Global Logistics Service

Unaudited Interim Report INTEREUROPA Group

January - September 2012

Koper, November 13, 2012

The INTEREUROPA d.d. is publishing this Unaudited Interim Report of Intereuropa Group for January - September 2012, 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 Intereuropa Group for January - September 2012 shall also be published on the web site of INTEREUROPA d.d. www.intereuropa.si on November 13, 2012.

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PERFORMANCE HIGHLIGHTS

In the third quarter 2012, the Intereuropa group faced an even tougher economic situation than in the first half-year. The nine-month term saw a gradual deterioration of general economic environment which reflected in shrunken commodity exchange, reduction of margins and even more acute ill-payment practices. Nevertheless we succeeded in achieving the majority of financial goals.
The aggregate sales revenue of the group was lower than in the same term 2011 due to the stoppage of operation of some companies in the group, however, still meeting our sales targets. We continued with other activities towards business optimization, such as enhanced restructuring of transport services, IT-implementation of processes and simplification of supporting processes, which had already yielded positive results in the first half-year's term.
In the nine-month term our operating profit was at € 14.0 million; we achieved nearly 10 percent share of operating profit in the sales revenue (EBIT margin).
In the last three months we held negotiations with our creditor banks on the implementation of restructuring of financial liabilities of the parent company Intereuropa d.d.
The shareholders supported the financial restructuring, comprising a decrease in share capital, conversion of claims receivable by creditor banks into equity, and rescheduling of the remaining portion of debt, however, conditioned their support by disposal of our investment in Russia. At the beginning of October we reached the agreement and signed the Contract on financial restructuring with the creditor banks, which is underlying for the implementation of all these procedures by the end of this year.

	INTEREUROPA GROUP			INTEREUROPA D.D.		
(in 1000 €)	Jan-Sep 2012	Jan-Sep 2011	Index 12/11	Jan-Sep 2012	Jan-Sep 2011	Index 12/11
Sales Revenue	142,242	161,414	88	82,295	78,611	105
EBITDA	21,153	18,897	112	9,846	8,802	112
Operating profit or loss (EBIT)	14,037	9,663	145	6,369	4,968	128
Net profit or loss	7,179	-4,440	-	3,193	2,998	107
EBITDA margin in %	14.9	11.7	127	12.0	11.2	107
EBIT margin in %	9.9	6.0	165	7.7	6.3	122
Sales Revenue per employee/month	8.260	8.320	99	12.398	11.772	105
Value Added per employee /month	2.731	2.483	110	3.581	3.379	106

(in 1000 €)	30.9.2012	31.12.2011	Index 12/11	30.9.2012	31.12.2011	Index 12/11
Assets	391,395	407,207	96	300,699	312,409	96
Equity	150,250	140,988	107	91,076	84,645	108
Net debt	161,927	176,567	92	114,330	118,224	97
No. of employees	1,915	2,114	91	739	768	96

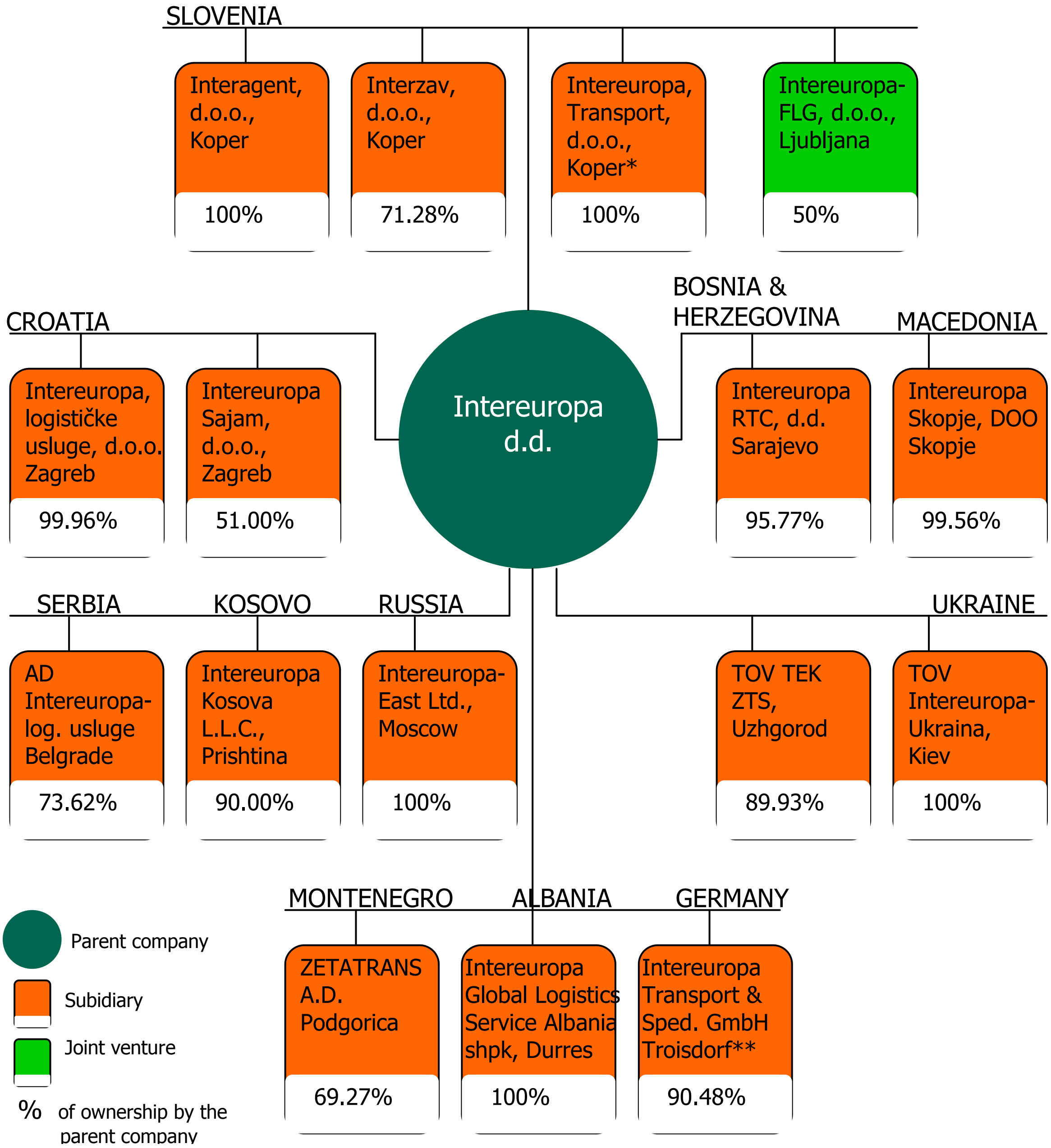
	Jan-Sep 2012	Jan-Dec 2011	Index 12/11
No. of shares at the end of term	7,902,413	7,902,413	100
Net earning per share (in €)	0.40	-0.47	-
Closing price at the end of term (in €)	0.60	0.43	140
Book value of share at the end of term (in €)	11.55	10.74	108
Closing price / Book value of share	0.05	0.04	130
P/E	1.50	-0.91	-

EBITDA: Earnings Before Interest, Taxes, Depreciation and Amortisation
Net debt: financial liabilities – loans and deposits given - cash
P/E: Closing price at the end of term/ Net earning per share

GROUP PROFILE

Parent company	Intereuropa, Global Logistics Service, Ltd. Co.
Abbreviated name	Intereuropa d.d.
Country of the parent company	Slovenia
Head office of the parent company	Vojkovo nabrežje 32, 6000 Koper
Comp. ID no.	5001684
Tax no.	56405006
Entry in Companies Register	Registered with the District Court in Koper, file no. 1/00212/00
Share capital	€ 32,976,185.11
Number of of issued and paid-up shares	7,902,413 no-par value shares
Share listing	Shares deignated IEKG are included in blue chips on the Ljubljana Stock Exchange, CEESEG.
Management Board	Ernest Gortan, Msc., President of the Management Board Tatjana Vošinek Pucer, Deputy President of the Management Board
Chair of the Supervisory Board	Bruno Korelič

Intereuropa Group	
No. of employees	1,915 employees
Vehicle fleet	187 company-owned trucks, tractors, and trailers and other commercial vehicles
Total warehousing area	262,500 m^2 in-house warehouse
Total land area	2,152,200 m^2 of land area
Membership in international organisations	FIATA, IATA, FETA, FONASBA, BIMCO, IRU
Quality certificates	certificate ISO 9001:2008: ○ Intereuropa d.d., Koper ○ Intereuropa, log. usluge d.o.o. Zagreb ○ Intereuropa RTC d.d. Sarajevo.
Branch network	Slovenia, Croatia, Montenegro, Bosnia & Herzegovina, Serbia, Kosovo, Macedonia, Albania, Ukraine, Russia



* Intereuropa Transport d.o.o., Koper has been in liquidation proceedings since 17 January 2012.
** Intereuropa Transport & Spedition, GmbH, Troisdorf has been in liquidation proceedings since 1 September 2011.

Figure 1: Intereuropa Group as of 30.09.2012

STRATEGIC OBJECTIVES OF THE INTEREUROPA GROUP

Corporate vision

To become a top-ranked provider of integral logistics solutions.

Mission

The mission of the Intereuropa group is to meet the need for logistics services and provide the optimal functioning of supply chains to the complete satisfaction of our customers, while creating added value for shareholders, employees and other stake-holders in a socially responsible manner.

Values

Professional attitude towards customers. Our activities seek to offer optimal solutions for the logistics needs of each and every customer, based on advanced logistics know-how.
Adaptability and flexibility. Our services are prompt and tailored to customers' needs. They are based on inventive business solutions and good organization.
Responsibility. We are distinguished by a high level of responsibility for all obligations and arrangements undertaken, as well as for both the social and natural environments.
Team work and respect for co-workers. The quality of our services is the result of the work of individuals and excellent expert teams. We duly take into account co-workers' knowledge, experience and views.

Our organizational structure and professional competence will enable us to fully realize our competitive advantages:

- → own network of affiliated companies,
- → established partnership network,
- → a wide range of different products and our own infrastructure,
- → technically qualified staff.

Strategic goals up to the year 2012:

- → Maintaining and strengthening our position as the leading provider of comprehensive logistics services in Slovenia and the countries of the former Yugoslavia.
- → Continuous optimization of processes in all business segments at the group level and within the consolidated companies.
- → Ensuring financial stability through divestment, de-leverage, debt rescheduling and effective management of working capital.
- → Establishing a strategic partnership in the company Intereuropa East Ltd., Moscow.
- → Acquiring a strategic partner for Intereuropa d.d. that will carry out recapitalization, thus contributing to the group's financial stability as well as the development of our core business.

BUSINESS PLAN FOR THE YEAR 2012

The baseline for the 2012 Business Plan of the Intereuropa Group relies on retaining and strengthening the leading position in the market of comprehensive logistical services in Slovenia and countries of former Yugoslavia.

The underlying principles in drawing up the operating plan for the year 2012 are the assurance of satisfactory cash flows for the liquidity of companies in the group, aiming to allow for the time needed for financial recovery of the Parent company Intereuropa d.d. in the long run.
In setting the goals we considered the minimal economic growth forecasts for the majority of countries in which the group operates, the preparations for the accession of Croatia to the EU, and the aggravated liquidity situation in the markets, as well as the pressure on prices.

Following these baselines, we have set the following operating and financial goals for the year 2012 on the group level:

→ Further optimization of business processes,
→ Focus on the markets with a high market share,
→ Using the synergies of the corporate network,
→ Restructuring of our range of services,
→ Increasing the share of customers – users of integral logistics.
→ Agreement with creditor banks on a more favourable structure of financing for the Parent company,
→ Ensuring adequate liquidity for a smooth operation of the group,
→ Core financial goals:
  - Sales: € 191.8 million,
  - EBITDA: € 23.2 million,
  - Operating Profit or Loss: € 13.0 million,
  - Investments: € 2.5 million,
  - Number of employees at year-end: 1,894.

MAJOR EVENTS IN THE REPORTING PERIOD

January

→ On 17 January 2012 the initiation of voluntary winding-up of the subsidiary Intereuropa Transport d.o.o. was published in the Court Register of Companies, along with the changed firm Intereuropa Transport d.o.o., in liquidation; Ernest Gortan was appointed as the Liquidation Trustee for the company.

February

→ On 27 February 2012 the Supervisory Board was informed on the operation of the Intereuropa Group in the year 2011, in which the Intereuropa group recorded 11 percent higher sales revenue, at € 211.9 million, which was 11 percent above the sales target as well.

→ Creditor banks granted to Intereuropa d.d. a grace period until 30.09.2012 for the repayment of principal and expressed in principle their readiness for the conversion of a part of debt into equity. They also expect support from shareholders, who are expected to decrease the share capital by reducing the nominal share value to 1 € and adopt the resolution on capital increase by the conversion referred to above. In this way the banks would reschedule the liabilities for loans so that financial liabilities of Intereuropa d.d. be sustainable. That would further provide for a sale of the banks' equity to strategic investors.

March

→ Our customer Top Shop International SA informed us of their intended termination of cooperation with us. The Management Board estimates that the envisioned termination would cut the planned sales revenue of the group by approximately 2.5 percent in the current year. We will attempt to mitigate the negative impact of the reduced volume of the business with said customer by activities addressing the resulting situation, both by active marketing and cost adjustment.

April

→ On 19 April 2012 the Supervisory Board of Intereuropa d.d. adopted in its 19th ordinary session the Audited Annual Report 2011 for the Intereuropa Group, the Auditor's Report by the appointed external certified auditor, and the Report prepared by the Supervisory Board on reviewing the Intereuropa d.d. Audited Annual Report 2011, following a due discussion of all reports.

→ On 24 April 2012 Intereuropa made a presentation in the Day of Slovenian Capital organized by the Ljubljana Stock Exchange (Ljubljanska borza d.d.), and the Management Board president Ernest Gortan Msc. reported on the achievement of strategic goals in 2011 and on the planned activities and goals of the Intereuropa Group for the present year.

May

→ On 18 May 2012 was held the 20th ordinary session of the Supervisory Board of Intereuropa d.d. to get informed on the quarterly performance of the Intereuropa group: the sales revenue totalled € 47.4 million and the net profit amounted to € 4.5 million.

July

→ On 27 July 2012 the company published the letter convening the 24th General Meeting for 28 August 2012.

August

→ The 24th Annual General Meeting of Intereuropa d.d. was held on 28 August 2012, in which the shareholders got acquainted with the Annual Report of the Intereuropa Group for 2011, including the Auditor's Opinion. The Managementg Board and Supervisory Board were awarded the discharge for the financial year 2011. Shareholders adopted the Resolution on decrease of the share capital owing to transfer to capital reserves and the Resolution on increase of capital by contributions-in-kind. The General Meeting further adopted the Resolution acknowledging the information on the procedure of sale of investment in Russia and the estimated sales proceeds, and appointed the audit firm for the year 2012.

September

→ Intereuropa exhibited on the International Small Crafts Fair (MOS 2012), held between 12 and 18 September in Celje, like previous years. Intereuropa was further the official freight forwarder in fair and offered the organization of comprehensive logistics for the exhibition.

MAJOR EVENTS AFTER THE END OF REPORTING PERIOD

October

→ On 18 October 2012 Portorož was the venue of the annual conference of the Intereuropa group at which the Managememnt Board presented the current operations of the group, the guidelines and goals for 2013 to managerial and executive staff.

→ To implement the resolutions of the 24th Annual General Meeting of August, the General Meeting held another session on 25.10.2012 and adopted the amendments to the Statute, and extension of the time allowed for the increase of share capital by contributions-in-kind.

→ In October Intereuropa d.d. entered into the Contract on financial restructuring with the creditor banks, in which the terms for financial restructuring of the company were agreed, as follows:

- a decrease of the Company’s share capital owing to transfer to capital reserves,
- capital augmentation by contributions in kind by creditor banks, and
- loan rescheduling up to the year 2019.

The Contract outlines the disposal of investment in Russia as one of the underlying conditions. The financial restructuring activities are expected to be completed by the end of this year.

BUSINESS REPORT

1. PERFORMANCE OF INTEREUROPA GROUP

1.1. Sales achievements

ECONOMIC TRENDS

The economic activity trends in the euro zone were declining throughout the nine months. A slow-down of exports is expected for the second half-year which were driving the growth of GDP in the second quarter of this year. There is no outlook for a stronger domestic demand which has been decreasing considerably for the last three quarters already. International financial institutions have again lowered their forecasts for economic growth. In global environment, the recovery has slowed down and growth rates tend to fall even in the emerging market economies; Europe is still facing the crisis which is getting deeper. After the record prices in March and the bottom in June, the price of (Brent) oil has risen again and reached the average price of 113 $/barrel, which was only slightly higher than in the same term last year.
In Slovenia, the short-term indices for economic activity have declined. In processing industries the turnover was falling: in July it was lower than at the end of 2011.
Also the exports of technologically less complex products fell, unlike the exports of technologically more complex products which were growing persistantly. Also the remaining economic ratios do not show improvement: the economic situation remains uncertain.
Croatia faces difficult economic circumstances too, with declining foreign trade, domestic demand and industrial output. Economic activity has been declining for the fourth year in sequence; insufficient liquidity of the real sector causes additional problems in operations.
After solid growth rates in the last two years, the economic growth in Russia is also facing a slow-down. Nevertheless, it still surpasses other countries in which we are present with our companies.

Table 1: Forecast of economic trends in goegraphic markets of the Intereuropa group

Countries	BDP growth, in %		Inflation, in %		Exports of goods growth, in %		Imports of goods growth, in %	
	2012	2013	2012	2013	2012	2013	2012	2013
EU 27	-0.2	0.5	2.2	1.8	2.5*	2.4*	-0.4*	1.8*
CEE	2.0	2.6	4.8	4.0	2.3	4.1	3.9	4.2
Slovenia	-2.0	-1.4	3.3	1.9	-0.3	1.8	-5.1	-1.0
Croatia	-1.1	1.0	3.7	3.0	1.0	2.3	-4.8	1.4
BiH	0.0	1.0	2.2	2.1	1.1	5.6	-3.6	3.4
Serbia	-0.5	2.0	8,6	5.0	-2.7	5.4	-1.7	4.9
Kosovo	3.8	4.1	1.0	1.9	-0.3	7.3	-4.6	5.4
Montenegro	0.2	1.5	3.8	2.9	-2.9	1.7	-0.2	3.3
Macedonia	1.0	2.0	2.0	2.0	5.0	8.0	4.8	7.5
Albania	0.5	1.7	3.0	3.0	1.8	6.1	-4.6	2.7
Russia	3.7	3.8	6.7	6.5	2.8	2.9	8.6	9.0
Ukraine	3.0	3.5	6.0	5.9	5.7	6.4	6.9	7.8

* Eurozone data

Sources:
World Economic Outlook, IMF, October 2012
Autumn forecast of economic trends 2012, UMAR, September 2012

SALES REVENUE OF INTEREUROPA GROUP

In the reporting nine months 2012 the Intereuropa group generated a **sales revenue of € 142.2 million**, and remained two percent behind the planned sales revenue. Our Land transport and Intercontinental transport achieved or even exceeded the targets, but we were not so successful in the sale of services in Logistics solutions.[1]
Better sales results than planned were achieved primarily in the products road transport and border despatch products in Slovenia and car logistics in Russia. In Slovenia we recorded lower sales primarily in container services due to falling prices in shipping and fewer container dispatches from the port of Koper; the warehousing revenue was lower both in Slovenia and Croatia as a result of reduced output for our major customer Top Shop International SA, along with the impact of shrinking economy.

Table 2: Sales revenue of the Intereuropa Group by business area, in € thousand

	Business area	Jan - Sep 2012	Structure	Index[1] 2012/plan	Index 2012/2011
1	Land transport	82,325	58%	102	82
2	Logistics solutions	17,914	13%	85	92
3	Intercontinental transport	36,970	26%	100	97
4	Other services	5,033	4%	95	134
	TOTAL SALES REVENUE	**142,242**	**100%**	**98**	**88**

The sales result achieved in the reporting term was 12 percent lower than in the comparable term last year. Declining trends affected all business areas and segments, in particular the Land transport. In this business area the decline in volume is attributable to certain optimization activities within the group:

- → declining activity and the initiation of voluntary liquidation proceedings on our subsidiary Intereuropa Transport d.o.o.;
- → closing down our subsidiary in Germany and the disposal of our subsidiary in France, and further development in these markets through our partner networks.

The sales volume lying below the achievement of the preceding year was also a logical consequence of the lower planned volume of operations of our Ukrainian company due to the declining volume of goods flows in transit in railway transport, and partly a consequence of a less favourable sales volume in Croatia, Bosnia and Herzegovina, and Montenegro due to a slow-down in the economic activity in that region.

Table 3: Sales revenue of Intereuropa group by countries (by companies' head office) in € thousand

	Geografical area (by companies' head office)	Jan - Sep 2012	Structure	Index 2012/plan	Index 2012/2011
1	Slovenia	80,253	56%	98	88
2	Croatia	23,621	17%	96	95
3	Bosnia & Herzegovina	4,506	3%	96	88
4	Serbia	2,610	2%	100	105
5	Macedonia	1,055	1%	102	102
6	Kosovo	1,288	1%	106	109
7	Montenegro	3,990	3%	87	93
8	Albania	409	0%	126	111
9	Russia	12,082	8%	117	140
10	Ukraine	12,430	9%	96	64
	TOTAL SALES REVENUE	**142,242**	**100%**	**98**	**88**
1	EU countries	80,253	56%	98	88
2	Non-EU countries	61,989	44%	99	88

[1] Due to a change to the method on revenue analysis according to business area in our subsidiary in Croatia, the indexes of plan achievement by business areas and products do not present a full and accurate picture in particular in the area of Logistics Solutions.

Table 4: Sales revenue of the Intereuropa group by countries (by customers' head office), in € thousand

	Geografical area (by customers' head office)	Jan - Sep 2012	Structure	Index 2012/2011
1	Slovenia	42,426	30%	88
2	Croatia	23,039	16%	96
3	Russia	12,334	9%	134
4	Bosnia & Herzegovina	4,732	3%	85
5	Serbia	2,330	2%	95
6	Montenegro	3,803	3%	94
7	Other countries	53,577	38%	79
7a	Other EU countries	26,352	19%	65
7b	Other countries	27,225	19%	101
	TOTAL SALES REVENUE	**142,242**	**100%**	**88**

Land transport

The Land transport area contributes 58 percent to the sales revenue of the group. In the reporting term we exceeded the target sales revenue by 2 percent; however, the revenue was 18 percent below the figure achieved in the comparable term a year ago.

More than one half of the setback behind last year's result is attributable to lower income from the Road Transport product, primarily as a consequence of the closing down of Intereuropa Transport d.o.o., and also due to the closing down of our subsidiary in Germany (in May 2011) and the disposal of the subsidiary in France (in June 2011). Another major setback was recorded in the Railway Transport product, due to a lower sales revenue in our Ukrainian company TEK ZTS Uzhgorod.

The trend of falling margins in the transport services has continued. The recession is felt in the markets that we supply with our services, resulting in a lower volume of trading in goods and further affected by aggravated ill payment practices, which calls for much caution in acquiring new business. Also the competitors are aware of these risks and try all the harder to acquire the business with "sound" customers. As the shrinkage on the cost-side affects our customers as well, all the more business can only be acquired by tenders, which leads to reduction of prices.

Groupage Services:

→ The group exceeded the sales plan by 1 percent, but stood 6 percent behind the last year's result.
→ In Slovenia, where 80 percent of all revenues are generated for this product, we were lagging behind the sales and the results of last year. In Croatia, which is the second major market, we exceed the sales plan but do not achieve the sales revenue of the year ago.
→ Our companies in Montenegro and Macedonia are the only ones that exceeded both the targets and the achievements of the comparable term last year.

Express service:

→ The group stood 1 per cent behind the result of the comparable term last year and recorded a 5 percent setback behind the plan.
→ The company in Slovenia faced the greatest setback (20 percent lower sales revenue than in 2011).
→ The restructuring process on this product is conducted both in Slovenia and Croatia.

Road transport:

→ Good results were achieved by the parent company Intereuropa d.d., who started to service the customers who were formerly doing business with Intereuropa Transport d.o.o., which is in the process of liquidation.

→ We surpassed the sales plan on the group level (by 19 percent), however, we earned 22 percent less sales revenue than last year: that is a consequence of closing down the subsidiary Intereuropa Transport d.o.o., the German subsidiary and the disposal of the subsidiary in France.

Customs services:

→ The sales revenue was 3 percent lower in than the same period a year ago.

→ The Border despatch Branch recorded the highest achievement (with revenues from customs broking and from border despatch).

→ The worst negative variance was recorded by our company in Croatia (mainly in customs broking and less in border despatch).

→ Also the companies in BiH, Serbia and Montenegro were underperforming.

Rail Transport:

→ Due to reduced goods flows in transit, our Ukrainian subsidiary recorded a lower volume of operations than a year ago and also below the plan.

→ The specialized company Intereuropa-FLG d.o.o. Ljubljana is lagging behind the plan and below the achievement of the last year's term.

In this year we expect a significant loss of income in Land transport area (road transport, customs services) due to the relocation of the customer Top Shop International SA. We further expect lower income from border despatch due to the accession of Croatia into the NCTS-system, which was already taken account of in outlining the sales plans.

We will continue with the optimization of operations. The restructuring process on the Express Services product has continued both in Slovenia and Croatia. In the given economic situation in Europe and the adverse economic climate in Slovenia cannot offer better provisions for a more promising outlook up to the year-end. In the repeat slow-down of the international economy, the logistics business in Slovenia is exposed primarily through international exchange of goods. Both exports and imports of goods declined. We will address these factors by intensified sales activities on domestic and foreign markets in the entire group. In foreign markets we will rely on our business partners abroad to support our activities.

Logistics solutions

In this business area we generated a sales revenue of € 17.9 million, which is 13 percent in the total sales structure of the group. The sales revenue was 8 percent lower than in the same period a year ago and 15 percent behind the plan. That can be attributed to lower sales in two key markets, i.e. Slovenia and Croatia, which are still affected by unfavourable economic trends and the loss of our important customer Top Shop International SA.

The principal grounds for such results arise from a very low economic activity in the whole region. On top of that we are faced with increasing quantities of goods stored in the warehouses.

The highest rise in the sales revenue was recorded by our subsidiary in Russia, which now stands for 14 percent in the sales of this business segment. The warehouse capacities in Russia were fully occupied, so the last year's achievement was exceeded by 72 percent and the plans by 24 percent.

Within this business segment we envision for this year:
→ intense marketing activities addressing large-scale logistics business,
→ further extension of e-business (Electronic Data Interchange),
→ improvement of efficiency and productivity (primarily in Slovenia).

Intercontinental transport

In the area of Intercontinental transport we fulfilled the sales targets. We achieved a sales revenue of € 37.0 million or 26 percent in the total sales of the group. The seafreight and car logistics products are our core products and develop favourably in our key markets.

Sea-Freight:
→ The sales volume generated in the reporting period were 3 percent behind the targets.
→ Among all the seafreight products, the conventional sea-freight revenue surpassed the sales targets by 7 percent, thanks to the first half-year with a good season for the transportation of cooled fruit and vegetables via the Koper Port, and also to increased turnover with the RCA operator.
→ In container transport services, we were faced with lower freight rates and a reduced volume of container transportation organized via Koper, and we did not achieved the targets.
→ In our RO-RO product our setback behind the plan was only 2 percent, despite uncertain situation in the RO-RO market in the Adriatic and Mediterranean. Slovenia remains our key market, where we achieve more than 90 percent in the sales structure. The RO-RO line Koper – Durres remains uncertain; there is a big drop in transportation of construction machinery for the markets along the Mediterranean.
→ We exceeded the sales targets mostly in smaller markets of the group, such as Croatia, Bosnia and Herzegovina, Macedonia and Kosovo.
→ The outlook for this year shows a more aggravated situation for seafreight: in the second half-year the ports in this region have recorded less cargo and a declining demand for handling of containerized goods.

Car logistics:
→ The revenue generated from the services of car logistics came to € 15.8 million, which was 6 percent above the sales target.
→ The number of vehicles handled via Koper port and also via our car terminal in Koper rose by 3 percent, which is attributable to newly acquired business. Also our car terminals in Koper and Logatec were performing well.
→ The occupancy of the Logistics Centre Chekhov was very high, and also car transports to our terminal yielded good income.
→ The operations are expected to achieve the sales plan for the remaining part of the year.

Shipping Agency:
→ Our company Interagent d.o.o. (Shipping Agency) exceeded the plan by 2 percent.
→ With 210 ships represented in the Port of Koper we remain the leading shipping agent in terms of the number of ships represented.

- → We have an agency contract with the shipowner China Shipping Container Lines, who is the ninth largest owner of container ships in the world and is developing a service in the Adriatic, or for Koper resp.
- → We have also acquired the agency representation for some other shipowners.
- → Our focus remains to acquire the agency representation also in other countries of the Balkans, in which the sea-freight markets are essentially worse (the shipowners of container ships are cancelling the calling of their own ships /service).
- → The revenue is expected to remain in the same scope until the year-ane.

Airfreight:

- → In the Airfreight product, our lagging behind the sales targets is attributable to the largest variance in the sales results in Slovenia, where we control the organization of airfreight services to the greatest extent.
- → An important growth is achieved in Serbia and Croatia, with a particular emphasis on the role of the airfreight-unit in Belgrade, through which we organize charter despatches /flights from Belgrade or from Niš.
- → We are facing strong competition in Slovenia and on the Balkans, and an increasing role of the airports in Austria and Hungary.
- → The crisis drives a higher employment of sea-freight container consolidation lines, as such a service is much cheaper.
- → An improvement is expected by the year-end, because the last quarter of the year is usually the liveliest period of the financial year for the airlines.

1.2. Financial result

Tables 5 and 6: Financial results of the Intereuropa group for January-September 2012, in thousand €

Item / Index	Jan - Sep 2012	Jan - Sep Plan 2012	Jan - Sep 2011	Index 2012/plan	Index 2012/2011
Sales revenue	142,242	144,472	161,414	98	88
EBITDA*	21,153	17,657	18,897	120	112
Operating profit or loss	14,037	9,937	9,663	141	145
Financing profit or loss	-3,473	-12,709	-14,448	-	-
Net profit or loss	7,179	-1,172	-4,440	-	-
EBIT margin in %	9.9%	6.9%	6.0%	143	165
Sales revenue per employee/month	8.260	8.124	8.320	102	99
Value added per employee/month	2.731	2.476	2.483	110	110

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

Item / Index	30.09. 2012	Plan 31.12.2012	31.12. 2011	Indeks 2012/plan	Indeks 2012/2011
Balance sheet total*	391,395	379,794	407,207	103	96
Equity*	150,250	146,892	140,988	102	107
Net debt**	161,927	173,614	176,567	93	92
Short-term assets/ Short-term liabilities*	0.62	1.25	0.35	50	177
Net Return On Equity (yearly level)***	5.78%	-1.16%	-3.12%	-	-

** as of the last day of the reporting period*
*** financial liabilities – loans and deposits given - cash*
**** average equity (capital) of the report. period*

The Operating profit or loss, and EBITDA

→ The higher Operating profit is largely attributable to the growing sales revenue in our Russian subsidiary, effective restructuring of road transport in Slovenia and management of indirect costs in most of the group members. As a result, we have improved the profitability of operations which reflects in a high EBIT margin that is currently being maintained. It has to be considered that also the increase in other operating revenues has a bearing on the high EBIT margin, most in the parent company and in our subsidiaries in Russia and Montenegro.

→ Excluding the transactions that are not directly related to the ordinary business, the following EBITDA and Operating result values would be achieved:

in 1000 €	Jan-Sep 2012	Jan-Sep 2011	Index 2012/2011
EBITDA	18,268	16,634	110
Operating profit or loss	11,204	7,468	150

The Financing profit or loss

→ Better Financing profit results primarily from the non-occurrence of negative foreign exchange differences and lower interest expenses (fall in interest rates), as well as lower net expenses resulting from the allowance for, and write-off of accounts receivables.

Net Profit or Loss

→ The Net operating profit reduces our tax liability for the corporate income tax. Most of these liabilities relate to deferred taxes of € 3.2 million (in the parent company and in subsidiaries in Russia and Croatia).

Structure of Statement of financial position

→ The current ratio for the third quarter of this year rose owing to the reclassification of the short-term portion of a long-term loan to long-term loans in the parent company. That is attributable to the Contract on financial restructuring signed between the parent company and the creditor banks, rescheduling our long-term loans and also changing the financial commitments.

1.3. Investments in fixed assets

In the Nine Months 2012, the **investments in fixed assets** realized by the Intereuropa Group totalled **€ 984 thousand**, thereof 283 thousand in real estate and 701 thousand in plant/equipment and intangible assets. The annual plan of investments was completed to the level of 31 percent.

Table 7: Overview of Investment in January- September 2012, in thousand €

Company	Real property		Plant & Equipment		TOTAL INVESTMENTS		% of annual realiz.
	Jan-Sep 2012	Plan 2012	Jan-Sep 2012	Plan 2012	Jan-Sep 2012	Plan 2012	
Intereuropa d.d.	89	756	111	954	200	1,719	12
Subsidiaries	194	406	591	1,022	785	1,428	55
TOTAL INVESTMENTS	**283**	**1,171**	**701**	**1,976**	**984**	**3,147**	**31**

The investments of the parent company Intereuropa d.d. were made in real estate, equipment and intangible assets (€ 200 thousand); other members of the group invested 785 thousand € in fixed assets. The highest amount stands for the financial lease of three trucks in the Ukrainian subsidiary ZTS Uzhgorod (€ 235 thousand). The invested funds were earmarked to:

- Buildings and fittings/ equipment (€ 629 thousand),
- Repairs and purchase of motor vehicles (€ 310 thousand),
- Computer hardware and software (€ 45 thousand).

1.4. Risk Management

The central goal in risk management is to effectively address and reduce uncertainty in the company and thereby assure higher operating performance and retain the competitive advantages of the company.

There were 71 types of risk identified in the company Intereuropa d.d., thereof 22 key risks. At present, the most significant risks are a fall in the prices of services and decreased demand for our services.
One of the major risks to date, i.e. how to ensure the financial stability for our company, was adequately reduced by satisfying the requirements, as per resolutions adopted by the General Meeting in August and October 2012.
All activities on financial restructuring are expected to be completed by the end of this year.
Our major attention is dedicated to the selling risks and we are adapting to individual needs of customers. During the past three months we perceived an extraordinary pressure on prices, along with a decreased demand for certain services. We responded to it by additional sales activities, price adjustment and improved efficiency. Despite the aggravated situation in the reporting period we were able to achieve and even surpass most of the performance indicators planned.

The liquidity risk is managed by day-to-day control over the cash flows and the current/ working capital, as well as by the balancing of short-term credit facilities with the commercial banks. A further decrease in the variable Euribor interest rate was favourable for the interest rate risk and reduced the interest payable, while the general economic situation had a negative impact on the working capital: the current ratio of the operating receivables turnover rate (payment) has been rising.

In the Human Resources area, we continue to support the appropriate communication, motivation and rewarding system linked to efficiency. The latest survey measuring the employee satisfaction points to a positive trend, which is encouraging in the present uncertain situation.

The relocation of our major customer Top Shop International SA, and the recent situation in the logistics market point to a higher exposure of Intereuropa d.d. To mitigate the loss of income, we adopted a number of measures in the sales, organization and finance on the company level and in our individual business units. The results of the effects are monitored - measured monthly and in case of a variance, additional action is taken.

The assurance of financial stability of the company remains our key risk and we endeavour to maintain it on an acceptable level (the agreed capital augmentation, grace period for the repayment of principals, consistent implementation of the corporate business and financial restructuring programme).

We expect the next quarter of this year to be very important for reducing the exposure to both, the selling risk and financial risk.

1.5. Human Resources Management

EMPLOYMENT TRENDS

On the group level, the downsizing trend continued in the reporting term, compared to the figures of December 2011. The number of employees fell by 199 or 9 percent. Due to liquidation proceedings initiated on the company Intereuropa Transport d.o.o., all the 117 employees were made redundant.

Forty employees left the parent company Intereuropa d.d. and were substituted by 11, so the total staff was lower by 29 employees. Redundancies in the parent company were mostly for business reasons. In this way, 23 employees will be sent to the Employment Service of Slovenia (ESS), most probably until retirement.

Also the staff of Intereuropa, logističke usluge, d.o.o. Zagreb (Croatia) is lower by 37; the changes to number of employees were smaller in other companies of the group.

Table 8: No. of employees in the Intereuropa Group according to countries, as of 30.09.2012

	30.9.2012	31.12.2011	Difference 12-11	Index 2012/2011
Slovenia	760	908	-148	84
Croatia	476	514	-38	93
Bosnia & Herzegovina	137	145	-8	94
Serbia	107	108	-1	99
Macedonia	33	33	0	100
Kosovo	25	25	0	100
Montenegro	157	162	-5	97
Albania	2	2	0	100
Russia	170	168	2	101
Ukraine	48	49	-1	98
TOTAL No. OF EMPLOYEES	**1,915**	**2,114**	**-199**	**91**

In addition to permanent (full-time) staff, there were 133 persons working as of 30 September 2012, recruited through other forms of labour, such as employment agencies and student job services. In the parent company the number of these workers fell sharply in the third quarter.

DEVELOPMENT AND TRAINING

In the reporting period, there were 3.5 hours spent per employee on the group level: 33 percent of the employees (629 participations) were included in training and education to acquire new knowledge. Altogether, there were 6,312 hours spent on education and training.

Of the planned budget for education and training (€ 111 thousand) was spent just over one third (€ 42 thousand). Internal staff members carried out 39 percent of training forms (occupational safety and IT system supporting the sales processes/ISPRO).

In the structure of hours, the greatest share of training was dedicated to acquire and upgrade the knowledge of occupational health and safety (36 percent), logistics (21 percent), and other technical and specialist knowledge/skills from various fields, such as auditing, accounting, law, HR, etc. (19 percent).

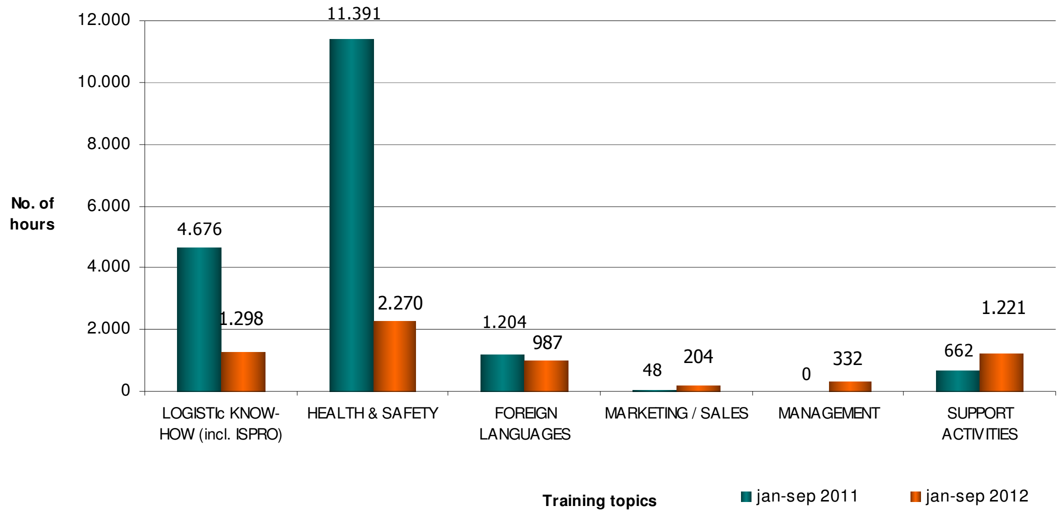


Figure 2: Structure of training hours in period January – September 2012 according to topics, in the group

EMPLOYEE CARE AND WIDER SOCIAL ENVIRONMENT

→ In the term from January to September, financial aid was provided to 63 employees in difficult health condition or inferior financial situation in total amount of € 41 thousand (compared to 39 thousand in the same period last year).

→ We provided practicum to 66 secondary school and university students in the group (compared with 59 last year).

HEALTH PROTECTION

In the areas Occupational safety and health, and Fire safety, are scheduled:

- → The health-strengthening programme – promoting the occupational health care in the workplace;
- → Preparation of "operational regulations" for our private railway /siding tracks in our BU Ljubljana, Jesenice, Celje, Dravograd and Maribor,
- → training forms for security staff /receptionists,
- → Updating the current Health and Safety Declaration with Risk Assessment,
- → Amendment to, or harmonization of our internal acts/bylaws with the new Occupational health and safety act,
- → New fire-fighting regulations for each individual business unit,
- → Amending /updating the brief summary of fire-fighting regulations for the business units in which solar power plants were installed, and informing the individual fire brigades with the operation or function thereof,
- → Training programme for persons responsible for first response to fire and evacuation,
- → Fire-safety training programme for the tenants /occupants of our business premises under lease.

There were 1,463 sets of different working assets/ machine items and equipment examined on the level of the group, and 162 preventive medical check-ups were undertaken.
In the reporting term, there were 15 light injuries at work, which was 4 accidents fewer than a year ago.

1.6. Total Quality Management

Three companies of the Intereuropa group (out of fourteen) hold a certification under the ISO 9001:2008 Standard. Seventy percent of all employees work in these certified companies. External Audits of the Quality Management System were conducted in Intereuropa d.d. and Intereuropa, log. usluge d.o.o Zagreb in the reporting term and the decision was made to discontinue the certification in two companies (Intereuropa Transport d.o.o. in liquidation, and in Interagent d.o.o.).

Maintaining the ISO 9001:2008 Quality Management System

→ Yearly QMS reports were prepared for the year 2011 and the measures to improve the QM system were triggered in all the three companies.
→ A new version – version 1 of the Quality Management System Manual for the company Intereuropa d.d. was issued and the second version is in preparation.

Internal quality of service auditing

→ An internal audit of the "on-load" process was conducted in Intereuropa d.d. There were five recommendations for improvement issued, and one non-compliance found.

Quality control by QM indicators

→ There were 29 percent fewer complaints recorded in Intereuropa d.d., in the value involved therein was only one fifth of the value in the comparable term last year.

No. of complaints	Index 12/11	No. of claims	Value in 1000 €	Index 12/11	Approved Value in 1000 €	Index 12/11
355	71	140	93	21	51	50

The result of external audit in Intereuropa d.d. this year:
→ The audit was the fourth re-certification (renewal) audit, thirteenth in sequence. It was conducted in the organizational units: Managing Board, business units (BU) Koper, Brnik, Celje, Maribor, Dravograd.
→ Auditors have confirmed in their reports that our operations are conducted in compliance with the requirements of the ISO 9001 standard. They did not find any non-compliance, however, they issued 21 recommendations for improvement.
→ The implementation plan for the recommendations accepted on our part will be prepared; we will substantiate any recommendations that are not accepted. The report on measures taken was submitted to the certification body at the beginning of June.

The result of external audit in Intereuropa log. usluge d.o.o. Zagreb, conducted this year:
→ The audit was the first follow-up control audit following the certification audit last year.
→ The audit was conducted on 29.06.2012 in the following organizational units: Management Board, Zagreb Branch, Macelj Border Pass, Warehouse at Samobor, and Split Branch.
→ The auditors did not detect any non-compliance, but they issued 15 recommendations to which the company responded in three months.

Food Safety Management System

→ Intereuropa d.d. – a non-certified system of food safety management under the HACCP system has been in use since 2004. Yearly verification of the system is to be conducted in October. Most non-compliances of last year (6 of 7 non-compliances), and recommendations (4 of 5) have been resolved.

→ Intereuropa, log. usluge d.o.o. Zagreb - a certified food safety management under the ISO 22000 standard. The system was audited concurrently with the external audit of the quality management system. The audit released three recommendations addressing the ratios/indices, control and documentation.

1.7. Share IEKG and ownership structure

KEY DATA ON SHARE

Table 9: Key Data on Intereuropa Share (IEKG) for the term January - September 2012

	Jan-Sep 2012	Jan-Dec 2011
No. of shares*	7.902.413	7.902.413
No. of treasury shares*	18.135	18.135
Share book value in €*	11,55	10,74
Earnings per share in €	0,40	-0,47
Market capitalisation in € thousand*	4.741	3.398
Trading volume in € thousand	163	433
Closing price in €	0,60	0,43
Weighted average price in €	0,68	2,62
Highest price in €	1,32	3,99
Lowest price in €	0,30	0,40
P/E	1,50	-0,91
Capital gain	39,53%	0,28%

** as of the last day of the period*

Notes:
Book value = capital/ (number of ordinary shares – number of treasury shares)
*Market capitalisation = closing price at the end of period * number of shares listed in SE*
Earning per share = Net profit/(number of ordinary shares – number of treasury shares)
P/E = closing price at the end of period / Net earning per share
Capital gain = price increase in period

SHARE TRADING

This year, the trading in shares on the Ljubljana Stock Exchange (SE) was marked by a falling trend of the rates quoted, and extremely low liquidity of the securities traded. This trend – at least that of the falling rates - stopped at the end of the reporting period. September was the best performing month in this year. The SBITOP Index, which saw the lowest rates in its history at the end of the first half-year, recovered slightly in September and recorded a 0.3-percent rise in the nine-month term.

The turnover with the IEKG share was very moderate, amounting to € 163 thousand only. During the reporting period the trading comprised 282,909 IEKG shares, thereof the average daily turnover amounted to € 0.9 thousand. After the share rate hit the bottom at € 0.33 in January, and recorded the highest closing rate at € 1.32, the price of Intereuropa share started to drop towards € 0.40. In September the share recorded a rise towards € 0.60, which was the closing rate for the reporting term. In the nine months, the IEKG share achieved a nearly 40-precent growth.

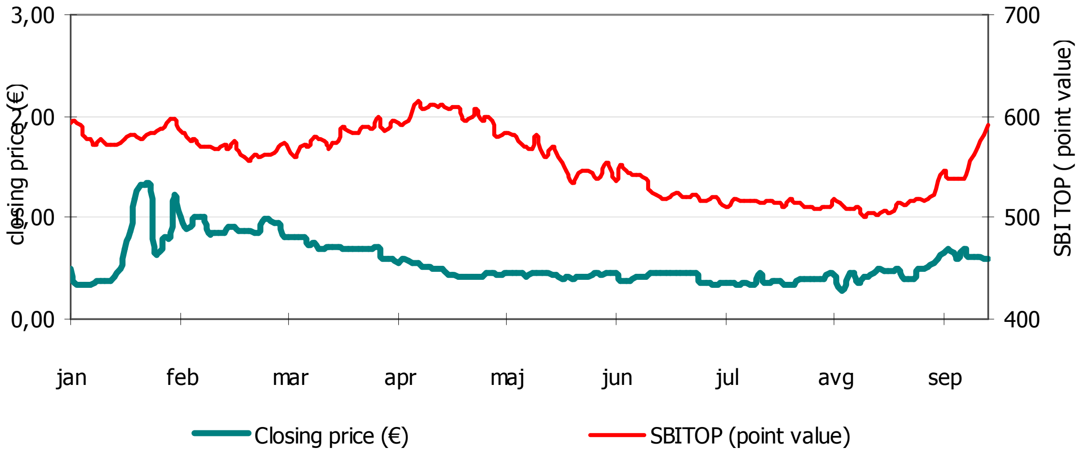


Figure 3: Closing prices of IEKG share and of SBITOP index in the period January – September 2012

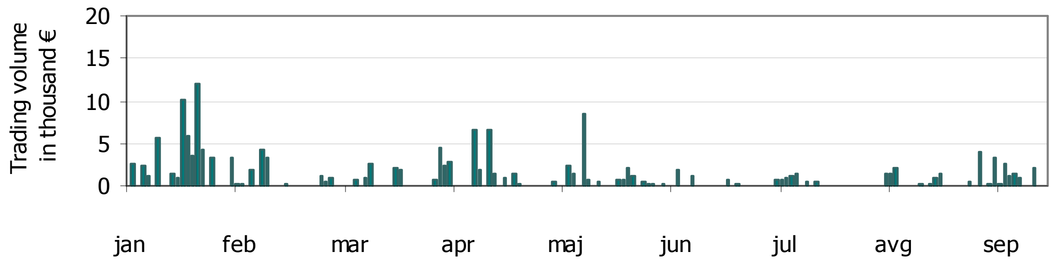


Figure 4: Trading volume of IEKG share in the period January – September 2012

OWNERSHIP STRUCTURE

As of 30 September, the top ten shareholders were holding 60.1 percent of all shares in the company. The only change to the ownership structure was by the shareholder Delniški vzajemni sklad Triglav Steber I (Equity Mutual Fund), which sold 5,800 shares but retained an unchanged shareholding.

Table 10: Top ten shareholders of Intereuropa d.d. as of 30.09.2012 compared to 31.12.2011

	Shareholder	30.9.2012		31.12.2011		Index Sep12 /Dec11
		No. of shares	share %	No. 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. Uravnoteženi vzaj. sklad	313,391	4.0	313,391	4.0	100
5.	NFD 1 Delniški podsklad	304,312	3.9	304,312	3.9	100
6.	Abanka Vipa d.d.	244,473	3.1	244,473	3.1	100
7.	NLB d.d.	240,000	3.0	240,000	3.0	100
6.	Zavarovalnica Triglav d.d.	213,640	2.7	213,640	2.7	100
9.	Delniški VS Triglav Steber I	146,682	1.9	152,482	1.9	96
10.	Interfin naložbe d.d.	129,862	1.6	129,862	1.6	100

Since the beginning of the year, the number of shareholders was lower by 197 (- 3 percent) and fell to 5,526 shareholders in total. The shareholdings held by foreign investors fell by 0.1 percentage points and amounted to 2.2 percent as of the end of the reporting term.

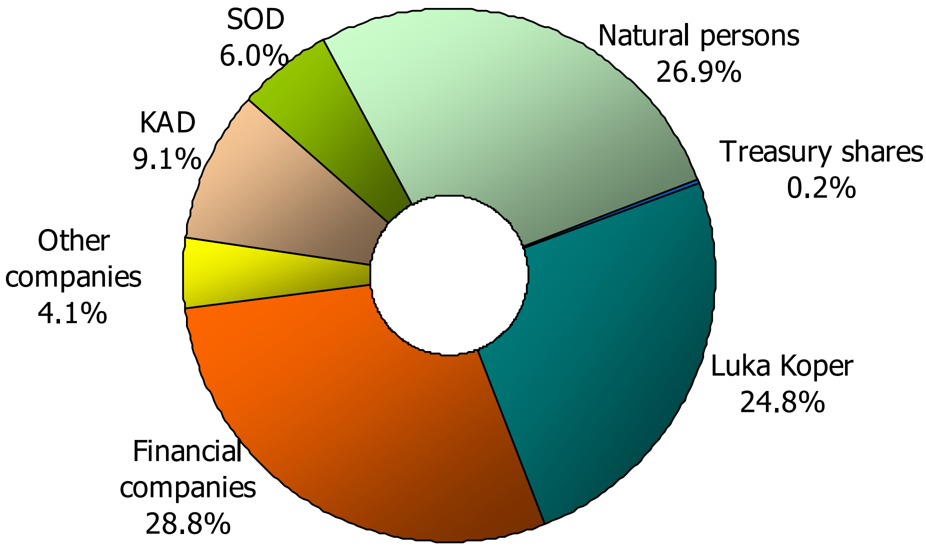


Figure 5: Ownership structure of Intereuropa d.d. as of 30.09.2012

SHARE OWNERSHIP BY THE MANAGEMENT AND SUPERVISORY BOARD MEMEBERS

The Management Board President Ernest Gortan, and Deputy President Tatjana Vošinek Pucer did not own any Intereuropa shares on 30.09.2012.

Table 11: Shares held by Supervisory Board members, as of 30.09.2012

Supervisory Board	No. of shares	share in %
Bruno Korelič, president of Supervisory Board	10	0.000
Maksimilijan Babič, deputy president of Supervisory Board	100	0.001
Nevija Pečar, member of Supervisory Board	4,185	0.053
Maša Čertalič, Msc., member of Supervisory Board	99	0.001

TREASURY SHARES

As of 30.09.2012, the company Intereuropa d.d. held 18,135 treasury shares (IEKG) in total value of € 180 thousand, representing 0.2295 percent of all shares. The percentage of treasury shares has not changed since 31.12.2011.

AUTHORISED CAPITAL

According to the Resolution adopted by the General Meeting in its ordinary session of 1 July 2010, amending the Statute of Intereuropa d.d. in section 5.13 which authorises the Management Board - in five years' time after this amendment to the Statute is registered in the Court Register of Companies, without having to issue a separate Resolution by the General Meeting but subject to the consent by the Supervisory Board - to increase the share capital by issuing new shares for contributions up to the amount of one half of the share capital existing on the day of adopting the Resolution in the 22nd General Meeting, which represents a nominal amount of € 16,488,092.56 (the authorized capital). As of the cut-off date (30.09.2012), the company has got authorized and unused capital in total amount of € 16,488,092.56.

DIVIDEND

Intereuropa d.d. does not plan to pay any dividend in the year 2012.

INFORMING THE SHAREHOLDERS

The communication strategy of the company is based on the principle of transparent communication providing equal and timely information of all stakeholders. Shareholders have the decisive influence on strategic business decisions and directions, therefore we see a regular and open communication with existing and potential shareholders as the right way to strengthen the successful operation of Intereuropa.
In our communication with the shareholders are used:

→ Ordinary General Meetings of Shareholders,
→ Presentations of the company in conference for investors,
→ Press conferences upon publication of business results and other price sensitive information,
→ Regular communication via by the Stock Exchange (SEO-net) electronic system,
→ Regular communication with financial media,
→ Website,
→ E-news.

Our shareholders can e-mail their remarks and proposals to us at: info@intereuropa.si.

2. OPERATION OF THE COMPANY INTEREUROPA d.d.

Tables 12 and 13: Operations of Intereuropa d.d. in January - September 2012, in thousand €

Item/Index	Jan - Sep 2012	Jan - Sep Plan 2012	Jan - Sep 2011	Index 2012/plan	Index 2012/2011
Sales revenue	82,295	84,180	78,611	98	105
Land transport	42,065	40,837	35,041	103	120
Logistic solutions	10,449	11,175	11,620	94	90
Intercontinental transport	25,986	28,323	28,322	92	92
Other services	3,796	3,845	3,629	99	105
EBITDA*	9,846	8,357	8,802	118	112
Operating profit or loss	6,369	4,573	4,968	139	128
Financing profit or loss	-1,614	-1,798	-1,863	-	-
Net profit ot loss	3,193	2,542	2,998	126	107
EBIT margin in %	7.7%	5.4%	6.3%	142	122
Sales revenue per employee/month	12.398	12.566	11.772	99	105
Value added per employee/month	3.581	3.308	3.379	108	106

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

Item/Index	30.09. 2012	Plan 31.12.2012	31.12. 2011	Index 2012/plan	Index 2012/2011
Balance sheet total*	300,699	305,699	312,409	98	96
Equity*	91,076	92,923	84,645	98	108
Net debt**	114,330	112,716	118,224	101	97
Short-term assets/ Short-term liabilities *	0.70	1.76	0.36	40	193
Net Return on Equity (yearly level)***	4.18%	2.88%	3.22%	145	130

** as of the last day of the reporting period*
*** financial liabilities – loans and deposits given - cash*
**** average equity (capital) of the report. period*

The Operating profit or loss, and EBITDA

→ The growth of the Operating result and EBITDA is attributable to growing sales revenue, followed by much lower rise in direct costs and effective containment of indirect costs. The parent company achieved high profitability ratios for the sales in the nine-months 2012.

→ Excluding the transactions that are not directly related to the ordinary business, the following EBITDA and Operating result values would be achieved:

(in 1000 €)	Jan - Sep 2012	Jan - Sep 2011	Index 2012/2011
EBITDA	9,097	8,241	110
Operating profit or loss	5,620	4,413	127

Financing Profit or Loss

→ The Financing profit or loss for the reporting period is negative. The result was better than envisioned by the plan and achieved in the previous year; the improvement was primarily attributable to lower net interest expenses, but it should be noted that compared with the year 2011, the fall recorded in net interest expenses was levelled off by (annulled against) the loss of revenues from shares /shareholdings.

Net Profit or Loss

→ The Net Profit /Loss is reduced by the deferred tax in the amount of € 1.6 million. The reasons for that are in the changed national taxation laws.

Structure of Statement of financial position

→ During the last quarter the current ratio rose owing to the reclassification of the short-term portion of a long-term loan to long-term loans, which has resulted from the agreed rescheduling of long-term loans and concurrent change to the financial commitments (which eliminates the reclassification of long-term loans to short-term loans that had to be undertaken at the end of 2011 due to non-fulfilment of financial commitments). All the liabilities to banks with due date as of the reporting date were settled.

3. OPERATION OF SUBSIDIARY INTEREUROPA-EAST Ltd., MOSCOW

Intercontinental transport

The car sales in the Russian market were continually rising in the reporting term. Foreign manufacturers had their maximum output capacities all the year 2012. Irrespective of the growing sales, the number of cars held by the Russian population compared to that in Europe is still low, with only 250 cars per one thousand of inhabitants: Europe achieved such level in the 1970's. The general growth in the car sales has directly reflected on the results of our car terminal. The average car stock in the car terminal was 13 percent higher than in the same term last year. September ended with a stock of General Motors cars that is approximately on the level of one month's sale of GM cars in the Russian market. As a result, the sales in the Intercontinental Transport segment outstripped the planned revenue by 20 percent and exceeded the sales revenue of comparable term a year ago by 21 percent.

Logistics solutions

In the reporting term, practically all the warehouse capacities of the logistics centre were occupied. The surpassed sales plan and growth against the year 2011 is also attributable to higher prices for our services, as well as full warehouse capacities.

Land transport

In Land transport we achieved sales revenue of € 1,665 thousand, which was 5 percent lower than the plan, but more than double than in the comparable term a year ago.
The new businesses acquired led to notably higher sales in the road transport segment.

Tables 14 and 15: Operations of Intereuropa-East Ltd., Moscow, January - September 2012, in thousand €

Item/Index	Jan - Sep 2012	Jan - Sep Plan 2012	Jan - Sep 2011	Index 2012/plan	Index 2012/2011
Sales revenue	12,083	10,370	8,700	117	139
Land transport	1,665	1,746	801	95	208
Logistics solutions	2,421	1,954	1,404	124	172
Intercontinental transport	7,882	6,575	6,405	120	123
Other services	115	95	90	121	127
EBITDA*	4,231	2,298	1,668	184	254
Operating profit or loss	3,227	1,346	716	240	450
Financing profit or loss	812	-7,673	-8,746	-	-
Net profit ot loss	2,949	-3,962	-6,840	-	-
EBIT margin in %	26.7%	13.0%	8.2%	206	324
Sales revenue per employee/month	7.949	6.852	5.560	116	143
Value added per employee/month	4.203	2.822	2.395	149	176

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

Item/Index	30.09 2012	Plan 31.12.2012	31.12. 2011	Index 2012/plan	Index 2012/2011
Balance sheet total*	57,371	53,752	57,516	107	100
Equity*	-13,761	-22,138	-16,036	-	-
Net debt**	44,325	54,576	48,770	81	91
Short-term assets/ Short-term liabilities *	0.08	0.04	0.10	188	87
Net Return on Equity (yearly level)***	-	-	-	-	-

** as of the last day of the reporting period*
*** financial liabilities - loans and deposits given - cash*
**** average equity (capital) of the report. period*

Operating profit or loss, and EBITDA

→ The growth of the Ooperating result and EBITDA is attributable to higher sales revenue, and lower rise in indirect costs.

→ Excluding the transactions that are not directly related to the ordinary business, the following EBITDA and Operating result values would be achieved:

(in 1000 €)	Jan - Sep 2012	Jan - Sep 2011	Index 2012/2011
EBITDA	3,325	1,578	211
Operating profit or loss	2,321	626	371

Financing Profit or Loss

→ The variance from the planned Financing profit or loss is largely attributable to the favourable of foreign exchange differences, which amounted to € 3.2 million in the reporting term.

ACCOUNTING REPORT

The unaudited 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) as adopted by the EU.

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 2011. The management also reviewed the estimations, audits and presumptions and assessed that these remained unchanged in comparison with the preceding year.

In the reporting term our affiliates Intereuropa Transport d.o.o. and Intereuropa Transport & Spedition Gmbh, Troisdorf (Germany) were in the liquidation proceedings.

STATEMENT OF THE MEMBERS OF THE MANAGEMENT

The Managing Board hereby confirms that according to its best knowledge and conscience, the financial report of the company Intereuropa, Global Logistics Service Ltd. Co., and of the INTEREUROPA group has been compiled in accordance with the applicable financial reporting framework and is a true and fair view of the assets and liabilities, the financial position and the profit or loss statement of the company Intereuropa, Global Logistics Service Ltd., and of other companies included in the consolidation. The business report includes a fair view of the information on the material transactions with related parties and has been drawn up in accordance with the relevant accounting standard.

INTEREUROPA d.d.
The Management Board

1. FINANCIAL REPORT FOR INTEREUROPA GROUP

1.1. Underlying financial statements of the Intereuropa Group

CONSOLIDATED INCOME STATEMENT FOR INTEREUROPA GROUP
from 1.1.2012 to 30.09.2012

in 1000 €	January - September 2012	January - September 2011
Sales revenues	**142,242**	**161,414**
Other operating revenues	2,884	2,263
Costs of services	-91,624	-104,530
Labour costs	-25,875	-29,266
Depreciation	-7,064	-9,166
Other operating expenses	-6,526	-11,052
Operating profit/loss	**14,037**	**9,663**
Financial income	4,359	1,912
Financial expenses	-7,832	-16,360
Profit/loss from financial operations	**-3,473**	**-14,448**
Result recognized according to equity method	32	30
Profit/loss from regular operations	**10,596**	**-4,755**
Corporate income tax (with deferred tax)	-3,417	315
Net profit /loss for the period	**7,179**	**-4,440**
Net profit or loss / non-controlling interest	414	286
Net profit or loss / controlling interest	6,765	-4,726
Basic and diluted earnings per share (in €)	0.86	-0.60

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR INTEREUROPA GROUP from 1.1.2012 to 30.09.2012

in 1000 €	January - September 2012	January - September 2011
Net profit or loss	**7,179**	**-4,440**
Other Comprehensive Income	**2,440**	**-2,692**
Change in fair value of land	0	-3,930
Transfer of land revaluation surplus to retained earnings (from sale of land)	0	-309
Deferred tax in revaluation surplus of land	3,186	818
Change in fair value of financial assets available for sale	75	-77
Deferred tax in revaluation surplus of financial assets for sale	-22	9
Transfer of revaluation surplus of financial assets for sale to revenues	0	34
Retained earnings from land revaluation (at sale)	0	309
Deferred tax from retained earnings	0	-4
Current tax from retained earnings	0	-29
Other changes in retained earnings	-4	-7
Exchange rate translation differencies	-795	494
Comprehensive income total	**9,619**	**-7,132**
Comprehensive income total - non-controlling part	188	390
Comprehensive income total - controlling part	9,431	-7,522

CONSOLIDATED STATEMENT OF FINANCIAL POSITION FOR INTEREUROPA GROUP as at 30.09.2012

in 1000 €	30.9.2012	31.12.2011
ASSETS		
Tangible fixed assets	297,360	300,849
Investment property	6,204	6,375
Intangible assets	7,774	8,170
Other non-current operating assets	359	474
Deferred tax assets	8,999	11,755
Loans given and deposits	116	75
Investment in a jointly controlled company	133	136
Other financial investments	3,629	3,556
TOTAL NON-CURRENT ASSETS	**324,574**	**331,390**
Available-for-sale assets	49	3,310
Inventories	248	241
Loans given and deposits	10,186	8,518
Short-term operating receivables	41,066	46,053
Short-term income tax receivables	493	44
Cash and cash equivalents	14,779	17,651
TOTAL CURRENT ASSETS	**66,821**	**75,817**
TOTAL ASSETS	**391,395**	**407,207**
CAPITAL		
Capital - controlling interest	**140,728**	**131,296**
Share capital	32,976	32,976
Treasury shares	-180	-180
Reserves	62,212	59,143
Retained earnings	45,720	39,357
Capital - non-controlling interest	**9,522**	**9,692**
TOTAL CAPITAL	**150,250**	**140,988**
LIABILITIES		
Provisions and long-term deferred revenue	2,141	2,726
Long-term borrowings and financial leases	113,343	27,401
Other long-term financial liabilities	3,049	2,721
Long-term operating liabilities	1,251	1,203
Deferred tax liabilities	14,038	16,982
TOTAL NON-CURRENT LIABILITIES	**133,822**	**51,033**
Short-term borrowings and financial leases	69,550	170,749
Other short-term financial liabilities	1,066	1,940
Short-term operating liabilities	36,532	41,988
Short-term income tax liabilities	175	509
TOTAL CURRENT LIABILITIES	**107,323**	**215,186**
TOTAL LIABILITIES	**241,145**	**266,219**
TOTAL CAPITAL AND LIABILITIES	**391,395**	**407,207**

CONSOLIDATED STATEMENT OF CASH FLOWS FOR INTEREUROPA GROUP
from 1.1.2012 to 30.09.2012

in 1000 €	January - September 2012	January - September 2011
Cash flows from operating activities		
Net profit/loss for the period	**7,179**	**-4,440**
Adjustments for:		
- Depreciation	7,064	9,166
- Impairment and writedowns of tangible fixed assets	0	7
- Profit from disposal of tangible fixed assets and investment property	-1,291	-1,852
- Loss from disposal of tangible fixed assets	52	61
- Non-monetary expenses	101	286
- Non-monetary revenues	-418	-39
- Financial revenues	-4,359	-1,912
- Impaired receivables payed	762	1,178
- Recognized result of jointly controlled company according to equity method	-32	-30
- Financial expenses	7,832	16,360
- Income tax	3,417	-315
Operating profit before changes in net working capital and taxes	**20,307**	**18,470**
Changes in net working capital and provisions		
Changes in receivables	3,757	3,892
Changes in inventories	-7	35
Changes in operating liabilities	-4,381	-3,194
Changes in provisions	-269	-230
Corporate income tax paid	-1,003	-853
Cash from operating activities	**18,404**	**18,120**
Cash flows from investing activities		
Disposal of subsidiary after deduction of cash received	0	-86
Interest income	858	902
Dividens and shares in profit received	1	26
Inflows from disposal of tangible fixed assets	4,335	7,121
Inflows from long-term loans and deposits given	20	0
Inflows from disposal of other financial investments	0	126
Outflows for acquisition of tangible fixed assets	-1,039	-1,899
Outflows for acquisitions of intangible assets	-119	-150
Outflows for long-term loans and deposits given	-61	0
Outflows from increase of short-term loans given	-63	-364
Outflows for acquisition of other financial investments	0	-122
Outflows from increase of short-term deposits given	-1,605	0
Outflows from settlement of derivative financial instruments	-1,342	-495
Cash from investing activities	**985**	**5,059**

Cash flows from financing activities		
Inflows from long-term borrowings received	0	280
Paid interest	-6,936	-8,394
Outflows from repayment of long-term borrowings	-3,093	-6,931
Outflows from decrease of short-term borrowings	-12,076	-3,128
Paid dividend	-136	-745
Cash from financing activities	**-22,241**	**-18,918**
Cash and cash equivalents at beginning of period	**17,651**	**12,216**
Exchange rate differences from cash	-20	-14
Net increase/decrease in cash	**-2,872**	**4,247**
Cash and cash equivalents at end of period	**14,779**	**16,463**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR INTEREUROPA GROUP from 1.1.2012 to 30.09.2012

in 1000 €	Share capital	Treasury shares	RESERVES			Retained earnings	Capital - controlling interest	Capital - non-controlling interest	Total capital
			Reserves from profit	Translation reserves	Reserves for fair value				
Opening balance as at 1.1.2012	**32,976**	**-180**	**2,585**	**-11,346**	**67,905**	**39,357**	**131,296**	**9,692**	**140,988**
Total comprehensive income	**0**	**0**	**0**	**-570**	**3,239**	**6,762**	**9,431**	**188**	**9,619**
Net profit/loss	0	0	0	0	0	6,765	6,765	414	7,179
Other comprehensive income	0	0	0	-570	3,239	-3	2,666	-226	2,440
Transactions with owners									
Payment of dividends or profit participations	0	0	0	0	0	0		-358	-358
Transfer of retained earnings to reserves	0	0	399	0	0	-399	0	0	0
Closing balance as at 30.9.2012	**32,976**	**-180**	**2,984**	**-11,916**	**71,144**	**45,720**	**140,727**	**9,522**	**150,250**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR INTEREUROPA GROUP from 1.1.2011 to 30.09.2011

in 1000 €	Share capital	Treasury shares	RESERVES			Retained earnings	Capital - controlling interest	Capital - non-controlling interest	Total capital
			Capital surplus	Reserves from profit	Translation reserves				
Opening balance as at1.1.2011	**32,976**	**-180**	**6,247**	**-10,636**	**71,378**	**38,136**	**137,921**	**10,242**	**148,163**
Total comprehensive income	**0**	**0**	**0**	**387**	**-3,442**	**-4,467**	**-7,522**	**390**	**-7,132**
Net profit/loss	0	0	0	0	0	-4,726	-4,726	286	-4,440
Other comprehensive income	0	0	0	387	-3,442	259	-2,796	104	-2,692
Transactions with owners									
Payment of dividends or profit participations	0	0	0	0	0	0	0	-773	-773
Disposal of subsidiary	0	0	0	0	0	0	0	-14	-14
Transfer of retained earnings to reserves	0	0	29	0	0	-29	0	0	0
Closing balance as at 30.9.2011	**32,976**	**-180**	**6,276**	**-10,249**	**67,936**	**33,640**	**130,399**	**9,845**	**140,244**

1.2. Notes to Financial Statements of the Intereuropa group

a) Notes to the CONSOLIIDATED INCOME STATEMENT

Sales revenues amounting to € 142,242 thousand represent the revenues from services supplied. The group also earned other operating revenues in the amount of € 2,884 thousand.

The highest share in the **costs of services** totalling € 91,624 thousand represents the cost of services directly related to the provision of services (€ 86 thousand).

Labour costs

Table 16: Labour cost of the Intereuropa group in the term January-September 2012, in thousand €

in 1000 €	January - September 2012	January - September 2011
Wages and salaries	18,917	21,454
Pension insurance costs	2,240	2,463
Other social security costs	1,779	2,179
Other labour costs:	2,938	3,170
holiday allowance	706	777
transport and meals	1,890	2,080
other labour costs	343	313
Total labour costs	**25,875**	**29,266**

The **depreciation costs** amounted to € 7,064 thousand, which is almost one quarter less than in the comparable term last year.

Other Operating Expenses amount to € 6,526 thousand, on the group level. They are lower than last year's nine months primarily due to lower costs of materials.

The effect of Financial Revenues and Expenses on the Profit or Loss

Table 17: The effect of financial revenues and expenses on the profit or loss of the Intereuropa group in the term January-September 2012, in thousand €

in 1000 €	January - September 2012	January - September 2011
Interest income	771	724
Dividend income and participation in profit of others	1	4
Profit from disposal of financial investments	0	5
Income from cancelled value adjustments of receivables and recovery of written-off receivables	762	1.178
Income from written-off debt	14	1
Net exchange rate differences	2,812	0
Total financial income	**4,359**	**1,912**
Interest expenses	-6,231	-8,714
Loss from disposal of financial investments	0	-6
Financial expenses from impairments and written-off financial investments	-1	0
Expenses from derivative financial instruments	-574	-495
Net exchange rate differences	0	-5,155
Expenses from value adjustments and written-off receivables	-1,027	-1,989
Total financial expenses	**-7,832**	**-16,360**
Profit/loss from financing activities	**-3,473**	**-14,448**

Interest expenses, and Expenses from value adjustments and written-off receivables, contributed to a less negative Profit /Loss from financiang activities, as well as net positive foreign exchange differences (gains).

The group achieved the **Profit or Loss from ordinary activities** in the amount of € 10,596 thousand, which is further reduced by **the corporate income tax** of € -3,417 thousand. The **net profit** achieved in the reporting term amounted to € 7,179 thousand, thereof the amount of € 6,765 thousand for the **controlling part,** and € 414 thousand for the **controlled part**.

b) Notes to the CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Tangible fixed assets

Table 18: Tangible fixed assets of the Intereuropa group as at 30.09.2012, in thousand €

in 1000 €	30.9.2012	31.12.2011
Land and buildings	285,678	285,194
a) Land	133,776	130,488
b) Buildings	151,902	154,706
Other property, plant and equipment	6,331	10,648
Tangible fixed assets under construction	5,352	5,007
Total tangible fixed assets	**297,360**	**300,849**

Intangible assets

Table 19: Intangible assets of the Intereuropa group as at 30.09.2012, in thousand €

in 1000 €	30.9.2012	31.12.2011
Long-term title rights	2,423	2,923
Goodwill	1,281	1,281
Long-term deferred development costs	4,069	3,966
Total intangible assets	**7,774**	**8,170**

Loans and deposits given

Table 20: Loans and deposits given of the Intereuropa group as at 30.09.2012, in thousand €

in 1000 €	30.9.2012	31.12.2011
Long-term loans given and deposits	**116**	**75**
- loans given	40	39
- deposits	76	36
Short-term loans given and deposits	**10,186**	**8,518**
- loans given	96	33
- deposits	10,090	8,485
Total loans given	**10,302**	**8,593**

Other financial investments in the amount of € 3,629 thousand relate to the item financial assets available for sale.

The **Available-for-sale assets** decreased on account of the financial assets available for sale were decreased due to the affiliation of the Croatian company that was recognized as a financial investment held for disposal. As of the reporting date, these assets amount to € 49 thousand and represent the tangible fixed assets held for sale.

Short-term operating receivables

Table 21: Short-term operating receivables of the Intereuropa group as at 30.09.2012, in thousand €

in 1000 €	30.9.2012	31.12.2011
Short-term operating receivables from buyers	38,142	42,451
Short-term operating receivables from others	2,923	3,603
Total short-term operating receivables	**41,066**	**46,053**

Equity

The equity of the group amounts to € 150,250 thousand. Compared with the same reporting date last year, the value stated for equity was higher by € 9,262 thousand and represents 38 percent of the liabilities to sources of funding.

Provisions and long-term deferred revenue

Table 22: Provisions and long-term deferred revenue of the Intereuropa group as at 30.09.2012, in thousand €

in 1000 €	30.9.2012	31.12.2011
Provisions for terminal bonus payments on retirement	1,817	1,877
Provisions on litigations and other provisions	196	729
Long-term deferred income	128	119
Total provisions and long-term deferred revenue	**2,141**	**2,726**

The **long-term borrowings received and financial leases** amounted to € 113,343 thousand. In the reporting term, the parent company recorded a rise in this item by € 86,243 thousand on account of the reclassification of the short-term portion of long-term borrowings to long-term borrowings received. The item decreased due to repayment of the loan by € 214 thousand, and due to foreign exchange differences by € 87 thousand.

The short-term borrowings received and financial leases amounted to € 69,550 thousand. In the reporting period we recorded a decrease of € 101,199 thousand that has primarily (by € 86,057 thousand) resulted from the a.m. reclassification to long-term loans in the parent company. For a part of short-term loans (€ 19,586 thousand) we expect to be converted to equity of the parent company, and a part amounting to € 45,000 thousand to be settled upon the disposal of the investment in Russia. As of the reporting date, all the due liabilities of the group under the loan agreements were settled.

Other long-term and short-term financial liabilities

Table 23: Other long-term and short-term financial liabilities of the Intereuropa group as at 30.09.2012, in thousand €

in 1000 €	30.9.2012	31.12.2011
Long-term liabilities at fair value through profit/loss	3,049	2,721
Total other long-term financial liabilities	**3,049**	**2,721**
Short-term financial liabilities at fair value through profit/loss	409	1,505
Liabilities for dividends and other participations	657	435
Total other short-term financial liabilities	**1,066**	**1,940**

The item **Other long-term financial liabilities** in the amount of € 3,049 thousand and **Other short-term financial liabilities** at € 409 thousand relate to the liabilities under financial instruments at fair value through Profit of Loss. They stand for the net present value of the derivative financial instrument of cross-currency swap with currency option.

Short-term operating liabilities

Table 24: Short-term operating liabilities of the Intereuropa group as at 30.09.2012, in thousand €

in 1000 €	30.9.2012	31.12.2011
Short-term operating liabilities to suppliers	30,042	33,503
Short-term operating liabilities from advances	1,535	1,099
Other short-term operating liabilities	4,955	7,387
Total short-term operating liabilities	**36,532**	**41,988**

Contingent liabilities

Table 25: Contingent liabilities of the Intereuropa group as at 30.09.2012, in thousand €

in 1000 €	30.9.2012	31.12.2011
From bank guarantees and guaratees given	11,286	11,328
From legal proceedings	1,902	2,990
From D.S.U., družba za svetovanje in upravljanje	250	250
Total contingent liabilities	**13,438**	**14,569**

INFORMATION ACCORDING TO BUSINESS SEGMENTS FOR JANUARY - SEPTEMBER 2012

Table 26: Business segments of the Intereuropa group in the term January-September 2012, in thousand €

	Slovenia		Croatia		Bosnia & Herzegovina		Serbia		Montenegro	
in 1000 €	Jan-Sep 2012	Jan-Sep 2011	Jan-Sep 2012	Jan-Sep 2011	Jan-Sep 2012	Jan-Sep 2011	Jan-Sep 2012	Jan-Sep 2011	Jan-Sep 2012	Jan-Sep 2011
Revenues from external customers	80,253	90,786	23,621	24,830	4,506	5,107	2,610	2,482	3,990	4,305
Revenues from business with other segments	3,347	5,276	485	597	350	387	519	527	61	45
Total revenues	83,600	96,062	24,106	25,427	4,856	5,494	3,128	3,010	4,051	4,349
Depreciation	3,483	5,237	1,469	1,720	300	331	182	212	453	469
Operating profit or loss	6,068	4,007	2,456	3,239	333	932	406	350	1,290	560
Revenues from interest rates	3,016	3,550	155	262	2	2	18	34	82	111
Expenses from interest rates	5,768	8,041	277	558	58	90	184	227	0	0
Net profit or loss from ordinary activities	4,458	1,982	2,426	2,599	254	627	-36	249	1,348	619
Corporate income tax	1,582	125	543	557	26	63	-1	13	123	74
Assets	302,773	321,165	72,201	76,438	17,352	18,280	10,175	12,166	24,322	24,253
Tangible fixed assets under construction	101	15	89	84	66	632	9	8	293	117
Long-term assets	239,723	255,135	60,618	59,462	16,090	16,740	9,148	10,962	19,053	19,721
Operating liabilities	33,857	43,722	9,620	11,870	1,759	2,118	1,493	1,692	1,143	962
Financial liabilities	178,163	184,167	7,538	10,986	789	1,362	2,502	3,143	1,266	1,724
Investment in jointly controlled entities	75	75	0	0	0	0	0	0	0	0
Revenues from investment in jointly controlled entities	35	22	0	0	0	0	0	0	0	0

	Ukraine		Russia		Others		Total		Adjustments*		Group	
in 1000 €	Jan-Sep 2012	Jan-Sep 2011	Jan-Sep 2012	Jan-Sep 2011	Jan-Sep 2012	Jan-Sep 2011	Jan-Sep 2012	Jan-Sep 2011	Jan-Sep 2012	Jan-Sep 2011	Jan-Sep 2012	Jan-Sep 2011
Revenues from external customers	12,430	19,345	12,082	8,605	2,751	5,957	142,242	161,416	0	-2	142,242	161,414
Revenues from business with other segments	58	3	1	94	382	432	5,202	7,362	-5,202	-7,362	0	0
Total revenues	12,487	19,347	12,083	8,700	3,134	6,389	147,444	168,778	-5,202	-7,364	142,242	161,414
Depreciation	112	168	1,004	952	61	78	7,064	9,166	0	0	7,064	9,166
Operating profit or loss	263	145	3,227	716	79	51	14,122	10,000	-85	-337	14,037	9,663
Revenues from interest rates	2	7	45	70	1	2	3,320	4,038	-2,549	-3,315	771	724
Expenses from interest rates	140	117	2,353	2,991	-0	4	8,780	12,029	-2,549	-3,315	6,231	8,714
Net profit or loss from ordinary activities	173	-111	4,039	-8,029	59	40	12,721	-2,025	-2,125	-2,730	10,596	-4,755
Corporate income tax	49	37	1,090	-1,190	4	5	3,417	-315	0	0	3,417	-315
Assets	6,251	5,626	57,371	62,750	2,750	2,976	493,195	523,654	-101,799	-120,357	391,395	403,297
Tangible fixed assets under construction	4	4	4,790	4,920	0	0	5,352	5,779	0	0	5,352	5,779
Long-term assets	4,344	3,774	53,938	51,715	1,163	1,240	404,077	418,749	-79,503	-87,460	324,574	331,289
Operating liabilities	1,672	1,697	26,085	22,262	700	738	76,328	85,060	-22,190	-19,165	54,137	65,895
Financial liabilities	2,655	2,355	45,047	57,623	0	40	237,959	261,400	-50,951	-64,242	187,008	197,158
Investment in jointly controlled entities	0	0	0	0	0	0	75	75	58	67	133	142
Revenues from investment in jointly controlled entities	0	0	0	0	0	0	35	22	-3	8	32	30

** All adjustments are subject to consolidation procedure*

2. FINANCIAL REPORT FOR THE PARENT COMPANY INTEREUROPA d.d

2.1. Underlying financial statements of the parent company Intereuropa d.d.

INCOME STATEMENT OF INTEREUROPA d.d.
from 1.1.2012 to 30.09.2012

in 1000 €	January - September 2012	January - September 2011
Sales revenues	**82,295**	**78,611**
Other operating revenues	749	561
Costs of services	-56,954	-54,272
Labour costs	-13,920	-13,765
Depreciation	-3,477	-3,828
Other operating expenses	-2,324	-2,339
Operating profit/loss	**6,369**	**4,968**
Financial income	5,185	7,565
Financial expenses	-6,799	-9,428
Profit/loss from financial operations	**-1,614**	**-1,863**
Profit/loss from regular operations	**4,755**	**3,105**
Corporate income tax (with deferred tax)	-1,562	-107
Net profit /loss for the period	**3,193**	**2,998**
Basic and diluted earnings per share (in €)	0,40	0,38

STATEMENT OF COMPREHENSIVE INCOME FOR INTEREUROPA d.d. from 1.1.2012 to 30.09.2012

in 1000 €	January - September 2012	January - September 2011
Net profit or loss	**3,193**	**2,998**
Other Comprehensive Income	**3,238**	**-33**
Transfer of land revaluation surplus to retained earnings from sale of land	0	-18
Deferred tax in revaluation surplus of land	3,186	4
Revaluation of financial assets for sale to fair value	74	-75
Transfer of revaluation surplus of financial assets for sale to revenues/expenses (at sale of financial assets)	0	34
Deferred tax in revaluation surplus of financial assets for sale	-22	8
Retained earnings from land revaluation (at sale)	0	18
Deferred tax from retained earnings	0	-4
Comprehensive income total	**6,431**	**2,965**

STATEMENT OF FINANCIAL POSITION FOR INTEREUROPA d.d.
as at 30.09.2012

in 1000 €	30.9.2012	31.12.2011
ASSETS		
Tangible fixed assets	139,842	142,629
Investment property	5,568	5,724
Intangible assets	6,316	6,634
Other non-current operating assets	350	474
Deferred tax assets	4,263	5,846
Loans given	29,832	29,840
Investment in subsidiaries	49,842	49,842
Investment in a jointly controlled company	75	75
Other financial investments	3,610	3,536
TOTAL NON-CURRENT ASSETS	**239,698**	**244,600**
Inventories	33	35
Loans given and deposits	24,808	29,250
Other financial investments	250	0
Short-term operating receivables	28,117	29,149
Short-term income tax receivables	46	4
Cash and cash equivalents	7,747	9,371
TOTAL CURRENT ASSETS	**61,001**	**67,809**
TOTAL ASSETS	**300,699**	**312,409**
CAPITAL		
Share capital	32,976	32,976
Treasury shares	-180	-180
Reserves	55,087	51,849
Retained earnings	3,193	0
TOTAL CAPITAL	**91,076**	**84,645**
LIABILITIES		
Provisions and lon-term deferred revenues	1,450	2,001
Long-term borrowings and financial leases	106,754	20,911
Other long-term financial liabilities	3,049	2,721
Long-term operating liabilities	1,159	1,101
Deferred tax liabilities	9,558	12,744
TOTAL NON-CURRENT LIABILITIES	**121,970**	**39,478**
Short-term borrowings and financial leases	66,431	161,474
Other short-term financial liabilities	483	1,579
Short term operating liabilities	20.739	25,233
TOTAL CURRENT LIABILITIES	**87,653**	**188,286**
TOTAL LIABILITIES	**209,623**	**227,764**
TOTAL CAPITAL AND LIABILITIES	**300,699**	**312,409**

STATEMENT OF CASH FLOWS FOR INTEREUROPA d.d.
from 1.1. 2012 to 30.09.2012

in 1000 €	January - September 2012	January - September 2011
Cash flows from operating activities		
Net profit/loss for the period	**3,193**	**2,998**
Adjustments for:		
- Depreciation	3,477	3,828
- Profit from disposal of tangible fixed assets and investment property	-306	-446
- Loss from disposal of tangible fixed assets	0	6
- Non-monetary expenses	86	80
- Non-monetary revenues	-418	-39
- Financial revenues	-5,185	-7,565
- Impaired receivables payed	239	549
- Financial expenses	6,799	9,428
- Income tax (deferred tax incl.)	1,562	107
Operating profit before changes in net working capital and taxes	**9,447**	**8,946**
Changes in net working capital and provisions		
Changes in receivables	4,355	-3,421
Changes n inventories	2	2
Changes in operating liabilities	-3,594	-1,566
Changes in provisions	-216	-29
Corporate income tax paid	-44	0
Cash from operating activities	**9,950**	**3,932**
Cash flows from investing activities		
Interest income	709	629
Dividend income and participations in profit	398	3,473
Inflows from disposal of tangible fixed assets	417	848
Inflows from long-term loans given	4,922	766
Inflows from disposal of other financial investments	0	122
Inflows from decrease of short-term loans given	1,021	5,943
Outflows for acquisition of tangible fixed assets	-263	-262
Outflows for acquisitions of intangible assets	-109	-142
Outflows for purchase of other financial investments	-250	-122
Outflows from increase ofshort-term deposits given	-1,494	0
Outflows for settlement of derivative financial instruments	-1,342	-1,277
Cash from investing activities	**4,009**	**9,978**
Cash flows from financing activities		
Paid interest	-6,383	-7,596
Outflows from repayment of long-term borrowings	-527	-4,844
Outflows from decrease of short-term borrowings	-8,673	-232

Cash from financing activities	**-15,583**	**-12,672**
Cash and cash equivalents at beginning of period	**9,371**	**155**
Net increase/decrease in cash from regular operations	**-1,624**	**1,238**
Cash and cash equivalents at end of period	**7,747**	**1,393**

STATEMENT OF CHANGES IN EQUITY FOR INTEREUROPA d.d.
from 1.1.2012 to 30.09.2012

in 1000 €	Share capital	Treasury shares	RESERVES		Retained earnings	Total capital
			Reserves from profit	Reserves for fair value		
Opening balance as at 1.1.2012	**32,976**	**-180**	**1,056**	**50,793**	**0**	**84,645**
Total comprehensive income	**0**	**0**	**0**	**3,238**	**3,193**	6,431
Net profit/loss	0	0	0	0	3,193	3,193
Other comprehensive income	0	0	0	3,238	0	3,238
Closing balance as at 30.9.2012	**32,976**	**-180**	**1,056**	**54,031**	**3,193**	**91,076**

STATEMENT OF CHANGES IN EQUITY FOR INTEREUROPA d.d.
from 1.1.2011 to 30.09.2011

in 1000 €	Share capital	Treasury shares	RESERVES		Retained earnings	Total capital
			Reserves from profit	Reserves for fair value		
Opening balance as at 1.1.2011	**32,976**	**-180**	**4,754**	**50,848**	**0**	**88,398**
Total comprehensive income	**0**	**0**	**0**	**-47**	**3,012**	**2,965**
Net profit/loss	0	0	0	0	2,998	2,998
Other comprehensive income	0	0	0	-47	14	-33
Closing balance as at 30.9.2011	**32,976**	**-180**	**4,754**	**50,801**	**3,012**	**91,363**

2.2. Notes to Financial Statements of the parent company Intereuropa d.d.

a) Notes to the INCOME STATEMENT

Sales revenues amounting to € 82,295 thousand represent the revenues arising from the services supplied. Compared with the same period a year ago, the sales revenue was higher by € 3,685 thousand.

The **Cost of services** were at € 56,954 thousand, but they were higher by € 2,682 thousand. Therein, 87 percent of the cost of services comprise the costs that are directly related to the provision of services.

Labour costs

Table 27: Labour cost of the company Intereuropa d.d. in the term January-September 2012, in thousand €

in 1000 €	January - September 2012	January - September 2011
Wages and salaries	9,959	9,769
Pension insurance costs	1,099	1,089
Other social security costs	723	717
Other labour costs:	2,138	2,190
holiday allowance	581	576
transport and meals	1,449	1,447
other labour costs	108	167
Taotal labour costs	**13,920**	**13,765**

Other operating expenses

Table 28: Other operating expenses of the company Intereuropa d.d. in the term January- September 2012, in thousand €

in 1000 €	January - September 2012	January - September 2011
Costs of material	1,360	1,458
Loss in disposal of tangible fixed assets	0	6
City land tax and similar expenses	800	741
Other operating expenses	164	134
Total other operating expenses	**2,324**	**2,339**

The **Operating Profit/Loss** for the reporting half-year was € 6,369 thousand, which is attributable to higher revenues earned and lower cost categories incurred than in the comparable term last year.

The effect of Financial Income and Expenses on the Profit or Loss

Table 29: The effect of financial income and expenses on the profit or loss of the company Intereuropa d.d. in the term January- September 2012, in thousand €

in 1000 €	January - September 2012	January - September 2011
Interest income from group members	2,549	3,308
Interest income from others	432	222
Income from intra-group participations	1,926	3.447
Income from stakes in jointly controlled company	35	22
Income from dividend and participations in profit to others	1	4
Profit from disposal of financial investments	0	5
Net exchange rate differences	1	8
Income from cancelled value adjustments of receivables and recovery of written-off receivables	239	549
Income from written-off debt	1	0
Total financial income	**5,185**	**7,565**
Interest expenses	-5,714	-7,892
Loss from disposal of financial investments	0	-204
Financial expenses from impairments and written-off financial investments within the Group	0	-61
Expenses from derivative financial instruments	-574	-474
Expenses from value adjustments and written-off receivables	-511	-798
Total financial expenses	**-6,799**	**-9,429**
Profit/loss from financing activities	**-1,614**	**-1,863**

Financial revenues, as well as **Financial expenses** were lower than in the comparable term last year, the Financing profit or loss came to € -1,614 thousand. The achieved **Profit or loss from ordinary activities** of € 4,755 thousand resulted from the achieved Operating Profit/Loss from ordinary activities (€ 6,369 thousand) and the Financing Profit/Loss (€ -1,614 thousand).

The **Corporate income tax** stands for the expenses for deferred tax at € -1,562 thousand, which resulted primarily from the recalculation applying the changed tax rate under the taxation laws adopted in April 2012.

b) Notes to the STATEMENT OF FINANCIAL POSITION

Tangible fixed assets

Table 30: Tangible fixed assets of the company Intereuropa d.d. as at 30.09.2012, in thousand €

in 1000 €	30.9.2012	31.12.2011
Land and buildings	137,138	139,100
a) Land	86,116	86,116
b) Buildings	51,022	52,984
Other property, plant and equipment	2,603	3,523
Tangible fixed assets under construction	101	6
Total tangible fixed assets	**139,842**	**142,629**

The lower value of tangible fixed assets was largely attributable to the depreciation costs.

Intangible assets

Table 31: Intangible assets of the company Intereuropa d.d. as at 30.09.2012, in thousand €

in 1000 €	30.9.2012	31.12.2011
Long-term title rights	2,247	2,668
Long-term deferred development costs	4,069	3,966
Total intangible assets	**6,316**	**6,634**

Loans and deposits given

Table 32: Loans and deposits given of the company Intereuropa d.d. as at 30.09.2012, in thousand €

in 1000 €	30.9.2012	31.12.2011
Long-term loans given	**29,832**	**29,840**
- to subsidiaries	29,766	29,829
- to others	10	10
- deposits	56	0
Short-term loans given and deposits	**24,808**	**29,250**
- to subsidiaries	16,304	22,232
- to others	4	13
- deposits	8,500	7,006
Total loans given	**54,640**	**59,090**

Other financial investments in the amount of € 3,610 thousand relate to the item financial assets available for sale.

Short-term operating receivables

Table 33: Short-term operating receivables of the company Intereuropa d.d. as at 30.09.2012, in thousand €

in 1000 €	30.9.2012	31.12.2011
Short-term operating receivables within the Group	1,011	1,242
Short-term interest receivables from Group companies	2,493	184
Other short-term operating receivables from Group companies	1,699	135
Short-term operating receivables from buyers (excl. the Group)	22,486	26,684
Short-term operating receivables from others	354	739
Other short-term assets	74	166
Total short-term operating receivables	**28,117**	**29,149**

Equity

The capital expresses equity financing of the company and is regarded as its liability to the owners. In view of the comparable reporting date a year ago, the share of the capital in the liabilities structure rose by 7.5 percentage points, amounting to 30.2 percent of all liabilities to sources.

Provisions and Long-term deferred revenues amount to € 1,450 thousand, the major part thereof stands for the provisions for termination benefits on retirement and years-of-service rewards.

The long-term borrowings received and financial leases amounted to € 106,754 thousand. In the reporting term, the company recorded a rise in this item by € 86,057 thousand on account of the reclassification of the short-term portion of long-term borrowings to long-term borrowings, as a result of the agreed re-scheduling of the long-term borrowings and concurrent changes to financial commitments. The reclassification of long-term borrowings to short-term borrowings (incurred due to non-fulfilment of financial commitments at the end of 2011) has been eliminated. Following the repayment of the loan received, the long-term borrowings were decreased by € 214 thousand during the reporting term.

The short-term borrowings received and financial leases amounted to € 66,431 thousand. In the reporting term we recorded a decrease by € 95,043 thousand on account of the a.m. reclassification to long-term loans (€ 86,057 thousand), of the lower balance of the utilization of revolving loans (€ 8,673 thousand), and of the payments under the short-term portion of long-term borrowings and financial leases (€ 313 thousand). For a part of short-term borrowings received (€ 19,586 thousand) we expect to be converted to equity of the company pursuant to the Resolutions of 24th General Meeting, and a part amounting to min. € 45,000 thousand to be settled upon the disposal of the investment in Russia; while the remaining part will be due for payment between October 2012 and September 2013. As of the reporting date, all the due liabilities of the company under the loan agreements were settled.

Other long-term and short-term financial liabilities

Table 34: Other long-term and short-term financial liabilities of the company Intereuropa d.d. as at 30.09.2012, in thousand €

in 1000 €	30.9.2012	31.12.2011
Long-term liabilities at fair value through profit/loss	3,049	2,721
Total other long-term financial liabilities	**3,049**	**2,721**
Short-term liabilities at fair value through profit/loss	409	1,505
Liabilities for dividends	74	74
Total other short-term financial liabilities	**483**	**1,579**

The item **Other long-term financial liabilities** in the amount of € 3,049 thousand relates to the liabilities under financial instruments at fair value through Profit of Loss. They stand for the net present value of the derivative financial instrument of cross-currency swap with currency option. The short-term portion of the financial instrument due for payment in the year 2012 is posted under **Other short-term financial liabilities** in the amount of € 409 thousand.

Short-term operating liabilities

Table 35: Short-term operating liabilities of the company Intereuropa d.d. as at 30.09.2012, in thousand €

in 1000 €	30.9.2012	31.12.2011
Short-term opertaing liabilities to companies within the Group	209	1,251
Short-term opertaing liabilities to suppliers	17,823	20,334
Short-term opertaing liabilities from advances	38	24
Other short-term opertaing liabilities	2,669	3,623
Total short-term opertaing liabilities	**20,739**	**25,233**

Contingent liabilities

Table 36: Contingent liabilities of the company Intereuropa d.d. as at 30.09.2012, in thousand €

in 1000 €	30.9.2012	31.12.2011
From bank guarantees and guaratees given to Group members	9,169	13,737
From bank guarantees and guaratees given to others	6,239	6,110
From legal proceedings	1,676	2,761
From D.S.U., družba za svetovanje in upravljanje	250	250
Total contingent liabilities	**17,334**	**22,858**

Related parties are the subsidisries and the joint venture in the form of an entity in joint control, and the key managerial staff members /executives of the Parent Company and of the controlled companies. Transactions with the controlled companies in the business and financial area are conducted under market conditions.

IN BRIEF ...

The general economic environment have gradually deteriorated through the nine-month term, which reflected in shrunken commodity exchange, reduction of margins and even worse ill-payment practices. Nevertheless we succeeded in achieving the majority of financial goals.

The third quarter of this year was earmarked by numerous activities addressing the implementation of financial restructuring and optimization of operations. Until October we continued with intense negotiations with the creditor banks and reached agreement by signing the Contract on financial restructuring, which also includes a decrease in share capital, conversion of claims receivable by creditor banks into equity, and rescheduling of the remaining portion of debt, which is subject to disposal of our investment in Russia. We held two sessions of the General Meeting in which the shareholders of the parent company adopted the resolutions that allow us to implement the financial restructuring until the end of the year.

We also proceeded with active marketing and the procedures towards business optimization, such as aligning the work processes with the current demand, enhanced restructuring of transport services, IT-implementation of processes and simplification of supporting processes, which had already yielded positive results in the first half-year's term.

In the reporting nine months 2012 we generated a **sales revenue of € 142.2 million**, and remained two percent behind the planned sales revenue, on the group level. Our Land transport and Intercontinental transport services achieved or even exceeded the targets, but we were not so successful in the sale of services in Logistics solutions. Better sales results than planned were achieved primarily in the products road transport and border despatch products in Slovenia and car logistics in Russia. In Slovenia we recorded lower sales primarily in container services due to falling prices in shipping and fewer container dispatches from the port of Koper; the warehousing revenue was lower both in Slovenia and Croatia as a result of reduced output for our major customer Top Shop International SA, along with the impact of shrinking economy.

The sales result achieved in the reporting term was 12 percent lower than in the comparable nine-month term last year. The biggest share of that decline in the sales volume has resulted from the stoppage of operation of some group members, while the other factors leading to the downturn are attributable to decreased volume of operations planned for our Ukrainian company, and partly a consequence of a less favourable sales achievements in Croatia due to a slow-down in the economic activity in that region.

The **Operating Profit or Loss** of the group rose by 45 percent to in excess of the preceding year. That rise was mainly attributable to the growing sales revenue in our Russian subsidiary, effective restructuring of road transport in Slovenia and along with effective containment of indirect costs in most companies in the group. In the nine months term we achieved an **operating profit** of **€ 14.0 million** and thereby improved the profitability of operations.

The **Financing profit or Loss** at **€ -3.5 million** was by € 11.0 million better than that achieved in the same term 2011, primarily on account of non-occurrence of negative foreign exchange differences. After tax, the **net profit** of the group came to **€ 7.2 million.**
At the end of the term the group recorded a **net financial debt** at **€ 161.9 million**, which is 8 percent lower than at the year-end 2011.

Until the end of this year our attention will focus on the implementation of financial restructuring, concurrently with planning activities for 2013, and we will continue with the sales activities and optimization processes.

INTEREUROPA d.d.
President of Management Board
Ernest Gortan, Msc.