

2013



LUKA KOPER GROUP

**NON-AUDITED INTERIM REPORT OF LUKA KOPER GROUP AND
LUKA KOPER D. D., JANUARY – JUNE 2013**

Koper, Slovenia, August 2013

CONTENTS

BUSINESS REPORT	1
PERFORMANCE HIGHLIGHTS OF LUKA KOPER GROUP	1
INTRODUCTORY NOTE.....	3
PRESENTATION OF LUKA KOPER GROUP	4
CORPORATE MANAGEMENT AND GOVERNANCE	6
SIGNIFICANT EVENTS JANUARY – JUNE 2013	8
RELEVANT POST-BALANCE-SHEET EVENTS.....	12
PERFORMANCE ANALYSIS OF LUKA KOPER GROUP	12
FINANCIAL MANAGEMENT	17
MARKETING & SALES	20
RISK MANAGEMENT	25
LKPG SHARE.....	26
NON-FINANCIAL INVESTMENTS.....	28
RESEARCH & DEVELOPMENT	29
SUSTAINABLE DEVELOPMENT	30
NATURAL ENVIRONMENT	30
HUMAN RESOURCE MANAGEMENT	34
COMMITMENT TO THE COMMUNITY	36
FINANCIAL REPORT	38
CONSOLIDATED FINANCIAL STATEMENTS OF LUKA KOPER GROUP.....	38
NON-CONSOLIDATED FINANCIAL STATEMENTS OF LUKA KOPER D. D.....	53
MANAGEMENT BOARD STATEMENT OF RESPONSIBILITY	70

BUSINESS REPORT

PERFORMANCE HIGHLIGHTS OF LUKA KOPER GROUP

Comparison of Actual and Planned Results of the Luka Koper Group, January – June 2013 and 2012

(in euro)	Actual Jan. – June 2013	Plan Jan. – June 2013	Index Result / Plan
Operating revenues	73,237,892	74,162,945	99
Operating profit (EBIT)	10,830,594	10,362,627	105
EBITDA	24,785,305	24,390,680	102
Net profit	7,793,205	7,252,675	107
Investments in intangible and tangible assets and real-estate investments	6,562,057	20,012,494	33
Cargo throughput (in tonnes)	8,900,962	8,897,365	100

Comparison of Luka Koper Group Results for January – June 2013 and 2012

(in euro)	Jan. – June 2013	Jan. – June 2012	Index 2013 / 2012
From Income Statement			
Operating revenues	73,237,892	71,121,454	103
Operating profit (EBIT)	10,830,594	11,132,120	97
EBITDA	24,785,305	25,007,151	99
Financing gain (loss)	-2,577,343	-3,423,093	75
Pre-tax profit	8,253,251	7,709,027	107
Net profit	7,793,205	6,220,222	125
Cargo throughput (in tonnes)	8,900,962	9,036,874	98

(in euro)	30 th June 2013	31 st Dec. 2012	Index 2013 / 2012
From Balance-Sheet Statement			
Assets	463,224,769	463,397,435	100
Non-current assets	412,941,013	428,249,680	96
Current assets, and deferred costs and accrued revenues	50,283,756	35,147,755	143

Equity	258,264,697	249,328,319	104
Non-current liabilities and provisions	144,188,815	150,435,553	96
Current liabilities, and accrued costs and deferred revenues	60,771,257	63,633,563	96
Financial liabilities	169,988,918	183,962,135	92

(as percentage)	Jan. – June 2013	Jan. – June 2012	Index 2013 / 2012
Indicators			
Return on sales (ROS)	14.79%	15.65%	94
Net return on equity (ROE) ¹	6.14%	5.15%	119
Net return on assets (ROA) ¹	3.36%	2.62%	129
EBITDA margin	33.84%	35.16%	96
Financial liabilities / equity	65.82%	80.60%	82

(in euro)	Jan. – June 2013	Jan. – June 2012	Index 2013 / 2012
From Cash Flow Statement			
Investments in intangible and tangible fixed assets and real-estate investments	6,562,057	8,417,952	78

Comparison of Luka Koper d.d. Results for January – June 2013 and 2012

(in euro)	Jan. – June 2013	Jan. – June 2012	Index 2013 / 2012
From Income Statement			
Net profit	7,289,472	5,829,653	125

¹ The indicators are calculated on the basis of annualised data.

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 Interim Report on the performance of *Luka Koper d.d.* and the *Luka Koper Group* for January – June 2013.

This Non-Audited Interim Report on the performance of *Luka Koper d.d.* and the *Luka Koper Group* for January – June 2013 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 August 2013 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*.

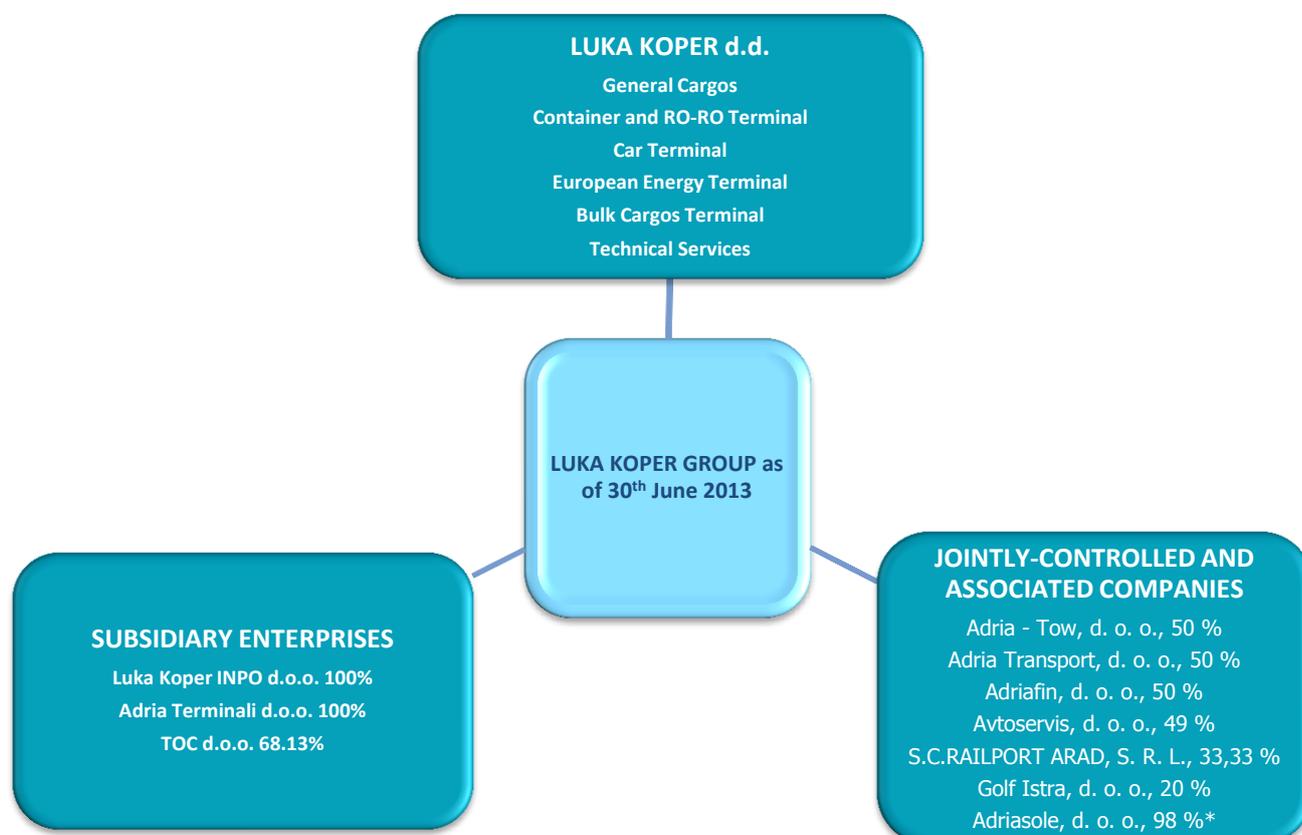
This Non-Audited Interim Report on the performance of *Luka Koper d.d.* and the *Luka Koper Group* for January – June 2013 was addressed by the company's Supervisory Board at its regular session held on 26th August 2013.

PRESENTATION OF 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: + 386 5 66 56 100</i> <i>Fax: + 386 5 63 95 020</i> <i>E-mail: portkoper@luka-kp.si</i> <i>Website: www.luka-kp.si</i>
<i>Company registration</i>	<i>Application No. 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>Bojan Brank</i>
<i>Management Board Member</i>	<i>Marko Rems</i>
<i>Management Board Member – Workers Director</i>	<i>Matjaž Stare</i>
<i>Supervisory Board President</i>	<i>Dr. Janez Požar²</i>
<i>Number of consolidated companies</i>	<i>11</i>
<i>Luka Koper d.d. core activity</i>	<i>Seaport and logistics system operator and service provider</i>
<i>Luka Koper Group activities</i>	<i>Various support and ancillary services in relation to core activity</i>

² Supervisory Board President as of 30th June 2013.



Companies consolidated within the *Luka Koper Group* provide various services which accomplish the comprehensive operation of the Port of Koper. In addition to the parent company *Luka Koper d.d.*, the *Luka Koper Group* was comprised of the following subsidiary enterprises as of 30th June 2013:

* The company *Adriasole d.o.o.* is not controlled in compliance with International Accounting Standards 27 (13). Although *Luka Koper d.d.* holds a 98-percent stake in *Adriasole d.o.o.*, decision making requires the consent of the partner pursuant to an agreement. Compliant with provisions of IAS 28 (7), *Adriasole d.o.o.* has been classified as an associated company.

The *Luka Koper Group* also holds stakes in the companies listed below which are classified as assets held for disposal through sale:

- *Intereuropa d.d.* - 7.13% of total equity, 11.65% of ordinary shares,
- *Logis Nova d.o.o.* - 99.67%,
- *Adria Investicije d.o.o.* - 100%,
- *Luka Koper Pristan d.o.o.* - 100%.

In April 2013, Luka Koper d.d. commenced a procedure to dispose of its Luka Koper Pristan d.o.o. subsidiary. The company was accordingly classified in the group of non-current assets (disposal group) held for sale. This change is reported in more detail in the Financial Report.

CORPORATE MANAGEMENT AND GOVERNANCE

Luka Koper d. d. Management Board

As of 30th June 2013, the *Luka Koper d.d.* Management Board was comprised of the following members:

- Mr. Bojan Brank, President of the Management Board, appointed on 7th September 2012 for a maximum one-year term in accordance with the provisions of Paragraph 2, Article 273 of the Companies Act RS.
- Mr. Marko Rems, Member of the Management Board, commenced a five-year term on 1st March 2012.
- Mr. Matjaž Stare, Workers Director, commenced a five-year term on 18th October 2010.

A presentation of the *Luka Koper d.d.* Management Board members is available on the company's website: www.luka-kp.si.

Luka Koper d. d. Supervisory Board

The *Luka Koper d.d.* Supervisory Board is composed of nine members, of whom six are elected by the General Assembly of Shareholders and three by the Workers' Council. They are elected for a four-year term. As of 30th June 2013, the Supervisory Board was comprised of the following members:

As 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 14th 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 14th 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 14th July 2009 (16th General Assembly of Shareholders). As of 7th September 2012, in compliance with the

second paragraph of Article 273 of the Companies Act RS, Mr. Brank's position as Board member and the President of the Supervisory Board's Human Resource Committee was suspended due to his appointment as President of the *Luka Koper d.d.* Management Board.

- Dr. Marko Simoneti, Member of the Supervisory Board, appointed upon the proposal of the Republic of Slovenia; commenced a four-year term on 14th 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 14th July 2009 (16th General Assembly of Shareholders).
- Ms. Sabina Mozetič, Member of the Supervisory Board, appointed upon the proposal of the Council of Koper Municipality; commenced a four-year term on 12th July 2011 (19th General Assembly of Shareholders).

As representatives of employees:

- Mr. Mladen Jovičič, Employee Representative; commenced a four-year term on 18th March 2013.
- Mr. Stojan Čepar, Employee Representative; commenced a four-year term on 18th March 2013.
- Mr. Nebojša Topič, Employee Representative; commenced a four-year term on 28th July 2012.

As an external member of the Supervisory Board Audit Committee:

- Ms. Blanka Vezjak, external member of Supervisory Board Audit Committee, appointed at the Supervisory Board meeting of 11th September 2009 (first Supervisory Board meeting).

Post-balance-sheet changes in the composition of the Supervisory Board

Due to the expiry of the terms of office of five Supervisory Board members, the General Assembly of Shareholders at its 8th July 2013 meeting endorsed Vinko Može, Andrej Godec, Dino Klobas, Nikolaj Abrahamsberg and Jordan Kocjančič to serve four-year terms as Supervisory Board members.

New composition of the Supervisory Board as of 15th July 2013

Representatives of shareholders:

- Dino Klobas, President of the Supervisory Board, appointed upon the proposal of the Republic of Slovenia, *Slovenska odškodninska družba d.d.* and *Kapitalska družba d.d.*; commenced a four-year term on 15th July 2013 (22nd General Assembly of Shareholders).
- Nikolaj Abrahamsberg, Deputy-President of the Supervisory Board, appointed upon the proposal of the Republic of Slovenia, *Slovenska odškodninska družba d.d.* and

Kapitalska družba d.d.; commenced a four-year term on 15th July 2013 (22nd General Assembly of Shareholders).

- Vinko Može, Supervisory Board member, appointed upon the proposal of the Republic of Slovenia, *Slovenska odškodninska družba d.d.* and *Kapitalska družba d.d.*; commenced a four-year term on 15th July 2013 (22nd General Assembly of Shareholders).
- Andrej Godec, Supervisory Board member, appointed upon the proposal of the Republic of Slovenia, *Slovenska odškodninska družba d. d.* and *Kapitalska družba d.d.*; commenced a four-year term on 15th July 2013 (22nd General Assembly of Shareholders).
- Jordan Kocjančič, Supervisory Board member, appointed upon the proposal of the Republic of Slovenia, *Slovenska odškodninska družba d.d.* and *Kapitalska družba d.d.*; commenced a four-year term on 15th July 2013 (22nd General Assembly of Shareholders).
- Sabina Mozetič, Supervisory Board member, appointed upon the proposal of the Council of Koper Municipality; commenced a four-year term on 12th July 2011 (19th General Assembly of Shareholders).

Representatives of employees:

- Mr. Mladen Jovičič, Employee Representative; commenced a four-year term on 18th March 2013.
- Mr. Stojan Čepar, Employee Representative; commenced a four-year term on 18th March 2013.
- Mr. Nebojša Topič, Employee Representative; commenced a four-year term on 28th July 2012.

SIGNIFICANT EVENTS JANUARY – JUNE 2013

JANUARY

- The *Capital Assets Agency of the Republic of Slovenia (AUKN)* submitted a request for a General Assembly of *Luka Koper d.d.* shareholders.
- *Luka Koper d.d.* adopted the company's energy policy as a guideline to enhance energy efficiency and thereby contribute to a more reliable energy supply, reduce environmental impact and further improve the company's performance.

FEBRUARY

- The company published the Non-Audited Business Report of *Luka Koper d.d.* and the *Luka Koper Group* for January – December 2012.

- Company executives visited partners in South Korea and presented them the port's latest accomplishments as well as the further possibilities for cargo distribution via the Port of Koper.
- Following the withdrawal of the Port of Ravenna from the *North Adriatic Ports Association*, representatives of the ports of Koper, Trieste, Venice and Rijeka met to review and reconfirm the Association's vision and mission.
- Greek *MCCL Group* established a new RO-RO service between Koper and the Black Sea Port of Poti in Georgia.
- Within the EU-funded *EMPIRIC* (Enhancing Multimodal Platforms, Inland waterways and Railways services Integration in Central Europe) project, *Luka Koper* organised a conference on the possibilities of improving the efficiency of the logistics chain for highly perishable goods via the Port of Koper.
- *Luka Koper d.d.*'s Workers' Council published its position against the sale of Slovenia's only seaport.

MARCH

- The company published a call for a General Assembly of *Luka Koper d.d.* shareholders, and, prior to the meeting, a proposal by the shareholder Koper Municipality on the appointment of a Supervisory Board member.
- Slovenia's Minister of Economic Development, Mr. Stanko Stepišnik, the Mayor of Koper Municipality, Mr. Boris Popovič, and *Luka Koper d.d.* Management Board President Mr. Bojan Brank, jointly signed a letter in support of the economic development efforts being made by the local community and the Port of Koper.
- Koper's Passenger Terminal receives a *Best Destination Experience* award at the world's largest cruise fair.
- *Luka Koper d.d.*'s best suppliers in 2012 received awards.
- Trade risk and credit insurance specialist *Coface* grants *Luka Koper Pristan d.o.o.* an *Excellent SME Slovenia* certificate, which corroborates the company's business excellence.
- In the context of the *Zlata Nit* research project, *Luka Koper d.d.* was placed among the seven best employers in Slovenia in 2012.
- 207 applicants applied in response to this year's call by *Luka Koper* for bursaries and sponsorship under its *Living with the Port* fund. In accordance with the company's orientation towards sustainable development and support to the broader local community, *Luka Koper* funded 104 projects in the total value of € 63,000.

APRIL

- At its 4th April 2013 session, the *Luka Koper d.d.* Supervisory Board endorsed the Annual Report of *Luka Koper d.d.* and the *Luka Koper Group* for 2012.
- At the same session, the Supervisory Board endorsed the Management Board's proposal on the allocation of distributable net profit as follows:

- a portion of distributable profit in the amount of € 2,380,000 will be disbursed as dividends in the gross value of € 0.17 per ordinary share,
 - the remaining portion of distributable profit in the amount of € 1,383,795 shall be retained.
- Shareholders did not vote in favour of the replacement of the *Luka Koper d.d* Supervisory Board at the General Assembly. Shareholders endorsed the instigation of an audit of the company's unaudited transactions and the provision of a report in relation to any eventual harmful business transactions; in response to this the notary drew attention to the fact that any such appointment of a special auditor was not congruent with the Companies Act RS, and was likely to draw an action for annulment. At the General Assembly, shareholders were also presented with the 18th March 2013 resolution adopted by the *Luka Koper d.d* Workers' Council, namely, the re-appointment of Mr. Mladen Jovičič and Mr. Stojan Čepar as Employee Representatives on the company's Supervisory Board for a four-year term.
 - *Luka Koper* presented its operations and plans to Slovene institutional investors at the annual investment conference organised by *Ljubljana Stock Exchange*.
 - As anticipated at the General Assembly, the VZMD (Pan-Slovenian Shareholders' Association) brought an action for the annulment of Resolution No. 4 of 5th April 2013 General Assembly of *Luka Koper* shareholders.
 - On 26th April 2013, *Luka Koper d.d.* sold 615,730 *Intereuropa* (IEKG) shares to its *LK INPO d.o.o.* subsidiary. *Luka Koper d.d.* henceforth holds 1,344,783 IEKG shares which accounts for 7.99% of *Intereuropa d.d.* voting rights.
 - Completion of preliminary archaeological excavations at a plot at the foot of Sermin Hill, a location identified by the company in collaboration with the Ministry of Transport and Spatial Development as an alternative site for the disposal of silt from dredging operations. Following this investigation, the company was required by Slovenia's Institute for the Protection of Cultural Heritage to ensure the presence of archaeologists during the implementation of ground works related to silt disposal. Project documentation for the acquisition of a permit to use this plot as a landfill site is currently being elaborated.
 - At the end of April, *Luka Koper d.d.*, *Luka Koper INPO d.o.o.* and *Adria Terminali d.o.o.* were subject to regular external audits of their quality management systems in accordance with ISO 9001:2008 standards and the environmental protection system according to ISO 14001 standards. The parent company was also subject to a regular audit of its BS OHSAS 18001:2007 occupational health and safety regime, as well as a surveillance audit of its ISO 22000:2005 food safety management system in accordance with the provisions of EC 1221:2009. *Luka Koper Group* companies successfully passed these audits and extended the validity of their respective certificates.
 - *Luka Koper* commenced construction of a facility for port machinery service and repair.

MAY

- Company representatives met with the existing and potential business partners at a *Luka Koper Day* event in Bratislava.
- As a consequence of the dismissal of Mr Aldo Babič from his position as Deputy President of *Luka Koper* Management Board on the grounds of culpability and consequently Aldo Babič's lawsuit against the company, the *LK* Management Board received on 22nd May 2013 Enforcement Order No. 0284 I 86/20123 from Koper District Court in relation to the recovery of receivables by Mr Babič. This Order is made on the basis of the final ruling of the Koper Labour Court by way of which *Luka Koper d.d.* is bound to acknowledge Mr Babič, as creditor, all rights deriving from employment, including the calculation and remuneration of monthly salary between 15th July 2009 and 9th July 2012, as well as the payment of pertaining contributions and tax in relation to this amount. Mr Babič's claim is in the net amount of € 480,877.34, minus a portion in the amount of € 104,965.87 which was paid to him by the company on 28th March 2013 - i.e. the sum which *Luka Koper d.d.* believes the applicant was entitled according to the judgement. Accordingly, *Luka Koper d.d.* has submitted an objection against the Enforcement Order as well as a proposal to postpone execution. The competent Labour Court has twice ruled in favour of *Luka Koper d.d.* with regard to this matter, but a third ruling - by this same court - was in favour of Mr Babič. A second instance Labour Court has endorsed this third ruling and it is now legally binding. As mentioned above, *Luka Koper d.d.* has filed an application for extraordinary remedy in relation to this case.

JUNE

- *Luka Koper d. d.* participated at the world's largest logistics fair - *Transport & Logistic* in Munich, Germany.
- The Government RS endorsed the 2011-2015 development programme for the Port of Koper.
- The Government RS adopted a resolution on a 102,077.49 m² expansion of the Port of Koper zone. This land shall be used for the disposal of silt from dredging.
- Japanese shipowner *Mitsui O.S.K. Lines (MOL)* has returned to the Port of Koper, offering container shipping services to and from the Far East.
- At its 14th June 2013 session, *Luka Koper d.d.* Supervisory Board gave its consent to commence procedures for the extension of the southern portion of Pier I, an investment which will increase capacities at the Container Terminal from the existing 720,000 TEUs to 950,000 TEUs per annum. The project, which will be implemented in stages, shall be completed by 2018. Compliant with the National Spatial Plan for the comprehensive spatial arrangement of the Port of Koper as well as the supplemented five-year port development plan adopted by the Government RS, the total cost of this investment is estimated to be 78 million euros.
- Koper District Court annulled the decision adopted by shareholders at the 21st General Assembly which instructed the company's Supervisory Board to audit *Luka Koper d.d.*'s non-audited business transactions for the 2007-2011 period.

- *Luka Koper* published public call for tenders in relation to the disposal of its *Prenočišče Prisoje* real-estate investment.

RELEVANT POST-BALANCE-SHEET EVENTS

JULY

- Shareholders attending the 22nd General Shareholders Assembly of *Luka Koper d.d.* held on 8th July 2013:
 - were presented with the 2012 Annual Report for the *Luka Koper Group* and *Luka Koper d.d.*;
 - adopted the proposed resolution on the allocation of distributable profit for 2012 in the amount of € 3,763,795 as follows:
 - a portion of distributable profit in the amount of € 2,380,000 to be disbursed as dividends in the gross value of € 0.17 per share,
 - the remaining distributable profit in the amount of € 1,383,795 to remain undistributed;
 - endorsed the work of the Management and Supervisory Boards during 2012;
 - appointed the auditors *Ernst & Young d.o.o.*, Dunajska Cesta 111, Ljubljana, Slovenia, as the company's external auditor for fiscal 2013;
 - adopted the resolution on the amount of remuneration and attendance fees for members of the Supervisory Board as well as Supervisory Board Commissions for the following twelve months;
 - rejected the resolution authorising *Luka Koper d.d.* to acquire and dispose of treasury stock.
- *Luka Koper d.d.* took out a seven-year loan in the amount of € 20 million to refinance a portion of its financial liabilities that become due later in the year.

PERFORMANCE ANALYSIS OF LUKA KOPER GROUP

Consequent to its reclassification as an asset held for sale, the financial statements of the *Luka Koper Pristan d.o.o.* subsidiary are not included in the consolidated statements for January to June 2013. The comparative financial statements for January to June 2012 are adapted to this new structure of the *Luka Koper Group*.

The *LK Group's* operating revenues in the amount of 73.2 million euros were three percent ahead of the same period last year. Cargo throughput totalled 8.9 million tonnes which is within the planned volumes and two percent down on January – June 2012.

Due to higher labour costs and provisions formed for lawsuits and damages, operating profit in the amount of 10.8 million euros is 0.3 million euros (3 percent) down on the same period

last year. Nonetheless, consequent to reduced material and service costs, operating profit is five percent ahead of the expectations. The 7.8 million euro net profit for the January to June 2013 period is 1.6 million euros (25 percent) ahead of the same period last year.

OPERATING REVENUES

The *Luka Koper Group* generated 73.2 million euros in operating revenues in the first half of 2013, which is three percent (2.1 million euros) ahead of January-June 2012 level, and one percent below expectations.

Figure 1: Luka Koper Group operating revenues

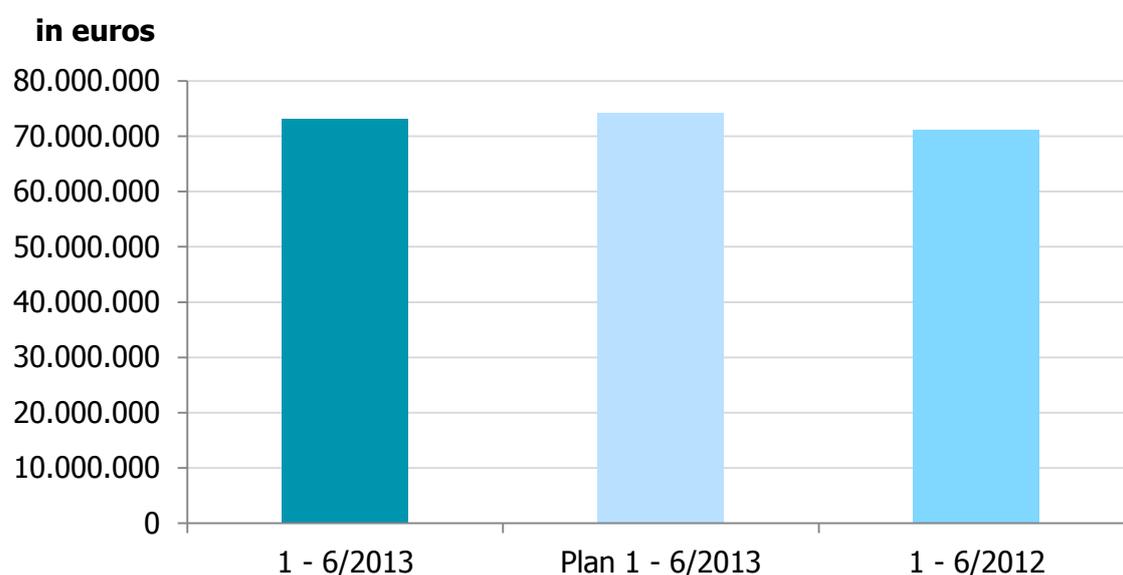


Table 1: Operating revenues by cargo type in the first half of 2013 and 2012

OPERATING REVENUES (in euro)	Jan. – June 2013	Jan. – June 2012	Index 2013 / 2012
General cargos	17,194,561	16,512,810	104
Container freight	18,614,073	16,722,617	111
Vehicles	7,750,377	8,237,750	94
Liquid cargos	3,531,680	3,453,258	102
Dry bulk cargos	16,072,551	17,166,462	94
Other operating revenues	10,074,650	9,028,557	112
TOTAL	73,237,892	71,121,454	103

The *Luka Koper Group's* operating revenues in the first half of 2013 were three percent ahead of January-June 2012. The *Group* recorded its largest year-on increases in container freight, while revenue rises were also recorded in relation to general and liquid cargos.

Operating revenues from container freight were up by 1.9 million euros (11 percent), while general cargos recorded a 0.7 million euros (4 percent) increase across the first half of 2013. This growth can be attributed to an upturn in exports of steel and timber to the countries of North Africa.

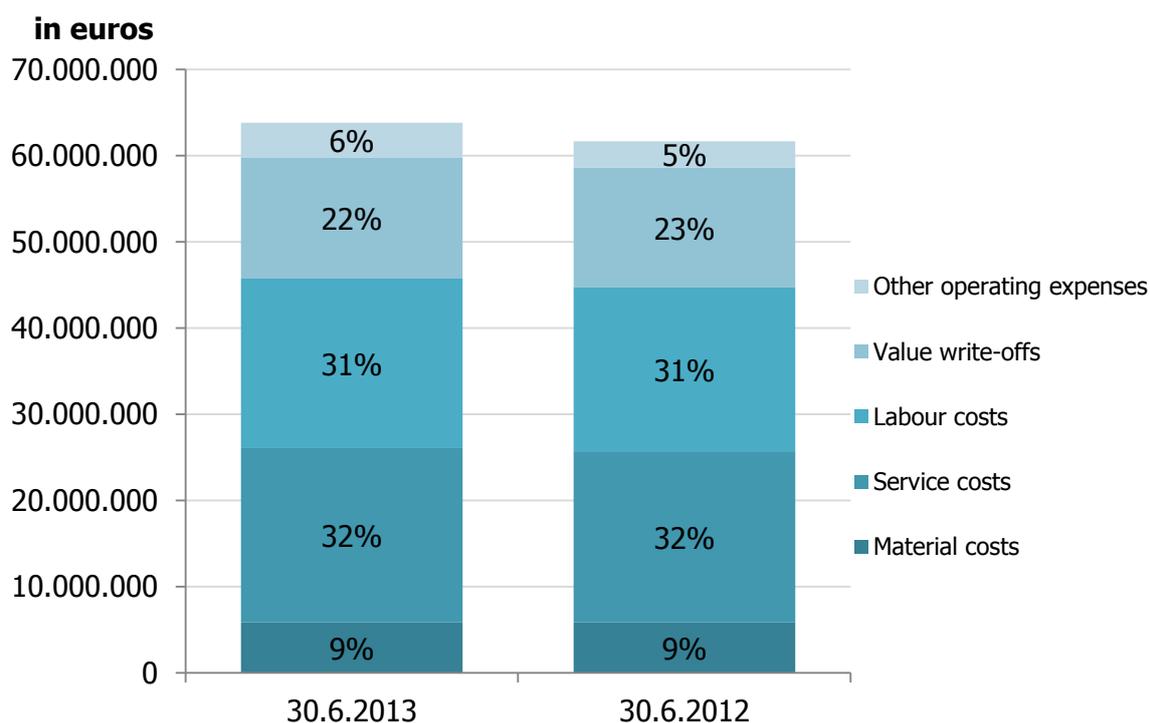
Operating revenues from vehicle throughput recorded a 0.5 million euros (6 percent) year-on fall. This is due to a decline in storage charges as well as reduced car imports into the continent, itself a result of the downturn in purchasing power across Europe. Despite a lower January to June 2013 throughput, operating revenues generated from liquid cargos recorded a year-on increase due to the throughput of a new cargo type. The revenues engendered from liquid cargos are largely independent from the actual throughput due to the conclusion of fixed-price contracts. Operating revenues from dry bulk cargos, in the amount of 16.1 million euros, were 1.1 million euros (6 percent) down on the same period last year. This decline is a consequence of a decrease in both throughput as well as storage charges.

Other operating revenues for January to June 2013 in the amount of 10 million euros were 1 million euros (12 percent) ahead of the same period last year. This rise is attributable to the increase in revenues generated by the *Luka Koper INPO d.o.o.* subsidiary in relation to its dredging of the navigation channel into the Port of Koper, together with the reduced impact of deferred revenues from the provision of public utility services. In the first half of 2013, the surplus cost over revenues of public service provision, i.e. the regular maintenance of port infrastructure, amounted to 502,000 euros, which is forty-two percent down on the same period last year when it amounted to 866,000 euros.

OPERATING EXPENSES

In the first half of 2013, the *Luka Koper Group's* operating expenses in the amount of 63.8 million euros were 2.2 million euros ahead of the same period last year. Operating expenses witnessed a year-on rise of four percentage points, and were equivalent to eighty-two percent of total operating revenues. The increase is for the major part attributable to the rise in labour and other costs, whereas material costs and value write-offs were kept at the January – June 2012 level.

Figure 2: Structure of the Luka Koper Group's operating expenses



MATERIAL COSTS

In the first half of 2013, material costs amounted to 5.8 million euros, thus they remain at last year's level.

SERVICE COSTS

Service costs in the amount of 20.2 million euros recorded a 0.3 million (2 percent) year-on increase. The largest growth in the amount of 0.7 million euros (up 25 percent) was recorded in relation to maintenance costs, whereas service costs pertaining to service provision were reduced by 0.4 million euros (4 percent) as a consequence of the reclassification of service costs related to railway wagon handling from other service costs to service costs in the provision of services.

LABOUR COSTS

Labour costs amounting to 19.7 million euros were 0.7 million euros (4 percent) ahead of the same period last year. This year-on increase can, in particular, be attributed to the rise in basic salaries and performance-related remunerations on the basis of an existing agreement; these raises were performed in February 2012 (+0.8%), in August 2012 (+1.6%) and in February 2013 (+0.8%). As of 30th June 2013, the total number of employees in *Luka Koper Group* companies was 35 (3 percent) down on the same period last year, while employee structure in individual workplaces also altered.

VALUE WRITE-OFFS

Value write-offs in the first half of 2013 amounting to 14 million euros were similar to the same period last year; amortisation in the amount of 13.9 million euros accounts for a major portion.

OTHER OPERATING EXPENSES

Other operating expenses in the amount of 4.1 million euros were 1 million euros (35 percent) ahead of the same period last year, mainly due to provisions formed to cover anticipated losses from litigation and claims for damages. In the first half of 2013, provisions in the amount of 714,800 euros in relation to a labour dispute, namely the claim by Aldo Babič, were formed within other operating expenses.

OPERATING PROFIT

In the first half of 2013, the *Luka Koper Group* generated 10.8 million euros in operating profit, which is 0.3 million euros (3 percent) down on the same period last year. The January – June 2013 plan in relation to operating profit was exceeded by 0.5 million euros. EBIDTA, amounting to 24.8 million euros, was 0.2 million euros (1 percent) down on the same period last year, but 0.4 million euros (2 percent) ahead of the planned volume.

FINANCIAL REVENUES AND FINANCIAL EXPENSES

In the first half of 2013, *Luka Koper Group* generated 0.5 million in financial revenues which is 33 percent down on the same period last year. This year-on decline is due to lower financial revenues from profit participation in associated companies in accordance with the equity method. The *Group's* financial expenses amounted to 3 million euros, which is 1 million euros (26 percent) down on the January to June 2012 figure. This is attributable to reduced indebtedness and the lower (EURIBOR) interest rate.

PRE-TAX PROFIT AND NET PROFIT

The *Luka Koper Group's* pre-tax profit for January-June 2013 amounted to 8.3 million euros, which is a year-on increase of seven percent.

On 26th April 2013 *Luka Koper d.d.* sold 615,730 IEKG (*Intereuropa d.d.*) shares to its *Luka Koper INPO d.o.o.* subsidiary for the purposes of minimising tax liabilities. This disposal affected financial expenses in the amount of 0.7 million euros, and reduced *Luka Koper d.d.'s* total corporation and deferred tax liabilities across the period by a total of 1.1 million euros.

Net profit generated by the *Luka Koper Group* for the January to June 2013 period amounted to 7.8 million euros, which is 1.6 million euros (25 percent) more than the same period last year, and exceeded expectations by 0.5 million euros (7 percent).

ASSETS AND LIABILITIES

As of 30th June 2013, *Luka Koper Group's* balance-sheet total amounted to 463.2 million euros, which is 0.2 million euros less than on 31st December 2012.

Non-current assets account for 89 percent of balance-sheet total, and are 15.3 million euros down on 31st December 2012. This decline is recorded in real-estate, machinery and equipment (plant) due to asset amortisation and transfer of property rented to *Luka Koper Pristan d.o.o.* to assets held for sale (this is reported in more detail in the Financial Statements).

Short-term assets rose by 12.1 million euros across the first six months of 2013 and amount to 45.7 million euros. The largest growth was recorded in the disposal group (assets held for sale) consequent to the reclassification of the net assets of the *Luka Koper Pristan d.o.o.* subsidiary, these assets in the total amount of 7.9 million euros are reduced by the total amount of the liabilities of the subsidiary, excluding equity and rented real-estate. Operating receivables also rose by 2.4 million euros. Within the short-term loans item, bank deposits decreased by 2.3 million euros as a consequence of repayments.

As of 30th June 2013, equity of the *Luka Koper Group* amounted to 258.3 million euros, and accounts for fifty-six percent of balance sheet total. Non-current liabilities and long-term provisions, together with long-term deferred revenues in the amount of 144.2 million euros, represent thirty-one percent of total equity and liabilities.

Further financial strengthening of the company has resulted in a reduction of financial liabilities in relation to equity; as of 30th June 2013 financial liabilities accounted for 65.8 percent of equity, which is 7.9 percentage points down on 31st December 2012. As of 30th June 2013, financial liabilities amounted to 169.9 million euros, which is 14 million euros less than on 31st December 2012.

As of 30th June 2013, short-term operating liabilities recorded a 1.5 million euro (10 percent) increase on 31st December 2012, which can be attributed to the increase in compensation for the use of land and well as water use fees for 2013.

FINANCIAL MANAGEMENT

In the first half of 2013, the *Luka Koper Group* managed to reduce its total financial liabilities by eight percent, i.e. from 183.9 million euros to 169.9 million euros.

Maturity of financing sources

As of 30th June 2013, non-current financial liabilities to banks accounted for 75 percent of total financial liabilities. Across the second quarter of 2013, the *Luka Koper Group* continued to restructure its existing financial liabilities into instruments with longer maturities, and such shall continue to be reflected in the structure of debt financing across the second half of 2013.

Figure 3: Evolving structure of Luka Koper Group financial liabilities by maturity, Jan. –June 2013

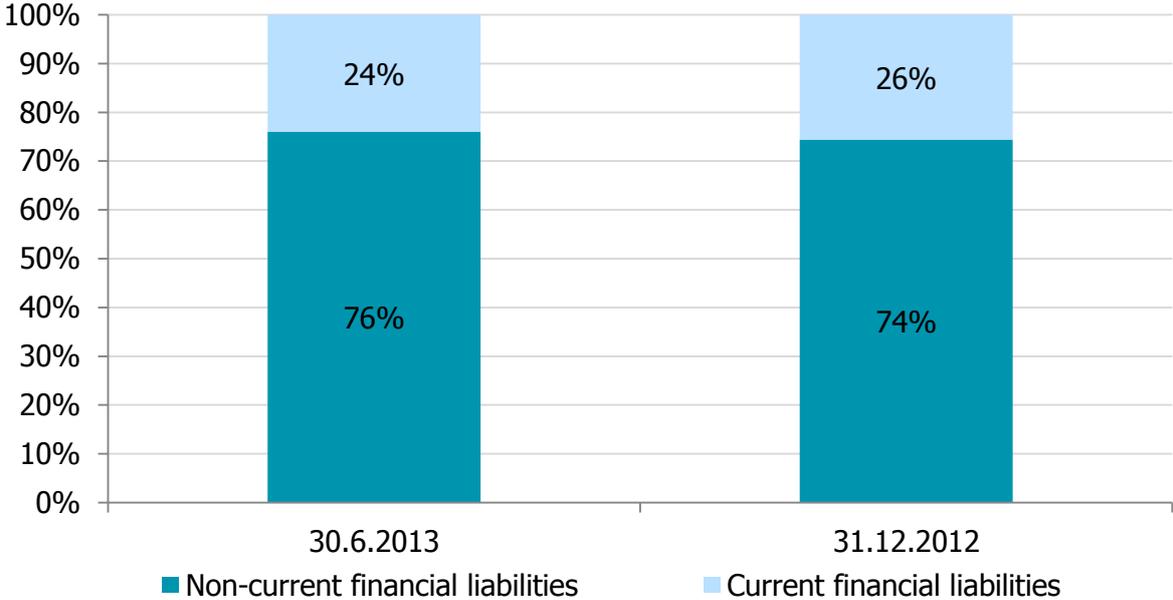
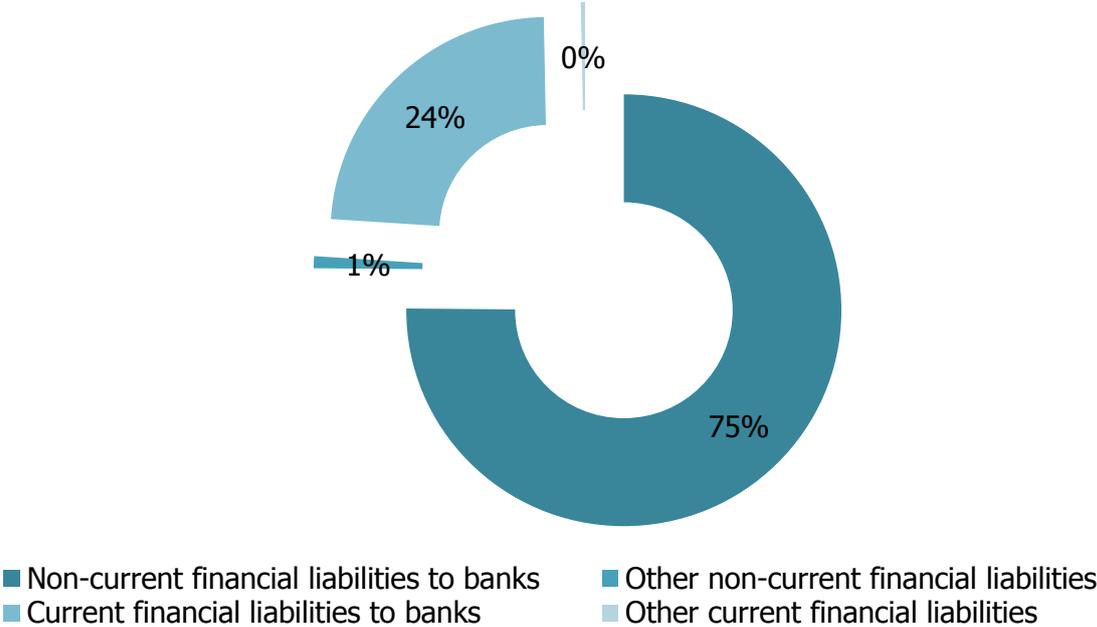


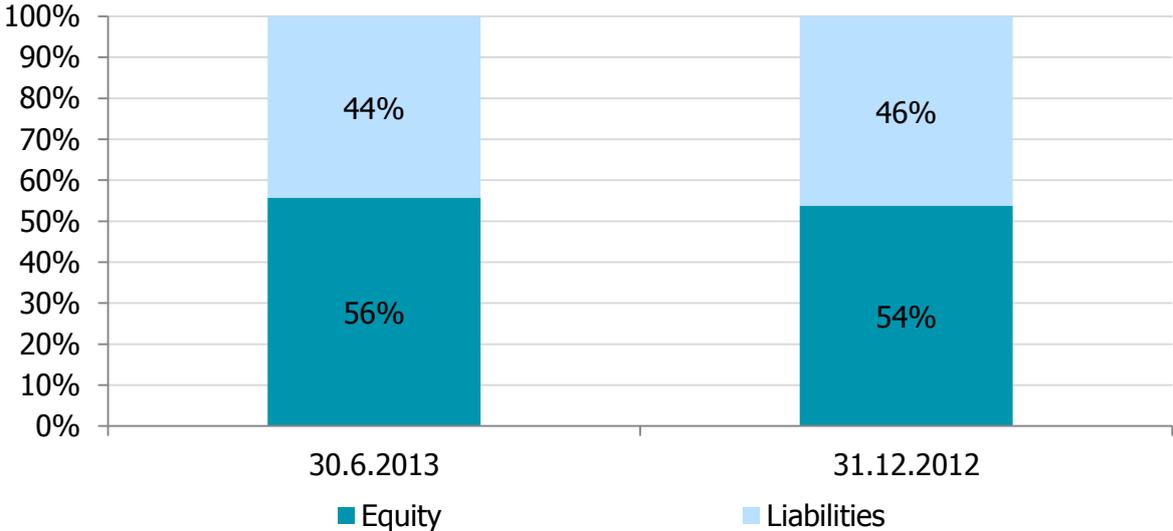
Figure 4: Luka Koper Group financial liabilities as of 30th June 2013



Structure of equity and liabilities

Liabilities related to variable interest rates account for the major portion of the *Luka Koper Group's* financial liabilities. In the second quarter the *Group* took advantage of low market interest rates and through an interest rate swap hedged its 35 million euro loan. Hence as of 30th June 2013, the *LK Group* has 65 million euros of long-term loans - i.e. thirty-eight percent of its total financial liabilities - hedged with a fixed interest rate.

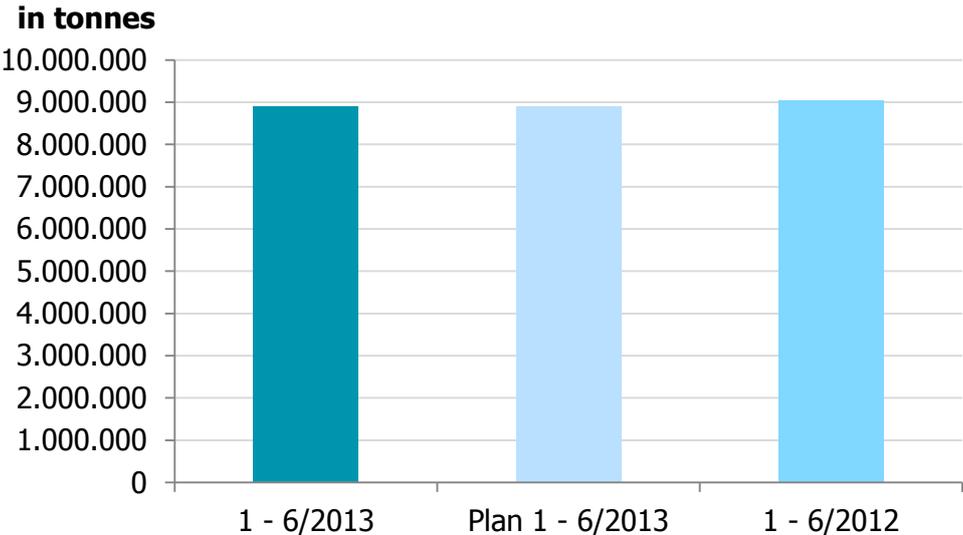
Figure 5: Evolving structure of equity and liabilities of the Luka Koper Group, Jan. –June 2013



MARKETING & SALES

Cargo throughput in the first half of 2013 stood at 8.9 million tonnes, which, compared to the 9 million tonnes recorded in the first half of 2012, is a two-percent decline and within expectations. The largest year-on growth - twenty percent - was recorded in relation to general cargoes, followed by container freight, whereas other cargo types recorded a decline in throughput volumes.

Figure 6: Cargo throughput in the first half of 2013 and 2012, as well as plan for 2013



Cargo structure by type

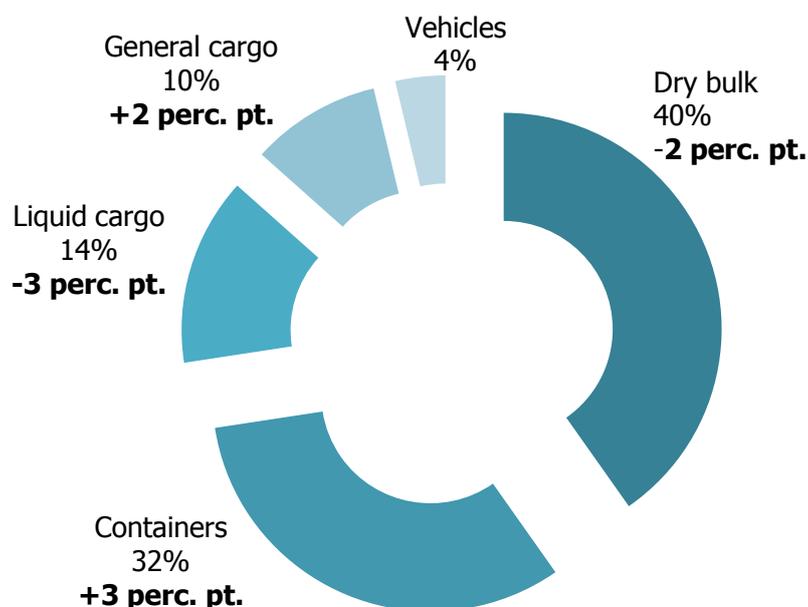
Table 2: Cargo throughput in tonnes by type (tonnage measure)

CARGO TYPE (in tonnes)	Jan. – June 2013	Jan. – June 2012	Index 2013/2012
General cargos	860,040	718,032	120
Container freight	2,875,781	2,702,684	106
Vehicles	329,806	339,456	97
Liquid cargos	1,251,326	1,497,868	84
Dry bulk cargos	3,584,010	3,778,834	95
Total	8,900,963	9,036,874	98

Table 3: Container (in TEUs) and vehicle throughput (in units) in the first half of 2013 and 2012

CARGO TYPE	Jan. – June 2013	Jan. – June 2012	Index 2013/2012
Containers – in TEUs	295,530	292,727	101
Vehicles – in units	233,769	241,771	97

Figure 7: Structure of cargo throughput by type in the first half of 2013, and percentage change in relation to the first half of 2012



General cargos

General cargos at the Port of Koper recorded a year-on increase of 22 percent, primarily due to the upturn in steel stock and steel manufactures pertaining to the Italian market. However, growth was recorded by all general cargo subcategories; timber throughput, for example, rose by 18 percent over the first half 2012, mainly due to the export of sawn timber to the countries of North Africa.

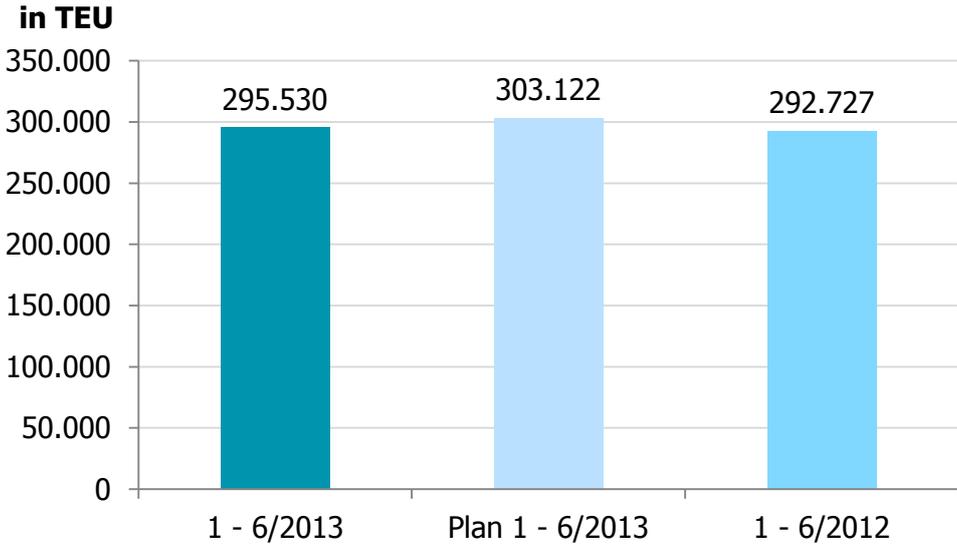
Fruit throughput rose by 29 percent on the same period last year as a consequence of South American imports. Container cargos of fruit, vegetables and other perishables unloaded at the Port of Koper recorded a year-on decline mainly due to the growth of Israeli exports via French ports.

Container freight

From January to June 2013, container throughput (tonnage measure) recorded a six percent year-on increase, whilst the total number of containers handled rose by 1 percent to 295,000 TEUs. This can be attributed to larger percentage of full containers, the handling of which rose by 5 percent; consequently the shipping of empty containers was 16 percent down on the same period last year. This is in particular due to a change in the practice of shipping companies, and their optimisation of equipment cost through taking advantage of increased demand for empty containers in the continental hinterland. Increasing European exports, and the shipowners' repositioning of a larger portion of empty containers in Central Europe has consequently led to a reduction in the volume of empty containers being shipped to the Far East.

Rather than competition from other Northern Adriatic ports, the major obstacle to any increase in the throughput of container freight at the Port of Koper is the insufficient depth of Basin I and the Container Terminal berths. The largest shipowners have intensified their demands that Basin I should be deepened as soon as possible, as they shall commence using new larger capacity vessels (8,500 – 10,000 TEUs) in early 2014. The delay in dredging operations has already led to the loss of an indeterminate volume of cargo throughput.

Figure 8: Container throughput in the first half of 2013 and 2012 (in TEUs)

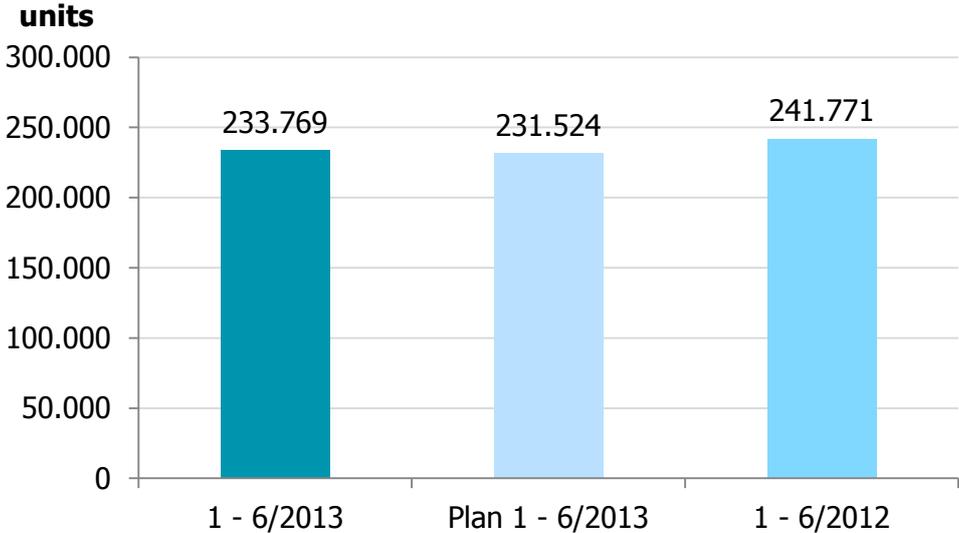


Vehicles

In the first half of 2013, *Luka Koper* handled 234,000 vehicles, which is a year-on decline of 3 percent. Continental imports in the amount of 95,000 vehicles were 8 percent down on the same period last year. Sluggish sales on the European market, together with the relocation of Far Eastern - and in particular Korean - production to plants in Central Europe, have affected car imports in particular. According to the *ACEA (European Automobile Manufacturers Association)*, the sale of new cars in Europe fell by 7.5 percent on the January-June 2012 level.

The export of vehicles through *Koper's* Car Terminal is equal to that of the first half of 2012. Due to the fall in sales on their domestic markets, European car manufacturers are looking for opportunities abroad. German manufacturers are increasing their exports of new vehicles to Mediterranean countries through the Port of *Koper*, though, at the same time the export of used cars to Libya has fallen due to the oversaturation of the market.

Figure 9: Vehicle throughput in the first half of 2013 and 2012 (in units)



Liquid cargos

Across the first half of 2013, liquid cargos recorded a 16 percent year-on throughput decline. The Liquid Cargo Terminal handled lower volumes of alcohol, which can also be attributed to the trade embargo on Iran.

Dry bulk cargos

The volume of dry bulk cargos handled by *Luka Koper* was 5 percent down on the same period last year. January-June 2013 overseas exports in the amount of 0.7 million tonnes declined by 17 percent year on. As a consequence of the recession in Europe, a decrease was recorded in the export of scrap iron to Mediterranean countries as well as coal throughput for the needs of the Italian market. Dry bulk cargo imports, amounting to 2.8 million tonnes, was 2 percent down on the same period last year. A decline in soya imports in the first half of the year is due to a delay in the arrival of vessels from South America, this as a consequence of a strike. Consequently soya cargos shall be arriving at Koper during the second half of 2013.

Marketing activities

During the first half of 2013, and in addition to its traditional marketing activities in its hinterland markets, *Luka Koper Group* invested a lot of effort in its overseas markets.

Luka Koper organised and attended several conferences in European markets. The company presented its activities and plans at the international commercial and transport forum at Bremerhaven’s European Port Day, whilst the participation at the logistics conference in Amsterdam included an active presentation of the Port of Koper’s potentials as an entrepôt

for Central and Eastern Europe. A meeting was also organised with business partners in Bratislava.

Luka Koper visited existing and potential clients in South Korea and Malaysia, as well as met with key shipping companies in Singapore, Hong Kong and Taipei. As part of a delegation of Slovene logistics companies, *Luka Koper* presented itself to Chinese businessmen in Shanghai, as well as joined a commercial delegation, headed by Slovenian President Borut Pahor on a visit to Japan, which the company considers a strategic market.

Collaboration with the Chamber of Commerce and Industry of Slovenia and the Ministry of Foreign Affairs, has allowed *Luka Koper* to meet corporate representatives and ambassadors of Egypt, China, Africa, India and Turkey which is considered another of the company's strategic markets.

RISK MANAGEMENT

Risks pertaining to the operation of *Luka Koper Group* companies are managed systematically; key risks, as identified in its risk register, are monitored and assessed at the corporate level. In 2013, a risk committee was constituted as a consulting body of the Management Board. One of its tasks is to address the issue of risk analysis, further to which the updated list and analysis of risk in 2013 will be reassessed by the risk committee in the next quarter.

As to strategic risks, a slight increase has been recorded regarding the competitiveness of the port due to the insufficient sea depth in Basin I and the Container Terminal berths. A crucial element pertaining to dredging Basin I is the risk related to the provision of additional areas for the disposal of silt dredged from the northern portion of Basin I; these risks relate to time-consuming and overly-long procedures for attaining the requisite permits and consents.

Dredging works in Basin I were initiated in July 2013; i.e. dredging to -13 m along the existing quayside in relation to berths 7A and 7B. An international tender for the further deepening of the seabed to -14 m has been published. The commencement of all of these works requires the provision of a disposal area for dredged material, thus activities in relation to the acquisition of permissions for the creation of a disposal site at the eastern section of plot No. 799/29 k.o. Ankarán (this land has been incorporated within the port zone since June 2013), together with an alternative disposal site 7A (land which *Luka Koper* has also acquired from Koper Municipality for the purposes of silt disposal), have been underway. In addition to activities related to the acquisition of land-use permissions, public tenders for contractors have also been published. Nonetheless, no works may be undertaken before the acquisition of the mandatory permits and consents.

LKPG SHARE

As of 30th June 2013, *Luka Koper d.d.* had a total of 12,548 shareholders, which is a year-on decline of four percent. The ten largest shareholders held 76.17 percent of all *Luka Koper d.d.* stock. The Republic of Slovenia, with its 51-percent stake, is the company's largest shareholder.

Table 4: Ten largest shareholders in Luka Koper d.d., as of 30th June 2013

Shareholder	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.	696,579	4.98 %
4. Mestna občina Koper	466,942	3.34 %
5. Unicredit Bank Austria AG - fiduciarni	172,836	1.23 %
6. KD Galileo, fleksibilna struktura naložb	158,230	1.13 %
7. Perspektiva FT d.o.o.	125,895	0.90 %
8. KD Indija - Kitajska, delniški	122,840	0.88 %
9. Eaton Vance Parametric Commodity Strategy Fund	118,550	0.85 %
10. Zavarovalnica Triglav d.d.	104,756	0.75 %
Ten largest shareholders - total	10,664,485	76.17 %
Total shares	14,000,000	100.00 %

Trading in the LKPG share

Table 5: Relevant data on the LKPG share

	2013	2012
Number of shares as of 30 th June	14,000,000	14,000,000
Number of ordinary no-par-value shares	14,000,000	14,000,000
Closing price as of 30 th June (in euro)	9.00	8.30
Book value of share as of 30 th June	17.41	16.53
Ratio between market price and book value (P/B ratio)	0.52	0.50
Average weighted market price (in euro) ³	8.49	8.42
Average book value of share (in euro) ⁴	17.13	16.45
Ratio between average weighted market price and average book value of the share	0.50	0.51
Net earnings per share (EPS) (in euro) ⁵	1.04	0.83
Ratio between market price and earnings per share (P/E) ⁵	8.64	9.97
Market capitalisation as of 30 th June (in million euros)	126.0	116.2
Turnover (all transactions) January-June (in million euro)	3.7	2.1

³ Weighted average market price is calculated as a ratio between total value of LKPG stock exchange transactions and the aggregate number of LKPG shares traded across the period.

⁴ Average book value of the LKPG share is calculated on the basis of average monthly ratios between equity and number of ordinary shares.

⁵ Indicators are calculated on the basis of annualised data.

Between January and June 2013, the average closing price of a *Luka Koper d.d.* share stood at € 8.25, whilst its overall trading value fluctuated between € 7.40 and € 9.50. There were 1,204 transactions and block trades of shares over the period, and a total of 435,283 shares with an aggregate value of € 3,696,255 changed ownership. By way of comparison, 245,458 shares changed ownership in the first quarter of 2012, and the total value of these transactions amounted to € 2,066,605.

In the first half of 2013, the highest daily trading price was € 9.85, and the lowest € 7.25. The share price is eight percent up the same period last year, and thirteen percent up on 31st December 2012.

Figure 10: Movement of the LKPG closing price and the value of daily trades, January-June 2013



Number of LKPG shares held by Supervisory and Management Board members

As of 30th June 2013, 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

None of the Management Board members held shares in the company as of 30th June 2013.

Dividend policy

The *Luka Koper d.d.* dividend policy combines the shareholders' strive for dividend yield with the requirement that net profit is reinvested into the business.

Luka Koper d.d.'s distributable profit for fiscal 2012 amounted to 3.8 million euros. The company's Management and Supervisory Boards proposed that the General Assembly should distribute dividends for 2012 in the amount of 0.17 euros per share; this resolution was adopted by the General Assembly on 8th July 2013.

Over the coming years, and taking into consideration plans for investment into port infrastructure and plant, the company anticipates the distribution of up to one-third of net profit as dividends.

Treasury stock, authorised capital, conditional increase in share capital

Luka Koper d.d. didn't hold any treasury stock as of 30th June 2013. The company statute doesn't anticipate any category of authorised capital by way of which the Management Board may increase share capital, and further to this the company had no grounds for any conditional increase in share capital in the January to June 2013 period.

NON-FINANCIAL INVESTMENTS

In the first half of 2013, the *Luka Koper Group* allocated 6.6 million euros for investments in plant and infrastructure, which is twenty-two percent less than in the same period in 2012. 6.5 million euros (ninety-eight percent) of this total was invested by the parent company, *Luka Koper d.d.*

The most significant plant and infrastructure investments made by the *LK Group* over the first six months of 2013 were as follows:

- A new central service-provision facility for the repair and maintenance of port machinery was constructed as a consequence of the need to comply with occupational health & safety and ecological regulations.
- A pair of (wheel) loaders were acquired to meet the requirements of the European Energy Terminal; in addition the depot area was consolidated and asphalted.
- A new forklift, to be used for manipulating empty containers, was acquired for Container Terminal.
- In the context of the ecological rehabilitation of port facilities, a mobile alumina (Al₂O₃) hopper for was reconstructed and fitted with an electrostatic filter to prevent dust emissions.

The investments planned for the first half of 2013 were not fully realised, this was due in particular to long procedures related to the acquisition of required permits and consents, as well as the Government's late adoption of the Amendments and Supplements to the 2011-2015 Port Development Plan, which has resulted in delays to its implementation.

RESEARCH & DEVELOPMENT

In the first half of 2013, *Luka Koper* further implemented the following activities in the field of research & development:

- elaboration of various studies in relation to the needs of individual terminals;
- implementation of IT improvements;
- co-ordination of development of the company and the port; and
- institutional collaboration at the local, national and international level.

In June 2013 the Government of Republic of Slovenia confirmed the changes and supplements of the 5-year Development programme 2011-2015. We continued with the cooperation with local institutions for the allocation of port projects in the Regional development programme 2014-2020.

Luka Koper began 2013 actively engaged in seventeen collaborative EU projects related to such issues as the planning and development of national, international and pan-European transport infrastructure and logistics concepts, environmental and marine protection, safety, hazardous cargos and IT upgrades. Three projects of the Mediterranean programme were completed in May (*Losamedchem*, *Freight4all* and *PORTA*), whilst *EMPIRIC*, *LOGICAL*, *SEE Mariner*, *SETA*, *INWAPO* and *GIFT* continue from 2012. These were complemented by three new ones launched in 2013: *Greenberth*, *INTE-TRANSIT* and *iFreightMED*.

In the context of the *Italy-Slovenia Cross-border Co-operation Programme*, part of the *ADRIA-A* project which focuses on the promotion of regional transport links and services, *Luka Koper* further pursued the development of its passenger service provision. In the context of the *SafePort* collaborative research project, intensive efforts were also invested into the management of environmental and industrial risks in Northern Adriatic ports.

As part of Europe's *TEN-T* transport initiatives programme, activities were further implemented in relation to the *Intelligent Transport Services - NAPA (North Adriatic Ports Association)* project and the establishment of an IT platform for data exchange among the Northern Adriatic ports, as well as the *Greencranes* project investigating energy efficiency within container terminals. In early 2013 the company applied to join three new TEN-T projects: *Napadrag*, *NapaProg* and *B2MoS*; in the event of its admission, these will begin in the second half of 2013.

In the first half of the year, the company also continued its collaboration with local institutions in relation to the incorporation of port development projects in the *2014-2020 Regional Development Programme*.

Activities related to the call for project applications in relation to the creation of a national *Logistics Competence Centre* for Slovenia, which shall see the participation of several companies and the port community, are ongoing.

In June, the Government RS adopted the Amendments and Supplements to the *2011-2015 Port Development Plan*.

SUSTAINABLE DEVELOPMENT

NATURAL ENVIRONMENT

During 2013, *Luka Koper* has continued to monitor the impacts of its operations on the environment, as well as implement a number of activities aimed at ensuring it becomes an evermore environment-friendly port. *Luka Koper d.d.* has held *EMAS* (SI 00004) certification - which is up for renewal this year - since 2010.

A joint Environmental Report, combining the requirements of ISO 14001 and EC 1221:2009 (EMAS) was prepared in 2012. This year, *Luka Koper* was granted an environmental permit for emissions of waste water and, as a consequence of a change of medium in one of the storage tanks at the Liquid Cargo Terminal an amended environmental permit in relation to the Seveso Directives on industrial accidents.

Information in relation to all pertinent environmental issues are promptly published online on the company's website www.luka-kp.si and on the *Living With the Port* website www.zivetispristaniscem.si, as well as the in-house *Luški Glasnik* gazette and the media.

Air quality

Luka Koper d.d. constantly strives to reduce airborne emissions from port operations.

Monthly measurements of dust deposits are made at ten locations within the port zone. Due to the absence of pertinent national legislation in this field, the company follows German directives which define the upper permissible limit for total dust deposits as 350 mg/m²/day. In 2013, the company's objective is to ensure deposits remain below 250 mg/m²/day. The values recorded at all ten points remained within this set objective in the January to June period; the average value amounted to 128 mg/m², which is fifteen percent down on the same period last year.

This year, emissions from a device that collects vapour generated during wagon and truck filling were measured at the Liquid Cargo Terminal. Further to this, an additional filter was installed in relation to alumina handling operations, and measurements were taken. In both of the aforementioned instances the measurements made proved that emissions were at levels compliant with regulations.

Ongoing measurements of airborne concentrations of PM10 particulates implemented by an authorised independent organisation are taken at three locations within the port zone. In the first half of 2013, the readings were below the legally prescribed 40 µg/m³ threshold value as well as less than during the same period last year. The readings of two devices that facilitate automatic real-time measurement are published hourly on the *Living With The Port* www.zivetispristaniscem.si website.

Average PM₁₀ values in the first half of 2013 and 2012

	Jan. – June 2013	Jan. – June 2012	Index 2013 / 2012
Ankaran – Rožnik	20 µg/m ³	23 µg/m ³	87
Bertoki	22 µg/m ³	27 µg/m ³	81
Koper – Passenger Terminal	20 µg/m ³	- *	-

* These measurements were first implemented in 2013.

Waste management

In order to protect the environment, *Luka Koper* ensures that waste separation extends to all terminal operations as well as all users of the port zone, vessels included. Separately-collected waste is delivered to external waste-processing contractors and agents, whereas organic waste is processed at the composting plant within the port. *Luka Koper* also collaborates with external companies in relation to waste processing.

Old railway sleepers and scrap iron were removed, while the objective of sorting and separate collection of 84 percent of waste produced at the Port of Koper was accomplished across the first half of 2013. A new 2013-2016 Waste Management Plan was elaborated which further corroborates the company's concern for waste separation and recycling.

	Jan. – June 2013	Jan. – June 2012	Index 2013 / 2012
Separately-collected waste	91%	89%	102

Noise emissions

Noise levels are continuously monitored by devices at three peripheral points of the port, and the results are published online via the *Living With the Port* www.zivetispristaniscem.si website.

Average nightly noise levels (in dB) recorded at locations around the Port in the first half of 2013 and 2012

Jan. – June 2013			Jan. – June 2012			Threshold values
Eastern periphery (Bertoki)	Northern periphery (Ankaran)	Southern periphery (Koper)	Eastern periphery (Bertoki)	Northern periphery (Ankaran)	Southern periphery (Koper)	
L _N = 51	L _N = 53	L _N = 60	L _N = 51	L _N = 53	L _N = 60	L _N = 63

The following measures were implemented within the company's noise abatement action plan:

- the noisiest old transtainers were relocated to the centre of the port zone to minimise disturbance; new transtainers feature the variable setting of engine rpm, and thus lower noise emissions;
- several roads were resurfaced.

Consumption of energy and water

Consumption of energy and water per tonne of cargo handled in the first half of 2013 and 2012

	Jan. – June 2013	Jan. – June 2012	Index 2013 / 2012
Electricity consumption (kWh/t)	1.24	1.38	90
Fuel consumption (l/t)	0.2535	0.2560	99
Potable water consumption (l/t)	6.92	5.92	117

In addition to a system upgrade at the Container Terminal, *Luka Koper* further implements target energy consumption monitoring in order to scrutinise the consumption of energy and water. The energy review of the Container Terminal, which - due to the nature of its operations - is the largest consumer of energy, was completed in the second quarter of 2013. Measures to be implemented as a consequence of this review are now under preparation, and due to the fact that they affect terminal operations, their actual implementation takes a certain amount of time.

Despite the partial reconstructions of existing sections of the water supply system and the prompt repair of leaking pipes, new leakages occur and these have adversely impacted water consumption in the first half of 2013.

Wastewater

Typical sewerage waters account for a major portion of wastewater produced in the port zone; industrial wastewaters account for a smaller proportion of total, and are appropriately processed in in-house treatment plants prior to discharge. Sewerage waters are for the most part treated at Koper's municipal treatment plant.

In accordance with the environmental permit acquired this year, the measurements implemented in relation to industrial wastewaters at the port were within the legally prescribed limits.

Light pollution

The port zone requires sufficient lighting in order to ensure operational safety, and this is provided in accordance with current regulations. Unfortunately, the night-time illumination of operational areas, rail yards and roadways, 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 for complete rehabilitation has been deferred to 2016.

This year has seen regulation of illumination at the Container Terminal berths and the rail track at the end of Pier II. Thus far, some eighty-three percent of outdoor lighting within the port zone has been appropriately regulated, while the objective for 2013 is to increase this figure to eighty-five percent.

Maritime protection

The prevention of pollution, as well as ensuring clean-up operations in the event of accidents and incidents, form part of *Luka Koper's* everyday operations. Eight incidents were recorded within the harbour area during the first half of 2013. There were three incidences of oil spillage, three cases of coal dust pollution, one involving fluvial materials and tree branches, and one of soot pollution. The company intervened and cleaned-up the pollutants in all instances.

A sea quality monitoring and measurement facility installed on a buoy at the entrance to Basin III of the port publishes real-time readings online via the www.zivetispristaniscem.si website.

Construction works

Due to the fact that construction works may result in increased noise and dust emissions, contractors are obliged to perform all operations in compliance with pertinent environmental regulations. Nonetheless, disturbance cannot be fully prevented or avoided in relation to some construction projects.

Major construction works in the first half of 2013 included consolidation and asphaltting of surfaces at the coal depot. This will allow washing the surfaces as well as handling equipment, which shall consequently reduce dust emissions. Existing material at the site was appropriately processed and used in the construction.

Development projects

All large development projects in the port zone are subject to environmental impact assessments, which are undertaken by authorised authorities and further reviewed by external auditors.

In the first half of 2013, there were no developments which, under current legislation, would require environmental impact assessments.

Dredged materials

In order to ensure the safe navigation of vessels using the Port of Koper, the port basins and approach channels have to be dredged to the prescribed depth. Accordingly, *Luka Koper* occasionally performs dredging works, and deposits the dredged sediments in designated areas within the port zone. Due to the fact that the areas at the company's disposal are limited, studies have commenced into alternative uses of these silts. In conjunction with the Slovenian National Building and Civil Engineering Institute, *Luka Koper* has carried out a research project into the reuse of waterborne sediments as a secondary raw material.

In relation to the plan to deepen the northern portion of Basin I and the subsequent lack of sites for the disposal of dredged materials, the expansion of the port zone has provided an option that will allow silt disposal. Further to this, actual preparation works at plot No. 799/29 at Bonifika near Ankaran have now commenced. In addition, this July Koper Municipality granted *Luka Koper d.d.* use of plot 7a that will also enable the disposal of excavated material from the Basin I dredging operations. Further to the initial procedure for the acquisition of a usage permit for plot 799/29, *Luka Koper* immediately, upon signing the contract with Koper Municipality, commenced procedures for the acquisition of all necessary permits and consents.

HUMAN RESOURCE MANAGEMENT

The trend towards reducing the total number of employees in *Luka Koper Group* companies continued in the first half of 2013. As of 30th June, the total number of personnel in the *LK Group* was 35 fewer than on 30th June 2012, whilst *Luka Koper d.d.* had 14 less employees.

Table 6: Number of employees in Luka Koper Group companies

Company	30 th June 2013	30 th June 2012	31 st Dec. 2012	Index 30.6.2013 / 30.6.2012	Index 30.6.2013 / 31.12.2012
Luka Koper d.d.	786	800	785	98	100
Luka Koper INPO d.o.o.	179	198	184	90	97
Adria Terminali d.o.o.	24	26	24	92	100
TOC d.o.o.	2	2	2	100	100
TOTAL*	991	1,026	995	97	99

* The comparison includes only those enterprises with employees which were - as of 31st March 2013 - consolidated within the *Luka Koper Group* of companies.

Across the first half of 2013 and in accordance with the annual plan, personnel recruitment for the most part pertained to junior management staff for the core processes of cargo handling and warehousing. Recruitment was considerably down on the same period last year when new posts opened for crane operators due to a change in the organisation of work at *Luka Koper d.d.* The employee churn rate remains at a relatively low level.

Table 7: Recruitment, departures and churn rate in the first half of 2013 and 2012

	No. of new employees		No. of departures		Churn rate (as %) *	
	Jan - June 2013	Jan - June 2012	Jan - June 2013	Jan - June 2012	Jan - June 2013	Jan - June 2012
Luka Koper d.d.	8	21	7	8	0.9	1.0
Luka Koper Group	10	23	14	12	1.4	1.2

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

Sick leave

In the first half of 2013, sick leave among the employees was comparable to January-June 2012. Sick leave at the *Group* level amounted to 5.3 percent of total working hours, whilst it stood at 4.9 percent at *Luka Koper d.d.*

Occupational health and safety

Thirty-two work-related injuries were recorded in the first half of 2013, which is two injuries fewer than in the same period last year. Injuries were suffered by seventeen employees of port service providers, together with thirteen *Luka Koper* personnel and two external operators.

A number of measures have been implemented with the aim of reducing work-related injuries. One of the most important tasks this year were activities related to the acquisition of a permit to undertake expert tasks in the field of occupational safety. Based on the application, Slovenia's Ministry of Labour, Family, Social Affairs and Equal Opportunities inspected equipment and documentation, and thereupon granted a permit in early July. Verified procedures will further improve the quality of occupational health and safety services now being implemented.

The *Comprehensive Occupational Health and Safety Project* within the *Luka Koper Group* aims to promote a healthy attitude to work, good working conditions as well as the physical and mental welfare of personnel. This project was upgraded through the first part of a study into the lower back loading of *LK* employees undertaken by the Scientific and Research Centre of the University of Primorska. The first phase of measurements was completed in June. It will be followed by an analysis and the proposal of measures to the subjects together with preparations for the second phase of measurements that will be implemented from September to the end of November 2013.

Personnel education

Employee education structure is constantly improving, and this is for the major part attributable to new recruitments of personnel with higher levels of education acquired through completed part-time studies by employees. At the same time, the major portion of age-related retirements pertained to those with lower education.

The average number of education and training hours per employee in the *LK Group* amounted to 10.9, whilst this figure stood at 12.8 hours for *Luka Koper d.d.* personnel. Eighty-four percent of education was organised internally and provided programmes adapted to port operations.

Personnel development

Two *Luka Koper Group* companies are participating in the EU project for the Establishment of a Competence Centre for Personnel Development in Logistics. *Luka Koper d.d.* is also participating in the public tender for co-funding employer incentives for the practical training of students.

The quality and professionalism of *Luka Koper Group's* personnel is also corroborated by a number of awards and prizes granted to its employees this year:

- Chief Information Officer Boris Šušmak received a Slovene *CIO Award* for extraordinary accomplishments in relation to LK's IT management;
- Boštjan Pavlič received a *EUREM Award* and the title of European Manager of 2012;
- Primorska Chamber of Commerce and Industry awarded Borut Muženič for the best innovation in the Littoral-Karst region in 2012.

COMMITMENT TO THE COMMUNITY

Luka Koper d.d. is one of the most important local and regional protagonists of economic development, demonstrating its social commitment through participation in projects that promote human welfare and development in a number of areas.

In the first half of 2013 *Luka Koper* disbursed 0.5 million euros in sponsorship and donations. The company has supported 104 projects in the field of sport, culture, education, humanitarian activities, tourism and ecology through its *Living With The Port* fund, and a list of this year's successful applicants is published on the newly redesigned website.

In addition to *the Living With the Port* fund, the company also provides long-term financial support to organisations and individuals particularly in the field of sport, for example Slovenia's national Olympic Committee, due to the fact that successful Slovene athletes promoting the country throughout the world is also in the commercial interests of the company.

Engagement and partnership with the local community also significantly contributes to the development and expansion of the port. In addition, representatives of Slovenia's Ministry of

Economic Development and Technology, Koper Municipality and *Luka Koper d.d.*, have signed a letter of intent guaranteeing support to all stakeholders in the resolution of administrative and other obstacles in the accomplishment of the anticipated development of the Port of Koper.

As further proof of its intention to establish and participate in dialogue, the company joined citizens of Ankaran at a community meeting where they were presented with an overview of *Luka Koper's* environmental protection measures. In conjunction with other enterprises operating in this field, *Luka Koper* hosted the representatives of the Faculty of Architecture and Faculty of Social Sciences, University of Ljubljana, that will participate in the preparation of a sustainable spatial plan for Ankaran Municipality.

FINANCIAL REPORT

CONSOLIDATED FINANCIAL STATEMENTS OF LUKA KOPER GROUP

Table 8: Income Statement of Luka Koper Group

(in euro)	Jan. - June 2013	Jan. - June 2012
Operating revenues	73,237,892	71,121,454
Other revenues	1,420,632	1,679,199
Material costs	5,842,104	5,844,891
Service costs	20,222,378	19,875,324
Labour costs	19,684,564	18,978,708
Value write-offs	14,017,025	13,958,413
Other operating expenses	4,061,859	3,011,197
Operating profit	10,830,594	11,132,120
Financial revenues from profit participation	270,085	427,088
Financial revenues from loans granted	63,825	118,197
Financial revenues from operating receivables	120,321	134,053
Financial expenses from financial investments	762,604	704,343
Financial expenses from financial liabilities	2,190,060	3,343,666
Financial expenses from operating liabilities	78,910	54,422
Financial gain (loss)	-2,577,343	-3,423,093
Pre-tax profit	8,253,251	7,709,027
Corporation tax	229,980	1,126,919
Deferred taxes	198,359	383,497
Net profit from ordinary activities	7,824,912	6,198,611
Net profit from discontinued operations	-31,707	21,611
Net profit for the period	7,793,205	6,220,222
Net profit – majority shareholders	7,795,979	6,221,423
Net profit – minority shareholders	-2,774	-1,201
Net earnings per share: basic and diluted	0.56	0.44

Table 9: Comprehensive Income Statement of Luka Koper Group

(in euro)	Jan - June 2013	Jan - June 2012
Net profit for the period	7,793,205	6,220,222
Changes in surplus from revaluation of financial assets available for sale	332,530	-4,690,446

Change in fair value of hedging instruments	1,013,746	-585,608
Deferred taxes	-234,946	1,132,492
Other components of comprehensive income	-	-5,212
Other comprehensive income	1,111,330	-4,148,774
Total comprehensive income for the period	8,904,535	2,071,448

Table 10: Statement of Financial Position of Luka Koper Group

(in euro)	30th June 2013	31st Dec. 2012
ASSETS		
Real-estate, plant and equipment	339,208,363	351,319,247
Real-estate investments	16,893,455	20,310,622
Intangible assets and long-term deferred costs	5,802,139	5,882,038
Non-current financial investments	41,922,818	41,381,973
Loans granted	1,500,854	1,526,547
Non-current operating receivables	5,488	5,243
Deferred tax assets	7,607,896	7,824,010
Non-current assets	412,941,013	428,249,680
Assets (disposal group) held for sale	13,913,831	5,992,398
Financial investments and loans granted	926,280	3,278,291
Operating receivables	25,087,422	22,713,218
Cash and cash equivalents	5,734,266	1,608,345
Current assets	45,661,799	33,592,252
Deferred costs and accrued revenues	4,621,957	1,555,503
TOTAL ASSETS	463,224,769	463,397,435
EQUITY AND LIABILITIES		
Share capital	58,420,965	58,420,965
Capital reserves	89,562,703	89,562,703
Revenue reserves	78,792,226	78,904,872
Revaluation surplus	5,861,889	4,750,559
Retained net profit	17,705,517	10,845,942
Net profit for the financial year	7,795,979	6,715,086
Equity – controlling shareholder	258,139,279	249,200,127
Equity – non-controlling shareholders	125,418	128,192
Provisions and long-term accruals	13,308,913	12,053,082
Loans	128,096,352	135,262,778
Other financial liabilities	1,132,390	1,607,383
Non-current operating liabilities	105,334	201,430
Deferred tax liabilities	1,545,826	1,310,880
Non-current liabilities	130,879,902	138,382,471
Loans	40,236,860	46,586,860
Other financial liabilities	523,316	505,114

Corporation tax liabilities	676,367	808,070
Other non-current liabilities	15,575,154	13,947,890
Current liabilities	57,011,697	61,847,934
Accrued costs and deferred revenues	3,759,560	1,785,629
TOTAL EQUITY AND LIABILITIES	463,224,769	463,397,435

Table 11: Cash Flow Statement of Luka Koper Group

(in euro)	Jan - June 2013	Jan - June 2012
Cash flows from operating activities		
Net profit for the period	7,793,205	6,198,611
Adjustments for:		
Amortisation	13,954,711	13,875,031
Value write-offs and losses from the sale of real-estate, plant, equipment and real-estate investments	-	55,982
Profit from the sale of real-estate, plant, equipment, intangible assets and real-estate investments	15,436	-7,076
Allowance for receivables	61,992	27,400
Financial revenues	-454,231	-679,338
Financial expenses	3,031,574	4,102,431
Corporation tax and revenues (expenses) from deferred taxes	428,339	1,510,416
Operating profit before changes in net current assets and taxes	24,831,026	25,083,457
Change in net current assets and provisions		
Change in operating receivables	-2,436,441	-1,935,593
Change in current assets (disposal group) held for sale	-	-17,879
Change in deferred costs and accrued revenues	-3,066,454	-3,452,244
Change in operating liabilities	1,399,465	2,375,776
Change in provisions	1,255,831	235,791
Change in accrued costs and deferred revenues	1,973,931	1,023,879
Corporation tax	-711,073	-1,301,385
Cash inflows (outflows) from operating activities	23,246,285	22,011,802
Cash flows from investments		
Interest received	184,146	427,088
Proceeds from sale of real estate, plant and equipment and intangible assets	307	98,502
Proceeds from sale of investment real-estate	-	16,890
Proceeds from sale and reduction of financial investments and loans granted	3,770,260	930,780
Acquisition of real estate, plant and equipment, and intangible assets	-6,562,057	-8,416,068

Acquisition of real-estate investments	-	-1,884
Acquisition of financial investments and increase of loans granted	-659,558	-661,819
Cash inflows (outflows) from investments	-3,266,902	-7,606,511
Cash flows from financing activities		
Interest paid	-2,268,970	-3,343,666
Proceeds from received non-current loans	24,504	28,155,581
Proceeds from received current loans	-	25,102,000
Expenses in the repayment of non-current loans	-7,190,930	-9,941,325
Expenses in the repayment of current loans	-6,449,900	-53,947,000
Change in equity	31,834	-5,213
Cash inflows (outflows) from financing activities	-15,853,462	-13,979,623
Opening balance of cash and cash equivalents	1,608,345	1,038,270
Net cash inflow (outflow) for the period	4,125,921	425,668
Closing balance of cash and cash equivalents	5,734,266	1,463,938

Table 12: Statement of Changes in Equity of Luka Koper Group in 2013

(in euro)	Share capital	Capital reserves	Legal reserves	Other revenue reserves	Retained net profit	Net profit for the year	Revaluation surplus	Total equity of controlling shareholders	Equity of non-controlling shareholders	Total equity
Closing balance as of 31st December 2012	58,420,965	89,562,703	18,877,761	60,027,111	10,845,942	6,715,086	4,750,559	249,200,127	128,192	249,328,319
Opening balance as of 1st January 2013	58,420,965	89,562,703	18,877,761	60,027,111	10,845,942	6,715,086	4,750,559	249,200,127	128,192	249,328,319
Changes in equity – transactions with shareholders										
Other changes in equity	-	-	-	-	31,843	-	-	31,843	-	31,843
	-	-	-	-	31,843	-	-	31,843	-	31,843
Total comprehensive income for the period	-	-	-	-	-	-	-	-	-	-
Net profit for the reporting period	-	-	-	-	-	7,795,979	-	7,795,979	-2,774	7,793,205
Other components of comprehensive income for the reporting period	-	-	-	-	-	-	1,111,330	1,111,330	-	1,111,330
	-	-	-	-	-	7,795,979	1,111,330	8,907,309	-2,774	8,904,535
Changes in equity										
Allocation of the remaining portion of net profit to other components of equity	-	-	-	-	6,715,086	-6,715,086	-	-	-	-
Other changes in equity	-	-	-112,646	-	112,646	-	-	-	-	-
	-	-	-112,646	-	6,827,732	-6,715,086	-	-	-	-
Closing balance as of 30th June 2013	58,420,965	89,562,703	18,765,115	60,027,111	17,705,517	7,795,979	5,861,889	258,139,279	125,418	258,264,697

Table 13: Statement of Changes in Equity of Luka Koper Group in 2012

(in euro)	Share capital	Capital reserves	Legal reserves	Other revenues reserves	Retained net profit	Net profit for the year	Revaluation surplus	Total equity of controlling shareholder	Equity of non-controlling shareholders	Total equity
Closing balance as of 31st December 2011	58,420,965	89,562,703	18,882,889	56,263,316	10,411,742	443,364	6,703,699	240,688,678	108,140	240,796,818
Opening balance as of 1st January 2012	58,420,965	89,562,703	18,882,889	56,263,316	10,411,742	443,364	6,703,699	240,688,678	108,140	240,796,818
Total comprehensive income for the period	-	-	-	-	-	-	-	-	-	-
Net profit/loss for the reporting period	-	-	-	-	-	6,221,423	-	6,221,423	-1,201	6,220,222
Other components of comprehensive income for the reporting period	-	-	-5,212	-	-	-	-4,143,562	-4,148,774	-	-4,148,774
	-	-	-5,212	-	-	6,221,423	-4,143,562	2,072,649	-1,201	2,071,448
Changes in equity										
Allocation of the remaining portion of net profit to other components of equity	-	-	-	-	443,364	-443,364	-	-	-	-
	-	-	-	-	443,364	-443,364	-	-	-	-
Closing balance as of 30th June 2012	58,420,965	89,562,703	18,877,677	56,263,316	10,855,106	6,221,423	2,560,137	242,761,327	106,939	242,868,266

NOTES TO FINANCIAL STATEMENTS OF LUKA KOPER GROUP

The interim statements of *Luka Koper Group* for January to June 2013, i.e. as at 30th June 2013, encompass the financial statements of the parent company, *Luka Koper d.d.*, as well as the statements of its subsidiary enterprises, together with attributable profits and losses of associated and jointly controlled companies.

Statement of compliance

The financial statements have been compiled in accordance with the Companies Act RS as well as International Reporting Standards (IRS) as adopted by the International Accounting Standards Board (IASB).

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 June 2013, in comparison with data for the previous year, together with the *Group's* financial position as of 30th June 2013 in comparison with 31st December 2012.

The non-audited financial statements of the *Luka Koper Group* as of 31st June 2013 are compiled in accordance with the same accounting policies and principles that were applicable in 2012.

Discontinued operations

In April 2013, *Luka Koper d.d.* reclassified its holding in *Luka Koper Pristan d.o.o.* as an asset held for sale, a measure which affects the *Luka Koper Group's* Consolidated Financial Statements January-June 2013 in relation to the same period in 2012. In the Statement of Financial Position as at 30th June 2013, the net assets of *Luka Koper Pristan d.o.o.* are fully disclosed under assets held for sale, whilst in the Income Statement *Luka Koper Pristan d.o.o.'s* profit is disclosed under net profit of discontinued operations.

Luka Koper Pristan d.o.o. is classified in the group of non-strategic financial investments held for sale, which also encompasses real-estate at Prisoje (in the southern outskirts of Koper), in relation to which in June *Luka Koper* published a public call to submit offers for acquisition; the bids will be opened in September.

The -31,707 euros operating loss (see below) of *Luka Koper Pristan d.o.o.* for the January-June 2013 period is henceforth recorded under the discontinued operations item.

(in euro)	Jan - June 2013	Jan - June 2012
Revenues	387,397	482,720

Expenses	419,104	461,109
Pre-tax profit	-31,707	21,611
Corporation tax	-	-
Deferred taxes	-	-
Net profit (loss) of discontinued operations	-31,707	21,611

Review of the reclassification of assets and liabilities in relation to Luka Koper Pristan d.o.o. assets held for sale as of 30th June 2013:

(in euro)	30 th June 2013
ASSETS	
Real-estate, plant and equipment	-2,203,739
Deferred tax liabilities	-17,755
Non-current assets	-2,221,494
Assets (disposal group) held for sale	-2,089
Operating receivables	-98,061
Cash and cash equivalents	-100,941
Current assets	-201,091
Deferred costs and accrued revenues	-15,037
TOTAL ASSETS	-2,437,622
LIABILITIES	
Provisions and deferred revenues	-3,937
Non-current operating liabilities	-2,465
Non-current liabilities	-2,465
Other current liabilities	-70,725
Current liabilities	-70,725
Accrued costs and deferred revenues	-6,599
TOTAL LIABILITIES	-83,726

As of 30th June 2013, the net assets of the *Luka Koper Group* held for sale in relation to *Luka Koper Pristan d.o.o* amount to 2,353,896 euros.

For the purposes of data comparability, both the Income Statement and the Cash Flow Statement of *Luka Koper Group* were appropriately adjusted for the January-June 2013 period.

Additional notes to the Income Statement

Operating revenues

(in euro)	January - June 2013	January - June 2012
Net sales revenues on domestic market from:	25,284,174	25,214,492
- services	24,631,318	24,484,917
- goods and material	45,166	36,840
- rentals	607,690	692,735
Net sales revenues on foreign markets from:	47,953,718	45,906,962
- services	47,852,715	45,791,886
- rentals	101,003	115,076
Total operating revenues	73,237,892	71,121,454

Other revenues

(in euro)	January - June 2013	January - June 2012
Reversal of provisions	-	26,196
Subventions, grants and other similar revenues	1,325,260	1,635,626
Revaluation operating revenues	15,436	7,076
Other revenues	79,936	10,301
Total other revenues	1,420,632	1,679,199

Operating revenues and other revenues for the first half of 2012 are disclosed according to the new structure of the Income Statement; i.e. other operating revenues and other revenues are combined under the other revenues item. The balance sheet items in the 2012 Annual Report have already been disclosed according to the new structure.

In the H1 2012 interim report, revenues were divided into other operating revenues that encompassed net sales revenues and other operating revenues, other revenues and financial revenues. In the new structure, operating revenues only disclose net sales revenues, whereas other operating revenues (including subventions, grants and similar revenues, revaluation operating revenues and some other revenues) together with other revenues were combined under the other revenues item.

Material costs

(in euro)	January - June 2013	January - June 2012
Material costs	-	-
Costs of auxiliary materials	2,025,084	1,763,231
Costs of spare parts	-	-
Energy costs	3,546,641	3,827,485
Costs of office supplies	80,408	79,794
Other material costs	189,971	174,381
Total material costs	5,842,104	5,844,891

Service costs

(in euro)	January - June 2013	January - June 2012
Costs of port services	9,758,720	8,947,767
Transportation costs	66,446	158,812
Maintenance costs	3,628,415	2,914,364
Rents	378,910	365,194
Reimbursement of costs associated with labour	195,912	163,545
Cost of payments processing and insurance premiums	249,591	200,046
Cost of intellectual and personal services	522,606	498,429
Cost of trade fairs, advertising and hospitality	539,824	601,418
Cost of services rendered by natural persons	119,733	153,203
Other service costs	4,762,221	5,872,546
Total service costs	20,222,378	19,875,324

In 2013, service costs were reclassified as follows: railway wagon handling, which is classified as a core activity of the company, was reclassified from other service costs to costs of services. For more details see Additional notes to the Income Statement of the parent company *Luka Koper d.d.*

Labour costs

(in euro)	January - June 2013	January - June 2012
Cost of salaries	14,818,876	14,304,997
Social insurance costs	3,214,377	2,973,110
Other labour costs	1,651,311	1,700,601
Total labour costs	19,684,564	18,978,708

Value write-offs

(in euro)	January - June 2013	January - June 2012
Amortisation of real-estate, plant and equipment	13,608,807	13,552,005
Amortisation of real-estate investments	81,867	69,570
Amortisation of intangible non-current assets	264,037	253,456
Revaluation operating expenses from real-estate, plant and equipment	322	55,982
Revaluation operating expenses from current assets	61,992	27,400
Total value write-offs	14,017,025	13,958,413

Other operating expenses

(in euro)	January - June 2013	January - June 2012
Provisions	1,080,467	-
Other costs and expenses	2,981,392	3,011,197
Charges unrelated to labour costs and other costs	2,710,865	2,758,350
Environmental protection charges	30,777	45,412
Awards to apprentices and interns	4,579	3,538
Scholarships awarded to students	2,100	2,100
Other costs and expenses	233,071	201,797
Total other operating expenses	4,061,859	3,011,197

The disclosure of operating expenses and provision costs for the first half of 2012 were adjusted to the new structure of the Income Statement - i.e. other operating expenses and provision costs that were previously disclosed as two separate items under operating expenses, were combined under other operating expenses.

Financial revenues

(in euro)	January - June 2013	January - June 2012
Financial revenues from profit participation	270,085	427,088
Financial revenues from loans granted	63,825	118,197
Financial revenues from operating receivables and foreign exchange gains	120,321	134,053
Total financial revenues	454,231	679,338

Financial revenues from profit participation for the January-June 2013 period are those profits deriving from associated companies.

Financial expenses

(in euro)	January - June 2013	January - June 2012
Financial expenses from financial investments	762,604	704,343
Financial expenses from financial liabilities	2,190,060	3,343,666
Financial expenses from operating liabilities and foreign exchange losses	78,910	54,422
Total financial expenses	3,031,574	4,102,431

Operating profit for the period

(in euro)	January - June 2013	January - June 2012
Pre-tax profit	8,253,251	7,709,027
Corporation tax	229,980	1,126,919
Deferred taxes	198,359	383,497
Net profit from ordinary activities	7,824,912	6,198,611
Net profit from discontinued operations	-31,707	21,611
Net profit for the period	7,793,205	6,220,222
Net earnings per share	0.56	0.44

Additional Notes to the Statement of Financial Position**Real-estate, plant and equipment, real-estate investments and intangible fixed assets**

(in euro)	30th June 2013	31st Dec. 2012
Real-estate, plant and equipment	339,208,363	351,319,247
Land and buildings	240,985,807	249,105,787
Land	9,908,021	11,043,000
Buildings	231,077,786	238,062,787
Production plant and machinery	69,005,800	74,799,620
Other plant and equipment	2,916,801	3,478,412

Real-estate, plant and equipment under acquisition	26,299,955	23,935,428
Real-estate investments	16,893,455	20,310,622
Intangible fixed assets and long-term deferred costs	5,802,139	5,882,038

Non-current financial investments and non-current loans granted

(in euro)	30 th June 2013	31 st Dec. 2012
Non-current financial investments	41,922,818	41,381,973
Stocks and holdings in associated companies	12,107,253	12,087,827
Other stocks and holdings	29,815,565	29,294,146
Non-current loans granted	1,500,854	1,526,547
Loans granted to others	1,500,854	1,526,547

Assets held for sale

(in euro)	30 th June 2013	31 st Dec. 2012
Real-estate, plant and equipment held for sale	7,587,838	1,275,879
Other non-current assets held for sale	6,325,993	4,716,519
Total assets held for sale	13,913,831	5,992,398

Luka Koper Group's assets held for sale increased by 7,921,433 euros over the 31st December 2012 figure. In the first half of 2013, real-estate held by *Luka Koper d.d.* and rented by *Luka Koper Pristan d.o.o.* in the amount of 5,280,631 euros was reclassified as real-estate, plant and equipment held for sale. They are, together with the investment in the said company, subject to sale.

The net assets of *Luka Koper Pristan d.o.o.*, i.e. all of that company's assets reduced by liabilities of the company minus equity, were reclassified as other assets held for sale. As of 30th June 2013, these assets amounted to 2,353,896 euros.

Current loans granted

(in euro)	30 th June 2013	31 st Dec. 2012
Loans granted to others	64,886	130,968
Deposits in banks and other financial institutions	861,394	3,147,323
Total current loans granted	926,280	3,278,291

Current operating receivables, and deferred costs and accrued revenues

(in euro)	30th June 2013	31st Dec. 2012
Current operating receivables	25,087,422	22,713,218
Operating receivables from associated companies	235,451	272,929
Trade receivables	21,855,402	19,943,138
Operating receivables from others	2,996,569	2,497,151
Deferred costs and accrued revenues	4,621,957	1,555,503

Equity

(in euro)	30th June 2013	31st Dec. 2012
Share capital	58,420,965	58,420,965
Capital reserves	89,562,703	89,562,703
Revenues reserves	78,792,226	78,904,872
Legal reserves	18,765,115	18,877,761
Other revenues reserves	60,027,111	60,027,111
Revaluation surplus	5,861,889	4,750,559
Retained net profit	17,705,517	10,845,942
Net profit for the financial year	7,795,979	6,715,086
Total equity of controlling shareholder	258,139,279	249,200,127
Equity of non-controlling shareholders	125,418	128,192

Provisions

(in euro)	30th June 2013	31st Dec. 2012
Provisions for pensions and similar	965,799	1,046,159
Provisions for lawsuits	3,023,408	1,828,648
Other provisions	165,322	96,111
Long-term deferred revenues	9,154,384	9,082,164
Total provisions	13,308,913	12,053,082

Non-current liabilities

(in euro)	30th June 2013	31st Dec. 2012
Loans	128,096,352	135,262,778

Other financial liabilities	1,132,390	1,607,383
Non-current operating liabilities	105,334	201,430
Deferred tax liabilities	1,545,826	1,310,880
Total non-current liabilities	130,879,902	138,382,471

Current liabilities and accrued costs and deferred revenues

(in euro)	30 th June 2013	31 st Dec. 2012
Current liabilities	57,011,697	61,847,934
Loans	40,236,860	46,586,860
Other financial liabilities	523,316	505,114
Current operating liabilities	16,251,521	14,755,960
Accrued costs and deferred revenues	3,759,560	1,785,629

Off-balance-sheet assets and liabilities

(in euro)	30 th June 2013	31 st Dec. 2012
	546,728	546,728
	2,760,000	2,991,974
Granted sureties	53,610,439	53,610,439
	7,522,059	8,534,839
	37,306,116	-
	94,664	70,015
Total off-balance-sheet assets and liabilities	101,840,006	65,753,995

(in euro)	30 th June 2013	31 st Dec. 2012
Granted sureties	5,660,000	5,660,000
Contingent claims from lawsuits	37,306,116	-
Other contingent liabilities	94,664	70,015
Letters of credit issued by banks	546,728	546,728
Granted warranties and guarantees	2,760,000	2,991,974
Issued sureties	17,950,439	17,950,439
Contingent liabilities from lawsuits	7,522,059	8,534,839
Hedge accounting for interest rate swap	65,000,000	30,000,000
Total off-balance-sheet assets and liabilities	136,840,006	65,753,995

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

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

(in euro)	Jan. - June 2013	Jan. - June 2012
Operating revenues	69,850,540	68,240,043
Other revenues	240,547	407,492
Material costs	5,422,248	5,550,561
Service costs	20,811,605	20,827,888
Labour costs	16,920,433	16,083,857
Value write-offs	13,285,731	13,239,864
Other operating expenses	4,072,505	3,027,119
Operating profit	9,578,565	9,918,246
Financial revenues from profit participation	858,830	929,996
Financial revenues from loans granted	51,102	119,362
Financial revenues from operating receivables	116,706	129,516
Financial expenses from financial investments	744,995	449,850
Financial expenses from financial liabilities	2,293,814	3,493,066
Financial expenses from operating liabilities	78,737	54,003
Financial gain (loss)	-2,090,908	-2,818,045
Pre-tax profit	7,487,657	7,100,201
Corporation tax	-	890,870
Deferred taxes	198,185	379,678
Net profit for the period	7,289,472	5,829,653
Net earnings per share – basic and diluted	0.52	0.42

Table 15: Comprehensive Income Statement of Luka Koper d.d.

(in euro)	Jan. - June 2013	Jan. - June 2012
Net profit for the period	7,289,472	5,829,653
Change in surplus from revaluation of financial assets held for sale	332,530	-4,690,446
Change in fair value of hedging instruments	1,013,745	-585,608
Deferred taxes	-234,946	1,132,493
Other components of comprehensive income	-	-
Other comprehensive income	1,111,329	-4,143,561
Total comprehensive income for the period	8,400,801	1,686,092

Table 16: Statement of Financial Position of Luka Koper d.d.

(in euro)	30 th June 2013	31 st Dec. 2012
ASSETS		
Real-estate, plant and equipment	323,464,158	327,801,023
Real-estate investments	26,883,682	35,342,753
Intangible assets and long-term deferred costs	5,270,835	5,324,587
Non-current financial investments	40,074,912	42,260,883
Loans granted	1,491,607	1,517,396
Non-current operating receivables	5,488	5,243
Deferred tax assets	7,778,422	7,976,607
Non-current assets	404,969,104	420,228,492
Assets (disposal group) held for sale	13,883,767	5,988,745
Financial investments and loans granted	441,705	3,525,810
Operating receivables	23,148,011	20,629,730
Cash and cash equivalents	5,038,900	629,077
Current assets	42,512,383	30,773,362
Deferred costs and accrued revenues	4,453,524	1,528,525
TOTAL ASSETS	451,935,011	452,530,379
EQUITY AND LIABILITIES		
Share capital	58,420,965	58,420,965
Capital reserves	89,562,703	89,562,703
Revenue reserves	78,792,226	78,792,226
Revaluation surplus	5,861,889	4,750,560
Retained net profit	3,795,638	-
Net profit for the financial year	7,289,472	3,763,795
Equity	243,722,893	235,290,249
Provisions, and accrued costs and deferred revenues	8,374,628	6,627,678
Loans	138,278,603	145,446,353
Other financial liabilities	1,021,484	1,496,476
Non-current operating liabilities	64,101	164,000
Deferred tax liabilities	1,545,826	1,310,880
Non-current liabilities	140,910,014	148,417,709
Loans	40,236,860	46,586,860
Other financial liabilities	522,839	504,315
Corporation tax liabilities	-	361,684
Other current liabilities	14,601,944	13,071,801
Current liabilities	55,361,643	60,524,660
Accrued costs and deferred revenues	3,565,833	1,670,083
TOTAL EQUITY AND LIABILITIES	451,935,011	452,530,379

Table 17: Cash Flow Statement of Luka Koper d.d.

(in euro)	Jan. - June 2013	Jan. - June 2012
Cash flows from operating activities		
Net profit for the period	7,289,472	5,829,653
Adjustments for:		
Amortisation	13,229,660	13,171,184
Value write-offs and losses from the sale of real-estate, plant, equipment and real-estate investments	-	55,982
Profit from sale of real-estate, plant and equipment, intangible assets and real-estate investments	8,936	-17,517
Bad receivables allowance	56,056	12,698
Financial revenues	-1,026,638	-1,178,874
Financial expenses	3,117,546	3,996,919
Corporation tax and revenues (expenses) from deferred taxes	198,185	1,270,548
Operating profit before changes in net current assets and taxes	22,873,217	23,140,593
Change in net current assets and provisions		
Change in operating receivables	-2,574,582	-1,897,682
Change in deferred costs and accrued revenues	-2,924,999	-3,298,854
Change in operating liabilities	1,068,560	2,578,294
Change in provisions	1,746,950	786,630
Change in accrued costs and deferred revenues	1,895,750	805,457
Corporation tax	-	-1,165,006
Cash inflows (outflows) from operating activities	22,084,896	20,949,432
Cash flows from investments		
Interest received	167,808	248,878
Dividends received	858,830	929,996
Proceeds from sale of real estate, plant and equipment, and intangible assets	-	63,171
Proceeds from sale of real-estate investments	-	16,891
Proceeds from sale and reduction of financial investments and loans granted	3,816,760	913,925
Acquisition of real-estate, plant and equipment and intangible assets	-6,515,812	-8,148,713
Acquisition of real-estate investments	-	-1,884
Acquisition of financial investments and increase of loans granted	-44,292	-497,983
Cash inflows (outflows) from investments	-1,716,706	-6,475,719
Cash flows from financing activities		

Interest paid	-2,372,551	-3,493,066
Proceeds from non-current loans received	24,504	29,589,676
Proceeds from current loans received	-	25,102,000
Expenses from repayment of non-current loans	-7,192,254	-11,442,120
Expenses from repayment of current loans	-6,449,900	-53,947,000
Change in equity	31,834	-
Cash inflows (outflows) from financing activities	-15,958,367	-14,190,510
Opening balance of cash and cash equivalents	629,077	901,134
Financial gain (loss) for the period	4,409,823	283,203
Closing balance of cash and cash equivalents	5,038,900	1,184,337

Table 18: Statement of Changes in Equity of Luka Koper d.d., 2013

(in euro)	Share capital	Capital reserves	Legal reserves	Other revenues reserves	Retained net profit	Net profit for the year	Revaluation surplus	Total equity
Closing balance as of 31st December 2012	58,420,965	89,562,703	18,765,115	60,027,111	-	3,763,795	4,750,560	235,290,249
Opening balance as of 1st January 2013	58,420,965	89,562,703	18,765,115	60,027,111	-	3,763,795	4,750,560	235,290,249
Change of equity – transactions with shareholders								
Other changes of equity	-	-	-	-	31,843	-	-	31,843
	-	-	-	-	31,843	-	-	31,843
Total comprehensive income for the period								
Comprehensive income for the reporting period	-	-	-	-	-	7,289,472	-	7,289,472
Other components of the comprehensive income for the reporting period	-	-	-	-	-	-	1,111,329	1,111,329
	-	-	-	-	-	7,289,472	1,111,329	8,400,801
Changes in equity								
Allocation of the remaining portion of net profit for the period to other components of equity	-	-	-	-	3,763,795	-3,763,795	-	-
	-	-	-	-	3,763,795	-3,763,795	-	-
Closing balance as of 30th June 2013	58,420,965	89,562,703	18,765,115	60,027,111	3,795,638	7,289,472	5,861,889	243,722,893

Table 19: Statement of Changes in Equity of Luka Koper d.d., 2012

(in euro)	Share capital	Capital reserves	Legal reserves	Other revenue reserves	Retained net profit	Net profit for the year	Revaluation surplus	Total equity
Closing balance as of 31st December 2011	58,420,965	89,562,703	18,765,115	56,263,316	-	-	6,703,698	229,715,797
Opening balance as of 1st January 2012	58,420,965	89,562,703	18,765,115	56,263,316	-	-	6,703,698	229,715,797
Total comprehensive income for the period	-	-	-	-	-	-	-	-
Comprehensive income for the reporting period	-	-	-	-	-	5,829,653	-	5,829,653
Other components of the comprehensive income for the reporting period	-	-	-	-	-	-	-4,143,561	-4,143,561
	-	-	-	-	-	5,829,653	-4,143,561	1,686,092
Closing balance as of 30th June 2012	58,420,965	89,562,703	18,765,115	56,263,316	-	5,829,653	2,560,137	231,401,889

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

The port and logistics system operator *Luka Koper d.d.* is the parent company of the *Luka Koper Group*. These interim financial statements are compiled for January – June 2013, i.e. they reflect the company's position as at 30th June 2013.

Statement of compliance

The financial statements have been compiled in accordance with the Companies Act RS, as well as International Reporting Standards (IRS) as adopted by the International Accounting Standards Board (IASB).

Basis for the compilation of financial statements

The financial statements have been compiled in euros (EUR), rounded to the nearest unit. Through them, *Luka Koper d.d.* wishes to provide the broadest sphere of users information in relation to its performance in the January to June 2013 period, in comparison with a year previously, together with the company's financial standing as of 30th June 2013, in comparison with 31st December 2012.

The non-audited financial statements of *Luka Koper d.d.* for January to June are compiled in accordance with the same accounting policies and principles that were applicable in 2012.

Additional Notes to the Income Statement

Operating revenues

(in euro)	January - June 2013	January - June 2012
Net sales revenues on the domestic market from:	23,651,914	24,305,382
- services	22,815,543	23,387,542
- goods and materials	45,166	36,840
- rentals	791,205	881,000
Net sales revenues on foreign markets from:	46,198,626	43,934,661
- services	46,100,923	43,822,885
- rentals	97,703	111,776
Total operating revenues	69,850,540	68,240,043

The surplus of revenues over expenses in the ingoing maintenance of port infrastructure has been adjusted for the January – June 2012 period in accordance with the new recognition regime applied at the end of 2012. By way of this change, revenues from port fees were accordingly reduced in the amount of 865,823 euros. In the first six months of 2013, the surplus of expenses over revenues amounted to 502,060 euros.

Other revenues

(in euro)	January - June 2013	January - June 2012
Reversal of provisions	-	26,196
Subventions, grants and similar revenues	160,907	-
Revaluation operating revenues	8,936	17,517
Other revenues	70,704	363,779
Total other revenues	240,547	407,492

Operating revenues and other revenues for the first half of 2012 are disclosed according to a new structure of the Income Statement; i.e. other operating revenues and other revenues are combined under the other revenues item. The balance sheet items in the 2012 Annual Report have already been disclosed according to the new structure.

In the H1 2012 interim report, revenues were divided into other operating revenues that encompassed net sales revenues and other operating revenues, other revenues and financial revenues. In the new structure, operating revenues only disclose net sales revenues, whereas other operating revenues (including subventions, grants and similar revenues, revaluation operating revenues and some other revenues) were combined together with other revenues under the other revenues item.

Material costs

(in euro)	January - June 2013	January - June 2012
Costs of auxiliary materials	1,806,430	1,620,525
Energy costs	3,363,290	3,701,026
Costs of office supplies	72,995	69,941
Other material costs	179,533	159,069
Total material costs	5,422,248	5,550,561

Service costs

(in euro)	January - June 2013	January - June 2012
Costs in the provision of services	9,783,423	8,943,973
Transportation costs	58,134	145,721
Maintenance costs	4,304,953	3,884,188
Rentals	382,457	391,149
Reimbursement of costs associated with labour	187,012	149,410
Costs of payments processing and insurance premiums	206,715	170,337
Costs of intellectual and personal services	515,110	483,000
Costs of trade fairs, advertising and hospitality	544,784	613,486
Cost of services rendered by natural persons	115,717	140,470

Other service costs	4,713,300	5,906,154
Total service costs	20,811,605	20,827,888

In 2013, service costs were reclassified as follows: the handling of rail wagons, which is classified as a core activity of the company, was reclassified from other service costs to costs of port services. In the first six months of 2013, the costs of said service amounted to 1,220,042 euros, whilst in the same period last year the cost of this same service disclosed under costs of other services amounted to 1,247,755 euros.

Labour costs

(in euro)	January - June 2013	January - June 2012
Costs of salaries	12,790,166	12,196,320
Social insurance costs	2,788,084	2,523,665
Other labour costs	1,342,183	1,363,872
Total labour costs	16,920,433	16,083,857

Value write-offs

(in euro)	January - June 2013	January - June 2012
Amortisation of real-estate, plant and equipment	12,753,892	12,828,971
Amortisation of real-estate investments	238,428	59,015
Amortisation of intangible non-current assets	237,340	283,198
Revaluation operating expenses from real-estate, plant and equipment	15	55,982
Revaluation operating expenses from current assets	56,056	12,698
Total value write-offs	13,285,731	13,239,864

Other operating expenses

(in euro)	January - June 2013	January - June 2012
Provisions	1,080,467	-
Other costs and expenses	2,992,038	3,027,119
Charges unrelated to labour costs and other costs	2,722,297	2,784,065
Environmental protection costs	35,403	40,416
Awards to apprentices and interns	3,154	3,077
Scholarships to students	2,100	2,100
Other costs and expenses	229,084	197,461

Total other operating expenses	4,072,505	3,027,119
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The surplus of revenues over expenses in the regular maintenance of port infrastructure has been adjusted for the January – June 2012 period in accordance with the new recognition applied at the end of 2012. Provisions costs were reduced and transferred to operating revenues, where net sales revenues on domestic market (revenues from port fees) were accordingly reduced.

The disclosure of operating expenses and provision costs for the first half of 2012 were adjusted to the new structure of the Income Statement; i.e. other operating expenses and provision costs that were erstwhile disclosed as two separate items under operating expenses, were combined under other operating expenses.

In the first half of 2013, the company formed 1,080,467 euros in provisions to cover anticipated losses from litigation and claims for damages. In the first half of 2013, the following provisions were formed within other operating expenses: in the amount of 714,800 euros for the labour dispute involving Aldo Babič and his consequent claim; 197,978 euros in relation to the penalty imposed by the Slovenian Competition Protection Agency; and 167,701 euros for other lawsuits.

Financial revenues

(in euro)	January - June 2013	January - June 2012
Financial revenues from profit participation	858,830	929,996
Financial revenues from loans granted	51,102	119,362
Financial revenues from operating receivables and foreign exchange gains	116,706	129,516
Total financial revenues	1,026,638	1,178,874

Financial expenses

(in euro)	January - June 2013	January - June 2012
Financial expenses from financial investments	744,995	449,850
Financial expenses from financial liabilities	2,293,814	3,493,066
Financial expenses from operating liabilities and foreign exchange losses	78,737	54,003
Total financial expenses	3,117,546	3,996,919

The loss from the sale of *Intereuropa d.d.* shares in the amount of 233,977 euros together with the impairment of the investment in *Intereuropa d.d.* amounting to 511,018 euros are disclosed under financial expenses from impairment and write-offs of financial investments.

Financial expenses recorded a year-on decrease of 1,199,252 euros, which can be attributed to the lower EURIBOR reference interest rate as well as reduced indebtedness.

Operating profit for the period

(in euro)	January - June 2013	January - June 2012
Pre-tax profit	7,487,657	7,100,201
Corporation tax	-	890,870
Deferred taxes	198,185	379,678
Net profit for the period	7,289,472	5,829,653
Net earnings per share	0.52	0.42

On 26th April 2013, *Luka Koper d.d.* sold 615,730 *Intereuropa d.d.* (IEKG) shares to its subsidiary *Luka Koper INPO d.o.o.* Following this disposal, *Luka Koper d.d.* now holds 1,344,783 IEKG shares, which is 7.99 percent of *Intereuropa d.d.* voting rights.

Luka Koper d.d. disposed of this holding for reasons of tax optimisation. In the first half of 2013 this disposal affected financial expenses in the amount of 744,995 euros and reduced corporation tax and deferred taxes in the total amount of 1,067,107 million euros.

Additional Notes to the Statement of Financial Position

Real-estate, plant and equipment, real-estate investments and intangible fixed assets

(in euro)	30 th June 2013	31 st Dec. 2012
Real-estate, plant and equipment	323,464,158	327,801,023
Land and buildings	228,831,768	229,854,811
Land	7,405,935	6,261,659
Buildings	221,425,833	223,593,152
Plant and machinery	65,806,637	70,979,189
Other plant and equipment	2,678,298	3,032,095
Real-estate, plant and equipment under acquisition	26,147,455	23,934,928
Real-estate investments	26,883,682	35,342,753
Intangible fixed assets and long-term deferred costs	5,270,835	5,324,587

The value of real-estate investments as of 30th June 2013 was 8,459,071 euros down on the same period last year. This decline can largely be attributed to the transfer of real-estate

held by *Luka Koper d.d.* and leased by *Luka Koper Pristan d.o.o.* to assets held for sale, this at the current value of 5,280,631 euros.

Non-current financial investments and non-current loans granted

(in euro)	30 th June 2013	31 st Dec. 2012
Non-current financial investments	40,074,912	42,260,883
Stocks and holdings in Group companies	1,572,288	4,279,678
Stocks and holdings in associated enterprises	8,687,059	8,687,059
Other stocks and holdings	29,815,565	29,294,146
Non-current loans granted	1,491,607	1,517,396
Loans granted to others	1,491,607	1,517,396

The decrease in non-current financial investments, i.e. stocks and holdings in *LK Group* companies, in the amount of 2,707,390 euros relates to the transfer of the entire value of the investment by *Luka Koper d.d.* in *Luka Koper Pristan d.o.o.* to assets held for disposal.

Assets held for disposal

(in euro)	30 th June 2013	31 st Dec. 2012
Real-estate, plant and equipment held for disposal	7,586,606	1,272,226
Other non-current assets held for disposal	6,297,161	4,716,519
Total assets held for disposal	13,883,767	5,988,745

As of 30th June 2013, assets held for disposal are ahead of the amount recorded at 31st December 2012, mainly due to the transfer of the current value of real-estate held by *Luka Koper d.d.* and leased by *Luka Koper Pristan d.o.o.* in the amount of 5,433,280 euros, together with the actual transfer of the company to assets held for disposal in the amount of 2,707,390 euros. The decrease in the value of assets held for sale in the amount of 1,126,748 euros can be attributed to the disposal of *Intereuropa d.d.* shares in the amount of 615,730 euros, together with the simultaneous impairment of the remaining holding in said company amounting to 511,018 euros.

Current loans granted

(in euro)	30 th June 2013	31 st Dec. 2012
Loans granted to Group companies	376,819	423,319
Loans granted to others	64,886	130,968
Deposits in banks and other financial institutions	-	2,971,523
Total current loans granted	441,705	3,525,810

Current operating receivables, and deferred costs and accrued revenues

(in euro)	30th June 2013	31st Dec. 2012
Current operating receivables	23,148,011	20,629,730
Operating receivables from Group companies	178,961	60,172
Operating receivables from associated companies	235,451	272,929
Trade receivables	20,741,353	18,520,744
Operating receivables from others	1,992,246	1,775,885
Deferred costs and accrued revenues	4,453,524	1,528,525

The 2,924,999-euro increase in deferred costs and accrued revenues refers to current deferred costs and deferred holiday pay in 2013.

Equity

(in euro)	30th June 2013	31st Dec. 2012
Share capital	58,420,965	58,420,965
Capital reserves	89,562,703	89,562,703
Revenue reserves	78,792,226	78,792,226
Legal reserves	18,765,115	18,765,115
Other revenue reserves	60,027,111	60,027,111
Revaluation surplus	5,861,889	4,750,560
Retained net profit	3,795,638	-
Net profit for the financial year	7,289,472	3,763,795
Total equity	243,722,893	235,290,249

Provisions

(in euro)	30th June 2013	31st Dec. 2012
Provisions for pensions and similar liabilities	727,581	772,461
Provisions for lawsuits	3,023,408	1,828,648
Long-term deferred revenues	4,623,639	4,026,569
Total provisions	8,374,628	6,627,678

Provisions as of 30th June 2013 were 1,746,950 euros ahead of the same period last year. The largest increase, in the amount of 1,194,760 euros (65 percent of total), was recorded in relation to provisions for lawsuits.

Non-current liabilities

(in euro)	30th June 2013	31st Dec. 2012
Loans	138,278,603	145,446,353
Other financial liabilities	1,021,484	1,496,476
Non-current operating liabilities	64,101	164,000
Deferred tax liabilities	1,545,826	1,310,880
Total non-current liabilities	140,910,014	148,417,709

The decline in non-current and current financial liabilities in the first half of 2013 is the result of a loan repayment in the amount of 7.2 million euros.

Current liabilities, and accrued costs and deferred revenues

(in euro)	30th June 2013	31st Dec. 2012
Current liabilities	55,361,643	60,524,660
Loans	40,236,860	46,586,860
Other financial liabilities	522,839	504,315
Current operating liabilities	14,601,944	13,433,485
Operating liabilities to Group companies and associated enterprises	384,184	459,189
Operating liabilities to suppliers and for advances	11,779,360	9,125,151
Liabilities from corporation tax	-	361,684
Other operating liabilities	2,438,400	3,487,461
Accrued costs and deferred revenues	3,565,833	1,670,083

The largest increases under current liabilities and accrued costs and deferred revenues, were recorded in relation to advances and liabilities to suppliers (2,654,209 euros) and accrued costs and deferred revenues (1,895,750 euros). The rise in liabilities to suppliers is mainly the result of liabilities arising from the use of land and water in 2013. This annual liability is paid in monthly instalments - thus the 31st December 2012 has already been settled whilst as of 30th June 2013 liability shall be disclosed and settled in the second half of 2013. Accrued costs and deferred revenues rose mainly as a consequence of the 13th salary accrual (1 million euros) due to employees, commercial discounts due to foreign clients (0.5 million euros), together with other operational costs (0.5 million euros) accrued during the second quarter of 2013.

Off-balance-sheet assets and liabilities

(in euro)	30 th June 2013	31 st Dec. 2012
Granted sureties	5,660,000	5,660,000
Contingent claims from lawsuits	37,306,116	-
Other contingent liabilities	94,664	70,015
Letters of credit issued by banks	546,728	546,728
Granted warranties and guarantees	2,760,000	2,760,000
Issued sureties	17,950,439	17,950,439
Contingent liabilities from lawsuits	7,522,059	8,534,839
Hedge accounting for interest rate swap	65,000,000	30,000,000
Total off-balance-sheet assets and liabilities	136.840.006	65.522.021

Off-balance-sheet assets from lawsuits amounting to 37,306,116 euros mainly relate to the lawsuit against the former company's management in the amount of 32 million euros.

In the second quarter the Group took advantage of low market interest rates and through an interest rate swap hedged its 35 million euro loan. Hence as of 30th June 2013, the LK Group has 65 million euros of long-term loans - i.e. thirty-eight percent of its total financial liabilities - hedged with a fixed interest rate.

As a consequence of the newly formed contingent liabilities from lawsuits in the amount of 37,306,116 euros, off-balance-sheet assets are up on 31st December 2012.

Related-party transactions

In the first half of 2013, numerous transactions were made between the associated companies of the *Luka Koper Group*. In these dealings the parent company - *Luka Koper d.d.* - was a buyer, supplier, lessor and the like. All these transactions were based on legal contracts, order forms and invoices, to which the same market terms and conditions were applied as with non-related parties.

Income Statement items (in euro)	Luka Koper d.d.		Luka Koper Group	
	January - June 2013	January - June 2012	January - June 2013	January - June 2012
Net sales revenues				
Subsidiaries	783,657	706,975	-	-
Associated and jointly-controlled companies	212,055	296,324	302,025	341,144
Material costs				
Subsidiaries	8,665	-	-	-
Associated and jointly-controlled companies	-	-	-	-
Service costs				
Subsidiaries	114,777	1,688,857	-	-
Jointly-controlled companies	83,034	83,476	83,034	83,476
Labour costs				
Subsidiaries	787	754	-	-
Associated and jointly-controlled companies	-	-	-	-
Other operating expenses				
Subsidiaries	4,951	4,228	-	-
Associated and jointly-controlled companies	22,889	22,889	22,889	22,889
Financial revenues from profit participation				
Subsidiaries	625,780	644,513	-	-
Associated and jointly-controlled companies	221,952	274,486	258,987	416,090
Financial revenues from loans granted				
Subsidiaries	4,229	3,042	-	-
Associated and jointly-controlled companies	-	-	-	-
Financial expenses from financial investment impairments and write-offs				
Subsidiaries	-	-	-	-
Associated and jointly-controlled companies	-	-	17,609	254,493
Financial expenses from financial liabilities				
Subsidiaries	103,754	149,400	-	-
Associated and jointly-controlled companies	4,752	12,624	4,752	12,624

Statement of Financial Position items (in euro)	Luka Koper d.d.		Luka Koper Group	
	30 th June 2013	31 st Dec. 2012	30 th June 2013	31 st Dec. 2012
Non-current financial investments less loans				
Subsidiaries	1,572,288	4,279,678	-	-
Associated and jointly-controlled companies	8,687,059	8,687,059	12,107,253	12,087,827
Assets (disposal group) held for sale				
Subsidiaries	2,707,390	-	-	-
Associated and jointly-controlled companies	-	-	-	-
Current loans				
Subsidiaries	376,819	423,319	-	-
Associated and jointly-controlled companies	-	-	-	-
Current operating receivables				
Subsidiaries	178,961	60,172	-	-
Associated and jointly-controlled companies	235,451	272,929	235,451	272,929
Non-current financial liabilities				

Subsidiaries	10,182,251	10,183,575	-	-
Associated and jointly-controlled companies	385,000	550,000	385,000	550,000
Current operating liabilities				
Subsidiaries	334,718	407,272	-	-
Associated and jointly-controlled companies	49,466	51,917	56,145	51,917

Transactions between subsidiaries eliminated in the Income Statement, and disclosed results of associated companies	January - June 2013	January - June 2012
(in euro)		
Net sales revenues	2,055,461	2,263,790
Material costs	54,700	34,670
Service costs	1,929,111	2,141,915
Labour costs	787	754
Other operating expenses	70,863	86,451
Financial revenues	696,728	796,955
Financial expenses	90,374	152,442

Transactions between subsidiaries eliminated from the Statement of Financial Position, and disclosed results of associated companies	30th June 2013	31st Dec. 2012
(in euro)		
Assets	12,088,621	12,145,185
Non-current financial investments less loans (together with assets held for sale)	1,052,128	877,318
Non-current loans	9,991,671	10,183,575
Deferred tax assets	191,856	191,856
Current loans	376,819	423,319
Current operating receivables	526,599	469,117
Deferred costs and accrued revenues	-50,452	
Equity and liabilities	12,088,621	12,145,185
Equity	1,053,527	1,069,173
Non-current financial liabilities	10,182,251	10,183,575
Current financial liabilities	376,819	423,319
Current operating liabilities	476,024	469,118

MANAGEMENT BOARD STATEMENT OF RESPONSIBILITY

The Management Board of *Luka Koper d.d.* herein declares that the condensed financial statements of *Luka Koper d.d.* and the condensed consolidated financial statements of the *Luka Koper Group* of companies for the period ending 30th June 2013 have been compiled in order that they shall provide a true and fair disclosure of the financial condition as well as the business performance and cash flows of *Luka Koper d.d.* and the *Luka Koper Group*. The condensed financial statements January to June 2013 have been compiled in accordance with the same accounting policies and principles applicable in the compilation of *Luka Koper d.d.* and *Luka Koper Group* 2011 annual reports.

These condensed interim statements for the period ending 30th June 2013 have been compiled in accordance with International Financing Reporting Standards (IFRS) and should be considered in relation to the annual financial statements for the fiscal year ending 31st December 2012.

The Management Board shall be held responsible for the implementation of measures guaranteeing the preservation of *Luka Koper d.d.* and *Luka Koper Group* assets as well as the prevention and detection of fraud and other irregularities.

The Management Board declares that the associated companies of the *Luka Koper Group* made mutual transactions on the basis of concluded agreements in which market prices for products and services were applied; namely, no business was conducted under unusual terms and conditions.



Bojan Brank
Management Board President



Marko Rems
Management Board Member



Matjaž Stare
Management Board Member
– Workers Director

Koper, Slovenia, 26th August 2013