

UNAUDITED REPORT

INTERIM REPORT OF INTEREUROPA GROUP

January – September 2015



InterEuropa®

Global Logistics Service

The INTEREUROPA d.d. is publishing this Unaudited Interim Report of Intereuropa Group for January - September 2015, 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 2015 shall also be published on the web site of INTEREUROPA d.d. www.intereuropa.si on November 19, 2015.

C O N T E N T S

PERFORMANCE HIGHLIGHTS	3
GROUP PROFILE	4
STRATEGIC OBJECTIVES	6
BUSINESS PLAN 2015	7
MAJOR EVENTS	8
BUSINESS REPORT	11
1. PERFORMANCE OF INTEREUROPA GROUP	11
1.1. Sales result.....	11
1.2. Financial result.....	20
1.3. Investments in fixed assets.....	21
1.4. Risk Management.....	22
1.5. Human Resources Management.....	23
1.6. Total Quality Management.....	24
1.7. Share IEKG and ownership structure.....	26
2. PERFORMANCE OF THE COMPANY INTEREUROPA D.D.	30
ACCOUNTING REPORT	31
1. FINANCIAL REPORT FOR INTEREUROPA GROUP.....	32
1.1. Underlying financial statements of the intereuropa Group.....	32
1.1. Notes to Financial Statements of the Intereuropa Group.....	39
2. FINANCIAL REPORT FOR THE PARENT COMPANY INTEREUROPA D.D.	45
2.1. Underlying financial statements of the parent company Intereuropa d.d.....	45
2.1. Notes to Financial Statements of the Parent Company Intereuropa d.d.....	51
IN BRIEF	57

PERFORMANCE HIGHLIGHTS

This year's revitalisation of the European economies triggered the same trend in goods flows in the region. Also the rising exports as the underlying driver of economic growth in the latest period contributed to stronger demand for logistic services in some markets covered by the subsidiaries of the Intereuropa Group. In the nine-month term, Intereuropa recorded an increased volume of orders from customers in various service segments, which brought higher income from all markets except Ukraine, Croatia and Macedonia. Particular attention was dedicated to activities aiming at improved operations in our subsidiary in Croatia. Nevertheless, the total revenues of the Group was 6 percent lower than a year ago due to the loss of income in our Ukrainian subsidiary. Along with our sales-promoting activities, we focused on process optimisation on the Group level. Accordingly, we proceeded with the development of integrated information solution to support our logistics processes, with digitalization of outgoing invoices, and strengthened the activities to expand the SAP IT solution to our major subsidiaries (in Bosnia and Herzegovina, Serbia and Montenegro). Concurrently, improvements in domestic transport and effective cost management resulted in better performance of operations, whilst our efforts to update the know-how contributed to the quality of service tailored to our customers.

In the reporting nine-month' term, the sales revenue of the Group came to € 99.6 million, which was 9 percent or € 9.4 million below the target. The highest underachievement was recorded by our Ukrainian subsidiary in the railway transport services, which lost nearly 70 percent or € 8.3 million of sales revenues. The Group closed the reporting term with an operating profit of € 3.7 million and a net profit of € 0.7 million. In the Parent Company Intereuropa d.d., the net profit came to € 1.1 million.

	INTEREUROPA GROUP			INTEREUROPA D.D.			
	(in 1000 €)	Jan-Sep 2015	Jan-Sep 2014	Index 15/14	Jan-Sep 2015	Jan-Sep 2014	Index 15/14
Sales Revenue		99,577	106,435	94	67,916	67,598	100
EBITDA		8,541	9,238	92	5,517	5,731	96
Operating profit or loss (EBIT)		3,668	4,174	88	2,575	2,788	92
Net profit or loss		662	351	189	1,120	1,018	110
EBITDA margin in %		8.6	8.7	99	8.1	8.5	96
EBIT margin in %		3.7	3.9	94	3.8	4.1	92
Sales Revenue per employee/month		8.075	8.482	95	12.452	12.330	101
Value Added per employee /month		2.213	2.231	99	3.175	3.151	101
	(in 1000 €)	30.9. 2015	31.12. 2014	Index 15/14	30.9. 2015	31.12. 2014	Index 15/14
Assets		293,651	295,246	99	227,938	228,976	100
Equity		148,056	147,638	100	97,859	96,753	101
Net debt		82,987	87,574	95	82,221	86,056	96
No. of employees		1,420	1,425	100	622	628	99
		jan-sep 2015	jan-dec 2014	Indeks 15/14			
No. of shares at the end of term		27,488,803	27,488,803	100			
Net earning per share (in €)		0.04	0.01	400			
Closing price at the end of term (in €)		0.60	1.18	51			
Book value of share at the end of term (in €)		3.56	3.52	101			
Closing price / Book value of share		0.17	0.16	105			
P/E		11.3	118.0	10			

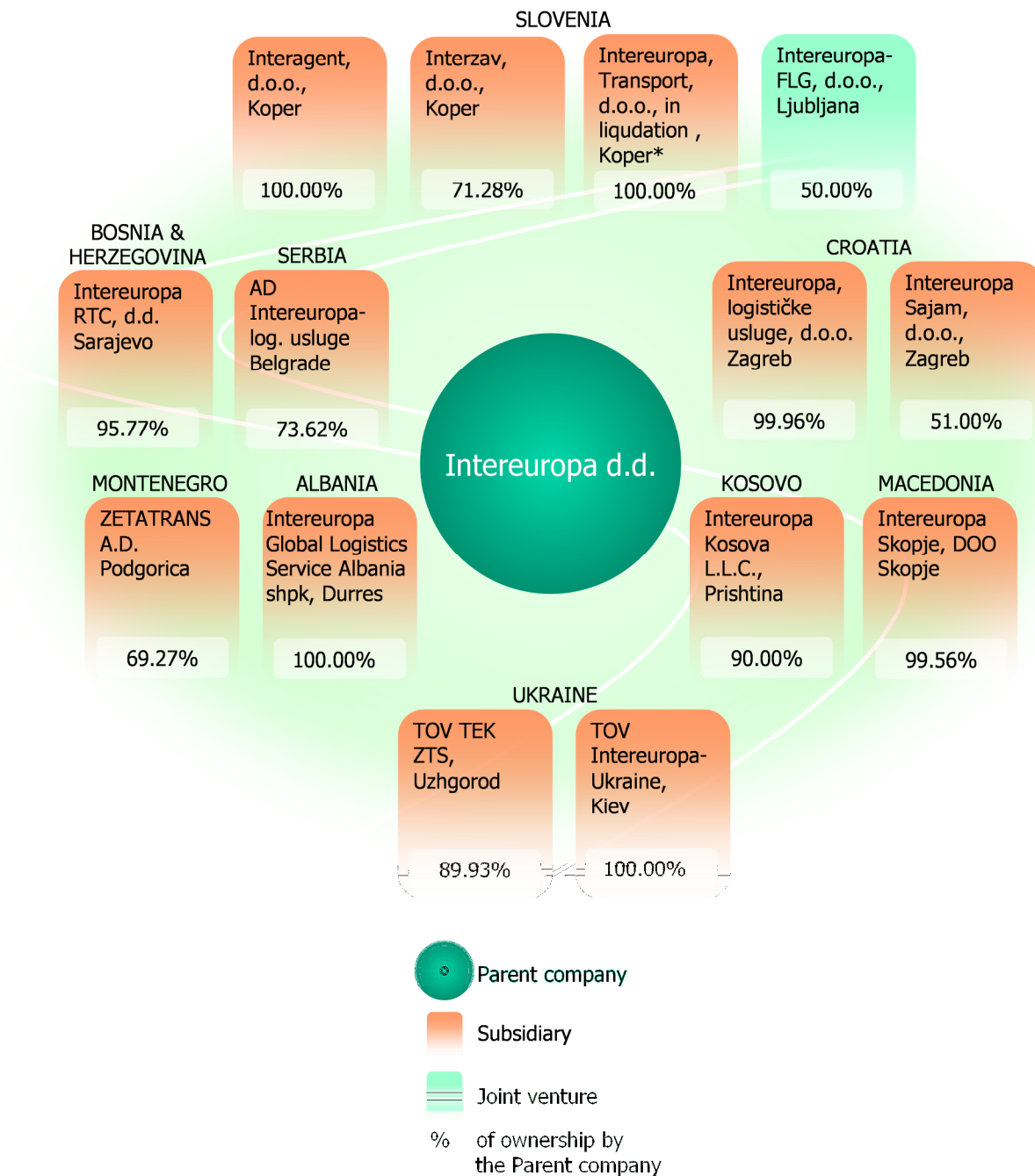
EBITDA: Earnings Before Interest, Taxes, Depreciation, Amortisation and Revaluation operating expenses for intangible and tangible assets

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 issued and paid-up shares	27,488,803 no-par value shares, of which 16,830,838 ordinary (IEKG) and 10,657,965 preferential (IEKN)
Share listing	Shares designated IEKG are included in 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 until 19.6.2015 Klemen Boštjančič from 1.7.2015
Intereuropa Group	
No. of employees	1,420 employees
Vehicle fleet	108 group-owned trucks, tractors, and trailers and other commercial vehicles
Total warehousing area	232,400 m ² in-house warehouse
Total land area	1,711,000 m ² of land area
Membership in international organisations	FIATA, IATA, FETA, FONASBA, BIMCO, IRU
Quality certificates	certificate ISO 9001:2008: <ul style="list-style-type: none"> ○ Intereuropa d.d., Koper ○ Intereuropa, log. usluge d.o.o. Zagreb ○ 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 30.9.2015

STRATEGIC OBJECTIVES

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 (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 2015

The business plan for 2015 is designed on the starting position of the Intereuropa Group at the end of 2014, trends in the branch of logistics, strategic guidelines and forecasts of economic trends for our key markets.

In 2015, the Group will focus on intensified marketing activities and acquisition of new customers, watching closely the process optimisation and informatisation of operations.

Key goal:

- Exceed the income of the year 2014, without affecting the profitability, based on a changed market approach and acquisition of new business.

Other goals:

- retain and motivate our most promising staff, introduce a stimulating remuneration system based on achievement of the goals;
- active cost management in the segments of services by obtaining more favourable terms of purchase, by optimal use and cost efficiency of support functions;
- efficient management of working capital;
- on-going development of integrated IT solution to support the logistics processes of our core business, utilisation of the SAP solution in our major subsidiaries, and digitalisation of invoices;
- uniform capture of operational data by unification of IT solutions;
- investing in projects with a short-term return and supporting the needs of our customers that are indispensable for retaining the asset value, or imposed by law;
- disposal of non-operating assets.

Core financial goals:

- Sales revenue: € 144.1 million;
- EBITDA: € 13.0 million;
- Operating Profit: € 6.1 million;
- Investments: € 5.0 million;
- Number of employees at the year-end: 1,425.

MAJOR EVENTS

THE PERIOD OF JANUARY – SEPTEMBER 2015

January

→ On 27 and 28 January 2015, a sales workshop was held in Zagreb for the sales staff from all countries in which the Intereuropa Group operates. The participants attending the two-day event were informed on the corporate strategic goals and on the sales strategies by geographical areas /segments, and they acquired new selling skills.

February

→ In February 2015, Intereuropa attended the Fruit Logistica 2015 in Berlin, which is the biggest European exhibition of fresh fruit and vegetables: logistics in this line of foodstuffs is gaining ground also in the goods flows via Koper Port.

March

- On 5 March 2015, the Supervisory Board of Intereuropa d.d. was informed on the performance of the Intereuropa Group in the financial year 2014, in which the Group generated €140.8 million of sales revenues and achieved the operating profit of € 5.1 million; the Group improved its profitability and closed the year with a net profit of € 0.3 million.
- On 10 March 2015, Intereuropa attended »The Port of Koper day in Cairo« - an event organised by the Port of Koper corporation, in cooperation with the Slovenian Embassy to Cairo. There, Intereuropa met new partners trading with perishable goods and established cooperation with them for this year's season.
- Intereuropa organised comprehensive logistic support to the international wine evaluation »Finger Lakes International Wine Competition« in Rochester, USA.

April

- Intereuropa attended the 34th FFSI conference (Feta Freight Systems International). In its presentation, 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.
- On 28 April, the Supervisory Board of Intereuropa d.d. adopted the Audited Annual Report 2014 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 2014, following a due discussion of all reports.

May

- On 14 May, the Supervisory Board unanimously reappointed the deputy president of the Managing Board of Intereuropa d.d., Tatjana Vošinek Pucer, for a five-year term of office commencing with 25 May 2015.
- On 27 May, Intereuropa took part in the Port Day held in Tokio, where the Slovenian logistic operators presented the cargo transportation potential through the Adriatic region. In the follow-up of the presentation, Intereuropa's representatives met with Japanese partners and other logistics operators with potential cargo for Central and Eastern Europe through the Adriatic ports.
- In May, Intereuropa Branch Office Ljubljana and our subsidiary AD Intereuropa - logistics service, Belgrade, provided logistics support to the Slovenian Army in organizing the

military exercise »The Balkan Response«, in which several countries from that region were participating.

June

- On 12 June, the Intereuropa subsidiary »Zetatrans AD« in Montenegro celebrated its 50th anniversary of successful business. Today, it is the largest Montenegrin logistics provider that covers the whole territory of Montenegro with its own business units.
- On 19 June was held the 28th Annual General Meeting of Intereuropa d.d., in which the shareholders were informed on the 2014 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 2014, resolved on the appropriation of accumulated profit, and appointed the certified auditors for the year 2015. The General Meeting recalled the Supervisory Board member Mr Igor Mihajlović, and appointed Mr Jure Fišer as a new member of the Supervisory Board.

July

- The Supervisory Board of Intereuropa d.d. unanimously appointed Klemen Boštjančič as Supervisory Board President in the session held on 1 July.
- In the same session, the Supervisory Board was informed by the consultant of the Intereuropa Share Sellers' Consortium that a binding offer was received from Tuffieh Fund in the course of the sales procedure.

August

- On 28 August, the closing event on technical presentation of the 'Competence Centre for Logistics' was held at Bernardin. The project in which 16 enterprises - competitors from logistics industry were taking part lasted two years. Logistics providers liaised in order to achieve a higher level of qualification of employees implementing comprehensive logistics services, and to enhance the competitiveness of enterprises involved in this project.
- In its session held on 31 August, the Supervisory Board of Intereuropa d.d. was informed on the unaudited report for the Intereuropa Group in the term January-June 2015, in which the Intereuropa Group generated € 66.3 million of sales revenue and a net profit at € 0.2 million.

September

- Intereuropa has been a partner of the corporation Celje Fair Ltd. (Celjski sejem d. d.) for many years, involved as the official logistics provider for the exhibition. The Group presented its comprehensive range of logistics at own presentation stand at the international fair.
- Intereuropa acquired a new business - storage of pharmaceuticals for a well-known pharmaceutical company. To accommodate that complex business, a part of the warehouse at Logatec was reconstructed and the first shipment was accepted in September.

EVENTS AFTER THE CLOSING OF THE PERIOD

- On 15 October, the management and officers of the Intereuropa Group gathered at the annual conference to discuss the strategic guidelines and plan baselines for the financial year 2016.
- Intereuropa was chosen as the logistics provider for the renowned carmaker Daimler-Benz, who will be shipping its automobiles via Koper port to the Far East. The first shipment of automobiles bound for China sailed from Koper in the middle of October, shipped by MOL, for which our subsidiary, Interagent, was entrusted with the shipping agency service.

BUSINESS REPORT

1. PERFORMANCE OF INTEREUROPA GROUP

1.1. Sales result

ECONOMIC TRENDS

According to the International Monetary Fund forecast for 2015 published in October, the world economic output is expected to grow by 3.1 percent on average, thereof advanced economies by 2.0 percent, and other economies by 4.0 percent.

After improved economic growth in the first half-year, the short-term Euro Zone ratios of economic activity strengthened in the second half-year, too. The growth was largely driven by exports, whereby the weaker export volume to Russia was compensated by the exports to non-traditional markets. The favourable situation was also attributable to the falling oil prices in one year's term. The on-going prospects of growth for the Euro Zone were further confirmed by the indicators of economic sentiment that point to continuation in the coming months.

Slovenia shared such a sound economic growth in this year, too. The strongest driver was the growing export of goods and output in processing industries, which exceeded the levels of previous year considerably in the first seven months of this year. Exports increased above all to non-EU countries (Serbia, Turkey, Bosnia and Herzegovina, USA, and Switzerland). In addition to growing sales revenue in foreign markets by most of industries, some of them achieved a higher sales turnover in domestic market as well. That was accompanied by improved employment trend and the rising confidence of households, which resulted in gradually higher end-consumption and fuelled the growth of private services.

Croatia expects to record economic growth for the first time in the last six years. A slight improvement of the GDP is envisioned thanks to rising consumption, industrial output and exports. Serbia has strengthened the industrial output after one year of recession and is now facing a slight recovery. The highest growth rates are estimated for Montenegro, Macedonia and Kosovo.

Ukraine, on the contrary, shows no prospects for improvement yet. In the first half-year, it suffered a 20 percent downturn in industrial output, while the Ukrainian currency lost one quarter of its value against the euro in the nine-month term. First signs of recovery cannot be expected earlier than next year in the second half-year.

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

Countries	GDP growth, in %		Inflation, in %		Exports of goods growth, in %		Imports of goods growth, in %	
	2015	2016	2015	2016	2015	2016	2015	2016
EU	1.9	1.9	0.6	1.3	4.4*	4.2*	5.0*	4.2*
Slovenia	2.7	2.3	0.1	1.2	5.3	5.4	5.4	3.8
Croatia	0.8	1.0	0.4	1.3	7.1	7.0	5.7	6.0
BiH	2.0	3.0	1.0	1.6	9.2	7.9	3.7	6.4
Serbia	0.5	1.5	2.5	4.1	8.4	4.8	5.5	3.0
Kosovo	3.2	3.8	-	1.5	-14.6	9.3	-11.4	9.2
Montenegro	3.2	4.9	1.8	1.5	-0.8	2.7	7.7	13.8
Macedonia	3.2	3.2	0.8	1.7	7.7	6.7	7.7	6.5
Albania	2.7	3.4	2.3	2.7	3.7	0.7	3.7	4.9
Ukraine	-9.0	2.0	45.8	12.0	-10.8	5.1	-23.1	5.7

* Eurozone data

SOURCES:
 World Economic Outlook, IMF, October 2015
 Autumn Forecast of Economic Trends 2015, UMAR, September 2015
 Economic Mirror – September 2015, October 2015

SALES REVENUE

Slow improvement in economy has brought a favourable impact on the demand for logistics and transport services, which was felt in the parent company, so far. In Slovenia, we recorded an increase in physical volume of orders processed in many service segments in our Land and Intercontinental Transport Areas. However, the increased volume of orders did not fully reflect on our sales revenue due to tough competition and pressure on our rates. Therefore, we kept on with intensified cost management in the reporting term, in particular with optimizing the execution of domestic transport; for other activities, the focus was on informatisation of operations. In the scope of the latter, we continued launching our IT support to warehouse operations in Slovenia and Croatia; in our Croatian subsidiary, the IT support was enhanced with airfreight services, road transport and customs services. We further launched activities to expand our SAP information solution to subsidiaries in Belgrade, Sarajevo and Podgorica.

In the nine-month term, the Intereuropa Group recorded **€ 99.6 million of sales revenues** from services, which was 6 percent less than a year ago. Improvement was achieved primarily in the sale of sea-freight services (€ 1.6 million up), ca. 9-percent growth on average, the highest in container services. Also, our shipping agency improved the revenues almost by one quarter higher in the Slovenian market. Compared with the same term a year ago, the sales revenue from rail-freight services that fell by € 7.5 million (or nearly 62 percent) has essentially affected the sales result of the Group; the situation in Ukraine, where our subsidiary has been operating in highly unstable economic and political situation for the second year, contributed a great deal to that loss. In part, the lower total sales were attributable to reduced sales revenue from services for car logistics, resulting from decreased physical volume of vehicles handled, and from changed type of business. Of other services, there was a 9-percent rise in the sales revenue from airfreight services (Intercontinental transport) and an 11-percent growth of revenues from domestic transport services (Land Transport).

Table 2: Sales revenue of the Intereuropa Group by business area, in 1000 €

Business area	Jan - Sep 2015	Structure	Index 2015/plan	Index 2015/2014
1 Land transport	56,657	57%	88	90
2 Logistics solutions	12,400	12%	92	96
3 Intercontinental transport	25,658	26%	98	100
4 Other services	4,861	5%	103	99
TOTAL SALES REVENUE	99,577	100%	91	94

The target sales revenue for the reporting term was not achieved. The major part of setback was recorded in the sale of rail-freight services in our Ukrainian subsidiary, and a part in the car logistics services: only 60 percent of the planned sales revenue were achieved.

The companies in Slovenia operated on the level of last year, with the sales revenue representing two thirds of total revenue of the Group. Sales growth was also achieved in all our subsidiaries except in Croatia, Ukraine and Macedonia.

Table 3: Sales revenue of Intereuropa Group by countries (by companies' head office) in 1000 €

Geographical area (by companies' head office)		Jan - Sep 2015	Structure	Index 2015/plan	Index 2015/2014
1	Slovenia	66,352	67%	100	100
2	Croatia	15,390	15%	91	96
3	Bosnia & Herzegovina	4,445	4%	105	105
4	Serbia	3,001	3%	106	112
5	Macedonia	986	1%	73	80
6	Kosovo	1,822	2%	110	120
7	Montenegro	3,729	4%	104	108
8	Albania	454	0%	106	115
9	Ukraine	3,399	3%	29	31
TOTAL SALES REVENUE		99,577	100%	91	94
1	EU countries	81,742	82%	98	100
2	Non-EU countries	17,835	18%	69	73

The structure of Intereuropa customers by size, branch of industry and geographical presence is quite dispersed. In the reporting term, we recorded a slightly higher share in customers based in the European Union (77 percent) on account of improved sales to Slovenian and German customers, compared to the share of customers based in the countries of former Yugoslavia (excluding Slovenia and Croatia) that remained unchanged at 12 percent.

Table 4: Sales revenue of the Intereuropa Group by countries (by customers' head office), in 1000 €

Geographical area (by customers' head office)		Jan - Sep 2015	Structure	Index 2015/2014
1	Slovenia	40,788	41%	103
2	Croatia	13,356	13%	96
3	Ukraine	1,612	2%	26
4	Austria	4,922	5%	86
5	Bosnia & Herzegovina	4,104	4%	96
6	Germany	4,253	4%	113
7	Other countries	30,542	31%	92
7a	Other EU countries	13,558	14%	82
7b	Other countries	16,985	17%	103
TOTAL SALES REVENUE		99,577	100%	94

Land transport

The services from Land Transport Area generated a sales revenue of € 56.7 million in the reporting term, which represented 57 percent in the sales structure of the Intereuropa Group. The highest share was generated by the Parent Company that contributed 60 percent of total sales revenues from the services of this area, and the Zagreb-based subsidiary added 20 percent.

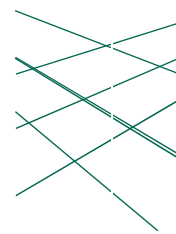
Compared with the same term 2014, the sales revenue was 10 percent lower. That decrease was mainly attributable to the loss of operating revenues from Ukraine, due to adverse situation impeding normal operations. The operating revenues of our Ukrainian subsidiary fell by € 7.6 million below the result of the comparable term a year ago, which is difficult to compensate by increasing the sales in other products. The subsidiary in Macedonia recorded less favourable results in road transport services primarily due to the loss of business in the Russian market. On the other hand, the last year's results were exceeded in Slovenia, Bosnia and Herzegovina, Serbia, Montenegro, Kosovo, Albania and Croatia. Our Croatian subsidiary did suffer a loss of sales revenue in all products, but it was able to compensate for it with better sales in domestic transport. Last year's results were surpassed in all our products except in railfreight.

In terms of the plan, we were 12 percent below the sales targets; most of that setback was recorded in our Ukrainian subsidiary in the rail-freight segment. The Parent Company recorded the highest excess over the targets. Decline was recorded also in the Croatian subsidiary (in all products except domestic transport) and in the Macedonian subsidiary (road transport), in addition to the Ukrainian subsidiary which saw a setback of € 8.3 million below the plan. The subsidiary in Serbia reported a slight underachievement too.

In Slovenia, we achieved an increased physical volume of processed orders compared to the same term 2014, which reflected in higher sales revenues from all the products of Land Transport, except from customs services: there we were only one percent below the sales revenues of the same term a year ago. There was a strong competition among the providers of logistics solutions in the market, which reduced our earnings per unit. While we struggle for every single consignment by our marketing activities, we are restricted in the choice of eligible customers in the market owing to ill payment practices: great caution is necessary in acquisition of new business, as well as in doing business with our present customers.

Road transport:

- Road transport has the biggest share in the sales revenue structure (27 percent) among the services offered by the Group, and as high as a 48-percent share among the services in the scope of Land Transport.
- The Group was 3 percent behind the sales plan, but improved the sales revenues by one percent above the comparable term 2014.
- The best results were achieved by the Parent Company in Slovenia, which increased the earnings by 3 percent from newly acquired business. The number of orders processed rose by 5 percent.
- Highest setback behind the plan was recorded by the subsidiaries in Croatia, Macedonia and Ukraine.
- Pressures on prices continued and the resulting reduced sales margins has persisted for quite a long time. We are addressing that issue by active management of suppliers and direct costs.
- In Croatia, the operations based on the IT solution wexVS Road started in July.



- For the next term, we plan to provide the parent company Intereuropa d.d. with information support to the processes linking our suppliers-carriers.

Groupage Services:

- Our sales revenue from services in this product rose by one percent.
- Three quarters of all revenues from groupage services in the Group were generated in Slovenia. The number of orders processed rose by 7 percent, and our sales revenues were 2 percent higher than the comparable term last year.
- Growing sales revenues were recorded in the subsidiaries in Serbia, Bosnia and Herzegovina, Macedonia and Kosovo, as a result of growing quantities of carried goods. These subsidiaries also exceeded their targets.
- The Serbian subsidiary surpassed the last year's results, but remains slightly behind the sales plan.
- On the other hand, the subsidiaries in Croatia, Montenegro and Albania recorded a downturn in the sales and a setback behind the plan.
- On the Group level, we organised training on legal, insurance and financial risks in international road transport, highlighting groupage services. The purpose of staff training was to achieve effective risk management in international road transport.

Customs services:

- The sales revenue in the reporting term was 2 percent higher than in the comparable term a year ago.
- In Slovenia, where one third of all sales revenues from these services are generated in the Group, our sales result was one percent lower than last year, but we exceeded the target volume by 3 percent.
- Croatia saw a downturn of 10 percent, while all other subsidiaries recorded growth of operating revenues over the last year's results and achieved the sales targets.
- Activities on accession of Macedonia and Serbia to the NCTS-system were held.
- Complaint management and elimination of non-compliances in the work process, continued activities as well as preventive and corrective measures are conducted to reduce the cost resulting from operational flaws.
- The IT solution WexVs was also launched to support the Customs Service product in the subsidiary Intereuropa, log. usluge d.o.o. Zagreb.

Domestic Transport¹:

- The sales revenue from Domestic Transport was 11 percent higher than in the comparable term 2014, which was 10 percent above our plan. Growth was achieved in the companies in Slovenia, Croatia, and Bosnia and Herzegovina.
- Our Croatian subsidiary generated the highest share in the sale of this product (59 percent). After last year's decline in the sales revenue, the achieved 16-percent rise in the sales compared with the same term last year reflected a positive trend. One quarter of the total revenue was achieved by the Parent Company in Slovenia; our subsidiaries in Bosnia and Herzegovina made 11 percent and in Serbia 4 percent.
- In Slovenia, we achieved a 1-percent growth of sales revenue and exceeded the sales targets by 11 percent. The number of orders rose by 4 percent.
- All companies in the Group conduct on-going activities on process optimisation, cost management and optimum implementing solutions that will retain the quality of service on the highest level and reduce the cost on the other hand.

¹ The product "Express transport" was renamed as "Domestic transport".

- The design of a new application for the Android information platform is being developed to enable transition from conventional OBC's² to reading with smart telephones.
- In Croatia, intensive preparations are held for the launch of WexVs information solution to the products Domestic transport and Groupage Services.

Railway Transport:

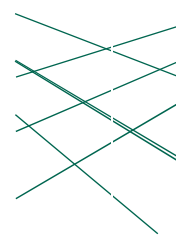
- The volume of services in our Rail Transport fell considerably below the sales target (64 percent) and was 62 percent lower than in the comparable term 2014.
- The result for this product was affected by unstable conditions in Ukraine and consequently, in our subsidiary TEK ZTS, Uzhgorod. Despite decreased sales revenue, the subsidiary contributed 59 percent of total sales revenue in rail transport services.
- A lower sales revenue was also recorded by the company Intereuropa-FLG d.o.o. in Ljubljana, which is also operating mainly in railfreight segment.
- The Parent Company in Slovenia achieved one percent lower sales revenue than a year ago, but it outstripped the sales objectives by 26 percent.
- In November, Intereuropa-FLG d.o.o. will cooperate with us in the organization of internal training for employees of Intereuropa d.d. regarding the specific features of the execution and sales of railfreight services.

The unstable political situation in Ukraine was strongly felt in the sales of services of the Land Transport Area in the reporting term. The revenue of the company now represents only 6 percent of all sales revenues from our Land Transport services, whilst a few years ago, the subsidiary in Ukraine was generating as many as 20 percent of all sales revenues, primarily with the railfreight product. The subsidiary in Croatia is still amidst aligning its business to new situation after the EU-accession of Croatia. Our company is subject to increasing pressures on prices, which are mostly felt in our products Road Transport and Domestic Transport, which has a low profitability. This year, it will be hardly possible for us to make good for the loss of income in these two subsidiaries, chiefly in the Ukrainian one.

The demand for transport and logistics has strengthened in the market, which has brought about a rising volume of orders and physical volume of operations. However, our customers' pressure on reducing their cost of logistics and increasing competition push the margins down. It has become difficult to compete in international tenders and the earning is getting lower from tender to tender. That compels us to an on-going streamlining of our operations on the one hand, and to continual presence in the market, with blanket coverage, in order to struggle for every shipment. We have witnessed ill payment practices on a large scale and financial difficulties of large and small businesses, and need to be cautious in acquiring new business.

Informatisation of operations is prerequisite for us to be able to cope with the conditions in the logistics market: it can take the administrative work away from us and satisfy the need for consignment traceability, as well as meet increasing requirements for numerous indicators of the quality of service that our customers expect from us. At present, the new IT solution is being introduced to our Croatian subsidiary. The solution is already used in two products of our Land Transport Area: road transport and customs services. In the next term, we plan to introduce the IT solution to the products Groupage and Domestic Transport. That will allow for better supervision over the provision of services; combined with enhanced traceability of consignments, it further improves the quality of our service. Preparatory activities to expand the information solution to other subsidiaries of the Group are conducted.

² On-Board Computer



We will continue with our on-going activities towards higher cost efficiency and operation streamlining, as well as the activities aiming to increase the sales revenue, in the last quarter of this year. Furthermore, we will keep on maintaining a high quality level of our service, which is a prerequisite for success in the market.

Logistics solutions

In the reporting nine months, we earned a sales revenue of € 12.4 million in this business area, which stands for 12 percent in the sales revenue structure of the Group. The sales revenue was 4 percent lower than in the comparable term a year ago, and 8 percent behind the plan. Our key markets have not perceived any essential improvement yet. The volume of operations and inventories of goods kept by our customers remained on relatively low levels.

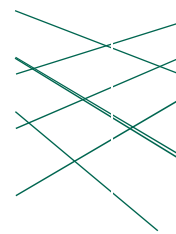
In Slovenia, which is our key market representing 65 percent of the sale of logistics solutions, we exceeded the last year's results but remained 3 percent behind the plan. Underachievement was also recorded in other subsidiaries of the Group with storage facilities: Croatia saw the highest setback behind the planned goals: 20 percent.

Croatian market is second in size in the Logistics Solutions Area: after Croatia's accession to the EU, there were some changes in logistics concepts and accordingly, many activities thereunder focused on filling up their storage capacities and acquiring new business with a higher benefit.

In addition to commercial activities, we continued with implementation of integral IT support to warehouse operations in Croatia and Slovenia.

Warehousing and distribution services:

- The sales revenue from storage services in the reporting nine months was € 11.3 million, representing 11 percent in the sales structure of the Group. We recorded a 1-percent rise over the achievement of the comparable term 2014, but a 4-percent setback behind the plan. Montenegro recorded the worst underachievement (-22 percent) of the plan. In Slovenia, the sales revenue rose 5 percent and the target was achieved.
- The sales revenue from Distribution services in the reporting term was € 1.1 million, representing ca. one percent in the sales structure of the Intereuropa Group.
- We finished with refurbishment of warehouse in Logatec for the needs of a new customer dealing in pharmaceuticals, and the first shipment of pharmaceuticals was warehoused.
- Our warehouse in Vrtojba was equipped with new racks for the needs of a new customer.
- In Croatia, we acquired a new major customer and filled the storage capacities in Varaždin.
- A new warehouse with capacity of 1,000 qm (m²) was completed in Sarajevo for a known customer dealing in fruit and vegetables.
- Our future core activities will focus on acquiring new logistics projects to fill the unoccupied storage capacities in Slovenia and in particular in Croatia, and introducing information support for the needs of logistics solutions in Slovenia and Croatia.



Intercontinental transport

The sales revenues in our products of the Intercontinental Transport Area came to € 25.7 million. The share of revenues from the products of Intercontinental Transport in the sales structure of the Group rose from 24 percent last year to 26 percent.

The sales results were improved in all our products except in car logistics, where a key customer rerouted a part of vehicles to Italian ports, which brought to a loss of physical volume of vehicles handled in the third quarter of the year. However, we have won a new major business in car logistics for handling the Mercedes vehicles via Koper, which was launched at end of September. The growth of sales result was highest in container transport, conventional sea-freight and in shipping agency. The rising turnover in our shipping agency product has derived from our successful representation of a container ship operator in Koper and in Rijeka.

Extremely low levels of sea-freight rates persisted in the third quarter of the year as a result of oversized vacant capacities of ship operators and of a decline in demand for overseas shipping, primarily from Asia. At Intereuropa, we responded to aggravated circumstances and started a business with an LCL operator for key import shipping lines, and strengthened our cooperation with partner network regarding purchasing conditions.

Sea-Freight:

- The sea-freight and shipping agency segments combined represented 20 percent of the Group's sales revenue in the reporting term (17 percent last year). The revenue achieved was € 19.9 million. More than 90 percent of the sales turnover was generated in the Slovenian market.
- We surpassed the targets by 8 percent and recorded a growth of 10 percent above the figure a year ago. Growth in the sales revenue has been recorded in all our major markets.
- In conventional shipping, we achieved a sales revenue of € 8.5 million and exceeded the targets by 7 percent. Better results were achieved in handling fresh fruit and vegetables (with a major new customer). We also recorded an increased number of despatches of phosphates, alumina etc. by our key customers.
- Significantly better revenues than in 2014 were achieved in other container transport products (full and consolidated containers), higher by 12 percent. With the sales revenue at € 10.2 million, we also surpassed the targets by 5 percent. Growth was achieved in the key Slovenian market and in the markets of Serbia, Montenegro and Macedonia. Notable improvement was seen in exports via Adriatic ports. In container consolidation services, we reached an agreement with a partner for joint use of as many as 13 direct consolidation lines from the Far East.
- In the RO-RO product, we achieved a 2-percent growth of sales revenue and exceeded the plan by 24 percent. Synergies in uniting the Departments of RO-RO and car logistics were beneficial for some newly acquired businesses that demand a combined approach and competences.
- Our shipping agency was performing much better than expected, the plan baselines were outstripped by 74 percent. Growth has been generated in Slovenia, which is our key market. Our shipping agency product has been successfully developing in Croatia, too, by representing a container operator in Rijeka. In the last quarter of this year, we will start representing a car-shipping operator in Koper, who has established a regular weekly service for the Far East.

- Forecasts by the year-end are quite optimistic, despite current situations globally. We expect to be performing in accordance with the goals set for 2015 for the sea-freight products and the shipping agency.

Car logistics:

- In this product, we recorded a 13-percent growth of physical volume of vehicles processed in the first half-year, but we were faced with a decline in the volume of vehicles handled in the third quarter after our key customer decided to reroute a part of automobiles in import to an Italian port. Compared with the year ago, we recorded a 5-percent decline in the physical volume of vehicles.
- At the end of the reporting term, we succeeded in winning a new major business in car logistics for Mercedes automobiles in export bound for the Far East, which is expected to greatly increase the physical volume of operations and our income from car logistics.
- The results of the three-quarter term are below the sales target. We achieved a sales turnover of € 3.1 million, but remained 40 percent below the plans. The decline is attributable to the structure of business that does not include the transportation of vehicles on land as well. Better results are expected by the year-end thanks to the newly acquired business.
- We are involved in new negotiations on import and export business for handling vehicles via Koper port for the markets in the Mediterranean and eastwards that could be realized next year.

Airfreight:

- In this segment, we achieved € 2.7 million of sales revenues and an increase of revenues by 9 percent. We surpassed the targets by 3 percent.
- Significant growth was achieved in the markets of Slovenia, Croatia, Serbia and Kosovo.
- In the latter market, we have been providing logistics for the German Army; in Croatia, we recorded more one-off businesses, and in Serbia, we represented several charter flights in export via Belgrade and Niš airports. New additional businesses were agreed for the last quarter of the year, too.
- An agreement for commercial representation in the markets of former Yugoslavia was negotiated with some regional air carriers.
- We expect an increase in revenue by the year-end, given that it is usually the high season for airfreight, and thereby we envision achieving our planned objectives for this financial year.

1.2. Financial result

Tables 5 and 6: Financial results of the Intereuropa Group for the period January – September 2015, in 1000 €

Item / Index	Jan - Sep 2015	Jan - Sep Plan 2015	Jan - Sep 2014	Index 2015/plan	Index 2015/2014
Sales revenue	99,577	108,987	106,435	91	94
EBITDA*	8,541	9,827	9,238	87	92
Operating profit or loss	3,668	4,723	4,175	78	88
Financing profit or loss	-2,667	-2,502	-3,643	-	-
Net profit or loss	662	1,703	351	39	189
EBIT margin in %	3.7%	4.3%	3.9%	85	94
Sales revenue per employee/month	8.075	8.761	8.482	92	95
Value added per employee/month	2.213	2.310	2.231	96	99

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

Item / Index	30.9. 2015	31.12. 2014	Index 2015/2014
Balance sheet total	293,651	295,246	99
Equity	148,056	147,638	100
Net debt*	82,987	87,574	95
Short-term assets/ Short-term liabilities	1.63	1.60	102
Net Return On Equity (yearly level)**	0.69%	0.46%	150

* financial liabilities – loans and deposits given - cash

** average equity of the report. period and adjustment of net profit/loss due to negative exchange rate differences and profit from sale of fixed assets

Operating Profit or Loss, and EBITDA

→ The underachievement of the operating profit planned for the reporting nine months was largely attributable to lower sales revenue and to other unforeseen operating expenses for the provisions for lawsuits in the Parent Company, amounting to € 0.48 million.

Financing Profit or Loss

→ The negative Financing Profit/ Loss was attributable to net interest expenses and to foreign exchange losses at € 0.5 million that were not envisioned (mostly arising from the value decrease of Ukrainian currency). The latter were also the ground for underachievement of the planned financing result.

Net profit / loss

→ The profit/loss from ordinary activities was reduced by the accrued and deferred corporate income tax. The resulting Net Profit was € 0.66 million.

Structure of Statement of Financial Position

→ The current ratio came to 1.63 and was slightly higher than in the preceding term; the same applies to the share of capital in the balance sheet total.

1.3. Investments in fixed assets

In the nine months 2015, the **investments in fixed assets** realized by the Intereuropa Group totalled **€ 1,790 thousand**, thereof 881 thousand in real estate and 909 thousand in plant /equipment and intangible assets. The annual plan of investments was completed to the level of 36 percent.

Table 7: Overview of investment in the period January – September 2015, in 1000 €

Company	Real property		Plant & Equipment, Intangible assets		TOTAL		% of annual realiz.
	Jan - Sep 2015	Plan 2015	Jan - Sep 2015	Plan 2015	Jan - Sep 2015	Plan 2015	
Intereuropa d.d.	621	1,145	617	1,054	1,237	2,200	56
Subsidiaries	260	979	293	1,815	553	2,794	20
TOTAL	881	2,125	909	2,869	1,790	4,994	36

The investments of the Parent Company Intereuropa d.d. were made in real estate, equipment and intangible assets (€ 1,237 thousand); other members of the Group invested € 553 thousand in fixed assets. The largest investment in the reporting term was the reconstruction of warehouse in Logatec for the needs of our key customer.

The invested funds were earmarked to:

- buildings and fittings/ equipment (€ 1,398 thousand),
- computer hardware and software (€ 238 thousand),
- repairs and purchases of motor vehicles (€ 154 thousand).

1.4. Risk Management

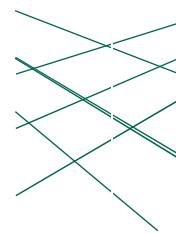
The central goal in risk management is to effectively address and reduce uncertainty in the Company and thereby assure higher operating performance and retain the competitive advantages of the Company.

There are 46 types of risk identified in the company Intereuropa d.d., thereof 6 key risks. This year, the highest exposure of Intereuropa was to the sales risk of downward pricing pressure and to credit risk. We perceive that our exposure to risks is decreasing due to the measures undertaken by our Company, as well as resulting from slightly improved economic trends in our country. Our activities remain focused on marketing, collection of receivables and modernization of business processes, relying on information support.

Our greatest attention is dedicated to manage the sales risk. Downward pressure on prices and a decreased demand represent slightly lower risks than last year. We continue adapting to the needs of our customers, mainly by offering additional services and meeting the expected price levels. Most of our sales activities are focused on acquiring new customers and thereby increasing the productivity in our employees and on the utilisation rate of our logistics facilities. Thanks to efficient execution of all marketing activities, we managed to close the nine months' term above the targets and in line with our expectations for the sales. In response to increasing price sensitivity in our customers, our internal process streamlining and cost management are very important, in particular in the area of warehousing where the fixed costs are the highest. On the Group level, we are consistently implementing the sales strategy in which we highlight the approach of keeping up with development of our current customers and winning new customers.

The exposure to credit risk has remained on the level of acceptable risk. Our activities are directed to collection of receivables, which is very difficult to achieve in the face of concurrent pressure to expand, or at least maintain the sales volume. Observance of the limits for our exposure to certain customers is of key importance. We manage and reduce the credit and liquidity risks by daily control of working capital and exposure to individual customers. The Managing Board controls its financial condition and exposure to certain customers on a regular basis.

In the third quarter of this year, Intereuropa d.d. has effectively managed the sales risks and maintained the exposure level to financial risks. With the measures adopted and the activities in implementation, we envision to maintain the exposure of the Company to risks on an acceptable level, as well as to achieve the planned results by the year-end.



1.5. Human Resources Management

EMPLOYMENT TRENDS

In the term January – September, the number of employees in the Group decreased by 5 employees compared with the year-end 2014, and came to 1,420 as at 30.9.2015. At the beginning of the year, 67 employees terminated their employment and 63 employees were newly recruited, mainly to substitute those who left and due to increased volume of work.

Tabela 8: No. of employees in the Intereuropa Group according to countries, as of 30.9.2015

	30.9.2015	31.12.2014	Difference 15-14	Indeks 2015/2014
Slovenia	641	637	4	101
Croatia	310	305	5	102
Bosnia & Herzegovina	132	137	-5	96
Serbia	101	103	-2	98
Macedonia	33	35	-2	94
Kosovo	28	27	1	104
Montenegro	131	133	-2	98
Albania	2	2	0	100
Ukraine	42	46	-4	91
TOTAL	1,420	1,425	-5	100

Additional 10 percent of the workforce, or 146 employees, were hired through HR agencies and students' job centres.

DEVELOPMENT, EDUCATION AND TRAINING

In accordance with the strategic guidelines of the Group, there were 10,272 hours of training (compared with 8,900 hours in the nine months 2014), or 7 hours per employee dedicated to the scheme of acquiring key branch-specific competences in logistics in the reporting term. In terms of money, there were € 45 thousand (of € 67 thousand planned for the period) spent on acquiring new skills, thereof € 26 thousand in the Slovenian part of the Group.

More than one half of training forms (53 percent) in the Group was performed by internal specialists who also contributed to knowledge transfer to our subsidiaries. The training forms included:

- training forms on the WexVS IT solution and automatization in the logistics process in the Parent Company and in the subsidiary in Zagreb;
- Executive Director and Product Managers from the Parent Company transferred their know-how on marketing and sales to 24 sales persons and executives from our subsidiaries in a workshop held in Croatia;
- 17 percent of staff members in charge of the organization of international transport in our subsidiaries exchanged good business practices and experience in a two-day workshop in the Parent Company;
- workshops on IT support (SAP) in accounting and finance, in the Intereuropa subsidiaries in BiH, Serbia and Montenegro.
- training for users of electronic interchange of outgoing invoices – EBA in the Parent Company (60 employees)
- As usually, the biggest share in the structure of internal training forms is dedicated to occupational Health and Safety.

In the scope of providing new knowledge to employees, there are some other events worth mentioning:

- Workshops for effective conducting of developmental annual interviews with employees, attended by 76 executives from the Slovenian part of the Group;
- Two-day workshop for sales staff (25 employees from the Parent Company);
- Conference by the Centre of Competence for HR development upon completion of a nearly three-year project, in which the achievements of the project and future challenges for logistics provider were presented.

According to the substance, the training forms on occupational safety and health (47 percent), on logistics (18 percent), on IT support to logistics process (13 percent), and on sales skills (12 percent) held the biggest share in the training scheme of the Group.

HEALTH PROTECTION

Project Promoting Occupational Health in the Workplace

The activities implemented within the "Health Promotion Plan" in the reporting term were dedicated to our concern for health and well-being in the workplace:

- Organised physical exercises were held in the scope of a project of the Institute of Occupational Safety (ZVD), in which the participating groups were tested for their motoric and muscular capacities to find the effect of exercising on the improvement of motoric system (Koper, Ljubljana, Celje). The ZVD Institute published the findings of testing in informative folders and disseminated them to employees;
- ten-minute active breaks with exercises in small groups, led by individual staff members separately by departments;
- Organised recreation in fitness, gym and swimming pools, funded by the Company.

Health and Fire Safety

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

- We referred 194 employees to preventive preliminary, periodical, and target medical check-ups (thereof 76 employees in the Parent Company).
- With a variety of preventive measures in health protection of our employees, the sickness absenteeism is maintained within a manageable scope (4.24 percent in the reporting nine months).
- Particular attention was dedicated to providing sufficient control over fire safety and precautions.
- Regular inspections of facilities, work environment, active and passive fire-fighting equipment (fire extinguishers and hydrant network, fire detectors, domed smoke and heat vents/exhausts, automatic fire-proof doors, etc.) were conducted in the scope of fire safety and prevention.
- We were involved in acquiring the documentation necessary for the preparation of the warehouse at Logatec for the pharmaceuticals to be stored, to comply with occupational health and safety and with fire safety requirements.
- In individual organizational units in Slovenia, 2,144 sets of different working assets/equipment were examined and tested, or 2,201 sets in the whole Group, respectively.
- There were 17 injured (thereof 11 in the Slovenian part of the Group) in accidents at work on the level of the Group.

1.6. Total Quality Management

Three companies of the Intereuropa Group (out of twelve operating companies) 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). External Renewal Audit of the Quality Management System was conducted in Intereuropa d.d. and in the subsidiary Intereuropa, log. usluge d.o.o. Zagreb.

Maintaining the ISO 9001:2008 Quality Management System

- Yearly reports on the quality management system (QMS) were prepared for the year 2014 and for the first half-year 2015.
- The Parent Company issued the fourth edition of the Quality Management System Manual for the company Intereuropa d.d.
- User manual and work instructions for the IT solution Wex Vs are being updated.

Internal auditing of service quality

- We did not conduct any internal process audit in Intereuropa d.d. this year, only the Croatian subsidiary Intereuropa log. usluge d.o.o. Zagreb had one in May.

Quality control by QM indicators

- The number of complaints in Intereuropa d.d. rose by 13 percent, however, the value under complaints almost doubled, on account of some complaints addressed to transport services provided by our sub-contractors. The compensation for complaints in the reporting term amounted to € 72 thousand.

Table 9: Complaints, claims and approved value in Intereuropa d.d. for the period January – September 2015

No. of complaints	Index 15/14	No. of claims	Value in 1000 €	Index 15/14	Approved Value in 1000 €	Index 15/14
342	113	230	207	187	72	238

External quality of service audit by the certification authority

- **Intereuropa d.d.** - the renewal audit was the eighteenth in sequence. The audit was conducted in the following organizational units: Managing Board, Management of Forwarding and Logistics, Department for Real Estate Management and Central Purchasing, BU Koper, Brnik, Celje and Jesenice with local office in Kranj, and BU Ljubljana with local office Logatec.

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 24 recommendations for improvement. Report on the measures implemented based on the recommendations was sent to the certification body in three months' time.

- **Intereuropa, logističke usluge d.o.o., Zagreb** – The audit was the first ordinary or the fifth in sequence since the company certifies its QM system on its own. It was carried out in Zagreb, Samobor and Rijeka. Non-compliance was not found, but eight recommendations for improvement were given.
- **Intereuropa RTC d.d. Sarajevo** – Audit is scheduled for the last quarter of the year. It will be the second ordinary, or the ninth audit in sequence.

1.7. Share IEKG and ownership structure

KEY DATA ON SHARE

Table 10: Key Data on Intereuropa Share (IEKG) for the period January – September 2015

	Jan - Sep 2015	Jan - Dec 2014
No. of shares*	27,488,803	27,488,803
No. of preference shares IEKN*	10,657,965	10,657,965
No. of ordinary shares IEKG*	16,830,838	16,830,838
of which no. of treasury shares*	18,135	18,135
Share book value in €*	3.56	3.52
Earnings per share in €	0.04	0.01
Market capitalisation in € thousand*	10,031	19,911
Trading volume in € thousand	440	2,113
Closing price in €	0.60	1.18
Weighted average price in €	1.04	1.39
Highest price in €	1.27	1.78
Lowest price in €	0.60	0.44
P/E	11.3	118.0
Capital gain	-49.6%	168.9%

* 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

This year, trading in shares on the Ljubljana Stock Exchange was more stable than last year: the turnover almost halved compared with the same term 2014. The worst decline was recorded in the third quarter of the year. The trading in IEKG shares was considerably weaker than a year ago. After the share price fell below the level of 1 euro in the second quarter, it was sliding during the third quarter and ended at € 0.60 as at 30 September. It lost 49.6 percent in nine months, while the Slovenian Stock Exchange Index (SBITOP Index) recorded a 14.8 percent fall. The market capitalization of IEKG closed the reporting term at € 10.0 million, which stands for 0.2 percentage points of the market capitalization of all shares on the Ljubljana SE.

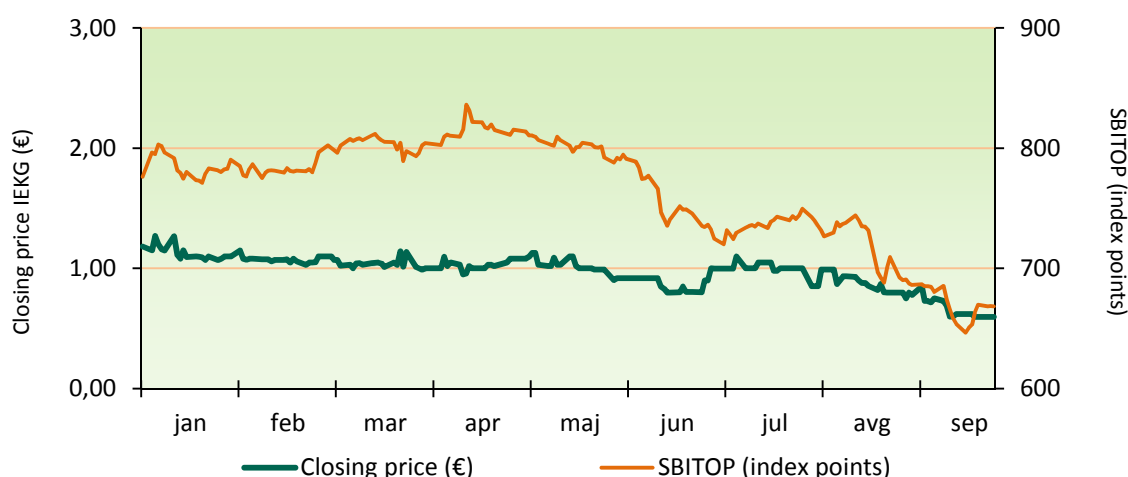


Figure 2: Closing prices of IEKG share and SBITOP index in the period January – September 2015

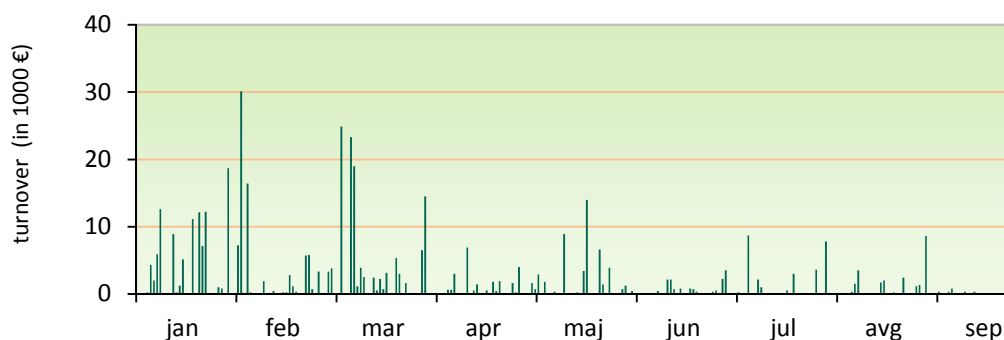


Figure 3: Trading volume of IEKG share in the period January – September 2015

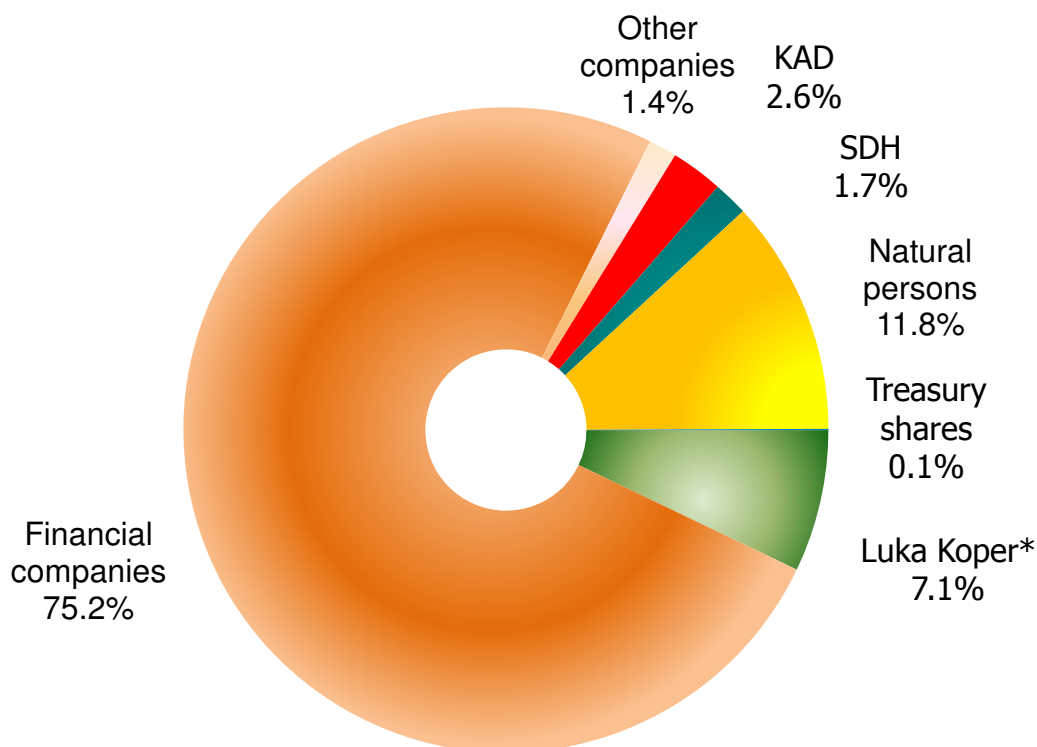
OWNERSHIP STRUCTURE

There were no major changes in the ownership structure in this term. The top ten shareholders still held 81.9 percent in the Company, as their shareholdings have not changed.

Table 11: Top ten shareholders of Intereuropa d.d. as of 30.9.2015 compared to 31.12.2014

Shareholder	30.9.2015		31.12.2014		Index 15 /14
	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. Nova KBM 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

At the end of September, there were 5,106 shareholders entered in the Share Register, or 1.8 percent fewer shareholders than at the year-end 2014; foreign investors held 0.6 percent.



* 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 30.9.2015

The Company's share capital consists of 16,830,838 ordinary (IEKG) and 10,657,965 preference (IEKN) shares. In the Annual General Meeting held in June, the shareholders exercised the voting rights arising from those shares for the first time. Of the entire number of shares 27,488,803, the voting right was vested in 27,470,668 shares or 99.93 percent of all shares in the General Meeting. Only treasury shares had no voting rights.

SHARE OWNERSHIP BY THE MANAGEMENT AND SUPERVISORY BOARD MEMBERS

The Management Board President Ernest Gortan, and Deputy President Tatjana Vošinek Pucer did not own any Intereuropa shares on 30.9.2015.

Table 12: Shares held by Supervisory Board members, as of 30.9.2015

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 30.9.2015, 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

As of 30 September 2015, the Company has no authorized capital.

DIVIDEND

Intereuropa d.d. does not plan to pay any dividend in the year 2015.

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 13 and 14: Operations of Intereuropa d.d. in the period January – September 2015, in 1000 €

Item / Index	Jan - Sep 2015	Jan - Sep Plan 2015	Jan - Sep 2014	Index 2015/plan	Index 2015/2014
Sales revenue	67,916	67,861	67,598	100	100
Land transport	33,920	33,071	33,210	103	102
Logistic solutions	8,119	8,344	8,006	97	101
Intercontinental transport	22,527	23,076	22,808	98	99
Other services	3,350	3,370	3,574	99	94
EBITDA*	5,517	5,810	5,731	95	96
Operating profit or loss	2,575	2,861	2,788	90	92
Financing profit or loss	-1,192	-1,384	-1,649	-	-
Net profit or loss	1,120	1,239	1,018	90	110
EBIT margin in %	3.8%	4.2%	4.1%	90	92
Sales revenue per employee/month	12.452	12.412	12.330	100	101
Value added per employee/month	3.175	3.187	3.151	100	101

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

Item / Index	30.9. 2015	31.12. 2014	Index 2015/2014
Balance sheet total	227,938	228,976	100
Equity	97,859	96,753	101
Net debt*	82,221	86,056	96
Short-term assets/ Short-term liabilities	1.61	1.57	102
Net Return on Equity (yearly level)**	1.22%	0.98%	124

* financial liabilities – loans and deposits given - cash

** average equity (capital) of the report. period and adjustment of net profit/loss due to income from intra-group participations and profit from sale of fixed assets

Operating Profit or Loss, and EBITDA

→ The sales revenue was better than planned; however, due to slightly changed structure of sales revenues by product, the share of direct costs has decreased minimally. The underachievement of the operating profit planned for the reporting term was largely attributable to other unforeseen operating expenses - the provisions for lawsuits in the amount of € 0.48 million.

Financing Profit or Loss

→ The Financing profit or loss was negative: net interest expenses as the major impact on the negative side, and the revenues from shares in Group members on the positive side.

Net profit / loss

→ The profit/loss from ordinary activities was reduced by the accrued and deferred corporate income tax. The resulting Net Profit was € 1.1 million.

Structure of Statement of Financial Position

→ The current ratio came to 1.61 and was slightly higher than in the preceding term; the same applies to the share of capital in the balance sheet total of the Company.

ACCOUNTING REPORT

The unaudited financial statements of the Parent Company and the consolidated financial statements for the Group are prepared in accordance with the law and the International Financial Reporting Standards (IFRS) as adopted by the EU.

The same accounting guidelines were applied in the consolidated financial statements as in those of the Parent Company, as indicated in the Accounting Report for the financial year 2014. In the Statement of Financial Position and in the Statement of Cash Flows we have presented separately the item Other current assets that were in previous statements included in short-term receivables, and we adjusted the comparable data.

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 31 December 2014, except in the estimated contingent liabilities of the Group. 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-Ukraine, 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 1.1.2015 to 30.9.2015

in 1000 €	January - September 2015	January - September 2014
Sales revenues	99,577	106,435
Other operating revenues	1,182	1,609
Costs of goods, material and services	-70,653	-77,601
Labour costs	-18,749	-18,759
Write-downs in value	-5,862	-6,318
Other operating expenses	-1,827	-1,191
Operating profit/loss	3,668	4,175
Financial income	287	494
Financial expenses	-2,954	-4,137
Profit/loss from financial operations	-2,667	-3,643
Result recognized according to equity method	33	31
Profit/loss from regular operations	1,034	563
Corporate income tax (with deferred tax)	-372	-212
Net profit /loss for the period	662	351
Net profit or loss / non-controlling interest	207	203
Net profit or loss / controlling interest	455	148

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR INTEREUROPA GROUP from 1.1.2015 to 30.9.2015

in 1000 €	January - September 2015	January - September 2014
Net profit or loss	662	351
Other Comprehensive Income	346	-337
Items to be reclassified to profit/loss	358	-20
Change in fair value of financial assets available for sale	25	123
Deferred tax in revaluation surplus of financial assets for sale	-4	-21
Exchange rate translation differences	337	-122
Items not to be reclassified to profit/loss	-12	-317
Deferred tax in revaluation surplus of land	0	-192
Other changes	-12	-125
Comprehensive income total	1,008	14
Comprehensive income total - non-controlling part	205	76
Comprehensive income total - controlling part	459	-698

CONSOLIDATED STATEMENT OF FINANCIAL POSITION FOR INTEREUROPA GROUP as at 30.9.2015

in 1000 €	30.9.2015	31.12.2014
ASSETS		
Tangible fixed assets	206,969	209,989
Investment property	11,345	11,565
Intangible assets	6,470	6,698
Other non-current assets	72	105
Long-term operating receivables	44	0
Deferred tax assets	16,739	16,937
Long-term loans given and deposits	71	44
Investment in a jointly controlled company	134	141
Other financial investments	1,528	1,559
TOTAL NON-CURRENT ASSETS	243,372	247,038
Inventories	235	249
Short-term loans given, deposits and certificates of deposits	8,501	9,180
Short-term operating receivables	32,359	31,460
Short-term income tax receivables	73	191
Cash and cash equivalents	8,459	6,757
Other short-term assets	652	371
TOTAL CURRENT ASSETS	50,279	48,208
TOTAL ASSETS	293,651	295,246
EQUITY		
Equity - controlling interest	138,881	138,422
Share capital	27,489	27,489
Equity reserves	18,455	18,455
Revenue reserves	4,334	4,302
Revaluation surplus	64,258	64,272
Translation exchange differences	-7,890	-7,917
Transferred net profit/loss	31,780	32,088
Net profit/loss	455	-267
Equity - non-controlling interest	9,175	9,216
TOTAL EQUITY	148,056	147,638
LIABILITIES		
Provisions and long-term deferred revenue	6,096	5,471
Long-term borrowings and financial leases	94,715	98,196
Long-term operating liabilities	448	454
Deferred tax liabilities	13,409	13,396
TOTAL NON-CURRENT LIABILITIES	114,668	117,517
Short-term borrowings and financial leases	4,872	4,950
Other short-term financial liabilities	431	409
Short-term operating liabilities	25,505	24,598
Short-term income tax liabilities	119	134
TOTAL CURRENT LIABILITIES	30,927	30,091
TOTAL LIABILITIES	145,595	147,608
TOTAL CAPITAL AND LIABILITIES	293,651	295,246

CONSOLIDATED STATEMENT OF CASH FLOWS FOR INTEREUROPA GROUP
from 1.1.2015 to 30.9.2015

in 1000 €	January - September 2015	January - September 2014
Cash flows from operating activities		
Net profit/loss for the period	662	351
Adjustments for:		
- Depreciation	4,862	5,059
- Impairment and writedowns of tangible fixed assets and intangible assets	0	4
- Revaluation operating revenues from disposal of tangible fixed assets and investment property	-55	-161
- Revaluation operating expenses from disposal of tangible fixed assets and investment property	11	1
- Impairment and write-offs of receivables	990	1,254
- Non-monetary expenses	686	36
- Non-monetary revenues	-51	-144
- Financial revenues	-287	-494
- Recognized result of joint venture according to equity method	-33	-31
- Financial expenses	2,954	4,137
- Income tax (incl. deferred tax)	372	212
Operating profit before changes in net working capital and taxes	10,112	10,224
Changes in net working capital and provisions		
Changes in receivables	-1,984	-719
Changes in inventories	14	-12
Changes in other short-term assets	-281	-109
Changes in operating liabilities	1,459	-76
Changes in provisions and long-term deferred revenue	-54	-51
Corporate income tax	-61	181
Cash from operating activities	9,205	9,438
Cash flows from investing activities		
Interest income	356	477
Dividends and shares in profit received	8	3
Inflows from disposal of tangible fixed assets	124	201
Inflows from long-term borrowings	0	2
Inflows from decrease of short-term	0	119
Inflows from decrease of short-term deposits and certificates of deposits given	707	1,792
Outflows for acquisition of tangible fixed assets	-2,212	-1,172
Outflows for acquisitions of intangible assets	-215	-225
Outflows for long-term deposits given	-30	-20
Outflows from increase of short-term loans given	-20	0
Other financial outflows	0	-130
Cash from investing activities	-1,282	1,047

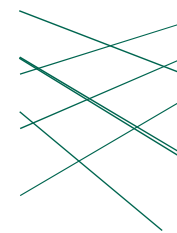
Cash flows from financing activities		
Inflows from long-term borrowings received and financial leasing	36	0
Inflows from increase in short-term borrowings	353	0
Paid interest	-2,471	-2,830
Outflows from repayment of long-term borrowings and financial leases	-3,915	-5,952
Outflows from decrease of short-term borrowings and financial leases	0	-1,374
Paid dividend	-224	-307
Cash from financing activities	-6,221	-10,463
Cash and cash equivalents at beginning of period	6,757	7,126
Exchange rate differences from cash	1	91
Net increase/decrease in cash	1,702	113
Cash and cash equivalents at end of period	8,459	7,239

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR INTEREUROPA GROUP
from 1.1.2015 to 30.9.2015

in 1000 €	Share capital	Equity reserves	REVENUE RESERVES				Revaluation surplus	Translation exchange differences	RETAINED EARNINGS		Equity - controlling interest	Equity - non-controlling interest	Total equity
			Legal reserves	Reserves for treasury shares	Treasury shares (deduct.)	Statutory reserves			Transferred net profit/loss	Net profit/loss for the year			
Opening balance as at 1.1.2015	27,489	18,455	3,976	180	-180	326	64,272	-7,917	32,088	-267	138,422	9,216	147,638
Total comprehensive income	0	0	0	0	0	0	-14	27	-9	455	459	205	664
Net profit/loss	0	0	0	0	0	0	0	0	0	455	455	207	662
Other comprehensive income	0	0	0	0	0	0	-14	27	-9	0	4	-2	2
Transactions with owners													
Transfer of net profit/loss for the previous year to transferred retained earnings	0	0	0	0	0	0	0	0	-267		0	0	0
Payment of dividends or profit participations	0	0	0	0	0	0	0	0	0	0	0	-246	-246
Transfer of retained earnings to reserves	0	0	20	0	0	12	0	0	-32	0	0	0	0
Other changes	0	0	0	0	0	0	0	0	0	0	0	0	0
Closing balance as at 30.9.2015	27,489	18,455	3,996	180	-180	338	64,258	-7,890	31,780	455	138,881	9,175	148,056

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

v 1000 €	Share capital	Equity reserves	Legal reserves	REVENUE RESERVES Reserves for treasury shares	Treasury shares (deduct.)	Statutory reserves	Revaluation surplus	Translation exchange differences	RETAINED EARNINGS Transferred net profit/loss	Net profit/loss for the year	Equity - controlling interest	Equity - non-controlling interest	Total equity
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	0	-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



1.1. Notes to Financial Statements of the Intereuropa Group

a) Notes to the CONSOLIDATED INCOME STATEMENT

The **Sales Revenues** amounted to € 99,577 thousand. The Group also realised € 1,182 thousand of **other operating revenues** that mainly represent the revenues from elimination of allowances for and write-offs of receivables (€ 859 thousand), the remaining part relates to revaluation operating revenues from disposal of items of plant, property and equipment (€ 55 thousand), the revenues from state grants awarded for co-financing of projects and funds obtained from employing disabled persons above the quota (€ 179 thousand), and other revenues (€ 89 thousand).

Costs of goods, material and services

Table 15: Costs of goods, material and services of the Intereuropa Group in the period January - September 2015

in 1000 €	January - September 2015	January - September 2014
Cost of goods and materials sold and costs of materials used	3,048	2,984
Cost of services	67,605	74,617
Direct costs	59,515	66,672
Telephone costs	321	362
Maintenance costs	1,770	1,785
Insurance premiums	554	539
Traning and education costs	43	59
Other costs of services	5,401	5,201
Total	70,653	77,601

The prevailing part of other cost of services stands for the cost of labour hired, rentals/leases, the cost of security and of public utilities.

Labour costs

Table 16: Labour cost of the Intereuropa Group in the period January - September 2015

in 1000 €	January - September 2015	January - September 2014
Wages and salaries	13,723	13,679
Other social security costs	2,786	2,739
Other labour costs:	2,239	2,341
Holiday allowance	581	691
Transport and meals	1,548	1,539
Other labour costs	109	112
Total	18,749	18,759

In the comparable data, we re-allocated (corrected) the amount € 382 thousand within the labour costs in such a way that we increased the cost of wages compared to the data published last year, and decreased the cost of social security.

Write-offs

Table 17: Write-offs of the Intereuropa Group in the period January - September 2015

in 1000 €	January - September 2015	January - September 2014
Amortisation of intangible assets	408	416
Depreciation of property, plant and equipment and investment properties	4,454	4,643
Revaluatory operating expenses of intangible and tangible fixed assets	11	5
Expenses from revaluation adjustments (impairments) and written-off receivables	990	1,254
Total	5,862	6,318

Other operating expenses amounting to € 1,827 thousand primarily relate to the provisions for potential liabilities arising from lawsuit (€ 686 thousand) and to land-use fees and similar expenses (€ 893 thousand).

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

Table 18: The effect of financial revenues and expenses on the profit or loss of the Intereuropa Group in the period January - September 2015

in 1000 €	January - September 2015	January - September 2014
Interest income	271	479
Dividend income and participation in profit of others	8	3
Profit from disposal of financial investments and bills of exchange	8	12
Total financial income	287	494
Interest expenses	-2,471	-2,857
Financial expenses from impairments and written-off financial investments	-14	-397
Net exchange rate differences	-468	-883
Total financial expenses	-2,954	-4,137
Profit/loss from financing activities	-2,667	-3,643

The Group achieved the **Profit or Loss from Ordinary Activities** at € 1,034 thousand, which is further reduced by the effect of assessed and deferred tax expense of € -372 thousand.

The **Net Profit** achieved on the Group level in the reporting term amounted to € 662 thousand, thereof the amount of € 455 thousand for the **controlling part**, and € 207 thousand for the **controlled part**.

b) Notes to the CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Tangible fixed assets

Table 19: Tangible fixed assets of the Intereuropa Group as at 30.9.2015

in 1000 €	30.9.2015	31.12.2014
Land and buildings	201,675	204,979
a) Land	102,881	103,163
b) Buildings	98,794	101,816
Other property, plant and equipment	3,686	4,195
Tangible fixed assets under construction	1,608	815
Total	206,969	209,989

Intangible assets

Table 20: Intangible assets of the Intereuropa Group as at 30.9.2015

in 1000 €	30.9.2015	31.12.2014
Long-term title rights	1,625	1,785
Goodwill	1,275	1,275
Long-term deferred development costs	178	371
Advances given	19	18
Other intangible assets	3,372	3,249
Total	6,470	6,698

On the comparable cut-off date, the already activated long-term deferred development costs relating to the IT solution to support integral logistics services were reallocated to other Intangible assets within the Intangible Assets (in total amount of the item Other Intangible Assets. This year, the re-allocation was made as at 30 June 2015.

Loans given, deposits and certificates of deposit

Table 21: Loans given, deposits and certificates of deposit of the Intereuropa Group as at 30.9.2015

in 1000 €	30.9.2015	31.12.2014
Long-term loans given and deposits	71	44
- Loans given	8	11
- Deposits	63	32
Short-term loans given, deposits and certificates of deposit	8,501	9,180
- Loans and bills of exchange given	86	58
- Deposits and certificates of deposit	8,415	9,122
Total	8,572	9,224

Other financial investments in the amount of € 1,528 thousand stand for the item "Financial assets available for sale".

Short-term operating receivables

Table 22: Short-term operating receivables of the Intereuropa Group as at 30.9.2015

in 1000 €	30.9.2015	31.12.2014
Short-term operating receivables from buyers	29,801	29,242
Short-term operating receivables from others	2,559	2,218
Total	32,359	31,460

Other current assets primarily relate to short-term deferred costs for land use fees and maintenance cost for computer equipment.

Equity

On the Group level, the Equity amounts to € 148,056 thousand and represents 50 percent of the liabilities to sources of funding.

Provisions and long-term deferred revenue

Table 23: Provisions and long-term deferred revenue of the Intereuropa Group as at 30.9.2015

in 1000 €	30.9.2015	31.12.2014
Provisions for employee benefits	1,090	1,128
Provisions on litigations	724	51
Other provisions	4,160	4,160
Long-term deferred income	122	132
Total	6,096	5,471

The **long-term loans received and financial leases** amounted to € 94,715 thousand.

The short-term loans received and financial leases amounted to € 4,872 thousand. All the liabilities due by the Group under loan agreements as at the reporting date were settled.

Other short-term financial liabilities amounted to € 431 thousand and related to liabilities for dividends and other participations.

Short-term operating liabilities

Table 24: Short-term operating liabilities of the Intereuropa Group as at 30.9.2015

in 1000 €	30.9.2015	31.12.2014
Short-term operating liabilities to suppliers	20,617	20,220
Short-term operating liabilities from advances	688	518
Other short-term operating liabilities	4,200	3,860
Total	25,505	24,598

Contingent liabilities

Table 25: Contingent liabilities of the Intereuropa Group as at 30.9.2015

in 1000 €	30.9.2015	31.12.2014
Arising from bank guarantees and guarantees given	16,702	16,412
Arising from legal proceedings	1,984	1,866
From D.S.U., družba za svetovanje in upravljanje	250	250
Other contingent liabilities	105	105
Total	19,041	18,633

Considering the figure published in the Annual Report 2014, the amount of comparable data on contingent liabilities for bank guarantees and warranties was corrected by € 5,166 thousand owing to inclusion of contingent liabilities of the Group, for which the management estimates that the possibility for outflow of resources embodying economic benefits is low.

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 26: Levels of fair values in the Intereuropa Group as at 30.9.2015 and 31.12.2014

in 1000 €	30.9.2015			
	Level 1	Level 2	Level 3	Total
Financial assets, available for sale	1,403	0	125	1,528
	31.12.2014			
	Level 1	Level 2	Level 3	Total
Financial assets, available for sale	1,420	0	139	1,559

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 2015

Table 27: Business segments of the Intereuropa Group in the period January – September 2015

in 1000 €	Slovenia		Croatia		Bosnia & Herzegovina		Serbia		Montenegro	
	Jan-Sep 2015	Jan-Sep 2014	Jan-Sep 2015	Jan-Sep 2014	Jan-Sep 2015	Jan-Sep 2014	Jan-Sep 2015	Jan-Sep 2014	Jan-Sep 2015	Jan-Sep 2014
Revenues from external customers	66,389	66,108	15,390	15,966	4,445	4,233	3,001	2,688	3,729	3,464
Revenues from business with other segments	2,175	2,121	309	249	323	291	464	461	46	111
Total revenues	68,565	68,228	15,699	16,216	4,768	4,524	3,465	3,149	3,775	3,575
Depreciation	2,943	2,943	1,106	1,251	247	249	145	158	328	340
Operating profit or loss	2,703	2,872	-300	-339	250	239	379	394	395	387
Revenues from interest rates	230	425	36	58	0	0	6	7	40	58
Expenses from interest rates	2,295	2,633	37	65	10	10	77	108	0	0
Net profit or loss from ordinary activities	1,550	1,242	-289	-341	240	228	303	211	435	445
Corporate income tax	297	138	-59	-70	25	23	30	38	61	65
Assets	229,780	238,484	58,632	60,509	17,490	17,335	9,795	10,065	22,107	22,224
Tangible fixed assets under construction	831	361	156	83	461	62	99	42	55	63
Long-term assets	192,589	201,099	52,768	54,283	15,728	15,460	8,593	8,817	18,042	18,364
Operating liabilities	35,244	36,236	5,694	5,857	1,711	2,073	1,347	1,387	1,156	1,011
Financial liabilities	97,148	100,852	1,874	2,693	550	37	1,630	2,140	423	429
Investment in jointly controlled entities	75	75	0	0	0	0	0	0	0	0
Revenues from investment in jointly controlled entities	41	34	0	0	0	0	0	0	0	0

in 1000 €	Ukraine		Others		Total		Adjustments*		Group	
	Jan-Sep 2015	Jan-Sep 2014	Jan-Sep 2015	Jan-Sep 2014	Jan-Sep 2015	Jan-Sep 2014	Jan-Sep 2015	Jan-Sep 2014	Jan-Sep 2015	Jan-Sep 2014
Revenues from external customers	3,399	10,814	3,262	3,142	99,614	106,414	-38	21	99,577	106,435
Revenues from business with other segments	1	1	548	513	3,866	3,747	-3,866	-3,747	0	0
Total revenues	3,400	10,814	3,810	3,655	103,481	110,161	-3,904	-3,726	99,577	106,435
Depreciation	46	73	48	45	4,862	5,059	0	0	4,862	5,059
Operating profit or loss	117	496	150	125	3,693	4,174	-25	1	3,668	4,175
Revenues from interest rates	7	10	2	3	322	562	-51	-82	271	479
Expenses from interest rates	103	122	1	2	2,522	2,939	-51	-82	2,471	2,857
Net profit or loss from ordinary activities	-388	-318	145	125	1,996	1,591	-961	-1,028	1,034	563
Corporate income tax	0	10	19	9	372	212	0	0	372	212
Assets	2,212	3,357	3,031	3,038	343,048	355,013	-49,398	-50,259	293,651	304,753
Tangible fixed assets under construction	6	8	0	0	1,608	618	0	0	1,608	618
Long-term assets	1,440	2,128	1,100	1,108	290,261	301,258	-46,889	-47,891	243,372	253,367
Operating liabilities	909	1,022	756	790	46,817	48,377	-1,241	-1,233	45,577	47,144
Financial liabilities	1,251	1,624	0	35	102,876	107,809	-2,859	-2,988	100,018	104,821
Investment in jointly controlled entities	0	0	0	0	75	75	59	57	134	132
Revenues from investment in jointly controlled entities	0	0	0	0	41	34	-8	-3	33	31

* All adjustments are subject to consolidation procedures

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

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

INCOME STATEMENT OF INTEREUROPA d.d. from 1.1.2015 to 30.9.2015

in 1000 €	January – September 2015	January – September 2014
Sales revenues	67,916	67,598
Other operating revenues	424	731
Costs of goods, material and services	-49,474	-49,620
Labour costs	-11,797	-11,542
Write-downs in value	-3,153	-3,494
Other operating expenses	-1,341	-885
Operating profit/loss	2,575	2,788
Financial income	1,122	1,416
Financial expenses	-2,314	-3,065
Profit/loss from financial operations	-1,192	-1,649
Profit/loss from regular operations	1,383	1,139
Corporate income tax (with deferred tax)	-263	-121
Net profit /loss for the period	1,120	1,018
Basic and diluted net earnings per ordinary share (in €)	0.04	0.03

**STATEMENT OF COMPREHENSIVE INCOME FOR INTEREUROPA d.d.
from 1.1.2015 to 30.9.2015**

in 1000 €	January – September 2015	January – September 2014
Net profit or loss	1,120	1,018
Other Comprehensive Income	-14	21
Items to be reclassified to profit/loss	-14	151
Revaluation of financial investments available for sale to fair value	-17	181
Deferred tax in revaluation surplus of financial assets for sale	3	-30
Items not to be reclassified to profit/loss	0	-130
Other changes	0	-130
Comprehensive income total	1,106	1,039

**STATEMENT OF FINANCIAL POSITION FOR INTEREUROPA d.d.
 as at 30.9.2015**

in 1000 €	30.9.2015	31.12.2014
ASSETS		
Tangible fixed assets	112,007	113,297
Investment property	10,366	10,562
Intangible assets	5,096	5,347
Other non-current operating assets	72	105
Deferred tax assets	16,395	16,658
Long-term financial investment excl. loans given and deposits	48,274	48,288
Long-term loans given and deposits	353	563
TOTAL NON-CURRENT ASSETS	192,563	194,820
Inventories	18	28
Short-term financial investment excl. loans given, deposits and certificates of deposits	250	250
Short-term loans given, deposits and certificates of deposits	7,192	7,260
Short-term operating receivables	21,492	21,985
Short-term income tax receivables	7	0
Cash and cash equivalents	6,060	4,594
Other short-term assets	356	39
TOTAL CURRENT ASSETS	35,375	34,156
TOTAL ASSETS	227,938	228,976
EQUITY		
Share capital	27,489	27,489
Equity reserves	18,455	18,455
Revenue reserves	2,054	2,054
Revaluation surplus	48,741	48,755
Net profit/loss	1,120	0
TOTAL EQUITY	97,859	96,753
LIABILITIES		
Provisions and long-term deferred revenue	5,570	5,129
Long-term borrowings and financial leases	92,130	94,944
Long-term operating liabilities	445	445
Deferred tax liabilities	9,965	9,968
TOTAL NON-CURRENT LIABILITIES	108,110	110,486
Short-term borrowings and financial leases	3,696	3,529
Short term operating liabilities	18,273	18,208
TOTAL CURRENT LIABILITIES	21,969	21,737
TOTAL LIABILITIES	130,079	132,223
TOTAL CAPITAL AND LIABILITIES	227,938	228,976

**STATEMENT OF CASH FLOWS FOR INTEREUROPA d.d.
 from 1.1.2015 to 30.9.2015**

in 1000 €	Januar – September 2015	Januar – September 2014
Cash flows from operating activities		
Net profit/loss for the period	1,120	1,018
Adjustments for:		
- Depreciation	2,938	2,938
- Impairment and writedowns of tangible fixed assets and intangible assets	0	4
- Revaluation operating revenues from disposal of tangible fixed assets and investment property	-30	-145
- Impairment and write-offs of receivables	211	552
- Other non-monetary expenses	480	13
- Non-monetary revenues	-46	-134
- Financial revenues	-1,122	-1,416
- Financial expenses	2,314	3,065
- Income tax (deferred tax incl.)	263	121
Operating profit before changes in net working capital and taxes	6,132	6,016
Changes in net working capital and provisions		
Changes in receivables	591	1,236
Changes in inventories	10	1
Changes in other short-term assets	-317	-74
Changes in operating liabilities	558	-115
Changes in provisions and long-term deferred revenue	7	-17
Corporate income tax paid	0	-49
Cash from operating activities	6,981	6,998
Cash flows from investing activities		
Interest income	219	386
Dividend income and participations in profit	589	962
Inflows from disposal of tangible fixed assets	61	190
Inflows from long-term loans given	240	240
Inflows from decrease of short-term loans given	35	114
Inflows from decrease of short-term deposits and certificates of deposits	32	1,506
Outflows for acquisition of tangible fixed assets	-1,535	-868
Outflows for acquisitions of intangible assets	-174	-207
Outflows for long-term deposits given	-30	-20
Outflows for capital increase in subsidiaries	-17	-20
Other financial outflows	0	-130
Cash from investing activities	-580	2,153

Cash flows from financing activities		
Paid interest	-2,288	-2,594
Outflows from repayment of long-term borrowings	-2,647	-4,994
Cash from financing activities	-4,935	-7,588
Cash and cash equivalents at beginning of period	4,594	3,406
Net increase/decrease in cash from regular operations	1,466	1,563
Cash and cash equivalents at end of period	6,060	4,969

STATEMENT OF CHANGES IN EQUITY FOR INTEREUROPA d.d.
from 1.1.2015 to 30.9.2015

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 1.1.2015	27,489	18,455	2,054	180	-180	48,755	0	0	96,753
Total comprehensive income	0	0	0	0	0	-14	0	1,120	1,106
Net profit/loss	0	0	0	0	0	0	0	1,120	1,120
Other comprehensive income	0	0	0	0	0	-14	0	0	-14
Closing balance as at 30.9.2015	27,489	18,455	2,054	180	-180	48,741	0	1,120	97,859

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	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

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

a) Notes to the INCOME STATEMENT

Sales revenues

Table 28: Sales revenues of the Intereuropa d.d. in the period January – September 2015

in 1000 €	January – September 2015	January – September 2014
Sales revenues within the Group	2,145	2,072
Sales revenues (excl. the Group)	65,771	65,526
Total	67,916	67,598

Other operating revenues (€ 424 thousand) represent the revenues from elimination of allowances for and write-offs of receivables (€ 209 thousand), revenues from state grants awarded for co-financing of projects and funds obtained from employing disabled persons above the quota (€ 166 thousand), the revaluation operating revenues from disposal of items of plant, property and equipment (€ 30 thousand), and other revenues (€ 19 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 2015

in 1000 €	January – September 2015	January – September 2014
Cost of goods and materials sold and costs of materials used	1,136	1,224
Cost of services within the Group	1,596	1,362
Cost of services (excl. the Group)	46,742	47,034
Direct costs	42,665	43,046
Telephone costs	87	123
Maintenance costs	1,177	1,236
Insurance premiums	357	305
Training and education costs	23	46
Other costs of services	2,432	2,279
Total	49,474	49,620

The prevailing part of other cost of services stands for the cost of labour hired, rentals/leases, the cost of security and of public utilities.

Labour costs

Table 30: Labour cost of the company Intereuropa d.d. in the period January – September 2015

in 1000 €	January – September 2015	January – September 2014
Wages and salaries	8,443	8,172
Pension insurance costs	974	914
Other social security costs	610	591
Other labour costs:	1,770	1,865
holiday allowance	490	592
transport and meals	1,212	1,224
other labour costs	68	50
Total	11,797	11,542

Write-offs

Table 31: Write-offs of the company Intereuropa d.d. in the period January – September 2015

in 1000 €	January – September 2015	January – September 2014
Amortisation of intangible assets	392	376
Depreciation of property, plant and equipment and investment properties	2,546	2,562
Revaluatory operating expenses of intangible and tangible fixed assets	4	5
Expenses from revaluation adjustments (impairments) and written-off receivables	211	552
Total	3,153	3,494

Other operating expenses

Table 32: Other operating expenses of the company Intereuropa d.d. in the period January – September 2015

in 1000 €	January – September 2015	January – September 2014
City land tax and similar expenses	788	782
Other operating expenses	553	102
Total	1,341	885

Other operating expenses mostly relate to the provisions for lawsuits (€ 480 thousand).

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 2015

in 1000 €	January – September 2015	January – September 2014
Interest income from group members	50	81
Interest income from others	165	327
Income from intra-group participations	851	959
Income from stakes in joint venture	41	34
Income from stakes to others	8	3
Income from removal of impairment of loans and bills of exchange	8	13
Total financial income	1,122	1,416
Interest expenses an other borrowing expenses	-2,293	-2,633
Expenses from impairments of other financial investments	-14	-397
Net exchange rate differences	-6	-35
Total financial expenses	-2,313	-3,065
Profit/loss from financing activities	-1,191	-1,649

The achieved **Profit or Loss from Ordinary Activities** of € 1,383 thousand resulted from the Operating Profit/Loss (€ 2,575 thousand) and from the Financing Profit/Loss (-1,192 thousand €).

b) Notes to the STATEMENT OF FINANCIAL POSITION

Tangible fixed assets

Table 34: Tangible fixed assets of the company Intereuropa d.d. as at 30.9.2015

in 1000 €	30.9.2015	31.12.2014
Land and buildings	109,190	111,024
a) Land	65,287	65,287
b) Buildings	43,903	45,737
Other property, plant and equipment	1,986	2,170
Tangible fixed assets under construction	831	103
Total	112,007	113,297

Intangible assets

Table 35: Intangible assets of the company Intereuropa d.d. as at 30.9.2015

in 1000 €	30.9.2015	31.12.2014
Long-term title rights	1,536	1,709
Long-term deferred development costs	178	371
Advances for intangible assets	9	18
Other intangible assets	3,372	3,249
Total	5,096	5,347

On the comparable cut-off date, the already activated long-term deferred development costs relating to the IT solution to support integral logistics services were reallocated to other Intangible assets within the Intangible Assets (in total amount of the item Other Intangible Assets; this year the reallocation was made on 30 June 2015).

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 30.9.2015

in 1000 €	30.9.2015	31.12.2014
Investments in shares and stakes of subsidiaries	46,686	46,669
Investments in stake of jointly controlled company	75	75
Other long-term financial investments	1,513	1,544
Total	48,274	48,288

Loans, deposits and certificates of deposits given

Table 37: Loans, deposits and certificates of deposits given of the company Intereuropa d.d. as at 30.9.2015

in 1000 €	30.9.2015	31.12.2014
Long-term loans given	353	563
- to subsidiaries	303	543
- deposits	50	20
Short-term loans given, deposits and certificates of deposit	7,192	7,260
- to subsidiaries	990	1,050
- to others	24	0
- deposits and certificates of deposit	6,178	6,210
Total	7,545	7,823

Short-term operating receivables

Table 38: Short-term operating receivables of the company Intereuropa d.d. as at 30.9.2015

in 1000 €	30.9.2015	31.12.2014
Short-term operating receivables within the Group	535	515
Short-term interest receivables from Group companies	170	166
Other short-term operating receivables from Group companies	266	0
Short-term operating receivables from buyers (excl. the Group)	19,929	20,657
Short-term operating receivables from others	591	646
Total	21,492	21,985

Other current assets amounting to € 356 thousand primarily relate to short-term deferred costs for land use fees and maintenance cost for computer equipment.

Equity

Equity expresses equity financing of the Company and is regarded as its liability to shareholders. The share thereof in the liabilities structure is 43 percent.

Provisions and long-term Deferred Revenues

Table 39: Provisions and long-term deferred revenue of the company Intereuropa d.d. as at 30.9.2015

in 1000 €	30.9.2015	31.12.2014
Provisions for employee benefits	793	824
Provisions on litigations	494	14
Other provisions	4,160	4,160
Long-term deferred income	122	131
Total	5,570	5,129

In the frame of **long-term bank loans received and financial leases**, the entire amount (€ **92,130 thousand**) relates to long-term loans received.

The short-term loans received and financial leases come to € 3,696 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 30.9.2015

in 1000 €	30.9.2015	31.12.2014
Short-term operating liabilities to companies within the Group	321	283
Short-term operating liabilities to suppliers	15,716	15,658
Short-term operating liabilities from advances	89	66
Other short-term operating liabilities	2,147	2,201
Total	18,273	18,208

Contingent liabilities

Table 41: Contingent liabilities of the company Intereuropa d.d. as at 30.9.2015

in 1000 €	30.9.2015	31.12.2014
From bank guarantees and guarantees given to Group members	3,207	4,880
From bank guarantees and guarantees given to others	4,634	4,888
Arising from legal proceedings	708	782
From D.S.U., družba za svetovanje in upravljanje	250	250
Total	8,799	10,800

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 42: Levels of fair values in the company Intereuropa d.d. as at 30.9.2015 and 31.12.2014 in 1000 €

	30.9.2015			
	Level 1	Level 2	Level 3	Total
Financial assets, available for sale	1,395	0	118	1,513
	31.12.2014			
	Level 1	Level 2	Level 3	Total
Financial assets, available for sale	1,412	0	132	1,544

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

IN BRIEF ...

The consortium of banks shareholders of Intereuropa d.d. continued with the process of sale of the company and informed us in July of having received a binding offer from Tuffieh Fund. In this sensitive period, the Managing Board of Intereuropa has been putting much effort to minimise the adverse consequences that the process of sale inflicts on the operations of the Company, and has acted in favour of all shareholders.

Favourable economic trends in the nine months of this year, as modest as they may be, have been beneficial for commodity trade and demand in several markets. Intereuropa achieved growth of sales revenue in all markets except in Ukraine, Croatia and Macedonia. However, the favourable influence of growth was not strong enough to level off the loss of as many as € 7.6 million of income in our Ukrainian subsidiary, which was operating in unstable conditions and is still suffering the consequences of armed conflicts. The sales result of the Group remained significantly (€ 6.7 million) behind the figure achieved a year ago. We have addressed the loss of margin by streamlining the business process, in particular in Croatia where we dedicated much energy to improve the performance, towards optimisation of domestic transport, filling-up storage capacities and informatisation of operational processes. In Croatia, we proceeded with the development of integrated TI platform WexVS by enhancing the list of customers supported by the WMS module and launched the support to our products airfreight, road transport and customs services. We further continued with activities to expand the SAP solution to subsidiaries in Bosnia and Herzegovina, Serbia and Montenegro.

In the nine months of the year 2015, the Intereuropa Group generated **€ 99.6 million of sales revenues** from services, which was 6 percent or € 6.9 million less than last year. That decrease resulted from shrunken sales revenue from railway transport (by € 7.5 million), the ground for which is the prolonged instability of economic situation in Ukraine where our subsidiary is based and lost about 70 percent of sales revenue this year. In part, the downturn trend is also attributable to the decreased sales in car logistics. On the other hand, improved sales results were recorded in the sale of services in the seafreight segment (9-percent growth), shipping agency (24-percent growth), domestic transport (11-percent growth) and airfreight (9-percent growth).

The result of the Group was **€ 8.5 million of earnings before interest, taxes, depreciation and amortisation (EBITDA)**, with **€ 3.7 million of operating profit**.

The **Financing Profit or Loss at -2.7 million €** was lower than planned on account of negative foreign exchange differences at EUR 0.5 million, which mostly resulted from the value decrease of the Ukrainian currency. Accordingly, the **Net profit /loss** for the reporting term came to **€ 0.7 million**.

The **Net Financial Debt** as at the last day of the term, amounting to **€ 83.0 million**, was 5 percent lower than at the year-end 2014.

Intereuropa takes particular interest in the enlivened economic environment and is getting included in supply logistics chains in the region and beyond. Despite numerous obstacles in some markets, the efforts of our sales promotion and streamlining activities are yielding positive results and we are looking forward to achieving more of them in the future.

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

