

2014



LUKA KOPER GROUP

**NON-AUDITED INTERIM REPORT OF LUKA KOPER GROUP
AND LUKA KOPER D.D., JANUARY – MARCH 2014**

Koper, May 2014

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BUSINESS REPORT

PERFORMANCE HIGHLIGHTS OF THE LUKA KOPER GROUP

COMPARISON OF ACTUAL AND PLANNED RESULTS OF THE LUKA KOPER GROUP, JANUARY - MARCH 2014

(in euro)	Actual Jan - March 2014	Plan Jan - March 2014	Index Actual/ Plan
From Income Statement			
Operating revenues	39,976,290	38,175,534	105
Operating profit (EBIT)	9,257,938	7,751,589	119
EBITDA	16,075,905	14,576,141	110
Net profit	7,552,165	5,840,112	129
From Cash Flow Statement			
Investments in real-estate, plant and equipment, and intangible assets	8,583,852	10,171,920	84
Cargo throughput (in tonnes)			
Cargo throughput	4,881,033	4,572,772	107

YEAR-ON COMPARISON OF LUKA KOPER GROUP RESULTS, JANUARY – MARCH 2014 AND 2013

(in euro)	Jan - March 2014	Jan - March 2013	Index 2014/2013
From Income Statement			
Operating revenues	39,976,290	37,010,668	108
Operating profit (EBIT)	9,257,938	6,264,353	148
EBITDA	16,075,905	13,306,138	121
Financing gain (loss)	-741,046	-877,786	84
Pre-tax profit	8,516,892	5,386,567	158
Net profit	7,552,165	4,651,741	162
From Cash Flow Statement			
Investments in real-estate, plant and equipment, and intangible assets	8,583,852	2,177,450	394
Cargo throughput (in tonnes)			
Cargo throughput	4,881,033	4,483,269	109

(in euro)	31.03.2014	31.12.2013	Index 2014/2013
From Statement of Financial Position			
Assets	450,272,119	443,558,563	102
Non-current assets	404,896,175	403,052,914	100
Current assets, and deferred costs & accrued revenues	45,375,944	40,505,649	112
Equity	266,647,290	259,204,139	103
Non-current liabilities with provisions and long-term accruals	145,770,843	152,987,169	95
Current liabilities, and accrued costs & deferred revenues	37,853,986	31,367,255	121
Financial liabilities	145,791,875	153,750,652	95

(as percentage)	Jan - March 2014	Jan - March 2013	Index 2014/2013
Indicators			
Return on sales (ROS)	23.16%	16.93%	137
Net return on equity (ROE) ¹	11.49%	7.41%	155
Net return on assets (ROA) ¹	6.76%	4.01%	169
EBITDA margin	40.21%	35.95%	112
Financial liabilities / equity	54.68%	69.37%	79

***YEAR-ON COMPARISON OF LUKA KOPER D.D. RESULTS,
JANUARY – MARCH 2014 AND 2013***

(in euro)	Jan - March 2014	Jan - March 2013	Index 2014/2013
From Income Statement			
Net profit	6,863,053	3,995,437	172

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 Report on the performance of *Luka Koper d.d.* and the *Luka Koper Group* for January – March 2014.

This Non-Audited Report on the performance of *Luka Koper d.d.* and the *Luka Koper Group* for January – March 2014 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 23rd May 2014 onwards.

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

This Non-Audited Report on the performance of *Luka Koper d.d.* and the *Luka Koper Group* for January – March 2014 was addressed by the company's Supervisory Board at its regular session of 23rd May 2014.

PRESENTATION OF LUKA KOPER GROUP

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

Luka Koper d.d.'s ID as of 23rd May 2014

<i>Company title</i>	<i>Luka Koper, a public limited liability port and logistics system operator</i>
<i>Short title</i>	<i>Luka Koper d. d.</i>
<i>Registered office</i>	<i>Vojkovo nabrežje 38, Koper, Slovenia</i> <i>Telephone: 05 66 56 100</i> <i>Fax: 05 63 95 020</i> <i>Email: portkoper@luka-kp.si</i> <i>Website: www.luka-kp.si</i>
<i>Company registration</i>	<i>Application 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>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>Management Board President</i>	<i>Andraž Novak</i>
<i>Management Board Member</i>	<i>Jože Jaklin</i>
<i>Management Board Member - Workers Director</i>	<i>Matjaž Stare</i>
<i>Supervisory Board President</i>	<i>Alenka Žnidaršič Kranjc</i>
<i>No. 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>

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 well as jointly–controlled and associated companies as of 31st March 2014:

- Luka Koper INPO d.o.o. 100%
- Adria Terminali d.o.o. 100%
- TOC d.o.o. 68.13%
- Luka Koper Pristan d.o.o. 100%
- Logis Nova d.o.o. 99.68%
- Adria Investicije d.o.o. 100%
- Adria – Tow d.o.o. 50%
- Adria Transport d.o.o. 50%
- Adriafin d.o.o. 50%
- Avtoservis d.o.o. 49%
- SC Railport Arad SRL. 33.33%
- Golf Istra d.o.o. 20%
- Adriasole d.o.o. 98%

CORPORATE MANAGEMENT AND GOVERNANCE

Luka Koper d.d. Management Board

As of 31st March 2014, the *Luka Koper d.d.* Management Board was comprised of the following members:

- Gašpar Gašpar Mišič, Management Board President, appointed on 26th August 2013 for a five-year term, took office on 7th September 2013;
- Andraž Novak, Management Board Member, commenced a five-year term on 13th January 2014;
- Jože Jaklin, Management Board Member, commenced a five-year term on 1st February 2014;
- 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.

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

At its regular session of 11th April 2014, the *Luka Koper d.d.* Supervisory Board discharged Management Board President Gašpar Gašpar Mišič and on that same day appointed Andraž Novak as the new President of the Management Board.

New composition of Management Board as of 11th April 2014

- Andraž Novak, Management Board President, commenced a five-year term on 11th April 2014;
- Jože Jaklin, Management Board Member, commenced a five-year term on 1st February 2014;
- Matjaž Stare, Workers Director, commenced a five-year term on 18th October 2010.

Supervisory Board of Luka Koper d.d.

The Supervisory Board of *Luka Koper d.d.* is comprised of nine members, of whom six are elected by the General Assembly of Shareholders, and three by the Workers' Council; members are elected for a four-year term. As of 31st March 2014, the Supervisory Board was comprised of the following members:

Appointed by the Shareholders

- Dr. Alenka Žnidaršič Kranjc, Supervisory Board President, a representative of shareholders, commenced a four-year term on 7th October 2013 (23rd General Assembly of Shareholders);
- Dr. Elen Twrdy, Deputy President of Supervisory Board, a representative of shareholders, commenced a four-year term on 7th October 2013 (23rd General Assembly of Shareholders);

- Rado Antolovič, Supervisory Board Member, a representative of shareholders, commenced a four-year term on 7th October 2013 (23rd General Assembly of Shareholders);
- Andrej Šercer, Supervisory Board Member, a representative of shareholders, commenced a four-year term on 7th October 2013 (23rd General Assembly of Shareholders);
- Žiga Škerjanec, Supervisory Board Member, a representative of shareholders, commenced a four-year term on 7th October 2013 (23rd General Assembly of Shareholders);
- Sabina Mozetič, Supervisory Board Member, a representative of Koper Municipality, commenced a four-year term on 12th July 2011 (19th General Assembly of Shareholders).

Appointed by the employees

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

External member of the Supervisory Board Audit Committee

- Blanka Vezjak, external member of Supervisory Board Audit Committee, was appointed at the Supervisory Board meeting of 11th September 2009, and re-appointed on 12th August 2013.

SIGNIFICANT EVENTS JANUARY – MARCH 2014

JANUARY

- *Luka Koper d.d.*'s Supervisory Board appointed Andraž Novak as the Management Board member responsible for operations and sales for a five-year term commencing 13th January 2014.
- On 21st January 2014, *Slovenska Odškodninska Družba* submitted a request to *Luka Koper d.d.*'s Management Board for a General Assembly of shareholders.
- In January 2014, the Slovenian Maritime Administration installed two new buoys at the entrance to the channel of Basin I, hence the requirement in relation to the Administration's decision to allow the arrival of ships with a draft of up to 11.8 m (thus far 11.4 m) under special conditions was met. This 40-cm increase does not considerably impact cargo volumes at the Container Terminal; the eventual increase to 14 m, however, which is anticipated in April 2014, shall.

- In conjunction with the University of Primorska, Koper Municipality and the Association of technology institute advocates, *Luka Koper* signed a letter of intent in relation to the foundation of a Slovenian Institute of Technologies.
- *Luka Koper* presented its activities and operations at the 7th Annual European Oil Storage Conference.

FEBRUARY

- On 6th February 2014, *Luka Koper* made public the conditions and crisis measures adopted by the port as a consequence of the natural disaster that had befallen a large part of Slovenia. Due to damage caused by freezing rain and icing in the Notranjska region, the railway line linking Koper with its continental hinterland was closed for six days.
- On 17th February 2014, the company's Management Board published the call for 24th General Assembly of *Luka Koper d.d.* shareholders to be held on 19th March 2014.
- February witnessed the commencement of the construction of 6,840 m² of storage areas behind berth 7C at the Container Terminal. This extension of Pier I, which will provide for the storage of an additional 672 TEUs, forms part of the Pier I investment project the completion of which is anticipated by 2018.
- As part of the Pier I project, the first stage of dredging the seabed in Basin I - to a depth of -13 m - got underway, as did the preparation of landfill areas for the deposit of dredged materials.
- As part of its *Living with the Port Fund* activities, *Luka Koper* published a call for applications for sponsorship and grants.
- After a break of five years, the *Luka Koper d.d.* share was once again included in the *Ljubljana Stock Exchange's* SBI TOP index.

MARCH

- At the *Luka Koper d.d.* General Assembly held on 19th March 2014, shareholders adopted an amendment of the Company Statute. Koper Municipality anticipated a challenging action against this resolution. The company's Management Board President Gašpar Gašpar Mišič also presented shareholders the current situation with regard to actions for damages against the former Management Board as well as members of the Supervisory Board.
- The first stage of seabed dredging in Basin I - to a depth of 13 m - was completed.
- *Luka Koper* signed a letter of intent in relation to various forms of mutual collaboration with the Slovenian Maritime Administration.
- The Slovenian Maritime Administration issued a decision that allows the Port of Koper Container Terminal to service vessels with drafts of up to 12.5 m (up from 11.8 m).
- *Luka Koper* presented its operations and activities at Miami's *Seatrade 2014*, the world's largest cruise shipping fair.

SIGNIFICANT POST-BALANCE-SHEET EVENTS

APRIL

- At its regular session of 11th April 2014, the *Luka Koper* d.d. Supervisory Board discharged Management Board President Gašpar Gašpar Mišič and appointed Andraž Novak to this position. The Supervisory Board endorsed the Annual report 2013 and also endorsed the Management Board's proposal regarding the allocation of distributable profit for 2013.
- *Costa Classica* inaugurated the cruise season at Koper's Passenger Terminal.
- The company was granted ISCC EU certification confirming that *Luka Koper d.d.* handles and stores rape seed oil, soya oil, palm biodiesel, bioethanol and waste edible oil in accordance with the EC directive on the promotion of the use of energy from renewable sources.
- *Luka Koper d.d.* takes on the presidency of the North Adriatic Ports Association (NAPA) until the end of 2014.
- Commencement of the second stage of Basin I dredging to -14 m.
- Commencement of dredging operations to deepen the navigational channel serving Basin I to a depth of 15 m.
- The *Slovenian Institute of Quality and Metrology* performed an external audit in relation to environment management and health and safety at work.

MAY

- The contract between *Luka Koper d.d.* and the company selected through a public tendering procedure to undertake seabed dredging at the Container Terminal quayside in order to facilitate the servicing of vessels with 14 m draughts, expired on 13th May 2014. Upon measurement it was established that during the contractual period, within which the Italian company was obliged to complete dredging works, said contractor failed to complete even one tenth of the anticipated work. Consequent to the unjustified severe delay in dredging operations, as well as the problems which the contractor had had during the preparation stage, the Management Board believes that it would be an excessive risk to allow the selected contractor to continue. Consequent to this decision, the company's Management Board has adopted all necessary measures to ensure that the project to deepen the quayside berths will be completed by the end of August.

PERFORMANCE ANALYSIS OF LUKA KOPER GROUP

In the first quarter of 2014, the *Luka Koper Group* handled a total of 4.9 million tonnes of cargo, which is seven percent ahead of plans and nine percent above the Q1 2013 level. The throughput of all cargo types has risen. First quarter operating revenues amounted to 39.9

million euros, which is 1.8 million euros (five percent) ahead of the plan and 2.9 million euros (eight percent) more than in the first quarter of 2013.

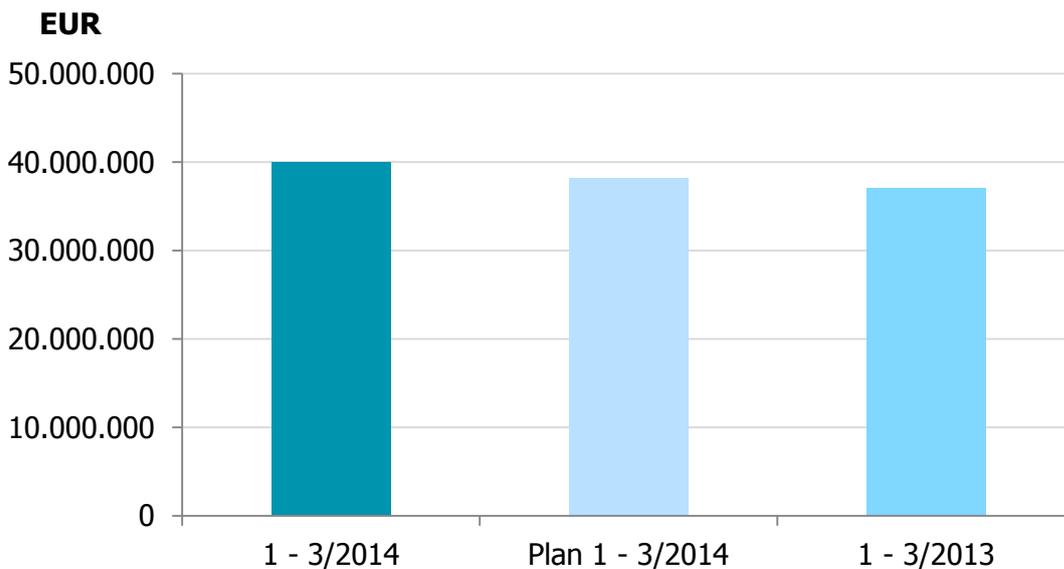
Operating profit in the first quarter of 2014 amounted to 9.3 million euros, which is a 3 million euro (forty-eight percent) increase on the same level last year. This can be attributed to a rise in operating revenues whilst operating expenses remain at last year's level. As a result, operating profit is 1.5 million euros (nineteen percent) ahead of plans.

Net profit for the first quarter of 2014 amounted to 7.6 million euros, which is a year-on increase of 2.9 million euros (sixty-two percent).

OPERATING REVENUES

In the first quarter of 2014, the *Luka Koper Group* generated 39.9 million euros in operating revenues, which is 1.8 million euros (five percent) ahead of the plan and 2.9 million (eight percent) ahead of the equivalent period last year.

Figure 1: Luka Koper Group operating revenues



Operating revenues from all cargo types increased in relation to Q1 2013, with the largest growth recorded in container freight and break bulk cargos. The only revenues that decreased were other operating revenues.

Table 1: Operating revenues by cargo type, January - March 2014 and 2013

(in euro)	Jan - March 2014	Jan - March 2013	Index 2014/2013
General cargos	9,525,128	9,239,686	103
Container freight	11,210,154	8,998,193	125
Vehicles	3,516,049	3,480,712	101
Liquid cargos	1,774,691	1,681,310	106
Break bulk cargos	9,533,639	8,481,580	112
Other	4,416,629	5,129,187	86
TOTAL	39,976,290	37,010,668	108

In the first quarter of 2014, general cargos generated 0.3 million euros (three percent) more operating revenues than in the equivalent period in 2013. This rise is due to throughput increase in ferrous manufactures as well as increased exports of timber to North African countries.

Q1 2014 operating revenues from container freight were 2.2 million (twenty-five) percent ahead of the same period last year. This rise can be attributed to the increase in throughput of full containers and the growth in revenues from storage fees.

Although the throughput of vehicles at the Car Terminal rose by fourteen percent year-on, operating revenues from vehicular cargos recorded a mere 35,000 euro (one percent) increase. Although revenues from handling services were up, revenues from storage charges declined as a consequence of the more rapid turnover of cargo.

Operating revenues from liquid cargos recorded a 93,000 euro (six percent) increase on the first quarter of 2013. This upturn is the result of increased throughput, particularly in relation to alcohols. In addition, due to the conclusion of fixed-price contracts with clients, liquid cargo revenues are to a larger extent independent of actual throughput.

In the first quarter of 2014, operating revenues generated from break bulk cargos rose by 1.1 million euros (twelve percent) on the same period last year. This is for the most part attributable to increased throughput, and in particular the early arrival of vessels scheduled for the second quarter of 2014.

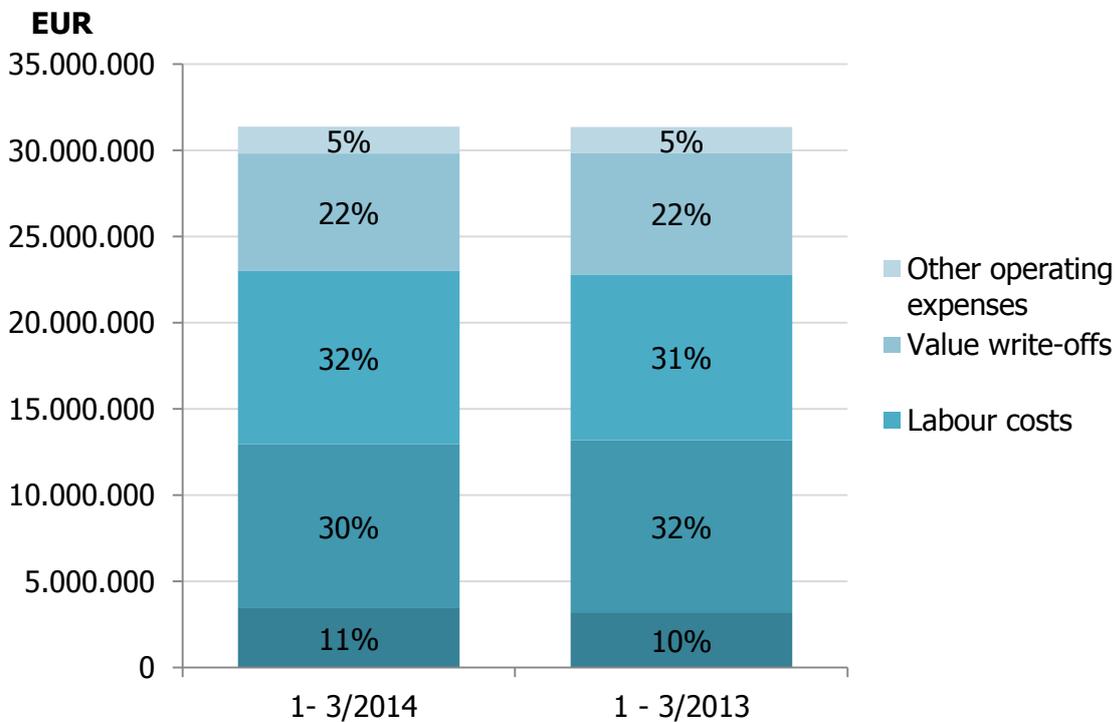
Other January to March 2014 operating revenues, in the amount of 4.4 million euros, were 0.7 million euros (fourteen percent) down on the same period last year. 0.9 million euros of this total amount were deferred revenues for the provision of public utility services in the maintenance of port infrastructure, where as in Q1 2013, the deferred amount was 0.1 million euros.

OPERATING EXPENSES

Luka Koper Group operating expenses amounted to 31.4 million euros in the first quarter of 2014, which is the same as in the first quarter of 2013. An increase was recorded in material and labour costs as well as other operating expenses within the operating expenses category, whereas service costs and value write-offs decreased.

Operating expenses are equivalent to 78.5 percent of operating revenues, which is a year-on decrease of 6.2 percentage points. Compared to 2013, there was a decrease in all cost categories with the largest downturn (three percentage points) recorded in relation to service costs.

Figure 2: Structure of Luka Koper Group operating expenses as a percentage of operating revenues



MATERIAL COSTS

Q1 material costs amounted to 3.4 million euros, which is 0.2 million (seven percent) ahead of the same period in 2013. Auxiliary materials and spare part costs increased by forty percent. This rise can be attributed to a change in the accounting of maintenance costs. Accordingly, in relation to the growth in maintenance material costs, there was a decline in costs of maintenance services.

SERVICE COSTS

January to March service costs, in the amount of 9.5 million euros, were 0.5 million euros (five percent) down on the first quarter of 2013. The aforementioned change in the accounting of maintenance material costs resulted in a forty-six percent fall in maintenance service costs.

When taking into account the recent reclassification of service costs pertaining to railway wagon handling, from other service costs to service costs in the provision of port services, such port service-related costs rose by 69,000 euros (one percent) in the first quarter of 2014 whilst the costs of other services increased by 0.2 million euros (nine percent), a feature which can be attributed to higher Concession costs as a consequence of higher operating revenues.

LABOUR COSTS

Q1 labour costs in 2014 amounting to 10 million euros were 0.4 million euros (four percent) ahead of the same period last year. In addition to increases in remunerations for overtime and performance, this hike due to the rise in basic salaries on the basis of an existing agreement, further to which increments were performed in February (+0.8%) and August 2013 (+1.9%).

As of 31st March 2014, the total number of employees of *Luka Koper Group* companies amounted to 987, which is four employees less than on 31st December 2013. Further to which, the organisational structure of individual workplaces has also altered.

VALUE WRITE-OFFS

Value write-offs in the first quarter of 2014 totalled 6.8 million euros, which is 0.2 million euros (three percent) down on the same period last year. The major portion of value write-offs is due to amortisation.

OTHER OPERATING EXPENSES

Other operating expenses in Q1 2014, in the amount of 1.5 million euros, were 61,000 euros (four percent) ahead of the first quarter of 2013, mainly due to an increase in taxes on real estate.

OPERATING PROFIT

Between January and March 2014, the *Luka Koper Group* generated operating profit in the amount of 9.3 million euros, which is a year-on increase of 3 million euros (forty-eight percent). The *LK Group* recorded a rise in the operating revenues, whereas operating expenses remained at last year's level. The *Group* also recorded a 16.1 million euro increase in EBIDTA, which is not only 2.8 million euros (twenty-one percent) ahead of the January – March 2013 period but also 1.5 million euros (ten percent) above planned.

FINANCIAL REVENUES AND FINANCIAL EXPENSES

In the first quarter of 2014, the *Luka Koper Group* generated 0.3 million euros in financial revenues, which is 55,000 euros (twenty-two percent) more than in Q1 2013. This rise is due to the increase of operating revenues from profit participation in associated companies.

The *Group's* financial expenses in the amount of 1 million euros recorded an 81,600 euro (seven percent) decline on the same period last year. Financial expenses from financial liabilities decreased by 62,200 euros as a consequence of the lower EURIBOR interest reference rate together with reduced indebtedness. Financial expenses from operating liabilities dropped by 19,900 euros due to foreign exchange losses.

PRE-TAX PROFIT AND NET PROFIT

Luka Koper Group's pre-tax profit for January to March 2014 in the amount of 8.5 million euros was 3.1 million euros (forty-eight percent) ahead of the same period last year.

First quarter net profit, totalling 7.6 million euros, recorded a 2.9 million euros (sixty-two percent) year-on rise.

In the first quarter of 2014, corporation tax and deferred taxes decreased net profit by 0.96 million euros, whereas in Q1 2013 this portion stood at 0.73 million euros.

FINANCIAL MANAGEMENT

In the first three months of 2014, the *Luka Koper Group* managed to reduce its total indebtedness by five percent, i.e. from 153.7 million euros to 145.8 million euros.

Maturity of liabilities

As of 31st March 2014, the *LK Group's* non-current financial liabilities to banks accounted for eighty-eight percent of total financial liabilities. The efforts invested by the *Group* over recent years to restructure its existing debt are reflected in a high proportion – ninety percent of total – of liabilities with longer maturities.

Figure 3: Structure of Luka Koper Group's financial liabilities by maturity

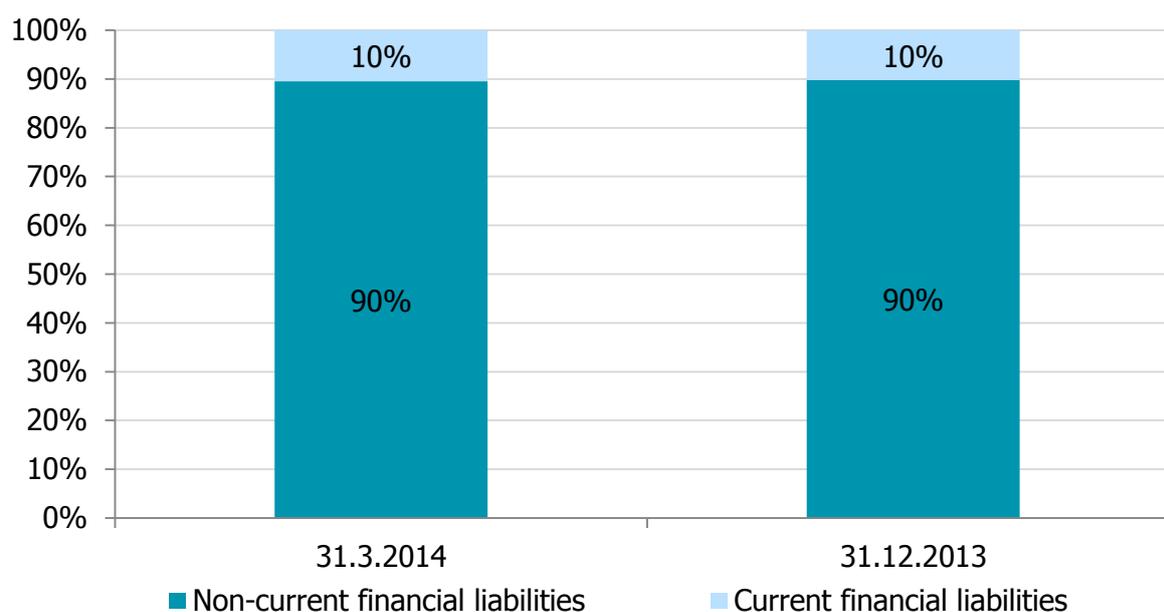
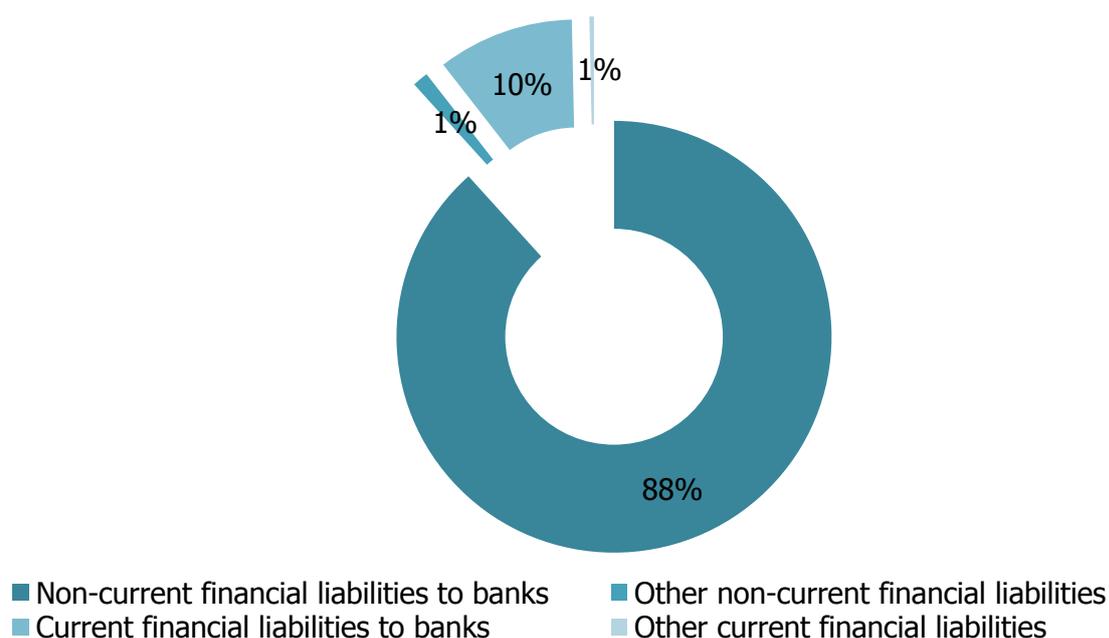


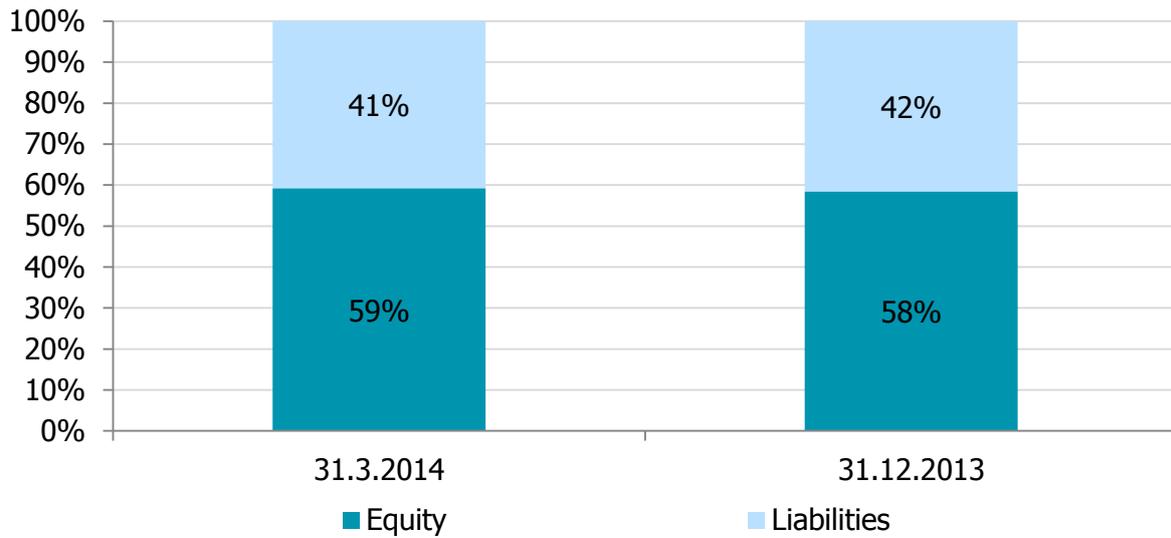
Figure 4: Luka Koper Group's financial liabilities as of 31st March 2014



Structure of equity and liabilities

Liabilities with non-fixed interest rates account for the major portion of the *Luka Koper Group's* financial liabilities. As of 31st March 2014, the *Group* had 65 million euros of long-term loans - i.e. nearly forty-five percent of its total financial liabilities - hedged with a fixed interest rate.

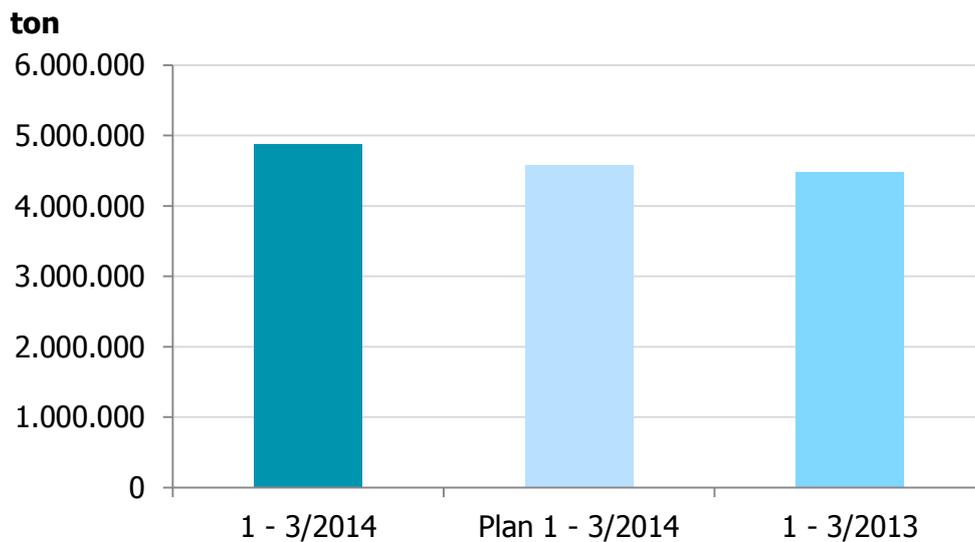
Figure 5: Luka Koper Group's equity and liabilities



MARKETING AND SALES

In the first quarter of 2014 the *Luka Koper Group* handled 4.9 million tonnes, which is seven percent ahead of the plan and a year-on increase of nine percent. Upturn was recorded across all cargo types, with the largest growth in container freight and vehicles.

Figure 6: Cargo throughput January to March 2014 and 2013, as well as plan for Q1 2014



Cargo structure by type

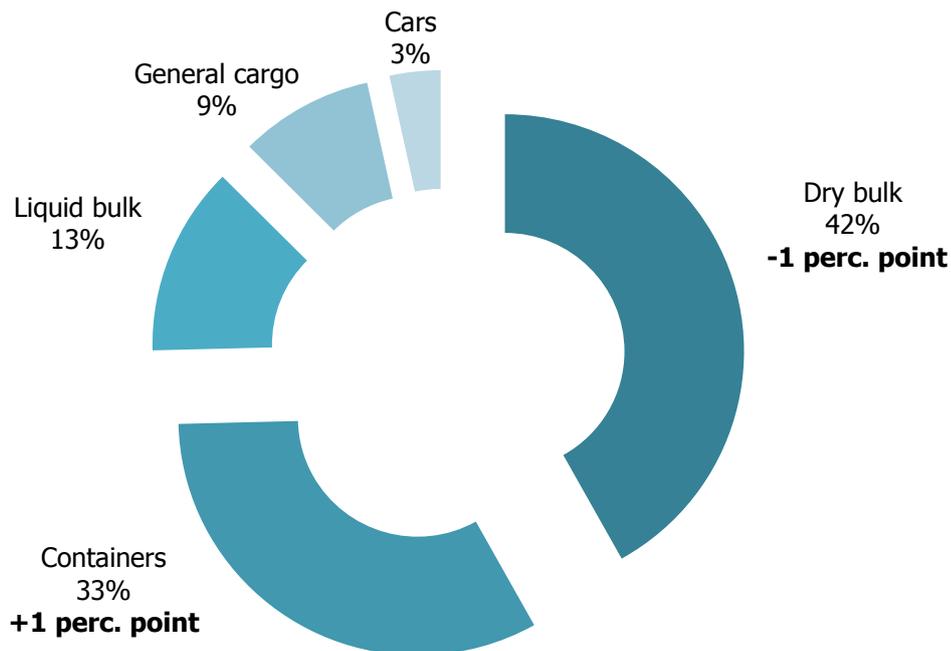
Table 2: Cargo throughput by cargo type, tonnage measure, January – March 2014 and 2013

CARGO TYPE (in tonnes)	Jan – March 2014	Jan – March 2013	Index 2014/2013
General cargos	442,070	430,003	103
Container freight	1,597,226	1,404,174	114
Vehicles	167,969	147,426	114
Liquid cargos	629,538	581,193	108
Dry bulk cargos	2,044,229	1,920,473	106
TOTAL	4,881,032	4,483,269	109

Table 3: Container freight (in TEUs) and vehicle (in units) throughput, January – March 2014 and 2013

CARGO TYPE	Jan – March 2014	Jan – March 2013	Index 2014/2013
Container freight – in TEUs	162,037	146,903	110
Vehicles – in units	114,317	105,739	108

Figure 7: Structure of cargo throughput by type January – March 2014, and percentage change in relation to January – March 2013



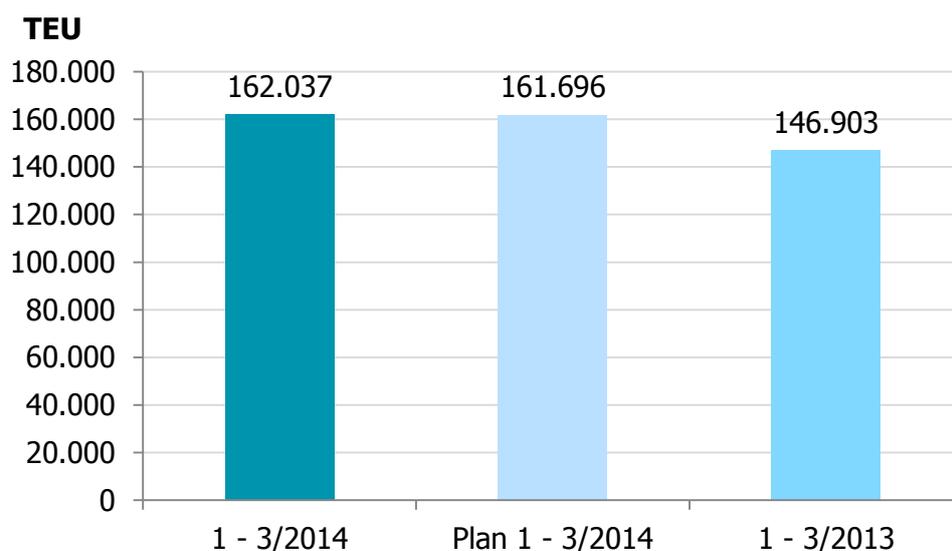
General cargos

In the first quarter of 2014, the *Luka Koper Group* handled three percent more general cargo than in the same period the previous year. An upturn was recorded in volumes of ferrous manufactures as well as timber, whereas there was a downturn in the throughput of bananas.

Container freight

162,000 TEUs were handled in the first quarter of 2014, which is a year-on increase of ten percent in container freight. The throughput of full containers rose by ten percent while that of empty ones was up by twelve percent.

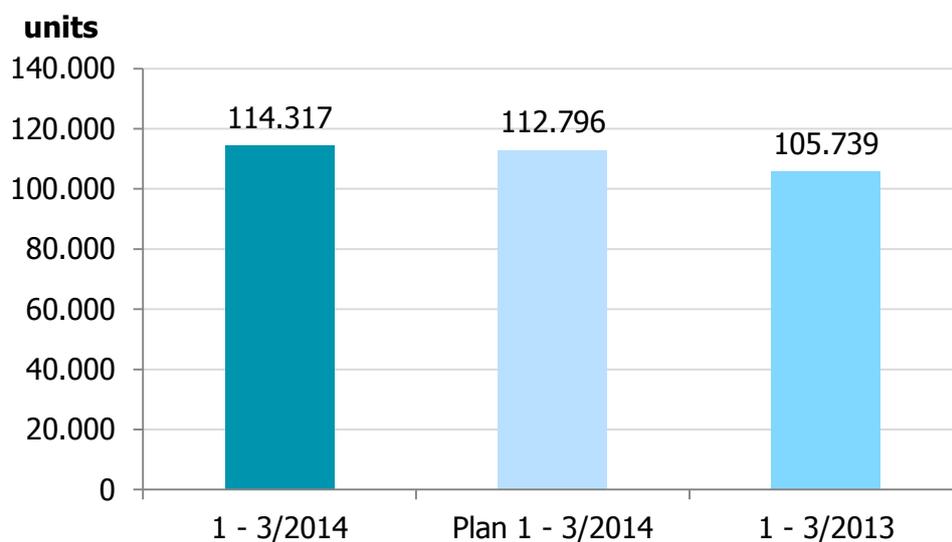
Figure 8: Containers freight throughput, January to March 2014 and 2013 (in TEUs)



Vehicles

114,000 vehicles were handled in the first quarter of 2014, which is an eight percent year-on increase. The relative proportion of vehicle imports and exports remains at practically the same level - 46,000 vehicles were imported into the European continent, while 68,000 vehicles were exported overseas via the Port of Koper.

Figure 9: Throughput of vehicles January to March 2014 and 2013 (in units)



Liquid cargoes

The throughput of liquid cargoes in the first quarter of 2014 recorded an eight percent year-on increase, this rise was due in particular to alcohol and oil derivatives.

Dry bulk cargos

The volume of dry bulk cargos handled by the *Luka Koper Group* was six percent ahead of the same period last year. The largest growth was recorded in iron ore, soya and other cereals. The increase in iron ore can, in particular, be attributed to the earlier arrival of ships which were scheduled for the second quarter of 2014. Overseas exports in the amount of 0.3 million tonnes recorded a twenty-one percent decline, whilst imports amounting to 1.7 million tonnes recorded thirteen percent growth.

RISK MANAGEMENT

The risk management system established by the *Luka Koper Group* aims to detect uncertainties that may, in the form of risks, jeopardise the achievement of annual objectives. The system's ultimate goal is to engender courses of action which accordingly prevent such risks.

All key risks, as identified in the risk register, were established, while various modes of management as well as measures to prevent such risks or at least alleviate their consequences were determined. During the first quarter of 2014, the port's vulnerability with regard to transport infrastructure, namely its rail connection with the continental hinterland, was actually demonstrated. As a consequence of damage caused to the line by freezing rain storms, rail freight cargos were terminated for six days in early February. Through a rapid and intensive co-ordinated response, the various stakeholders managed to ensure alternative solutions and consequently operations were brought back to normal within a relatively short period of time.

LKPG SHARE

On 31st March 2014, the number of *Luka Koper d.d.* shareholders amounted to 12,189, which is 1.3 percent down on the same period last year. The ten largest shareholders held 76.60 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 31st March 2014

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.	Koper Municipality	466,942	3.34%
5.	Unicredit Bank Austria AG - fiduciarni	246,950	1.76%
6.	KD Galileo fleksibilna struktura naložb	158,230	1.13%
7.	Perspektiva FT d.o.o.	125,895	0.90%
8.	Eaton Vance Parametric Structured	118,550	0.85%
9.	Aktsiaselts Trigon Funds	108,647	0.78%
10.	Zavarovalnica Triglav d.d.	104,756	0.75%
Ten largest shareholders - total		10,724,406	76.60%
Total shares		14,000,000	100.00%

Trading in LKPG shares

In the first quarter of 2014, the average closing price of a *Luka Koper d.d.* share amounted to € 13.05, whilst its overall trading value fluctuated between € 9.85 and € 14.99. The highest daily price was € 15.00 and the lowest € 9.37. As of 31st March 2014, the market capitalisation of *Luka Koper d.d.* shares amounted to € 209,860,000.

There were 912 transactions and block trades in LKPG shares over the period, and a total of 171,329 shares with an aggregate value of € 2,189,859 changed ownership.

Table 5: Relevant data on the LKPG share January to March 2014 and 2013

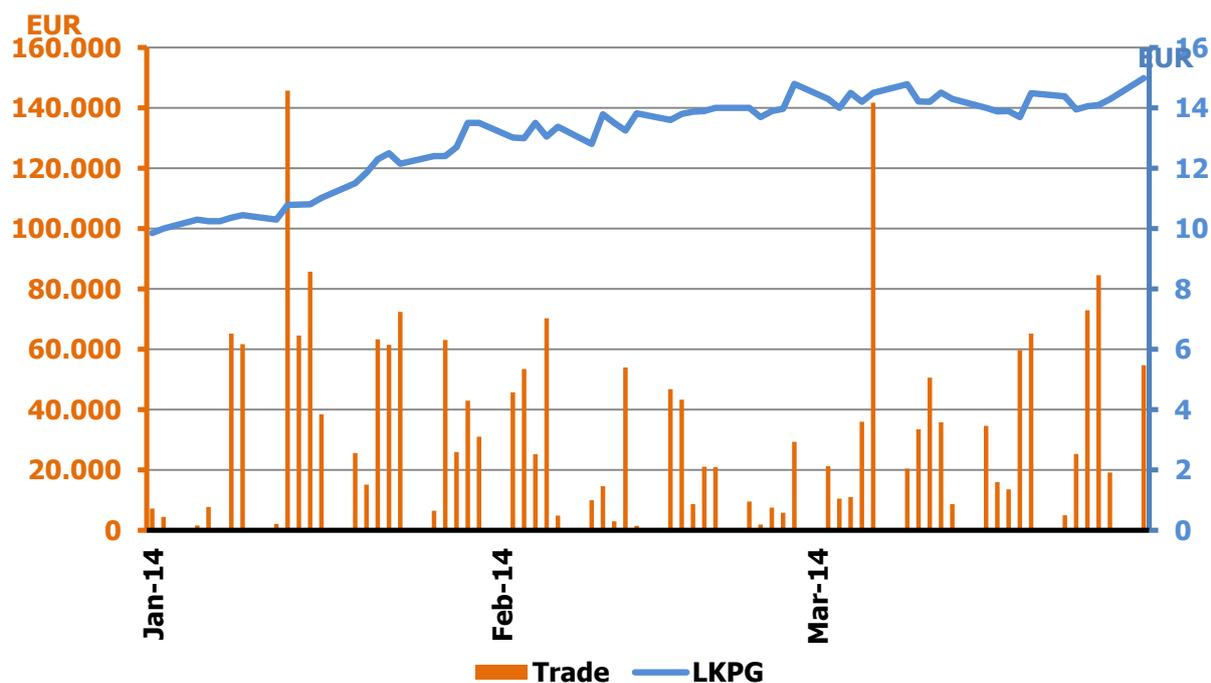
measure	2014	2013
Number of shares as of 31 st March	14,000,000	14,000,000
Number of ordinary no-par-value shares	14,000,000	14,000,000
Closing price as of 31 st March (in euro)	14.99	8.60
Book value of share as of 31 st March	17.77	17.01
Price-to-Book (P/B) ratio	0.84	0.51
Average weighted market price (in euro) ²	12.78	8.81
Average book value of share (in euro) ³	17.63	17.01
Ratio between average weighted market price and average book value of the share	0.73	0.52
Net earnings per share (EPS) (in euro) ⁴	0.70	0.36
Ratio between market price and earnings per share (P/E) ⁴	21.50	23.72
Market capitalisation as of 31 st March (in million euro)	209.9	120.4
Turnover (all transactions) January to March (in million euro)	2.2	2.0

Figure 10: LKPG closing price and the value of daily trades, January to March 2014

² 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.

³ Average book value of the LKPG share is calculated on the basis of average monthly ratios between equity and number of ordinary shares.

⁴ Indicators are calculated on the basis of annualised data.



Number of LKPG shares held by Supervisory and Management Board members

As of 31st March 2014, the following members of the *Luka Koper d.d.* Supervisory Board held shares in the company:

Nebojša Topič, Supervisory Board member	9
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None of the Management Board members held shares in the company as of 31st March 2014.

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.

Distributable profit amounted to 3,721,761 euros as of 31st December 2013. Considering both company performance in 2013 and dividend policy, the proposal as for the allocation of distributable profit is as follows:

- 1,400,000 euros will be disbursed as dividends to shareholders in the gross value of 0.1 euro per share;
- the remaining portion of distributable profit in the amount of 2,321,761 euros shall remain undistributed.

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

As of 31st March 2014, *Luka Koper d.d.* didn't hold any treasury stock. The company Statute doesn't provide for any category of authorised capital through which the Management Board may increase share capital. Further to this the company had no grounds for any conditional increase in share capital in the January to March 2014 period.

NON-FINANCIAL INVESTMENTS

In the first quarter of 2014 the *Luka Koper Group* invested 8.6 million euros into capital assets, which is a 294 percent increase on the same period last year. 8.5 million euros were invested by *Luka Koper d.d.*, which accounts for ninety-nine percent of the *Group's* total investments.

The most significant infrastructure investments over the first three months of 2014 were as follows:

- Extension of the Pier I Container Terminal behind berth 7C. Construction of additional storage area was initiated due to the growth in the container freight business.
- Dredging work to deepen the navigational channel at the northern section of Basin I to a depth of 15 metres has commenced; this operation will facilitate the servicing of larger container vessels.
- Two landfill sites (7A and 799/29 k.o. Ankaran) for the disposal of dredged silts were constructed in the vicinity of Ankaran Bonifika.
- Commencement of the upgrade of the analogue access control system to IP-based technology.
- Acquisition of new handling equipment for dry bulk cargos.

RESEARCH & DEVELOPMENT

In the first quarter of 2014, the *Luka Koper Group* further pursued its European co-operation projects, which mainly pertain to the planning and development of national and pan-European transport infrastructure, logistics concepts, environmental protection, safety,

maritime protection, hazardous cargos and IT upgrades. *Luka Koper* began 2014 with 16 European projects of which one (*SETA*) was completed in the first quarter. In the field of territorial collaboration, the company was actively engaged in the following projects: *EMPIRIC*, *LOGICAL*, *INWAPO*, *GIFT*, *Greenberth*, *INTE-RANSIT*, *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 passengers. Within the *SafePort* collaborative research project, intensive efforts were also invested into the management of environmental and industrial risks in Northern Adriatic ports.

In the context of the *TEN-T* programme, activities were further implemented in relation to the *Greencranes* project investigating energy efficiency at container terminals. In addition, *Luka Koper* also actively pursued its participation in other *TEN-T* programme projects including:

- *NapaDrag* focusing on improving nautical access, as well as anticipating the co-funding of dredging work to deepen Basin I;
- *NapaProg* pursuing the development of terminals and multimodal facilities, as well as focusing on the elaboration of project documentation for the extension of the southern portion Pier I; and
- *B2MoS* providing improvements to information systems and communication with business and institutional partners.

Luka Koper further initiated training programmes within the *Competence Centre for the Development of Logistics Personnel* to provide employees with new knowledge and skills. Resources were also invested into the renovation of the port's biomass energy plant, a project which will be co-funded by the state.

March 2014 was the deadline for *TEN-T* project applications from the 2007-2013 financial perspective, under which *Luka Koper* applied for two further projects: *NAPA Studies* related in particular to the elaboration of documentation for the future realisation of priority investments in the port; and *COSTA II West* focusing on utilising alternative energy sources.

Further to this, *Luka Koper* actively pursued its collaboration with local institutions in the realisation of regional development projects. Passenger Terminal infrastructure provision was finalised in accordance with ministry requirements, while *Luka Koper* has also prepared operative programmes for projects eligible for EU cohesion co-funding in the 2014-2020 period.

Luka Koper has also been very active in the *Association of North Adriatic Ports (NAPA)* and the *European Sea Ports Organisation (ESPO)* where most attention was paid to the financing of European development co-operation, and specifically the EU's new financial perspective 2014-2020 as well as priorities as regards the port sector.

SUSTAINABLE DEVELOPMENT

NATURAL ENVIRONMENT

With the aim of becoming a "green port", *Luka Koper* pays much regard to the environmental aspects of its operations and continuously monitors their various impacts. Information in relation to all pertinent environmental metrics and issues are promptly published online at www.luka-kp.si and via the company's *Living With the Port* website www.zivetispristaniscem.si, as well as the in-house *Luški Glasnik* gazette and the media.

In 2013, *Luka Koper* renewed its registration and was again granted *EMAS* (SI 00004) certification.

Air quality

In order to reduce dusting at the coal and iron ore depot, *Luka Koper* has intensively implemented a new procedure for the application of protective paper sludge on bulks in storage. Although there aren't are legally prescribed permissible limits in relation to airborne particulate deposits in Slovenia, monthly measurements of dust deposits are made at ten locations within the port zone. The average value recorded across these locations in the January to March 2014 period, which amounted to 152 mg/m² per day, were within the company's objective of 250 mg/m²day.

Ongoing measurements of airborne concentrations of PM₁₀ particulates implemented by an authorised independent institution are taken at three locations within the port zone. In the January to March 2014 period, the readings were below the legally prescribed 40 µg/m³ threshold value. The readings of two devices that facilitate automatic real-time measurement are published hourly on the *Living With The Port* www.zivetispristaniscem.si website. The recorded values are somewhat higher than in the same period last year but this is most likely attributable to the influence of fog, further to which higher values were also recorded elsewhere in Slovenia.

Average PM₁₀ airborne particulate measurements, January to March 2014 and 2013

	Jan - March 2014	Jan - March 2013	Index 2014/2013
Ankaran – Rožnik	26 µg/m ³	21 µg/m ³	124
Bertoki	30 µg/m ³	23 µg/m ³	130
Koper – Passenger Terminal	24 µg/m ³	24 µg/m ³	100

Waste management

In order to protect the environment, *Luka Koper* ensures that waste separation extends across 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 zone. *Luka Koper* also collaborates with external companies in relation to recycling and waste processing.

In the first quarter of 2014, *Luka Koper* collected 110 tonnes less waste than in the equivalent quarter a year previously, while the percentage of mixed (unsorted) waste increased slightly. Nevertheless, the company exceeded its set objective of eighty-four percent sorted and separately collected waste.

Separately-collected waste, January to March 2014 and 2013

	Jan - March 2014	Jan - March 2013	Index 2014/2013
Separately-collected waste	90 %	92 %	98

Noise emissions

Noise levels are continuously monitored by devices at three peripheral points within the port zone, real-time results are published online via the *Living With the Port* www.zivetispristaniscem.si website.

Average nightly noise levels in dB(A) for the January to March 2014 and 2013 periods

Jan - March 2014			Jan - March 2013			statutory limit
Eastern periphery (Bertoki)	Northern periphery (Ankaran)	Southern periphery (Koper)	Eastern periphery (Bertoki)	Northern periphery (Ankaran)	Southern periphery (Koper)	Industrial zone threshold value*
L _N =50	L _N =52	L _N =59	L _N = 52	L _N = 53	L _N = 60	L _N = 63

The noise level values recorded at all three locations in the port zone were slightly down on those recorded in the same period in 2013.

Work on extending the storage area at the head of Pier I, which have been underway since January 2014, are anticipated to be completed in May 2014. Thus far noise emission limits were not exceeded by construction operations, further to which pile driving is only undertaken during daylight hours.

Consumption of energy and water

Consumption of energy and water per tonne of cargo handled, January to March 2014 and 2013

		Jan - March 2014	Jan - March 2013	Index 2014/2013
Electricity consumption	(kWh/tonne)	1.17	1.35	87
Fuel consumption	(litres/tonne)	0.238	0.249	96
Potable water consumption	(litres/tonne)	6.05	7.19	84

Energy consumption

The energy review of the Container Terminal, which is the single largest consumer of energy at the Port of Koper, was completed in the second quarter of 2013. *Luka Koper* further monitors of the consumption of energy and water in relation to established targets. Based on the energy review, an action programme was prepared for the Container Terminal in order to reduce the company's annual consumption of energy and water by one percent.

In the first quarter of 2014, *Luka Koper* exceeded its annualised energy consumption target by 6.2 percent (314,137 kWh). This was mainly due to the winter-effect and increased illumination in relation to General Cargo and Livestock operations. A reduction in illumination is anticipated during the spring and summer months, as are consequent energy consumption values closer to the annual target level.

As a result of increases in fuel consumption at the Timber, General Cargo and Container terminals, annualised targets for 2014 were exceeded by 6.9 percent (70,993 litres). This rise is attributable to the rise in cargo volumes at the aforementioned terminals and the consequent need for additional handling operations.

In the first quarter of 2014, water consumption was 4.7 percent (1,377 m³) below the annualised target amount. The consumption of potable water is not directly related to cargo throughput and is in part related to pipe-work distribution losses, hence this particular indicator is more difficult to manage.

The energy review at the Fruit Terminal commenced in the first quarter of 2014 as part of the *ERDF GreenBerth* project and will serve to prepare measures aimed at, among other objectives, reducing the consumption of energy.

Wastewater

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

In the first quarter of 2014, no measurements in relation to industrial wastewaters were implemented within the port by an authorised agency.

Light pollution

The port zone requires sufficient lighting to ensure operational safety, and this is provided in accordance with current statutory regulation. 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 to avoid upward glare. The legally prescribed deadline for the 100 percent rehabilitation is the end of December 2016. Thus far, some eighty-five percent of all outdoor lighting within the port zone has been appropriately regulated, while the objective for 2014 is to increase this figure to ninety percent.

Maritime protection

Pursuant to the provisions of the Concession Agreement for the provision of port services, as well as the management, development and maintenance of the Port of Koper, the prevention of pollution and clean-up operations in the event of incidents and accidents form part of *Luka Koper's* everyday operations. Fourteen incidents were recorded within the harbour area during the first three months of 2014, as opposed to seven in the same period last year. There were two incidences of oil spillage, eight cases of coal dust pollution, two involving fluvial materials and tree branches, and two of soot pollution. The company intervened and cleaned-up the pollutants in all instances. Those who were identified as responsible for the accidents were traced and made liable for the costs of clean-up operations.

Pollution mitigation operations, January to March 2014 and 2013

	Jan - March 2014	Jan - March 2013	Index 2014/2013
No. of incidents	14	7	200

A sea quality monitoring facility installed in a buoy at the entrance to Basin III of the Port of Koper provides real-time metrics available online via the <http://www.zivetispristaniscem.si/> website.

Construction works

Major construction works in the first quarter of 2014 include the arrangement of the area at the head of Pier I, the construction of two disposal sites for dredged materials and the commencement of seabed deepening in Basin I.

Development projects

In the first quarter of 2014, there were no projects which, under current legislation, would require environmental impact assessments.

Sea sediments

As part of the EU's *Safeport* project, a study into the impact port operations on the quality of sea sediments was implemented in the first quarter of 2014. Twelve silt samples were taken from Basins I, II and III at the Port of Koper, and one sample from the open sea in the adjacent bay. Sediment samples were taken from the seabed as well as from one metre below the seabed, and the analysis results are awaited.

Brick made from dredged silts was test produced in the context of a study. The physical and chemical properties of this prospective construction material are still subject to research.

HUMAN RESOURCES

The trend towards a reduction in the total workforce of *Luka Koper Group* companies continued, and a 1.3 percent decrease was recorded on the same period last year. The number of *Luka Koper d.d.* employees was only 0.3 percent lower.

Table 6: Number of employees in Luka Koper Group companies

Company	31.3.2014	31.3.2013	31.12.2013	Index 31.3.2014/ 31.3.2013	Index 31.3.2014/ 31.12.2013
Luka Koper d.d.	784	786	784	100	100
Luka Koper INPO d.o.o.	165	179	168	92	98
Luka Koper Pristan d.o.o.	4	4	4	100	100
Adria Terminali d.o.o.	23	24	24	96	96
TOC d.o.o.	2	2	2	100	100
TOTAL *	978	995	982	98	100

* The comparison includes only those enterprises with employees which were - as of 31st March 2014 - consolidated within the *Luka Koper Group* of companies.

Five people were recruited to senior professional and management positions in the *Luka Koper Group* during the first three months of 2014. The intensive internal reorganisation of services - which commenced at the end of 2013 and is still underway - aims to optimise work processes within *Luka Koper d.d.*

Employee churn rate remains low, and is even less than in the same period a year previously. Departures are mainly attributable to age-related retirements.

Table 7: Recruitment, departures and churn rate in the first three months of 2014 and 2013

	No. of new employees		No. of departures		Churn rate (as %) *	
	1 – 3 2014	1 – 3 2013	1 – 3 2014	1 – 3 2013	1 – 3 2014	1 – 3 2013
Luka Koper d.d.	5	6	4	5	0.5	0.6
Luka Koper Group	5	7	8	11	0.8	1.1

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

Employee sick leave

In the first quarter of 2014, sick leave among *LK* employees was lower than in the same period a year previously. Sick leave at the *Group* level amounted to 5.6 percent of total working hours, whilst this figure was 5.3 percent at *Luka Koper d.d.*

Occupational health and safety

Twelve work-related injuries were recorded between January and March 2014, whilst fifteen were recorded in the same period last year.

A number of measures have been implemented with the aim of reducing work-related injuries. One of the most important tasks is the acquisition of a permit to provide expert services in the field of occupational health and safety at work.

The Comprehensive Occupational Health and Safety Project within the *Luka Koper Group* aims to promote a healthy attitude towards work, quality working conditions as well as the physical and mental welfare of personnel. This project was upgraded through a study into the lower back loading of *LK* employees undertaken by the *Scientific and Research Centre of the University of Primorska*.

Personnel education and development

The educational structure of *Luka Koper* employees is constantly improving, and this is for the major part attributable to new recruitments of personnel with higher levels of education as well as through the completion of part-time studies by employees. At the same time, the major portion of age-related retirements pertained to those with relatively lower levels of education.

In the first three months of 2014, the average number of education and training hours provided per *LK Group* employee amounted to 5.7, whilst this figure stood at 6.1 hours for *Luka Koper d.d.* personnel, which is slightly more than in 2013. In relation to the newly-created *Logistics Personnel Competence Development Centre, Luka Koper d.d.* and *Adria Terminali d.o.o.* have the possibility to draw EU project funds for education and training programmes aimed at typical employee profiles. Seventy-eight percent of all educational programmes are organised internally, while *Luka Koper d.d.* finances the part-time studies of thirteen of its employees on the basis of contract.

Employees enjoy a variety of forms of career development as a consequence of intensified internal mobility within *Luka Koper d.d.*. Internal mobility of *LK Group* personnel increased from 8 percent in the first quarter of 2013 to 13.3 percent this year.

COMMITMENT TO THE COMMUNITY

Although mindful of its role as one of the most important local and regional protagonists of economic development, *Luka Koper* is also fully aware that the port is merely a guest in the environment in which it operates. Accordingly, social commitment forms a constituent part of the company's policy. In its role of concessionaire, as well as a consequence of its size and impact on the environment, *Luka Koper d.d.* is liable to pay attention to the needs and wishes of the local community, and thus strives to ensure that the local community identifies with the port and endorses its development plans. Such an investment in social commitment is hence an investment with a significant yield.

For the fifth consecutive year, *Luka Koper* published a call for applications for funding and sponsorship via its www.zivetispristaniscem (Living with the Port) website, and there were more than 240 responses and applications. The Living with the Port fund accounts for only a portion of the company's philanthropic activities; in the first quarter of 2014, *Luka Koper d.d.* disbursed 227,600 euros in charitable and similar such funding.

As a socially committed enterprise, *Luka Koper* became actively involved in putting right the severe damage caused by the tempest which affected large part of Slovenia in February. The railway line linking both the port and city of Koper with the rest of Slovenia and the continental hinterland was severed as a consequence of ice storms. It was due to the tremendous efforts of all stakeholders that rail services were able to recommence after just six days.

In mid-February, as a gesture of thanks and solidarity with all those whose efforts contributed to a relatively rapid normalisation of port operations, *Luka Koper* organised a voluntary campaign involving construction companies to clear 40 km of impassable roads in Slovenia's Notranjska region. In the context of the *Stopimo Skupaj* event organised by *TV Slovenija*, *Luka Koper* donated 10,000 euros to the Slovenian Fire Service. In March, in collaboration with the Portorož-based *ŠKID Jaz Sem Najboljši* association, the company organised a charity run under the title "All for One and One for All" with the aim of collecting voluntary contributions to help in the alleviation of the storm damage. Likewise the "Living with the Port" art colony, which was held in early March, also had a charitable note, whilst and the auction of artworks produced at the event raised 7,440 euros. This sum, together with the money collected at the charity run, will be paid to the Red Cross which is to invite children from Planina, who were among the first affected by the storms and flooding, to the Debeli Rtič seaside resort.

The local community's support for the future development of the port is also vindicated by an opinion poll conducted among Koper district residents last December. According to the survey, a good seventy-four percent of respondents support port development as anticipated

in the National Spatial Plan. The local population, however, still considers the port to be a major source of pollution but approve of *Luka Koper's* commitment to environmental protection.

FINANCIAL REPORT

CONSOLIDATED FINANCIAL STATEMENTS OF LUKA KOPER GROUP

Table 8: Income Statement of Luka Koper Group

(in euro)	Jan - March 2014	Jan - March 2013
Operating revenues	39,976,290	37,010,668
Other revenues	653,045	606,026
Material costs	3,446,395	3,206,291
Service costs	9,516,279	9,985,688
Labour costs	10,038,235	9,614,428
Value write-offs	6,822,618	7,059,267
Other operating expenses	1,547,870	1,486,667
Operating profit	9,257,938	6,264,353
Financial revenues from profit participation	214,607	152,591
Financial revenues from loans granted	26,938	31,322
Financial revenues from operating receivables	58,740	61,262
Financial expenses from financial investments	10,720	10,230
Financial expenses from financial liabilities	1,023,337	1,085,580
Financial expenses from operating liabilities	7,274	27,151
Financial gain (loss)	-741,046	-877,786
Pre-tax profit	8,516,892	5,386,567
Corporation tax	831,798	615,835
Deferred taxes	132,929	118,991
Net profit from ordinary activities	7,552,165	4,651,741
Net profit from discontinued operations	-	-
Net profit for the period	7,552,165	4,651,741
Net profit – majority shareholders	7,551,651	4,659,533
Net profit – minority shareholders	514	-7,792
Net earnings per share: basic and diluted	0.54	0.33

Table 9: Comprehensive Income Statement of Luka Koper Group

(in euro)	Jan - March 2014	Jan - March 2013
Net profit for the period	7,552,165	4,651,741
Changes in surplus from revaluation of financial assets available for sale	278,106	-1,626,080
Deferred tax on revaluation of financial assets available for sale	-47,278	270,354
Change in fair value of hedging instruments	-409,446	194,608
Deferred tax on change in value of hedging instruments	69,606	-33,083
Other components of comprehensive income	-	-
Total comprehensive income to be recognised in the Income Statement	-109,012	-1,194,201
Other comprehensive income	-109,012	-1,194,201
Total comprehensive income for the period	7,443,153	3,457,540
Total comprehensive income for the period – controlling shareholder	7,442,639	3,465,332
Total comprehensive income for the period – non-controlling shareholders	514	-7,792

Table 10: Statement of Financial Position of Luka Koper Group

(in euro)	Jan - March 2014	Jan - March 2013
ASSETS		
Real-estate, plant and equipment	331,345,091	329,446,468
Real-estate investments	14,378,256	14,381,228
Intangible assets and long-term deferred costs and accrued revenues	5,447,549	5,591,405
Non-current financial investments	44,888,675	44,697,605
Loans granted	1,559,085	1,548,089
Non-current operating receivables	6,088	6,088
Deferred tax assets	7,271,431	7,382,031
Non-current assets	404,896,175	403,052,914
Assets (disposal group) held for sale	9,641,441	9,575,707
Inventories	22,453	-
Financial investments and loans granted	649,589	735,800
Operating receivables	29,495,927	25,295,670
Cash and cash equivalents	4,477,972	3,153,730
Current assets	44,287,382	38,760,907
Deferred costs and accrued revenues	1,088,562	1,744,742
TOTAL ASSETS	450,272,119	443,558,563
EQUITY AND LIABILITIES		
Share capital	58,420,965	58,420,965
Capital reserves	89,562,703	89,562,703
Revenue reserves	81,098,349	81,098,351
Revaluation surplus	9,116,024	9,225,036
Retained net profit	20,759,850	15,325,515
Net profit for the financial year	7,551,651	5,434,335
Equity – controlling shareholder	266,509,542	259,066,905
Equity – non-controlling shareholders	137,748	137,234
Provisions and long-term accruals	15,163,936	14,819,654
Loans	129,288,853	136,972,581
Other financial liabilities	1,217,916	1,099,393
Non-current operating liabilities	100,138	95,541
Non-current liabilities	130,606,907	138,167,515
Liabilities (disposal group) held for sale	95,388	80,377
Loans	14,870,990	15,211,280
Other financial liabilities	414,116	467,398
Corporation tax liabilities	459,227	368,300
Other current liabilities	18,677,656	13,117,243
Current liabilities	34,517,377	29,244,598

Accrued costs and deferred revenues	3,336,609	2,122,657
TOTAL EQUITY AND LIABILITIES	450,272,119	443,558,563

Table 11: Cash Flow Statement of Luka Koper Group

(in euro)	Jan - March 2014	Jan - March 2013
Cash flows from operating activities		
Net profit for the period	7,552,165	4,651,741
Adjustments for:		
Amortisation	6,817,967	7,041,785
Value write-offs and losses from the sale of real-estate, plant, equipment and real-estate investments	44	-
Profit from the sale of real-estate, plant, equipment, intangible assets and real-estate investments	-32,013	-
Allowance for receivables	4,607	17,184
Financial revenues	-300,285	-92,584
Financial expenses	1,041,331	1,112,731
Corporation tax and revenues (expenses) from deferred taxes	964,727	734,826
Operating profit before changes in net current assets and taxes	16,048,543	13,465,683
Change in net current assets and provisions		
Change in operating receivables	-4,492,065	-4,284,553
Change in current assets (disposal group) held for sale	-	-
Change in deferred costs and accrued revenues	656,180	-4,405,520
Change in operating liabilities	5,588,630	5,497,782
Change in provisions	-3,488	-143,097
Change in accrued costs and deferred revenues	1,213,952	1,255,193
Corporation tax	-90,927	-615,835
Cash inflows (outflows) from operating activities	18,920,825	10,769,653
Cash flows from investments		
Interest received	85,678	92,584
Dividends received	-	-
Proceeds from sale of real estate, plant and equipment, and intangible assets	3,825	-
Proceeds from sale of real-estate investments	-	-
Proceeds from sale and reduction of financial investments, and loans granted	5,873	3,037,232
Acquisition of real estate, plant and equipment, and intangible assets	-8,583,852	-2,177,450
Acquisition of real-estate investments	-	-
Acquisition of financial investments and increase of loans granted	-3,665	-1,126,742
Cash inflows (outflows) from investments	-8,492,141	-174,376
Cash flows from financing activities		
Interest paid	-1,030,611	-1,112,731
Proceeds from received non-current loans	16,419	15,129

Proceeds from received current loans	80,000	650,000
Expenses in the repayment of non-current loans	-8,123,298	-8,383,298
Expenses in the repayment of current loans	-46,952	-682,962
Change in equity	-	-
Dividend paid	-	-
Cash inflows (outflows) from financing activities	-9,104,442	-9,513,862
Opening balance of cash and cash equivalents	3,153,730	1,608,345
Financial gain (loss) for the period	1,324,242	1,081,415
Closing balance of cash and cash equivalents	4,477,972	2,689,760

Table 12: Statement of Changes in Equity of Luka Koper Group, 2014

	Share capital	Capital reserves	Legal reserves	Other revenue reserves	Retained net profit	Net profit for the year	Revaluation surplus	Equity of controlling shareholders	Equity of non-controlling shareholders	Total equity
(in euro)										
Closing balance as of 31st December 2013	58,420,965	89,562,703	18,765,115	62,333,234	15,325,515	5,434,335	9,225,036	259,066,903	137,234	259,204,137
Opening balance as of 1st January 2014	58,420,965	89,562,703	18,765,115	62,333,234	15,325,515	5,434,335	9,225,036	259,066,903	137,234	259,204,137
Total comprehensive income for the period	-	-	-	-	-	-	-	-	-	-
Net profit for the reporting period	-	-	-	-	-	7,551,651	-	7,551,651	514	7,552,165
Change in surplus from financial investments revaluation reduced by tax	-	-	-	-	-	-	230,828	230,828	-	230,828
Change in fair value of hedging instruments reduced by tax	-	-	-	-	-	-	-339,840	-339,840	-	-339,840
	-	-	-	-	-	7,551,651	-109,012	7,442,639	514	7,443,153
Changes in equity										
Allocation of the remaining portion of net profit to other components of equity	-	-	-	-	5,434,335	-5,434,335	-	-	-	-
	-	-	-	-	5,434,335	-5,434,335	-	-	-	-
Closing balance as of 31st March 2014	58,420,965	89,562,703	18,765,115	62,333,234	20,759,850	7,551,651	9,116,024	266,509,542	137,748	266,647,290

Table 13: Statement of Changes in Equity of Luka Koper Group, 2013

	Share capital	Capital reserves	Legal reserves	Other revenue reserves	Retained net profit	Net profit for the year	Revaluation surplus	Equity of controlling shareholders	Equity of non-controlling shareholders	Total equity
(in euro)										
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	4,750,560	249,200,128	128,192	249,328,320
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	4,750,560	249,200,128	128,192	249,328,320
Total comprehensive income for the period	-	-	-	-	-	-	-	-	-	-
Net profit for the period	-	-	-	-	-	4,659,533	-	4,659,533	-7,792	4,651,741
Change in surplus from financial investments revaluation reduced by tax	-	-	-	-	-	-	-1,355,726	-1,355,726	-	-1,355,726
Change in fair value of hedging instruments reduced by tax	-	-	-	-	-	-	161,525	161,525	-	161,525
	-	-	-	-	-	4,659,533	-1,194,201	3,465,332	-7,792	3,457,540
Changes in equity										
Allocation of the remaining portion of net profit to other components of equity	-	-	-	-	6,715,086	-6,715,086	-	-	-	-
	-	-	-	-	6,715,086	-6,715,086	-	-	-	-
Closing balance as of 31st March 2013	58,420,965	89,562,703	18,877,761	60,027,111	17,561,028	4,659,533	3,556,359	252,665,460	120,400	252,785,860

NOTES TO THE FINANCIAL STATEMENTS OF LUKA KOPER GROUP

The interim statements of *Luka Koper Group* for the January to March 2014 period, i.e. as at 31st March 2014, encompass the financial statements of the parent company, *Luka Koper d.d.*, as well as the statements of its subsidiary enterprises, together with the attributable profits and losses of associated and jointly controlled companies.

Statement of compliance

These 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 March 2014, in comparison with data for the previous year, together with the *Group's* financial position as of 31st March in comparison with 31st December 2013.

The non-audited financial statements of the *Luka Koper Group* as of 31st March 2014 are compiled in accordance with the same accounting policies and principles that were applicable in 2013.

Assets (disposal group) held for sale

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. In the Statement of Financial Position as at 31st March 2014, the net assets of *Luka Koper Pristan d.o.o.* are disclosed under assets held for sale, whilst the company's liabilities are disclosed under liabilities held for disposal. *Luka Koper Pristan's* net profit is fully disclosed in the Consolidated Income Statement and not under a separate item of net profit of discontinued operations due to the fact that this company's operations do not fall within the *LK Group's* core activities.

Reclassification of assets and liabilities of *Luka Koper Pristan d.o.o.* to assets held for sale as of 31st March 2014

(in euro)	31st March 2014
ASSETS	
Real-estate, plant and equipment	1,430,255
Deferred tax liabilities	28,378

Non-current assets	1,458,633
Assets (disposal group) held for sale	2,089
Operating receivables	55,115
Cash and cash equivalents	20,425
Current assets	77,629
Deferred costs and accrued revenues	12,544
TOTAL ASSETS	1,548,806
LIABILITIES	
Provisions and long-term accruals	3,937
Non-current operating liabilities	2,140
Non-current liabilities	2,140
Other current liabilities	68,219
Current liabilities	68,219
Accrued costs and deferred revenues	21,092
TOTAL LIABILITIES	95,388

As of 31st March 2014, *Luka Koper Group* assets held for sale in relation to *Luka Koper Pristan d.o.o.* amounted to 1,548,806 euros, whilst its liabilities held for disposal amounted to 95,388 euros.

Additional notes to the Income Statement

Operating revenues

(in euro)	Jan - March 2014	Jan - March 2013
Net sales revenues on domestic market from:	12,801,340	13,715,604
- services	12,520,512	13,387,782
- goods and materials	2,320	68
- rentals	278,508	327,754
Net sales revenues on foreign markets from:	27,174,950	23,295,064
- services	27,135,147	23,240,787
- goods and materials	-	2,414
- rentals	39,803	51,863
Total operating revenues	39,976,290	37,010,668

Other revenues

(in euro)	Jan - March	Jan - March
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	2014	2013
Subventions, grants and similar revenues	530,080	586,678
Revaluation operating revenues	32,013	-
Other revenues	90,952	19,348
Total other revenues	653,045	606,026

Material costs

(in euro)	Jan - March 2014	Jan - March 2013
Material costs	266	192
Costs of auxiliary materials	622,439	1,019,120
Costs of spare parts	802,839	-
Energy costs	1,891,456	2,039,029
Costs of office supplies	40,502	48,544
Other material costs	88,893	99,406
Total material costs	3,446,395	3,206,291

Service costs

(in euro)	Jan - March 2014	Jan - March 2013
Costs in the provision of services	5,047,215	4,365,299
Transportation costs	67,534	33,337
Maintenance costs	879,586	1,626,261
Rents	174,511	257,854
Reimbursement of costs associated with labour	71,549	104,313
Cost of payments processing and insurance premiums	120,925	122,522
Cost of intellectual and personal services	213,598	193,542
Cost of trade fairs, advertising and hospitality	271,100	229,109
Cost of services rendered by natural persons	68,898	48,083
Other service costs	2,601,363	3,005,368
Total service costs	9,516,279	9,985,688

The accounting of maintenance costs within *Luka Koper d.d.* was altered due to an upgrade of the SAP information system. Henceforth the costs of maintenance services only disclose the costs of external service providers, whilst the materials used to this end are disclosed under material costs, or, more precisely, under costs of spare parts.

Labour costs

(in euro)	Jan - March 2014	Jan - March 2013
Cost of salaries	7,576,548	7,305,709
Social insurance costs	1,570,491	1,480,139
Other labour costs	891,196	828,580
Total labour costs	10,038,235	9,614,428

Value write-offs

(in euro)	Jan - March 2014	Jan - March 2013
Amortisation of real-estate, plant and equipment	6,662,466	6,879,457
Amortisation of real-estate investments	2,972	34,764
Amortisation of intangible non-current assets	152,529	127,564
Revaluation operating expenses from real-estate, plant and equipment	44	298
Revaluation operating expenses from current assets	4,607	17,184
Total value write-offs	6,822,618	7,059,267

Other operating expenses

(in euro)	Jan - March 2014	Jan - March 2013
Other costs and expenses	1,547,870	1,486,667
Charges unrelated to labour and other costs	1,400,354	1,323,724
Environmental protection charges	15,473	16,586
Awards to apprentices and interns	2,569	1,521
Scholarships awarded to students	576	2,409
Other costs and expenses	128,898	142,427
Total other operating expenses	1,547,870	1,486,667

Financial revenues

(in euro)	Jan - March 2014	Jan - March 2013
Financial revenues from profit participation	214,607	152,591
Financial revenues from loans granted	26,938	31,322
Financial revenues from operating receivables and foreign exchange gains	58,740	61,262
Total financial revenues	300,285	245,175

Financial revenues from profit participation for the January-March 2014 period encompass profits from associated companies in the amount of 214,607 euros.

Financial expenses

(in euro)	Jan - March 2014	Jan - March 2013
Financial expenses from financial investments	10,720	10,230
Financial expenses from financial liabilities	1,023,337	1,085,580
Financial expenses from operating liabilities and foreign exchange losses	7,274	27,151
Total financial expenses	1,041,331	1,122,961

Operating profit for the period

(in euro)	Jan - March 2014	Jan - March 2013
Pre-tax profit	8,516,892	5,386,567
Corporation tax	831,798	615,835
Deferred taxes	132,929	118,991
Net profit from ordinary activities	7,552,165	4,651,741
Net profit from discontinued operations	-	-
Net profit for the period	7,552,165	4,651,741
Net earnings per share	0.54	0.33

Additional Notes to the Statement of Financial Position

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

(in euro)	31 st March 2014	31 st December 2013
Real-estate, plant and equipment	331,345,091	329,446,468
Land and buildings	237,193,054	239,723,124
Land	9,614,778	9,612,708
Buildings	227,578,276	230,110,416
Production plant and machinery	63,790,046	65,766,265
Other plant and machinery	2,976,622	2,684,283
Real-estate, plant and equipment under acquisition	27,385,369	21,272,796
Real-estate investments	14,378,256	14,381,228

Intangible fixed assets, and long-term deferred costs and accrued revenues	5,447,549	5,591,405
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Non-current financial investments and non-current loans granted

(in euro)	31 st March 2014	31 st December 2013
Non-current financial investments	44,888,675	44,697,605
Stocks and holdings in associated companies	11,639,594	11,435,706
Other stocks and holdings	33,249,081	33,261,899
Non-current loans granted	1,559,085	1,548,089
Loans granted to others	1,559,085	1,548,089

Assets held for sale

(in euro)	31 st March 2014	31 st December 2013
Real-estate, plant and equipment held for sale	4,706,412	6,262,853
Other non-current assets held for sale	4,935,029	3,312,854
Total assets held for sale	9,641,441	9,575,707

Inventories

(in euro)	31 st March 2014	31 st December 2013
Material inventories	22,453	-
Total current loans granted	22,453	-

In 2014, *Luka Koper d.d.* included inventories of materials and spare parts item in its accounts. Inventories are accounted in the SAP system according to average weighted prices.

Current loans granted

(in euro)	31 st March 2014	31 st December 2013
Loans granted to others	22,355	112,164
Deposits in banks and other financial institutions	627,234	623,636
Total current loans granted	649,589	735,800

Current operating receivables, and deferred costs and accrued revenues

(in euro)	31 st March 2014	31 st December 2013
Current operating receivables	29,495,927	25,295,670
Operating receivables from associated companies	231,593	229,471
Trade receivables	25,929,562	21,933,398
Operating receivables form others	3,334,772	3,132,801
Deferred costs and accrued revenues	1,088,562	1,744,742

Equity

(in euro)	31 st March 2014	31 st December 2013
Share capital	58,420,965	58,420,965
Capital reserves	89,562,703	89,562,703
Revenue reserves	81,098,349	81,098,351
Legal reserves	18,765,115	18,765,117
Other revenue reserves	62,333,234	62,333,234
Revaluation surplus	9,116,024	9,225,036
Retained net profit	20,759,850	15,325,515
Net profit for the financial year	7,551,651	5,434,335
Total equity of controlling shareholders	266,509,542	259,066,905
Equity of non-controlling shareholders	137,748	137,234

Provisions

(in euro)	31 st March 2014	31 st December 2013
Provisions for pensions and similar	996,011	1,014,296
Provisions for lawsuits	2,681,587	3,077,543
Other provisions	268,859	231,621
Long-term accruals	11,217,479	10,496,194
Total provisions	15,163,936	14,819,654

Non-current liabilities

(in euro)	31 st March 2014	31 st December 2013
Loans	129,288,853	136,972,581
Other financial liabilities	1,217,916	1,099,393
Non-current operating liabilities	100,138	95,541
Total	130,606,907	138,167,515

Current liabilities and accrued costs and deferred revenues

(in euro)	31 st March 2014	31 st December 2013
Current liabilities	34,517,377	29,244,598
Liabilities (disposal group) held for sale	95,388	80,377
Loans	14,870,990	15,211,280
Other financial liabilities	414,116	467,398
Current operating liabilities	19,136,883	13,485,543
Accrued costs and deferred revenues	3,336,609	2,122,657

Liabilities held for disposal include the liabilities of *Luka Koper Pristan d.o.o.*, a Luka Koper subsidiary held for sale.

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

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

(in euro)	Jan - March 2014	Jan - March 2013
Operating revenues	38,289,719	35,268,590
Other revenues	129,438	11,356
Material costs	3,183,710	2,964,848
Service costs	9,796,341	10,298,398
Labour costs	8,702,785	8,182,347
Value write-offs	6,476,018	6,654,222
Other operating expenses	1,527,953	1,469,239
Operating profit	8,732,350	5,710,892
Financial revenues from profit participation	-	-
Financial revenues from loans granted	22,443	27,596
Financial revenues from operating receivables	57,384	60,073
Financial expenses from financial investments	-	-
Financial expenses from financial liabilities	1,068,895	1,149,594
Financial expenses from operating liabilities	7,098	27,086
Financial (gain) loss	-996,166	-1,089,011
Pre-tax profit	7,736,184	4,621,881
Corporation tax	740,871	508,407
Deferred taxes	132,260	118,037
Net profit for the period	6,863,053	3,995,437
Net earnings per share: basic and diluted	0.49	0.29

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

(in euro)	Jan - March 2014	Jan - March 2013
Net profit for the period	6,863,053	3,995,437
Change in surplus from revaluation of financial assets held for sale	278,106	-1,626,080
Deferred tax on revaluation of financial assets held for sale	-47,278	270,354
Change in fair value of hedging instruments	-409,446	194,608
Deferred tax on change in fair value of hedging instruments	69,606	-33,083
Total other comprehensive income to be recognised in the income statement	-109,012	-1,194,201
Other comprehensive income	-109,012	-1,194,201
Total comprehensive income for the period	6,754,041	2,801,236

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

(in euro)	31 st March 2014	31 st December 2013
ASSETS		
Real-estate, plant and equipment	317,228,250	315,025,705
Real-estate investments	23,590,140	23,638,779
Intangible assets and deferred costs and accrued revenues	4,954,288	5,085,761
Non-current financial investments	42,529,078	42,541,896
Loans granted	1,395,559	1,384,563
Non-current operating receivables	6,088	6,088
Deferred tax assets	7,618,809	7,728,741
Non-current assets	397,322,212	395,411,533
Assets (disposal group) held for sale	8,306,548	8,233,179
Inventories	22,453	-
Financial investments and loans granted	445,173	534,983
Operating receivables	28,236,795	24,093,394
Cash and cash equivalents	3,226,483	895,323
Current assets	40,237,452	33,756,879
Deferred costs and accrued revenues	963,845	1,741,728
TOTAL ASSETS	438,523,509	430,910,140

EQUITY AND LIABILITIES		
Share capital	58,420,965	58,420,965
Capital reserves	89,562,703	89,562,703
Revenue reserves	81,098,349	81,098,349
Revaluation surplus	9,107,926	9,216,938
Retained net profit	3,721,761	1,415,638
Net profit for the financial year	6,863,053	2,306,123
Equity	248,774,757	242,020,716
Provisions and long-term accruals	10,892,369	10,354,268
Loans	139,502,433	147,223,161
Other financial liabilities	1,107,009	988,486
Non-current operating liabilities	56,411	60,090
Non-current liabilities	140,665,853	148,271,737
Loans	16,822,037	15,211,280
Other financial liabilities	413,563	466,845
Other current liabilities	17,974,398	12,751,481
Current liabilities	35,209,998	28,429,606
Accrued costs and deferred revenues	2,980,532	1,833,813
TOTAL EQUITY AND LIABILITIES	438,523,509	430,910,140

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

(in euro)	Jan - March 2014	Jan - March 2013
Cash flow from operating activities		
Net profit for the period	6,863,053	3,995,437
Adjustments for:		
Amortisation	6,475,974	6,644,596
Value write-offs and losses from the sale of real-estate, plant, equipment and real-estate investments	44	-
Profit from the sale of real-estate, plant, equipment, intangible assets and real-estate investments	-	-
Bad receivables allowance	-25,002	9,626
Financial revenues	-79,827	-87,669
Financial expenses	1,075,993	1,176,680
Corporation tax and revenues (expenses) from deferred taxes	873,131	626,444
Operating profit before change in current assets and taxes	15,183,366	12,365,114
Change in non-current assets and provisions		
Change in operating receivables	-4,304,644	-4,158,095
Change in deferred costs and accrued revenues	777,883	-4,207,229
Change in operating liabilities	5,219,238	5,113,335
Change in provisions	-3,488	97,407
Change in accrued costs and deferred revenues	1,146,719	1,216,607
Corporation tax	-	-508,407
Cash inflows (outflows) from operating activities	18,019,074	9,918,732

Cash flows from investments		
Interest received	79,827	87,669
Dividend received	-	-
Proceeds from sale of real-estate, plant and equipment and intangible assets	3,825	-
Proceeds from sale of real-estate investments	-	-
Proceeds from sale and reduction of financial investments and loans granted	5,873	3,054,233
Acquisition of real-estate, plant and equipment and intangible assets	-8,541,596	-2,140,606
Acquisition of real-estate investments	-	-
Acquisition of financial investments and increase of loans granted	-67	-54,923
Cash inflows (outflows) from investments	-8,452,138	946,373
Cash flows from financing activities		
Interest paid	-1,075,993	-1,176,680
Proceeds from non-current loans received	16,419	12,385
Proceeds from current loans received	2,031,048	650,000
Expenses from repayment of non-current loans	-8,160,298	-8,407,298
Expenses from repayment of current loans	-46,952	-682,962
Change in equity	-	-
Dividends paid	-	-
Cash inflows (outflows) from financing activities	-7,235,776	-9,604,555
Opening balance of cash and cash equivalents	895,323	629,077
Cash flow for the period	2,331,160	1,260,550
Closing balance of cash and cash equivalents	3,226,483	1,889,627

Table 18: Statement of Changes in Equity of Luka Koper d.d., 2014

	Share Capital	Capital reserves	Legal reserves	Other revenue reserves	Retained net profit	Net profit for the year	Revaluation surplus	Total equity
(in euro)								
Closing balance as of 31st December 2013	58,420,965	89,562,703	18,765,115	62,333,234	1,415,638	2,306,123	9,216,938	242,020,716
Opening balance as of 1st January 2014	58,420,965	89,562,703	18,765,115	62,333,234	1,415,638	2,306,123	9,216,938	242,020,716
Total comprehensive income for the period	-	-	-	-	-	-	-	-
Net profit for the reporting period	-	-	-	-	-	6,863,053	-	6,863,053
Change in revaluation surplus of intangible assets	-	-	-	-	-	-	-	-
Change in revaluation surplus of tangible fixed assets	-	-	-	-	-	-	-	-
Change in revaluation surplus of financial investments reduced by tax	-	-	-	-	-	-	230,828	230,828
Change of fair value of hedging instruments reduced by tax	-	-	-	-	-	-	-339,840	-339,840
Unrealised actuarial gains (losses) reduced by tax	-	-	-	-	-	-	-	-
	-	-	-	-	-	6,863,053	-109,012	6,754,041
Changes in equity								
Allocation of the remaining portion of net profit for the reporting period to other components of equity	-	-	-	-	2,306,123	-2,306,123	-	-
	-	-	-	-	2,306,123	-2,306,123	-	-
Closing balance as of 31st March 2014	58,420,965	89,562,703	18,765,115	62,333,234	3,721,761	6,863,053	9,107,926	248,774,757

Table 19: Statement of Changes in Equity of Luka Koper d.d., 2013

	Share Capital	Capital reserves	Legal reserves	Other revenue reserves	Retained net profit	Net profit for the year	Revaluation surplus	Total equity
(in euro)								
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
Total comprehensive income for the period								
Net profit for the reporting period	-	-	-	-	-	3,995,437	-	3,995,437
Change in revaluation surplus of financial investments reduced by tax	-	-	-	-	-	-	-1,355,726	-1,355,726
Change of fair value of hedging instruments reduced by tax	-	-	-	-	-	-	161,525	161,525
	-	-	-	-	-	3,995,437	-1,194,201	2,801,236
Change in equity								
Allocation of the remaining portion of net profit for the reporting period to other components of equity	-	-	-	-	3,763,795	-3,763,795	-	-
	-	-	-	-	3,763,795	-3,763,795	-	-
Closing balance as of 31st March 2013	58,420,965	89,562,703	18,765,115	60,027,111	3,763,795	3,995,437	3,556,359	238,091,485

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

The Koper-based Slovenian seaport and logistics system operator *Luka Koper d.d.* is the parent company of the *Luka Koper Group* of enterprises. These interim financial statements are compiled for January to March 2014, and thus reflect the company's position as at 31st March 2014.

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 March 2014 period, in comparison with a year previously, together with the company's financial standing as of 31st March 2014, in comparison with 31st December 2013.

The non-audited financial statements of *Luka Koper d.d.* for January to March are compiled in accordance with the same accounting policies and principles that were applicable in 2013.

Additional Notes to the Income Statement**Operating revenues**

(in euro)	Jan - March 2014	Jan - March 2013
Net sales revenues on the domestic market from:	12,036,242	12,777,029
- services	11,674,624	12,361,454
- goods and materials	2,320	68
- rentals	359,298	415,507
Net sales revenues on foreign markets from:	26,253,477	22,491,561
- services	26,213,674	22,441,348
- rentals	39,803	50,213
Total operating revenues	38,289,719	35,268,590

Other revenues

(in euro)	Jan - March 2014	Jan - March 2013
Subventions, grants and similar revenues	14,299	-
Revaluation operating revenues	25,002	-
Other revenues	90,137	11,356
Total other revenues	129,438	11,356

Material costs

(in euro)	Jan - March 2014	Jan - March 2013
Cost of auxiliary materials	468,086	918,953
Cost of spare parts and maintenance materials	816,681	-
Energy costs	1,779,554	1,911,178
Cost of office supplies	35,788	43,098
Other material costs	83,601	91,619
Total material costs	3,183,710	2,964,848

Service costs

(in euro)	Jan - March	Jan - March
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	2014	2013
Costs in the provision of services	5,022,645	4,322,468
Transportation costs	60,638	27,444
Maintenance costs	1,174,010	2,150,662
Rentals	164,538	194,922
Reimbursement of costs associated with labour	62,313	100,209
Costs of payments processing and insurance premiums	99,168	103,076
Costs of intellectual and personal services	207,728	189,443
Costs of trade fairs, advertising and hospitality	274,351	230,943
Cost of services rendered by natural persons	64,154	48,083
Other service costs	2,666,796	2,931,148
Total service costs	9,796,341	10,298,398

Due to the upgrade of the SAP information system, the accounting of the maintenance costs of *Luka Koper d.d.* was altered. Maintenance services costs only disclose the costs of external services providers whilst the materials used to this end are disclosed under material costs, and more precisely, under costs of spare parts.

Labour costs

(in euro)	Jan - March 2014	Jan - March 2013
Costs of salaries	6,594,963	6,254,321
Social insurance costs	1,363,961	1,260,535
Other labour costs	743,861	667,491
Total labour costs	8,702,785	8,182,347

Value write-offs

(in euro)	Jan - March 2014	Jan - March 2013
Amortisation of real-estate, plant and equipment	6,251,938	6,379,485
Amortisation of real-estate investments	83,889	141,922
Amortisation of intangible non-current assets	140,147	123,189
Revaluation operating expenses from real-estate, plant and equipment	44	-
Revaluation operating expenses from current assets	-	9,626
Total value write-offs	6,476,018	6,654,222

Other operating expenses

(in euro)	Jan - March 2014	Jan - March 2013
Provisions	-	-
Other costs and expenses	1,527,953	1,469,239
Charges unrelated to labour costs and other costs	1,380,240	1,316,302
Environmental protection costs	16,846	18,899
Awards to apprentices and interns	2,108	1,214
Scholarships to students	-	2,100
Other costs and expenses	128,759	130,724
Total other operating expenses	1,527,953	1,469,239

Financial revenues

(in euro)	Jan - March 2014	Jan - March 2013
Financial revenues from loans granted	22,443	27,596
Financial revenues from operating receivables and foreign exchange gains	57,384	60,073
Total financial revenues	79,827	87,669

Financial expenses

(in euro)	Jan - March 2014	Jan - March 2013
Financial expenses from financial liabilities	1,068,895	1,149,594
Financial expenses from operating liabilities and foreign exchange losses	7,098	27,086
Total financial expenses	1,075,993	1,176,680

Operating profit for the period

(in euro)	Jan - March 2014	Jan - March 2013
Pre-tax profit	7,736,184	4,621,881
Corporation tax	740,871	508,407
Deferred taxes	132,260	118,037

Net profit for the period	6,863,053	3,995,437
Net earnings per share	0.49	0.29

Additional Notes to the Statement of Financial Position

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

(in euro)	31st March 2014	31st December 2013
Real-estate, plant and equipment	317,228,250	315,025,705
Land and buildings	225,905,701	228,360,762
Land	7,282,523	7,280,453
Buildings	218,623,178	221,080,309
Production plant and machinery	61,288,515	63,032,036
Other plant and equipment	2,820,424	2,525,244
Real-estate, plant and equipment under acquisition	27,213,610	21,107,663
Real-estate investments	23,590,140	23,638,779
Intangible assets, and deferred costs and accrued revenues	4,954,288	5,085,761

Non-current financial investments and non-current loans granted

(in euro)	31st March 2014	31st December 2013
Non-current financial investments	42,529,078	42,541,896
Stocks and holdings in Group companies	1,562,288	1,562,288
Stocks and holdings in associated enterprises	7,717,709	7,717,709
Other stocks and holdings	33,249,081	33,261,899
Non-current loans granted	1,395,559	1,384,563
Loans granted to others	1,395,559	1,384,563

Assets held for sale

(in euro)	31st March 2014	31st December 2013
Real-estate, plant and equipment held for sale	4,706,246	4,706,246
Other non-current assets held for sale	3,600,302	3,526,933
Total assets held for sale	8,306,548	8,233,179

Inventories

(in euros)	31 st March 2014	31 st December 2013
Material inventories	22,453	-
Total inventories	22,453	-

In 2014, *Luka Koper d.d.* included an inventories of materials and spare parts item in its accounts. Inventories are accounted in the SAP system according to average weighted prices.

Current loans granted

(in euro)	31 st March 2014	31 st December 2013
Loans granted to Group companies	422,818	422,819
Loans granted to others	22,355	112,164
Total current loans granted	445,173	534,983

Current operating receivables, and deferred costs and accrued revenues

(in euro)	31 st March 2014	31 st December 2013
Current operating receivables	28,236,795	24,093,394
Operating receivables from Group companies	144,485	51,496
Operating receivables from associated companies	231,593	229,471
Trade receivables	25,172,259	21,221,502
Operating receivables from others	2,688,458	2,590,925
Deferred costs and accrued revenues	963,845	1,741,728

Equity

(in euro)	31 st March 2014	31 st December 2013
Share capital	58,420,965	58,420,965
Capital reserves	89,562,703	89,562,703
Revenue reserves	81,098,349	81,098,349
Legal reserves	18,765,115	18,765,115
Other revenues reserves	62,333,234	62,333,234
Revaluation surplus	9,107,926	9,216,938
Retained net profit	3,721,761	1,415,638

Net profit for the year	6,863,053	2,306,123
Total equity	248,774,757	242,020,716

Provisions

(in euro)	31 st March 2014	31 st December 2013
Provisions for pensions and similar liabilities	818,583	829,003
Provisions for lawsuits	2,681,587	3,077,543
Long-term accruals	7,392,199	6,447,722
Total provisions	10,892,369	10,354,268

Non-current liabilities

(in euro)	31 st March 2014	31 st December 2013
Loans	139,502,433	147,223,161
Other financial liabilities	1,107,009	988,486
Non-current operating liabilities	56,411	60,090
Total non-current liabilities	140,665,853	148,271,737

Current liabilities, and accrued costs and deferred revenues

(in euro)	31 st March 2014	31 st December 2013
Current liabilities	35,209,998	28,429,606
Loans	16,822,037	15,211,280
Other financial liabilities	413,563	466,845
Current operating liabilities	17,974,398	12,751,481
Operating liabilities to Group companies and associated enterprises	452,618	629,152
Operating liabilities to suppliers and for advances	13,107,271	9,418,396
Other operating liabilities	4,414,509	2,703,933
Accrued costs and deferred revenues	2,980,532	1,833,813

The largest increases under current liabilities and accrued costs and deferred revenues, were recorded in relation to accrued costs and deferred revenues which rose mainly as a consequence of the 13th salary accrual (0.5 million euros) paid to employees, performance remunerations for the first quarter of 2014 (0.4 million euros) and commercial discounts due to foreign clients (0.3 million euros).

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 31st March 2014 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 for January to March 2014 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* 2013 annual reports.

These condensed interim statements for the period ending 31st March 2014 have been compiled in accordance with International Financing Reporting Standards (IFRS) as adopted by the International Accounting Standards Board (IASB) and the European Union as well as according to the Companies Act, and should be considered in relation to the annual financial statements for the fiscal year ending 31st December 2012. Financial statements for 2013 are audited.

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 together with their elimination.

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, further to which no business was conducted under unusual terms and conditions.



Andraž Novak
Management Board President



Jože Jaklin
Management Board Member



Matjaž Stare
Management Board Member – Workers Director

Koper, Slovenia, 23rd May 2014