
INTEREUROPA GROUP

Global Logistics Service, Ltd. Co.



INTEREUROPA GROUP
Unaudited Interim Report for
January - June 2010



InterEuropa[®]

Global Logistics Service

Koper, 27 August 2010

The INTEREUROPA d.d. is publishing this Unaudited Report of the Intereuropa Group for January-June 2010, in accordance with the Market in Financial Instruments Act (ZTFI).

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

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

The Unaudited Report of the Intereuropa Group for January-June 2010 shall also be published on the web site of INTEREUROPA d.d. www.intereuropa.si on 27 August 2010.

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A. INTRODUCTION

In the first half-year 2010 Intereuropa generated a sales turnover of € 91.6 million on the Group level, which was 8 percent behind the sales target. Compared with the sales turnover of the same period a year ago, the sales in the first half-year of the reporting year were 2 percent lower. The best sales result was achieved in Land Transport, and the highest setback was recorded in the Car Logistics Product within the Intercontinental Transport area. Thereof, the parent company Intereuropa achieved € 46.9 million of sales revenues in the reporting period. In terms of the annual plan and the comparable period in 2009, the underachievement came to 5 percent. Following the business optimization and cost streamlining policy, we have disposed some property in the scope of the divestment plan. The Group concluded the reporting term with an operating result of € 6.3 million and a net profit of € 7.1 million, while the Parent Company recorded an operating result of € 4.1 million and a net profit of € 0.7 million.

Company Fact Sheet

The Parent Company	
Intereuropa, Globalni logistični servis, delniška družba (Global Logistics Service, Ltd. Co.)	
Abbreviated Firm	Intereuropa d.d.
Country of the Parent Company	Slovenia
Registered Office of the Parent	Vojkovo nabrežje 32, 6000 Koper
Company reg. number	5001684
Tax ID number	56405006
Transaction Accounts	03135-1005943869 with SKB banka d.d. 04750-0001009045 with Nova KBM d.d. 07000-0001069709 with Gorenjska banka d.d. 10100-0000006785 with Banka Koper d.d. 24203-9002718580 with Raiffeisen Banka d.d. 29000-0001836455 with UniCredit banka Slovenija d.d.
Entry in the Register of Companies	Registered with the District Court in Koper, file no. 1/00212/00
Share capital	32,976,185.11 €
Number of shares issued and paid-in	7,902,413 no-par value shares
Shares Listing	IEKG shares are listed in the Prime Market of the Ljubljana Stock Exchange (Ljubljanska borza d.d.).
Managing Board	Ernest Gortan, M.Sc., President of the Managing Board Tatjana Vošinek Pucer, Deputy President
President of the Supervisory Board	Bruno Korelič
The Intereuropa Group	
Number of employees	2,387 employees
Vehicle fleet	485 own trucks and delivery vans
Total warehousing area	265,400 qm of own warehouse facilities
Total land area	2,223,700 qm of land
Membership in international organizations	FIATA, IATA, FETA, FONASBA, BIMCO, IRU
Quality Certificates	ISO 9001:2008 Certificate: <ul style="list-style-type: none"> ○ Intereuropa d.d., ○ Intereuropa, Logističke usluge, d.o.o., Zagreb ○ Intereuropa Transport d.o.o., Koper ○ Interagent d.o.o., ○ Intereuropa Transport & Spedition GmbH, Troisdorf (Germany), ○ Intereuropa RTC d.d., Sarajevo (BiH)
Own branch network	Slovenia, Croatia, Serbia, Kosovo, Bosnia and Herzegovina, Macedonia, Germany, France, Ukraine, Russia, Montenegro, Albania

Major events in the reporting period January-June 2010:

January

- On 8 January, the Managing Board filed the expected action for compensation versus the former Managing Board of Intereuropa d.d., in accordance with the respective Resolution adopted by the 21st General Meeting regarding the preparation and filing of legal action for compensation of damages.

February

- We applied to the group of three banks signatories to our long-term »club deal credit« to finance the completion of the Logistics Centre Chechov-Moscow in April 2009, to prolong the grace period of one year for the repayment of the principal.

March

- On 5 March we sold the property at Šmartinska c.134/b in Ljubljana, in line with the Programme of measures by the Managing Board approved earlier, which envisions the disposal of non-operating assets.
- On 17 March the Supervisory Board was introduced to the "Strategic business plan of Intereuropa Group for the term 2010 – 2014", which was prepared by the Managing Board of Intereuropa d.d.
- On 23 March the Managing Board of Intereuropa d.d. as the sole shareholder of the company Intereuropa IT d.o.o. adopted the Resolution approving the Affiliation of the company Intereuropa IT, d.o.o., Koper to the Parent Company Intereuropa d.d.
- In March we joined the formation of a syndicate of five banks in order to reschedule the current short-term loans into long-term loans. The Agreement is not signed yet, the offer envisions a refinancing of short-term loans to a four-year term, with a grace period for the principal of one year.

April

- 19 April, the Supervisory Board discussed and adopted the Audited Annual Report of the Intereuropa Group 2009. Jointly with the Managing Board, they adopted the "Corporate Management Policy of Intereuropa d.d. in accordance with the Corporate Governance Code of Public Limited Companies.
- On 29 April Intereuropa acquired the status of an Authorised Economic Operator (AEO), which means simplified and accelerated Customs formalities for Intereuropa and thereby a faster delivery of goods to consignees outside or within the European Community.
- On 30 April, the participation in the 2008 profit under the employee-profit-sharing agreement was paid out to employees.

May

- On 11 May, Intereuropa took part in the Day of Slovenian Capital organized by the Ljubljana Stock Exchange in cooperation with the Clearing Depository Company (KDD) and other members; the Slovenian companies listed in the Prime Market of the Ljubljana Stock Exchange (Ljubljanska borza d.d.) took the opportunity to present their results, plans and expectations for the future.
- On 24 May, Intereuropa d.d. disposed of the property at Letališka cesta 25 in Ljubljana, in line with the approved Programme of Measures by the Managing Board that envisions the disposal of non-operating assets.
- On 24 May the Supervisory Board dealt with the Managing Board Interim Report on the Intereuropa Group performance for the first quarter 2009. The Supervisory Board appointed Mrs Tatjana Vošinek Pucer as Deputy President of the Managing Board of Intereuropa d.d. with a five-year term of office.

June

- On 1 June, our current daughter company Intereuropa IT, informacijska tehnologija, d.o.o. was affiliated to the Parent Company Intereuropa d.d.
- On 23 June, we organized an open-door day dedicated to our employees' children aged 5 – 10, for the part of the Company located in Koper.

Major events after the end of reporting period:

- On 1 July, the 22nd Annual General Meeting of Intereuropa d.d. was held at the head-office of the Company, in which the shareholders were presented the Intereuropa Group Annual Report for 2009 and they also resolved on awarding the discharge note to the Supervisory Board and Managing Board, and on amending the Company's Statute. They appointed the Auditors for the year 2009.
- On 1 July, the business unit Sežana was closed down; the Departments belonging to that BU that continue to exist were transferred to the Vrtojba Sub-branch.

Strategic objectives of the Intereuropa Group

Corporate vision

To become a top-ranked provider of integral logistics solutions.

Mission

The mission of the Intereuropa Group is to meet the need for logistics services and provide the 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

Professional attitude towards customers. Our activities seek to offer optimal solutions for the logistics needs of each and every customer, based on advanced logistics know-how.

Adaptability and flexibility. Our services are prompt and tailored to customers' needs. They are based on inventive business solutions and good organization.

Responsibility. We are distinguished by a high level of responsibility for all obligations and arrangements undertaken, as well as for both the social and natural environments.

Team work and respect for co-workers. The quality of our services is the result of the work of individuals and excellent expert teams. We duly take into account co-workers' knowledge, experience and views.

Our organizational structure and professional competence will enable us to fully realize our competitive advantages:

- own network of affiliated companies,
- established partnership network,
- a wide range of different products and our own infrastructure,
- technically qualified staff.

Strategic goals up to the year 2014:

- Ensuring financial stability through divestment, de-leverage, debt rescheduling and effective management of working capital.
- Establishing a strategic partnership in the company OOO Intereuropa East, Moscow.
- Maintaining and strengthening our position as the leading provider of comprehensive logistics services in Slovenia and the countries of the former Yugoslavia.
- Continuous optimization of processes in all business segments at the Group level and within the consolidated companies.
- Acquiring a strategic partner for Intereuropa d.d. that will carry out recapitalization, thus contributing to the Group's financial stability as well as the development of our core business.

Business plan for the year 2010

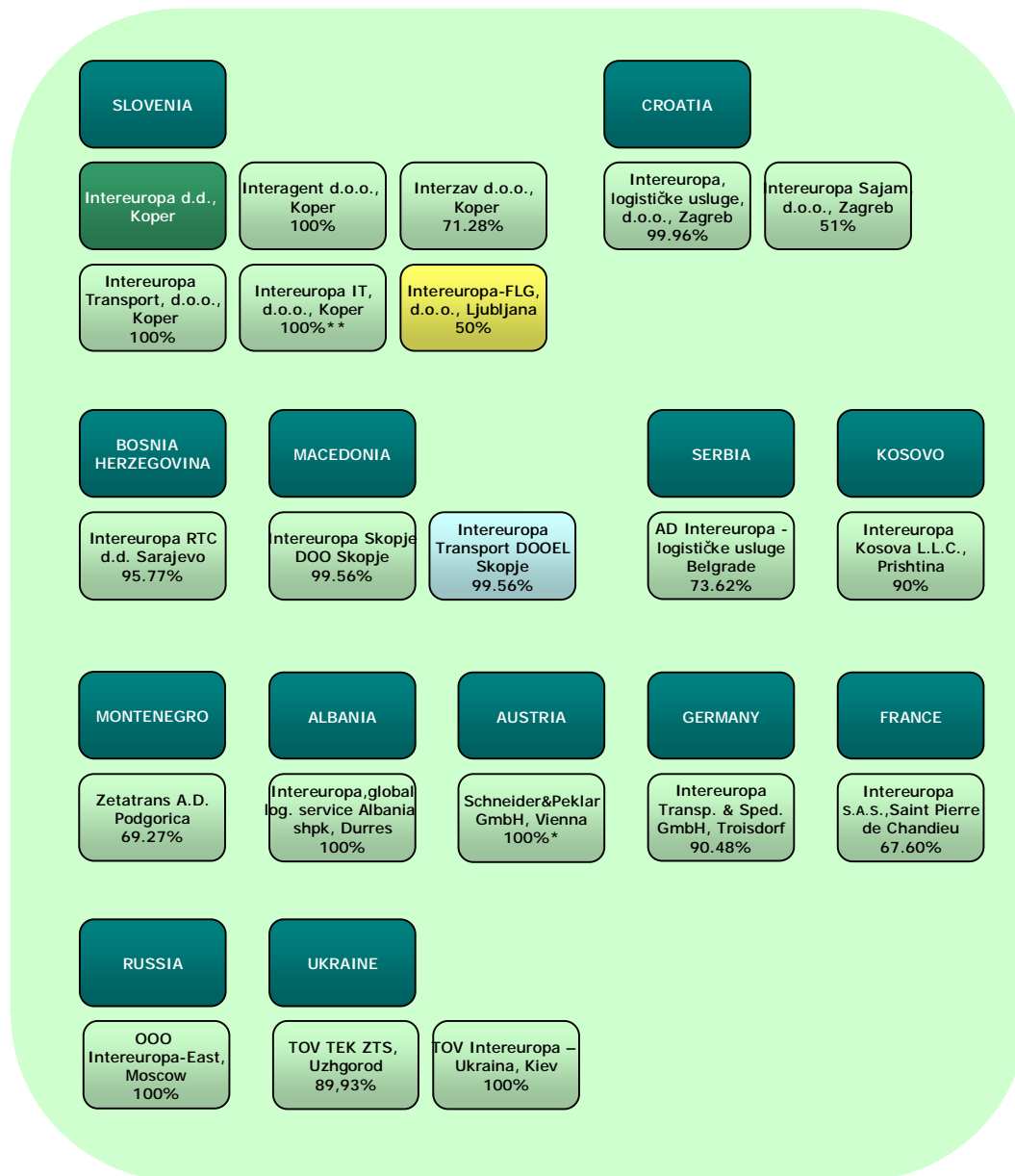
Principal baselines of the Business Plan 2010:

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

Key goals for the year 2010:

1. With a focus on increasing the market share and optimizing all the corporate processes, we envision to achieve a sales turnover of € 200 million, or 5 percent higher than in the preceding year.
2. The highest growth is expected in the area Logistics Solutions arising from the envisioned launch of the new storage capacities in Russia, and in Land Transport with the new business acquired.
3. The focused cost-cutting process will continue in the Parent Company, primarily addressing the operating costs.
4. In the affiliate Intereuropa Transport d.o.o., Koper, we will improve the sales efficiency.
5. With cost streamlining and intensified sales combined, we aim to achieve the EBITDA of € 23.7 million and operating profit of € 6.7 million.
6. Our investing activities will be restricted to the completion of the investments launched in the past, primarily the logistics hub in Chekhov/Moscow, and other necessary investments on a minimal scale for a smooth operation.
7. In the Parent Company, deleveraging will start with the disposal of two bigger items of real property.

The Organisation of the Intereuropa Group



* On 18 January 2008 bankruptcy proceedings were instigated against Schneider & Peklar GmbH, Vienna, which are still ongoing.

** On 1 June company Intereuropa IT, d.o.o. was affiliated to the Parent Company Intereuropa d.d.



% Stake of the parent company as at 30 June 2010

Figure 1: The Organisation Chart of the Intereuropa Group as of 30.06.2010

B. BUSINESS REPORT

1. PERFORMANCE OF INTEREUROPA GROUP

1.1. Sales achievements

Economic environment and trends

In Slovenia, the levels of short-term indicators of economic activities declined at the beginning of the second quarter 2010. After the growth recorded in the preceding months, April saw a fall in the value of exports and in the output of processing industries.

The cost-competitiveness of the Slovenian economy was no longer deteriorating, thanks to higher labour productivity which improved in comparison to the year ago. After three consecutive quarterly terms of growth, the first quarter this year saw a repeated deterioration in the competitiveness of exports as a result of reduced market share in major trade partners of Slovenia, but it is primarily attributable to the falling market shares outside the EU.

According to latest forecasts, the economic growth rates for our major trade partners in the Euro-Zone are more favourable than in the autumn, but they still foresee a fairly slow recovery. The GDP forecasts for the Euro-Zone are positive, the Industrial Production Index is improving, too. Exports are growing, and the sliding Euro implies that this trend may continue. On the other hand, the outlooks of consumption indices are not so favourable, nor are the monetary indicators or financial indicators: the former do not point to an improved lending activity of banks, and the latter do not reflect any rising confidence in the Euro or government bonds of the problematic countries.

The new EU Member States were affected by the crisis last year worse than the other Member States: the GDP of the former fell more than the EU-average, which was primarily attributable to the decline in demand from abroad and to aggravated circumstances in financial markets. For new Member States, the recovery will be slower due to their dependence on demand from abroad and from the main markets of other EU Member States, where the prospects for growth are modest.

In the countries emerged from the former Yugoslavia, the Institute of Macroeconomic Analysis and Development (UMAR) forecasts a slower recovery than it expected earlier. Last year, the GDP fell considerably in nearly all the countries in the region (except Kosovo). Except Croatia, the first estimates (WIIW¹) show a less acute decline in economic activity than the average for the EU, which is to certain extent attributable to the aids granted by various international financial institutions which had provided for liquidity to banks in the region. This year's expectations for these countries range from a continued decline to a stabilization of the GDP on the last year's level. The principal drivers for improved growth expectations for the coming years 2011 and 2012 comprise an on-going recovery of the demand from abroad and a renewed growth of investments, for which the renewal of capital inflows from abroad will be underlying.

Table 1: Forecast economic trends in the environments of the Intereuropa Group

Countries	GDP growth, in %		Growth of ind. prod., in %		Inflation, in %		Exports growth, in %		Imports growth, in %	
	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011
EU 27	1.0%	1.6%	2.7%	-	1.8%	1.7%	5.0%	5.2%	3.4%	4.6%
Slovenia	0.6%	2.4%	2.0%	-	1.3%	2.0%	4.3%	6.3%	4.1%	6.0%
Croatia	0.5%	2.0%	-8.7%	1.1%	1.5%	3.0%	-8.5%	0.8%	-11.5%	0.6%
BiH	0.5%	4.0%	7.3%	-	1.6%	1.9%	3.0%	-	-1.0%	-
Macedonia	1.3%	2.0%	0.0%	-	1.3%	2.0%	5.5%	7.0%	4.0%	6.1%
Serbia	2.0%	3.0%	-7.0%	1.0%	4.8%	4.8%	-5.0%	6.0%	-8.0%	4.5%
Russia	4.3%	4.1%	3.0%	4.0%	7.0%	5.7%	4.9%	6.3%	15.6%	10.6%
France	1.4%	1.6%	4.8%	2.1%	1.4%	1.6%	4.7%	5.1%	4.1%	4.5%
Ukraine	3.7%	4.1%	7.0%	6.0%	9.2%	9.4%	7.0%	6.0%	8.4%	7.5%
Germany	1.4%	1.6%	-2.0%	0.8%	1.3%	1.5%	3.2%	3.1%	3.2%	4.3%
Kosovo	4.8%	6.3%	-	-	1.5%	1.7%	-	-	-	-
Montenegro	-1.7%	4.6%	0.0%	-	-0.6%	3.0%	2.0%	-	-10.0%	-
Albania	2.3%	3.2%	3.0%	-	3.5%	2.9%	20.0%	-	13.0%	-

(-) no data available

SOURCES:

Spring Forecast 2010, May 2010, the European Commission
WEO, April 2010, IMF

WEO Update, July 2010, IMF

Umar, Spring Forecast of Economic Trends 2010, April 2010

Umar, The Economic Mirror, June 2010

Information Portal 'Izvozno okno' (Export Portal), EIU, May 2010

¹ Wiener Institut für Internationale Wirtschaftvergleiche

Sales Revenue by the Intereuropa Group

The Intereuropa Group recorded in the reporting half-year 2010 a sales turnover of € 91.6 million, or 8 percent below the sales target and 2 percent lower than in the first half-year of the preceding year.

The best sales results were achieved in the Land Transport Area, which accounted for 61 percent in the sales revenue structure of the Group. Compared with the same period last year, we advanced by 10 percent thanks to considerable improvement in the sales of the products Road Transport, Groupage Services and Customs Services.

In the remaining business areas we have not exceeded the last year's results or the sales targets yet. The fall in the sales is still most severely felt in the Intercontinental Transport Services, in which this halfyear's sales were 24 percent lower than in the same period last year. Reasons for such underachievement can be attributed to the declining automotive business globally, which had an essential impact on our Car Logistics product. In addition, this product has recorded the highest setback behind the plan; other services that were below the plan include the sale of the Railway Transport for cars, as well as the storage services: here the pressure to reduce the sales prices is combined with insufficient activation of the warehouse capacities in the Logistics Centre in Russia for the resulting underachievement of the plan.

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

Business area	Jan-Jun 2010	Structure	Index 2010/plan	Index 2010/2009
1 Land Transport	56,127	61%	99	110
2 Logistics Solutions	12,135	13%	85	93
3 Intercontinental Transport	20,726	23%	79	76
4 Other Services	2,639	3%	95	93
TOTAL	91,627	100%	92	98

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

	Jan-Jun 2010	Structure	Index 2010/plan	Index 2010/2009
1 EU Member States	54,293	59%	99	106
2 Non-EU countries	37,334	41%	82	88
TOTAL	91,627	100%	92	98

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

Nearly 60 percent of the sales revenue was achieved in the EU-part of the Group, with the parent company Intereuropa d.d. as the main player. Our customers are located all over the world, but the EU customers, including Slovenia, represent 59 percent. Of other countries, the most customers come from Croatia and other parts of the former Yugoslavia, followed by Russian customers. Compared to the same term 2009, we recorded growing trends in the demand in Slovenia, Kosovo and Albania, while the worst fall was seen in Russian customers.

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

	Jan-Jun 2010	Structure	Index 2010/2009
1 Slovenia	31,898	35%	111
2 Croatia	15,584	17%	97
3 Russia	2,771	3%	32
4 Bosnia & Herzegovina	3,274	4%	84
5 Serbia	1,813	2%	88
6 Montenegro	2,499	3%	76
7 Other countries	33,788	37%	108
7a Other EU Member States	22,396	24%	99
7b Other countries of the world	11,392	12%	132
TOTAL	91,627	100%	98

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

LAND TRANSPORT

The Land Transport Area contributes 61 percent to the sales revenue of the Group. We remained one percent behind the target sales revenue in the reporting term, but the result was 10 percent above the comparable preceding year's term.

The volume of the Groupage product was growing (+11 percent above the plan and +20 percent in excess over the preceding year). On the Group level, Intereuropa d.d. prevails with 88 percent in the sales turnover structure for the Groupage product and has exceeded the sales target in the reporting period. In addition to the Parent Company, the plan was also surpassed by the affiliate in Kosovo, while all other companies in the Group have remained behind the targets. The recession has also brought about much tougher competition in the market, which reflects in having to do more and more for a declining earning. The margins have fallen.

In the second half-year we plan to intensify our sales activities and seek synergy effects in the Group.

In the Express Services product we remained two percent behind the sales revenue plan, but the result was 1 percent above the comparable preceding year's term. The planned sales revenues were achieved by the companies in Slovenia and Croatia, which is all the more favourable considering that two thirds of overall sales revenue are earned by the subsidiary in Croatia, and almost one fourth of the sales turnover is generated in Slovenia. It is further viewed as a positive development that Slovenia has exceeded the sales results in this product against the last year's comparable period. The highest setback in absolute terms was recorded in Bosnia and Herzegovina (-32% or -209 thousand €).

In Road Transport, we exceeded the plan by 3 percent and outstripped the last year's quarterly results by 17 percent. The highest share (46 percent) in the sales revenue in the Road Transport product is contributed by the company Intereuropa Transport d.o.o.; although it did not achieve the plan (-7 percent) in the reporting term. Compared with the same period a year ago, the sales turnover achieved in the reporting term was practically the same. The sales plan was exceeded in Intereuropa d.d., Intereuropa Zagreb, Intereuropa RTC Sarajevo, Intereuropa Troisdorf (Germany) and in Intereuropa Ukraine. The reasons for the rising achievement in this product are attributable to the increased volume of operations by the business unit Dravograd, and to favourable results from the introduction of the central purchasing department. This year has brought higher fuel prices and thereby increased direct costs. As a result of increasing volume of goods flows in the market, the freight rates of sub-contractors have risen. Only Intereuropa East (Moscow) was underperforming, having realized only one half of the plan.

The Customs broking services product has just achieved the planned sales turnover on the Group level, and is two percent above the last year's level. The Border Despatch Branch, on the other hand, has outstripped the plan by 42 percent and the last half-year's turnover by 45 percent. Also Intereuropa d.d. surpassed the sales target, primarily on account of the business unit Dravograd. Our companies in Bosnia and Herzegovina, Serbia and Montenegro did not achieve the sales plan. In absolute terms, the company Zetatrans Podgorica (Montenegro) saw the greatest setback behind the plan. The reasons range from a fall in the volume of declarations and slashed prices due to competition in the market. The plan was also outstripped by the companies in Croatia, Prishtina (Kosovo) and Skopje (Macedonia).

Our Railway Transport product was underperforming in the first half-year, mostly due to non-realization of the planned activities in the subsidiary Intereuropa-East, Moscow. The company Intereuropa FLG d.o.o, which is specialized in the organization of railway transport, surpassed the sales plan by almost one quarter.

LOGISTICS SOLUTIONS

Our achievement in this business area was € 12.1 million of sales revenue, which is 33 percent in the total sales structure of the Group.

The sales revenue by this business area was 7 percent lower than last year. Such a decline can be primarily attributable to the shrunken sales in two key markets, in Slovenia and Croatia, which were worst hit by the unfavourable economic trends due to global recession. Both these markets that represent more than 80 percent in the sales of this business area recorded a downturn in sales revenue by 9 percent. In the reporting term we recorded a growing trend in the sales of Logistics Solutions primarily in Slovenia (rising demand for storage capacities in the BU's Celje, Maribor and Ljubljana).

The underlying reasons for such results are the same: fairly slow recovery after the economic crisis, with minor shifts to the positive trend in the movement of goods flows and consequently, the increase of the inventories of goods in warehouses.

We have also perceived a considerable fall in the demand for logistics solutions in other countries in which our Company operates warehouses. In Montenegro, whose share in the sales structure was 6 percent, the sales were 7 percent below the last year's results. The Serbian subsidiary has recorded an 8% fall and now represents a 5-percent share in the sales structure. The storage capacities in both these countries are full, however, the turnover of inventories is practically non-existing due to adverse economic situation, which has reduced the yield of the products in the Logistics Solutions area.

The sales turnover in the area of Logistics solutions was 15 percent lower than the plan, which is attributable to the economic crisis as well as resulting from strong pressures to reduce our rates coming from our customers who are aware of the current surplus of the capacities which suddenly occurred in these strategic markets. We expect such circumstances to continue in these markets until the end of this year (Croatia, Bosnia and Herzegovina).

In Slovenia, the Managing Board resolved to dispose of the warehouse facilities in Sežana and Ljubljana, so the commercial activities on the offering of these storage capacities to new potential customers, which brought about a considerable fall in the sales revenue herefrom in Ljubljana Branch. Unfavourable results are also attributable to the non-activated storage capacities in Russia.

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

INTERCONTINENTAL SERVICES

In this business area, we achieved € 20.7 million of sales revenue, which is 23 percent in the total sales structure of the Group. We remained behind the sales targets due to a global decline in the sales of automotive industry, which affects directly the income of the car-handling logistics.

In the Seafreight products, we have exceeded the targets by one percent. The best performing segment was the conventional cargo, in which we outstripped the sales targets for 2010 by 11 percent. There was a positive trend visible in the Container Services product, in which we acquired some new businesses via the ports Koper, Rijeka and Ploče.

Seafreight

Our sea-freight segment has exceeded the target sales revenue by one percent, on the Group level. The resulting higher sales turnover is an outcome of intensified operations and work, which unfortunately yields lower earnings due to strong and unfair competition. The operations in the Slovenian part of the Group are very important because it contributes as much as 93 percent of the total sales of sea-freight services on the Group level. In Slovenia we were doing very well in conventional cargo and surpassed the planned sales revenue by 10 percent. Such a good outcome has resulted from new businesses and increased volume of undercooled shipments of fruit and vegetables from the Near East, and also from the liquid cargo shipments. Also the subsidiary in Croatia surpassed

the targets in conventional cargo. As a result, the Group recorded an 11 percent surplus of the sales revenues.

Behind the target was our RO-RO product and the container business in general: all our companies except the Ukrainian subsidiary did not achieve the planned sales turnover in container services. In Slovenia we were only one percentage point behind the plan. There was a growing trend visible in the Container Services which is attributable to good cooperation with the partner ECU Line, and some new businesses involving full container loads (FCL) and consolidated container cargo (LCL). The Ro-Ro product has reflected the adverse situation in the competitiveness of the Ro-Ro service Koper-Durres (Albania) and vice versa, because the shipowner does not offer competitive terms comparable to the shipments in land transport. That further reflects in the variance from the targets. Non-achievement of target revenue is further estimated for the third quarter of this year.

For the second half-year, Intereuropa d.d. estimates that our Sea-freight product will continue to be promising primarily in the conventional cargo, and container services will improve. Having realized certain new businesses involving containers, and the new prospects in cigarette transports, we envision a growth of income and achieving the plan for the second half-year also in containerized shipping. Furthermore, the franchise outlet of the LCL operator ECU Line Slovenia, founded in April, promises an improved consolidation service via Koper. In the full container load segment (FCL), we will endeavour to liaise with the "house" container service provider CSAV Norasia and its newly established liner service from the Far East to Koper. This shipper is represented in Slovenia by our Shipping Agency Interagent d.o.o.

For the third quarter we aim to intensify internal education & training on sales activities in order to transfer the good business practices within the Group and acquire new customers. We have already arranged for internal workshops and joint visitations to our major customers on the level of the Group. We will continue with the Group-based approach in arranging for more favourable purchasing terms with the key shipowners and partners.

Car logistics

Car logistics continues to be affected by the global crisis which overwhelms our customers directly. Reduction of inventories is primarily reflected on the volume of motor freight vehicles stored in our warehouses. This is most clearly seen in the car terminal at Chekhov where we are facing record monthly throughput of incoming and outgoing vehicles, which yield higher income from the handling; however, the quantities in stock that are reduced to minimum do not bring the planned storage fees. Due to declining railway transports and car transports for Russia, the planned sales revenue remains underachieved.

According to forecasts of our customers, the quantity of vehicles on store should be gradually rising, however, a considerable increase in inventories cannot be expected due to an essentially bigger demand for vehicles that continually exceeds the production. Therefore we do not expect to achieve the plan at the Chekhov terminal by the year-end.

Despite aggravated situation in the market, we continue with intensified commercial visitations to world's major car manufacturers. In June we started preparations to apply to the new tender by GM for the term 2011-2012. At present we are amidst negotiations for a three-year contract on car logistics for Russia (two brands).

In Slovenia we will be working on the business via the Port of Koper, involving the transportation of cars by land to hinterland land terminals. We will also keep on developing the operations of our car terminal in Koper jointly with our customers who need flexibility in distribution for the Slovenian market.

Shipping Agency

In the first half-year, the sales revenue of EUR 373 thousand was achieved in our Shipping Agency product (by the company Interagent d.o.o.). The sales targets were not achieved (-10 percent) as a result of lower earnings from agency commissions in certain shipowners and a persistently lower number of calls of their ships in the Koper Port. Our Port Agency Service represented only two ships less than a year ago. Our Department was behind the plan on the ground that the highest fall was recorded in car carriers. Nevertheless, Interagent d.o.o. remains to be the leading shipping agent in terms of the number of ships represented in the Port of Koper. Our Chartering Department was doing very well thanks to the favourable season for salt transports: we surpassed the sales target by 19 percent. In liner services we obtained the agency for all the three shippers in the CSAV Group and received five calls in the Port of Koper of this shipowner. That was already visible in the performance

of the Department: we surpassed our sales targets by 5 percent, while our last year's result was outstripped by 79 percent.

Air-freight

Our Air-freight product on the Group level was underperforming, contrary to our expectations. In Serbia we were doing very well and surpassed the planned sales revenue by 11 percent. Our performance in outbound charter flights from Serbia was outstanding, which ranks us among the better national logistics operators in air-freight services. In Kosovo we recorded a decline in the reporting period, which is attributable to bureaucratic problems on the part of the EU in the approval of visas to passengers from Kosovo and recognition of their new passports. Having resolved the problems and concluded a new Agreement with the EU, the traffic has already recovered in the second half-year and so did the revenue.

It is important that we were able to retain our long-year customers and even acquired some new extraordinary transport assignments. We have observed, however, a considerable non-availability of high-value cargo, which is normally carried by air. Rising sea-freights have stopped the shift of air freight shipments to seafreight, in particular the consolidated containerized shipments. What is more, the airfreight rates have risen. We expect to achieve the monthly business objectives in the second half-year, in particular in the last quarter which is the highest season.

UPS

The **UPS** product is only offered in Bosnia and Herzegovina. We were performing better than in the comparable preceding year's term and exceeded the sales revenue by 8 percent. However, that result was still 5% below the target. Similar trends within the planning baselines are expected to continue in the second half-year, possibly with a slight improvement that would bring us to the planned results for the current year.

1.2. Financial Result

In the first half-year the Group achieved € 13.6 million as Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA), and exceeded the planned result by 16 percent. The sale of the property at Šmartinska cesta in Ljubljana (€ 3.7 million) had an essential bearing on the result achieved. If the gains from the sale of fixed assets and other one-off transactions were excluded, the EBITDA would be € of 7.4 million, or 31 percent (€ 1.7 million) higher than in the comparable term last year.

On the Group level, the operating result at the end of the reporting period came to € 6.3 million and was twice higher than the plan. Compared with the result from the comparable term a year ago, the improvement is much higher; after excluding the one-off transactions, the operating result would be € 0.1 million and by 1.9 million € better than in the same term 2009.

The Financing profit or loss for the reporting period came to € 2.7 million. Among the financial revenues of € 12.0 million we recorded foreign exchange gains in the amount of € 10.4 million (the company Intereuropa East, Moscow). The periodical financial expenses of the Group were at the level of € 9.3 million, thereof € 2.4 million on account of the revaluation of the financial instrument for hedging against the interest rate risk. If we excluded these two transactions, the financing result would come to € -5.3 million.

The profit or loss from ordinary activities came to € 9.0 million. After tax, the Net profit for the reporting period came to € 7.1 million.

Tables 5 and 6: Financial results of the Intereuropa Group for January-June 2010, in thousand €

Item / Index	Jan-Jun 2010	Plan 2010	Jan-Jun 2009	Index 2010/plan	Index 2010/2009
Sales Revenues	91,627	100,006	93,958	92	98
EBITDA*	13,557	11,639	6,872	116	197
Operating Profit or Loss	6,324	3,106	-524	204	-
Financing Profit or Loss	2,673	-6,836	-4,669	-	-
Net Profit or Loss	7,132	-4,257	-3,064	-	-
Sales revenues per employee/month	6.559	6.721	6.139	98	107
Value added per employee/month	2.472	2.292	2.067	108	120

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

Item / Index	30.06. 2010	Plan 31.12.2010	31.12. 2009	Index 2010/plan	Index 2010/2009
Balance Sheet Total*	487,278	485,167	489,270	100	100
Equity*	198,102	206,330	188,803	96	105
Short-term assets/ Short-term liabilities*	0.60	0.76	0.49	79	122
Net Return On Equity (yearly level)**	0.19%	-3.78%	-4.71%	-	-

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

As of the end of the reporting period, the Balance Sheet Total amounted to € 487 million and was on the level of the year-end 2009. On the Assets side, there was an increase recorded in short-term operating receivables (by € 6.2 million or 10 percent) and a decrease in the Assets held for sale (by 3.7 million or 37 percent), loans granted and deposits (by € 1.8 million or 65 percent). On the Liabilities side, there was an increase in equity resulting from retained earnings by € 8.6 million (or 27 percent) and a rise recorded in long-term loans received by € 20.5 million (or 19 percent), and a decrease in short-term financial liabilities by € 30.9 million (or 27 percent).

Since the year-end 2009, the share of financial liabilities in the structure of sources fell by 1.5 percentage point to 44.5 percent, while the share of capital in the Liabilities structure of sources rose by 2.1 percentage point to the level of 40.7 percent.

1.3. Investments in fixed assets

In the first half-year 2010, the investments in fixed assets by the Intereuropa Group totalled € 1,386 thousand, thereof 329 million in real estate and 1,058 thousand in plant and equipment. The annual plan of investments was completed to the level of 16 percent.

Table 7: Overview of Investment in January-June 2010, in thousand €

Company	Real property		Plant & Equipment		TOTAL		% of annual realiz.
	Plan	Realiz.	Plan	Realiz.	Plan	Realiz.	
Intereuropa d.d.	563	8	1,560	136	2,123	144	7
Subsidiaries	3,427	321	3,297	922	6,724	1,242	18
GROUP TOTAL	3,990	329	4,857	1,058	8,626	1,386	12

In the reporting half-year, Intereuropa d.d. realized investments in fixed assets in the amount of € 144 thousand, the major investments were: the purchase of warehouse equipment for the business unit Dravograd, for the needs of a specific customer, the purchase of licences (in the second quarter) and the franchise fee for operations in container services.

Subsidiaries (affiliated companies) invested € 1,242 thousand in fixed assets. Thereof, the most was spent on licences (€ 319 thousand), computer equipment (€ 217 thousand) and commercial freight vehicles and delivery vans (291 thousand). Among the investments in real property (€ 922 thousand), the biggest was the renovation of the warehouse at Dobanovci (Belgrade), where the total investment was 130 thousand incl. the parking lot, wiring of the warehouse and completion of the logistics centre. A great deal of other investments also related to the completion of investments initiated in the year 2009: the Logistics Centre Chekhov-Moscow, the business premises in Montenegro and the Logistics Centre Samobor (Zagreb area, Croatia).

1.4. Human Resources Management

Employment trends

On the Group level, the downsizing trend continued in between January and June 2010. There were 109 employees less (or 4 percent) than on 31st December 2009. In Slovenia, the number of employees was reduced by 63, and abroad by 46. As of 30.06.2010, the Group had 2,387 employees.

This trend affected most companies in the Group: the highest lay-off was recorded in Intereuropa Transport d.o.o. (-37 employees), followed by Intereuropa, logističke usluge, d.o.o., Zagreb (-21) and Intereuropa RTC d.d. Sarajevo (-15). The changes to number of employees were smaller in other companies of the Group. The overall fluctuation rate in our biggest companies was 6 percent.

On the other hand, there was an increase by 10 persons in the Parent Company Intereuropa d.d. on the account of affiliation of Intereuropa IT d.o.o. and take-over of 33 employees. Excluding that take-over/ transfer of employees, the staff of Intereuropa would be lower by 23 employees than at the year-end 2009.

In the whole Group, new recruitment was restricted to substitute only those HR profiles who could not be staffed by internal transfers. The most newcomers were hired by Intereuropa East d.o.o., Moscow (51 newly recruited, 49 leaving), as a result of specifics and high flexibility of the labour market in Russia.

Table 8: Employees in the Intereuropa Group according to countries, as of 30.06.2010

	30.06.2010	31.12.2009	Diff. 10-09	Index 10/09
Slovenia	1,058	1,121	-63	94
Croatia	592	615	-23	96
Other countries	737	760	-23	97
TOTAL	2,387	2,496	-109	96

The highest number of students and hired workforce is in the BU Dravograd: ca 22 students and 15 hired workers per month.

Table 9: Other labour (students on average per month according to hours worked, and labour hired through HR agencies as of 30.06.2010) by countries

	30.06.2010	31.12.2009	Diff. 10-09	Index 10/09
Slovenia	64	41	23	156
Croatia	22	22	0	100
Other countries	20	18	2	111
TOTAL	106	81	25	131

Human Resources Development and Training

Table 10: Spending on Training in the reporting term January-June 2010

Actual Jan – June 2010 in 1000 €	Plan Jan-Jun 2009 in 1000 €	Index Actual/ Plan	Actual/ employee in €	No. of hours	No. of hours/ employee
50	129	39	21	6,545	3

Note: IT training for the ISPRO information solution supporting the sales process is not included.

Of all workforce, there were **23 percent of employees** involved in the education & training process, which was 8 percentage points below the comparable last year's level. Through various training programmes, seminars and professional meetings there were **6,545 hours (3 hours per employee on average)** allocated to acquire new knowledge/ skills. In fact the internal training comprised many more employees, as these data do not comprise internal training for the introduction of the new ISPRO software support to logistics processes, and they also exclude part-time students.

Intensive training forms were attended by 31 employees from Intereuropa Transport d.o.o. who were included in the State-subsidized scheme for idle-time workers for a temporary period. On average, each employee has undergone 29 hours training in foreign language - German, computer skills and other work-related specialized knowledge.

Within the tender »Znanje uresničuje sanje (Knowledge makes the dream come true)« we organized in Intereuropa d.d. the training forms to learn foreign languages (English, Russian) and computer skills for 33 employees who will be granted by the State.

In accordance with our Strategy on HR development policy, the employees have acquired new knowledge and skills from the fields:

- **Logistics-based know-how:** Customs broking, transport (1,751 hours; 27 percent), the share of which was 7 percent higher than in the same term last year,
- **Knowledge on Occupational Health and Safety** (1,742 hours, or 27 percent), which was 9 percent more than last year,
- **Foreign languages:** English, Russian (1,330 hours, 20 percent) or 10 percent less than in the previous year,
- **Marketing/sales:** (42 hours; 1 percent) or 9 percent less than last year,
- **Other specific and technical skills** (comprising 1,680 hours, 26 percent) or 3 percent less than in the same term last year.

Internal knowledge transfer was focused on the occupational health and safety and the ISPRO Project (Information system supporting the sales processes).

HR-related measures to mitigate the negative outcome of recession and financial crisis

In line with our restrictive employment policy to satisfy only the most pressing needs for new human resources, we achieved cost efficiency with:

- **Transferring the staff among the units and companies in the Group:** no less than 90 employees changed their work area or workplace, respectively.
- **Downsizing the staff, as follows:**
 - by restricting the renewal or extending of temporary labour relationships; 14 employees hired under such contracts were laid off;
 - by offering severance pay to older employees who are eligible for compensation from the National Employment Service for the last year(s) before retirement, the labour relationship terminated before time to 18 employees.
- **Reducing the number of staff under individual service contracts:** from 53 employees in the Slovenian part of the Group employed under an individual contract at the year-end 2009 down to 42 as of 30.06.2010,
- Due to negative business results in the subsidiary Intereuropa Transport d.o.o., the Managing Board resolved to **reduce the premium for additional voluntary pension insurance** for the employees of that company by 50 percent.

Commitment of Employees

To mitigate the cost-containment policy in all areas, in particular affecting the labour cost, we have adopted additional measures to improve the commitment of our employees:

- **Solidarity Aid programmes:** We have provided financial aid to 52 employees with inferior financial situation and difficult health condition in total amount of € 28 thousand in the Group (compared to € 20 thousand in the same term last year).
- **Family-friendly enterprise:** In June we organized an open-door day dedicated to our employees' children, for the part of the Company located in Koper, for 33 children who got acquainted with the work environment of their parents. The response was highly positive on both parts, children and their parents.
- With a **letter of appreciation upon retirement, and letter of congratulation to round birthday anniversary** signed by the President of Managing Board we expressed our attention and appreciation to our employees.
- **Annual interview with the immediate superior** are organized according to units.
- **President of the Managing Board** or Deputy President and/or the Assistant Member of the Managing Board is **periodically attending the ordinary extended collegiate meeting** of an individual unit (i.e. the management of the unit and individual employees of the unit, and a member of the Company's top management).
- **Presentation of good business practices of business units, teams, individuals** on the intranet/Interinformer.

Further activities are scheduled for the coming period, aiming to improve the commitment of our employees:

- **Publication of a brief summary of main themes and range of knowledge/ skills of each training form** attended by any of the employees directed by the Employer to such training. Summaries are published on the intranet.
- **Round table** – once per year the management should invite promising employees occupying junior/lower positions to a round table with a fixed agenda addressing topical problem issues in the Company.
- **Internal conferences in the Group** of individual interest groups (e.g. accounting, finance – accounts receivable, filing damage claims, contracting, insurance, storage, HR policy, customs broking, ADR, etc.).

Concern for health and occupational safety

The assurance of occupational health and safety for our employees is ranked as an important issue in the Group. Our efforts are also dedicated to improve the safety and health at work as a part of development and investing activity in the Company.

Activities addressing our concern for health and occupational safety comprised: Health protection, education for safety, fire-safety measures, technical safety aspects.

Our concern for health and safety at the workplace was focused on:

- Assessing/identifying the risks for health and occupational safety,
- Risk-mitigating conduct/measures,
- Preventing work-related injury in the workplace,
- Work-related impairment of health,
- Providing for optimum work condition of our workforce and their well-being in the workplace.
- Informing the employees on the new fire-fighting regulations
- Informing the employees on the new Rules identifying the operating efficiency at work.

Health protection

In the first half-year, 342 employees of the Group were included in preliminary, periodical or special medical check, which was higher by 54 employees or 16 percent more than same term last year.

Training qualifying for safe work

We arranged for 206 employees to get qualified in the occupational safety and health, fire-fighting and first aid.

In June, we held two training forms that were compulsory by the law in the Slovenian part of the Group:

1. training for safe work at the siding rail (21 employees),
2. training for first aid (32 employees).

Injury at work

In the reporting term, there were 17 employees injured at work on the level of the Group. The analysis of risk factors, sources and causes of accidents proved that the injuries occurred mainly due to the personal factor of each individual (lack of attention, improper approach to work, neglecting the use of personal protective equipment, etc.). Last year there were 15 injuries.

Luckily, there were no severe injuries this year (last year there were 3 severe injuries at work).

Inspections and tests of working assets and equipment

Certain risks for injuries or health impairment are involved in handling with working assets and equipment (machinery, forklift, lifting equipment/ elevators, gas, electrical and lightning conductor installations, etc.). There were 93 sets of different working assets/ equipment examined and tested in individual organizational units.

Fire safety and protection

The legally required assurance of control over fire safety and precautions within the fire safety and prevention comprised 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.).

We prepared a new safety plan for the transport and storage of dangerous goods with potential severe risk/ consequences, new fire-fighting regulations, a new training programme for employees of Intereuropa d.d. addressing fire safety, and we installed new safety and health signs in our buildings in Koper.

1.5. Total Quality Management

Six companies in the Intereuropa Group hold the certification under the ISO 9001:2008 standard and employ 70.4 percent of the workforce in the Group work. The first half-year was marked by the external QMS audit of four companies in the Group, and the acquisition of the status of Authorized Economic Operator (AEO) for Intereuropa d.d.

Maintaining the ISO 9001:2008 Quality Management System

- Yearly QMS reports for the year 2009 were prepared and the measures to improve the QM system were triggered in all six companies. In our report on three certified companies we extended most measures introduced mid year 2009, and decided that Intereuropa Logističke usluge, d.o.o. Zagreb was to undertake certification for its own QM system independently.
- A new version (no. 14) of the Quality Management System Manual for Intereuropa d.d. and Intereuropa Transport d.o.o. is in preparation.
- The half-year reports on the Quality Management System Manual for Intereuropa d.d. and Intereuropa Transport d.o.o. and Intereuropa RTC d.d. Sarajevo are in preparation.
- System measures to improve the service for a key customer were triggered in Intereuropa Transport.

Internal quality of service auditing

- In Intereuropa d.d. we conducted a internal process audits on:
 - Warehousing and distribution – 15 recommendations for improvement were given
 - Sea-freight – 8 recommendations for improvement were issued
 - Air-freight – 9 recommendations for improvement were issued
 - Border despatch – 1 non-compliance and 10 recommendations for improvement were given
 - Express service – 4 non-compliance cases and 16 recommendations for improvement were given

Quality control by QM indicators

Company	Report. Period	No. of complaints	I 1-6 10/ 1-6 09	Number OZ	Value in 1000 €	I 1-6 10/ 1-6 09	Approved Value in 1000 €	I 1-6 10/ 1-6 09	PV/P1 ratio	I 1-6 10/ 1-6 09
IE d.d.	1-6 2010	426	79	134	71	56	23	28	0.14%	87
IE TR d.o.o.	1-6 2009	93	63	19	53	276	49	630	1.30%	-

PV = Approved Value

P1 = Contribution Ratio 1 (sales revenues deducted by direct costs)

In terms of quantity, there were fewer complaints than last year. The value of complaints was lower in Intereuropa d.d., unlike in Intereuropa Transport where the value under complaint was higher on the account of one above-average high damage claim of a customer.

External quality of service audit by the certification authority

All the 6 certified companies in the Group have migrated to the ISO 9001:2008 standard already in the first year (2009). In the first half-year 2010, the external audit on QMS was completed in 5 companies: Intereuropa d.d., Intereuropa Transport d.o.o., and Intereuropa, log. usluge d.o.o. Zagreb, Intereuropa Transport & Spedition GmbH, and Interagent d.o.o.

For Intereuropa d.d., Intereuropa Transport d.o.o., and Intereuropa, log. usluge d.o.o. Zagreb, this was a control audit, the twelfth in sequence. The audit was conducted in the following organizational units:

- Intereuropa d.d. - the Managing Board and the supporting functions, the business units (BU) Koper, Celje and Maribor
- Intereuropa Transport d.o.o. – the Management and Operational commercial dept.
- Intereuropa, Logistical Services d.o.o., Zagreb – branch in Split

There was no non-compliance found, but 25 recommendations for improvement were given.

Recommendations related in most cases to the implementation of services (10), measuring and analyses (9) and the responsibility of the management (3), to training (2) and document management (1).

According to the companies, there were 17 recommendations issued to Intereuropa d.d., two joint recommendations for Intereuropa and Intereuropa Transport d.o.o., 7 recommendations for Intereuropa log. Usluge d.o.o. Zagreb, and 1 recommendation for Intereuropa Transport d.o.o.

End of June we forwarded our measures addressing the recommendations received to the certification body.

- **Intereuropa Transport & Spedition GmbH** – the external audit performed in the first quarter was of a control character. There was no case of non-compliance found, only one recommendation was issued, concerning an automatic listing of the quotation-issuing process. The unit in Troisdorf was involved in audit, next year the audit is planned for the unit in Stuttgart.
- **Interagent d.o.o.** – the external audit performed in the second quarter was of a control character and the twelfth in sequence. The audit was performed successfully, without finding any non-compliance, but receiving three recommendations.

Development

Intereuropa d.d.: Establishing the Safety Management System in the Supply Chain under the AEO Project

In the reporting term, Customs inspectors from the Customs Offices Koper and Ljubljana continued with the preliminary inspection, which will comprise the business units Koper, Maribor, Sežana, Jesenice and Ljubljana.

At the end of March we received the Record of the Customs Authority in Ljubljana on the preliminary audit before issuing the AEO certificate. One year after the project was started, we received in April 2010 from the Assistant Director of the Customs Office Koper the Certificate for Authorized Economic Operator (AEO).

1.6. Creating Value for Shareholders

Key Data on Intereuropa Share (IEKG)

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

Table 11: Key Data on Intereuropa Share (IEKG) for the term January-June 2010

	Jan-Jun 2010	Jan-Dec 2009
Number of shares*	7,902,413	7,902,413
Number of own shares*	18,135	18,135
Book value of share*	17.33	17.34
Net earning per share	0.09	-9.05
Data on trading		
Market capitalisation in thousand €*	31,610	44,649
Turnover in thousand €	1,079	6,621
Average price at the end of term, in EUR	4.00	5.65
Weighted average rate in EUR	4.66	6.85
Average rate in EUR	4.56	7.02
Highest rate	6.13	10.45
Lowest rate	3.31	5.20
Return on equity	29.2%	35.3%

* as of the last day of the accounting period

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

Market capitalisation = average rate at the end of period * number of shares listed in SE

Net earning per share = Net profit/(number of ordinary shares – number of own shares)

Return on equity = price increase in period

Share Trading

In the term from 1 January to 30 June 2010, the trading comprised 1,066 transactions with the IEKG shares in total amount of € 1,079 thousand. The average daily turnover with the IEKG share amounted to € 9 thousand. In the trading, 240,114 IEKG shares changed their shareholder in total, or 3.0 % of all Intereuropa shares issued. The turnover was 40% lower, or one third lower in terms of value than in the same term last year.

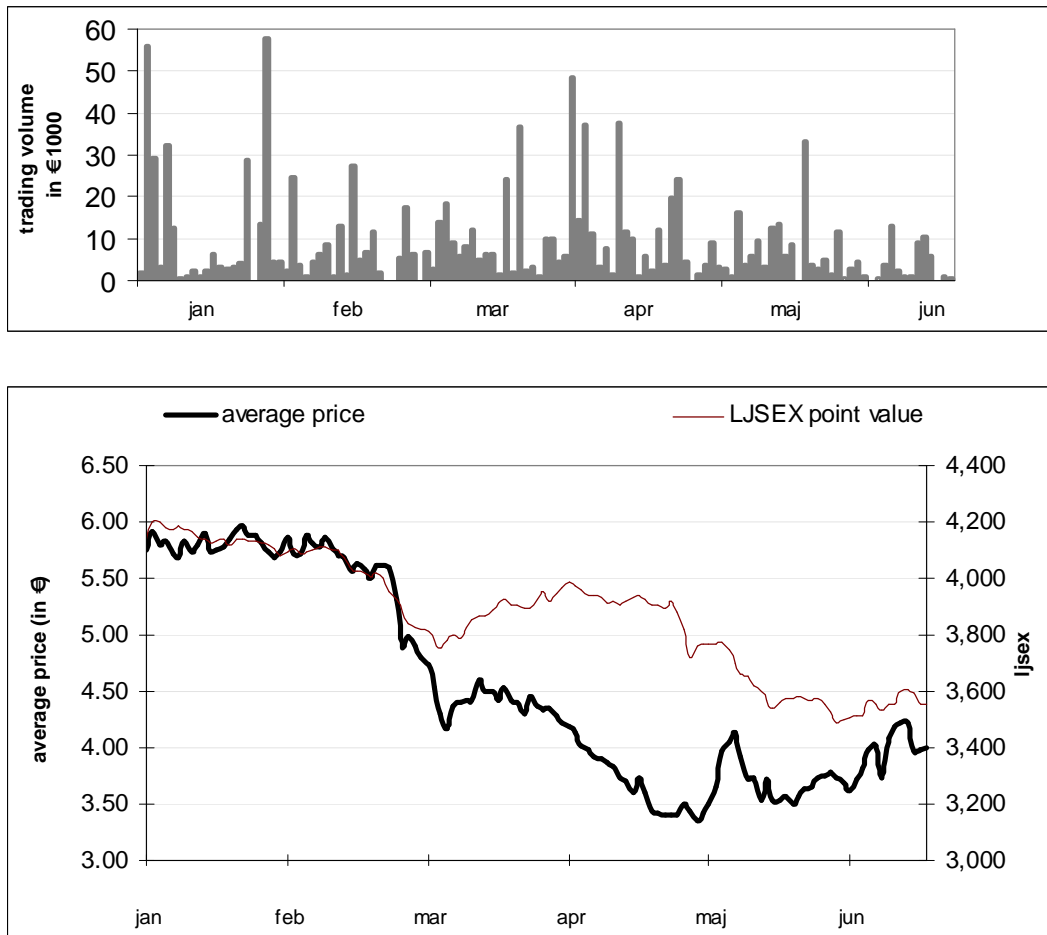


Figure 2: Changes in trading volume and average prices of IEKG share, and of the LJSEX Index in the period January – June 2010

In the term from 4 January to 30 June 2010, the average rate of the Intereuropa share (IEKG) ranged from € 3.35 to 5.96 per share. During the reporting term the Intereuropa share lost -29.2% of value, while the stock exchange index LJ Composite lost -12.9%, and the SBITOP index lost -13.2%. As at 30 June 2010, the IEKG share closed at € 4.00 per share.

Ownership structure

Compared with the closing date a year ago, the ownership structure has not essentially changed during the reporting period. Among the top ten shareholders, Abanka Vipa d.d. increased its shareholding by purchasing 28,676 IEKG shares, and the financial company Interfin naložbe d.d. purchased 10,011 IEKG shares. Since 31 December 2009, the share held by foreign investors has fallen by 0.3 percentage points, and reached 1.6 percent as at 30.06.2010.

Table 12: Structure of major shareholders of ordinary shares of Intereuropa d.d. as of 30 June 2010 compared to 31 December 2009

	30.06.2010		31.12.2009		Number of shareholders as of 30.06.10	Index Jun 10/ Dec 09
	No. of shares	Share	No. of shares	Share		
Natural persons	1,947,064	24.6%	1,926,008	24.4%	6,127	101
- thereof, employees	504,035	6.4%	508,475	6.4%	479	99
Luka Koper (Port)	1,960,513	24.8%	1,960,513	24.8%	1	100
Enterprises	347,447	4.4%	327,840	4.1%	163	106
Financial companies	2,376,566	30.1%	2,417,229	30.6%	45	98
Kapitalska družba (KAD)*	777,762	9.8%	777,762	9.8%	5	100
Slovenska odškodninska družba (SOD)	474,926	6.0%	474,926	6.0%	1	100
Own IEKG shares	18,135	0.2%	18,135	0.2%	1	100
TOTAL	7,902,413	100.0%	7,902,413	100.0%	6,343	100

* includes the KSPPS, KVSP and SODPZ, PPS

On the last day of June, there were 6,343 shareholders entered in the Share Register of Intereuropa d.d., or 148 shareholders less than on the last day of the preceding year.

Table 13: Top ten shareholders of Intereuropa d.d. as of 30.06.2010 compared to 31.12.2009

Curr. No.	Shareholder	30.06.2010		31.12.2009		Index 10/09
		Number of shares	Share	Number of shares	Share	
1.	Luka Koper d.d.	1,960,513	24.8%	1,960,513	24.8%	100
2.	Kapitalska družba d.d.	719,797	9.1%	719,797	9.1%	100
3.	Slovenska odškodninska družba d.d.	474,926	6.0%	474,926	6.0%	100
4.	UVS Infond Global	313,391	4.0%	313,391	4.0%	100
5.	NFD 1 Delniški investicijski sklad d.d.	304,312	3.9%	304,312	3.9%	100
6.	NLB d.d.	240,000	3.0%	240,000	3.0%	100
7.	Zavarovalnica Triglav d.d.	213,640	2.7%	213,640	2.7%	100
6.	Abanka Vipava d.d.	209,976	2.7%	181,300	2.3%	116
9.	Delniški VS Triglav Steber I d.d.	152,482	1.9%	152,482	1.9%	100
10.	Interfin naložbe d.d.	123,237	1.6%	113,226	1.4%	109

The Managing Board President Ernest Gortan, and Deputy President Tatjana Vošinek Pucer did not own any Intereuropa shares on 30.06.2010.

Table 14: Shares held by members of Supervisory Board, as of 30.06.2010

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

Own shares

Since 2008, Intereuropa has held 18,135 own shares designated as IEKG, which represents 0.2295 percent of all shares of the Issuer of IEKG shares. The percent of own shares has not changed in the reporting period.

Authorized capital

As of 30.06.2010, the Company has no authorized capital.

According to the Resolution adopted by the General Meeting in its ordinary session of 1 July 2010, amending the Statute of Intereuropa d.d. in section 5.13 which authorises the Managing Board - in five years' time after this amendment to the Statute is registered in the Court Register of Companies,

without having to issue a separate Resolution by the General Meeting but subject to the consent by the Supervisory Board - to increase the share capital by issuing new shares for contributions up to the amount of one half of the share capital existing on the day of adopting the Resolution in the 22nd General Meeting, which represents a nominal amount of EUR 16,488,092.56 (the authorized capital).

Dividend

Intereuropa d.d. was distributing the dividend on a yearly basis until 2008. Owing to intense investing into the logistics centre in Moscow, as well as due to the negative operating result for the year 2009, the Managing Board decided not to distribute dividend in the year 2009 and 2010.

Informing the shareholders

Press releases, publications, reports and other information are available to the public through electronic system of electronic information system of the Ljubljana Stock Exchange/ SEOnet (www.seonet.ljse.si), our website (www.intereuropa.si), press conferences and other media.

We will continue to keep our shareholders thoroughly informed in the future, too.

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

2. OPERATION OF THE COMPANY INTEREUROPA d.d.

Tables 15 and 16: Operations of Intereuropa d.d. in January-June 2010, in thousand €

Item / Index	Jan-Jun 2010	Plan 2010	Jan-Jun 2009 ²	Index 2010/plan	Index 2010/2009
Sales revenues	46,880	49,461	49,332	95	95
Land Transport	21,166	19,255	17,081	110	124
Logistics Solutions	6,037	7,083	6,636	85	91
Intercontinental Transport	17,231	20,618	22,699	84	76
Other services	2,447	2,505	2,916	98	84
EBITDA*	6,750	2,695	301	250	2,242
Operating Profit or Loss	4,147	180	-2,036	2,307	-
Financing Profit or Loss	-3,595	-3,010	774	119	-
Net profit / loss	683	-2,830	1,218	-	56
Sales revenue per employee/month	9.918	10.233	9.437	97	105
Value added per employee/month	3.517	2.647	2.356	133	149

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

Item / Index	30.06. 2010	Plan 31.12.2010	31.12. 2009	Index 2010/plan	Index 2010/2009
Balance Sheet Total*	367,960	395,622	410,132	93	90
Equity*	136,587	160,670	136,674	85	100
Short-term assets/ Short-term liabilities	0.68	1.40	0.78	49	88
Net Return on Equity (yearly level) **	-1.07%	-3.12%	0.44%	34	-

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

Highlights on the performance of Intereuropa d.d. in January – June 2010:

- The **Sales Revenues** amounted to € 46.9 million and were 5 percent below the plan and last-year's figure. Compared to the quarterly sales turnover, the underachievement of the result of the comparable period a year ago was reduced to 5 percentage points. The best performing area was Land Transport, representing 52 percent of the sales revenue in the Group. The plan was exceeded by 10 percent, while the last year's achievement was outstripped by almost one fourth. Other business areas/segments did not achieve the sales targets; the highest setback was recorded by Intercontinental Transport (-16 percent).
- The **operating result** came to € 4.1 million and exceeded the plan considerably, which can be largely attributed to the profit from the sale of property at Šmartinska cesta, Ljubljana (€ 3.7 million). For the sake of comparison between the periods in 2010 and 2009: if we excluded the sale and reversal of provisions for lawsuits (162 thousand €), the Company would achieve an operating profit of € 214 thousand in the first half-year 2010, or € 2,315 thousand more than in the year 2009 and 34 thousand € above the plan.
- The **financial result** for the reporting period was € -3.6 million and below the plan mainly on account of the revaluation of the financial instrument for hedging against the interest rate risk (without these expenses, the result would be -1.2 million).
- The **Net Profit/Loss** for the period came to € 0.7 million, however, if all the a.m. one-off transactions in 2010 were excluded, it would amount to € -0.9 million.
- The **Sales efficiency ratio** does not achieve the plan yet, but it has improved over the first quarter and exceeded the preceding year's achievement by 5 percent.
- In the structure of Assets, the **share of capital** represents 37 percent (33 percent as at 31.12.2009), and the **current ratio** was 0.68 (compared to 0.78 percent as at 31.12.2009).

² Izločeno poslovanje na produktu UPS

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

In the first six months 2010 Intereuropa-East was operating in the atmosphere of the global economic crisis, which affected the operating results of the Company as well.

Car logistics

In Car Logistics, which is at present the main source of income for the Company, we perceived a considerable drop in the level of inventories. Our crisis-related experience proves that our customers decided to maintain minimal inventories. At the year-end 2009 these inventories were 9,949 cars, compared with 3,000 cars at the end of the first half-year 2010; on the other hand, the inventory turnover in the car terminal has risen considerably. Unfortunately, the higher earning from inventory turnover cannot replace the fall of income from warehouse. We intensified our sales activities to obtain new customers. Unfortunately, we were not successful, for two reasons: Customers do not wish to switch service providers in the middle of the year (tenders were out in the middle of 2009 when our car terminal was fully occupied), and secondly, nearly all terminals in the region are empty and customers do not wish any change.

During the reporting term we have implemented the measures aiming to retain a high level of quality of our service.

Logistics Solutions

We have carried out the activities for the final operating condition of our warehouses, which are still not ready for use. Electrification of the bigger warehouse was completed at the end of June, but the smaller warehouse is not ready for the use by the lessees. We are still eliminating technical problems, which limits our success in acquiring new customers.

Land Transport

Like in other business segments, the sale of road transport services was aggravated by the crisis. Though our optimization and cost-cutting measures were effective, we faced with very low freight rates. Our search for new customers aimed to mitigate that effect; we concluded contracts with some major customers sending out their shipments. That has slightly improved the financial result of this area.

We launched our international forwarding services in June, so it is too early to show any results: initial results and the contacts made point to the growth potential.

Tables 17 and 18: Operations of OOO Intereuropa-East, Moscow, January-June 2010, in thousand €

Item / Index	Jan-Jun 2010	Plan 2010	Jan-Jun 2009	Index 2010/plan	Index 2010/2009
Sales revenues	2,389	6,526	2,033	37	118
Land Transport	613	2,471	236	25	260
Logistics Solutions	254	766	0	33	-
Intercontinental Transport (car logistics)	1,522	3,228	1,770	47	86
Other services	0	61	27	0	0
EBITDA*	-793	984	-482	-	165
Operating Profit or Loss	-1,785	-780	-1,293	229	138
Financing Profit or Loss	10,169	-2,578	-2,639	-	-
Net profit / loss	6,850	-3,461	-3,920	-	-
Sales revenue per employee/month	2.690	4.596	2.725	59	99
Value added per employee/month	0.395	1.465	0.824	27	48

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

Item / Index	30.06. 2010	Plan 31.12.2010	31.12. 2009	Index 2010/plan	Index 2010/2009
Balance Sheet Total*	111,378	134,873	133,637	83	83
Equity*	29,214	38,668	19,622	76	149
Short-term assets/ Short-term liabilities	0.44	0.23	0.54	192	82
Net Return on Equity (yearly level)**	34.0%	-15.2%	-132.8%	-	-

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

Financial activity

In the first half-year 2010 the Company achieved a positive operating profit before tax € 8.3 million, which is mainly the result of the financing activity or exchange rates - the growth of the rouble against the euro.

Under the International Financial Reporting Standards and the accounting policy of the Group, the portion of interest that stand for the borrowing expenses for the investment in LC Chekhov was capitalized and increased the procurement value of the facilities not activated yet.

The exchange rate of the rouble was growing continuously, except in June. The rouble gained 11.3 percent against the euro in the reporting half-year. It should be noted that when comparing the values achieved and planned, the planned exchange rate (46 rub/€) varies from the actual average exchange rate (39.65 rub/€) by 13.8 percent.

The Company achieved a negative EBITDA € -793 thousand, which is attributable to non-achievement of the target sales turnover in all segments; the setback was 63 percent.

C. FINANCIAL REPORT

The unaudited concise 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).

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 2009.

The form and classification of items in the income statement entirely corresponds to the Income Statement for the year 2009. Considering the published Income Statement for reporting for the comparable term, we undertook a reclassification of the following items (as well as of comparable data):

- The revenue from the elimination (reversal) of allowances for receivables and collected written-off receivables, and the revenues from write-offs of operating liabilities were transferred from the item Other Operating Revenues to the Financial Revenue item,
- The cost of materials was transferred from the item Cost of Services and Materials to the item Other Operating Expenses,
- The expenses arising from impairment and write-downs/-offs of tangible (property, plant and equipment) and intangible fixed assets were transferred from the item "Amortisation and other write-downs/-offs" to the item "Other Operating Expenses", and
- We excluded all the proceeds from the disposal and the cost of services which relate to the stoppage of operation, and allocated them to the item Operating Profit or Loss from Stoppage of Operation. Accordingly, the Profit or loss from ordinary activities was lower by € 386 thousand, and the Profit or Loss from Stoppage of Operation was higher by the same amount.

Compared with the same period last year, this year the company Intereuropa Transport & Spedition GmbH, Lebring is excluded from the Group due to disposal in the second half-year of the preceding year. There were further status-related changes in the Group. The company Intereuropa IT d.o.o. was affiliated to Parent Company Intereuropa d.d., and in the Ukraine the company TOV DDT, Onokivci was affiliated to the company TOV TEK ZTS, Uzhgorod.

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 THE INTEREUROPA GROUP

1.1. Underlying financial statements of the Intereuropa Group

CONSOLIDATED INCOME STATEMENT FOR INTEREUROPA GROUP

from 01.01. to 30.06.2010

in € thousand	January - June 2010	January - June 2009
Sales revenues	91,627	93,958
Other operating revenues	6,206	1,242
Costs of services	-55,381	-56,058
Labour costs	-20,979	-24,759
Depreciation	-7,102	-7,394
Other operating expenses	-8,047	-7,512
Operating profit/loss	6,324	-523
Financial income	11,959	2,151
Financial expenses	-9,286	-6,820
Profit/loss from financial operations	2,673	-4,669
Result recognized according to equity method	12	31
Profit/loss from regular operations	9,009	-5,162
Profit/loss from discontinued operations	0	2,625
Corporate income tax (with deferred tax)	-1,877	-527
Net profit /loss for the period	7,132	-3,064
Net profit or loss / non-controlling interest	670	249
Net profit or loss / controlling interest	6,462	-3,313
Basic and diluted earnings per share (in €)	0.82	-0.42

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR INTEREUROPA GROUP

from 01.01. to 30.06.2010

in € thousand	January - June 2010	January - June 2009
Net profit or loss	7,132	-3,064
Other Comprehensive Income	2,504	-2,427
Change of fair value of land	-749	0
Transfer of land (reserves for fair value) revaluation surplus to retained earnings from sale of land	-3,258	0
Deferred tax in revaluation surplus (in reserves for fair value) of land	796	0
Change of fair value of financial assets for sale	11	201
Deferred tax in revaluation surplus (in reserves for fair value) of financial assets for sale	0	-29
Retained earnings from land revaluation (at sale)	3,258	0
Changes of retained earnings from the affiliation of the subsidiary	-408	9
Other changes in retained earnings	14	0
Deferred tax (from recovery of tax loss) of retained earnings	-646	0
Exchange rate translation differences	3,486	-2,608
Comprehensive income total	9,636	-5,491
Comprehensive income total - non-controlling part	546	239
Comprehensive income total - controlling part	9,090	-5,730

CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF INTEREUROPA GROUP
as of 30.06.2010

in € thousand	30. 6. 2010	31. 12. 2009
ASSETS		
Tangible fixed assets	376,314	377,910
Investment property	6,906	7,025
Intangible assets	9,642	9,491
Other non-current operating assets	448	517
Deferred tax assets	6,624	7,845
Loans given and deposits	96	80
Investment in a jointly controlled company	113	148
Other financial investments	3,747	3,805
TOTAL NON-CURRENT ASSETS	403,890	406,821
Available-for-sale assets	6,584	10,180
Inventories	168	203
Loans given and deposits	967	2,764
Other financial investments	57	5
Short-term operating receivables	69,238	63,080
Short-term income tax receivables	278	899
Cash and cash equivalents	6,096	5,318
TOTAL CURRENT ASSETS	83,388	82,449
TOTAL ASSETS	487,278	489,270
CAPITAL		
Capital - controlling interest	187,795	178,705
Share capital	32,976	32,976
Treasury shares	-180	-180
Reserves	114,391	113,900
Retained earnings	40,608	32,009
Capital - non-controlling interest	10,307	10,098
TOTAL CAPITAL	198,102	188,803
LIABILITIES		
Provisions	3,320	3,804
Long-term borrowings	127,511	107,009
Other long-term financial liabilities	182	2,206
Long-term operating liabilities	391	288
Deferred tax liabilities	18,433	18,834
TOTAL NON-CURRENT LIABILITIES	149,838	132,141
Short-term borrowings	84,551	115,481
Other short-term financial liabilities	4,453	465
Short-term operating liabilities	50,078	52,325
Short-term income tax liabilities	257	55
TOTAL CURRENT LIABILITIES	139,338	168,326
TOTAL LIABILITIES	289,176	300,467
TOTAL CAPITAL AND LIABILITIES	487,278	489,270

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE INTEREUROPA GROUP
from 1.1. to 30.06.2010

in € thousand	January - June 2010	January - June 2009
Cash flows from operating activities		
Net profit/loss for the period	7,132	-3,064
Adjustments for:		
- Depreciation	7,102	7,396
- Impairments and write-downs of tangible fixed assets	0	0
- Profit from disposal of tangible fixed assets and investment property	-4,464	-791
- Loss from disposal of tangible fixed assets	131	1
- Non-monetary expenses	16	161
- Non-monetary revenues	-162	0
- Financial revenues	-11,959	-2,151
- Impaired receivables paid	894	589
- Financial expenses	9,286	6,820
- Net cash flow from business activities of discontinued operations	0	-2,634
- Income tax	1,877	527
Operating profit before changes in working capital and taxes	9,853	6,854
Changes in working capital and provisions		
Changes in receivables	-7,337	6,255
Changes in inventories	35	-6
Changes in operating liabilities	7,323	-5,694
Changes in provisions	-323	-167
Changes in corporate income tax	153	819
Cash from operating activities	9,704	8,061
Cash flows from investing activities		
Interest income	371	1,109
Dividend income and participations in profit	49	257
Inflows from disposal of tangible fixed assets and investment property	15,284	1,561
Inflows from long-term loans given	3	26
Inflows from decrease of short-term loans and deposits given	1,810	0
Inflows from disposal of other financial assets	1	0
Outflows from acquisition of tangible fixed assets and investment property	-9,025	-14,403
Adjustment for net cash flow from discontinued operations	0	-227
Outflows for acquisitions of intangible assets	-1,100	-1,200
Outflows for purchases and capital increase in subsidiaries	0	-16
Outflows for long-term loans and deposits given	-21	0
Outflows from increase of short-term loans given	0	-328
Outflows for purchase of other financial investments	0	0
Outflows from settlement of derivative financial instruments	-342	-83
Cash from investing activities	7,030	-13,304
Cash flows from financing activities		
Inflows from long-term borrowings	673	26,822
Inflows from increase in short-term borrowings	3,315	9,067
Paid interest	-4,865	-5,790
Outflows from repayment of long-term borrowings	-14,379	-33,275
Paid dividend	-595	-490
Cash from financing activities	-15,851	-3,666
Cash and cash equivalents at beginning of period	5,318	8,508
Exchange rate differences from cash	-105	411
Net increase/decrease in cash from regular operations	883	-8,909
Net increase/decrease in cash from discontinued operations	0	2,861
Cash and cash equivalents at end of period	6,096	2,871

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY OF INTEREUROPA GROUP
for the period 1.1. to 30.06. 2010

in € thousand	Share capital	Own shares	RESERVES				Retained earnings	Capital - controlling interest	Capital - non-controlling interest	Total capital
			Capital surplus	Reserves from profit	Translation reserves	Reserves for fair value				
Opening balance as at 1. 1. 2010	32,976	-180	36,040	12,687	-11,680	76,853	32,009	178,705	10,098	188,803
Total comprehensive income	0	0	0	0	3,614	-3,203	8,679	9,090	546	9,636
Net profit/loss	0	0	0	0	0	0	6,462	6,462	670	7,132
Other comprehensive income	0	0	0	0	3,614	-3,203	2,217	2,628	-124	2,504
Transactions with owners										
Payment of dividends or profit participations	0	0	0	0	0	0	0	0	-595	-595
Change of non-controlling interest at affiliation of subsidiary	0	0	0	0	0	0	0	0	258	258
Transfer of retained earnings to reserves	0	0	0	80	0	0	-80	0	0	0
Closing balance as at 30. 6. 2010	32,976	-180	36,040	12,767	-8,066	73,650	40,608	187,795	10,307	198,102

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY OF INTEREUROPA GROUP
for the period 1.1. to 30.06. 2009

in € thousand	Share capital	Own shares	RESERVES				Retained earnings	Capital - controlling interest	Capital - non-controlling interest	Total capital
			Capital surplus	Reserves from profit	Translation reserves	Reserves for fair value				
Opening balance as at 1. 1. 2009	32,976	-180	49,403	12,649	-8,550	827	72,885	160,010	9,350	169,360
Total comprehensive income	0	0	0	0	-2,593	172	-3,309	-5,730	239	-5,491
Net profit/loss	0	0	0	0	0	0	-3,313	-3,313	249	-3,064
Other comprehensive income	0	0	0	0	-2,593	172	4	-2,417	-10	-2,427
Transactions with owners										
Payment of dividends or profit participations	0	0	0	0	0	0	0	0	-676	-676
Purchase of non-controlling interest at affiliation of subsidiary	0	0	0	0	0	0	0	0	-40	-40
Transfer of retained earnings to reserves	0	0	0	38	0	0	-38	0	0	0
Closing balance as at 30. 6. 2009	32,976	-180	49,403	12,687	-11,143	999	69,538	154,280	8,873	163,153

1.2. Notes to Financial Statements of the Intereuropa Group

a) Notes to the INCOME STATEMENT

Sales revenues amounting to € 91,627 thousand represent the revenues from services rendered. Compared to the same term last year, these Revenues were by € 2,331 thousand lower, while the costs of services were cut by € 677 thousand.

Other operating revenue

Table 19: Other operating income of the Intereuropa Group in the term January-June 2010, in thousand €

in € thousand	January - June 2010	January - June 2009
Profit from disposal of tangible fixed assets and investment property, available for sale	4,465	791
Revenues from elimination of provisions	105	60
Other operating revenues	1,636	391
Total other operating revenues	6,206	1,242

Labour cost

Table 20: Labour cost of the Intereuropa Group in the term January-June 2010, in thousand €

in € thousand	January - June 2010	January - June 2009
Wages and salaries	15,212	17,599
Social security	3,004	3,447
Other labour costs:	2,763	3,713
holiday allowance	687	1,058
transport and meals	1,607	1,775
other labour costs	469	880
Labour costs	20,979	24,759

Other operating expenses

Table 21: Other operating expenses of the Intereuropa Group in the term January-June 2010, in thousand €

in € thousand	January - June 2010	January - June 2009
Costs of material	5,739	5,604
Other operating expenses	2,308	1,908
Total other operating expenses	8,047	7,512

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

Table 22: The effect of financial revenues and expenses to the Profit or Loss of the Intereuropa Group in the term January-June 2010, in thousand €

in € thousand	January - June 2010	January - June 2009
Interest income	380	641
Dividend income and participation in profit of others	11	18
Profit from disposal of financial investments	1	3
Income from derivative financial instruments	291	857
Income from cancelled value adjustments of receivables and recovery of written-off receivables	894	589
Income from written-off debt	1	43
Net exchange rate differences	10,381	0
Total financial income	11,959	2,151
Interest expenses	-5,407	-4,735
Financial expenses from impairments and written-off financial investments	0	-144
Expenses from derivative financial instruments	-2,462	-351
Net exchange rate differences	0	-221
Expenses from value adjustments and written-off receivables	-1,417	-1,369
Total financial expenses	-9,286	-6,820
Profit/loss from financing activities	2,673	-4,669

b) Notes to the CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Property, Plant and Equipment

Table 23: Property, Plant and Equipment of the Intereuropa Group in the term January-June 2010, in thousand €

in € thousand	30. 6. 2010	31. 12. 2009
Land and buildings	331,382	333,312
a) Land	140,988	144,351
b) Buildings	190,394	188,961
Other property, plant and equipment	22,769	25,400
Tangible fixed assets under construction	22,164	19,198
Total tangible fixed assets	376,314	377,910

Investment property

As of the end of reporting period, the investment property amount to € 6,906 thousand. In the reporting period they were decreased by the depreciation in the amount of € 119 thousand.

Intangible assets

Table 24: Intangible Assets of the Intereuropa Group in the term January-June 2010, in thousand €

in € thousand	30. 6. 2010	31. 12. 2009
Long-term title rights	4,438	4,393
Goodwill	1,424	1,424
Long-term deferred development costs	3,779	3,674
Total intangible assets	9,642	9,491

Loans given and deposits

Table 25: Loans given and Deposits held by the Intereuropa Group in the term January-June 2010, in thousand €

in € thousand	30. 6. 2010	31. 12. 2009
Long-term loans given and deposits	96	81
- loans given	67	73
- deposits	28	8
Short-term loans given and deposits	967	2,764
- loans given	501	898
- deposits	465	1,866
Total loans given	1,063	2,844

Other financial investments in the amount of € 3,748 thousand relate to the item "Financial assets available for sale".

The decrease in the Assets available for sale by € 3,596 thousand has resulted from the disposal of property.

Short-term operating receivables

Table 26: Short-term operating receivables of the Intereuropa Group in the term January-June 2010, in thousand €

in € thousand	30. 6. 2010	31. 12. 2009
Short-term operating receivables from buyers	48,941	45,393
Short-term operating receivables from others	20,297	17,687
Total short-term operating receivables	69,238	63,080

Equity

On the Group level, the Equity amounts to at € 198,102 thousand and represents 41 percent of the liabilities to sources of funding. In the reporting term, it rose to € 9,299 thousand, which is primarily attributable to the increase in the Statement of Comprehensive Income by € 9,636 thousand (the Net Profit of € 7,132 thousand and € 2,504 thousand of other Return on Equity). Other return on equity was mainly influenced by the foreign exchange gains/losses from translation, in the amount of € 3,486 thousand (primarily resulting from the RUB/EUR ratio in the first half-year).

Provisions

As of the end of reporting period of the Statement of Financial Position, the Group had € 3,320 thousand of unused Long-Term Provisions and Long-term Deferred Revenues.

The long-term received loans amount to € 127,511 thousand. Compared with the reporting date, they rose on account of loan re-financing by € 20,000 thousand, which fact had an essential bearing on the decrease in short-term loans, by € 30,930 thousand.

Other Long-term financial liabilities amount to € 182 thousand. They are valued at fair value through profit or loss and represent the net present value of the derivative financial instrument. Upon expiry of that financial instrument, a new transaction with the derivative financial instrument was entered into, which is presented among other short-term financial liabilities. Together with the change to the fair value of the short-term derivative financial instrument, the short-term liabilities at fair value through Profit or Loss come to € 3,948 thousand.

Other short-term financial liabilities

Table 27: Other short-term financial liabilities of the Intereuropa Group in the term January-June 2010, in thousand €

in € thousand	30. 6. 2010	31. 12. 2009
Short-term liabilities at fair value through profit/loss	3,948	96
Liabilities for dividends and other participations	505	369
Total	4,453	465

Short-term operating liabilities

Table 28: Short-term operating liabilities of the Intereuropa Group in the term January-June 2010, in thousand €

in € thousand	30. 6. 2010	31. 12. 2009
Short-term operating liabilities to suppliers	41,158	44,737
Short-term operating liabilities from advances	1,626	593
Other short-term operating liabilities	7,294	6,995
Total short-term operating liabilities	50,078	52,325

INFORMATION ACCORDING TO BUSINESS SEGMENTS FOR JANUARY - JUNE 2010

Table 29: Business segments of the Intereuropa Group in the term January-June 2010, in thousand €

in € thousand	Slovenia		Croatia		Montenegro	
	Jan-Jun 2010	Jan-Jun 2009	Jan-Jun 2010	Jan-Jun 2009	Jan-Jun 2010	Jan-Jun 2009
Revenues from external customers	56,698	61,584	16,034	16,453	2,670	3,393
Revenues from business with other segments	4,984	6,308	395	520	50	24
Total revenues	61,681	67,892	16,429	16,973	2,721	3,417
Depreciation	3,861	4,157	1,262	1,376	324	316
Operating profit or loss	3,803	-2,153	1,608	2,348	2,141	393
Revenues from interest rates	2,300	3,306	172	324	42	32
Expenses from interest rates	4,691	3,735	699	719	0	2
Net profit or loss from ordinary activities	40	-1,499	1,164	1,702	2,117	443
Corporate income tax	-115	156	205	296	214	55
Assets	384,917	384,506	92,043	77,330	24,403	23,677
Tangible fixed assets under construction	2,203	2,457	88	5,488	577	395
Long-term assets	306,890	264,822	71,652	57,969	20,326	21,156
Operating liabilities	47,233	30,199	12,266	9,139	1,067	989
Financial liabilities	196,990	193,091	18,906	21,460	430	574
Investment in jointly controlled entities	75	75	0	0	0	0
Revenues from investment in jointly controlled entities	47	109	0	0	0	0

in € thousand	Russia		Others		Group	
	Jan-Jun 2010	Jan-Jun 2009	Jan-Jun 2010	Jan-Jun 2009	Jan-Jun 2010	Jan-Jun 2009
Revenues from external customers	2,389	2,033	13,825	13,289	91,627	96,779
Revenues from business with other segments	0	0	831	973	0	0
Total revenues	2,389	2,033	14,656	14,262	91,627	96,779
Depreciation	1,038	811	616	750	7,102	7,394
Operating profit or loss	-1,785	-1,293	665	539	6,324	-138
Revenues from interest rates	16	20	13	0	381	641
Expenses from interest rates	259	1,892	255	249	5,407	4,735
Net profit or loss from ordinary activities	8,385	-3,932	391	74	9,009	-4,776
Corporate income tax	1,535	-12	38	32	1,877	527
Assets	111,378	119,813	43,650	42,277	487,278	435,340
Tangible fixed assets under construction						
Long-term assets	93,559	105,095	35,844	34,677	403,889	356,699
Operating liabilities	17,744	10,571	8,703	7,473	72,479	47,025
Financial liabilities	64,421	109,602	8,984	10,948	289,731	335,675
Investment in jointly controlled entities	0	0	0	0	113	132
Revenues from investment in jointly controlled entities	0	0	0	0	12	31

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

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

INCOME STATEMENT OF INTEREUROPA d.d. from 1.1. to 30.06.2010

in € thousand	January - June 2010	January - June 2009
Sales revenues	46,880	49,332
Other operating revenues	3,963	138
Costs of services	-32,339	-35,434
Labour costs	-9,874	-12,014
Depreciation	-2,472	-2,337
Other operating expenses	-2,011	-1,721
Operating profit/loss	4,147	-2,036
Financial income	4,024	5,234
Financial expenses	-7,619	-4,460
Profit/loss from financial operations	-3,595	774
Profit/loss from regular operations	552	-1,262
Profit/loss from discontinued operations	0	2,625
Corporate income tax (with deferred tax)	131	-145
Net profit /loss for the period	683	1,218
Basic and diluted earnings per share (in €)	0.09	0.15

STATEMENT OF COMPREHENSIVE INCOME FOR INTEREUROPA d.d.

from 01.01. to 30.06.2010

in € thousand	January - June 2010	January - June 2009
Net profit or loss	683	1,218
Other Comprehensive Income	-770	170
Change of fair value of land	-749	0
Transfer of land (reserves for fair value) revaluation surplus to retained earnings from sale of land	-3,229	0
Deferred tax in revaluation surplus (in reserves for fair value) of land	796	0
Change of fair value of financial assets for sale	-2	199
Deferred tax in revaluation surplus (in reserves for fair value) of financial assets for sale	0	-29
Changes of retained earnings from the affiliation of the subsidiary	-169	0
Retained earnings from land revaluation (at sale)	3,229	0
Deferred tax (from recovery of tax loss) of retained earnings	-646	0
Comprehensive income total	-87	1,388

STATEMENT OF FINANCIAL POSITION OF INTEREUROPA d.d. as of 30.06.2010

in € thousand	30. 6. 2010	31. 12. 2009
ASSETS		
Tangible fixed assets	154,978	162,893
Investment property	6,227	6,335
Intangible assets	7,287	4,586
Other non-current operating assets	429	499
Deferred tax assets	3,113	3,628
Loans given and deposits	43,053	20,788
Investment in subsidiaries	79,844	82,032
Investment in a jointly controlled company	75	75
Other financial investments	3,727	3,728
TOTAL NON-CURRENT ASSETS	298,733	284,564
Available-for-sale assets	0	3,684
Inventories	36	24
Loans given and deposits	29,651	82,332
Short-term operating receivables	39,120	38,806
Short-term income tax receivables	84	97
Cash and cash equivalents	336	625
TOTAL CURRENT ASSETS	69,227	125,568
TOTAL ASSETS	367,960	410,132
CAPITAL		
Share capital	32,976	32,976
Treasury shares	-180	-180
Reserves	100,694	103,878
Retained earnings	3,097	0
TOTAL CAPITAL	136,587	136,674
LIABILITIES		
Provisions	2,065	2,169
Long-term borrowings	113,994	93,320
Other long-term financial liabilities	0	2,024
Long-term operating liabilities	384	0
Deferred tax liabilities	13,374	14,169
TOTAL NON-CURRENT LIABILITIES	129,817	111,682
Short-term borrowings	72,788	101,065
Other short-term financial liabilities	4,023	172
Short term operating liabilities	24,745	60,539
TOTAL CURRENT LIABILITIES	101,556	161,776
TOTAL LIABILITIES	231,373	273,458
TOTAL CAPITAL AND LIABILITIES	367,960	410,132

STATEMENT OF CASH FLOW FOR INTEREUROPA d.d. from 1.1. to 30.06.2010

in € thousand	January - June 2010	January - June 2009
Cash flows from operating activities		
Net profit/loss for the period	683	1,218
Adjustments for:		
- Depreciation	2,472	2,337
- Profit from disposal of tangible fixed assets and investment property	-3,771	-59
- Loss from disposal of tangible fixed assets	130	0
- Non-monetary expenses	7	71
- Non-monetary revenues	-162	0
- Financial revenues	-4,024	-5,243
- Impaired receivables payed	253	171
- Financial expenses	7,619	4,468
- Net cash flow from business activities of discontinued operations	0	-2,634
- Income tax	-131	145
Operating profit before changes in working capital and taxes	3,076	474
Changes in working capital and provisions		
Changes in receivables	2,023	6,267
Changes in inventories	-11	2
Changes in operating liabilities	-37,012	-4,758
Changes in provisions	-142	-17
Changes in corporate income tax	13	1,598
Cash from operating activities	-32,053	3,566
Cash flows from investing activities		
Interest income	316	468
Dividend income and participations in profit	1,196	1,345
Inflows from disposal of tangible fixed assets and investment property	13,454	337
Inflows from long-term loans given	7,273	4,100
Inflows from decrease of short-term loans given	27,582	0
Inflows from disposal of other financial assets	0	3
Cash received at affiliation of subsidiary	1	0
Outflows for acquisition of tangible fixed assets and investment	-271	-591
Adjustment for net cash flow from discontinued operations	0	-227
Outflows for acquisitions of intangible assets	-192	-848
Outflows for purchase and capital increase in subsidiaries	0	-4,476
Outflows for long-term loans and deposits given	-4,439	-5,253
Outflows from increase of short-term loans and deposits given	0	-2,785
Outflows from settlement of derivative financial instruments	-276	-64
Cash from investing activities	44,644	-7,991
Cash flows from financing activities		
Inflows from long-term borrowings	0	26,754
Inflows from increase in short-term borrowings	1,607	7,830
Paid interest	-3,985	-4,127
Outflows from repayment of long-term borrowings	-10,500	-28,872
Paid dividend	-2	-3
Cash from financing activities	-12,880	1,582
Cash and cash equivalents at beginning of period	625	79
Net increase/decrease in cash from regular operations	-289	-2,843
Net increase/decrease in cash from discontinued operations	0	2,861
Cash and cash equivalents at end of period	336	97

STATEMENT OF CHANGES IN EQUITY OF INTEREUROPA d.d.

for the period 1.1.– 30.06. 2010

in € thousand	Share capital	Own shares	RESERVES			Retained earnings	Total capital
			Capital surplus	Reserves from profit	Reserves for fair value		
Opening balance as at 1. 1. 2010	32,976	-180	36,040	11,276	56,562	0	136,674
Total comprehensive income	0	0	0	0	-3,184	3,097	-87
Net profit/loss	0	0	0	0	0	683	683
Other comprehensive income	0	0	0	0	-3,184	2,414	-770
Closing balance as at 30. 6. 2010	32,976	-180	36,040	11,276	53,378	3,097	136,587

STATEMENT OF CHANGES IN EQUITY OF INTEREUROPA d.d.

for the period 1.1.– 30.06. 2009

in € thousand	Share capital	Own shares	RESERVES			Retained earnings	Total capital
			Capital surplus	Reserves from profit	Reserves for fair value		
Opening balance as at 1. 1. 2009	32,976	-180	49,403	11,276	847	57,990	152,312
Total comprehensive income	0	0	0	0	170	1,218	1,388
Net profit/loss	0	0	0	0	0	1,218	1,218
Other comprehensive income	0	0	0	0	170	0	170
Closing balance as at 30. 6. 2009	32,976	-180	49,403	11,276	1,017	59,208	153,700

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

a) Notes to the INCOME STATEMENT

Sales revenues amounting to € 46,880 thousand represent the revenues from services rendered. Compared to the same term last year, these revenues were by € 2,452 thousand lower, while the costs of services were reduced by € 3,095 thousand.

Other operating revenue

Table 30: Other operating revenues of Intereuropa d.d. in the term January-June 2010, in thousand €

in € thousand	January - June 2010	January - June 2009
Profit from disposal of tangible fixed assets and investment property, available for sale	3,771	59
Revenues from elimination of provisions	162	5
Other operating revenues	30	74
Total other operating revenues	3,963	138

Labour cost

Table 31: Labour cost of Intereuropa d.d. in the term January-June 2010, in thousand €

in € thousand	January - June 2010	January - June 2009
Wages and salaries	6,810	8,129
Social security	1,098	1,319
Other labour costs:	1,966	2,566
holiday allowance	620	882
transport and meals	1,030	1,141
other labour costs	317	544
Labour costs	9,874	12,014

Other operating expenses

Table 32: Other operating expenses of Intereuropa d.d. in the term January-June 2010, in thousand €

in € thousand	January - June 2010	January - June 2009
Costs of material	1,093	1,041
Loss at sale of tangible fixed assets	130	0
Use of city land and similar expenses	505	487
Other operating expenses	282	193
Total other operating expenses	2,011	1,721

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

Table 33: The effect of financial revenues and expenses to the Profit or Loss of Intereuropa d.d. in the term January-June 2010, in thousand €

in € thousand	January - June 2010	January - June 2009
Interest income	2,285	3,277
Revenues from stakes in companies within the Group	1,138	1,056
Revenues from stakes in jointly controlled company	47	109
Dividend income and participation in profit of others	11	18
Profit from disposal of financial investments	0	3
Income from derivative financial instruments	290	600
Income from cancelled value adjustments of receivables and recovery of written-off receivables	253	171
Total financial income	4,024	5,234
Interest expenses	-4,609	-3,514
Financial expenses from impairments and written-off financial investments	0	-144
Expenses from derivative financial instruments	-2,396	-167
Net exchange rate differences	-37	-4
Expenses from value adjustments and written-off receivables	-577	-631
Total financial expenses	-7,619	-4,460
Profit/loss from financing activities	-3,595	774

Tax on corporate profit

Table 34: Tax on Corporate Profit of Intereuropa d.d. in the term January-June 2010, in thousand €

in € thousand	January - June 2010	January - June 2009
Corporate tax	0	-123
Deferred tax	131	-22
Total corporate tax	131	-145

The income for deferred tax on the items from the Income Statement amount to € 131 thousand, while the expense for deferred tax (on the account of covering the tax losses) from retained profit which is presented in the Statement of Comprehensive Income, comes to € -646 thousand.

b) Notes to the STATEMENT OF FINANCIAL POSITION

Property, Plant and Equipment

Table 35: Property, Plant and Equipment of Intereuropa d.d. in the term January-June 2010, in thousand €

in € thousand	30. 6. 2010	31. 12. 2009
Land and buildings	146,989	155,187
a) Land	89,747	93,794
b) Buildings	57,242	61,393
Other property, plant and equipment	5,786	5,450
Tangible fixed assets under construction	2,203	2,257
a) Tangible fixed assets under construction	2,185	2,257
b) Advances for acquisition of tangible fixed assets	17	0
Total tangible fixed assets	154,978	162,893

Investment property

As of the end of reporting period, the investment property amount to € 6,227 thousand. In the reporting period they were decreased by the depreciation in the amount of € 108 thousand.

Intangible assets

Table 36: Intangible Assets of Intereuropa d.d. in the term January-June 2010, in thousand €

in € thousand	30. 6. 2010	31. 12. 2009
Long-term title rights	3,508	912
Long-term deferred development costs	3,779	3,674
Total intangible assets	7,287	4,586

The increase in Intangible Assets resulted from the takeover of these assets from the affiliation of the subsidiary Intereuropa IT d.o.o. (€ 2,681 thousand) and new acquisitions (€ 161 thousand), and the decrease was attributable to amortization of intangible assets (€ 141 thousand).

Loans granted and deposits

Table 37: Loans given and deposits held by Intereuropa d.d. in the term January-June 2010, in thousand €

in € thousand	30. 6. 2010	31. 12. 2009
Long-term loans given	43,053	20,788
- to subsidiaries	43,027	20,749
- to others	26	39
Short-term loans given and deposits	29,651	82,332
- to subsidiaries	29,603	81,288
- to others	48	44
- deposits	0	1,000
Total loans given	72,704	103,120

The prevailing portion of the increase in long-term loans (€ 17,839 thousand) relates to re-scheduling of short-term loans into long-term loans granted to the affiliated companies.

Other financial investments in the amount of € 3,727 thousand relate to the item "Financial assets available for sale".

The Assets available for sale, which amounted to € 3,864 thousand as at 31 December 2009 and comprised real property held for sale, were all sold.

Short-term operating receivables

Table 38: Short-term operating receivables of Intereuropa d.d. in the term January-June 2010, in thousand €

in € thousand	30. 6. 2010	31. 12. 2009
Short-term operating receivables from companies within the Group	13,551	12,113
Short-term operating receivables from buyers (excl. the Group)	25,301	26,146
Short-term operating receivables from others	268	547
Total short-term operating receivables	39,120	38,806

Equity

The capital expresses equity financing of the Company and is regarded as its liability to the owners. As of 30.06.2010, it amounts to 37 percent of all liabilities in broader sense.

Provisions

As of the end of reporting period of the Statement of Financial Position, the Company Intereuropa d.d. had € 2,065 thousand of unused Long-Term Provisions and Long-term Deferred Revenues. The prevailing part comprises the provisions for pensions and similar obligations.

The long-term received loans amount to € 113,994 thousand. In the reporting term, it rose primarily on the account of loan refinancing (€ 20,000 thousand) and from the affiliation of the subsidiary Intereuropa IT d.o.o. (€ 678 thousand). The decrease was due to the re payment (€ 4 thousand). Concurrently, the short-term loans received fell by € 28,277 thousand.

Other long-term financial liabilities are valued at fair value through profit or loss and represent the net present value of the derivative financial instrument.

Upon expiry of that financial instrument, a new transaction with the derivative financial instrument was entered into, which is presented among other short-term financial liabilities. Together with the change to the fair value of the short-term derivative financial instrument, the short-term liabilities at fair value through Profit or Loss come to € 3,948 thousand.

Other short-term financial liabilities

Table 39: Other short-term financial liabilities of Intereuropa d.d. in the term January-June 2010, in thousand €

in € thousand	30. 6. 2010	31. 12. 2009
Short-term liabilities at fair value through profit/loss	3,948	96
Liabilities for dividends and other participations	75	77
Total	4,023	172

Short-term operating liabilities

Table 40: Short-term operating liabilities of Intereuropa d.d. in the term January-June 2010, in thousand €

in € thousand	30. 6. 2010	31. 12. 2009
Short-term operating liabilities to companies within the Group	681	35,237
Short-term operating liabilities to suppliers	19,739	21,607
Short-term operating liabilities from advances	84	73
Other short-term operating liabilities	4,241	3,622
Total short-term operating liabilities	24,745	60,539

D. CONCLUSION

The economies in the key markets of Intereuropa have not recovered after the crisis yet. Some of them even experienced a repeat of the economic slow-down. The Western Balkans area is recovering at a slower pace than forecast, while the economies of the euro-zone are progressing with low and unstable growth levels. The goods flows depend on the production trends, and the volume of the latter is depending on the customers – whose demand remains weak, which means that the logistics market will need to wait for higher growth rates.

The Intereuropa Group recorded € 91.6 million of sales revenue in the first half-year 2010, which was 8 percent behind the planned sales result. Compared with the same period a year ago, the sales turnover achieved in the reporting term was 2 percent lower.

The best sales results were achieved in the Land Transport Area, which accounted for 61 percent in the sales revenue structure of the Group. Compared with the same period last year, we advanced by 10 percent thanks to considerable improvement in the sales of the products Road Transport, Groupage Services and Customs Services.

In the remaining business areas we have not exceeded the last year's results or the sales targets yet. The drop in the demand is still most severely felt in the Intercontinental Transport Services, in which this halfyear's sales were almost a quarter lower than in the same period last year, in particular in car logistics which is hit by negative trends in the automotive industry. On top of other underperforming services is the sale of Railway Transport services for cars, as well as the storage services, resulting from the pressure to reduce the sales prices, combined with insufficient activation of the warehouse capacities in the Logistics Centre in Russia.

In the first half-year 2010 the Intereuropa Group achieved € 13.6 million as Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA), and exceeded the planned result by 16 percent. That achievement was materially attributable to the sale of the property at Šmartinska cesta in Ljubljana (€ 3.7 million) and other one-off transactions; without them the EBITDA figure would be 31 percent or € 1.7 million higher than in the comparable term last year.

On the Group level, the operating result at the end of the reporting period came to € 6.3 million and was twice higher than the plan. Compared with the result from the comparable term a year ago, the improvement is much better; after excluding the one-off transactions, the operating result would be € 0.1 million and by € 1.9 million better than in the same term 2009.

The Financing profit or loss for the reporting period came to € 2.7 million. Among the financial revenues of € 12.0 million we recorded foreign exchange gains in the amount of € 10.4 million (the company Intereuropa East, Moscow). The periodical financial expenses of the Group were at the level of € 9.3 million, thereof € 2.4 million on account of the revaluation of the financial instrument for hedging against the interest rate risk. If we excluded these two transactions, the financing result would come to € -5.3 million.

The profit or loss from ordinary activities came to € 9.0 million. After tax, the Net profit for the reporting period came to € 7.1 million.

As of the end of the reporting period, the Balance Sheet Total amounted to € 487 million and was on the level of the year-end 2009. Compared with the year ago, we have decreased the financial liabilities on the Group level by € 8.5 million, and the share of capital in the Liabilities structure of sources rose by 2.1 percentage points to the level of 40.7 percent.

By June, the investments in fixed assets realized by the Intereuropa Group totalled € 1.4 million, thereby achieving 16 percent of the annual investment plan. In accordance with our Strategic business plan of the Intereuropa Group for the term 2010 – 2014 we sold two real properties in Ljubljana, and after the half-year another property in Sežana was disposed of, which meant the starting of disinvesting process.

INTEREUROPA d.d.
President of the Managing Board
Ernest Gortan

