



The Company Intereuropa, globalni logistični servis, d.d., Vojkovo nabrežje 32, is the Parent Company of the Intereuropa Group, which has prepared and published its consolidated financial statements for the financial year 2005 in compliance with the Regulation adopted jointly by the European Parliament and the Council, No. 1606/2002 of 19.7.2002 in accordance with the International Financial Reporting Standards (IFRS), in the reporting terms as defined by the Ljubljana Stock Exchange Rules and other relevant laws.

The Company Intereuropa, Globalni logistični servis, d.d., Vojkovo nabrežje 32, 2005 Koper, has prepared and published its financial statements in accordance with the Slovenian Accounting Standards (SRS).

Following the Resolution adopted by the General Meeting, the controlling company (Parent) will be drawing up and publishing its financial statements applicable to all the accounting terms following 1 January 2006 for the Company Intereuropa, globalni logistični servis, d.d. (Global Logistics Service Ltd. Co.) only under the International Financial Reporting Standards (IFRS).

STATEMENT OF GROUNDS

The Companies Act (ZGD) binds the Slovenian companies to prepare their financial statements for the financial year 2005 only under the provisions of the Slovenian Accounting Standards (SRS). The Accumulated Profit of the companies established in the financial statements under the SRS is the baseline for the shareholders to decide on the use of profit.

In the year 2005, we complied with the requirements of the Regulation by the European Parliament and Council No. 1606/2002 of 19. 7. 2002, which imposes on public companies to prepare their consolidated financial statements under the IFRS, and prepared the financial statements for the Intereuropa Group under the IFRS.

The General Meeting adopted on 15 July 2005 the Resolution which binds Intereuropa to migrate to the International Financial Reporting Standards (IFRS) and apply them to the Parent Company of the Intereuropa Group, with effect from 1 January 2006 and for a term of five years at the least.

The differences between the SRS and IFRS are relevant differences that have a significant bearing on the substance of the items in financial statements, express the financial position and performance of the Company over the reporting term.

The Managing Board of the Company observes that companies were not given sufficient time to prepare the comprehensive reporting system in accordance with the Ljubljana Stock Exchange Rules, as these were only published in the second half of the financial year (Official Gazette of the Republic of Slovenia, No. 80/2005 of 29.8.2005). For this reason, we will not publish the financial statements for the Company Intereuropa GLS, d.d. prepared under the IFRS, and the consolidated financial statements for the Intereuropa Group prepared under the SRS for the financial year 2005. The Managing Board further undertakes that following the Resolution of the General Meeting, the controlling company will also be using the IFRS with effect from 1 January 2006.