



Tigar's Interim Results

Pirot, 12 November 2008. During the first nine months of the year, Tigar AD earned a consolidated income of 3.9 billion dinars and a consolidated gross profit of 811 million, while the holding company itself earned a profit of 390 million dinars – concluded the corporate Board of Directors at its yesterday's meeting.

Tigar's consolidated income includes capital gain from a portion of a transaction with the Michelin Group, which was realized in 2008. Roughly one half of Tigar's consolidated sales income was earned in international markets.

During the first nine months, Tigar invested 600 million dinars in new industrial capacities and 78 million dinars in the development of its commercial and service businesses. A new rubber footwear plant was commissioned in September; this is currently the most sophisticated and the highest-capacity plant of its kind in Europe. New infrastructures are now in place at Tigar's new, Tigar III industrial site, where a new power station will significantly enhance corporate energy efficiency.

With regard to the current global financial crisis, Tigar AD's Board of Directors believes that cash infusions in 2009 and 2010 from Tigar's sale of its stake in the tire business, financial arrangements with DEG in support of the footwear business, and preparations for long-term financing of the technical rubber goods factory will ensure corporate liquidity, which is one of the key drivers of stable business operations and business development.

Based on its assessment that the decline in Tigar's share price and the low trading volume on the Stock Exchange during the period were not a result of corporate business or financial performance, and in order to prevent any further capital market disturbances, Tigar AD's Board of Directors approved the acquisition of treasury shares up to a level of 5%.

Within the scope of its powers, Tigar AD's Board of Directors also took several decisions aimed at contributing to the creation of conditions for loan restructuring under favorable terms. Additionally, it adopted a new concept for the organization of Tigar's sales network at the corporate level, whose implementation will begin next year.

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