INTEREUROPA GROUP
Global Logistics Service, Ltd. Co.

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

Global Logistics Service

Koper, November 2009

The INTEREUROPA d.d. corporation is publishing this Unaudited Interim Report of the Intereuropa Group for January-September 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-September 2009 shall also be published on the web site of INTEREUROPA d.d. www.intereuropa.si on 13 November 2009.

C O N T E N T S

A. INTRODUCTION

This year, all the players in the market of logistical services have still been engaged with the decline of orders and increased pressures on prices. The sales results of the third quarter do not reflect an upturn in business yet; moreover, some logistics providers have recorded their highest quarterly decline compared with the last year.[1] The economic slow-down slashed the output in goods transport that is directly related to the demand for logistical services supplied by the Intereuropa Group. In the reporting nine-month term 2009, we achieved the net sales revenues of € 144.6 million on the Group level, which was 30 percent behind the sales target and 29 percent below the last year's achievement. A similar decline was recorded in the Parent Company Intereuropa d.d.: with the net sales of € 77.0 million, it was 30 percent below the plan and 32 percent lower than a year ago. On the Group level, we recorded a negative operating result by € -0.5 million, and a negative net profit/loss of € -5.4 million; thereof, the Parent a negative operating result by € -2.5 million, and net profit/loss of € -0.6 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	2,559 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, Ukraine, Russia, Montenegro, Albania

[1] **Kuehne & Nagel Group**: Net Sales Jan-Sep 09 /Jan-Sep 08= -22,9% (Q3 09/Q3 08=-24,4%);
Panalpina Group: Net Sales Jan-Sep 09 /Jan-Sep 08= -34.7% (Q3 09/Q3 08=-40.3%);
Logwin Group: Net Sales Jan-Sep 09 /Jan-Sep 08= -25.4% (Q3 09/Q3 08= -24.8%);
Deutsche Post DHL Group: Net Sales Jan-Sep 09 /Jan-Sep 08= -16.4%
- **Express**: Net Sales Jan-Sep 09 /Jan-Sep 08= -27.2% (Q3 09/Q3 08= -27.1%)
- **Global forwarding, freight**: Net Sales Jan-Sep 09 /Jan-Sep 08= -25.5% (Q3 09/Q3 08= -30.4%)

Major events in the reporting period January-September 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, in its 42 ordinary session, 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: Milan (Italy) – 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 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 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 09.04.2009.

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.

July

- 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 14 July, we published the Summary of Findings of the Special Audit, conducted by the audit firm KPMG Slovenija d.o.o., on the web site of the SEO-Net information system (seonet.ljse.si) to inform the public.

- 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 (30 July) 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.

August

- On 27 August, the Supervisory Board dealt, in its 51 ordinary session, with the Report by the Managing Board on the operation of the Intereuropa Group in the first half-year 2009 and adopted it. The new Managing Board of Intereuropa d.d. presented their programme of measures and strategy of the Managing Board aiming to achieve a stable and profitable operation of the Group. The Supervisory Board gave consent to the "Action Programme of the Managing Board of Intereuropa d.d." and got informed on the "Final Elaborate on Economic Viability of the construction of the Logistics Centre Chechov/ Moscow".

September

- In September, the company Intereuropa Skopje opened a new business unit on the border pass Bogorodica (Gevgelija) with Greece.
- On 1 September the Managing Board announced the disposal of the Austrian subsidiary »Intereuropa Transport und Spedition G.m.b.H.« based at Lebring (Graz).
- On 8 September Intereuropa received the action challenging the Resolution adopted by the shareholders of Intereuropa d.d. regarding the appropriation of accumulated profit of the Company. The action was filed by the shareholder Interfin naložbe d.d.
- On 10 September was held the 21st General Meeting of Intereuropa d.d., in which the shareholders were acquainted with the Final Report and the Summary of Findings of the Special Audit of corporate governance and specific operations of the Company over the last five years. The General Meeting adopted the Resolution on the preparation and filing of legal action for compensation of damages, according to which the Managing Board shall, in six months after the date of the General Meeting session, file a legal action claiming for compensation of damages to the Company that has resulted from the violation of duties of the members of the governing or controlling bodies**.** The shareholders recalled the Supervisory Board members Boštjan Rigler and Emerik Eržen and appointed Mr Tadej Tufek, M.Sc., and Ms Maša Čertalič, M.Sc. as new members for the four-year term of office commencing on 10 September 2009.

Major events after the reporting period:

- On 22 October 2009, the Supervisory Board of Intereuropa d.d. acknowledged at the 52nd session the Report on the implementation of measures by the Managing Board of Intereuropa d.d., and dealt with the materials "Approval of further activities to ensure financial stability of the Intereuropa Group", to which the Supervisory Board issued its consent in principle. It urged for the completion of the investment in the Logistics Centre Moscow-Chechov by the year-end, and pointed to the need of satisfying all the conditions required for a maximum utilization of the capacities of this logistics hub. The Supervisory Board approved the contents of the "Contract on the rights and obligations of, and the remuneration for the Member responsible for control" to the new Members of the Supervisory Board Tadej Tufek and Maša Čertalič, and adopted the Resolution on the appointment of Supervisory Board commissions, of which the Audit Commission was changed.

The Organisation of the Intereuropa Group

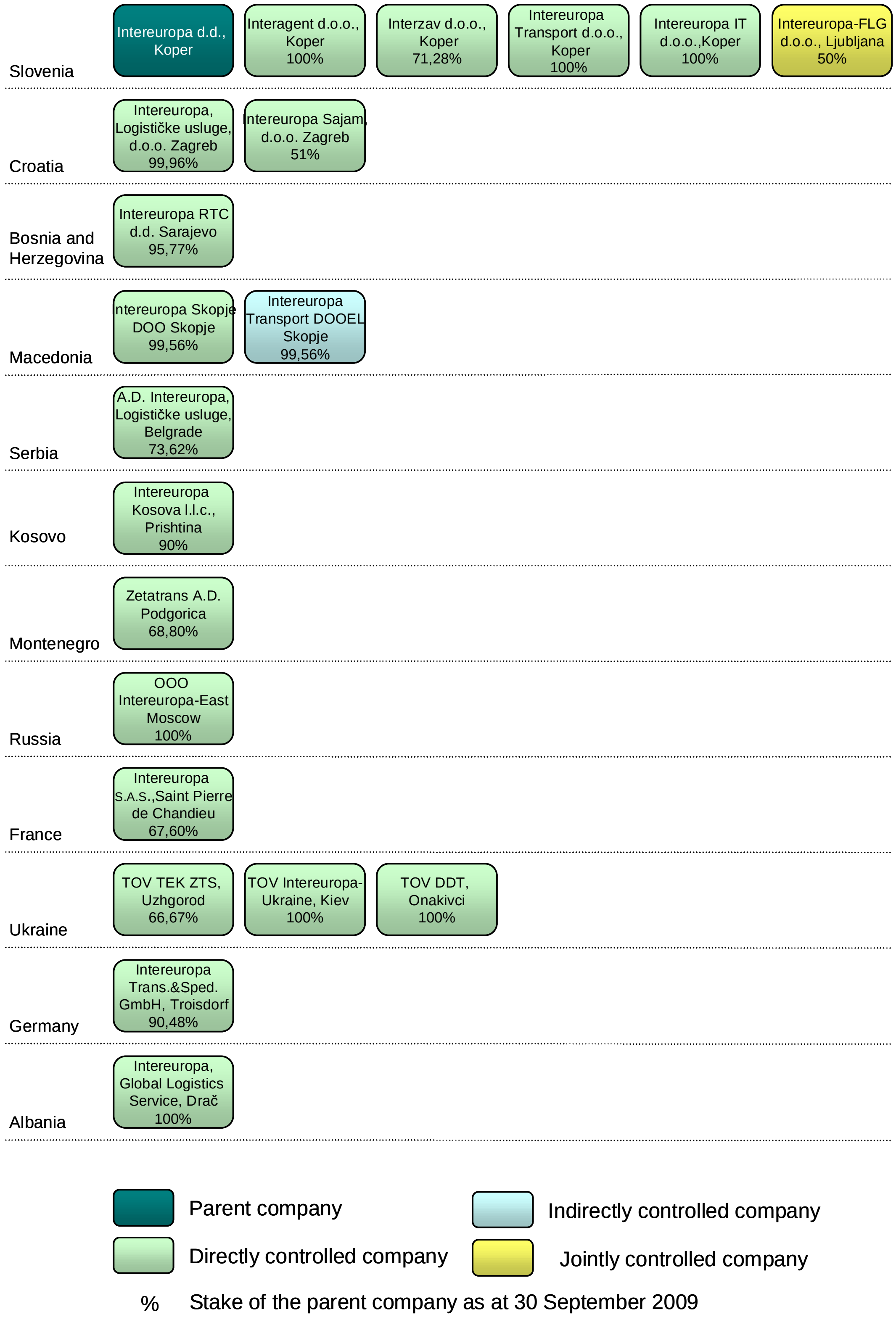


Figure 1: Organisation Chart of the Intereuropa Group as at 30th September 2009

B. BUSINESS REPORT

1. OPERATING PERFORMANCE OF INTEREUROPA GROUP

1.1. Sales achievements

Economic environment and trends

The autumn forecast by the European Commission envisions a 4% drop of the GDP – the same as in the spring, assessing that the European short-term growth prospects have improved. The reasons for better short-term prospects include a less adverse situation in financial markets, signs of world trade revival, improved economic sentiment indicators and an expected upturn in the cycle of inventory trends, and primarily the comprehensive anti-crisis measures taken by the governments and central banks. Given the temporary nature of the latter two factors that are underlying for the current improvement and on the ground of continued considerable uncertainty, the European Commission points to the potential repeat of the slow down of economic activity in the EU Member States. Also other institutions do not expect a rapid recovery, at least not before the end of 2010. The IMF, despite its upward revision of the global GDP forecast for the current year (-1.1%) and the next year (3.1%), highlights that the recovery will be slow, long and still quite uncertain.
As a result of international financial and economic crisis and the cool-down of investment in infrastructure, the level of economic activity in Slovenia is estimated to fall by 7.3% this year. Considering the overall embeddedness of the Slovenian economy in international trade flows, this year's decline is primarily attributable to a substantial drop of exports and services that has shrunk by nearly 18% in real terms over the current year. The downturn trends in processing industries and civil engineering were more strongly felt in the supporting business services, wholesale trade and goods transport. Given the slow recovery in major trade partners of Slovenia and very weak impulses of domestic demand, the economic growth in the year 2010 will be quite moderate.
Thanks to fast inflation levelling-off trends, the Slovenian Institute for Macroeconomic Analysis and Development (UMAR/IMAD) expects that the price-based competitiveness will no longer be a limiting factor for businesses in this and next year, while the cost-based competitiveness is still deteriorating this year.

Table 1: Economic environment of the Intereuropa Group

Countries	GDP growth, in %		Growth of ind. prod., in %		Inflation, in %		Exports growth, in %		Imports growth, in %	
	Forecast 2009	Forecast 2010	Forecast 2009	Forecast 2010	Forecast 2009	Forecast 2010	Forecast 2009	Forecast 2010	Forecast 2009	Forecast 2010
EU 27	-4.0%	-0.1%	-13.5%*	-	0.9%	1.3%	-12.6%	-0.2%	-11.0%	-0.9%
Euro zone	-4.0%	-0.1%	-15.4%*	1.1%	0.4%	1.2%	13.2%	-0.3%	-10.5%	-0.8%
Slovenia	-7.3%	0.9%	-10.0%	2.0%	1.0%	1.5%	-17.9%	4.1%	-19.8%	1.8%
Croatia	-5.2%	0.4%	-10.0%	0.0%	2.8%	2.8%	-5.2%	1.1%	-6.1%	2.6%
Bosnia & Herzegovina	-3.0%	0.5%	-11.0%	0.0%	0.9%	1.6%	-12.0%	3.0%	-21.0%	-1.0%
Macedonia	-2.5%	2.0%	-3.0%	0.0%	-0.5%	2.0%	-14.0%	2.5%	-9.1%	5.6%
Serbia	-4.0%	1.5%	-5.0%	0.0%	9.9%	7.3%	-9.0%	0.0%	-10.0%	0.0%
Russia	-7.5%	1.5%	-5.0%	3.0%	12.3%	9.9%	-8.0%	3.0%	-20.0%	2.0%
France	-2.4%	0.9%	-10.8%*	-	0.3%	1.1%	-11.7%	-1.0%	-6.9%	0.0%
Ukraine	-14.0%	2.7%	-15.0%	3.0%	16.3%	10.3%	-13.6%	6.1%	-36.4%	6.6%
Germany	-5.3%	0.3%	-19.0%	5.0%	0.1%	0.2%	-16.4%	4.1%	-11.0%	0.9%
Kosovo	3.4%	3.8%	-	-	-2.1%	2.0%	-	-	-	-
Montenegro	-4.0%	-2.0%	-5.0%	0.0%	3.4%	2.1%	-4.0%	2.0%	-10.0%	-10.0%
Albania	0.7%	2.2%	3.0%	5.0%	1.7%	2.0%	-14.0%	20.0%	-12.0%	13.0%

(-) no data available
* growth rate I-VIII 2009 / I-VIII 2008

Sources:
European Comission, Spring forecasts 2009-2010, May 2009
The Vienna Institute for International Economic Studies WIIW, February and May 2009
Concluding Statement of IMF Staff Visit in Republic of Kosovo, June 2009
UMAR, Jesenska napoved gospodarskih gibanj, September 2009
IMF, World Economic Outlook, Sustaining the Recovery, October 2009
Deutsche Bank Research, Economic Outlook 2009/10, October 2009
IMF Country Report No 09/270, September 2009

Sales Revenue by Intereuropa Group

In the nine-month term 2009, the Group generated a net sales revenue of € 144.6 million, which was 30 percent behind the sales target. The declining international trade flows and economic activity in the markets of our Group and the resulting heavier pressures on prices are the key factors that have greatly affected the shrunken sales revenue on the Group level. Consequently, the nine-month net sales revenues was 29% lower than in the same period a year ago.
The business segment Intercontinental Services was worst hit and recorded the highest drop compared to the last year in the product car-handling logistics, which is mainly provided by our business units in Koper and in the Russian subsidiary. The decline in the sales in this business segment is further attributable to the transfer of a part of an undertaking of the Intereuropa UPS Branch Office to the new branch of the UPS Group in Slovenia.

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

	Area of operation	Jan-Sep 2009	Structure	Index 2009/plan	Index 2009/2008
1	Land Transport	77,624	54%	69	74
2	Logistics Solutions	19,480	13%	77	83
3	Intercontinental Transport	43,260	30%	67	62
4	Other Services	4,239	3%	109	86
	TOTAL	**144,602**	**100%**	**70**	**71**

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

		Jan-Sep 2009	Struktura	Indeks 2009/plan	Indeks 2009/2008
1	EU Member States	81,603	56%	63	65
2	Non-EU countries	62,999	44%	81	83
	TOTAL	**144,602**	**100%**	**70**	**71**

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

One third of our net sales turnover was achieved in domestic market, on third in the markets of former Yugoslavia and Russia, and one third in other countries. In the reporting term all these markets recorded a decline in the sales: Slovenia and Croatia were worst hit.

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

		Jan-Sep 2009	Structure	Index 2009/2008
1	Slovenia	47,234	33%	62
2	Croatia	23,612	16%	76
3	Russia	12,644	9%	98
4	Bosnia & Herzegovina	5,651	4%	74
5	Serbia	3,001	2%	65
6	Montenegro	4,658	3%	77
7	Other countries	47,801	33%	70
7a	Other EU Member States	34,369	24%	64
7b	Other countries	13,433	9%	88
	SKUPAJ	**144,602**	**100%**	**70**

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

On the level of the Group, we achieved the Contribution ratio 1 at € 66.7 million[2], which represents a 17% drop below the figure of the comparable term 2008. Unlike in the sales revenue, the downturn trend in the Contribution ratio 1 as recorded in the first half-year did not increase in the last quarter of the year, which is a result of our measures taken to curb the direct costs. The setback behind the target level was 19%. The highest underachievement was recorded in the business segment Land Transport, which was affected not only by the economic recession, but also hit by the loss of the strategic partner, and in the segment Logistics Solutions, which reported shorter storage times in warehouses and reduced inventories of our customers.

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

	Poslovno področje	Jan-Sep 2009	Structure	Index 2009/plan	Index 2009/2008
1	Land Transport	33,195	50%	78	82
2	Logistics Solutions	16,643	25%	78	85
3	Intercontinental Transport	12,896	19%	89	79
4	Other Services	4,027	6%	104	86
	TOTAL	**66,761**	**100%**	**81**	**83**

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

		Jan-Sep 2009	Structure	Index 2009/plan	Index 2009/2008
1	EU Member States	35,348	53%	84	82
2	Non-EU countries	31,413	47%	78	83
	TOTAL	**66.761**	**100%**	**81**	**83**

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

LAND TRANSPORT

The Land Transport contributes 54% of the net sales revenue on the Group level. In the nine months 2009, this business area was underperforming both with respect to the plan and compared with the last year's nine months due to:

- shrunken goods flows – up to 30% below the result of the comparable period a year ago,
- intensified pressure on the sales prices by competitors and the resulting lowering of the profit margin,
- loss of strategic partner in Slovenia, Croatia, Bosnia and Herzegovina, and Serbia.

The first two problematic issues were addressed by our Sales Enhancement Program introducing the new sales concept based on the proactive sales activities. We mainly focus on potential customers and on upgrading the range of operations with our existing customers. The comparison of newly acquired customers this year with the same term last year shows a high growth rate, which means that market share in the Land Transport segment is improving. 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 present, 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.

In Slovenia, the new sales concept has already gained full momentum; in Bosnia and Herzegovina it is in the implementation phase, whereas our subsidiary in Serbia has not taken the decisive steps yet. In Montenegro this concept was presented in August and the follow-up comprises the preparatory stage for the change in sales activities.

In response to intensified pressure on sales prices and the resulting lower profit margins we introduced measures for direct cost optimization. In the product **Express services**, the process optimization activities have already been completed and the profitability of the product has visibly improved. In international **road transport**, which was already subject to very strict selection of contractor carriers based on price criteria, we introduced value discounts that are accounted on a quarterly basis. We further introduced a new accounting modality in international groupage services and achieved more competitive commercial terms for all the affiliated companies in the Balkans and the business units in

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

Slovenia. The two measures - joining the goods flows in our **Groupage product** and the completion of preparatory stage for the centralization of international lines will contribute to efficiency for our operations, in particular the gross margin according to units that have formed our former Land Transport Branch Office.
The activities taken on the revenue side and in direct cost optimization have shown certain effects on the Group level: monthly sales results and gross margin have been improving from month to month. The comparison of the latter between January and September points to an improved sales realization and gross margin – the gap to the plan and last year's result is decreasing.
Last months have seen a slight improvement in the sales and achievement of gross margin. We estimate the positive trend to continue. A similar trend is perceived in the former Land Transport Branch Office. Here we need to take into account that since May 2009, when the new »flat rate« accounting method was introduced for our affiliated companies, we created better commercial terms to the disadvantage of the result achieved by the Slovenian branch office.
In Land Transport, the activities of enhanced sales have started in their elementary form, for which further developmental steps will be necessary if the sales team is to achieve any extraordinary results. In fact, further growth and achieving the required economy of scale depends on how the question of strategic partnership is resolved. At present, our partner network has been weakened indeed and our partners do not pay the required attention to the sales activities for the areas covered by Intereuropa. The majority of shipments in the groupage network of our partners is therefore the result of our sales activities or routing orders of our Company, respectively.

LOGISTICS SOLUTIONS

The Logistics Solutions Area generates 19 percent in the net sales turnover structure and 25 percent in the Contribution ratio 1 on the Group level. In the reporting term, the net sales revenue of this business segment was 17 percent lower than last year. Such a decline can be primarily attributable to the shrunken sales in two key markets, in Slovenia and Croatia, which were worst hit by the unfavourable economic trends due to global recession. Both these markets that represent 82% in the sales of this business segment recorded a downturn in sales revenue by 17 percent and in the Contribution ratio 1 by 15 percent. The main reasons for the fall range from the loss of business – cancellation from certain key customers and decreased volume of sales in most small-scale customers who were affected by reduced goods flows, and consequently longer storage times and cutting down the inventories' volume. In Bosnia and Herzegovina, whose share in the sales structure was 7 percent, the sales were 18 percent below the last year's results, while Montenegro saw a downturn of 4 percent only.
With regard to the plan, the sale of logistics solutions was 23 percent behind as a result of idle storage capacities in Russia that have not been activated yet, representing nearly one tenth of income in the plan structure. If the planned revenue were excluded from the Plan 2009, this business segment would be behind the plan by some 15 percent only.
These adverse sales results in Logistics Solutions have primarily resulted from the economic recession worldwide, which has early this year reached the markets of the former Yugoslavia and is expected to deepen towards the year-end 2009 (in particular in Croatia, Bosnia and Herzegovina, and Serbia). Concurrently, strong pressure to reduce our rates comes from the customers, who are aware of the current surplus of warehouse capacities which suddenly occurred in these strategic markets. Since the summer 2008, the rates have lost approximately 40 percent, which fact additionally aggravates the profitability of our business.
In the first half-year 2009 we launched several commercial activities that brought us new business and increased the volume of operations with existing customers.
Intense commercial activities on larger logistics projects are carried out in individual organizational units in Slovenia, the commercial effects – sales results of which are expected in the first half-year 2010.

INTERCONTINENTAL TRANSPORT

In the reporting period January-September 2009, the Intercontinental Services Area contributed 30 percent of the Group's net sales revenue. 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 plan resulted from the global recession, which has hit the car-handling logistics and container business most severely.

In the **Sea-Freight** operations the Parent Company achieved € 3.5 million of the Contribution ratio 1, which was 14 percent behind the plan. The target Contribution ratio 1 was only exceeded in the Conventional cargo, while other products were behind the plan, most of all the containers in Slovenia and nearby areas. The decline was felt in physical quantities as well as in the margin per shipment or container. Other 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 nine months were below the plan baselines, despite a slight enlivenment in the market in the third quarter and several positive indices, pointing to better prospects for the year-end. The rise in seafreight further enables better earnings in port shipping services, however, 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 a more aggressive sales approach and focus on the management of container transport routes, 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 third quarter of this year we have acquired some new customers and started with undercooled transports of fruit and vegetables. Some new businesses were acquired for container transports, too. Transport of cigarettes via the Port of Koper has been constant and is expected to remain so throughout the year. The sales activities in the markets of our affiliated companies need to be more aggressive in order to acquire new customers for the companies in Croatia and Bosnia and Herzegovina. Concurrently, the cooperation with the network of our partners (M+R Spedag, Hellmann, ECU Line, Yusen) shall be intensified and the entire pallet of logistical services offered on the level of the Group. With an optimistic view we expect the new season with undercooled fruit and vegetables from Israel, for which we are well prepared.

In **Car-handling logistics**, we were doing very well despite a lower number of vehicles handled in the Koper Port in the reporting term, and achieved the plan. Moreover, we surpassed the achievement of last year. Only Intereuropa-East (Russia) was behind the plan due to the impact of global recession which has heavily struck the car-handling logistics. The static load of the terminal has more than doubled since July thanks to the newly acquired customer KIA Russia. In addition to KIA, we also keep a smaller quantity of FIAT vehicles in our warehouse. Therefore, we have surpassed the monthly plans for the contribution ratio 1 since the summer, however, the underachievement brought forward from the first half-year, when the occupancy of the terminal was only about 7,000 vehicles, will be difficult to make up by the year-end. The number of vehicles in arrival and departure has not improved yet; a rise can be expected towards the end of the year. Consequently, such a trend has an adverse effect on the revenue from vehicle handling and on the underachievement of Plan baselines.

We were once more successful in acquiring the GM tender on car-handling logistics for the port forwarding services in the Port of Koper, valid for the next three years. In addition to Porsche, our car terminal in Koper now accommodates the Europe-based manufacturing of Toyota. The service for Toyota in our terminal will be upgraded by the year-end, which is expected to improve the revenue from car terminal business of Intereuropa d.d.

This year we will be working on another GM tender on further delivery of GM vehicles on the route Koper-Chekhov, and on extending the tender on storage of GM vehicles in Chechov (Moscow).

In the **Shipping Agency** product, i.e. the company Interagent d.o.o., we remained behind the plan objectives for the nine months 2009. Our best-performing business was port agency services, in which we have preserved the position of the leading shipping agent in terms of the number of ships represented in the Port of Koper. In the reporting term we represented 214 ships, or one third less than last year's nine-months. Also the number of container operations was greatly reduced, which affected the revenue of the comparable period a year ago. In the last quarter of the year, our efforts will be dedicated to active search for a container line shipowner with a service to Koper, and to the acquisition of new business/customers for our Chartering and Port Agency Service. Chartering operations will largely depend on the number of ships booked for the transport of salt.

The **Airfreight** product yielded 77 percent of the planned Contribution ratio 1 on the Group level. Only the company in Kosovo performed better than planned and exceeded the target by 16 percent. The Contribution ratio 1 for Slovenia, where 42 percent of the entire turnover of the Group is generated, was 78 percent.

In Croatia, the realization was slightly better, with the index 87 of the plan baselines. Also other companies achieved similar operating results and contribution ratio 1.

The economic crisis is strongly felt in airfreight service in which most frequently higher-priced consignments are carried, as well as heavier cargo of special dimensions. The airfreight rates have risen in the last quarter, so we may expect a rise in the sales performance. As a rule, the results in airfreight segment are always better in the second half-year. 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 in May, the cooperation with the principal on these two markets has discontinued, only the collaboration as an agency for Bosnia and Herzegovina has remained.

1.2. Financial Result

In the nine months 2009, the operating result **Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA)** on the Group level came to € 11.3 million, achieving 45 percent of the planned result. Due to a decline of net sales revenue by 29 percent, we managed to cut the direct operating costs by as much as 36 percent, but we were not successful in reducing the indirect costs to such an extent. Apart from a limited decrease of the labour cost and other indirect cost of a fixed character, we have recorded higher expenses on account of allowances for receivables, which is the main reason for having concluded the reporting term with a negative operating result. The **Operating Profit or Loss** of the Group in the amount of € -0.5 million was below the plan; the highest underachievement was recorded in the Parent Company Intereuropa d.d. (€ -8.1 million).
In the nine months 2009, the financial expenses on the Group level were € 6.8 million higher than the financial revenues (thereof, € -728 thousand were net foreign exchange losses, € -6.2 million net interest, and € +174 thousand stand for net other financial activity). The profit or loss from ordinary activities came to € -7.2 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 Stoppage of Operation**. After deduction of taxes, the **Net profit or loss** for the reporting period was negative and came to € -5.4 million.

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

Item / Index	Jan-Sep 2009	Plan 2009	Jan- Sep 2008	Index 2009/plan	Index 2009/2008
Net Sales Revenues	144,602	207,034	202,574	70	71
EBITDA*	11,295	24,934	26,974	45	42
Operating Profit or Loss	-475	11,799	16,209	-	-
Financing Profit or Loss	-6,754	-8,515	-6,743	79	100
Net Profit or Loss	-5,419	1,447	7,020	-	-
Net sales revenues per employee/ month	6,321	8,845	8,509	71	74
Value added per employee/ month	2,070	2,732	2,727	76	76

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

Item / Index	30.09. 2009	Plan 31.12.2009	31.12. 2008	Index 2009/plan	Index 2009/2008
Balance Sheet Total*	438,601	456,085	451,678	96	97
Equity*	160,100	191,851	169,360	83	95
Short-term assets/ Short-term liabilities	0.84	1.00	0.47	84	177
Net Return On Equity (yearly level)**	-6.70%	2.34%	4.23%	-	-

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

As of the cut-off date of the nine months 2009 the **Balance Sheet Total** amounted to € 439 million and was 3 percent below the figure achieved at the year-end 2008. On the Assets side, there was a decrease recorded in fixed assets by € 2.2 million (or 1%), and 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 € 85.4 million (or 65%) and an increase in long-term financial liabilities by € 89.8 million (or 99%).
Since the year-end 2008, the share of financial liabilities in the structure of sources rose by 2.5 percentage point and reached 51.7 percent, while the share of capital in the structure of sources fell by 1.0 percentage point to the level of 36.5 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 September 2009 we extended most of short-term credit facilities used to maintain liquidity and bridging funds, and also matched the maturity of loans in favour of long-term facilities. 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 nine months 2009, the investments in fixed assets by the **Intereuropa Group** totalled € 18.5 million, thereof 15.8 million in real estate and 2.7 million in plant and equipment. The annual plan of investments was completed to the level of 57%.

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

Company	Real property		Plant & Equipment		SKUPAJ		% of annual realiz.
	Plan	Realiz.	Plan	Realiz.	Plan	Realiz.	
Intereuropa d.d.	2,162	378	2,930	147	5,092	525	10
Other companies	20,012	15,435	7,253	2,578	27,265	18,013	66
TOTAL	**22,174**	**15,813**	**10,183**	**2,724**	**32,357**	**18,538**	**57**

In the reporting term **Intereuropa d.d**. realized investments in fixed assets in the amount of € 525 thousand. In that scope the Company repaired the roof of warehouses in Ljubljana and Jesenice, the offices in the Customs warehouse in Koper, it redeemed the co-ownership share in the facility at Vrtojba, and laid out the parking facility, fence and access road to the business unit in Celje. After abandoning the envisioned building work under the project on the reconstruction of offices at the warehouse in Sežana, the land development charges that were paid in the year 2008 were refunded to us. Other investments were spent on the purchase of additional equipment for the central fire-fighting facility in Maribor, cars, 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 € 18,813 thousand in fixed assets in the reporting term. The highest investment € 13.6 million was made in the company OOO Intereuropa-East, Moscow, for the completion of the Logistics Centre Chekhov. Other major investments include: the completion of the logistics centre Samobor (Zagreb) and the purchase of used freight vehicles in the company Intereuropa Logističke usluge, d.o.o. Zagreb, the purchase of land on the border pass Izačići by Intereuropa RTC d.d. Sarajevo, telecommunications equipment in Intereuropa Transport d.o.o., equipment for warehouses and computers. The highest investments in intangible fixed assets (licences, rights) were made by the subsidiaries Intereuropa IT d.o.o. and Intereuropa Logistical Services d.o.o. Zagreb. Other investments were spent on a transformer for the car terminal at Chechov, the completion of projecting roof in the warehouse at Podgorica, the levelling /tamponage of the land at Nikšić, and renovation of business premises at Bar (Montenegro).

1.4. Human Resources Management

Employment trends

In the reporting term, the number of employees in the Intereuropa Group fell by 8 precent or 234 employees less compared with the year-end 2008. As of 30 September 2009, the total number of employees in the Group was 2,559.
The lay-offs were recorded in most companies of the Group; the highest numbers were reported in Intereuropa Sajam d.o.o. (Zagreb), Intereuropa Transport d.o.o. (Koper), and Intereuropa d.d. by 101 employee. The company AD Intereuropa - logističke usluge Belgrade saw the contrary trend – 5 employees more. The changes to number of employees are very small in other companies of the Group.
In total 481 employees terminated their employment in the whole Group and 248 employees were recruited mainly to substitute the staff members whose labour relationship terminated for any reason. The overall fluctuation rate in our biggest companies was 12.5 percent.

Table 10: Employees in the Intereuropa Group according to countries, as of 30.09.09

	30.09.2009	31.12.2008	Balance 09-08	Index $_{09/08}$
Slovenia	1,152	1,300	-148	89
Croatia	641	707	-66	91
Other countries	766	786	-20	97
TOTAL	**2,559**	**2,793**	**-234**	**92**

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

	30.09.2009	31.12.2008	Balance 09-08	Index $_{09/08}$
Slovenia	37	107	-70	35
Croatia	20	46	-26	43
Other countries	23	64	-41	36
TOTAL	**80**	**217**	**-137**	**37**

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 2008), mostly warehousemen.

Human Resources Development and Training

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

Plan Jan-Sep 2009 in €	Actual Jan-Sep 2009 in €	Index Actual/ Plan	Actual/ employee	No. of hours	No. of hours/ employee
334,000	144,062	43	56	24,877	10

Despite less favourable situation in the business we managed to acquire new skills and knowledge in various training forms, seminars and professional meetings. Of the whole workforce, there were 63 percent of employees involved in the education & training process, similarly as in the comparable term last year. In the Slovenian part of the Group, the employees were included in the training with 17 hours on average, in other countries with 4 hours.
What is more, we used only 43 percent of the funds earmarked for training because 60 percent of the functional training forms (14,903 hours) were carried out by internal lecturers. These were mainly training forms, preparations and tests within the project IT solutions supporting the sales processes of the business information system, and instruction covering the field of occupational safety.
The highest share of training per employee was implemented in the companies Interzav d.o.o. and Intereuropa IT d.o.o., while in the Parent Company it was 21 hours.
According to the substane of training, the core part was dedicated to acquiring new knowledge from the field of logistics focusing on the training for the introduction of IT solution supporting the sales

processes. Instruction of employees on occupational health and safety represented 15% of all functional training forms, foreign languages 10%, and related know-how or skills, such as information and IT skills, finance, accounting, and other technical seminars and meetings another 10%. In Slovenia about 50 staff members (managers and sales executives) took part in a 2-day workshop on marketing and sales.

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

In accordance with the Resolutions streamlining the labour cost and reorganization of the Company, we provided for the optimal HR structure by transferring the employees within and between the companies. This year, no less than 107 employees changed their work area in the Slovenian part of the Group – either the organizational unit (company) or workplace, respectively.

In line with restricted employment policy, we did not extend labour relationships that were concluded for a limited period of time. In the Slovenian part of the Group, the fixed-time employment expired for 55 employees.

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 of 22 employees terminated before time for which reassignment to other workplace was not possible.

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 € 30 thousand;
- Our female workers received gifts for the Women's Day (8th March);
- Our holiday facilities recorded a 49%-occupancy, which was only 5% less than the same term last year;
- Based on the Employee Profit Sharing Agreement for Intereuropa d.d. we paid out the profit to 271 employees who requested it, in the statutory term.

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: This year, 436 employees have undergone a preliminary periodical or special medical check.

Training qualifying for safe work: Particular attention was dedicated to theoretical and practical in-service training for safe work and conduct of work process in the organizational units. There were 679 employees involved in occupational safety training forms.

Injury at work: During the nine-month term, there were 20 incidents at work (29 in the same term last year) on the Group level. The analysis of accidents and factors proved that the injuries occurred mainly due to the human 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: Underlying for the assurance of safe work conditions is reliable and faultless work equipment (machinery, appliances, installations of gas, power and lightning conductors, etc.). There were 125 sets of different working assets/ equipment examined and tested in the organizational units.

Fire safety and protection: In our concern for fire safety and precautions for keeping the risk of fire low we conducted regular inspections of facilities, active and passive fire-fighting equipment in the work environment and accessory areas or premises for work in the scope of Fire Safety and Prevention. In individual units we carried out a practical exercise of evacuation and fire-fighting according to a specific scenario. Technical documentation for individual facilities has been developed 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 legislation on environmental protection demands a persistent concern in safeguarding the environment. The persons responsible of individual organizational units were conducting regular inspections of purifying appliances/ treatment plants and current

maintenance. We have also provided for correct removal and disposal of dangerous waste emerging from the work process.
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

Six companies of the Intereuropa Group hold a certification under the ISO 9001 Standard.

Maintaining the ISO 9001:2000 System

- We prepared the annual reports on the quality management (QM) for the year 2008 in the three companies with certification (Intereuropa d.d., Intereuropa Transport d.o.o., and Intereuropa d.o.o. Zagreb), separately for Interagent d.o.o. and separately for Intereuropa RTC Sarajevo. In the report for these three companies with certification we proposed the measures for improvement addressing: 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.
- The Managing Board analysed the Customer Satisfaction Report for the year 2008.
- Half-year QM reports for the year 2009 were prepared and the measures to improve the QM system were triggered.
- We have updated the Quality Management Manual (Edition 12) in accordance with the personnel changes in the Managing Board and the requirements of the updated ISO 9001:2008 standard. Currently, the Manual is being updated to comply with the organizational changes in the Company Intereuropa d.d. (Edition 13).
- Furthermore, we initiated the assessment of our suppliers of road transport and forwarding services.

Internal quality of service auditing

During the nine-months term we performed 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 service process
- Groupage services and on-loading process
- Express Services process
- Sales process
- Accounting process
- Air-freight service process

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

Verification of the HACCP System (for foodstuffs)

The verification will take place in the last quarter of the year 2009.

External quality of service audit by the certification authority

- External audits for the three companies with certification were 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 transition audit to 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, the business units (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 Intereuropa Express Zagreb, and to exceeding the 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 received the renewed ISO 9001:2008 certificate for three years on 11 June 2009.

- 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 Management and employees are getting ready to migrate to the new ISO 9001:2008 Standard.
- Following the external audit in Intereuropa Transport & Spedition GmbH in February 2009, the company got certification under the new ISO 9001:2009 Standard.

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 for Intereuropa d.d. This status is awarded by the Customs Administration of the Republic of Slovenia to reliable partners in the logistics chain if the following 4 criteria are satisfied: compliance with the Customs laws, well-organized customs and transport records, solvency, safety and security of facilities, goods and personnel.

The Project Team filed the application for the AEO status on 18 May 2009, which got recorded in the Customs Administration system on 19 June 2009. Under this project we designed the safety plans for the five major logistics terminals (in Celje, Maribor, Ljubljana, Logatec and Koper), and a safety diagram for all logistics terminals owned by Intereuropa. The Customs Office Koper has scheduled a preliminary audit in the second half of October.

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-September2009

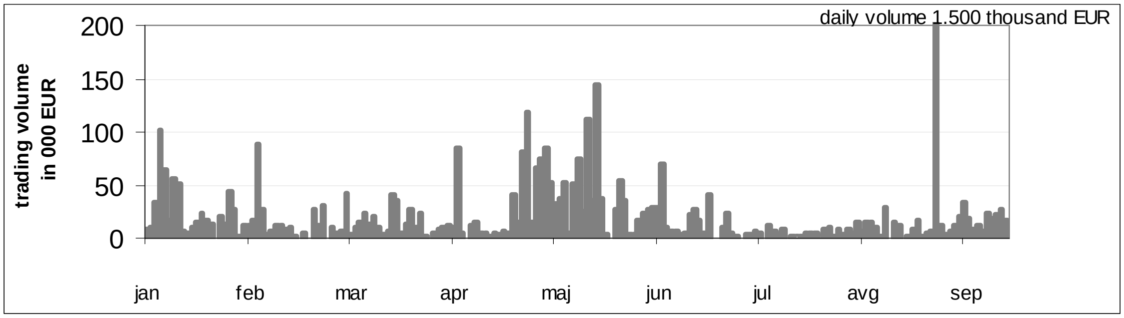
	Jan-Sep 2009	Jan-Dec 2008
Number of shares*	7,902,413	7,902,413
Number of own shares*	18,135	18,135
Book value of share in €*	19.26	19.32
Net earning per share in €	-0.08	0.39
Data on trading		
Market capitalisation in thousand €*	47,098	68,988
Turnover in thousand €	5,056	16,551
Average price in € *	5.96	8.73
Weighted average rate in €	7.06	31.81
Average rate in €	7.30	25.58
Highest rate in €	10.45	40.00
Lowest rate in €	5.20	7.89
Return on equity	-31.7%	-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

In the term from 1 January to 30 September 2009, the trading comprised 729,216 IEKG shares in total amount of € 5,056 thousand. The average daily turnover came to € 27 thousand. The trading comprised 9.2 percent of all issued shares of the Company. The increased turnover with the share is attributed to the change in the ownership of the block of 240,000 IEKG shares sold by the financial company MAKSIMA HOLDING d.d. to the bank NLB d.d.
The average rate of the Intereuropa share (IEKG) was between € 5.40 to 10.34 per share.



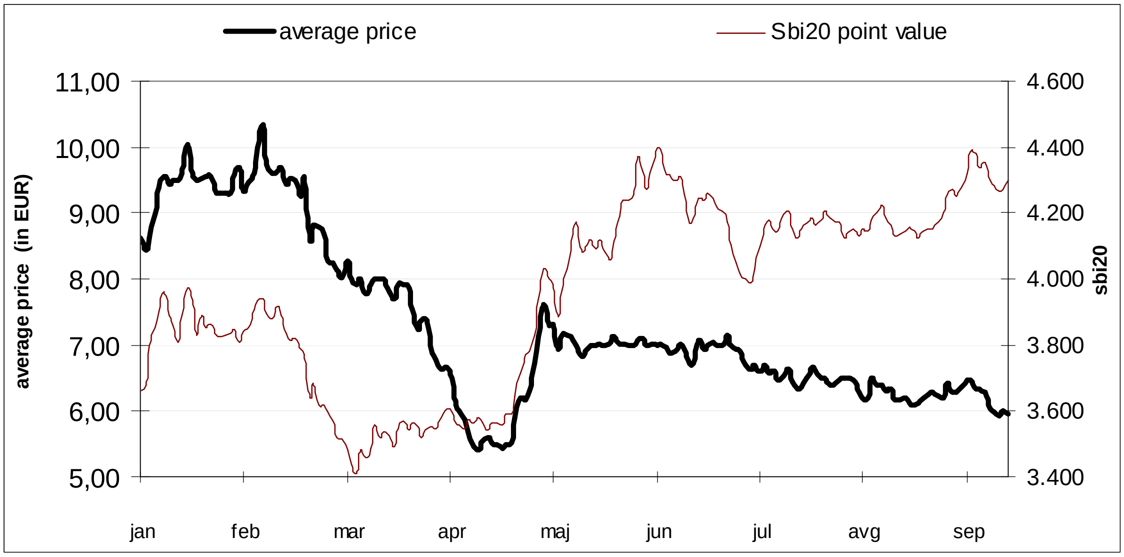


Figure 2: Movements of trading volume and average prices of IEKG share, and of the SBI20 Index in the term January-September 2009

The Intereuropa share lost 31.7 percent in the reporting term January-September 2009. Over this term, the Slovenian Stock Exchange Index (SBI20) recorded a growth of 16.4 percent.

Ownership structure

On 30 September, there were 6,442 shareholders entered in the Share Register of Intereuropa d.d., or 365 shareholders more than on 31 December of last year. The shareholding held by foreign investor has not changed significantly and came to 2.3 percent as of 30 September 2009.

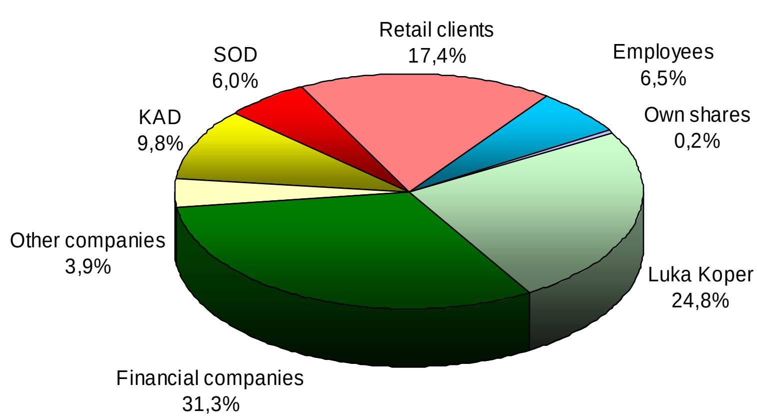


Figure 3: Ownership structure of ordinary shares of Intereuropa d.d. as of 30.09.2009

Table 14: Top ten shareholders of Intereuropa d.d. as of 30.09.2009 compared to 31.12.2008

Curr. No.	Shareholder	30.09.2009		31.12.2008		Index Sep09/ 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.	NOVA LJUBLJANSKA BANKA d.d.	240,000	3.0%	0	-	-
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 - DELNIŠKI SKLAD	123,007	1.6%	123,007	1.6%	100
10.	ZAVAROVALNICA TRIGLAV, D.D. - KSŽZ	119,278	1.5%	119,278	1.5%	100

On 30 September, the top ten shareholders held 58.5% of all IEKG shares that were issued, or 2.4 percentage points less than on 31st December 2008.

As of 30 September 2009, the members of the Managing Board did not hold any IEKG shares.

Tables 15: Shares held by members of Supervisory Board, as of 30.09.2009

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%
MAŠA ČERTALIČ, Member of the Supervisory Board	99	0.001%

Own shares

As of 30.09.2009, Intereuropa held 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. on 6 July 2007.
Of the total number of shares: 7,902,413 issued by the Issuer Intereuropa, Globalni logistični servis, delniška družba, 7,884,278 shares or 99.7705 percent of all shares as of 31.12.2008 have the voting right. 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

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 to the General Meeting held on 30 July 2009 that no dividend payout be made for the year 2008.
The shareholder attending the 20th General Meeting approved the proposal and resolved that the Accumulated Profit 2008 amounting to € 57,990 thousand remain undistributed. A challenging action against that Resolution was announced in the General Meeting. At the beginning of September we received the challenging action by the shareholder Interfin naložbe d.d. against the Resolution on the appropriation of the Accumulated Profit, adopted by the General Meeting.
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.

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. Our shareholders can e-mail their remarks and proposals to us at: 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 16 and 17: Operations of Intereuropa d.d. in January-September 2009, in thousand €

x	Jan-Sep 2009	Plan 2009	Jan- Sep 2008	Index 2009/plan	Index 2009/2008
Net sales revenue	77,046	109,784	113,772	70	68
Contribution Ratio 1	29,762	34,467	36,475	86	82
Land Transport	9,207	12,090	11,818	76	78
Logistics Solutions	9,296	11,209	11,489	83	81
Intercontinental Transport	7,085	6,936	8,432	102	84
Druge storitve	4,175	4,233	4,737	99	88
EBITDA*	992	9,166	5,788	11	17
Operating Profit or Loss	-2,488	5,639	2,297	-	-
Financing Profit or Loss	-347	-1,514	357	23	-
Net Profit or Loss	-631	3,281	2,600	-	-
Net sales revenues per employee/ month	9.712	13.560	13.493	72	72
Value added per employee/ month	2.295	3.335	2.795	69	82

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

Item / Index	30.09. 2009	Plan 31.12.2009	31.12. 2008	Index 2009/plan	Index 2009/2008
Balance Sheet Total*	375,555	347,402	359,850	108	104
Equity*	151,876	157,698	152,312	96	100
Short-term assets/ Short-term liabilities	1.79	0.98	0.76	182	233
Net Return on Equity (yearly level) **	-0.55%	2.76%	1.55%	-	-

** 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 – September 2009:

- The **Net sales revenues** amounted to **€ 77.0 million** and were 30 percent behind the plan and 32% below the last-year's figure. According to business areas, Logistics Solutions recorded the least decline in sales revenue compared with the plan (-20%) and the comparable term of the year 2008.
- In the **Contribution ratio 1** of **€ 29.8 million** the underachievement of the plan was lower than in net sales revenue (-14 %), and also lower than in the comparable term 2008 (-18 %). The least underachievement of the plan was recorded by Intercontinental Service (-11 %)[3], while the highest was recorded in the Land Transport (-24 %).
- **The Operating Profit/Loss** was **negative at -2.5 million €** and significantly behind the plan and below the result achieved in comparable nine months 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) and increased allowances for receivables. Similar reasons were decisive for the underachievement of the planned Operating Profit or Loss.
- The **Financing Profit or Loss** at **€ -0.3 million** was by €1.2 million better than the plan, which can be largely attributed to the payout of profit (dividends) by some subsidiaries in the first half-year. In addition, the Operating Profit/Loss also comprises the **Profit or Loss from Stoppage of Operation** 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. The **Net Profit /Loss** for the reporting term was negative and came to **€ -0.6 million**.
- The **sales efficiency ratio** and **added value per employee** were declining and cca. 30 percent behind the plan.
- In the structure of Assets, the **share of capital** represents 40 % (42% as at 31 December 2008), and the **current ratio** was 1.79 (compared to 0.76% as at 31 December 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 the nine months of the year 2009 the Russian Federation felt the adverse impacts of the global recession on the economic and financial sector, which resulted in a slow-down of investments in the commercial sector, an estimated fall of 5% in the industrial production output and of the GDB at the beginning of the year 2009, as well as forecasts for a further 7.5% decrease by the year-end. Related to the changes of the value of the rouble, the volume of imports has been decreasing and is estimated to shrink by USD 190 billion (€ 139 bn[4]).

Car Terminal

In the light of such negative trends globally, the Russian automotive market could not be spared. The sale of new vehicles over the nine months was more than halved and »General Motors«, the business partner of the company Intereuropa-East, suffered a decline of more than 47% in its car make Chevrolet.

Aiming to reduce the business risks and gaining new income, the company entered into a contract for the storage of KIA and FIAT cars with a new business partner at the end of June. Despite unfavourable macro-economic situation the company was able to improve the revenue by 50% over the second quarter and by 65% over the first quarter 2009.

In August 2009 the company earned € 555 thousand in the car terminal, which is the highest monthly income of the terminal to date.

Land Transport

The sales in the Land Transport business improved already in the second quarter of the year, despite the crisis. That can be attributed to thorough personnel changes in April, establishing of normal work in the departments, and the return of a part of leased vehicles. In the third quarter of the year the sales turnover came to € 213 thousand, which was considerably above the revenue of the second quarter (€ 150 thousand). This rise could have been even higher if the freight rates had not fallen by 30% below the prices of the year 2008, as a result of the recession. In general the transport rates were not favourable for any growth of revenue. With dumping rates in international lines foreign carriers were competing with Russian international carriers. In addition, we incurred the costs of repair of trucks (€ 56 thousand) in the third quarter, followed by a 17%-rise in the fuel prices over the second quarter 2009.

Logistics Solutions

The storage services were not offered in the reporting nine months 2009 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 (scheduled for February 2010).

The recession had an impact on the prices of storage, too. A pallet space was slashed from € 0.50 per day in the year 2008 to € 0.14 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 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.

[4] Exchange rate: 1 € = 1.3650 USD (average Jan-Sep 2009)

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

Item / Index	Jan-Sep 2009	Plan 2009	Jan- Sep 2008	Index 2009/plan	Index 2009/2008
Net sales revenue	**3,690**	**13,433**	**4,869**	**27**	**76**
Contribution Ratio 1	**3,477**	**6,557**	**4,278**	**53**	**81**
Land Transport	218	279	49	78	442
Logistics Solutions	0	1.778	0	0	-
Intercontinental Transport (car logistics)	3,231	4,500	4,229	72	76
Other services	28	0	0	-	-
EBITDA*	**61**	**2,143**	**1,537**	**3**	**4**
Operating Profit or Loss	**-961**	**-792**	**931**	**121**	**-**
Financing Profit or Loss	**-4,049**	**-4,618**	**-3,777**	**88**	**-**
Net Profit or Loss	**-4,491**	**-5,410**	**-2,965**	**83**	**-**
Net sales revenues per employee/ month	3.151	10.921	5.498	29	57
Value added per employee/ month	1.222	3.471	3.155	35	39

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

Item / Index	30.09. 2009	Plan 31.12.2009	31.12. 2008	Index 2009/plan	Index 2009/2008
Balance Sheet Total*	126,352	150,028	116,188	84	109
Equity*	-940	56,110	425	-	-
Short-term assets/ Short-term liabilities	0.20	0.63	0.27	32	75
Net Return on Equity (yearly level) **	-	-	-	-	-

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

The highest impact on the negative net profit/loss is attributable to the negative financing activity in the reporting period. The exchange rate of the rouble lost 5.84% against the Euro in the nine months. The total financial result comprises foreign exchange losses of € -1,452 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 the interest expenses at -2,596 thousand € for loans received. Another impact on the financial result was exerted by the capitalization of borrowing expenses for the investment in the logistics Centre Chekhov. Accordingly, € 1.914 thousand of interest and € 5,007 thousand of foreign exchange losses were capitalized in the term from January to September 2009. Twenty-four facilities (out of 27) at the terminal were activated in the second quarter, so that the proportional part of expenses from borrowing (corresponding to the activated/inactivated facilities) ceased to capitalize and started to be presented as the financing expenses. In April we started to account depreciation for the activated facilities.
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, the tax on property in the amount of € 513 thousand was accounted for and paid.
Despite a negative profit or loss, we have recorded several shifts to the positive side of the company's operations in the reporting period.

Table 20: Positive steps in operations of OOO Intereuropa-East, Moscow in 2009, in thousand €

Kazalec v 1000 €	Jan - Mar 2009	Jan - Jun 2009	Jan - Sep 2009
Contribution Rate 1 per employee/ month	2.315	2.601	3.151
Labour cost per employee/ month	1.211	1.258	1.180
Value added per employee/ month	0.270	0.582	1.222
EBITDA	-359	-482	61

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.

Compared with the same period last year, the Group comprises a newly included affiliated company Intereuropa Global Logistics Service, Durres shpk, operating in Albania, and the company Intereuropa Transport & Spedition GmbH, Lebring has been excluded from the Group due to disposal.

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 September 2009

in 1000 €	jan - sep 2009	jan - sep 2008	I 09/08
NET SALES REVENUES	**144,602**	**202,574**	**71**
Other operating revenues	2,750	8,865	31
Costs of goods, materials and services	95,368	142,521	67
Labour costs	36,050	37,949	95
Write-offs	13,725	11,963	115
a) Depreciation and revaluation operating expenses associated with intangible long-term assets and tangible fixed assets	11,770	10,765	109
b) Current assets revaluation adjustments and write-offs	1,955	1,198	163
Other operating expenses	2,684	2,797	96
OPERATING PROFIT OR LOSS	**-475**	**16,209**	**-**
Financial revenues from stakes	836	567	147
Financial revenues from loans given	144	992	15
Financial revenues from operating receivables	1,143	1,251	91
Financial expenses from impairment and write-offs of financial investments	161	335	48
Financial expenses from financial liabilities	8,041	8,685	93
Financial expenses from operating liabilities	675	533	127
PROFIT OF LOSS FROM ORDINARY ACTIVITIES	**-7,229**	**9,466**	**-76**
PROFIT OF LOSS FROM DISCONTINUED OPERATIONS	**2,239**	**0**	**-**
Corporation tax	657	2,251	29
Deferred tax	-228	195	-
NET PROFIT OR LOSS FOR THE PERIOD	**-5,419**	**7,020**	**-77**
Net profit or loss of the minority shareholdes	314	914	34
Net profit or loss of the majotity shareholder	-5,733	6,106	-
Basic and adjusted earnings per share in EUR	**-0.73**	**0.77**	**-**

CONSOLIDATED BALANCE SHEET OF INTEREUROPA GROUP as at 30 September 09

v 1000 €	30.9.2009	31.12.2008	I 09/08
ASSETS	**438,601**	**451,678**	**97**
LONG-TERM ASSETS	**358,745**	**356,585**	**101**
Intangible fixed assets and deferred items	10,435	8,806	118
Tangible fixed assets	328,622	330,861	99
Investment property	7,211	7,790	93
Long-term financial investments	6,962	6,807	102
Long-term operating receivables	23	23	100
Deferred tax assets	5,492	2,298	239
SHORT-TERM ASSETS (without Short-term deferred assets)	**76,071**	**88,542**	**86**
Assets for sale and discontinued operations	10,102	10,523	96
Inventories	255	270	94
Short-term financial investments	2,071	1,888	110
Short-term operating receivables	60,536	67,353	90
Cash	3,107	8,508	37
SHORT-TERM DEFERRED ASSETS	**3,785**	**6,551**	**58**
SHORT-TERM ASSETS (with Short-term deferred assets)	**79,856**	**95,093**	**84**
LIABILITIES	**438,601**	**451,678**	**97**
CAPITAL	**160,100**	**169,360**	**95**
Capital of majority shareholder	**151,150**	**160,010**	**94**
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	1,025	827	124
Net profit/loss brought forward	72,991	69,824	105
Net profit or loss for the financial year	-5,733	3,061	-187
Consolidation capital adjustment (exschange rate translation differences)	-12,019	-8,550	141
Capital of minority shareholders	8,950	**9,350**	**96**
PROVISIONS AND LONG-TERM ACCRUED ITEMS	**3,227**	**3,468**	**93**
LONG-TERM LIABILITIES	**184,731**	**92,179**	**200**
Long-term financial liabilities	180,875	91,112	199
Long-term operating liabilities	570	889	64
Deferred tax liability	3,286	178	1,846
SHORT-TERM LIABILITIES	**90,543**	**186,671**	**49**
Short-term financial liabilities	46,044	131,476	35
Short-term operating liabilities	44,499	55,195	81

INFORMATION ACCORDING TO BUSINESS SEGMENTS FOR JANUARY - SEPTEMBER 2009

	Slovenia		Croatia		Montenegro	
in € thousand	Jan-Sep 2009	Jan-Sep 2008	Jan-Sep 2009	Jan-Sep 2008	Jan-Sep 2009	Jan-Sep 2008
Revenues from external customers	91,169	134,132	24,114	32,424	4,919	5,758
Revenues from business with other segments	9,342	11,397	762	2,077	40	0
Total revenues	100,510	145,530	24,876	34,500	4,959	5,758
Depreciation	6,166	6,175	2,022	2,174	476	473
Operating profit or loss	-3,227	2,412	2,922	10,404	724	1,293
Revenues from interest rates	5,119	3,702	461	500	41	216
Expenses from interest rates	5,995	6,265	1,020	989	3	2
Net profit or loss from ordinary activities	-3,739	2,431	2,414	10,402	762	1,508
Assets / Liabilities	398,992	383,839	76,811	80,937	23,664	24,832
Long-term assets	277,163	270,064	58,152	57,620	21,049	21,542
Investments in associated companies	75	75	0	0	0	0

	Russia		Ukraine		Others	
in € thousand	Jan-Sep 2009	Jan-Sep 2008	Jan-Sep 2009	Jan-Sep 2008	Jan-Sep 2009	Jan-Sep 2008
Revenues from external customers	3,690	4,869	5,155	5,841	15,522	19,550
Revenues from business with other segments	0	0	47	112	1,368	1,954
Total revenues	3,690	4,869	5,202	5,954	16,891	21,503
Depreciation	1,023	606	175	258	927	1,016
Operating profit or loss	-961	931	192	-46	647	1,257
Revenues from interest rates	29	65	0	0	1	25
Expenses from interest rates	2,751	3,270	99	98	253	478
Net profit or loss from ordinary activities	-5,010	-2,846	-109	46	162	957
Sredstva / obveznosti	126,236	109,698	9,659	17,033	29,773	33,616
Long-term assets	110,545	98,033	8,613	15,415	23,896	26,494
Investments in associated companies	0	0	0	0	0	0

	Adjustment*		Group	
in € thousand	Jan-Sep 2009	Jan-Sep 2008	Jan-Sep 2009	Jan-Sep 2008
Revenues from external customers	33	0	144,602	202,574
Revenues from business with other segments	-11,558	-15,540	0	0
Total revenues	-11,526	-15,540	144,602	202,574
Depreciation	-20	0	10,768	10,702
Operating profit or loss	-771	-50	-475	16,201
Revenues from interest rates	-4,758	-3,133	893	1,376
Expenses from interest rates	-3,028	-3,130	7,093	7,971
Net profit or loss from ordinary activities	-1,709	-3,036	-7,229	9,461
Assets / Liabilities	-226,533	-181,358	438,601	468,598
Long-term assets	-140,674	-116,810	358,744	372,359
Investments in associated companies	56	111	131	186

* All adjustments are 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 € 144,602 thousand. Compared to the nine months a year ago, these revenues were 29 % lower, while the cost of goods, materials and services fell by 33% below the last year's figure.

The share of the cost of goods, materials and services in the net sales revenues was 66 %, which is 3 percentage point lower than in the comparable term last year.

Other Operating Revenues amount to € 2,750 thousand and comprise:

- Paid receivables for which the allowance was made in past years (€ 793 thousand),
- Gains from the sale of tangible fixed assets of € 955 thousand (in the comparable term last year the proceeds from the transfer of tangible fixed assets into a contribution in kind by Intereuropa Logističke usluge, Zagreb were realized in the amount of € 5,983 thousand),
- Income from debt write-off and reversal of long-term provisions (€ 225 thousand) and
- Other revenues valued at € 777 thousand (damages received from insurance companies, grants, income from bad will in additional purchases of shares in the controlled company, etc.).

The **labour costs** were 5 % lower, which is attributable to the payroll reduction and lower number of employees.

Write-downs/-offs rose by 15 % as a result of write-downs/-offs of tangible fixed assets, which rose by € 939 thousand, and increased allowances for current assets by € 757 thousand.

In the nine months this year, the **Operating Profit /Loss** of the Group came to € -475 thousand.

Financial revenues from operating receivables, in the amount of € 1,143 thousand stand for nearly one half of all financial income. **Financial revenues from shares and other financial instruments** amounting to € 836 thousand represent the net profit from the jointly controlled company (€ 30 thousand), the revenue from shares from other companies (€ 19 thousand), capital gains and other financial revenue from investments at € 13 thousand, and financial revenue from financial instruments at fair value through the Profit of Loss (€ 774 thousand).

Financial expenses from financial liabilities represented 81% of financial expenses and came to € 8,041 thousand: they were 7% lower than in the comparable term last year.

The **effect of financial income and expenses** on the Profit or Loss of the reporting term was € -6,754 thousand. It was approximately the same as in the comparable term a year ago (€ -6,743 thousand).

In the reporting term, the Group generated the **Profit /Loss from ordinary activity** of € -7,229 thousand.

The achieved **Profit or loss from ordinary activities** was improved by the **Profit or Loss from Stoppage of Operation** 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 € -5,419 thousand. The **Net Profit of the majority equity interest** amounts to € -5,733 thousand, whereas the **Net Profit of minority equity interest** comes to € 314 thousand.

c) Notes to the CONSOLIDATED BALANCE SHEET

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 drop of 2% (or € 1,239 thousand) due to some major disposals and depreciation that were higher than new investments in tangible fixed assets.

On the Group level, the **value of long-term financial investments** originates from the Parent Company. The increase thereof is attributable to the revaluation to fair value of financial assets available for sale.

Assets held for sale valued € 10,102 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 € 6,274 thousand.

Short-term financial investments of € 2,071 thousand consist of short-term deposits and short-term loans granted to others.

The prevailing portion of **Short-term operating receivables** (€ 60,536 thousand) is the trade receivables (€ 44,161 thousand), which have had the greatest effect on the decrease thereof.

The **short-term deferred costs and accrued revenues** are recognised in the amount of € 3,785 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 (37%) as of the comparable Balance Sheet cut-off date.

As of the Balance Sheet Date, the Group had € 3,227 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 € 180,875 thousand and are almost 100 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 and from the net effect of new loans raised totalling € 40,368 thousand. Also their participation in the financing sources rose by 21 percentage points, so they stand for 41% of all liabilities.

Deferred tax liabilities amount to € 3,286 thousand. Underlying for this item are the taxable temporary differences in financial assets and tangible fixed assets.

Short-term financial liabilities of the Group amount to € 46,044 thousand and consist mainly of loans received.

Short-term operating liabilities amount to € 44,499 thousand. The greatest part of these liabilities (79 %) 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 September 2009

in 1000 €	Jan - Sep 2009	Jan - Sep 2008	I 09/08
NET SALES REVENUES	**77,046**	**113,772**	**68**
Other operating revenues	485	489	99
Costs of goods, materials and services	57,317	89,031	64
Labour costs	17,212	17,779	97
Write-offs	4,485	4,034	111
a) Depreciation and revaluation operating expenses associated with intangible long-term assets and tangible fixed assets	3,480	3,491	100
b) Current assets revaluation adjustments and write-offs	1,005	543	185
Other operating expenses	1,005	1,120	90
OPERATING PROFIT OR LOSS	**-2,488**	**2,297**	-
Financial revenues from stakes	1,865	3,835	49
Financial revenues from loans given	4,756	3,299	144
Financial revenues from operating receivables	325	321	101
Financial expenses from impairment and write-offs of financial investments	1,267	398	318
Financial expenses from financial liabilities	6,010	6,603	91
Financial expenses from operating liabilities	16	97	16
PROFIT OF LOSS FROM ORDINARY ACTIVITIES	**-2,835**	**2,654**	-
PROFIT OF LOSS FROM DISCONTINUED OPERATIONS	**2,239**	**0**	-
Deferred tax	35	54	65
NET PROFIT OR LOSS FOR THE PERIOD	**-631**	**2,600**	-
Basic and adjusted earnings per share in EUR	**-0.08**	**0.33**	-

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

in 1000 EUR	30.9.2009	31.12.2008	I 09/08
ASSETS	**375,555**	**359,850**	**104**
LONG-TERM ASSETS	**263,365**	**245,879**	**107**
Intangible fixed assets and deferred items	4,961	4,074	122
Tangible fixed assets	107,021	109,650	98
Investment property	6,517	7,081	92
Long-term financial investments	144,001	124,400	116
Deferred tax assets	865	674	128
SHORT-TERM ASSETS (without Short-term deferred assets)	**109,628**	**108,844**	**101**
Assets for sale and discontinued operations	3,571	3,571	100
Inventories	29	35	83
Short-term financial investments	72,416	71,575	101
Short-term operating receivables	33,460	33,584	100
Cash	152	79	192
SHORT-TERM DEFERRED ASSETS	**2,562**	**5,127**	**50**
SHORT-TERM ASSETS (with Short-term deferred assets)	**112,190**	**113,971**	**98**
LIABILITIES	**375,555**	**359,850**	**104**
CAPITAL	**151,876**	**152,312**	100
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	1,043	847	123
Net profit/loss brought forward	57,989	54,905	106
Net profit or loss for the financial year	-631	3,085	-
PROVISIONS AND LONG-TERM ACCRUED ITEMS	**1,845**	**1,976**	**93**
LONG-TERM LIABILITIES	**160,437**	**63,246**	**254**
Long-term financial liabilities	160,176	62,412	257
Long-term operating liabilities	0	834	-
Deferred tax liability	261	0	-
SHORT-TERM LIABILITIES	**61,397**	**142,316**	**43**
Short-term financial liabilities	36,273	115,687	31
Short-term operating liabilities	25,124	26,629	94

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

a) Notes to the INCOME STATEMENT

Net Sales Revenues amount to € 77,046 thousand. Compared to the first half-year 2007, these Revenues were by € 36,726 thousand below the last year's figure, while the cost of goods, materials and services were lower by € 31,714 thousand.

Other Operating Revenues amount to € 485 thousand and comprise:

- Paid receivables for which the allowance was made in past years, (€ 228 thousand),
- Gains from the sale of tangible fixed assets € 84 thousand,
- Other revenues amounting to € 173 thousand (damages received from insurance companies, revenue from the reversal of long-term provisions, etc.).

The **labour costs** were recognized in the accounted values that were 3 percent lower than in the last year's comparable term, as a result of the payroll reduction and lower number of employees.

Write-downs/-offs rose by € 451 thousand due to write-downs/-offs and allowances for current assets, with an increase in value by € 462 thousand.

The **Operating Profit or Loss** for this year's nine months came to € -2,488 thousand and was by € 4,785 thousand lower than the figure achieved in the comparable figure a year ago, which can be attributed to the effect of a more adverse decline in the income categories than in expense categories.

The **effect of financial income and expenses** on the Profit or Loss of the reporting term came to € -347 thousand.

The **Profit or loss from ordinary activities** came to € -2,835 thousand.

In the first 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 Stoppage of Operation** 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 or Loss** of € -631 thousand.

c) Notes to the BALANCE SHEET

Long-term assets stand for 70 % of all assets and were higher by € 17,486 thousand than on the cut-off date of the comparable term a year ago, primarily on the account of long-term loans granted to subsidiaries and the capital increases in the subsidiaries.

The **Property, Plant and Equipment** represent 28% of all assets and show a drop 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 € 19,284 thousand that were granted to subsidiaries.

Assets held for sale amounting to € 3,571 thousand represent the real estate intended for sale.

As of the Balance Sheet Date, the **Short-Term Financial Investments** are recognized at € 72,416 thousand. This item almost entirely relates to the short-term loans granted to companies in the Group.

In **Short-Term Operating Receivables**, there was a rise in the short-term interest receivable in the Group (by € 4,404 thousand) and a decrease in trade receivables due from others (by € 2,712 thousand).

The **Deferred Costs and Accrued Revenues** were recognised in the amount of € 2,562 thousand. They mostly stand for short-term accrued revenues in the amount of direct costs incurred which are expected to be covered, and the accrued (uninvoiced) customs duties.

As of 30.09.2009, the **capital** amounts to 40 % of all liabilities in broader sense. Compard with the Balance Sheet Date a year ago, the share of the capital in the liabilities structure fell by 2 percentage points.

As of the Balance Sheet Date, the Company had € 1,845 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 € 160,176 thousand and primarily relate to the long-term financial liabilities to banks (€ 158,242 thousand). They rose on the account of re-scheduling of short-term loans into long-term loans in the amount of € 51,510 thousand, and from the net effect of new loans raised totalling € 47,967 thousand; on the other hand the liabilities decreased by € 1,200 thousand from the transfer to the short-term liabilities.

Short-term financial liabilities amount to € 36,273 thousand and consist mainly of short-term loans received.

Short-term operating liabilities of € 25,124 thousand primarily relate to the liabilities to suppliers.

D. CONCLUSION

Towards the end of the nine months term the first signs of the declining recession in Europe have been perceived, however, the effects of the recession are still far from an end. In particular in logistics, which is highly dependent on the dynamics of numerous manufacturing and processing industries, the economic crisis has brought about a considerably shrunken market that still persists. Logistics providers have reacted to the declining sales revenue by measures addressing cost containment and streamlining of operations, credit risks management and assuring a positive cash flow for current operations.

In the nine months term 2009, the Intereuropa Group presented net **sales revenue of € 144.6 million**, which was 30 percent behind the sales target. The declining international trade flows and economic activity in the markets of our Group and the resulting heavier pressures on prices are the key factors that have greatly affected the shrunken sales turnover on the Group level. Consequently, the nine-month net sales turnover was 29 percent lower than in the same period a year ago. The highest drop compared with the last year was seen in the product car-handling logistics within the business segment Intercontinental Services.

Our Group invested € 18.5 million in fixed assets in the reporting term. The highest share of these funds were invested in the completion of the logistics hub in Chekhov (Moscow) aiming to start operating the warehousing service as soon as possible. This year the operations of our subsidiary OOO Intereuropa-East, Moscow, show positive trends in terms of productivity despite the underachievement of the target. Other investments in fixed assets were only released or implemented within the liquidity potential of individual company and subject to additional scrutiny of feasibility of the concrete investment.

On the level of the Group we recorded the **Earnings Before Interest, Tax, Depreciation and Amortisation of € 11.3 million** and achieved 45 percent of the planned result. Due to a decline of net sales revenue by 29 percent, we managed to cut the direct operating costs by as much as 36 percent, but we were not successful in reducing the indirect costs to such an extent. However, we also recorded higher expenses on account of allowances for receivables, which is the main reason for having concluded the reporting term with a negative **operating profit or loss of € -0.5 million**. The envisioned Operating Profit or Loss was not achieved; the highest setback behind the plan was recorded in the Parent Company Intereuropa d.d. (€ -8.1 million).

The periodical financial expenses of the Group exceeded the financial revenue by € 6.8 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 Stoppage of Operation**. After deduction of taxes, the **Net profit or loss** for the reporting period was negative and came to € **-** 5.4 million.

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