



Tigar®

TIGAR AD PIROT

2009
THIRD QUARTERLY REPORT
January-September 2009

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1. INTRODUCTION

1.1. BASIC FACTS

Registered name: Akcionarsko društvo "Tigar"

Pirot (Joint-Stock Company Tigar Pirot, hereinafter also referred to as Tigar, Tigar AD, the Company, and the Holding Company)

Corporate ID number: 07187769

Web site address: www.tigar.com

Core activity: Holdings

Number of shareholders: 4,833 at 30 Sept. 2009

Assets: 7,116,196 (000 RSD) at 30 Sept. 2009, consolidated

Registered address: Nikole Pašića 213, 18300 Pirot, Serbia

Fiscal ID number: 100358298

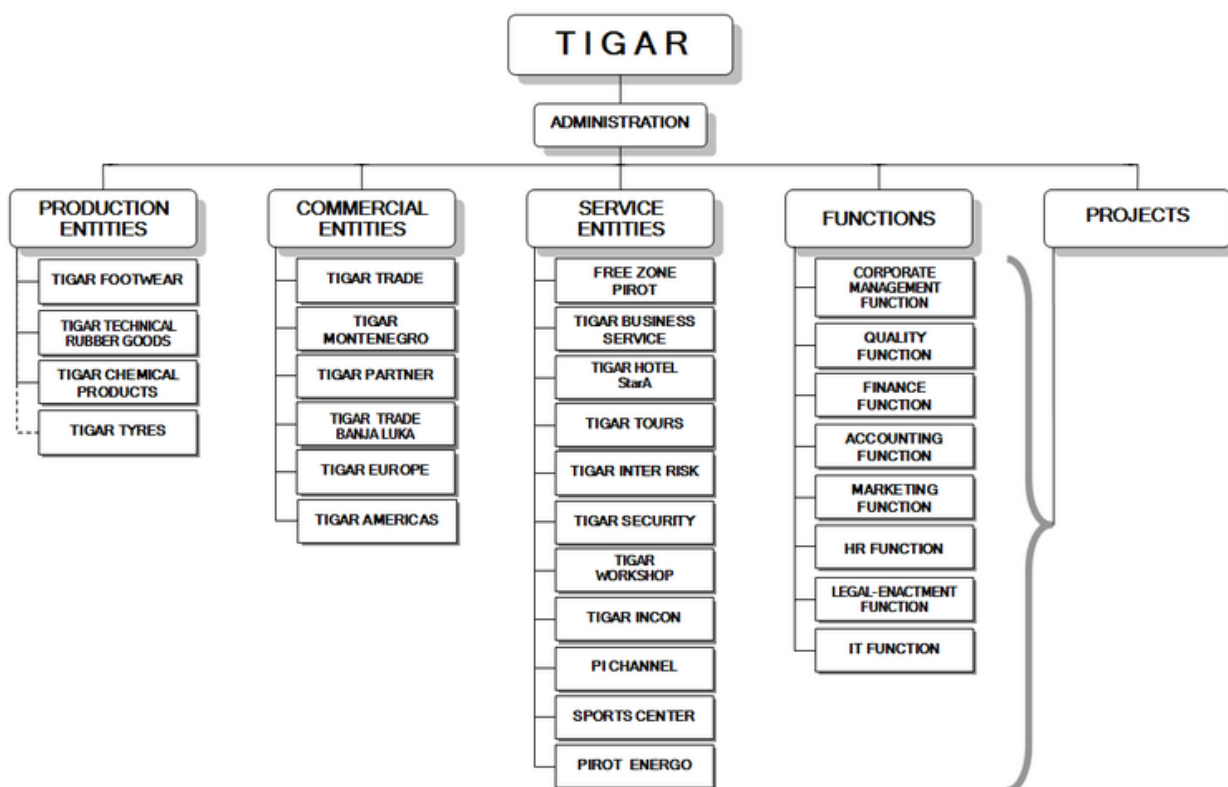
Incorporation certificate: Registry file no. 1-1087

Number of employees: 2,053 at 30 Sept. 2009

Capital: 3,824,191 (000 RSD) at 30 Sept. 2009, consolidated

Capitalization: 1,632,537 (000 RSD) at 30 Sept. 2009

1.2. CORPORATE STRUCTURE



NOTE: Under a decision of Tigar AD's Board of Directors, a new subsidiary – Tigar Trade – which is the legal successor of Tigar's Domestic Sales Network and Tigar Export-Import, was incorporated and began its operations on 1 January 2009. Tigar DSN and Tigar Export-Import ceased their operations on the same date.

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1.3. BUSINESSES AND PRODUCT LINES

FOOTWEAR

Safety rubber boots and work boots. Tigar's safety rubber boots and work boots are manufactured for use by firemen, forestry workers and other workers who require specialized boots which provide protection from mechanical, thermal, electrical and chemical impacts. These boots are made from special materials designed to withstand extreme conditions.

General-purpose footwear. Tigar's general-purpose women's and men's footwear includes low rubber shoes, used principally by farmers; a wide range of rubber boots; women's stylish rubber footwear; and children's rubber footwear.

Rubber boots for hunting and fishing. Tigar's specialized rubber boots for hunting and fishing are sold primarily to the international market. This group of products includes rubber wading boots used by fishermen and a wide range of hunting boots. Domestically and in the Balkan countries, these boots are sold under the Tigar brand name. For international markets, Tigar brands the boots per customer requirements.

TECHNICAL RUBBER GOODS

Pressed rubber products. These products are very strong, durable, and flexible. TTRG produces pressed rubber goods for a variety of industrial, construction, and civil engineering applications, re-treading shops, road infrastructure (e.g., rubber speed bumps) and automotive rubber parts (e.g., mats and gasoline tanks). It also produces "rubberized" metal goods (rubber-coated pipes, valves, etc.) by applying a layer of rubber to metal parts manufactured by customers.

Rubber profiles. Depending on the application and customer requirements, these products are made with various cross-sections and from different grades of rubber. Tigar currently manufactures more than 150 different rubber profiles. Tigar's customers use these products as seals for machine tools; as seals for doors and windows, often in combination with aluminum or PVC parts; and as seals and gaskets for chemical, textile and agricultural equipment and a variety of other uses.

tubing and hoses. TTRG produces a line of rubber tubing, textile-reinforced hoses, and steel-spring flexible hoses. The steel spring in the flexible hose gives a special mechanical and elastic characteristic to these hoses, allowing them to be bent in any direction while keeping the same cross-section. Hoses are used primarily in automobiles, both as original equipment and as spare parts (hoses for air and liquid cooling systems). Some of the hoses are made from special types of synthetic rubber that is resistant to heat, cold, and mineral oils.

Compounds and semi-finished rubber products. These products include rubber-coated cables, rubber compounds, rubber-metal products, shock absorbers for road vehicles, shock mounts for rail vehicles, and various products for other applications.

Sporting goods. TTRG produces a line of rubber and leather sporting goods, including balls for both professional and recreational use, rubber-coated weights, and other training equipment and accessories. It also produces "marketing" balls with the name or logo of the customer. Sporting goods are sold under the Tigar brand name, primarily to schools, sports clubs and associations.

Recycled-rubber products. These products are made by extruding or pressing recycled rubber into floor tiles, large-size flooring, roof tiles, floor mats, bumpers for various uses (e.g., dock and port shock-absorbing components), rubber parts for the automotive industry, rubber belts, membranes, rubber tubing, rubber sound-proofing sheets for the construction industry, landfill liners, sports court flooring of different thicknesses, and many other products. The visual appearance and performance characteristics of these products can easily be changed by adding pigment and other substances to the mixture of rubber granulate and liquid polyurethane binder.

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CHEMICAL PRODUCTS

Adhesives for conveyer belts. Tigar manufactures a strong adhesive that splices the ends of conveyor belts without the need for metal fasteners. This product was developed for coal mining companies in Serbia, but has proven successful in international markets as well, particularly in the Republic of South Africa, Bulgaria, Poland, and Macedonia. Approximately 80% of Tigar's sales of this product line go to international markets.

Road paint. Tigar's road paint products are used for road marking applications. Road paint is sold primarily to road construction companies and to municipalities for road maintenance purposes. The products are currently distributed primarily in the domestic market but have been certified for use in the European Union. Due to high transportation costs, Tigar pursued international sales only in markets that are close to Serbia, such as Macedonia and Greece.

Industrial and other adhesives. Tigar's industrial adhesives are used primarily by Serbian manufacturers of furniture, manufacturers of footwear (including Tigar Footwear), and printers (for book binding). Its other adhesives (principally epoxy compounds for domestic use) are sold through dealers or through Tigar Trade.

Coatings, solvents, thinners, and chemicals. Tigar sells a wide range of paints and coatings used for a variety of applications, including coatings for the inside and outside of cans, paints and varnishes for metal and wood, paints for appliances and floors (including specialized non-flammable and acid-resistant floor paints), as well as related thinners, solvents and chemicals. These products are sold primarily to domestic construction companies and industrial users, rather than to retail or international markets.

COMMERCE

Tigar's commercial activities include domestic and international sales of products made by Tigar's subsidiaries, sales of various other products including tires, purchasing, and logistics:

Serbia

- Organization and coordination of all purchasing activities of the Tigar Group;
- Organization of all logistical activities of the Tigar Group (production units, Tigar Retail, supply of raw materials for production units);
- Preparation of production plans based on commercial needs;
- Handling of supplies of required complementary products;
- Taking over of products following completion of manufacturing;
- Management of stocks of finished products;
- Management of stocks of raw materials;
- Wholesale activities in domestic and international markets;
- Retail sales;
- Marketing through advertising and merchandizing.

These activities are conducted via:

STOP & DRIVE, an automotive service network comprised of 23 service centers and four mobile units;
TIGAR RETAIL, a retail network comprised of 24 retail outlets offering all products made by the Tigar Group, tires, and complementary products
BOTTEGA, a specialized footwear retail chain currently comprised of three outlets
Three branch offices, in Belgrade, Niš, and Novi Sad
Three warehouses, in Belgrade, Novi Sad, and Niš

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International

Tigar has been active in the UK market for more than 15 years via Tigar Europe Ltd., in which Tigar AD holds a 50% interest. Tigar Europe has an excellent knowledge of the UK market and a well-established client base, and it provides superior services. In collaboration with its partners, Tigar plans to expand Tigar Europe's sales network in order to increase its sales of tires and other products (primarily rubber footwear and rubber goods).

Tigar Americas played an active role in Tigar's contract negotiations with the Canadian company STC. As a result, current annual sales totaling 0.3 million should reach a level of some 5 million Dollars in two years. Based on this contract, joint development activities are currently under way, particularly with regard to safety footwear, both for the Canadian and several other markets. A new product, the Geo Boot, is an excellent performer and the first successfully completed development project in this market. Tigar Americas is also involved in raw material purchases and potential projects with US manufacturers of environmentally-friendly materials.

Tigar's subsidiaries in the Balkans operate as wholesale companies. The mostly sell tires manufactured by Tigar Tyres, as well as footwear but to a lesser extent.

SERVICES

Construction, which offers all types of services relating to construction and maintenance of buildings and infrastructures. This unit is supported by an engineering group. During the reporting period, most of this unit's activities focused on the Tigar III location. However, it also won tenders for three significant projects for non-Tigar customers.

Tax Free Zone Pirot, which is a specially-designated area within Serbia where business may be carried out free from duty or VAT and certain municipal charges. The Tax Free Zone is a joint-stock company whose majority shareholder is Tigar AD. Among the other shareholders is the Municipality of Pirot. The Tax Free Zone is located within the Industrial Zone of Pirot and covers 17 ha, 46 a, and 29 m² of infrastructure-enabled land. The total surface area controlled by the TFZ is 65 ha, 2 a and 26 m², including its own railroad track and 150 telephone lines. 64 companies currently operate in the TFZ, including 45 foreign companies. In addition to tax and other advantages, companies in the TFZ are eligible for subsidies for the development of land zoned for construction. Within Serbia, these favorable conditions are currently available only in the Pirot Tax Free Zone, and they can reduce operating costs by 25%, compared to other locations in Serbia.

Transportation, which provides all types of road transportation services, including domestic and international freight forwarding, contracted and sub-contracted intra-city transportation of goods, and maintenance of vehicles. Due to a slow-down at Tigar Tyres, this unit reported a lower income caused by a lower demand for road transportation.

Tourism, which provides services out of and in connection with Tigar's facilities and resources on Mt. Stara Planina.

Other activities, which generally include intra-Tigar Group services.

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2. BUSINESS ENVIRONMENT AND RISK ASSESSMENT

The business environment during the reporting period was largely characterized by the global economic downturn. The crisis enveloped Serbia in 2008, resulting in pressures on the exchange rate, a rapid depreciation of the dinar relative to the euro, declining business activity, and a slowdown in capital infusions from abroad. Current data reflect continued negative impacts.

Relative to the same period of a year ago, GDP decreased by 4.1%. The processing industry, the construction industry, and trade reported the greatest declines. On the other hand, the transportation industry, the financial mediation segment, and several other service segments prevented a further dip in the GDP.

Retail prices are up by 9.4% on average compared to the beginning of the year. The inter-annual September growth rate was 9.5%. The average cost of living in September of this year was 6% higher than in December 2008 and 7.1% higher than in September 2008.

Industrial production declined by more than 16%, and industrial product inventories declined by more than 12%, relative to the same period of a year ago.

The unemployment rate was 27% during the period, but the number of registered job applications continues to decline. Average gross personal income was 43,000 RSD per month and average net personal income was 31,000 RSD per month.

During the reporting period, the value of the Dinar depreciated nominally by 4.7% relative to the Euro, while the real exchange rate appreciated by 1%. As local currency continued to lose value, the exchange rate risk increased and overall investment risk grew. The National Bank of Serbia maintained the reference interest rate, which was 12% at the end of September. Exchange rate fluctuations and the inability to predict future exchange rate developments were among the key challenges in the planning and implementation of business transactions. All negative trends in financial indicators were a direct consequence of the economic downturn.

Public debt climbed, mainly as a result of increasing internal debt and indirect obligations with respect to external debt.

During the reporting period, the BELEXLINE index of the Belgrade Stock Exchange rose by 29.2%, while the BELEX 15 index rose by 46.2%. Both of these indices recorded significant declines as of the beginning of June 2008 for three main reasons: departure of a number of international investors, unfavorable macroeconomic indicators, and the inability of local demand to replace departing foreign capital.

Compared to other countries in the region, Serbia has several advantages: its foreign trade deficit declined by 44%, the balance-of-payment deficit also declined, Serbia's banking sector remained stable, its level of hard currency reserves remained high, political risks here are comparable to or lower than those of neighboring countries, and both Serbia's citizens and its economy had recent experience in prevailing in a crisis.

The cost of money increased, due to lower availability of international loans and higher investment risk in Serbia. This led to a worsening in loan terms and conditions, and a growth in interest rates which businesses found difficult to afford. The basic intent of the government was to utilize 8 billion Dinars from the state budget and activate some 110 billion of bank funds, to support subsidized-interest loans. This was deemed to be realistic in view of the banks' high level of liquidity.

The fact that banks are at liberty to choose the clients who receive subsidized loans has acted to reduce the number of companies which can actually use these loans. In order to obtain subsidized loans, businesses need to agree to certain constraints which are not always consistent with their policies. The key limiting factor was a reduced liquidity of both businesses and individuals, since it resulted in higher debt collection risk and declining sales. Other than subsidized interest rates, which the Government offered as part of its "stimulus package", there were no other notable corporate support measures.

The following groups of key risk factors were identified during the reporting period.

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Risks related to Tigar's business. The greatest business-related risk during the reporting period was the timely implementation of the TTRG investment plan. This risk has largely been minimized in view of the loan granted by the Hypo Alpe Adria Bank.

Risks related to raw material, fuel and energy prices. These risks were much more pronounced in 2008 than in 2009.

Risks related to inflation, exchange rates, capital procurement and capital cost. Rising inflation has affected all inputs obtained from the domestic market, including salaries which, based on Tigar's labor union contract, must be adjusted when inflation exceeds 5%. In view of current inflation trends, the cost of salaries is expected to grow during the second quarter. High inflation has a considerable adverse effect on all Dinar costs, including energy costs. Only a portion of this increase was offset by increases in product prices since it is not possible to simply index prices in view of the overall situation and the current purchasing power. Consequently, optimization of all types of costs is required.

Risks related to shareholder and corporate structure. There were no major changes in stockholding concentration and no takeover announcements, which might affect corporate business and development policies. Overall developments do not suggest that the Company might be facing this type of risk in the near future, even though consolidation through capital increases is possible. However, management believes that any stockholding consolidation should not have a major impact on corporate business, development and investment policies. A potential risk is the government-owned stock which, based on current laws, must be disposed of before the end of this year. However, these laws are expected to be amended because there is a considerable delay in all privatization activities resulting from the current political environment. The best way to eliminate this risk would be to have the government-owned stock sold through a public offering, along with Tigar's capital increase following completion of the investment cycle by the year 2010; this would result in full stabilization of Tigar's existing businesses and the creation of positive conditions for entry into new business and project ventures.

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3. KEY BUSINESS ACTIVITIES DURING THE REPORTING PERIOD

3.1. INVESTMENT ACTIVITIES

During the reporting period, despite the relatively difficult business environment, Tigar continued to invest heavily in its industrial segments (primarily the technical rubber goods business), but also in the development of its sales network. The Holding Company invested in the building of the technical rubber goods factory which, upon completion, will be transferred to Tigar Technical Rubber Goods (TTRG), thus increasing the value of TTRG's capital assets and the value of the Holding Company's stake in this subsidiary.

Tigar Footwear and Tigar Technical Rubber Goods invested in equipment, while Tigar Trade invested in sales outlets and their outfitting.

At the end of the reporting period, at a consolidated level, Tigar held the rights to 34 hectares of land and ownership of 147 buildings with a total surface area of roughly 70,000 m². New industrial buildings at the Tigar 3 location, used by Tigar Footwear and Tigar Technical Rubber Goods, and all associated infrastructures including a brand new power station, have been built and outfitted to internationally-recognized standards. Sales outlets of the Stop & Drive chain, as well as the initial outlets of the specialized Bottega footwear chain, have been similarly equipped.

TTRG's new factory was put into operation three months later than scheduled due to a delay in the procurement of financing for this project. However, TTRG's new plant for recycled-rubber products will be commissioned at the beginning of 2010. The delay is the result of current policies of both domestic and international creditors, who are waiting for most of the investment activity to be financed from cash flow, before they become involved in the financing.

000 RSD	Purchases of fixed assets
	January-September 2009
Tigar Technical Rubber Goods	79,787
Tigar Chemical Products	699
Tigar Footwear	49,253
Tigar Trade	47,967
Service businesses	2,988
Holding company	104,714
Total	285,408

3.2. BUSINESS DEVELOPMENT

Following the shutting down of previous industrial facilities at the Tigar 2 location, substantial changes were made in the product lines of Tigar Technical Rubber Goods (TTRG). Products which require high consumption of raw materials were discontinued and focus was shifted to product lines which can be highly automated, which require fewer raw materials, and which have considerable market prospects (such as rubber profiles for the construction and automotive industries, including two-component and thermoplastic profiles, whose production will begin in 2010). The major change in this business segment will be the initiation of manufacturing of products made from recycled rubber, following the acquisition of the Danish company Bilgutex, which will be completed by the end of 2009. This transaction includes the acquisition of a number of proprietary brands:

In the export segment of Tigar's footwear business, off-take manufacturing remained dominant but Tigar Footwear also entered into a number of agreements with large European retail chains. A development program for products made under Tigar's proprietary brand names was launched. In 2009, Tigar Footwear featured its first collection of women's fashion footwear – Maniera - for the autumn/winter season, and its children's footwear collection – Brolly. Both target the domestic market, but will also be exported.

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Tigar Chemical Products' development activities focused on water-soluble products made to European standards. TCP reported the highest growth in its road paint segment. In addition to the domestic market, it exported substantial quantities of road paint to neighboring countries and to Greece.

3.3. PRODUCT DEVELOPMENT AND CERTIFICATION ACTIVITIES

Tigar Footwear obtained Russian VNIPO certification for its safety footwear line from the Russian Ministry of Emergency Situations. As a result, it is now able to take part in competitive bidding in the Russian Federation and several of its neighboring countries for firefighting, mining and forestry boots. Tigar Footwear will submit its first tender there this year.

Tigar Footwear is also in the process of obtaining certification for its Century-brand products and, once obtained, plans to boost sales of products under its proprietary brand names to international markets. Since early 2009, Tigar Footwear has developed 102 new products and commercialized 58 of them. Most of the remaining products will be fully commercialized next year. Additionally, international certification of six new products is currently pending.

Tigar Technical Rubber Goods (TTRG) is in the process of implementing TS 16 949 certification requirements, which are a precondition for the manufacturing of products for global leaders in the automotive market segment. Following its acquisition of a recycled-rubber product business, TTRG will become the owner of several brand names for: playground tiles, pool fences, bollards, bumpers, and rubber flooring. The playground tiles have been tested and certified by TUV Germany per EN 1177, which is a major advantage in view of special requirements relating to the protection of children from injury. Most child care institutions and schools purchase only certified products.

Tigar Chemical Products (TCP) is actively expanding its range of water-soluble products per recognized international standards.

Development activities, and certification in particular, are the only real guarantee for successful positioning in both domestic and international markets, since certain groups of products (e.g., safety footwear) can now only be sold if certified by accredited international certification bodies.

3.4. SALES TO DOMESTIC AND INTERNATIONAL MARKETS

Compared to the first two quarters of 2009, sales via Tigar Trade grew significantly during the third quarter. Exports of 292 million during the first six months of this year increased to 538 million at the end of the third quarter. Similarly, domestic wholesale sales grew from 111 million to 211 million, retail sales from 63 to 92.5 million, and automotive service network sales from 136 to 200 million. Overall, Tigar Trade reported growth in its various segments from 40% to 90%. Relative to a year ago, total sales were off by 14% in the first six months, and by 4% in the first nine months of the year.

Tigar Footwear's earnings from sales were 657 million, or 32% higher than at the end of the third quarter of 2008. During the reporting period, footwear exports totaled 519 million (an increase of 59% over the same period of a year ago), while sales to the domestic market were 138 million (or 18% lower than during the same period of a year ago).

Tigar Technical Rubber Goods (TTRG) reported 60% lower sales than during the same period of a year ago, as a result of its relocation and the associated downtime. During the reporting period, TTRG sold products from inventory and products made in a part of its factory set up for temporary manufacturing. The delay in the commissioning of the new factory resulted in uneven stock levels, which created additional sales problems.

Tire sales income during the reporting period was 21% lower than a year ago, but the average margin was 21% higher as a result of changes in sales approach and the focus on sales to end-users via service and retail outlets. The truck-tire sales segment reported the greatest decline due to the considerable impact of the economic downturn on transportation in general. The tire repair segment reported an income of 13 million RSD,

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or twice the income earned during the same period of a year ago, even though only two new automotive service outlets were opened, during the second quarter. Tire sales will pick up in the 4th quarter, as fleet buyers and retail customers start replacing their summer tires with winter tires.

Tigar Trade's sales mix was 52% exports, 30% wholesale, and 18% retail. Sales revenue traced to footwear (63%), tires (24%), technical rubber goods (10%), and other products (3%).

Tigar Chemical Products (TCP), which is currently independent of Tigar Trade, earned a sales income of 173 million, or 5% higher than during the same period of a year ago. Based on orders confirmed by domestic and international customers, TCP is set for substantial production growth in the 4th quarter.

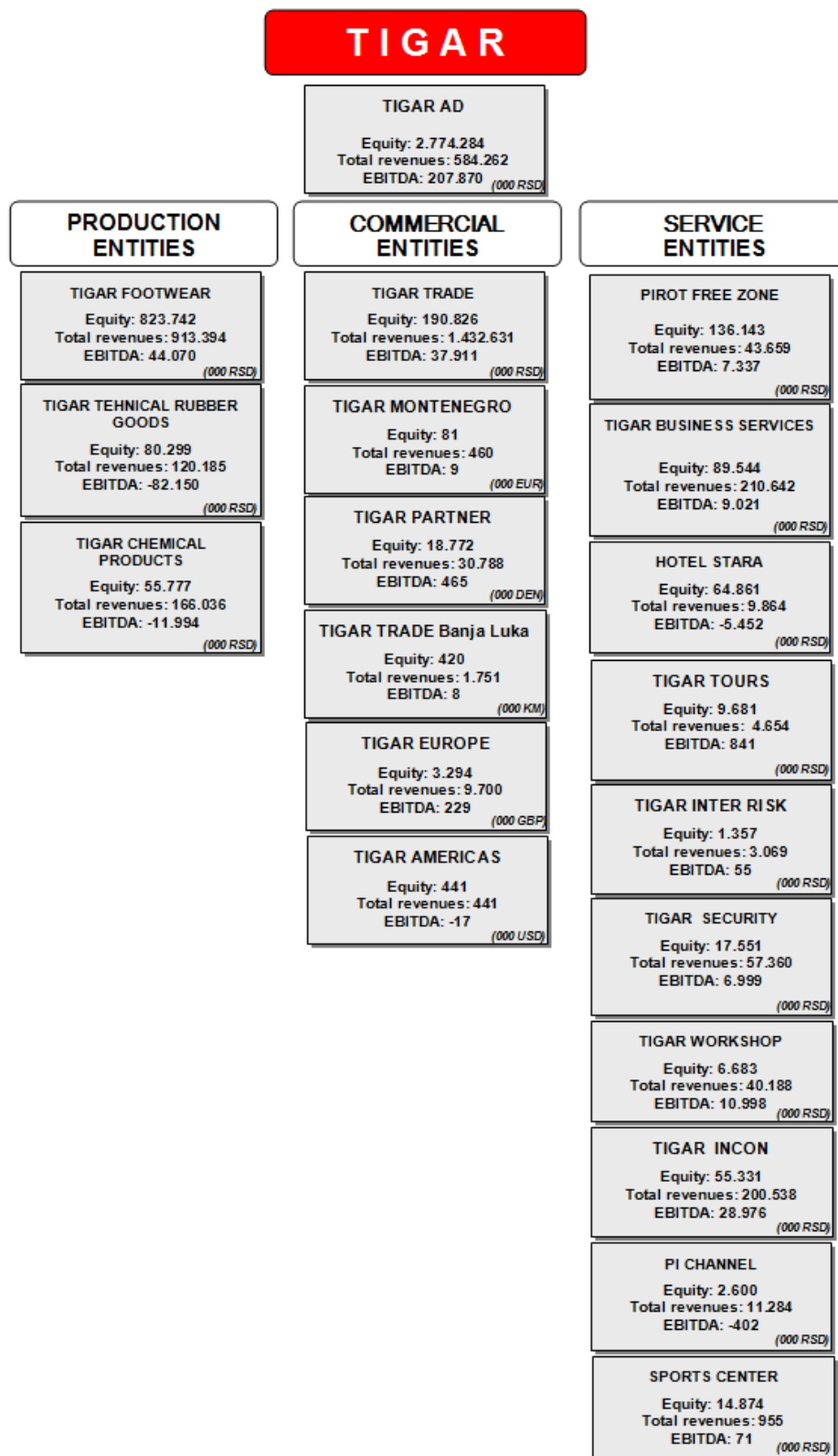
Tigar's subsidiaries abroad reported lower sales than a year ago. However, in view of the impact of the global economic downturn on the markets in which they operate, the performance of these subsidiaries was satisfactory.

<i>Sales revenue 000 RSD</i>	<i>January - September 2008</i>	<i>January - September 2009</i>	<i>% Change relative to 2008</i>
Serbia			
Sales by product group			
Car and light truck tires	207,994	173,213	-17%
Truck tires	53,905	35,616	-34%
Agricultural and other tires	33,876	24,921	-26%
Total tires sale	295,775	233,750	-21%
Inner tubes	13,856	11,763	-15%
Tigar rubber footwear	496,545	657,372	32%
- Domestic market	169,332	138,473	-18%
- International markets	327,213	518,899	59%
Other suppliers footwear	3,022	6,153	104%
Technical rubber goods	248,450	109,033	-56%
- Domestic market	211,342	89,761	-58%
- International markets	37,108	19,272	-48%
Chemical products	164,867	172,926	5%
- Tigar Trade	6,224	5,983	-4%
- Domestic market	131,676	128,079	-3%
- International markets	26,967	38,865	44%
Complementary products	20,087	18,075	-10%
TOTAL	1,242,602	1,209,073	-3%
Sales by programs			
Tires	309,631	245,513	-21%
Tigar rubber footwear	496,545	657,372	32%
Technical rubber goods	248,450	109,033	-56%
Chemical products	164,867	172,926	5%
Other products	23,109	24,228	5%
TOTAL	1,242,602	1,209,073	-3%
Entities abroad	1,151,866	1,074,002	-7%
TOTAL SALES	2,394,469	2,283,075	-5%

The above table does not include revenues from sales of raw materials or revenues from services provided to non-Tigar users.

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4. KEY SUBSIDIARY PERFORMANCE INDICATORS FOR JANUARY-SEPTEMBER 2009



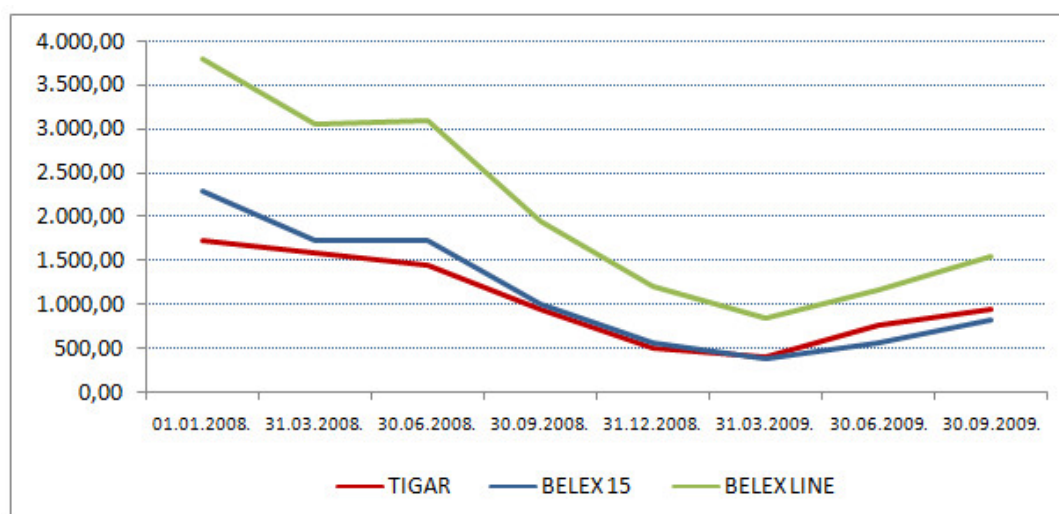
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5. CAPITAL MARKET POSITION

During the third quarter of 2009, the local capital market continued to be highly dependent on foreign investment and, in general, on the signals coming from international markets. As a result, Belgrade Stock Exchange indices finally departed from the historical lows seen at the beginning of June to Q3 2008 levels by the end of June. However, this upward trend decelerated around the middle of the 3rd quarter and the entire market began to face serious liquidity issues once again.

A number of new funds which appeared in the market generally invested in the banking segment, such that there was no substantial trading in the real sector (including Tigar).

The figure below shows Belgrade Stock Exchange index and Tigar stock price movements.



Tigar actively monitored all stock liquidity parameters via weekly Stock Exchange reports and continued to consistently fulfill Prime Market requirements during the reporting period.

Following its standard calendar, Tigar released the following during the 3rd quarter:

- 2009 Semi-Annual Report, and
- Updated Prospectus.

Dividends were distributed to shareholders on 20 July based on a resolution passed by the General Assembly of Shareholders (GAS).

The GAS held its annual session in June, at which it adopted a report on the acquisition of treasury shares and passed a resolution concerning the disposal of these shares as required by law. Based on this resolution, Tigar first disposed of 9,198 (of the 23,432) treasury shares on a pro-rated basis, from 30 July to 28 August. It then offered the remaining 13,234 shares on the Stock Exchange. These shares will be disposed of within the stipulated timeframe. For pro-rated disposal, the share price was based on the three-month average immediately prior to the opening date. The price on the Stock Exchange will reflect current demand.

At the beginning of August, the Company issued its first series of short-term corporate bonds, for a targeted investor, in an aggregate amount of 95 million RSD. The investor is a local company – Dunav Insurance.

The table below shows major stock trading indicators and ratios based on market prices of Tigar's stock during the reporting period.

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NUMBER OF SHAREHOLDERS	31 DECEMBER 2008	30 JUNE 2009	30 SEPTEMBER 2009	% CHANGE
Number of shares outstanding	4,830	4,833	4,833	-
Book value of shares	1,718,460	1,718,460	1,718,460	-
Stock market value of shares	1,592.58			
Lowest price during the period	501.00	760.00	950.00	25.00%
Highest price during the period		652.00 (08 July 2009)		
Average for the period *		1,014.00 (18 september 2009)		
Market capitalization, RSD		813.00		
	860,948,460.00	1,306,029,600.00	1,632,537,000	25.00%
P/ BV **				
P/E ** *	0.51			
EPS ****	16.68			
Number of shareholders	48.75			

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

** Average market price to book value ratio.

*** Price-to-earnings ratio.

**** Earnings per share during the period.

Share price movement

Date	31.12.2007.	31.12.2008	31.03.2009	30.06.2009	30.09.2009
Price	1.727,00	501,00	405,00	760,00	950,00

Changes in shareholder structure as of 30 September 2009

Shareholders	31 December 2008	30 June 2009	30 September 2009
Legal entities	55.24%	53.72%	54.56%
Individuals	28.57%	29.65%	29.64%
Custody accounts	16.18%	16,61%	15.79%

In 2008, the number of shareholders was reduced from 4,924 to 4,830. This is generally the interval of the number of shareholders since mid-2007, when Tigar's stock began trading on the Prime Market of the Belgrade Stock Exchange. During the first quarter of 2009, the number of shareholders increased from 4,830 to 4,833 and remained at this level through the end of the 3rd quarter.

Top ten shareholders as of 30 September 2009

	Shareholder	Number of shares	%
1.	Equity Fund of the Republic of Serbia	429,429	24.98
2.	Pension and Disability Fund*	149,981	8.72
3.	Artio Int. Equite Fund	123,132	7.16
4.	Societe Generale Bank	81,151	4.72
5.	Erste Bank, Custody 00001	68,366	3.97
6.	Raiffeisen Zentralbank	45,073	2.62
7.	Stichting Shell Pensionenfonds	23,970	1.39
8.	Societe Generale Bank	23,583	1.37
9.	UniCredit Bank, Custody	18,450	1.07
10.	Dunav Insurance A.D.O	17,120	0.99
	TOTAL	980,255	56.99

* Pension and Disability Fund shares and treasury shares are non-voting shares.

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At the end of the reporting period, the largest shareholders held a total of 980,255 shares (or 56.99%), of which 830,274 (or 48.31%) are voting shares.

In its communications with shareholders and investors, the Company duly complied with its Corporate Governance Code, the responsibilities it assumed when it was officially listed on the stock exchange, as well as international standards generally applicable to corporate reporting and interaction with shareholders and the investment community. Representatives from several international funds, potential investors, visited the Company. A new web site dedicated to investors was launched at the beginning of September. It provides trading data in real time.

Tigar shares held by corporate management

Corporate management holds less than 1% of Tigar shares. The following table shows the number of shares held by members of the Board of Directors at the end of the reporting period.

Name	Shares held as of 31 May 2005	Shares held as of 30 September 2009	% of shares outstanding
Dragan Nikolić	880	898	0.052
Jelena Petković	275	281	0.016
Slobodan Sotirov	539	550	0.032
Milivoje Nikolić	462	472	0.027
Vladimir Nikolić	803	803	0.047
Ljubiša Nikolovski	396	396	0.023
Jose Alexandre F. da Costa	-	-	-
Dr. Živko Mitrović	-	-	-
Tihomir Nenadić	-	-	-

Members of the Supervisory Board hold no Tigar shares.

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6 . SUSTAINABLE DEVELOPMENT

6.1. EMPLOYEES

Number and structure

As of 30 September 2009, Tigar had 2,053 employees. The workforce structure was as follows:

Workforce as of 30 September 2009	
Company	Number of employees
Tigar AD	221
Tigar Footwear	719
Tigar Business Service	160
Tigar Technical Rubber Goods	235
Tigar Chemical Products	75
Tigar Trade	281
Others	362
Total	2.053

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

Upon retirement, all employees are entitled to three monthly salaries in accordance with Art. 119 (1) (1) of the Labor Law, while those who opt to retire as soon as they fulfill one of the two criteria for retirement receive two additional monthly salaries as an incentive. Tigar's retired employees generally continue to maintain contact with Tigar. For example, Tigar pays a two-month salary equivalent to the family upon a retiree's death. Currently, 39 employees and retirees are repaying housing loans obtained from Tigar. Apart from statutory requirements, Tigar has no special programs or funds for employees' health insurance, retirement or other social security matters.

Employee expenses

Total employee expenses incurred during the reporting period by Tigar AD and its subsidiaries, including net earnings, taxes, pension fund and health insurance contributions, in-house meals and local transportation subsidies amounted to 946,431,000 RSD. The table below shows paid salaries as a percentage of sales income.

January-September 2009 employee expenses			
	Net salaries and wages in 000 RSD	Gross salaries and wages in 000 RSD	% of Sales income
Tigar AD	69,528	118,410	58.89%
Tigar Footwear	192,187	328,624	40.59%
Tigar Business Service	40,422	69,193	34.92%
Tigar Technical Rubber Goods	58,055	98,770	99.23%
Tigar Chemical Products	24,066	41,092	23.75%
Tigar Trade	76,547	130,782	9.61%
Others	93,380	159,560	44.68%
Total	554,185	946,431	29.58%

Taxes, health insurance and pension fund contributions during the reporting period amounted to 392,246,000 RSD.

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Optimization of human resources

65 employees left Tigar AD and its subsidiaries during the reporting period on the following grounds:

	Retirement	Redundancy	Other*	TOTAL
Tigar AD		3		3
Tigar Footwear	15	11	1	27
Tigar Business Service	3	3	3	9
Tigar Technical Rubber Goods	1	6	1	8
Tigar Chemical Products		2		2
Tigar Trade		4	3	7
Others	2	4	3	9
Total	21	33	11	65

* Of these 11 employees, 2 left voluntarily, 3 passed away, 2 left to do military service, 1 was dismissed, and 3 transferred to another entity of the Corporation.

The numbers do not show large shifts in the number of employees. The primary reasons for termination of full-time employment are retirement and redundancy (referral of full-time employees to the Labor Market).

Retrenchment is inherent in the restructuring process. This process will continue during 2009. Solving the problem of employee redundancy on a voluntary basis was a major component of the social stability policy.

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

Workforce downsizing costs and percentage of gross salaries		
	In 000 RSD	%
Tigar AD	1.570	1,33
Tigar Footwear	7.684	2,34
Tigar Business Service	1.635	2,36
Tigar Technical Rubber Goods	2.785	2,81
Tigar Chemical Products	688	1,67
Tigar Trade	1.518	1,16
Others	2.384	1,49
Total	18.264	1,93

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Professional education

During the reporting period Tigar continued to implement its policy of ensuring the availability of professional employees through the offering of scholarships to Pirot secondary school students. Scholarships were paid for students at the following colleges/universities:

Professional education				
	Technical sciences	Manufacturing process engineering	Economics and business administration	Other
TOTAL	30	8	12	13

Tuition and scholarship expenses paid during the reporting period amounted to 4,055,700 RSD (or 0.42% of gross salaries).

Employee training

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

Employee training			
	Internal	External	Total
Tigar AD	151	87	238
Tigar Footwear	335	11	346
Tigar Business Service	258	2	260
Tigar Technical Rubber Goods	214	28	242
Tigar Chemical Products	7	2	9
Tigar Trade	61	28	89
Others	569	36	605
Total	1.595	194	1.789

Employee training expenses during the reporting period amounted to 3,748,702 RSD (or 0.39% of gross salaries).

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6.2. QUALITY MANAGEMENT

Tigar obtained its initial quality management (ISO 9001) certification in 1995, from the then Federal Standardization Bureau. It was the third company in the country to receive this certification. Following the introduction of standards for environmental management (ISO 14001) and occupational health and safety management (OHSAS 18001), Tigar expanded its management system to comply with these standards as well. As a result, today Tigar has an integrated management system which ensures control of all risks relating to product quality, the environment, and occupational health and safety.

The Corporation's traditional strategic orientation toward customer and stakeholder satisfaction and environmental protection, is reflected in the certification it holds for alignment to applicable standards, such as ISO 9001 and ISO 14001. Annual audits of system maintenance and advancement are conducted by YUQS, one of the leading domestic certification bodies, and a member of IQNET, an international association of certification bodies. YUQS enjoys both domestic accreditation and the accreditation of the French accreditation body, COFRAC. Initial occupational health and safety (OHSAS 18001) certification is currently pending.

Tigar's integrated management system underwent substantial changes during the reporting period. It was comprehensively re-engineered to reflect corporate business development activities.

In addition to its quality, environmental, and occupational health and safety management systems, Tigar Technical Rubber Goods is currently making preparations for technical ISO/TS 16949:2009 certification. This certification stipulates additional requirements for car and spares manufacturers and will apply to TTRG's products intended for the automotive industry.

Tigar Incon, which offers design, engineering, consulting, construction, and infrastructure maintenance services, will also be joining Tigar's certified subsidiaries. It is currently developing documentation in line with the standards mentioned above.

Following its relocation, Tigar Footwear underwent both a regular audit by the certification body and third-party audits. The company was visited by QA experts on behalf of several customers. They did not report any non-compliance, confirming that Tigar Footwear's relocation did not have a negative impact on its manufacturing processes. Instead, significant improvements were highlighted.

Tigar Business Services, which offer catering and other services, are preparing for the implementation of a HACCP (food safety) management system.

6.3. ENVIRONMENTAL PROTECTION

Tigar's manufacturing facilities are located in the town's industrial zone, at the end of the Pirot Valley. The existing environmental conditions and unaltered ecosystems attest to the good environmental practices followed by the Company. The Company opted to follow a tradition of sustainable development even prior to the establishment of current environmental standards.

Environmental management is integrated with the quality management system. At the corporate level, the Executive Director for Quality Assurance is responsible for environmental management and the Quality Function coordinates all activities pertaining to environmental protection. At the subsidiary level, QA departments address any particular environmental concerns.

The Corporation obtained its first ISO 14001 environmental management certification in 2003. Since then, the system has continually been improved and enhanced, with noticeable results.

Environmental impacts of rubber industries generally originate from:

- the generation of solid waste;
- the utilization of natural resources;
- emissions into the atmosphere; and
- wastewater.

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Potential environmental concerns addressed by Tigar are the use of raw materials classified as hazardous substances. These substances are purchased, stored, and used in accordance with applicable regulations. Records of hazardous substances are kept and annual reports submitted to the respective ministry, in accordance with the Regulation on the Methodology for Chemical Accident and Environmental Protection Risk Assessments, on Preparation Measures, and Impact Elimination Measures (Official Gazette, nos. 60/94 and 63/94). All raw materials are visibly marked, warning signs are posted as appropriate, and an internal safety data sheet, derived from the manufacturer's MSDS, is provided for each raw material. In addition to the preventative measures which are in place for raw material storage areas, accident response plans have been prepared in the event of spillage, to protect employee and environmental health. Tigar's companies do not belong to the SAVECO group of facilities, in which hazardous substances that can cause chemical accidents are manufactured, stored or used. The quantities of hazardous substances stored by Tigar's subsidiaries are far below critical levels for potential chemical accident situations. None of Tigar's subsidiaries stores or uses radioactive materials.

Most of the industrial waste generated at Tigar is on the „green list“.

Description of waste	Waste classification	Waste qualification
Non-cured rubber waste	GK 010 , Green list	Non-hazardous waste
Cured rubber waste	GK 010 , Green list	Non-hazardous waste
Polyethylene waste	GK 010 , Green list	Non-hazardous waste
Wood waste	GL 010 , Green list	Non-hazardous waste
Scrap paper	GI 010 , Green list	Non-hazardous waste
Metal	GA , Green list	Non-hazardous waste
Waste oil and grease	UN9 H13, AC 030	Hazardous waste

Tigar's waste generated by manufacturing processes is classified in accordance with the Regulation on the Classification, Packing, and Storing of Secondary Raw Materials (Official Gazette 55/01). Solid recyclable waste is kept at Tigar's Secondary Raw Materials Warehouse only for short periods of time and then sold to waste recyclers via Tigar Workshop. Non-recyclable waste and waste which cannot be used as a secondary raw material for any other process is deposited at the municipal landfill.

Waste generated by all Tigar subsidiaries is disposed of under

Emission test results, power station emitter			
<i>Tests conducted by the 1 may Institute from Niš, Lab accredited per ISO 17025</i>			
<i>Parameter</i>	<i>Unit</i>	<i>Test results average</i>	<i>Emission limit values</i>
<i>Carbon monoxide concentration</i>	<i>mg/m3</i>	<i>12</i>	<i>250</i>
<i>Sulfur dioxide concentration</i>	<i>mg/m3</i>	<i>1957.3</i>	<i>3200</i>
<i>Nitrogen oxide concentration</i>	<i>mg/m3</i>	<i>44</i>	<i>450</i>
<i>Particulate matter concentration</i>	<i>mg/m3</i>	<i>9.6</i>	<i>100</i>
<i>Inorganic fluoride and chlorine compounds were not detected</i>			

contract with Pirot's solid waste utility. Waste management at Tigar is defined by internal regulations which set forth waste flow procedures and control. Tigar Workshop has been certified by the appropriate ministry to collect, temporarily store, and dispose of waste. It is currently implementing the most recent waste management regulations. It has reported its activities and submitted stipulated documents to the local government which is not responsible for the issuance of new permits for the storage, treatment and disposal of waste.

Tigar's modern, automated power station, is designed to fire natural gas or fuel oil. The old boiler facility, which fired solid fuel (coal), ceased operating in August 2008. In addition to higher efficiency and the elimination of slag which constitutes hazardous waste, the quality of gas emissions has significantly improved.

Tigar's subsidiaries use both water from the public water supply system and industrial water. Water is used for sanitary needs, as a source of energy (steam), and as a cooling fluid. None of Tigar's subsidiaries uses water as part of its manufacturing processes and, as such, Tigar's water uses do not result in any pollution originating from such sources (i.e., no industrial wastewater is discharged).

Tigar's liquid effluents, generally standard urban wastewaters, are discharged into the public sewage system in accordance with the conditions stipulated in Tigar's Water Permit. Wastewater quality is routinely monitored by certified laboratories, in accordance with the law, and is always found to be compliant. This monitoring

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encompasses a number of parameters which demonstrate any significant impact on the recipient – the Nišava River. All indicators to date have shown that the impact of Tigar's wastewater is equal to that of wastewater discharged from residential areas (urban wastewater). Consistent with the use of water by the Company, no exceedance of maximum permissible concentrations (MPCs) of pollutants has been recorded.

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

There are no pending proceedings against Tigar or its subsidiaries relating to environmental issues. There are also no litigation proceedings involving Tigar arising out of environmental issues.

Tigar Footwear, Tigar Technical Rubber Goods, Tigar Chemical Products, and Tigar Workshop submitted information to the Environmental Protection Agency, as required for the Integrated Register of Polluters pursuant to the Environmental Protection Law (Article 75) and Regulations on the Integrated Polluter Register Development Methodology (Official Gazette no. 94/07). These obligations also include reporting on the monitoring of environmental parameters (wastewater quality, gas emissions, types and quantities of generated waste, types and quantities of hazardous substances), and submission of information about major raw materials, manufactured products, and the like. All of this information is accessible to the public.

Regular inspections were conducted and compliance with environmental legislation was confirmed.

The Corporation submitted a request to the Ministry of the Environment and Spatial Planning to re-assess its classification of Tigar Footwear and Tigar Technical Rubber Goods as IPPC facilities, and to conduct an extraordinary audit in this regard.

Wastewater quality test results				
<i>Test conducted by the Publik Health Institute from Niš Lab accredited per ISO 17025</i>				
<i>Item</i>	<i>Required lab test</i>	<i>Unit</i>	<i>Limit values</i>	<i>Test results</i>
1	Water temperature °C	°C	up to 40	15.1
2	pH	mg/l	6.0-9.5	6.9
4	Ammonium ion - NH ₄ ⁺	mg/l	-	25.5
5	Nitrates- NO ₃ ⁻	mg/l	30	2
6	Nitrites - NO ₂ ⁻	mg/l	50	not detected
7	Chlorides - Cl ⁻	mg/l	500	26
8	Sulfates - SO ₄ ²⁻	mg/l	350	30.7
9	KMnO ₄ demand	mg/l	-	138
10	Detergents	mg/l	10	0.88
11	Sedimentable solids	mg/l	1	0.05
12	Suspended solids	mg/l	500	110
13	BOD	mg/l	300	107
14	COD	mg/l	450	217
15	Oil and grease	mg/l	40	22.5
16	Chromium - Cr ⁶⁺	mg/l	0.1	not detected
17	Chromium - Cr ³⁺	mg/l	0.5	not detected
18	Lead - Pb	mg/l	2	not detected
19	Cadmium - Cd	mg/l	2	not detected
20	Zinc - Zn	mg/l	5	0.329
21	Copper - Cu	mg/l	2	0.028
22	Nickel - Ni	mg/l	3	not detected
23	Manganese - Mn	mg/l	-	not detected
24	Iron - Fe	mg/l	5	not detected

From an environmental perspective, the Company's business is subject to the following laws:

- *Environmental Protection Law,*
- *Air Protection Law,*
- *Waste Management Law,*
- *Law on Packaging Material and Packaging Waste,*
- *Environmental Noise Protection Law,*
- *Law on Chemicals,*
- *Water Law,*
- *Fire Protection Law, and*
- *Law on Explosive Substances, Flammable Liquids and Gases.*

In addition to the above laws, environmental impacts are regulated by a large number of by-laws, regulations and decrees, which have not been listed because of their large number. Tigar monitors its compliance with these laws and regulations on an ongoing basis. Action plans are prepared whenever changes need to be implemented; they specify deadlines for harmonization with new legal requirements, activities, required resources, and responsibilities.

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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, in both languages. The registered name and its use are regulated by the provisions of Article 14 of the Articles of Association. The above name fulfills all legal requirements. Tigar is registered under the said name with the Serbian Business Registers Agency.

Registered trademarks as of 30 September 2009

Appl. No.	Appl. Date	Reg. No.	Trademark	Valid until	Holder
Ž-247/80	30.04.80	31499	Tigar	21.12.17	Tigar AD
Ž-2606/06	14.11.06	54763	Tigar	14.11.16	Tigar AD
Ž-84/385	17.01.84	29947	Tigar Tg 615	25.05.17	Tigar AD
Ž-947/07	30.04.07	55640	Tigar Planinarski Dom	30.04.17	Tigar AD
Ž-918/07	27.04.07	55822	Tigar Tours	27.04.17	Tigar AD
Ž-842/07	18.04.07	55612	Markol	18.04.17	Tigar AD
Ž-1129/07	17.05.07	55735	Tigar Incon	17.05.17	Tigar AD
Ž-890/80	11.07.03	49590	Tigar Sporting Goods	11.07.13	Tigar AD
Ž-152/07	29.01.07	56018	Tigar	29.01.17	Tigar AD
Ž-1703/07	26.07.07	56315	Tigar Footwear	26.07.17	Tigar AD
Ž-1704/07	26.07.07	56315	Tigar Obuca	26.07.17	Tigar AD
Z-2440/07	17.10.07	56371	Tigar Chemical Products	17.10.17	Tigar AD
Ž-2441/07	17.10.07	56370	Tigar Tehnička guma	17.10.07	Tigar AD
Ž-2/08	03.01.08	57651	Tigar Poslovni servis	03.01.18	Tigar AD
Ž-212/08	05.02.08		Tigrostik	-	Tigar AD
Ž-211/08	05.02.08		Tigrolux	-	Tigar AD
Ž-214/08	05.02.08	57650	Tigropren	05.02.18	Tigar AD
Ž-213/08	05.02.08	57649	Tigrokol	05.02.18	Tigar AD
Ž-768/08	31.03.08	57538	Hotel Stara Planina	31.03.18	Tigar AD
Ž-1433/08	06.06.08	58815	Overload	06.06.18	Tigar AD
Ž-1475/08	11.06.08	58462	Waterpolo Senior	11.06.18	Tigar AD
Ž-1473/08	11.06.08	58427	Waterpolo Mini Mini	11.06.18	Tigar AD
Ž-1431/08	06.06.08	58813	Waterpolo Junior	06.06.18	Tigar AD
Ž-1472/08	11.06.08	58428	Special	11.06.18	Tigar AD
Ž-1432/08	06.06.08	-	Basketball Tg21 Official	-	Tigar AD
Ž-1474/08	11.06.08	58424	Neos	11.06.18	Tigar AD
Ž-1469/08	11.06.08	58426	Tricker Ball Basketball	11.06.18	Tigar AD
Ž-1471/08	11.06.08	-	Bistro fishing buoy	-	Tigar AD
Ž-1468/08	11.06.08	58423	Overload Handball	11.06.18	Tigar AD
Ž-1470/08	11.06.08	58425	Dynamic Overload	11.06.18	Tigar AD
Ž-1429/08	06.06.08	58464	Overload Waterpolo Junior	06.06.18	Tigar AD
Ž-1467/08	11.06.08	58430	Overload Waterpolo Mini Mini	11.06.18	Tigar AD
Ž-1476/08	11.06.08	58463	Overload Waterpolo Senior	11.06.18	Tigar AD
Ž-1430/08	06.06.08	-	Basketball TG21 Overload	-	Tigar AD
Z-2441/07	17.10.07	-	Tigar Tehnička guma	-	Tigar AD
Ž-2681/08	03.11.08	-	Trapper	-	Tigar AD
Ž-2906/08	02.12.08	-	Seeking hunter	-	Tigar AD
Ž-2905/08	02.12.08	-	Waiting hunter	-	Tigar AD
Ž-2682/08	03.11.08	-	Pesca	-	Tigar AD
Ž-2679/08	03.11.08	59327	Rainy days	03.11.18	Tigar AD
Ž-2680/08	03.11.08	59334	Nancy	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	-	Balerina	-	Tigar AD
Ž-2675/08	03.11.08	59334	Work	03.11.18	Tigar AD
Ž-2904/08	02.12.08	-	Polar	-	Tigar AD
Ž-2674/08	03.11.08	59337	Protecta	59337	Tigar AD
Ž-2673/08	03.11.08	-	Forestry Line	-	Tigar AD
Ž-2672/08	03.11.08	-	Fireproof	-	Tigar AD
Ž-2671/08	03.11.08	59326	Cryo	59326	Tigar AD
Ž-2670/08	03.11.08	-	Sparkle safety	-	Tigar AD
Ž-2661/08	31.10.08	59341	Firefighter Super Safety	31.10.18	Tigar AD

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Ž-2662/08	31.10.08	-	Century Super Safety	-	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	-	Trendy	-	Tigar AD
Ž-247R/80	30.04.80	49044	Tigar	30.09.15	Tigar Tyres
Ž-1369/05	17.10.05	49768	Tigar Tyres	17.10.15	Tigar Tyres
Ž-1373/05	17.10.05	49792	Hitris Logo	17.10.15	Tigar Tyres
Ž-1371/05	17.10.05	49819	Cargo Speed Logo	17.10.15	Tigar Tyres
Ž-1372/05	17.10.05	49912	Wintera Logo	17.10.15	Tigar Tyres
Ž-1468/05	31.10.05	53797	Tigar Trgovine	31.10.15	Tigar AD
Ž-312/09	18.02.09	-	Tigar Obezbeđenje	-	Tigar AD
Ž-492/09	17.03.09	-	Tigar Security	-	Tigar AD
Ž-546/09	27.03.09	-	Tigar Trade	-	Tigar AD
Ž-639/09	13.04.09	-	Hotel StarA	-	Tigar AD
Ž-1012/09	30.06.09	59367	Brolly	30.06.19	Tigar AD
Ž-1011/09	30.06.09	59366	Maniera	30.06.19	Tigar AD
Ž-551/09	27.03.09	-	Bottega	-	Tigar AD
International trademark	03.07.97	675 773	Tigar	20.05.17	Tigar AD
USA	24.10.78	675 773A	Tigar	20.05.17	Tigar Tyres
USA	02.11.07	1174089	Tigar Logo	15.08.12	Tigar Americas Corp.
USA		77320619	Tigar	-	Tigar Americas Corp.
Canada	25.05.90	368832	Forester	25.05.20	Tigar Footwear
Finland	20.11.85	94345	Forester	20.11.15	Tigar Footwear
Norway	14.11.85	123042	Forester	14.11.15	Tigar Footwear
Sweden	26.07.85	0197287	Forester	26.07.15	Tigar Footwear
UK	23.06.95	2025055	Century	23.06.15	Tigar Footwear
UK	31.05.84	1219898	Forester	31.05.15	Tigar Footwear
UK	23.06.95	2025057	Forester	23.06.15	Tigar Footwear

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

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

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

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

In 2009, Tigar initiated the national and international registration of the Maniera and Brolly trademarks owned by Tigar AD.

Tigar Technical Rubber Goods has one pending patent application with the Serbian Intellectual Property Office, for an invention entitled "Tigar Flex" Flexible Hose Production Technology, filed on 30 January 2006 under no. P-2006/0071.

Tigar AD holds two internet domain names: www.tigar.com and www.tigar.co.yu. Tigar Footwear holds five new domain names: www.century-safety.com, www.century-safety.de, www.century-safety.fr, www.century-safety.es and www.century-safety.co.uk.

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

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

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

6.5. INFORMATION TECHNOLOGIES

The IT Function is a part of Tigar AD which provides data management services to Tigar. 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 network and anti-virus protection
- Maintenance of internet and internet access
- Standardization of corporate hardware and software

The IT Function employs 15 individuals, 13 of whom are university graduates. It is comprised of two departments:

- The Programming and Development Department, and
- The Installations Department.

The Programming and Development Department employs seven engineers who develop and generate application software and provide logistic support to users.

The Installations Department employs five engineers, one data entry operator and one system console operator. This department installs and maintains hardware and operating system software at workstations, monitors the operation of the host computer, installs user applications, defines users and grants access privileges.

The IT Function ensures access to the IT Center, the Internet and the Intranet by all Tigar locations. The IT Center and the various Company sites are linked by means of optical cabling. Local IT engineers maintain local computer networks and local computer equipment at the manufacturing plants, while the IT Function maintains computer equipment at all other Tigar locations. The IT Function ensures data security at host computer and workstation levels, as well as appropriate anti-virus protection. Backups from the main server and anti-virus update downloads are made on a daily basis, and workstations automatically download updates upon morning boot-up.

In the Central Computer Room there is a production server - IBM POWER-6 M25 with the IBM operating system OS400 V5R4 and DB2 database - which is used for communications, development, applications and access to databases. The disaster recovery machine is IBM POWER-6 M15, with the same operating system. There is an IBM POWER-6 M15 machine at another location, the ICT Center at Tigar 3. These two systems communicate directly, via optical cabling. Using IBM's ITERA software installed on both machines, databases are replicated on-line and in real time such that, in the event of failure of the production server, the M15 machine can assume all of its functions and become the main production server until the M25 server is back online. This ensures continuous operation of the entire IT system and uninterrupted access by users.

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Additional security is provided by tape backups, using the system's tape library.

Files are backed up daily at three levels. Media containing backups are kept in a metal safe under lock and key. Entry into the Central Computer Room is limited to essential personnel – system engineers who have coded access. A data warehouse server (with a Windows 2000 operating system and Progress database), internet server, intranet server, web server, DNS server, and mail server are also located in the Central Computer Room. Only computer equipment made by reputable manufacturers (e.g., IBM and Dell) is used.

Tigar's business entities and the IT function are linked via optical cabling. Local networks within the entities use UTP Class 5 cabling, while UTP Class 6 (transmission speed up to 1 Gbit/s) cabling is used at the new, Tigar 3 location. The network protocol is TCP/IP. Wireless networks are also available at the corporate administration building and the new Tigar Footwear factory.

Tigar's entire communication network is protected from unnecessary broadcast traffic within the network and between workstations by virtual LANs deployed by functional entity. This also enhances network performance in terms of speed, response, and data transmission. A total of 15 virtual LANs are available within the Corporation.

Control of Internet traffic is provided by means of additional Juniper-140 hardware and software components, which ensure faster response and data transmission, higher network and user security through a server in the DMZ zone, as well as enhanced performance of the overall system.

The Company uses all data transmission systems supported by Telecom: FR (frame relay) link to the internet provider, primary ISDN, FTP internet service for communication with branch offices, retail outlets, and regional centers, and the like. A Falcon video conferencing system with three ISDN lines has been installed.

The Tigar 3 location and the corporate administration building at the Tigar 1 location use an IP telephone switchboard - AWAYA S8300, which includes a media server - Awaya6700. Communication with Telekom is established via two primary ISDNs and 60 incoming lines. The switchboard currently services 450 extensions, but can be expanded to 900 extensions, 34 wireless base units (DECT phones), and 24 analog channels. Three "conference rooms" are currently active. They are accessed via authorization codes. Each phone of the Awaya 1608 system can be used to set up an internal conference with five other participants from Tigar, without using the "conference room". The old OMNI switchboard was fully integrated with the new IP AWAYA system and both function as a single communication system. Internal software allows for easy administration and maintenance of the corporate telephone system, controlled access and use, as well as cost monitoring and management by user, group of users or business unit.

The system supports a centralized business application with 18 different modules, 800 table formats, and some 2000 programs which are used by the Company and its subsidiaries in their daily activities.

Appropriate software support has been provided for all organizational changes in the interim. A new environment and all the necessary software is in place for the new subsidiary – Tigar Trade. Maintenance and continual software enhancements constitute an ongoing activity.

Full application support has been provided for comprehensive use of the IBM POWER-6 M25 server by Tigar Footwear, Tigar Chemical Products, and Tigar Incon. The same activity is nearing completion at the Pirov Tax Free Zone.

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Main features of Tigar's Information System include:

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

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6.6. REAL ESTATE AND LEGAL SECURITY

All of Tigar's manufacturing facilities are located in Pirot. In 2009, there were four manufacturing plants at two separate locations. The larger location held tire, rubber goods, and chemicals products manufacturing facilities. Tigar Footwear and Tigar Technical Rubber Goods have moved to another location, Tigar 3, which was purchased in 2006 and refurbished and prepared for re-location in 2008. During this time, the Tigar 3 project was booked as a „capital project in progress“. Tigar owns several buildings in Belgrade, and Tigar Trade owns buildings across Serbia (office buildings, warehouses, and retail outlets).

Tigar Tyres owns the buildings in which it operates, and holds the right to use the land on which these buildings are located. Tigar owns or holds the right to use all the remaining land. The buildings on this land are owned by Tigar and/or the subsidiaries it controls. Buildings used by Tigar's manufacturing subsidiaries are owned by them. The buildings used by Tigar's service subsidiaries are either owned by the respective subsidiary or by Tigar. Based on a resolution of Tigar AD's General Assembly of Shareholders concerning the sale of a portion of infrastructure-enabled land at the Tigar 2 location, and the pertinent contract with Tigar Tyres dated 27 March 2008, Tigar Tyres acquired 148,274 m² of additional industrial land (and the surface area of undeveloped land owned by Tigar AD was reduced by as much).

Per Serbian laws, urban land zoned for construction is owned by the state, and Tigar has acquired the permanent right to use the land. Land away from urban construction zones is owned by Tigar.

Land

The total number of cadastral lots owned by Tigar and its subsidiaries is 122 as of 30 September 2009. Their total surface area is 355,458 m², of which 277,168 m² is undeveloped land. The book value of the land is RSD 41,907,185.11. Additionally, Tigar Workshop owns land worth RSD 691,973.92.

Buildings

Tigar AD and its main subsidiaries own a total of 139 buildings (this figure excludes Tigar Trade, which has 25 buildings).

The total surface area of the buildings owned by Tigar AD and its subsidiaries is 78,290 m² (of which 6,997 m² are owned by Tigar Trade).

As of 30 September 2009, the book value of buildings owned by Tigar AD and its major subsidiaries was RSD 1,327,909,159.98

The following table shows the book value of buildings owned by Tigar AD, its nine major subsidiaries, and the Pirot Free Economic Zone.

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BOOK VALUE OF BUILDINGS (RSD)		
ENTITY	31 December 2008	30 September 2009
Tigar AD	65.722.853,24	187.803.523,52
Tigar Trade	117.476.083,94	141.468.133,78
Tigar Technical Rubber Goods	772.021,00	730.557,00
Tigar Chemical Products	46.749,00	44.904,00
Tigar Footwear	781.764.477,38	806.383.494,74
Tigar Protective Workshop	11.122.403,23	10.984.071,84
Tigar Business Service	64.798.304,78	63.859.110,78
Tigar Tours	6.562.088,10	6.472.560,10
StarA Hotel	81.298.046,40	80.187.592,40
Tigar Security	882.584,31	851.063,31
Tax Free Zone Pirot	29.647.119,79	29.124.148,51
Total:	1.160.092.731,17	1.327.909.159,98

Material encumbrances

The Company's material encumbrances at the end of September 2009 were as follows:

Municipal Court of Pirot certificate ref. I no. 1562/04 dated 21 December 2004, under agreement in favor of Yu Banka Belgrade, places a lien against real property (cardboard and footwear plant buildings) serving as a security for the following agreements between Yu Banka and Tigar:

- Agreement no. 3617/04 dated 6 October 2004, EUR 704,494.39 (outstanding balance EUR 368,601.98);
- Agreement no. 3618/04 dated 6 October 2004, EUR 2,439,711.58 (outstanding balance EUR 1,271,286.09); and
- Agreement no. 3619/04 dated 6 October 2004, USD 2,362,641.42 (outstanding balance USD 1,236,169.28).

A mortgage statement certified by the Municipal Court of Pirot on 8 May 2009 under reference number 3136/09, and a mortgage statement certified by the same court on 19 May 2009 under reference number 3297/2009, both place a lien against real estate (Tigar's administration building) in favor of the UniCredit Bank AD Belgrade, as collateral under the following agreements:

- Short-Term Loan Agreement, to support liquidity and finance permanent working capital, subsidized interest rate, reference R. 1487/09. Tigar Footwear is the borrower and Tigar AD is the sponsor. The amount of the loan is EUR 1,000,000.
- Short-Term Loan Agreement, to support liquidity and finance permanent working capital, subsidized interest rate, reference R. 1573/09. Tigar Footwear is the borrower and Tigar AD is the sponsor. The amount of the loan is EUR 1,000,000.
- Short-Term Loan Agreement, to support liquidity and finance permanent working capital, subsidized interest rate, reference R. 1581/09. Tigar AD is the borrower. The amount of the loan is EUR 1,000,000.
- Revolving Credit Line Agreement for bank guarantees, reference R. 3675/07, including Appendices 1 and 2. Tigar Trade, Tigar AD, and Tigar Footwear are parties to this agreement. The amount is EUR 200,000.
- Short-Term Revolving Loan Agreement, reference R. 3257/08, including Appendix 1. Tigar Footwear is the borrower and Tigar AD is the sponsor. The amount of the loan is EUR 1,500,000.
- Short-Term Revolving Loan Agreement, reference R. 3255/08, including Annex 1/2009. Tigar AD. Amount EUR 1,000,000.
- Overdraft Agreement, reference R. 3579, including 2009 Annex. Tigar AD is the borrower and the amount is RSD 10,000,000.
- Overdraft Agreement, reference R. 1577/09. Tigar Footwear is the borrower and Tigar AD is the sponsor. The amount is RSD 8.600.000.

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Municipal Court of Pirot certificate ref. I no. 622/09 dated 25 June 2009, under agreement in favor of the Hypo Alpo Adria Bank, places a lien against real property (cadastral lot 3390/04 – Building 1, First Aid) serving as security under Short-Term Loan Agreement (subsidized interest rate loan) L 1215/09. Tigar Trade is the borrower and Tigar AD is the sponsor. The amount of the loan is EUR 1,000,000.

Legal proceedings

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

The largest disputes at the corporate level occurred prior to 2000. They include the following (amounts shown do not include interest):

DEFENDANT	CLAIM
TREPČA-Zvečan	9.637.376
UNION BANKA	6.194.000
LOLA KORPORACIJA	7.159.000
2M-Pirot	2.247.300
TIGAR PROM-Nova Varoš	3.636.000
PRIMA TREJD-Kučevo	1.174.680
TOTAL:	30.048.356

For all of these disputes, effective court rulings exists, but payout has not been realized due to political problems (e.g., Trepca), multiple-year liquidation proceedings which for unexplainable reasons have not been completed, long-term restructuring processes (e.g., the Lola Corporation), or a lack of assets (Prima Trejd –Kučevo)

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

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6.7. CORPORATE SOCIAL RESPONSIBILITY

In keeping with its social responsibility policy, Tigar is committed to a high level of responsibility to the community in which it earns its profits. All social stakeholders and representatives, both within the Company and beyond, are treated in a socially responsible and ethical manner. Corporate social responsibility (CSR) is ensured by our strategic corporate documents and the Corporate Governance Code, which constitute an integral part of Tigar's overall business policy. Tigar's vision, mission and corporate values clearly define its relationships with employees, customers, the local community and society, and its attitude toward the environment, which constitute a balanced approach and are consistent with CSR strategies that are well-established today.

Respect for our customers

The Company demonstrates its responsibility to customers through the production and distribution of safe, high-quality products; it offers a product mix and designs which meet customer needs, at competitive prices and on a continual basis. During the reporting period, the Company developed a number of highly sophisticated and attractive products and provided unique services to the Serbian market. By putting the Bottega sales chain into place, the Company now offers the marketplace new and modern sales facilities, which, by design, suggest a gallery setting where Italian men's, women's and children's leather footwear is displayed alongside Tigar's stylish line of Maniera rubber boots for the 2009/2010 season. Tigar's orientation to its consumers and service users is evidenced by its expansion of Tigar Trade's automotive service and sales network; this network, named „Stop & Drive“ in mid-2009, is the largest domestic network for the servicing of vehicles and sales of tires and automotive accessories. With more than twenty service centers across the country, and four mobile units, it is unique, both in terms of its high level of professional servicing and its efficiency, and offers a wide array of high-quality well-known internationally branded products for passenger, light- and heavy-duty vehicles. In the first six months of 2009, a new service center of this type was opened in Inđija, and the service center in Pirot was expanded. Intended for cars and light utility vehicles, Stop & Drive in Pirot offers tire repairs, light servicing of vehicles, and wheel alignment, all in a single location. There is also a car wash, and statutory vehicle inspection services will soon be added. The Nis service center is also undergoing expansion and upgrading and will also be performing vehicle inspections in the near future.

The quality we offer and our focus on our customers are demonstrated by our commitment to ISO and other applicable standards, and regular customer satisfaction surveys.

Respect for our employees

Respect for our employees is one of the most important aspects of our CSR policy. In line with the principle that employee health and safety are our number one priority, during the reporting period we conducted training courses for all new employees in fire protection, use of personal safety aids, handling of hazardous and toxic substances, and measures to be undertaken in the event of undesirable situations. We also ensured that all newly acquired equipment was certified as required by applicable legislation.

Based on the Occupational Health and Safety Law, and as stipulated by Workplace and Work Environment Risk Assessment Regulations, we prepared a comprehensive risk assessment report. We also made all the necessary preparations and conducted training courses in connection with the implementation of the Occupational Health and Safety Management System in accordance with OHSAS 18001.

During the reporting period, the Company adopted a Quality Management Policy, Environmental Policy, and Occupational Health and Safety Policy. It issued an Occupational Health and Safety Policy Statement through which Tigar confirms that occupational health and safety are among its strategic commitments. This has created conditions for the implementation of an Occupational Health and Safety Management System and its incorporation into Tigar's Integrated Management System which already includes quality management (ISO 9001) and environmental management (ISO 14001).

During the reporting period, the Company organized and sponsored a number of corporate sports events, weekends away from home and vacations at health resorts for its employees and their families, at subsidized rates, all aimed at preventing occupational disability.

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Active communication with shareholders and investors

During the reporting period, Tigar AD duly adhered to its Corporate Governance Code, the responsibilities it assumed when it was admitted to the Prime Market of the Belgrade Stock Exchange, and sound international practices relating to transparent reporting and communication with shareholders and the investment community. Active communication with these target groups was implemented through: regular annual and quarterly performance reporting; significant event reports and media releases concerning business activities of interest to shareholders and the general public; and direct communication with shareholders and investors. Tigar's largest shareholders visited Tigar and the new footwear factory at the end of May 2009. They had an opportunity to tour the new industrial facilities which feature the highest rubber-footwear manufacturing capacity in Europe, and to familiarize themselves with corporate plans in a personal exchange with the management team.

Tigar communicated with its shareholders and investors via its corporate services and participated in investment conferences. Additionally, the Company's web site and the web site of the Belgrade Stock Exchange are regular communication channels.

Tigar partnered with the Belgrade Stock Market and USAID to organize a training program for Tigar shareholders and other interested individuals and legal entities; the program was aimed at encouraging interested parties to conduct stock and security trades on the Belgrade Stock Exchange.

Philanthropic activities

During this reporting period the Company participated in a number of valuable philanthropic activities, which were in keeping with the Company's goal of extending aid and support to projects which benefit wide groups of citizens. Numerous donation and humanitarian undertakings were realized in key areas of community life – education, culture, sciences, health and sports. The Company particularly aided institutionalized children throughout Serbia – in Aleksinac, Negotin, and Bela Crkva. Tigar continued to work with the „Cika Jova Zmaj“ Pre-School Center during the reporting period and children at five of their locations received realistic doll scenes and guignol toys which will assist them in developing their creative potential.

Promoting corporate social responsibility

The Tigar Corporation continued to follow a balanced approach in its corporate social responsibility, not focusing its activities in one single area nor favoring only a single target group. Tigar's vision with respect to conducting its business in a socially-responsible manner continues to focus on corporate ethics and environmental protection. Tigar follows a policy of support for its employees, local community and the society within which it operates, while continuing to demonstrate great respect for the Company's shareholders, consumers and business partners through a holistic CSR approach.

In the first half of 2009, the Corporation, in cooperation with the Balkan Community Initiatives Fund, organized a regional conference – CSRbia 2009: New Challenges for Corporate Social Responsibility - which attracted professionals in this field and had the goal of promoting corporate social responsibility in the region, particularly among small and medium-sized companies, to enable a quality, cross-sectional dialog.

For its exemplary performance, which includes establishing a high level of professionalism and ethics, showing great regard for its business partners, clients and consumers, and devoting attention to wider social interests, the local community and environmental imperatives, the Tigar Corporation was awarded the 2009 Business Partner Award by Massmedia International.

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6.8. CORPORATE GOVERNANCE

During the reporting period, Tigar duly adhered to its adopted Corporate Governance Code—the Codex. Activities continued with the IFC and an external consultant on a Tigar AD corporate governance refinement project.

6.9. MANAGEMENT

The management structure is unchanged. The General Assembly of Shareholders (GAS) elects the Board of Directors. The Board of Directors elects the Executive Board. The Executive Board is in charge of day-to-day operations. There is also a three-member Supervisory Board, which reviews all of Tigar's documents and the status of its assets. It reports findings in these and other specific areas to shareholders. At its annual session held on 19 June 2009, the GAS re-elected the Board of Directors.

As of 30 September 2009, corporate governing bodies were as follows:

Board of Directors

Name	Responsibility at Tigar/Position outside Tigar
<i>Executive members:</i>	
Dragan Nikolić	Executive Board Chairman and Chief Executive Officer
Jelena Petković	Executive Director for Corporate Management Support
Slobodan Sotirov	Executive Director for Quality Assurance
Milivoje Nikolić	Executive Director for Human Resources
<i>Non-executive members:</i>	
Vladimir Nikolić	Director General of Tigar Tyres
Ljubiša Nikolovski	HR Director at Tigar Tyres
Jose Alexandre F. da Costa	Legal Counsel to Tigar AD's CEO
<i>Independent members:</i>	
Dr. Živko Mitrović	Full Professor at Belgrade University School of Business Administration
Tihomir Nenadić	Director of Mayfield Management d.o.o., a member of the Fordgate Group, UK

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

During the reporting period, members of the Board of directors received remuneration in the gross aggregate amount of 8,889,503 RSD. The Board of Directors held six meetings.

Executive Board

The structure and composition of the Executive Board have not changed since the last published report.

The Executive Board consists of eight members:

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

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

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

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

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

Supervisory Board

Current members of the Supervisory Board are:

Full name	SB position	Principal activities outside Tigar
Mr Milivoje Cvetanović	Chairman	Certified accountant, retired, partner of Deloitte Central Europe
Dr. Milić Radović	Member	Full Professor, Belgrade University School of Business Administration
Dragan Milosavljević	Member	<i>Ministry of Finance, Treasury Administration, Belgrade</i>

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

During the reporting period, members of the Supervisory Board received an aggregate gross compensation of 761,336 RSD.

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7. JANUARY-SEPTEMBER 2009 PERFORMANCE

7.1. EXECUTIVE SUMMARY

The Holding Company Tigar AD earned its operating income from the provision of various services to its subsidiaries, from rentals, and from sales of energy (since the Holding Company owns the energy-generation facilities at the Tigar 3 location). Energy sales revenues were the largest contributor to Tigar AD's sales income growth relative to the same period of a year ago. However, energy generation costs reflected significantly higher raw material costs compared to a year ago, mainly because there was no production activity at Tigar 3 prior to September 2008. The Holding Company's other income derives mostly from leasing of its real estate to subsidiaries or non-Tigar users. Operating expenses include employee expenses (generated by departments that provide services to the Holding Company and its subsidiaries), corporate management expenses, and costs associated with the Stock Exchange and with investors. Based on current accounting policies, corporate expenses and those associated with shareholders, can only be reported as operating expenses, and this creates a disparity. Finance income comes mostly from booked dividends earned from subsidiaries for the previous fiscal year, while finance expenses are made up of foreign exchange losses and interest.

Tigar exercised its right to take out subsidized interest rate loans in the aggregate amount of 2 million €, while its other short-term loans follow banks' commercial terms and conditions. The subsidized interest rate loans are a significant advantage, but there is a problem in that most banks require monthly or quarterly re-payments which interfere with normal cash flow. Since the beginning of 2009, the Holding Company reduced its current liabilities by 178 million RSD and its accounts payable to suppliers by 34 million RSD. The Holding Company's accounts receivable are for the most part with its subsidiaries, and largely with Tigar Trade which receives all payments from non-Tigar customers except those relating to sales of chemical products. According to plan, the Holding Company is expected to reduce its current liabilities by 50% through the combination of a payment due from the Michelin Group and the repayment of a portion of a loan made to Tigar Trade.

The financing burden will gradually shift to Tigar Trade but in order to ensure a balance at Tigar Trade, the Holding Company will convert some of its short-term receivables from Tigar Trade into long-term receivables.

Tigar Footwear's current liabilities fell by 277.7 million RSD during the period (accounts payable to suppliers decreased by 374 million, while short-term loan debt increased by 105.6 million). The reduction in debt to non-Tigar suppliers resulted from the fact that deliveries are now made to Tigar Trade, Tigar Footwear's exclusive buyer and supplier, with Tigar Trade assuming payment obligations.

In nine months Tigar Footwear increased its operating income by 39% and increased expenses by 7%. However, a direct comparison to year ago cannot be made since last year this factory experienced considerable downtime due to its relocation. Nevertheless, significant progress is evident. Tigar Footwear's income was affected by the following: (1) Regular international customers based their orders on orders they received from their clients and, as a result, Tigar was forced to incur the cost of financing inventory. (2) Attracting new customers, including large European retail chains, tends to be an extended process, such that new regular orders are expected to come in the next rather than this year. Tigar Footwear absorbed all development, certification and industrialization costs of products for these customers in the current year, while the actual commercialization of these products will take place next year. (3) Sales to the domestic market were lower since caution was employed in working with large dealers given that a number large and medium dealers in Serbia faced potential bankruptcy. Retail sales were unable to compensate for the shortfall. (4) The size of Tigar Footwear's workforce remained relatively stable during the period, however, employee expenses were not fully aligned with production costs. The factory continues to optimize its workforce to ensure an adequate number of employees are fully trained to operate new equipment and manufacture new product lines. (5) High financing costs are mostly a result of foreign exchange losses associated with a long-term capital loan whose second disbursement was approved this year. Tigar Footwear is utilizing a 2M subsidized interest loan, but is making quarterly repayments against this loan which rapidly reduce its level of debt. This affects normal cash flow which in turn needs to be compensated by additional borrowing to maintain the projected debt level.

Tigar Technical Rubber Goods (TTRG) has seen virtually no production since February 2009. Its factory was shut down as the move to its new facilities began. Basic product lines were scheduled to begin production in

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July of 2009, while the recycled-rubber product plant was to be commissioned in October. However, due to a delay in securing financing through a long-term capital loan, Tigar AD assumed the financing burden, using its own cash flow. Hypo Alpe Adria Bank approved a loan in July and as such, the completion of TTRG's new facilities was deferred by three months. TTRG mainly sold inventory products and as the delay in the opening the new plants increased, it became increasingly difficult to meet customer requirements. TTRG's plants for its basic product lines were put into operation in October and TTRG will make extreme efforts to recover its lost sales revenue during the 4th quarter, particularly in the rubber profile, tubing and military product segments. TTRG is expected to report an overall loss for the year, but with the projected level for the first three quarters coming in at about a third of that expected. However, with the planned acquisition of a manufacturer of recycled-rubber products, who has a developed market, and based on the projected demand of local and regional markets, these products are expected to achieve a significant level of market commercialization shortly after manufacturing is initiated.

Tigar Chemical Products (TCP) reported a 10% growth in revenue, which was not sufficient to ensure a positive bottom line. However, TCP is expected to recover in the 4th quarter when it delivers road paint under existing contracts to several countries in the region (primarily Greece), and other products to domestic processing industries. A favorable aspect is that the mild Greek climate allows for road paint sales even during winter months. During the reporting period, TCP's domestic market shrank because a number of factories, which were regular customers, were shut down. As a result, TCP's plans call for expansion in less-affected market segments, including the consumer market. Additional organizational changes associated with Tigar Trade are expected to increase sales, but these changes will not be implemented until next year. TCP also manufactures products for Tigar Footwear and Tigar Technical Rubber Goods, such that expected production growth at these two factories will have a favorable impact on TCP as well.

This year *Tigar Trade*, the legal successor of Tigar Trade DSN and Tigar Export-Import, assumed the difficult task of financing purchasing and sales, as well as outstanding commitments from the previous year. Tigar Trade's policy gives priority to the settlement of debts to non-Tigar suppliers, to ensure a steady supply of raw materials and spare parts for Tigar's factories, as well as a steady supply of imported products for its automotive service network and retail chain. To achieve these goals, Tigar Trade was forced to run up its overall debt from both bank loans and inter-company loans (which make up two-thirds of its total debt load). Tigar Trade invests roughly 1M€ per annum in the development of its networks. However, this investment is financed from short-term funds and, as such, creates a disparity between working capital and current liabilities. Tigar Trade plans to address this problem by replacing short-term liabilities with long-term liabilities.

Tigar Trade's automotive service network's sales policy was modified and, as a result, it earned 95% of its sales income from end users and only 5% from dealers. This caused an expected decline in sales revenue, but increased margins, per plan. With the 4th quarter being the network's high season due to tire replacement, sales revenues are expected to match year ago levels and should also positively affect margins.

Footwear sales to international markets significantly exceeded expectations, while those to the domestic market were below plan as a result of debt collection security measures which were put in place. In view of the upcoming high season, domestic sales levels at the end of 2009 are expected to at least match 2008 levels and, along with increased export sales, should result in overall sales growth.

With the resumption of manufacturing, Tigar Technical Rubber Goods (TTRG) sales should begin moving on the market and 4th quarter sales revenue should be equal that earned during the first three quarters of the year, when only inventory products were sold due to the factory's re-location.

Tigar Trade earned a portion of its revenues from purchasing raw and intermediate materials for Tigar's factories. Purchasing levels were lower than projected due to overall lower production levels at the factories.

As a commercial company, Tigar Trade incurs overhead costs which it covers from earned margins. These costs are projected at some 30 million, and are independent of actual sales revenues and margins. For this reason, higher 3rd quarter sales revenues and expected growth in 4th quarter sales revenues should improve this year's bottom line.

Tigar's international subsidiaries earned a lower than expected sales income as a result of conditions in the markets in which they operate. In addition, the purchase cost of tires increased during the period. Since the subsidiaries are wholesale companies and their expenses (other than COGS) are fixed, a combination of

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reduced sales revenues, increased COGS, and their inability to affect overhead costs, acted to reduce their bottom line relative to a year ago. If the companies, and their suppliers, report an increase in sales before year end, they will come considerably closer to meeting projections.

Tigar Incon was the highest performing of Tigar's service subsidiaries, even though its sales income was lower than during the same period of a year ago, mostly due to a better alignment between expenses and revenues. Most of the company's services were provided to other Tigar subsidiaries, but this year Tigar Incon reported increased sales to non-Tigar customers as well. Since this company employs licensed professionals and has the required equipment and skilled workforce, it is expected to continue to perform well not only because of upcoming Tigar, Tigar Tyres and of non-Tigar customer projects, but also because it will become intensely involved in Corridor X construction as this work is initiated.

Tax Free Zone Pirot continues to report a positive bottom line, even though its resources were not used to capacity during the reporting period. Corridor X and a new model of combined road and railroad transportation will ensure that the Zone more fully utilizes its existing capacities.

Tigar Business Services, which is made up of a food production and a transportation unit, did not perform as well as during the same period a year ago. Total food sales declined due to changes made in the food sales process for Tigar and Tigar Tyres, and due to downtime at Tigar Tyres during the reporting period. Expenses could not be adjusted accordingly, although expenses were lower across all categories.

Tigar's other service subsidiaries reported a positive aggregate result. Tigar plans to consolidate similar service businesses next year, reducing their number but improving overall business efficiency.

Tigar's overall performance was largely affected by the economic downturn which led to a decrease in sales income, as well as a decrease in expenses; however, in view of the nature of the expenses, the latter could not be aligned with the former. Increased footwear sales best attest to the fact that Tigar's high season begins in the 3rd quarter. TTRG's performance reduced Tigar's overall results, but the financing of an investment during a year of economic crisis was a major detriment. However, TTRG resumed production in October and should soon see a reduction in losses incurred during the reporting period. TCP, due to changes in product and sales mix and the anticipated expansion of its market in the coming months, will not reduce but rather increase its output. Positive developments at Tigar's factories along with the high season ahead, especially with respect to tires and complementary products, should result in higher sales and better overall Tigar Trade domestic and international performance. The fact that the Holding Company's extraordinary income was 75% lower than last year obviously impacted its bottom line. However, Tigar's total debt decreased, which is a positive development even though a portion of its subsidized loans will have to be repaid from the proceeds of new, commercial loans. Nevertheless, Tigar will continue to settle its accounts payable on time so that both its manufacturing and commercial subsidiaries can operate unhindered. Tigar will continue to downsize its workforce, but primarily as part of its employee structure optimization process. Other activities will proceed according to plan and it is reasonable to assume that the bottom line at the close of the year will mirror that of a year ago, barring any unexpected shifts in revenue.

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7.2. TIGAR AD (HOLDING COMPANY)

BALANCE SHEET (in thousands of Dinars)	As of 31 December 2008	As of 30 September 2009
ASSETS		
Non-current assets	2,859,685	2,627,121
Intangible assets	19,216	20,783
Property, plant and equipment	613,771	704,798
Property, plant and equipment	613,771	704,798
Long-term financial placements	2,226,698	1,901,540
Equity investments	2,175,560	1,850,153
Other long-term financial placements	51,138	51,387
CURRENT ASSETS	1,219,416	1,275,075
Inventories	29,011	6,161
Assets held-for-sale	6,675	6,372
Accounts receivable, placements and cash	1,183,730	1,262,542
Accounts receivable	315,162	907,051
Receivables from over-paid taxes		
Short-term financial placements	790,996	331,028
Cash and cash equivalents	52,935	22,435
Value added tax and prepayments	24,637	2,028
Deferred tax assets	655	655
TOTAL ASSETS	4,079,756	3,902,851
EQUITY AND LIABILITIES		
Equity	2,736,793	2,774,284
Share and other capital	2,062,152	2,062,152
Share issuing premiums	13,781	8,060
Reserves	574,953	574,954
Revaluation reserves		
Retained earnings	111,926	138,999
Loss		
Shares buyback	26,019	9,881
Long-term liabilities and provisions	1,342,963	1,128,567
Long-term provisions	7,624	6,889
Long-term liabilities	198,503	205,703
Long-term debt	198,135	205,322
Other long-term liabilities	368	381
Current liabilities	1,136,836	915,975
Short-term financial liabilities	893,682	715,773
Account payable	164,553	130,172
Other current liabilities	32,116	26,629
Value added tax and other taxes payable and accruals	5,352	29,710
Income taxes payable	41,133	13,691
Deferred tax liabilities		
TOTAL EQUITY AND LIABILITIES	4,079,756	3,902,851

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INCOME STATEMENT (in thousands of Dinars)	Actual January - September 2008	Actual January - September 2009	% Change relative to 2008
OPERATING INCOME	140,638	210,426	50%
Sales of goods, products and services	117,892	184,002	56%
Work performed by the company and capitalized		9,361	
Increase in inventories of finished products and work in progress			
Decrease in inventories of finished products and work in progress			
Other operating income	22,746	17,063	-25%
OPERATING EXPENSES	340,385	353,781	4%
Cost of commercial goods sold	304	38	-88%
Material, fuel and energy consumed	23,853	48,691	104%
Staff costs	162,215	172,375	6%
Depreciation, amortization and provisions	10,889	13,718	26%
Other operating expenses	143,124	118,959	-17%
PROFIT/LOSS FROM OPERATIONS	-199,747	-143,355	28%
FINANCE INCOME	74,908	107,642	44%
FINANCE EXPENSES	105,628	106,022	0%
OTHER INCOME	1,087,419	266,194	-76%
OTHER EXPENSES	466,773	11,031	-98%
PROFIT/LOSS BEFORE TAXATION	390,179	113,428	-71%
INCOME TAXES			
Current tax expense		29,646	
Deferred income tax expense			
Deferred income tax benefit			
NET PROFIT/LOSS	390,179	83,782	-79%

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CASH FLOW STATEMENT (in thousands of Dinars)	As of 31 December 2008	As of 30 September 2009
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash inflow from operating activities	176,296	266,920
Cash receipts from customers	143,747	242,188
Interest received from operating activities		812
Other receipts from operating activities	32,549	23,920
Cash outflow from operating activities	569,030	449,766
Cash paid to suppliers for raw materials and other expenses	185,422	132,586
Gross salaries and other personnel costs paid	222,181	168,165
Interest paid	120,675	85,854
Income tax expense	17	58,087
Other levies paid	40,735	5,074
Net cash inflow from operating activities	-	-
Net outflow from operating activities	392,734	182,846
CASH FLOWS FROM INVESTMENT ACTIVITIES		
Cash inflow from investment activities	917,126	814,055
Sale shares and stakes (net inflow)	82,512	596,162
Sales of fixed assets	567,475	120
Other financial placements (net inflow)		
Interest received	8,043	
Dividends received	259,096	217,773
Cash outflow from investment activities	766,233	128,042
Purchase of shares		
Purchase of fixed assets	567,130	128,042
Other financial placements (net outflow)	199,103	
Net cash inflow from investment activities	150,893	686,013
Net cash outflow from investment activities		
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash inflow from financing activities	292,141	7,242
Increase in capital		
Long-term and short-term borrowings (net inflow)	292,141	
Other long-term and short-term liabilities		7,242
Cash outflow from financing activities	113,877	540,843
Buyback of own shares and stakes	12,238	292
Long-term and short-term borrowings (net outflow)		486,402
Financial lease	1,047	1,969
Dividends paid	100,592	52,180
Net cash inflow from financing activities	178,264	-
Net cash outflow from financing activities	-	533,601
Total cash inflow	1,385,563	1,088,217
Total cash outflow	1,449,140	1,118,651
NET CASH INFLOW	-	-
NET CASH OUTFLOW	63,577	30,434
Cash and cash equivalents at beginning of year	113,277	52,935
Foreign exchange gains on translation of cash and cash equivalents	3,235	
Foreign exchange losses on translation of cash and cash equivalents		66
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	52,935	22,435

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Tigar AD's unconsolidated financials in thousands of Dinars	January – September 2008	January – September 2009	% Change relative to 2008
Assets	4,060,320	3,902,851	-4%
Equity	2,971,108	2,774,284	-7%
Total income	1,302,965	584,262	-55%
Operating income	140,638	210,426	50%
Other income	1,087,419	266,194	-76%
EBIT	467,095	194,152	-58%
EBITDA	477,984	207,870	-57%
Net income	390,179	83,782	-79%
<u>Significant ratios</u>			
Return on equity	13.13%	3.02%	-77%
Return on shareholders equity	18.92%	4.06%	-79%
Debt-to-assets ratio	0.27	0.29	8%
<u>Liquidity and solvency ratios</u>			
Current Ratio	1.19	1.39	17%
Quick ratio	1.17	1.38	17%
Debt / Equity	0.36	0.40	11%
<u>Other ratios</u>			
ROE	13.13%	3.02%	-77%
ROA	9.61%	2.15%	-78%
Net profit/total income	29.95%	14.34%	-52%

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7.3. TIGAR FOOTWEAR

BALANCE SHEET (in thousands of Dinars)	As of 31 December 2008	As of 30 September 2009
ASSETS		
Non-current assets	1,171,806	1,196,402
Intangible assets	45,988	49,711
Property, plant and equipment	1,125,818	1,146,691
Property, plant and equipment	1,125,818	1,146,691
Long-term financial placements	-	-
Equity investments		
Other long-term financial placements		
CURRENT ASSETS	922,422	853,003
Inventories	471,730	488,536
Assets held-for-sale		
Accounts receivable, placements and cash	450,692	364,467
Accounts receivable	379,600	249,747
Receivables from over-paid taxes	74	
Short-term financial placements		
Cash and cash equivalents	31,833	26,034
Value added tax and prepayments	39,185	88,686
Deferred tax assets		
TOTAL ASSETS	2,094,228	2,049,405
EQUITY AND LIABILITIES		
Equity	817,610	823,742
Share and other capital	820,484	820,485
Share issuing premiums		
Reserves		
Revaluation reserves		
Retained earnings	38,441	44,573
Loss	41,315	41,316
Shares buyback		
Long-term liabilities and provisions	1,275,169	1,224,214
Long-term provisions	34,777	22,118
Long-term liabilities	443,005	682,455
Long-term debt	443,005	651,080
Other long-term liabilities		31,375
Current liabilities	797,387	519,641
Short-term financial liabilities	157,902	263,585
Account payable	583,168	209,113
Other current liabilities	48,239	36,396
Value added tax and other taxes payable and accruals	8,078	10,547
Income taxes payable		
Deferred tax liabilities	1,449	1,449
TOTAL EQUITY AND LIABILITIES	2,094,228	2,049,405

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INCOME STATEMENT (in thousands of Dinars)	Actual January - September 2008	Actual January - September 2009	% Change relative to 2008
OPERATING INCOME	676,063	902,841	34%
Sales of goods, products and services	581,967	809,595	39%
Work performed by the company and capitalized	21,826	4,444	-80%
Increase in inventories of finished products and work in progress	72,270	87,346	21%
Decrease in inventories of finished products and work in progress			
Other operating income		1,456	
OPERATING EXPENSES	815,494	868,601	7%
Cost of commercial goods sold	14,571		-100%
Material, fuel and energy consumed	358,938	430,962	20%
Staff costs	345,291	331,986	-4%
Depreciation, amortization and provisions	14,806	29,100	97%
Other operating expenses	81,888	76,553	-7%
PROFIT/LOSS FROM OPERATIONS	-139,431	34,240	gain vs. loss
FINANCE INCOME	7,344	10,286	40%
FINANCE EXPENSES	28,055	37,777	35%
OTHER INCOME	249,477	266	-100%
OTHER EXPENSES	1,625	203	-88%
PROFIT/LOSS BEFORE TAXATION	87,710	6,812	-92%
INCOME TAXES			
Current tax expense		680	
Deferred income tax expense			
Deferred income tax benefit			
NET PROFIT/LOSS	87,710	6,132	-93%

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CASH FLOW STATEMENT (in thousands of Dinars)	As of 31 December 2008	As of 30 September 2009
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash inflow from operating activities	913,467	1,034,475
Cash receipts from customers	825,496	1,034,475
Interest received from operating activities	319	
Other receipts from operating activities	87,652	
Cash outflow from operating activities	1,064,161	1,253,144
Cash paid to suppliers for raw materials and other expenses	573,182	842,734
Gross salaries and other personnel costs paid	472,416	344,277
Interest paid	17,457	34,721
Income tax expense		607
Other levies paid	1,106	30,805
Net cash inflow from operating activities	-	-
Net outflow from operating activities	150,694	218,669
CASH FLOWS FROM INVESTMENT ACTIVITIES		
Cash inflow from investment activities	0	0
Sale of shares and stakes (net inflow)		
Sales of fixed assets		
Other financial placements (net inflow)		
Interest received		
Dividends received		
Cash outflow from investment activities	435,492	82,976
Purchase of shares		
Purchase of fixed assets	435,492	82,976
Other financial placements (net outflow)		
Net cash inflow from investment activities	-	-
Net cash outflow from investment activities	435,492	82,976
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash inflow from financing activities	593,777	295,850
Increase in capital		
Long-term and short-term borrowings (net inflow)	452,933	266,713
Other long-term and short-term liabilities	140,844	29,137
Cash outflow from financing activities	0	0
Buyback of own shares and stakes		
Long-term and short-term borrowings (net outflow)		
Financial lease		
Dividends paid		
Net cash inflow from financing activities	593,777	295,850
Net cash outflow from financing activities	-	-
Total cash inflow	1,507,244	1,330,325
Total cash outflow	1,499,653	1,336,120
NET CASH INFLOW	7,591	-
NET CASH OUTFLOW	0	5,795
Cash and cash equivalents at beginning of year	24,248	31,833
Foreign exchange gains on translation of cash and cash equivalents	5,632	1,298
Foreign exchange losses on translation of cash and cash equivalents	5,638	1,302
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	31,833	26,034

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7.4. TIGAR TECHNICAL RUBBER GOODS

BALANCE SHEET (in thousands of Dinars)	As of 31 December 2008	As of 30 September 2009
ASSETS		
Non-current assets	96,364	195,975
Intangible assets	7,427	35,183
Property, plant and equipment	88,937	160,792
Property, plant and equipment	88,937	160,792
Long-term financial placements	-	-
Equity investments		
Other long-term financial placements		
CURRENT ASSETS	327,351	253,331
Inventories	179,986	140,009
Assets held-for-sale		
Accounts receivable, placements and cash	147,365	113,322
Accounts receivable	128,489	82,000
Receivables from over-paid taxes	9,269	115
Short-term financial placements	188	188
Cash and cash equivalents	4,156	43
Value added tax and prepayments	5,263	30,976
Deferred tax assets	556	555
TOTAL ASSETS	424,271	449,861
EQUITY AND LIABILITIES		
Equity	174,416	80,299
Share and other capital	179,523	179,523
Share issuing premiums		
Reserves		
Revaluation reserves		
Retained earnings	4,705	118
Loss	9,812	99,342
Shares buyback		
Long-term liabilities and provisions	249,855	369,562
Long-term provisions	11,777	10,287
Long-term liabilities	628	233,885
Long-term debt		233,226
Other long-term liabilities	628	659
Current liabilities	237,450	125,390
Short-term financial liabilities	49,991	23,943
Account payable	162,379	69,640
Other current liabilities	23,829	20,777
Value added tax and other taxes payable and accruals	1,209	11,030
Income taxes payable	42	
Deferred tax liabilities		
TOTAL EQUITY AND LIABILITIES	424,271	449,861

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INCOME STATEMENT (in thousands of Dinars)	Actual January - September 2008	Actual January - September 2009	% Change relative to 2008
OPERATING INCOME	264,401	115,522	-56%
Sales of goods, products and services	246,498	99,537	-60%
Work performed by the company and capitalized	933	39,385	
Increase in inventories of finished products and work in progress	15,937		-100%
Decrease in inventories of finished products and work in progress		23,400	
Other operating income	1,033		-100%
OPERATING EXPENSES	294,486	202,404	-31%
Cost of commercial goods sold			
Material, fuel and energy consumed	137,020	65,670	-52%
Staff costs	115,820	103,336	-11%
Depreciation, amortization and provisions	6,033	6,934	15%
Other operating expenses	35,613	26,464	-26%
PROFIT/LOSS FROM OPERATIONS	-30,085	-86,882	-189%
FINANCE INCOME	418	1,822	336%
FINANCE EXPENSES	10,472	3,817	-64%
OTHER INCOME	23,913	2,841	-88%
OTHER EXPENSES	299	3,274	995%
PROFIT/LOSS BEFORE TAXATION	-16,525	-89,310	-440%
INCOME TAXES			
Current tax expense		219	
Deferred income tax expense			
Deferred income tax benefit			
NET PROFIT/LOSS	-16,525	-89,529	-442%

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CASH FLOW STATEMENT (in thousands of Dinars)	As of 31 December 2008	As of 30 September 2009
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash inflow from operating activities	520,134	221,157
Cash receipts from customers	514,478	218,545
Interest received from operating activities	78	5
Other receipts from operating activities	5,578	2,607
Cash outflow from operating activities	544,428	252,811
Cash paid to suppliers for raw materials and other expenses	339,399	142,061
Gross salaries and other personnel costs paid	156,058	105,728
Interest paid	14,522	3,094
Income tax expense	22,864	93
Other levies paid	11,585	1,835
Net cash inflow from operating activities	-	-
Net outflow from operating activities	24,294	31,654
CASH FLOWS FROM INVESTMENT ACTIVITIES		
Cash inflow from investment activities	0	0
Sale of shares and stakes (net inflow)	81,308	126,273
Sales of fixed assets		
Other financial placements (net inflow)	81,308	126,273
Interest received		
Dividends received	-	-
Cash outflow from investment activities	81,308	126,273
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash inflow from financing activities	202,355	232,668
Increase in capital	152,604	
Long-term and short-term borrowings (net inflow)	49,751	232,668
Other long-term and short-term liabilities		
Cash outflow from financing activities	109,248	78,681
Buyback of own shares and stakes		
Long-term and short-term borrowings (net outflow)		73,174
Financial lease	248	230
Dividends paid	109,000	5,277
Net cash inflow from financing activities	93,107	153,987
Net cash outflow from financing activities	-	-
Total cash inflow	722,489	453,825
Total cash outflow	734,984	457,765
NET CASH INFLOW	-	-
NET CASH OUTFLOW	12,495	3,940
Cash and cash equivalents at beginning of year	16,783	4,156
Foreign exchange gains on translation of cash and cash equivalents		10
Foreign exchange losses on translation of cash and cash equivalents	132	183
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	4,156	43

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7.5. TIGAR CHEMICAL PRODUCTS

BALANCE SHEET (in thousands of Dinars)	As of 31 December 2008	As of 30 September 2009
ASSETS		
Non-current assets	13,568	10,558
Intangible assets	37	10
Property, plant and equipment	13,531	10,548
Property, plant and equipment	13,531	10,548
Long-term financial placements	-	-
Equity investments		
Other long-term financial placements		
CURRENT ASSETS	362,156	199,402
Inventories	80,808	61,286
Assets held-for-sale		
Accounts receivable, placements and cash	281,348	138,116
Accounts receivable	279,668	127,164
Receivables from over-paid taxes		
Short-term financial placements		
Cash and cash equivalents	1,451	4,761
Value added tax and prepayments	229	6,191
Deferred tax assets	595	595
TOTAL ASSETS	376,319	210,555
EQUITY AND LIABILITIES		
Equity	110,263	55,777
Share and other capital	99,740	99,740
Share issuing premiums		
Reserves		
Revaluation reserves		
Retained earnings	26,354	3,636
Loss	15,831	47,599
Shares buyback		
Long-term liabilities and provisions	266,056	154,778
Long-term provisions	2,101	1,808
Long-term liabilities		
Long-term debt		
Other long-term liabilities		
Current liabilities	263,955	152,970
Short-term financial liabilities	1,600	18,540
Account payable	41,730	55,429
Other current liabilities	186,438	69,796
Value added tax and other taxes payable and accruals	9,493	973
Income taxes payable	24,694	8,232
Deferred tax liabilities		
TOTAL EQUITY AND LIABILITIES	376,319	210,555

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INCOME STATEMENT (in thousands of Dinars)	Actual January - September 2008	Actual January - September 2009	% Change relative to 2008
OPERATING INCOME	147,518	162,624	10%
Sales of goods, products and services	164,253	173,052	5%
Work performed by the company and capitalized			
Increase in inventories of finished products and work in progress			
Decrease in inventories of finished products and work in progress	16,735	10,428	-38%
Other operating income			
OPERATING EXPENSES	170,743	180,301	6%
Cost of commercial goods sold			
Material, fuel and energy consumed	99,301	112,317	13%
Staff costs	45,156	43,736	-3%
Depreciation, amortization and provisions	5,039	3,709	-26%
Other operating expenses	21,247	20,539	-3%
PROFIT/LOSS FROM OPERATIONS	-23,225	-17,677	24%
FINANCE INCOME	871	1,423	63%
FINANCE EXPENSES	11,217	12,924	15%
OTHER INCOME	20,521	1,989	-90%
OTHER EXPENSES	30	1	-97%
PROFIT/LOSS BEFORE TAXATION	-13,080	-27,190	-108%
INCOME TAXES			
Current tax expense		4,578	
Deferred income tax expense			
Deferred income tax benefit			
NET PROFIT/LOSS	-13,080	-31,768	-143%

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CASH FLOW STATEMENT (in thousands of Dinars)	As of 31 December 2008	As of 30 September 2009
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash inflow from operating activities	232,969	344,630
Cash receipts from customers	232,835	339,967
Interest received from operating activities	21	4,663
Other receipts from operating activities	113	0
Cash outflow from operating activities	342,127	217,021
Cash paid to suppliers for raw materials and other expenses	283,689	137,153
Gross salaries and other personnel costs paid	53,645	41,773
Interest paid	0	599
Income tax expense	0	21,041
Other levies paid	4,793	16,455
Net cash inflow from operating activities	-	127,609
Net outflow from operating activities	109,158	0
CASH FLOWS FROM INVESTMENT ACTIVITIES		
Cash inflow from investment activities	145,507	0
Sale of shares and stakes (net inflow)	0	0
Sales of fixed assets	145,507	0
Other financial placements (net inflow)	0	0
Interest received	0	0
Dividends received	0	0
Cash outflow from investment activities	2,085	766
Purchase of shares	0	0
Purchase of fixed assets	2,085	766
Other financial placements (net outflow)	0	0
Net cash inflow from investment activities	143,422	-
Net cash outflow from investment activities	0	766
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash inflow from financing activities	1,600	17,514
Increase in capital	0	0
Long-term and short-term borrowings (net inflow)	0	0
Other long-term and short-term liabilities	1,600	17,514
Cash outflow from financing activities	36,000	140,400
Buyback of own shares and stakes	0	0
Long-term and short-term borrowings (net outflow)	36,000	0
Financial lease	0	0
Dividends paid	0	140,400
Net cash inflow from financing activities	-	-
Net cash outflow from financing activities	34,400.00	122,886
Total cash inflow	380,076	362,144
Total cash outflow	380,212	358,187
NET CASH INFLOW	-	3,957
NET CASH OUTFLOW	136	0
Cash and cash equivalents at beginning of year	1,795	1,451
Foreign exchange gains on translation of cash and cash equivalents	168	58
Foreign exchange losses on translation of cash and cash equivalents	376	705
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	1,451	4,761

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7.6. TIGAR TRADE, SERBIA

BALANCE SHEET (in thousands of Dinars)	Opening balance sheet as of 1 January 2009	As of 30 September 2009
ASSETS		
Non-current assets	274,417	345,556
Subscribed capital unpaid	44	-
Intangible assets	1,284	40,098
Property, plant and equipment	273,089	305,458
Property, plant and equipment	273,089	305,458
Long-term financial placements	-	-
Equity investments	-	-
Other long-term financial placements	-	-
CURRENT ASSETS	1,228,310	1,270,985
Inventories	386,598	716,535
Assets held-for-sale	4,116	2,733
Accounts receivable, placements and cash	837,596	551,717
Accounts receivable	818,963	497,499
Receivables from over-paid taxes	-	-
Short-term financial placements	-	-
Cash and cash equivalents	15,358	12,231
Value added tax and prepayments	3,275	41,987
Deferred tax assets	-	-
TOTAL ASSETS	1,502,727	1,616,541
EQUITY AND LIABILITIES		
Equity	184,395	190,826
Share and other capital	230,674	230,718
Subscribed capital unpaid	44	-
Reserves	-	-
Revaluation reserves	-	-
Retained earnings	3,181	9,611
Loss	49,504	49,503
Shares buyback	-	-
Long-term liabilities and provisions	1,317,501	1,424,884
Long-term provisions	5,101	3,210
Long-term liabilities	4,037	73,922
Long-term debt	-	69,759
Other long-term liabilities	4,037	4,163
Current liabilities	1,308,363	1,347,752
Short-term financial liabilities	537,322	799,151
Account payable	734,922	530,519
Other current liabilities	12,022	17,734
Value added tax and other taxes payable and accruals	5,461	348
Income taxes payable	18,636	-
Deferred tax liabilities	831	831
TOTAL EQUITY AND LIABILITIES	1,502,727	1,616,541

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INCOME STATEMENT (in thousands of Dinars)	Actual January - September 2009
OPERATING INCOME	1,418,591
Sales of goods, products and services	1,361,430
Work performed by the company and capitalized	39,386
Increase in inventories of finished products and work in progress	
Decrease in inventories of finished products and work in progress	
Other operating income	17,775
OPERATING EXPENSES	1,391,529
Cost of commercial goods sold	1,087,653
Material, fuel and energy consumed	39,909
Staff costs	141,913
Depreciation, amortization and provisions	15,581
Other operating expenses	106,473
PROFIT/LOSS FROM OPERATIONS	27,062
FINANCE INCOME	6,961
FINANCE EXPENSES	31,114
OTHER INCOME	7,079
OTHER EXPENSES	1,944
PROFIT/LOSS BEFORE TAXATION	8,044
INCOME TAXES	
Current tax expense	1,614
Deferred income tax expense	
Deferred income tax benefit	
NET PROFIT/LOSS	6,430

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CASH FLOW STATEMENT (in thousands of Dinars)	As of 30 September 2009
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash inflow from operating activities	1,895,361
Cash receipts from customers	1,784,468
Interest received from operating activities	5
Other receipts from operating activities	110,888
Cash outflow from operating activities	2,324,627
Cash paid to suppliers for raw materials and other expenses	2,143,977
Gross salaries and other personnel costs paid	139,696
Interest paid	14,188
Income tax expense	20,251
Other levies paid	6,515
Net cash inflow from operating activities	-
Net outflow from operating activities	429,266
CASH FLOWS FROM INVESTMENT ACTIVITIES	
Cash inflow from investment activities	
Sale of shares and stakes (net inflow)	
Sales of fixed assets	
Other financial placements (net inflow)	
Interest received	
Dividends received	
Cash outflow from investment activities	38,962
Purchase of shares	
Purchase of fixed assets	38,962
Other financial placements (net outflow)	
Net cash inflow from investment activities	-
Net cash outflow from investment activities	38,962
CASH FLOWS FROM FINANCING ACTIVITIES	
Cash inflow from financing activities	468,053
Increase in capital	44
Long-term and short-term borrowings (net inflow)	363,032
Other long-term and short-term liabilities	104,977
Cash outflow from financing activities	2,386
Buyback of own shares and stakes	
Long-term and short-term borrowings (net outflow)	
Financial lease	2,185
Dividends paid	201
Net cash inflow from financing activities	465,667
Net cash outflow from financing activities	-
Total cash inflow	2,363,414
Total cash outflow	2,365,975
NET CASH INFLOW	-
NET CASH OUTFLOW	2,561
Cash and cash equivalents at beginning of year	15,358
Foreign exchange gains on translation of cash and cash equivalents	
Foreign exchange losses on translation of cash and cash equivalents	566
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	12,231

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7.7. TIGAR EUROPE, UK

Balance Sheet in thousands of GBP	As of 31 December 2008	As of 30 September 2009
Assets		
Non-current assets	9	7
Current assets	5,193	4,998
Deferred tax assets		
Total assets	5,201	5,006
Equity and liabilities		
Equity	3,124	3,294
Non-current liabilities		
Current liabilities	2,077	1,712
Total equity and liabilities	5,201	5,006

INCOME STATEMENT (in thousands of GBP)	January - September 2008	January - September 2009	% Change relative to 2008
Turnover	10,359	9,669	-7%
Cost of sales	9,460	9,036	-4%
Gross Profit	899	632	-30%
Administrative expenses	376	428	14%
Operating Profit	523	205	-61%
Interest receivable	87	8	
Commission	11	23	
Profit on Ordinary Activities Before Taxation	621	236	-62%
Tax on profit on ordinary activities	174	66	-62%
Retained Profit for the Financial Year	447	170	-62%

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7.8. TIGAR AMERICAS, USA

Balance Sheet in thousands of USD	As of 31 December 2008	As of 30 September 2009
Assets		
Non-current assets	2	2
Current assets	237	347
Deferred tax assets	254	254
Total assets	493	603
Equity and liabilities		
Equity	459	441
Non-current liabilities		
Current liabilities	34	162
Total equity and liabilities	493	603

INCOME STATEMENT (in thousands of USD)	Actual January - September 2008	Actual January - September 2009	% Change relative to 2008
Sales and marketing income	545	441	-19%
Cost of goods sold	324	296	-9%
Gross profit	221	145	-34%
Selling, general and administrative expenses	131	131	0%
Result from operations	89	14	-84%
Other income (expense)	0	-32	
Net result before corporation taxes	89	-17	-119%
Income tax			
Net profit (loss)	89	-17	-119%

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7.9.TIGAR MONTENEGRO, MONTENEGRO

Balance Sheet in thousands of EUR	As of 31 December 2008	As of 30 September 2009
Assets		
Non-current assets	4	4
Current assets	255	241
Deferred tax assets		
Total assets	259	245
Equity and liabilities		
Equity	100	81
Non-current liabilities		
Current liabilities	159	163
Deferred tax liabilities		
Total equity and liabilities	259	245

Income statement in thousands of EUR	Actual January - September 2008	Actual January - September 2009	% Change relative to 2008
Total income	674	460	-32%
Total expenses	622	451	-27%
Profit (loss) before taxation	52	9	-83%
Income taxes	0	0	
Deferred income tax expense	0	0	
Deferred income tax benefit	0	0	
Net result for the period	52	9	-83%

Free cash flow in 000 EUR	As of 31 December 2008	As of 30 September 2009
Net profit	56	9
+ Depreciation	1	0
+Reserved costs for benefits	0	0
+Recovery on provisions	0	0
Cash flow from operation	58	9
Capital expenditures	1	0
Inventory increase (decrease)	43	-1
+Receivables increase (decrease)	-71	-7
-Liabilities increase (decrease)	-58	5
Working capital increase (decrease)	31	-12
Free cash flow	26	21

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7.10. TIGAR TRADE, REPUBLIKA SRPSKA

Balance Sheet in thousands of KM		As of 31 December 2008	As of 30 September 2009
Assets			
	Non-current assets	272	251
	Current assets	2,216	1,555
	Deferred tax assets		
	Total assets	2,488	1,807
Equity and liabilities			
	Equity	466	420
	Non-current liabilities	15	0
	Current liabilities	2,008	1,387
	Deferred tax liabilities		0
	Total equity and liabilities	2,488	1,807

Income statement in thousands of KM	Actual January - September 2008	Actual January - September 2009	% Change relative to 2008
Total income	2,091	1,751	-16%
Total expenses	2,044	1,797	-12%
Profit/Loss from operations	47	-46	-196%
Current tax expense	0	0	
Deferred income tax expense	0	0	
Deferred income tax benefit	0	0	
Net result for the period	47	-46	-196%

Free cash flow in thousands KM	As of 31 December 2008	As of 30 September 2009
Net profit	108	-46
+ Depreciation	32	22
+Reserved costs for benefits		
+Recovery on provisions		
Cash flow from operation	140	-23
Capital expenditures	0	0
Inventory increase (decrease)	285	-268
+Receivables increase (decrease)	697	-509
-Liabilities increase (decrease)	364	-721
Working capital increase (decrease)	618	-56
Free cash flow	-478	33

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7.11. TIGAR PARTNER, MACEDONIA

Balance Sheet in thousands of Denars	As of 31 December 2008	As of 30 September 2009
Assets		
Non-current assets	1,162	846
Current assets	43,004	26,723
Deferred tax assets	0	0
Total assets	44,165	27,569
Equity and liabilities		
Equity	17,922	18,772
Non-current liabilities	0	0
Current liabilities	26,243	8,797
Deferred tax liabilities	0	0
Total equity and liabilities	44,165	27,569

Income statement in thousands of Denars	Actual January - September 2008	Actual January - September 2009	% Change relative to 2008
Total income	38,511	30,788	-20%
Total expenses	36,499	30,767	-16%
Profit/loss from operations	2,011	21	-99%
Current tax expense	224	12	-94%
Deferred income tax expense	0	0	
Deferred income tax benefit	0	0	
Net result for the period	1,787	9	-100%

Free cash flow in thousands of Denars	As of 31 December 2008	As of 30 September 2009
Net profit	1,684	9
+ Depreciation	536	322
+Reserved costs for benefits	0	0
+Recovery on provisions	0	0
Cash flow from operation	2,220	330
Capital expenditures	1,477	6
Inventory increase (decrease)	6,448	-9,458
+Receivables increase (decrease)	1,312	-3,000
-Liabilities increase (decrease)	8,769	-17,447
Working capital increase (decrease)	-1,009	4,989
Free cash flow	1,752	-4,665

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7.12. TIGAR BUSINESS SERVICES

BALANCE SHEET (in thousands of Dinars)	As of 31 December 2008	As of 30 September 2009
ASSETS		
Non-current assets	145,023	133,409
Intangible assets	22	
Property, plant and equipment	145,001	133,409
Property, plant and equipment	145,001	133,409
Long-term financial placements	-	-
Equity investments		
Other long-term financial placements		
CURRENT ASSETS	87,360	75,229
Inventories	17,264	9,630
Assets held-for-sale		
Accounts receivable, placements and cash	70,096	65,599
Accounts receivable	65,940	60,883
Receivables from over-paid taxes	1,012	1,085
Short-term financial placements	35	35
Cash and cash equivalents	1,467	105
Value added tax and prepayments	1,642	3,491
Deferred tax assets		
TOTAL ASSETS	232,383	208,638
EQUITY AND LIABILITIES		
Equity	100,718	89,544
Share and other capital	102,774	102,774
Share issuing premiums		
Reserves		
Revaluation reserves		
Retained earnings	6,454	1,641
Loss	8,510	14,871
Shares buyback		
Long-term liabilities and provisions	131,296	118,725
Long-term provisions	7,435	6,136
Long-term liabilities	30,840	31,723
Long-term debt	10,998	11,545
Other long-term liabilities	19,842	20,178
Current liabilities	93,021	80,866
Short-term financial liabilities	22,330	26,880
Account payable	42,337	40,026
Other current liabilities	25,513	11,860
Value added tax and other taxes payable and accruals	2,841	2,100
Income taxes payable		
Deferred tax liabilities	369	369
TOTAL EQUITY AND LIABILITIES	232,383	208,638

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INCOME STATEMENT (in thousands of Dinars)	Actual January - September 2008	Actual January - September 2009	% Change relative to 2008
OPERATING INCOME	282,503	208,970	-26%
Sales of goods, products and services	261,745	198,159	-24%
Work performed by the company and capitalized	18,431	14,045	-24%
Increase in inventories of finished products and work in progress	2,327		-100%
Decrease in inventories of finished products and work in progress		3,236	
Other operating income		2	
OPERATING EXPENSES	268,320	210,637	-21%
Cost of commercial goods sold	14,817	12,115	-18%
Material, fuel and energy consumed	116,789	81,650	-30%
Staff costs	94,095	73,347	-22%
Depreciation, amortization and provisions	9,804	12,350	26%
Other operating expenses	32,815	31,175	-5%
PROFIT/LOSS FROM OPERATIONS	14,183	-1,667	-112%
FINANCE INCOME	4,177	957	-77%
FINANCE EXPENSES	5,834	6,144	5%
OTHER INCOME	868	715	-18%
OTHER EXPENSES	649	69	-89%
PROFIT/LOSS BEFORE TAXATION	12,745	-6,208	-149%
INCOME TAXES			
Current tax expense	903	153	-83%
Deferred income tax expense			
Deferred income tax benefit			
NET PROFIT/LOSS	11,842	-6,361	-154%

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CASH FLOW STATEMENT (in thousands of Dinars)	As of 31 December 2008	As of 30 September 2009
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash inflow from operating activities	553,551	239,169
Cash receipts from customers	552,168	145,984
Interest received from operating activities	86	8
Other receipts from operating activities	1,297	93,177
Cash outflow from operating activities	566,091	226,876
Cash paid to suppliers for raw materials and other expenses	354,463	134,209
Gross salaries and other personnel costs paid	119,316	73,422
Interest paid	3,794	2,887
Income tax expense	539	
Other levies paid	87,979	16,358
Net cash inflow from operating activities	-	12,293.00
Net outflow from operating activities	12,540	0
CASH FLOWS FROM INVESTMENT ACTIVITIES		
Cash inflow from investment activities	16,010	23,738
Sale of shares and stakes (net inflow)		
Sales of fixed assets	16,010	100
Other financial placements (net inflow)		23,638
Interest received		
Dividends received		
Cash outflow from investment activities	16,195	5,454
Purchase of shares		
Purchase of fixed assets	16,195	566
Other financial placements (net outflow)		4,888
Net cash inflow from investment activities	-	18,284
Net cash outflow from investment activities	185	0
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash inflow from financing activities	37,987	0
Increase in capital		
Long-term and short-term borrowings (net inflow)	13,135	
Other long-term and short-term liabilities	24,852	
Cash outflow from financing activities	30,431	31,821
Buyback of own shares and stakes		
Long-term and short-term borrowings (net outflow)	11,791	9,299
Financial lease	3,596	5,296
Dividends paid	15,044	17,226
Net cash inflow from financing activities	7,556	-
Net cash outflow from financing activities	-	31,821
Total cash inflow	607,548	262,907
Total cash outflow	612,717	264,151
NET CASH INFLOW	-	-
NET CASH OUTFLOW	5,169	1,244
Cash and cash equivalents at beginning of year	6,738	1,467
Foreign exchange gains on translation of cash and cash equivalents	5	8
Foreign exchange losses on translation of cash and cash equivalents	107	126
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	1,467	105

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7.13. TIGAR INCON

BALANCE SHEET (in thousands of Dinars)	As of 31 December 2008	As of 30 September 2009
ASSETS		
Non-current assets	26,352	24,366
Intangible assets	147	122
Property, plant and equipment	26,205	24,244
Property, plant and equipment	26,205	24,244
Long-term financial placements	-	-
Equity investments		
Other long-term financial placements		
CURRENT ASSETS	86,701	97,401
Inventories	11,351	23,532
Assets held-for-sale		
Accounts receivable, placements and cash	75,350	73,869
Accounts receivable	73,813	65,780
Receivables from over-paid taxes		
Short-term financial placements		
Cash and cash equivalents	824	661
Value added tax and prepayments	713	7,428
Deferred tax assets		
TOTAL ASSETS	113,053	121,767
EQUITY AND LIABILITIES		
Equity	39,717	55,331
Share and other capital	35,282	35,282
Share issuing premiums		
Reserves		
Revaluation reserves		
Retained earnings	10,256	25,870
Loss	5,821	5,821
Shares buyback		
Long-term liabilities and provisions	72,866	65,966
Long-term provisions	5,898	5,737
Long-term liabilities	1,339	1,382
Long-term debt		
Other long-term liabilities	1,339	1,382
Current liabilities	65,629	58,847
Short-term financial liabilities	3,467	926
Account payable	49,644	32,651
Other current liabilities	8,763	21,672
Value added tax and other taxes payable and accruals	3,458	3,598
Income taxes payable	297	
Deferred tax liabilities	470	470
TOTAL EQUITY AND LIABILITIES	113,053	121,767

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INCOME STATEMENT (in thousands of Dinars)	Actual January - September 2008	Actual January - September 2009	% Change relative to 2008
OPERATING INCOME	277,395	200,441	-28%
Sales of goods, products and services	277,321	200,436	-28%
Work performed by the company and capitalized	74	5	-93%
Increase in inventories of finished products and work in progress			
Decrease in inventories of finished products and work in progress			
Other operating income			
OPERATING EXPENSES	277,669	173,808	-37%
Cost of commercial goods sold			
Material, fuel and energy consumed	123,919	72,636	-41%
Staff costs	115,941	81,025	-30%
Depreciation, amortization and provisions	2,225	2,540	14%
Other operating expenses	35,584	17,607	-51%
PROFIT/LOSS FROM OPERATIONS	-274	26,633	gain vs. loss
FINANCE INCOME	645	74	-89%
FINANCE EXPENSES	878	564	-36%
OTHER INCOME	68	23	-66%
OTHER EXPENSES	249		-100%
PROFIT/LOSS BEFORE TAXATION	-688	26,166	gain vs. loss
INCOME TAXES			
Current tax expense	107	296	177%
Deferred income tax expense			
Deferred income tax benefit			
NET PROFIT/LOSS	-795	25,870	gain vs. loss

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CASH FLOW STATEMENT (in thousands of Dinars)	As of 31 December 2008	As of 30 September 2009
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash inflow from operating activities	401,246	254,840
Cash receipts from customers	400,388	254,672
Interest received from operating activities	34	11
Other receipts from operating activities	824	157
Cash outflow from operating activities	400,835	242,564
Cash paid to suppliers for raw materials and other expenses	228,247	139,378
Gross salaries and other personnel costs paid	142,439	77,262
Interest paid	1,292	7
Income tax expense	302	592
Other levies paid	28,555	25,325
Net cash inflow from operating activities	411	12,276
Net outflow from operating activities	0	0
CASH FLOWS FROM INVESTMENT ACTIVITIES		
Cash inflow from investment activities	17,331	0
Sale of shares and stakes (net inflow)		
Sales of fixed assets	17,331	
Other financial placements (net inflow)		
Interest received		
Dividends received		
Cash outflow from investment activities	9,850	8,129
Purchase of shares		
Purchase of fixed assets	9,850	629
Other financial placements (net outflow)		7,500
Net cash inflow from investment activities	7,481	-
Net cash outflow from investment activities	0	8,129
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash inflow from financing activities	0	0
Increase in capital		
Long-term and short-term borrowings (net inflow)		
Other long-term and short-term liabilities		
Cash outflow from financing activities	8,882	4,314
Buyback of own shares and stakes		
Long-term and short-term borrowings (net outflow)	132	
Financial lease	3,750	2,991
Dividends paid	5,000	1,323
Net cash inflow from financing activities	0	-
Net cash outflow from financing activities	8,882	4,314
Total cash inflow	418,577	254,840
Total cash outflow	419,567	255,007
NET CASH INFLOW	0	-
NET CASH OUTFLOW	990	167
Cash and cash equivalents at beginning of year	1,731	824
Foreign exchange gains on translation of cash and cash equivalents	142	47
Foreign exchange losses on translation of cash and cash equivalents	59	43
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	824	661

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7.14. TAX FREE ZONE

BALANCE SHEET (in thousands of Dinars)	As of 31 December 2008	As of 30 September 2009
ASSETS		
Non-current assets	119,913	121,363
Intangible assets	546	429
Property, plant and equipment	119,367	120,934
Property, plant and equipment	119,367	120,934
Long-term financial placements	-	-
Equity investments		
Other long-term financial placements		
CURRENT ASSETS	30,665	34,445
Inventories	397	770
Assets held-for-sale		
Accounts receivable, placements and cash	30,268	33,675
Accounts receivable	13,128	16,196
Receivables from over-paid taxes	165	245
Short-term financial placements		
Cash and cash equivalents	16,869	17,171
Value added tax and prepayments	106	64
Deferred tax assets	23	23
TOTAL ASSETS	150,601	155,830
Off balance sheet assets	23,000	25,000
EQUITY AND LIABILITIES		
Equity	134,045	136,143
Share and other capital	114,408	118,439
Share issuing premiums		
Reserves	353	380
Revaluation reserves	11,168	11,168
Retained earnings	8,116	6,157
Loss		
Shares buyback		
Long-term liabilities and provisions	16,556	19,687
Long-term provisions	2,160	2,160
Long-term liabilities	-	-
Long-term debt		
Other long-term liabilities		
Current liabilities	14,396	17,527
Short-term financial liabilities		
Account payable	11,175	10,576
Other current liabilities	2,747	6,411
Value added tax and other taxes payable and accruals	474	540
Income taxes payable		
Deferred tax liabilities		
TOTAL EQUITY AND LIABILITIES	150,601	155,830
Off balance sheet liabilities	23,000	25,000

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INCOME STATEMENT (in thousands of Dinars)	Actual January - September 2008	Actual January - September 2009	% Change relative to 2008
OPERATING INCOME	47,453	42,752	-10%
Sales of goods, products and services	47,453	42,752	-10%
Work performed by the company and capitalized			
Increase in inventories of finished products and work in progress			
Decrease in inventories of finished products and work in progress			
Other operating income			
OPERATING EXPENSES	40,121	37,166	-7%
Cost of commercial goods sold			
Material, fuel and energy consumed		1,475	
Staff costs	22,732	24,468	8%
Depreciation, amortization and provisions	1,414	1,637	16%
Other operating expenses	15,976	9,586	-40%
PROFIT/LOSS FROM OPERATIONS	7,332	5,587	-24%
FINANCE INCOME	603	856	42%
FINANCE EXPENSES	165	336	104%
OTHER INCOME	124	51	-59%
OTHER EXPENSES	68	0	-100%
PROFIT/LOSS BEFORE TAXATION	7,825	6,157	-21%
INCOME TAXES			
Current tax expense			
Deferred income tax expense			
Deferred income tax benefit			
NET PROFIT/LOSS	7,825	6,157	-21%

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CASH FLOW STATEMENT (in thousands of Dinars)	As of 31 December 2008	As of 30 September 2009
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash inflow from operating activities	94,211	68,937
Cash receipts from customers	93,383	67,101
Interest received from operating activities	828	462
Other receipts from operating activities		1,374
Cash outflow from operating activities	91,492	65,336
Cash paid to suppliers for raw materials and other expenses	48,493	34,731
Gross salaries and other personnel costs paid	29,115	22,118
Interest paid	2,370	2
Income tax expense	81	80
Other levies paid	11,433	8,405
Net cash inflow from operating activities	2,719	3,601
Net outflow from operating activities	0	0
CASH FLOWS FROM INVESTMENT ACTIVITIES		
Cash inflow from investment activities	0	0
Sale of shares and stakes (net inflow)		
Sales of fixed assets		
Other financial placements (net inflow)		
Interest received		
Dividends received		
Cash outflow from investment activities	7,787	3,364
Purchase of shares		
Purchase of fixed assets	7,787	3,364
Other financial placements (net outflow)		
Net cash inflow from investment activities	0	-
Net cash outflow from investment activities	7,787	3,364
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash inflow from financing activities	0	0
Increase in capital		
Long-term and short-term borrowings (net inflow)		
Other long-term and short-term liabilities		
Cash outflow from financing activities	2,309	0
Buyback of own shares and stakes		
Long-term and short-term borrowings (net outflow)		
Financial lease		
Dividends paid	2,309	
Net cash inflow from financing activities	0	-
Net cash outflow from financing activities	2,309	-
Total cash inflow	94,211	68,937
Total cash outflow	101,588	68,700
NET CASH INFLOW	0	237
NET CASH OUTFLOW	7,377	0
Cash and cash equivalents at beginning of year	21,834	16,869
Foreign exchange gains on translation of cash and cash equivalents	2,500	388
Foreign exchange losses on translation of cash and cash equivalents	88	323
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	16,869	17,171

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7.15. AGGREGATE FINANCIALS OF OTHER SERVICE ENTITIES

INCOME STATEMENT (in thousands of Dinars)	Actual January - September 2008	Actual January - September 2009	% Change relative to 2008
OPERATING INCOME	130,562	126,448	-3%
Sales of goods, products and services	129,983	125,861	-3%
Work performed by the company and capitalized	103	19	-82%
Increase in inventories of finished products and work in progress			
Decrease in inventories of finished products and work in progress			
Other operating income	476	568	19%
OPERATING EXPENSES	122,954	118,972	-3%
Cost of commercial goods sold	5,362	6,989	30%
Material, fuel and energy consumed	7,421	6,584	-11%
Staff costs	90,915	89,189	-2%
Depreciation, amortization and provisions	4,970	5,143	3%
Other operating expenses	14,286	11,068	-23%
PROFIT/LOSS FROM OPERATIONS	7,608	7,476	-2%
FINANCE INCOME	251	444	77%
FINANCE EXPENSES	301	121	-60%
OTHER INCOME	2,332	482	-79%
OTHER EXPENSES	46	25	-46%
PROFIT/LOSS BEFORE TAXATION	9,843	8,256	-16%
INCOME TAXES			
Current tax expense	403	309	-23%
Deferred income tax expense			
Deferred income tax benefit			
NET PROFIT/LOSS	9,440	7,947	-16%

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7.16. CONSOLIDATED FINANCIALS

Consolidated Balance sheet in thousands of Dinars	As of 31 December 2008	As of 30 September 2009
ASSETS		
Non-current assets	3,931,668	3,740,201
Intangible assets	74,702	146,337
Property, plant and equipment	3,323,718	3,530,091
Property, plant and equipment	3,323,718	3,530,091
Long-term financial placements	533,248	63,773
Equity investments	481,447	12,385
Other long-term financial placements	51,801	51,388
CURRENT ASSETS	3,017,447	3,357,129
Inventories	1,289,581	1,654,056
Assets held-for-sale	10,791	9,105
Accounts receivable, placements and cash	1,717,075	1,693,968
Accounts receivable	918,538	638,044
Receivables from over-paid taxes	10,568	1,422
Short-term financial placements	469,686	633,490
Cash and cash equivalents	242,410	238,406
Value added tax and prepayments	75,873	182,606
Deferred tax assets	18,015	18,866
TOTAL ASSETS	6,967,130	7,116,196
EQUITY AND LIABILITIES		
Equity	3,745,192	3,824,191
Share and other capital	2,109,209	2,167,345
Share issuing premiums		
Reserves	582,138	583,396
Revaluation reserves	1,086,061	1,086,060
Retained earnings	-6,198	-2,729
Loss		
Shares buyback	26,018	9,881
Long-term liabilities and provisions	3,099,366	3,170,260
Long-term provisions	81,891	63,362
Long-term liabilities	679,018	1,198,397
Long-term debt	679,018	1,171,633
Other long-term liabilities		26,764
Current liabilities	2,338,457	1,908,501
Short-term financial liabilities	1,184,001	1,206,171
Account payable	879,547	469,780
Other current liabilities	139,819	133,734
Value added tax and other taxes payable and accruals	50,178	76,894
Income taxes payable	84,912	21,922
Deferred tax liabilities	122,572	121,745
TOTAL EQUITY AND LIABILITIES	6,967,130	7,116,196

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Consolidated Income Statement in thousands of Dinars	Actual January - September 2009.
OPERATING INCOME	2,535,065
Sales of goods, products and services	2,223,643
Work performed by the company and capitalized	231,149
Increase in inventories of finished products and work in progress	50,282
Decrease in inventories of finished products and work in progress	
Other operating income	29,991
OPERATING EXPENSES	2,680,531
Cost of commercial goods sold	367,862
Material, fuel and energy consumed	859,193
Staff costs	1,083,378
Depreciation, amortization and provisions	100,615
Other operating expenses	269,483
PROFIT/LOSS FROM OPERATIONS	-145,466
FINANCE INCOME	166,965
FINANCE EXPENSES	201,128
OTHER INCOME	281,496
OTHER EXPENSES	9,737
PROFIT/LOSS BEFORE TAXATION	92,130
INCOME TAXES	
Current tax expence	41,011
Deferred Income tax expense	
Deferred Income tax benefit	
NET PROFIT/LOSS	51,119

TIGAR AD

Jelena Petković
Executive Director for Corporate Management Support

TIGAR AD

Dragan Nikolić
Board of Directors Chairman