results.

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Reported profit before depreciation and amortization (EBITDA) in 2015 amounted to RSD 213,226 thousand, while in the same period last year was reported an operating loss before amortization in the amount of RSD 32,197 thousand, which represents an improvement for even RSD 245,423 thousand. The trend of growth indicates stabilization of business operations.

At the consolidated level, the value of total assets amounted to RSD 6.6 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 310 million for the most part include current receivables of domestic and foreign customers. The structure of domestic customer receivables is RSD 228 million, where the 8 largest customers claimed RSD 51,2 million. Claims of foreign customers are RSD 82 million, while seven largest foreign customer receivables amounted to RSD 58,8 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 October 22, 2014 and September 8, 2015. Also in the same application procedure, there was a claim of demands together with the liability and for Tigar Business Service in the amount of RSD 206 thousand - receivables and RSD 254 thousand - liabilities. 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 RSD 9.6 million. 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 May 9, 2016. A significant amount of the receivables are with entities abroad. Tigar Partner Macedonia claims from its customers RSD 23,6 million, from Tigra Montenegro RSD 3,4 million and from Tigra Trejd Banja Luka RSD 28,8 million.

At the consolidated level, the loss above the capital is RSD 2,1 billion. On the liabilities side, the equity value is RSD 0, liabilities for long term loans around RSD 6,9 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 2013	As of 31 December 2014	As of 31 December 2015
A. SUBSCRIBED CAPITAL UNPAID			
B. NON-CURRENT ASSETS	5,477,305	5,113,669	4,530,441
I INTANGIBLE ASSETS	487,546	415,482	279,860
Investment in development	434,142	368,482	268,544
Concessions, patents , licenses , trademarks , software and other rights	17,450	16,243	7,434
Other intangible assets	100		3
Intangible assets under construction	35,854	30,757	3,879
Advances for intangible assets			
II PROPERTY, PLANT AND EQUIPMENT	4,965,518	4,674,321	4,240,075
Land	444,382	525,279	517,802

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Buildings	2,787,681	2,678,462	2,518,424
Plant and equipment	877,165	800,631	723,714
Investment property	755,514	582,070	292,513
Property, plant and equipment construction	72,020	57,190	161,394
Investments in property, plants and equipment	8,816	10,749	6,288
Advances for property , plant and equipment	19,940	19,940	19,940
III BIOLOGICAL AGENTS			
IV LONG-TERM FINANCIAL PLACEMENTS	24,241	23,866	10,506
Shares in subsidiaries			
Shares in associated companies and joint ventures	12,171	12,018	491
Equity investments in other companies and other securities		94	94
Other long-term investments	12,070	11,754	9,921
V LONG-TERM RECEIVABLES			
C. DEFERRED TAX ASSETS	1,875		
D. CURRENT ASSETS	2,164,386	1,884,157	2,117,297
I INVENTORIES	1,147,985	1,174,846	1,588,154
Material , spare parts , tools and supplies	99,618	97,547	129,280
Unfinished production and unfinished services	234,208	166,214	136,514
Finished Products	116,740	252,125	391,998
Goods	670,223	595,272	509,357
Fixed assets held for sale		27,162	399,680
Advances paid to suppliers	27,196	36,526	21,325
II RECEIVABLES FROM SALE	520,025	393,108	310,266
Customers in the country - the parent and subsidiaries			
Customers abroad - parent and subsidiaries			
Customers in the country - other related parties	29,457	3,402	3,832
Customers in the country	361,661	282,629	224,271
Customers abroad	128,907	107,077	82,163
Other receivables from sales			
III RECEIVABLES FROM SPECIFIC OPERATIONS	4,761	1,384	129
IV OTHER RECEIVABLES	63,176	52,005	70,845
V FINANCIAL ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT			
VI SHORT-TERM FINANCIAL PLACEMENTS	472	472	
Short-term loans and investments - parent and subsidiaries			
Short-term loans and investments - other related parties	472	472	
Other short-term financial investments			
VII CASH AND CASH EQUIVALENTS	220,447	194,656	85,481
VIII VALUE ADDED TAX	19,634	22,943	16,541
IX PREPAYMENTS	187,886	44,743	45,881
I. TOTAL ASSETS	7,643,566	6,997,826	6,647,738
F. OFF BALANCE SHEET ASSETS			811,313
EQUITY AND LIABILITIES	As of 31 December 2013	As of 31 December 2014	As of 31 December 2015
A. EQUITY			
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	5,396	5,409	5,411
V Revaluation reserves based on the revaluation of intangible assets, property , plant and equipment	1,506,949	1,509,155	1,509,372
VI UNREALIZED GAINS ON SECURITIES VALUE AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULTS	87,216	77,139	84,716
VII UNREALIZED LOSSES ON SECURITIES VALUE AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULTS		3,593	4,976
VIII RETAINED EARNINGS			
Retained profit from previous years			
Retained profit from financial year			
IX PARTICIPATION RIGHTS WITHOUT CONTROL	88,216	87,802	91,147
X LOSS	2,413,007	3,814,092	4,405,805
Loss of previous years	1,374,171	2,369,755	3,814,093
Loss for the year	1,038,836	1,444,337	591,712
B. LONG-TERM PROVISIONS AND LIABILITIES	1,321,211	2,024,795	6,862,923
I LONG-TERM PROVISIONS	291,854	254,496	255,595
Provision for retirement and other employee benefits	78,654	36,736	42,692
Provision for lawsuits	213,200	217,760	211,193
Other long-term provisions			1,710

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II LONG-TERM LIABILITIES	1,029,357	1,770,299	6,607,328
Liabilities from securities in period longer than one year			317,125
Long-term loans and loans in the country	724,075	535,359	4,379,536
Long-term loans and loans abroad	301,462	944,950	950,167
Liabilities arising from finance lease	3,820	15,881	11,425
Other long-term liabilities		274,109	949,075
C. DEFERRED TAX LIABILITIES	117,631	114,777	107,363
D. CURRENT LIABILITIES	6,287,250	6,353,730	1,754,883
I SHORT-TERM FINANCIAL LIABILITIES	3,709,620	3,555,912	416,816
Short-term loans from parent companies and subsidiaries			
Short-term loans from other related parties			
Short-term loans and loans in the country	2,211,127	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
Other current financial liabilities	1,498,493	1,486,145	407,364
II PREPAYMENTS, DEPOSITS AND GUARANTEES	78,241	100,564	56,025
III ACCOUNTS PAYABLE	1,037,057	1,050,547	768,531
Suppliers - parent and subsidiaries in the country			
Suppliers - parent and subsidiaries abroad			
Suppliers - other related parties in the country	18,099	4,259	4,835
Suppliers in the country	544,868	502,240	459,272
Foreign suppliers	448,955	532,398	298,686
Other liabilities	25,135	11,650	5,738
IV OTHER CURRENT LIABILITIES	1,296,447	1,419,881	433,906
V LIABILITIES FOR VALUE ADDED TAX	32,691	32,172	6,591
VI OTHER TAXES, CONTRIBUTIONS AND OTHER FEES	43,954	28,787	12,758
VII ACCRUALS	89,240	165,867	60,256
I. THE LOSS IN EXCESS OF CAPITAL	82,526	1,495,476	2,077,431
F. TOTAL LIABILITIES	7,643,566	6,997,826	6,647,738
G. OFF BALANCE SHEET LIABILITIES			811,313

Income statement (in thousands of RSD)	January- December 2014	January- December 2015	%
INCOME FROM OPERATIONS			
A. OPERATING INCOME	2,734,471	2,826,617	3%
I Sales of goods	145,519	72,569	-50%
II Sales of products and services	2,566,507	2,707,606	5%
III Revenues from premiums, subsidies, donations, grants etc.			
IV Other operating income	22,445	46,442	107%
EXPENSES FROM OPERATIONS			
B. OPERATING EXPENSES	2,982,972	2,806,701	-6%
I Cost of commercial goods sold	63,057	59,117	-6%
II Work performed by the company and capitalized	270	39,637	
III Increase in inventories of finished products and work in progress		88,420	
IV Decrease in inventories of finished products and work in progress	15,425		
V Material consumed	941,854	926,170	-2%
VI Fuel and energy consumed	185,212	175,642	-5%
VII Staff costs	1,153,955	1,139,438	-1%
VIII Production expenses	261,439	331,925	27%
IX Amortization	213,002	184,122	-14%
X Costs of long-term provisions	3,302	9,188	178%
XI Intangible costs	145,996	109,156	-25%
C. PROFIT FROM OPERATIONS		19,916	
D. LOSS FROM OPERATIONS	248,501		
I. FINANCE INCOME	33,875	32,486	-4%
I Financial income from related persons and other financial income	973	295	-70%
II Interest income (from third parties)	2,344	2,679	14%
III Gains and positive effects of currency clause	30,558	29,512	-3%
F. FINANCE EXPENSES	992,800	522,808	-47%
I Financial expenses related party transactions and other financial expenses	4,031	6,246	55%
II Interest expense (by third parties)	583,930	389,474	-33%
III Foreign exchange gains and negative effects of currency clause	404,839	127,088	-69%
G. PROFIT FROM FINANCING			
H. LOSS FROM FINANCING	958,925	490,322	49%
I. INCOME FROM VALUATION ADJUSTMENTS OF OTHER ASSETS CARRIED	14,044	18,608	32%

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AT FAIR VALUE TROUGHT INCOME STATEMENT			
J. LOSS ADJUSTMENT OTHER PROPERTY CARRIED AT FAIR VALUE TROUGH INCOME STATEMENT	158,210	27,369	-83%
K. OTHER INCOME	50,077	84,087	68%
L. OTHER EXPENSES	124,017	161,534	30%
M. OPERATING PROFIT BEFORE TAX			
N. LOSS FROM OPERATIONS BEFORE TAX	1,425,532	556,614	61%
M. NET INCOME FROM DISCONTINUED OPERATIONS , THE EFFECTS OF CHANGES IN ACCOUNTING POLICIES AND CORRECTIONS FROM PREVIOUS PERIOD			
N. NET LOSS FROM DISCONTINUED OPERATIONS , EXPENSES CHANGE IN ACCOUNTING POLICIES AND CORRECTIONS FROM PREVIOUS PERIOD		3,506	
Q. PROFIT BEFORE TAXATION			
P. LOSS BEFORE TAXATION	1,425,532	560,120	61%
R. INCOME TAX			
I Current tax expense	16,893	23,903	41%
II Deferred income tax expense	735	15	-98%
III Deferred income tax benefit	4,354	7,430	71%
T. EARNINGS OF EMPLOYER			
U. NET PROFIT			
V. NET LOSS	1,438,806	576,608	60%
I NET PROFIT OF MINORITY SHAREHOLDERS	5,531	15,104	173%
II NET PROFIT DUE TO MAJORITY OWNER			
III NET LOSS OF MINORITY SHAREHOLDERS			
IV NET LOSS DUE TO MAJORITY OWNER	1,444,337	591,712	59%

3.4. TIGAR AD PARENT COMPANY

* On September 11, 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. The data shown for those production entities include their businesses as independent entities inside the Company until September 11, 2015. After the status change and starting with September 12, 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 2013	As of 31 December 2014	As of 31 December 2015
A. SUBSCRIBED CAPITAL UNPAID			
B. NON-CURRENT ASSETS	2,308,016	1,983,302	3,894,327
I INTANGIBLE ASSETS	16,381	13,758	279,515
Investment in development	71	33	268,544
Concessions, patents , licenses , trademarks , software and other rights	12,157	9,823	7,200
Intangible assets under construction	4,153	3,902	3,771
Advances for intangible assets			
II PROPERTY, PLANT AND EQUIPMENT	1,410,676	1,257,829	3,291,008
Land	54,156	54,376	454,761
Buildings	655,518	643,255	1,713,331
Plant and equipment	260,838	231,157	675,729
Investment property	395,695	290,896	292,513
Other property, plant and equipment			
Property, plant and equipment construction	37,706	28,945	129,511
Investments in property, plants and equipment	6,763	9,200	5,223
Advances for property , plant and equipment			19,940
III BIOLOGICAL AGENTS			
IV LONG-TERM FINANCIAL PLACEMENTS	880,959	504,651	323,804
Shares in subsidiaries	856,716	480,785	313,298
Shares in associated companies and joint ventures	12,020	12,018	491
Equity investments in other companies and other securities	153	94	94
Securities available for sale			

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Long-term placements with other related parties			
Long-term investments in the country			
Long-term investments abroad			
Securities held to maturity			
Other long-term investments	12,070	11,754	9,921
V LONG-TERM RECEIVABLES		207,064	
Receivables from parent company and its subsidiaries		207,064	
C. DEFERRED TAX ASSETS			
D. CURRENT ASSETS	2,936,294	2,851,148	1,976,298
I INVENTORIES	621,303	453,874	1,399,397
Material , spare parts , tools and supplies	6,531	5,574	151,414
Unfinished production and unfinished services	67,895		136,514
Finished Products			391,998
Goods	532,532	430,666	347,474
Fixed assets held for sale			362,160
Advances paid to suppliers	14,345	17,634	9,837
II RECEIVABLES FROM SALE	1,811,666	1,892,079	502,322
Customers in the country - the parent and subsidiaries	1,419,098	1,648,171	239,730
Customers abroad - parent and subsidiaries	127,897	115,847	125,698
Customers in the country - other related parties	978	585	1,093
Customers abroad - other related parties			
Customers in the country	172,988	57,380	72,487
Customers abroad	90,705	70,096	63,314
Other receivables from sales			
III RECEIVABLES FROM SPECIFIC OPERATIONS			
IV OTHER RECEIVABLES	206,744	57,116	26,818
V FINANCIAL ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT			
VI SHORT-TERM FINANCIAL PLACEMENTS	276,539	239,953	
Short-term loans and investments - parent and subsidiaries	276,539	239,480	
Short-term loans and investments - other related parties		456	
Other short-term financial investments		17	
VII CASH AND CASH EQUIVALENTS	2,088	109,103	1,430
VIII VALUE ADDED TAX		12,297	12,914
IX PREPAYMENTS	17,954	86,726	33,417
I. TOTAL ASSETS	5,244,310	4,834,450	5,870,625
F. OFF BALANCE SHEET ASSETS			798,813
EQUITY AND LIABILITIES	As of 31 December 2013	As of 31 December 2014	As of 31 December 2015
A. EQUITY			
I SHARE AND OTHER CAPITAL	642,704	642,704	642,704
Share Capital	642,704	642,704	642,704
IV RESERVES	143	143	143
V Revaluation reserves based on the revaluation of intangible assets, property , plant and equipment	112,818	112,818	205,809
VI UNREALIZED GAINS ON SECURITIES VALUE AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULTS		6	
VII UNREALIZED LOSSES ON SECURITIES VALUE AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULTS			2,042
VIII RETAINED EARNINGS			1,823
Retained profit from previous years			1,823
Retained profit from financial year			
IX PARTICIPATION RIGHTS WITHOUT CONTROL			
X LOSS	962,476	1,814,668	3,371,206
Loss of previous years	143,183	962,476	3,106,851
Loss for the year	819,293	852,192	264,355
B. LONG-TERM PROVISIONS AND LIABILITIES	893,579	755,963	6,785,725
I LONG-TERM PROVISIONS	221,704	220,604	240,390
Provision for retirement and other employee benefits	7,429	5,920	29,197
Provision for lawsuits	214,275	214,684	211,193
Other long-term provisions			
II LONG-TERM LIABILITIES	671,875	535,359	6,545,335
Liabilities from securities in period longer than one year			317,125
Long-term loans and loans in the country	671,875	535,359	4,379,536
Long-term loans and loans abroad			950,167
Liabilities arising from finance lease			
Other long-term liabilities			898,507
C. DEFERRED TAX LIABILITIES			3,075
D. CURRENT LIABILITIES	4,557,542	5,137,484	1,604,594

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I SHORT-TERM FINANCIAL LIABILITIES	2,781,875	3,051,513	418,543
Short-term loans from parent companies and subsidiaries	66,187	119,984	16,086
Short-term loans from other related parties			
Short-term loans and loans in the country	1,992,538	2,042,117	
Other current financial liabilities	723,150	889,412	402,457
II PREPAYMENTS, DEPOSITS AND GUARANTEES	52,114	52,541	44,436
III ACCOUNTS PAYABLE	1,048,472	990,652	743,878
Suppliers - parent and subsidiaries in the country	212,622	164,010	83,712
Suppliers - parent and subsidiaries abroad	41,642	50,584	50,507
Suppliers - other related parties in the country	4,949	3,972	2,158
Suppliers - Other related legal entities abroad			
Suppliers in the country	396,512	293,792	321,310
Foreign suppliers	391,121	478,113	283,504
Other liabilities	1,626	181	2,687
IV OTHER CURRENT LIABILITIES	591,121	945,237	347,760
V LIABILITIES FOR VALUE ADDED TAX	4,905		74
VI OTHER TAXES, CONTRIBUTIONS AND OTHER FEES	18,550	15,364	6,563
VII ACCRUALS	60,505	82,177	43,340
I. THE LOSS IN EXCESS OF CAPITAL	206,811	1,058,997	2,522,769
F. TOTAL LIABILITIES	5,244,310	4,834,450	5,870,625
G. OFF BALANCE SHEET LIABILITIES			798,813

When the Prepackaged Plan of Reorganization of Tigar AD became valid and final on June 1, 2015, short-term liabilities were replaced with the long-term loans, which caused a better impact on the current liquidity. Short-term liabilities of Tigar AD are primarily related to liabilities of subsidiaries at home and abroad.

Income statement (in thousands of RSD)	January- December 2013	January- December 2014	January- December 2015
INCOME FROM OPERATIONS			
A. OPERATING INCOME	2,958,181	1,855,835	2,362,695
I Sales of goods	2,521,459	1,446,938	1,374,616
II Sales of products and services	421,092	392,320	854,765
III Revenues from premiums, subsidies, donations, grants etc.			
IV Other operating income	15,630	16,577	133,314
EXPENSES FROM OPERATIONS			
B. OPERATING EXPENSES	2,890,597	1,755,978	2,200,658
I Cost of commercial goods sold	2,205,412	1,261,701	1,178,334
II Work performed by the company and capitalized			
III Increase in inventories of finished products and work in progress			40,189
IV Decrease in inventories of finished products and work in progress			
V Material consumed	11,253	4,648	307,667
VI Fuel and energy consumed	88,516	85,143	121,011
VII Staff costs	304,380	196,104	359,814
VIII Production expenses	104,341	58,742	51,906
IX Amortization	53,821	48,456	77,624
X Costs of long-term provisions	683	302	7,102
XI Intangible costs	122,191	100,882	137,389
C. PROFIT FROM OPERATIONS	67,584	99,857	162,037
D. LOSS FROM OPERATIONS			
I. FINANCE INCOME	18,446	49,695	115,048
I Financial income from related persons and other financial income	1,187	25,950	95,997
II Interest income (from third parties)	493	2,135	1,118
III Gains and positive effects of currency clause	16,766	21,610	17,933
F. FINANCE EXPENSES	503,280	612,261	429,085
I Financial expenses related party transactions and other financial expenses	21,852	14,276	10,848
II Interest expense (by third parties)	422,753	415,261	293,980
III Foreign exchange gains and negative effects of currency clause	58,675	182,724	124,257
G. PROFIT FROM FINANCING			
H. LOSS FROM FINANCING	484,834	562,566	314,037
I. INCOME FROM VALUATION ADJUSTMENTS OF OTHER ASSETS CARRIED AT FAIR VALUE TROUGH INCOME STATEMENT	18,949	1,832	13,838
J. LOSS ADJUSTMENT OTHER PROPERTY CARRIED AT FAIR VALUE TROUGH INCOME STATEMENT	494,874	385,418	37,373
K. OTHER INCOME	71,842	18,963	72,377
L. OTHER EXPENSES	34,283	24,861	152,900
M. OPERATING PROFIT BEFORE TAX			

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N. LOSS FROM OPERATIONS BEFORE TAX	855,616	852,193	256,058
N. NET LOSS FROM DISCONTINUED OPERATIONS , EXPENSES CHANGE IN ACCOUNTING POLICIES AND CORRECTIONS FROM PREVIOUS PERIOD			3,506
Q. PROFIT BEFORE TAXATION			
P. LOSS BEFORE TAXATION	855,616	852,193	259,564
R. INCOME TAX			
I Current tax expense	124		4,791
II Deferred income tax expense			
III Deferred income tax benefit	37,024		
T. EARNINGS OF EMPLOYER			
U. NET PROFIT			
V. NET LOSS	818,716	852,193	264,355

CASH FLOWS (in thousands of RSD)	January-December 2014	January-December 2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash inflow from operating activities	1,086,042	1,962,401
Cash outflow from operating activities	1,073,067	2,042,765
Net cash inflow from operating activities	12,975	
Net cash outflow from operating activities		80,364
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash inflow from investing activities	146,418	37,496
Cash outflow from investing activities	2,619	73,477
Net cash inflow from investing activities	143,799	
Net cash outflow from investing activities		35,981
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash inflow from financing activities		7,858
Cash outflow from financing activities	51,959	5,919
Net cash inflow from financing activities		1,939
Net cash outflow from financing activities	51,959	
Total cash inflow	1,232,460	2,007,755
Total cash outflow	1,127,645	2,122,161
NET CASH INFLOW	104,815	
NET CASH OUTFLOW		114,406
Cash and cash equivalents at beginning of year	2,088	109,103
Foreign exchange gains on translation of cash and cash equivalents	2,523	7,593
Foreign exchange losses on translation of cash and cash equivalents	323	860
CASH AND CASH EQUIVALENTS AT END OF PERIOD	109,103	1,430

On June 1, 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 August 6, 2015 were made Decisions on the adoption of the Agreement on the merger of dependent entities Tigar Rubber Footwear I.l.c., Tigar Rubber Technical Goods I.l.c. and Tigar Chemical Products I.l.c. as assignors, and the Joint Stock Company Tigar as the acquiring company. Date of the status change, ie the merger is September 11, 2015.

The following table gives a detailed review of the merged balance sheet items of Tigar AD, Tigar Rubber Footwear, Tigar Technical Rubber Goods and Tigar Chemical Products with the elimination of internal relations:

Balance sheet as of 11.09.2015.

In thousand of RSD

POSITIONS	Marks					Total I	eliminations	corrections	Total II
		Tigar AD	Tigar Rubber footwear	Tigar Technical Rubber goods	Tigar Chemical products				
1		2	3	4	5	6=2-3-4-5	7	8	9=6+7+8
ASSETS									
A. SUBSCRIBED CAPITAL UNPAID	0001	0	0	0	0	0			0
B. NON-CURRENT ASSETS (0003 + 0010 + 0019 + 0024 +	0002	1,938,578	1,687,440	930,170	228,242	4,784,430	-400,554	0	4,383,876

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0034)									
I. INTANGIBLE ASSETS (0004 + 0005 + 0006 + 0007 + 0008 + 0009)	0003	11,847	360,986	10	3,375	376,218	0	0	376,218
1. Investment in development	0004	193	333,404	0	3,371	336,968			336,968
2. Concessions, patents, licenses, trademarks, software and other rights	0005	11,654	727	10	4	12,395			12,395
3. Goodwill	0006	0	0	0	0	0			0
4. Other intangible assets	0007	0	0	0	0	0			0
5. Intangible assets under construction	0008		26,855	0	0	26,855			26,855
6. Advances for intangible assets	0009	0	0	0	0	0			0
II. PROPERTY, PLANT AND EQUIPMENT (0011 + 0012 + 0013 + 0014 + 0015 + 0016 + 0017 + 0018)	0010	1,250,379	1,326,454	916,569	174,680	3,668,082	-38,683	0	3,629,399
1. Land	0011	54,376	323,840	27,084	54,278	459,578			459,578
2. Buildings	0012	631,916	641,035	402,446	30	1,675,427	-38,683	142,604	1,779,348
3. Plant and equipment	0013	215,478	211,810	264,556	105	691,949			691,949
4. Investment property	0014	290,896	142,604	201,921	102,184	737,605		-142,604	595,001
5. Other property, plant and equipment	0015	0	0	0	0	0			0
6. Property, plant and equipment construction	0016	50,187	7,165	622	18,083	76,057			76,057
7. Investments in others property, plants and equipment	0017	7,526	0	0	0	7,526			7,526
8. Advances for property, plant and equipment	0018	0	0	19,940	0	19,940			19,940
III. BIOLOGICAL AGENTS (0020 + 0021 + 0022 + 0023)	0019	0	0	0	0	0	0	0	0
1. Woods and plants	0020	0	0	0	0	0			0
2. Basic herd	0021	0	0	0	0	0			0
3. Biological agents in the preparation	0022	0	0	0	0	0			0
4. Advances for biological agents	0023	0	0	0	0	0			0
IV. LONG-TERM FINANCIAL PLACEMENTS (0025 + 0026 + 0027 + 0028 + 0029 + 0030 + 0031 + 0032 + 0033)	0024	469,288	0	0	0	469,288	-91,029	0	378,259
1. Shares in subsidiaries	0025	445,422	0	0	0	445,422	-91,029		354,393
2. Shares in associated companies and joint ventures	0026	12,018	0	0	0	12,018			12,018
3. Equity investments in other companies and other securities	0027	94	0	0	0	94			94
4. Securities available for sale	0028	0	0	0	0	0			0
5. Long-term placements with other related parties	0029	0	0	0	0	0			0
6. Long-term investments in the country	0030	0	0	0	0	0			0
7. Long-term investments abroad	0031	0	0	0	0	0			0
8. Securities held to maturity	0032	0	0	0	0	0			0
9. Other long-term investments	0033	11,754	0	0	0	11,754			11,754
V. LONG-TERM RECEIVABLES (0035 + 0036 + 0037 + 0038 + 0039 + 0040 + 0041)	0034	207,064	0	13,591	50,187	270,842	-270,842	0	0
1. Receivables from parent company and its subsidiaries	0035	207,064	0	13,591	50,187	270,842	-270,842		0
2. Receivables from other related parties	0036	0	0	0	0	0			0
3. Receivables from sales on trade credit	0037	0	0	0	0	0			0
4. Receivables for sale under the agreement on financial leasing	0038	0	0	0	0	0			0
5. Receivables in respect of sureties	0039	0	0	0	0	0			0
6. Disputed and doubtful receivables	0040	0	0	0	0	0			0
7. Other long-term receivables	0041	0	0	0	0	0			0
V. DEFERRED TAX ASSETS	0042	0	0	0	0	0			0
G. CURRENT ASSETS (0044 + 0051 + 0059 + 0060 +	0043	3,027,122	773,731	346,556	133,123	4,280,532	-2,549,680	0	1,730,852

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0061 + 0062 + 0068 + 0069 + 0070)									
I. INVENTORIES (0045 + 0046 + 0047 + 0048 + 0049 + 0050)	0044	413,075	388,875	78,508	25,799	906,257	0	0	906,257
1. Material , spare parts , tools and supplies	0045	4,554	31,374	30,543	15,832	82,303			82,303
2. Unfinished production and unfinished services	0046	0	71,206	2,463	0	73,669			73,669
3. Finished Products	0047	0	284,690	45,461	9,943	340,094			340,094
4. Goods	0048	406,630	0	0	0	406,630			406,630
5. Fixed assets held for sale	0049	0	0	0	0	0			0
6. Advances paid to suppliers	0050	1,891	1,605	41	24	3,561			3,561
II. RECEIVABLES FROM SALE (0052 + 0053 + 0054 + 0055 + 0056 + 0057 + 0058)	0051	2,203,306	284,039	266,985	103,870	2,858,200	-2,301,047	0	557,153
1. Customers in the country - the parent and subsidiaries	0052	2,014,226	283,347	255,558	88,960	2,642,091	-2,301,047		341,044
2. Customers abroad - parent and subsidiaries	0053	123,065	2	6,406	0	129,473			129,473
3. Customers in the country - other related parties	0054	1,345	0	7	0	1,352			1,352
4. Customers abroad - other related parties	0055	0	0	0	0	0			0
5. Customers in the country	0056	11,543	631	5,014	8,060	25,248			25,248
6. Customers abroad	0057	53,127	59	0	6,850	60,036			60,036
7. Other receivables from sales	0058	0	0	0	0	0			0
III. RECEIVABLES FROM SPECIFIC OPERATIONS	0059	0	0	0	0	0			0
IV. OTHER RECEIVABLES	0060	54,156	492	264	7	54,919	-25,979		28,940
V. FINANCIAL ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT	0061	0	0	0	0	0			0
VI. SHORT-TERM FINANCIAL PLACEMENTS (0063 + 0064 + 0065 + 0066 + 0067)	0062	223,813	94,326	0	2,640	320,779	-147,841	0	172,938
1. Short-term loans and investments - parent and subsidiaries	0063	223,341	94,326	0	2,640	320,307	-147,841		172,466
2. Short-term loans and investments - other related parties	0064	456	0	0	0	456			456
3. Short-term loans and loans in the country	0065	0	0	0	0	0			0
4. Short-term loans and loans abroad	0066	0	0	0	0	0			0
5. Other short-term financial investments	0067	16	0	0	0	16			16
VII. CASH AND CASH EQUIVALENTS	0068	3,468	127	4		3,599			3,599
VIII. VALUE ADDED TAX	0069	20,912	11	32	807	21,762			21,762
IX. PREPAYMENTS	0070	108,392	5,861	763	0	115,016	-74,812		40,204
D. TOTAL ASSETS (0001 + 0002 + 0042 + 0043)	0071	4,965,700	2,461,171	1,276,726	361,365	9,064,962	-2,950,233	0	6,114,729
D. OFF BALANCE SHEET ASSETS	0072					0			0
EQUITY AND LIABILITIES									
A. EQUITY (0402 + 0411 - 0412 + 0413 + 0414 + 0415 - 0416 + 0417 + 0420 - 0421) ≥ 0 = (0071 - 0424 - 0441 - 0442)	0401	0	0	0	77,099	0	0	0	0
I. SHARE AND OTHER CAPITAL (0403 + 0404 + 0405 + 0406 + 0407 + 0408 + 0409 + 0410)	0402	642,704	1,108,838	626,048	256,841	2,634,431	-1,991,727	0	642,704
1. Share Capital	0403	642,704	0	0	0	642,704			642,704
2. Shares of limited liability companies	0404	0	1,108,838	626,048	256,841	1,991,727	-1,991,727		0
3. Stakes	0405	0	0	0	0	0			0
4. State capital	0406	0	0	0	0	0			0
5. Social capital	0407	0	0	0	0	0			0
6. Cooperative shares	0408	0	0	0	0	0			0

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7. Share premium	0409	0	0	0	0	0			0
8. Other capital	0410	0	0	0	0	0			0
II. SUBSCRIBED CAPITAL UNPAID	0411	0	0	0	0	0			0
III. TREASURY SHARES	0412	0	0	0	0	0			0
IV. RESERVES	0413	143	0	0	0	143			143
V. Revaluation reserves based on the revaluation of intangible assets, property, plant and equipment	0414	112,817	52,314	9,150	31,527	205,808			205,808
VI. UNREALIZED GAINS ON SECURITIES VALUE AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULTS (credit balance accounts of group 33 except 330)	0415	6	0	0	6	12			12
VII. UNREALIZED LOSSES ON SECURITIES VALUE AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULTS (debit balance of the account group 33 except 330)	0416	0	1,672	99	0	1,771			1,771
VIII. RETAINED EARNINGS (0418 + 0419)	0417	0	0	0	1,823	1,823	0	0	1,823
1. Retained profit from previous years	0418	0	0	0	0	0			0
2. Retained profit from financial year	0419	0	0	0	1,823	1,823			1,823
IX. PARTICIPATION RIGHTS WITHOUT CONTROL	0420	0	0	0	0	0			0
X. LOSS (0422 + 0423)	0421	1,847,492	1,848,865	1,163,762	213,098	5,073,217	-1,900,698	17,173	3,189,692
1. Loss of previous years	0422	1,811,014	1,698,063	1,078,776	213,098	4,800,951	-1,900,698		2,900,253
2. Loss for the year	0423	36,478	150,802	84,986	0	272,266		17,173	289,439
B. LONG-TERM PROVISIONS AND LIABILITIES (0425 + 0432)	0424	5,326,531	1,497,607	430,820	18,618	7,273,576	-206,220	0	7,067,356
I. LONG-TERM PROVISIONS (0426 + 0427 + 0428 + 0429 + 0430 + 0431)	0425	218,379	13,847	6,231	903	239,360	0	0	239,360
1. For expenses in warranty period	0426	0	0	0	0	0			0
2. For restoration of natural resources	0427	0	0	0	0	0			0
3. Provisions for restructuring costs	0428	0	0	0	0	0			0
4. Provision for retirement and other employee benefits	0429	5,703	13,847	4,866	903	25,319			25,319
5. Provision for lawsuits	0430	212,676	0	1,365	0	214,041			214,041
6. Other long-term provisions	0431	0	0	0	0	0			0
II. LONG-TERM LIABILITIES (0433 + 0434 + 0435 + 0436 + 0437 + 0438 + 0439 + 0440)	0432	5,108,152	1,483,760	424,589	17,715	7,034,216	-206,220	0	6,827,996
1. The obligations that are convertible into equity	0433	0	0	0	0	0			0
2. Liabilities to parent companies and subsidiaries	0434	0	287,559	0	0	287,559	-206,220		81,339
3. Due to other related parties	0435	0	0	0	0	0			0
4. Liabilities from securities in period exceeding one year	0436	313,730	0	0	0	313,730			313,730
5. Long-term loans and loans in the country	0437	4,012,624	0	330,099	0	4,342,723			4,342,723
6. Long-term loans and loans abroad	0438	0	939,993	0	0	939,993			939,993
7. Liabilities arising from finance lease	0439	0	0	0	0	0			0
8. Other long-term liabilities	0440	781,798	256,208	94,490	17,715	1,150,211			1,150,211
V. DEFERRED TAX LIABILITIES	0441	0	3,075	0	0	3,075			3,075
G. CURRENT LIABILITIES (0443 + 0450 + 0451 + 0459 + 0460 + 0461 + 0462)	0442	730,991	1,649,874	1,374,569	265,648	4,021,082	-2,635,811	0	1,385,271

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I. SHORT-TERM FINANCIAL LIABILITIES (0444 + 0445 + 0446 + 0447 + 0448 + 0449)	0443	75,401	329,407	71,196	100,408	576,412	-147,841	0	428,571
1. Short-term loans from parent companies and subsidiaries	0444	75,401	15,062	71,196	100,408	262,067	-147,841		114,226
2. Short-term loans from other related parties	0445	0	0	0	0	0			0
3. Short-term loans and loans in the country	0446	0	0	0	0	0			0
4. Short-term loans and loans abroad	0447	0	0	0	0	0			0
5. Liabilities in respect of fixed assets and resources discontinued operations held for sale	0448	0	0	0	0	0			0
6. Other current financial liabilities	0449	0	314,345	0	0	314,345			314,345
II. PREPAYMENTS, DEPOSITS AND GUARANTEES	0450	11,223	0	179	0	11,402			11,402
III. ACCOUNTS PAYABLE (0452 + 0453 + 0454 + 0455 + 0456 + 0457 + 0458)	0451	479,428	1,078,314	1,263,234	130,415	2,951,391	-2,363,698	0	587,693
1. Suppliers - parent and subsidiaries in the country	0452	229,175	1,055,561	1,241,710	105,323	2,631,769	-2,365,084		266,685
2. Suppliers - parent and subsidiaries abroad	0453	49,360	212	0	0	49,572			49,572
3. Suppliers - other related parties in the country	0454	1,616	0	5	0	1,621			1,621
4. Suppliers - Other related legal entities abroad	0455	0	0	0	0	0			0
5. Suppliers in the country	0456	140,668	17,085	11,095	10,399	179,247	1,386		180,633
6. Foreign suppliers	0457	58,428	4,716	7,523	13,218	83,885			83,885
7. Other liabilities	0458	181	740	2,901	1,475	5,297			5,297
IV. OTHER CURRENT LIABILITIES	0459	124,198	124,704	29,430	31,657	309,989	-25,979		284,010
V. LIABILITIES FOR VALUE ADDED TAX	0460	7,850	14,959	286	1,137	24,232			24,232
VI. OTHER TAXES, CONTRIBUTIONS AND OTHER FEES	0461	1,579	0	0	0	1,579			1,579
VII. ACCRUALS	0462	31,312	102,490	10,244	2,031	146,077	-98,293		47,784
D. THE LOSS IN EXCESS OF CAPITAL (0412 + 0416+0421 - 0420 - 0417 - 0415 - 0414 - 0413 - 0411 - 0402) ≥ 0 = (0441 + 0424 + 0442 - 0071) ≥ 0	0463	1,091,822	689,385	528,663	0	2,232,771	91,029	17,173	2,340,973
D. TOTAL LIABILITIES (0424 + 0442 + 0441 + 0401 - 0463) ≥ 0	0464	4,965,700	2,461,171	1,276,726	361,365	9,064,962	-2,933,061	-17,173	6,114,728
G. OFF BALANCE SHEET LIABILITIES	0465	0	0			0			0

Financial statements for the period January-December 2015 include income and expenses of Tigar AD, which, in accordance with the statutory change have been significantly increased compared to the comparative figure from the last year.

Having in mind the fact that on September 11, 2015 the manufacturing entities (Tigar Rubber Footwear, Tigar Technical Rubber Goods and Tigar Chemical Products) merged with the parent company, data given on December 31, 2015 are not comparable with the data given on December 31, 2014 (balance sheet), and are not comparable with the data given for the period January- December 2014.

	BUSINESS REPORT FOR THE PERIOD JANUARY- DECEMBER 2015	Document Reference
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3.5. SUMMARY OF KEY FINANCIAL RESULTS BY ENTITY**TIGAR****TIGAR AD**

Equity: 0
Total income: 2,563,958
EBITDA: 246,763
(000 RSD)

PRODUCTION ENTITIES**TIGAR RUBBER FOOTWEAR**

Equity: 0
Total income: 847,099
EBITDA: -52,120
(000 RSD)

TIGAR R. TECHNICAL GOODS

Equity: 0
Total income: 136,579
EBITDA: -43,796
(000 RSD)

TIGAR CHEMICAL PRODUCTS

Equity: 77,099
Total income: 58,687
EBITDA: 5,656
(000 RSD)

COMMERCIAL ENTITIES**TIGRA MONTENEGRO**

Equity: 3
Total income: 16
EBITDA: -35
(000 EUR)

TIGAR PARTNER

Equity: 15,989
Total income: 20,590
EBITDA: -622
(000 DEN)

TIGRA TREJD Banja Luka

Equity: 89
Total income: 1,182
EBITDA: 22
(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**TAX FREE ZONE PIROT**

Equity: 196,161
Total income: : 385,955
EBITDA: 63,605
(000 RSD)

TIGAR BUSINESS SERVICE

Equity: 40,609
Total income: 152,264
EBITDA: 33,652
(000 RSD)

TIGAR CATERING

Equity: 97,875
Total income: 206,166
EBITDA: 6,264
(000 RSD)

TIGAR INCON

Equity: 58,443
Total income: 97,018
EBITDA: -6,021
(000 RSD)

TIGAR INTER RISK

Equity: 1,992
Total income: 2,528
EBITDA: 17
(000 RSD)

TI-CAR TRGOVINE

Equity: 0
Total income: 426,097
EBITDA: -58,369
(000 RSD)

TIGAR SECURITY

Equity: 48,823
Total income: 119,961
EBITDA: 22,043
(000 RSD)

TIGAR TOURS

Equity: 1,853
Total income: 2,543
EBITDA: : -402
(000 RSD)

PI CHANNEL

Equity : 3,674
Total income: 14,923
EBITDA: 1,163
(000 RSD)

Note: The key financial results of the production entities are referring to the period until September 11, 2015, before the status change / merger.

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3.6. TIGAR RUBBER FOOTWEAR

* On September 11, 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 September 11, 2015. After the status changes as of September 12, 2015, the business operating 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 2013	As of 31 December 2014	As of 11 September 2015
A. SUBSCRIBED CAPITAL UNPAID			
B. NON-CURRENT ASSETS	1,840,052	1,742,297	1,687,440
I INTANGIBLE ASSETS	466,512	397,703	360,986
Investment in development	429,969	368,449	333,404
Concessions, patents , licenses , trademarks , software and other rights	4,841	2,400	727
Intangible assets under construction	31,702	26,854	26,855
II PROPERTY, PLANT AND EQUIPMENT	1,373,540	1,344,594	1,326,454
Land	288,352	323,840	323,840
Buildings	689,367	646,232	641,035
Plant and equipment	262,973	231,635	211,810
Investment property	132,566	142,605	142,604
Property, plant and equipment construction	282	282	7,165
III BIOLOGICAL AGENTS			
IV LONG-TERM FINANCIAL PLACEMENTS			
V LONG-TERM RECEIVABLES			
C. DEFERRED TAX ASSETS			
D. CURRENT ASSETS	724,719	618,118	773,732
I INVENTORIES	330,570	323,237	388,875
Material , spare parts , tools and supplies	27,048	31,450	31,374
Unfinished production and unfinished services	88,902	99,958	71,206
Finished Products	214,251	190,049	284,690
Advances paid to suppliers	369	1,780	1,605
II DUE ON SALE	270,299	286,603	284,039
Customers in the country - the parent and subsidiaries	269,745	285,963	283,347
Customers abroad - parent and subsidiaries			2
Customers in the country - other related parties	395		
Customers in the country	159	640	631
Customers abroad			59
III RECEIVABLES FROM SPECIFIC			
IV OTHER RECEIVABLES	400	207	492
V FINANCIAL ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT			
VI SHORT-TERM FINANCIAL PLACEMENTS			94,326
Short-term loans and investments - parent and subsidiaries			94,326
VII CASH AND CASH EQUIVALENTS	122	135	127
VIII VALUE ADDED TAX			11
IX PREPAYMENTS	123,328	7,936	5,861
I. TOTAL ASSETS	2,564,771	2,360,415	2,461,172
F. OFF BALANCE SHEET ASSETS			
EQUITY AND LIABILITIES	As of 31 December 2013	As of 31 December 2014	As of 11 September 2015
A. EQUITY			
I SHARE AND OTHER CAPITAL	1,108,838	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	52,314
VI UNREALIZED GAINS ON SECURITIES VALUE AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULTS			
VII UNREALIZED LOSSES ON SECURITIES		1,672	1,672

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VALUE AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULTS			
VIII RETAINED EARNINGS			
IX PARTICIPATION RIGHTS WITHOUT CONTROL			
X LOSS	1,206,254	1,698,064	1,848,865
Loss of previous years	786,393	1,211,102	1,698,063
Loss for the year	419,861	486,962	150,802
B. LONG TERM PROVISIONS AND LIABILITIES	327,995	1,607,203	1,497,607
I LONG-TERM PROVISIONS	27,059	14,241	13,847
Provision for retirement and other employee benefits	27,059	14,241	13,847
II LONG-TERM LIABILITIES	300,936	1,592,962	1,483,760
Liabilities to parent companies and subsidiaries		393,534	287,559
Long-term loans and loans abroad	300,936	944,950	939,993
Other long-term liabilities		254,478	256,208
C. DEFERRED TAX LIABILITIES	9,118	8,630	3,075
D. CURRENT LIABILITIES	2,272,760	1,283,166	1,649,874
I SHORT-TERM FINANCIAL LIABILITIES	877,680	327,616	329,407
Short-term loans from parent companies and subsidiaries	112,444	11,613	15,062
Other current financial liabilities	765,236	316,003	314,345
II PREPAYMENTS, DEPOSITS AND GUARANTEES	3,214	4	
III ACCOUNTS PAYABLE	712,773	715,008	1,078,314
Suppliers - parent and subsidiaries in the country	682,959	696,154	1,055,561
Suppliers - parent and subsidiaries abroad	166	199	212
Suppliers in the country	24,963	15,545	17,085
Foreign suppliers	1,239	1,870	4,716
Other liabilities	3,446	1,240	740
IV OTHER CURRENT LIABILITIES	566,657	115,358	124,704
V LIABILITIES FOR VALUE ADDED TAX	11,826	16,662	14,959
VI OTHER TAXES, CONTRIBUTIONS AND OTHER FEES	13,876		
VII ACCRUALS	86,734	108,518	102,490
I. THE LOSS IN EXCESS OF CAPITAL	45,102	538,584	689,385
F. TOTAL LIABILITIES	2,564,771	2,360,415	2,461,172
G. OFF BALANCE SHEET LIABILITIES			

Income statement (in thousands of RSD)	January-December 2013	January-December 2014	January -11. September 2015
INCOME FROM OPERATIONS			
A. OPERATING INCOME	1,314,393	1,346,781	838,655
I Sales of goods			
II Sales of products and services	1,300,092	1,339,262	833,623
III Revenues from premiums, subsidies, donations, grants etc.			
IV Other operating income	14,301	7,519	5,032
EXPENSES FROM OPERATIONS			
B. OPERATING EXPENSES	1,668,029	1,615,117	952,515
I Cost of commercial goods sold			
II Work performed by the company and capitalized	11,525		
III Increase in inventories of finished products and work in progress			65,889
IV Decrease in inventories of finished products and work in progress	26,961	13,146	
V Material consumed	768,469	758,954	484,710
VI Fuel and energy consumed	84,529	91,022	59,194
VII Staff costs	465,505	453,712	324,704
VIII Production expenses	9,569	9,735	6,313
IX Amortization	109,946	105,896	61,740
X Costs of long-term provisions			
XI Intangible costs	214,575	182,652	81,743
C. PROFIT FROM OPERATIONS			
D. LOSS FROM OPERATIONS	353,636	268,336	113,860
I. FINANCE INCOME	634	217	6,840

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I Financial income from related persons and other financial income			
II Interest income (from third parties)			
III Gains and positive effects of currency clause	634	217	6,840
F. FINANCE EXPENSES	112,088	241,050	50,235
I Financial expenses related party transactions and other financial expenses	7		
II Interest expense (by third parties)	62,245	77,089	49,988
III Foreign exchange gains and negative effects of currency clause	49,836	163,961	247
G. PROFIT FROM FINANCING			
H. LOSS FROM FINANCING	111,454	240,833	43,395
I. INCOME FROM VALUATION ADJUSTMENTS OF OTHER ASSETS CARRIED AT FAIR VALUE TROUGH INCOME STATEMENT		10,039	15
J. LOSS ADJUSTMENT OTHER PROPERTY CARRIED AT FAIR VALUE TROUGH INCOME STATEMENT	12	1,212	247
K. OTHER INCOME	50,158	13,182	1,589
L. OTHER EXPENSES	4,807	289	459
M. OPERATING PROFIT BEFORE TAX			
N. LOSS FROM OPERATIONS BEFORE TAX	419,751	487,449	156,357
O. NET PROFIT FROM DISCONTINUED OPERATIONS, THE EFFECTS OF CHANGES IN ACCOUNTING POLICIES AND CORRECTIONS FROM PREVIOUS PERIOD			
P. NET LOSS FROM DISCONTINUED OPERATIONS, LOSS CHANGES IN ACCOUNTING POLICIES AND CORRECTIONS FROM PREVIOUS PERIOD			
Q. PROFIT BEFORE TAXATION			
R. LOSS BEFORE TAXATION	419,751	487,449	156,357
S. INCOME TAXES			
I Current tax expense			
II Deferred income tax expense	110		
III Deferred income tax benefit		487	5,555
T. EARNINGS OF EMPLOYER			
U. NET PROFIT			
V. NET LOSS	419,861	486,962	150,802

CASH FLOWS (in thousands of RSD)	January-December 2014	January -11. September 2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash inflow from operating activities	467,597	848,590
Cash outflow from operating activities	469,365	755,297
Net cash inflow from operating activities		93,293
Net outflow from operating activities	1,768	
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash inflow from investing activities		
Cash outflow from investing activities	2,938	779
Net cash inflow from investing activities		
Net cash outflow from investing activities	2,938	779
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash inflow from financing activities	4,748	
Cash outflow from financing activities		92,405
Net cash inflow from financing activities	4,748	
Net cash outflow from financing activities		92,405
NET CASH INFLOW	43	109
NET CASH OUTFLOW		
Cash and cash equivalents at beginning of year	122	134
Foreign exchange gains on translation of cash and cash equivalents	7	19
Foreign exchange losses on translation of cash and cash equivalents	38	135
CASH AND CASH EQUIVALENTS AT END OF PERIOD	134	127

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3.7. TIGAR RUBBER TECHNICAL GOODS

* On September 11, 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 September 11, 2015. After the status changes as of September 12, 2015, the business operating 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 2013	As of 31 December 2014	As of 11 September 2015
A. SUBSCRIBED CAPITAL UNPAID			
B. NON-CURRENT ASSETS	980,401	949,233	930,170
I INTANGIBLE ASSETS	46	25	10
Concessions, patents , licenses , trademarks , software and other rights	46	25	10
II PROPERTY, PLANT AND EQUIPMENT	980,355	935,617	916,569
Land		27,084	27,084
Buildings	440,750	407,048	402,446
Plant and equipment	300,784	279,257	264,556
Investment property	218,126	201,921	201,921
Property, plant and equipment construction	755	367	622
Advances for property, plant and equipment	19,940	19,940	19,940
III BIOLOGICAL AGENTS			
IV LONG-TERM FINANCIAL PLACEMENTS			
V LONG-TERM RECEIVABLES		13,591	13,591
Receivables from parent company and its subsidiaries		13,591	13,591
C. DEFERRED TAX ASSETS			
D. CURRENT ASSETS	248,091	298,298	346,556
I INVENTORIES	88,292	84,413	78,508
Supplies , spare parts , tools and supplies	34,780	32,529	30,543
Unfinished production and unfinished services	5,726	2,620	2,463
Finished products	47,454	49,165	45,461
Advances paid to suppliers	332	99	41
II RECEIVABLES FROM SALE	112,568	212,054	266,985
Customers in the country - the parent and subsidiaries	86,951	201,797	255,558
Customers abroad - parent and subsidiaries	6,187	6,501	6,406
Customers in the country - other related parties	7	7	7
Customers abroad - other related parties	58		
Customers in the country	19,254	3,683	5,014
Customers abroad	111	66	
III RECEIVABLES FROM SPECIFIC			
IV OTHER RECEIVABLES	562	181	264
V FINANCIAL ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT			
VI SHORT-TERM FINANCIAL PLACEMENTS	146		
Short-term loans and investments - parent and subsidiaries	146		
VII CASH AND CASH EQUIVALENTS	1		4
VIII VALUE ADDED TAX	9,169	348	32
IX PREPAYMENTS	37,353	1,302	763
I. TOTAL ASSETS	1,228,492	1,247,531	1,276,726
EQUITY AND LIABILITIES	As of 31 December 2013	As of 31 December 2014	As of 11 September 2015
A. EQUITY			
I SHARE AND OTHER CAPITAL	626,048	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	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

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VIII RETAINED EARNINGS			
IX PARTICIPATION RIGHTS WITHOUT CONTROL			
X LOSS	825,497	1,078,776	1,163,762
Loss of previous years	603,297	825,496	1,078,776
Loss for the year	222,200	253,280	84,986
B. NON-CURRENT ASSETS	63,509	6,489	430,820
I LONG-TERM PROVISIONS	11,309	6,489	6,231
Provision for retirement and other employee benefits	11,309	5,124	4,866
Provision for lawsuits		1,365	1,365
II LONG-TERM LIABILITIES	52,200		424,589
Long-term loans in the country	52,200		330,099
Liabilities arising from finance lease			
Other long-term liabilities			94,490
C. DEFERRED TAX LIABILITIES			
D. CURRENT LIABILITIES	1,355,282	1,684,719	1,374,569
I SHORT-TERM FINANCIAL LIABILITIES	281,610	347,404	71,196
Short-term loans from parent companies and subsidiaries	72,807	71,196	71,196
Other current financial liabilities	208,803	276,208	
II PREPAYMENTS, DEPOSITS AND GUARANTEES	158	320	179
III ACCOUNTS PAYABLE	947,480	1,171,002	1,263,234
Suppliers - parent and subsidiaries in the country	912,580	1,140,276	1,241,710
Suppliers - other related parties in the country	5	5	5
Suppliers in the country	13,724	20,096	11,095
Foreign suppliers	9,051	7,697	7,523
Other liabilities	12,120	2,928	2,901
IV OTHER CURRENT LIABILITIES	114,600	149,000	29,430
V LIABILITIES FOR VALUE ADDED TAX	725		286
VI OTHER TAXES, CONTRIBUTIONS AND OTHER FEES			
VII ACCRUALS	10,709	16,993	10,244
I. THE LOSS IN EXCESS OF CAPITAL	190,299	443,677	528,663
F. TOTAL LIABILITIES	1,228,492	1,247,531	1,276,726

Income statement (in thousands of RSD)	January-December 2013	January-December 2014	January-11 September 2015
INCOME FROM OPERATIONS			
A. OPERATING INCOME	352,773	241,245	132,669
I Sales of goods	28,252	834	
II Sales of products and services	324,406	240,399	132,669
III Revenues from premiums, subsidies, donations, grants etc.			
IV Other operating income	115	12	
EXPENSES FROM OPERATIONS			
B. OPERATING EXPENSES	529,543	382,830	195,987
I Cost of commercial goods sold	25,758	745	
II Work performed by the company and capitalized	166	0	
III Increase in inventories of finished products and work in progress			
IV Decrease in inventories of finished products and work in progress	33,282	1,396	3,860
V Material consumed	143,468	99,836	49,949
VI Fuel and energy consumed	46,870	36,318	22,225
VII Staff costs	130,439	109,747	67,433
VIII Production expenses	7,517	6,620	4,937
IX Amortization	28,724	28,596	19,522
X Costs of long-term provisions		1,365	
XI Intangible costs	113,651	98,207	28,061
C. PROFIT FROM OPERATIONS			
D. LOSS FROM OPERATIONS	176,770	141,585	63,318
I. FINANCE INCOME	227	1,530	2,262
I Financial income from related persons and other financial income			
II Interest income (from third parties)			
III Gains and positive effects of currency clause	227	1,530	2,262
F. FINANCE EXPENSES	33,673	93,912	25,415
I Financial expenses related party transactions and other financial expenses			
II Interest expense (by third parties)	21,832	41,866	25,229
III Foreign exchange gains and negative effects of currency clause	11,841	52,046	186
G. PROFIT FROM FINANCING			
H. LOSS FROM FINANCING	33,446	92,382	23,153
I. INCOME FROM VALUATION ADJUSTMENTS OF OTHER ASSETS		810	353

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CARRIED AT FAIR VALUE TROUGHT INCOME STATEMENT			
J. LOSS ADJUSTMENT OTHER PROPERTY CARRIED AT FAIR VALUE TROUGHT INCOME STATEMENT	425	9,180	
K. OTHER INCOME	2,574	6,424	1,295
L. OTHER EXPENSES	31,362	17,366	163
M. OPERATING PROFIT BEFORE TAX			
N. LOSS FROM OPERATIONS BEFORE TAX	239,429	253,280	84,986
Q. PROFIT BEFORE TAXATION			
R. LOSS BEFORE TAXATION	239,429	253,280	84,986
S. INCOME TAXES			
I Current tax expense			
II Deferred income tax expense			
III Deferred income tax benefit	17,229		
T.EARNINGS OF EMPLOYER			
U. NET PROFIT			
V. NET LOSS	222,200	253,280	84,986

CASH FLOWS (in thousands of RSD)	January-December 2014	January-11 September 2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash inflow from operating activities	137,497	104,306
Cash outflow from operating activities	126,599	104,279
Net cash inflow from operating activities	10,898	27
Net outflow from operating activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash inflow from investing activities		
Cash outflow from investing activities		
Net cash inflow from investing activities		
Net cash outflow from investing activities		
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash inflow from financing activities		
Cash outflow from financing activities	10,892	26
Net cash inflow from financing activities		
Net cash outflow from financing activities	10,892	26
Total cash inflow	137,497	104,306
Total cash outflow	137,491	104,305
NET CASH INFLOW	6	1
NET CASH OUTFLOW		
Cash and cash equivalents at beginning of year	1	
Foreign exchange gains on translation of cash and cash equivalents		3
Foreign exchange losses on translation of cash and cash equivalents	7	
CASH AND CASH EQUIVALENTS AT END OF PERIOD		4

3.8. TIGAR CHEMICAL PRODUCTS

* On September 11, 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 September 11, 2015. After the status changes as of September 12, 2015, the business operating 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 2013	As of 31 December 2014	As of 11 September 2015
A. SUBSCRIBED CAPITAL UNPAID			
B. NON-CURRENT ASSETS	219,012	215,799	228,241
I INTANGIBLE ASSETS	4,225	3,724	3,374
Investment in development	4,172		3,371
Concessions, patents , licenses , trademarks , software and other rights	53	3,724	4
II PROPERTY, PLANT AND EQUIPMENT	214,787	161,888	174,680
Land	54,278	54,278	54,278

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Buildings	34	32	30
Plant and equipment	656	242	105
Investment property	141,693	89,253	102,184
Property, plant and equipment construction	18,126	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
C. DEFERRED TAX ASSETS			
D. CURRENT ASSETS	92,965	105,376	133,123
I INVENTORIES	33,998	30,790	25,800
Material , spare parts , tools and supplies	20,066	17,805	15,832
Finished products	13,796	12,912	9,943
Plačeni avansi za zalihe i usluge	136	73	24
II RECEIVABLES FORM SALE	52,930	71,235	103,869
Customers in the country - the parent and subsidiaries	43,434	56,835	88,960
Customers in the country	2,203	6,705	8,060
Customers abroad	7,293	7,695	6,850
III RECEIVABLES FROM SPECIFIC OPERATIONS			
IV OTHER RECEIVABLES	5,260	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
VII CASH AND CASH EQUIVALENTS			
VIII VALUE ADDED TAX	171	84	807
IX PREPAYMENTS	606	615	
E. TOTAL ASSETS	311,977	321,175	361,364
F. OFF BALANCE SHEET ASSETS			
EQUITY AND LIABILITIES	As of 31 December 2013	As of 31 December 2014	As of 11 September 2015
A. EQUITY	130,260	75,276	77,099
I SHARE AND OTHER CAPITAL	256,841	256,841	256,841
Shares of limited liability companies	256,841	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	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	158,108	213,098	213,098
Loss of previous years	127,601	158,108	213,098
Loss for the year	30,507	54,990	
B. LONG TERM PROVISIONS AND LIABILITIES	1,231	903	18,618
I LONG-TERM PROVISIONS	1,231	903	903
Provision for retirement and other employee benefits	1,231	903	903
II LONG-TERM LIABILITIES			17,715
C. DEFERRED TAX LIABILITIES			
D. CURRENT LIABILITIES	180,486	244,996	265,647
I SHORT-TERM FINANCIAL LIABILITIES	94,051	100,408	100,408
Short-term loans from parent companies and subsidiaries	94,051	100,408	100,408
II PREPAYMENTS, DEPOSITS AND GUARANTEES	3,580	1,049	
III ACCOUNTS PAYABLE	35,555	90,692	130,415
Suppliers - parent and subsidiaries in the country	14,182	64,277	105,323
Suppliers in the country	10,021	10,848	10,399
Foreign suppliers	9,859	14,092	13,218
Other liabilities	1,493	1,475	1,475
IV OTHER CURRENT LIABILITIES	40,927	42,586	31,657
V LIABILITIES FOR VALUE ADDED TAX	749	3,026	1,137
VI OTHER TAXES, CONTRIBUTIONS AND OTHER FEES			
VII ACCRUALS	5,624	7,235	2,031
E. THE LOSS IN EXCESS OF CAPITAL			

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F. TOTAL LIABILITIES	311,977	321,175	361,364
G. OFF BALANCE SHEET LIABILITIES			

INCOME STATEMENT IN THOUSANDS OF DINARS	January- December 2013	January- December 2014	January - 11. September 2015
INCOME FROM OPERATIONS			
A. OPERATING INCOME	90,023	81,120	57,354
I Sales of goods	796	4,511	617
II Sales of products and services	89,227	75,505	46,668
III Revenues from premiums, subsidies, donations, grants etc.			
IV Other operating income		1,104	10,069
EXPENSES FROM OPERATIONS			
B. OPERATING EXPENSES	110,899	89,191	52,187
I Cost of commercial goods sold	665	3,845	533
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	4,340	884	2,968
V Material consumed	45,907	38,520	18,506
VI Fuel and energy consumed	2,829	2,524	1,292
VII Staff costs	30,268	24,721	16,195
VIII Production expenses	3,439	1,864	2,029
IX Amortization	1,448	916	489
X Costs of long-term provisions			
XI Intangible costs	22,003	15,917	10,176
C. PROFIT FROM OPERATIONS			5,167
D. LOSS FROM OPERATIONS	20,876	8,071	
I FINANCE INCOME	480	403	106
I Financial income from related persons and other financial income			
II Interest income (from third parties)			
III Gains and positive effects of currency clause	480	403	106
F. FINANCE EXPENSES	668	4,171	3,453
I Financial expenses related party transactions and other financial expenses			
II Interest expense (by third parties)	265	3,446	3,376
III Foreign exchange gains and negative effects of currency clause	403	725	77
G. PROFIT FROM FINANCING			
H. LOSS FROM FINANCING	188	3,768	3,347
I. INCOME FROM VALUATION ADJUSTMENTS OF OTHER ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT	42		
J. LOSS ADJUSTMENT OTHER PROPERTY CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT		293	489
K. OTHER INCOME	1,278	10,109	1,226
L. OTHER EXPENSES	15,047	52,967	733
M. OPERATING PROFIT BEFORE TAX			1,823
N. LOSS FROM OPERATIONS BEFORE TAX	34,791	54,990	
Q. PROFIT BEFORE TAXATION			1,823
R. LOSS BEFORE TAXATION	34,791	54,990	
S. INCOME TAXES			
I Current tax expense			
II Deferred income tax expense			
III Deferred income tax benefit	4,285		
T. EARNINGS OF EMPLOYER			
U. NET PROFIT			1,823
V. NET LOSS	30,506	54,990	

CASH FLOWS in thousands of RSD)	January-December 2014	January - 11. September 2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash inflow from operating activities	37,671	35,895
Cash outflow from operating activities	49,654	35,894
Net cash inflow from operating activities		1
Net outflow from operating activities	11,983	
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash inflow from investing activities		

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Cash outflow from investing activities		
Net cash inflow from investing activities		
Net cash outflow from investing activities		
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash inflow from financing activities	17,108	
Cash outflow from financing activities	5,125	
Net cash inflow from financing activities	11,983	
Net cash outflow from financing activities		
Total cash inflow	54,779	35,895
Total cash outflow	54,779	35,894
NET CASH INFLOW		1
NET CASH OUTFLOW		
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		
CASH AND CASH EQUIVALENTS AT END OF PERIOD		1

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

Balance sheet in thousands GBP	As of December 31, 2013 audited	As of August 11, 2014	As of December 31, 2014 In bankruptcy
TOTAL ASSETS			
Fixed Assets			
Current assets	3,291	2,503	351
Deferred tax assets			
Total assets	3,291	2,503	351
TOTAL LIABILITIES			
Equity	2,538	2,487	
Non-current liabilities			
Short-term liabilities	753	15	351
Deferred tax liabilities			
Total liabilities	3,291	2,503	351

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

3.10. TIGRA MONTENEGRO – MONTENEGRO

BALANCE SHEET (in thousands of EUR)	As of December 31, 2013	As of December 31, 2014	As of December 31, 2015
Non-current assets	4	3	3
Current assets	356	182	45
Deferred tax assets			

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TOTAL ASSETS	360	185	48
Equity	95	45	3
Long-term liabilities and provisions			
Current liabilities	265	140	44
Deferred tax liabilities			
TOTAL EQUITY AND LIABILITIES	360	185	48

Income statement in thousands of EUR	January- December 2013	January- December 2014	January- December 2015
Total income	486	172	16
Total expenses	497	223	57
PROFIT/LOSS BEFORE TAXATION	-11	-50	-41
Income taxes			
Deferred Income Tax expense			
Deferred Income Tax benefit			
NET PROFIT/LOSS	-11	-50	-41

3.11. TIGRA TREJD – REPUBLIC SRPSKA

BALANCE SHEET (in thousands of KM)	As of December 31, 2013	As of December 31, 2014	As of December 31, 2015
Fixed Assets	283	269	258
Current assets	905	909	954
Deferred tax assets			
Loss above capital value			
TOTAL ASSETS	1,188	1,178	1,212
Equity	71	88	89
Non-current liabilities	9		
Short-term liabilities	1,108	1,090	1,122
Deferred tax liabilities			
TOTAL EQUITY AND LIABILITIES	1,188	1,178	1,212

Income statement in thousands of KM	January- December 2013	January- December 2014	January- December 2015
Total income	1,226	1,452	1,182
Total expenses	1,156	1,430	1,181
PROFIT/LOSS BEFORE TAXATION	70	23	1
Income taxes		5	0
Deferred Income Tax expense			
Deferred Income Tax benefit			
NET PROFIT/LOSS	70	17	1

	BUSINESS REPORT	Document Reference
	FOR THE PERIOD JANUARY- DECEMBER 2015	IZ.P. 15/04

3.12. TIGAR PARTNER – MACEDONIA

BALANCE SHEET (in thousands of Denars)	As of December 31, 2013	As of December 31, 2014	As of December 31, 2015
Fixed Assets	17	6	2
Current assets	27,076	21,187	20,249
Deferred tax assets	0	0	0
TOTAL ASSETS	27,094	21,193	20,251
Equity	17,865	16,457	15,989
Non-current liabilities	0	0	0
Short-term liabilities	9,229	4,736	4,262
Deferred tax liabilities	0	0	0
TOTAL EQUITY AND LIABILITIES	27,094	21,193	20,251

Income Statement (in thousands of Denars)	January- December 2013	January- December 2014	January-December 2015
Total income	27,272	24,115	20,590
Total expenses	27,201	25,512	21,052
PROFIT/LOSS BEFORE TAXATION	71	-1,397	-462
Income taxes	9	10	6
Deferred Income Tax expense	0	0	0
Deferred Income Tax benefit	0	0	0
NET PROFIT/LOSS	62	-1,407	-468

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.l.c. Just as well as that, a part of the sale of finished products and the purchase of raw materials have proceeded through this entity in 2014, while during 2015, the turnover was carried out through the parent company, because of which the data are not fully comparable.

BALANCE SHEET (in thousands of RSD)

ASSETS	As of December 31, 2013	As of December 31, 2014	As of December 31, 2015
A. SUBSCRIBED CAPITAL UNPAID			
B. NON-CURRENT ASSETS	30,758	46,473	1,558
I INTANGIBLE ASSETS			
II PROPERTY, PLANT AND EQUIPMENT	30,758	30,085	1,558
Land	1,932	1,932	
Buildings	28,374	27,796	1,355
Plant and equipment	437	259	104
Property, plant and equipment construction	15	98	99
III BIOLOGICAL AGENTS			
IV LONG-TERM FINANCIAL PLACEMENTS			
V LONG-TERM RECEIVABLES		16,388	
Receivables from parent company and its subsidiaries		16,388	
C. DEFERRED TAX ASSETS	190	145	132
D. CURRENT ASSETS	192,218	569,909	248,520
I INVENTORIES	59,655	128,835	125,062
Goods	53,992	115,161	85,482
Fixed assets held for sale			28,068
Advances paid to suppliers	5,663	13,674	11,512
II RECEIVABLES FROM SALE	100,544	303,415	87,855
Customers in the country - the parent and subsidiaries	66,721	229,186	66,217

	BUSINESS REPORT	Document Reference
	FOR THE PERIOD JANUARY- DECEMBER 2015	IZ.P. 15/04

Customers abroad - parent and subsidiaries	1,883	6,682	1,123
Customers in the country - other related parties		9	68
Customers abroad - other related parties			
Customers in the country	13,744	43,063	20,439
Customers abroad	18,196	24,475	8
Other receivables from sales			
III RECEIVABLES FROM SPECIFIC OPERATIONS			
IV OTHER RECEIVABLES	15,820	6,073	12,622
V FINANCIAL ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT			
VI SHORT-TERM FINANCIAL PLACEMENTS		110,163	19,315
Short-term loans and investments - parent and subsidiaries		110,163	19,315
VII CASH AND CASH EQUIVALENTS	133	329	329
VIII VALUE ADDED TAX	9,976	9,694	29
IX PREPAYMENTS	6,090	11,400	3,308
I. TOTAL ASSETS	223,166	616,527	250,210
F. OFF BALANCE SHEET ASSETS			
EQUITY AND LIABILITIES	As of 31 December 2013	As of 31 December 2014	As of 31 December 2015
A. EQUITY			
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 RESULTS			
VII UNREALIZED LOSSES ON SECURITIES VALUE AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULTS		389	364
VIII RETAINED EARNINGS		10,688	
Retained profit from previous years			
Retained profit from financial year		10,688	
IX PARTICIPATION RIGHTS WITHOUT CONTROL			
X LOSS	14,787	14,787	73,316
Loss of previous years	13,050	14,787	4,099
Loss for the year	1,737		69,217
B. LONG-TERM PROVISIONS AND LIABILITIES	395	818	507
I LONG-TERM PROVISIONS	395	818	507
Provision for retirement and other employee benefits	395	818	507
Provision for lawsuits			
Other long-term provisions			
II LONG-TERM LIABILITIES			
C. DEFERRED TAX LIABILITIES			
D. CURRENT LIABILITIES	236,210	618,849	322,035
I SHORT-TERM FINANCIAL LIABILITIES	17,489	107,721	8,740
Short-term loans from parent companies and subsidiaries	17,489	107,721	8,740
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	16,940	41,728	9,217
III ACCOUNTS PAYABLE	182,533	434,221	271,236
Suppliers - parent and subsidiaries in the country	149,035	354,486	238,201
Suppliers - parent and subsidiaries abroad			
Suppliers - other related parties in the country	14		48
Suppliers - Other related legal entities abroad			
Suppliers in the country	14,315	49,497	25,730
Foreign suppliers	12,817	24,842	4,433
Other liabilities	6,352	5,396	2,824
IV OTHER CURRENT LIABILITIES	18,793	32,218	26,523
V LIABILITIES FOR VALUE ADDED TAX		2,041	2,416
VI OTHER TAXES, CONTRIBUTIONS AND OTHER FEES		372	155

	BUSINESS REPORT	Document Reference
	FOR THE PERIOD JANUARY- DECEMBER 2015	IZ.P. 15/04

VII ACCRUALS	455	548	3,748
I. THE LOSS IN EXCESS OF CAPITAL	13,439	3,140	72,332
F. TOTAL LIABILITIES	223,166	616,527	250,210
G. OFF BALANCE SHEET LIABILITIES			

Income statement (in thousands of RSD)	January- December 2013	January- December 2014	January- December 2015
INCOME FROM OPERATIONS			
A. OPERATING INCOME	193,999	1,383,904	425,010
I Sales of goods	189,152	1,367,802	415,589
II Sales of products and services	4,629	13,500	7,846
III Revenues from premiums, subsidies, donations, grants etc.			
IV Other operating income	218	2,602	1,575
EXPENSES FROM OPERATIONS			
B. OPERATING EXPENSES	195,184	1,354,607	483,929
I Cost of commercial goods sold	166,498	1,224,188	362,512
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	1,576	9,992	1,354
VI Fuel and energy consumed	1,187	11,982	8,855
VII Staff costs	16,016	64,305	60,787
VIII Production expenses	4,210	22,239	14,181
IX Amortization	974	780	459
X Costs of long-term provisions		284	91
XI Intangible costs	4,723	20,837	35,690
C. PROFIT FROM OPERATIONS		29,297	
D. LOSS FROM OPERATIONS	1,185		58,919
I. FINANCE INCOME	179	2,417	789
I Financial income from related persons and other financial income			
II Interest income (from third parties)			
III Gains and positive effects of currency clause	179	2,417	789
F. FINANCE EXPENSES	175	4,841	1,110
I Financial expenses related party transactions and other financial expenses			
II Interest expense (by third parties)	2	1,516	279
III Foreign exchange gains and negative effects of currency clause	173	3,325	831
G. PROFIT FROM FINANCING	4		
H. LOSS FROM FINANCING		2,424	321
I. INCOME FROM VALUATION ADJUSTMENTS OF OTHER ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT		1,018	
J. LOSS ADJUSTMENT OTHER PROPERTY CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT	393	10,601	7,660
K. OTHER INCOME	377	394	298
L. OTHER EXPENSES	174	6,672	2,603
M. OPERATING PROFIT BEFORE TAX		11,012	
N. LOSS FROM OPERATIONS BEFORE TAX	1,371		69,205
Q. PROFIT BEFORE TAXATION		11,012	
P. LOSS BEFORE TAXATION	1,371		69,205
R. INCOME TAX			
I Current tax expense		279	12
II Deferred income tax expense		45	
III Deferred income tax benefit			
T. EARNINGS OF EMPLOYER			
U. NET PROFIT		10,688	
V. NET LOSS	1,371		69,217

CASH FLOWS (in thousands of RSD)	January-December 2014	January-December 2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash inflow from operating activities	1,175,695	848,833
Cash outflow from operating activities	1,128,136	840,544
Net cash inflow from operating activities	47,559	8,289
Net cash outflow from operating activities		

	BUSINESS REPORT	Document Reference
	FOR THE PERIOD JANUARY- DECEMBER 2015	IZ.P. 15/04

CASH FLOWS FROM INVESTING ACTIVITIES		
Cash inflow from investing activities		
Cash outflow from investing activities		
Net cash inflow from investing activities		
Net cash outflow from investing activities		
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash inflow from financing activities		
Cash outflow from financing activities	46,468	8,133
Net cash inflow from financing activities		
Net cash outflow from financing activities	46,468	8,133
Total cash inflow	1,175,695	848,833
Total cash outflow	1,174,604	848,677
NET CASH INFLOW	1,091	156
NET CASH OUTFLOW		
Cash and cash equivalents at beginning of year	133	329
Foreign exchange gains on translation of cash and cash equivalents		
Foreign exchange losses on translation of cash and cash equivalents	895	156
CASH AND CASH EQUIVALENTS AT END OF PERIOD	329	329

3.14. TIGAR BUSINESS SERVICE

BALANCE SHEET (in thousands of RSD)

ASSETS	As of December 31, 2013	As of December 31, 2014	As of December 31, 2015
A. SUBSCRIBED CAPITAL UNPAID			
B. NON-CURRENT ASSETS	37,547	58,980	38,790
I. INTANGIBLE ASSETS	7	4	1
II. PROPERTY, PLANT AND EQUIPMENT	37,540	45,480	38,789
Land			2,765
Buildings	16,573	13,591	13,374
Plant and equipment	15,144	29,124	22,510
Property, plant and equipment construction	5,823		140
III. BIOLOGICAL AGENTS			
IV. LONG-TERM FINANCIAL PLACEMENTS			
V. LONG-TERM RECEIVABLES		13,496	
Receivables from parent company and its subsidiaries		13,496	
C. DEFERRED TAX ASSETS	1,269	2,417	2,549
D. CURRENT ASSETS	45,713	71,303	48,948
I. INVENTORIES	4,452	2,791	4,241
Material , spare parts , tools and supplies	1,439	1,230	1,018
Advances paid to suppliers	3,013	1,561	3,223
II. Receivable from sale	15,715	8,397	27,171
Customers in the country - the parent and subsidiaries	676	224	299
Customers abroad - parent and subsidiaries	57		
Customers in the country - other related parties			
Customers in the country	14,982	8,173	26,373
Customers abroad			499
III RECEIVABLES FROM SPECIFIC OPERATIONS			
IV. OTHER RECEIVABLES	1,202	276	107
V. FINANCIAL ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT			
VI. SHORT-TERM FINANCIAL PLACEMENTS	23,977	58,760	16,879
Short-term loans and investments - parent and subsidiaries	23,977	58,760	16,879
VII. CASH AND CASH EQUIVALENTS		2	32
VIII. VALUE ADDED TAX		521	
IX. PREPAYMENTS	367	556	518
I. TOTAL ASSETS	84,529	132,700	90,287
F. OFF BALANCE SHEET ASSETS			
EQUITY AND LIABILITIES	As of December 31, 2013	As of December 31, 2014	As of December 31, 2015

	BUSINESS REPORT	Document Reference
	FOR THE PERIOD JANUARY- DECEMBER 2015	IZ.P. 15/04

A. EQUITY	29,699	36,231	40,609
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
VIII. RETAINED EARNINGS	15,513	23,108	19,079
Retained profit from previous years	4,732	15,513	
Retained profit from financial year	10,781	7,595	19,079
IX. PARTICIPATION RIGHTS WITHOUT CONTROL			
X. LOSS	8,918	9,484	1,100
Loss of previous years	8,918	9,484	1,100
Loss for the year			
B. NON-CURRENT ASSETS	6,012	17,279	12,844
I. LONG-TERM PROVISIONS	2,192	1,398	1,419
Provision for retirement and other employee benefits	2,192	1,398	1,419
II. LONG-TERM LIABILITIES	3,820	15,881	11,425
C. DEFERRED TAX LIABILITIES			
D. CURRENT LIABILITIES	48,818	79,190	36,834
I. SHORT-TERM FINANCIAL LIABILITIES	10,187	50,092	7,996
Short-term loans from parent companies and subsidiaries	8,884	45,570	3,089
II. PREPAYMENTS, DEPOSITS AND GUARANTEES	1,373	2,859	4,319
III. ACCOUNTS PAYABLE	13,701	12,058	12,516
Suppliers - parent and subsidiaries in the country	3,281	3,281	2,130
Suppliers - other related parties in the country		90	
Suppliers in the country	10,358	8,512	10,131
Foreign suppliers	52	173	255
Other liabilities	10	2	
IV. OTHER CURRENT LIABILITIES	19,928	9,130	7,441
V. LIABILITIES FOR VALUE ADDED TAX	1,305		551
VI OTHER TAXES, CONTRIBUTIONS AND OTHER FEES	809	1,549	1,920
VII. ACCRUALS	1,515	3,502	2,091
I. THE LOSS IN EXCESS OF CAPITAL			
F. TOTAL LIABILITIES	84,529	132,700	90,287
G. OFF BALANCE SHEET LIABILITIES			

Income statement (in thousands of RSD)	January- December 2013	January- December 2014	January- December 2015
INCOME FROM OPERATIONS			
A. OPERATING INCOME	117,517	119,549	148,941
I. Sales of goods	24		5
II. Sales of products and services	117,493	119,549	148,936
III. Revenues from premiums, subsidies, donations, grants etc.			
IV. Other operating income			
EXPENSES FROM OPERATIONS			
B. OPERATING EXPENSES	105,078	103,127	124,302
I. Cost of commercial goods sold			
V. Material consumed	3,787	3,968	4,189
VI. Fuel and energy consumed	31,652	30,978	32,940
VII. Staff costs	31,463	31,329	35,055
VIII. Production expenses	15,403	12,130	23,874
IX. Amortization	8,041	11,217	8,969
X. Costs of long-term provisions	575		44
XI. Intangible costs	14,157	13,505	19,231
C. PROFIT FROM OPERATIONS	12,439	16,422	24,639
D. LOSS FROM OPERATIONS			
I. FINANCE INCOME	171	46	104
I. Financial income from related persons and other financial income			
II. Interest income (from third parties)	21	13	44

	BUSINESS REPORT	Document Reference
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III. Gains and positive effects of currency clause	150	33	60
F. FINANCE EXPENSES	2,032	7,483	3,217
I. Financial expenses related party transactions and other financial expenses			
II. Interest expense (by third parties)	641	6,198	3,004
III. Foreign exchange gains and negative effects of currency clause	1,391	1,285	213
G. PROFIT FROM FINANCING			
H.LOSS FROM FINANCING	1,861	7,437	3,113
I. INCOME FROM VALUATION ADJUSTMENTS OF OTHER ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT	11		114
J. LOSS ADJUSTMENT OTHER PROPERTY CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT		446	
K. OTHER INCOME	1,732	3,272	3,105
L. OTHER EXPENSES	357	2,312	159
M. OPERATING PROFIT BEFORE TAX	11,964	9,499	24,586
N. LOSS FROM OPERATIONS BEFORE TAX			
Q. PROFIT BEFORE TAXATION	11,964	9,499	24,586
R. LOSS BEFORE TAXATION			
R. INCOME TAX			
I. Current tax expense	809	3,617	5,638
II. Deferred income tax expense	375		
III. Deferred income tax benefit		1,148	131
T.EARNINGS OF EMPLOYER			
U. NET PROFIT	10,781	7,030	19,079
V. NET LOSS			

3.15. TIGAR CATERING

BALANCE SHEET IN THOUSANDS OF DINARS

ASSETS	As of December 31, 2013	As of December 31, 2014	As of December 31, 2015
A. SUBSCRIBED CAPITAL UNPAID			
B. NON-CURRENT ASSETS	167,772	166,933	163,808
I INTANGIBLE ASSETS	14	8	110
Concessions, patents , licenses , trademarks , software and other rights	14	8	2
Intangible assets under construction			108
II PROPERTY, PLANT AND EQUIPMENT	167,758	164,226	163,698
Land	22,838	27,190	27,190
Buildings	136,307	129,574	127,234
Plant and equipment	7,736	6,475	7,691
Property, plant and equipment construction	877	987	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	
C. DEFERRED TAX ASSETS			
D. CURRENT ASSETS	53,197	89,568	62,502
I INVENTORIES	6,620	5,839	6,096
Material , spare parts , tools and supplies	4,651	3,840	4,018
Goods	1,035	1,146	1,128
Advances paid to suppliers	934	853	950
II RECEIVABLES FORM SALE	14,107	25,954	11,536
Customers in the country - the parent and subsidiaries	6,160	8,543	2,757
Customers in the country - other related parties	20	20	25
Customers in the country	7,927	17,273	8,754
Customers abroad		118	
III RECEIVABLES FROM SPECIFIC OPERATIONS			
IV OTHER RECEIVABLES	26,211	33,822	35,826
V FINANCIAL ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT			
VI SHORT-TERM FINANCIAL PLACEMENTS	4,182	23,065	8,362
Short-term loans and investments - parent and subsidiaries	4,182	23,065	8,362
VII CASH AND CASH EQUIVALENTS	1,309		67
VIII VALUE ADDED TAX			
IX PREPAYMENTS	768	888	615
E. TOTAL ASSETS	220,969	256,501	226,310
F. OFF BALANCE SHEET ASSETS			
EQUITY AND LIABILITIES	As of December 31, 2013	As of December 31, 2014	As of December 31, 2015

	BUSINESS REPORT	Document Reference
	FOR THE PERIOD JANUARY- DECEMBER 2015	IZ.P. 15/04

A. EQUITY	110,132	99,619	97,875
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
VIII RETAINED EARNINGS			
Retained profit from the year			
IX PARTICIPATION RIGHTS WITHOUT CONTROL			
X LOSS	93,976	104,454	105,484
Loss of previous years	78,884	93,976	104,454
Loss for the year	15,092	10,478	1,030
B. LONG TERM PROVISIONS AND LIABILITIES	1,157	2,388	13,421
I LONG-TERM PROVISIONS	1,157	2,388	3,371
Provision for retirement and other employee benefits	1,157	2,388	3,371
II LONG-TERM LIABILITIES			10,050
C. DEFERRED TAX LIABILITIES	492	631	228
D. CURRENT LIABILITIES	109,188	153,863	114,786
I SHORT-TERM FINANCIAL LIABILITIES	10,988	15,766	2,754
Short-term loans from parent companies and subsidiaries	10,988	15,766	2,754
II PREPAYMENTS, DEPOSITS AND GUARANTEES	380	374	794
III ACCOUNTS PAYABLE	48,504	99,193	93,837
Suppliers - parent and subsidiaries in the country	6,564	50,730	56,900
Suppliers - other related parties in the country	12	12	12
Suppliers in the country	41,796	48,279	36,758
Foreign suppliers	124	172	149
Other liabilities	8		18
IV OTHER CURRENT LIABILITIES	42,967	32,530	11,788
V LIABILITIES FOR VALUE ADDED TAX	2,521	1,587	1,556
VI OTHER TAXES, CONTRIBUTIONS AND OTHER FEES			
VII ACCRUALS	3,828	4,413	4,057
E. THE LOSS IN EXCESS OF CAPITAL			
F. TOTAL LIABILITIES	220,969	256,501	226,310
G. OFF BALANCE SHEET LIABILITIES			

INCOME STATEMENT IN THOUSANDS OF DINARS	January-December 2013	January-December 2014	January-December 2015
INCOME FROM OPERATIONS			
A. OPERATING INCOME	150,552	177,211	205,323
I Sales of goods	63,936	12,281	11,198
II Sales of products and services	86,432	164,906	194,125
III Revenues from premiums, subsidies, donations, grants etc.			
IV Other operating income	184	24	
EXPENSES FROM OPERATIONS			
B. OPERATING EXPENSES	167,712	180,543	203,801
I Cost of commercial goods sold	6,298	5,830	5,863
II Work performed by the company and capitalized	158	270	331
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	78,013	88,491	101,935
VI Fuel and energy consumed	6,803	7,640	8,181
VII Staff costs	57,819	58,672	64,305
VIII Production expenses	2,576	3,012	4,337
IX Amortization	4,523	4,341	4,288

	BUSINESS REPORT	Document Reference
	FOR THE PERIOD JANUARY- DECEMBER 2015	IZ.P. 15/04

X Costs of long-term provisions		1,160	454
XI Intangible costs	11,838	11,667	14,769
C. PROFIT FROM OPERATIONS			1,522
D. LOSS FROM OPERATIONS	17,160	3,332	
I FINANCE INCOME	373		4
I Financial income from related persons and other financial income			
II Interest income (from third parties)	372		3
III Gains and positive effects of currency clause	1		1
F. FINANCE EXPENSES	633	7,814	2,919
I Financial expenses related party transactions and other financial expenses			
II Interest expense (by third parties)	616	7,813	2,910
III Foreign exchange gains and negative effects of currency clause	17	1	9
G. PROFIT FROM FINANCING			
H. LOSS FROM FINANCING	260	7,814	2,915
I. INCOME FROM VALUATION ADJUSTMENTS OF OTHER ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT		56	
J. LOSS ADJUSTMENT OTHER PROPERTY CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT	170	250	386
K. OTHER INCOME	4,672	1,738	839
L. OTHER EXPENSES	688	738	493
M. OPERATING PROFIT BEFORE TAX			
N. LOSS FROM OPERATIONS BEFORE TAX	13,606	10,340	1,433
Q. PROFIT BEFORE TAXATION			
R. LOSS BEFORE TAXATION	13,606	10,340	1,433
S. INCOME TAXES			
I Current tax expense			
II Deferred income tax expense	209	138	
III Deferred income tax benefit			403
T. EARNINGS OF EMPLOYER			
U. NET PROFIT			
V. NET LOSS	13,815	10,478	1,030

CASH FLOWS (in thousands of RSD)	January-December 2014	January-December 2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash inflow from operating activities	122,986	260,615
Cash outflow from operating activities	93,899	262,506
Net cash inflow from operating activities	29,087	
Net outflow from operating activities		1,891
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash inflow from investing activities		
Cash outflow from investing activities	1,037	1,912
Net cash inflow from investing activities		
Net cash outflow from investing activities	1,037	1,912
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash inflow from financing activities		3,870
Cash outflow from financing activities	29,359	
Net cash inflow from financing activities		3,870
Net cash outflow from financing activities	29,359	
Total cash inflow	122,986	264,485
Total cash outflow	124,295	264,418
NET CASH INFLOW		67
NET CASH OUTFLOW	1,309	
Cash and cash equivalents at beginning of year	1,309	
Foreign exchange gains on translation of cash and cash equivalents		
Foreign exchange losses on translation of cash and cash equivalents		
CASH AND CASH EQUIVALENTS AT END OF PERIOD		67

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3.16. TIGAR INCON

BALANCE SHEET (in thousands of RSD)

ASSETS	As of December 31, 2013	As of December 31, 2014	As of December 31, 2015
A. SUBSCRIBED CAPITAL UNPAID			
B. NON-CURRENT ASSETS	157,169	159,642	146,443
I INTANGIBLE ASSETS	22	12	2
Concessions, patents, licenses, trademarks, software and other rights	22	12	2
II PROPERTY, PLANT AND EQUIPMENT	157,147	151,310	146,441
Land	586	7,727	7,727
Buildings	141,695	132,443	130,335
Plant and equipment	14,866	11,140	8,050
Property, plant and equipment construction			329
III BIOLOGICAL AGENTS			
IV LONG-TERM FINANCIAL PLACEMENTS			
V LONG-TERM RECEIVABLES		8,320	
Receivables from parent company and its subsidiaries		8,320	
C. DEFERRED TAX ASSETS			
D. CURRENT ASSETS	40,425	55,809	32,286
I INVENTORIES	5,823	5,887	7,065
Materials, spare parts , tools and supplies	4,935	5,118	6,325
Advances paid to suppliers	888	769	740
II RECEIVABLES FROM SALE	30,525	42,467	17,807
Customers in the country - the parent and subsidiaries	8,242	8,603	8,375
Customers abroad - parent and subsidiaries			
Customers in the country - other related parties	2,614	2,636	2,636
Customers in the country	19,669	31,228	6,796
III RECEIVABLES FROM SPECIFIC			
IV OTHER RECEIVABLES	570		60
V FINANCIAL ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT			
VI SHORT-TERM FINANCIAL PLACEMENTS	3,436	7,351	2,118
Short-term loans and investments - parent and subsidiaries	3,436	7,351	2,118
VII CASH AND CASH EQUIVALENTS	61	6	7
VIII VALUE ADDED TAX			1,254
IX PREPAYMENTS	10	98	3,975
I. TOTAL ASSETS	197,594	215,451	178,729
EQUITY AND LIABILITIES	As of December 31, 2013	As of December 31, 2014	As of December 31, 2015
A. EQUITY	101,670	74,401	58,443
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
VIII RETAINED EARNINGS	7,371	7,371	
Retained profit from previous years	7,371	7,371	
IX PARTICIPATION RIGHTS WITHOUT CONTROL			
X LOSS	68,126	94,823	103,342
Loss of previous years	42,557	68,127	87,451
Loss for the year	25,569	26,696	15,891
B. NON-CURRENT ASSETS	4,194	2,727	43,127
I LONG-TERM PROVISIONS	4,194	2,727	2,608
Provision for retirement and other employee benefits	4,194	2,727	2,608
II LONG-TERM LIABILITIES			40,519
C. DEFERRED TAX LIABILITIES	1,448	1,369	382
D. CURRENT LIABILITIES	90,282	136,954	76,777
I SHORT-TERM FINANCIAL LIABILITIES	7,237	29,657	22,629
Short-term loans from parent companies and subsidiaries	7,237	29,657	22,629

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II PREPAYMENTS, DEPOSITS AND GUARANTEES			15,038
III ACCOUNTS PAYABLE	20,413	44,487	23,844
Suppliers - parent and subsidiaries in the country	8,829	25,066	13,085
Suppliers in the country	11,584	19,421	10,713
Foreign suppliers			46
IV OTHER CURRENT LIABILITIES	51,620	54,135	13,202
V LIABILITIES FOR VALUE ADDED TAX	2,063	1,996	
VI OTHER TAXES, CONTRIBUTIONS AND OTHER FEES			
VII ACCRUALS	8,949	6,679	2,064
I. THE LOSS IN EXCESS OF CAPITAL			
F. TOTAL LIABILITIES	197,594	215,451	178,729

Income statement (in thousands of RSD)	January- December 2013	January- December 2014	January- December 2015
INCOME FROM OPERATIONS			
A. OPERATING INCOME	144,293	73,187	95,661
I Sales of goods			
II Sales of products and services	144,293	73,187	94,361
III Revenues from premiums, subsidies, donations, grants etc.			
IV Other operating income			1,300
EXPENSES FROM OPERATIONS			
B. OPERATING EXPENSES	169,385	92,482	107,121
II Work performed by the company and capitalized	219		
V Material consumed	47,302	16,885	34,436
VI Fuel and energy consumed	3,724	2,990	2,360
VII Staff costs	72,223	48,728	50,071
VIII Production expenses	23,896	5,941	3,370
IX Amortization	5,791	5,837	5,279
X Costs of long-term provisions			160
XI Intangible costs	16,668	12,101	11,445
C. PROFIT FROM OPERATIONS			
D. LOSS FROM OPERATIONS	25,092	19,295	11,460
I. FINANCE INCOME	5,492		716
I Financial income from related persons and other financial income	5,482		
II Interest income (from third parties)			716
III Gains and positive effects of currency clause	10		
F. FINANCE EXPENSES	4,912	8,987	6,665
I Financial expenses related party transactions and other financial expenses			
II Interest expense (by third parties)	4,430	8,987	6,665
III Foreign exchange gains and negative effects of currency clause	482		
G. PROFIT FROM FINANCING	580		
H. LOSS FROM FINANCING		8,987	5,949
I. INCOME FROM VALUATION ADJUSTMENTS OF OTHER ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT		289	441
J. LOSS ADJUSTMENT OTHER PROPERTY CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT	1,148		
K. OTHER INCOME	1,493	1,541	200
L. OTHER EXPENSES	126	323	110
M. OPERATING PROFIT BEFORE TAX			
N. LOSS FROM OPERATIONS BEFORE TAX	24,293	26,775	16,878
O. NET PROFIT FROM DISCONTINUED OPERATIONS, THE EFFECTS OF CHANGES IN ACCOUNTING POLICIES AND CORRECTION OF ERRORS FROM PREVIOUS PERIOD			
P. NET LOSS FROM DISCONTINUED OPERATIONS, EXPENSES CHANGE IN ACCOUNTING POLICIES AND CORRECTIONS FROM PREVIOUS PERIOD			
Q. PROFIT BEFORE TAXATION			
R. LOSS BEFORE TAXATION	24,293	26,775	16,878
S. INCOME TAXES			
I Current tax expense			
II Deferred income tax expense	10		
III Deferred income tax benefit		79	987
T. EARNINGS OF EMPLOYER			
U. NET PROFIT			
V. NET LOSS	24,303	26,696	15,891

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CASH FLOWS (in thousands of RSD)	January-December 2014	January-December 2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash inflow from operating activities	15,788	151,202
Cash outflow from operating activities	19,033	152,411
Net cash inflow from operating activities		
Net outflow from operating activities	3,245	1,209
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash inflow from investing activities		
Cash outflow from investing activities		
Net cash inflow from investing activities		
Net cash outflow from investing activities		
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash inflow from financing activities	5,958	15,805
Cash outflow from financing activities	2,768	14,595
Net cash inflow from financing activities	3,190	1,210
Net cash outflow from financing activities		
Total cash inflow	21,746	167,007
Total cash outflow	21,801	167,006
NET CASH INFLOW		1
NET CASH OUTFLOW	55	
Cash and cash equivalents at beginning of year	61	6
Foreign exchange gains on translation of cash and cash equivalents		
Foreign exchange losses on translation of cash and cash equivalents		
CASH AND CASH EQUIVALENTS AT END OF PERIOD	6	7

3.17. TAX FREE ZONE PIROT

BALANCE SHEET (in thousands of RSD)

ASSETS	As of December 31, 2013	As of December 31, 2014	As of December 31, 2015
A. SUBSCRIBED CAPITAL UNPAID			
B. NON-CURRENT ASSETS	75,359	77,451	116,615
I INTANGIBLE ASSETS	338	247	232
Concessions, patents , licenses , trademarks , software and other rights	338	247	232
II PROPERTY, PLANT AND EQUIPMENT	75,021	77,204	116,383
Land	18,090	18,090	18,412
Buildings	42,169	45,805	48,166
Plant and equipment	5,408	4,171	3,294
Property, plant and equipment construction	8,428	8,428	29,733
Investments in property, plants and equipment	926	710	512
Advances for property, plant and equipment			16,266
III BIOLOGICAL AGENTS			
IV LONG-TERM FINANCIAL PLACEMENTS			
V LONG-TERM RECEIVABLES			
Receivables from parent company and its subsidiaries			
C. DEFERRED TAX ASSETS	102		
D. CURRENT ASSETS	160,996	188,527	124,663
I INVENTORIES	1,256	1,133	651
Goods	1,026	1,019	541
Advances paid to suppliers	230	114	110
II RECEIVABLES FROM SALE	58,152	43,249	40,497
Customers in the country - the parent and subsidiaries	6,005	7,887	1,104
Customers in the country	48,459	31,307	35,105
Customers abroad	3,688	4,055	4,288
III RECEIVABLES FROM SPECIFIC	4,761	1,255	
IV OTHER RECEIVABLES	15,413	15,905	142
V FINANCIAL ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT			
VI SHORT-TERM FINANCIAL PLACEMENTS	45,000	45,000	
Short-term loans and investments - parent and subsidiaries	45,000	45,000	

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VII CASH AND CASH EQUIVALENTS	35,469	79,048	79,413
VIII VALUE ADDED TAX			2,092
IX PREPAYMENTS	945	2,937	1,868
I. TOTAL ASSETS	236,457	265,978	241,278
F. OFF BALANCE SHEET ASSETS	20,000	12,500	12,500
EQUITY AND LIABILITIES	As of December 31, 2013	As of December 31, 2014	As of December 31, 2015
A. EQUITY	199,378	222,112	196,161
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
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			101
VIII RETAINED EARNINGS	75,923	98,101	107,661
Retained profit from previous years	57,565	75,923	64,921
Retained profit for the year	18,358	22,178	42,740
IX PARTICIPATION RIGHTS WITHOUT CONTROL			
X LOSS			
B. NON-CURRENT ASSETS	3,274	2,792	4,635
I LONG-TERM PROVISIONS	3,274	2,792	4,635
Provision for retirement and other employee benefits	1,564	1,082	2,925
Provision for lawsuits	1,710	1,710	1,710
II LONG-TERM LIABILITIES			
C. DEFERRED TAX LIABILITIES		411	292
D. CURRENT LIABILITIES	33,805	40,663	40,190
I SHORT-TERM FINANCIAL LIABILITIES	2,977		
Other short-term liabilities	2,977		
II PREPAYMENTS, DEPOSITS AND GUARANTEES	2,543	2,182	2,210
III ACCOUNTS PAYABLE	20,481	25,800	27,680
Suppliers - parent and subsidiaries in the country	1,335	5,229	2,671
Suppliers in the country	11,787	14,947	14,311
Foreign suppliers	7,218	5,438	10,493
Other liabilities	141	186	205
IV OTHER CURRENT LIABILITIES	6,540	6,611	7,391
V LIABILITIES FOR VALUE ADDED TAX	1,034	1,167	1
VI OTHER TAXES, CONTRIBUTIONS AND OTHER FEES		4,300	2,549
VII ACCRUALS	230	603	359
I. THE LOSS IN EXCESS OF CAPITAL			
F. TOTAL LIABILITIES	236,457	265,978	241,278
G. OFF BALANCE SHEET LIABILITIES	20,000	12,500	12,500

Income statement (in thousands of RSD)	January- December 2013	January- December 2014	January- December 2015
INCOME FROM OPERATIONS			
A. OPERATING INCOME	250,009	261,118	375,156
I Sales of goods		5	
II Sales of products and services	250,009	261,113	375,156
III Revenues from premiums, subsidies, donations, grants etc.			
IV Other operating income			
EXPENSES FROM OPERATIONS			
B. OPERATING EXPENSES	233,970	226,644	315,767
I Cost of commercial goods sold		202	
V Material consumed	981	1,984	1,563
VI Fuel and energy consumed	3,164	4,461	4,586
VII Staff costs	53,062	55,515	60,701
VIII Production expenses	162,894	148,736	231,825
IX Amortization	2,512	2,867	3,028
X Costs of long-term provisions	374	170	1,188
XI Intangible costs	10,983	12,709	12,876

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C. PROFIT FROM OPERATIONS	16,039	34,474	59,389
D. LOSS FROM OPERATIONS			
I. FINANCE INCOME	13,887	14,757	6,704
I Financial income from related persons and other financial income	11,996	10,245	4,695
II Interest income (from third parties)	101	181	645
III Gains and positive effects of currency clause	1,790	4,331	1,364
F. FINANCE EXPENSES	1,544	716	1,148
I Financial expenses related party transactions and other financial expenses	16	9	5
II Interest expense (by third parties)	3	7	2
III Foreign exchange gains and negative effects of currency clause	1,525	700	1,141
G. PROFIT FROM FINANCING	12,343	14,041	5,556
H. LOSS FROM FINANCING			
I. INCOME FROM VALUATION ADJUSTMENTS OF OTHER ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT	501	2,656	3,712
J. LOSS ADJUSTMENT OTHER PROPERTY CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT	19,375	23,072	16,156
K. OTHER INCOME	11,566	268	383
L. OTHER EXPENSES	365	256	710
M. OPERATING PROFIT BEFORE TAX	20,709	28,111	52,174
N. LOSS FROM OPERATIONS BEFORE TAX			
Q. PROFIT BEFORE TAXATION	20,709	28,111	52,174
R. LOSS BEFORE TAXATION			
S. INCOME TAXES			
I Current tax expense	2,239	5,420	9,552
II Deferred income tax expense	112	513	
III Deferred income tax benefit			118
T. EARNINGS OF EMPLOYER			
U. NET PROFIT	18,358	22,178	42,740
V. NET LOSS			

3.18. TIGAR SECURITY

BALANCE SHEET (in thousands of RSD)

ASSETS	As of December 31, 2013	As of December 31, 2014	As of December 31, 2015
A. SUBSCRIBED CAPITAL UNPAID			
B. NON-CURRENT ASSETS	30,577	90,532	27,832
I INTANGIBLE ASSETS			
II PROPERTY, PLANT AND EQUIPMENT	30,577	29,111	27,832
Land		1,558	1,558
Buildings	25,634	23,674	23,272
Plant and equipment	4,162	3,358	2,742
Investment property			
Property, plant and equipment construction			
Investments in property, plants and equipment	781	521	260
III BIOLOGICAL AGENTS			
IV LONG-TERM FINANCIAL PLACEMENTS			
V LONG-TERM RECEIVABLES		61,421	
Receivables from parent company and its subsidiaries		61,421	
C. DEFERRED TAX ASSETS	314	280	468
D. CURRENT ASSETS	98,905	114,939	63,666
I INVENTORIES	221	116	413
Advances paid to suppliers	221	116	413
II RECEIVABLES FROM SALE	79,407	69,099	54,501
Customers in the country - the parent and subsidiaries	68,484	48,600	41,761
Customers in the country - other related parties	50	84	10
Customers in the country	10,873	20,415	12,730
III RECEIVABLES FROM SPECIFIC			
IV OTHER RECEIVABLES	125	123	3,421
V FINANCIAL ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT			
VI SHORT-TERM FINANCIAL PLACEMENTS	19,004	45,434	4,858
Short-term loans and investments - parent and subsidiaries	19,004	45,434	4,858
VII CASH AND CASH EQUIVALENTS			7
VIII VALUE ADDED TAX			
IX PREPAYMENTS	148	167	466
I. TOTAL ASSETS	129,796	205,751	91,966
F. OFF BALANCE SHEET ASSETS			

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EQUITY AND LIABILITIES	As of December 31, 2013	As of December 31, 2014	As of December 31, 2015
A. EQUITY	65,572	87,821	48,823
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
VIII RETAINED EARNINGS	27,592	51,372	12,883
Retained profit from previous years	938	27,592	
Retained profit for the year	26,654	23,780	12,883
IX PARTICIPATION RIGHTS WITHOUT CONTROL			
X LOSS	1,433	2,922	2,922
B. NON-CURRENT ASSETS	3,102	1,861	2,418
I LONG-TERM PROVISIONS	3,102	1,861	2,418
Provision for retirement and other employee benefits	3,102	1,861	2,418
II LONG-TERM LIABILITIES			
Long-term loans in the country			
C. DEFERRED TAX LIABILITIES			
D. CURRENT LIABILITIES	61,122	116,069	40,725
I SHORT-TERM FINANCIAL LIABILITIES	1,618	32,286	
Short-term loans from parent companies and subsidiaries	1,618	32,286	
II PREPAYMENTS, DEPOSITS AND GUARANTEES	8	50	36
III ACCOUNTS PAYABLE	4,102	8,629	6,033
Suppliers - parent and subsidiaries in the country	549	4,024	1,840
Suppliers - other related parties in the country		180	
Suppliers in the country	3,553	4,425	4,193
IV OTHER CURRENT LIABILITIES	45,886	58,454	26,889
V LIABILITIES FOR VALUE ADDED TAX	5,136	4,997	1,982
VI OTHER TAXES, CONTRIBUTIONS AND OTHER FEES	2,132	6,914	1,184
VII ACCRUALS	2,240	4,739	4,601
I. THE LOSS IN EXCESS OF CAPITAL			
F. TOTAL LIABILITIES	129,796	205,751	91,966
G. OFF BALANCE SHEET LIABILITIES			

Income statement (in thousands of RSD)	January-December 2013	January-December 2014	January-December 2015
INCOME FROM OPERATIONS			
A. OPERATING INCOME	105,752	126,214	119,795
I Sales of goods			
II Sales of products and services	105,752	126,214	119,795
III Revenues from premiums, subsidies, donations, grants etc.			
IV Other operating income			
EXPENSES FROM OPERATIONS			
B. OPERATING EXPENSES	75,717	86,597	99,200
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	1,492	1,684	144
VI Fuel and energy consumed	835	1,179	1,260
VII Staff costs	65,631	76,217	85,298
VIII Production expenses	2,617	1,325	1,227
IX Amortization	1,645	1,461	1,312
X Costs of long-term provisions			136
XI Intangible costs	3,497	4,731	9,823
C. PROFIT FROM OPERATIONS	30,035	39,617	20,595
D. LOSS FROM OPERATIONS			

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I. FINANCE INCOME			
I Financial income from related persons and other financial income			
II Interest income (from third parties)			
III Gains and positive effects of currency clause			
F. FINANCE EXPENSES	338	10,867	4,008
I Financial expenses related party transactions and other financial expenses			
II Interest expense (by third parties)	338	10,867	4,008
III Foreign exchange gains and negative effects of currency clause			
G. PROFIT FROM FINANCING			
H. LOSS FROM FINANCING	338	10,867	4,008
I. INCOME FROM VALUATION ADJUSTMENTS OF OTHER ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT			
J. LOSS ADJUSTMENT OTHER PROPERTY CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT	224	131	192
K. OTHER INCOME	354	863	166
L. OTHER EXPENSES	66	10	16
M. OPERATING PROFIT BEFORE TAX	29,761	29,472	16,545
N. LOSS FROM OPERATIONS BEFORE TAX			
O. NET PROFIT FROM DISCONTINUED OPERATIONS , EXPENSES CHANGE IN ACCOUNTING POLICIES AND CORRECTIONS FROM PREVIOUS PERIOD			
P. NET LOSS FROM DISCONTINUED OPERATIONS , EXPENSES CHANGE IN ACCOUNTING POLICIES AND CORRECTIONS FROM PREVIOUS PERIOD			
Q. PROFIT BEFORE TAXATION	29,761	29,472	16,545
R. LOSS BEFORE TAXATION			
S. INCOME TAXES			
I Current tax expense	3,083	7,147	3,850
II Deferred income tax expense	25	34	
III Deferred income tax benefit			188
T. EARNINGS OF EMPLOYER			
U. NET PROFIT	26,653	22,291	12,883
V. NET LOSS			

3.19. PI CHANNEL

BALANCE SHEET IN THOUSANDS OF DINARS

ASSETS	As of December 31, 2013	As of December 31, 2014	As of December 31, 2015
A. SUBSCRIBED CAPITAL UNPAID			
B. NON-CURRENT ASSETS	7,384	6,717	6,013
I INTANGIBLE ASSETS			
II PROPERTY, PLANT AND EQUIPMENT	7,384	6,717	6,013
Buildings	70	67	67
Plant and equipment	1,733	1,193	584
Property, plant and equipment construction			33
Investments in property, plants and equipment	5,581	5,457	5,329
III BIOLOGICAL AGENTS			
IV LONG-TERM FINANCIAL PLACEMENTS			
V LONG-TERM RECEIVABLES			
Receivables from parent company and its subsidiaries			
C. DEFERRED TAX ASSETS	2	17	48
D. CURRENT ASSETS	7,471	4,710	2,581
I INVENTORIES	289	239	405
Advances paid to suppliers	289	239	405
II RECEIVABLES FROM SALE	5,031	3,322	1,105
Customers in the country - other related parties	4,195	2,630	232
Customers in the country	836	692	873
III RECEIVABLES FROM SPECIFIC OPERATIONS			
IV OTHER RECEIVABLES	308	398	205
V FINANCIAL ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT			
VI SHORT-TERM FINANCIAL PLACEMENTS			
VII CASH AND CASH EQUIVALENTS	1,803	683	743
VIII VALUE ADDED TAX			
IX PREPAYMENTS	40	68	123
E. TOTAL ASSETS	14,857	11,444	8,642
F. OFF BALANCE SHEET ASSETS			
EQUITY AND LIABILITIES	As of December 31, 2013	As of December 31, 2014	As of December 31, 2015

	BUSINESS REPORT	Document Reference
	FOR THE PERIOD JANUARY- DECEMBER 2015	IZ.P. 15/04

A. EQUITY	6,424	5,499	3,547
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	3,143	266
Retained profit from previous years	2,476	3,143	
Retained profit from the year	667		266
IX PARTICIPATION RIGHTS WITHOUT CONTROL			
X LOSS		925	
Loss of previous years			
Loss for the year		925	
B. LONG TERM PROVISIONS AND LIABILITIES	117		
I LONG-TERM PROVISIONS			
II LONG-TERM LIABILITIES	117		
C. DEFERRED TAX LIABILITIES			
D. CURRENT LIABILITIES	8,316	5,945	5,095
I SHORT-TERM FINANCIAL LIABILITIES	807	124	
Short-term loans from parent companies and subsidiaries	456		
II PREPAYMENTS, DEPOSITS AND GUARANTEES	17	177	376
III ACCOUNTS PAYABLE	4,407	3,867	3,158
Suppliers - other related parties in the country	3,135	2,703	1,615
Suppliers in the country	1,272	1,164	1,543
IV OTHER CURRENT LIABILITIES	2,311	1,140	1,307
V LIABILITIES FOR VALUE ADDED TAX	680	486	78
VI OTHER TAXES, CONTRIBUTIONS AND OTHER FEES	20		
VII ACCRUALS	74	151	176
E. THE LOSS IN EXCESS OF CAPITAL			
F. TOTAL LIABILITIES	14,857	11,444	8,642
G. OFF BALANCE SHEET LIABILITIES			

INCOME STATEMENT IN THOUSANDS OF DINARS	January-December 2013	January-December 2014	January-December 2015
INCOME FROM OPERATIONS			
A. OPERATING INCOME	17,308	13,015	14,872
I Sales of goods			
II Sales of products and services	16,538	13,015	4,627
III Revenues from premiums, subsidies, donations, grants etc.			
IV Other operating income	770		10,245
EXPENSES FROM OPERATIONS			
B. OPERATING EXPENSES	16,878	14,074	14,608
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	391	214	220
VI Fuel and energy consumed	1,901	1,185	1,102
VII Staff costs	10,972	9,388	9,892
VIII Production expenses	1,628	1,206	776
IX Amortization	894	805	755
X Costs of long-term provisions			
XI Intangible costs	1,092	1,276	1,863
C. PROFIT FROM OPERATIONS	430		264
D. LOSS FROM OPERATIONS		1,059	
I FINANCE INCOME	235	59	10
I Financial income from related persons and other financial income			

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II Interest income (from third parties)	232	59	10
III Gains and positive effects of currency clause	3		
F. FINANCE EXPENSES	40	39	27
I Financial expenses related party transactions and other financial expenses			
II Interest expense (by third parties)	37	23	26
III Foreign exchange gains and negative effects of currency clause	3	16	1
G. PROFIT FROM FINANCING	195	20	
H.LOSS FROM FINANCING			17
I. INCOME FROM VALUATION ADJUSTMENTS OF OTHER ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT	56	52	38
J. LOSS ADJUSTMENT OTHER PROPERTY CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT			
K. OTHER INCOME	149	287	4
L. OTHER EXPENSES	17	240	40
M. OPERATING PROFIT BEFORE TAX	813		249
N. LOSS FROM OPERATIONS BEFORE TAX		940	
Q. PROFIT BEFORE TAXATION	813		249
R. LOSS BEFORE TAXATION		940	
S. INCOME TAXES			
I Current tax expense	99		14
II Deferred income tax expense	47		
III Deferred income tax benefit		15	31
T.EARNINGS OF EMPLOYER			
U. NET PROFIT	667		266
V. NET LOSS		925	

3.20. TIGAR TOURS

BALANCE SHEET (in thousands of RSD)

ASSETS	As of December 31, 2013	As of December 31, 2014	As of December 31, 2015
A. SUBSCRIBED CAPITAL UNPAID			
B. NON-CURRENT ASSETS	6,160	6,073	26
I INTANGIBLE ASSETS			
II PROPERTY, PLANT AND EQUIPMENT	6,160	6,016	26
Land		1,048	
Buildings	6,070	4,922	
Plant and equipment	84	46	26
Property, plant and equipment construction	6		
III BIOLOGICAL AGENTS			
IV LONG-TERM FINANCIAL PLACEMENTS			
V LONG-TERM RECEIVABLES		57	
Receivables from parent company and its subsidiaries		57	
C. DEFERRED TAX ASSETS			
D. CURRENT ASSETS	5,194	4,745	3,787
I INVENTORIES	633	251	360
Advances paid to suppliers	633	251	360
II Receivable from sale	1,291	3,470	3,289
Customers in the country - the parent and subsidiaries	810	2,502	3,046
Customers abroad - parent and subsidiaries			
Customers in the country - other related parties			
Customers in the country	481	651	243
Customers abroad		317	
III RECEIVABLES FROM SPECIFIC OPERATIONS			
IV OTHER RECEIVABLES	38	45	44
V FINANCIAL ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT			
VI. SHORT-TERM FINANCIAL PLACEMENTS	12	53	47
Short-term loans and investments - parent and subsidiaries	12	53	47
VII CASH AND CASH EQUIVALENTS	3,217	925	45
VIII VALUE ADDED TAX			
IX PREPAYMENTS	3	1	2
I. TOTAL ASSETS	11,354	10,818	3,813
F. OFF BALANCE SHEET ASSETS			
EQUITY AND LIABILITIES	As of December 31, 2013	As of December 31, 2014	As of December 31, 2015

	BUSINESS REPORT	Document Reference
	FOR THE PERIOD JANUARY- DECEMBER 2015	IZ.P. 15/04

A. EQUITY	8,440	8,059	1,853
I SHARE AND OTHER CAPITAL	9,103	9,103	3,184
Share Capital			
II SUBSCRIBED CAPITAL UNPAID			
III TREASURY SHARES			
IV RESERVES			
VII UNREALIZED LOSSES ON SECURITIES VALUE AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULTS		43	34
VIII RETAINED EARNINGS	474	474	
Retained profit from previous years	474	474	
IX PARTICIPATION RIGHTS WITHOUT CONTROL			
X LOSS	1,137	1,475	1,297
Loss of previous years		1,137	1,001
Loss for the year	1,137	338	296
B. NON-CURRENT ASSETS	136	190	158
I LONG-TERM PROVISIONS	136	190	158
Provision for retirement and other employee benefits	136	190	158
II LONG-TERM LIABILITIES			
Obaveze po osnovu finansijskog lizinga			
C. DEFERRED TAX LIABILITIES	42	47	
D. CURRENT LIABILITIES	2,736	2,522	1,802
I SHORT-TERM FINANCIAL LIABILITIES	1,339	531	365
Short-term loans from parent companies and subsidiaries	1,339	531	365
II PREPAYMENTS, DEPOSITS AND GUARANTEES			
III ACCOUNTS PAYABLE	700	1,090	564
Suppliers - parent and subsidiaries in the country	405	557	214
Suppliers in the country	233	471	349
Foreign suppliers			
Other liabilities	62	62	1
IV OTHER CURRENT LIABILITIES	640	715	772
V LIABILITIES FOR VALUE ADDED TAX	5	71	12
VI OTHER TAXES, CONTRIBUTIONS AND OTHER FEES			
VII ACCRUALS	52	115	89
I. THE LOSS IN EXCESS OF CAPITAL			
F. TOTAL LIABILITIES	11,354	10,818	3,813
G. OFF BALANCE SHEET LIABILITIES			

Income statement (in thousands of RSD)	January-December 2013	January-December 2014	January-December 2015
INCOME FROM OPERATIONS			
A. OPERATING INCOME	2,993	2,706	2,286
I Sales of goods			
II Sales of products and services	2,835	2,706	2,286
III Revenues from premiums, subsidies, donations, grants etc.			
IV Other operating income	158		
EXPENSES FROM OPERATIONS			
B. OPERATING EXPENSES	3,345	3,060	2,768
I Cost of commercial goods sold			
II Work performed by the company and capitalized			
V Material consumed	34	37	33
VI Fuel and energy consumed	36	51	69
VII Staff costs	2,089	2,038	1,955
VIII Production expenses	210	129	172
IX Amortization	66	144	70
X Costs of long-term provisions	71	22	10
XI Intangible costs	839	639	459
C. PROFIT FROM OPERATIONS			
D. LOSS FROM OPERATIONS	352	354	482
I. FINANCE INCOME	59	26	162
I Financial income from related persons and other financial income			
II Interest income (from third parties)	45	10	4
III Gains and positive effects of currency clause	14	16	158
F. FINANCE EXPENSES	5	16	76

	BUSINESS REPORT	Document Reference
	FOR THE PERIOD JANUARY- DECEMBER 2015	IZ.P. 15/04

I Financial expenses related party transactions and other financial expenses			
II Interest expense (by third parties)	2	3	2
III Foreign exchange gains and negative effects of currency clause	3	13	74
G. PROFIT FROM FINANCING	54	10	86
H.LOSS FROM FINANCING			
I. INCOME FROM VALUATION ADJUSTMENTS OF OTHER ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT			
J. LOSS ADJUSTMENT OTHER PROPERTY CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT	336	16	41
K. OTHER INCOME	45	26	95
L. OTHER EXPENSES	518		
M. OPERATING PROFIT BEFORE TAX			
N. LOSS FROM OPERATIONS BEFORE TAX	1,107	334	342
Q. PROFIT BEFORE TAXATION			
P. LOSS BEFORE TAXATION	1,107	334	342
R. INCOME TAX			
I Current tax expense			
II Deferred income tax expense	3	4	
III Deferred income tax benefit			46
T.EARNINGS OF EMPLOYER			
U. NET PROFIT			
V. NET LOSS	1,110	338	296

3.21. TIGAR INTER RISK

BALANCE SHEET (in thousands of RSD)

ASSETS	As of December 31, 2013	As of December 31, 2014	As of December 31, 2015
A. SUBSCRIBED CAPITAL UNPAID			
B. NON-CURRENT ASSETS	29	695	21
I INTANGIBLE ASSETS			
II PROPERTY, PLANT AND EQUIPMENT	29	15	21
Land			
Buildings			
Plant and equipment	29	15	21
III BIOLOGICAL AGENTS			
IV LONG-TERM FINANCIAL PLACEMENTS			
V LONG-TERM RECEIVABLES		680	
Receivables from parent company and its subsidiaries		680	
C. DEFERRED TAX ASSETS			
D. CURRENT ASSETS	4,829	4,600	2,958
I INVENTORIES	126	85	1
Advances paid to suppliers	126	85	1
II Receivable from sale	1,026	815	513
Customers in the country - the parent and subsidiaries	686	624	188
Customers in the country	340	191	325
IV OTHER RECEIVABLES	3	146	197
V FINANCIAL ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT			
VI SHORT-TERM FINANCIAL PLACEMENTS	3,637	3,434	2,132
Short-term loans and investments - parent and subsidiaries	3,637	3,434	2,132
VII CASH AND CASH EQUIVALENTS	37	120	75
VIII VALUE ADDED TAX			
IX PREPAYMENTS			40
I. TOTAL ASSETS	4,858	5,295	2,979
F. OFF BALANCE SHEET ASSETS			
EQUITY AND LIABILITIES	As of December 31, 2013	As of December 31, 2014	As of December 31, 2015
A. EQUITY	3,768	3,969	1,992
I SHARE AND OTHER CAPITAL	1,773	1,973	1,973
Share Capital			
II SUBSCRIBED CAPITAL UNPAID			
III TREASURY SHARES			
VII UNREALIZED LOSSES ON SECURITIES VALUE AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULTS		7	19
VIII RETAINED EARNINGS	1,995	2,003	93

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Retained profit from previous years	1,245	1,995	
IX PARTICIPATION RIGHTS WITHOUT CONTROL			
X LOSS			55
Loss of previous years			55
Loss for the year			
B. NON-CURRENT ASSETS	100	84	89
I LONG-TERM PROVISIONS	100	84	89
Provision for retirement and other employee benefits	100	84	89
II LONG-TERM LIABILITIES			
C. DEFERRED TAX LIABILITIES			2
D. CURRENT LIABILITIES	990	1,242	896
I SHORT-TERM FINANCIAL LIABILITIES		301	48
Short-term loans from parent companies and subsidiaries		301	48
II PREPAYMENTS, DEPOSITS AND GUARANTEES			
III ACCOUNTS PAYABLE	34	190	73
Suppliers - parent and subsidiaries in the country	34	179	57
Suppliers in the country		11	16
Foreign suppliers			
Other liabilities			
IV OTHER CURRENT LIABILITIES	724	629	680
V LIABILITIES FOR VALUE ADDED TAX			
VI OTHER TAXES, CONTRIBUTIONS AND OTHER FEES	173	21	
VII ACCRUALS	59	101	95
I. THE LOSS IN EXCESS OF CAPITAL			
F. TOTAL LIABILITIES	4,858	5,295	2,979
G. OFF BALANCE SHEET LIABILITIES			

Income statement (in thousands of RSD)	January- December 2013	January- December 2014	January- December 2015
INCOME FROM OPERATIONS			
A. OPERATING INCOME	3,018	2,100	2,382
I. Sales of goods			
II. Sales of products and services	3,018	2,100	2,382
III. Revenues from premiums, subsidies, donations, grants etc.			
IV. Other operating income			
EXPENSES FROM OPERATIONS			
B. OPERATING EXPENSES	2,113	1,885	2,375
I. Cost of commercial goods sold			
II. Work performed by the company and capitalized			
V. Material consumed	6	11	7
VI. Fuel and energy consumed	68	61	92
VII. Staff costs	1,768	1,515	1,899
VIII. Production expenses	40	27	29
IX. Amortization	21	14	8
X. Costs of long-term provisions			2
XI. Intangible costs	210	257	338
C. PROFIT FROM OPERATIONS	905	215	7
D. LOSS FROM OPERATIONS			
I. FINANCE INCOME	1	2	1
I. Financial income from related persons and other financial income			
II. Interest income (from third parties)	1	2	1
III. Gains and positive effects of currency clause			
F. FINANCE EXPENSES		1	5
I. Financial expenses related party transactions and other financial expenses			
II. Interest expense (by third parties)		1	5
III. Foreign exchange gains and negative effects of currency clause			
G. PROFIT FROM FINANCING	1	1	
H. LOSS FROM FINANCING			4
I. INCOME FROM VALUATION ADJUSTMENTS OF OTHER ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT	13		134
J. LOSS ADJUSTMENT OTHER PROPERTY CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT		114	
K. OTHER INCOME	107	23	11
L. OTHER EXPENSES		25	

	BUSINESS REPORT FOR THE PERIOD JANUARY- DECEMBER 2015	Document Reference IZ.P. 15/04

M. OPERATING PROFIT BEFORE TAX	1,026	100	148
N. LOSS FROM OPERATIONS BEFORE TAX			
Q. PROFIT BEFORE TAXATION	1,026	100	148
P. LOSS BEFORE TAXATION			
R. INCOME TAX			
I. Current tax expense	248	92	53
II. Deferred income tax expense			2
III. Deferred income tax benefit			
T.EARNINGS OF EMPLOYER			
U. NET PROFIT	778	8	93
V. NET LOSS			

4. REAL ESTATE AND LEGAL MATTERS

4.1. REAL ESTATE

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

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 December 31, 2015 is 193, of which 333,280 m², is undeveloped land, while the area is 98,071 m². The total carrying value on this day December 31, 2015 of the land is RSD 494,000,520.96.

The carrying value of the land of the Tax Free Zone was RSD 18,412,008.24 on December 31, 2015.

Buildings

Tigar and its main subsidiaries own a total of 198 buildings

The total surface area owned by Tigar and its main subsidiaries is 98,071 m².

As of December 31, 2015, the carrying value of the buildings owned by Tigar and its major subsidiaries was RSD 2,057,067,066.96.

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

Entity	Value in RSD as of 31.12.2015.
Tigar AD	292,512,747.00
Total:	292,512,747.00

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Book value of buildings

BOOK VALUE OF BUILDINGS (in '000 RSD)			
Entity	June 30, 2015	September 30, 2015	December 31, 2015
Tigar AD	639,129,948.71	1,742,931,515.33	1,713,330,486.65
Tigar Rubber Technical Goods	403,750,979.72	/	/
Tigar Chemical Products	30,753.00	/	/
Tigar Rubber Footwear	642,408,753.77	/	/
Ti-car Trgovine	27,506,566.77	19,320,073.63	1,355,152.00
Tigar Business Service	13,482,846.46	13,428,667.46	13,374,490.46
Tigar Tours	4,871,382.42	/	/
Tigar Security	23,473,510.07	23,372,983.96	23,272,457.07
Tax Free Zone Pirot	46,792,796.24	46,562,936.96	48,166,222.75
Tigar Incon	131,740,702.57	116,046,502.71	130,334,147.57
Tigar Catering	128,420,827.46	56,168,359.72	127,234,110.46
Total:	2,057,609,067.19	2,017,831,038.88	2,057,067,066.96

There are significant deviations in the value of buildings related to Ti-car trgovina, Tigar Incon and Tigar Catering. On December 31, 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 September 30, and after, on December 31, 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 December 31, 2015
Tigar AD	362,159,779.00
Ti car trgovine	28,068,424.33
Total:	390,228,203.33

Real estate transactions

In the period January- December 2015, the business object Tigar Tours, located on the address Branko Radičević Street in Pirot, was sold at the public auction and in accordance with the Prepackaged Plan of Reorganization.

Liens

At the end of December 2015, 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.

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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.

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 statement no. 3179/2011 dated 8 November 2011, 3659/2011 dated 27 December, 472/2012 dated 22 February 2012, 734/2012 dated 12 March 2012, 736/2012 dated 12 March 2012, 2382/2012 dated 26 June 2012 places lien on immovable property in the Administrative Building in Pirot, in favor of Srpska banka AD Belgrade.

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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.

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.

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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 exist, but payout has not been realized due to political problems (e.g. Trepca), multiple-year liquidation proceedings which for unexplainable reasons have not been completed, and long-term restructuring processes as it is the case with the company Lola Corporation Belgrade.

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.

5. THE POSITION ON THE CAPITAL MARKET

Trading on the BSE from the beginning of 2015 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 decrease of BSE indices – belex 15 by 8.86% and belexline by 8.27%. Although the indices were positive, the recovery of the turnover failed, so that the already chronic lack of liquidity has unfortunately established as one of the main features of Serbian capital markets. 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.

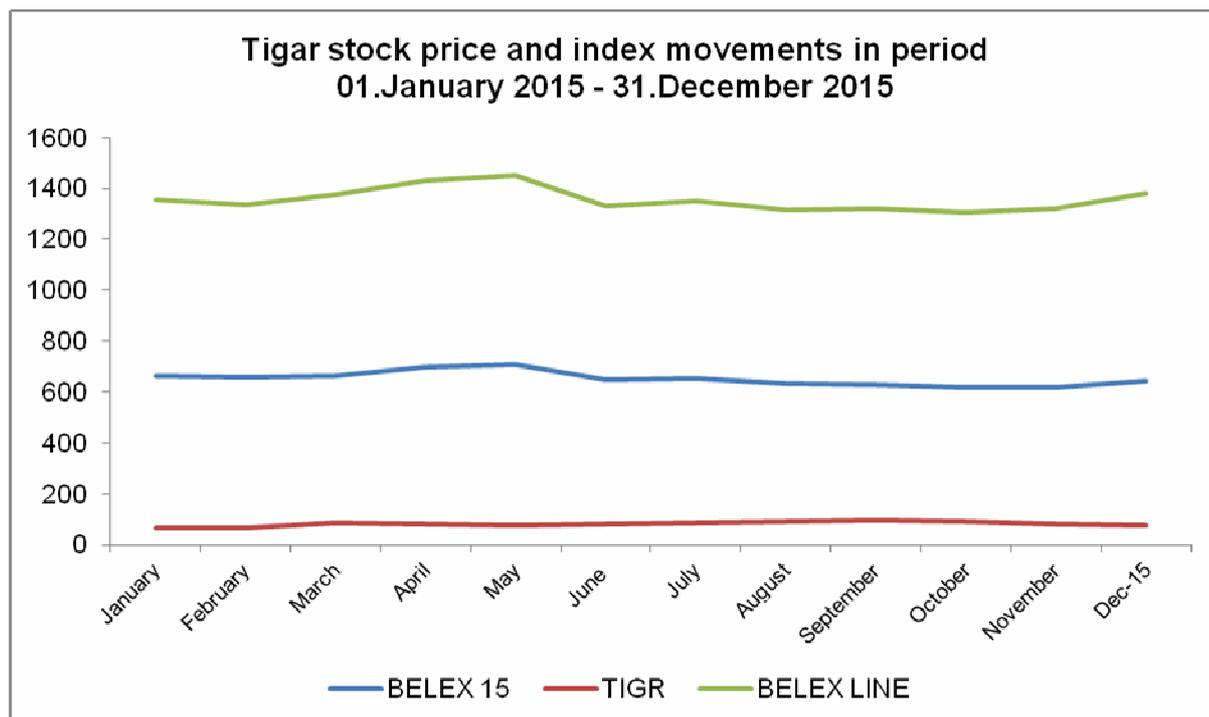
During last year, it was traded with 344.037 shares, equal to 20,02% of the total number of issued shares. The biggest turnover was realized in March, when in 1 day only were traded 108.949 shares, which is 6.34% of the total number of issued shares. The main feature of share trading in the last year are significant price fluctuations.

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The following table contains a summary of key data from trading of Company's shares during the year 2015.

	31. DECEMBER 2014.	31. DECEMBER 2015.	% CHANGE
Number of shareholders	4,476	4,441	- 0,78
Total number of shares	1,718, 460	1,718,460	
Book value of shares	-614,12	-1.468,04	
Market price of shares	71,00	76,00	7,04
Lowest price during the period	30.00 – 20.03.2015.		
Highest price during the period	100.00 –23.09.2015.		
Average price I-XII 2015*	81,59		
Market capitalization in RSD	122,010,660	130,602,960	

The graph below shows the parallel representation of Tigar stock price and index movements during the period January 2015 – December 2015.



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 May 29, 2014 to the Commercial Court in Nis. On September 29, 2014, the Court issued a Decision on the Ratification of the adoption of the revised text of the Prepackaged Plan of Reorganization.

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Following the appeal related to the adopted plan of Tigar AD by the decision of the Commercial Court of Appeals in Belgrade on December 31, 2014 was ordered the correction of the above plan. The correction was made and at the hearing in the Commercial Court in Nis on April 7, 2015, the Prepackaged Plan of Reorganization was adopted by majority of creditors.

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

Ownership structure at the end of 2015

Shareholders	December 31, 2015
Legal entities	53,71
Individuals	35,41
Custody accounts	10,88

Tigar's ownership structure in 2015 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 December 2015

Compared with the same period in 2014 when there were traded only 79,446 shares, in 2015, 344,037 shares changed their owners, which led to significant changes in the top ten shareholders.

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 December 31, 2015 were published at www.crhov.rs

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6. SUSTAINABLE DEVELOPMENT

6.1. EMPLOYEES

Headcount and structure

On December 31, 2015 the number of people employed in Tigar Corporation was the following:

Workforce as of December 31, 2015	
Company	No. of employees
Tigar AD collectively	1,107
Tigar AD	216
T.R. Footwear plant	730
T.T. Rubber Goods plant	137
T. Chemical Products plant	24
Other	457
Total	1,564

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 January- December 2015 incurred by Tigar AD and its subsidiaries (that Tigar AD owns by 100%), apart of net wages include the costs related to taxes and contributions, in-house meals, and local transportation.

Total employee expenses in the period I-XII 2015		
	Net salaries and wages in 000 RSD	Gross salaries and wages in 000 RSD
Tigar AD	214,017	363,316
Tigar Rubber Footwear	181,092	308,157
Tigar Technical Rubber Goods	37,916	63,661
Tigar Chemical Products	8,764	15,246
Other	171,078	289,361
Total	612,867	1,039,741

On September 11, 2015 was made a change in status by merging of production factories (Tigar Rubber Footwear, Tigar Technical Rubber Goods, Tigar Chemical Products) to Tigar AD and in accordance with the Prepackaged Plan of Reorganization. After the merge, salaries for the period September- December 2015 for Tigar AD included also salaries for production factories.

Optimization of human resources

During the period January-December 2015, 75 of permanently employed people have left Tigar AD and its dependent entities.

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Organizational unit	No. of employees/RSD	Pension	Redundancy	Other*	Total
Tigar AD (after the statutory change)	No. of employees	11	1	5	17
	Amount in RSD	1,320,564.00	255,509.00		1,576,073.00
Tigar Rubber Footwear (TRF plant) (until the statutory change)	No. of employees	3		17	20
	Amount in RSD	393,920.00			393,920.00
Tigar Technical Rubber Goods (TTRG plant) (until the statutory change)	No. of employees	2		9	11
	Amount in RSD	258,452.00			258,452.00
Tigar Chemical Products (TCP plant) (until the statutory change)	No. of employees	1		3	4
	Amount in RSD	122,604.00			122,604.00
Other	No. of employees	5	3	15	23
	Amount in RSD	598,294.00	877,538.00		1,475,832.00
Total	No. of employees	22	4	49	75
	Amount in RSD	2,693,834.00	1,133,047.00		3,826,881.00

As of these 49 full-time employees who terminated their employment on other grounds, 41 employees resigned of their own volition, termination of employment for violation of obligations - 5 employees and fatal case – 3 employees.

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 2014 and in 2015.

The cost of optimization of the number of employees, the same as the percent of these included costs in the salaries are the following:

Employee training

The following number of employees was trained in the period January- December 2015 through internal and external training programs:

Employee training – internal and external			
	INTERNAL TRAININGS	EXTERNAL TRAININGS	TOTAL
Tigar AD	216	32	248
Tigar Rubber Footwear	651	32	683
Tigar Technical Rubber Goods	220	45	265
Tigar Chemical Products	34	0	34
Others	520	8	528
Total	1,641	117	1,758

Employee training expenses in their period January- December 2015 amounted to RSD 1,402,270.00 or 0.13% of paid gross salaries.

Professional Practice for 9 unemployed through the National Employment Service started in June 2015 and ended until December 2015.

In the period January- December 2015, 205 Pirot secondary school students have completed their internships in Tigar.

8 students have carried out internships (professional practice) in the period January- December 2015.

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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 was not established any inconsistency with the requirements of the relevant standards.

During June, in Tigar Incon was conducted the resertification of integrated management systems per ISO 9001, ISO 14001 and OHSAS 18001 requirements by the certification body 'Kvalitet a.d.' from Nis. It was highly rated and there was not established any inconsistency with the requirements of the relevant standards.

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-Government was submitted the reports for the purpose of forming the Local registry of pollution sources, in accordance with the law, which was noted by the republic inspector of environmental protection, during his regular checks.

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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 September- December 2015 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 as of December 31, 2015:

Request No.	Request	Req.	Trademark	Valid	Owner
Ž-247/80	30.04.80.	31499	Tigar	21.12.17.	Tigar AD
Ž-2606/06	14.11.06.	54763	Tigar	14.11.16.	Tigar AD
Ž-84/385	17.01.84.	29947	Tigar Tq 615	25.05.17.	Tigar AD
Ž-947/07	30.04.07.	55640	Tigar Mountain	30.04.17.	Tigar AD
Ž-918/07	27.04.07.	55822	Tigar Tours	27.04.17.	Tigar AD
Ž-842/07	18.04.07.	55612	Markol	18.04.17.	Tigar AD
Ž-1129/07	17.05.07.	55735	Tigar Incon	17.05.17.	Tigar AD
Ž-890/80	11.07.03.	49590	Tigar Sports program	11.07.23.	Tigar AD
Ž-152/07	29.01.07.	56018	Tigar	29.01.17.	Tigar AD
Ž-1703/07	26.7.2007	56315	Tigar R. Footwear	26.07.17.	Tigar AD
Ž-1704/07	26.07.07.	56315	Tigar R. Footwear	26.07.17.	Tigar AD
Ž-2440/07	17.10.07.	56731	Tigar Chemical	17.10.17.	Tigar AD
Ž-212/08	5.2.2008	57737	Tigrostik	05.02.18.	Tigar AD
Ž-211/08	05.02.08.	57738	Tigrolux	05.02.18.	Tigar AD
Ž-214/08	05.02.08.	57650	Tigropren	05.02.18.	Tigar AD
Ž-213/08	05.02.08.	57649	Tigrokol	05.02.18.	Tigar AD
Ž-768/08	31.03.08.	57538	Hotel StarA	31.03.18.	Tigar AD
Ž-1433/08	06.06.08.	58815	Overload	06.06.18.	Tigar AD
Ž-1475/08	11.06.08.	58462	Waterpolo Senior	11.06.18.	Tigar AD
Ž-1473/08	11.06.08.	58427	Waterpolo Mini Mini	11.06.18.	Tigar AD
Ž-1431/08	06.06.08.	58813	Waterpolo Junior	06.06.18.	Tigar AD
Ž-1472/08	11.06.08.	58428	Specijal	11.06.18.	Tigar AD
Ž-1432/08	06.06.08.	59305	Basketball Tq21	06.06.18.	Tigar AD
Ž-1474/08	11.06.08.	58424	Neos	06.06.18.	Tigar AD
Ž-1469/08	11.06.08.	58426	Tricker Ball Basket	11.06.18.	Tigar AD
Ž-1471/08	11.06.08.	59401	Bistro	11.06.18.	Tigar AD
Ž-1468/08	11.06.08.	58423	Overload Handball	11.06.18.	Tigar AD
Ž-1470/08	11.06.08.	58425	Dynamic Overload	11.06.18.	Tigar AD
Ž-1429/08	06.06.08.	58464	Overload Waterpolo	06.06.18.	Tigar AD
Ž-1467/08	11.06.08.	58430	Overload Waterpolo	11.06.18.	Tigar AD
Ž-1476/08	11.06.08.	58463	Overload Waterpolo	11.06.18.	Tigar AD
Ž-1430/08	06.06.08.	59304	Basketball TG21	06.06.18.	Tigar AD
Ž-2441/07	17.10.07.	56730	Tigar R.Technical	17.10.17.	Tigar AD
Ž-2681/08	03.11.08.	59486	Trapper	03.11.18.	Tigar AD
Ž-2682/08	03.11.08.	59485	Pesca	03.11.18.	Tigar AD
Ž-2679/08	03.11.08.	59327	Rainydays	03.11.18.	Tigar AD
Ž-2680/08	03.11.08.	59334	Nency	03.11.18.	Tigar AD
Ž-2678/08	03.11.08.	59333	Ladybird	03.11.18.	Tigar AD
Ž-2677/08	03.11.08.	59336	Ratar	03.11.18.	Tigar AD
Ž-2676/08	03.11.08.	59451	Balerina	03.11.18.	Tigar AD

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Ž-2675/08	03.11.08.	59335	Work	03.11.18.	Tigar AD
Ž-2904/08	02.12.08.	59458	Polar	03.11.18.	Tigar AD
Ž-2674/08	03.11.08.	59337	Protecta	03.11.18.	Tigar AD
Ž-2673/08	03.11.08.	59390	Forestry Line	03.11.18.	Tigar AD
Ž-2672/08	03.11.08.	60043	Fireproof	03.11.18.	Tigar AD
Ž-2671/08	03.11.08.	59326	Cryo	03.11.18.	Tigar AD
Ž-2670/08	03.11.08.	59387	Sparclesafety	03.11.18.	Tigar AD
Ž-2661/08	31.10.08.	59341	Firefighter Super	31.10.18.	Tigar AD
Ž-2662/08	31.10.08.	59452	Century Super Safety	31.10.18.	Tigar AD
Ž-2659/08	31.10.08.	59334	Century 4000 Safety	31.10.18.	Tigar AD
Ž-2660/08	31.10.08.	59345	Forester 3000	31.10.18.	Tigar AD
Ž-2903/08	02.12.08.	60464	Trendy	02.12.18.	Tigar AD
Ž-1468/05	31.10.05.	53797	Tigar Trgovine	31.10.15.	Tigar AD
Ž-551/09	27.03.09.	60789	Bottega	27.03.19.	Tigar AD
Ž-639/09	13.04.09.	59942	Hotel StarA	13.04.19.	Tigar AD
Ž-1011/09	30.06.09.	59367	Brolly	30.06.19.	Tigar AD
Ž-1012/09	30.06.09.	59366	Maniera	30.06.19.	Tigar AD
Ž-1685/09	03.11.09.	60513	Stop&Drive	03.11.19.	Tigar AD
Ž-1686/09	03.11.09.	60514	S&D	03.11.19.	Tigar AD
Internat. trademark	03.07.97.	675 773	Tigar	20.05.17.	Tigar AD
Internat. trademark	07.09.09.	1020263	Brolly	07.09.19.	Tigar AD
Internat. trademark	07.09.09.	1019318	Maniera	07.09.19.	Tigar AD
USA	07.09.09.	3870299	Maniera	07.09.19.	Tigar AD
79075140					
USA	07.09.09.	3906894	Brolly	07.09.19.	Tigar AD
79075638					
Canada	25.05.90.	368832	Forester	25.05.20.	Tigar R.
Finland	20.11.85.	94345	Forester	20.11.15.	Tigar R.
Norvey	14.11.85.	123042	Forester	14.11.15.	Tigar R.
Sweden	26.07.85.	197287	Forester	26.07.15.	Tigar R.

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, www.tigar.co.rs and 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). The level of remuneration is regulated by a separate contract between the employee and Tigar AD, in the form of an increase of the employee's salary. This contract represents an annex to the individual employment contract; its contents are confidential and it is valid for one year. No objections or claims are filed toward Tigar, or by Tigar, in connection with the violation of intellectual property rights.

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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
- 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
- Unification 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. As for the forthcoming period, the Company has made clear its 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.

Considering the fact the goal of 2015 was the support for education and physical development, there were also realised many plans in 2015 related to many school and preschool institutions. Sport equipment was donated on the occasion of the celebration of 80 years of existence.

It was also supported the action of rewarding the best students of the highschool Gymnasium Pirot, the same as rewarding the best pupils of School of Economics for their accomplished results. The project of the cultural significance for the wider community, Bitez Theatre was supported.

In order to help the pensioners was rendered assistance to the subsidiary of pensioners Pirot.

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In order to help the ill people and socially and medically vulnerable people, there was given help and support to Associations of people suffering from multiple sclerosis.

We have donated rubber footwear to Serbian army, the footwear necessary for accomplishing everyday's safety missions in severe weather conditions and for rough terrain.

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 31.12.2015, 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- DECEMBER 2015 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

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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 production 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.

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

Tigar had partnered with the American BF Goodrich for more than 30 years. After Michelin acquired this company, Tigar became and remained its strategic partner in the tire segment for nearly twenty years, from the early 1990's to the year 2008.

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.

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

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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 FOURTH QUARTER OF 2015

Realization of the Prepackaged Plan of Reorganization

At the moment, there is the process of merging the Company for the provision of tourism services called Tigar Tours doo Pirot (Tigar Tours I.I.c. Pirot), to the parent company Tigar AD. It is expected the issuance of decision by the Agency for Business Registers, after the report made for disposal of Tigar Tours doo Pirot from the companies register.

In accordance with the adopted Prepackaged Plan of Reorganization in the first quarter of 2016, at a public auction, was sold real asset- garage in Kozaračka Street in Pirot.

Changes in the composition of the Supervisory Board

By the decision of the Supervisory Board as of August 26, 2015, there was co-opted the new Supervisory Board member Nikola Radenkovic.

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 in 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 have begun in July, 2015 and have ended at the end of the first quartal of 2016.

**DIRECTOR OF ACCOUNTING DEPARTMENT
TIGAR AD**

Aleksandra Djordjevic

MANAGING DIRECTOR OF TIGAR AD

Nebojsa Djenadic

**CHAIRMAN OF TIGAR AD
SUPERVISORY BOARD**

Nebojsa Petrovic



**BUSINESS REPORT
FOR THE PERIOD JANUARY- DECEMBER 2015**

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DECLARATION

Pursuant to article 50, item 3 of the Capital Market Law, as individuals responsible for the preparation of Annual 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 Annual report at its meeting held on May 17, 2016.

**DIRECTOR OF ACCOUNTING DEPARTMENT
TIGAR AD**

Aleksandra Djordjevic

MANAGING DIRECTOR OF TIGAR AD

Nebojsa Djenadic

**CHAIRMAN OF TIGAR AD
SUPERVISORY BOARD**

Nebojsa Petrovic

JOINT STOCK COMPANY „TIGAR“

PIROT

REPORT

ON THE CONDUCTED AUDIT OF FINANCIAL STATEMENTS FOR THE YEAR 2015

Belgrade, May 20th, 2016

JOINT STOCK COMPANY „TIGAR“

PIROT

REPORT

ON THE CONDUCTED AUDIT OF FINANCIAL STATEMENTS FOR THE YEAR 2015

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Audit and Consulting company STANIŠIĆ AUDIT, LLC

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INDEPENDENT AUDITOR'S REPORT (follow-up)

TO THE SHAREHOLDERS OF THE JOINT STOCK COMPANY "TIGAR", PIROT

We have audited the accompanying financial statements of the joint stock company "TIGAR" Pirot (further referred to as: the Company) which comprise the balance sheet as of December 31, 2015, the income statement, cash flow statement and statement of changes in owners' equity for the year then ended, as well as the summary of the significant accounting policies and other explanatory notes.

Management's responsibility for the financial statements

Management of the Company is responsible for preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standards, as well as for such internal control that management determines as necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have conducted our audit in accordance with the International Standards on Auditing and Law of Accounting and Auditing of the Republic of Serbia. These standards require that we comply with ethical requirements and plan and perform the audit in such a way as to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluation of the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluation of the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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INDEPENDENT AUDITOR'S REPORT (follow-up)

TO THE SHAREHOLDERS OF THE JOINT STOCK COMPANY "TIGAR", PIROT

Basis for Qualified Opinion

The financial statements of the Company for the financial year ended on December 31, 2014 were examined by another auditor who has issued his qualified opinion for the given financial statements, on June 12, 2015, in terms of impairment of receivables from related parties, value of equity of subsidiary entities, impairment of inventories and disclosed effects of impairment of investments. Due to significant limitations in terms of opening balance sheets for the financial year ended on December 31, 2015, we were not able to identify the potential effects on comparative financial information and the suitable effects on Income Statement, Statement of Changes in Equity, and Cash Flows Statement for the financial year ended on December 31, 2015.

Basis for Qualified Audit Opinion (continuation)

- The Company has stated intangible assets in the amount of 268,544 thousand RSD on December 31, 2015. Within intangible assets, the Company has also stated capitalized costs of development. Based on the disclosed documentation, we were not able to determine whether the criterion for capitalization of development costs was met at the moment of initial recognition, either using audit or alternative methods. We were not provided with the analysis on how and when these intangible assets would generate future economic benefits.
Even though the Company has performed impairments in the net amount of 184.973 thousand RSD (on December 31, 2014 in the net amount of 105.250 thousand RSD, on December 31, 2015 in the net amount of 79.723 thousand RSD) there is an indication that intangible assets were stated in the amount exceeding the recoverable amount, which is contrary to the IAS 36- Impairment of Assets.
Considering that the Company has significant current and accumulated losses, it is necessary to perform the analysis for further impairment of intangible assets.
- Total receivables arising from transactions with related parties amounted to 366.521 thousand RSD, i.e. 72, 96% of sales receivables, on December 31, 2015. Receivables from related parties that were not collected within 180 days of the due date amounted to 169.659 thousand RSD. The Company did not estimate collectability of these account receivables nor entered impairment of receivables on the balance sheet date, despite the fact that related parties have significant liquidity issues and accumulated business losses. Considering the lack of recoverability analysis, we were not able to determine whether the receivables from related parties on December 31, 2015, were disclosed fairly and objectively, as well as whether it is necessary to include impairments in the Income Statement for the year 2015.

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INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF THE JOINT STOCK COMPANY "TIGAR", PIROT

Basis for Qualified Audit Opinion (continuation)

- The Company stated total inventories in the amount of 1.027.400 thousand RSD as of December 31, 2015. The given amount includes inventories with slow turnover - inventories without fluctuations during the period exceeding a year, in the amount of 237.210 thousand RSD, for which the Company provided no appropriate impairment analysis. Because of that, we were not able to determine potential effects on non-deductible impairments of inventories, on December 31, 2015, on income statement and accumulated losses.

Qualified Opinion

In our opinion, except for the effects of the matter described in the *Basis for qualified opinion*, financial statements present fairly give a true and fair view of all significant material aspects of the financial position of the joint stock company "TIGAR" ,Pirot on December 31, 2015, as well as its financial performance and cash flows for the year ended on that day in accordance with the International Financial Reporting Standards of the Republic of Serbia.

We draw attention to the following matters:

As stated within Note 5 to the financial statements, as of September 11, 2015, production entities "Tigar Footwear Ltd", "Tigar Technical goods Ltd" and "Tigar Chemical Products Ltd" merged with the parent entity, joint stock company "Tigar". The data stated as of December 31st 2015 are not comparable to the data stated for the period January-December 2014 (balance sheet), i.e. are not comparable to the data stated for the period January-December 2014 (income statement).

Going Concern Principle

As stated within Note 2.2 to the financial statements, the Company has a net loss of 264.355 thousand RSD for the year which ended on December 31st 2015.

Short-term liabilities of the company are less than its current assets, stated on December 31, 2015, for 371.704 thousand RSD. The company has a problem with the solvency (net cash outflow). The ratio of total debt to equity is negative. The loss over the equity value is 2.522.769 thousand RSD.

This situation implies that there is a materially significant uncertainty which may cause a consistent doubt over the Company's potential to keep on operating.

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INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF THE JOINT STOCK COMPANY "TIGAR", PIROT

Going Concern Principle

On June 1, 2015, PPRP of the joint stock company "Tigar", Pirot became effective and the company initiated with the conduction of activities related to the pre-pack reorganization plan. On August 06, 2015, the Company decided to enact the Law on the acquisition of dependent equities - "TigarFootwear Ltd", "TigarTechnical goods Ltd" and "TigarChemical Products Ltd(transferees), to the parent company (acquirer) "Tigar" Pirot. September 11, 2015 is taken as the date of status change.

Pursuant to the adopted PPRP of the joint stock company "Tigar", Pirot, all the liabilities were harmonized up to June 16th 2015. Short-term loans and accompanying interest rates have been converted into long-term loans in which the new principal of the loan is expressed in Euros i.e. EUR currency clause.

In 2015, The Company continuously worked on the implementation of measures envisaged by the business and financial consolidation plan., enacted in December 2013 as a measure envisaged by PPRP. The aim was to stabilize the business operation of the company, to provide continuous growth of production and sales along with the maximum reduction of costs and their rationalization.

The Company worked intensively on restructuring Tigar Group with the aim of creating a more efficient business system.

The Company has officially entered into the debt restructuring process pursuant to the plans enacted by the creditors. The consolidation of the Company's business operations is ongoing. Financial reports were composed in accordance with the going concern principle.

Mortgages and pledges

As disclosed in Note 37 to financial statements and Note 4.2 of the Annual report, mortgage in a form of loans for construction buildings and Company lien on the goods was determined as collateral.

As disclosed in Note 37 to financial statements, lien on goods was established as collateral for loans and liabilities from operations in the amount of 798.813.219,45 RSD.

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INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF THE JOINT STOCK COMPANY "TIGAR", PIROT

Legal disputes

As disclosed in Note 38 to financial statements, the Company is involved in several disputes regarding commercial and labour matter, as a defendant, whose value amounts to about 20.000 thousand RSD, and the outcome of those disputes is uncertain.

Besides that, the Company is involved in labour disputes, as a defendant, whose value can not be determined.

On December 31, 2015, the Company did not make provisions for litigations. The management of the Company believes that the outcome of such litigations would be favourable and that the Company will not face any materially significant consequences.

Also, the Company is involved in several disputes, as a prosecutor, and the estimated value of such disputes is 27.678 thousand RSD.

There are effective court rulings for such disputes, but the collection has not been made.

Our opinion is not qualified in respect of this matter.

Other issues

The Company is responsible for the composition of the Annual Report, pursuant to the requirement of Law on Accounting of the RS (the Official Gazette of the Republic of Serbia No 61/2013). It is our responsibility to express opinion on adjustment of the annual report on business operations with financial statements for the year 2015. With reference to that, we act in full accordance with the International Standard on Auditing (ISA) 720, "The Auditor's Responsibilities Relating to Other Information in Documents Containing Audited Financial Statements", and we are limited to the assessment of financial statements compliance with the annual report on business operations.

In our opinion, the annual report is compliant with the audited financial statements.

In Belgrade,
May 20, 2016.

Certified auditor

Zorica Dimitrijević
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**JOINT STOCK COMPANY „TIGAR“
PIROT**

**REPORT
ON THE CONDUCTED AUDIT OF 2015 CONSOLIDATED
FINANCIAL STATEMENTS**

Belgrade, May 20th 2016

**JOINT STOCK COMPANY "TIGAR" PIROT ,
PIROT**

**REPORT
ON THE CONDUCTED AUDIT OF 2015 CONSOLIDATED
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INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF JOINT STOCK COMPANY "TIGAR", PIROT

We have been engaged to audit the accompanying consolidated financial statements of the joint stock company "TIGAR" Pirot (further referred to as: the Group) which comprise the consolidated balance sheet as of December 31, 2015, the consolidated income statement, consolidated cash flow statement and consolidated statement of changes in owners' equity for the year then ended, as well as the summary of the significant accounting policies and other explanatory notes.

Management's responsibility

Management of the Group is responsible for preparation and fair presentation of these consolidated financial statements in accordance with the Law on accounting and other accounting regulations applicable in the Republic of Serbia, as well as for such internal control that management determines as necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the submitted consolidated financial statements based on our audit. We have conducted our audit in accordance with the International Standards on Auditing and RS Law on Accounting. Due to the significant issues presented within the below given paragraph *Basis for Disclaimer of Opinion*, we could not collect enough suitable audit evidence that provide the grounds for the expression of auditor's report.

Basis for Disclaimer of Opinion

Group's consolidated financial statement for the year ended on December 31st 2014, were audited by another auditor who issued a Disclaimer of Opinion for financial statements as of June 12th 2015 with respect to the impairment of non-material investments, adequacy of assessment methodology and stated effects of investment properties, devaluation of inventories, on-consolidation of all subsidiaries and calculation of cumulated reserves by turning assets and liabilities into the reporting currency, and minority interest. Due to the significant limitations with reference to the opening balance sheet, which are taken into account for the calculation of results for the year ended on December 2015, we could not make sure whether there is a potential influence on the comparative financial information and the adequate effect on the consolidated balance sheet, consolidated statement of changes in equity and consolidated cash flow statement for the year ended on December 2015.

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INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF JOINT STOCK COMPANY "TIGAR", PIROT

Basis for Disclaimer of Opinion

On December 31st 2015, the Group stated non-material investments in the amount of 268.544 thousand RSD. Within the position »non-material investments«, the Group also stated capitalized development costs. Based on the submitted documentation, we could not ensure, by audit or any other alternative methods, whether the criteria for the capitalization of development costs was fulfilled at the moment of the initial recognition. We were not provided with any analysis on how and in what time period these non-material investments would generate possible future economic benefits.

Although the Group has conducted impairment in the total net amount of 322.675 thousand RSD (as of December 31st 2014 in the net amount of 242.952 thousand RSD, as of December 31st 2015 in the net amount of 79.723 thousand RSD), there is an indication that non-material investments were stated in the amount higher than their recoverable value, which would be against the requirements of IAS 36 – Impairment of Assets.

As the Group has significant current and accumulated losses, it is necessary to perform an analysis for the further impairment of non-material investments.

As of December 31st 2015, total inventories of the Group were stated in the amount of 1.167.149 thousand RSD. Inventories on which there was no movement for a period longer than one year, and on which there was no correction of value, amount at least 237.210 thousand at that date. Because of the lack of suitable analysis of these inventories, we could not make sure that there was no unacknowledged recognition of inventories value as of December 31st 2015 and no effects on the consolidated income statement and consolidated cumulated losses.

Due to the lack of communication and lack of financial information from the dependant entity, the Group did not consolidate the data of the subsidiary „Tigar Americas“, Florida, USA, owned by joint stock company “Tigar” in 100%, as of December 31st 2015. During 2015, the Managing Authority brought a Decision of the closure of the subsidiary and the Group took the measures pursuant to the Decision.

We were not able to assess what is the impact of these facts on the consolidated financial statements.

Pursuant to the data from the Companies register, filed within Serbian Business Registers Agency, we have determined that there is a discrepancy in the amount of Group's founding capital and the amount stated in the business books. Discrepancies were determined in „Tigar

Incon“ LLC, “Tigar Inter Risk“ LLC, “Ti-Car” LLC, “Tigar Security “ LLC and “Tigar Tours” LLC.

We were not able to assess what is the impact of these facts on the consolidated financial statements.

Pursuant to the Law on Companies, Article 589, the Group is obliged to perform the harmonization of capital in the business books with the capital registered within Serbian Business Registers Agency.

The auditor was not presented with the adequate calculation of cumulated reserve from turning assets and liabilities into the reporting currency, stated in the amount of 84.716 thousand RSD, and minority interest stated in the amount of 91.147 thousand RSD, which were presented within the capital. We could not be sure about the fairness and objectivity of these amounts and their effects on consolidated accumulated losses as of December 31st 2015 and 2014.

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INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF JOINT STOCK COMPANY "TIGAR", PIROT

Disclaimer of Opinion

Due to the relevance of issues disclosed in the paragraph entitled Basis for Disclaimer of Opinion, we were not able to obtain sufficient appropriate audit evidence to draw reasonable conclusions on which to base the audit opinion. Therefore, we do not express our opinion on consolidated financial statements of the joint stock company "Tigar", Pirot, as of December 31, 2015.

We draw attention to the following matters:

As stated in Note 2.3 to consolidated financial statements, the Group has disclosed net loss in the amount of 576.608 thousand RSD for the year ended on December 31, 2015. Short-term liabilities of the Group are lower than the current assets stated as of December 31, 2015 for 362.414 thousand RSD. The Group has certain liquidity issues (net cash outflow). Total debt-to-equity ratio is negative. Loss above the equity value is stated in the amount of 2.077.431 thousand RSD.

Such situation indicates the existence of materially significant uncertainty that can cause considerable doubt as to the ability of the Group to further its business operations.

The Group has officially entered the debt restructuring process in accordance with the plans enacted by the creditors. The consolidation of the Company's business operations is ongoing.

At the extraordinary session of the Shareholders Assembly held on April 14, 2014, the decision was made on submitting the proposal for initiating the bankruptcy proceedings via reorganisation, with the pre-pack reorganisation plan (PPRP). Pre-pack reorganisation plans for the joint stock company "Tigar" and "Tigar Footwear" Ltd. have been submitted to the Commercial Court in Niš on May 29, 2014.

Voting after which the plan was adopted by major creditors was held on September 18, 2014 for the joint stock company "Tigar", and on September 23, 2014 for "Tigar Footwear" Ltd. No appeals were made against the plan of "Tigar Footwear" Ltd., thus making it fully effective on November 26, 2014, and the starting date for the plan implementation is December 11, 2014. Repayment to direct creditors of the company "Tigar Footwear" Ltd. started as of January 11, 2015. Commercial Bank a.d Belgrade in bankruptcy submitted an appeal against the adopted plan for the joint stock company "Tigar" ad Pirot. According to the decision of the Commercial Court of Appeal in Belgrade as of December 31, 2014, the corrections of the plan were deemed necessary.

Corrections of the plan were done and the modified text of the Pre-pack Reorganisation Plan (PRP) was submitted to Court on February 20, 2015. At the hearings held at the Commercial Court in Niš on April 07, 2015, the majority of creditors adopted the Pre-Pack Reorganisation Plan (PRP) for the joint stock company "Tigar" Pirot.

On June 01, 2015, the Pre-pack Reorganisation Plan (PRP) of the joint stock company "Tigar" Pirot became fully valid and effective. As of June 16, 2015, all activities regarding the implementation of the plan were initiated. Accordingly, the decisions on adopting the Contract on acquisition of subsidiary companies "Tigar Footwear" Ltd., "Tigar Technical Goods" Ltd, and "Tigar Chemical Products" Ltd., as transferors, to the parent joint stock company "Tigar", as acquirer, were made on August 06, 2015. The date of the status change of acquisition is September 11, 2015.

Besides the aforementioned, the management of the Group was actively involved in restructuring of Tigar Group, as well as drafting and adoption of plans and strategies of financial and business consolidation in order to overcome the financial and business difficulties and create a more efficient business system. Accordingly, the Group has prepared the enclosed financial statements following the going concern principle.

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INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF JOINT STOCK COMPANY "TIGAR", PIROT

Other issues

The Group is responsible for preparing the Annual Report, in accordance with the principles of the Law on Accounting of the Republic of Serbia (" Official Gazette of the RS" No. 61/2013). Our responsibility is to express an opinion on compliance of the annual report with financial statements for the year 2015. Therefore, our activities are carried out in accordance with the *International Standard on Auditing (ISA) 720 (Revised)- The auditor's Responsibilities Relating to Other Information in Documents Containing Audited Financial Statements*, and we are limited to the compliance assessment of annual business reports with financial reports.

In our opinion, the annual report is in compliance with the audited consolidated financial statements of the Group.

In Belgrade,
May 20, 2016

Certified auditor

Zorica Dimitrijević
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