



LUKA KOPER GROUP

Non-Audited Report on Performance of
Luka Koper Group and *Luka Koper d.d.* for
2010

CONTENTS

PERFORMANCE HIGHLIGHTS OF LUKA KOPER GROUP	1
GENERAL INFORMATION	3
INTRODUCTORY NOTE.....	3
PRESENTATION OF LUKA KOPER GROUP	4
CORPORATE MANAGEMENT AND GOVERNANCE	6
SIGNIFICANT EVENTS JANUARY – DECEMBER 2010	7
RELEVANT POST-BALANCE SHEET EVENTS	10
LUKA KOPER GROUP BUSINESS REPORT	11
PERFORMANCE ANALYSIS OF LUKA KOPER GROUP	11
MARKETING AND SALES.....	17
INVESTMENT POLICY	21
LKPG SHARE INFORMATION	21
HUMAN RESOURCES MANAGEMENT	24
EXPECTATIONS FOR THE YEAR AHEAD	25
CONSOLIDATED FINANCIAL STATEMENTS OF	26
LUKA KOPER GROUP	26
NON-CONSOLIDATED FINANCIAL STATEMENTS.....	32
OF LUKA KOPER D.D.....	32

PERFORMANCE HIGHLIGHTS OF LUKA KOPER GROUP

(in euros)	January - December 2008	January - December 2009	January - December 2010	Indices 2010/2009
From the Income Statement				
Operating revenues	137,228,249	116,124,640	127,738,667	110
Operating profit (EBIT)	23,604,051	-8,178,700	14,184,563	-
Simplified cash flow (EBITDA) ¹	42,676,582	13,919,625	40,453,361	291
Financing loss	-7,222,303	-63,993,515	-15,243,200	24
Pre-tax profit	16,381,748	-72,172,215	-1,058,637	-
Net profit	17,240,065	-66,602,514	-1,646,465	-

¹ Operating profit + amortisation

(in euros)	31. 12. 2008	31. 12. 2009	31.12. 2010	Indices 2010/2009
From Balance Sheet Statement				
Balance Sheet total	556,610,484	531,672,019	503,879,812	95
Long-term assets	509,161,404	505,003,934	458,449,121	91
Short-term assets	47,449,079	26,668,086	45,430,691	170
Equity	311,059,034	247,410,497	245,600,974	99
Long-term liabilities	116,475,883	166,936,750 ²	173,793,930	104
Short-term liabilities	129,075,567	117,324,774	84,484,908	72
Financial liabilities	201,358,206	234,538,592	226,269,650	96

² In 2009, due to impairment of financial investments, *Luka Koper d.d.* failed to meet some financial obligations determined in long-term loan agreements. In compliance with IAS 1.65, €105 million were reclassified from long-term to short-term financial liabilities. Financial liabilities as of 31st December 2010 are reported at their original maturity. Due to specific circumstances *Luka Koper d.d.* was subject to in 2009 and regular servicing of all financial liabilities, the company received the approval of a waiver request for fiscal 2010 financial liabilities from all its commercial bank creditors.

(as a percentage)	January - December 2008	January - December 2009	January - December 2010	Indices 2010/2009
Indicators				
Return on sales (ROS)	17.20%	-7.04%	11.10%	-
EBITDA margin	31%	12%	32%	264
Net return on equity (ROE)	5.3%	-23.9%	-0.7%	3
Net return on assets (ROA)	3.4%	-12.2%	-0.3%	3
Financial liabilities / equity	65%	95%	92%	97

(in euros)	January - December 2008	January - December 2009	January - December 2010	Indices 2010/2009
From Cash Flow Statement				
Investments in intangible and tangible fixed assets, and real-estate investments	146,972,022	112,589,526	20,281,263	18

SHARE INFORMATION	31.12.2008	31.12.2009	31.12.2010
Number of shares	14,000,000	14,000,000	14,000,000
Average daily market price of share (in euros)	20.97	23.84	17.56
Net earnings per share - EPS (in euros) ³	0.98	-4.23	-0.32
Price / earnings (P/E) ratio per share	21.40	-5.69	-54.88
Book value of share (in euros)	20.84	17.02	16.95
Price to book (P/B) ratio	1.01	1.40	1.04

³ Net profit for the period / number of shares issued

GENERAL INFORMATION

INTRODUCTORY NOTE

Compliant with the *Market in 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 Non-Audited Report on performance of *Luka Koper Group* and *Luka Koper d.d.* for 2010.

This Non-Audited Report on the performance of *Luka Koper d.d.* and the *Luka Koper Group* for 2010 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 28th February 2010 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 2010 was addressed by the company's Supervisory Board at its regular session held on 25th February 2010.

PRESENTATION OF LUKA KOPER GROUP

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

<i>Full title</i>	<i>Luka Koper, a public limited liability port and logistics system operator</i>
<i>Short title</i>	<i>Luka Koper d.d.</i>
<i>Registered office</i>	<i>Vojkovo Nabrežje 38, Koper, Slovenia</i> <i>Telephone: +386 (0)5 66 56 100</i> <i>Fax: +386 (0)5 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</i>
<i>Registration number</i>	<i>5144353</i>
<i>Tax number</i>	<i>SI 89190033</i>
<i>Issued share capital</i>	<i>€ 58,420,964.78</i>
<i>Number of shares</i>	<i>14,000,000 ordinary no-par-value shares</i>
<i>Shares listing</i>	<i>Ljubljana Stock Exchange, prime market</i>
<i>Share ticker symbol</i>	<i>LKPG</i>
<i>President of the Management Board</i>	<i>Dr. Gregor Veselko</i>
<i>Deputy President of the Management Board</i>	<i>Tomaž Martin Jamnik</i>
<i>Member of the Management Board</i>	<i>Marko Rems</i>
<i>Member of the Management Board – Workers Director</i>	<i>Matjaž Stare</i>
<i>President of the Supervisory Board</i>	<i>Dr. Janez Požar</i>
<i>No. of consolidated companies</i>	<i>5</i>
<i>Luka Koper d.d. core activity</i>	<i>Seaport and logistics system operator and service provider</i>
<i>Luka Koper Group activities</i>	<i>Various support and ancillary services in relation to core activity</i>

As of 31st December 2010, the *Luka Koper Group* was – in addition to the parent company *Luka Koper d.d.* – comprised of the following subsidiary enterprises:

SUBSIDIARY COMPANIES	Percentage stake held by Luka Koper d.d.
Adria Investicije d.o.o.	100%
Luka Koper INPO d.o.o.	100%
Luka Koper Pristan d.o.o.	100%
Adria Terminali d.o.o.	100%

As of 31st December 2010, *Luka Koper d.d.* also reports financial investments in jointly-controlled and associated companies in which it exerts a significant influence:

JOINTLY-CONTROLLED AND ASSOCIATED COMPANIES	Percentage stake held by Luka Koper d.d.
Adria-Tow d.o.o.	50%
Adria Transport d.o.o.	50%
Adriaфин d.o.o.	50%
Avtoservis d.o.o.	49%
TOC d.o.o.	47.82%
Railport Arad s.r.l.	33.33%
Golf Istra d.o.o.	20%
Ecoporto Koper d.o.o.	98%
Adriasole d.o.o.	98%

Changes to the associated and jointly-controlled companies from January to December 2010 were as follows:

- Congruent with the notarial record of 28th January 2010, the company *Eco-Morje d.o.o.* is wound up following summary proceedings without liquidation. The company was dormant.
- Congruent with the notarial record of 28th January 2010, the company *Ecopark d.o.o.* is wound up following summary proceedings without liquidation. The company was dormant.
- A change in the shareholding of *Adria Terminali d.o.o.* was registered on 12th March 2010. In addition, *Luka Koper* purchased a forty-nine percent stake from the Slovak company *Spedition Trade Trans Holding a.s.*, thus becoming the 100 % shareholder of

Adria Terminali d.o.o. At the same time, *Luka Koper d.d.* relinquished its holding in *Trade Trans Terminal s.r.l.* (Arad), in which it had held a seventeen-percent stake.

- In December 2010, the *Luka Koper* Management Board initiated a public tender procedure for the disposal of its 24.81-percent shareholding in *Intereuropa d.d.*; as a consequence, the erstwhile long-term financial investment was reallocated in short-term assets (disposal group) held for sale.
- The companies *Ecoporto Koper d.o.o.* and *Adriasole d.o.o.* are not controlled in compliance with the provisions of the International Accounting Standards IAS 27 (13). *Luka Koper d.d.* holds a 98-percent stake in both companies, but in accordance with their memoranda of association, decision-making in these enterprises requires the consent of both stakeholders. In accordance with the provisions of IAS 28 (7), *Ecoporto Koper d.o.o.* and *Adriasole d.o.o.* are classified as associated companies.

The company *Luka Koper Deutschland GmbH* is in liquidation, whereas the liquidation procedures for *Kopinvest Netherlands B.V.* and *Luka Koper Beograd d.o.o.* have been completed.

CORPORATE MANAGEMENT AND GOVERNANCE

Luka Koper d.d. Management Board

As of 31st December 2010, the *Luka Koper* Management Board was as follows:

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

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

Luka Koper d.d. Supervisory Board

On 21st October 2010, Boris Popovič, member of the Supervisory Board, requested to be discharged from his position as a Supervisory Board member. The reasons given for this resignation pertained to compliance with the provisions of Article 27 of Public Sector Integrity Act RS. Since this time, the Supervisory Board has acted with eight members, which still guaranteed a quorum.

As of 31st December 2010, the Supervisory Board was comprised of the following members:

Representatives of shareholders:

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

Representatives of employees:

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

SIGNIFICANT EVENTS JANUARY – DECEMBER 2010

MARCH

Marko Rems assumed his position as the third member of the Management Board; he had been endorsed by the Supervisory Board on 6th November 2009.

By purchasing a 49-percent stake from the Slovak company *Spedition Trade Trans Holding a.s.*, *Luka Koper d.d.* became the sole shareholder of the company *Adria Terminali d.o.o.* which operates the logistics centre in Sežana. At the same time, *Luka Koper d.d.* withdrew from the company *Trade Trans Terminal s.r.l.* (Arad) in which it had held a seventeen-percent stake.

At the 17th General Assembly meeting, shareholders adopted the resolution that the *Luka Koper d.d.* Management Board is obliged - within six months of said Assembly meeting - to bring an action for compensation of damages which the company incurred in relation to certain business transactions and as a consequence of violations of obligation by the erstwhile management and/or supervisory bodies. Compliant with the counter-proposal by the shareholders *KAD* (Capital Fund) and *SOD* (Slovenian Restitution Fund), which was also endorsed by the Republic of Slovenia as the majority shareholder, *Pricewaterhouse Coopers d.o.o.* auditors were accordingly obliged to supplement their Special Audit Report in relation to four further areas.

APRIL

Luka Koper d.d. and the *SID Bank* sign a 15-year 30-million-euro loan agreement to finance the completion of the Container Terminal extension at Pier I of the Port of Koper.

JULY

At the 18th General Assembly of *Luka Koper d.d.*, held on 19th July 2010, shareholders:

- were introduced to the 2009 Annual Report;
- were made aware of the fact that in 2009, *Luka Koper d.d.* generated a net loss in the amount of € 59,191,002.63; thus there is no distributable profit for fiscal 2009. The loss has been covered through the release of revenue reserves formed in previous years;
- voted against the endorsement of the following Management and Supervisory Board members for 2009:
 - Robert Časar, as President of the company's Management Board prior to 15th June 2009;
 - Aldo Babič, as Deputy President of the company's Management Board prior to 15th June 2009;
 - Marjan Babič, as a Member of the company's Management Board prior to 11th September 2009;
 - Boris Marzi, as Workers Director and Management Board Member prior to 11th September 2009;as well as voted against the endorsement of the work of Supervisory Board prior to 13th July 2009.
- endorsed Dr. Gregor Veselko, as Management Board President since 16th June 2009; endorsed Tomaž Martin Jamnik, as Management Board Deputy President since 16th October 2009; and endorsed the Supervisory Board executing its function since 14th July 2009;

- appointed the auditors *Ernst & Young d.o.o.*, Dunajska cesta 111, Ljubljana, as external auditors of *Luka Koper d.d.* and the *Luka Koper Group* for fiscal 2010.
- adopted proposed amendments to *Luka Koper's* Statute among which, in addition to harmonisation with the provisions of the Companies Act, are also the following:
 - the provision that the company's main objective is to maximise the enterprise value in accordance with the *Corporate Governance Code*,
 - the provision related to the competence and composition of the Supervisory Board,
 - expansion of the Management Board with an additional member entering into force a year after the resolution's adoption,
- were introduced to *Luka Koper d.d.'s* Special Audit Report of 20th April 2010 undertaken by the auditors *Pricewaterhouse Coopers*,
- adopted a resolution on the amendment of the resolution adopted at the 17th General Assembly of Shareholders as to bringing actions for compensation of damages incurred in relation to certain business transactions and as a consequence of violations of obligations by the former management and/or supervisory bodies.

Two minority shareholders present at the General Assembly meeting stated their intention to bring challenging actions in relation to the adopted Assembly resolutions on amendments to the Company Statute of *Luka Koper d.d.*.

AUGUST

Luka Koper's Management and Supervisory Boards released a joint statement saying that *Luka Koper d.d.* is ready to constructively co-operate in the preparation of expert analyses on the establishment of a so-called *Slovene Logistics Holding*. Nevertheless, a final decision on this merger will be adopted on the basis of actual proposal.

SEPTEMBER

At the competent court in Koper, *Luka Koper d.d.* brought actions for damages against the former Management Board in the total amount of € 32,613,381. The subject of the actions against the former Management Board include business deals with the company *Grafist*, acquisition and demolition of warehouses at the Passenger Terminal in Koper, the acquisition of real-estate in relation to the *Luna* premises in Sežana, cost eligibility of investment management of the Pier I extension, deals in relation to the companies *Adriasole d.o.o.* and *Ecoporto d.o.o.*, as well as the acquisition of a shareholding in the Slovak company *Trade Trans Invest s.r.l.* As to the latter, action for damages was also brought against the erstwhile Supervisory Board. In bringing these actions, the company's Management Board met the resolutions adopted at 17th and 18th General Assembly of *Luka Koper d.d.* shareholders.

OCTOBER

At its session of 18th October 2010, the Supervisory Board appointed Matjaž Stare as the Workers Director Management Board member for a five-year term. Compliant with the Worker Participation in Management Act, his appointment was proposed by the *Luka Koper d.d.* Works Council.

Boris Popovič presented a request to be discharged from his position as a member of the *Luka Koper* Supervisory Board.

NOVEMBER

The company hosted its traditional *Luka Koper Days* in its most important foreign markets. Social gatherings held in Budapest, Bratislava and Vienna were attended by about 350 foreign business partners and quite a number of Slovene logistics providers.

DECEMBER

On the basis of the interest demonstrated in the acquisition of *Luka Koper*'s holding in *Intereuropa d.d.*, and in compliance with its adopted segmentation and financial investment management policy, the company's Management Board decided to initiate a public tender for the disposal of its shares in *Intereuropa d.d.*

On 14th December 2010, *Luka Koper d.d.* received a request from Slovenia's Securities Market Agency to clarify facts and circumstances as to its actions, together with other shareholders of *Abanka Vipava d.d.*, in acting in a concerted manner that would lead – in compliance with the provisions of the Takeovers Act RS – to an eventual obligation to make a formal takeover bid for *Abanka Vipava d.d.*

RELEVANT POST-BALANCE SHEET EVENTS

Congruent with the provisions of the Takeovers Act RS, *Luka Koper d.d.* received a request from the Securities Market Agency RS to clarify facts and circumstances relevant to its consideration that *Luka Koper d.d.* has, together with other major shareholders of *Krka d.d.*, *Zavarovalnica Triglav d.d.*, *Petrol d.d.* and *Telekom Slovenije d.d.*, been acting in a concerted manner leading to a possible eventual obligation to make formal takeover bids for the aforementioned companies.

On 10th February 2011, the *Luka Koper* Management Board received a resolution on industrial action by the management committee of the *Luka Koper Crane Operators Trade Union* (SŽPD), anticipated to commence on 22nd February 2011 unless their demands are met. Before the industrial action actually started, *Luka Koper d.d.* Management Board and the strike committee of the SŽDP came to an agreement on strike withdrawal. Both parties agreed to continue and conclude negotiations in three months.

LUKA KOPER GROUP BUSINESS REPORT

PERFORMANCE ANALYSIS OF LUKA KOPER GROUP

In 2010, *Luka Koper Group* generated € 127.7 million in operating revenues, which is ten percent ahead of 2009. More detailed analysis of cargo throughput and revenues by individual cargo type and market is provided further in this report under the section Marketing: Cargo Types and Markets.

Figure1: Luka Koper Group operating revenues in 2008, 2009 and 2010

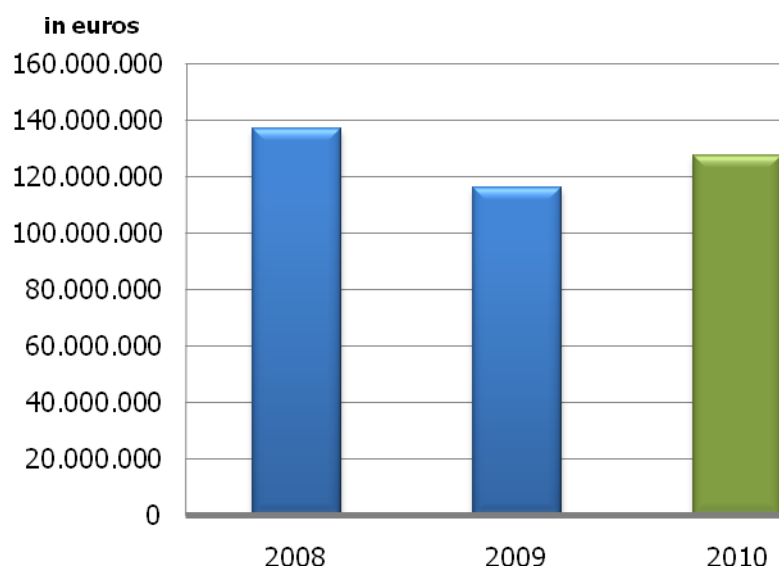
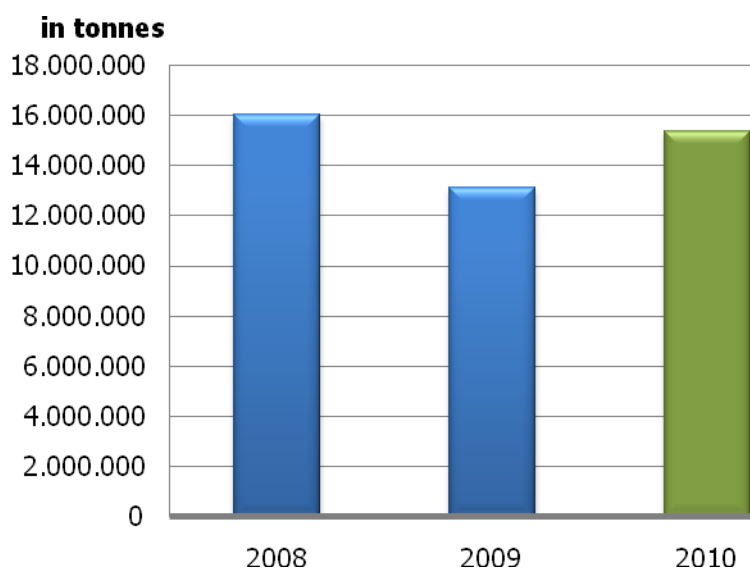


Figure 2: Cargo throughput in 2008, 2009 and 2010



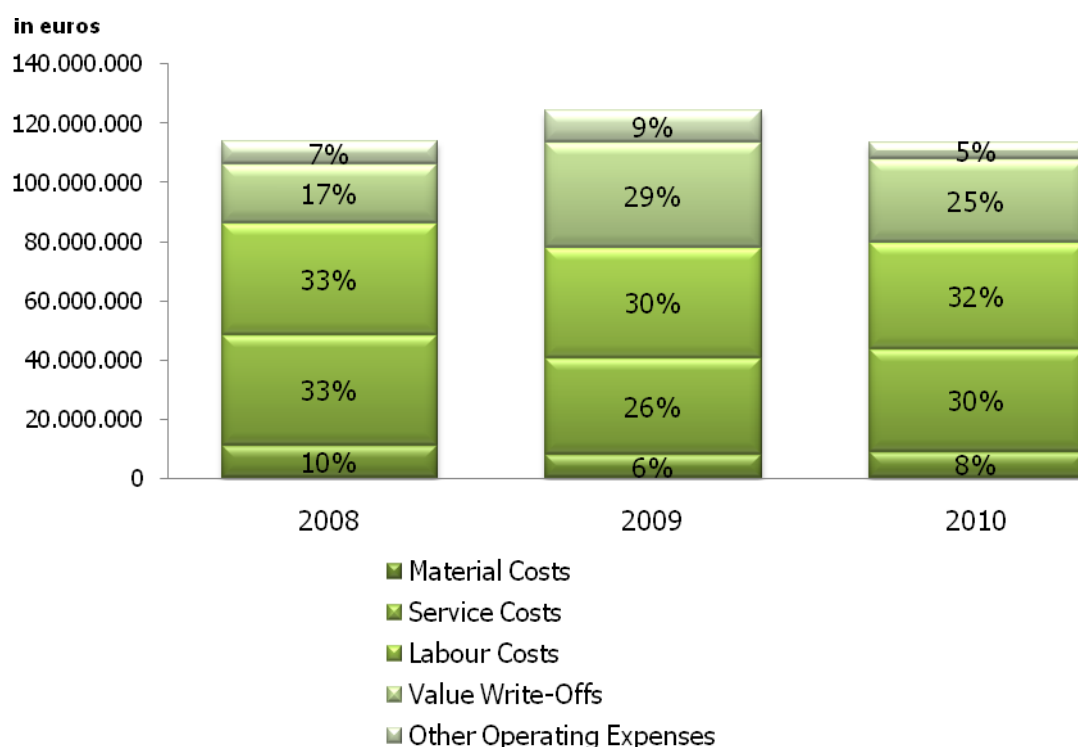
The revenues of the parent company *Luka Koper d.d.* increased by ten percent on 2009 level and account for ninety-three percent of total operating revenues of the *Luka Koper Group*.

Cargo throughput at the port, one of the principal indicators of the physical volume of operations, exhibited a year-on increase of seventeen percent. The growth in sales revenues doesn't meet the upward trend in cargo throughput, which can be attributed to the more rapid turnover of cargo at the port and the resultant down-turn in revenues from storage charges.

Revenues of associated companies account for seven percent of total *Group* revenues. The *Sežana Terminal* recorded a nineteen percent up-turn, whereas the provision of maintenance, manufacture and municipal services generated a twelve percent increase on 2009 levels. The provision of hospitality and catering services exhibited a fifteen percent decline in revenues.

OPERATING EXPENSES

Figure 3: Structure of Luka Koper Group operating expenses in 2008, 2009 and 2010



In 2010, *Luka Koper Group* operating expenses amounted to € 113.6 million, which is a nine percent decline on the previous year.

MATERIAL COSTS

Material costs in the amount of € 1 million are thirteen percent up on 2009. This can be attributed to increase consumption of energy, mainly fuel, due to cargo throughput increase and handling operations in storage areas.

SERVICE COSTS

Service costs, in the amount of € 34.4 million, were five percent ahead of the 2009 level. More than one-third of service costs, which rose by fifteen percent on 2009, can be attributed to port service providers.

In addition, maintenance costs in the amount of € 8.5 million - equal to seven percent of operating revenues - recorded a twenty-two percent increase. The major portion of other service costs can be attributed to IT support, the concession fee, as well as the receipt and dispatch of rail-freight wagons. The *Luka Koper Group* allocated € 3.2 million to the modernisation and maintenance of its information system, whilst the concession fee for 2010 amounted to € 4 million.

LABOUR COSTS

Labour costs, accounting for thirty-two percent of total operating expenses, amounted to € 36 million, which is two percent down on the 2009 figure. Labour costs, together with port service providers' costs, account for forty-three percent of total *Group* expenses, or thirty-nine percent of total operating revenues. Labour costs, together with port service providers' costs, rose by two percent on 2009 and amounted to a total of € 48 million.

VALUE WRITE-OFFS

Amortisation, a consequence of intensive investments in previous years, rose by € 4.2 million, which is a nineteen percent increase. Operating receivables were revaluated downwards by € 1.9 million as a consequence of impairment.

PROVISIONS, AND ACCRUED EXPENSES AND DEREFFED REVENUES

In 2010, the company formed and cancelled provisions for rewards for years of service and severance pays, damages as well as accrued expenses and deferred revenues. As of 31st December 2010, the amount of cancelled provisions from previous years exceeded those newly formed in 2010 by € 287,000.

OPERATING PROFIT

The *Luka Koper Group* generated € 40.4 million in cash flow from operations (EBITDA) in 2010. Operating profit stood at € 14.2 million.

FINANCIAL REVENUES AND EXPENSES

The surplus of financial expenses over financial revenues amounted to € 15.2 million. The loss is primarily attributable to the outflows from financing activities, i.e. interest payable on loans hired, as well as the impairment of some investments. Financial expenses from interest payable amount to € 8.6 million, whilst those from the impairment of financial investments total € 8.7 million.

PROFIT FOR THE PERIOD

As a result of the financing loss, the operating pre-tax loss amounted to € 1.06 million. In 2010, the net loss experienced by the *Luka Koper Group* amounted to € 1.6 million.

ASSETS

As of 31st December 2010, the value of total assets amounted to € 503.9 million, which is a year-on decline of five percent. Tangible fixed assets amounting to € 374 million and € 50 million in long-term financial investments account for major portion of long-term assets. The value of tangible fixed assets recorded a downturn on 31st December 2009, in particular due to their revaluation and a decreased volume of infrastructure investments.

As of 31st December 2010, long-term financial investments were down by thirty-nine percent year on. On 31st December 2010, the holding in *Intereuropa d.d.* was reallocated to short-term assets (disposal group) for sale at its book value. Eventual required adjustments (to fair value, reduced by disposal costs) will be executed upon the completion of company's financial statements audit. In addition, the reduction of long-term financial investments also results from the sale of securities and the decline of share prices of investments in securities held for trade.

The decrease in short-term financial investments relates to the reduction of short-term bank deposits.

EQUITY AND LIABILITIES

As of the end of 2009, *Luka Koper Group* equity, which accounts for forty-nine percent of total equity and liabilities, fell by € 1.8 million.

Long-term provisions also recorded a year-on decrease of € 1.8 million.

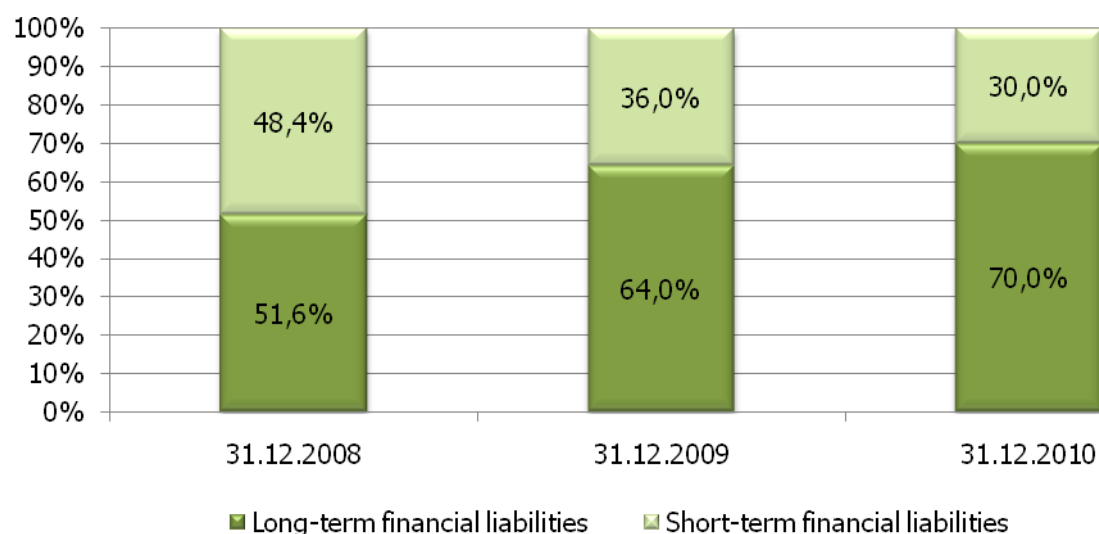
As to the end of 2009, short-term accounts payable decreased by € 15.5 million (49%), which can for the most part be attributed to a reduction in accounts payable for fixed assets.

FINANCIAL LIABILITIES

Luka Koper Group financial liabilities decreased by € 8.3 million in 2010; totalling € 226.3 million they account for 45 percent of balance sheet total.

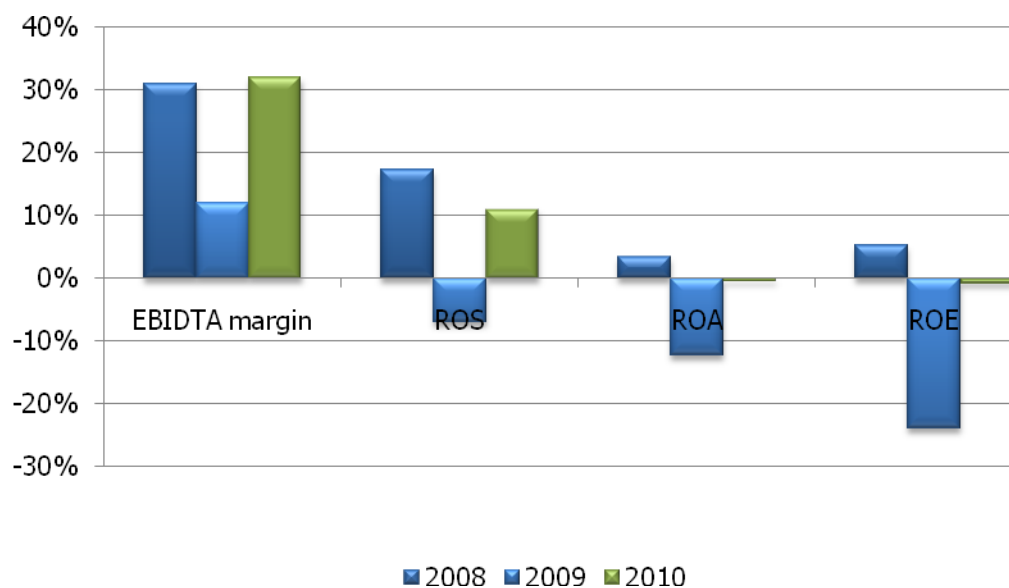
In 2009, due to impairment of financial investments, *Luka Koper d.d.* failed to meet some financial obligations determined in long-term loan agreements. In compliance with IAS 1.65, €105 million were reclassified from long-term to short-term financial liabilities. Financial liabilities as of 31st December 2010 are reported at their original maturity. Due to specific circumstances *Luka Koper d.d.* was subject to in 2009 and regular servicing of all financial liabilities, the company received the approval of a waiver request for fiscal 2010 financial liabilities from all its commercial bank creditors.

Figure 4: Structure of the financial liabilities of the Luka Koper Group by their initial maturity



PERFORMANCE INDICATORS

Figure 5: Performance indicators in 2008, 2009 and 2010



MARKETING AND SALES

In 2010, cargo throughput amounted to 15,372,045 tonnes, which is a year-on increase of seventeen percent. The trend of throughput growth continues, with the largest rises being seen in container freight, bulk and break bulk cargos and vehicles.

Cargo structure and revenues by cargo type

Table 1: Throughput by cargo type in 2008, 2009 and 2010

CARGO TYPE (in tonnes)	January – December 2008	January – December 2009	January – December 2010	Indices 2010/2009
General cargos	1,468,724	1,418,124	1,445,631	102
Containers	3,029,595	3,064,006	4,302,542	140
Vehicles	776,156	418,790	533,300	127
Liquid cargos	2,875,366	2,667,299	2,727,013	102
Bulk and break bulk cargos	7,900,610	5,575,403	6,363,557	114
Total	16,050,451	13,143,622	15,372,043	117

Table 2: Container throughput (in TEUs) and vehicles (in units) in 2008, 2009 and 2010

CARGO TYPE	January – December 2008	January – December 2009	January – December 2010	Indices 2010/2009
Containers – in TEUs	353,880	343,165	476,731	139
Vehicles – in units	567,271	313,679	378,318	121

Table 3: Operating revenues by cargo types in 2008, 2009 and 2010

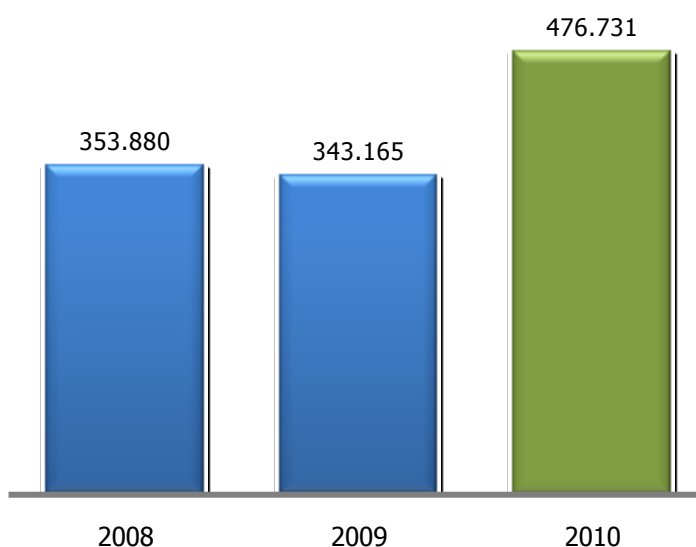
REVENUES (in euros)	January – December 2008	January – December 2009	January – December 2010	Indices 2010/2009
General cargos	30,738,967	27,795,662	29,396,357	106
Containers	16,884,097	17,194,899	23,975,083	139
Vehicles	22,031,808	14,004,619	12,356,173	88
Liquid cargos	3,920,886	5,634,672	6,269,203	111
Bulk and break bulk cargos	37,422,260	32,107,054	30,963,060	96
Other	26,230,231	19,387,734	24,778,791	128
Total	137,228,249	116,124,640	127,738,667	110

Container Freight

With a record throughput of 476,731 TEUs and year-on growth of thirty-nine percent, *Luka Koper* has preserved its pre-eminent position among the Northern Adriatic ports. The major portion of containers handled was for the Slovene and Hungarian markets, whilst growth was recorded in nearly all hinterland markets. Record growth in container throughput can definitely be attributed to co-ordinated sales activities resulting in new container freight services with the Far East.

In 2010, the growth in revenues is practically parallel to that of container throughput measured in TEUs.

Figure 6: Container throughput in 2008, 2009 and 2010 (in TEU)

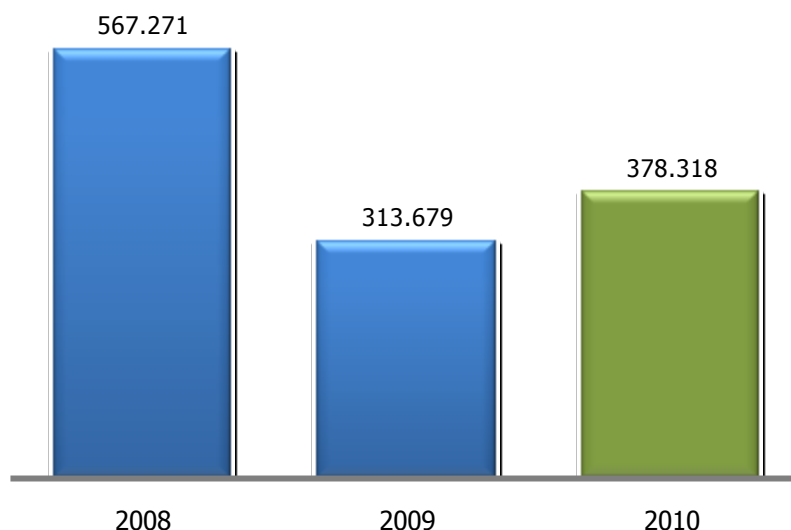


Vehicles

The total number of vehicles handled by *Luka Koper's* Car Terminal amounted to 378,318 units, which is a year-on increase of twenty-one percent. The throughput growth can mainly be attributed to larger quantities of vehicles shipped to/from the Mediterranean countries due to the fact that an increasing number of Asian car manufacturers have established assembly plants in Europe.

A large number of vehicles were stored in the port during 2009, which wasn't the case in 2010. The reduction of stock in storage is attributable to increased sales of vehicles in accordance with production, as well as distributors' and agents' priority to cut down on expenses and stock levels. The year-on substantial reduction in vehicle stocks is evident in accordingly reduced storage revenues.

Figure 7: Vehicle throughput in 2008, 2009 and 2010 (units)



General Cargos, Fruit and Timber

General cargo throughput recorded a year-on increase of two percent; steel, alumina and heavy cargos in particular, were all up. The global trend towards containerisation, particularly as regards paper, cellulose and PVC, is also evident as regards the structure of throughput at the General Cargo Terminal. Further to this, the volume of project cargos also increased.

Fruit Terminal operations also recorded a rise in containerised fresh fruit and perishables throughput, and the Port of Koper remains an important node in the import of bananas to Central Europe.

Despite reduced storage capacities, throughput at the Timber Terminal is increasing, which can mainly be attributed to exports of sawn coniferous timber to the Middle East and North Africa.

2010 revenues from general cargos exceeded those for 2009, in particular due to an upturn in the handling of containerised general cargo.

Liquid Cargos

Liquid cargo throughput recorded a two percent increase in 2010, whilst revenue growth significantly exceeded the rise in volumes handled.

Bulk and Break Bulk Cargos

In 2010, iron ore and coal shipments handled by the Energy Terminal were above 2009 levels, which can mainly be attributed to an upturn in the Austrian economy as well as increased production at Austria's steel-works.

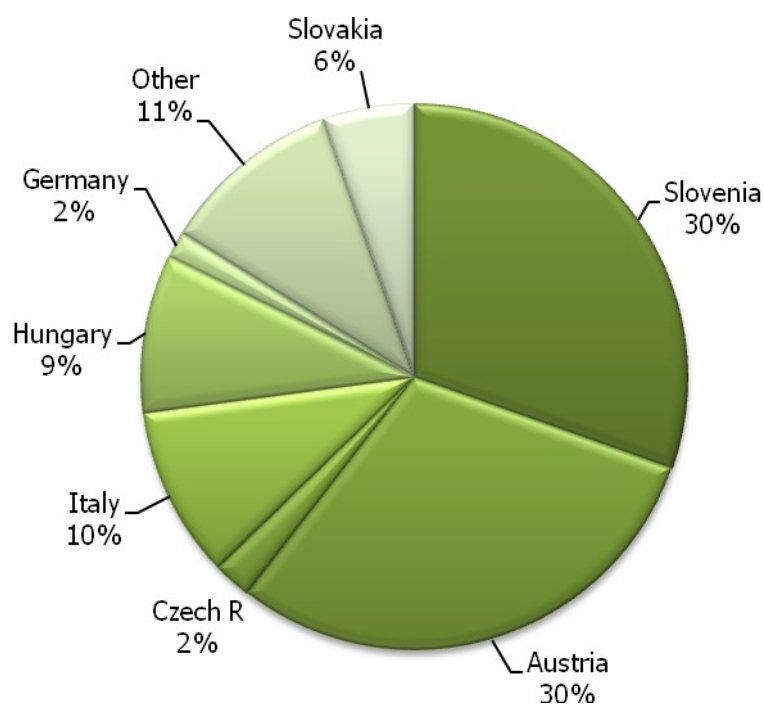
Bulk Cargo witnessed a record throughput of soya, whereas cereal volumes declined due to the poor harvest in Hungary and the viability of the Danube transport route as a cheaper alternative. Further to this, there was also a decline in the throughput of alumina, but a long-term lease agreement for warehousing has assured regular income and uniform cash flow.

Income from bulk and break bulk cargos recorded a year-on downturn due to the decline in storage revenues.

Cargo throughput and sales by market

About one-third of total cargo throughput at the Port of Koper pertains to the Slovene (domestic) market. The largest growth was achieved with regard to the Austrian market, whilst the year-on decline in the Italian market was a consequence of reduced demand for coal imports destined for Italy's thermal power stations.

Figure 8: Cargo throughput by market in 2010



INVESTMENT POLICY

In 2010, the company focused on selective infrastructure investments within the port that were essential to the more intensive performance of core activities. Thus the major portion of funds was allocated to increasing capacities at the Liquid Cargo Terminal, storage facilities at the Container Terminal, and the ongoing development of the General Cargo Terminal and Fruit Terminal.

New alcohol storage tanks

Comprised of seven tanks – two larger and two smaller ones – with a total capacity of 31,360 m³, *Luka Koper's* new Alcohol Terminal operates as a Central European distribution centre for alcohol derivatives. The Terminal has its own tanker berth as well as all requisite reception, storage and dispatch equipment and installations. In addition, this new facility benefits from the latest environment-friendly technology and enjoys efficient fire protection installations.

New facilities at the Container Terminal

Additional works in the reclamation of the hinterland area behind Berth 7A/1 got underway during 2010. Infill reclamation and the construction of a platform created further container storage areas and quayside access routes; rainwater runoff and sewerage systems are also provided by way of this development.

Storage facilities for general cargos

Due to the ongoing rise in general cargo throughput, the company has engaged in the regulation of the area around Berth 12. The investment includes the removal of the preload embankment together with the disposal of materials, asphaltting some 11,300 m² of quayside hinterland, the regulation of water discharge and lightning provision. This development shall facilitate the storage of cargos closer to the quayside, thus reducing transportation costs to more distant storage facilities.

Additional temperature and humidity controlled warehousing has been constructed at the Fruit Terminal to meet the distribution requirements of perishables; the provision of facilities for the sorting and rehabilitation of perishables is also underway.

LKPG SHARE INFORMATION

As of 31st December 2010, *Luka Koper* had a total of 14,198 shareholders, which is five percent less than a year previously. The ten largest shareholders held 75.79 percent of all *Luka Koper d.d.* stock. The largest shareholder remains the state - the Republic of Slovenia - which enjoys a 51 percent stake.

Table 4: *Luka Koper*'s ten largest shareholders as of 31st December 2010

No.	Shareholder title	No. of shares	Voting rights
1.	Republika Slovenija	7,140,000	51.00%
2.	Slovenska odškodninska družba d.d.	1,557,857	11.13%
3.	Kapitalska družba d.d.	712,304	5.09%
4.	Mestna občina Koper (Koper municipality)	466,942	3.34%
5.	KD Galileo, fleksibilna struktura naložb	152,265	1.09%
6.	KD ID, delniška ID, d.d.	149,849	1.07%
7.	Perspektiva FT d.o.o.	125,895	0.90%
8.	Delniški vzajemni sklad Triglav Steber I	114,859	0.82%
9.	Zavarovalnica Triglav d.d.	104,756	0.75%
10.	Ms. Nevenka Vidmar	85,719	0.61%
TEN LARGEST SHAREHOLDERS - TOTAL		10,610,446	75,79%
TOTAL SHARES		14,000,000	100,00%

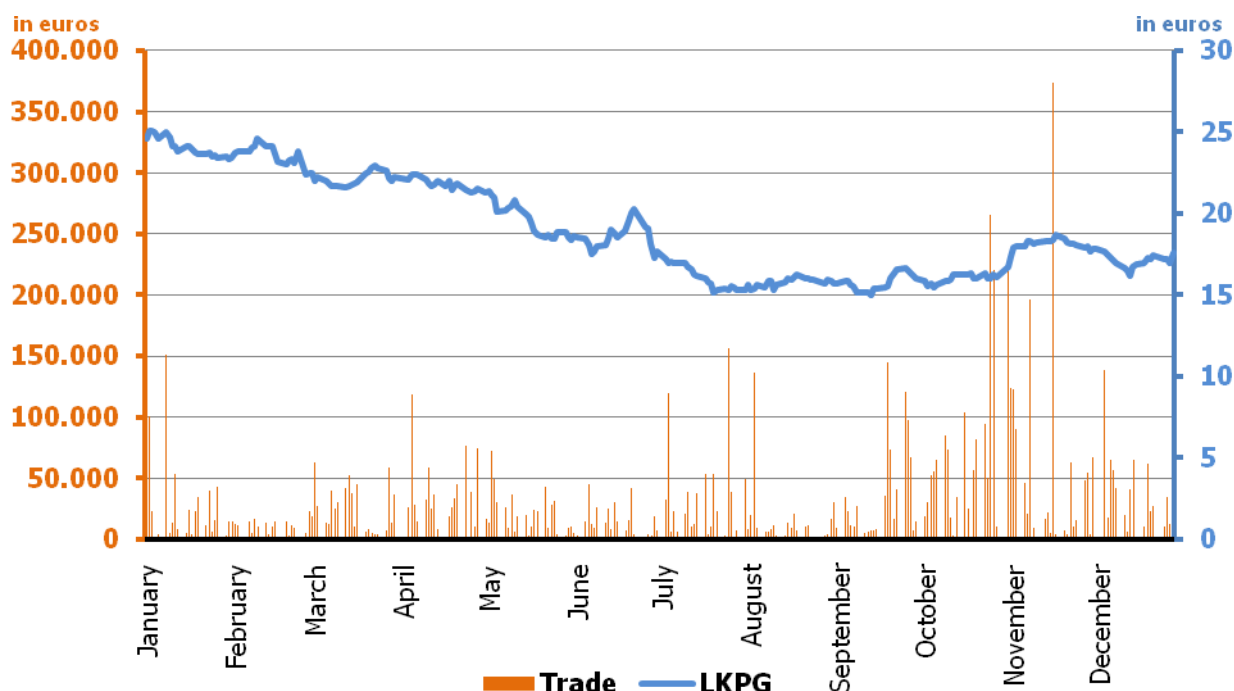
Trading in *Luka Koper d.d. (LKPG)* Shares

Table 5: Information on the LKPG share

	2008	2009	2010
Number of shares as of 31 st December 2010	14,000,000	14,000,000	14,000,000
Ordinary shares	14,000,000	14,000,000	14,000,000
Market capitalisation as of 31 st December (in million €)	811.44	333.76	245.84
Turnover (all transactions) January to December (in million €)	35.75	12.05	8.2
Lowest daily trading price January to December (in €)	20.45	18.80	15.02
Peak daily trading price January to December (in €)	89.97	29.00	25.10
Trading daily price as of 31 st December (in €)	20.97	23.84	17.56

The average daily price of the *Luka Koper d.d.* share during 2010 was € 19.03, whereas its value during this period fluctuated between 15 and 25 euros. A total of 3,452 transactions and block trades were accomplished in LKPG shares during the period, and the total value of these trades amounted to € 8,204,336, with 454,189 shares changing ownership. The peak market share price was € 25.23, while its lowest price was € 14.96.

Figure 9: Movement of the LKPG daily trading price and daily trade during 2010



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

As of 31st December 2010, the following members of the *Luka Koper d.d.* Supervisory Board held shares in the company:

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

As of 31st December 2010, the following members of the *Luka Koper d.d.* Management Board held shares in the company:

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

Dividend Policy

In the past, the company apportioned approximately one-half of net profits as dividends to shareholders. In 2010, *Luka Koper d.d.* generated net loss in the amount of € 450,442 and upon the compilation of financial statements for 2010 covered the loss through the release of revenue reserves. Based on the resolution adopted by 18th General Assembly, the company did not disburse any dividends for 2009.

Book Value of Share

As of 31st December 2010, the book value of the share, calculated as the total value of equity divided by the total number of shares issued, amounted to 16.95 euros.

Treasury Stock, Authorised Capital, Conditional Increase in Share Capital

As of 31st December 2010, the company didn't hold treasury stock. The *Luka Koper d.d.* statute doesn't anticipate any category of authorised capital by way of which the Management Board may increase share capital. Between January and December 2010, the company has had no grounds for any conditional increase in share capital.

HUMAN RESOURCES MANAGEMENT

The reduction in personnel numbers, both within *Luka Koper d.d.* and the *Group* as a whole, continued throughout 2010. As of 31st December 2010, the *Luka Koper Group* had 997 employees.

Table 6: Number of employees per companies in the Luka Koper Group

Company	31.12.2008	31.12.2009	31.12.2010	Indices 2010/2009
Luka Koper d.d.	786	768	748	97
Luka Koper INPO d.o.o.	241	220	213	97
Luka Koper Pristan d.o.o.	14	8	6	75
Adria Terminali d.o.o.	35	35	30	86
Adria Investicije d.o.o.	0	0	0	-
TOTAL	1,076	1,031	997	97

The reduction in the number of employees in the *Luka Koper Group* is due to the constraint on recruitment, an increased number of retirements, improved internal organisation and optimisation of the number of employees per organisational units.

EXPECTATIONS FOR THE YEAR AHEAD

The *Luka Koper Group* business plan for 2011 was adopted by the company's Supervisory Board on 20th December 2010. In 2011, *Luka Koper Group* anticipates the generation of operating revenues in the amount of € 132.1 million, and € 14.5 million in operating profit, whereas *Luka Koper d.d.* shall generate operating revenues in the amount of € 126.6 million and € 14.2 million in operating profit. Net profit for 2011 is forecast at € 7.6 million for the Group of which *Luka Koper d.d.* shall generate € 6.7 million.

Anticipated cargo throughput in 2011 amounts to 16.4 million tonnes. Further growth in container freight is anticipated over the coming year, though at a lower rate than in 2010. Uncertainty in the automotive sector still remains, but the company nevertheless anticipates a moderate upturn in vehicle throughput as a consequence of increased production at existing and newly established plants.

In addition, moderate growth in production and international commerce is anticipated, and thereby demand for trans-continental maritime trade shall also increase.

Investments in 2011 shall be dedicated to the realisation of projects aimed at increasing facilities at the Container Terminal and the elimination of bottlenecks. Important activities include continuation of investments in temperature and humidity controlled warehouses for perishables, seabed dredging and investments in the port's electrical power infrastructure. € 32.3 million will be allocated to infrastructure investments in 2011.

The provision of an adequate type and number of suitably qualified personnel with the motivation to achieve their own success through the realisation of *Luka Koper's* own commercial objectives will be a priority in 2011, and oriented towards attaining the following additional goals:

- congruence of personnel and service provision with anticipated cargo throughput, with commensurate support processes;
- rationalisation of internal organisation and processes within *Luka Koper d.d.* and the *Group* as a whole;
- establishment (in 2011, and finalisation by the end of 2012) of appropriate ratios between employees and external contractors in compliance with human resources provision and management strategies.

CONSOLIDATED FINANCIAL STATEMENTS OF LUKA KOPER GROUP

Table 7: Income Statement of Luka Koper Group

(in EUR)	January – December 2010 Non-audited	January – December 2009 Audited
Operating revenues	127,738,667	116,124,640
1. Net sales revenues	125,175,301	113,809,418
2. Change in the value of inventories	0	0
3. Capitalised own products and services	0	0
4. Other operating revenues	2,563,366	2,315,222
Operating expenses	-113,554,104	-124,303,340
5. Costs of goods, material and services	-43,416,443	-40,721,974
6. Labour costs	-36,182,980	-37,012,329
7. Value write-offs	-28,229,078	-35,499,113
8. Other operating expenses and provisions	-5,725,603	-11,069,924
Operating profit	14,184,563	-8,178,700
Financial revenues	2,206,192	4,414,543
Financial expenses	-17,449,391	-68,408,058
Financing loss	-15,243,200	-63,993,515
Pre-tax profit	-1,058,637	-72,172,215
9. Corporation tax	391,617	-410,990
10. Deferred tax	-196,211	5,980,691
Net loss for the period	-1,646,465	-66,602,514
Basic net earnings per share (in EUR)	-0.12	-4.73

Table 8: Balance Sheet Statement of Luka Koper Group

ASSETS (in EUR)	31.12.2010 Non-audited	31.12.2009 Audited
ASSETS	503,879,812	531,672,019
A. Long-term assets	458,449,121	505,003,934
I. Intangible fixed assets and long-term deferred costs	7,422,848	7,024,047
II. Tangible fixed assets	373,840,418	387,867,394
III. Real-estate investments	17,512,207	18,438,868
IV. Long-term financial investments	50,483,441	82,826,382
V. Long-term operating receivables	41,559	220,307
VI. Deferred tax assets	9,148,648	8,626,936
B. Short-term assets	44,943,847	25,964,736
I. Assets (disposal group)	20,573,412	1,382,987
II. Inventories	12,688	13,752
III. Short-term financial investments	711,742	3,228,597
IV. Short-term operating receivables	22,968,900	20,785,066
V. Cash and liquid assets	677,106	554,334
C. Deferred expenses and accrued revenues	486,844	703,350
LIABILITIES (in EUR)	31.12.2010 Non-audited	31.12.2009 Audited
EQUITY AND LIABILITIES	503,879,812	531,672,019
Equity	245,600,974	247,410,497
A. Equity – majority shareholder	245,600,974	247,043,315
I. Called-up capital	58,420,965	58,420,965
II. Capital reserves	89,562,703	89,562,703
III. Legal reserves	18,876,842	18,876,842
IV. Other revenues reserves	58,897,945	60,544,410
V. Revaluation surplus	10,514,887	11,044,595
VI. Retained net profit	9,327,633	15,706,530
VII. Net profit for the period	-1,196,023	-7,112,730
B. Equity – minority shareholder	0	367,181
C. Provisions	12,601,083	13,884,933
D. Long-term liabilities	161,192,848	47,972,817
I. Long-term financial liabilities	158,376,144	45,032,490
II. Long-term operating liabilities	187,982	179,178
III. Deferred tax liabilities	2,628,722	2,761,149
E. Short-term liabilities	83,838,207	220,912,556
I. Short-term financial liabilities	67,893,506	189,506,103
II. Short-term operating liabilities	15,944,701	31,406,453
F. Accrued expenses and deferred revenues	646,701	1,491,218

Table 9: Cash Flow Statement of Luka Koper Group

(in EUR)	January – December 2010 Non-audited	January – December 2009 Audited
A. Cash flows from operating activities		
a) Net loss	-1,450,254	-72,583,205
Pre-tax loss	-1,058,637	-72,172,215
Corporation and other taxes not included in operating expenses	-391,617	-410,990
b) Adjustments for	41,654,505	101,545,606
Amortisation (+)	26,268,798	25,075,239
Operating revenues revaluation related to investment and financing items (-)	-	-52,184
Operating expenses revaluation related to investment and financing items (+)	56,867	13,379,056
Financial revenues, less financial revenues from operating receivables (-)	-2,015,953	-4,159,585
Financial expenses, less financial expenses from operating liabilities (+)	17,344,792	67,303,080
c) 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)	-38,559,258	7,059,007
Changes in operating receivables	-2,005,086	5,220,173
Changes in deferred expenses and accrued revenues	216,506	2,014,750
Changes in deferred tax assets	-	-
Changes in assets (disposal group) held for sale ⁴	-19,190,425	-1,256,504
Changes in inventories	1,064	6,496
Changes in operating liabilities	-15,452,949	1,068,822
Changes in accrued expenses and deferred revenues, and provisions	-2,128,368	5,270
Changes in deferred tax liabilities		
d) Net inflows (outflows) from operating activities (a + b + c)	1,644,993	36,021,408
B. Cash flows from investment activities		
a) Inflows from investments	37,886,544	66,066,765
Inflows from interest and profit participation related to investments	1,925,445	4,159,585

⁴ The item Changes in assets (disposal group) held for sale discloses the book value of investment in the associated company *Intereuropa d.d.* which was reallocated to the disposal group.

Inflows from disposal of intangible fixed assets	-	0
Inflows from disposal of tangible fixed assets	2,352,730	34,399,921
Inflows from disposal of real-estate investments	1,079	0
Inflows from disposal of long-term financial investments	29,276,291	4,564,224
Inflows from disposal of short-term financial investments	4,330,999	22,943,035
b) Outflows from investments	-22,515,792	-135,739,633
Outflows for acquisition of intangible fixed assets	-656,847	-1,433,631
Outflows for acquisition of tangible fixed assets	-19,310,249	-106,146,485
Outflows for acquisition of real-estate investments	-314,167	-5,009,410
Outflows for acquisition of long-term financial investments	-419,145	-6,383,802
Outflows for acquisition of short-term financial investments	-1,815,384	-16,766,305
c) Net inflows (outflows) from investment activities (a + b)	15,370,752	-69,672,868
C. Cash flows from financing activities		
a) Inflows from financing activities	109,145,178	304,937,816
Inflows from paid-up capital	-	
Inflows from increased long-term financial liabilities	43,819,496	84,958,900
Inflows from increased short-term financial liabilities	65,325,682	219,978,916
b) Outflows from financing activities	-126,038,151	-278,649,243
Outflows for interest payable related to financing	-8,624,031	-8,248,765
Outflows for capital refunds	-	-
Outflows for payment of long-term financial liabilities	-31,697,924	-2,328,217
Outflows for payment of short-term financial liabilities	-85,715,793	-268,020,775
Outflows for payment of dividends and other profit participation	-402	-51,486
c) Net outflows (inflows) from financing activities (a + b)	-16,892,973	26,288,573
Closing balance of cash and cash equivalents	677,106	554,334
Net cash inflow (outflow) for the period (sum total of net cash Ad, Bc and Cc)	122,771	-7,362,886
Opening balance of cash and cash equivalents	554,334	7,917,220

Table 10: Audited Statement of Changes in Equity of Luka Koper Group, January – December 2009

STATEMENT OF CHANGES IN EQUITY (in EUR)	Called-up capital	Capital reserves	Legal reserves	Other revenue reserves	Retained net profit	Net profit/loss for financial year	Revaluation surplus	Total equity	Equity – minority shareholders	Total equity
Opening balance as of 1st January 2009	58,420,965	89,562,704	18,877,775	100,333,556	25,058,918	10,049,468	5,293,292	307,596,678	3,462,356	311,059,034
Net loss for the financial year						-66,303,732		-66,303,732	-298,782	-66,602,514
Other comprehensive income for the period							5,751,302	5,751,302		5,751,302
Comprehensive income for the period						-66,303,732	5,751,302	-60,552,430	-298,782	-60,851,212
Comprehensive income for the period						-66,303,732	5,751,302	-60,552,430	-298,782	-60,851,212
Formation of other revenues reserves upon the resolution of Management and Supervisory Boards				-59,191,003		59,191,003				
Transfer to other revenue reserves upon the resolution of General Assembly				19,401,856	-19,401,856					
Transfer of net profit for the previous year to retained net profit					10,049,468	-10,049,468				
Distribution of dividends										
Transfer from equity									-2,796,393	-2,796,393
Other			-934					-934		-934
Balance as of 31st December 2009	58,420,965	89,562,704	18,876,841	60,544,410	15,706,530	-7,112,730	11,044,595	247,043,313	367,181	247,410,495

Table 11: Non-audited Statement of Changes in Equity of Luka Koper Group, January – December 2010

STATEMENT OF CHANGES IN EQUITY (in EUR)	Called-up capital	Capital reserves	Legal reserves	Other revenues reserves	Retained net profit	Net loss for financial year	Revaluation surplus	Total equity	Equity – minority shareholders	Total equity
Opening balance as of 1st January 2010	58,420,965	89,562,704	18,876,841	60,544,410	15,706,529	-7,112,730	11,044,595	247,043,314	367,181	247,410,495
Net loss for the financial year						-1,646,465		-1,646,465		-1,646,465
Other comprehensive income for the period							-529,708	-529,708		-529,708
Comprehensive income for the period						-1,646,465	-529,708	-2,176,173		-2,176,173
Covering loss from other revenue reserves upon the resolution of Management Board				-450,442		450,442				
Transfer to other revenue reserves upon the resolution of General Assembly										
Transfer of net profit for the previous year to retained net profit					-7,112,730	7,112,730				
Distribution of dividends										
Transfer from equity									-367,181	-367,181
Buyout of minority shareholders					288,785			288,785		288,785
Other					445,084			445,048		445,048
Balance as of 31st December 2010	58,420,965	89,562,704	18,876,841	60,093,968	9,327,633	-1,196,023	10,514,887	245,600,974	0	245,600,974

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

Table 12: Income Statement of Luka Koper d.d.

(in EUR)	January – December 2010 Non-audited	January – December 2009 Audited
Operating revenues	119,309,245	108,462,449
1. Net sales revenues	118,860,424	107,281,669
2. Other operating revenues	448,821	1,180,780
Operating expenses	-107,228,635	-117,057,139
3. Costs of goods, material and services	-44,187,498	-41,176,854
4. Labour costs	-30,139,887	-30,156,242
5. Value write-offs	-27,037,980	-34,465,495
6. Other operating expenses and provisions	-5,863,270	-11,258,548
Operating profit	12,080,610	-8,594,690
Financial revenues	5,433,112	5,116,895
7. Financial revenues from profit participation	4,980,335	4,483,029
8. Financial revenues from loans granted	276,026	434,995
9. Financial revenues from operating receivables	176,751	198,871
Financial expenses	-17,769,493	-62,191,536
10. Financial expenses from impairments and write-offs of financial investments	-8,720,761	-52,591,845
11. Financial expenses from financial liabilities	-8,944,380	-8,494,883
12. Financial expenses from operating liabilities	-104,352	-1,104,808
Pre-tax profit	-255,771	-65,669,331
13. Corporation tax		-282,122
14. Deferred tax	-194,671	6,760,450
Net loss for the period	-450,442	-59,191,003
Basic net earnings per share (in EUR)	-0.03	-4.23

Table 13: Balance Sheet Statement of Luka Koper d.d.

ASSETS (in EUR)	31.12.2010 Non-audited	31.12.2009 Audited
ASSETS	496,772,606	521,534,016
A. Long-term assets	452,001,153	496,479,516
I. Intangible fixed assets and long-term deferred costs	7,299,398	7,024,047
II. Tangible fixed assets	343,843,293	352,506,587
III. Real-estate investments	37,120,101	37,449,118
IV. Long-term financial investments	54,600,473	89,988,457
V. Long-term operating receivables	41,559	220,307
VI. Deferred tax assets	9,096,329	9,291,000
B. Short-term assets	44,299,703	24,365,362
I. Assets (disposal group)	20,560,751	1,382,987
II. Short-term financial investments	1,005,080	2,564,111
III. Short-term operating receivables	22,142,593	19,929,684
IV. Short-term corporation tax assets	0	0
V. Cash and liquid assets	591,279	488,580
C. Deferred expenses and accrued revenues	471,750	689,138
LIABILITIES (in EUR)	31.12.2010 Non-audited	31.12.2009 Audited
EQUITY AND LIABILITIES	496,772,606	521,534,016
A. Equity	237,357,637	238,337,787
I. Called-up capital	58,420,965	58,420,965
II. Capital reserves	89,562,703	89,562,703
III. Other revenue reserves	78,859,082	79,309,524
IV. Revaluation surplus	10,514,887	11,044,595
V. Retained net profit	0	0
VI. Net profit for the financial year	0	0
B. Provisions	5,322,409	6,032,940
C. Long-term liabilities	161,075,952	47,874,671
I. Long-term financial liabilities	158,376,144	45,032,490
II. Long-term operating liabilities	71,086	81,032
III. Deferred tax liabilities	2,628,722	2,761,149
D. Short-term liabilities	92,377,907	228,104,650
I. Short-term financial liabilities	77,693,895	199,625,466
II. Short-term operating liabilities	14,684,012	28,479,184
E. Accrued expenses and deferred revenues	638,701	1,183,967

Table 14: Cash Flow Statement of Luka Koper d.d.

(in EUR)	January – December 2010 Non-audited	January – December 2009 Audited
A. Cash flows from operating activities		
a) Net profit	-255,771	-65,951,451
Pre-tax profit	-255,771	-65,669,332
Corporation and other taxes not included in operating expenses	0	-282,122
b) Adjustment for	37,497,195	90,582,197
Amortisation (+)	25,110,887	21,135,258
Operating revenue revaluation related to investment and financing items (-)	-78,463	-52,001
Operating expenses revaluation related to investment and financing items (+)	55,990	13,330,236
Financial revenues, less financial revenues from operating receivables (-)	-5,256,361	-4,918,025
Financial expenses, less financial expenses from operating liabilities (+)	17,665,141	61,086,729
c) 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)	-35,739,750	8,875,116
Changes in operating receivables	-1,759,322	5,015,876
Changes in deferred expenses and accrued revenues	217,387	1,954,879
Changes in deferred tax assets	0	0
Changes in assets (disposal group) held for sale ⁵	-19,177,764	-1,256,503
Changes in inventories	0	-
Changes in operating liabilities	-13,764,255	465,629
Changes in accrued expenses and deferred revenues, and provisions	-1,255,796	2,695,235
Changes in deferred tax liabilities	0	-
d) Net inflows (outflows) from operating activities (a + b + c)	1,501,674	33,505,862
B. Cash flows from investment activities		
a) Inflows from investments	37,677,713	62,587,154
Inflows from interest and profit participation related to investments	5,165,853	4,918,025
Inflows from disposal of intangible fixed assets	-	-
Inflows from disposal of tangible fixed assets	2,431,193	29,876,998

⁵ The item Changes in assets (disposal group) held for sale discloses the book value of investment in the associated company *Intereuropa d.d.* which was reallocated to the disposal group.

Inflows from disposal of real-estate investments	1,079	-
Inflows from disposal of long-term financial investments	28,519,894	7,988,969
Inflows from disposal of short-term financial investments	1,559,694	19,803,163
b) Outflows from investments	-21,544,389	-130,280,239
Outflows for acquisition of intangible fixed assets	-533,397	-1,433,631
Outflows for acquisition of tangible fixed assets	-17,982,309	-102,006,911
Outflows for acquisition of real-estate investments	-314,167	-5,009,410
Outflows for acquisition of long-term financial investments	-952,174	-6,799,877
Outflows for acquisition of short-term financial investments	-1,762,342	-15,030,410
c) Net inflows (outflows) from investment activities (a + b)	16,133,324	-67,693,082
C. Cash flows from financing activities		
a) Inflows from financing	127,446,069	295,177,588
Inflows from paid-up capital	0	0
Inflows from increased long-term financial liabilities	43,819,496	84,958,900
Inflows from increased short-term financial liabilities	83,626,573	210,218,688
b) Outflows from financing	-144,978,366	-268,047,878
Outflows for interest payable related to financing activities	-8,944,381	-8,494,883
Outflows for capital refunds	-	-
Outflows for payment of long-term financial liabilities	-31,697,924	-2,328,217
Outflows for payment of short-term financial liabilities	-104,335,659	-257,173,293
Outflows for payment of dividends and other profit participation	-403	-51,485
c) Net inflows (outflows) from financing activities (a + b)	-17,532,298	27,129,710
Closing balance of cash and cash equivalents	591,280	488,580
Net cash inflow (outflow) for the period (sum total of net cash Ad, Bc and Cc)	102,700	-7,057,510
Opening balance of cash and cash equivalents	488,580	7,546,089

Table 15: Statement of Changes in Equity of Luka Koper d.d., January – December 2009

STATEMENT OF CHANGES IN EQUITY (in EUR)	Called-up capital	Capital reserves	Legal reserves	Other revenue reserves	Retained net profit	Net profit/loss for financial year	Revaluation surplus	Total
	I/1	II/1	III/1	III/4	IV/1	V/1	VI/2	
Opening balance as of 1st January 2009	58,420,965	89,562,704	18,765,115	100,333,556	12,534,194	6.867.662	5.293.293	291.777.488
Net loss for the financial year						-59,191,003		-59,191,003
Other comprehensive income for the period							5,751,302	5,751,302
Comprehensive income for the period	0	0	0	0	0	-59,191,003	5,751,302	-53,439,701
Release of other revenue reserves upon resolution of Management and Supervisory Boards				-59,191,003		59,191,003		0
Transfer to other revenue reserves upon resolution of General Assembly				19,401,856	-12,534,194	-6,867,662		0
Transfer of net profit of previous year to retained net profit								0
Dividends								0
Other								0
Balance as of 31st December 2009	58,420,965	89,562,704	18,765,115	60,544,409	0	0	11,044,595	238,337,787

Table 16: Non-audited Statement of Changes in Equity of Luka Koper d.d., January – December 2010

STATEMENT OF CHANGES IN EQUITY (in EUR)	Called-up capital	Capital reserves	Legal reserves	Other revenue reserves	Retained net profit	Net loss for financial year	Revaluation surplus	Total
	I/1	II/1	III/1	III/4	IV/1	V/1	VI/2	
Opening balance as of 1st January 2010	58,420,965	89,562,704	18,765,115	60,544,409	0	0	11,044,595	238,337,787
Net profit for the financial year						-450,442		-450,442
Other comprehensive income for the period							-529,708	-529,708
Comprehensive income for the period	0	0	0	0	0	-450,442	-529,708	-980,150
Covering loss from other revenue reserves upon resolution of Management Board				-450,442		450,442		0
Transfer to other revenues reserves upon resolution of General Assembly								0
Transfer of net profit from previous year to retained net profit								0
Distribution of dividends								0
Other								0
Balance as of 31st December 2010	58,420,965	89,562,704	18,765,115	60,093,967	0	0	10,514,887	237,357,638