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02 Editorial

This summer did not bring much rest and relaxation as was usually the case in the month of August in the past. Numerous business events, coming up one after another since this spring, brought about diversity and changes to our company.

Like most companies, Intereuropa is facing the impacts and consequences of the global economic crisis. In recent months we have recorded a decrease in demand, revenue below the planned level and costs higher than projected. Because of all that the Supervisory Board on behalf of the company's owners decided to appoint new management, which will prepare a program of rehabilitation measures to limit the negative operating factors. This weighty assignment was accepted by Ernest Gortan as President of the Management Board and Marko Jazbec as Deputy President of the Management Board. In the Interglas interview they clearly and directly state that they believe in the market, expert and human resources potential of the Intereuropa Group and that they will do everything in their power to reverse the development indicators upward.

During the summer, at the end of July, the shareholders of Intereuropa met. They elected new members of the Supervisory Board, who are later presented in more detail.

We discussed employee exposure and the method of the company's operations from the employee perspective with the Chairman of the Workers' Council, Mr. Babič. He revealed how employee interests were represented in the past, commented on topical events of the past few months and disclosed the future plans.

What is new in our companies in Montenegro, Macedonia, Bosnia and Herzegovina, Croatia and Russia? In no more than a year the employees

of A.D. Zetatrans developed from forwarding agents into a winning and quickly responding logistics team. We learned from Skopje that a new border agency was opened at the Greek border and from Sarajevo that Intereuropa RTC was included among the 100 most successful companies in Bosnia and Herzegovina. Congratulations! Intereuropa Zagreb held a plenary meeting of the directors of Intereuropa, focusing on the effects of the crisis. Good news was received from Russia about the August record, i.e. the highest number of stored vehicles at the Chekhov terminal so far - 17,000! We commend everyone in the car logistics chain of Intereuropa!

Autumn is normally the time when we decide about actions to secure our quality future. They say that the first step is important for a successful journey. That is why we will reorganise and set up a flatter organisational structure. With fewer decision-making levels we will gain additional flexibility, efficiency and speed in the adoption of decisions. We know that our industry warrants quick adjustment to various operating conditions. That is a fact known and demanded of us also by our customers.

At Intereuropa we have proved numerous times that we are up to it!

Interglas Editorial Office

02 Macedonia

New branch at the Greek border



The Bogorodica border agency has three employees: Milčo Gjurovski, Petar Epov and Viktor Trajkov.

At the Bogorodica (Gevgelija) border crossing with Greece, Intereuropa Skopje d.o.o. opened a new border agency. Thus, Intereuropa comprehensively covers Corridor X between Slovenia and Greece, which enables stronger connections between the cargo transit services of the Group along this corridor.

Owing to the opening of a new border agency, Intereuropa is now present at all major Macedonian border crossings, through which run more than 80% of all goods flows in the country. Besides the Bogorodica border crossing, Intereuropa is also present at the border crossings of Tabanovce on the Serbian border and Blace on the Kosovo border. The agency at the border crossing with Greece is essential chiefly in the area of intercontinental transport, specifically sea freight, as over 90% of maritime transport between the Port of Thessaloniki, Macedonia and Kosovo is routed through this border crossing. Given the aspirations of the Macedonian Customs Administration to carry out import and export customs procedures mainly at borders, we expect a considerable increase in demand for customs services and transit procedures.

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We believe in Intereuropa

Decisive, realistic, direct and co-ordinated were the answers of Ernest Gortan, the new President of the Management Board of Intereuropa d.d. and Marko Jazbec, Deputy President of the Management Board, to Interglas's questions. And that was how they approached the preparation of measures for further development of the Intereuropa Group and thus the first task assigned to the Management Board upon its appointment this June by the Supervisory Board. As the supervisors of the company approved the Programme of Measures of the Management Board of Intereuropa d.d. they gave the green light to the consolidation of group functions and the establishment of bases for improved performance in the year to come. After a one-hour interview, both interviewees each hurried to their talks with business partners and co-workers.

After your appointment three months ago in June, you immediately started with visits and got to know the largest companies of the Group.

Ernest Gortan: We have not yet visited all the companies and that it is something we have to rectify as

the measures for the future development of the Group and the guidelines for the 2010 Annual Plan.

Marko Jazbec: In this period we also focused on our Austrian company, which we sold for strategic reasons. We have to make important visits in Serbia, Montenegro, Macedonia and Kosovo to round out the former Yugoslav territory.



Ernest Gortan, President of the Management Board of Intereuropa d.d.

soon as possible. We have been in Slovenia, Croatia, Bosnia and Herzegovina and Russia. We have met the managements of the Serbian and Ukrainian companies. The initial period was intensive in all respects, so we were pressed for time. In the shortest time possible we plan to visit the other subsidiaries as well. By the end of October we will organise a joint meeting with the managements of all companies in order to present

the revenues of the Intereuropa Group dropped considerably, by almost 30%. Such a drop requires that we adjust to the new conditions. We are trying to adapt in terms of costs and organisation. As far as the economic environment in general is concerned, I agree with the opinion and projections of experts that the crisis will not end so quickly, and that subsequent growth rates will be very low. We should also take into account that when Slovenia joined the European Union, Intereuropa started reorganisation and adaptation to new conditions, which it did not finalise.

What are your first impressions?

Gortan: Good, since possibilities exist of closer mutual co-operation, but we got the impression that in the past we acted more like a group of independent companies than a group concern. This issue represents the content of one of the measures aimed at improved performance. We have to answer the question, as soon as possible, of which group functions need to be consolidated.

What is our potential on the existing markets?

Gortan: Each market is a story of its own. Both Russia and Slovenia, for instance, have specific advantages and problems. In the area of the former Yugoslavia we hold significant shares that should definitely be exploited and developed further. The competition will be ever fiercer and that is what we should be prepared for.

The fact is that in the past six months the revenues of the Intereuropa Group have dropped by almost 30%. Such a drop requires that we adjust to the new conditions.

Being a logistics company, Intereuropa has strongly felt the impact of the recession. What is your estimate of the current situation?

Gortan: The fact is that in the past six months the revenues of the Intereuropa Group dropped considerably, by almost 30%. Such a drop requires that we adjust to the new conditions. We are trying to adapt in terms of costs and organisation. As far as the economic environment in general is concerned, I agree with the opinion and projections of experts that the crisis will not end so quickly, and that subsequent growth rates will be very low. We should also take into account that when Slovenia joined the European Union, Intereuropa started reorganisation and adaptation to new conditions, which it did not finalise.

Do you plan to complete this reorganisation?

Gortan: There are too many decision-making levels in the Group as far as organisation is concerned. We will have to do everything to bring our organisation in line with market requirements and adjust it to the competition.

In this way it will also adjust to sector requirements for dynamic and quick adoption of decisions.

Gortan: That is correct. Flat organisation translates into better communication, fast responsiveness, quicker decisions, and faster adaptation to customer requirements. To this end we will have to alter our organisation and culture. The Group must be customer-oriented.

In recent years, Intereuropa carried out an intensive investment cycle.

Jazbec: Investments have to have realistic bases already when projected. The increase in revenues and added value cannot be achieved by investments alone, but also by productivity and flexible organisation. Such organisation can bring about the streamlining of processes and bring us higher efficiency per unit of

Flat organisation translates into better communication, fast responsiveness, quicker decisions, and faster adaptation to customer requirements.

generated revenue. That will be the key focus of the Management Board. Intereuropa is entering a period of low investment activity. Not only because of the macroeconomic situation, but also because of priorities - higher productivity of business processes in the administrative and operational segment - which brings added value to the Group.

The Moscow-Chekhov logistics centre project is the heaviest investment of Intereuropa. How important is it for the Group today and in the future?

Gortan: It is a fact that this is a large investment, mostly financed by loans and currently still not fully functional. The car terminal is running at full capacity. The demand for this capacity is above average and expectations. In August, the number of stored cars reached 17,000. We also started marketing warehouse capacities. We plan to intensify activities to utilise the capacities, develop the terminal as much as possible and make use of the market opportunities offered by Russia. Intereuropa's Management Board proposed to the Supervisory Board to exploit this investment to the fullest.

Jazbec: The investment in Moscow is strategically important and the Management Board is determined to develop it so as to make use of its advantages and opportunities.



We have already mentioned two important aspects of the measures aimed at improving performance: organisation and investments. Are the organisational changes that you outlined crucial?

Gortan: Organisation influences the expression and creativity of people. The past organisation to a certain extent inhibited this creativity and in some cases resulted in internal competition. I will stress again and probably not for the last time: we should be more focused on the cus-

tomers and activities that bring benefits for the Group.

What else is projected by the Programme of Measures which you have prepared?

Gortan: We will have to act more like a Group and concentrate on the group governance method. We will chiefly develop three group function areas. The first comprises centralised management of the Group's customers. These are the customers who operate in the same markets as Intereuropa, mainly in SE Europe, using the capacities and services of the entire Group. The second is the joint procurement of logistics services and the unification of our approach to suppliers, mainly shipping companies and providers of railway and road transport. The third segment involves the establishment of competitive centres. We will acquire good practice by product at a single location and transfer it on to the subsidiaries. We will also have to review such method of supervision and management of subsidiaries and establish uniform management standards.

What does the group governance method bring?

Jazbec: For a group to function as a group in practice, it has to act like one. Certain strategic functions in administration and the sales-operative segment must be performed daily; they cannot be implemented periodi-

The President of the Management Board, **Ernest Gortan**, was born in 1968 and holds a bachelor's degree in electrical engineering. He graduated from the Faculty of Electronics and Computer Science of the University of Ljubljana and completed the MBA programme at IEDC Brdo pri Kranju.

At first he worked in the area of computer science. In 1998 he started managing marketing projects at Luka Koper, d.d., after which he became the manager of the General Cargo Profit Centre, Executive Director of Marketing and then Assistant General Manager in charge of marketing and logistics. In 2004 and 2005 he was a member of the Supervisory Board of Intereuropa d.d. In 2006 he took the position of President of the Management Board of BTC Terminal Sežana d.d., in charge of crisis management and company rehabilitation. As a sole proprietor he has been active since 2007 in the provision of logistics services and business consultancy on the development of goods management and distribution systems. In 2008 he obtained a master's degree in management at the Bled School of Management.

The Deputy President of the Management Board, **Marko Jazbec**, was born in 1970. He holds a bachelor's degree in economics from the Faculty of Economics of the University of Ljubljana.

He started gaining work experience in the Bank of Slovenia, in the area of central banking. He continued working in banking and finance, having joined SKB Banka, d.d. in 2000, first as a consultant to the Management Board, then as Deputy Executive Director of the Finance Division, Capital Market and Investment Banking Division, and Executive Director of the Commercial Management Division. In 2004 he took the position of Management Board member in charge of finance, accounting and IT at Droga, živilska industrija, d.d., and later became the Executive Director of the same remit. Since mid-2007 he has provided consulting services through his own company in the area of management and organisation of company operations, financial consultancy, controlling, organisation and strategy.



↓
Marko Jazbec, Deputy President of the Management Board of Intereuropa d.d.

cally via supervisory bodies. Intereuropa is large and widespread enough to revive these principles which it has so far not fully introduced in practice. The group governance method requires efficient information support and the Management Board pays special attention to IT. We aim to make the management of the IT redesign project more efficient in forwarding, as its efficiency was decreased due to the consequences of personnel changes in the past. We will do everything in our power to implement the largest module of this program still this year.

How will the measures aimed at improving the Group's performance influence the employees' positions?

Gortan: The entire Group should pursue an economically acceptable cost-to-income ratio. We have to concentrate all our forces on securing our jobs tomorrow.

Jazbec: First we have to strive to boost productivity. On the other hand, some sacrifices for the common good are necessary.

How do you perceive communication within the Group?

Gortan: It is important to have open, transparent relations. We support communication on all levels of the company. In this respect we have no reservations and see no obstacles. Still, the fact is that Intereuropa is a large group with many decision-making levels, as it is dispersed geographically. This could hinder the flow of information. I would also like to stress that the Management Board does not want to be closed, but all employees should make an effort to gain information through their direct superiors. The door to the Management Board will always be open.

What do you expect of this year? What are the plans?

Gortan: Above all, we have to form a new and uniform team and finalise the 2010 Business Plan, which will reflect ambitious, but realistic goals. We would also like to connect the management and employees

new team which will roll its sleeves up high also in sales. Of course, the market situation is as it is - not only for us, but for our rivals as well. However, we are conducting interviews with customers, which have already borne results. Our target is to stabilise the trend in revenues or reverse it upward through planned activities.

who would stand behind this plan and be motivated enough to believe in its realisation. In short, we want to lay the foundations for growth, and growth should follow. When adjusting to the given economic situation we are naturally hindered by the drop in revenues and mostly fixed costs. But it is crucial that we have quickly started introducing measures for cutting costs and increasing sales, which can lead to short-term effects. Work in this area is quite intensive. Through reorganisation we will in the shortest time possible set up a

Highlights from the Programme of Measures of the Management Board with the common goal of stable and profitable operations of Intereuropa d.d. and the Intereuropa Group:

- adjustment of the organisational structure of Group companies by reducing the number of decision-making levels;
- consolidating sales as the central activity of the Group in order to achieve growth in revenues and added value;
- upgrading of sales and establishment of a new team to implement this task;
- strengthening of group functions:
 - by centralised management of key Group customers;
 - by joint procurement of logistics services;
 - by establishing competent knowledge centres;
- business process streamlining;
- slowing down investment activity;
- improving the cost-to-income ratio by boosting productivity and optimising fixed costs.

Jazbec: The Management Board's activities will be oriented towards the objective of detaching ourselves from the recession's bottom in 2010. This year we will provide for the bases, and next year will be more successful.

And now a personal question: why did you decide to take on the management of the Intereuropa Group?

Gortan (laughing): As far as I am concerned, the answer is clear. It is a matter of responsibility to a company that has fed many families and will feed many more, and must also offer the next generations quality jobs. I believe in Intereuropa, otherwise I would not be sitting here.

Jazbec (smiling): For me, the "local patriotism" component was very important. I have been living in Ljubljana for several years, but I am a man of Koper. The likelihood of my accepting a similar assignment in any other part of Slovenia is without a doubt much smaller. On the one hand it is a career challenge and on the other a pure human sense of responsibility. It is hard to reject an invitation to constructively contribute to such an important story.

Shareholders elect new supervisors

On 30 July the shareholders of Intereuropa d.d. held their 20th meeting. Among other things, they decided about the allocation of distributable profit and appointed three new supervisors.

The General Meeting of Shareholders approved the 2008 Annual Report without comments. A resolution was passed by the required majority whereby the distributable profit of Intereuropa d.d. for 2008, totalling EUR 57,990,000, will remain completely undistributed. The said resolution was passed by the shareholders in spite of a counterproposal which was by the prescribed deadline submitted by the shareholder Interfin naložbe, d.d., Koper, saying that part of the profit should be allocated to dividend payout. The shareholders Interfin naložbe, d.d., Koper, VZMD Ljubljana, Adriatic Slovenica d.d. and KD Rastko, delniški sklad, Ljubljana therefore announced a challenging action against the passed resolution. The General Meeting of Shareholders also acknowledged the receipts of the Supervisory Board and Management Board members for their performance of tasks in the past business year. When deciding about the granting of discharge from liability to the Supervisory Board members, a counterproposal by the shareholder Luka Koper, d.d. was adopted, according to which the General Meeting of Shareholders does not approve the work of the Supervisory Board of Intereuropa d.d. and does not grant it a discharge from liability for the 2008 financial year.

The General Meeting of Shareholders also passed a resolution not to grant a discharge from liability to the Management Board of Intereuropa d.d. for its work in the 2008 financial year. The proposal for the amendment to item 6.5. of the Articles of Association based on which the Human Resources Executive should not be in charge of managing the fundamental business areas of the company was not adopted.

Later in the meeting the shareholders acknowledged the resignation of Manja Skernišak from the Supervisory Board and the election of new members. New supervisors of Intereuropa d.d., shareholders' representatives, were appointed for a term of office of four years: Vinko Može, Tadej Tufek, MSc., and Maša Čertalič, MSc. The shareholders also appointed a certified auditing company and acknowledged the report of the Management Board on acquisition of own shares.

Anita Baraba, MSc., Public Relations Department

Presenting the new members of the Supervisory Board of Intereuropa d.d.

Vinko Može, he holds a bachelor's degree in civil engineering. He works as an expert in economics within the Management Board of Aerodrom d.d., Ljubljana. Previously, he occupied the position of the said company's Management Board President. He holds a certificate of qualification for supervisory board and management board member.

Tadej Tufek, MSc., he holds a master's degree in economics and business. He is President of the Management Board of Adria Airways d.d. Before that he was a member of the same company's Management Board in charge of finance. He also worked as Deputy Director of Slovenska odškodninska družba. He holds a certificate of qualification for supervisory board and management board member. On the Supervisory Board of Banka Celje d.d. he occupies the position of Deputy Chairman.

Maša Čertalič, MSc., she holds a master's degree in logistics and transport management and is employed as Head of Research and Development Department at Luka Koper, d.d. She was also a member of development initiatives for transport and logistics activity at the national level, e.g. the Transport-Logistics Cluster, Slovenian Maritime Technological Platform and Government Office for Competition (for the group "Vehicles, Transport and Logistics").

06 Meeting of the Supervisory Board of Intereuropa d.d.

Support of the development programme

At its meeting on 27th August the Supervisory Board of the Group's parent company discussed several documents relevant to the further development of the Group. Among other things, it supported the Programme of Measures of the Management Board of Intereuropa d.d. aimed at enabling the stable and profitable operations of Intereuropa d.d. and the Intereuropa Group.

Bruno Korelič, Chairman of the Supervisory Board of Intereuropa d.d. summarised the content of the meeting: "At its latest session, held on 27 August, the Supervisory Board discussed relevant documents, such as the semi-annual report on the operations of Intereuropa d.d. and the Intereuropa Group, the final study on the economic feasibility of the terminal construction in Moscow, and the Management Board's Programme of Measures for rehabilitation of the Intereuropa Group in compliance with the Supervisory Board's requirements. The documents are inter-related and represent the basis for establishing a programme of measures and stances of the Supervisory Board. The latter fully agreed with the Programme of Measures prepared by the Management Board."

What is the supervisors' opinion of the adopted measures and how will they moni-

tor their implementation? "We assigned the Management Board to consistently implement and upgrade the Programme of Measures, so that by the end of the year all specific measures and their implementation schedule will be determined and incorporated in the strategic plan for the 2010-2014 period. We believe that 2010 will be a pivotal year for the Intereuropa Group, after which the Group should pursue gradual business growth on the basis of new strategic foundations. In this respect we fully supports the Management Board and hopes the employees, the Workers' Council and the trade unions will do the same, as only in this way it will be possible to realise the programme which will in the long run ensure the stable growth and development of the Intereuropa Group. We will regularly monitor the work of the Management Board and the implementation of all necessary measures and, if necessary, conduct additional activities," said Bruno Korelič, presenting the views of the Supervisory Board.

Anita Baraba, MSc.



Intereuropa RTC d.d. among the "100 most successful companies in BiH"


 The respectable magazine "Poslovne novine", which has for a number of years been publishing a list of the top companies in Bosnia and Herzegovina, this year classified our company among the 100 most successful companies in Bosnia and Herzegovina. In spite of the global economic crisis, which affected most companies in Bosnia and Herzegovina, all indicators of Intereuropa RTC d.d. show that it further consolidated its position as the leading logistics service provider in Bosnia and Herzegovina.

This year, "Poslovne novine" selected the top 100 companies in cooperation with the Chamber of the Economy of the Federation of Bosnia

and Herzegovina and the Republic of Srpska. Based on the net profit criterion, Intereuropa RTC d.d. ranks 18th, and in terms of total revenue 110th. Inclusion in the said list represents a good reference, assuring business partners and potential customers of the quality, professionalism and reliability of our company. It also proves that the brave and competent can also succeed in times of crisis.

Nerma Bavčić, Intereuropa RTC d.d.




 In front of the headquarters of Intereuropa RTC d.d. in Sarajevo.

07 Croatia

Measures adopted for managing crisis


How to confront the effects of the global crisis, the drop in imports and exports and the decreased demand for all logistics services on the Croatian market? These were the main topics discussed at the 6th Directors Meeting of Intereuropa, logističke usluge, d.o.o., which took place in Osijek in early July.

The management of the largest Intereuropa subsidiary organised the meeting to examine all business possibilities, adopt suitable measures and outline activities for their implementation. The participants learned about the semi-annual performance results of the company and the financial operating results for the January-May 2009 period.

They did a thorough analysis of operations by product and explored the possibilities for cutting costs and increasing productivity. They analysed the situation on the Croatian market, characterised by smaller demand for logistics services and decreased demand and supply in general. In their estimate, the company has been successfully confronting the prob-

lems in the business environment. They passed resolutions and approved guidelines for improving sales and financial results in the future.

Sanja Vukman, Intereuropa d.o.o., Zagreb




 The meeting was concluded with a tour of the national park, where the participants posed for a photo.



At the largest exhibition in the region

For the second consecutive year, Intereuropa presented itself at the key international logistics event in Russia - the 14th International Transport and Logistics Trade Exhibition TransRussia 2009 in Moscow. The Slovenian Minister of Transport, Dr. Patrik Vlačič, was among those who visited our exhibition stand.

whose excellent geographical location enables it to function as a logistics platform for Central and Eastern Europe. The exhibition hosted about 500 companies from 33 countries. The number of exhibitors has been growing from year to year.

Tjaša Volf, Marketing and Development Department

The exhibition, taking place between 21 and 24 April, is the biggest international transport and logistics event in Russia and the neighbouring countries. It represents an excellent opportunity to form new partnerships and strengthen the existing ones with companies operating or aspiring to operate in the Russian market. On this occasion, business contacts were established by the representatives of Intereuropa d.d., Intereuropa-East d.o.o., Intereuropa-FLG d.o.o., and Intereuropa, d.o.o., Zagreb. The participation at the exhibition was organised by the Marketing and Development Department.

This year's event was also attended by the Slovenian Minister of Transport, Dr. Patrik Vlačič, who visited our stand. At the official opening of the exhibition, those present were addressed by Igor Levitin, Minister of Transport of the Russian Federation. Dr. Patrik Vlačič was an honorary speaker. He stressed the promising development opportunities of Slovenia,



Intereuropa was the only international group based in Slovenia which participated at TransRussia 2009.



Interagent awarded the FONASBA Certificate

Interagent, pomorska agencija d.o.o., Koper has once again confirmed that it performs services according to the highest standards of shipping agency operations.

The awarded FONASBA Quality Certificate is an important reference for existing and potential customers. Namely, it guarantees them that they are co-operating with a shipping agency which is a member of a respectable international association and operates according to the internationally prescribed performance quality criteria applying to shipping agents.

FONASBA is a central global federation of ship brokers and agents based in London. It provides for the development of shipping agents and standardisation and also establishes the code of business of the shipping profession, organises conferences and issues publications. In 2007, the federation introduced



Interagent d.o.o. was awarded the international FONASBA Quality Certificate at a ceremony held by the Slovenian Ship and Freight Agents Association in May.

its quality certificate. Interagent d.o.o. was among the first shipping agencies in Slovenia to acquire it.

Borut Maraž, Public Relations Department

First meeting of the new Supervisory Board

On 15th July, Zagreb hosted the first meeting of the Supervisory Board of Intereuropa, logističke usluge, d.o.o. in its new composition.

Ernest Gortan was appointed Chairman and Marko Jazbec Deputy Chairman of the Supervisory Board. The third member is Željko Šalić, workers' representative. The meeting included an analysis of the semi-annual sales and financial results. Afterwards the participants visited the warehouses and offices of the company in Zagreb, Samobor and Varaždin.

"I believe that the efforts of employees to adjust to the current situation will be effective. At the same time we have been preparing for yet another challenge, namely Croatia's accession to the European Union," said Ernest Gortan, President of the Management Board of Intereuropa, d.d.



Visiting the Samobor logistics centre

09 Bosnia and Herzegovina

Positive assessment of the performance

At its July meeting, the Supervisory Board of Intereuropa RTC d.d. examined the report on the company's operations in the first six months of this year. It assessed that in spite of the impact of the global financial crisis, the company successfully concluded the first six months and could achieve even better results in the second half of the year. The performance of the company was also acknowledged by the President of the Management Board of the Intereuropa Group, Ernest Gortan, and his deputy, Marko Jazbec, during their visit to Sarajevo.

In the opinion of the supervisors, the company's Management Board is successfully managing all aspects

of costs. The Supervisory Board recommends the Management Board to continue in this manner and to harmonise the number of employees with the implemented revenue plan in order to boost productivity. As a result, recruiting will be done in some branches, mainly of sales staff.

The operations of the company were, during the visit to Sarajevo, presented to the new management of the Group by Meho Bavčić, Director of Intereuropa RTC. He highlighted the current business trends, changes in revenue, profit and sales, the number of employees and investments as well as the business and strategic development plans of the company until 2012. He outlined the measures for mitigating the consequences of the financial crisis and underlined the urgency of improved mutual connections on the Group level, especially in sales.

Nerma Bavčić, Intereuropa RTC d.d.

09 Macedonia: 9th Forwarding Agent and Logistics Operator Congress of South-Eastern Europe

The goal is to improve transport connections

At the congress, which took place at the end of May in Ohrid, the participants highlighted mainly the benefits of the existing European Corridor X and the possibilities brought by the planned European Corridor VIII.

Among more than 200 representatives of forwarding and logistics operators from SE Europe were also our representatives from Slovenia, Croatia and Macedonia. Corridor VIII, which will connect the Black Sea and the Adriatic and promote the improvement of road and railway connections in the region, could in the future represent an opportunity for us as well. At present, we are mainly intensifying activities involving the existing Corridor X in Macedonia. Intereuropa can considerably improve the joint presence on the market and its competitiveness in this area.



Among the sponsors was also Intereuropa Skopje d.o.o. Daniela Cvetanovska and Emanuel Janevski made sure useful information about Intereuropa was provided at the venue.



To protect the employees' interests

This year has been quite busy for the members of the Workers' Council of Intereuropa d.d. as they have fulfilled most of the set goals. Among the most prominent are the signing of the new collective agreement and employee profit-sharing agreement. It also actively participated in the solving of other company-related issues. According to the Chairman of the Workers' Council, Maksimilijan Babič, they will actively focus on the announced company reorganisation and other changes. He expects that they will co-operate constructively and well with the Management Board of the company.

Only through such engagement can the Workers' Council successfully represent the interests of the employees, which is its fundamental task and the basis of all other duties and competences, said Mr. Babič with conviction. The members meet at least once a month so they can solve problems as they arise and work on their and their employees' initiatives. Usually the workload is somewhat smaller during the holidays, but not this year.

How did the Workers' Council operate this year, and what were its main activities and achievements?

I can assess the Workers' Council's operations as successful. We have achieved quite a few set goals, for instance the new collective agreement and employee profit-sharing agreement. We also took part in other topical issues related to the company's operations.

The Workers' Council at all times consistently followed all topical issues, discussing and solving them at meetings and trying to obtain responses from the competent staff. In my estimate, we gained replies to most of our questions, whereas we are still waiting for the answers of the competent staff and agreements with the new Management Board regarding some of our initiatives. The Workers' Council at the same time continuously pointed out that things were no longer going in the right direction. Our three representatives on the Supervisory Board highlighted the problems related to the construction of the new centre in Russia, but unfortunately, these warnings most often did not elicit a positive response from the shareholders' representatives. But the fact is that our representatives have a limited impact in this respect.

At present, the Workers' Council has 14 members, as one was an employee of the Airfreight and UPS Branch. Are you preparing by-elections?

Given the specifics of our work, we think it is reasonable to have an airfreight representative in the Council. The Workers' Council will soon decide whether the airfreight department will be independent or represented through another department.

A Human Resources Executive is at the same time a member of the Management Board, which is why conflicts of interest arise.

We had been considering a vote of no confidence since



Maksimilijan Babič, Chairman of the Workers' Council of Intereuropa d.d.

the end of last year, as we believed that the Human Resources Executive was objectively responsible for some non-implemented activities. It is true that some initiatives benefiting the employees were realised during her term of office, but they were in all cases the result of the Workers' Council's or the Trade Union's operations. There was no instance of the Human Resources Executive proposing certain activities to the benefit of the employees. The Supervisory Board's proposal on dismissal merely triggered a matter that has been developing for a long time.

Do you intend to propose a new Human Resources Executive?

We do not know that yet. We believe that the position of Human Resources Executive is not suitable. A Human Resources Executive is at the same time a member of the Management Board, which is why conflicts of interest arise. We have often proposed that the Articles of Association be amended and the two functions separated, but the General Meeting of Shareholders did not approve such proposal. We are thinking about not appointing a new Human Resources Executive as long as this function remains the same. Even though we are currently in a stringent situation, we estimate it would be unreasonable if the new Human Resources Executive operated as the last one did, because we have no benefit from it. Even we can do more than that.

How have you been co-operating with the new Management Board of the parent company and what does the Workers' Council expect from it?

So far, co-operation has been very correct. Both members of the Management

Board upon taking up the position said they wanted to meet the members of the Workers' Council, which also happened. We want to be informed in due time about the issues concerning the employees and which are by law subject to employee co-management. We want to actually be included in such issues. We expect that before certain decisions are adopted, the Management Board will solicit our opinion and invite us to participate, as this is the essence of our operation – aligning issues before a final decision is made. Namely, the Council members come directly from the environment where things happen daily and we are familiar with operations. We want to properly function as a Workers' Council, but we do not want to assume the role of a trade union.

What is your actual negotiating power as regards the Management Board's decisions?

It is actually pointless to talk about negotiating power. We operate within the law, which on the one hand gives us negotiating power and on the other hand limits us. It is mainly about the concern that the employees' interests are indeed protected and that their rights are not violated. In light of this we try to agree and not negotiate with the Management Board; negotiation is the task of the Trade Union. We strive to ensure that the employees' interests are respected, for instance compliance with the collective agreement. We operate to the benefit of the company and the employees, because everybody's goal is for the company to operate successfully.

How will the Workers' Council operate in the coming months? What are your plans?

In our opinion the events until the end of the year will

Composition of the Workers' Council of Intereuropa d.d.

- The Workers' Council of Intereuropa d.d. has 15 members (currently only 14).
- The term of office of the Workers' Council is 4 years and it has been active for 2 years in its present composition.
- Members are elected according to the Rules of Procedure, which specifically define the business units from which the members are elected, the number of members from specific units, etc.

Who can the employees turn to?

The employees can refer directly to their representative, the Chairman or his deputy or the Workers' Council.

List of representatives:

Maksimilijan Babič, Border Clearance Branch, Chairman of the WC; **Nevija Pečar**, Koper Branch, Deputy Chairperson of the WC; **Milica Trančar**, Koper Branch; **Igor Mavrič**, Sežana Branch, Vrtojba; **Branko Rednak**, Ljubljana Branch (logistics solutions); **Ljubo Kobale**, Maribor Branch (land transport); **Zlatka Čretnik**, Celje Branch; **Rudi Kmecl**, Celje Branch; **Tjaša Benčina**, Departments; **Tanja Pujac**, Departments; **Sebastijan Žvikart**, Dravograd Branch; **Branko Tosič**, Jesenice Branch; **Irena Roškar**, Maribor Branch (logistics solutions); **Peter Kampijut**, Ljubljana Branch (land transport).

be very diverse, because of the approaching reorganisation if nothing else. Many changes and obligations are nearing, for which we have to thoroughly prepare. Of course, a lot depends on the owners' decisions.

How will the Workers' Council represent the employees in the future?

We are in direct contact with the Management Board and we therefore expect that the Management Board will invite us to co-operate and take our opinions into account. We have sufficient experience to help. By the end of the year the Workers' Council will undoubtedly meet more frequently than so far. I think it crucial that we get through this year. If we do this successfully, it will be easier, since the crisis will somewhat subside. I can convey to the employees and the Management Board only the well-known message: it is worth the effort to rescue the company from the current situation. All of us, each to the best of his or her ability, should try to preserve jobs so we will not fear for them tomorrow.

11 Germany: The Transport Logistic exhibition

Positive signs for logistics companies

By presenting ourselves at the Transport Logistic exhibition, which was held in Munich in May, we seized the excellent opportunity to boost our visibility on the German market. This year's 12th international exhibition broke the record, both in terms of the number of visitors (47,500) and the number of exhibitors. Such interest is a positive sign for transport and logistics companies, in spite of the current unfavourable market situation.

We strive to make ourselves visible on the German market as a group operating in 13 countries in the European Union and the Balkan region, boasting professionalism, experience, flexibility and knowledge of the local environments. Therefore, these elements were the focus of our presentation at this year's exhibition. The teams of Intereuropa d.d. and Intereuropa Transport & Spedition GmbH were active every day at the exhibition stand. Subsidiaries of the Group - Intereuropa-East d.o.o. Moscow, Intereuropa, logističke usluge, d.o.o., Zagreb and Intereuropa RTC d.d., Sarajevo – were presented on a daily basis as well. The directors of

Intereuropa-FLG d.o.o., TFC Zahidtransservice Ukraine and Intereuropa Transport d.o.o. took part in forming new connections and concluding new business deals. We were very satisfied with our presentation at the exhibition. The location of our stand was excellent and attracted numerous visitors throughout the exhibition. The representatives of Intereuropa met with many existing and potential customers interested in all our products, the service range of various business areas, and, last but not least, in co-operating with subsidiaries of the Intereuropa Group.



Vesna Bertok,
Marketing and Development Department

Noted downward trend in economic activity

The first half of 2009 brought a significant drop in goods flows and consequently the volume of orders to Intereuropa and other logistics companies. In this period Intereuropa recorded 27% or EUR 96.8 million less of net sales revenue than in the respective period of 2008. The major deviations from the plans were seen in land transport and car logistics (intercontinental transport).

Operations of the Group and Intereuropa d.d.

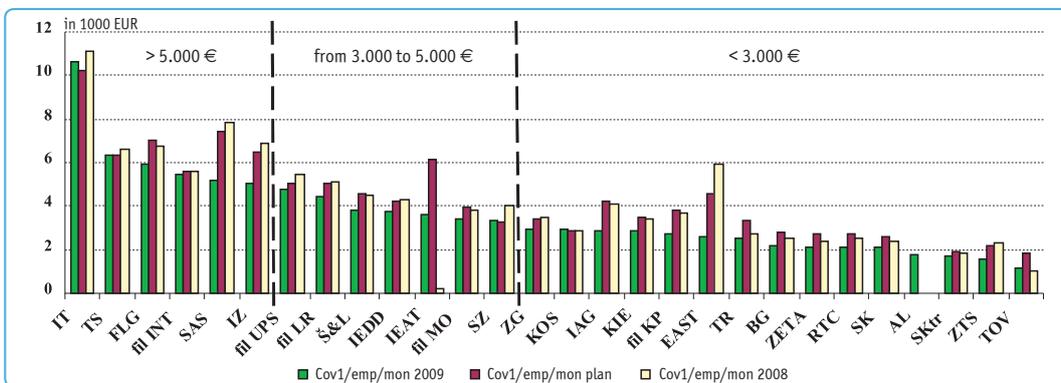
A decrease in sales is also faced by the parent company Intereuropa d.d., which generated EUR 52.2 million in net sales revenues or 29% less than planned and below last year's figure. The Group concluded the year with an operating loss of EUR 0.9 million and EUR 3.1 million in net loss, whereas the parent company recorded an operating loss of EUR 2.1

million and net profit of EUR 1.2 million. The latter was also due to the sale of the UPS Branch.

Outlook

In the second half of the year the economic situation and consequently the sales results of the Group are not expected to improve significantly. Thus, all efforts in the second half of the year will have to be focused on adjustment of costs to operating conditions on the market.

Miha Romih, MSc., Head of Controlling



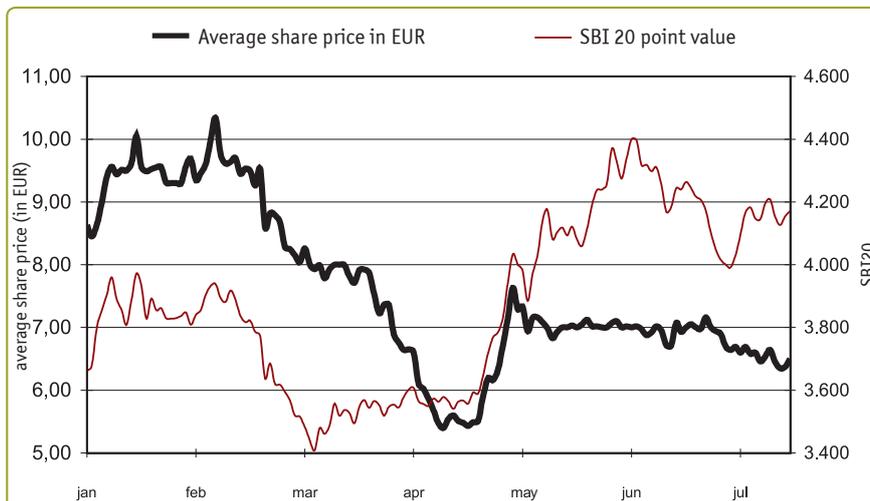
Productivity by Group unit
The table shows the indicator Cov1/emp/mon (productivity), by individual unit of the Intereuropa Group for the January-June 2009 period, determined based on internal benchmarking.

Increased number of shareholders

In the first seven months of 2009, share trading totalled EUR 3 million. The number of IEKG shares traded was 415,486, accounting for 5.3% of the total. The number of shareholders increased.

The IEKG share in the January-July period reached a peak on 11 February at EUR 10.45 and a trough on 16 April at EUR 5.20. In this period it

depreciated by 25.5%, whereas the Slovenian stock exchange index SBI20 grew by 12.9%. On the last day of July, the ownership structure of Intereuropa d.d. remained more or less the same compared to 31 December 2008, however, the number of shareholders increased. As at that day, 6,449 shareholders were registered in the Shareholder Register, which is 372 more than as at the last day of last year.



At the 20th General Meeting of Shareholders of Intereuropa d.d., which was held on 30 July, the shareholders passed a resolution not to distribute any of the 2008 distributable profit, which means that the dividend for 2008 will not be paid. This decision was due to the economic recession and the related steep drop in the volume of orders and the cash flow of the Group.

Milena Kalc, Finance Department

Movement in the Intereuropa share price and the Slovenian stock exchange index in the period between 5 January and 31 July 2009



Successful transformation into a dynamic logistics team

In a good year and a half since joining the Intereuropa Group, A.D. Zetatrans, Podgorica has gone through numerous changes. New products were introduced and service quality significantly improved. The company recruited new experts, trained employees and restructured operations. What was once predominantly a forwarding company has developed into a lively and ambitious logistics team, which puts to good use the solid practice, knowledge and experience of the Intereuropa Group.

↙ The crisis did slow down the development of A.D. Zetatrans and its restructuring, but on the other hand, the measures introduced last year enabled us to prepare for the crisis quite well. "We gradually reduced the number of employees and consequently labour costs, went through all expenses with a fine-toothed comb and secured more favourable conditions with suppliers. Moreover, we upgraded the infrastructure and equipment,

Director of the company. As the company was operating successfully last year, it has been efficiently by-passing the obstacles brought by the crisis year.

The management systematically started streamlining costs immediately after a stake was acquired in this company, which bore results when the crisis deepened. Cost control is one of the main elements of success in these times. Anton Turk explained: "Working processes can be optimised only to a certain point. Warehouse operations, for instance, warrant a change of customer



↙ *The team of the Podgorica Branch in charge of groupage, road and sea freight.*

even though the investments were limited to those that were absolutely necessary," said **Anton Turk**, Executive

structure, which is an unrealistic expectation during the crisis. Nevertheless, the effect of the measures is evident. A suitable system was established for controlling and supervising cost categories at the management level. The share of expenses is very low compared to other associated companies in the Group."

Intereuropa, d.d. took over the management of A.D. Zetatrans in January 2008 as the majority owner, holding a 67% stake. The company was founded as OOUR Zetatrans in 1973. Today it is the largest Montenegrin company engaged in forwarding and the only provider of comprehensive logistics services. In 2008, it generated EUR 7.4 million and EUR 1.6 million of total revenue and net profit, respectively.

Fast and successful human resources transformation

"One of the primary tasks of the management was to reorganise human resources. As the average employee age was rather high, we recruited 15

Just before we wrapped up work within the editorial team, we learned that Anton Turk was appointed as the Assistant to the Management Board member in charge of forwarding and logistics at Intereuropa d.d.



Our customs truck terminal is the only one in Podgorica. More than 200 vehicles go through customs there daily.

young and qualified employees. Special attention was devoted to employee training," explained Anton Turk about the first steps. "The employees gained knowledge in the parent company in Slovenia and Croatia, as well as at numerous in-house workshops managed by colleagues from Zetatrans and other companies of Intereuropa. We provided off-the-job computer training as well. In order to improve knowledge of foreign languages, we organised classes for more promising staff, whereas new employees were recruited based on their language skills."

The transformation was gradual, without redundancies. By this September the number of employees dropped from 191 to 172. "The most important

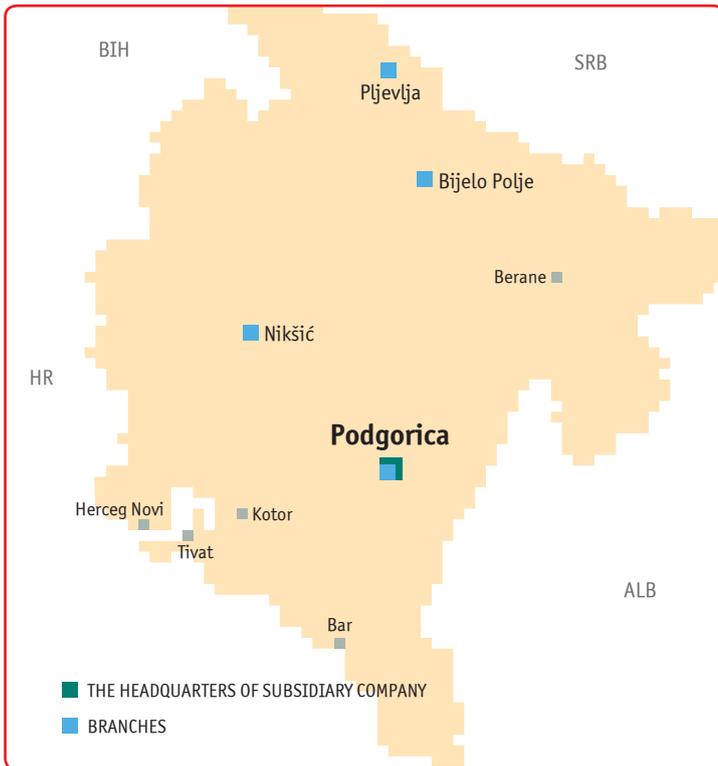
thing is that the staff was rejuvenated and better equipped for introducing new products and boosting the quality of our services. This is a precondition for more aggressive sales and marketing," stressed Turk, perceiving as the greatest success of the management team the fact that within no more than a year it succeeded in transforming the employees, through all the abovementioned measures, into a winning, quickly responding logistics team whose rise has only just begun.

Product range extended so as to include all Intereuropa products

The Zetatrans product range today includes all products from Intereuropa's array. The company disposes with the necessary infrastructural facilities and a new delivery vehicle fleet. "Warehouses were modernised by the installation of hydraulic lift platforms, electrical rolling doors and the purchase of new forklifts to be used in containers. Furthermore, we revamped the abandoned siding next to the warehouse complex in Podgorica and thus added railway transport to our service range. The unit in



The central warehouse complex in Podgorica covers 17,000 m² of warehouses, whereas public and customs warehouses on all locations cover over 18,000 m² of indoor premises.



Besides the Management Board, i.e. General Direction, which operates in Podgorica, the company boasts 4 branch offices (Podgorica, Kotor, Nikšić and Bijelo Polje), which include branches (Bar, Pljevlja, Cetinje, etc.) and border agencies. Except for Šćepan Polje, where we cannot be present due to traffic restrictions, we operate at all Montenegrin border crossings: Debeli Brijeg (Croatia), Iliño Brdo and Vračenovci (Bosnia and Herzegovina), Ranče, Metaljka, Dračenovac and Dobrakovo (Serbia), Kula (Kosovo) and Bozaj (Albania).

in Jesenice, Sarajevo and Belgrade, and supplemented by delivery in the territory of Montenegro.

The crisis slows down investments

The expansion of the global crisis slowed down the development and investment plans, particularly the construction of logistics centres outside urban centres. The proceeds from the sale of unsuitable offices in city centres and other non-productive real estate are planned to be allocated to these investments. "This is one of the basic, but also logical development orientations. In the Nikšić industrial district we bought 21,000 m² of land, where we plan to set up a small logistics centre. The Kotor Branch Office will have to be relocated from the city centre to the Tivat industrial district, where we plan to buy a factory hall and make it fit for use. At Ćemovsko polje in Podgorica we have land suitable for a modern logistics centre," explained Anton Turk.

Profit expected in spite of difficult operating situation

The economic environment in Montenegro is definitely not among the flourishing. The economy is predominantly import-oriented and the main development driver is still the national budget, however, receivables are collected with a delay. This results in the chronic illiquidity of companies, the going-under of the former socialist giants, non-payment of salaries, strikes and labour disturbance. It is not simple to operate and be successful in Montenegro. Zetatrans therefore pays the most attention and increasingly more time to the collection of receivables and company liquidity. Receivables are recovered mainly through chain compensations, re-sale of the products of the company's customers and, as the last resort, voucher payments.

"In our opinion the company has been operating very successfully, given the circumstances, even though it did not achieve the planned targets. This year we aim to generate more than one million euros in profit. By selling redundant capacities and investing profit arising from current operations we can realise the planned investments by ourselves,"

Bar was fitted for maritime logistics. Together with air-freight units at the Podgorica and Tivat airports, it comprises intercontinental transport," Turk said, listing the new assets. In addition, border clearance and customs representation services were upgraded by road transport. Groupage lines were connected with the branches

said Anton Turk, Executive Director, with conviction.

Our development concept, according to which Montenegro would become a unique regional distribution centre for a large part of the Balkan region, with connections in eastern Bosnia, Serbia, Kosovo, Macedonia and Northern Albania, is becoming a reality. With efficient connections and exploitation of synergies between Group companies it has a good chance of succeeding.



In Podgorica warehouse capacities also comprise cold storage for temperature regimes to -20 °C and zero regime (see photo), as well as underground fuel tanks holding up to 2 million litres.

Project Office support contributes to successful project implementation

Intereuropa IT's Project Office incorporates project management in the parent company and at the Group level. Through diverse assistance in the application of project management procedures we strive to contribute as much as possible to the realisation of Intereuropa's business strategy.

Every incentive in the search for solutions that improve the possibilities of timely and successful completion of projects is undoubtedly important in the current situation. Project Office's support to project implementation involves activities from assistance in filling in forms to the implementation of project management procedures. During project implementation it performs administrative work, e.g. managing the central project documentation archive and collecting data about project progress. Upon completion, it sees to it that the experience acquired in the project is recorded and archived as a component of the company's assets. It also provides for training on project management, co-ordinates projects and prepares various complex reports. The advantages of Project Office were evident during project audits and various personnel changes, in which case Project Office enabled a smooth auditing process, and facilitated and accelerated the induction of new personnel in the project.

Project management standardised as well

The in-house project management methodology, which was created based on project work experience and by taking into account the American PMBOK Guide, represents a useful tool in project implementation. In practice it often happens that projects fail; for instance, the set deadlines, costs and quality of results are not met. Successful project implementation warrants a project management plan. As the Americans say: "You cannot do what you cannot plan." Among other things, the plan contains answers to project managers' questions: "How will I manage the scope of the project, deadlines and costs?" It reflects the expectations of the widest circle of stakeholders and represents a basis for managing project changes.

Changes are a problem only if they are not managed

The project manager must be given the power and authority to implement the project according to the plan. Anyone who has ever participated in a project knows that changes are an integral part. They develop into a problem only if not managed. Therefore, every change should be analysed, and it is necessary to determine its influence on the project's goals and scope, deadlines, costs, quality, risks and user satisfaction with project outputs. Decisions about changes should consider the results of such analysis and project goals should be adjusted accordingly. Project success also depends on sponsors who provide the necessary financial and human resources, and protect project goals from external influences, which are usually in conflict with the project's goals.

Preservation of experience is of particular importance

The PMBOK Guide puts great emphasis on capturing the experience

The administrator of the American PMBOK Guide is the Project Management Institute. The Guide comprises nine knowledge areas that a project manager must master in order to successfully manage projects. These areas are scope management, time management, cost management, quality management, risk management, procurement management, human resources management and communications management. The PMBOK Guide particularly emphasises the integration between all knowledge areas in a project. It highlights that project management greatly increases the probability of project goals and therefore company success being achieved.

acquired during projects, which is difficult to put into practice. This experience entails the knowledge as to which actions within a project were correct, which were wrong and what could have been done differently. It also covers the causes of problems and summarises the consideration involved in the implementation of corrective measures. Documented experience becomes an important source of information for new projects and thus represents a relevant component of the company's assets. Intereuropa's Project Office has therefore been creating a project experience base, at the same time promoting compliance with project management principles from the very start of project preparation. By consistently adhering to these principles, we will be more successful in project implementation and consequently in our and the company's development.

Jana Barba, MSc., PMP

The author of this article, Jana Barba, actively participated in the introduction of project management at Intereuropa. She is the manager of Intereuropa IT's Project Office and performs various project management tasks involved in the projects for the computerisation of operations. Last year, she completed post-graduate studies in this field and this year obtained the PMP (Project Management Professional) certificate, which is issued by the Project Management Institute based on a successfully passed exam.



Project Office has been establishing a database of project experience.



Express to Krk, Cres and Lošinj

To our colleagues in Croatian coastal towns, the tourist season brings a greater workload in the area of shipment distribution to islands. In spite of numerous special features, the work is performed properly and professionally. In the summer we visited the Rijeka branch, spending a workday with Intereuropa Express in the Kvarner Gulf. We could see up close that our drivers always find a way to deliver a shipment even to the most distant recipient quickly and without problems.



↓ Driver's view of the idyllic Kvarner Gulf.

Starting early

Still in the middle of the night, slightly before 4 a.m., **Mirko Miličević**, driving a loaded truck, met us in Rijeka. After hellos we sat in the driver's cab, as we had to catch the first ferry. Just before sunrise, Mirko explained that he had prepared shipments for more than 30 customers the night before.

Like most other driver colleagues, he drives on a more or less routine route. "I drive to the islands twice a week and on other days I usually distribute shipments in Rijeka. Most customers, nearly 90%, are regulars. I know their habits well. I know when they have lunch, when they expect the goods and when they need the goods delivered. I try to adjust to their schedule as much as possible. Still, our job is far from monotonous and routine. Something new and special happens on the road every day," said Mirko, continuing a few moments later: "I forgot to suggest that we drink coffee on the ferry. We have almost half an hour then."

We agreed and through the truck's windshield observed

the illuminated, but still fast asleep city of Rijeka. Passing the little town of Bakar, we approached the island of Krk, to which Intereuropa Express delivers shipments every day from Rijeka by truck and van. This time we will only transit through Krk, as we are headed for the island of Cres and the final destination of Lošinj.

There is a solution for every shipment

In the morning light we were among the first waiting for the ferry. We took a walk along the coast, stretched our legs quickly and soon afterwards enjoyed the promised morning coffee on the ferry. During the sailing, Mirko explained that most of "his" shipments in the tourist season were

In recent years we have developed well the door-to-door delivery service of Intereuropa Express in Croatia. Professionalism, a sophisticated IT system and many years' experience in logistics enable the tracking of shipments throughout their journey from the sender to the addressee. We offer numerous other services to our customers (packaging, labelling, palletising, etc.) and transport shipments of any weight and under customs supervision.



In the morning light we were among the first waiting for the ferry.

destined for various tourist camps and more or less regular customers in the town of Mali Lošinj.

"But there are always exceptions. This time one shipment is to be delivered to the island of Susak. This could be a problem, since I might have to wait an hour or more for one package to be picked up. But we agreed with the customer to leave the package at a sweetshop in Mali Lošinj. This way, both us and the customer are happy," said Mirko and continued: "A few weeks ago I had a special cargo, a huge water tank that was to be delivered to Ilovik. The customer was waiting for me on a boat already in the port. We loaded the tank onto the boat and it journeyed further. The packages are very diverse, as are the methods in which they are picked up. We transport items from the smallest packages to large cargo such as the previously mentioned tank. We deliver to Cres and Lošinj on Mondays and Thursdays and to the island of Rab on Tuesdays and Fridays. We transport shipments to all the major islands on a daily basis. We strive to pick up



Shipment delivery to the Kovačine camp.



To ensure undisturbed island delivery, we install a ramp for our truck fleet in the summer.

and deliver shipments within 24 hours on any day of the year, also to the islands."

Then followed a short break, during which Mirko greeted the trucks driving opposite by traditional flashing of the headlights. "The first one transports and delivers bread and the second one ice cream. We meet on the road every day," explained Mirko knowingly.

When we arrived at the Kovačine camp on the island of Cres and delivered the first shipment, our host explained in detail how packages are delivered. The goods are scanned by a scanner at the warehouse, when they are picked up and again upon delivery. Thus, the customers can track a package online simply and efficiently. They know exactly where a package is at a given time and when to expect it delivered.

Only a few moments later we were leaving the camp, made a few deliveries on the island and in the town of

Cres, and were nearing Lošinj. Crossing the bridge to the island of Lošinj requires considerable driving skills and efficient timing. Namely, the bridge connecting the two islands is lifted at specific times. Then the road traffic stops and for a while various vessels can pass by. Our team was among the last, but we did not need to wait to cross the bridge.

Small traps and specifics of delivery to seaside towns

Mali Lošinj is an ancient, idyllic city on the island of Lošinj. The local climate's beneficiary effect was recognised already in 1892, when Mali Lošinj was declared a climatic health resort. But this idyllic seaside location contains a small logistics trap. Namely, the old part of the town is located at the end of a well-protected semicircular bay. Traffic is strictly prohibited in the old centre of the town. A walk through the picturesque alleys is a special experience for the tourist, but quite something different for delivery service employees.

On this occasion we had to deliver "only" three pallets of packages and under the burning Mediterranean sun transport them to different addresses several hundred metres away. Luckily, Mirko, upon loading, arranged the shipments onto different pallets, which greatly facilitated our work in the town. This was followed by a



↓ Scanning enables constant shipment tracking.

delivery to the new section of the town, the industrial district, and the famous Čikat camp. In the afternoon we completed work in Mali Lošinj and headed back for Cres. We received information from Rijeka that a medical device had to be picked up there and the next day transported to Split for repair.

Next day to Rab

Having travelled more than 300 km, made 30 deliveries and picked up shipments, we were returning to Rijeka



↓ A pallet truck is an invaluable tool in areas closed to traffic.

over the Krk bridge at sunset, filled with magical "express" impressions. The next morning, Mirko was substituting for his colleague and headed for Rab. His colleagues at Express Distribution Department at Rijeka at daybreak saw to it that even during the peak tourist season, all shipments were once again successfully and delivered to locations all over Croatia in a timely fashion.

Intereuropa, logistične usluge d.o.o., Rijeka Branch, including also the Pazin-Istria Branch Office, offers complete logistics services: separate truck transport and groupage, customs clearing, warehousing, express distribution, maritime transport and commissioning.

Express distribution is, in terms of scope and the number of employees, the largest department of the Rijeka Branch, generating about 40% of its revenue.

The manager of the said department, **Marko Germanović**, explains: "Of the total 50 employees in the Rijeka Branch, 20 work in the Express Distribution Department, 8 of whom in the Pazin Branch Office. In delivery, we have partnered up with 10 subcontractors. We cover the whole of Istria, Primorsko-goranska county and a smaller portion of Ličko-Senjska county, along with all the islands in the Kvarner: Krk, Rab, Cres and Lošinj. A particular feature of our operations is without a doubt the considerable increase in deliveries to the islands in the summer months. This requires additional organisational activities. Contrary to the winter, when only vans are used for delivery, we provide for truck distribution in the summer and conduct transport to the islands much more often. Such adjustments enable us to satisfy our customers' needs as best we can also in the summertime.



↓ Part of our »express team« from Rijeka: Martina Knez, Marko Germanović, Marina Paro in Duška Gal.

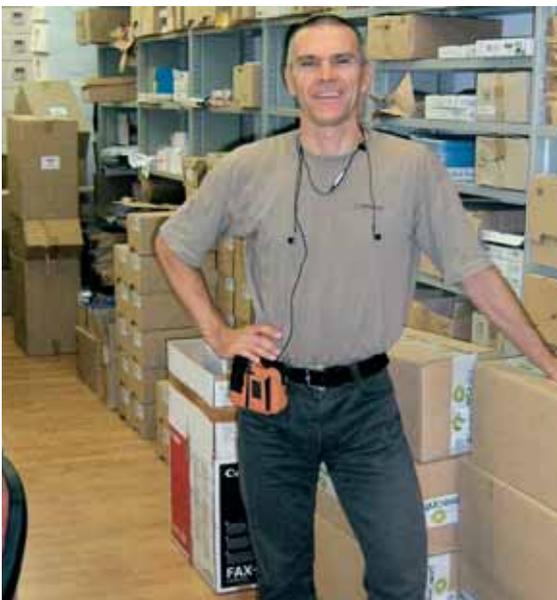
Going to work makes good practice

Cycling from home to work can be a true sports passion. You will think: "You must be joking." Our colleague Vedran Pribilović from Zagreb, a sports fan and cycling competitor, only smiles when hearing those words.

He says that he is happy to make use of the 24-kilometre route from home to office and back for practice. For the last 14 years, ever since he started working for Intereuropa, he has been riding his bicycle every day to the headquarters of Intereuropa in Zagreb, on Josip Lončar Street. Yes, 12 kilometres one way.

Member of the national champions' team

The co-workers of Vedran Pribilović from Intereuropa, logističke usluge, d.o.o. know him to be a hard-working manager of the Supply Office, who together with his colleagues makes sure that the employees are provided all the supplies they need in due time. Many also know of his cycling passion. He is not merely a recreational cyclist, but a successful racer at the national level. "My personal best is 7th place at the national time-trial in the Elite category, where I compete with my senior licence. Our club team won the national 4,000-m track cycling championship," said Vedran, adding that he is old enough to be a veteran. "Namely, I was born in 1958," he says, laughing wholeheartedly. In the senior category he competes against cyclists more than twenty years younger, as this is an over-23 category. "My cycling buddies have for a long time encouraged me to take part in the world veterans championship, so I have started with preparations. I hope our company will support me," he said, explaining his future competition plans.



Vedran at his work post in the Supply Office of the Intereuropa, logističke usluge, d.o.o.



His arrival at work every morning.

Sport as a way of life

Vedran is an athlete by conviction. Sport has always been his way of life. He takes care of his health in all respects; he does not smoke or drink and has been a vegetarian for over 20 years. "Sport has always kept me going. I cannot imagine my life without it. I did not start with active cycling until I was 30. Before that I played table tennis and competed in Alpine skiing. This was at the time of Bojan Križaj, when skiing in Croatia was a rather exotic sport. I was also the Croatian Republic champion and participated in international races." Now, he has up to a three-hour cycling practice every day, and on Saturdays and Sundays almost twice as much. During the weekends he is usually competing - either on the track or on the road. He points out that he sponsors himself. "In that respect I am persistent to the very end." Sport really means a lot to him, but even more important is his 13-year old daughter, whom he spends as much time with as possible.

Leaving younger professionals behind

Does he go on vacation by bicycle? "In the past I often rode to the sea on my bicycle, but not any more. My great achievement was 10 years ago, when I travelled by bicycle 600 km from Zagreb to Dubrovnik in 20 sleepless hours. Anyhow, I consider it a great success that at last year's national championship I outraced some professional cyclists." We have no doubt that he will outpace more in the future. Good luck!



"Conquering" Velika planina



↓ The employees of the Groupage-East Department enjoyed a wonderful day on Velika planina.

↘ When? Saturday at 9 a.m. Where to? Velika planina. Where? Where, did you say? Where do we meet? What kind of a question is that? In front of Intereuropa, of course! That was how the employees of the Groupage-East Department headed from Ljubljana for a trip.

And meet we did. There were fewer of us than expected, but that did not matter. We drove from Ljubljana to Kamnik and then towards the Črnivec Pass. Slightly before the top we turned left and drove for several minutes, until we reached the diner Okrepčevalnica Kranjski Rak. We parked there and hit the hill towards Velika planina.

The path ascended steeply, but we were full of energy thanks to goodwill, laughter and the beautiful nature. Emerging from the forest we saw the first alpine cottages typical of Velika planina. We were eager to reach the first cottage and regain our strength. We started talking, but not about shipments, parties and pallets, as we usually do during the working week. Pleased, we headed further, took a walk over Velika planina and in the late afternoon started descending to the valley. An interesting day, marked by walking and sun, ended with a late lunch.

Jernej Klemen
Groupage-East Department, Ljubljana

21 Koper Branch Picnic

Fun at Intereuropa also after working hours

↘ We really do not need a special reason for being in a good mood and having fun at Intereuropa and it is very pleasing that even the economic crisis cannot affect the sociability of the employees. Colleagues from the Koper Branch this time decided to organise a picnic and party for no particular reason. The decision was made and on 15th July we met at Vanganel near Koper.

As expected, the picnic was a social success - a party with lots of laughter, gaiety and dancing. Intereuropa has always been considered a company with numerous staff and employees who have through years of co-operation and joint effort established special

social and friendly connections. This was confirmed yet again.

The organisers came up with an idea for a very special party. As this year we did not compete in sports at Intereuropiada, the picnic featured a small-scope "trial" Intereuropiada. As befitting logistics personnel, we competed in the discipline "Logistics chain for the Koper Branch Cup". The winner among the four participating teams was "24hours + Customs Warehouse", somewhat strengthened by colleagues from other segments (departments, IT). "In unity lies power," could be the comment on the victory of this mixed team. The winning challenge cup of the Koper Branch - Golden Pallet will until the next "Logistics chain for the Koper Branch Cup" sit in the office of the team leader, Denis Markežič. The runner-up was the team "Container Department" and the third-place contestant was "Ferry + Customs Department". We

later competed in a tug of war, where the best team was "Ferry + Customs Department". After the end of the official "competitive" section, the party naturally continued into the late hours.

Anita Baraba, MSc.
Public Relations
Department



↓ The excellently co-ordinated "Container Department" team.



↓ The joy of the winning team "24hours + Customs Warehouse".

22 Pensioners good luck!

Good luck, Milena!

On Friday, 10 July 2009, **Milena Les** from the Land Transport Branch of the Celje BO was with us at work for the last time. She had worked in the company for no less than 38 years, since 1971, and now has deservedly retired.

Who is Milena? She was the quiet, modest, busy-as-a-bee colleague, who was constantly doing something, carrying something or running from one place to another. She is Milena who had the answers to all our questions and who in 38 years never raised her voice and was always willing to help anyone. She never minded taking home piles of folders for invoicing or staying at work until the late hours, if necessary.

Now that she is leaving to enjoy her retirement, we want to

tell her again that we love her and will truly miss her. Milena, we wish you many small pleasures and thousands of unexpected happy events. We also wish you health and hope you will keep fond memories of us.

Colleagues from the Celje



40 years at Intereuropa

In mid-May, our colleague and friend **Pero Simeunovič** deservedly retired. In long-ago 1968 he started working in the then Intereuropa Koper-Belgrade Branch as a trainee. His eagerness to learn, his knowledge and his selfless work over four decades led to his promotion from administrative officer to Deputy General Manager.

We wish him lots of happiness and pleasant days in retirement.

Colleagues from Intereuropa



A number of employees from the Intercontinental Transport Branch - Koper BO have retired

In the May–August 2009 period, 7 of our colleagues retired. **Vasja Jejčič**, **Marjan Furlan**, **Jadran Frank** and **Agar Gorečan** from external services; **Matija Nusdorfer**, **Marija Živic** and **Elio Mandac** from the customs warehouse; **Vilma Trošt** from COO and **Rada Ugrin** from the Customs Department.

We succeeded in taking a photo only of Vilma Trošt and her colleagues, but we hope all of them will enjoy their new "working environment" and will visit us occasionally, if they can spare the time, of course.

Our Zdenka retires

Our long-standing colleague **Zdenka Kotnik**, manager of the Customs Department in Ljubljana, also retired. Upon departure, her colleagues from the Land Transport Branch - Ljubljana BO wished her a lot of pleasant days in her deserved retirement.

Good luck, Zdenka!



We wish you well, Mitja!

After nearly 35 years at Intereuropa, **Mitja Turk** retired as well. In 1974 he joined the company as a customs declarant – trainee. In his career development he occupied the positions of export officer, senior forwarding officer, independent forwarding officer and office manager. In the past few years he worked as an expert assistant.

In a pleasant atmosphere his colleagues wished him well in his new "position". Since the camera failed, we suggest that the farewell party be organised again.

Mitja, your time with the company has drawn to a close. We want to thank you for your true co-operation and effort towards our shared goals. We wish you well in the future!

Colleagues from the Land Transport Branch - Maribor BO

Car logistics strengthened by new deals

In car logistics we have taken important development steps in recent years, both in terms of organisation and infrastructure. At the Port of Koper we handle no less than 43% of all cars. Our high market share has been additionally consolidated with the winning of a new, 3-year tender for the representation of General Motors at the port.

The new car logistics deal testifies to the high professionalism and flexibility we offer to our customers and our supplier network. In addition to General Motors, we have been co-operating with Hyundai, KIA, Toyota and other brands. Cars are stored in our warehouses in Ljubljana, Belgrade, Podgorica and Chekhov. The Koper-based part of the Group has a very highly developed car logistics department. A professional and relatively young staff manages all car logistics segments, including car transport on the Koper-Eastern Europe route, all the way to Intereuropa's logistics centre in Chekhov.

Customers emphasise their satisfaction with our services

During the July visit of the high representative delegation of GM Central Europe at the registered office of the Group in Koper, GM highlighted its long-standing satisfaction with our services. From among the GM Group companies, we conduct the most business with Chevrolet, which represents a healthy element of the GM Group, having recorded a rise in sales in the demanding Western European market in the first six months of the year. This customer is also a major lessee of our warehouse premises at the Chekhov car terminal, where



At the Chekhov car terminal 17,000 cars were stored in August, the highest number so far.

10,400 of its vehicles, or 60% of the total vehicles at the terminal, are currently stored. The remaining capacity is occupied by KIA, with whom we have been co-operating at this location since June of this year. August witnessed the highest static warehouse occupancy rate of the terminal, i.e. 17,000 vehicles in total.

Good opportunities for car logistics development in the markets of SE Europe

The focus on further development of car logistics is important for the entire Group. Namely, we have good possibilities of establishing this special logistics segment also on the markets where the Intereuropa Group is already present and has constructed its own infrastructure, for instance Serbia, Montenegro and Croatia. Transfer of knowledge, good practice and human resources exchange play a central role in such product development in our subsidiaries.

Dr. Bojan Beškovič
Product Manager for
Intercontinental Transport

