Unaudited
Interim Report
INTEREUROPA Group

January – September 2014

Intereuropa®
Global Logistics Service

Koper, 27.11.2014

The INTEREUROPA d.d. is publishing this Unaudited Interim Report of Intereuropa Group for January - September 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 - September 2014 shall also be published on the web site of INTEREUROPA d.d. www.intereuropa.si on November 27, 2014.

C O N T E N T S

PERFORMANCE HIGHLIGHTS

For Intereuropa, the business environment was significantly marked by the slashed demand for customs services following the EU-accession of Croatia a year ago, by declining goods flows on the Ukrainian territory due to aggravated political situation, and partly affected by this year's natural disasters in Slovenia, Serbia and Bosnia and Herzegovina (sleet, floods). Our markets perceived no major economic improvement. Our customers' stronger pressures to cut their cost of logistics and escalation of price competition continued to guide our streamlining activities. This year, the launch of integrated IT support to warehouse operations and upgrading thereof in the area of Land Transport has been in the forefront.
Among the positive trends there was a notable growth in the volume of containers processed and an increased number of consignments carried in Land Transport (primarily in Slovenia). However, due to all the stronger pressures on prices, the growth in those segments did not reflect in such an extent on the resp. financial results.
On the Group level, we achieved a sales revenue of € 106.4 million but remained 11 percent below the target. The sales revenue planned was not achieved primarily due to unexpected developments in Ukraine combined with failure to acquire new businesses by which we planned to substitute the decrease in customs services revenue. The Group closed the reporting term with an operating profit of € 4.2 million and a net profit of € 0.4 million. In the Parent Company Intereuropa d.d., the net profit came to € 1.0 million.

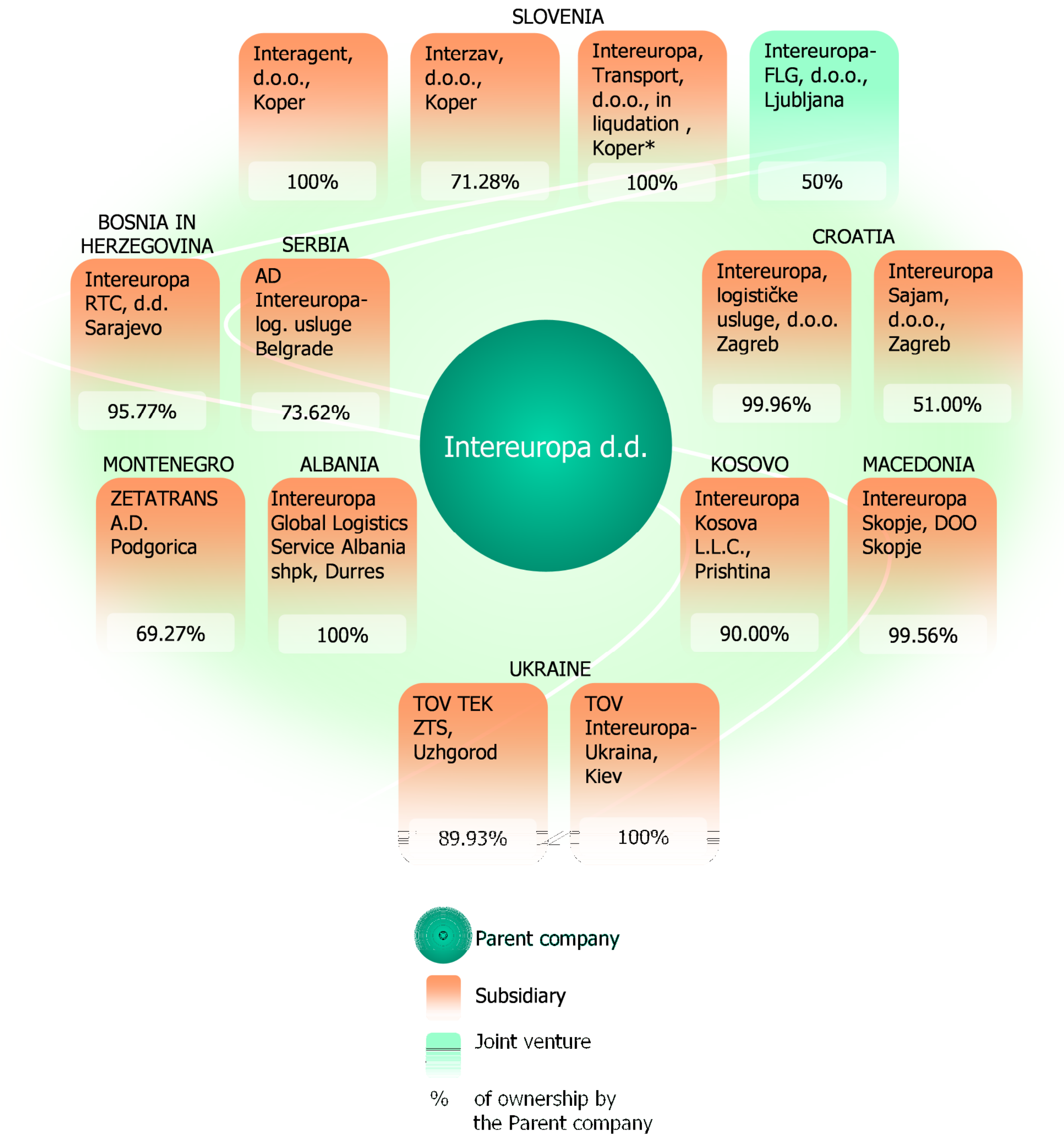
	INTEREUROPA GROUP			INTEREUROPA D.D.		
(in 1000 €)	Jan-Sep 2014	Jan-Sep 2013	Index 14/13	Jan-Sep 2014	Jan-Sep 2013	Index 14/13
Sales Revenue	106,435	121,835	87	67,598	68,836	98
EBITDA	9,238	12,159	76	5,730	6,387	90
Operating profit or loss (EBIT)	4,175	6,624	63	2,788	3,227	86
Net profit or loss	351	4,996	7	1,018	3,258	31
EBITDA margin in %	8.7	10.0	87	8.5	9.3	91
EBIT margin in %	3.9	5.4	72	4.1	4.7	88
Sales Revenue per employee/month	8.482	8.644	98	12.330	11.290	109
Value Added per employee /month	2.231	2.352	95	3.151	3.119	101
(in 1000 €)	30.9. 2014	31.12. 2013	Index 14/13	30.9. 2014	31.12. 2013	Index 14/13
Assets	304,753	313,419	97	236,426	240,974	98
Equity	152,789	153,763	99	101,751	100,712	101
Net debt	86,255	91,922	94	84,628	89,429	95
No. of employees	1,431	1,464	98	618	644	96
				Jan-Sep 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 €)				0.03	0.03	100
Closing price at the end of term (in €)				1.44	0.44	327
Book value of share at the end of term (in €)				3.70	3.67	101
Closing price / Book value of share				0.39	0.12	325
P/E				36.0	8.8	409

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 preferencial (IEKN)
Share listing	Shares designated IEKG are included in Prime Market 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	1,431 employees
Vehicle fleet	107 company-owned trucks, tractors, and trailers and other commercial vehicles
Total warehousing area	232,800 m^2 in-house warehouse
Total land area	1,719,000 m^2 of land area
Membership in international organisations	FIATA, IATA, FETA, FONASBA, BIMCO, IRU
Quality certificates	certificate ISO 9001:2008: ○ Intereuropa d.d., Koper ○ Intereuropa, log. usluge d.o.o. Zagreb ○ Intereuropa RTC d.d. Sarajevo
Branch network	Slovenia, Croatia, Montenegro, Bosnia & Herzegovina, Serbia, Kosovo, Macedonia, Albania, Ukraine



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

Figure 1: Intereuropa Group as of 30.9.2014

STRATEGIC DIRECTIONS

The Intereuropa Group adopted its Strategic Plan for the term 2015 – 2019 in November.

Vision
Being a top-ranked provider of integral logistics solutions.

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

Values
Integrity. We respect the highest ethical principles, good business practices and customs. We operate in full compliance with the applicable legislation, guidelines, recommendations, and internal regulations of our Company.
Excellence. Our services aim to offer the best solutions to the needs of our customers and are based on our advanced logistics know-how.
Adaptability and flexibility. Our services are prompt and tailored to our customers' needs. We achieve the required flexibility by applying innovative approaches and lean organisation.
Responsibility. We are distinguished by a high level of responsibility towards the obligations we undertake, the deals we make, as well as the social and natural environments in which we live.
Teamwork and appreciation of employees. The quality of our services is the result of the work of individuals and expert teams. We value diverse types of knowledge, experiences and different views.

The implementation of our corporate vision relies on a strategy of four key dimensions: Logistics-centred product development, customer management, geographical coverage and effective Group management.
The four dimensions of developmental strategy are underlying for the strategic baselines of the Group:
- consolidating and strengthening the position of the leading market provider of comprehensive logistics solutions in the countries of the former Yugoslavia,
- business process streamlining involving innovative IT solutions,
- building up the culture of an innovative organization, susceptible to change, around motivated workers and efficient team work,
- ensuring financial stability through divestment, de-leverage and effective management of working capital.

Strategic Goals by 2019

1.	Sales revenue	€ 166.0 million
2.	EBITDA	€ 15.8 million
3.	Operating Profit or Loss (EBIT)	€ 7.8 million
4.	Investments	Depreciation at 66% on average In five years, total 24.5 m €
5.	Number of employees at end of period	1,405 employees
6.	Debt management	Net debt/EBITDA: 3,4

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 – SEPTEMBER 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 revenue 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.

April

→ 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.

May

- 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.
- A strong economic delegation visited Serbia on 29 and 30 May, led by the Slovenian President Borut Pahor. During the 55th Serbian – Slovenian Business Conference, Intereuropa had numerous meetings with Serbian and also with Slovenian enterprises.

June

- Intereuropa d.d. joined the largest international logistics network WCA - World Cargo Alliance, which includes more than 5,200 forwarders and logistics providers from 190 countries. The affiliation to the WCA brought a large partner network to the Intereuropa Group. Also the subsidiaries Intereuropa, log. usluge d.o.o., Zagreb (Croatia) and A.D. Intereuropa – log. usluge, Belgrade (Serbia) joined the network.
- On 20 June was held the 27th Annual General Meeting of Intereuropa d.d., the shareholders were informed on the 2013 Annual Report of the Intereuropa Group, incl. the Auditor's Opinion. They granted the note of discharge to the Supervisory Board and Managing Board for their work in 2013, resolved on the appropriation of accumulated profit, and appointed the certified auditors for the year 2014.

August

- On 28 August, the Supervisory Board was informed on the unaudited report for the Intereuropa Group in the term January-June 2014, the letter by the agent of the Intereuropa Share Sellers' Consortium, and on the draft Strategic Plan for the term 2015-2019.

September

- Intereuropa took part in the 47th International Crafts and Entrepreneurship Fair in Celje and presented the range of our logistics service to visitors, as well as strengthened the business relations with our partners in business..

MAJOR EVENTS AFTER THE CLOSING OF THE PERIOD

- On 14 October 2014, Intereuropa and some other companies signed the Slovenian corporate integrity guidelines and joined the 28 corporate integrity ambassadors. Having adopted the Slovenian Corporate Integrity Guidelines, we wish to contribute to higher ethical standards and more transparent operations of the Slovenian economic sector.
- In November, the Strategic Plan for the term 2015 – 2019 was adopted in which Intereuropa outlined the corporate vision, mission, values, strategic dimensions and directions, as well as the goals up to 2019.

BUSINESS REPORT

1. PERFORMANCE OF INTEREUROPA GROUP

1.1. Sales achievements

ECONOMIC TRENDS

The global economic activity was growing at a lower pace than expected, especially in the first half-year. September saw a still uneven recovery, while geopolitical tensions - though limited to certain areas – aggravated. Developed economies are expected to grow till the end of the year, Euro Zone at a slower pace than the USA, while other developed Asian economies could record high growth rates, except China, which is facing a slight slow-down. Forecasts for the current year (2014) range from 1.8-percent average growth for developed, and 4.4 percent for other economies.
After unfavourable trends in the second quarter of the year, the Euro Zone recorded an increase in the output of processing industries and in the revenue from retail trade in July. The prospects for improvement in the following months are moderate, as the indicators of economic sentiment have mostly deteriorated in the last period.
In Slovenia, the growth of commodity exports in real terms continued in the third quarter of the year, which is attributable to improved international environment and increased competitiveness of national exports. That is visible in the increasing market share of the goods globally, however, still considerably lower than before the recession. Also the production output in processing industries and the revenue from market services were growing, while the revenue from retail trade remained on a very low level.
In Croatia, the GDP has been falling for the past six years in sequence. Although Croatian exports rose after the EU-accession, the decreasing investments and consumption prevailed over the positive achievements. Serbia and Bosnia and Herzegovina were further affected by catastrophic floods, on top of adverse economic situation. Also other countries in the Western Balkans recorded modest consumption, high unemployment and too slow structural reforms, which kept the level of economic activity low.
After Ukraine slid to recession in the first quarter of this year, the country was even worse hit in the third quarter. Aggravated situation in the east, tensions in trade relations with Russia and continual loss of value of the Ukrainian currency had adverse impacts on consumption, investments and trust in business environment.

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

Countries	BDP growth, in %		Inflation, in %		Exports of goods growth, in %		Imports of goods growth, in %	
	2014	2015	2014	2015	2014	2015	2014	2015
EU	1.4	1.8	0.7	1.3	3.2*	4.2*	3.6*	3.9*
Slovenia	2.0	1.6	0.6	1.1	4.3	4.8	2.2	4.3
Croatia	-0.8	0.5	-0.1	0.4	2.7	0.7	-0.3	0.0
BiH	0.7	3.5	1.1	1.5	-5.0	14.3	14.1	0.0
Serbia	-0.5	1.3	3.3	4.2	7.4	6.5	4.2	2.0
Kosovo	2.7	3.3	1.7	1.2	5.0	2.7	4.4	5.2
Montenegro	2.3	3.4	0.4	1.3	-8.6	3.0	5.5	15.6
Macedonia	3.4	3.6	0.6	2.3	9.9	9.4	7.9	8.0
Albania	2.1	3.3	1.8	3.0	11.9	11.7	8.4	11.8
Ukraine	-6.5	1.0	19.0	9.0	-8.4	4.8	-21.4	-1.2

* Eurozone data

SOURCES:
World Economic Outlook, IMF, October 2014
European Economic Forecast Spring 2014, European commission, May 2014
Autumn forecast of economic trends, IMAD, October 2014
Economic Mirror – September 2014, October 2014
U.S. – Ukraine Business Council, Ukraine Economic Situation, September 2014

SALES REVENUE OF INTEREUROPA GROUP

In the countries in which the subsidiaries of the Intereuropa Group are based, the goods flows remained moderate despite some positive trends of this year; for various reasons, some countries saw an even lower economic activity (Ukraine, Croatia, Serbia). The price competition in our logistics markets got tougher and we endeavoured to respond by improved service, relying on the recently introduced customised IT solutions. In terms of volume of goods and number of consignments handled, we were more successful than a year ago, in particular in the container segment in seafreight. Sales activities were addressed to the customers who appreciated quality and reliability, which was a very tough job in the light of poor financial discipline.

In the nine months 2014, the Group earned **€ 106.4 million of revenue** from the sale of services, which is 13 percent below the same term a year ago. We had a fall-out in the services of our Land Transport, which was mostly attributable to the EU-accession of Croatia and unstable situation in Ukraine. In Slovenia and Croatia, we expectedly recorded only one third of the sales volume in customs services compared with the same term a year ago. In Croatia, the pressure of competition resulted in lower prices of road transport services, which brought a loss of income from the sale of services. Our Ukrainian subsidiary, engaged primarily in organising railway freight transport and performing road transport, was badly hit by the fall-out of goods flows over the Ukrainian territory and recorded 39 percent lower sales than in the comparable term 2013.

The sales revenue of our Logistics Solutions area remained on the level of 2013, while the Intercontinental Transport area rose 2 percent and almost achieved the sales target. The best performing segment in this area was seafreight, in particular the services of container transport organization which handled 60 percent more containers than in the comparable term a year ago and yielded 22 percent more sales revenue, exceeding the target by 20 percent.

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

	Business Area	Jan - Sep 2014	Structure	Index 2014/plan	Index 2014/2013
1	Land transport	63,706	60%	84	80
2	Logistics solutions	12,170	11%	95	100
3	Intercontinental transport	25,640	24%	99	102
4	Other services	4,919	5%	101	98
	TOTAL SALES REVENUE	**106,435**	**100%**	**89**	**87**

Given that the sales revenue was 11 percent below the plan, we did not achieve the target sales result. The underachievement resulted primarily from the decline in railway freight services due to adverse situation in the Ukrainian market. We did not fully succeed in compensating for a certain portion of lost revenue from customs services with new businesses, which primarily reflected in the variance from sales targets in Croatia.

In the sales revenue structure by country in which a subsidiary is based, the revenue achieved by the Slovenian subsidiaries improved and came to € 66.0 million in the reporting term. Serbia and Albania achieved growth, whereas the sales revenue in other countries was lower than in the comparable term a year ago.

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

	Geografical area (by companies' head office)	Jan - Sep 2014	Structure	Index 2014/plan	Index 2014/2013
1	Slovenia	66,108	62%	99	98
2	Croatia	15,966	15%	93	74
3	Bosnia & Herzegovina	4,233	4%	100	99
4	Serbia	2,688	3%	104	108
5	Macedonia	1,233	1%	49	48
6	Kosovo	1,516	1%	81	92
7	Montenegro	3,464	3%	88	92
8	Albania	393	0%	98	118
9	Ukraine	10,834	10%	54	60
	TOTAL SALES REVENUE	**106,435**	**100%**	**89**	**87**
1	EU countries	82,074	77%	98	92
2	Non-EU countries	24,361	23%	69	74

The customers of our services come from the whole world, but in the reporting term, three out of four were from the European Union and 11 percent from the countries of former Yugoslavia (other than Slovenia and Croatia).

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

	Geografical area (by customers' head office)	Jan - Sep 2014	Structure	Index 2014/2013
1	Slovenia	39,527	37%	105
2	Croatia	13,891	13%	70
3	Russia	671	1%	39
4	Bosnia & Herzegovina	4,271	4%	98
5	Serbia	2,309	2%	99
6	Montenegro	3,329	3%	93
7	Other countries	42,437	40%	81
7a	Other EU countries	25,999	24%	97
7b	Other countries	16,439	15%	64
	TOTAL SALES REVENUE	**106,435**	**100%**	**87**

Land Transport

The services of our Land Transport had the highest share in the Group's sales structure. These services were underlying to achieve the sales revenue of € 63.7 million in the reporting term, which represented 60 percent in the sales structure of the Intereuropa Group. The greatest part thereof (53 percent) was contributed by the Parent Company in Slovenia.

Compared with the term January-September 2013, the sales revenue was 20 percent lower. Such a fall-out was expected, to a certain extent, on account of slashed revenue from customs broking services in Croatia and Slovenia following the EU-accession of Croatia. In setting the goals for the current year (2014) we could not expect such a loss of sales revenue in Ukraine, where the unstable political situation affected the economic activity and reduced the goods flows. Better than last year were the results in Albania and Serbia, mainly on account of higher sales revenue from groupage services. In Albania, the improvement is attributable to re-routing of our groupage lines from a partner to our subsidiary (in February 2014), and to higher sales of road transport services. Unfortunately, these two subsidiaries represent a very low share in the sales structure of that business area (4 percent). In terms of products, growth was recorded in groupage and express transport. The worst fall-outs were recorded in the products Customs Broking (in Croatia and Slovenia), Railway Transport (in Ukraine) and Road Transport (in Croatia, Macedonia, and in the Parent Company).

In terms of the plan, we were 16 percent below the sales targets; the worst setback was recorded in our Ukrainian subsidiary. Unstable political situation in that country and its conflicts with Russia exerted a negative impact also on the business of our major customer in the rail transport segment. An additional adverse impact was the decrease in value of the Ukrainian currency against the euro. The targets were achieved by the Parent Company Intereuropa d.d. and our subsidiaries in Belgrade and Albania. Within the Intereuropa d.d., which contributes the highest share of sales refenues from land transport, the Branch in Celje recorded the highest over-achievement of the plan thanks to new business in railway transport. Apart from the Ukrainian subsidiary, our subsidiaries in the following countries were lagging behind the target results: Croatia (road transport, express transport), Macedonia (road transport), Montenegro (road transport, groupage, customs services) and Kosovo (road transport, groupage). Productwise, our railway and road transport segments were recorded the worst setback behind the plans.

Road transport:

- → Road transport has the biggest share in the sales revenue structure (26 percent) among the products offered by Intereuropa, and a 43-percent share among the products in the scope of Land Transport.
- → Although the Group's underachievement of the sales target was 11 percent, the sales revenue earned was 13 percent lower than in the same term 2013. The worst drop in the volume of services was recorded by our subsidiary in Croatia where the sales prices were reduced after Croatia's accession to the EU, and by our subsidiary in Macedonia, which made 65 percent less sales revenue than a year ago due to the fall-out of transport business for Russia.
- → The highest portion of our aggregate sales revenue (72 percent) was achieved by the Parent Company, which achieved the planned targets. The sales revenues decreased slightly below the same term last year in some of our business units, in particular in BU Celje, which is a result of non-accomplishment of some major projects in the course of this year.

- → Pressures on prices continued and the resulting reduced sales margins persist for quite a long time. We addressed that issue by active management of direct costs.
- → Our activities focus on effective management of suppliers and control of direct costs combined with intensified commercial activities in all companies of our Group.

Groupage services:

- → In the reporting term January-September 2014, our sales revenues in the Groupage product rose 3 percent above the comparable term a year ago.
- → Three quarters of all revenues from groupage services in the Group were generated in Slovenia. In spite of the considerable rise (15 percent) in the number/volume of consignments carried, the sales revenues were just one percent above the same term 2013, which illustrates the escalation of price competition in this segment.
- → Higher sales revenues were recorded in the subsidiaries in Slovenia, Croatia, Bosnia and Herzegovina, and in Serbia as a result of increased 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. That change had a positive influence on the result of our subsidiary in Albania.
- → We upgraded the information solution WexVS with an application that enables the customers to trace their consignment and access to more information about it.
- → Activities towards cost reduction, increasing the sales volume and enhancing the dynamics of delivery (e.g. between Belgrade and Podgorica) are carried out.

Customs services:

- → Compared with the same term last year, the sales revenue from this segment has halved. The revenues from customs services shrank severely in our Slovenian and Croatian subsidiaries after the EU-accession of Croatia.
- → In Slovenia, we made 43 precent of the revenue achieved in the same term 2013, while Croatia recorded only just over one fifth of the revenue from the comparable term a year ago. Nevertheless, both subsidiaries exceeded their sales targets.
- → The subsidiary in Serbia exceeded the last year's result and the target for the reporting term thanks to better revenue in the Border Despatch product. Our subsidiary in Macedonia performed on the planned level. On the other hand, the subsidiaries in Montenegro, Bosnia and Herzegovina, and in Kosovo were lagging behind the plan and below the results of the preceding year.
- → We will intensify the marketing of customs services and include them in our offer as a supporting product to as many customers as feasible.
- → Maintaining a high level of professional knowledge of our employees will continue to be our concern also to avoid the risks that may incur in the implementation of our services.

Express Transport:

- → The sales revenue of this segment was 2 percent higher than in January-September 2013, but one percent lower than planned.
- → The highest share of sales revenue (60 percent) in this segment was again achieved by our subsidiary in Croatia, although the share was slightly lower than last year. That fact can be attributed to the setback of said subsidiary behind the figure achieved last year (by 2 percent) and 6 percent below the sales target. The second highest share was achieved by the Slovenian company with 25 percent, followed by the Bosnian subsidiary with 10 percent, and by the Serbian with 4 percent.
- → In Slovenia, we recorded a 8-percent growth of sales revenue and exceeded the sales targets by 13 percent.

→ Activities to achieve cost efficiency and enhance the standardisation of operations are conducted in all parts of the Group.
→ Concurrently, we are committed to optimising the business processes and aligning the execution in view of cost containment, while preserving the high quality of service.
→ Activities to enhance the extent of e-commerce with customers in order to reduce the administrative costs.

Rail Transport :
→ The Rail Transport product recorded a considerable setback behind the sales target (40 percent) and was 33 percent below the result of the comparable term 2013. The set-back was rising from month to month.
→ The major impact on the performance of this segment is attributable to the position of our Ukrainian subsidiary TEK ZTS, Uzhgorod, which due to the unstable political situation in 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 ravenue (8 percent).
→ On the other hand, the Parent Company Intereuropa d.d. exceeded both the last year's results and the sales targets. The highest overachievement was recorded by our BU Celje, which more than doubled the revenue from this product, on account of a newly acquired business.

Our goals for the current year (2014) were set very highly, despite unfavourable market situation and unpredictable course of events in the markets we cover (Ukraine). Positive results are visible in the physical volume of operations, the number of consignments has been increasing (primarily in Slovenia), but the financial results take more time to follow due to continual pressures on prices; such trend has also been strongly felt by our Croatian subsidiary after Croatia's accession to the EU. 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. Furthermore, we are facing ill payment practices on a large scale and financial difficulties of companies, so we need to be cautious both in acquiring new opportunities and in doing business with our current customers.

The performance of our Land Transport will remain vulnerable in the last quarter of this year, too, and exposed to the unstable political situation in Ukraine, given that our Ukrainian subsidiary generates its entire operating income exclusively in the products of our Land Transport Area and contributes, mainly by railway transport, as much as 17 percent to the total sales of this area (Land Transport). We can only hope that the situation in the country will settle as soon as possible.

In the last months of the year 2014 intensive activities will be conducted to launch our new integrated information solution supporting the Land Transport products to our Croatian subsidiary (estimated to be completed in the next year). 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.

Logistics Solutions

In the Logistics Solutions Area, the sales revenue in the reporting term came to € 12.2 million, representing 11 percent in the sales structure of the Intereuropa Group. In our key markets for logistics solutions, we were operating in unfavourable economic conditions, facing the downward pressures on prices of our services and coping with the change of logistics concepts.
Two thirds of this area's sales revenue were contributed by the Parent Company in Slovenia, and 18 percent by the Croatian subsidiary. The economic environment remained severe also in other countries in the Balkans, in which our storage capacities are located. Within Intereuropa, these markets stand for 17 percent in the sale of services of our Logistics Solutions Area.

Warehousing:

→ The sales revenue from storage services in the reporting term was € 11.3 million, representing 11 percent in the sales structure of the Group. We recorded a 3-percent rise over the figure of the same term last year, but a 6-percent setback below the plan. The worst underachievement (-12 percent) of the plan was recorded in Montenegro. In Slovenia, despite a 6-percent growth in the sales revenue, we were 8 percent behind the plan.
→ By transferring the white goods from our customer's facilities to our warehouse in Celje we filled up the free storage capacities in Celje.
→ We also acquired new customers for our storage facilities in Koper.
→ Also, we started with storage services for the goods of a major customer in Serbia.
→ In March, we launched our IT support and introduced data interchange with a key customer in Ljubljana.
→ In our warehouses in Maribor, Dravograd and Jesenice we launched the implementation of our integrated IT support to warehouse operations Wex.WMS in Slovenia.
→ Our unit in Maribor acquired new businesses for warehousing of white goods (household appliances) and of dangerous goods.

Distribution:

→ Our revenue from the sale of distribution services came to € 0.9 million, or 7 percent in the sales structure of the Logistics Solutions Area; on the Group level, that means approximately one percent only. We surpassed the target sales by 13 percent, but remained 25 percent behind the results of the same term 2013. 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.

Goals for the coming term:

→ Continue with the implementation of the new integrated IT solution supporting the warehouse processes in Slovenia and Croatia.
→ Proceed with acquisition activities for major logistical projects;
→ Optimise and fill-in the vacant storage facilities.
→ Continue streamlining the logistic processes by commodity category.

Intercontinental Transport

The sales revenues in our products of the Intercontinental Transport Area came to € 25.6 million. We achieved a 2-percent sales growth compared with the same term last year. The share in the structure of total sales revenue of the Group was over 24 percent.
Our sales improved considerably in the Container Services product, resulting in a 22 percent growth over the same term last year. In this product, we exceeded the sales targets by 20 percent. Also the sales revenue in the Shipping Agency product improved, by 2 percent. Other products saw a minor decline, therefore the aggregate sales revenue of this business area was one percent below the plan.
Aggravating for the achievement of sales results were volatile sea-freight and air-freight rates, along with decreased volume of conventional cargo from the Koper port. In the conventional sea-freight segment, the season of fruit and vegetables was one of the worst lately and considering the continued ban against Russia, we can expect a very unstable commencement of new season with November. In car logistics, the volume of vehicles handled via the Koper port has risen, however, the target revenue cannot be achieved due to stoppage of Chevrolet deliveries via Koper. Improvement is expected by the year end.

Sea-Freight:

→ The sea-freight and shipping agency segments combined represented 17 percent of the Group's sales revenue in the reporting term. We made a sales revenue of € 18.1 million, thereof 90 percent in the Slovenian market.
→ Our sales targets were exceeded by 2 percent and the achievement of the same term last year by 7 percent.
→ In conventional cargo, we were 14 percent behind the sales target, but only 3 percent below the last year's results. Lower cargo volumes led to less earning from alumina, oil derivatives, chilled/ conditioned fruit and vegetables, etc.
→ In the container transport products, the growth of income was 22 percent above the year before, but we surpassed the sales targets by 20 percent. We handled 60 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 results in the Shipping Agency product were 2 percent higher than last year, but still 2 percent below the target. In the second quarter of this year, a container ship operator established a direct line service which had a favourable effect on the income from June on. There were fewer calls of RO-RO ships for vehicle transportation. In the reporting term, we retained the leading position among shipping agencies in the number of ships represented in the Port of Koper.
→ For the last quarter of the year we plan intensified sales activities focused on the seasonable commodity groups like highly perishable goods and containers, in view of the new direct line announced by our 'house' container operator to start with December.

Car Logistics:

→ This year, the Car Logistics segment remained under the pressures governing in European economy; however, the sale of certain vehicles and brands has been recovering slowly. Nevertheless, the Port of Koper has grown especially in exported quantities of vehicles. Our operations were significantly affected by the decision of our customer GM to discontinue deliveries of Chevrolet vehicles for the European market.

- → Nevertheless, we were able to increase the volume of vehicles handled via Koper by nearly 2 percent thanks to newly acquired business and growing operations of some of our key customers.
- → Our sales revenue in the nine months' term of this year came to € 5.0 million. That was 9 percent behind the target.
- → We have substituted the Chevrolet turnover with a new export business by a German manufacturer for the Turkish market; the quantities of imported vehicles of the make Opel have grown, and our car terminal in Koper is operating profitably. We expect the vehicles turnover in export to Mediterranean ports to rise by the year-end.

Airfreight:

- → The sales revenue from air-freight operations came to € 2.5 million. Our sales targets for the nine months' term (January – September 2014) were accomplished.
- → More significant growth was achieved in the Serbian and Montenegrin markets. We outstripped our last year's sales results by 19 percent in Serbia and by 9 percent in Montenegro.
- → In our most important market – Slovenia, we have achieved growth in the physical volume of cargo, expressed in tons, but were 6 percent behind the sales targets due to lower number of consignments.
- → In the second half-year, we acquired some major businesses, such as representing military aircrafts in Kosovo and the Russian carrier in Belgrade, etc., which gives prospects for our revenue from airfreight segment to rise in the last quarter of this year.

1.2. Financial result

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

Item / Index	Jan - Sep 2014	Jan - Sep Plan 2014	Jan Sep 2013	Index 2014/plan	Index 2014/2013
Sales revenue	106,435	119,094	121,835	89	87
EBITDA*	9,238	11,341	12,159	81	76
Operating profit or loss	4,175	6,192	6,624	67	63
Financing profit or loss	-3,643	-2,561	-2,479	-	-
Net profit or loss	351	2,963	4,996	12	7
EBIT margin in %	3.9%	5.2%	5.4%	75	72
Sales revenue per employee/month	8.482	9.465	8.644	90	98
Value added per employee/month	2.231	2.457	2.352	91	95

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

Item / Index	30.9. 2014	31.12. 2013	Index 2014/2013
Balance sheet total*	304,753	313,419	97
Equity*	152,789	153,763	99
Net debt**	86,255	91,922	94
Short-term assets/ Short-term liabilities*	1.61	1.61	100
Net Return On Equity (yearly level)***	0.46%	4.22%	11

** 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

→ The underachievement of the planned operating profit is largely attributable to the loss of sales revenue: The worst drop in the sales was recorded in Ukraine, primarily resulting from the aggravated political situation that consequently reflected on the economy; also the Croatian and Macedonian subsidiaries suffered a decline in the sales revenue. Another adverse impact was the expense payable as compensation for land use that essentially exceeded the expenses envisioned for the (not enacted) real estate tax in the Slovenian part of the Group.

Financing Profit or Loss

→ The negative Financing Profit/ Loss achieved was attributable to net interest expenses, impairment of financial investments, and to high foreign exchange losses at € 880 thousand that were not envisioned (mostly arising from the value decrease of the Ukrainian currency). The impairment of investments and foreign exchange losses 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/loss was reduced by the accrued and deferred corporate income tax.

Structure of Statement of Financial Position

→ The current ratio remained unchanged compared with the preceding financial year, and the share of equity in the liabilities structure rose by 1.1 percentage point and now amounts to 50.1 percent.

1.3. Investments in fixed assets

In the reporting term January - September 2014, the Group **invested in fixed assets € 960 thousand**, thereof 410 thousand in real estate and 550 thousand in plant /equipment and intangible assets. The annual plan of investments was completed to the level of 33 percent.

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

Company	Real property		Plant & Equipment, Intang. assets		SKUPAJ		% of annual realization
	Jan-Sep 2014	Plan 2014	Jan-Sep 2014	Plan 2014	Jan-Sep 2014	Plan 2014	
Intereuropa d.d.	307	530	400	1,344	707	1,874	38
Subsidiaries	102	163	150	824	253	987	26
TOTAL INVESTMENTS	**410**	**693**	**550**	**2,168**	**960**	**2,861**	**33**

The investments of the Parent Company Intereuropa d.d. were made in real estate, equipment and intangible assets (€ 707 thousand); other members of the Group invested € 253 thousand in fixed assets. The largest investment in the third quarter was the restoration of the roof of our warehouse facility in the Koper port (€ 107 thousand), which is the biggest investment in the whole nine-month term.

The invested funds were earmarked to:

- Buildings and fittings/ equipment (€ 659 thousand),
- Computer hardware and software (€ 222 thousand),
- Repairs and purchase of motor vehicles (€ 79 thousand).

1.4. Risk management

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

There are 58 types of risk identified in the company Intereuropa d.d., thereof 7 key risks. The sales risk represents our highest exposure, i.e. to the downward pricing pressure and the decreased demand for our services. The impact of the overall economic situation in the country is further perceived in the area of liquidity.

Our utmost attention is dedicated to the sales risk. Downward pressure on our prices and a decreased demand for certain services were less expressed than last year, nevertheless, a loss of income on that ground was perceived. We comprehensively observe the needs of our customers and adapt to their individual additional needs, which mostly triggers an additional price reduction in our current services or a bigger volume of services for the same price. Our sales activities are focused on acquiring new customers and increasing the productivity in our employees, aiming to obtain new key customers and offer a comprehensive logistical service to them. Price sensitivity has been rising, which calls for internal streamlining of processes and cost containment as very important. That in particular applies to storage where the impact of fixed costs is the highest. In the Company, we consistently implemented our sales strategy and placed focus on new customer acquisition along with an offer for comprehensive service to our current customers.

Exposure to credit risk is also an important issue. Our activities are directed to an early 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.

Lately, additional attention has been dedicated to human resources management, positive motivation, qualification and competence skills, concern for occupational health and management of information system and IT solutions, where we consistently implement the new IT solution supporting operational business, which replaces the spent or worn out IT infrastructure.

We estimate for the last quarter that Intereuropa d.d. will continue to be exposed 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 30.09.2014, there were 1,431 employees in the Intereuropa Group, thereof 55 percent in the subsidiaries abroad. The number of employees fell by 2 percent or 33 employees less compared with the year-end 2013.

In total, 79 employees left our Group, and 46 new employees came during the reporting term. The staff was reduced mainly in the Parent Company (-26), in which economic reasons prevailed for termination of employment, and in Intereuropa, logistične usluge, d.o.o. Zagreb, which lost 10 employees.

Table 8: No. of employees in the Intereuropa Group according to countries, as of 30.9.2014

	30.9.2014	31.12.2013	Razlika 14-13	Indeks 2014/2013
Slovenia	639	665	-26	96
Croatia	308	318	-10	97
Bosnia & Herzegovina	130	127	3	102
Serbia	106	106	0	100
Macedonia	36	35	1	103
Kosovo	25	24	1	104
Montenegro	136	139	-3	98
Albania	2	2	0	100
Ukraine	49	48	1	102
TOTAL	**1,431**	**1,464**	**-33**	**98**

On the Group level, there were 86 persons recruited for work through other forms of labour (such as employment agencies, contracts for work/services and student job services) or additional 6 percent as at 30.09.2014.

DEVELOPMENT AND TRAINING

In the reporting term, there were no less than 8,900 hours of functional training held. The average for the Group was 6 hours of training per employee; in Slovenia 10, in Croatia 7 hours on average. In accordance with the goal set, we essentially increased the number of training hours dedicated to foreign languages, logistics, sales skills, marketing and management over the quota achieved in the same term last year.

The funds allocated to acquisition of new knowledge amounted to € 62 thousand on the Group level, and € 50 thousand in the Slovenian part of the Group. Training forms in the Parent Company were mostly funded under the public tender ''Competence Centre for HR Development in Logistics''.

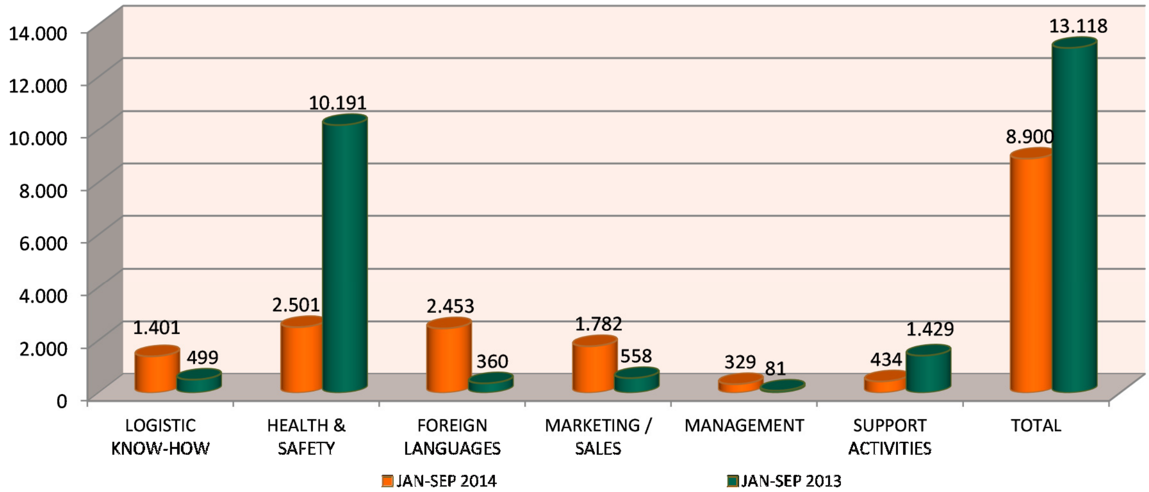


Figure 2: Training hours in the period January - September 2014 according to topics (for the Group)

Highlights:

- In the scope of the project »Competence Centre for HR Development in Logistics«, Intereuropa and its partners from the consortium presented the educational and training forms with the focus on obtaining the certificate for customs licence at the Primorska Fair.
- In the Slovenian part of the Group, at least 210 employees took part in practical workshops to accomplish their selling and negotiating skills, business communication, understanding mutual relations, and motivation (1,782 hours).
- A group of 25 executive staff members were acquiring the management skills in the workshop "Strengthening the Winning Mindset for Managers".
- Some 200 employees acquired new skills to use the IT application supporting warehouse operations WexVS, on which no less than 796 hours were spent in internal training forms.
- In other subsidiaries, the training focused on logistics and foreign languages; the subsidiary based in Zagreb focused on the knowledge from the area of occupational health.
- In total, training on occupational safety and health, and foreign language courses represented the highest share in the training structure of the Group (28 percent).

EMPLOYEE CARE AND WIDER SOCIAL ENVIRONMENT

- Financial aid was granted to 28 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 €16 thousand (compared with €22 thousand in the same term last year).
- On the Group level, we provided obligatory work practice to 28 secondary school and tertiary level students. Under a public tender, we received a financial incentive for the costs of mentoring and rewards to final-year students.

HEALTH PROTECTION

Project promoting occupational health in the workplace

After analysing and outlining the key areas for sickness incidence in Intereuropa employees, we prepared the proposal of measures to improve occupational health and sentiment of employees and presented them in the "Occupational Health Promotion Plan", funded by the Slovenian Health Insurance Institute of Slovenia.

The measures proposed for the next three-year term include:

- **Measures addressing the osteomuscular diseases:** examining each employee's workplace, advising on optimal layout of a workplace for employees using a display screen; informing warehousemen on correct load lifting; improving employees' physical fitness (an active break during the work, promoting the use of stairs, funding sports activities, etc.);
- **Measures improving psychical health**: Workshops on stress management strategies; annual interview with the superior; training forms on soft skills;
- **Measures addressing respiratory diseases and cancer incidence:** Healthy nutrition, vaccination against seasonal flue, (specific) preventive examinations, anti-smoking programmes.

Activities on Health and Fire Safety

In the field of health safety and fire safety and precautions, the following activities were implemented:

- 229 preventive medical check-ups for employees of the Group,
- Training forms on occupational and fire safety (286 employees),
- preparing the Statements on Safety and Risk Assessment for the subsidiary Interzav d.o.o.,
- Preparations for documentation upgrade regarding the response in emergency and the action to be taken in handling dangerous goods,
- Tests of fire extinguishers and hydrant supply network, and other control checks in the Parent Company,
- Providing for new domed smoke and heat vents/exhausts in the warehouse in Koper.

There were 1,338 sets of machines and working assets/ equipment examined on the Group level. The Group recorded seven (7) accidents at work, thereof four (4) light injuries at work in the Parent Company.

1.6. Total Quality Management

Three companies of the Intereuropa Group (out of twelve) hold a certification under the ISO 9001:2008 Standard. Of the entire staff of the Group, 74 percent are employed in these certified companies (Intereuropa d.d., Intereuropa, logističke usluge d.o.o., Zagreb, and Intereuropa RTC d.d. Sarajevo). In the reporting term, External Audits of the Quality Management System were conducted in the parent company and in the subsidiary in Zagreb.

Maintaining the ISO 9001:2008 Quality Management System

→ Yearly QMS reports were prepared for the year 2013 and the measures to improve the QM system were triggered.
→ Intereuropa d.d. issued the third edition of the Quality Management Manual, our subsidiary in Sarajevo is updating their Manual.
→ New instructions were issued for full load shipments for a known car manufacturer.
→ User manual and work instructions for the IT solution Wex Vs are being updated.

Internal auditing of service quality

→ An internal audit of the air-freight process was conducted in Intereuropa d.d.

Quality control by QM indicators

The number of complaints in Intereuropa d.d. fell slightly, however, the value under complaints rose by 10 percent.

Table 9: Complaints, claims and approved value in Intereuropa d.d. for the period January – September 2014

No. of complaints	Index 13/12	No. of claims	Value in 1000 €	Index 13/12	Approved Value in 1000 €	Index 13/12
302	92	182	110	108	30	68

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.
It was confirmed that operations were conducted in compliance with the requirements of the ISO 9001 standard. Auditors did not find any non-compliance; however, they issued 18 recommendations for improvement. Report on measures recommended to be taken was submitted to the certification body in June.
In September, a major customer conducted an audit in the Logatec Terminal. Three recommendations were issued; the final report is in preparation.

→ **Intereuropa, Logistical Services d.o.o., Zagreb:**
The audit was a re-certification audit, the fourth in sequence, conducted in September in the units Zagreb, Samobor and Varaždin. There was no non-compliance found, but 14 recommendations for improvement were issued.

1.7. Share IEKG and ownership structure

KEY DATA ON SHARE

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

	Jan-Sep 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
od which no. of treasury shares*	18.135	18,135
Share book value in €*	3.70	3.67
Earnings per share in €	0.03	0.03
Market capitalisation in € thousand*	24,186	7,406
Trading volume in € thousand	1,922	938
Closing price in €	1.44	0.44
Weighted average price in €	1.14	0.50
Highest price in €	1.71	0.85
Lowest price in €	0.44	0.32
P/E	36.0	8.80
Capital gain	+226.6%	-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 was bigger than last year: the share-trading turnover more than doubled in the nine-months term 2014. The IEKG share that is listed in the Prime Market of the Ljubljana Stock Exchange recorded an essentially enhanced share turnover (+128 percent compared with the same term last year), in particular in the third quarter. The share price recorded an even higher increase, having reached the peak value at € 1.71 which equals the price three years ago.

The market price of the IEKG share fluctuated between € 0.44 and € 1.71 per share, and closed the reporting term at € 1.44; in nine months, the share gained 126.6 percent, while the SBITOP-index only rose by 27.8 percent. The market capitalization closed the term at € 24.2 million, which stands for 0.4 percent of the market capitalization of all shares on the Ljubljana Stock Exchange.

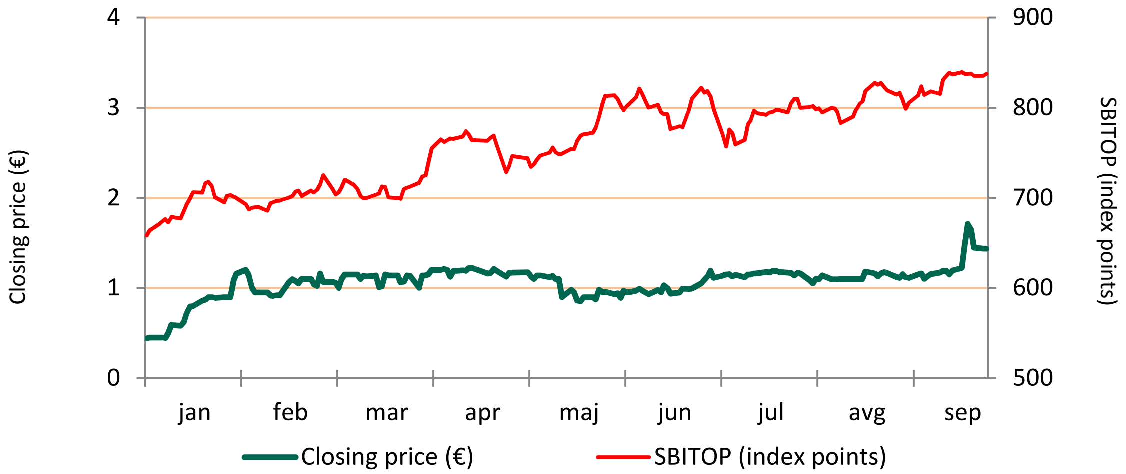


Figure 3: Closing prices of IEKG share and SBITOP index in the period January – September 2014

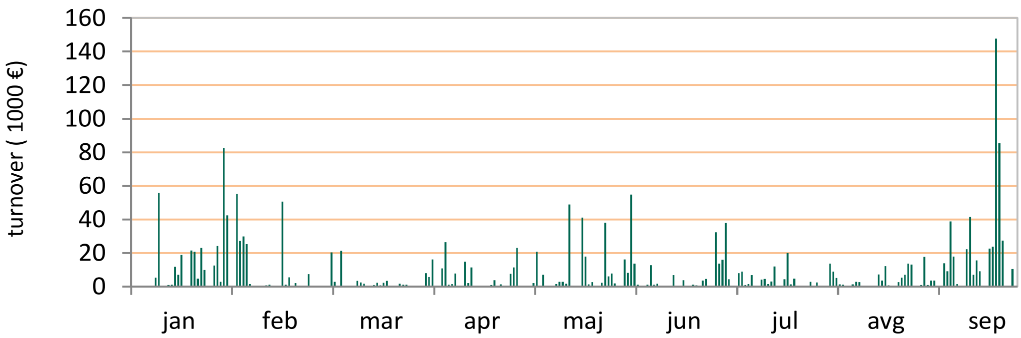


Figure 4: Trading volume of IEKG share in the period January – September 2014

OWNERSHIP STRUCTURE

The ownership structure saw no major changes in the reporting half-year. In May, the Bank Asset Management Company (DUTB d.d.) transferred 1,185,292 Intereuropa shares on the bank NKBM d.d.: the transfer involved the same shares that were transferred from the bank NKBM d.d. to the DUTB d.d. in December 2013.

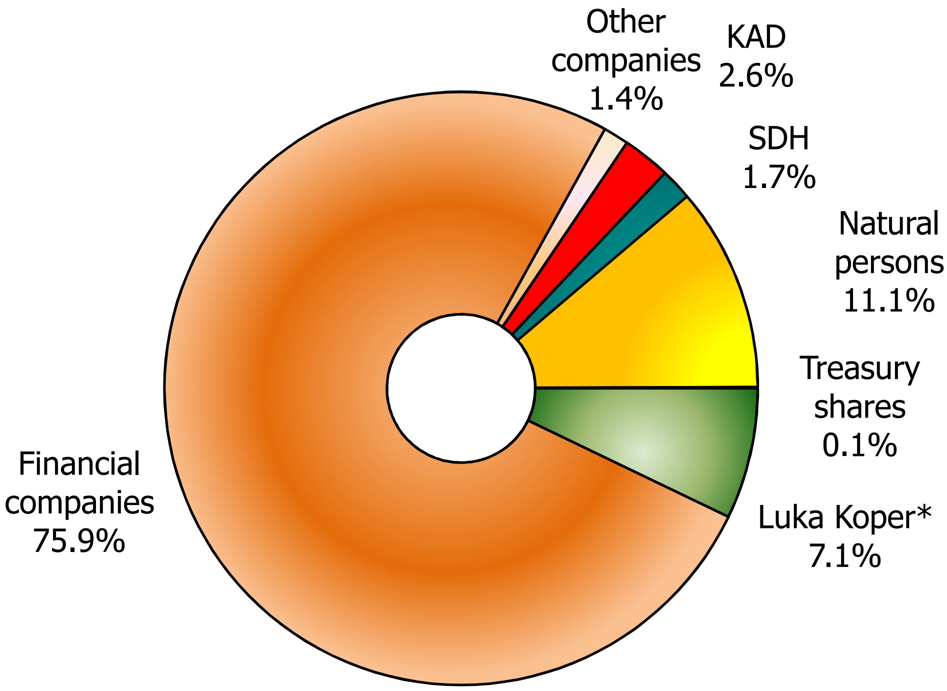
Table 11: Top ten shareholders of Intereuropa d.d. as of 30.9.2014 compared to 31.12.2013

	Shareholder	30.9.2014		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.	NKBM 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

* As at 31.12.2013 the owner of the 1.185.292 shares was the Bank Asset Management Company (DUTB d.d.)

There were no changes to the top ten shareholders. As at the end of the reporting term, they held in total 81.9-percent shares in equity of Intereuropa.

At the end of September 2014, there were 5,262 shareholders 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 0.6 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 30.9.2014

The Company's share capital consists of 16,830,838 ordinary (IEKG) and 10,657,965 preference (IEKN) 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 30.9.2014 compared to 31.12.2013

	Shareholder	30.9.2014 No. of vot. rights	30.9.2014 share %	31.12.2013 No. of vot. rights	31.12.2013 share %	Index 14 /13
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.	SDH 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

* previously SOD d.d.

As at 30.09.2014, the top ten ordinary shareholders were holding 74.5 percent of voting rights.

SHARE OWNERSHIP BY THE MANAGEMENT AND SUPERVISORY BOARD MEMEBERS

The Management Board President Ernest Gortan, and Deputy President Tatjana Vošinek Pucer did not own any Intereuropa shares on 30.9.2014.

Table 13: Shares held by Supervisory Board members, as of 30.9.2014

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 30.9.2014, 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 30.9.2014, 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 – September 2014, in thousand €

Item/Index	Jan - Sep 2014	Jan - Sep Plan 2014	Jan - Sep 2013	Index 2014/plan	Index 2014/2013
Sales revenue	67,598	67,849	68,836	100	98
Land transport	33,210	32,527	34,995	102	95
Logistic solutions	8,006	8,581	7,892	93	101
Intercontinental transport	22,808	23,182	22,388	98	102
Other services	3,574	3,559	3,560	100	100
EBITDA*	5,730	6,335	6,387	90	90
Operating profit or loss	2,788	3,428	3,227	81	86
Financing profit or loss	-1,649	-1,132	-1,465	-	-
Net profit ot loss	1,018	2,052	3,258	50	31
EBIT margin in %	4.1%	5.1%	4.7%	82	88
Sales revenue per employee/month	12.330	12.377	11.290	100	109
Value added per employee/month	3.151	3.350	3.119	94	101

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

Item/Index	30.9. 2014	31.12. 2013	Index 2014/2013
Balance sheet total*	236,426	240,974	98
Equity*	101,751	100,712	101
Net debt**	84,628	89,429	95
Short-term assets/ Short-term liabilities *	1.59	1.66	96
Net Return on Equity (yearly level)***	0.98%	4.05%	24

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

Operating Profit or Loss, and EBITDA

→ The setback behind the planned operating profit was largely attributable to slightly lower sales revenue, subtly changed product structure that resulted in a higher share of direct costs, and to expenses payable as compensation for land use that essentially exceeded the expenses envisioned for the (not enacted) real estate tax.

Financing Profit or Loss

→ The Financing profit or loss for the reporting period was negative and was mainly attributable to interest expenses and impairment of financial investments, whilst the underachievement of the plan resulted from the unrealised revenues from shares in Group members as they were planned.

Net profit / loss

→ The net profit/loss was reduced by the accrued and deferred corporate income tax.

Structure of Statement of Financial Position

→ In the reporting term, the current ratio was slightly lower - by 0.1 percentage point - than the preceding financial year, and the share of equity in the liabilities structure rose by 1.2 percentage point and now amounts to 43 percent of total liabilities of the Company.

ACCOUNTING REPORT

The interim report for the nine months 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 International Financial Reporting Standards (IFRS) as adopted by the EU, and in compliance with current legislation.

The consolidated financial statements and the statements of the Parent Company were compiled under the same accounting guidelines as the financial report for the year 2013. While preparing these statements, the management reviewed the assessments, estimations and presumptions and estimated them to be the same as those applied in the 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 30.9.2014

in 1000 €	January - September 2014	January - September 2013
Sales revenues	**106,435**	**121,835**
Other operating revenues	1,609	2,732
Costs of goods, material and services	-77,601	-87,805
Labour costs	-18,759	-20,988
Write-downs in value	-6,318	-7,819
Other operating expenses	-1,191	-1,331
Operating profit/loss	**4,175**	**6,624**
Financial income	494	665
Financial expenses	-4,137	-3,144
Profit/loss from financial operations	**-3,643**	**-2,479**
Result recognized according to equity method	31	28
Profit/loss from regular operations	**563**	**4,173**
Corporate income tax (with deferred tax)	-212	823
Net profit /loss for the period	**351**	**4,996**
Net profit or loss / non-controlling interest	203	243
Net profit or loss / controlling interest	148	4,753

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR INTEREUROPA GROUP from 1.1.2014 to 30.9.2014

in 1000 €	January - September 2014	January - September 2013
Net profit or loss	**351**	**4,996**
Other Comprehensive Income	**-973**	**-1,760**
Items to be reclassified to profit/loss	**-656**	**-486**
Change in fair value of financial assets available for sale	181	10
Deferred tax in revaluation surplus of financial assets for sale	-31	0
Exchange rate translation differencies	-806	-496
Items not to be reclassified to profit/loss	**-317**	**-1,274**
Transfer of land revaluation surplus to retained earnings (from sale of land)	0	-48
Deferred tax in revaluation surplus of land	-192	-1,269
Retained earnings from land revaluation (at sale of land)	0	48
Deferred tax from retained earnings	0	-4
Other changes	-125	-1
Comprehensive income total	**-622**	**3,236**
Comprehensive income total - non-controlling part	76	224
Comprehensive income total - controlling part	-698	3,012

CONSOLIDATED STATEMENT OF FINANCIAL POSITION FOR INTEREUROPA GROUP as at 30.9.2014

in 1000 €	30.9.2014	31.12.2013
ASSETS		
Tangible fixed assets	221,696	226,852
Investment property	6,163	6,345
Intangible assets	6,755	7,124
Other non-current operating assets	117	175
Deferred tax assets	16,809	16,843
Long-term loans given and deposits	95	83
Investment in a jointly controlled company	132	135
Other financial investments	1,600	1,813
TOTAL NON-CURRENT ASSETS	**253,367**	**259,370**
Inventories	253	241
Short-term loans given, deposits and cerificates of deposits	11,231	13,132
Short-term operating receivables	32,488	32,872
Short-term income tax receivables	175	678
Cash and cash equivalents	7,239	7,126
TOTAL CURRENT ASSETS	**51,386**	**54,049**
TOTAL ASSETS	**304,753**	**313,419**
EQUITY		
Equity - controlling interest	**143,584**	**144,282**
Share capital	27,489	27,489
Equity reserves	18,455	18,455
Revenue reserves	4,123	3,840
Revaluation surplus	68,786	68,777
Translation exchange differencies	-7,666	-6,937
Transferred net profit/loss	32,249	31,865
Net profit/loss	148	793
Equity - non-controlling interest	**9,205**	**9,481**
TOTAL EQUITY	**152,789**	**153,763**
LIABILITIES		
Provisions and long-term deferred revenue	5,573	5,647
Long-term borrowings and financial leases	99,711	105,611
Long-term operating liabilities	381	668
Deferred tax liabilities	14,395	14,191
TOTAL NON-CURRENT LIABILITIES	**120,060**	**126,117**
Short-term borrowings and financial leases	4,679	6,192
Other short-term financial liabilities	430	460
Short-term operating liabilities	26,701	26,650
Short-term income tax liabilities	94	237
TOTAL CURRENT LIABILITIES	**31,904**	**33,539**
TOTAL LIABILITIES	**151,964**	**159,656**
TOTAL CAPITAL AND LIABILITIES	**304,753**	**313,419**

CONSOLIDATED STATEMENT OF CASH FLOWS FOR INTEREUROPA GROUP from 1.1.2013 to 30.9.2014

in 1000 €	January - September 2014	January - September 2013
Cash flows from operating activities		
Net profit/loss for the period	**351**	**4,996**
Adjustments for:		
- Depreciation	5,059	5,525
- Impairment and writedowns of tangible fixed assets and intangible assets	4	2
- Revaluation operating revenues from disposal of tangible fixed assets and investment property	-161	-457
- Revaluation operating expenses from disposal of tangible fixed assets and investment property	1	9
- Impairment of receivables	1,254	2,284
- Non-monetary expenses	36	35
- Non-monetary revenues	-144	-247
- Financial revenues	-494	-665
- Recognized result of jointly controlled company according to equity method	-31	-28
- Financial expenses	4,137	3,144
- Income tax (incl. deferred tax)	212	-823
Operating profit before changes in net working capital and taxes	**10,224**	**13,774**
Changes in net working capital and provisions		
Changes in receivables	-828	-535
Changes in inventories	-12	-94
Changes in operating liabilities	-76	-354
Changes in provisions and long-term deferred revenue	-51	-1,238
Corporate income tax	181	-56
Cash from operating activities	**9,438**	**11,497**
Cash flows from investing activities		
Interest income	477	649
Dividens and shares in profit received	3	38
Inflows from disposal of tangible fixed assets	201	325
Inflows from long-term deposits given	2	9
Inflows from decrease of short-term borrowings	119	0
Inflows from decrease of short-term deposits and cerificates of deposits given	1,792	0
Outflows for acquisition of tangible fixed assets	-1,172	-1,418
Outflows for acquisitions of intangible assets	-225	-78
Outflows for long-term deposits given	-20	-50
Outflows from increase of short-term loans given	0	-22
Outflows from increase of short-term deposits and cerificates of deposits given	0	-101
Other financial outflows	-130	0

Cash from investing activities	**1,047**	**-648**
Cash flows from financing activities		
Inflows from long-term borrowings received and financial leasing	0	701
Paid interest	-2,830	-3,040
Outflows from repayment of long-term borrowings and financial leases	-5,952	-2,679
Outflows from decrease of short-term borrowings and financial leases	-1,374	-865
Outflows from decrease of other short-term financial liabilities	0	-949
Paid dividend	-307	-273
Cash from financing activities	**-10,463**	**-7,105**
Cash and cash equivalents at beginning of period	**7,126**	**8,390**
Exchange rate differences from cash	91	-3
Net increase/decrease in cash	**113**	**3,741**
Cash and cash equivalents at end of period	**7,239**	**12,131**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR INTEREUROPA GROUP
from 1.1.2014 to 30.9.2014

in 1000 €	Share capital	Equity reserves	REVENUE RESERVES				Revaluation surplus	Translation exchange differencies	RETAINED EARNINGS		Equity - controlling interest	Equity - non-controlling interest	Total equity
			Legal reserves	Reserves for treasury shares	Treasury shares (deductible)	Statutory reserves			Transferred 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**	**9**	**-729**	**-126**	**148**	**-698**	**76**	**-622**
Net profit/loss	0	0	0	0	0	0	0	0	0	148	**148**	203	**351**
Other comprehensive income	0	0	0	0	0	0	9	-729	-126	0	**-846**	-127	**-973**
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**	-352	**-352**
Transfer of retained earnings to reserves	0	0	115	0	0	168	0	0	-283	0	**0**	0	**0**
Closing balance as at 30.9.2014	**27,489**	**18,455**	**3,797**	**180**	**-180**	**326**	**68,786**	**-7,666**	**32,249**	**148**	**143,584**	**9,205**	**152,789**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR INTEREUROPA GROUP
from 1.1.2013 to 30.9.2013

in 1000 €	Share capital	Equity reserves	REVENUE RESERVES				Revaluation surplus	Translation exchange differencies	RETAINED EARNINGS		Equity - controlling interest	Equity - non-controlling interest	Total equity
			Legal reserves	Reserves for treasury shares	Treasury shares (deductible)	Statutory reserves			Transferred 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**	**-1,305**	**-477**	**41**	**4,753**	**3,012**	**224**	**3,236**
Net profit/loss	0	0	0	0	0	0	0	0	0	4,753	**4,753**	243	**4,996**
Other comprehensive income	0	0	0	0	0	0	-1,305	-477	41	0	**-1,741**	-19	**-1,760**
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**	-305	**-305**
Transfer of retained earnings to reserves	0	0	28	0	0	9	0	0	-37	0	**0**	0	**0**
Transfer between Reserves items	0	0	53	0	0	-53	0	0	0	0	**0**	0	**0**
Closing balance as at 30.9.2013	**27,489**	**18,455**	**2,682**	**180**	**-180**	**158**	**69,871**	**-6,816**	**31,780**	**4,753**	**148,372**	**9,451**	**157,823**

1.1. Notes to Financial Statements of the Intereuropa Group

a) Notes to the CONSOLIDATED INCOME STATEMENT

The **Sales Revenues** amounted to € 106,435 thousand. The Group also has realised € 1,609 thousand of **other operating revenues** that mainly represent the revenues from elimination of allowances for and write-offs of receivables and debts (€ 1,166 thousand), the revaluation operating revenues from disposal of items of plant, property and equipment (€ 161 thousand), the revenues from state grants awarded for co-financing of projects and funds obtained from employing disabled persons above the quota (€ 170 thousand), and other revenues (€ 112 thousand).

Costs of goods, material and services

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

v 1000 €	January - September 2014	January - September 2013
Cost of goods and materials sold and costs of materials used	2,984	3,010
Cost of services	74,617	84,795
Direct costs	66,672	76,165
Telephone costs	362	425
Mainteinence costs	1,785	1,795
Insurance premiums	539	657
Traning and education costs	59	30
Other costs of services	5,201	5,723
Total	**77,601**	**87,805**

Labour costs

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

in 1000 €	January - September 2014	January - September 2013
Wages and salaries	13,297	15,093
Pension insurance costs	1,216	1,329
Other social security costs	1,904	2,103
Other labour costs:	2,341	2,463
Holiday allowance	691	567
Transport and meals	1,539	1,706
Other labour costs	112	190
Total	**18,759**	**20,988**

Write-offs

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

in 1000 €	January - September 2014	January - September 2013
Amortisation of intangible assets	416	462
Depreciation of property, plant and equipment and investment properties	4,643	5,063
Revaluatory operating expenses of intangible and tangible fixed assets	5	11
Expenses from revaluation adjustments (impairments) and written-off receivables	1,254	2,284
Total	**6,318**	**7,819**

Other operating expenses amounted to € 1,191 thousand, mainly relating to land-use fees and similar expenses (€ 884 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 – September 2014

in 1000 €	January - September 2014	January - September 2013
Interest income	479	620
Dividend income and participation in profit of others	3	4
Profit from disposal of financial investments	0	13
Revenue from elimination of impairments of financial investments	12	0
Net exchange rate differences	0	28
Total financial income	**494**	**665**
Interest expenses	-2,857	-3,131
Financial expenses from impairments and written-off financial investments	-397	-13
Net exchange rate differences	-883	0
Total financial expenses	**-4,137**	**-3,144**
Profit/loss from financing activities	**-3,643**	**-2,479**

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** in the amount of € 563 thousand, which is further reduced **by the deferred tax expense** of € 212 thousand.

The **Net Profit** achieved on the Group level in the reporting term amounted to € 351 thousand, thereof the amount of € 148 thousand for the **controlling part,** and € 203 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 30.9.2014

in 1000 €	30.9.2014	31.12.2013
Land and buildings	217,262	221,759
a) Land	113,989	115,017
b) Buildings	103,273	106,742
Other property, plant and equipment	3,815	4,825
Tangible fixed assets under construction	618	268
Total	**221,696**	**226,852**

Intangible assets

Table 21: Intangible assets of the Intereuropa Group as at 30.9.2014

in 1000 €	30.9.2014	31.12.2013
Long-term title rights	1,815	2,032
Goodwill	1,275	1,275
Long-term deferred development costs	3,649	3,817
Advances given	16	0
Total	**6,755**	**7,124**

Loans given, deposits and certificates of deposit

Table 22: Loans given, deposits and certificates of deposit of the Intereuropa Group as 30.9.2014

in 1000 €	30.9.2014	31.12.2013
Long-term loans given and deposits	**95**	**83**
- Loans given	13	22
- Deposits	82	61
Short-term loans given, deposits and certificates of deposit	**11,231**	**13,132**
- Loans given	52	161
- Deposits and certificates of deposit	11,178	12,970
Total	**11,326**	**13,215**

Other financial investments in the amount of €1,600 thousand relate to the item "Financial assets available for sale".

Short-term operating receivables

Tabela 23: Short-term operating receivables of the Intereuropa Group as at 30.9.2014

in 1000 €	30.9.2014	31.12.2013
Short-term operating receivables from buyers	29,883	30,292
Short-term operating receivables from others	2,605	2,581
Total	**32,488**	**32,872**

Equity

On the Group level, the Equity amounts to at €152,789 thousand and represents 50 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 30.9.2014

in 1000 €	30.9.2014	31.12.2013
Provisions for terminal bonus payments on retirement	1,101	1,134
Provisions on litigations	73	120
Other provisions	4,160	4,160
Long-term deferred income	239	233
Total	**5,573**	**5,647**

The **long-term loans received and financial leases** amounted to € 99,711 thousand.

The short-term loans received and financial leases amounted to € 4,679 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 € 430 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 30.9.2014

in 1000 €	30.9.2014	31.12.2013
Short-term operating liabilities to suppliers	21,467	20,962
Short-term operating liabilities from advances	751	1,991
Other short-term operating liabilities	4,482	3,697
Total	**26,701**	**26,650**

Contingent liabilities

Table 26: Contingent liabilities of the Intereuropa Group as at 30.9.2014

in 1000 €	30.9.2014	31.12.2013
Arising from bank guarantees and guaratees given	12,787	12,505
Arising from legal proceedings	2,465	3,261
From D.S.U., družba za svetovanje in upravljanje	250	250
Other contingent liabilities	311	311
Total	**15,813**	**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 30.9.2014 and 31.12.2013

in 1000 €	30.9.2014			
	Level 1	Level 2	Level 3	Total
Financial assets, available for sale	1,454	0	146	1,600
	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 carrying amounts (book values) of other financial instruments reflect their fair values.

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

Tabela 28: Business segments of the Intereuropa Group in the period January – September 2014

in 1000 €	Slovenia		Croatia		Bosnia & Herzegovina		Serbia		Montenegro	
	Jan-Sep 2014	Jan-Sep 2013	Jan-Sep 2014	Jan-Sep 2013	Jan-Sep 2014	Jan-Sep 2013	Jan-Sep 2014	Jan-Sep 2013	Jan-Sep 2014	Jan-Sep 2013
Revenues from external customers	66,108	67,273	15,966	21,549	4,233	4,255	2,688	2,492	3,464	3,759
Revenues from business with other segments	2,121	2,223	249	255	291	310	461	496	111	117
Total revenues	68,228	69,496	16,216	21,803	4,524	4,565	3,149	2,988	3,575	3,876
Depreciation	2,943	3,154	1,251	1,315	249	286	158	180	340	434
Operating profit or loss	2,872	3,337	-339	1,567	239	324	394	367	387	362
Revenues from interest rates	425	501	58	91	0	0	7	10	58	109
Expenses from interest rates	2,633	2,780	65	147	10	32	108	152	0	0
Net profit or loss from ordinary activities	1,242	1,903	-341	1,540	228	292	211	188	445	472
Corporate income tax	138	-1,473	-70	418	23	29	38	23	65	71
Assets	238,484	247,421	60,509	67,006	17,335	17,060	10,065	10,253	22,224	22,510
Tangible fixed assets under construction	361	19	83	87	62	52	42	19	63	330
Long-term assets	201,099	204,927	54,283	58,159	15,460	15,740	8,817	9,247	18,364	18,597
Operating liabilities	36,236	36,496	5,857	6,812	2,073	1,666	1,387	1,297	1,011	955
Financial liabilities	100,852	108,370	2,693	5,209	37	504	2,140	2,325	429	397
Investment in jointly controlled entities	75	75	0	0	0	0	0	0	0	0
Revenues from investment in jointly controlled entities	34	34	0	0	0	0	0	0	0	0

in 1000 €	Ukraine		Others		Total		Adjustments*		Group	
	Jan-Sep 2014	Jan-Sep 2013	Jan-Sep 2014	Jan-Sep 2013	Jan-Sep 2014	Jan-Sep 2013	Jan-Sep 2014	Jan-Sep 2013	Jan-Sep 2014	Jan-Sep 2013
Revenues from external customers	10,814	17,973	3,142	4,524	106,414	121,825	21	10	106,435	121,835
Revenues from business with other segments	1	0	513	454	3,747	3,855	-3,747	-3,855	0	0
Total revenues	10,814	17,973	3,655	4,979	110,161	125,680	-3,726	-3,846	106,435	121,835
Depreciation	73	112	45	42	5,059	5,525	0	0	5,059	5,525
Operating profit or loss	496	600	125	85	4,174	6,642	1	-18	4,175	6,624
Revenues from interest rates	10	11	3	3	562	725	-82	-105	479	620
Expenses from interest rates	122	125	2	1	2,939	3,236	-82	-105	2,857	3,131
Net profit or loss from ordinary activities	-318	497	125	88	1,591	4,980	-1,028	-807	563	4,173
Corporate income tax	10	102	9	6	212	-823	0	0	212	-823
Assets	3,357	5,238	3,038	3,132	355,013	372,621	-50,259	-50,992	304,753	321,629
Tangible fixed assets under construction	8	4	0	0	618	511	0	0	618	511
Long-term assets	2,128	3,571	1,108	1,144	301,258	311,384	-47,891	-47,436	253,367	263,948
Operating liabilities	1,022	1,545	790	982	48,377	49,753	-1,233	-1,474	47,144	48,279
Financial liabilities	1,624	2,163	35	35	107,809	119,002	-2,989	-3,475	104,820	115,527
Investment in jointly controlled entities	0	0	0	0	75	75	57	54	132	129
Revenues from investment in jointly controlled entities	0	0	0	0	34	34	-3	-6	31	28

** All adjustments are subjec 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 30.9.2014

in 1000 €	January – September 2014	January – September 2013
Sales revenues	**67,598**	**68,836**
Other operating revenues	731	1,620
Costs of goods, material and services	-49,620	-48,908
Labour costs	-11,542	-12,632
Write-downs in value	-3,494	-4,756
Other operating expenses	-885	-933
Operating profit/loss	**2,788**	**3,227**
Financial income	1,416	1,329
Financial expenses	-3,065	-2,794
Profit/loss from financial operations	**-1,649**	**-1,465**
Profit/loss from regular operations	**1,139**	**1,762**
Corporate income tax (with deferred tax)	-121	1,496
Net profit /loss for the period	**1,018**	**3,258**
Basic and diluted net earnings per ordinary share (in €)	0.03	0.11

STATEMENT OF COMPREHENSIVE INCOME FOR INTEREUROPA d.d.
from 1.1.2014 to 30.9.2014

in 1000 €	January – September 2014	January – September 2013
Net profit or loss	**1,018**	**3,258**
Other Comprehensive Income	**21**	**-1,264**
Items to be reclassified to profit/loss	**151**	**10**
Revaluation of financial investments available for sale to fair value	181	10
Deferred tax in revaluation surplus of financial assets for sale	-30	0
Items not to be reclassified to profit/loss	**-130**	**-1,274**
Deferred tax in revaluation surplus of land	0	-1,274
Other changes	-130	0
Comprehensive income total	**1,039**	**1,994**

STATEMENT OF FINANCIAL POSITION FOR INTEREUROPA d.d.
as at 30.9.2014

in 1000 €	30.9.2014	31.12.2013
ASSETS		
Tangible fixed assets	124,105	125,862
Investment property	5,151	5,307
Intangible assets	5,398	5,735
Other non-current operating assets	117	177
Deferred tax assets	16,576	16,669
Long-term financial investment excl. loans given and deposits	49,030	49,223
Long-term loans given and deposits	693	913
TOTAL NON-CURRENT ASSETS	**201,070**	**203,886**
Inventories	28	29
Short-term financial investment excl. loans given, deposits and certificates of deposits	250	250
Short-term loans given, deposits and certificates of deposits	9,240	10,851
Short-term operating receivables	20,860	22,375
Short-term income tax receivables	9	177
Cash and cash equivalents	4,969	3,406
TOTAL CURRENT ASSETS	**35,356**	**37,088**
TOTAL ASSETS	**236,426**	**240,974**
EQUITY		
Share capital	27,489	27,489
Equity reserves	18,455	18,455
Revenue reserves	1,875	1,875
Revaluation surplus	52,966	52,815
Transferred net profit/loss	-52	78
Net profit/loss	1,018	0
TOTAL EQUITY	**101,751**	**100,712**
LIABILITIES		
Provisions and long-term deferred revenue	5,129	5,192
Long-term borrowings and financial leases	96,055	101,202
Long-term operating liabilities	381	646
Deferred tax liabilities	10,848	10,831
TOTAL NON-CURRENT LIABILITIES	**112,413**	**117,871**
Short-term borrowings and financial leases	3,475	3,323
Other short-term financial liabilities	0	74
Short term operating liabilities	18,787	18,994
TOTAL CURRENT LIABILITIES	**22,262**	**22,391**
TOTAL LIABILITIES	**134,675**	**140,262**
TOTAL CAPITAL AND LIABILITIES	**236,426**	**240,974**

STATEMENT OF CASH FLOWS FOR INTEREUROPA d.d.
from 1.1.2014 to 30.9.2014

in 1000 €	January – September 2014	January – September 2013
Cash flows from operating activities		
Net profit/loss for the period	**1,018**	**3,258**
Adjustments for:		
- Depreciation	2,938	3,150
- Impairment and writedowns of tangible fixed assets and Intangible assets	4	2
- Revaluation operating revenues from disposal of tangible fixed assets and investment property	-145	-23
- Revaluation operating expenses from disposal of tangible fixed assets	1	9
- Impairment of receivables	552	1,596
- Other non-monetary expenses	13	6
- Non-monetary revenues	-134	-173
- Financial revenues	-1,416	-1,329
- Financial expenses	3,065	2,794
- Income tax (deferred tax incl.)	121	-1,496
Operating profit before changes in net working capital and taxes	**6,016**	**7,793**
Changes in net working capital and provisions		
Changes in receivables	1,162	-462
Changes in inventories	1	2
Changes in operating liabilities	-115	634
Changes in provisions and long term deferred revenue	-17	-894
Corporate income tax payed	-49	-55
Cash from operating activities	**6,998**	**7,018**
Cash flows from investing activities		
Interest income	386	435
Dividend income and participations in profit	962	855
Inflows from disposal of tangible fixed assets	190	42
Inflows from long-term loans given	240	485
Inflows from decrease of short-term loans given	114	0
Inflows from decrease of short-term deposits and certificates of deposits	1,506	50
Outflows for acquisition of tangible fixed assets	-868	-377
Outflows for acquisitions of intangible assets	-207	-77
Outflows for long-term deposits given	-20	-50
Outflows from increase of short-term deposits and certificates of deposits	0	-101
Outflows for capital increase in subsidiaries	-20	-50
Other financial outflows	-130	0
Cash from investing activities	**2,153**	**1,212**

Cash flows from financing activities		
Paid interest	-2,594	-2,681
Outflows from repayment of long-term borrowings	-4,994	-1,518
Outflows from decrease of other short-term financial liabilities	0	-949
Cash from financing activities	**-7,588**	**-5,148**
Cash and cash equivalents at beginning of period	**3,406**	**3,449**
Net increase/decrease in cash from regular operations	**1,563**	**3,082**
Cash and cash equivalents at end of period	**4,969**	**6,531**

STATEMENT OF CHANGES IN EQUITY FOR INTEREUROPA d.d.
from 1.1.2014 to 30.9.2014

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**	**151**	**-130**	**1,018**	**1,039**
Net profit/loss	0	0	0	0	0	0	0	1,018	1,018
Other comprehensive income	0	0	0	0	0	151	-130	0	21
Closing balance as at 30.9.2014	**27,489**	**18,455**	**1,875**	**180**	**-180**	**52,966**	**-52**	**1,018**	**101,751**

STATEMENT OF CHANGES IN EQUITY FOR INTEREUROPA d.d.
from 1.1.2013 to 30.9.2013

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 1.1.2013	**27,489**	**18,455**	**875**	**180**	**-180**	**54,068**	**0**	**0**	**100,887**
Total comprehensive income	**0**	**0**	**0**		**0**	**-1,264**	**0**	**3,258**	**1,994**
Net profit/loss	0	0	0	0	0	0	0	3,258	3,258
Other comprehensive income	0	0	0	0	0	-1,264	0	0	-1,264
Closing balance as at 30.9.2013	**27,489**	**18,455**	**875**	**180**	**-180**	**52,804**	**0**	**3,258**	**102,881**

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

a) Notes to the INCOME STATEMENT

The **Sales Revenues** amounted to € 67,598 thousand.

Other operating revenues (€731 thousand) represent the revenues from elimination of allowances for and write-offs of receivables and debts (€ 400 thousand), revenues from state grants awarded for co-financing of projects and funds obtained from employing disabled persons above the quota (€162 thousand), the revaluation operating revenues from disposal of items of plant, property and equipment (€145 thousand), and other revenues (€24 thousand).

Costs of goods, material and services

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

in 1000 €	January – September 2014	Januar – September 2013
Cost of goods and materials sold and costs of materials used	1,224	1,233
Cost of services within the Group	1,362	1,394
Cost of services (excl. the Group)	47,034	46,281
Direct costs	43,046	42,232
Telephone costs	123	143
Mainteinence costs	1,236	1,174
Insurance premiums	305	377
Traning and education costs	46	17
Other costs of services	2,279	2,339
Total	**49,620**	**48,908**

Labour costs

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

in 1000 €	January – September 2014	Januar – September 2013
Wages and salaries	8,172	9,065
Pension insurance costs	914	1,003
Other social security costs	591	657
Other labour costs:	1,865	1,907
holiday allowance	592	535
transport and meals	1,224	1,316
other labour costs	50	57
Total	**11,542**	**12,632**

Write-offs

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

in 1000 €	January – September 2014	Januar – September 2013
Amortisation of intangible assets	376	393
Depreciation of property, plant and equipment and investment properties	2,562	2,757
Revaluatory operating expenses of intangible and tangible fixed assets	5	11
Expenses from revaluation adjustments (impairments) and written-off receivables	552	1,596
Total	**3,494**	**4,756**

Other operating expenses

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

in 1000 €	January – September 2014	Januar – September 2013
City land tax and similar expenses	782	787
Other operating expenses	102	146
Total	**885**	**933**

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 – September 2014

in 1000 €	January – September 2014	Januar – September 2013
Interest income from group members	81	104
Interest income from others	327	370
Income from intra-group participations	959	817
Income from stakes in jointly controlled company	34	34
Income from stakes to others	3	4
Income from removal of loan impairment within the Group	13	0
Total financial income	**1,416**	**1,329**
Interest expenses an other borrowing expenses	-2,633	-2,780
Expenses from impairments and written-off other financial investments	-397	-13
Net exchange rate differences	-35	-2
Total financial expenses	**-3,065**	**-2,795**
Profit/loss from financing activities	**-1,649**	**-1,466**

The achieved **Profit or Loss from Ordinary Activities** of € 1,139 thousand resulted from the Operating Profit/Loss (€ 2,788 thousand) and from the Financing Profit/Loss (-1,649 thousand €). **Tax on profit** stands for the expenses for deferred tax arising from the tax loss amounting to € 121 thousand.

b) Notes to the STATEMENT OF FINANCIAL POSITION

Tangible fixed assets

Tabela 34: Tangible fixed assets of the company Intereuropa d.d. as at 30.9.2014

in 1000 €	30.9.2014	31.12.2013
Land and buildings	121,973	123,810
a) Land	75,373	75,385
b) Buildings	46,600	48,425
Other property, plant and equipment	1,770	1,993
Tangible fixed assets under construction	361	59
Total	**124,105**	**125,862**

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

Intangible assets

Table 35: Intangible assets of the company Intereuropa d.d. as at 30.9.2014

in 1000 €	30.9.2014	31.12.2013
Long-term title rights	1,733	1,918
Long-term deferred development costs	3,649	3,817
Advances for intangible assets	16	0
Total	**5,398**	**5,735**

Long-term financial investments excl. loans given and deposits

Table 36: Long-term financial investments excl. loans given and deposits of the company Intereuropa d.d. as at 30.9.2014

in 1000 €	30.9.2014	31.12.2013
Investments in shares and stakes of subsidiaries	47,367	47,347
Investments in stake of joitly controlled company	75	75
Other long-term financial investments	1,588	1,801
Total	**49,030**	**49,223**

The capital increase in the Ukrainian subsidiary TOV Intereuropa – Ukraine, Kiev, contributed to higher value of investments in subsidiaries at € 20 thousand; other long-term financial investments were increased by the revaluation of investments available for sale at fair value to a higher value (€ 181 thousand), and the impairment of financial assets valued at procurement value resulted in a decrease (€ 394 thousand).

Loans, deposits and certificates of deposits given

Table 37: Loans, deposits and cetrificates of deposits given of the company Intereuropa d.d. as at 30.9.2014

in 1000 €	30.9.2014	31.12.2013
Long-term loans given	**693**	**913**
- to subsidiaries	623	863
- deposits	70	50
Short-term loans given, deposits and certificates of deposit	**9,240**	**10,851**
- to subsidiaries	1,080	1,185
- deposits and certificats of deposit	8,160	9,666
Total	**9,933**	**11,764**

Short-term operating receivables

Table 38: Short-term operating receivables of the company Intereuropa d.d. as at 30.9.2014

in 1000 €	30.9.2014	31.12.2013
Short-term operating receivables within the Group	527	609
Short-term interest receivables from Group companies	165	151
Short-term operating receivables from buyers (excl. the Group)	19,613	20,983
Short-term operating receivables from others	457	607
Other short-term assets	99	25
Total	**20,860**	**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 was one percentage point higher, at 43 percent.

Provisions and long-term Deferred Revenues

Table 39: Provisions and long-term deferred revenue of the company Intereuropa d.d. as at 30.9.2014

in 1000 €	30.9.2014	31.12.2013
Provisions for terminal bonus payments on retirement	717	749
Provisions on litigations	13	54
Other provisions	4,160	4,160
Long-term deferred income	238	229
Total	**5,129**	**5,192**

The **long-term loans received and financial leases** amounted to € 96,055 thousand.

The short-term loans received and financial leases amounted to € 3,475 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 30.9.2014

in 1000 €	30.9.2014	31.12.2013
Short-term opertaing liabilities to companies within the Group	275	265
Short-term opertaing liabilities to suppliers	16,175	15,520
Short-term opertaing liabilities from advances	73	977
Other short-term opertaing liabilities	2,265	2,231
Total	**18,787**	**18,994**

Contingent liabilities

Tabela 41: Contingent liabilities of the company Intereuropa d.d. as at 30.9.2014

in 1000 €	30.9.2014	31.12.2013
From bank guarantees and guaratees given to Group members	5,162	7,371
From bank guarantees and guaratees given to others	6,416	7,416
Arising from legal proceedings	2,000	2,793
From D.S.U., družba za svetovanje in upravljanje	250	250
Total	**13,828**	**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 30.9.2014 and 31.12.2013

in 1000 €	30.9.2014			
	Level 1	Level 2	Level 3	Total
Financial assets, available for sale	1,449	0	139	1,588
	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 ...

The year opened with strengthened economic activity in the markets of European countries, but in the autumn international institutions reduced the optimism in their forecasts for economic trends by the year-end. In the countries in which the subsidiaries of the Intereuropa Group are based, the goods flows remained moderate despite some positive trends of this year; for various reasons, some countries saw an even lower economic activity (Ukraine, Croatia, Serbia). For Intereuropa, the business was significantly marked by the slashed demand for customs services following the EU-accession of Croatia last year, by declining goods flows on the Ukrainian territory due to aggravated political situation, and to a certain extent it was affected by natural disasters (sleet, floods) in Slovenia, Serbia and Bosnia and Herzegovina.
The price competition in our logistics markets got tougher and we endeavoured to respond by improved service, relying on the recently introduced and upgraded IT solutions supporting warehouse operations and services of land transport area. In terms of volume of goods and number of consignments handled, we were more successful than a year ago, in particular in the container segment in sea-freight. Sales activities were addressed to the customers who appreciated quality and reliability, which was a very tough job in the light of poor financial discipline.

In the nine months 2014, the Group earned **€ 106.4 million of revenue** from the sale of services, which is 13 percent below the same term a year ago. We had a fall-out in the services of our Land Transport, which was mostly attributable to the EU-accession of Croatia and unstable situation in Ukraine. In Slovenia and Croatia, we expectedly recorded only one third of the sales volume in customs services compared with the same term a year ago. In Croatia, the pressure of competition resulted in lower prices of road transport services, which brought a loss of income from the sale of services. Our Ukrainian subsidiary, engaged primarily in organising railway freight transport and performing road transport, was badly hit by the fall-out of goods flows over the Ukrainian territory and recorded 39 percent lower sales than in the comparable term 2013.
The sales revenue of our Logistics Solutions area remained on the level of 2013, while the Intercontinental Transport area rose 2 percent and almost achieved the sales target. The best performing segment in this area was sea-freight, in particular the services of container transport organization which handled 60 percent more containers than in the comparable term a year ago and yielded 22 percent more sales revenue, exceeding the target by 20 percent.

In addition to lower sales revenues (Ukraine, Croatia, Macedonia), the slightly changed product structure in the Parent Company that resulted in a higher share of direct costs had a bearing on the operating profit. The setback from the planned operating result was also 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 (which was not enacted, after all) in the Slovenian part of the Group. The result of the Group was **€9.2 million of earnings before interest, taxes, depreciation and amortisation (EBITDA),** with **€ 4.2 million of operating profit.**

The **Financing Profit or Loss at -3.6 million €** was slightly lower than planned on account of negative foreign exchange differences at EUR 0.9 million, which mostly resulted from the value decrease of the Ukrainian currency. **The net profit** came to **€ 0.4 million** at the end of the reporting term.

The **Net Financial Debt** as at the last day of September, amounting to **€ 86.3 million**, was 6 percent lower than at the year-end 2013.

Aggravated market conditions, in particular the situation in Ukraine are likely to affect the achievement of goals set for the year 2014, among which it is crucial to maintain the revenue on the last year's level and improve the profitability of income. We will therefore continue with our efforts to market our logistics services efficiently and create a lean organization of business processes. In this spirit, we adopted in November the new strategic plan for the term 2015-2019, in which we redefined the basic guidelines, strategies and goals for the next five-year term. The implementation of our corporate strategy ''being a top-ranked provider of integral logistics solutions" relies on product-centered development of logistical products, customer management, geographical coverage and effective Group management.

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