INTEREUROPA GROUP
Intereuropa, Global Logistics Service, Ltd. Co.

Unaudited Interim Report on the Operation of INTEREUROPA GROUP, January-June 2008

Intereuropa®
Global Logistics Service

Koper, August 2008

The Company INTEREUROPA d.d. is publishing this Interim Report on the Operation of the Intereuropa Group in the first half-year (January-June) 2008, in accordance with the Securities Market Act (ZTFI).

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

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

The Unaudited Interim Report of the Intereuropa Group for January-June 2008 shall also be published on the web site of INTEREUROPA d.d. www.intereuropa.eu, on 29 August 2008.

C O N T E N T S

A. INTRODUCTION

During the first half-year 2008, the Group has generated € 132 million of net sales revenue or 17 percent more than in the corresponding period last year. The Parent Company Intereuropa d.d. alone has achieved € 73 million of net sales revenue, which is 4.8% above the comparable achievement last year.

The 15% setback behind the sales target on the Group level can be mainly attributed to the delayed completion of infrastructure in the Logistics Hub in Russia and the resulting lower sales in the product car handling logistics.

In the whole Group, the Net Profit of the reporting period amounts to € 6.8 million, which is 21% below the plan. Thereof, the Parent Company Intereuropa d.d. has achieved € 3.1 million and exceeded the planned result.

The key achievements of the period:

- Net sales turnover à € 132 million
- Net Profit or Loss à € 6.8 million
- Net Return on Equity à 4.8 % (yearly level)

Company Fact Sheet

The Parent Company	**Intereuropa, Global Logistics Service, Ltd. Co.**
Short Name	Intereuropa d.d.
Country of the Parent Company	Slovenia
Registered Office of the Parent	Vojkovo nabrežje 32, 6000 Koper
Company ID Number	5001684
Tax ID number	56405006
Transaction Account	10100-0000006785 at Banka Koper d.d., Koper
Entry in the Register of Companies	Registered with the District Court in Koper, file no. 1/00212/00
Share capital	€ 32,976,185.11
Number of shares issued and paid-in	7,902,413 ordinary no-par value shares
Shares Listing	IEKG are listed in the Prime Market of the Ljubljana Stock Exchange
Managing Board	Andrej Lovšin, M.Sc., President of the Managing Board Zvezdan Markežič, Deputy President Ondina Jonke, Member – Human Resources Executive
President of the Supervisory Board	Boštjan Rigler

The Intereuropa Group	
Number of employees	2,788 zaposlenih
Vehicle fleet	611 own trucks and delivery vans
Total warehousing area	223,660 qm of own warehouse facilities
Total land area	2,211,003 qm
Membership in international organizations	FIATA, IATA, FETA, FONASBA, BIMCO, IRU
Quality Certificates	ISO 9001:2000 Certificate for logistics services in the Parent Company Intereuropa d.d. 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 shipping agency services in subsidiary Interagent d.o.o. Koper
Own branch network	Slovenia, Croatia, Serbia, Kosovo, Bosnia and Herzegovina, Macedonia, Austria, Germany, France, Ukraine, Russia, Montenegro

Major events in the reporting period January - June 2008

January

- On 1 January, our subsidiary Intereuropa Transport & Spedition GmbH, Troisdorf, Germany opened its own branch in Stuttgart dedicated to support the full and part-load service for the customers based in Stuttgart area.
- On 16 January, the General Meeting 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, too.
- On 18 January, the bankruptcy procedure for the Austrian subsidiary of Intereuropa, Schneider & Peklar GmbH, Vienna, was instituted.

February

- On 20 February, the representatives of Luka Koper, Banka Koper, Istrabenz and Intereuropa delivered, within their joint donors' action, a new ambulance for emergency medicine and critical care to the Prehospital Emergency Care of the Health Centre Koper, valued € 120,000.
- On 28 February was scheduled the ordinary meeting of the Intereuropa Supervisory Board in which the Report by the Managing Board on the operation of the Intereuropa Group in the year 2007 was dealt with. The Report was adopted, acknowledging the Group's performance as successful.
- At the end of February, Intereuropa despatched the first car-carrying train from the Port of Koper to Russia. A train can carry 160-180 automobiles which are transported to Tuzser (Hungary), where the cars are re-loaded and continue their voyage towards their end destination – the new Intereuropa Logistics Hub Moscow-Czechow.

March

- On 27 March was the session of the Supervisory Board, dealing with the investment in the logistics centre Czechow (Moscow) to acquaint the Supervisory Board with additional documentation that was requested from the Managing Board in the previous session: having examined the submitted materials, the Supervisory Board consented to the latest value of the investment at € 123 million.

April

- On 11 April, the Equity Investment Fund NFD1 Delniški investicijski sklad, investicijska družba d.d., Ljubljana purchased 430 Intereuropa shares (designated IEKG) and now holds 395,248 IEKG shares or 5.002% of all voting rights in the Company.
- On 15 April, Intereuropa took part in the Days of Slovenian Capital in Ljubljana, organised by the Ljubljana Stock Exchange, and presented its corporate development plans, sales income estimate and prospects of the current investment project in Russia, by which the Intereuropa Group is assuming an increasingly important role in car handling logistics in the Russian market.
- On 17 April, the Supervisory Board adopted in its 31 ordinary session the Audited Annual Report of the Intereuropa Group 2007. The Board also discussed and adopted the Report by the Supervisory Board on the results of reviewing the Audited Annual Report of Intereuropa d.d. for 2007, and endorsed the Managing Board's proposal on the appropriation of accumulated profit – the dividend payout at € 0.58 per share in gross amount.
- From 22 to 25 April, Moscow held a prominent international fair on transport and logistics, one of the largest in Russia and region-wide. Intereuropa appeared as exhibitor in this event for the first time. Representatives of the subsidiaries Intereuropa–East d.o.o. and Intereuropa FLG d.o.o. attended the fair and highlighted to interested customers the advantages offered by Intereuropa in the Russian market.

May

- On 9 May was registered the new subsidiary »Intereuropa Transport und Spedition G.m.b.H.« based at Lebring (Graz) in Austria; officially, this Austrian daughter company started operating on 1 June 2008.
- On 19 May was scheduled the ordinary meeting of the Supervisory Board in which the Report by the Managing Board on the operation of the Intereuropa Group in the first quarter 2008 was

dealt with and adopted, acknowledging the Group's performance in the reporting term as successful.

- From 30 May to 1 June, the 24th Intereuropa games and socializing event called "Intereuropiada" was held in Poreč. This traditional event organized by the Intereuropa Group was attended by a record number of participants.

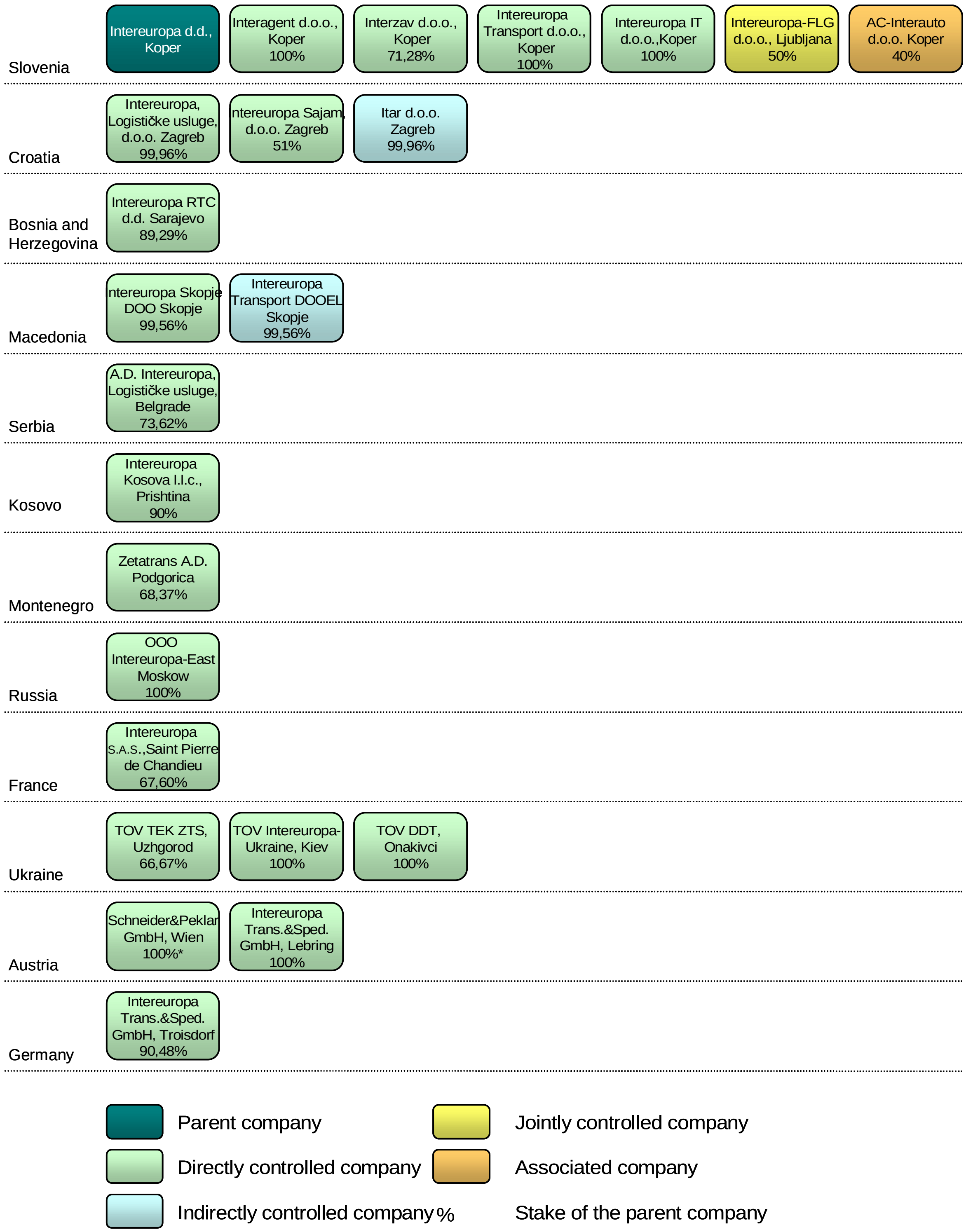
June

- On 9 June, Intereuropa Skopje d.o.o. opened its business unit on the border with Kosovo, located on the border crossing Blace.
- On 13 June, Intereuropa opened the new 9,000-qm warehouse at the Logistical Terminal in Celje, customized for white goods and consumer goods.
- From 17 to 19 June, Intereuropa and Luka Koper (the Port of Koper Corporation) jointly took part in one of the largest international fairs on transport, held at the »New International Expo Center« in Shanghai.

Most important events after the reporting period:

- On 4 July, the shareholders of Intereuropa d.d. gathered in the 18th Annual General Meeting, adopted the Annual Report 2007, resolved on the use of accumulated profit, changes and amendments to the Statute of the Company, participation of the Managing and Supervisory Board in the Company's profit, appointed the audit firm for the current year, and awarded the discharge note to the Managing and Supervisory Boards. Moreover, the shareholders also adopted the Resolution on concluding the Employee Profit Sharing Agreement for the Intereuropa d.d. and its subsidiaries in Slovenia.
- In July the Company Intereuropa d.d. signed the Share-Transfer Agreement and sold its 40%-share in the Company AC-Interauto d.o.o., Koper.

The Organisation of the Intereuropa Group



* Discontinuing operations

Development Strategy of the Intereuropa Group

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

Our mission is:
To optimally meet the demand for logistics services to the complete satisfaction of our customers.

Our values are:
Professional attitude towards our customers, adaptability and flexibility, accountability, team work and appreciation of our employees.

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

• Growth of net sales turnover:	10.0% p.a.
§ Land Transport:	15.1% p.a.
§ Logistics Solutions:	7.2% p.a.
§ Intercontinental Transport:	5.9% p.a.
• Growth of Earnings before Interest, Taxes, Depreciation and Amortisation (EBITDA):	11.7% p.a.
• Growth of Operating Profit or Loss:	17.7% p.a.
• Growth of Net Profit or Loss:	6.9% p.a.

Our plan for 2011 envisions:
- Net Return on Equity 10.2%
- Net Return on Assets 5.4%

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

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

In 2007, we upgraded these strategic baselines with a focus on penetrating new markets in Europe. In line with this strategy, we started with the construction of a logistic centre in Czechow near Moscow (the Russian Federation). We envision a similar logistic centre, though on a smaller scale, in Kiev. With the projects emerging under the upgraded strategy, we aim to generate some € 80 million in the current year (2008) and envision to invest more than € 100 million therein by the year-end 2008. That will contribute towards achieving the sales targets from the underlying strategic baselines already before the year 2011. Furthermore, we also acquire enterprises in the South-East Europe in the scope of our expansion strategy beyond the markets covered to date.
In addition to penetrating new markets, our principal goal is to become the first and foremost logistics provider in the SE Europe: we are implementing it by further development and investing in the markets in which our presence has a long tradition and our company is well recognised.

Our plan for 2008 envisions (in **€** million**):**

• Net sales revenue totalling:	335.0	(13% growth)
• Earnings Before Interest, Taxes, Depreciation and Amortisation (EBITDA):	42.1	
• Operating Profit or Loss:	25.1	
• Net Profit or Loss:	12.7	(ROE 6.1%, ROA 2.5%)

B. BUSINESS REPORT

1. OPERATING PERFORMANCE OF INTEREUROPA GROUP

1.1. Sales achievements

Economic environment and trends

The economic growth in the euro zone was still high (2.2%) in the first quarter of the year. Germany and France saw an even higher growth rate than expected, while the remaining Member States already recorded levelling-off trends. In domestic environment, the first-quarter economic growth was relatively high (5.4%). The rise of gross investments in fixed assets was repeatedly fuelled by the growing investments in construction/ civil engineering. On the contrary, the growth of exports, in particular commodity-based, turned downwards for the second quarterly term in sequence, which can be attributed to a lower demand in some trading partners. Nevertheless, the contributions of the growth of investments and exports to the economic growth were equal in the first quarter.
Price competitiveness deteriorated due to a high rise in consumer prices (the cost-of-living index) in the first quarter, while on the inter-quarterly level, more than one half of Member States were worse hit by these adverse trends than Slovenia.
In June, the cost of living levels remained high (6.8% compared to June 2007). The first half-year saw a record increase in oil prices in the world markets – exceeding 40% - which reflected strongly on the price growth in Slovenia. Moreover, the prices of a seasonal character went up in June, resulting in the high impact of the prices of food on the inter-annual level.

Table 1: Economic environment of the Intereuropa Group

	GDP growth, in %		Growth of industrial prod., in %		Inflation, in %		Growth of exports, in %		Growth of imports, in %	
Countries	**2007**	Forecast **2008**	**2007**	Forecast **2008**	**2007**	Forecast **2008**	**2007**	Forecast **2008**	**2007**	Forecast **2008**
Slovenia	6.07	4.11	6.60	-	5.60	5.20	13.0	9.70	14.1	10.30
Croatia	5.75	4.25	6.50	5.20	2.88	5.54	6.7	7 (r)	5.9	6.5 (r)
Bosnia & Herzegovina	5.83	5.50	8.00	9.00	1.33	4.80	14.7 (n)	13 (n)	22.4 (n)	39 (n)
Macedonia	5.00	4.50	3.00	1.60	2,20*	7,00*	8.2	8.4 (r)	8.5	8.8 (r)
Serbia	7.30	4.00	5,00	4.00	10,10	10,80	20.0 (n)	5.4 (r)	22.0 (n)	7.3 (r)
Russia	8.10	6.80	7.70	4.40	11,90	13,00	7.9	7.4 (r)	18.6	18.9(r)
France	1.88	1.37	1.10	1.10	1,61*	2,50*	4.4	2.5 (r)	4.4	2.9 (r)
Ukraine	7.30	5.58	6.00	8.00	16,60	20,40	4.3	3 (r)	8.6	6.2 (r)
Austria	3.44	1.89	7.50	4.40	2,20*	2,80*	6.1	6.3 (r)	6.0	5.9 (r)
Germany	2.53	1.41	6.10	4.20	2,28*	2,50*	6.5	4 (r)	4.9	5.1 (r)
Kosovo	-	-	-	-	-	-	-	-	-	-
Montenegro	7.50	7.20	3.00	2.00	3,40*	4,83*	35.3 (n)	17.3 (n)	29.9 (n)	28 (n)

(r) real growth rate
(n) nominal growth rate
(-) no data available
(*) aver. yearly rate

VIRI:
International Monetary Fund
JAPTI - Javna agencija RS za podjetništvo in tuje investicije
UMAR - Urad za makroekonomske analize in razvoj
Ocena IMF-a
Statistical Office of Kosovo
Banka Slovenije
Ocena IMF-a

Sales Revenue by Intereuropa Group

In the first half-year 2008, the Group achieved a net sales turnover of EUR 132 million: it exceeded the comparable result of the first half-year a year ago by 17%, though 15% behind the target sales turnover.
The main reason for the setback behind the plan was the delayed completion of the infrastructure for car transports by railway in the logistics hub Czechow, Russia.
The plan for the first half-year was based on the time schedule for the construction and operationability of the Company's logistics capacities in Russia.
We have considerably improved the sales results of the preceding half-year in all the business segments. Within the core business of the Group, the highest growth was recorded in Logistics Solutions where it exceeded the target by 2%. However, the worst underachievement of the plan was seen in the Intercontinental Transport, which stands for one third of the net sales revenue of the Group.

Table 2: Net sales revenues of the Intereuropa Group by area of operation, in € thousand

	Business segment	**Jan - June 2008**	**Structure**	**Index 2008/ Plan**	**Index 2008/2007**
1	Land Transport	69,631	53%	94	113
2	Logistics Solutions	15,214	12%	102	123
3	Intercontinental Transport	43,999	33%	69	121
4	Other services	3,387	3%	117	129
	TOTAL	**132.231**	**100%**	**85**	**117**

Table 3: Net sales revenues of the Intereuropa Group by geographical area, in € thousand

		Jan - June 2008	**Structure**	**Index 2008/ Plan**	**Index 2008/2007**
1	EU Member States	91,224	69%	100	109
2	Non-EU countries	41,007	31%	64	140
	thereof Russia	2,835	2%	11	228
	TOTAL	**132,231**	**100%**	**85**	**117**

In the reporting period, the Intereuropa Group achieved € 53.8 million standing for Contribution Ratio 1[1], which means 5% below the plan (€ 2.9 million) and concurrently, a 22%-growth (€ 9.8 million) above the preceding year.
Practically the entire difference from the planned Contribution Ratio 1 has resulted from Russia and from the subsidiary Intereuropa Transport d.o.o., due to strongly felt increases of fuels. In the remaining part of the Group, representing 87% of the achieved Contribution Ratio 1, the plan was fulfilled.
The difference between the underachieved net sales revenue plan and the Contribution ratio 1 can be illustrated by the fact that the gross margins in railway transport are relatively low (high freight rates), in which 1 € lost in the planned revenue corresponds to 0.03 € lost in the Contribution ratio 1.

Table 4: Contribution Ratio 1 of the Intereuropa Group by area of operation, in € thousand

	Business Area	**Jan - June 2008**	**Structure**	**Index 2008/ Plan**	**Index 2008/2007**
1	Land Transport	27,013	50%	92	111
2	Logistics Solutions	12,802	24%	103	127
3	Intercontinental Transport	10,874	20%	89	146
4	Other services	3,163	6%	111	127
	TOTAL	**53,852**	**100%**	**95**	**122**

[1] The Contribution Ratio 1 represents net sales revenues deducted by direct costs.

Table 5: Contribution Ratio 1 of the Intereuropa Group by geographical area, in € thousand

		Jan - June 2008	**Structure**	**Index 2008/ Plan**	**Index 2008/2007**
1	EU Member States	28,859	54%	98	105
2	Non-EU countries	24,993	46%	91	150
	thereof Russia	2,691	5%	53	905
	TOTAL	**53,852**	**100%**	**95**	**122**

The **Land Transport** Area covers 53% of the net sales revenues of the Group.
The **Groupage** product has exceeded both the target and the last year's achievement. In Slovenia, the most efficient was the business unit in Sežana, in terms of surpassing the plan and with increased number of consignments carried. In April, our the cooperation with a major partner for Germany and Austria came to an end, which reflected in the sales results of the Parent Company and our Zagreb-based subsidiary despite the fact that we have already assured an efficient service for our customers. For the second half-year we plan to strengthen our sales activities and introduce the fuel surcharge in order to mitigate the increasing costs for energy products.
Express transport was doing well and surpassed the target in all implementing companies in the Group. Slovenian operations already show favourable results that are attributable to process streamlining, keeping watch over the costs of our transport contractors, and the standardization of contracts with customers. Despite tougher competition and downward trend of rates in the market we succeeded in acquiring a new major customer. Our further development of this product envisions a new information support that will provide for electronic connections with customers and consignment traceability. Upon completion of the new throughput warehouse in Maribor, the required infrastructure to support the quality-level implementation of express transport and groupage services in this unit has been provided.
The major share of revenue from our **Road Transport** product is generated by the subsidiary Intereuropa Transport d.o.o., which achieved the sales targets for the first half-year and was 6% higher than comparable figures of last year. The operation is strongly exposed to rising fuel costs and freight rates of subcontractors. We aim to address this issue by imposing the fuel surcharge, which should automatically level off the price of service linked to the fuel trends. Among the new road transport units in other subsidiaries with own fleet management, the best results were achieved by the Company in Zagreb.
The **Customs Services** product has surpassed the plan and last year's result. An increased output of the Single administrative documents (SAD) and transit documentation issued in Slovenia has been recorded, however, the income per unit tends to slow down. In Croatia, on the other hand, large importers and exporters feel a strong pressure from the Customs Administration and are acquiring the Authorised Economic Operator Status, which could affect the revenue from this product in the future.
In the **Railway Transport** product we exceeded the last year's result, but failed to achieve the target. The setback can be attributed to the delayed launch of operations in our subsidiary in Russia. Other units have achieved and surpassed the sales targets.

The **Logistics Solutions** Area represents 12% of the net sales revenues on the Group level. The half-year results exceeded both the target and the last year's sales revenue.
On the level of the Group, the product ***Warehousing*** surpassed the plan and the comparable results of the year ago. All the Slovenian business units exceeded the sales targets except the unit in Dravograd, which has not succeeded yet to make good for the reduced volume of operations with Prevent. The favourable results of the first half-year resulted primarily from the increased volume of operations with our existing customers, as well as our intense commercial activities. We have recorded an increased demand for larger warehousing areas with a supply of a set of several products, to which we respond jointly with our business area Land Transport. Only the subsidiaries in Skopje and Prishtina, despite their considerable growth, are lagging behind the sales targets. When the Customs field office in Samobor commences operating and the Customs warehouse in Zagreb is operational, we expect an improved result there.

In the **Distribution** product, both the sales targets and the sales result of the preceding half-year were exceeded.
Our activities in the coming period will focus on the introduction of the new IT support to business processes of warehousing and distribution.

The **Intercontinental Transport** Area represents 33% of the Group net sales revenue in the first half-year and outstripped by 21% the comparable achievement a year ago. The underachievement of the sales revenues under the plan is primarily visible on the product of car-handling logistics and is of an objective character, attributable to the unfinished infrastructure in the automotive terminal in Czechow, Russia, with the investment in progress.
The **Seafreight** product, domiciled in the Parent Company Intereuropa d.d., showed good performance and surpassed the plan in Slovenia. Croatian subsidiaries were successful in the second quarter. Minor underachievement was recorded in the Ukraine and Montenegro, where two new business units were opened: however, the sea-freight segment is still in its developmental stage and better sales results are expected in the second half-year. The Parent Company Intereuropa d.d. estimates to achieve the plans for the Sea-Freight product before the year-end, primarily by focusing on containers, controlling their transport routes and involving the entire corporate network. Through development and building up the commercial activities in our subsidiaries we expect to accomplish the sales targets for the entire Group by the year-end.
From this year on, the product **Car logistics** has become a separate unit; last year it was included in the sea-freight segment. Intereuropa d.d. has achieved very good operating results in the first half-year and exceeded the plans. Only the subsidiary OOO Intereuropa East, Moscow, was underperforming. The loss of sales revenue from car terminals and and car transports by railway has resulted from the incomplete infrastructure (railway tracks, ramp and parking lot). We have recorded notable effects from car transports on the route Koper – Czechow by railway since May, when the railway infrastructure became operational in part. That had an indirect bearing /effect on the services supplied by car terminals: the envisioned revenue from rail-car handling operations are bigger than the operations involving trucks. Presently, the construction activities in other segments of the Logistics Centre additionally aggravate an optimum utilization of the capacities dedicated to car logistics.
Our **Shipping Agency** has achieved the targets and exceeded the last year's sales volume despite the unfavourable winter season, decline in the import of salt, the reduced closing of cars for the Ukraine and re-directing of certain ships to other ports. We have acquired some new customers and are still the leading shipping agent in terms of the number of ships represented in the Port of Koper. The containerized operations have grown in number, the financial result is slightly affected by the unfavourable exchange rate between dollar and euro.
In the **Airfreight** product, the Group exceeded the last-year's achievement and recorded a slight underachievement of the sales targets: this is a reasonable development in terms of season-depended nature of this business, with the second half-year always better than the first. In Slovenia and Croatia we find a shift of shipments from airfreight to seafreight, in particular the consolidated containerized shipments, as a result of the general trend of shifting away from air transport (high fuel prices). Our units in Serbia, Kosovo and Montenegro have been performing well.
The **UPS** product is offered by the business units in Slovenia, Croatia and Bosnia and Herzegovina. On the level of the Group, the operations are slightly behind the plan, however, the achievement of sales targets is envisioned already for the next quarter of the year. Bosnia and Herzegovina has recorded the highest growth of this product, which is still expanded. Also the subsidiary in Croatia was performing well.

1.2. Financial Result

The **Earnings before Interest, Taxes, Depreciation and Amortisation** (EBITDA) was € 20.2 million. This achievement was by 8.8 million or 77 percent above the last year's figure, however, 12 percent (2.8 million) below the target.

The **operating profit /loss** amounted to € 12.9 million and outstripped the preceding year's achievement by 145% or € 7.6 million. Despite that, it was still € 1.5 million, or 13% below the plan for the reporting period. The growth of the operating profit/loss has resulted from the expansion of the Group to new geographical markets, putting new logistics facilities/ centres to operation, and improved efficiency. As the new infrastructure is not being fully utilized yet, we expect additional favourable effects in the second half-year.
The underachievement in EBITDA and operating profit/loss can be entirely attributed to the lower Contribution Ratio 1, i.e. the lower revenue in railway transport in Russia and in road transport due to high fuel prices.

During the first half-year 2008, the financial expenses of the Group exceeded the net sales revenues by € 4.2 million, and the **net profit or loss** came to € 6.8 million.

If major one-off transactions are excluded from the operating results (the sale of the interest in Banka Koper d.d. – a capital gain of € 23.4 million in 2007, and this year's sale of land in the subsidiary in Croatia – a capital gain of € 6.0 million), we have recorded as follows:

- EBITDA rise by 28% (+ € 3.1 million),
- Operating profit or loss higher by 40% (+ € 2.0 million),
- Net operating profit or loss lower by 49% (- € 2.0 million) due to higher financial expenses – interest (+ € 3.4 million).

Tables 6 and 7: Financial results of the Intereuropa Group for January-June 2008, in € thousand

Item / Index	Jan - June 2008	Plan 2008	Jan - June 2007	Index 2008/ Plan	Index 2008/2007
Net sales revenue	132,231	155,486	113,169	85	117
EBITDA*	20,233	23,054	11,436	88	177
Operating Profit or Loss	12,927	14,845	5,271	87	245
Net Profit or Loss	6,805	8,636	24,728	79	28
Net sales revenues per employee/ month	8,468	9,656	8,424	88	101
Value added per employee/ month	2,910	3,046	2,384	96	122

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

Item / Index	30.06. 2008	Plan 31.12.2008	31.12. 2007	Index 2008/ Plan	Index 2008/2007
Balance Sheet Total*	452,012	462,917	408,571	98	111
Equity*	188,839	200,833	186,154	94	101
Short-term assets/ Short-term liabilities	0.67	0.91	0.61	74	110
Net Return On Equity (yearly level)**	4.8%	6.1%	16.8%	78	29

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

On the yearly level, the **Net Return On Equity** is 4.8% and slightly (1.3 percentage point) below the plan. This result is not comparable due to the a.m. extraordinary one-off events in 2008 and 2007. Excluding these transactions, the net return on equity on the yearly level is 2.4% lower than in 2007 exclusively on the ground of higher financing expenses.

At the end of the reporting period, the **Balance Sheet Total** amounts to € 452 million and is 11% above the figure achieved at the year-end 2007. On the Assets side, the highest rise is recorded in fixed assets - by € 23 million (or 8%), and in short-term operating receivables by € 12 million (or 17%). On the Liabilities side, we can see an increase in indebtedness by € 33 million and a change in maturity, in favour of long-term financial liabilities. Financial liabilities at the end of the reporting period represent 43% in the Liabilities structure. The share of financial liabilities in the liability structure has risen by 3 percentage points above the end of last year, which reflects continued high investment activity in emerging markets in accordance with the corporate development strategy.

1.3. Investments in Fixed Assets

In the first half-year 2008, the investments in fixed assets realized by the **Intereuropa Group** totalled € 29,018 thousand, thereof 24,829 thousand in real estate and 4,189 thousand in plant and equipment. The annual plan of investments was fulfilled at the rate of 44.6 %.

Table 8: Overview of Investment in January-June, in € thousand

Company	Real estate		Plant & Equipment		TOTAL		% of annual realiz.
	Plan with corrections*	Realiz.	Plan with corrections*	Realiz.	Plan with corrections*	Realiz.	
Intereuropa d.d.	8,998	5,435	3,232	1,304	12,230	**6,739**	**55.1**
Subsidiaries	43,046	19,394	9,732	2,886	52,778	**22,279**	**42.2**
TOTAL for the GROUP	**52,044**	**24,829**	**12,964**	**4,189**	**65,008**	**29,018**	**44.6**

** Corrections = amendments to the basic plan (based on the Resolutions by the Managing Board or Supervisory Board of the subsidiary)*

In the first half-year the investments in fixed assets undertaken by the Parent Company **Intereuropa d.d.** amounted to € 6.7 million. The greatest investment of the reporting period was the second construction stage and the equipment of the warehouse in our unit in Celje, worth € 4.7 million. In addition, there was the reconstruction of the hall for the throughput-warehouse in Maribor, the purchases of 13 forklift trucks, loading ramps and automatic doors for warehouse facilities in several locations, the purchase and upgrading of equipment for access control and work-time registration system in several units, and loading ramps and the purchase of a transport line for the UPS deliveries/ mail shipments.

Our **Subsidiaries** invested € 22.3 million in fixed assets. The highest investment of the reporting period was made by the Company OOO Intereuropa-East, Moscow, worth € 17.2 million for the completion of the facilities in the logistics hub Moscow (Czechow), and the purchase of cars. Other major investments worth mentioning are the completion of the logistics centre in Samobor (Croatia), the investments in computer/IT equipment, the purchase of trucks in Croatia and Montenegro, the construction of container terminal Sarajevo (BiH), the modernization of the siding rail in Podgorica (Montenegro), and the purchase of tented warehouses in Belgrade (Serbia).

1.4. Human Resources Management

Employment trends

The number of staff in the Group has risen by 4% or 117 employees in the first half-year. As of 30.06.2008, the number of staff employed in the Group was **2,788**.
The highest recruitment was recorded in the subsidiary Intereuropa East, Moscow, with 90 new employees more than at the year-end 2007. The growing trend has continued in Croatia, too. In May, we opened a new company in Austria and took on 4 employees. There are no major changes in staff in the remaining companies, compared to the preceding reporting period.

Table 9: Employees in the Intereuropa Group according to countries, as of 30.06.2008

	Country	30.06.2008	31.12.2007	Variance 2008-2007	Index 08/07
1	Slovenia	1,322	1,326	-4	100
2	Croatia	697	678	19	103
3	Other countries	769	667	102	115
	TOTAL	**2,788**	**2,671**	**117**	**104**

Human Resources Development and training

Table 10: Education and Training in the Intereuropa Group

Plan Jan – June 2008 (in €)	Actual Jan – June 2008 (in €)	Index Actual/ Plan	Actual/ employee (in €)	No. of hours	No. of hours/ employee
239.000	162,058	68	58	17,680	6

We continued supporting the personal development of employees. Various training programmes, seminars and technical/professional meetings on different levels were organized for and attended by our employees, incl. internal knowledge transfer within the Group. There were 17,820 hours allocated to acquire new knowledge/ skills for our HR, or 6 hours per employee on average. The highest level of training was available in the Parent Company: 12 hour per employee, on average
In total, nearly one half of our employees were involved in education/training process. However, the plan was not fully realized on the level of the Group. The planned budget for personal development of HR was spent only in Intereuropa Sajam d.o.o. , Zagreb and in Intereuropa Logistical Services d.o.o., Belgrade, and exceeded in Intereuropa RTC d.d., Sarajevo and Intereuropa East, Moscow.
In terms of the technical fields, the highest number of hours was dedicated to the know-how and skills on **logistics:** 27% of the entire training scheme. Very active was the project group involved in the renovation of IT application supporting the processes of the business information system. As usual, there were also training forms on customs procedures, storage, origin of goods, etc. In the subsidiaries, a lot of employees were involved in training in Intereuropa East, Moscow, thereof 70 were trained for car handling - unloading from railway wagons, parking.
Another important segment was **Occupational safety and health**, attended by the staff of Intereuropa d.d., Intereuropa Transport and Intereuropa subsidiaries in Zagreb.
Foreign language courses, primarily English and Italian, comprised 14% of the overall training scheme in Intereuropa d.d. We have recorded an acute need to raise the fluency in foreign languages in some subsidiaries.
This year, we focused our attention on the development and further intensifying of **leadership skills.** In June, the participants from the Parent Company and 15 key employees from subsidiaries abroad attending of the 2nd School of Management completed the third of the four modules on Leadership.

Other **specific and technical skills** comprised 15% of training. These included IT know-how, training for work-time registration, the workshop on Resolving Complaints and Conflict Situations Efficiently, and a variety of technical seminars, meetings, conferences.
Our **Internal knowledge transfer** includes the training forms on the project Renovation of IT application supporting the processes of the business information system, various induction seminars and training forms for new employees, and occupational safety.

Introduction of Information Support to HR Function and Payroll Account

In the first half-year, we completed the first stage of the Project introducing the Information Support to HR Function and Payroll Account in the Slovenian part of the Intereuropa Group, and centralized and standardized the work-time registration system. In addition, we established the access control in the Company head-office (building) in Koper, and in Logatec.
We launched activities on establishing the HR Development and Training module.

Creating the organizational culture and work atmosphere in the company

We continued with our concern in, and support to maintaining health and well-being of our employees. Financial aid was granted to 30 employees who were affected by health problems or suffered financial difficulties for other reasons, and allocated € 34 thousand in total, which exceeded the sum used in the whole year 2007.
As usual, we bestowed gifts on our female co-workers for the Women's Day, and our employees spent their holiday in our holiday accommodation facilities in Kranjska Gora, Terme Olimje and Čatež (spa), on the Rogla mountain, and Červar (Croatia). More than 700 employees from the whole Intereuropa Group took part at the 24^{th} Intereuropa sports games event.

Concern for health and occupational safety

We arranged for supplementing the risk assessment concerning the occupational safety and health. The construction of new warehouses in Maribor and Celje has greatly improved the work conditions for our employees, and we furnished the warehouses in compliance with the regulations on the occupational safety and health.
In line with our concern in the **preventive health protection**, we referred 373 employees to preliminary, dedicated periodical preventive medical check-up to assess their capacity for work. We introduced certain restrictions and endorsements for older employees with health problems, relating to hoisting and carrying a heavier load, prohibition of work at height, shorter intervals for medical check-ups, work outside noisy areas, prohibition of night work, and imposed the use of personal protection equipment. The most health problems were found in drivers (in road transport) and warehouse workers (age structure and more difficult work conditions).
In the first half-year, there were 21 **incidents at work**, two of them were severe injuries. The research and analysis of injuries revealed that the human factor was the most frequent cause of injuries. In accordance with the regulations, all incidents with injuries were reported to the inspection services. In view of incident prevention and reducing the number of injuries, we will continue with the supervision on the proper /correct execution of work procedures, the use of personal protective equipment as required for all employees, incl. the external workers, hired workforce and students who are working in the premises and area of the Intereuropa Group.
To assure safe work conditions, the **work equipment was inspected and tested** individually in the organizational units, in the terms required by the law. Inspected were 113 types of various work equipment – operating means (lifts/elevators, forklifts, lightning conductors, power installations, fire-detecting and alerting appliances, automatic fire extinguishers, fire-proof and lifting doors, loading ramps, lifts, etc.). Most work equipment was in good operating condition and acquired the operational acceptance certificate.
Inspection of work environments were made in certain organizational units/premises and in individual workplaces (investigating the microclimate, noise, illumination, etc.). Minor deficiencies were remedied in accordance with the recommendations received.
The strict laws on the environmental protection demand a persistent concern in safeguarding the environment and regular maintenance of purifying appliances/ treatment plants. The new-built facilities are equipped with treatment plants, as required.

1.5. Total Quality Management

Maintaining the ISO 9001:2000 System

In the companies with certification, we have prepared and issued the report on quality management for the year 2007.

One of the measures applied in the Parent Company is the transfer of reporting on the quality management indicators from the Quality Department to the branch office management teams.

We have updated the Quality Management Manual (Version 10) in accordance with the changes to the powers / authorizations in the Company, and completed the Rules of Procedure with the rules on the customer audits or external audits resp., under the 'other party' principle.

The persons responsible in Intereuropa branch offices were requested to review the adequacy of the QM indices, to determine the QM goals for 2008, to assess the suppliers and to address the recommendations made by external or internal audits.

Establishing the Environmental Management System under the ISO 14001:2004 Standard

Activities on appointing the Environmental Manager (Project Manager for Environmental Management) were launched in the first quarter of the year. The project on establishing a system of environmental management has been temporarily suspended.

In March, we prepared jointly with the Investment and Real Estate Department and the Logistics Solutions Area the data on the quantity of waste and fractions thereof, collected according to the business units in the year 2007, and we issued the obligatory report on the quantity of waste for the Slovenian Environment Agency (ARSO).

Internal quality of service auditing

In the first half of March, we prepared the internal audit on

- → Quality Management Process applied by the Managing Board in Koper (of Intereuropa d.d.) and the Management Boards of subsidiaries in Zagreb (Intereuropa, Logističke usluge, d.o.o., Zagreb).
- → Human Resources Management process
- → Investment and property (real estate) management process
- → Project Management process.

The findings from the internal audits were used to improve the business processes.

External quality of service audit by the Customer

In the first quarter of this year, there were two external audits under the 'other party' principle. The audits were executed by the customer. Both audits show that the customers have no major comment to the operation.

In the second quarter, the environmental management system was also audited by the customer in the Company Intereuropa Transport d.o.o. The auditors were satisfied both with the quality of transport services and the modern fleet of vehicles.

External quality of service audit by the certification authority

The external audit was held from 7 to 9 April 2008 by the certification authority. The audit comprised the Managing Board and the technical departments, the units in Ljubljana, Jesenice, Intereuropa Transport d.o.o. in Koper, and the subsidiary of Intereuropa, Logistics Services d.o.o. Zagreb in Rijeka.

The auditors have not found any non-compliance. Intereuropa d.d. received 13 recommendations, Intereuropa d.o.o. Zagreb 6, and Intereuropa Transport no recommendation at all.

We will include these recommendations in our operations, if eligible, or respond to them in the given three-months' term, which is also the term for reporting to the certification authority SIQ on the measures taken in response to the recommendations.

The subsidiary Interagent d.o.o. was successful at the third re-certification audit of the quality management system, without any non-compliance found.

Verification of the HACCP System (for foodstuffs)

The verification of the HACCP System is scheduled for the second half-year.

Development of the Quality Management System

We have perceived the need for certification under the ISO 9001:2000 standard in the subsidiary Intereuropa Transport & Spedition GmbH on the part of certain customers who need the ISO 9001:2000 Certificate.

We were working on the project plan on establishing the quality management system in the subsidiary Zetatrans a.d. Podgorica (Montenegro), however, the project has been provisionally stopped for other tasks with higher priority.

1.6. Creating Value for Shareholders

Share Trading

From 1 January to 30 June 2008, the Intereuropa share lost 31.4% of its value, whereas the Slovenian Stock Exchange Index SBI20 lost 30.7% in the same period.
The average rate of the Intereuropa share (IEKG) slided from € 39.84 to 26.01 per share. On the last day of June, the IEKG share closed at € 26.02.
The turnover with the IEKG share on the Stock Exchange amounted to € 13.5 million, the average daily turnover was 0.2 million in the first half-year. There were 2,541 transactions concluded.

Figure 1: Movements of IEKG share average prices and trading volume, and the SBI20 Index in term January-June 2008

Principal Data on Intereuropa Share

Table 11: Key Data on Intereuropa Share in the first half-year 2008, in €

Data on Intereuropa share	30.6.2008	31.12.2007	Index 2008/ 2007
Number of ordinary shares issued	7,902,413	7,902,413	100
Book value of ordinary shares [2]	20,43	20,14	101
Average rate as of the last day of the accounting period	26,02	37,93	69
Weighted average rate	35,45	40,19	88
Highest rate	39,84	51,07	78
Lowest rate	26,01	26,11	100
Market capitalisation in thousand €	205.621	299.739	69
Turnover in thousand €	13.489	70.398	19
Net earning per share [3]	0,79	2,45	32
Gross dividend per share [4]	0,58	0,83	70

Ownership structure

The number of shareholders has risen by 392 in the first half-year. As of 30 June 2008, there were 5,987 shareholders entered in the Share Register of the Company.
In June, the block of 287,993 IEKG shares was sold by Banka Celje d.d. to Maksima holding d.d.
As of 31 December last year, the top ten shareholders were holding 4,760,721 IEKG shares or 60.2% of all shares, whereas at the end of June 2008 they held 4,806,542 IEKG shares, which represents a shareholding of 60.8% in the equity structure of the Company.

Table 12: Ownership structure of ordinary shares of Intereuropa d.d. as of 30 June 2008 compared to 31 Dec. 2007

	30.06.2008		31.12.2007		Number of shareholders as of 30.06.08	Index June 08/ Dec 07
	No. of shares	Shareholding	No. of shares	Shareholding		
Natural persons	1,772,067	22.42%	1,769,269	22.39%	5745	100
- thereof, employees	513,547	6.50%	524,612	6.64%	493	98
Luka Koper (Port)	1,960,513	24.81%	1,960,513	24.81%	1	100
Enterprises	242,641	3.08%	218,008	2.76%	176	111
Financial companies	2,674,504	33.84%	2,701,935	34.19%	59	99
Kapitalska družba (KAD)*	777,762	9.84%	777,762	9.84%	5	100
Slovenska odškodninska družba (SOD)	474,926	6.01%	474,926	6,01%	1	100
TOTAL	7,902,413	100.00%	7,902,413	100.00%	5987	100

Includes the KSPPS, KVPS and SODPZ, PPS (First Pension Fund)

[2] Book value of share = capital at the end of accounting period/ number of shares issued
[3] Net earning per share = net profit of the accounting period/ number of shares issued, on a yearly level
[4] Dividend will be paid out end of August 2008, pursuant to the Resolution by AGM of 04.07.2008

Table 13: Major shareholders of ordinary shares of Intereuropa d.d. as of 30 June 2008 compared to 31 Dec. 2007

Cur rent No.	Shareholder	30.06.2008		31.12.2007		Index Jun 08/Dec 07
		Number of shares	Share holdi ng	Number of shares	Share holdin g	
1.	LUKA KOPER, D.D.	1,960,513	24.81%	1,960,513	24.81%	100
2.	KAPITALSKA DRUŽBA, D.D.	719,797	9.11%	719,797	9.11%	100
3.	SLOVENSKA ODŠKODNINSKA DRUŽBA D.D.	474,926	6.01%	474,926	6.01%	100
4.	NFD 1 DELNIŠKI INVESTICIJSKI SKLAD D.D (INVESTMENT FUND FOR SHARES)	399,166	5.05%	302,749	3.83%	132
5.	INFOND ID, D.D.	323,489	4.09%	337,839	4.28%	96
6.	MAKSIMA HOLDING D.D.	287,993	3.,64%	0	0%	0
7.	ZAVAROVALNICA TRIGLAV, D.D (Insurance Co.)	213,640	2.70%	213,640	2.70%	100
6.	VS PROBANKA GLOBALNO NALOŽBENI SKLAD (Mutual Fund)	159,124	2.01%	170,000	2.15%	94
9.	VS TRIGLAV STEBER I, D.D. (Mutual Fund)	144,777	1.83%	170,147	2.15%	85
10.	KD RASTKO, delniški vzajemni sklad (Equity Mutual Fund)	123,117	1.56%	123,117	1.56%	100

Tables 14 and 15: Shares held by members of Managing Board and Supervisory Board, as of 30.06.2008

Managing Board	Number of shares	Shareholding
ANDREJ LOVŠIN, M.A., President of the Managing Board	49,650	0.628 %
MARKEŽIČ ZVEZDAN, Deputy President of the Managing Board	3,094	0.039 %
JONKE ONDINA, Member of the Board – Human Resources Executive	3,080	0.039 %

Supervisory Board	Number of shares	Shareholding
NEVIJA PEČAR, Deputy President of the Supervisory Board	4,185	0.053 %
VINKO REBULA – Member of the Supervisory Board	450	0.006 %

Own shares

Intereuropa d.d. does not have its own share portfolio.
The Company does not have any authorized capital and has not increased its share capital stock.

Dividend policy

On the basis of the development strategy and corporate vision of the Intereuropa Group and in line with the financing policy on investments in foreign markets, the Managing Board adopted a new dividend policy that matches the planned growth and investment cycle in the Group.

Dividend in the year 2008

The 18th Annual General Meeting of Intereuropa d.d. was held on 04.07.2008, in which the shareholders decided on the dividend payout. Entitled to receive this year's dividend are the shareholders entered as such in the Share Register (kept in the central register with the KDD d.d.) as of 08.07.2008; the dividend is fixed at EUR 0.58 gross, and payable by 31.08.2008.

2. OPERATION OF THE COMPANY INTEREUROPA d.d.

Tables 16 and 17: Operations of Intereuropa d.d. in January-June 2008, in € thousand

Item / Index	**Jan - June 2008**	**Plan 2008**	**Jan - June 2007**	**Index 2008/ Plan**	**Index 2008/2007**
Net sales revenue	73,321	74,875	68,062	98	108
Contribution Ratio 1	24,400	24,173	22,554	101	108
Land Transport	8,019	8,232	7,736	97	104
Logistics Solutions	7,496	7,196	6,734	104	111
Intercontinental Transport	5,688	5,619	5,269	101	108
Other services	3,197	3,125	2,815	102	114
EBITDA*	3,462	4,202	4,310	82	80
Operating Profit or Loss	1,128	1,743	1,948	65	58
Net Profit or Loss	3,122	98	23,119	3,192	14
Net sales revenues per employee/ month	13.232	13.148	12.509	101	106
Value added per employee/ month	2.820	2.878	2.760	98	102

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

Item / Index	**30.06 2008**	**Plan 31.12.2008**	**31.12. 2007**	**Index 2008/ Plan**	**Index 2008/2007**
Balance Sheet Total*	348,423	354,163	313,071	98	111
Equity*	161,468	157,224	159,127	103	101
Short-term assets/ Short-term liabilities	0.76	0.65	0.53	117	143
Net Return on Equity (yearly level) **	1.9%	0.4%	15.1%	465	12

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

Basic findings on the operations of Intereuropa d.d. in the period January – June 2008:

- The **Net Sales Revenue at € 73.3 million** is 2% below the plan although the turnover achieved was 8% higher than in the first half-year 2007. According to business areas, the highest growth rate was recorded in Intercontinental transport (+12%).
- The **Contribution Ratio 1** at **€ 24.4 million** is 1% above the plan and 8% higher than in the first half-year 2007. According to business areas, the highest growth rates were recorded in Logistics Solutions and Intercontinental Transport, and the plan was achieved and exceeded as well.
- The **Operating Profit/Loss** at **€ 1.1 million** was behind the plan and the comparable achievement of the last year. The less favourable realization of the Operating Profit/Loss than planned is attributable to the higher cost of materials, rentals and hired workforce, higher expenses for allowances for receivables, higher other operating expenses (provisions for other liabilities from past years, contributions/fees paid for municipal land) and the loss of revenue from the disposal /sale of fixed assets. Compared with the last year, the operating costs are higher on the account of a rise in the labour cost as a result of the amended payroll system.
- The **Net Operating Profit or Loss** of **€ 3.1 million** was above the plan by € 3 million. If the one-off transaction of 2007 (the sale of interest in Banka Koper) were excluded, this year's Net Profit/Loss is 20% higher than the comparable term last year. The plan was exceeded thanks to considerably higher financial revenues from shares from the subsidiaries (Intereuropa Logističke Usluge d.o.o. Zagreb at € 2.4 million) and lower expenses for interest.
- The annual **Net Return On Equity** is **1.9% p.a.**, which is 1.5 percentage point above the Plan and 0.8 percentage point below the last year's result (excluding the sale of investment in Banka Koper). The reasons for underachievement were explained in the preceding item.

- The **employee-related indexes** show that sales efficiency and added value per employee were slightly improved over the last year's achievements. The former was 1% higher than planned, the latter is 2% below the plan.
- In the structure of Assets, the **share of capital** represents 46% (51% as at 31st December 2007), and the **current ratio** is 0.76 (0.53% as at 31st December 2007). A significant influence on the improved current ratio is attributable to the changed maturity of the loans raised and the growth of short-term loans granted.

3. OPERATION OF THE SUBSIDIARY OOO INTEREUROPA-EAST, MOSCOW

Last year (2007), we started to implement our strategical goal, the transformation of the Intereuropa Group from a provider of logistical services merely in SE Europe into a provider of logistics with a stronger representation in East European markets.

Our Company has been represented in Russia and the Ukraine with our own companies for a long time, however, on a smaller scale. The decision to build our own logistics and distribution hub in Russia (Czechow, Moscow) in the last two years meant a decisive step forward.

We decided for that project believing in the huge potential of the Russian market and our capability of providing the complete logistics services to our current and future customers in this market as well. In Russia, there is a great demand for a modern warehouse facility, combined with car logistics service. In these two fields we expect the fastest development of our Company.

At present, we offer our services in road and railway transport, freight forwarding and car logistics. By the end of this year we will offer warehousing and customs services to this market, to be followed by the seafreight and airfreight transport and internal distribution services in Russia in the future. Combined with our international partner network, we will be able to offer complete logistics solutions for the customers based in Russia and other international customers.

The table below outlines the envisioned projections of the Logistics and Distribution Centre Czechow, Moscow, viewed through a set of financial indicators. For the year 2010 we expect a full occupancy of the capacities of the logistics and distribution hub, therefore we have set that year as our first milestone in the implementation of the corporate strategical development.

Table 18: Projection for the operation of the Logistics Centre Czechow, in € thousand,

Item / Index	**2008**	**2009**	**2010**		**2015**	**2016**	**2017**
Car logistics	60,283	71,071	71,071		75,227	75,227	75,227
Storage and manipulation of goods	2,127	5,767	9,130		9,130	9,130	9,130
Distribution	0	1,442	2,282		5,478	5,478	5,478
Customs revenue - Warehousing	210	420	466		873	1,004	1,155
Continental Shipping	1,200	2,000	2,500		10,000	13,000	15,000
Railway Transport	11,920	12,036	12,158		13,046	13,319	13,613
Other	431	670	746		814	829	845
OPERATING REVENUES	**76,170**	**93,405**	**98,352**		**114,568**	**117,986**	**120,447**
OPERATING PROFIT	**4,985**	**7,850**	**10,361**		**14,972**	**15,131**	**15,258**
NET PROFIT OR LOSS	**991**	**3,245**	**5,455**		**10,761**	**11,141**	**11,499**

The following table shows the operation of the subsidiary OOO Intereuropa-East, Moscow, January-June 2008.

Tables 19 and 20: Operations of OOO Intereuropa-East, Moscow, January-June 2008, in € thousand

Item / Index	**Jan - June 2008**	**Plan 2008**	**Jan - June 2007**	**Index 2008/ Plan**	**Index 2008/2007**
Net sales revenue	2,834	25,813	1,243	11	228
Contribution Ratio 1	2,691	4,277	297	63	905
Land Transport	-23	157	297	-	-
Logistics Solutions	0	0	0	-	-
Intercontinental Transport	2,713	3,911	0	69	-
Other services	0	209	0	0	-
EBITDA*	1,057	2,366	-27	45	-
Operating Profit or Loss	514	1,295	-70	40	-
Net Profit or Loss	-3,384	-546	-70	-	-
Net sales revenues per employee/ month	6.256	65.185	16.981	10	37
Value added per employee/ month	3.668	8.158	1.058	45	347

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

Item / Index	**30.06 2008**	**Plan 31.12.2008**	**31.12. 2007**	**Index 2008/ Plan**	**Index 2008/2007**
Balance Sheet Total*	90,973	141,981	66,447	64	137
Equity*	3,752	66,668	7,314	6	51
Short-term assets/ Short-term liabilities	0.40	1.30	0.55	31	72
Net Return on Equity (yearly level) **	-93.26%	1.05%	-51.10%	-8.848	183

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

In the first half-year, the Company achieved the EBITDA of € 1 million and the operating profit or loss of € 0.5 million. We are behind the plan in all segments. The reasons can be attributed to 2 main items:

- Net sales revenues (index 11, variance € 22.9 million)
- Financing profit/loss (index 213, variance € 2.1 million)

In the sales, the highest setback is in the transportation of cars and other commodities by railway (car-handling logistics), with a very high share of direct costs (97%, Contribution Ratio 1 represents 3% of revenue. This is also revealed at the achieving the planned contribution ratio 1, where the setback behind the plans is considerably lower, 37%.

The reasons for non-achievement of the planned sales results are in the delayed completion of infrastructure (weather conditions, unplanned additional requirements of business partners, difficulties with Contractors and local authorities), and other initial organizational problems derived from the specifics of operations in the Russian market. Despite the setback of all costs behind the plan, we were not in a position to substitute the loss of sales, therefore we are also below the planned operating profit/loss and EBITDA (Index 40 and 45).

In addition to the underachievement in the business part, the adverse net profit or loss is largely attributable to the negative financing profit or loss at € 3.9 million. A considerable part (46%) of financial expenses stands for the foreign exchange differences (losses) resulting from the fluctuating exchange rates of the euro against the rouble.

Despite such a big setback behind the plans, it should be noted that we have succeeded in establishing the operation of the car terminal (whose final capacities are fully occupied) and the company already generates a positive operating profit/loss despite some unexpected costs relating to the construction of the terminal and the launch of new business.

By the year-end we expect no less than equal results in car logistics, the launch of railway transport (of other land transport types), and to start the marketing of warehouse capacities. The construction of car terminal and warehouse is envisioned to be completed by the end of October 2008.

C. FINANCIAL REPORT

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

The same accounting guidelines were applied in the consolidated financial statements as in those of the Parent Company, as indicated in the Accounting Report for the financial year 2007.

In addition to these, the companies AC-Interauto d.o.o., Koper, and Adriafin d.o.o., Koper, and the jointly-controlled company Intereuropa-FLG, d.o.o. are included in the Group under the equity method.

The new indirectly controlled company, Intereuropa Transport & Spedition GmbH, Lebring, has been included in the consolidated financial statements of the Group for the first time.

The newly included companies in the Group in the first half-year 2008 (against the comparable term last year) are:
- Zetatrans A.D. Podgorica (Montenegro),
- TOV Intereuropa – Ukraine, Kiev
- TOV DDT, Onakivci.

Stoppage of Operation

After the bankruptcy proceeding was instituted in the subsidiary Schneider & Peklar GmbH, Vienna (Austria) in January 2008, the company was excluded from the Group with effect from the end of 2007. For the sake of comparison, we deducted the revenues and expenses of the company Schneider & Peklar GmbH, Vienna, from the comparable data in consolidated income statement and presented the effect in the item Loss after taxes from the stoppage of operation in the amount of € 198 thousand.

1. FINANCIAL REPORT FOR THE INTEREUROPA GROUP

1.1. Financial Statements of the Intereuropa Group

CONSOLIDATED INCOME STATEMENT OF INTEREUROPA GROUP for the reporting term 1 January – 30 June 2008

in € thousand	**January-June 2008**	**January-June 2007**	**I 08/07**
NET SALES REVENUES	**132,231**	**113,169**	**117**
Other operating revenues	7,564	753	-
Costs of goods, materials and services	92,210	80,229	115
Labour costs	25,204	20,596	122
Write-offs	8,041	6,840	118
a) Depreciation and revaluation operating expenses associated with intangible long-term assets and tangible fixed assets	7,306	6,165	119
b) Current assets revaluation adjustments and write-offs	735	675	109
Other operating expenses	1,413	986	143
OPERATING PROFIT OR LOSS	**12,927**	**5,271**	**245**
Financial revenues from stakes	195	24,028	1
Financial revenues from loans given	490	47	-
Financial revenues from operating receivables	916	655	140
Financial expenses from impairment and write-offs of financial investments	147	7	-
Financial expenses from financial liabilities	5,164	1,147	450
Financial expenses from operating liabilities	477	140	341
PROFIT OF LOSS FROM ORDINARY ACTIVITIES	**8,740**	**28,707**	**30**
Corporation tax	1,879	3,767	50
Deferred tax	56	14	400
NET PROFIT OR LOSS FROM ORDINARY ACTIVITIES	**6,805**	**24,926**	**27**
Net profit or loss after tax from suspension of operation	0	-198	-
NET PROFIT OR LOSS FOR THE PERIOD	**6,805**	**24,728**	**28**
Net profit or loss of the minority shareholdes	562	240	234
Net profit or loss of the majotity shareholder	6,243	24,488	25
Basic and adjusted earnings per share in €	**0.79**	**3.10**	**25**

CONSOLIDATED BALANCE SHEET OF INTEREUROPA GROUP as at 30.06.2008

in € thousand	30.6.2008	31.12.2007	I 08/07
ASSETS	**425,448**	**408,571**	**104**
LONG-TERM ASSETS	**330,312**	**320,187**	**103**
Intangible fixed assets and deferred items	8,302	8,105	102
Tangible fixed assets	296,491	285,086	104
Investment property	12,031	12,831	94
Long-term financial investments	13,265	13,979	95
Long-term operating receivables	23	23	100
Deferred tax assets	200	163	123
SHORT-TERM ASSETS	**88,482**	**83,927**	**105**
Assets for sale	1,326	2,105	63
Inventories	137	150	91
Short-term financial investments	3,046	3,368	90
Short-term operating receivables	75,286	69,924	108
Cash	8,687	8,380	104
SHORT-TERM DEFFERED ITEMS	**6,654**	**4,457**	**149**
SHORT-TERM ASSETS (with SHORT-TERM DEFFERED ITEMS)	**95,136**	**88,384**	**108**
LIABILITIES	**425,448**	**408,571**	**104**
CAPITAL	**184,908**	**186,154**	**99**
Capital of majority shareholder	**173,182**	**174,143**	**99**
Called-up capital	32,976	32,976	100
Capital reserves	49,403	49,403	100
Reserves from profit	12,156	12,008	101
Revaluation surplus	5,518	6,029	92
Net profit/loss brought forward	75,560	49,557	152
Net profit or loss for the financial year	1,490	26,063	6
Consolidation capital adjustment (exschange rate translation differences)	-3,921	-1,893	207
Capital of minority shareholders	**11,726**	**12,011**	**98**
PROVISIONS AND LONG-TERM ACCRUED ITEMS	**3,294**	**3,304**	**100**
LONG-TERM LIABILITIES	**103,944**	**81,331**	**128**
Long-term financial liabilities	100,591	77,796	129
Long-term operating liabilities	2,473	2,517	98
Deferred tax liability	880	1,018	86
SHORT-TERM LIABILITIES	**133,302**	**137,782**	**97**
Short-term financial liabilities	71,035	83,640	85
Short-term operating liabilities	62,267	54,142	115

CASH FLOW STATEMENT OF INTEREUROPA GROUP for the reporting term 1 Jan – 30 June 2008

in € thousands	January - June 2008	January - June 2007
CASH FLOWS FROM OPERATIONS		
Profit and loss account items	**10,963**	**11,647**
Operating revenues (except revaluation) and financial revenues from operating receivables	133,561	120,308
Operating expenses excluding depreciation and long-term provisions (except revaluation) and financial expenses from operating receivables	-118,943	-108,369
Corporation tax and other taxes not included in operating expenses	-3,655	-292
Changes in working capital (and deferred and accrued items, provisions and deferred tax assets and liabilities) of operating items in the balance sheet	**-4,960**	**-17,307**
Opening less closing operating receivables and deferred items	-13,337	-24,474
Opening less closing inventories	-77	-14
Closing less opening operating liabilities, accrued items and provisions	8,454	7,181
Surplus inflows (outflows) from operations	**6,003**	**-5,660**
CASH FLOWS FROM INVESTMENTS		
Inflows from investments	**4,018**	**27,719**
Inflows from received interest from investments	306	51
Inflows from profit shares in others	3	386
Inflows from disposal of tangible fixed assets and investment property	2,199	497
Inflows from disposal of long-term financial investments	130	25,420
Offset decrease in short-term financial investments	1,380	1,365
Outflows for investments	**-32,947**	**-49,602**
Purchase of subsidiaries after deduction of cash acquired	-5	-609
Outflows for acquisition of intangible long-term assets	-834	-740
Outflows for acquisition of tangible fixed assets and investment property	-32,102	-47,847
Outflows for acquisition of long-term financial investments	-6	-406
Surplus inflows (outflows) from investments	**-28,929**	**-21,883**
CASH FLOWS FROM FINANCING		
Inflows from financing	**37,134**	**37,611**
Inflows from received long-term loans	22,000	32,947
Offset increase inreceived short-term loans	15,134	4,664
Outflows for financing	**-9,982**	**-9,628**
Outflows for interest paid from financing	-4,528	-1,056
Capital decrease (dividend payout and other profit participations)	-605	-309
Outflows for repayment of long-term loans	-4,849	-8,263
Surplus inflows (outflows) from financing	**27,152**	**27,983**
Net increase/decrease in cash	**4,226**	**440**
Exchange rate effect	**71**	**3**
Cash at beginning of period	**8,380**	**3,533**
Cash at the end of period	**12,677**	**3,976**
Cash transferred to suspended operation		-562

STATEMENT OF CHANGES IN EQUITY OF INTEREUROPA GROUP for the period 1 January -30 June 2008

in € thousands	**Share capital**	**Capital reserves**	**Legal reserves**	**Revaluation surplus**	**Retained net profit or loss**	**Net profit or loss for the financial year**	**Consolidation capital adjustment (exschange rate translation differences)**	**Capital of minority shareholders**	**Total shareholders equity**
Opening balance 1.1.2008	**32,976**	**49,403**	**12,008**	**6,029**	**49,557**	**26,063**	**-1,893**	**12,011**	**186,154**
Entry of net profit or loss for the period	0	0	0	0	0	6,243	0	562	6,805
Decrease in surplus from revaluation of financial investments	0	0	0	-1,085	0	0	0	0	-1,085
Anulment of deferred tax liabilities credited to capital	0	0	0	305	0	0	0	0	305
Exschange rate translation differences	0	0	0	0	0	0	-1,046	14	-1,032
Total recognised revenues and expenses in capital	**0**	**0**	**0**	**-780**	**0**	**6,243**	**-1,046**	**576**	**4,993**
Other reallocations of capital elements	0	0	174	0	25,889	-26,063	0	0	0
Dividend and other profit participations payout	0	0	0	0		0	0	-2,012	-2,012
Other decreases of capital elements	0	0	0	0	66	0	0	-362	-296
Closing balance 30.06.2008	**32,976**	**49,403**	**12,182**	**5,249**	**75,512**	**6,243**	**-2,939**	**10,213**	**188,839**

STATEMENT OF CHANGES IN EQUITY OF INTEREUROPA GROUP for the period 1 January - 30 June 2007

in € thousands	**Share capital**	**Capital reserves**	**Legal reserves**	**Revaluation surplus**	**Retained net profit or loss**	**Net profit or loss for the financial year**	**Consolidation capital adjustment (exschange rate translation differences)**	**Capital of minority shareholders**	**Total shareholders equity**
Opening balance 1.1.2007	**32,976**	**49,403**	**12,008**	**25,516**	**50,205**	**6,387**	**1,379**	**3,466**	**181,340**
Entry of net profit or loss for the period	0	0	0	0	0	24,488	0	240	24,728
Incerase in surplus from revaluation of financial investments	0	0	0	1,438	0	0	0	0	1,438
Transfer of surplus from revaluation to revenues (from disposal of financial investments)	0	0	0	-23,392	0	0	0	0	-23,392
Anulment of deferred tax liabilities credited to capital	0	0	0	2,436	0	0	0	0	2,436
Exschange rate translation differences	0	0	0	0	0	0	138	74	212
Total recognised revenues and expenses in capital	**0**	**0**	**0**	**-19,518**	**0**	**24,488**	**138**	**314**	**5,422**
Other increases of capital elements	0	0	0	0	3	0	0	4	7
Other reallocations of capital elements	0	0	0	0	6,387	-6,387	0	0	0
Dividend and other profit participations payout	0	0	0	0		0	0	-309	-309
Closing balance 30.06.2007	**32,976**	**49,403**	**12,008**	**5,998**	**56,595**	**24,488**	**1,517**	**3,475**	**186,460**

1.2. Notes to Financial Statements of the Intereuropa Group

a) Notes to the INCOME STATEMENT

The **Net Sales Revenues** amounted to € 132,231 thousand. Compared to the first half-year 2007, these revenues were 17 % above the last year's figure, while the **cost of goods, materials and services** rose by 15%.

Other Operating Revenues amount to € 7,564 thousand and comprise:

- Paid receivables for which the allowance was made in past years, (€ 490 thousand),
- Gains from the sale and transfer of tangible fixed assets into a contribution in kind, € 6,683 thousand,
- Other revenues valued at € 391 thousand (damages received from insurance companies, grants, reversal of long-term provisions, etc.).

The **cost of labour** rose by 22 %, which primarily reflects the increased payroll costs.

In the Item **Amortisation/Depreciation Expenses and Write-offs**, the depreciation rose by 19 % as a result of new investments in storage capacities.

The Group achieved the **Operating Profit /Loss** of € 12,927 thousand, which outstripped the figure achieved in the comparable period a year ago by 2.5 times.

Profit or loss from ordinary activities came to **€ 8,740 thousand**. It was lower than the last year's figure (by € 19,967 thousand) due to the capital gains from the sale of the shares of Banka Koper d.d. last year, however, this year's higher operating profit/loss and higher interest expenses for the loans also have a bearing on the comparison.

Taking into account the tax on corporate profit, the Group generated the **Net Profit** of € **6,805 thousand** in the first half-year. The **Net Profit of the majority equity interest** amounts to € 6,243 thousand, whereas the Net Profit of minority equity interest comes to € 562 thousand.

b) Notes to the CONSOLIDATED BALANCE SHEET

LONG-TERM ASSETS

Long-term assets represent 75% of the assets of the Group, consisting mainly of tangible fixed assets which stand for 90% of all long-term assets.

The increased volume of tangible fixed assets has, thanks to bigger investments in them (primarily in warehousing capacities) that were higher than disposals and depreciation expenses, the highest impact on the increase of long-term assets.

CURRENT ASSETS (INCL. DEFERRED COSTS AND ACCRUED REVENUES)

Current Assets show an increase of 25% (or € 22,162 thousand) primarily due to increased short-term operating receivables, assets held for sale and cash and cash equivalents of the Group.

EQUITY (CAPITAL)

Due to increased long-term financial indebtedness, the share of capital (equity) in the total structure of Liabilities fell by 4 percentage points, to 42%.

PROVISIONS & LONG-TERM ACCRUED COSTS AND DEFERRED REVENUE

As of the Balance Sheet Date, the Group had € 3,524 thousand of unused long-term provisions. The prevailing part of this Item comprises the provisions for pensions and similar obligations.

LONG-TERM LIABILITIES

Long-term financial liabilities stand for 96% of all long-term liabilities, which are as at the Balance Sheet Date recognized at € 100,156 thousand and are 29 percent higher than at the comparable Balance Sheet cut-off date. Also their participation in the financing sources rose by 3 percentage points, so they stand for 22 % in the Liabilities structure.

SHORT-TERM LIABILITIES

Short-term financial liabilities of the Group amount to € 94,111 thousand and consist of short-term credit facilities with the banks.

Short-term operating liabilities amount to € 61,358 thousand. The greatest part of these liabilities (82%) stands for the liabilities to suppliers.

2. FINANCIAL REPORT FOR INTEREUROPA d.d.

2.1. Financial statements of the Parent Company Intereuropa d.d.

INCOME STATEMENT OF INTEREUROPA d.d. for the reporting term 1 January – 30 June 2008

in € thousand	January -June 2008	January - June 2007	I 08/07
NET SALES REVENUES	**73,321**	**68,062**	**108**
Other operating revenues	300	475	63
Costs of goods, materials and services	56,754	52,651	108
Labour costs	12,166	10,708	114
Write-offs	2,727	2,644	103
a) Depreciation and revaluation operating expenses associated with intangible long-term assets and tangible fixed assets	2,334	2,362	99
b) Current assets revaluation adjustments and write-offs	393	282	139
Other operating expenses	846	586	144
OPERATING PROFIT OR LOSS	**1,128**	**1,948**	**58**
Financial revenues from stakes	3,497	24,700	14
Financial revenues from loans given	2,094	234	895
Financial revenues from operating receivables	248	210	118
Financial expenses from impairment and write-offs of financial investments	94	7	-
Financial expenses from financial liabilities	3,592	676	531
Financial expenses from operating liabilities	97	51	190
PROFIT OF LOSS FROM ORDINARY ACTIVITIES	**3,184**	**26,358**	**12**
Corporation tax	31	3,224	1
Deferred tax	31	15	207
NET PROFIT OR LOSS FOR THE PERIOD	**3,122**	**23,119**	**14**
Basic and adjusted earnings per share in €	**0.40**	**2.93**	**14**

BALANCE SHEET OF THE PARENT COMPANY as of 30.06.2008

in € thousand	30.6.2008	31.12.2007	I 08/07
ASSETS	**348,423**	**313,071**	**111**
LONG-TERM ASSETS	**255,037**	**253,616**	101
Intangible fixed assets and deferred items	3,639	3,146	116
Tangible fixed assets	110,170	104,739	105
Investment property	11,075	12,102	92
Long-term financial investments	130,153	133,629	97
SHORT-TERM ASSETS	**87,494**	**55,429**	**158**
Assets for sale and discontinuing operations	233	1,366	17
Inventories	54	60	90
Short-term financial investments	45,115	22,147	204
Short-term operating receivables	41,881	31,770	132
Cash	211	86	245
SHORT-TERM DEFFERED ITEMS	**5,892**	**4,026**	**146**
SHORT-TERM ASSETS (with SHORT-TERM DEFFERED ITEMS)	**93,386**	**59,455**	157
LIABILITIES	**348,423**	**313,071**	**111**
CAPITAL	**161,468**	**159,127**	101
Called-up capital	32,976	32,976	100
Capital reserves	49,403	49,403	100
Reserves from profit	11,096	11,096	100
Revaluation surplus	5,226	6,007	87
Net profit/loss brought forward	59,645	40,262	148
Net profit or loss for the financial year	3,122	19,383	16
PROVISIONS AND LONG-TERM ACCRUED ITEMS	**2,009**	**1,834**	110
LONG-TERM LIABILITIES	**69,407**	**47,397**	146
Long-term financial liabilities	68,824	46,540	148
Long-term operating liabilities	19	19	100
Deferred tax liability	564	838	67
SHORT-TERM LIABILITIES	**115,539**	**104,713**	110
Short-term financial liabilities	85,147	73,298	116
Short-term operating liabilities	30,392	31,415	97

CASH-FLOW STATEMENT OF INTEREUROPA d.d. for the period 1 January - 30 June 2008

in € thousands	**January-June 2008**	**January-June 2007**
CASH FLOWS FROM OPERATIONS		
Profit and loss account items	**1,102**	**5,039**
Operating revenues (except revaluation) and financial revenues from operating receivables	73,722	68,621
Operating expenses excluding depreciation and long-term provisions (except revaluation) and financial expenses from operating receivables	-69,713	-63,943
Corporation tax and other taxes not included in operating expenses	-2,907	361
Changes in working capital (and deferred and accrued items, provisions and deferred tax assets and liabilities) of operating items in the balance sheet	**-2,645**	**-14,230**
Opening less closing operating receivables and deferred items	-3,842	-17,872
Opening less closing inventories	6	-3
Closing less opening operating liabilities and provisions	1,191	3,645
Surplus inflows (outflows) from operations	**-1,543**	**-9,191**
CASH FLOWS FROM INVESTMENTS		
Inflows from investments	**3,239**	**26,951**
Inflows from received interest from investments	335	188
Inflows from profit shares in others	907	1,122
Inflows from disposal of tangible fixed assets and investment property	1,321	228
Inflows from disposal of long-term financial investments	676	25,413
Outflows for investments	**-32,141**	**-45,158**
Outflows for acquisition of intangible long-term assets	-557	-440
Outflows for acquisition of tangible fixed assets and investment property	-7,201	-26,917
Outflows for acquisition of long-term financial investments	-394	-15,291
Outflows from increase of short-term financial investments	-23,989	-2,510
Surplus inflows (outflows) from investments	**-28,902**	**-18,207**
CASH FLOWS FROM FINANCING		
Inflows from financing	**36,496**	**29,000**
Inflows from received long-term loans	22,284	29,000
Inflows from increase of received short-term loans	14,212	0
Outflows for financing	**-5,922**	**-2,043**
Outflows for interest paid from financing	-3,556	-572
Outflows for dividend payout and other profit participations	-3	0
Outflows for repayment of long-term loans	-2,363	-945
Offset decrease in short-term loans	0	-526
Surplus inflows (outflows) from financing	**30,574**	**26,957**
Net increase/decrease in cash	**129**	**-441**
Exchange rate effect	**-4**	**-32**
Cash at beginning of period	**86**	**668**
Cash at the end of period	**211**	**195**

STATEMENT OF CHANGES IN EQUITY OF INTEREUROPA d.d. for the period 1 January – 30 June 2008

in € thousands	Share capital	Capital reserves	Legal reserves	Revaluation surplus	Retained net profit or loss	Net profit or loss for the financial year	Total shareholders equity
Opening balance 1.1.2008	32,976	49,403	11,096	6,007	40,262	19,383	**159,127**
Entry of net profit or loss for the period	0	0	0			3,122	**3,122**
Decrease in surplus from revaluation of financial investments	0	0	0	-1,086	0	0	**-1,086**
Decrease of deferred tax liabilities credited to capital	0	0	0	305	0	0	**305**
Total recognised revenues and expenses in capital	**0**	**0**	**0**	**-781**	**0**	**3,122**	**2,341**
Other reallocations of capital elements	0	0	0	0	19,383	-19,383	**0**
Closing balance 30.06.2008	**32,976**	**49,403**	**11,096**	**5,226**	**59,645**	**3,122**	**161,468**

STATEMENT OF CHANGES IN EQUITY OF INTEREUROPA d.d. for the period 1 January – 30 June 2007

in € thousands	Share capital	Capital reserves	Legal reserves	Revaluation surplus	Retained net profit or loss	Net profit or loss for the financial year	Total shareholders equity
Opening balance 1.1.2007	32,976	49,403	11,096	25,498	42,273	4,659	**165,905**
Entry of net profit or loss for the period	0	0	0	0		23,119	**23,119**
Increase in surplus from revaluation of financial investments	0	0	0	1,438	0	0	**1,438**
Transfer of revaluation surplus to revenues (in disposal of financial investments)	0	0	0	-23,392	0	0	**-23,392**
Decrease of deferred tax liabilities credited to capital	0	0	0	2,436	0	0	**2,436**
Total recognised revenues and expenses in capital	**0**	**0**	**0**	**-19,518**	**0**	**23,119**	**3,601**
Other reallocations of capital elements	0	0	0	0	4,659	-4,659	**0**
Closing balance 30.06.2007	**32,976**	**49,403**	**11,096**	**5,980**	**46,932**	**23,119**	**169,506**

2.2. Notes to Financial Statements of the Parent Company Intereuropa d.d.

a) Notes to the INCOME STATEMENT

Net Sales Revenues amount to € 73,321 thousand. Compared to the first half-year 2007, these Revenues were by € 5,259 thousand above the last year's figure, while the **cost of goods, materials and services** were higher by € 4,103 thousand.

Other Operating Revenues amount to € 300 thousand and comprise:

- Paid receivables for which the allowance was made in past years (€ 159 thousand),
- Gains from the sale of tangible fixed assets € 109 thousand,
- Other revenues of EUR 32 thousand.

The **cost of labour** was recognized in the accounted volume that was 14 % higher than the last years's comparable term.

In the structure of the item **Depreciation and Write-offs** amounting to € 2,727 thousand, the depreciation costs (standing for a 86-% share) were 1% lower than the last year's comparable term.

The **Operating Profit /Loss** for this year's first half-year came to € 1,128 thousand and was by € 820 thousand lower than the figure achieved in the comparable statement a year ago, which can be attributed to the effect of higher growth of expenses categories.

Financial revenues from shares at € 3,497 thousand stand for financial revenues from shares in the profits from the companies in the Group (€ 3,267 thousand), recognized on the basis of the resolutions on the distribution of the accumulated profits as adopted by the General Meetings held in the first half-year.

Compared with the last year's term, this item shows a considerable decline, attributable to the one-off capital gain from the disposal of shares of Banka Koper d.d. last year.

Financial revenues from loans granted were higher by € 1,860 thousand, primarily due to loans granted to Group members.

Total Financial Expenses were higher by € 3,049 thousand due to higher financial expenses for the loans raised from banks, which have grown over the amount in the comparable term last year by € 2,609 thousand.

The achieved **Profit or loss from ordinary activities** of € 3,184 thousand resulted from the achieved Operating Profit/Loss loss from ordinary activities in the amount of € 1,128 thousand and the Operating Profit /loss from financial activities of € 2,056 thousand.

Taking into account the expenses for corporate profit tax, the Parent Company of the Intereuropa Group generated the **Net Profit/Loss** of € 3,122 thousand in the first half-year.

b) Notes to the BALANCE SHEET

LONG-TERM ASSETS

Long-term assets stand for 73 % of all the assets and were higher by € 1,421 thousand, primarily due to new investments in tangible fixed assets.

CURRENT ASSETS (INCL. DEFERRED COSTS AND ACCRUED REVENUES)

The Current assets represent 27% of all assets and increased their share in the Asset structure by 8 percentage points on the ground of the increase in short-term loans granted to subsidiaries.

EQUITY (CAPITAL)

The capital expresses equity financing of the Company and is regarded as its liability to the owners. As of 30.06.2008, it amounts to 46 % of all liabilities in broader sense.

PROVISIONS & LONG-TERM ACCRUED COSTS AND DEFERRED REVENUE

As of the Balance Sheet Date, the Company had € 2,009 thousand of unused long-term provisions and Accrued costs and deferred revenues. The prevailing part comprises the provisions for pensions and similar obligations.

LONG-TERM LIABILITIES

The long-term liabilities are recognised at € 69,407 thousand and primarily relate to the long-term financial liabilities (€ 68,824 thousand).

SHORT-TERM LIABILITIES

The Short-term liabilities with the 33% share in the liabilities structure retained their position as on the comparable Balance Sheet Date a year ago.

Short-term financial liabilities amount to € 85,147 thousand and mainly consist of short-term credit facilities with domestic banks.

Short-term operating liabilities of € 30,392 thousand primarily relate to the liabilities to suppliers.

D. CONCLUSION

The operations of the Intereuropa Group in the first half-year were characterized by the expansion of business to the current and new markets, and by assuring the pre-requisites and assets needed for putting the new logistics hub in Czechow, Russia, in operation.

On the Group level, we generated the net sales revenues of € 132 million and improved the sales result from the first half-year 2007 by 17 percent. This achievement was 15% below the sales target, while the setback in Contribution Ratio 1 (net sales revenues deducted by direct costs) came down to 5% only. Practically the entire difference from the planned values occurred in two companies: OOO Intereuropa-East, Moscow, and Intereuropa Transport d.o.o., Koper, which is strongly affected by increased fuel prices. The reasons for non-achievement of the planned sales results in the Russian subsidiary are in the delayed completion of logistics infrastructure and the initial one-off costs resulting from the organization of project and the specifics of operations in the Russian market. Despite that, we have succeeded in establishing the operation of the car terminal, whose capacities are nearly 100% occupied, in a very short time, and the company already generates a positive operating profit.

The investment activity is gradually slowing down and remains within the scope of the annual investment budget. We invested € 29 million in fixed assets, thereof the largest portion (€ 17 million) was spent on the completion of the terminal facilities in the logistics hub Czechow, Moscow. In addition to that huge investment, we opened a new warehouse in Celje, renovated the throughput warehouse in Maribor, completed the logistics centre in Samobor and invested in the construction of container terminal in Sarajevo.

The earnings before interest, tax, depreciation and amortisation (EBITDA) on the level of the Group came to € 20.2 million. This achievement is 8.8 million above the last year's figure and mirrors the growth rate of 77 percent. Even if we exclude the one-off events from both periods, the growth rate remains at the remarkable 28 percent. The operating profit /loss of the Group comes to € 12.9 million and outstrips the preceding year's achievement by 145% or € 7.6 million: if the one-off events and transactions are excluded, the resulting growth rate is still 40%. The reasons for such improvement can be found in the expansion to new geographical markets, launch of new logistics facilities/ centres and improved efficiency. As the new infrastructure is not being fully utilized yet, we expect additional favourable effects to come in the second half-year.

The impact of higher financial expenses has yielded a net profit or loss of € 6.8 million, which is below the planned result. On the yearly level, the Net Return on Equity is 4.8%. Excluding the one-off transactions, the net return on equity would be 2.4% lower than in 2007, resulting from higher financing expenses.

The Intereuropa Group has concluded the first half-year 2008 with a good operating result, which was affected by two events: delayed completion of the logistics hub Czechow, and the growing costs for fuel that was most strongly felt in a less favourable operating results of the subsidiary Intereuropa Transport d.o.o. The subsidiary in Russia already performs the services in road and railway transport, freight forwarding and car-handling logistics. By the end of this year, the company will offer warehousing and customs services to this market; in the coming years we will develop the seafreight and airfreight transport and distribution services in Russia. The construction of car terminal and warehouse is envisioned to be completed by the end of October 2008. The subsidiary Intereuropa Transport d.o.o. can only respond to the growing prices of fuel by introducing a fuel surcharge clause on its freight rates.

Looking forward to the year-end 2008, our activities will focus on increasing the sales turnover and improving the presence in the market, cost-cutting and cost management against the result achieved, the launch of the investment in Russia and profitable operation of the companies and subsidiaries operating in road transport.

INTEREUROPA d.d.
President of the Managing Board
Andrej Lovšin, M.Sc.