UNAUDITED INTERIM REPORT INTEREUROPA GROUP

JANUARY – MARCH 2016

The INTEREUROPA d.d. is publishing this Unaudited Report of Intereuropa Group for January - March 2016, in accordance with the Market in Financial Instruments Act (ZTFI).

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

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

The Unaudited Report of Intereuropa Group for January - March 2016 shall also be published on the web site of INTEREUROPA d.d. www.intereuropa.si on May 18, 2016.

C O N T E N T S

PERFORMANCE HIGHLIGHTS

After successful performance in the last quarter of last year, the positive trend has continued this year in most of our markets and reflected well on financial results of the Group. Economic environment responded favourably to the rise of certain segments of economic activity and even in the Ukraine, the shrinkage of economy has slowed down or was even brought to a stop. In the first three months of 2016, we perceived an increased volume of shipments /orders for various services rendered by all the three business areas of Intereuropa, such as groupage services, domestic transport, railfreight, sea-freight container services, car logistics and shipping agency. In all subsidiaries of the Group, except in Albania and Macedonia, the sales result exceeded the revenue achieved in the first quarter of the year ago. Croatia finally recorded growing sales after a period of downward movement; we proceeded with introduction of IT support to groupage services and domestic transport in our Croatian network.

Table 1: Performance highlights of Intereuropa Group and parent company Intereuropa d.d.

	INTEREUROPA GROUP			**INTEREUROPA D.D.**		
in EUR 1000	Jan-Mar 2016	Jan-Mar 2015	Index 16/15	Jan-Mar 2016	Jan-Mar 2015	Index 16/15
Sales Revenue	33,666	32,422	104	23,111	23,014	100
EBITDA	3,336	2,462	135	2,357	1,662	142
Operating profit or loss (EBIT)	1,676	848	198	1,361	686	198
Net profit or loss	697	-668	-	931	80	1164
EBITDA margin in %	9.9	7.6	130	10.2	7.2	141
EBIT margin in %	5.0	2.6	190	5.9	3.0	198
Sales Revenue per employee/month	8.240	7.884	105	12.775	12.648	101
Value Added per employee /month	2.333	2.014	116	3.453	2.906	119
	31.3. 2016	31.12. 2015	Index 16/15	31.3. 2016	31.12. 2015	Index 16/15
Assets	291,615	292,420	100	225,406	226,292	100
Equity	149,535	148,174	101	98,910	97,976	101
Net debt	80,854	80,392	101	80,181	80,160	100
No. of employees	1,421	1,417	100	621	624	100
				Jan-Mar 2016	Jan-Dec 2015	Index 16/15
No. of shares at the end of term				27,488,803	27,488,803	100
Net earning per share (in EUR)				0.03	0.04	75
Closing price at the end of term (in EUR)				0.51	0.53	96
Book value of share at the end of term (in EUR)				3.60	3.57	101
Closing price / Book value of share				0.14	0.15	95
P/E				4.3	3.3	128

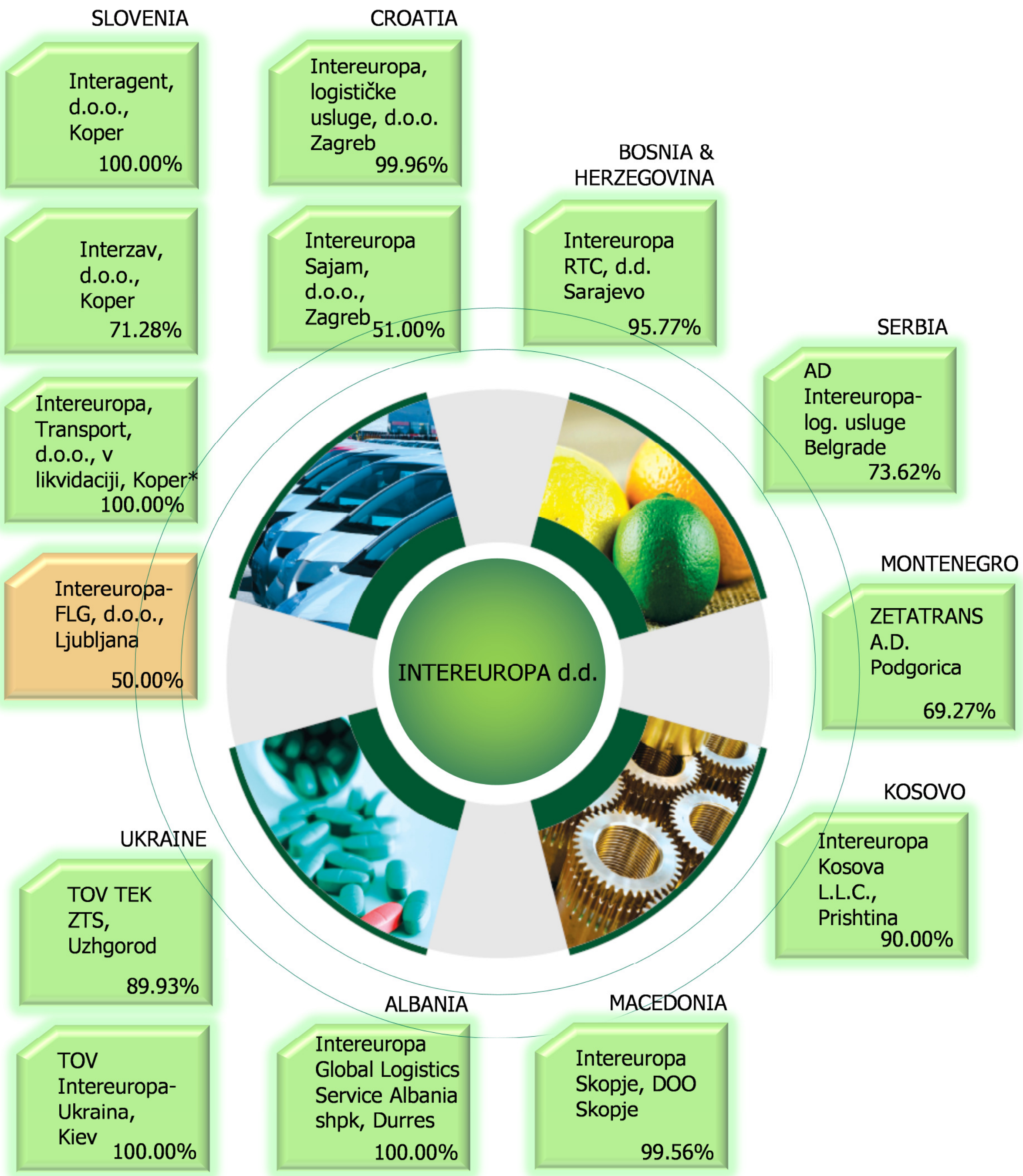
In the reporting term January - March 2016, the Intereuropa Group surpassed the target level by 2 percent and achieved a sales revenue of EUR 33.7 million. That meant a 4-percent growth. The operating profit at EUR 1.7 million reflects greatly improved operating profitability: the share of operating profit in the sales revenue structure has nearly doubled. In the reporting term, the net profit of the Group was EUR 0.7 million, whilst the Parent Company Intereuropa d.d. achieved EUR 0.9 million.

EBITDA: Earnings Before Interest, Taxes, Depreciation, Amortisation and Revaluation operating expenses for intangible assets, plant, property and equipment
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	EUR 27,488,803
Number of of issued and paid-up shares	27,488,803 no-par value shares, of which 16,830,838 ordinary (IEKG) and 10,657,965 preferencial (IEKN)
Share listing	Shares designated IEKG are included in Prime Market on the Ljubljana Stock Exchange, CEESEG.
Managing Board	Ernest Gortan, Msc., President of the Managing Board Tatjana Vošinek Pucer, Deputy President of the Managing Board Marko Cegnar, Member of the Managing Board (from 19.2.2016)
Chair of the Supervisory Board	Klemen Boštjančič

Intereuropa Group	
No. of employees	1,421 employees
Vehicle fleet	110 group-owned trucks, tractors, and trailers and other commercial vehicles
Total warehousing area	232,400 m^2 in-house warehouse
Total land area	1,711,000 m^2 of land area
Membership in international organisations	FIATA, IATA, FETA, FONASBA, BIMCO, IRU
Quality certificates	certificate ISO 9001:2008: ○ 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 proceedeings since January 17, 2012.

Parent company

Subsidiary

Joint venture

% of ownership by the Parent company

Figure 1: Intereuropa Group as of 31.3.2016

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	EUR 166.0 million
2.	EBITDA	EUR 15.8 million
3.	Operating Profit (EBIT)	EUR 7.8 million
4.	Investments	Depreciation at 66% on average In five years, total 24.5 m EUR
5.	Number of employees at end of period	1,405 employees
6.	Debt management	Net debt/EBITDA: 3.4

BUSINESS PLAN 2016

While preparing the business plan for 2016, we integrated the *strategic guid*elines for the coming year from the Strategic Plan of the Intereuropa Group for the term 2015-2019, based on the starting position of the Intereuropa Group at the end of 2015, trends in the branch of logistics and forecasts of economic trends for our key markets.

Our core activities for the year 2016 will be to develop our current business and acquire new customers, which will generate growth in all our markets, business areas and products of our core business. Much effort will be dedicated to the optimization of business processes, to cost management and to on-going informatisation of business processes in the Group.

Key goal:

→ Growth of revenues in all markets, business areas and core products, while maintainig or improving the profitability.

Other goals:

→ active cost management in the segments of services by seeking the optimal execution thereof, by obtaining better terms of purchase, and by cost efficiency of support functions;
→ efficient management of working capital;
→ to retain and motivate our most promising staff, upgrade the incentive-based remuneration system, maintain flexible employment forms, aiming to develop the corporate organizational culture towards a dynamic organization, susceptible to change arising from the business environment;
→ introducing our integrated IT solution supporting the logistics processes of core business and the SAP information solution in the target subsidiaries;
→ 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 real estate that does not yield the expected economic effects of EUR 3 million or more.

Core financial goals:

→ Sales revenue: EUR 137.1 million;
→ EBITDA: EUR 13,1 million;
→ Operating Profit (EBIT): EUR 6,3 million;
→ Investments: EUR 4,5 million;
→ Number of employees at the year-end: 1,441.

MAJOR EVENTS

THE PERIOD OF JANUARY – MARCH 2016

January

→ In January, Intereuropa joined the Slovenian business delegation to Iran and took part in the Slovenian-Iranian business forum. They met with Iranian logistics providers and other businessmen that open an opportunity for cooperation in automotive industry, pharmacy, steel industry, agricultural mechanization, etc. where Intereuropa can offer the services in shipping and land transport.

February

→ On 19 February 2016, the Supervisory Board of Intereuropa d.d. appointed Marko Cegnar as a new member of the Managing Board, in charge of the sales for a four-year term of office.

→ Our staff from conventional sea-freight segment attended the Fruit Logistics fair in Berlin, where they held meetings with customers and partners in business.

→ In February, Intereuropa launched a regular groupage line for imports and exports between Serbia and Turkey, in which the Belgrade Hub is central for shipments from/to Turkey for the entire area in which the Group operates.

March

→ In the session held on 3 March 2016, the Supervisory Board was informed on the performance of the Intereuropa Group in the financial year 2015. The Intereuropa Group made a sales revenue of EUR 134.6 million from the sale of logistics services. It achieved an operating profit of EUR 4.7 million, and a net profit of EUR 0.8 million.

→ Between 8 and 12 March, Intereuropa took part in a partner conference organised by the HCL Conference (Ecu Air) in Lisabon, Portugal. Representatives of Intereuropa attended several meetings within the partner network and made new cooperation arrangements. Intereuropa received the award for being the 'most responsive agent in the HCL network'.

→ Intereuropa also attended the meeting organised by the Port of Koper (Luka Koper d.d.) in Cairo, where our executives met with our current partners in business and made contacts with logistics operators from various partner networks.

→ In March, Intereuropa established cooperation with a new partner for groupage services in Great Britain, jointly operating two regular weekly lines in import and export.

→ On 31 March, Intereuropa attended the 7thRegional Business Plus Conference, in which regional companies discussed the role of branding.

EVENTS AFTER THE CLOSING OF THE PERIOD

→ On 21 April, the Supervisory Board adopted the Audited Annual Report 2015, the Auditor's Report by the appointed external certified auditor, and the Report prepared by the Supervisory Board for the year 2015, following a due discussion of all reports.

BUSINESS REPORT

1. PERFORMANCE OF INTEREUROPA GROUP

1.1. Sales result

ECONOMIC TRENDS

The latest estimates by the International Monetary Fund (IMF) forecast a 3.2-percent growth for the world economy in the year 2016. In advanced countries, the average growth is estimated at 1.9 percent, in other economies at 4.1 percent.
Due to heightened uncertainty in international environment, the forecasts for the Euro zone are less optimistic than last autumn. Nevertheless, the rising retail consumption and exports, accompanied by low oil prices, a weak Euro and the expansive monetary policy of the European Central Bank give rise to expectations for stronger growth in the near future. The year opened with increased economic activity in all economic segments. Short-term economic activity indexes have improved, whilst the consumer confidence indexes decreased slightly.
Slovenia saw improvement in most short-term indexes of economic activity, too. After the growth levelled off at the end of preceding year, the exports and imports of goods and the output of processing industries have risen significantly, while imports persisted on the same level for a longer time. Higher demand and stronger industrial output led to further growth of income in most market-dependent services, and retail trade recorded growing sales revenue in vehicles and non-food products.
The IMF also estimates improved economic activity in the South Eastern Europe. Croatia, which came out of a long-lasting recession, is estimated to record a slight recovery of domestic demand and a GDP growth in the current year. Serbian economy is expected to end downturn trends, relying on domestic demand to fuel the growth, too. Montenegro sees the key drivers for improvement in the growth of investments (in motorways, tourist resorts) and in a higher bank lending volume for retail consumption. Promising economic growth is also estimated for Macedonia, Kosovo, Albania and Bosnia and Herzegovina.
Ukraine is still amidst political crisis: in February, it recorded a growth of industrial output for the first time after three years, and the downturn trends in some other economic activity segments slowed down. The first signs of recovery are promising; however, the base of economic activity persists on very low level.

Table 2: Forecast of economic trends in goegraphic markets of the Intereuropa Group

Countries	GDP growth, in %		Inflation, in %		Exports of goods growth, in %		Imports of goods growth, in %	
	2016	2017	2016	2017	2016	2017	2016	2017
EU	1.8	1.9	1.0	1.5	2.9	3.7	3.8	4.1
Slovenia	1.7	2.4	0.6	1.2	3.5	4.9	2.9	5.3
Croatia	1.9	2.1	0.8	1.5	9.4	8.5	8.8	8.9
BiH	3.0	3.2	-0.3	1.5	6.0	5.2	6.8	3.6
Serbia	1.7	2.2	2.6	3.3	7.7	7.6	6.0	5.7
Kosovo	3.4	4.3	1.2	1.7	4.1	9.7	2.7	10.1
Montenegro	4.7	2.5	1.4	1.4	0.9	1.6	12.4	3.3
Macedonia	3.6	3.6	1.4	1.6	8.7	10.0	7.7	8.8
Albania	3.4	3.8	2.2	2.7	-8.4	4.9	6.2	1.6
Ukraine	1.5	2.5	13.0	8.5	-3.2	4.5	-1.4	3.7

* Eurozone data

SOURCE:
World Economic Outlook, IMF, April 2016
Autumn Forecast of Economic Trends 2015, IMAD, March 2016
Economic Mirror no. 2, IMAD, April 2016

SALES REVENUE

After positive effects of economic recovery were recorded last year in the markets in which the Slovenian part of our Group operates, the year 2016 started with better expectations also for our other markets in the Western Balkans. The revival of goods flows varied from country to country, but with positive trends for all. Accordingly, Intereuropa recorded in the reporting term a growing volume of orders and shipments in various services from our range: groupage services, domestic transport, railfreight, sea-freight container services, car logistics and shipping agency. However, the sales revenues did not follow the physical growth at the same pace: the competitive struggle in the transport and logistics markets created pressures on sales prices and has been cutting the earnings per unit for several years. Although the price is a vital factor in the eyes of customers, the worth of a quality service lies hidden in the flexibility to customers' needs and in the reliability of execution, which our B2B[1] customers appreciate.
Informatisation is underlying for responsiveness and speed, so this year we have continued introducing IT support to logistical services in Croatia: after air-freight, road transport and customs services, this year we focus on improving their groupage services and domestic transport. In Slovenia and Croatia, we carried on with IT support to warehousing operations according to individual customers. After 1 January 2016, we launched the SAP in information solution for finance and accounting in our subsidiaries in Serbia, Bosnia and Herzegovina and Montenegro. In some areas, the introduction of IT novelties brought, along with optimisation effects, a slightly changed income structure according to individual sales segments.

The Intereuropa Group achieved a 4-percent growth over the comparable term last year and achieved **EUR 33.7 million sales revenue**. Our Logistics Solutions Area recorded the highest growth and sales revenue were improved in all our subsidiaries except in Albania and Macedonia. The rise was attributable to gradual improvement of economic situation and to increased turnover of goods and of inventories in warehouses. The sales revenue also increased in our Land Transport: the Ukrainian market has finally seen a growing trend in rail-freight, and our service to customers in domestic transport and groupage segments was more efficient. Our Intercontinental Transport Area recorded a two-percent decline primarily on account of bad fruit and vegetable season in the Near East and due to re-routing of goods flows to the Russian market, and due to discontinued transports of Korean cars for the Spanish market. Despite loss of income from car logistics, we handled a good quarter more vehicles than in the same term a year ago. Slovenia recorded growth in our sea-freight container segment and in *»ro-ro«* transport in Slovenia, and Croatia achieved growth in road transport, customs services, warehousing and distribution.

Table 3: Sales revenue of the Intereuropa Group by business area, in EUR 1000

	Business area	Jan - Mar 2016	Structure	Index 2016/plan	Index 2016/2015
1	Land Transport	18,224	54%	103	104
2	Logistics Solutions	4,598	14%	103	116
3	Intercontinental Transport	9,274	28%	98	98
4	Other services	1,570	5%	102	98
	TOTAL SALES REVENUE	**33,666**	**100%**	**102**	**104**

[1] B2B - »business to business« (business that is conducted between companies)

The sales revenues were two percent higher than planned. Most of our services performed better than expected; railfreight and sea-freight container segments were the best performing ones.

Our subsidiaries in Slovenia yielded two thirds of sales revenue and improved the sales result by one percent. Following our numerous and long-lasting activities addressing operational efficiency in Croatia, this Area has achieved growth in the sales; slightly higher growth rates were recorded in Montenegro, Serbia, Bosnia and Herzegovina, Kosovo and Ukraine. Although the situation in Ukraine has not stabilized yet, our subsidiary there succeeded in improving its sales results better than expected.

Table 4: Sales revenue of Intereuropa Group by countries (by companies' head office) in EUR 1000

	Geografical area (by companies' head office)	Jan - Mar 2016	Structure	Index 2016/plan	Index 2016/2015
1	Slovenia	22,656	67%	99	101
2	Croatia	4,892	15%	99	101
3	Bosnia & Herzegovina	1,442	4%	99	109
4	Serbia	946	3%	103	110
5	Macedonia	288	1%	91	83
6	Kosovo	562	2%	105	112
7	Montenegro	1,068	3%	100	106
8	Albania	98	0%	72	63
9	Ukraine	1,715	5%	183	194
	TOTAL SALES REVENUE	**33,666**	**100%**	**102**	**104**
1	EU countries	27,548	82%	99	101
2	Non-EU countries	6,118	18%	114	121

The number and diversity of customers is a challenge for the sales staff of Intereuropa who approach to customers by listening to their needs and finding the best solution. In the first quarter of this year, more than three out of four customers came from the EU Member States, thereof one half were Slovenian customers. Of other countries, 12 percent of sales revenues were obtained from customers located in the territory of former Yugoslavia (excl. Slovenia and Croatia).

Table 5: Sales revenue of the Intereuropa Group by countries (by customers' head office), in EUR 1000

	Geografical area (by customers' head office)	Jan - Mar 2016	Structure	Index 2016/2015
1	Slovenia	13,309	40%	99
2	Croatia	4,093	12%	100
3	Ukraine	1,231	4%	483
4	Austria	2,133	6%	128
5	Bosnia & Herzegovina	1,419	4%	127
6	Germany	1,493	4%	112
7	Other countries	9,988	30%	95
7a	Other EU countries	4,611	14%	103
7b	Other countries	5,376	16%	90
	TOTAL SALES REVENUE	**33,666**	**100%**	**104**

Land Transport

We achieved a sales revenue of EUR 18.2 million from the services of Land Transport in the reporting term, or 54 percent in the sales structure of the Intereuropa Group. The highest share was contributed by the Parent Company that earned 59 percent of total sales revenues from the services of Land Transport.

Compared with the same term 2015, the sales revenue was 4 percent higher. After several years of losses, the Ukrainian subsidiary achieved growth and doubled the sales revenues in the rail-freight product. In addition, our subsidiary in Croatia recorded better results in all products except rail-freight segment. The overachievement of last year's results was seen in Bosnia and Herzegovina, Serbia, and Montenegro, whilst our subsidiaries in Macedonia, Kosovo and Albania suffered a decline in revenue.

The overview of sales revenues by product reveals that we surpassed the last year's results in all our products except road transport and customs services.

The sales targets were exceeded by 3 percent; the greatest part of excess was achieved in the Ukrainian subsidiary. The same trend was seen in our subsidiaries Intereuropa, logističke usluge d.o.o., Zagreb, Croatia (most in groupage services and domestic transport) and in A.D. Intereuropa - logističke usluge, Belgrade, Serbia (in all products except road transport). Other subsidiaries were below the targets.

The first quarter of this year was earmarked by growing physical volume of orders processed, which brought higher sales revenue in all products of our Land Transport Area but road transport. In the latter product, major business is acquired exclusively by tender, and there is typically fierce price competition among the carriers bidding, which reduces our earnings per unit in practically all tenders won. In our Croatian subsidiary, we pursued with the implementation of WexVS solution to two complex products: Groupage services and domestic transport. We proceeded with our on-going activities towards higher cost efficiency and operation streamlining, as well as with activities aiming to increase the sales revenue. We kept on endeavouring to maintain a high quality level of our services.

Road Transport:

→ With 25 percent, road transport has the biggest share in the sales revenue structure among the services offered by the Group, and as high as a 45-percent share among the services in the scope of Land Transport.
→ Compared with the same term 2015, we recorded a 5 percent fall of sales revenue and were 8 percent below the sales target.
→ Slovenia suffered the worst loss of sales revenues in absolute terms (7 percent).
→ In relative terms, the worst setback was recorded in Kosovo, followed by Albania, which nearly halved its earnings due to loss of a key customer. Downward trend struck our subsidiaries in Serbia, Ukraine and Macedonia, too.
→ Our subsidiary in Zagreb, which increased its fleet by the purchase of five new Volvo Trucks last year, increased the sales revenue by 8 percent and exceeded the targets.
→ Better results were also achieved in Bosnia and Herzegovina (acquisition of a major business) and in Montenegro (new businesses).
→ 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 direct costs.
→ **Key goals for 2016:**
  - Intensified commercial activities in international road transport in the Group, identifying the potential and seeking the synergies;

- continual cost control and price control of suppliers, and activities to reduce direct costs;
- assuring IT-support to mutual processes with suppliers – carrier contractors for Intereuropa d.d.;
- staff training on risk management in international road transport, and knowledge transfer within the Group.

Groupage Services:

→ The sales revenues rose by 4 percent and exceeded the target by 6 percent in the reporting term.
→ Nearly three quarters of all revenues from groupage services in the Group were generated in Slovenia. The number of orders processed and the sales revenue rose one percent above the comparable term a year ago.
→ In March, we established cooperation with a new partner in Great Britain.
→ The subsidiary in Serbia surpassed both the last year's results (+20 percent) and the target (+15 percent). After establishing the line between Turkey and Serbia, the role of Belgrade-based subsidiary was strengthened, as it became an important hub in the Group.
→ Growing sales revenues and exceeding the targets were further recorded in the subsidiaries in Bosnia and Herzegovina, and Kosovo, as a result of growing quantities of carried goods.
→ On the other hand, the subsidiaries in Montenegro, Macedonia and Albania recorded a downturn in the sales and a setback behind the plan.
→ **Key goals for 2016:**
- maintain and improve the position of the leading provider of groupage services in Slovenia, Croatia, Bosnia and Herzegovina and Serbia, and increase the market shares in all countries in which Intereuropa is present with own subsidiaries;
- launch of operations based on the new IT solution WexVS in the Croatian subsidiary;
- ensuring an enhanced electronic data interchange (of routing orders with our partners based abroad);
- continual process optimization aimed at shortening the transit times, increasing the frequency and reducing the cost of groupage deliveries;
- intensified use of sales leads as a significant sales tool (intra Group and with partners based abroad);
- further enhance the level of service quality, using appropriate performance indicators.

Customs Services:

→ Sales revenue was 2 percent lower than in the comparable term a year ago. Bosnia and Herzegovina and Montenegro saw a loss of operating revenue from customs services.
→ Slovenia, which earns as many as 39 percent of the entire sales revenue from these services, saw a considerable increase in sales revenue by 14 percent, and exceeded the sales target by 12 percent.
→ In Croatia, the sales revenue from customs services rose by 16 percent.
→ The subsidiaries in Serbia, Macedonia and Kosovo recorded higher operating revenues than last year and surpassed the sales targets.
→ **Key goals for 2016:**
- On-going training of employees to maintain their know-how on the highest level and to provide support to designated key commodity groups;
- continual effort to reduce the cost resulting from operational flaws, addressed by claim management and elimination of non-compliance in the work process;
- Current monitoring of legislation, transfer of know-how among employees.

Domestic Transport:

→ The sales revenue was 5 percent higher than in the first quarter 2015, which was 9 percent above our plan. Growth was recorded in all subsidiaries offering this service, the highest of all in Bosnia and Herzegovina.

→ The highest share of sales revenue was earned by the subsidiary in Croatia (56 percent), followed by Slovenia (25 percent), the subsidiaries in Bosnia and Herzegovina (14 percent), and Serbia (4 percent).

→ Higher sales revenues (1 percent) and excess of sales targets were achieved in Croatia and Slovenia.

→ This product provides an important support to other our products; as a stand-alone product, on the other hand, it faces an extremely tough competition in local markets and demands our continual attention and activities to streamline the operations.

→ All companies in the Group conduct on-going activities on process optimisation, cost management and optimum implementing solutions that will retain the quality of service on the highest level and reduce the cost on the other hand.

→ **Key goals for 2016:**
- Introduction of the WexVS solution to Croatia, utilizing the advantages thereof, and on-going process optimization, cost management and search for optimum implementation solutions that will retain the quality of service on the highest level;
- migration from conventional OBC[2]- to reading with smart telephones;
- development of distribution services in the countries in which Intereuropa subsidiaries are based, to be able to provide support to other products and to selected commodity groups.

Railway Transport:

→ In this year's first quarterly term, the Rail Transport product recorded a great increase over the sales target (63 percent) and was 76 percent higher than in the comparable term 2015.

→ The performance of this product was greatly attributable to the improved situation in Ukraine, where our subsidiary TEK ZTS of Uzhgorod is based: the sales revenues from rail-freight have more than doubled. Our Ukrainian subsidiary generated 74 percent of total sales revenues in our railfreight transport product.

→ The Parent Company in Slovenia exceeded both the results of comparable term a year ago and the sales targets by 9 percent.

→ Key goals for 2016:
- satisfy the requirements for quality services, experienced and skilled staff with a high level of know-how, in view of importance of the Railfreight product in multimodal transport chains, and its vital role in logistics solutions for certain commodity groups;
- staff training and internal knowledge transfer in case of non-availability of skilled staff.

We have set ambitious goals for this year, reflecting in positive results in the physical volume, however, with scarcely any bearing on the financial results. Customers are pressing on the costs when acquiring business by tender and by checking the market prices from day to day. Logistics providers struggle for each shipment; some of them offer dumping prices, which slashes the sales margin. Moreover, ill payment practices require great caution in acquisition of new business, as well as in doing business with our present customers. The operating result is dependent on economic and political situation in the countries and markets in which we operate, primarily in Europe.

[2] On-Board Computer

In all products of our Land Transport Area, we rely on informatisation of operations to optimise the processes and provide for traceability that our customers expect from us. In Croatia, we put our IT solution WexVS in use for two Land Transport products: Road transport and customs services. This year, the new IT solution will be launched in the Groupage and Domestic Transport segments. Preliminary activities to expand the information solution to other subsidiaries of the Group are conducted, to allow for better supervision over the provision of services; combined with enhanced traceability of consignments, it further improves the quality of our service.

Logistics Solutions

The Logistics Solutions Area generated EUR 4.6 million of sales revenue, or 14 percent of total sales revenue of the Group. So we recorded a 16-percent growth over the comparable term last year, and exceeded the target by 3 percent. An improved business sentiment was perceived in our key markets.
In Slovenia, which as the key market represents two thirds in the sales output of logistics solutions, we were performing 20 percent better than last year and 4 percent above the targets, primarily on account of increased turnover of goods and of inventories in our warehouses (Logatec, Vrtojba, Jesenice and Maribor).
Better performance than last year was recorded in other subsidiaries with storage capacities, except in Macedonia and Kosovo; sales targets were not achieved in Croatia (minus 4 percent), in Macedonia and Kosovo (minus 30 percent in aggregate amount).

Our companies in Slovenia and in Croatia conducted numerous activities to fill-up storage capacities and acquire new business with a higher added value, as well as continued improving business processes towards streamlining and launching the new integrated IT solution that supports warehouse processes.

Storage Services:

→ Our revenue from the sale of storage services came to EUR 4.3 million in the reporting term, representing 13 percent in the sales structure of the Group, or 94 percent on the level of the Logistics Solutions Area. We recorded a rise in the sales revenue by 18 percent and exceeded the targets by 8 percent.

→ In Slovenia, despite the 24-percent growth in the sales revenue, we were 11 percent above the plan. In Serbia, despite the 20-percent growth in the sales revenue, the plan was surpassed by 17 percent. Montenegro saw a 17-percent growth in the sales revenue and was 8 percent above the plan. The Bosnian subsidiary achieved a 24-percent growth in the sales revenue and exceeded the plan by one percent; however, the plan was not achieved in other countries.

→ In Maribor, work started on the construction of new cool store capacities.

Distribution Services:

→ The sales revenue from Distribution services in the reporting term was EUR 0.3 million, representing ca. one percent in the sales structure of the Intereuropa Group.

Key activities for the Logistics Solutions Area in this year:

→ development of partnership relations and enhanced cooperation with current customers;

→ winning new logistics projects, primarily aiming to fill the unoccupied storage capacities in Slovenia and Croatia;

→ continuation of installation of IT support to logistics solutions in Slovenia and in Croatia;

→ improvement of energy efficiency (introducing LED-based illumination, replacing gas-driven forklift trucks with electric ones);
→ continued specialisation and optimisation of logistic processes by commodity category.

Intercontinental Transport

The sales revenues from the products of the Intercontinental Transport Area came to EUR 9.3 million. The products of sea-freight container segment, »ro-ro« services, shipping agency and air-freight were performing better than planned; unlike the former segments, the conventional sea-freight and car logistics were behind the targets and that setback brought to the underachievement of goals of the entire Area.
The highest target surpass and the increase in revenue over the comparable term last year was recorded in the »ro-ro« segment (+39 percent above the target), in container transports (+15 percent above the target), shipping agency (+19 percent above the target) and in air-freight segment (+10 percent above the target).
In the reporting quarter, we had to cope with volatility of sea-freight rates and of air-freight terms on a monthly basis. Similar trend is about to continue in the second quarterly term, for which the shipowners have already forecast a major increase in prices for overseas transport. The fluctuation in demand for overseas transport forced container-ship operators to abandon one direct container line that was operating between the Far East and North Adriatic. In shipping industry, the considerably lower demand is illustrated by the very low value of the Baltic Dry Index that has persisted in this year, too.

Sea-Freight:

→ The products of our sea-freight segment (incl. shipping agency) yielded EUR 7.0 million of sales revenues for the first quarterly term. That was still 2 percent below the sales targets.
→ Among sea-freight products, our container transport segment was the best performing segment. It yielded EUR 3.9 million and outstripped the sales target by 15 percent. Slovenia recorded growing exports of steel, refractory bricks and dangerous goods, and imports of containers with phyto-pharmaceutical products and fertilizers bound for the Central European markets.
→ Our conventional sea-freight segment achieved a sales revenue of EUR 2.9 million, which was slightly underperforming. The biggest variances from targets were recorded in imports of fresh fruit and vegetables, which were generally observed in the Port of Koper, attributable to bad fruit and vegetable season in the Near East and to re-routing of goods flows to the Russian market. There were fewer dispatches of dry bulk/ bulk cargo. For the second quarter of the year, we plan to achieve the sales targets.
→ In our *»ro-ro«* product, we achieved a 50-percent growth of sales revenue over the comparable term last year. We also observed a higher volume of project goods via Koper port, both in import and export. We are involved in negotiations for new project goods that scheduled partly for the second quarterly term of later this year.
→ Our shipping agency was performing better than expected in Slovenia and in Croatia, having surpassed the plan baselines by 19 percent, and 44 percent better than in the first quarterly term last year. Underlying for such good achievements was agency representation of a Chinese container ship operator. We also recorded more calls by the fleet of a Japanese shipowner who loads Daimler-Benz vehicles in Koper.
→ The forecasts for the second quarterly term 2016 are favourable for all sea-freight product, and accordingly, we expect to achieve the planned sales revenue. The greatest deal of uncertainty is involved in the alliance between the Chinese container-ship

operators COSCO and CSCL, whose structural ties have strengthened. Eventual changes may be expected by the end of this year.

Car Logistics:

→ In this segment, we recorded EUR 1.0 million of sales revenue in the reporting term. The target sales revenue was realized up to 85 percent, attributable to the lower volume of GM vehicles, discontinued transports of Korean cars for the Spanish market, and to the business for a Short-Sea shipowner.
→ Despite lower sales revenue, we processed a bigger number of vehicles. There were 27 percent more vehicles handled than in the same term last year. Growth is attributable to the development of new business for Daimler-Benz and for some traditional customers who boost the number of vehicles in the markets of Slovenia and SE Europe.
→ Our car terminals in Slovenia and Serbia recorded a higher number of vehicles on store, that - due to favourable turnover - significantly contributed to the sales revenue in the reporting term.
→ We carried on with commercial activities addressing new prospects for the second quarter of this year.

Air-Freight:

→ In this segment, the sales revenues rose 13 percent over the figure achieved in the same term last year. We recorded a sales revenue of EUR 0.9 million,
→ the greatest part thereof in Slovenia and Serbia, thanks to good performance. In Serbia, we made some major air-freight deliveries by charter flights, and some deliveries are scheduled for the coming quarterly term. In Kosovo, we provided logistics for the German Army. In March, we succeeded in closing a deal for GSA (General Sales Agent) representation for the Turkish air carrier Pegasus Airlines for the territory of Serbia, and we hope to develop cooperation gradually and higher income for the current year 2016.
→ This year, we recorded increased activity of partner network in import and export shipments and we used the opportunity by our attending the international meeting of the HCL network in Lisbon in March this year.
→ A positive trend of operations is expected for the second quarterly term, which is traditionally the high season in air-freight. With strengthened sales activities, we expect to exceed the sales targets by the end of the first half-year.

1.2. Financial result

Tables 6 and 7: Financial results of the Intereuropa Group for the period January – March 2016, in EUR 1000

Item/Index	Jan - Mar 2016	Jan - Mar Plan 2016	Jan - Mar 2015	Index 2016/plan	Index 2016/2015
Sales revenue	33,666	33,163	32,422	102	104
EBITDA*	3,336	3,103	2,462	107	135
Operating profit or loss	1,676	1,433	848	117	198
Financing profit or loss	-943	-748	-1,507	-	-
Profit or loss	697	560	-668	125	-
EBIT margin in %	5.0%	4.3%	2.6%	115	190
Sales revenue per employee/month	8.240	7.896	7.884	104	105
Value added per employee/month	2.333	2.201	2.014	106	116

** EBITDA: Earnings Before Interest, Taxes, Depreciation, Amortisation and Revaluation operating expenses for intangible assets, plant, property and equipment*

Item/Index	31.3. 2016	31.12. 2015	Index 2016/2015
Balance sheet total	291,615	292,420	100
Equity	149,535	148,174	101
Net debt*	80,854	80,392	101
Current assets/ Current liabilities	1.64	1.59	103
Net Return On Equity (yearly level)**	2.41%	-0.10%	-

** financial liabilities – loans and deposits given - cash*
*** average equity of the report. period*

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

→ In the reporting quarterly term, the Group succeeded in increasing both, the sales revenues and the EBIT margin[3], which was the main basis for surpassing the planned operating profit or loss and the EBITDA.

Financing Profit or Loss

→ The negative Financing Profit was attributable to net interest expenses and to foreign exchange losses at EUR 0.3 million that were not envisioned (mostly arising from the Ukrainian currency value decrease). The latter were also the ground for underachievement of the target financing result.

Profit / loss

→ The profit/loss from ordinary activities was reduced by the accrued and deferred corporate income tax. The resulting Profit was EUR 0.7 million.

Structure of Statement of Financial Position

→ The current ratio came to 1.64 and was slightly higher than a year ago, whilst the share of capital in the balance sheet total rose by 0.6 index points.

[3] share of operating profit in the sales revenue structure

1.3. Investment in fixed assets

In the first quarter 2016, the investments in fixed assets realized by the Intereuropa Group totalled EUR 370 thousand, thereof 146 thousand in real estate and 224 thousand in equipment and intangible assets. The annual plan of investments was completed to the level of 8 percent.

Table 8: Overview of investment in the period January – March 2016 (in EUR 1000)

Company	Real property		Plant & Equipment, Intangible assets		TOTAL		% of annual realisation
	jan - mar 2016	Plan 2016	jan - mar 2016	Plan 2016	jan - mar 2016	Plan 2016	
Intereuropa d.d.	80	563	30	1,737	110	2,300	5
Subsidiaries	66	546	193	1,639	259	2,185	12
TOTAL	**146**	**1,110**	**224**	**3,375**	**370**	**4,485**	**8**

The investments of the Parent Company Intereuropa d.d. were made in real estate, equipment and intangible assets (EUR 110 thousand); other members of the Group invested EUR 259 thousand in fixed assets. There were no major investments - the biggest was the purchase of 5 delivery vehicles in our subsidiary in Sarajevo (EUR 118 thousand).

The invested funds were earmarked to:

- buildings and equipment (EUR 190 thousand),
- repairs and purchase of motor vehicles (EUR 123 thousand),
- computer hardware and software (EUR 56 thousand).

1.4. Risk Management

Risk identification and acceptance is an integral part of corporate planning process, decision-making and day-to-day operations.

There are 47 types of risk identified in the company Intereuropa d.d., thereof 4 key risks. Our highest exposure was to the sales risk of downward pricing pressures, and to credit risk. Due to our financial commitments under the financial restructuring programme, we are further exposed to the risks associated with maintaining financial stability.

Great attention is dedicated to manage the risks in the sales area. Despite last year's moderate recovery of global economy, which slightly increased the goods flows and thereby the demand for logistic services, the recovery is mainly seen in an increased physical volume of goods. Impacts of fierce competition and pressures on the price of logistic services are strongly felt in the year 2016. Our sales activities focus on acquiring new customers, improving the productivity of staff and on higher utilization of logistics capacities, along with internal streamlining of processes and costs. To facilitate and optimize the management of our services, we are upgrading the IT support to processes.

Logistics demands from its service providers to make high outlays of funds to pay for freight, customs duty and other levies, therefore it is largely subject to credit risk. Ill payment practices and financial difficulties of numerous enterprises are still quite common in the markets in which we are operating, so it demands caution both in doing business with our current customers and in addressing new prospects. We address the risk by imposing adequate measures, such as active monitoring and collection of outstanding receivables, preventive checks of credit rating, setting appropriate credit limits, and arranging instruments to secure risky receivables. By keeping a close eye on the business and liquidity planning, orderly relations with all the stakeholders and prudent cash management, we estimate to successfully cope with our exposure to credit and liquidity risks.

Due to our financial commitments under the financial restructuring programme, we reduce our exposure to the risk associated with maintaining financial stability in the Company by regular repayment of our debt and by active management of working capital, along with activities leading to additional de-levarage by disposal of the assets that are not sufficiently utilised in economic terms.

Our activities address marketing and sales, increasing the productivity and added-value, careful supplier management, cost streamlining, modernisation of business processes and assurance of financial stability of the Company.

In the reported term, we have successfully managed other relevant risks as well. No major change was perceived that might have a material impact on our operations.

1.5. Human Recources Management

EMPLOYMENT TRENDS

The number of staff rose by 4 employees and the term ended with 1,421 employees in the Group as at 31 March 2016. Since the beginning of this year, employment terminated for 20 staff members and there were 24 newly recruited staff primarily to replace those who left and the temporarily absent employees (mainly in Croatia).

Table 9: No. of employees in the Intereuropa Group according to countries, as of 31.3.2016

	31.3.2016	31.12.2015	Difference 16-15	Index 2016/2015
Slovenia	641	643	-2	100
Croatia	316	309	7	102
Bosnia & Herzegovina	131	130	1	101
Serbia	103	103	0	100
Macedonia	33	33	0	100
Kosovo	29	29	0	100
Montenegro	125	127	-2	98
Albania	2	2	0	100
Ukraine	41	41	0	100
TOTAL	**1.421**	**1.417**	**4**	**100**

Additional 10 percent of the work force, or 139 persons were hired through HR agencies and students' job centres as at 31.03.2016.

DEVELOPMENT, EDUCATION AND TRAINING

There were 1,391 hours allocated to acquire new functional knowledge/ skills for our HR, for which nearly one half of the budget was spent (EUR 14 thousand instead of EUR 33 thousand).

- → The highest share of training forms was dedicated to occupational health and safety (46 percent), upgrading logistics skills (19 percent), other technical specific knowledge on finance, tax, real estate management, etc. (18 percent) and language skills (16 percent).
- → In the Slovenian part of the Group, the prevailing topics were changes to customs legislation and origin of goods, healthy nutrition, and computer skills.
- → Our subsidiaries focused on learning foreign languages (Bosnia and Herzegovina, Montenegro) and specific logistics skills (Serbia), in addition to occupational safety topics.
- → Internal lecturers were involved in about 36 percent of training forms (494 hours) in the reporting term: Training forms on occupational safety (312 hours) and use of computer applications.
- → Employee's annual interview with his superior on the yearly work and on setting the goals for 2016 was conducted with 69 percent of employees in the Parent Company.
- → For determining and monitoring the key performance indicators or management by objectives, specific emphasis is laid on the sales staff involved in direct sales.

HEALTH PROTECTION

Project Promoting Occupational Health in the Workplace

In March, the enlarged team promoting the occupational health care in the workplace held a meeting in the Parent Company to review the current activities and discuss the implementation of further measures from the Occupational Health Care Promotion Plan' for the current year. Given that sickness absenteeism has been increasing lately, we find that the implementation of measures addressing occupational health protective and improving the sentiment of employees is all the more important.

- → We took part in a professional regional convention organized by the Primorska Regional Chamber of Commerce and Industry and gave a presentation on a case 'Good Business Practice in Intereuropa', which was published, too.
- → We promoted recreational practice that includes 10-minute stretching exercises in our departments and provided for recreational facilities. We estimate that some 25 percent of our employees were included in regular exercising.

Health and Fire Safety

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

- → We referred 109 employees to preventive preliminary, periodical, and target medical check-ups (thereof 77 employees in the Parent Company).
- → Particular attention was dedicated to providing sufficient control over fire safety and precautions.
- → We held an evacuation exercise in our unit in Dravograd.
- → 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, 286 sets of different working assets/ equipment were examined and tested, or 308 sets in the whole Group, respectively.
- → In the Group, there were six injured employees (five last year), thereof three injuries in Slovenia, which is the same as in the comparable term last year.

1.6. Total Quality Management

Three companies of the Intereuropa Group (out of twelve operating) hold a certification under the ISO 9001:2008 Standard. Seventy-four percent of all employees work in these certified companies (Intereuropa d.d., Intereuropa log.usluge d.o.o., Zagreb, Intereuropa RTC d.d. Sarajevo).
An external audit of the Quality Management System of the Company Intereuropa d.d. was held in the reporting term.

Maintaining the ISO 9001:2008 Quality Management System

→ Two yearly QMS reports were prepared for the year 2015 and the measures to improve the QM system were triggered.
→ The Parent Company issued a new, the fifth edition of the Quality Management System Manual for the company Intereuropa d.d.

Internal auditing of service quality

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

Quality control by QM indicators

→ The number of complaints fell by 31 percent, the value thereof was 21 percent lower. The pay-out under complaints was on the level of the preceding year.

Table 10: Complaints, claims and approved value in Intereuropa d.d. for the period January – March 2016

No. of complaints	Index 15/14	No. of claims	Value in EUR 1000	Index 15/14	Aprooved Value in EUR 1000	Index 15/14
85	69	41	37	79	7	100

External quality of service audit by the certification authority

→ **Intereuropa** d.d. - the ordinary external audit was the nineteenth in sequence. The audit was conducted in the following organizational units: Managing Board, Management of Forwarding and Logistics, Department for Computerisation of Operations, Human Resources and General Department, business unit Maribor, offices in Novo mesto and Obrežje.
In their report, the auditors confirmed that operations were conducted in compliance with the requirements of the ISO 9001 standard. They did not find any non-compliance, however, they issued 18 recommendations for improvement. We will prepare an implementation plan for the recommendations accepted on our part by the end of May, and we will substantiate any recommendations not accepted.

External quality of service audit by the Customers

→ In addition to quality service audits on the part of certification authority, we also held an audit under the 'other party principle' in the road transport segment (Kranj local office). We received six recommendations, and will adopt our position thereto in the agreed term.

2. PERFORMANCE OF THE COMPANY INTEREUROPA d.d.

2.1. Financial result

Tables 11 and 12: Operations of Intereuropa d.d. in the period January – March 2016, in EUR 1000

Item/Index	Jan - Mar 2016	Jan - Mar Plan 2016	Jan - Mar 2015	Index 2016/plan	Index 2016/2015
Sales revenue	23.111	23.357	23.014	99	100
Land transport	10.652	10.882	10.930	98	97
Logistic solutions	3.094	2.969	2.581	104	120
Intercontinental transport	8.264	8.381	8.310	99	99
Other services	1.101	1.126	1.194	98	92
EBITDA*	2.357	2.181	1.662	108	142
Operating profit or loss	1.361	1.182	686	115	198
Financing profit or loss	-430	-518	-606	-	-
Profit ot loss	931	616	80	151	1.164
EBIT margin in %	5,9%	5,1%	3,0%	116	198
Sales revenue per employee/month	12,775	12,646	12,648	101	101
Value added per employee/month	3,453	3,242	2,906	107	119

** EBITDA: Earnings Before Interest, Taxes, Depreciation, Amortisation and Revaluation operating expenses for intangible assets, plant, property and equipment*

Item/Index	31.3. 2016	31.12. 2015	Index 2016/2015
Balance sheet total	225,406	226,292	100
Equity	98,910	97,976	101
Net debt*	80,181	80,160	100
Current assets/ Current liabilities	1.66	1.59	104
Net Return on Equity (yearly level)**	3.80%	0.28%	1.357

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

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

→ The target sales revenue for the reporting quarterly term was not achieved, but the Company succeeded in improving the EBIT margin, which was partly attributable to the changed product-based sales structure, and led to a better operating profit or loss and of EBITDA than planned.

Financing Profit or Loss

→ The Financing profit or loss was negative, but better than expected. The major impacts were net interest expenses and the revenues from shares in group members.

Profit / loss

→ The Profit or loss from ordinary activities equalled the profit of loss and amounted to EUR 0.9 million.

Structure of Statement of Financial Position

→ The current ratio came to 1.66 and was higher than in the preceding term, and so was the share of capital in the balance sheet total of the Company.

2.2. Share IEKG and ownership structure

KEY DATA ON SHARE

Table 13: Key Data on Intereuropa Share (IEKG) for the period January – March 2016

	jan - mar 2016	jan - dec 2015
No. of shares*	27,488,803	27,488,803
No. of preference shares IEKN*	10,657,965	10,657,965
No. of ordinary shares IEKG*	16,830,838	16,830,838
od which no. of treasury shares*	18,135	18,135
Share book value in EUR*	3.60	3.57
Earnings per share in EUR	0.03	0.04
Market capitalisation in EUR 1000*	8,584	8,920
Trading volume in EUR thousand	30	538
Closing price in EUR	0.51	0.53
Weighted average price in EUR	0.55	1.17
Highest price in EUR	0.68	1.27
Lowest price in EUR	0.50	0.50
P/E	4.3	13.3
Capital gain	-3.8%	-55,2%

** as of the last day of the period*

The Company's share capital consists of 16,830,838 ordinary (IEKG) and 10,657,965 preference (IEKN) shares. Ordinary shares are traded on the regulated securities market.

SHARE TRADING

Trading in shares on the Ljubljana Stock Exchange was quite stable in the reporting term. The Intereuropa share IEKG recorded very low turnover, with only slight changes to the price. The market rate of the IEKG share fluctuated between EUR 0.50 and EUR 0.68 per share. In three months' term it lost 3.8 percent of value and closed the interim term at EUR 0.51. The Slovenian Stock Exchange Index (SBITOP Index) gained 4.3 percent in the same term. The market capitalization closed the reporting term at EUR 8.6 million, which stands for 0.2 percentage points of the market capitalization of all shares on the Ljubljana SE.

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

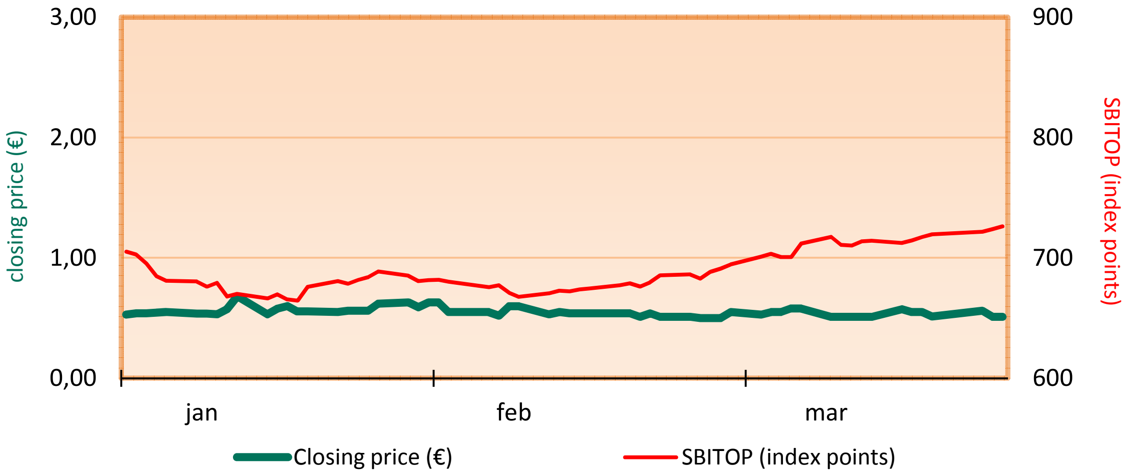


Figure 2: Closing prices of IEKG share and SBITOP index in the period January – March 2016

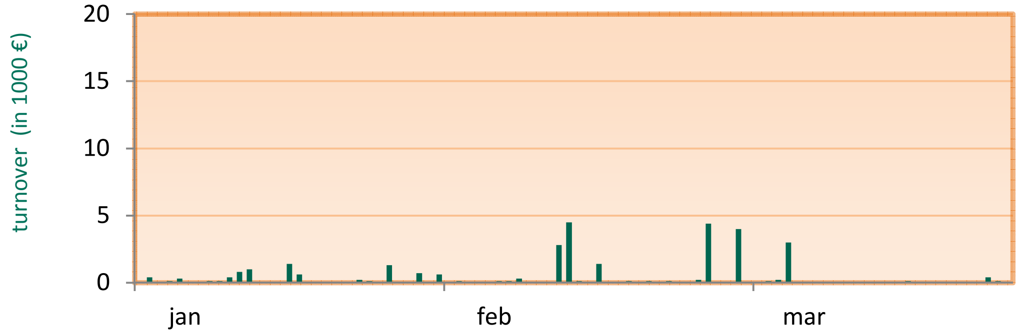


Figure 3: Trading volume of IEKG share in the period January – March 2016

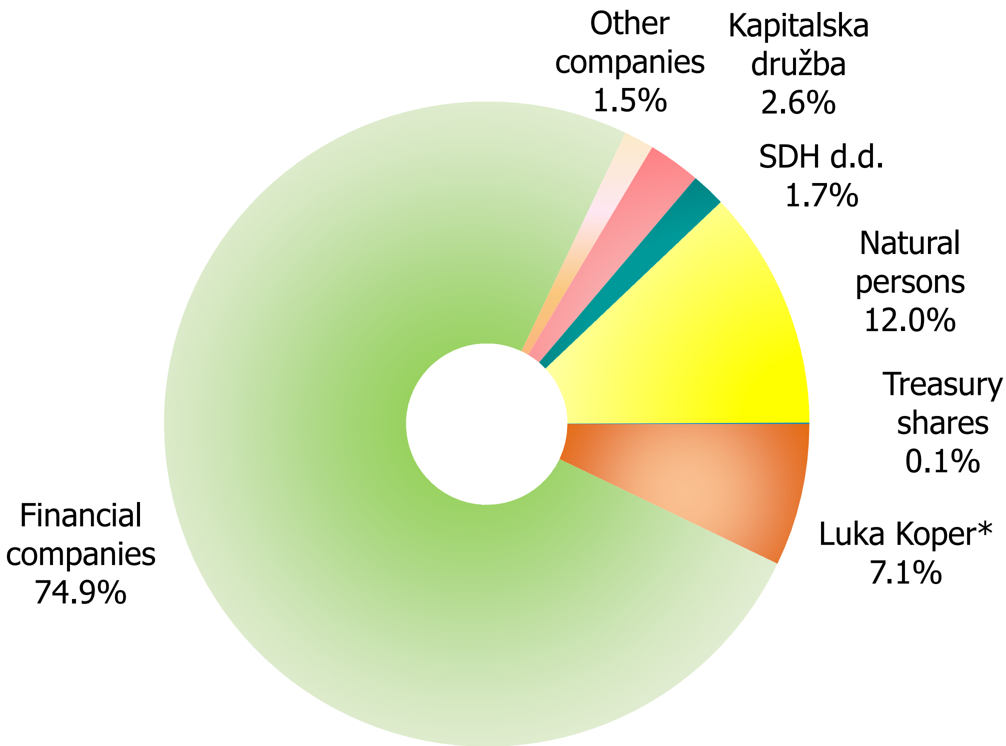
OWNERSHIP STRUCTURE

There were no major changes in the ownership structure in this reporting term. The top ten shareholders remained unchanged and were still holding an 81.9-percent share.

Table 14: Top ten shareholders of Intereuropa d.d. as of 31.3.2016 compared to 31.12.2015

	Shareholder	31.3.2016 No. of shares	31.3.2016 share %	31.12.2015 No. of shares	31.12.2015 share %	Index 16 /15
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 March, there were 4,098 shareholders in the Shareholders' Register of Intereuropa d.d., or one percent less than at the year-end 2015. The shareholdings of foreign investors fell by 0.1 percentage point below the year-end 2015, and amounted to 0.5 percent at the end of March.



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

Figure 4: Ownership structure of Intereuropa d.d. as of 31.3.2016

SHARE OWNERSHIP BY THE MANAGEMENT AND SUPERVISORY BOARD MEMEBERS

Members of thr Managing Board did not own any Intereuropa shares on 31.3.2016.

Table 15: Shares held by Supervisory Board members, as of 31.3.2016

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

TREASURY SHARES

As of 31.12.2015, 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. The Company has no voting rights arising from its treasury shares, in accordance with Article 249 of Companies Act (ZGD-1).

DIVIDEND POLICY

The Company did not pay out any dividend since 2009.

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.

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 European Union.

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 2015. In the Statement of Financial Position and in the Statement of Cash Flows we have presented separately the item Other Current Assets that were in the comparable statements included in the Short-Term Receivables, and we adjusted the comparable data. In accordance with amendments to the Companies Act, we

- divided the item 'surplus from revaluation' into two items: Revaluation Reserves that relate to the revaluation of land, and Reserves originating from fair value valuation that relate to the revaluation of financial investments, and
- reclassified the amount relating to title / rights to real estate, from the item Intangible Assets to the item Property, Plant and Equipment (buildings).

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 2015. Actual results may differ from such estimates.

In the reporting term, the subsidiary Intereuropa Transport d.o.o. was in liquidation proceedings.

STATEMENT OF THE MEMBERS OF THE MANAGEMENT

The Managing 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 Managing Board

1. FINANCIAL REPORT FOR INTEREUROPA GROUP

1.1. Underlying financial statements of the Intereuropa Group

CONDOLIDATED INCOME STATEMENT FOR INTEREUROPA GROUP
from 1.1.2016 to 31.3.2016

in EUR 1000	January - March 2016	January - March 2015
Sales revenue	**33,666**	**32,422**
Other operating income	249	503
Costs of goods, material and services	-23,634	-23,333
Labour costs	-6,196	-5,823
Amortisation, depreciation and write-offs	-1,867	-2,152
Other operating expenses	-542	-769
Operating profit	**1,676**	**848**
Financial income	81	94
Financial expenses	-1,024	-1,601
Loss from financial operations	**-943**	**-1,507**
Share of profit of joint venture	11	8
Profit or loss before tax	**744**	**-651**
Income tax expense (with deferred tax)	-47	-17
Profit/loss	**697**	**-668**
Attributable to non controlling interests	49	36
Attributable to equity holders of the parent	648	-704

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR INTEREUROPA GROUP from 1.1.2016 to 31.3.2016

in EUR 1000	January - March 2016	January - March 2015
Profit /loss	**697**	**-668**
Other comprehensive income	**702**	**36**
Items that maybe reclassified subsequently to profit or loss:	**697**	**47**
Change in fair value of available-for-sale financial assets	4	37
Deferred taxes relating to available-for-sale financial assets	-1	-6
Translation exchange differencies	694	16
Items that will not be reclassified subsequently to profit / loss:	**5**	**-12**
Other changes	5	-12
Total comprehensive income for the period	**1,399**	**-633**
Attributable to non controlling interests	26	27
Attributable to equity holders of the parent	1,373	-660

CONSOLIDATED STATEMENT OF FINANCIAL POSITION FOR INTEREUROPA GROUP
as at 31.3.2016

in EUR 1000	31.3.2016	31.12.2015
ASSETS		
Property, plant and equipment	207,401	207,338
Investment property	11,212	11,278
Intangible assets	5,739	6,553
Other non current assets	53	62
Non current operating receivables	45	44
Deferred tax assets	16,669	16,666
Loans and deposits	54	45
Investment in a jointly controlled company	145	135
Other financial investments	522	518
TOTAL NON-CURRENT ASSETS	**241,840**	**242,639**
Inventories	126	137
Loans, deposits and certificates for deposits	6,674	6,604
Trade and other receivables	33,110	31,602
Income tax receivables	36	57
Cash and cash equivalents	9,329	11,107
Other current assets	500	274
TOTAL CURRENT ASSETS	**49,775**	**49,781**
TOTAL ASSETS	**291,615**	**292,420**
EQUITY		
Equity of holders of the parent	**140,327**	**138,954**
Share capital	27,489	27,489
Share premium	18,455	18,455
Revenue reserves	5,029	5,029
Revaluation reserves	64,086	64,086
Fair value reserves	6	3
Translation exchange differencies	-7,185	-7,902
Retained earnings	31,799	31,962
Profit/Loss	648	-168
Equity of non-controlling interests	**9,208**	**9,220**
TOTAL EQUITY	**149,535**	**148,174**
LIABILITIES		
Provisions and deferred revenue	6,270	6,282
Financial liabilities	91,263	92,499
Operating liabilities	694	691
Deferred tax liabilities	13,433	13,406
TOTAL NON-CURRENT LIABILITIES	**111,660**	**112,878**
Financial liabilities	5,233	5,232
Other financial liabilities	415	416
Operating liabilities	24,625	25,606
Income tax liabilities	147	113
TOTAL CURRENT LIABILITIES	**30,420**	**31,368**
TOTAL LIABILITIES	**142,080**	**144,246**
TOTAL CAPITAL AND LIABILITIES	**291,615**	**292,420**

CONSOLIDATED STATEMENT OF CASH FLOWS FOR INTEREUROPA GROUP
from 1.1.2016 to 31.3.2016

in EUR 1000	January - March 2016	January - March 2015
Cash flows from operating activities		
Profit/loss	**697**	**-668**
Adjustments for:		
- Depreciation of property, plant and equipment	1,660	1,614
- Gain on sale of property, plant, equipment and investment property	-16	-22
- Impairment and write-offs of receivables	206	539
- Non-monetary expenses	7	399
- Non-monetary revenues	-13	-13
- Financial revenues	-81	-94
- Share of profit of joint venture	-11	-8
- Financial expenses	1,024	1,601
- Income tax (incl. deferred tax)	47	17
Operating profit before changes in net working capital and taxes	**3,519**	**3,365**
Changes in net working capital and provisions		
Changes in receivables	-1,710	-4,089
Changes in inventories	9	5
Changes in other current assets	-226	76
Changes in operating liabilities	-944	2,374
Changes in provisions and deferred revenue	-3	-2
Income tax	12	-49
Cash from operating activities	**657**	**1,679**
Cash flows from investing activities		
Interest income	77	77
Inflows from disposal of property, plant and equipment	16	32
Inflows from decrease of current loans, deposits and certificates for deposits	0	199
Outflows for acquisition of property, plant and equipment	-360	-807
Outflows for acquisitions of intangible assets	-40	-38
Outflows for non current deposits given	-10	-31
Outflows from increase in current loans given	0	-18
Outflows from increase of current deposits and cerificates for deposits	-72	0
Cash from investing activities	**-389**	**-586**

Cash flows from financing activities		
Inflows from non current financial liabilities	0	36
Inflows from increase in current loans	28	111
Interest paid	-753	-846
Outflows from repayment of non current financial liabilities	-1,261	-1,222
Dividend payout	-39	-31
Cash from financing activities	**-2,025**	**-1,952**
Cash and cash equivalents at beginning of period	**11,107**	**6,757**
Exchange rate differences from cash	-21	22
Net change in cash and cash equivalents	**-1,778**	**-837**
Cash and cash equivalents at end of period	**9,329**	**5,920**

CONSOLIDATED CHANGES OF CHANGES IN EQUITY FOR INTEREUROPA GROUP

from 1.1.2016 to 31.3.2016

in EUR 1000	Share capital	Share premium	REVENUE RESERVES				Revalu-ation reserves	Fair value reserves	Translation exchange differencies	RETAINED EARNINGS		Equity of holders of parent	Equity - non-controlling interest	Total equity
			Legal reserves	Reserves for treasury shares	Treasury shares (deductible)	Statutory reserves				Retained earnings	Profit/loss for the year			
Opening balance as at 1.1.2016	**27,489**	**18,455**	**4,691**	**180**	**-180**	**338**	**64,086**	**3**	**-7,902**	**31,962**	**-168**	**138,954**	**9,220**	**148,174**
Total comprehensive income	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**3**	**717**	**5**	**648**	**1,373**	**26**	**1,399**
Profit	0	0	0	0	0	0	0	0	0	0	648	648	49	**697**
Other comprehensive income	0	0	0	0	0	0	0	3	717	5	0	725	-23	**702**
Transactions with owners														
Transfer of profit/loss for the previous year to retained earnings	0	0	0	0	0	0	0	0	0	-168	168	0	0	**0**
Payment of dividends or profit participations	0	0	0	0	0	0	0	0	0	0	0	0	-38	**-38**
Closing balance as at 31.3.2016	**27,489**	**18,455**	**4,691**	**180**	**-180**	**338**	**64,086**	**6**	**-7,185**	**31,799**	**648**	**140,327**	**9,208**	**149,535**

CONSOLIDATED CHANGES OF CHANGES IN EQUITY FOR INTEREUROPA GROUP

from 1.1.2015 to 31.3.2015

in EUR 1000	Share capital	Share premium	REVENUE RESERVES				Revalu-ation reserves	Fair value reserves	Translation exchange differencies	RETAINED EARNINGS		Equity of holders of parent	Equity - non-controlling interest	Total equity
			Legal reserves	Reserves for treasury shares	Treasury shares (deductible)	Statutory reserves				Retained earnings	Profit/loss for the year			
Opening balance as at 1.1.2015	**27,489**	**18,455**	**3,976**	**180**	**-180**	**326**	**64,086**	**186**	**-7,917**	**32,088**	**-267**	**138,422**	**9,216**	**147,638**
Total comprehensive income	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**31**	**22**	**-9**	**-704**	**-660**	**27**	**-633**
Profit/loss	0	0	0	0	0	0	0	0	0	0	-704	-704	36	-668
Other comprehensive income	0	0	0	0	0	0	0	31	22	-9	0	44	-9	35
Transactions with owners										0				
Transfer of profit/loss for the previous year to retained earnings	0	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	0	-32	-32
Closing balance as at 31.3.2015	**27,489**	**18,455**	**3,976**	**180**	**-180**	**326**	**64,086**	**217**	**-7,895**	**31,812**	**-704**	**137,762**	**9,211**	**146,973**

1.2. Notes to Financial Statement of the Intereuropa Group

a) Notes to the CONSOLIDATED INCOME STATEMENT

The **Sales Revenue** amounted to EUR 33,666 thousand. The Group realised EUR 249 thousand of **other operating income** that mainly represents the revenue from elimination of allowances for and write-offs of receivables (EUR 191 thousand), the remaining part relates to revaluation operating revenues from disposal of items of plant, property and equipment (EUR 16 thousand), the revenues from state grants awarded for co-financing of projects and funds obtained from employing disabled persons above the quota (EUR 13 thousand), and other revenues (EUR 29 thousand).

Costs of goods, material and services

Table 16: Costs of goods, material and services of the Intereuropa Group in the period January – March 2016

in EUR 1000	January - March 2016	January - March 2015
Cost of goods and materials sold and costs of materials used	1,080	1,144
Cost of services	22,554	22,189
Direct costs	20,185	19,618
Telephone costs	112	108
Mainteinence costs	567	626
Insurance premiums	191	155
Traning and education costs	12	15
Other costs of services	1,486	1,666
Total	**23,634**	**23,333**

Direct costs comprise the costs of subcontractors that are directly related to our supply of services.

Labour costs

Table 17: Labour costs of the Intereuropa Group in the period January – March 2016

in EUR 1000	January - March 2016	January - March 2015
Wages and salaries	4,662	4,246
Other social security costs	955	991
Other labour costs:	578	586
Holiday allowance	2	6
Transport and meals	535	538
Other labour costs	41	41
Total	**6,196**	**5,823**

Amortisation, depreciation and write-offs

Table 18: Amortisation, depreciation and write-offs of the Intereuropa Group in the period January - March 2016

in EUR 1000	January - March 2016	January - March 2015
Amortisation of intangible assets	125	132
Depreciation of property, plant and equipment and investment properties	1,535	1,482
Expenses from revaluation adjustments (impairments) and written-off receivables	206	539
Expenses from revaluation adjustments (impairments) and written-off inventories	2	0
Total	**1,867**	**2,152**

Other operating expenses amounted to EUR 542 thousand, mainly relating to land-use fees and similar expenses (EUR 283 thousand).

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

Table 19: The effect of financial revenues and expenses on the profit or loss of the Intereuropa Group in the period January – March 2016

in EUR 1000	January - March 2016	January - March 2015
Interest income	73	94
Dividend income and participation in profit of others	0	0
Income from elimination of impairment of loans and bills of exchange	8	0
Total financial income	**81**	**94**
Interest expenses	-745	-842
Financial expenses from impairments and written-off financial investments	-1	0
Net exchange rate differences	-278	-759
Total financial expenses	**-1,024**	**-1,601**
Loss from financing activities	**-943**	**-1,507**

The Group achieved the **Profit before tax** at EUR 744 thousand, which is further reduced by the effect of assessed and deferred tax expense of EUR -47 thousand.

The **Profit** achieved on the Group level in the reporting term amounted to EUR 697 thousand, thereof the amount of EUR 648 thousand for the **Equity holders of the parent,** and EUR 49 thousand for the **Non-controling interests**.

b) Notes to CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Property, plant and equipment

Table 20: Property, plant and equipment of the Intereuropa Group as at 31.3.2016

in EUR 1000	31.3.2016	31.12.2015
Land and buildings	201,738	201,648
a) Land	102,905	102,827
b) Buildings	98,833	98,821
Other property, plant and equipment	5,144	5,369
Property, plant and equipment under construction	519	320
Total	**207,401**	**207,338**

Intangible assets

Table 21: Intangible assets of the Intereuropa Group as at 31.3.2016

in EUR 1000	31.3.2016	31.12.2015
Long-term title rights	951	1,605
Goodwill	1,275	1,275
Advances given	8	0
Other intangible assets	3,505	3,673
Total	**5,739**	**6,553**

In accordance with the amended Companies Act (ZGD), we reclassified the amount of EUR 726 thousand from long-term industrial right to the item Property, Plant and Equipment (buildings).

Loans given, deposits and certificates of deposits

Table 22: Loans given, deposits and certificates of deposits of the Intereuropa Group as at 31.3.2016

in EUR 1000	31.3.2016	31.12.2015
Non current loans given and deposits	**54**	**45**
- Loans given	6	7
- Deposits	48	38
Current loans given, deposits and certificates of deposits	**6,674**	**6,604**
- Loans and bills of exchange given	76	79
- Deposits and certificates of deposits	6,598	6,525
Total	**6,728**	**6,649**

Other financial investments in the amount of EUR 522 thousand stand for the item "Financial assets available for sale".

Trade and other receivables

Table 23: Trade and other receivables of the Intereuropa Group as at 31.3.2016

in EUR 1000	31.3.2016	31.12.2015
Operating receivables from buyers	30,682	28,696
Operating receivables from others	2,428	2,906
Total	**33,110**	**31,602**

Other current assets amounting to EUR 500 thousand relate to the short-term deferred costs.

Equity

On the Group level, the Equity amounts to EUR 149,535 thousand and represents 51 percent of the liabilities to sources of funding.

Provisions and deferred revenue

Table 24: Provisions and deferred revenue of the Intereuropa Group as at 31.3.2016

in EUR 1000	31.3.2016	31.12.2015
Provisions for employee benefits	1,058	1,072
Provisions on litigations	921	919
Other provisions	4,172	4,172
Deferred income	119	119
Total	**6,270**	**6,282**

The non current loans received and financial leases amounted to EUR 91,263 thousand.

The non current loans received and financial leases amounted to EUR 5,233 thousand**.** All the liabilities due by the Group under loan agreements as at the reporting date were settled.

Other current financial liabilities amounted to EUR 415 thousand and related to liabilities for dividends and other participations**.**

Operating liabilities

Table 25: Operating liabilities of the Intereuropa Group as at 31.3.2016

in EUR 1000	31.3.2016	31.12.2015
Operating liabilities to suppliers	20,777	21,653
Liabilities for obtained advances	572	680
Other operating liabilities	3,276	3,273
Total	**24,625**	**25,606**

Contingent liabilities

Table 26: Contingent liabilities of the Intereuropa Group as at 31.3.2016

in EUR 1000	31.3.2016	31.12.2015
Arising from bank guarantees and guaratees given	12,191	11,771
Arising from legal proceedings	1,170	1,140
From company D.S.U., družba za svetovanje in upravljanje	250	250
Other contingent liabilities	105	105
Total	**13,716**	**13,266**

Fair value of financial instruments

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

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

Table 27: Levels of fair values in the Intereuropa Group as at 31.3.2016 and 31.12.2015

in EUR 1000	31.3.2016			
	Level 1	Level 2	Level 3	Total
Financial assets, available for sale	418	0	104	522
	31.12.2015			
	Level 1	Level 2	Level 3	Total
Financial assets, available for sale	407	0	111	518

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 – MARCH 2016

Table 28: Business segments of the Intereuropa Group in the period January – March 2016

	Slovenia		Croatia		Bosnia & Herzegovina		Serbia		Montenegro	
in EUR 1000	Jan-Mar 2016	Jan-Mar 2015	Jan-Mar 2016	Jan-Mar 2015	Jan-Mar 2016	Jan-Mar 2015	Jan-Mar 2016	Jan-Mar 2015	Jan-Mar 2016	Jan-Mar 2015
Revenues from external customers	22,622	22,513	4,892	4,853	1,442	1,321	946	860	1,068	1,003
Revenues from business with other segments	748	696	122	92	84	100	138	150	21	14
Total revenues	23,371	23,209	5,013	4,945	1,527	1,421	1,084	1,010	1,089	1,017
Depreciation	997	977	386	364	87	81	48	50	113	110
Operating profit or loss	1,433	711	-59	-172	4	13	133	116	86	82
Revenues from interest rates	73	78	1	11	0	0	1	2	12	14
Expenses from interest rates	694	776	12	13	3	0	19	26	0	0
Profit or loss before tax	995	142	-74	-159	1	12	100	93	98	96
Corporate income tax	12	14	2	-32	0	2	15	10	13	21
Assets	227,523	231,614	59,251	59,514	17,342	17,249	9,675	9,875	22,097	22,220
Property, plant and equipment under construction	234	57	158	156	48	464	30	10	43	39
Non current assets	190,238	193,931	53,566	53,393	15,807	15,799	8,428	8,551	17,989	18,224
Operating liabilities	19,263	20,792	3,238	3,649	1,298	1,159	829	814	598	575
Financial liabilities	94,412	98,964	1,929	2,293	253	308	1,454	1,875	400	396
Investment in jointly controlled entities	75	75	0	0	0	0	0	0	0	0
Revenues from investment in jointly controlled entities	0	0	0	0	0	0	0	0	0	0

	Ukraine		Others		Total		Adjustmentsi*		Group	
in EUR 1000	Jan-Mar 2016	Jan-Mar 2015	Jan-Mar 2016	Jan-Mar 2015	Jan-Mar 2016	Jan-Mar 2015	Jan-Mar 2016	Jan-Mar 2015	Jan-Mar 2016	Jan-Mar 2015
Revenues from external customers	1,715	882	948	1,000	33,633	32,433	34	-11	33,666	32,422
Revenues from business with other segments	1	0	156	171	1,271	1,223	-1,271	-1,223	0	0
Total revenues	1,716	882	1,103	1,171	34,903	33,656	-1,237	-1,234	33,666	32,422
Depreciation	13	16	17	16	1,660	1,614	0	0	1,660	1,614
Operating profit or loss	34	78	44	20	1,676	848	0	0	1,676	848
Revenues from interest rates	1	2	0	1	88	108	-15	-14	73	94
Expenses from interest rates	30	40	0	1	759	856	-15	-14	745	842
Profit or loss before tax	-215	-461	44	20	949	-255	-204	-396	744	-651
Corporate income tax	0	0	5	4	47	17	0	0	47	17
Assets	1,891	1,802	2,971	3,007	340,750	345,281	-49,135	-49,512	291,615	295,769
Property, plant and equipment under construction	6	5	0	0	519	732	0	0	519	732
Non current assets	1,192	1,187	1,104	1,102	288,324	292,187	-46,483	-47,020	241,840	245,166
Operating liabilities	838	597	611	715	26,677	28,301	-1,358	-1,315	25,318	26,986
Financial liabilities	1,258	1,218	0	85	99,706	105,139	-2,795	-2,707	96,911	102,432
Investment in jointly controlled entities	0	0	0	0	75	75	70	74	145	149
Revenues from investment in jointly controlled entities	0	0	0	0	0	0	11	8	11	8

** 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 1.1.2016 to 31.3.2016

in EUR 1000	January – March 2016	January – March 2015
Sales revenue	**23,111**	**23,014**
Other operating income	84	119
Costs of goods, material and services	-16,603	-17,068
Labour costs	-3,891	-3,626
Amortisation, depreciation and write-offs	-1,054	-1,074
Other operating expenses	-286	-679
Operating profit	**1,361**	**686**
Financial income	268	176
Financial expenses	-698	-782
Loss from financial operations	**-430**	**-606**
Profit from before tax	**931**	**80**
Income tax expense (with deferred tax)	0	0
Profit	**931**	**80**
Basic and diluted net earnings per ordinary share (in EUR)	0.03	0.00

STATEMENT OF COMPREHENSIVE INCOME FOR INTEREUROPA d.d.
from 1.1.2016 to 31.3.2016

in EUR 1000	January – March 2016	January – March 2015
Profit	**931**	**80**
Other comprehensive income	**3**	**31**
Items that maybe reclassified subsequently to profit or loss:	**3**	**31**
Change in fair value of available-for-sale financial assets	4	37
Deferred taxes relating to available-for-sale financial assets	-1	-6
Items that will not be reclassified subsequently to profit or loss:	**0**	**0**
Comprehensive income total	**934**	**111**

STATEMENT OF FINANCIAL POSITION FOR INTEREUROPA d.d.

as at 31.3.2016

in EUR 1000	31.3.2016	31.12.2015
ASSETS		
Property, plant and equipment	112,059	112,019
Investment property	10,250	10,308
Intangible assets	4,212	5,048
Other non current assets	53	62
Deferred tax assets	16,413	16,413
Financial investments except loans and deposits	47,040	47,036
Loans and deposits	183	253
TOTAL NON-CURRENT ASSETS	**190,210**	**191,139**
Inventories	7	9
Financial investments except loans, deposits and certificates of deposits	250	250
Loans, deposits and certificates of deposits	5,330	5,279
Trade and other receivables	22,279	21,406
Short-term income tax receivables	2	0
Cash and cash equivalents	7,229	8,169
Other current assets	99	40
TOTAL CURRENT ASSETS	**35,196**	**35,153**
TOTAL ASSETS	**225,406**	**226,292**
EQUITY		
Share capital	27,489	27,489
Share premium	18,455	18,455
Revenue reserves	2,749	2,749
Revaluation reserves	48,611	48,611
Fair value reserves	51	48
Retained earnings	624	89
Profit	931	535
TOTAL EQUITY	**98,910**	**97,976**
LIABILITIES		
Provisions and deferred revenue	5,530	5,539
Financial liabilities	89,112	90,109
Operating liabilities	656	656
Deferred tax liabilities	9,967	9,966
TOTAL NON-CURRENT LIABILITIES	**105,265**	**106,270**
Financial liabilities	3,811	3,752
Operating liabilities	17,420	18,294
TOTAL CURRENT LIABILITIES	**21,231**	**22,046**
TOTAL LIABILITIES	**126,496**	**128,316**
TOTAL CAPITAL AND LIABILITIES	**225,406**	**226,292**

STATEMENT OF CASH FLOWS FOR INTEREUROPA d.d.

from 1.1.2016 to 31.3.2016

in EUR 1000	January – March 2016	January – March 2015
Cash flows from operating activities		
Profit	**931**	**80**
Adjustments for:		
- Depreciation of property, plant and equipment	996	976
- Gain on sale of property, plant, equipment and investment property	-2	-17
- Impairment and write-offs of receivables	58	99
- Non-monetary expenses	5	397
- Non-monetary revenues	-11	-13
- Financial revenues	-268	-176
- Financial expenses	698	782
Operating profit before changes in net working capital and taxes	**2,407**	**2,128**
Changes in net working capital and provisions		
Changes in receivables	-774	-2,273
Changes in inventories	2	3
Changes in other current assets	-59	-96
Changes in operating liabilities	-448	1,498
Changes in provisions and non current deferred revenue	-2	4
Cash from operating activities	**1,126**	**1,263**
Cash flows from investing activities		
Interest income	80	70
Dividens and shares in profit received	30	0
Inflows from disposal of property, plant and equipment	1	17
Inflows from non current loans given	0	79
Inflows from decrease of current loans given	9	44
Inflows from decrease of current deposits and certificates of deposits	18	32
Outflows for acquisition of property, plant and equipment	-526	-566
Outflows for acquisitions of intangible assets	-29	-33
Outflows for non current deposits given	-10	-30
Outflows for capital increase in subsidiaries	0	-4
Cash from investing activities	**-427**	**-391**
Cash flows from financing activities		
Paid interest	-701	-778
Outflows from repayment of non current financial liabilities	-938	-882
Cash from financing activities	**-1,639**	**-1,660**

Cash and cash equivalents at beginning of period	**8,169**	**4,594**
Net change in cash and cash equivalents	**-940**	**-788**
Cash and cash equivalents at end of period	**7,229**	**3,806**

STATEMENT OF CHANGES IN EQUITY FOR INTEREUROPA d.d.

from 1.1.2016 to 31.3.2016

in EUR 1000	Share capital	Share premium	REVENUE RESERVES: Legal reserves	REVENUE RESERVES: Reserves for treasury shares	REVENUE RESERVES: Treasury shares (deductible)	Revaluation reserves	Fair value reserves	RETAINED EARNINGS: Retained earnings	RETAINED EARNINGS: Profit for the period	Total equity
Opening balance as at 1.1.2016	**27,489**	**18,455**	**2,749**	**180**	**-180**	**48,611**	**48**	**89**	**535**	**97,976**
Total comprehensive income	**0**	**0**	**0**	**0**	**0**	**0**	**3**	**0**	**931**	**934**
Profit	0	0	0	0	0	0	0	0	931	**931**
Other comprehensive income	0	0	0	0	0	0	3	0	0	**3**
Transactions with owners										
Transfer of profit for the previous year to transferred retained earnings	0	0	0	0	0	0	0	535	-535	**0**
Closing balance as at 31.3.2016	**27,489**	**18,455**	**2,749**	**180**	**-180**	**48,611**	**51**	**624**	**931**	**98,910**

STATEMENT OF CHANGES IN EQUITY FOR INTEREUROPA d.d.

from 1.1.2015 to 31.3.2015

in EUR 1000	Share capital	Share premium	REVENUE RESERVES: Legal reserves	REVENUE RESERVES: Reserves for treasury shares	REVENUE RESERVES: Treasury shares (deductible)	Revaluation reserves	Fair value reserves	RETAINED EARNINGS: Retained earnings	RETAINED EARNINGS: Profit for the period	Total equity
Opening balance as at 1.1.2015	**27,489**	**18,455**	**2,054**	**180**	**-180**	**48,611**	**144**	**0**	**0**	**96,753**
Total comprehensive income	**0**	**0**	**0**	**0**	**0**	**0**	**31**	**0**	**80**	**111**
Profi	0	0	0	0	0	0	0	0	80	**80**
Other comprehensive income	0	0	0	0	0	0	31	0	0	**31**
Transactions with owners										
Closing balance as at 31.3.2015	**27,489**	**18,455**	**2,054**	**180**	**-180**	**48,611**	**175**	**0**	**80**	**96,864**

2.2. Notes to Financial statements of the Parent company Intereuropa d.d.

a) Notes to INCOME STATEMENT

Sales revenue

Table 29: Sales revenue of the Intereuropa d.d. in the period January - March 2016

in EUR 1000	January – March 2016	January – March 2015
Sales revenue within the Group	740	686
Sales revenue (excl. the Group)	22,370	22,328
Total	**23,111**	**23,014**

Other operating income (EUR 84 thousand) represents the revenues from elimination of allowances for and write-offs of receivables (EUR 58 thousand), revenues from state grants awarded for co-financing of projects and funds obtained from employing disabled persons above the quota (EUR 11 thousand), the operating revenues from disposal of items of plant, property and equipment (EUR 2 thousand), and other revenues (EUR 13 thousand).

Costs of goods, material and services

Table 30: Costs of goods, material and services of the Intereuropa d.d. in the period January - March 2016

in EUR 1000	January – March 2016	January – March 2015
Cost of goods and materials sold and costs of materials used	485	473
Cost of services within the Group	454	504
Cost of services (excl. the Group)	15,664	16,091
Direct costs	14,344	14,809
Telephone costs	42	30
Mainteinence costs	390	423
Insurance premiums	121	78
Traning and education costs	10	9
Other costs of services	758	741
Total	**16,603**	**17,068**

Direct costs comprise the costs of subcontractors that are directly related to our supply of services.

Labour costs

Table 31: Labour costs of the company Intereuropa d.d. in the period January - March 2016

in EUR 1000	January – March 2016	January – March 2015
Wages and salaries	2,904	2,681
Pension insurance costs	343	301
Other social security costs	210	194
Other labour costs:	433	450
transport and meals	416	424
other labour costs	17	27
Total	**3,891**	**3,626**

Amortisation, depreciatioan and write-offs

Table 32: Amortisation, depreciation and write-offs of the company Intereuropa d.d. in the period January - March 2016

in EUR 1000	January – March 2016	January – March 2015
Amortisation of intangible assets	118	127
Depreciation of property, plant and equipment and investment properties	878	849
Expenses from revaluation adjustments (impairments) and written-off receivables	58	99
Total	**1,054**	**1,074**

Other operating expenses

Table 33: Other operating expenses of the company Intereuropa d.d. in the period January - March 2016

in EUR 1000	January – March 2016	January – March 2015
City land tax and similar expenses	263	262
Other operating expenses	23	417
Total	**286**	**679**

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

Table 34: The effect of financial revenues and expenses on the profit or loss in the company Intereuropa d.d. in the period January - March 2016

in EUR 1000	January – March 2016	January – March 2015
Interest income from group members	15	13
Interest income from others	58	56
Income from intra-group participations	188	107
Income from elimination of impairment of loans and bills of exchange	9	0
Total financial income	**268**	**176**
Interest expenses an other borrowing expenses	-694	-775
Expenses from impairments of other financial investments	-2	0
Net exchange rate differences	-2	-8
Total financial expenses	**-698**	**-782**
Loss from financing activities	**-430**	**-606**

The achieved **Profit before tax** of EUR 931 thousand resulted from the Operating Profit (EUR 1,361 thousand) and from the Financing Loss (EUR -430 thousand).

b) Notes to STATEMENTO OF FINANCIAL POSITION

Property, plant and equipment

Table 35: Property, plant and equipment of the company Intereuropa d.d. as at 31.3.2016

in EUR 1000	31.3.2016	31.12.2015
Land and buildings	109,049	108,941
a) Land	65,287	65,287
b) Buildings	43,762	43,654
Other property, plant and equipment	2,776	2,959
Property, plant and equipment under construction	234	119
Total	**112,059**	**112,019**

Intangible assets

Table 36: Intangible assets of the company Intereuropa d.d. as at 31.3.2016

in EUR 1000	31.3.2016	31.12.2015
Long-term title rights	700	1,473
Advances for intangible assets	8	0
Other intangible assets	3,503	3,576
Total	**4,212**	**5,048**

In accordance with the amended Companies Act (ZGD), we reclassified the amount of EUR 726 thousand from long-term industrial right to the item Property, Plant and Equipment (buildings).

Non current financial investments except loans given and deposits

Table 37: Non current financial investments except loans given and deposits of the company Intereuropa d.d. as at 31.3.2016

in EUR 1000	31.3.2016	31.12.2015
Investments in shares and stakes of subsidiaries	46,453	46,453
Investments in stake of joitly controlled company	75	75
Other long-term financial investments	512	508
Total	**47,040**	**47,036**

Loans, deposits and certificates of deposits given

Table 38: Loans, deposits and cetrificates of deposits given of the company Intereuropa d.d. as at 31.3.2016

in EUR 1000	31.3.2016	31.12.2015
Non current loans given and deposits	**183**	**253**
- to subsidiaries	143	223
- deposits	40	30
Current loans given, deposits and certificates of deposit	**5,330**	**5,279**
- to subsidiaries	1,150	1,070
- to others	0	11
- deposits and certificates of deposit	4,180	4,198
Total	**5,513**	**5,532**

Trade and other receivables

Table 39: Trade and other receivables of the company Intereuropa d.d. as at 31.3.2016

in EUR 1000	31.3.2016	31.12.2015
Operating receivables within the Group	641	571
Interest receivables from Group companies	174	172
Other operating receivables from Group companies	158	0
Operating receivables from buyers (excl. the Group)	20,805	20,011
Other operating receivables	501	652
Total	**22,279**	**21,406**

Other current assets amounting to EUR 99 thousand relate to the short-term deferred costs.

Equity

Equity expresses equity financing of the Company and is regarded as its liability to shareholders. The share thereof in the liabilities structure is 44 percent.

Provisions and Deferred Revenue

Table 40: Provisions and deferred revenue of the company Intereuropa d.d. as at 31.3.2016

in EUR 1000	31.3.2016	31.12.2015
Provisions for employee benefits	764	780
Provisions on litigations	487	481
Other provisions	4,160	4,160
Deferred income	119	118
Total	**5,530**	**5,539**

In the frame of **Non current bank loans received and financial leases**, the entire amount (EUR 89,112 thousand) relates to long-term loans received.

The current borrowings and financial leases come to EUR 3,811 thousand and represent the short-term portion of long-term loans.

Operating liabilities

Table 41: Operating liabilities of the company Intereuropa d.d. as at 31.3.2016

in EUR 1000	31.3.2016	31.12.2015
Opertaing liabilities to companies within the Group	300	347
Opertaing liabilities to suppliers	15,034	16,077
Opertaing liabilities from advances	78	81
Other opertaing liabilities	2,008	1,789
Total	**17,420**	**18,294**

Contingent liabilities

Table 42: Contingent liabilities of the company Intereuropa d.d. as at 31.3.2016

in EUR 1000	31.3.2016	31.12.2015
From bank guarantees and guaratees given to Group members	2,592	2,922
From bank guarantees and guaratees given to others	4,674	4,695
Arising from legal proceedings	617	603
From company D.S.U., družba za svetovanje in upravljanje	250	250
Total	**8,134**	**8,470**

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 43: Levels of fair values in the company Intereuropa d.d. as at 31.3.2016 and 31.12.2015

in EUR 1000	31.3.2016			
	Level 1	Level 2	Level 3	Total
Financial assets available for sale	408	0	104	512
	31.12.2015			
	Level 1	Level 2	Level 3	Total
Financial assets available for sale	404	0	104	508

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

IN BRIEF...

The first three months of the year 2016 were promising for the Intereuropa Group, thanks to generally improved economic situation (in February, the shrinkage of economy was brought to a stop), along with stronger goods flows and demand for logistics and transport services. The improved sales result was attributable not only to external factors, but also to our long-year efforts for growth in the markets of our Group, such as systematic building up our sales activities, customizing the implementation of services and our current storage capacities to the needs of our customers, and improving the IT support to all our logistics products. We continued with the IT support to warehouse operations in Slovenia and in Croatia, while the SAP solution for finance and accounting was already in use by our subsidiaries in Serbia, Bosnia and Herzegovina, and in Montenegro. The IT support to groupage services and domestic transport segments was launched in Croatia. Noteworthy is that this country has recorded a recovery of sales revenue in the reporting quarterly term for the first time after the EU-accession of Croatia.

The Intereuropa Group recorded a 4-percent growth over the comparable term last year and achieved **EUR 33.7 million sales revenue**. Our Logistics Solutions Area recorded the highest growth and sales revenue was improved in all our subsidiaries except in Kosovo and Macedonia. The sales revenue also increased in our Land Transport: the Ukrainian market has finally seen a growing trend in rail-freight, and our service to customers in domestic transport and groupage segments has improved. Our Intercontinental Transport Area achieved growth in the sea-freight container transport and in 'Ro-Ro' segments for Slovenia. The sales revenue of the Group exceeded the target by two percent. Most of our services performed better than planned; railfreight and sea-freight container segments were the best performing ones.

Growing sales and active cost management were the vital factors for our improved **Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA)**, which came to **EUR 3.3 million**. The **Operating Profit at EUR 1.7 million** was almost the double of the comparable term last year, and the profitability of sales revenue (EBIT margin) was greatly improved: from 2.6 last year it rose to 5.0 percent.

The **Financing Loss** at **-0.9 million EUR** was attributable to net interest expenses and to foreign exchange losses (EUR 0.3 million), which primarily originated from depreciation of the Ukrainian currency. The Group closed the reporting term with a **Profit of EUR 0.7 million.**
The reporting term closed with a **Net financial debt** at **EUR 80.8** million, which was one percent higher than at the end of 2015.

The results of the reporting term confirm the correct strategy taken and the quality of work of all employees in the Group and encourage us to be implementing the necessary activities with full commitment and to achieve the goals set fort his year We will focus primarily on development of our current business and acquiring new ones to achieve growth in all our markets, areas and products of our core business. Our top-ranked goals remain maintaining or enhancing the profitability of operations.

In March, the Managing Board got a third member, Mr Marko Cegnar, who was appointed by the Supervisory Board and will be accountable for the sales activities. We are positive that with joint efforts, the Intereuropa story will live on even more prosperously than to date.

INTEREUROPA d.d.

Ernest Gortan, Msc.
President of Managing Board

Tatjana Vošinek Pucer
Deputy President of Managing Board

Marko Cegnar
Member of Managing Board

Koper, 18.5.2016