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

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

Global Logistics Service

Koper, november 2008

The Company INTEREUROPA d.d. is publishing this Interim Report on the Operation of the Intereuropa Group in the period January - September 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-September 2008 shall also be published on the web site of INTEREUROPA d.d. www.intereuropa.si, on 20 November 2008.

C O N T E N T S

A. INTRODUCTION

In the first nine months the Intereuropa Group made € 203 million in net sales revenues, an increase of 18% from the respective period in 2007. We were behind the sales revenue plan by 17% mostly due to a delay in construction of infrastructure for transport of cars by railroad in the Czechov Logistics Centre in Russia. The parent company Intereuropa d.d. made € 114 million in net sales revenue, an increase of 8% from the respective period last year.

At the Group level net profit in the first nine months of 2008 was € 7.0 million, 36% below plan. The biggest deviations were recorded in companies OOO Intereuropa-East Moscow, Intereuropa d.d., Intereuropa Transport d.o.o. and Intereuropa, Logističke usluge d.o.o. Zagreb. The parent company Intereuropa d.d. ended the first nine months of 2008 with € 2.6 million of net profit exceeding the plan by € 2 million.

The key achievements of the period:

- Net Sales Revenue → 203 mio €
- Net Profit or Loss → 7,0 mio €
- Net Return on Equity → 4,2 % (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	2.830 employees
Vehicle fleet	over 600 own trucks and delivery vans
Total warehousing area	over 230.000 qm of own warehouse facilities
Total land area	over 2.200.000 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 - September 2008

January

- On January 1st the subsidiary Intereuropa Transport & Spedition GmbH opened a branch in Stuttgart where they will provide for complete and partial loads for customers in the area of Stuttgart.
- General meeting took place in Podgorica on January 16th which appointed the new Board of Directors of Zetatrans A.D. Minor amendments to the company's Articles of Association were also adopted.
- Bankruptcy proceedings for the subsidiary Schneider & Peklar GmbH., Vienna, were introduced on January 18th.

February

- A new rescue vehicle for the Pre-hospital unit of medical rescue worth € 120,000 was handed over to the Koper Health Centre on February 20th in a joint donation with the Luka Koper, Banka Koper and Istrabenz.
- A regular meeting of the Supervisory Board of Intereuropa was held on February 28th discussing the report of the Management Board on operations in 2007. The report was adopted with a note that the Group successfully concluded the financial year 2007.
- At the end of February Intereuropa shipped the first train composition with cars from the Port of Koper to Russia. The composition carries 160-180 cars travelling to Tuzser in Hungary where they are reloaded and carried to their final destination – Intereuropa's new logistics centre Moscow – Czechov.

March

- A meeting of the company's Supervisory Board was held on March 27th where the Supervisory Board was in relation to the discussed investment in the logistics centre Moscow - Chechov informed on additional documentation requested from the Management Board at the previous meeting and based on examination of the submitted documentation granted approval for the new investment amount for the Moscow logistics centre equalling € 123 million.

April

- On April 11th NFD1 Delniški investicijski sklad, investicijska družba d.d., Ljubljana bought 430 IEKG shares thus owning a total of 395,248 IEKG shares or 5.002% of voting rights.
- Intereuropa attended the Slovenian Capital Days organised by the Ljubljana Stock Exchange in Ljubljana on April 15th where it presented the company's development plans and expectations regarding sales revenues and the current investment in Russia by which the Intereuropa Group has been gaining importance on the Russian car logistics market.
- A regular meeting of the Supervisory Board of Intereuropa was held on April 17th which adopted the audited Annual Report of the Intereuropa Group for 2007. Report of the Supervisory Board on findings of examination of the audited Annual Report of the Intereuropa Group for 2007 and proposal of the Management Board on distribution of balance sheet profit with dividend payout of € 0.58 per share were also discussed and adopted.
- One of the biggest transport & logistics fairs in Russia and beyond took place in Moscow between April 22nd and 25th, 2008. Intereuropa took an active part on the fair for the first time. The fair was attended by representatives of subsidiaries Intereuropa–East d.o.o. and Intereurope-FLG d.o.o. who presented to interested potential customers the advantages offered by Intereuropa on the Russian market.

May

- A new subsidiary Intereuropa Transport und Spedition GmbH with registered office in Lebring near Graz in Austria was incorporated on May 9th and began to operate on June 1st, 2008.
- A regular meeting of the Supervisory Board of Intereuropa took place on May 19th on which the Supervisory Board discussed and adopted report of the Management Board on operations of the Intereuropa Group in the first quarter of 2008 and concluded that the Group was successful in the first quarter of the year.
- The 24th Intereuropiada was organised in Poreč from May 30th to June 1st. Traditional sports and social games of the Intereuropa Group had a record number of participants this year.

June

- Intereuropa Skopje d.o.o. opened a branch office at the Blace border crossing on the border with Kosovo on June 9th.
- On June 13th Intereuropa put into operation a new warehouse of 9,000 m^2 at the logistics terminal in Celje, which was especially designed to handle white goods and consumer items.
- One of the major international transport fairs in China took place at the New International Expo Center in Shanghai between June 17th and 19th which we attended jointly with the Luka Koper.

July

- Shareholders of Intereuropa held the 18th annual general meeting on July 4th adopting the Annual Report 2007 and deciding on distribution of balance sheet profit, amendments to the Articles of Association, profit participation of members of the Management and the Supervisory Board, appointment of a certified auditor and granting relief to the Management and Supervisory Boards. They also adopted a resolution on concluding contracts on profit participation of employees of Intereuropa and subsidiaries in Slovenia.
- Intereuropa signed an agreement on sale of stake in July thereby selling its 40% stake in AC-Interauto.
- At the end of July Intereuropa - log. usluge Belgrade established a new regular line in groupage with Greece (Athens).

August

- A regular meeting of the Supervisory Board of Intereuropa took place on August 28th on which the Supervisory Board discussed and adopted report of the Management Board on operations of the Intereuropa Group in the first half of 2008 and concluded that the Group was successful in the first half of the year.

September

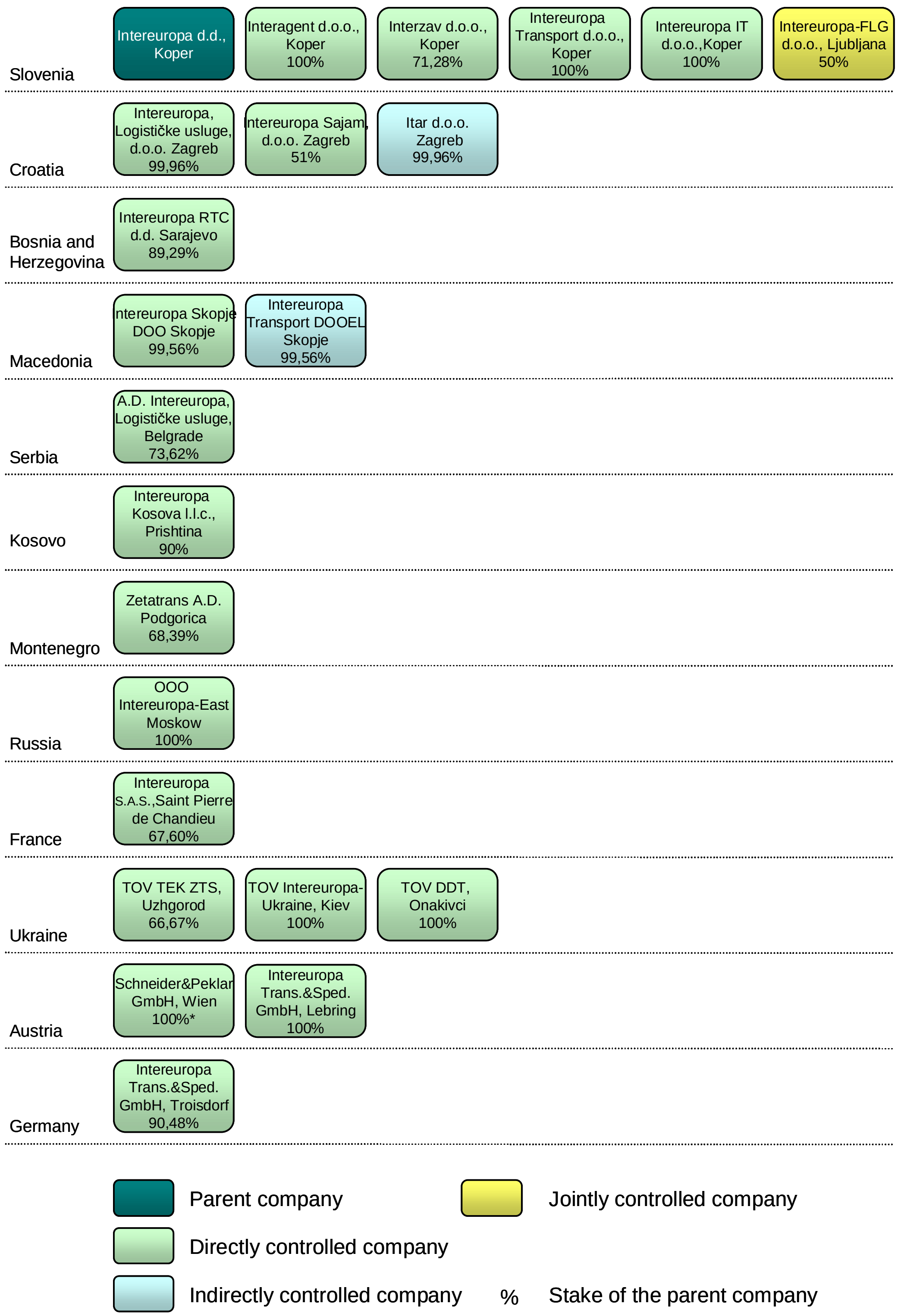
- In September Intereuropa Skopje d.o.o. began to perform regular export groupage from Macedonia with company fleet.
- TOV Intereuropa Ukraine organised in September a meeting with Chairman of the Chamber of Commerce of Kiev, Mikola V. Zasulsky.
- Intereuropa RTC d.d. Sarajevo was the exclusive forwarder and exhibitor at the 6th International Fair of Eco Tourism, Ecology, Healthy Food, Environmental-friendly Wood Processing and Ecological Industry, EKO BIS 2008, which took place from September 11th to 14th.
- Intereuropa attended the 7th Business Logistics Conference in Portorož, September 25th and 26th organised by Planet GV d.o.o. with the aim of recognising major trends in logistics and the response of Slovenian enterprises.
- Intereuropa was main sponsor of the 2nd conference on logistics, Logistika 08, in Portorož on September 26th, 2008 entitled “Challenges of Supply and Demand in Logistics” organised by the Finance newspaper.

Major events after the end of the period

- On October 13th and 14th, the Management Board of Intereuropa visited the new logistics centre in Czechov (Moscow) and held a press conference informing the public on the logistics centre in Czechov and presenting the achieved objectives and successes of the Management Board in the first half of its term.
- Intereuropa on October 15th, 2008 organised for the first time the “Intereuropa meeting with Slovenian analysts and investors”. The meeting was attended by 23 analysts to whom the company’s executives presented performance of Intereuropa, notably the investment in the Czechov Logistics Centre in Moscow and forecasts until 2011.
- Intereuropa presented itself at the international promotion of capital markets of Southeastern Europe organised by the Ljubljana Stock Exchange in cooperation with Raiffeisen Centrobank. The event took place in Vienna on October 15th and 16th and had the purpose of promoting the best regional issuers, their capital markets and international investors.
- At its regular meeting held on October 22nd, the Supervisory Board granted approval for completion of construction of the Czechov Logistics Centre, which included restarting work on suspended construction of facilities (supplementing the offer by obtaining the status of a customs terminal), meeting additional requirements of local authorities and the client and

increase in cost of material and labour. Total investment value of the project now stands at € 140.8 million.

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 Revenue: 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 supplemented these strategic guidelines with a bigger emphasis on winning new markets in Europe. We began to build a logistics centre in Czechov near Moscow in the Russian Federation. A similar if smaller logistics centre is planned in Kiev. Projects resulting from the supplemented strategy will earn roughly € 20 million and will have more than € 100 million invested in them in 2008. Thus the sales objectives from the main strategic guidelines will be achieved before 2011. The strategy of expanding business beyond existing markets is implemented in part by acquisitions in Southeastern Europe.
Beside expanding to new markets our key objective is to become number one logistics provider in Southeastern Europe, which is successfully implemented by investing in enhancing our capacity on markets where we have traditional presence and recognition.

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

- Net Sales Revenue: 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

Economic growth will ease in Slovenia this year but will remain relatively robust at 4.8%. Inflation will also continue to fall until the end of the year. Growth will slow down markedly in 2009 and inflation will continue to ease.
Global slowdown this year resulted in lower growth of export of goods and value added in activities most depending on international trade flows. Export of services continues its strong growth, notably in travel and business services.

Value added growth will turn down considerably in manufacturing and was already markedly lower in the first half of 2008 compared to the same period last year. Given the economic slowdown in the euro zone in the second half of the year, we expect further easing and the same thing is true of exports, which can be deducted also from business activity surveys pointing to decreasing orders and worsening competitive position of companies on foreign markets. Lower growth rates in exports and manufacturing in the second half of the year will be a result of significantly lower growth in production and export of vehicles, sharply down from last year. Easing of manufacturing activity and exports will be softened by continued high demand in new EU members, countries of the former Yugoslavia and Russia.

Table 1: Economic environment of the Intereuropa Group

	GDP growth (%)		Industrial production growth (%)		Inflation (%)		Export growth (%)		Import growth (%)	
Country	**2007**	**Forecast 2008**	**2007**	**Forecast 2008**	**2007**	**Forecast 2008**	**2007**	**Forecast 2008**	**2007**	**Forecast 2008**
Slovenia	6,07	4,80	6,60	-	5,6	5,3	13,0	6,60	14,1	6,90
Croatia	5,75	4,40	6,50	5,20	5,8	3,8	6,7	7,00	5,9	6,50
Bosnia and Herzegovina	5,83	5,00	8,00	9,00	4,9	4,0	14,7 (n)	20,00	22,4 (n)	13,00
Macedonia	5,00	4,80	3,00	1,60	2,2	5,0	8,2	8,40	8,5	8,80
Serbia	7,30	5,50	5,00	4,00	10,1	9,4	20,0 (n)	5,40	22,0 (n)	7,30
Russia	8,10	7,00	7,70	4,40	11,9	13,8	7,90	7,40	18,6	18,90
France	1,88	0,80	1,10	1,10	1,6	2,6	4,40	2,50	4,40	2,90
Ukraine	7,30	6,40	6,00	8,00	16,6	21,6	4,30	3,00	8,60	6,20
Austria	3,44	2,00	7,50	3,20	2,2	2,9	6,10	5,50	6,00	6,20
Germany	2,53	1,90	6,10	4,20	2,3	2,4	6,50	-	4,90	-
Kosovo	4,40	6,70	-	-	4,4	8,4	-	-	-	-
Montenegro	7,50	7,50	3,00	2,00	-	8,2	35,3 (n)	28,00	29,9 (n)	17,30

(r) Real growth rate
(n) Nominal growth rate
(-) N/A

SOURCES:
International Monetary Fund
JAPTI - Public Agency of the Republic of Slovenia for Entrepreneurship and Foreign Investments
IMAD - Institute of Macroeconomic Analysis and Development
IMF est.
Statistical Office of Kosovo
Bank of Slovenia
IMF est.

Sales Revenue of the Intereuropa Group

Net sales revenues of the Intereuropa Group totalled € 203 million in the first nine months of 2008. We were behind the sales revenue plan by 17% mostly due to a delay in construction of infrastructure for transport of cars by railroad in the Czechov Logistics Centre in Russia. The result was 18% better than net sales revenues in the respective period of 2007.
The nine-month sales plan took into account dynamics of construction and putting to operation of logistic capacity of the Group in Russia.

Sales results were improved from the same period last year on all business segments. Business segments Logistic Services and Intercontinental Transport improved their sales results from last year by almost a quarter. Logistic Solutions managed to exceed the plan while Land Transport and Intercontinental Transport are behind the plan.

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

	Business segment	Jan-Sep 2008	Structure	Indeks 2008/plan	Index 2008/2007
1	Land Transport	104.268	51%	92	113
2	Logistics Solutions	23.433	12%	101	124
3	Intercontinental Transport	69.969	35%	67	124
4	Other services	4.904	2%	113	119
	TOTAL	**202.574**	**100%**	**83**	**118**

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

		Jan-Sep 2008	Structure	Indeks 2008/plan	Index 2008/2007
1	EU Member States	139.903	69%	102	109
2	Non-EU countries	62.671	31%	58	142
	thereof Russia	4.877	2%	10	368
	TOTAL	**202.574**	**100%**	**83**	**118**

The Intereuropa Group recorded € 80.9 million of Contribution ratio 1[1] in the first nine months of 2008, which was 6% behind plan (€ -5.6 million) and 21% (€ +14.2 million) more than in the first nine months of 2007.

The largest part of the deviation from the planned Contribution ratio 1 was in the Russian subsidiary (€ -3.4 million), namely in transport of cars (intercontinental transport) and other goods on railway (land transport). The reasons lie foremost in the time delay in finishing of the infrastructure at the logistics terminal. The difference between deviations in the planned net sales revenues and Contribution ratio 1 results from the fact that gross margins in railroad transport are relatively low as € 1 of lower revenue equals € 0.03 lower Contribution ratio 1. We plan to complete the infrastructure by the end of 2008 enabling achieving the planned sales revenues and Contribution ratio 1.

The other significant deviation from the planned Contribution ratio 1 was recorded in Intereuropa Transport d.o.o. (€ 1.8 million) where direct operating costs rose substantially due to higher fuel costs and increased hiring and cost of subcontractors.

[1] Contribution 1 ratio is Net Sales Revenues less Direct costs.

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

	Business segment	Jan-Sep 2008	Structure	Index 2008/plan	Index 2008/2007
1	Land Transport	40.265	50%	92	111
2	Logistics Solutions	19.517	24%	100	127
3	Intercontinental Transport	16.391	20%	88	147
4	Other services	4.679	6%	110	122
	TOTAL	**80.853**	**100%**	**94**	**121**

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

		Jan-Sep 2008	Structure	Index 2008/plan	Index 2008/2007
1	EU Member States	42.865	53%	98	104
2	Non-EU countries	37.988	47%	89	151
	thereof Russia	4.278	5%	48	1.660
	SKUPAJ	**80.853**	**100%**	**94**	**121**

Land Transport made 51% of net sales revenues of the Group.

Groupage is a product with higher value added compared to other products of the Land Transport. In the relevant period the Group exceeded last year's results as well as the planned sales in groupage. The best performers in terms of the plan were the unit in Sežana in Slovenia and those in Skopje and Podgorica abroad. In April we ceased cooperation with a major partner for Germany and Austria, which affected sales performance notably of the parent company and the Zagreb subsidiary, however our customers received the usual service. From the beginning of the second half of the year we ceased cooperation with another partner for Germany but have already made a new partnership in the third quarter. An additional line was opened for Germany and daily line with Austria and a line with Macedonia were reopened in the beginning of October.

The Express transport product performed better than planned and above last year's results in all companies offering it. Positive developments have been showing in Slovenia due to process streamlining, constant monitoring of costs of transport service providers and standardisation of contracts with customers. Despite increasingly tough competition on the market and falling market prices we have managed to win a major new account. New IT support providing electronic links with customers and tracing shipments is under development for continued development of the product. Construction of a new throughput warehouse in Maribor provided the necessary infrastructure for better quality of express transport and groupage in the unit. A throughput warehouse is also planned for the unit in Celje.

The bulk of revenue from **the road transport** product is generated by Intereuropa Transport d.o.o., which exceeded last year's sale by 4% and fell behind the plan by 4%. Operations have been strongly influenced by rising cost of fuel and subcontractors the hiring of which increased recently. Higher fuel costs resulted in activities for correction of sales prices, i.e. introduction of a fuel surcharge. Departments managing road transport in other subsidiaries with company fleets control daily collection lines in the Slovenian part of the Group. The best sales results were achieved by the Croatian subsidiary.

The customs services product exceeded the planned and last year's results. Physical increase of prepared documentation was recorded in Slovenia, both in uniform administrative documents and transits while revenue per unit has been falling. Introduction of e-business will put additional downward pressure on prices. In Croatia, there has been growing pressure of the customs administration on big importers and exporters, which are obtaining the status of a certified sender and receiver, which in the future could result in lower revenue from the product.

The railroad transport product performed better than in 2007 but still fell behind the plan. That was due to a delay in activities of the Russian subsidiary. Other units exceeded the plan with the Sarajevo subsidiary recording the best results of all.

Logistic solutions made 12% of net sales revenues of the Group. In the first nine months we did significantly better than last year's sales results as well as exceeded the plan.
As regards **the warehousing** product the planned sales volume and last year's performance were improved in the first three quarters. Intensive marketing activities were carried out in all countries for new contracts with the implementation expected at the end of 2008 or the first quarter of 2009. The bulk of contracts will have synergy effects on products of other business segments. The aim of marketing activities was restructuring of customers in warehouses with the objective of providing an extensive range of services. The sales plan was exceeded by all companies except those in Skopje and Kosovo.
The distribution product performed better than planned. The unit in Jesenice was the best performer here.

Intercontinental transport made 35% of the Group's net sales revenues in the first nine months improving last year's performance by 24%. Deviations from the planned net sales revenues were mostly in car logistics and had objective reasons, namely unfinished infrastructure at the car terminal in Czchov in Russia.
The parent company is the main player and generator of **the seafreight** product, which in the first nine months performed according to the plan with the estimate that the trend of meeting the plan would continue to the end of the year. Subsidiaries have been behind the plan in sea transport, most notably in Ukraine and Montenegro where the product is still in the development stage. The second and third quarter were good for Croatian maritime units, in particular Rijeka, and we should achieve the planned results by the end of 2008. The Zagreb and Sarajevo subsidiaries won new accounts, a result of good purchase terms the Group obtains directly from shipping companies and via our partners. In the last quarter we expect an increase from sea transport of cooled fruit and vegetables from Israel via the Port of Koper.
The car logistics product previously included in sea transport has been monitored separately as of this year. The parent company performed very well in the first nine months and exceeded the plan. However, OOO Intereuropa East in Moscow fell behind the plan. A loss of sales revenues from services on car terminals and railroad transport of cars resulted from unfinished infrastructure and a delay in construction of the terminal.
In car logistics we won a contract on a tender for transport of vehicles between Koper and Moscow. In the first nine months we recorded increased volume with brands GM, Opel and Hyundai. In the second quarter we began with railway shipments of Mitsubishi vehicles to Ukraine with the prospect of rising volumes until the end of the year. We also won a new contract with Honda for Poland, namely transport of vehicles from Turkey via the Port of Koper.
In **the shipping agency** product we achieved the set goals in the first nine months of 2008 and exceeded last year's results despite unfavourable winter season and a decrease in imports of salt and reduced finishing of cars for Ukraine as well as rerouting of certain ships to other ports. We won new contracts and have remained the leading agent by the number of represented ships in Koper. The number of container deals went up with the results slightly negatively affected by the unfavourable euro / dollar exchange rate. The orientation regarding the product remains the search for a container shipping company with the service for Koper and looking for new deals in chartering and port agency **services.**
The airfreight product exceeded last year's sales results at the Group level while slightly falling behind plan which was expected as sales performance in air transport is usually better in the second half of the year. We therefore expect to improve performance regarding the plan in the last quarter. In Slovenia and Croatia we have noticed a trend of migration of shipments from air transport to sea container groupage because of the general trend of a decrease in air transport directly influenced by oil prices. Subsidiaries in Serbia, Kosovo and Montenegro performed well.
The UPS product is offered by business units in Slovenia, Croatia and Bosnia and Herzegovina. The planned sales were not achieved at the Group level. The Croatian subsidiary performed as planned while the highest growth from 2007 was recorded in Bosnia and Herzegovina where the product has been developing well and we believe to be room for further development. Lower results in Slovenia stemmed from the decision of VW to make shipments from Prevent to Germany on their own and loss of an important contract at the level of the entire UPS network.

1.2. Financial Result

Earnings before interest, taxes, depreciation and amortisation (EBITDA) were € 27.0 million in the period in question. That was better than last year by € 9.2 million or 52% but 18% (€ 5.9 million) behind the plan.

Operating profit equalled € 16.2 million and exceeded last year's by 96% or € 7.9 million. However we were still € 4.1 million or 20% short of the planned operating profit. Growth of operating profit was significantly influenced by expansion of the Group to new geographic markets (Montenegro and Russia), construction of new logistics centres (Croatia, Serbia, Slovenia – Celje - and Russia) and rising productivity. As the logistics centre in Russia should be put to operation next year, we expect faster sales growth and positive effects on profit.
Falling of EBITDA and profit behind the plan resulted on the one hand from lower net sales revenues and on the other from higher expenses for restatement of receivables and other operating expenses. The biggest deviations from the planned profit and EBITDA were recorded in companies OOO Intereuropa-East Moscow, Intereuropa d.d., Intereuropa Transport d.o.o. and Intereuropa, Logističke usluge d.o.o. Zagreb.
Finance expenses were by € 6.7 million higher than finance income in January-September 2008. **Net profit** for the period was € 7.0 million.

If major one-off events were excluded from operating results (in 2007 sale of a stake in Banka Koper – capital gains of € 23.4 million and in 2008 transfer of land to stake in kind in Intereuropa, Logističke usluge d.o.o. Zagreb – capital gains of € 6.0 million, proceeds from sale of fixed assets in the Group of € 960 thousand and finance expenses upon disposal of financial investments in Intereuropa of € 300 thousand), we would find the following:

- EBITDA rising by 21% (€ 3.5 million)
- Operating profit increasing by 33% (€ 2.3 million)
- Net profit falling by 61% (€ 3.0 million) due to higher finance expenses – interest (€ +5.6 million)

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

Item / Index	Jan-Sep 2008	Plan 2008	Jan-Sep 2007	Index 2008/plan	Index 2008/2007
Net sales revenue	202.574	245.251	172.266	83	118
EBITDA*	26.974	32.916	17.793	82	152
Operating Profit or Loss	16.209	20.348	8.270	80	196
Net Profit or Loss	7.020	11.034	26.150	64	27
Net sales revenues per employee/ month	8,513	10,129	8,420	84	101
Value added per employee/ month	2,728	2,957	2,394	92	114

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

Item / Index	30.09. 2008	Plan 31.12.2008	31.12. 2007	Index 2008/plan	Index 2008/2007
Balance Sheet Total*	468.598	462.917	408.571	101	115
Equity*	187.642	200.833	186.154	93	101
Short-term assets/ Short-term liabilities	0,52	0,91	0,61	57	86
Net Return On Equity (yearly level)**	4,2%	6,1%	16,6%	69	25

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

Net return on equity was 4.2% at the annual level, 1.9 percentage points behind the plan. The results from 2008 and 2007 thus cannot be compared due to the above stated extraordinary business events.

Exclusion of one-off events show that annualised net profitability is 2.6 percentage points lower than in 2007, mostly due to higher finance expenses.
Total assets at the end of the period were € 469 million, 15% more than at the end of 2007. The biggest increase in assets was in fixed assets, € 42 million (15%) and in liabilities in indebtedness by € 50 million (31%) and changes in maturity by increasing long-term financial liabilities. Financial liabilities represented 45% of liabilities at the end of September. Compared to the end of 2007, the share of financial liabilities in the structure of liabilities rose by 5.5 percentage points, resulting from continued investments on growing markets in 2008, in line with the Group's development strategy.

1.3. Investments in Fixed Assets

The **Intereuropa Group** invested € 45,012 thousand in fixed assets in the first nine months of 2008, of which € 37,331 thousand and € 7,681 thousand were invested in real estate and equipment, respectively. The annual investment plan has been implemented 67.4%.

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

Company	**Real estate**		**Plant & Equipment**		**TOTAL**		**% of annual realiz.**
	Plan	**Realiz.**	**Plan**	**Realiz.**	**Plan**	**Realiz.**	
Intereuropa d.d.	9.002	6.095	3.347	1.658	12.349	7.753	**62,8**
Subsidiaries	43.738	31.236	10.711	6.023	54.449	37.259	**68,4**
TOTAL	**52.741**	**37.331**	**14.058**	**7.681**	**66.799**	**45.012**	**67,4**

Intereuropa invested € 7.8 million in fixed assets in the first nine months. The biggest investment in the period was the 2nd stage of construction and equipping of the warehousing facility in the Celje business unit of € 5.2 million. Other investments included reconstruction of the hall for the throughput warehouse in Maribor, purchase of 19 forklifts, purchase of loading ramps and running doors for warehouses on various locations, purchase and upgrade of the system of access control and punch clock for recording working hours in several units as well as purchase of loading ramps and a transport line for UPS shipments.

Investments of **subsidiaries** in fixed assets in the period equalled € 37.3 million. The bulk of investments, namely € 26.6 million, was in OOO Intereuropa-East in Moscow and went into completion of facilities at the terminal of the Czechov Logistics Centre. Other major investments included completion of the Samobor Logistics Centre, investments in IT equipment, purchase of freight vehicles in Intereuropa Transport d.o.o. and in Croatia, construction of the container terminal in Sarajevo, purchase of land in Nikšić, rehabilitation of industrial tracks in Podgorica and purchase of storage tents in Belgrade.

1.4. Human Resources Management

Changes in the number of employees

The total number of employees in the Group grew between January and September mostly due to investments in subsidiaries in Russia and winning new contracts and increased volume of work in Croatian subsidiaries. There was a trend of reducing staff numbers in Slovenia, notably in the parent company.
At end of the period, the Group had 2,830 employees, 6 percent more than at the end of 2007.

Table 9: Employees in the Intereuropa Group according to countries, as of 30.09.2008

	Country	**30.09.2008**	**31.12.2007**	**Variance 2008-2007**	**Index 08/07**
1	Slovenia	1.310	1.326	-16	99
2	Croatia	706	678	28	104
3	Other countries	814	667	147	122
	TOTAL	**2.830**	**2.671**	**159**	**106**

Development and training of employees

Table 10: Education and Training in the Intereuropa Group

Plan Jan – Sep 2008 (in €)	**Actual Jan – Sep 2008 (in €)**	**Index Actual/ Plan**	**Actual/ employee (in €)**	**No. of hours**	**No. of hours/ employee**
359.000	219.604	61	78	22.267	8

We are aware that the company's competitive edge is its employees with their knowledge and experience. In addition to recruitment we obtained new knowledge by organising various forms of training and transfer of knowledge between employees.

In the January-September 2008 period, the Group allocated 22,267 hours or 8 hours per employee to additional training of employees. The biggest share of training was in the parent company, 15 hours per employee. The training activities involved more than half employees (62%) which was similar as in the respective period in 2007.

The biggest share of funds earmarked for training was as usually used for acquiring **logistic know-how**. In Slovenia that involved foremost workshops related to the IT system upgrade project for support to processes taking place throughout the year. The rest was training in customs procedures, warehousing, origin of goods, etc. In Russia we were intensively training employees for correct handling of cars, and in Zagreb employees visited the school of business logistics and acquired other knowledge related to customs procedures.
Care for health and safety at work is becoming an increasingly important dimension in the work environment, which is reflected in time earmarked for training in this field (21% of the total hours of training).
Employees were encouraged to learn **foreign languages**, notably English and recently Russian.
A major investment in 2008 was the 2nd **Intereuropa's Management School** where roughly 50 managers from various Group members acquired standard managerial skills. The group of managers who have already attended the school went this year to a two-day workshop to deepen such knowledge.
Other **specific and expert knowledge** were primarily related to IT, training for recording working hours, the workshop "Efficient resolving of complaints and conflict situations" and miscellaneous expert seminars, meetings and conferences.

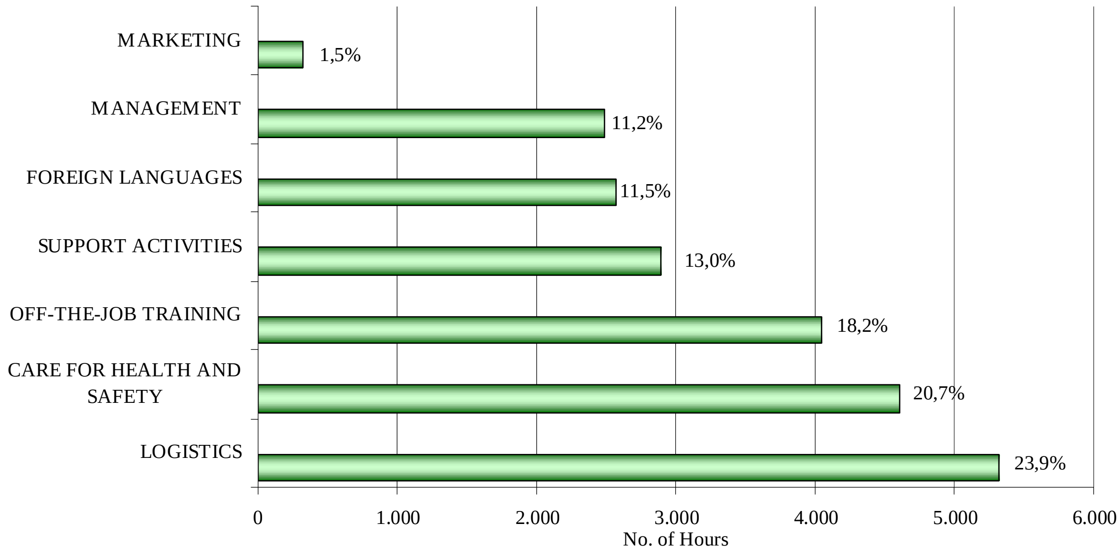


Figure: Training in the Intereuropa Group in January-September 2008

In the future we intend to give greater emphasis on knowledge related to marketing and sales skills, which will contribute to winning new contracts and successful communications with customers. We would also like to raise the level of knowledge of foreign languages and promote training in those foreign subsidiaries still not paying sufficient attention to training.

Introduction of IT support to human resources segment and payrolls

We have successfully completed the first stage of the project of introducing IT support to the human resources segment and payrolls in the Slovenian part of the Group and unified IT solutions of support processes in the Group among other things with the aim of reducing the possibility for error in transfers. We have centralised and unified the system of recording working hours in the Slovenian part of the Group and successfully linked it to the "Human Resources" SAP module for payrolls. We have established access control at the company's head office and began to establish the Development of human resources and training module.

Developing the organisational culture and climate of the company

In the period in question we performed activities for maintaining health and wellbeing of our employees. We assisted financially 63 employees who found themselves in poor financial and health state, gave presents to our female colleagues on the Women's Day and offered the possibility for rest in our holiday units where we recorded 54% occupancy.
We organised the 24th Intereuropiada attended by 700 employees. The possibility of co-financing voluntary pension insurance scheme offered by the company to employees have been taken up by 80% of staff in the Slovenian part of the Group.

Safety and health at work

Constant care for employees among other things includes preliminary and directed periodical preventive health checks for assessing the ability to work. The health checks were performed on 830 employees performing duties with increased risk for injuries and health problems and employees working behind a screen for more than four hours a day. Drivers and warehouse staff are those with the most health problems.
There were 29 injuries at work in the Intereuropa Group this year. Three were severe injuries. Investigation and analysis of injuries found that the human factor was mostly to blame.
To ensure safety at work, working equipment was inspected and tested in organisational units within the deadlines prescribed by the legislation. Construction of new warehouses in Maribor and Celje improved working conditions of employees and the warehouses were equipped in line with the regulations on safety and health at work.

Regular inspections of health and safety at work and fire protection were performed in individual organisational units. We presented evacuation and putting out a fire in the Logatec warehouse in cooperation with the management, employees and the local fire fighting unit.

1.5. Total Quality Management

Maintaining the ISO 9001:2000 system

We prepared a report on quality for 2007 for the certified companies of the Group.
One of the measures in the parent company Intereuropa was transfer of reporting on quality indicators from the Quality Department to branch managements.
We updated the Rules of Procedure on Quality (10^{th} issue) in line with changes in authorisations in the company and supplemented the Rules with those on implementing customer's and external assessments in line with the other party principle.
Competent persons in branches of Intereuropa were called to review the adequacy of quality indicators, set quality objectives for 2008, assess suppliers and implement recommendations of internal and external assessments of quality.

Establishing environment management system under the ISO 14001:2004 standard

Activities for recruiting an environment manager – head of the project for the environment management system – were underway in the first quarter. The project for the environment management system has been suspended.
In March we cooperated with the investment department and the business segment of logistic solutions in preparing data on the quantity of collected waste and fractions of waste by business unit in 2007 and prepared the legally required report on the quantity of waste for the Agency of the Republic of Slovenia for the Environment.

Internal assessments of service quality

The following internal assessments were performed in the first three quarters of 2008:

- → Process of quality management in managements of companies in Koper (Intereuropa d.d.) and Zagreb (Intereuropa, Logističke usluge d.o.o., Zagreb)
- → Human resources management
- → Investment and real estate management
- → Project management
- → UPS process
- → Air transport process
- → Border clearance process

Findings of internal assessments were used for improvements in individual business processes.

External assessments of service quality by customers

In the first quarter Intereuropa had two external assessments by the other party principle. Assessments were performed by customers. Both assessments showed that the customers had no serious objections to operations.
An assessment of the quality system and the environment management system in Intereuropa Transport d.o.o. was performed by a customer in the second quarter. Assessors were satisfied with the quality of transport services as well as the state of the fleet.

External assessments of service quality by certification body

External assessment for certified companies was performed from April 7^{th} to 9^{th}, 2008. The assessment included management with support departments, business units in Ljubljana and Jesenice, the company Intereuropa Transport d.o.o. in Koper and the Rijeka branch of Intereuropa, logističke usluge d.o.o. Zagreb.
The assessment found no incompliance. Intereuropa received 13 recommendations, Intereuropa d.o.o. Zagreb 6 and Intereuropa Transport d.o.o. none.

We will try to implement the recommendations in our operations or reply to them within three months which is the deadline for reporting to the certification body SIQ on measures regarding recommendations.
Interagent d.o.o. successfully passed the third certification assessment of the quality system with no incompliance found.
Intereuropa RTC d.d. Sarajevo will undergo an external assessment at the end of this year.

Verification of the food safety management system (HACCP system)

Verification of the food safety management system will be performed in the last quarter.

Quality system development

In the first half of the year we detected the need for certification in line with the ISO 9001:2000 standard in subsidiary Intereuropa Transport & Spedition GmbH. Therefore in the beginning of September the company initiated the project for meeting the ISO 9001:2000 quality standard and the project of meeting the quality and safety standard in transport of chemicals, SQAS.
In the first quarter we were preparing the plan of the project for setting up a quality management system in Zetatrans a.d. Podgorica, however the project has been suspended due to overriding priorities.

1.6. Creating Value for Shareholders

Share trading

The IEKG share price fell by 48.5% between January and September 2008. In the same period the Slovenian SBI20 stockmarket index tumbled by 45.6%.
Trading volume with the share of Intereuropa in the first nine months was € 14,654 thousand or 77% less than in the same period last year. The average daily volume was € 78 thousand in January-September 2008. With low volume the average share price ranged between € 39.84 and € 17.77 closing on the last day of September at € 19.52.
In addition to the global financial crisis which has not bypassed the Slovenian stockmarket, share prices in Slovenia fell mostly because of previous explosive growth and unrealistic expectations which we witnessed last year and which were duly corrected in 2008.

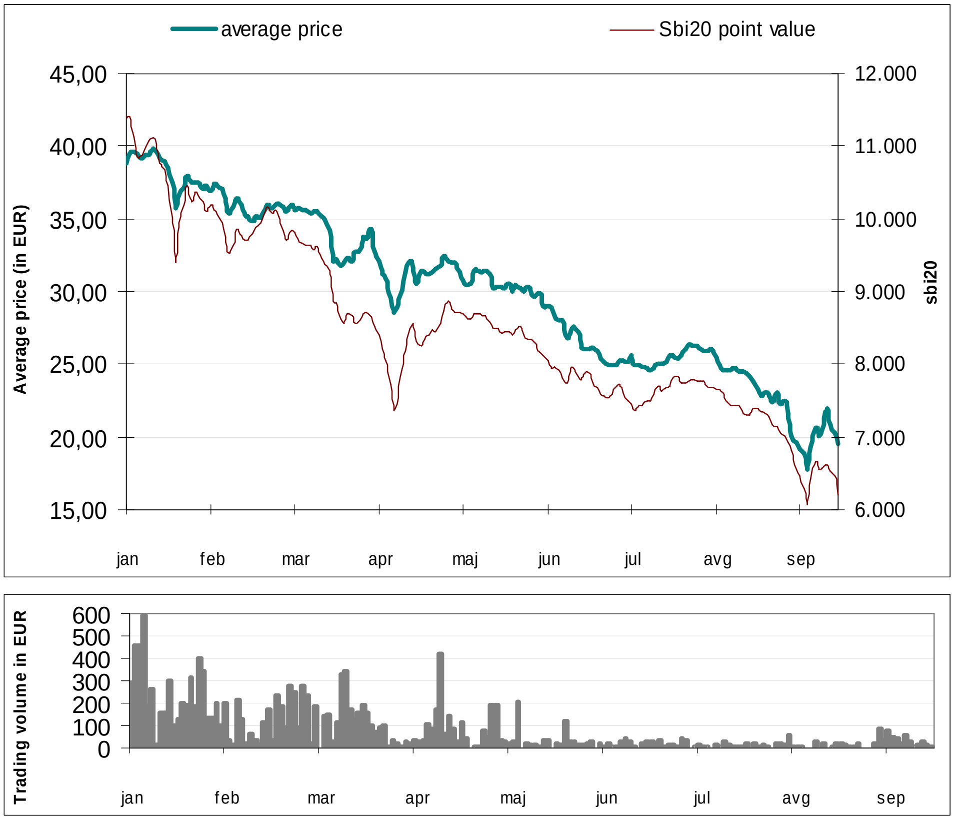


Figure 1: Movements of IEKG share average prices and trading volume, and the SBI20 Index in term January-September 2008

Key data on Intereuropa Share

Table 11: Key Data on Intereuropa Share for January - September 2008, in €

Data on Intereuropa share	30.9.2008	31.12.2007	Index 2008/2007
Number of ordinary shares issued	7.902.413	7.902.413	100
Book value of ordinary shares [2]	19,74	20,14	98
Average rate as of the last day of the accounting period	19,52	37,93	51
Weighted average rate	34,45	40,19	86
Highest rate	40,00	51,07	78
Lowest rate	17,77	26,11	68
Market capitalisation in thousand €	154.255	299.739	51
Trading volume in thousand €	14.654	70.398	21
Net earning per share [3]	0,44	2,45	18
Gross dividend per share	0,58	0,83	70

Shareholders

The Register of Shareholders showed 6,010 shareholders as at September 30th, 2008, 415 more than as at December 31st, 2007.

There was a major change in the ownership structure between the first ten shareholders in the first three quarters of 2008. Banka Celje sold its stake of 3.6%, i.e. 287,993 IEKG shares to the financial company Maksima Holding. This has not had a major impact on the combined stakes of the ten biggest shareholders, which equalled 60.2% at the end of 2007 and 60.8% as at September 30th, 2008.

[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

Table 12: Ownership structure of ordinary shares of Intereuropa d.d. as of 30 September 2008 compared to 31 Dec. 20

	30.9.2008		31.12.2007		Number of shareholders as of 30.09.2008	Index sep08/ dec07
	No. of shares	Share-holding	No. of shares	Share-holding		
Natural persons	1.764.307	22,33%	1.769.269	22,39%	5.770	100
- thereof, employees	513.326	6,50%	524.612	6,64%	492	98
Luka Koper (Port)	1.960.513	24,81%	1.960.513	24,81%	1	100
Enterprises	240.414	3,04%	218.008	2,76%	177	110
Financial companies	2.684.491	33,97%	2.701.935	34,19%	56	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%**	**6.010**	**100**

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

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

Zap. št.	Delničar	30.09.2008		31.12.2007		Index sep08/ dec07
		število delnic	delež	število delnic	delež	
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.	399.166	5,05%	302.749	3,83%	132
5.	URAVNOTEŽENI VZAJEMNI SKLAD INFOND GLOBAL*	323.489	4,09%	337.839	4,28%	96
6.	MAKSIMA HOLDING D.D.	287.993	3,64%	0	0,00%	-
7.	ZAVAROVALNICA TRIGLAV, D.D.	213.640	2,70%	213.640	2,70%	100
6.	VS PROBANKA GLOBALNO NALOŽBENI SKLAD	159.124	2,01%	170.000	2,15%	94
9.	VS TRIGLAV STEBER I, D.D.	146.833	1,86%	170.147	2,15%	86
10.	VS MODRA LINIJA DELNIŠKI SKLAD	123.007	1,56%	123.007	1,56%	100

** Note: Status reorganisation of Infond ID*

Tables 14 and 15: Shares held by members of Managing Board and Supervisory Board, as of 30.09.2008

Managing Board	Number of shares	Shareholding
ANDREJ LOVŠIN, M.Sc., 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 has no treasury stock.
The company has no approved capital and has not made any conditional increase in share capital.

Dividend policy

The Management Board adopted a new dividend policy on the basis of the development strategy and vision of the Intereuropa Group and financing of investments on foreign markets, which is aligned with the planned growth and the Group's investment cycle.

Dividends in 2008

The 18th Annual General Meeting of Intereuropa was convened on July 4th, 2008 on which the shareholders adopted a resolution on dividend payout. Shareholders entered in the Register of Shareholders as at July 8th, 2008 are entitled to receive gross dividend of € 0.58 per share. Dividends were paid on August 29th, 2008.

2. OPERATION OF THE COMPANY INTEREUROPA d.d.

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

Item / Index	Jan-Sep 2008	Plan 2008	Jan-Sep 2007	Index 2008/plan	Index 2008/2007
Net sales revenue	113.772	112.313	105.087	101	108
Contribution Ratio 1	36.475	36.259	33.981	101	107
Land Transport	11.818	12.348	11.632	96	102
Logistics Solutions	11.489	10.794	10.233	106	112
Intercontinental Transport	8.432	8.429	7.905	100	107
Other services	4.737	4.687	4.211	101	112
EBITDA*	5.788	6.721	7.041	86	82
Operating Profit or Loss	2.297	3.032	3.505	76	66
Net Profit or Loss	2.600	564	23.987	461	11
Net sales revenues per employee/ month	13,493	13,148	12,793	103	105
Value added per employee/ month	2,795	2,878	2,811	97	99

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

Item / Index	30.09 2008	Plan 31.12.2008	31.12. 2007	Index 2008/plan	Index 2008/2007
Balance Sheet Total*	356.881	354.163	313.071	101	114
Equity*	155.987	157.224	159.127	99	98
Short-term assets/ Short-term liabilities	0,74	0,65	0,53	113	139
Net Return on Equity (yearly level) **	1,6%	0,4%	16,3%	383	9

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

Basic findings on performance of Intereuropa in January-September 2008:

- **Net sales revenues** of **€ 113.8 million** met the plan (+1%) and rose by 8% compared to the same period last year. The largest growth from January-June 2007 in terms of business segments was in intercontinental transport (+15%).
- **Contribution ratio 1** of **€ 36.5 million** was 1% above plan and 7% above the comparable data from 2007. The largest growth from 2007 in terms of business segments was in logistic solutions and intercontinental transport where we also exceeded the plan.
- **Operating profit** of **€ 2.3 million** was behind both the plan and the comparable last year's figure. Lower operating profit resulted from higher costs of services (notably cost of rents and subcontractors), higher expenses for restatement of receivables, higher other operating expenses (provisions for covering other liabilities from past operations, city land contributions) and loss of revenue from sale of fixed assets. Compared to 2007, operating expenses were higher also due to higher labour costs as a result of the changed payroll system.
- **Net profit** of **€ 2.6 million** exceeded the plan by € 2.0 million. If one-off event was excluded from the 2007 data (sale of a stake in Banka Koper) and in 2008 the impact of expenses resulting from loss in sale of a financial investment, net profit in 2008 would be behind the 2007 figure by 5% (€ 160 thousand).
- **Net return on equity was 1.6%** annualised or 1.2 percentage points above the plan and 1.2 percentage points below 2007 results (excluding sale of a stake in Banka Koper).
- **Sales productivity ratio** was growing, the planned was exceeded by 3% and last year's by 5%. Value added per employee remained at the 2007 level.

- **Equity** represented 44% of liabilities (51% as at 31/12/2007) and the **current ratio** was 0.74 (0.53 as at 31/12/2007). The current ratio improved to a large extent because of changes in maturity of raised loans and an increase in short-term loans given.

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

In 2007 we began to implement our strategic goal, to transform the Intereuropa Group from a logistic service provider primarily offering services in Southeastern Europe to a logistic service provider strongly present on markets of Eastern Europe.

We have been present for some time with subsidiaries in Russia and Ukraine, however to a smaller extent. In 2007 and 2008 we took a decisive step on the Russian market by construction of our own logistics & distribution centre in Czechov, Moscow.

We have decided to take that step because we believe in potential of the Russian market and our ability to provide comprehensive logistic solutions to our existing and potential customers on that market. There is great demand on the Russian market for modern warehousing facilities and big needs for car logistic services. We expect our company to develop the fastest in those segments.

We currently offer services of road and railroad transport, forwarding services and car logistic services. In the next year we plan to offer warehousing and customs services and in subsequent years we plan to develop sea and air transport and distribution of goods within Russia. In combination with an international partner network we will offer in few years comprehensive logistic solutions to customers in Russia and to international customers.

In October 2008, the Supervisory Board of Intereuropa Koper approved expansion of construction at the Czechov Logistics Centre with a customs terminal which will bring an important competitive edge to our terminal compared to similar ones of our competitors.

The table below presents revamped forecasts of operations of the logistics & distribution centre Czechov, Moscow, where we took into account operations of the customs terminal and delays in startup of operation with regard to the 2008 plan. We expect the logistics & distribution centre to be fully operational by 2010 hence this will be the first year of implementation of the strategic development of the company.

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

	2008	**2009**	**2010**		**2015**	**2016**	**2017**
Car logistics *	20.898	29.631	29.631		34.199	34.549	34.549
Logistics Solutions	0	5.526	9.753		15.394	15.512	15.648
Land Transport	346	21.069	26.228		52.085	59.036	61.444
Other revenues	0	670	816		967	991	1.016
OPERATING REVENUES	**21.244**	**56.896**	**66.427**		**102.645**	**110.087**	**112.656**
OPERATING PROFIT	**1.774**	**6.231**	**12.499**		**25.838**	**26.237**	**26.244**
NET PROFIT OR LOSS	**-3.220**	**-1.112**	**4.545**		**18.334**	**18.995**	**19.362**

** A part of revenues and earnings from car logistics will be realised in Intereuropa d.d., Koper.*

The table below presents operations of the subsidiary OOO Intereuropa-East, Moscow, in January-September 2008.

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

Item / Index	Jan-Sep 2008	Plan 2008	Jan-Sep 2007	Index 2008/plan	Index 2008/2007
Net sales revenue	4.869	50.741	1.547	10	315
Contribution Ratio 1	4.278	7.668	258	56	1.660
Land Transport	49	313	258	16	19
Logistics Solutions	0	925	0	-	-
Intercontinental Transport	4.229	6.117	0	69	-
Other services	0	313	0	0	-
EBITDA*	1.537	4.592	87	33	-
Operating Profit or Loss	931	2.732	-168	34	-
Net Profit or Loss	-2.965	-79	-242	3.743	-
Net sales revenues per employee/ month	5,498	77,586	10,876	7	51
Value added per employee/ month	3,155	9,326	1,662	34	190

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

Item / Index	30.09 2008	Plan 31.12.2008	31.12. 2007	Index 2008/plan	Index 2008/2007
Balance Sheet Total*	109.698	141.981	66.447	77	165
Equity*	4.239	66.668	7.314	6	58
Short-term assets/ Short-term liabilities	0,18	1,30	0,55	14	33
Net Return on Equity (yearly level) **	-54,72%	1,05%	-51,10%	-	-

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

In the January-September 2008 period, the company's EBITDA and operating profit were € 1.5 million and € 0.9 million, respectively. We were behind plan on all segments. Reasons can be divided up into two main groups:

- Net sales revenues (index 10, deviation € 45.8 million)
- Finance profit/loss (index 137, deviation € 1.0 million)

In sales the fallout was biggest in car transport (intercontinental transport) and transport of other goods by railroad (land transport) where the share of direct costs is very high (97%, Contribotuin ratio 1 is thus 3% of revenues). The fallout behind the plan in Contribotuin ratio 1 is therefore significantly lower than in sales (index of plan/realisation of 56). The reasons for failure to achieve the planned sales results lie in the delay in completion of infrastructure (weather conditions, unplanned additional requirements of business partners, problems with contractors and local authorities) and the initial organisational issues related to specifics of doing business in Russia.

In spite of lagging of indirect costs behind the plan, the fallout in sales and Contribotuin ratio 1 could not be made good and we are therefore behind in operating profit and EBITDA (index 34 and 33, respectively).
In addition to lagging behind in the operating part, net loss was mostly due to loss from financing of € -3.8 million.

Despite seriously falling behind the planned performance, it should be noted that we have managed to set up operations of the car terminal in a very short time with the operational capacity fully utilised and that the company has already been making operating profit in spite of some extraordinary costs related to construction of the terminal and startup of the new activity.

C. FINANCIAL REPORT

Financial statements of the parent company and the consolidated financial statements have been compiled in accordance with the applicable legislation and the International Financial Reporting Standards.

Both consolidated financial statements and those of the parent company are based on identical accounting policies as specified in the financial report 2007.

Compared to the same period last year, the following subsidiaries became a part of the Group in the first nine months of 2008:

- Zetatrans A.D. Podgorica,
- TOV Intereuropa - Ukraine, Kiev,
- TOV DDT, Onakivci,
- Intereuropa Transport und Spedition GmbH, Lebring.

Discontinued operations

Schneider & Peklar GmbH, Vienna, was due to initiated bankruptcy proceedings in January 2008 excluded from the Group as of the end of 2007. For the purpose of data comparability, we reduced comparative data for 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 € 314 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 September 2008

in € thousand	**January-September 2008**	**January-September 2007**	**I 08/07**
NET SALES REVENUES	**202.574**	**172.266**	**118**
Other operating revenues	8.865	1.924	461
Costs of goods, materials and services	142.521	122.626	116
Labour costs	37.949	31.194	122
Write-offs	11.963	10.612	113
a) Depreciation and revaluation operating expenses associated with intangible long-term assets and tangible fixed assets	10.765	9.523	113
b) Current assets revaluation adjustments and write-offs	1.198	1.089	110
Other operating expenses	2.797	1.488	188
OPERATING PROFIT OR LOSS	**16.209**	**8.270**	**196**
Financial revenues from stakes	567	24.097	-
Financial revenues from loans given	992	290	-
Financial revenues from operating receivables	1.251	889	141
Financial expenses from impairment and write-offs of financial investments	335	7	-
Financial expenses from financial liabilities	8.685	2.376	366
Financial expenses from operating liabilities	533	295	181
PROFIT OF LOSS FROM ORDINARY ACTIVITIES	**9.466**	**30.868**	**31**
Corporation tax	2.251	4.388	51
Deferred tax	195	16	1.219
NET PROFIT OR LOSS FROM ORDINARY ACTIVITIES	**7.020**	**26.464**	**27**
Net profit or loss after tax from suspension of operation	0	-314	-
NET PROFIT OR LOSS FOR THE PERIOD	**7.020**	**26.150**	**27**
Net profit or loss of the minority shareholdes	914	264	346
Net profit or loss of the majotity shareholder	6.106	25.886	24
Basic and adjusted earnings per share in €	**0,77**	**3,28**	**24**

CONSOLIDATED BALANCE SHEET OF INTEREUROPA GROUP as at 30.09.2008

in € thousand	30.9.2008	31.12.2007	I 08/07
ASSETS	**468.598**	**408.571**	**115**
LONG-TERM ASSETS	**372.358**	**320.187**	**116**
Intangible fixed assets and deferred items	8.655	8.105	107
Tangible fixed assets	326.995	285.086	115
Investment property	11.462	12.831	89
Long-term financial investments	12.613	13.979	90
Long-term operating receivables	12.373	23	-
Deferred tax assets	260	163	160
SHORT-TERM ASSETS	**88.027**	**83.927**	**105**
Assets for sale	7.427	2.105	353
Inventories	430	150	287
Short-term financial investments	1.957	3.368	58
Short-term operating receivables	64.116	69.924	92
Cash	14.097	8.380	168
SHORT-TERM DEFFERED ITEMS	**8.213**	**4.457**	**184**
SHORT-TERM ASSETS (with SHORT-TERM DEFFERED ITEMS)	**96.240**	**88.384**	**109**
LIABILITIES	**468.598**	**408.571**	**115**
CAPITAL	**187.642**	**186.154**	**101**
Capital of majority shareholder	**176.979**	**174.143**	**102**
Called-up capital	32.976	32.976	100
Capital reserves	49.403	49.403	100
Reserves from profit	12.451	12.008	104
Revaluation surplus	5.029	6.029	83
Net profit/loss brought forward	70.470	49.557	142
Net profit or loss for the financial year	6.106	26.063	23
Consolidation capital adjustment (exschange rate translation differences)	544	-1.893	-
Capital of minority shareholders	**10.663**	**12.011**	**89**
PROVISIONS AND LONG-TERM ACCRUED ITEMS	**3.551**	**3.304**	**107**
LONG-TERM LIABILITIES	**108.386**	**81.331**	**133**
Long-term financial liabilities	102.010	77.796	131
Long-term operating liabilities	5.434	2.517	216
Deferred tax liability	942	1.018	93
SHORT-TERM LIABILITIES	**169.019**	**137.782**	**123**
Short-term financial liabilities	109.171	83.640	131
Short-term operating liabilities	59.848	54.142	111

1.2. Notes to Financial Statements of the Intereuropa Group

a) Notes to the INCOME STATEMENT

NET SALES REVENUES

Net sales revenues totalled € 202,574 thousand. Compared to the respective period last year they grew by 18% while costs of goods, material and services rose by 16%.

Other operating revenues, amounting to € 8,865 thousand, were distributed as follows:
- Paid receivables for which restatement in the amount of € 615 thousand was established in preceding periods;
- Proceeds from sale and transfer into stake in kind of property, plant & equipment of € 7,081 thousand;
- Other revenues of € 1,169 thousand (payment of damages by insurance companies, grants, cancelling long-term provisions, etc.).

Labour costs grew by 22% resulting from wage increases.

Write downs totalled € 11,963 thousand and rose by 13% because of increased depreciation cost resulting from new investments in warehousing capacity.

The Group made **operating profit** of € 16,209 thousand in the first three quarters, twice the amount in the comparable period.

Finance income from stakes of € 567 thousand were received shares of profit from other enterprises and the pertaining net profit of a joint venture.

Interest expenses on bank loans are to be noted among finance expenses as they rose by € 5,556 thousand from the same period last year.

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Profit from ordinary activity was € 9,466 thousand. It was less than in the compared period by € 21,402 thousand. We should take into account, however, last year's capital gains from sale of shares of Banka Koper (€ 23 million) and the comparison is also affected by better operating profit this year and increased interest expenses due to borrowing of the Group.

Accounting for corporation tax, the Group made **net profit of € 7,020 thousand** in the first nine months.

b) Notes to the CONSOLIDATED BALANCE SHEET

ASSETS

Total assets of the Group as at 30/09/2008 were € 468,598 thousand, 15% or € 60,027 thousand more than as at 31/12/2007.

The bulk of assets is non-current assets – 79%.

The most significant impact on the increase was growth in property, plant & equipment due to larger investments in them (notably in warehousing capacity) than were asset disposals and depreciation costs.

LIABILITIES AND EQUITY

EQUITY

The share of equity in total liabilities fell by 6 percentage points to 40% due to increased long-term borrowing of the Group.

It has increased from net profit generated in the relevant period **-** € 7,020 thousand – and an increase in conversion exchange rate differences in consolidation of € 2,577 thousand.

The decrease resulted mainly from:

- Payment of dividends and profit participations of € 6,606 thousand and participation of the Management Board and the Supervisory Board in profit of € 157 thousand; and
- Offset decrease in surplus from restatement of financial investments accounting for deferred tax liabilities in the amount of € 1,000 thousand.

PROVISIONS AND LONG-TERM ACCRUED ITEMS

As at the balance sheet date, the Group had € 761,902 thousand of unused long-term provisions. The major part of the item were provisions for pension and similar liabilities.

NON-CURRENT LIABILITIES

Long-term financial liabilities represent 94% of total non-current liabilities recognised in the amount of € 102,010 thousand, 31% higher than as at the compared balance sheet date. Their share in sources of finance also rose by 3 percentage points and they represent well over a fifth of total liabilities and equity.

CURRENT LIABILITIES

Short-term financial liabilities of the Group equalling € 109,171 thousand comprise short-term bank loans.

Short-term operating liabilities equalled € 59,848 thousand. As much as 81% of them were accounts payable.

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 September 2008

in € thousand	January - September 2008	January - September 2007	I 08/07
NET SALES REVENUES	**113.772**	**105.087**	**108**
Other operating revenues	489	1.178	42
Costs of goods, materials and services	89.031	81.784	109
Labour costs	17.779	16.053	111
Write-offs	4.034	4.025	100
a) Depreciation and revaluation operating expenses associated with intangible long-term assets and tangible fixed assets	3.491	3.536	99
b) Current assets revaluation adjustments and write-offs	543	489	111
Other operating expenses	1.120	898	125
OPERATING PROFIT OR LOSS	**2.297**	**3.505**	**66**
Financial revenues from stakes	3.835	24.750	15
Financial revenues from loans given	3.299	468	705
Financial revenues from operating receivables	321	328	98
Financial expenses from impairment and write-offs of financial investments	398	7	-
Financial expenses from financial liabilities	6.603	1.457	453
Financial expenses from operating liabilities	97	68	143
PROFIT OF LOSS FROM ORDINARY ACTIVITIES	**2.654**	**27.519**	**10**
Corporation tax	0	3.516	0
Deferred tax	54	16	338
NET PROFIT OR LOSS FOR THE PERIOD	**2.600**	**23.987**	**11**
Basic and adjusted earnings per share in €	**0,33**	**3,04**	**11**

BALANCE SHEET OF THE PARENT COMPANY as of 30.09.2008

in € thousand	30.9.2008	31.12.2007	I 08/07
ASSETS	**356.881**	**313.071**	**114**
LONG-TERM ASSETS	**255.006**	**253.616**	101
Intangible fixed assets and deferred items	3.826	3.146	122
Tangible fixed assets	110.367	104.739	105
Investment property	10.749	12.102	89
Long-term financial investments	130.064	133.629	97
SHORT-TERM ASSETS	**94.860**	**55.429**	**171**
Assets for sale and discontinuing operations	233	1.366	17
Inventories	53	60	88
Short-term financial investments	55.489	22.147	251
Short-term operating receivables	38.936	31.770	123
Cash	149	86	173
SHORT-TERM DEFFERED ITEMS	**7.015**	**4.026**	**174**
SHORT-TERM ASSETS (with SHORT-TERM DEFFERED ITEMS)	**101.875**	**59.455**	171
LIABILITIES	**356.881**	**313.071**	**114**
CAPITAL	**155.987**	**159.127**	98
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	5.007	6.007	83
Net profit/loss brought forward	54.905	40.262	136
Net profit or loss for the financial year	2.600	19.383	13
PROVISIONS AND LONG-TERM ACCRUED ITEMS	**2.028**	**1.834**	111
LONG-TERM LIABILITIES	**69.830**	**47.397**	147
Long-term financial liabilities	69.285	46.540	149
Long-term operating liabilities	19	19	100
Deferred tax liability	526	838	63
SHORT-TERM LIABILITIES	**129.036**	**104.713**	123
Short-term financial liabilities	99.286	73.298	135
Short-term operating liabilities	29.750	31.415	95

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

a) Notes to the INCOME STATEMENT

NET SALES REVENUES

Net sales revenues equalled € SIT 113,772 thousand. Compared to the respective period last year they grew by € 8,685 thousand while costs of goods, material and services rose by € 7,247 thousand.

Other operating revenues, amounted to € 489 thousand: They relate to proceeds from sale of property, plant & equipment and paid receivables for which the company posted restatements in previous years.

Write downs of € 4,034 thousand represent the cost of depreciation with 86% share and were lower by 1% from the compared period.

Operating profit in the period was € 2,297 thousand or two thirds of the figure from the same period in 2007.

Finance income from stakes of € 3,835 thousand was mostly finance income from stakes in Group members (€ 3,264 thousand) pursuant to AGM resolutions on distribution of balance sheet profit.

The item was considerably lower from the preceding period due to one-off capital gains in sale of shares of Banka Koper d.d. (€ 23 million) in the compared period of 2007.

Finance income from loans given were higher by € 2,831 thousand mostly due to loans granted to Group members.

Total finance expenses in the period were higher by € 5,566 thousand notably due to higher finance expenses related to bank loans as they rose by € 4,385 thousand from the same period last year.

Profit from ordinary activity of € 2,654 thousand resulted from operating profit of € 2,297 thousand and financial operations of € 357 thousand.

Accounting for corporation tax expenses, the parent company made **net profit of € 2,600 thousand** in the period.

b) Notes to the BALANCE SHEET

ASSETS

Total assets of the Group as at 30/09/2008 were € 356,881 thousand, 14% or € 43,810 thousand more than as at 31/12/2007.

The bulk of assets is non-current assets – 71%.

The biggest impact on the increase was the increase in short-term loans given to subsidiaries as a part of short-term financial investments.

LIABILITIES AND EQUITY

EQUITY

Share of equity in liabilities and equity as at 30/09/2008 was 44%, a reduction of 7 percentage points from the compared balance sheet date, due to increased long-term borrowing.

Equity of Intereuropa increased by:

- Net profit for the period equalling € 2,600 thousand; and

Decreased due to:

- Offset decrease in surplus from restatement of financial investments (accounting for deferred tax liabilities) in the amount of € 1,000 thousand; and
- Distribution of balance sheet profit pursuant to the resolution adopted by the Annual General Meeting held on July 4th, 2008 regarding dividend payout to shareholders of € 4,583 thousand and payment of profit share to members of the Management and Supervisory Boards totalling € 157 thousand.

PROVISIONS AND LONG-TERM ACCRUED ITEMS

As at the balance sheet date, the company had € 2,028 thousand of unused long-term provisions and accrued items. The major part of the item were provisions for pension and similar liabilities.

NON-CURRENT LIABILITIES

Non-current liabilities were recognised in the amount of € 69,830 thousand and primarily represented long-term financial liabilities to banks.

CURRENT LIABILITIES

Short-term financial liabilities equalling € 99,286 thousand comprised mostly short-term bank credit lines.

Short-term operating liabilities of € 29,750 thousand primarily related to accounts payable.

D. CONCLUSION

In this year operations of the Intereuropa Group were marked by expansion on new markets with the biggest investment in the Russian Federation.

In the first nine months the Intereuropa Group made € 203 million in net sales revenues, an increase of 18% from the respective period in 2007. We were 17% behind the plan while the fallout in Contribution ratio 1 was 6% or € 5.6 million. The largest part of the deviation from the planned Contribution ratio 1 was in the Russian subsidiary (€ -3.4 million), namely in transport of cars (intercontinental transport) and other goods on railway (land transport). The reasons lie foremost in the time delay in finishing of the infrastructure at the logistics terminal. We plan to complete the infrastructure by the end of 2008 enabling marketing of the planned services of the terminal.

Despite fallout from the plan it should be noted that we have managed to put the car terminal to operation in a very short period with the operational capacity now fully utilised. We currently offer services of road and railroad transport, forwarding services and car logistic services. In 2009 we plan to offer warehousing and customs services and in subsequent years we plan to develop sea and air transport and distribution of goods within Russia. In combination with an international partner network we will offer in few years comprehensive logistic solutions to customers in Russia and to international customers. The Moscow company currently, despite some extraordinary costs related to construction of the terminal and startup of activities, already makes operating profit.

The other significant deviation from the planned Contribution ratio 1 was recorded in Intereuropa Transport d.o.o. (€ 1.8 million) where direct operating costs rose substantially due to higher fuel costs affecting the whole industry and increased hiring of subcontractors.

We invested € 45 million in logistics infrastructure in the first three quarters. The largest investment in the period, € 26.6 million, was completion of facilities at the terminal of the Czechov Logistics Centre. Other major investments included construction and equipping of the warehouse facility in the Celje branch, completion of the Samobor Logistics Centre, investments in IT equipment and purchase of freight vehicles in Slovenia and Croatia.

The Group's earnings before interest, taxes, depreciation and amortisation (EBITDA) were € 27.0 million. That exceeded last year's results by € 9.2 million or 52%. If one-off events were excluded from both periods, the growth would still be respectable 21%. Operating profit at the Group level equalled € 16.2 million and exceeded last year's by 96% or € 7.9 million and if one-off events were excluded the growth from the nine-month period of 2007 would still be 33%. Growth of operating profit was significantly influenced by expansion of the Group to new geographic markets (Montenegro and Russia), construction of new logistics centres (Croatia, Serbia, Slovenia – Celje - and Russia) and rising productivity. As the logistics centre in Russia should be put to operation next year, we expect faster sales growth and positive effects on profit.

Finance expenses in the period exceeded finance income by € 6.7 million. Net profit for the period was € 7.0 million. Net return on equity was 4.2% year-on-year. Exclusion of one-off events show that annualised net profitability is 2.6 percentage points lower than in 2007, mostly due to higher finance expenses. The financial crisis sent those expenses up from the planned amounts but they are not threatening the financial stability of the Group. We estimate that no changes in the 2008 business plan would be needed because of the impact of the global financial crisis.

Until the end of 2008, our activities will focus on:

1. Completion and utilisation of the Czechov Logistics Centre;
2. Studying / setting the strategy for operations of road transport units by determining short-term measures and long-term orientations;
3. Strengthening marketing activities and streamlining of operations in other parts of the Group in the direction of adapting to the market situation (financial crisis and the impact on operations).

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