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Dr. Gregor Veselko, President of the Management Board

## Editorial



Luka Koper can be justifiably pleased with its performance over the first nine months of 2011; both physical cargo throughput as well as operating revenues are on the increase. Despite the strike in early August, the highest growth rate was again achieved by container freight, thus corroborating the significance of this cargo type which, in the five-year strategic plan endorsed by the Supervisory Board in August, was identified as a prime mover in the future development of the Port of Koper. By the end of this year, such a growth in container throughput will take us closer to the record 600,000 TEUs, which itself raises the question as how to further efficiently operate the terminal in the long-term.

Endorsed earlier this year, the National Spatial Plan facilitates expansion and new investments in port infrastructure, and the answer to the development question will be provided by the study announced during the visit of stock exchange analysts to the port in September, itself a continuation of the practice of opening the door to potential

investors. The commissioned study shall examine all logistic, commercial, technical and environmental aspects of container handling at the existing and new locations within the port, and will serve as the basis for decisions on the construction of new infrastructure. The adopted strategic plan anticipates the growth of container freight to more than 800,000 TEUs by 2015.

Should this performance trend continue further – and as to this we are in no doubt – the company will accomplish its cargo throughput plan by year's end and exceed the volumes achieved prior to the 2008 crisis. Indeed, projections are favourable in relation to all cargo types, with the exception of general cargos which lag behind slightly, although an increase is recorded in revenues pertaining to profitable project cargos, which are paid more attention in this issue of Notice.

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**LUKA KOPER**

Port of Koper

# Overview of cargo throughput and revenues by cargo type

In first nine months of 2011, the operating revenues of Luka Koper d.d. amounted to 99.1 million euros, which is a year-on increase of sixteen percent. In terms of physical indicators the interim trend continues, with the largest growth recorded by container freight and vehicles.

Cargo throughput in tonnes			
	January - September 2010	January - September 2011	Indices 2011/2010
General cargos	1,117,502	1,043,552	93
Container freight	3,157,731	4,029,663	128
Vehicles	382,742	463,149	121
Liquid cargos	1,985,077	2,211,712	111
Bulk and break bulk cargos	4,407,722	4,814,916	109
<b>Total</b>	<b>11,050,774</b>	<b>12,562,992</b>	<b>114</b>

Cargo throughput in units			
	January - September 2010	January - September 2011	Indices 2011/2010
Containers (TEU)	344,644	441,393	128
Vehicles (units)	273,729	324,325	118

Operating revenues of Luka Koper d.d.			
in 000 EUR	January - September 2010	January - September 2011*	Indices 2011/2010
General cargos	22,551	23,432	104
Container freight	17,186	24,343	142
Vehicles	9,028	10,091	112
Liquid cargos	4,476	5,303	118
Bulk and break bulk cargos	20,966	24,852	119
Other	11,525	11,090	96
<b>Total</b>	<b>85,732</b>	<b>99,111</b>	<b>116</b>

\*incomplete and non-audited data

## Project cargos – demanding but rewarding

In transport terminology, project cargo refers to the transportation of pieces of equipment which are of non-standard dimensions, shape or weight, and as such it is sometimes referred to as "heavy lift". Project cargo does not fit conventional modules and transporters, thus it requires specialised equipment and knowledge from all those who are involved in the logistics chain. Indeed, over land such oversize equipment is most often transported in slow moving highway convoys in operations which

require complex and individually tailored haulage operations.

Project cargos are forever a challenge for personnel and equipment alike, also as regards their handling within the port, for the very reason that its diversity requires solutions on a case-by-case basis. The unloading of a one-hundred-tonne turbine for a hydro power plant or several hundred twelve-metre long gas pipes requires preparation of the quayside,

adaptation or even the construction of new crane tools, as well as precise synchronisation of transporters and logistics service providers. Two berths at the Port of Koper handle such cargos, and each enjoys a sufficient hinterland handling area adjacent the quayside. Manipulation and loading operations are performed by special mobile cranes with a capacity of up to 100 tonnes, whilst in the event of even heavier cargos handling is undertaken by special heavy lift vessels which, as



a rule, have greater lifting capacities. Typical project cargos encompass generators, locomotives and wagons, vessels, various construction and mining machinery, as well as steel fabrications and occasionally entire plants being moved to new locations by their owners.

Statistically, project cargos are included within the general cargo category where they don't significantly contribute to total tonnage; nonetheless, they definitely rank among the more profitable cargos. Significant growth has been recorded in the business over recent years, and project cargos are on the increase worldwide. Last year the major ports of Northwestern Europe, which operate best equipped terminals, recorded some five percent growth in project cargos. Significant investments are also being made into pertinent infrastructure; the Port of Antwerp, for example, is to invest 200 million euros over the coming years in the acquisition of dedicated equipment and the construction of warehouses for project cargos. Business is particularly buoyant in relation to wind turbines;

indeed, in North Europe such plants are being massively constructed both on land and at sea. Venice, Trieste and Koper are considered the most specialised project cargo ports in the Adriatic. Transit times aren't of key importance in operations due to the fact that the entire route is planned months in advance; the competitive advantage derives from dedicated cranes and highly experienced work teams.



### Three ships and this year's hundred thousandth passenger

The quayside provided for project cargos is occasionally 'borrowed' by a white fleet of passenger cruise ships. On 9<sup>th</sup> October, three cruise vessels - two of which rank amongst the largest in the world - were visiting the Port of Koper at the same time, and carrying this year's one hundred thousandth passenger, which is a record for the Passenger Terminal. These vessels were: Voyager of the Seas operated by Royal Caribbean International with about 3,150 passengers aboard - this vessel called at Koper twenty times during 2011; MS Arion, the smallest cruise vessel currently using the Port of Koper Passenger Terminal, which has been a regular visitor for several seasons; and Norwegian Jade, operated by Norwegian Cruise Line (NCL), which had a little under 2,300 passengers aboard and is a sister ship of last year's visitor Norwegian Gem.



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