
Luka Koper, d.d. First-Quarter 2006 Business Report

January – March 2006

Koper, Slovenia

May 2006



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1. BUSINESS PERFORMANCE

1. 1. Essential Indicators

Table 1. Income Statement Indicators

	January to March 2006	January to March 2005	Indices 2006 / 2005
Operating efficiency	1.250	1.266	99
Overall efficiency ratio	1.248	1.294	96
Per-capita value added (in millions of tolar)	4.953	3.900	127

The operating efficiency measure is the ratio between operating revenues and costs, and indicates the extent of revenues generated on 100 Slovene tolar of operating costs. Overall efficiency is the ratio between total revenues and total expenses. In both cases, values in excess of 1.0 indicate income generation. In comparison with last year's figures for the same period, this year's efficiency ratio is a little lower due to a decrease in financial revenues. Both indicators point towards a good performance, particularly in relation to the generation of a healthy net profit.

Per-capita value added is a measure of income generation per employee, and thus the ability of the company to cover depreciation and labour costs, as well as generate income upon the settlement of material, service and other mandatory expenditure arising from operations.

Table 2. Balance Sheet Indicators

	31 st March 2006	31 st March 2005	Indices 2006 / 2005
Equity-financing rate	0.83	0.83	99
Long-term financing rate	0.93	0.89	105
Operating fixed assets to assets rate	0.46	0.47	97
Long-term assets rate	0.81	0.83	98
Equity to operating fixed assets	1.81	1.76	103
Acid test ratio	2.76	0.84	328
Quick ratio	4.25	1.49	285

The equity-financing rate reveals the high participation of equity in total assets, and the consequent low financial risk to creditors. This measure has not changed significantly since 31st March 2005.

The long-term financing rate, a measure of the ability of capital to cover liabilities, also remains very healthy as of 31st March 2006, while the operating fixed assets to assets ratio discloses the proportion of fixed assets in the company's total assets.

The long-term assets rate is the proportion of fixed assets, long-term financial investments and operating receivables in relation to total assets. This indicator reveals that most assets are long-term ones. The equity to operating fixed assets indicator is above 1, which means that all fixed assets are financed with equity capital.

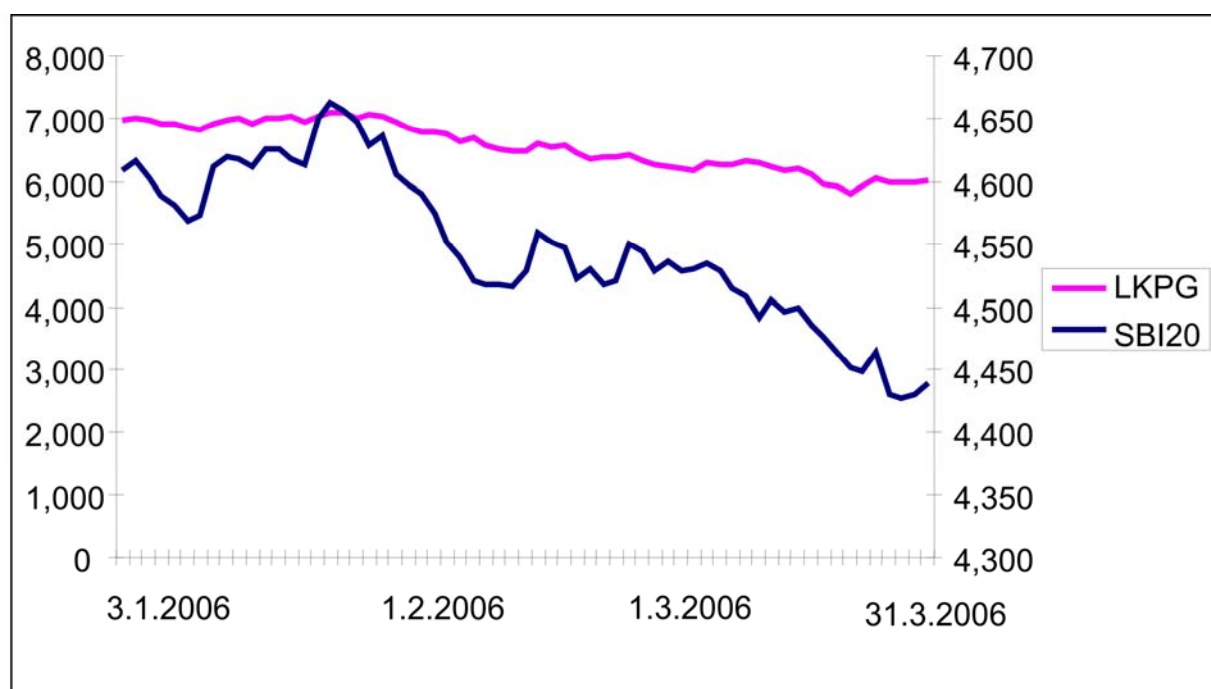
Due to the increased volume of short-term financial investments and significant decrease in short-term financial liabilities, the short-term solvency ratios were up on the 31st March 2005 values.

1. 2. Changes in Ownership Structure and Share Value

The share capital of *Luka Koper, d.d.* consists of 14,000,000 shares with a nominal (par) value of 1,000 SIT each. 7,140,000 are ordinary registered shares traded on Ljubljana Stock Exchange, while the remaining 6,860,000 are participating preference shares in the full ownership of the Republic of Slovenia, and which have both fixed and variable portions of return as well as limited voting rights. The ticker symbol for *Luka Koper d.d.*'s share is *LKPG*, which has been listed on the Ljubljana Stock Exchange (LJSE) since 20th November 1996.

The uniform price of a *LKPG* share amounted to 6,037.81 Slovene tolar as of 31st March 2006.

Graph No.1 Price movements in the *Luka Koper d.d.* share - January to March 2006 (left axis: *LKPG* share price (pink line) in Slovene tolar; right axis: relative performance of the main LJSE SBI 20 index (blue line)).



The average book value of a share in the period January to March 2006, calculated from the monthly averages, amounted to 4,511.78 Slovene tolar.

As of 31st March 2006, net earnings per share, calculated as the ratio between the net profit for the current year and the total number of shares, amounted to 71.93 tolar.

In February 2006, the Municipality of Koper sold a 3.3% stake (461,538 *Luka Koper* shares) to *Slovenska Odškodninska Družba* (SOD). This transaction affected the ownership structure of *Luka Koper* so that the *Slovenska Odškodninska Družba* now holds 11.13%, and the Koper Municipality 3.33%. With its 51-percent stake in *Luka Koper*, the state remains the majority shareholder.

Table 3. Ownership Structure as of 31st March 2006

Shareholder or group classification	31 st December 2005		31 st March 2006	
	Number of shares	Percentage stake	Number of shares	Percentage stake
Republic of Slovenia	7,140,000	51.000	7,140,000	51.000
Private individuals	1,889,728	13.498	1,869,436	13.353
Slovenska Odškodninska Družba ¹	1,096,319	7.831	1,557,857	11.128
Investment companies and mutual funds	1,267,259	9.052	1,246,744	8.905
Municipality of Koper	928,480	6.632	466,942	3.335
Slovenian corporate entities	641,534	4.582	678,104	4.844
Kapitalska Družba ²	742,713	5.305	739,407	5.282
Domestic banks	211,809	1.513	213,146	1.523
Foreign corporate entities	49,597	0.354	59,509	0.425
Brokerage houses	25,550	0.183	24,174	0.173
Foreign banks	7,011	0.050	4,681	0.033
	14,000,000	100.000	14,000,000	100.000

¹ Slovenian Restitution Fund

² Pension and Disabilities Fund. In addition to *Kapitalska Družba, d.d.*, this item also encompasses all other holdings by state investment funds, save for mutual funds and those held by the *Slovenska Odškodninska Družba*. (See footnote 1.)

1. 2. 1. Shares Held by Members of the Management and Supervisory Boards

The **Supervisory Board** of *Luka Koper d.d.* encompasses nine members. As of 31st March 2006, the following members of the Supervisory Board held shares in the company:

- Tatjana Jazbec 1,435 shares
- Robert Jerman 704 shares
- Metod Mezek 150 shares
- Alverino Pavletič 3,167 shares
- Marko Starman 140 shares
- Marko Valentinčič 100 shares.

The remaining members of the Supervisory Board owned no stock in *Luka Koper d.d.* as of the close of the first-quarter.

The **Management Board** comprises the following members:

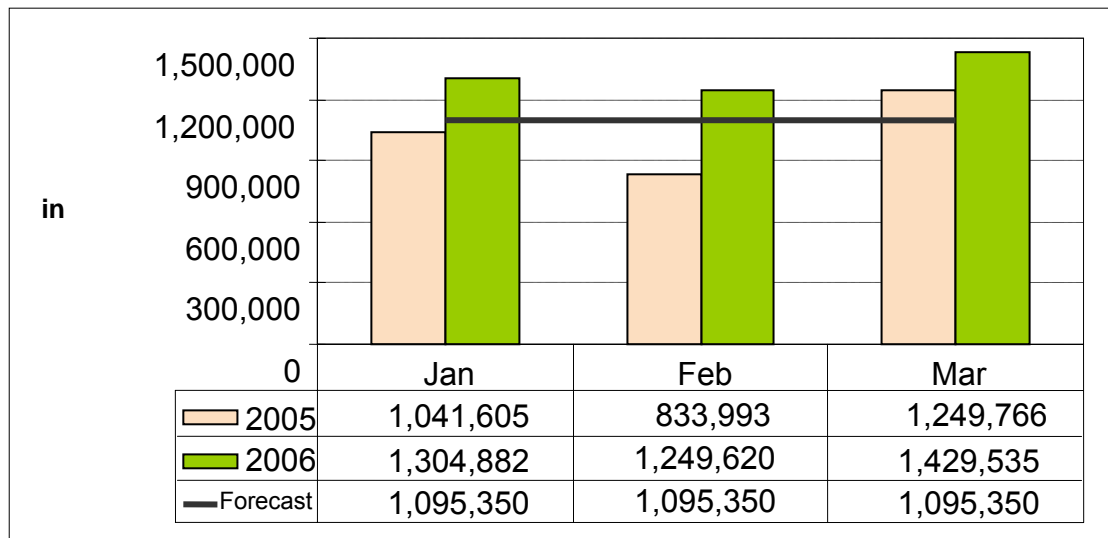
- Robert Časar, President
- Marjan Babič, Deputy President
- Aldo Babič, Member
- Pavle Krumenaker, Member, and Workers' Director.

As of 31st March 2006, the Management Board members held a total of 4,256 shares in *Luka Koper d.d.*, of which Deputy President Mr Marjan Babič had 928 shares, and Board member Mr Pavle Krumenaker 3,328. Neither the Board President, Mr Robert Časar, or Mr Aldo Babič held shares.

1. 3. Business Report

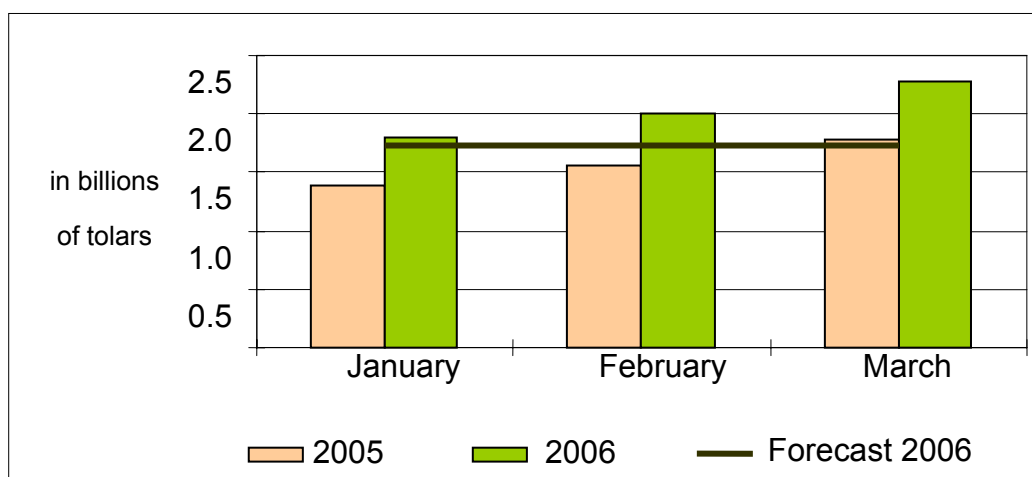
The maritime throughput of *Luka Koper d.d.* totalled 3.98 million tonnes in the first three months of 2006, which is 21% ahead of expectations, and 27% up on the same period last year.

Graph No. 2 Port of Koper's maritime throughput between January and March 2006 (in tonnes)



All categories of cargo increased during the first quarter of 2006, and *Luka Koper d.d.* generated some six billion tolars in operating revenues, which was some 17% ahead of expectations and a year-on rise of 29%.

Graph No. 3: First-Quarter Operating Revenues of *Luka Koper d.d.* in 2006 and 2005 (in billions of tolars)



Total operating costs for the first quarter of 2006, which amounted to 4.86 billion tolars, were 12% ahead of expectations and a 30% increase on the same period last year. Due

to the fact that operating costs in the reporting period increased in proportion with operating revenues, the revenue-cost dynamics remain stable.

Material costs are 12% ahead of forecast. The 27% year-on rise can mainly be attributed to an increase in fuel costs. Fuel consumption in the three months amounted to 611,000 litres, which is a 14% increase on the first quarter of 2005. In addition to the rise in the volume of cargo handled, increased fuel costs were compounded by an escalation in fuel prices. Fuel accounts for a mere 2% of total operating costs, while electricity costs totalled 87 million tolar, a 15% rise on last year.

Service costs in the amount of 1.98 billion tolar were 20% ahead of anticipations, and nearly all cost categories contributed to the year-on increase. In comparison with January to March 2005, the following service costs recorded pertinent increases:

- the total cost of subcontracting work up by 25%, which is related to the increase in the volume of cargo being handled;
- transport service costs up by 96%, which can be attributed to the rapid growth in logistics operations, particularly as regards fruit, vegetables, vehicles and assorted cargo;
- maintenance costs up by 81%, which is the result of investment into the port infrastructure, as well as the increase in the volume of cargo being handled, which itself necessitated an increase in the volume of maintenance work.

Based on a lease agreement with the Republic of Slovenia, the company paid 71 million tolar in the first quarter of 2006 for the use of shoreside and other land in the ownership of the state.

As a consequence of the premeditated decline in the value of fixed assets, **depreciation** amounted to 776 million tolar in the first quarter of 2006, a year-on increase of one percent.

Labour costs were 24% ahead of the level recorded in the first three months of 2005, and 4% ahead of expectations. The total number of employees as of 31st March 2006 amounted to 691, a year-on increase of 5% (33 employees). In August 2005, the value of the coefficient used for the calculation of basic salaries, increased by 3.5%.

22% of the company's personnel have tertiary education, and one third have secondary education. Employees' salaries are based on the level of their formal education, but are also related to performance and productivity at work. Between January and March 2006, value-added per employee rose by 27% on 2005 levels, which consequently resulted in an increase in the variable portion of labour costs.

Operating profits

Profits were 39% ahead of expectations, and 23% above those recorded for the same period last year. Profits from operations were equivalent to 20% of total operating revenues, and are 19% ahead of expectations. Between January and March 2006, *Luka Koper d.d.* generated value-added in the amount of 3.42 billion tolar, which is a 33% increase on the first quarter of 2005. Value-added per employee amounts to 4.9 million tolar in the three months, a year-on rise of 27%.

1. 4. Financing Activities

Table 4. First-Quarter Financial Revenues and Expenses – 2006 and 2005 (in millions of tolar)

	January - March 2006	January - March 2005
FINANCIAL REVENUES	91.808	208.440
Interest revenues	80.028	85.986
Revenues from the revaluation of receivables – gains from exchange-rate differences	9.553	27.545
Gains from disposal of investments	0	89.941
Other financial revenues	2.227	5.002
FINANCIAL EXPENSES	78.457	80.473
Interest expenses	64.094	63.628
Expenses from the revaluation of payables – losses from exchange-rate differences	14.115	7.450
Revaluation of financial expenses due to impairment	0	9.076
BALANCE OF REVENUE (PROFIT) FROM FINANCING ACTIVITIES	13.351	127.967

Financial revenues were higher in 2005 due to the income generated from the disposal of some investments.

1. 5. Profits And Corporation Tax

In the first quarter of 2006 *Luka Koper d.d.* generated a pre-tax profit of 1.2 billion tolar. Upon deducting corporate income tax in the amount of 220 million tolar, net profit amounted to one billion tolar, which is about 10% above last year's level and some 13% ahead of expectations.

1. 6. Assets And Investments

Assets in the amount of 78 billion tolar are mainly financed internally using internal sources. The total value of equity as of 31st March 2006 amounted to 65 billion tolar. Total long- and short-term financial investments in the amount of 36 billion tolar represent 46% of the Balance Sheet total.

Company operations are not burdened with long-term operating liabilities, and long-term financial liabilities represent some 10% of Balance Sheet total.

Luka Koper d.d. settles its short-term liabilities, which amount to the equivalent of 4% of total assets, within the due terms. All short-term liabilities can be covered by short-term trade receivables.

The major portion of investments in stock and other equity is made in shares of joint-stock enterprises listed on the local (Ljubljana) stock exchange:

- Krka d.d.,
- Gorenje d.d.,
- Intereuropa d.d.,
- Petrol d.d.

The remaining portion of equity investments are in unlisted corporations, namely:

- Pokojninska družba A d.d.,
- NLB d.d.,
- Banka Koper d.d.

As of 31st March 2006 short-term financial investments totalled 8.7 billion tolar, which is a 2 billion (30%) increase on the previous year. This upsurge is the result of investments in mutual funds and the purchase of certified deposits.

Table 5. Overview of Operating Receivables - as of 31st March 2006 and 2005 (in millions of tolars)

	31 st March 2006	31 st March 2005
A. LONG-TERM OPERATING RECEIVABLES	2.782	2.587
Long-term guarantees granted	2.695	2.411
Other long-term operating receivables	87	175
B. SHORT-TERM OPERATING RECEIVABLES	5,023.101	5,213.564
Short-term trade receivables - domestic	1,092.157	475.120
Revaluation of domestic trade receivables	-54.477	-59.720
Short-term trade receivables - foreign	1,718.855	997.559
Revaluation of foreign trade receivables	-34.183	-6.355
Short-term commodity credits - domestic	0	59.796
Advances given for current assets	237.053	965.618
Receivables from exporters	1,288.960	1,475.323
Revaluation of receivables from exporters	-38.916	-61.297
Interest receivables	9.284	9.966
Revaluation of receivables from financing	-2.332	-3.711
Receivables from input VAT	263.365	160.941
Receivables from taxes and excise duties	213.345	440.611
Other short-term receivables	329.990	759.711

Total domestic and foreign trade receivables, together with receivables from exporters, amount to 4.099 billion tolar for the first quarter of 2006.

There is a year-on decrease in short-term financial liabilities, which is the result of 2.5 billion tolar diminution of liabilities to banks.

Table 6. Overview of Short-term Operating Liabilities - as of 31st March 2006 (in millions of tolar)

	31 st March 2006	31 st March 2005
SHORT-TERM OPERATING LIABILITIES	3,175.424	4,034.054
SHORT-TERM ACCOUNTS PAYABLE	1,568.944	1,504.811
Liabilities to domestic suppliers	1,450.415	1,481.204
Liabilities to foreign suppliers	118.529	23.607
ADVANCES RECEIVED	643	259.517
ACCRUED LIABILITIES	757.152	522.443
Liabilities for accrued salaries	281.432	107.744
Liabilities for net salaries	160.481	127.064
Liabilities for net allowances	23.131	24.824
Liabilities for gross salary contributions	66.907	52.215
Liabilities for taxes on gross salaries	60.775	43.407
Other short-term accrued liabilities	133.845	138.451
Liabilities for contributions from other receipts	0	7
Liabilities for taxes from other receipts	30.582	28.731
LIABILITIES TO THE STATE AND OTHER INSTITUTIONS	573.785	782.036
Liabilities for output VAT	84.393	61.173
Tax liabilities on remunerated salaries	18.217	14.744
Liabilities for corporation tax	417.360	663.239
Other short-term liabilities to the state and other institutions	53.815	42.881
LIABILITIES ARISING FROM THE ALLOCATION OF PROFITS	0	17.284
OTHER SHORT-TERM LIABILITIES	274.900	947.964

Liabilities to employees are settled on a monthly basis, on the 12th of the following month.

Under other short-term liabilities there was a 690-million tolar reduction in the utility rate being levied.

This year the company invested 896 million tolar in fixed assets. Major investments in the first quarter of 2006 encompassed:

- Purchase of pipe for the *Martin Krpan* dredger (12 million tolar)
- Refurbishment of offices at the *Troples* premises (19 million tolar)
- Tractors for timber terminal (25 million tolar)
- Asphalting the car terminal areas (65 million tolar)

- Purchase of a dredger for the bulk cargo terminal (70 million tolars)
- Reconstruction of the phosphoric acid reservoir (76 million tolars)
- Renewal of bridge crane control (82 million tolars)
- Reconstruction of fruit warehouse No. 25 (159 million tolars).

2. NON-AUDITED FIRST-QUARTER FINANCIAL STATEMENTS

(Slovenian financial reporting standards)

Table 7. First-Quarter Balance Sheet, as of 31st March - 2006 and 2005 (in millions of tolar)

ASSETS	As of	As of
	31st March 2006	31st March 2005
ASSETS	77,977.625	73,728.436
FIXED ASSETS	63,538.684	61,494.869
Intangible fixed assets and long-term deferred costs	225.303	530.193
Tangible fixed assets	35,790.725	35,017.683
Land and buildings	28,210.321	26,636.842
Land	425.739	425.739
Buildings	27,784.582	26,211.103
Production plant	6,178.148	5,227.559
Other plant and equipment	10.743	10.593
Tangible fixed assets in acquisition	1,391.514	3,142.689
Long-term investments	27,358.232	25,944.406
Long-term investments (excluding loans)	25,214.140	23,459.478
Long-term loans	2,144.092	2,484.928
Long-term operating receivables	2.782	2.587
Long-term trade receivables	0	0
Long-term operating receivables from others	2.782	2.587
Deferred tax liabilities	161.642	0
CURRENT ASSETS	14,303.340	12,087.069
Inventories	0	0
Short-term investments	8,771.947	6,849.699
Short-term investments (excluding loans)	4,199.556	1,222.135
Short-term loans	4,572.391	5,627.564
Short-term operating receivables	5,023.101	5,213.564
Short-term trade receivables	3,972.396	2,880.428
Other short-term receivables	1,050.705	2,333.136

Cash	508.292	23.805
Cash in hand	97	69
Cash at banks and other financial institutions	508.195	23.736
DEFERRED EXPENSES AND ACCRUED REVENUES	135.601	146.498
OFF-BALANCE-SHEET-ASSETS	1,807.966	3,330.952
LIABILITIES	As of	As of
	31st March 2006	31st March 2005
EQUITY AND LIABILITIES	77,977.625	73,728.436
CAPITAL	64,721.158	61,522.000
Called-up capital	14,000.000	14,000.000
Share capital	14,000.000	14,000.000
Capital surplus	21,462.806	0
Retained earnings (reserves)	22,167.891	20,274.496
Legal reserves	4,496.872	4,496.872
Other retained earnings (reserves)	17,671.018	15,777.624
Revaluation surplus	2,644.759	22,744.222
Retained net profit	3,438.668	3,585.557
Net profit for the current year	1,007.035	917.724
LONG-TERM PROVISIONS	844.544	307.032
LONG-TERM LIABILITIES	8,558.963	3,531.516
Long-term financial liabilities	7,939.258	3,507.721
Long-term operating liabilities	11.425	23.796
Deferred tax liabilities	608.280	0
SHORT-TERM LIABILITIES	3,367.022	8,050.433
Short-term financial liabilities	191.599	4,016.379
Short-term operating liabilities	3,175.424	4,034.054
ACCRUED EXPENSES AND DEFERRED REVENUES	485.937	317.455
OFF-BALANCE-SHEET LIABILITIES	1,807.966	3,330.952

Table 8: First-Quarter Income Statement, January to March - 2006 and 2005

(in millions of tolar)

	January - March 2006	January - March 2005
OPERATING REVENUES	6,076.044	4,716.666
1. NET SALES REVENUES	6,020.638	4,424.770
a. Revenues from services rendered - domestic market	1,170.410	832.184
b. Revenues from services rendered - foreign markets	4,850.228	3,592.586
2. CHANGE IN THE VALUE OF PRODUCT INVENTORIES	0	0
3. CAPITALISED OWN PRODUCTS AND SERVICES	0	0
4. OTHER OPERATING REVENUES	55.406	291.896
OPERATING COSTS	-4,862.751	-3,726.608
5. COSTS OF MATERIALS, GOODS AND SERVICES	-2,284.244	-1,641.058
a. Historical Cost of Materials and Goods	0	-531
b. Costs of Services	-1,984.929	-1,403.967
c. Costs of Goods	-299.315	-236.559
6. LABOUR COSTS	-1,291.811	-1,039.547
a. Cost of salary and wage remuneration	-960.400	-728.892
b. Cost of social insurance contributions	-167.080	-154.335
c. Other labour costs	-164.331	-156.320
7. DEPRECIATION AND WRITE-OFF OF ASSETS	-818.206	-797.312
a. Depreciation	-776.158	-766.964
b. Revaluated operating expenses for fixed assets	0	0
c. Revaluated operating expenses for current assets	-42.048	-30.347
8. OTHER OPERATING EXPENSES	-368.490	-248.691
PROVISIONS	-100.000	
OPERATING PROFIT	1,213.294	990.057
9. REVENUES FROM PROFIT PARTICIPATION	9.098	9.768
a. - in LK Group companies	0	0
b. - in associated companies	0	0

c. - in other enterprises	0	0
d. - from other investments	9.098	9.768
10. FINANCIAL REVENUES FROM LOANS GRANTED	2.741	95.125
a. - to LK Group companies	0	0
b. - to others	2.741	95.125
11. FINANCIAL REVENUES FROM OPERATING RECEIVABLES	79.969	103.547
a. - from LK Group companies	0	0
b. - from others	70.416	76.002
c. - from exchange-rate gains	9.553	27.545
12. FINANCIAL EXPENSES FROM IMPAIRMENT AND WRITE-OFFS	0	-9.076
13. FINANCIAL EXPENSES FROM FINANCIAL LIABILITIES	-64.183	-63.925
a. Loans granted by LK Group companies	-11	-9.740
b. Loans granted by associated companies	-647	-2.206
c. Loans granted by banks	-63.525	-30.121
d. Bonds issued	0	-29
e. Other financial liabilities	0	-21.829
14. FINANCIAL EXPENSES FROM OPERATING LIABILITIES	-14.274	-7.471
a. - to LK Group companies	0	0
b. - to suppliers and bills payable	0	0
c. - to others	-108	-22
d. - from exchange-rate losses	-14.166	-7.450
NET PROFIT FROM ORDINARY ACTIVITIES	1,226.645	1,118.024
15. EXTRAORDINARY REVENUES	0	0
16. EXTRAORDINARY EXPENSES	0	0
TOTAL OPERATING PROFIT	1,226.645	1,118.024
17. CORPORATION TAX	-220.800	-200.300
18. DEFERRED TAXES	1.190	0
19. NET PROFIT FOR THE FIRST QUARTER	1,007.035	917.724

Table 9: First-Quarter Cash Flow Statement, January to March - 2006 and 2005
(in millions of tolar)

	January - March 2006	January - March 2005
A. CASH FLOWS FROM OPERATING ACTIVITIES		
a) Balance of Items in Cash Flow Statement	1,797.789	1,587.069
Operating revenues (excluding revaluations) and financial revenues from operating receivables	6,076.059	4,716.666
Operating expenses (excluding depreciation and revaluations) and financial expenses arising from operating liabilities	-4,058.660	-2,929.297
Corporation tax and other taxes not included under operating expenses	-219.610	-200.300
b) Changes in net current assets per Balance Sheet items (including accrued expenses/revenues and deferred expenses/revenues, provisions, as well as deferred receivables and tax liabilities)	565.913	-849.703
Changes in operating receivables in first quarter (January to March.)	-756.507	-612.312
Changes in deferred expenses and accrued revenues	-122.611	-125.737
Changes in deferred tax liabilities	-81.650	0
Changes in assets (sale or disposal)	0	0
Changes in inventories	0	0
Changes in operating liabilities	205.667	-183.255
Changes in accrued expenses and deferred revenues, and provisions	712.734	71.601
Changes in deferred tax liabilities	608.280	0
c) Net inflows from operating activities (a+b)	2,363.702	737.366
B. CASH FLOWS FROM INVESTMENT ACTIVITIES		
a) Inflows from investments	150.717	1,737.166
Inflows from interest and profit participation pertaining to investments	82.255	208.440
Inflows from disposal of intangible fixed assets	68.462	0
Inflows from disposal of tangible fixed assets		0
Inflows from disposal of real-estate investments		0
Inflows from disposal of long-term investments		23.511

	Inflows from disposal of short-term investments		1,505.215
b)	Outflows from investments	1,955.602	1,368.242
	Outflows for acquisition of intangible fixed assets		0
	Outflows for acquisition of tangible fixed assets	961.874	1,089.329
	Outflows for acquisition of real-estate investments		
	Outflows for acquisition of long-term investments	784.441	278.913
	Outflows for acquisition of short-term investments	209.287	
c)	Net inflows (outflows) from investment activities (a+b)	-1,804.885	368.924
C.	CASH FLOWS FROM FINANCING ACTIVITIES		
a)	Inflows from financing activities	73	0
	Inflows from paid-up capital		0
	Inflows from increased long-term financial liabilities	73	
	Inflows from increased short-term financial liabilities		0
b)	Outflows from financing activities	378.796	1,313.092
	Outflows for interest payable pertaining to financing	64.342	71.397
	Outflows for equity redemptions	241.380	
	Outflows for the payment of long-term financial liabilities		49.502
	Outflows for the payment of short-term financial liabilities	73.074	1,192.193
	Outflows for the disbursement of dividends and other shares in profit		
c)	Net inflows (outflows) from financing activities (a+b)	-378.723	-1,313.092
D.	CLOSING BALANCE OF CASH AND CASH EQUIVALENTS	508.292	23.805
x)	Net cash inflow for the first quarter (Ac + Bc + Cc)	180.094	-206.802
y)	Opening balance of cash and cash equivalents	328.198	230.607

Koper, Slovenia, 24th May 2006

3. BUSINESS PERFORMANCE OF SUBSIDIARY ENTERPRISES

Inpo d.o.o.

The operating revenues of *Luka Koper Inpo d.o.o.* amounted to 346 million tolar between 1st January and 31st March 2006, which is some 14% ahead of expectations. The company's profit from ordinary activities in the first quarter totalled 114 million tolar, whereas the net profit for the period amounted to 126 million tolar.

Pristan d.o.o.

In the first three months of 2006, *Luka Koper Pristan d.o.o.* generated operating revenues in the amount of 46.4 million tolar, which is 20% ahead of projections. Operating profit from ordinary activities totalled 8.8 million tolar, and net profit amounted to 10.5 million tolar.

Adria-Tow d.o.o.

Adria-Tow's operating revenues between January and March 2006 amounted to 223.8 million tolar, which is 24% ahead of expectations and a 29% increase on the previous year. The number of tow services provided in the aforementioned period increased by 47% to 1,303, up from 886 a year previously. The company's gross operating profit in the first quarter amounted to 82.3 million tolar, generating a net profit of 61 million tolar.

Management Board of Luka Koper d.d.