

INTEREUROPA GROUP

Intereuropa, Global Logistics service, Co. Ltd.



***Summary of the Annual Report
of INTEREUROPA Group
for 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 2006.

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 2006, incl. the Summary of the 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 10 May 2007 onwards.

The Annual Report was endorsed by the Supervisory Board of INTEREUROPA d.d. at its ordinary session on 16 April 2007.

The financial statements of INTEREUROPA d.d. and the consolidated financial statements of the INTEREUROPA GROUP for the financial year 2006 were audited by certified Auditors DELOITTE REVIZIJA d.o.o., Dunajska cesta 9, Ljubljana, which issued its unqualified opinion (without reservation) to the resp. financial statements.

Auditor's Report for the financial statements was received on 10 April 2007.

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 REVIZIJA d.o.o. has audited the Balance Sheet of the Company Intereuropa d.d. as of 31st December 2006 and the related Income Statement (Profit or Loss), Cash Flow Statement, Capital Flow Statement, and the Notes to the Financial Statements for the year 2006, and the consolidated Balance Sheet of the Intereuropa Group as of 31st December 2006 and the related Income Statement, Cash Flow Statement, Statement of Changes in Equity, and the Notes to the Consolidated Financial Statements for the year 2006; the Auditors have issued unqualified opinion (without reservation) to 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.

Changes in the audited financial statements with respect to unaudited financial statements of Intereuropa d.d. and the Intereuropa Group pertain to the valuation of financial investments into the bank Banka Koper d.d., which we have retained as a long-term financial investment (financial investments available for sale). In unaudited financial statements, the mentioned investment was valued at SIT 135,000.00 per share, while in the audited statements it was valued at SIT 113,498.92 per share. Hence, long-term financial investments in the audited balance sheet are lower by SIT 190,414,000, which is why the capital (revaluation surplus) and deferred tax liabilities are lower as well. The change also affected the capital-flow statement.

2. List of Companies in the Intereuropa Group

Subsidiaries, associated company and jointly controlled company included in the financial statements of the parent company on 31.12.2006:

in '000 of SIT	Company's registered office country	Rates used	% ownership as at 31. 12. 2005	% ownership as at 31. 12. 2006	Total equity capital of the company as at 31.12.2006	Net profit or loss for year 2006	Pertaining net profit or loss for year 2006
DIRECT SUBSIDIARIES OF THE CONTROLLING COMPANY INTEREUROPA d.d.							
Intereuropa Transport d.o.o., Koper	Slovenia	SIT	100	100	1,560,537	-339,463	-339,463
Interagent d.o.o., Koper	Slovenia	SIT	100	100	221,763	54,609	54,609
Intereuropa IT d.o.o., Koper	Slovenia	SIT	100	100	320,136	55,070	55,070
Interzav d.o.o., Koper	Slovenia	SIT	71.28	71.28	30,693	18,977	13,527
Intereuropa, Logističke usluge, d.o.o., Zagreb	Croatia	HRK	99.94	99.96	8,593,123	723,501	723,212
Intereuropa Sajam, d.o.o., Zagreb	Croatia	HRK	51	51	508,452	135,426	69,067
Intereuropa Skopje, d.o.o., Skopje	Macedonia	MKD	99.56	99.56	288,310	37,129	36,966
Intereuropa RTC d.d. Sarajevo	Herzegovina	BAM	89.29	89.29	2,297,002	108,255	96,661
Intereuropa-East d.o.o., Moscow	Russia	RUB	100	100	-4,806	-19,578	-19,578
A.D.Intereuropa logističke usluge, Belgrade	Serbia	CSD	73.62	73.62	1,043,601	12,968	9,547
Intereuropa S.A.S., Saint Pierre de Chandieu	France	EUR	67.60	67.60	39,968	5,597	3,784
TEK ZTS d.o.o., Užgorod	Ukraine	UAH	66.67	66.67	88,893	-7,085	-4,724
Schneider & Peklar GmbH, Vienna	Austria	EUR	100	100	45,806	-117,487	-117,487
Intereuropa Transport & Spedition GmbH, Troisdorf	Germany	EUR	90.48	90.48	36,668	14,652	13,257
Intereuropa Kosova L.L.C., Priština	Serbia	EUR	-	90	7,362	-29,179	-26,261
INDIRECT SUBSIDIARY OF THE CONTROLLING COMPANY INTEREUROPA d.d.							
Intereuropa Transport dooel, Skopje	Macedonia	MKD	-	99.56	2,056	856	852
ASSOCIATED COMPANY							
AC-Interauto, d.o.o., Koper (capital and net profit & loss assessment)	Slovenia	SIT	40	40	76,603	12,000	4,800
JOINTLY CONTROLLED COMPANY							
Intereuropa-FLG d.o.o., Ljubljana *	Slovenia	SIT	50	50	77,614	39,977	39,977

* According to contract of members Intereuropa d.d. is entitled to entire net profit & loss in 2006.

Associated company and jointly controlled company are included in the financial statements of the parent company by using the equity method.

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

3. Basic Data of Intereuropa

Parent company	Intereuropa, Global Logistics Service, 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 Ondina Jonke, Member of the Managing Board – Human Resources Executive
Chairman of the Supervisory Board	Boštjan Rigler
Intereuropa Group	
Number of employees	2,310 employees
Transport fleet	439 company-owned trucks and other delivery vehicles
Total warehousing area	190,862 m ² of own warehouses
Total land area	1,363,615 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
Own branch network	Intereuropa d.o.o., Zagreb, and Intereuropa Transport d.o.o., Koper Slovenia, Croatia, Bosnia and Herzegovina, Macedonia, Serbia and Montenegro, Russia, France, Ukraine, Austria and Germany

4. Key Achievements in 2006

Intereuropa d.d.

PROFIT AND LOSS ACCOUNT	in 000 SIT					in 000 EUR***
	2003*	2004*	2005	2006	06/05	2006
Net sales revenues	29,683,921	29,996,792	28,216,955	29,829,425	106	124,476
Profit/Loss before interest, taxes and depreciation (EBITDA)	3,430,874	2,031,906	1,816,598	1,679,318	92	7,008
Operating profit/loss from ordinary activities	3,408,207	2,394,658	2,348,466	1,518,441	65	6,336
Net profit/loss	2,863,578	1,970,013	1,741,368	1,116,455	64	4,659
Value added	9,085,632	7,407,430	6,346,451	6,449,802	102	26,915
Net earnings per share (in SIT and EUR)	362	249	220	141	64	0.59
Gross dividend per share (in SIT and EUR)	220	240	240	250	104	1.04

* profit and loss account complied in line with SAS

For years 2005 and 2006 values are presented in accordance with IFRS.

BALANCE SHEET	in 000 SIT					in 000 EUR***
	2003*	2004*	2005	2006	06/05	2006
Total assets	48,741,419	47,831,734	50,131,881	54,321,027	108	226,678
Fixed assets	37,172,171	38,825,247	41,290,998	38,344,497	93	160,009
Current assets	10,761,756	8,401,731	8,480,725	15,480,164	183	64,598
Equity	34,628,583	35,451,075	39,051,852	39,757,384	102	165,905
Average equity**	32,606,237	34,054,823	38,718,801	38,846,391	100	162,103
Financial and operating liabilities	9,209,131	9,824,375	10,687,443	14,216,470	133	59,324

*balance sheet complied in line with SAS

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

EMPLOYEES (per hours paid)

	2003	2004	2005	2006	06/05
Employees	1,159	1,046	895	892	100

PERFORMANCE INDICATORS

	2003*	2004*	2005	2006	06/05
Net return on equity	8.78%	5.78%	4.50%	2.87%	64
Net return on assets	6.13%	4.14%	2.21%	1.44%	65
Productivity (in 000 SIT)	26,288	29,290	32,651	33,879	104
Net return on revenues	8.82%	5.98%	5.58%	3.54%	64

*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

*** exchange rate used: 1 EUR = 239.64 SIT

Intereuropa Group

PROFIT AND LOSS ACCOUNT	in 000 SIT					in 000 EUR***
	2003*	2004	2005	2006	06/05	
Net sales revenues	45,117,517	51,022,064	49,494,200	52,618,717	106	219,574
Profit/Loss before interest, taxes and depreciation (EBITDA)	5,387,823	3,822,446	4,081,366	4,240,945	104	17,697
Operating profit/loss from ordinary activities	3,744,847	3,178,755	3,166,050	2,249,551	71	9,387
Net profit/loss	3,004,558	2,559,408	2,300,305	1,615,595	70	6,742
Value added	12,576,880	13,725,799	13,195,801	13,968,292	106	58,289
Net earnings per share (in SIT and EUR)	372	314	280	194	69	0.81
Gross dividend per share (in SIT and EUR)	220	240	240	250	104	1.04

* profit and loss account compiled in line with SAS

For years 2004, 2005 and 2006 values are presented in accordance with IFRS.

BALANCE SHEET	in 000 SIT					in 000 EUR***
	2003*	2004	2005	2006	06/05	
Total assets	57,376,997	65,291,374	63,694,618	69,442,053	109	289,777
Fixed assets	41,102,995	50,628,187	48,325,098	45,858,556	95	191,364
Current assets	15,346,339	13,886,610	14,931,304	22,914,319	153	95,620
Equity	35,820,375	42,546,906	42,190,270	43,456,169	103	181,339
Average equity**	34,126,106	37,901,436	41,218,436	42,015,422	102	175,327
Financial and operating liabilities	16,445,135	21,647,376	20,684,894	25,267,573	122	105,440

*balance sheet compiled in line with SAS

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

EMPLOYEES (per hours paid)

	2003	2004	2005	2006	06/05
Average number of employees	2,372	2,260	2,118	2,180	103
Number of employees in subsidiaries	1,213	1,215	1,223	1,288	105

PERFORMANCE INDICATORS

	2003*	2004	2005	2006	06/05
Net return on equity	8.80%	6.75%	5.58%	3.85%	69
Net return on assets	5.40%	4.23%	2.37%	1.64%	69
Productivity (in 000 SIT)	19,476	22,770	23,900	24,391	102
Net return on revenues	6.30%	4.69%	4.36%	2.97%	68

*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

*** exchange rate used: 1 EUR = 239.64 SIT

5. Most important events in 2006

JANUARY

- 17 January 2006, the Supervisory Board appoints new Intereuropa Managing Board for a five year mandate. Andrej Lovšin is appointed President of Managing Board and Zvezdan Markežič Deputy President of the Managing Board.
- At the end of the month, Intereuropa Transport, d.o.o., Koper, starts using special semi-trailers for more rational use of transport units, and to reduce transport costs per unit of transported goods.

FEBRUARY

- The new Managing Board presents the Corporate Vision and Development Strategy for the term 2006-2011 and the plans for 2006, and carries out the necessary organizational changes accordingly in order to introduce a unified control and management of the business segments at the level of the entire Group.
- On the basis of the Stock Swap Agreement as at 6 February 2006 concluded between INFOND HOLDING finančna družba, d.d. and Slovenska odškodninska družba, d.d. (SOD – the Slovenian Restitution Fund), the latter acquires 474,926 shares of Intereuropa d.d.

- The Managing Board adopts a resolution on the capital increase of the subsidiary Intereuropa Transport d.o.o. in the amount equalling the sum of losses from previous periods and the loss from 2005 (in total SIT 686,579,000).

MARCH

- Commencement of the activities for the establishment of the our own companies in Montenegro and Kosovo with the objective of strengthening the position of the Group on the markets of South East Europe.

APRIL

- 10 April, Intereuropa drivers are presented with the keys of 17 new trucks at a festive business meeting in Koper. The investment is estimated at 2.1 million EUR.
- Some of the largest Slovenian companies listed on the Ljubljana Stock Exchange, including Intereuropa d.d., present themselves on the Days of the Slovenian Capital Market, which takes place on 12 to 13 April 2006 in the Cankarjev dom.

MAY

- 13 May, the Intereuropa Group organises a sport and social event "The First Intereuropa Managers' March".
- 9 May, the 11th International Exhibition "Internautica 2006" opens, where Intereuropa presents itself for the first time.

JUNE

- Intereuropa subsidiary, Intereuropa Transport & Spedition GmbH, Troisdorf, from Germany starts providing land transport on lines for Bulgaria, Hungary and Romania.
- The Intereuropa UPS agency receives three awards on a regular annual conference of UPS South District in Marrakech in Morocco: for the highest increase in sales, for best export service and for the best accumulated result in control elements in our division. The Slovenian success is complemented by two second place awards for UPS, Bosnia and Herzegovina (Intereuropa RTC d.d. Sarajevo).
- 1 June, Intereuropa d.d. presents its services on the Days of Slovenian Capital in Frankfurt.
- 10 June, the Intereuropa Group organises the 22nd traditional sports games and social event "Intereuropiada", in Ankaran, where 21 teams from Intereuropa's subsidiaries, branch offices and agencies, comprising 630 employees of the Group, take part in various sports and games and spend an active weekend socialising.
- 20 June, on the basis of the proposal of the Workers' Council, the third Member of the Managing Board is appointed – the Human Resources Executive, Ondina Jonke.

JULY

- 1 July, Intereuropa subsidiary Intereuropa Skopje, d.o.o., (Macedonia) acquires the status of a registered trader and becomes the first forwarding company with this status in Macedonia, which significantly improves our service.
- At the beginning of July, Intereuropa's subsidiary Intereuropa Kosova L.L.C. starts operating as the first Slovenian logistics operator on the Kosovo market. Intereuropa Kosova L.L.C. becomes the first registered trader in Kosovo.
- 3 July, Intereuropa proudly opens its largest Logistic Centre in Logatec. The Phase One of the warehouse facility extends on 8,100 m²; the production facility for additional work measures 1,100 m², and business facilities measures 1,070 m², the new centre also offers outdoor storage around the distribution centre. The new facility is one of the best equipped logistics facilities within the Intereuropa Group. This is a modern logistic centre, which is going to be built in several phases and it is going to comprise 78,000 m² in total when completed. The investment is estimated at approx. 1.5 billion SIT.
- 6 July, Intereuropa signs a Letter of Intent on business cooperation with the Luka Koper, Pošta Slovenije and Holding SŽ (Slovenian Railways) for joint business cooperation in the area of logistics. This is a project liaising among the above mentioned corporations in order to undertake

organised venture and a concerted action on the European and global markets as providers of logistic services. This integration will improve the coordination and upgrade the range of logistic services offered.

- 21 July 2006, shareholders of Banka Koper, d.d., Intereuropa d.d., Istrabenz, d.d., Luka Koper, d.d., and Sanpaolo IMI sign an new Shareholder's Agreement, which extends the effectiveness of the key components of the previous agreement for next five-year period (the retention of the ownership share of the largest Slovenian shareholders and the retention of the current management and corporate governance model of the bank).

AUGUST

- 7 August, Intereuropa hosts the Minister of Foreign Economic Relations of the Moscow Authority, Mr. Tigran Aleksandrovič Karahanov, the former Russian Ambassador to Slovenia. The main topic of the meeting with the President of the Managing Board of Intereuropa d.d., Andrej Lovšin MSc. is dedicated to strengthening the business ties between the Intereuropa Group and businessmen of the Russian Federation, and the potential for growing presence and recognition of Intereuropa on the Russian market.
- 26 August, Intereuropa organises another recreational and social event, "The 1st Intereuropa Managers' Swimming and Rowing Day" in Portorož.

SEPTEMBER

- 1 September, the Intereuropa Group appoints a new Regional Manager in Shanghai, China.
- 6 September, new subsidiary and logistics terminal measuring 1,800 m², is festively opened in Priština, Kosovo
- 6 September 2006, Intereuropa concludes a contract with the Slovenian national airline Adria Airways, on long-term strategic cooperation in the area of carrying out international flights in Kosovo. The envisaged annual volume of the business exceeds 3 million EUR.
- 12 September, Intereuropa d.d. presents itself to the potential foreign investors on the Days of Slovenian Capital in Vienna, organised by the Ljubljana Stock Exchange in cooperation with the Raiffeisen Centrobank, Vienna.
- 20 September, the Ambassador of the Republic of Macedonia, Mr. Samoil Filipovski, visits Intereuropa. Intereuropa is willing to make further investments on the Macedonian market, as the expansion of the corporate network abroad is one of our main objectives.
- 19 to 22 September, the Intereuropa Group and Luka Koper jointly present their services at the fair Transport Logistic China in Shanghai.
- 27 September, Intereuropa carries out a logistic project of special air transport for Litostroj Ulitki – the biggest casting ever produced in Slovenia. Due to its weight, the casting could only be transported by the second largest plane on the world, Antonov A124. Preparations for this project commenced in August.
- 26 September, Intereuropa d.d. and the publishing company DZS d.d. express an intent on business cooperation in the segments of logistics within the countries in which they both operate.
- 26 September, festive handover of 70 new trucks in the Logistic Centre Logatec, intended for the markets of Slovenia, Croatia, Bosnia and Herzegovina, Serbia, Macedonia, Russia and Ukraine. The Investment is estimated at EUR 7.2 million. With this investment, Intereuropa opened at least 50 new job positions in the above mentioned countries.
- On the same event, the Ambassadors of Croatia, Bosnia and Herzegovina, Serbia, Macedonia, Russia and Ukraine receive a Letter of Intent by which Intereuropa undertakes the sponsorship of transport services for their national galleries for the period of one year in the amount of 20,000 EUR.
- Intereuropa opens a new branch office of UPS in Rijeka.
- In September, the newly-appointed Regional Manager departs for Shanghai in order to research the possibility of Intereuropa's entrance on the Asian markets, in particular the Chinese market.
- In the middle of September, Intereuropa sells its 24.28% share in Adriaфин d.o.o., Koper (Consultancy and Finance Services) to the companies Istrabenz, d.d. and Luka Koper d.d.

OCTOBER

- Starting from 1 October, new organisation is implemented within Intereuropa d.d., based on business areas (services) of Intereuropa.
- Intereuropa's subsidiary Intereuropa, Logističke usluge, d.o.o., Zagreb, opens a new subsidiary in Varaždin "Road Transport". Besides the investment into the new cargo vehicles, this represents a big gain on Croatian market, since it can offer quality transport services with its own vehicles.
- 10 October, Intereuropa makes a donation in the amount of 2,016,067.00 SIT to the General Hospital in Izola for the purchase of a modern, portable electrocardiograph (ECG).
- The 2005 Annual Report of the Intereuropa Group receives a special prize on the competition for the best Annual Report 2005 by the business daily paper Finance. The professional jury assessed the Annual Report of the Intereuropa Group as the best annual report in the category Corporate Governance.
- 26 October, Intereuropa organises a press conference in the company Intereuropa RTC d.d. Sarajevo at the completion of the construction of the 3rd phase of the customs warehouse.

NOVEMBER

- 3 November, a regular annual conference of the Intereuropa Group for the year 2006 is held at the registered office of Intereuropa d.d. in Koper. The conference is attended by the members of the Managing Boards, Executives, Directors of subsidiaries and departments, and Directors of daughter companies from 10 countries of the Group.
- The introduction of a new daily flight connection with cargo airplane Boeing 767 between Cologne and Brnik is an important achievement for UPS and Intereuropa being an exclusive contractual representative of UPS in Slovenia, Croatia and Bosnia and Herzegovina.

DECEMBER

- 7 December, Intereuropa d.d. presents itself on the Days of Slovenian Capital in London organised by the Ljubljana Stock Exchange, the Clearing Depository Company (KDD), and the company CA-IB London, in order to promote Slovenian companies and attract international portfolio investors.
- Intereuropa d.d. increases the capital of the subsidiary Intereuropa, Logistične usluge, d.o.o., Zagreb, by SIT 1,144,230,399.14 SIT. The company will allocate the cash to finance the project in Samobor.

Events after the end of 2006

- Since 1 January, the subsidiary A.D. Interjug-AS has been operating under a new name: A.D. Intereuropa logističke usluge, Beograd.
- 19 January, on the sixteenth Annual General Meeting, the shareholders of Intereuropa d.d. adopt a decision on the dismissal of the member of the Supervisory Board Anton Može, and elect a new Member Emerik Eržen.
- 24 January 2007, the Intereuropa Group gathers at a business meeting titled "Kosovo – a New Challenge for Leading Slovenian Economists", and invites numerous economists who share the interest of entering the Kosovo market, or are only interested in cooperating with partners from Kosovo.
- 26 January 2007, at its 15th regular session, the Supervisory Board adopts the Resolution on the Conversion of the Company's Share Capital from Slovenian Tolars into Euro, and on the harmonisation of the Company's Statute pertaining to the value of the share capital. The Supervisory Board also appoints a new Deputy President of the Supervisory Board, Nevija Pečar, and adopts the amendment of the Company's Statute in the point which pertains to the value of the share capital.
- 29 January 2007, the Supervisory Board of Intereuropa d.d. informs itself on the economic eligibility of the investments into the logistic centres in Moscow Čechov and Kiev, which are to be carried out in 2007.
- In February, Intereuropa sells its 8.33% interest in the bank Banka Koper d.d. to Intesa Sanpaolo S.p.A. The proceeds will be allocated to investments in developing new markets and building up new logistics facilities, in line with the Corporate Vision and Strategy of the Intereuropa Group (2006-2011).

- Intereuropa celebrates its 60th Anniversary in February.
- 5 March 2007, Intereuropa reaches a court settlement with the company BORZA CAFE d.o.o., Celje, in off-set value of mutual receivables and liabilities in the amount of SIT 78,000 thousand, resulting in set-off receivables for rents in the total amount of SIT 10,272 thousand with the business office in the amount of SIT 88,272 thousand.
- In March, the District Court in Koper issues a Decision on the change of the Company's share capital from Slovenian tolar into Euro, whereby the share capital in the value 32,976,185.11 EUR is recorded in the register of companies.

6. Supervisory Board and Managing Board

Supervisory Board structure:

Boštjan Rigler	Chairman of the Supervisory Board - Shareholders' Representative (from 16.11.2005)
Nevija Pečar	Deputy Chairman of the Supervisory Board - Workers' Representative (from 26.01.2007)
Anton Može	Deputy Chairman of the Supervisory Board - Shareholders' Representative (until 19.01.2007)
Emerik Eržen	Shareholders' Representative (from 19.01.2007)
Ervin Bužan	Shareholders' Representative (from 16.11.2005)
Manja Skernišak	Shareholders' Representative (from 16.11.2005)
Zlatka Čretnik	Workers' Representative (from 18.11.2005)
Vinko Rebula	Workers' Representative (from 18.11.2005)

Managing Board structure:

Andrej Lovšin, M Sc.	President of the Managing Board (from 17.01.2006)
Zvezdan Markežič	Deputy President of the Managing Board (from od 17.01.2006)
Ondina Jonke	Member of the Managing Board – Human Resources Executive (from 20.06.2006)

7. Corporate Governance Code for Joint Stock Companies

Statement on Compliance with the Corporate Governance Code for Joint Stock Companies by Intereuropa, Global Logistics Service, Ltd. Co.

Pursuant to the provisions of Article 70 of the Companies Act (ZGD-1), Securities Market Act, and Rules of the Ljubljana Stock Exchange, the Managing and the Supervisory Boards of Intereuropa, Global Logistics Service, Ltd. Co. have issued the following Statement on Compliance with the Corporate Governance Code for Joint Stock Companies.

The Managing and Supervisory Boards of Intereuropa, Global Logistics Service, Ltd. Co. herewith state that the management of Intereuropa, Global Logistics Service, Ltd. Co. in the financial year 2006 corresponded with the Corporate Governance Code for Joint Stock Companies as of 14 December 2005.

The Managing and Supervisory Boards of Intereuropa, Global Logistics Service, Ltd. Co. would hereby like inform all the shareholders and the public that the governing of the Company is in line with the provisions of the amended Corporate Governance Code for Joint Stock Companies adopted on 5 February 2007, apart from a single exception, presented below, together with its explanation. The

content of the described exception which originates from the amendments of the Corporate Governance Code for Joint Stock Companies is as follows:

Provision 8.15.1 of the Code: “Members of executive and supervisory bodies are obliged for the duration of their mandate and also after its expiry to strictly comply with their duty of protecting confidential information and business secrets. In addition, the management shall also be responsible for the establishment of the procedures for compliance with the stated principles by the company employees. The management shall adopt special Rules on the protection of business secrets and internal information, which shall govern the denotation and protection of such information and stipulate sanctions for any violations.”

Currently, the Company does not have such Rules on the protection of business secrets and internal information, which would govern the denotation and protection of such information and stipulate sanctions for any violations.”

8. Total Sales of the Intereuropa Group

In 2006, the Intereuropa Group generated a total of SIT 52.6 billion in net sales revenue. We estimate the generated income to be a very good result, as the revenue exceeded that from 2005 by 6%.

Table: Net sales revenue of the Intereuropa Group by area of operation (in millions of SIT)

		Jan-Dec 2006	Share	Index 2006/plan	Index 2006/2005
1	Land transport	30,962	59%	96	102
2	Logistical solutions	5,484	10%	110	118
3	Intercontinental transport	14,978	28%	105	113
4	Other services	1,195	2%	110	109
	TOTAL	52,619	100%	100	106

The Group tracks sales results according to segments, which we refer to as areas of operation. In 2006, the Group generated 59% of net sales revenue in the area of land transport, 29% of net sales revenue in the area of intercontinental transport, 10% in logistical solutions and a small part (2%) with other services.

Compared to the previous year, all areas of operation achieved better operating results in 2006.

The Intereuropa Group generated the largest share of net sales revenue in the country of its parent company. A total of 69% of net sales revenue was thus generated in Slovenia at the Group level.

Table: Net sales revenue of the Intereuropa Group by country (in millions of SIT)

		Jan-Dec 2006	Share	Index 2006/plan	Index 2006/2005
1	EU countries	40,145	76%	99	105
2	Non-EU countries	12,474	24%	103	110
	TOTAL	52,619	100%	100	106

Among the export markets, Intereuropa d.d. continues to generate the largest part of its revenue in the countries of the former Yugoslavia, not yet members of the European Union, particularly in the Republic of Croatia.

In Croatia, Intereuropa continues to retain a position of the largest and most important provider of integral logistics services. The logistics market in Croatia is controlled by two associated companies: Intereuropa, Logističke usluge, d.o.o., Zagreb, and Intereuropa Sajem, d.o.o., Zagreb. The mentioned companies together generate a total of 16% of the Group’s net sales revenues.

In the rest of the countries, a total of 15% of the Group’s net sales revenue was generated.

9. Performance Analysis

Achieving the Annual Plan

In 2006 the Intereuropa Group generated a total of SIT 52.6 billion in net sales revenue, achieved the set goals and exceeded the previous year's results by 6.3 percent. Compared to the previous year, the sales per employee increased by 3.3 percent, and the added value per employee grew by 2.8 percent.

The Group generated SIT 1.5 billion of net operating profit, a figure 37 per cent lower than planned, and SIT 4.2 billion of earnings before interest, tax, depreciation and amortisation (EBITDA), which is 14 per cent lower than planned. Compared to 2005, the Group fell short of the planned net operating profits by 3.7 per cent, and surpassed the EBITDA by 3.9 per cent.

In 2006, the group Generated SIT 1.6 billion of net profit, and thus fell behind the planned net profit by 20 per cent. The reason for not achieving the planned profit figures can mostly be attributed to the negative performance of the Schneider & Peklar GmbH, Vienna, and Intereuropa Transport d.o.o., Koper, which could not be compensated by the remaining companies in the Group.

10. Basic Indicators for Intereuropa Group

		31. 12. 2006	31. 12. 2005	Index 06/05
BASIC INDICATORS OF INVESTMENT STATE				
1.	Basic investment rate	0.61	0.62	99
2.	Long-term investment rate	0.66	0.76	87
BASIC INDICATORS OF ECONOMY				
3.	Operating economy coefficient	1.03	1.03	100
4.	Total economy coefficient	1.04	1.06	98
BASIC INDICATORS OF PROFITABILITY				
5.	Net capital gains (in %)	3.85	5.58	69

11. Investments in fixed Assets

Intereuropa Group saw SIT 5,416 million invested in fixed assets in 2006, of which SIT 2,087 million were invested in immovable property and SIT 3,329 million in equipment, comprising 63.2 per cent of the total annual investment plan.

Table: Overview of realised investments plan from January-December 2006 in million SIT

Company	Total immovables		Total equipment		TOTAL		% annual realis.
	revised plan.*	realised	revised plan.*	realised	revised plan.*	realised	
Intereuropa d.d.	1,289	834	692	285	1,981	1,119	56.5
other companies	3,183	1,253	3,396	3,044	6,579	4,297	65.3
TOTAL GROUP	4,472	2,087	4,088	3,329	8,560	5,416	63.3

*footnote: revised = amendments to the initial plan (based on a decision by the Managing Board of the parent company or the Supervisory Board of the associated company)

12. Human Resources Management

In 2006, Intereuropa d.d. as the parent company saw an increase in the number of employees after two years, which is a result of the successful change in business practices of Intereuropa d.d. following Slovenia's entry to the European Union.

The increase in net sales revenues and employee productivity in comparison to 2005 are the reasons for the recruitment of new personnel. After a period of having to face redundancies, this has been positively uplifting to the mood in the Company. Past investments in the optimisation of the number and the structure of the workforce in Intereuropa in Slovenia carried out in 2005, are bringing results, and activities are continuing in 2006. The Company was compelled to come to terms with the process of reorganisation and optimisation of work process with a view to improve work planning, improve utilisation of resources, and labour costs management.

Table: The number of employees in the Intereuropa Group for the 2005-2006 period

	31.12.2006	31.12.2005	Change 06-05	Index 06/05
Intereuropa d.d.	934	909	25	103
Intereuropa IT, d.o.o.	35	33	2	106
Interagent d.o.o.	25	29	-4	86
Interzav d.o.o.	5	4	1	125
Intereuropa Transport d.o.o.	298	291	7	102
Slovenia	1,297	1,266	31	102
Intereuropa Zagreb d.o.o.	554	535	19	104
Intereuropa Sajam Zagreb d.o.o.	51	52	-1	98
Croatia	605	587	18	103
Intereuropa Skopje, d.o.o. (FYRM)	12	11	1	109
Intereuropa Transport dooel, Skopje (FYRM)	4	0	4	0
Intereuropa RTC d.d. Sarajevo (BA)	170	131	39	130
Intereuropa -East d.o.o., Moskva (RU)	15	4	11	300
A.D.Intereuropa Logističke usluge Beograd (RS)	107	94	13	114
Intereuropa Kosova L.C.C. Priština (RS)	25	0	25	0
Intereuropa S.A.S., Saint Pierre de Chandieu (FR)	5	5	0	100
Schneider & Peklar, GmbH, Dunaj (AT)	46	50	-4	92
TEK ZTS, d.o.o., Užgorod (UA)	17	16	1	106
Intereuropa Trans.&Sped.GmbH, Troisdorf (DE)	7	3	4	233
Other countries	408	314	94	130
TOTAL	2,310	2,167	143	107

Systematic Management of Human Resources Development

The Company's excellent performance can be attributed to its capable, highly-motivated and responsible employees. One of the Groups' competitive advantages is the skills and the knowledge of our leaders and their teams, who have achieved effective cooperation within the Groups' network.

The following schemes ensure quality in human resources management: the personnel needs scheme, the training scheme, the benefits and work performance evaluation scheme, the identification and management of key and promising personnel scheme, the system of internal communication, and the system of employee co-management. According to different function specific skills, the bulk of professional training in 2006 was spent on learning foreign languages and health protection at work. Hence, each employee in the Group spent on average 11 hours exclusively in function specific training.

Ongoing Monitoring of Employee Satisfaction and the Business Environment

Care for the livelihood of employees within the Group has not changed; moreover, it has even improved in comparison to past years, if the addition of the voluntary supplementary pension insurance scheme in Slovenia is considered.

At the end of 2006, the Group joined the Best Employer 2006 research, which provides for monitoring of employee satisfaction within the Group from 2000 onward and up-to-date comparisons with similar companies in the region. For the first time, the Croatian and the Bosnian subsidiaries were included in the research.

Based on the findings of up-to-date research, considerable improvements have been made to the system of internal communication since 2000. Also, language and computer courses and standards for skills in employee management have been introduced. The system of work performance evaluation has been revised and benefits schemes have been introduced based on achievement of objectives.

13. Data on Intereuropa Share

During the preparations for the changeover to the euro, the Company's General Meeting at its 15th regular session adopted a decision on the amendment of the Statute of the Company. The company's share capital in the amount of SIT 7,902,413,000.00 is to be divided into 7,902,413 transferable common stock. Each regular common stock shall represent the same percentage share and shall be issued in the corresponding amount of the share of the Company's share capital.

In 2006, IEKG shares were traded 2,954 times and a total of 750,938 shares were traded, making up for 9.5 per cent of all regular common stock. Trading amounted to SIT 3,295 m, or 1.7 per cent of the total volume of trading with shares at Ljubljana Stock Exchange.

The Company's performance, the fair, transparent and up-to-date relations with the public, and the purchase of shares by the President have undoubtedly contributed significantly to the IEKG share growth. This has also led to strengthened trust by shareholders in meeting set annual plans.

Table: Key data on Intereuropa d.d. shares for the 2003–2006 period

	2003*	2004*	2005	2006
Number of shares	7,902,413	7,902,413	7,902,413	7,902,413
Trading information				
Book value of per share	4,368	4,486	4,942	5,031
Average price per share	5,384	7,442	5,363	6,114
Weighted average price	5,331	6,696	6,552	5,663
Best Ask	5,486	7,700	7,773	6,420
Best Bid	5,001	5,266	5,105	4,605
Market capitalisation in SIT million	42,550	58,810	42,379	48,317
Volume in SIT million	3,758	11,819	2,165	3,295
Indicators				
Net earnings per share	362	249	220	141
Cash flow per share	346	204	128	35
Gross dividend per share	220	240	240	250
P / BV	1.23	1.66	1.09	1.21
P / CF	15.56	36.50	41.83	176.34
P / E	14.86	29.85	24.34	43.28
Capital gains	3.7%	39.1%	-28.5%	14.0%
Dividend yield	4.2%	4.5%	3.2%	4.8%
Total return per share	8.0%	43.6%	-25.3%	18.8%

* for 2003 and 2004 value is adjusted in accordance with the SRS

Book value = capital / number of common shares

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

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

Cash flow per share = net earnings - dividend + depreciation) / number of common shares

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

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

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

Capital gains = price increase over one year

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

Table: Largest holders of common stock in Intereuropa d.d. as at 31st December 2006

shareholder	head office	Ownership as at 31.12.2006	
		Shares	Stake in %
LUKA KOPER D.D.	Vojkovo nabrežje 38, 6000 Koper	1,960,513	24.8
KAPITALSKA DRUŽBA, D.D.	Dunajska cesta 119,1000 Ljubljana	719,797	9.1
SLOVENSKA ODŠKODNINSKA DRUŽBA D.D.	Mala ulica 5, 1000 Ljubljana	474,926	6.0
INFOND ID D.D.	Vita Kraigherja 5, 2000 Maribor	348,139	4.4
ISTRABENZ D.D.	Cesta Zore Perello-Godina 2,6000 Koper	299,516	3.8
Vzajemni sklad PROBANKA GLOBALNO NALOŽBENI SKLAD	Svetozarska ulica 12, 2000 Maribor	257,987	3.3
DELNIŠKI VZAJEMNI SKLAD TRIGLAV STEBER I	Slovenska cesta 54, 1000 Ljubljana	232,776	3.0
ZAVAROVALNICA TRIGLAV, D.D.	Miklošičeva 19, 1000 Ljubljana	213,640	2.7
KD INVESTMENTS, Delniški vzajemni sklad RASTKO	Celovška ulica 206, 1000 Ljubljana	130,626	1.7
ABANKA VIPA D.D.	Slovenska cesta 58,1000 Ljubljana	119,870	1.5

Table: Number of shares owned by Members of the Managing Board as at 31 December 2006

	Shares	Stake in %
ANDREJ LOVŠIN, M. Sc., president	49,650	0.628
MARKEŽIČ ZVEZDAN, deputy president	3,094	0.039
JONKE ONDINA, member-human resources executive	2,787	0.035

Table: Number of shares owned by Members of the Supervisory Board as at 31 December 2006

	Shares	Stake in %
NEVJA PEČAR, deputy chairman	4,185	0.053
VINKO REBULA, member	450	0.006

Tabela: Ownership structure as at 31.12.2006 and 31.12.2005

Shareholder	Ownership as at 31.12.2006		Shareholder	Ownership as at 31.12.2005	
	Shares	Stake in %		Shares	Stake in %
LUKA KOPER D.D.	1,960,513	24.8	LUKA KOPER D.D.	1,940,513	24.6
KAPITALSKA DRUŽBA, D.D.	719,797	9.1	KAPITALSKA DRUŽBA, D.D.	719,797	9.1
SLOVENSKA ODŠKODNINSKA DRUŽBA D.D.	474,926	6.0	INFOND HOLDING D.D.	459,248	5.8
INFOND ID D.D.	348,139	4.4	INFOND ID D.D.	348,139	4.4
ISTRABENZ D.D.	299,516	3.8	ISTRABENZ D.D.	291,424	3.7
Vzajemni sklad PROBANKA GLOBALNO NALOŽBENI SKLAD	257,987	3.3	ZLATA MONETA I D.D.	255,987	3.2
DELNIŠKI VZAJEMNI SKLAD TRIGLAV STEBER I	232,776	3.0	DELNIŠKI VZAJEMNI SKLAD TRIGLAV STEBER I	239,775	3.0
ZAVAROVALNICA TRIGLAV, D.D.	213,640	2.7	ZAVAROVALNICA TRIGLAV, D.D.	213,640	2.7
KD INVESTMENTS, Delniški vzajemni sklad RASTKO	130,626	1.7	DELNIŠKI VZAJEMNI SKLAD MODRA LINIJA	137,261	1.7
ABANKA VIPA D.D.	119,870	1.5	KD INVESTMENTS D.O.O.PVS RASTKO	134,432	1.7

In February 2006, Slovenska odškodninska družba d.d. acquired 474,926 IEKG shares from Infond holding finančna družba d.d., financial holding company, thus becoming the third largest shareholder in Intereuropa d.d. after Luka Koper d.d., which also increased its share by acquiring additional 20,000 IEKG shares and Kapitalska družba d.d.

The Chairman of the Managing Board, Andrej Lovšin, acquired 49,650 IEKG shares in 2006, representing a 0.6 per cent stake in the Company, making him the largest non-corporate shareholder. As at last day of 2006, the shareholders' register for Intereuropa d.d. showed 4,326 listed shareholders. The number of shareholders dropped by 106 compared to the number as at the end of the previous year.

Own Shares

Intereuropa d.d. does not have its own share portfolio.

At the end of the period, there are still available SIT 389,892,000 in authorised and unused capital – in accordance with the authorisation granted by shareholders to the Managing Board for the purchase of its own shares (in line with the Articles of Association of the company Intereuropa d.d.) - valid until 27 February 2007.

Dividend Policy

The Managing Board of Intereuropa d.d. has declared a stable, long-term policy for paying dividends and has included it the Development Strategy.

In 2006, the gross dividend per share equalled SIT 250.00, which is 4.2 per cent higher than in 2005.

14. Plans for 2007

For 2007, net sales revenues are projected at SIT 58.5 billion (€244.1 million), which is an 11.2 per cent increase over 2006. Net sales revenues are projected to grow in all countries and for all companies within the Intereuropa Group.

The highest rate of growth in net sales revenues is projected for Russia, Serbia and Kosovo, while the highest growth in added value is projected to be achieved in Slovenia and Croatia. Sales growth will be achieved by the following measures:

- Increasing market activities,
- Higher employee productivity,
- Improved utilisation of resources and sale of excess capacities,
- Heightened investment activity compared to past years.

Activities will continue in 2007 to systematically manage and reduce costs, both direct as well as general, with a view of reducing cost per unit of generated net sales revenues. The company has sold its 8.33 per cent stake in Banka Koper d.d. bank and has allocated the funds towards financing investments in the Company's principal business activity.

Consequently, the Company is set to meet its target of:

- SIT 5.8 billion (€ 24.4 million) of earnings before interest tax, depreciation and amortisation (EBITDA),
- SIT 2.8 billion (€11.5 million) operating profit or loss,
- SIT 6.5 billion (€27.2 million) in net profit or loss from ordinary activities,
- 16 per cent net return on capital.

In 2007, we are planning strong investment activities, for which we shall allocate SIT 24.2 billion (€ 101.1 million). The funds will mainly be allocated for the modernisation and expansion of logistics and transport capacities of the Intereuropa Group. The bulk of investments are going to be placed in Russia, Slovenia, the Ukraine and Croatia. These investments are partly going to be financed in the form of depreciation, partly by sales of financial investments and partly by borrowing from commercial banks.

2007 marks the second year of implementation of the Corporate Vision and Development Strategy of the Intereuropa Group for the term 2006-2011. The objectives set out in the 2007 plan for the Intereuropa Group are ambitious, however, they are attainable and in line with our strategy for growth, which is designed to make us the largest and most successful logistics enterprise in Slovenia and in South Eastern Europe by 2011.

15. Summary of the important accounting policies for the Intereuropa Group and Intereuropa d.d. company

The financial statements of the Intereuropa Group and the controlling company Intereuropa d.d. are compiled accordingly with International Financial Reporting Standards (IFRS) as adopted by the International Accounting Standards Board (IASB) and interpretations of the International Financial Reporting Interpretations Committee (IFRIC) as adopted by the European Union. Also, the reporting requirements stated in the Companies Act have been complied with. These are the first financial statements of the Intereuropa d.d. Company compiled accordingly with IFRS, while the financial statement of the Intereuropa Group was compiled accordingly with IFRS for the first time for the year 2005.

The IFRS code includes:

- the International Accounting standards (IAS), published before April 2001,
- explanatory notes of the Standards Interpretations Committee (SIC), published before March 2002,
- IFRS, published from April 2001 onwards, and
- explanatory notes of the International Financial Reporting Interpretations Committee (IFRIC), published from March 2002 onwards.

IFRS include requirements on recognising, metering, presentation and disclosing of transactions and business events important for the financial statements.

The new standards that were not effective on 31 December 2006 have not been complied with, namely:

IFRS 7 – Financial Instruments: Disclosures (effective 1 January 2007) – The Standard requires extended disclosures of the financial instruments significance for an entity's financial position and performance and quantitative and qualitative disclosures of nature and extent of risks arising from financial instruments. Additionally required disclosures are bound by aims, policies and processes in the context of company's financial risks management.

IAS 1 Amended: Presenting Financial Statements – Disclosures of capital (effective 1 January 2007) – According to Supplementation, extended disclosures of a capital structure will be necessary.

IFRS 8 – Operating Segments (effective 1 January 2009) – This standard will replace the IAS 14 and will apply only to entities whose equity or debt securities are publicly traded and entities that are in the process of issuing equity or debt securities in public securities markets. According to the explanatory, the Group shall no longer be obliged to disclose data on operating segments and geographical areas.

IFRIC 7 – Applying the Restatement Approach under IAS 29: Financial Reporting in Hyperinflationary Economies (effective 1 March 2006) – The explanatory contains guidance on how a legal entity would restate its financial statements in the first year it identifies the existence of hyperinflation in the economy of its functional currency, accordingly with the IAS 29. The explanatory effective in 2007 is not relevant for the Group, since the Group does not operate in hyperinflationary Economy.

IFRIC 8 – Scope of IFRS 2 (effective 1 May 2006) – According to the interpretation, the Standard IFRS 2 Share-based Payment applies to arrangements where an entity makes share-based payments for apcontrollingly nil or inadequate consideration. The explanatory effective in 2007 is not relevant for the Group, since there are no such payments.

IFRIC 9 - Reassessment of Embedded Derivatives (effective 1 June 2006) – An entity must assess whether an embedded derivative is required to be separated from the host contract and accounted for as a derivative when the entity first becomes a party to the contract. Subsequent reassessment is prohibited unless there is a change in the terms of the contract that significantly modifies cash flows that otherwise would be required under the contract. The explanatory effective in 2007 is not relevant for the Group, since the Group does not use embedded derivatives.

IFRIC 10 - Interim Financial Reporting and Impairment (effective 11 November 2006) – It is prohibited for an entity to reverse an impairment loss recognised in a previous interim period in respect of goodwill or an investment in either an equity instrument or a financial asset carried at cost.

IFRIC 11 – IFRS 2 Group and Treasury Share Transactions (effective 1 March 2007) - Provides guidance on share-based payment to the employees of a controlling company and to employees of its subsidiaries. The Group is not in possession of its own shares.

IFRIC 12 - Service Concession Arrangements (effective 1 January 2008) – The explanatory defines concessions granting to the concessionaire when conceder controls the services and to whom and at

what price the services must be provided by the concessionaire and also the remaining infrastructure value at the end of the concession agreement. The Group will apply the explanatory from 1 January 2008 for all the concessions that are by their nature treated by IFRIC 12.

In process of examination and adopting of the accounting policy, the management has examined and assessed impacts on the financial statements. By their judgement, positing the financial assets into particular category significantly impacts the financial statements. The bulk of the financial assets are classified as the "available-for-sale financial assets". The effect of the policy regarding disclosing financial assets on financial statements is described in accounting policies.

Reporting currency

The reporting currency of consolidated financial statements is the Slovenian Tolar (SIT). The Slovenian Tolar is also the reporting and functional currency of the controlling company and subsidiaries with registered office in Slovenia. Reporting and operating currencies of the subsidiaries with registered office abroad equal to the national currencies of their underlying countries. Amounts presented are in thousands of SIT.

Presentation of Data by Geographical Area and Business Segment

Consolidated financial statements disclose information by geographical area and business segment. The market principle is used in measuring revenues of an area/segment resulting from transactions with other areas/segments.

Geographical areas:

- Ø European Union area and
- Ø Areas outside the European Union.

Business segments:

- Ø Land transport
- Ø Logistic solutions
- Ø Intercontinental transport and
- Ø Other services (leases, fair and market services...).

Recognition of Corporation Tax, Deferred Tax Assets and Deferred Tax Liabilities

Current tax payable of the Group is based on tax legislation of respective countries of Group members. The financial year used for accounting purposes equals the calendar year, which in turn equals the tax year.

16. Auditor's report

Deloitte.

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AUDITOR'S REPORT

Issued for the purpose of publishing summarized financial statements

We have audited the financial statements of Intereuropa d.d. and the Intereuropa Group for the year ended December 31, 2006 and the notes thereto, from which the summarized financial statements were derived, in accordance with International Standards on Auditing. In our report dated March 29, 2007 we expressed an opinion that the financial statements and notes thereto, from which the summarized financial statements were derived, give a true and fair view of the financial position of Intereuropa d.d. and the Intereuropa Group of December 31, 2007, and of their financial performance and cash flows for the year ended in accordance with International Financial and Reporting Standards as adopted by the European Union. Having reviewed the Business Report we determined that it is consistent with audited financial statements.

In our opinion, the accompanying summarized financial statements are consistent, in all material respects, with the financial statements from which they were derived.

For a better understanding of the Intereuropa d.d. and the Intereuropa Group's financial position, the results of their operations and cashflows for the period and of the scope of our audit, the summarized financial statements should be read in conjunction with the financial statements and the notes thereto from which the summarized financial statements were derived and our audit report thereon.

DELOITTE REVIZIJA d.o.o.

Lidija Jezernik
Certified auditor
Member of the Board



Ljubljana, March 29, 2007

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Member of
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17. Audited consolidated financial statements of the Intereuropa Group

CONSOLIDATED PROFIT & LOSS ACCOUNT OF THE INTEREUROPA GROUP from 1 January to 31 December 2006

in '000 of SIT	Note	Year 2006	Year 2005	1 06/05
1. NET SALES REVENUES	1	52,618,717	49,494,200	106
2. PRODUCT INVENTORIES AND WORK IN PROGRESS VALUE CHANGE		0	0	-
3. CAPITALISED OWN PRODUCTS AND SERVICES		0	0	-
4. OTHER OPERATING REVENUES	2	557,961	1,125,885	50
5. COST OF GOODS, MATERIAL AND SERVICES	3	38,324,624	35,976,349	107
5.1 Cost of goods and materials sold and costs of materials used	4	2,714,858	2,462,442	110
5.2 Costs of services	5	35,609,766	33,513,907	106
6. LABOUR COSTS	6	9,727,347	9,114,435	107
6.1 Wages and salaries		6,859,632	6,494,243	106
6.2 Social security costs (separate disclosure of pension insurance costs)		1,394,347	1,293,953	108
6.2 a) Pension insurance costs		561,977	505,914	111
6.2 b) Other social security costs		832,370	788,039	106
6.3 Other labour costs		1,473,368	1,326,239	111
7. DEPRECIATION AND AMORTISATION	7	3,060,399	3,163,822	97
7.1 Amortisation		2,644,209	2,446,752	108
7.2 Depreciation and other intangible long-term assets write-downs and tangible fixed assets write-offs		130,256	111,227	117
7.3 Current assets revaluation and amortisation adjustments		285,934	605,843	47
8. OTHER OPERATIONAL EXPENSES	8	597,828	842,092	71
9. OPERATING PROFIT OR LOSS (1+2+3+4-5-6-7-8)	9	1,466,480	1,523,387	96
10. FINANCIAL REVENUES FROM STAKES		909,489	1,561,816	58
10.1 Financial revenues from stakes in Group members		0	0	-
10.2 Financial revenues from stakes in associated companies		47,942	33,897	141
10.3 Financial revenues from stakes in other companies		348,325	317,793	110
10.4 Financial revenues from other investments		513,222	1,210,126	42
11. FINANCIAL REVENUES FROM LOANS GIVEN		57,366	92,442	62
11.1 Financial revenues from loans given to Group members		0	0	-
11.2 Financial revenues from loans given to others		57,366	92,442	62
12. FINANCIAL REVENUES FROM OPERATING RECEIVABLES		316,657	499,102	63
12.1 Financial revenues from operating receivables to Group members		0	0	-
12.2 Financial revenues from operating receivables to others and cash assets		316,657	499,102	63
13. FINANCIAL EXPENSES FROM FINANCIAL INVESTMENTS IMPAIRMENT AND WRITE OFFS		13,535	53,348	25
14. FINANCIAL EXPENSES FROM FINANCIAL LIABILITIES		382,562	333,790	115
14.1 Financial expenses from loans received from Group members		0	0	-
14.2 Financial expenses from loans received from banks and others		373,333	333,413	112
14.3 Financial expenses from other financial liabilities and investments		9,229	377	-
15. FINANCIAL EXPENSES FROM OPERATING LIABILITIES		104,344	123,559	84
15.1 Financial expenses from operating liabilities to Group members		0	0	-
15.2 Financial expenses from suppliers liabilities and bills of exchange liabilities		104,344	123,559	84
15.3 Other financial expenses from other operating liabilities		0	0	-
16. PROFIT OR LOSS FROM ORDINARY ACTIVITIES (9+10+11+12-13-14-15)	10	2,249,551	3,166,050	71
17. OTHER REVENUES		0	0	-
18. OTHER EXPENSES		0	0	-
19. NET PROFIT OR LOSS FROM EXTRAORDINARY ACTIVITIES (17-18)		0	0	-
20. Corporation tax	11	576,340	1,277,295	45
21. Deferred taxes	12	57,616	-411,550	-14
22. a Net profit or loss of the minority shareholders		85,022	84,825	100
22. b Net profit or loss of the majority shareholder (16+19-20-21-22.a)		1,530,573	2,215,480	69
NET PROFIT OR LOSS FOR THE PERIOD (22.a+22.b)	13	1,615,595	2,300,305	70
Basic Earnings per share (in SIT)	13a	193.68	280.35	69
Adjusted net earnings per share (in SIT)		193.68	280.35	69

Notes to financial statements are a constituent part of these financial statements and must be read together with these statements.

CONSOLIDATED BALANCE SHEET OF THE INTEREUROPA GROUP as at 31 December 2006

in '000 of SIT	Note	31. 12. 2006	31. 12. 2005	I 06/05
ASSETS		69,442,053	63,694,618	109
A. LONG-TERM ASSETS	14	45,858,556	48,325,098	95
I. Intangible assets and long-term deferred items	15	2,420,067	1,814,342	133
1. Long-term property rights		976,753	377,548	259
2. Goodwill		1,131,055	1,243,692	91
3. Advances for intangible assets		0	0	-
4. Long-term deferred development costs		310,507	187,145	166
5. Long-term deferred items		1,752	5,957	29
II. Tangible Fixed Assets	16	36,825,958	34,328,302	107
1. Lands and buildings		29,341,299	28,944,728	101
a) Lands		5,184,432	4,589,973	113
b) Buildings		24,155,643	24,353,362	99
c) Foreign tangible fixed assets investment		1,224	1,393	88
2. Production equipment and machinery		0	0	-
3. Other devices and equipment		6,117,901	4,881,517	125
4. Tangible fixed assets under construction or in manufacturing		1,366,758	502,057	272
a) Tangible fixed assets under construction or in production		990,981	419,281	236
b) Advances on acquisition of tangible fixed assets		375,777	82,776	454
III. Investment property	17	3,417,061	3,508,037	97
IV. Long-term financial investments	18	3,098,796	8,647,799	38
1. Long-term financial investments except loans		3,023,869	8,558,497	38
a) Shares and stakes in the Group		0	0	-
b) Shares and stakes in associates and joint ventures		93,388	781,671	12
c) Other shares and stakes		2,930,481	7,776,826	40
c.1) Financial assets at fair value through profit or loss		41,036	42,988	95
c.2) Available-for-sale financial assets		2,217,030	7,222,434	33
c.3) Financial investments at historical cost		672,415	511,404	131
d) Held-to-maturity financial investments		0	0	-
2. Long-term loans given		74,927	89,302	84
a) Long-term loans given to Group members		0	0	-
b) Long-term loans given to others		74,927	89,302	84
c) Long-term unpaid called capital		0	0	-
V. Long-term operating receivables		503	3,445	15
1. Long-term operating receivables from Group members		0	0	-
2. Long-term accounts receivable		0	0	-
3. Long-term operating receivables from others		503	3,445	15
VI. Deferred tax assets	27	96,171	23,173	415
B. SHORT-TERM ASSETS		22,914,319	14,931,304	153
I. Assets available-for-sale	19	6,335,353	259,022	2,446
II. Inventories	20	18,790	45,535	41
1. Material		18,644	45,535	41
2. Work in progress		0	0	-
3. Products and merchandise		146	0	-
4. Advances for inventories		0	0	-
III. Short-term financial investments	21	1,048,648	2,135,142	49
1. Short-term financial investments except loans		674,698	1,772,585	38
a) Shares and stakes (except in Group members)		11,749	4,940	238
a.1) Financial assets at fair value through profit and loss		0	0	-
a.2) Available-for-sale financial assets		11,749	4,940	238
a.3) Financial assets at historical cost		0	0	-
b) Held-to-maturity financial investments		662,949	1,767,645	38
2. Short-term loans given		373,950	362,557	103
a) Short-term loans given to Group members		0	0	-
b) Short-term loans given to others		373,950	362,557	103
c) Short-term unpaid called capital		0	0	-
IV. Short-term operating receivables	22	14,664,860	11,632,748	126
1. Short-term operating receivables to Group members		0	0	-
2. Short-term operating accounts receivable (except among Group members)		13,653,897	10,940,238	125
3. Short-term operating receivables from others		724,807	663,818	109
4. Short-term receivables from corporation taxes		286,156	28,692	997
V. Cash	23	846,668	858,857	99
C. SHORT-TERM DEFERRED ITEMS	24	669,178	438,216	153

		31. 12. 2006	31. 12. 2005	I 06/05
LIABILITIES		69,442,053	63,694,618	109
A. CAPITAL	25	43,456,169	42,190,270	103
I. Called capital		7,902,413	7,902,413	100
1. Share capital		7,902,413	7,902,413	100
2. Uncalled capital (as deductible item)		0	0	-
II. Capital reserves		11,838,861	11,838,861	100
III. Profit reserves		2,877,563	2,659,005	108
1. Legal reserves		2,877,563	2,659,005	108
2. Reserves for own shares and own stakes		0	0	-
3. Own shares and stakes (as deductible item)		0	0	-
4. Statutory reserves		0	0	-
5. Other reserves from profit		0	0	-
IV. Revaluation surplus		6,114,604	4,547,614	138
V. Net profit/loss brought forward		12,031,075	11,952,200	101
VI. Net profit or loss for the financial year		1,530,573	2,215,480	69
VII. Consolidation capital adjustment (exchange rate translation differences)		330,589	312,132	106
VIII. Minority interest		830,491	762,565	109
B. PROVISIONS AND LONG-TERM PASSIVE ACCRUED ITEMS	26	718,311	761,902	94
1. Provisions for pension and similar liabilities		589,886	634,836	93
2. Other provisions		89,405	91,973	97
3. Long-term passive accrued items		39,020	35,093	111
C. LONG-TERM LIABILITIES	27	7,621,443	7,597,214	101
I. Long-term financial liabilities		6,585,864	6,274,456	105
1. Long-term financial liabilities to Group members		0	0	-
2. Long-term financial liabilities to banks		6,585,864	6,274,456	105
3. Long-term liabilities arising from bonds		0	0	-
4. Other long-term financial liabilities		0	0	-
II. Long-term operating liabilities		114,898	30,319	379
1. Long-term operating liabilities to Group members		0	0	-
2. Long-term accounts payable		78,254	0	-
3. Long-term bills of exchange liabilities		0	0	-
4. Long-term operating liabilities from advances		0	0	-
5. Other long-term operating liabilities		36,644	30,319	121
III. Deferred tax liability		920,681	1,292,439	75
D. SHORT-TERM LIABILITIES	28	17,646,130	13,087,680	135
I. Liabilities included in disposal group		0	0	-
II. Short-term financial liabilities		5,476,512	2,165,850	253
1. Short-term financial liabilities to Group members		0	0	-
2. Short-term financial liabilities to banks		5,416,523	2,093,424	259
3. Short-term liabilities arising from bonds		0	0	-
4. Other short-term financial liabilities		59,989	72,426	83
III. Short-term operating liabilities		12,169,618	10,921,830	111
1. Short-term operating liabilities to Group members		0	0	-
2. Short-term accounts payable		10,785,961	8,873,124	122
3. Short-term bills of exchange liabilities		0	0	-
4. Short-term operating liabilities from advances		280,158	342,648	82
5. Other short-term operating liabilities		1,043,436	1,107,880	94
6. Short-term corporation tax payable		60,063	598,178	10
E. SHORT-TERM PASSIVE ACCRUED ITEMS	29	0	57,552	-

Notes to financial statements are a constituent part of these financial statements and must be read together with these statements.

CONSOLIDATED CASH-FLOW STATEMENT OF THE INTEREUROPA GROUP for the period
from 1 January 2006 to 31 December 2006

	in '000 of SIT	Note	Year 2006	Year 2005
A.	Cash flow from operations	33		
a)	Profit & loss account items		3,150,286	3,290,001
	Operating revenues (except for revaluation) and financial revenues due to operating receivables		53,238,662	49,710,580
	Operating expenses without amortisation and long-term provisions (except for revaluation) and financial expenses due to operating liabilities		-48,721,555	-45,801,571
	Corporation taxes and other taxes not included in operating expenses		-1,366,821	-619,008
	Changes in working capital (and deferred and accrued items, provisions and deferred tax assets and liabilities) of operating items in the balance sheet		-1,455,833	-177,538
	Opening less closing operating receivables and active accrued items		-3,271,981	-102,599
	Opening less closing inventories		26,745	-24,599
	Opening less closing operating debts, passive accrued items and provisions		1,789,403	-50,340
c)	Surplus inflows from operations		1,694,453	3,112,463
B.	Cash flow from investments	34		
a)	Inflows from investments		3,230,692	6,009,034
	Inflows from received interest		90,930	202,502
	Inflows from profit stakes with others		348,325	317,793
	Inflows from disposal of intangible long-term assets		0	0
	Inflows from cancellation of tangible fixed assets and immovable property		479,301	2,479,986
	Inflows from cancellation of long-term financial investments		2,013,790	3,008,753
	Offset decrease of short-term financial investments		298,346	0
b)	Investment expenses		-6,029,419	-6,060,316
	Expenses for gaining intangible fixed long-term assets		-869,459	-181,890
	Expenses arising from cancellation of tangible fixed assets and immovable property		-5,110,760	-5,086,299
	Expenses for gaining long-term financial investments		-49,200	-635,749
	Offset increase of short-term financial investments		0	-156,378
c)	Investment revenues surplus		-2,798,727	-51,282
C.	Cash flows from financing	35		
a)	Inflows from financing		5,621,249	2,626,366
	Capital increase		3,654	0
	Revenues based on long-term loans		2,875,142	2,626,366
	Offset increase of received short-term loans		2,742,453	0
b)	Financing expenses		-4,491,729	-5,824,170
	Expenses for given financing related interests		-374,229	-435,157
	Capital decrease (dividends payout and other profit stakes)		-2,044,958	-2,011,309
	Long-term loans payback expenses		-2,072,542	-1,304,380
	Offset decrease of short-term loans		0	-2,073,324
c)	Financing revenues or expenses surplus		1,129,520	-3,197,804
D.	Net increase/reduction of cash assets		25,246	-136,623
E.	Currencies exchange effect		-37,435	-11,106
F.	Cash assets at beginning of the period		858,857	1,006,586
G.	Cash assets at the end of the period (D+E+F)	23,36	846,668	858,857

Notes to financial statements are a constituent part of these financial statements and must be read together with these statements.

CONSOLIDATED CAPITAL FLOW STATEMENT OF THE GROUP for the year 2006

in '000 of SIT	Note	Share capital	Capital reserves	Legal reserves	Revaluation surplus	Retained net profit/loss	Net profit or loss for the financial year	Consolidation capital adjustment (exchange rate translation differences)	Capital of minority shareholders	Total capital
Initial state 01.01.2006		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
Entry of net profit or loss for the financial year		0	0	0	0	0	1,530,573	0	85,022	1,615,595
Increase in surplus from revaluation of financial investments		0	0	0	1,039,614	0	0	0	1,124	1,040,738
Cancellation of tax deferred liabilities to the benefit of capital		0	0	0	527,376	0	0	0	0	527,376
Exchange rate translation differences		0	0	0	0	0	0	18,457	-5,282	13,175
Total recognised revenues and expenses in capital in the financial year		0	0	0	1,566,990	0	1,530,573	18,457	80,864	3,196,884
Increase due to purchases or new companies establishment		0	0	0	0	0	0	0	3,654	3,654
Transfer from transferred net profit & loss into legal reserves		0	0	218,558	0	-218,558	0	0	0	0
Other increases of capital components		0	0	0	0	57,556	0	0	50,386	107,942
Other redistribution of capital components		0	0	0	0	2,215,480	-2,215,480	0	0	0
Dividend payout or profit stakes		0	0	0	0	-1,975,603	0	0	-66,978	-2,042,581
Final state on 31.12.2006	31	7,902,413	11,838,861	2,877,563	6,114,604	12,031,075	1,530,573	330,589	830,491	43,456,169

CONSOLIDATED CAPITAL FLOW STATEMENT Y OF THE GROUP for the year 2005

in '000 of SIT	Note	Share capital	Capital reserves	Legal reserves	Revaluation surplus	Retained net profit/loss	Net profit or loss for the financial year	Consolidation capital adjustment (exchange rate translation differences)	Capital of minority shareholders	Total capital
Initial state on 01.01.2005		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 financial year		0	0	0	0	0	2,215,480	0	84,825	2,300,305
Decrease of the financial investments revaluation surplus		0	0	0	-83,059	0	0	0	0	-83,059
Revaluation to revenues surplus transfer (due to financial investment sales)		0	0	0	-1,064,389	0	0	0	0	-1,064,389
Cancellation of tax deferred liabilities to the benefit of capital		0	0	0	287,242	0	0	0	0	287,242
Exchange rate translation differences		0	0	0	0	0	0	168,942	0	168,942
Total recognised revenues and expenses in capital in the financial year		0	0	0	-860,206	0	2,215,480	168,942	84,825	1,609,041
Other increases of capital components		0	0	0	0	63,853	0	0	0	63,853
Other redistribution of capital components		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 components		0	0	0	0	-58,012	0	0	-14,560	-72,572
Final state on 31.12.2005	32	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

Notes to financial statements are a constituent part of these financial statements and must be read together with these statements.

18. Notes to consolidated financial statements of the Intereuropa Group

NOTES TO CONSOLIDATED 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 Union.

Consolidated Profit and Loss Account

Generated **net sales revenues** of the Group have increased by 6 per cent. Detailed presentation of the generated revenues is available in segment reporting.

The Group has achieved **operating profit** in the amount of SIT 1,466,480 thousand, which is by 4 per cent less than in the year 2005, foremost due to one-off events in the past year (fixed assets sales profit, reversal of short-term provisions for redundant employees) and the influence of associated company's goodwill impairment in the considered year.

The Group has realised **net profit** in 2006 in the amount of SIT 1,615,595 thousand, of which the amount of SIT 1,530,573 thousand is attributed to the majority owner and SIT 85,022 thousand to the minority owner.

Consolidated Balance Sheet

Long term assets represent 66 per cent of all assets and are decreased by 5 per cent in comparison to the cut-off day of the comparative year. Their share in the asset structure is reduced by 10 per centage points due to reclassification of the intended sale of the long-term financial investment into Banka Koper d.d. to the "Available-for-sale Assets" item.

In the financial year, the **long-term financial investments** item has decreased its share in assets by 9 per centage points, mostly due to reclassification (due to intended sale) of the long-term financial investment into Banka Koper d.d. to the "Available-for-sale Assets" category.

93 per cent of **short-term operating receivables** represent operating accounts receivables. In comparison to the overall balance of the previous year, these are increased by 25 per cent.

Capital

	in '000 of SIT	31. 12. 2006	in %	31. 12. 2005	in %	I 06/05
A. CAPITAL		43,456,169	100%	42,190,270	100%	103
I. Called-up capital		7,902,413	18%	7,902,413	19%	100
II. Capital reserves		11,838,861	27%	11,838,861	28%	100
III. Profit reserves		2,877,563	7%	2,659,005	6%	108
IV. Revaluation surplus		6,114,604	14%	4,547,614	11%	134
V. Transferred net profit/loss		12,031,075	27%	11,952,200	28%	101
VI. Net profit or loss for the financial year		1,530,573	4%	2,215,480	5%	69
VII. Consolidation capital adjustment (exchange rate translation differences)		330,589	1%	312,132	1%	106
VIII. Capital of minority shareholders		830,491	2%	762,565	2%	109

Changes in capital in 2006 are presented in the capital flow statement.

19. Audited non-consolidated financial statements of the Intereuropa d.d. company

PROFIT & LOSS ACCOUNT OF INTEREUROPA d.d. from 1 January to 31 December 2006

in '000 of SIT	Notes	Year 2006	Year 2005*	I 06/05*
1. NET SALES REVENUES	1	29,829,425	28,216,955	106
2. PRODUCT INVENTORIES AND WORK IN PROGRESS VALUE CHANGE		0	0	-
3. CAPITALIZED OWN PRODUCTS AND OWN SERVICES		0	0	-
4. OTHER OPERATIONAL REVENUES	2	387,035	1,005,543	38
5. COST OF GOODS, MATERIAL AND SERVICES	3	23,291,113	22,152,412	105
5.1 Cost of goods and materials sold and costs of materials used	4	578,622	528,402	110
5.2 Costs of services	5	22,712,491	21,624,010	105
6. LABOUR COSTS	6	4,770,484	4,529,853	105
6.1 Wages and salaries		3,262,311	3,096,823	105
6.2 Social security costs		533,150	510,561	104
6.2a) Pension insurance costs		289,382	276,433	105
6.2a) Other social insurances costs		243,768	234,128	104
6.3. Other labour costs		975,023	922,469	106
7. DEPRECIATION AND AMORTISATION	7	1,331,905	1,540,630	86
7.1 Amortisation		1,133,148	1,168,393	97
7.2 Depreciation and other intangible long-term assets write-downs and tangible fixed assets write-offs		15,825	23,449	67
7.3 Current assets revaluation and amortisation adjustments		182,932	348,788	52
8. OTHER OPERATIONAL EXPENSES	8	292,613	374,847	78
9. OPERATING PROFIT OR LOSS (1+2+3+4-5-6-7-8)	9	530,345	624,756	85
10. FINANCIAL REVENUES FROM STAKES		1,062,537	1,715,862	62
10.1 Financial revenues from stakes in Group members		102,478	233,005	44
10.2 Financial revenues from stakes in associated companies		16,091	0	-
10.3 Financial revenues from stakes in other companies		348,326	317,792	110
10.4 Financial revenues from other investments		595,642	1,165,065	51
11. FINANCIAL REVENUES FROM LOANS GIVEN		93,538	127,729	73
11.1 Financial revenues from loans given to Group members		47,864	39,020	123
11.2 Financial revenues from loans given to others		45,674	88,709	51
12. FINANCIAL REVENUES FROM OPERATING RECEIVABLES		142,007	154,485	92
12.1 Financial revenues from operating receivables to Group members		0	0	-
12.2 Financial revenues from operating receivables to others and cash assets		142,007	154,485	92
13. FINANCIAL EXPENSES FROM FINANCIAL INVESTMENTS IMPAIRMENT AND WRITE OFFS		113,098	48,330	234
14. FINANCIAL EXPENSES FROM FINANCIAL LIABILITIES		175,083	186,029	94
14.1 Financial expenses from loans received from Group members		1,114	0	-
14.2 Financial expenses from loans received from banks and others		173,969	186,029	94
14.3 Financial expenses from other financial liabilities and investments		0	0	-
15. FINANCIAL EXPENSES FROM OPERATING LIABILITIES		21,805	40,007	55
15.1 Financial expenses from operating liabilities to Group members		0	0	-
15.2 Financial expenses from suppliers liabilities and bills of exchange liabilities		21,805	40,007	55
15.3 Other financial expenses from other operating liabilities		0	0	-
16. PROFIT OR LOSS FROM ORDINARY ACTIVITIES (9+10+11+12-13-14-15)	10	1,518,441	2,348,466	65
17. OTHER REVENUES		0	0	-
18. OTHER EXPENSES		0	0	-
19. NET PROFIT OR LOSS FROM EXTRAORDINARY ACTIVITIES (17-18)		0	0	-
20. Corporation tax	11	305,726	995,037	31
21. Deferred taxes	12	96,260	-387,939	-
22. NET PROFIT OR LOSS FOR THE PERIOD (16+19-20-21)	13	1,116,455	1,741,368	64
Share net earnings per share (in SIT)	13a	141.28	220.36	64
Adjusted net earnings per share (in SIT)		141.28	220.36	64

*Data conformed according to IFRS

Notes to financial statements are a constituent part of these financial statements and must be read together with these statements

BALANCE SHEET OF INTEREUROPA d.d. as at 31 December 2006

in '000 of SIT	Notes	31. 12. 2006	31. 12. 2005*	I 06/05*
ASSETS		54,321,027	50,131,881	108
A. LONG-TERM ASSETS	14	38,344,497	41,290,998	93
I. Intangible assets and long-term deferred items	15	578,065	186,940	309
1. Long-term property rights		284,442	80,865	352
2. Goodwill		0	0	-
3. Advances for intangible assets		0	0	-
4. Long-term deferred development costs		291,871	100,118	292
5. Long-term deferred items		1,752	5,957	29
II. Tangible Fixed Assets	16	18,354,014	18,457,397	99
1. Lands and buildings		16,884,214	16,909,362	100
a) Lands		2,839,540	2,763,145	103
b) Buildings		14,043,450	14,144,824	99
c) Foreign tangible fixed assets investment		1,224	1,393	88
2. Production equipment and machinery		0	0	-
3. Other devices and equipment		1,450,490	1,527,691	95
4. Receivable tangible fixed assets		19,310	20,344	95
a) Construction and production tangible fixed assets		19,310	20,344	95
b) Tangible fixed assets acquisition advance payments		0	0	-
III. Investment property	17	3,243,494	3,508,037	92
IV. Long-term financial investments	18	16,168,924	19,135,697	84
1. Long-term financial investments excluding loans		15,143,937	18,931,276	80
a) Shares and stakes in the Group		12,262,809	10,542,238	116
b) Shares and stakes in associated and jointly controlled companies		45,718	689,854	7
c) Other shares and stakes		2,835,410	7,699,184	37
c.1) Financial assets at fair value through profit or loss		0	0	-
c.2) Available-for-sale financial assets		2,165,800	7,203,742	30
c.3) Financial assets at historical value		669,610	495,442	135
d) Held-to-maturity financial investments		0	0	-
2. Long-term loans given		1,024,987	204,421	501
a) Long-term loans given to Group members		980,906	140,441	698
b) Long-term loans given to others		44,081	63,980	69
c) Long-term non paid-up called-up capital		0	0	-
V. Long-term operating receivables		0	2,927	-
1. Long-term operating receivables from Group members		0	0	-
2. Long-term operating account receivables		0	0	-
3. Long-term operating receivables from others		0	2,927	-
VI. Deferred tax receivables	27	0	0	-
B. SHORT-TERM ASSETS		15,480,164	8,480,725	183
I. Assets (disposal group) for sale	19	6,335,353	259,022	2,446
II. Inventories	20	11,132	12,653	88
1. Material		10,986	12,653	87
2. Work in progress		0	0	-
3. Products and merchant goods		146	0	-
4. Advances for inventories		0	0	-
III. Short-term financial investments	21	1,273,388	2,348,561	54
1. Short-term financial investments excluding loans		0	845,222	0
a) Shares and stakes (except in Group members)		0	0	-
a.1) Financial assets at fair value through profit or loss		0	0	-
a.2) Available-for-sale financial assets		0	0	-
a.3) Financial assets at historical value		0	0	-
b) Held-to-maturity financial investments		0	845,222	-
2. Short-term loans given		1,273,388	1,503,339	85
a) Short-term loans given to Group members		1,149,175	1,182,509	97
b) Short-term loans given to others		124,213	320,830	39
c) Short-term unpaid called-up capital		0	0	-
IV. Short-term operating receivables	22	7,700,319	5,735,815	134
1. Short-term operating receivables to Group members		224,739	360,549	62
2. Short-term operating accounts receivables (except among Group members)		7,027,706	5,262,376	134
3. Short-term operating receivables to others		202,503	112,890	179
4. Short-term receivables for income taxes		245,371	0	-
V. Cash	23	159,972	124,674	128
C. SHORT-TERM DEFERRED ITEMS	24	496,366	360,158	138

in '000 of SIT	Notes	31. 12. 2006	31. 12. 2005*	I 06/05*
LIABILITIES		54,321,027	50,131,881	108
A. CAPITAL	25	39,757,384	39,051,852	102
I. Called-up capital		7,902,413	7,902,413	100
1. Share capital		7,902,413	7,902,413	100
2. Uncalled-up capital (as deductible item)		0	0	-
II. Capital reserves		11,838,861	11,838,861	100
III. Profit reserves		2,659,005	2,659,005	100
1. Legal reserves		2,659,005	2,659,005	100
2. Reserves for own shares and own stakes		0	0	-
3. Own shares and stakes (as deductible item)		0	0	-
4. Statutory reserves		0	0	-
5. Other reserves from profit		0	0	-
IV. Revaluation surplus		6,110,430	4,545,750	134
V. Transferred net profit/loss		10,130,220	10,364,455	98
VI. Net profit or loss for the financial year		1,116,455	1,741,368	64
B. PROVISIONS AND LONG-TERM PASSIVE ACCRUED ITEMS	26	347,173	340,783	102
1. Pension and similar liabilities provisions		266,682	266,683	100
2. Other provisions		52,600	47,600	111
3. Long-term passive accrued items		27,891	26,500	105
C. LONG-TERM LIABILITIES	27	3,583,189	2,878,432	124
I. Long-term financial liabilities		2,681,681	1,545,807	173
1. Long-term financial liabilities to Group members		0	0	-
2. Long-term financial liabilities to banks		2,681,681	1,545,807	173
3. Long-term liabilities arising from bonds		0	0	-
4. Other long-term financial liabilities		0	0	-
II. Long-term operating liabilities		4,479	4,479	100
1. Long-term operating liabilities to Group members		0	0	-
2. Long-term accounts payable		0	0	-
3. Long-term bills of exchange liabilities		0	0	-
4. Long-term operating liabilities from advances		0	0	-
5. Other long-term operating liabilities		4,479	4,479	100
III. Deferred tax liability		897,029	1,328,146	68
D. SHORT-TERM LIABILITIES	28	10,633,281	7,809,011	136
I. Liabilities included in disposal group		0	0	-
II. Short-term financial liabilities		3,997,581	1,748,054	229
1. Short-term financial liabilities to Group members		90,000	0	-
2. Short-term financial liabilities to banks		3,907,581	1,676,328	233
3. Short-term liabilities arising from bonds		0	0	-
4. Other short-term financial liabilities		0	71,726	-
III. Short-term operating liabilities		6,635,700	6,060,957	109
1. Short-term operating liabilities to Group members		409,375	331,624	123
2. Short-term operating suppliers liabilities		5,691,329	4,675,433	122
3. Short-term bills of exchange liabilities		0	0	-
4. Short-term operating liabilities from advances		47,980	52,523	91
5. Other short-term operating liabilities		460,226	413,155	111
6. Short-term corporation tax payable		26,790	588,222	5
E. SHORT-TERM PASSIVE ACCRUED ITEMS		0	51,803	-

*Data conformed according to IFRS

Notes to financial statements are a constituent part of these financial statements and must be read together with these statements

CASH-FLOW STATEMENT OF INTEREUROPA d.d. for the period from 1 January 2006 to 31 December 2006

	in '000 of SIT	Notes	Year 2006	Year 2005*
A	Cash flow from operations	30		
a)	Profit & loss account items		694,485	1,045,286
	Operating revenues (except for revaluation) and financial revenues due to operating receivables		30,158,554	28,393,685
	Operating expenses without amortisation and long-term provisions (except for revaluation) and financial expenses due to operating liabilities		-28,356,638	-27,008,912
	Corporation taxes and other taxes not included in operating expenses		-1,107,431	-339,487
	Changes in working capital (and deferred and accrued items, provisions and deferred tax assets and liabilities) of operating items in the balance sheet		-939,649	-206,327
	Opening less closing operating receivables and active accrued items		-2,068,843	195,224
	Opening less closing inventories		1,521	-850
	Opening less closing operating debts, passive accrued items and provisions		1,127,673	-400,701
c)	Surplus inflows from operations		-245,164	838,959
B.	Cash flow from investments			
a)	Inflows from investments	31	3,388,763	6,055,585
	Inflows from received interest		93,537	141,794
	Inflows from profit stakes with others		495,260	535,797
	Inflows from disposal of intangible long-term assets		0	115,392
	Inflows from cancellation of tangible fixed assets and immovable property		238,834	2,459,963
	Inflows from cancellation of long-term financial investments		2,154,939	2,684,541
	Offset decrease of short-term financial investments		406,193	118,098
b)	Investment expenses		-4,347,318	-3,767,387
	Expenses for gaining intangible fixed long-term assets		-420,048	-100,118
	Expenses arising from cancellation of tangible fixed assets and immovable property		-951,755	-2,564,510
	Expenses for gaining long-term financial investments		-2,975,515	-1,102,759
	Offset increase of short-term financial investments		0	0
c)	Investment revenues surplus		-958,555	2,288,198
C.	Cash flows from financing	32		
a)	Inflows from financing		4,123,147	1,077,247
	Capital increase		0	0
	Revenues based on long-term loans		1,667,726	1,077,247
	Offset increase of received short-term loans		2,455,421	0
b)	Financing expenses		-2,883,540	-4,214,477
	Expenses for given financing related interests		-167,233	-231,705
	Capital decrease (dividends payout and other profit stakes)		-1,977,979	-1,954,590
	Long-term loans payback expenses		-738,328	-502,012
	Offset decrease of short-term loans		0	-1,526,170
c)	Financing revenues or expenses surplus		1,239,607	-3,137,230
D.	Net increase/reduction of cash assets		35,888	-10,073
E.	Currencies exchange effect		-590	-600
F.	Cash assets at beginning of the period		124,674	135,347
G.	Cash assets at the end of the period (D+E+F)	23.33	159,972	124,674

*Data conformed according to IFRS

Notes to financial statements are a constituent part of these financial statements and must be read together with these statements.

CHANGES IN EQUITY OF INTEREUROPA d.d. for the year 2006

in '000 of SIT	Notes	Share capital	Capital reserves	Legal reserves	Revaluation surplus	Transferred net profit/loss	Net profit or loss for the financial year	Total capital
Initial state 01.01.2006		7,902,413	11,838,861	2,659,005	4,545,750	10,364,455	1,741,368	39,051,852
Entry of net profit or loss for the financial year		0	0	0	0	0	1,116,455	1,116,455
Increase in surplus from revaluation of financial investments		0	0	0	1,174,674	0	0	1,174,674
Transfer of revaluation surplus to revenues (due to financial investment sales)		0	0	0	-137,371	0	0	-137,371
Decrease of tax deferred liabilities to the benefit of capital		0	0	0	527,377	0	0	527,377
Total recognized revenues and expenses in capital		0	0	0	1,564,680	0	1,116,455	2,818,506
Other redistribution of capital components		0	0	0	0	1,741,368	-1,741,368	0
Dividend payout		0	0	0	0	-1,975,603	0	-1,975,603
Final state on 31.12.2006	25.34	7,902,413	11,838,861	2,659,005	6,110,430	10,130,220	1,116,455	39,757,384

CHANGES IN EQUITY OF INTEREUROPA d.d. for the year 2005*

in '000 of SIT	Notes	Share capital	Capital reserves	Legal reserves	Revaluation surplus	Transferred net profit/loss	Net profit or loss for the financial year	Total capital
Initial state on 01.01.2005		7,902,413	11,838,861	2,659,005	5,407,793	10,349,033	1,970,013	40,127,118
Entry of net profit or loss for the financial year		0	0	0	0	0	1,741,368	1,741,368
Decrease of financial investments revaluation surplus		0	0	0	-84,893	0	0	-84,893
Transfer of revaluation surplus to revenues (due to financial investment sales)		0	0	0	-1,064,389	0	0	-1,064,389
Decrease of tax deferred liabilities to the benefit of capital		0	0	0	287,239	0	0	287,239
Total recognized revenues and expenses in capital		0	0	0	-862,043	0	1,741,368	879,325
Other redistribution of capital components		0	0	0	0	1,970,013	-1,970,013	0
Dividend payout		0	0	0	0	-1,896,579	0	-1,896,579
Other cancellation of capital components		0	0	0	0	-58,012	0	-58,012
Final state on 31.12.2005	25.35	7,902,413	11,838,861	2,659,005	4,545,750	10,364,455	1,741,368	39,051,852

*Data conformed according to IFRS.

Notes to financial statements are a constituent part of these financial statements and must be read together with these statements.

Basic indicators of the Intereuropa d.d. company

		31. 12. 2006	31. 12. 2005	Index 06/05
BASIC INDICATORS OF INVESTMENT STATE				
1.	Basic investment rate	0.41	0.44	92
2.	Long-term investment rate	0.71	0.82	86
BASIC INDICATORS OF ECONOMY				
3.	Operating economy coefficient	1.02	1.02	100
4.	Total economy coefficient	1.05	1.08	97
BASIC INDICATORS OF PROFITABILITY				
5.	Net capital gains (in %)	2.87	4.50	64

20. Notes to non-consolidated financial statements of the Intereuropa d.d. company

Pursuant to the AGM's decision of 15 July 2005, the controlling company Intereuropa d.d. has transited to the use of the International Financial Reporting Standards (IFRS) as adopted by the European Union for compiling the financial statements for a period of at least five financial years starting from 1 January 2006.

The financial statements for 2006 were compiled for the first time in compliance to the IFRS with regards to the IFRS 1- First-time adoption of international financial reporting standards. The comparative data for 2005 and the opening balance sheet were compiled as on the 1 January 2005, the date, defined as the date of transition to the IFRS usage for compiling its financial statements.

In accordance with IFRS 1, in the opening balance sheet we have:
 Recognised all assets and liabilities whose recognition is required by IFRS;
 Not 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.

The explanation of the transition to IFRS effect on the financial balance, company performance and cash flows is included in the following notes and tables. All changes of the accounting standards caused by particular items reclassifications are also explained.

The influences of the IFRS transition in the comparative financial statements are also explained. As at that day, the revaluated amounts of the real estates, equipment and devices items of the previous SAS was considered, since it is our opinion it reflects the changes of the general index price. Investments in the subsidiaries and associates were revaluated to initial costs as at 1 January 2003 (abolition of the equity method and exchange rate differences before 1 January 2003).

A. NOTES RELATED TO ADOPTION OF IFRS

Adjustment of capital in the opening balance sheet as at 1 January 2005 in line with IFRS

Ser. no.	in '000 of SIT	SAS 1. 1. 2005	Opening balance conformant according to IFRS on 01.01.2005	IFRS 01.01.2005
	1	2	3	4
1	Share capital	7,902,413		7,902,413
2	Capital reserves	2,148,636	9,690,225	11,838,861
	Transfer from general capital revaluation adjustment item		9,690,225	
3	Profit reserves	2,659,005		2,659,005
4	Revaluation surplus	1,011,235	4,396,558	5,407,793
a	Revaluation of long-term financial investments in securities posted as financial assets available for sale, at fair value - with regard to deferred tax liabilities		5,407,793	5,407,793
b	Reduction due to investment overvaluation in associated companies on the purchase value on 01.01.2003 (equity method clearance until 01.01.2003)		-1,263	-1,263
c.	Reduction due to investment revaluation in associated companies on the purchase value on 01.01.2003 (equity method clearance until 01.01.2003) - for year 2004, when special capital revaluation was increased due to the revaluation effect		-1,009,972	
5	General revaluation able capital adjustment	9,690,225	-9,690,225	
	Transfer to capital reserves items		-9,690,225	
6	Transferred net profit (including the 2004 net profit)	12,039,561	279,485	12,319,046
a	Cancellation of long-term provisions for negative goodwill (1,237,465 thousand SIT) , reduced for deferred tax obligations (309,366 thousand SIT)		928,099	
b.	Reduction due to provisions forming for severances and reimbursements (278,958 thousand SIT) - with regard to deferred tax receivables (69,740 thousand SIT).		-209,218	
c.	Reduction for exchange differences due to revaluation to subsidiaries on 01.01.2003 (155,599 thousand SIT) - with regard to deferred tax receivables (38,899 thousand SIT).		-116,700	
d.	Reduction for exchange differences due to investments revaluation to subsidiaries at purchase price on 01.01.2003 (equity method clearance until 01.01.2003) - with regard of investment impairment into subsidiary		-322,696	
	TOTAL	35,451,075	4,676,043	40,127,118

The surplus from revaluation is increased in the amount of SIT 4,396,558 thousand and net profit or loss from previous periods in the amount of SIT 279,485 thousand. Both items influence the total equity increase in the amount of SIT 4,676,043 thousand.

Notes related to adjustment of the comparative financial sheets

Note on the effect of adopting IFRS on essential balance sheet items of the Intereuropa d.d. company as at 31 December 2005

in '000 of SIT	Opening balance according to IFRS on 01.01.2005	SAS 31.12.2005	Redistribution of items according to IFRS	Note	Opening balance conformant according to IFRS	Conformant according to IFRS in year 2005	Conformant total	Note	IFRS 31.12.2005
	1	2	3		4	5	6=4+5		7=2+3+6
ASSETS	53,552,594	46,336,134	0		5,720,860	-1,925,113	3,795,747		50,131,881
A. LONG-TERM ASSETS	45,452,307	37,754,274	-259,022		5,720,860	-1,925,114	3,795,746		41,290,998
I. Intangible assets and long-term deferred items	282,392	188,333	-1,393	1					186,940
II. Tangible Fixed Assets	20,376,518	22,223,063	-3,765,666	1,2,3					18,457,397
III. Investment property	2,866,042	0	3,508,037	2					3,508,037
IV. Long-term financial investments	21,917,561	15,305,714			5,720,860	-1,890,877	3,829,983	5,6,7	19,135,697
V. Long-term operating receivables	9,794	2,927							2,927
VI. Deferred tax receivables	0	34,237				-34,237	-34,237	8	0
B. SHORT-TERM ASSETS	7,495,532	8,221,702	259,022		0	1	1		8,480,725
I. Assets for sale		0	259,022	3					259,022
II. Inventories	11,803	12,653							12,653
III. Short-term financial investments	1,394,254	2,348,561							2,348,561
IV. Short-term operating receivables	5,954,128	5,735,814				1	1	9	5,735,815
V. Cash	135,347	124,674							124,674
C. SHORT-TERM DEFERRED EXPENSES AND ACCRUED REVENUES	604,755	360,158	0						360,158
LIABILITIES	53,552,594	46,336,134	0		5,720,860	-1,925,113	3,795,747		50,131,881
A. CAPITAL	40,127,118	36,850,934	0	0	4,676,043	-2,475,125	2,200,918	12	39,051,852
I. Called-up capital	7,902,413	7,902,413							7,902,413
II. Capital reserves	11,838,861	2,148,636	9,690,225						11,838,861
III. Profit reserves	2,659,005	2,659,005							2,659,005
IV. Revaluation surplus	5,407,793	11,583,087	-9,690,225		4,396,558	-1,743,670	2,652,888		4,545,750
V. Transferred net profit/loss	10,349,033	10,084,970			279,485	0	279,485		10,364,455
VI. Net profit or loss for the financial year	1,970,013	2,472,823				-731,455	-731,455		1,741,368
B. PROVISIONS AND LONG-TERM PASSIVE ACCRUED ITEMS	622,798	74,100			-958,508	1,225,191	266,683	10	340,783
C. LONG-TERM LIABILITIES	3,214,693	1,550,286	0		2,003,325	-675,179	1,328,146		2,878,432
I. Long-term financial liabilities	1,206,888	1,545,807							1,545,807
II. Long-term operating liabilities	4,479	4,479							4,479
III. Deferred tax receivables	2,003,326	0			2,003,325	-675,179	1,328,146		1,328,146
C. SHORT-TERM LIABILITIES	9,587,985	6,853,019	955,992		0	0	0		7,809,011
I. Liabilities included in disposal group		0							0
II. Short-term financial liabilities	3,125,141	1,748,054							1,748,054
III. Short-term operating liabilities	6,462,844	5,104,965	955,992	4					6,060,957
D. SHORT-TERM PASSIVE ACCRUED ITEMS	0	1,007,795	-955,992	4					51,803

Note	Notes on redistribution and conforments of items according to IFRS on 31.12.2005	in '000 of SIT
1	Long-term assets rights transfer under item investments in foreign tangible fixed assets	1,393
2	Leased tangible fixed assets transfer under item investment property	3,508,037
3	Intangible fixed assets value transfer under item assets for sale	259,022
4	Transfer of passive accrued items (arising from incurred costs in the period for which invoices from suppliers have not been received until the end of accounting period) to the operating liabilities item	955,992
5	Revaluation of subsidiaries investments at purchase price on 01.01.2003	-2,139,634
6	Revaluation of associates investments and joint ventures at purchase price on 01.01.2003	-91,817
7	Revaluation of financial assets held for sale	6,061,434
8	Deferred tax receivables offsetting with deferred tax liabilities	-34,237
9	Conforment due to roundup	1
10	Long-term provisions for severances and reinbursements forming	266,683
11	Deferred tax liabilities forming with regard to deferred tax receivables offsetting.	1,328,146
12	Capital conforment (shown below)	2,200,918

Capital adjustments as at 31 December 2005 in line with IFRS

Ser. no.	in '000 of SIT	SAS 31.12.2005	Opening balance conformant according to IFRS on 01.01.2005	Conformant according to IFRS in year 2005	Conformant total	IFRS 31.12.2005
1	Share capital	7,902,413				7,902,413
2	Capital reserves	2,148,636	9,690,225		9,690,225	11,838,861
	Transfer from general capital revaluation adjustment item		9,690,225		9,690,225	
3	2. PRODUCT INVENTORIES AND UNFINISHED PRODUCTION	2,659,005				2,659,005
4	Revaluation surplus	1,892,862	4,396,558	-1,743,670	2,652,888	4,545,750
a	Revaluation of longterm financial investments in securities posted as financial assets available for sale, at fair value - with regard to deferred tax liabilities		5,407,793	-862,043	4,545,750	
b.	Reduction due to investment revaluation in associated companies on the purchase value on 01.01.2003 (equity method clearance until 01.01.2003)		-1,263	-90,553	-91,816	
c.	Reduction due to investment revaluation in associated companies on the purchase value on 01.01.2003 (equity method clearance until 01.01.2003) - for years 2004 and 2005, when special capital revaluation was increased due to the revaluation effect		-1,009,972	-791,074	-1,801,046	
5	General revaluationable capital adjustment	9,690,225	-9,690,225		-9,690,225	
	Reduction due to transfer to capital reserves		-9,690,225		-9,690,225	
6	Transferred net profit/loss	10,084,970	279,485	0	279,485	10,364,455
a	Cancellation of long-term provisions due to negative goodwill (1,237,465 thousand SIT), reduced for deferred tax liabilities (309,366 thousand SIT)		928,099		928,099	
b.	Reduction due to provisions forming for severances and reimbursements (278,958 thousand SIT) - with regard to deferred tax receivables (69,740 thousand SIT).		-209,218		-209,218	
c.	Reduction for exchange differences due to investments revaluation to subsidiaries at purchase price on 01.01.2003 (155,599 thousand SIT) - with regard to deferred tax receivables (38,899 thousand SIT).		-116,700		-116,700	
d.	Reduction for exchange differences due to investment revaluation to subsidiaries at purchase price on 01.01.2003 (equity method clearance until 01.01.2003) - with regard of investment impairment into		-322,696		-322,696	
7	Financial year net profit	2,472,823		-731,455	-731,455	1,741,368
a	Reduction due to cancellation of negative goodwill revenues according to SAS (1,237,456 thousand SIT) - with regard of reduction of deferred tax liabilities (309,366 thousand SIT)			-928,099	-928,099	
b.	Increase due to expenses for severances and reimbursements transfer according to SAS in debiting of provisions formed according to IFRS (12,274 thousand SIT) - with regard of reduction of deferred tax receivables (3,069 thousand SIT)			9,205	9,205	
c.	Reduction for exchange differences in 2005 due to investments revaluation to subsidiaries at purchase price on 01.01.2003 (189,623 thousand SIT) - with regard to deferred tax receivables (47,406 thousand SIT).			-142,217	-142,217	
d.	Reduction of financial expenditures due to impairment of financial assets held for sale			326	326	
e.	Increase for pertaining subsidiaries loss in 2005 due to equity method clearance (investment revaluation to subsidiaries at purchase price on 01.01.2003)			329,330	329,330	
	TOTAL	36,850,934	4,676,043	-2,475,125	2,200,918	39,051,852

Note on the effect of adopting IFRS on essential profit & loss account items of the Intereuropa d.d. company for 2005

in '000 of SIT	SAS year 2005	Redistributi on of items according to IFRS	Note	Conformant accordint to IFRS	Note	IFRS year 2005
1	2	3		4		5=2+3+4
1. NET SALES REVENUES	28,451,888	-234,933	1			28,216,955
2. OTHER OPERATING REVENUES	2,208,763	34,245	2	-1,237,465	4	1,005,543
3. COST OF GOODS, MATERIAL AND SERVICES	22,387,345	-234,933	1			22,152,412
4. LABOUR COSTS	4,542,127			-12,274	5	4,529,853
5. DEPRECIATION AND AMORTIZATION	1,540,630					1,540,630
6. OTHER OPERATIONAL EXPENDITURES	351,755	23,092	3			374,847
7. NET PROFIT OF LOSS FROM OPERATION (1+2-3-4-5-6)	1,838,794	11,153		-1,225,191		624,756
8. FINANCIAL REVENUES FROM STAKES	1,905,485			-189,623	6	1,715,862
9. FINANCIAL REVENUES FROM LOANS GIVEN AND OPERATING RECEIVABLES	282,214					282,214
FINANCIAL INVESTMENTS IMPAIRMENT AND WRITE OFFS	377,986			-329,656	7	48,330
11. FINANCIAL EXPENDITURES ARISING FROM OPERATING LIABILITIES	226,036					226,036
12. OPERATIONAL PROFIT OR LOSS (7+8+9-10-11)	3,422,471	11,153		-1,085,158		2,348,466
13. OTHER REVENUES	34,245	-34,245	2			0
14. OTHER EXPENSES	23,092	-23,092	3			0
15. NET PROFIT OF LOSS FROM EXTRAORDINARY ACTIVITIES (15-16)	11,153	-11,153		0		0
16. Income tax	995,037					995,037
17. Deferred taxes	-34,236			-353,703	8,9	-387,939
18. NET PROFIT OR LOSS FOR THE ACCOUNTING PERIOD (12+15-16-17)	2,472,823	0		-731,455		1,741,368
Share net earnings per share (in SIT)	312.92					220.36
Adjusted net earnings per share (in SIT)	312.92					220.36

Note	Notes on redistribution of items according to IFRS	in '000 of SIT
1	Conformant of net sales revenues according to recognising sales revenues at completion level at the date of the balance sheet according to IFRS (according to SAS net sales revenues are reduced for difference between not yet invoiced costs on 31.12.2004 and not yet invoiced costs on 31.12.2005) Costs of goods, material and services are reduced for the same amount.	234,933
2	Transfer of extraordinary revenues among other operational revenues	34,245
3	Transfer of extraordinary expenses among other operational revenues	23,092

Note	Notes on IFRS conformant with effect on net profit/loss	in '000 of SIT
4	Reduction of revenues due to cancellation of provisions of negative goodwill according to SAS (these provisions were already cancelled according to IFRS in opening balance on 01.01.2005)	-1,237,465
5	Reduction of severances and reimbursements costs (according to IFRS they debit formed provisions)	12,274
6	Reduction of revenues for exchange differences due to investments revaluation to subsidiaries at purchase price on 01.01.2003	-189,623
7	Reduction of expenses by the appertaining losses incurred by subsidiaries according to equity method	329,656
8	Deferred tax revenues increase due to negative goodwill provisions cancellation (309,366 thousand SIT) and due to investments revaluation to subsidiaries at purchase price on 01.01.2003 (47,406 thousand SIT)	356,772
9	Deferred tax expenses increase due to paid severances and reimbursements	-3,069
	Total effect on net profit/loss	-731,455

Note on the effect of adopting IFRS on essential cash flow statement items of the Intereuropa d.d. company for 2005

	in '000 of SIT	Year 2005 IFRS	Year 2005 SAS	Difference
A.	Operation revenues surplus	838,959	889,193	-50,234
B.	Investment revenues (expenses) surplus	2,288,198	2,428,358	-140,160
C.	Financing revenues (expenses) surplus	-3,137,230	-3,328,224	190,994
D.	Net increase/reduction of cash assets	-10,073	-10,673	600
E.	Currencies exchange effect	-600		-600
F.	Cash assets at the start of the period	135,347	135,347	0
G.	Cash assets at the end of the period (D+E+F)	124,674	124,674	0

The differences between individual surpluses with regard to the area of operations stem from different allocation of inflows and outflows in line with the SAS and IFRS arising from long-term provisions (SIT 190,994 thousand) and financial revenues from operating receivables (SIT 140,160 thousand).

B. NOTES TO FINANCIAL STATEMENTS OF THE INTEREUROPA d.d. COMPANY

Profit and Loss Account of Intereuropa d.d.

Net sales revenues in the amount of SIT 29,829,425 thousand represent revenues from rendered services. A detailed presentation of generated revenues of the Group is provided in segment reporting.

Net Sales Revenues by Business Segments

	in '000 of SIT	YEAR 2006	in%	PLAN 2006	in%	YEAR 2005	in%	I 06/plan	I 06/05
1	Land transport	11,157,459	37%	11,102,235	39%	11,830,661	42%	100	94
2	Logistics solutions	3,542,699	12%	3,022,680	11%	2,902,370	10%	117	122
3	Intercontinental transport	13,807,763	46%	13,085,224	46%	12,197,923	43%	106	113
4	Other services	1,321,504	5%	1,234,643	4%	1,286,001	5%	107	103
TOTAL		29,829,425	100%	28,444,782	100%	28,216,955	100%	105	106

In 2006, the Company exceeded the value of net sales revenues from 2005 for 6 per cent, and the planned value by 5 per cent. In the net sales revenues structure, the share of the land transport business segment has decreased, while shares of intercontinental transport and logistic solutions are increased.

The Group's **operating profit** totalled SIT 530,345 thousand, i.e. a 15 per cent decrease compared to previous year. Namely, comparative data reflect higher realised net revenue from sale of the tangible fixed assets that was higher than in 2006 for the amount of SIT 483 millions.

The generated **profit from ordinary activity** of SIT 1,518,441 thousand recorded a 35 per cent decrease due to a last year exceptional business one-off events.

The generated **net profit/loss** in 2006 amounts to SIT 1,116,455 thousand and records a 36 per cent decrease regarding the comparative year. Taking into account the effects of the exceptional business events of both years, a 31 per cent increase of net profit/loss of the Intereuropa d.d. company accounting period is established.

Balance Sheet of Intereuropa d.d.

Long-term assets represented 71 per cent of all assets. Their decrease by 5 per cent compared to the cut-off date of the compared year is primarily influenced by reclassification of the long-term financial investments (in the amount of SIT 5,976,315 thousand) to the short-term assets (available-for-sale).

Changes in **tangible fixed assets** in 2006 were influenced by new purchases, disposal and depreciation of these assets. In comparison with 31 December 2005, these assets are decreased by 1 per cent as the result of exceeding depreciation costs and sale of the tangible fixed assets over the amount of the new purchase of these assets.

Short-term assets represent 28 per cent of total assets. Transfer of long-term financial investments to short-term assets (available-for-sale) effected their rise of 83 per cent comparing to year 2005.

Short-term operating receivables represent almost a half of total short-term assets and increased for 34 per cent in this year. Major part of short-term operating receivables represent short-term operating accounts receivables.

Capital reveals equity owners that finance the company and it represents liability to shareholders. Changes in capital in year 2006 are presented in the capital flow statement.

Long-term financial and operating liabilities amount to 7 per cent of total liabilities and increased for 24 per cent in year 2006.

Short-term financial and operating liabilities amount to 20 per cent of total liabilities and increased for 36 per cent in year 2006.

INTEREUROPA d.d
President of the Managing Board

Andrej Lovšin, M Sc.

