

KONCERN INTEREUROPA

Intereuropa, Globalni logistični servis, delniška družba

***Summary Annual Report
of Intereuropa Group
2005***



Koper, May 2006

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1. Introductory Notes

In accordance with the provisions of the Ljubljana Stock Exchange Rules (Ljubljanska borza d.d.) and the Securities Market Act (ZTVP-1, published in Official Gazette of RS, No. 56/99) the Company INTEREUROPA, d.d., is publishing the Summary of the Annual Report with audited financial statements 2005 for the Intereuropa Group.

The Company INTEREUROPA d.d. has its registered office at Vojkovo nabrežje 32, 6000 Koper.

The Annual Report of the Intereuropa Group for the financial year 2005, incl. the Summary Annual Report, is available at the Company's head-office at Vojkovo nabrežje 32, 6000 Koper, every workday between 08.00 and 14.00. Both the Report and Summary will be published at the Company's web site www.intereuropa.si, from 11 May 2006 onwards.

The Annual Report was endorsed by the Supervisory Board of INTEREUROPA d.d. at its ordinary session on 12 April 2006.

The financial statements of INTEREUROPA d.d. and the consolidated financial statements of the INTEREUROPA GROUP for the financial year 2005 were audited by certified Auditors Deloitte & Touche revizija, d.o.o., Dunajska cesta 9, Ljubljana, which issued its unqualified opinions (without reservation) to the resp. financial statements.

Both of the Auditor's Reports for the financial statements were received on 12 April 2006.

As required by the regulations, the Annual Report will be submitted to the Agency of the Republic of Slovenia for Public Legal Records and Services.

The Audit Company Deloitte & Touche revizija d.o.o. has audited the Balance Sheet of the Company Intereuropa d.d. as of 31st December 2005 and the related Income Statement (Profit or Loss), Cash Flow Statement, Statement of Changes in Equity, and the Notes to the Financial Statements for the year 2005, and the consolidated Balance Sheet of the Intereuropa Group as of 31st December 2005 and the related Income Statement, Cash Flow Statement, Statement of Changes in Equity, and the Notes to the Consolidated Financial Statements for the year 2005; the Auditors have issued unqualified opinions (without reservation) to both sets of financial statements.

Intereuropa d.d. publishes its significant and other information on the web, both at the SEOnet www.seonet.ljse.si, and at the website of Intereuropa d.d. www.intereuropa.si.

Notes on the changes between the audited and unaudited financial statements of the Intereuropa Group and of Intereuropa d.d.

The changes resulting from audit (i.e. the differences between the unaudited statements and audited statements) only relate to re-classification of items; the Net Profit or Loss Account and the Balance Sheet Total are unchanged.

Financial Statements of the Group:

In the audited Balance Sheet, the trade receivables are lower by SIT 320,346 thousand, and the short-term financial investments are higher by the same amount, due to the changed financial statements of

an affiliate. Consequently, the net cash from operating activities in the audited Cash Flow Statement is higher by SIT 320,346 thousand, and the net cash from (used in) investing activities is lower by the same amount.

Financial Statements of the Parent Company:

In the audited Balance Sheet, the short-term financial investments in others are SIT 613,971 thousand, and the long-term investments are higher by the same amount (the item 'other long-term shares').

In the audited Cash Flow Statement, the cash flows from operating activities are lower by SIT 233,008 thousand due to transfer to cash flows from investing activities.

2. List of Companies in the Intereuropa Group

Subsidiaries, associated companies and jointly controlled companies included in the financial statements of the parent company by using the equity method:

in '000 of SIT	Country of head office	Exchange rates used	stake in % as at 31 Dec. 2004	stake in % as at 31 Dec. 2005	Total capital of the company as at 31 Dec. 2005	Net profit/loss for 2005	Pertaining net profit/loss for 2005
SUBSIDIARIES – FULL CONSOLIDATION							
Intereuropa Transport, d.o.o., Koper	Slovenia	SIT	100	100	1.213.420	-181.243	-181.243
Interagent d.o.o., Koper	Slovenia	SIT	100	100	222.830	70.133	70.133
Intereuropa IT d.o.o., Koper	Slovenia	SIT	100	100	265.066	-138.355	-138.355
Interzav d.o.o., Koper	Slovenia	SIT	71,28	71,28	27.973	17.269	12.309
Intereuropa, Logističke usluge, d.o.o., Zagreb	Croatia	HRK	99,94	99,94	6.699.690	619.428	619.057
Intereuropa sajam, d.o.o., Zagreb	Croatia	HRK	51	51	398.003	107.519	54.835
Intereuropa Skopje, d.o.o., Skopje	Macedonia	MKD	99,56	99,56	252.830	13.031	12.973
Intereuropa RTC d.d. Sarajevo	Bosnia and Herzegovina	BAM	89,29	89,29	2.191.986	92.100	82.236
Intereuropa-East d.o.o., Moscow	Russia	RUB	100	100	14.676	-1.601	-1.601
A.D.Interjug-AS, Belgrade	Serbia and Montenegro	CSD	73,62	73,62	1.032.229	30.942	22.779
Intereuropa S.A.S., Saint Pierre de Chandieu	France	EUR	67,60	67,60	34.738	9.306	6.291
TEK ZTS d.o.o., Užgorod	Ukraine	UAH	66,67	66,67	101.703	14.945	9.964
Schneider & Pekljar GmbH, Wien	Austria	EUR	100	100	163.268	96.895	96.895
Intereuropa Transport & Spedition GmbH, Troisdorf	Germany	EUR	100	90,48	22.008	7.679	6.948
ASSOCIATED COMPANIES *							
AdriaFin, d.o.o., Koper	Slovenia	SIT	24,28	24,28	4.150.662	103.411	25.108
AC-Interauto, d.o.o., Koper	Slovenia	SIT	40	40	69.891	1.500	600
JOINT VENTURE							
Intereuropa-FLG, d.o.o.	Slovenia	SIT		50	52.377	16.377	8.189

Data for total capital are as at 31 December 2004.

The ownership interest in all subsidiaries, associated companies and jointly controlled companies corresponds to the proportion of voting power.

3. ID Card of Intereuropa

Parent company	Intereuropa, Globalni logistični servis, public limited company
Short name	Intereuropa d.d.
Country of the parent company	Slovenia
Registered office of the parent company	Vojkovo nabrežje 32, 6000 Koper
Company ID number	5001684
Tax number	56405006
Transaction account	10100-0000006785 at Banka Koper d.d., Koper
Entry in the Companies Register	Registered with the District Court of Koper, reg. no. 1/00212/00
Equity	SIT 7,902,413,000
Number of issued and paid-up shares	7,902,413 ordinary shares with face value of SIT 1,000
Shares listing	Shares designated IEKG are included in the first listing on the Ljubljana Stock Exchange
Managing Board	Andrej Lovšin, MSc., President of the Managing Board Zvezdan Markežič, Deputy President of the Managing Board
Chairman of the Supervisory Board	Boštjan Rigler
Intereuropa Group	
Number of employees	2,179 employees
Transport fleet	397 company-owned trucks and other delivery vehicles
Total warehousing area	179,880 m ² of own warehouses
Total land area	1,313,240 m ² of land
Membership in international organisations	FIATA, IATA, FETA, FONASBA, BIMCO, IRU
Quality certificates	ISO 9001:2000 Certificate for provision of logistic services in the parent company Intereuropa d.d. and its subsidiaries Intereuropa d.o.o., Zagreb, and Intereuropa Transport d.o.o., Koper
Own branch network	Slovenia, Croatia, Bosnia and Herzegovina, Macedonia, Serbia and Montenegro, Russia, France, Ukraine, Austria and Germany

4. Key Achievements in 2005

INTEREUROPA

KEY ACHIEVEMENTS IN 2005 IN FIGURES

PROFIT AND LOSS ACCOUNT (in thousands of SIT)

	2002	2003	2004	2005	05/04
Net sales revenues	30,802,360	29,683,921	29,996,792	28,451,888	95
Profit/loss before interest, taxes and depreciation (EBITDA)	1,872,138	3,430,874	2,031,906	3,030,636	149
Operating profit/loss from ordinary activities	6,590,834	3,408,207	2,394,658	3,422,471	143
Net profit/loss	4,928,081	2,863,578	1,970,013	2,472,823	126
Value added	8,517,442	9,085,632	7,407,430	7,572,763	102
Net earnings per share (in SIT)	624	362	249	313	126
Gross dividend per share (in SIT)	200	220	240	240	100

BALANCE SHEET (in thousands of SIT)

	2002	2003	2004	2005	05/04
Total assets	45,692,042	48,741,419	47,831,734	46,336,134	97
Fixed assets	34,739,744	37,172,171	38,825,247	37,717,110	97
Current assets	10,685,798	10,761,756	8,401,731	8,258,866	98
Equity	33,447,468	34,628,583	35,451,075	36,850,934	104
Average equity*	27,971,208	32,606,237	34,054,823	34,914,593	103
Financial and operating liabilities	7,748,223	9,209,131	9,824,375	8,403,305	86

* Average equity does not include net profit/loss for the year

EMPLOYEES as at the last day

	2002	2003	2004	2005	05/04
Employees	1,328	1,159	1,046	895	95

PERFORMANCE INDICATORS

	2002	2003	2004	2005	05/04
Net return on equity	17,62%	8,78%	5,78%	7,08%	123
Net return on assets	10,07%	6,13%	4,14%	5,30%	128
Productivity (in thousands of SIT)	33,286	26,288	29,290	34,257	117
Net return on revenues	12,93%	8,82%	5,98%	7,52%	126

Net return on equity: net profit or loss/average equity

Net return on assets: net profit or loss/average assets

Productivity: Net sales revenues and other operating revenues/number of employees

Net return on revenues: net profit or loss/revenues

Data calculated according to SAS.

GROUP

KEY ACHIEVEMENTS IN 2005 IN FIGURES

PROFIT AND LOSS ACCOUNT (in thousands of SIT)

	2002*	2003*	2004	2005	05/04
Net sales revenues	43,088,381	45,117,517	51,022,064	49,494,200	97
Profit/loss before interest, taxes and depreciation (EBITDA)	4,201,397	5,387,823	3,822,446	4,081,366	107
Operating profit/loss from ordinary activities	7,332,274	3,744,847	3,178,755	3,166,050	100
Net profit/loss	5,464,923	3,004,558	2,559,408	2,300,305	90
Value added	11,939,054	12,576,880	11,209,258	10,637,822	95
Net earnings per share (in SIT)	624	362	249	313	126
Gross dividend per share (in SIT)	200	220	240	240	100

* profit and loss account compiled in line with SAS

BALANCE SHEET (in thousands of SIT)

	2002*	2003*	2004	2005	05/04
Total assets	54,309,623	57,376,997	65,291,374	63,694,618	98
Fixed assets	38,054,925	41,102,995	50,628,187	48,325,098	95
Current assets	15,776,927	15,346,339	13,886,610	14,931,304	108
Equity	35,436,395	35,820,375	42,546,906	42,190,270	99
Average equity**	28,922,224	34,126,106	37,901,436	41,218,435	101
Financial and operating liabilities	12,507,710	16,445,135	21,647,376	20,684,894	96

* balance sheet compiled in line with SAS

** Equity does not include net profit/loss for the year

EMPLOYEES (per hours paid)

	2002	2003	2004	2005	05/04
Average number of employees	2,422	2,372	2,260	2,118	93
Number of employees in subsidiaries	1,094	1,213	1,214	1,223	101

PERFORMANCE INDICATORS

	2002*	2003*	2004	2005	05/04
Net return on equity	18.90%	8.80%	6.24%	5.58%	89
Net return on assets	11.10%	5.40%	4.23%	3.60%	85
Productivity (in thousands of SIT)	18,248	19,476	22,770	23,900	105
Net return on revenues	10.7%	6.30%	4.69%	4.36%	93

* data calculated according to SAS

Net return on equity: net profit or loss/average equity

Net return on assets: net profit or loss/average assets

Productivity: Net sales revenues and other operating revenues/number of employees

Net return on revenues: net profit or loss/revenues

5. Most important events in 2005**JANUARY**

- Start of preparations for the transition to the International Financial Reporting Standards, which provide the basis for the compilation of consolidated financial statements for 2005.
- The expansion of the groupage service with new indirect lines from/to Lithuania, Latvia and Estonia.

FEBRUARY

- In February the UPS Branch Office expanded its service range by introducing the return service and COD – collect on delivery.

MARCH

- A modern logistics centre in Logatec, covering 8,100 m², was constructed at the end of March. The production part covers an additional 1,100 m² and the business facility 1,070 m².
- On 30 March the parent company Intereuropa d.d., and the subsidiaries Intereuropa Transport d.o.o., Koper, and Intereuropa, Logističke usluge, d.o.o, Zagreb, were subject to the external quality control according to the standard ISO 9001:2000. The assessors gave a general positive assessment.

APRIL

- 19 April - The Contract on the Project on IT supported logistical processes (ISPRO) was signed between Intereuropa d.d. and the Italian-French company WEXLog, with the aim of efficient implementation of the IT solutions adequate to support the integral logistics services.
- Co-operation with a new partner in Turkey was established in relation to groupage transport.

MAY

- New warehouse facilities were opened on 9 May in Dugopolje near Split. The facilities cover 18,815 m², which further consolidates Intereuropa's leading position on the Croatian logistics market.
- A new partner was obtained from Great Britain in groupage transport.

JUNE

- The groupage range was expanded due to the new indirect line to Russia.
- The successful BVQI re-certification audit of the quality management system under the ISO 9001: 2000 standard for Interagent d.o.o. on 17 June.

JULY

- A new through-put warehouse in Ljubljana, covering almost 3,500 m², enables faster throughput of goods within the system, above all at a higher quality level. The warehouse started operating in mid July 2005.
- Co-operation with a Greek partner was established in the field of groupage.
- The 13th regular Annual General Meeting of Shareholders of Intereuropa d.d. was held on 15 July. The shareholders acknowledged the Annual Report of the Managing Board for the business year 2004, decided on the amendments and supplements to the By-Laws of the company, on the allocation of the balance sheet profit and discharge from liability to the Managing Board and the Supervisory Board. They specified the participation of the Managing Board and the Supervisory Board in profit sharing. A different auditing company was appointed for auditing of the financial statements for 2005.

AUGUST

- The transport fleet was modernised by 20 state-of-the-art trucks. The purchased vehicles represent a major asset for combined transport, since they include vehicles with specialised equipment for the transport of containers.

SEPTEMBER

- The member of the Supervisory Board, Ernest Gortan, on 26 September gave a statement of resignation from the position of Supervisory Board member of Intereuropa d.d.,

OCTOBER

- The newly founded company Intereuropa-FLG d.o.o., which originated from the Railway Transport Branch Office, started operating on 1 October.
- In October, Intereuropa shares (IEKG) were included in the first listing of the Ljubljana Stock Exchange (Ljubljanska borza d.d.). The first listing included the shares of companies special due to their liquidity, size and transparency of operations.
- On 3 October, Intereuropa's Austrian company Schneider & Peklar GmbH opened its first branch office in Graz.

NOVEMBER

- On 2 November, bankruptcy proceedings were initiated against Speka, Spol. S r.o., Prague. The Group's management provided for the continuity of operations by attracting a new business partner.
- The shareholders of Intereuropa d.d. met on 15 November 2005 at the 14th regular General Meeting to decide mainly on the Supervisory Board members. Announcement was made to the General Meeting on the resignation of Ernest Gortan as the Supervisory Board member, and the new member to replace him, Ervin Bužan, was elected. Three representatives of shareholders were recalled before the expiry of their term of office: Livij Jakomin, Jože Lenič, and Drago Naberšnik. After that, Boštjan Rigler, Anton Može and Manja Skernišak were elected to replace them on the Supervisory Board for the next four-year term of office. Shareholders were further informed of the dismissal of two representatives of employees sitting on the Supervisory Board, i.e. Marina Rus and Zoran Klampfer. Also the third representative of employees, Maksimiljan Babič, resigned.
- On 17 November the Workers' Council appointed representatives of the employees in the Supervisory Board: Zlatko Čretnik, Nevija Pečar and Vinko Rebula.
- On 24 November the founding session of the Supervisory Board took place. At this session Boštjan Rigler was appointed Chairman and Anton Može Deputy Chairman.

DECEMBER

- At the start of December, Intereuropa d.d. concluded the sale of shares of Si.mobil.
- The term of office of the Managing Board of Intereuropa d.d. expired on 11 December.
- At its 2nd regular session, held on 8 December, the Supervisory Board passed the Rules of Procedure of the Supervisory Board, decided on the appointment of a new Managing Board through a public invitation to apply for the position and, until the new management was elected, appointed the previous President of the Managing Board, Jože Kranjc, to perform the tasks of a temporary President of the Managing Board.
- The autumn module completed the extensive training of 52 managers participating in Intereuropa's management school. Management skills were presented in four sets of e-learning and the acquired knowledge was put into practice at workshops.

MAJOR EVENTS AFTER THE CLOSING OF 2005

- On 17 January 2006, the new Managing Board of Intereuropa d.d. was appointed by the Supervisory Board. Andrej Lovšin, MSc., was appointed President, and Zvezdan Markežič Deputy President. The term of office of the newly appointed Managing Board is 5 years.
- Based on the Stock Swap Agreement of 6 February 2006 made between INFOND HOLDING finančna družba, d.d. and Slovenska odškodninska družba, d.d. (SOD - the Slovenian Restitution Fund), the latter acquired 474,926 shares of Intereuropa d.d.
- In February 2006 the new Managing Board presented the Corporate Vision and Development Strategy for the term 2006-2011 and the plans for 2006.
- In February 2006 the Managing Board at its session passed a resolution on the increase of capital of the subsidiary Intereuropa Transport d.o.o. in the amount equalling the sum of losses brought forward and the loss for 2005 (in total SIT 686,579 thousand).
- As at 1 January 2006, Intereuropa d.d. started to apply the International Financial Reporting Standards, as adopted by the European Union, in compiling its financial statements.

6. Supervisory Board

Presentation of the Supervisory Board members

Members of the Supervisory Board until 15 November 2005

Shareholders' representatives:

- Livij Jakomin, PhD. – Chairman of the Supervisory Board
- Jože Lenič, MSc.
- Ernest Gortan
- Drago Naberšnik

Employees' representatives:

- Zoran Klampfer – Deputy Chairman of the Supervisory Board
- Maksimiljan Babič
- Marina Rus

Members of the Supervisory Board as of 16 November 2005 (shareholders' representatives) and 18 November 2005 (employees' representatives)

Shareholders' representatives:

- Boštjan Rigler - Chairman of the Supervisory Board
- Anton Može- Deputy Chairman of the Supervisory Board
- Ervin Bužan
- Manja Skernišak

Employees' representatives:

- Nevija Pečar
- Zlatka Čretnik
- Vinko Rebula

7. Managing Board

Presentation of the Managing Board members in 2005 and 2006

Up to and including 11 December 2005, Intereuropa d.d. had a five-member Managing Board, comprising:

Jože Kranjc
President of the Managing Board

Radovan Vrabec
Deputy President
Finance, Accounting, Internal Audit and Controlling Division

Milan Jelenc, MSc.
Deputy President of the Managing Board
Freight Forwarding and Logistics Division

Milan Kurelič
Deputy President of the Managing Board
Road and Railway Transport Division

Vladimir Petravič
Human Resources Executive – Member of the Managing Board
Human Resources, Social and General Affairs Division

From 12 December 2005 to 17 January 2006 the company was managed by

Jože Kranjc, temporary President of the Managing Board

On 17 January 2006 the five-year term of office of the new Managing Board started; the composition of the Managing Board was

Andrej Lovšin, MSc., President of the Managing Board
Zvezdan Markežič, Deputy President of the Managing Board

Receipts of the members of the Management Board, Supervisory Board, employees with service contracts

Employees are entitled to receive benefits during their service or after termination of their service.

During their employment they are as follows: Wages and salaries, substitutes for wages and salaries as well as similar items; while post-employment benefits are primarily severance/redundancy payments and retirement benefits.

1. MANAGEMENT BOARD		Salary and bonuses	part of salary	Profit share	Session fees	Total
1	JOŽE KRANJC	30.584		8.488		39.073
2	RADOVAN VRABEC	27.205		7.547		34.753
3	MILAN JELENC	26.999		7.466		34.465
4	MILAN KURELIČ	25.404		6.795		32.199
5	VLADIMIR PETRAVIČ	23.038		6.230		29.268
TOTAL		133.232	0	36.526		169.758
2. SUPERVISORY BOARD						
1	LIVIJ JAKOMIN			5.093	584	5.677
2	TUFEK TADEJ			1.821		1.821
3	LENIČ JOŽE			2.732	563	3.295
4	NABRŠNIK DRAGO			2.732	701	3.433
5	MARINA RUS			2.732	456	3.189
6	BABIČ MAKSIMILIJAN			2.732	577	3.309
7	KLAMPFER ZORAN			2.732	746	3.478
8	GORDAN ERNEST			911	356	1.267
9	MOŽE ANTON				155	155
10	SKERNIŠAK MANJA				190	190
11	BUŽAN ERVIN				145	145
12	RIGLER BOŠTJAN				232	232
13	PEČAR NEVIJA				142	142
14	REBULA VINKO				188	188
15	ČRETNIK ZLATKA				218	218
TOTAL		0	0	21.485	5.254	26.740
3. Employees under service contracts						
		341.725	7.060	0	0	348.785
TOTAL: 1+2+3		474.957	7.060	58.012	5.254	545.283

8. Corporate Governance Code for Joint Stock Companies

Statement on Compliance with the Corporate Governance Code for Joint Stock Companies by Intereuropa d.d., Koper

Pursuant to the Rules of the Ljubljana Stock Exchange and the Securities Market Act-1 (Official Gazette of the RS, no. 56/99) the company Intereuropa d.d., Globalni logistični servis d.d., Koper, publishes the following information:

Statement on Compliance with the Corporate Governance Code for Joint Stock Companies by Intereuropa d.d., Koper, dated 14 December 2005

The company Intereuropa d.d., whose shares are included in the first listing on the Ljubljana Stock Exchange, is managed in line with the Companies Act and other valid legislation in the Republic of Slovenia. In doing so, the Rules of the Ljubljana Stock Exchange and the provisions of other general regulations are followed. The said provisions regulate the issues dealt with by the Corporate Governance Code for Joint Stock Companies. The first statement on the compliance with the Code was published by the company in September 2004. The 2004 Annual Report of Intereuropa d.d. said that the company was managed in line with the Code with the exception of some deviations referring to individual items of the then applicable Code.

The Managing Board and the Supervisory Board of Intereuropa d.d. by this statement inform the shareholders and the public that the company is managed in accordance with the provisions of the amended (supplemented) Corporate Governance Code for Joint Stock Companies, which was adopted on 14 December 2005, with certain exceptions, which are together with a description of deviations, presented below and whose contents originate mostly from the amendments (supplements) to the said Code.

The Corporate Governance Code for Joint Stock Companies, adopted on 14 December 2005, is in the Slovenian and English language available at:

<http://www.ljse.si>

The exceptions in company management deviating from the applicable Code are the following:

Code provision 1.1.1. "The key goal of a joint-stock company engaged in a gainful activity is to maximise the company's value. This and other goals, pursued by the company in performing its activity, should be stated in the company's articles of association."

At the next General Meeting of Shareholders the Managing Board will propose that the By-Laws of the company be amended so as to be brought in line with the above provision of the Code.

Code provision 1.3.5. "When convening a general meeting, the management board should ensure proper information dissemination and effective exercise of shareholders' rights by using information technology. The management board should observe the rules of proper

information dissemination and place the notice of meeting, full text of proposed resolutions, conditions for attendance and all written material, also on the company's web site."

Article 7 of the Rules of Procedure of the General Meeting of Shareholders stipulates that the invitation to the General Meeting of Shareholders with the proposed agenda, material and draft resolutions is submitted to all registered shareholders holding 100,000 or more shares, by registered mail with acknowledgement of receipt or in person, provided that the invitation receipt is confirmed by a signature.

At the next General Meeting of Shareholders the Managing Board shall propose that the Rules of Procedure of the General Meeting of Shareholders be suitably amended - so that the rules of proper information dissemination are complied with.

Code provision 3.5.5. "Detailed company's criteria for assessing the existence of conflicts of interest (of the supervisory board members) and the measures to be taken to avoid them, should be determined by the company in the rules of procedure of the supervisory board, articles of association or in a separate corporate governance code."

At the next session of the Supervisory Board the Managing Board shall propose that the Supervisory Board supplements the Rules of Procedure of the Supervisory Board to bring them in line with the above provision.

Code provision 6.2.2. "Persons responsible for internal control shall be directly accountable to the company's management board and impartial in their work."

The Managing Board at its session held on 24 January 2006 passed a resolution on appointment of the Executive Director of Finance, Accounting, Internal Audit and Controlling Division. The Executive Director is authorised, competent and responsible for issuing instructions, management, organisation and work supervision in all the above areas. For his work he answers to the President of the Managing Board.

At one of its future sessions the Managing Board shall amend the internal rules on organisational relationships to align them with the above provision of the Code.

Code provision 7.1.4. "In order to assure the comparability of financial statements, companies should prepare and publish annual and interim consolidated and unconsolidated financial statements in accordance with International Financial Reporting Standards (IFRS)."

In line with the applicable legislation, the Intereuropa Group compiles its financial statements for the business year 2005 on the basis of IFRS, while the financial statements of the parent company Intereuropa d.d. are for 2005 prepared in line with the Slovenian Accounting Standards (SAS).

With regards to the method of application of accounting frameworks in compiling of consolidated and non-consolidated financial statements, the public was issued a statement by the Managing Board of the company.

Code provision 7.2.2. "Companies shall determine the place of publishing their announcements in their articles of association, and notify the public of it or of any relevant changes."

At the next General Meeting of Shareholders the Managing Board will propose that the By-Laws of the company be amended so as to be brought in line with the above provision of the Code.

9. Total Sales of the Intereuropa Group

Net sales revenues of the Intereuropa Group totalled SIT 49.5 billion in 2005. The earned net sales revenues are deemed to be a good result, despite being down by 3% compared to 2004. The financial year 2004 also included four-month sales revenues arising from customs services, which accounted for a hefty 13% of total sales revenues. The major part of the decrease in sales revenues of the Intereuropa Group has already been replaced in 2005, notably in the last quarter when the results were better than planned.

Intereuropa Group's net sales revenues by business area in SIT million

		Jan-Dec 2005	Share	Ind. 2005/plan	Ind. 2005/2004
1	Land freight	25,455	52%	95	97
2	Terminal services	4,699	9%	87	96
3	Customs services	4,925	10%	88	74
4	Sea and coastal water transport	10,556	21%	87	111
5	Air transport	2,862	6%	97	108
6	Other services	997	2%	93	102
	TOTAL	49,494	100%	92	97

The Intereuropa Group generated more than a half of net sales revenues in 2005 in the business area of land transport, a fifth in sea transport followed by customs services, terminal services and air transport, while a minimal share was earned in other services.

Particular business areas increased net sales revenues in 2005 compared to 2004. Thus sea transport exceeded sales generated in 2004 by 11%, and air transport and other services by 8% and 2%, respectively. Other business areas were below the level of net sales revenues generated in 2004 with the biggest fall recorded in customs services.

Intereuropa Group's net sales revenues by country in SIT million

		Jan-Dec 2005	Share	Ind. 2005/plan	Ind. 2005/2004
1	European Union	38,689	78%	87	91
2	Outside European Union	10,805	22%	112	122
	TOTAL	49,494	100%	92	97

The largest share of net sales revenues of the Intereuropa Group was earned in the country of the parent company. Thus slightly more than three quarters of net sales revenues at the Group's level were made in Slovenia.

Intereuropa still gets its largest share of sales revenue in the republics of former Yugoslavia, which are not members of the European Union.

Intereuropa is the largest provider of logistics services in Croatia. The logistics market in Croatia is dominated by two associated companies: Intereuropa, logističke usluge, d.o.o. Zagreb and Intereuropa Sajam d.o.o. Zagreb. These two companies between them earned 15% of net sales revenues of the Group. Other countries in which the Group operates accounted for 8% of total net sales revenues of the Group.

10. Analysis of Operation of the Plan and the Group as a Whole

ACHIEVING THE 2005 ANNUAL PLAN

In 2005, the Intereuropa Group generated SIT 49.5 billion of net sales revenues, falling short of the plan and the 2004 results by 8.1% and 3.0%, respectively. The plan was not achieved primarily due to:

- Poor performance in the first quarter compared to previous years, stemming from a decrease in economic activity and adverse weather conditions;
- Delay in activation of new logistic capacities in Slovenia and Croatia;
- The fact that the company Speka spol. s.r.o, Prague was excluded from the Intereuropa Group in 2005.

After the initial poor performance, sales results improved and were even better than planned in the last quarter of 2005, however we were unable to make up for the fallout from the first quarter and the delay in activating investments.

Active cost management resulted in a decrease of costs compared to 2004, keeping them under the planned level. Cost reductions and sales activities resulted in SIT 4.1 billion of earnings before interest, tax, depreciation and amortization (EBITDA), 19% lower than planned.

The net profit for 2005 amounted to SIT 2.3 billion exceeding the plan by 8%, however, the high profit is mostly the result of the sale of the financial investment in the company Si.mobil totalling SIT 1.0 billion before tax, i.e. 33% of the net profit.

11. Financial Ratios for Intereuropa Group

	in '000 of SIT	2005	2004	I 05/04
1.	Assets = Liabilities	63,694,618	65,291,374	98
2.	Net profit or loss for the period	2,300,305	2,559,408	90
3.	Fixed assets	39,650,681	39,035,755	102
4.	Revenues	52,773,445	54,572,647	97
5.	Expenses	48,765,303	51,393,892	95
6.	Long-term financial investments	8,647,799	11,548,224	75
7.	Long-term operating receivables	3,445	10,442	33
8.	Capital	42,190,270	42,546,906	99
9.	Average capital (excluding net operating profit/loss for the period) – calculated on the basis of opening and closing balances	41,218,435	37,901,436	109
10.	Long-term liabilities (debts)	6,304,775	5,579,129	113
11.	Operating revenues	50,620,085	51,461,196	98
12.	Operating expenses	49,096,698	50,155,291	98
	FUNDAMENTAL RATIOS OF INVESTMENT UTILISATION			
13.	Participation rate of fixed operating assets (3/1)	0.62	0.60	104
14.	Participation rate of long-term investments ((3+6+7)/1)	0.76	0.77	98
	FUNDAMENTAL RATIOS OF OPERATING EFFECTIVENESS			
15.	Operating effectiveness ratio (11/12)	1.03	1.03	100
16.	Total efficiency ratio (4/5)	1.08	1.06	102
	FUNDAMENTAL PROFITABILITY RATIOS			
17.	Return on equity (2/9*100 (annual level))	5.58	6.24	89

12. Investments in Fixed Assets

The Intereuropa Group invested SIT 4.6 billion in fixed assets in 2005, of which SIT 3.0 billion and SIT 1.6 billion were invested in real estate and equipment, respectively. The annual investment plan has been implemented by 65.6%.

Overview of the investment plan implementation for the period between January and December 2005, in SIT million

	Real estate		Equipment		TOTAL INVESTMENTS		% of annual implementation
	PLAN	IMPL.	PLAN	IMPL.	PLAN	IMPL.	
Intereuropa d.d.	2,292	1,519	660	332	2,952	1,851	62.7
Subsidiaries	2,397	1,477	1,745	1,323	4,142	2,800	67.6
GROUP TOTAL	4,689	2,996	2,405	1,655	7,094	4,651	65.6

13. Human Resources Management

Human resources management in 2005 focused primarily on the further alignment of the number and structure of our employees with the market needs as regards Intereuropa in Slovenia, developing human resources management skills and providing for constant training and the acquisition of new skills by employees in the parent company and the associated companies.

The number of people employed in the Intereuropa Group (at the end of 2005 and 2004)

Company	31 Dec. 2005	31 Dec. 2004	Difference 05/04	Index 05/04
Intereuropa d.d.	909	1,011	-102	90
Intereuropa IT, d.o.o.	33	41	-8	80
Interagent d.o.o.	29	30	-1	97
Interzav d.o.o.	4	5	-1	80
Intereuropa FLG d.o.o.	12	0	12	0
Intereuropa Transport d.o.o.	291	289	2	101
Slovenia	1,278	1,376	-98	93
Intereuropa , log. usluge, d.o.o., Zagreb	535	508	27	105
Intereuropa Sajam, d.o.o.	52	52	0	100
Croatia	587	560	27	105
Intereuropa Skopje, d.o.o. (Macedonia)	11	11	0	100
Intereuropa RTC d.d. Sarajevo (BiH)	131	129	2	102
Intereuropa - East d.o.o., Moscow (Russia)	4	4	0	100
A.D.Interjug-AS, Belgrade (Ser. & Mont.)	94	89	5	106
Speka, spol. s.r.o., Prague (the Czech Rep.)	0	33	-33	0
Intereuropa S.A.S., Saint Pierre de Chandieu (France)	5	5	0	100
Schneider&Peklar, GmbH, Vienna (Austria)	50	56	-6	89
TEK ZTS, d.o.o., Užgorod (Ukraine)	16	15	1	107
Intereuropa Trans.&Sped.GmbH, Troisdorf (Germany)	3	2	1	150
Other countries	314	344	-30	91
TOTAL	2,179	2,280	-101	96

Providing for constant training and acquiring new skills

As a learning company we strive to educate our employees and transfer know-how between branch offices and companies, which has become a regular practice. The aim is to achieve a uniform level of knowledge and quality of services throughout the Group.

Management development

Intereuropa in Slovenia in 2005 focused primarily on developing managerial skills. The first group of 52 managers completed the Intereuropa's management course in October. Participants were trained in managerial skills divided into four sets: motivation and performance of employees, successful management, leadership, and team management and teamwork. The response from participants was very positive among other things also because of new approaches to teaching (independent e-learning, online "live" chats, verifying theoretical knowledge at workshops) and upon conclusion, training of skills in the adrenalin park. Assessment of the programme's effectiveness will be prepared in the beginning of 2006.

14. Data on Intereuropa Share

The following events marked IEKG share in 2005:

- Listing of shares in segment A at the Ljubljana Stock Exchange;
- Share price fell by 28%; and
- Selling of shares by small shareholders and further concentration of ownership.

Table: Key data on shares of Intereuropa d.d. in the 2002-2005 period

	2002	2003	2004	2005
Number of shares	7,902,413	7,902,413	7,902,413	7,902,413
Data on trading				
Book value of the share as at the year end	4,233	4,368	4,486	4,663
Standard price as at the year end	5,246	5,384	7,442	5,363
Weighted average price	4,936	5,331	6,696	6,552
Highest price	5,807	5,486	7,700	7,773
Lowest price	3,899	5,001	5,266	5,105
Market capitalisation in SIT million	41,456	42,550	58,810	42,379
Trade volume in SIT million	6,309	3,758	11,819	2,165
Indicators				
Earnings per share	624	362	249	313
Cash flow per share	644	346	204	224
Gross dividend per share	200	220	240	240
P / BV	1.24	1.23	1.66	1.15
P / CF	8.15	15.56	36.50	23.97
P/E	8.41	14.86	29.85	17.14
Share capital gains	34.6%	3.7%	39.1%	-28.5%
Dividend yield	5.1%	4.2%	4.5%	3.2%
Total earnings yield	39.7%	8.0%	43.6%	-25.3%

Book value = capital / number of ordinary shares

*Market capitalisation = closing price as at the year end * number of listed shares*

Net earnings per share = net earnings / number of ordinary shares

Cash flow per share = net earnings - dividends + depreciation) / number of ordinary shares

P / BV = price as at the year end / book value of a share

P / E = price as at the year end / earnings per share

P / CF = price as at the year end / cash flow per share

Capital gain = price increase over one year

Dividend yield = gross dividend / price as at the year start

Table: Number of shares held by Supervisory Board members as at 31 December 2005

Name		Stock	Share
LUKA KOPER D.D.	Vojkovo nabrežje 38, 6000 Koper	1,940,513	24.6%
KAPITALSKA DRUŽBA, D.D.	Dunajska cesta 119, 1000 Ljubljana	719,797	9.1%
INFOND HOLDING D.D.	Vita Kraigherja 5, 2000 Maribor	459,248	5.8%
INFOND ID D.D.	Vita Kraigherja 5, 2000 Maribor	348,139	4.4%
ISTRABENZ D.D.	Cesta Zore Perello-Godina 2, 6000 Koper	291,424	3.7%
ZLATA MONETA I D.D.	Svetozarevska 12, 2000 Maribor	255,987	3.2%
DELNIŠKI VZAJEMNI SKLAD TRIGLAV STEBER I	Slovenska cesta 54, 1000 Ljubljana	239,775	3.0%
ZAVAROVALNICA TRIGLAV, D.D.	Miklošičeva 19, 1000 Ljubljana	213,640	2.7%
DELNIŠKI VZAJEMNI SKLAD MODRA LINIJA	Pristaniška ulica 12, 6000 Koper	137,261	1.7%
KD INVESTMENTS, Delniški vzajemni sklad RASTKO	Celovška ulica 206, 1000 Ljubljana	134,432	1.7%

Table: Number of shares held by Managing Board members as at 31 December 2005

Management board	Stock	Share
KRANJC JOŽEF, chairman of the board of directors	10,764	0.14%
VRABEC RADOVAN, counselling coordinatorr	14,066	0.18%
JELENC MILAN, counselling coordinator	6,231	0.08%
KURELIČ MILAN, counselling coordinator	26	0.00%
PETRAVIĆ VLADIMIR, counselling coordinator	2,205	0.03%

Table: Number of shares held by Supervisory Board members as at 31 December 2005

Supervisory board	Stock	Share
VINKO REBULA	450	0.01%
NEVJA PEČAR	4,185	0.05%

Table: Number of shares held by Supervisory Board members as at 31 December 2005 and at 31 December 2004

Number of shares at 31.December.2005			Number of shares at 31. December 2004		
Name	Stock	Share	Name	Stock	Share
LUKA KOPER D.D.	1,940,513	24. %	LUKA KOPER D.D.	1,833,477	23.2%
KAPITALSKA DRUŽBA, D.D.	719,797	9.1%	KAPITALSKA DRUŽBA, D.D.	719,797	9.1%
INFOND HOLDING D.D.	459,248	5.8%	INFOND HOLDING D.D.	459,248	5.8%
INFOND ID D.D.	348,139	4.4%	INFOND ID D.D.	356,266	4.5%

ISTRABENZ D.D.	291,424	3.7%	ZLATA MONETA I D.D.	226,387	2.9%
ZLATA MONETA I D.D.	255,987	3.2%	TRIGLAV STEBER I, DELNIŠKA ID, D.D.	220,371	2.8%
DELNIŠKI VZAJEMNI SKLAD TRIGLAV STEBER I	239,775	3.0%	ZAVAROVALNICA TRIGLAV, D.D.	218,640	2.8%
ZAVAROVALNICA TRIGLAV, D.D.	213,640	2.7%	ISTRABENZ D.D.	195,450	2.5%
DELNIŠKI VZAJEMNI SKLAD MODRA LINIJA	137,261	1.7%	MODRA LINIJA D.D.	139,049	1.8%
KD INVESTMENTS, Delniški vzajemni sklad RASTKO	134,432	1.7%	KD INVESTMENTS D.O.O.PVS RASTKO	134,432	1.7%

The Ljubljana Stock Exchange on 3 October 2005 established within the stock exchange listing a new elite listing intended for companies standing out for their liquidity, size and transparency of operations. The companies in segment A must meet the highest internationally comparable criteria for disclosure, which provides for drawing the Slovenian securities market closer to international investors and better recognisability of companies in the international environment.

Shares of Intereuropa were listed in segment A at the Ljubljana Stock Exchange on 3 October 2005.

Intereuropa's share price grew steadily in the beginning of 2005. In March, the market at the Ljubljana Stock Exchange turned bearish. The bear trend was followed by the share price of Intereuropa, which lost 28%, while the Slovenian stock exchange index SBI20 lost 6%. One of the reasons for the relatively greater decline in the price of IEKG shares was in the low share trade volume and the other was the mistrust of shareholders in the company's performance.

Trading with the Intereuropa's share in 2005 amounted to SIT 2.2 billion, which was a mere 18% of the trading volume in 2004. The number of shares changing ownership was 441,004, i.e. 6.1% of the total number of shares.

As at 31 December 2005, 4,432 shareholders were registered in Intereuropa's Share Register, which was 283 less than as at 31 December 2004.

Own shares

The parent company Intereuropa d.d. has no own share fund.

As at 31 December 2005, the company had SIT 389,892 thousand of authorised unused capital – in accordance with the authorisation granted by shareholders to the Managing Board for the purchase of its own shares, since to 27 February 2007.

Dividend policy

In the Development Plan, the Managing Board of Intereuropa d.d. defined the long-term stable policy of dividend pay-out. Up to 50% of earned profits will be earmarked for dividends in line with the development policy.

Policies in line with the International Financial Reporting Standards (IFRS) as adopted by the European Union were used in compiling consolidated financial statements. IFRS collection includes:

- International Accounting Standards (IAS) issued until April 2001;
- Interpretations of the Standing Interpretations Committee (SIC) issued until March 2002;
- IFRS issued from April 2001 onwards; and
- Interpretations of the International Financial Reporting Interpretations Committee (IFRIC) issued from March 2002 onwards.

IFRS include requirements regarding recognising, measuring, presenting and disclosing transactions and business events important for financial statements.

In accordance with IFRS 1, First-time Adoption of International Financial Reporting Standards, we have:

- ☐ Recognised all assets and liabilities whose recognition is required by IFRS;
- ☐ Non recognised items as assets or liabilities if IFRS do not permit such recognition;
- ☐ Reclassified items with regard to IFRS; and
- ☐ Applied IFRS in measuring all recognised assets and liabilities.

Abstract of exemptions from RETROSPECTIVE use of IFRS in line with IFRS 1

- a) Goodwill: adjustment of carrying amount of goodwill was not made on the transition date.
- b) Revalued amount deemed the historical cost of tangible fixed assets: we took into account revalued amount in line with the SAS for items of real estate, machinery and equipment on the transition date, as we believe it reflects changes in the general price index.
- c) Business combinations: at the first-time adoption of IFRS we have revalued investments in subsidiaries to historical cost as at 1 January 2003.

Adjustment of capital in the opening balance sheet as at 1 January 2004 in line with IFRS

No.	Items of capital with the presented transition effect	SAS 1 Jan. 2004	Adjustment according to IFRS	IFRS 1 Jan. 2004	I IFRS/SAS
1	Share capital	8.011.377		8.011.377	100
2	Capital reserves	2.039.672	9.690.225	11.729.897	575
	Transfer from the general capital revaluation adjustment item		9.690.225		
3	Reserves from profits	2.659.005		2.659.005	100
4	Revaluation surplus	32	5.276.087	5.276.119	-
	Increase resulting from revaluation of long-term financial investments in securities, posted as available-for-sale financial assets, to fair value (SIT 7,034,785k) reduced by deferred tax liabilities (SIT 1,758,698k)		5.276.087		
5	General capital revaluation adjustments	9.690.225	-9.690.225	0	0
	Transfer to capital reserves item		-9.690.225		
6	Retained net profit/loss (including net profit/loss for 2003)	12.627.005	891.693	13.518.698	107
a.	Cancellation of long-term provisions for negative goodwill (by SIT 1,882,702k) reduced by provisions made for deferred tax (SIT 441,333k)		1.441.369		
b.	Provisions made for severance pay and long-service awards (SIT 591,528k) and deferred tax liabilities amounting to SIT 112,739k, by taking into account the deduction of the share related to minority shareholders (SIT 3,797k)		-474.992		
c.	Cancellation of value adjustment (upward revaluation) of buildings due to adjustments of the accounting policy		-23.487		
d.	Decrease by exchange rate differentials arising from revaluation of investments in subsidiaries to historical cost as at 1 January 2003 (SIT 68,263k) – by taking into account establishing of deferred tax liabilities (SIT 17,066k)		-51.197		
7	Consolidated capital adjustment (translation exchange rate differentials)	2.369	68.263	70.632	2.982
	Increase by exchange rate differentials arising from revaluation of investments in subsidiaries to historical cost as at 1 January 2003		68.263		
8	Minority interest	790.690	-63.685	727.005	92
a.	Establishing long-term provisions for severance pay and long-service awards		-3.797		
b.	Cancellation of value adjustment (upward revaluation) of buildings due to adjustments of the accounting policy		-59.888		
	Total	35.820.375	6.172.358	41.992.733	117

Presentation of assets adjusted to fair value in line with IFRS in the opening balance sheet

in '000 of SIT	Book value by SAS as at 31 Dec 2003	Adjustment according to IFRS	Fair value by IFRS as at 1 Jan. 2004
Financial investments with fair value determined directly by taking into account prices on the active market	701.121	571.151	1.272.272
Financial investments with fair value determined by the valuation method	1.513.033	6.463.634	7.976.667
Total available-for-sale financial assets	2.214.154	7.034.785	9.248.939

Capital adjustments as at 31 December 2004 in line with IFRS (linked to Note 12 in the table above)

No.	Items of capital with the presented transition effect	SAS 31 Dec. 2004	Adjustment by IFRS from the opening balance sheet as at 1 Jan. 2004	Adjustment by IFRS in 2004	IFRS 31 Dec. 2004	I IFRS/S AS
1	Share capital	7.902.413			7.902.413	100
2	Capital reserves	2.148.636	9.690.225		11.838.861	551
	Transfer from the general capital revaluation adjustment item		9.690.225			
3	Reserves from profits	2.659.005			2.659.005	100
4	Revaluation surplus	1.263	5.276.087	130.470	5.407.820	-
a.	Increase resulting from revaluation of long-term financial investments in securities, posted as available-for-sale financial assets, to fair value reduced by deferred tax liabilities (opening balance sheet: SIT 7,034,785k – SIT 1,758,698k, in 2004: SIT 175,606k – SIT 43,902k)		5.276.087	131.704		
b.	Decrease by pertaining net profit of subsidiaries (for the purpose of its disclosure in revenues in line with IFRS)			-1.234		
5	General capital revaluation adjustments	9.690.225	-9.690.225		0	
	Decrease arising from transfer to capital reserves		-9.690.225			
6	Retained net profit or loss	10.468.281	891.693	40	11.360.014	109
a.	Cancellation of long-term provisions for negative goodwill (SIT 1,882,702k) reduced by provisions made for deferred tax (SIT 441,333k)		1.441.369			
b.	Provisions made for severance pay and long-service awards (SIT 591,528k) – by taking into account deferred tax liabilities amounting to SIT 112,739k and deduction of the share related to minority shareholders (SIT 3,797k)		-474.992			
c.	Cancellation of value adjustment (upward revaluation) of buildings due to adjustments of the accounting policy		-23.487	40		
d.	Decrease by exchange rate differentials arising from revaluation of investments in subsidiaries to historical cost as at 1 January 2003 (SIT 68,263k) – by taking into account establishing of deferred tax liabilities (SIT 17,066k)		-51.197			
7	Net profit for the year	2.824.667		-341.743	2.482.924	88
a.	Increase arising from cancellation of amortisation of goodwill by SAS			198.682		
b.	Decrease arising from cancellation of revenues from negative goodwill by SAS (SIT 639,817k) – by taking into account reduced deferred tax liabilities (SIT 131,967k)			-507.850		
c.	Increase arising from transfer of costs for severance pay and long-service awards by SAS debited to established provisions by IFRS – by taking into account reduced deferred tax liabilities (SIT 38,826k – SIT 7,136k)			31.690		
d.	Increase by pertaining net profit of subsidiaries (by equity method)			1.234		
e.	Decrease by exchange rate differentials arising from revaluation of investments in subsidiaries to historical cost as at 1 January 2003 (SIT 87,332k) – by taking into account establishing of deferred tax liabilities (SIT 21,833k)			-65.499		
8	Consolidated capital adjustment (translation exchange rate differentials)	-12.405	68.263	87.332	143.190	-
	Increase by exchange rate differentials arising from revaluation of investments in subsidiaries to historical cost as at 1 January 2003		68.263	87.332		
9	Minority interest	814.953	-63.685	1.411	752.679	92
a.	Establishing long-term provisions for severance pay and long-service awards		-3.797			
b.	Cancellation of value adjustment (upward revaluation) of buildings due to adjustments of the accounting policy		-59.888	1.411		
	Total	36.497.038	6.172.358	-122.490	42.546.906	117

Financial Statements of the Intereuropa Group

Consolidated financial statements include the consolidated balance sheet, consolidated profit & loss account, consolidated cash flow statement and consolidated capital flow statement. Consolidated financial statements of the Intereuropa Group were compiled in line with the accounting and reporting requirements of the IFRS as adopted by the European.

Notes to the CONSOLIDATED PROFIT AND LOSS ACCOUNT

Net Sales Revenues

Generated net sales revenues fell by 3%. Comparative data for 2004 include four-month revenues from performing customs services, representing a good 13% of generated sales revenues. A detailed presentation of generated revenues of the Group is provided in segment reporting.

Operating Profit/Loss from Ordinary Activity

The generated profit of SIT 3,166,050k resulted from operating and financing activities and was at the 2004 level, which was due to lower financial revenues from other investments compared to the previous year.

Net Profit/Loss of the Group

Net profit of the Group generated in 2005 totalled SIT 2,300,305k, of which the share of the majority shareholder and minority shareholders equalled SIT 2,215,480k and SIT 84,825k, respectively.

Notes to THE CONSOLIDATED BALANCE SHEET AS AT 31 December 2005

Long-term assets represented 76% of all assets and decreased by 5% compared to the cut-off date of the compared year primarily due to the effect of depreciation, and the sale of tangible fixed assets and long-term financial investments.

Long-term operating receivables equalling SIT 26,618k consisted mainly of long-term receivables arising from deferred tax (detailed disclosure in Note 27).

Short-term operating receivables

The bulk (90%) of short-term operating receivables was accounted for by accounts receivable, presented below. They increased by 1% compared to the balance as at 31 December 2004, which was the result of an increase in short-term accounts receivable.

Capital

	in '000 of SIT	31. 12. 2005	in %	31. 12. 2004	in %	I 05/04
A.	CAPITAL	42.190.270	100%	42.546.906	100%	99
I	Called-up capital	7.902.413	19%	7.902.413	18%	100
II.	Capital reserves	11.838.861	28%	11.838.861	28%	100
III.	Reserves from profits	2.659.005	6%	2.659.005	6%	100
IV.	Revaluation surplus	4.547.614	11%	5.407.820	13%	84
V	Retained net profit or loss	11.952.200	28%	11.360.014	27%	105
VI.	Net profit or loss for the financial year	2.215.480	5%	2.482.924	6%	89
VII.	Consolidated capital adjustment (translation exchange rate differentials)	312.132	1%	143.190	0%	218
VIII.	Minority interest	762.565	2%	752.679	2%	101

Changes in capital in 2005 are presented in the capital flow statement.

17. Auditors Report

Deloitte.

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AUDITORS' REPORT ON THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS

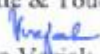
to the shareholders of
Intereuropa d.d.

We have audited the consolidated balance sheet of the Intereuropa Group as at 31 December 2005 and the related statements of income, cash flows and changes in equity as well as notes to the consolidated financial statements for the year then ended, on which the summarised financial statements are based, in accordance with the International Standards on Auditing. In our report dated 31 March 2006 we expressed the opinion that the consolidated financial statements with the pertaining notes, on which the summarised consolidated financial statements are based, are a true and fair view of the financial position of the Group as at 31 December 2005 and the results of its operations, cash flows and changes in equity for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

In our opinion the attached summarised consolidated financial statements are in all material respects consistent with the financial statements and notes, based on which they were prepared.

In order to better understand the financial situation of the Group, its operating and financial results for the period as well as the scope of our audit, the summarised consolidated financial statements should be read in conjunction with the consolidated financial statements and the pertaining notes, based on which they were prepared, and our report thereon.

Deloitte & Touche revizija d.o.o.


Blanka Večjak, M.Sc.
Certified Auditor
Member of the Management Board

Ljubljana, 26 April 2006

**Deloitte
& Touche**
revizija d.o.o.

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Audit. Tax. Consulting. Financial Advisory.

Družba je članica
Deloitte Touche Tohmatsu

18. Consolidated Financial Statements of the Intereuropa Group

Consolidated balance sheet of the Intereuropa group as at 31 December 2005

in '000 of SIT	Note	31.12.2005	31.12.2004	I 05/04
ASSETS		63.694.618	65.291.374	98
A. LONG-TERM ASSETS	14	48.325.098	50.628.187	95
I. Intangible assets and long-term deferred items	15	1.814.342	1.933.506	94
1. Long-term property rights		377.548	451.869	84
2. Goodwill		1.243.692	1.278.570	97
3. Advances for intangible assets				
4. Long-term deferred development expenses		187.145	179.826	104
5. Long-term deferred items		5.957	23.241	26
II. Tangible fixed assets	16	34.328.302	34.236.207	100
1. Land and buildings		28.944.728	25.508.866	113
a) Land		4.589.973	4.974.156	92
b) Buildings		24.353.362	20.533.148	119
c) Building rights		1.393	1.562	89
2. Production machinery				
3. Other devices and equipment		4.881.517	5.078.451	96
4. Tangible fixed assets under construction or manufacturing		502.057	3.648.890	14
a) Tangible fixed assets under construction or in production		419.281	2.936.445	14
b) Advances on acquisition of tangible fixed assets		82.776	712.445	12
III. Investment property	17	3.508.037	2.866.042	122
IV. Long-term financial investments	18	8.647.799	11.548.224	75
1. Long-term financial investments, except loans		8.558.497	11.443.817	75
a) Shares and stakes in the Group				
b) Shares and stakes in associates and joint ventures		781.671	673.117	116
c) Other shares and stakes		7.776.826	10.009.520	78
c.1) Financial assets at fair value through profit and loss		42.988	0	-
c.2) Available-for-sale financial assets		7.222.434	9.485.962	76
c.3) Financial investments at historical cost		511.404	523.558	98
d) Held-to-maturity investments		0	761.180	0
2. Long-term loans given		89.302	104.407	86
a) Long-term loans to Group members				
b) Long-term loans to others		89.302	104.407	86
c) Long-term unpaid called capital				
V. Long-term operating receivables		3.445	10.442	33
1. Long-term operating receivables from Group members				
2. Long-term accounts receivable				
3. Long-term operating receivables from others		3.445	10.442	33
VI. Deferred tax assets	27	23.173	33.766	69
B. SHORT-TERM ASSETS		14.931.304	13.886.610	108
I. Assets for sale	19	259.022	0	-
II. Inventories	20	45.535	20.936	217
1. Material		45.535	18.643	244
2. Work in progress		0	1.583	-
3. Products and merchandise		0	11	-
4. Advances for inventories		0	699	-
III. Short-term financial investments	21	2.135.142	1.344.718	159
1. Short-term financial investments, except loans		1.772.585	1.186.310	149
a) Shares and stakes (excluding Group members)		4.940	34.303	14
a.1) Financial assets at fair value through profit and loss				
a.2) Available-for-sale financial assets		4.940	16.076	31
a.3) Financial investments at historical cost		0	18.227	-
b) Held-to-maturity investments		1.767.645	1.152.007	153
2. Short-term loans given		362.557	158.408	229
a) Short-term loans to Group members				
b) Short-term loans to others		362.557	158.408	229
c) Short-term unpaid called capital				
IV. Short-term operating receivables	22	11.632.748	11.514.370	101
1) Short-term operating receivables from Group members				
2) Short-term accounts receivable (except from Group members)		10.940.238	10.361.145	106
3) Short-term operating receivables from others		663.818	1.038.642	64
4) Short-term receivables from corporation tax		28.692	114.583	25
V. Cash	23	858.857	1.006.586	85
C. SHORT-TERM DEFERRED ITEMS	24	438.216	776.577	56

LIABILITIES		63.694.618	65.291.374	98
A. CAPITAL	25	42.190.270	42.546.906	99
I. Called-up capital		7.902.413	7.902.413	100
1. Share capital		7.902.413	7.902.413	100
2. Uncalled capital (deduction item)				
II. Capital reserves		11.838.861	11.838.861	100
III. Reserves from profit		2.659.005	2.659.005	100
1. Legal reserves		2.659.005	2.659.005	100
2. Reserves for own shares and stakes				
3. Own shares and stakes (deduction item)				
4. Statutory reserves				
5. Other reserves from profit				
IV. Revaluation surplus		4.547.614	5.407.820	84
V. Net profit/loss brought forward		11.952.200	11.360.014	105
VI. Net profit or loss for the financial year		2.215.480	2.482.924	89
VII. Consolidated capital adjustment (translation exchange rate differentials)		312.132	143.190	218
VIII. Minority interest		762.565	752.679	101
B. PROVISIONS AND LONG-TERM ACCRUED ITEMS	26	761.902	1.097.092	69
1. Provisions for pensions and similar liabilities		634.836	710.338	89
2. Other provisions		91.973	357.919	26
3. Long-term accrued items		35.093	28.835	122
C. LONG-TERM LIABILITIES	27	7.597.214	7.580.359	100
I. Long-term financial liabilities		6.274.456	5.574.650	113
1. Long-term financial liabilities to Group members				
2. Long-term financial liabilities to banks		6.274.456	5.557.667	113
3. Long-term liabilities arising from bonds				
4. Other long-term financial liabilities		0	16.983	-
II. Long-term operating liabilities		30.319	4.479	677
1. Long-term operating liabilities to Group members				
2. Long-term accounts payable				
3. Long-term liabilities arising from bills of exchange				
4. Long-term operating liabilities arising from advances				
5. Other long-term operating liabilities (debts)		30.319	4.479	677
III. Deferred tax liability		1.292.439	2.001.230	65
D. SHORT-TERM LIABILITIES	28	13.087.680	14.067.017	93
I. Liabilities included in disposal groups				
II. Short-term financial liabilities		2.165.850	3.484.091	62
1. Short-term financial liabilities to Group members				
2. Short-term financial liabilities to banks		2.093.424	3.315.617	63
3. Short-term financial liabilities arising from bonds				
4. Other short-term financial liabilities		72.426	168.474	43
III. Short-term operating liabilities		10.921.830	10.582.926	103
1. Short-term operating liabilities to Group members				
2. Short-term accounts payable		8.873.124	9.023.132	98
3. Short-term liabilities arising from bills of exchange				
4. Short-term operating liabilities from advances		342.648	330.242	104
5. Other short-term operating liabilities		1.107.880	1.214.897	91
6. Short-term corporation tax payable		598.178	14.655	4.082
E. SHORT-TERM PROVISIONS AND ACCRUED ITEMS	29	57.552	0	-

Consolidated financial statements of the Intereuropa Group for 2005

in '000 of SIT	Note	2.005	2.004	I 05/04
1. NET SALES REVENUES	1	49.494.200	51.022.064	97
2. CHANGE IN THE VALUE OF INVENTORIES OF PRODUCTS AND WORK-IN-PROGRESS				
3. CAPITALISED OWN PRODUCTS AND SERVICES				
4. OTHER OPERATING REVENUES	2	1.125.885	439.132	256
5. COST OF GOODS, MATERIAL AND SERVICES	3	35.976.349	36.683.245	98
5.1 Cost of goods and materials sold and costs of materials used	4	2.462.442	2.615.583	94
5.2. Costs of services	5	33.513.907	34.067.662	98
6. LABOUR COSTS	6	9.114.435	9.903.353	92
6.1. Wages and salaries		6.494.243	7.066.372	92
6.2. Social security costs (separate disclosure of pension insurance costs)		1.293.953	1.411.313	92
6.2.a) Pension insurance costs		505.914	625.374	81
6.2.b) Other social security costs		788.039	785.939	100
6.3. Other labour costs		1.326.239	1.425.668	93
7. WRITE-OFFS	7	3.163.822	2.692.358	118
7.1. Depreciation and other intangible long-term assets write-downs and tangible fixed assets write-offs		2.557.979	2.516.541	102
7.2. Current assets revaluation adjustments and write-offs		605.843	175.817	345
8. OTHER OPERATING EXPENSES	8	842.092	876.335	96
9. OPERATING PROFIT/LOSS (1+2+3+4-5-6-7-8)	9	1.523.387	1.305.905	117
10. FINANCIAL REVENUES FROM STAKES		1.561.816	1.884.295	83
10.1. Financial revenues from intra-group participations				
10.2. Financial revenues from stakes in associated companies		33.897	1.234	-
10.3. Financial revenues from stakes in other companies		317.793	231.230	137
10.4. Financial revenues from other investments		1.210.126	1.651.831	73
11. FINANCIAL REVENUES FROM LOANS GIVEN		92.442	276.010	33
11.1. Financial revenues from loans given to Group members				
11.2. Financial revenues from loans given to others		92.442	276.010	33
12. FINANCIAL REVENUES FROM OPERATING RECEIVABLES		499.102	951.146	52
12.1. Financial revenues from operating receivables from Group members				
12.2. Financial revenues from operating receivables from others and cash		499.102	951.146	52
13. FINANCIAL EXPENSES FROM IMPAIRMENT AND WRITE OFFS OF FINANCIAL INVESTMENTS		53.348	2.401	-
14. FINANCIAL EXPENSES FROM FINANCIAL LIABILITIES		333.790	905.696	37
14.1. Financial expenses from loans received from Group members				
14.2. Financial expenses from loans received from banks and others		333.413	282.494	118
14.3. Financial expenses from other financial liabilities		377	623.202	-
15. FINANCIAL EXPENSES FROM OPERATING LIABILITIES		123.559	330.504	37
15.1. Financial expenses from operating liabilities to Group members				
bills of exchange		123.559	330.504	37
15.3. Other financial expenses from other operating liabilities				
16. PROFIT OR LOSS FROM ORDINARY ACTIVITIES (9+10+11+12-13-14-15)	10	3.166.050	3.178.755	100
17. OTHER REVENUES				
18. OTHER EXPENSES				
19. PROFIT OR LOSS FROM EXTRAORDINARY ACTIVITIES (17-18)		0	0	-
20. Corporation tax	11	1.277.295	766.011	167
21. Deferred tax	12	-411.550	-146.664	281
22.a Net profit or loss of minority shareholders		84.825	76.484	111
22.b Net profit or loss of the majority shareholder (16+19-20-21-22.a)		2.215.480	2.482.924	89
22. NET PROFIT OR LOSS FOR THE PERIOD (22.a+22.b)	13	2.300.305	2.559.408	90
Basic earnings per share	13a,25	280,35 SIT	314,20 SIT	89

Consolidated cash flow statement of the group for the period between 1 January and 31 December 2005

	in '000 of SIT	Note	2.005	2.004
A.	Cash flows from operations			
a)	Profit and loss account items		3.290.001	3.194.249
	Operating revenues (except revaluation)		49.710.580	51.607.571
	Operating expenses excluding depreciation and long-term provisions (except revaluation)		45.801.571	47.791.054
	Corporation tax and other taxes not included in operating expenses		619.008	622.268
b)	Changes in working capital (and deferred and accrued items, provisions and deferred tax assets and liabilities) of operating items in the balance sheet		-177.538	-614.502
	Opening less closing operating receivables		-102.599	644.071
	Opening less closing inventories		-24.599	185.300
	Closing less opening operating liabilities		-50.340	-1.443.873
c)	Surplus inflows from operations	31	3.112.463	2.579.747
B.	Cash flows from investments			
a)	Inflows from investments		6.009.034	3.024.515
	Inflows from received interest		202.502	455.973
	Inflows from profit shares in others		317.793	231.330
	Inflows from disposal of intangible long-term assets			
	Inflows from disposal of tangible fixed assets		2.479.986	469.522
	Inflows from disposal of long-term financial investments		3.008.753	1.867.690
	Offset decrease in short-term financial investments			
b)	Outflows for investments		6.060.316	5.435.371
	Acquisition of subsidiaries net of cash acquired			
	Outflows for acquisition of intangible long-term assets		181.890	308.334
	Outflows for acquisition of tangible fixed assets and investment property		5.086.299	4.556.078
	Outflows for acquisition of long-term financial investments		635.749	227.400
	Offset increase in short-term financial investments		156.378	343.559
c)	Surplus inflows (outflows) from investments	32	-51.282	-2.410.856
C.	Cash flows from financing			
a)	Inflows from financing		2.626.366	3.810.474
	Capital increase			
	Inflows from received long-term loans		2.626.366	2.993.708
	Offset increase in received short-term loans (except for revaluation)		0	816.766
b)	Outflows for financing		5.824.170	3.607.574
	Outflows for interest paid		435.157	287.455
	Outflows for decrease in capital (paid dividends and other profit participations)		2.011.309	2.012.604
	Outflows for repayment of long-term loans		1.304.380	1.307.515
	Offset decrease in short-term loans		2.073.324	0
c)	Surplus inflows (outflows) from financing	33	-3.197.804	202.900
D.	Net increase/decrease in cash		-136.623	371.791
E.	Exchange rate effect		-11.106	115
F.	Cash at beginning of period	23	1.006.586	634.680
G.	Cash at the end of period (D+E+F)	23, 34	858.857	1.006.586

Consolidated capital flow statement of the group for 2005

in '000 of SIT	Note	Share capital	Capital reserves	Legal reserves	Revaluation surplus	Retained net profit or loss	Net profit or loss for the financial year	Consolidated capital adjustment (translation exchange rate differentials)	Minority interest	Total shareholders equity
Opening balance		7.902.413	11.838.861	2.659.005	5.407.820	11.360.014	2.482.924	143.190	752.679	42.546.906
Entry of net profit or loss for the period		0	0	0	0	0	2.215.480	0	84.825	2.300.305
Decrease in surplus from revaluation of financial investments		0	0	0	-83.059	0	0	0	0	-83.059
Transfer of revaluation surplus to revenues (in disposal of financial investments)		0	0	0	-1.064.389	0	0	0	0	-1.064.389
Cancellation of deferred tax liabilities credited to capital		0	0	0	287.242	0	0	0	0	287.242
Translation exchange rate differentials		0	0	0	0	0	0	168.942	0	168.942
Total recognised revenues and expenses in capital for the financial year		0	0	0	-860.206	0	2.215.480	168.942	84.825	1.609.041
Other increases of equity capital components		0	0	0	0	63.853	0	0	0	63.853
Other reallocations of capital elements		0	0	0	0	2.482.924	-2.482.924	0	0	0
Dividend payout		0	0	0	0	-1.896.579	0	0	-60.379	-1.956.958
Other cancellation of capital elements		0	0	0	0	-58.012	0	0	-14.560	-72.572
Closing balance	35	7.902.413	11.838.861	2.659.005	4.547.614	11.952.200	2.215.480	312.132	762.565	42.190.270

Consolidated capital flow statement of the group for 2004

in '000 of SIT	Note	Share capital	Capital reserves	Legal reserves	Revaluation surplus	Retained net profit or loss	Net profit or loss for the financial year	Consolidated capital adjustment (translation exchange rate differentials)	Minority interest	Total shareholders equity
Opening balance		8.011.377	11.729.897	2.659.005	5.276.119	10.577.680	2.941.018	70.632	727.005	41.992.733
Entry of net profit or loss for the period		0	0	0	0	0	2.482.924	0	76.484	2.559.408
Increase in surplus from revaluation of financial investments		0	0	0	270.256	0	0	0	0	270.256
Transfer of revaluation surplus to revenues (in disposal of financial investments)		0	0	0	-94.650	0	0	0	0	-94.650
Decrease in surplus from revaluation for deferred tax		0	0	0	-43.902	0	0	0	0	-43.902
Translation exchange rate differentials		0	0	0	0	0	0	72.558	0	72.558
Total recognised revenues and expenses in capital for the financial year		0	0	0	131.704	0	2.482.924	72.558	76.484	2.763.670
Other increases of equity capital components		0	108.964	0	0	40	0	0	0	109.004
Other reallocations of capital elements		0	0	0	0	2.941.018	-2.941.018	0	0	0
Dividend payout		0	0	0	0	-1.896.579	0	0	-43.547	-1.940.126
Other cancellation of capital elements		-108.964	0	0	-3	-262.145	0	0	-7.263	-378.375
Closing balance	36	7.902.413	11.838.861	2.659.005	5.407.820	11.360.014	2.482.924	143.190	752.679	42.546.906

19. Non –Consolidated Financial Statements of the Company Intereuropa d.d., With Notes

The Intereuropa Group consists of the parent company Intereuropa d.d. and its subsidiaries, associated companies and jointly controlled companies. The financial statements of the parent company have been compiled in accordance with the applicable legislation and the Slovene Accounting Standards. The basic purpose of the standards is to take into account the general international accounting practice, financial definition of capital and the requirement for maintaining its real value.

The parent company shall include in its financial statements the pertaining net profit/loss of subsidiaries, associated companies and jointly controlled companies by using the equity method, so that the pertaining net profit increases the special revaluation capital adjustment in relation to long-term financial investments, and the pertaining loss increase, financial expenses.

Net sales revenues totalling SIT 28,451,888k represented sales proceeds from services provided and were recognised in their entirety when sales occurred. A total of SIT 15,625,429k and SIT 12,826,459k in net sales revenues was generated in the domestic market and on foreign markets, respectively.

Net Sales Revenues by Business Area (Business Segments)

in '000 of SIT	2005	in %	PLAN 2005	in %	2004	in %	I 05/plan	I 05/04
1 Land freight	10.291.449	36%	10.575.973	35%	10.400.536	35%	97	99
2 Terminal services	2.869.501	10%	3.331.973	11%	3.195.880	11%	86	90
3 Customs services	1.644.991	6%	1.821.005	6%	3.120.369	10%	90	53
4 Sea and coastal water transport	10.111.726	36%	10.731.665	36%	9.761.521	33%	94	104
5 Air transport	2.249.003	8%	2.291.200	8%	2.074.568	7%	98	108
6 Other services	1.285.218	5%	1.085.661	4%	1.443.919	5%	118	89
TOTAL	28.451.888	100%	29.837.478	100%	29.996.792	100%	95	95

In 2005, the Company fell behind plan by 5%, and comparison with the preceding year shows the same result. The biggest share of net sales revenues is apportioned to the segments sea and coastal water transport and land freight having 36% each.

Net profit or loss from ordinary activities

The Company's operating profit in 2005 equalled SIT 1,838,794k, exceeding the respective amount in 2004 by 3.7 times due to the increase in other operating revenues. Profit from ordinary activities as a result of revenues and expenses related to ordinary activities equalled SIT 3,422,471k, where the biggest contribution was the sold financial investment in the company Si.mobil d.d.

Net profit or loss for the period

Net profit amounted to SIT 2,472,823k and was posted as an increase in balance sheet profit.

Notes to the BALANCE SHEET

Fixed assets represented 80% of all assets and decreased by 4% when compared to the cut-off date of the compared year primarily due to the effect of depreciation, and the sale of tangible fixed assets and long-term financial investments.

Current assets accounted for 18% of total assets. Compared to the balance as at 31 December 2004, they fell by 2% mostly as the result of a reduction in operating receivables.

Capital represents equity financing of the Company and is a liability to the Company's owners from the Company's point of view. Changes in capital in 2005 are presented in the capital flow statement. The special capital revaluation adjustment increased in 2005 primarily due to the evaluation of investments in subsidiaries by using the equity method (by SIT 992,786k).

Financial and operating liabilities as at the balance sheet date accounted for 18% of the total liabilities. Financial and operating liabilities were not collateralised by any material guarantee (lien).

20. Auditors Report

Deloitte.

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AUDITORS' REPORT ON THE SUMMARISED FINANCIAL STATEMENTS

to the shareholders of
Intereuropa d.d.

We have audited the balance sheet of Intereuropa d.d. as at 31 December and the related statements of income, cash flows and changes in equity as well as notes to the financial statements for the year then ended, on which the summarised financial statements are based, in accordance with the International Standards on Auditing. In our reports dated 14 March 2006 we expressed the opinion that the financial statements with the pertaining notes, on which the summarised financial statements are based, are a true and fair view of the financial position of the Company as at 31 December 2005 and the results of its operations, cash flows and changes in equity for the year then ended in accordance with Slovenian Accounting Standards.

In our opinion the attached summarised financial statements are in all material respects consistent with the financial statements and notes, based on which they were prepared.

In order to better understand the financial situation of the Company, its operating and financial results for the period as well as the scope of our audit, the summarised financial statements should be read in conjunction with the financial statements and the pertaining notes, based on which they were prepared, and our report thereon.

Deloitte & Touche revizija d.o.o.

Lidija Jezernik
Certified Auditor
Member of the Board


**Deloitte
& Touche**
revizija d.o.o.

Ljubljana, 26 April 2006

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Audit. Tax. Consulting. Financial Advisory.

Družba je članica
Deloitte Touche Tohmatsu

21. Financial Statements of the Parent Company Intereuropa d.d.

Balance sheet of the parent company Intereuropa d.d.

in '000 of SIT	Notes	31.12.2005	21.12.2004	I 05/04
ASSETS		46.336.134	47.831.733	97
A. FIXED ASSETS	15	37.717.110	38.825.247	97
I. Intangible long-term assets	16	188.333	283.954	66
1. Long-term deferred operating expenses		5.957	10.162	59
2. Long-term deferred development expenses				
3. Long-term property rights:		82.258	273.792	30
4. Goodwill				
5. Advances for intangible long-term assets				
6. Intangible long-term assets under development		100.118	0	-
II. Tangible fixed assets	17	22.223.063	23.240.998	96
1. Land and buildings		20.675.028	19.206.415	108
a) Land		2.934.451	3.432.775	85
b) Buildings		17.740.577	15.773.640	112
2. Production machinery				
3. Other devices and equipment		1.527.691	1.308.022	117
4. Fixed assets being acquired		20.344	2.726.561	1
a) Advances on the acquisition of tangible fixed assets				
b) Tangible fixed assets under construction or in production		20.344	2.726.561	1
III. Long-term financial investments	18	15.305.714	15.300.295	100
1. Stakes in the group members		12.681.872	11.650.493	109
2. Long-term financial receivables due from Group members, excluding associated companies		140.441	290.814	48
3. Equity stakes in associated companies		781.671	673.117	116
4. Long-term financial receivables due from associated companies				
5. Other long-term stakes		1.398.318	1.840.185	76
6. Other long-term financial receivables		303.412	845.686	36
7. Own stakes				
B. CURRENT ASSETS	19	8.258.866	8.401.731	98
I. Inventories	20	12.653	11.803	107
1. Material		12.653	11.803	107
2. Work in progress				
3. Products and merchandise				
4. Advances for inventories				
II. Operating receivables	21	5.772.978	5.963.922	97
a) Long-term operating receivables		37.164	9.794	379
1. Long-term operating receivables due from customers (excluding long-term operating receivables under IIa2 and IIa3)		2.115	8.981	24
2. Long-term operating receivables due from Group members, excluding associated companies				
3. Long-term operating receivables due from associated companies				
4. Other long-term operating receivables		35.049	813	4.311
5. Long-term unpaid called capital				
b) Short-term operating receivables		5.735.814	5.954.128	96
1. Short-term operating receivables due from customers (excluding short term operating receivables under IIb2 and IIb3)		5.209.411	4.783.514	109
2. Short-term operating receivables due from enterprises in the group excluding associated companies		360.549	202.710	178
3. Short-term operating receivables due from associated companies		52.965	0	-
4. Short-term operating receivables from others		112.889	967.904	12
5. Short-term unpaid called capital				
III. Short-term financial investments	22	2.348.561	2.290.659	103
1. Short-term financial receivables due from Group members, excluding associated companies		1.182.509	1.099.421	108
2. Short-term financial receivables from associated companies				
3. Own stakes				
4. Short-term financial investments in others		1.166.052	1.191.238	98
IV. Bank deposits, cheques and cash in hand	23	124.674	135.347	92
C. DEFERRED EXPENSES AND ACCRUED REVENUES	24	360.158	604.755	60
D. OFF-BALANCE SHEET ASSETS	25	7.760.682	7.318.279	106
1. Off-balance sheet assets in the Group		5.635.828	5.315.268	106
2. Other off-balance sheet assets		2.124.854	2.003.011	106

Liabilities		46.336.134	47.831.733	97
A. CAPITAL	26	36.850.934	35.451.075	104
I. Called-up capital		7.902.413	7.902.413	100
1. Equity capital		7.902.413	7.902.413	100
2. Uncalled capital (deduction item)				
II. Capital reserves		2.148.636	2.148.636	100
III. Reserves from profit		2.659.005	2.659.005	100
1. Legal reserves		2.659.005	2.659.005	100
2. Reserves for own stakes				
3. Statutory reserves				
4. Other reserves from profit				
IV. Retained net profit or loss		10.084.970	10.069.548	100
V. Net profit or loss for the period		2.472.823	1.970.013	126
VI. Capital revaluation adjustments		11.583.087	10.701.460	108
1. General capital revaluation adjustment		9.690.225	9.690.225	100
2. Special capital revaluation adjustment		1.892.862	1.011.235	-
B. PROVISIONS	27	74.100	1.581.306	5
1. Provisions for pensions and similar liabilities				
2. Provisions for taxes				
3. Other provisions		74.100	1.581.306	5
C. FINANCIAL AND OPERATING LIABILITIES	28	8.403.305	9.824.375	86
a) Long-term financial and operating liabilities		1.550.286	1.211.367	128
1. Long-term liabilities (debts) from bonds (less liabilities (debts) under Ca6 and Ca8)				
2. Long-term financial liabilities to banks (excluding liabilities under Ca6 and Ca8)		1.545.807	1.206.888	128
3. Long-term operating liabilities arising from advances				
4. Long-term operating liabilities to suppliers (excluding liabilities under Ca7 and Ca8)				
5. Long-term bills of exchange payable (excluding liabilities under Ca6 and Ca8)				
6. Long-term financial liabilities (including bonds) to Group members, excluding associated companies				
7. Long-term operating liabilities to Group members, excluding associated companies				
8. Long-term financial and operating liabilities (including bonds) to associated companies				
9. Other long-term financial liabilities				
10. Other long-term operating liabilities		4.479	4.479	100
b) Short-term financial and operating liabilities		6.853.019	8.613.008	80
1. Short-term liabilities arising from bonds (excluding liabilities under Cb6 and Cb8)				
2. Short-term financial liabilities to banks (excluding liabilities under Cb6 and Cb8)		1.676.328	2.859.345	59
3. Short-term operating liabilities from advances		52.523	121.526	43
4. Short-term operating liabilities to suppliers (excluding liabilities under Cb7 and Cb8)		3.359.535	4.293.842	78
5. Short-term bills of exchange payable (excluding liabilities under Cb6 and Cb8)				
6. Short-term financial liabilities (including bonds) to Group members, excluding associated companies				
7. Short-term operating liabilities to Group members, excluding associated companies		331.624	378.187	88
8. Short-term financial and operating liabilities to associated companies		431.632	0	-
9. Other short-term financial liabilities			265.797	-
10. Other short-term operating liabilities		1.001.377	694.311	144
D. ACCRUED COSTS (EXPENSES) AND DEFERRED REVENUES	29	1.007.795	974.977	103
E. OFF-BALANCE SHEET LIABILITIES	30	7.760.682	7.318.279	106
1. Off-balance sheet liabilities in the Group		5.635.828	5.315.268	106
2. Other off-balance sheet liabilities		2.124.854	2.003.011	106

Profit & Loss Account of the Parent Company Intereuropa for the period between 1 January 2005 and 31 December 2005

	Notes	2.005	2.004	I 05/04
1 Net sales revenues	1	28.451.888	29.996.792	95
2 CAPITALISED OWN PRODUCTS AND OWN SERVICES				
3 OTHER OPERATING REVENUES (including operating revenues from revaluation)		2.208.763	641.374	344
4 COSTS OF GOODS, MATERIAL AND SERVICES (a+b+c)	2	22.387.345	22.811.465	98
a Purchase value of goods and material sold				
b Used material costs		528.402	553.448	95
c Costs of services		21.858.943	22.258.017	98
5 LABOUR COSTS (a+b+c)	3	4.542.127	5.375.524	84
a Wages and salaries		3.096.823	3.664.247	85
b Social security costs		510.561	613.107	83
c Other labour costs		934.743	1.098.170	85
6 DEPRECIATION AND AMORTISATION (a+b)	4	1.540.630	1.618.100	95
a Depreciation and revaluation operating expenses associated with intangible long-term assets and tangible fixed assets		1.191.842	1.537.725	78
b Operating expenses from revaluation of current assets		348.788	80.375	434
7 OTHER OPERATING EXPENSES	5	351.755	338.896	104
8 FINANCIAL REVENUES FROM STAKES (a+b+c)	6	1.905.485	1.968.437	97
a Financial revenues from equity capital interests in the group, excluding associates		233.005	0	-
b Financial revenues from stakes in associated companies				
c Financial revenues from other equity capital interests (including revaluation financial revenues)		1.672.480	1.968.437	85
9 FINANCIAL REVENUES FROM LONG-TERM RECEIVABLES (a+b+c)	7	3.599	12.490	29
a Financial revenues from long-term receivables from group enterprises, excluding associates				
b Financial revenues from long-term receivables due from associated companies				
c Other financial revenues from long-term receivables (including financial revenue from revaluation)		3.599	12.490	29
10 FINANCIAL REVENUES FROM SHORT-TERM RECEIVABLES (a+b+c)	8	278.615	335.891	83
a Financial revenues from interest and short-term receivables from group enterprises, excluding associates		39.020	96.134	41
b Financial revenues from interest and short-term receivables from associated companies				
c Other interest revenue and financial revenues from short-term receivables (including financial revenues from revaluation)		239.595	239.757	100
11 FINANCIAL EXPENSES ARISING FROM LONG-TERM AND SHORT-TERM FINANCIAL INVESTMENT WRITE-OFFS (a+b+c)	9	377.986	268.005	141
a Financial expenses from revaluation of investments in Group members, excluding associated companies		329.330	268.005	123
b Financial expenses from revaluation of investments in associated companies				
c Other financial expenses from revaluation		48.656	0	-
12 FINANCIAL EXPENSES ARISING FROM INTEREST AND OTHER LIAB	10	226.036	148.336	152
a Interest expenses and financial expenses for other liabilities to group enterprises, excluding associates		0	2.935	-
b Financial expenses arising from interest and other liabilities to associated companies				
c Other interest expenses and financial expenses associated with other liabilities		226.036	145.401	155
13 11-12)	11	3.422.471	2.394.658	143
14 Corporate income tax on profit from ordinary activities				
15 NET PROFIT OR LOSS FROM ORDINARY ACTIVITIES (13-14)		3.422.471	2.394.658	143
16 EXTRAORDINARY REVENUES		34.245	39.175	87
17 EXTRAORDINARY EXPENSES (a+b)		23.092	20.876	111
a) Extraordinary expenses excluding capital revaluation adjustment		23.092	20.876	111
b) Extraordinary expenses arising from capital revaluation adjustment				
18 PROFIT OR LOSS FROM EXTRAORDINARY ACTIVITIES (16-17)	13	11.153	18.299	61
19 Corporate income tax	12	995.037	442.944	225
20 Deferred tax	12a	-34.236	0	-
21 NET PROFIT OR LOSS FOR THE PERIOD (15+16-17-19-20)	14	2.472.823	1.970.013	126

Cash Flow Statement of the Parent Company INTEREUROPA d.d. for the period between 1 January and 31 December 2005

	in '000 of SIT	Notes	2.005	2.004
A.	Cash flows from operations			
a)	Inflows from operating activities		28.683.682	32.113.235
	Operating revenues		28.454.213	30.108.825
	Extraordinary revenues from operations		34.245	39.175
	Opening less closing operating receivables		-49.373	1.762.498
	Opening less closing short-term deferred items		244.597	202.737
b)	Outflows from operating activities		27.794.489	29.874.661
	Operating expenses excluding depreciation and long-term provisions		27.233.627	28.525.885
	Extraordinary expenses related to operations		23.092	20.876
	Corporate income tax and other taxes not included in operating expenses		339.487	546.397
	Closing inventories less opening inventories		850	905
	Opening less closing operating payables		230.251	675.553
	Opening less closing short-term accrued expenses and deferred revenues		-32.818	105.045
c)	Surplus inflows from operations (a less b)	31	889.193	2.238.574
B.	Cash flows from investments			
a)	Inflows from investment activities		2.532.905	1.561.920
	Financial revenues from investments (excluding revaluation)		1.984.171	1.028.335
	Extraordinary income relating to investment activities			
	Offset decrease in intangible long-term assets (excluding revaluation adjustment)		15.274	0
	Offset decrease in tangible fixed assets (excluding revaluation and material equity stakes)			
	Offset decrease in long-term financial investments (excluding revaluation)		415.362	0
	Offset decrease in short-term financial investments		118.098	533.585
b)	Outflows from investment activities		104.547	2.448.834
	Financial expenses from investment activities (excluding revaluation)			
	Extraordinary expenses relating to investment activities			
	Offset increase in intangible long-term assets (excluding revaluation)		0	59.921
	Offset increase in tangible fixed assets (excluding revaluation and material equity stakes)		104.547	1.798.629
	Offset increase in long-term financial investments (excluding revaluation)		0	590.284
	Offset increase in short-term financial investments (excluding revaluation)			
c)	Surplus inflows from investments (a less b)	32	2.428.358	-886.914
C.	Cash flows from financing			
a)	Inflows from financing activities		338.919	1.400.996
	Financial revenues from financing activities (excluding revaluation)			
	Extraordinary revenues relating to financing activities			
	Equity increase (excluding net profit)		0	110.198
	Offset increase in long-term provisions (excluding revaluation)			
	Offset increase in long-term financial liabilities (excluding revaluation)		338.919	252.715
	Offset increase in short-term financial liabilities (excluding revaluation)		0	1.038.083
b)	Outflows from financing activities		3.667.143	2.840.580
	Financial expenses from financing activities (excluding revaluation)		231.705	148.336
	Extraordinary expenses relating to financing activities			
	Equity decrease (excluding net losses for the period)		1.954.590	2.267.691
	Offset decrease in long-term provisions (excluding revaluation)		190.994	424.553
	Offset decrease in long-term financial liabilities (excluding revaluation)			
	Offset decrease in short-term financial liabilities (excluding revaluation)		1.289.854	0
c)	Surplus outflows from financing (a less b)	33	-3.328.224	-1.439.584
D.	Closing balance of cash and cash equivalents	34	124.674	135.347
	x) Cash flow for the period (sum total of surpluses under Ac, Bc and Cc)	35	-10.673	-87.924
	+			
	y) Opening balance of cash and its equivalents		135.347	223.271

Capital Flow Statement of the Parent company for 2005

	in '000 of SIT	Share capital	Capital reserves	Legal reserves	Retained net profit or loss	Net profit or loss for the financial year	General capital revaluation adjustments	Special capital revaluation adjustments	Total shareholders equity
		I/1	II	III/1	IV	V	VI/1	VI/2	
A.	balance as at 31 Dec. 2004	7.902.413	2.148.636	2.659.005	10.069.548	1.970.013	9.690.225	1.011.235	35.451.075
B.	Capital increase								
	Entry of net profit or loss for the period					2.472.823			2.472.823
	Entry of the amount of special capital revaluation							1.114.632	1.114.632
C.	Capital restructuring								
	Other reallocations of capital elements				1.970.013	-1.970.013			
D.	Capital decrease								
	Dividend payout				-1.896.579				-1.896.579
	Other cancellation of capital elements				-58.012			-233.005	-291.017
E.	Closing balance for the period	7.902.413	2.148.636	2.659.005	10.084.970	2.472.823	9.690.225	1.892.862	36.850.934
	BALANCE SHEET PROFIT				10.084.970	2.472.823			12.557.793

Capital Flow Statement of the Parent company for 2004

	in '000 of SIT	Share capital	Capital reserves	Legal reserves	Retained net profit or loss	Net profit or loss for the financial year	General capital revaluation adjustments	Special capital revaluation adjustments	Total shareholders equity
		I/1	II	III/1	IV	V	VI/1	VI/2	
A.	balance as at 31 Dec. 2003	8.011.377	2.039.672	2.659.005	9.364.694	2.863.578	9.690.225	32	34.628.583
B.	Capital increase								
	Entry of net profit or loss for the period					1.970.013			1.970.013
	Entry of the amount of special capital revaluation							1.011.206	1.011.206
	Other increases of equity capital components		108.964						108.964
C.	Capital restructuring								
	Other reallocations of capital elements				2.863.578	-2.863.578			
D.	Capital decrease								
	Dividend payout				-1.896.579				-1.896.579
	Other cancellation of capital elements	-108.964			-262.145			-3	-371.112
E.	Closing balance for the period	7.902.413	2.148.636	2.659.005	10.069.548	1.970.013	9.690.225	1.011.235	35.451.075
	BALANCE SHEET PROFIT				10.069.548	1.970.013			12.039.561

Basic indicators

	in '000 of SIT	2005	Plan 2005	2004	I 05/Plan 05	I 05/04
1	ASSETS/LIABILITIES (in '000 of SIT)	46.336.134	46.407.796	47.831.734	100	97
2	NET PROFIT FOR THE YEAR (in '000 of SIT)	2.472.823	1.372.878	1.970.013	180	126
3	FIXED ASSETS (in '000 of SIT)	22.411.396	24.210.482	23.524.952	93	95
4	REVENUES (in '000 of SIT)	32.882.595	31.364.161	32.994.159	105	100
5	EXPENSES (in '000 of SIT)	29.448.971	29.604.061	30.581.202	99	96
6	LONG-TERM FINANCIAL INVESTMENTS (in '000 of SIT)	15.305.714	14.891.193	15.300.295	103	100
7	LONG-TERM OPERATING RECEIVABLES (in '000 of SIT)	37.164	0	9.794	-	379
8	CAPITAL (in '000 of SIT)	36.850.934	36.128.331	35.451.075	102	104
9	AVERAGE CAPITAL (excluding net operating profit/loss for the year) - calculated on the basis of opening and closing balances (in thousands of SIT)	34.914.593	35.147.078	34.054.823	99	103
10	DIVIDENDS TOTAL IN THE FINANCIAL YEAR (in '000 of SIT)	1.896.579	1.896.579	1.896.579	100	100
11	AVERAGE EQUITY CAPITAL - calculated on the basis of the opening and closing balance (in '000 of SIT)	7.902.413	7.902.413	7.956.895	100	99
12	LONG-TERM DEBTS (in '000 of SIT)	1.550.286	1.491.600	1.211.367	104	128
13	LONG-TERM PROVISIONS (in thousands of SIT)	74.100	829.598	1.581.306	9	5
14	NUMBER OF ORDINARY AND PREFERENCE SHARES (as at the balance sheet cut-off date)	7.902.413	7.902.413	7.902.413	100	100
15	AVERAGE NUMBER OF ORDINARY SHARES	7.902.413	7.902.413	7.902.413	100	100
16	LIQUID ASSETS (bank balances, cheques, cash, short-term financial investments)	2.473.235	2.225.846	2.426.006	111	102
17	SHORT-TERM LIABILITIES	6.853.019	6.427.881	8.613.008	107	80
18	SHORT-TERM RECEIVABLES	5.735.814	4.610.000	5.954.128	124	96
19	SHORT-TERM ASSETS	8.258.866	6.835.846	8.401.731	121	98
20	OPERATING REVENUES	30.660.651	30.605.338	30.638.166	100	100
21	OPERATING EXPENSES	28.821.857	29.500.382	30.143.985	98	96
22	NET PROFIT ARISING FROM ORDINARY SHARES FOR THE FINANCIAL YEAR	2.472.823	1.372.878	1.970.013	180	126
BASIC FINANCIAL INDICATORS						
23	PARTICIPATION RATE OF CAPITAL (8/1)	0,80	0,78	0,74	102	107
24	PARTICIPATION RATE OF LONG-TERM FINANCING ((8+12+13)/1)	0,83	0,83	0,80	100	104
FUNDAMENTAL RATIOS OF INVESTMENT UTILISATION						
25	PARTICIPATION RATE OF FIXED OPERATING ASSETS (3/1)	0,48	0,52	0,49	93	98
26	PARTICIPATION RATE OF LONG-TERM INVESTMENTS ((3+6+7)/1)	0,81	0,84	0,81	97	100
FUNDAMENTAL RATIOS OF HORIZONTAL FINANCIAL STRUCTURE						
27	CAPITAL TO FIXED OPERATING ASSETS RATIO (8/3)	1,64	1,49	1,51	110	109
28	IMMEDIATE SOLVENCY RATIO (ACID TEST RATIO) (16/17)	0,36	0,35	0,28	104	128
29	QUICK RATIO ((16+18)/17)	1,20	1,06	0,97	113	123
30	CURRENT RATIO (19/17)	1,21	1,06	0,98	113	124
FUNDAMENTAL RATIOS OF OPERATING EFFECTIVENESS						
31	OPERATING EFFECTIVENESS RATIO (20/21)	1,06	1,04	1,02	103	105
32	TOTAL EFFICIENCY RATIO (4/5)	1,12	1,06	1,08	105	103
FUNDAMENTAL PROFITABILITY RATIOS						
33	RETURN ON EQUITY (2/9*100, in % (annual level))	7,08	3,91	5,78	181	122
34	DIVIDEND TO EQUITY RATIO (10/11)	0,24	0,24	0,24	100	101
35	BASIC NET EARNINGS PER ORDINARY SHARE RATIO (22/15*1000, in SIT (annual level))	312,92	173,73	249,29	180	126
SHARE BOOK VALUE						
36	ORDINARY SHARE BOOK VALUE in SIT (8/15*1000)	4.663,25	4.571,81	4.486,11	102	104