

INTEREUROPA GROUP
Global Logistics Service, Ltd. Co.

*Unaudited Report of the
INTEREUROPA GROUP,
January - December 2009*



Koper, 26 February 2010

The INTEREUROPA d.d. is publishing this Unaudited Report of the Intereuropa Group for January-December 2009, in accordance with the Market in Financial Instruments Act (ZTFI).

The unaudited consolidated and non-consolidated financial statements have been prepared in accordance with the provisions of International Financial Reporting Standards (IFRS).

This Report is available at the Company's registered office at Vojkovo nabrežje 32, 6504 Koper.

The Unaudited Report of the Intereuropa Group for January-December 2009 shall also be published on the web site of INTEREUROPA d.d. www.intereuropa.si on 2 March 2010.

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A. INTRODUCTION

The throughput of goods in transport was slashed during the slow-down in this business, which in turn affected the demand for the specific profile of logistical services in a direct correlation with the critical turnover and supplied by the Intereuropa Group. Due to shrunken production output and international trade, the downturn in the market of logistics was unavoidable and we had to find ways for getting fit for the changed market situation, mitigating the negative impacts by the cost management. In addition to the global recession, our operations were also burdened by the large investment in the Logistic Centre Chekhov in Russia that has not been completed yet, and our efforts were focused on activating the hub as soon as possible, in particular putting its warehouse facilities in operation. The Intereuropa Group achieved a sales turnover of €193.9 million but remained 31 percent behind the target and 27 percent below the sales result last year. Also the Parent Company Intereuropa d.d. recorded a similar decline in the sales: €102.8 million or 30% behind the plan and 31% below the figure a year ago. The final operating result can be largely attributed to the impairment of financial investments against their fair value. The financial year was concluded with a negative operating result €-50.3 million and a net loss of €53.9 million for the Group, while the Parent Company recorded an operating result of €-16.6 million and net loss of €71.4 million.

Company Fact Sheet

The Parent Company	
Intereuropa, Globalni logistični servis, delniška družba (Global Logistics Service, Ltd. Co.)	
Abbreviated Firm	Intereuropa d.d.
Country of the Parent Company	Slovenia
Registered Office of the Parent	Vojkovo nabrežje 32, 6000 Koper
Company reg. number	5001684
Tax ID number	56405006
Transaction Account	SI56 101000000006785, at Banka Koper d.d., Koper
Entry in the Register of Companies	Registered with the District Court in Koper, file no. 1/00212/00
Share capital	€32,976,185.11
Number of shares issued and paid-in	7.902.413 ordinary no-par value shares
Shares Listing	the IEKG shares are listed in the Prime Market of the Ljubljana Stock Exchange (Ljubljanska borza d.d.).
Managing Board	Ernest Gortan, M.Sc., President of the Managing Board Tatjana Vošinek Pucer, Procurator from 14 December 2009 Marko Jazbec, Deputy President of the Managing Board from 10 June 2009 to 30 November 2009 Ondina Jonke, Member – Human Resources Executive till 30 July 2009 Andrej Lovšin, M.Sc., President till 23 March 2009 Zvezdan Markežič, President from 23 March 2009 to 10 June 2009
President of the Supervisory Board	Bruno Korelič Boštjan Rigler till 20 May 2009
The Intereuropa Group	
Število zaposlenih	2,496 employees
Vehicle fleet	more than 600 company-owned trucks and delivery vans
Total warehousing area	Over 260,000 qm of own warehouse areas
Total land area	more than 2,200,000 qm of land
Membership in intl. organizations	FIATA, IATA, FETA, FONASBA, BIMCO, IRU
Dokazi kakovosti	<ul style="list-style-type: none"> • certificate ISO 9001:2008: <ul style="list-style-type: none"> ○ Intereuropa d.d., ○ Intereuropa, logističke usluge, d.o.o., Zagreb, ○ Intereuropa Transport d.o.o., Koper, ○ Interagent d.o.o., ○ Intereuropa, Transport & Spedition, GmbH, Troisdorf ○ Intereuropa RTC d.d. Sarajevo
Own branch network	Slovenia, Croatia, Serbia, Kosovo, Bosnia and Herzegovina, Macedonia, Germany, France, Ukraine, Russia, Montenegro, Albania

Major events in the year 2009:

January

- With effect from 1 January 2009, the company Intereuropa, Logističke usluge, d.o.o., Zagreb affiliated its daughter company ITAR d.o.o. Zagreb.
- 7 January 2009, we registered a new 100%-owned subsidiary in Albania: Intereuropa Global Logistics Service Albania Shpk, with the head-office in Durres, which upgraded our long-term business cooperation with Albania.

February

- On 5 February, Intereuropa Transport & Spedition GmbH, Troisdorf completed the certification procedures and acquired the certificate of ISO 9001:2008 conformity as the sixth company in the Group.
- On 13 February, the Managing Board of Intereuropa d.d. received from the shareholders Kapitalska družba ('KAD') and Slovenska odškodninska družba ('SOD') the request for convening an extraordinary General Meeting in order to appoint a special auditor to conduct an audit with respect to certain operations of the Company.
- On 26 February, the Supervisory Board dealt, in its 42 ordinary session, with the Report by the Managing Board on the operation of the Intereuropa Group in the year 2008 and adopted it, acknowledging that the Group was successful.
- In February we assisted the Department for Tropical Medicine in the organization of air transport of humanitarian aid for the medical expedition »Uganda 2009«. In addition to organizational costs we covered the air-freight cost for the shipment of humanitarian aid in full amount.

March

- On 1 March 2009, the daily groupage trucking service was introduced on the routes: Milano – Ljubljana and Paris, Lyon – Ljubljana.
- On 2 March the Second Intereuropa Meeting with Slovenian Analysts and Investors was held at Intereuropa. The public comprised 27 analysts from various stock-brokers, insurance institutions and banks, who came to the presentation of the Company's performance in 2008 and the forward-looking statement for the year 2009, including the measures to address the global crisis, which were highlighted by the Intereuropa top management.
- On 2nd March we introduced a new web-based communications tool – the Intereuropa e-News, which supports direct communication with the full range of interested public (analysts, investors, business partners, media, employees, customers, etc.) on our website.
- On 6 March, the Director of affiliate Intereuropa-East d.o.o., Moscow, Esad Ajeti was replaced by Mihael Novodvorsky, who held the position of the Head of Car Terminal in the Logistics Centre Moscow/ Chekhov before.
- On 9 March we started our cooperation with the trans-European network for small parcel express carriers across Europe – the association NetExpress Europe (NEE), which supports door-to-door delivery of LTL consignments in all EU Member States.
- On 17 March we released the communication on the commencement of negotiations regarding the transfer, for consideration, of international express parcel delivery service under the brand of the UPS to the newly founded subsidiary of the UPS Group in the Republic of Slovenia which has assumed the implementation of this service under the UPS brand from Intereuropa d.d.
- On 23 March the Supervisory Board recalled the President Mr Andrej Lovšin, M.A., from his office and appointed Mr Zvezdan Markežič, the former Deputy President, to the position of Managing Board President.

April

- On 7 April Intereuropa d.d. published having signed an Agreement to re-finance the long-term loan for the Logistics Centre Chekhov/Moscow Project with the Consortium of three banks (UniCredit Banka Slovenija d.d., SID–Slovenska izvozna in razvojna banka, d.d. and SKB banka d.d.). The respective loan amounts to EUR 100.6 million for a ten-year term, with one-year grace period for the repayment of principal.

- On 7 April Intereuropa presented itself in the Slovenian Capital Market Event as the leading provider of logistics in the area with a clearly outlined development strategy, linking South-Eastern Europe with the Eastern markets.
- On 9 April the Supervisory Board dealt in its 45th ordinary session with the Audited Annual Report 2008 for the Intereuropa Group along with the external Certified Auditor's Report and adopted both of them. Also the Report prepared by the Supervisory Board on reviewing the Intereuropa Audited Annual Report 2008, followed by the Managing Board's proposal on the appropriation of accumulated profit, which shall remain undistributed, were approved by the Supervisory Board in the same session.
- On 10 April was held the 19th the General Meeting of Intereuropa d.d., which adopted the following Resolutions, among others: The audit firm KPMG Slovenija, Ljubljana was appointed to review individual transactions; amendments to the Statute were adopted, which now allows up to 4 members of the Managing Board; the member of Supervisory Board Mr Ervin Bužan was recalled and substituted by Bruno Korelič; attendance fees for Supervisory Board sessions and reimbursement of costs to members of the Supervisory Board and SB Committees were reduced. No challenging action was announced.
- On 22 April we concluded the Agreement for the transfer of a part of an undertaking of Intereuropa d.d., i.e. the Intereuropa UPS Branch Office business, to the new Slovenian branch of the UPS Group: UPS Adria (S) Ekspres, kurirske storitve, d.o.o.
- On 30 April, we published the Annual Report 2008 for Intereuropa Group and the Supervisory Board's Report on reviewing the Intereuropa d.d. Audited Annual Report 2008, which were both adopted by the Supervisory Board in the ordinary session of 9 April 2009.

May

- On 21 May, in its 46th ordinary session the Supervisory Board adopted the Report of the Managing Board on the Group performance for the first quarter 2009 and elected the new President of the Supervisory Board, Mr Bruno Korelič. Additional measures were imposed on the Managing Board to address the costs, corporate atmosphere and a comprehensive risk management system. The Supervisory Board got informed on the Recovery Plan of the subsidiary Intereuropa Transport d.o.o., dealt with the compensation to members of the Managing Board and, upon proposal by the Auditing committee for remuneration, the Supervisory Board adopted the Resolution that the salaries of the Managing Board be harmonized with the financial results and performance estimate for the second quarter 2009 on the Group level. The Supervisory Board further acknowledged the Reports on Internal Audit Inspection in the Companies OOO Intereuropa-East, Moscow and OOO Intertrans, Moscow, which contain the findings and recommendations for further activities and measures.

June

- On 1 June, the Agreement for the transfer of a part of an undertaking of INTEREUROPA d.d. of the UPS Branch Office business was effected – transferred to the new branch of the UPS Group in Slovenia.
- On 5 June the company Interagent d.o.o., Koper underwent the external audit under the new ISO 9001:2008 standard successfully.
- On 10 June, the President of the Managing Board of Intereuropa d.d. Zvezdan Markežič resigned. The Supervisory Board accepted his resignation and appointed Ernest Gortan, M.Sc. as the new Managing Board President and Marko Jazbec as Deputy President. In addition, the Supervisory Board acknowledged the resignation filed by Manja Skernišak on 9 June 2009.
- On 24 June was held the 49th session of the Supervisory Board, in which the agenda for the Annual General Meeting and Resolution Proposals were dealt with and adopted.

July

- In July we signed a three-year contract with a key customer in automotive logistics for port forwarding services and handling of cars imported through the Koper Port. Another contract was entered into with the same customer for the same term, covering the trucking of automobile spare parts on various European routes.
- On 14 July, we published the Summary of Findings of the Special Audit, conducted by the audit firm KPMG Slovenija d.o.o., on the web site of the SEO-Net information system (seonet.ljse.si) to inform the public.

- On 30 July, after a vote of no-confidence was given by the Works Council to the Member of the Managing Board – the Human Resources Executive, the Supervisory Board recalled in its session the Managing Board Member & Human Resources Executive Mrs Ondina Jonke from her resp. function owing to her violation of the obligations vested in a Managing Board member and her incapacity for conducting the operations of the Company. In the same session the Supervisory Board got informed on the findings by the Special Audit of Corporate Governance and Specific Operations of the Company for the last Five Years.
- On the same day (30 July) was also held the 20th Annual General Meeting of Intereuropa d.d., in which the shareholders were acquainted with the Annual Report for 2008, the Auditor's Opinion and the Report by the Supervisory Board. The shareholders resolved that the accumulated profit remain undistributed and refused to award the discharge note to the Managing and Supervisory Boards for the year 2008. They acknowledged the resignation of Manje Skernišak from the Supervisory Board and elected three new members: Vinko Može, Tadej Tufek, M.Sc., and Maša Čertalič, M.Sc.. The audit firm KPMG d.o.o., Ljubljana, was appointed Auditor for the year 2009.

August

- On 27 August was held the 51st Supervisory Board session, which dealt with and adopted the Interim Report by the Managing Board on the Intereuropa Group performance for the first half-year 2009. In its report, the new Managing Board presented its programme of measures and strategy aiming to achieve a stable and profitable operation. The Supervisory Board gave consent to the “Action Programme of the Managing Board of Intereuropa d.d.” and got informed on the “Final Elaborate on Economic Viability of the construction of the Logistics Centre Chekhov/ Moscow”.

September

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

October

- On 22 October 2009, the Supervisory Board of Intereuropa d.d. acknowledged the Report on the implementation of measures by the Managing Board of Intereuropa d.d., and dealt with the materials "Approval of further activities to ensure financial stability of the Intereuropa Group", to which the Supervisory Board issued its consent in principle. The Supervisory Board further urged for the completion of the investment in the Logistics Centre Moscow-Chekhov by the year-end, and pointed to the need of satisfying all the conditions required for a maximum utilization of the capacities of this logistics hub.

November

- On 13 November the Supervisory Board discussed and adopted the Report by the Managing Board on the Intereuropa Group performance for the Nine Months of the year 2009 and adopted it, acknowledging the net sales revenue of € 144.6 million for the Group. The Earnings Before Interest, Taxes, Depreciation and Amortisation (EBITDA) was € 11.3 million, while the Net Profit/Loss came to €-5.4 million.

- On the same day the Supervisory Board recalled, before time, the current Deputy President Marko Jazbec from the office in the Managing Board owing to his decision to leave the Company.
- On 19 November the structure of the Supervisory Board of Intereuropa d.d. changed, following the expiry of term of office of the members representing the employees; the Works Council elected new Supervisory Board Members representatives of employees: Maksimiljan Babič, Nevija Pečar and Ljubo Kobale.

December

- On 7th December the Managing Board appointed the Procurator Tatjana Vošinek Pucer, who assumed her position on 14 December 2009.
- On 28 December Intereuropa d.d. realised a capital increase in the company OOO Intereuropa East, Moscow by converting the current loans into capital.

Major events after the reporting period:

- On 8 January, the Managing Board filed the expected action for compensation versus the former Managing Board of Intereuropa d.d., in accordance with the respective Resolution adopted by the General Meeting on 10 September 2009 regarding the preparation and filing of legal action for compensation of damages.

Business plan for the year 2010

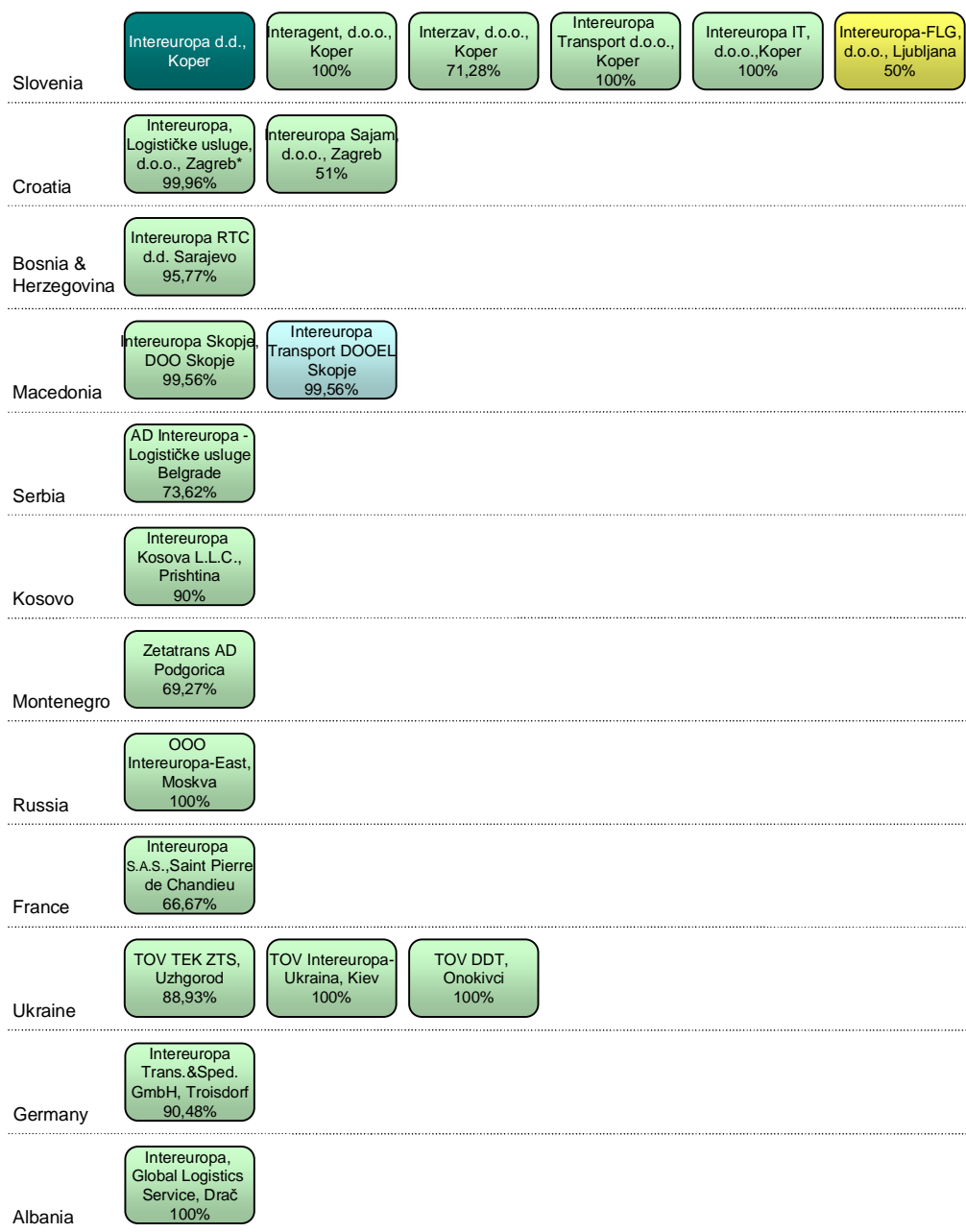
Principal baselines of the Business Plan 2010:

- Economic environment: Estimating that the bottom has been achieved, we do not expect growth yet, but rather the levelling-off on the achieved levels,
- Growth of income is envisioned by increasing the market shares, acquiring new business and customers,
- Current investments in progress have to be completed before expanding any investing activity,
- Own funds from disposal of non-operating assets will be used for debt-reducing in the Parent Company.

Financial goals for the year 2010 :

- | | |
|---|----------------|
| • Sales revenue : | €200.0 million |
| • Earnings Before Interest, Taxes,
Depreciation and Amortisation (EBITDA): | €23.7 million |
| • Operating Profit or Loss: | €6.7 million |
| • Net Profit or Loss: | €-8.2 million |

The Organisation of the Intereuropa Group



Parent company
 Indirectly controlled company
 Directly controlled company
 Jointly controlled company
 % Stake of the parent company as at 31 December 2009

* A company Intereuropa Transport & Spedition GmbH, Lebring in Austria was sold as at 28 August 2009.

** A bankruptcy procedure that was implemented for the company Schneider & Peklar GmbH, Vienna as at 18 January 2008 is not yet completed.

Figure 1: Organisation Chart of the Intereuropa Group as at 31st December 2009

B. BUSINESS REPORT

1. OPERATING PERFORMANCE OF INTEREUROPA GROUP

1.1. Sales achievements

Economic environment and trends

The world production and trade, supported by extraordinary financial and economic measures of the countries, have recovered since the second half-year 2009. After the deepest crisis in recent history the developed economies have recorded an upturn trend, however, international institutions forecast slow and cautious growth rates. It is also predicted that individual regions will progress at a different pace, depending on the economic position before the recession, evtl. external adverse impacts (shock), and on governmental measures taken. The growth rates in emerging and developing countries are likely to exceed the rates in developed countries. In January 2010 the IMF made another upward revision of the global GDP forecast for the reporting year (-0.8%) and the year 2010 (+3.9%), repeating that the recovery would be slow, long-lasting and still quite uncertain.

The European Union saw the upturn in economic activity in the third quarter of the year 2009, which finally brought a positive course. According to the European Commission, the economic sentiment in the EU has improved for the ninth consecutive month by December 2009. Despite that recovery, economic and trade indices recorded a painful fall in 2009, which affected in particular the service industries that are dependent on the goods-flow movements.

According to the Statistical Office of the Republic of Slovenia, gradual revival in international trade flows led to a rise in Slovenian exports, in nominal terms, only in November 2009. Also the volume of processing industry production has improved, though without any signs of recovery of domestic demand. Compared with a year ago, the payment discipline of legal entities in Slovenia deteriorated and insolvency was in particular acute in the construction industry. Moreover, the situation in Slovenian financial markets became even tougher in the last quarter 2009, which makes domestic companies more dependent on borrowing abroad.

Table 1: Economic environment of the Intereuropa Group

Countries	GDP growth, in %		Growth of ind. prod., in %		Inflation, in %		Exports growth, in %		Imports growth, in %	
	2009	Forecast 2010	2009	Forecast 2010	2009	Forecast 2010	2009	Forecast 2010	2009	Forecast 2010
EU 27	-4.1%	0.7%	-11.4%*	-	0.9%	1.3%	-18.0%**	-0.2%	-25.0%**	-0.9%
Slovenia	-7.4%	1.3%	-17.4%	2.0%	1.8%	1.7%	-19.0%	4.1%	-26.4%	1.8%
Croatia	-5.8%	0.2%	-9.2%	0.0%	1.9%	3.0%	-20.3%	1.1%	-25.7%	2.6%
Bosnia&Herz.	-1.0%	-1.0%	-3.3%	0.0%	0.0%	0.0%	-17.6%	3.0%	-24.2%	-1.0%
Macedonia	-2.0%	1.5%	-7.7%	0.0%	-0.8%	1.1%	-32.3%	2.5%	-26.4%	5.6%
Serbia	-2.0%	0.0%	-12.1%	0.0%	6.6%	3.0%	-19.7%	0.0%	-28.0%	0.0%
Russia	-7.9%	3.6%	-10.8%	3.0%	11.7%	9.0%	-39.1%	3.0%	-36.4%	2.0%
France	-2.2%	1.4%	-3.1%	-	0.9%	1.1%	-11.2%	-1.0%	-9.7%	0.0%
Ukraine	-15.9%	2.7%	-21.9%	3.0%	12.3%	9.0%	-43.4%	6.1%	-49.1%	6.6%
Germany	-5.0%	1.5%	-7.1%	5.0%	0.8%	0.8%	-14.7%	4.1%	-8.9%	0.9%
Kosovo	3.8%	4.3%	-	-	0.1%	2.0%	-52.7%	-	-4.4%	-
Montenegro	-2.0%	0.0%	-32.2%	0.0%	1.8%***	3.0%	-33.5%	2.0%	-34.6%	-10.0%
Albania	3.0%	4.0%	-	5.0%	3.5%	3.0%	-14.0%	20.0%	-12.0%	13.0%

(-) no data available

* change XII 2009 / XII 2008

** change I-XI 2009 / I-XI 2008

*** change Q4 2009 / Q4 2008

SOURCES:

Eurostat

Statistični urad republike Slovenije

Croatian Bureau of Statistics

Agencija za statistiku Bosne i Hercegovine

State Statistical Office, Republic of Macedonia

Statistical Office of the Republic of Serbia

Federal State Statistics Service, Russian Federation

National Institute of Statistics and Economic Studies, France

State Statistics Committee of Ukraine

Federal Statistical Office, Germany

Statistical Office of Kosovo

Statistical Office of Montenegro

Institute of statistics, Albania

European Commission, European Economic Forecast, Autumn 2009, October 2009

The Vienna Institute for International Economic Studies: wiiw Forecast for Central, East and Southeast Europe, Kazakhstan and China: Differentiated Impact of the Global Crisis, 5.3.2009

Republic of Kosovo—IMF Staff Visit, Concluding Statement, Pristina, September 16, 2009

IMF, World Economic Outlook Update, January 2010

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Sales Revenue by Intereuropa Group

Logistics as a branch of industry is strongly linked to its wider economic environment and the trends thereof. In the year 2009 the recession slashed the consumption, production and international trade output in Europe and worldwide. Numerous enterprises were forced to shrink their output by rationalizing their processes and downsizing owing to weak demand, which reflected in the demand for logistics. Accordingly, the pressure to prices grew tougher from month to month until the last quarter of the reporting year, when the trend began abating. In Slovenia, the market of transport services is believed to have shrunk by some 30 percent. Some major European and global logistics providers perceived a similar fall in the sales during the year.

The Intereuropa Group generated a sales revenues of €193.9 million, and remained 31 percent behind the planned sales result. Compared with the preceding year (2008), the drop was 27 percent. The highest decline from the preceding year was recorded in the sales of Intercontinental Transport, of which the Car Logistics Product was worst hit in terms of physical turnover and transport of cars. The decline in the sales in this business segment is further attributable to the transfer of a part of an undertaking of the Intereuropa UPS Branch Office to the new branch of the UPS Group in Slovenia.

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

Area of operation	Jan-Dec 2009	Structure	Index 2009/plan	Index 2009/2008
1 Land Transport	106,243	55%	69	78
2 Logistics Solutions	26,067	13%	73	83
3 Intercontinental Transport	56,027	29%	65	61
4 Other Services	5,602	3%	108	93
TOTAL	193,938	100%	69	73

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

	Jan-Dec 2009	Structure	Index 2009/plan	Index 2009/2008
1 EU Member States	128,014	66%	70	70
2 Non-EU countries	65,924	34%	66	79
TOTAL	193,938	100%	69	73

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

One third of our sales revenues was achieved in domestic market, one third in the markets of former Yugoslavia and Russia, and one third in other countries. Compared to the preceding year, all these markets recorded a decline in the sales, whereas Slovenia and Serbia were worst hit. In absolute values, the worst downturn was recorded in Slovenia and Croatia.

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

	Jan-Dec 2009	Structure	Index 2009/2008
1 Slovenia	64,062	33%	67
2 Croatia	31,635	16%	80
3 Russia	15,476	8%	80
4 Bosnia & Herzegovina	7,410	4%	77
5 Serbia	4,096	2%	67
6 Montenegro	6,232	3%	78
7 Other counties	65,027	34%	74
7a Other EU Member States	45,906	24%	68
7b Other countries	19,121	10%	95
TOTAL	193,938	100%	73

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

On the level of the Group, we achieved the contribution ratio 1 at €89.2 million¹, which represents a 17 percent decline from the comparable term 2008. The downturn in the contribution ratio 1 was not so severe as that in sales revenues thanks to our measures taken to curb the direct costs of operations. The setback behind the target level of contribution ratio 1 was 21%. The greatest underachievement was recorded in the business segment of Logistics Solutions, which was affected by the delayed completion of the new warehouse facilities in Russia which are not activated in full, on top of the economic crisis. Also the Land Transport was behind the plan, facing with much lower quantities of goods carried and the fall of prices in the market.

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

Area of operation	Jan-Dec 2009	Structure	Index 2009/plan	Index 2009/2008
1 Land Transport	44.701	50%	76	84
2 Logistics Solutions	22.046	25%	73	85
3 Intercontinental Transport	17.034	19%	89	78
4 Other Services	5.433	6%	106	95
TOTAL	89.213	100%	79	83

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

	Jan-Dec 2009	Structure	Index 2009/plan	Index 2009/2008
1 EU Member States	47.399	53%	85	84
2 Non-EU countries	41.814	47%	73	83
TOTAL	89.213	100%	79	83

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

LAND TRANSPORT

Land Transport has the highest share in the sales structure of the Intereuropa Group. This share has improved 3 percentage point since the preceding year. Land Transport generated 55 percent of all sales revenues in the Intereuropa Group. Negative impacts of the recession were felt already in the second half of 2008, aggravated during the reporting year and slashed the quantities of goods carried, which resulted in much lower demand for logistical services. The turnover in Europe, which is our biggest market, fell 30% below the level of the preceding year. The global recession had strong impacts on the products of Land Transport in Intereuropa: the sales revenues were 22 percent lower than a year ago. The biggest loss of income was recorded by all our companies in Slovenia (Intereuropa d.d. and Intereuropa Transport d.o.o.).

Overall, the planned results were not achieved, except in some smaller units which do not represent an important share in the revenue structure. The company in Russia saw the greatest setback behind the plan. We can conclude that the underachievement was primarily the outcome of two factors: global economic crisis and non-operation of the terminal and its business of our company in Russia as planned, which had a negative effect on our products Road Transport, Railway Transport and Customs Services in particular.

In the Slovenian part of the Group much effort was spent on completion of the new information system supporting the products of land transport that will bring a higher automation of processes and a rise in efficiency within the corporation, as well as improved traceability of shipments to our customers. We expect to harvest the benefit of this work in the year 2010 and use this information solution in other companies of our Group in the coming years.

For 2010 we envision a 9 percent growth of sales revenue, the highest rise is expected in our products Land Transport, Railway Transport and Customs Services.

¹ The Contribution Ratio 1 represents sales revenues deducted by direct costs.

Road Transport

Road Transport has the highest share (26 percent) in sales revenue structure among the products provided by Intereuropa. Nearly one half of sales turnover within Land Transport area is earned from this product. Our subsidiary Intereuropa Transport d.o.o. generates more than one half of all sales revenue.

The underachievement relates both to the plan and the figures of the preceding year. It resulted from the recession that slashed the land transport business in the first half-year, in particular the segments from which Intereuropa Transport is greatly dependent (automotive industry, household appliances - white goods, construction). While the volume of goods for transport shrunk, the prices and most of the costs remained unchanged despite recession, some cost items even increased. Another underperforming player in this product was the subsidiary in Russia which did not fulfil the highly set goals. The downturn in the sales can be attributed to the recession and fall of prices in the market, to some extent also to insufficient activity in agency.

Key goals for the year 2010:

- Retain key customers and acquire new business by providing a high quality service,
- Reduce the number of vehicles that do not satisfy ecologic standards,
- Centralised management of suppliers,
- Recovery of operations of Intereuropa Transport d.o.o.,
- Coordination of marketing activities between Intereuropa Transport d.o.o. and forwarding branches,
- Additional staff for the company in Russia and increased activity in agency services.

Customs Services

Customs services are regarded as an important support service in the Group. Nearly one half of overall sales revenue of this product is generated in the subsidiary in Croatia, and Slovenia remains the second with one third of customs broking in the Group. In Slovenia, the sales turnover suffered the least setback behind the plan; the Border Despatch product saw the least underachievement. Intereuropa Kosova was the only company that surpassed the result of 2008 and the target for the reporting year, whereas all other companies were underperforming. On the other hand, the non-achievement of the plan for this product is largely attributable to our subsidiary in Russia.

Key goals for the year 2010:

- Permanent concern for retaining a high level of know-how: Scheduled training forms, current monitoring of legislation, transfer of know-how among employees,
- Customs services demand a great deal of specific knowledge that is indispensable for consulting our customers and helping them bridge their 'problems' in logistics.

Groupage Services

Of all our Land Transport segments, this product was worst hit by the global crisis: the sales revenues fell by one fourth on the Group level. In Slovenia, the sales revenue from groupage services suffered the highest loss in absolute terms, although as much as 84 percent of all revenue in the Group were generated in Slovenia. The loss of net sales revenue resulted from the decline in international trade and downturn in volume of goods available for transport due to recession, on the other hand we saw a considerable reduction of prices in the market.

Key goals for the year 2010:

- Persists as the leading provider of groupage services in Slovenia, Croatia, Bosnia and Herzegovina and Serbia, and increase the market shares in all countries in which Intereuropa is present with own subsidiaries,
- Additionally increase the dynamics of services by concentration of groupage consignments,
- Our new IT solution with improved traceability feature will facilitate our customers and other partners in business to track their consignments.

Express Delivery Service

The sales revenue was 20% below the level a year ago. The highest share in the sales revenue structure was brought in by our companies in Croatia (approximately two thirds), Slovenia, Bosnia and Herzegovina and Serbia. However, none of these companies achieved the targets. The reasons for that are attributable to adverse economic situation, in which our current major customers reduced their

orders and we were not able to compensate for these quantities by intensified sales activities or acquiring new business. In Croatia the company decided to reduce the vehicle fleet employed for these services and increase the number of contractors (outsourcing).

Key goals for the year 2010:

- Launch of the new IT support in Slovenia and completion of the Traceability Assurance project in Croatia,
- Development of new products on the basis of a variety of guaranteed delivery terms,
- Development of distribution services in countries in which Intereuropa is established,
- On-going optimization of procedures, cost management and optimum implementation solutions that will retain the quality of service on the highest level.

Railway Transport

Railway Transport in the Intereuropa Group is managed in the affiliated company Intereuropa-FLG, d.o.o., Ljubljana, in which Intereuropa holds a 50%-share, jointly with the Austrian company Express-Interfracht International Spedition GmbH, which owns the other 50% in the capital of Intereuropa-FLG. Compared with a year ago, the sales revenue of this company was down by more than one third as a result of reduced transport quantities of raw material for industry, scrap iron, timber and chemicals. Also the volume of car transports by railway to Russia and Poland suffered a decline. An important function in the organization of railway transport is performed by the company TEK ZTS d.o.o. Uzhgorod, which generates a significant share of income from the sale of this product. Another significant factor for non-achievement of the goals in this product was the company in Russia once again, which did not implement the activities as planned.

Key goals for the year 2010:

- Using the synergy of operations in both companies (bound to ownership of Intereuropa-FLG),
- Concern for retaining and updating the know-how: Internal (knowledge transfer) and external options (functional skills training forms),
- Taking advantage of the favourable geographical position at the crossing of the Fifth and Tenth European Corridors,
- Assigning additional expert staff for railway transport to the company in Russia.

LOGISTICS SOLUTIONS

The sales revenue of Logistics Solutions Area was €22 million, representing 13 percent in the sales revenue structure and 25 percent in the contribution ratio 1 on the Group level.

In the reporting year, the net sales revenue of this business segment was 15 percent lower than last year. Such a decline is primarily attributable to the sales drop in two key markets, in Slovenia and Croatia, which were worst hit by the unfavourable economic trends of the global crisis. Both these markets that represent more than 80 percent in the sales of this business segment recorded a downturn in sales revenue and the contribution ratio 1 by 15 percent. The main reasons for the fall range from the loss of business – cancellation from certain key customers and decreased volume of sales in most small-scale customers who were affected by reduced goods flows, and consequently longer storage times and cutting down the inventories' volume. In Bosnia and Herzegovina, whose share in the sales structure was 7 percent, the sales were 17 percent below the last year's results, while Montenegro was only 5 percent.

With regard to the plan, the sales results of Logistics solutions were 27 percent behind as a result of delayed activation of storage capacities in Russia that stand for nearly one sixth of income in the sales plan structure.

The unfavourable sales results in Logistics Solutions primarily resulted from the economic recession worldwide, which has early this year reached the markets of the former Yugoslavia and deepened towards the year-end 2009 (in particular in Croatia, Bosnia and Herzegovina, and Serbia). Concurrently, strong pressure to reduce our rates comes from the customers, who are aware of the

current surplus of warehouse capacities which suddenly occurred in these strategic markets. Since the summer 2008 the price for logistical services expected on the part of customers fell by approximately 40 percent, which fact additionally aggravates the profitability of our business.

In the first half-year 2009 we launched several commercial activities that brought us new business in Slovenia, Croatia and Montenegro.

Intense commercial activities on larger logistics projects have been carried out in individual organizational units, the commercial effects of which are expected in the first half-year of the coming year.

INTERCONTINENTAL TRANSPORT

This business area was behind the plan in the entire Group, which is primarily an outcome of the global economic and financial crisis. There was a considerable downturn in physical turnover of car-handling business, decreasing freight rates in maritime transport and land transport of containerized and bulk cargo. We achieved an 89-percent realisation of the planned contribution ratio 1; our Conventional cargo product was best-performing.

Sea-freight

The Seafreight stood for 12 percent of the Group's sales revenue in the reporting year. The planned contribution ratio 1 was exceeded in the Conventional cargo product. The highest negative variance from the plan was recorded in Container transport, where we remained behind the plan despite higher physical volume of containers handled.

An important fact is that we retained all the key customers, or even improved our cooperation with some of them. Certain contracts and agreements will bring positive effects in the financial year 2010. We acquired new customers from Israel and Egypt, dealing with undercooled transports of fruit and vegetables via the Port of Koper.

In the development of LCL product, we are in the conclusive stage of negotiations with our partner ECU Hold for a franchise-based cooperation in Slovenia and possibilities for it in the Ukraine. In our LCL product we acquired two important operators for the preparation of seafreight consolidation shipments in our warehouses, which strengthens our role in this segment of container transport business as an important player. We have maintained the cooperation with partner networks (Hellman, M+R Spedag, ECU Line) and shipped the first containers through the partner Casa China. We share this form of cooperation with all our shipping agency units in the Group. Following the establishment of our daughter company in Albania, the quality of service in Ro-Ro product was improved by the support of our company in the organization of import service line from Albania and contacts with existing and potential customers.

Car logistics

In Car Logistics, we achieved 53 percent realisation of the sales plan of the Group. Such a great variance from the sales plan resulted from a smaller number of vehicles handled through the Koper Port and from essentially lower freight rates. Nevertheless, we managed to retain the margin and did achieve 84 percent of the planned contribution ratio 1. In the parent company, Intereuropa d.d., we have even surpassed the plan for contribution ratio 1. Only Intereuropa East (Moscow) was underperforming, due to the setback accumulated in the first half-year. In the second half-year we acquired a new customer: we signed a contract for two years ahead on the storage of KIA vehicles. In addition to KIA, we also keep a smaller fleet of FIAT vehicles in our warehouse. Our operations in the second half-year were on the level of the plan.

At the year-end we were successful in the GM tender and were awarded the contract on storage of GM vehicles in Chekhov (Moscow) and transportation of GM vehicles from Koper to Chekhov for one additional year. As a result, we procured the business with KIA and GM for the year 2010; in the event of a downturn in the number of vehicles stored we will contact a third customer.

In Koper we concluded the contract for the storage of Toyota vehicles in our car terminal. At the year-end we were successful in acquiring the GM business – transport of vehicles from Poland to Tržič

(Monfalcone, Italy) and Suzuki from Hungary to Greece: the vehicles are loaded on board of vessels in Koper, in the organization of our Interagent shipping agency.

Shipping Agency

In the Shipping Agency (the company Interagent d.o.o.) we did not achieve the sales targets. The underperformance resulted from fewer car-carriers calling at the Koper Port, and fewer ships in chartering. Our focus was on a search for a container line shipowner with a service connecting Koper, and intensive working on the contact with the shipowner CSAV-Norasia. At the year-end the shipowner opened a possibility for coming to Koper, which would have a positive effect on the operations in 2010.

We remain to be the leading shipping agent in Koper as regards the number of ships represented. In the reporting year we represented 273 ships, though 96 car-carriers less than a year ago. In chartering we booked 15 percent fewer ships and earned less income. In containerised transports we retained some important customers, which improves our position for negotiating with potential new shipowners of container ships.

Air-freight

In Airfreight product we achieved 78 percent of the planned contribution ratio 1. Our company in Kosovo was doing very well in cooperation with Adria Airways. The greatest volume of operations is achieved in Slovenia, as before, where the presence of global logistics operators is strongly felt. That makes any growth of the product difficult and aggravates the management of our traditional customers.

The airfreight segment in our region was greatly exposed to global recession and the resulting considerable decline in the demand for air-freight services. The freight rates of airborne transport were much higher than sea-freight consolidation container services. We recorded a shift of shipments to sea-freight consolidation services. The traditionally better operations in the second half-year were impeded by more expensive oil that resulted in an additional rise in airfreight rates.

Nevertheless, we are satisfied with the development of our airfreight product in the affiliated companies: we succeeded in retaining or even increasing the market shares, despite recession. We will proceed with internal training forms for our employees in affiliated companies, further the transfer of good business practices from Slovenia to other companies in the Group and enhance cooperation with our partners in business.

UPS

In the segment of express parcel delivery, the year 2009 was marked with the disposal of the Slovenian and Croatian UPS units. That does not support any financial comparability with the year 2008. In Bosnia and Herzegovina, we remained 10 percent behind the sales target, however, we retained an important market share that is a good basis for product development in the year 2010.

High prices of oil affected also the business segment of express parcel delivery (courier services), which aggravated the sales conditions. On top of that we are faced with increasing competition in the market. In the coming year (2010) we will develop this product in Bosnia and Herzegovina, where we see promising opportunities for further development and achieving higher income.

1.2. Financial Result

The Group achieved **€ 15.5 million** as **Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA)**, however, that was only 42 percent of the planned result. Given the 27-percent decline of sales revenue, we intensified the cost management and were able to cut the direct operating costs by as much as 34 percent, while we were not so successful in reducing the indirect costs (only -10 percent).

The negative operating result was largely attributable to expenses for **revaluation of the Group's assets to fair value in the amount of € 50.8 million²**. The highest revaluation of assets were undertaken by:

- Intereuropa d.d. €14,3 million,
- Intereuropa, log. usluge d.o.o. Zagreb €1,6 million,
- OOO Intereuropa-East , Moscow €35,0 million,
- TOV Intereuropa Ukraine, Kiev €4,6 million.

We closed the year with an **Operating Profit or Loss** of the Group at **€-50.3 million**, which was 69m € behind the plan. The highest setback was incurred by the companies OOO Intereuropa-East, Moscow (€38.6 million) and in the parent company Intereuropa d.d. (€24.3 million).

For the sake of comparison between the year 2008 and 2009, if the effect of impairment and gains from the disposal of fixed assets in 2009, and the expenses for employee profit-sharing scheme and gains from the disposal of fixed assets in 2008 were excluded from the Profit or Loss Statement, we find that the Operating Profit or Loss 2009 was lower by €8.2 million than in the year 2008, and came to €20 thousand.

In the reporting year, the financial expenses of the Group were **€ 10.7 million** higher than financial revenues (thereof, €-1.3 million were net foreign exchange losses, €-8.6 million net interest, and €-775 thousand stood for other net financial activity). The profit or loss from ordinary activities came to €-60.9 million. In the reporting year we recorded a profit in the transfer of a part of an undertaking of Intereuropa d.d. (the UPS Branch Office) to the new branch of the UPS Group in Slovenia in the amount of **€ 2.2 million**, which is recognized in financial statements under the **Profit or Loss from Stoppage of Operation**. After deduction of taxes, the **Net profit or loss** was negative and came to €-53.9 million.

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

Item / Index	Jan-Dec 2009	Plan 2009	Jan-Dec 2008	Index 2009/plan	Index 2009/2008
Net Sales Revenues	193.938	282.089	265.875	69	73
EBITDA*	15.532	36.619	28.814	42	54
Operating Profit or Loss	-50.252	18.833	16.209	-	-
Financing Profit or Loss	-10.669	-11.996	-9.557	89	112
Net Profit or Loss	-53.907	4.386	3.688	-	-
Net sales revenues per employee/ month	6.440	9.000	8.338	72	77
Value added per employee/ month	2.100	2,849	2.529	74	83

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

Item / Index	31.12. 2009	Plan 31.12.2009	31.12. 2008	Index 2009/plan	Index 2009/2008
Balance Sheet Total*	489,270	456,085	451,678	107	108
Equity*	188,803	191,851	169,360	98	111
Short-term assets/ Short-term liabilities*	0.49	1.00	0.,51	49	96
Net Return On Equity (yearly level)**	-26.16%	2.34%	2.10%	-	-

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

² consolidated

As of the cut-off date of the reporting year the **Balance Sheet Total** amounted to €489 million and was 8 percent higher than the figure achieved at the year-end 2008. On the Assets side, there was an increase recorded in tangible fixed assets by €47.0 million (or 14 percent) despite a.m. impairment, which largely resulted from the revaluation of land by €95.8 million in the parent Company Intereuropa d.d. and the Croatian subsidiary Intereuropa, logističke usluge, d.o.o. Zagreb. In addition, there was a decrease in short-term operating receivables by €8.6 million (or 12 percent) on the Assets side. On the Liabilities side, there was an increase of capital at €19.4 million, a decrease in short-term financial liabilities by €18.3 million (or 10 percent) and an increase in long-term financial liabilities by €36.5 million (or 38 percent).

Since the year-end 2008, the share of financial liabilities in the structure of sources fell by 3.4 percentage point to 46.0 percent, while the share of capital in the Liabilities structure of sources rose by 1.1 percentage point to the level of 38.6 percent.

In the reporting year we extended most of short-term credit facilities used to maintain liquidity and bridging funds, and also matched the maturity of loans in favour of long-term facilities. Additional attention is focused on collection of our receivables and establishing the credit standing (solvency) of potential customers, in order to maintain the exposure within the agreed framework and provide for adequate security.

1.3. Investments in Fixed Assets

The investments in fixed assets by the **Intereuropa Group** totalled € 25,3 million, thereof 21.7 million in real estate and 3.6 million in plant and equipment. The annual plan of investments was completed to the level of 77 percent.

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

Company	Real property		Plant & Equipment		TOTAL		% of annual realiz.
	Plan	Realiz.	Plan	Plan	Realiz.	Plan	
Intereuropa d.d.	2,192	445	3,236	415	5,428	860	16
Other companies	20,143	21,223	7,286	3,217	27,430	24,440	89
TOTAL	22,336	21,668	10,522	3,632	32,857	25,301	77

In the reporting year **Intereuropa d.d.** realized investments in fixed assets in the amount of € 860 thousand. Thereof, the facility with a shelter-roof structure and a scaffold were completed and furnished in Dravograd, the roof of warehouses in Ljubljana and Jesenice was repaired, the offices in the Customs warehouse in Koper were improved, the co-ownership share in the facility at Vrtojba was redeemed, the parking facility, fence and access road to the business unit in Celje were laid out and provided for, and the offices in the warehouse in the Port of Koper were built as a superstructure. After abandoning the envisioned building work under the project on the reconstruction of offices at the warehouse in Sežana, the land development charges that were paid in the year 2008 were refunded to us. Other investments were spent on the purchase of additional equipment for the central fire-fighting facility in Maribor, cars, the completion of office renovation at the head-office in Koper, the purchase of office equipment, second-hand semi-trailers and equipment for fork-lifts, and other.

Affiliated companies invested € 24.4 million in plant, property and equipment. The highest investment € 19.5 million was made in the company OOO Intereuropa-East, Moscow, for the completion of, and part of outfit for the Logistics Centre Chekhov. Other major investments are: the completion of the logistics centre Samobor/Zagreb (€ 1.5 million) and the purchase of used freight vehicles (€ 0.5 million) in the company Intereuropa Logističke usluge, d.o.o. Zagreb, the purchase of land on the border pass Izačići by Intereuropa RTC d.d. Sarajevo, telecommunications equipment in Intereuropa Transport d.o.o., renovation or completion of offices and storage facilities in Montenegro, and equipment for computers. The highest investments in intangible fixed assets (licences, rights) were made by the affiliates Intereuropa IT d.o.o. and Intereuropa Logistical Services d.o.o. Zagreb (€ 1.5 million). Among other investments is worth mentioning: warehouse equipment on various locations and construction of parking lots, completion of warehouse and equipment for the warehouse tent in Dobanovci (Belgrade).

1.4. Human Resources Management

Employment trends

After several years of intensive growth, the Group recorded, as of 31.12.2009, 297 fewer employees than a year ago, or 11 percent less. The number declined in most of affiliates, as well as in the parent company.

The overall fluctuation rate in our bigger companies was 15.8 percent. Due to specifics in the labour market, the fluctuation is quite high in OOO Intereuropa East, Moscow (Russia), where nearly all the staff has changed.

At the year-end, there were 2,496 employees in the Group.

Table 10: Employees in the Intereuropa Group according to countries, as of 31.12.2009

	31.12.2009	31.12.2008	Balance 09-08	Index _{09/08}
Slovenia	1,121	1,300	-179	86
Croatia	615	707	-92	87
Other countries	760	786	-26	97
TOTAL	2,496	2,793	-297	89

In addition to full-time staff, there were some 3 percent of other labour (87 workers) hired through HR agencies and Students' Job Centre working (compared with 9 percent at the end of 2008).

Human Resources Development and Training

Table 11: Spending on Training in the reporting term January-December 2009

Plan Jan-Dec 2009 in €	Actual Jan-Dec 2009 in €	Index Actual/ Plan	Actual/ employee	No. of hours	No. of hours/ employee
445,000	193,831	43	78	54,072	22

Our employees were intensively involved in training and internal transfer of knowledge and skills, as our response to recession, aiming to qualify the workforce to be better capable of coping with the current operational situation. **Compared with preceding years, we have essentially increased the number of hours spent on training: 60 percent of functional training forms were carried out by internal lecturers.**

The highlights of training programme in 2009 were:

- In the parent company, **wide-scale training forms** (ca. 320 employees) were held on **introducing new IT software support to logistical processes – the so-called ISPRO-project**, that means a big step ahead towards improved competitiveness of the Group. A total number of 20,390 hours were dedicated to these skills.
- In Slovenia about 50 staff members (managers and sales executives) took part in a 2-day workshop on **marketing and sales**.
- From year to year, **more attention is dedicated to safe work environment**: we increased the quantity of training facilities for these areas also in the reporting year. All the scheduled internal and external training forms on occupational health and safety, fire safety, handling with dangerous goods – chemicals, ADR transportation, and safe work in railway transport were implemented and involved 1,028 employees in the Group.
- Our company Intereuropa, logističke usluge d.o.o., Zagreb, organised in cooperation with the Faculty of Transport and Traffic Sciences, Zagreb, the **fifth School of Business Logistics**, attended by 24 participants.
- We granted financial support to our promising staff member to acquire a higher degree of education. At the year-end, we concluded a **contract on training/ education with 44 employees** in the Group.

- Professional staff members of Intereuropa were **sharing their knowledge with** employees in induction training **as their mentors**.
- In the frame of the public tender “Training at the Workplace” we hosted ten ‘external’ candidates acquiring new knowledge and skills. After the training we employed five of these candidates in Intereuropa d.d.
- We cooperated with schools and universities: We visited them with presentation of logistics business in our Company and provided obligatory work practice/traineeship to 65 students of secondary schools or university.

Response to crisis with a modified organizational structure and cost management

During the recession the employment policy was restrictive, recruited were only the most urgent and specific requirements for personnel. Despite a considerably high number of 371 newly recruited employees, these mainly involved transfers and acquisitions of personnel among the companies in the Group; there were 202 newly recruited staff in our company in Russia to replace almost the entire number of employees.

Optimal HR structure was assured by more flexible staff-reallocation internally and between subsidiaries in the Group. In the Slovenian part of the Group at least 132 employees changed their workplace or work area.

Our objectives in cost management and cost cutting, in particular in redundancy issue, were achieved with 'soft' methods, without causing critical social tension:

- We restricted the renewal or extending of temporary employment contracts; 129 employees hired under such contracts were laid off;
- Work through Student Job Centre was reduced from 155 students engaged on average per month in 2008 to only 51 in the reporting year;
- Labour hired through HR agencies were reduced too, from 93 workers at the year-end 2008 to only 36 in 2009.
- In the Slovenian part of the Group, we paid out termination benefits to 40 employees for which reassignment to other work was not feasible and who were eligible for compensation benefits from the National Employment Service for the last year(s) before retirement.

Moreover, to retain as many jobs as possible, we adopted additional measures in the Slovenian part of the Group:

- Reducing the variable part of wage for employees in underperforming organizational units, paid out as performance bonus of the unit, by 5 to 18 percent,
- Decreasing the payment to the additional collective voluntary pension insurance contributed by the employer to all employees included in the Pension Plan, by 20 percent;
- Ceased payments of certain bonuses to managerial or executive staff (life insurance),
- Downsized the number of executives and staff employed under individual service contracts,
- Received subsidy from the State for 31 employees in the supporting services of our subsidiary Intereuropa Transport d.o.o. who were made redundant on a temporary basis.

Monitoring the Employee Satisfaction and Concern for Employees

Despite cost-cutting in all areas, our concern for employees has retained a similar level as in the past:

- We awarded 181 employees for their round anniversary of service in the Intereuropa Group, of which 70 celebrated their thirtieth or fortieth jubilee.
- We maintain the tradition of symbolic gifts to our female employees for the Women’s Day, and to children of our employees at Christmas/ New Year. Only the traditional annual Intereuropa Games (“Intereuropiada”) were not held in the reporting year.
- Our employees and pensioners were offered the use of our holiday accommodation facilities at favourable prices. The occupancy of these facilities was 42 percent, similar as a year ago.
- Our employees have the possibility to take part in organized recreation in the afternoon.

Additional benefits

- Based on the Employee Profit Sharing Agreement for Intereuropa d.d. the profit share for the year 2008 was paid out to 310 employees who requested it, in the statutory term in 2009.
- Financial aid in total amount of € 43 thousand was granted to our employees who were affected by difficult health condition or had to cope with inferior financial position, death of family members and similar;
- Additional voluntary pension insurance is paid for 949 employees in the Slovenian part, or € 66.70 per employee on average;
- Fifteen employees used the option for flexible work schedule to facilitate their coordination of work and family life.

Every two years we measure the organizational atmosphere and use the results to prepare action plans for improvement. At the end of the year we joined to the survey 'Golden Tread' (»Zlata nit«) to measure the employee satisfaction and envision to publish the results early in 2010.

The latest survey showed that our greatest possibilities for improvement were in the area of remuneration (wage) and in the relationship between employees and superiors (managers), so we set the following goals:

- Communication and personal development of employees, which includes the efforts that at least one half of employees in the Slovenian part of the Group are invited to the annual interview with their superior in the next two years,
- Integrating the 'team-building' programmes into the practice of the Group,
- Continued concern for psychical health of employees,
- Management of effective remuneration and motivation systems.

Assuring safety at work

Our concern for safety and health in working environment of the Group aims to achieve higher standards and maintain health and well-being of our employees by:

- Protection of health and preventive measures for employees,
- Compliance of workplace and work environment with requirements;
- Investing in improvement of work conditions (modernization of technological procedures),
- Purchases of new modern work equipment (personal computers, forklifts, lifting ramps, etc.),
- On-going education and training for quality assurance, as well as the quantity of our services,
- Providing the personal protective equipment and dedicated use thereof to comply with requirements,
- Testing and measuring ecological work conditions in the working environment.

Preventive Health Care: Our concern for health and safety at work is an indispensable part of work process, along with quality management, towards achieving the envisioned goals and well-being.

- This year, 572 employees in the Group were included in preliminary, periodical or special medical check. In the Slovenian part we organised vaccination against flue: 168 employees took part.
- With the funds received from the State for exceeding the quota of disabled workers employed, we improved their work environment. Most of the funds granted (€78 thousand) were spent on operating assets and equipment to facilitate their work (photocopiers, fork-lift, tools in the warehouse, special chairs, etc.).
- Preventive measures help us to contain the sick leave (up to 30 days, which is borne by the Company) in the usual range – around 2% (parent company).

Injury at work: During the reporting year, there were 35 injuries at work in the whole Intereuropa Group or 28 percent less than a year ago (47 incidents in 2008). The analysis of risk factors, sources and causes of accidents proved that the injuries occurred mainly due to the personal factor of each

individual (lack of attention, improper approach to work, by fault of others, neglecting the use of personal protective equipment, etc.).

Checks and tests of working assets and equipment: Certain risks for injuries or health impairment are involved in handling with working assets and equipment (machinery, forklift, lifting equipment/elevators, gas, electrical and lightning conductor installations, etc.). There were 214 sets of different working assets/ equipment examined and tested in individual organizational units. In certain work processes and equipment the instructions for safe work have been produced or updated.

Fire safety and protection: 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. In individual units we carried out a practical exercise of evacuation and fire-fighting according to a specific scenario. Technical documentation for individual facilities was developed (fire threat assessment, fire safety plan and evacuation plan) in accordance with regulations.

1.5. Total Quality Management

Six companies out of 21 in the Intereuropa Group are certified under the ISO 9001:2008 standard. These certified companies employ 70.4 percent of all employees in the Group, or 4.4 percentage points fewer than a year ago, which is a result of downsizing the staff in the Slovenian part of the Group. In the reporting year our subsidiary in Germany was involved in the certification process under the new quality management standard ISO 9001, and the remaining five companies will be certified under the new quality management standard ISO 9001:2008.

Maintaining the ISO 9001:2008 Quality Management System

- Annual reports on the quality management were prepared (QM) for the year 2008 in the three companies with certification (Intereuropa d.d., Intereuropa Transport d.o.o., and Intereuropa d.o.o. Zagreb), separately for Interagent d.o.o. and separately for Intereuropa RTC Sarajevo. In the report for these three companies with certification we proposed the measures for improvement addressing: 1. the processes measurement, aiming to test the QM indices and determine the QM goals for 2009; 2. the efficiency of implementation of the recommendations made by external or internal audits; and 3. the preparation of separate QM Manuals for the companies Intereuropa Transport d.o.o., Koper, and Intereuropa Logistical Services d.o.o., Zagreb.
- The Managing Board of Intereuropa d.d. analysed the Customer Satisfaction Report (MMS) for the year 2008.
- Half-year QM reports for the year 2009 were prepared and the measures to improve the QM system were triggered.
- All the quality management manuals in certified companies have been updated.
- We assessed our suppliers – contractors of road transport and forwarding services, and other suppliers specific for a particular company.
- For the year 2009 we abandoned the survey of customer satisfaction and innovation management system in three certified companies.

Internal quality of service auditing

- In the parent company Intereuropa d.d. and affiliates Intereuropa Transport d.o.o. and Intereuropa d.o.o. Zagreb we fulfilled practically the entire plan of internal QM audits for the reporting year – thirteen processes except three support processes.
- Interagent d.o.o. – the audit was performed in May successfully, without finding any non-compliance, but receiving three recommendation.
- Intereuropa RTC, Sarajevo, - internal audits will be performed according to plan, in three parts.
- Intereuropa GmbH, Troisdorf (Germany) – no data.

Verification of the HACCP System (for foodstuffs)

In the parent company we have the HACCP System (Hazard Analysis and Critical Control Point for foodstuffs) established in four warehouses: Maribor, Dravograd, Celje and Ljubljana. The verification of the HACCP system, or compliance with good practices in handling foodstuffs was performed in all the four warehouses in November. Only one non-compliance was found concerning the training of newly-employed, and one recommendation regarding the cleanliness of the premises, which will be addressed forthwith.

External quality of service audit by the certification authority

- The audit was successful in all the 6 certified companies, which are to migrate to the new ISO 9001:2008 Standard already in the first year of passing the test.

Company	Standard	Cert. authority	Month of external audit	Non-compliance	Recommendations	Customer satisfaction measurement*	Share of claims for damages**
Intereuropa d.d.	ISO 9001:2008	SIQ	Merch 2009	0	10		0.44%
Intereuropa Transport d.o.o.	ISO 9001:2008	SIQ	March 2009	0	4		0.28%
Intereuropa, logističke usluge, d.o.o., Zagreb	ISO 9001:2008	SIQ	March 2009	2	9		0.35%
Interagent d.o.o., Koper	ISO 9001:2008	BV	June 2009	0	7	ū	0.00%
Intereuropa RTC d.d. Sarajevo	ISO 9001:2008	SIQ	December 2009	0	6	ū	0.22%
Intereuropa Transport & Spedition GmbH, Troisdorf	ISO 9001:2008	BV	February 2009	0	8		0.30%

*Systematic customer satisfaction measuring by survey/questionnaires

** Share of claims for damages (due to inadequate quality – cost of non-quality) in gross margin.

- Intereuropa d.d., Intereuropa Transport d.o.o. and Intereuropa d.o.o. Zagreb – the renewal audit, which means that it covered the three-year term of the quality management system. That was also a transition audit to the new standard, due to our declared intention to be audited under the new ISO 9001:2008 standard.

The findings of the five auditors confirmed that the quality management system of Intereuropa to be compliant with the requirements of the standard in all areas except two cases. There were two cases of non-compliance found and 21 recommendations issued.

The non-compliance related to deficient filling out of waybills in Intereuropa Express Zagreb, and to exceeding the speed limit of a freight vehicle. Our response regarding the non-compliance case and the recommendations was submitted to the certification authority SIQ one month before the deadline. The measures were assessed positively and we received the renewed ISO 9001:2008 certificate for three years on 11 June 2009.

- Intereuropa Transport & Spedition GmbH, Troisdorf – the external audit was for certification purposes in February 2009, the company underwent the external audit successfully, without finding any non-compliance, and received the ISO 9001:2008 for its quality management system.
- The companies Intereuropa RTC d.d. Sarajevo and Interagent d.o.o. had a control and transitional audit concurrently. No non-compliance was found.

Development**Establishing the Safety Management System in the Supply Chain under the AEO Project**

In February we launched the project to acquire the status of authorized economic operator (AEO) for Intereuropa d.d. This status is awarded by the Customs Administration of the Republic of Slovenia to reliable partners in the logistics chain if the following 4 criteria are satisfied: compliance with the Customs laws, well-organized customs and transport records, solvency, safety and security of facilities, goods and personnel.

The Project Team filed the application for the AEO status on 18 May 2009, which got recorded in the Customs Administration system on 19 June 2009. Under this project we designed the safety plans for the five major logistics terminals (in Celje, Maribor, Ljubljana, Logatec and Koper), and a safety diagram for all logistics terminals owned by Intereuropa. Customs inspectors from the Customs Offices Koper and Ljubljana started with the preliminary inspection in December, which is to continue in January and February, while the AEOF certificate is expected to be awarded in March 2010.

1.6. Creating Value for Shareholders

With the levelling-off trends after the global financial crisis, moderate optimism overwhelmed the Slovenian capital market again. Most shares listed in the Ljubljana Stock Exchange recorded some growth, for others – like the Intereuropa share – the year closed with a negative trend, though less acute than the preceding year.

Key Data on Intereuropa Share (IEKG)

- The Company's share capital is divided into 7,209,413 registered no-par-value shares tagged IEKG.
- The Intereuropa share was listed on the Ljubljanska Stock Exchange in 1998.
- Since 2005 it has been included in the Prime Market of the Ljubljana Stock Exchange.
- The IEKG share is also included in the structure of the SBI20 Stock Exchange Index.

Table 12: Principal Data on Intereuropa Share (IEKG) for the term January-December 2009

	2006	2007	2008	2009
Number of shares*	7.902.413	7.902.413	7.902.413	7.902.413
Number of own shares*	0	0	18.135	18.135
Data on trading				
Average price in €*	25.51	37.93	8.73	5.65
Weighted average rate in €	23.63	40.19	31.81	6.85
Highest rate in €	26.79	51.07	40.00	10.45
Lowest rate in €	19.22	26.11	7.89	5.20
Market capitalisation in thousand €*	201,623	299,739	68,988	44,649
Turnover in thousand €	13,750	70,398	16,551	6,621
Indicators				
Book value of share in €*	20.99	20.14	19.32	17.34
Net earning per share in €	0.59	2.45	0.39	-9.05
Cash flow per share	0.14	2.21	0.40	-8.48
Gross dividend per share	1.04	0.83	0.58	0.00
P / BV	1.21	1.88	0.45	0.33
P / CF	176.34	17.14	21.63	-0.67
P / E	43.28	15.46	22.37	-0.62
Capital gain	14.0%	48.7%	-77.0%	-35.3%
Dividend yield	4.8%	3.0%	1.5%	0.0%
Total return on share	18.8%	51.7%	-75.5%	-35.3%

* * as of the last day of the accounting period

The exchange rate used for converting amounts into euro was 1€ = 239,64 SIT

Book value = capital / (number of ordinary shares – number of own shares)

Market capitalisation = closing price at year's end * number of listed shares

Net earnings per share = net earnings / (number of ordinary shares – number of own shares)

Cash flow per share = (net earnings - dividend + depreciation) / (number of ordinary shares – number of own shares)

P / BV = price at year's end / book value of share

P / CF = price at year's end / cash flow per share

P / E = price at year's end / earnings per share

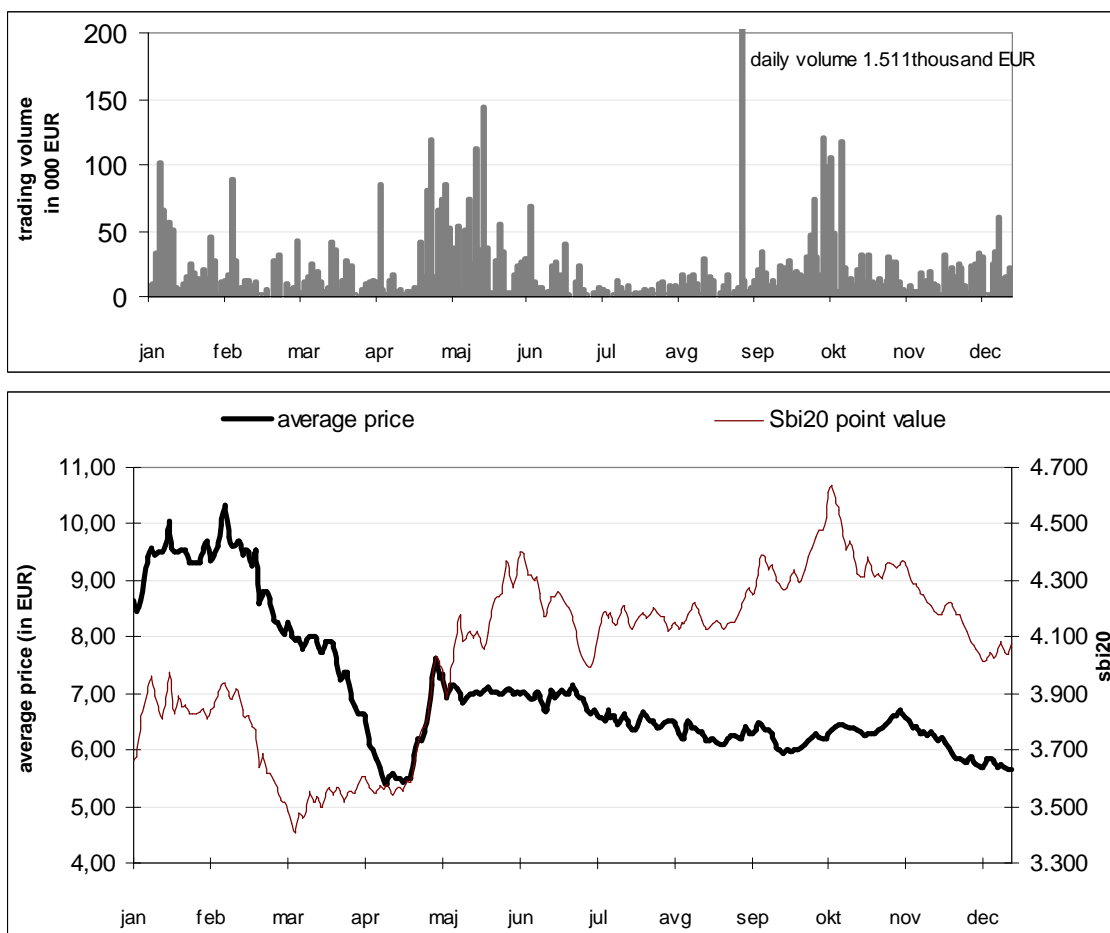
Capital gain = price increase over one year

Dividend yield = gross dividend / price at year's beginning

Share Trading

The average rate of the Intereuropa share (IEKG) lost 35.3 percent in 2009 and ranged from €5.40 to 10.34 per share. Over this term, the Slovenian Stock Exchange Index (SBI20) recorded a growth of 10.4 percent.

At the year-end 31st December 2009, the IEKG share closed at €5.65 per share.



*Note: On 9 Sep. 2009 the daily turnover with the IEKG share amounted to €1,511 thousand.

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

In the reporting year, the trading comprised 983,540 IEKG shares in total amount of €6,621 thousand. The average daily turnover came to €26 thousand. The total turnover with the Intereuropa share was 60 percent lower than in the year 2008.

Ownership structure

Major changes in top ten shareholders in 2009:

- After seizure of 240,000 IEKG shares from Maksima Holding d.d., **Nova Ljubljanska banka d.d.** became the sixth top shareholder of Intereuropa d.d.,
- With additional purchases of IEKG shares, **Abanka Vipa d.d.** increased its shareholding in Intereuropa and became the eighth top shareholder of Intereuropa d.d. by the year-end 2009,
- **KBM Infond d.o.o., Uravnoreženi vzajemni sklad Global** (Balanced Mutual Fund), reduced its shareholding by 10,648 IEKG shares,
- **NFD 1 Delniški investicijski sklad, d.d.** (Equity Fund) sold 94,854 IEKG shares.

Despite these changes the shareholdings of the top ten shareholders has not changed essentially during the year 2009: it was only 1.7 percent lower than as of 31st December 2008.

The shareholding of foreign investors dropped, too: at the end of December it came to 1.9% or 0.4 percentage point lower than a year ago.

The number of shareholders increased by 404 shareholders: the highest growth or 2.0 percent more was recorded in private investors – natural persons (including the employees).

As of 31.12.2009, there were 6,481 shareholders entered in the Share Register of the Company.

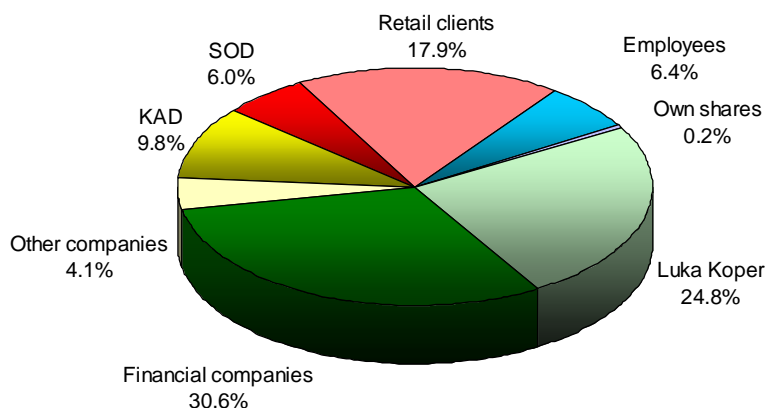


Figure 3: Ownership structure of ordinary shares of Intereuropa d.d. as of 31.12.2009

Table 13: Top ten shareholders of Intereuropa d.d. as of 31.12.2009 compared to 31.12.2008

Curr. No.	Shareholder	30.09.2009		31.12.2008		Index 09/08
		Number of shares	Share	Number of shares	Share	
1.	Luka Koper, d.d.	1,960,513	24.8%	1,960,513	24.8%	100
2.	Kapitalska družba, d.d.	719,797	9.1%	719,797	9.1%	100
3.	Slovenska odškodninska družba d.d.	474,926	6.0%	474,926	6.0%	100
4.	KBM INFOND d.o.o. UVS Infond Global	313,391	4.0%	324,039	4.1%	97
5.	NFD 1 Delniški investicijski sklad d.d.	304,312	3.9%	399,166	5.1%	76
6.	Nova Ljubljanska banka d.d.	240,000	3.0%	0	-	-
7.	Zavarovalnica Triglav d.d.	213,640	2.7%	213,640	2.7%	100
6.	Abanka Vipa d.d.	181,300	2.3%	39,220	0.5%	462
9.	Delniški VS Triglav Steber I, d.d.	152,482	1.9%	152,482	1.9%	100
10.	Primorski skladi d.o.o. PS Modra linija - delniški sklad	123,007	1.6%	123,007	1.6%	100

Managing Board President Ernest Gortan, M.Sc., and procurator Tatjana Vošinek Pucer did not own any Intereuropa shares on 31.12.2009.

Tables 14: Shares held by members of Supervisory Board, as of 31.12.2009

Supervisory Board	Number of shares	Shareholding
Bruno Korelič, the Supervisory Board President	10	0.000
Nevija Pečar, Deputy of the Supervisory Board President	4,185	0.053
Maša Čertalič, M.Sc., Member of the Supervisory Board	99	0.001
Maksimilijan Babič, Member of the Supervisory Board	100	0.001

Own shares

As of 31st December 2009, Intereuropa was holding 18,135 own shares (IEKG) in total value of EUR 180 thousand. That stands for 0.2295 percent of all ordinary shares of the issuer. The number of own shares has not changed since 31 December 2008.

The Company does not have any authorized capital and has not increased its share capital stock.

Dividend policy

Until 2006 (inclusive), the dividend policy of the Company Intereuropa d.d. was in line with the long-term stable growth of dividend payout. Dividend gradually decreased owing to increased investing activities in the year 2006 and accelerated investment cycle in the forwarding two years. Aggravated situation in financial markets in 2009 and the need for additional finance for the completion of the investment in progress led to the decision of the Managing Board to propose to the General Meeting that dividend for 2008 should not be paid out. On the 21st General Meeting the shareholders supported this proposal and resolved that the Accumulated Profit 2008 amounting to €57,990 thousand remain undistributed. A challenging action against that Resolution was announced in the General Meeting. At the beginning of September we received the challenging action by the shareholder Interfin naložbe d.d. against the Resolution on the appropriation of the Accumulated Profit, adopted by the General Meeting.

After the future strengthening of the economic growth and the expected yield of the investments made by the Group, the Managing Board will address the dividend policy of the Company Intereuropa d.d. again and re-define it.

Informing the shareholders

Press Releases, publications, reports and other information are available to the public through electronic system of electronic information system of the Ljubljana Stock Exchange/ SEOnet (www.seonet.ljse.si), our website (www.intereuropa.si), e-newsletter, press conferences and other media. Our shareholders can e-mail their remarks and proposals to us at: info@intereuropa.si.

2. OPERATION OF THE COMPANY INTEREUROPA d.d.

Tables 15 and 16: Operations of Intereuropa d.d. in January-December 2009, in thousand €

Item	Jan-Dec 2009	Plan 2009	Jan- Dec 2008	Index 2009/plan	Index 2009/2008
Net sales revenue	102,807	146,379	149,729	70	69
Contribution Ratio 1	39,766	45,956	48,239	87	82
Land Transport	12,742	16,120	15,561	79	82
Logistics Solutions	12,287	14,945	15,372	82	80
Intercontinental Transport	9,176	9,247	11,134	99	82
Otheer Services	5,560	5,644	6,171	99	90
EBITDA*	2,214	12,457	5,395	18	41
Operating Profit or Loss	-16,567	7,756	659	-	-
Financing Profit or Loss	-59,724	-2,396	2,611	2,493	-
Net Profit or Loss	-71,352	4,234	3,265	-	-
Net sales revenues per employee/ month	9.932	13.560	13.390	73	74
Value added per employee/ month	2.391	3.370	2.634	71	91

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

Item	31.12. 2009	Plan 31.12.2009	31.12. 2008	Index 2009/plan	Index 2009/2008
Balance Sheet Total*	410,132	347,402	359,850	118	114
Equity*	136,674	157,698	152,312	87	90
Short-term assets/ Short-term liabilities*	0.78	1.08	0.80	72	97
Net Return on Equity (yearly level) **	39.60%	2.28%	2.12%	-	-

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

Fundamentals on the operations of Intereuropa d.d. in 2009:

- The **sales revenues** amounted to **€102.8 million** and were 30 percent behind the plan and 31% below the last-year's figures. According to business areas and segments, Logistics Solutions recorded the least decline in sales turnover compared with the plan (-15%) and the comparable term of the year 2008 (20%).
- In the **Contribution Ratio 1 of €39.8 million** the underachievement of the plan was lower than in sales revenue (-13 percent), and also lower than in the comparable term 2008 (-18 percent). The least underachievement of the plan was recorded by Intercontinental Service (-11 percent)³, while the highest was recorded in the Land Transport (-31%).
- **The Operating Profit/Loss was negative at €16.6 million** and significantly behind the plan and below the result achieved in comparable year 2008. The key reasons for the downturn in the operating profit/loss are attributable to the decline in the sales and to the fact that the costs were not fully streamlined to the reduced volume of operations (primarily the labour cost), as well as increased expenses for the impairment of land in Moscow (logistics hub Chekhov) in the amount of €14.3 million that was undertaken for the purpose of revaluation of fixed assets to fair value.
- **The Financing Profit or Loss of €-59.7 million** was far behind the last year's result and the plan. The result achieved is primarily due to financial expenses from impairment of long-term financial investments in some affiliated companies in the Group, in total amount of €58.6 million, in the companies.
 - Intereuropa Transport d.o.o. €5.2 million,
 - TOV Intereuropa – Ukraine, Kiev €8.8 million,
 - OOO Intereuropa-East, Moscow €44.6 million.

Impairment was performed for the revaluation of assets to fair value.

For the sake of comparison between the year 2008 and 2009, if the effect of impairment and gains from the disposal of fixed assets in 2009, and the expenses for employee profit-sharing scheme and gains from the disposal of fixed assets in 2008 were excluded from the Profit or Loss

³ Operations by UPS Branch excluded.

Statement, we find that the Operating Profit or Loss 2009 was lower by €3.6 million than in the year 2008, and came to €-2.7 million.

In addition, the Operating Profit/Loss also comprises the **Profit or Loss from Stoppage of Operation** at **€ 2.2 million**, which stands for the profit made in the transfer of a part of an undertaking of Intereuropa d.d. (the UPS Branch Office) to the new branch of the UPS Group in Slovenia. The **Net Profit /Loss** for the reporting year was negative and came to **€-71.4 million**.

- The **sales efficiency ratio** and **added value per employee** were declining and approximately 30 percent behind the plan.
- At the year-end 2009 the **land owned by Intereuropa d.d. was revalued** in the amount of €70.8 million as an increase and 14.3 million as a decrease in value of land.
- In the structure of Assets, the **share of capital** represents 33 percent (42% as at 31 December 2008), and the **current ratio** was 0.78 (compared to 0.80% as at 31 December 2008).

3. OPERATION OF THE SUBSIDIARY OOO INTEREUROPA-EAST, MOSCOW

In 2009 the economic and financial sector in the Russian Federation was struck by the negative impacts of the global recession, which in turn reflected in the sale of services provided by our company OOO Intereuropa-East, Moscow.

Land Transport

In the first half-year 2009 the Company structured its operations in the departments, improved the profile of operations in favour of more profitable business and strengthened the control of operating cost. Therefore, the company was able to achieve € 708 thousand from the sales in land transport despite the crisis that slashed the freight rates in the market by 30 percent below the preceding year, and improved its performance considerably over the year 2008.

Logistics Solutions

Storage services were practically not offered in the reporting year because the warehouses were not put into operation yet. The first business for warehousing was only concluded in November, so the sales turnover came to €47 thousand only.

Car logistics

The automotive logistics market did not evade the effects of the economic crisis, so the sales of these services within the GM operations decreased. In June the company entered into another contract for warehousing with KIA and FIAT. That helped to mitigate the negative effects, but was not sufficient to achieve the expected values. With €4,569 thousand we achieved 77% of the sales target.

Tables 17 and 18: Operations of OOO Intereuropa-East, Moscow, January-December 2009, in thousand €

Item	Jan-Dec 2009	Plan 2009	Jan-Dec 2008	Index 2009/plan	Index 2009/2008
Net sales revenue	5,359	23,954	6,492	22	83
Contribution Ratio 1	5,044	12,422	4,278	41	118
Land Transport	373	2,464	49	15	755
Logistics Solutions	47	3,958	0	1	-
Intercontinental Transport (car logistics)	4,596	6,000	4,229	77	109
Other services	28	0	0	-	-
EBITDA*	-133	6,044	1,062	-	-
Operating Profit or Loss	-36,706	1,858	-759	-	-
Financing Profit or Loss	-4,276	-6,157	-7,580	69	-
Net Profit or Loss	-38,555	-4,299	-6,683	897	-
Net sales revenues per employee/ month	3.353	13.488	4.852	25	69
Value added per employee/ month	1.068	5.115	2.302	21	46

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

Item	31.12. 2009	Plan 31.12.2009	31.12. 2008	Index 2009/plan	Index 2009/2008
Balance Sheet Total*	133,637	150,028	116,188	89	115
Equity*	19,622	56,110	42,5	35	4,620
Short-term assets/ Short-term liabilities	0.54	0.63	0.58	86	92
Net Return on Equity (yearly level) **	-132.76%	-7.09%	-693.08%	1.872	19

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

The operating result (€ -36.7 million) was largely affected by the expenses from revaluation of the impairment of land and property to fair value, amounting to €35 million.

C. FINANCIAL REPORT

The Intereuropa Group consists of the controlling company Intereuropa d.d. (hereafter referred to as the Parent Company), of controlled companies. The Slovenian Companies Act (ZGD) defines Intereuropa d.d. as a large company, whose securities are traded in the organised securities market and is therefore subject to auditing. As the controlling company, Intereuropa is liable to prepare consolidated financial statements, and is based in 6000 Koper, Vojkovo nabrežje 32, Slovenia.

The financial statements have been prepared in accordance with the provisions of International Financial Reporting Standards (IFRS).

The same accounting guidelines were applied in the consolidated financial statements as in those of the Parent Company, as indicated in the Accounting Report for the financial year 2008, except for the measurement of land where the amended guideline was considered, i.e. the revaluation to fair value model (land has to be recorded at its revalued amount which is the fair value as of the revaluation date, decreased by any subsequently accumulated loss owing to impairment).

After 1 January 2009 the financial statements and items therein are presented in accordance with the amended IAS 1. In addition, we followed the recommendation of auditors and changed the titles of items in the statements, made a reclassification of items in the Income Statement and the Statement of Financial Position compared to the year ago (and adapted the comparable data thereto).

The re-classification of items in the Income Statement is as follows:

- The revenue from the elimination (reversal) of allowances for receivables and collected written-off receivables, and the revenues from write-offs of operating liabilities were transferred from the item Other Operating Revenues to the Financial Revenue item;
- The cost of materials was transferred from the item Cost of Services and Materials to the item Other Operating Expenses, and
- The expenses arising from impairment and write-downs/-offs of tangible (property, plant and equipment) and intangible fixed assets were transferred from the item "Amortisation and other write-downs/-offs" to the item "Other Operating Expenses".

The re-classification of items in the Statement of Financial Position is as follows:

- 'Long-term deferred costs and accrued revenues' were transferred from the item 'Intangible Assets' and 'Long-term deferred costs and accrued revenues' to the item of Other long-term assets',
- 'Short-term deferred costs and accrued revenues' were included in the item 'Short-term operating receivables'.

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

THE MANAGING BOARD STATEMENT

The Managing Board hereby confirms that the the financial report of the company Intereuropa, Global Logistics Service, Ltd. Co. and the Intereuropa Group, to their best knowledge, is compiled in compliance with the appropriate framework of financial reporting and that it presents a true and fair account of assets and liabilities, financial position, and the income of the company Intereuropa, Global Logistics Service, Ltd. Co. and other companies included in the consolidated statements. The business report includes a fair account of information on relevant transaction with associated persons, and it is compiled in compliance with the relevant accounting standard.

INTEREUROPA d.d.
The Managing Board

1. FINANCIAL REPORT FOR THE INTEREUROPA GROUP

1.1. Unaudited financial Statements of the Intereuropa Group

CONSOLIDATED INCOME STATEMENT FOR INTEREUROPA GROUP

1 January – 31 December 2009

in €thousand	2009	2008
SALES REVENUES	193,938	265,875
Other operating revenues	2,319	8,117
Costs of services	117,162	173,096
Labour costs	47,709	51,827
Depreciation	14,330	14,475
Other operating expenses	67,310	20,446
OPERATING PROFIT OR LOSS	-50,252	14,148
Financial revenues	4,767	10,529
Financial expenses	15,436	20,086
PROFIT OF LOSS FROM ORDINARY ACTIVITIES	-60,921	4,591
PROFIT OF LOSS FROM DISCONTINUED OPERATIONS	2,239	0
Corporation tax (incl. Deferred tax)	-4,775	903
NET PROFIT OR LOSS FOR THE PERIOD	-53,907	3,688
Net profit or loss / non-controlling part	286	429
Net profit or loss / controlling part	-54,193	3,259
Basic and adjusted earnings per share in EUR	-6.87	0.39

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR INTEREUROPA GROUP

1 January – 31 December 2009

in €thousand	2009	2008
Net profit or loss	-53,907	3,688
Other Comprehensive Income	74,132	-12,554
Land revaluation to fair value	96,753	0
Surplus of deferred tax from land revaluation	-18,474	0
Revaluation of financial asstes for sale to fair value	328	-2,437
Transfer of revaluation surplus form financial assets for sale	-1,576	-4,251
Surplus of deferred tax from revaluation of financial assets for sale	255	1,469
Change in Net profit/loss brought forward	-34	-654
Exchange rate translation differences	-3,120	-6,681
Comprehensive income total	20,225	-8,866
Comprehensive income total - non-controlling part	1,529	388
Comprehensive income total - controlling part	18,696	-9,254

The Notes to the Financial Statements are integral part of Financial Statements and have to be read as a whole.

CONSOLIDATED BALANCE SHEET OF INTEREUROPA GROUP as at 31 December 2009

in € thousand	31. 12. 2009	31. 12. 2008
ASSETS		
Tangible fixed assets	377,910	330,861
Investment property	7,025	7,790
Intangible fixed assets	9,491	8,696
Other long-term operating assets	517	134
Deferred tax assets	7,845	2,298
Loans and deposits given	80	68
Investment in jointly controlled company	148	210
Other financial investments	3,805	6,528
TOTAL LONG-TERM ASSETS	406,821	356,585
Assets for sale	10,180	10,523
Inventories	203	270
Loans and deposits given	2,764	1,888
Other financial investments	5	0
Short-term operating receivables	63,080	71,631
Corporate tax short-term assets	899	2,273
Cash	5,318	8,508
TOTAL SHORT-TERM ASSETS	82,449	95,093
TOTAL ASSETS	489,270	451,678
CAPITAL		
Capital - controlling part	178,705	160,010
Share capital	32,976	32,976
Capital reserves	36,040	49,403
Reserves from profit	12,507	12,469
Revaluation surplus	76,853	827
Exchange rate translation differences	-11,680	-8,550
Net profit/loss brought forward	14,849	69,824
Net profit or loss for the financial year	17,160	3,061
Capital - non-controlling part	10,098	9,350
TOTAL CAPITAL	188,803	169,360
LIABILITIES		
Provisions and long-term deferred revenues	3,804	3,468
Long-term loans received	107,009	88,665
Other long-term financial liabilities	2,206	2,447
Long-term operating liabilities	288	889
Deferred tax liabilities	18,834	178
TOTAL LONG-TERM LIABILITIES	132,141	95,647
Short-term loans received	115,481	131,194
Other short-term financial liabilities	465	749
Short-term operating liabilities	52,325	53,113
Corporate tax short-term liabilities	55	1,615
TOTAL SHORT-TERM LIABILITIES	168,326	186,671
TOTAL LIABILITIES	300,467	282,318
TOTAL CAPITAL AND LIABILITIES	489,270	451,678

The Notes to the Financial Statements are integral part of Financial Statements and have to be read as a whole.

CONSOLIDATED CASH FLOW STATEMENT OF INTEREUROPA GROUP
1 January – 31 December 2009

in € thousand	2009	2008
CASH FLOWS FROM OPERATIONS		
Profit and loss account items	18,469	18,889
Operating revenues (except revaluation) and financial revenues from operating receivables	199,419	268,780
Operating expenses excluding depreciation (except revaluation) and financial expenses from operating receivables	-180,433	-244,659
Corporation tax	-517	-5,232
Changes in working capital	3,408	-3,195
Opening less closing operating receivables	5,008	-534
Opening less closing inventories	67	-120
Closing less opening operating debt and provisions	-1,667	-2,541
Surplus inflows from operations	21,877	15,694
CASH FLOWS FROM INVESTMENTS		
Inflows from investments	6,711	11,627
Inflows from received interest	354	622
Inflows from profit shares in others	171	661
Inflows from disposal of tangible fixed assets and investment property	3,007	3,257
Inflows from disposal of long-term financial investments	3,179	5,794
Net decrease of short-term financial investments	0	1,293
Outflows for investments	-22,466	-63,651
Purchase of minority stakes	0	-660
Outflows for acquisition of intangible assets	-1,197	-1,599
Outflows for acquisition of tangible fixed assets and investment property	-19,669	-60,767
Outflows for acquisition of long-term financial investments	-97	-625
Outflows from increase of short-term financial investments	-1,503	0
Surplus outflows from investments	-15,755	-52,024
CASH FLOWS FROM FINANCING		
Inflows from financing	75,868	69,777
Inflows from received long-term loans	75,868	51,216
Inflows from increase of received short-term loans	0	18,561
Outflows for financing	-85,424	-33,562
Outflows for interest paid	-11,286	-11,355
Outflows for dividend payout and other profit participations	-762	-6,590
Outflows for repayment of long-term loans	-69,534	-15,617
Outflows for decrease of short-term loans received	-3,842	0
Surplus outflows from financing	-9,556	36,215
Net increase/decrease in cash	-3,434	-115
Exchange rate effect	244	243
Cash at beginning of period	8,508	8,380
Cash at the end of period	5,318	8,508

The Notes to the Financial Statements are integral part of Financial Statements and have to be read as a whole.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY OF INTEREUROPA GROUP
1 January – 31 December 2009

in € thousand	Share capital	Capital reserves	Legal reserves	Own shares reserves	Own shares	Revaluation surplus	Retained net profit or loss	Net profit or loss for the financial year	Consolidation capital adjustment	Capital - non-controlling part	Total shareholders equity
Opening balance 1. 1. 2009	32,976	49,403	12,469	-180	180	827	69,824	3,061	-8,550	9,350	169,360
Comprehensive income total						76,026	-8	-54,193	-3,129	1,529	20,225
Transfer of retained net profit to reserves	0	0	38	0	0	0	-38		0	0	0
Transfer of net profit to retained net profit	0	0	0	0	0	0	3,061	-3,061	0	0	0
Net loss settlement	0	-13,363	0	0	0	0	-57,990	71,353	0	0	0
Dividend and other profit participations payout	0	0	0	0	0	0	0	0	0	-665	-665
Purchase of minority stakes	0	0	0	0	0	0	0	0	0	-116	-116
Closing balance 31.12.2009	32,976	36,040	12,507	-180	180	76,853	14,849	17,160	-11,680	10,098	188,803

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY OF INTEREUROPA GROUP
1 January – 31 December 2008

in € thousand	Share capital	Capital reserves	Legal reserves	Own shares reserves	Own shares	Revaluation surplus	Retained net profit or loss	Net profit or loss for the financial year	Consolidation capital adjustment	Capital - non-controlling part	Total shareholders equity
Opening balance 1. 1. 2008	32,976	49,403	12,008	0	0	6,029	49,557	26,063	-1,893	12,011	186,154
Comprehensive income total	0	0	0	0	0	-5,202	0	3,259	-7,311	388	-8,866
Purchase of own shares	0	0	0	0	-180	0	0	0	0	0	-180
Formation of reserves for own shares	0	0	0	180	0	0	0	-180	0	0	0
Transfer of net profit and retained net profit to reserves	0	0	461	0	0	0	-443	-18	0	0	0
Transfer of net profit to retained net profit	0	0	0	0	0	0	26,063	-26,063	0	0	0
Purchase of minority stakes	0	0	0	0	0	0	0	0	0	-1,060	-1,060
Dividend and other profit participations payout	0	0	0	0	0	0	-4,583	0	0	-2,023	-6,606
The managing board and supervisory board bonus payout	0	0	0	0	0	0	-157	0	0	0	-157
Other changes in capital	0	0	0	0	0	0	41	0	0	34	75
Closing balance 31.12.2008	32,976	49,403	12,469	180	-180	827	70,478	3,061	-9,204	9,350	169,360

The Notes to the Financial Statements are integral part of Financial Statements and have to be read as a whole.

**INFORMATION ACCORDING TO BUSINESS SEGMENTS
FOR JANUARY – DECEMBER 2009**

in € thousand	Slovenia		Croatia		Montenegro	
	Jan-Dec 2009	Jan-Dec 2008	Jan-Dec 2009	Jan-Dec 2008	Jan-Dec 2009	Jan-Dec 2008
Revenues from external customers	121,663	175,169	32,207	42,361	6,436	7,765
Revenues from business with other segments	12,763	15,853	939	2,752	51	90
Total revenues	134,425	191,022	33,146	45,113	6,487	7,855
Depreciation	8,038	8,435	2,706	2,909	636	614
Operating profit or loss	-17,423	-310	1,918	11,363	835	1,475
Revenues from interest rates	6,996	5,429	552	671	50	250
Expenses from interest rates	8,406	8,983	1,342	1,406	0	27
Net profit or loss from ordinary activities	-77,732	1,609	650	10,558	914	1,857
Assets / Liabilities	431,871	385,979	89,632	76,595	23,679	24,179
Long-term assets	297,720	261,014	71,516	57,396	20,992	21,380
Investments in controlled and associated companies	75	75	0	0	0	0

in € thousand	Russia		Others		Adjustment*	
	Jan-Dec 2009	Jan-Dec 2008	Jan-Dec 2009	Jan-Dec 2008	Jan-Dec 2009	Jan-Dec 2008
Revenues from external customers	5,359	6,492	28,470	34,079	-198	9
Revenues from business with other segments	0	0	1,883	2,656	-15,635	-21,350
Total revenues	5,359	6,492	30,353	36,735	-15,833	-21,341
Depreciation	1,583	837	1,423	1,679	-56	0
Operating profit or loss	-36,706	110	-3,813	1,268	4,936	242
Revenues from interest rates	20	79	22	33	-6,456	-4,576
Expenses from interest rates	1,984	2,709	481	803	-2,456	-2,622
Net profit or loss from ordinary activities	-40,982	-8,339	-4,857	-1,429	61,085	334
Sredstva / obveznosti	133,637	121,620	42,959	45,562	-232,508	-202,257
Long-term assets	82,714	100,994	36,405	37,231	-102,527	-121,430
Investments in controlled and associated companies	0	0	0	0	73	135

in € thousand	Group	
	Jan-Dec 2009	Jan-Dec 2008
Revenues from external customers	193,938	265,875
Revenues from business with other segments	0	0
Total revenues	193,938	265,875
Depreciation	14,330	14,475
Operating profit or loss	-50,252	14,148
Revenues from interest rates	1,185	1,886
Expenses from interest rates	9,758	11,306
Net profit or loss from ordinary activities	-60,922	4,591
Assets / Liabilities	489,270	451,678
Long-term assets	406,821	356,584
Investments in controlled and associated companies	148	210

* All adjustments are subject to consolidation procedures

1.2. Notes to Unaudited financial Statements of the Intereuropa Group

a) Notes to the CONSOLIDATED INCOME STATEMENT

Sales revenues

The Group generated the sales revenues of €193,938 thousand.

Other Operating Revenues were achieved in the amount €2,319 thousand (thereof the profits from the disposal of tangible fixed assets €1,183 thousand).

Cost of services

The cost of services range from €117,162 thousand, and the highest share are direct costs (80%).

The **Labour costs** amount to €47,709 thousand. The decrease in these costs below the figures of the preceding year is attributable to the lower number of employees and the reduction of wages.

Other operating expenses

Under Other operating expenses in the amount of € 67,310 thousand, the essential part is the impairment of fixed assets (€50,788 thousand) and Cost of materials (€11,175 thousand).

Financial revenues and expenses

Financial expenses amount to €4,767 thousand. The highest share are the capital gains from the sale of financial investments (€1,579 thousand) and Revenues from elimination (reversal) of allowances for receivables and collected written-off receivables (€965 thousand).

Financial expenses amount to € 15,436 thousand. The largest items hereunder are the interest expenses (€9,758 thousand) and expenses from allowances and write-offs for receivables (€ 2,982 thousand) and expenses from foreign exchange differences (losses) (€1,321 thousand).

Operating Profit or Loss from Stoppage of Operation

The Group achieved a positive Operating Profit or Loss from Stoppage of Operation (€ 2.239 thousand) from the sale of a part of an undertaking of Intereuropa d.d. (the UPS Branch Office).

Tax on profit (assessed tax and deferred tax)

The tax on corporate profit for the year 2009 comes to €– 4,775 thousand (the assessed tax is €342 thousand, deferred tax €– 5,117 thousand).

Basic and adjusted earnings per share

The Basic earnings per share (€-6.87) are calculated as: The net profit or loss pertaining to the holders of ordinary shares of the Parent Company, deducted by the provisions made for own shares/ weighted average number of shares, without own shares. The adjusted earnings per share equals the basic earnings per share because the Company does not hold any dilutive potential ordinary shares.

c) Notes to the CONSOLIDATED BALANCE SHEET

Property, Plant and Equipment

The highest impact on the increase of tangible fixed assets is attributed to the revaluation of land to fair value (€96,753 thousand) that was performed for the first time in 2009 following the changed accounting policy. This item was reduced primarily on the account of impairment of tangible fixed assets (€50,788 thousand), in addition to depreciation.

Intangible assets

The value of intangible assets as of 31st December 2009 was €9,491 thousand. Thereof, €4,393 thousand relate to long-term industrial property rights, €1,424 thousand to goodwill and €3,674 thousand to the long-term deferred development costs.

Other long-term operating assets

Other long-term operating assets are recognised at €517 thousand and are almost entirely relate to incidental expenses of borrowing that are transferred to expenses in proportion to the period of time used and the unsettled portion of the principal.

Other long-term financial investments amount to €3,805 thousand, thereof €1,291 thousand relates to financial assets available for sale and measured at the fair value, and €2,514 thousand relate to financial assets available for sale and measured at the procurement value.

Assets for disposal (sale) in the amount of €10,180 thousand are presented at their book value that is lower than the anticipated sales value, decreased by the anticipated selling costs. Thereof, the Plant, Property and Equipment (real property) intended for sale amount to €3,942 thousand, and financial assets for sale amount to €6,238 thousand.

Short-term loans and deposits in the amount of €898 thousand relate to loans, and €1,866 thousand to deposits.

Short-term operating receivables

The prevailing portion of **Short-term operating receivables** (€63,080 thousand) is the was the trade receivables (€45,393 thousand).

Equity

The changes in items of capital (equity) are presented in the Statement of Comprehensive Income and in the Statement of Changes in Equity.

Provisions and long-term deferred revenues

As of the end of reporting period of the Statement of Financial Position, the Group had €3,804 thousand of unused Long-Term Provisions and Long-term Deferred Revenues. Most of this item (€2,587 thousand) relates to the provisions for termination benefits on retirement and years-of-service rewards.

Long-term financial liabilities

In the amount of €107,009 thousand relate to long-term loans received (€104,303 thousand) and the liabilities under financial lease (€2,706 thousand), other financial liabilities (€2,206 thousand) stand for the liabilities under financial instruments at fair value through the Profit of Loss.

Deferred tax assets and liabilities for tax

Deferred tax assets amount to €7,845 thousand. They are recognised at the deductible temporary differences on the account of the expenses from revaluation of assets and provisions made, and of unused tax losses to the coming periods. They mainly refer to the transfer of unused tax losses to the coming periods.

Deferred tax liabilities amount to €18,834 thousand. They are almost in full amount recognised for taxable temporary differences from the revaluation of land to fair value.

Short-term operating liabilities of €52,325 thousand primarily (€44,737 thousand) relate to the liabilities to suppliers. Other short-term operating liabilities represent the liabilities to employees for wages/salaries and compensations, liabilities for contributions and other liabilities.

2. FINANCIAL REPORT FOR INTEREUROPA d.d. (PARENT)

2.1. Unaudited financial statements of the Parent Company Intereuropa d.d.

INCOME STATEMENT OF INTEREUROPA d.d.

1 January – 31 December 2009

in €thousand	2009	2008
SALES REVENUES	102,807	149,729
Other operating revenues	347	479
Costs of services	74,849	115,752
Labour costs	22,537	24,059
Depreciation	4,461	4,671
Other operating expenses	17,874	5,067
OPERATING PROFIT OR LOSS	-16,567	659
Financial revenues	10,632	14,690
Financial expenses	70,356	12,079
PROFIT OF LOSS FROM ORDINARY ACTIVITIES	-76,291	3,270
PROFIT OF LOSS FROM DISCONTINUED OPERATIONS	2,239	0
Corporation tax (incl. Deferred tax)	-2,700	5
NET PROFIT OR LOSS FOR THE PERIOD	-71,352	3,265
Basic and adjusted earnings per share in EUR	-9.05	0.39

STATEMENT OF COMPREHENSIVE INCOME FOR THE PARENT COMPANY INTEREUROPA d.d.

1 January – 31 December 2009

in €thousand	2009	2008
Net profit or loss	-71,352	3,265
Other Comprehensive Income	55,715	-5,160
Land revaluation to fair value	70,847	0
Surplus of deferred tax from land revaluation	-14,169	0
Revaluation of financial asstes for sale to fair value	359	-2,378
Transfer of revaluation surplus from financial assets for sale	-1,575	-4,251
Surplus of deferred tax from revaluation of financial assets for sale	253	1,469
Comprehensive income total	-15,637	-1,895

The Notes to the Financial Statements are integral part of Financial Statements and have to be read as a whole.

BALANCE SHEET OF INTEREUROPA d.d. as of 31 December 2009

in €thousand	31.12.2009	31.12.2008
ASSETS		
Tangible fixed assets	162,893	109,650
Investment property	6,335	7,081
Intangible fixed assets	4,586	3,992
Other long-term operating assets	499	82
Deferred tax assets	3,628	674
Loans and deposits given	20,788	34,879
Investment in controlled company	82,032	83,041
Investment in jointly controlled company	75	75
Other financial investments	3,728	6,405
TOTAL LONG-TERM ASSETS	284,564	245,879
Assets for sale	3,684	3,571
Inventories	24	35
Loans and deposits given	82,332	71,575
Short-term operating receivables	38,806	36,881
Corporate tax short-term assets	97	1,830
Cash	625	79
TOTAL SHORT-TERM ASSETS	125,568	113,971
TOTAL ASSETS	410,132	359,850
CAPITAL		
Share capital	32,976	32,976
Capital reserves	36,040	49,403
Reserves from profit	11,096	11,096
Revaluation surplus	56,562	847
Net profit/loss brought forward	0	54,905
Net profit or loss for the financial year	0	3,085
TOTAL CAPITAL	136,674	152,312
LIABILITIES		
Provisions and long-term deferred revenues	2,169	1,976
Long-term loans received	93,320	59,965
Other long-term financial liabilities	2,024	2,447
Long-term operating liabilities	0	834
Deferred tax liabilities	14,169	0
TOTAL LONG-TERM LIABILITIES	111,682	65,222
Short-term loans received	101,065	115,687
Other short-term financial liabilities	172	81
Short-term operating liabilities	60,539	26,434
Corporate tax short-term liabilities	0	114
TOTAL SHORT-TERMA LIABILITIES	161,776	142,316
TOTAL LIABILITIES	273,458	207,538
TOTAL CAPITAL AND LIABILITIES	410,132	359,850

The Notes to the Financial Statements are integral part of Financial Statements and have to be read as a whole.

CASH-FLOW STATEMENT OF INTEREUROPA d.d.**1 January – 31 December 2009**

in € thousand	2009	2008
CASH FLOWS FROM OPERATIONS		
Profit and loss account items	6,943	3,042
Operating revenues (except revaluation) and financial revenues from operating receivables	105,676	150,567
Operating expenses excluding depreciation (except revaluation) and financial expenses from operating receivables	-100,351	-143,890
Corporation tax	1,618	-3,635
Changes in working capital	1,739	-527
Opening less closing operating receivables	2,144	2,201
Opening less closing inventories	10	25
Closing less opening operating debt and provisions	-415	-2,753
Surplus inflows from operations	8,682	2,515
CASH FLOWS FROM INVESTMENTS		
Inflows from investments	31,669	16,378
Inflows from received interest	1,105	1,001
Inflows from profit shares in others	1,386	6,765
Inflows from disposal of tangible fixed assets and investment property	452	1,712
Inflows from disposal of long-term financial investments	28,726	6,900
Outflows for investments	-49,622	-61,885
Outflows for acquisition of intangible assets	-596	-1,048
Outflows for acquisition of tangible fixed assets and investment property	-1,009	-8,970
Outflows for acquisition of long-term financial investments	-43,863	-2,386
Outflows from increase of short-term financial investments	-4,154	-49,481
Surplus outflows from investments	-17,953	-45,507
CASH FLOWS FROM FINANCING		
Inflows from financing	75,647	63,964
Inflows from received long-term loans	75,647	47,000
Inflows from increase of received short-term loans	0	16,964
Outflows for financing	-65,827	-20,970
Outflows for interest paid	-9,081	-7,897
Outflows for dividend payout and other profit participations	-4	-4,923
Outflows for repayment of long-term loans	-52,325	-8,150
Outflows for decrease of short-term loans received	-4,417	0
Surplus inflows from financing	9,820	42,994
Net increase/decrease in cash	549	2
Exchange rate effect	-3	-9
Cash at beginning of period	79	86
Cash at the end of period	625	79

The Notes to the Financial Statements are integral part of Financial Statements and have to be read as a whole.

STATEMENT OF CHANGES IN EQUITY OF INTEREUROPA d.d.

1 January – 31 December 2009

in € thousand	Share capital	Capital reserves	Legal reserves	Own shares reserves	Own shares	Revaluation surplus	Retained net profit or loss	Net profit or loss for the financial year	Total shareholders equity
Opening balance 1. 1. 2009	32,976	49,403	11,096	180	-180	847	54,905	3,085	152,312
Comprehensive income total	0	0	0	0	0	55,715	0	-71,352	-15,637
Transfer of net profit to retained net profit	0	0	0	0	0	0	3,085	-3,085	0
Net loss covering	0	-13,363	0	0	0	0	-57,990	71,352	0
Closing balance 31.12.2009	32,976	36,040	11,096	180	-180	56,562	0	0	136,674

STATEMENT OF CHANGES IN EQUITY OF INTEREUROPA d.d.

1 January – 31 December 2008

in € thousand	Share capital	Capital reserves	Legal reserves	Own shares reserves	Own shares	Revaluation surplus	Retained net profit or loss	Net profit or loss for the financial year	Total shareholders equity
Opening balance 1. 1. 2008	32,976	49,403	11,096	0	0	6,007	40,262	19,383	159,127
Comprehensive income total	0	0	0	0	0	-5,160	0	3,265	-1,895
Purchase of own shares	0	0	0	0	-180	0	0	0	-180
Formation of reserves for own shares	0	0	0	180	0	0	0	-180	0
Transfer of net profit to retained net profit	0	0	0	0	0	0	19,383	-19,383	0
Dividends payout	0	0	0	0	0	0	-4,583	0	-4,583
The managing board and supervisory board bonus payout	0	0	0	0	0	0	-157	0	-157
Closing balance 31.12.2008	32,976	49,403	11,096	180	-180	847	54,905	3,085	152,312

The Notes to the Financial Statements are integral part of Financial Statements and have to be read as a whole.

2.2. Notes to Unaudited financial Statements of the Parent Company Intereuropa d.d.

a) Notes to the INCOME STATEMENT

Sales revenues

Sales revenues amounting to €102,807 thousand represent the revenues from services rendered.

Other Operating Revenues were achieved in the amount €347 thousand, thereof the profits from the disposal of tangible fixed assets came to €105 thousand.

The **Cost of services** were recorded at €74,849 thousand, the highest share (78%) are direct costs.

The **labour costs** came to €22,537 thousand and were lower than a year ago by €1,522 thousand as a result of lower number of employees and the payroll reduction.

Other operating expenses

Under Other operating expenses in the amount of €17,874 thousand, the essential part is the impairment of fixed assets (€14,293 thousand) and Cost of materials (€2,058 thousand).

Financial revenues and expenses

Financial expenses amount to €10,632 thousand. The highest share here stands for the Interest revenues (€6,945 thousand) and the capital gains from the sale of financial investments (€1,579 thousand).

Financial expenses amount to €70,356 thousand. The largest items hereunder are the expenses from impairment and write-offs of financial investments (€59,757 thousand), interest expenses (€8,071 thousand) and expenses from allowances for receivables and write-offs (€1,392 thousand).

Operating Profit or Loss from Stoppage of Operation

With the disposal of the business unit (UPS Branch) the Company has realised the **Profit /Loss from Stoppage of Operation** at €2,239 thousand.

Tax on profit

A tax loss was established in the financial year, therefore the tax assessed amounts to €0, deferred tax come to €-2,700 thousand (mostly relating to revenues from deferred tax assets arising from the tax loss).

Basic and adjusted earnings per share

The Basic net loss per share (€-9.05) is calculated as: the net profit or loss relating to the holders of ordinary shares of the Parent Company/weighted average number of shares, without own shares (€-71,352 thousand/ 7,884,278 shares). The adjusted earnings per share equals the basic earnings per share because the Company does not hold any dilutive potential ordinary shares.

c) Notes to the BALANCE SHEET

Property, Plant and Equipment

The highest impact on the increase of tangible fixed assets is attributed to the revaluation of land to fair value (€70,847 thousand) that was performed for the first time in 2009 following the changed accounting policy. This item was reduced primarily on the account of impairment of land (€14,293 thousand), in addition to depreciation.

Intangible assets

The value of intangible assets as of 31st December 2009 was €4,586 thousand. Thereof, €912 thousand relate to long-term industrial property rights and €3,674 thousand to the long-term deferred development costs.

Other long-term operating assets

Other long-term operating assets amount to €499 thousand and almost entirely relate to incidental expenses of borrowing that are transferred to expenses in proportion to the period of time used and the unsettled portion of the principal.

The **long-term loans granted and deposits** amount to €20,788 thousand. This item almost entirely relates to the loans granted to companies in the Group.

Shares and interests in group companies

We increased the investments for the year 2009 as follows:

- Ø We increased the capital in the affiliates Intereuropa Transport d.o.o., Koper (€1,100 thousand) and OOO Intereuropa-East, Moscow (€57,561 thousand),
- Ø We redeemed the shares in the affiliated company Zetatrans A.D., Podgorica (€58 thousand),
- Ø We established a new company Intereuropa Global Logistics Service, Ltd. Durres (€30 thousand).

The decrease in investments in the Group has resulted from the impairment and investment write-offs at (€59,757 thousand).

Other Long-term financial investments amount to €3,728 thousand. The amount €1,221 thousand relates to financial assets available for sale and measured at the fair value, and €2,507 thousand relates to financial assets available for sale and measured at the procurement value.

Assets held for sale comprise the real property held for sale. As of the end of reporting period (cut-off date), they amount to €3,684 SIT thousand. They are presented at the book value that is lower than the anticipated sales value, decreased by the anticipated selling costs.

Short-term operating receivables

The prevailing portion of Short-term operating receivables (€38,806 thousand) is the trade receivables due from the companies in the Group (€12,113 thousand) and trade receivables due from others (€26,146 thousand).

Equity

The changes in items of capital (equity) are presented in the Statement of Comprehensive Income and in the Statement of Changes in Equity.

Provisions and long-term deferred revenues

As of the end of reporting period of the Statement of Financial Position, the Group had €2,169 thousand of unused Long-Term Provisions and Long-term Deferred Revenues. Most of this item (€1,352 thousand) relates to the provisions for termination benefits on retirement and years-of-service rewards.

Long-term financial liabilities

They relate to long-term loans received (€93,320 thousand), other long-term financial liabilities (€2,024 thousand stand for the liabilities under financial instruments at fair value through the Profit of Loss.

Deferred tax assets and liabilities for tax

Deferred tax assets amount to €3,628 thousand. They are recognised at the deductible temporary differences on the account of the expenses from revaluation of assets and provisions made, and of unused tax losses to the coming periods. They mainly refer to the transfer of unused tax losses to the coming periods.

Deferred tax liabilities amount to €14,169 thousand. They are in full amount recognised for taxable temporary differences from the revaluation of land to fair value.

Short-term operating liabilities amount to €60,539 thousand. They mainly relate to the liabilities to companies in the Group (€35,237 thousand) and to the liabilities to suppliers outside the Group (€21,607 thousand). Other short-term operating liabilities represent the liabilities to employees for wages/salaries and compensations, liabilities for contributions and other liabilities.

D. CONCLUSION

The reporting year 2009 was struck by the recession that slashed the consumption, production and international trade output in Europe and worldwide. Numerous enterprises were forced to adapt to the weaker demand, which reflected in the decline in the demand for logistics.

The Intereuropa Group generated a **sales revenue of €193.9 million**, and remained 31 percent behind the planned sales result. Compared with the year 2008, the decline was 27 percent; the highest drop was recorded in Intercontinental Transport mostly on the account of the poor sales results of our product Car Logistics and further, on the account of the transfer of a part of an undertaking of the Intereuropa UPS Branch Office to the new branch of the UPS Group in Slovenia. Apart from the impacts of the economic crisis we were affected by lower volume of goods carried, the drop of sales prices and the delay in activating the warehouse capacities in Russia.

The Intereuropa Group achieved **€89.2 million of contribution ratio 1**, where the decrease was less marked than fall of sales revenues. That can be attributed to the measures limiting the operating costs and efforts to adjust to the tough market situation.

Investments in fixed assets were made in the scope of possibilities of the companies in the Group, however, most of them were directed to complete the construction of the Logistics Centre Moscow-Chekhov (most of **€25 million of investments** of the Group). Other investments were spent on the provision of funds and requirements for current logistics operations.

In the year 2009 the Group achieved **€15.5 million as Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA)**, which was 42 percent of the planned result. With effective cost management we were able to cut the direct costs by 34 percent. The negative operating result was largely attributable to expenses for **revaluation of the Group's assets to fair value in the amount of €50.8 million**.

We closed the year with an **Operating Profit or Loss** of the Group at **€-50.3 million**, which was 69 million € behind the plan. Financial expenses of the Group exceeded the financial revenue by **€10.7 million**. In the transfer of a part of an undertaking of Intereuropa d.d. (the UPS Branch Office) to the new branch of the UPS Group in Slovenia we made a profit of **€2.2 million**, which is recognized in financial statements under the **Profit or Loss from Stoppage of Operation**. After deduction of taxes, the **Net profit or loss** was negative and came to **€-53.9 million**.

As of the end of the reporting year the **Balance Sheet Total** amounted to **€489 million** and was 8 percent higher than the result achieved at the year-end 2008. After that the share of financial liabilities in the structure of sources fell by 3.4 percentage point to 46.0 percent, while the share of capital in the Liabilities structure of sources rose by 1.1 percentage point to the level of 38.6 percent.

In the reporting year we extended most of short-term credit facilities used to maintain liquidity and bridging funds, and also matched the maturity of loans in favour of long-term facilities. Additional attention is focused on collection of our receivables and establishing the credit standing (solvency) of potential customers, in order to maintain the exposure within the agreed framework and provide for adequate security.

The Managing Board informed the Supervisory Board on the working copy of the »Strategic business plan of the Intereuropa Group for the term 2010-2014« and obtained the Supervisory Board's consent in principle about the course to be taken by the Managing Board, while the final version will be dealt with in the next session of the Supervisory Board.

INTEREUROPA d.d.
predsednik uprave
Ernest Gortan

