

INTEREUROPA GROUP

Global Logistics Service, Ltd. Co.

*Unaudited Interim Report
for
INTEREUROPA Group,
January-March 2009*



InterEuropa[®]

Global Logistics Service

The INTEREUROPA d.d. corporation is publishing this Unaudited Interim Report of the Intereuropa Group for January-March 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-March 2009 shall also be published on the web site of INTEREUROPA d.d. www.intereuropa.si, on 21 May 2009.

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A. INTRODUCTION

The Intereuropa Group generated a net sales turnover of €48.9 million in the first quarter of the year 2009. The effect of shrunken goods flows and a decline in orders for transport services, by which the entire logistics industry was faced in the reporting term, affected the demand in the key markets of the Intereuropa Group, too. We were behind the last year's quarterly sales results by 22 percent, which is a decline comparable to the fall in the sales turnover of numerous logistics providers on the European and global scale¹. A similar decline was recorded in the Parent Company Intereuropa d.d., whose net sales turnover came to €26.8 million.

On the level of the Group we achieved €700 thousand of operating profit and €3.0 million of negative net profit, which can be attributed to low economic activity, high financial expenses for investment financed by foreign sources, and movement of exchange rates of currencies in the home countries of the companies of the Groups. The Parent Company Intereuropa d.d. closed the first quarter of the year by €69 thousand of negative Net Profit.

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	IEKG are listed in the Prime Market of the Ljubljana Stock Exchange (Ljubljanska borza d.d.).
Managing Board	Zvezdan Markežič, President since 23.3.2009 (former Deputy President) Andrej Lovšin, M.A., President until 23.3.2009 Ondina Jonke, Member – Human Resources Executive
President of the Supervisory Board	Boštjan Rigler

The Intereuropa Group	
Number of employees	2,733 employees
Vehicle fleet	more than 600 Company-owned trucks and delivery vans
Total warehousing area	več kot 260.000 m ² lastnih skladiščnih površin
Total land area	more than 2,200,000 qm of land
Membership in international organizations	FIATA, IATA, FETA, FONASBA, BIMCO, IRU
Quality Certificates	<ul style="list-style-type: none"> • ISO 9001:2008 Certificate for logistics services in the Parent Company Intereuropa d.d. and its subsidiaries: Intereuropa Logističke usluge, d.o.o. Zagreb, Intereuropa Transport d.o.o., Koper, and Transport & Spedition, GmbH, Troisdorf • ISO 9001:2000 Certificate for logistics, awarded to the subsidiary Intereuropa RTC d.d. Sarajevo • ISO 9001:2008 Certificate for shipping agency services in subsidiary Interagent d.o.o. Koper
Own branch network	Slovenia, Croatia, Serbia, Kosovo, Bosnia and Herzegovina, Macedonia, Austria, Germany, France, the Ukraine, Russia, Montenegro, Albania

¹ Fall of Net sales revenue of some logistics providers in the first quarter 2009 compared to first quarter 2008:

Kuehne&Nagel Group -20,8%; **Panalpina Group** -20,3%; **Logwin AG** -22,5%;

Deutsche Post DHL -12,9% (Mail -4,5%, Express -25,9%, Global forwarding, freight -18,2%, Supply chain -5,8%)

Major events in the reporting period January- March 2009

January

- The subsidiary Intereuropa, Logističke usluge, d.o.o., Zagreb affiliated its daughter company ITAR d.o.o. Zagreb with effect from 1 January 2009.
- 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.

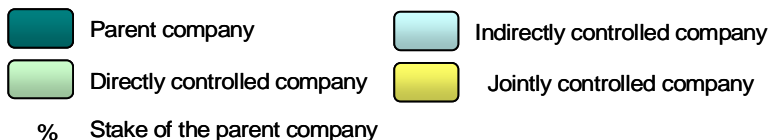
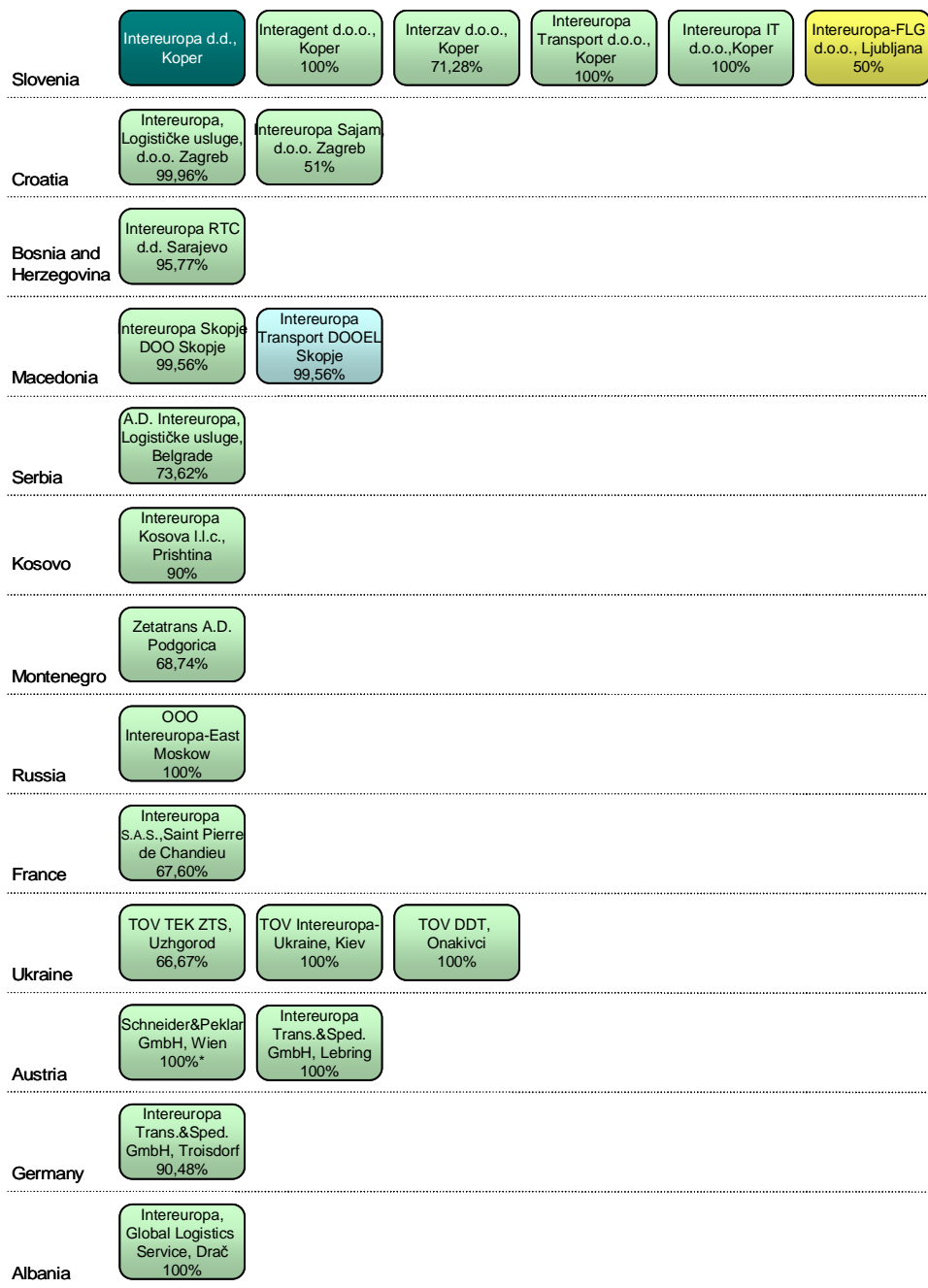
March

- On 1 March 2009, Intereuropa introduced the daily groupage trucking service 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 6 March the Director of affiliate Intereuropa-East d.o.o., Moscow, Esad Ajeti turned over the lead to Mihael Novodvorsky, who was then in the position of the Head of Car Terminal in the Intereuropa Logistics Centre Moscow/Chekhov.
- 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.A., from his office and appointed Mr Zvezdan Markežič, the former Deputy President, to the position of Managing Board President.

Major events after the reporting period:

- On 7 April Intereuropa d.d. published having signed an Agreement to re-finance the long-term loan for the Logistics Centre Chekhov/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 EUR 100.6 million for a ten-year term, with one-year grace period regarding 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.

The Organisation of the Intereuropa Group



*The subsidiary Intereuropa, Logističke usluge, d.o.o., Zagreb affiliated its daughter company ITAR d.o.o. Zagreb with effect from 1 January 2009.

Development Strategy of the Intereuropa Group

Corporate Vision:

To be recognised as the leading provider of integral logistics services in Central and South-East Europe.

The motto we pursue is: "From partial to integral logistics services."

Mission Statement:

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

Our values are:

Professional attitude towards customers, adaptability and flexibility, responsibility, team work and the appreciation of our employees.

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

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

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

This will be achieved by:

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

Back in the year 2007 we upgraded our strategic baselines with a focus on penetrating new markets in Eastern Europe: primarily Russian Federation and the Ukraine, where we envision a huge market potential, firstly in automotive logistics, followed by other business areas of our Group.

Next to expansion to new markets, our principal goal is to become the first and foremost logistics provider in the SE Europe: we are implementing it by further development and investing in the markets in which our presence has a long tradition and our company is well recognised.

The plan for 2009 (in million €):

- Net sales revenue totalling: 282.1 (6% growth)
- Earnings Before Interest, Taxes, Depreciation and Amortisation (EBITDA): 36.0
- Operating Profit or Loss: 18.2
- Net Profit or Loss: 4.4 (ROE 2.3%, ROA 1.0%)

B. BUSINESS REPORT

1. OPERATING PERFORMANCE OF INTEREUROPA GROUP

1.1. Sales achievements

Economic environment and trends

The Organization for Economic Cooperation and Development (OECD) corrected its economic growth forecast for the current and next year dramatically downwards. **For this year (2009), the world's GDP is expected to fall by 2.75% and the volume of international trade is estimated to shrink by 13.2%.**

According to latest Eurostat data, in the last quarter of the year 2008 the GDP in the Euro zone was 1.6 % lower than the preceding quarter of the year; the annual growth rate in 2008 was only 0.8 %. In the last quarter, the only positive trend to the overall GDP growth was recorded in public consumption, while **the export showed the greatest negative outcome.** The declining trend in the economic activity of the euro zone continued in January, too. The volume of industrial production in completed construction projects fell by 17.3% and 9.2% resp.during the year. New orders placed to industry decreased by more than one third below the level in last January. Also the turnover in the retail trade fell by ca. 2.1% during the year. The unemployment rate rose by 0.9% in the first two months and reached 9.1% in February.

In Slovenia, after the economic growth rate achieved 3.5% in 2008, **this year** we expect a **fall in the GDP in real terms (IMF -2,7% | UMAR -4,0 /Slovenian Institute for Macroeconomic Analysis and Development -IMAD)** for the first time after 1992, which will result from all the stronger negative impacts of the global depression and financial crisis. Already in the last quarter 2008 did Slovenia see negative economic growth (-0.8%) due to declining exports and investing activity. Furthermore, the decreased demand from abroad will bring about a considerable fall in exports (-8.6%), primarily of goods. On top of that, the downturn of investment will be even worse (-12.0%), as a result of our great dependency on exports and the situation in international environment which have a bearing on the investing activities of enterprises. The sources of financing are limited, and investing in building and construction is expected to level off during the year.

Only in the year 2010 can we expect positive economic growth (1.0%) again, provided that the global recession eases down.

Table 1: Economic environment of the Intereuropa Group

Countries	GDP growth, in %		Growth of industrial prod., in %		Inflation, in %		Growth of exports, in %		Growth of imports, in %	
	2008	Forecast 2009	2008	Forecast 2009	2008	Forecast 2009	2008	Forecast 2009	2008	Forecast 2009
Slovenia	3.54	-2.70	-1.2	0.7**	5.70	0.50	4.7	-5.0**	6.1	-21.3**
Croatia	2.36	-3.53	4.2	4.2	6.07	2.50	5.6	6.4	6.3	6.4
Bosnia & Herzegovina	5.50	-2.99	6.3	6.0	7.40	2.10	20*	21.5*	18.5*	10*
Macedonia	5.00	-2.00	1.6	1.7	8.28	1.00	8.4	8.6	8.8	9.1
Serbia	5.43	-2.00	4.0	4.0	11.70	10.04	5.4	6.0	7.3	7.0
Russia	5.60	-5.98	5.8	5.5	14.12	12.87	7.0	6.5	19.8	16.6
Francija	0.72	-2.95	-0.5	0.4	3.16	0.46	1.4	0.9	2.0	1.8
the Ukraine	2,10	-8.01	7.5	7.1	25.20	16.77	4.5	5.2	18.0	13.4
Austria	1,76	-2.99	4.4	2.6	3.22	0.51	4.6	4.6	4.6	5.2
Germany	1,29	-5.61	3.1	2.7	2.75	0.10	4.3	3.7	3.5	3.1
Kosovo	5.20	5.60	-	-	8.40	2.00	-	-	-	-
Montenegro	7.50	-2.70	3.0	3.0	8.99	1.66	1.9*	8.8*	27.8*	7.5*

(*) nominal growth rate

(-) no data available

** I 2009 / XII 2008 (for Slovenia only)

SOURCES:

IMF World Economic Outlook Database, April 2009

JAPTI po The Economist Intelligence Unit, IMF, Statistical Office of Slove

New Kosova Report

UMAR

Sales Revenue by Intereuropa Group

On the Group level, a net sales turnover of €48.9 million was achieved in the first quarter 2009. The effect of shrunken goods flows and a decline in orders for transport services worldwide was also perceived in the key markets of the Intereuropa Group, i.e. in SE and East Europe. Accordingly, we were behind the last year's quarterly sales turnover by 22 percent, which is comparable with the results achieved by other major logistics providers in Europe. Such an extensive impact of the economic recession could not have been foreseen in the Plan for 2009, so the target sales turnover saw an underachievement of 27 percent. In part, the variance from the plan is attributable to the seasonal nature of the first quarter of the financial year. The highest variance from the plan was seen in Land Transport and in the Car Logistics Product (Intercontinental Transport).

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

	Business area	Jan-Mar 2009	Structure	Index 2009/plan	Index 2009/2008
1	Land Transport	25,119	51%	70	75
2	Logistics Solutions	6,784	14%	88	93
3	Intercontinental Transport	15,594	32%	72	76
4	Other Services	1,360	3%	105	89
	TOTAL	48,858	100%	73	78

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

		Jan-Mar 2009	Structure	Index 2009/plan	Index 2009/2008
1	EU Member States	33,185	68%	73	76
2	Non-EU countries	15,673	32%	74	80
	TOTAL	48,858	100%	73	78

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

Table 34: Net sales revenues of the Intereuropa Group by geographical area, in € thousand

		Jan-Mar 2009	Structure	Index 2009/2008
1	Slovenia	15,396	32%	64
2	Croatia	7,789	16%	84
3	Russia	5,174	11%	305
4	Bosnia & Herzegovina	1,856	4%	84
5	Serbia	1,107	2%	75
6	Montenegro	1,707	3%	102
7	Other countries	15,830	32%	70
7a	Other EU Member States	11,472	23%	65
7b	Other countries	4,358	9%	88
	TOTAL	48,858	100%	78

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

On the level of the Group, we recorded the contribution ratio 1 at €22.4 million², which represents a 15% underachievement of the figure of the comparable term 2008, and 16% behind the plan. The worst affected was Land Transport due to a decline in orders for transport services and pressure on the rates, whereas the adverse outcome of the recession is less visible in Seafreight and Logistics Solutions.

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

	Business area	Jan-Mar 2009	Structure	Index 2009/plan	Index 2009/2008
1	Land Transport	10,797	48%	76	82
2	Logistics Solutions	5,846	26%	90	94
3	Intercontinental Transport	4,489	20%	93	83
4	Other Services	1,315	6%	102	89
	TOTAL	22,447	100%	84	85

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

		Jan-Mar 2009	Structure	Index 2009/plan	Index 2009/2008
1	EU Member States	12,300	55%	88	86
2	Non-EU countries	9,265	41%	82	87
	TOTAL	22,447	100%	84	85

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

The **Continental Transport** Area brings in more than one half of net sales revenue of the Group. We implement our baselines in line with the European trends in all segments of transport modes. Actively involved in product development in the Land Transport area, we are also flexible in the markets and endeavour to expand and upgrade the transport network; in the first place we promote and support of the progress in technological equipment that promises to greatly improve the efficiency in the future, and offer our customers accessible, faster and safer modes of goods transport.

We have not achieved the Plan Targets for the first quarter of the year. The reasons can be found in partner change in the German transport market who discontinued their cooperation with us in the first quarter of the preceding year and we have not substituted them yet, in addition to the economic depression which emerged in the last quarter of 2008. In the future, we need to assure an even stronger business cooperation with partners from abroad or alliances with strategic partners, resp.

The outcome of partners' change and recession is most visible in the product **Groupage services**. Though we managed to retain the physical volume of shipments in the markets covered by the Group, we have not achieved the planned sales turnover. That can be attributed to shashed freight rates due to increasing competition and higher production costs per unit, resulting from the loss of consignments of strong partners.

In **Express Delivery Service** there was a considerable fall in the volume/quantity of goods from our regular clients (as much as 30%) as an outcome of the economic recession. The highest share of revenue still comes from our companies in Croatia and Slovenia, followed by great improvement in Bosnia and Herzegovina. In Slovenia, we were able to retain the level of quality and maintain continual growth, and we achieved the planned net sales results. Several our companies have acquired new business from which we expect additional quantities of cargo and improved economies of scale.

The core revenue in Land Transport is still generated by **Road Transport**, with Intereuropa Transport d.o.o., Koper contributing the greatest share in the net sales revenue structure. In the reporting term we recorded a downturn in the volume of transport services, attributable to the recession and declining demand in the market as a follow-up. **Customs Services** in the Intereuropa Group still remain a very important supporting service. Compared with the dramatic fall of imports in Croatia (by 30%), the

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

downturn in the sale of customs services in Croatia is less acute (ca. 15%), which is an acceptable result.

The product **Railway Transport** in the Group is jointly managed with the 50%-owned affiliated company Intereuropa-FLG, d.o.o., Ljubljana and in cooperation with the Austrian company Express-Interfracht International Spedition GmbH, which owns the other 50% in the capital of Intereuropa-FLG.

The **Logistics Solutions** Area generates 14% in the net sales revenue structure on the Group level. The target for the first quarter was not achieved. The recession was strongly felt already in February when we faced a decline in volume of some key customers. The decrease of goods flow was also perceived in numerous small-scale customers, as well as longer storage times, cutting down the inventories' volume and the pressure on prices. The subsidiary in Macedonia recorded growth over the same term a year ago; the most successful was the company in Montenegro. In Croatia the variance from the sales targets is largely attributed to the plan that included the additional 5,000 qm of the warehouse in Samobor (Zagreb) with effect from January 2009: in fact this facility will become operational only in June 2009.

Intense commercial activities on larger logistics projects are carried out in individual organizational units, the commercial effects of these are expected in the summer.

The **Intercontinental Transport** Area contributed 32% of the Group's net sales revenue in the reporting term. We were behind the sales targets for car logistics primarily due to the situation in automotive industry. Variance from the sales plan was recorded in all the companies of the Group, attributable to the global financial crisis and recession to which we are exposed as part of international business and handling goods flows on global scale.

In the **Sea-Freight** product we came close to the planned Contribution Ratio 1 in Slovenia, which is a very good result considering the recession. The result achieved in Slovenia-based companies of the Group is very important: the Slovenian part of the Group represents the basis of sea-freight services. The targets were achieved in the products Conventional Cargo and RO-RO, while we were slightly below the plan in Containerized Cargo.

Our companies operating abroad encountered a much tougher situation in the market than last year, however, they came close to the Contribution Ratio 1 of the first quarter of 2008. In Macedonia, the Ukraine and Kosovo we surpassed last year's results, but remained slightly below in Croatia and Bosnia and Herzegovina. We acquired some new customers for container transport and saw an ample rise in containerized transport of cigarettes through the Port of Koper. This trend is expected to continue in the second quarter of the year. Also the affiliates acquired some new customers, taking advantage of favourable purchasing terms granted to us directly by the shipowners and through our partners on the level of the Group. In consolidated sea-freight we did the preparatory work for introducing a new direct line in consolidated service from Dubai to Podgorica (Montenegro). For the line Singapore - Koper we offer rates for direct service to our terminals in the companies of our Group (Zagreb, Sarajevo, Belgrade, etc.). We intensified our sales campaign for the LCL-service throughout the Balkans. In conventional cargo, the turnover of fruit and vegetables was very satisfactory and so was the turnover achieved by Petrol.

We envision for the second quarter of the year that the Sea-freight product remains on the same level. In the event of improved global and local economic situation in the second half-year, we estimate that the contribution ratio 1 could achieve the plan. Our affiliates continue to focus on servicing the transport routes of full containers and consolidated LCL loads.

Car logistics is deeply in the global crisis which overwhelms our customers, too. The turnover of their vehicles was significantly lower, which reflected on our operations as well. The Parent Company Intereuropa d.d. recorded a decline in the contribution ratio 1 by nearly one third below the plan. A significant variance from the plan was also seen in the Chechov Car Terminal: we recorded a considerably lower volume of vehicle turnover in the first two months. That had a bearing on less income earned from storage and handling. Despite the great recession and shrunken car turnover in the Port of Koper, the Slovenian part of Intereuropa has come very close to the target contribution ratio 1. We renewed the contract with the General Motors (GM) and established contacts with potential customers for storage at the Car Terminal in Chekhov.

We expect better performance of the Car Terminal in Russia in the second quarter of the year, based on the improvement recorded in the last few weeks. We will continue addressing potential customers in order to utilize the remaining warehouse capacity at Chechov. In Slovenia, we will maintain our current activities and monitor the market of car logistics – transport of cars by land; in the given recession it is very difficult to compete with foreign hauliers.

In the **Shipping Agency** product (the company Interagent d.o.o.) we were behind the plan objectives. We represented a fewer of ships (70) and the highest fall was recorded in car carriers. In the comparable term last year we represented as many as 105 ships. Nevertheless we remain the leading shipping agent as regards the number of ships represented in the Port of Koper. In the Chartering Department we did not fulfil the planned Contribution Ratio 1 at 15 percent, despite the favourable season for salt transports.

An increased number of ships carrying the cars is expected in the second quarter of the year. The focus of the company remains on 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.

The **Airfreight** product shows a setback behind the plan on the level of the entire Intereuropa Group, which is not entirely surprising. Sales turnover in this segment is better in the second half-year, as a rule; moreover, the air-freight is now exposed to severe pressures under the global crisis. Our units in Kosovo and Macedonia were performing within the plan. Non-availability of high-value cargo is a reflection of the crisis. As a rule, such cargo travels by air, but in the period of falling sea-freight rates it moves back to consolidated container shipments. We have perceived such trend in our region, Too. Nevertheless, we expect higher sales results in the second quarter of the year.

In the product **UPS** international express/courier service we were slightly behind the Contribution Ratio 1 targets in Slovenia and Croatia. Despite the setback we assess these operations as successful: it is typical of the courier service branch (and air-freight services) that consignments of higher pricing range are being serviced, in particular urgent shipments. In Bosnia and Herzegovina, where our cooperation with the UPS will remain in force, we achieved less favourable results than expected; the prospects for the second quarter are better and this trend is likely to continue in the second half-year.

1.2. Financial Result

The achieved **earnings before interest, tax and depreciation (EBITDA)** of €4.3 million reached well over one half of the planned level or the result in the comparable term a year ago, respectively. The variance resulted from the declining sales and the fact that a part of the fixed costs (i.e. labour cost prevailing) did not follow the decreased income. As regards direct costs, the efforts for cost cutting and cost management are visible: the costs lost 6 percentage points more than the drop in sales turnover. In the reporting term we also recorded higher expenses for the allowance for accounts receivable, which can be attributed to a general impairment of liquidity in the economic sector. The **Operating Profit or Loss** on the Group level in the amount of €0.7 million was considerably lower than the plan; the highest underachievement of plan was recorded in the Parent Company Intereuropa d.d. Koper (€2.5 million).

In the reporting term, the financial expenses were €3.6 million higher than the net sales revenues (thereof, €-2.1 million were net foreign exchange losses, €-1.8 million net interest, and €+ 350 thousand stand for net other financial activity). The **Net profit or loss** for the reporting period was negative and came to €-3.0 million.

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

Item / Index	Jan-Mar 2009	Plan 2009	Jan-Mar 2008	Index 2009/plan	Index 2009/2008
Net sales revenue	48,858	66,634	62,951	73	78
EBITDA*	4,253	8,384	7,901	51	54
Operating Profit or Loss	703	4,143	4,222	17	17
Net Profit or Loss	-2,984	692	1,732	-	-
Net sales revenues per employee/ month	6.216	8.616	8.078	72	77
Value added per employee/ month	2.055	2.690	2.522	76	81

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

Item / Index	31.03. 2009	Plan 31.12.2009	31.12. 2008	Index 2009/plan	Index 2009/2008
Balance Sheet Total*	447,284	456,085	451,678	98	99
Equity*	161,537	191,851	169,360	84	95
Short-term assets/ Short-term liabilities	0.55	1.00	0.47	55	116
Net Return On Equity (yearly level)**	-7.15%	2.34%	3.75%	306	191

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

On 31.03.2009 the **Balance Sheet Total** amounted to €447 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 €7.0 million (or 2%), and an increase in short-term operating receivables by €6.8 million (or 10%). On the Liabilities side, there was a decrease recorded in short-term financial liabilities by €25.4 million (or 19%) and an increase in long-term financial liabilities by €25.1 million (or 28%).

Since the year-end 2008 the share of financial liabilities in the structure of sources rose by 0.4 percentage point and reached 49.7 percent.

1.3. Investments in Fixed Assets

In the first quarter 2009, the investments in fixed assets by the **Intereuropa Group** totalled €1.6 million, thereof 0.9 million in real estate and 0.7 million in plant and equipment. That stands for 5.2 % of the annual plan of investments.

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

Company	Real property		Plant & Equipment		SKUPAJ		% of annual realiz.
	Plan with adjustm.*	Realiz.	Plan with adjustm.*	Realiz.	Plan with adjustm.*	Realiz.	
Intereuropa d.d.	2,169	135	2,907	105	5,075	240	4.7
Subsidiaries	18,873	777	6,487	574	25,360	1,351	5.3
TOTAL for the GROUP	21,042	912	9,394	679	30,436	1,591	5.2

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

In the reporting term **Intereuropa d.d.** realized investments in fixed assets in the amount of €240 thousand. It redeemed the co-ownership share on the facility at Vrtojba and purchased some cars. Other investments were spent on the parking lot in Celje Branch, completion of office renovation at the head-office in Koper, the purchase of tongs for fork-lifts, and some other equipment.

Our **Subsidiaries** invested €1,351 thousand in fixed assets. The highest investment among these was made in the company Intereuropa, Logističke usluge, d.o.o., Zagreb: the completion of the Samobor Logistics Centre. The highest investments in intangible fixed assets (licences, rights) were made by the affiliates 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

As of 31.03.2009 there were 2,733 employees in the Intereuropa Group, or **60 less than** at the end of the year 2008. The companies with the highest downsizing rate were Intereuropa Transport d.o.o. (-27) and OOO-Intereuropa East, Moscow (-11); the number of employees rose by 7 in the company Intereuropa, Logistical Services d.o.o., Zagreb, which took over the employees from the target company ITAR d.o.o., Zagreb. The changes to number of employees are very small in other companies of the Group.

In total we recruited 153 new employees in the whole Group, mainly to substitute the staff members whose labour relationship terminated for any reason (natural wastage). The overall fluctuation rate in our biggest companies was 3.6 percent.

Table 10: Employees in the Intereuropa Group according to countries, as of 31.03.2009

	31.03.2009	31.12.2008	Index _{09/08}
Slovenia	1,271	1,300	98
Croatia	690	707	98
Other countries	772	786	98
TOTAL	2,733	2,793	98

Human Resources Development and Training

We are well aware that our Company will only be able to manage the change by qualified and motivated employees, therefore we invested in the human resources development 5,851 hours in total Group, or 2 hours per employee on average. New knowledge and skills were acquired by 22 percent of employees, which was 7 percent below last year's level.

The highest participation was recorded in the companies Interzav d.o.o. (20 hours), Intereuropa IT, d.o.o (11 hours), Intereuropa S.A.S., Saint Pierre de Chandieu (7 hours), whereas the Parent Company averaged 4 hours.

Table 11: Spending on Training in the reporting term January- March 2009

Plan Jan-Mar 2009 in €	Actual Jan-Mar 2009 in €	Index Actual/ Plan	Actual/ employee	No. of hours	No. of hours/ employee
115,000	46,563	40	17	5,851	2

In accordance with our strategy and HR development policy, we focused on foreign languages and training on sales skills.

In **language skills forms** were involved the employees of Intereuropa Logistical Services d.o.o. Zagreb and of the Slovenian part of the Group, where Russian language learners prevailed over other foreign languages.

Sales skills had 10% more hours/ participants involved in training than in the same term last year. In Slovenia about 50 staff members (Managers and sales executives) took part in a 2-day workshop on marketing and sales. This year's participation in the training forms on **Occupational Health and Safety** was 4 percent higher than in comparable term year ago. Also **work and study programmes** (part-time study) have increased considerably.

In addition to these, our employees were involved in training forms on

- **logistics**, in particular concentrating on customs broking and attending various technical meetings on logistics,
- other **specific and professional skills**, highlighting computer-related skills and technical seminars on a variety of fields (informatics, accounting, etc.).

Our **internal knowledge transfer programme was slightly reduced** as there were only a few new employees and we did not organize induction seminars like last year. In the coming months are scheduled training forms under the ISPRO Project (Information system supporting the business processes). Our internal coaches have conducted computer courses and internal training on occupational safety.

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

In accordance with the Resolutions streamlining the labour cost, we provided for the **optimal HR structure by transferring the employees within and between the companies.**

Gradually we are reducing student employees engaged through the Student Job Centre, labour force provided by HR-agencies and employment for a limited term. In the reported term we downsized student employees and those recruited through HR-agencies. In the coming months the employment contracts of a number of such employees will be terminated. We are also negotiating with the agency that provides us the most hired labour to reduce the commissions.

In the past three months we intensively analyzed and arranged for consultancy on potential termination of labour relationship before time by 'soft method approach', with severance pay to older employees in the organizational units with redundancies in which reassignment is not feasible. Such termination arrangements are expected in the coming months; in addition, a number of employees will reach retirement age.

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

- Financial aid was granted to our employees who had to cope with inferior financial and difficult health condition (EUR 11 thousand);
- Our female workers received gifts for the Women's Day (8th March);
- Our holiday facilities recorded a 60%-occupancy, quite comparable with the same term last year (62%);
- We started measuring the satisfaction and commitment of employees.

Assuring safety at work

Health and safety at work is an indispensable part of work process, along with quality management, towards achieving the goals set in our Group.

- Preventive Health Care: We referred 163 employees (135 last year) to preliminary, target periodical preventive medical check-ups to assess work capacity to authorized physicians of occupational medicine.
- **Training qualifying for safe work:** In the organizational units we implemented 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).
- **Injury at work:** There were 9 incidents at work (12 in the same term last year). The analysis of accidents 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, etc.): In our organizational units we examined and tested the working assets and work protective equipment which could lead to an injury or health impairment to our employees, and has to be inspected and tested under the prescribed terms (deadlines). There were 34 sets of different working assets/equipment examined and tested.
- **Fire safety and protection:** Regular inspections of facilities, work environment and accessory areas or premises for work were conducted in the scope of Fire Safety and Prevention.
- Ecology: Examination of work environment was conducted on sample workplaces.
- Environmental Issues: The laws on environmental protection that grow stricter from year to year 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 quality-management-related condition of the three companies with certification (Intereuropa d.d., Intereuropa Transport d.o.o., and Intereuropa Logistical Services, d.o.o. Zagreb) was examined by the top management in the year 2008. The management review has revealed that the quality management system is being maintained, however, changes are required in the processes measurement (testing the QM indices, determining the QM goals for 2009), efficiency of implementation of the recommendations made by external or internal audits, and the preparation of separate QM Manuals for the company Intereuropa Transport d.o.o., Koper, and Intereuropa Logistical Services d.o.o., Zagreb. We have also updated the Quality Management Manual (Edition 11) in accordance with the organizational changes and requirements of the updated ISO 9001:2008 standard. In the scope of the Report on Customer Satisfaction for the year 2008 we initiated the supplier assessment procedure of our contractors for road transport and freight forwarding services.

Internal quality of service auditing

In the reporting term we conducted internal audits of the Quality Management process in the Parent Company, of the HR Management process, Project Management process, Storage and Distribution process, and Sea-freight process.

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

External quality of service audit by the certification authority

The external audit in the three companies with certification took place on 12 March 2009. It was the renewal audit, which means that it covered the three-year term of the quality management system. That was also a transitionally audit under the new standard, due to our declared intention to be audited under 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, Logistical Services 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 and exceeding the speed limit of a freight vehicle.

The persons responsible have to remedy the non-compliance cases and report to the certification authority in three months' time. After the measures addressing the non-compliance cases are dealt with, the SIQ will issue a new certificate for the term of three years.

Development

Certification of the quality management system of Intereuropa Transport & Spedition GmbH.

One year ago we perceived the need for certification under the ISO 9001:2000 standard in the subsidiary Intereuropa Transport & Spedition GmbH. The Key customers requested a certified quality management system and the management of the company decided to undergo a certification under the new ISO 9001:2008 Standard in the second half-year. The company received the certificate in February 2009.

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 partners in the logistics chain if the following criteria are met: Compliance with the Customs laws, well-organized customs and transport records, solvency, safety and security of facilities, goods and personnel. A project team was appointed to prepare the application for the status, self-assessment and readiness for a preliminary audit to be performed by the Customs Administration.

Demand for 'ecological storage'

In the first quarter we perceived the demand (from two customers) for logistical services – storage of ecological products, with the requirement for an eco-certificate. At present we only have the eco-certificate for the storage in the business unit in Koper.

1.6. Creating Value for Shareholders

Share Trading

The Intereuropa share (IEKG) lost 15.7% of value in the reporting term, whereas the SBI20 Stock Exchange Index lost 4.0%. In the comparable term a year ago the Intereuropa share lost 15.4% of value and the SBI20 Index lost 23.7%. In January-March 2009 the average rate of the IEKG share slid from €10.34 to 7.23.

The average daily turnover with IEKG amounted to €37 thousand. The trading comprised 130,843 IEKG shares, or 1.7% of all Intereuropa shares.

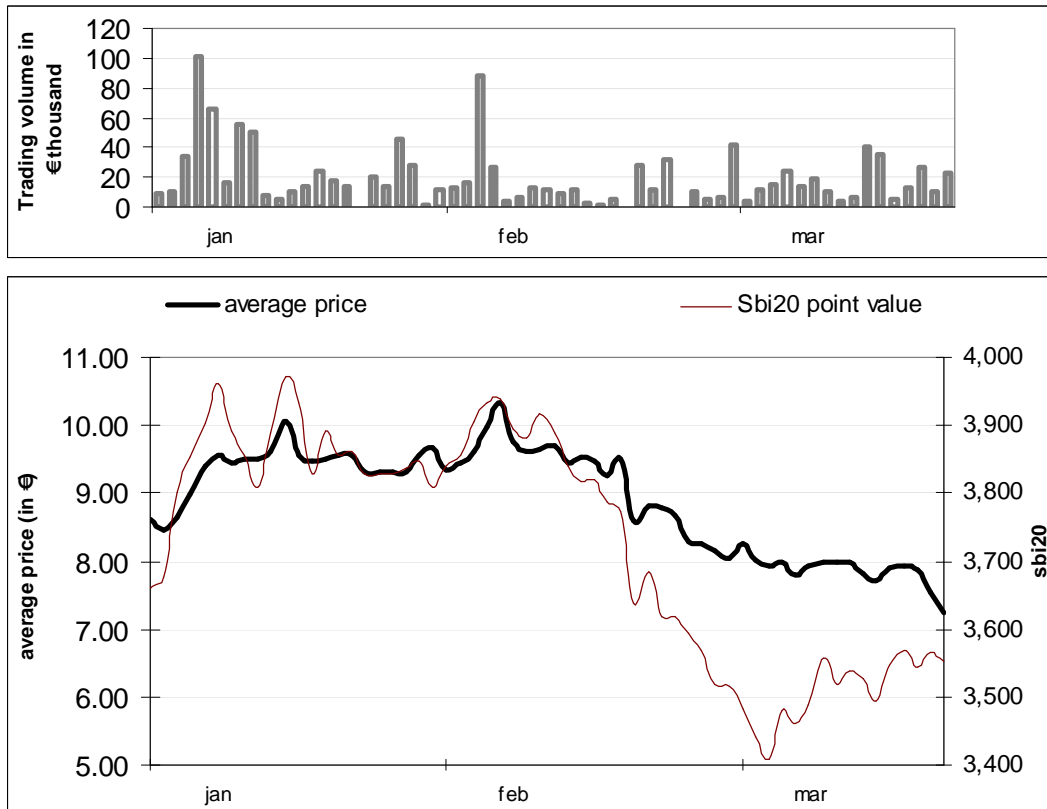


Figure 1: Movements of trading volume and average prices of IEKG share, and of the SBI20 Index in the term January-March 2009

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 12: Key Data on Intereuropa Share (IEKG) for the term January-March 2009

	Jan - Mar 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 €	19.30	19.32
Net earning per share in €	-0.01	0.39
Data on trading		
Market capitalisation in thousand €	58,162	68,988
Trading volume in thousand €	1,158	16,551
Average price at the end of term, in €	7.36	8.73
Weighted average rate in €	8.91	31.81
Average rate in €	8.70	25.58
Highest rate in €	10.45	40.00
Lowest rate in €	7.00	7.89
Return on equity	-15.7%	-77.0%

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

Ownership structure

The ownership structure has not essentially changed during the reporting period.

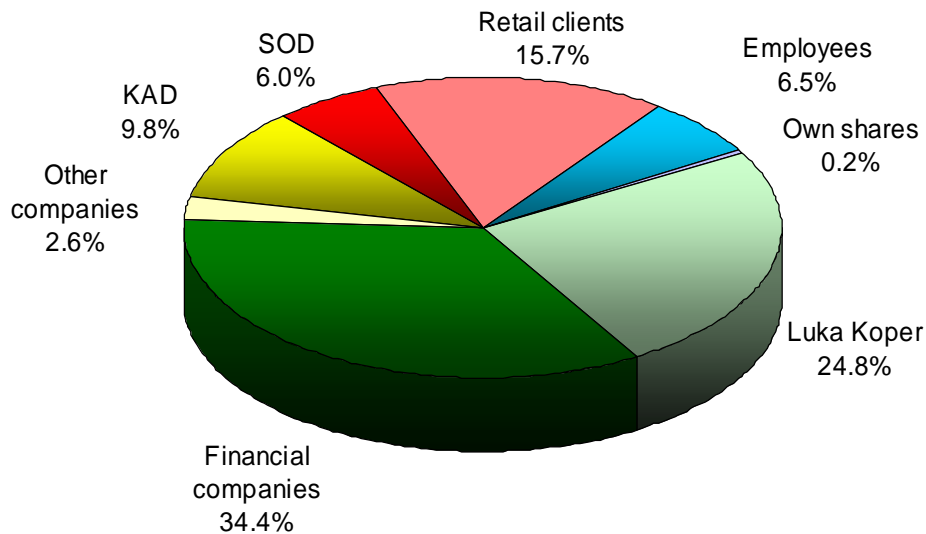


Figure 2: Ownership structure of ordinary shares of Intereuropa d.d. as of 31.03.2009

In the middle of April 2009 the shareholder Nacionalna finančna družba informed us that its equity investment fund NFD1 Delniški investicijski sklad, investicijska družba, d.d. sold 94,854 IEKG shares. After the sale, the Equity Investment Fund NFD1 Delniški investicijski sklad, investicijska družba d.d. still holds 304,312 IEKG shares or 3.86% of voting rights.

Table 13: Top ten shareholders of Intereuropa d.d. as of 31.03.09 compared to 31.12.08

Curr. No.	Shareholder	31.03.2009		31.12.2008		index mar09/dec08
		No. of shares	Share-holding	No. of shares	Share-holding	
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.	NFD I DELNIŠKI INVESTICIJSKI SKLAD D.D.	399,166	5.1%	399,166	5.1%	100
5.	UVS INFOND GLOBAL*	313,391	4.0%	324,039	4.1%	97
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.	VS PROBANKA GLOBALNO NALOŽBENI SKLAD	159,124	2.0%	159,124	2.0%	100
9.	DELNIŠKI VS TRIGLAV STEBER I, D.D.	152,482	1.9%	152,482	1.9%	100
10.	PS MODRA LINIJA - DELNIŠKI SKLAD	123,007	1.6%	123,007	1.6%	100

*Note: Status restructuring in Infond ID, d.d.

Tables 14 in 15: Shares held by members of Managing Board and Supervisory Board, as of 31.03.2009

Managing Board	No. of shares	Shareholding
MARKEŽIČ ZVEZDAN, President of Managing Board after 23.03.2009	3,094	0.039%
ANDREJ LOVŠIN, M.A., President of Managing Board until 23.03.2009	49,650	0.628%
JONKE ONDINA, Member of the Managing Board – Human Resources Executive	3,080	0.039%

Supervisory Board	No. of shares	Shareholding
NEVIJA PEČAR, Deputy President of the Supervisory Board	4,185	0.053 %
VINKO REBULA, Member of the Supervisory Board	450	0.006 %

Own shares

As of 31st March 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, Global Logistics Service Ltd., 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 that date.

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

Dividend policy

On the basis of the development strategy and corporate vision of the Intereuropa Group and large investments into expansion of the core business, the Managing Board modified the dividend policy to match the planned growth and investment cycle in the Group. Accordingly, the Managing Board proposed that no dividend payout be made in 2009.

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.eu) press conferences and other media. We will continue to keep our shareholders thoroughly informed in the future, too. Our shareholders can e-mail their remarks and proposals to us at: info@intereuropa.si. In March we organized another Meeting with Slovenian analysts and Investors and presented the performance of the Group in 2008 and our forecast for the current year 2009. We also offered interested investors to subscribe to the Intereuropa newsletter on our website.

2. OPERATION OF THE COMPANY INTEREUROPA d.d.

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

Item / Index	Jan-Mar 2009	Plan 2009	Jan-Mar 2008	Index 2009/plan	Index 2009/2008
Net sales revenue	26,787	36,595	34,686	73	77
Contribution Ratio 1	10,522	11,489	12,016	92	88
Land Transport	2,983	4,030	4,003	74	75
Logistics Solutions	3,383	3,736	3,628	91	93
Intercontinental Transport	2,593	2,312	2,844	112	91
Other services	1,562	1,411	1,541	111	101
EBITDA*	865	3,378	2,269	26	38
Operating Profit or Loss	-309	2,202	1,096	-	-
Net Profit or Loss	-69	1,416	1,137	-	-
Net sales revenues per employee/ month	9.766	13.560	12.318	72	79
Value added per employee/ month	2.379	3.335	2,807	71	85

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

Item / Index	31.03. 2009	Plan 31.12.2009	31.12. 2008	Index 2009/plan	Index 2009/2008
Balance Sheet Total*	371.832	347.402	359.850	107	103
Equity*	152.165	157.698	152.312	96	100
Short-term assets/ Short-term liabilities	0,95	0,98	0,76	97	125
Net Return on Equity (yearly level) **	-0,05%	2,76%	2,86%	-	-

* 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 – March 2009:

- **Net sales revenues** amounting to **€ 26.8 million** are behind the targets by 27% or 23 percent below the comparable term last year. According to business areas and segments, Logistics Solutions recorded the smallest variance in sales turnover compared with the plan and the first quarter of the year 2008.
- In the **Contribution Ratio 1** of **€10.5 million** the underachievement of the plan was lower than in net sales revenue (-8 percent), and also lower than in the comparable term 2008 (-12%). The plan was achieved by Intercontinental Transport, while the highest setback behind the targets was recorded in the Land Transport.
- **The Operating Profit/Loss** was negative by **-309 thousand €** and significantly behind the plan and below the result achieved in comparable term 2008. The reasons for underachievement are primarily attributable to aggravated operations in all business areas (the worst hit was Land Transport) and lower results from 'Extraordinary Activities' (profits or proceeds realized in the disposal of fixed assets). Indirect costs remained on the level of the year ago. The major reason for the setback and less favourable performance than the year ago is similar: Less efficient operations in all business areas and segments, in particular in Land Transport.
- The slightly more favourable **Net Profit or Loss** of **-69 thousand €** is attributable to the positive result from financing (net interest amount to -250 thousand, and net amount of other financial activity + 490 thousand €).

- The **Net Return On Equity** was negative on the annual level, amounting to **-0.05 percent**, which is 2.81 percentage point below the Plan and 2.91 percentage points below than last year's result.
- The **sales-efficiency ratio** and **added value per employee** were declining and nearly 30 percent behind the plan for the reporting period.
- In the structure of Assets, the **share of capital** represents 41% (42% as at 31st December 2008), and the **current ratio** was 0.95 (0.76% as at 31st December 2008). A significant influence on the improved current ratio is primarily attributable to the changed maturity of the loans raised.

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

The company failed to achieve the planned Contribution Ratio 1 in the Intercontinental Transport (car terminal) and in Land Transport.

The underlying reasons for loss of income are:

1. Financial crisis and economic recession;
2. Lower sales turnover;
3. Drop of freight rates in road transport.

Tables 18 and 19: Operations of OOO Intereuropa-East, Moscow, January-March 2009, in € thousand

Item / Index	Jan-Mar 2009	Plan 2009	Jan-Mar 2008	Index 2009/plan	Index 2009/2008
Net sales revenue	934	2,100	1,318	44	71
Contribution Ratio 1	883	1,530	1,318	58	67
Land Transport	11	30	0	37	-
Logistics Solutions	0	0	0	-	-
Intercontinental Transport (car logistics)	851	1,500	1,318	57	65
Druge storitve	21	0	0	-	-
EBITDA*	-359	305	851	-118	-42
Operating Profit or Loss	-550	-537	579	102	-
Net Profit or Loss	-3,850	-2,076	-2,443	185	-
Net sales revenues per employee/ month	2.451	6.140	8.058	40	30
Value added per employee/ month	0.270	2.663	6.790	10	4

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

Item / Index	31.03. 2009	Plan 31.12.2009	31.12. 2008	Index 2009/plan	Index 2009/2008
Balance Sheet Total*	111,216	150,028	116,188	74	96
Equity*	-353	56,110	425	-1	-83
Short-term assets/ Short-term liabilities	0.16	0.63	0.27	25	59
Net Return on Equity (yearly level) **	-785.54%	-14.14%	-86.89%	5,557	904

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

The highest impact on the net profit/loss is attributable to the negative financing activity. The negative financial result achieved in the first quarter of the year 2009, at -3,321 thousand € is mainly a result of the fall of the rouble exchange rates. The rouble recorded the worst fall in January, by -10.2%. Accordingly, the final financial result showed a foreign exchange rate loss of -3,011 thousand €. The major amount of negative foreign exchange differences resulted from long-term and short-term financial liabilities for loans received from the Parent Company. The remaining part of Financial Result comprises interest expenses for loans received, at -495 thousand €. In February the rouble exchange rate slowed down, in March it improved slightly (+0.9%).

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.

The newly included affiliated company in the Group in this year's first quarter was Intereuropa Global Logistics Service, Durres, Albania. The Croatian indirectly controlled company, Itar d.o.o., Zagreb, got integrated to the company Intereuropa, Logističke usluge, d.o.o., Zagreb with effect from 1 January 2009.

1. FINANCIAL REPORT FOR THE INTEREUROPA GROUP

1.1. Financial Statements of the Intereuropa Group

CONSOLIDATED INCOME STATEMENT FOR INTEREUROPA GROUP from 1 January – 31 March 2009

in € thousands	January - March 2009	January - March 2008	I 09/08
NET SALES REVENUES	48,858	62,951	78
Other operating revenues	1,431	648	221
Costs of goods, materials and services	32,644	43,100	76
Labour costs	11,898	11,755	101
Write-offs	4,205	4,121	102
a) Depreciation and revaluation operating expenses associated with intangible long-term assets and tangible fixed assets	3,550	3,679	96
b) Current assets revaluation adjustments and write-offs	655	442	148
Other operating expenses	839	401	209
OPERATING PROFIT OR LOSS	703	4,222	17
Financial revenues from stakes	416	27	-
Financial revenues from loans given	258	299	86
Financial revenues from operating receivables	972	413	235
Financial expenses from impairment and write-offs of financial investments	0	11	-
Financial expenses from financial liabilities	4,730	2,369	200
Financial expenses from operating liabilities	481	308	156
PROFIT OF LOSS FROM ORDINARY ACTIVITIES	-2,862	2,273	-
Corporation tax	137	487	28
Deferred tax	-15	54	-
NET PROFIT OR LOSS FOR THE PERIOD	-2,984	1,732	-
Net profit or loss of the minority shareholder	142	242	59
Net profit or loss of the majority shareholder	-3,126	1,490	-
Basic and adjusted earnings per share (in €)	-0.40	0.19	-

CONSOLIDATED BALANCE SHEET OF INTEREUROPA GROUP as at 31.03.2009

in €thousand	31.3.2009	31.12.2008	I 09/08
ASSETS	447,284	451,678	99
LONG-TERM ASSETS	351,556	356,585	99
Intangible fixed assets and deferred items	9,227	8,806	105
Tangible fixed assets	323,878	330,861	98
Investment property	7,730	7,790	99
Long-term financial investments	6,613	6,807	97
Long-term operating receivables	23	23	100
Deferred tax assets	4,085	2,298	178
SHORT-TERM ASSETS (without Short-term deferred assets)	90,859	88,542	103
Assets for sale	9,919	10,523	94
Inventories	242	270	90
Short-term financial investments	2,522	1,888	134
Short-term operating receivables	74,160	67,353	110
Cash	4,016	8,508	47
SHORT-TERM DEFERRED ASSETS	4,869	6,551	74
SHORT-TERM ASSETS (with Short-term deferred assets)	95,728	95,093	101
LIABILITIES	447,284	451,678	99
CAPITAL	161,537	169,360	95
Capital of majority shareholder	152,331	160,010	95
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	752	827	91
Net profit/loss brought forward	72,888	69,824	104
Net profit or loss for the financial year	-3,126	3,061	-102
Consolidation capital adjustment (exchange rate translation differences)	-13,069	-8,550	153
Capital of minority shareholders	9,206	9,350	98
PROVISIONS AND LONG-TERM ACCRUED ITEMS	3,433	3,468	99
LONG-TERM LIABILITIES	117,565	92,179	128
Long-term financial liabilities	116,182	91,112	128
Long-term operating liabilities	889	889	100
Deferred tax liability	494	178	278
SHORT-TERM LIABILITIES	164,749	186,671	88
Short-term financial liabilities	106,034	131,476	81
Short-term operating liabilities	58,715	55,195	106

INFORMATION ACCORDING TO BUSINESS SEGMENTS

in € thousand	Slovenia		Croatia		Montenegro	
	Jan-Mar 2009	Jan-Mar 2008	Jan-Mar 2009	Jan-Mar 2008	Jan-Mar 2009	Jan-Mar 2008
Revenues from external customers	31,521	41,804	8,178	9,839	1,755	1,640
Revenues from business with other segments	3,280	3,677	253	647	11	11
Total revenues	34,802	45,481	8,431	10,485	1,766	1,651
Depreciation	2,112	2,073	708	736	157	155
Operating profit or loss	-389	1,287	1,013	1,513	83	381
Revenues from interest rates	1,640	858	240	128	17	75
Expenses from interest rates	1,925	1,489	367	323	2	
Net profit or loss from ordinary activities	-186	1,443	537	1,497	98	456
Assets / Liabilities	397,144	353,105	76,973	79,267	23,992	27,280
Long-term assets	259,520	269,242	56,474	55,103	21,311	21,037
Investments in associated companies	75	191				

in € thousand	Russia		Ukraine		Others	
	Jan-Mar 2009	Jan-Mar 2008	Jan-Mar 2009	Jan-Mar 2008	Jan-Mar 2009	Jan-Mar 2008
Revenues from external customers	934	1,318	1,373	1,974	5,091	6,376
Revenues from business with other segments			7	23	475	598
Total revenues	934	1,318	1,380	1,997	5,567	6,974
Depreciation	191	272	61	82	321	337
Operating profit or loss	-550	579	33	-6	288	511
Revenues from interest rates	13		0	0	5	8
Expenses from interest rates	541	786	35	24	102	182
Net profit or loss from ordinary activities	-3,871	-2,395	166	-221	-120	293
Sredstva / obveznosti	111,216	77,300	11,791	15,095	30,575	32,697
Long-term assets	99,321	65,061	10,669	13,983	24,487	25,224
Investments in associated companies						

in € thousand	Adjustment*		Group	
	Jan-Mar 2009	Jan-Mar 2008	Jan-Mar 2009	Jan-Mar 2008
Revenues from external customers	5		48,858	62,951
Revenues from business with other segments	-4,026	-4,956		
Total revenues	-4,021	-4,956	48,858	62,951
Depreciation			3,550	3,654
Operating profit or loss	225	-43	703	4,222
Revenues from interest rates	-1,502	-662	413	408
Expenses from interest rates	-777	-662	2,196	2,144
Net profit or loss from ordinary activities	516	1,201	-2,862	2,273
Assets / Liabilities	-204,408	-159,296	447,284	425,448
Long-term assets	-120,225	-119,339	351,556	330,312
Investments in associated companies	50	80	125	271

* 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 Intereuropa Group generated €48,858 thousand of **net sales revenue**, or nearly a quarter less than in the first quarter a year ago. The **Cost of goods, materials and services** were lower by 24% (or €10,456 thousand), their share in the net sales turnover structure amounted to 67 %.

Other operating revenue of €1,431 thousand mainly stand for the revenues from recovered receivables for which an allowance was made in the preceding years, debt write-offs (€398 thousand), the proceeds from the sale of plant and equipment (tangible fixed assets in the amount of €535 thousand) and other revenues, such as damages received from insurance companies (€275 thousand) and revenues owing to goodwill in additional acquisitions of shares of a subsidiary (€223 thousand).

The **cost of labour**, recognized at €11,898 thousand, were 1% higher than in the comparable term last year. Also the number of employees was higher by 1%, calculated on the basis of paid man-hours.

Amortisation and depreciation expenses, write-offs came to €4,205 thousand and stand for the amortisation of the intangible and depreciation of tangible fixed assets €3,550 thousand, and the remaining part €655 thousand relates to the allowance for trade receivables.

The **Operating Profit/Loss** for the reporting term was €703 thousand and was 17% of the result achieved in the comparable term last year, which can be attributed to a fall in net sales revenue.

Financial revenues from shares amounting to €416 thousand comprise the appertaining profit of the jointly-controlled company (€24 thousand) and financial revenue from financial instruments at fair value through the Profit of Loss (€392 thousand). **Financial revenues from operating receivables** exceeded the last year's figure by €559 thousand. Among **financial expenses** are worth mentioning: the interest expenses in the amount of €2,213 thousand and expenses from foreign exchange differences (losses) are recognised at €2,517 thousand.

The achieved **Profit /Loss from financial activities** was €-3,565 thousand, mitigated by the Operating Profit/Loss in the amount of €703 thousand; in the first quarter 2009, the Group generated a **Operating Profit/Loss from ordinary activities** in the amount of €-8,222 thousand.

Taking into account the tax on corporate profit and deferred taxes, the **Net Profit** of the Group came to €-2,984 thousand in the reporting term.

b) Notes to the CONSOLIDATED BALANCE SHEET

LONG-TERM ASSETS

In **Property, Plant and Equipment** we recorded a fall of 2% (or €6,983 thousand) due to higher depreciation for new investments in tangible fixed assets, including the cost capitalization for this item.

Investment property recorded a decrease due to depreciation in the amount of €60 thousand.

Most of the **Long-term financial investments** mainly originate from the Parent Company. The 3% decrease thereof largely resulted from the revaluation to fair value following the decreased value of securities in the Stock Exchange.

Short-term (current) assets

The **Short-term assets (excl. Accruals and Deferrals)** show an increase by 3% (or €2,317 thousand), attributable to the increase in trade receivables.

Assets available for sale valued €9,919 thousand represent the long-term assets of the Company that are available for disposal: real property available for sale, worth €3,828 thousand, and financial assets held for sale, worth €6,091 thousand.

Short-term financial investments €2,522 thousand primarily relate to short-term deposits and short-term loans granted to other companies.

The prevailing portion of **Short-term operating receivables** is the short-term trade receivables (€58,988 thousand).

As of 31.03.2009, the **Short-term Deferred Costs and Accrued Revenues** were recognized in the amount of €4,869 thousand. They mainly comprise short-term accrued revenues in the amount of direct costs incurred, which are expected to be covered, and accrued (uninvoiced) customs duty.

On the Group level, the **Capital** is recognised at €161,537 thousand and represents 36% of the liabilities to sources of funding.

The decrease is primarily attributable to:

- Revaluation from financial investments to lower market value (taking into account the deferred tax liabilities) in the amount of €75 thousand,
- Increase in exchange differences from translation in the Group, amounting to €4,519 thousand, and;
- Net loss of the period, amounting to €2,984 thousand.

As of the Balance Sheet Date, the Group had €3,433 thousand of unused **long-term provisions**. The prevailing part comprises the provisions for pensions and similar obligations.

The **Financial and Operating Liabilities incl. Deferred Tax Liabilities of the Group** amount to €282,314 thousand or 63 % of all Liabilities.

The long-term financial investments recorded an increase by €25,070 thousand, whereas the short-term financial liabilities showed a decrease by €25,442 thousand.

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

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

INCOME STATEMENT OF INTEREUROPA from 1 January – 31 March 2009

in € thousands	January - March 2009	January - March 2008	I 09/08
NET SALES REVENUES	26,787	34,686	77
Other operating revenues	196	122	161
Costs of goods, materials and services	19,909	26,432	75
Labour costs	5,660	5,636	100
Write-offs	1,457	1,444	101
a) Depreciation and revaluation operating expenses associated with intangible long-term assets and tangible fixed assets	1,174	1,173	100
b) Current assets revaluation adjustments and write-offs	283	271	104
Other operating expenses	266	200	133
OPERATING PROFIT OR LOSS	-309	1,096	-
Financial revenues from stakes	502	803	63
Financial revenues from loans given	1,516	730	208
Financial revenues from operating receivables	123	135	91
Financial expenses from financial liabilities	1,868	1,328	141
Financial expenses from operating liabilities	30	92	33
PROFIT OF LOSS FROM ORDINARY ACTIVITIES	-66	1,344	-
Corporation tax	0	198	0
Deferred tax	3	9	33
NET PROFIT OR LOSS FOR THE PERIOD	-69	1,137	-
Basic and adjusted earnings per share (in €)	-0.01	0.14	-

BALANCE SHEET OF THE PARENT COMPANY as of 31 March 2009

in € thousand	31.3.2009	31.12.2008	I 09/08
ASSETS	371,832	359,850	103
LONG-TERM ASSETS	245,148	245,879	100
Intangible fixed assets and deferred items	4,317	4,074	106
Tangible fixed assets	108,728	109,650	99
Investment property	7,025	7,081	99
Long-term financial investments	124,181	124,400	100
Deferred tax assets	897	674	133
SHORT-TERM ASSETS (without Short-term deferred assets)	122,945	108,844	113
Assets for sale	3,571	3,571	100
Inventories	35	35	100
Short-term financial investments	73,220	71,575	102
Short-term operating receivables	45,778	33,584	136
Cash	341	79	432
SHORT-TERM DEFERRED ASSETS	3,739	5,127	73
SHORT-TERM ASSETS (with Short-term deferred assets)	126,684	113,971	111
LIABILITIES	371,832	359,850	103
CAPITAL	152,165	152,312	100
Called-up capital	32,976	32,976	100
Capital reserves	49,402	49,403	100
Reserves from profit	11,096	11,096	100
Revaluation surplus	771	847	91
Net profit/loss brought forward	57,989	54,905	106
Net profit or loss for the financial year	-69	3,085	-
PROVISIONS AND LONG-TERM ACCRUED ITEMS	1,978	1,976	100
LONG-TERM LIABILITIES	88,765	63,246	140
Long-term financial liabilities	87,738	62,412	141
Long-term operating liabilities	834	834	100
Deferred tax liability	193	0	-
SHORT-TERM LIABILITIES	128,924	142,316	91
Short-term financial liabilities	92,155	115,687	80
Short-term operating liabilities	36,769	26,629	138

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

a) Notes to the INCOME STATEMENT

The **Net Sales Revenues** amounted to €26,787 thousand and stood for 77% of the net sales turnover achieved in the first quarter last year.

Other Operating Revenues amount to €196 thousand, thereof 60% represent the paid receivables for which the allowance was made in preceding years.

The **cost of labour** remained on the same level as a year ago

Amortisation and depreciation expenses, write-offs at €1,457 thousand comprised the amortisation of intangible and depreciation of tangible fixed assets at €1,174 thousand; the amount 283 thousand € relates to the write-offs and allowance for current assets.

The **Operating Profit /Loss** achieved a negative value of €309 thousand in the reporting term.

Financial revenues from shares amounting to €502 thousand consist of the revenue from shares from companies in the Group (€63 thousand), the revenue from shares in associated companies (€109 thousand), and financial revenue from financial instruments at fair value through the Profit of Loss (€330 thousand).

Financial revenues recognized for the first quarter of the year were higher by 28%, primarily on the account of higher income from loans granted to Group members.

In the **Financial Expenses**, the expenses for loans raised from banks have grown by EUR 535 thousand over the amount in the comparable term last year.

The achieved **Profit or loss from ordinary activities** of **€-66 thousand** resulted from the achieved Operating Profit/Loss loss from ordinary activities (€-309 thousand) and the Profit /loss from financial activities (€+243 thousand).

Taking into account the tax on corporate profit and deferred taxes, the Parent Company Intereuropa d.d. generated a **Net Profit or Loss** of **€69 thousand** in the first quarter this year.

b) Notes to the BALANCE SHEET

LONG-TERM ASSETS

In **Plant, property and equipment** we recorded a rise of € 2,644 thousand thanks to major investments in tangible fixed assets that were higher than depreciation for the reporting period.

The amount of **long-term investments** has not essentially changed during the reporting period. The capital increase in the company OOO Intereuropa East, Moscow amounting to €3,330 thousand from 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.

The **Short-term assets (excl. Accruals and Deferrals)** show an increase of 13% (or € 14,101 thousand), which is mainly attributable to the increase in the loans granted to subsidiaries and the increase of short-term operating receivables to customers.

Assets held for sale valued €3,571 thousand represent the real property intended for sale.

Short-term financial investments amounting to € 73,220 thousand mainly comprise the loans granted to the companies in the Group (€72,786 thousand).

The prevailing portion of **Short-term operating receivables** was the trade receivables (€ 42,896 thousand).

As of 31.03.2009, the **Short-term Deferred Costs and Accrued Revenues** were recognized in the amount of € 3,739 thousand. They mainly comprise short-term accrued revenues in the amount of direct costs incurred, which are expected to be covered, and accrued (uninvoiced) customs duty.

As of 31.03.2009, the **capital** amounts to 41% of all liabilities in broader sense. Its decrease in the reporting term is attributable to the Net Loss in the reporting term (€69 thousand) and the decreased surplus from revaluation of financial investments, taking into account the deferred tax liabilities (€76 thousand).

As of the Balance Sheet Date, the Company had €1,978 thousand of unused **long-term provisions**. The prevailing part comprises the provisions for pensions and similar obligations.

The **Financial and operating liabilities incl. deferred tax liabilities** comprise 59% of all liabilities. The **long-term financial liabilities** recorded an increase by €25,326 thousand, whereas the **short-term financial liabilities** showed a decrease by €23,532 thousand.

D. CONCLUSION

The economic situation occurring in the first quarter of 2009 has affected the operating results of most economic and financial entities and slashed the international exchange and goods flows. Logistics as a branch of industry has been faced with a decline of orders for transport services, resulting from decreased economic activity in various branches of industry (most explicitly in the automotive industry) and has brought to standstill numerous investments in vehicles, plant and equipment, and business premises.

The outcome of this trend in the first quarter of the current year has worst hit the sales turnover in Land Transport and in our car logistics product (Intercontinental Transport); the negative impacts of the crisis were less visible in the Seafreight and Logistics Solutions. Our **net sales revenue** in the reporting period came to €48.9 million and was behind the last year's quarterly sales turnover by 22 percent, which is comparable with the results achieved by other major logistics providers in Europe. Such an extensive impact of the economic recession could not have been foreseen in the Plan for 2009, so the target sales turnover saw an underachievement of 27 percent.

In response to the market situation we adopted measures relying on the market-oriented activities and focusing on a better use of the comparative advantages, management and increase of the market shares in key customers, improving the competitiveness and the quality of service. Among the competitive advantages of Intereuropa is our comprehensive range of logistics services and diversified customer portfolio. A further set of measures adopted by the Managing Board addresses the optimization of business processes, operating costs and assuring liquidity for the Company. A major goal of the Managing Board is to launch the Logistics Hub Chechov-Moscow as soon as possible in order to achieve the sales revenue from other logistical services. Our key efforts are headed for the completion of indispensable facilities for the business, in particular those underlying for the warehouse logistics and distribution, and other forwarding services, incl. obtaining the status of a Customs terminal.

The achieved **earnings before interest, tax and depreciation (EBITDA)** of €4.3 million on the Group level reached just over one half of the plan and the result in the comparable term a year ago, respectively. The variance resulted from the declining sales and the part of the fixed costs that could not be sufficiently reduced. In the reporting term we also recorded higher expenses for the allowance for accounts receivable, which can be attributed to a general impairment of liquidity in the economic sector. The achieved **Operating result** of €0.7 million was considerably below the plan for the reporting period. The financial expenses exceeded the financial revenue by €3.6 million. The **Net profit or loss** for the reporting period was negative and came to €-3.0 million.

Despite the tough economic and financial situation, the Group remains financially stable, meets its obligations regularly and will maintain a sound liquidity policy. Intereuropa has already negotiated the extension of all short-term credit facilities and re-scheduled the debts to refinance the Project of the Logistics Centre Moscow-Chechov.

INTEREUROPA d.d.
President of the Managing Board
Zvezdan Markežič

