

2011



LUKA KOPER GROUP

NON-AUDITED INTERIM REPORT OF
LUKA KOPER D. D. AND THE LUKA KOPER GROUP
JANUARY – MARCH 2011

Koper, Slovenia, May 2011

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PERFORMANCE HIGHLIGHTS OF LUKA KOPER GROUP

A COMPARISON OF RESULTS ACHIEVED WITH EXPECTATIONS FOR THE FIRST QUARTER OF 2011

(in euro)	Anticipated 1 – 3 2011	Realised 1 – 3 2011	Indices realised/ anticipated
Operating revenues	34,331,520	35,211,318	103
Operating profit (EBIT)	4,765,988	6,124,889	129
EBITDA	11,390,454	12,786,777	112
Net profit for the period	2,449,098	4,245,248	173
Investments in intangible and tangible assets, and real-estate investments	10,112,541	5,921,023	59
Cargo throughput (in tonnes)	4,276,379	4,053,202	95

COMPARISON OF RESULTS FOR THE FIRST QUARTERS OF 2010 AND 2011

(in euro)	1 – 3 2010	1 – 3 2011	Indices 2011/2010
From Income Statement			
Operating revenues	30,489,800	35,211,318	115
Operating profit (EBIT)	3,354,543	6,124,889	183
EBITDA	9,884,771	12,786,777	129
Financing gain/loss	180,061	-1,784,469	-
Pre-tax profit	3,534,604	4,340,420	123
Net profit for the period	3,395,998	4,245,248	125

(in euro)	31. 12. 2010	31. 03. 2011	Indices 2011/2010
From Balance Sheet Statement			
Assets	502,345,304	503,071,656	100
Long-term assets	459,124,856	457,409,020	100
Short-term assets	43,220,449	45,662,636	106
Equity	244,056,503	247,318,909	101
Long-term liabilities	173,829,649	166,782,478	96
Short-term liabilities	84,459,152	88,970,269	105
Financial liabilities	226,269,650	220,212,996	97

(percentage indicators)	1 – 3 2010	1 – 3 2011	Indices 2011/2010
Indicators			
Return on sales (ROS)	11.0%	17.4%	158
Net return on equity (ROE)	5.4%	6.9%	128
Net return on assets (ROA)	2.5%	3.4%	133
EBITDA margin	32.4%	36.3%	112
Financial liabilities/equity	93.8%	89.0%	95

(in euro)	1 – 3 2010	1 – 3 2011	Indices 2011/2010
From Cash Flow Statement			
Investments in intangible and tangible fixed assets, and real-estate investments	8,405,541	5,921,023	70

GENERAL INFORMATION

INTRODUCTORY NOTE

Compliant with the *Market and Financial Instruments Act RS*, *Ljubljana Stock Exchange Rules* as well as *Guidelines on Disclosure for Listed Companies*, *Luka Koper d.d.*, Vojkovo nabrežje 38, Koper, Slovenia, discloses this Non-Audited Report on the performance of *Luka Koper Group* and *Luka Koper d.d.* for January – March 2011.

This Non-Audited Report on the performance of *Luka Koper d.d.* and the *Luka Koper Group* for January – March 2011 can be examined at *Luka Koper d.d.*'s registered headquarters at Vojkovo Nabrežje 38, 6501 Koper, Slovenia, and shall also be accessible via the company's website www.luka-kp.si from 26th May 2011 onwards.

The company promptly publishes any pertinent changes to information contained in the prospectus for stock exchange listing on *SEOnet*, the electronic information system of the *Ljubljana Stock Exchange*.

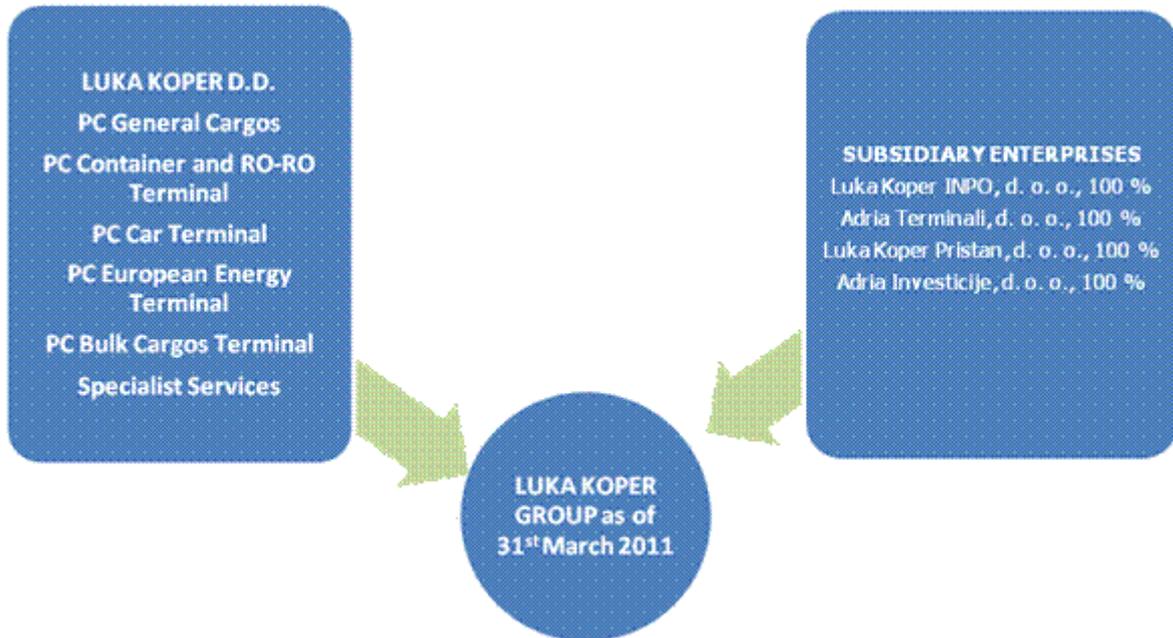
This Non-Audited Report on the performance of *Luka Koper d.d.* and the *Luka Koper Group* for January – March 2011 was addressed by the company's Supervisory Board at its regular session held on 25th May 2011.

PRESENTATION OF THE LUKA KOPER GROUP

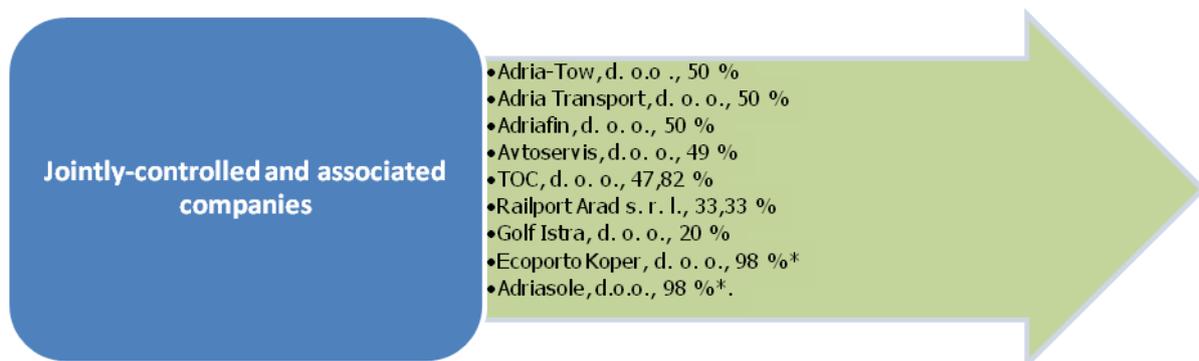
Luka Koper, a port operator and logistics provider, with its registered office in Koper, Slovenia, is the parent company of the *Luka Koper Group* of enterprises.

<i>Full title</i>	<i>Luka Koper, a public limited liability port and logistics system operator</i>
<i>Short title</i>	<i>Luka Koper, d. d.</i>
<i>Registered office</i>	<i>Vojkovo Nabrežje 38, Koper, Slovenia</i> <i>Telephone: 05 66 56 100</i> <i>Fax: 05 63 95 020</i> <i>Email: portkoper@luka-kp.si</i> <i>Website: www.luka-kp.si</i>
<i>Company registration</i>	<i>Application number 066/10032200, registered at the Koper District Court, Slovenia</i>
<i>Registration number</i>	<i>5144353</i>
<i>Tax number</i>	<i>SI 89190033</i>
<i>Issued share capital</i>	<i>€ 58,420,964.78</i>
<i>Number of shares</i>	<i>14,000,000 ordinary no-par value shares</i>
<i>Shares listing</i>	<i>Ljubljana Stock Exchange, prime market</i>
<i>Share ticker symbol</i>	<i>LKPG</i>
<i>President of the Management Board</i>	<i>Dr. Gregor Veselko</i>
<i>Deputy President of the Management Board</i>	<i>Tomaž Martin Jamnik</i>
<i>Member of the Management Board</i>	<i>Marko Rems</i>
<i>Member of the Management Board – Workers Director</i>	<i>Matjaž Stare</i>
<i>President of the Supervisory Board</i>	<i>Dr. Janez Požar</i>
<i>No. of consolidated companies</i>	<i>5</i>
<i>Luka Koper d.d. core activity</i>	<i>Seaport and logistics system operator and service provider</i>
<i>Luka Koper Group companies</i>	<i>Various support and ancillary services related to core activity</i>

Companies consolidated within the Luka Koper Group provide various services which accomplish the provision of comprehensive port services. In addition to the parent company Luka Koper d.d., the Group was comprised of the following subsidiary enterprises as of 31st March 2011:



As of 31st March 2011, Luka Koper d.d. also discloses financial investments in jointly-controlled and associated companies in which it exerts significant influence:



* The companies *Ecoporto Koper d.o.o.* and *Adriazole d.o.o.* are not administered in compliance with International Accounting Standards 27 (13). Although Luka Koper d.d. holds 98-percent stock in both enterprises, decision making requires the consent of minority shareholders pursuant to an agreement. Compliant with provisions of IAS 28 (7), *Ecoporto Koper d.o.o.* and *Adriazole d.o.o.* have been reclassified as associated companies.

CORPORATE MANAGEMENT AND GOVERNANCE

Luka Koper d. d. Management Board

As of 31st March 2011, Luka Koper d.d. Management Board was comprised as follows:

- Dr. Gregor Veselko, President of the Management Board, commenced a five-year term on 16th June 2009.
- Tomaž Martin Jamnik, Deputy President of the Management Board, commenced a five-year term on 16th October 2009.
- Marko Rems, Member of the Management Board, commenced a five-year term on 1st March 2010.
- Matjaž Stare, Workers Director, commenced a five-year term on 18th October 2010.

A presentation of the Management Board members is accessible on the company's website: www.luka-kp.si

Luka Koper d. d. Supervisory Board

As of 31st March 2011, the Luka Koper d.d. Supervisory Board was comprised of the following members:

Representatives of shareholders:

- Dr. Janez Požar, President of the Supervisory Board, appointed upon the proposal of the Republic of Slovenia; commenced a four-year term on 13th July 2009 (16th General Assembly of Shareholders).
- Mr. Tomaž Može, Deputy President of the Supervisory Board, appointed as the representative of other shareholders; commenced a four-year term on 13th July 2009 (16th General Assembly of Shareholders).
- Mr. Bojan Brank, Member of the Supervisory Board, appointed upon the proposal of the Republic of Slovenia; commenced a four-year term on 13th July 2009 (16th General Assembly of Shareholders).
- Dr. Marko Simoneti, Member of the Supervisory Board, appointed upon the proposal of the Republic of Slovenia; commenced a four-year term on 13th July 2009 (16th General Assembly of Shareholders).
- Mr. Jordan Kocjančič, Member of the Supervisory Board, appointed upon the proposal of the state funds of the Republic of Slovenia; commenced a four-year term on 13th July 2009 (16th General Assembly of Shareholders).

Representatives of employees:

- Mr Mladen Jovičič, Employee Representative Member of the Supervisory Board; commenced a four-year term on 8th April 2009.
- Mr. Stojan Čepar, Employee Representative Member of the Supervisory Board; commenced a four-year term on 8th April 2009.
- Mr. Nebojša Topič, Employee Representative Member of the Supervisory Board; commenced a four-year term on 27th July 2008.

SIGNIFICANT EVENTS: JANUARY – MARCH 2011**JANUARY**

On the basis of the provisions of the Takeovers Act RS, Luka Koper d. d. received a request from Securities Market Agency RS to clarify facts and circumstances pertaining to Luka Koper d.d. and the following companies

- Krka d. d., Novo Mesto,
- Zavarovalnica Triglav d. d., Ljubljana,
- Petrol, d. d. Ljubljana,
- Telekom Slovenije d. d.,
- Aerodrom Ljubljana d. d.,

acting in a concerted matter in the acquisition of shares in listed companies, on the basis of which formal takeover bids may be made.

FEBRUARY

On 10th February 2011, the Luka Koper d.d. Management Board received a resolution from the Administrative Board of Luka Koper Crane Operators Trade Union in relation to the undertaking of industrial action on 22nd February 2011. Prior to the commencement of this action, Luka Koper d.d.'s management reached an agreement with the Union to call off the strike and enter into negotiations which shall be completed within ninety days.

On 21st February 2011, Luka Koper d.d., together with the following larger shareholders of Intereuropa d.d.:

- Kapitalska Družba d. d.,
- Slovenska Odškodninska Družba d. d.,
- Zavarovalnica Triglav d. d.,
- NLB d. d.,

- Abanka Vipa d. d.,

invited interested parties to participate in a public tender for a block of shares it holds in Intereuropa d.d.. The original notice, published on 23rd December 2010 together with its 7th February 2011 extension, remained valid.

The Port of Koper acquired a new regular container line servicing the Far East from the Japanese maritime logistics provider NYK.

MARCH

Luka Koper received no bids in the public tender for its holding in Intereuropa d.d..

Luka Koper d.d. was granted AEO (Authorised Economic Operator) certification in the field of safety and security, and thereby received recognition that the Port of Koper free zone was a secure area with the lowest risk rate.

A strong bora wind blew some iron oxide dust out of the port zone, which caused some alarm among the local population. According to the safety manifest accompanying this cargo it was evident that this mixture of iron oxides was in no way harmful to human health or detrimental to the environment.

RELEVANT POST-BALANCE SHEET EVENTS

On 6th April 2011, the European Investment Bank and Luka Koper d.d. signed a twenty-year loan agreement in the amount of 35 million euros. These funds will be used to complete the construction of the container terminal extension at Pier I of the Port of Koper.

LUKA KOPER GROUP BUSINESS REPORT

PERFORMANCE ANALYSIS OF THE LUKA KOPER GROUP

OPERATING REVENUES

In the first quarter of 2011, Luka Koper recorded encouraging results both as regards cargo throughput as well as performance. Operational profitability significantly improved, which can - in particular - be attributed to increased sales and satisfactory cost management.

Compared to last year, as well as expectations for 2011, the Group recorded increases in EBITDA and net profit, as well as reduced its indebtedness.

Three percent ahead of expectations operating revenues stood at 35.2 million euros, which is 4.7 million euros (some 15%) up on the same period last year.

Figure 1: Luka Koper Group operating revenues

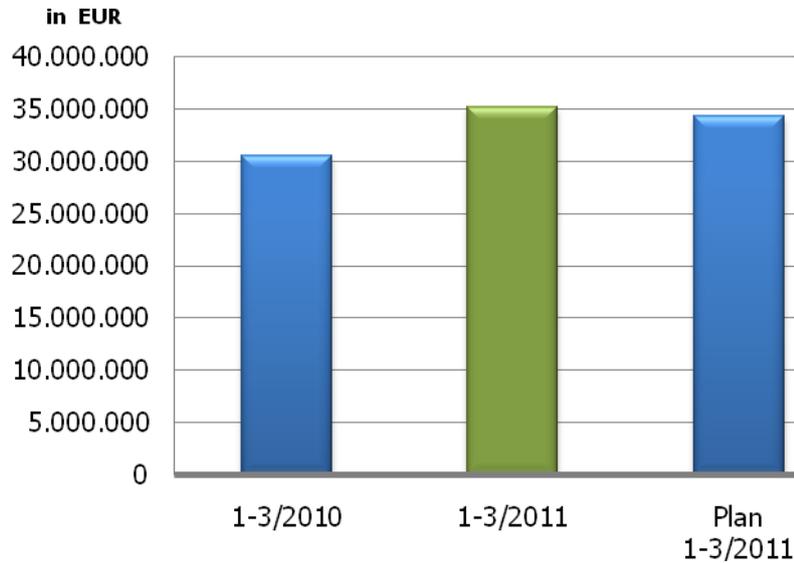


Table 1: Operating revenues by cargo type in first quarters of 2010 and 2011

REVENUES (in euro)	1 – 3 2010	1 – 3 2011	Indices 2011/2010
General cargos	8,601,876	8,790,975	102
Containers	5,390,655	7,898,450	147
Vehicles	2,631,844	3,087,111	117
Liquid cargos	1,410,589	1,715,325	122
Bulk and dry bulk cargos	7,610,793	8,458,944	111
Other	4,844,043	5,260,513	109
TOTAL	30,489,800	35,211,318	115

Year on revenue growth deriving from general cargos is mainly attributable to the provision of additional services as well as increased revenues from storage charges.

A year-on increase in container freight resulted in a nearly fifty percent growth in operating revenues at the Container Terminal.

The upward trend in vehicle throughput this year resulted in the growth of Car Terminal revenues, but due to a lower stock of vehicles in the port a decline was recorded in revenues from storage charges.

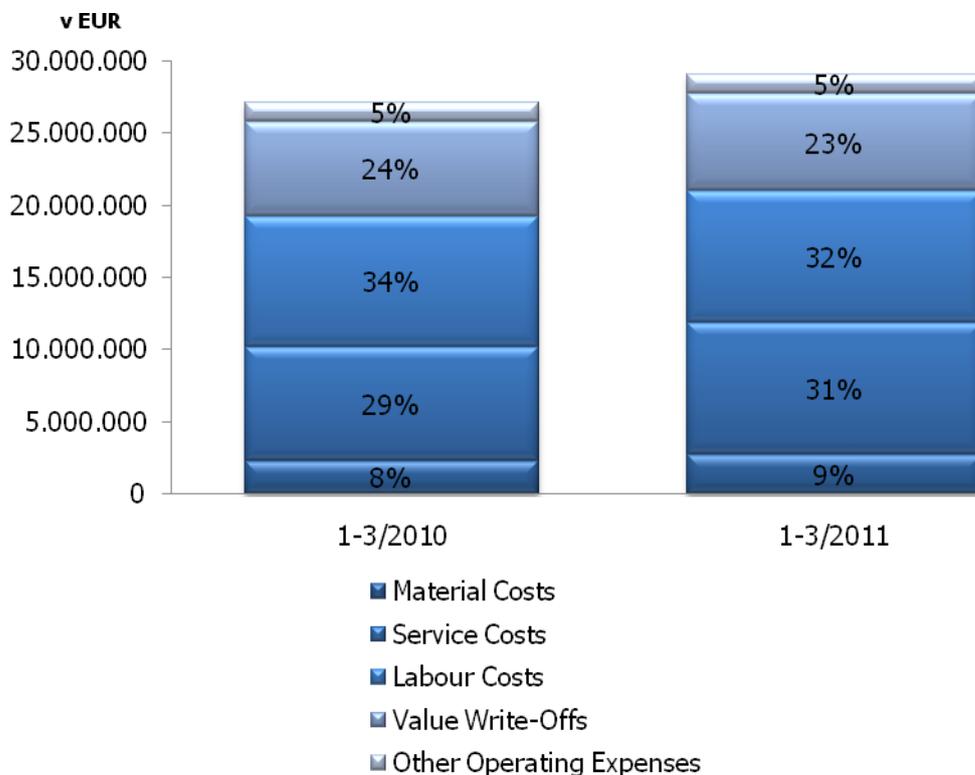
A year-on growth of revenues was also recorded for liquid cargos in the first quarter of 2011, throughput which can also be attributed to the investment in the new alcohol terminal facility.

Revenue growth from bulk and break bulk cargos can be related to increased earnings from storage charges and the provision of additional services.

OPERATING EXPENSES

Luka Koper Group's operating expenses in the amount of 29.1 million euros were seven percent up on the same period last year, and two percent below expectations. Operating expenses were mainly affected by the increased cost of port service provision and energy price rises.

Figure 2: Structure of operating expenses of Luka Koper Group



MATERIAL COSTS

A nineteen percent increase in material costs can mainly be attributed to fuel and energy price rises. There was also a considerable increase in fuel consumption due to increased handling operations per unit of cargo.

SERVICE COSTS

9.1 million euros in service costs was sixteen percent up on the same period last year. The major portion of service costs, in the amount of four million euros, is attributable to providers of port services. The growth in cargo throughput, commensurate with no increase in the company's labour force, results in increased demand for the services of external contractors, this in direct proportion to the volume of port operations.

There was also eighteen percent increase in maintenance costs, which account for 2.1 million euros or six percent of operating expenses.

The larger portion of service costs - in the amount of 1.1 million euros - can also be attributed to the Concession Agreement.

LABOUR COSTS

Labour costs in the amount of 9.2 million euros, a year-on increase of one percent, account for one-third of all operating expenses. As of 31st March 2011, Luka Koper had 992 employees, namely 29 personnel less than a year previously.

VALUE WRITE-OFFS

Amortisation in the amount of 6.7 million euros recorded a two percent increase on the same period last year. From January to March 2011, investments stood at 5.9 million euros (more information on completed investments can be found the Investments in Plant and Infrastructure section).

OPERATING PROFIT

As a consequence of movements in operating revenues and expenses, the Luka Koper Group generated 6.1 million euros in the operating profit from January to March 2011. Realised EBIT is eighty-three percent up on January – March 2010 level, and twenty-nine percent ahead of that which was anticipated for the first quarter of 2011.

Earnings before interest, tax, depreciation and amortization stood at 12.8 million euros, which is 2.9 million euros more than in 2010 and 1.4 million euros ahead of projections.

FINANCIAL REVENUES AND EXPENSES

From January to March 2011, the Luka Koper Group incurred a financial loss of 1.8 million euros, which is for the most part attributable to expenses deriving from hired loans and a decline in revenues from stakes in other companies (profit participation). Last year, revenues from profit participation encompassed two million euros from the associated company Intereuropa d.d.; as of 31st December 2010 this holding was relocated to short-term assets (disposal group) held for sale.

PRE-TAX PROFIT AND NET PROFIT

Pre-tax profit for the period amounted to 4.3 million euros. Taking into consideration taxes, net profit stands at 4.2 million euros, which is a twenty-five percent increase on the same period last year and seventy-three percent ahead of expectations for the first quarter of 2011.

ASSETS AND LIABILITIES

As of the end of March 2011, total assets of the Luka Koper Group amounted to 503.1 million euros, which is 0.7 million euros more than on 31st December 2010, and encompasses a 1.7-million euro increase in long-term intangible fixed assets under acquisition. Long-term assets account for ninety-one percent of total assets structure, whilst the remaining nine percent encompass short-term assets, which rose slightly as a consequence of an increase in short-term bank deposits.

Long-term assets, in the amount of 457.4 million euros, fell by 1.7 million euros on the end of 2010. Real-estate, plant and equipment valued at 372.6 million euros account for the major portion (74%) of total Group assets.

Short-term assets in the amount of 44.3 million euros recorded a four-percent increase over the quarter. Receivables amounting to 23.1 million euros account for the major portion of short-term assets. Regardless of the issue of financial indiscipline in Slovenia, the company successfully managed its receivables, which is also illustrated in the collection of a planned portion of overdue outstanding receivables. Operating receivables increased by just 0.4 percent in the first quarter of 2011, whereas operating revenues rose by fifteen percent on the same period last year.

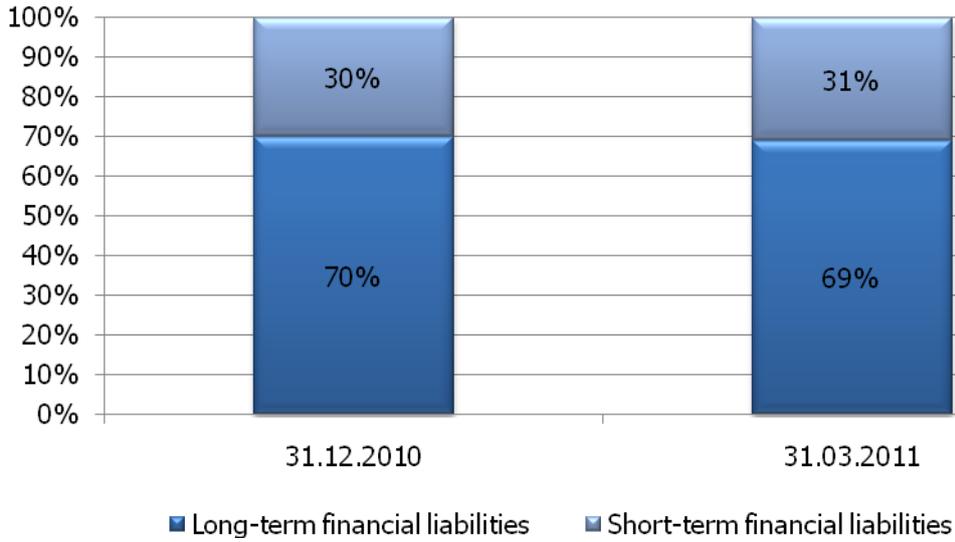
Assets (disposal group) held for sale include Luka Koper's holding in Intereuropa d.d. which on 31st December 2010 was reallocated to short-term assets. Short-term bank deposits increased to 2.3 million euros within the short-term assets category.

Compared to the end of 2010, Group equity rose by 3.3 million euros, mainly due to the Group's profit in the amount of 4.2 million euros. At the same time, a 1 million euro decrease was recorded as a consequence of the change in fair value of financial assets held for sale.

Short-term liabilities account for eighteen percent of equity and liabilities,.

During the first three months of 2011, the Luka Koper Group's financial liabilities decreased by 6.1 million euros to 220.2 million euros, an amount which accounts for forty-four percent of balance sheet total.

Figure 3: Structure of Luka Koper Group financial liabilities by their initial maturity

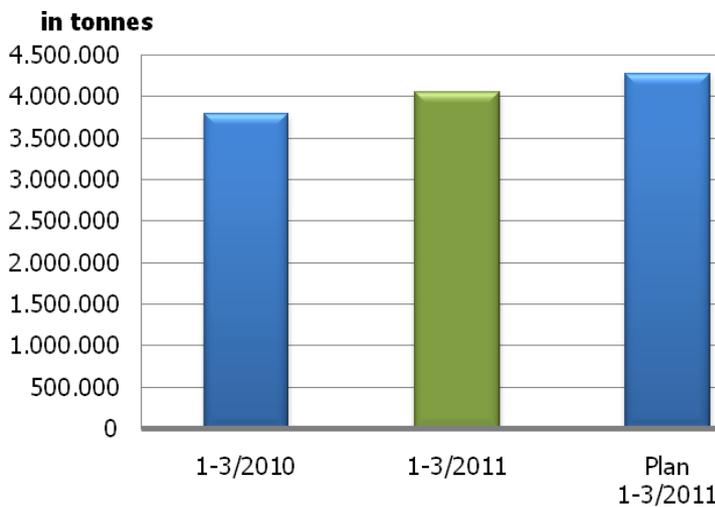


MARKETING & SALES

4,053,202 tonnes of cargo passed through the Port of Koper during the first quarter of 2011, which is seven percent ahead of the same period last year but five percent behind anticipations.

The largest rises above 2010 levels are as a consequence of the redirection of container freight away from the major ports of northwestern Europe, together with the revival of hinterland market economies. The increase in vehicle throughput can also be attributed to the steady recovery of the automotive sector.

Figure 4: Cargo throughput in the first quarter of 2010 and 2011

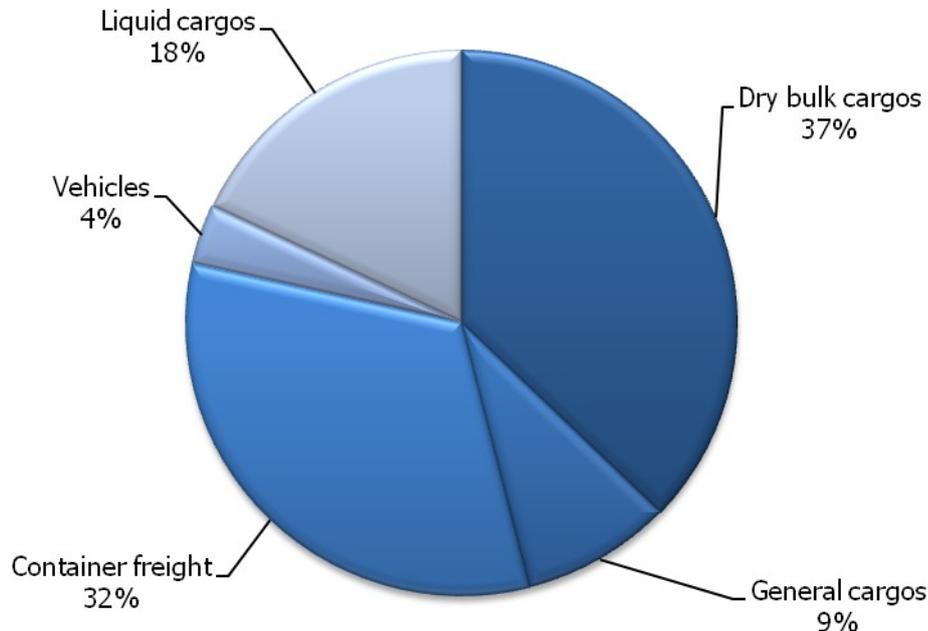


Throughput Structure by Cargo Type

Table 2: Tonnage throughput by cargo type

CARGO TYPE (in tonnes)	1 – 3 2010	1 – 3 2011	Indices 2011/2010
General cargos	386,457	357,475	93
Container freight	1,023,566	1,316,208	129
Vehicles	104,178	143,114	137
Liquid cargos	632,120	728,784	115
Bulk and break bulk cargos	1,643,473	1,507,620	92
Total	3,789,794	4,053,202	107

Figure 5: Throughput structure by cargo type (tonnage basis), January – March 2011

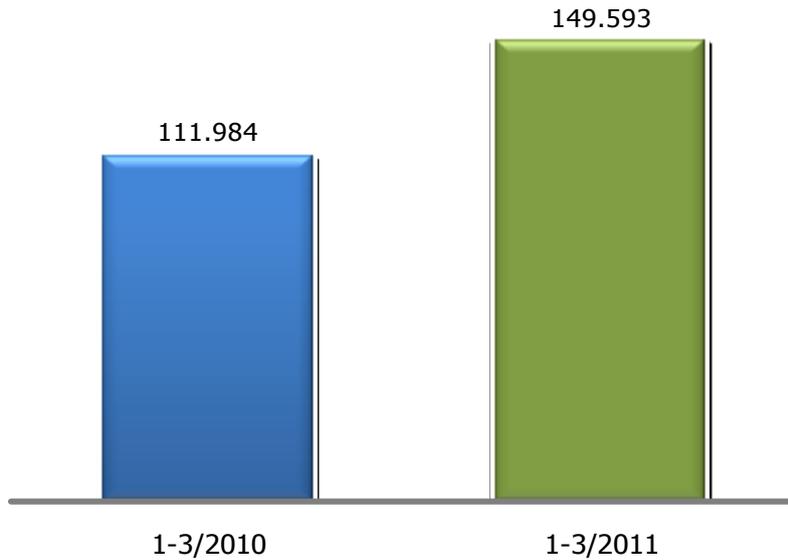


Dry bulk cargos account for the major portion of cargo throughput. Container freight, liquid cargos and vehicles all recorded an increase on the same period last year; this was achieved at the cost of lower throughput volumes of bulk and break bulk as well as general cargos.

Container Freight

In the first three months of this year, container throughput amounted to 149,593 TEUs, which is a year-on increase of more than thirty-three percent. Further growth is anticipated over the following months, though it will be less intensive than of late. An absolute record in container throughput was achieved when 52,942 TEUs were handled in March, which is 3,147 TEUs ahead of the record set in the previous month.

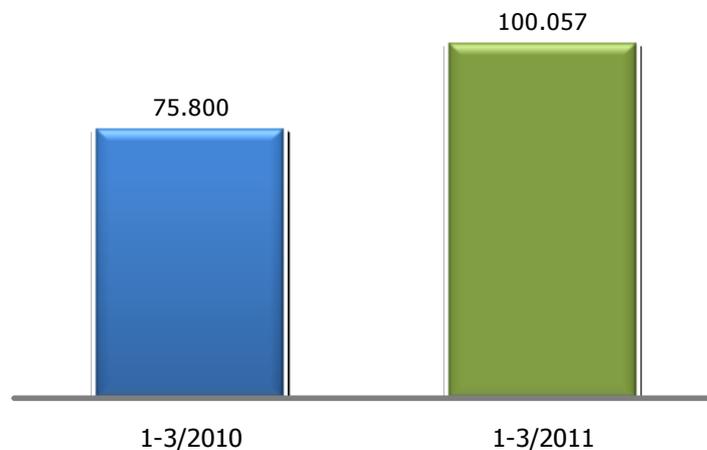
Figure 6: Container throughput in the first quarters of 2010 and 2011 (in TEUs)



Vehicles

Large growth has also been recorded in relation to vehicles, which are – in addition to containers – one of the most important cargo types at the Port of Koper. 100,057 vehicles were handled in the first quarter, which is a year-on increase of thirty-two percent. This performance can be attributed to increased imports resultant from an upward trend in vehicle sales in the EU, as well as increased exports to Mediterranean countries (including Greece, Turkey and North African countries). Somewhat larger throughput is anticipated over the following months which will allow the accomplishment of planned volumes.

Figure 7: Throughput of vehicles in the first quarter of 2010 and 2011 (in units)



General Cargos

In the first three months of this year, the General Cargos Terminal recorded an eight percent decline in volumes handled over the same period last year.

Fruit throughput was nineteen percent up on the first quarter of 2010, which can be attributed to the increased volume of bananas handled. Luka Koper also successfully preserved and improved its role in the handling and distribution of customs-cleared perishables from Israel.

A decline was recorded in the export of livestock from the EU to the Middle East and North Africa over the first quarter of 2011; this reflects the political situation in Egypt and the war in Libya together with the resultant market conditions in both countries. In addition to this, European livestock exports are becoming non-competitive due to the unfavourable Euro - US dollar exchange rates; as a consequence, South American livestock is now more competitively priced in relation to trade with North Africa and the Middle East. As a result, the port handled thirty-four percent less livestock than it had done a year previously.

Timber throughput recorded a nine-percent decrease on the same period last year, which can be attributed to shipment delays to North Africa, again arising from the unstable political situation; the redirection of such cargo to other Middle East markets is to be anticipated, as is a throughput increase after the instability in this area has been resolved.

Liquid Cargos

In the first three months of 2011, liquid cargo throughput was sixteen percent ahead of the same period in 2010. In addition, the volumes of oil derivatives also exceeded last year's levels by fifteen percent. Further volume growth is anticipated over the following months as a direct consequence of the new Alcohol Terminal facility.

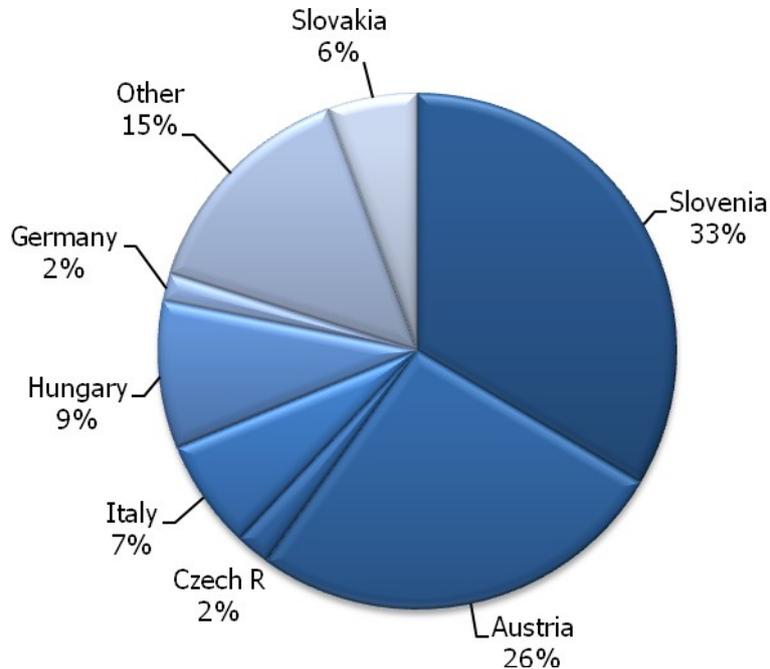
Dry Bulk Cargos

Coal volumes are somewhat down on last year's levels, which is mainly attributable to delays in deliveries; throughput growth is anticipated over the following months, and ultimately results shall be in accordance with the anticipated annual throughput plan.

In the first quarter, the Bulk Cargo Terminal recorded a five percent increase in throughput over the same period last year. The volumes of minerals and raw materials handled rose, whereas those of cereals - and in particular maize - declined. The throughput of alumina was ahead of the levels recorded in January to March 2010.

Throughput Structure by Markets

Figure 8: Cargo throughput structure by markets, January – March 2011



Cargo throughput pertaining to the Slovenian market recorded a four-percent increase, while the Hungarian, Slovak and German markets each achieved one-percent growth; the Italian, Czech and Austrian market all saw a slight decline in market share.

Marketing Activities

In the first quarter management visited markets that Luka Koper has already penetrated (South Korea, Israel) in order to promote business relations with existing clients and introduce them to the company's development plans. In addition, Luka Koper also joined a Slovenian business delegation to Turkey headed by Slovene Prime Minister Borut Pahor, as well as delegation to Prague with the President Dr. Danilo Türk. The company also attended the Fruit Logistic fair in Berlin and participated at the Automotive Logistic Conference in Bonn.

Luka Koper also hosted a number of business delegations which discussed potential deals and possibilities. The issue of establishing new direct maritime services with the Port of Koper as well as transport links with hinterland markets was widely discussed in the context of redirecting trade flows from the northern to the southern continental route and optimising logistics costs.

RISK MANAGEMENT

The Luka Koper Group of companies systematically assesses tracks and manages all relevant types of risk.

The growth of variable interest rates in money markets has resulted in an increase in interest costs. From January to March 2011, the Group didn't employ active interest rate risk protection, but, as a consequence of the anticipated growth of variable interest rates, the protection of a portion of financial liabilities is anticipated later this year.

In the first quarter of 2011, human resource risk pertaining to measures for the provision of social security and the possibility of industrial action increased as a consequence of demands by crane operators union. Intensive negotiations with this trade union are now underway, as is ongoing dialogue with other employee representatives. A commission to interpret the company's collective agreement has now been formed.

LKPG SHARE

As of 31st March 2011, *Luka Koper* had a total of 13,955 shareholders, which is six percent less than a year previously. The ten largest shareholders held 75.8 percent of all *Luka Koper d.d.* stock. The largest shareholder remains the state - the Republic of Slovenia - which enjoys a 51 percent stake.

Table 3: Ten largest shareholders as of 31st March 2011

No.	Shareholder title	No. of shares	Percentage stake
1.	Republika Slovenija	7,140,000	51.00%
2.	Slovenska odškodninska družba d. d.	1,557,857	11.13%
3.	Kapitalska družba d. d.	712,304	5.09%
4.	Mestna občina Koper	466,942	3.34%
5.	KD Galileo, fleksibilna struktura naložb	152,265	1.09%
6.	KD ID, delniška ID, d. d.	149,849	1.07%
7.	Perspektiva FT d. o. o.	125,895	0.90%
8.	Delniški vzajemni sklad Triglav Steber I	114,859	0.82%
9.	Zavarovalnica Triglav d. d.	104,756	0.75%
10.	Nevenka Vidmar	85,719	0.61%
Ten largest shareholders - total		10,610,446	75.79%
Total shares		14,000,000	100.00%

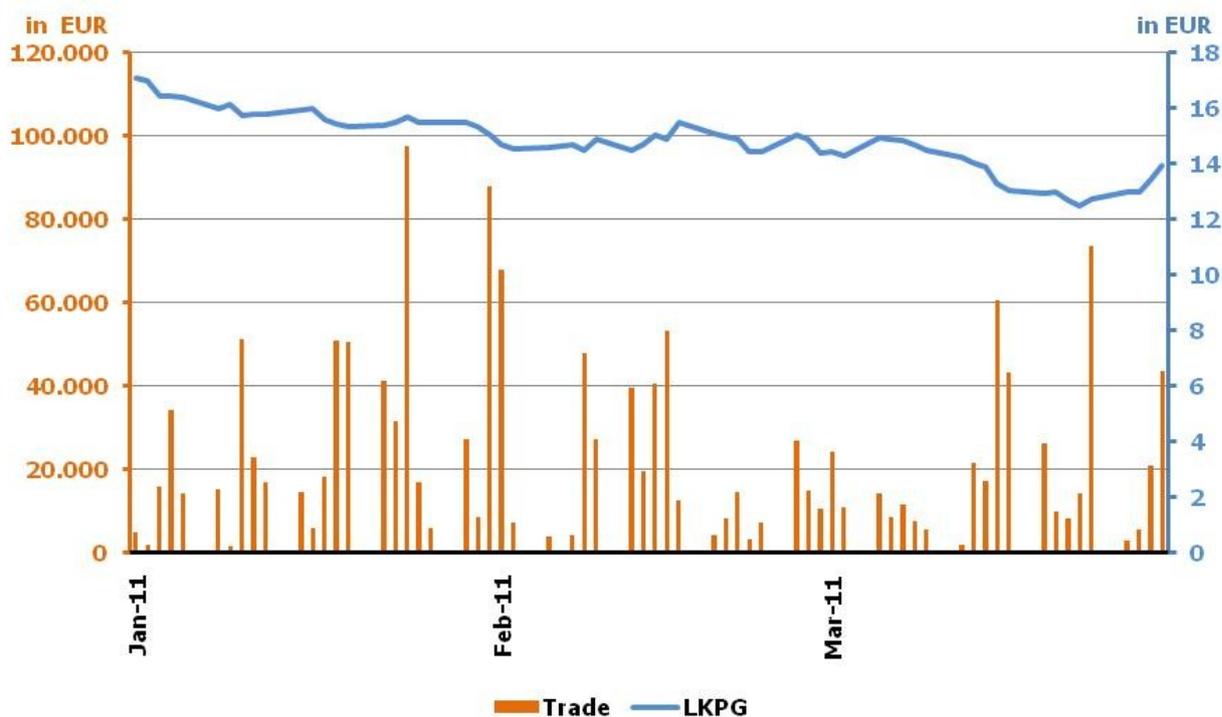
Trading in the Luka Koper Share

Table 4: Relevant information on LKPG share

	2010	2011
Number of shares as of 31 st March 2011	14,000,000	14,000,000
Market capitalisation as of 31 st March (in million €)	308.28	195.02
Turnover (all transactions) January to March (in million €)	1.31	1.48
Lowest daily trading price January to March (in €)	21.59	12.48
Peak daily trading price January to March (in €)	25.10	17.09
Trading daily price as of 31 st March (in €)	22.02	13.93

The average price of the *Luka Koper d.d.* share during January – March 2011 was € 14.82, whereas its value during this period fluctuated between 12 and 17 euros. A total of 929 transactions and block trades were accomplished in LKPG shares during the period, and the total value of these trades amounted to € 1,481,964, with 100,865 shares changing ownership. The peak market share price was € 17.20, while its lowest price was € 12.03. Compared to the same period last year, the share's value dropped by thirty-seven percent, whilst compared to 31st December 2010 it fell by twenty-one percent.

Figure 9: Movement of the LKPG daily trading price, and daily trade in the share between January and March 2011



Number of Shares Held by Members of the Supervisory and Management Boards

As of 31st March 2011, the following members of the *Luka Koper d.d.* Supervisory Board held shares in the company:

Dr. Marko Simoneti, Supervisory Board member	590
Nebojša Topič, Supervisory Board member	9

As of 31st March 2011, the following members of the *Luka Koper d.d.* Management Board held shares in the company:

Dr. Gregor Veselko, President of the Management Board	20
Tomaž Martin Jamnik, Deputy President of the Management Board	80

Dividend Policy

Luka Koper d.d. dividend policy combines the shareholders' strive for dividend yields with the requirement that a portion of profits should necessarily be reinvested into the business. Considering performance in 2010, the company doesn't anticipate any distribution of dividends, whereas over the following years it plans to disburse up to one-third of net profit in dividends, taking into consideration the planned investments in port infrastructure and equipment.

Net Earnings per Share

Calculated on the basis of net profit from January to March 2011 divided by the number of shares issued, net earnings are the equivalent of 30 cents per share.

Book Value of Share

As of 31st March 2011, the book value of the share, calculated as the total value of equity divided by the total number of shares issued, amounted to € 16.90.

Treasury Stock, Authorised Capital, Conditional Increase in Share Capital

As of 31st March 2011, 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 Management Board may increase share capital. Between January and March 2011, the company has had no grounds for any conditional increase in share capital.

INVESTMENT IN PLANT AND INFRASTRUCTURE

In the first quarter 2011, the Group allocated 5.9 million euros – of which 5.6 million euros was invested by Luka Koper d.d. – into the creation of infrastructural assets. In addition to proceeding with the investment in the renovation of storehouses at the Fruit Terminal which are henceforth temperature and humidity controlled facilities, equipment was acquired for more efficient container handling, while works to enhance the communication network were also implemented.

New Equipment for the Container Terminal

Confronted with a large growth in its container freight business, modern machinery is being acquired for the Container Terminal in order to further provide reliable and quality services. Two reach-stackers and six terminal tractors with trailers have now been acquired to guarantee the smooth and undisturbed operations at the Terminal.

Modernisation of LAN Communication System

The core of Luka Koper's communications system is composed of six large hubs, and thus its entire information system is preconditioned by the functioning of these nodes. Due to the modernisation of applications and the provision of additional services, as well as in order to meet the requirements of software and the needs of other providers, the erstwhile communications hubs had to be replaced with new high-performance switches.

RESEARCH & DEVELOPMENT

During this first quarter, *Luka Koper d.d.* continued its vigorous participation in a number of European projects, as well as systematically developed its own in-house research and development activities.

The company is actively engaged in a number of European territorial and cross-border projects, including *SoNorA*, *Climeport*, *Memo*, *Backgrounds*, *Watermode*, *Porta*, *Freight4all*, *Losamedchem*, and *Adria A*. Within the context of the Marco Polo programme, the *Hinterports* and *Kobalink* projects continued, where within the context of the latter, there has been relatively modest transport via the Koper – Barcelona sea-link; discussions to launch the *Safeport* cross-border strategic project are now nearly complete. *Luka Koper* thus participates in a total of twelve EU projects. In 2010, the company made applications to become involved in new projects, six have of which have been endorsed and are currently subject to the organisation of initial meetings:

- two TEN-T projects: *Mos4mos* and *ITS Adriatic Gateway* (within the NAPA association);
- two projects in the Central Europe programme: *Empiric* and *Logicat*;
- two projects in Southeast Europe programme: *Seta* and *See Mariner*.

All of the aforementioned projects are implemented and applied for in conjunction with other ports and operators in the field of logistics provision. It is important for the future development of the Port of Koper that the expert grounds of the company's five-year development plan is co-ordinated with Slovenia's Ministry of Transport, and further to this in April, the Government of RS endorsed the 2011-2015 Port Development Plan.

IT SUPPORT

A number of IT system improvements, aimed at the optimisation of Luka Koper's IT processes, the provision of better services to clients as well as cost-reduction through enhanced efficiency, got underway between January and March 2011.

The solution for the e-invoice system was implemented in January, while the first modules of the new e-document system based on Microsoft SharePoint 2010 platform were launched in March.

A project to create a new management system for the Container Terminal has been initiated in order to optimise processes and provide a more efficient services to clients; a situation analysis and inventory of requirements have also been undertaken in relation to the provision of a new system at the Car Terminal.

SUSTAINABLE DEVELOPMENT

HUMAN RESOURCE MANAGEMENT

The total number of employees within the LK Group fell by one percent over the first quarter of 2011. Despite the growth of individual cargo types, new recruitment has been restricted, and is mainly realised in relation to specific port operations.

As to human resource management, the Group strives to preserve the jobs of its personnel. Thus related activities focus on the in-house optimisation of operations and the number of employees per organisational unit.

Table 5: Number of employees per Luka Koper Group companies

Company	31. 12. 2010	31. 3. 2011	Indices 2011/2011
Luka Koper d. d.	748	749	100
Luka Koper INPO d. o. o.	213	210	99
Luka Koper Pristan d. o. o.	6	4	67
Adria Terminali d. o. o.	30	29	97
TOTAL*	997	992	99

* The comparison only includes companies which have employees and were consolidated in the Group as of 31st March 23011.

The low number of departures encompasses consensual terminations of employment contracts as well as age-related retirements. Within the Luka Koper Pristan subsidiary the decline in the number can be attributed to the transfer of part of the activity to another company. The churn rate over the first three months of 2011 recoded a decrease on the same period last year.

Table 6: Recruitment, retirement and churn in the first three months of 2010 and 2011

	NO. OF NEW EMPLOYEES		NO. OF RETIREMENTS		CHURN RATE	
	1 – 3 2010	1 – 3 2011	1 – 3 2010	1 – 3 2011	1 – 3 2010	1 – 3 2011
Months						
Year						
LUKA KOPER D. D.	1	5	6	4	0.8	0.5
LUKA KOPER GROUP	2	7	12	7	1.2	0.7

* Churn rate = number of retirements / (initial number of employees + new recruitments) x 100

Occupational Health and Safety

Sick leave is up on last year's levels (it currently accounts for 6.6 percent of all working hours in the parent company, and 6.7 percent at the Group level). This can be attributed to the prolonged absences (over 3 months) of an increased number of personnel suffering from severe health conditions not directly related to their work.

Twenty-five workplace injuries were recorded over the period, none of which were fatal. Every work-related injury is thoroughly analysed in order to establish its causes; on the basis of a report, measures are implemented to reduce such injuries. The primary objective remains to protect employees against the negative impacts of the working environment and operational processes. For this reason, the occupational health and safety management system is compliant with the directives of the international OHSAS 18001/2007 standard.

Personnel Education and Development

Personnel education structure is improving within Luka Koper d.d. as well as at the Group level. The decrease in the number of employees with lower levels of education can be attributed to retirement of operational personnel who are not being replaced through new recruitment. In addition, the improved structure is due to successfully completed part-time study. The percentage of employees whose part-time study is co-financed by the company remains nearly the same in 2011 (two percent).

The average number of education and training hours per employee has been ahead of last year (4.4 hours per employee in the parent company, and 3.5 hours per employee at the Group level); focus is being placed on in-house courses, cost rationalisation and exacting selection.

ENVIRONMENTAL IMPACT CONTROL

The company closely monitors the impacts of its operations on the environment and implements a number of activities to become an even more environment-friendly port. Everyday operations comply with the EMAS European environment management directive.

Indeed, in December 2010 the company was granted EMAS certification under No. SI 00004. Information on all relevant environmental aspects are promptly published via the corporate www.luka-kp.si and Living with the Port www.zivetispristaniscem.si websites, as well as in the in-house *Luški Glasnik* gazette and mass media.

Air Quality

Control measurements of dust deposits are made at ten locations within the port zone, as well as another ten beyond the port zone. Because of the absence of pertinent national legislation in this field, the company follows German directives where the threshold value for total dust deposits amounting to 350 mg/m²/day. Occasionally, increased values are recorded at some locations, in particular in the vicinity of construction sites or handling operations at the Bulk Cargo Terminal. For this reason, in 2010 the company launched a project aimed at the reduction of dust emissions generated by bulk cargos.

Further to this, modern equipment is used to provide ongoing measurements of airborne concentrations of PM10 particulates, i.e. dust not exceeding 10 µm. In the first quarter of 2011, the emissions were compliant with legislation and within the annual objective set by the company.

In March, there was a release of iron oxide particles during an ore handling operation. Due to the strong bora wind, the particles were blown into the town of Koper. Manifest data identified this ore as non-hazardous, and therefore the event was not assessed as dangerous.

Noise Emissions

Noise emissions have been monitored for over a decade, and since 2008 the company has made ongoing measurements at three points on the periphery of the port zone. The values measured in the first three months of 2011 are similar to those previously recorded, this with the exception of the more frequent detection of increased noise from the operation of ship engines and gen-sets whilst moored alongside. In February, a ship owner withdrew a container vessel which generated excessive noise upon each visit to the port.

Waste Waters

Waste waters generated in the port are purified in on-site treatment plants prior to their discharge. Measurements of waste water quality meet the prescribed standards, and the environmental protection permit pertaining to waste water emissions is in the process of acquisition.

Consumption of Energy and Water

Over recent years, a trend towards increased consumption of energy per tonne of cargo handled has been observed. For this reason in December 2010 the company engaged in the preparation of an energy review of the port to identify the actual reasons behind the

increased consumption. Following this review, measures shall be implemented aimed at reducing the consumption of energy.

Furthermore, water consumption is also on the increase which can mainly be attributed to the ageing water supply network, and frequent leaks in particular in the southern, older part of the port. Reconstruction of the existing supply network in the areas where largest water losses were recorded commenced at the end of 2010. Thus far the network has been replaced in the vicinity of the headquarters building and the RO-RO berths in Basin I; water losses across the entire network have now been reduced by fifty percent as a consequence.

Waste Management

The recycling of waste materials is based on the separation of waste at the terminals, within the free zone area, as well as on the vessels using the port. In the first three months of 2011, eighty-five percent of all waste generated within the port (excluding waste from ships) was collected separately for reprocessing, which is testimony to the company's concern for the environment and thereby the accomplishment of set objectives in relation to recycling. Wastes from the vessels represent 10 percent of all wastes produced in the port.

Maritime Protection

Luka Koper d.d. also provides services related to the prevention and response to maritime pollution. Five incidents were recorded within the harbour area during the first three months of 2011, and three of these required the intervention of the maritime protection service. Two cases were related to oil spillage, whereas the others included coal dust, inadequately processed sewage and various alluvial materials and branches. Those polluters who could be identified were obliged to reimburse the cost of clean-up operations.

Light Pollution

In order to ensure operational safety, the port requires good illumination which is provided in accordance with regulations. Unfortunately, the illumination of operational areas, rail yards and roadways at night shift causes light pollution. For this reason, and based on a comprehensive study of port illumination, lighting is being rehabilitated in a series of stages. The legally prescribed deadline has been deferred to 2016, thus the implementation of the plan has been extended to that year. Some seventy-five percent of external illumination has already been regulated.

Construction Works

Extensive construction works have been undertaken in the port area over recent years. During the first quarter of 2011, dredging works were carried out at the Passenger Terminal. These operations including excavating the seabed and land infilling at the Pier I quayside. Due to the fact that construction works may result in increased noise and dust emissions, the

contractors are liable to perform these works in compliance with pertinent environmental regulations. Unfortunately, however, not all disturbances can be fully prevented.

Development

Large-scale developments are always subject to environmental impact assessments, which are undertaken by authorised organisations and further reviewed by auditors. The company completed various infrastructure investments and executed maintenance works last year, and the first large development this year is now well underway at the Passenger Terminal.

COMMITMENT TO THE COMMUNITY

Sponsorship and donation projects supported in the first quarter of 2011 were selected by way of a public call for applications published in January on the www.zivetispristaniscem.si (living with the port) website; 248 applications were received. Pursuant to long-term agreements and newly concluded ones, the company allocated 0.2 million euros for sponsorships and donations in the first quarter of 2011.

The new quayside and Passenger Terminal which is currently under construction is a significant contribution by Luka Koper to the development of the coastal region - and Slovenia - as an attractive tourist destination. These projects have to be completed prior to the arrival of the largest cruise ship thus far, which shall call at the Port of Koper at the end of May.

Within the adoption procedure of the National Spatial Plan (NSP), Luka Koper d.d. had the expert grounds translated into Italian. When the official opinion of the Italian Ministry of Environment is received, the NSP proposal will be ready to be endorsed by the government.

At the beginning of 2011, the company organised an exhibition at Koper's central library on the subject of the 40th anniversary of *Luški Glasnik* the company's in-house gazette. The old articles illustrate the key influence the port has exerted on the development and countenance of the town and its environs. The exhibition was also an introduction to the graphic redesign of the in-house gazette which – due to the nature of work in the port – remains the primary source of information for most employees.

BUSINESS EXCELLENCE

The principal role of the quality department is the development and control over the governance system in its broadest sense. The development encompasses all system activities implemented by the quality department through the following processes:

- assessments of the governance system,

- governance system documentation,
- implementation of measures aimed at improvements and removal of incongruities,
- quality teams and improvement proposals,
- development activities and tasks.

FINANCIAL REPORT

CONSOLIDATED FINANCIAL STATEMENTS OF LUKA KOPER GROUP

Table 7: Income Statement of Luka Koper Group

(in euro)	January - March 2011 Non-audited	January - March 2010 Non-audited
Operating revenues	35,211,318	30,489,800
Net sales revenues	34,767,291	30,139,455
Change in the value of inventory	-	-
Capitalised own products and services	-	-
Other operating revenues	444,027	350,345
Operating expenses	-29,086,429	-27,135,257
Costs of goods, material and services	-11,844,983	-10,172,367
Labour costs	-9,167,595	-9,074,051
Value write-offs	-6,695,695	-6,567,978
Other operating expenses	-1,335,510	-1,320,861
Provisions	-42,645	-
Operating profit	6,124,889	3,354,543
Financial revenues	317,052	2,789,618
Financial revenues from profit participation	222,296	2,602,939
Financial revenues from loans granted	32,939	81,809
Financial revenues from operating receivables	61,817	104,871
Financial expenses	-2,101,521	-2,609,557
Financial expenses from impairments and financial investments write-offs	-2,842	-459,571
Financial expenses from financial liabilities	-2,035,239	-2,082,759
Financial expenses from operating liabilities	-63,440	-67,227
Pre-tax profit	4,340,420	3,534,604
Corporation tax	-88,938	-75,137
Deferred tax	-6,234	-63,469
Net profit for the period	4,245,248	3,395,998
Net profit – majority shareholder	4,245,248	3,396,568

Net profit – minority shareholder	0	-570
Net earnings per share (basic and diluted)	0.30	0.20

Table 8: Comprehensive Income Statement of Luka Koper Group

(in euro)	January – March 2011 Non-audited	January – March 2010 Non-audited
Net profit for the period	4,245,248	3,395,998
Other comprehensive income for the period:		
Change in revaluation surplus from financial assets available-for-sale	-1,228,552	4,396,720
Deferred taxes	245,710	-687,335
Revaluation of financial assets available-for-sale in net amount	-982,842	
Change in fair value of hedged financial instruments in net amount	0	0
Change in revaluation reserves from revaluation of fixed assets in net amount	0	0
Other comprehensive income for the period	-982,842	3,709,385
Total comprehensive income for the period	3,262,406	7,105,382
Attributable to:		
- majority shareholder equity	3,262,406	7,105,952
- minority shareholder equity	0	-570

Table 9: Balance Sheet Statement of Luka Koper Group

ASSETS (in euro)	31. 3. 2011 Non-audited	31. 12. 2010 Audited
ASSETS	503,071,656	502,345,304
A. Non-current assets	457,409,020	459,124,856
I. Intangible fixed assets and long-term deferred costs	7,957,420	7,299,398
II. Tangible fixed assets	372,567,898	373,840,418
III. Real-estate investments	17,352,335	17,512,207
IV. Non-current investments	50,081,057	51,015,089
V. Non-current operating receivables	40,359	41,559
VI. Deferred tax assets	9,409,951	9,416,185
B. Current assets	44,321,658	42,736,311
I. Assets (disposal group)	18,206,173	18,224,413
II. Inventories	12,782	12,688
III. Current investments	743,580	837,691
IV. Current operating receivables	23,067,402	22,980,690
V. Short-term corporation tax assets	0	0
VI. Cash and cash equivalents	2,291,721	680,829
C. Deferred cost and accrued revenue	1,340,978	484,137
D. Off-balance-sheet assets	22,480,703	22,480,703
LIABILITIES (in euro)	31. 3. 2011 Non-audited	31. 12. 2010 Audited
EQUITY AND LIABILITIES	503,071,656	502,345,304
Equity	247,318,909	244,056,503
A. Equity – majority shareholder	247,318,909	244,056,503
I. Called-up capital	58,420,965	58,420,965
II. Capital reserves	89,562,703	89,562,703
III. Legal reserves	18,882,890	18,882,890
IV. Other revenue reserves	58,112,522	58,112,522
V. Revaluation surplus	9,532,045	10,514,887
VI. Retained net profit	8,562,536	8,562,536
VII. Net profit for the year	4,245,248	0
B. Equity – minority shareholder	0	0
C. Provisions	12,643,653	12,636,801
D. Non-current liabilities	154,138,825	161,192,848
I. Non-current financial liabilities	151,560,196	158,376,144
II. Non-current operating liabilities	195,618	187,982
III. Deferred tax liabilities	2,383,011	2,628,722
E. Current liabilities	87,569,909	83,673,527
I. Current financial liabilities	68,652,800	67,893,506
II. Current operating liabilities	18,559,652	15,511,503
III. Short-term corporation tax liabilities	357,455	268,518
F. Accrued costs and deferred revenues	1,400,360	785,625
G. Off-balance-sheet liabilities	22,480,703	22,480,703

Table 10: Cash Flow Statement of Luka Koper Group

(in euro)	January – March 2011 Non-audited	January – March 2010 Non-audited
<i>Cash flows from operating activities</i>		
a) Net profit	4,251,481	3,459,467
Pre-tax profit	4,340,420	3,534,604
Corporation tax and other taxes not included in operating expenses	-88,939	-75,137
b) Adjustments for	8,431,473	6,329,917
Depreciation and amortisation (+)	6,661,888	6,530,228
Revaluation operating revenues associated with investments and financing (-)	-24,587	-57,894
Revaluation operating expenses associated with investments and financing (+)	11,326	0
Finance income less finance income from operating receivables (-)	-255,235	-2,684,748
Finance expense less finance expense from operating liabilities (+)	2,038,081	2,542,331
b) Changes in net current assets per balance sheet items (including accruals and deferrals, provisions and deferred tax assets and liabilities)	2,901,788	-4,103,312
Changes in operating receivables	-53,210	1,706,175
Changes in deferred costs and accrued revenue	-856,841	-415,959
Changes in deferred tax assets	0	0
Changes in assets (disposal group) held for sale	36,166	0
Changes in inventories	-95	421
Changes in operating liabilities	-3,154,181	-4,926,082
Changes in accrued costs and deferred revenue, and provisions	621,586	-467,867
Changes in deferred tax liabilities	0	0
c) Net inflows (outflows) from operating activities (a + b)	15,584,741	5,686,072
<i>Cash flows from investment activities</i>		
a) Inflows from investments	168,057	9,991,079
Interest from interest and profit participation associated with investments	0	2,610,169
Inflows from disposal of intangible fixed assets	3,771	0
Inflows from disposal of tangible fixed assets	25,068	282,893
Inflows from disposal of real-estate investments	-	0
Inflows from disposal of non-current financial investments	44,469	522,999

Inflows from disposal of current financial investments	94,749	6,575,018
b) Outflows from investments	-6,040,557	-17,805,844
Outflows for acquisition of intangible fixed assets	-700,133	-126,811
Outflows for acquisition of tangible fixed assets	-5,220,871	-8,277,992
Outflows for acquisition of real-estate investments	-19	-738
Outflows for acquisition of non-current financial investments	-119,534	-4,839,160
Outflows for acquisition of current financial investments	0	-4,561,143
c) Net inflows (outflows) from investment activities (a + b)	-5,872,500	-7,814,765
<i>Cash flows from financing activities</i>		
a) Inflows from financing	9,837,928	304,099,541
Inflows from paid-up capital	0	0
Inflows from increase of non-current financial liabilities	15,017	194,901,094
Inflows from increase of current financial liabilities	9,822,911	109,198,447
b) Outflows from financing	-17,939,277	-301,778,917
Outflows for interest payable associated with financing	-2,044,695	-2,082,759
Outflows for capital refunds	0	0
Outflows for payment of non-current financial liabilities	-5,945,000	-193,154,302*
Outflows for payment of current financial liabilities	-9,949,582	-106,541,958*
Outflows for distribution of dividends and other profit participation	0	102
c) Net inflows (outflows) from financing activities (a + b)	-8,101,349	2,320,624
<i>Closing balance of cash and cash equivalents</i>	2,291,721	746,265
Net cash inflow (outflow) for the period (sum total of net cash Ac, Bc and Cc)	1,610,892	191,931
<i>Opening balance of cash and cash equivalents</i>	680,829	554,334

Table 11: Statement of Changes in Equity of Luka Koper Group January – March 2010

STATEMENT OF CHANGES IN EQUITY (in euro) Non-audited	Called-up capital	Capital reserves	Legal reserves	Other revenues reserves	Retained net profit	Net profit for the financial year	Revaluation surplus	Total equity	Equity – minority shareholders	Total equity
Opening balance as of 1st January 2010	58,420,965	89,562,704	18,876,841	60,544,410	15,706,530	-7,112,730	11,044,595	247,043,314	367,181	247,410,495
Net profit for the financial year						3,396,568		3,396,568	-570	3,395,998
Other comprehensive income for the period							3,709,385	3,709,385		3,709,385
Comprehensive income for the period						3,396,568	3,709,385	7,105,952	-570	7,105,383
Formation of other revenues reserves upon the resolutions of Management and Supervisory Boards								0	0	0
Transfer to other revenue reserves upon the resolution of General Assembly								0	0	0
Transfer of net profit for the previous year to retained net profit					-7,112,730	7,112,730		0	0	0
Dividend distribution								0		0
Transfer from equity								0	-286,549	-286,549
Acquisition of minority interest					570,000			570,000		570,000
Other								0		0
Balance as of 31st March 2010	58,420,965	89,562,704	18,876,841	60,544,410	9,163,800	3,396,568	14,753,979	254,719,266	80,062	254,799,328

Table 12: Statement of Changes in Equity of Luka Koper Group, January – March 2011

STATEMENT OF CHANGES IN EQUITY (in euro) Non-audited	Called-up capital	Capital reserves	Legal reserves	Other revenue reserves	Retained net profit	Net profit for the financial year	Revaluation surplus	Total equity	Equity – minority shareholders	Total equity
Opening balance as of 1st January 2011	58,420,965	89,562,704	18,882,889	58,112,522	8,562,536	0	10,514,887	244,056,503	0	244,056,503
Net profit for the financial year						4,245,248		4,245,248	0	4,245,248
Other comprehensive income for the period							-982,842	-982,842	0	-982,842
Comprehensive income for the period						4,245,248	-982,842	3,262,406	0	3,262,406
Formation of other revenue reserves upon the resolution of Management Board								0	0	0
Transfer to other revenue reserves upon the resolution of General Assembly								0	0	0
Transfer of net profit for the previous year to retained net profit								0	0	0
Balance as of 31st March 2011	58,420,965	89,562,704	18,882,889	58,112,522	8,562,536	4,245,248	9,532,045	247,318,909	0	247,318,909

NOTES TO THE FINANCIAL STATEMENTS OF LUKA KOPER GROUP

The financial statements of the *Luka Koper Group* for January to March 2011, i.e. as at 31st March 2011, encompass the financial statements of the parent company, *Luka Koper d.d.*, as well as the statements of its subsidiary enterprises, together with the attributable profits or losses of associated and jointly controlled companies.

The non-audited financial statements of *Luka Koper Group* as of 31st March 2011 are compiled in accordance with the same accounting policies and principles applicable in 2010.

Statement of Compliance

The financial statements have been compiled in accordance with the Companies Act RS and International Financing Reporting Standards (IRS) as adopted by the EU.

Basis for the Compilation of Financial Statements

The financial statements have been compiled in euros (EUR), rounded to the nearest unit. Through these consolidated financial statements, the *Luka Koper Group* wants to provide the broadest sphere of users useful information on its finances, performance and changes in financial standing from January to March 2011, in comparison with data for the previous year.

Fair value has been used and disclosed in relation to available-for-sale financial assets and real-estate investments, whilst other financial statement items have been presented either at cost or amortised cost.

Additional Notes to the Income Statement

Operating revenues

(in euro)	January - March 2011	January - March 2010
OPERATING REVENUES	35,211,318	30,489,800
Net sales revenues on domestic market	12,963,958	11,586,153
Net sales revenues on foreign markets	21,803,333	18,553,302
Other operating revenues	444,027	350,345

Costs of goods, materials and services

(in euro)	January - March 2011	January - March 2010
COSTS OF GOODS, MATERIALS AND SERVICES	11,844,983	10,172,367

Material costs	2,710,285	2,274,096
Service costs	9,134,698	7,898,271

Labour costs

(in euro)	January - March 2011	January - March 2010
LABOUR COSTS	9,167,595	9,074,051
Costs of salaries	6,876,828	6,933,266
Social insurance costs	1,409,070	1,267,920
Other labour costs	881,697	872,865

Value write-offs

(in euro)	January - March 2011	January - March 2010
VALUE WRITE-OFFS	6,695,695	6,567,978
Amortisation of fixed assets	6,636,694	6,529,783
Amortisation of real-estate investments	25,194	445
Revaluation operating expenses	33,807	37,750

Other operating expenses

(in euro)	January - March 2011	January - March 2010
OTHER COSTS	1,335,510	1,320,861
Charges unrelated to labour and other costs	1,242,899	1,251,647
Environmental protection expenditure	29,153	21,896
Other costs	63,458	47,318

Financial revenues

(in euro)	January - March 2011	January - March 2010
FINANCIAL REVENUES	317,052	2,789,618
Financial revenues from profit participation	222,296	2,602,939
Financial revenues from loans granted	32,939	81,809
Financial revenues from operating receivables and foreign exchange gains	61,817	104,871

Financial revenues in the first quarter of 2011 recorded a year-on decline of two million euros due to the poor results of the associated company Intereuropa d.d. which were disclosed in the first quarter of 2010. As of 31st December 2010, Luka Koper's holding in Intereuropa was reclassified as non-current assets (disposal group) held for sale.

Financial expenses

(in euro)	January - March 2011	January - March 2010
FINANCIAL EXPENSES	2,101,521	2,609,557
Financial expenses from impairments and financial investment write-offs	2,842	459,571
Financial expenses from financial liabilities	2,035,239	2,082,759
Financial expenses from operating liabilities and foreign exchange losses	63,440	67,227

Operating profit for the period

(in euro)	January - March 2011	January - March 2010
Pre-tax profit	4,340,420	3,534,604
Corporation tax	-88,938	-75,137
Deferred tax	-6,234	-63,469
Net profit for the period	4,245,248	3,395,998
Net earnings per share	0,3	0,2

Additional Notes to the Balance Sheet Statement**Tangible and intangible fixed assets and real-estate investments**

(in euro)	31. 3. 2011	31. 12. 2010
INTANGIBLE FIXED ASSETS AND LONG-TERM DEFERRED COSTS & ACCRUED REVENUES	7,957,420	7,299,398
TANGIBLE FIXED ASSETS	372,567,898	373,840,417
1. Land and buildings	256,875,741	258,312,081
a. Land	12,072,877	12,072,877
b. Buildings	244,802,864	246,239,204
2. Plant and machinery	87,208,005	88,756,918
3. Other plant and equipment	148,952	148,951
4. Tangible fixed assets under acquisition	28,335,200	26,622,467
REAL-ESTATE INVESTMENTS	17,352,335	17,512,207

Non-current investments

(in euro)	31. 3. 2011	31. 12. 2010
NON-CURRENT INVESTMENTS	50,081,057	51,015,089
1. Non-current investments less loans	47,650,056	48,671,349
2. Non-current loans	2,431,001	2,343,740

Current assets

(in euro)	31. 3. 2011	31. 12. 2010
CURRENT ASSETS	44,321,658	42,736,311
Assets (disposal group) held for sale	18,206,173	18,224,413
Inventories	12,782	12,688
Current investments	743,580	837,691
Current operating receivables	23,067,402	22,980,690
Cash and cash equivalents	2,291,721	680,829

LONG-TERM DEFERRED COSTS & ACCRUED REVENUES

(in euro)	31. 3. 2011	31. 12. 2010
LONG-TERM DEFERRED COSTS AND ACCRUED REVENUES	1,340,978	484,137

Equity

(in euro)	31. 3. 2011	31. 12. 2010
EQUITY	247,318,909	244,056,503
EQUITY – majority shareholder	247,318,909	244,056,503
Issued share capital	58,420,965	58,420,965
Capital reserves	89,562,703	89,562,703
Revenue reserves	76,995,412	76,995,412
1. Legal reserves	18,882,890	18,882,890
2. Other revenue reserves	58,112,522	58,112,522
Revaluation surplus	9,532,045	10,514,887
Retained net profit	8,562,536	8,562,536
Net profit for the financial year	4,245,248	0
EQUITY – minority shareholder	0	0

Provisions and accrued costs and deferred revenues

(in euro)	31. 3. 2011	31. 12. 2010
PROVISIONS AND ACCRUED COSTS AND DEFERRED REVENUES	12,643,653	12,636,801

Non-current liabilities

(in euro)	31. 3. 2011	31. 12. 2010
NON-CURRENT LIABILITIES	154,138,825	161,192,848
Non-current financial liabilities	151,560,196	158,376,144
Non-current operating liabilities	195,618	187,982
Deferred tax liabilities	2,383,011	2,628,722

Current liabilities

(in euro)	31. 3. 2011	31. 12. 2010
CURRENT LIABILITIES	87,569,909	83,673,527
Current financial liabilities	68,652,800	67,893,506
Current operating liabilities	18,917,109	15,780,021

Accrued costs and deferred revenues

(in euro)	31. 3. 2011	31. 12. 2010
ACCRUED COSTS AND DEFERRED REVENUES	1,400,359	1,491,218

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

Table 13: Income Statement of Luka Koper d.d.

(in euro)	January – March 2011 Non-audited	January – March 2010 Non-audited
Operating revenues	33,479,673	28,800,213
Net sale revenues	33,434,556	28,742,133
Change in the value of inventories	-	-
Capitalised own products and services	-	-
Other operating revenues	45,117	58,080
Operating expenses	-27,860,267	-25,587,704
Costs of goods, material and services	-12,442,152	-10,305,992
Labour costs	-7,692,328	-7,608,237
Value write-offs	-6,374,671	-6,300,076
Other operating expenses	-1,308,471	-1,373,399
Provisions	-42,645	-
Operating profit	5,619,406	3,212,509
Financial revenues	94,380	249,316
Financial revenues from profit participation	-	75,579
Financial revenues from loans granted	23,405	74,815
Financial revenues from operating receivables	70,975	98,922
Financial expenses	-2,177,606	-2,666,789
Financial expenses from impairments and financial investment write-offs	-2,842	-455,659
Financial expenses from financial liabilities	-2,112,823	-2,144,236
Financial expenses from operating liabilities	-61,941	-66,894
Pre-tax profit	3,536,180	795,036
Corporation tax	0	0
Deferred tax	-5,208	-63,108
Net profit for the period	3,530,972	731,928
Net earnings per share (basic and diluted)	0.25	0.05

Table 14: Comprehensive Income Statement of Luka Koper d.d.

(in euro)	January – March 2011 Non-audited	January – March 2010 Non-audited
Net comprehensive income for the period	3,530,972	731,928
Other comprehensive income for the period:		
Change in revaluation surplus from financial assets available-for-sale	-1,228,552	4,396,720
Deferred taxes	245,710	-687,335
Revaluation of financial assets available-for-sale in net amount	-982,842	3,709,385
Change in fair value of hedged financial instruments in net amount	0	0
Change in revaluation reserves from revaluation of tangible fixed assets in net amount	0	0
Other comprehensive income for the period	-982,842	3,709,385
Total comprehensive income for the period	2,548,130	4,441,313

Table 15: Balance Sheet Statement of Luka Koper d.d.

ASSETS (in euro)	31. 3. 2011 Non-audited	31. 12. 2010 Audited
ASSETS	495,012,113	494,944,676
A. Non-current assets	450,334,623	452,202,349
I. Intangible fixed assets and long-term deferred costs	7,953,551	7,299,398
II. Tangible fixed assets	342,644,022	343,843,293
III. Real-estate investments	36,960,229	37,120,101
IV. Non-current investments	53,318,194	54,474,523
V. Non-current operating receivables	40,359	41,559
VI. Deferred tax assets	9,418,268	9,423,475
B. Current assets	43,548,259	42,270,577
I. Assets (disposal group)	18,193,511	18,211,752
II. Current investments	1,093,762	1,131,029
III. Current operating receivables	22,183,867	22,335,500
IV. Current corporation tax assets	0	0
V. Cash and cash equivalents	2,077,119	592,296
C. Deferred costs and accrued revenues	1,129,231	471,750
D. Off-balance-sheet assets	22,480,703	22,480,703
LIABILITIES (in euro)	31. 3. 2011	31. 12. 2010
EQUITY AND LIABILITIES	495,012,113	494,944,676

A. Equity	237,924,322	235,376,191
I. Called-up capital	58,420,965	58,420,965
II. Capital reserves	89,562,703	89,562,703
III. Revenue reserves	76,877,636	76,877,636
IV. Revaluation surplus	9,532,046	10,514,887
V. Retained net profit	0	0
VI. Net profit for the financial year	3,530,972	0
B. Provisions	5,400,773	5,358,127
C. Non-current liabilities	154,014,292	161,075,952
I. Non-current financial liabilities	151,560,195	158,376,144
II. Non-current operating liabilities	71,086	71,086
III. Deferred tax liabilities	2,383,011	2,628,722
D. Current liabilities	96,359,479	92,402,544
I. Current financial liabilities	78,928,353	77,693,895
II. Current operating liabilities	17,431,126	14,708,649
E. Accrued costs and deferred revenues	1,313,247	731,862
F. Of-balance-sheet liabilities	22,480,703	22,480,703

Table 16: Cash Flow Statement of Luka Koper d.d.

(in euro)	January – March 2011 Non-audited	January – March 2010 Non-audited
<i>Cash flows from operating activities</i>		
a) Net profit	3,536,178	795,037
Pre-tax profit	3,536,178	795,037
Corporation taxes and other taxes not included in operating expenses	0	0
b) Adjustments for	8,408,754	8,661,730
Depreciation and amortisation (+)	6,341,863	6,268,326
Revaluation of operating revenues associated with investment and financing (-)	-24,287	-56,097
Revaluation of operating expenses associated with investment and financing (+)	11,325	-
Finance income less finance income from operating receivables (-)	-34,712	-150,394
Finance expense less financial expenses from operating liabilities (+)	2,115,565	2,599,895

b) Changes in net current assets per balance sheet items (including accruals and deferrals, provisions and deferred tax assets and liabilities)	2,870,702	-4,163,701
Changes in operating receivables	152,834	1,659,573
Changes in deferred costs and accrued revenues	-657,481	-219,235
Changes in deferred tax assets	-	-
Changes in assets (disposal group) held for sale	19,385	-
Changes in inventories	-	-
Changes in operating liabilities	2,731,933	-4,920,730
Changes in accrued costs and deferred revenues, and provisions	624,031	-683,309
Changes in deferred tax liabilities	-	-
c) Net inflows (outflows) from operating activities (a + b)	14,816,634	5,293,065
<i>Cash flows from investment activities</i>		
a) Inflows from investments	167,757	7,677,385
Inflows from interest and profit participation associated with investments	-	236
Inflows from disposal of intangible fixed assets	3,771	-
Inflows from disposal of tangible fixed assets	24,768	281,096
Inflows from disposal of real-estate investments	-	-
Inflows from disposal of non-current financial investments	44,469	594,666
Inflows from disposal of current financial investments	94,749	6,801,387
b) Outflows from investments	-5,795,900	-15,088,300
Outflows for acquisition of intangible fixed assets	-696,264	-126,811
Outflows for acquisition of tangible fixed assets	-4,957,312	-7,770,108
Outflows for acquisition of real-estate investments	-19	-738
Outflows for acquisition of non-current financial investments	-84,823	-2,252,344
Outflows for acquisition of current financial investments	-57,482	-4,938,299
c) Net inflows (outflows) from investments activities (a + b)	5,628,142	-7,410,915
<i>Cash flows from financing activities</i>		
a) Inflows from financing	10,188,109	316,395,797
Inflows from paid-up capital	-	-
Inflows from increase of non-current financial liabilities	15,016	194,901,094
Inflows from increase of current financial liabilities	10,173,093	121,494,703
b) Outflows from financing activities	-17,891,779	-314,108,242
Outflows for interest payable associated with financing	-2,122,179	-2,144,736
Outflows for capital refunds	-	-

Outflows for payment of non-current financial liabilities	-5,945,000	-193,154,302*
Outflows for payment of current financial liabilities	-9,824,599	-118,809,307*
Outflows for payment of dividends sand other profit participation	-	102
c) Net inflows (outflows) from financing activities (a + b)	-7,703,670	2,287,555
<i>Closing balance of cash and cash equivalentents</i>	2,077,119	658,285
Net cash inflow (outflow) for the period (sum total of net cash Ac, Bc and Cc)	1,484,822	169,705
<i>Opening balance of cash and cash equivalentents</i>	592,296	488,580

Table 17: Statement of Changes in Equity of Luks Koper d.d., January – March 2010

STATEMENT OF CHANGES IN EQUITY (in euro) Non-audited	Called-up capital	Capital reserves	Legal reserves	Other revenue reserves	Retained net profit	Net profit for the financial year	Revaluation surplus	Total equity
	I/1	II/1	III/1	III/4	IV/1	V/1	VI/2	
Opening balance as of 1st January 2010	58,420,965	89,562,703	18,765,115	60,544,409	0	0	11,044,595	238,337,787
Net profit for the financial year						731,928		731,928
Other comprehensive income for the period							3,709,385	3,709,385
Comprehensive income for the period	0	0	0	0	0	731,928	3,709,385	4,441,313
Formation of other revenue reserves upon the resolution of Management and Supervisory Boards								
Transfer to other revenue reserves upon resolution of General Assembly								
Transfer of net profit for the previous year to retained net profit								
Dividend distribution								
Other								
Closing balance as of 31st March 2010	58,420,965	89,562,703	18,765,115	60,544,409	0	731,928	14,753,980	242,779,100

Table 18: Non-audited Statement of Changes in Equity of Luks Koper d.d., January – March 2011

STATEMENT OF CHANGES IN EQUITY (in euro) Non-audited	Called-up capital	Capital reserves	Legal reserves	Other revenue reserves	Retained net profit	Net profit for the financial year	Revaluation surplus	Total
	I/1	II/1	III/1	III/4	IV/1	V/1	VI/2	
Opening balance as of 1st January 2011	58,420,965	89,562,703	18,765,115	58,112,521	0	0	10,514,887	235,376,191
Net profit for the financial year						3,530,972		3,530,972
Other comprehensive income for the period							-982,842	-982,842
Comprehensive income for the period	0	0	0	0	0	3,530,972	-982,842	2,548,130
Formation of other revenue reserves upon resolutions of Management and Supervisory Boards								
Transfer to other revenues reserves upon resolution of General Assembly								
Transfer of net profit for the previous year to retained net profit								
Dividend distribution								
Other								
Balance as of 31st March 2011	58,420,965	89,562,703	18,765,115	58,112,521	0	3,530,972	9,532,045	237,924,321

NOTES TO THE FINANCIAL STATEMENTS OF LUKA KOPER D.D.

Luka Koper d.d., port and logistics system operator, with its registered office in Koper, Republic of Slovenia, is the parent company of the *Luka Koper Group* of companies. These financial statements are compiled for the period January to March 2011, i.e. as at 31st March 2011.

The non-audited financial statements of *Luka Koper d.d.* as of 31st March 2011 are compiled in accordance with the same accounting policies and principles applicable in 2010.

Statement of Compliance

The financial statements have been compiled in accordance with the Companies Act RS and International Financing Reporting Standards (IRS) as adopted by the EU.

Basis for Preparation of Financial Statements

The financial statements have been compiled in euros (EUR), rounded to the nearest unit. By way of these financial statements *Luka Koper d.d.* wishes to provide the broadest sphere of users useful information on the finances, performance and changes in its financial standing from January to March 2011, in comparison with data for the previous year.

Fair value has been used and disclosed in relation to available-for-sale financial assets and real-estate investments, whilst other financial statement items have been presented at cost or amortised cost.

Operating revenues

(in euro)	January - March 2011	January - March 2010
OPERATING REVENUES	33,479,673	28,800,213
Net sales revenues on domestic market	12,517,453	10,909,143
Net sales revenues on foreign markets	20,917,103	17,832,990
Other operating revenues	45,117	58,080

Costs of goods, materials and services

(in euro)	January - March 2011	January - March 2010
COSTS OF GOODS, MATERIALS AND SERVICES	12,442,152	10,305,992
Material costs	2,565,765	2,129,825
Service costs	9,876,387	8,176,167

Labour costs

(in euro)	January - March 2011	January - March 2010
LABOUR COSTS	7,692,328	7,608,237
Costs of salaries	5,812,151	5,891,529
Social insurance costs	1,195,896	1,046,253
Other labour costs	684,281	670,455

Value write-offs

(in euro)	January - March 2011	January - March 2010
VALUE WRITE-OFFS	6,374,671	6,300,076
Amortisation of fixed assets	6,181,972	6,109,404
Amortisation of real-estate investments	159,892	158,922
Revaluation operating expenses	32,807	31,750

Other operating expenses

(in euro)	January - March 2011	January - March 2010
OTHER COSTS	1,308,471	1,373,399
Charges unrelated to labour and other costs	1,230,113	1,239,153
Environmental protection expenditure	16,402	88,123
Other costs	61,946	46,123

Financial revenues

(in euro)	January - March 2011	January - March 2010
FINANCIAL REVENUES	94,380	249,316
Financial revenues from profit participation	0	75,579
Financial revenues from loans granted	49,460	74,815
Financial revenues from operating receivables and foreign exchange gains	44,920	98,922

Financial expenses

(in euro)	January - March 2011	January - March 2010
FINANCIAL EXPENSES	2,177,606	2,666,789
Financial expenses from financial liabilities	2,112,823	2,144,235
Financial expenses from impairments and financial investment write-offs	2,842	455,659

Financial expenses from operating liabilities and foreign exchange losses	61,941	66,895
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Operating profit for the period

(in euro)	January - March 2011	January - March 2010
PRE-TAX PROFIT	3,536,180	795,036
Corporation tax	0	0
Deferred tax	-5,208	-63,108
Net profit for the period	3,530,972	731,928
NET EARNINGS PER SHARE	0.25	0.05

Additional Notes to the Balance Sheet Statement

Tangible and intangible fixed assets and real-estate investments

(in euro)	31. 3. 2011	31. 12. 2010
INTANGIBLE FIXED ASSETS AND LONG-TERM DEFERRED COSTS & ACCRUED REVENUES	7,953,551	7,299,398
	342,644,022	343,843,293
1. Land and buildings	231,666,340	233,069,731
a. Land	6,261,659	6,261,659
b. Buildings	225,404,681	226,808,072
2. Plant and machinery	82,636,311	84,045,380
3. Other plant and equipment	138,696	138,695
4. Tangible fixed assets under acquisition	28,202,675	26,589,487
REAL-ESTATE INVESTMENTS	36,960,229	37,120,101

Non-current financial investments

(in euro)	31. 3. 2011	31. 12. 2010
NON-CURRENT FINANCIAL INVESTMENTS	53,318,194	54,474,523
1. Non-current financial investments less loans	50,887,194	52,130,784
2. Long-term loans	2,431,000	2,343,739

Current assets

(in euro)	31. 3. 2011	31. 12. 2010
CURRENT OPERATING RECEIVABLES	22,183,867	22,335,500
Assets (disposal group) held for sale	18,193,511	18,211,752

Short-term financial investments	1,093,762	1,131,029
Short-term operating receivables	22,183,867	22,335,500
Cash and cash equivalents	2,077,119	592,296

Deferred costs and accrued revenues

(in euro)	31. 3. 2011	31. 12. 2010
DEFERRED COSTS AND ACCRUED REVENUES	1,129,231	471,750

Equity

(in euro)	31. 3. 2011	31. 12. 2010
EQUITY	237,924,322	235,376,191
Called-up capital	58,420,965	58,420,965
Capital reserves	89,562,703	89,562,703
Revenue reserves	76,877,636	76,877,636
1. Legal reserves	18,765,115	18,765,115
2. Other revenue reserves	58,112,521	58,112,521
Revaluation surplus	9,532,046	10,514,887
Retained net profit	0	0
Net profit for the financial year	3,530,972	0

Provisions

(in euro)	31. 3. 2011	31. 12. 2010
PROVISIONS AND ACCRUED COSTS AND DEFERRED REVENUES	5,400,773	5,358,127

Non-current liabilities

(in euro)	31. 3. 2011	31. 12. 2010
NON-CURRENT LIABILITIES	154,014,292	161,075,952
Long-term financial liabilities	151,560,196	158,376,144
Long-term operating liabilities	71,085	71,086
Deferred tax liabilities	2,383,011	2,628,722

Current liabilities

(in euro)	31. 3. 2011	31. 12. 2010
CURRENT LIABILITIES	96,359,479	92,402,544
Short-term financial liabilities	78,829,353	77,693,895

Short-term operating liabilities	17,431,126	14,708,649
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Accrued costs and deferred revenues

(in euro)	31. 3. 2011	31. 12. 2010
ACCRUED COSTS AND DEFERRED REVENUES	1,313,247	731,862