INTEREUROPA GROUP
Global Logistics Service, Ltd. Co.

Unaudited Interim Report of the INTEREUROPA GROUP, January - June 2009

Koper, August 2009

The INTEREUROPA d.d. corporation is publishing this Unaudited Interim Report of the Intereuropa Group for January-June 2009, in accordance with the Market in Financial Instruments 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 2009 shall also be published on the web site of INTEREUROPA d.d. www.intereuropa.si on 27 August 2009.

C O N T E N T S

A. INTRODUCTION

As it arises from the first releases on the half-year's sales results of some large logistics providers, the branch of logistics was even worse hit by the economic recession in the second quarter than it was in the first.[1] The decreasing volume of goods flows reflects in a declining number of purchase orders, while the businesses decide for short-term measures and introduce the changes that allow for cost streamlining to match the reduced volume of operations and result in a positive cash flow.
The Intereuropa Group generated € 96.8 million of net sales revenue during the first half-year 2009, which was 28 percent behind the target and 27 percent below the corresponding period last year.
A similar decline in the sales was recorded in the Parent Company Intereuropa d.d., whose net sales turnover came to € 52.2 million and was 29% behind the plan and last year's figures.
On the Group level, we recorded a negative operating result by € 0.9 million, and a negative net profit/loss of € 3.1 million; thereof, the Parent a negative operating result by € 2.1 million, and a positive net profit/loss of € 1.2 million.

Company Fact Sheet

The Parent Company	**Intereuropa, Globalni logistični servis, delniška družba (Global Logistics Service, Ltd. Co.)**
Abbreviated Firm	Intereuropa d.d.
Country of the Parent Company	Slovenia
Registered Office of the Parent	Vojkovo nabrežje 32, 6000 Koper
Company reg. number	5001684
Tax ID number	56405006
Transaction Account	SI56 101000000006785, 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	the IEKG shares are listed in the Prime Market of the Ljubljana Stock Exchange (Ljubljanska borza d.d.).
Managing Board	Ernest Gortan, President of the Managing Board Marko Jazbec, Deputy President of the Managing Board Ondina Jonke, Member – Human Resources Executive Andrej Lovšin, M.Sc., President till 23 March 2009 Zvezdan Markežič, President from 23 March 2009 to 10 June 2009
President of the Supervisory Board	Bruno Korelič Boštjan Rigler till 20 May 2009
The Intereuropa Group	
Number of employees	2,614 employees
Vehicle fleet	more than 600 Company-owned trucks and delivery vans
Total warehousing area	Over 260,000 qm of own warehouse areas
Total land area	more than 2,200,000 qm of land
Članstvo v medn. Organizacijah	FIATA, IATA, FETA, FONASBA, BIMCO, IRU
Quality Certificates	• ISO 9001:2008 Certificate: o Intereuropa d.d., o Intereuropa, logističke usluge, d.o.o., Zagreb, o Intereuropa Transport d.o.o., Koper, o Interagent d.o.o., o Intereuropa, Transport & Spedition, GmbH, Troisdorf • ISO 9001:2000 Certificate: o Intereuropa RTC d.d., Sarajevo
Own branch network	Slovenia, Croatia, Serbia, Kosovo, Bosnia and Herzegovina, Macedonia, Austria, Germany, France, the Ukraine, Russia, Montenegro, Albania

[1]**Kuehne & Nagel Group**: H1 09 / H108= -20.6%;
Deutsche Post DHL Group: H1 09/H108= -15.3%; Q1 09/Q1 08=-12.9%; Q2 09/Q2 08=-17.7%
Express: Q1 09/Q1 08=-25.9%; Q2 09/Q2 08=-28.6%
Forwarding , freight: Q1 09/Q1 08=-18.2%; Q2 09/Q2 08=-26.9%
Panalpina Group: H1 09 / H1 08= -31.6%;
Logwin AG: H1 09 / H108= -25.7%;

Major events in the reporting period January- June 2009:

January

- With effect from 1 January 2009, the subsidiary Intereuropa, Logističke usluge, d.o.o., Zagreb affiliated its daughter company ITAR d.o.o. Zagreb.
- 7 January 2009, we registered a new 100%-owned subsidiary in Albania: Intereuropa Global Logistics Service Albania Shpk, with the head-office in Durres, which upgraded our long-term business cooperation with Albania.

February

- On 5 February, Intereuropa Transport & Spedition GmbH, Troisdorf completed the certification procedures and acquired the certificate of ISO 9001:2008 conformity as the sixth company in the Group.
- On 13 February, the Managing Board of Intereuropa d.d. received from the shareholders Kapitalska družba ('KAD') and Slovenska odškodninska družba ('SOD') the request for convening an extraordinary General Meeting in order to appoint a special auditor to conduct an audit with respect to certain operations of the Company.
- On 26 February, the Supervisory Board dealt with the Report by the Managing Board on the operation of the Intereuropa Group in the year 2008 and adopted it, acknowledging that the Group was successful.
- In February we assisted the Department for Tropical Medicine in the organization of air transport of humanitarian aid for the medical expedition »Uganda 2009«. In addition to organizational costs we covered the air-freight cost for the shipment of humanitarian aid in full amount.

March

- On 1 March 2009, the daily groupage trucking service was introduced on the routes: Milano – Ljubljana and Paris, Lyon – Ljubljana.
- On 2 March the Second Intereuropa Meeting with Slovenian Analysts and Investors was held at Intereuropa. The public comprised 27 analysts from various stock-brokers, insurance institutions and banks, who came to the presentation of the Company's performance in 2008 and the forward-looking statement for the year 2009, including the measures to address the global crisis, which were highlighted by the Intereuropa top management.
- On 2nd March we introduced a new web-based communications tool – the Intereuropa e-News, which supports direct communication with the full range of interested public (analysts, investors, business partners, media, employees, customers, etc.) on our website.
- On 6 March, the Director of affiliate OOO Intereuropa-East, Moscow, Esad Ajeti turned over the lead to Mihael Novodvorsky, who was then in the position of the Head of Car Terminal in the Logistics Centre Moscow/ Chechov.
- On 9 March we started our cooperation with the trans-European network for small parcel express carriers across Europe – the association NetExpress Europe (NEE), which supports door-to-door delivery of LTL consignments in all EU Member States.
- On 17 March we released the communication on the commencement of negotiations regarding the transfer, for consideration, of international express parcel delivery service under the brand of the UPS to the newly founded subsidiary of the UPS Group in the Republic of Slovenia which has assumed the implementation of this service under the UPS brand from Intereuropa d.d.
- On 23 March the Supervisory Board recalled the President Mr Andrej Lovšin, M.Sc., from his office and appointed Mr Zvezdan Markežič, the former Deputy President, to the position of Managing Board President.

April

- On 7 April Intereuropa d.d. published having signed an Agreement to re-finance the long-term loan for the Logistics Centre Chechov/Moscow Project with the Consortium of three banks (UniCredit Banka Slovenija d.d., SID–Slovenska izvozna in razvojna banka, d.d. and SKB banka d.d.). The respective loan amounts to € 100.6 million for a ten-year term, with one-year grace period for the repayment of principal.

- On 7 April Intereuropa presented itself in the Slovenian Capital Market Event as the leading provider of logistics in the area with a clearly outlined development strategy, linking South-Eastern Europe with the Eastern markets.
- On 9 April the Supervisory Board dealt in its 45th ordinary session with the Audited Annual Report 2008 for the Intereuropa Group along with the external Certified Auditor's Report and adopted both of them. Also the Report prepared by the Supervisory Board on reviewing the Intereuropa Audited Annual Report 2008, followed by the Managing Board's proposal on the appropriation of accumulated profit, which shall remain undistributed, were approved by the Supervisory Board in the same session.
- On 10 April was held the 19th the General Meeting of Intereuropa d.d., which adopted the following Resolutions, among others: The audit firm KPMG Slovenija, Ljubljana was appointed to review individual transactions; amendments to the Statute were adopted, which now allows up to 4 members of the Managing Board; the member of Supervisory Board Mr Ervin Bužan was recalled and substituted by Bruno Korelič; attendance fees for Supervisory Board sessions and reimbursement of costs to members of the Supervisory Board and SB Committees were reduced. No challenging action was announced.
- On 22 April we concluded the Agreement for the transfer of a part of an undertaking of Intereuropa d.d., i.e. the Intereuropa UPS Branch Office business, to the new Slovenian branch of the UPS Group: UPS Adria (S) Ekspres, kurirske storitve, d.o.o.
- On 30 April, we published the Annual Report 2008 for Intereuropa Group and the Supervisory Board's Report on reviewing the Intereuropa d.d. Audited Annual Report 2008, which were both adopted by the Supervisory Board in the ordinary session of 9 April 2009.

May

- On 21 May, in its 46th ordinary session the Supervisory Board adopted the Report of the Managing Board on the Group performance for the first quarter 2009 and elected the new President of the Supervisory Board, Mr Bruno Korelič. Additional measures were imposed on the Managing Board to address the costs, corporate atmosphere and a comprehensive rism management system. The Supervisory Board got informed on the Recovery Plan of the subsidiary Intereuropa Transport d.o.o., dealt with the compensation to members of the Managing Board and, upon proposal by the Auditing committee for remuneration, the Supervisory Board adopted the Resolution that the salaries of the Managing Board be harmonized with the financial results and performance estimate for the second quarter 2009 on the Group level. The Supervisory Board further acknowledged the Reports on Internal Audit Inspection in the Companies OOO Intereuropa-East, Moscow and OOO Intertrans, Moscow, which contain the findings and recommendations for further activities and measures.

June

- On 1 June, the Agreement for the transfer of a part of an undertaking of INTEREUROPA d.d. of the UPS Branch Office business was effected – transferred to the new branch of the UPS Group in Slovenia.
- On 5 June the company Interagent d.o.o., Koper underwent the external audit under the new ISO 9001:2008 standard successfully.
- On 10 June, the President of the Managing Board of Intereuropa d.d. Zvezdan Markežič resigned. The Supervisory Board accepted his resignation and appointed Ernest Gortan as the new Managing Board President and Marko Jazbec as Deputy President. In addition, the Supervisory Board acknowledged the resignation filed by Manja Skernišak on 9 June 2009.
- On 24 June was held the 49th session of the Supervisory Board, in which the agenda for the Annual General Meeting and Resolution Proposals were dealt with and adopted.

Major events after the reporting period:

- In July we signed a three-year contract with a key customer in automotive logistics for port forwarding services and handling of cars imported through the Koper Port. Another contract was entered into with the same customer for the same term, covering the trucking of automobile spare parts on various European routes.
- On 30 July, after a vote of no-confidence was given by the Works Council to the Member of the Managing Board – the Human Resources Executive, the Supervisory Board recalled in its session the Managing Board Member & Human Resources Executive Mrs Ondina Jonke from her resp. function owing to her violation of the obligations vested in a Managing Board member and her incapacity for conducting the operations of the Company. In the same session the Supervisory Board got informed on the findings by the Special Audit of Corporate Governance and Specific Operations of the Company for the last Five Years.
- On the same day was also held the 20th Annual General Meeting of Intereuropa d.d., in which the shareholders were acquainted with the Annual Report for 2008, the Auditor's Opinion and the Report by the Supervisory Board. The shareholders resolved that the Accumulated Profit remain undistributed and no discharge note be awarded to the Managing Board and Supervisory Board for the financial year 2008. They acknowledged the resignation of the Supervisory Board member Manja Skernišak and elected three new members of the Supervisory Board: Vinko Može, Tadej Tufek, M.Sc., and Maša Čertalič, M.Sc.. The audit firm KPMG d.o.o., Ljubljana, was appointed Auditors for the year 2009.

The Organisation of the Intereuropa Group

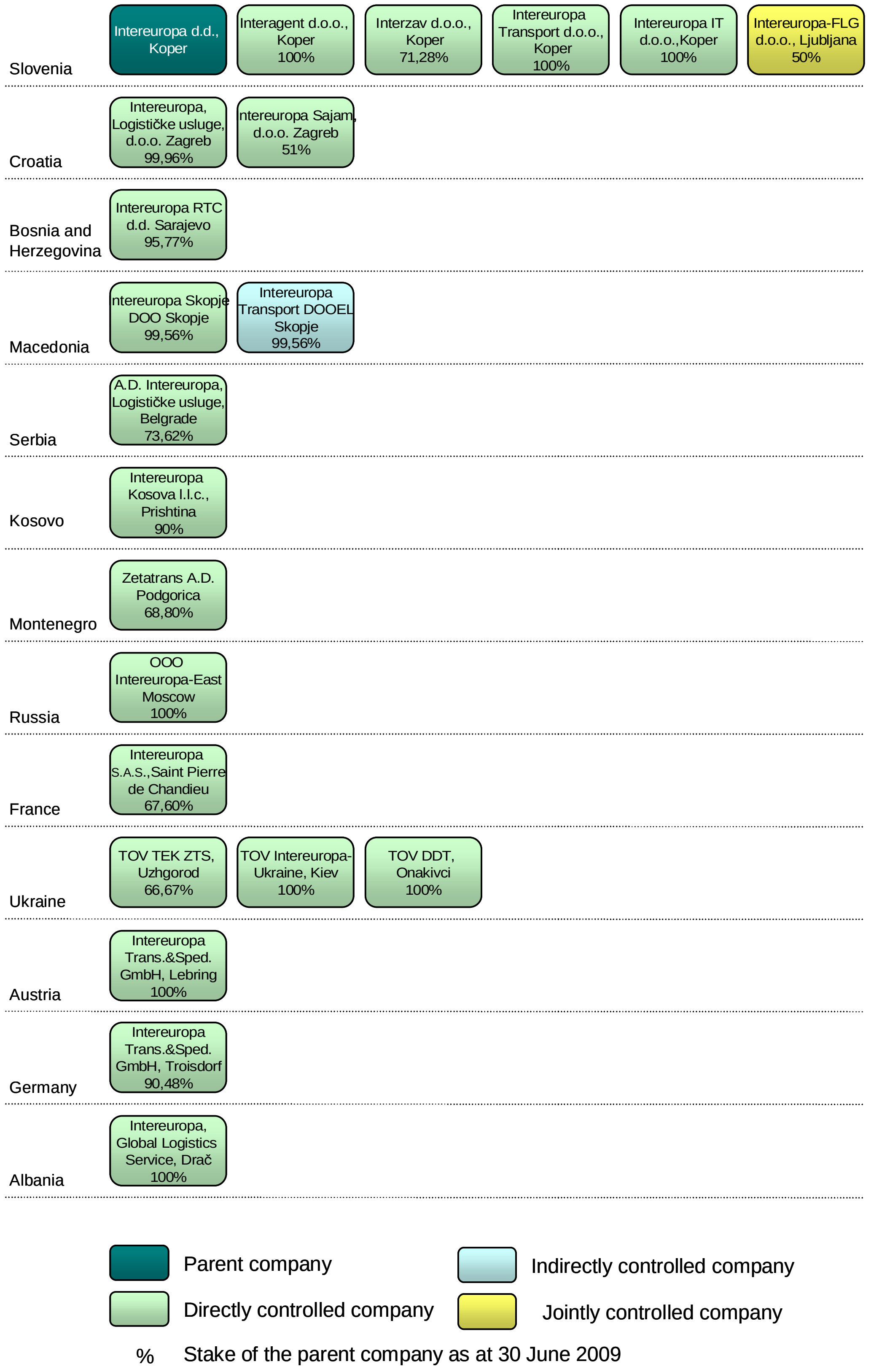

Figure 1: Organisation Chart of the Intereuropa Group

B. BUSINESS REPORT

1. OPERATING PERFORMANCE OF INTEREUROPA GROUP

1.1. Sales achievements

Economic environment and trends

In Slovenia, like in the entire Euro zone, the short-term indicators of economic activity remained stable on the level achieved during the first four months this year, after the recovery from the dramatic fall at the end of last year. However, when compared to the same period last year, the values of these indicators are still considerably lower and the prospects for the future remain rather uncertain.
For April the Slovenian Institute of Macroeconomic Analysis and Development (UMAR) ascertained that the industrial production volume in the Euro area was lower again, while the value of construction work and income in retail trade rose slightly, however, they remain low on the inter-annual level due to the noticeable decline at the year-end. The strengthening of various Economic Sentiment Indicators (ESI), which remain on substantially lower levels than long-year average values, implies that the free fall of economic activity has stopped.
In Slovenia, the values of key short-term indicators of economic activity (exports, industrial production volume of processing & manufacturing industries, value of construction work performed, income in retail trade, and similar) remain essentially lower, too. The value of the Economic Sentiment Indicator remained unchanged in June, after May 2009 was the first month after 16 consecutive months that did not record a fall; however, the prospects for the coming months still remain rather uncertain.
This year will see a fall in the global economic growth and global trade volume. According to the OECD forecasts published end of March 2009, the world's GDP will fall by 2.75 percent in real terms, which is about 6 percentage points lower than last year, and the first the world-level decrease recorded in the last sixty years. The recession resulted from the aggravation of financial crisis last September which through various channels penetrated other economic sectors and also contributed to a substantial decrease in the world trade volume. According to latest forecasts by international institutions, the volume of global international trade is estimated to shrink by 10 to 15%. This year will bring a real decrease in the GDP in developed countries, unlike in the developing countries where the economic growth will slow down considerably due to lower capital inflows and shrunken trade flows.

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	**2008**	**Forecast 2009**	**2008**	**Forecast 2009**	**2008**	**Forecast 2009**	**2008**	**Forecast 2009**	**2008**	**Forecast 2009**
Slovenia	3.54%	-4.00%	-1.20%	-20.80%*	5.70%	0.40%	3.30%	-8.60%	3.50%	-10.30%
Croatia	2.36%	-3.53%	1.60%	-11.20%	6.07%	2.50%	4.70%	-13.40%	8.80%	-24.90%
Bosnia & Herzegovina	5.50%	-2.99%	6.30%	-5.10%	7.40%	2.10%	14.60%(n)	21.50%(n)	14.00%(n)	-25.00%(n)
Macedonia	5.00%	-2.00%	1.80%	-11.10%	8.28%	1.00%	18.50%	-43.50%	31.10%	-32.90%
Serbia	5.43%	-2.00%	1.10%	-5.00%	11.70%	10.04%	16.30%	-24.10%	17.70%	-29.10%
Russia	5.60%	-5.98%	5.80%	5.50%	14.12%	12.87%	7.00%	6.50%	19.80%	16.60%
Francija	0.72%	-2.95%	-0.50%	-15.70%	3.16%	0.46%	2.20%	-19.80%	6.10%	-22.50%
Ukraine	2.10%	-8.01%	-3.10%	-31.90%	25.20%	16.77%	5.20%	-41.10%	17.10%	-50.10%
Austria	1.76%	-2.99%	2.90%	-	3.22%	0.51%	2.30%	-	4.30%	-
Germany	1.29%	-5.61%	1.20%	-20.30%	2.75%	0.10%	8.40%	-17.20%	8.00%	-7.00%
Kosovo	5.20%	5.60%	-	-	8.40%	2.00%	-	-	-	-
Montenegro	7.50%	-2.70%	-2.00%	-16.60%	8.99%	1.66%	17.60%(n)	-23.00%(n)	-3.70%(n)	-35.00%(n)
Albania	6.77%	0.38%	13.00%	-	3.36%	1.47%	15.80%	-19.00%	16.90%	-9.80%

(n) nominal growth rate
(-) no data available
* applicable to the period I-V 2009 / I-V 2008

SOURCES:
IMF World Economic Outlook Database, April 2009
JAPTI po The Economist Intelligence Unit, Mednarodni denarni sklad, Urad RS za statistiko, Euromoney (okt. 2008)
New Kosova Report
UMAR

Sales Revenue by Intereuropa Group

In the first half-year 2009 the Intereuropa Group generated € 96.8 million of net sales revenue, which was 28 percent behind the sales target. On the one hand, the economic crisis and the decline in the production output reduces the demand for services in logistics and transportation, on the other hand it builds up pressures on the sales prices which is perceived on practically all areas of operation. These are the reasons for the highest variance from the plans that were recorded in Land Transport and in the Car Logistics Product (Intercontinental Transport). Compared with the same period a year ago, the net sales turnover achieved in the reporting term was 27% lower.

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

	Business Area	Jan-Jun 2009	Structure	Index 2009/plan	Index 2009/2008
1	Land Transport	50,931	53%	70	73
2	Logistics Solutions	13,006	13%	85	85
3	Intercontinental Transport	30,004	31%	69	68
4	Other Services	2,837	3%	109	84
	TOTAL	**96,779**	**100%**	**72**	**73**

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

		Jan-Jun 2009	Structure	Index 2009/plan	Index 2009/2008
1	EU Member States	54,225	56%	63	64
2	Non-EU countries	42,554	44%	88	90
	TOTAL	**96,779**	**100%**	**72**	**73**

Note: Data comprise net sales revenues by geographical area according to head-office of companies in the Group.

Table 4: Net sales revenues of the Intereuropa Group by geographical area, in thousand €

		Jan-Jun 2009	Structure	Index 2009/2008
1	Slovenia	31,621	33%	65
2	Croatia	16,027	17%	80
3	Russia	8,684	9%	161
4	Bosnia & Herzegovina	3,898	4%	81
5	Serbia	2,058	2%	69
6	Montenegro	3,277	3%	88
7	Other countries	31,213	32%	66
7a	Other EU Member States	22,604	23%	62
7b	Other countries	8,609	9%	81
	TOTAL	**96,779**	**100%**	**73**

Note: Data comprise net sales revenues by geographical area according to customer's head-office.

Net sales turnover is lower than a year ago in most of the countries. The only exception is Russia with a growth of 61 percent, which now represents 9 percent in the sales structure. One third of the sales turnover is generated in domestic market, whereas the share of sales in the EU market (excluding Slovenia) comes to 23 percent.

In the reporting half-year, the Intereuropa Group recorded the Contribution Ratio 1 in the amount of € 44.6 million[2], or 17 percent lower than in the comparable period 2008. Due to a decline in the demand for transportation services and the resulting pressure on the rates, the decrease was most clearly visible in the areas of Land Transport and Intercontinental Transport (car handling logistics and containers). A minor decrease in the contribution ratio 1 is attributable to lower direct costs that we were able to keep within the limits by the measures applied in the second quarter of the year.

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

	Business Area	Jan-Jun 2009	Structure	Index 2009/plan	Index 2009/2008
1	Land Transport	22,057	49%	78	82
2	Logistics Solutions	11,128	25%	85	87
3	Intercontinental Transport	8,669	19%	90	80
4	Other Services	2,764	6%	107	87
	TOTAL	**44,619**	**100%**	**83**	**83**

Table 6: Contribution Ratio 1 of the Intereuropa Group by geographical area, in thousand €

		Jan-Jun 2009	Struktura	Indeks 2009/plan	Indeks 2009/2008
1	EU Member States	23,783	53%	85	82
2	Non-EU countries	20,836	47%	81	83
	TOTAL	**44,619**	**100%**	**83**	**83**

Note: Data comprise the Contribution Ratio 1 by geographical area according to head-office of companies in the Group.

The **Land Transport** Area earns 53% in the net sales revenue structure of the Group. In the first half-year 2009, this business area shows a distinctive fall in the sales turnover that is mainly attributable to:

- shrunken goods flows, which effect has worst hit the continental shipping,
- increased pressure on the sales prices by competitors,
- loss of a strategic partner in the first half of 2008.

All products of the Land Transport, except the distribution of car spares, are behind the plans and the figures of the first half-year last year. The highest fall was recorded in road transport, followed by the groupage services due to the loss of an important partner last year.

Our response to these facts was an intensive sale programme which was launched in March in Slovenia, and in June in other companies (BiH, Serbia, Macedonia). The programme is based on the formation of an exclusively dedicated and target-driven sales team. In Slovenia, this new concept has already signalled certain improvements, although it is difficult to expect a clear breakthrough in the sales result. In the first place, the number of visitations on site was increased under this new concept and new customers were acquired. Greatest attention was dedicated to potential customers (70% of all sales activities) and to the largest clients for whom a full focus on all business areas and segments is required, in particular a coordinated action among the companies in the Group in preparing the bids for tenders on the Group level. The latter can be better achieved by a unified account among the consolidated companies in the Group, which started to be applied in June for groupage services, aiming to improve our response to customers and making the operations more transparent. Predvsem pa nov obračun zagotavlja konkurenčne cenovne pogoje na trgu oz. lažjo cenovno prilagodljivost.

Under the new sales concept we moved from a traditionally passive to an active sales approach; with certain improvements we can further achieve an aggressive and efficient sales activity in the short run. At the moment, this concept has contributed to create a broader customer base and sales platform that will support a faster sales growth when the macro-economic situation improves.

The same sales concept was also introduced in other companies in which we expect a similar course and effect thereof, however, with a time deferral; the next countries to launch this concept will be Croatia and Montenegro. Out goal is to standardize the sales activities.

However, these new sales approach and continuous engagement on the market will not allow us to utilize the effects of the economies of scale (reducing the cost per unit, rising the line frequency). A

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

sufficient volume of sales can only be achieved by engaging an active and strategical partner in Groupage Services, preferably with a comprehensive EU-wide network, primarily in the region of Germany/Austria.

The direct costs of the Land Transport Area have been reduced compared to the plan and last year's figure, however, they were not able to compensate for the fall in the sales volume in the same proportion, which means that the Contribution Ratio 1 (gross margin) was on the level of 22 percent below the plan and 18 percent lower than in the first half year 2008. Due to the shrunken turnover rose the cost per unit, which is most clearly seen in **Groupage services**. All groupage capacities could not have been optimized on the ground of obligation to provide the required coverage and frequency for all lines, which is our key competitive advantage. We will be able to increase the volume only by improved sales and inclusion of a strategic partner.

To improve the operations of the subsidiary Intereuropa Transport, which performs the heaviest workload in **road transport** (with a negative result in the first half-year amounting to – € 707 thousand), we established a programme of operational and sales cooperation between this subsidiary and the Land Transport Area in the Parent Company. The activities relate to a better utilization of own transport capacities, employing them in the implementation of road transport business, and to joint sales platform with an enlarged sales team to promote the products of the company Intereuropa Transport d.o.o. Furthermore, a recovery plan with elaborate baselines was prepared in April to address the highly negative impacts and to improve the operations.

The **Express** Delivery Service segment also recorded a shrunken turnover, which resulted in a higher cost per unit than last year. Already at the beginning of this year we prepared an optimization plan for Express Distribution in which we improved the efficiency by merging the lines, streamlining the costs of terminal vehicles and thus assuring the profitability of each particular line. As a result, the number of negative depot lines has decreased considerably. On the monthly level, the cost per unit is improving and we are gradually approaching to the last year's realization despite a considerable fall in the volume achieved.

Customs Services, in particular the activities involved in border despatch (customs clearance on border passes) still achieve good results, primarily on account of high profitability of Customs products and regardless of shrunken goods flows.

In our effort to improve the efficiency of operational activities in Land Transport we work on developing an adequate solution to address the concentration of groupage lines and establishing the HUB system – a central throughput point. That brings us a lower cost per unit and higher quality level of our service thanks to higher productivity and more effective processes. That requires implementing the harmonization and standardization in operational processes.

Our Land Transport area has concluded the half-year with results that were essentially below the plan and lower than the figures achieved in the first half-year 2008. Considering the activities completed or still in the course of implementation, and primarily in view of the numerous opportunities quoted, the result of this Area can be improved in the second half-year both in terms of sales turnover and cost management. We expect that the sales turnover and the contribution ratio 1 of the Land Transport in the Parent Company will improve by 6 percentage points by the year-end.

Moreover, with the envisioned concentration of operational platforms in Slovenia and a strong international partner involved, we would achieve additional cost optimizations in the direct costs, other indirect costs and primarily in the costs of labour and services.

The **<u>Logistics Solutions</u>** Area generates 13% in the net sales revenue structure on the Group level. In the reporting half-year we recorded a decline in the sales revenues and contribution ratio 1 generated by this Area. In Slovenia, a major reason for that is attributable to the termination of business with one of our key customers in February, who represented a significant portion of our contribution ratio 1. Similar downward trends were recorded in many other countries, except in Montenegro and Macedonia, where our companies improved the sales of logistics solutions.

We intensified our sales activities and perceived a falling trend of sales prices in the market, below last year's figures (by ca. 40 percent). Due to shrunken goods flows and a higher supply of vacant warehouse capacities in the market, it is extremely difficult to conclude a business. The sales trends also reflect a changed customer's conduct and approach in the market, when e.g. the customer waits with its order for delivery from our warehouse to its store until the store has actually sold the merchandise to the end buyer.

Our observation of the trends in the second quarter of this year shows that the crisis has not eased down yet, quite the contrary is true.

The **Intercontinental Transport** Area contributed 31% of the Group's net sales revenue in the reporting half-year. On the level of the Intereuropa Group we are behind the plan, which is attributable to the car-handling logistics in Russia in the first place. The variance from the plans resulted from the global recession: in the given business area the car-handling logistics and container business were worst hit.

In the **Sea-Freight** operations the planned contribution ratio 1 was exceeded by 8 percent in the Parent Company only. Our subsidiaries were behind the plans, on the account of the recession that has slashed the container business in other countries. The interim results for the first half-year were below the targets in the whole Group, despite a slight improvement of the market in the second quarter and several positive indices, pointing to better prospects for the second half-year. Nevertheless, the planned results will be difficult to satisfy by the year-end.

We estimate that our Sea-freight product will remain on the similar revenue potential through this year. We will persist on achieving the plans set, primarily by focusing on controlling container transport routes and involving the entire corporate network. Through development and building up the commercial activities in our subsidiaries we expect to achieve favourable synergy effects.

In the first quarter of this year we acquired a few customers and successfully completed the period of undercooled transports of fruit and vegetables. Some new businesses were acquired for container transports, too. What is more, containerized transports of cigarettes via Koper Port have improved and such trends are expected to continue in the second half-year. Also our subsidiaries in Croatia and Bosnia and Herzegovina acquired some new customers, thanks to favourable purchasing terms granted to us directly by the shipowners and through our partners on the level of the Group, and the exports via Croatian ports improved, too. For conventional cargo, we expect shipments of phosphates and also new undercooled shipments of fruit and vegetables from Israel by the year-end.

In **Car-handling logistics**, Intereuropa d.d. was doing well in the first half-year, despite a lower number of vehicles handled in the Koper Port, and achieved the same result as last year, but was slightly behind the plan. Also our subsidiary in Russia did not achieve the plan: the impact of global recession was severe, in particular in the car-handling logistics. The statistic load of the terminal was 7,000 vehicles on average, whereas the turnover (arrivals and departures) of vehicles was greatly reduced. That trend adversely affected the revenue from vehicle handling and brought about the underachievement of Plan baselines. Nevertheless, we estimate to improve the turnover in the second half-year because we acquired a new customer on the Car terminal in Chechov. The number of vehicles stored is expected to rise until a full occupancy of the storage areas is achieved by the year-end.

We were successful in acquiring the GM tender for three years again for the port forwarding services in the Port of Koper. Our tender for car transports from Koper to Russia is valid for the whole year and is subject to renewal at the year-end. Our car terminal in the Port of Koper will also accommodate the Europe-based manufacturing of Toyota, in addition to Porsche: that should improve the revenue from car terminal business of Intereuropa d.d.

In the **Shipping Agency** product, i.e. the company Interagent d.o.o., the plan objectives for the first half-year 2009 were not achieved. We were doing well in port agency services and have preserved the position of the leading shipping agent in terms of the number of ships represented in the Port of Koper. We represented 139 ships, or 33% less than in the comparable term last year. Also the number of container operations was greatly reduced, which affected the revenue of the comparable period a year ago. In the second half-year our effors will be dedicated to active search for a container line (shipowner) with a service connecting Koper, and acquisition of new business/customers by the Chartering and Port Agency Service. In the summer we will represent two hydrofoil crafts on the passenger line Trieste-Piran-Poreč-Rovinj, and engage in the operation and expansion of the KOBALINK Service that links Barcelona and Koper.

The **Airfreight** product yielded 77 percent of the planned contribution ratio 1 on the Group level. Only the company in Kosovo exceeded the plan.

The economic crisis has stricken the Airfreight segment quite heavily; the shipments handled here belong to a higher pricing category and are heavier, as a rule, often with exceptional dimensions. In the second half-year we envision better results, as customary for this segment. There are possibilities

for further product development in subsidiaries, which requires from us to continue with additional training for the staff and transfer of good business practices within the Group.
For the UPS product on the Group level, to which all business units in Slovenia, Croatia and Bosnia and Herzegovina belonged, we have not planned any income for the current year. After the sale of the business in Slovenia and Croatia (and our business units) in May, the cooperation with the principal on these two markets will discontinue. The Agency will only remain for the territory of Bosnia & Herzegovina.

1.2. Financial Result

The Group recorded the operating result **- Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA)** of € 6.5 million and achieved 42% of the plan. We have successfully streamlined direct costs with the reduced volume of operations: the percent of cost decrease was bigger than the fall in the sales turnover. The share of costs in the net sales revenues structure fell by 5 percentage points (from 59% in the first half-year 2008 to 54% this year). On the other hand, the indirect costs remained largely unchanged due to their fixed character, which resulted, along with the rise of expenses from the allowance for receivables, a less favourable operating profit/loss. The negative **Operating Profit or Loss** on the Group level in the amount of € -0.9 million was considerably lower than the plan; the highest underachievement of plan was recorded in the Parent Company Intereuropa d.d. (€ -5.5 million).

In the reporting term, the financial expenses were € 3.9 million higher than the financial revenues (thereof, € -220 thousand were net foreign exchange losses, € -3.95 million net interest, and € +270 thousand stand for net other financial activity). The profit or loss from ordinary activities came to € -4.8 million. In the reporting term we generated profit in the transfer of a part of an undertaking of Intereuropa d.d. (the UPS Branch Office) to the new branch of the UPS Group in Slovenia in the amount of **€ 2.2 million**, which is recognized in financial statements under the **Profit or Loss from Discounted Operations**. After deduction of taxes, the **Net profit or loss** for the reporting period was negative and came to € -3.1 million.

Tables 7 and 8: Financial results of the Intereuropa Group for January-June 2009, in thousand €

Item / Index	Jan-Jun 2009	Plan 2009	Jan- Jun 2008	Index 2009/plan	Index 2009/2008
Net Sales Revenues	96,779	134,467	132,231	72	73
EBITDA*	6,520	15,475	20,233	42	32
Operating Profit or Loss	-876	6,992	12,927	-	-
Financing Profit or Loss	-3,900	-5,676	-4,187	69	93
Net Profit or Loss	-3,064	91	6,805	-	-
Net sales revenues per employee/ month	6.242	8.693	8.388	72	74
Value added per employee/ month	2.017	2.694	2.882	75	70

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

Item / Index	30.06. 2009	Plan 31.12.2009	31.12. 2008	Index 2009/plan	Index 2009/2008
Balance Sheet Total*	435,340	456,085	451,678	95	96
Equity*	163,153	191,851	169,360	85	96
Short-term assets/ Short-term liabilities	0.62	1.00	0.47	63	131
Net Return On Equity (yearly level)**	-4.71%	2.34%	4.79%	-	-

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

As of 30 June 2009 the **Balance Sheet Total** amounted to € 435 million and was 4% below the figure achieved at the year-end 2008. On the Assets side, there was a decrease recorded in fixed assets by € 2.1 million (or 1%), and in short-term operating receivables by € 6.7 million (or 10%). On the Liabilities side, there was a decrease recorded in short-term financial liabilities by € 51.7 million (or 39%) and an increase in long-term financial liabilities by € 53.6 million (or 59%).

Since the year-end 2008, the share of financial liabilities in the structure of sources rose by 2.3 percentage point and reached 51.6 percent, while the share of capital in the structure of Liabilities remained on the level of 37.5 percent.

The Group meets its obligations to suppliers regularly and in due time, maintaining adequate liquidity reserves on the level of the Group and of individual company. From January to June 2009 we extended all short-term credit facilities used to maintain liquidity and bridging funds, and also brought the maturity of loans closer towards long-term facilities, in part. Additional attention is focused on collection of our receivables and establishing the credit standing of potential customers (their solvency), in order to maintain the exposure within the agreed framework and provide for adequate security.

1.3. Investments in Fixed Assets

In the first half-year 2009, the investments in fixed assets by the **Intereuropa Group** totalled € 12.8 million, thereof 11.5 million in real estate and 1.3 million in plant and equipment. The annual plan of investments was completed to the level of 40.4 %.

Table 9: Overview of Investment in January-June 2009, in thousand €

Company	Real property		Plant & Equipment		SKUPAJ		%
	Plan	Realiz.	Plan	Realiz.	Plan	Realiz.	of annual realiz.
Intereuropa d.d.	2,153	218	2,922	130	5,075	348	**6.9**
Other companies	19,724	11,271	6,772	1,143	26,496	12,413	**46.8**
TOTAL	**21,877**	**11,489**	**9,694**	**1,272**	**31,571**	**12,762**	**40.4**

In the reporting half-year, **Intereuropa d.d**. realized investments in fixed assets in the amount of € 348 thousand. It redeemed the co-ownership share on the facility at Vrtojba, repaired the warehouse roof at Jesenice and laid out the parking facility, fence and access road to the business unit in Celje. Other investments were spent on reconstruction of offices at the bonded store in Koper, the completion of office renovation at the head-office in Koper, wiring, the purchase of office equipment and equipment for fork-lifts, and other.

Our **Subsidiaries** invested € 12,762 thousand in fixed assets. The highest investment was made in the company OOO Intereuropa-East, Moscow, for the completion of the Logistics Centre Chechov (€ 9.7 million). Other major investments are: completion of the Samobor Logistics Centre of Intereuropa, Logistical Services d.o.o. Zagreb (€ 1.2 million), the purchase of land on the border pass Izačići by Intereuropa RTC d.d. Sarajevo, and the satellite and communications equipment by Intereuropa Transport d.o.o.. The largest portion of investments in intangible assets (rights and licences) was made by Intereuropa IT d.o.o. and Intereuropa Logistical Services d.o.o., Zagreb. Other investments included warehouse equipment with forklift trucks, delivery vans and cars, and computer equipment.

1.4. Human Resources Management

Employment trends

The number of employees in the Intereuropa Group **fell by 6% or 179 employees less** compared with the first half-year 2008. The total number of employees as of 30.06.2009 was 2,614. The number of lay-offs was highest in the companies Intereuropa Sajam d.o.o., Zagreb, Intereuropa Transport d.o.o., and Intereuropa d.d.. In other countries the changes were lesser.

Despite downsizing, we recruited **246 new employees** on the level of the Group, primarily to substitute the staff members whose labour relationship terminated for any reason (425). Most of these newly recruited were taken on in the companies Intereuropa East d.o.o. (126) and Intereuropa, Logističke usluge, d.o.o., Zagreb (55). Statistically, the staff of Intereuropa East d.o.o. was nearly entirely substituted: a similar number of employees at the year-end 2008 prove that the number of employees who left (129) was almost the same as the number of newcomers (126), resulting in 136 as at 30.06.2009.

Table 10: Employees in the Intereuropa Group according to countries, as of 30.06.09

	30.06.2009	31.12.2008	Balance 09-08	Index $_{09/08}$
Slovenia	**1,194**	1,300	-106	92
Croatia	**655**	707	-52	93
Other countries	**765**	786	-21	97
TOTAL	**2,614**	2,793	-179	94

Table 11: Other employees (students on average per month, labour hired through HR agencies) according to countries

	30.06.2009	31.12.2008	Balance 09-08	Index $_{09/08}$
Slovenia	**43**	138	-95	31
Croatia	**20**	46	-26	43
Other countries	**13**	64	-51	20
TOTAL	**76**	248	-172	31

In addition to full-time staff, there were 3 percent of other labour hired through HR agencies and Students' Job Centre working (compared with 9% at the end of first half-year 2008). The labour recruited through HR agencies comprised mainly warehouse workers.

Human Resources Development and Training

Table 12: Spending on Training in the reporting term January-June 2009

Plan Jan-Jun 2009 in €	Actual Jan-Jun 2009 in €	Index Actual/ Plan	Actual/ employee	No. of hours	No. of hours/ employee
230,000	94,162	41	36	11,854	5

Through various training programmes, seminars and professional meetings there were **11,854 hours (5 hours per employee on average)** allocated to acquire new knowledge/ skills **in January – June 2009**. In the Slovenian part of the Group, the employees were included with 7 hours on average, in other countries with 3 hours. Of all workforce, there were **31 percent of employees** involved in the education & training process, which was 15 percentage points below the comparable last year's level.
The highest share of training per employee was implemented in the companies Intereuropa IT d.o.o., Interzav d.o.o., Intereuropa subsidiaries in Austria and France. The average for the Parent Company was 8 hours, elsewhere with 3 hours on average.

In addition to **part-time study**, this year we have greatly increased the number of participants in **foreign language courses** and training on **sales skills**, in accordance with our strategy and HR development policy. The highest participation in language courses was in the Slovenian part of the

Group, where Russian language learners prevailed over other foreign languages, and in Intereuropa Logistical Services d.o.o. Zagreb. In Slovenia about 50 staff members took part in a two-day workshop on marketing and sales.

In addition to those, the **training forms on logistics**, primarily customs broking, warehouse management, as well as conventions and conferences from the field of logistics, had a share of 13 percent. Another important area was **Occupational health and safety** and other **related** know-how/ skills, such as information and IT skills, finance, accounting, and other technical seminars and meetings.

The **internal knowledge transfer stood for 8 percent** of the entire training scheme. Our internal coaches conducted primarily computer /IT courses and internal training on occupational safety. In September are scheduled internal training forms on Information solutions supporting the sales processes.

Our collaboration with educational institutions involved obligatory work practice/traineeship to 52 students of secondary schools or university.

HR-related measures to mitigate the negative outcome of recession and financial crisis

In accordance with the Resolutions streamlining the labour cost, we continued to provide for the **optimal HR structure by transferring the employees within and between the companies.** In the Slovenian part of the Group at least 72 employees changed their work area – either the organizational unit (company) or workplace, respectively.

In line with restricted employment policy, we did not extend labour relationships for a limited period of time. In Slovenia, the employment for a limited period of time expired for 43 employees, thereof for 27 truck drivers in international transport.

Under the so-called 'soft method approach', with severance pay to older employees who are eligible for compensation from the National Employment Service for the last year(s) before retirement, the labour relationship terminated before time to 11 employees for which reassignment to other work was not feasible.

We further reduced the employment of students and hired labour from 248 to 76 on the Group level, and from 138 to 43 in Slovenia.

Creating the organizational culture and work atmosphere in the company

Activities in support to maintaining health and well-being of our employees were carried on, such as:

- Our employees with inferior financial situation and difficult health condition were granted financial aid in total amount of € 20 thousand on the Group level;
- Our female workers received gifts for the Women's Day (8^{th} March);
- Our holiday facilities recorded a 42%-occupancy, which was only 2% less than the same term last year;
- A survey to measure the commitment and employee satisfaction was conducted in Slovenia: the results will be published in the coming months;
- Based on the Employee Profit Sharing Agreement for Intereuropa d.d. we paid out the profit to 116 employees who requested it, in the statutory term.

Assuring safety at work

In view of achieving higher standards in the area of occupational health and safety, we continue to:

- Assure compliance of workplace and work environment with requirements;
- Invest in improvement of work conditions (modernization of technological procedures);
- purchase new work equipment (personal computers, forklifts, lifting ramps, etc.);
- educate the staff for quality assurance, as well as the quantity of our services;
- Provide the personal protective equipment to comply with all the requirements;
- Test and measure ecological work conditions in the working environment.

Preventive Health Care: We referred 288 employees to preliminary, target periodical preventive medical check-ups to assess work capacity to authorized physicians of occupational medicine.

Training qualifying for safe work: In accordance with the plan for 2009, particular attention was dedicated to theoretical and practical in-service training for safe work and conduct of work process in the organizational units. All the required and scheduled internal and external training forms – instructing and testing on the occupational health and safety, fire safety, and handling with dangerous

goods (ADR) were implemented. There were 342 employees involved in occupational safety training forms.
Injury at work: There were 15 incidents at work in this half-year, compared to 21 in the same term last year. The analysis of accidents and factors proved that the injuries occurred mainly due to the personal factor of each individual (lack of attention, improper approach to work, by fault of others, neglecting the use of personal protective equipment, etc.).
Inspections and tests of working assets and equipment (machinery, devices, electrical and lightning conductor installations, etc.): In our organizational units, 74 types of working assets and work protective equipment were examined and tested, in particular those that involve a risk for injury or health impairment to our employees.
Fire safety and protection: Regular inspections of facilities, work environment, active and passive fire-fighting equipment, and accessory areas or premises for work were conducted in the scope of Fire Safety and Prevention. Technical documentation for individual facilities is being developed (fire threat assessment, fire safety plan and evacuation plan) in accordance with regulations.
Ergonomics and Ecology: Inspections of work premises and examination of work environment were conducted on sample workplaces.
Environmental Issues: The strict laws on the environmental protection demand a persistent concern in safeguarding the environment and regular maintenance of purifying appliances/ treatment plants. The persons responsible in our organizational units were conducting regular control inspections of purifying appliances or treatment plants, and provided current maintenance on them.

The health of our workforce is the concern of the top management of individual organizational units and of the line management, who are in charge of the particular work and responsible for undertaking and implementation of preventive measures under the Occupational Health and Safety requirements on daily basis, as well as assuring fire safety and prevention of accidents resulting from dangerous substances.

1.5. Total Quality Management

Maintaining the ISO 9001:2000 System

- The annual report on the quality management in 2008 was prepared in three companies with certification (Intereuropa d.d., Intereuropa Transport d.o.o., and Intereuropa d.o.o. Zagreb).
- At the annual review of these three companies we proposed the measures for improvement to address: 1. the processes measurement, aiming to test the QM indices and determine the QM goals for 2009; 2. the efficiency of implementation of the recommendations made by external or internal audits; and 3. the preparation of separate QM Manuals for the companies Intereuropa Transport d.o.o., Koper, and Intereuropa Logistical Services d.o.o., Zagreb.
- We have updated the Quality Management Manual (Edition 11) in accordance with the organizational changes and requirements of the updated ISO 9001:2008 standard. Currently, the Manual is being updated to comply with the organizational changes in the Managing Board (Edition 12).
- The Managing Board analysed the Customer Satisfaction Report (MMS) for the year 2008.
- Furthermore, we initiated and implemented the assessment of suppliers.

Internal quality of service auditing

In the first half-year we prepared the internal audit on the following processes of Intereuropa d.d.:

- Quality Management Process in the Parent Company
- Human Resources Management process
- Project Management process
- Warehousing and distribution process
- Seafreight process
- Groupage services and on-loading process
- Express Services process
- Sales process
- Accounting process

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

Verification of the HACCP System (for foodstuffs)

The verification of the HACCP System is scheduled for the second half-year. This system is also being established in the company Intereuropa Transport d.o.o..

External quality of service audit by the certification authority

External audits for the three companies with certification was performed on 12 March as the renewal audit, which means that it covered the three-year term of the quality management system. That was also a transitional audit to the new ISO 9001:2008 standard. The following organizational units were audited:

Intereuropa d.d.: The Managing Board and four supporting functions, BU Brnik (Ljubljana Airport), Koper, Sežana and Border Despatch Branch

Intereuropa Transport d.o.o. the management and Technical Department

Intereuropa d.o.o., Zagreb: Management Board, Branches in Zagreb and Osijek.

The findings of the five auditors confirmed that the quality management system of Intereuropa to be compliant with the requirements of the standard in all areas except two cases. There were two cases of non-compliance found and 21 recommendations issued.

The non-compliance related to deficient filling out of waybills in the company Intereuropa Logistical services d.o.o. Zagreb, and to exceeding of speed limit of a freight vehicle.

Our response regarding the non-compliance case and the recommendations was submitted to the certification authority SIQ one month before the deadline. The measures were assessed positively and we expect the renewed certificate for three years.

External audit for the company Interagent d.o.o. was performed in June, without any non-compliance found, but with 7 recommendations for improvement. The company got certification under the new ISO 9001:2008 Standard.

External audit for Intereuropa RTC d.d., Sarajevo, will be performed at the year-end. The company will establish the quality management system under the new ISO 9001:2008 Standard.

Following the external audit in Intereuropa Transport & Spedition GmbH, the company got certification under the new ISO 9001:2009 Standard and received the certificate in February 2009.

Development

Establishing the AEO (Authorized Economic Operator) Safety Management System in the Supply Chain

In February we launched the project to acquire the status of authorized economic operator. The status is acquired by reliable entities - partners in the logistics chain if the following 4 criteria are met: compliance with the Customs laws, well-organized customs and transport records, solvency, safety and security of facilities, goods and personnel.

The project team that was appointed to prepare the application for the status and the AEO self-assessment is getting ready for the preliminary audit to be performed by the Slovenian Customs Administration (CURS). The project requires outlining the safety plan for each location, House Regulations, internal regulations for terminals, and to manage the fleet of vehicles, integrate safety/ security into processes, update the Rules and process lists, and the required forms. The safety plans for the locations in Koper, Ljubljana and Maribor were already prepared, other terminals will follow.

1.6. Creating Value for Shareholders

Key Data on Intereuropa Share (IEKG)

- The Company's share capital is divided into 7,209,413 registered no-par-value shares tagged IEKG.
- The Intereuropa share was listed on the Ljubljanska Stock Exchange in 1998.
- Since 2005 it has been included in the Prime Market of the Ljubljana Stock Exchange.
- The IEKG share is also included in the structure of the SBI20 Stock Exchange Index.

Table 13: Key Data on Intereuropa Share (IEKG) for the term January-June 2009

	Jan-Jun 2009	Jan-Dec 2008
Number of shares*	7,902,413	7,902,413
Number of own shares*	18,135	18,135
Book value of share in €*	19.49	19.32
Net earning per share in €	0.15	0.39
Data on trading		
Market capitalisation in thousand €*	55,317	68,988
Turnover in thousand €	2,979	16,551
Average price in € *	7.00	8.73
Weighted average rate in €	7.62	31.81
Average rate in €	7.54	25.58
Highest rate in €	10.45	40.00
Lowest rate in €	5.20	7.89
Return on equity	-19.8%	-77.0%

** as of the last day of the accounting period*

Book value = capital/ (number of ordinary shares – number of own shares)
Net earning per share = Net profit/(number of ordinary shares – number of own shares)
*Market capitalisation = average rate at the year-end * number of shares listed in SE*
Return on equity = price increase in one year

Share Trading

While the turnover was modest, the Intereuropa share lost -19.8% of value in the first half-year. Over this term, the Slovenian Stock Exchange Index (SBI20) recorded a growth of 15.4%. The trading in the reporting term comprised 399,044 IEKG shares, or 5.05 % of all Intereuropa shares. The total turnover with IEKG amounted to € 2,979 thousand. The average daily turnover came to € 24 thousand. The average rate of the Intereuropa share (IEKG) was between € 5.40 to 10.34 per share.

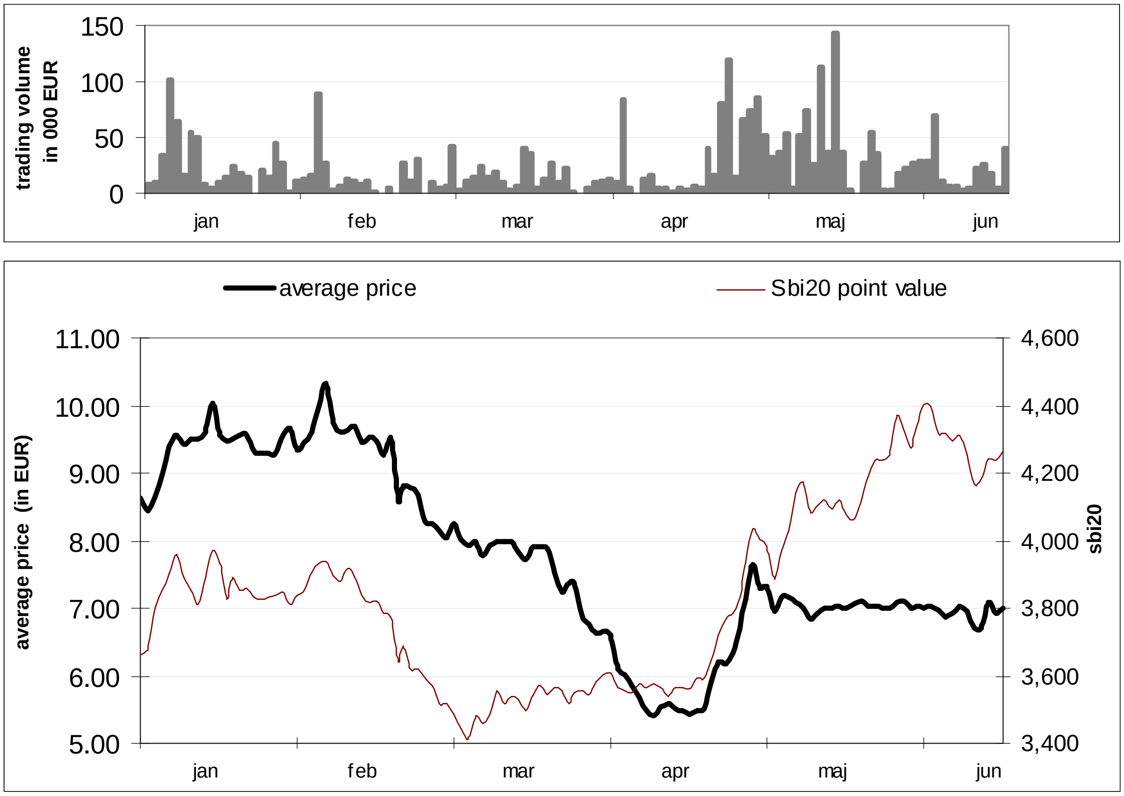

Figure 2: Movements of trading volume and average prices of IEKG share, and of the SBI20 Index in the term January-June 2009

Ownership structure

The number of new shareholders has risen this year. On the last day of June, there were 6,447 shareholders entered in the Share Register of Intereuropa d.d., or 370 shareholders more than on the last day of the preceding year.

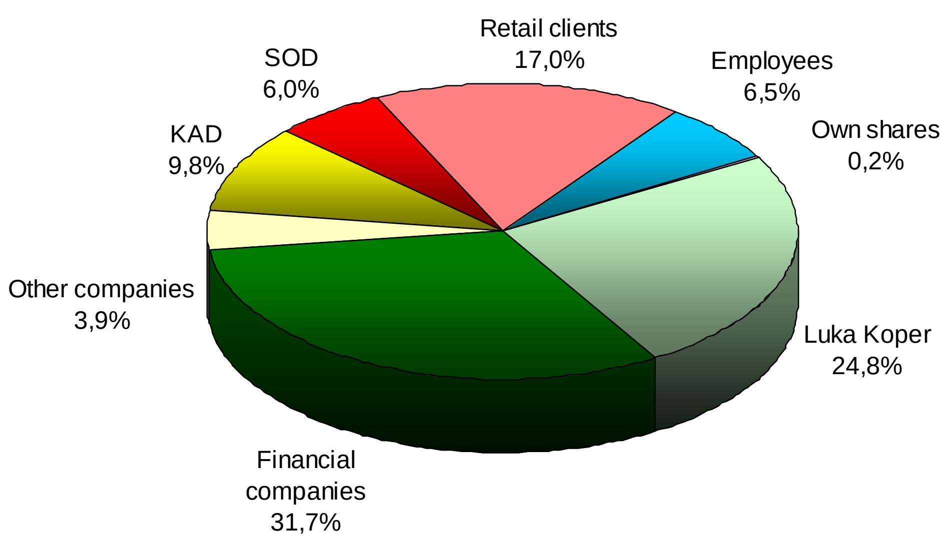

Figure 3: Ownership structure of ordinary shares of Intereuropa d.d. as of 30.06.09

Table 14: Top ten shareholders of Intereuropa d.d. as of 30.06.09 compared to 31.12.08

Curr. No.	Shareholder	30.06.2009		31.12.2008		Index Jun09/ Dec08
		Number of shares	Share	Number of shares	Share	
1.	LUKA KOPER, D.D.	1,960,513	24.8%	1,960,513	24.8%	100
2.	KAPITALSKA DRUŽBA, D.D.	719,797	9.1%	719,797	9.1%	100
3.	SLOVENSKA ODŠKODNINSKA DRUŽBA D.D.	474,926	6.0%	474,926	6.0%	100
4.	INFOND d.o.o. UVS INFOND GLOBAL	313,391	4.0%	324,039	4.1%	97
5.	NFD 1 DELNIŠKI INVESTICIJSKI SKLAD D.D.	304,312	3.9%	399,166	5.1%	76
6.	MAKSIMA HOLDING d.d.	287,993	3.6%	287,993	3.6%	100
7.	ZAVAROVALNICA TRIGLAV, D.D.	213,640	2.7%	213,640	2.7%	100
6.	DELNIŠKI VS TRIGLAV STEBER I, D.D.	152,482	1.9%	152,482	1.9%	100
9.	Primorski skladi d.o.o. PS MODRA LINIJA - DS	123,007	1.6%	123,007	1.6%	100
10.	ZAVAROVALNICA TRIGLAV, D.D. - KSŽZ	119,278	1.5%	119,278	1.5%	100

Tables 15 and 16: Shares held by members of Managing Board and Supervisory Board, as of 30.06.09

Managing Board	Number of shares	Shareholding
JONKE ONDINA, Member of the Managing Board – Human Resources Executive	3,080	0.039%

Supervisory Board	Number of shares	Shareholding
BRUNO KORELIČ, the Supervisory Board President	10	0.000%
NEVIJA PEČAR, Deputy of the Supervisory Board President	4,185	0.053 %
VINKO REBULA, Member of the Supervisory Board	450	0.006 %

Own shares

As of 30 June 2009, Intereuropa was holding 18,135 own shares, which represents 0.2295% of all ordinary shares of the Issuer. The Company acquired these shares in the organized capital market. Intereuropa d.d. purchased the shares pursuant to Article 247 paragraph 1 indent 8 of the Companies Act (ZGD-1), and the Resolution adopted by the 17th General Meeting of Intereuropa d.d., dated 6 July 2007.

Of the total number of shares issued: 7.902,413 by the Issuer Intereuropa, Globalni logistični servis, delniška družba, 7,884,278 shares or 99.7705 percent of all shares have the voting right, as of 31. 12. 2008.

The number of own shares has not changed since 31 December 2008.

The Company does not have any authorized capital and has not increased its share capital stock.

Dividend policy

The dividend policy of the Company Intereuropa d.d. was in line with the long-term stable growth of dividend payout until 2006. For the financial year 2006, a lower dividend payout was proposed for the first time, primarily due to major investments scheduled for the coming year 2007. The continuing investment cycle was the main reason for the proposed additional decrease of the dividend for the year 2007.

In the past Intereuropa had been paying out relatively high and stable dividend, which was feasible owing to the extraordinary income from financing activity and from the sale of real estate. In view of the concurrent investment cycle and the aggravated situation in financial markets, the continuation of such dividend policy would mean additional financial burden for Intereuropa d.d.

Given the operating result for the year 2008, the prospects for the current year and the completion of the investment cycle, the Managing Board of Intereuropa d.d. proposed that no dividend payout be made for the year 2008.

Along with the proposed no-dividend distribution for the preceding year, no participation in the profit has been earmarked for the Managing Board and Supervisory Board and accordingly, the proposal shall be made that the Accumulated Profit of the Company Intereuropa d.d. in the full amount of € 57,990 thousand remains undistributed.

After the future strengthening of the economic growth and the expected yield of the investments made by the Group, the Managing Board will address the dividend policy of the Company Intereuropa d.d. again and re-define it.

Despite the present economic crisis, Intereuropa d.d. meets its obligations to all creditors regularly and in due time and assures the bridging funds for the financing of working capital.

Table 17: Dividend Payout Overview

	Dividend payout in the year	
	2009	**2008**
Gross dividend per share, in €	0.00	0.58

Informing the shareholders

Press Releases, publications, reports and other information are available to the public through electronic system of electronic information system of the Ljubljana Stock Exchange/ SEOnet (www.seonet.ljse.si), our website (www.intereuropa.si), press conferences and other media. We will continue to keep our shareholders thoroughly informed in the future, too. Proposals and comments by shareholders should be e-mailed to info@intereuropa.si. We have also offered for interested investors to subscribe to the Intereuropa newsletter on our website.

2. OPERATION OF THE COMPANY INTEREUROPA d.d.

Tables 18 and 19: Operations of Intereuropa d.d. in January-June 2009, in thousand €

Item / Index	Jan-Jun 2009	Plan 2009	Jan- Jun 2008	Index 2009/plan	Index 2009/2008
Net sales revenue	52,153	73,190	73,321	71	71
Contribution Ratio 1	20,173	22,978	24,400	88	83
Land Transport	6,050	8,060	8,019	75	75
Logistics Solutions	6,215	7,473	7,496	83	83
Intercontinental Transport	5,009	4,624	5,688	108	88
Druge storitve	2,898	2,822	3,197	103	91
EBITDA*	228	5,788	3,462	4	7
Operating Profit or Loss	-2,109	3,437	1,128	-	-
Financing Profit or Loss	1,233	-1,010	2,056	-	60
Net Profit or Loss	1,218	1,865	3,122	65	39
Net sales revenues per employee/ month	9.613	13.560	12.996	71	74
Value added per employee/ month	2.257	3.335	2.770	68	81

** EBITDA: Poslovni izid pred obrestmi, davki in amortizacijo*

Item / Index	30.06. 2009	Plan 31.12.2009	31.12. 2008	Index 2009/plan	Index 2009/2008
Balance Sheet Total*	360,955	347,402	359,850	104	100
Equity*	153,700	157,698	152,312	97	101
Short-term assets/ Short-term liabilities	1.22	0.98	0.76	124	159
Net Return on Equity (yearly level) **	-4.71%	2.34%	4.79%	16	23

** 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 2009:

- **The Net sales revenues** amounted to **€ 52.2 million** and were 29 percent below the plan and last-year's figure According to business areas and segments, Logistics Solutions recorded the smallest variance in sales turnover compared with the plan and the first half-year 2008.
- In the **Contribution Ratio 1** of **€ 20.2 million** the underachievement of the plan was lower than in net sales revenue (-12 percent), and also lower than in the comparable term 2008 (-17%). The least underachievement of the plan was recorded by Intercontinental Transport (-10 percent)[3], while the highest was recorded in the Land Transport (-25%).
- **The Operating Profit/Loss** was **negative at -2.1 million €** and significantly behind the plan and below the result achieved in comparable term 2008. The reasons for decrease in the operating profit are primarily attributable to the fall of sales in all business areas (the worst hit was Land Transport) and to the fact that the costs were not streamlined to the reduced volume of operations (primarily labour cost). Similar reasons were decisive for the underachievement of the planned Operating Profit or Loss.
- A positive **result of financing** at **€ 1.2 million** can be largely attributed to the payout of profit (dividends) by some subsidiaries (Interzav, Intereuropa Sajam, Zetatrans). In addition, the Operating Profit/Loss also comprises the **Profit or Loss from Discontinued Operations at € 2.2 million,** which stands for the profit made in the transfer of a part of an undertaking of Intereuropa d.d. (the UPS Branch Office) to the new branch of the UPS Group in Slovenia. Therefore, the **Net profit /loss** for the reporting half-year was positive in the amount of **€ 1.2 million**.
- **The Net Return On Equity** was **0.44 percent** p.a., which is 2.36 percentage point below the Plan and by 1.36 percentage points lower than last year's result.
- The **sales-efficiency ratio** and **added value per employee** were declining and ca. 30 percent behind the plan.
- In the structure of Assets, the **share of capital** represents 43 percent (42% as at 31 Dec 2008), and the **current ratio** was 1.22 (compared to 0.76% as at 31 Dec 2008). A significant influence on the improved current ratio is primarily attributable to the changed maturity of the loans raised.

[3] Operations by UPS Branch eliminated.

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

In Russia, the first half-year 2009 was also affected by negative impacts of the global recession on the economic and financial sector, which slowed down investments in the commercial sector, resulted in a fall of 12.5% in the industrial production output, of the GDP at the beginning of the year 2009 and forecasts for a further 8.5% decrease by the year-end. The imports are shrinking due to the weaker ruble, estimated to go down by USD 190 billion (€ 139 billion[4]) this year.

Negative trends in the world have had their impact on the Russian automotive market, too. The sale of new cars in the first half-year 2009 was more than 40% lower than a year ago. Intereuropa' partner GM recorded a fall of more than 47% in Chevrolet brand.

The outcome of these circumstances was a 34-percent decline in the half-year's sale of Intereuropa-East based on the GM Contract, compared to the same term last year.

The measures to address the sales efficiency (acquiring new customers) were adopted. In June Intereuropa-East signed a contract with a new customer for storage and handling of KIA cars.

In Land Transport area, the half-year's result was considerably improved, despite the crisis. That can be attributed to some radical HR-related changes in March 2009, establishing of normal work in the departments, and the return of a part of leased vehicles. In the first half-year 2009, the sales in the area of Land Transport achieved nearly three-times bigger value than last year. The rise could have been even higher if the freight rates had not fallen by 30 percent due to crisis.

Tables 20 and 21: Operations of OOO Intereuropa-East, Moscow, January-June 2009, in thousand €

Item / Index	Jan-Jun 2009	Plan 2009	Jan- Jun 2008	Index 2009/plan	Index 2009/2008
Net sales revenue	**2,033**	**5,400**	**2,834**	**38**	**72**
Contribution Ratio 1	**1,940**	**3,120**	**2,691**	**62**	**72**
Land Transport	120	120	-23	100	-
Logistics Solutions	0	0	0	-	-
Intercontinental Transport (car logistics)	1,792	3,000	2,713	60	66
Druge storitve	28	0	0	-	-
EBITDA*	**-482**	**670**	**1,057**	**-**	**-**
Operating Profit or Loss	**-1,293**	**-1,013**	**514**	**128**	**-**
Financing Profit or Loss	**-2,639**	**-3,079**	**-3,889**	**86**	**-**
Net Profit or Loss	**-3,920**	**-4.092**	**-3,384**	**96**	**-**
Net sales revenues per employee/ month	2.725	7.895	6.256	35	44
Value added per employee/ month	0.599	2.751	3.668	22	16

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

Item / Index	30.06. 2009	Plan 31.12.2009	31.12. 2008	Index 2009/plan	Index 2009/2008
Balance Sheet Total*	119.813	150.028	116.188	80	103
Equity*	-359	56.110	425	-	-
Short-term assets/ Short-term liabilities	0,19	0,63	0,27	31	72
Net Return on Equity (yearly level) **	-393,48%	-14,14%	-86,89%	2.784	453

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

The storage services were not offered in the first half-year yet because the warehouses were not released for operation yet. They need to be equipped (by racks, information system, etc.) and provided with gas supply. The recession had an impact on the prices of storage, Too. If a pallet space cost USD 0.7 (€ 0.51) per day in 2008, it was slashed to USD 0.2 (€ 0.15) per day in this year. We have addressed the current situation by cost containment. In March 2009 we checked all contracts with suppliers and negotiated lower prices, and terminated some contracts. We also established financial cost control. All Department Heads received clear instructions on the spending. In addition, we are

[4] Exchange rate: 1 € = 1.37 USD

reducing the labour cost due to lower volume of operations on the car terminal. These measures helped us to a better cost management in the company.

The highest impact on the negative net profit/loss in the first half-year is attributable to the negative financing activity, resulting primarily from the fall of the ruble. The exchange rate of the ruble loss 5% against the Euro in the reporting term. The worst fall was recorded in January, by -10.2%, later the ruble exchange rate levelled off, while it improved slightly in the second quarter (+2.6%). The total financial result comprises foreign exchange losses of € 770 thousand that originate from short-term and long-term financial liabilities for loans received, primarily from the Parent Company. The remaining part of the negative financial result comprises interest expenses for loans received, at -1,740 thousand €, and other financial expenses (€ 130 thousand).
A major item that adversely affected the net profit/loss was the tax on property which is accounted at the rate of 2.2 percent on the book value of the activated fixed assets. In the reporting term, € 319 thousand was accounted for the tax on property and paid.
Irrespective of the negative profit/loss in the first half-year, there were some favourable shifts perceived in the operation. The added value per employee/month rose to € 582 in the second quarter (from € 270 in the first quarter). The negative EBITDA was € -359 thousand in the first quarter, and improved to € -123 thousand in the second quarter. The reasons for that are the increased contribution ratio 1 by 18 percent, the decrease in labour costs by 4 percent and the slashed cost of goods, materials and services by 77 percent.

The Managing Board of Intereuropa d.d. has defined the priorities for the company OOO Intereuropa East, Moscow and Logistics Terminal Chechov, and committed itself to:

- To complete the construction work at the terminal as soon as possible, and launch the operations in full volume;
- Strengthen the financial stability of operations and economic efficiency;
- Establishing an effective organization of work and information support at the terminal;
- Developing the human resources and supporting the transfer of good business practices and best available techniques into operations;

The activation of all resources in the Group leads to effective sales of comprehensive logistics services at the Chekhov terminal.

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 2008.

In the reporting half-year, Intereuropa Global Logistics Service, Durres, Albania is the new subsidiary, operating in Albania, which was not included in the last year's comparable reporting term.

THE MANAGING BOARD STATEMENT

The Managing Board hereby confirms that the the financial report of the company Intereuropa, Global Logistics Service, Ltd. Co. and the Intereuropa Group, to their best knowledge, is compiled in compliance with the appropriate framework of financial reporting and that it presents a true and fair account of assets and liabilities, financial position, and the income of the company Intereuropa, Global Logistics Service, Ltd. Co. and other companies included in the consolidated statements. The business report includes a fair account of information on relevant transaction with associated persons, and it is compiled in compliance with the relevant accounting standard.

INTEREUROPA d.d.
The Managing Board

1. FINANCIAL REPORT FOR THE INTEREUROPA GROUP

1.1. Financial Statements of the Intereuropa Group

CONSOLIDATED INCOME STATEMENT FOR INTEREUROPA GROUP

1 January – 30 June 09

in 1000 EUR	January June 2009	January June 2008	I 09/08
NET SALES REVENUES	**96.779**	**132.231**	**73**
Other operating revenues	1.873	7.564	25
Costs of goods, materials and services	64.098	92.210	70
Labour costs	24.759	25.204	98
Write-offs	8.765	8.041	109
a) Depreciation and revaluation operating expenses associated with intangible long-term assets and tangible fixed assets	7.396	7.306	101
b) Current assets revaluation adjustments and write-offs	1.369	735	186
Other operating expenses	1.906	1.413	135
OPERATING PROFIT OR LOSS	**-876**	**12.927**	**-**
Financial revenues from stakes	909	195	466
Financial revenues from loans given	916	490	187
Financial revenues from operating receivables	1.134	916	124
Financial expenses from impairment and write-offs of financial investments	144	147	98
Financial expenses from financial liabilities	6.038	5.164	117
Financial expenses from operating liabilities	677	477	142
PROFIT OF LOSS FROM ORDINARY ACTIVITIES	**-4.776**	**8.740**	**-55**
PROFIT OF LOSS FROM DISCONTINUED OPERATIONS	**2.239**	**0**	**-**
Corporation tax	512	1.879	27
Deferred tax	15	56	27
NET PROFIT OR LOSS FOR THE PERIOD	**-3.064**	**6.805**	**-**
Net profit or loss of the minority shareholdes	249	562	44
Net profit or loss of the majotity shareholder	-3.313	6.243	-

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR INTEREUROPA GROUP

1 January – 30 June 09

in 1000 EUR	January June 2009	January June 2008	I 09/08
Net Sales Revenues	**-3,064**	**6,805**	**-**
Other Comprehensive Income	**-2,427**	**-1,710**	**142**
Change in fair value of financial assets for sale	201	-1,085	-
Deferred taxes surplus from iz revaluation of financial investments	-29	305	-
Change in Net profit/loss brought forward	9	102	9
Consolidation capital adjustment (exschange rate translation differences)	-2,608	-1,032	253
Comprehensive income total	**-5,491**	**5,095**	**-**
Comprehensive income total of the minority shareholders	239	612	39
Comprehensive income total of the majority shareholders	-5,730	4,483	-

CONSOLIDATED BALANCE SHEET OF INTEREUROPA GROUP as at 30 June 09

in thousands of EUR	30.6.2009	31.12.2008	I 09/08
ASSETS	**435,340**	**451,678**	**96**
LONG-TERM ASSETS	**356,700**	**356,585**	**100**
Intangible fixed assets and deferred items	9,609	8,806	109
Tangible fixed assets	328,737	330,861	99
Investment property	7,271	7,790	93
Long-term financial investments	6,912	6,807	102
Long-term operating receivables	23	23	100
Deferred tax assets	4,148	2,298	181
SHORT-TERM ASSETS (without Short-term deferred assets)	**75,991**	**88,542**	**86**
Assets for sale and discontinued operations	10,089	10,523	96
Inventories	276	270	102
Short-term financial investments	2,064	1,888	109
Short-term operating receivables	60,691	67,353	90
Cash	2,871	8,508	34
SHORT-TERM DEFERRED ASSETS	**2,649**	**6,551**	**40**
SHORT-TERM ASSETS (with Short-term deferred assets)	**78,640**	**95,093**	**83**
LIABILITIES	**435,340**	**451,678**	**96**
CAPITAL	**163,153**	**169,360**	**96**
Capital of majority shareholder	**154,280**	**160,010**	**96**
Called-up capital	32,976	32,976	100
Capital reserves	49,403	49,403	100
Reserves from profit	12,507	12,469	100
Revaluation surplus	999	827	121
Net profit/loss brought forward	72,851	69,824	104
Net profit or loss for the financial year	-3,313	3,061	-108
Consolidation capital adjustment (exschange rate translation differences)	-11,143	-8,550	130
Capital of minority shareholders	**8,873**	**9,350**	**95**
PROVISIONS AND LONG-TERM ACCRUED ITEMS	**3,393**	**3,468**	**98**
LONG-TERM LIABILITIES	**146,864**	**92,179**	**159**
Long-term financial liabilities	144,687	91,112	159
Long-term operating liabilities	11	889	1
Deferred tax liability	2,166	178	1,217
SHORT-TERM LIABILITIES	**121,930**	**186,671**	**65**
Short-term financial liabilities	79,823	131,476	61
Short-term operating liabilities	42,107	55,195	76

CASH FLOW STATEMENT OF INTEREUROPA GROUP

1 January – 30 June 09

in 1000 EUR	January June 2009	January June 2008
CASH FLOWS FROM OPERATIONS		
Profit and loss account items	**10,886**	**10,963**
Operating revenues (except revaluation) and financial revenues from operating receivables	101,220	133,561
Operating expenses excluding depreciation and long-term provisions (except revaluation) and financial revenues from operating receivables	-91,153	-118,943
Corporation tax and other taxes not included in operating expenses	819	-3,655
Changes in working capital (and deferred and accrued items, provisions and deferred tax assets and liabilities) of operating items in the balance sheet	**856**	**-4,960**
Opening less closing operating receivables and short-term deferred assets	6,723	-13,337
Opening less closing inventories	-6	-77
Closing less opening operating liabilities	-5,861	8,454
Surplus inflows (outflows) from operations	**11,742**	**6,003**
CASH FLOWS FROM INVESTMENTS		
Inflows from investments	**1,987**	**4,018**
Inflows from received interest	127	306
Inflows from profit shares in others	257	3
Inflows from disposal of intangible assets and long-term deferred asstes	16	0
Inflows from disposal of tangible fixed assets and investment property	1,561	2,199
Inflows from disposal of long-term financial investments	26	130
Net decrease of short-term financial investments	0	1,380
Outflows for investments	**-15,947**	**-32,947**
Acqusition of subsidiaries net of cash acquired	-16	-5
Outflows for acquisition of intangible long-term assets	-1,200	-834
Outflows for acquisition of tangible fixed assets and investment property	-14,403	-32,102
Outflows for acquisition of long-term financial investments	0	-6
Outflows from incerase of short-term financial investments	-328	0
Surplus inflows (outflows) from investments	**-13,960**	**-28,929**
CASH FLOWS FROM FINANCING		
Inflows from financing	**35,889**	**37,134**
Inflows from received long-term loans	26,822	22,000
Inflows from increase of received short-term loans	9,067	15,134
Outflows for financing	**-39,719**	**-9,982**
Outflows for interest paid	-5,954	-4,528
Outflows for dividend payout and other profit participations	-490	-605
Outflows for repayment of long-term loans	-33,275	-4,849
Surplus inflows (outflows) from financing	**-3,830**	**27,152**
Net increase/decrease in cash	**-6,048**	**4,226**
Exchange rate effect	**411**	**71**
Cash at beginning of period	**8,508**	**8,380**
Cash at the end of period	**2,871**	**12,677**

STATEMENT OF CHANGES IN EQUITY OF INTEREUROPA GROUP

1 January – 30 June 2009

in 000 EUR	Share capital	Capital reserves	Legal reserves	Own shares reserves	Own shares	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. 2009	**32,976**	**49,403**	**12,469**	**-180**	**180**	**827**	**69,824**	**3,061**	**-8,550**	**9,350**	**169,360**
Comprehensive income total	0	0	0	0	0	172	4	-3,313	-2,593	239	-5,491
Transfer of retained net profit to reserves	0	0	38	0	0	0	-38	0	0	0	0
Transfer of net profit to retained net profit	0	0	0	0	0	0	3,061	-3,061	0	0	0
Dividend and other profit participations payout	0	0	0	0	0	0	0	0	0	-676	-676
Purchase of minority stakes	0	0	0	0	0	0	0	0	0	-40	-40
Closing balance 30. 6. 2009	**32,976**	**49,403**	**12,507**	**-180**	**180**	**999**	**72,851**	**-3,313**	**-11,143**	**8,873**	**163,153**

STATEMENT OF CHANGES IN EQUITY OF INTEREUROPA GROUP

1 January – 30 June 2008

in 000 EUR	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**
Comprehensive income total	0	0	0	-780	66	6,243	-1,046	612	5,095
Transfer of net profit to retained net profit	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
Purchase of minority stakes	0	0	0	0	0	0	0	-398	-398
Closing balance 30. 6. 2008	**32,976**	**49,403**	**12,182**	**5,249**	**75,512**	**6,243**	**-2,939**	**10,213**	**188,839**

INFORMATION ACCORDING TO BUSINESS SEGMENTS FOR JANUARY - JUNE 2009

	Slovenia		Croatia		Montenegro	
in € thousand	**Jan-Jun 2009**	**Jan-Jun 2008**	**Jan-Jun 2009**	**Jan-Jun 2008**	**Jan-Jun 2009**	**Jan-Jun 2008**
Revenues from external customers	61,584	87,528	16,453	21,348	3,393	3,535
Revenues from business with other segments	6,308	7,704	520	1,367	24	27
Total revenues	67,892	95,231	16,973	22,715	3,417	3,562
Depreciation	4,157	4,099	1,376	1,446	316	312
Operating profit or loss	-2,643	1,494	2,057	9,035	413	911
Revenues from interest rates	3,306	2,361	324	328	32	153
Expenses from interest rates	3,616	3,581	718	644	2	
Net profit or loss from ordinary activities	-1,499	3,323	1,702	8,911	443	1,064
Assets / Liabilities	384,506	375,435	77,330	84,994	23,677	27,547
Long-term assets	264,822	268,888	57,969	55,180	21,156	21,170
Investments in associated companies	75	191				

	Russia		Ukraine		Others	
in € thousand	**Jan-Jun 2009**	**Jan-Jun 2008**	**Jan-Jun 2009**	**Jan-Jun 2008**	**Jan-Jun 2009**	**Jan-Jun 2008**
Revenues from external customers	2,033	2,834	2,807	3,961	10,482	13,026
Revenues from business with other segments			28	36	946	1,287
Total revenues	2,033	2,834	2,835	3,997	11,427	14,313
Depreciation	811	544	121	168	629	674
Operating profit or loss	-1,293	514	78	5	484	904
Revenues from interest rates	20	15	0	0	0	16
Expenses from interest rates	1,892	2,049	70	60	163	340
Net profit or loss from ordinary activities	-3,932	-3,375	19	-135	55	589
Sredstva / obveznosti	119,813	90,973	11,753	15,875	30,523	32,803
Long-term assets	105,095	72,870	10,661	14,441	24,016	25,713
Investments in associated companies						

	Adjustment*		Group	
in € thousand	**Jan-Jun 2009**	**Jan-Jun 2008**	**Jan-Jun 2009**	**Jan-Jun 2008**
Revenues from external customers	27		96,779	132,231
Revenues from business with other segments	-7,826	-10,421		
Total revenues	-7,798	-10,421	96,779	132,231
Depreciation	-17		7,394	7,243
Operating profit or loss	28	50	-876	12,912
Revenues from interest rates	-3,041	-1,986	641	887
Expenses from interest rates	-1,863	-1,986	4,597	4,688
Net profit or loss from ordinary activities	-1,564	-1,652	-4,776	8,725
Assets / Liabilities	-212,264	-175,614	435,340	452,012
Long-term assets	-127,019	-116,795	356,699	341,466
Investments in associated companies	57	-36	132	155

* All adjustments are so subject to consolidation procedures.

1.2. Notes to Financial Statements of the Intereuropa Group

a) Notes to the INCOME STATEMENT

The **Net Sales Revenues** amounted to € 96,779 thousand. V primerjavi z enakim obdobjem preteklega leta so nižji za 27 %, stroški blaga, materiala in storitev pa izkazujejo 30 odstotno zmanjšanje.

Other Operating Revenues amount to € 1,873 thousand and comprise:

- Paid receivables for which the allowance was made in past years, (€ 589 thousand),
- Gains from the sale of tangible fixed assets of € 791 thousand (the profit in the transfer of tangible fixed assets into a contribution in kind represented the major part of this item last year),
- Income from debt write-off and reversal of long-term provisions (€ 102 thousand)
- Other revenues valued at € 391 thousand (damages received from insurance companies, income from badwill in additional purchases of shares in the controlled company, etc.).

The **costs of labour** were down by 2 %, primarily reflecting the decrease in other labour costs.

Write-downs/-offs rose by 9% as a result of write-downs/-offs and allowances for current assets, with an increase in value by € 634 thousand.

In the first half-year, the **Operating Profit /Loss** of the Group came to € -876 thousand.

Financial revenues from operating receivables, which were 24% higher than in the comparable term last year, stand for nearly one half of all financial income. **Financial revenues from shares** amounting to € 909 thousand represent the net profit from the jointly controlled company (€ 31 thousand), the revenue from shares from other companies (€ 18 thousand), the financial revenue from financial instruments at fair value through the Profit of Loss (€ 852 thousand), and other revenue (€ 8 thousand). Among **financial expenses** are worth mentioning: the interest expenses in the amount of € 4,591 thousand and expenses from foreign exchange differences (losses) are recognised at € 1,096 thousand.

The **effect of financial income and expenses** on the Profit or Loss amounted to € -3,900 thousand in the first half-year, while it came to € -4,187 thousand in the comparable term.

This year, the Group generated the **Profit /Loss from ordinary activity** of € -4,776 thousand.

The achieved Profit or loss from ordinary activities was improved by the **Profit or Loss from Discountinued Operations** of the Parent Company at € 2.239 thousand, which represents the income from the sale of a part of an undertaking in the UPS Branch Office.

Taking into account the tax on corporate profit and deferred taxes, the Group generated the **Net Profit** of € **-3,064 thousand** in the reporting half-year. The **Net Profit of the majority equity interest** amounts to € -3,313 thousand, whereas the **Net Profit of minority equity interest** comes to € 249 thousand.

b) Notes to the CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

The profit/loss of € -3,064 thousand is increased by the net effect of the revaluation to fair value of financial assets available for sale at € 172 thousand and by the changed Retained Net Profit in the amount of € 9 thousand, and decreased by the effect of foreign exchange losses from translation of € 2,608 thousand. Accordingly, the total comprehensive income in the reporting term shall be € -5,491 thousand.

c) Notes to the CONSOLIDATED BALANCE SHEET

Long-Term Assets

Long-term assets represent 82% of the assets of the Group, consisting mainly of Plant, Property and Equipment (tangible fixed assets) which stand for 92 % of all long-term assets.

In **Property, Plant and Equipment** we recorded a fall of 1 % (or € 2,124 thousand) due to higher depreciation for new investments in tangible fixed assets, including the cost capitalization for this item.

Most of the **Long-term financial investments** mainly originate from the Parent Company. The 2% increase thereof has largely resulted from the revaluation to fair value following the increased value of securities in the Stock Exchange.

Current Assets (incl. Deferred Costs and Accrued Revenues)

Current Assets (incl. DC and AR) show a decrease by € 16,453 thousand owing to short-term operating receivables lower by € 6,662 thousand, short-term deferrals/accruals by € 3,902 thousand, and cash and cash equivalents by € 5,637 thousand.

Assets held for sale valued € 10,089 thousand represent the long-term assets of the Group intended for sale. Thereof, the Plant, Property and Equipment intended for sale amount to € 3,828 thousand, and the financial assets for sale amount to € 6,261 thousand.

Short-term financial investments of € 2,064 thousand consist of short-term deposits and short-term loans granted to others.

The prevailing portion of **Short-term operating receivables** is the short-term trade receivables (€ 44,850 thousand).

The **short-term deferred costs and accrued revenues** are recognised in the amount of € 2,649 thousand. They mainly stand for accrued revenues in the amount of direct costs incurred, which are expected to be covered.

The share of **capital** (equity) in the total structure of Liabilities remains on the same level as on the comparable Balance Sheet cut-off date: 37%. The changes in individual items of capital (equity) are presented in the Comprehensive Income Statement and in the Statement of Changes in Equity.

As of the Balance Sheet Date, the Group had EUR 3,393 thousand of **unused Long-Term Provisions and Accrued Costs and Deferred Revenues**. The prevailing part of this Item comprises the provisions for pensions and similar obligations.

Long-term financial liabilities stand for 99% of all **long-term liabilities**, which are as at the Balance Sheet Date recognized at € 144,687 thousand and are 59 percent higher than at the comparable Balance Sheet cut-off date primarily due to re-scheduling of short-term loans into long-term loans in the amount of € 51,510 thousand. Also their participation in the financing sources rose by 10 percentage points, so they stand for 33% in the Liabilities structure.

Short-term financial liabilities of the Group amount to € 79,823 thousand and consist mainly of loans received.

Short-term operating liabilities amount to € 42,107 thousand. The greatest part of these liabilities (76 %) stands for the liabilities to suppliers.

2. FINANCIAL REPORT FOR INTEREUROPA d.d. (PARENT)

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

INCOME STATEMENT OF INTEREUROPA d.d.

1 January – 30 June 2009

in 1000 EUR	January - June 2009	January - June 2008	I 09/08
NET SALES REVENUES	**52.153**	**73.321**	**71**
Other operating revenues	310	300	103
Costs of goods, materials and services	38.910	56.754	69
Labour costs	12.014	12.166	99
Write-offs	2.968	2.727	109
a) Depreciation and revaluation operating expenses associated with intangible long-term assets and tangible fixed assets	2.337	2.334	100
b) Current assets revaluation adjustments and write-offs	631	393	161
Other operating expenses	680	846	80
OPERATING PROFIT OR LOSS	**-2.109**	**1.128**	**-**
Financial revenues from stakes	1.786	3.497	51
Financial revenues from loans given	3.046	2.094	145
Financial revenues from operating receivables	239	248	97
Financial expenses from impairment and write-offs of financial investments	144	94	154
Financial expenses from financial liabilities	3.677	3.592	102
Financial expenses from operating liabilities	17	97	18
PROFIT OF LOSS FROM ORDINARY ACTIVITIES	**-876**	**3.184**	**-**
PROFIT OF LOSS FROM DISCONTINUED OPERATIONS	**2.239**	**0**	**-**
Corporation tax	123	31	397
Deferred tax	22	31	71
NET PROFIT OR LOSS FOR THE PERIOD	**1.218**	**3.122**	**39**

STATEMENT OF COMPREHENSIVE INCOME FOR THE PARENT COMPANY INTEREUROPA d.d.

1 January – 30 June 2009

in 1000 EUR	January June 2009	January June 2008	I 09/08
Net Sales Revenues	**1,218**	**3,122**	**39**
Other Comprehensive Income	**170**	**-781**	**-**
Net Change in fair value of financial assets for sale	199	-1,086	-
Deferred taxes surplus from iz revaluation of financial investments	-29	305	-
Comprehensive income total	**1,388**	**2,341**	**59**

BALANCE SHEET OF INTEREUROPA d.d. as of 30 June 2009

in thousands of EUR	30.6.2009	31.12.2008	I 09/08
ASSETS	**360,955**	**359,850**	**100**
LONG-TERM ASSETS	**251,034**	**245,879**	102
Intangible fixed assets and deferred items	4,834	4,074	119
Tangible fixed assets	107,907	109,650	98
Investment property	6,572	7,081	93
Long-term financial investments	130,843	124,400	105
Deferred tax assets	877	674	130
SHORT-TERM ASSETS (without Short-term deferred assets)	**108,590**	**108,844**	**100**
Assets for sale and discontinued operations	3,571	3,571	100
Inventories	33	35	93
Short-term financial investments	73,438	71,575	103
Short-term operating receivables	31,452	33,584	94
Cash	97	79	122
SHORT-TERM DEFERRED ASSETS	**1,331**	**5,127**	**26**
SHORT-TERM ASSETS (with Short-term deferred assets)	**109,921**	**113,971**	96
LIABILITIES	**360,955**	**359,850**	**100**
CAPITAL	**153,700**	**152,312**	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	1,018	847	120
Net profit/loss brought forward	57,989	54,905	106
Net profit or loss for the financial year	1,218	3,085	39
PROVISIONS AND LONG-TERM ACCRUED ITEMS	**1,969**	**1,976**	100
LONG-TERM LIABILITIES	**116,046**	**63,246**	183
Long-term financial liabilities	115,792	62,412	186
Long-term operating liabilities	0	834	-
Deferred tax liability	254	0	-
SHORT-TERM LIABILITIES	**89,240**	**142,316**	63
Short-term financial liabilities	67,419	115,687	58
Short-term operating liabilities	21,821	26,629	82

CASH-FLOW STATEMENT OF INTEREUROPA d.d.

1 January – 30 June 2009

in 1000 EUR	January June 2009	January June 2008
CASH FLOWS FROM OPERATIONS		
Profit and loss account items	**4,858**	**1,102**
Operating revenues (except revaluation) and financial revenues from operating receivable	54,814	73,722
Operating expenses excluding depreciation and long-term provisions (except revaluation) and financial revenues from operating receivables	-51,554	-69,713
Corporation tax and other taxes not included in operating expenses	1,598	-2,907
Changes in working capital (and deferred and accrued items, provisions and deferred tax assets and liabilities) of operating items in the balance sheet	**1,562**	**-2,645**
Opening less closing operating receivables and short-term deferred items	6,335	-3,842
Opening less closing inventories	2	6
Closing less opening operating liabilities	-4,775	1,191
Surplus inflows (outflows) from operations	**6,420**	**-1,543**
CASH FLOWS FROM INVESTMENTS		
Inflows from investments	**6,120**	**3,239**
Inflows from received interest	319	335
Inflows from profit shares in others	1,345	907
Inflows from disposal of intangible assets and long-term deferred asstes	16	0
Inflows from disposal of tangible fixed assets and investment property	337	1,321
Inflows from disposal of long-term financial investments	4,103	676
Outflows for investments	**-13,953**	**-32,141**
Outflows for acquisition of intangible long-term assets	-848	-557
Outflows for acquisition of tangible fixed assets and investment property	-591	-7,201
Outflows for acquisition of long-term financial investments	-9,729	-394
Outflows from increase of short-term financial investments	-2,785	-23,989
Surplus inflows (outflows) from investments	**-7,833**	**-28,902**
CASH FLOWS FROM FINANCING		
Inflows from financing	**34,584**	**36,496**
Inflows from received long-term loans	26,754	22,284
Inflows from increase of received short-term loans	7,830	14,212
Outflows for financing	**-33,152**	**-5,922**
Outflows for interest paid	-4,277	-3,556
Outflows for dividend payout and other profit participations	-3	-3
Outflows for repayment of long-term loans	-28,872	-2,363
Outflows from decrase received short-term loans	0	0
Surplus inflows (outflows) from financing	**1,432**	**30,574**
Net increase/decrease in cash	**19**	**129**
Exchange rate effect	**-1**	**-4**
Cash at beginning of period	**79**	**86**
Cash at the end of period	**97**	**211**

STATEMENT OF CHANGES IN EQUITY OF INTEREUROPA d.d.

1 January – 30 June 2009

in 000 EUR	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. 2009	**32,976**	**49,403**	**11,096**	**180**	**-180**	**847**	**54,905**	**3,085**	**152,312**
Comprehensive income total	0	0	0	0	0	170		1,218	1,388
Transfer of net profit to retained net profit	0	0	0	0	0	0	3,085	-3,085	0
Closing balance 30. 6. 2009	**32,976**	**49,403**	**11,096**	**180**	**-180**	**1,017**	**57,990**	**1,218**	**153,700**

STATEMENT OF CHANGES IN EQUITY OF INTEREUROPA d.d.

1 January – 30 June 2008

in 000 EUR	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**
Comprehensive income total	0	0	0	-781		3,122	2,341
Transfer of net profit to retained net profit	0	0	0	0	19,383	-19,383	0
Closing balance 30. 6. 2008	**32,976**	**49,403**	**11,096**	**5,226**	**59,645**	**3,122**	**161,468**

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

a) Notes to the INCOME STATEMENT

Net Sales Revenues amount to € 52,153 thousand. Compared to the first half-year 2007, these Revenues were by € 21,168 thousand below the last year's figure, while the **cost of goods, materials and services** were lower by € 17,844 thousand.

The **labour costs** were recognized in the accounted values that were 1 percent lower than the last year's comparable term, as a result of other labour costs.

Write-downs/-offs rose by 9% as a result of write-downs/-offs and allowances for current assets, with an increase in value by € 238 thousand.

The **Operating Profit /Loss** for this year's first half-year came to € -2,109 thousand and was by € 3,237 thousand lower than the figure achieved in the comparable figure a year ago, which can be attributed to the effect of a more acute fall in the income categories than in expense categories.

Financial revenues from shares amounting to € 1,786 thousand consist of the revenue from shares from companies in the Group (€ 1,056 thousand), the revenue from shares in associated companies (€ 109 thousand), dividend and capital gains (€ 21 thousand) and financial revenue from financial instruments at fair value through the Profit of Loss (€ 600 thousand). The **Financial revenues from loans** were higher by € 952 thousand on the account of higher income from loans granted to companies in the Group.

Financial expenses mainly relate to the expenses for loans received from banks.

The **effect of financial income and expenses** on the Profit or Loss amounted to € 1,233 thousand, while it came to € 2,056 thousand in the comparable term a year ago.

Profit or loss from ordinary activities came to € -876 thousand.

In the reporting half-year we sold a part of the undertaking within the UPS Branch and presented it as the Stoppage of Operation. The **Profit /Loss from Discontinued Operations** was recognized at € 2,239 thousand.

Taking into account the expenses for corporate profit tax and deferred taxes, the Parent Company of the Intereuropa Group generated the **Net Profit/Loss** of € 1,218 thousand in the first half-year.

b) Notes to the COMPREHENSIVE INCOME STATEMENT

The profit/loss of the reporting term at € 1,218 thousand shall be increased by the net effect of the revaluation to fair value of financial assets available for sale (€ 170 thousand); accordingly, the Comprehensive Income comes to € 1,388 thousand.

c) Notes to the BALANCE SHEET

Long-term assets stand for 70 % of all assets and were higher by € 5,155 thousand than on the cut-off date of the comparable term a year ago, primarily on the account of capital increases of subsidiaries and of long-term loans granted to subsidiaries.

The Property, Plant and Equipment represent 30% of all assets and show a fall of 2% under the comparable figure of last year, which is attributable to depreciation that came higher than the value of new investments.

Long-term investments

The capital increase in the company OOO Intereuropa East, Moscow amounting to € 3,330 thousand, on the account of long-term loans, had an effect on the increased value of the investment in the subsidiary, and on decrease of the loans granted to the subsidiary. However, the increase of long-term financial investments is primarily attributable to the capital increase of the company Intereuropa Transport d.o.o. amounting to € 1,100 thousand, and to the loans of € 5,250 thousand that were granted to subsidiaries.

A decrease of 4 percent was recorded in the **Current Assets (incl.** Deferred Costs and Accrued Revenues). It has resulted from the increased short-term receivables for interest in the Group (by € 2,800 thousand) and loans granted to subsidiaries (by € 5,250 thousand), and from the decreased receivables to other customers (by € 2,849 thousand) and deferred costs and accrued revenue (by € 3,796 thousand).

The **capital** expresses equity financing of the Company and is regarded as its liability to the owners. As of 30.06.09, it amounts to 43 % of all liabilities in broader sense.

As of the Balance Sheet Date, the Company had € 1,969 thousand of unused **long-term provisions and Accrued costs and deferred revenues**. The prevailing part comprises the provisions for pensions and similar obligations.

The **long-term financial liabilities** are recognised at € 115,792 thousand and primarily relate to the long-term financial liabilities to banks (€ 113,944 thousand). They rose on the account of re-scheduling of short-term loans into long-term loans in the amount of € 51,510 thousand.

Short-term financial liabilities amount to € 67,419 thousand and consist mainly of short-term loans received.

Short-term operating liabilities of € 21,821 thousand primarily relate to the liabilities to suppliers.

E. CONCLUSION

The first half-year 2009 was marked by the decline in economic activity and global trade volume. In the light of declining goods flows, the market of logistical services was exposed to pressures on prices which only strong providers, offering a wide range of services and embedded in global supply chains can stand and afford. In response to such a situation logistics providers have adapted their operations by careful planning to streamline their costs and introduce measures to assure a positive cash flow. It arises from the half-year's results published by some logistics providers that the sales results of the second quarter were even lower than in the first quarter, which leaves no hope for any substantial improvement before the end of the year 2009.

In the first half-year 2009 the Intereuropa Group generated **a net sales turnover** of € 96.8 million, which remained 28 percent behind the sales target. The highest variance from the plans was recorded in Land Transport and in the Car Logistics Product (Intercontinental Transport). Compared with the same period a year ago, the net sales turnover achieved in the reporting term was 27% lower.

The investment in fixed assets came to € 12.8 million. Three quarters of these funds were invested in the completion of the logistics hub in Chechov (Moscow), with a clear focus on the completion and furnishing of the warehouse facilities to commence the warehousing service as soon as possible. After the staff changes in the Managing Board, the latter got acquainted with the investment-related situation in Moscow. Other investments in fixed assets were only released or implemented within the liquidity potential of individual company and subject to additional study of feasibility of the concrete investment.

The Group recorded the **Earnings Before Interest, Tax, Depreciation and Amortisation** of € 6.5 million and achieved 42% of the plan. We have successfully streamlined direct costs with the reduced volume of operations: the percent of cost decrease was bigger than the fall in the sales turnover. Their share in the net sales turnover structure fell by 5 percentage points. On the other hand, the indirect costs in their large fixed portion and along with the rise of expenses from the allowance for receivables, burdened the Operating profit/loss, which was negative in the first half-year and amounted to € -0.9 million. The planned Operating Profit or Loss was not achieved; the highest underachievement of plan was recorded in the Parent Company Intereuropa d.d. (€ -5.5 million).

In the first half-year, the financial expenses exceeded the financial revenue by € 3.9 million. In addition, we generated a profit in the transfer of a part of an undertaking of Intereuropa d.d. (the UPS Branch Office) to the new branch of the UPS Group in the amount of **€ 2.2 million**, which is recognized in financial statements under the **Profit or Loss from Discontinued Operations**. After deduction of taxes, the **Net profit or loss** for the reporting period was negative and came to € -3.1 million.

On 10 June 2009, the new Managing Board took position: Ernest Gortan as President and Marko Jazbec as Deputy President; in 60 days after appointment they shall prepare a comprehensive program of measures and propose to the Supervisory Board a comprehensive groundwork with organizational, staffing, business, financial and developmental baselines, with goals for stable and profitable operation of the Company Intereuropa d.d. and of the Intereuropa Group as a whole. Within that program platform, the Managing Board will outline the profile for the third and fourth Member of the Managing Board and propose it to the Supervisory Board.

This period means the worst business and financial position for the Intereuropa Group to date. The Managing Board of Intereuropa has a firm goal and commitment to the customers, employees, shareholders and banks to accomplish an intense and comprehensive recovery scheme and restructuring of the Group, while in the shorter run, to prepare a new Strategic Business Plan of the Intereuropa Group for the term 2010 – 2014 before the year-end.

INTEREUROPA d.d.
President of the Managing Board
Ernest Gortan

Gortan