07

ANNUAL REPORT

Intereuropa

Global Logistics Service

Intereuropa
Global Logistics Service, Ltd. Co.
Vojkovo nabrežje 32
6000 Koper
Slovenia
www.intereuropa.eu

Intereuropa Group | ANNUAL REPORT

07

The Annual Report of the Intereuropa Group is composed of business and financial parts. The financial section includes financial statements with notes for the Intereuropa Group and financial statements with notes for the parent company Intereuropa d.d.

267

employees; dedicated to achieving set objectives

Intereuropa 's success in 2007 is the success of all employees. It is the result of knowledge, experience, hard work and devotion of individuals who expand their horizons and personal growth together with the growth of the company. It is the result of respecting local values and providing a working environment to attract the best experts.

Our success is based upon our different views and common vision for our future.

Table of Contents

Key achievements in 2007

Intereuropa Group

Table 1

INCOME STATEMENT	2004	2005	2006**	2007	I 07/06
(in EUR thousand)					
Net sales	212,911	206,536	208,002	235,499	113
Profit/loss before interest, taxes and depreciation (EBITDA)	15,951	17,031	18,239	25,974	142
Operating loss from ordinary activities	13,265	13,212	10,034	33,528	334
Net profit or loss	10,680	9,599	6,742	26,477	393
Added value	57,277	55,065	56,361	70,068	124
Net earnings per share (in EUR)	1.31	1.17	0.81	3.30	408
Gross dividend per share (in EUR)	1.00	1.00	1.04	1.83	176

Table 2

Balance sheet	2004	2005	2006**	2007	I 07/06
(in EUR thousand)					
Total assets	272,456	265,793	289,830	408,571	141
Non-current assets	211,268	201,657	187,485	320,187	171
Current assets	57,948	62,307	102,345	88,384	86
Capital	177,545	176,057	181,340	186,154	103
Average capital*	158,160	172,001	175,327	170,509	97
Financial and Operating Liabilities	90,333	86,317	105,885	219,113	207

*Capital does not include net profit or loss for the business year.

Table 3

Employees	2004	2005	2006**	2007	I 07/06
(per hours paid)					
Average number of employees	2,260	2,118	2,129	2,343	110
Number of employees in subsidiaries	1,215	1,223	1,238	1,425	115

Table 4

Performance indicators	2004	2005	2006**	2007	I 07/06
Net return on equity	6.8%	5.6%	3.8%	15.5%	404
Net return on assets	4.2%	2.4%	2.4%	7.6%	317
Productivity (in EUR)	95.02	99.73	98.73	103.56	105
Net return on revenues	4.7%	4.4%	3.1%	9.8%	314

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

Used exchange rate for the period from 2004 to 2006: EUR 1 = SIT 239.64

** Data do not include the company Schneider & Peklar GmbH, Vienna, which was excluded from the Group in 2007 due to bankruptcy (it is disclosed as discontinued operation in the financial statements).

Figure 1

Movements of net profit/loss and EBITDA in the period from 2004 to 2007

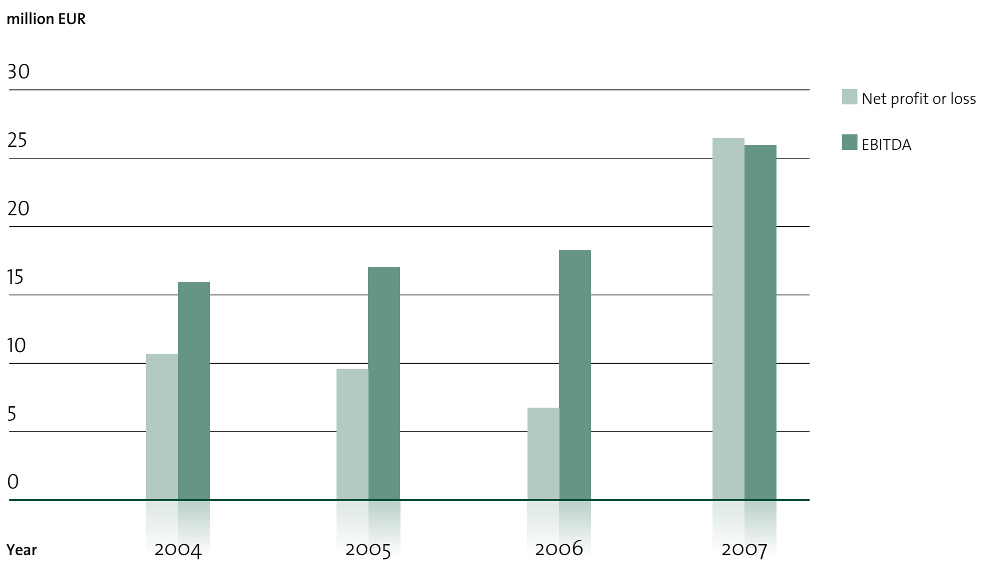
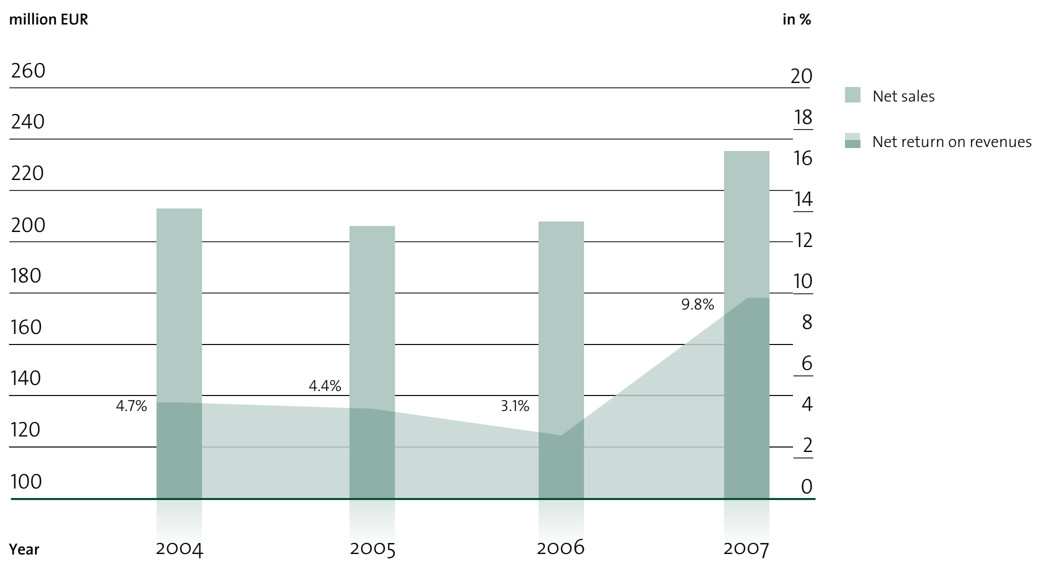


Figure 2

Movements of net sales revenues and net profitability of revenues in the period from 2004 to 2007



Intereuropa d.d.

Table 5

Income statement (in EUR thousand)

	2004*	2005	2006	2007	I 07/06
Net sales	125,174	117,747	124,476	143,386	115
Earnings Before Interest, Taxes, Depreciation and Amortization	8,479	7,581	7,008	6,637	95
Operating loss from ordinary activities	9,993	9,800	6,337	21,997	347
Net profit or loss	8,221	7,267	4,659	19,383	416
Added value	30,911	26,483	28,070	30,249	108
Net earnings per share (in EUR)	1.04	0.92	0.59	2.45	416
Gross dividend per share (in EUR)	1.00	1.00	1.04	1.83	176

* Income statement was prepared in accordance with the SAS.

Table 6

Balance sheet (in EUR thousand)

	2004*	2005	2006	2007	I 07/06
Total assets	199,598	209,197	226,678	313,071	138
Non-current assets	162,015	172,304	160,009	253,616	159
Current assets	35,060	35,389	66,669	59,455	89
Capital	147,935	162,960	165,905	159,127	96
Average capital**	142,108	161,571	162,103	152,825	94
Financial and Operating Liabilities	40,996	44,598	59,324	152,110	256

* Balance sheet was prepared in accordance with the SAS.

** Capital does not include net profit or loss for the business year.

Table 7

Employees (per hours paid)

	2004	2005	2006	2007	I 07/06
Number of employees	1,046	895	892	918	103

Table 8

Performance indicators

	2004*	2005	2006	2007	I 07/06
Net return on equity	5.8%	4.5%	2.9%	12.7%	441
Net return on assets	4.1%	2.2%	2.1%	7.2%	336
Productivity (in EUR)	109.70	122.23	137.29	162.47	118
Net return on revenues	6.0%	5.6%	3.5%	11.3%	318

*Data calculated in accordance with the 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

Values presented in accordance with the IFRS for the years 2005, 2006 and 2007
Used exchange rate for the period from 2004 to 2006: EUR 1 = SIT 239.64

Figure 3

Movements of net profit/loss and EBITDA in the period from 2004 to 2007

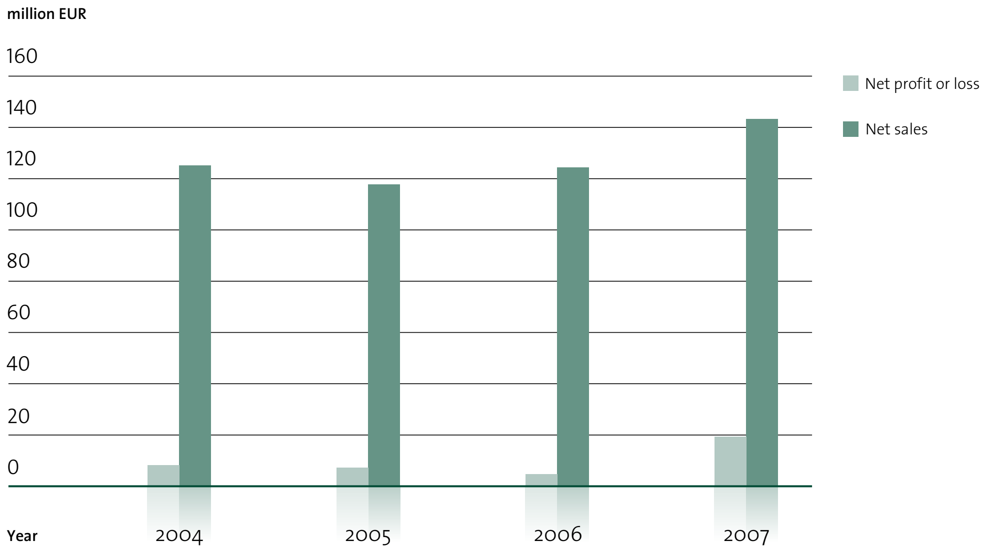
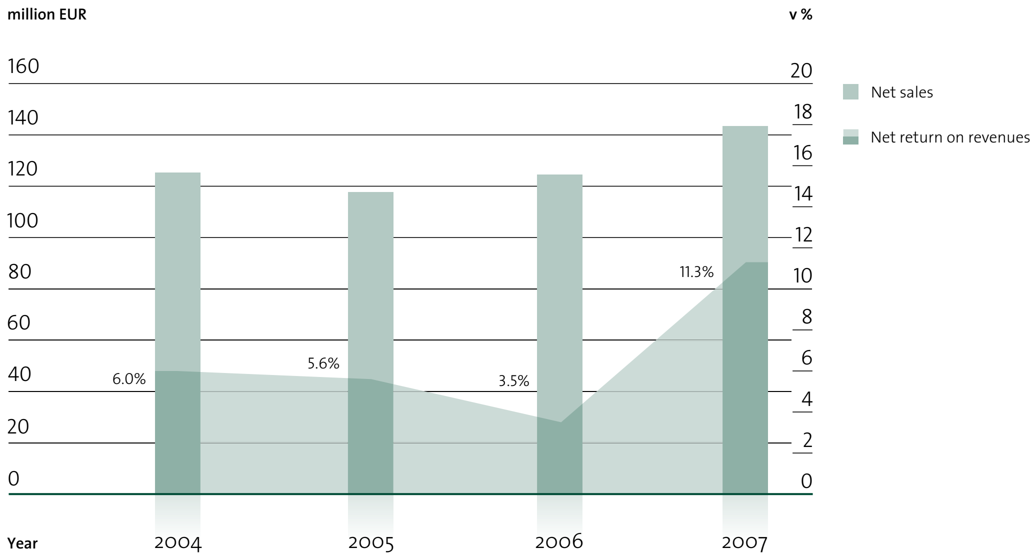


Figure 4

Movements of net sales revenues and net profitability of revenues in the period from 2004 to 2007



Dear business partners

Intereuropa was very successful and achieved its objectives in all business areas in the reporting year. Not only did we prove to be a reliable business partner and provider of integrated logistics services on the market, but we also confirmed our successful business operations with the tradition of 60 years in business. Our hard work and optimism helped us reach for the stars, and our exceptional and important achievements helped us follow and implement our development strategy.

One of the "stars" of our business is a new warehousing facility and logistics centre in Dobanovci, Serbia; the other one is our logistics centre in Samobor, Croatia; and we also re-entered the Montenegrin market with a capital takeover of the company Zetatrans A.D. Podgorica. Our new investments in Russia and Ukraine in 2007 confirmed our orientation on Eastern European markets, where we would like to explore business opportunities and offer integral logistics services. Therefore we achieved some of the key goals that will enhance the future growth and development of Intereuropa.

We will continue to build long-term relationships with our valuable employees and our special attention will be further given to the satisfaction of our customers. Our basic guidance - knowledge - will help us pave the way to a successful future; it will help us providing for reliable solutions and building foundations for our long-term competitive advantages.

We would like to thank to you for the trust you bestowed on us in financial year 2007 and for giving us excellent an foundation for the following year and the energy that will help us reach out for our dreams.

Andrej Lovšin, M.Sc.
President of the Management Board

1

INTRODUCTION

Company profile

Basic information

Parent company	
Abbreviated firm 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
Bank Accounts	10100-0000006785 at Banka Koper d.d., Koper
	03135-1005943869 at SKB banka d.d., Ljubljana
	04750-0001009045 at Nova KBM d.d., Nova Gorica
Entry in the register of companies	Registered with the Koper District Court, file No. 1/00212/00
Share capital	EUR 32,976,185.11
Number of issued and paid-up shares	7,902,413 regular stocks
Shares listing	IEKG is listed in the Prime Market of the Ljubljana Stock Exchange
Management Board	Andrej Lovšin, M.Sc., President of the Management Board
	Zvezdan Markežič, Deputy President of the Management Board
	Ondina Jonke, Member of the Management Board - Human Resources Executive
President of the Supervisory Board	Boštjan Rigler

Intereuropa Group	
Number of employees	2671
Vehicle fleet	611 company-owned trucks and other delivery vehicles
Total warehousing area	223,660 m^2 of own warehouse facilities
Total land area	2,211,003 m^2
Membership in international organizations	FIATA, IATA, FETA, FONASBA, BIMCO, IRU
Quality certificates	ISO 9001:2000 certificate for providing logistics services in the parent company Intereuropa d.d., Koper and its subsidiaries Intereuropa, logističke usluge, d.o.o., Zagreb, Intereuropa Transport d.o.o., Koper, and Intereuropa RTC d.d. Sarajevo; ISO 9001:2000 certificate for providing Shipping Agency services in the consolidated company Interagent, d.o.o., Koper
Own branch network	Slovenia, Croatia, Serbia, Bosnia and Herzegovina, Macedonia, Montenegro, Austria, Germany, France, Ukraine, Russia

Activities

Activities of Interuropa Group, providing for a variety of logistics services, are directed by our high professionalism and expertise in logistics, and are continuously proven through rich experience and by optimal solutions in all our logistics projects. Our comprehensive range of logistics services is adjusted to meet the needs of our customers. We provide logistics solutions for a variety of goods in land transport, seafreight and airfreight in all directions.

The leading and fundamental princi-ples of Intererupa's logistics services, high professionalism and qualification, enable services to be adapted to the needs and requirements of customers.

We provide a comprehensive range of logistics solutions in three business areas:

- Land transport: groupage services, express transport, road transport, railway transport, Customs services, distribution of spare parts
- Intercontinental transport: airfreight, UPS, seafreight, shipping agency, automotive logistics
- Logistics solutions: warehousing and distribution, logistics projects

We provide additional services for our customers, completing our offer of logistic requirements, i.e. fair services, leaseing and insurance agency service.

We have established our company as an integrated provider of demanding logistics projects and as a reliable partner in outsourcing complete logistics solutions for production and trading companies.

Group organisational chart with ownership

Slovenia	Intereuropa d.d., Koper	Interagent, d.o.o., Koper 100%	Interzav, d.o.o., Koper 71.28%	Intereuropa Transport d.o.o., Koper 100%	Intereuropa IT, d.o.o., Koper 100%	Intereuropa-FLG, d.o.o., Ljubljana 50%	AC - Interauto d.o.o., Koper 40%
Croatia	Intereuropa, logističke usluge, d.o.o., Zagreb 99.96%	Intereuropa Sajam, d.o.o., Zagreb 51%	ITAR d.o.o., Zagreb 99.96%				
Bosnia and Herzegovina	Intereuropa RTC d.d. Sarajevo 89.29%						
Macedonia	Intereuropa Skopje, DOO Skopje 99.56%	Intereuropa Transport DOOEL Skopje 99,56%					
Serbia	AD Intereuropa - logističke usluge Belgrade 73.62%	Intereuropa Kosova L.L.C., Prishtina 90%					
Montenegro	Zetatrans A.D. Podgorica 66.77%						
Russia	OOO Intereuropa - East, Moscow 100%						
France	Intereuropa S.A.S., Saint Pierre de Chandieu 67.60%						
Ukraine	TOV TEK ZTS, Užgorod 66.67%	TOV Intereuropa - Ukraina, Kiev 100%	TOV DDT, Onakivci 100%				
Austria	Schneider & Peklar GmbH, Vienna 100%*						
Germany	Intereuropa Trans. & Sped. GmbH, Troisdorf 90.48%						

- Parent company
- Consolidated Company
- Partially subsidiary company
- Controlled company
- Associated Company
- % stake of the parent company
- * discontinuing operations

Companies of Intereuropa Group in numbers

Company	Number of employees as of 31. 12. 2007	Equity per 31. 12. 2007	Net sales revenues 1. 1. - 31. 12. 2007	EBITDA 1. 1. - 31. 12. 2007	Net profit/loss 1. 1. - 31. 12. 2007
		in EUR thousand	in EUR thousand	in EUR thousand	in EUR thousand
EUROPEAN UNION					
Intereuropa d.d., Koper	972	159,128	143,386	6,637	19,383
Interagent, d.o.o., Koper	25	896	1,049	227	171
Interzav, d.o.o., Koper	4	157	333	130	100
Intereuropa Transport d.o.o., Koper	289	6,632	35,675	3,056	120
Intereuropa IT, d.o.o., Koper	36	1,658	4,427	1,255	322
Intereuropa S.A.S., Saint Pierre de Chandieu	5	177	2,020	42	28
Intereuropa Transport & Spedition GmbH, Troisdorf	10	185	4,433	93	32
OUTSIDE EUROPEAN UNION					
Intereuropa, logističke usluge, d.o.o., Zagreb	609	38,484	35,800	6,153	2,556
Intereuropa Sajam, d.o.o., Zagreb	47	2,353	2,770	867	791
ITAR d.o.o., Zagreb	22	60	1,466	205	2
Intereuropa RTC d.d. Sarajevo	200	9,593	8,144	1,107	267
Intereuropa Skopje, DOO Skopje	25	1,377	1,106	324	177
Intereuropa Transport DOOEL Skopje	9	7	1,180	0	-2
AD Intereuropa - logističke usluge Belgrade	118	4,558	4,590	399	2
Intereuropa Kosova L.L.C., Prishtina	28	16	2,334	131	-14
Zetatrans A.D. Podgorica	191	25,508	2,024	576	182
OOO Intereuopa-East, Moscow	27	7,314	1,331	317	-2,589
TOV TEK ZTS, Užgorod	46	26	5,618	331	-312
TOV Intereuropa - Ukraine, Kiev	6	10,759	1	-65	-67
TOV DDT, Onakivci	2	1,377	0	-2	-5

In 2007, four companies joined the Intereuropa Group: ITAR d.o.o., Zagreb, Zetatrans A.D. Podgorica, TOV Intereuropa - Ukraine, Kiev and TOV DDT, Onakivci.

Companies of Intereuropa Group

				Activities				
Company	**President of the Management Board/ director**	**Supervisory body**	**President of the Supervisory body/ representative of the IE d.d. in a Supervisory body**	**Land transport**	**Logistics solutions**	**Interconti-nental transport**	**Other services**	**Characteristics**
Intereuropa d.d., Koper	Andrej Lovšin, M.Sc., President of the Management Board	Supervisory Board	Boštjan Rigler, President of the Supervisory Board	●	●	●	●	The leading provider of logistics services in Slovenia - 150 freight and delivery vehicles - 120,000 m² of logistics terminals
Interagent, d.o.o., Koper	Igor Kavšek, Director	Management Board of Intereuropa d.d.	Andrej Lovšin, M.Sc., President of the Management Board of the IE d.d.			●		leading shipping agent by the number of ships it represents in the port of Koper
Interzav, d.o.o., Koper	Boris Šafar, Director	Assembly	Divna Čelhar, representative of the IE d.d.				●	Insurance agency
Intereuropa Transport d.o.o., Koper	Jana Kuzman, Director	Management Board of Intereuropa d.d.	Andrej Lovšin, M.Sc., President of the Management Board of the IE d.d.	●				One of the leading Slovenian transport operators in international freight road transport - 187 freight and delivery vehicles
Intereuropa IT, d.o.o., Koper	Igor Meze, Director	Management Board of Intereuropa d.d.	Andrej Lovšin, M.Sc., President of the Management Board of the IE d.d.				●	Provides IT support for the Group
Intereuropa S.A.S., Saint Pierre de Chandieu	Andre Gremet, Director	Assembly	Zvezdan Markežič, representative of the IE d.d.	●				Company providing part load and full load services
Intereuropa Transport & Spedition GmbH, Troisdorf	Sven Thomas Scheer, Director	Assembly	Zvezdan Markežič, representative of the IE d.d.	●				Company providing for part load and full load services - 800 m² of warehousing area
Intereuropa, logističke usluge, d.o.o., Zagreb	Andrija Jurgec, President of the Management Board	Supervisory Board	Zvezdan Markežič, President of the Supervisory Board	●	●	●	●	The leading provider of logistics services in Croatia - 131 freight and delivery vehicles - 53,000 m² of logistics terminals
Intereuropa Sajam, d.o.o., Zagreb	Vjekoslav Granić, Director	Supervisory Board	Gregor Veselko, PhD, President of the Supervisory Board	●	●			Fairs logistics and UPS services - 8 freight and delivery vehicles - 2,500 m² of warehousing area
ITAR d.o.o., Zagreb	Joso Brkić, Director	Management Board of Intereuropa, logističke usluge, d.o.o., Zagreb	Andrija Jurgec, President of the Management Board of Intereuropa, logističke usluge, d.o.o., Zagreb	●				in January Intereuopa, logističke usluge, d.o.o., Zagreb, acquired the company - Provider of road transport services - 15 freight and delivery vehicles
Intereuropa RTC d.d. Sarajevo	Meho Bavčić, Director	Supervisory Board, Audit Commitee	Andrej Lovšin, M.Sc., President of the Supervisory Board, Redžep Franca, President of the Audit Commitee	●	●	●		The leading provider of logistics services in Bosnia and Herzegovina - 41 freight and delivery vehicles - 7,000 m² of logistics terminals

Company	President of the Management Board/ director	Supervisory body	President of the Supervisory body/ representative of the IE d.d. in a Supervisory body	Activities: Land transport	Activities: Logistics solutions	Activities: Interconti-nental transport	Activities: Other services	Characteristics
Intereuropa Skopje, DOO Skopje	Nebojša Cvetanovsk, Director	Supervisory Board	Dorjana Gregorič, M.Sc., President of the Supervisory Board	●	●	●		The leading provider of grupage services in Macedonia - 2,100 m² of warehousing area
Intereuropa Transport DOOEL Skopje	Igor Stojanovski, Director	Management Board Intereuropa Skopje, DOO Skopje	Nebojša Cvetanovski, Director of Intereuropa Skopje, DOO Skopje	●				Provider of road transport services - 6 freight and delivery vehicles
AD Intereuropa - logističke usluge Belgrade	Nemanja Kačavenda, Director	Management Board	Andrej Lovšin, M.Sc., President of the Management Board	●	●	●		One of the leading providers of logistics services in Serbia - 16 freight and delivery vehicles - 18,000 m² of logistics terminals
Intereuropa Kosova L.L.C., Prishtina	Arben Mustafa, Director	Assembly	Ondina Jonke, representative of the IE d.d.	●	●	●	●	The only provider of integral logistics services in Kosovo - 2 freight vehicles - 1,800 m² of warehousing area
Zetatrans A.D. Podgorica	Emil Ugrin, Executive Director*	Board of Directors	Vado Keranovič, President of the Board of Directors*	●	●			In October, Intereuopa d.d., Koper, acquired the company - The leading provider of forwarding services in Montenegro - 5 freight and delivery vehicles - 18,700 m² of logistics terminals
OOO Intereuopa - East, Moscow	Esad Ajeti, Director	Management Board of Intereuropa d.d.	Andrej Lovšin, M.Sc., President of the Management Board of the IE d.d.	●		●		30 freight vehicles - Start of the project Moscow-Čechov for construction of logistics centre and car terminal near Moscow
TOV TEK ZTS, Užgorod	Anatolly Nikolajević Parfenyuk, Director	Assembly, Audit Committee	Ivan Ščekič, representative of the IE d.d., Miha Romih, President of the Audit Committee	●				Company specialized for railway transport and international road transport - 20 freight vehicles
TOV Intereuropa - Ukraine, Kiev	Aleš Perič, Director	Management Board of Intereuropa d.d.	Andrej Lovšin, M.Sc., President of the Management Board of the IE d.d.	●		●		In April, Intereuopa d.d., Koper, acquired the company - Purchase of land in suburban Kiev for construction of a logistics centre and a car terminal
TOV DDT, Onakivci	Kovaljenko Mikola Ivanovič, Director	Management Board of Intereuropa d.d.	Andrej Lovšin, M.Sc., President of the Management Board of the IE d.d.		●			In October, the company became a part of the Intereuropa Group

*situation in January 2008

60 SUCCESSFUL YEARS

Intereuropa was founded in **1947** as a limited liability company in the former "B Zone" of the Free Trieste Territory. In **1956**, the company entered international road transport for the first time. In the same year, it established branch offices in Ljubljana, Maribor and Zagreb, which were soon followed by Belgrade, Sarajevo, Subotica and Nova Gorica branch offices a year later. In **1957**, the first cargo was dispatched via seafreight to Israel. In **1960**, Intereuropa set up a new branch office for fair and exhibition logistics in Zagreb, and in **1963**, a shipping agency in Koper. The fastest growth was recorded during **1965** and **1990**, when branch offices were opened in all large cities of the former Yugoslavia. After the break-up of Yugoslavia (**1991**), the branches outside Slovenia were organized as limited liability companies, in which Intereuropa held a majority share. In **1992**, Intereuropa was reorganized from a working organization to a publicly owned joint stock company, while at the same time privatization was already underway. In **1995**, ownership reorganization was concluded and Intereuropa became a joint stock company with a majority share controlled by its employees. Intereuropa's shares were listed on the Ljubljana Stock Exchange in **1998**. **At the end of the 1990s**, Intereuropa d.d. started spreading its network to the markets of South-Eastern Europe, once again adding to the Group the companies it once owned as well as buying new ones. After **2000**, Intereuropa d.d. focused on its reorganization from a customs broker and provider of road transport services to a global logistics group with a comprehensive range of logistics services. In **2004**, Slovenia became a Member State of the European Union, which meant new conditions for conducting business, a reality to which Intereuropa successfully adapted. In February **2007**, Intereuropa celebrated its 60th Anniversary and continued to achieve its strategic goals. This year was characterized by investments in new logistics centres, expansion of business networks and strengthening the presence of Intereuropa in the markets of South-Eastern Europe.

Interview with the President of the Management Board

How would you evaluate last year's business operations? Are you satisfied with the results for the reporting year?

Besides our 60th anniversary in 2007, we also celebrated very good results in our business operations. We are very proud to see that we achieved all the goals we set for 2007, we even exceeded some of them. Not only did we record success in sales in 2007, the reporting year was also a year of investments and saw the opening of new logistics centres. The first important event in 2007 was the finalization of the project Intereuropa Belgrade, which opened new warehousing facilities in Dobanovci in Serbia. At record speed they built and filled the new, modern hall for storing different goods for different customers. Intereuropa Zagreb recorded the same success in Samobor in Croatia, where in only four months a new logistics centre was built with the largest warehousing facility of more than 10,000 m^2. Just as in Serbia, this logistics centre in Croatia was filled with goods at a record speed.

Another important segment of our business last year was the acquisition of Montenegrin logistics company Zetatrans A.D. Podgorica. Years ago Intereuropa already had its subsidiary in Montenegro; however, after the break-up of Yugoslavia, Intereuropa withdrew its business from this ex-Yugoslavian republic. Now we have re-entered this market through a wide open door, and with the acquisition of Zetatrans we became the leading provider of logistics services in this new country.

Achieving of sales objectives, investments in real-estate and the acquisition of Montenegrin logistics company Zetatrans are three key areas that earmarked our business year 2007.

Could you comment your sales achievements by individual business areas in greater detail?

In 2008 we want to finish the construction of a new 45 hectare Moscow-Čechov Logistics Centre.

Organizationally, Intereuropa is divided into three segments: Land transport, Logistics solutions and Intercontinental transport. The latter recorded the fastest growth - approximately 26 percent, therefore it is one of the most promising business areas of the Group. Transhippment in the port of Koper is growing, all our capacities are filled, and we have expanded our intercontinental projects in Croatia to Rijeka and Ploče; and in Bosnia and Herzegovina we opened a container terminal. We are pursuing the same ideas in Serbia in Dobanovci where we plan to open a container terminal. We have also made a big step forward in the area of automotive logistics. Automotive logistics is set as an independent unit within Intercontinental transport area. We recorded sharp growth in this field; therefore, automotive logistics was the reason to start a big project in the city of Čechov, Russia, 42 kilometres from Moscow, where we are building a logistics centre on 45 hectares. A major part of the logistics centre Moscow-Čechov will be earmarked as a car terminal. We already store more than 10,000 cars there. Therefore this is one of our greatest achievements in the three segments. We recorded growth in other areas as well, however not a high as in the Intercontinental segment. What I would like to emphasize is that in Intereuropa we strive for synergy between all three areas, and this synergy provides added value and advantages we have compared to our competitors. Therefore we always say that in Intereuropa we provide integral logistics services for our customers, all in one place.

In which business areas did you achieve the sharpest growth?

Compared to last year all areas had growth: land transport 6 percent, logistics solutions 14 percent and the most was intercontinental transport with 26 percent.

We recorded growth in all business areas compared to 2006. In Land transport we recorded 6 percent annual growth, while Logistics solutions grew by 14 percent. Intercontinental transport recorded the sharpest annual growth, 26 percent.

How would you evaluate these results considering implementation of your development strategy 2006-2011?

With our results in 2007 we set good foundations for further implementation of the strategy for the term 2006-2011. We have strengthened our position in Croatia, in Bosnia and Herzegovina, in Montenegro and in Macedonia, and we also paved the way to markets in the Russian Federation and Ukraine. We are still present in Central Europe, where we coordinate all movements of goods between Central, South-Eastern and Eastern Europe via Slovenia. We have already partially implemented the strategy and achieved some of the objectives in 2007, and I am proud to say, successfully.

What would your key objectives, key markets be that you would like to enter in 2008?

We would like to become the largest logistic centre for south-eastern Europe. In 2008, we would already like to be present in the new markets of Romania, Bulgaria and Albania with the implementation of strong business partner relations.

Our priority remains South-Eastern Europe, where we would like to become the most important provider of logistics services; therefore, we already started examining Romanian, Bulgarian and Albanian markets. In 2008, we would like to enter these markets, either by establishing strong partnerships, a company or in any other form.

Do you plan any significant investments in 2008?

Intereuropa constantly provides significant investments which are relatively equally distributed over the term 2006-2011. In 2008, we plan to finalize and open new logistics centre of 45 hectares in Moscow-Čechov.

Which events in the environment influenced most of your business operations in the previous year?

First of all, we need to be aware of the fact that the Group is a part of the international environment, thus it is influenced by the economic situation of the region and in the global environment; there are both, positive and negative impacts. As regards Slovenia, I can say that the introduction of the Euro has proven to be positive since we don't have problems converting between the different currencies of Central Europe and Slovenia anymore. Joining the monetary union practically meant that Slovenia became an integral part of the European Union, and we are striving to explore all the advantages of the European Union as a single market providing for the free movement of the capital, goods and people. The factor that had the most negative impact on our business was price of oil, which grew continuously in the last year, while our prices for transport and transport services were lagging behind prices of oil and petroleum products. And, finally, I should mention our competition which is getting stronger every day in South-Eastern Europe. Intereuropa is facing other big logistics systems both in Slovenia and in South-Eastern Europe. Therefore we strive to cover mostly those areas and branches in which Intereuropa has a traditional presence and those branches without foreign providers of logistics services. This refers to traditional partnerships with numerous companies; however, we are facing other providers of services as well, and therefore the battle over market share and good sales results is quite hard.

What do you think will influence your business operations the most?

The following year, 2008, will be rather important for the further growth and development of Intereuropa. First, we shall open and fully activate projects we defined in Russia and Ukraine, and integrate these projects within the Group also in Central Europe and in the South East region. Otherwise, we shall focus actively on enhancing our productivity, better organization of work and searching for internal reserves. This will help us overcome our hard competition and to compensate sharp rises in the prices of oil and petroleum products.

Intereuropa shares grew significantly in the reporting year. To what extent is this a consequence of good business operations?

Indeed, Intereuropa shares grew sharply in 2007, and recorded annual growth of 49 percent which is comparable to other companies in the Prime Market of the Ljubljana Stock Exchange. The growth was influenced by numerous factors. First, due to high expectations with regard to economic success, economic growth and new investments, all the shares grew in the Ljubljana Stock Exchange, and this is what influenced Intereuropa shares as well. We should also be aware of the fact that the State, which is still present in the ownership structure through its two funds, published sales of their shares; therefore, the market expected an entrance of a strategic partner. Secondly, besides general economic growth and expectations with regard to a new strategic partner, the growth of Intereuropa shares was also a consequence of our business results. In short, we recorded growth in every aspect of business compared to the year 2006. I think investors appreciate good business results, which in turn affectsing the growing value of shares.

What about strategic alliances and capital ties?

With regard to strategic and capital alliances, I shall emphasize that owners of Intereuropa shares have a key and decisive role. They are the ones to decide to whom and at what price they would sell their shares. As to major changes in ownership structure, I can only say that one of the major owners, Istrabenz, decided to withdraw from Intereuropa ownership structure.
There weren't any other changes in ownership structure, although they were somehow expected. The State is still involved in the ownership structure of the company via Kapitalska družba KAD (9.1 percent) and Slovenska odškodninska družba SOD (6 percent), however it is expected that they will sell their shares in the coming years.

Year 2007 was a year earmarked with management buyouts in Slovenia. Is that something you would be thinking about in Intereuropa as well?

Market capitalization of Intereuropa amounts over EUR 300 million. It is necessary to emphasize that the Group has huge wealth in real-estate. Intereuropa owns practically all of the real-estate it uses, more than two million m^2 of land, 220,000 m^2 of covered warehousing area, and over 600 trucks and delivery vehicles. Considering the current situation and Slovenian legislation, it is practically impossible to perform a management buyout. The Management Board is involved in the ownership structure through its shares, and for now we do not consider the possibility of a management buyout.

At Intereuropa we put a lot of emphasis in the areas of human resources and social issues, which is why we have established good interpersonal relations. We are aware of the fact that our employees are our biggest asset.

Together with the growth of the Group, the number of employees is increasing as well. How do you manage human resources and what are your advantages compared to other employers?

Expansion of the Group, mostly on foreign markets, increases the number of employees. In Slovenia we strive to preserve the number of jobs, and we give a special attention to human resources and social areas, not only in Slovenia, but in other countries as well. After all, one of the Members of the Management Board is also Human Resources Executive and does not cover just the area of Slovenia through her work, but also other regions of the Group. We are fully aware that other than our movable and immovable property our employees are our greatest wealth - warehouse keeper, driver, manager, director. Therefore we are constantly in contact with our employees, we strive to establish good human relations, regularly settle potential misunderstandings and to listen to our workers also with regard to their ideas on remuneration. We lay great stress on partnerships, and in last year we also signed a collective agreement.

How do you manage the transfer of knowledge within the Group?

In Intereuropa there are many activities in the field of regular educational training, part-time trainings and courses for all of those who need such education. We are aware of the fact that only wise people and people with specific knowledge know how to respond to the needs of the market; therefore, we pay a lot of attention to educational processes.

Since you are a large international Group, your activities have impacts on the natural and social environments. How do you integrate with in these environments on other markets?

Intereuropa is an international Group, however mostly a Slovenian company, operating primarily in the Primorska region. We are aware of the fact that the company started its business here in Koper; therefore, we lay great stress on the Primorska municipalities - Koper, Izola and Piran. We are involved in cultural, social and sporting environments, and we donate our funds to providers of health care services and other organizations. One of our major donations in 2007 was to Health Centre Koper, which used our funds to purchase an ambulance. This is how we are showing our social responsibility towards the region where the Group was born 60 years ago. We also show our responsibility towards Slovenia mostly through our involvement in sport events. And since we are also an international group, we are involved in similar activities in other countries.

What about your concern for the natural environment?

We are aware that coexistence needs sustainable economic development for the whole region, and that development shall not harm the natural environment. Therefore we always respect the highest environmental standards in our projects, such as construction of logistics centres and car terminals, and in purchasing trucks. Our car terminals and our warehousing facilities are equipped with oil traps and meteoric water treatment, while all of our trucks in Slovenia have motors compliant with the Euro 5 standard. We are also implementing high level environmental requirements for our operation in countries without similar standards.

And finally, what were the most important things that you will remember the year 2007 for?

We will remember financial year 2007 mostly for exceptional business results, which we achieved with our strenuousness, hard work and optimism. Our positive attitude and belief in the future helped us in realizing planned projects and brought Intereuropa to the point where there are many open roads in its future. Our schedule of plans and projects will follow the example of the previous year because they were proven to be right and successful; besides, they have a special significance that gives us inspiration and special value. In 2008, we are preparing for 42 percent annual growth in revenues and double operating profit, mostly resulting from last year's investments, and we promise to preserve our optimism!

Report of the Supervisory Board

Intereuropa d.d. SUPERVISORY BOARD In Koper, 17 April 2008

for the General Meeting of Shareholders of Intereuropa d.d. company

Report of the Supervisory Board on results of verification of audited Annual Report of Intereuropa d.d. in 2007

Pursuant to Article 272 of the Companies Act (ZGD-1) Intereuropa's Management Board has sent the following to the members of the Supervisory Board for verification and authentication:

- Annual Report for financial year 2007 together with the Auditor's Report
- proposal concerning the application of distributable profit

In accordance with Article 282 of the Companies Act (ZGD-1) and with items 7.3 and 7.4 of Intereuropa's company statute, the Supervisory Board has reviewed the documents received and provides to the General Meeting of Shareholders of Intereuropa d.d. the following

Report:

Work of the Supervisory Board

The Supervisory Board monitored the operations of the company at eleven sessions and called one correspondence session in the year 2007. There were seven members. Members of the Supervisory Board, Shareholders' Representatives were as follows: Boštjan Rigler - President of the Supervisory Board, Anton Može - Deputy President (through 19 January 2007), Ervin Bužan and Manja Skernišak. Members of the Supervisory Board, Employees' Representatives were as follows: Nevija Pečar, Zlatka Čretnik and Vinko Rebula. Instead of Anton Može, who was dismissed on 19 January 2007 at the General Meeting, a new member of the Supervisory Board was elected, the representative of shareholders, Emerik Eržen. After the dismissal of Anton Može, the position of Deputhy President of the Supervisory Board was taken over by Nevija Pečar, who was elected at the session.

The most important decisions of the Supervisory Board

The Supervisory Board monitored and supervised operations of the company at its sessions and demanded all necessary information concerning the supervision from the Management Board. They dealt with the following important matters and adopted the following solutions at the sessions:

1.) 14th session of the Supervisory Board on 18 January 2007
The Supervisory Board has at the mentioned session reviewed the required reports bound by the detailed explanation of several provisions of the concluded agreement with Adria Airways, the detailed explanation of arguments for the purchase of cargo vehicles for associated companies and the detailed explanation of defined arguments concerning the use of sources for sponsorships, donations, advertisements and the national team. Based on the presented reports and verifying documentation, the Supervisory Board established that the decisions of the Management were in accordance with the vision and strategy of Intereuropa Group and with the planned documents.

2.) 15th session of the Supervisory Board on 26 January 2007 which continued on 29 January 2007
After being aware of the economic viability of the investment in construction of two logistic centres, Moscow-Čechov and Kijev, the Supervisory Board adopted conclusions based on the introduced expert's detailed report:

- that the Supervisory Board gives its consent to the management to build the first stage of the investment, i.e. building a logistic centre in Moscow for the estimated value of 44,715,000 EUR. The first stage comprises the purchase and land regulation adjustment and building the warehouse

area. The realization of the first stage with the planned adjustment of about 20.5 hectares of land is planned in year 2007
- that the Supervisory Board gives its consent to build the first stage of investment, i.e. building the logistic centre in Kijev for the estimated amount of 15,585,000.00 EUR. The construction is planned to be carried out in year 2007
- that the Management Board is in each subsequent year until the end of investments responsible for obtaining prior consent of from the Supervisory Board, and that the Supervisory Board should be kept informed about the progress of investments and use of sources for these purposes. The Supervisory Board should be informed about the methods of financing the investment

In accordance with the resolution of the General Meeting, the Supervisory Board adopted a conclusion about adjustment of the company's capital stock from SIT to EUR and about the adjustment of the company statutes in the item which refers to the capital stock value.

3.) 16th session of the Supervisory Board on 26 February 2007
At this session the Supervisory Board:
- after being aware of the economic viability gave the Management Board its consent to invest in the takeover of Zetatrans A.D. Podgorica company in the estimated amount of 14.4 million EUR
- accepted a conformity declaration with the Corporate Governance Code for Joint Stock Companies

4.) 17th session of the Supervisory Board on 16 April 2007
At this session the Supervisory Board adopted the following:
- its proposal to the General Meeting concerning the use of distributable profit
- the Supervisory Board report on results of verification of the revised Annual Report of Intereuropa d.d. for year 2006 with the proposal by the Management Board concerning use of distributable profit

5.) 18th session of the Supervisory Board on 23 May 2007
At this session the Supervisory Board considered and approved agenda of the General Meeting of the company's shareholders and approved the proposal of Resolutions which the shareholders determined at the General Meeting in July. The Supervisory Board suggested to the General Meeting that the Auditor of Intereuropa d.d. company, Deloitte revizija d.o.o., Dunajska 9, 1000 Ljubljana should be appointed for the business year 2007.

6.) 19th session of the Supervisory Board on 21 August 2007
At this session the Supervisory Board considered the investment in Moscow and due to establishing an investment increase in relation to the approved value, demanded additional clarifications from the Management Board.

7.) 20th session of the Supervisory Board on 29 August 2007
At this session the Supervisory Board again in more detail reviewed the investment in Moscow and established that the investment expert's detailed reports on which the Supervisory Board at the session of 29 January 2007 with the resolution no. 59 based their confirmation of investment in the logistic centre in Moscow, were not prepared satisfactorily and expertly. In the state of realization that the mentioned investment contracts for the land purchase were signed in the value 35,000,000.00 EUR and work realization for the value of 54,584,530.00 EUR, it was determined that the amount exceeds the authorizations of the Management Board which were defined with the Supervisory Board' resolution no. 50 on 21 December 2006 and resolution no. 59 on 29 January 2007. The Supervisory Board adopted the conclusion to take a position concerning the consent of amended economic viability of the investment based on the assessment of the mentioned expert's detailed report by an independent institution chosen by the Supervisory Board.

8.) Correspondence session of the Supervisory Board on 1 October 2007
At this session the Supervisory Board gave its consent to the Management Board that INTEREUROPA d.d. company shall purchase at least 2/3 of the shares of Zetatrans A.D. Podgorica, Montenegro.

9.)22nd session of the Supervisory Board on 24 October 2007

At this session the Supervisory Board again discussed the economic viability of the increased value of the Moscow investment and adopted a resolution that before the decision on the approval of the investment the Supervisory Board demands supplementary studies from the Management Board or a detailed explanation of investment costs (detailed distribution of individual items at key costs - parking lot, roads, administrative premises, water, electricity) with an additional competitive offer. At this session the Supervisory Board also appointed the members of the audit committee, remuneration committee, investment committee and nomination committee. The audit committee consists of : Ervin Bužan - president, Manja Skernišak - member, Nevija Pečar - member, Alfjo Kocjančič - outside member. Nomination committee members are: Zlatka Čretnik - president, Boštjan Rigler - member and Tadeja Trojer-Jan - outside member. Investment committee members are: Ervin Bužan - president, Boštjan Rigler - member, Simon Jan - outside member. Remuneration committee consists of: Emerik Eržen - president, Vinko Rebula - member, Viljem Tisnikar - outside member.

10.) 23rd session of the Supervisory Board on 15 November 2007

At this session the Supervisory Board discussed the Moscow investment, but due to insufficient reliable information they did not decide on its approval.

11.) 24th session of the Supervisory Board on 4 April 2007

At this session the Supervisory Board again discussed the Moscow investment; due to incompletely presented documentation the consent for investment was not reached; however, the Supervisory Board again warned the Management Board to consistently implement resolutions taken by the Supervisory Board.

12.) 25th session of the Supervisory Board on 19 December 2007

At this session the Supervisory Board discussed the reasons for increasing the investment value in Moscow and became familiar with the planned documents, gave its consent for the sale of real estate in Varaždin and considered the possibility of selling the company Schneider & Peklar GmbH, Vienna.

Assessment of business operations and strategy and the method and scope of verification of the company's management

The Supervisory Board regularly monitored the operations of the company, each time considered the achieved business results and in accordance with suitable regulatory provisions and company statutes decided on Management's suggested decisions. The Management Board informed the Supervisory Board with three-month and half-year reports on business operations, and also about other issues connected to the business operations of Intereuropa d.d. and associated companies. The Supervisory Board regularly received its demanded additional clarifications and reports on possible lack of clarity concerning the company's business operations and its associated companies.

At sessions particular attention was devoted to realization of business objectives defined in the *Vision and strategy for the Development of Intereuropa Group in 2006* and the annual business plan. A part of this strategy was realized in 2006 with several investments, however, the majority was carried out in 2007. The Supervisory Board assessed that the Group operated successfully and reached the planned net sales. In 2007 major activities were successfully carried out which strived for realization of planned and presented strategy of the Group's development for the period from 2006 until 2011.

With the achieved results in 2007 and presentation of planned documents, successful realization of strategy and the company's development goals were confirmed.

The Group's operations were marked by important investments, expansion into new markets and continuation of creating business units from the previous year.

The Supervisory Board established that the Intereuropa Group speedily strengthened its position as a middle- size logistics provider in Europe and as the leading provider in southeastern Europe.

It has supported the expansion into the Russian market where Intereuropa intends to strengthen its presence and recognition.
The Supervisory Board was critical towards the less positive business results of consolidated company Intereuropa Transport d.o.o., Koper, for which particular reorganization measures were adopted and introduced which would contribute towards increasing and improving its business operations. The Supervisory Board recommended the members of the Management Board put greater emphasis on supervision of business operations of associated companies and guidelines concerning the improvement of business operations for the associated company's management. When dealing with planned documents, recommendations about adopting measures concerning the realization and achievement of planned goals in 2008 were given to the Management Board.

Assessment of the operation of the Supervisory Board and Management Board

Each individual member of the Supervisory Board contributed to the common decisions of the Supervisory Board with his/her suggestions and guidelines, and therefore helped with the development and progress of the entire company. Members of the Supervisory Board considered relevant legislation, Corporate Governance Code for Joint Stock Companies and the company's objectives in their activities and decision making.

The Supervisory Board founded four committees in order to improve the efficiency of the Board of Director's operations, namely the audit committee, remuneration committee, investment committee and nomination committee. The committees shall in the coming years actively participate in preparations of proposed resolutions and surveillance of their execution.

The Supervisory Board gave guidelines to the Management Board to achieve plans and strategy set forth. When needed, the Supervisory Board particularly demanded additional material, clarification and detailed explanations at the sessions.

The Supervisory Board received numerous data and information from the Management Board in 2007 while it subsequently identified that the report on economic viability of Moscow-Čechov investment, based on which the following investment in the amount of 44,715,000 EUR was confirmed, was not carefully prepared as expected by the Management Board. Namely, in the other half of 2007 the Supervisory Board found out that the stated investment significantly exceeded the original validated value while the Management Board did not obtain consent from the Supervisory Board. That is why the stated investment was discussed at several sessions by the Supervisory Board who demanded additional information which would justify the increased value of the investment from the Management Board. After numerous requests for additional explanation, evidence and reports, the Supervisory Board at its session on 27 March 2008, consented with the stated investment in the amount of 123.5 m EUR because the termination of investment would cause heavy loss for the company.

Except for the aforementioned, the Management Board, according to the Supervisory Board assessment, sufficiently informed the Supervisory Board about the development and realization of investments and the rest of the demands and questions of members of the Supervisory Board.

View on the Auditor's Report

The Supervisory Board reviewed the Auditor's Report on the completed financial audit of Intereuropa Group and parent company Intereuropa d.d., which was submitted by the authorised auditing company Deloitte revizija d.o.o., Dunajska 9, 1000 Ljubljana.
The Supervisory Board established that the authorised auditor submitted in his report a positive opinion, without any reserve concerning the accounts of Intereuropa Group and Intereuropa d.d. and established that the report gives a true and fair view of the financial situation, operating profit and loss, net increase/decrease and movement of capital in 2007 or as of 31 December 2007.

In compliance with the provisions from the second paragraph of Article 282 of the Companies Act (ZGD-1) and from the third paragraph of item 7.4 of Intereuropa d.d. company statutes, the Supervisory Board adopted the following standpoint: **The Supervisory Board does not object to the Auditor's Report written by the auditing company Deloitte revizija d.o.o.**

Confirmation of the Annual Report for year 2007

Members of the Supervisory Board carefully examined the Annual Report as well as the Auditor's Report, accounts and explanation and all other statements in the Annual Report. The Supervisory Board established that the Annual Report is an authentic reflection of occurrences and overall information about the operations of the company in the financial year 2007.

The Supervisory Board examined the business operations of the company in 2007, management accounts for business year 2007, the positive opinion in the Auditor's Report and recommendation concerning the use of distributable profit submitted by the Management Board. On this basis and in compliance with the provisions from Article 282 of the Companies Act (ZGD-1) and items 7.4 and 7.8 of Intereuropa d.d. company statutes, global logistics services, limited company, **the Supervisory Board unanimously certifies and adopts the Annual Report of Intereuropa Group for the financial year 2007.**

Recommendation concerning the use of distributable profit

The Supervisory Board, besides verifying the revised Annual Report, also analysed the Management Board's recommendations on use of distributable profit for year 2007. The Supervisory Board established that Intereuropa Group in the financial year 2007 operated in accordance with the essential objectives which are defined in the document Vision and Development Strategy of Intereuropa Group for the period from 2006 until 2011. Based on this conclusion and fact that the Group plans to further enlarge its business units in foreign markets, increase its sales and marketing activities, reduce the costs and effectively exploit new establishments also in 2008, the Supervisory Board is in agreement with the Management Board's proposal concerning the use of distributable profit for year 2007.

Based on Article 282 of the Companies Act (ZGD-1) and item 7.4 of Intereuropa d.d. company statutes, the Supervisory Board suggests to the General Meeting of Intereuropa d.d., to adopt a resolution based on paragraph 4 of Article 293 and 294 of the Companies Act (ZGD-1):

1. About the use of distributable profit in the amount of 59,645 thousand EUR, as stated below:

- for payment of a dividend to shareholders 4,583 thousand EUR is allocated, which means 0.58 EUR per share
- for the participation of Management Board and Supervisory Board in the company's profit 157 thousand EUR is allocated
- the rest of the distributable profit in the amount of 54,905 thousand EUR remains undistributed

The Supervisory Board adopted this report at its session on 17 April 2008.

Boštjan Rigler
President of the Supervisory Board

Major events in 2007

January

- The company A.D. Interjug-AS started operating under a new name: A.D. Intereuropa logističke usluge, Belgrade.
- On 19 January, at the sixteenth Annual General Meeting, the shareholders of Intereuropa d.d. adopted a resolution on the dismissal of the Member of the Supervisory Board Anton Može, and elected a new Member Emerik Eržen.
- On 24 January Intereuropa held a business meeting titled *“Kosovo - a New Challenge for Leading Slovenian Economists”*, and invited numerous economists who share the interest of entering the Kosovo market, or are interested in cooperation with partners from Kosovo.
- On 26 January, the Supervisory Board of Intereuropa d.d. adopted the Resolution on the conversion of the company’s share capital into EUR, and on the adjustment of the Statute in this respect - the amount of the registered capital.
- On 28 January, the Management Board informed the Supervisory Board of Intereuropa d.d. about the economic eligibility of the investments into the logistic centres in Moscow Čechov and Kiev.
- In January Intereuropa acquired a share in the company ITAR d.o.o., Zagreb.

February

- In February, Intereuropa sold its 8.33 percent interest in the bank Banka Koper d.d. to Intesa Sanpaolo S.p.A.

March

- On 13 March, Intereuropa held a celebration of its 60th Anniversary, hosting its business partners and customers from all countries in Avditorij Portorož.

April

- On 11 April, Intereuropa d.d. took part in the conference *“Days of Slovenian Capital”* that was arranged by the Ljubljana Stock Exchange and the Clearing Depository Company (KDD) in order to promote the best Slovenian companies and invite domestic investors.
- In April Intereuropa responded to the request of Health Centre Koper and donated 3,000 euros to help them purchase a new EMG apparatus.
- On 18 April, we completed the first phase of a new product involving a direct overseas consolidation from the Far East with a direct connection between Singapore and Koper.
- On 23 April, we organised a free dispatch and transportation of sanitation materials and medicines from Brnik airport to Nangoma in Zambia to support a three-month expedition with humanitarian aid and medical assistance *‘’Zambia 2007’’*.

May

- On 7 May, Intereuropa sponsored a conference on logistics *“Supply Chains Going Global’’*, held at Brdo pri Kranju.
- On 13 May, the traditional international nautical fair *“Internautica 2007”* in Portorož was closed, where Intereuropa was presented as the provider of exceptional transport services for boats.
- On 22 May, we organised the *“Intereuropa Business Conference”* in Sarajevo (BiH), attended by numerous reputable participants representing the political, technical and economic public from Slovenia, Croatia and Bosnia and Herzegovina.

- On 24 May, we opened a specialized Coldstore Facility with controlled temperature regime in Maribor, a branch of our Logistics solutions branch.

June

- On 1 June we acquired 100 percent share in the company TOV Intereuropa - Ukraine, Kiev.
- Between 8 - 10 June, Sarajevo was the venue of the 23rd traditional sports games and socializing event, called *"Intereuropiada"*, which is held every year.
- 22 June, Belgrade - Dobanovci, Serbia: opening ceremony of the new modern logistic warehouse facilities with 8,600 m^2.

July

- On 6 July, the shareholders of Intereuropa d.d. gathered at the 17th Annual General Meeting, adopted the Annual Report for 2006, along with the Auditor's Opinion and the Report by the Supervisory Board confirming the Annual Report.

August

- In August, the Management Board adopted the Resolution on wage adjustment tied to the inflation rate by 2.5, following an earlier agreement with the Representative Trade Union ŠAK.

September

- On 11 and 12 September we presented our Group in two events *"Slovenian Capital Market"*, held abroad - in Milan and in Vienna.
- On 19 September, Intereuropa hosted the opening ceremony of the new logistics centre in Samobor near Zagreb, one of the most advanced logistics facilities within the Intereuropa Group with 43,744 m^2.
- We responded to the initiative of the Primorska Regional Chamber of Commerce and Industry and donated EUR 10,000 for the recently flood-stricken areas in Slovenia.

October

- On 1 October, Intereuropa d.d. signed the contract on a capital takeover with the majority owners of the Montenegrin company Zetatrans A.D. Podgorica. Intereuropa became a majority owner of shares of the company Zetatrans A.D. Podgorica.
- On 1 October Intereuropa became owner of he company TOV DDT, Onakivci.
- On 12 October Intereuropa hosted economic advisors of Slovenian embassies abroad. The meeting was organized upon initiative of the Ministry of the Economy.
- Between 15 - 17 October, we made a presentation in the *"Investors Conference in Moscow"*. This conference was an opportunity for Russian businessmen to establish business contacts with companies from Austria and CEE countries.

November

- On 21 and 22 November Intereuropa took part in the HR fair called *"Kariera 07"*.
- On 23 November, we took part in the *"Management International Conference"* (MIC'07), a scientific conference held in Portorož. As a *keynote speaker*, President of the Management Board

Andrej Lovšin, MS gave a speech on opportunities, trends and traps in the logistics business and on the success and further ambitions of Intereuropa Group.
- On 28 November, the Ambassador to India Dr. V. S. Seshadri visited Intereuropa. With the President of the Management Board they addressed the current topics in Slovenia and India and discussed mutual projects eligible to strengthen cooperation between both countries.

December

- On 19 December, Intereuropa RTC d.d. Sarajevo was the fifth company in the Group to receive the ISO 9001:2000 quality certificate for logistics services.
- On 21 December, the international Certification Establishment Bureau Veritas approved the procedure of ecological product storage in Koper.

Events after the end of 2007

- On 1 January 2008, our subsidiary Intereuropa Transport & Spedition GmbH, Troisdorf, Germany opened its own branch in Stuttgart dedicated to suppor full and part-load service for the customers based around Stuttgart.
- On 16 January 2008, the General Meeting of shareholders was held in Podgorica (Montenegro) and appointed the new Board of Directors of the company Zetatrans A.D. Some minor changes to the Statute were adopted as well.
- In January, the bankruptcy procedure for the Austrian subsidiary of Intereuropa, Schneider & Peklar GmbH, Vienna, began.

2

MANAGING A COMPANY

General meeting of shareholders

Intereuropa d.d. shareholders had two general meetings in 2007, where they adopted decisions that had an impact on the business operations of the company Intereuropa.

The General Meeting of the company is hierarchically speaking the highest body of the company, allowing shareholders to fulfil their interests.
The most important task and basic purpose of the General Meeting is to adopt resolutions as final decisions in matters for which it is responsible. With its resolutions considered as legal acts, the General Meeting of the joint stock corporation arranges the work, business operations and organization of the company.

The General Meeting adopts resolutions that influence business operations of the company. Among the most important decisions adopted by shareholders at the General Meeting, are amendments to the Statute, appointing members to the Supervisory Board and decisions on decreasing the capital stock and use of accumulated profit. By awarding the discharge note, the General Meeting confirms and approvesthe work of the Management Board and the Supervisory Board in a financial year.
The company shall provide active exercising of shareholders' voting rights at the General Meeting by duly informing them on convocation of the General Meeting.

In 2007, shareholders of Intereuropa d.d. attended two General Meetings. The General Meeting on 19 January 2007 was convened upon motion filed by the minority shareholder Kapitalska družba d.d. There was 62.68 percent of the capital stock represented at the General Meeting.
The Management Board convened the General Meeting held on 6 July 2007. There were 67.35 percent of the capital stock represented at the General Meeting.

General Meetings of shareholders were presided by elected chairman Mr. Jože Kranjc. The General Meetings of shareholders was attended by the notary public Mrs. Nevanka Kovačič. There was no challenging actions announced.

On 19 January 2007, the following Resolutions were adopted:

1. **Recalling a Member of Supervisory Board, the representative of shareholders, Mr. Anton More before time**

2. **Mr. Emerik Eržen was elected as the new Member of Supervisory Board to represent the shareholders for the term of office ending on 15 November 2009, i.e. when the term of office of Supervisory Board Members representing the shareholders expires**

On 6 July 2007, the following Resolutions were adopted:

1. **The General Meeting was informed about the Intereuropa Group Annual Report for the financial year 2006 with the Auditor's Opinion and the Report by the Supervisory Board on the method and extent of examining the company's management for the reporting year, duly presented pursuant to Art. 282 of the Companies Act (ZGD-1) by the Supervisory Board to inform the General Meeting of having adopted the Annual Report 2006 without any remark or reservation**

2. **Resolution on the appropriation of the accumulated profit, and on awarding the discharge note to the Management and Supervisory Boards**

1.) The accumulated profit of SIT 11,246,675 thousand (EUR 46,932,000) shall be appropriated:
- For dividends to shareholders, SIT 200.00 (EUR 0.83) as gross dividend per share, in total SIT 1,580,483 thousand (EUR 6,595 thousand)
- The amount of SIT 17,897,000 (EUR 75,000) shall be paid out to the Management Board and Supervisory Board as participation in the profit of the company

- The remaining portion of accumulated profit of SIT 9,648,295,000 (EUR 40,262,000) shall remain undistributed

2.) The General Meeting confirms and approves the work of the Management and Supervisory Boards of Intereuropa d.d. for the year 2006, and gives a discharge note for their work in the financial year 2006.

3.) The dividend is payable to the shareholders who will be entered as such in the Share Register on 10 July 2007; the Share Register is kept in the central register with the Central Securities Clearing Corporation in Ljubljana (KDD). The dividend is to be paid out by 31 August 2007.

3. Fixing the participation in the company's profit by the Members of the Management Board and Supervisory Board

Members of the Management Board shall be entitled to participate in the company's profit in the amount of one average gross monthly salary received for the year 2006 per individual member, proportional to the period served on the Management Board in the year 2006. The President of the Supervisory Board participates in the profit up to 2/3 of the average monthly gross salary paid to the President of the Management Board in the term June-August 2006. Other Members of the Supervisory Board participate in the profit up to 2/3 of the average monthly gross salary paid to the Deputy President and Member (HR Executive) of the Management Board in June-August 2006. The payout under this Resolution shall take effect one month after being adopted.

4. Changes and Amendments to the Statute of Intereuropa d.d.

Resolution no. 1
Section 6.26 of the company's Statute shall be amended to read:
6.26 (six twenty-six) The Supervisory Board members and the members of Supervisory Board committees are entitled to receive an attendance fee for attending and their preparation for the sessions, as well as the refund of the costs incurred for performing the work assigned by the Supervisory Board and the resp. commissions, in the amount fixed at the General Meeting. The Supervisory Board Members may participate in the company's profit on the basis of a Resolution adopted by the General Meeting; however, provided that the profit is also allocated for the payout to shareholders; the total amount (payable to Supervisory Board members) may not exceed 3 (three) percent of the profit allocated for distribution to the shareholders, and deducting the total annual amount of attendance fees received in the preceding year. It will be divided among the Supervisory Board members in equal shares, however, not exceeding EUR 15,000.00 (in words: Fifteen thousand EUR) per individual Member.

Resolution no. 2
Section 7.8 of the company's Statute shall be amended to read:
7.8 (seven, eight) When adopting the Annual Report, the General Meeting shall comply with the provisions of the Slovenian Companies Act (ZGD-1) and the International Financial Reporting Standards (IFRS). Should the General Meeting change the completed Annual Report of the company, it shall be reviewed by the Auditor once again in two weeks' time after it was received by the General Meeting.

Resolution no. 3
Pursuant to the Resolutions on the Amendment to the Statute of the company Intereuropa d.d., the consolidated version of the Statute is adopted.

5. Resolution on the attendance fee and refund of costs incurred for the members of the Supervisory Board and members of the Supervisory Board Committees

1.) The Supervisory Board members and the members of Supervisory Board committees are entitled to receive the amount to cover the attendance fee for attending and their preparation for the sessions, in the gross amount per session:
a.) For the Supervisory Board members, EUR 660.00 (gross) per session
b.) For the Supervisory Board President, EUR 858.00 (gross) per session
c.) For the members of the Supervisory Board committees, EUR 462.00 per session
d.) For the President of the Supervisory Board committees, EUR 600.60 per session

If the session is conducted by the Vice President or another Member in the absence of the President, the chairperson is entitled to receive the attendance fee in equal amount as it would be payable to the President if he had conducted the session. In a correspondence session of the Supervisory Board, the members or the president are entitled to 80 percent of the regular attendance fee.

2.) Members of the Supervisory Board and members of the Supervisory Board Committees are also entitled to receive a per-diem allowance and travel expense refund in accordance with the resp. regulations and acts regulating these matters for the company Intereuropa d.d. The cost of accommodation may only be refunded if the distance from the permanent or temporary residence of the Supervisory Board Member or other persons involved in the Supervisory Board committees to the place of business of the resp. body is no less than 100 km, if such member or another person is unable to return as no public transport is scheduled, or for other objective reasons.

3.) This Resolution shall be effective and applied as of the day of its adoption. This Resolution supersedes the Resolution adopted by the General Meeting on 17 July 1998.

6. Resolution on granting authorization to the Management Board to acquire own shares and exclusion of the priority right in acquiring own shares.

1.) Pursuant to Art.247, paragraph 1, indent 8 of the Companies Act (ZGD-1) and Section 4.0 of the Statute, the General Meeting authorizes the Management Board of Intereuropa d.d. to purchase own shares whose share may not exceed 10 percent of the company's share capital. The Company acquires own shares from the reserves for own shares made in accordance with the law.
The Management Board may acquire own shares at the price not lower than 80 percent of the last audited book value of the company's share, and not higher than the weighted average market price in the last 30 days before concluding the Share Purchase Agreement. The Management Board may acquire the company's own shares for the purpose of payout of the remuneration and participation in profit to the members of the Management and Supervisory Boards, to executives of the company and related companies, or for the purpose of retirement of shares. The Company may not acquire own shares exclusively for the purpose of trading. The Management Board may sell, or dispose of the company's shares acquired for the a.m. purposes at a price not lower than the weighted average market price in the last 30 days before concluding the contract on share disposal, and not lower than the procurement price of shares increased by the cost of financing. If the Management Board finds that the shares acquired for the a.m. purposes are no longer needed, the Management Board may dispose of such shares by consent of the Supervisory Board.

2.) The authorization of the Management Board to acquire own shares of the company is valid for 18 months after this Resolution's adoption by the General Meeting. The Management Board may exclude, in full or in part, the priority right of shareholders to acquire or dispose of the company's own shares when such shares are used for the payout of rewards or remuneration and participation in the company's profit.

3.) The General Meeting grants the Management Board the authorization to retire own shares acquired in the manner described above without taking further decision to reduce the share capital. In the event of retirement of own shares, the Supervisory Board is authorized to amend the Statute accordingly.

7. Appointment of Auditors for the year 2007

For the financial year 2007, auditing shall be entrusted to Auditors Deloitte revizija d.o.o., Dunajska 9, 1000 Ljubljana.

The convening notice for General Meeting

Materials for the General Meeting of Shareholders with proposed resolutions were available to the shareholders for inspection at the registered office of the company in Koper on the day the General Meeting of Shareholders was convened until it took place.
The shareholders were informed in due time about the convocation of the General Meeting of shareholders in the daily newspaper Delo, on the website of Intereuropa d.d., the Intranet and via SEOnet publications at the Ljubljana Stock Exchange.
In June 2007 the shareholders, received Interglas - the informative bulletin for shareholders of Intereuropa d.d., which included the published convocation of the General Meeting of Shareholders and other information intended exclusively for the shareholders of Intereuropa d.d.

Participation in the General Meeting and voting

The right to participate at the General Meeting of Shareholders and exercise the voting right is held only by the shareholders registered in the Share Register of the company, kept with the Central Register of KDD - Centralno klirinško depotna družba d.d. Ljubljana (Central Securities Clearing Corporation), and their proxies or authorised persons who may announce their participation in writing no later than 3 days prior to the General Meeting of Shareholders. With the notification of participation, the proxy has to enclose the authorisation. Each share gives a shareholder one vote.

Notification on resolutions adopted by the General Meeting

The shareholders were notified about resolutions adopted by the General Meeting of Shareholders on the website of the company, the Intranet and SEOnet publications at the Ljubljana Stock Exchange (Ljubljanska borza d.d.).

Supervisory Board

The Statute of the company Intereuropa d.d. defines that the Supervisory Board consists of seven members, thereof four members represent the interests of shareholders and three members are elected as representatives of employees. The Supervisory Board members are appointed for a term of four years, and may be re-elected.

Members of the Supervisory Board, which represent shareholders, are elected by the General Meeting of shareholders, whereas the Members representing the employees are elected by the Workers' Council, which only notifies the General Meeting of their election .

The Supervisory Board meets on sessions convened at least quarterly (four times a year) and formalizes decisions by adopting resolutions. The Supervisory Board shall give written reports on its work to shareholders. The Supervisory Board is authorized to appoint and recall members of the Management Board. The central role of the Supervisory Board is to monitor activities of the Management Board in implementation of the interests of the company and the control over business operations. Its competence, management and operations are defined with the Companies Act (ZGD-1), the Statute of the company and Rules of Procedure on the operations of the Supervisory Board.

Upon the decision of the General Assembly of the company, the members of the Supervisory Board may participate in the profit of the company if the profit is paid out to the shareholders at the same time. The members of the Supervisory Board are entitled to director's fees for attending the meetings in the amount determined by the General Assembly and published in this report.
Activities of the Supervisory Board are described in the Report of the Supervisory Board.

Shareholders' representatives

Members of the Supervisory Board - shareholders' representatives Boštjan Rigler, Ervin Bužan and Manja Skernišak were elected by the General Meeting on 15 November 2005 for terms of four years. Until 19 January 2007 Anton Može was a member of the Supervisory Board as a shareholders' representative; however, the General Meeting discharged him on 19 January 2007 before the end of his term and elected Emerik Eržen as a member of the Supervisory Board in the role of shareholders' representative for the period until the term of office of the rest of the Supervisory Board members representing the shareholders expires.

Boštjan Rigler, President of the Supervisory Board
Born in 1973. Graduated in 1998 from the University of Ljubljana - the Faculty of Civil Engineering and Geodesy. In the local elections in 2006, he was elected Mayor of the Municipality Škofljica. Previously he had been employed by Komunalne gradnje, d.o.o., as the technical director. Since October 2007 he has also been a member of the Management Board of DARS d.d. Celje.

Emerik Eržen, Member of the Supervisory Board
Born in 1950. In 2000, he graduated from the High School of Public Administration in Ljubljana. Then he spent 9 years as the Director of the Delfin Hotel. From 2000 to 2005 he has been working for the company Eurest d.o.o. Slovenia, as the Regional Sales and Operations Director for the Region Coast, Kras and Nova Gorica. Since 2005 he has been the Director of the region for Sales in the company Slorest d.o.o. In October 2007 he was appointed President of the Remuneration Committee of Intereuropa d.d.

Ervin Bužan, Member of the Supervisory Board
Born in 1964. In 2005 he graduated from the Faculty of Maritime Studies and Transportation in Portorož. Since 2006 he has been employed as the Secretary General of the Slovenian Association of Ship-owners GIZ. In October 2007 he was appointed President of the Audit Committee and President of the Investment Committee of Intereuropa d.d.

Manja Skernišak, Member of the Supervisory Board
Born in 1961. She graduated in 1985 from the School of Economics in Maribor. She started her career in 1985 at KBM Maribor. In 1997, she was appointed as Director of the Investment Sector, and three years later she was appointed general manager of the corporate banking department. Currently, she is a Member of the Management Board of Nova KBM, d.d. In addition, she is also a Supervisory Board Member of the insurance company Zavarovalnica Maribor d.d. and KBM INFOND fund management company.

Workers' representatives

The Workers' Council adopted a resolution on 17th November 2005 to appoint the following members of the Supervisory Board: Workers' representatives Mr. Vinko Rebula, Mrs. Zlatka Čretnik and Mrs. Nevija Pečar. They were appointed for a term from 18 November 2005 until 18 November 2009.

Zlatka Čretnik, Member of the Supervisory Board
Born in 1968. She graduated in 1987 from the Secondary School of Economics and Social Studies in Celje. She came to work for Intereuropa in 1988, starting in the Branch Office Celje, where today she heads the Continental Services Desk "East Region". Since 2003, she has been the elected representative for the Branch Office Celje on the Workers' Council. In October 2007 she was appointed President of the Nomination Committee of Intereuropa d.d.

Nevija Pečar, Deputy President of the Supervisory Board
Born in 1957, she graduated from the Secondary School of Economics in Koper and has been working for Intereuropa Branch Office Koper since 1976. She is President of the ŠAK-KS 90 Trade Union. In 2007 she was appointed Deputy President of the Workers' Council and holds this office professionally.

Vinko Rebula, Member of the Supervisory Board
Born in 1953. He graduated from the Faculty of Maritime Studies and Transportation and is a university graduated engineer of transport. He started working for Intereuropa in 1974. He has been employed in the Branch Office Maribor and now heads the Continental Services Desk, covering the former Yugoslav territories, Bulgaria and Romania. In 2004, he was elected representative for the Branch Office Maribor on the Workers' Council.

Management Board

The Management Board of Intereuropa d.d. consists of three members:
- president of the Management Board
- deputy President of the Management Board
- human Resources Executive

Members of the Management Board are appointed and discharged by the Supervisory Board. The Management Board members are appointed for a term of five years.
Each member of the Management Board shall be responsible for instructions, management, organization, coordination and control over business operations for a particular scope of business. Members are responsible for proposing company policy within their scope of operations.
The President of the Management Board convenes and chairs the Board of Directors of the company and the Board of Directors of the Group, consisting of directors of the company and directors or presidents of the Management Board of affiliated companies. Boards also consist of members and counsellors to the Management Board as consultative bodies of the Management Board of the company.
Operations of the Management Board and the particular scope of operations of individual members are further regulated in the Rules of Procedure on the operation of the Management Board.

Introduction of the Management Board

Andrej Lovšin, M.Sc.
President of the Management Board

Born in 1960. His academic career comprises a Master's degree from the Faculty of Arts in Ljubljana in 2004. In 1990 he established the Military Security Intelligence Office and headed it for four years, within the Ministry of Defence of the Republic of Slovenia. In 2000 he was appointed Secretary of the National Security Council with the Government of the Republic of Slovenia. In the next year he took over the lead of the Centre for Strategic Studies with the Slovenian Ministry of Defence of the Republic of Slovenia. In January 2006 he was appointed President of the Management Board of Intereuropa d.d.

Zvezdan Markežič,
Deputy President of the Management Board

Born in 1959. He is a graduate from the Faculty of Economics of the University of Maribor (1997), programme Business Logistics. He has been employed by Intereuropa since 1979. In the term 1996-2001 he held the position of Director of the Sales Department, after that he was promoted to Executive Director for Continental Services (2001-2004) and later on he was in charge of the Business Network Coordination on the Group level. He was appointed Deputy President of the Management Board of Intereuropa d.d. in January 2006.

Ondina Jonke,
Member of the Management Board-Human Resources Executive

Born in 1960. She graduated from the High School of Public Administration in Ljubljana in 1998. She started working in Intereuropa d.d. in 1979. During her career she continuously learned and assumed more complex and demanding assignments in the areas of labour law and human resources issues. In 2004, she changed to the company Emona Obala where she assumed the position in Personnel and General Issues. Enriched with new work experience, she was elected Human Resources Executive in the Management Board of Intereuropa d.d. in June 2006.

Management of Subsidiaries of the Group

The group is made up of dependent companies under a united management board for the company Intereuropa d.d.

The parent company Intereuropa d.d. with its subsidiaries forms the Group under the single Management Board of Intereuropa d.d. The Management Board of Intereuropa d.d. manages its subsidiaries by directing the management bodies of subsidiaries so as to provide unity, particularly in the following management areas:

- formulation of the business vision, mission and development strategies
- internal organisation of operational business areas
- co-ordinated action on the market of customers and suppliers
- business planning, investments and financing
- supervision of operations (controlling, auditing) and quality
- human resources and wages policies, development and transfer of knowledge
- strategic marketing and public relations
- communications with public
- uniform development of IT
- other areas of management detailed in development programmes of the Group

When joining the Group, a subsidiary company shall adopt all unified standards of the Group. An additional possibility for adopting standards of the Group is to appoint experts from the Group to the subsidiary.

The Management Board performs its managing role directly in its sessions. The Management Board regularly monitors operations and achievement of planned goals in subsidiaries, as well as the implementation of adopted resolutions, and accepts the decisions on further development. In the companies which are not 100 percent owned by Intereuropa d.d., the Management Board performs the supervisory function through the Supervisory Boards of these companies. As a rule, the Supervisory Board meets quarterly (4 times a year).

Audit

External audit

Deloitte revizija d.o.o. has performed the audit of financial statements of the parent company and most of its subsidiaries for last three years. With the process of auditing the financial statements, the external provider of auditing services contributes significantly to better risk management and enhancement of the internal control system.

We respect recommendations set with the Corporate Governance Code for Joint Stock Companies and we replace the provider of external auditing services at least once every five years.

Intereuropa's business with the external auditing company Deloitte revizija d.o.o. is described in the Financial report of the company within Notes to Financial Statements.

Internal audit

Intereuropa Group established an independent Internal Audit Department which operates within parent company and at the level of the entire Group. The department focuses on inspection and control over the function of the internal control system in the company to provide for efficient risk management for all the risks Intereuropa Group is exposed to. The main objective of the Internal Audit Department is to help the management provide better asset management and better efficiency within the scope of its development strategy, and business and financial plans.

At the end of the year 2006, the Internal Audit Department prepared a long-term plan for the term 2007-2011. The plan was prepared on the basis of risk assessment and sets the priorities of individual areas audited within the Intereuropa Group. On the basis of this document, the Department also prepared its Annual Plan of the Internal Audit Department for 2007. The Management Board of Intereuropa d.d., Koper adopted both documents at its regular session on 5 December 2006.

In 2007 the Internal Audit Department planned six internal audits. We have actually performed three regular internal audits on the basis of the annual plan and five occasional internal audits in accordance with resolutions from the Management Board of the company. Internal audits were performed in subsidiaries in Slovenia and abroad, mostly with the objective to verify implementation of adopted plans and performance and efficiency of their business operations. The Management Board adopted all reports of the Internal Audit Department together with 52 recommendations. We have also been monitoring the implementation of recommendations in three companies, and we established that our recommendations were realized to almost 100 percent. We continue to monitor the implementation of recommendations from the rest of the audits in 2008.

36 percent of our time in 2007 was spent on counselling services. We performed nine regular and occasional counselling tasks. Counselling tasks mostly refer to performance of due diligences and activities in connection with acquiring new companies and expansion of the Intereuropa Group business network, and we have also performed counselling tasks in the field of revision of financial information.

As before we spent part of our time on improving our professional knowledge and the quality of our performance through upgrading our methods of internal audit processes.

Statement on Compliance with the Corporate Governance Code for Joint Stock Companies

The Management and the Supervisory Boards of Intereuropa, Global Logistics Service, Ltd. Co., Koper have issued the following Statement on Compliance with the Corporate Governance Code for Joint Stock Companies.

The Ljubljana Stock Exchange together with The Managers' Association of Slovenia and The Association of Supervisory Boards' Members prepared the consolidated text of the first Slovene Corporate Governance Code for Joint Stock Companies which took effect as of 18 March 2004, and was amended on 14 December 2005 and on 5 February 2007. The Corporate Governance Code for Joint Stock Companies in Slovene and English languages is available to the public on the web pages of the Ljubljana Stock exchange (www.ljse.si).

The Management and Supervisory Boards of Intereuropa, Global Logistics Service, Ltd. Co., Koper would hereby like inform all the shareholders and the public that the governing of the company is in line with the provisions of the Corporate Governance Code for Joint Stock Companies, apart from exceptions, presented below, together with explanations:

- <u>provision 1.3.19 of the Code:</u> The General Meeting should adopt resolutions on adopting discharge notes to management or supervisory bodies separately for each body.
  The General Meeting of shareholders adopted a resolution in 2007 to give a joint discharge note to the Management Board and the Supervisory Board. The General Meeting will respect the recommendation on separate discharge notes to the Management Board and the Supervisory Board in the future
- <u>provision 8.15.5 of the Code:</u> The Company should evaluate the need for a provision in their internal bylaw, which would specify the rules on limitation of trading and on disclosure of trading in company shares and shares of associated companies. It is recommended that the companies specify in the bylaw a complete list of persons to whom limitation of trading applies, and the time period of limitation of trading, related to disclosure of information

The company estimates there is no need for the internal bylaw, which would specify the rules on limitation of trading in company shares and shares of associated companies. The company established that provisions of the Securities Market Act (ZTVP - 1) and later on provisions of the Market in Financial Instruments Act (ZTFI) were specific enough and obligatory, therefore it is not necessary to duplicate the same provisions.

Some of the recommendations of the Corporate Governance Code for Joint Stock Companies are not relevant to the company; therefore, we decided not to mention them specifically. The company will strive to respect recommendations which are specified for the company or its bodies for certain situations, when such situations occur. If the company will not be able to respect any of the provisions in full, it would explain such derogations in the next Statement on Compliance with the Corporate Governance Code for Joint Stock Companies.

Since the end of the accounting period to the date of publication of this Statement there were no changes or new non-compliances.

The Statement on Compliance with the Corporate Governance Code for Joint Stock Companies is a constituent part of the Annual Report for 2007 and will be published on the web page www.intereuropa.si.

Intereuropa d.d.
President of the Management Board
Andrej Lovšin, M.Sc.

Intereuropa d.d.
President of the Supervisory Board
Boštjan Rigler

Wherever you are and wherever you're headed, optimism is a direction which always leads to your goal.

Anton Lesjak, Driver

Public Relations

We define our communication strategy separately for each public group; we especially devote our communication to investors, employees, the media and customers.

ntereuropa Group maintains communication of regular, timely, efficient, and accurate information on its key activities through various channels to all strategic segments of the public. In this way we establish permanent and long-term relationships with all of these segments, and we enhance the reputation of the company and its recognisability in Slovenia and abroad.

An appropriate communication strategy implemented by the Public Relations Department is very important for the realisation of the corporate vision and goals of Intereuropa Group. In the process of preparing our communication strategy we define all relevant segments of the target public by seting communication goals for each one, focusing on concrete communication activities. We also define methods of communication, flow and internal control over price-sensitive information.

Relations with investors

We achieve the goals we set through regular and accurate communication with existing and potential investors. The persons responsible for communication with investors are the Head of the Public Relations Department and the Executive Manager for Finance, Accounting and Controlling. They shall coordinate their activities and the content and tools of communication with the financial public. Intereuropa d.d. fulfils the principles of transparent and integral public reporting in accordance with the Stock Exchange rules and in line with the prescribed reporting requirements. In our communications we also respect the Corporate Governance Code for Joint Stock Companies. The Company has appointed a responsible person who is in charge of publishing disclosures and price-sensitive information on the web-based stock exchange SEO-net system (Head of the Public Relations Department), while we coordinate publication of non-audited and audited financial statements and other reports with the responsible person from the Finance, Accounting and Controlling Area.

The Intereuropa d.d. Group achieves its goals in the segment of relations with investors through various tools of communication. We provide transparent and correct procedures through publications on the web-based Ljubljana Stock Exchange SEO-net system to reduce the corporate risk and to establish good relations between all the stakeholders of Intereuropa d.d. We communicate all price-sensitive information through press releases, while we communicate all important and greater events of the Group in press conferences. We communicate with small investors through the media, while we organize individual meetings for large investors.

We communicate important information via our web pages (www.intereuropa.si), where we have a special category for investors. We publish our annual reports, quarterly interim reports, financial calendar, brochures and informative bulletin for shareholders in Interglas.

In our special edition of Interglas we publish the convocation of the regular General Meeting of shareholders once a year and an organized method of collecting proxy voting at the General Meeting. All shareholders receive Interglas, both in Slovenia and abroad. We also communicate key information to investors at regular General Meetings of shareholders and in organized meetings with investors.

Relations with employees

Internal communication helps employees and the company identify with one another, and employees are better informed and educated. Different methods of internal communication also encourage greater employee loyalty and motivation and the development of good mutual human relations. We establish such relations through a planned and active employee communication programme.

For our internal public we use the Interglas bulletin to communicate information; we publish an electronic newspaper called the Interinformator on a monthly basis and employees can read daily changes and actual information on the internet website - intranet.

The most important tool for internal communication is our bulletin Interglas, which is sent not only to employees, but also to our pensioners. Interglas is published three times per year in Slovenian, Croatian and English. This is an important tool for communication with all employees in all countries, through which Intereuropa Group spreads its corporate vision, mission and values to all employees. Furthermore, once a month Intereuropa also issues the Internet newspaper InterInformator, providing an overview of key events from the previous month and is designed for all employees in the Slovenian part of the Group. Daily changes and fresh information are also available on our Intranet. We are establishing similar tools of communication in other subsidiaries.
The traditional sports games of Intereuropa Group, called "Intereuropiada" are very important opportunity to meet all the employees from other countries and help us create a positive atmosphere and strengthen loyalty among employees throughout Group. In 2007, we also organized an event for employees on behalf of our 60th anniversary.
We also strive to stimulate two-way communication via notice boards, letter boxes and other electronic systems.

Media relations

We promote efficient media communication through accurate, planned, coordinated proactive and regular media relations and publications. We strive to respond to their questions in due time and we communicate important business events vvia press releases. In its communications with media, Intereuropa Group follows its Rules relating to Media Communication. The purpose of the Rules is to define the responsibility of Intereuropa and its employees in the area of public communication. The Rules is a document representing a foundation for equal communication with all segments of our target public.

In 2007 we organized press conferences and meetings with journalists. In our interviews and statements we emphasized our constant implementation of the development strategy of Intereuropa Group, and we provided active and timely answers to questions from journalists. We establish our long-term relationships with journalists through regular cooperation with them, there by building a positive reputation of the company in different public segments.

Customer relations

Intereuropa Group is a very important economic system and has a leading role in Slovenia in the area of logistics. The Group is also gaining importance abroad, where it establishes and builds its business network. In this process the Group is constantly in contact with its customers and local public. In both international and domestic markets, customers are a very important segment of the public. A branched business network helps Intereuropa sales representatives communicate via regular personal visits and therefore strengthen relationships with customers. Good relations are important not only for achieving sales goals but also for promotion of international reputation and company's goodwill. We strive to enhance and strengthen recognisability of the company through organizing different events to introduce the company to our customers, communicating company's plans and the role of the company in local environment and offering our customers the possibility to cooperate with the company. In 2007 we organized two special events: the openings of warehousing facility in Dobanovci near Belgrade and a logistics centre in Samobor near Zagreb. We also organized a celebration of our 60th anniversary, where we hosted numerous domestic and foreign business partners.

3

BUSINESS REPORT

Development Strategy of the Intereuropa Group

Mission

The mission of the Intereuropa Group is to optimally meet the demand for logistics services to the complete satisfaction of our customers, whom we guarantee reliability, speed, security and competitive prices.

Corporate Vision

To be recognised as the leading provider of integral logistics services in Central and South-Eastern Europe. The motto we pursue is: "From partial to integral logistics services!"

Values

Professional approach to customers
Our activities seek to offer the best solution for the logistics needs of all customers on the basis of our advanced logistics know-how.

Adaptability and flexibility
Our services are prompt and tailored to our customers' needs. They are based on creative and innovative business solutions and good organization.

Responsibility
We are distinguished by our high-level of responsibility for the obligations we undertake, our arrangements, and the social and natural environments.

Team work and appreciation of our employees
The quality of our services is the result of individuals' and expert teams' work. We appreciate the knowledge, experience, and the different views of our colleagues.

Strategic orientations and objectives

The strategic orientation of the Group is to strengthen its position as the leading provider of logistics services in company's traditional markets and to expand its business in the South-Eastern and Eastern European markets.

Figure 5

Current and future business network of Intereuropa Group

Current business network
- Slovenia
- Croatia
- Bosnia and Herzegovina
- Serbia
- Kosovo
- Macedonia
- Montenegro
- France
- Germany
- Austria
- Ukraine
- Russia

Future business network
- Albania
- Greece
- Bulgaria
- Romania

The document Corporate Vision and Development Strategy for the Intereuropa Group outlines the following strategic objectives for the 2006-2011 period:

- Intereuropa will obtain new business, retain the existing contracts and improve its corporate results
- Intereuropa will become the most successful logistics company in South-Eastern Europe
- Intereuropa will provide integral logistics services
- Intereuropa will become a European trademark
- Intereuropa will invest in infrastructure and technological development
- Intereuropa will form a global logistics centre together with Luka Koper d.d. and Holding Slovenske železnice

Objectives outlined in the Corporate Vision and Development Strategy and the position of the Intereuropa Group as the largest and the most successful logistics company in Slovenia and the countries of South Eastern Europe will be realised by:

- proactive strategy and growth strategy
- retaining positions in Western Europe through maintaining market presence, linking Group units and more aggressive marketing and sales activities
- Continuing to strengthen and expand our activities in Slovenia and the countries of South-Eastern Europe where Intereuropa is already present (Croatia, Serbia, Bosnia and Herzegovina, Montenegro and Macedonia)
- increasing the importance of the Intereuropa Group in the East, namely on markets of the Russian Federation with special attention to Moscow authorities, and on the Ukrainian market
- new commercial logistics projects in the markets of South-Eastern and Eastern Europe, central Asia and the Black Sea countries

Implementation of Development Strategy, achieving objectives

We achieved all the key goals from the development strategy in the second year of realizing the development plan, and with which we intend to generate 386.4 million Euros in sales revenues or a 10 percent average yearly growth rate.

Last year was the second year of implementation of Intereuropa Group development strategy, set by the Management Board of the company in a document called Corporate Vision and Development Strategy for the Intereuropa Group for the term 2006 - 2011. For this term we have set the following financial goals:

- EUR 384.6 million of net sales revenues or on average 10 percent annual growth
- EUR 24.5 million of operating profit
- 5.4 percent net return on assets
- 10.2 percent net return on equity

Table 9

Development strategy for the term 2006-2011 (in EUR thousand)

	2006	2007	2008	2009	2010	2011	average growth 11/05
Net sales	219,074	244,061	276,518	312,200	351,435	384,590	10.00%
Earnings Before Interest, Taxes, Depreciation and Amortization	20,453	22,450	26,085	30,062	34,245	37,835	11.70%
Operating profit/loss	9,656	11,301	14,488	18,011	21,431	24,462	17.70%
Net profit or loss	8,392	8,851	11,241	13,884	16,448	18,721	6.90%
Assets	276,020	287,346	302,672	317,974	337,978	349,395	4.40%
Capital	177,934	178,785	181,727	186,680	193,505	201,841	2.30%
Net return on equity*	4.90%	5.20%	6.60%	8.00%	9.30%	10.20%	
Net return on assets	3.00%	3.10%	3.70%	4.40%	4.90%	5.40%	

*Capital reduced by the profit for the year

In 2007 we upgraded our strategic orientations with greater emphasis on penetration of new Eastern European markets. Therefore we started constructing a new logistics centre in Čechov near Moscow in the Russian Federation. At the end of the year we opened a car terminal and generated our first turnover. Warehousing facilities for general and customs goods and other functions of the centre will be available for use by the end of spring 2008. We plan to build a similar but smaller logistics centre in Kiev, and we estimate that it will be completed by the end of 2008. Projects included in our supplemented strategy will help us generate turnover in the amount of EUR 80 million, while we will invest over EUR 100 million in them. Since we plan to realize more than 85 percent of the target sales value in 2008, we can be sure to achieve our sales objectives from the primary strategy before 2011.

Intereuropa implements its strategy of expanding its business outside current markets by acquiring relevant companies in South-Eastern Europe. In October 2007, we successfully acquired a majority share in the largest provider of logistics services in Montenegro, the company Zetatrans A.D. Podgorica.

Besides our expansion to new markets, our main objective remains to become the leading provider of logistics services in the region of South-Eastern Europe. We carry out activities to achieve this objective through development and investments by also expanding our capacities on the markets where we are traditionally present and recognisable. Last year we opened a new warehousing facility in logistics centre in Dobanovci, Serbia and a new logistics centre in Samobor, Croatia. With these two projects we have expanded our warehousing capacities by 20 thousand m^2. Efficient marketing and providing integral logistics services help us strengthen our leading position and attract new customers.

Results for 2007 are in accordance with Intereuropa Group strategic orientations, since we achieved all key objectives set in the development strategy:

- sales in the amount of EUR 235.5 million (considering discontinuing operations of the company Schneider & Peklar GmbH, Vienna, we achieved the sales plan)
- earnings before interest, taxes, appreciation and amortization: EUR 26.0 million
- operating profit or loss: EUR 12.8 million
- net profit or loss: EUR 26.5 million
- net return on equity: 15.5 percent
- net return on assets: 7.6 percent
- acquired one target company

Plans for 2008

In 2008, at the level of the entire group we expect a net profit of 335 million Euros from sales, which represents a growth of 42%. We also plan a net profit of 12.7 million Euros.

Intereuropa Group plans for financial year 2008 are based on its development strategy for the term 2006-2011 and the upgraded strategy of the Group, which includes quicker penetration of Eastern European markets. Therefore the Group plans **net sales revenues in the amount of EUR 335 million,** representing 42 percent growth compared to 2007. We expect the fastest growth in business areas of Intercontinental transport and Logistics solutions, mostly as a result of **higher productivity and exploitation of resources, as well as new investments in logistics infrastructure** in 2007. However, considering net sales revenues, land transport remains the most important business area with a 45 percent share in total net sales revenues. Growth in sales and implementation of goals are based upon better productivity and marketing activities, growth of net sales revenues in all business areas and units of the Group, high investment activities compared to previous years and **greater importance of companies with registered offices outside of Slovenia**. We expect the highest growth rates in net sales revenues in Russia, Ukraine and Montenegro, with the highest increases in value in Russia and Slovenia. Turnover share in sales for the Slovenian part of the Group is decreasing significantly (by 17 percentage points compared to 2007) in favour of the Group outside of Slovenia.

Besides growth in sales, in 2008, we plan to carry on our activities to provide better cost control, which can be seen from the **operating profit in the amount of EUR 25.1 million**. We plan to enhance the profitability of our businesses in companies operating in the territory of former Yugoslavia. Our plans include **net profit in the amount of EUR 12.7 million**, net return on equity (ROE) of 6.1 percent and net return on assets (ROA) of 2.5 percent. In contrast to 2007, our financial activities are planned to be negative, mostly due to selling the share in Banka Koper d.d. in 2007 and higher financing costs in 2008.

Year 2008 will be earmarked with further growth of business in existing capacities, exploitation of new logistics capacities in Croatia, Bosnia and Herzegovina, Serbia and Montenegro, as well as exploitation of the greatest investment of Intereuropa Group - the logistics centre in Russia.

This year will be the third year of implementation of strategic orientations, defined in the Corporate Vision and Development Strategy for the Intereuropa Group for the term 2006-2011. This year's plan fully considers the strategic objectives and even exceeds them in some parts. This helps us strengthen our position as the leading provider of logistics services in South-Eastern Europe, while through the construction of logistics centres in Moscow and Kiev we also establish our position in East European markets.

General economic situation in 2007

For the most part fast growth in the world economy marked the first half of 2007; In Slovenia, strong economic results were based on exports and investments.

Operations of Intereuropa Group - provider of logistics services on the European and global market, were in line with opportunities and risks defined by global economic trends.

Fast growth of the world economy, significant in the first half of the year 2007, slowed in the second half of the year, mostly as a consequence of negative trends in financial markets. Despite this fact, world economic growth remained over 5 percent and the last estimations show that it will amount to 5.2 percent at the annual level. Central generators of growth in 2007 are developing markets (China 11.5 percent; Asia 9.2 percent; Russia 7.6 percent; Middle East 5.9 percent; Africa 5.7 percent), while the economy in OECD countries grew by 2.7 percent. In the second half of the year, the fall of the USA real estate market slowed economic growth in the USA to 1.9 percent, causing negative trends and greater risks for other economies.

The latest estimations show that economic growth in the EU was 2.8 percent in 2007. Economic growth was mostly a result of domestic demand, supported by enlargement of the Euro zone. Economic foundations of the EU remain solid, both from the point of view of profitability as well as from the labour market situation, since it is expected that in 2007, the unemployment rate will reach its lowest level in last 25 years (6.9 percent in the last three months). In the last three months we have noticed a significant growth in the inflation rate to 2.2 percent, mostly as a result of higher prices of food and oil on the global level. External trade of EU countries in 2007 grew with most of its important partners. The latest data show (until October 2007) that exports (7 percent) grew faster compared to imports (3 percent), therefore the external trade deficit was reduced by EUR 22 billion.

Slovenia

In 2007, Slovenia recorded high economic growth, and its structure remains favourable from a development point of view, since it is based on exports and investments. The latest estimations show that real GDP growth was 5.8 percent, which is 0.1 percent more than in 2006. Economic growth was positively influenced by a favourable economic situation in the international environment and strong investment activities. High economic growth had a positive impact on the labour market; therefore, the unemployment rate was lower and amounted to 7.7 percent. In 2007, consumer prices grew by 5.6 percent, while average annual inflation amounted to 3.6 percent. The high inflation rate was mostly a result of higher prices of food and oil. Due to continued growth of foreign demand in comparison to the previous year, exports grew by 13.4 percent, while imports grew by 14.3 percent. Exports of goods were mostly influenced by exports of road vehicles, which represented a 40 percent share of nominal growth of total exports of goods.

Croatia

The latest estimations show that GDP growth in 2007 approached to 6 percent, mostly due to private consumption and exports of goods and services. The decreasing unemployment rate trend continued in 2007 and amounts to 11 percent. Despite significant growth in the consumer price index in the third quarter of the year, the inflation rate will not exceed 2.5 percent. Croatian international trade in goods was earmarked with slightly higher growth of exports (11.5 percent) compared to growth of imports (10.4 percent); however, the export-import ratio is still low (47.9 percent) and there is also an external trade deficit which amounts to EUR 9 billion.

Bosnia and Herzegovina

The trend of GDP growth continued in 2007. By the latest estimations, economic growth amounts to 6 percent, and is one of the highest in the region. Industrial production increased by 10.2 percent in 2007, while inflation was 2.1 percent. Despite favourable economic indicators, a 40 percent unemployment rate remains one of the huge problems of Bosnia and Herzegovina. External trade deficit in 2007 amounts to EUR 3.58 billion; therefore, the export-import ratio is only 46.6 percent. A bad situation in its external trade balance is reflected in the GDP structure, since only a third of it is covered by production, consisting of agriculture and consumables, which are not competitive on the market.

Serbia

In 2007, economic growth exceeded expectations and achieved 7.5 percent, the highest in the region. Economic growth was positively influenced by transport, trade and the financial sector. The trend of growth of industrial production continued in 2007 and was 4.6 percent. The country also recorded positive trends in the area of external trade, since exports increased by 38.1 percent, while imports grew by 1.5 percent. Serbia recorded high inflation in 2007 - 10 percent, thus being 3.5 percent higher than planned inflation. The trend of the unemployment stopped in 2007; however, unemployment rate remains very high (21.6 percent).

Macedonia

In 2007 Macedonia recorded 5 percent economic growth, and despite higher prices of food, inflation rate remained at 2 percent. Also in 2007, Macedonia failed to control the problem of its high unemployment rate, which amounts to 35.8 percent by the last estimations. Total exports increased by 38.9 percent in the period from January-October 2007 in comparison to the same period last year, while exports grew by 36.4 percent. The export-import ratio is 66.6 percent, and its external trade deficit amounts to USD 1.37 billion.

Austria

Economic growth in 2007 was 0.75 percent higher than GDP growth in the EU and amounts to 3.4 percent. Inflation increased to 3.1 percent at the end of the year and is at the highest level since May 2001. The main reasons for higher inflation are higher prices of food, higher subsistence expenses and higher prices of energy. The unemployment rate decreased in comparison to the previous year by 0.5 percent and is estimated to be 4.3 percent. Austria has the most level external trade balance within the EU, with a surplus which amounts to EUR 0.1 billion. Compared to the previous year, total exports increased by 8 percent, while imports grew by 7 percent.

Germany

The last estimations show that Germany will slightly exceed projections and will record 2.4 percent economic growth for 2007. The growth was stimulated mostly with strong exports. Its surplus in external trade balance in the amount of EUR 146.8 billion is the highest in the EU. Total exports increased by 11 percent, and imports grew by 6 percent compared to 2006. The increase in exports has a positive influence on the unemployment rate which decreased to 7.9 percent at the end of the year. The annual inflation rate was 2.2 percent and exceeded two percent for the first time since 1994. As in most of other economies of the world, inflation was stimulated by higher prices of food and oil.

France

According to the latest estimations, France achieved just 1.9 percent annual economic growth in 2007, which is 0.6 percent lower than planned economic growth. Higher GDP growth was impeded by its growing external trade deficit, which amounts to EUR 35.22 billion, while appreciation of Euro and the weak competitiveness of French products hinder exports. Slower economic growth did not influence the unemployment rate, which even decreased to 8.3 percent. The estimated inflation rate in 2007 is slightly lower than inflation in other EU Member States, however it still exceeded 2 percent.

Russia

Problems on the world market did not affect the Russian economy significantly. It recorded high growth of 7.6 percent. The favourable economic situation was reflected in the labour market, and the unemployment rate reduced to its lowest ever at 5.8 percent. However, external factors (higher prices of food and oil) had negative influences on inflation, which exceeded the planned value of 4 percent and reached 12 percent in 2007. Russia's external trade deficit was reduced by 9.5 percent. External trade recorded positive trends and grew by 22.5 percent, where exports increased by 37.1 percent and imports by 15.1 percent.

Ukraine

Ukraine preserved economic growth of 7.2 percent in 2007. The most important factor of growth was private consumption, while exports of goods and services also became noticeable. Consumer prices grew by 12.5 percent, and inflation was mostly influenced by increasing prices of exported goods, food and oil. The unemployment rate in 2007 was 6.4 percent, while faster growth of imports (22 percent) compared to exports (13.2 percent) contributed to the further growth of the external trade deficit, and the last estimations show that deficit in 2007 will amount to 4.6 percent of GDP.

Expected economic situation in 2008

Consequences of the crisis in the USA mortgage market, high prices of oil and decreased value of the US dollar will significantly influence the global economy in 2008. Current projections show further, but slower world economic growth. Instead of the USA, Japan and West Europe, there will be new holders of economic growth, such as China, India and other developing markets. In 2008, we expect 0.4 percent lower world economic growth compared to 2007, which will amount to 4.8 percent. However further crises in financial markets could additionally slow down the world economy. Furthermore, inflation pressures, higher prices of oil and exchange rates in developing markets are some of the additional risks for economic growth.

According to the last projections world economic growth shall continue with a 4.8% growth rate.

The economy of OECD countries will grow as anticipated, by 2.3 percent in 2008. We expect that profits in the private sector, high employment rate, increasing revenues and external trade could slightly neutralize some negative effects of the crises in the financial and real-estate markets and the consequences of increasing prices of oil.

In the following year, the USA will focus on the problems of sharper conditions for loans, reduced prices of real estate, reduced industrial production and slower employment growth, which increase the risk of recession. In 2008, 1.9 percent economic growth is expected.

Russia also expects a slowdown of economic growth in 2008 from 7.6 percent to 6.5 percent, mostly as a result of expected stabilization of oil prices and prices of raw materials.

Table 10

Forecast of economic growth and inflation rate in 2008

	GDP growth in %			Inflation in %		
	2006	2007e	2008f	2006	2007e	2008f
Slovenia	5.7	5.8	3.8	2.5	3.6	3.1
Croatia	4.8	6	4.7	3.2	2.5	2.8
Bosnia & Herzegovina	6	6	6.5	7.5	2.1	1.9
Macedonia	3	5	5	3.2	2	3
Serbia	5.7	7.5	5	12.7	10	8.8
Austria	3.3	3.4	2.5	1.7	3.1	1.9
Germany	2.9	2.4	2	1.8	2.2	1.8
France	2	1.9	2	1.9	2	1.8
Russia	6.7	7.6	6.5	9.7	12	7.5
The Ukraine	7.1	7.2	5.4	9	12.5	10.8
Global economy	5.4	5.2	4.8	3.6	3.9	3.6
U.S.A.	2.9	1.9	1.9	3.2	2.7	2.3
EU	3.2	2.8	2.5	2.3	2.2	2.3

(e) estimate, see sources
(f) forecast according to INF data

Sources of data:

Agency for statistics of Bosnia and Herzegovina
Federal State Statistics Service/Russian Federation
Croatian National Bank
International Monetary Fund
State Statistical Office Republic of Macedonia
State Statistics Committee of Ukraine
Statistical Office of the European Communitie
Statistical Office of the Republic of Serbia
Statistical Office of the Republic of Slovenia
Institute of Macroeconomic Analysis and Development (IMAD)

If you can listen to clients, you can deliver a pleasure able experience on top of quality service.

Aleš Štojs, Commercialist

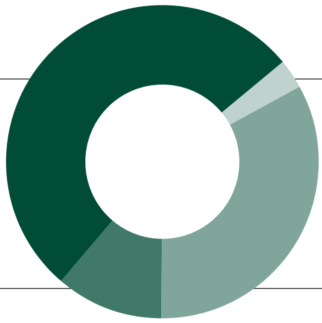
Marketing and Sales

Total sales of Intereuropa Group

n 2007, the Group generated a total of EUR 235.5 million net sales revenues and thus exceeded sales results in 2006 by 13 percent. The Group monitors sales results by individual business segment, the so called "business areas". The Group improved its sales results in all business areas compared to the previous year. The most dynamic growth was recorded in the area of Intercontinental transport, where we exceeded sales generated in 2006 by 26 percent.

Figure 6

Net sales revenues of the Intereuropa Group by business area in 2007



Land transport remains the most important business area in the corporate sales structure, which generates more than one half of the entire net sales revenue.

Table 11

Net sales revenues of the Intereuropa Group by business area (in EUR thousand)

		Jan-Dec 2007	Structure	Ind. Plan 2007	Ind. 2007/2006
1	Land transport	124,963	53%	93	106
2	Logistic services	26,052	11%	103	114
3	Intercontinental transport	78,572	33%	118	126
4	Other services	5,912	3%	116	119
	Total	**235,499**	**100%**	**101**	**113**

Slightly more than two thirds of net sales revenues at the Group's level were made in Slovenia. Among export markets Croatia is the strongest, where we still hold the position of the leading provider of logistics services. Among other markets we shall mention Montenegro, where we acquired a majority share of the leading Montenegro provider of logistics services Zetatrans A.D. Podgorica, and expanded of our business to Serbian, Kosovan, Macedonian and German markets.

Figure 7

Structure of net sales revenues in 2007 by country

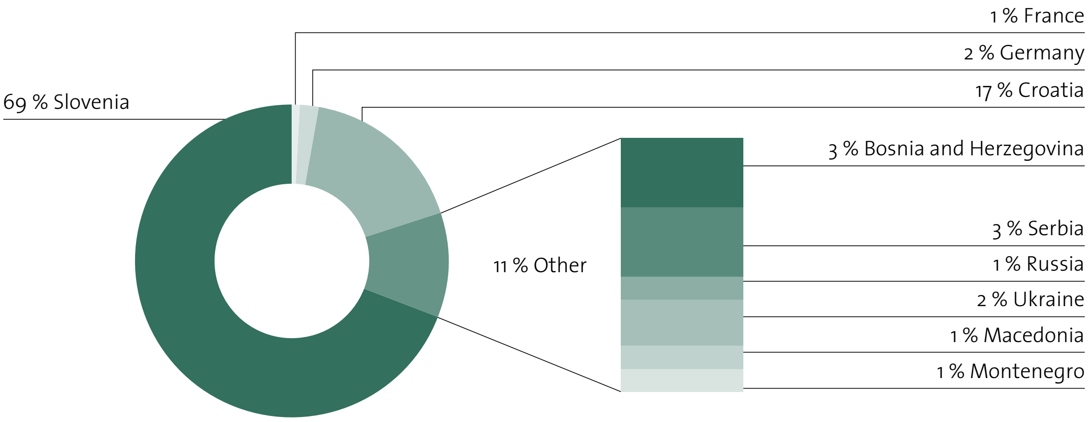


Table 12

Net sales revenues of the Intereuropa Group by country (in EUR thousand)

		Jan-Dec 2007	Structure	Ind. Plan 2007	Ind. 2007/2006
1	Slovenia	162,663	69%	102	108
2	Croatia	40,012	17%	105	115
3	Bosnia & Herzegovina	8,144	3%	119	136
4	Serbia	6,927	3%	127	210
5	Macedonia	2,283	1%	197	256
6	Russia	1,331	1%	33	64
7	France	2,020	1%	86	111
8	The Ukraine	5,648	2%	88	113
9	Germany	4,447	2%	154	154
10	Montenegro	2,024	1%	-	-
	EU states	**169,130**	**72%**	**102**	**108**
	Countries outside EU	**66,369**	**28%**	**99**	**127**
	Total	**235,499**	**100%**	**101**	**113**

* Montenegro: the company was consolidated only in last three months

Land transport

The Land transport business area provides rapid and safe transport of goods, full or partial loads from/to EU countries, as well as other countries of the Group.

Land transport represents the largest percentage in the structure of sales revenues in the entire group, with 27 percent represented by road transport, 10 percent by customs services, 7 percent by collection activities, 6 percent by express transport and 4 percent by railway transport.

In net sales revenues, the most notable results were achieved in the branch office Land transport in Slovenia, which exceeded results in all areas. Synergies of positive business operations in Slovenia had a positive influence for Croatia, Bosnia and Herzegovina and Serbia, while express and railway transport in Croatia fell short of the planned sales growth. In Serbia we lag behind our plans in the area of customs services, but we generated higher turnover in all areas compared to 2006.

Road transport

With 27 percent, road transport represents the highest share in the structure of sales revenues of the Group. We generate most of the revenues in road transport (66 percent) in Intereuropa Transport d.o.o. in Slovenia, the company which is currently in the process of a successful reorganization. Despite the outstanding rise of oil prices, tolls and high expenses of maintenance, we succeeded to achieve positive results after a long period of time, mostly due to exploitation of synergic effects within Slovenia and effective cost control. In Croatia we recorded 1 percent growth in road transport compared to 2006, and totalled 9 percent. In this segment we just started our business in other markets and at the moment in Ukraine, Russia, Bosnia and Herzegovina, Serbia and Macedonia we have 18 percent sales revenues in road transport, and our goals have not been achieved yet. Due to the period of transition in these countries, their markets are not stable; however, they provide a greater challenge and better possibilities for further growth.

Key objectives in 2008:

- to replace all the vehicles older than five years with new ones to comply with the newest environmental standards
- to upgrade advanced telecommunication technology (satellite navigation) to provide better control over transported goods
- to maintain our diverse offering of fleet trucks (refrigerators, exceptional transport services, car transport, voluminous goods, etc.)

Customs services

Customs services represent a 10 percent share of sales revenues for the Group. In Slovenia, customs services are mostly considered as a supporting product, while in other countries of the Group these services are more important. We achieved the largest share in Croatia, 54 percent in total, and in this area we perform activities for reorganization from customs agency services to integral logistics provider services. In Bosnia and Herzegovina revenues in customs services grew by 1 percent. We exceeded our goals in all companies except Serbia.

Key objectives in 2008:

- continuous education and training of employees to follow all the changes in customs legislation in EU and in other countries
- implementation of electronic commerce (E-signature) in various procedures (in 2007 in export procedures in Slovenia)
- preparation of the study related to Croatian accession to the EU and faster reorganization from customs agency services to integral logistics provider services

Groupage services

In net sales revenues, groupage services represent 7 percent at the level of the Group, however due to synergies with other products these services are very important. At the level of the Group we exceeded our plans by more than 10 percent. Replacement of our partner in the Netherlands, positive influence of daily groupage lines between North-East Slovenia and Germany and strengthened cooperation between business units within the branch office Land transport, all help us to achieve larger quantities of goods, which are furthermore managed in our subsidiaries in the Balkans.

Key objectives in 2008:

- to keep the position of the leading provider of groupage services in Slovenia, Croatia, Bosnia and Herzegovina, Serbia, and Kosovo and to become the leading provider in Macedonia and Montenegro
- to provide enhanced dynamics of groupage shipment in relation to all European countries
- long-term partnerships with acknowledged foreign providers of logistics services with many years' experience in land transport
- to provide advanced information technology for better control over transported goods

Express transport

Domestic distribution achieves a 6 percent share in the sales revenues of the Group. We generate the biggest share in express transport in Croatia (65 percent), which is followed by Slovenia (25 percent). In other countries of the Group the share of express transport increases constantly, even in countries where we don't have domestic distribution. We strive to accept good practices in these areas as well as starting-points in these countries, where we provide coverage all over the country with our infrastructure both on land and on islands.

Key objectives in 2008:

- within national distributions demanded on the market and from our customers, we plan to expand our business to other countries of the Group
- to design and implement new IT infrastructure as soon as possible
- gradual standardization of products:

1. partition of consignments with regard to their weight and dimensions
2. providing different delivery deadlines
3. providing transport services with regard to the specifics of goods: ADR, HACCP

- continuous education and trainings of our employees
- completion of needed infrastructure: faster construction of throughput warehousing facilities in Maribor and improvements of business conditions in Celje
- development of new services within national distributions, demanded on the market and from our customers

Railway transport

We provide railway transport services through our affiliated company Intereuropa-FLG, d.o.o., Ljubljana, which is owned by Intereuropa d.d. (50 per cent) and the Austrian company Express - Interfracht Internationale Spedition GmbH (50 per cent). Intereuropa-FLG, d.o.o., Ljubljana, managed to attain the planned goals, while sales results in subsidiaries of the Group remained on the same level as a year before. Revenues in railway transport represent a 4 percent share. In this field, we are also witnessing ever growing competition through an increasing presence of foreign forwarding agencies and operators.

Key objectives in 2008:

- purchase of special wagons for the transportation of cars, thereby providing delivery to a customer in due time
- continuous education and training and acquiring new employees with specific knowledge

Plans for 2008

In the Land transport business area we plan to:

- unify business conditions to provide for equal quality of our services for our customers within the entire Group and to transfer good practice from the best organization units to the rest of the units
- implement new computer software to additionally standardize and optimize our processes
- unify all suppliers if possible (also applies to our contract carriers)
- implement requirements for our suppliers to become our best customers

Our strategy for long-term success is based upon the quality of our operations. We strengthen the loyalty of our employees and achieve better synergistic effects by connecting our employees and promoting the transfer of knowledge among them. We use modern sales techniques to approach our customers.

Intercontinental transport

The year 2007 was successful for air transport, where we increased the planned goals by 8 percent, exceeded sales plans in the area of maritime transport by 21 percent and exceeded sales goals by 8 percent in the area of UPS express mail services.

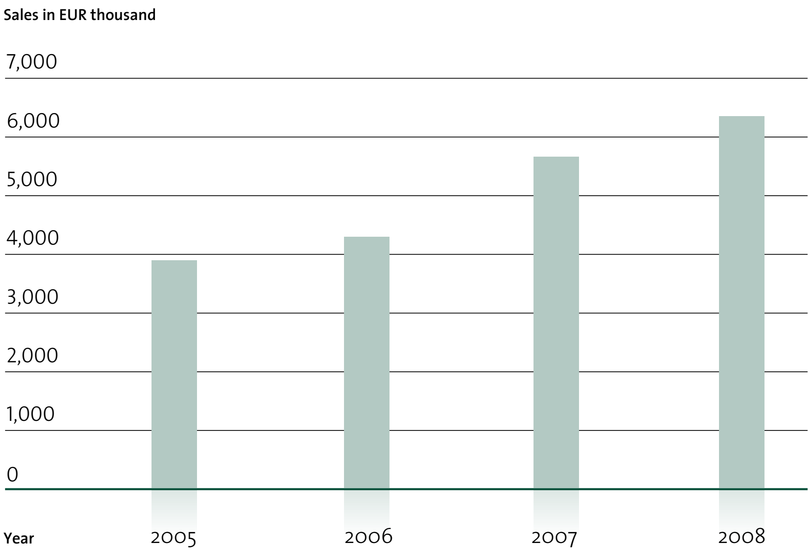
In the business area of Intercontinental transport, we provide airfreight and seafreight transport services from all around the world and back. We provide our services within our business network and through our partners, striving for optimal organization of transport between continents. In addition, we also provide UPS services in Slovenia, Croatia and Bosnia and Herzegovina, and shipping agency services in the port of Koper.

Airfreight

The reporting year was very successful for Intereuropa Group in this business area. Our sales results were one third higher compared to 2006, and we exceeded set goals by 8 percent. We achieved the biggest volume of sales in Slovenia; however, our offer is also developing well in other countries of the Group. On the level of the Group we achieved 22.6 percent growth in sales from 2005 to 2007. We expect further growth in 2008 (Figure 8).

Figure 8

Air transport in the Group in the period from 2005 to 2007 and plan for 2008 (in EUR thousand)



In Slovenia we recorded 22 percent growth and exceeded our planned goals by 9 percent. Competition of global providers of logistics services hinder our ambitions for even higher growth, however our wide range of products provides better services to our customers. Further development of airfreight is based upon organic and business development in other countries of the Group. Air traffic connections with Podgorica helped us to increase our presence in the Balkans. The product is developing well in Serbia through the airport in Belgrade and in Bosnia and Herzegovina, where we exceeded planned sales most significantly (by 68 percent). These two markets will also be very important for us in 2008 because further development of the economy will provide additional opportunities for further expansion of our activities.

We recorded sales growth also in Zagreb; however, in Zagreb similar conditions apply as in Slovenia. Therefore it is hard to achieve better sales results. Despite this, we plan to strengthen our position in this market with more aggressive sales. Also, developments in Macedonia look promising and this is an opportunity for our further progress. Acquiring the company in Montenegro will help us strengthen our position in the Balkans in 2008.

UPS

We achieve satisfactory results in the segment of express delivery services with just a few years in the role. The reporting year was very successful as well - in all three countries in which we provide shipping agency services we exceeded our planned values. We exceeded sales goals by 8 percent.

The highest growth in sales was recorded in Slovenia, where we exceeded the plan by 10 percent and results from the previous year by 20. Setting up UPS hub terminal at Brnik and aggressive and organized sales undoubtedly had positive impacts on our sales results.

The branches in Bosnia and Herzegovina and Croatia also achieved growth in comparison to the sales results from the previous year, in Bosnia and Herzegovina by 14 percent, and in Croatia by 10 percent.

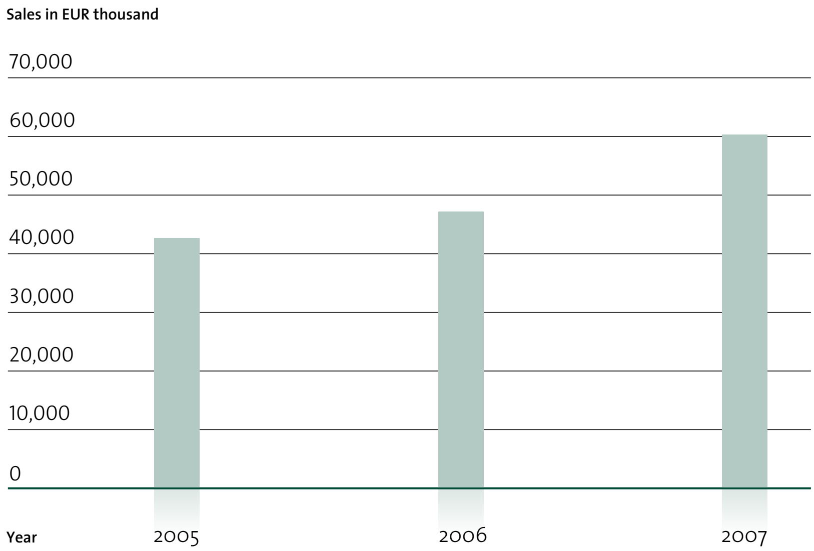
We anticipate even greater sales results for the UPS products in 2008, since we estimated there are still plenty possibilities for further development of express delivery in the region. We anticipate the highest growth in Slovenia, followed by Bosnia and Herzegovina and Croatia.

Seafreight

Seafreight includes the following sub-products: conventional shipments, containers (FCL and LCL), car and ferry operations, and time performing shipment agency services.

Figure 9

Maritime transport in the Group in the period from 2005 to 2007 (in EUR thousand)



In the period from 2005 to 2007, our sales in seafreight on the level of the Group grew annually by 20 percent on average (Figure 9). The biggest share of sales was recorded in Slovenia, where we exceeded planned goals by 21 percent in 2007. We achieved the highest surplus and growth in RO-RO transport, which includes automotive logistics operations. Our share of transhipped cars in the port of Koper amounts to 45 percent; therefore, this product remains one of the most important development possibilities for future. And this is the foundation for our development in Eastern markets (Russia).

Considering fierce competition and the presence of global providers of logistics services, the Croatian part of the Group is facing new market situations. In Rijeka the high concentration of shipping companies and providers of logistics services hinders implementation of planned growth. However our business units in Split and Ploče recorded high growth in container transport and exceeded planned results by 34 percent. We expect further growth in 2008 due to further development of container transport.

We also achieve satisfactory results in shipping agency services, where we hold the position of the leading provider in terms of the number of shipping companies we represent in the port of Koper. We exceeded our goals in the chartering department and port agency. In 2008 we wish to retain the position of the leading shipping agency by the number of shipping companies we represent in the port of Koper and to acquire a regular container shipping company to further strengthen our position.

In the rest of the Group's branches, seafreight is developing actively. In Bosnia and Herzegovina and Serbia we pursued active sales of container transport, and we set a development strategy in Macedonia. These countries are developing intensively; therefore, we expect higher demand for exports and imports from overseas, and consequently also higher demand for seafreight.

In 2008, we expect further growth, especially due to the purchased company in Montenegro, where we have possibilities for developing seafreight services in the port of Bar. We will develop seafreight services in Ukraine via two ports, Odessa and Ilychevsk, since the area of the Black Sea and its transport infrastructure are developing intensively. Despites all these facts, the biggest share of seafreight in 2008 will still remain in the Slovenian part of the Group.

We also achieved positive results in the segment of automotive logistics. We expect significant development in this segment in 2008, when our investment in Russia will be realized and when we start to fully load the terminal. Due to significant turnover from these services, the share of intercontinental transport in total sales revenues of the Group will increase significantly in 2008.

Plans for 2008:

- to facilitate development of automotive logistics, including terminal services in Russia
- expansion to new markets (Albania, Romania, Bulgaria)
- further development of seafreight services in our subsidiaries, with emphasis on container transport
- increased sales activities of seafreight in all markets of the Group
- improved presence on the Black Sea market
- focusing on operations, where we can use our additional services to provide comprehensive solutions and to create higher added value

Logistics solutions

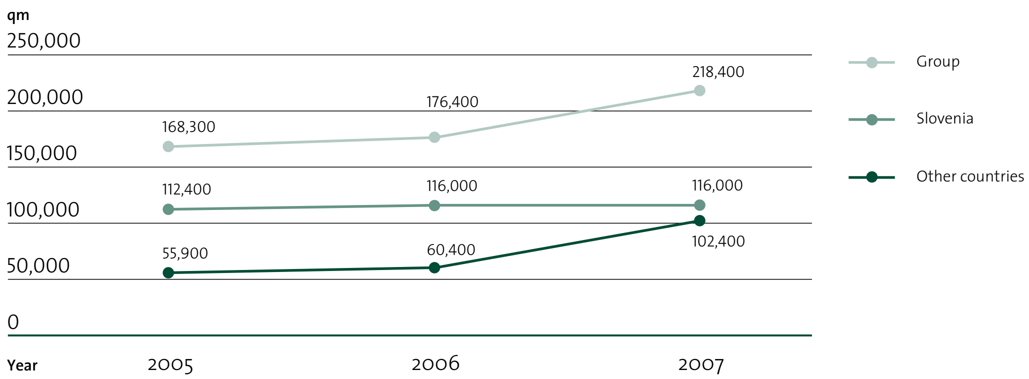
Through our branched network of logistics terminals in countries of the Group and expert knowledge of our employees we provide customized logistics solutions, which not only include warehousing and distribution services, but also other Intereuropa products.

Warehousing and distribution

At the end of 2007, the Intereuropa Group carried out warehousing and distribution activities on an additional 42,000 m² of warehousing area. Therefore the total area of logistics terminals exceeded the magic level of 200,000 m² and amounted to 218,400 m².

Figure 10

Area of logistics terminals of the Group in the period from 2005 - 2007.



In accordance with strategic objectives of the Group to strengthen its position in countries of South-Eastern Europe, we recorded notable growth of capacities of logistics terminals outside of Slovenia (in the countries of South-Eastern Europe) in last few years. Therefore the share of warehousing facilities outside of Slovenia in 2007 was almost 50 percent; in 2006 this share equalled 34 percent, and in 2005 the share was 33 percent.

Figure 11

Structure of logistics terminals in other countries of the Group in the period from 2005 - 2007.

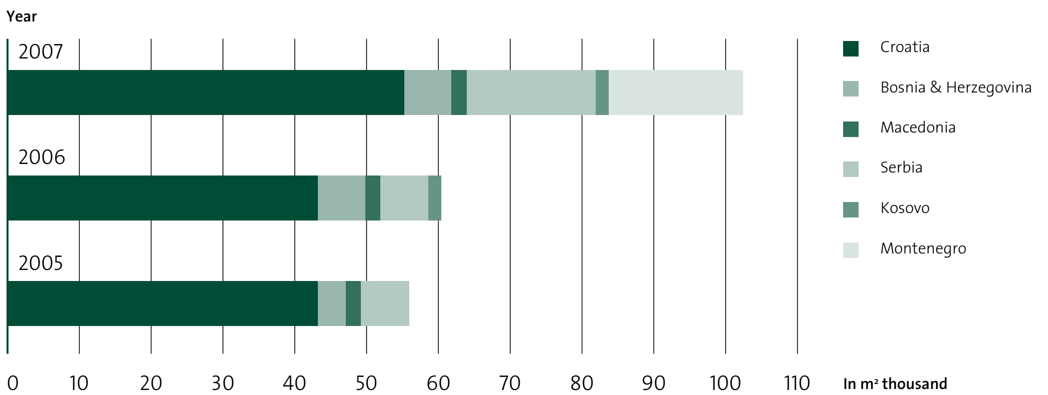
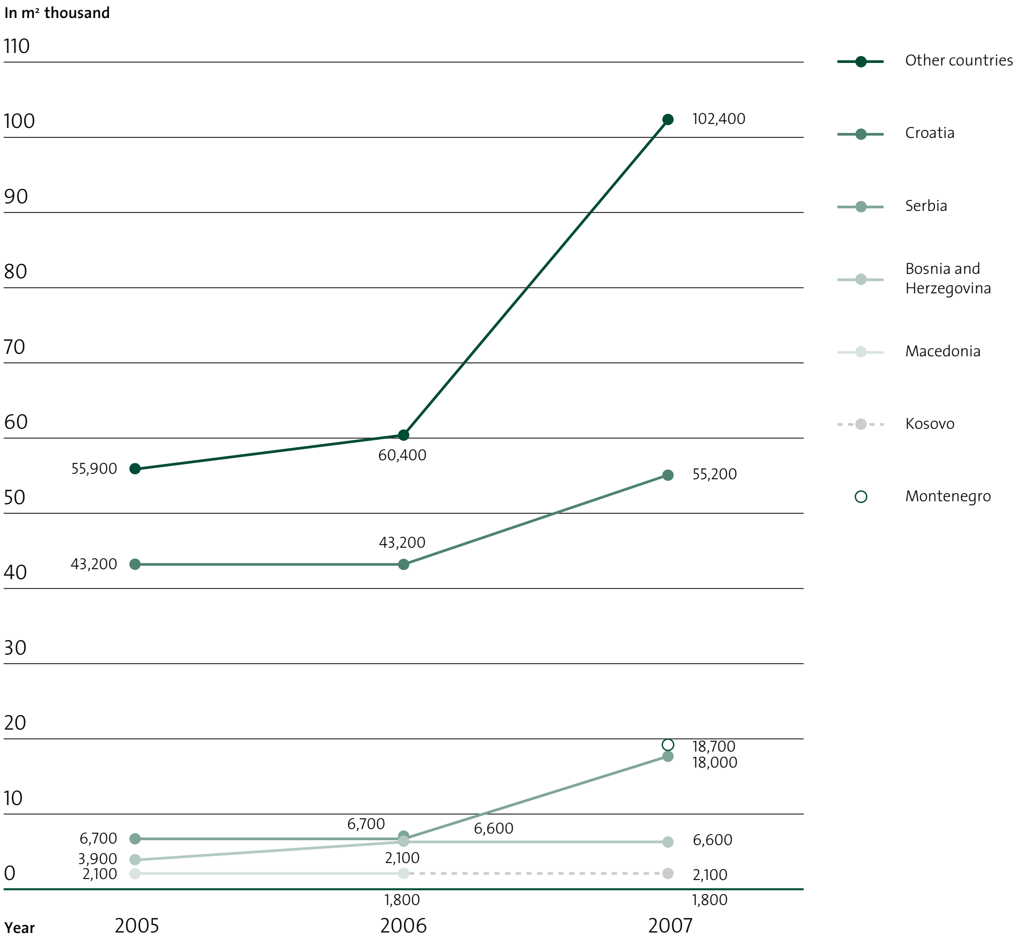


Figure 12

Area of logistics terminals in other countries of the Group in the period from 2005 - 2007



In 2007, the Group:

- expanded its network of logistics terminals to the Montenegrin market by a total capacity of 18,700 m² (Podgorica 16,790 m², Kotor 730 m², Bar 700 m² and Nikšič 480 m²)
- enlarged its warehousing areas with the new warehousing facility and logistics centre in Dobanovci, Serbia (11,300 m²), and new logistics centre in Samobor, Croatia (12,000 m²)
- reorganized the structure of its customers in logistics centres in Slovenia

The achieved sales result for the group surpasses the fore-casted plan by 3% and by 14% regarding the achieved sales result for 2006.

New terminals which were built during 2007 and the restructuring of customers contributed to good sales results in 2007. On the level of the Group we achieved 3 percent higher results compared to our plan, and we exceeded sales results from the previous year by 14 percent. Proportional to the capacities of our terminals, we recorded the highest shares in sales in Slovenia (63 percent) and in Croatia (26 percent), while other countries continue to increase their share each year. We recorded growth in sales compared to the plan in all countries, except Macedonia and Kosovo. Most notable in exceeding their plans are Serbia (37 percent) and Bosnia and Herzegovina (23 percent). All the countries exceeded their results compared to 2006. Expansion of the business network at the end of 2007 to the Montenegrin market will influence our sales results in the following years.

Plans for 2008:

- to pursue further restructuring of our customers, also in other countries of the Group
- to introduce new services within warehousing and distribution products in Montenegro
- to extend our terminal network to countries of Eastern Europe, i.e. Ukraine and Russia
- to increase market share of warehousing and distribution products in all groups of goods and all countries of the Group

Logistics projects

Besides warehousing and distribution services, logistics projects also include one or more Intereuropa products and thus form customized logistics solutions. Logistics project are complex and require appropriate professional knowledge.

In 2007, the Group took part in several procurements in Countries of South-Eastern Europe and acquired new customers with demanding logistics projects. The Group is able to provide most complex services and thus strengthens its position and proves to be the most reliable partner in implementing the most demanding projects.

Plans for 2008:

- further professional work in logistics projects to provide customized logistics solutions
- implementation of new IT support for 3PL services - logistics projects in Slovenia

Coordination of professional and private life is a big organizational effort. But everything is possible only if you have a good motive!

Matej Velušček, Logistics Clerk

Analysis of operations

Operating performance of the Group

In 2007 we generated 235.5 million Euros net sales revenues. Sales results in comparison with last year are higher in all business areas. Regarding the preceding year we exceeded sales results by 13 percent.

usiness conditions were rather favourable in 2007. Intereuropa Group achieved satisfactory results, partially as a consequence of favourable economic conditions and mostly due to our efforts toward efficient sales and cost control. The summary of the most important results is described below.

Net sales revenues

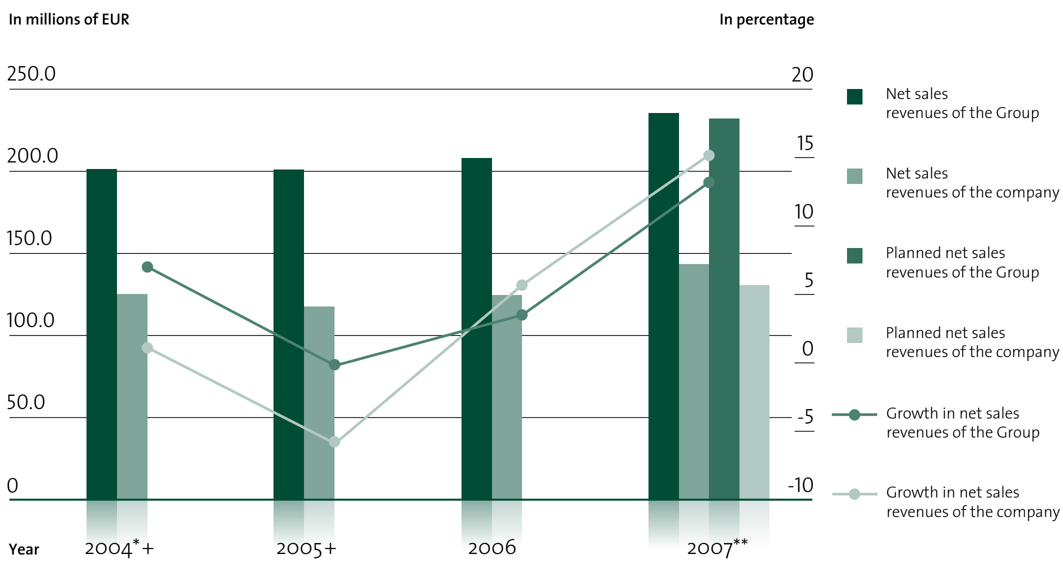
After a slight decrease in 2005 when Slovenia joined the European Union, net sales revenues of Intereuropa Group and the parent company Intereuropa d.d. have grown constantly. In 2007, the Intereuropa Group achieved its goals and generated EUR 235.5 million of net sales revenue, thereby exceeding sales results by 13 percent compared to 2006. Thus, we successfully implemented our strategic goal to achieve at least 10 percent annual growth in sales revenues.

We improved our results compared to the previous year in all business areas. We recorded the highest growth in Intercontinental transport, where we exceeded sales results by 26 percent compared to 2006. However Land transport represents half of all of our net sales revenues and thus remains one of our key business areas.

In addition, in 2007, the parent company also achieved very satisfactory results and exceeded sales goals by 10 percent, while recording growth of 15 percent compared to 2006. The parent company also achieved or even exceeded the plan in all business areas. The most notable growth was recorded in Intercontinental transport by 18 percent.

Figure 13

Movements and growth rates in net sales revenues on the level of the Group and in the parent company from 2004 to 2007

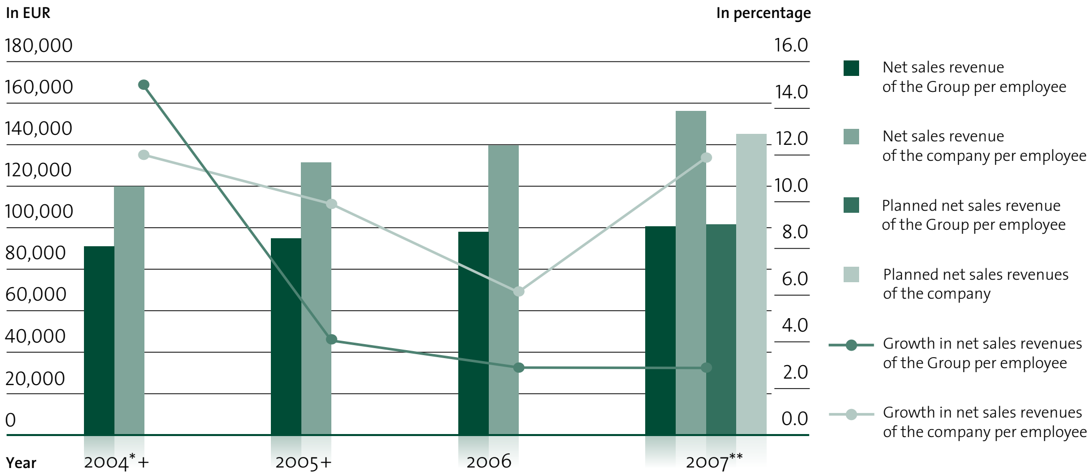


*Data for the company in accordance with the SAS
+ For better comparison, the contribution of the subsidiary Schneider&Peklar GmbH was excluded from the data for the years 2004 and 2005.
** Group plan, corrected due to the transfer of the subsidiary Schneider&Peklar GmbH to discontinued operations.

Net sales revenues per employee in the Group show positive growth trends; however, sales growth rate per employee decreased. The main reason for this is the expansion of our business into markets of South-Eastern Europe, where productivity still significantly lags behind compared to Slovenia and Croatia. However, we recorded growth in productivity throughout the entire period. Productivity was particularly high in the parent company in 2007, which amounted to 12 percent. This is mostly a result of successful sales, since we acquired new customers and increased the volume of business with our existing customers. On the level of the Group, net sales revenues per employee amounted to EUR 100,459 in 2007, falling short of the plan by 1 percentage point.

Figure 14

Movements and growth rates in net sales revenues per employee on the level of the Group and in the parent company from 2004 to 2007

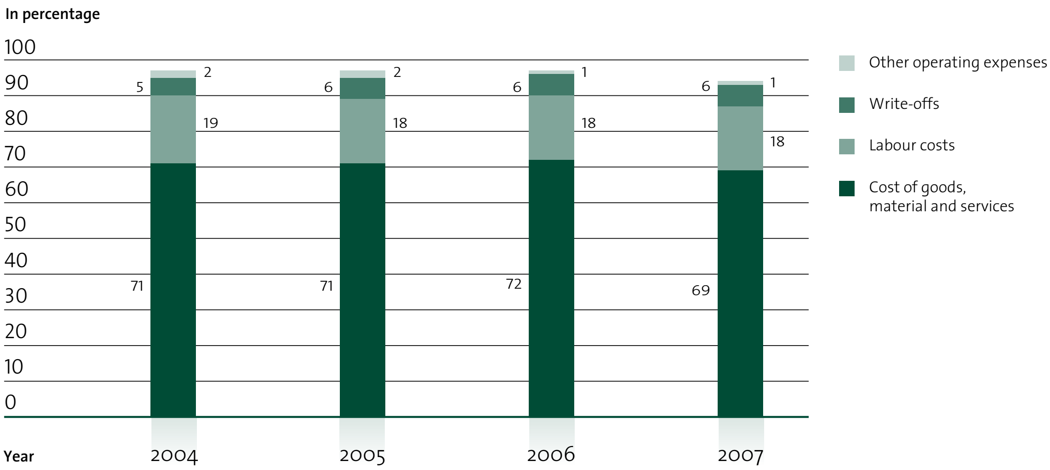


*Data for the company in accordance with the SAS
+ For better comparison, the contribution of the subsidiary Schneider&Peklar GmbH was excluded from the data for the years 2004 and 2005.
** Group plan, corrected due to the transfer of the subsidiary Schneider&Peklar GmbH to discontinued operations

Operating expenses

Figure 15

Structure of operating expenses as a share in operating revenues of the Group from 2004 to 2007



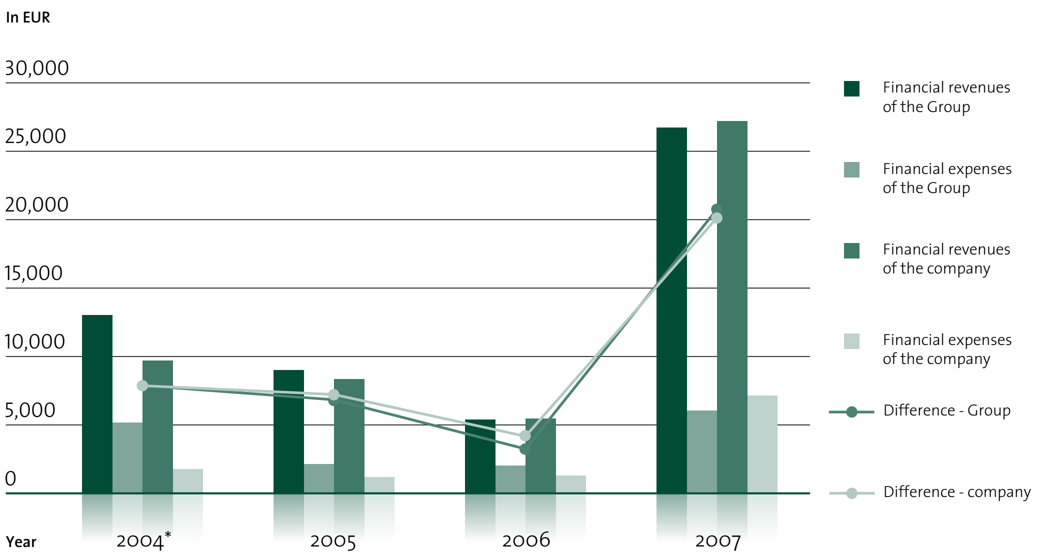
The structure of operating expenses remained relatively stable over the years, since the most important part of these expenses are costs of goods, materials and services and labour costs. In 2006, the share of costs of goods, materials and services increased by 1 percentage point, while in 2007 we succeeded in keeping it below the average of previous years, which amounted to 69 percent of the operating revenues. In costs of goods, materials and services, the latter prevail; in 2007 they represent 92 percent of the expenses in this group.

Finance income and expenses

Financial management of the Group is concentrated within the parent company to the widest extent possible; therefore, financial results of the Group are very similar to the results of the parent company. In the period from 2004 to 2007, the result from financing activities positively influenced the operating profit of the Group. The most notable growth in finance income occurred in 2007, when we decided to sell the majority part of our financial investment in Banka Koper d.d. We invested these funds in basic activities of the Group.

Figure 16

Finance income and expenses on the level of the Group and in the parent company from 2004 to 2007



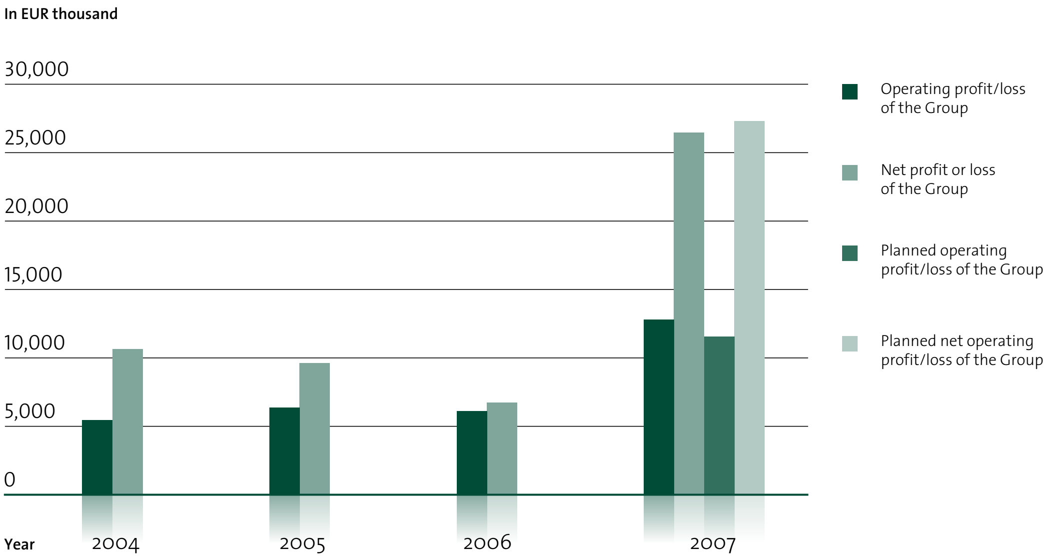
*Data for the company in accordance with the SAS

Operating profit or loss and net profit or loss of the Group

Operating profit in 2007 amounted to EUR 12.8 million and exceeded the result from the previous year by 90 percent, or by EUR 6.0 million. With this result we exceeded the planned values by 13 percent, or by EUR 1.4 million. This is mostly a result of successful sales and operating revenues (acquisition of the company Zetatrans A.D. Podgorica, sales of assets). Net profit of the Group in 2007 is almost three times higher compared to 2006, mostly as a result of successful operations and sales of our financial investment in Banka Koper d.d.

Figure 17

Movements in operating profit and net profit of the Group from 2004 to 2007



Structure of balance sheet of the Group

Table 13

Structure of balance sheet from 2004 to 2007 (in EUR thousand)

	2004	2005	2006	2007
ASSETS	**272,339**	**265,864**	**289,830**	**408,571**
A. Non-current assets, of which	**211,177**	**201,711**	**187,485**	**320,187**
Tangible fixed assets	142,804	143,288	153,526	285,086
Long-term financial investments	48,169	36,096	12,759	13,979
B. Current assets, of which	**61,162**	**64,153**	**102,345**	**88,384**
Short-term trade receivables	48,028	48,556	59,615	69,924
Cash	4,199	3,585	3,069	8,380
LIABILITIES	**272,339**	**265,864**	**289,830**	**408,571**
A. Equity	**177,469**	**176,104**	**181,340**	**186,154**
B. Provisions and long-term accrued costs and deferred revenue	**4,576**	**3,180**	**2,605**	**3,304**
C. Non-current liabilities, of which	**31,619**	**31,711**	**31,804**	**81,331**
Long-term financial liabilities	23,253	26,190	27,482	77,796
Č. Current liabilities, of which	**58,675**	**54,869**	**74,080**	**137,782**
Short-term financial liabilities	14,533	9,040	22,853	83,640
Short-term operating liabilities	44,143	45,588	48,732	54,142

Detailed review of the Intereuropa Group balance sheet shows that in the period from 2004 to 2007, the most significant change was in the total amount of assets of the Group. Only in 2007, the total assets of the Group increased by 41 percent, or by EUR 119 million. This is mostly the result of growth in tangible fixed assets, which grew by 86 percent or by EUR 132 million. In liabilities, the growth of financial liabilities is most outstanding. In 2007, long-term financial liabilities grew by 83 percent, or EUR 53 million, while short-term liabilities grew by 266 percent, or EUR 61 million. Such structure of the balance sheet is a result of intensive expansion of the Group, both its investments in its infrastructure and acquisition of one company in 2007.

Share and ownership structure

The Intereuropa share (IEKG) was first listed on the Ljubljana Stock Exchange in 1998, and in 2005, it was listed in the Prime Market.

The IEKG share is included in the structure of the Slovenian Stock Exchange Index, the SBI 20 and in the first "blue chip" index of the same Stock Exchange, the SBI TOP. The individual index comprises 4,747,177 IEKG shares.

At the beginning of July, the share reached its highest value to date, i.e. an average price of EUR 51.07, while the lowest price was recorded in February at EUR 26.11. The average price on the first trading day in 2007 amounted to EUR 27.80, while on the last day of the year IEKG share came to EUR 37.93.

In the year 2007, the trust in the IEKG share rose considerably, and the Share Register as at 31 December shows 1,269 shareholders more than at the end of the preceding year.

At the beginning of July the Intereuropa share denoted by IEKG reached its highest value with a standard price of 51.07 EUR, the lowest price was recorded in February at 26.11 EUR.

Key data on share value

Table 14

Key Data on the Intereuropa Shares in the in the 2004-2007 period

	2004*	2005	2006	2007
Number of shares	7,902,413	7,902,413	7,902,413	7,902,413
Data on trading				
Share book value	18.72	20.62	20.99	20.14
Average price at the end of the year	31.06	22.38	25.51	37.93
weighted average price	27.94	27.34	23.63	40.19
Highest price	32.13	32.44	26.79	51.07
Lowest price	21.97	21.30	19.22	26.11
Market capitalisation in thousand EUR	**245,411**	**176,846**	**201,623**	**299,739**
Turnover in thousand EUR	**49,320**	**9,034**	**13,750**	**70,398**
Indicators				
Net earnings per share	1.04	0.92	0.59	2.45
Cash flow per share	0.85	0.54	0.14	2.21
Gross dividend per share	1.00	1.00	1.04	0.83
P / BV	**1.66**	**1.09**	**1.21**	**1.88**
P / CF	**36.50**	**41.83**	**176.34**	**17.14**
P/E	**29.85**	**24.34**	**43.28**	**15.46**
Capital gain	39.1%	-28.5%	14.0%	48.7%
Dividend yield	4.5%	3.2%	4.8%	3.0%
Total return on share	**43.6%**	**-25.3%**	**18.8%**	**51.7%**

* The values for the financial year 2004 have been adjusted in accordance with the SAS.
** The exchange rate used for translating amounts into euro was 1 EUR = 239.64 SIT.
Book value = capital / number of ordinary shares
Market capitalisation = closing price at year's end * number of listed shares
Net earning per share = net earning/number of ordinary shares
Cash flow per share = (net earnings - dividend + depreciation) / number of ordinary shares
P / BV = price at year's end / book value of a share
P / E = price at year's end / earnings per share
P / CF = price at year's end / cash flow per share
Capital gain = price increase over one year
Dividend yield = gross dividend / price at year's beginning

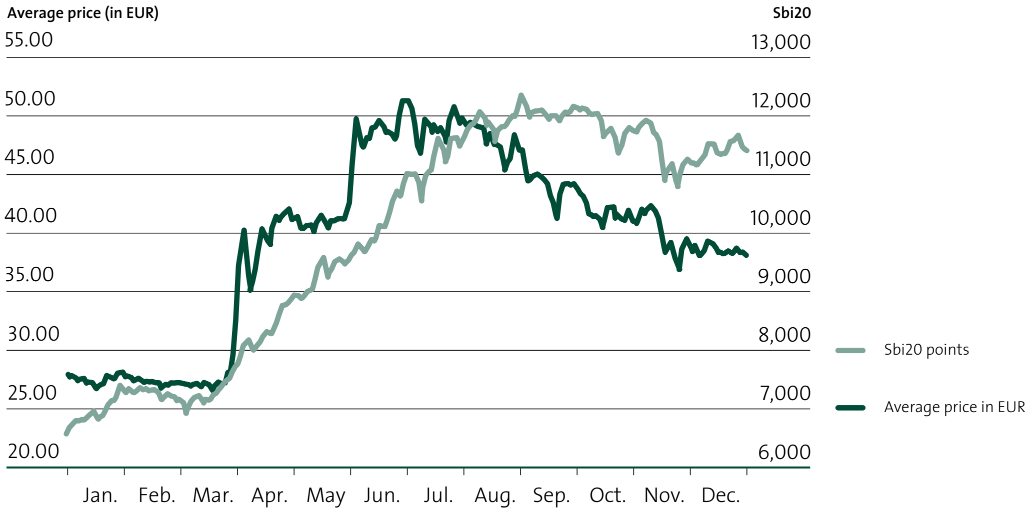
Trading with IEKG shares

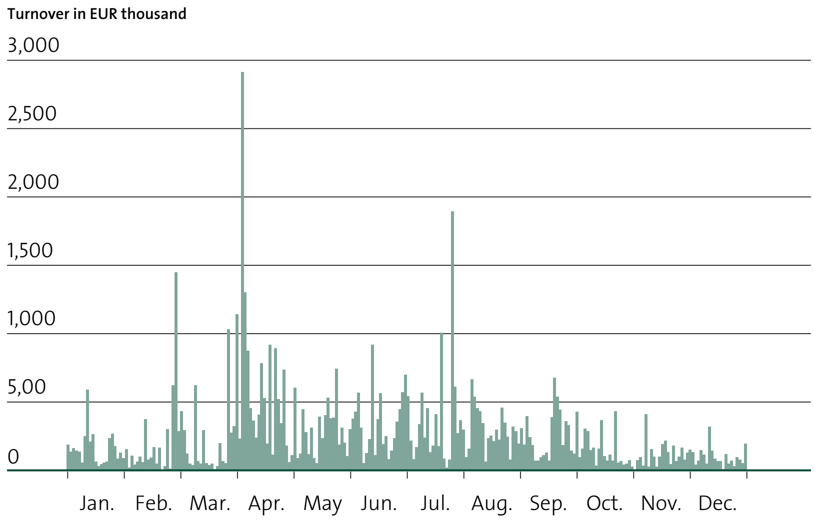
The IEKG share was among frequently traded shares on the Ljubljana Stock Exchange. There were 8,168 transactions concluded with the IEKG shares, in the value of EUR 70,398 which was five times more than in 2006. The number of 1,824,362 IEKG shares or 23.1 percent of all these shares changed hands. The average daily turnover amounted to EUR 528 thousand.

In the reporting year, the Intereuropa share gained 48.7 percent of value, while the Stock Exchange Index (SBI20) rose by 78.1 percent in the same term; the SBI TOP rose by 70.1 percent in the same year.

Figure 18

Movement in share price of Intereuropa d.d. and the Slovenian Stock Exchange Index (SBI20) in 2007





Data on IEKG shares and ownership structure

Despite some major changes in the first ten shareholders, the top ten shareholders still hold 60.2 percent of all shares, the same share as on the last day in 2006.

Major changes between the first ten shareholders:
- **Abanka VIPA d.d.** sold its total share - 119,870 IEKG shares
- **Istrabenz d.d.** sold its total share - 299,516 IEKG shares
- **Banka Celje d.d.** bought 287,993 IEKG shares and thus became the sixth largest shareholder of Intereuropa
- **NFD 1 Delniški investicijski sklad d.d.** purchased an additional 207,895 IEKG shares and is the fifth largest shareholder of Intereuropa with 302,749 IEKG shares

In 2007, the share of foreign investors rose by 2 percentage points and was 2.8 percent on 31 December 2007.
At the end of 2007, there were 5,595 shareholders registered in Intereuropa's Share Register.

Table 15
Ten largest shareholders of Intereuropa d.d. as at 31. 12. 2007

	Ownership structure as at 31. 12. 2007	
Shareholder	Shares	Share (in %)
Luka Koper, d.d.	1,960,513	24.8
Kapitalska družba, d.d.	719,797	9.1
Slovenska odškodninska družba d.d.	474,926	6.0
Infond ID, d.d.	337,839	4.3
NFD 1 Delniški investicijski sklad d.d.	302,749	3.8
Banka Celje d.d.	287,993	3.6
Zavarovalnica Triglav, d.d.	213,640	2.7
Stock mutual fund Triglav steber I, d.d.	170,147	2.2
Mutual fund Probanka global investment fund	170,000	2.2
KD Investment, Stock Mutual Fund Rastko	123,117	1.6

Table 16
Number of shares held by the Management Board as at 31. 12. 2007

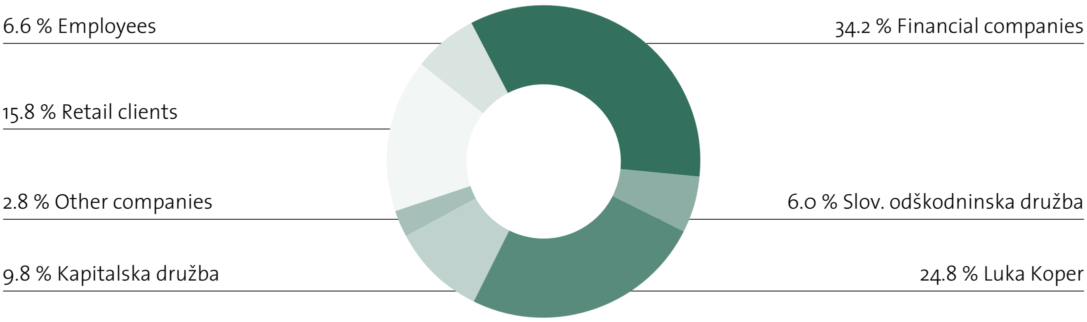
Management Board	Shares	Share (in %)
Andrej Lovšin, M.Sc., President of the Management Board	49,650	0.628
Markežič Zvezdan, Deputy President of the Management Board	3,094	0.039
Jonke Ondina, Member of the Management Board-HR Executives	3,080	0.039

Table 17
Number of shares held by the Supervisory Board as at 31. 12. 2007

Supervisory Board	Shares	Share (in %)
Vinko Rebula	450	0.006
Nevija Pečar	4,185	0.053

Figure 19

Ownership structure of Intereuropa's ordinary shares as at 31 December 2007



Own shares

Intereuropa d.d. has no fund of its own shares.

Dividend policy

In the Development Plan, the Management Board of Intereuropa d.d. defined a long-term stable policy of dividend payout.

Following the Resolution of the 17^{th} regular General Meeting, Intereuropa earmarked EUR 6,595 thousand of the accumulated profit for dividend payout. Dividend was paid out at end of August 2007 in the gross amount of EUR 0.83 per share.

Information for shareholders

Public announcements, publications, reports and other information are available to the public through the electronic notification system of the Ljubljana Stock Exchange (www.seonet.ljse.si), our web site (www.intereuropa.si), press conferences and other media.

In the future, we will continue to devote our attention to informing our shareholders.

Shareholders may send their suggestions or comments to our e-mail address info@intereuropa.si.

If you follow the principles of quality, due care and efficiency, you can expect the same from your coworkers too.

Jadran Frank, Head of External Service

Risk management

he Intereuropa Group operates in the international environment and thus faces various types of risks. We are aware of the fact that it is extremely important to perceive all risks in due time, especially those which might weaken the assets or deteriorate the financial situation and market position of the Group. Systematic risk management is increasingly important not just because of requirements of legislation, but also to provide successful and effective achievement of planned goals. Together with responsible managers for certain business areas, the Management Board systematically follows the risks the Group is exposed to in its operations. We have divided potential risks to three groups: financial risks business risks, and operational risks.

In order to effectively achieve the business goals that were set, we systematically monitor financial and business risks and risks of operation, which the group is exposed to during its operations.

In the Annual Report for 2006 we introduced guidelines for the development of risk management processes in business operations. We reported that we would like to establish a Risk Management Council at the level of the Group, which would be responsible for determining all types or risks and deciding on corresponding policies to provide for risk management. Furthermore, the Council would establish three committees - one for each type of risk: financial risks, business risks and operational risks. In 2007 we performed certain activities in compliance with our guidelines to provide the development of risk management. Considering COSO guidelines and its document, published in 2004: Enterprise Risk Management - Integrated Framework, we had prepared a proposal of a document called Risk management on the level of Intereuropa Group; however, it was not implemented by the end of 2007. We anticipate that this document will be confirmed in the first half of the year 2008.

Figure 20

Risk chart

Risks	Risk level		
	low	medium	high
1. FINANCIAL RISKS			
1.1 credit risk			
1.2 currency risk			
1.3 interest rate risk			
1.4 liquidity risk			
2. BUSINESS RISKS			
2.1 In the business area Land transport			
a) risk of higher prices of fuel			
b) inflation risk			
2.2 In the business area Intercontinental transport			
a) increased competition			
b) unfavourable macroeconomic situation			
c) disloyal of suppliers and contractors			
d) (in)appropriate infrastructure			
2.3 In the business area Logistics solutions			
a) sales risks			
b) payment discipline risk			
c) risk associated with the availability of warehousing capacities			
3. OPERATIONAL RISKS			
3.1 IT risk			
3.2 HR risk			
3.3 regulatory risk			
3.4 market risk (markets on which Intereuropa Group has its business)			
3.5 property risk			
3.6 project risks			
3.7 environmental protection			
3.8 security and health			

Financial risks

Just as in previous years, in 2007 we also placed special attention on credit, currency, interest and liquidity risks, whereby we had an impact on greater stability and anticipated cash flow and decreased the exposure of the group to certain types of risks.

In risk management, managing and controlling financial risks is becoming increasingly important and is mainly implemented and coordinated by the parent company.
Active management of these risks increases the stability and predictability of cash flows, reduces finance expenses and increases finance income, thus reducing the company's exposure to individual risk types.

In 2007, Intereuropa Group paid particular attention to the following financial types of risks:

- credit risk as the counterparty default risk
- currency risk
- interest rate risk
- liquidity or solvency risk

Credit risk

This is risk that our business partners (mostly our customers) will fail to fulfil their financial obligations, thus reducing business benefits to our company. We performed the following risk management activities almost daily:

- prompt monitoring of rating information regarding our customers, and limiting the exposure to individual customers
- hedging receivables with higher risk by securities, mortgages, liens, guarantees and other collateral
- intensive monitoring of outstanding receivables
- active and effective collection of accounts receivable

We further introduced similar standards and activities of credit risk management in subsidiaries of Intereuropa Group, naturally adjusted to their market situation and availability of data with regard to our customers.

We estimate on the basis of active implementation of the above mentioned activities, and due to fact that our account receivables are dispersed amongst numerous customers, that credit risk exposure of the Group to individual entities or groups thereof is low.

Currency risk

With the introduction of the Euro on 1 January 2007, exposure to currency risk as the risk of changes in foreign exchange rates in the parent company, which performs almost 97 percent of its payments in EUR, was reduced to minimum. The risk of changes in exchange rates EUR/USD was balanced through management of inflows and outflows.

The exposure to the risk in our subsidiaries operating outside of Euro zone was assessed as moderate in 2007. This risk has been managed by employing so-called internal safeguarding techniques, which proved to be appropriate in the past, as they are concerned with planned coordination of gains and losses in foreign currencies.

Interest rate risk

Within Intereuropa Group, this risk shows itself as the risk of changes in interest rates for financial debts. In 2007, the Group increased its indebtness for more than three times compared to 2006, therefore increasing its exposure to risk of floating interest rate EURIBOR for granted short-term and long-term loans.

Table 18

The structure of liabilities		(in %)
	31. 12. 2007	31. 12. 2006
Capital	45.6%	62.6%
Financial liabilities	39.5%	17.4%
Operating and other liabilities and provisions	14.9%	20.0%

In 2007, the European Central bank increased the reference interest rate twice, in total by 50 basic points. Those changes were followed by the change in floating interest rates, stimulated in last three months with loan crises in the USA mortgage market.
These movements were accompanied by forecasts of analytics of further growth of floating interest rates.
To provide for control over interest rate risk, which is assessed as moderate in the Group, we have fixed the interest rate for one quarter of long-term loans by purchasing derivative financial instruments.
Influence on the sensitivity of the income statement due to possible change of floating interest rates EURIBOR for liabilities of the Group are shown in the financial part of the Annual report.

Liquidity risk

Liquidity risk or solvency risk is the risk associated with the company's inability to provide substantial financial means to settle liabilities within the agreed time period. We strive to minimize this risk by efficient management of finances, including:

- weekly, monthly and quarterly planning of financial transactions
- regular collection of accounts receivable and daily contacts with major clients
- short-term borrowing within the Group
- and short-term credit lines approved by different banks

High credit rating of the parent company that provides easier access to relatively favourable sources of short-term financing, and active liquidity management reduce the liquidity risk of the entire Group, which is also estimated to be low.

Business risks

We divided our business risks into individual areas of business operations and evaluated them regarding the risk level.

Intereuropa defines its business risks by individual business area.

In the business area of **Land transport** we identified the following risk factors.

Risks of higher prices of fuel

Risks of higher prices of fuel (and tolls, tolls for tunnels, ferry tickets). All the segments of Land transport include prices of fuel. Due to continual growth in fuel prices, Intereuropa monitors all the providers of fuel regularly and strives to reduce these expenses through synergy effects within the Group (joint orders for entire fuel for our vehicles and our contract carriers). Since we have no influence on the prices of fuel on the market whatsoever, we assessed this risk as a high level risk.

Inflation risk

Each employee is capital for the company he/she works. Planned labour expenses shall grow slower or at least simultaneously with growth in productivity. We made a collective agreement to incorporate inflation rate (based on published data) in starting wages of employees. In case of economic growth it is possible that labour costs would exceed planned labour costs; therefore, it would be hard to achieve planned productivity.

Unfortunately we are not able to control inflation rate, but we can influence higher productivity; therefore, we will implement new computer software to optimize operating processes. This risk was also estimated to be high.

In the business area of **Intercontinental transport** we identified the following risks which we established as more likely and to be the most important ones.

Increased competition

This risk is identified through difficulties in acquiring new business, managing existing customers and development and launch of new products. This risk was assessed as moderate and is directly connected to risk in human resources and the risk associated with satisfaction of our customers.

Unfavourable macroeconomic situation

Risks associated with macroeconomic events on the global and local markets are of essential importance for for function of business logistics. Global crises lead to diminished demand and consumption, consequently reflecting lower demand for logistics services. Negative trends lead to lower sales results and failure to achieve business goals. However on the markets on which Intereuropa Group is present, we estimate this risk to be moderate.

Disloyalty of suppliers and contractors

We estimate the risk associated with reliability of suppliers and contractors to be moderate. Since this refers to seafreight, where basic activities are performed by shipping operators and ship-owners, our activities depend on their business and provision of services. Potential deviations from demands and agreements aggravate our performance on the market and could cause a loss of customers.

(In)appropriate infrastructure

The risk associated with infrastructure capabilities is interlinked with our own available infrastructure capabilities and public transport infrastructure. Public transport infrastructure refers to infrastructure in ports and land transportation routes. If the latter are congested with traffic, this hinders the development of new businesses, acquiring new businesses and achieving the planned growth. Also, congestion of our own infrastructure hinders the acquisition of new businesses regarding integral logistics service. The risk is assessed to be moderate.

In the business area of **Logistics solutions** we would like to emphasize the following types of risk.

Sales risks

The market requests specialized large warehousing facilities where different additional works is performed to interlink different products from different business areas into one logistics solution. Internally, division to different business areas hinders marketing activities and operative implementation of logistics solutions. On the other hand, warehousing locations are tied to the local economy, mostly in "closed" regions, and this increases the dependency on undertakings from its economic environment.

On one side, sales risks depend on expectations and satisfaction of our customers with our services, while on the other hand they depend on our cost efficiency or competitiveness. We manage these risks by providing our services in accordance with the expectations of our customers. We coordinate our commercial activities and operative problems in terms of providing logistics solutions to comprehend more products in meetings with representatives of different business areas. We strive to reduce the risk associated with the loss of a customer in such a way that we establish mechanisms for continuous internal supervision of the quality of our services, and we often verify the satisfaction of our customers via their key representatives. This risk is assessed to be high.

Payment discipline risk

Due to financial indiscipline there is a risk of default on payment for provided services. We strive to prevent such risks with liens on goods. We manage this risk by keeping contacts and good relations, flexibility and quality of our services on the level of existing terms of business with our customers. On the other hand, we monitor payments and records on receivables overdue, and we measure the profitability of a certain client through analysis of individual cost centres or bearers of costs. The risk is assessed to be moderate.

Risk associated with the availability of warehousing capacities

This risk is associated with situations when our warehousing capacities are full and additional demand for warehousing capacities appears or we receive new demand from our potential clients. We manage this risk upon agreement with the customer via internal directions of demand to suitable locations and by cost control management of other products, so that the customer does not have any additional costs due to storing the goods at different locations. We provide external substitute facilities that shall be used optimally. When a great interest for a certain location occurs, we propose investments in new capacities. The risk is assessed to be moderate.

Operational risks

Operational risks of Intereuropa Group refer to design, implementation and control over business processes and activities. Among these risks, we would like to emphasize the following types of risk:

Operational risks are connected with the plan, implementation and monitoring of business processes and activities.

IT risk

IT provides support to business processes. We estimate risks in this field to be moderate and we manage them through our subsidiary Intereuropa IT, d.o.o., Koper. Intereuropa IT, d.o.o., Koper, is aware of causes of these risks and has included risk management in the IT development strategy of the Intereuropa Group through 2011.

HR risk

Risks in HR are associated with acquiring suitable employees and in their development and motivation. Qualified and motivated employees are the strategic wealth of the Group; therefore, we established systems that provide quality HR management. We also established a system of planning HR needs, an education and training systems for all levels within the Group, the system of remuneration and evaluation of performance, a system for identification and management of key and prospective employees, a system of internal and external communication, which manages the brand of the employer, and the system of co-administering of employees. We regularly monitor staff turnover, especially key and prospective employees, and we maintain it at its optimal level. We established good relations with educational organizations to give lessons to their students, and we help prospective students with preparation for their diploma theses. The risk is assessed to be moderate.

Regulatory risk

This risk is associated with changes and vague legislation and regulations, hence matters the Group has no influence on. Despites changes in legislation, the Group provides proper application of regulations with regular functional and professional education and training of employees, performed by authorized or qualified organizations. Regulatory risks in subsidiaries outside of Slovenia are managed with the help of external experts fom different professions. We estimate that this risk is low.

Market risk (markets on which Intereuropa Group has its business)

Risk in Eastern markets and also markets of South-Eastern Europe mostly refer to unstable political and economic conditions, changing legislation, macroeconomic conditions of business, and payment risk. Intereuropa Group has no influence on such risks. Political and economic stabilization are strengthening, as well as the development of Eastern financial markets. The risk is assessed to be moderate.

Property risks

These are risks associated with the safety of buildings, hardware and software, transport vehicles, tools and other facilities. We reduce this risk with regular maintenance, rational use and property insurance through insurance companies. The risk is assessed to be low.

Project risks

Project risks are associated with successful performance and finalization of the projects. Each project is risky due to its content (scope risk), limited resources (resource risk) and tight deadlines (schedule risk). Basic considerations and conditions for careful planning of projects according to their risk level are defined by Rules relating to project management. Intereuropa classifies projects in the following groups: investment projects, development (services), organizational and IT projects. Basic risk in project work is the lack of human resources, thereby hindering the process of project implementation. This risk is controlled and reduced with continuous agreements and coordination between responsible managers. We estimate the exposure of the Group to this risk to be moderate.

Environmental protection

Environmental protection is a basic rule on the level of the Group, and we follow this rule in our daily operations. We perform environment-friendly logistics solutions - green logistics. Our freight vehicles comply with requirements with regard to limited emissions. We also respect European regulation with regard to the transport of dangerous substances. We provide continuous education and training to all contractors handling dangerous substances. We also follow ecological standards in the processes of renovations and the construction of our facilities and in the construction and purchase of new appliances. Our concern for the environment was also proven by our transition from paper business to e-mail, collecting paper waste for recycling purposes and using of recycled paper (where possible). We estimate the exposure of the Group to this risk to be low.

Security and health

These are risks associated with security and health of employees in their working environment. On the basis of risk assessment and the safety statement, we provide constant employee training to promote their safety and health at work. We have internal documents defining activities in this field. We manage preliminary, periodic and extraordinary medical examinations. Activities are defined in the document Providing for Health at Work. In case of injury or dangerous situations at work, we handle such activities as defined in internal documents.

The Group pays special attention to preventive fire protection and safe work with dangerous substances through employee training, performing regular checks of the working environment and means and equipment for fire protection.

We estimate the exposure of the Group to this risk to be low.

A good working atmosphere brings better results, as it brings the best out of each one of us.

Marjana Dobnikar, Head of Business Unit

Research, development and investment activities

Research and development

evelopment Strategy of Intereuropa Group is one of the key elements in strengthening the position of the leading provider of integral logistics services in South-Eastern Europe. The innovative solutions provide added value for customers purchasing logistics services, and are the basic foundation on which the Group builds its competitive advantages. The innovative development model enables the Group to respond optimally to changes and opportunities presented by the business environment and to take on an active role in creating new business trends. Development of the Group encompasses three key areas:

Innovative solutions for development strategies allow us to have a long-term competitive advantage.

- development of Infrastructure and expansion of own business network
- improvement of existing services and the development of new services
- optimisation and development of internal business processes

Last year saw some remarkable achievements in development:

- commencement phase of construction of the logistics centre Moscow-Čechov
- commencement phase of the Kiev project
- opening of the warehousing facilities and logistics centre Dobanovci
- opening of the logistics centre in Samobor
- entry into the Montenegrin market through acquisition of the company Zetatrans A.D. Podgorica
- expansion of business in Germany (branch office Stuttgart, branch office of Intereuropa Transport & Spedition GmbH, Troisdorf)
- container terminal in Sarajevo
- pilot testing of the project of redesigning IT support for operative processes
- modernisation of the vehicle fleet

Achieved results in 2007 prove the fact that Intereuropa successfully takes advantage of its development potential.

The comprehensive development model of the Group is supplemented with its Innovation Management system, which enables the systematic collection of ideas on innovation and proposals by the Group's employees. Implementation of innovative solutions is beneficial in the following areas:

- improved efficiency in satisfying customer needs
- increase in revenue
- reduced costs
- improved quality
- optimisation and streamlining of work methods
- introduction of new services

To increase the responsiveness to changes and opportunities in the environment, we performed considerable research in 2007, including monitoring customer perception and perception of market trends:

- customer satisfaction surveys by individual product
- analysis of market potential by geographic regions
- creative workshops for searching for competitive advantages of all products

In 2007, we pursued aggressive marketing and sales activities to increase demand and to create additional impulses for purchase. Within the project of managing key customers, we paid special attention to improvements of relations and services offered to Intereuropa central customers. The basic goal of the Group will remain to have satisfied customers.

Recognition of the Intereuropa brand was additionally strengthened with numerous marketing and communication activities, participation in logistics fairs and business conferences. In the field of development of a brand, an important project in 2007 was the joint project with Kobilarna Lipica with the slogan "Logistics with pedigree".

IT SUPPORT DEVELOPMENT

Information technology represents the fastest growing technological sector and is subject to constant checks, modifications, upgrades and allows for new business opportunities for successful business growth.

In 2007, Intereuropa IT, d.o.o., through active cooperation of representatives from all business areas of Intereuropa Group d.d., prepared an IT Development Strategy for the period through 2011, based upon the vision and strategy of Intereuropa d.d. through 2011. This document cosists of key objectives and strategies for IT technologies, especially:

- redesign of the IT support to optimized logistics business processes (3PL, automotive logistics, express, groupage, full and part load, etc.)
- development of IT support for strategic management and support within the Group (business intelligence), and
- implementation of new technologies and solutions

Information technologies are the fastest developing branches of technology and are subject to constant verifications, modifications, upgrades and provide new business opportunities for the fastest growth of business.

In 2007, our IT followed the orientations of the Group and took part in achieving its goals through project work.

In the area of providing support for business processes, we can emphasize:

- project of introduction of the Euro for Slovenian part of the Group
- project of information management of the Croatian company ITAR d.o.o., Zagreb
- implementation of a new IT solution SAP to support HR records and records on presence at work
- designing new IT solutions to support the car terminal in Russia (Čechov)

In the field of implementation of new technologies we:

- successfully realized upgrading IT connections between all parts of the company in Slovenia to the MPLS technology
- published the public tender for the selection of the supplier of IT equipment and to negotiate better prices as well as providing equal conditions in all countries in which the Group is present
- published the public tender for the selection of supplier of barcode scanners

IT IN 2008

As regards cost control, we pursue the following activities in the following areas:

- incorporation of affiliated companies in one unified IT network of the Group
- replacement of individual IT solutions with two strategic integrated IT systems wexVS and SAP, and unification of IT support for the same organizational units within the Group

- publishing public tenders for the selection of the most suitable suppliers
- reducing the number of outsourcing providers

In 2008, we will finalize the following projects to provide increased productivity:

- implementation of new IT solutions to support logistics business processes
- redesign of IT support for finance and accounting, and HR
- establishment of wireless communication technology in warehousing facilities
- intensive replacement of employees' older IT equipment
- upgrade of telecommunication technology equipment (satellite navigation) in vehicles of the Group

We will make further improvements for the organization of work through:

- designing a single web portal of the Group, and
- integration of new partners into B2B and C2B business model

In 2008, we will further centralise the existing IT technologies with the following activities:

- to provide a central infrastructure and single network within the Group
- to provide a unified methodology for development and implementation of IT solutions on the level of the Group
- education and training of teams responsible for development and maintenance of strategic IT solutions
- to provide a central entry point for IT support within the Group

With these activities we will support achieving the of business goals of the Group and the implementation of vision and mission of Intereuropa IT, d.o.o., Koper, at the same time.

Redesign of IT support for the processes of organization and transport

Within the project of redesigning IT support for operative processes in business areas Land and Intercontinental Transport, we performed activities in the following fields in 2007:

The challenges to the optimization of processes and an adequate organization of work by utilizing advantages and the benefits of information support contribute to the cost optimization of operations, increased production and better responsiveness to customer needs and wants.

- detailed catalogue of business processes in the area of road transport, airfreight and seafreight
- detailed parameterization of the IT solution (setting up the inter-terminal and circular rides, setting up the products and services, setting up contracts and price lists, etc.)
- education and training of key users in the area of Land Transport
- intensive testing of performance of road transport and airfreight
- specification and development of interfaces for integration of production systems with the key IT systems (finance and accounting, customs and capturing standard exchanging messages between partners and customers in transport and logistics)
- specification, public tender and purchase of equipment and infrastructure for using barcodes in the process of transport and warehousing
- preparation of functional requirements for implementation of a new web portal (with the emphasis on the possibility of tracing and the position and status of consignments)
- preparation of user documentation for education of end users
- preparation of a plan for transferring from the old to the new IT system

We are facing key challenges for actual optimization of processes and adequate organization of work, with exploitation of advantages and benefits of the new IT support. Among the advantages, we would emphasize the following changes:

- centralized and unified system
- implementation of barcode system in the entire Intereuropa system
- one data entry and reduced manual work and use of paper
- modified organization of work with distinction between sales and production

Implemented changes will yield optimization of operating costs, increased productivity and improved responsiveness to the needs and requests of our customers.

IT solutions for 3PL services

To give better control over data and processes within the entire logistics chain, from taking over the goods to finalization of an order in the process of integral logistics services, in 2007, we commenced the project called IE3PL+WMS. The objective of this project is to acquire an IT solution to support processes in warehousing facilities and to supplement the ISPRO project in such a way that it would interconnect different logistics processes of Intereuropa, such as warehousing, distribution, groupage services, express transport, seafreight, etc. This will help Intereuropa attain a comprehensive, rational and flexible system of providing for 3PL services (Third Party Logistics).

This is an interdisciplinary project and includes from the very beginning not only providers of 3PL services and workers in the warehousing process in all three branch offices of Intereuropa d.d., but also employees working in the field of quality, IT and development of business networks, employees working in the area of Logistics solutions, Intereuropa IT, human and general resources, the legal department, finance, accounting and controlling.

WMS software and the ISPRO upgrading project will bring many advantages to the business process, such as centralization of the 3PL IT system, automation of the 3PL process, rationalization of warehousing processes by groups of goods, customers, delivery, distribution and optimization of warehousing facilities and standardization of warehousing process. Implementation of IT solution in business processes is planned for 2008.

Both projects (ISPRO and IE3PL+WMS) create comprehensiveness of the IT redesign of all operative and production processes. Projects are interconnected and exploit the synergy of management between different products in the Intereuropa d.d. system without unnecessary interfaces.

Investments in fixed assets

Intereuropa Group

In the year 2007, investments in fixed assets realized by the Intereuropa Group totalled EUR 111,460 thousand, of which EUR 99,305 thousand was in real estate and EUR 12,155 thousand was in equipment. The annual plan of investments was completed at the rate of 84.1 percent.

Table 19

Overview of implementation of the plan of investments in the period from January to December 2007* (in EUR thousand)

	Total Real Estate		Total equipment		Total investments		
	Corrected plan**	Actual	Corrected plan**	Actual	Corrected plan**	Actual	Achieved in % with adjustments**
Intereuropa d.d.	36,142	29,872	3,527	1,553	39,669	31,425	79.2
Subsidiaries	77,565	69,433	15,359	10,602	92,924	80,035	86.1
Total Group	113,707	99,305	18,886	12,155	132,593	111,460	84.1

* Repartition to tangible fixed assets and intangible long term assets:
Within joint investments in real estate and equipment in the total amount of EUR 111,460 thousand, on the level of the Group realized investments in tangible fixed assets in the total amount of EUR 110,880 thousand, and in intangible long-term assets EUR 580 thousand; namely for licences ISPRO, SKLADKO, Microsoft and SAP within subsidiary Intereuropa IT, d.o.o., Koper EUR 417 thousand, for software and licences within Intereuropa, logističke usluge, d.o.o., Zagreb, EUR 150 thousand EUR; the rest were smaller amounts.
** Corrections = supplements of the basic plan (in compliance with the resolution of the Management Board of the parent company or the Supervisory Board of a subsidiary)

Intereuropa d.d.

The investments in fixed assets undertaken by the parent company Intereuropa d.d. amounted to EUR 31,425 thousand in 2007. Implementation of the annual plan of investments equalled 79.2 percent, of which 82.7 percent (EUR 29,872 thousand) and 44.0 percent (EUR 1,553 thousand) of the planned amount was invested in real estate and equipment, respectively.

Real estate. The greatest investment of the reporting period was the purchase of land and the project for the construction of the logistics centre in Moscow worth EUR 27,154 thousand (partial implementation on the level of the parent company, the rest within the subsidiary). In addition to that, the Parent Company:

- invested EUR 1,092 thousand (projects, first situations) in the second stage of the warehouse construction in Celje in the Logistics solutions branch
- replaced deteriorated and polluted roofing in Vrtojba, Maribor, Ljubljana and Celje in the total amount of EUR 495 thousand
- completed the renovation and purchase of equipment in the Celje branch (heating plant, ventilation, electro installations) in the amount of EUR 174 thousand
- renovation of offices in Vrtojba and Koper in the total amount of EUR 143 thousand EUR
- reconstruction of a part of the warehousing facilities for hazardous goods in Maribor in the total amount of EUR 119 thousand
- replacement of windows and warehouse automatic door and reconstruction of handling areas in Maribor in the total amount of EUR 108 thousand
- completion of rearrangement of the elevator system, shades, water supply installations and other works in the logistics centre Logatec in the total amount of EUR 94 thousand

- replacement of the boiler room in Dravograd due to transfer to gas operation in the total amount of EUR 92 thousand
- two warehousing pavilions (in Celje and Koper) in the total amount of EUR 61 thousand
- commencement of renovation to establish throughput warehousing facilities in Maribor - projects and dues in the total amount of EUR 44 thousand

Other investments in real estate, individually not exceeding EUR 25 thousand, amounted to EUR 295 thousand in 2007.

Equipment Major investments in equipment were those in warehouse equipment. In 2007, we purchased 19 forklifts in the total amount of EUR 516 thousand, warehouse stacks in the total amount of EUR 184 thousand, and other warehouse equipment and mechanization (sweepers and washing machines, loading platform - ramps, manual electric forklifts with the weighing machine, vacuum packing machines, etc.) in the total amount of EUR 130 thousand. Our transport fleet has 11 new cars in the total amount of EUR 207 thousand, 12 second-hand semi-trailers in the total amount of EUR 130 thousand, a van for express post in the total amount of EUR 35 thousand and a second-hand normal trailer in the total amount of EUR 30 thousand. Other investments in equipment include purchased restaurant equipment on the leased premises in Celje in the total amount of EUR 126 thousand, and other equipment, individually not exceeding EUR 20 thousand, in the total amount of EUR 195 thousand.

Subsidiaries (affiliated companies)

Subsidiaries invested EUR 80,035 thousand in fixed assets. Implementation of the annual investment plan equalled 86.1 percent; of which plan implementation regarding investments in real estate and equipment equalled 89.5 percent (69,433 thousand EUR) and 69.0 percent (10,602 thousand EUR), respectively.

The investment made in the Logistic Centre in Čechov Russia is one of the biggest acquisitions in the area of real estate property in 2007. This also includes the Logistic Centre Samobor, finishing the new warehouse at Dobanovci, the purchase of land with business infrastructure in Ploče, completing the 3rd construction phase of the warehousing buildings in Sarajevo and the arrangement of the container terminal in Sarajevo.

Real estate The biggest investment of the reporting period was the purchase and development of the logistics centre in Russia in Čechov, worth EUR 53,293 thousand. The reporting year saw some other ample investments: the construction of the logistics centre Samobor in Croatia (EUR 8,711 thousand), the completion of warehousing facility in Dobanovci, Serbia (EUR 4,946 million), the acquisition of land with commercial facilities in Ploće (EUR 1,598 thousand), completion of the third phase of constructing warehousing facilities in Sarajevo in the total amount of EUR 596 thousand, and establishment of container terminal in Sarajevo in the total amount of EUR 160 thousand. Within the same subsidiary, we purchased an apartment and undertook the improvement (adaptation) of warehousing facilities in various locations in Bosnia and Herzegovina (Travnik and Sarajevo) and premises in Sarajevo in the total amount of EUR 128 thousand.

Equipment The most important investment was purchase of freight vehicles (roadtrain trucks, normal trailers, trailers, semi-trailers, vans, cars, etc.) totalling EUR 8,910 thousand (all subsidiaries in total), the most important being the purchase of freight vehicles by the Intereuropa Transport d.o.o., Koper in the total amount of EUR 3,594 thousand, followed by OOO Intereuropa - East, Moscow in the total amount of EUR 2,691 thousand, TOV TEK ZTS from Užgorod for EUR 1,343 thousand and the rest of the subsidiaries in total EUR 1,282 thousand. Other significant investments include licences and software for Intereuropa IT, d.o.o., Koper, in the total amount of EUR 412 thousand, licences and software for Intereuropa, logističke usluge, d.o.o., Zagreb, in the total amount of EUR 189 thousand, computer equipment (computers, printers, etc.) for different subsidiaries in the total amount of EUR 597 thousand. Other investments in equipment refer to warehousing equipment, upgrading computers, office furniture and other equipment in total the amount of EUR 494 thousand.

We invested a majority of funds received from the Fund for promoting the employment of people with disabilities, in warehousing equipment (vacuum packaging machine, electro manual palette forklift, wrappers for palettes, manual palette trolley, sweeper, motor mower, air-conditioning, and office equipment) for the parent company Intereuropa d.d. and subsidiaries Intereuropa Transport d.o.o., Koper, and Interagent, d.o.o., Koper.

The parent company Intereuropa d.d. additionally invested in project documentation for a new logistics centre near Kiev in Ukraine in the total amount of EUR 878 thousand and in intangible long-term assets (ISPRO licences) in the total amount of EUR 872 thousand. An additional EUR 636 thousand refer to foreign exchange differences from construction work in the new logistics centre in Russia, while EUR 67 thousand was invested in additional equipment for new consolidated companies, acquired during the year, and for partial subsidiary companies. In total, additional investments amounted to EUR 2,453 thousand.

Figure 21

Comparison between the planned investments and implementation of the plan in 2007 (in EUR thousand)

4

SUSTAINABLE DEVELOPMENT

Human Resources management

Average number and structure of employees

The total amount of employees in the Intereuropa Group increased by 16% in 2007, which is above all the result of the investments and expansion of the business network.

As of 31 December 2007, there were 361 more employees in the Group than at the year end 2006 (16 percent increase).

The growing trends continue in most subsidiaries abroad, which reflects the investment activity and expansion of the corporate network. Following our penetration to new markets, the acquisitions made abroad and the resulting expansion of operations in our companies, we have greatly increased the staff in the Ukraine, Macedonia, Russia, Bosnia and Herzegovina, Croatia and Montenegro.

The parent company recorded a rising trend in employment for the second year, which can be attributed to successful alignment of the operations after Slovenia's accession to the European Union.

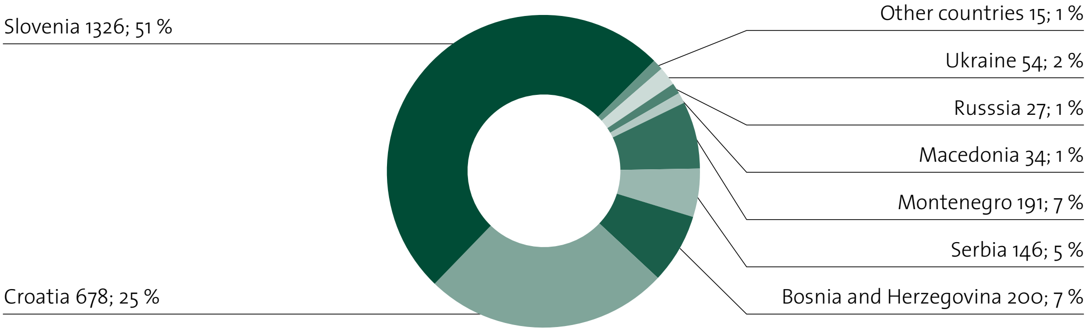
Table 20

The number of people employed by the Intereuropa Group at the end of 2006 and 2007

	31. 12. 2006	31. 12. 2007	I 07/06
Intereuropa d.d., Koper	934	**972**	104
Intereuropa Transport d.o.o., Koper	298	**289**	97
Interagent, d.o.o., Koper	25	**25**	100
Interzav, d.o.o., Koper	5	**4**	80
Intereuropa IT, d.o.o.,Koper	35	**36**	103
Slovenia	1297	**1326**	102
Intereuropa, logistčke usluge, d.o.o., Zagreb	554	**609**	110
ITAR d.o.o., Zagreb	0	**22**	-
Intereuropa Sajam, d.o.o., Zagreb	51	**47**	92
Croatia	605	**678**	112
Intereuropa RTC d.d. Sarajevo	170	**200**	118
Bosnia & Herzegovina	170	**200**	118
AD Intereuropa - logistic services Belgrade	107	**118**	110
Intereuropa Kosova L.L.C., Prishtina	25	**28**	112
Serbia	132	**146**	111
Zetatrans A.D. Podgorica	0	**191**	-
Montenegro	0	**191**	-
Intereuropa Skopje, DOO Skopje	12	**25**	208
Intereuropa Transport DOOEL Skopje	4	**9**	225
Macedonia	16	**34**	213
OOO Intereuropa-East, Moscow	15	**27**	180
Russia	15	**27**	180
TOV TEK ZTS, Užgorod	17	**46**	271
TOV Intereuropa - Ukraine, Kiev	0	**6**	-
TOV DDT, Onakivci	0	**2**	-
Ukraine	17	**54**	318
Intereuropa Transport & Spedition GmbH, Troisdorf (Germany)	7	**10**	143
Intereuropa S.A.S., Saint Pierre de Chandieu (France)	5	**5**	100
Schneider & Peklar GmbH, Vienna, (Austria)	46	**0**	0
Other countries	58	**15**	26
TOTAL	2310	**2671**	116

Figure 22

Share of employees per country



On the level of the Group, 65 percent of employees are men and 35 percent women. 88 percent of employees are employed for an indefinite period of time while 12 percent have a contract for a specified period of time.

There has been no major change in the educational structure within the Group for several years. The share of personnel with the 6th and 7th level of education fell, while the share of personnel with lower levels of education increased in 2007. This is mostly the consequence of our expansion and opening new warehousing facilities, as well as expansion of our transport fleet in associated companies. On the level of the Group we have currently concluded contracts on education with 39 employees.

Figure 23a

Educational structure in the Intereuropa Group

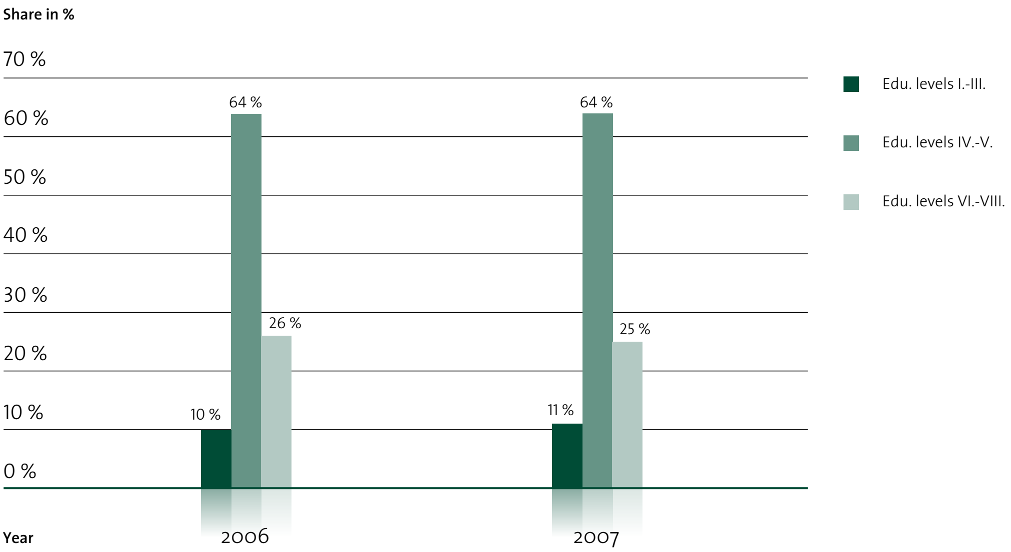
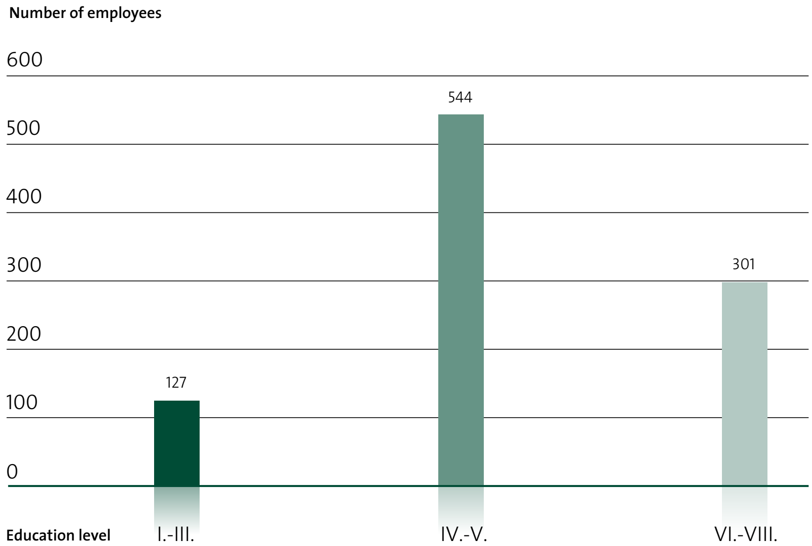


Figure 23b

Educational structure in Intereuropa d.d.



Employment policy

Intereuropa employed 434 new workers last year.

The values expected from our newly recruited employees include: capability to achieve the goals set, commitment and positive attitude, professionalism, reliability, ambitiousness and perseverance, personal initiative and efficient team work. We are looking for staff members experienced in transport organization, logistics solutions, customs services, line management, and specialists in IT, finance, tax issues, accounting, law and other supporting business functions, preferably with experience in large (international) companies. Other eligible profiles are drivers in international transport, warehousemen and forklift operators, who are hired on a continual basis.

During the reporting year, 434 new employees were taken on (this number does not comprise the staff of 221 employees of acquired companies).

Human Resources development and education

The staff involved in education and training is increasing from year to year. In the reporting year, there were 83 percent of employees involved in various forms of acquiring new skills and knowledge. At the Group level, we spent in total EUR 308,555 for education and training, or on average EUR 166 for each employee. On average, the total number of hours spent in training was 13 hours per employee at the Group level, ranging from 16 hours in Slovenia, 17 hours in Croatia and 11 hours in Bosnia and Herzegovina. With 20 hours on average in Intereuropa d.d., we achieved the goal set.

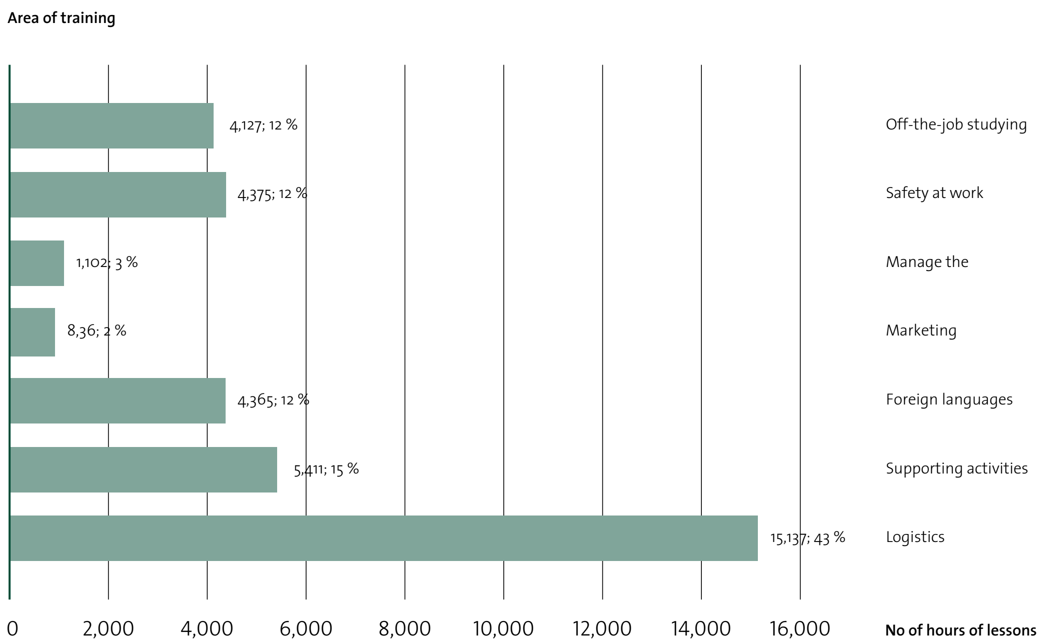
Our employees have the opportunity to acquire international business experience, to work and be involved in training at several locations in Slovenia, Europe and other countries worldwide.

In the reporting year, the greatest share of training was dedicated to acquiring and upgrading the knowledge of logistics (novelties in customs clearing, the HACCP system, exceptional transport, organization of transport, etc.), occupational safety and other technical skills from a variety of areas. New employees were involved in induction training and seminars where they were informed on the corporate vision and culture, organization, occupational safety, and computer programs used in our operations.

In Zagreb were organized the Intereuropa Advanced School of Management and the School of Business Logistics, which was a major investment in education and training. At the year-end we started with the second course of the School of Management for a new group of 50 participants. They will join other staff members who have completed this school before and acquired the standards of knowledge in the field of managing employees. Our key employees who attended the Intereuropa School of Management in the past are involved in two-day refreshment and upgrading workshops to consolidate their skills. In Zagreb, the third group of 25 employees has completed the 70-hour course from the internal School of Business Logistics.

Figure 24

Number of hours and the proportion of all hours intended for training



We established good relations with educational organizations to procure obligatory practical jobs for their students in our company.

Additional voluntary pension insurance

Since 1 October 2006, Intereuropa has been allocating a portion of the profit to the social security of employees for post-retirement time. At present, there are 1,075 employees or 80.8 percent in the Slovenian part of the Group included in the Pension Plan for the voluntary supplementary pension insurance. Our goal is to introduce an appropriate insurance system to other subsidiaries abroad, in compliance with their legislation, based on the results achieved.

It's not simple to raise service quality, but the right tools and reliable coworkers make it easier!

Jasmin Kličič, Warehouseman

New collective wage agreement

fter negotiations involving all the three representative trade unions and adjustments and taking several months, the new collective wage agreement for Intereuropa d.d. was signed in December. Thereby, a further step was made contributing to the satisfaction of employees, or towards an efficient partnership between the management of the Group and the representation of employees.

Internal communication

Efficient internal communication is a relevant factor for success of the Group; therefore, it enjoys particular attention at Intereuropa. Managers are responsible for direct communication and providing information to the employees, so we support them in acquiring these skills in our internal School of Management. All the relevant information on the events and situation in the company is available to the employees in internal the bulletin Interglas, published in three languages, while current information is published on the intranet. In the internal application TRINETQ, the employees have access to internal acts (bylaws), rules and regulations, forms, instructions, etc. As an additional tool for a more expedient way of informing the employees, we introduced an internal newsletter - Interinformator, published in electronic form as frequently as required by the course of events in the company.

Direct communication and informing the employees is above all management's domain.

Employees participate in the management through their representatives on the Supervisory Board, Works Council, Human Resources Executive and trade unions. Reports from various sessions can be read on the Intranet, too. New representatives of the Works Council were elected in 2007 and established the Monitoring Committee for the implementation of legislation and wage agreements, the Committee regulating the status of specific worker groups, and the Committee for economic issues.

Measuring the commitment and satisfaction of employees

Through the international research project The Best Employer 2007, we measured the commitment and satisfaction of the employees in our Group. The results of this research provide a kind of benchmarking of the commitment of employees and their satisfaction with their employment in Intereuropa, according to categories, compared with the average results in Slovenia and in the Region.

Employee satisfaction in Intereuropa is high; 70 percent of the employees feel that working at Intereuropa is better than any other company they could be working for.

The research highlighted the following aspects of employee satisfaction in Intereuropa: good relations with fellow workers, great correlation between the employee satisfaction and their work output, clearly defined and challenging work assignments, understanding the business goals of the company, a good reputation of the Group, and a strong support of line managers toward the successful work of co-workers. Moreover, 70 percent of employees believe that working for Intereuropa is better than employment in other companies in which they might find work. Furthermore, we are also on the level of best employer (higher than the average in the region) in terms of the prospective employer - responses to the question whether employees regard Intereuropa to remain their employer for the rest of their career (40 percent of respondents share this view).

Within the Group, the best results were achieved by Intereuropa RTC d.d. Sarajevo, which has ranked in the top three employers in the region if it were an independent company. This success can be attributed to the operating results achieved last year. The fact that the company is in its stage of growth, increasing the capacities and employing new people definitely reflects on commitment and satisfaction. Intereuropa, logističke usluge, d.o.o., Zagreb, and Intereuropa Sajam, d.o.o., Zagreb followed in second and third place.

In view of improving the results of the research concerning commitment and employee satisfaction, the HR department decided on the following activities:

- informing the line managers on the results of the research, detailed analysis of difficulties in so-called “focus workshops” (the action plans according to business units or demographic groups resulted from these workshops)
- implementation of team building programmes for the management teams and employee groups in individual business units (harmonizing the vision and strategy of the management)
- introducing the assessment of the potential of managers and as a result, designing the training programmes on management skills
- along with the introduction of the ISPRO, improving the transparency and efficiency of work processes (exposing the role of Manager as motivator and inspirer)
- introducing a system of non-material rewarding (scheduled for 2008)
- continue and promote the use of the management by objectives (rewarding that depends on work results)

Creating the organizational culture and work atmosphere in the company

We systematically carry out activities that combine good health and a good state of mind for our employees.

Loyalty of employees to the Group is highly appreciated in Intereuropa. We use a variety of approaches to establish a positive atmosphere among our employees; therefore, we systematically implement activities that promote and maintain their health and well-being.

Last year we:

- granted financial aid to our employees or their family members who had to cope with inferior financial and difficult health conditions, EUR 28,962
- we also bestowed gifts on our female co-workers for the Women’s Day (8th March), and on 308 children up to the age of 7 for the New Year’s Holiday (the gift amounted to EUR 42 per child)
- In the summer, we provided vacation jobs to 41 secondary school and university students
- our concern for socializing with our employees all over the Group culminated on the 23rd Intereuropa Games called “Intereuropiada” that were held in Sarajevo and attended by 645 employees
- the ceremony at the 60th anniversary of Intereuropa was attended by 800 employees of the Slovenian part of the Group. We used this occasion to reward all our employees in the Slovenian part of the Group with EUR 15 for each year of service in Intereuropa
- our employees can spend their holiday in Intereuropa’s holiday accommodation facilities in Kranjska Gora, Terme Olimia, Čatež, Rogla, Červar, the island of Pag and Ankaran. The occupancy of these facilities was 13 percent higher than in 2006 (3,728 accomodation listed in 2007)

Concern for health and occupational safety

Providing for the occupational health and safety for our employees is an important issue of permanent concern. Our attitude to occupational safety and health complies with the principles of the comprehensive quality assurance in the operation of the Group and is based on the concept of permanent improvement on the level of occupational safety.

Our concern for health at the workplace is focused on: detecting any risks against occupational health and safety, the concern for elimination and continually reducing the risks, prevention of accidents at work leading to injury or health impairment, and providing optimum work conditions for our workforce and their well-being in the workplace.

In 2007, the State granted the Slovenian part of the Group financial reward in the total amount of EUR 75,424.98 EUR due to exceeding the set quota of employed people with disabilities. We used these funds exclusively for improvements in working conditions for people with disabilities (purchase of working machinery and tools, etc.).

In cooperation with authorized physicians of occupational medicine, we referred 467 employees (or 20 percent of our workforce) to dedicated preventive, preliminary, periodical control and target medical examinations. These social and healthcare activities help us managing sick leave within usual limits. Hence, last year's rate of sick leaves of up to 30 days that were covered by Intereuropa d.d. was 2.2 percent.

Particular attention in the Group was dedicated to theoretical and practical training for health and safety at work. These training forms were held internally, but also involved external professionals. These trainings included: organization and operative safety in the workplace, fire protection, safety in handling hazardous substances-goods-chemicals; some of the workers were trained for safe work on the railway and for giving first-aid.

The purpose of systematic education and training of employees for healthy and safe work was to increase the professional qualifications of our employees and thus improve productivity as well as reduce the risk of injuries at work or illnesses within the Group.

In the organizational units of the Group, we focused on particular workplaces and examined the work environment in view of reducing any damaging impacts to the health of our employees, as well as burdens to the environment.

We performed all the prescribed inspections, examinations and tests on work protective equipment, machines and devices, active and passive fire-fighting measures which could lead to an injury or health impairment to our employees, or any material damage or fire. There were 170 sets of work equipment examined and tested.

During the reporting year, 20 employees were injured at work in Intereuropa d.d., and 17 in subsidiaries. The analysis of injuries revealed that the number thereof was lower than in 2006. Most injuries occurred due to human factors of the individual persons (inattentiveness, wrong approach to work, by the fault of others - non-use of personal safety equipment, etc.).

To encourage secure and healthy work, we included the following areas and activities in the plan for 2007: technical safety, education on safety, health care, fire protection, road safety, ecology and environmental protection. We provided financing for these assignments for all organizational units.

Social responsibility

We are recognized and active in international markets, where we provide sponsorship funding for the development of sports activities, education and culture. We actively participate within the local and wider social region, where we mostly respond to humanitarian needs.

Competitiveness and success of the international logistics company Intereuropa Group are shown also through its activities in the local environment and social environment in general on different markets. We are recognised on the international market, since we not only pay particular attention to the social environment in general, but also to the needs of local environments. We foster good relations with them with particular attention to their needs, while we take the utmost account of legislation, customers' demands for better quality services, social and ecological standards and ethics as regards employees, the natural environment, local and social communities. We invest significantly and pay particular attention to raising awareness of the importance of sustainable development.

With its numerous contributions, the Group attempts to improve the quality of life of its employees and the society at large: activities and projects range from culture, sports, protection of the environment, we support humanitarian organizations, regional communities, as well as educational and scientific projects, and also particular attention and care for our employees. The Group thus shows its responsibility by giving some of its funds back to its environment. This refers both, to the parent company and its subsidiaries abroad, which are also actively involved in their local and social environments in general.

Social responsibility is our permanent obligation to cooperate with the environment in which we operate. Each year, Intereuropa Group directs its sponsorships and donations to its environment. Thus we provide for help to different stakeholders within our environment, while we simultaneously prove our attention to social responsibility with active cooperation and a positive attitude towards the environment, both being the key factors for development and successful business operations of modern companies. We succeed in doing so by the responsible and conscientious direction of sponsorships and donations to numerous recipients. Our sponsorship and donation activities are directed primarily to those opportunities which promote Slovenia in Europe and the world and contribute to the company's reputation.

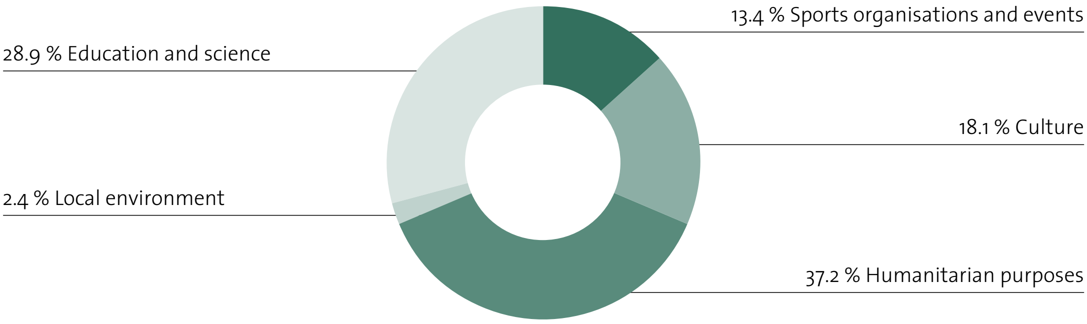
Structure of sponsorships and donations in Intereuropa Group

The structure of sponsorships and donations reflects numerous long-term projects and forms of partnerships. Throughout the years the structure has changed by areas; however, we strive to support heterogeneous and equal treatment of all business areas.

The total value of sponsorships and donations of Intereuropa Group amounted to EUR 146,000 in 2007; of which the majority share - 37.2 percent was donated to humanitarian purposes. This is definitely a positive change in comparison to 2006, when we directed themajority of our funds from sponsorships and donations (50.3 percent) to support sports events and organizations. Therefore we increased the amount for humanitarian purposes from last year's 13.7 percent to 37.2 percent. The second largest share goes towards education and science accounting for 28.9 percent of the sponsorship budget. We also supported sport, culture and local environments. Compared to 2006, we also enhanced our support of education and science from 9.6 percent to 28.9 percent in 2007. In total 49.2 percent of these funds were donations, thus proving our attention to humanitarian activities.

Figure 25

Structure of sponsorships and donations in 2007



Sporting pulse

As one of the key providers of incentives for development of local communities, the Group traditionally provides for donations for numerous sports clubs and organisations. In 2007 we supported the following sport activities and organizations: the Yachting Club Marina Portorož, the Sport Club Strelska družina Ankaran, the Table tennis section Arrigoni, the Football Club Gažon, the Chess Club Koper, the Avto sport Club Kamniška Bistrica, 18th International Athletic Meeting Krka 2007, the Diplomatic regatta 2007, the Football Club Plama pur, Soling Slovenia, the Archery Club Ankaran, the Athletic Club Kladivar Celje, the Hunting Club Rižana, the Swimming Club Koper, the Club for Rhythmic Gymnastics Šiška, the Karst running race Povir, the Cycling Club Rog, etc.

We invest in knowledge

Knowledge is an important driving force for development of a society and the accompanying social environment. Intereuropa Group believes it represents the company's competitive advantage; therefore, it has been investing extensively in knowledge and its development. The Group clearly shows its commitment to development, education and progress by investing sizeable funds in science and education. Intereuropa is helping to develop science in particular in its field of business, but is open to other fields of development as well. In 2007, the company earmarked 28.9 percent of all its funds available for sponsorship and donations to science and education, of which sponsorships went to support the international scientific conference organized by the Faculty for Management Koper, conference Logistics 2007, 8th Balkan Congress of Providers of Forwarding Services in Belgrade, Strategic forum Bled, etc. We also supported the publishing of two books dealing with logistics issues.

Culture, a pillar to society

Culture is an important pillar of society, one that Intereuropa Group is more than happy to lend a favourable ear to. Our constant cooperation with the Tartini festival in Piran, Brass orchestra Izola and the Society Slovenia-Russia proved to be successful. Besides that we directed our sponsorships in 2007 to support several new books and a variety of cultural events, such as “Mladifest 2007”, “Festival Anabdi 2007”, “Melodije morja in sonca 2007”, “Piran z zvezdami pod zvezdami”, while during the Primorska Summer Festival 2007 we supported premiere of The Imaginary Patient. With our donations we supported organizing the celebration of the 40th anniversary of the band Faraoni, coordinated by the Society of Music Performers Sfinga, the nonet Vitra from Ribnica, and we also supported two photographic exhibitions, one in Izola and one in Vienna, and the 10th musical workshop for flute "Pikolo 2007".

We breathe with the local environment

It is the local community that is the most conscious of the Group's affection. By providing sponsorships and donations to the local community, the company shows its readiness to cooperate with the local community and society in general. In 2007, the Group contributed funds for a number of such interests. These included the Coastal Beekeeping Society, the Slovene-Croatian Cross-Border Cooperation and Association for the Karst PAN Park, we supported the regional celebration of the Association of chauffeurs and auto mechanics from the Savinjska Valley, volleyball and football tournament within the event "Rumena noč 2007", and we donated our funds to the reconstruction of the Franciscan monastery of St. Ann in Koper.

We respond to humanitarian actions

It is the close connection between the Group and the environment and the concern for people's health that dictates the involvement in humanitarian missions abroad as well as at home. The support given to humanitarian projects through permanent donations helps to improve the general quality of life, proving our commitment to the environment in which we operate, and contributes to the promotion of the society. Financial means were also allocated for the Silva Fund - Society for the Quality of Life of People with Special Needs - we donated the funds to help them purchase their premises, and Izola General Hospital, which received our donation for purchasing dispensary equipment. We also provide for support to Health Centre Koper, which received our funds for purchasing an EMG appliance and an additional donation in the joint action of four companies operating in the Primorska region for purchasing a new ambulance. In 2007, we organised the free dispatch and transportation of sanitation materials and medicines from Brnik airport to Nangoma in Zambia to support "Zambia 2007", a three-month expedition with humanitarian aid and medical assistance. We also responded to the initiative of the Rotary Club Koper and supported the purchase of a device to help a weak-sighted girl, and we donated our funds to humanitarian Lions Club Ljubljana Omnia. We also supported humanitarian activities "After the rain comes the sun" to help Železniki residents after the floods last autumn. Due to floods we also decided to help our business partner from Železniki.

Environmental responsibility

We gradually expand our care for the responsible treatment of the natural environment to all dependent companies abroad, which operate in accordance with local environmental protection legislation.

Due to activities we perform within Intereuropa, we are aware of the fact that we shall pay particular attention to the natural environment. Therefore we develop and perform our business processes in compliance with principles of sustainable development and environmental protection. We are focused on continuous improvements, and we strive to enhance environmental protection. We perform our services in compliance with the Slovenian legislation and we adjust them to European and global directives with regard to environment protection. We transfer our concern for the environment to our employees through training programmes, internal bulletins and throughout their work. Using technologies and services that include and support principles of environmental protection, we also actively contribute to raising awareness of environmental principles to our suppliers, contractors and other business partners.

Environmental protection performed within Intereuropa includes above all the following activities: reducing carbon dioxide emissions, power consumption and fuel as well performing control over implementation of measures. We include our environmental protection activities in planning the key business processes. Hence, we commenced various projects to enhance environmental protection.

In the field of **reducing carbon dioxide emissions,** we started intensive discussions on using vegetable oil instead of petroleum oil in 2007. Since this requires special remodelling of vehicles, we will remodel 5 vehicles with motors compliant with the standard Euro 3 in 2008. We are aware of the fact that using these vehicles in Slovenia might cause some problems with regard to purchasing vegetable oil as a fuel, therefore we will strive to find a solution also with this regard. Use of vegetable oil reduces emissions of greenhouse gasses up to 70 percent, while simultaneously provides for financial savings due to exemptions from excise duties.

We strive for the rational use of fuel in our daily operations, and we are additionally testing other innovative systems for reduced fuel use, such as:

- ECOsens fuel information system (on the basis of the probe situated in the tank, we analyse causes for reduced fuel consumption)
- MAGNETS - the FIR appliance (Far Infra Red) NC 104 reduces hazardous emissions, such as HC, CO, NOx up to 45 percent and reduces fuel consumption up to 20 percent
- alteration of electronics (setting most favourable parameters to provide for better efficiency of engine, while increasing the torque and reducing fuel consumption). We will choose 3 vehicles and check the results within 2 months

In 2007, we replaced 30 old freight vehicles with new ones with motors compliant with the standard Euro 5. In 2008, we plan the purchase of an additional 49 vehicles with motors compliant with the standard Euro 5.

We also follow environmental standards in the renovation and construction of buildings and warehousing facilities and acquiring new technologies.

In 2007 we paid particular attention to the **use of environmentally friendly materials, the replacement of polluting materials and saving energy** in existing objects. In Maribor we replaced deteriorated windows, we replaced asbestos roofing in Vrtojba, and in Maribor we coated the floor and purchased equipment for warehousing hazardous substances. In Dravograd we finalized renovation of a boiler room and modified its operations because we replaced oil with gas. In different facilities we replaced 14 deteriorated and energy wasting air-conditioning appliances with new ones. In warehousing and other facilities in Ljubljana we plan the project of replacing existing lights with energy saving lamps.

In the process of designing new objects, we plan air-tight reloading ramps and a high-speed door to reduce heat loss in heated or cooled warehousing facilities.

In the process of designing and construction of new objects, we consider the influence on the environment and use of environmentally friendly energetic materials and resources. With this purpose we installed energy saving lamps in warehousing facilities in Samobor near Zagreb. In the project of construction of logistics centre Moscow-Čechov we considered all environmental requirements with regard to installation of collectors of pollutants and water treatment plants.

We regularly **clean and service of ovens, chimneys and air-conditioning appliances**, and we also regularly analyse waste waters and gases so that we would not exceed limited values.

We strive to reduce burdening the environment with **waste separation**, traceability and contracts for collection of different types of waste with qualified companies. We are using “press” containers for collecting non-hazardous waste. We also separate the collection of cardboards paper, wood, metal, glass, rubber, tyres, PVC foils. Hazardous chemicals and waste oils are collected in special warehousing facilities. We manage the traceability of organic wastes of animal origin in such a way that we transfer such waste to appropriate contractors.

For handling the goods in our warehousing facilities, we use environmental friendly gas and electro forklifts, and we gradually replace diesel forklifts. In 2007, we replaced 19 of them in Slovenia.

Our concern for the environment is gradually expanding to other subsidiaries abroad, where we provide business operations in compliance with the local legislation.

We will continuously work to prove our environmental responsibility through compliance of our activities with the current legislation, European and global trends, and we will strive to upgrade our approach by using the most advanced methods, processes and technologies that would provide continuous improvements in our treatment of the environment.

Total Quality Management

Change to Corporate Vision and Strategy on Quality Management

For nine years, Intereuropa has held the certificate of quality for logistics services, thus confirming its long-term commitment to provide such logistics services that satisfy its customers. In 2007, a significant novelty is the changed corporate vision and strategy on Quality Management in the parent company. Under the present view, the quality management was mostly related to the ISO 9001 Standard; the new vision also covers environmental protection, food safety, occupational health and safety, and integrates all these segments into the so-called integrated operating system. The modified strategy could be summarized in three major points:

- expansion of the quality management standard to large subsidiaries
- approaching the standards in the field of environmental protection and health and occupational safety in the parent company
- meeting business standards within the branch, as required by the customers, such as the HACCP, Regulation EEC No. 2092/91, etc.

The Certificate of quality assurance for carrying out logistic services, which Intereuropa possesses for the ninth year already ensures customers that the company's business operations are carried out in accordance with the ISO 9001 standard.

Internal quality of service auditing

Quality of services and the total system of quality management are assessed with internal and external audits. Faced with a shortage of internal quality auditors, we organised an initial and refreshment course for internal auditors, with 15 employees in attendance from various subsidiaries. In the first half of the year, the internal management audit was completed in Intereuropa d.d. Koper and in Intereuropa, logističke usluge, d.o.o., Zagreb, and in Interagent d.o.o., Koper. In the second half of the year, we performed internal audits of essential or basic processes. The internal audit established that business operations are performed in compliance with standards, and where non-compliances occur, appropriate measures shall be implemented to correct such situations.

Internal verification of the HACCP system

In the first half of the year a safety inspection on nutrition goods in warehouses of the Logistics solutions area of Intereuropa d.d. was held (the verification of the HACCP system). The inspection established 9 recommendations for improvements, and most of them are already implemented.

External quality of service audit

The external audit was conducted by certification authority SIQ in three certified companies (Intereuropa d.d., Intereuropa Transport d.o.o., Koper, in Intereuropa, logističke usluge, d.o.o., Zagreb). There was only one non-compliance found and 31 recommendations issued. We responded to the non-compliance case in the three-month term to the certification authority SIQ, and we are still dealing with the recommendations received. Interagent, d.o.o., Koper, passed the external audit without non-compliances or recommendations.

Establishment and certification of the Quality Management System in Intereuropa RTC d.d., Sarajevo

After five years, since Intereuropa, logističke usluge, d.o.o., Zagreb, was the last to receive the certificate of quality, the fifth company of the Group - Intereuropa RTC d.d. Sarajevo implemented the quality system according to standard ISO 9001:2000. The project on establishing the quality management system in Intereuropa RTC d.d. Sarajevo took less than 9 months, which is the shortest lead time experienced to date in our Group. Intereuropa RTC d.d., Sarajevo is the fifth company to receive certification under the ISO 9001 standard. The certification authority was the same as for the parent company.

Certification of control over ecological products imported from third countries

Within the EU, control over ecological products imported from third countries is defined by the Regulation (EEC) No. 2092/91. This regulation protects consumers by establishing control over the cultivation and marketing of bio products, thus providing control over these products from production to sales. In this supply chain, Intereuropa d.d., through its branch office Intercontinental transport, has the role of the first receiver; therefore, we proved to the certification authority BVQI that we established a system of identification, traceability and control over consignments of the said products, thus acquiring the certificate for warehousing procedures on imports of ecological products from third countries.

FINANCIAL REPORT OF THE INTEREUROPA GROUP FOR 2007

Overview of significant accounting policies for the Intereuropa Group and Intereuropa d.d.

The Intereuropa Group comprises the parent company Intereuropa d.d. and its subsidiaries. In accordance with the criteria specified in the Companies Act, Intereuropa is a large company, its securities are traded on the organised securities market, and it therefore has obligations regarding auditing. The company compiles consolidated financial statements as the parent company; its registered office is at Vojkovo nabrežje 32, 6000 Koper, Slovenia.

The Group acquired the following new members in 2007:
- ITAR d.o.o., Zagreb
- Zetatrans A.D. Podgorica
- TOV Intereuropa - Ukraine, Kiev
- TOV DDT, Onakivci

Consolidated financial statements as at 31 December 2007 comprised the parent company Intereuropa d.d. and the following subsidiaries:

Table 1

Members of the Intereuropa Group as at 31 December 2007 (in EUR thousand)

	Country of head office	Used Exchange Rates	% of ownership as at 31. 12. 2006	% of ownership as at 31. 12. 2007	Total capital of the company as at 31. 12. 2007	Net profit/ loss for 2007	Attributable net profit/loss for 2007
Direct subsidiaries of the parent company Intereuropa d.d.							
Intereuropa Transport d.o.o., Koper	Slovenia	EUR	100	100	6,633	121	121
Interagent, d.o.o., Koper	Slovenia	EUR	100	100	897	172	172
Intereuropa IT, d.o.o., Koper	Slovenia	EUR	100	100	1,659	323	323
Interzav, d.o.o., Koper	Slovenia	EUR	71.28	71.28	157	100	71
Intereuropa, logističke usluge, d.o.o., Zagreb	Croatia	HRK	99.96	99.96	38,484	2,556	2,555
Intereuropa Sajam, d.o.o., Zagreb	Croatia	HRK	51	51	2,353	791	403
Intereuropa Skopje, d.o.o. Skopje	Macedonia	MKD	99.56	99.56	1,377	177	176
Intereuropa RTC d.d. Sarajevo	Bosnia & Herzegovina	BAM	89.29	89.29	9,593	267	238
OOO Intereuropa-East, Moscow	Russia	RUB	100	100	7,314	-2,589	-2,589
AD Intereuropa - logistic services Belgrade	Serbia	RSD	73.62	73.62	4,558	2	1
Intereuropa S.A.S., Saint Pierre de Chandieu	France	EUR	67.60	67.60	177	29	20
TEK ZTS d.o.o., Užgorod	The Ukraine	UAH	66.67	66.67	26	-312	-208
Intereuropa Transport & Spedition GmbH, Troisdorf	Germany	EUR	90.48	90.48	185	32	29
Intereuropa Kosova L.L.C., Prishtina	Serbia	EUR	90	90	16	-14	-13
Zetatrans A.D. Podgorica	Montenegro	EUR	-	67	25,508	182	121
TOV Intereuropa - the Ukraine, Kiev	The Ukraine	UAH	-	100	10,758	-67	-67
TOV DDT, Onakivci	The Ukraine	UAH	-	100	1,377	-5	-5
Indirect subsidiaries of the parent company Intereuropa d.d.							
Intereuropa Transport DOOEL Skopje	Macedonia	MKD	99.56	99.56	7	-2	-2
ITAR d.o.o., Zagreb	Croatia	HRK	-	99.96	59	3	3

	Country of head office	Used Exchange Rates	% of owner-ship as at 31. 12. 2006	% of owner-ship as at 31. 12. 2007	Total capital of the company as at 31. 12. 2007	Net profit/ loss for 2007	Attributable net profit/loss for 2007
An associated company and a jointly controlled company were consolidated in the Group in 2007 according to the capital method:							
Associated company							
AC - Interauto d.o.o., Koper	Slovenia	EUR	40	40	-333	-144	-58
Jointly controlled company							
Intereuropa-FLG, d.o.o., Ljubljana	Slovenia	EUR	50	50	343	200	100

Terminated operations

Schneider & Peklar GmbH, Vienna was excluded from the Group in 2007 due to the initiation of bankruptcy proceedings in January 2008. In order to ensure the comparability of data, all relevant figures in the consolidated financial statements for 2006, related to the aforementioned company, were disclosed as terminated operations (the income statement recorded the loss of that company under the item "Loss from terminated operations after tax" in the amount of EUR 490 thousand, the balance sheet recorded assets of that company and the appertaining goodwill under the item "Assets held for sale and terminated operations" in the amount of EUR 5,979 thousand and its liabilities under the item "Liabilities included in the disposal group" in the amount of EUR 2,495 thousand). Consequently, total assets rose by EUR 53 thousand because receivables from and liabilities to other Group members of the aforementioned company were excluded from the offset.

Declaration of Conformity

The financial statements of the Intereuropa Group and the parent company Intereuropa d.d. were compiled in accordance with the International Financial Reporting Standards as adopted by the International Accounting Standards Board and interpretations thereof by the International Financial Reporting Interpretations Committee, as adopted by the European Union. Reporting requirements laid down in the Companies Act were also complied with. The financial statements of Intereuropa d.d. were compiled in line with the IFRS for the first time for 2006, whereas those of the Intereuropa Group were compiled in line with the IFRS for 2005 for the first time.
IFRS collection includes:

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

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

In the current year, the Group applied IFRS 7, Financial Instruments for the first time: Disclosures, which entered into force on 1 January 2007, and amendments to IAS 1, Presentation of Financial Statements. The standard introduces new disclosures related to financial instruments. Additionally, the International Financial Reporting Interpretations Committee issued four interpretations that have no significant impact on the Group's accounting policies, namely:

IFRIC 7 - Applying the Restatement Approach under IAS 29;
IFRIC 8 - Scope of IFRS 2 (the Annual General Meeting of the parent company adopted on 6 July 2007 a resolution on issuing an authorisation to the Management Board for acquisition of treasury shares valid for 18 months from the resolution's date. No such acquisition took place in the financial year);
IFRIC 9 - Reassessment of Embedded Derivatives;
IFRIC 10 - Interim Financial Reporting and Impairment.

New standards not applicable at the date of compiling financial statements, 31 December 2007, were not used in compiling financial statements, namely:

IFRS 8 - Operating Segments - the standard will replace IAS 14 and will apply to companies with securities traded on a stock exchange; as of 1 January 2009.

IAS 23 - Borrowing Costs - the standard was revised in March 2003 but has not yet entered into force.

IFRIC 11 - Scope of IFRS 2, Group and Treasury Share Transactions - accounting for granting of treasury and group shares to employees. The Group owns no treasury shares as at the date of compiling financial statements.

IFRIC 12 - Service Concession Arrangements (applicable as of 1 January 2008) - determines the method for recognising concessions if the granting authority controls which services, to whom and at what price the concessionaire renders, and if the granting authority controls the residual value of infrastructure upon expiration of the contract.

IFRIC 13 - Recognising revenue from Customer Loyalty Programmes

IFRIC 14 - IAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

The IASC Board published IFRIC 10, 11, 12, 13 and 14; however, they have yet to be approved by the European Union.

Authorising the Financial Statements for Issue

The Management Board of Intereuropa d.d. authorised issuing of the consolidated financial statements of the Intereuropa Group for the financial year 2007 and unconsolidated financial statements of the company Intereuropa d.d. for the financial year 2007 on 22 February 2007.

The basis for compiling financial statements

Slovenia adopted the euro as the functional currency on 1 January 2007. For comparable data for 2006, all assets, liabilities, capital, revenues and expenses were converted at the exchange rate of EUR 1 = SIT 239.64. All financial data are rounded to one thousand units.

The Management Board examined and assessed effects on financial statements in the process of reviewing and adopting financial statements. The Management Board assessed that classification of financial assets in certain categories of assets had a material impact as well as did establishing provisions for gratuities and jubilee awards. The impact of the policy regarding disclosure of financial assets on financial statements is described in accounting policies. Estimates and assumptions are based on past experience and factors deemed substantive for providing assessments on carrying amounts of assets and liabilities. Estimates and assumptions must be regularly checked to determine the effect of their changes on items in financial statements. Revisions of accounting estimates are applied for the period in which the revision was made.

Explanation of the effect of risks as key sources of uncertainty in operations is given in the item "Risk Management" in the business part of the Annual Report.

Compilation of financial statements took into account the following fundamental accounting assumptions:

- Accrual basis; and
- Going concern.

The following requirements were also taken into account: prudence, substance over form, and materiality.

Recognition is the procedure of including items in financial statements. The measurement of items is divided into initial measuring (measuring upon recognition) and measuring after recognition (measuring after initial recognition). Assets, liabilities, revenues and expenses are posted in amounts not offset except where required or permitted under IFRS.

Consolidation base

1. Group companies / Subsidiaries

Subsidiaries are enterprises controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date it ceases.

2. Associated companies

Associated companies are those in which the Group has a significant but not dominant influence on the financial and operating policies of an entity. Consolidated financial statements include the Group's share in jointly recognised profit & loss of companies calculated by using the equity method as of the date the significant influence commences until the date it ceases.

3. Transactions excluded from consolidation

Consolidated financial statements are exclusive of all intragroup relations and unrealised profit or loss between Group members. Unrealised profit from transactions with associated companies is excluded proportionately to the Group's share.

Foreign currencies

The reporting currency of consolidated financial statements is the euro (EUR). The euro is also the reporting and functional currency of the parent company and subsidiaries with registered offices in Slovenia. The functional currencies of foreign subsidiaries are the same as their respective national currencies.

Foreign-exchange transactions

Table 2

Presentation of foreign currencies used

		Year 2007		Year 2006
Country	Functional currency	Closing rate in EUR	Average rate in EUR	Closing rate in EUR
Austria, France, Germany, Montenegro	EUR	-	-	-
Russia	RUB	35.986	34.821	34.68
Croatia	HRK	7.331	87.338	7.350
Macedonia	MKD	61.568	61.373	61.241
Bosnia & Herzegovina	BAM	1.956	1.956	1.956
Serbia	RSD	82.874	79.768	79.112
The Ukraine	UAH	7.479	6.879	6.639

Foreign currency conversion

Profit & loss and financial balance of Group members with the functional currency other than the presentation currency are converted in the reporting currency of the consolidated financial statements as follows:

a) Assets and liabilities are converted by using the mean exchange rate of the Bank of Slovenia as at the balance sheet date;
b) Revenues and expenses are converted by using the average mean exchange rate of the Bank of Slovenia;
c) Any resulting exchange differences are recognised as a separate component of equity (translation exchange differences) until disposal of a subsidiary when exchange differences are transferred to the income statement.

Exchange differences resulting from conversion of net financial investments in subsidiaries abroad and from debt are disclosed as translation exchange differences in equity.

Presentation of Data by Geographic Area and Business Segment

Consolidated financial statements disclose information by geographic area and business segment. Accounting policies used in compiling and presenting financial statements of the Group as a whole are also basic accounting policies of the area/segment. Additionally, accounting policies of an area/segment include policies relating specifically to the area/segment reporting. The market principle is used in measuring revenues of an area/segment resulting from transactions with other areas/segments.

A geographic area is a distinguishable component engaged in providing services within a particular economic environment and is subject to risks and returns that are different from those of components operating in other economic environments. Geographic areas in the Intereuropa Group are defined as:

- European Union; and
- The area outside the European Union.

A business segment is a distinguishable component engaged in providing an individual service or a group of related services, and is subject to risks and returns that are different from those of other business segments. Business segments in the Intereuropa Group are defined as:

- Land transport
- Logistic solutions
- Intercontinental transport; and
- Other services (leases, fairs, etc.)

Primary and Secondary Segment Reporting Formats

Arrangement of the internal organisation and management, and internal reporting to the management are the bases for defining the primary and secondary reporting formats. The primary reporting format of the Intereuropa Group is by geographic area and the secondary is based on information by business segment.

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

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

Deferred tax assets and liabilities are charged by using the balance sheet liability method, namely from temporary differences, unused tax losses, and unused tax credits.

Impairment of assets

Assets are impaired when their carrying amount exceeds their recoverable amount. Losses resulting from impairment of assets are recognised as expenses in profit/loss. At the end of each financial year, as at the balance sheet date, the existence of the indicator that an asset might be impaired is assessed. In case such an indicator exists, the asset's recoverable amount will be assessed, equalling:

- fair value reduced by costs of sale; or
- value in use, whichever of the two is higher

If it the asset's recoverable amount cannot be assessed, the recoverable amount for the cash-generating unit to which the asset belongs will be determined.

Definition of Cash-Generating Units

Examples of cash-generating units for the purpose of impairment of assets are
- individual subsidiaries, associates and joint ventures
- specific units to which property, plant & equipment or other assets belong

In assessment of the existence of an indicator that an asset might be impaired, indicators are taken into account with regard to the type of assets. Indicators pointing to the fact that investment in a tangible fixed asset, intangible long-term asset, subsidiary, associate or joint venture is impaired are external (important changes in the environment in which the company operates, higher market interest rates or other market measures of investment profitability which are likely to have an impact on the discount rate, used for calculation of value in use and significantly reduce the asset's recoverable amount) and internal (expected changes in the volume of operations of the company, a part of such changes may be planned for liquidation of units, reorganisation of operations or disposal of an asset before the previously planned date, should internal reporting produce evidence pointing that performance is or will be worse than expected).

Ordinary accounts receivable (receivables from provided services, default interest, etc.) are impaired by establishing a 100 percent value adjustment for all receivables overdue by more than 180 days or on the basis of assessment of recoverability of individual receivables. The rule applies to all companies in the Intereuropa Group regardless of their registered office and for all customers regardless of their head office. An exception to the rule applies for receivables from Group members for which no value adjustments are made. As regards impairments of receivables in legal actions, execution proceedings, bankruptcies and administrative receiverships we take into account the estimated recoverability of claims (estimated future cash flow) with regard to categories of individual receivables.

Write-offs of Receivables

Write-offs of receivables is made on the basis of concluded bankruptcy proceedings, approved administrative receiverships, unsuccessful execution proceedings and established unrecoverability of receivables.

Impairment of Loans Given

In case of impartial evidence that loss due to impairment occurred in loans, posted at amortised cost, the amount of the loss will be measured as the difference between the asset's carrying amount and the present value of expected future cash flow discounted at the original effective interest rate.

Impairment of Available-for-Sale Financial Assets

Available-for-sale financial assets, fair value will be impaired if impartial evidence exists that an asset is impaired. In the case those assets include accrued loss recognised in equity, the loss must be removed from equity and recognised in income as an expense in the amount equalling the difference between the carrying amount and fair value of the financial asset at the time.

When an available-for-sale asset is investment in capital instruments, impairment losses recognised in the income statement cannot be cancelled in profit/loss as long as the asset is recognised. An increase in fair value after impairment is recognised only in capital.

Impairment of Financial Assets Disclosed at Historical Cost

In the case of impartial evidence of loss due to impairment of financial assets disclosed at historical cost because their fair value cannot be reliably measured, the amount of the loss due to impairment is measured as the difference between the carrying amount of a financial asset and the present value of expected future cash flow discounted at the current market rate of return for similar financial assets. Such impairment losses shall not be reversed.

Intangible assets

Intangible assets are disclosed after initial recognition by using the historical cost model, namely at historical cost less any accumulated amortisation and any accumulated impairment losses.

Useful life of an intangible asset is estimated as definite or indefinite. If it is definite, the useful life will be assessed and the intangible asset amortised. If it was established after studying all material factors that there is no foreseeable limitation to the period in which the asset would generate net cash inflows for the company, it is deemed that the intangible asset has indefinite useful life.

Amortisation of intangible assets with definite useful life is accrued by using the straight-line depreciation method for the estimated useful life. Amortisation accrual starts from the date the asset is available for use.

Amortisation is no longer accrued either on the date the asset is transferred to available-for-sale assets or on the date recognition of the asset is cancelled, whichever comes first.

The amortisation period and the amortisation method for intangible assets with definite useful life is reviewed at least at each financial year end. If the expected useful life of the asset is different from previous estimates, the amortisation period shall be changed accordingly. If the expected pattern of utilisation of future economic benefits, enabled by the asset, changes, the amortisation method will be changed so that it reflects the changed pattern. Such changes are accounted for as changes in accounting policies.

The annual amortisation rates of intangible assets range from 3 percent to 20 percent.

Intangible assets with indefinite useful life are not amortised. At least at each financial year end, the company tests the intangible asset for impairment by comparing its recoverable amount with its carrying amount.

Recognition of an intangible asset is cancelled upon disposal or when no future economic benefit is expected from its use or disposal.

Property, plant and equipment

Upon initial posting property, plant & equipment are recorded at their historical cost.
Any subsequent expenses related to property, plant & equipment are posted as maintenance costs or an increase in the asset's historical cost. The purpose of such costs is repair and maintenance of property, plant & equipment. Subsequently incurred costs related to property, plant & equipment will be posted as an increase in historical cost if their expenditure increases future economic benefits related to the underlying asset.

Replacement costs for individual parts of buildings and machinery will also be recognised as an increase in historical cost if recognition criteria are met. Recognition is cancelled for the carrying amount of replaced parts. Profit or loss arising from cancelling of recognition are calculated on the basis of the difference between net return at disposal and the asset's carrying amount.

The historical cost model is used subsequent to initial recognition, whereby fixed assets are disclosed at their historical cost less any accumulated depreciation and any accumulated impairment losses.

The depreciation is accrued in the period of the fixed asset's estimated useful life by using the straight-line depreciation method, where the estimated useful life depends on the following:

- the expected usage of the asset by the company, the usage is assessed by reference to the asset's expected capacity or physical output
- expected physical wear and tear depending on business factors
- technical obsolescence arising from changes or improvements in production, or from a change in the market demand for the product or service output of the asset; and
- expected legal or other limits on use

The annual depreciation rates used for property, plant & equipment and investment property are shown in the table below:

Table 3

The annual depreciation rates used for property, plant & equipment and investment property	
Buildings	From 2.50 % to 5.00 %
Computers	From 25 % to 50.00 %
Other plant and equipment	From 10.00 % to 25.00 %

Depreciation charges are made separately for all property, plant & equipment. Depreciation of an item of property, plant & equipment begins on the first day of the month following the month in which the asset became available for its intended use. Property, plant & equipment are depreciated even if not currently in use. Assets for which planned sale is highly likely in the next twelve months are posted as available-for-sale assets and are not depreciated. An asset is no longer depreciated on the first date of the following two conditions: the date an asset is classified as available-for-sale asset or the date recognition of an asset is cancelled.

The depreciable amount of an asset is determined after deducting its residual value. It is estimated that the residual value of property, plant & equipment after completed useful life does not represent any significant share of an asset and is therefore not recognised. This is reviewed at each financial year end and if expectations differ from previous estimates, changes are treated as changes in the accounting policy.

Recognition of the carrying amount of individual property, plant & equipment is cancelled at disposal and if no future economic benefits are expected from their usage or disposal.

Investment property

Investment property is real property held to earn rentals or for capital appreciation or both. Real property will be recognised as investment property only if it is leased in its entirety.

Investment property is initially measured at historical cost including transaction costs. The historical cost model is used subsequent to initial recognition, whereby property, plant & equipment, i.e. investment property, are disclosed at their historical cost less any accumulated depreciation and any accumulated impairment losses (the model is identical to that used for property, plant & equipment).

Depreciation rates used for investment property range between 2.5 percent and 5 percent.

Leases

A lease is classified as a finance lease if it transfers all the substantial risks and rewards incident to ownership. A lease is classified as an operating lease if it does not transfer all the substantial risks and rewards incidental to ownership.

Borrowing costs

Under the benchmark treatment borrowing costs are recognised as an expense in the period in which they are incurred regardless of how the assets borrowed are applied.

Financial assets

Non-derivative Financial Instruments

Financial Assets Groups

Financial assets are, at initial measuring with regard to their subsequent measuring, classified in the following groups:

- financial assets at fair value through profit and loss
- financial assets available for sale
- financial assets at historical cost
- held-to-maturity financial investments
- loans; and
- receivables

The ordinary sales and purchases of financial assets are recognised at the trading date, i.e. the date on which the company undertakes to sell or purchase the asset. Any profit or loss resulting from disposal of financial assets is also recognised at the same day.

All financial assets are initially recognised at historical cost, including transaction costs (except for financial assets classified as "financial assets at fair value through profit and loss", where transaction costs are excluded), under the assumption that historical cost reflects fair value.

Financial assets are after initial recognition measured at fair value through profit and loss and available-for-sale financial assets at fair value. As regards financial assets listed on an active market, fair value equals the published market price at the balance sheet date. As regards investments for which no active market exists and for which fair value can be reliably measured, fair value is determined by using valuation methods such as recent transactions, current/daily value of a similar financial instrument, analysis of discounted cash flow. Subsequent revaluation effects for available-for-sale assets are recognised directly in capital (to the revaluation surplus related to the financial investments item). Subsequent revaluation effects for financial assets at fair value are included in the income statement through profit/loss.

Investments in shares and stakes of other companies without a quoted market price on an active market for which fair value cannot be reliably measured, are after initial recognition measured at historical cost.

Held-to-maturity financial assets, loans and receivables are measured after initial recognition by the amortised cost by using the effective interest rate method.

Cancelling recognition of a financial asset is done when risks and rewards resulting from this financial asset are transferred and contractual rights for the underlying financial asset are no longer possessed.

In cancellation of the financial asset's recognition the difference between the following is recognised:

a) Carrying amount; and
b) The sum of received compensations and accumulated profits or losses recognised directly in capital, and profit/loss (income or expense).

Accumulated profits or losses (except for impairment loss) recognised directly in capital appear in available-for-sale financial assets until recognition is cancelled for the financial asset. When recognition is cancelled, previously recognised accumulated profit or loss will be posted to profit/loss.

In cancellation of recognition (in selling or otherwise disposing) of financial assets measured at fair value and financial assets measured at historical cost, profit or loss from sale (or resulting from another cancelling of recognition) is recognised by using the weighted average cost method. In line with the underlying method; profit or loss is determined as the difference between sale price and the average weighted purchase price.

Accounting for Investments in Associates

Associates are those companies in which the investing company has significant influence (20 percent to 50 percent of voting power). They are disclosed at historical cost in individual financial statements and by using the equity method in consolidated financial statements.

Accounting for Investments in Joint Ventures

A joint venture is a contractual agreement whereby two or more parties engage in an economic activity being the subject of joint control, which is contractually agreed sharing of control over an economic activity, and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the venturers). They are disclosed at historical cost in individual financial statements and by using the equity method in consolidated financial statements.

Recognition of Goodwill and Excess of the Acquirer's Interest in the Net Fair Value of the Acquiree's Assets and Liabilities over the Cost of a Business Combination

Any excess of the cost of the acquisition over fair values of the assets and liabilities acquired is recognised as goodwill and is not depreciated. Annual tests for impairment are performed instead. In case the cost of the acquisition is below the fair values of the assets and liabilities acquired, the difference will be a surplus (negative goodwill) immediately recognised as revenue in the income statement.

Derivatives

They are initially recognised at historical cost and are measured at fair value. Any resultant gain or loss arising from remeasurement at fair value on derivative financial instruments is recognised in the profit or loss. The Group uses derivatives to hedge the interest rate risk. The fair value of derivatives is determined on the basis of valuation by their issuer as at the balance sheet date and represents the present offered value of the transaction.

Assets held for sale and discontinued operations

The part of intangible long-term assets, property, plant & equipment, and financial investments for which envisaged sale is highly likely in the next twelve months from the balance sheet date, is classified as "available-for-sale" assets and presented in the balance sheet as a separate item being a part of current assets. The same considerations apply equally to the "disposal group", which may be a group of cash-generating units, an individual cash- generating unit or a part thereof.

The period of sale completion may be extended over one year due to special events and circumstances beyond the company's control subject to sufficient evidence that the company strictly complies with the plan for selling the asset.

Intangible Long-term Assets and property, plant & equipment complying with the criteria for classification in available-for-sale assets are measured at the lower of the following amounts:

- carrying amount; or
- fair value reduced by costs of sale

These assets are not depreciated.

Long-term Financial Investments complying with the criteria for classification in available-for-sale assets are measured at the amounts recognised prior to classification in available-for-sale assets.

Inventories

Inventories of material are evaluated at historical cost composed of the purchase price, import duties and directly attributable purchase costs. The purchase price is reduced by received rebates and discounts. The Group uses the weighted average cost method in material consumption.

Cash

An item of cash is initially recognised at the amount arising from the relevant document. Cash is composed of bank balances, cheques, cash, and call deposits.

Capital and liabilities

A financial instrument is classified in initial recognition in liabilities or capital with regard to the contents of the contractual agreement. Profits and losses related to changes in the carrying amount of a financial liability are recognised as revenues or expenses in the income statement.

Equity

Total equity capital consists of liabilities to owners of the Company, due for payment in case of the company. Total equity capital of individual Group members includes called capital, capital reserves, reserves from profit, revaluation surplus, profit or loss brought forward from past periods, and transitional undistributed net profit or unsettled net loss for the current period. Dividends are disclosed in financial statements of the Group in the period in which the AGM adopted a resolution on their payment.

In addition to those items, the Group's balance sheet includes consolidation capital adjustment (revaluation exchange differences), and minority interest. The portion of equity capital of subsidiaries belonging to other owners (outside the Group) is minority interest in subsidiaries. It is included in the consolidated balance sheet as a single amount in the separate item "minority interest".

Liabilities

All liabilities are initially recognised at historical cost including transaction costs. All liabilities are after initial recognition measured at amortised cost by using the effective interest method. Recognition will be cancelled for a financial liability when and only when the liability specified in the underlying contract is discharged, cancelled or expired. Matured (but not yet settled) long-term liabilities and long-term debts due to be settled within twelve months are classified in the balance sheet as short-term liabilities (debts). Interest on received loans is accrued in line with the underlying contracts. Accrued interest increases interest expenses.

Provisions and long-term accrued items

A **provision** is a liability of uncertain timing or amount. The amount recognised as a provision shall be the best estimate of the expenditure required to settle the present obligation at the balance sheet date. In reaching the best estimate of a provision the risks and uncertainties that inevitably surround many events and circumstances should be taken into account.

An example of recognised provisions is those for gratuities and provisions for jubilee awards. Provisions are established in the amount of estimated future payments of gratuities and jubilee awards discounted as at the balance sheet date for employees in countries where there is legal obligation for such payment. *The actuarial calculation is made every three years and more frequent only in the case the difference between new hiring and terminations in individual years does not exceed 10 percent (for large and medium sized companies pursuant to the Companies Act [1]) or 15 percent (for small companies pursuant to the Companies Act) of the number of employees at the last actuarial calculation and in the case of unchanged conditions used as the base for actuarial calculation. In financial periods in which no actuarial calculation is made, those provisions are established by debiting expenses in the amount identical to that of the used provisions.*

Provisions recognised in accounting records and the balance sheet are cancelled once the possible obligations for which they were made no longer exist or when there is no need to keep them. Appropriate costs are recognised arising from newly established provisions or an increase in provisions, and revenues are recognised arising from the cancellation of provisions.

At the end of an accounting period, provisions are adjusted to bring their amount to the present value of disbursements that an entity expects to be required to settle the obligations.

Long-term accrued items

Deferred revenues expected to cover estimated expenses incurred in a period exceeding one year are disclosed in accrued items. Long-term deferred revenues also include donations received for acquisition of fixed assets or to cover certain expenses. They are intended for covering the depreciation costs of these assets or expenses and are used up by recognising them as operating revenues.

Short-term accrued and deferred items

Short-term accrued and deferred items are divided into accrued and deferred items. Deferred items consist of short-term deferred costs (expenses), short-term accrued revenues and stamps of value (fiscal and postage stamps), which are kept in the cash box. Accrued and deferred items also include customs duties recognised on the input invoice at the balance sheet date, but not yet re-invoiced to customers. Accrued items disclosed in short-term operating liabilities include accrued expenses and short-term deferred revenue. Short-term accrued and deferred items should be excluded from accounting records and the balance sheet once past opportunities have been used or once the need to recognise these items no longer exists.

[1] Companies Act, adopted on 4 April 2006, published in the Official Gazette of the RS, no. 42/2006 of 19 April 2006).

Corporation tax

Corporation tax for the financial year includes current tax and deferred tax. Current tax is calculated in accordance with the applicable tax legislation at the balance sheet date.

Deferred tax

Deferred tax is directly linked to the basic accounting principle of matching revenues and expenses in the income statement. Deferred tax can take the form of either deferred tax assets or deferred tax liabilities. The methods of liabilities under the balance sheet are used for calculation of deferred tax. The carrying amount of assets and liabilities is compared to their tax amount and the difference is specified as either permanent or temporary. Temporary differences are divided into taxable (increasing deferred tax liabilities) or deductible (increasing deferred tax assets).

Revenues

Revenues are commercial proceeds in the accounting period in the form of an increase in assets. Revenues are classified as operating revenues, finance income and other revenues.

Net sales revenues are revenues from the rendering of services, except the services from which finance income is earned, and are recognised at selling prices of completed services stated in invoices or other documents, or at the prices of unfinished services with regard to the percentage of their completion. In no case shall there be:

a) Any significant doubt as to whether the service will be rendered and paid; and
b) Any significant uncertainty regarding the costs incurred or to be incurred in rendering the services.

Percentage of completion of individual business transactions is determined on the basis of review of incurred costs. When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenues will be recognised only to the extent of the recognised expenses that are recoverable.

It is estimated that in cases a particular transaction is not completed at the balance sheet date, no reliable estimate can be given as to the outcome of the transaction, and therefore revenues are recognised only to the amount of incurred direct costs that are recoverable.

Amounts collected on behalf of third parties, such as accrued value added taxes and other contributions or taxes should be excluded from sales revenues. Similarly, in an agency relationship, amounts collected on behalf of the principal should be excluded from sales revenues (revenue is only the amount of commission). Net sales revenues also include revenues from the letting of premises (rental income).

At the time of sale, trade discounts and volume rebates given should be deducted from revenues; they should be clearly indicated either in the invoices or other relevant documents. Subsequently, revenues should also be reduced by the sales value of returned goods in addition to approved discounts or rebates.

Financial revenues are recognised when no significant uncertainty as to their amount or collectability exists. Finance income includes finance income from stakes, finance income from loans given and finance income from operating receivables.

Interest is recognised on a time proportion basis taking account of the principal outstanding and the rate applicable.

Expenses

Expenses will be recognised if decreases in economic benefits during the accounting period are associated with a decrease in assets or an increase in liabilities (debts) and if the respective change can be reliably measured. They are classified as operating expenses, finance expenses, and other expenses. Operating expenses are itemised with regard to their nature.

Operating expenses equal accrued expenses in the accounting period and revaluation operating expenses.

Finance expenses from impairment and write-offs of financial investments primarily have the nature of revaluation finance expenses.

Finance expenses from financial liabilities relate to interest expenses and expenses (losses) from exchange differences related to received loans.

Finance expenses from operating liabilities represent expenses for default interest arising from operating receivables and expenses (losses) from exchange differences related to operating liabilities and receivables.

Earnings per share

The Group discloses basic earnings per share calculated by dividing the profit distributed to ordinary shareholders with the weighed average number of ordinary shares in the financial year. The Group does not calculate diluted earnings per share as it has only issued ordinary shares.

Financial statements of the Intereuropa Group with notes

Financial Statements of the Intereuropa Group

They include complete accounting information about the group of companies presented as a single company notwithstanding any legal restrictions applicable to individual Group members. The actually reconciled intra-group transactions and balances were excluded. Compiling of consolidated financial statements uses the single-company method whereby all assets and liabilities of the parent company and its subsidiaries belong to the Group, and minority stakes are posted as a part of the Group's share capital. Net profit of the Group represents net profit of the majority shareholder and net profit of minority shareholders.

Excluding of Receivables and Liabilities

The balance of intra-group operating and financial receivables and liabilities should be excluded from consolidated financial statements. These receivables and liabilities are by their nature internal account calculations and thus in consolidated financial statements only receivables from and liabilities to other entities, independent of the Group, may be posted. The Group records claims and obligations between the parent company and subsidiaries and between subsidiaries themselves.

Elimination of intragroup transactions

Exclusion of Profits and Losses from Mutual Business Relations

Profits and losses from mutual business relations appear in sale and purchase of property, plant & equipment when the sales price is above or below the carrying amount of such assets. Exclusion of profits and losses from mutual relations primarily takes into account the principle of operating efficiency and material relevance.

Exclusion of Revenues and Costs (Expenses)
To take into account the assumption of treating the Group as a single company, we eliminated all matched intragroup transactions between associates.

The complete consolidation method is applied in consolidation of subsidiaries; while associates and joint venture are consolidated in accordance with the equity method.

Offsetting of Receivables and Liabilities

All mutually reconciled receivables and liabilities between the parent company and its subsidiaries, as well as between subsidiaries themselves in the amount of EUR 5,119 thousand were offset in the consolidated balance sheet. Intra-group short-term financing receivables and liabilities were excluded in the amount of EUR 21,628 thousand, and intra-group long-term financing receivables and liabilities were offset in the amount of EUR 35,938 thousand.

Offsetting of Revenues and Expenses

Net sales revenues represent sold products and services between the parent company and subsidiaries and between subsidiaries themselves, and were offset in the amount of EUR 22,208
thousand with costs of services in the same amount. Finance income and expenses were offset in the amount of EUR 1,355 thousand.

Consolidated financial statements of the Intereuropa Group for 2007

Auditor's report for the Intereuropa Group

Deloitte.

DELOITTE REVIZIJA d.o.o.
Dunajska cesta 9
1000 Ljubljana
Slovenija
Tel: +386 1 30 72 800
Faks: +386 1 30 72 900

www.deloitte.si

INDEPENDENT AUDITOR'S REPORT
to owners of INTEREUROPA d.d.

We have audited the accompanying consolidated financial statements of the Intereuropa Group, which comprise the balance sheet as at 31 December 2007, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by the EU. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Revizija . Davčno svetovanje . Poslovno svetovanje . Finančno svetovanje .

Member of
Deloitte Touche Tohmatsu

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Intereuropa Group as at 31 December 2007, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Report on Other Legal and Regulatory Requirements

Pursuant to Article 57(1) of the Companies Act (ZGD-1), we have reviewed the company's business report. In our opinion, the business report is consistent with the audited financial statements.

DELOITTE REVIZIJA d.o.o.

Lidija Jezernik
Certified Auditor
Member of the Board

Deloitte.
DELOITTE REVIZIJA D.O.O.
Ljubljana, Slovenija 1

Ljubljana, 21 March 2008

Consolidated income statement of the Intereuropa Group for the period from 1 january to 31 december 2007

Table 4

Consolidated income statement of the Intereuropa Group for the period from 1 january to 31 december 2007 (in EUR thousand)

	Notes	January-December 2007	January-December 2006	I 07/06
Net sales revenues	**1**	**235,499**	**208,002**	**113**
Other operating income	2	7,185	2,243	320
Cost of material and services	3,4,5	168,062	150,768	111
Labour costs	6	44,094	38,122	116
Depreciation and write-offs	7	15,188	12,683	120
a) Amortisation, depreciation and other write-downs of intangible long-term assets and tangible fixed asset		13,172	11,494	115
b) Investment write-offs and value adjustments of current assets		2,016	1,189	170
Other operating expenses	8	2,538	1,927	132
Operating profit/loss	**9**	**12,802**	**6,745**	**190**
Financial revenues from stakes		24,596	3,795	648
Financial revenues from loans granted		435	217	200
Financial revenues from operating receivables		1,706	1,321	129
Financial expenses from impairments and financial asset write-offs		270	48	-
Financial expenses from financial liabilities		5,131	1,596	321
Financial expenses from operating liabilities		610	400	153
Profit/loss from regular operation	**10**	**33,528**	**10,034**	**334**
Income tax expense	11	4,199	2,400	175
Deferred taxes	12	-578	402	-
Net operating profit or loss from ordinary activity	**13**	**29,907**	**7,232**	**414**
Net profit/loss after tax from discontinued operations	14	-3,430	-490	700
Net profit/loss for the period	**15**	**26,477**	**6,742**	**393**
Net profit or loss of minority shareholders		414	355	117
Net profit or loss of the majority shareholder		26,063	6,387	408
Basic and adjusted net earnings per share (in EUR)	**16**	**3,30**	**0,81**	**408**

Notes to the financial statements are a constituent part thereof and must be read in conjunction therewith.

Consolidated balance sheet of the Intereuropa Group as at 31 december 2007

Table 5

Consolidated balance sheet of the Intereuropa Group as at 31 december 2007 (in EUR thousand)

	Notes	31. 12. 2007	31. 12. 2006	I 07/06
Assets		**408,571**	**289,830**	**141**
Non-current assets	**18**	**320,187**	**187,485**	**171**
Intangible assets and long-term deferred items	19	8,105	6,802	119
Tangible fixed assets	20	285,086	153,526	186
Investment property	21	12,831	14,259	90
Long-term financial investments	22	13,979	12,760	110
Long-term operating receivables		23	0	-
Deferred tax assets	32	163	138	118
Current assets (without accrued revenues and deferred expenses)	**23**	**83,927**	**99,554**	**84**
Assets classified as held for sale and discontinued operations	24	2,105	32,416	6
Stocks	25	150	79	190
Short-term financial investments	26	3,368	4,375	77
Short-term trade receivables	27	69,924	59,615	117
Cash	28	8,380	3,069	273
Short-term accrued revenues and deferred expenses	**29**	**4,457**	**2,791**	**160**
Current assets (with accrued revenues and deferred expenses)		**88,384**	**102,345**	**86**
Liabilities		**408,571**	**289,830**	**141**
Capital	**30**	**186,154**	**181,340**	**103**
Majority interests		**174,143**	**177,874**	**98**
Called up capital		32,976	32,976	100
Capital surplus		49,403	49,403	100
Profit reserves		12,008	12,008	100
Revaluation surplus		6,029	25,516	24
Net profit or loss from previous periods		49,557	50,205	99
Profit or loss for the business year		26,063	6,387	408
Consolidated capital adjustment (translation exchange rate differentials)		-1,893	1,379	-
Minority interests		12,011	3,466	347
Provisions and long-term accrued expenses and deferred revenues	**31**	**3,304**	**2,605**	**127**
Long-term liabilities	**32**	**81,331**	**31,804**	**256**
Long-term financial liabilities		77,796	27,482	283
Long-term operating liabilities		2,517	480	524
Deferred tax liabilities		1,018	3,842	26
Current liabilities	33	137,782	74,081	186
Liabilities included in disposal groups		0	2,495	-
Short-term financial liabilities		83,640	22,853	366
Short-term operating liabilities		54,142	48,733	111

Notes to the financial statements are a constituent part thereof and must be read in conjunction therewith.

Consolidated cash flow statement of the Intereuropa Group for the period from 1 january to 31 december 2007

Table 6

Consolidated cash flow statement of the Intereuropa Group for the period from 1 january to 31 december 2007 (in EUR thousand)

	Notes	January-December 2007	January-December 2006
Cash flows from operating activities	**35**		
Income statement items		**22,071**	**13,146**
Operating revenue (except from revaluation) and financial revenue from operating receivables		237,811	222,161
Operating expenses excluding depreciation or amortisation and long-term provisions (except from revaluation) and financial expenses from operating liabilities		-214,136	-203,311
Income taxes and other taxes not included in operating expenses		-1,604	-5,704
Changes in current net assets (and accruals, provisions and deferred tax receivables and liabilities) of the operating balance sheet items		**-10,434**	**-6,075**
Opening less closing accounts receivable and deferred expenses and accrued revenues		-13,388	-13,654
Opening less closing inventories		-31	112
Closing less opening operating liabilities, accrued costs and deferred revenue, and provisions		2,985	7,467
Net receipts from operating activities		**11,637**	**7,071**
Cash flows from investment activities	**36**		
Inflows from investments		29,784	13,481
Cash receipts from earned interest associated with investment activities		191	379
Receipts from other profit shares		746	1,454
Payments from the disposal of intangible fixed assets		0	0
Cash receipts from disposal of tangible fixed assets and investment property		2,234	2,000
Cash receipts from disposal of long-term investments		25,802	8,403
Cash receipts from decrease of short-term of investments		811	1,245
Disbursements for investments		**-135,710**	**-25,160**
Acquisition of subsidiaries net of cash acquired		-23,023	0
Disbursements for acquiring intangible fixed assets		-1,453	-3,628
Expenses for the purchase of tangible fixed assets and investment property		-111,124	-21,327
Cash payments to acquire long-term investments		-110	-205
Surplus outflows from investments		**-105,926**	**-11,679**
Cash flows from financing activities	**37**		
Inflows from financing activities		**118,950**	**23,457**
Equity increase		0	15
Receipts based on long-term loans		65,322	11,998
Receipts from increased raised short-term loans		53,628	11,444
Disbursements for financing		-19,396	-18,744
Interest paid on financing activities		-4,426	-1,562
Cash payments for dividends and other profit participations		-6,931	-8,533
Cash disbursements for repayment of long-term loans		-8,039	-8,649

	Notes	January-December 2007	January-December 2006
Surplus cash receipts from financing		99,554	4,713
Net increase/decrease in cash assets		**5,265**	**105**
Exchange rate effects		**46**	**-156**
Opening cash balance		**3,069**	**3,584**
Closing Cash balance	**28,38**	**8,380**	**3,533**
Cash assets, transferred to discontinued operations		0	-464

Notes to the financial statements are a constituent part thereof and must be read in conjunction therewith.

Consolidated statement of changes in equity of the Group for 2007

Table 7

Consolidated statement of changes in equity of the Group for 2007 (in EUR thousand)

	Note	Equity capital	Capital surplus	Legal reserves	Revaluation surplus	Net profit or loss from previous periods	Profit or loss for the business year	Consolidated capital adjustment (translation exchange rate differentials)	Minority interests	Total capital
Opening balance as at 1 January 2007		**32,976**	**49,403**	**12,008**	**25,516**	**50,205**	**6,387**	**1,379**	**3,466**	**181,340**
Entry of net operating profit or loss for the period		0	0	0	0	0	26,063	0	414	26,477
Increased surplus from revaluation of investments		0	0	0	1,728	0	0	0	2	1,730
Transfer of revaluation surplus to revenues (from the sale of investments)		0	0	0	-23,643	0	0	0	0	-23,643
Cancelled liabilities for deferred taxes credited to capital		0	0	0	2,428	0	0	0	0	2,428
Translation exchange rate differentials		0	0	0	0	0	0	-3,272	49	-3,223
Total recognised revenues and expenses in capital		**0**	**0**	**0**	**-19,487**	**0**	**26,063**	**-3,272**	**465**	**3,769**
Increase arising from the purchase or establishment of new companies		0	0	0	0	0	0	0	8,416	8,416
Other reallocation of components of equity		0	0	0	0	6,387	-6,387	0	0	0
Paid out dividends and profit shares		0	0	0	0	-6,595	0	0	-310	-6,905
Payment of remunerations to the Members of the Management and the Supervisory Boards		0	0	0	0	-75	0	0	0	-75
Other decreases in components of equity		0	0	0	0	-365	0	0	-26	-391
Closing balance as at 31 December 2007	**39**	**32,976**	**49,403**	**12,008**	**6,029**	**49,557**	**26,063**	**-1,893**	**12,011**	**186,154**

Notes to the financial statements are a constituent part thereof and must be read in conjunction therewith.

Consolidated statement of changes in equity of the Group for 2006

Table 8

Consolidated statement of changes in equity of the Group for 2006 (in EUR thousand)

	Note	Equity capital	Capital surplus	Legal reserves	Revaluation surplus	Net profit or loss from previous periods	Profit or loss for the business year	Consolidated capital adjustment (translation exchange rate differentials)	Minority interests	Total capital
Opening balance as at 1 January 2006		**32,976**	**49,403**	**11,096**	**18,977**	**49,876**	**9,245**	**1,303**	**3,181**	**176,057**
Entry of net operating profit or loss for the period		0	0	0	0	0	6,387	0	356	6,743
Increased surplus from revaluation of investments		0	0	0	4,338	0	0	0	5	4,343
Cancelled liabilities for deferred taxes credited to capital		0	0	0	2,201	0	0	0	0	2,201
Translation exchange rate differentials		0	0	0	0	0	0	76	-22	54
Total accrued profit for the business year		**0**	**0**	**0**	**6,539**	**0**	**6,387**	**76**	**339**	**13,341**
Increase arising from the purchase of new companies		0	0	0	0	0	0	0	15	15
Transfer from net profit/loss brought forward to statutory reserves		0	0	912	0	-912	0	0	0	0
Other increases in capital components		0	0	0	0	240	0	0	210	450
Other reallocation of components of equity		0	0	0	0	9,245	-9,245	0	0	0
Paid out dividends and profit shares		0	0	0	0	-8,244	0	0	-279	-8,523
Closing balance as at 31 December 2006	**40**	**32,976**	**49,403**	**12,008**	**25,516**	**50,205**	**6,387**	**1,379**	**3,466**	**181,340**

Notes to the financial statements are a constituent part thereof and must be read in conjunction therewith.

Notes to the consolidated income statement

The Group improved operating efficiency by 3 percent through faster growth of operating revenues than operating expenses. Comparative data were reduced by revenues and expenses of Schneider & Peklar GmbH, Vienna with the effect presented in the item loss after tax from discontinued operations in the amount of EUR 490 thousand.

Note 1: Net sales revenues

Generated net sales revenues rose by 13 percent.

Note 2: Other operating revenues

Other operating revenues amounted to EUR 7,185 thousand and represented:
- net proceeds from the sale of property, plant & equipment of EUR 1,655 thousand
- paid receivables for which value adjustment in the amount of EUR 614 thousand was established in 2006; and
- other revenues of EUR 4,916 thousand, composed of revenues from negative goodwill resulting from new acquisitions represented 88 percent of the amount

Higher other operating revenues in 2007 were boosted by revenues from negative goodwill resulting from new acquisitions, notably the acquisition of Montenegrin Zetatrans A.D. Podgorica.

Note 3: Cost of goods, material and services

Costs of goods, material and services grew by 11 percent with the largest contributor being costs of services growing by EUR 15,741 thousand, although their share in total operating expenses fell by one percentage point.

Table 9

Cost of goods, material and services (in EUR thousand)

	2007	2006	I 07/06
Cost of material and services	**168,062**	**150,768**	**111**
Purchase value of sold goods and material and costs of consumables	12,882	11,329	114
Costs of services	155,180	139,439	111

Note 4: Used material costs

Used material costs rose by 14 percent and maintained their share in total operating expenses. They relate primarily to costs of fuel for freight and other vehicles, costs of heating fuel, costs of maintenance and cleaning material and costs of office supplies.

Note 5: Costs of services

Direct costs (costs of suppliers directly related to the rendering of services) represented the bulk, 84 percent, of costs of services. The major part of those costs were transportation costs.

Table 10

Costs of services (in EUR thousand)

	2007	2006	I 07/06
Direct costs	131,473	120,500	109
Other costs of services:	23,707	18,939	125
Telephone costs	1,658	1,627	102
Maintenance costs	4,824	4,891	99
Insurance premiums	1,862	1,592	117
Education and training costs	325	243	134
Other costs of services	15,038	10,586	142
Costs of services	**155,180**	**139,439**	**111**

Note 6: Labour cost

Table 11 Labour cost			(in EUR thousand)
	2007	2006	I 07/06
Payroll costs	30,265	26,726	113
Social security costs	5,998	5,254	114
a) Pension insurance costs	2,447	2,345	104
b) Costs of other social security	3,551	2,909	122
Other labour costs	7,831	6,142	127
a) Holiday allowance	1,239	1,319	94
b) Travel and meal allowances	3,348	2,973	113
c) Other labour costs	3,244	1,850	175
Labour costs	**44,094**	**38,122**	**116**

Labour costs rose by 16 percent while maintaining the share of total operating expenses (19 percent).

Note 7: Write-downs in value

Table 12 Write-downs in value				(in EUR thousand)
		2007	2006	I 07/06
	Write-offs (a+b+c)	**15,188**	**12,683**	**120**
a	Amortisation	13,065	10,950	119
b	Operating expenses from revaluation of intangible and tangible fixed assets	107	544	20
c	Operating expenses from revaluation of current assets	2,016	1,189	170

Write downs increased by 20 percent resulting primarily from higher depreciation cost.

Note 8: Other operating expenses

Table 13 Other operating expenses			(in EUR thousand)
	2007	2006	I 07/06
Contribution for the city's land	957	1,032	93
Donations	193	52	371
Other operating expenses	1,388	843	165
Other operating expenses	**2,538**	**1,927**	**132**

Other operating expenses rose by 32 percent representing 1 percent of operating expenses.

Presenting Operating Expenses by Type

Operating expenses of the Group rose by 13 percent with the largest contributor being the costs of goods, material and services rising by 11 percent. The structure of operating expenses remained roughly unchanged from the previous period.

Table 14
Presenting Operating Expenses by Type (in EUR thousand)

		2007	in %	2006	in %	I 07/06
1.	**Cost of goods, material and services (a+b)**	**168,062**	**73%**	**150,768**	**74%**	**111**
a.	Costs of goods and materials sold and costs of materials used	12,882	6%	11,329	6%	114
b.	Costs of services	155,180	68%	139,439	69%	111
2.	**Labour costs (a + b + c)**	**44,094**	**19%**	**38,122**	**19%**	**116**
a.	Payroll costs	30,265	13%	26,726	13%	113
b.	Social security costs	5,998	3%	5,254	3%	114
	1) Pension insurance costs	2,447	1%	2,345	1%	104
	2) Costs of other social security	3,551	2%	2,909	1%	122
c.	Other labour costs	7,831	3%	6,142	3%	127
3.	**Write-offs (a+b+c)**	**15,188**	**7%**	**12,683**	**6%**	**120**
a.	Amortisation	13,065	6%	10,950	5%	119
b.	Operating expenses from revaluation of intangible and tangible fixed assets	107	0%	544	0%	20
c.	Operating expenses from revaluation of current assets	2,016	1%	1,189	1%	170
4.	**Other operating expenses**	**2,538**	**1%**	**1,927**	**1%**	**132**
5.	**Costs and expenses (1 to 4)**	**229,882**	**100%**	**203,500**	**100%**	**113**

Note 9: Operating profit or loss

The Group's operating profit was EUR 12,802 thousand, nearly doubling the 2006 figure due to higher operating revenues.

Note 10: Profit/Loss from Ordinary Activity

Profit from ordinary activities of EUR 33,528 thousand resulted from operating profit and capital gains. The result is 3.3 times better than in the preceding period.

Finance income and Expenses

Capital gains of the Group were mostly due to the sale of a long-term investment in Banka Koper by the parent company; whereas the extraordinary financial result was lowered by borrowing costs.

Exchange differences resulted in the profit of EUR 115 thousand in 2007.

Table 15

Finance income and Expenses			(in EUR thousand)
	2007	2006	I 07/06
1. Financial revenues from participations	**24,596**	**3,795**	**648**
Financial revenue from shares and interests in associates	100	200	50
Financial revenues from shares and interests in other companies (dividends)	572	1,454	39
Financial revenue from other investments	23,924	2,141	1,117
2. Financial revenues from loans	**435**	**217**	**200**
3. Financial revenues from operating receivables	**1,706**	**1,321**	**129**
4. Total financial revenues (1+2+3)	**26,737**	**5,333**	**501**
5. Financial expenses due to impairment and write-offs of investments	**270**	**48**	**563**
6. Finance expenses from financial liabilities	**5,131**	**1,596**	**321**
Financial expenses for loans received from banks and others	4,843	1,557	311
Financial expenses for other financial liabilities	288	39	-
7. Financial expenses for trade payables and bills payable	**610**	**400**	**153**
8. Total financial expenses (5+6+7)	**6,011**	**2,044**	**294**
Operating profit or loss from financial activities (4-8)	**20,726**	**3,289**	**630**

Note 11: Corporation Tax (Current Tax)

The Group's tax liability for the financial year 2007 was EUR 4,199 thousand. The bulk of tax liability, i.e. 73 percent, was that of the parent company. Taxable and deductible temporary differences are disclosed in revenue from deferred tax in the amount of EUR 578 thousand.

Table 16

Corporation Tax (Current Tax)			(in EUR thousand)
	2007	2006	I 07/06
Tax	4,199	2,400	175
Deferred tax	-578	402	-144
Total income tax	**3,621**	**2,802**	**129**
Profit before taxes	30,098	10,034	300
Tax accounted at the prescribed rate	6,712	2,458	273
Non-deductible expenses	1,012	883	115
Tax relief	-1,055	-410	257
Revenues that decrease the tax base	-3,037	-165	1,841
Other items	-11	36	-31
Total income tax	**3,621**	**2,802**	**129**

Note 12: Deferred tax

Effective Tax Charge of the Group

The weighed tax rate used was 22.4 percent.

Table 17

Deferred tax			(in EUR thousand)
	2007	**2006**	**I 07/06**
Current tax	4,199	2,400	175
Deferred tax	-578	402	-144
Total	**3,621**	**2,802**	**129**

Note 13: Net profit or loss from ordinary activities

Net profit from ordinary activities was EUR 29,907 thousand in 2007.

Note 14: Discontinuing

Because of the introduction of bankruptcy proceedings for Schneider & Peklar GmbH, Vienna we disclosed their impact separately in the statements as discontinued operations, where the established loss resulting from discontinuing the association was EUR 3,430 thousand.

Breakdown of the loss from discontinuing

Table 18

Discontinuing		(in EUR thousand)
	2007	**2006**
Net sales	0	11,572
Other operating revenues (including those arising from the cancellation of liabilities for disposal)	2,495	85
Financial revenues	0	22
Cancellation of translation exchange rate differentials in capital	54	0
Total revenues	**2,549**	**11,679**
Cost of goods, material and services	0	9,158
Labour costs	0	2,469
Amortisation	0	84
Investment write-offs and value adjustments of current assets	0	4
Revaluation assets held for sale and discontinued operations	5,979	0
Other operating expenses	0	568
Financial expenses	0	43
Total expenses	**5,979**	**12,326**
Corporate income tax and deferred taxes	0	-157
Loss after taxation	**-3,430**	**-490**

Note 15: Net profit or loss for the period

The Group made a net profit of EUR 26,477 thousand in 2007 of which the share of majority and minority interest was EUR 26,063 thousand and EUR 414 thousand, respectively.

Table 19

Net profit or loss for the period				(in EUR thousand)
No.		2007	2006	I 07/06
1.	Operating profit/loss	12,802	6,745	190
2.	Profit or loss from financing activity	20,726	3,289	630
3.	Corporate income tax (including deferred taxes)	3,621	2,802	129
4.	Loss from discontinued operations	3,430	490	700
5.	**Total (1+2-3-4)**	**26,477**	**6,742**	**393**
5.a	Net profit or loss of minority shareholders	414	355	117
5.b	Net profit or loss of the majority shareholder	26,063	6,387	408

Note 16: Basic and Diluted Earnings per Share

Basic earnings per share are calculated as: net profit apportioned to ordinary shareholders of the parent company/weighed average number of ordinary shares outstanding in the accounting period (EUR 26,063 thousand / 7,902,413 shares).

Diluted earnings per share are the same as basic earnings per share as the parent company issued no dilutive potential ordinary shares.

Table 20

Basic and Diluted Earnings per Share		(in EUR)
	2007	2006
Net earnings per share from regular operations	3.73	0.87
Net earnings per share from discontinued operations	-0.43	-0.06
Total	**3.30**	**0.81**

Note 17: Other disclosures

Related parties in the Group are:

- subsidiaries
- associates
- joint ventures in the form of a jointly-controlled company
- key directors of the Group's associated companies

Key directors in Intereuropa d.d. are members of the Management Board, and in subsidiaries they are members of the Management Board or the Chief Executive Officer if companies have no Management Board.

Table 21

Remuneration to key directors				(in EUR thousand)
		2007	2006	I 07/06
1.	Short-term employee benefits (salary with social security contributions, annual and sick leave, profit sharing and non-cash benefits)	1,506	1,347	112
2.	Termination benefits for business reasons	0	12	-
	Total	**1,506**	**1,359**	**111**

The Group granted no guarantees or advances to key directors.

Members of the Intereuropa Group paid the following gross income in 2007 to the groups of persons listed below:

Table 22

(in EUR thousand)	Management Board and company directors	Employees with service contracts
Salaries and other allowances	1,506	3,471

There was no other remuneration to persons employed under service contracts in subsidiaries.

Disclosure of Related-party Transactions

Table 23

Service sales revenues (in EUR thousand)

	2007	2006	I 07/06
Associates	428	376	114
Jointly controlled company	405	177	229

Table 24

Service expenses (in EUR thousand)

	2007	2006	I 07/06
Associates	1,824	1,886	97
Jointly controlled company	17,421	11,616	150

Table 25

State of financial claims and loans given (in EUR thousand)

	31. 12. 2007	31. 12. 2006	I 07/06
Associates	135	158	85
Jointly controlled company	32	13	246

Table 26

State of financial obligations and loans received (in EUR thousand)

	31. 12. 2007	31. 12. 2006	I 07/06
Associates	199	268	74
Jointly controlled company	1,500	1,182	127
Central management staff	6	29	21

None of the above stated liabilities are collateralised nor has any guarantee been issued or received in relation therewith. Liabilities to subsidiaries are in accordance with good practices settled by compensations while liabilities to the joint venture are generally settled by cash remittances, assignments or compensation.

Transactions with related parties were made at market terms and conditions.

Associated companies

The company Intereuropa d.d. has a 40 percent stake in the associated company AC - Interauto d.o.o., Koper. The presented amounts represent 40 percent of the assets, liabilities, sale and profit of the associate.

Table 27

Associated companies (in EUR thousand)

	31. 12. 2007	31. 12. 2006	I 07/06
Assets	**420**	**791**	**53**
Non-current assets	85	93	91
Current assets	335	535	63
Deferred items	0	163	-
Liabilities	**420**	**791**	**53**
Capital	-134	128	-105
Non-current liabilities	42	89	47
Current liabilities	507	574	88
Accrued expenses and deferred income	5	0	-
Revenue	1,386	1,483	93
Expenses (including corporate income tax)	1,443	1,466	98
Net profit or loss for the period	-57	17	-335

Joint venture

The company Intereuropa d.d. has a 50 percent stake in the jointly controlled company Intereuropa-FLG, d.o.o., Ljubljana. The presented amounts represent 50 percent of the assets, liabilities, sale and profit of the joint venture.

Table 28

Joint venture (in EUR thousand)

	31. 12. 2007	31. 12. 2006	I 07/06
Assets	**1,589**	**1,651**	**96**
Non-current assets	20	9	222
Current assets	1,569	1,642	96
Liabilities	**1,589**	**1,651**	**96**
Capital	172	162	106
Non-current liabilities	12	0	-
Current liabilities	1,405	1,489	94
Revenues	12,181	9,771	125
Expenses (including corporate income tax)	12,081	9,688	125
Net profit or loss for the period	100	83	120

The jointly controlled company Intereuropa-FLG, d.o.o., Ljubljana compiled its financial statements in line with the IFRS. Transactions with related parties were made at market terms and conditions.

Acquisitions of subsidiaries

Four acquisitions were made in 2007.

Table 29

Acquisitions of subsidiaries (in EUR thousand)

	ITAR d.o.o, Zagreb	Zetatrans AD Podgorica	TOV Intereuropa - the Ukraine, Kiev	TOV DDT, Onakivci
Date of acquisition	1. 1. 2007	1. 10. 2007	1. 5. 2007	1. 10. 2007
Ownership	100%	66.77%	100%	100%
Tangible fixed assets	351	21,322	12,088	1,410
Other intangible assets	0	8	0	0
Non-current assets	0	8	0	0
Stocks	0	40	0	0
Trade and other receivables	254	1,321	0	44
Cash	65	3,698	3	10
Trade and other liabilities	126	591	0	11
Bank credits	488	0	0	0
Deferred tax liabilities	0	158	0	0
Tax liabilities	0	322	0	0
Total net assets	**56**	**25,326**	**12,091**	**1,453**
Minority interest 0.0%	0	8,416	0	0
Acquired net assets	**56**	**16,910**	**12,091**	**1,453**
Paid in money	674	12,656	12,039	1,372
Costs directly related to merger	0	51	7	0
Total cost	**674**	**12,707**	**12,046**	**1,372**
Goodwill and negative goodwill	**618**	**-4,203**	**-45**	**-81**

Business and geographical segments

Table 30

Business segments (in EUR thousand)

	EU area 2007	EU area 2006	Outside EU 2007	Outside EU 2006	2007 exclusions	2006 exclusions	Total EU and outside EU 2007	Total EU and outside EU 2006
REVENUES								
Revenues from transactions with other sections	17,090	2,883	5,118	1,147	22,208	4,030	0	0
Revenues from external clients	174,253	157,282	61,245	50,720			235,499	208,002
Total revenues	191,343	160,165	66,363	51,867	22,208	4,030	235,499	208,002
Operating profit/loss by section (from operations)	**7,501**	**1,733**	**5,301**	**5,012**			**12,802**	**6,745**
Operating profit (from ordinary activities)	**31,648**	**6,142**	**1,879**	**3,892**			**33,528**	**10,034**

	EU area 2007	EU area 2006	Outside EU 2007	Outside EU 2006	2007 exclusions	2006 exclusions	Total EU and outside EU 2007	Total EU and outside EU 2006
Operating profit/loss (from discontinued operations)	**-3,430**	**-490**					**-3,430**	**-490**
Interest expenses	3,565	873	2,664	663			6,229	1,536
Interest income	1,545	192	-239	26			1,306	218
Corporate income tax (including deferred taxes)	2,738	1,811	883	991			3,621	2,802
Net profit	**25,480**	**3,841**	**997**	**2,901**			**26,477**	**6,742**
Other Information								
Segment assets	340,340	256,551	214,718	92,383	146,742	59,494	408,316	289,440
Investment in equity method associates	254	390					254	390
Total assets of the Group	**340,594**	**256,941**	**214,718**	**92,383**	**146,742**	**12,544,825**	**408,570**	**289,830**
Segment liabilities	340,594	256,942	214,718	92,383	146,742	59,494	408,570	289,830
Total liabilities of the Group	**340,594**	**256,942**	**214,718**	**92,383**	**146,742**	**59,494**	**408,570**	**289,830**
Investments in tangible and intangible long-term assets - total cost	37,847	11,717	76,058	11,661			113,905	23,378
Depreciation for new investments in tangible and intangible assets	236	414	371	167			607	581
Depreciation and other intangible fixed assets write-downs and tangible fixed assets write-offs	8,387	8,421	4,784	3,073			13,171	11,494
Non-cash expenses (excluding depreciation), included in segment expenses	1,019	1,027	998	162			2,016	1,189

Table 31

Geographical segments (in EUR thousand)

	Land transport		Logistic solutions		Intercontinental transport		Other services		Group	
	2007	**2006**	**2007**	**2006**	**2007**	**2006**	**2007**	**2006**	**2007**	**2006**
Revenues from external clients	124,963	117,631	26,052	22,884	78,572	62,501	5,912	4,985	235,499	208,002
Book value of assets	106,840	90,646	110,949	101,429	92,281	21,357	98,500	76,398	408,571	289,830
Cost of acquired assets	8,224	10,173	16,686	6,294	83,846	2,479	2,704	4,455	111,460	23,402
Share of revenues from external clients by client segment										
Europe	56%	63%	61%	61%	52%	53%	44%	42%	55%	59%
Outside Europe	44%	37%	39%	39%	48%	47%	56%	58%	45%	41%

NOTES TO THE CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2007

The Group's assets as at the balance sheet date rose by 41 percent from the respective date in 2006. Current assets fell while non-current assets rose and the share of current liabilities improved. The contributors were investments in property, plant & equipment as well as property, plant & equipment obtained by acquisitions in 2007.

Note 18: Non-current assets

Non-current assets represented 78 percent of total assets and rose by 71 percent from 2006. Their share in assets rose by 13 percentage points resulting from assets of acquired companies and investments with a reduction of the item in comparable data for transfer of assets of Schneider & Peklar GmbH, Vienna (including goodwill) in the amount of EUR 5,979 thousand to the short-term part of the balance sheet, namely to the item of assets held-for-sale and discontinued operations.

Note 19: Intangible assets

Table 32

Changes in intangible assets and long-term deferred items in 2007 (in EUR thousand)

	Long-term property rights	Goodwill	Long-term deferred development costs	Long-term deferred expenses and accrued revenues (long-term deferred operating expenses)	Total
Cost					
As at 1 January 2007	**5,426**	**1,427**	**1,389**	**7**	**8,249**
Inclusion of new subsidiaries	8	618	0	0	626
Increases	580	0	873	44	1,497
Decrease	-52	0	0	-21	-73
Exchange rate differentials	1	0	-8	0	-7
As at 31 December 2007	**5,963**	**2,045**	**2,254**	**30**	**10,292**
Value adjustment					
As at 1 January 2007	1,354	0	93	0	1,447
Increases (arising from depreciation)	778	0	14	0	792
Decrease due to disposal	-52	0	0	0	-52
As at 31 December 2007	**2,080**	**0**	**107**	**0**	**2,187**
Residual value					
As at 1 January 2007	4,073	1,427	1,296	7	6,802
As at 31 December 2007	**3,883**	**2,045**	**2,147**	**30**	**8,105**

Table 33

Changes in intangible assets and long-term deferred items in 2006 (in EUR thousand)

	Long-term property rights	Goodwill	Long-term deferred development costs	Long-term deferred expenses and accrued revenues (long-term deferred operating expenses)	Total
Cost					
As at 1 January 2006	**2,844**	**5,190**	**860**	**25**	**8,919**
Increase	3,097	0	800	0	3,897
Decrease	-486	-470	-268	-18	-1,242
Decrease due to the transfer to the assets available for sale	-37	-3,293	0	0	-3,330
Exchange rate differentials	8	0	-3	0	5
As at 31 December 2006	**5,426**	**1,427**	**1,389**	**7**	**8,250**
Value adjustment					
As at 1 January 2006	1,269	0	80	0	1,349
Increases (arising from depreciation)	604	0	14	0	618
Decrease due to disposal	-486	0	0	0	-486
Decrease due to the transfer to the assets available for sale	-33	0	0	0	-33
As at 31 December 2006	**1,354**	**0**	**94**	**0**	**1,448**
Residual value					
As at 1 January 2006	1,576	5,190	780	25	7,571
As at 31 December 2006	**4,072**	**1,427**	**1,295**	**7**	**6,802**

Intangible long-term assets were affected in 2007 by increases due to acquired assets and amortisation with write downs. Intangible long-term assets rose by 19 percent. Long-term property rights and long-term deferred development costs have a definite useful life.

The carrying amount of goodwill, having an indefinite useful life, is annually reviewed and impaired if deemed necessary. Goodwill from acquisition of an Austrian company in bankruptcy (EUR 3,293 thousand) was in comparable data transferred to the item assets held-for-sale and discontinued operations.

As at the underlying date, the company had no financial liabilities resulting from the acquisition of intangible assets, and operating liabilities arising thereof equalled EUR 91 thousand. The company has no legal restrictions for disposal of intangible assets.

Note 20: Property, plant and equipment

They represent 69 percent of total assets of the Group. The increase in 2007 was due to new acquisitions of fixed assets by associates and assets of newly consolidated companies. Disposal and depreciation of assets contributed to a decrease in value of property, plant & equipment. Compared to the relevant date in 2006, property, plant & equipment rose by 86 percent primarily as a result of inclusion of new subsidiaries and fixed assets under construction due to new investments in property and equipment.

Table 34

Changes in property, plant & equipment in 2007 (in EUR thousand)

	Land	Buildings	Investment in foreign tangible fixed assets	Other plant and equipment	Acquisition of tangible fixed assets in progress	Advances for acquisition of property, plant and equipment	Total
Cost							
As at 1 January 2007	**21,634**	**141,956**	**80**	**59,688**	**4,135**	**1,568**	**229,061**
Opening adjustment	0	1	0	-62	0	0	-61
Purchasing	0	0	0	0	112,452	2,420	114,872
Activation	36,268	24,357	0	14,097	-74,722	0	0
Inclusion of new subsidiaries	19,257	14,547	30	1,083	42	0	34,959
Decrease due to disposal	-69	-231	0	-5,164	-58	-2,892	-8,414
Increase due to the transfer from investment property	174	1,408	0	0	0	0	1,582
Decrease due to the transfer to investment property	0	-43	0	0	-23	0	-66
Decrease due to the transfer to the assets available for sale	0	-642	0	0	0	0	-642
Exchange rate differentials	-1,602	-633	0	-347	-840	97	-3,325
As at 31 December 2007	**75,662**	**180,720**	**110**	**69,295**	**40,986**	**1,193**	**367,966**
Value adjustment							
As at 1 January 2007	0	41,157	75	34,303	0	0	75,535
Opening adjustment	0	31	0	33	0	0	63
Increases (arising from depreciation)	0	4,247	1	7,574	0	0	11,822
Decrease due to disposal	0	-120	0	-4,837	0	0	-4,957
Increase due to the transfer from the assets available for sale	0	0	0	0	0	0	0
Increase due to the transfer from investment property	0	539	0	0	0	0	539
Decrease due to the transfer to the assets available for sale	0	-76	0	0	0	0	-76
Exchange rate differentials	0	-41	0	-6	0	0	-47
As at 31 December 2007	**0**	**45,737**	**76**	**37,067**	**0**	**0**	**82,880**
Residual value							
As at 1 January 2007	21,634	100,799	5	25,385	4,135	1,568	153,526
As at 31 December 2007	**75,662**	**134,983**	**34**	**32,228**	**40,986**	**1,193**	**285,086**

Table 35

Changes in property, plant & equipment in 2006 (in EUR thousand)

	Land	Build-ings	Investment in foreign tangible fixed assets	Other plant and equip-ment	Acquisition of tangible fixed assets in progress	Advances for acquisition of property, plant and equipment	Total
Cost							
As at 1 January 2006	**19,154**	**138,547**	**128**	**57,188**	**1,750**	**345**	**217,112**
Purchasing	0	0	0	0	20,089	1,271	21,360
Activation	3,003	3,277	0	11,353	-17,633	0	0
Alignment arising from the adjustment of the depreciation rate of previous years	0	504	0	0	0	0	504
Decrease due to disposal	-430	-767	-47	-8,291	-61	-48	-9,645
Increase due to the transfer from the assets available for sale	0	482	0	0	0	0	482
Increase due to the transfer from investment property	21	1,334	0	0	0	0	1,355
Decrease due to the transfer to investment property	-126	-756	0	0	0	0	-882
Decrease due to the transfer to the assets available for sale	0	-837	0	-580	0	0	-1,417
Exchange rate differentials	12	172	0	18	-8	-1	193
As at 31 December 2006	**21,634**	**141,956**	**81**	**59,688**	**4,137**	**1,567**	**229,061**
Value adjustment							
As at 1 January 2006	0	36,922	122	36,818	0	0	73,862
Increases (arising from depreciation)	0	3,714	1	6,034	0	0	9,749
Decrease due to disposal	0	-361	-47	-8,115	0	0	-8,523
Increase due to the transfer from the assets available for sale	0	318	0	0	0	0	318
Increase due to the transfer from investment property	0	760	0	0	0	0	760
Decrease due to the transfer to the assets available for sale	0	-256	0	-435	0	0	-691
Exchange rate differentials	0	59	0	0	0	0	59
As at 31 December 2006	**0**	**41,157**	**76**	**34,303**	**0**	**0**	**75,535**
Residual value							
As at 1 January 2006	19,154	101,625	6	20,370	1,750	345	143,250
As at 31 December 2006	**21,634**	**100,799**	**5**	**25,385**	**4,137**	**1,567**	**153,526**

Given the market value of real estate on similar locations we estimate that market values of land and buildings are the same or even higher than their carrying amounts (depending on location, condition and age of buildings and market conditions) and we therefore made no impairment.

Liabilities for received loans (short- and long-term) intended for property, plant & equipment totalled EUR 484,658 thousand, and operating liabilities for property, plant & equipment amounted to EUR 13,165 thousand as at 31 December 2007. As at 31 December 2007, the Company had no property, plant & equipment pledged as collateral for debt nor were there any other legal restrictions for disposing of these assets.

Note 21: Investment property

Given the market value of real estate reflected by current prices on individual locations and with regard to the condition of buildings we estimate that market values of investment property are up to 50 percent higher than their carrying amounts (assessments made for the highest values in Koper and Ljubljana), and we therefore made no impairment. Investment property fell by 10 percent from 2006 resulting from depreciation and transfer to property, plant & equipment. Changes in the items are given in the table below.

Table 36

Investment Property (in EUR thousand)

	2007	2006
Cost		
As at 1 January	19,713	20,186
Increase due to new acquisitions	66	882
Decrease due to sales	0	-173
Decrease due to the transfer to the assets available for sale	0	-938
Decrease due to the transfer to tangible fixed assets	-1,582	-244
As at 31 December	**18,197**	**19,713**
Value adjustment		
As at 1 January	5,454	5,547
Increases (arising from depreciation)	451	667
Decrease due to sales	0	-109
Decrease due to the transfer to the assets available for sale	0	-108
Decrease due to the transfer to tangible fixed assets	-539	-543
As at 31 December	**5,366**	**5,454**
Residual value		
As at 1 January	14,259	14,639
As at 31 December	**12,831**	**14,259**

Table 37

Revenues and expenses from investment property (in EUR thousand)

	2007	2006	I 07/06
A. Rental income from investment property	1,695	1,827	93
B. Direct operating expenses generating income from investment property	-803	-617	130
C. Profit from the sale of investment property	0	133	-
Total (A+B+C)	**892**	**1,343**	**66**

Revenues from renting real estate fell by 7 percent and 34 percent accounting for direct operating expenses and profit from sales.

Note 22: Long-term financial investments

Long-term financial investments increased their share in assets, namely by 9 percentage points. All changes are presented in the table Changes in long-term financial investments.

Table 38

Changes in long-term investments in 2007

(in EUR thousand)

	Long-term investments, excluding loans				Long-term loans granted to others	Total
	Shares in associates	Other shares and stakes				
		Financial assets at fair value through profit or loss	Available-for-sale financial assets	Investments at cost of acquisition		
Opening value						
As at 1 January 2007	390	0	9,252	2,805	313	12,760
Increase						
Inclusion of new companies	0	0	0	9	0	9
Purchases, capital increase, granted loans	0	0	0	108	1	109
Revaluation to the fair value	0	94	1,734	0	0	1,828
Transfer between items	0	0	-128	128	0	0
Profit acc. to equity method	100	0	0	0	0	100
Total increase	**100**	**94**	**1,606**	**245**	**1**	**2,046**
DECREASE						
Sales	0	0	324	107	0	431
Transfer to short-term part	0	0	0	0	98	98
Impairment	0	0	1	9	34	44
Exchange rate differentias and preservation of value	0	0	0	5	13	18
Payment of profits	176	0	0	0	0	176
Loss acc. to equity method	60	0	0	0	0	60
Total reduction	**236**	**0**	**325**	**121**	**145**	**827**
Total						
Opening value	390	0	9,252	2,805	313	12,760
Increase	100	94	1,606	245	1	2,046
Decrease	236	0	325	121	145	827
As at 31 December 2007	**254**	**94**	**10,533**	**2,929**	**169**	**13,979**

Stakes in associated companies and the jointly controlled company

As at the balance sheet date, stakes in associated companies amounted to EUR 254 thousand. These comprised two investments, namely in the associate AC - Interauto d.o.o., Vojkovo nabrežje 32, Koper and in the jointly controlled company Intereuropa-FLG, d.o.o., Letališka 35, Ljubljana.

Stakes were increased/decreased for the pertaining net profit in 2007 by applying the equity method, as follows:

Table 39

Stakes in associated companies and the jointly controlled company	for the year 2007	for the year 2006	I 07/06
(in EUR thousand)			
AC - Interauto d.o.o., Koper	-57	20	-
Intereuropa-FLG, d.o.o., Ljubljana	100	167	60
Total	**43**	**187**	**23**

Available-for-Sale Assets

Fair value for available-for-sale assets listed on the active market equalled EUR 10,533 thousand. It represented 75 percent of all long-term financial investments.

Investments carried at historical cost

Investments carried at historical cost are investments in shares not having a quoted market price on an active market and investments in stakes of limited liability companies for which fair value cannot be reliably measured.

Long-term loans given

Table 40

Long-term loans granted, by maturity	31. 12. 2007	31. 12. 2006	I 07/06
(in EUR thousand)			
Maturity from 1 to 2 years	87	83	105
Maturity from 2 to 3 years	1	88	1
Maturity from 3 to 4 years	19	37	52
Maturity from 4 to 5 years	2	2	100
Maturity of more than 5 years	60	103	58
Total	**169**	**313**	**54**

The average weighted interest rate for long-term loans given equals 2.47 percent.

Note 23: Current assets (excluding deferred items)

Current assets fell by 14 percent, the result of a decrease in held-for-sale assets.

Note 24: Assets held for sale and discontinued operations

Assets held-for-sale and discontinued operations amounted to EUR 2,105 thousand and fell primarily because of the sale of financial assets (investment in shares of Banka Koper) and the impairment of assets and discontinued operations of Schneider & Peklar GmbH, Vienna.

Of assets held-for-sale, 64 percent were that of the parent company, namely from real estate held for sale. The sale of these assets is planned for 2008.

They are posted at the carrying amount, which is lower than the envisaged sales value reduced by the envisaged sale costs.

Table 41

Composition of Assets Held for Sale and Discontinued Operations		(in EUR thousand)
	31. 12. 2007	31. 12. 2006
Real estate	2,105	1,498
Financial assets	0	24,939
Assets and discontinued operations of the company Schneider & Peklar GmbH	0	2,686
Goodwill of the company Schneider & Peklar GmbH	0	3,293
Total	**2,105**	**32,416**

Note 25: Inventories

Inventories included inventories of office accessories and advertising material. As at 31 December 2007, inventories amounted to EUR 150 thousand. The year-end count revealed neither any surplus nor shortage of inventories.

Note 26: Short-term financial investments

Short-term financial investments in the amount of EUR 3,368 thousand decreased their share in Assets to 1 percent as a result of decreased investments held-to-maturity.

Table 42

Short-term financial investments			(in EUR thousand)
	2007	2006	I 07/06
Short-term financial investments	**3,368**	**4,375**	**77**
Short-term investments, excluding loans	2,564	2,815	91
a) Available-for-sale financial assets	0	49	0
b) Held-to-maturity investments	2,564	2,766	93
Short-term loans to others	804	1,560	52

Short-term financial investments held-to-maturity are bank deposits in their full amount of EUR 2,564 thousand.

Table 43

Short-term loans granted on the basis of loan agreements by collateral			(in EUR thousand)
	31. 12. 2007	31. 12. 2006	I 07/06
Collateralised	804	1.381	58
Bills of exchange	438	438	100
Other guarantees	366	943	39
Non-collateralised	0	179	-
Total	**804**	**1.560**	**52**

Table 44

Weighed average interest rate for short-term financial investments		in %
	2007	2006
On the basis of loan agreements	4.47	3.89
Deposits	7.79	2.97

Note 27: Short-term operating receivables

The bulk of short-term operating receivables (83 percent) were accounts receivable which increased by 2 percent from 2006.

Table 45

Short-term accounts receivable			(in EUR thousand)
	31. 12. 2007	31. 12. 2006	I 07/06
A. Short-term operating trade receivables	64,380	62,198	104
B. Value adjustments of receivables	6,125	5,169	118
Residual value (A-B)	**58,255**	**57,029**	**102**
Write-off of receivables (B/A)	10%	8%	114

Table 46

Adjustment of receivables			(in EUR thousand)
	2007	2006	I 07/ 06
Adjustment of receivables as at 1 January	5,169	6,151	84
+ Inclusion of new companies	99	0	-
-receivables written off	1,137	1,265	90
-collected receivables	739	1,018	73
+additional increase of value adjustment	2,733	1,301	210
Final balance of value adjstment as at 31 December	**6,125**	**5,169**	**118**

Table 47

The structure of short-term accounts receivable by maturity					(in EUR thousand)
	31. 12. 2007	in %	31. 12. 2006	in %	I 07/06
Outstanding	35,375	55	37,713	61	109
Overdue from 0 to 30 days	13,101	20	12,020	19	140
Overdue from 31 to 90 days	7,594	12	5,436	9	146
Overdue from 91 to 180 days	1,912	3	1,308	2	112
Overdue over 181 days*	6,398	10	5,721	9	104
Short-term accounts receivable	**64,380**	**100**	**62,198**	**100**	**104**

* Insured receivables not included in the value adjustment were backed either by a mortgage or a lien on real estate.

The major portion of receivables more than 91 days overdue has been registered in court proceedings - executions, litigation, bankruptcies and administrative receiverships.

The Company manages exposure to various types of risk by applying its own credit rating system for domestic customers and by checking credit rating assessments on foreign customers made by specialised companies. On the basis of acquired information, the company requires that customers with lower credit ratings supply instruments for collateralisation of payment (bills of exchange, bank guarantees, mortgages, pledges of movable property and sureties).

Short-term operating receivables from others rose by 17 percent as at 31 December 2007 while reducing their share in assets by 4 percentage points.

Note 28: Cash

Cash amounted to EUR 8,380 thousand. It included cash on accounts, call deposits, cash in hand and cash underway. The reasons for increases and decreases in cash in the financial year 2007 are given in the cash flow statement.

Table 48

Cash (in EUR thousand)

	31. 12. 2007	31. 12. 2006	I 07/06
Assets on the accounts	7,966	2,741	291
Call deposits	281	195	144
Cash in the bank and in hand	133	133	100
Cash and cash equivalents	**8,380**	**3,069**	**273**

Note 29: Deferred items

Deferred items were recognised in the amount of EUR 4,457 thousand as at 31 December 2007. They foremost consisted of short-term accrued revenues in the amount of direct costs incurred that are expected to be recoverable.

Note 30: Equity

Table 49

Equity (in EUR thousand)

		31. 12. 2007	in %	31. 12. 2006	in %	I 07/06
A.	**Capital**	**186,154**	**100%**	**181,340**	**100%**	**103**
I.	Called up capital	32,976	18%	32,976	18%	100
II.	Capital surplus	49,403	27%	49,403	27%	100
III.	Profit reserves	12,008	6%	12,008	7%	100
IV.	Revaluation surplus	6,029	3%	25,516	14%	24
V.	Net profit or loss from previous periods	49,557	26%	50,205	28%	99
VI.	Profit or loss for the business year	26,063	14%	6,387	4%	408
VII.	Consolidated capital adjustment (translation exchange rate differentials)	-1,893	-1%	1,379	1%	-137
VIII.	Minority interests	12,011	6%	3,466	2%	347

Share capital of the parent company Intereuropa d.d. is divided into 7,902,413 ordinary freely transferable no-par value shares.

Ordinary no-par value shares give their holders:

- the right to participate in the management of the company
- the right to a part of the profit (dividend); and
- the right to a corresponding part of the remaining assets after the liquidation or bankruptcy of the company

All issued shares are fully paid. Each no-par value share has an identical share and the pertaining amount in share capital. The share of individual no-par value share in share capital is determined with regard to the number of issued no-par value shares. No-par value shares cannot be split.

Ordinary shares have been listed on the Ljubljana Stock Exchange since 12 January 1998, with the code IEKG. Closing price of the share was EUR 37.93 as at 31 December 2007 and EUR 25.51 as at 31 December 2006. Share book value as at 31 December 2007 and 31 December 2006 stood at EUR 20.14 and EUR 20.99, respectively.

The parent company issued no shares for authorised capital in 2007. The company had no redeemed treasury shares and its shares were not held by Group members.

Table 50

Capital surplus		(in EUR thousand)
	31. 12. 2007	31. 12. 2006
Paid in Capital	8,966	8,966
General capital revaluation adjustments	40,437	40,437
Capital surplus	**49,403**	**49,403**

Changes in capital in 2007 is presented in the statement of changes in equity.

Note 31: Provisions and long-term accrued items

As at the balance sheet date, the Group had EUR 3,304 thousand of unused long-term provisions and accrued items. Their changes are presented in the table below:

Table 51

Provisions and long-term accrued items						(in EUR thousand)
	As at 1. 1. 2007	Consumption	Exchange rate differentials	Increase	Increase arising from the inclusion of new companies	As at 31. 12. 2007
Employee benefits	2,222	129	2	694	0	2,789
Provisions for contingent liabilities arising from lawsuits	220	21	0	51	75	325
Accrued costs and deferred revenues	163	90	0	117	0	190
Total	**2,605**	**240**	**2**	**862**	**75**	**3,304**

Provisions for pension and similar liabilities were calculated on the basis of actuarial calculations as at 31 December 2007. Actuarial calculation is performed every three years.

The actuarial calculation took into account the following:

- number of employees, their sex, age, total length of service, length of service at the company and the average gross salary in the last quarter of 2007

- method for calculating gratuities in accordance with the national legislation
- growth of average salaries in the respective countries
- fluctuation of staff with regard to age, and conditions for retirement in accordance with the minimum conditions for obtaining the right to old-age pension

Long-term accrued items primarily related to property, plant & equipment acquired free of charge and property, plant & equipment purchased from funds obtained by employing disabled persons above the quota. They are being credited to operating revenues in the amount of depreciation costs.

Note 32: Non-current liabilities

Long-term financial and operating liabilities as at the balance sheet date accounted for 20 percent of total liabilities. Their share rose by 9 percentage points on account of long-term financial liabilities.

Long-term financial liabilities to banks totalling EUR 77,796 thousand related to bank loans raised for investments in property, plant & equipment. The granted loans have a floating interest rate EURIBOR topped by the average margin of 0.68 percent.

Table 52

Long-term financial liabilities to banks with regard to collateral type (in EUR thousand)

	31. 12. 2007	31. 12. 2006	I 07/06
Collateralised	73,995	27,482	269
Mortgages	8,492	8,666	98
Bills of exchange	65,503	18,585	352
Guarantees	0	231	-
Non-collateralised	3,801	0	-
Total	**77,796**	**27,482**	**283**

Table 53

Long-term financial liabilities to banks by maturity (in EUR thousand)

	31. 12. 2007	31. 12. 2006	I 07/06
Maturity from 1 to 2 years	19,219	5,243	367
Maturity from 2 to 3 years	17,906	3,170	565
Maturity from 3 to 4 years	13,588	3,347	406
Maturity from 4 to 5 years	10,223	5,147	199
Maturity of more than 5 years	16,860	10,575	159
Total	**77,796**	**27,482**	**283**

Deferred tax assets and liabilities

Deferred assets as at 31 December 2007 were recognised in the amount of deductible temporary differences arising from revenues from the revaluation of assets and established provisions. The condition for their recognition is the existence of available taxable profit, which in the future can be debited for deductible temporary differences.

Table 54

Changes in not-offset amounts of deferred tax assets and liabilities					(in EUR thousand)
Deferred tax liabilities	**As at 31 December 2006**	**Debited (credited) in the income statement**	**Debited (credited) to capital**	**Exchange rate differentials**	**As at 31 December 2007**
Financial investments revaluation	4,123	0	-2,428	0	1,695
Revaluation from temporary differences in tangible fixed assets	98	190	0	-15	273
Other	0	21	0	158	179
Total deferred tax liabilities	**4,221**	**211**	**-2,428**	**143**	**2,147**

Deferred tax assets	**As at 31 December 2006**	**Debited (credited) in the income statement**	**Debited (credited) to capital**	**Exchange rate differentials**	**As at 31 December 2007**
Revaluation of receivables arising from value adjustments	125	9	0	6	140
Provisions	388	24	0	0	412
Financial investments revaluation	0	483	0	0	483
Other	0	266	0	-9	257
Total deferred tax assets	**513**	**782**	**0**	**-3**	**1,292**

After the offset, deferred tax assets amounted to EUR 163 thousand and deferred tax liabilities to EUR 1,018 thousand.

Note 33: Current liabilities

Current liabilities grew by 86 percent mostly from short-term borrowing.

Table 55

Short-term financial liabilities to banks with regard to collateral			(in EUR thousand)
	31. 12. 2007	**31. 12. 2006**	**I 07/06**
Collateralised	83,141	22,603	368
Mortgages	15	2,726	1
Bills of exchange	83,126	18,695	445
Other	0	1,182	-
Non-collateralised	465	0	-
Total	**83,606**	**22,603**	**370**

The granted loans have a floating interest rate EURIBOR topped by an average margin of 0.58 percent. The loans not having the EURIBOR interest rate agreed, were granted with the average interest rate of 5.82 percent. Other short-term financial liabilities amounted to EUR 34 thousand.

Short-term accounts payable totalled EUR 44,945 thousand and represented 83 percent of total short-term operating receivables. Payment collateralisation instruments are not provided to suppliers (except for customs obligations), which can be attributed to the good credit rating of the Company. Compared to 31 December 2006 short-term accounts payable were higher by EUR 1,684 thousand.

Other short-term operating liabilities equalled EUR 5,621 thousand and related to liabilities to employees arising from wages and salaries, contributions (EUR 3,747 thousand), and other liabilities.

The remaining part of short-term operating liabilities were liabilities related to corporation tax (EUR 2,338 thousand), and a smaller part were other short-term liabilities.

Note 34: Payment of audit services

The payment of audit services was solely for the audit of financial statements and review of annual reports of Group members for 2007.

Table 56

Payment of audit services (in EUR thousand)

	2007	2006	I 07/06
- the auditing of the annual report	93	103	90

Notes to the consolidated cash flow account

Note 35: Cash flows from operations

Surplus receipts from operations show that the Group generated EUR 11,637 thousand in cash in 2007, which was, together with the opening balance of cash, the basis for investment and definancing activities of the Group.

Note 36: Cash flows from investments

Surplus disbursements from investment activities amounting to EUR 105,926 thousand, point to investments in property, plant & equipment and financial investments exceeding receipts from the sale of property, plant & equipment and financial investments.

Note 37: Cash flows from financing

Financing activities in 2007 resulted in surplus receipts of EUR 99,554 thousand. The reasons lie primarily in higher receipts from loans exceeding disbursements for dividends and loan repayment.

Note 38: Closing cash balance

The closing cash balance of EUR 8,380 thousand is the result of cash flows in the underlying period and the opening balance of cash.

Notes to the consolidated statement of changes in equity

Note 39: Statement of changes in equity for 2007

In 2007, equity of the Intereuropa Group increased due to:

- net profit for the underlying period equalling EUR 26,477 thousand; and
- increased minority interest of EUR 8,416 thousand resulting from the inclusion of new members in the Group

It was reduced due to:

- a decrease in conversion exchange differences from consolidation amounting to EUR 3,223 thousand
- offset decrease in surplus from revaluation of financial investments to fair value (accounting for established deferred tax liabilities) in the amount of EUR 19,485 thousand
- payment of dividends and profit participations and payment of bonuses to the Management Board and the Supervisory Board in the amount of EUR 6,980 thousand; and
- other decreases of EUR 391 thousand

Note 40: Statement of changes in equity for 2006

In 2006, equity of the Intereuropa Group increased due to:
- net profit for the underlying year in the amount of EUR 6,743 thousand
- offset increase in surplus from revaluation of financial investments (accounting for established deferred tax liabilities) in the amount of EUR 6,544 thousand
- increase in translation exchange differences from consolidation amounting to EUR 54 thousand
- other increases in capital elements of EUR 465 thousand

The decrease was due to the payment of dividends and profit participations in the amount of EUR 8,523 thousand.

Note 41: Contingent liabilities

Contingent liabilities disclosed are those not posted in the balance sheet for which inflows of resources are not likely in the settlement of the underlying obligation. It is estimated that the Group had the following contingent liabilities as at 31 December 2007:

Table 57

Contingent liabilities (in EUR thousand)

	31. 12. 2007	31. 12. 2006	I 07/06
- from guarantees and other types of sureties, which were not disclosed as liabilities in the balance sheet	7,898	6,810	116
- arising from lawsuits	284	306	93
- to D.S.U., družba za svetovanje in upravljanje, d.o.o.	376	376	100

Note 42: Sensitivity to market risk

Risk management is discussed in the section Risk Management.

Liquidity risk

The table presents estimated non-discounted cash flows including future interest.

Table 58

Liquidity risk (in EUR thousand)

31. 12. 2007	Book value	Contractual cash flows	6 months or less	Months 6 through 12	1 to 2 years	2 to 5 years	More than 5 years
Bank loans received	280,452	138,266	91,138	42,920	49,776	95,549	39,118
Loans received from others	420	371	3	0	62	354	0
Financial lease liability	2,498	2,668	0	572	121	2,192	0
Trade payables	100,065	98,824	99,603	330	0	0	0

Table 59

31. 12. 2006	Book value	Contractual cash flows	6 months or less	Months 6 through 12	1 to 2 years	2 to 5 years	More than 5 years
							(in EUR thousand)
Bank loans received	66,745	85,198	11,068	38,905	9,513	39,359	15,201
Loans received from others	510	559	382	0	0	134	0
Financial lease liability	0	0	0	0	0	0	0
Trade payables	102,215	101,725	101,991	224	0	0	0

Interest rate risk

The table presents the analysis of interest rate sensitivity and the impact on profit before tax.

Table 60

Interest rate risk (in EUR thousand)

Interest rate 31 December 2007	Change in basis points	6 months or less	Months 6 through 12	1 to 2 years	2 to 5 years	More than 5 years	Total
EURIBOR	+20	-64	-59	-98	-206	-44	-471
EURIBOR	-15	48	44	74	155	33	354

Note 43: Events after the balance sheet date

No events occurred after the balance sheet date that would have a material effect on financial statements for 2007.

Statement by the management

The Management Board confirms the financial statements of the Intereuropa Group for the financial year 2007 and the notes thereto.

The Management Board confirms to have consistently applied the appropriate accounting policies and made the accounting estimates according to the principle of prudence and due diligence in compiling the financial statements which as such present the true and fair view of the Group's property and operating results for the year 2007.

The Management Board is responsible for accounting and the adoption of measures for protection of the Group's property, assets and liabilities and also confirms that the financial statements, together with the notes thereto, have been prepared on the basis of the assumption of going concern and are in accordance with the International Financial Reporting Standards as adopted by the European Union.

The competent tax authorities may, at any time within the following five years after the year in which the corporation tax is to be determined and paid, inspect the company's operations and, if required, impose additional tax payment, default interest or penalty liability arising from corporation tax or other taxes and duties. The Management Board is not aware of any circumstances that might result in potential material liability arising therefrom.

Koper, 31 March 2008

President of the Management Board
Andrej Lovšin, M.Sc.

FINANCIAL REPORT OF THE INTEREUROPA D.D. FOR 2007

Financial statements of the parent company Intereuropa d.d. with notes

Pursuant to an AGM resolution of 15 July 2005, the parent company Intereuropa d.d. applied as of 1 January 2006 the International Financial Reporting Standards (IFRS) as adopted by the European Union for a period of at least five years counting from 1 January 2006 as regards the compiling and presentation of financial statements.

Auditor's report for the parent company Intereuropa d.d.

Deloitte.

DELOITTE REVIZIJA d.o.o.
Dunajska cesta 9
1000 Ljubljana
Slovenija
Tel: +386 1 30 72 800
Faks: +386 1 30 72 900

www.deloitte.si

INDEPENDENT AUDITOR'S REPORT
to owners of INTEREUROPA d.d.

We have audited the accompanying separate financial statements of the company Intereuropa d.d., which comprise the balance sheet as at 31 December 2007, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by the EU. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Revizija. Davčno svetovanje. Poslovno svetovanje. Finančno svetovanje.

Member of
Deloitte Touche Tohmatsu

Opinion

In our opinion, the separate financial statements present fairly, in all material respects, the financial position of the company Intereuropa d.d. as at 31 December 2007, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Report on Other Legal and Regulatory Requirements

Pursuant to Article 57(1) of the Companies Act (ZGD-1), we have reviewed the company's business report. In our opinion, the business report is consistent with the audited financial statements.

DELOITTE REVIZIJA d.o.o.

Lidija Jezernik
Certified Auditor
Member of the Board

Deloitte.
DELOITTE REVIZIJA D.O.O.
Ljubljana, Slovenija 1

Ljubljana, 21 March 2008

Core financial statements of the parent company Intereuropa d.d.

Income statement of Intereuropa d.d. for the period between 1 January and 31 December 2007

Table 1

Income statement of Intereuropa d.d. for the period between 1 January and 31 December 2007 (in EUR thousand)

	Notes	January-December 2007	January-December 2006	I 07/06
Net sales revenues	**1**	**143,386**	**124,476**	**115**
Other operating income	2	1,520	1,615	94
Cost of material and services	3,4,5	113,817	97,192	117
Labour costs	6	22,366	19,907	112
Depreciation and write-offs	7	5,537	5,558	100
a) Amortisation, depreciation and other write-downs of intangible long-term assets and tangible fixed assets		4,785	4,795	100
b) Investment write-offs and value adjustments of current assets		752	763	99
Other operating expenses	8	1,334	1,221	109
Operating profit/loss	**9**	**1,852**	**2,213**	**84**
Financial revenues from stakes		25,231	4,435	569
Financial revenues from loans granted		1,536	390	394
Financial revenues from operating receivables		456	593	77
Financial expenses from impairments and financial asset write-offs		3,726	472	789
Financial expenses from financial liabilities		3,261	731	446
Financial expenses from operating liabilities		91	91	100
Profit/loss from regular operation	**10**	**21,997**	**6,337**	**347**
Income tax expense	11	3,090	1,276	242
Deferred taxes	12	-476	402	-118
Net profit/loss for the period	**13**	**19,383**	**4,659**	**416**
Basic and adjusted net earnings per share (in EUR)	**14**	**2,45**	**0,59**	**416**

Notes to the financial statements are a constituent part thereof and must be read in conjunction therewith.

Balance sheet of Intereuropa d.d. as at 31 December 2007

Table 2

Balance sheet of Intereuropa d.d. as at 31 December 2007 (in EUR thousand)

	Note	31. 12. 2007	31. 12. 2006	I 07/06
Assets		**313,071**	**226,678**	**138**
Non-current assets	**16**	**253,616**	**160,009**	**159**
Intangible assets and long-term deferred items	17	3,146	2,412	130
Tangible fixed assets	18	104,739	76,590	137
Investment property	19	12,102	13,535	89
Long-term financial investments	20	133,629	67,472	198
Current assets (without accrued revenues and deferred expenses)		**55,429**	**64,598**	**86**
Assets classified as held for sale and discontinued operations.	21	1,366	26,437	5
Stocks	22	60	46	130
Short-term financial investments	23	22,147	5,314	417
Short-term trade receivables	24	31,770	32,133	99
Cash	25	86	668	13
Short-term accrued revenues and deferred expenses	**26**	**4,026**	**2,071**	**194**
Current assets (with accrued revenues and deferred expenses)		**59,455**	**66,669**	**89**
Liabilities		**313,071**	**226,678**	**138**
Capital	**27**	**159,127**	**165,905**	**96**
Called up capital		32,976	32,976	100
Capital surplus		49,403	49,403	100
Profit reserves		11,096	11,096	100
Revaluation surplus		6,007	25,498	24
Net profit or loss from previous periods		40,262	42,273	95
Profit or loss for the business year		19,383	4,659	416
Provisions and long-term accrued expenses and deferred revenues	**28**	**1,834**	**1,449**	**127**
Long-term liabilities	**29**	**47,397**	**14,952**	**317**
Long-term financial liabilities		46,540	11,190	416
Long-term operating liabilities		19	19	100
Deferred tax liabilities		838	3,743	22
Current liabilities	**30**	**104,713**	**44,372**	**236**
Short-term financial liabilities		73,298	16,682	439
Short-term operating liabilities		31,415	27,690	113

Notes to the financial statements are a constituent part thereof and must be read in conjunction therewith.

Cash flow statement of Intereuropa d.d. for the period between 1 January and 31 December 2007

Table 3

Cash flow statement of Intereuropa d.d. for the period between 1 January and 31 December 2007 (in EUR thousand)

	Notes	January-December 2007	January-December 2006
Cash flows from operating activities	**31**		
Income statement items		**6,927**	**2,898**
Operating revenue (except from revaluation) and financial revenue from operating receivables		144,266	125,849
Operating expenses excluding depreciation or amortisation and long-term provisions (except from revaluation) and financial expenses from operating liabilities		-137,031	-118,330
Income taxes and other taxes not included in operating expenses		-308	-4,621
Changes in net current assets (and accruals, provisions and deferred tax receivables and liabilities) of the operating balance sheet items		**-1,932**	**-3,921**
Opening less closing accounts receivable and deferred expenses and accrued revenues		-2,521	-8,633
Opening less closing inventories		-14	6
Closing less opening operating liabilities, accrued costs and deferred revenue, and provisions		603	4,706
Net receipts/disbursements from operating activities		**4,995**	**-1,023**
Cash flows from investment activities	**32**		
Inflows from investments		**29,685**	**14,141**
Cash receipts from earned interest associated with investment activities		621	390
Receipts from other profit shares		1,307	2,067
Cash receipts from disposal of tangible fixed assets and investment property		1,199	997
Cash receipts from disposal of long-term investments		26,558	8,992
Receipts from the reduction of short-term investments		0	1,695
Disbursements for investments		**-117,850**	**-18,141**
Disbursements for acquiring intangible fixed assets		-873	-1,753
Expenses for the purchase of tangible fixed assets and investment property		-30,625	-3,972
Cash payments to acquire long-term investments		-71,456	-12,416
Cash disbursements for acquisition of short-term investments:		-14,896	0
Surplus outflows from investments		**-88,165**	**-4,000**
Cash flows from financing activities	**33**		
Inflows from financing activities		**94,188**	**17,206**
Receipts from received long-term loans		43,500	6,959
Receipts from increased raised short-term loans		50,688	10,247
Disbursements for financing		**-11,568**	**-12,033**
Interest paid on financing activities		-2,725	-698
Cash payments for dividends and other profit participations		-6,621	-8,254
Cash disbursements for repayment of long-term loans		-2,222	-3,081
Surplus cash receipts from financing		**82,620**	**5,173**
Net increase/decrease in cash assets		**-550**	**150**
Exchange rate effects		**-32**	**-2**
Opening cash balance		**668**	**520**
Closing Cash balance	**23, 34**	**86**	**668**

Notes to the financial statements are a constituent part thereof and must be read in conjunction therewith.

Statement of changes in equity of Intereuropa d.d.

Table 4

Statement of changes in equity of Intereuropa d.d. for 2007 (in EUR thousand)

	Note	Equity capital	Capital surplus	Legal reserves	Revaluation surplus	Net profit or loss from previous periods	Profit or loss for the business year	Total capital
Opening balance as at 1 January 2007		**32,976**	**49,403**	**11,096**	**25,498**	**42,273**	**4,659**	**165,905**
Entry of net operating profit or loss for the period		0	0	0	0		19,383	19,383
Increased surplus from revaluation of investments		0	0	0	1,724	0	0	1,724
Transfer of revaluation surplus to revenues (from the sale of investments)		0	0	0	-23,643	0	0	-23,643
Reduced liabilities for deferred taxes credited to capital		0	0	0	2,428	0	0	2,428
Total recognised revenues and expenses in capital		**0**	**0**	**0**	**-19,491**	**0**	**19,383**	**-108**
Other reallocation of components of equity		0	0	0	0	4,659	-4,659	0
Dividend payout		0	0	0	0	-6,595	0	-6,595
Payment of remunerations to the Members of the Management and the Supervisory Boards		0	0	0	0	-75	0	-75
Closing balance as at 31 December 2007	**35**	**32,976**	**49,403**	**11,096**	**6,007**	**40,262**	**19,383**	**159,127**

Notes to the financial statements are a constituent part thereof and must be read in conjunction therewith.

Table 5

Statement of changes in equity of Intereuropa d.d. for 2006 (in EUR thousand)

	Note	Equity capital	Capital surplus	Legal reserves	Revaluation surplus	Net profit or loss from previous periods	Profit or loss for the business year	Total capital
Opening balance as at 1 January 2006		**32,976**	**49,403**	**11,096**	**18,969**	**43,250**	**7,267**	**162,961**
Entry of net operating profit or loss for the period		0	0	0	0	0	4,659	4,659
Increased surplus from revaluation of investments		0	0	0	4,902	0	0	4,902
Transfer of revaluation surplus to revenues (from the sale of investments)		0	0	0	-573	0	0	-573
Reduced liabilities for deferred taxes credited to capital		0	0	0	2,200	0	0	2,200
Total recognised revenues and expenses in capital		**0**	**0**	**0**	**6,529**	**0**	**4,659**	**11,188**
Other reallocation of components of equity		0	0	0	0	7,267	-7,267	0
Dividend payout		0	0	0	0	-8,244	0	-8,244
Closing balance as at 31 December 2006	**36**	**32,976**	**49,403**	**11,096**	**25,498**	**42,273**	**4,659**	**165,905**

Notes to the financial statements are a constituent part thereof and must be read in conjunction therewith.

Notes to the income statement

Note 1: Net sales revenues

Net sales revenues of EUR 143,386 thousand were revenues from rendered services. A detailed presentation of generated revenues of the Group is provided in segment reporting.

Table 6

Net Sales Revenues by Business Area (Business Segments) (in EUR thousand)

		Year 2007	in %	Plan 2007	in %	Year 2006	in%	I 07/plan	I 07/06
1	Land transport	49,665	35%	49,782	38%	46,559	37%	100	107
2	Logistic solutions	16,009	11%	14,705	11%	14,783	12%	109	108
3	Intercontinental transport	72,022	50%	60,781	47%	57,619	46%	118	125
4	Other services	5,690	4%	5,477	4%	5,515	5%	104	103
	Total	**143,386**	**100%**	**130,745**	**100%**	**124,476**	**100%**	**110**	**115**

In 2007, we exceeded both the planned net sales revenues as well as those generated in 2006. The share of land transport in net sales revenues fell while that of intercontinental transport rose.

Note 2: Other operating revenues

Other operating revenues totalled EUR 1,520 thousand in 2007 and represented:

- proceeds from the sale of property, plant & equipment of EUR 963 thousand
- paid receivables for which value adjustment in the amount of EUR 430 thousand was established in preceding periods; and
- other revenues (primarily from donations, penalties and other revenues) in the amount of EUR 127 thousand

Note 3: Cost of goods, material and services

The bulk (86 percent) of costs of goods, material and services represented direct costs (costs of suppliers directly related to the provision of services). The increase in costs of goods, material and services (5 percent) was more than offset by the increase in net sales revenues (6 percent).

Table 7

Cost of goods, material and services (in EUR thousand)

	2007	2006	I 07/06
Cost of material and services	**113,817**	**97,192**	**117**
Purchase value of sold goods and material and costs of consumables	2,479	2,414	103
Costs of services	111,338	94,778	117

Note 4: Used material costs

Used material costs rose by 3 percent and represented costs of fuel for freight vehicles, costs of fuel for other vehicles, costs of heating fuel, costs of maintenance and cleaning material, costs of office supplies, etc.

Note 5: Costs of services

Table 8

Costs of services			(in EUR thousand)
	2007	2006	I 07/06
Direct costs	97,791	83,141	118
Other costs of services:	13,547	11,637	116
Telephone costs	531	540	98
Maintenance costs	1,185	1,239	96
Insurance premiums	596	538	111
Training and education	181	124	146
Other costs of services	11,054	9,196	120
Costs of services	**111,338**	**94,778**	**117**

Direct costs (costs of suppliers directly related to the rendering of services) represented the bulk, 88 percent, of costs of services. The major part of those costs were transportation costs.

Note 6: Labour cost

Table 9

Labour cost			(in EUR thousand)
	2007	2006	I 07/06
Payroll costs	14,792	13,613	109
Social security costs	2,431	2,225	109
a) Pension insurance costs	1,320	1,208	109
b) Costs of other social security	1,111	1,017	109
Other labour costs	5,143	4,069	126
a) Holiday allowance	813	781	104
b) Travel and meal allowances	2,186	2,063	106
c) Other labour costs	2,144	1,225	175
Labour costs	**22,366**	**19,907**	**112**

Labour costs rose by 12 percent from 2006 with a significant contribution from other labour costs. An actuarial calculation was made in 2007 for establishing provisions for employee benefits taking into account the cost of gratuities for employees in accordance with the employment contract, and the cost of all expected jubilee awards for the total length of service or the length of service at the company until retirement. The selected annual discount interest rate equals 5.85 percent representing the return on ten-year corporate bonds with prime rating in the Euro area.

Note 7: Write-downs in value

Table 10

Write-offs		2007	2006	I 07/06
				(in EUR thousand)
	Write-offs (a+b+c)	**5,537**	**5,558**	**100**
a	Amortisation	4,697	4,729	99
b	Operating expenses from the revaluation of intangible and tangible fixed assets	88	66	133
c	Operating expenses from the revaluation of current assets	752	763	99

Write downs in the amount of EUR 5,537 thousand remained at the 2006 level.

Note 8: Other operating expenses

Table 11

Other operating expenses (in EUR thousand)	2007	2006	I 07/06
Contribution for the city's land	893	835	107
Donations	93	22	423
Other operating expenses	348	364	96
Other operating expenses	**1,334**	**1,221**	**109**

Other operating expenses grew by 9 percent resulting from contribution for the city's land and donations while other operating expenses fell by 4 percent.

Table 12

Presenting Operating Expenses by Type (in EUR thousand)		2007	in %	2006	in %	I 07/06
1.	**Cost of goods, material and services (a+b)**	**113,817**	**80%**	**97,192**	**78%**	**117**
a.	Costs of goods and materials sold and costs of materials used	2,479	2%	2,414	2%	103
b.	Costs of services	111,338	78%	94,778	77%	117
2.	**Labour costs (a + b + c)**	**22,366**	**16%**	**19,907**	**16%**	**112**
a.	Payroll costs	14,792	10%	13,613	11%	109
b.	Social security costs	2,431	2%	2,225	2%	109
	1) Pension insurance costs	1,320	1%	1,208	1%	109
	2) Costs of other social security	1,111	1%	1,017	1%	109
c.	Other labour costs	5,143	4%	4,069	3%	126
3.	**Write-offs (a+b+c)**	**5,537**	**4%**	**5,558**	**4%**	**100**
a.	Amortisation	4,697	3%	4,729	4%	99
b.	Operating expenses from the revaluation of intangible and tangible fixed assets	88	0%	66	0%	133
c.	Operating expenses from the revaluation of current assets	752	1%	763	1%	99
4.	**Other operating expenses**	**1,334**	**1%**	**1,221**	**1%**	**109**
5.	**Costs and expenses (1 to 4)**	**143,054**	**100%**	**123,878**	**100%**	**115**

Costs of goods, material and services increased its share by 2 percentage points to 80 percent of Costs and Expenses.

Note 9: Operating profit or loss

The company made an operating profit of EUR 1,852 thousand, a decrease of 16 percent from 2006 due to higher operating expenses.

Note 10: Profit/Loss from Ordinary Activity

Profit from regular activities of EUR 21,997 thousand resulted from extreme finance income from participations.

Table 13

Finance Income and Expenses (in EUR thousand)

	2007	2006	I 07/06
1. Financial revenues from participations	**25,231**	**4,435**	**569**
Financial revenue from shares and interests in group companies	561	428	131
Financial revenue from shares and interests in associates	176	67	-
Financial revenues from shares and interests in other companies (dividends)	571	1,454	39
Financial revenue from other investments	23,923	2,486	962
2. Financial revenues from loans	**1,536**	**390**	**394**
Financial revenue from loans to group companies	1,354	200	677
Financial revenue from the loans to others	182	190	96
3. Finance revenues from operating receivables	**457**	**593**	**77**
Financial revenue from operating receivables due from others and cash assets	457	593	77
4. Total financial revenues (1+2+3)	**27,224**	**5,418**	**502**
5. Financial expenses due to impairment and write-offs of investments	**3,726**	**472**	**789**
6. Finance expenses from financial liabilities	**3,261**	**731**	**446**
Financial expenses for loans received from group companies	21	5	-
Financial expenses for loans received from banks and others	3,240	726	446
7. Finance expenses from operating liabilities	**91**	**91**	**100**
Financial expenses for trade payables and bills payable	91	91	100
8. Total financial expenses (5+6+7)	**7,078**	**1,294**	**547**
Operating profit or loss from financial activities (4-8)	**20,146**	**4,124**	**489**

Finance income of EUR 27,224 thousand resulted from exceptional income from participations resulting from capital gains in the sale of investment in Banka Koper.

Loss from exchange differences amounted to EUR 36 thousand in 2007.

Finance expenses rose by EUR 5,784 thousand, primarily as a result of increased expenses from impairment and write downs of financial investments and increased finance expenses from bank loans. The investment in the subsidiary Schneider & Peklar GmbH, Vienna, was impaired to 0 (zero) due to the initiated bankruptcy proceedings and discontinuation of operations as of 1 January 2007.

The effect of impairment of assets in the Austrian company on the income statement of Intereuropa d.d. in the amount of EUR 3,775 thousand is as follows:

1. Write downs:
- Current assets revaluation adjustments and write downs 57 thousand

2. Finance expenses:
- Impairment of long-term financial investment 3,516 thousand
- Impairment of the loan given including interest 202 thousand

Note 11: Corporation tax

Corporation tax (current tax) is based on taxable profit for the financial year. It was charged in the amount of EUR 3,090 thousand for the tax year 2007. The amount of tax liability was affected by higher revenues than expenses recognised for tax purposes, notably the effect of a one-off business event in 2007 - capital gain from the sale of investment in Banka Koper, and the use of a reduced tax rate (23 percent).

Note 12: Deferred tax

Deferred tax and the current tax constitute tax expenses of EUR 2,614 thousand.

The effective tax burden is lower than the theoretically calculated tax on the basis of the prescribed rate (23 percent) by EUR 1,969 thousand. The effective tax rate was 11.8 percent.

Table 14

Deferred tax (in EUR thousand)

	2007	2006
Tax	3,090	1,276
Deferred tax	-476	402
Total income taxes	**2,614**	**1,678**
Profit before taxes	21,997	6,337
Tax accounted at the prescribed rate	5,059	1,584
Non-deductible expenses	760	469
Tax relief	-160	-245
Revenues that decrease the tax base	-3,035	-165
Other items	-10	35
Total income tax	**2,614**	**1,678**

Deferred tax related to deferred liability debited to equity (arising from revaluation of available-for-sale assets) equalled EUR 1,694 thousand as at 31 December 2007.

Note 13: Net profit or loss for the period

Net profit generated in 2007 equalled EUR 19,383 thousand, four times the amount in 2006.

Note 14: Basic and Diluted Earnings per Share

Basic earnings per share are calculated as: net profit apportioned to ordinary shareholders of the parent company/weighed

average number of ordinary shares outstanding in the accounting period (EUR 19,383 thousand / 7,902,413 shares).
Diluted earnings per share are the same as basic earnings per share as the parent company issued no dilutive potential ordinary shares.

Note 15: Other disclosures

Related parties of Intereuropa d.d.:
- subsidiaries
- associates
- joint ventures in the form of a jointly-controlled company
- key directors of the parent company

Key directors of the parent company are members of the Management Board.

Table 15

Remuneration to key directors			(in EUR thousand)
	2007	2006	I 07/06
Short-term employee benefits (salary with social security contributions, annual and sick leave, profit sharing and non-cash benefits)	451	311	145
Termination benefits for business reasons	0	0	-
Total	**451**	**311**	**145**

Disclosure of Related-party Transactions

Table 16

Service sales revenues			(in EUR thousand)
	2007	2006	I 07/06
Subsidiaries	4,504	4,131	109
Associates	428	376	114
Jointly controlled company	405	177	229

Table 17

Service expenses			(in EUR thousand)
	2007	2006	I 07/06
Subsidiaries	14,367	9,894	145
Associates	49	95	52
Jointly controlled company	17,421	11,616	150

Table 18

State of financial claims and loans given			(in EUR thousand)
	31. 12. 2007	31. 12. 2006	I 07/06
Subsidiaries	59,639	9,826	607
Associates	135	158	85
Jointly controlled company	32	13	246

Table 19

State of financial obligations and loans received			(in EUR thousand)
	31. 12. 2007	31. 12. 2006	I 07/06
Subsidiaries	2,318	1,708	136
Associates	2	2	100
Jointly controlled company	1,500	1,182	127

None of the above stated liabilities is collateralised nor has any guarantee been issued or received in relation therewith. Liabilities to subsidiaries are in accordance with good practice settled by compensations while liabilities to the joint venture are generally settled by cash remittances, assignments or compensation.

Transactions with related parties were made at market terms and conditions. Guarantees given by the parent company to banks for loans to subsidiaries and for customs guarantees amounted to EUR 25,545 thousand as at 31 December 2007.

Table 20

Compensation to members of the Managing Board, the Supervisory Board and employees employed under service contracts in 2007 (in EUR)

1. Management Board	Fixed component of earnings	Variable component of earnings (long-term and short-term incentives for achieving higher productivity and performance-related earnings, excluding profit sharing);	Participation in profit	Incentive option plan	Other earnings (termination benefits, additional insurance premiums, benefits).	Session fees	Gross total	Net total
1. Andrej Lovšin	150,234	355	10,814	0	6,966	0	168,369	75,367
2. Zvezdan Markežič	130,306	745	9,717	0	9,706	0	150,474	66,192
3. Ondina Jonke	111,537	715	4,350	0	10,659	0	127,261	53,652
Total	**392,077**	**1,815**	**24,881**	**0**	**27,331**	**0**	**446,105**	**195,211**
2. Supervisory Board								
1 Boštjan Rigler	19,280	0	7,122	0	0	3,531	29,932	20,204
2 Anton Може Deputy Chairman of the Supervisory Board until 19 January 2007)	1,581	0	6,014	0	0	659	8,253	5,571
3 Ervin Bužan	10,749	0	6,014	0	0	2,267	19,029	12,844
4 Skernišak Manja	9,429	0	6,014	0	0	1,622	17,065	11,519
5 Nevija Pečar	10,749	0	6,014	0	0	2,108	18,871	12,738
6 Vinko Rebula	10,749	0	6,014	0	0	4,027	20,790	14,033
7 Emerik Eržen (Member of the Supervisory Board since 19 January 2007)	9,168	0	0	0	0	1,634	10,802	7,291
8 Zlatka Čretnik	10,749	0	6,014	0	0	3,815	20,577	13,889
Total	**82,451**	**0**	**43,205**	**0**	**0**	**19,662**	**145,318**	**98,090**
3. Employees under service contracts	**2,076,530**	**82,642**	**0**	**0**	**229,497**	**0**	**2,388,669**	**1,234,155**
Total: 1+2+3	**2,551,058**	**84,457**	**68,086**	**0**	**256,828**	**19,662**	**2,980,091**	**1,527,456**

The company approved no advances, loans or guarantees to members of the Management Board, members of the Supervisory Board or employees under service contracts.

Notes to the balance sheet

Note 16: Non-current assets

Non-current assets represented 81 percent of total assets. Their increase from the underlying date in the previous year was mostly due to new investments in property, plant & equipment and increased investments in subsidiaries.

Note 17: Intangible assets and long-term deferred items

Changes in intangible long-term assets were affected by increases arising from new purchases and decreases due to amortisation cost. Intangible assets have finite useful lives. As at the underlying date, the company had no financial liabilities resulting from the acquisition of intangible assets, and operating liabilities arising therefrom equalled EUR 91 thousand. The company has no legal restrictions for disposal of intangible assets.

Table 21

Changes in intangible assets and long-term deferred items in 2007 (in EUR thousand)

	Long-term property rights	Long-term deferred development costs	Long-term deferred expenses and accrued revenues (long-term deferred operating expenses)	Total
Cost				
As at 1 January 2007	1,552	1,218	7	2,777
Increases	0	873	0	873
Decrease	-43	0	-7	-50
As at 31 December 2007	**1,509**	**2,091**	**0**	**3,600**
Value adjustment				
As at 1 January 2007	365	0	0	365
Increases (arising from depreciation)	132	0	0	132
Decrease due to disposal	-43	0	0	-43
As at 31 December 2007	**454**	**0**	**0**	**454**
Residual value				
As at 1 January 2007	1,187	1,218	7	2,412
As at 31 December 2007	**1,055**	**2,091**	**0**	**3,146**

Table 22

Changes in intangible assets and long-term deferred items in 2006 (in EUR thousand)

	Long-term property rights	Long-term deferred development costs	Long-term deferred expenses and accrued revenues (long-term deferred operating expenses)	Total
Cost				
As at 1 January 2006	1,015	418	25	1,458
Increases	1,023	800	0	1,823
Decrease	-486	0	-18	-504
As at 31 December 2006	**1,552**	**1,218**	**7**	**2,777**
Value adjustment				
As at 1 January 2006	678	0	0	678
Increases (arising from depreciation)	173	0	0	173

	Long-term property rights	Long-term deferred development costs	Long-term deferred expenses and accrued revenues (long-term deferred operating expenses)	Total
Decrease due to disposal	-486	0	0	-486
As at 31 December 2006	**365**	**0**	**0**	**365**
Residual value				
As at 1 January 2006	337	418	25	780
As at 31 December 2006	**1,187**	**1,218**	**7**	**2,412**

Note 18: Property, plant and equipment

Table 23

Changes in property, plant & equipment in 2007 (in EUR thousand)

	Land	Buildings	Investment in foreign tangible fixed assets	Other plant and equipment	Acquisition of tangible fixed assets in progress	Advances for the acquisition of property, plant and equipment	Total
Cost							
As at 1 January 2007	**11,849**	**93,971**	**80**	**25,199**	**81**	**0**	**131,180**
Purchasing	0	0	0	0	31,426	1,032	32,458
Activation	24,996	1,296	0	1,758	-28,050	0	0
Decrease due to disposal	-35	-157	0	-3,115	-58	-1,002	-4,367
Increase due to the transfer from investment property	174	1,408	0	0	0	0	1,582
Decrease due to the transfer to investment property	0	-42	0	0	0	0	-42
As at 31 December 2007	**36,984**	**96,476**	**80**	**23,842**	**3,399**	**30**	**160,811**
Value adjustment							
As at 1 January 2007	**0**	**35,369**	**75**	**19,146**	**0**	**0**	**54,590**
Increases (arising from depreciation)	0	2,598	1	1,534	0	0	4,133
Decrease due to disposal	0	-101	0	-3,089	0	0	-3,190
Increase due to the transfer from investment property	0	539	0	0	0	0	539
As at 31 December 2007	**0**	**38,405**	**76**	**17,591**	**0**	**0**	**56,072**
Residual value							
As at 1 January 2007	11,849	58,602	5	6,053	81	0	76,590
As at 31 December 2007	**36,984**	**58,071**	**4**	**6,251**	**3,399**	**30**	**104,739**

Table 24

Changes in property, plant & equipment in 2006

(in EUR thousand)

	Land	Buildings	Investment in foreign tangible fixed assets	Other plant and equip-ment	Acquisition of tangible fixed assets in progress	Advances for acquisition of property, plant and equipment	Total
Cost							
As at 1 January 2006	**11,530**	**91,521**	**128**	**31,506**	**85**	**0**	**134,771**
Purchasing	0	0	0	0	3,644	96	3,740
Activation	435	1,892	0	1,261	-3,587	0	0
Decrease due to disposal	-11	-417	-48	-7,568	-61	-96	-8,202
Increase due to the transfer from the assets available for sale	0	482	0	0	0	0	482
Increase due to the transfer from investment property	21	1,331	0	0	0	0	1,352
Decrease due to the transfer to investment property	-126	0	0	0	0	0	-126
Decrease due to the transfer to the assets available for sale	0	-837	0	0	0	0	-837
As at 31 December 2006	**11,849**	**93,971**	**80**	**25,199**	**81**	**0**	**131,180**
Value adjustment							
As at 1 January 2006	**0**	**32,496**	**122**	**25,131**	**0**	**0**	**57,749**
Increases (arising from depreciation)	0	2,360	1	1,557	0	0	3,918
Decrease due to disposal	0	-309	-48	-7,542	0	0	-7,899
Increase due to the transfer from the assets available for sale	0	318	0	0	0	0	318
Increase due to the transfer from investment property	0	760	0	0	0	0	760
Decrease due to the transfer to investment property	0	0	0	0	0	0	0
Decrease due to the transfer to the assets available for sale	0	-257	0	0	0	0	-257
As at 31 December 2006	**0**	**35,369**	**75**	**19,146**	**0**	**0**	**54,590**
Residual value							
As at 1 January 2006	11,530	59,025	6	6,375	85	0	77,021
As at 31 December 2006	**11,849**	**58,602**	**5**	**6,053**	**81**	**0**	**76,590**

The increase in property, plant & equipment in 2007 was due to new purchases (EUR 31,455 thousand) and the transfer from investment property (EUR 1,043 thousand), and the decrease was due to disposals (EUR 174 thousand), depreciation (EUR 4,133 thousand) and the transfer to investment property (EUR 42 thousand). A decrease of 1 percent was recorded from 31 December 2006 reflecting higher depreciation cost and sale of property, plant & equipment than was the value of equivalent new purchases.

Given the market value of real estate on similar locations we estimate that market values of land and buildings are the same or even higher than their carrying amounts (depending on location, condition and age of buildings and market conditions) and we therefore made no impairment.

Liabilities for received loans intended for property, plant & equipment totalled EUR 99,690 thousand, and operating liabilities for property, plant & equipment amounted to EUR 1,068 thousand as at 31 December 2007. As at 31 December 2007, the Company had no property, plant & equipment pledged as collateral for debt nor were there any other legal restrictions for disposing of these assets.

Note 19: Investment property

Table 25

Changes in investment property in 2007 (in EUR thousand)

	2007	2006
Cost		
As at 1 January	18,960	20,186
Increase due to new acquisitions	42	129
Decrease due to sales	0	-173
Decrease due to the transfer to the assets available for sale	0	-938
Decrease due to the transfer to tangible fixed assets	-1,582	-244
As at 31 December	**17,420**	**18,960**
Value adjustment		
As at 1 January	**5,425**	**5,547**
Increases (arising from depreciation)	432	638
Decrease due to sales	0	-109
Decrease due to the transfer to the assets available for sale	0	-108
Decrease due to the transfer to tangible fixed assets	-539	-543
As at 31 December	**5,318**	**5,425**
Residual value		
As at 1 January	13,535	14,639
As at 31 December	**12,102**	**13,535**

Given the market value of real estate reflected by current prices on individual locations and with regard to the condition of buildings we estimate that market values of investment property are up to 50 percent higher than their carrying amounts (assessments made for the highest values in Koper and Ljubljana), and we therefore made no impairment.

Table 26

Revenues and expenses from investment property (in EUR thousand)

	2007	2006	I 07/06
A. Rental income from investment property	1,633	1,744	94
B. Direct operating expenses from investment property	792	597	133
C. Profit/loss from the sale of investment property	0	133	-
Total (A-B+C)	**841**	**1,280**	**66**

Note 20: Long-term financial investments

Long-term financial investments rose by 98 percent (EUR 66,157 thousand) in 2007. The major impact was an increase in long-term investments in subsidiaries and the rise in long-term loans granted to Group members.

Table 27

Changes in long-term investments in 2007 (in EUR thousand)

			Other shares and stakes			Long-term loans to others		Total
	Shares and interests in group companies	Shares in associates	Available-for-sale financial assets	Investments at cost of acquisition	Investments - derivative financial instruments	Long-term loans to group companies	Long-term loans to others on the basis of loan agreements	
Opening value								
Balance at 1 January 2007	51,172	191	9,038	2,794	0	4,093	184	67,472
Increase								
Purchases, capital increase, granted loans	36,493	0	0	39	0	34,925	0	71,457
Revaluation to the fair value	0	0	1,723	0	94	0	0	1,817
As at 31 December 2007	**36,493**	**0**	**1,723**	**39**	**94**	**34,925**	**0**	**73,274**
Decrease								
Sales	0	0	324	107	0	0	0	431
Transfer to short-term part	0	0	0	0	0	3,081	82	3,163
Impairment	3,516	0	0	7	0	0	0	3,523
As at 31 December 2007	**3,516**	**0**	**324**	**114**	**0**	**3,081**	**82**	**7,117**
Total								
Opening value	51,172	191	9,038	2,794	0	4,093	184	67,472
Increase	36,493	0	1,723	39	94	34,925	0	73,274
Decrease	3,516	0	324	114	0	3,081	82	7,117
As at 31 December 2007	**84,149**	**191**	**10,437**	**2,719**	**94**	**35,937**	**102**	**133,629**

Shares in Group companies

Investments in subsidiaries in Russia, Ukraine and Montenegro were increased in 2007 to EUR 36,493 thousand. We increased the capital of OOO Intereuropa - East, Moscow (EUR 10,367 thousand) and acquired the following companies: TOV DDT, Onakivci (EUR 1,372 thousand), TOV Intereuropa - Ukraine, Kiev (EUR 12,047 thousand), and Zetatrans A.D. Podgorica (EUR 12,707 thousand).

In accordance with IAS 36 we checked all subsidiaries for any indicators pointing to the possibility of impairment of investment in a subsidiary. We established impairment for the full amount (EUR 3,516 thousand) of the carrying amount of the investment in Schneider & Peklar GmbH, Vienna, due to initiated bankruptcy proceedings.

Stakes in associated companies and the jointly controlled company

The investment category comprises:
- stake in the company AC-Interauto, d.o.o., Vojkovo nabrežje 32, Koper (EUR 116 thousand); and
- stake in the jointly controlled company Intereuropa-FLG, d.o.o., Letališka 35, Ljubljana (EUR 75 thousand)

Financial assets at fair value through profit and loss

As at the balance sheet date, the parent company was in possession of financial assets at fair value through profit & loss in the amount of EUR 94 thousand. It is the fair value of an instrument used by the parent company to hedge the interest rate risk for raised long-term debt, specifically until 2010.

Table 28 Available-for-sale financial assets			(in EUR thousand)
	31. 12. 2007	31. 12. 2006	I 07/06
Fair value determined directly by taking into account the prices on the active market	6,192	4,843	128
Fair value determined by using a valuation technique	4,246	4,989	85
Total	**10,438**	**9,832**	**106**

Fair value of available-for-sale financial assets listed on an active market amounted to EUR 6,192 thousand, and fair value of the investment in shares of Banka Koper not listed on a stock exchange was calculated by applying the evaluation method and amounted to EUR 4,246 thousand. The investment was valued at EUR 479.44 per share on the basis of the price of a put option specified in the shareholders' agreement signed in 2006 with the majority shareholder, Sanpaolo IMI S.p.A.

Investments carried at historical cost

These include investments in stakes and shares of companies not having a published market price on an active market, and therefore their value was measured at historical cost as the actual value cannot be determined with reliable accuracy. No significant changes were recorded as regards these investments.

Table 29 Realised capital gains from the sale of financial investments measured at historical cost			(in EUR thousand)
	2007	2006	I 07/06
Book value of investments upon sales	107	2,705	4
Value of sales	292	3,870	8
Recognised profit	185	1,165	16

Long-term loans given

Long-term loans given amounted to EUR 36,039 thousand. Loans to subsidiaries account for 98 percent. The weighed average annual interest rate on long-term loans given was 5.33 percent.

Table 30 Long-term loans granted, by maturity			(in EUR thousand)
	2007	2006	I 07/06
Maturity from 1 to 2 years	6,746	1,267	532
Maturity from 2 to 3 years	6,551	1,196	548
Maturity from 3 to 4 years	5,769	1,151	501
Maturity from 4 to 5 years	5,076	663	766
Over 5 years	11,897	0	-
Total	**36,039**	**4,277**	**843**

Table 31

Long-term loans given by collateral (in EUR thousand)

	2007	2006	I 07/06
Collateralised	36,039	4,126	873
Bills of exchange	36,039	4,093	881
Other	0	33	-
Non-collateralised	0	151	-
Total	**36,039**	**4,277**	**843**

There were no financial assets pledged as collateral for liabilities recognised in the balance sheet or for contingent liabilities as at 31 December 2007.

Note 21: Available-for-sale assets

Table 32

Available-for-sale assets (in EUR thousand)

	31. 12. 2007	31. 12. 2006	I 07/06
Tangible fixed assets available for sale	1,366	1,498	91
Financial assets available for sale	0	24,939	-
Total	**1,366**	**26,437**	**5**

Available-for-sale assets of EUR 1,366 thousand represented real estate held for sale. They are posted at the carrying amount, which is lower than the envisaged sales value reduced by envisaged sale costs. The sale of these assets is planned for 2008.

Their decrease was due to sale of the investment in shares of Banka Koper disclosed in available-for-sale assets as at 31 December 2006.

Note 22: Inventories

Inventories included inventories of office accessories and advertising material. As at 31 December 2007, inventories amounted to EUR 60 thousand. The year-end count revealed neither any surplus nor shortage of inventories.

Note 23: Short-term financial investments

Table 33

Short-term loans granted on the basis of loan agreements by collateral (in EUR thousand)

	2007	2006	I 07/06
Collateralised	520	519	100
Bills of exchange	438	519	84
Other	82	0	-
Total	**520**	**519**	**100**

The weighed average annual interest rate on short-term loans given equals 5.56 percent.

Note 24: Short-term operating receivables

Table 34

Short-term operating receivables (in EUR thousand)

	2007	2006	I 07/06
Short-term trade receivables	**31,770**	**32,133**	**99**
Short-term operating receivables from Group members	2,074	938	221
Short-term account receivables (without Group members)	28,501	29,326	97
Short-term trade receivables from others	1,190	845	141
Short-term receivables for corporate income tax	5	1,024	-

The bulk (96 percent) of short-term operating receivables was accounted for by accounts receivable, shown below.

Table 35

Changes in value adjustments of accounts receivable

	2007	2006	I 07/ 06
Adjustment to receivables as at 1 January	2,926	3,906	75
-receivables written off	470	951	49
-collected receivables	385	670	57
+additional increase of value adjustment	684	641	107
Final balance of value adjustment as at 31 December	**2,755**	**2,926**	**94**

Table 36

Write downs of accounts receivable (in EUR thousand)

	31. 12. 2007	31. 12. 2006	I 07/06
A. Short-term operating trade receivables (gross)	33,330	33,190	100
B. Value adjustments of receivables	2,755	2,926	94
Residual value (A-B)	**30,575**	**30,264**	**101**
Write-off of receivables (B/A)	8%	9%	94

Table 37

The structure of short-term accounts receivable by maturity (in EUR thousand)

	31. 12. 2007	share in %	31. 12. 2006	share in %	I 07/06
Outstanding	21,331	64%	22,846	69%	93
Overdue from 0 to 30 days	5,657	17%	4,576	14%	124
Overdue from 31 to 90 days	2,691	8%	2,209	7%	122
Overdue from 91 to 180 days	568	2%	328	1%	173
Overdue over 181 days*	3,083	9%	3,231	10%	95
Short-term accounts receivable	**33,330**	**100%**	**33,190**	**100%**	**100**

* Insured receivables not included in the value adjustment were backed either by a mortgage or a lien on real estate.

The major portion of receivables more than 181 days overdue has been registered in court proceedings (executions, litigation, bankruptcies, voluntary arrangements).

The Company manages exposure to various types of risk arising from receivables due from customers by applying its own credit rating system for domestic customers and by checking credit rating assessments of foreign customers performed by specialised companies. On the basis of acquired information, the company requires that customers with lower credit ratings supply instruments for collateralisation of payment (bills of exchange, bank guarantees, mortgages, pledges of movable property and sureties).

Note 25: Cash

Cash amounted to EUR 86 thousand. It included cash on accounts, call deposits, cash in hand and cash underway. The reasons for increases and decreases in cash in the financial year 2007 are given in the cash flow statement.

Note 26: Deferred items

Deferred items were recognised in the amount of EUR 4,026 thousand as at 31 December 2007. They foremost consisted of short-term accrued revenues in the amount of direct costs incurred that are expected to be recoverable.

Note 27: Equity

Share capital of the parent company Intereuropa d.d. amounted to EUR 32,976 thousand is divided into 7,902,413 ordinary freely transferable no-par value shares. Each no-par value share has an identical share and the pertaining amount in share capital. All issued shares are fully paid. Ordinary shares are shares which grant the holder:

- the right to participate in the management of the company
- the right to part of the profit (dividend)
- the right to a corresponding part of the remaining assets after the liquidation or bankruptcy of the Company

The Company had no approved and unused capital as at 31 December 2007. The parent company issued no shares for authorised capital in 2007. The Company had no redeemed treasury shares and its shares were not held by Group members.

Ordinary shares have been listed on the Ljubljana Stock Exchange since 12 January 1998, with the code IEKG. Closing price of the share was EUR 37.93 as at 31 December 2007 and EUR 25.51 as at 31 December 2006. Share book value as at 31 December 2007 and 31 December 2006 stood at EUR 20.14 and EUR 20.99, respectively.

Table 38

Capital surplus (in EUR thousand)

	31. 12. 2007	31. 12. 2006
Paid in Capital	8,966	8,966
General capital revaluation adjustments	40,437	40,437
Capital surplus	**49,403**	**49,403**

Changes in capital in 2007 are presented in the statement of changes in equity.

Note 28: Provisions and long-term accrued items

As at the balance sheet date, the company had EUR 1,834 thousand of unused long-term provisions and long-term accrued items.

.

Changes in provisions are presented in the table below:

Table 39

Changes in provisions (in EUR thousand)

	As at 1. 1. 2007	Consumption	Increase	As at 31. 12. 2007
Employee benefits	1,113	-49	419	1,483
Provisions for contingent liabilities arising from lawsuits	219	-20	0	199
Accrued costs and deferred revenues	117	-50	85	152
Total	**1,449**	**-119**	**504**	**1,834**

Provisions for employee benefits were calculated on the basis of actuarial calculations as at 31 December 2007.
The actuarial calculation took into account the following:

- number of employees - 965, their sex, age, total length of service, length of service at the company and the average gross salary in the last quarter of 2007
- the method of calculation of gratuities (two average gross salaries of the employee or two average gross salaries in the Republic of Slovenia)
- increase of average wages in the Republic of Slovenia of 3.9 percent annually
- fluctuation of staff with regard to age, and conditions for retirement in accordance with the minimum conditions for obtaining the right to old-age pension
- annual discount interest rate of 5.85 percent

Long-term accrued items primarily related to property, plant & equipment acquired free of charge and property, plant & equipment purchased from funds obtained by employing disabled persons above the quota. They are being credited to operating revenues in the amount of depreciation costs.

Note 29: Non-current liabilities

Long-term financial and operating liabilities as at the balance sheet date accounted for 15 percent of total liabilities.

Long-term financial liabilities

Long-term financial liabilities of EUR 46,540 thousand were received bank loans for investments in property, plant & equipment and investments in subsidiaries. The granted loans have a floating interest rate EURIBOR topped by the average margin of 0.67 percent. They were fully collateralised by bills of exchange.

Table 40

Changes in long-term financial liabilities to banks (in EUR thousand)

	2007	2006	I 07/06
Balance as at 1 January	**11,190**	**6,451**	**173**
New loans	43,500	6,959	**625**
Decrease	8,150	2,222	**367**
Transfer to short-term liabilities	8,150	2,222	**367**
Exchange rate differentials	0	2	**-**
Balance as at 31 December	**46,540**	**11,190**	**416**

Table 41

Long-term financial liabilities to banks by maturity			(in EUR thousand)
	31. 12. 2007	31. 12. 2006	I 07/06
Maturity from 1 to 2 years	11.575	2.617	442
Maturity from 2 to 3 years	10.575	2.542	416
Maturity from 3 to 4 years	8.443	2.542	332
Maturity from 4 to 5 years	6.813	1.710	398
Maturity of more than 5 years	9.134	1.779	513
Total	**46.540**	**11.190**	**416**

Deferred tax assets and liabilities

Deferred tax assets were recognised as at 31 December 2007 in the amount of deductible temporary differences arising from expenses for value adjustments of receivables and established provisions for gratuities and jubilee awards. The condition for their recognition is the existence of available taxable profit, which in the future can be debited for deductible temporary differences. They are offset in the full amount (EUR 857 thousand) by deferred tax liabilities and therefore disclosed at 0.

Deferred tax liabilities are recognised for taxable temporary differences in financial assets for which changes in fair value are recognised directly in equity in the amount of EUR 1,695 thousand. After the offset with deferred tax assets they amount to EUR 838 thousand.

Table 42

Changes in not-offset amounts of deferred tax assets and liabilities				(in EUR thousand)
Deferred tax liabilities (not offset)	**As at 1. 1. 2007**	**Debited (credited) in the income statement**	**Debited (credited) to capital**	**As at 31. 12. 2007**
Revaluation of investments to fair value	4,123	0	-2,428	1,695
Total	**4,123**	**0**	**-2,428**	**1,695**

Deferred tax liabilities (not offset)	As at 1. 1. 2007	Debited (credited) in the income statement	Debited (credited) to capital	As at 31. 12. 2007
Revaluation of receivables arising from value adjustments	124	-31	0	93
Financial investments revaluation	0	483	0	483
Employee benefits	256	25	0	281
Total	**380**	**477**	**0**	**857**

Note 30: Current liabilities

Short-term financial liabilities equalled EUR 73,298 thousand. The amount of EUR 8,150 thousand represented the short-term part of long-term loans and the remaining part of EUR 65,148 thousand short-term credit lines for managing liquidity. These were fully collateralised by bills of exchange. The granted loans have a floating interest rate EURIBOR topped by the average margin of 0.58 percent.

Short-term operating liabilities

Table 43

Structure of short-term operating liabilities: (in EUR thousand)

	2007	2006	I 07/06
Short-term operating liabilities	**31,415**	**27,690**	**113**
Short-term operating liabilities to group companies	2,318	1,708	136
Short-term operating liabilities to suppliers	24,522	23,750	103
Short-term operating liabilities from advances	225	200	113
Other short-term operating liabilities	2,474	1,920	129
Short-term liabilities for corporate income tax	1,877	112	1,676

Short-term accounts payable account for 85 percent of short-term operating liabilities. Only liabilities arising from customs duties equalling EUR 5,423 thousand as at the balance sheet date were collateralised by a bank guarantee. Payment collateralisation instruments are not provided to other suppliers, which can be attributed to the good credit rating of the Company.

Other short-term operating liabilities equalled **EUR 2,474 thousand** and related to liabilities to employees arising from wages and salaries, contributions, taxes and other liabilities.

Notes to the cash flow statement

Note 31: Cash flows from operations

Surplus receipts over disbursements show that the company generated EUR 4,995 thousand in cash in 2007, which together with the opening balance of cash was the basis for investments.

Note 32: Cash flows from investments

Surplus disbursements over receipts amounted to EUR 88,165 thousand, which pointed primarily to greater investments in property, plant & equipment and financial investments than were the proceeds from their sale. Disbursements from investment activity in addition to operating receipts were covered by receipts from loans.

Note 33: Cash flow from financing activities

Surplus receipts over disbursements of EUR 82,620 thousand were recorded. The reasons lie in increased short- and long-term loans received.

Note 34: Closing cash balance

The closing cash balance of EUR 86 thousand is the result of cash flows in the underlying period and the opening balance of cash.

Notes to the statement of changes in equity

Note 35: Statement of changes in equity for 2007

In 2007, equity of Intereuropa d.d. increased due to:

- Net profit for the underlying year in the amount of EUR 19,383 thousand.

It was reduced due to:

- distribution of balance sheet profit in accordance with an AGM resolution of 6 July 2007 on the payment of dividends to shareholders, the owners of freely transferable ordinary registered shares, in the gross amount of EUR 0.83 per share, totalling EUR 6,595 thousand; and on profit participation of the Management Board and the Supervisory Board in the amount of EUR 75 thousand
- offset decrease in surplus from the revaluation of financial investments to fair value (accounting for established deferred tax liabilities) in the amount of EUR 19,491 thousand

Note 36: Statement of changes in equity for 2006

In 2006, equity of Intereuropa d.d. increased due to:

- net profit for the underlying period equalling EUR 4,659 thousand; and
- offset decrease in surplus from the revaluation of financial investments to fair value (accounting for established deferred tax liabilities) in the amount of EUR 6,529 thousand
- it was reduced due to the distribution of balance sheet profit in accordance with an AGM resolution of 7 July 2006 on payment of dividends to shareholders, the owners of freely transferable ordinary registered shares, in the gross amount of EUR 1.04 per share, totalling EUR 8,244 thousand

Table 44

Balance sheet profit for the business year 2007 (in EUR thousand)

Category	
A Net profit/loss for the year	19,383
B + Net profit brought forward	40,262
C + Reduced reserves from profit	0
D - Increased reserves from profit	0
E = Balance sheet profit (A+B+C-D)	**59,645**

Net profit for the financial year 2007 increased the balance sheet profit item, so that the balance sheet profit equalled EUR 59,645 thousand as at 31 December 2007.

Note 37: Contingent liabilities

Contingent liabilities disclosed are those not posted in the balance sheet for which inflows of resources are not likely in the settlement of the underlying obligation. It is estimated that the Company had the following contingent liabilities as at 31 December 2007:

Table 45

Contingent liabilities			(in EUR thousand)
	1. 1. 2007	Increase/ decrease	31. 12. 2007
- arising from bank guarantees and issued warranties	**31,625**	**18,216**	**49,841**
arising from bank guarantees and issued warranties for Group companies	25,545	18,939	44,484
arising from bank guarantees and issued warranties to others	6,080	-723	5,357
- arising from lawsuits	**615**	-406	**209**
- to D.S.U., družba za svetovanje in upravljanje, d.o.o.	**376**	0	**376**

Note 38: Sensitivity to market risk

Risk management is discussed in the section Risk Management.

Liquidity risk

The table presents estimated non-discounted cash flows including future interest.

Table 46

Liquidity risk, 31 December 2007							(in EUR thousand)
	Book value	Contractual cash flows	6 months or less	Months 6 through 12	1 to 2 years	2 to 5 years	More than 5 years
Bank loans received	119,838	129,316	59,617	17,145	13,676	29,327	9,549
Loans received from others	0	0	0	0	0	0	0
Financial lease liability	0	0	0	0	0	0	0
Liability to suppliers (including within the Group)	22,570	22,570	22,570	0	0	0	0
Liabilities to others	4,552	4,552	4,534	0	0	0	19
Liabilities arising from received advances	225	225	225	0	0	0	0

Table 47

Liquidity risk, 31 December 2006							(in EUR thousand)
	Book value	Contractual cash flows	6 months or less	Months 6 through 12	1 to 2 years	2 to 5 years	More than 5 years
Bank loans received	27,496	74,783	11,068	7,024	9,496	31,994	15,201
Loans received from others	376	382	382	0	0	0	0
Financial lease liability	0	0	0	0	0	0	0
Liability to suppliers (including within the Group)	21,338	21,338	21,338	0	0	0	0
Liabilities to others	2,072	2,072	2,072	0	0	0	19
Liabilities arising from received advances	200	200	200	0	0	0	0

Interest rate risk

The table presents the analysis of interest rate sensitivity and the impact on profit before tax.

Table 48

Interest rate risk (in EUR thousand)

Interest rate 31 December 2007	Change in basis points	6 months or less	Months 6 through 12	1 to 2 years	2 to 5 years	More than 5 years	Total
EURIBOR	+20	-30	-27	-42	-113	-15	-227
EURIBOR	-15	22	20	32	85	11	170

Note 39: Events after the balance sheet date

No events occurred after the balance sheet date that would have a material effect on financial statements for 2007.

Statement by the management

The Management Board confirms the financial statements of Intereuropa d.d. for the financial year ended on 31 December 2007 and notes thereto.

The Management Board confirms to have consistently applied the appropriate accounting policies and made the accounting estimates according to the principle of prudence and due diligence in compiling the financial statements which as such present the true and fair view of the company's property and operating results for the year 2007.

The Management Board is responsible for accounting and the adoption of measures for protection of the company's property, assets and liabilities and also confirms that the financial statements, together with the notes thereto, have been prepared on the basis of the assumption of going concern and are in accordance with the International Financial Reporting Standards as adopted by the European Union.

The competent tax authorities may, at any time within the following five years after the year in which the corporation tax is to be determined and paid, inspect the company's operations and, if required, impose additional tax payment, default interest or penalty liability arising from corporation tax or other taxes and duties. The Management Board is not aware of any circumstances that might result in potential material liability arising therefrom.

Koper, 31 March 2008

President of the Management Board
Andrej Lovšin, M.Sc.

Publisher: Intereuropa, Global Logistics Service, Ltd. Co., Koper; Public Relations Department
Production: Studio Marketing JWT Ljubljana
AD/D: Andreja Trbuha Kukec
KD: Marko Senegačnik
Text: Intereuropa d.d. and Studio Marketing JWT Ljubljana
Photo Managing Board: Miha Krivic; photo employees: Mitja Božič
DTP: Vinko Mav
Print: Tiskarna Schwarz, Ljubljana
May 2008

Branch Network

Slovenia

Intereuropa, Global Logistics Service, Ltd Co., Koper
Vojkovo nabrežje 32, 6000 Koper
t: +386 5 664 10 00, f: 664 26 74

President of the Management Board Area
- President of the Managing Board
  t: +386 5 664 12 90, f: 664 12 73
- Investment and Real Estate Department
  t: +386 5 664 13 13, f: 664 20 49
- Public Relations Department
  t: +386 5 664 16 34, f: 664 12 73
- Legal Department
  t: +386 5 664 12 61, f: 664 26 74
- Internal Audit Department
  t: +386 5 664 13 46, f: 665 13 21

Forwarding, Logistics, Marketing and Development Area
- Marketing and Development Department - Management
  t: +386 5 664 17 07, f: 664 18 62
- Land Transport Business Area - Management
  t: +386 5 664 15 20, f: 664 15 35
- Logistics Solutions Business Area - Management
  t: +386 1 586 87 90, f: 586 87 88
- Intercontinental Transport Business Area - Management
  t: +386 5 664 15 20, f: 664 15 35
- Executive Manager for East Region Business Coordinator
  t: +386 1 586 87 87, f: 524 40 69

Finance, Accounting and Controling Area
- Finance, accounting, controlling - Management
  t: +386 5 664 13 73, f: 664 13 21
- Accounting Department
  t: +386 5 664 13 73, f: 664 13 21
- Financial Department
  t: +386 5 664 13 73, f: 664 13 21

Quality, IT Support and Business Branch Development Area
- Deputy President of the Managing Board
  t: +386 5 664 15 20, f: 664 15 35
- Quality Department
  t: +386 5 664 12 25, f: 664 15 35

Human and General Resources Area
- Member of the Managing Board - Human Resources Executive
  t: +386 5 664 12 53, f: 664 26 74
- Human and General Resources Department
  t: +386 5 664 22 86, f: 664 26 74

Branch Offices in Slovenia

Land Transport Branch
Ljubljana Business Unit
Letališka cesta 35, 1001 Ljubljana
t: +386 1 586 85 00, f: 586 87 09
- Novo mesto Branch Office
  Češča vas 40, 8000 Novo mesto
  t: +386 7 331 62 00, f: 331 62 03

Jesenice Business Unit
Spodnji plavž 6/b, 4270 Jesenice
t: +386 4 588 91 95, f: 588 91 09
- Kranj Branch Office
  Gorenjesavska cesta 4, 4000 Kranj
  t: +386 4 280 17 10, f: 280 17 29

Sežana Business Unit
Partizanska 93, 6210 Sežana
t: +386 5 707 01 10, f: 707 01 88
- Vrtojba Branch Office
  MMP Vrtojba 8, 5290 Šempeter pri Gorici
  t: +386 5 330 99 31, f: 330 99 39

Maribor Business Unit
Tržaška cesta 53, 2001 Maribor
t: +386 2 420 84 00, f: 420 84 18
Celje Business Unit
Kidričeva 38, p.p. 1039, 3102 Celje
t: +386 3 424 21 00, f: 541 99 07
Koper Business Unit
Vojkovo nabrežje 32, 6000 Koper
t: +386 5 664 15 79, f: 664 15 60

Logistics Solutions Branch
Ljubljana Business Unit
Letališka cesta 35, 1001 Ljubljana
t: +386 1 586 85 00, f: 586 87 09
- Logatec Branch Office
  IOC Zapolje bb, 1370 Logatec
  t: +386 1 750 83 80, f: 750 83 89

Maribor Business Unit
Tržaška cesta 53, 2000 Maribor
t: +386 2 420 84 04, f: 420 84 12
Dravograd Business Unit
Otiški vrh 25a, 2373 Šentjanž pri Dravogradu
t: +386 2 878 78 20, f: 878 78 40
Celje Business Unit
Kidričeva 38, p.p. 1039, 3102 Celje
t: +386 3 424 21 00, f: 424 21 35

Intercontinental Transport Branch
Koper Business Unit
Vojkovo nabrežje 32, 6000 Koper
t: +386 5 664 15 02, f: 664 15 01
Brnik Business Unit
Brnik 130, 4210 Brnik
t: +386 4 206 28 00, f: 206 28 21

UPS Branch
Brnik 130, 4210 Brnik
t: +386 4 281 12 00, f: 281 12 50

Border Clearance Branch
Mejni prehod Obrežje, 8261 Jesenice na Dolenjskem
t: +386 7 495 74 40, f: 495 73 66
- Jelšane Branch Office
  Mejni prehod Jelšane, 6254 Jelšane
  t: +386 5 788 51 56, f: 788 51 50
- Branch Office Metlika
  Mejni prehod Metlika, 8330 Metlika
  t: +386 7 305 95 35, f: 305 85 97
- Gruškovje Branch Office
  Mejni prehod Gruškovje, 2286 Podlehnik
  t: +386 2 768 22 81, f: 768 22 91

Associated Companies

Slovenia

Intereuropa Transport, mednarodni cestni transport, d.o.o., Koper
Vojkovo nabrežje 32, 6000 Koper
t: +386 5 664 14 43, f: 664 26 59
Ljubljana Business Unit (extraordinary transport, cooling program)
Letališka cesta 35, 1000 Ljubljana
t: +386 1 524 05 83, 586 87 81, f: 524 48 48
Celje Business Unit
Kidričeva 38, 3000 Celje
t: +386 3 541 98 55, f: 541 98 53
Interagent, pomorska agencija, d.o.o., Koper
Vojkovo nabrežje 30, 6000 Koper
t: +386 5 664 16 09, f: 664 16 26
Intereuropa-FLG, železniška špedicija, d.o.o., Ljubljana
Letališka cesta 35, 1001 Ljubljana
t: +386 1 586 87 50, f: 524 55 31
Interzav, organizacija za opravljanje zavarovalnih poslov, d.o.o., Koper
Vojkovo nabrežje 32, 6000 Koper
t: +386 5 664 17 26, f: 664 17 25
Intereuropa IT, informacijska tehnologija, d.o.o., Koper
Vojkovo nabrežje 32, 6000 Koper
t: +386 5 664 13 01, f: 664 12 39

Croatia

Intereuropa, logističke usluge, d.o.o., Zagreb
Josipa Lončara 3, 10090 Zagreb
t: +385 1 39 00 666, f: 3900 777
Zagreb Subsidiary
Josipa Lončara 3, 10090 Zagreb
t: +385 1 37 80 555, f: 3780 595
- Kutina outlet
  Metanska 7, 44320 Kutina
  t: +385 44 66 92 60, f: 68 29 65

Varaždin Business Unit
Vilka Novaka 48c, 42000 Varaždin
t: +385 42 30 56 00, f: 350 761
- Koprivnica Branch
  Ivana Česmičkog 9, 48000 Koprivnica
  t: +385 48 63 99 06, f: 63 99 00

Cestovni prijevozi Varaždin Subsidiary
Vilka Novaka 48c, 42000 Varaždin
t: +385 42 30 56 35, f: 30 57 98
Rijeka Business Unit
Dražice (Zamet) 123 b, 51000 Rijeka
t: +385 51 666 990, f: 666 931
Osijek Business Unit
Ulica Jablanova 33, 31000 Osijek
t: +385 31 29 78 70, f: 29 88 96
- Slavonski Brod Branch
  Dr. Mile Budaka 1, 35000 Slavonski Brod
  t: +385 35 44 45 49, f: 44 47 44

Split Business Unit
Matice hrvatske 21, 21204 Dugopolje
t: +385 21 66 86 00, f: 66 86 27
- Zadar Branch
  Gaženice bb, 23000 Zadar
  t: +385 23 34 29 00, f: 34 29 15

ITAR d.o.o., Zagreb
Josipa Lončara 3, 10090 Zagreb
t: +385 1 37 94 034, f: 37 94 035
Intereuropa Sajam, d.o.o., Zagreb
Avenija Dubrovnik 15, 10020 Zagreb
t: +385 1 65 20 470, f: 65 20 078
UPS Business Unit
Avenija Dubrovnik 15, 10020 Zagreb
t: +385 1 65 51 301, f: 65 20 338
Zagreb Business Unit
Avenija Dubrovnik 15, 10020 Zagreb
t: +385 1 65 20 470, f: 65 20 078

Bosnia and Herzegovina

Intereuropa RTC d.d. Sarajevo
Ulica Halilovići br. 12, 71000 Sarajevo
t: +387 33 46 81 53, f: 46 81 54
- Orašje - Branch Office
  Carinski terminal bb, 76270 Orašje
  t: +387 31 71 39 95, f: 71 39 95
- Banja Luka - Branch Office
  Dunavska 1C, 51000 Banja Luka
  t: +387 51 32 90 90, f: 32 90 99
- Bihać - Branch Office
  Repušine bb, 77000 Bihać
  t: +387 37 32 81 38, f: 32 81 38
- Tuzla - Branch Office
  Mitra Trifunovića Uče 120, 75000 Tuzla
  t: +387 35 39 73 66, f: 39 74 66
- Travnik - Branch Office
  Dolac na Lašvi bb, 71270 Travnik
  t: +387 30 51 51 36, f: 51 51 36
- Mostar - Branch Office
  Rodoč bb, 88000 Mostar
  t: +387 36 35 14 69, f: 35 01 25
- Zenica - Branch Office
  Bulevar Kralja Tvrtka I broj 17, 75000 Zenica
  t: +387 32 44 54 50, f: 44 54 55
- Izačić - Branch Office
  GP Izačić, 77000 Bihać
  t: +387 37 39 30 22, f: 39 30 22
- Doljani - Branch Office
  GP Doljani, 88000 Čapljina
  t: +387 36 81 47 09, f: 81 47 09
- Bosanka Gradiška - Branch Office
  Ložionička bb, 51000 Banja Luka
  t: +387 51 34 67 20, f: 34 67 21

Macedonia

Intereuropa Skopje, DOO Skopje
Ul. Industriska bb, 1000 Skopje
t: +389 2 246 55 20, f: 246 55 92
- Aerodrom Skopje Branch
  Ul. Industriska bb, 1000 Skopje
  t: +389 2 246 55 20, f: 246 55 92
- Tabanovci Branch
  g.p. Tabanovci, 31000 Kumanovo
  t: +389 31 467 700, f: 467 700

Intereuropa Transport DOOEL Skopje
Ul. Industriska bb, 1000 Skopje
t: +389 2 240 19 03, f: 246 91 13

Serbia

AD Intereuropa - logističke usluge Belgrade
Zemunska 174, 11272 Beograd - Dobanovci
t: +381 11 3109 180, f: 3109 151
- Intercontinental Transport - Avio Branch
  Aerodrom "Nikola Tesla" Beograd, 11271 Surčin
  t: +381 11 2286 255, f: 2286 375
- Niš Branch
  Aerodrom Niš, Vazduhoplovaca bb, 18000 Niš
  t: +381 18 255 699, f: 265 121
- Preševo - Vranje Branch
  Granični prelaz, 17523 Preševo
  t: +381 17 666 111, f: 666 112
- Novi Sad Branch
  Bajči Žilinskog 16, 21 000 Novi Sad
  t: +381 21 4725 108, f: 4725 109
- Kikinda Branch
  Oslobodjenja 9, 23300 Kikinda
  t: +381 023 402 800, f: 402 801
- Subotica Branch
  Segedinski put 80, 24000 Subotica
  t: +381 24 543 329, f: 546 564
- Šid Branch
  Janka Veselinovića bb, 22240 Šid
  t: +381 22 715 149, f: 715 149
- Šid - Batrovci border crossing Branch
  Granični prelaz Batrovci, 22240 Šid
  t: +381 22 733 297, f: 733 297
- Fair Branch
  Sajam - Bulevar vojvode Mišića 14, 11000 Beograd
  t: +381 11 2655 452, f: 2655 271

Kosovo

Intereuropa Kosova L.L.C., Prishtina
Zona Industriale Lidhja e pejes p.n.,
10000 Prishtine, Kosova
t: +381 38 544 561, f: 544 734

Montenegro

Zetatrans A.D. Podgorica
Ćemovsko polje b.b., 81000 Podgorica
t: +382 81 441 900, f: 441 902
- Podgorica - Branch Office
  Ćemovsko polje b.b., 81000 Podgorica
  t: +382 81 441 951, f: 441 952
- Nikšić - Branch Office
  Ul. Danila Bojovića b.b., 81400 Nikšić
  t: +382 83 213 384, f: 213 388
- Bijelo Polje - Branch Office
  Ul. Tršova b.b., 84000 Bijelo Polje
  t: +382 84 430 524, f: 432 091
- Pljevlja - Branch Office
  Ul. Vuka Kartadžića br. 2, 84210 Pljevlja
  t: +382 89 321 979, f: 322 804
- Bar - Branch Office
  Ul. Obala 13. Jula br. 6, 85000 Bar
  t: +382 85 311 023, f: 312 393
- Kotor - Branch Office
  Ul. Obala Maršala Tita 5, 85330 Kotor
  t: +382 82 325 102, f: 325 103

Russia

OOO Intereuropa-East, Moscow
Ruska federacija, Leninski rajon, derevnja Rumjancevo,
dom 1, pisarna 713, 142784 Moskovska oblast
t: +7 926 779 10 12, f: +7 495 644 34 48
Transport
Ruska federacija, Leninski rajon, derevnja Rumjancevo,
dom 1, pisarna 713, 142784 Moskovska oblast
t: +7 926 249 79 36
Čehov Automobile Terminal
Ruska federacija, Leninski rajon, derevnja Rumjancevo,
dom 1, pisarna 713, 142784 Moskovska oblast
t: +7 926 779 10 17
Čehov Logistics Centre
Ruska federacija, Leninski rajon, derevnja Rumjancevo,
dom 1, pisarna 713, 142784 Moskovska oblast
t: +7 495 644 34 49, f: 644 34 48

France

Intereuropa S.A.S., Saint Pierre de Chandieu
Rue de l`Aigue - Z.A. Portes du Dauphine,
69780 Saint-Pierre-de-Chandieu
t: +33 472 48 28 97, f: 48 00 42

Ukraine

TOV TEK ZTS, Užgorod
Svoboda str. 4, 89424 v. Minaj
t: +38 0312 66 96 60, f: 66 96 62
TOV Intereuropa - Ukraine, Kiev
Ulica Pimonenka 13/6A, office 11, 04050 Kiev
t: +38 0442 77 21 23, f: 77 21 24
TOV DDT, Onakivci
Ul. Golovna 2V, Onakivci, Užgorodski okraj, Zakrpatska regija, Ukrajina
t: +38 0312 66 96 60, f: 66 96 62

Germany

Intereuropa Transport & Spedition GmbH, Troisdorf
CargoCenter, Entrance C,
Lütticher Str. 12, 53842 Troisdorf
t: +49 2241 922 44 0, f: 922 44 15