INTEREUROPA GROUP
Intereuropa, Global logistics service, Ltd. Co.

Unaudited Interim Report on the Operation of INTEREUROPA GROUP, January-September 2006

Koper, November 2006

The Company INTEREUROPA d.d. is publishing this *Unaudited Interim Report on the Operation of Intereuropa Group, January - September 2006,* in compliance with the Securities Market Act and Ljubljana Stock Exchange Rules.

The unaudited consolidated and non-consolidated financial statements have been prepared in accordance with the provisions of International Financial Reporting Standards (IFRS).

The Report is available at the Company's registered office at Vojkovo nabrežje 32, 6504 Koper.

Unaudited Interim Report on the Operation of Intereuropa Group, January-September 2006 will also be published on the web site of Intereuropa d.d. www.intereuropa.si, on 17 November 2006.

C O N T E N T S

FROM THE DEVELOPMENT STRATEGY OF THE GROUP …

Our corporate vision:

To be clearly recognisable as the leading provider of comprehensive logistics services in Central and South-Eastern Europe.
The motto we pursue is: »From partial to integral logistics services.”

Mission Statement:

To optimally meet the demand for logistics services to the complete satisfaction of our customers.

Our values:

Professional approach to customers; Flexibility and Adaptability, Responsibility, Team work, and Appreciation of Employees.

For the term 2006-2011, we have set the following financial goals:

	mio SIT						Average growth rate
	2006	**2007**	**2008**	**2009**	**2010**	**2011**	**11/05**
Net Sales Revenues	52.578	58.575	66.364	74.928	84.344	92.301	10,0%
EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation)	4.909	5.388	6.260	7.215	8.219	9.080	11,7%
Operating Result	2.318	2.712	3.477	4.323	5.143	5.871	17,7%
Net Profit or Loss	2.014	2.124	2.698	3.332	3.947	4.493	6,9%
Assets	66.245	68.963	72.641	76.314	81.115	83.855	4,4%
Capital	42.704	42.909	43.614	44.803	46.441	48.442	2,3%
Net Return on Equity*	4,9%	5,2%	6,6%	8,0%	9,3%	10,2%	
Net Return on Assets	3,0%	3,1%	3,7%	4,4%	4,9%	5,4%	

*Capital - Net Profit or Loss

Source: Intereuropa Corporate Vision and Development Strategy for the Period 2006 - 2011

By 2011, the Intereuropa Group will become the largest and best performing logistics provider in Slovenia and in the countries of the South-Eastern and Central Europe.

This will be achieved by:

- Consolidation, expansion and strengthening of the position in the Slovenian logistics market,
- Penetration to, and new business policy in the markets in which Intereuropa is already present,
- New businesses and logistics projects in the markets of Central Asia.

INTRODUCTION

During the first Nine Months, the Group's net sales revenues came to SIT 38.4 billion, which was only one percent below the planned result. Compared with the same period 2005, that means a 4.3% growth p.a.

With the net profit that outstripped the plan by 6.5%, we were able to achieve the net return on equity of 4.9%. Accordingly, our planned financial results for the first Nine Months were fulfilled.

The key achievements of this period:

- Net Sales Revenues à SIT 38.4 billion
- Net Profit à SIT 1.5 billion
- Net Return On Equity à 4.9 %

Most important events in the reporting period:

- With effect of 1 January 2006, Intereuropa d.d. has started to apply the International Financial Reporting Standards as adopted by the European Union in the corporate financial statements.
- On 17 January 2006, the new Managing Board of Intereuropa d.d. was appointed. Mr Andrej Lovšin, M.A., was appointed President, and Mr Zvezdan Markežič as Deputy President of the Managing Board. On 20 June, Mrs. Ondina Jonke was appointed Labour Relations Executive, upon the proposal by the Works Council, as the third Member of the Managing Board. .
- On 22 February, the new Managing Board presented the corporate vision and development strategy for the term 2006-2011, as well as the plans for the current year (2006); accordingly, the organizational changes were introduced to support a unified control and management of the business segments on the level of the Group.
- By the Stock Swap Agreement of 6 February between INFOND HOLDING finančna družba, d.d. and the Slovenian Restitution Fund "Slovenska odškodninska družba, d.d. (the so-called "SOD"), the latter acquired 474,926 shares of Intereuropa d.d.
- On 10 April Intereuropa Transport d.o.o. inaugurated 17 new trucks. The investment was worth EUR 2.1 million.
- On 1 July, our daughter company Intereuropa Skopje (Macedonia) acquired the status of authorised economic operator as the first freight forwarder in Macedonia, which means faster service on higher quality level for our customers.
- At the beginning of July, the company Intereuropa Kosova L.L.C. started operating, as the first Slovenian logistics operator in the market of Kosovo. It is a new logistical terminal measuring 1,800qm, comprising storage areas and offices, already occupied by qualified staff.
- On 3 July, the official opening ceremony for the Logistical Centre Logatec was held; the new facility is located at the important junction on the V and X transport corridor. The first phase of the new facility measuring 8,100qm, the production facility for additional work with 1,100 qm and an office building with 1,070qm, also offering outdoor storage surrounding the distribution centre, is one of the most advanced logistical facilities within the Intereuropa Group.
- On 6 July, Intereuropa signed a letter of intent on business cooperation with Luka Koper, Pošta Slovenije (Slovenian Post) and Holding SŽ (Slovenian Railways). It relates to a project-based integration among the a.m. corporations, aiming to undertake an organized venture and a concerted action in the European and global market as providers of logistical services.
- In the 15th Annual General Meeting of Intereuropa d.d. held on 7 July, the shareholders adopted the Annual Report 2005 and resolved on the appropriation of accumulated profit, adopted the changes and amendments to the Statute of the Company and the Rules of Procedure of the General Meeting, and appointed the audit firm for the year 2006.
- In July 2006, the shareholders of Banka Koper, d.d. (Intereuropa d.d., Istrabenz d.d., Luka Koper d.d. and Sanpaolo IMI) signed a new Shareholders Agreement to extend the validity of

the essential elements of the current Agreement for additional five years: Retaining the ownership shares by the biggest Slovenian shareholders, as well as the present style in the Management and Administration of the Bank.

- In September, Intereuropa assigned its Regional Manager to Shanghai, in order to research and analyze the possibility for entrance in the distant markets, in particular in China.
- 6. In September 2006, the Group has opened a newly built logistics terminal in Prishtina. This Logistics Terminal in Prishtina will be underlying for building up the Company's presence in the Kosovo market.
- In September 2006, Intereuropa concluded a contract with the Slovenian national airline Adria Airways, on long-term strategic cooperation in international flights in Kosovo. The envisioned annual value of the business exceeds 3 million EUR.
- In the middle of September, Intereuropa sold its 24.28% share in Adriafin, Svetovanje in upravljanje finančnih poslov, d.o.o., Koper (Consultancy and Finance Services) to the companies Istrabenz, d.d. and Luka Koper d.d.;
- In September 2006, Intereuropa organized special air transport for Litostroj Ulitki - the biggest casting ever produced in Slovenia, so heavy that only a very large freight aircraft could carry, i.e. the second largest freight plane in the world.
- In September 2006, the Companies Intereuropa d.d. and DZS d.d. expressed a mutual intent for cooperation in the business segments of logistics in countries in which they both operate.
- 26. In the same month, Intereuropa delivered in the Logistical Centre Logatec 70 new trucks, purchased for its affiliated companies in Slovenia, Croatia, Bosnia and Herzegovina, Serbia, Macedonia, Russia and the Ukraine. The Investment value is EUR 7.2 million. On this occasion, Intereuropa also delivered to the Ambassadors of countries, to which the new trucks were allocated, the Letter of Intent assuming the commitment by Intereuropa to sponsor the transportation for the National Galleries, based in those countries, for art exhibits destined to international exhibitions in one year's term, valued EUR 20,000.

Most important events after the closing of the accounting period:

- In October, Intereuropa donated SIT 2,016,067.00 to the General Hospital in Izola to purchase a modern mobile electrocardiograph (ECG)
- Moreover, Intereuropa sponsored the Conference on Port Management and Logistics, held on 18 and 19 October in Portorož.
- Within the competition for the best annual report 2005, organized by Finance (the daily business paper), Intereuropa d.d. was rewarded for the best annual report in the category Corporate Governance.

Consolidated Companies

As of 30 September 2006, the INTEREUROPA GROUP comprised the controlling company INTEREUROPA d.d. (the Parent) and the following consolidated and associated companies:

Table: Consolidated companies of the Intereuropa Group, and the shareholding by the Parent Company as of 30.09.2006

	Consolidated companies	**Stake**
1	Intereuropa Transport d.o.o., Koper	100,00 %
2	Interagent d.o.o., Koper (Shipping Agency)	100,00 %
3	Intereuropa IT d.o.o., Koper	100,00 %
4	Interzav d.o.o., Koper (Insurance Broker)	71,28 %
5	Intereuropa, Logističke usluge d.o.o., Zagreb	99,94 %
6	Intereuropa Sajam, d.o.o., Zagreb (Croatia)	51,00 %
7	Intereuropa RTC d.d., Sarajevo (BiH)	89,29 %
8	Intereuropa Skopje d.o.o., Skopje (Macedonia)	99,56 %
9	Intereuropa - East d.o.o., Moscow (Russia)	100,00 %
10	A.D. Interjug AS, Belgrade (Serbia)	73,62 %
11	TEK ZahidTransServis, Uzhgorod, (the Ukraine)	66,67 %
12	Intereuropa S.A.S., Saint Pierre de Chandieu (France)	67,60 %
13	Intereuropa Transport & Spedition GmbH, Troisdorf (Germany)	90,48 %
14	Schneider & Peklar GmbH, Vienna (Austria)	100,00 %
15	Intereuropa Kosova l.l.c., Prishtina	90,00%

Table: Associated companies and the controlled company of the Intereuropa Group, and the shareholding by the Parent Company as of 30.09.2006

	Associated company	**Stake**
1	AC-Interauto d.o.o., Koper	40,00 %
	Controlled company	**Stake**
2	Intereuropa-FLG d.o.o. Ljubljana	50,00%

A. BUSINESS REPORT

1. OPERATING PERFORMANCE OF INTEREUROPA GROUP

1.1. Sales achievements

During the first Nine Months 2006, the Group generated net sales revenues SIT 38.4 billion and exceeded by 4.3% the results achieved in the first nine months of 2005. Taking into account the seasonal nature of the sales, we were able to realize 73% of the annual sales plan, which was only one percent below the planned result for the nine-months operation.

Under the sales-dependent dynamic pattern, applied to exclude the seasonal impact on the sales and clearly present the sales trends during the year, the first Nine Months represent 74% of the annual sales plan.

The underachievement of the plan can be primarily attributed to the deficit by the companies Schneider & Peklar GmbH, Austria, and Intereuropa Transport d.o.o., in which additional activities for the improvement of performance were already adopted.

Table: Net sales revenues of the Intereuropa Group according to business segments, in million SIT

	Business Area	Jan-Sep 2006	Structure	Index 2006/ Plan	Index 2006/2005
1	Continental services	22.548	59%	95	100
2	Logistical solutions	3.897	10%	107	117
3	Intercontinental services	10.977	29%	102	109
4	Other Services	969	3%	123	127
	TOTAL	**38.390**	**100%**	**99**	**104**

Table: Net sales revenues of the Intereuropa Group according to countries, in million SIT

	Country	Jan - Sep 2006	Structure	Index 2006/ Plan	Index 2006/2005
1	Slovenia	26.583	69%	100	103
2	Croatia	6.078	16%	103	108
3	Other countries	5.730	15%	87	104
	TOTAL	**38.390**	**100%**	**99**	**104**

The **Continental Services** Division represents 59% of the net sales revenues of the Group. The sales results have not achieved the targets. That can be mainly attributed to the poor performance by the Austrian affiliate, and Intereuropa Transport d.o.o., as well as the transfer of a part of operations to Intereuropa-FLG d.o.o. In the former, the Managing Board has already adopted the measures (such as new management, streamlining the number and structure of staff), and assigned technical and commercial assistance to Austria to develop new services and improve the performance.
Before the end of term (September), the new daughter company started operating in Kosovo with scheduled groupage lines between Slovenia and Kosovo. Moreover, the fleet of vehicles was increased to support more active sales, in particular in Continental Services.

The **Logistical Solutions** Division represents 10% of the net sales revenues of the Group. It has been more successful than last year and exceeded the plan as well. Thanks to the expansion of storage capacities in the Slovenian and Croatian part of the corporate network, and setting up seven logistical centres (Slovenia, Croatia, BiH), the physical volume of the goods processed and the sales turnover, as well as the form of services ranging from simple to complex logistics projects have greatly increased. Since September, the newly founded company in Kosovo has additional 1,800 square meters of storage areas, which will add to the future results on the Group level.

The **Intercontinental Services** Division represents 29% of the net sales revenues of the Group and is both above the plan and the comparable achievement a year ago. *Sea-freight*, with the major share contributed in Koper, has improved as a result of the activities launched in the first half-year, primarily in RO-RO services thanks to higher number of cars handled. The Shipping agency Interagent d.o.o. remains behind the targets, which can be attributed to unexpected decline in business with the shipping company Norasia Containers Lines. In view of this product, activities were launched to seek new ship-owners and other services. The highest growth rates were achieved by the *UPS* and *Airfreight.* In the *UPS* product, the Slovenian branch has the lead, in Croatia it is the Intereuropa Sajam Zagreb (Fairs & Exhibition Logistics), while in *Air-freight*, the Brnik branch and the Company based in Belgrade (Serbia) are the best performing companies.

1.2. Financial Result

On the Group level, the Net Profit for the Nine Months 2006 outstripped the plan[1] by 7% in the reporting period, and the planned Earnings Before Interest, Taxes, Depreciation and Amortisation (EBITDA) was achieved as well.
However, the Operating Profit/Loss is exposed to some intensified activities aiming to improve the productivity in the Group (expanding the corporate network, marketing and direct sales, new projects). The Net Profit achieved remains on the level of last year, though comparison with the year 2005 does not give a clear picture on the operating trends due to one-off impacts /events.

Tables: Financial results of the Intereuropa Group for January-September 2006, in million SIT

Item / Index	Jan - Sep 2006	Plan 2006	Jan - Sep 2005	Index 2006/ Plan	Index 2006/2005
Net Sales Revenue	38.390	38.925	36.798	99	104
EBITDA*	3.412	3.416	3.500	100	97
Operating Result	1.444	1.472	1.539	98	94
Net Profit or Loss	1.521	1.427	1.520	107	100
Net Sales Revenue per employee /month (in SIT million)	2,013	2,087	1,960	96	103
Added value per emoployee /month (in SIT million)	0,547	0,550	0,545	99	100

** EBITDA: Earnings before interest, tax, depreciation and amortisation*

Item / Index	30.09. 2006	Plan 31.12.2006	31.12. 2005	Index 2006/ Plan	Index 2006/2005
Balance Sheet Total*	64.737	66.245	63.695	98	102
Capital*	41.847	42.704	42.190	98	99
Short-term Assets /Short-term Liabilities	1,10	1,19	1,14	93	96
Net Return on Equity (in %-yearly basis) **	4,9%	4,9%	4,9%	101	101

** as of the last day of the reporting period, ** average capital of the reporting period*

[1] The plan comprises the seasonal impact on the sales, while the indirect costs (except the cost of holiday allowance) have been presented linearly ($_{9/12}$).

Net Return On Equity, on the annual level, is rising both in comparison with the plan and the year 2005, amounting to 4.9%. We envision that the value of assets and capital at the year-end will exceed the last year's achievement, as well as the planned value. High financial stability of the Group is assured by a high share of equity in assets (65%) and a favourable Current Ratio (short-term assets/ short-term liabilities), pointing to good solvency of the Group.

Table: Financial results of the Intereuropa Group for January-September 2006 for the purpose of comparison, after one-off events in 2005 and the effect of Conversion to IFRS were excluded, in million SIT

	Jan - Sep 2006	**Jan - Sep 2005**	**Index 2006/2005**
EBITDA*	3.264	3.050	107
Operating Result	1.296	1.089	119
Net Profit or Loss	1.410	1.167	121

** EBITDA: Earnings before interest, tax, depreciation and amortisation*

These financial results are impossible to compare with the first half-year 2005 due to one-off events of last year and the transition to the International Financial Reporting Standards (IFRS). We estimate that by excluding these one-off events (the sale of real property, conversion to the IFRS), would improve this year's operating result by 19% or SIT 207 million over the figure achieved in the first nine months 2005.

1.3. Investments in Fixed Assets

On the **Group level,** our investments in fixed assets totalled SIT 2,577 million in the reporting period, thereof SIT 1,106 million in real property, and SIT 1,471 million in equipment. The annual plan of investments was completed at the rate of 35.6%.

Table: Overview of Investment in January-September 2006, in million SIT

Company	**Real Property**		**Oprema**		**TOTAL**		**% of annual realisation**
	Plan*	**Realisation**	**Plan***	**Realisation**	**Plan***	**Realisation**	
Intereuropa d.d.	1.167	715	655	198	1.822	913	50,1
Other companies	2.869	391	2.543	1.273	5.412	1.664	30,8
GROUP TOTAL	**4.036**	**1.106**	**3.198**	**1.471**	**7.234**	**2.577**	**35,6**

** corrections = amendments to the basic plan*

In the third quarter, we focused on investments in our daughter companies and made SIT 981 million of investments. Almost the entire amount was earmarked to the purchase of freight vehicles.

In the term January-September 2006, the Company **Intereuropa d.d**. realized investments in the amount of SIT 913 million. The biggest investment was the purchase of the warehouse in the Port of Koper (SIT 528 million), which will support the control of increased overseas goods flows. We also increased the storage facility in Vrtojba (Nova Gorica) and provided additional equipment for some other warehouses (Maribor, Ljubljana, Celje).
Other companies in the Group realised SIT 1,664 million of investments in Fixed Assets. More than one half of these funds was invested in new trucks and trailers, incl. equipment, for the company Intereuropa Transport d.o.o. in Slovenia, and for some Intereuropa companies in Croatia, Bosnia and Herzegovina, Serbia, Macedonia, Russia and the Ukraine. In the Croatian affiliate, Intereuropa logističke usluge d.o.o. Zagreb, the amount of SIT 76 million was invested in the bar code project, which is underlying for introducing new technology in the product Express services. Overall investments in information technology in affiliates exceeded SIT 200 million.

1.4. Human Resources Management

Employment trends

As of 30.09.2006, there were 2,250 employees in the Group, or 71 more than at the year end 2005 (2,179). The number of employees has risen in the Parent Company (+18) and in some affiliates.

Table: Employees in the Intereuropa Group according to countries

	Country	30.9.2006	31.12.2005	Variance 30.09.06-31.12.05	Index Sep06/Dec05
1	Slovenia	1.298	1.278	20	**102**
2	Croatia	590	587	3	**101**
3	Other countries	362	314	48	**111**
	TOTAL	**2.250**	**2.179**	**71**	**103**

HR Development

In the reporting period, one third of the employees were included in various forms of training and education to acquire new knowledge and skills, similar as last year (32%), while the number of hours spent in training /education per employee was slightly higher (7.6 h) compared to 6 hours last year). We find that our goals in education and in-service training were not achieved in the first half-year: only 27% of the plan was realised. We expect to approach the targets by the year end, in part, after the scheduled training forms involving a great number of participants are completed (training for the sales staff, IT-related training to support the products).

In the relevant period, the participants were included in training on ADR handling (dangerous goods), customs broking, language skills, computers and IT, safety at work, accounting, continental transport, and management. Based on in-service training contract with Intereuropa, 4 employees graduated from the Faculty of Maritime Studies and Transportation, and 4 employees completed the professional higher education for sales staff.

In other affiliates abroad, the most employees were participating in training in Intereuropa Zagreb d.o.o. (Croatia), who were included in language courses, computer skills and IT, forklift operation, 17 hours per employee on average. Other companies organised training for continental services and customs broking. Altogether, there were 175 employees were involved in in-service education and training in all companies abroad, comprising 9,791 hours or 10 hour per employee.

We have allocated financial aid to 15 employees (or their next of kin) in the Parent and daughter companies in Slovenia, or in terms of budget SIT 2.6 million. Overall financial aid provided by companies in the Group was SIT 1.9 million.

The occupancy in our holiday accommodation facilities was 47%, on average, like the year ago.

1.5. Total Quality Management

External audits on the certified companies in the Group pointed to a very high level of service quality for our customers. The companies Intereuropa d.d., Intereuropa, logističke usluge d.o.o., Zagreb and Intereuropa Transport d.o.o. were audited end of September. No incompliance with the ISO 8001:2000 standard was found, but the certifying authority proposed 21 instances for improvement. The next audit was announced for March 2007.

Interagent d.o.o. underwent external audit end of June and passed it successfully. Accordingly, all the certified companies have proved our customers that they satisfy all the operating standards required by ISO 9001:2000.

This 'Quality Index' represents the level of the QM system in Intereuropa and reveals for the Nine Months the following picture: Most branch offices in the Parent Company Intereuropa d.d. exceed the target quality level.

We have started with internal audits in September, and will undertake the audits of supporting processes during the next months. The quality management system is still being adapted to the new organization structure in the Company.

1.6. Share price movements, Ownership structure

Share Trading

Since April this year, the average rate of Intereuropa share was growing; lately it has not fallen below SIT 6,000.00 per share despite modest monthly trading.

The average rate of IEKG share on the first trading day this year, i.e. on 3 January 2006, was SIT 5,245.38, on the last day of September 2006 it ended with SIT 6,039.92 per share. It has gained 15.1% pp during this year. The average rate of SBI20 has improved by 15.1% pp in the same period this year.

Market capitalisation on the last day of the reporting period was SIT 47,730 milllion, while the book value of the share[2] was SIT 4,850.35.

The Net Profit per Share ratio[3] in the Nine Months 2006 came to SIT 133.74 (i.e. SIT 178.33 on the yearly level).

The shareholders of Intereuropa d.d. met on 7 July 2006 in the 15th Annual General Meeting and decided on the dividend payout. The dividend SIT 250 gross per share was paid out to shareholders on 31.08.2006.

[2] capital in thousand SIT at the end of accounting period/ number of ordinary shares issued
[3] Net Profit or Loss/ number of ordinary shares

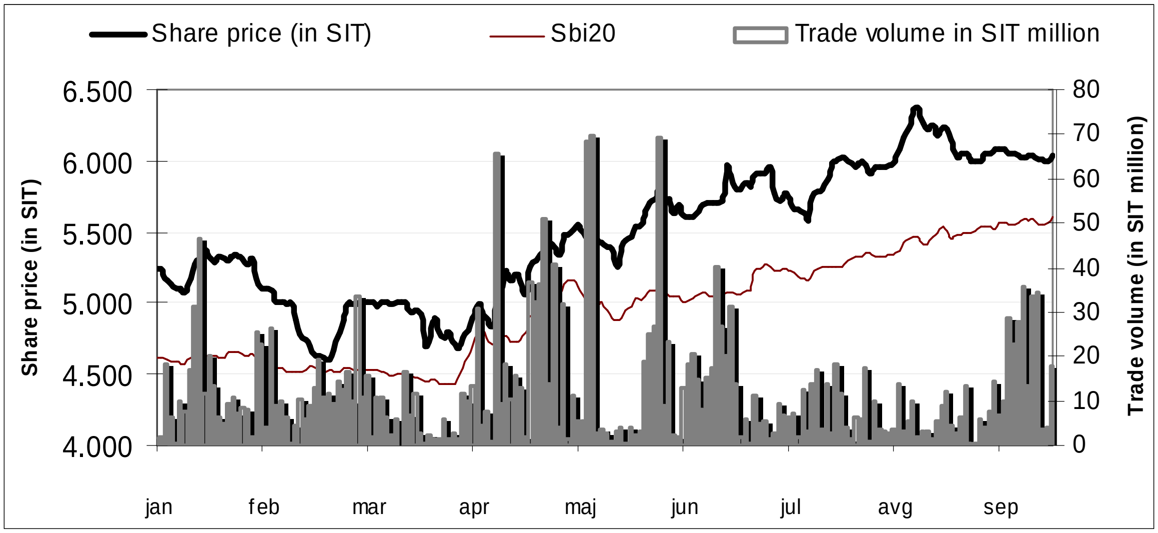

Figure: Turnover and movement of the share price of the Intereuropa Share and the SBI20 Index in the first Nine Months 2006

Ownership

In the reporting period, 420,241 shares changed the holder and the trading with the IEKG share came to SIT 2,290.43 m (this figure does not include the block and applications). Taking into account the contracted purchases of IEKG shares in the first quarter of the year, when Infond holding finančna družba, d.d. sold the shares to the Slovenian Restitution Fund (SOD), 895,167 shares (or 7.6% of all shares) changed their shareholder in total, or 11.33% of all IEKG shares.

On 30.09.06, there were 4,293 shareholders entered in the Share Register of Intereuropa d.d., or 139 shareholders less than on 31st December 2005.

Table: The shareholders structure as of 30.09.06

	30.09.2006		31.12.2005		Index sep06/dec05	No. of Shareholders
	No. of Shares	Stake	No. of Shares	Stake		
Individuals	1.628.481	20,61%	1.671.726	22,52%	97	4.091
- of which employees	584.165	7,60%	636.525	8,05%	92	536
Luka Koper (Port)	1.960.513	24,81%	1.940.513	23,20%	101	1
Other companies	586.543	7,42%	601.981	7,62%	97	135
Financial companies	2.459.688	31,12%	2.895.931	36,63%	85	60
Kapitalska družba (KAD)	792.262	10,03%	792.262	10,03%	100	5
Slovenska odškodninska družba	474.926	6,01%				1
TOTAL	**7.902.413**	**100,00%**	**7.902.413**	**100,00%**		**4.293**

** Includes KSPPS, KVSP in SODPZ, PPS (First Pension Fund)*

Table: Major shareholders as of 30.09.06

	Shareholder	No. of Shares 30.09.2006	Stake 30.09.2006	No. of Shares 31.12.2005	Stake 31.12.2005	Index sep06/ dec05
1	LUKA KOPER, D.D.	1.960.513	24,81%	1.940.513	24,56%	101
2	KAPITALSKA DRUŽBA, D.D.	719.797	9,11%	719.797	9,11%	100
3	SLOVENSKA ODŠKODNINSKA DRUŽBAd.d.	474.926	6,01%	-	-	-
4	INFOND ID, D.D.	348.139	4,41%	348.139	4,41%	100
5	ISTRABENZ D.D.	294.708	3,73%	291.424	3,69%	101
6	ZLATA MONETA I D.D.	257.987	3,26%	255.987	3,24%	101
7	DELNIŠKI VS STEBER I	232.776	2,95%	239.775	3,03%	97
8	ZAVAROVALNICA TRIGLAV, D.D (Insurance Co.)	213.640	2,70%	213.640	2,70%	100
9	DELNIŠKI VS MODRA LINIJA	137.200	1,74%	137.261	1,74%	100
10	KD RASTKO, equity mutual fund	130.626	1,65%	134.432	1,70%	97

Table: Shares held by members of Management Board and Supervisory Board, as of 30.09.06

Managing Board	No. of Shares	Stake
ANDREJ LOVŠIN, President of the Managing Board	12.900	0,16%
ZVEZDAN MARKEŽIČ, Deputy President of the Managing Board	3.094	0,04%
ONDINA JONKE, Member of the Managing Board - Human Resources Executive	2.427	0,03%

Superisory Board	No. of Shares	Stake
NEVIJA PEČAR, Member of the Supervisory Board	4.185	0,05%
VINKO REBULA, Member of the Supervisory Board	450	0,01%

Own shares

Intereuropa d.d. has not formed a fund of own shares.
At the end of the accounting period, the Company's authorized and unused capital that can be used by 27 February 2007 at the latest, came to SIT 389,892 thousand.

Dividend policy

In the Corporate Development Plan, the Managing Board of Intereuropa d.d. has set forth a long-term stable policy of dividend payout.

2. PERFORMANCE OF THE COMPANY INTEREUROPA d.d.

Tables: Operation of Intereuropa d.d. in the period January – September 2006, in million SIT

Item / Index	Jan - Sep 2006	Plan 2006	Jan - Sep 2005	Index 2006/ Plan	Index 2006/2005
Net sales revenues	21.584	21.201	20.984	102	103
Continental Transport	8.028	8.200	8.878	98	90
Logistical Solutions	2.432	2.190	2.039	111	119
Intercontinental services	10.114	9.895	9.121	102	111
Other services	1.009	915	946	110	107
EBITDA*	1.400	1.244	1.357	113	103
Operating Result /Profit or Loss	553	422	492	131	112
Net profit or loss	1.057	775	932	136	113
Net sales revenues per employee/month (in SIT million)	2,705	2,712	2,588	100	105
Added value per employee/ month (in SIT million)	0,611	0,580	0,582	105	105

** EBITDA: Earnings Before Interest, Taxes, Depreciation and Amortisation*

Item / Index	30.09. 2006	Plan 31.12.2006	31.12. 2005	Index 2006/ Plan	Index 2006/2005
Balance Sheet Total*	50.258	49.554	50.132	101	100
Capital*	38.329	37.994	39.052	101	98
Short-term assets/Short-term liabilities	0,99	1,03	1,09	96	91
Net Return on Equity (in %-yearly basis)**	3,7%	2,8%	3,2%	131	115

** as of the last day of the reporting period   ** average capital of the report. period*

A similar seasonal element can also be traced in the sales turnover of Intereuropa d.d. Thus, the Nine Months period stands for 74.5% of the annual sales plan. Thereby we have implemented 75.8% of the annual sales plan and surpassed the plan by 2%.

Basic findings on the operations of Intereuropa d.d. in the period January – September 2006:

- **Net sales revenues** SIT 21,584 million exceeded the plans by 2% and rose 3% above the comparable period in 2005. In the business segments structure, the net sales revenues surpassed the plan in two segments - Logistical Solutions and Intercontinental Services, whereas the Continental Services was 2% below the plan (the products Groupage and Railway services). The share of the sales turnover generated by the Parent Company was 56%, or 1% lower than in the comparable period 2005. That reduces the contribution of the Parent to the Group, in line with the underlying Group's strategy of expansion to foreign markets.
- The **Operating Profit** for the Nine Months came to SIT 553 million and was 31% above the plan for the reporting period[4]. In most cases it resulted from the sales growth, changed structure in the sales and cost control (direct costs). The labour costs and other costs are slightly above the planned values, however, we have recorded a decline in Write-offs

[4] The Plan comprises the seasonal impact on the sales, while the indirect costs (except the cost of holiday allowance) have been presented linearly (9/12).

(Collected written-off receivables) and other operating expenses, compared with the last year's period. These financial results are impossible to compare with the first half-year 2005 due to one-off events of last year (sale of real property) and the transition to the International Financial Reporting Standards (IFRS). Taking these events into account, this year's operating result is 4.4 times higher than the comparable figure of the year ago, or exceeds it by SIT 313 million.

- The **Net Profit/Loss** of SIT 1,057 million was 36% higher than the plan, and also exceeds the last year's net profit or loss by 13%, however, it cannot be compared due to the one-off events in that year and the conversion to the IFRS. Taking these events into account, this year's operating result would be 56% higher, or by 337 million higher than the figure achieved in the comparable period last year. In this year, we generated SIT 288 million financial revenues from the sale of investment in Adriafin, which greatly improves the net profit or loss and net return on equity.
- **Net Return On Equity** was 3.7%, which exceeds last year's result by 31%, but was below the planned index by 15%
- **Employee-related indexes** show that we succeeded in improving the sales efficiency over the comparable term last year, and achieved the plan targets.
- In the structure of Liabilities, the **share of capital** representing 76%, and the **current ratio** at 0.99 prove to the financial stability of Intereuropa d.d. over a long term.

We regard the financial results of Intereuropa d.d. as successful and the Company is expected to accomplish the targets by the year-end.

B. FINANCIAL REPORT

The financial statements of the Parent Company and the consolidated financial statements for the Group are prepared in accordance with the law and the International Financial Reporting Standards (IFRS).

With effect of 1 January 2006, Intereuropa d.d. migrated from the Slovenian accounting standards (SRS) in the preparation of the corporate financial statements to applying the International Financial Reporting Standards as adopted by the European Union; the financial statements for the Group were first prepared under the IFRS for the year 2005.

The same accounting guidelines were applied in the consolidated financial statements as in those of the Parent Company, as indicated in the Accounting Report for the Intereuropa Group and applicable to the financial year 2005.

In individual financial statements of the Parent Company Intereuropa d.d., we account for the investments in affiliated, associated and jointly controlled companies by the procurement value. Upon the first use of the IFRS, we have revaluated the investments in affiliated and associated companies and in the jointly controlled company (which were under the SRS evaluated according to the equity method) to the procurement value as of 1 January 2003 (elimination of the equity method and exchange differences up to 1 January 2003).

In accordance with the Company Agreement, Intereuropa d.d. is entitled to the entire Net Profit or Loss for the year 2006. The investment in the associated company Adriafin, d.o.o., Koper was sold on 12 September 2006.

NOTES RELATED TO THE COMPARABLE FINANCIAL STATEMENTS, ADJUSTED TO THE IFRS

EXPLANATORY NOTE ON THE DIFFERENCES BETWEEN THE SRS AND IFRS IN MATERIAL ITEMS OF THE PROFIT OR LOSS STATEMENT FOR THE GROUP in the term January - September 2005

in 000 SIT	SRS 1.1.2005 - 30.9.2005	Re-classification of items under SRS/IFRS	Explanatory Note	Adjustments to IFRS	Explanatory Note	IFRS 1.1.2005 - 30.9.2005	I IFRS/SRS
1. NET SALES REVENUES	**37.162.094**	**-364.297**	**1**			**36.797.797**	**99**
2. Other operating revenues	992.834	42.096	**2**	-411.987	**4**	622.943	63
3. Cost of goods, materials and services	26.930.506	-364.297	**1**			26.566.209	99
4. Labour cost	6.748.726			-18.120	**5**	6.730.606	100
5. Amortisation and depreciation expenses, write-offs	2.180.390			-143.066	**6**	2.037.324	93
6. Other operating expenses	505.608	41.950	**3**			547.558	108
7. PROFIT OR LOSS OF OPERATING ACTIVITIES (1+2-3-4-5-6)	**1.789.698**	**146**		**-250.801**		**1.539.043**	**86**
8. Financial revenues from shares	538.840			-134.614	**7**	404.226	75
9. Financial revenues from loans granted and Operating Receivables	309.702					309.702	100
10. Financial expenses from impairment and write-offs of investments	21.453					21.453	100
11. Financial expenses from financial and operating liabilites	297.586					297.586	100
12. PROFIT OR LOSS FROM ORDINARY ACTIVITIES (7+8+9-10-11)	**2.319.201**	**146**		**-385.415**		**1.933.932**	**83**
13. Other revenues	42.096	-42.096	**2**			0	-
14. Other expenses	41.950	-41.950	**3**			0	-
15. PROFIT OR LOSS FROM EXTRAORDINARY ACTIVITIES (15-16)	**146**	**-146**		**0**		**0**	**-**
16. Tax on profit	548.388					548.388	100
17. Deferred taxes	0			-134.343	**8, 9**	-134.343	-
18 a. Net Profit or Loss for Minority Equity Interest	75.696					75.696	100
18 b. Net Profit or Loss for Majority Equity Interest (12+15-16-17-18)	1.695.263	0		-251.072		1.444.191	85
18. NET PROFIT OR LOSS FOR THE ACCOUNTING PERIOD (18.a + 18.b)	**1.770.959**	**0**		**-251.072**		**1.519.887**	**86**
Basic Earnings per Share (in SIT)	**214,52**					**182,75**	**85**
Diluted Earnings per Share (in SIT)	**214,52**					**182,75**	**85**

Explanatory Note	Explanatory notes on reclassification of items under IFRS	in 000 SIT
1.	Adjustment of net sales revenues in terms of recognition of sales revenues according to the level of completion of work as of the Balance Sheet Date under IFRS. The cost of goods, materials and services are also decreased by the same amount.	364.297
2.	Transfer of Extraordinary expenses to Other operating revenues	42.096
3.	Transfer of Extraordinary expenses to Other operating expenses	41.950

Explanatory Note	Notes on Adjustments under IFRS with effect on Profit or Loss	in 000 SIT
4.	Decrease in revenues from the reversal of long-term provisions for badwill under SRS (these provisions were already reversed under the IFRS in the Opening balance sheet as of 01.01.2005)	-411.987
5.	Decrease in expenses for termination benefits and years-of-service (under IFRS they debit the provisions made)	18.120
6.	Elimination (Reversal) of the Amortization of goodwill	143.066
7.	Decrease in revenues by exchange differences from revaluation of investments in affiliates and exchange differences from consolidation	-134.614
8.	Increase in revenues from Deferred tax assets owing to reversal of provisions for badwil and owing to the revaluation of investments in affiliates to the procurement value as of 1.1.2003.	137.219
9.	Increase in expenses for Deferred tax liabilities owing to paid-out termination benefits and years-of-service rewards	-2.876
	Total effect on Net Profit or Loss	**-251.072**

1. FINANCIAL STATEMENTS of INTEREUROPA GROUP, WITH NOTES

INCOME STATEMENT OF INTEREUROPA GROUP for the period 1 Jan-30 Sep. 2006

in 000 SIT	January - september 2006	January - september 2005*	I 06/05
1. NET SALES REVENUES	**38.390.302**	**36.797.797**	**104**
2. Capitalised own products and/or services	0	0	-
3. Other operating revenues	417.544	622.943	67
4. Cost of goods, materials and services	27.651.239	26.566.209	104
5. Labour cost	7.024.549	6.730.606	104
6. Amortisation and depreciation expenses, write-offs	2.270.625	2.037.324	111
a) Amortisation of intangible fixed assets, depreciation of tangible fixed assets	1.967.493	1.960.877	100
b) Write-offs, and Allowance for current assets	303.132	76.447	397
7. Other operating expenses	417.193	547.558	76
8. PROFIT OR LOSS OF OPERATING ACTIVITIES (1+2+3-4-5-6-7)	**1.444.240**	**1.539.043**	**94**
9. Financial revenues from shares	594.079	404.226	147
10. Financial revenues from loans granted	42.866	68.147	63
11. Financial revenues from operating receivables	242.955	241.555	101
12. Financial expenses from impairment and write-offs of investments	0	21.453	0
13. FINANCIAL EXPENSES FROM FINANCIAL LIABILITIES	235.937	256.076	92
14. FINANCIAL EXPENSES FROM OPERATING LIABILITIES	67.806	41.510	163
15. PROFIT OF LOSS FROM ORDINARY ACTIVITIES (8+9+10+11-12-13-14)	**2.020.397**	**1.933.932**	104
16. Other revenues	0	0	-
17. Other expenses	0	0	-
18. PROFIT OR LOSS FROM EXTRAORDINARY ACTIVITIES (16-17)	**0**	**0**	-
19. Tax on profit	493.770	548.388	90
20. Deferred taxes	5.685	-134.343	-
21 a. Net Profit or Loss for Minority Equity Interest	67.872	75.696	90
21 b. Net Profit or Loss for Majority Equity Interest (15+18-19-20-21.a)	1.453.070	1.444.191	101
21. NET PROFIT OR LOSS FOR THE ACCOUNTING PERIOD (21.a + 21.b)	**1.520.942**	**1.519.887**	100
Basic Earnings per Share (in SIT)	**183,88**	**182,75**	101
Diluted Earnings per Share (in SIT)	**183,88**	**182,75**	101

* Data adjusted to IFRS

BALANCE SHEET OF INTEREUROPA GROUP as of 30 Sep. 2006

in 000 SIT	30.9.2006	31.12.2005	I 06/05
ASSETS	**64.737.096**	**63.694.618**	**102**
A. FIXED ASSETS	**48.523.200**	**48.325.098**	**100**
I. Intangible fixed assets and deferred costs and accrued revenues	2.565.886	1.814.342	141
II. Tangible fixed assets	34.288.967	34.328.302	100
III. Investment property	3.437.886	3.508.037	98
IV. Long-term financial investments	8.172.505	8.647.799	95
V. Long-term operating receivables	503	3.445	15
VI. Deferred receivables from taxes	57.453	23.173	248
B. SHORT-TERM ASSETS	**15.511.528**	**14.931.304**	**104**
I. Assets for sale	233.227	259.022	90
II. Inventories	16.109	45.535	35
III. Short-term investments	1.171.127	2.135.142	55
IV.Short-term operating receivables	13.225.181	11.632.748	114
V. Cash and cash equivalents	865.884	858.857	101
C. SHORT-TERM DEFERRED COSTS AND ACCRUED REVENUES	**702.368**	**438.216**	**160**
LIABILITIES (IN BROADER SENSE)	**64.737.096**	**63.694.618**	**102**
A. CAPITAL	**41.847.278**	**42.190.270**	**99**
I. Called-up capital	7.902.413	7.902.413	100
II. Capital reserves	11.838.861	11.838.861	100
III. Revenue reserves	2.659.005	2.659.005	100
IV. Surplus from Revaluation	4.743.918	4.547.614	104
V. Retained net profit or loss from previous periods	12.203.323	11.952.200	102
VI. Net profit or loss for the financial year	1.453.070	2.215.480	66
VII. Equity consolidation adjustment (foreign currency translation adjustment)	282.919	312.132	91
VIII. Minority equity interest	763.769	762.565	100
B. PROVISIONS AND LONG-TERM ACCRUED COSTS AND DEFERRED REVENUES	**709.026**	**761.902**	**93**
C. LONG-TERM LIABILITIES	**8.049.791**	**7.597.214**	**106**
I. Long-term financial liabilities	6.570.117	6.274.456	105
II. Long-term operating liabilities	82.733	30.319	273
III. Deferred liabilities for tax	1.396.941	1.292.439	108
Č. SHORT-TERM LIABILITIES	**14.092.544**	**13.087.680**	**108**
I. Liabilities included in groups for disposal	0	0	-
II. Short-term financial liabilities	2.916.484	2.165.850	135
III. Short-term operating liabilities	11.176.060	10.921.830	102
D. SHORT-TERM ACCRUED COSTS AND DEFERRED REVENUES	**38.457**	**57.552**	**67**

NOTES TO FINANCIAL STATEMENTS OF THE GROUP

a. Notes to THE INCOME STATEMENT

The **Net Sales Revenues** came to SIT 38,305 thousand and were by SIT 1,592,505 thousand above the last year's achievement, and the cost of goods, materials and services were higher by 1,085,030 thousand.

Other Operating Revenues amount to SIT 417,544 thousand and comprise:

- Paid receivables for which the allowance was made in preceding years,
- Profit from the sale of tangible fixed assets, and
- Other revenues.

In the item **Depreciation and Write-offs**, the depreciation costs were not essentially changed despite considerable disposals of tangible fixed assets over the last year, and can be attributed to new investments in storage capacities.

Write-offs, and allowance for current assets came to SIT 303,132 thousand. A comparison with the Nine Months 2005 is aggravated due to a changed method of presenting the depreciation and write-offs/-downs (last year, this item was presented in the offset amount between the newly made allowance and the receivables paid which were previously comprised in the allowance, whereas in the current reporting period the receivables paid are presented under Other operating revenues, and the newly made allowance is presented in the item Depreciation and Write-offs).

Other operating expenses amounting to SIT 417,193 thousand mainly comprise the expenses for the municipal land contributions.

The **Operating Profit** for the Nine Months came to SIT 1,444,240 thousand and was SIT 94,803 thousand lower than the figure achieved in the comparable period 2005.

The **Profit or loss from ordinary activities** SIT 2,020,397 thousand is higher than last year by SIT 86,465 thousand, resulting from financial activities.

Taking into account the expense for tax on corporate profit, the Intereuropa Group generated the **Net Profit** of SIT 1,520,942 thousand in the Nine Months 2006.

b. Notes to the BALANCE SHEET

ASSETS

LONG-TERM ASSETS

Long-term assets stand for 75% of all the assets and were SIT 198,102 thousand higher than on the cut-off date 31st December 2005, which can be attributed to new investments in both the intangible and tangible fixed assets.

LONG-TERM INVESTMENTS

On the Group level, as much as 98% of the long-term financial investments originate from the Parent Company. Long-term financial investments show 5% lower value than at the cut-off date 31.12.2005.

SHORT-TERM ASSETS

In Short-Term Assets, there was a decrease in short-term financial investments attributable to decrease in deposits and investment in bonds, and increase in the short-term trade receivables.

SHORT-TERM DEFERRED COSTS (EXPENSES) AND ACCRUED REVENUES

As of 30.09.06, the Deferred costs and accrued revenues were presented in the amount of SIT 702,368 thousand. They stand for short-term accrued revenues in the amount of direct costs incurred, which are expected to be covered.

LIABILITIES (IN BROADER SENSE)

CAPITAL

	in 000 SIT	30. 9. 2006	in %	31. 12. 2005	in %	I 06/05
A.	**CAPITAL**	**41.847.278**	**100**	**42.190.270**	**100**	**99**
I.	Majority equity interest	41.083.509	98	41.427.705	98	99
II.	Minority equity interest	763.769	2	762.565	2	100

The **Capital** was recognised at SIT 41,847,278 thousand and was 1% lower than on the comparable cut-off date. The share in the Liabilities is 65%, which proves the high financial stability of the Group.

PROVISIONS & LONG-TERM ACCRUED COSTS AND DEFERRED REVENUES

The Provisions and Long-term Accrued Costs and Deferred Revenues amount to SIT 709,026 thousand and represent the provisions for pensions and other obligations.

LONG-TERM OBLIGATIONS

As of the Balance Sheet Date, the long-term financial liabilities are stated at SIT 6,570,117 thousand. They primarily represent long-term loans taken from banks.

Deferred tax liabilities SIT 1,396,941 thousand arise from the revaluation of financial investments by the Parent Company to the fair value.

SHORT-TERM LIABILITIES

Short-term financial liabilities amounting to SIT 2,916,484 thousand consist of short-term credit facilities hired from domestic banks to maintain the current liquidity.

The **Short-term operating liabilities** amount to SIT 11,176,060 thousand and rose by 2 % above the comparable Balance Sheet Date a year ago.

2. FINANCIAL STATEMENTS OF THE PARENT COMPANY INTEREUROPA d.d., WITH NOTES

Comparable information under the IFRS is presented for the same period in 2005. The date of conversion to the IFRS is 1 January 2005. The differences resulting from the adjustment of items in the Opening Balance Sheet as of the conversion date were recognised in the Retained Net Profit/Loss (retained profit), or another item of Equity.

NOTES RELATED TO CONVERSION TO IFRS

Note on the effect of Conversion to IFRS applied by Intereuropa d.d. in the comparable period (1 Jan. - 30 Sep. 2005)

in 000 SIT	SRS 1.1.2005-30.9.2005	Re-classification of items under SRS/IFRS	Explanatory Note	Adjustments to IFRS	Explanatory Note	IFRS 1.1.2005-30.9.2005	I IFRS/SRS
1. NET SALES REVENUES	**21.341.773**	**-357.698**	**1**			**20.984.075**	**98**
2. Other operating revenues	925.458	19.018	**2**	-395.900	**4**	548.576	59
3. Cost of goods, materials and services	16.788.421	-357.698	**1**			16.430.723	98
4. Labour cost	3.371.285			-10.250	**5**	3.361.035	100
5. Amortisation and depreciation expenses, write-offs	1.028.703					1.028.703	100
6. Other operating expenses	207.285	12.421	**3**			219.706	106
7. PROFIT OR LOSS OF OPERATING ACTIVITIES (1+2-3-4-5-6)	**871.538**	**6.597**		**-385.650**		**492.485**	**57**
8. Financial revenues from shares	771.848			-152.977	**6**	618.871	80
9. Financial revenues from loans granted and Operating Receivables	187.828					187.828	100
10. Financial expenses from impairment and write-offs of investments	152.554			-152.554	**7**	0	0
11. Financial expenses from financial and operating liabilites	167.062					167.062	100
12. PROFIT OR LOSS FROM ORDINARY ACTIVITIES (7+8+9-10-11)	**1.511.597**	**6.597**		**-386.073**		**1.132.121**	**75**
13. Other revenues	19.018	-19.018	**2**			0	-
14. Other expenses	12.421	-12.421	**3**			0	-
15. PROFIT OR LOSS FROM EXTRAORDINARY ACTIVITIES (15-16)	**6.597**	**-6.597**		**0**		**0**	**-**
16. Tax on profit	334.559					334.559	100
17. Deferred taxes	0			-134.657	**8, 9**	-134.657	-
18. NET PROFIT OR LOSS FOR THE ACCOUNTING PERIOD (12+15-16-17)	**1.183.635**	**0**		**-251.416**		**932.219**	**79**
Basic Earnings per Share (in SIT)	**149,78**					**117,97**	**79**
Diluted Earnings per Share (in SIT)	**149,78**					**117,97**	**79**

Explanatory Note	**Explanatory notes on reclassification of items under IFRS**	**in 000 SIT**
1.	Adjustment of net sales revenues in terms of recognition of sales revenues according to the level of completion of work as of the Balance Sheet Date under IFRS (according to SRS, the net sales revenues are decreased by the difference between the costs not invoiced as of 31.12. 2004, and the costs not invoiced as of 30.92005). The cost of goods, material and services are also decreased by the same amount	357.698
2.	Transfer of Extraordinary expenses to Other operating revenues	19.018
3.	Transfer of Extraordinary expenses to Other operating expenses	12.421

Explanatory Note	Notes on Adjustments under IFRS with effect on Profit or Loss	in 000 SIT
4.	Decrease in revenues from the reversal of long-term provisions for badwill under SRS (these provisions were already reversed under the IFRS in the Opening balance sheet as of 01.01.2005)	-395.900
5.	Decrease in expenses for termination benefits and years-of-service (under IFRS they debit the provisions made)	10.250
6.	Decrease in revenues by exchange differences from revaluation of investments in affiliates to the procurement value as of 1.1.2003	-152.977
7.	Decrease in expenses by the appertaining losses incurred by affiliated companies according to equity method	152.554
8.	Increase in revenues from Deferred tax assets owing to reversal of provisions for badwil and owing to the revaluation of investments in affiliates to the procurement value as of 1.1.2003	137.220
9.	Increase in expenses for Deferred tax liabilities owing to paid-out termination benefits and years-of-service rewards	-2.563
	Total effect on Net Profit or Loss	**-251.416**

FINANCIAL STATEMENTS OF THE PARENT COMPANY INTEREUROPA d.d.

INCOME STATEMENT OF INTEREUROPA d.d. for the period 1 Jan-30 Sep. 2006

in 000 SIT	January - september 2006	January - september 2005*	I 06/05
1. NET SALES REVENUES	**21.583.662**	**20.984.075**	**103**
2. OTHER OPERATING REVENUES	288.991	548.576	53
3. COST OF GOODS, MATERIALS AND SERVICES	16.632.935	16.430.723	101
4. LABOUR COST	3.479.073	3.361.035	104
5. MORTUSATION AND DEPRECIATION EXPENSES, WRITE-OFFS	997.645	1.028.703	97
a) Amortisation of intangible fixed assets, depreciation of tangible fixed assets	846.737	864.266	98
b) Write-offs, and Allowance for current assets	150.908	164.437	92
6. OTHER OPERATING EXPENSES	209.730	219.706	95
7. PROFIT OR LOSS OF OPERATING ACTIVITIES (1+2+3-4-5-6-7)	**553.270**	**492.484**	**112**
8. FINANCIAL REVENUES FROM SHARES	762.474	618.871	123
9. FINANCIAL REVENUES FROM LOANS GRANTED	55.971	97.438	57
10. FINANCIAL REVENUES FROM OPERATING RECEIVABLES	118.209	90.390	131
11. FINANCIAL EXPENSES FROM IMPAIRMENT AND WRITE-OFFS OF INVESTMENTS	0	0	-
12. FINANCIAL EXPENSES FROM FINANCIAL LIABILITIES	104.107	130.332	80
13. FINANCIAL EXPENSES FROM OPERATING LIABILITIES	11.513	36.730	31
14. PROFIT OF LOSS FROM ORDINARY ACTIVITIES (7+8+9+10-11-12-13)	**1.374.304**	**1.132.121**	**121**
15. OTHER REVENUES	0	0	-
16. OTHER EXPENSES	0	0	-
17. PROFIT OR LOSS FROM EXTRAORDINARY ACTIVITIES (15-16)	**0**	**0**	-
18. TAX ON PROFIT	313.934	334.559	94
19. DEFERRED TAXES	3.469	-134.657	-
20. NET PROFIT OR LOSS FOR THE ACCOUNTING PERIOD (14+17-18-19)	**1.056.901**	**932.219**	**113**
Basic Earnings per Share (in SIT)	**133,74**	**117,97**	**113**
Diluted Earnings per Share (in SIT)	**133,74**	**117,97**	**113**

*Data adjusted to IFRS

The Basic earnings per share are calculated as:

Net Profit/Loss relating to holders of ordinary shares of Intereuropa d.d.
weighted average number of outstanding ordinary shares in the accounting period
=
(SIT 1,056,901 thousand / 7,902,413 shares)*1000 SIT.

The value of dilutive earnings per share equals the value of the basic earnings per share because the Company does not hold any dilutive potential ordinary shares.

Balance Sheet of INTEREUROPA d.d. as of 30.09.06

v 000 SIT	30.9.2006	31.12.2005*	I 06/05*
ASSETS	**50.258.406**	**50.131.881**	100
A. FIXED ASSETS	**41.776.428**	**41.290.998**	101
I. Intangible fixed assets and deferred costs and accrued revenues	824.058	186.940	441
II. Tangible fixed assets	18.095.689	18.457.397	98
III. Investment property	3.437.886	3.508.037	98
IV. Long-term financial investments	19.418.795	19.135.697	101
V. Long-term operating receivables	0	2.927	-
VI. Deferred receivables from taxes	0	0	-
B. SHORT-TERM ASSETS	**8.100.666**	**8.480.725**	96
I. Assets for sale	233.227	259.022	-
II. Inventories	11.423	12.653	90
III. Short-term investments	1.324.182	2.348.561	56
IV.Short-term operating receivables	6.408.887	5.735.815	112
V. Cash and cash equivalents	122.947	124.674	99
C. SHORT-TERM DEFERRED COSTS AND ACCRUED REVENUES	**381.312**	**360.158**	106
LIABILITIES (IN BROADER SENSE)	**50.258.406**	**50.131.881**	100
A. CAPITAL	**38.329.453**	**39.051.852**	98
I. Called-up capital	7.902.413	7.902.413	100
II. Capital reserves	11.838.861	11.838.861	100
III. Revenue reserves	2.659.005	2.659.005	100
IV. Surplus from Revaluation	4.742.053	4.545.750	104
V. Retained net profit or loss from previous periods	10.130.220	10.364.455	98
VI. Net profit or loss for the financial year	1.056.901	1.741.368	61
B. PROVISIONS AND LONG-TERM ACCRUED COSTS AND DEFERRED REVENUES	**330.895**	**340.782**	97
C. LONG-TERM LIABILITIES	**3.421.782**	**2.878.432**	119
I. Long-term financial liabilities	2.020.362	1.545.807	131
II. Long-term operating liabilities	4.479	4.479	100
III. Deferred liabilities for tax	1.396.941	1.328.146	105
Č. SHORT-TERM LIABILITIES	**8.176.276**	**7.809.012**	105
I. Liabilities included in groups for disposal	0	0	-
II. Short-term financial liabilities	2.493.558	1.748.054	143
III. Short-term operating liabilities	5.682.718	6.060.958	94
D. SHORT-TERM ACCRUED COSTS AND DEFERRED REVENUES	**0**	**51.803**	0

* Data adjusted to IFRS

NOTES TO FINANCIAL STATEMENTS OF THE PARENT COMPANY

a. Notes to THE INCOME STATEMENT

Net Sales Revenues amount to SIT 21,583,662 thousand. Compared to the first half-year 2005, these Revenues were by SIT 599,587 thousand above the last year's figure, while the cost of goods, materials and services were higher by 202,212 thousand.

Other Operating Revenues amount to SIT 288,991 thousand and comprise:

- Paid receivables for which the allowance was made in preceding years,
- Profit from the sale of tangible fixed assets,
- Other revenues.

In the item **Depreciation and Write-offs**, the depreciation costs were not essentially changed despite considerable disposals of tangible fixed assets over the last year, thanks to new investments in storage capacities.

Write-offs, and allowance for current assets came to SIT 150,908 thousand. A comparison with the Nine Months 2005 is aggravated due to a changed method of presenting the depreciation and write-offs/-downs (last year, this item was presented in the offset amount between the newly made allowance and the receivables paid which were previously comprised in the allowance, whereas in the current reporting period the receivables paid are presented under Other operating revenues, and the newly made allowance is presented in the item Depreciation and Write-offs).

Other operating expenses amounting to SIT 209,730 thousand mainly comprise the expenses for the municipal land contributions.

The **Operating Profit** for the Nine Months came to SIT 553,270 thousand and was by 60,786 thousand higher than the comparable achievement last year.

Financial revenues exceeded the last year's figure by SIT 129,955 thousand. This increase can be attributed to higher profits made in the sale of financial investments.

The **Profit or loss from ordinary activities** came to SIT 1,374,304 thousand and is higher than last year by SIT 242,183 thousand.

Taking into account the expense for tax on corporate profit, the Parent Company of the Intereuropa Group generated the **Net Profit** of SIT 1,056,901 thousand, which exceeded the last year's figure by SIT 124,682 thousand.

b. Notes to the BALANCE SHEET

ASSETS

LONG-TERM ASSETS

Long-term assets stand for 83 % of all the assets and were higher by SIT 485,430, thanks to new investments in both the intangible and tangible fixed assets.

In the item **Long-term financial investments**, the long-term investments in the Group recorded the biggest rise (capital augmentation of the company Intereuropa Transport d.o.o., and the establishment of the new affiliate Intereuropa Kosova L.L.C.).

SHORT-TERM ASSETS

Assets held for sale valued SIT 233,227 thousand represent the real property intended for sale. They are presented at the book value that is lower than the anticipated sales value, decreased by the anticipated selling costs.

Short-term financial investments amounting to SIT1,324,182 thousand mainly comprise the loans granted to group members (SIT 1,004,674 thousand). Compared to the balance as of 31 December 2005, they declined due to realization of bonds at maturity.

Short-term operating receivables valued SIT 408,887 thousand primarily comprise short-term trade receivables. Compared to the balance as of 31 December 2005, they went up by 12 %.

Cash amounts to SIT 122,947 thousand. It comprises the cash held in the bank accounts, call deposits, cash in hand and cash in transit.

SHORT-TERM DEFERRED COSTS (EXPENSES) AND ACCRUED REVENUES

As of 30.09.06, the Deferred costs and accrued revenues were presented in the amount of SIT 381,312 thousand. They mainly stand for short-term accrued revenues in the amount of direct costs incurred, which are expected to be covered.

LIABILITIES (IN BROADER SENSE)

CAPITAL

The **capital** expresses equity financing of the Company and is regarded as its liability to the owners. As of 30.09.06, it amounts to 76 % of all liabilities in broader sense, which reveals a high level of self-financing.

The Company has got the authorized and unused capital of SIT 389,892 thousand, however, it does not have any repurchased own shares and other Group members do not own any of its own shares.

PROVISIONS & LONG-TERM ACCRUED COSTS AND DEFERRED REVENUES

As of the Balance Sheet Date, the Company had SIT 330,895 thousand of unused long-term provisions and Accrued Costs and deferred revenues. The prevailing part is the provisions for pensions and other obligations.

LONG-TERM OBLIGATIONS

As of the Balance Sheet Date, the **long-term financial liabilities** are stated at SIT 2,020,362 thousand. They mainly represent long-term loans taken from banks.

The prevalent part of **Deferred tax liabilities** of SIT 1,396,941 thousand can be attributed to the revaluation of financial investments to the fair value.

SHORT-TERM LIABILITIES

Short-term financial liabilities amount to SIT 2,493,558 thousand and consist of short-term credit facilities with domestic banks to maintain the current liquidity.

The **Short-term operating liabilities** amount to SIT 5,682,718 thousand and were 6 % lower than at the comparable Balance Sheet Date a year ago.

C. CONCLUSION

During the Nine Months 2006, the Intereuropa Group generated net sales revenues SIT 38.4 billion; the Net Profit of 1,5 billion exceeded the plan by 7%, however the net sales revenues were 1% below the annual sales plan. The underachievement of the sales plan has resulted from poor results of Schneider & Peklar GmbH, Vienna, and Intereuropa Transport d.o.o., Koper, in which adequate measures were taken and improved performance is expected in the last quarter of the year, hoping to achieve the sales plan on the level of the Group.

Compared with last year, the sales results were higher by 4%, whereas the growth of financial results was lower and difficult to compare due to one-off transactions in 2005 and conversion to the IFRS. If these one-off transactions are excluded from the last year's achievement, we find that this year's results exceed the Net Profit/Loss 2005 by 21% or SIT 243 million.

In the last quarter 2006 we expect the sales and financial results above average, which was also considered in the preparation of plan guidelines for 2007.

We are positive to have concluded the Nine Months of this year successfully, in accordance with our plan targets and better than last year, as well as in line with the developmental strategy for the Intereuropa Group.

INTEREUROPA d.d.
Managing Board President
Andrej Lovšin, M.A.