Globalni logistični servis, delniška družba

MATERIALS for the

24th GENERAL MEETING of SHAREHOLDERS

of INTEREUROPA d.d.

Koper, July 2012

PROPOSAL OF RESOLUTION TO AGENDA ITEM 1

Pursuant to Section 6.30 of the Statute of INTEREUROPA, Globalni logistični servis d.d. (Global Logistics Service Ltd. Co.) and Article 297.a, paragraph 1 of the Companies Act (ZGD-1), the Managing Board and Supervisory Board propose to the General Meeting to adopt this

Resolution
on Electing the Working Bodies of the 24th General Meeting of Shareholders
of the Company INTEREUROPA d.d.

- Mr Srečo Jadek be elected Chairman of the General Meeting.
- To establish the quorum and exercise the voting after each item of the Agenda, two tellers are appointed, Mrs Mateja Tevž and Mrs Milena Kalc.

The General Meeting will also be attended by the Notary Nana Povšič Ružić.

INTEREUROPA d.d.	*INTEREUROPA d.d.*
PRESIDENT OF THE SUPERVISORY BOARD Bruno Korelič	*PRESIDENT OF THE MANAGING BOARD Ernest Gortan*

PROPOSAL OF RESOLUTION TO AGENDA ITEM 2

Pursuant to Sections 7.3, 7.4 (third paragraph), and 7.5 of the Statute of INTEREUROPA, Globalni logistični servis d.d. (Global Logistics Service Ltd. Co.) and Articles 272, 282 and 293 of the Companies Act (ZGD-1), the Managing Board and Supervisory Board propose to the General Meeting to adopt the

RESOLUTIONS
on the Presentation of the Annual Report 2011 for the Intereuropa Group, with Auditor's Opinion and the written Report by the Supervisory Board Confirming the Annual Report pursuant to Article 282 ZGD-1 (Companies Act), and the information on the receipts by members of the management and controlling body, and on awarding the note of discharge

Resolution no. 2.1.:
The General Meeting was informed about the Intereuropa Group Annual Report for the financial year 2011, inclusive of the Auditor's Opinion, and of the Report by the Supervisory Board on the examination of the Annual Report 2011 and on the method and extent of examining the Company's management for the reporting year, duly presented pursuant to Article 282 of the Companies Act (ZGD-1) by the Supervisory Board to inform the General Meeting of having adopted the Annual Report 2011 without any remark or reservation.

Resolution no. 2.2.:
The General Meeting got informed on the receipts paid to the members of Supervisory Board and Managing Board as remuneration for their work or functions respectively, as specified on pages 157 and 158 of the Annual Report of the Intereuropa Group for 2011 (tables 57 and 58).

Resolution no. 2.3.:
The General Meeting confirms and approves the work of the Supervisory Boards of Intereuropa d.d. for the year 2011, and gives a discharge for their work in the financial year 2011.

Resolution no. 2.4.:
The General Meeting confirms and approves the work of the Managing Board of Intereuropa d.d. for the year 2011, and gives a discharge for their work in the financial year 2011.

Substantiation of Resolutions:
Resolution no. 2.1.:
The Supervisory Board has examined the Annual Report incl. of the Auditor's Report and analysed the loss incurred in the year 2011, as submitted by the Managing Board; the

Supervisory Board expressed its positive position and approved the Annual Report without remark or reservation, which means accordingly that the Annual Report was adopted.

Resolution no. 2.2.:
Pursuant to Article 294 paragraph 5 of the ZGD-1, the Managing Board of Intereuropa d.d. informs the General Meeting on the receipts paid to the members of Supervisory Board and Managing Board as remuneration for their work or functions respectively in the reporting year, as specified on pages 157 and 158 of the Annual Report of the Intereuropa Group for 2011 (tables 57 and 58), which substantiates the proposed Resolution.

Resolution no. 2.3.:
The activities and the evaluation of work of the members of the Supervisory Board for the year 2011 are presented in the Annual Report. The Supervisory Board supervised the Company's operations, gave guidelines to the Managing Board and consent to the implementation of the plans and corporate strategy. Particular attention of the Supervisory Board was paid to the financial exposure of the Intereuropa Group and maintaining liquidity. The Supervisory Board requested, on a regular basis, the reports on all major projects of the Managing Board in the reporting year.
These activities point to the active role of the Supervisory Board members, with due care of a competent and responsible professional, to the benefit of the Company; hereby the Resolution is substantiated.

Resolution no. 2.4.:
The adopted Audited Annual Report for the year 2011 substantiates the award of the discharge to the Managing Board. Despite the loss incurred in 2011, Intereuropa d.d. has nevertheless made a very big step forward both in the business and in maintaining financial stability in the given tough situation in the market and considering the financial position of the Company in the preceding year (2010). Accordingly, we propose to grant the note of discharge to the Managing Board President Ernest Gortan and the Deputy President Tatjana Vošinek Pucer.

Enclosures to Agenda Item Two:
The Annual Report for the financial year 2011 available at: www.intereuropa.si

INTEREUROPA d.d.	*INTEREUROPA d.d.*
PRESIDENT OF THE SUPERVISORY BOARD	*PRESIDENT OF THE MANAGING BOARD*
Bruno Korelič	*Ernest Gortan*

PROPOSAL OF RESOLUTION TO AGENDA ITEM 3

Pursuant to Article 293 and the second paragraph, section 2, of Article 297.a of the Companies Act (ZGD-1), and Section 6.37 of the Statute of the Company, the Supervisory Board proposes to the General Meeting to adopt this

Resolution
Appointing the Auditors for the year 2012

Resolution no. 3:
For the financial year 2012, auditing shall be entrusted to Auditors Ernst&Young, Revizija, poslovno svetovanje d.o.o., Ljubljana.

Substantiation to Resolution under Agenda Item 3:
Upon proposal by the Audit committee, the Supervisory Board in accordance with Article 297.a paragraph 2 section 2 and Article 280 ZGD-1, and pursuant to the Act on Auditing, proposes to the General Meeting to entrust the auditing for the year 2012 to the audit firm Ernst&Young, Revizija, poslovno svetovanje d.o.o., Dunajska cesta 111, Ljubljana, which is experienced in auditing the commercial activities of the Company and has got references at home and abroad; moreover, this audit firm has already audited the Company in the year 2011.

Key references recommending the Auditor:
The audit firm has audited the following large Slovenian companies or groups in the last five years: Luka Koper, KD Group, Kapitalska družba, SKB banka, Telekom Slovenije, Mobitel, GPG, Energotuš, Kolektor, Etol, Helios, Mlinotest, Baumax, Adria Airways

INTEREUROPA d.d.
PRESIDENT
OF THE SUPERVISORY BOARD
Bruno Korelič

PROPOSAL OF RESOLUTION TO AGENDA ITEM 4

Pursuant to Articles 293, 297.a, 333 and 379 of the Companies Act (ZGD-1), and Section 5.0 of the Statute of the Company, the Managing Board and Supervisory Board propose to the General Meeting to adopt the

RESOLUTIONS
on simplified decrease of the share capital owing to transfer to capital reserves and on increase of capital by contributions-in-kind

Resolution no. 4.1.: A simplified decrease of the share capital owing to transfer to capital reserves
Owing to the transfer to capital reserves, as shown in the Balance Sheet as at 31 December 2011, the share capital shall be decreased from EUR 32,976,185.11 by the amount of EUR 25,074,042.11 so that the share capital of the company shall amount to EUR 7,902,143 after the decrease.

The decrease of capital shall be implemented by simplified procedure. As a result of the decrease of the Company's share capital, the share price shall be reduced from EUR 4.17307 by EUR 3.17307 to 1 EUR after the decrease. The number of shares to which the share capital is divided into shall remain unchanged: 7,902,143 ordinary, negotiable registered shares.

Resolution no. 4.2.: Increase of share capital by contributions in kind
The share capital of the Company (amounting to 7,902,143 EUR after the decrease under Resolution 4.2) shall be increased by 22,000,000 EUR, by way of issuing 22,000,000 (twenty-two million) new shares, thereof 11,342,034 ordinary shares and 10,657,966 preferential shares, by new contributions-in-kind so that it shall amount to 29,902,143 EUR after the increase.

New shares shall be issued, with the following elements:

Issuer:
Intereuropa, Globalni logistični servis, delniška družba (Global Logistics Service, Ltd. Co.), Koper, reg.no. 5001684000

Designation and form:
- ordinary, no-par-value, negotiable registered shares in dematerialized form, ISIN code SI0031100090, ticker symbol IEKG
- preferential, no-par-value, negotiable registered shares in dematerialized form

Class:
- Ordinary shares shall form the same class as the existing ordinary registered shares (issued earlier)

- Preferential shares shall form one class, separated from ordinary shares.

Rights arising from the shares:

The rights vested in ordinary shares are the same as the rights to which the shareholders of the remaining ordinary registered shares are entitled to (1) participation in the management of the Company (voting right), (2) participation in the portion of profit (dividend), and (3) to receive a proportional part of the residual assets after liquidation or bankruptcy of the Company.

The holders of preferential shares are entitled to (1) participation in the portion of profit and (2) to receive a proportional part of the residual assets after liquidation or bankruptcy of the Company. Preferential shares entitle their holders to participation priority in the profit to the amount of 0.01 EUR (preferential amount) per share. The preferential amount shall be paid out in addition to the participation in the profit pertaining to the holders of ordinary shares, in accordance with the Resolution on the appropriation of the accumulated profit. The preferential amounts shall be first payable in the payout of profit (dividend) for the year 2013.

The amount pertaining to one share (ordinary and preferential): 1 EUR

The emission amount pertaining to one share (ordinary and preferential): 1 EUR

Total emission amount of the issued shares:

Ordinary: 11,342,034 EUR

Preferential: 10,657,966 EUR

Date of issue: date of registration of shares in the Central Register.

The share shall be paid in by contributions in kind. The contributions in kind stand for pecuniary claims of the creditors amounting to 22,000,000 EUR, as follows: Gorenjska banka d.d. (reg.no. 5103061000), Kranj; Raiffeisen banka, d.d.(reg.no. 5706491000); UniCredit Banka Slovenija d.d. (reg.no.5446546000); SKB Banka d.d., Ljubljana (reg.no.5026237000); Banka Koper d.d. (reg.no.5092221000); SID - Slovenska izvozna in razvojna banka, d.d., Ljubljana (reg.no. 5665493000); Nova Ljubljanska banka, d.d. (reg.no. 5860571000); and Nova Kreditna banka Maribor d.d., (reg.no. 5860580000). Twenty-two million (22,000,000) shares shall be assured for the contributions-in-kind.

The priority right of pre-emption vested in the current shareholders to purchase the newly issued shares at the date of adopting this Resolution shall be entirely excluded.

The term allowed for the subscription and prepayment of shares is 30 days after the Resolution on Capital Increase has been adopted by the General Meeting.

Resolution no. 4.3.: Authorization to amend the Statute
The Supervisory Board is authorized to consolidate the wording of the Company’s Statute with the Resolutions 4.1 and 4.2 regarding the share capital decrease and increase.

Substantiation to Resolution under Agenda Items 4.1, 4.2 and 4.3:
During the years 2007-2009 the Intereuropa Group undertook an intense investing phase, which soon turned out as unsuccessful and misplaced. Most of these investments were financed by borrowing, primarily on the part of the Parent Company, which affected the financial stability of that Company. Since 2009, a process of operational and financial restructuring has been conducted throughout the entire Group, with numerous measures aiming to improve the performance and achieve financial stability in all Group members, with a particular focus on the financial stability of the Parent Company. The effects of operational restructuring are already visible in improved concrete results. After analysing a variety of possible scenarios, the financial restructuring has reached the conclusive stage in which the consent of the General Meeting is required for the implementation of certain measures.

The Managing and Supervisory Board of Intereuropa d.d. propose to the General Meeting to adopt two measures of financial restructuring:

1. Decrease of share capital of the Company by transfer to capital reserves, and
2. Increase of share capital by contributions in kind.

A detailed substantiation of the grounds for adopting these Resolutions is provided below.

1 REASONS UNDERLYING FOR ENVISIONED THE MEASURES OF FINANCIAL RESTRUCTURING

1.1 HIGH LEVERAGE OF THE COMPANY

The Statement of Cash Flows of Intereuropa d.d. as of 31.12.2011 clearly reveals that in its structure of assets the Company had a capital amounting to 84,645 thousand EUR (27.1% in the asset structure) and liabilities amounting to 227,764 thousand EUR (72.9% in the asset structure). A more detailed review of the liabilities structure shows that as much as 188,286 thousand EUR stand for short-term liabilities and only 39,478 thousand EUR for long-term liabilities. Concurrently, the Statement of Financial Position reveals that the assets of the Company consist of long-term assets in the amount of 244,600 thousand EUR, and short-term assets amounting to 67,809 thousand EUR, which leads to the first conclusion that the maturity structure of the financial sources is inadequate.

The Company is in the course of business restructuring, which has already shown positive results. Most of the operating ratios confirm that the year 2011 was the best year in the last 4-year-term, in certain regards even in the last 5-year-term. This is further confirmed by the increased EBITDA, or EBIT respectively, generated by Intereuropa d.d., as presented in the table below.

EBITDA, EBIT and Net EBIT* *(net of other operating revenue and operating expenses from revaluation)* of Intereuropa d.d. in the years 2008 - 2011

In 1000 EUR

	2008	2009	2010	2011
EBITDA	4.443	1.828	9.961	11.119
EBIT	-292	-16.953	2.453	6.073
Net EBIT *	-707	-2.981	18	5.326

*Net of other operating revenue and operating expenses from revaluation.

Considering that the set of eligible measures and activities for business restructuring has been utilized almost to the full, there is not much room left for additional improvement of operations in the future. Concurrently, the comparison of the Company's liabilities and its EBITDA (at the year-end 2011 the liabilities were on the level of a 20.5 multiple of the EBITDA generated in the same year, thereof the financial liabilities were at a 16.8 multiple of the EBITDA) points to a high leverage of the Company. So does the comparison between the interest expenses (10,697 thousand EUR in 2011) and the EBITDA at 11,119 thousand EUR.

1.2 **POTENTIAL THREAT OF PERSISTING INSOLVENCY**

As already stated above, the Statement of Cash Flows of Intereuropa d.d. as of 31.12.2011 clearly shows that in its structure of capital sources, the Company had liabilities amounting to 227,764 thousand EUR, thereof 188,286 thousand EUR short-term and only 39,478 thousand EUR long-term liabilities. The prevailing portion of liabilities is the financial liabilities, amounting to 186,685 thousand EUR as of 31.12.2011 (thereof 163,053 thousand EUR short-term and only 23,632 thousand EUR long-term liabilities).

Such an unfavourable maturity structure of financial liabilities is primarily attributable to the fact that there are financial commitments, binding on the Company, included in the loan agreements with the lending banks. Despite non-fulfilment of the financial commitments in the past years, the creditor banks have not called for the repayment of long-term loans yet, which can be attributed to positive trends in the performance, regular settlement of liabilities and active seeking for a solution to achieve long-term financial stability of the Company, involving all the stakeholders in our financing. Due to non-fulfilment of financial commitments in the year 2011, the IAS 1.74 required us to reclassify all the principal amounts for which the contractual commitments were not fulfilled from long-term financial liabilities to short-term financial liabilities. The financial liabilities reclassified thereunder amount to EUR 116,596 thousand.

In the scope of short-term liabilities as at 31.12.2011, there are financial liabilities in the amount of 46,457 thousand EUR which are due for repayment by 31.12.2012. In the negotiations with commercial banks held to date, the Company was able to obtain a grace period for the repayment of principal up to 30 September 2012, so that there are no past-due liabilities outstanding at present. An extension of the grace period, or further loan rescheduling respectively is depending on our developing a comprehensive solution for the financial stability of the Company before 30 September 2012 (the concept outlined under Section 2), which is the precondition on the part of the banks; in case of an unsuccessful financial restructuring by that deadline there is a risk of a lack of liquidity for a longer period of time. The Financial Operations, Insolvency Proceedings and Compulsory Dissolution Act / ZFPPIPP/ provides in Article 14 the following assumption: It shall be deemed that a debtor who is a legal entity has become insolvent for a longer period of time if it fails to fulfil one or several liabilities in the amount exceeding 20% of its liabilities as stated in the Annual Report for the last financial year before such liabilities have fallen due.

1.3 **POTENTIAL LONG-TERM INSOLVENCY THREAT**

High indebtedness of the Company points to the need to seek for remedial action fast to deleverage, which leaves the capital augmentation and/or disinvestment as the options at hand. To date, also the negotiations with commercial banks regarding loan rescheduling have revealed, among other conclusions, that the creditor banks put disinvestment as a precondition for any rescheduling. Certain steps in this direction were already taken in the past: real estates at several major sites were sold, both on the part of the Parent Company in Slovenia and of the affiliates in Croatia, Bosnia and Herzegovina and Montenegro. After analysing additional options for disinvestment compliant with the strategic business plan of the Company or Group resp., it turned out that the assets in Russia and some additional real estates in Slovenia are eligible for disinvesting.

Unfortunately, disinvestment is associated with an additional difficulty. The situation in the real estate market clearly shows that in a meager demand and given the time pressure for disposals, we will be forced to sell the assets at prices lower than their respective book value, so losses will arise from such transactions. Additional impairment, or the losses incurred respectively, could lead to long-term insolvency of the Company: the ZFPPIPP Act (Financial Operations, Insolvency Proceedings and Compulsory Dissolution Act) lays down in Article 14 the criteria for long-term insolvency, one of such criteria refers to the situation when the loss of the current year, including the losses carried forward, exceeds one half of the registered capital and such loss cannot be covered from the profits carried forward or from reserves.

The equity structure for Intereuropa d.d. as of 31.12.2011:

In 1000 EUR

Registered capital	32.976
Own shares	-180
Revenue reserves	1.056
Fair value reserves	50.793
TOTAL CAPITAL	**84.645**

Based on this structure of capital it is clear that the Company, in case the losses exceed 17,544 thousand EUR (1/2 of the registered share capital + revenue reserves), would satisfy one of the presumptions envisioned by the law for long-term insolvency. Under the Companies Act (ZGD), the fair value reserves that were formed as surplus from revaluation are not eligible and may not be used for covering the loss.

2 CONCEPT OF FINANCIAL RESTRUCTURING

Current negotiations with the banks have yielded the actual concept of restructuring that includes disinvestment (also the disposal of Intereuropa East Ltd./ the Logistics Centre Chekhov) and the increase of share capital by new contributions in kind, which stand for the claims receivable of creditor banks from Intereuropa d.d. In the follow-up, the rescheduling of the remaining loan amount would take place in a modality that allows for long-term financial sustainability, along with a quest for strategic partner who would assure development to the Company in the long run.

The Company has presented the concept for financial restructuring to the public already in the frame of current activities. It called on the shareholders to express their readiness for a capital increase in the Company. The shareholders did not express their willingness to increase the capital on their part.

3 DECREASE OF SHARE CAPITAL

After a thorough analysis of the situation, the Managing Board and the Supervisory Board propose to decrease the share capital of the Company by transfer to capital reserves. That measure brings double positive effects for the financial stability of the Company:

1. Providing the basis for the Company's solvency in the long run, also after effecting the disinvestment schedule;
2. Assuring the implementation of immediate increase of the share capital by new contributions in kind.

The proposal is to decrease the share capital of the Company, as shown in the Balance Sheet as at 31 December 2011, from EUR 32,976,185.11 by the amount of EUR 25,074,042.11 so that the share capital of the company shall amount to EUR 7,902,143 after the decrease. The capital reserves shall be increased by the amount of the share capital decrease: 25,074,042.11 EUR.

Owing to the decrease of the Company's share capital, the appurtenant share price shall be reduced from EUR 4.17307 by EUR 3.17307 to 1.0 EUR after the decrease. The number of shares to which the share capital is divided into shall remain unchanged: 7,902,143 ordinary, negotiable registered shares.

Equity structure of Intereuropa d.d. after the decrease of capital by transfer to capital reserves:

In 1000 EUR

Registered capital	7.902
Own shares	-180
Capital reserves	25.074
Revenue reserves	1.056
Fair value reserves	50.793
TOTAL CAPITAL	**84.645**

4 INCREASE OF SHARE CAPITAL BY CONTRIBUTIONS IN KIND

It is expected that the disinvestment will not be sufficient for deleverage, therefore the increase in share capital will still be necessary. As the only realistic option was therefore to undertake an increase in share capital by contributions in kind by the banks, standing for their claims receivable due from Intereuropa d.d. In principle, the banks have granted consent for converting 22.0 million EUR in equity (share capital) of the Company, however, made it conditional by demanding the emission value of the new share to be 1.0 EUR. It is the minimal emission value for a NPV-share, as admissible by the Companies Act/ZGD, and the valuation of the Company undertaken by the banks does not allow for a higher price. Tudi razmere na finančnih trgih, tako skozi dnevno trgovanje na Ljubljanski borzi, kot skozi neuspešne poskuse prodaje deležev družbe s strani obstoječih večjih delničarjev kažejo, upravičenost takih ocen.Also the circumstances in financial markets, viewed both through daily trading at the Ljubljana Stock Exchange as well as unsuccessful attempts to sell the shareholdings in the Company on the part of current major shareholders, prove that such evaluations are correct.

The Managing and Supervisory Boards of the Company therefore propose to the General Meeting the Resolution to increase the share capital of the Company (that will amount to 7,902,143 EUR after the decrease under Section 4.1) by 22,000,000 EUR, by way of issuing 22,000,000 new shares, thereof 11,342,034 ordinary shares and 10,657,966 preferential shares, by new contributions-in-kind so that the capital shall amount to 29,902,143 EUR after the increase.

Equity structure of Intereuropa d.d. after the increase of capital by contributions in kind

In 1000 EUR

Registered capital	29.902
Own shares	-180
Capital reserves	25.074
Revenue reserves	1.056
Fair value reserves	50.793
TOTAL CAPITAL	**106.645**

The new equity structure shown above assures sufficient capital strength to the Company also in case of incurred expected losses from the sale of assets or any other impairment to assets.

The Managing and Supervisory Boards made a public appeal to the shareholders to express their readiness for a capital increase in the Company. The shareholder who responded thereto supported the financial restructuring of the Company, however, did not express their willingness for a capital increase. On that ground the only option was to address the banks in order to achieve financial restructuring. In accordance with the frameworks of financial restructuring, the General Meeting has to resolve on a Decrease of share capital to 7,902,413 EUR, and adopt a Resolution on an Increase of share capital to 22,000,000.00 EUR. Given that it concerns a specific increase in share capital by contributions in kind, i.e. the claims receivable of creditor banks, it is absolutely necessary and fully substantiated to completely exclude the priority (pre-emptive) rights of other shareholders.

5 CONCLUSION

The Managing and Supervisory Boards are convinced that these measures are the only realistic option for assuring financial stability of the Company. Commercial banks have made the options of converting a part of their claims receivable into equity of the Company, along with the subsequent rescheduling of the remaining debts over a longer repayment period (that would allow the Company to service its liabilities within the estimated volume of operations/ performance), conditional: they demand disinvestment and decrease of the share capital.

In case the General Meeting should vote against the proposed decrease of share capital with a subsequent increase of capital by contributions in kind, an aggravated financial position can be expected upon the end of the grace period (i.e. after 30 Sep. 2012) and a possible occurrence of the insolvency situation for the Company under the ZFPPIPP Act.

The Managing Board and Supervisory Board advocate for the proposed solution as the best option for all the stakeholders (i.e. current shareholders, creditors – both the banks and employees), therefore we call on the General Meeting to adopt the resolutions proposed.

Enclosed hereto is also the Management Report on the cogent reason for the full exclusion of priority (pre-emptive) right to the current shareholders.

INTEREUROPA d.d.

PRESIDENT OF
THE SUPERVISORY BOARD
Bruno Korelič

INTEREUROPA d.d.

PRESIDENT OF
THE MANAGING BOARD
Ernest Gortan

PROPOSAL OF RESOLUTION TO AGENDA ITEM 5

Pursuant to Articles 293 and 297.a of the Companies Act (ZGD-1), and Section 6.28 of the Statute of the Company, the Managing Board and Supervisory Board propose to the General Meeting to adopt the

Resolution
on the Consent to Disposal of Investment in Russia

Resolution no. 5: Consent to disposal of investment in Russia
The General Meeting of Intereuropa d.d. consents to the sale of the investment in Russia, which comprises both the shareholding in the company Intereuropa East Ltd and the real estates of the Logistics Centre in Chekhov/Moscow. The purchase price for the respective investment must not be lower than 45 million EUR.

Substantiation of Resolution no. 5:

1. Introduction

The Statement of Cash Flows of Intereuropa d.d. as of 31.12.2011 reveals that in its structure of assets the Company had a capital amounting to 84,645 thousand EUR (27.1% in the asset structure) and liabilities amounting to 227,764 thousand EUR (72.9% in the asset structure). A more detailed review of the liabilities structure shows that as much as 188,286 thousand EUR stand for short-term liabilities and only 39,478 thousand EUR for long-term liabilities. Concurrently, the Statement of Financial Position reveals that the assets of the Company consist of long-term assets in the amount of 244,600 thousand EUR, and short-term assets amounting to 67,809 thousand EUR, which leads us to conclude that the maturity structure of the financial sources is inadequate.

In 2011 the Company completed an intense business restructuring (commenced in the second half 2009). The positive results are shown on more profitable operations and on an essentially increased EBITDA and /or EBIT. Despite on-going operational development of the Company, the set of measures and activities introduced for a thorough business restructuring has been already utilized and we cannot achieve an essentially better performance: our current results are already on the level of comparable global competitors in our branch of industry. On the other hand, the comparison of the Company's liabilities and its EBITDA (the liabilities at the year-end 2011 were on the level of a 20.5 multiple of the EBITDA generated in the same year, thereof the financial liabilities were at a 16.8 multiple of the EBITDA) points to a lack of solvency for debt repayment in the long run. The same prospects arise from the comparison between the interest expenses (10,697 thousand EUR in 2011) and the EBITDA at 11,119 thousand EUR.

Accordingly, the Company urgently needs to seek for remedial action to deleverage, for which disinvestment is indispensable. To date, also the negotiations with creditor banks regarding financial restructuring have revealed, among other conclusions, that the creditor banks put disinvestment as a precondition for it. Certain steps in that direction were already taken in the past 3 years: we sold some larger non-operating real property or real estates that did not achieve satisfactory economic results. The sales were realized both on the part of the Parent Company in Slovenia and of the affiliates in Croatia, Montenegro and Bosnia and Herzegovina. After analysing additional options for disinvestment compliant with the strategic business plan of the Company or Group resp., it turned out that our assets in Russia are the most appropriate for that purpose: the disposal of one investment would bring about a major deleverage. Furthermore, the operations in Russia are exposed to high risks and there is not much synergy in the marketing and operations between the companies in the Intereuropa Group and our Russian subsidiary. Last but not least, it should be noted that most loans were raised to finance that particular investment in Russia.

The Managing and Supervisory Boards estimate that the disposal of our investment in Russia is one of essential elements and prerequisite for a financial restructuring of Intereuropa d.d. Furthermore, it is about a sale of assets of a high value and of an investment that is subject to criminal procedures and damage claims pending. The latter (claim for damages) was instituted on demand of the General Meeting, by the Resolution of 10.09.2009.

The Managing and Supervisory Boards believe that transparent operations are very important for the trust of shareholders and other stakeholders, and indispensable for dealing with and adopting such a significant Resolution; therefore we have provided for a brief history of this investment in Russia, the recovery measures for it, the procedures for the disposal, and several appraisals.

2. How the project on the Logistics Centre Chekhov started

The construction of the logistics hub at Chekhov/Moscow was designed by the Managing Board of Intereuropa d.d. that was in function from January 2006 to June 2009. The Project comprised the construction of the logistics centre in Russia, at Chekhov, situated some 50 km far from the southern motorway ring of Moscow. Initially, the value if the investment was estimated at 61,5 million EUR, as follows: 44.7 mio EUR for Stage I (purchase of land 34 million EUR and I. stage of the construction and development of a terminal valued 10 million EUR), 12 million EUR for Stage II in 2008, and 4.8 million EUR for Stage III in 2009. The site should comprise two warehouses for general cargo, cold storage facility for undercooled and frozen goods, offices and a motel, service station with a shop, repair workshops for trucks, car washes, parking lots for cars and trucks, maintenance shops for motor vehicles and accessory facilities. It was envisioned that the logistics terminal would obtain the customs terminal status and thus a highly competitive position, assuring additional source of income for all our products/services.

On 29. 1. 2007 the Supervisory Board of Intereuropa d.d. consented to the construction of Stage I. of the Project, valued 44.7 million EUR (purchase of land 34 million EUR, construction work 10 million EUR). In March and April, Intereuropa d.d. and Intereuropa East Ltd. purchased the land lot at Chekhov in total amount of just over 35 million EUR. In July 2007 the company Intereuropa East Ltd. signed a Contract for construction work in the amount of 46.3 million EUR. There were a number of annexes added to the basic contract that increased the total value of construction works to 104.8 million EUR. The Supervisory Board of Intereuropa d.d. approved the Final Elaborate on Economic Eligibility of Investment into the Logistic Centre Moscow-Chekhov of 10. 10. 2008, in October 2008.

The implementation and management of that investment in LC Chekhov were presented in detail to shareholder attending the 21 the General Meeting of Intereuropa d.d. on 10 September 2009, in the scope of materials “Special Audit of Corporate Governance and Specific Operations of the Company for the last Five Years" – the summary of findings dated 30 June 2009. The materials are available at the Seonet website: http://seonet.ljse.si/Default.aspx?doc=SEARCH&doc_id=38172

3. Key elements of rehabilitation of INTEREUROPA-EAST Ltd.

Analysis of the position of Intereuropa East Ltd.

In June 2009 a new Managing Board of Intereuropa d.d. was appointed. Until August 2009 the Managing Board prepared an analysis of the investment in the Project Logistics Centre Chekhov and was integrated in the document Final Elaborate on Economic Eligibility of Investment into the Logistic Centre Chekhov-Moscow.

On 27 August 2009 the Supervisory Board of Intereuropa d.d. adopted the following findings in the Final Elaborate on Economic Eligibility of Investment into the Logistic Centre Chekhov-Moscow:

- The former Managing Board got involved in the Project without a clearly-cut strategy for development in the Russian market, following an unrealistic bold conception, instead of a stage-based approach that was foreseen in the original Elaborate from the year 2007,
- Concrete market analyses and appropriate activities were not undertaken, the risk factors were greatly underestimated,
- Sensitivity analysis was not made for the project,
- Project was managed on an explicitly individual basis by the then Managing Board President, without observing the basic project management principles.

The Supervisory Board of Intereuropa d.d. further found that:

- The size of investment greatly exceeded the needs of the market that were known at that time and projected for the present, as well as it reached beyond the capacities of the Intereuropa Group,
- The invested amount exceeded the potential of the Balance Sheet Total and Cash Flows of Intereuropa d.d.,
- The sales turnover forecast and the expected cash flows were adapted to the increased investment value, lacking professional and critical judgement and thereby misleading the Supervisory Board by the ‘’exaggerated’’ economic eligibility of the Project,
- The financial construction of the investment was not sufficient and and sustainable,
- The Project was not capable of servicing the financial liabilities in the long run, which had an impact on a high financial risk of the entire Group and consequently of its existence in the future.

The Supervisory Board therefore agreed to the finding that the "Intereuropa Group would not be able to assure economic eligibility and financial sustainability of the Project’’ and further ‘’also in the situation of on-going high cycle globally, the Project posed a major risk for financial stability of Intereuropa." The risk was very high also due to the euro-based financial structure of the investment and owing to the strong rouble component in the operating revenues. No financial hedging instruments are available.

Having conducted the analyses of the position of Intereuropa East Ltd., the Managing Board of Intereuropa d.d. started implementing the recovery measures for the affiliate Intereuropa East Ltd. and on the project LC Chekhov. It was necessary to:

- Provide for effective organization and HR structure,
- establish efficient control over the management of the company Intereuropa East, Ltd.,
- Develop the operations in all the operating segments,
- Assess the condition of the construction work done, and complete the LC Chekhov up to the stage allowing for the implementation of all the key services/ products, and
- Seek strategic partners interested in a purchase, or in strategic cooperation.

The activities foreseen were included in the Strategic Business Plan of the Intereuropa Group for the period 2010 – 2014.

Implementation of measures

The Managing Board of Intereuropa d.d. immediately started implementing the recovery measures for Intereuropa East Ltd.

- In April 2010 the General Meeting, the company Intereuropa East Ltd. adopted the new Statute by which a Management Board and Supervisory Board consisting of several members were appointed. The Management Board had three members. Two members accountable for Finance and Commercial operations, and all the members of Supervisory Board were appointed from among the experts of the Parent Company.

- The efficient supervision and management of the company Intereuropa East Ltd. contributed to improved operating results:
- Thanks to active marketing, the sales increased, new customers were acquired, and the business results improved;
- Non-profitable services were abandoned, new products were developed,
- Cost management was introduced,
- New organizational structure was established and the number of HR was optimized;

- We checked the possibility for acquiring the status or the customs terminal with the Russian customs authorities, also using the support of political and diplomatic bodies. The acquisition of customs terminal status proved to be unrealistic, as the policy of the Russian Federation since 2005 was to relocate the majority of customs clearance on the state border. The government of Russian Federation decided already in 2005 to reduce the number of local customs checkpoints in major cities and transfer them to the state borders. In 2008 the collegiate body of the Federal Customs Service adopted additional documents on the implementation of that governmental decision. As a result, the Russian Federation reduced the number of customs checkpoints in the Moscow Region from 52 to 19 in the year 2011.

- Since the commencement of the Project, the supervision of construction work was implemented by the general contractor of construction work (General Contractor). The new Managing Board of Intereuropa d.d. appointed a specialized enterprise for professional supervision of construction work on the LC Chekhov. The survey of the site was done in February 2010. The Report listed several deficiencies and major irregularities or defects.

  The existing condition of the facilities was not adequate for efficient marketing and provision of services. Therefore, the Managing Board of Intereuropa d.d. required the General Contractor to put the basic infrastructure in function and complete those facilities or parts that are necessary for marketing of core business (primarily, to finish the warehouses). It further demanded the General Contractor to submit the construction documentation and to address and remedy the complaints. It was agreed with the General Contractor that the work on the facilities that was not needed for the core business (office building, hotel) shall be discontinued.

  The Managing Board pressed on the General Contractor to finish the works that were prerequisite for launching the logistics centre (LC), and also to carry out the work that was paid by the Intereuropa East Ltd. and not finished yet. Accordingly, the General Contractor was doing the necessary works but it did not carry out all the work prepaid that remained unfinished, among which there was the incomplete infrastructure that was essential for the operation of the terminal. As the value of unfinished work exceeded the value of newly performed works, Intereuropa East Ltd. did not pay them. In February 2010 the General Contractor filed a lawsuit for the collection of unpaid services. Intereuropa East Ltd. responded by a counter-action claiming the repayment of the amounts prepaid for the work that was not performed /finished.

Activities in the process of disposal

Based on the Resolutions by the Supervisory Board and of the Strategic plan of the Intereuropa Group for 2010-2014, the Managing Board of Intereuropa d.d. started to deal with the activities aiming to obtain a strategic partner for the company Intereuropa-East Ltd., or a buyer for it respectively.

In the process of disposal, Intereuropa d.d. established contact with various entities, consultants, brokers and real estate agencies.

The demand for, and potential interest in the purchase of real estate within the LC Chekhov were checked through international real estate agencies. Letters were sent to major real estate brokers in Italy, China and Russia. After it became clear that the data on potential investor are collected primarily on the site of the investment that was for sale, connections were established with six major international real estate agencies in Moscow. All the agencies presented their modus operandi and pricelists. All agencies received the brochure with introductory presentation. Two agencies acquired 3 interested parties for the LC Chekhov and visited the site. The communication with potential buyers was conducted through real estate agencies. Other agencies did not find any serious investors to purchase the LC Chekhov, they only passed the contacts of potential customers who were interested in hiring the storage space.

Also the business partners of Intereuropa were addressed to help find potential investors, contacts were made with various national and international consultants and brokers. In Germany, the response of potential investors was checked through the media. Information on the disposal of Intereuropa East Ltd. /LC Chekhov was presented also to representatives of diplomatic and political bodies. Serious potential investors were invited to visit the site of LC Chekhov and received the information that was available/ agreed to be given.

In view of the size of that investment and considering the effect of the sale and a significant influence on the financial stability of the Intereuropa Group, the Managing Board of Intereuropa d.d. decided to hire an experienced professional company, specialized in the sale of companies.

From among the bidders of consultancy services eligible to help find an investor interested in acquiring a shareholding in the company Intereuropa East Ltd., we selected the company MCS, Management Consulting Service GmbH, Vienna (MCS). A contract was signed with MCS on 1 Sep. 2010. MCS undertook an inspection of the company Intereuropa East Ltd. and of the LC Chekhov on the basis of which MSC prepared the information brochure in December 2010. Jointly with the Managing Board of Intereuropa d.d., MCS prepared the Long List of potential investors.

More than 40 potential investors from the logistics and automotive industry were identified, and several real estate agencies, manufacturing enterprises and financial institutions were involved. A letter with the offer and brief information on the Company were sent to potential investors in three cycles, i.e. in December 2010, in January and February 2011. The Information brochure was sent to those interested parties who signed the Confidentiality commitment.

The initial response of potential investors showed that in principle, there existed the interest in the purchase of Intereuropa East Ltd., or of the LC Chekhov respectively. In the meetings during the following months potential investors revealed a variety of modalities of purchase. There was interest in purchasing the entire Intereuropa East Ltd. with all the real property of the LC Chekhov, interest in the purchase of the LC Chekhov only, interest in the purchase of individual parts of the LC Chekhov only, and interest in the purchase of the share held by Intereuropa East Ltd.

More than 90 potential investors were contacted since the sale was started. The documentation was collected by more than 20 interested buyers who had signed the Confidentiality commitment, and more than 15 visited the site of LC Chekhov.

In the follow-up, three potential investors undertook a due diligence on Intereuropa East Ltd. in the second quarter of 2012. Two of them focused their due diligence on the company, and one on a part of real estates – car terminal and a part of the parking lot for trucks. In June 2012 we requested all the serious potential investors to convey their final bid by the end of the month.

The company interested in the purchase of real estates has not filed its bid. A minor Russian company that expressed interest in further negotiations on alternative modalities of the purchase (e.g. management buy-out) deferred its plans until the open issues with the General Contractor are resolved and until the basic infrastructure is provided for.

The Company belonging to an international financial institution was the only one to submit a complete bid for the purchase of the company Intereuropa East Ltd.

4. Operations of Intereuropa East Ltd., during 2007-2012

Sales revenue
EBITDA
Operating result
Financial result
Net profit/loss

v 1000 EUR	2007	2008	2009	2010	2011	Plan 2012	1Q 2012
Prihodki od prodaje	1.331	6.492	5.359	5.112	11.561	13.660	3.590
EBITDA	317	193	-133	-1.019	2.203	3.076	1.567*
Poslovni izid iz poslovanja	-135	-759	-36.706	-34.763	938	1.803	1.231
Izid iz financiranja	-2.564	-7.580	-4.276	2.094	-6.462	-10.316	3.731
Čisti dobiček /Izguba	-2.589	-6.683	-38.555	-32.586	-5.016	-5.359	3.860

*Excluding the transactions that are not directly related to the ordinary business, the following EBITDA and Operating Result values would be achieved in the first quarter 2012:

v 1000 EUR	jan - mar 2012	jan - mar 2011	Index 2012/2011
EBITDA	942	295	319
Izid iz poslovanja	606	-26	-

The performance of Intereuropa East Ltd. has considerably improved in the last few years. The company receives most income from car logistics, in the scope of which it provides storage services and transportation of cars for the key customer. Further revenue comes from storage – rental of storage space, and from international forwarding that is not directly originating from the capacities of the LC. In the first quarter 2012, the static storage capacities and the car terminal were almost fully occupied. There is another risk – arising from the dependence on the key customer, and the volatility in the demand for the services in the scope of car logistics, which is typical of the Russian market.

5. Appraisal of the Logistics Centre Chekhov

Two appraisals were made by renowned international appraisers in the year past.

On 18 August 2011, the real estates of the LC Chekhov were appraised. In the valuation of the real property, the appraiser applied the 'income approach' method. The market value of the real estates of the LC Chekhov appraised by that method came to 72,600 thousand USD (50.5 million EUR)[1], while the liquidation value was appraised at 51,407 thousand USD (35.8 million EUR).

On 12 April 2012, the real estates of the LC Chekhov were appraised for the second time. The appraisal was made at market prices and at liquidation value. The market value of the entire real property came to 72,200 thousand USD (54.9 million EUR)[2], while the liquidation value of the entire real property amounted to 43,300 the USD (32.9 million EUR).
In the light of the importance of the disposal of Intereuropa East Ltd. for a successful financial restructuring of the Parent Company, which is subject to limited time, the Managing Board of

[1] *Calculated under the exchange rates of BS as of 18.08.2011 (1.4369 USD/EUR).*
[2] *Calculated under the exchange rates of BS as of 12.04.2012 (1.3153 USD/EUR).*

Intereuropa d.d. believes that in deciding about the disposal, we need to consider the liquidation value in the appraisals as well.

6. Conclusion

Due to high indebtedness, Intereuropa has been committed to comprehensive negotiations with creditor banks for a longer period of time. At the beginning of 2012 the banks expressed their readiness to address financial restructuring. Current negotiations with the banks have yielded a concept of restructuring that includes disinvestment (also the disposal of Intereuropa East Ltd./ the Logistics Centre Chekhov) and the increase of share capital by new contributions in kind, which stand for the claims receivable of creditor banks from Intereuropa d.d. In the follow-up, the rescheduling of the remaining loan amount would take place in a modality that allows for long-term financial sustainability, along with a quest for strategic partner who would assure development to the Company in the long run. In order to allow for operational implementation of the procedures, Intereuropa d.d. has been granted a grace period for the repayment of principal up to 30 September 2012.

Aiming to sell the company, or the assets of Intereuropa East Ltd., the Managing Board of Intereuropa d.d. started already in 2009 with activities to sell the investment. To accelerate the procedures, the Managing Board of Intereuropa d.d. hired in September 2010 a consultancy specialist in disposal of companies.

Until June 2012, more than 90 potential international investors, both strategic and financial, were contacted through several sales channels. More than 20 signed the Confidentiality commitment and collected the brochure /information on the sale, and more than 15 visited the site. Despite lengthy procedures, there were three due diligence examinations undertaken and completed by the end of June 2012.

Thanks to the measures taken by the management of the Company, the current operations of Intereuropa East Ltd. have greatly improved, however, despite almost full occupancy of the facilities the company cannot service the loans that were raised to build the facility. Also the remaining circumstances (exposure to currency risks, high dependence on one major customer, the volatility of the Russian market, etc.) present a significant risk for further operation of the Company.

In the light of the situation presented herein, the Managing Board and Supervisory Board of Intereuropa d.d. believe that the disposal of investment in Intereuropa East Ltd. is necessary and indispensable, and the minimal price off 45 million EUR is adequate when all the circumstances in which Intereuropa East Ltd is operating are considered.

INTEREUROPA d.d.

PRESIDENT OF
THE SUPERVISORY BOARD
Bruno Korelič

INTEREUROPA d.d.

PRESIDENT OF
THE MANAGING BOARD
Ernest Gortan