



Unaudited
Interim Report
INTEREUROPA Group

January – March 2014

Koper, 15.5.2014



Inter.europa[®]

Global Logistics Service

The INTEREUROPA d.d. is publishing this Unaudited Interim Report of Intereuropa Group for January - March 2014, 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 - March 2014 shall also be published on the web site of INTEREUROPA d.d. www.intereuropa.si on May 15, 2014.

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PERFORMANCE HIGHLIGHTS

The opening three months of this year recorded continued positive shifts, though slight, of the economic situation in domestic market. Till March, our Land Transport Area handled a higher number of consignments than in the comparable term a year ago, and our Intercontinental Transport recorded a growing number of containers processed and a higher volume of conventional cargoes. Nevertheless, these growth rates were not entirely expressed in the sales revenue, which has been declining for some time due to persistent strong pressures on our rates and price competition among service providers. No improvement was felt in the Western Balkans markets yet. The political crisis in the Ukraine had an adverse impact on the sales and financial results of our Ukrainian subsidiary and indirectly, on the entire Group.

In the reporting quarter, we generated a sales revenue of € 34.6 million or 13 percent less than in the comparable term 2013. Following the EU-accession of Croatia, we recorded – as expected - a strong decrease in revenues from customs services in the Slovenian and Croatian part of our Group. In the Ukraine, the aggravated political situation brought about a lower sales volume due to shrunken goods flows, which was felt in a downturn of the earlier very profitable sale of railway transport services. On top of that, the value decrease of the Ukrainian currency resulted in negative foreign exchange differences, the major part of which pushed the net operating profit of the Group into the red. The Group closed the reporting term with a operating profit of € 1.2 million and a negative net operating profit at -0.1 million. On the other hand, the Parent Intereuropa d.d. did record a net profit of € 0.4 million.

| | INTEREUROPA GROUP | | | INTEREUROPA D.D. | | | |
|---|-------------------|-----------------|-----------------|------------------|-----------------|-----------------|----------------|
| | (in 1000 €) | Jan-Mar 2014 | Jan-Mar 2013 | Index 14/13 | Jan-Mar 2014 | Jan-Mar 2013 | Index 14/13 |
| Sales Revenue | | 34,608 | 39,822 | 87 | 21,754 | 23,606 | 92 |
| EBITDA | | 2,931 | 4,185 | 70 | 2,040 | 2,517 | 81 |
| Operating profit or loss (EBIT) | | 1,208 | 2,293 | 53 | 1,044 | 1,433 | 73 |
| Net profit or loss | | -97 | 960 | - | 396 | 482 | 82 |
| EBITDA margin in % | | 8.5 | 10.5 | 81 | 9.4 | 10.7 | 88 |
| EBIT margin in % | | 3.5 | 5.8 | 61 | 4.8 | 6.1 | 79 |
| Sales Revenue per employee/month | | 8.214 | 8.150 | 101 | 11.788 | 11.307 | 104 |
| Value Added per employee /month | | 2.107 | 2.276 | 93 | 3.060 | 3.192 | 96 |
| | (in 1000 €) | 31.3. 2014 | 31.12. 2013 | Index 14/13 | 31.3. 2014 | 31.12. 2013 | Index 14/13 |
| Assets | | 311,576 | 313,419 | 99 | 240,869 | 240,974 | 100 |
| Equity | | 153,011 | 153,763 | 100 | 101,147 | 100,712 | 100 |
| Net debt | | 89,904 | 91,922 | 98 | 87,778 | 89,429 | 98 |
| No. of employees | | 1,451 | 1,464 | 99 | 628 | 644 | 98 |
| | | Jan-Mar 2014 | Jan-Dec 2013 | Index 14/13 | | | |
| No. of shares at the end of term | | 27,488,803 | 27,488,803 | 100 | | | |
| Net earning per share (in €) | | 0.01 | 0.03 | 33 | | | |
| Closing price at the end of term (in €) | | 1.00 | 0.44 | 227 | | | |
| Book value of share at the end of term (in €) | | 3.68 | 3.67 | 100 | | | |
| Closing price / Book value of share | | 0.27 | 0.12 | 227 | | | |
| P/E | | 25.0 | 8.8 | 284 | | | |

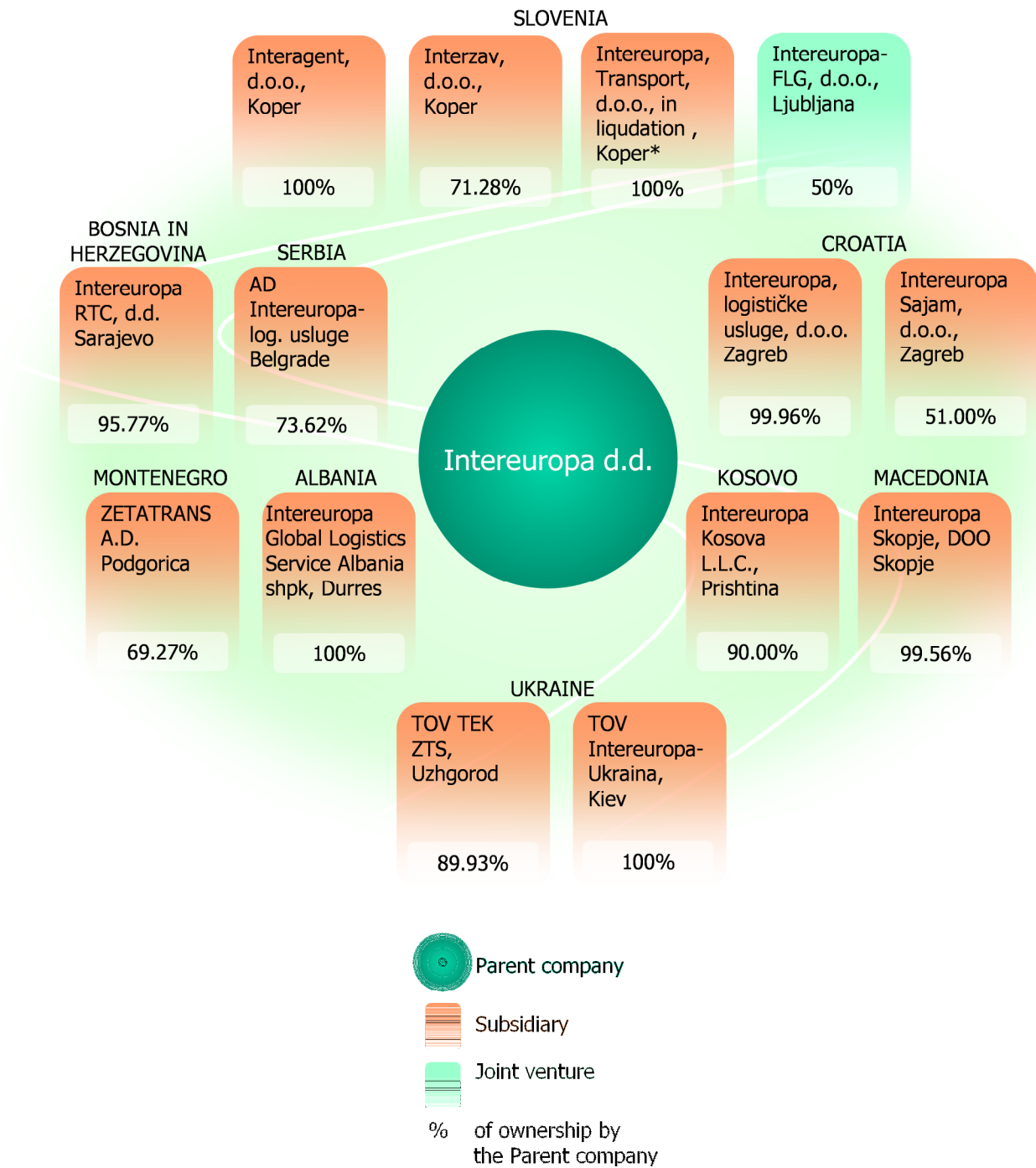
EBITDA: Earnings Before Interest, Taxes, Depreciation, Amortisation and Revaluation operating expenses for intangible and tangible assets

Net debt: financial liabilities – loans and deposits given – cash

P/E: Closing price at the end of term/ Net earning per share on year level

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 | 27,488,803 € |
| Number of of issued and paid-up shares | 27,488,803 no-par value shares, of which 16,830,838 ordinary (IEKG) and 10,657,965 preferential (IEKN) |
| Share listing | Shares designated 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 | Igor Mihajlović |
| Intereuropa Group | |
| No. of employees | 1,451 employees |
| Vehicle fleet | 114 company-owned trucks, tractors, and trailers and other commercial vehicles |
| Total warehousing area | 235,100 m ² in-house warehouse |
| Total land area | 1,719,400 m ² of land area |
| Membership in international organisations | FIATA, IATA, FETA, FONASBA, BIMCO, IRU |
| Quality certificates | certificate ISO 9001:2008: <ul style="list-style-type: none"> ○ Intereuropa d.d., Koper ○ Intereuropa, log. usluge d.o.o. Zagreb |
| Branch network | Slovenia, Croatia, Montenegro, Bosnia & Herzegovina, Serbia, Kosovo, Macedonia, Albania, Ukraine |



* Intereuropa Transport d.o.o., Koper has been in liquidation proceedings since 17 January 2012.

Figure 1: Intereuropa Group as of 31.3.2014

STRATEGIC OBJECTIVES

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 stakeholders 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 subsidiaries,
- established partnership network,
- a wide range of different products and our own infrastructure,
- technically qualified staff.

The strategic objectives identified in the Strategic Plan of Intereuropa Group for the term 2010 – 2014:

- 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 2014

The Business plan for 2014 is based on the actual year-end position of the Group, considering the socio-economic factors relevant for Intereuropa:

- essential decline in the demand for customs services in Slovenia and Croatia due to EU-accession of Croatia;
- aggravated liquidity situation in the markets, involving higher credit risk;
- pressure to optimise the logistical chains, resulting in lower income and reduced margins for logistics suppliers;
- increasing pressures of subcontractors on their freight rates;
- trend of simplified customs procedures (local clearance, NCTS,..);
- northern Adriatic ports gaining importance in supplying the countries of SE and Central Europe;
- increasing demand on the part of foreign companies entering the Croatian market following the EU-accession;
- the Group is financially consolidated and able to settle all liabilities in due time.

The key goal for 2014 is to maintain the income on the level of 2013, improve the profitability of earnings as well as comply with all the liabilities to the banks.

Other goals:

- Intensifying marketing activities and acquiring new businesses;
- Effective management of working capital;
- Process optimization and rise in the quality of service;
- Assurance of competence and motivation of employees, in particular of key staff;
- Raising efficiency on the execution level of services;
- On-going development of the integrated information solutions supporting the logistics processes in our core activity, and digitalisation of documents in the Parent Company;
- Implementation of investments required to respond to and satisfy the needs of our customers, of investments necessary to maintain the asset value, or of those imposed by the law;
- Disposal of non-operating assets.

Core financial goals:

- Sales Revenue: € 158.8 million;
- EBITDA: € 15.4 million;
- Operating Profit: € 8.6 million;
- Net Profit: € 4.2 million;
- Investments: € 2.9 million;
- Number of employees at the year-end: 1,421.

MAJOR EVENTS

THE PERIOD OF JANUARY – MARCH 2014

January

- On 9 January, the Supervisory Board of Intereuropa d.d. unanimously adopted the planning document of the Intereuropa Group for the year 2014, in which the Group plans to achieve a net sales revenue of € 158.8 million. This year, the Intereuropa Group aims to achieve the EBITDA at € 15.4 million, the operating profit or loss at € 8.6 million, and the net operating profit at € 4.2 million.
- The bank Nova KBM d.d. notified Intereuropa on 9 January of having classified the shares of Intereuropa d.d. to the list of transfers to the Bank Asset Management Company (DUTB), in accordance with the applicable: 1,185,292 preference shares with the ticker symbol IEKN, representing 11.12 percent of all preference shares issued by Intereuropa.
- On 29 January 2014, Intereuropa was notified by the Nova Ljubljanska banka d.d. as Agent under the Intercreditors' Agreement that the banks Gorenjska banka d.d., Raiffeisen banka d.d., SKB Banka d.d., Banka Koper d.d., SID banka d.d., and NLB d.d. signed the engagement letter regarding the sale of Intereuropa shares with *Lazard & Co. GmbH and Raiffeisen Centrobank AG*. These shareholdings total 54.5% of voting rights, representing 67.8% in the structure of Intereuropa shares.

February

- Employees of the Intereuropa d.d. joined the humanitarian campaign of the local media, Radio Capris and Primorske novice, to help the families struck by the natural disaster (sleet). The contributions collected in the campaign were spent on the purchase of food and beverages and delivered by the Intereuropa Express service to the Radio Capris as a relief to numerous families in distress.

March

- On 6 March 2014, the Supervisory Board was informed on the performance of the Intereuropa Group in the preceding year, in which the Intereuropa Group generated a sales turnover of € 161.1 million from the sale of services and exceeded the plan by 3 percent. For the first time after 2008, the Intereuropa Group closed the financial year with a net profit, at € 2.2 million.
- Intereuropa organised the comprehensive logistics support, inclusive of air transport to Rochester, which was the venue of international wine evaluation the »Finger Lakes International Wine Competition«, the most reputable international assessment of wines on the American Eastern coast, which also has a strong link with charity: a portion of the proceeds is earmarked to children with AIDS.

MAJOR EVENTS AFTER THE CLOSING OF THE PERIOD

- On 17 April, the Supervisory Board of Intereuropa d.d. adopted the Audited Annual Report 2013 for the Intereuropa Group, the Auditor's Report by the appointed external certified auditor, and the Report prepared by the Supervisory Board for the year 2013, following a due discussion of all reports.

- On the same day, the Supervisory Board unanimously reappointed the president of the Managing Board of Intereuropa d.d., Ernest Gortan, MSc, for a five-year term of office commencing with 11 June 2014.
- Intereuropa attended the 33rd FFSI Conference (Feta Freight Systems International) and officially represented both countries, Slovenia and Croatia. The presentation of Intereuropa highlighted the developmental potential of the Adriatic ports as gates to the Central and SE Europe, in which Intereuropa owns internal terminals and can offer an excellent distribution network. Also, the Ljubljana airport was presented as a HUB for the SE Europe or the Balkans, respectively.
- The Bank Assets Management Company on 9 May notified Intereuropa on having sold 1,185,292 Intereuropa shares with the ticker IEKN based on the Annex to the Contract on Implementation of Measures to Strengthen the Stability of Banks to the bank NKBM d.d. The above-mentioned shares represent 11.12 percent of all issued preference shares of Intereuropa.

BUSINESS REPORT

1. PERFORMANCE OF INTEREUROPA GROUP

1.1. Sales achievements

ECONOMIC TRENDS

After a strengthening of the world economic activity in the second half-year 2013, the International Monetary Fund (IMF) has forecast further growth for this year. The growth should originate primarily from the economies of advanced countries, with different recovery paces by country, estimating a 2.2-percent average growth for developed economies, and 4.9 percent for other countries.

The year 2014 opened with short-term prospects of improvement for the Euro Zone, according to the short-term indicators of economic activity. In March 2014, the average price for (Brent) oil was € 77.76 per barrel or 7.6 percent lower than a year ago. The European Central Bank (ECB) estimates a GDP growth of 1.2 percent for the current year, relying on a gradual recovery of domestic demand thanks to higher confidence, less restrictive fiscal policies, improved lending terms and higher income available, in real terms. Moreover, bigger external demand is expected to fuel the exports.

The Slovenian economy, which showed first signs of recovery in the last quarter of the year 2013, has continued with this positive trend in the current year. In January, the majority of economic indicators achieved or exceeded the levels of the same month a year ago. Exports increased both to the EU member states and to non-EU countries. Although the rehabilitation of banking system had commenced, the situation therein was still tightened and impeded the financing of economic development.

The prospects for Croatia, whose GDP has been falling for the fifth year in sequence, are not encouraging, while other countries in the territory of former Yugoslavia are expected to achieve a slight growth of their economies.

In the Ukraine, political tensions and recent changes brought about uncertainty and decline of economic activity. The IMF has not made a forecast for the Ukraine yet, whereas certain sources estimate a 4-percent GDP decrease for that country.

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

| Countries | BDP growth, in % | | Inflation, in % | | Exports of goods growth, in % | | Imports of goods growth, in % | |
|------------|------------------|------|-----------------|------|-------------------------------|------|-------------------------------|------|
| | 2014 | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 | 2015 |
| EU | 1.6 | 1.8 | 1.3 | 1.4 | 3.2* | 3.7* | 2.8* | 3.3* |
| CEE | 2.7 | 3.3 | 3.9 | 4.0 | 5.0 | 5.1 | 4.7 | 8.1 |
| Slovenia | 0.5 | 0.7 | 0.8 | 1.4 | 4.6 | 5.2 | 3.6 | 5.5 |
| Croatia | -0.6 | 0.4 | 1.0 | 1.4 | -0.0 | 1.7 | -1.6 | 1.4 |
| BiH | 2.0 | 3.2 | 1.1 | 1.5 | 9.1 | 11.4 | 8.1 | 5.9 |
| Serbia | 1.0 | 1.5 | 5.3 | 4.0 | 7.8 | 6.0 | 1.6 | 6.5 |
| Kosovo | 3.9 | 4.5 | 1.5 | 1.5 | 11.4 | 13.1 | 7.1 | 7.4 |
| Montenegro | 2.8 | 2.9 | 0.9 | 1.1 | -4.6 | 2.6 | 9.6 | 11.4 |
| Macedonia | 3.2 | 3.4 | 2.3 | 2.3 | 7.6 | 9.0 | 6.0 | 8.0 |
| Albania | 2.1 | 3.3 | 2.6 | 3.0 | 11.9 | 10.3 | 9.2 | 11.2 |
| Ukraine | -4.0 | 1.0 | 12.0 | 8.0 | - | - | - | - |

* Eurozone data

** Estim. data for Ukraine excl. Krim

SOURCES:

World Economic Outlook, IMF, April 2014 (CEE: October 2013)

Spring forecast of economic trends, IMAD, April 2014

Economic Mirror – March 2014, April 2014

U.S. – Ukraine Business Council, Ukraine Economic Situation, April 2014

SALES REVENUE OF INTEREUROPA GROUP

Certain markets of Intereuropa showed a mild improvement of economic activity in the first three months of this year: these were the countries of Central Europe and our domestic market that is tightly linked to them. On the other hand, no positive effect attributable to recovery was felt in the countries of Western Balkans. All the more uncertain were the circumstances in the Ukraine, where the political tensions reflected in negative impacts on the economy of the region.

We were facing with very tough competition in the market: our customers were intensively pressing on rates, seeking to reduce their cost of logistics by way of tenders, and competitors often compete with dumping prices. Quite many enterprises are still entangled in financial difficulties: we had to restrict doing business with certain risky customers. On the one hand, we were struggling for each particular business, and on the other hand we were limited in the choice of partners in business due to ill payment practices.

In the given market and business environment, the Group earned **€ 34.6 million of sales revenue** from the sale of services in the term January-March 2014; that result was 13 percent lower than same term a year ago. To the greatest extent, the decrease was attributable to a 60-percent drop in the sale of customs services, given that Croatia was not an EU-Member State in the first quarter 2013; it was after the EU-accession that respective revenues were slashed for both, Slovenia and Croatia. The current situation in the Ukraine had an impact on lower sales revenue in our Ukrainian subsidiary, which had excellent results from the sale of railway services until the onset of political crisis.

The mild recovery on domestic market was felt in improved physical performance indicators. Accordingly, our Land Transport area recorded an increased number of consignments carried, and our Intercontinental Transport area saw growth in the number of containers processed and the volume of conventional cargoes. However, the revenues did not follow said growth rates proportionally; lately, we have faced a decreasing revenue per unit as a result of strong pressures on prices.

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

| Business Area | Jan - Mar 2014 | Structure | Index 2014/plan | Index 2014/2013 |
|------------------------------|-------------------|-------------|--------------------|--------------------|
| 1 Land transport | 20,543 | 59% | 88 | 81 |
| 2 Logistics solutions | 3,973 | 11% | 98 | 98 |
| 3 Intercontinental transport | 8,448 | 24% | 93 | 96 |
| 4 Other services | 1,644 | 5% | 105 | 100 |
| TOTAL SALES REVENUE | 34,608 | 100% | 91 | 87 |

The sales result of the Group was 9 percent below the sales target. The biggest setback was recorded in the services offered by our Land Transport: our plan envisioned a growing volume of railway transport, which was not realised due to the situation in the Ukraine, where our strongest subsidiary handling this segment is located. However, the opposite thing happened: political changes brought about economic instability that has led to a decline in goods exchange and indirectly resulted in decreased sales results for our Group.

We planned to compensate for a certain portion of lost revenue from customs services with new businesses, however, we did not fully succeed in achieving that, which has reflected in variance from the sales targets in Croatia, above all.

In the area of Logistics Solutions, which was closest to the planned sales level in the reporting term, we succeeded in expanding our operations or acquiring some new business in the Slovenian part of the Group, i.e. the warehouse facilities in Celje and Koper.

In the sales revenue structure by country in which a subsidiary is based, the revenue achieved by the Slovenian subsidiaries was increased and came to € 21.3 million. Accordingly, the share of subsidiaries in Croatia and Ukraine fell due to their lower sales achievement. Growing sales were recorded by our subsidiaries in Serbia, Kosovo and Albania.

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

| | Geographical area (by companies' head office) | Jan - Mar 2014 | Structure | Index 2014/plan | Index 2014/2013 |
|---|--|-------------------|-------------|--------------------|--------------------|
| 1 | Slovenia | 21,298 | 62% | 96 | 92 |
| 2 | Croatia | 4,997 | 14% | 95 | 72 |
| 3 | Bosnia & Herzegovina | 1,313 | 4% | 98 | 96 |
| 4 | Serbia | 794 | 2% | 104 | 106 |
| 5 | Macedonia | 454 | 1% | 50 | 50 |
| 6 | Kosovo | 443 | 1% | 85 | 115 |
| 7 | Montenegro | 946 | 3% | 84 | 86 |
| 8 | Albania | 98 | 0% | 73 | 105 |
| 9 | Ukraine | 4,266 | 12% | 70 | 83 |
| | TOTAL SALES REVENUE | 34,608 | 100% | 91 | 87 |
| 1 | EU countries | 26,295 | 76% | 96 | 87 |
| 2 | Non-EU countries | 8,313 | 24% | 77 | 85 |

The customers of our services come from various countries worldwide; in the reporting term, most of them (72 percent) were based in the European Union. Around 10 percent of our sales revenues were achieved in the territory of former Yugoslavia (excluding Slovenia and Croatia), and 7 percent in the Ukraine.

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

| | Geographical area (by customers' head office) | Jan - Mar 2014 | Structure | Index 2014/2013 |
|----|--|-------------------|-------------|--------------------|
| 1 | Slovenia | 12,288 | 36% | 99 |
| 2 | Croatia | 4,498 | 13% | 67 |
| 3 | Russia | 2,398 | 7% | 70 |
| 4 | Bosnia & Herzegovina | 1,795 | 5% | 86 |
| 5 | Serbia | 1,250 | 4% | 93 |
| 6 | Montenegro | 1,129 | 3% | 83 |
| 7 | Other countries | 11,249 | 33% | 90 |
| 7a | Other EU countries | 5,288 | 15% | 104 |
| 7b | Other countries | 5,961 | 17% | 80 |
| | TOTAL SALES REVENUE | 34,608 | 100% | 87 |

Land Transport

We achieved a sales revenue of € 20.5 million from the services of Land Transport in the reporting term, or 59 percent in the sales structure of the Intereuropa Group. The highest share was generated by the Parent Company that contributed 47 percent of total sales revenues from the services of Land Transport.

The sales revenue was expectedly 19 percent lower than in the first quarter 2013. Such a drop was mainly attributable to the accession of Croatia to the European Union, which slashed the revenue from customs broking in Slovenia and Croatia. Our Ukrainian subsidiary

was lagging behind the last year's result considerably, which was attributable to unstable political situation that affected the economic trends. Better performance than last year was recorded in Serbia, Kosovo and Albania.

In terms of the plan, we were by 13 percent below the sales targets and the worst setback was recorded in our Ukrainian subsidiary. Only our subsidiary in Belgrade achieved the plan. The parent Intereuropa d.d., which contributes the biggest share in the sales revenue structure from Land Transport, was only one percent below the sales target. Apart from the Ukrainian subsidiary, our subsidiaries in Macedonia, Montenegro and Croatia were underperforming as well.

In the reporting quarter, we recorded a higher physical volume of shipments carried in Slovenia compared with the same term last year, although it did not yield any higher sales revenue. There is a strong competition among the providers of logistics solutions in the market, which reduces the earnings per unit. Therefore, our Group supports on-going activities towards higher cost efficiency and operation streamlining, as well as the activities aiming to increase the sales revenue. Concurrently, we endeavour to maintain a high quality level of our services.

In 2014, we scheduled the introduction of our new information solution supporting the Land Transport products to the subsidiary in Croatia. That IT solution will allow for a better supervision over the implementation of services, and combined with enhanced traceability of consignments it further improves the quality of our service.

Road transport:

- Road transport has the biggest share in the sales revenue structure (25 percent) among the products offered by Intereuropa, and a 42-percent share among the products in the scope of Land Transport.
- We were 10 percent behind the sales plan on the Group level, and 14 percent below the achievement of the same term a year ago; such results are attributable to reduced volume of services in our Macedonian and Croatian subsidiaries, and in the Parent Company.
- Pressures on prices continued and the resulting reduced sales margins persist for quite a long time. We are addressing that issue by active management of direct costs.
- Key activities for 2014:
 - Better coordination of commercial and implementing activities in Intereuropa d.d. and within the Group;
 - Assuring a high quality level of the organization of international road transports, and achieving key performance indicators to satisfy our customers;
 - Seeking complementary transport orders to improve the utilisation of transport capacities;
 - Comprehensive management of suppliers - road transport contractors;
 - Gradual centralisation of purchasing by target markets;
 - Cost management, reducing the share of direct costs in the sales structure.

Customs services:

- Sales revenue was 60 percent lower than in the comparable term a year ago. After the EU-accession of Croatia, the revenues from customs services shrank severely in our Slovenian and Croatian subsidiaries.
- Having lost almost the entire operating revenue from the Border Despatch Branch in Slovenia, we achieved just above one third of the revenue compared with the first

quarter 2013; in Croatia, only one fifth of revenue was achieved. Nevertheless, both subsidiaries exceeded their sales targets.

- Our subsidiaries in Serbia and Macedonia exceeded the last year's results and sales targets, unlike the subsidiaries in Montenegro, Bosnia and Herzegovina and Kosovo that were lagging behind.
- Key activities for 2014:
 - Current activities to align the operations with the new market situations in the Parent Intereuropa d.d. and in the subsidiary in Croatia, focusing on the portfolio of services;
 - Scheduled training forms, current monitoring of legislation, transfer of know-how among employees.

Groupage Services:

- The sales revenue of this segment remained on the level of the first quarter last year.
- Almost three quarters of all revenues from groupage services in the Group were generated in Slovenia. Despite a 12-percent rise in the volume of consignments carried, the sales revenue did not rise above the level of the comparable quarter 2013.
- Higher sales revenues were recorded in the subsidiaries in Croatia, Bosnia and Herzegovina, and Serbia as a result of growing quantities of carried goods.
- In February, we redirected the processing of our import groupage service to our subsidiary in Albania and assured that Intereuropa is managing that part of the business, too.
- We developed the application supporting the input of consignment statuses and delivery notes that is integrated with the WexVS information solution, allowing the customers online tracking of their consignment (via our website). Thereby we will improve consignment tracking and tracing, and raise the quality level of our services.
- Key activities for 2014:
 - Maintain the position of the leading provider of groupage services in Slovenia, Croatia, Bosnia and Herzegovina and Serbia, and increase the market shares in all countries in which Intereuropa is present with own subsidiaries;
 - Utilisation of synergies in the Group to contain the costs, increase the sales volume and enhance dynamics;
 - Employ the information solutions to assure process optimisation and enhance the extent of e-commerce with customers and partners in business;
 - Monitor additional quality indicators and introduce the measures leading to a higher quality level of service.

Express Transport:

- The sales revenues were just under the level achieved in the comparable term last year, but remained 4 percent below the sales target.
- The subsidiary in Croatia generated still the highest share of sales revenue (59 percent) in this segment, although the share was slightly lower than a year ago. That fact can be attributed to the setback of said subsidiary behind the figure achieved last year (by 2 percent) and 8 percent below the sales target. The shares held by other subsidiaries were as follows: Slovenia 26 percent, Bosnia and Herzegovina 11 percent, and Serbia 4 percent.
- In Slovenia, we recorded a slight growth of sales revenue and exceeded the sales targets by 6 percent.
- Activities to achieve cost efficiency and enhance the standardisation of operations are conducted in all parts of the Group.

→ Key activities for 2014:

- Enhance the extent of e-commerce with customers;
- Introduction of the new information solution to the Croatian subsidiary;
- Development of distribution services as a support product in the remaining companies of the Group;
- Optimisation of business processes and aligning the execution in view of cost containment, while preserving the high quality of service;
- Target-driven sales.

Rail Transport:

- The Rail Transport product recorded a considerable setback behind the sales target (28 percent) and was 15 percent below the result of the comparable term 2013.
- The performance of this segment was greatly affected by the specific situation of the subsidiary TEK ZTS, Uzhgorod: the unstable political situation in the Ukraine reflected adversely on the economy and on the national currency exchange rate. Despite lower earnings from rail transport services, the Ukrainian subsidiary contributed 19 percent of total sales revenue in our Land Transport area.
- Also the company Intereuropa-FLG d.o.o., Ljubljana recorded a lower operating revenue.
- On the other hand, the Parent Company Intereuropa d.d. exceeded both the last year's results and the sales targets.
- Key activities for 2014:
 - Increasing the cooperation among subsidiaries and development of intermodal solutions;
 - Maintaining the high level of know-how and experience of our employees in this product, and transferring the good business practices from providers specialised in the organization of railway transport;
 - Taking advantage of favourable geographical position at an intersection of the Fifth and the Tenth European Corridor.

Despite unfavourable market situation, we have set very ambitious goals for the current year. We recorded positive results in the physical volume, however, with scarcely any bearing on the financial results. The performance of our Land Transport is vulnerable due to unstable political situation in the Ukraine, given that our Ukrainian subsidiary contributes, mainly by railway transport, as much as 20 percent of total sales of this.

Logistics Solutions

In the Logistics Solutions Area, the sales revenue in the reporting term came to € 4.0 million, representing 11 percent in the sales structure of the Intereuropa Group. The outcome of adverse economic conditions, such as intensified pressures on the price of our services, or changed logistical concepts, were still felt in our key markets.

The highest share in the sales revenue of this Area was generated by the Parent Company in Slovenia, which contributed 67 percent of sales revenue from the products hereof, followed by the Croatian subsidiary with 17 percent.

The economic environment remains severe also in other countries in the Balkans, in which our storage capacities are located: in particular adverse is the financial situation. Within the Intereuropa Group, these markets stand for 17 percent in the sale of services of our Logistics Solutions Area.

Warehousing:

- The sales revenue from warehousing services in the reporting quarter was € 3.5 million, representing 10 percent in the sales structure of the Group. We recorded a 6-percent underperformance of the plan, and a 4-percent setback behind the figure achieved in the comparable term last year. The drop in our sales revenue affected two our key markets of this Area, i.e. Slovenia and Croatia, representing in total 82 percent of the sales revenue from warehousing.
- After shifting the white goods (large household appliances) from the facility of our customer into our warehouse in Celje, we filled the storage capacity in Celje and increased our sales revenue from our key customer.
- We acquired new business via Koper warehouse and filled our capacities there.
- A major customer in Serbia decided to put its goods in our warehouse capacities.
- In March, we upgraded our IT support and introduced data interchange with a key customer in Ljubljana.
- In the same month we commenced with training forms on the new IT support to warehouse operations Wex.WMS in Maribor, and started with preparations to launch the Wex.WMS in Croatia.

Distribution:

- Our revenue from the sale of distribution services came to € 0.4 million, or 11 percent in the sales structure of the Logistics Solutions Area; on the Group level, that means one percent only. We outstripped the sales target by 47 percent and were 27 percent above the result of the comparable term last year. A major contribution to such growth rate was the transfer of white goods from our customer's facilities in Ljubljana to our warehouse in Celje, and newly acquired business in Jesenice.

- Key activities for the second quarter 2014:
 - Continued implementation of the new IT solution supporting the warehouse processes in Slovenia;
 - Launch of implementation of the new IT solution supporting the warehouse processes in Croatia;
 - On-going activities to acquire larger logistical projects
 - Optimisation and filling the up free storage capacities;
 - Continued optimisation of logistic processes by commodity category.

Intercontinental Transport

The sales revenues from the products of our Intercontinental Transport Area, amounting to € 8.4 million, represented 24 percent in the sales structure of the Group. However, we remained below the sales targets for this Area. The highest underachievement of sales targets was recorded in car logistics: this segment was worst hit by a decreased volume of services for a key customer in this product. Our sea-freight product was performing better than a year ago, in particular in the segment of container services.

The period of uncertainty for sea- and air-freight business has persisted in the year 2014, too. Sea-freight rates are extremely volatile - even up to +50 percent on a monthly basis. Similar applies to Air-freight. Ship owners merge or form alliances, discontinue certain service lines, leave smaller ships anchored, and encourage the employment of bigger ships. These factors render the sales activities more difficult and specific, such as booking the adequate space on board of ships or airplanes, and consequently, the achievement of goals and sales targets in the entire Group.

Sea-Freight Transport:

- The sea-freight and shipping agency segments combined represented 18 percent of the Group's sales revenue in the reporting term. The revenue achieved was € 6.2 million. More than 90 percent of the sales revenue was generated in the Slovenian market.
- We recorded some growth over the first quarter of the year ago, however, we remained 5 percent below the sales target.
- In the segment of conventional sea-freight services, we handled 739.480 ton of various liquid and general cargoes via the Koper Port and achieved an 8-percent growth in physical volume. However, we remained slightly below the last year's result for this product. That was an expected variance, given that some customers announced a lower volume of turnover via the Koper Port; moreover, the season of fresh fruit and vegetables was below average. We had to replace that drop by new businesses which were not as profitable.
- In the container transport products, the growth of income was 8 percent above the year before, but we surpassed the sales targets by 14 percent. We processed 27 percent more containers than in the comparable term a year ago. The highest growth was achieved in Slovenia, in handling container turnover via Koper.
- The suspension of RO-RO line Koper-Albania last year had a significant impact on our RO-RO product, which was also felt in this year's results. There has been no announcement to resume the line yet, so we can expect similar operating results for this year.
- Our shipping agency was 4 percent below the achievement of the same term a year ago, and behind the plan baselines. Non-achievement of the sales targets can be attributed to the mild winter season – fewer ships carrying the salt, inactive container ship operator, and fewer ships loaded with cars. Nevertheless, we acquired some new business and increased the dynamics of vessels despatched to Mediterranean ports. In the reporting term, we represented 63 ships and retained the leading position among shipping agencies in the number of ships represented in the Port of Koper. A container-ship operator announced to establish a direct line for Koper in the second quarter of this year, which will contribute to better sales results and lead to fulfilment of the goals set for this year.
- In the next quarter, we will strengthen our sales activities in all offices or shipping agencies Group-wide and use the advantages of our well-structured partner network. We became members of new logistics networks or chains and entered into several new partnerships, from which we expect a favourable support to the development of our sea-freight products.

Car logistics:

- The car logistics segment remains under strong pressures of the circumstances in global economy. That can be seen in constant new partnerships emerging, through integration among manufacturers, relocation of manufacturing facilities and the resulting decisions for routing the via certain ports. The latter is perceived in our long-year customers, in particular with GM (Chevrolet), which is gradually withdrawing from the European market.
- Our sales revenue in the reporting term was € 1.5 million, which was 18 percent behind the sales targets. The physical volume of cars processed shrank by 13 percent.
- In part, we succeeded in replacing our major and regular import businesses with new export businesses that provide a good basis for further development of this business area. The transport route via the Koper Port has shown a different trend: from a prevalingly import port, Koper is becoming an important point for exports. We envision this course of development in Intereuropa, too.

→ With a yearly volume of 100,000 vehicles in need of logistics operations, we hold car logistics as an important business segment.

Air-freight Transport:

- The sales revenue from air-freight operations came to € 0.8 million. That was 4 percent behind the sales target for the reporting quarter.
- A significant growth (59 percent) was recorded in the Serbian market, which is the second major air-freight market for our Group.
- In Slovenia, we achieved considerable growth – as much as 30 percent – of cargo volume expressed in tonnage, however, on account of pressures on prices or margins respectively, we remained below the volumes planned.
- In the reporting term, we intensified the sales activities and integration in partner networks: accordingly, we expect better results in the next quarter, which is generally regarded as a better season in airfreight logistics.
- We aim to expand the range of our services by a representation of air-carriers on the Balkans, however, the carriers demand specific operating terms. These activities will be carried on.

1.2. Financial result

Tables 5 and 6: Financial results of the Intereuropa Group for the period January – March 2014, in thousand €

| Item / Index | Jan - Mar 2014 | Jan - Mar Plan 2014 | Jan - Mar 2013 | Index 2014/plan | Index 2014/2013 |
|----------------------------------|----------------|---------------------|----------------|-----------------|-----------------|
| Sales revenue | 34,608 | 38,210 | 39,822 | 91 | 87 |
| EBITDA* | 2,931 | 2,964 | 4,185 | 99 | 70 |
| Operating profit or loss | 1,208 | 1,242 | 2,293 | 97 | 53 |
| Financing profit or loss | -1,271 | -875 | -822 | - | - |
| Net profit or loss | -97 | 135 | 960 | - | - |
| EBIT margin in % | 3.5% | 3.3% | 5.8% | 107 | 61 |
| Sales revenue per employee/month | 8.214 | 9.027 | 8.150 | 91 | 101 |
| Value added per employee/month | 2.107 | 2.203 | 2.276 | 96 | 93 |

* EBITDA: Earnings Before Interest, Taxes, Depreciation, Amortisation and revaluation operating expenses for intangible and tangible fixed assets

| Item / Index | 31.3. 2014 | Plan 31.12.2014 | 31.12. 2013 | Index 2014/plan | Index 2014/2013 |
|--|------------|-----------------|-------------|-----------------|-----------------|
| Balance sheet total* | 311.576 | 311.859 | 313.419 | 100 | 99 |
| Equity* | 153.011 | 161.005 | 153.763 | 95 | 100 |
| Net debt** | 89.904 | 76.854 | 91.922 | 117 | 98 |
| Short-term assets/ Short-term liabilities* | 1,63 | 1,75 | 1,61 | 94 | 101 |
| Net Return On Equity (yearly level)*** | 0,57% | 2,68% | 2,43% | 21 | 23 |

* as of the last day of the reporting period

** financial liabilities – loans and deposits given - cash

*** average equity of the report. period, excluded one-off events

Operating Profit or Loss, and EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortisation)

→ A slight underachievement of the planned operating result is largely attributable to the decline in the sales revenue that we managed to substitute by lower cost of services and labour, as well as by a more effective collection; the latter reflected in higher income from the elimination of allowances for receivables. Accordingly, the EBIT margin was higher, too. The Ukraine saw the worst drop in the sales, primarily resulting from the aggravated political situation that consequently reflected on the economy. The underachievement of the plan was further attributable to the expenses payable as compensation for land use that essentially exceeded the expenses envisioned for the real estate tax in the Slovenian part of the Group that was not enacted.

Financing Profit or Loss

→ The negative Financing Profit/ Loss achieved was attributable to net interest expenses and to high foreign exchange losses at € 471 thousand that were not envisioned (mostly arising from the value decrease of the Ukrainian currency). The latter were the major cause for the non-achievement of the plan and of the financing result of a year ago.

Net profit / loss

→ The net profit or loss is decreased by the corporate income tax and deferred tax assets.

Structure of Statement of Financial Position

→ The current ratio has slightly risen over the figure achieved in the preceding year, so has the share of capital in the sources of finance.

1.3. Investments in fixed assets

In the reporting term January - March 2014, the Group spent on **investments in fixed assets** the amount of **€188 thousand**, thereof 53 thousand in real estate and 135 thousand in plant, equipment and intangible assets. The annual plan of investments was completed to the level of 7 percent.

Table 7: Overview of investment in the period January – March 2014, in thousand €

| Company | Real property | | Plant & Equipment, Intang. assets | | TOTAL | | % of annual realization |
|--------------------------|---------------|------------|--------------------------------------|--------------|--------------|--------------|-------------------------|
| | Jan-Mar 2014 | Plan 2014 | Jan-Mar 2014 | | Jan-Mar 2014 | Plan 2014 | |
| Intereuropa d.d. | 3 | 530 | 74 | 1,344 | 78 | 1,874 | 4 |
| Subsidiaries | 50 | 163 | 60 | 824 | 110 | 987 | 11 |
| TOTAL INVESTMENTS | 53 | 693 | 135 | 2,168 | 188 | 2,861 | 7 |

The investments of the Parent Company Intereuropa d.d. were made in real estate, equipment and intangible assets (€ 78 thousand); other members of the Group invested € 110 thousand in fixed assets. Individual investments were not on a large scale.

The invested funds were earmarked to:

- Buildings and fittings/ equipment (€ 108 thousand),
- Computer hardware and software (€ 53 thousand),
- Repairs and purchase of motor vehicles (€ 27 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.

As of the year-end 2013, there were 58 types of risk identified in the company Intereuropa d.d., thereof 7 key risks. Our highest exposure to risks in the given term involved the sales risk of pressure on the prices and the risk for a decreased demand for our services. The impact of the overall economic situation in the country is perceived in generally aggravated liquidity. Our activities are focused on the marketing of services and collection of accounts receivable.

Our greatest attention is dedicated to the sales risk. Downward pressure on our prices and a decreased demand for certain services were not so strong as last year, but we did perceive a loss of income therefrom. We adapt to the needs of our customers, which mostly results in cutting the rates in our current services. To compensate that loss of income from our current customers, we offer additional services to them. Our activities are focused on acquiring new customers and increasing the productivity in our employees. Price sensitivity is increasing and therefore, internal process streamlining and cost management are all the more important, in particular in the area of warehousing where the fixed costs are the highest. In the Company, we consistently implemented our sales strategy and placed additional focus on new customer acquisition, along with day-to-day monitoring of our current customers.

Great attention is dedicated to the exposure to credit risk in the light of the overall economic situation – not only at home and in the entire EU, but also in the countries in which Intereuropa is operating. Our activities are increasingly directed to debt collection, which is very difficult to achieve in the face of concurrent pressure to expand, or at least maintain the volume. Observance of the limits for our exposure to certain customers is of key importance. We address the liquidity risk by daily control of working/current capital and exposure to individual customers and units in the Company. The Managing Board controls its financial condition and exposure to certain customers on a regular basis.

We estimate for the second quarter that Intereuropa d.d. will be exposed mainly to the sales and financial risks. The measures adopted and activities in implementation we envision to reduce the exposure of the Company to risks and to achieve the planned results.

1.5. Human Resources Management

EMPLOYMENT TRENDS

As of 31 March 2014, there were 1,451 employees in the Intereuropa Group. Compared with the end of 2013, the number of our employees was one percent (or 13 employees) lower. The layoffs for business reasons decreased in the parent company (-16), without any major changes in other subsidiaries of the Group.

Table 8: No. of employees in the Intereuropa Group according to countries, as of 31.3.2014

| | 31.3.2014 | 31.12.2013 | Difference 14-13 | Index 2014/2013 |
|----------------------|--------------|--------------|---------------------|--------------------|
| Slovenia | 649 | 665 | -16 | 98 |
| Croatia | 317 | 318 | -1 | 100 |
| Bosnia & Herzegovina | 129 | 127 | 2 | 102 |
| Serbia | 106 | 106 | 0 | 100 |
| Macedonia | 36 | 35 | 1 | 103 |
| Kosovo | 24 | 24 | 0 | 100 |
| Montenegro | 140 | 139 | 1 | 101 |
| Albania | 2 | 2 | 0 | 100 |
| Ukraine | 48 | 48 | 0 | 100 |
| TOTAL | 1,451 | 1,464 | -13 | 99 |

On the Group level, there were 81 persons recruited for work through other forms of labour (such as employment agencies, contracts for work/services, contracts on business cooperation, and student job services) or additional 5 percent as at 31 March 2014.

DEVELOPMENT AND TRAINING

We allocated 4,168 hours or € 25 thousand to training for our employees, on the level of the Group, and exceeded slightly the budget for the reporting term. In the Slovenian part of the Group, training was mostly funded by the European Social Fund and by Slovenia (the Fund of Republic of Slovenia for HR Development, and the Ministry of Labour, Family, Social Affairs and Equal Opportunities). Compared with the same term a year ago, the volume of education/training forms more than doubled.

According to contents, these training forms comprised acquiring and accomplishment of language skills, occupational health and safety (in the Zagreb subsidiary), and 'soft' skills such as business communication, negotiations and relations (in the Parent Company). In March we started with internal training on the IT application WexVS supporting warehouse operations. Training forms on selling skills, negotiating and motivating are envisioned for the second quarter of the year.

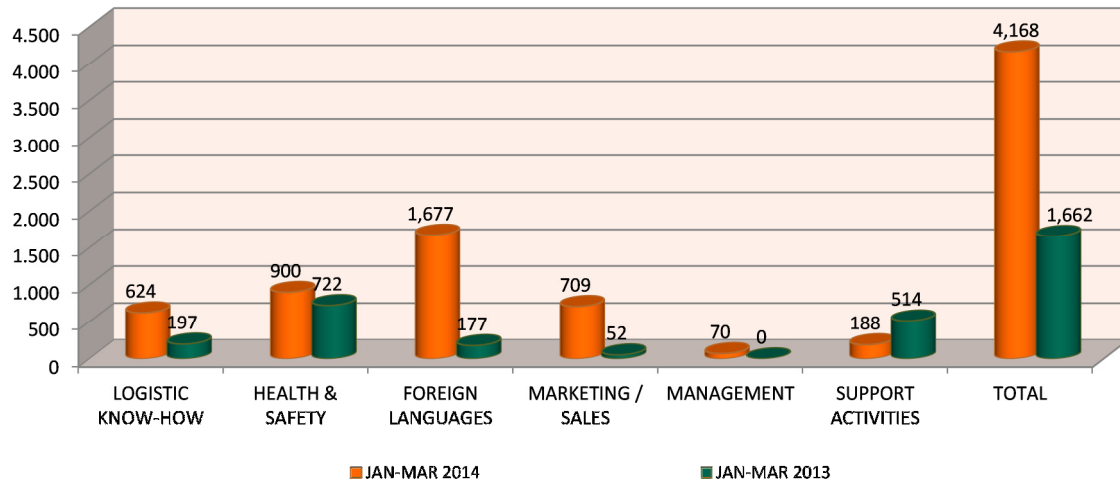


Figure 2: Training hours in the period January - March 2014 according to topics (for the Group)

The »Competence Centre for HR development in Logistics« Project

Based on determining the competences for individual jobs /profiles, we put main emphasis on general competences and foreign languages, besides other skills. In the Slovenian part of the Group, 80 employees took part in business communication training. *The participants were very fond of that workshop, given that communication is pre-requisite of all the skills in our daily relations with customers, suppliers and fellow workers.*

Measures to be taken based on the results of the »Golden Tread« (Zlata nit) research

We started preparing the proposals for yearly interviews on the basis of results of the Golden Tread research, to be conducted by managers with their subordinates. The research pointed out that employees critically assessed in particular the items falling into the scope of personal development and growth, which includes the work-related conversation between employee and his superior.

EMPLOYEE CARE AND WIDER SOCIAL ENVIRONMENT

Financial aid was granted to 16 our employees who were affected by difficult health condition or inferior financial position in their family, primarily caused by the natural disaster (sleet) in Slovenia. On the Group level, we earmarked a total of € 7 thousand (compared with € 11 thousand in the first quarter last year).

In addition, we provided obligatory work practice to 19 secondary school and tertiary level students, and offered our support to their diploma theses.

HEALTH PROTECTION

Project promoting occupational health in the workplace

More than 500 employees took part in a poll (by filling up questionnaires) on detection and prevention of motoric and osteomuscular disorders/ conditions in the scope of the Project promoting occupational health. After processing the questionnaires, the Institute of Occupational Safety selected 40 employees and arranged for a further medical examination and testing of the osteomuscular system. The findings and results therefrom were underlying

for designing a program of dedicated ergonomic measures in the workplace (instructions on physical exercise, workshops on physical activity, etc.).

The following activities were conducted in the area of health protection:

- 81 preventive medical check-ups for employees of the Group,
- Training forms on occupational and fire safety for 48 employees,
- Amendment to, or harmonization of our internal acts/bylaws with the new Occupational Health and Safety Act,
- preparing the Statements on Safety and Risk Assessment in the subsidiary Interzav d.o.o.,
- markings on the driving surface, and instructions for work in the car terminal of BU Koper.

In the field of fire safety and precautions, we conducted the following activities:

- Inspection of safety illumination in BU Celje,
- Tests of fire extinguishers and hydrant supply network in the Parent Company,
- Amending or harmonizing the internal acts of the subsidiary Interagent d.o.o. with the new Fire Safety Regulations,
- Preparations for conducting the training for all employees and tenants/lessees on handling fire extinguishers in the Parent Company,
- Evacuation exercises were conducted in BU Celje and Brnik.

The Group arranged to examine 206 sets of machines and working assets/ equipment in the reporting quarterly term. There was only one employee with a light injury in the entire Group.

1.6. Total Quality Management

Two companies of the Intereuropa Group (out of 12) hold a certification under the ISO 9001:2008 Standard. Of the entire staff of the Group, 65 percent are employed in these certified companies (Intereuropa d.d., and Intereuropa, logističke usluge d.o.o., Zagreb). There was an External Audit of the Quality Management System of Intereuropa d.d. conducted in the reporting term.

Maintaining the ISO 9001:2008 Quality Management System

- Two yearly QMS reports were prepared for the year 2013 and the measures to improve the QM system were triggered.
- A new, third edition of the Quality Management System Manual for the company Intereuropa d.d. was issued.

Internal auditing of service quality

- No internal audit of processes was conducted in Intereuropa d.d. in the reporting term.

Quality control by QM indicators

There were 7 percent fewer complaints than in the comparable term 2013, but the total amount under complaints rose by as much as 85 percent; much lower amount was paid under said complaints.

Tabela 9: Complaints, claims and approved value for the period January – March 2014

| No. of complaints | Index 13/12 | No. of claims | Value in 1000 € | Index 13/12 | Approved Value in 1000 € | Index 13/12 |
|-------------------|-------------|---------------|--------------------|-------------|-----------------------------|-------------|
| 93 | 93 | 55 | 40.4 | 185 | 7.6 | 52 |

External quality of service audit by the certification authority

The Results of External Audit in 2014:

- **Intereuropa d.d.** - the ordinary audit was the seventeenth in sequence. The audit was conducted in the following organizational units: Managing Board, Management of Forwarding and Logistics, Full Loads Section, Human and General Resources Department, Department for Computerisation of Operations, Local Office in Vrtojba, BU Maribor and BU Dravograd.

Auditors have confirmed 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 18 recommendations for improvement.

The implementation plan for the recommendations accepted on our part will be prepared by persons responsible; we will substantiate any recommendations not accepted by the end of May.

1.7. Share IEKG and ownership structure

KEY DATA ON SHARE

Table 10: Key Data on Intereuropa Share (IEKG) for the period January – March 2014

| | Jan-Mar 2014 | Jan-Dec 2013 |
|--------------------------------------|-----------------|-----------------|
| No. of shares* | 27,488,803 | 27,488,803 |
| No. of preference shares IEKN* | 10,657,965 | 10,657,965 |
| No. of ordinary shares IEKG* | 16,830,838 | 16,830,838 |
| of which no. of treasury shares* | 18,135 | 18,135 |
| Share book value in €* | 3.68 | 3.67 |
| Earnings per share in € | 0.01 | 0.03 |
| Market capitalisation in € thousand* | 16,831 | 7,406 |
| Trading volume in € thousand | 618 | 938 |
| Closing price in € | 1.00 | 0.44 |
| Weighted average price in € | 0.98 | 0.50 |
| Highest price in € | 1.20 | 0.85 |
| Lowest price in € | 0.44 | 0.32 |
| P/E | 25.0 | 8.8 |
| Capital gain | 127.3% | -20.0% |

* as of the last day of the period

Notes:

Book value = capital / (number of all shares – number of treasury shares)

*Market capitalisation = closing price at the end of period * number of shares listed in SE*

Earnings per share = Net profit / (number of all shares – number of treasury shares)

P/E = closing price at the end of period / Net earnings per share on a year level

Capital gain = price increase in period

SHARE TRADING

Trading in shares on the Ljubljana Stock Exchange exceeded the figure of the comparable term a year ago by 1.6 percent; the IEKG share recorded a considerable rise, 3.7 times higher than in the same term last year.

In the reporting term, we saw a lively trading in the IEKG share in January: The trading volume was € 618 thousand, which came to two thirds of the entire turnover of the year 2013.

The market price of the IEKG share fluctuated between € 0.44 and € 1.20 per share, and March closed at € 1.00; Among the shares of the First and Standard Listing, the IEKG share recorded the highest growth in the term (+127.3 percent), whereas the Stock Exchange Index (SBITOP) gained 9.3 percent. The market capitalization closed the term at € 16.8 million, which stands for 0.3 percent of the market capitalization of all shares on the Ljubljana SE.

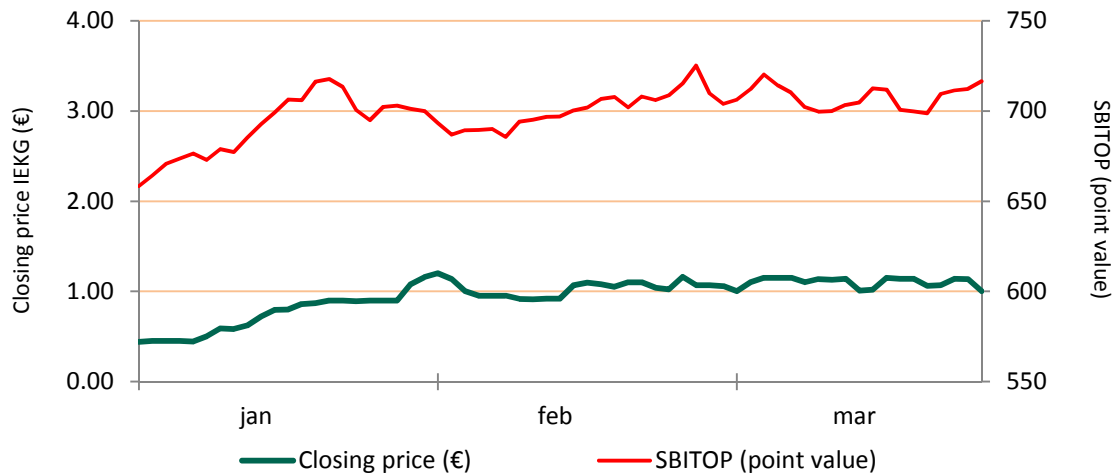


Figure 3: Closing prices of IEKG share and SBITOP index in the period January – March 2014

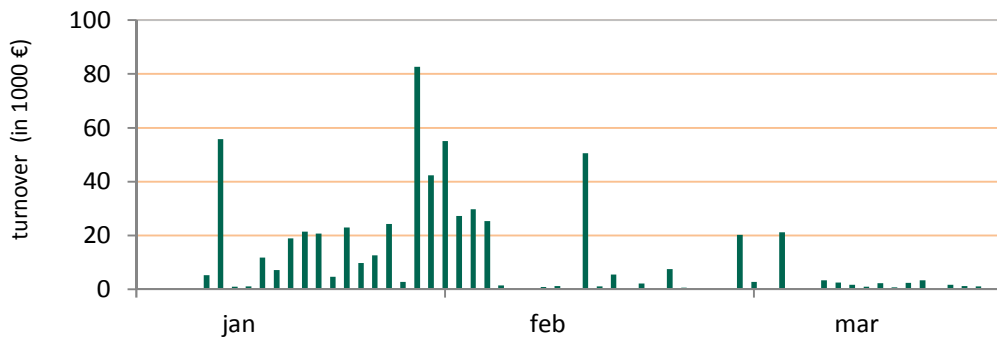


Figure 4: Trading volume of IEKG share in the period January – March 2014

OWNERSHIP STRUCTURE

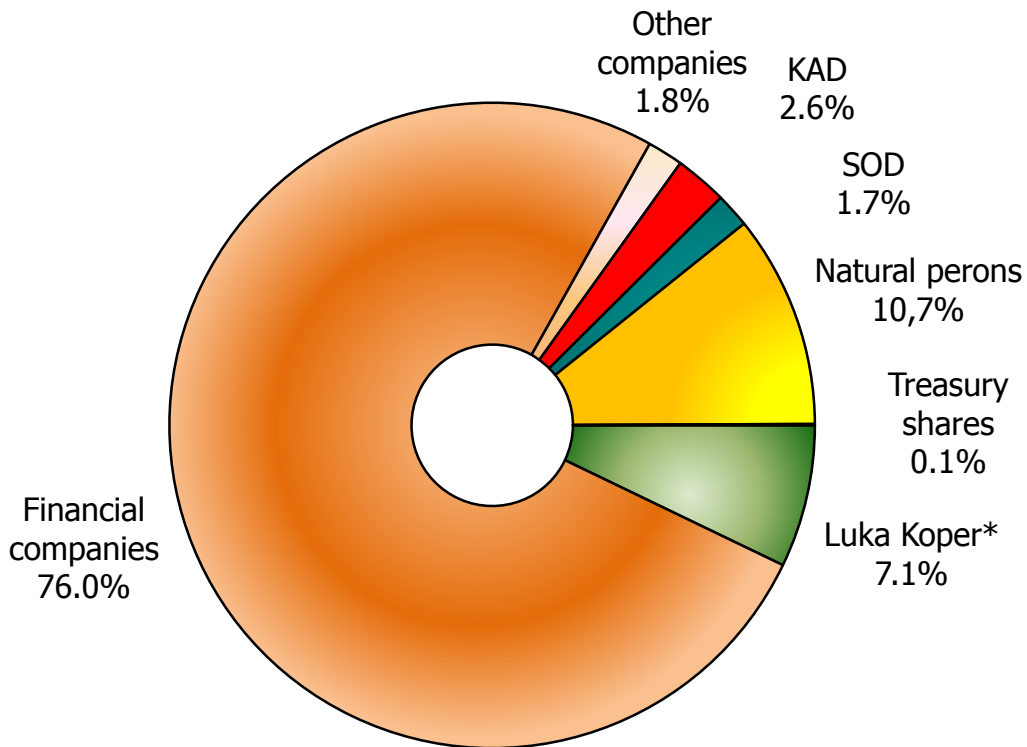
Despite lively trading at the beginning of the year, the ownership structure has not changed essentially.

Table 11: Top ten shareholders of Intereuropa d.d. as of 31.3.2014 compared to 31.12.2013

| Shareholder | 31.3.2014 | | 31.12.2013 | | Index 14 / 13 |
|--------------------------------|------------------|------------|------------------|------------|------------------|
| | No. of shares | Share % | No. of shares | Share % | |
| 1. SID banka d.d. | 4,942,072 | 18.0 | 4,942,072 | 18.0 | 100 |
| 2. NLB d.d. | 4,770,601 | 17.4 | 4,770,601 | 17.4 | 100 |
| 3. Gorenjska banka d.d., Kranj | 3,068,990 | 11.2 | 3,068,990 | 11.2 | 100 |
| 4. Raiffeisen banka d.d. | 2,850,752 | 10.4 | 2,850,752 | 10.4 | 100 |
| 5. SKB d.d. | 2,254,980 | 8.2 | 2,254,980 | 8.2 | 100 |
| 6. Luka Koper d.d. | 1,344,783 | 4.9 | 1,344,783 | 4.9 | 100 |
| 7. DUTB d.d. | 1,185,292 | 4.3 | 1,185,292 | 4.3 | 100 |
| 8. Banka Koper d.d. | 753,703 | 2.7 | 753,703 | 2.7 | 100 |
| 9. Kapitalska družba d.d. | 719,797 | 2.6 | 719,797 | 2.6 | 100 |
| 10. Luka Koper INPO d.o.o. | 615,730 | 2.2 | 615,730 | 2.2 | 100 |

There was no changes in top-ten shareholders. As at 31.03.2014, the top ten shareholders held in total 81.9-percent shares in equity of Intereuropa.

At the end of March 2014, 5,295 shareholders were entered in the Shareholders' Register of Intereuropa d.d., or one percent less than at the year-end 2013. The shareholdings of foreign investors came to 0.5 percent at the end of the reporting term.



* including shareholding of the company Luka Koper d.d. and its 100%-owned subsidiary Luka Koper INPO d.o.o.

Figure 5: Ownership structure of Intereuropa d.d. as of 31.3.2014

The Company's share capital consists of 16,830,838 ordinary and 10,657,965 preference shares. The shareholder structure according to the number of ordinary voting shares has not changed.

Table 12: The largest holders of ordinary shares with voting rights of Intereuropa d.d. as of 31.3.2014 compared to 31.12.2013

| Shareholder | 31.3.2014 | | 31.12.2013 | | Index 14 /13 |
|---------------------------------------|--------------------|---------|--------------------|---------|--------------|
| | No. of vot. rights | share % | No. of vot. rights | share % | |
| 1. Gorenjska banka d.d., Kranj | 3,068,990 | 18.2 | 3,068,990 | 18.2 | 100 |
| 2. Raiffeisen banka d.d. | 2,850,752 | 16.9 | 2,850,752 | 16.9 | 100 |
| 3. SKB d.d. | 2,254,980 | 13.4 | 2,254,980 | 13.4 | 100 |
| 4. Luka Koper d.d. | 1,344,783 | 8.0 | 1,344,783 | 8.0 | 100 |
| 5. Banka Koper d.d. | 753,703 | 4.5 | 753,703 | 4.5 | 100 |
| 6. Kapitalska družba d.d. | 719,797 | 4.3 | 719,797 | 4.3 | 100 |
| 7. Luka Koper INPO d.o.o. | 615,730 | 3.7 | 615,730 | 3.7 | 100 |
| 8. Slovenska odškodninska družba d.d. | 474,926 | 2.8 | 474,926 | 2.8 | 100 |
| 9. NLB d.d. | 240,000 | 1.4 | 240,000 | 1.4 | 100 |
| 10. Zavarovalnica Triglav d.d. | 213,640 | 1.3 | 213,640 | 1.3 | 100 |

As at 31 March 2014, the top ten ordinary shareholders were holding 74.5 percent of voting rights.

SHARE OWNERSHIP BY THE MANAGEMENT AND SUPERVISORY BOARD MEMBERS

The Management Board President Ernest Gortan, and Deputy President Tatjana Vošinek Pucer did not own any Intereuropa shares on 31.3.2014.

Table 13: Shares held by Supervisory Board members, as of 31.3.2014

| Supervisory Board | No. of shares | share in % |
|---|---------------|------------|
| Nevija Pečar, deputy president of Supervisory Board | 4,185 | 0.053 |
| Maša Čertalič, Msc., member of Supervisory Board | 99 | 0.001 |

TREASURY SHARES

As of 31.3.2014, the company Intereuropa d.d. held 18,135 treasury shares (IEKG) representing 0.0660 percent of all shares. The percentage of treasury shares has not changed since 31.12.2013.

AUTHORISED CAPITAL

In accordance with the Statute of Intereuropa d.d. the Managing Board is authorized - 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 amending the Statute in the 22nd General Meeting, which represents a nominal amount of € 16,488,092.56 (the authorized capital). As of 31.3.2014, 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 2014.

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:

- Regular General Meetings of Shareholders,
- Presentations of the Company in conference for investors,
- Informing the media on 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. PERFORMANCE OF THE COMPANY INTEREUROPA d.d.

Tables 14 and 15: Operations of Intereuropa d.d. in the period January – March 2014, in thousand €

| Item/Index | Jan - Mar 2014 | Jan - Mar Plan 2014 | Jan - Mar 2013 | Index 2014/plan | Index 2014/2013 |
|----------------------------------|-------------------|------------------------|-------------------|--------------------|--------------------|
| Sales revenue | 21,754 | 22,574 | 23,606 | 96 | 92 |
| Land transport | 10,305 | 10,391 | 11,790 | 99 | 87 |
| Logistic solutions | 2,651 | 2,764 | 2,699 | 96 | 98 |
| Intercontinental transport | 7,556 | 8,253 | 7,900 | 92 | 96 |
| Other services | 1,242 | 1,165 | 1,217 | 107 | 102 |
| EBITDA* | 2,040 | 1,961 | 2,517 | 104 | 81 |
| Operating profit or loss | 1,044 | 981 | 1,433 | 106 | 73 |
| Financing profit or loss | -615 | -186 | -657 | - | - |
| Net profit or loss | 396 | 714 | 482 | 55 | 82 |
| EBIT margin in % | 4.8% | 4.3% | 6.1% | 110 | 79 |
| Sales revenue per employee/month | 11.788 | 12.303 | 11.307 | 96 | 104 |
| Value added per employee/month | 3.060 | 3.166 | 3.192 | 97 | 96 |

* EBITDA: Earnings Before Interest, Taxes, Depreciation, Amortisation and revaluation operating expenses for intangible and tangible fixed assets

| Item/Index | 31.3. 2014 | Plan 31.12.2014 | 31.12. 2013 | Index 2014/plan | Index 2014/2013 |
|---|---------------|--------------------|----------------|--------------------|--------------------|
| Balance sheet total* | 240,869 | 238,585 | 240,974 | 101 | 100 |
| Equity* | 101,147 | 104,164 | 100,712 | 97 | 100 |
| Net debt** | 87,778 | 80,332 | 89,429 | 109 | 98 |
| Short-term assets/ Short-term liabilities * | 1.67 | 1.69 | 1.66 | 99 | 101 |
| Net Return on Equity (yearly level)*** | 1.18% | 2.38% | 1.51% | 50 | 78 |

* 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 (Earnings Before Interest, Taxes, Depreciation and Amortisation)

→ The Operating Profit or Loss exceeded the plan, which was largely attributable to lower costs of services and labour, as well as more effective collection that reflected in higher income from the elimination of allowances for receivables. We succeeded in compensating for the decline in the sales, which has resulted in higher EBIT margin than planned.

The Profit or Loss stated herein resulted from the expenses payable as compensation for land use that essentially exceeded the expenses envisioned for the real estate tax that was not enacted.

Financing Profit or Loss

→ The Financing profit or loss for the reporting period is negative. The improvement was mainly attributable interest expenses, and the underachievement of the plan and last year's figures resulted from the revenues from shares in Group members that were planned but not realised

Net profit / loss

→ The net profit or loss is decreased by the corporate income tax and deferred tax assets.

Structure of Statement of Financial Position

→ In the reporting term, the current ratio rose slightly over the figure achieved in the preceding year, so has the share of capital in the sources of finance.

ACCOUNTING REPORT

The interim report for the three-month reporting period ended at 31 March 2014 contains concise consolidated and non-consolidated financial statements, with notes thereto, and has to be read with the annual report of the Intereuropa Group and of the company Intereuropa d.d. for the financial year 2013. The unaudited consolidated and non-consolidated financial statements 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 2013. While preparing the interim financial statements, the management reviewed the assessments, estimations and presumptions and estimated them to be the same as those applied in the course of preparation of annual financial statements as at 31st December 2013. Actual results may differ from such estimates.

In the reporting term, the subsidiary Intereuropa Transport d.o.o., was in liquidation proceedings. Capital increase was implemented in the Ukrainian subsidiary TOV Intereuropa-Ukraina, Kiev.

STATEMENT OF THE MEMBERS OF THE MANAGEMENT

The Management 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 1.1.2014 to 31.3.2014

| in 1000 € | January - March 2014 | January - March 2013 |
|---|-------------------------|-------------------------|
| Sales revenues | 34,608 | 39,822 |
| Other operating revenues | 762 | 1,625 |
| Costs of material and services | -25,575 | -28,522 |
| Labour costs | -5,945 | -6,934 |
| Write-downs in value | -2,260 | -3,356 |
| Other operating expenses | -382 | -342 |
| Operating profit/loss | 1,208 | 2,293 |
| Financial income | 168 | 233 |
| Financial expenses | -1,439 | -1,055 |
| Profit/loss from financial operations | -1,271 | -822 |
| Result recognized according to equity method | 6 | 4 |
| Profit/loss from regular operations | -57 | 1,475 |
| Corporate income tax (with deferred tax) | -40 | -515 |
| Net profit /loss for the period | -97 | 960 |
| Net profit or loss / non-controlling interest | 7 | 52 |
| Net profit or loss / controlling interest | -103 | 908 |

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR INTEREUROPA GROUP
from 1.1.2014 to 31.3.2014

| in 1000 € | January - March 2014 | January - March 2013 |
|--|-------------------------|-------------------------|
| Net profit or loss | -97 | 960 |
| Other Comprehensive Income | -612 | -150 |
| Items to be reclassified to profit/loss | -426 | -150 |
| Change in fair value of financial assets available for sale | 46 | 9 |
| Deferred tax in revaluation surplus of financial assets for sale | -8 | -2 |
| Exchange rate translation differences | -464 | -157 |
| Items not to be reclassified to profit/loss | -186 | 0 |
| Deferred tax in revaluation surplus of land | -192 | 0 |
| Other changes in retained earnings | 6 | 0 |
| Comprehensive income total | -709 | 810 |
| Comprehensive income total - non-controlling part | -79 | 81 |
| Comprehensive income total - controlling part | -630 | 729 |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION FOR INTEREUROPA GROUP
as at 31.3.2014

| in 1000 € | 31.3.2014 | 31.12.2013 |
|---|----------------|----------------|
| ASSETS | | |
| Tangible fixed assets | 224,556 | 226,852 |
| Investment property | 6,285 | 6,345 |
| Intangible assets | 6,992 | 7,124 |
| Other non-current operating assets | 143 | 175 |
| Deferred tax assets | 16,826 | 16,843 |
| Long-term loans given and deposits | 98 | 83 |
| Investment in a jointly controlled company | 141 | 135 |
| Other financial investments | 1,858 | 1,813 |
| TOTAL NON-CURRENT ASSETS | 256,899 | 259,370 |
| Inventories | 321 | 241 |
| Short-term loans given, deposits and certificates of deposits | 13,245 | 13,132 |
| Short-term operating receivables | 33,395 | 32,872 |
| Short-term income tax receivables | 735 | 678 |
| Cash and cash equivalents | 6,981 | 7,126 |
| TOTAL CURRENT ASSETS | 54,677 | 54,049 |
| TOTAL ASSETS | 311,576 | 313,419 |
| EQUITY | | |
| Equity - controlling interest | 143,653 | 144,282 |
| Share capital | 27,489 | 27,489 |
| Equity reserves | 18,455 | 18,455 |
| Revenue reserves | 3,840 | 3,840 |
| Revaluation surplus | 68,674 | 68,777 |
| Translation exchange differences | -7,364 | -6,937 |
| Transferred net profit/loss | 32,662 | 31,865 |
| Net profit/loss | -103 | 793 |
| Equity - non-controlling interest | 9,358 | 9,481 |
| TOTAL EQUITY | 153,011 | 153,763 |
| LIABILITIES | | |
| Provisions and long-term deferred revenue | 5,649 | 5,647 |
| Long-term borrowings and financial leases | 104,424 | 105,611 |
| Long-term operating liabilities | 664 | 668 |
| Deferred tax liabilities | 14,374 | 14,191 |
| TOTAL NON-CURRENT LIABILITIES | 125,111 | 126,117 |
| Short-term borrowings and financial leases | 5,304 | 6,192 |
| Other short-term financial liabilities | 500 | 460 |
| Short-term operating liabilities | 27,509 | 26,650 |
| Short-term income tax liabilities | 141 | 237 |
| TOTAL CURRENT LIABILITIES | 33,454 | 33,539 |
| TOTAL LIABILITIES | 158,565 | 159,656 |
| TOTAL CAPITAL AND LIABILITIES | 311,576 | 313,419 |

CONSOLIDATED STATEMENT OF CASH FLOWS FOR INTEREUROPA GROUP
from 1.1.2013 to 31.3.2014

| in 1000 € | January - March 2014 | January - March 2013 |
|---|-------------------------|-------------------------|
| Cash flows from operating activities | | |
| Net profit/loss for the period | -97 | 960 |
| Adjustments for: | | |
| - Depreciation | 1,722 | 1,884 |
| - Revaluation operating revenues from disposal of tangible fixed assets and investment property | -49 | -102 |
| - Revaluation operating expenses from disposal of tangible fixed assets and investment property | 0 | 8 |
| - Impairment of receivables | 538 | 1,464 |
| - Non-monetary expenses | 6 | 1 |
| - Non-monetary revenues | -21 | -106 |
| - Financial revenues | -168 | -233 |
| - Recognized result of jointly controlled company according to equity method | -6 | -4 |
| - Financial expenses | 1,439 | 1,055 |
| - Income tax (incl. deferred tax) | 40 | 515 |
| Operating profit before changes in net working capital and taxes | 3,404 | 5,443 |
| Changes in net working capital and provisions | | |
| Changes in receivables | -1,004 | -3,687 |
| Changes in inventories | -80 | -15 |
| Changes in operating liabilities | 1,364 | 2,499 |
| Changes in provisions and long-term deferred revenue | 12 | -1,173 |
| Corporate income tax paid | -181 | -276 |
| Cash from operating activities | 3,515 | 2,791 |
| Cash flows from investing activities | | |
| Interest income | 112 | 228 |
| Dividends and shares in profit received | 0 | 0 |
| Inflows from disposal of tangible fixed assets | 82 | 143 |
| Inflows from long-term deposits given | 1 | 0 |
| Inflows from decrease of short-term borrowings | 75 | 0 |
| Inflows from disposal of other financial investments | 0 | 0 |
| Outflows for acquisition of tangible fixed assets | -580 | -619 |
| Outflows for acquisitions of intangible assets | -172 | -69 |
| Outflows for long-term deposits given | -20 | 0 |
| Outflows from increase of short-term deposits and certificates of deposits given | -188 | -1,858 |
| Cash from investing activities | -690 | -2,175 |
| Cash flows from financing activities | | |
| Inflows from long-term borrowings received and financial leasing | 0 | 523 |

| | | |
|--|---------------|---------------|
| Paid interest | -954 | -1,002 |
| Outflows from repayment of long-term borrowings and financial leases | -1,158 | -766 |
| Outflows from decrease of short-term borrowings and financial leases | -854 | -566 |
| Outflows from decrease of other short-term financial liabilities | 0 | -317 |
| Paid dividend | -5 | -5 |
| Cash from financing activities | -2,971 | -2,133 |
| Cash and cash equivalents at beginning of period | 7,126 | 8,390 |
| Exchange rate differences from cash | 1 | 4 |
| Net increase/decrease in cash | -145 | -1,513 |
| Cash and cash equivalents at end of period | 6,981 | 6,877 |

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR INTEREUROPA GROUP
from 1.1.2014 to 31.3.2014

| in 1000 € | Share capital | Equity reserves | REVENUE RESERVES | | | | Reval. surplus | Translation exchange differences | RETAINED EARNINGS | | Equity - controlling interest | Equity - non-controlling interest | Total equity |
|--|---------------|-----------------|------------------|------------------------------|---------------------------|--------------------|----------------|----------------------------------|---------------------------|------------------------------|-------------------------------|-----------------------------------|----------------|
| | | | Legal reserves | Reserves for treasury shares | Treasury shares (deduct.) | Statutory reserves | | | Transfer. net profit/loss | Net profit/loss for the year | | | |
| Opening balance as at 1.1.2014 | 27,489 | 18,455 | 3,682 | 180 | -180 | 158 | 68,777 | -6,937 | 31,865 | 793 | 144,282 | 9,481 | 153,763 |
| Total comprehensive income | 0 | 0 | 0 | 0 | 0 | 0 | -103 | -427 | 4 | -103 | -630 | -79 | -709 |
| Net profit/loss | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | -103 | -103 | 7 | -97 |
| Other comprehensive income | 0 | 0 | 0 | 0 | 0 | 0 | -103 | -427 | 4 | 0 | -526 | -86 | -612 |
| Transactions with owners | | | | | | | | | | | | | |
| Transfer of net profit/loss for the previous year to transferred retained earnings | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 793 | -793 | 0 | 0 | 0 |
| Payment of dividends or profit participations | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | -44 | -44 |
| Coverage of loss from previous years | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Closing balance as at 31.3.2014 | 27,489 | 18,455 | 3,682 | 180 | -180 | 158 | 68,674 | -7,364 | 32,662 | -103 | 143,653 | 9,358 | 153,011 |

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR INTEREUROPA GROUP
from 1.1.2013 to 31.3.2013

| in 1000 € | Share capital | Equity reserves | REVENUE RESERVES | | | | Reval. surplus | Translation exchange differences | RETAINED EARNINGS | | Equity - controlling interest | Equity - non-controlling interest | Total equity |
|--|---------------|-----------------|------------------|------------------------------|---------------------------|--------------------|----------------|----------------------------------|---------------------------|------------------------------|-------------------------------|-----------------------------------|----------------|
| | | | Legal reserves | Reserves for treasury shares | Treasury shares (deduct.) | Statutory reserves | | | Transfer. net profit/loss | Net profit/loss for the year | | | |
| Opening balance as at 1.1.2013 | 27,489 | 18,455 | 2,601 | 180 | -180 | 203 | 71,176 | -6,339 | 38,955 | -7,179 | 145,361 | 9,532 | 154,893 |
| Total comprehensive income | 0 | 0 | 0 | 0 | 0 | 0 | 7 | -186 | 0 | 908 | 729 | 81 | 810 |
| Net profit/loss | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 908 | 908 | 52 | 960 |
| Other comprehensive income | 0 | 0 | 0 | 0 | 0 | 0 | 7 | -186 | 0 | 0 | -179 | 29 | -150 |
| Transactions with owners | | | | | | | | | | | | | |
| Transfer of net profit/loss for the previous year to transferred retained earnings | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | -7,179 | 7,179 | 0 | 0 | 0 |
| Payment of dividends or profit participations | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | -2 | -2 |
| Transfer of retained earnings to reserves | 0 | 0 | 15 | 0 | 0 | 0 | 0 | 0 | -15 | 0 | 0 | 0 | 0 |
| Closing balance as at 31.3.2013 | 27,489 | 18,455 | 2,616 | 180 | -180 | 203 | 71,183 | -6,525 | 31,761 | 908 | 146,090 | 9,611 | 155,701 |

1.1. Notes to Financial Statements of the Intereuropa Group

a) Notes to the CONSOLIDATED INCOME STATEMENT

Sales revenues amounting to € 34,608 thousand represent the revenues arising from the services supplied. The Group has realised € 762 thousand of **other operating revenues** that mainly represent the revenues from elimination of allowances for and write-offs of receivables (€ 613 thousand), the revaluation operating revenues from disposal of items of plant, property and equipment (€ 49 thousand), the revenues from state grants awarded for co-financing of projects and funds obtained from employing disabled persons above the quota (€ 60 thousand), and other revenues (€ 40 thousand).

Costs of material and services

Table 16: Costs of material and services of the Intereuropa Group in the period January – March 2014

| in 1000 € | January - March 2014 | January - March 2013 |
|------------------------------|-------------------------|-------------------------|
| Cost of material | 1,094 | 1,196 |
| Cost of services | 24,481 | 27,325 |
| Direct costs | 21,912 | 24,277 |
| Telephone costs | 120 | 142 |
| Maintenance costs | 602 | 597 |
| Insurance premiums | 135 | 182 |
| Training and education costs | 24 | 6 |
| Professional services costs | 94 | 90 |
| Other costs of services | 1,593 | 2,032 |
| Total | 25,575 | 28,522 |

Labour costs

Table 17: Labour cost of the Intereuropa Group in the period January – March 2014

| in 1000 € | January - March 2014 | January - March 2013 |
|-----------------------------|-------------------------|-------------------------|
| Wages and salaries | 4,349 | 5,125 |
| Pension insurance costs | 572 | 625 |
| Other social security costs | 443 | 534 |
| Other labour costs: | 581 | 651 |
| Holiday allowance | 2 | 2 |
| Transport and meals | 540 | 608 |
| Other labour costs | 40 | 41 |
| Total | 5,945 | 6,934 |

Write-offs

Table 18: Write-offs of the Intereuropa Group in the period January – March 2014

| in 1000 € | January - March 2014 | January - March 2013 |
|---|----------------------|----------------------|
| Amortisation of intangible assets | 150 | 160 |
| Depreciation of property, plant and equipment and investment properties | 1,572 | 1,724 |
| Revaluatory operating expenses of intangible and tangible fixed assets | 0 | 8 |
| Expenses from revaluation adjustments (impairments) and written-off receivables | 538 | 1,464 |
| Total | 2,260 | 3,356 |

Other operating expenses amounted to € 382 thousand, mainly relating to land-use fees and similar expenses (€ 276 thousand).

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

Table 19: The effect of financial revenues and expenses on the profit or loss of the Intereuropa Group in the period January – March 2014

| in 1000 € | January - March 2014 | January - March 2013 |
|---|----------------------|----------------------|
| Interest income | 168 | 206 |
| Net exchange rate differences | 0 | 28 |
| Total financial income | 168 | 233 |
| Interest expenses | -967 | -1,042 |
| Financial expenses from impairments and written-off financial investments | 0 | -13 |
| Net exchange rate differences | -471 | 0 |
| Total financial expenses | -1,439 | -1,055 |
| Profit/loss from financing activities | -1,271 | -822 |

The negative financial result for the reporting period was additionally increased by foreign exchange differences arising from decreased value of the Ukrainian currency.

The Group achieved the **profit or loss from ordinary activities** at € -57 thousand, which is further decreased by the expense for tax assessed at € 28 thousand and for deferred tax at €12 thousand.

The **Net Profit** achieved in the reporting term amounted to € -97 thousand, thereof the amount of € -103 thousand for the **controlling part**, and € 7 thousand for the **controlled part**.

b) Notes to the CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Tangible fixed assets

Table 20: Tangible fixed assets of the Intereuropa group as at 31.3.2014

| in 1000 € | 31.3.2014 | 31.12.2013 |
|--|----------------|----------------|
| Land and buildings | 219,905 | 221,759 |
| a) Land | 114,451 | 115,017 |
| b) Buildings | 105,455 | 106,742 |
| Other property, plant and equipment | 4,417 | 4,825 |
| Tangible fixed assets under construction | 234 | 268 |
| Total | 224,556 | 226,852 |

Intangible assets

Table 21: Intangible assets of the Intereuropa Group as at 31.3.2014

| in 1000 € | 31.3.2014 | 31.12.2013 |
|--------------------------------------|--------------|--------------|
| Long-term title rights | 1,953 | 2,032 |
| Goodwill | 1,275 | 1,275 |
| Long-term deferred development costs | 3,764 | 3,817 |
| Total | 6,992 | 7,124 |

Loans given, deposits and certificates of deposit

Table 22: Loans given, deposits and certificates of deposit of the Intereuropa Group as 31.3.2014

| in 1000 € | 31.3.2014 | 31.12.2013 |
|---|---------------|---------------|
| Long-term loans given and deposits | 98 | 83 |
| - Loans given | 17 | 22 |
| - Deposits | 81 | 61 |
| Short-term loans given, deposits and certificates of deposit | 13,245 | 13,132 |
| - Loans given | 87 | 161 |
| - Deposits and certificates of deposit | 13,158 | 12,970 |
| Total | 13,343 | 13,215 |

Other financial investments in the amount of € 1,858 thousand relate to the item "Financial assets available for sale".

Short-term operating receivables

Table 23: Short-term operating receivables of the Intereuropa Group as at 31.3.2014

| in 1000 € | 31.3.2014 | 31.12.2013 |
|---|---------------|---------------|
| Short-term operating receivables from buyers | 30,827 | 30,292 |
| Short-term operating receivables from others | 2,568 | 2,581 |
| Total short-term operating receivables | 33,395 | 32,872 |

Equity

On the Group level, the Equity amounts to at € 153,011 thousand and represents 49 percent of the liabilities to sources of funding.

Provisions and long-term deferred revenue

Table 24: Provisions and long-term deferred revenue of the Intereuropa Group as at 31.3.2014

| in 1000 € | 31.3.2014 | 31.12.2013 |
|--|--------------|--------------|
| Provisions for terminal bonus payments on retirement | 1,125 | 1,134 |
| Provisions on litigations | 126 | 120 |
| Other provisions | 4,160 | 4,160 |
| Long-term deferred income | 238 | 233 |
| Total | 5,649 | 5,647 |

The **long-term loans received and financial leases** amounted to € 104,424 thousand. This item decreased by € 1,124 thousand in the reporting term due to transfer to the short-term portion of loans and financial leases, and also on account of foreign exchange differences at € 63 thousand.

The **short-term loans received and financial leases** amounted to € 5,304 thousand. As of the reporting date, all the liabilities due by the Group under the loan agreements were settled.

Other short-term financial liabilities amounted to € 500 thousand and related to liabilities for dividends and other participations.

Short-term operating liabilities

Table 25: Short-term operating liabilities of the Intereuropa Group as at 31.3.2014

| in 1000 € | 31.3.2014 | 31.12.2013 |
|--|---------------|---------------|
| Short-term operating liabilities to suppliers | 22,113 | 20,962 |
| Short-term operating liabilities from advances | 1,090 | 1,991 |
| Other short-term operating liabilities | 4,306 | 3,697 |
| Total | 27,509 | 26,650 |

Contingent liabilities

Table 26: Contingent liabilities of the Intereuropa Group as at 31.3.2014

| in 1000 € | 31.3.2014 | 31.12.2013 |
|---|---------------|---------------|
| Arising from bank guarantees and guarantees given | 11,299 | 12,505 |
| Arising from legal proceedings | 2,835 | 3,261 |
| From D.S.U., družba za svetovanje in upravljanje | 250 | 250 |
| Other contingent liabilities | 311 | 311 |
| Total | 14,694 | 16,327 |

Fair value of financial instruments

With regard to calculation of their fair value, they are classified in three levels:

- **Level 1** considers the unadjusted price listed in an active market on the date of measurement;
- **Level 2** considers the inputs other than the listed price of Level 1, and such inputs can be directly or indirectly monitored for assets or liabilities;
- **Level 3** considers unmonitored inputs for an asset or liability.

Table 27: Levels of fair values in the Intereuropa Group as at 31.3.2014 and 31.12.2013

| in 1000 € | 31.3.2014 | | | |
|--------------------------------------|------------|---------|---------|-------|
| | Level 1 | Level 2 | Level 3 | Total |
| Financial assets, available for sale | 1,325 | 0 | 533 | 1,858 |
| in 1000 € | 31.12.2013 | | | |
| | Level 1 | Level 2 | Level 3 | Total |
| Financial assets, available for sale | 1,272 | 0 | 541 | 1,813 |

We estimate that the book values of other financial instruments reflect their fair values.

INFORMATION ACCORDING TO BUSINESS SEGMENTS FOR THE PERIOD JANUARY – MARCH 2014

Table 28: Business segments of the Intereuropa Group in the period January – March 2014

| in 1000 € | Slovenia | | Croatia | | Bosnia & Herzegovina | | Serbia | | Montenegro | |
|---|----------------|----------------|---------------|---------------|----------------------|---------------|---------------|---------------|---------------|---------------|
| | Jan-Mar 2014 | Jan-Mar 2013 | Jan-Mar 2014 | Jan-Mar 2013 | Jan-Mar 2014 | Jan-Mar 2013 | Jan-Mar 2014 | Jan-Mar 2013 | Jan-Mar 2014 | Jan-Mar 2013 |
| Revenues from external customers | 21,287 | 23,101 | 4,997 | 6,975 | 1,313 | 1,371 | 794 | 750 | 946 | 1,104 |
| Revenues from business with other segments | 677 | 717 | 80 | 90 | 97 | 91 | 148 | 156 | 30 | 38 |
| Total revenues | 21,964 | 23,818 | 5,077 | 7,065 | 1,410 | 1,462 | 942 | 906 | 976 | 1,142 |
| Depreciation | 998 | 1,078 | 430 | 443 | 83 | 97 | 53 | 61 | 114 | 147 |
| Operating profit or loss | 1,068 | 1,460 | -181 | 639 | 52 | 70 | 112 | 109 | 33 | 12 |
| Revenues from interest rates | 144 | 172 | 28 | 30 | 0 | 0 | 2 | 2 | 19 | 36 |
| Expenses from interest rates | 889 | 927 | 23 | 54 | 6 | 10 | 35 | 48 | 0 | 0 |
| Net profit or loss from ordinary activities | 456 | 807 | -182 | 612 | 46 | 61 | 59 | 89 | 52 | 48 |
| Corporate income tax | 39 | 301 | -37 | 163 | 5 | 6 | 20 | 3 | 12 | 12 |
| Assets | 242,850 | 246,260 | 62,172 | 70,311 | 16,777 | 17,099 | 10,226 | 10,612 | 22,751 | 23,005 |
| Tangible fixed assets under construction | 7 | 7 | 98 | 88 | 52 | 34 | 7 | 40 | 325 | 325 |
| Long-term assets | 202,980 | 204,710 | 54,984 | 59,256 | 15,582 | 15,933 | 9,041 | 9,603 | 18,565 | 18,800 |
| Operating liabilities | 36,923 | 35,142 | 6,408 | 9,786 | 1,452 | 1,667 | 1,491 | 1,568 | 938 | 865 |
| Financial liabilities | 105,200 | 110,160 | 3,712 | 6,054 | 184 | 749 | 2,227 | 2,315 | 383 | 361 |
| Investment in jointly controlled entities | 75 | 75 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Revenues from investment in jointly controlled entities | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

| in 1000 € | Ukraine | | Others | | Total | | Adjustments* | | Group | |
|---|--------------|--------------|--------------|--------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | Jan-Mar 2014 | Jan-Mar 2013 | Jan-Mar 2014 | Jan-Mar 2013 | Jan-Mar 2014 | Jan-Mar 2013 | Jan-Mar 2014 | Jan-Mar 2013 | Jan-Mar 2014 | Jan-Mar 2013 |
| Revenues from external customers | 4,266 | 5,137 | 994 | 1,384 | 34,597 | 39,822 | 11 | 0 | 34,608 | 39,822 |
| Revenues from business with other segments | 1 | 0 | 149 | 119 | 1,182 | 1,211 | -1,182 | -1,211 | 0 | 0 |
| Total revenues | 4,266 | 5,137 | 1,143 | 1,503 | 35,778 | 41,033 | -1,171 | -1,211 | 34,608 | 39,822 |
| Depreciation | 30 | 45 | 15 | 14 | 1,722 | 1,884 | 0 | 0 | 1,722 | 1,884 |
| Operating profit or loss | 105 | 87 | 20 | -17 | 1,208 | 2,360 | 0 | -67 | 1,208 | 2,293 |
| Revenues from interest rates | 2 | 2 | 1 | 1 | 196 | 243 | -29 | -37 | 168 | 206 |
| Expenses from interest rates | 42 | 41 | 1 | -0 | 996 | 1,080 | -29 | -37 | 967 | 1,042 |
| Net profit or loss from ordinary activities | -583 | 141 | 20 | -15 | -132 | 1,742 | 75 | -267 | -57 | 1,475 |
| Corporate income tax | 0 | 30 | 1 | 0 | 40 | 515 | 0 | 0 | 40 | 515 |
| Assets | 3,965 | 4,736 | 3,494 | 3,096 | 362,234 | 375,120 | -50,658 | -51,413 | 311,576 | 323,706 |
| Tangible fixed assets under construction | 3 | 4 | 0 | 0 | 234 | 482 | 0 | 0 | 234 | 482 |
| Long-term assets | 2,741 | 3,366 | 1,129 | 1,146 | 305,022 | 312,815 | -45,123 | -47,401 | 259,899 | 265,414 |
| Operating liabilities | 1,108 | 1,314 | 1,281 | 1,037 | 49,601 | 51,379 | -1,264 | -1,580 | 48,337 | 49,799 |
| Financial liabilities | 2,119 | 2,188 | 35 | 51 | 113,861 | 121,878 | -3,633 | -3,672 | 110,228 | 118,206 |
| Investment in jointly controlled entities | 0 | 0 | 0 | 0 | 75 | 75 | 65 | 64 | 141 | 139 |
| Revenues from investment in jointly controlled entities | 0 | 0 | 0 | 0 | 0 | 0 | 6 | 4 | 6 | 4 |

* All adjustments are subject to consolidation procedures.

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 1.1.2014 to 31.3.2014

| in 1000 € | January – March 2014 | January – March 2013 |
|---|---------------------------------|---------------------------------|
| Sales revenues | 21,754 | 23,606 |
| Other operating revenues | 294 | 1,277 |
| Costs of material and services | -15,955 | -16,686 |
| Labour costs | -3,607 | -4,146 |
| Write-downs in value | -1,138 | -2,336 |
| Other operating expenses | -304 | -282 |
| Operating profit/loss | 1,044 | 1,433 |
| Financial income | 274 | 298 |
| Financial expenses | -889 | -955 |
| Profit/loss from financial operations | -615 | -657 |
| Profit/loss from regular operations | 429 | 776 |
| Corporate income tax (with deferred tax) | -33 | -294 |
| Net profit/loss for the period | 396 | 482 |
| Basic and diluted net earnings per share (€) | 0.01 | 0.01 |

STATEMENT OF COMPREHENSIVE INCOME FOR INTEREUROPA d.d.
from 1.1.2014 to 31.3.2014

| in 1000 € | January – March 2014 | January – March 2013 |
|---|-------------------------|-------------------------|
| Net profit or loss | 396 | 482 |
| Other Comprehensive Income | 39 | 7 |
| Items to be reclassified to profit/loss | 39 | 7 |
| Revaluation of financial investments available for sale to fair value | 46 | 9 |
| Deferred tax in revaluation surplus of financial assets for sale | -8 | -2 |
| Items not to be reclassified to profit/loss | 0 | 0 |
| Comprehensive income total | 435 | 489 |

STATEMENT OF FINANCIAL POSITION FOR INTEREUROPA d.d.
as at 31.3.2014

| in 1000 € | 31.3.2014 | 31.12.2013 |
|--|----------------|----------------|
| ASSETS | | |
| Tangible fixed assets | 125,077 | 125,862 |
| Investment property | 5,255 | 5,307 |
| Intangible assets | 5,621 | 5,735 |
| Other non-current operating assets | 143 | 177 |
| Deferred tax assets | 16,630 | 16,669 |
| Long-term financial investment excl. loans given and deposits | 49,289 | 49,223 |
| Long-term loans given and deposits | 933 | 913 |
| TOTAL NON-CURRENT ASSETS | 202,948 | 203,886 |
| Inventories | 97 | 29 |
| Short-term financial investment excl. loans given, deposits and certificates of deposits | 250 | 250 |
| Short-term loans given, deposits and certificates of deposits | 10,765 | 10,851 |
| Short-term operating receivables | 22,338 | 22,375 |
| Short-term income tax receivables | 180 | 177 |
| Cash and cash equivalents | 4,291 | 3,406 |
| TOTAL CURRENT ASSETS | 37,921 | 37,088 |
| TOTAL ASSETS | 240,869 | 240,974 |
| EQUITY | | |
| Share capital | 27,489 | 27,489 |
| Equity reserves | 18,455 | 18,455 |
| Revenue reserves | 1,875 | 1,875 |
| Revaluation surplus | 52,854 | 52,815 |
| Transferred net profit/loss | 78 | 78 |
| Net profit/loss | 396 | 0 |
| TOTAL EQUITY | 101,147 | 100,712 |
| LIABILITIES | | |
| Provisions and long-term deferred revenue | 5,192 | 5,192 |
| Long-term borrowings and financial leases | 100,319 | 101,202 |
| Long-term operating liabilities | 646 | 646 |
| Deferred tax liabilities | 10,831 | 10,831 |
| TOTAL NON-CURRENT LIABILITIES | 116,988 | 117,871 |
| Short-term borrowings and financial leases | 3,374 | 3,323 |
| Other short-term financial liabilities | 74 | 74 |
| Short term operating liabilities | 19,286 | 18,994 |
| Short-term liabilities for income tax | 0 | 0 |
| TOTAL CURRENT LIABILITIES | 22,734 | 22,391 |
| TOTAL LIABILITIES | 139,722 | 140,262 |
| TOTAL CAPITAL AND LIABILITIES | 240,869 | 240,974 |

STATEMENT OF CASH FLOWS FOR INTEREUROPA d.d.
from 1.1.2014 to 31.3.2014

| in 1000 € | January – March 2014 | January – March 2013 |
|---|-------------------------|-------------------------|
| Cash flows from operating activities | | |
| Net profit/loss for the period | 396 | 482 |
| Adjustments for: | | |
| - Depreciation | 996 | 1,076 |
| - Revaluation operating revenues from disposal of tangible fixed assets and investment property | -45 | -10 |
| - Revaluation operating expenses from disposal of tangible fixed assets | 0 | 8 |
| - Impairment of receivables | 142 | 1,251 |
| - Other non-monetary expenses | 1 | 0 |
| - Non-monetary revenues | -15 | -70 |
| - Financial revenues | -274 | -298 |
| - Financial expenses | 889 | 955 |
| - Income tax (deferred tax incl.) | 33 | 294 |
| Operating profit before changes in net working capital and taxes | 2,122 | 3,689 |
| Changes in net working capital and provisions | | |
| Changes in receivables | -739 | -2,405 |
| Changes in inventories | -68 | 0 |
| Changes in operating liabilities | 1,590 | 1,456 |
| Changes in provisions | 14 | -991 |
| Corporate income tax payed | 0 | -5 |
| Cash from operating activities | 2,919 | 1,744 |
| Cash flows from investing activities | | |
| Interest income | 104 | 183 |
| Dividend income and participations in profit | 0 | 11 |
| Inflows from disposal of tangible fixed assets | 78 | 24 |
| Inflows from long-term loans given | 80 | 177 |
| Inflows from decrease of short-term deposits and certificates of deposits | 6 | 0 |
| Outflows for acquisition of tangible fixed assets | -403 | -106 |
| Outflows for acquisitions of intangible assets | -159 | -68 |
| Outflows for long-term deposits given | -20 | 0 |
| Outflows from increase of short-term deposits and certificates of deposits | 0 | -2,000 |
| Outflows for capital increase in subsidiaries | -20 | 0 |
| Outflows from acquisition of other financial investment | 0 | -25 |
| Cash from investing activities | -334 | -1,804 |
| Cash flows from financing activities | | |
| Paid interest | -869 | -878 |
| Outflows from repayment of long-term borrowings | -831 | -465 |

| | | |
|--|---------------|---------------|
| Outflows from decrease of other short-term financial liabilities | 0 | -318 |
| Cash from financing activities | -1,700 | -1,661 |
| Cash and cash equivalents at beginning of period | 3,406 | 3,449 |
| Net increase/decrease in cash from regular operations | 885 | -1,721 |
| Cash and cash equivalents at end of period | 4,291 | 1,728 |

STATEMENT OF CHANGES IN EQUITY FOR INTEREUROPA d.d.
from 1.1.2014 to 31.3.2014

| in 1000 € | Share capital | Equity reserves | REVENUE RESERVES | | | Revaluation surplus | RETAINED EARNINGS | | Total equity |
|--|---------------|-----------------|------------------|------------------------------|------------------------------|---------------------|-----------------------------|------------------------------|----------------|
| | | | Legal reserves | Reserves for treasury shares | Treasury shares (deductible) | | Transferred net profit/loss | Net profit/loss for the year | |
| Opening balance as at 1.1.2014 | 27,489 | 18,455 | 1,875 | 180 | -180 | 52,815 | 78 | 0 | 100,712 |
| Total comprehensive income | 0 | 0 | 0 | | 0 | 39 | 0 | 396 | 435 |
| Net profit/loss | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 396 | 396 |
| Other comprehensive income | 0 | 0 | 0 | 0 | 0 | 39 | 0 | 0 | 39 |
| Closing balance as at 31.3.2014 | 27,489 | 18,455 | 1,875 | 180 | -180 | 52,854 | 78 | 396 | 101,147 |

STATEMENT OF CHANGES IN EQUITY FOR INTEREUROPA d.d.
from 1.1.2013 to 31.3.2013

| v 1000 € | Share capital | Equity reserves | REVENUE RESERVES | | | Revaluation surplus | RETAINED EARNINGS | | Total equity |
|--|---------------|-----------------|------------------|------------------------------|------------------------------|---------------------|-----------------------------|------------------------------|----------------|
| | | | Legal reserves | Reserves for treasury shares | Treasury shares (deductible) | | Transferred net profit/loss | Net profit/loss for the year | |
| Opening balance as at 1.1.2013 | 27,489 | 18,455 | 875 | 180 | -180 | 54,068 | 0 | 0 | 100,887 |
| Total comprehensive income | 0 | 0 | 0 | | 0 | 7 | 0 | 482 | 489 |
| Net profit/loss | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 482 | 482 |
| Other comprehensive income | 0 | 0 | 0 | 0 | 0 | 7 | 0 | 0 | 7 |
| Closing balance as at 31.3.2013 | 27,489 | 18,455 | 875 | 180 | -180 | 54,075 | 0 | 482 | 101,376 |

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

a) Notes to the INCOME STATEMENT

Sales revenues amounting to € 21,754 thousand represent the revenues arising from the services supplied.

Other operating revenues (€ 294 thousand) represent the revenues from elimination of allowances for and write-offs of receivables (€ 183 thousand), revenues from state grants awarded for co-financing of projects and funds obtained from employing disabled persons above the quota (€ 58 thousand), the revaluation operating revenues from disposal of items of plant, property and equipment (€ 45 thousand), and other revenues (€ 8 thousand).

Costs of material and services

Table 29: Costs of material and services of the Intereuropa d.d. in the period January – March 2014

| in 1000 € | January – March 2014 | January – March 2013 |
|------------------------------------|-------------------------|-------------------------|
| Cost of material | 482 | 569 |
| Cost of services within the Group | 402 | 408 |
| Cost of services (excl. the Group) | 15,070 | 15,709 |
| Direct costs | 13,754 | 14,376 |
| Telephone costs | 45 | 45 |
| Maintenance costs | 426 | 371 |
| Insurance premiums | 68 | 81 |
| Training and education costs | 17 | 2 |
| Professional services costs | 53 | 53 |
| Other costs of services | 708 | 781 |
| Total | 15,955 | 16,686 |

Labour costs

Table 30: Labour cost of the company Intereuropa d.d. in the period January – March 2014

| in 1000 € | January – March 2014 | January – March 2013 |
|-----------------------------|-------------------------|-------------------------|
| Wages and salaries | 2,669 | 3,093 |
| Pension insurance costs | 299 | 342 |
| Other social security costs | 193 | 224 |
| Other labour costs: | 446 | 488 |
| holiday allowance | 0 | 0 |
| transport and meals | 426 | 470 |
| other labour costs | 21 | 18 |
| Total | 3,607 | 4,146 |

Write-offs

Table 31: Write-offs of the company Intereuropa d.d. in the period January – March 2014

| in 1000 € | January – March 2014 | January – March 2013 |
|---|-------------------------|-------------------------|
| Amortisation of intangible assets | 125 | 134 |
| Depreciation of property, plant and equipment and investment properties | 871 | 942 |
| Revaluatory operating expenses of intangible and tangible fixed assets | 0 | 8 |
| Expenses from revaluation adjustments (impairments) and written-off receivables | 142 | 1,251 |
| Total | 1,138 | 2,336 |

Other operating expenses

Table 32: Other operating expenses of the company Intereuropa d.d. in the period January – March 2014

| in 1000 € | January – March 2014 | January – March 2013 |
|------------------------------------|-------------------------|-------------------------|
| City land tax and similar expenses | 262 | 243 |
| Other operating expenses | 41 | 40 |
| Total | 304 | 282 |

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

Table 33: Other operating expenses of the company Intereuropa d.d. in the period January – March 2014

| in 1000 € | January – March 2014 | January – March 2013 |
|---|-------------------------|-------------------------|
| Interest income from group members | 28 | 37 |
| Interest income from others | 112 | 126 |
| Income from intra-group participations | 134 | 134 |
| Total financial income | 274 | 298 |
| Interest expenses and other borrowing expenses | -889 | -927 |
| Expenses from impairments and written-off other financial investments | 0 | -13 |
| Net exchange rate differences | 0 | -16 |
| Total financial expenses | -889 | -955 |
| Profit/loss from financing activities | -615 | -657 |

Financial revenues, as well as **Financial expenses** were lower than in the comparable term last year, the Financing profit or loss came to € -615 thousand.

The achieved **Profit or loss from ordinary activities** of € 429 thousand resulted from the Operating Profit/Loss from ordinary activities (€ 1,044 thousand) and the Financing Profit/Loss (-615 thousand €).

Tax on profit stands for the expenses for deferred tax arising from the tax loss amounting to € 33 thousand.

b) Notes to the STATEMENT OF FINANCIAL POSITION

Tangible fixed assets

Table 34: Tangible fixed assets of the company Intereuropa d.d. as at 31.3.2014

| in 1000 € | 31.3.2014 | 31.12.2013 |
|--|----------------|----------------|
| Land and buildings | 123,159 | 123,810 |
| a) Land | 75,379 | 75,385 |
| b) Buildings | 47,780 | 48,425 |
| Other property, plant and equipment | 1,911 | 1,993 |
| Tangible fixed assets under construction | 7 | 59 |
| Total | 125,077 | 125,862 |

The lower value of the item Property, Plant and Equipment was largely attributable to the depreciation costs.

Intangible assets

Table 35: Intangible assets of the company Intereuropa d.d. as at 31.3.2014

| in 1000 € | 31.3.2014 | 31.12.2013 |
|--------------------------------------|--------------|--------------|
| Long-term title rights | 1,857 | 1,918 |
| Long-term deferred development costs | 3,764 | 3,817 |
| Total | 5,621 | 5,735 |

Long-term financial investments excl. loans given and deposits

Tabela 36: Long-term financial investments excl. loans given and deposits of the company Intereuropa d.d. as at 31.3.2014

| in 1000 € | 31.3.2014 | 31.12.2013 |
|--|---------------|---------------|
| Investments in shares and stakes of subsidiaries | 47,367 | 47,347 |
| Investments in stake of jointly controlled company | 75 | 75 |
| Investments in other shares and stakes | 1,846 | 1,801 |
| Total | 49,289 | 49,223 |

Capital increase of the Ukrainian subsidiary TOV Intereuropa – Ukraina, Kiev, contributed to the increased value of investments in subsidiaries at € 20 thousand. The revaluation of investments in securities available for sale contributed to higher value of investments in other shares by € 46 thousand.

Loans, deposits and certificates of deposits given

Table 37: Loans, deposits and certificates of deposits given of the company Intereuropa d.d. as at 31.3.2014

| in 1000 € | 31.3.2014 | 31.12.2013 |
|---|---------------|---------------|
| Long-term loans given | 933 | 913 |
| - to subsidiaries | 863 | 863 |
| - to others | 0 | 0 |
| - deposits | 70 | 50 |
| Short-term loans given, deposits and certificates of deposit | 10,765 | 10,851 |
| - to subsidiaries | 1,105 | 1,185 |
| - to others | 0 | 0 |
| - deposits and certificates of deposit | 9,660 | 9,666 |
| Total | 11,698 | 11,764 |

Short-term operating receivables

Table 38: Short-term operating receivables of the company Intereuropa d.d. as at 31.3.2014

| in 1000 € | 31.3.2014 | 31.12.2013 |
|--|---------------|---------------|
| Short-term operating receivables within the Group | 573 | 609 |
| Short-term interest receivables from Group companies | 156 | 151 |
| Other short-term operating receivables from Group companies | 133 | 0 |
| Short-term operating receivables from buyers (excl. the Group) | 20,924 | 20,983 |
| Short-term operating receivables from others | 481 | 607 |
| Other short-term assets | 72 | 25 |
| Total | 22,338 | 22,375 |

Equity

Equity expresses equity financing of the Company and is regarded as its liability to shareholders. Compared with the reporting date a year ago, the share of equity in the liabilities structure remained unchanged, amounting to 42 percent.

Provisions and long-term Deferred Revenues

Table 39: Provisions and long-term deferred revenue of the company Intereuropa d.d. as at 31.3.2014

| in 1000 € | 31.3.2014 | 31.12.2013 |
|--|--------------|--------------|
| Provisions for terminal bonus payments on retirement | 741 | 749 |
| Provisions on litigations | 55 | 54 |
| Other provisions | 4,160 | 4,160 |
| Long-term deferred income | 236 | 229 |
| Total provisions and long-term deferred revenue | 5,192 | 5,192 |

The **long-term loans received and financial leases** amounted to € 100,319 thousand. In the reporting term, they were decreased due to transfer to short-term liabilities in the amount of € 883 thousand.

The short-term loans received and financial leases amounted to € 3,374 thousand and represent the short-term portion of long-term loans.

Short-term operating liabilities

Table 40: Short-term operating liabilities of the company Intereuropa d.d. as at 31.3.2014

| in 1000 € | 31.3.2014 | 31.12.2013 |
|--|---------------|---------------|
| Short-term operating liabilities to companies within the Group | 265 | 265 |
| Short-term operating liabilities to suppliers | 16,683 | 15,520 |
| Short-term operating liabilities from advances | 65 | 977 |
| Other short-term operating liabilities | 2,272 | 2,231 |
| Total short-term operating liabilities | 19,286 | 18,994 |

Contingent liabilities

Table 41: Contingent liabilities of the company Intereuropa d.d. as at 31.3.2014

| in 1000 € | 31.3.2014 | 31.12.2013 |
|--|---------------|---------------|
| From bank guarantees and guarantees given to Group members | 5,767 | 7,371 |
| From bank guarantees and guarantees given to others | 6,232 | 7,416 |
| Arising from legal proceedings | 2,363 | 2,793 |
| From D.S.U., družba za svetovanje in upravljanje | 250 | 250 |
| Total | 14,612 | 17,830 |

Fair value of financial instruments

Levels of fair values of financial instruments

With regard to calculation of their fair value, they are classified in three levels:

- **Level 1** considers the unadjusted price listed in an active market on the date of measurement;
- **Level 2** considers the inputs other than the listed price of Level 1, and such inputs can be directly or indirectly monitored for assets or liabilities;
- **Level 3** considers unmonitored inputs for an asset or liability.

Table 42: Levels of fair values in the company Intereuropa d.d. as at 31.3.2014 and 31.12.2013

| in 1000 € | 31.3.2014 | | | |
|--------------------------------------|------------|---------|---------|-------|
| | Level 1 | Level 2 | Level 3 | Total |
| Financial assets, available for sale | 1,313 | 0 | 533 | 1,846 |
| | 31.12.2013 | | | |
| | Level 1 | Level 2 | Level 3 | Total |
| Financial assets, available for sale | 1,268 | 0 | 533 | 1,801 |

We estimate that the carrying amounts (book values) of other financial instruments reflect their fair values.

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

IN BRIEF ...

Slightly positive shifts continued in the initial months of the current year for the economy of Central Europe. The reporting term opened with recovering goods flows and brought increased quantities of cargo handled. As a result, the Intereuropa Group recorded an increased number of consignments carried in Land Transport, as well as a growing number of containers processed and higher volume of conventional cargoes in Intercontinental Transport. However, the revenues did not follow said growth rates proportionally; the revenue per unit was decreasing on account of strong pressures on prices. Due to long-lasting low economic activity and tightened situation in the banking system, we encountered enterprises with financial difficulties both in Slovenia and in the region. Therefore, we had to restrict doing business with certain risky customers. Highly uncertain was the situation in the Ukraine, where the political tensions reflected in negative impacts on the economy.

In the first quarter 2014, the Group earned **€ 34.6 million of revenue** from the sale of services: that figure was 13 percent lower than same term a year ago. To a great extent, the decrease was attributable to a 60-percent drop in the sale of customs services in Slovenia and Croatia after the accession of the latter to the European Union. The current situation in the Ukraine had an impact on lower sales revenue in our Ukrainian subsidiary, which was performing very well by the sale of railway services before the onset of political crisis.

We did not succeed to achieve the sales revenue planned for the reporting term. The services offered by our Land Transport suffered the worst underachievement, given that our plan envisioned a growing volume of railway transport, which was not realised due to the situation in the Ukraine. The loss of income from customs services in Croatia could not be compensated with new businesses, whereas we were successful in approximating the sales level in the Logistics Solutions Area by acquiring new business for our warehouse facilities in Celje and Koper.

The underachievement of the planned sales revenue was largely substituted by lower cost of services and labour, as well as by a more effective collection; the latter reflected in higher income from the elimination of allowances for receivables. The operating result was further affected by the compensation for land use that essentially exceeded the expenses envisioned for the real estate tax in the Slovenian part of the Group that was not enacted. Accordingly, the result of the Group was **€ 2.9 million of Earnings before interest, taxes, depreciation and amortisation (EBITDA)**, and **€ 1.2 million of Operating profit**.

The **Financing Result** at **-1.3 million €** was slightly less favourable than planned on account of negative foreign exchange differences, which amounted to € 471 thousand and were mostly due to value decrease of the Ukrainian currency. For that reason, the **Net profit or loss** for the reporting period was negative and came to **€ -0.1 million**. At the end of the term, the Group recorded a **Net financial debt** at **€ 89.9 million**, which was 2 percent lower than at the year-end 2013.

Our key goal for 2014 is to maintain the income on the level of the year 2013, improve the profitability of earnings as well as comply with all the liabilities to the banks. Much effort is dedicated to informatisation and optimisation of business processes, aiming to provide our customers with a quality, flexible and reliable logistical service.

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

