



**NON-AUDITED ANNUAL CONSOLIDATED AND NON-CONSOLIDATED
FINANCIAL STATEMENTS FOR 2008**

Contents

PERFORMANCE HIGHLIGHTS	1
EVENTS IN 2008	2
SIGNIFICANT EVENTS JANUARY – DECEMBER 2008.....	2
RELEVANT POST-BALANCE SHEET EVENTS	5
PRESENTATION OF THE LUKA KOPER GROUP	6
CORPORATE MANAGEMENT AND GOVERNANCE	8
ANALYSIS OF LUKA KOPER GROUP PERFORMANCE	10
NOTES TO FINANCIAL STATEMENTS OF THE LUKA KOPER GROUP	11
THE CONCESSION AGREEMENT.....	14
THE YEAR AHEAD.....	15
CARGO THROUGHPUT	16
INVESTMENT POLICY	19
EMPLOYEES	22
NEW CORPORATE COLLECTIVE AGREEMENT	23
INFORMATION ON SHARE OWNERSHIP	24
NON-AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF LUKA KOPER GROUP	29
NON-AUDITED NON-CONSOLIDATED FINANCIAL STATEMENTS OF LUKA KOPER D.D.	35

PERFORMANCE HIGHLIGHTS

Operating revenues of the parent company, *Luka Koper d.d.*, account for 89% of all revenues generated by the *Luka Koper Group*. Due to the fact that the performance of the parent company substantially affects the performance of the *Luka Koper Group*, the analyses of *Group* performance simultaneously provides insight into the performance of the parent company.

Table 1: Key information on the performance of the Luka Koper Group

	January - December 2008	January - December 2007	Indices
Operating revenues	137,228,249	122,221,811	112
Operating costs	113,624,198	98,827,040	115
EBIT	23,604,051	23,394,770	101
EBITDA	42,676,582	40,032,873	107
Net profit	15,194,446	30,865,130	49
	January - December 2008	January - December 2007	Indices
Balance Sheet total	554,564,863	461,159,397	120
Long-term assets	507,115,785	421,422,072	120
Short-term assets	47,449,079	39,737,325	119
Long-term sources of financing	425,489,298	370,309,256	115
Short-term sources of financing	129,075,567	90,850,141	142
Indicators	January - December 2008	January - December 2007	Indices
Net return on equity (ROE)	4.68%	9.71%	48
Net return on assets (ROA)	2.99%	7.46%	40
Return on sales (ROS)	17.20%	19.14%	90
Value added per employee (in €)	73,291	66,371	110
Net profit per employee (in €)	13,701	28,846	47

¹ Net profit / average balance of equity

² Net profit / net balance of assets

EVENTS IN 2008

SIGNIFICANT EVENTS JANUARY – DECEMBER 2008

January

Based on a safety report, the Ministry of Environment and Spatial Planning, the Environmental Agency of the Republic of Slovenia, issued an environmental permit encompassing the entire port area which facilitates building permission for the creation of an Oil Derivatives Terminal at Pier No. II. The permit encompasses the construction of six 20,000 m³ tanks. The first stage, concluded May 2008, witnessed the construction of the first three tanks.

In conjunction with the company *Ekološka Energija d.o.o.*, *Luka Koper d.d.* established *Ecoporto Koper d.o.o.*, an enterprise which shall be engaged in processing oil-polluted water into usable fuel oil.

Together with *Altena d.o.o.*, *Luka Koper d.d.* established *Adriazole d.o.o.*, a company which shall generate electrical power from solar energy.

February

Luka Koper's subsidiary *Adria Terminali* obtained a new shareholder: *Spedition Trade Trans Holding*, a division of the Bratislava-based logistics provider *Trade Trans Invest*, which acquired a 49% stake in *Adria Terminali d.o.o.*

Luka Koper d.d. purchased outright *Investicije Novamark d.o.o.*

Luka Koper d.d. became a shareholder in *Rail Port Arad*, which by year's end shall - in conjunction with its co-owners Hungary's *MAV Cargo* and Slovakia's *Trade Trans Invest* - construct an inland container terminal in Arad (Romania) at a strategic point on the 4th European Transport Corridor. The new terminal, with an anticipated cargo throughput capacity of 60,000 TEUs per annum, is a € 1.5 million investment. The project will also facilitate an increase in container throughput at the Port of Koper, which will be connected to the Arad terminal by block trains that shall also service the new European Logistics Centre at Sežana.

March

Koper Customs Authority has issued *Luka Koper d.d.* a permit for the operation of a so-called VAT warehouse, which provides its EU customers with the possibility of VAT exemption in the charging and payment for services rendered within such a warehouse. Acquisition of this permit gives *Luka Koper d.d.* an additional competitive advantage over ports which do not have this dispensation, and a more equal position with EU ports that already provide such a service.

In conjunction with the Italian *Pacorini-Ocean* consortium, *Adria Terminali d.o.o.* established *GCT* (General Cargo Terminal) in which it holds a 48% stake. *GCT* was founded in order to

participate in a tender for the award of a concession to operate a general cargo terminal in the Port of Trieste.

A letter of intent on the establishment of the *Pannonia Regional Distribution Centre* was signed by *Luka Koper d.d.* The Centre, in Slovenia's northeastern region of Pomurje, will facilitate the quality supply of clients and customers according to the »just-in-time« principle. The concept behind the establishment of an international logistics and distribution centre in this region is a consequence of *Luka Koper's* overall requirements and Pomurje's favourable location, which is in the proximity of the company's two single most important markets – Austria and Hungary.

On 7th March, Koper hosted the country's principal celebration of National Maritime Day. During the event a new environmental-protection vessel, purchased by *Luka Koper d.d.* as part of its maritime protection service, was christened. The craft is one of a total of five that will, in future, facilitate the operations of the Port of Koper's Maritime Protection Service.

April

At its 24th regular session on 22nd April 2008, the *Luka Koper d.d.* Supervisory Board appointed Mr Boris Marzi - who had previously headed the environmental protection and safety at work department - as the new Workers' Director member of the Management Board.

On 22nd April 2008, *Luka Koper d.d.* signed a contract with the Olympic Committee of Slovenia on the general sponsorship of the national Olympic team from 2008 to 2012.

An agreement on activities related to the construction of a new passenger terminal at Koper was signed on 28th April 2008.

May

The procedure for the expansion of the listing to encompass *Luka Koper's* transformed preference shares was concluded on 21st May 2008. 6,860,000 participatory preference shares with limited voting rights were accordingly converted into ordinary shares, an exercise which did not affect the company's total issued share capital. Accordingly, the total number of ordinary shares - which bear the ticker symbol LKPG and are listed on the LJSE Prime Market – now amount to 14,000,000.

July

At its 25th regular session on 2nd July 2008, the Supervisory Board adopted the proposal of the Management Board re the amendment of the company's statute, which among other things formulates Article 33 as follows: "In compliance with the Employee Participation in Profit Act, a portion of company profit can be allocated to employees for the purposes of profit sharing".

On 10th July 2008, the Government of the Republic of Slovenia adopted the regulation on the management of the Port of Koper as well as the proposal of a Concession Agreement for its future operation. Congruent with the Maritime Code RS, the regulation provides a new

legislative framework for the comprehensive management of relations in which the port operator and the concessionaire apportion reciprocal rights and obligations that will facilitate the long-term management and uninterrupted operation of the Port of Koper.

At its regular session of 21st July 2008, the *Luka Koper* Supervisory Board endorsed the establishment of *Ecopark d.o.o.* and *Eco-Morje d.o.o.*; the latter shall take over the maritime protection duties currently performed by *Luka Koper d.d.* within the port zone.

September

At the 14th General Assembly, which took place in Koper on 2nd September 2008, company shareholders:

- ✓ approved the 2007 Annual Report and the Supervisory Board report;
- ✓ adopted the proposal on the allocation of distributable profit for 2007;
- ✓ endorsed the operation of the Management and Supervisory Boards for 2007;
- ✓ appointed *Deloitte Revizija, d.o.o.*, Dunajska 9, Ljubljana, as the external auditor for the 2008 accounts of *Luka Koper d.d.* and the *Luka Koper Group*;
- ✓ adopted the proposal as to the amendment to the company statute;
- ✓ elected Mr Boris Popovič onto the Supervisory Board for a four-year term;
- ✓ were informed that the company's Workers Council had elected three employees' representatives - Orjano Ban, Boris Bradač and Nebojša Topič - to the Supervisory Board for a four-year term;
- ✓ agreed to the text of the Concession Agreement for the provision of port services, as well as the management, development and maintenance of port infrastructure at the Port of Koper.

On 8th September 2008, Mr Radovan Žerjav, Slovenia's Ministry of Transport, and Mr Robert Časar, President of the Management Board of *Luka Koper d.d.*, signed the Concession Agreement for the provision of port services, as well as the management, development and maintenance of port infrastructure at the Port of Koper.

On 9th September 2008, the President of *Luka Koper* Management Board and the President of Management Board of Bratislava-based *Trade Trans Invest Holding (TTI)* signed an agreement on the acquisition of a 10% share in *TTI* by *Luka Koper*. By way of this investment *Luka Koper* has gained an influential position - as well as seats on the management and supervisory boards - in an international group that operates 14 logistics terminals located in the majority of Central and Eastern European countries.

Adria Terminali, d.o.o. withdraws from its investment in the Slovene-Italian *General Cargo Terminal* enterprise, for the most part as a consequence of the unfavourable attitude adopted within certain political circles in Trieste.

At the 22nd September 2008 correspondence session of the Supervisory Board, Boris Popovič was re-elected Board President.

October

Luka Koper's new Collective Agreement also came into force on 1st October. The new accord, which replaces an 11-year-old document, has been dictated by the increased volume of work, the rapid development in the provision of port services as well as changes in labour legislation. It represents the basis for the preservation of a healthy balance between the commercial, social and environmental aspects of the company's operations and shall thus become a cornerstone of development orientations in the years ahead.

On 24th October 2008, upon a positive technical inspection, *Luka Koper* received permission from Slovenia's Ministry of the Environment and Spatial Planning for the trial operation of berth 7C at the new 50-metre-long container quay extension.

December

On 12th December 2008, Mr Patrik Vlačič, Slovenia's Minister of Transport, visited *Luka Koper* for the first time in his new role, and was introduced to the company's development plans as well as other strategic issues.

At its regular meeting on 17th December 2008, the Supervisory Board of *Luka Koper d.d.* was introduced to company's the business plan for 2009. Due to the predicted instability in global economic conditions, the Supervisory Board members requested that the Management Board should provide additional explanations, and as a result they did not endorse the business plan at this session.

On 18th December 2008, *Luka Koper d.d.* sold its remaining 8,857 shares in *Banka Koper d.d.* – which account for 1.67% of the total stock of the bank – to *Intesa Sanpaolo S.p.A.* This disposal, made in agreement with the *Intereuropa d.d.* and *Istrabenz d.d.* shareholders realised a total price of € 4,561,355, following which *Luka Koper d.d.* no longer holds any interest in *Banka Koper*.

Mr Marjan Bezjak, Deputy President of the Supervisory Board, resigned from the SB on 23rd December 2008 due to his election to the National Assembly.

The company handled a record 16 million tonnes of cargo in 2008.

RELEVANT POST-BALANCE SHEET EVENTS

At the Supervisory Board session of 30th January 2009, Ms Olga Franca was appointed Deputy President of the Supervisory Board. Prior to her appointment this function was performed by Mr Marjan Bezjak who on 23rd December 2008 resigned from the position due to his election to the National Assembly.

In January 2009, the *Luka Koper* Management Board endorsed a capital increase in *Railport Arad* and *SC Trade Trans Terminal* in Arad.

As the only shareholder of the subsidiary *Luka Koper Inpo d.o.o.*, and in compliance with Article 359 of the Companies Act RS, the *Luka Koper* Management Board adopted a resolution that other revenue reserves are transformed into company share capital.

In January 2009, the *Luka Koper* Management Board adopted a resolution that loans, granted to the associated companies *Adriazole d.o.o.* and *Ecoporto d.o.o.*, shall be transformed into equity.

In December 2008, the General Assembly of the company *TOC d.o.o.* adopted a resolution on a capital increase through the payment of the basic investment by its partner *Insol d.o.o.*

On 13th February 2009, the first vessel berthed at the new extension to Pier I, unloading and loading a total of 2,252 TEUs at the Port of Koper.

PRESENTATION OF THE LUKA KOPER GROUP

Based in the Port of Koper, Slovenia, the port and logistics system operator *Luka Koper d.d.* is the parent company of the *Luka Koper Group*.

Luka Koper d.d.'s ID as of 31st December 2008:

Company name	Luka Koper, pristaniški in logistični sistem, delniška družba
Short form	Luka Koper d.d.
Registered office	Vojkovo Nabrežje 38, Koper, Slovenia Telephone: 05 66 56 100 Fax: 05 63 95 020 E-mail: portkoper@luka-kp.si Website: www.luka-kp.si
Company number	Application No. 066/10032200 registered at the Koper District Court, Slovenia
Registration number	5144353
Tax number	SI 89190033
Issued share capital	€ 58,420,964.78
Number of shares	14,000,000 no-par-value shares
Shares listing	Ljubljana Stock Exchange (LjSE), prime market
Share ticker symbol	LKPG
President of the Management Board	Mr Robert Časar
President of the Supervisory Board	Mr Boris Popovič
Number of consolidated companies	11
Basic activities of Luka Koper d.d.	Seaport and logistics system operator and service provider
Activities of Luka Koper Group	Provision of various ancillary services

Non-Audited Consolidated and Non-Consolidated Financial Statements for 2008

As of 31st December 2008, the *Luka Koper Group* comprised of the parent company *Luka Koper d.d.*, ten subsidiaries, seven associated companies and three jointly-controlled companies.

Subsidiary companies	Percentage holding
Luka Koper Pristan d.o.o.	100.00
Luka Koper INPO d.o.o.	100.00
Adria Investicije d.o.o.	100.00
Eco-morje d.o.o.	100.00
Luka Kopar Beograd d.o.o.*	90.00
Luka Koper Deutschland GmbH **	74.80
Ecopark d.o.o.	70.00
TOC d.o.o.	68.13
Adria Terminali d.o.o.	51.00
Adria - Tow d.o.o.	50.00

Associated companies	Percentage holding
Avtoservis d.o.o.	49.00
Railport Arad s.r.l.	40.49
SC Trade Trans Terminal s.r.l.	26.00
Adriasole d.o.o.	24.90
Ecoporto Koper d.o.o.	24.90
Intereuropa d.d.	24.81
Golf Istra d.o.o.	20.00

Jointly-controlled companies	Percentage holding
Adria Transport d.o.o.	50.00
Kopininvest Netherlands B.V	50.00
Adriaфин d.o.o.	50.00

* In the period January to December 2008, *Luka Kopar Beograd* was not subject to consolidation because it was not operational, and thus did not significantly impact the *Group* statements.

** In the period January to December 2008, *Luka Koper Deutschland GmbH* was not subject to consolidation because it was not operational, and thus did not significantly impact the *Group* statements.

CORPORATE MANAGEMENT AND GOVERNANCE

Luka Koper d.d. Management Board

As of the 31st December 2008, the four-member Management Board of *Luka Koper d.d.* comprised of the following members:

- Robert Časar, President of the Management Board,
- Aldo Babič, Deputy President of the Management Board,
- Marjan Babič, Member of the Management Board,
- Boris Marzi, Member of the Management Board – Workers Director.

With the exception of the Workers Director, Mr Boris Marzi, the Management Board began its term in the Autumn of 2005. On 9th April 2008, the members of the Supervisory Board adopted the proposal of the *Luka Koper* Workers Council and discharged the previous Workers' Director and Management Board member Mr Pavle Krumenaker. At its 24th regular session on 22nd April 2008, the Supervisory Board appointed Mr Boris Marzi as the new Workers' Director member of the Management Board.

Supervisory Board of Luka Koper d.d.

The *Luka Koper d.d.* Supervisory Board comprises nine members – six representatives of the shareholders and three representatives of employees. The representatives of shareholders are endorsed through majority voting by the Shareholders Assembly, whilst the employees representatives are appointed by the Workers Council. The Supervisory Board members are elected for a four-year term.

As of 31st December 2008 the Supervisory Board comprised the following members:

- ✓ Boris Popovič, President (elected on the proposal of Koper Municipal Council)
- ✓ Olga Franca, Member (elected on the proposal of the Republic of Slovenia)
- ✓ Metod Mezek, Member (elected as a representative of other shareholders)
- ✓ Marko Valentinčič, Member (elected on the proposal of Funds of Republic of Slovenia)
- ✓ Bojan Zadel, Member (elected on the proposal of the Republic of Slovenia)
- ✓ Orjano Ban, employee representative
- ✓ Boris Bradač, employee representative
- ✓ Nebojša Topič, employee representative.

On 26th July 2008, Boris Popovič, the Supervisory Board President, and three employee representatives terminated their mandate.

At the 14th General Assembly of Shareholders held on 2nd September 2008, Boris Popovič was re-elected to the Supervisory Board for a four-year mandate. He was re-elected President of the Supervisory Board by its members on 22nd September 2008.

On 30th June 2008, the Workers Council elected three new employee representatives as follows: Orjano Ban, Boris Bradač and Nebojša Topič. They commenced their four-year Supervisory Board mandate on 27th July 2008, when the former employee representatives Tatjana Jazbec, Rober Jerman and Alverino Pavletič collectively tendered their resignation.

On 24th December 2008, the presidents of the Supervisory and Management Boards received the resignation letter of the Deputy President of the Supervisory Board Marjan Bezjak, consequent to his election to the National Assembly.

Management and Governance of Subsidiaries

As to *Luka Koper*'s subsidiary enterprises, the members of the parent company's Management Board are accordingly represented within the shareholder's assemblies of subsidiaries. Further to this, *Luka Koper d.d.* also integrates its subsidiaries within the *Group* at the operational level, in particular in such fields as marketing and development, accounting, financing, legal consultancy, environmental protection, IT support and recruitment.

Subsidiary	Director
Luka Koper INPO d.o.o.	Mirko Pavšič
Luka Koper Pristan d.o.o.	Darko Grgič
Adria Terminali d.o.o.	Milan Pučko
Luka Koper Deutschland GmbH	Andrej Andrijanič
TOC d.o.o.	Marko Likon
Adria-Tow d.o.o.	Robert Gerč
Adria Investicije d.o.o.	Babič Marjan
Eco-Morje d.o.o.	Jure Barovič
Ecopark d.o.o.	Marko Likon
Luka Koper Beograd d.o.o. *	

* Dormant company

ANALYSIS OF LUKA KOPER GROUP PERFORMANCE

The consolidated financial statements of the *Luka Koper Group* for January to December 2008 encompass the compounded financial statements of the parent company, *Luka Koper d.d.*, and its subsidiary enterprises, together with the pertaining profits or losses of associated and jointly-controlled companies.

The consolidated and non-consolidated financial statements of *Luka Koper d.d.* and the *Luka Koper Group* are compiled in accordance with the provisions of Companies Act RS and International Financial Reporting Standards. These financial statements have not been independently audited.

Changes in the subsidiaries during 2008 were as follows:

- ✓ In January 2008, *Luka Koper d.d.* sold a 49% stake in its *Adria Terminali d.o.o.* subsidiary to a new owner: *Spedition Trade Trans Holding*, which is 100% owned by Bratislava-based *Trade Trans Invest* logistics and business system.
- ✓ In February 2008, *Luka Koper d.d.* acquired the company *Investicije Novamark d.o.o.*, which is now registered as a 100% subsidiary of *Luka Koper d.d.* under the title *Adria-investicije d.o.o.*
- ✓ *Ecopark d.o.o.*, entered into the court register on 20th October 2008, shall ultimately be engaged in the sustainable generation of energy from alternative sources and operate in an area at the periphery of the port zone. *Luka Koper d.d.* holds a 70% stake in this new enterprise.
- ✓ *Eco-Morje, Ekološke Storitve d.o.o.* shall take over services thus far provided by *Luka Koper d.d.* in the field of maritime protection. The company, 100% owned by *Luka Koper d.d.*, was entered in the court register on 30th December 2008 and is not yet operational.

Changes in the associated and jointly-controlled companies during 2008 were as follows:

- ✓ In January 2008, in conjunction with the company *Ekološka Energija Koper d.o.o.*, *Luka Koper d.d.* established *Ecoporto Koper d.o.o.* in which it enjoys a 24.9% stake; the new enterprise engaged in the production of energy from alternative sources.
- ✓ In January 2008, *Luka Koper d.d.* together with the company *Altena d.o.o.* established *Adriazole d.o.o.*, in which it also holds 24.9% stake. *Adriazole* is to generate electricity from solar arrays.
- ✓ In January 2008, *Luka Koper d.d.* founded the company *SC Trade Trans Terminal s.r.l.* in Romania.
- ✓ In February 2008, *Luka Koper d.d.* became a shareholder in *Rail Port Arad*.
- ✓ In June 2008, *Luka Koper d.d.* recapitalised the company *Adria Transport d.o.o.* and maintained its 50% stake.

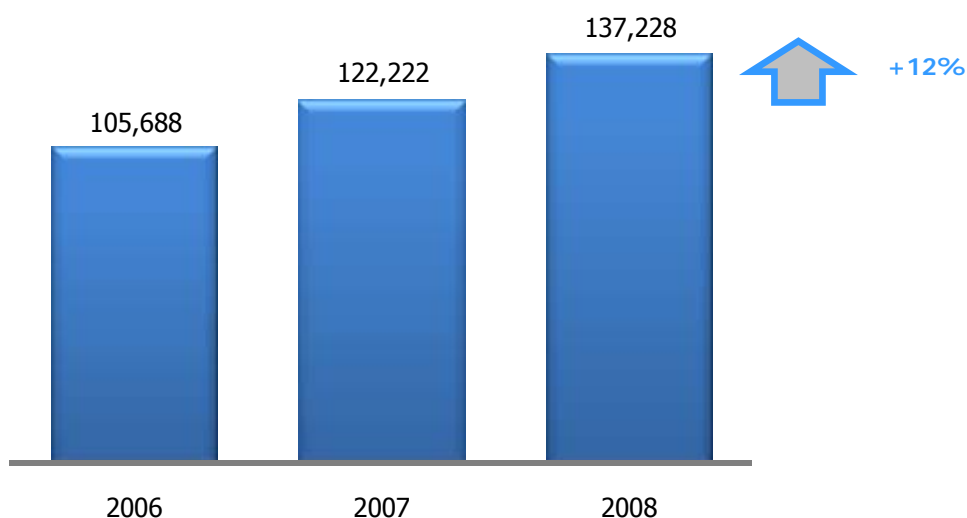
In October 2008, *Luka Koper d.d.* acquired a 10% stake in the Bratislava-based joint-stock enterprise *Trade Trans Invest a.s.*, thus assuring an influential position in an international group which operates 14 logistics terminals in the majority of Central and Eastern European states.

NOTES TO FINANCIAL STATEMENTS OF THE LUKA KOPER GROUP

The operating revenues of the parent company, *Luka Koper d.d.*, account for 89% of total *Group* revenues, therefore the performance of the parent company substantially impacts the performance of the *Luka Koper Group* as a whole. As a result, any analyses of *Group* performance simultaneously presents insight into the operations of *Luka Koper d.d.*

In 2008, the *Luka Koper Group* again achieved a significant growth in **operating revenues**. Consolidated operating revenues in the amount of € 137 million are 12% ahead of 2007.

Figure 1: Operating revenues of the Luka Koper Group in 2006, 2007 and 2008 (in millions of euros)



Revenue growth is essentially attributed to the growth in cargo throughput, which for the first time exceeded the 16 million tonnes threshold, thus recording a year-on increase of 4%, which, in relation to revenues growth, is indicative of the rise in higher-value cargos at the expense of lower ones. Further to this, growth is predicated on infrastructure investments within the port and at hinterland terminals, by way of which the company's competitive advantages are further enhanced.

In 2008, the *Luka Koper Group's* **operating costs** amounted to € 114 million, which is 15% ahead of 2007. Higher costs can be attributed to the increase in cargo throughput, intensive investment activity, the adoption of a new Collective Agreement as well as the regulation of relations with the state by way of the new Concession Agreement.

Material costs were also up on 2007 levels, due in particular to the rises in fixed-asset maintenance costs and energy costs.

As to the year-on increase in **service costs**, the major portion is attributable to rental costs and subcontractors' charges for the provision of port services, which are consequent to the increased volume of cargo passing through the port, additional cargo services and limited storage facilities.

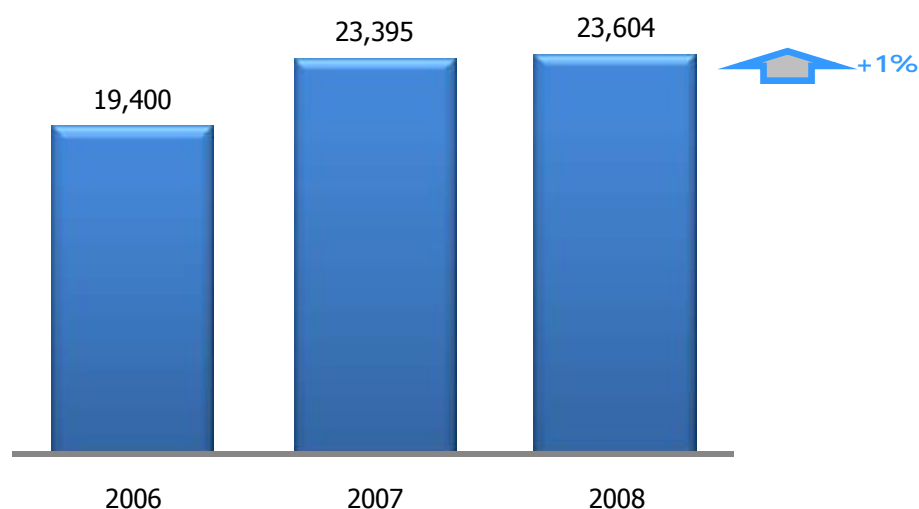
There has also been a rise in the cost of intellectual services, in particular in relation to projects for the acquisition of the European Union funds.

The Concession Agreement, concluded in September 2008, has also contributed to cost increases; the Concession fee, charged since October amounts to 3.5% percent of operating revenues. The total Concession-related costs amounted to € 995,000 in 2008, namely 0.8% of total.

Labour costs recorded a year-on increase of 23%. This can mainly be attributed to an expansion of the workforce and the adoption of the new Collective Agreement, which introduced higher levels of remuneration for difficult working conditions, night shifts and weekend working.

Depreciation costs were 17% ahead of 2007. This increase is the result of intensive infrastructure investments over recent years. Most significant investments in terms of value are anticipated to be completed during 2009, at which point depreciation shall become an evermore pertinent cost.

Figure 2: EBIT - Earnings before interest and taxes



Earnings before interest and taxes (EBIT), in the amount of € 23.6 million is 1% ahead of 2007. Labour costs and depreciation account for its slower growth in comparison with the operating revenues. **Earnings before interest, taxes, depreciation and amortisation (EBIDTA)**, in the amount of € 42.7 million, recorded a year-on increase of 7%.

In 2008, the *Luka Koper Group* generated net financial expenses in the amount of € 9.3 million, which is substantially lower than 2007 as a consequence of *Luka Koper d.d.*'s May disposal of its remaining interest in *Banka Koper d.d.*. Net financial revenues in 2008 were also significantly affected by interest expenses, which rose due to intensive investment activity and the clearly expressed request by the auditor for the write-down of some long-term financial investments.

183 million euros were allocated into *Group* investments during 2008, of which € 147 million was injected into the primary operations and infrastructure of the *Luka Koper Group*. In addition, € 30 million was allocated to the establishment of new companies and the acquisition of interests in strategically relevant businesses and markets; short-term financial investments, in the amount of € 6 million, round up the *Group's* investment activity in 2008.

The *Luka Koper Group* generated € 14.3 million in pre-tax profit in 2008, and € 15 million in net profits, which is a 49% realisation of last year's net results. The downturn on the previous year can mainly be attributed to a decrease in financial revenues, this as a consequence of the decline in profits of associated companies in 2008, together with interest expenses on loans taken in order to finance the intensive cycle of infrastructure investments and impairment of some long-term financial investments.

Profits are thus under substantial direct influence of auditing principles, and in such circumstances results are no longer primarily a reflection of the company's strategic decisions and successful performance. At this point it should again be stated that these are non-audited statements which, accordingly, are not final. Prior to the completion of the auditing process, we will try to reach consensus with the auditors as to the evaluation of financial investments.

The Corporation Tax Act RS and the Economic Zones Act RS, which facilitate tax concessions for fixed asset investments aimed at the development and expansion of the core business, were taken into consideration in the calculation of corporation tax. The effective Corporation Tax rate in 2007 amounted to 8.4%, whereas last year – due to the implementation of concessions and reliefs on investments – the rate was 0%.

Assets

Assets and liabilities were in particular affected by intensive infrastructure investment, the financing of which increased exposure to banks. The *Group's* Balance Sheet total as of 31st December 2008 amounts to € 554.6 million, which is 20% (€ 93 million) ahead of year's end 2007.

Long-term assets account for the major portion (91%) of total. Tangible fixed assets in the amount of € 361 million – the portion of which increased by 49% since the beginning of the year primarily as a consequence of the parent company's intensive investment cycle – remains the most significant item within long-term assets.

As of 31st December 2008, the market value of long-term financial investments of the *Group* amounted to € 133 million. Their year-on 23% decline can be attributed to the withdrawal from investments and, in particular, falling stock market values.

Equity and liabilities

As of 31st December 2008, the *Group's* equity – which is equivalent to 56% of total Group assets – amounted to € 309 million, which is a 9% decline from the end of 2007. The decreased portion of equity is due to the lower revaluation surplus consequent to the rise in financial liabilities and declining share values: *Ljubljana Stock Exchange's SBI20* index lost 67.49% of its value during 2008.

As of 31st December 2007, the *Group* disclosed a total of € 59 million in financial liabilities. In 2008, the indebtedness of the *Luka Koper Group* rose by € 142 million to € 201 million. Due to the fact that recent conditions on capital markets have not realistically facilitated financing through disinvestment from capital holdings, *Luka Koper d.d.'s* intensive round of infrastructure investment has consequently increased exposure to banks.

As of 31st December 2008, outstanding liabilities amounted to the equivalent of 65% of company equity and 36% of Balance Sheet total.

THE CONCESSION AGREEMENT

The Concession Agreement for the provision of port services, as well as the management, development and maintenance of port infrastructure at the Port of Koper, is the fruit of many years of deliberation and negotiation between the Republic of Slovenia and *Luka Koper*. Indeed the origins of this issue stem from the company's denationalisation in 1996, and its ultimate resolution is predicated on the conclusion of a lease agreement in 2000, as well as the adoption of Slovenia's Maritime Code and its implementing regulations in 2002.

During the process of reconciliation as to the content of the Agreement, the contracting parties managed to harmonise various concerns and conditions that guarantee the interests and influence of the Republic of Slovenia as regards the country's sole commercial seaport. At the same time the Agreement provides *Luka Koper*, as a public limited company, the basis and conditions for its continued successful operation. The common goal of both parties has been to guarantee the further development of the port and its infrastructure into the future, as well as the operational stability of Central Europe's premier maritime gateway.

The Concession Agreement encompasses the following key features and elements:

- ✓ the Agreement is concluded for a period of 35 years;
- ✓ the mode of calculation of the Concession fee;
- ✓ agreement of contracting parties on the manner of investments in port infrastructure;
- ✓ rules pertaining to the management, governance and operations within the port;
- ✓ assurance of openness regarding operation;
- ✓ the rights and obligations of contracting parties upon any suspension or termination of the Concession relationship.

In compliance with Slovenia's Maritime Code, the Concession Agreement is concluded for a period of 35 years, which is long enough for the concessionaire to provide a basis for the accomplishment of its development plans as well as a return on its investments.

The agreed Concession fee amounts to 3.5% of the company's operating revenues, reduced by the amount of collected fees. In lieu of rent, and within the context of payment of the Concession fee, the concessionaire maintains title, and, accordingly, is now exempt from the payment of all fees for the use of the port and the adjacent sea.

Investments in port infrastructure shall be performed by the concessionaire on the basis of its iterated development plans, and, as such, shall receive the consent of the Republic of Slovenia.

The management, governance and operations of the Port of Koper have been apportioned by the awarding authority and concessionaire, while the modes of co-ordinated operation have been agreed upon in order to achieve objectives that are in the interests of both *Luka Koper* and the state.

Ensuring the openness of the Port of Koper and the provision of services to all, as well as compliance with the provisions of EU legal order, is an obligation and objective of both parties. Further to all of this it is *Luka Koper's* intention that the Port of Koper becomes Central and Eastern Europe's primary port.

The Agreement also stipulates circumstances for the suspension or termination of the Concession relationship, as well as pertinent methods and the consequences of same.

THE YEAR AHEAD

The anticipated depression is predicted to influence commercial activities at *Luka Koper*, while the volume of cargo throughput in 2009 is expected to be 8% down on 2007 levels, with vehicles and general cargos - and to a lesser extent containers - being impacted the most.

Consequently, *Luka Koper d.d.*'s operating revenues in 2009 are likely to be some 2% down on those generated in 2008. One of the company's major objectives over the coming year is to maintain its return on sales, which shall require efficient cost management. Increased labour costs, primarily as a consequence of the implementation of a new Collective Agreement, will be mitigated through reductions in the costs of materials and services. In addition, an increase in depreciation costs, which pertains to the fruition of infrastructure investments, is also anticipated, as is the outlay for the new Concession fee, which last autumn was determined in the amount of 3.5% of operating revenues.

It is anticipated that *Luka Koper d.d.* shall generate an operating profit in excess of € 11.8 million in 2009. Such a performance will facilitate continuation of infrastructure investments, which are crucial to strengthening competitiveness and, in the company's view, the most efficient answer to weathering any slump. Further to this, the current crisis is also a huge challenge to the company, in particular as to the identification of new market opportunities, as well as from the perspective of performance.

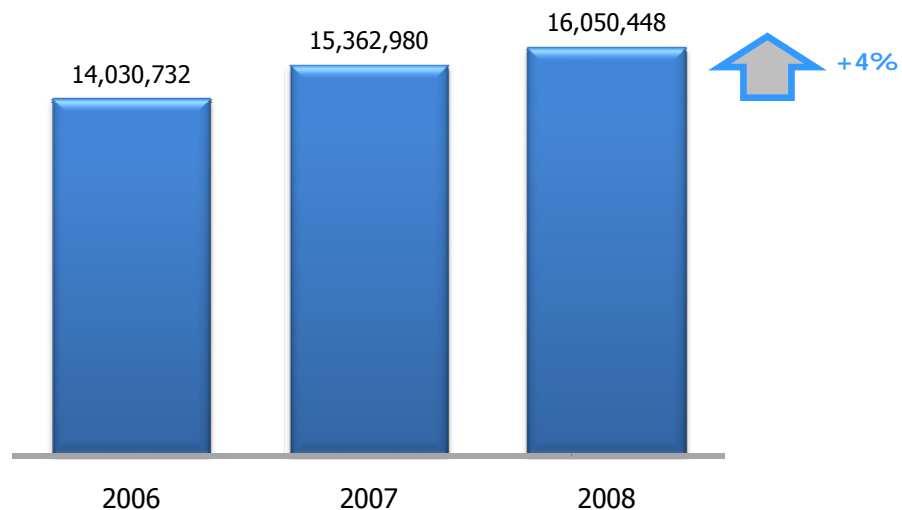
99.5 million euros is being allocated to investments in 2009. These include the pier hinterland infill at the Container Terminal, the purchase of new post-panamax cranes for unloading vessels with the capacity of over 7,000 TEUs, the completion of phase two of construction work on the new vehicle storage warehouse, as well as construction of an alcohol terminal. As to new projects beyond the aforementioned, decisions, predicated on extant market conditions shall be made on a case-by-case basis.

Investments will mainly be financed from *Luka Koper's* own cash flow and European funding; indeed, this segment will be given particular attention, due to the fact that the European Cohesion Fund will make € 34.5 million available for investments in port infrastructure in Slovenia over the coming five years. Disposal of particular financial investments, which are not of strategic relevance for the company, as well as ancillary borrowing, will be dependant on conditions in international capital and financial markets.

CARGO THROUGHPUT

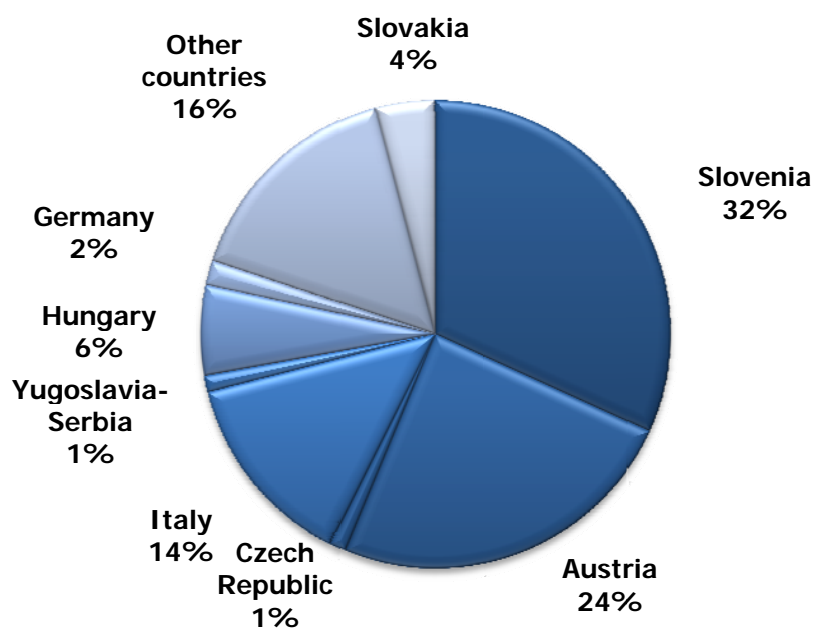
Cargo throughput, by tonnage volume, recorded a 4% rise in 2008, nearly a million tonnes ahead of 2007 levels; surpassing the 16 million tonnes threshold established a new milestone in the history of the Port of Koper.

Figure 3: Cargo throughput in 2006, 2007 and 2008 (in tonnes)



32% of total cargo pertained to the Slovenian market, whilst the remaining 68% was transit cargo most notably pertaining to Austria, Italy and Hungary. Comparison with 2007 figures reveals the largest rate of growth in the Slovenian and Austrian markets, while cargo volumes for the Czech Republic, Italy, Serbia, Hungary and Slovakia were down on 2007 levels.

Figure 4: Cargo structure (tonnage volume) in 2008 by market

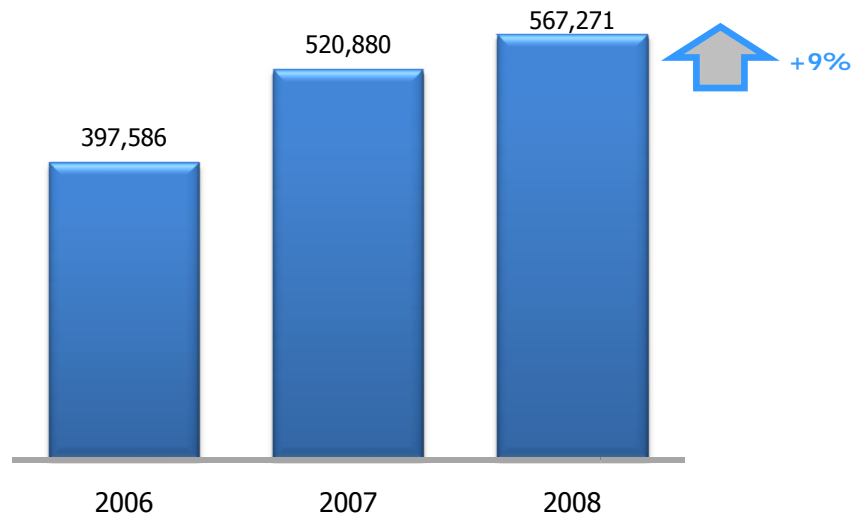


Cargo Structure by Type

Vehicles

In 2008, vehicle throughput at *Luka Koper d.d.* amounted to 567,271 units, which was a year-on increase of 9%.

Figure 5: Vehicle throughput in 2006, 2007 and 2008 (units)

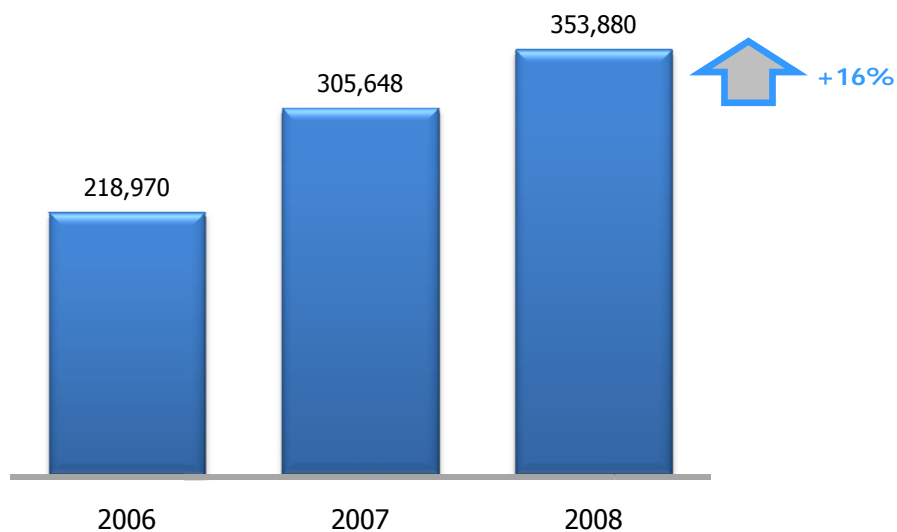


Container Freight

2007's record throughput was exceeded by nearly 50,000 TEUs, and totalled 353,880 TEUs, which is a year-on increase of 16%.

Cargo throughput at the Container Terminal in September 2008 amounted to a record 32,044 TEUs, which was 1,213 TEUs ahead of the previous highest achieved in March 2008.

Figure 6: Container throughput in 2006, 2007 and 2008 (in TEUs)



General Cargos

The throughput of fruit, vegetables and other perishable goods increased by 212% in 2008, and in September the largest vessel to date, carrying 18,000 tonnes of Ecuadoran bananas, berthed alongside Koper's Fruit Terminal.

Steel-stock throughput was markedly down, due to a downturn in Slovak steel exports, whereas the volumes of project cargoes shipped through the Port of Koper, as well as paper, PVC granulate and alumina products, all recorded increases on 2007 levels.

Despite limited storage capacity, the timber terminal continues an enviable growth in throughput, with demand for construction timber remaining buoyant throughout 2008.

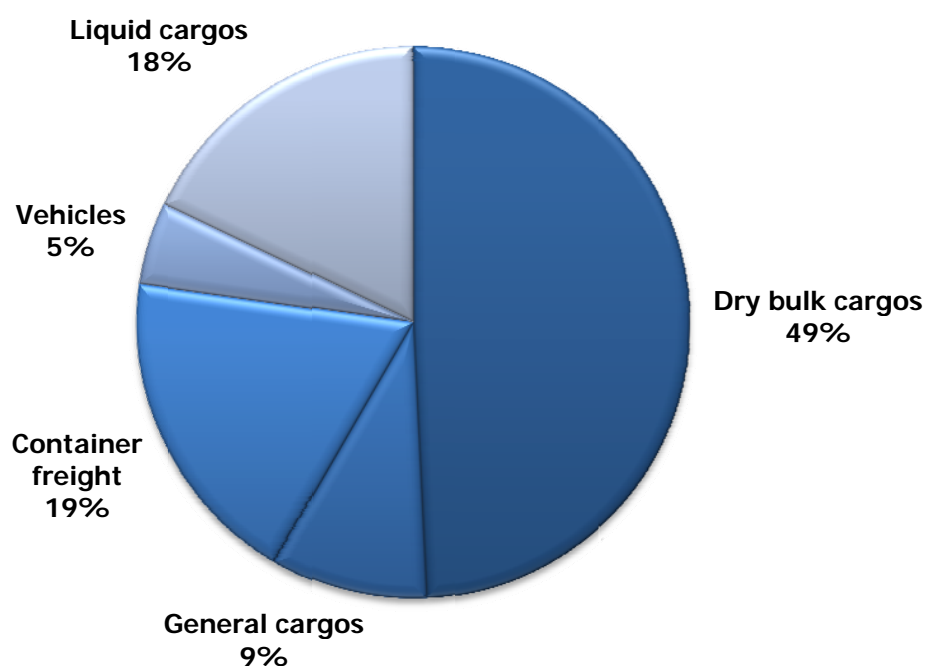
Liquid Cargos

The acquisition of three new tanks at the has allowed *Luka Koper* to expand its oil derivatives operation through establishing a distribution centre for aviation fuel, which it now supplies to the Slovenian, Italian and Austrian markets, and more specifically the airports in Venice, Ljubljana and Vienna. *Luka Koper*, which now boasts the largest kerosene terminal in the region, is thus becoming an important distribution centre for Central-Southeastern Europe.

Dry Bulk Cargos

Koper's European Energy Terminal did not record any significant increase in the throughputs of either iron ore or coal in 2008, though the Dry Bulk Terminal recorded a slight increase in demand for scrap iron and artificial fertilisers. Soya cargoes failed to attain the anticipated levels, whilst the throughput of cereals, which is significantly influenced by the distribution of crop surpluses and shortfalls as well as prices on world markets, was slightly lower than in 2007 but nevertheless above expectations.

Figure 7: Structure of cargo throughput in 2008 by individual types of cargo (tonnage volume)



Although dry bulk cargos still account for the major portion of cargo throughput volume, their portion decreased by 4 percentage points on 2007, this was due in particular to the rise in liquid cargos.

INVESTMENT POLICY

In 2008, the company continued with the accomplishment of investments identified in the Development Strategy 2006 – 2015. *Group* investments in tangible fixed assets amounted to € 142 million, the major portion of which – in the amount of € 130 million – was realised by the parent company.

The company has been facing huge increases in cargo throughput volumes over recent years. In order to maintain these trends, a large proportion of these investments have been made into primary port infrastructure. Investments in port operations and services ensure that the company maintains and increases its competitive edge, and rides out any impending recession relatively unscathed.

Investments in facilities, plant and equipment

Major investments in 2008 encompassed the following:

- ✓ acquisition of twelve tractor units with semi-trailers for internal transport within the port area;
- ✓ procurement of two trans-tainer cranes for the more efficient management of container throughput;
- ✓ purchase of a mobile crane for the needs of General Cargo Terminal;
- ✓ acquisition of a combined road-rail vehicle.

Vehicle Warehouse

The new vehicle warehouse is being constructed in phases: 1.a and 1.b, followed by 2.a, 2.b and 2.c. The enclosed five-storey garage parking facility, which also has a roof-top parking area, will ultimately provide parking for 22,000 vehicles. The decision to build in stages was based on the need to achieve its simultaneous construction and use, this in relation to the acquisition of pertinent planning and construction permits.

The vehicle warehouse successfully passed a technical inspection in late November, which resulted in the issue of an operating permit for phase 1.a encompassing 2,751 parking places. The facility is already in use, and construction of phase 1.b (for a further 1,590 vehicles) is now underway and anticipated to be completed in October 2009. Rail track, at ground floor level within the facility, facilitates vehicle transport by rail.

Oil Derivatives Terminal

The first phase of a project to construct three storage vessels for aviation fuel, replete with installations and infrastructure for the acceptance and dispatch of kerosene was completed in May 2008, while an operating permit was acquired the following month. The total capacity of the evolving Terminal amounts to 110,000 m³ of oil derivatives, which places it among the medium-sized such facilities worldwide.

The storage of aviation fuel requires compliance with international standards and regulations on the storage and handling of kerosene, which is the most controlled and demanding of all oil derivatives. Huge emphasis is placed on the quality of cargo as well as the pertaining safety and environmental protection issues. The new tanks are equipped with a technological measuring devices and fire fighting equipment, all of which are controlled and monitored with the Terminal's operation centre as well as a central monitoring centre.

Luka Koper d.d. is thus becoming a significant avgas distribution centre for Central-Southeastern Europe, and today boasts the largest such terminal in the region.

New and Refurbished Facilities at the Fruit Terminal

Over recent years, increasing volumes of fruit and vegetables from the Eastern Mediterranean arrive at the Port of Koper destined for further shipment to the markets of Europe. The throughput of such perishable cargos, including bananas from Central and South America, are increasing markedly.

A large investment into the modernisation of facilities for perishable cargos was completed in March 2008. The decision to renovate the banana ripening unit, and accordingly increase its capacity from 1,500 to 1,800 tonnes per month, was based on market growth. New cooling technology was also introduced, which allows better control over the ripening processes in order to ensure that the bananas are of premium quality upon their dispatch to the market.

Further to the renovation of two warehouses, facilities aimed at the distribution of fruit and vegetables were also created. The Fruit Terminal thus acquired 3,600 m² of new warehousing, five vehicle loading bays and 76 refer container outlets.

Investments in Port Infrastructure

Extension of Pier I

Completion of the extension to Pier I is now underway. A technical inspection of berth 7c, together with the new storage area adjacent the extension of Pier I, was performed on 16th December 2008. The dredging of the seabed at the berth to a depth of 12 metres is in progress, while the in-filling of the hinterland lagoons will be concluded by the end of May 2009; thus the investment will be completed and the operating permit granted.

Four new post-panamax cranes, already on order, will be installed in mid-2009. The new quayside area at the extension of Pier I will facilitate a doubling of cargo throughput and the acceptance of vessels transporting up to 7,000 containers, placing Koper first among the ports of the Northern Adriatic.

Investments in Development

European Distribution Centre in Sežana, Western Slovenia

During the first half of 2008, *Luka Koper* purchased additional land the development of its logistics centre in Western Slovenia. Further to this, a 1,100 m² warehouse was refurbished and converted into a cold store for fruit, vegetables and other perishable goods.

The extension and renovation of three railheads, and the installation of additional points in order to make better use of tracks as well as improve the safety, has been of key importance to the needs of the expanding distribution centre.

Arad Container Terminal and Logistics Centre, Romania

Construction of a container terminal near Arad in Western Romania is almost complete, and this facility is anticipated to open for operations in March 2009. Equipment for the efficient provision of handling and warehousing services for all types of cargo has been acquired in order to provide integral logistics support to clients.

The Arad logistics centre is also taking shape, with the construction of business premises and the parking area for trucks underway. In addition, work has also commenced on a 6,000 m² general cargo warehouse.

Pannonia International Logistics and Distribution Centre, Eastern Slovenia

Slovenia's northeastern-most region of Prekmurje enjoys a favourable location for the establishment of an international logistics and distribution centre. A letter of intent on the construction of the Pannonia Distribution Centre was signed in March 2008, and agreement was reached with Beltinci Municipality on the elaboration of spatial plans. A study as to the establishment of an inland terminal, not far from the frontiers of both Austria and Hungary, and enjoying direct connections with the motorway and rail links of the Fifth European Transport Corridor linking Eastern and Western Europe, was produced. The acquisition of land is now underway.

Acquisition of Locomotives and Rolling Stock

In September 2008, *Adria Transport d.o.o.*, a company jointly owned by *Luka Koper d.d.* in partnership with the Austrian railway operator *GKB (Köflacher Bahn)*, become the first private railway operator to acquire a licence for the provision of rail services in Slovenia.

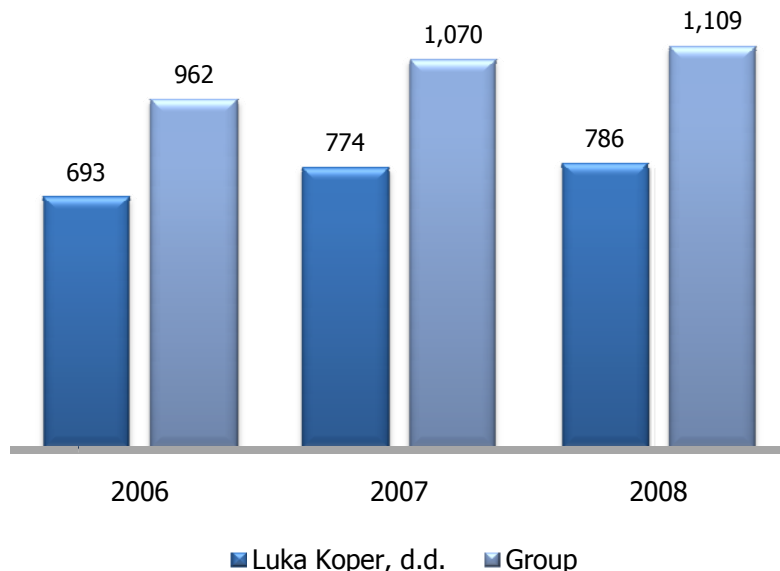
Also in September, *Adria Transport* purchased three *Siemens* locomotives, which already have operating licences for Slovenia, Austria and Germany. In future, the company also intends to provide services in Hungary and Croatia.

In addition to the engines, the company also operates 25 RSG wagons for container freight which were acquired from *Luka Koper d.d.* in early 2008. At the end of last year *Adria Transport d.o.o.* also took delivery of 40 *Laekks* vehicle transporters, which are owned by *Luka Koper d.d.* and will be operated by the subsidiary.

EMPLOYEES

Number of Employees

Figure 8: Number of employees 2006 - 2008: *Luka Koper d.d.* and the *Luka Koper Group*



As of 31st December 2008, the *Luka Koper Group* had a total of 1,109 employees, which is 3.6% ahead of year-end 2007. A downturn in employment growth in 2008 is attributable to the intensive employment of operative staff during 2007.

Recruitment

The *Group* recruited 103 new employees in 2008, of which *Luka Koper d.d.* took on 52 staff. The percentage of increase across individual companies in the *Group* differs a lot, although the overall figure very much depends on the parent company, whose personnel account for 71% of total.

Departures

Sixty-four employees terminated their employment with *Group* enterprises during 2008, of which 40 were employed by *Luka Koper d.d.*; these figures are almost the same as for 2007. The most common reason for leaving the company was reaching pensionable age (retirement), followed by consensual termination and internal reorganisation. A slight increase was recorded in terminations of fixed-term employment, whilst the level of elective departure remained negligible.

NEW CORPORATE COLLECTIVE AGREEMENT

In October 2008, new Collective Agreement - dictated by the increased volume of work, rapid development of port activity and modifications to labour legislation - entered into force at *Luka Koper d.d.*, thus replacing the 1997 collective agreement.

The new corporate Collective Agreement places a greater emphasis on the harmonisation of provisions of labour legislation, the managed regulation of working hours, and the adjustment of the company's wage system. It also provides a basis for the preservation of a healthy balance between economic, social, environmental and other pertinent issues in the future development of *Luka Koper d.d.* . In the medium-term, the Agreement provides harmony in the workplace at what is a labour intensive company in which motivated and proactive employees are an important factor in excellent performance.

The project to reorganise employment systematisation was also completed, with particular emphasis on a more exact definition of tasks, competences and responsibilities. The integration of some jobs resulted in a reduced number of positions, while the relevant modifications of the corporate Collective Agreement were submitted to all company employees as well as published in the internal gazette.

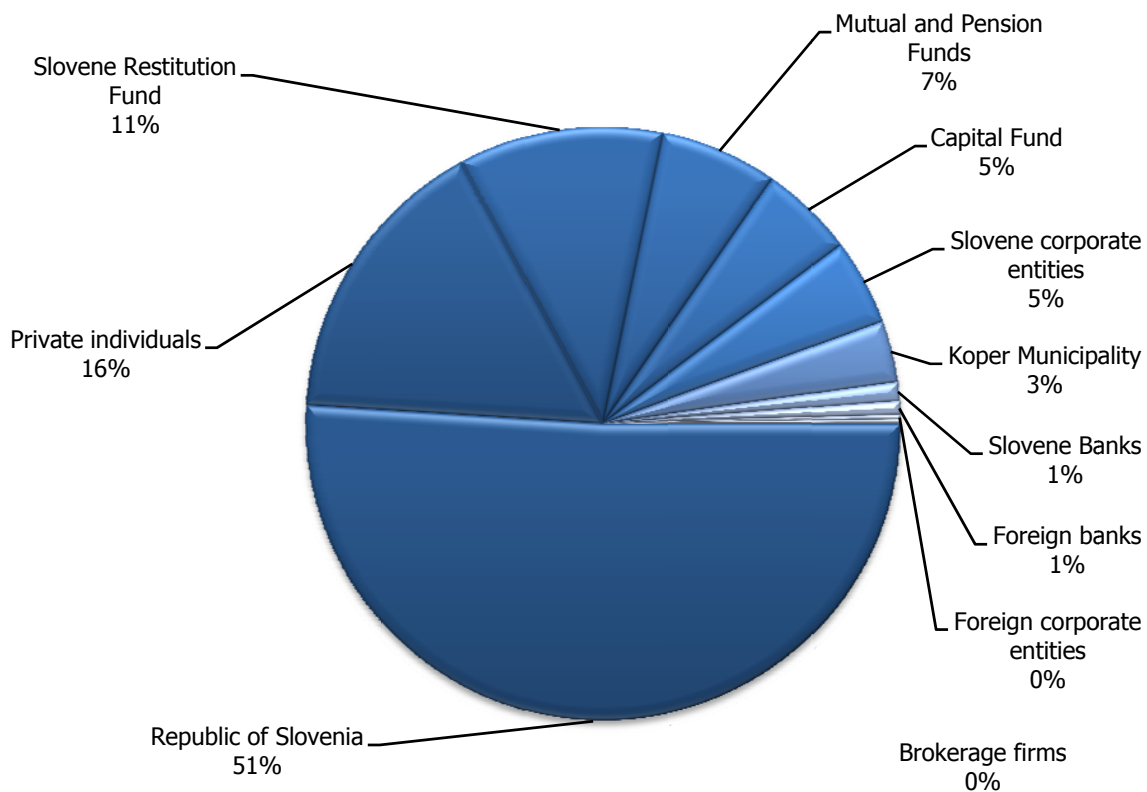
INFORMATION ON SHARE OWNERSHIP

At year's end, the company had 14,799 shareholders which is 11% more than the previous year. As of 31st December 2008, the ten largest shareholders held 76.05% of all *Luka Koper d.d.* stock, with the Republic of Slovenia remaining the company's largest shareholder (with a 51% stake).

Table 3: Ten largest shareholders of *Luka Koper d.d.* as of 31st December 2008

No.	Shareholder's title	Shareholder's address	No. of shares	Voting rights
1.	REPUBLIKA SLOVENIJA	Gregorčičeva 20, 1000 Ljubljana	7,140,000	51.00%
2.	SLOVENSKA ODŠKODNINSKA DRUŽBA D.D.	Mala ulica 5, 1000 Ljubljana	1,557,857	11.3%
3.	KAPITALSKA DRUŽBA D.D.	Dunajska cesta 119, 1000 Ljubljana	715,305	5.1%
4.	MESTNA OBČINA KOPER	Verdijeva ulica 10, 6000 Koper	466,942	3.4%
5.	KD GALILEO, VZAJEMNI SKLAD FLEKSIBILNE STRUKTURE NALOŽB	Celovška cesta 206, 1000 Ljubljana	152,265	1.09%
6.	KD ID, DELNIŠKA ID D.D.	Celovška cesta 206, 1000 Ljubljana	149,882	1.07%
7.	PERSPEKTIVA FT D.O.O.	Dunajska cesta 156, 1000 Ljubljana	140,895	1.01%
8.	ADRIATIC SLOVENICA D.D. KOPER, KRITNO PREMOŽENJE	Ljubljanska cesta 3a, 6503 Koper	116,306	0.83%
9.	ZAVAROVALNICA TRIGLAV D.D.	Miklošičeva 19, 1000 Ljubljana	104,756	0.75%
10.	DELNIŠKI VZAJEMNI SKLAD TRIGLAV STEBER I	Slovenska cesta 54, 1000 Ljubljana	102,201	0.73%
TEN LARGEST SHAREHOLDERS TOTAL			10,646,409	76.05%
TOTAL SHARES			14,000,000	100.00%

Figure 9: Ownership structure of *Luka Koper d.d.* as of 31st December 2008



Shares held by members of the Management and Supervisory Boards

As of 31st December 2008, the following members of the Supervisory Board held *Luka Koper d.d.* shares:

Boris Bradač	357
Marko Valentinčič	100
Nebojša Topić	9

As of that date, no other members of the Supervisory Board held shares in Luka Koper d.d.

As of 31st December 2008, the following members of the Management Board held *Luka Koper d.d.* shares:

Marjan Babič, Management Board member	928
Boris Marzi, Management Board member – Workers Director	100

The President and Deputy President of the Management Board did not hold any shares in the company.

Price movement of LKPG share

Table 4: Relevant information on the LKPG share

	2008	2007
No. of shares issued as of 31 st December:	14,000,000	14,000,000
ordinary shares	14,000,000	14,000,000
preference shares	0	0
Market capitalisation as of 31 st December (in million EUR)	293.58	633.75
Aggregate value of shares traded January – December (in million EUR)	35.75	144.60
Lowest trading price January – December (in EUR)	20.45	48.11
Peak trading price January – December (in EUR)	89.97	113.66
Average share price as of 31 st December (in EUR)	20.97	88.76

Over the past year, the LKPG share has suffered a similar fate to that of all the largest and most successful Slovenian enterprises. Despite its excellent business performance and ambitious as well as clearly defined objectives, the share has been depressed. The reasons for this are undoubtedly attributable to the crises on international financial markets, and this sentiment also afflicted Slovenia's capital market: the Slovenian stock exchange index (SBI 20) fell by 67.49% during 2008. On 31st December 2008 the LKPG share was trading at € 20.97, which is 76% below the level recorded at year's end 2007.

A total of 10,867 transactions and block trades were accomplished with the LKPG share during 2008, and the total turnover of these transactions amounted to € 35,745,816, with 664,127 shares changing ownership.

Figure 10: Movement of SBI 20 index and LKPG share during 2008

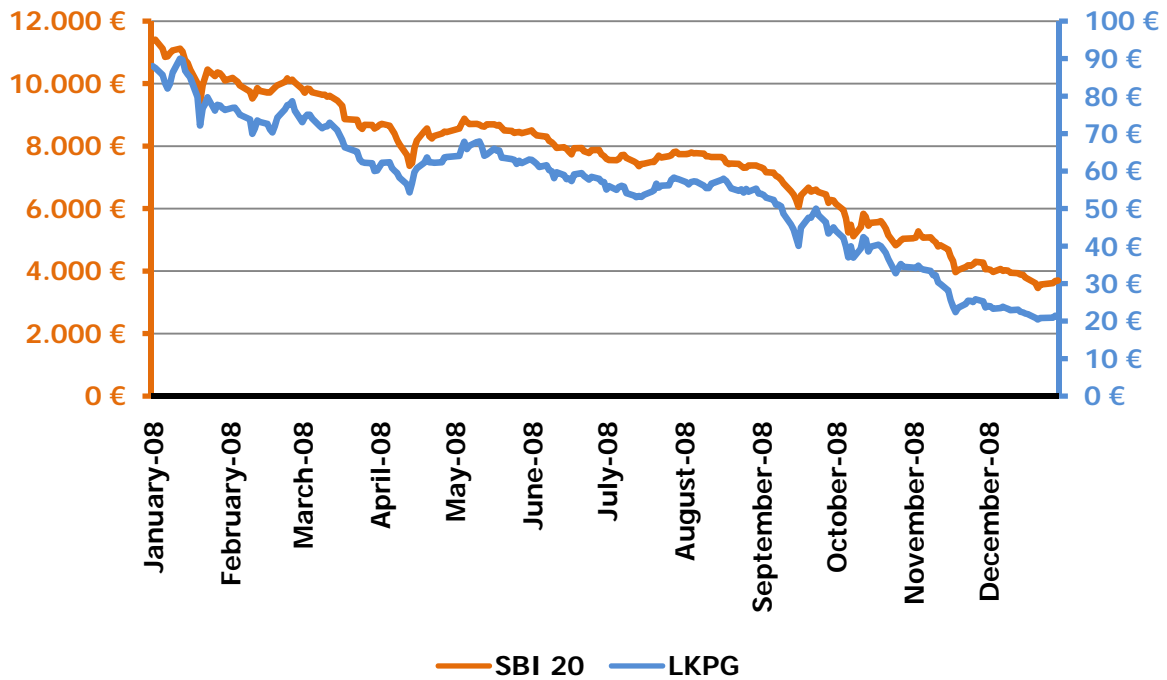
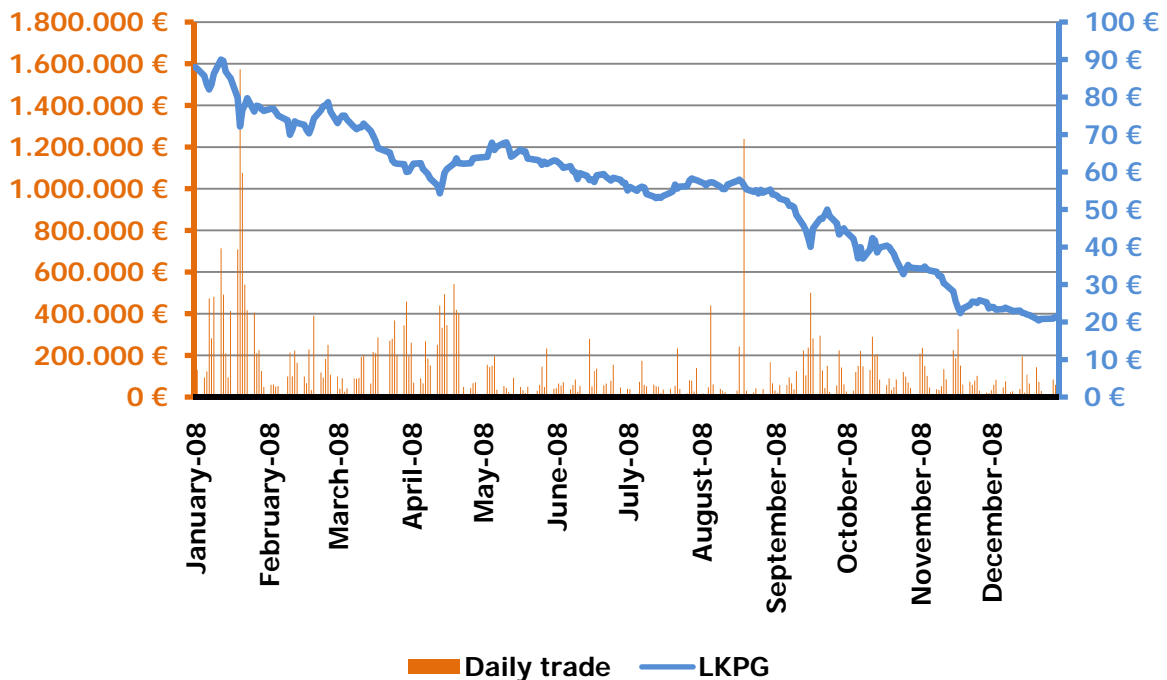


Figure 11: Movement of LKPG share price and the daily trade in its stock during 2008



Dividend policy

Luka Koper d.d. annually apportions approximately one half of net profits as dividends to its shareholders. The 14th General Assembly of shareholders endorsed the gross dividend for 2007 in the amount of 55 euro-cents per share. All dividends were remunerated before 15th October 2008.

Dividend (in euros)	2007	2006
Ordinary share	0.55	1.09
Preference share	-	0.27

Net earnings per share

Net earnings per share - calculated as the net profit for January to December 2008 divided by the total number of issued shares - amounted to € 0.98.

Book value of share

As of 31st December 2008, the book value of the LKPG share, calculated as the total value of equity divided by the total number of shares issued, amounts to € 20.84.

Treasury stock, authorised capital, conditional increase in share capital

As of 31st December 2008, the company didn't hold treasury stock. The *Luka Koper d.d.* statute doesn't anticipate any category of authorised capital by way of which the company's Management may increase share capital. The company had no grounds for any conditional increase in share capital during the January to December 2008 period.

Expansion of listing with transformed shares

At its 13th General Assembly meeting, held on 19th July 2007, *Luka Koper d.d.* shareholders adopted a resolution to transform 6,860,000 participatory preference shares with limited voting rights into ordinary shares. The procedure at Slovenia's central registry of dematerialised securities was accomplished on 20th May 2008.

The total number of LKPG shares registered on the LjSE's prime market thus amounts to 14,000,000. The company's share capital remains unchanged and is accordingly divided into 14,000,000 ordinary no-par-value shares which are nominative and freely transferable.

**NON-AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF LUKA
KOPER GROUP**

Table 5: Non-audited Income Statement of Luka Koper Group

(in euros)	January - December 2008	January - December 2007	Indices 2008/2007
Operating revenues	137,228,249	122,221,811	112
1. Net sales revenues	133,331,964	118,992,415	112
2. Change in value of inventories			-
3. Capitalised own products and services	7,605		-
4. Other operating revenues	3,888,680	3,229,396	120
Operating expenses	113,624,198	98,827,040	115
5. Costs of goods, material and services	48,210,565	41,757,873	115
6. Labour costs	38,030,605	30,857,201	123
7. Value write-offs	19,644,631	16,764,462	117
8. Provisions created	192,728	1,905,295	10
9. Other operating expenses	7,545,669	7,542,209	100
Operating profit	23,604,051	23,394,770	101
Financial revenues	7,632,275	14,080,376	54
10. Financial revenues from profit participation	5,280,124	11,915,087	44
11. Financial revenues from loans granted	1,510,400	1,426,678	106
12. Financial revenues from operating receivables	841,751	738,612	114
Financial expenses	16,900,197	3,798,898	445
13. Financial expenses from impairments and write-offs of financial investments	9,327,540	797,292	1,170
14. Financial expenses from financial liabilities	7,023,759	2,306,406	305
15. Financial expenses from operating liabilities	548,899	695,199	79
Financing gain	-9,267,922	10,281,478	-
Pre-tax profit	14,336,129	33,676,248	43
16. Corporation tax	654,180	2,949,620	22
17. Deferred taxes	1,512,497	138,502	1,092
Net profit for the period	15,194,446	30,865,130	49
Net profit – majority shareholder	14,875,714	30,124,485	49
Net profit – minority shareholder	318,732	740,645	43
Basic net earnings per share (in €)	1.06	2.15	49

Table 6: Non-audited Balance Sheet of Luka Koper Group

ASSETS (in euros)	31.12.2008	31.12.2007	Indices 2008/2007
ASSETS	554,564,863	461,159,397	120
A. Long-term assets	507,115,785	421,422,072	120
I. Intangible fixed assets and long-term deferred costs	5,895,817	1,078,021	547
II. Tangible fixed assets	361,067,090	242,250,356	149
III. Real-estate investments	3,554,139	3,732,466	95
IV. Long-term financial investments	133,722,781	172,998,339	77
V. Long-term financial receivables	217,865	217,294	100
VI. Deferred tax assets	2,658,092	1,145,596	232
B. Short-term assets	44,730,979	39,538,187	113
I. Assets (disposal group)	126,483	103,865	122
II. Inventories	20,248	9,688	209
III. Short-term financial investments	10,700,203	8,624,943	124
IV. Short-term financial receivables	23,767,700	28,544,163	83
V. Short-term corporation tax assets	2,199,125	242,635	906
VI. Cash and liquid assets	7,917,220	2,012,893	393
C. Deferred expenses and accrued reven.	2,718,100	199,138	1,365
D. Off-balance-sheet assets	47,633,780	14,899,609	320
LIABILITIES (in euros)	31.12.2008	31.12.2007	Indices 2008/2007
EQUITY AND LIABILITIES	554,564,864	461,159,397	120
Equity	309,013,414	340,663,798	91
A. Equity – majority shareholders	305,551,058	337,791,792	90
I. Called-up capital	58,420,965	58,420,965	100
II. Capital reserves	89,562,703	89,562,703	100
III. Legal reserves	18,877,775	18,868,358	100
IV. Other revenues reserves	100,333,557	95,728,958	105
V. Revaluation surplus	5,293,292	44,598,950	12
VI. Retained net profit	25,058,917	13,025,799	192
VII. Net profit for the financial year	8,003,849	17,586,058	46
B. Equity – minority shareholder	3,462,356	2,872,006	121
C. Provisions	11,141,234	11,718,551	95
D. Long-term liabilities	105,334,649	17,926,907	588
I. Long-term financial liabilities	103,836,807	6,622,990	1,568
II. Long-term operating liabilities	174,519	154,180	113
III. Deferred tax liabilities	1,323,323	11,149,737	12
E. Short-term liabilities	127,822,833	90,487,510	141
I. Short-term financial liabilities	97,521,399	52,014,429	187
II. Short-term operating liabilities	30,151,946	38,028,073	79
III. Short-term corporation tax liabilities	149,487	445,008	34
F. Accrued expenses and deferred reven.	1,252,734	362,631	345
G. Off-balance-sheet liabilities	47,633,780	14,899,609	320

Table 7: Non-audited Cash Flow Statement of Luka Koper Group

(in euros)	January - December 2008	January - December 2007
<i>Cash flow from operating activities</i>		
a) Net profit	13,681,949	30,865,131
Pre-tax profit	14,336,128	33,676,249
Corporation taxes and other taxes not included in operating expenses	-654,179	-2,811,118
b) Adjustments for:	28,757,059	6,094,259
Amortisation (+)	19,072,531	16,180,460
Operating revenue revaluation related to investing and financing items (-)	-303,794	-405,441
Operating expense revaluation related to investing and financing items (+)	427,546	99,663
Financial revenues, less financial revenues from operating receivables (-)	-6,790,523	-13,341,765
Financial expenses, less expenses from operating liabilities (+)	16,351,299	3,561,342
b) Changes in net current assets per Balance Sheet items (including accrued expenses/revenues and deferred expenses/revenues, provisions, as well as deferred receivables and tax liabilities)	-7,571,259	18,980,718
Changes in operating receivables	2,819,401	-6,660,844
Changes in deferred expenses and accrued revenues	-2,518,962	-108,143
Changes in deferred tax assets	0	-138,501
Changes in assets (group for disposal) held for sale	-22,618	21,227
Changes in inventories	-10,560	-5,290
Changes in operating liabilities	-8,151,307	19,614,941
Changes in accrued expenses and deferred revenues, and provisions	312,787	1,138,049
Changes in deferred tax liabilities	0	5,119,279
c) Net inflows (outflows) from operating activities (a + b)	34,867,749	55,940,107
<i>Cash flows from investment activities</i>		
a) Inflows from investments	26,494,338	145,057,014
Inflows from interest and profit participation related to investments	5,280,124	3,821,531
Inflows from disposal of intangible fixed assets		
Inflows from disposal of tangible fixed assets	4,319,536	1,129,609
Inflows from disposal of real-estate investments		
Inflows from disposal of long-term financial investments	6,912,820	26,126,393

Non-Audited Consolidated and Non-Consolidated Financial Statements for 2008

Inflows from disposal of short-term financial investments	9,981,858	113,943,481
b) Outflows from investments	-183,343,997	213,067,325
Outflows for acquisition of intangible fixed assets	-4,989,458	-775,649
Outflows for acquisition of tangible fixed assets	-141,944,912	-85,570,739
Outflows for acquisition of real-estate investments	-37,652	-6,983,206
Outflows for acquisition of long-term financial investments	-30,265,548	-14,271,276
Outflows for acquisition of short-term financial investments	-6,106,427	-105,466,455
c) Net inflows (outflows) from investment activities (a + b)	-156,849,659	68,010,311
<i>Cash flows from financing activities</i>		
a) Inflows from financing activities	322,892,311	67,827,932
Inflows from paid-up capital		
Inflows from increased long-term financial liabilities	192,716,269	44,348,646
Inflows from increased short-term financial liabilities	130,176,042	23,479,286
b) Outflows from financing activities	-195,006,074	54,366,367
Outflows for interest payable related to financing	-7,024,031	-1,747,520
Outflows for capital refunds		
Outflows for payment of long-term financial liabilities	-32,860,000	-34,638,417
Outflows for payment of short-term financial liabilities	-147,380,436	-8,312,518
Outflows for payment of dividends and other profit participation	-7,741,607	-9,667,912
c) Net inflows (outflows) from financing activities (a + b)	127,886,237	13,461,565
<i>Closing balance of cash and cash equivalents</i>	7,917,220	2,012,893
Net cash inflow (outflow) for the period (sum total of net cash Ac, Bc & Cc)	5,904,327	1,391,361
<i>Opening balance of cash and cash equivalents</i>	2,012,893	621,532

Non-Audited Consolidated and Non-Consolidated Financial Statements for 2008

Table 8: Non-audited Statement of Changes in Equity of Luka Koper Group, January – December 2007

STATEMENT OF CHANGES IN EQUITY (in euros)	Called-up capital	Capital reserves	Legal reserves	Other revenues reserves	Retained net profit	Net profit for the financial year	Fair value reserve	Total
	I/1	II/1	III/1	III/4	IV/1	V/1	VI/2	
Opening balance as of 1st January 2007	58,420,965	89,562,703	18,864,126	82,430,361	13,530,245	9,945,606	20,188,925	292,942,931
Transfer to equity	0	0	0	0		30,124,485	24,410,025	54,534,510
Net profit for the financial year						30,124,485		30,124,485
Change in the fair value of available-for-sale investments							24,410,025	24,410,025
Transfer within equity	0	0	4,233	22,966,509	-504,446	-22,484,033		-17,737
Formation of other revenue reserves upon the resolution of Management and Supervisory Boards			4,233	12,534,194		-12,538,427		
Transfer to other revenue reserves upon the resolution of General Assembly				10,432,315	-10,432,315			
Transfer of net profit for the previous year to retained net profit					9,927,869	-9,945,606		-17,737
Transfer form equity	0	0	0	-9,667,912				-9,667,912
Distribution of dividends				-9,667,912				-9,667,912
Balance as of 31st December 2007	58,420,965	89,562,703	18,868,358	95,728,958	13,025,799	17,586,058	44,598,950	337,791,792
Equity – minority shareholders								
Balance as of 31st December 2007	236,898	25,651	4,980	1,087,560	776,272	740,645		2,872,006
Equity – total	58,657,863	89,588,355	18,873,338	96,816,518	13,802,070	18,326,704	44,598,950	340,663,798

Table 9: Non-audited Statement of Changes in Equity of Luka Koper Group, January – December 2008

STATEMENT OF CHANGES IN EQUITY (in euros)	Called-up capital	Capital reserves	Legal reserves	Other revenues reserves	Retained net profit	Net profit for the financial year	Fair value reserve	Total
	I/1	II/1	III/1	III/4	IV/1	V/1	VI/2	
Balance as of 1st January 2008	58,420,965	89,562,703	18,873,572	95,728,958	13,020,585	17,586,058	44,598,950	337,791,792
Transfer to equity	0	0	0	0	0	14,875,713	-39,305,657	-24,429,944
Net profit for the financial year						14,875,713		14,875,713
Changes in the fair-value of available-for-sale investments							-39,305,657	-39,305,657
Transfer within equity	0	0	4,203	12,076,872	12,376,848	-24,457,923	0	0
Formation of other revenue reserves upon the resolution of Management and Supervisory Boards			4,203	6,867,662		-6,871,865		0
Transfer to other revenue reserves upon the resolution of General Assembly					-5,209,210			-5,209,210
Transfer of net profit for the previous year to retained net profit				5,209,210	17,586,058	-17,586,058		5,209,210
Transfer from equity	0	0	0	-7,472,274	-338,516	0	0	-7,810,790
Distribution of dividends				-7,472,274	-227,726			-7,700,000
Remunerations for Supervisory Board members					-110,790			-110,790
Balance as of 31st December 2008	58,420,965	89,562,703	18,877,775	100,333,556	25,058,917	8,003,848	5,293,292	305,551,058
Equity – minority shareholders								
Balance as of 31st December 2008	827,898	25,651	4,980	1,763,831	521,263	318,732	0	3,462,356
Equity – total	59,248,863	89,588,355	18,882,754	102,097,388	25,580,180	8,322,580	5,293,292	309,013,414

**NON-AUDITED NON-CONSOLIDATED FINANCIAL
STATEMENTS OF LUKA KOPER D.D.**

Table 10: Non-audited Income Statement of Luka Koper d.d.

(in euros)	January - December 2008	January - December 2007	Indices 2008/2007
Operating revenues	122,744,761	111,331,815	110
1. Net sales revenues	120,101,053	108,950,005	110
2. Change in the value of inventories	-	-	-
3. Capitalised own products and services	-	-	-
4. Other operating revenues	2,643,708	2,381,810	111
Operating expenses	102,285,236	90,732,104	113
5. Costs of goods, material and services	46,109,675	41,672,259	111
6. Labour costs	30,697,827	25,073,937	122
7. Value write-offs	17,751,821	15,175,580	117
8. Other operating expenses	7,725,913	8,810,328	88
Operating profit	20,459,525	20,599,711	99
Financial revenues	8,308,638	10,194,595	82
9. Financial revenues from profit participation	6,406,378	8,481,730	76
10. Financial revenues from loans granted	1,098,847	1,005,776	109
11. Financial revenues from operating receivables	803,412	707,089	114
Financial expenses	16,668,034	3,430,862	486
12. Financial expenses from impairments and write-offs of financial investments	9,147,203	780,002	1,173
13. Financial revenues from financial liabilities	6,990,726	1,981,546	353
14. Financial revenues from operating liabilities	530,105	669,314	79
Financing gain	-8,359,396	6,763,733	-
Pre-tax profit	12,100,129	27,363,444	44
15. Corporation tax	-	2,285,975	-
16. Deferred taxes	1,635,196	-9,081	-
Net profit for the financial period	13,735,325	25,068,388	55
Basic net earnings per share (in €)	0.98	1.79	55

Table 11: Non-audited Balance Sheet Statements of Luka Koper d.d.

ASSETS (in euros)	31.12.2008	31.12.2007	Indices 2008/2007
ASSETS	534,709,567	434,312,786	123
A. Long-term assets	490,179,850	405,307,103	121
I. Intangible fixed assets and long-term deferred costs	5,895,567	1,077,540	547
II. Tangible fixed assets	329,837,644	217,180,278	152
III. Real-estate investments	17,087,083	14,254,814	120
IV. Long-term financial investments	134,611,141	171,681,824	78
V. Short-term financial investments	217,865	217,293	100
VI. Deferred tax assets	2,530,550	895,354	283
B. Short-term assets	41,885,700	28,848,131	145
I. Assets (disposal group)	126,483	103,865	122
II. Short-term financial investments	9,305,990	43,006	21,639
III. Short-term operating receivables	22,811,660	27,194,812	84
IV. Short-term corporation tax assets	2,095,477	207,859	1,008
V. Cash and liquid assets	7,546,089	1,298,589	581
C. Deferred expenses and accrued revenues	2,644,017	157,552	1,678
D. Off-balance-sheet assets	46,412,261	17,539,666	265
LIABILITIES (in euros)	31.12.2008	31.12.2007	Indices 2008/2007
EQUITY AND LIABILITIES	534,709,567	434,312,786	123
A. Equity	291,777,487	325,158,610	90
I. Called-up capital	58,420,965	58,420,965	100
II. Capital reserves	89,562,703	89,562,703	100
III. Other revenue reserves	119,098,671	114,494,073	104
IV. Revaluation surplus	5,293,292	44,598,950	12
V. Retained net profit	12,534,194	5,547,725	226
VI. Net profit for the financial year	6,867,662	12,534,194	55
B. Provisions	3,286,229	4,160,511	79
C. Long-term liabilities	105,237,194	17,481,844	602
I. Long-term financial liabilities	103,836,807	6,265,538	1,657
II. Long-term operating liabilities	77,064	66,569	116
III. Deferred tax liabilities	1,323,323	11,149,737	-
D. Short-term liabilities	133,173,216	87,172,026	153
I. Short-term financial liabilities	105,196,557	56,514,874	186
II. Short-term operating liabilities	27,976,659	30,657,152	91
E. Accrued expenses and deferred revenues	1,235,441	339,795	364
F. Off-balance-sheet liabilities	46,412,261	17,539,666	265

Table 12: Non-audited Cash Flow Statement of Luka Koper d.d.

(in euros)	January – December 2008	January – December 2007
<i>Cash flows from operating activities</i>		
a) Net profit	12,100,128	25,068,388
Pre-tax profit	12,100,128	27,363,444
Corporation taxes and other taxes not included in operating expenses	0	-2,295,056
b) Adjustments for:	26,020,222	8,047,827
Amortisation (+)	17,212,727	14,610,380
Operating revenue revaluation related to investing and financing items (-)	-249,584	-379,806
Operating expense revaluation related to investing and financing items (+)	424,376	85,568
Financial revenues, less financial revenues from operating receivables (-)	-7,505,226	-9,487,506
Financial expenses, less financial expenses from operating liabilities (+)	16,137,929	3,219,191
b) Changes in net current assets per Balance Sheet items (including accrued expenses/revenues and deferred expenses/revenues, provisions, as well deferred receivables and tax liabilities)	-7,185,476	17,254,035
Changes in operating receivables	-2,027,760	-6,613,790
Changes in deferred expenses and accrued revenues	-2,486,465	-72,815
Changes in deferred tax assets		9,081
Changes in assets (disposal group) held for sale	-22,619	21,227
Changes in inventories		
Changes in operating liabilities	-2,669,998	18,783,006
Changes in accrued expenses and deferred revenues, and provisions	21,365	8,047
Changes in deferred tax liabilities		5,119,279
c) Net inflows (outflows) from operating activities (a + b)	30,934,874	50,370,251
<i>Cash flows from investments activities</i>		
a) Inflows from investments	20,039,400	140,924,690
Inflows from interest and net profit participation related to investments	6,776,578	3,384,375
Inflows from disposal of intangible fixed assets	249,584	
Inflows from disposal of tangible fixed assets	4,872,306	1,045,689
Inflows from disposal of real-estate investments		
Inflows from disposal of long-term financial investments	6,540,210	26,129,383
Inflows from disposal of short-term financial investments	1,600,722	110,365,244

Non-Audited Consolidated and Non-Consolidated Financial Statements for 2008

b) Outflows from investments	-176,178,209	-210,133,471
Outflows for acquisition of intangible fixed assets	-4,989,458	-775,649
Outflows for acquisition of tangible fixed assets	-129,978,774	-83,772,628
Outflows for acquisition of real-estate investments	-3,326,116	-6,983,206
Outflows for acquisition of long-term financial investments	-32,586,838	-14,271,276
Outflows for acquisition of short-term financial investments	-5,297,023	-104,330,712
c) Net inflows (outflows) from investment activities (a + b)	-156,138,809	-69,208,781
<i>Cash flows from financing activities</i>		
a) Inflows from financing activities	328,724,000	73,117,889
Inflows from paid-up capital		
Inflows from increased long-term financial liabilities	192,716,269	43,670,000
Inflows from increased short-term financial liabilities	136,007,731	29,447,889
b) Outflows from financing activities	-197,272,565	-53,296,559
Outflows fro interest payable related to financing	-6,990,726	-1,422,659
Outflows fro capital refunds		
Outflows for payments of long-term financial liabilities	-32,860,000	-31,581,772
Outflows for payments of short-term financial liabilities	-149,680,232	-10,624,216
Outflows for payment of dividends and other profit participation	-7,741,607	-9,667,912
c) Net inflows (outflows) from financing activities (a + b)	131,451,435	19,821,330
<i>Closing balance of cash and cash equivalent</i>s	7,546,088	1,298,588
Net cash inflow (outflow) for the period (sum total of net cash Ac, Bc & Cc)	6,247,500	982,800
<i>Opening balance of cash and cash equivalent</i>s	1,298,589	315,789

Table 13: Non-audited Statement of Changes in Equity of Luka Koper d.d., January – December 2007

STATEMENT OF CHANGES IN EQUITY (in euros)	Called-up capital	Capital reserves	Legal reserves	Other revenue reserves	Retained net profit	Net profit for the financial year	Fair value reserve	Total
	I/1	II/1	III/1	III/4	IV/1	V/1	VI/2	
Balance as of 1st January 2007	58,420,965	89,562,703	18,765,115	82,430,361	6,003,453	9,976,588	20,188,925	285,348,110
Transfer to equity	0	0	0	0	0	25,068,388	24,410,025	49,478,413
Net profit for the financial year						25,068,388		25,068,388
Change in the fair value of available-for-sale investments							24,410,025	24,410,025
Transfer within equity	0	0	0	22,966,509	-455,728	-22,510,782	0	0
Formation of other revenue reserves upon the resolution of Management and Supervisory Boards				12,534,194		-12,534,194		
Transfer to other revenue reserves upon the resolution of General Assembly				10,432,315	-6,003,453	-4,428,862		
Transfer of net profit for the previous year to retained net profit					5,547,726	-5,547,726		
Transfer from equity	0	0	0	-9,667,912	0	0	0	-9,667,912
Distribution of dividends				-9,667,912				-9,667,912
Balance as of 31st December 2007	58,420,965	89,562,703	18,765,115	95,728,958	5,547,726	12,534,194	44,598,950	325,158,610

Table 14: Non-audited Statement of Changes in Equity of Luka Koper d.d., January – December 2008

STATEMENT OF CHANGES IN EQUITY (in euros)	Called-up capital	Capital reserves	Legal reserves	Other revenue reserves	Retained net profit	Net profit for the financial year	Fair value reserve	Total
	I/1	II/1	III/1	III/4	IV/1	V/1	VI/2	
Balance as of 1st January 2008	58,420,965	89,562,703	18,765,115	95,728,958	5,547,726	12,534,194	44,598,950	325,158,610
Transfer to equity	0	0	0	0	0	13,735,324	-39,305,657	-25,570,333
Net profit for the financial year						13,735,324		13,735,324
Change in the fair value of available-for-sale investments							-39,305,657	-39,305,657
Transfer within equity	0	0	0	12,076,872	7,324,984	-19,401,856	0	0
Formation of other revenue reserves upon the resolution of Management and Supervisory Boards				6,867,662		-6,867,662		
Transfer to other revenue reserves upon the resolution of General Assembly				5,209,210	-5,209,210			
Transfer of net profit for the previous year to retained net profit					12,534,194	-12,534,194		
Transfer from equity	0	0	0	-7,472,274	-338,516	0	0	-7,810,790
Distribution of dividends				-7,472,274	-227,726			-7,700,000
Remunerations for Supervisory Board members					-110,790			-110,790
Balance as of 31st December 2008	58,420,965	89,562,703	18,765,115	100,333,556	12,534,193	6,867,662	5,293,293	291,777,487
Net profit and revenues and expenses directly recognised in equity						13,735,324	5,293,293	19,028,617