

UNAUDITED REPORT

INTERIM REPORT OF INTEREUROPA GROUP

January – June 2015



InterEuropa®

Global Logistics Service

The INTEREUROPA d.d. is publishing this Unaudited Interim Report of Intereuropa Group for January - June 2015, in accordance with the Market in Financial Instruments Act (ZTFI).

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

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

The Unaudited Interim Report of Intereuropa Group for January - June 2015 shall also be published on the web site of INTEREUROPA d.d. www.intereuropa.si on August 31, 2015.

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PERFORMANCE HIGHLIGHTS

In European markets, the gradual improvement of economic activity this year has slightly enhanced the flows of goods and thereby the demand for logistics services. Intereuropa recorded an increased volume of consignments in various areas, in particular in the Slovenian part of the Group, however, the continued uncertainty and heightened risks in Ukraine resulted in the downward movement of the sales result. Being part of the competitive struggle that shapes the sales prices of logistical services, we responded by intensified sales activities and by process optimisation, primarily through on-going informatisation that supports a better and faster service to our customers. Accordingly, we proceeded with the development of integrated information solution to support our logistics processes and started with activities to expand the SAP IT solution also to our major subsidiaries, and with digitalization of outgoing invoices. As a follow-up to optimization objectives, we launched active cost management and refreshment knowledge forms to strengthen the quality of our service which is closely interconnected with the qualification and motivation of the staff. In the reporting half-year, the sales revenue of the Group came to € 66.3 million, which was 8 percent or € 5.5 million behind the plan. The highest underachievement was recorded by our Ukrainian subsidiary in the railway transport services, which lost nearly 80 percent or € 5.6 million of sales revenues. The Group closed the reporting term with an operating profit of € 2.0 million and a net profit of € 0.2 million. In the Parent Company Intereuropa d.d., the net profit came to € 0.8 million.

	INTEREUROPA GROUP			INTEREUROPA D.D.		
(in 1000 €)	Jan-Jun 2015	Jan-Jun 2015	Index 15/14	Jan-Jun 2015	Jan-Jun 2015	Index 15/14
Sales Revenue	66,330	70,665	94	46,119	44,947	103
EBITDA	5,269	5,851	90	3,259	3,640	90
Operating profit or loss (EBIT)	2,028	2,446	83	1,304	1,664	78
Net profit or loss	191	91	210	842	1,130	75
EBITDA margin in %	7.9	8.3	96	7.1	8.1	87
EBIT margin in %	3.1	3.5	88	2.8	3.7	76
Sales Revenue per employee/month	8.062	8.420	96	12.678	12.252	103
Value Added per employee /month	2.156	2.208	98	3.065	3.140	98
(in 1000 €)	30.6. 2015	31.12. 2014	Index 15/14	30.6. 2015	31.12. 2014	Index 15/14
Assets	296,176	295,246	100	229,745	228,976	100
Equity	147,929	147,638	100	97,616	96,753	101
Net debt	84,716	87,574	97	83,580	86,056	97
No. of employees	1,418	1,425	100	621	628	99
				Jan-Jun 2015	Jan-Dec 2014	Index 15/14
No. of shares at the end of term				27,488,803	27,488,803	100
Net earning per share (in €)				0.03	0.01	300
Closing price at the end of term (in €)				0.90	1.18	76
Book value of share at the end of term (in €)				3.55	3.52	101
Closing price / Book value of share				0.25	0.16	158
P/E				15.0	118.0	13

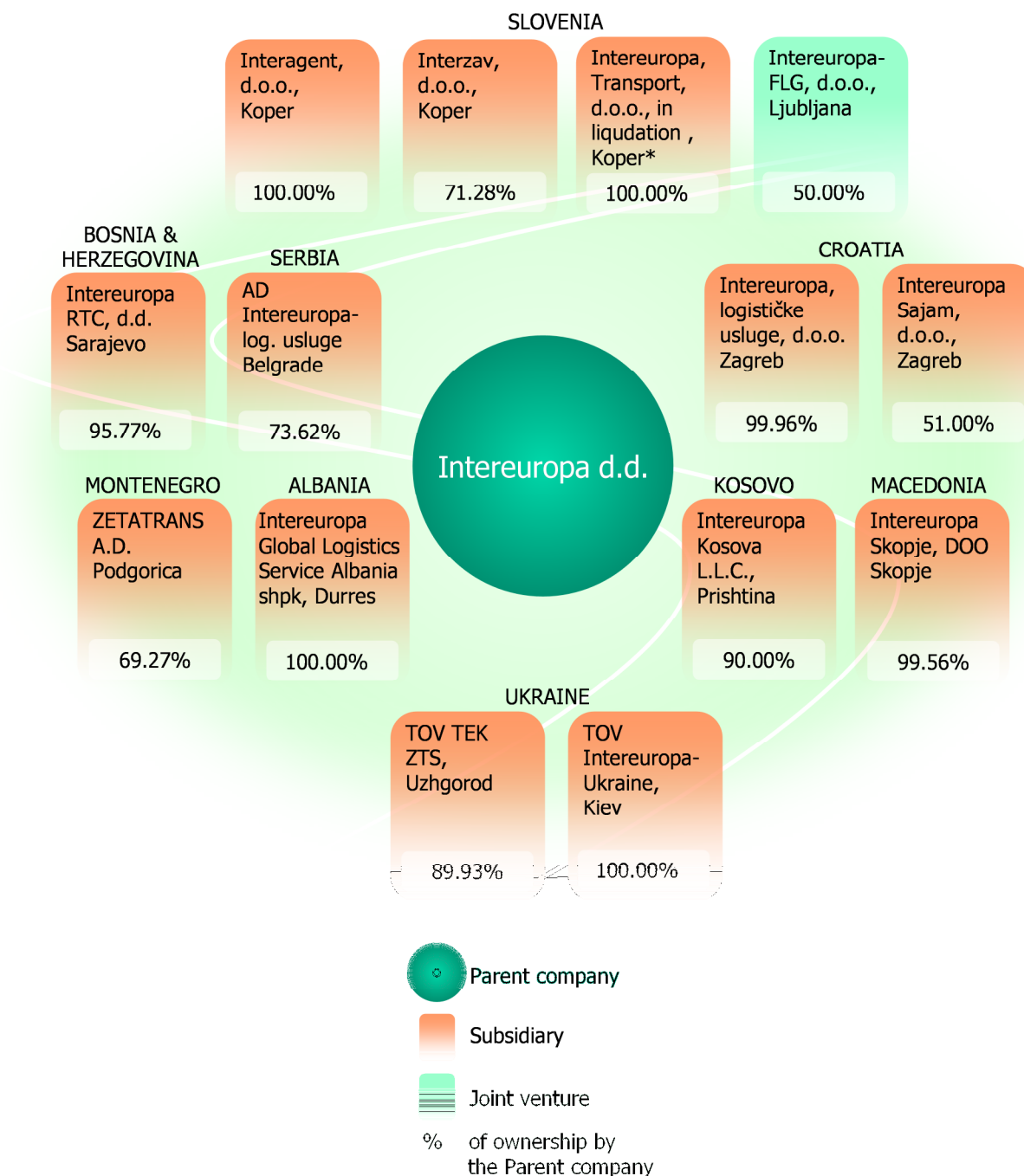
EBITDA: Earnings Before Interest, Taxes, Depreciation, Amortisation and Revaluation operating expenses for intangible and tangible assets

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

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

GROUP PROFILE

Parent company	Intereuropa, Global Logistics Service, Ltd. Co.
Abbreviated name	Intereuropa d.d.
Country of the parent company	Slovenia
Head office of the parent company	Vojkovo nabrežje 32, 6000 Koper
Comp. ID no.	5001684
Tax no.	56405006
Entry in Companies Register	Registered with the District Court in Koper, file no. 1/00212/00
Share capital	27,488,803 €
Number of issued and paid-up shares	27,488,803 no-par value shares, of which 16,830,838 ordinary (IEKG) and 10,657,965 preferential (IEKN)
Share listing	Shares designated IEKG are included in Prime Market on the Ljubljana Stock Exchange, CEESEG.
Management Board	Ernest Gortan, Msc., President of the Management Board Tatjana Vošinek Pucer, Deputy President of the Management Board
Chair of the Supervisory Board	Igor Mihajlović until 19.6.2015 Klemen Boštjančič from 1.7.2015
Intereuropa Group	
No. of employees	1,418 employees
Vehicle fleet	110 group-owned trucks, tractors, and trailers and other commercial vehicles
Total warehousing area	232,200 m ² in-house warehouse
Total land area	1,711,000 m ² of land area
Membership in international organisations	FIATA, IATA, FETA, FONASBA, BIMCO, IRU
Quality certificates	certificate ISO 9001:2008: <ul style="list-style-type: none"> Intereuropa d.d., Koper Intereuropa, log. usluge d.o.o. Zagreb Intereuropa RTC d.d. Sarajevo
Branch network	Slovenia, Croatia, Montenegro, Bosnia & Herzegovina, Serbia, Kosovo, Macedonia, Albania, Ukraine



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

Figure 1: Intereuropa Group as of 30.6.2015

STRATEGIC OBJECTIVES

Vision

Being a top-ranked provider of integral logistics solutions.

Mission

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

Values

Integrity. We respect the highest ethical principles, good business practices and customs. We operate in full compliance with the applicable legislation, guidelines, recommendations, and internal regulations of our Company.

Excellence. Our services aim to offer the best solutions to the needs of our customers and are based on our advanced logistics know-how.

Adaptability and flexibility. Our services are prompt and tailored to our customers' needs. We achieve the required flexibility by applying innovative approaches and lean organisation.

Responsibility. We are distinguished by a high level of responsibility towards the obligations we undertake, the deals we make, as well as the social and natural environments in which we live.

Teamwork and appreciation of employees. The quality of our services is the result of the work of individuals and expert teams. We value diverse types of knowledge, experiences and different views.

The implementation of our corporate vision relies on a strategy of four key dimensions: logistics-centred product development, customer management, geographical coverage and effective Group management.

The four dimensions of developmental strategy are underlying for the strategic baselines of the Group:

- consolidating and strengthening the position of the leading market provider of comprehensive logistics solutions in the countries of the former Yugoslavia,
- business process streamlining involving innovative IT solutions,
- building up the culture of an innovative organization, susceptible to change, around motivated workers and efficient team work,
- ensuring financial stability through divestment, de-leverage and effective management of working capital.

Strategic Goals by 2019

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

BUSINESS PLAN 2015

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

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

Key goal:

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

Other goals:

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

Core financial goals:

- Sales revenue: € 144.1 million;
- EBITDA: € 13.0 million;
- Operating Profit: € 6.1 million;
- Investments: € 5.0 million;
- Number of employees at the year-end: 1.425.

MAJOR EVENTS

THE PERIOD OF JANUARY – MARCH 2015

January

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

February

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

March

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

April

- Intereuropa attended the 34th FFSI conference (Feta Freight Systems International). In its presentation, Intereuropa highlighted the developmental potential of the Adriatic ports as gates to the Central and SE Europe, in which Intereuropa owns internal terminals and can offer an excellent distribution network. Also, the Ljubljana airport was presented as a HUB for the SE Europe or the Balkans, respectively.
- On 28 April, the Supervisory Board of Intereuropa d.d. adopted the Audited Annual Report 2014 for the Intereuropa Group, the Auditor's Report by the appointed external certified auditor, and the Report prepared by the Supervisory Board for the year 2014, following a due discussion of all reports.

May

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

June

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

MAJOR EVENTS AFTER THE CLOSING OF THE PERIOD

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

BUSINESS REPORT

1. PERFORMANCE OF INTEREUROPA GROUP

1.1. Sales result

ECONOMIC TRENDS

According to the International Monetary Fund forecast for 2015 published in July, the world economic output is expected to grow by 3.3 percent on average, thereof advanced economies by 2.1 percent, and other economies by 4.2 percent.

The strengthened economic activity in the Euro Zone has continued from the first quarter throughout the second quarter of this year. Economic growth was mainly driven by investments. The growth in major trade partners of Slovenia was attributable to domestic demand (Germany, France), whereas in Italy, the growth recorded in the first quarter after a rather long time was primarily driven by investments. Also the indicators of economic sentiment further improved in the second quarter and point to continuation of recovery. The price of oil, which fell considerably in a year's time, added to more favourable economic circumstances.

Slovenia saw increased short-term indicators of economic activity arising from domestic demand at the start of the second quarter of the year, whilst the exports fell slightly. The growth recorded in the first quarter has discontinued: in April, the exports decreased in real terms, but were still higher than in the same term last year. The income in trade improved: individual segments of retail trade showed continued growth, though modest, in retail consumption. The sentiment of consumers and of the economic sector achieved the highest levels since the outburst of recession.

After six years of shrinking, Croatia finally recorded positive trends in the initial months of this year. A slight GDP growth is expected primarily from growing exports. After a year of recession, Serbia recorded a slight recovery, too, whereas Bosnia and Herzegovina has seen no positive trends yet. Montenegro presents more optimistic growth rates in the hope that recovery in European and other foreign markets would have favourable impact on other Western Balkan economies.

The conflict situation in Ukraine has reflected on the national economy, which recorded a 17-percent fall in the first quarter of this year below the same term last year. In the reporting half-year, the Ukrainian currency lost nearly 20 percent against the euro.

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

Countries	GDP growth, in %		Inflation, in %		Exports of goods growth, in %		Imports of goods growth, in %	
	2015	2016	2015	2016	2015	2016	2015	2016
EU	1.8	1.9	0.3	1.3	4.3*	4.3*	4.1*	4.0*
Slovenia	2.4	2.0	0.4	1.4	6.3	6.7	5.4	4.8
Croatia	0.4	1.0	-0.6	1.2	12.5	9.8	5.7	6.0
BiH	2.3	3.1	1.2	1.7	7.4	10.1	7.4	10.1
Serbia	-0.5	1.5	4.2	4.0	3.1	5.0	-1.5	3.0
Kosovo	3.3	3.5	1.5	1.5	-15.6	2.4	-11.4	3.9
Montenegro	4.7	3.5	0.9	1.2	3.9	2.6	14.7	9.3
Macedonia	3.8	3.9	0.8	1.8	10.0	9.1	9.8	8.4
Albania	3.0	4.0	2.1	2.8	5.9	4.9	6.6	6.5
Ukraine	-5.5	2.0	26.6	8.7	-4.2	5.1	-11.9	5.7

* Eurozone data

SOURCES:
World Economic Outlook Update, IMF, July 2015
Spring Forecast of Economic Trends 2015, IMAD, March 2015
Economic Mirror – June 2015, July 2015

SALES REVENUE

This year's economic revival has gradually improved the situation in the logistic market. In Intereuropa, the strengthened demand for logistics and transport services was mainly felt in the parent company, as the majority of subsidiaries in the Group were operating in countries with weaker economic activity. In Slovenia, we recorded a higher physical volume of processed orders in many services from the Land and Intercontinental Transport areas, but the income grew at slightly lower rates due to strong competition and the resulting pressure on rates. The Parent Company, representing nearly 70 percent in the sales structure of the Group, achieved a 3-percent growth of the sales revenue in the reporting half-year thanks to intensified sales activities. In the scope of informatisation of operations in the Group, we continued introducing our IT support to warehouse operations and road transportation in Croatia, and started preparing for expansion of the SAP solution to major subsidiaries. Along with keeping the logistics know-how up-to-date and active cost-of-services management, informatisation was in the centre of our activities involved in process optimization in the reporting term, too.

In the first half-year 2015, the Intereuropa Group recorded **€ 66.3 million of sales revenues** from services, which was 6 percent less than a year ago. Improvement was achieved primarily in the sale of sea-freight services (€ 1.8 million up), ca. 15-percent growth on average. The loss of sales revenue from rail-freight services by € 5.6 million (or nearly 70 percent) essentially affected the sales result of the Group; the situation in Ukraine, where our subsidiary has been operating in unstable economic and political situation, contributed a great deal to that loss. Internal tough situation in the country and conflicts with Russia reflect on shrinking sales results of our subsidiary, especially in the rail-freight segment. Services that resulted in a growth were domestic transport services (by 13 percent) in the range of our Land Transport area, and shipping agency (by 20 percent), air-freight services (by 7 percent) and sea-freight segment in the Intercontinental Transport area.

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

Business area		Jan - Jun 2015	Structure	Index 2015/plan	Index 2015/2014
1	Land transport	36,790	55%	87	89
2	Logistics solutions	8,124	12%	91	95
3	Intercontinental transport	18,177	27%	103	105
4	Other services	3,239	5%	104	98
TOTAL SALES REVENUE		66,330	100%	92	94

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

Considering the improved sales result in the Parent Company, the share in the sales structure of the Group members based in Slovenia in the reporting half-year rose from 63 to 68 percent. Sales growth was also achieved in other subsidiaries, except in Croatia, Ukraine and Macedonia.

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

	Geographical area (by companies' head office)	Jan - Jun 2015	Structure	Index 2015/plan	Index 2015/2014
1	Slovenia	45,126	68%	102	103
2	Croatia	10,221	15%	91	95
3	Bosnia & Herzegovina	2,867	4%	103	105
4	Serbia	1,926	3%	107	113
5	Macedonia	687	1%	74	80
6	Kosovo	1,164	2%	105	114
7	Montenegro	2,293	3%	101	107
8	Albania	301	0%	114	127
9	Ukraine	1,745	3%	24	24
	TOTAL SALES REVENUE	66,330	100%	92	94
1	EU countries	55,347	83%	100	101
2	Non-EU countries	10,983	17%	66	69

The structure of Intereuropa customers by size, branch of industry and geographical presence is quite dispersed. In the reporting term, we recorded a slightly higher share in customers based in the European Union (78 percent) on account of improved sales to Slovenian and German customers, compared to the share of customers based in the countries of former Yugoslavia (excluding Slovenia and Croatia) that remained at 12 percent.

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

	Geographical area (by customers' head office)	Jan - Jun 2015	Structure	Index 2015/2014
1	Slovenia	27,445	41%	105
2	Croatia	8,733	13%	92
3	Ukraine	585	1%	14
4	Austria	3,361	5%	92
5	Bosnia & Herzegovina	2,818	4%	100
6	Germany	2,905	4%	128
7	Other countries	20,484	31%	92
7a	Other EU countries	9,063	14%	84
7b	Other countries	11,421	17%	100
	TOTAL SALES REVENUE	66,330	100%	94

Land transport

We achieved a sales revenue of € 36.8 million from the Land Transport Area in the reporting half-year, or 55 percent in the sales structure of the Intereuropa Group. The highest share was generated by the Parent Company that contributed over 60 percent to total sales revenues from the services of Land Transport, and 20 percent by the Zagreb subsidiary.

Compared with the term January-June 2014, the sales revenue was 11 percent lower. That decrease was mainly attributable to the loss of operating revenues from Ukraine, due to adverse situation impeding normal operations. The operating revenues of our Ukrainian subsidiary fell by € 5.6 million below the result of the comparable half-year 2014, which is difficult to compensate in full merely by increasing the sales in other products. Also our subsidiary in Croatia recorded adverse results in all products except in domestic transport. The subsidiary in Macedonia remained behind due to unfavourable results in road transport. Growth of turnover compared with last year was recorded in Slovenia, Bosnia and Herzegovina, Serbia, Montenegro, Kosovo and Albania.

Product-based results show a decline in our railfreight product only (attributable to the extraordinary situation in Ukraine). The operating revenue of Groupage Services remained on the level of the first half-year 2014. Other products recorded growth.

In terms of the plan, we were by 13 percent below the sales targets; most of that setback was recorded in our Ukrainian subsidiary in the rail-freight segment. The best performing company was Intereuropa d.d., which contributed the highest share of sales revenues in Land Transport. Decline was recorded also in the Croatian subsidiary (in all products except domestic transport) and in the Macedonian subsidiary (road transport), in addition to the Ukrainian subsidiary.

In Slovenia, we achieved an increased physical volume of processed orders compared to the first half-year 2014, which reflected in higher sales revenues from all the products of Land Transport, except from customs services: there we were 2 percent below the sales revenues of the first half-year 2014. There was a strong competition among the providers of logistics solutions in the market, which reduced our earnings per unit. While we struggle for every single consignment by our marketing activities, we are restricted in the choice of eligible customers in the market owing to ill payment practices: great caution is necessary in acquisition of new business, as well as in doing business with our present customers.

Road transport:

- Road transport has the biggest share in the sales revenue structure (27 percent) among the services offered by Intereuropa, and nearly one-half among the services in the scope of Land Transport.
- The Group was 3 percent behind the sales plan, but maintained the sales revenues on the same level as in the comparable half-year 2014.
- The best results were achieved in Slovenia, where the Parent Company improved the income by 4 percent, and in Montenegro.
- The worst fall of sales revenues in absolute terms was recorded by our subsidiaries in Croatia, Macedonia, and Ukraine.
- Pressures on prices continued and the resulting reduced sales margins has persisted for quite a long time. We are addressing that issue by active management of suppliers and direct costs.

- Intensive activities were conducted to launch our new integrated IT solution WexVS in Croatia, where the new application came to use in July.
- For the next term we plan to provide for information support to the processes linking our suppliers-carriers in Intereuropa d.d.

Groupage Services:

- Our sales revenue from this product in the reporting half-year remained on the level of the preceding year.
- More than three quarters of all revenues from groupage services in the Group were generated in Slovenia. The number of orders processed was 8 percent, and our sales revenues were 3 percent higher than the comparable last half-year.
- Growing sales revenues were recorded in the subsidiaries in Bosnia and Herzegovina, Serbia, Macedonia and Kosovo, as a result of growing quantities of carried goods. These subsidiaries also exceeded their targets.
- On the other hand, the subsidiaries in Croatia, Montenegro and Albania recorded a downturn in the sales and a setback behind the plan.
- In the annual meeting of representatives of our subsidiaries, we organized a training on legal, insurance and financial risks in international road transports focusing on groupage services.

Customs Services:

- The sales revenue in the reporting half-year was 3 percent higher than in the comparable term a year ago.
- In Slovenia, where one third of all sales revenues from these services are generated, our sales result was 2 percent lower than last year, but we achieved the target volume.
- The sales revenue was 15 percent lower in Croatia, and one percent lower in Serbia. Other subsidiaries recorded higher operating revenues than last year and surpassed the sales targets.
- Activities were conducted on the inclusion of Macedonia (1 July 2015) and Serbia (estimated for 1 October 2015) to the NCTS.
- In the course of complaint management and elimination of non-compliances in the work process, we endeavour to reduce the cost resulting from operational flaws. So we started preparing preventive and corrective measures, focusing on the education of employees.

Domestic Transport ¹:

- The sales revenue was 13 percent higher than in the first half-year 2014, and 11 percent above our plan. All our subsidiaries offering this product achieved growth.
- Our Croatian subsidiary generated the highest share in the sale of this product (59 percent). After last year's decline in the sales revenue, the achieved 17-percent rise in the sales compared with the same half-year 2014 reflected a positive trend. One quarter of the total revenue was achieved by the Parent Company in Slovenia; our subsidiaries in Bosnia and Herzegovina made 11 percent and in Serbia 4 percent.
- In Slovenia, we achieved a 3-percent growth of sales revenue and exceeded the sales targets by 15 percent.
- All companies in the Group conduct on-going activities on process optimisation, cost management and optimum implementing solutions that will retain the quality of service on the highest level.

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

- We are developing a new mobile application to support drivers in delivery/ pick-up of consignments, and replacing the OBC² equipment with mobile devices.

Railway Transport:

- The volume of services in our Rail Transport fell considerably below the sales target (68 percent) and was 69 percent lower than in the comparable half-year 2014.
- The performance of this product was greatly affected by the unstable political situation in Ukraine, where our subsidiary TEK ZTS of Uzhgorod is based, which reflects adversely on the economy, too. Despite decreased sales revenue, the Ukrainian subsidiary contributed 52 percent of total sales revenue in rail transport services.
- The Parent Company (Slovenia) exceeded both the results of comparable half-year 2014 and the sales targets.

The performance of our Land Transport was highly vulnerable due to unstable political situation in Ukraine, given that our subsidiary based in Ukraine contributed in previous years as much as 20 percent of total sales of our Land Transport Area, mainly by railway transport. Our subsidiary in Croatia is facing fierce competition, which has been in the reporting term worst felt in the road transport services. It will be hardly possible for us to make good for the loss of income in these two subsidiaries, chiefly in the Ukrainian one, by the year-end.

The demand for transport and logistics has strengthened in the market, which has brought about a rising volume of orders and physical volume of operations. However, the pressure of customers to reduce their costs and the resulting fierce competitive struggle among logistics providers have impeded the financial result from that favourable trend. In their wish to acquire business, competitors offer dumping prices. Our customers seek ways to reduce the cost of their logistics and increasingly use tenders with all the shorter term of validity for the business thereunder. On the other hand, the tender requirements are rising and demand an increasing workload for the same or even lower financial gain. Informatisation of operations is prerequisite for us to be able to cope with tenders: it can take the administrative work away from us and satisfy the need for consignment traceability, as well as meet increasing requirements for numerous indicators of the quality of service that our customers expect from us. At present, the new IT solution is being introduced to our Croatian subsidiary that will allow for better supervision over the provision of services; combined with enhanced traceability of consignments, it further improves the quality of our service. In July, the new IT solution came to use in road transport in Croatia.

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

Logistics solutions

In the reporting half-year, we earned a sales revenue of € 8.1 million in this business area, which stands for 12 percent in the sales revenue structure of the Group. The sales revenue was 5 percent lower than in the comparable term a year ago, and 9 percent behind the plan. The volume of operations and inventories of goods kept by our customers remained on relatively low levels. We still had to cope with pressures on the prices of logistics services and changed logistics concepts.

² On-Board Computer

In Slovenia, which is our key market representing 65 percent of the sale of logistics solutions, we achieved the last year's results but remained 4 percent behind the plan. Underachievement was also recorded in other subsidiaries of the Group with storage facilities: the highest underachievement of the target was recorded by our subsidiary in Croatia (19 percent).

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

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

Warehousing and distribution services:

- The sales revenue from storage services in the reporting half-year was € 7.4 million, representing 11 percent in the sales structure of the Group. We recorded a 1-percent rise over the achievement of the comparable half-year 2014, but a 4-percent setback behind the plan. In Slovenia, despite the 4-percent growth in the sales revenue, we were one percent behind the plan. The worst underachievement (-19 percent) of the plan was recorded in Montenegro.
- Having relocated the materials on store for tire re-treading from Logatec to Vrtojba, we improved the utilization rate of our storage capacities.
- We finished with refurbishment of warehouse in Logatec for the needs of a new customer dealing in pharmaceuticals.
- Our warehouse in Vrtojba was equipped with new racks for the needs of a new customer.
- Work started on restoring a part of roof of warehouse in Maribor.
- In Croatia, we acquired a new customer and filled the storage capacities in Varaždin.
- A new warehouse with capacity of 1,000 qm (m²) was completed in Sarajevo for a customer dealing in fruit and vegetables.
- The sales revenue from Distribution services in the reporting term was € 0.7 million, representing ca. one percent in the sales structure of the Intereuropa Group.

Plans for 2015:

- winning new logistics projects to fill the unoccupied storage capacities in Slovenia and in particular in Croatia;
- developing customer relations and enhanced cooperation with current customers;
- completion of installation of IT support to logistics solutions in Slovenia, continuation in Croatia;
- improving energy efficiency (replacing the worn-out gas-driven forklift trucks with electric ones);
- continued specialisation and optimisation of logistic processes by commodity category.

Intercontinental transport

The sales revenues from the sale of services in Intercontinental Transport amounted to € 18.2 million, which was 5 percent higher than in the first half-year 2014. In the structure of the overall sales revenue of the Group, the share of income from services of the

Intercontinental Transport area rose from 25 percent (in 2014) to 27 percent. The sales targets were surpassed by 3 percentage points in the reporting half-year.

We improved the sales results in all products except in car logistics; in the latter, despite a growing physical volume of vehicles handled, the earnings do not follow the growth rate owing to a different structure of services. The growth of sales result was highest in container transport, conventional sea-freight and in shipping agency. This year, the shipping agency product was established in Croatia, too.

The second quarter of the year saw considerable fluctuation in sea-freight rates, which aggravated the operations and long-term business. The weak demand for sea-freight services is reflected in extremely low levels of the Baltic Dry Index (BDI) in the first quarter, hitting the bottom of the last 30 years in February. The BDI recovered slightly in the second quarter of this year and gave us hope for a better second half-year; however, ship operators do not forecast any increase in demand on the principal import and export trading lines, at present.

Sea-Freight:

- The sea-freight and shipping agency segments combined represented 21 percent of the Group's sales revenue in the reporting half-year (17 percent last year). The revenue achieved was € 14.2 million. Thereof, well over 90 percent was achieved in the Slovenian market.
- We surpassed the targets by 14 percent and recorded a growth of 15 percent above the figure a year ago. Growth in the sales revenue was recorded in all our major markets.
- In conventional cargo shipments, we exceeded the plan by 17 percent. A newly acquired customer improved our operations in fresh fruit and vegetables. We recorded an increased number of despatches of phosphates, alumina etc. by our key customers.
- Significantly better revenues than in 2014 were achieved in other container transport products (full and consolidated containers), higher by 15 percent. The sales targets were surpassed by 8 percent. Growth was achieved in Slovenia and in the markets of Serbia, Montenegro, Macedonia and Albania, notable in export business via Adriatic ports.
- In the RO-RO product, we achieved a 5-percent growth of sales revenue. Synergies in uniting the Departments of RO-RO and car logistics were beneficial for some newly acquired businesses that demand a combined approach and competences.
- In the shipping agency product, we achieved a 20-percent growth of sales revenue in the Group. Such a significant growth is attributed to our service in the representation of a container ship operator in the ports of Koper and Rijeka. The achievement in the reporting half-year is all the more favourable as we no longer represent a major ship operator carrying vehicles in the year 2014. We carry out activities addressing the representation of a RO-RO ship operator in a new direct service for the Far East.
- Forecasts for the second half-year are highly uncertain, primarily arising from the forecasts by ship operators of container and general cargo who complain about insufficient occupancy of ships' space and expose a substantial drop in the demand for overseas transport, mainly from Asia. Such a situation is expected to last throughout the autumn.

Car logistics:

- We have perceived an increased volume of vehicles handled in this segment. The physical volume of vehicles handled rose by 13 percent in this half-year.
- Due to a different structure of services, the revenues do not reflect such a high increase in the physical volume handled. We achieved € 2.2 million of sales revenue and remained 35 percent behind the sales targets. A substantial fall was felt in the volume of car shipments by land.

- In a tender, we succeeded in retaining a major customer in car logistics, who gradually reduces the quantities of vehicle transport via Koper port.
- We take part in negotiations for a new major export business of handling vehicles bound for the Far East via Koper, which could have a bearing on the development of car logistics in the Parent Company by the end of this year.

Air-Freight:

- In this segment, we achieved € 1.7 million of sales revenues and an increase of revenues by 7 percent over the figure a year ago. We surpassed the targets by 2 percentage points.
- Significant growth was achieved in the markets of Slovenia, Croatia and Kosovo.
- In Kosovo, we provide logistics for the German army, while in Croatia we have recorded a bigger volume of one-off businesses. In Serbia, we agreed about representation of export charter businesses via airports of Belgrade and Niš, but the implementation phase has been deferred to the third quarter of this year, so we are slightly behind the plan and expect a growth of sales revenue in the second half-year.
- Negotiations are conducted with several air carriers on agency representation in specific markets (Bosnia and Herzegovina, Albania, Serbia...), which would bring us a more efficient market position in the Balkans.

1.2. Financial result

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

Item / Index	Jan - Jun 2015	Jan - Jun Plan 2015	Jan - Jun 2014	Index 2015/plan	Index 2015/2014
Sales revenue	66,330	71,838	70,665	92	94
EBITDA*	5,269	5,933	5,851	89	90
Operating profit or loss	2,028	2,568	2,446	79	83
Financing profit or loss	-1,792	-1,663	-2,267	-	-
Net profit or loss	191	565	91	34	211
EBIT margin in %	3.1%	3.6%	3.5%	86	88
Sales revenue per employee/month	8.062	8.669	8.420	93	96
Value added per employee/month	2.156	2.258	2.208	95	98

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

Item / Index	30.6. 2015	31.12. 2014	Index 2015/2014
Balance sheet total*	296,176	295,246	100
Equity*	147,929	147,638	100
Net debt**	84,716	87,574	97
Short-term assets/ Short-term liabilities*	1.57	1.60	98
Net Return On Equity (yearly level)***	0.46%	0.48%	96

* as of the last day of the reporting period

** financial liabilities – loans and deposits given - cash

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

Operating Profit or Loss, and EBITDA

→ The underachievement of the operating profit planned for the reporting half-year was largely attributable to other unforeseen operating expenses – formation of provisions for lawsuits in the Parent Company in the amount of € 0.5 million.

Financing Profit or Loss

→ The negative Financing Profit/ Loss achieved was attributable to net interest expenses and to foreign exchange losses at € 0.3 million that were not envisioned (mostly arising from the Ukrainian currency value decrease). The latter are underlying for the underachievement of the planned financing profit or loss.

Net profit / loss

→ The profit/loss from ordinary activities was reduced by the accrued and deferred corporate income tax. The resulting Net Profit was € 0.2 million.

Structure of Statement of Financial Position

→ The current ratio came to 1.57 and remained essentially unchanged; the same applies to the share of capital in the balance sheet total.

1.3. Investments in fixed assets

In the first half-year 2015, the **investments in fixed assets** realized by the Intereuropa Group totalled **€ 1,235 thousand**, thereof 581 thousand in real estate and 654 thousand in plant /equipment and intangible assets. The annual plan of investments was completed to the level of 25 percent.

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

Company	Real property		Plant & Equipment, Intangible assets		TOTAL		% of annual realiz.
	Jan - Jun 2015	Plan 2015	Jan - Jun 2015	Plan 2015	Jan - Jun 2015	Plan 2015	
Intereuropa d.d.	419	1,145	439	1,054	857	2,200	39
Subsidiaries	162	979	215	1,815	377	2,794	13
TOTAL	581	2,125	654	2,869	1,235	4,994	25

The investments of the Parent Company Intereuropa d.d. were made in real estate, equipment and intangible assets (€ 857 thousand); other members of the Group invested € 377 thousand in fixed assets. The biggest investment in this half-year was the reconstruction of warehouse in Logatec for the needs of our key customer, amounting to € 596 thousand to date.

The invested funds were earmarked to:

- Buildings and fittings/ equipment (€ 952 thousand),
- Computer hardware and software (€ 176 thousand),
- Repairs and purchase of motor vehicles (€ 106 thousand).

1.4. Risk Management

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

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

Our greatest attention is dedicated to manage the sales risk. Downward pressure on prices and a decreased demand represent slightly lower risks than last year. We continue adapting to the needs of our customers, mainly by offering additional services and meeting the expected price levels. Most of our sales activities are focused on acquiring new customers and thereby increasing the productivity in our employees and the utilisation rate of our logistics facilities. Thanks to efficient execution of all marketing activities, we managed to close the first half-year above the targets and in line with our expectations for the sales.

In response to increasing price sensitivity in our customers, our internal process streamlining and cost management are very important, in particular in the area of warehousing where the fixed costs are the highest. In the Company, we consistently implemented our sales strategy and focused on new customer acquisition, along with day-to-day monitoring of our current customers.

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

We estimate that Intereuropa d.d. has reduced the exposure to sales risks in the first half-year and maintained the level of exposure to financial risks. With the measures adopted and the activities in implementation, we envision to maintain the exposure of the Company to risks on an acceptable level, and to achieve the planned results in the future, too.

1.5. Human Resources Management

EMPLOYMENT TRENDS

The total number of employees in the Group was 1,418 as at 30 June 2015, which was 7 less. At the beginning of the year, 45 employees terminated their employment and 38 employees were newly recruited, mainly to substitute those who left, and due to increased volume of work.

Tabela 8: No. of employees in the Intereuropa Group according to countries, as of 30.6.2015

	30.6.2015	31.12.2014	Difference 15-14	Index 2015/2014
Slovenia	640	637	3	100
Croatia	305	305	0	100
Bosnia & Herzegovina	133	137	-4	97
Serbia	102	103	-1	99
Macedonia	33	35	-2	94
Kosovo	28	27	1	104
Montenegro	132	133	-1	99
Albania	2	2	0	100
Ukraine	43	46	-3	93
TOTAL	1,418	1,425	-7	100

With other flexible forms of hiring the workforce, there were additional 7 percent of the workforce engaged in the Group, i.e. 96 workers as at 30.06.2015.

DEVELOPMENT, EDUCATION AND TRAINING

In accordance with the strategic guidelines of the Group, there were 8,415 hours of training (or 6 hours per employee) dedicated to the scheme of acquiring key branch-specific competences in logistics in the reporting half-year.

In terms of money, there were € 39 thousand spent on acquiring new skills, thereof € 20 thousand in the Slovenian part of the Group.

Internal lecturers were engaged in almost one-half of training forms (47 percent) in the Group, as follows:

- training forms on the WexVS IT solution and automatisisation in the logistics process in the Parent Company and in the subsidiary in Zagreb;
- training for users of electronic interchange of outgoing invoices – EBA in the Parent Company
- workshops on IT support (SAP) in accounting and finance, in the Intereuropa subsidiaries in BiH, Serbia and Montenegro;
- Product Managers from the Parent Company transferred their knowledge on sales to 24 sales persons and executives from our subsidiaries in a workshop held in Croatia;
- a two-day training on risk management was held for 17 executives in charge of the organization of international transport from our subsidiaries, giving an opportunity for exchange of good practices and experience;
- Internal training on occupational health and safety still had the highest share in all training forms.

Among notable training forms involving external lecturers, there was a two-day workshop for the sales staff - 25 employees from the Parent Company, and training to accomplish the skills in business communication, understanding mutual relations, and motivation.

According to the substance, the training forms on occupational safety and health (52 percent), on sales skills (14 percent), and on IT solution supporting the logistics process (14 percent) held the biggest share in the training scheme of the Group.

HEALTH PROTECTION

Project Promoting Occupational Health in the Workplace

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

- Introduction of 10-minute active breaks for exercise, led by individual co-workers in smaller groups in departments;
- Recreational facilities (fitness, gym and swimming pools), funded by the Company, were used by employees of our bigger business units;
- we organised a hiking tour;
- Physical exercises were held in our premises (in Koper, Ljubljana, Celje) in the scope of a project of the Institute of Occupational Safety (ZVD), the participating groups were tested for their motoric and muscular capacities to find the effect of exercising on the improvement of motoric system. The ZVD Institute published the findings of testing in informative folders and disseminated them to employees.

For the second half-year, we have scheduled another set of recreational scheme for employees in accordance with financial plans: another hiking tour, continued raising awareness in our employees on the importance of exercising for the motoric system, and workshops on stress control programmes.

Activities on Health and Fire Safety

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

- We referred 146 employees to preventive preliminary, periodical, and target medical check-ups (thereof 60 employees in the Parent Company).
- With a variety of preventive measures in health protection of our employees, the sickness absenteeism is maintained within a manageable scope.
- 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 organizational units in Slovenia, 1,434 sets of different working assets/equipment were examined and tested, or 1,469 sets in the whole Group.
- There were 6 injuries at work in the Group.

1.6. Total Quality Management

Three companies of the Intereuropa Group (out of twelve operating companies) hold a certification under the ISO 9001:2008 Standard. Seventy-four percent of all employees work in these certified companies (Intereuropa d.d., Intereuropa d.o.o., Zagreb, Intereuropa RTC d.d. Sarajevo). There was an External Renewal Audit of the Quality Management System of Intereuropa d.d. conducted in the reporting half-year.

Maintaining the ISO 9001:2008 Quality Management System

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

Internal auditing of service quality

- In the reporting half-year, no internal process audit was conducted in Intereuropa d.d.

Quality control by QM indicators

The number of complaints in Intereuropa d.d. rose by nearly one fifth, however, the value under complaints more than doubled, primarily on account of complaints relating to the transport services provided by our sub-contractors. The compensation for complaints in the reporting term amounted to € 29 thousand.

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

No. of complaints	Index 15/14	No. of claims	Value in 1000 €	Index 15/14	Approved Value in 1000 €	Index 15/14
262	118	183	171.2	259	29.4	152

External quality of service audit by the certification authority

- **Intereuropa d.d.** - the renewal audit was the eighteenth in sequence. The audit was conducted in the following organizational units: Managing Board, Management of Forwarding and Logistics, Department for Real Estate Management and Central Purchasing, BU Koper, Brnik, Celje and Jesenice with local office in Kranj, and BU Ljubljana with local office Logatec.
It was confirmed that operations were conducted in compliance with the requirements of the ISO 9001 standard. Auditors did not find any non-compliance, however, they issued 24 recommendations for improvement. Report on the measures implemented based on the recommendations was sent to the certification body in three months' time.
- **Intereuropa, logističke usluge d.o.o., Zagreb** – Audit is expected in September. It will be the first ordinary audit, or the fifth in sequence, since the company certifies its QM system on its own.
- **Intereuropa RTC d.d. Sarajevo** – Audit is scheduled for October. It will be the second ordinary, or the ninth audit in sequence.

1.7. Share IEKG and ownership structure

KEY DATA ON SHARE

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

	Jan - Jun 2015	Jan - Dec 2014
No. of shares*	27,488,803	27,488,803
No. of preference shares IEKN*	10,657,965	10,657,965
No. of ordinary shares IEKG*	16,830,838	16,830,838
of which no. of treasury shares*	18,135	18,135
Share book value in €*	3.55	3.52
Earnings per share in €	0.03	0.01
Market capitalisation in € thousand*	15,131	19,911
Trading volume in € thousand	383	2,113
Closing price in €	0.90	1.18
Weighted average price in €	1.05	1.39
Highest price in €	1.27	1.78
Lowest price in €	0.80	0.44
P/E	15.0	118.0
Capital gain	-24.0%	168.9%

* as of the last day of the period

Notes:

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

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

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

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

Capital gain = price increase in period

SHARE TRADING

Trading in shares on the Ljubljana Stock Exchange was in general more stable than last year, the turnover was 30 percent lower than in the first half-year 2014. After the IEKG share price on the Ljubljana Stock Exchange was just above € 1 in the first quarter of this year, it often fell below that level in the second quarter. The trading in IEKG shares was not as brisk as in 2014, and the trading volume was two thirds lower than last year. The market price of the IEKG share fluctuated between € 0.80 and € 1.27 per share, and closed the reporting term at € 0.90. It lost 24.0 percent in six months, while the Slovenian Stock Exchange Index (SBITOP Index) recorded a 6.3 percent fall. The market capitalization closed the reporting term at € 15.1 million, which stands for 0.3 percentage points of the market capitalization of all shares on the Ljubljana SE.

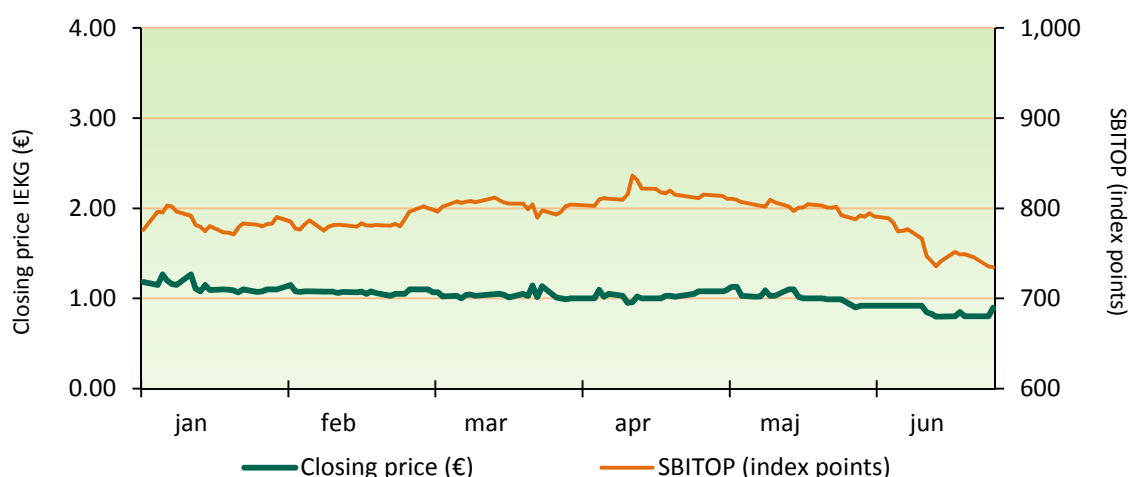


Figure 3: Closing prices of IEKG share and SBITOP index in the period January – June 2015

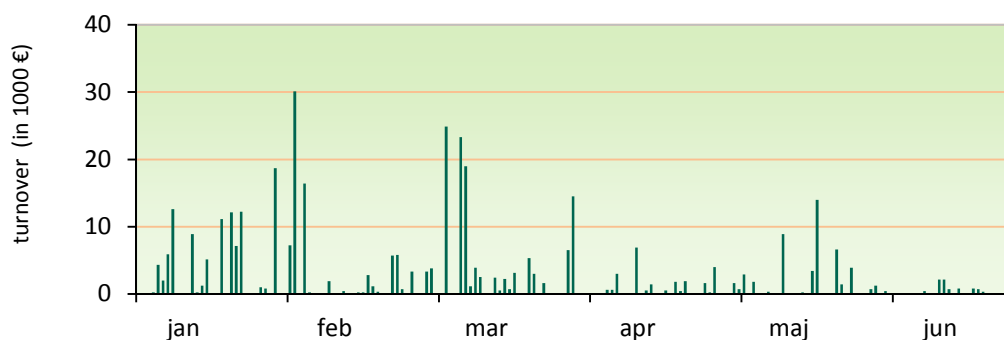


Figure 4: Trading volume of IEKG share in the period January – June 2015

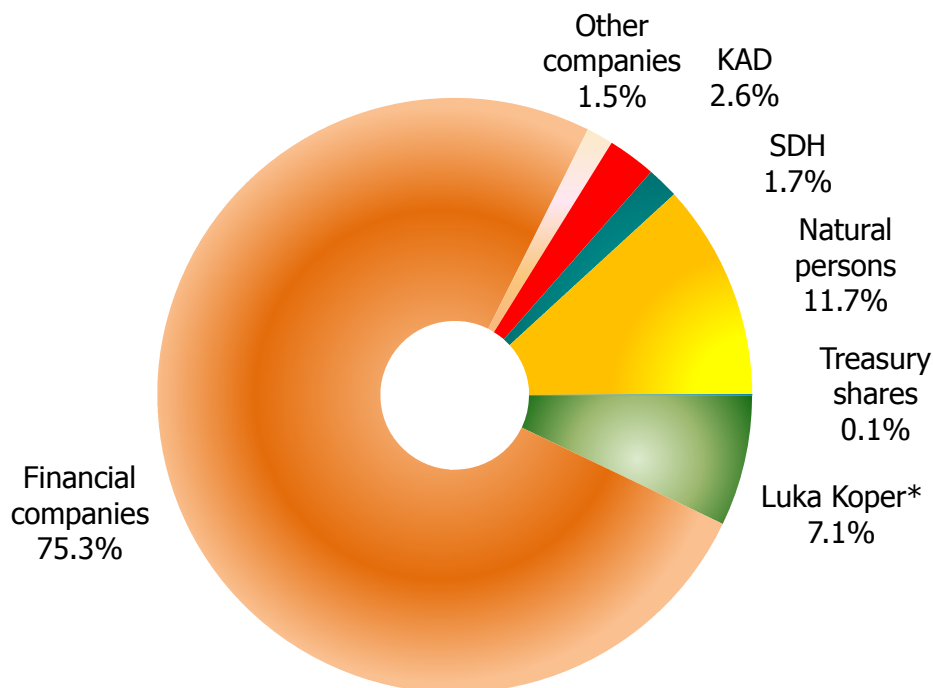
OWNERSHIP STRUCTURE

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

Table 11: Top ten shareholders of Intereuropa d.d. as of 30.6.2015 compared to 31.12.2014

Shareholder	30.6.2015		31.12.2014		Index 15 /14
	No. of shares	share %	No. of shares	share %	
1. SID banka d.d.	4,942,072	18.0	4,942,072	18.0	100
2. NLB d.d.	4,770,601	17.4	4,770,601	17.4	100
3. Gorenjska banka d.d., Kranj	3,068,990	11.2	3,068,990	11.2	100
4. Raiffeisen banka d.d.	2,850,752	10.4	2,850,752	10.4	100
5. SKB d.d.	2,254,980	8.2	2,254,980	8.2	100
6. Luka Koper d.d.	1,344,783	4.9	1,344,783	4.9	100
7. Nova KBM d.d.	1,185,292	4.3	1,185,292	4.3	100
8. Banka Koper d.d.	753,703	2.7	753,703	2.7	100
9. Kapitalska družba d.d.	719,797	2.6	719,797	2.6	100
10. Luka Koper INPO d.o.o.	615,730	2.2	615,730	2.2	100

At the end of June, there were 5,133 shareholders entered in the Share Register, or 1.2 percent fewer shareholders than at the year-end 2014; foreign investors held 0.6 percent.



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

Figure 5: Ownership structure of Intereuropa d.d. as of 30.6.2015

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

SHARE OWNERSHIP BY THE MANAGEMENT AND SUPERVISORY BOARD MEMBERS

The Management Board President Ernest Gortan, and Deputy President Tatjana Vošinek Pucer did not own any Intereuropa shares on 30.6.2015.

Table 12: Shares held by Supervisory Board members, as of 30.6.2015

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

TREASURY SHARES

As of 30.6.2015, the company Intereuropa d.d. held 18,135 treasury shares (IEKG) representing 0.0660 percent of all shares. The percentage of treasury shares has not changed since 31.12.2013.

AUTHORISED CAPITAL

In accordance with the Statute of Intereuropa d.d. the Managing Board is authorized - in five years' time after this amendment to the Statute is registered in the Court Register of Companies, without having to issue a separate Resolution by the General Meeting but subject to the consent by the Supervisory Board - to increase the share capital by issuing new shares for contributions up to the amount of one half of the share capital existing on the day of adopting the Resolution amending the Statute in the 22nd General Meeting, which represents a nominal amount of € 16,488,092.56 (the authorized capital). As of 30.6.2015, the company has got authorized and unused capital in total amount of € 16,488,092.56.

DIVIDEND

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

INFORMING THE SHAREHOLDERS

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

In our communication with the shareholders are used:

- Regular General Meetings of Shareholders,
- Presentations of the Company in conference for investors,
- Informing the media on business results and other price sensitive information,
- Regular communication via by the Stock Exchange (SEO-net) electronic system,
- Regular communication with financial media,
- Website,
- E-news.

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

2. PERFORMANCE OF THE COMPANY INTEREUROPA d.d.

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

Item / Index	Jan - Jun 2015	Jan - Jun Plan 2015	Jan - Jun 2014	Index 2015/plan	Index 2015/2014
Sales revenue	46,119	45,152	44,947	102	103
Land transport	22,584	21,929	21,932	103	103
Logistic solutions	5,290	5,492	5,305	96	100
Intercontinental transport	15,956	15,476	15,275	103	104
Other services	2,290	2,254	2,436	102	94
EBITDA*	3,259	3,516	3,640	93	90
Operating profit or loss	1,304	1,566	1,664	83	78
Financing profit or loss	-462	-603	-493	-	-
Net profit or loss	842	804	1,130	105	75
EBIT margin in %	2.8%	3.5%	3.7%	82	76
Sales revenue per employee/month	12.678	12.389	12.252	102	103
Value added per employee/month	3.065	3.145	3.140	97	98

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

Item / Index	30.6. 2015	31.12. 2014	Index 2015/2014
Balance sheet total*	229,745	228,976	100
Equity*	97,616	96,753	101
Net debt**	83,580	86,056	97
Short-term assets/ Short-term liabilities *	1.57	1.57	100
Net Return on Equity (yearly level)***	0.76%	1.18%	67

* as of the last day of the reporting period

** financial liabilities – loans and deposits given - cash

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

Operating Profit or Loss, and EBITDA

→ The sales revenue exceeded the plan. The share of direct costs rose minimally due to slightly changed structure of sales revenue by product.
The underachievement of the operating profit planned for the reporting term was largely attributable to other unforeseen operating expenses - the provisions for lawsuits in the amount of € 0.5 million.

Financing Profit or Loss

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

Net profit / loss

→ The Net Operating Profit equalled the Profit or Loss from Ordinary Activities.

Structure of Statement of Financial Position

→ The current ratio came to 1.57 and remained unchanged; a slight rise was recorded in the share of capital in the balance sheet total, which amounts to 42 percent.

ACCOUNTING REPORT

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

The same accounting guidelines were applied in the consolidated financial statements as in those of the Parent Company, as indicated in the Accounting Report for the financial year 2014.

While preparing these statements, the management reviewed the assessments, estimations and presumptions and estimated them to be the same as those applied in the annual financial statements as at 31 December 2014, except in the estimated contingent liabilities of the Group. Actual results may differ from such estimates.

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

STATEMENT OF THE MEMBERS OF THE MANAGEMENT

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

INTEREUROPA d.d.
The Management Board

1. FINANCIAL REPORT FOR INTEREUROPA GROUP

1.1. Underlying financial statements of the intereuropa Group

CONSOLIDATED INCOME STATEMENT FOR INTEREUROPA GROUP from 1.1.2015 to 30.6.2015

in 1000 €	January - June 2015	January - June 2014
Sales revenues	66,330	70,665
Other operating revenues	808	1,399
Costs of goods, material and services	-47,377	-51,705
Labour costs	-12,466	-12,680
Write-downs in value	-4,013	-4,431
Other operating expenses	-1,255	-802
Operating profit/loss	2,027	2,446
Financial income	215	365
Financial expenses	-2,007	-2,632
Profit/loss from financial operations	-1,792	-2,267
Result recognized according to equity method	20	16
Profit/loss from regular operations	255	195
Corporate income tax (with deferred tax)	-64	-104
Net profit /loss for the period	191	91
Net profit or loss / non-controlling interest	124	104
Net profit or loss / controlling interest	67	-13

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR INTEREUROPA GROUP from 1.1.2015 to 30.6.2015

in 1000 €	January - June 2015	January - June 2014
Net profit or loss	191	91
Other Comprehensive Income	346	-207
Items to be reclassified to profit/loss	358	-20
Change in fair value of financial assets available for sale	25	123
Deferred tax in revaluation surplus of financial assets for sale	-4	-21
Exchange rate translation differences	337	-122
Items not to be reclassified to profit/loss	-12	-187
Deferred tax in revaluation surplus of land	0	-192
Other changes	-12	5
Comprehensive income total	537	-116
Comprehensive income total - non-controlling part	120	20
Comprehensive income total - controlling part	417	-136

CONSOLIDATED STATEMENT OF FINANCIAL POSITION FOR INTEREUROPA GROUP as at 30.6.2015

in 1000 €	30.6.2015	31.12.2014
ASSETS		
Tangible fixed assets	208,331	209,989
Investment property	11,432	11,565
Intangible assets	6,564	6,698
Other non-current operating assets	82	105
Long-term operating receivables	45	0
Deferred tax assets	16,966	16,937
Long-term loans given and deposits	72	44
Investment in a jointly controlled company	120	141
Other financial investments	1,570	1,559
TOTAL NON-CURRENT ASSETS	245,182	247,038
Inventories	241	249
Short-term loans given, deposits and certificates of deposits	9,035	9,180
Short-term operating receivables	34,077	31,831
Short-term income tax receivables	71	191
Cash and cash equivalents	7,570	6,757
TOTAL CURRENT ASSETS	50,994	48,208
TOTAL ASSETS	296,176	295,246
EQUITY		
Equity - controlling interest	138,840	138,422
Share capital	27,489	27,489
Equity reserves	18,455	18,455
Revenue reserves	4,335	4,302
Revaluation surplus	64,293	64,272
Translation exchange differences	-7,579	-7,917
Transferred net profit/loss	31,780	32,088
Net profit/loss	67	-267
Equity - non-controlling interest	9,089	9,216
TOTAL EQUITY	147,929	147,638
LIABILITIES		
Provisions and long-term deferred revenue	5,988	5,471
Long-term borrowings and financial leases	95,910	98,196
Long-term operating liabilities	454	454
Deferred tax liabilities	13,422	13,396
TOTAL NON-CURRENT LIABILITIES	115,774	117,517
Short-term borrowings and financial leases	4,915	4,950
Other short-term financial liabilities	568	409
Short-term operating liabilities	26,906	24,598
Short-term income tax liabilities	85	134
TOTAL CURRENT LIABILITIES	32,474	30,091
TOTAL LIABILITIES	148,247	147,608
TOTAL CAPITAL AND LIABILITIES	296,176	295,246

CONSOLIDATED STATEMENT OF CASH FLOWS FOR INTEREUROPA GROUP from 1.1.2015 to 30.6.2015

in 1000 €	January - June 2015	January - June 2014
Cash flows from operating activities		
Net profit/loss for the period	191	91
Adjustments for:		
- Depreciation	3,239	3,400
- Impairment and writedowns of tangible fixed assets and intangible assets	0	3
- Revaluation operating revenues from disposal of tangible fixed assets and investment property	-32	-149
- Revaluation operating expenses from disposal of tangible fixed assets and investment property	2	1
- Impairment and write-offs of receivables	772	1,026
- Non-monetary expenses	496	32
- Non-monetary revenues	-30	-137
- Financial revenues	-215	-365
- Recognized result of joint venture according to equity method	-20	-16
- Financial expenses	2,007	2,632
- Income tax (incl. deferred tax)	64	104
Operating profit before changes in net working capital and taxes	6,475	6,623
Changes in net working capital and provisions		
Changes in receivables	-3,097	-1,590
Changes in inventories	8	-22
Changes in operating liabilities	2,700	622
Changes in provisions and long-term deferred revenue	7	16
Corporate income tax	-18	151
Cash from operating activities	6,075	5,800
Cash flows from investing activities		
Interest income	272	383
Dividends and shares in profit received	4	0
Inflows from disposal of tangible fixed assets	54	191
Inflows from decrease of short-term	19	116
Inflows from decrease of short-term deposits and certificates of deposits given	129	1,357
Outflows for acquisition of tangible fixed assets	-1,615	-817
Outflows for acquisitions of intangible assets	-53	-171
Outflows for long-term deposits given	-30	-20
Cash from investing activities	-1,220	1,039

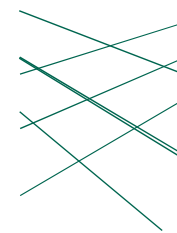
Cash flows from financing activities		
Inflows from long-term borrowings received and financial leasing	36	0
Inflows from increase in short-term borrowings	284	0
Paid interest	-1,658	-1,906
Outflows from repayment of long-term borrowings and financial leases	-2,618	-4,447
Outflows from decrease of short-term borrowings and financial leases	0	-1,668
Paid dividend	-88	-107
Cash from financing activities	-4,044	-8,128
Cash and cash equivalents at beginning of period	6,757	7,126
Exchange rate differences from cash	3	-1
Net increase/decrease in cash	811	-1,290
Cash and cash equivalents at end of period	7,570	5,836

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR INTEREUROPA GROUP
from 1.1.2015 to 30.6.2015

in 1000 €	Share capital	Equity reserves	REVENUE RESERVES				Revaluation surplus	Translation exchange differences	RETAINED EARNINGS		Equity - controlling interest	Equity - non-controlling interest	Total equity
			Legal reserves	Reserves for treasury shares	Treasury shares (deduct.)	Statutory reserves			Transferred net profit/loss	Net profit/loss for the year			
Opening balance as at 1.1.2015	27,489	18,455	3,976	180	-180	326	64,272	-7,917	32,088	-267	138,422	9,216	147,638
Total comprehensive income	0	0	0	0	0	0	21	338	-9	67	417	120	537
Net profit/loss	0	0	0	0	0	0	0	0	0	67	67	124	191
Other comprehensive income	0	0	0	0	0	0	21	338	-9	0	350	-4	346
Transactions with owners													
Transfer of net profit/loss for the previous year to transferred retained earnings	0	0	0	0	0	0	0	0	-267	267	0	0	0
Payment of dividends or profit participations	0	0	0	0	0	0	0	0	0	0	0	-247	-247
Transfer of retained earnings to reserves	0	0	20	0	0	12	0	0	-32	0	0	0	0
Other changes	0	0	1	0	0	0	0	0	0	0	1	0	1
Closing balance as at 30.6.2015	27,489	18,455	3,997	180	-180	338	64,293	-7,579	31,780	67	138,840	9,089	147,929

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR INTEREUROPA GROUP from 1.1.2014 to 30.6.2014

in 1000 €	Share capital	Equity reserves	REVENUE RESERVES				Revaluation surplus	Translation exchange differences	RETAINED EARNINGS		Equity - controlling interest	Equity - non-controlling interest	Total equity
			Legal reserves	Reserves for treasury shares	Treasury shares (deduct.)	Statutory reserves			Transferred net profit/loss	Net profit/loss for the year			
Opening balance as at 1.1.2014	27,489	18,455	3,682	180	-180	158	68,777	-6,937	31,865	793	144,282	9,481	153,763
Total comprehensive income	0	0	0	0	0	0	0	-88	4	-13	-136	20	-116
Net profit/loss	0	0	0	0	0	0	0	0	0	-13	-13	104	91
Other comprehensive income	0	0	0	0	0	0	-39	-88	4	0	-123	-84	-207
Transactions with owners													
Transfer of net profit/loss for the previous year to transferred retained earnings	0	0	0	0	0	0	0	0	793	-793	0	0	0
Payment of dividends or profit participations	0	0	0	0	0	0	0	0	0	0	0	-352	-352
Transfer of retained earnings to reserves	0	0	14	0	0	168	0	0	-182	0	0	0	0
Closing balance as at 30.6.2014	27,489	18,455	3,696	180	-180	326	68,738	-7,025	32,480	-13	144,146	9,149	153,295



1.1. Notes to Financial Statements of the Intereuropa Group

a) Notes to the CONSOLIDATED INCOME STATEMENT

The **Sales Revenues** amounted to € 66,330 thousand. The Group also realised € 808 thousand of **other operating revenues** that mainly represent the revenues from elimination of allowances for and write-offs of receivables (€ 583 thousand), the remaining part relates to revaluation operating revenues from disposal of items of plant, property and equipment (€ 32 thousand), the revenues from state grants awarded for co-financing of projects and funds obtained from employing disabled persons above the quota (€ 121 thousand), and other revenues (€ 72 thousand).

Costs of goods, material and services

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

in 1000 €	January - June 2015	January - June 2014
Cost of goods and materials sold and costs of materials used	2,104	2,085
Cost of services	45,272	49,620
Direct costs	39,849	44,363
Telephone costs	214	243
Maintenance costs	1,205	1,193
Insurance premiums	403	358
Traning and education costs	38	46
Other costs of services	3,564	3,418
Total	47,377	51,705

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

Labour costs

Table 16: Labour cost of the Intereuropa Group in the period January – June 2015

in 1000 €	January - June 2015	January - June 2014
Wages and salaries	8,745	8,833
Pension insurance costs	2,047	2,067
Other labour costs:	1,673	1,780
Holiday allowance	557	656
Transport and meals	1,057	1,049
Other labour costs	59	76
Total	12,466	12,680

Write-offs

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

in 1000 €	January - June 2015	January - June 2014
Amortisation of intangible assets	268	285
Depreciation of property, plant and equipment and investment properties	2,971	3,115
Revaluatory operating expenses of intangible and tangible fixed assets	2	4
Expenses from revaluation adjustments (impairments) and written-off receivables	772	1,026
Total	4,013	4,431

Other operating expenses amounting to € 1,255 thousand primarily relate to the provisions for potential liabilities arising from lawsuit (€ 496 thousand) and to land-use fees and similar expenses (€ 607 thousand).

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

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

in 1000 €	January - June 2015	January - June 2014
Interest income	209	362
Dividend income and participation in profit of others	4	2
Revenue from elimination of impairments of financial investments	3	0
Total financial income	215	365
Interest expenses	-1,658	-1,929
Financial expenses from impairments and written-off financial investments	-14	0
Net exchange rate differences	-335	-703
Total financial expenses	-2,007	-2,632
Profit/loss from financing activities	-1,792	-2,267

The Group achieved the **Profit or Loss from Ordinary Activities** at € 255 thousand, which is further reduced by the effect of assessed and deferred tax expense of € -64 thousand.

The **Net Profit** achieved on the Group level in the reporting term amounted to € 191 thousand, thereof the amount of € 67 thousand for the **controlling part**, and € 124 thousand for the **controlled part**.

b) Notes to the CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Tangible fixed assets

Table 19: Tangible fixed assets of the Intereuropa Group as at 30.6.2015

in 1000 €	30.6.2015	31.12.2014
Land and buildings	203,153	204,979
a) Land	103,067	103,163
b) Buildings	100,086	101,816
Other property, plant and equipment	3,857	4,195
Tangible fixed assets under construction	1,320	815
Total	208,331	209,989

Intangible assets

Table 20: Intangible assets of the Intereuropa Group as at 30.6.2015

v 1000 €	30.6.2015	31.12.2014
Long-term title rights	1,667	1,785
Goodwill	1,275	1,275
Long-term deferred development costs	155	371
Advances given	0	18
Other intangible assets	3,467	3,249
Total	6,564	6,698

On the cut-off date (30 June 2015), the already activated long-term deferred development costs relating to the IT solution to support integral logistics services were reallocated to other intangible assets within the Intangible Assets (in total amount of the item Other Intangible Assets; the same was done on the comparable cut-off date 31.12.2014).

Loans given, deposits and certificates of deposit

Table 21: Loans given, deposits and certificates of deposit of the Intereuropa Group as at 30.6.2015

in 1000 €	30.6.2015	31.12.2014
Long-term loans given and deposits	72	44
- Loans given	9	11
- Deposits	63	32
Short-term loans given, deposits and certificates of deposit	9,035	9,180
- Loans and bills of exchange given	43	58
- Deposits and certificates of deposit	8,993	9,122
Total	9,107	9,224

Other financial investments in the amount of € 1,570 thousand stand for the item "Financial assets available for sale".

Short-term operating receivables

Table 22: Short-term operating receivables of the Intereuropa Group as at 30.6.2015

in 1000 €	30.6.2015	31.12.2014
Short-term operating receivables from buyers	30,720	29,242
Short-term operating receivables from others	3,357	2,590
Total	34,077	31,831

Equity

On the Group level, the Equity amounts to € 147,929 thousand and represents 50 percent of the liabilities to sources of funding.

Provisions and long-term deferred revenue

Table 23: Provisions and long-term deferred revenue of the Intereuropa Group as at 30.6.2015

in 1000 €	30.6.2015	31.12.2014
Provisions for terminal bonus payments on retirement	1,111	1,128
Provisions on litigations	590	51
Other provisions	4,160	4,160
Long-term deferred income	126	132
Total	5,988	5,471

The **long-term loans received and financial leases** amounted to € 95,910 thousand.

The **short-term loans received and financial leases** amounted to € 4,915 thousand. All the liabilities due by the Group under loan agreements as at the reporting date were settled.

Other short-term financial liabilities amounted to € 568 thousand and related to liabilities for dividends and other participations.

Short-term operating liabilities

Table 24: Short-term operating liabilities of the Intereuropa Group as at 30.6.2015

in 1000 €	30.6.2015	31.12.2014
Short-term operating liabilities to suppliers	22,133	20,220
Short-term operating liabilities from advances	602	518
Other short-term operating liabilities	4,170	3,860
Total	26,906	24,598

Contingent liabilities

Table 25: Contingent liabilities of the Intereuropa Group as at 30.6.2015

in 1000 €	30.6.2015	31.12.2014
Arising from bank guarantees and guarantees given	15,937	16,412
Arising from legal proceedings	2,033	1,866
From D.S.U., družba za svetovanje in upravljanje	250	250
Other contingent liabilities	105	105
Total	18,325	18,633

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

Fair value of financial instruments

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

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

Table 26: Levels of fair values in the Intereuropa Group as at 30.6.2015 and 31.12.2014

in 1000 €	30.6.2015			
	Level 1	Level 2	Level 3	Total
Financial assets, available for sale	1,445	0	125	1,570
	31.12.2014			
	Level 1	Level 2	Level 3	Total
Financial assets, available for sale	1,420	0	139	1,559

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

INFORMATION ACCORDING TO BUSINESS SEGMENTS FOR THE PERIOD JANUARY – JUNE 2015

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

	Slovenia		Croatia		Bosnia & Herzegovina		Serbia		Montenegro	
in 1000 €	Jan-Jun 2015	Jan-Jun 2014	Jan-Jun 2015	Jan-Jun 2014	Jan-Jun 2015	Jan-Jun 2014	Jan-Jun 2015	Jan-Jun 2014	Jan-Jun 2015	Jan-Jun 2014
Revenues from external customers	45,124	43,951	10,221	10,762	2,867	2,739	1,926	1,712	2,293	2,138
Revenues from business with other segments	1,404	1,416	190	164	215	192	316	303	31	79
Total revenues	46,528	45,368	10,411	10,926	3,082	2,931	2,242	2,015	2,324	2,217
Depreciation	1,957	1,975	738	843	164	166	98	106	220	228
Operating profit or loss	1,376	1,723	-123	-165	111	135	247	259	223	206
Revenues from interest rates	186	323	21	41	0	0	4	5	27	40
Expenses from interest rates	1,542	1,774	24	47	4	9	51	71	0	0
Net profit or loss from ordinary activities	955	1,242	-106	-162	107	126	194	165	250	246
Corporate income tax	23	49	-22	-35	12	13	20	32	20	39
Assets	231,598	240,406	59,664	61,477	17,220	16,764	9,753	10,233	22,494	22,968
Tangible fixed assets under construction	618	136	161	83	470	52	20	34	45	62
Long-term assets	193,609	202,156	53,441	55,099	15,798	15,516	8,517	9,029	18,130	18,475
Operating liabilities	36,467	37,152	6,044	5,873	1,539	1,499	1,307	1,453	1,099	1,051
Financial liabilities	98,030	101,687	2,076	3,044	571	132	1,748	2,153	1,010	1,307
Investment in jointly controlled entities	75	75	0	0	0	0	0	0	0	0
Revenues from investment in jointly controlled entities	41	34	0	0	0	0	0	0	0	0

	Ukraine		Others		Total		Adjustments*		Group	
in 1000 €	Jan-Jun 2015	Jan-Jun 2014	Jan-Jun 2015	Jan-Jun 2014	Jan-Jun 2015	Jan-Jun 2014	Jan-Jun 2015	Jan-Jun 2014	Jan-Jun 2015	Jan-Jun 2014
Revenues from external customers	1,745	7,248	2,152	2,114	66,328	70,664	2	1	66,330	70,665
Revenues from business with other segments	0	1	364	342	2,521	2,497	-2,521	-2,497	0	0
Total revenues	1,745	7,248	2,516	2,456	68,849	73,161	-2,519	-2,496	66,330	70,665
Depreciation	31	52	32	30	3,239	3,400	0	0	3,239	3,400
Operating profit or loss	96	238	98	82	2,028	2,479	-1	-33	2,027	2,446
Revenues from interest rates	5	7	1	2	244	417	-36	-55	209	362
Expenses from interest rates	71	82	1	1	1,694	1,983	-36	-55	1,658	1,929
Net profit or loss from ordinary activities	-327	-524	99	82	1,172	1,174	-916	-979	255	195
Corporate income tax	0	0	12	5	64	104	0	0	64	104
Assets	2,338	3,524	3,109	3,152	346,176	358,524	-50,000	-51,240	296,176	307,283
Tangible fixed assets under construction	7	2	0	0	1,320	370	0	0	1,320	370
Long-term assets	1,554	2,323	1,112	1,119	292,162	303,717	-46,980	-47,986	245,182	255,730
Operating liabilities	820	1,085	831	895	48,110	49,009	-1,256	-1,259	46,854	47,750
Financial liabilities	1,403	1,823	48	85	104,887	110,231	-3,494	-3,993	101,393	106,238
Investment in jointly controlled entities	0	0	0	0	75	75	45	42	120	117
Revenues from investment in jointly controlled entities	0	0	0	0	41	34	-21	-18	20	16

* All adjustments are subject to consolidation procedures

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

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

INCOME STATEMENT OF INTEREUROPA d.d. from 1.1.2015 to 30.6.2015

in 1000 €	January – June 2015	January – June 2014
Sales revenues	46,119	44,947
Other operating revenues	288	637
Costs of goods, material and services	-33,992	-33,031
Labour costs	-7,889	-7,879
Write-downs in value	-2,161	-2,405
Other operating expenses	-1,061	-606
Operating profit/loss	1,304	1,664
Financial income	1,097	1,308
Financial expenses	-1,559	-1,801
Profit/loss from financial operations	-462	-493
Profit/loss from regular operations	842	1,171
Corporate income tax (with deferred tax)	0	-41
Net profit /loss for the period	842	1,130
Basic and diluted net earnings per ordinary share (in €)	0.03	0.04

**STATEMENT OF COMPREHENSIVE INCOME FOR INTEREUROPA d.d.
from 1.1.2015 to 30.6.2015**

in 1000 €	January – June 2015	January – June 2014
Net profit or loss	842	1,130
Other Comprehensive Income	21	103
Items to be reclassified to profit/loss	21	103
Revaluation of financial investments available for sale to fair value	25	124
Deferred tax in revaluation surplus of financial assets for sale	-4	-21
Items not to be reclassified to profit/loss	0	0
Other changes	0	0
Comprehensive income total	863	1,233

**STATEMENT OF FINANCIAL POSITION FOR INTEREUROPA d.d.
as at 30.6.2015**

in 1000 €	30.6.2015	31.12.2014
ASSETS		
Tangible fixed assets	112,433	113,297
Investment property	10,445	10,562
Intangible assets	5,216	5,347
Other non-current operating assets	82	105
Deferred tax assets	16,658	16,658
Long-term financial investment excl. loans given and deposits	48,314	48,288
Long-term loans given and deposits	433	563
TOTAL NON-CURRENT ASSETS	193,581	194,820
Inventories	20	28
Short-term financial investment excl. loans given, deposits and certificates of deposits	250	250
Short-term loans given, deposits and certificates of deposits	7,168	7,260
Short-term operating receivables	23,194	22,024
Short-term income tax receivables	5	0
Cash and cash equivalents	5,527	4,594
TOTAL CURRENT ASSETS	36,164	34,156
TOTAL ASSETS	229,745	228,976
EQUITY		
Share capital	27,489	27,489
Equity reserves	18,455	18,455
Revenue reserves	2,054	2,054
Revaluation surplus	48,776	48,755
Net profit/loss	842	0
TOTAL EQUITY	97,616	96,753
LIABILITIES		
Provisions and long-term deferred revenue	5,607	5,129
Long-term borrowings and financial leases	93,068	94,944
Long-term operating liabilities	446	445
Deferred tax liabilities	9,972	9,968
TOTAL NON-CURRENT LIABILITIES	109,093	110,486
Short-term borrowings and financial leases	3,640	3,529
Short term operating liabilities	19,396	18,208
TOTAL CURRENT LIABILITIES	23,036	21,737
TOTAL LIABILITIES	132,129	132,223
TOTAL CAPITAL AND LIABILITIES	229,745	228,976

**STATEMENT OF CASH FLOWS FOR INTEREUROPA d.d.
from 1.1.2015 to 30.6.2015**

in 1000 €	January – June 2015	January – June 2014
Cash flows from operating activities		
Net profit/loss for the period	842	1,130
Adjustments for:		
- Depreciation	1,954	1,972
- Impairment and writedowns of tangible fixed assets and Intangible assets	0	3
- Revaluation operating revenues from disposal of tangible fixed assets and investment property	-26	-141
- Impairment and write-offs of receivables	206	428
- Other non-monetary expenses	496	15
- Non-monetary revenues	-29	-113
- Financial revenues	-1,097	-1,308
- Financial expenses	1,559	1,801
- Income tax (deferred tax incl.)	0	41
Operating profit before changes in net working capital and taxes	3,906	3,829
Changes in net working capital and provisions		
Changes in receivables	-555	147
Changes in inventories	8	1
Changes in operating liabilities	1,555	932
Changes in provisions and long-term deferred revenue	11	30
Corporate income tax paid	0	-6
Cash from operating activities	4,925	4,933
Cash flows from investing activities		
Interest income	162	314
Dividend income and participations in profit	107	150
Inflows from disposal of tangible fixed assets	40	185
Inflows from long-term loans given	160	161
Inflows from decrease of short-term loans given	62	75
Inflows from decrease of short-term deposits and certificates of deposits	32	1,506
Outflows for acquisition of tangible fixed assets	-1,164	-568
Outflows for acquisitions of intangible assets	-43	-172
Outflows for long-term deposits given	-30	-20
Outflows for capital increase in subsidiaries	-15	-20
Cash from investing activities	-689	1,611
Cash flows from financing activities		
Paid interest	-1,538	-1,742

Outflows from repayment of long-term borrowings	-1,765	-4,163
Cash from financing activities	-3,303	-5,905
Cash and cash equivalents at beginning of period	4,594	3,406
Net increase/decrease in cash from regular operations	933	639
Cash and cash equivalents at end of period	5,527	4,045

**STATEMENT OF CHANGES IN EQUITY FOR INTEREUROPA d.d.
from 1.1.2015 to 30.6.2015**

in 1000 €	Share capital	Equity reserves	REVENUE RESERVES			Revaluation surplus	RETAINED EARNINGS		Total equity
			Legal reserves	Reserves for treasury shares	Treasury shares (deductible)		Transferred net profit/loss	Net profit/loss for the year	
Opening balance as at 1.1.2015	27,489	18,455	2,054	180	-180	48,755	0	0	96,753
Total comprehensive income	0	0	0	0	0	21	0	842	863
Net profit/loss	0	0	0	0	0	0	0	842	842
Other comprehensive income	0	0	0	0	0	21	0	0	21
Closing balance as at 30.6.2015	27,489	18,455	2,054	180	-180	48,776	0	842	97,616

**STATEMENT OF CHANGES IN EQUITY FOR INTEREUROPA d.d.
from 1.1.2014 to 30.6.2014**

in 1000 €	Share capital	Equity reserves	REVENUE RESERVES			Revaluation surplus	RETAINED EARNINGS		Total equity
			Legal reserves	Reserves for treasury shares	Treasury shares (deductible)		Transferred net profit/loss	Net profit/loss for the year	
Opening balance as at 1.1.2014	27,489	18,455	1,875	180	-180	52,815	78	0	100,712
Total comprehensive income	0	0	0	0	0	103	0	1,130	1,233
Net profit/loss	0	0	0	0	0	0	0	1,130	1,130
Other comprehensive income	0	0	0	0	0	103	0	0	103
Closing balance as at 30.6.2014	27,489	18,455	1,875	180	-180	52,918	78	1,130	101,945

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

a) Notes to the INCOME STATEMENT

Sales revenues

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

in 1000 €	January – June 2015	January – June 2014
Sales revenues within the Group	1,386	1,383
Sales revenues (excl. the Group)	44,733	43,564
Total	46,119	44,947

Other operating revenues (€ 288 thousand) represent the revenues from elimination of allowances for and write-offs of receivables (€ 135 thousand), revenues from state grants awarded for co-financing of projects and funds obtained from employing disabled persons above the quota (€ 113 thousand), the revaluation operating revenues from disposal of items of plant, property and equipment (€ 26 thousand), and other revenues (€ 14 thousand).

Costs of goods, material and services

Table 29: Costs of goods, material and services of the Intereuropa d.d. in the period January – June 2015

in 1000 €	January – June 2015	January – June 2014
Cost of goods and materials sold and costs of materials used	814	900
Cost of services within the Group	1,059	882
Cost of services (excl. the Group)	32,119	31,249
Direct costs	29,365	28,582
Telephone costs	58	85
Maintenance costs	795	841
Insurance premiums	257	198
Traning and education costs	19	39
Other costs of services	1,624	1,505
Total	33,992	33,031

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

Labour costs

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

in 1000 €	January – June 2015	January – June 2014
Wages and salaries	5,504	5,416
Pension insurance costs	631	606
Other social security costs	398	392
Other labour costs:	1,356	1,466
holiday allowance	491	593
transport and meals	826	837
other labour costs	39	36
Total	7,889	7,879

Write-offs

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

in 1000 €	January – June 2015	January – June 2014
Amortisation of intangible assets	258	251
Depreciation of property, plant and equipment and investment properties	1,696	1,721
Revaluatory operating expenses of intangible and tangible fixed assets	2	4
Expenses from revaluation adjustments (impairments) and written-off receivables	206	428
Total	2,161	2,405

Other operating expenses

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

in 1000 €	January – June 2015	January – June 2014
City land tax and similar expenses	525	525
Other operating expenses	536	82
Total	1,061	606

Other operating expenses mostly relate to the provisions for lawsuits (€ 496 thousand).

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

Table 33: Other operating expenses of the company Intereuropa d.d. in the period January – June 2015

in 1000 €	January – June 2015	January – June 2014
Interest income from group members	35	53
Interest income from others	139	259
Income from intra-group participations	876	959
Income from stakes in joint venture	41	34
Income from stakes to others	4	2
Income from removal of impairment of financial investments	3	0
Total financial income	1,097	1,308
Interest expenses and other borrowing expenses	-1,540	-1,773
Expenses from impairments of other financial investments	-14	0
Net exchange rate differences	-5	-28
Total financial expenses	-1,559	-1,801
Profit/loss from financing activities	-462	-493

The achieved **Profit or Loss from Ordinary Activities** of € 842 thousand resulted from the Operating Profit/Loss (€ 1,304 thousand) and from the Financing Profit/Loss (-462 thousand €).

b) Notes to the STATEMENT OF FINANCIAL POSITION

Tangible fixed assets

Table 34: Tangible fixed assets of the company Intereuropa d.d. as at 30.6.2015

in 1000 €	30.6.2015	31.12.2014
Land and buildings	109,802	111,024
a) Land	65,287	65,287
b) Buildings	44,515	45,737
Other property, plant and equipment	2,013	2,170
Tangible fixed assets under construction	618	103
Total	112,433	113,297

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

Intangible assets

Table 35: Intangible assets of the company Intereuropa d.d. as at 30.6.2015

in 1000 €	30.6.2015	31.12.2014
Long-term title rights	1,595	1,709
Long-term deferred development costs	155	371
Advances for intangible assets	0	18
Other intangible assets	3,467	3,249
Total	5,216	5,347

On the cut-off date (30 June 2015), the already activated long-term deferred development costs relating to the IT solution to support integral logistics services were reallocated to other Intangible assets within the Intangible Assets (in total amount of the item Other Intangible Assets; the same was done on the comparable cut-off date 31.12.2014).

Long-term financial investments excl. loans given and deposits

Table 36: Long-term financial investments excl. loans given and deposits of the company Intereuropa d.d. as at 30.6.2015

in 1000 €	30.6.2015	31.12.2014
Investments in shares and stakes of subsidiaries	46,684	46,669
Investments in stake of jointly controlled company	75	75
Other long-term financial investments	1,555	1,544
Total	48,314	48,288

Loans, deposits and certificates of deposits given

Table 37: Loans, deposits and certificates of deposits given of the company Intereuropa d.d. as at 30.6.2015

in 1000 €	30.6.2015	31.12.2014
Long-term loans given	433	563
- to subsidiaries	383	543
- deposits	50	20
Short-term loans given, deposits and certificates of deposit	7,168	7,260
- to subsidiaries	990	1,050
- to others	0	0
- deposits and certificates of deposit	6,178	6,210
Total	7,601	7,823

Short-term operating receivables

Table 38: Short-term operating receivables of the company Intereuropa d.d. as at 30.6.2015

in 1000 €	30.6.2015	31.12.2014
Short-term operating receivables within the Group	514	515
Short-term interest receivables from Group companies	169	166
Other short-term operating receivables from Group companies	770	0
Short-term operating receivables from buyers (excl. the Group)	20,690	20,657
Short-term operating receivables from others	624	646
Other short-term assets	427	39
Total	23,194	22,024

Equity

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

Provisions and long-term Deferred Revenues

Table 39: Provisions and long-term deferred revenue of the company Intereuropa d.d. as at 30.6.2015

in 1000 €	30.6.2015	31.12.2014
Provisions for terminal bonus payments on retirement	811	824
Provisions on litigations	510	14
Other provisions	4,160	4,160
Long-term deferred income	126	131
Total	5,607	5,129

In the frame of **long-term bank loans received and financial leases**, the entire amount (€ 93,068 thousand) relates to long-term loans received.

The short-term loans received and financial leases come to € 3,640 thousand and represent the short-term portion of long-term loans.

Short-term operating liabilities

Table 40: Short-term operating liabilities of the company Intereuropa d.d. as at 30.6.2015

in 1000 €	30.6.2015	31.12.2014
Short-term operating liabilities to companies within the Group	328	283
Short-term operating liabilities to suppliers	16,672	15,658
Short-term operating liabilities from advances	65	66
Other short-term operating liabilities	2,331	2,201
Total	19,396	18,208

Contingent liabilities

Table 41: Contingent liabilities of the company Intereuropa d.d. as at 30.6.2015

in 1000 €	30.6.2015	31.12.2014
From bank guarantees and guarantees given to Group members	3,239	4,880
From bank guarantees and guarantees given to others	4,610	4,888
Arising from legal proceedings	697	782
From D.S.U., družba za svetovanje in upravljanje	250	250
Total	8,796	10,800

Fair value of financial instruments

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

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

Table 42: Levels of fair values in the company Intereuropa d.d. as at 30.6.2015 and 31.12.2014

in 1000 €	30.6.2015			
	Level 1	Level 2	Level 3	Total
Financial assets, available for sale	1,437	0	118	1,555
	31.12.2014			
	Level 1	Level 2	Level 3	Total
Financial assets, available for sale	1,412	0	132	1,544

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

IN BRIEF ...

A revival of goods flows has slightly improved the indicators of this year's indicators of economic trends in Europe. The logistics market responded to the growth as it occurred, and to the gradually stronger demand. Intereuropa felt that trend primarily in the Parent Company, as the majority of subsidiaries in the Group were operating in countries with weaker economic activity. The situation in Ukraine remains entirely unpredictable: adverse impacts on the economy in the region have slashed the income of our Ukrainian subsidiary, too. In Slovenia, we recorded a higher volume of processed orders in many services from the Land and Intercontinental Transport areas, but the income grew at slightly lower rates due to tough competition and the resulting pressure on rates. The Parent Company, representing nearly 70 percent in the sales structure of the Group, recorded a 3-percent growth of the sales revenue in the reporting half-year thanks to intensified sales activities. In addition, the Group continued introducing our IT support to warehouse operations and road transportation in Croatia, and started preparing for expansion of the SAP solution to major subsidiaries. Along with keeping the logistics know-how up-to-date and active cost-of-services management, informatisation was in the centre of our activities involved in process optimization in the reporting term, too.

The consortium of banks - majority owners of the Intereuropa shares, whose aim is to sell the shares, was carrying on with their activities. In July we were informed that the banks received a binding offer from Tuffieh Fund. Acting in favour of all shareholders, the Managing Board of Intereuropa endeavours to minimise the adverse consequences of the sales procedure on the Company's operations.

In the first half-year 2015, the Intereuropa Group recorded **€ 66.3 million of sales revenues** from services, which was 6 percent or € 4.4 million less than a year ago. The setback is entirely attributable to the loss of income in our Ukrainian subsidiary, which lost € 5.6 million of revenues. That was the main reason for our underachievement of the sales target. Thanks to higher physical volume of orders from other markets, we were able to improve our sales in sea-freight segment, in which we recorded a 15-percent growth on average, and in domestic land transport (13 percent higher income).

The result of the Group was **€ 5.3 million of earnings before interest, taxes, depreciation and amortisation (EBITDA)**, with **€ 2.0 million of operating profit**.

The **Financing Profit or Loss at -1.8 million €** was slightly lower than planned on account of negative foreign exchange differences at € 0.3 million, which mostly resulted from the value decrease of the Ukrainian currency. Accordingly, the **Net profit /loss** for the reporting term came to **€ 0.2 million**.

The **Net Financial Debt** as at the last day of the term, amounting to **€ 84.7 million**, was 3 percent lower than at the year-end 2014.

We take pleasure in the revival of economic activity and hope that the rising trend will persist and reflect on some of our markets in which it was not felt to date. Dedicated activities in the area of sales, process informatisation and supplier management will continue in the second half-year. In this way, we aim to mitigate the consequences of unstable economic situation in Ukraine and achieve as many of our goals as possible.

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

