

2011

LUKA KOPER GROUP

NON-AUDITED INTERIM REPORT OF
LUKA KOPER D.D. AND THE LUKA KOPER GROUP,
JANUARY – SEPTEMBER 2011

Koper, November 2011



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PERFORMANCE HIGHLIGHTS OF LUKA KOPER GROUP

COMPARISON OF EXPECTATIONS WITH RESULTS JANUARY – SEPTEMBER 2011

(in euro)	Anticipated 1 – 9 2011	Achieved 1 – 9 2011	Index – achieved / anticipated
Operating revenues	97,798,930	105,768,153	108
Operating profit (EBIT)	9,834,329	15,828,476	161
Operating profit before amortisation (EBITDA)	30,071,270	36,144,202	120
Net profit for the period	4,268,310	3,078,865	72
Investments in intangible, tangible fixed assets and real-estate investments	26,797,463	14,579,463	54
Cargo throughput (tonnes)	12,038,156	12,562,991	104

COMPARISON OF JANUARY - SEPTEMBER RESULTS & 2011

FOR 2010

(in euro)	1 – 9 2010	1 – 9 2011	Index 2011/2010
From Income Statement			
Operating revenues	92,188,680	105,768,153	115
Operating profit (EBIT)	7,589,757	15,828,476	209
Operating profit before amortisation (EBITDA)	27,174,673	36,144,202	133
Financing gain (loss)	-6,216,901	-11,324,150	182
Pre-tax profit	1,372,856	4,504,326	328
Net profit for the period	1,028,617	3,078,865	299

(in euro)	as at 31. 12. 2010	as at 30. 09. 2011	Index 2011/2010
From Balance Sheet Statement			
Assets	502,345,304	487,153,670	97
Non-current (long-term) assets	459,124,856	449,721,884	98
Current assets and deferred expenses and accrued revenues	43,220,449	37,431,786	87
Equity	244,056,503	243,136,704	100
Non-current (long-term) liabilities and long-term provisions	173,829,649	167,765,390	97
Current liabilities, and accrued expenses & deferred revenues	84,459,152	76,251,576	90
Financial liabilities	226,269,650	210,944,865	93

(percentage indicator)	1 – 9 2010	1 – 9 2011	Index 2011/2010
Indicators			
Return on sales (ROS)	8.23%	14.97%	182
Net return on equity (ROE)	0.55%	1.69%	304
Net return on assets (ROA)	0.26%	0.83%	319
EBITDA margin	29.48%	34.17%	116
Financial liabilities / equity	95.48%	86.76%	91

*The indicators are calculated to two decimal points.

(in euro)	1 – 9 2010	1 – 9 2011	Index 2011/2010
From Cash Flow Statement			
Investments in intangible and tangible fixed assets as well as real-estate investments	15,067,393	14,579,463	97

GENERAL INFORMATION

INTRODUCTORY NOTE

Compliant with the *Market and Financial Instruments Act RS*, *Ljubljana Stock Exchange Rules* as well as *Guidelines on Disclosure for Listed Companies*, *Luka Koper d.d.*, Vojkovo Nabrežje 38, Koper, Slovenia, discloses this Non-Audited Report on the performance of *Luka Koper d.d.* and *Luka Koper Group* for January – September 2011.

This Non-Audited Report on the performance of *Luka Koper d.d.* and the *Luka Koper Group* for January – June 2011 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 November 2011 onwards.

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

This Non-Audited Report on the performance of *Luka Koper d.d.* and the *Luka Koper Group* for January – September 2011 was addressed by the company's Supervisory Board at its regular session held on 28th November 2011.

PRESENTATION OF LUKA KOPER GROUP

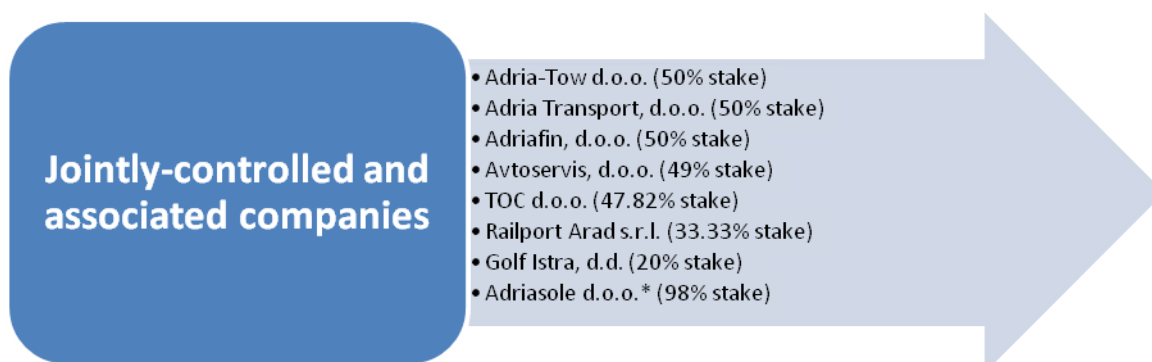
Luka Koper, a port operator and logistics provider, with its registered office in Koper, Slovenia, is the parent company of the *Luka Koper Group* of enterprises.

<i>Full title</i>	<i>Luka Koper, a public limited liability port and logistics system operator</i>
<i>Short title</i>	<i>Luka Koper, d. d.</i>
<i>Registered office</i>	<i>Vojkovo Nabrežje 38, Koper, Slovenia</i> <i>Telephone +386 (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,</i> <i>Registered at the Koper District Court, Slovenia</i>
<i>Registration number</i>	<i>5144353</i>
<i>Tax number</i>	<i>SI 89190033</i>
<i>Issued share capital</i>	<i>€ 58,420,964.78</i>
<i>Number of shares</i>	<i>14,000,000 ordinary no-par-value shares</i>
<i>Listing</i>	<i>Ljubljana Stock Exchange, primer market</i>
<i>Ticker symbol</i>	<i>LKPG</i>
<i>Management Board President</i>	<i>Dr Gregor Veselko</i>
<i>Management Board Deputy President</i>	<i>Tomaž Martin Jamnik</i>
<i>Management Board Member</i>	<i>Marko Rems</i>
<i>Management Board Member</i> <i>– Workers Director</i>	<i>Matjaž Stare</i>
<i>Supervisory Board President</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 provider</i>
<i>Luka Koper Group activities</i>	<i>Various support and ancillary services related to core activity</i>

Companies consolidated within the *Luka Koper Group* provide various services which accomplish the comprehensive operation of the Port of Koper. In addition to the parent company *Luka Koper d.d.*, the *Luka Koper Group* was comprised of the following subsidiary enterprises as of 30th September 2011:



As of 30th September 2011, *Luka Koper d.d.* also discloses financial investments in jointly-controlled and associated companies in which it has significant influence:



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

CORPORATE MANAGEMENT AND GOVERNANCE

Luka Koper d. d. Management Board

As of 30th September 2011, *Luka Koper d.d.* Management Board was comprised as follows:

- Dr. Gregor Veselko, President of the Management Board, commenced a five-year term on 16th June 2009.
- Tomaž Martin Jamnik, Deputy President of the Management Board, commenced a five-year term on 16th October 2009.
- 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

As of 30th September 2011, the *Luka Koper d.d.* 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 14th July 2009 (16th General Assembly of Shareholders).
- Mr. Tomaž Može, Deputy President of the Supervisory Board, appointed as the representative of other shareholders; commenced a four-year term on 14th July 2009 (16th General Assembly of Shareholders).
- Mr. Bojan Brank, Member of the Supervisory Board, appointed upon the proposal of the Republic of Slovenia; commenced a four-year term on 14th July 2009 (16th General Assembly of Shareholders).
- Dr. Marko Simoneti, Member of the Supervisory Board, appointed upon the proposal of the Republic of Slovenia; commenced a four-year term on 14th July 2009 (16th General Assembly of Shareholders).
- Mr. Jordan Kocjančič, Member of the Supervisory Board, appointed upon the proposal of the state funds of the Republic of Slovenia; commenced a four-year term on 14th July 2009 (16th General Assembly of Shareholders).

- Sabina Mozetič, Member of Supervisory Board, appointed upon proposal of Koper Municipality; commenced a four-year term on 12th July 2011 (19th General Assembly of Shareholders).

Representatives of employees:

- Mr Mladen Jovičič, Employee Representative 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– SEPTEMBER 2011**JANUARY**

On the basis of the provisions of the Takeovers Act RS, *Luka Koper* received a request from the *Securities Market Agency RS* to clarify facts and circumstances pertaining to *Luka Koper d.d.*, and other shareholders of the following companies

- *Krka d. d., Novo mesto,*
- *Zavarovalnica Triglav d. d., Ljubljana,*
- *Petrol d. d., Ljubljana,*
- *Telekom Slovenije d. d.*
- *Aerodrom Ljubljana d. d.*

acting in a concerted matter in the acquisition of shares in listed companies, on the basis of which formal takeover bids may be made.

FEBRUARY

On 10th February 2011, the *Luka Koper d.d.* Management Board received a resolution from the Administrative Board of *Luka Koper Crane Operators Trade Union* in relation to the undertaking of industrial action on 22nd February 2011. Prior to the commencement of this

action, *Luka Koper d.d.*'s Management reached an agreement with the Union to call off the strike and enter into negotiations which shall be completed within ninety days.

On 21st February 2011, *Luka Koper d.d.*, together with the following larger shareholders of *Intereuropa d.d.*:

- *Kapitalska družba d. d.*,
- *Slovenska odškodninska družba d. d.*,
- *Zavarovalnica Triglav d. d.*,
- *NLB d. d.*
- *Abanka Vipava, d. d.*,

invited interested parties to participate in a public tender for the blocks of shares they hold in *Intereuropa d.d.*. The open-ended tender, published on 23rd December 2010, and again on 7th February 2011, remained unsubscribed.

The Port of Koper acquired a new regular Far East container line service operated by Japanese maritime logistics provider *NYK*.

MARCH

Luka Koper received no bids in relation to the public tender for its holding in *Intereuropa d.d.*.

In relation to port safety and security, *Luka Koper d.d.* was granted AEO (Authorised Economic Operator) status, and certification which recognized that the company maintained appropriate record-keeping, was financially solvent, and that the security and safety standards it upheld within the port zone ensured the lowest rates of risk.

A strong bora wind blew a quantity of iron oxide dust out of the port zone, which caused some alarm among the local population. According to the safety manifest accompanying this cargo, it was evident that this mixture of iron oxides was in no way harmful to human health or detrimental to the environment.

APRIL

On 6th April 2011, the *European Investment Bank* and *Luka Koper d.d.* signed a twenty-year loan agreement in the amount of 35 million euros. These funds will be used to complete the construction of the Container Terminal extension at Pier I of the Port of Koper.

MAY

The representatives of the Institute of Public Health Maribor presented the results of its analysis which demonstrated that the iron oxide dust blown out of the port zone by high winds in March was harmless.

JUNE

At its session of 16th June 2011, The Government of RS endorsed the *National Spatial Plan* for a comprehensive spatial arrangement of the Port in Koper. The Plan is a fundamental development document that will facilitate the long-term expansion and arrangement of the Port, thus enhancing its competitive edge.

Austria's *Verkehr* magazine published news that based on 2010 overseas trade data, more Austrian freight passed through Koper than any other port.

JULY

At the 19th General Assembly meeting, held on 11th July 2011, *Luka Koper d.d.* shareholders:

- were presented with the Annual Report for 2010, which they adopted;
- were introduced to the fact that the company generated a net loss in the amount of € 2,431,887.92. During the period of compilation of the Annual Report, this loss was covered through the release of other revenue reserves. The General Assembly endorsed the resolution on the non-distribution of dividends for 2010;
- endorsed the work of Management and Supervisory Boards for 2010;
- appointed the auditors *Ernst & Young, Revizija, poslovno svetovanje, d.o.o.*, Dunajska Cesta 111, Ljubljana, Slovenia, as external auditor of *Luka Koper d.d.* and the *Luka Koper Group* for fiscal 2011;
- adopted the proposed amendments to the company's Statute, of which one of the most relevant was the provision which restrained the Management Board competence in concluding business with a value in excess of five percent of the company's issued share capital (excluding business with subsidiaries). The provision was partially extended to loans which require Supervisory Board consent should their value exceed twenty percent of the company's issued share capital;

- adopted a resolution on the amount of remuneration for performance of function and attendance fees for members of the Supervisory Board, as well as members of Supervisory Board Commissions for the following twelve months;
- rejected the resolution that the General Assembly authorise the company to acquire and dispose of treasury stock;
- adopted a resolution on the resignation of *Luka Koper d.d.* Supervisory Board member Mr Boris Popovič, and, further to his resignation statement, discharged him from the function of Supervisory Board member as of 21st October 2010. Upon the proposal of Koper Municipality, Ms Sabina Mozetič was appointed as the new member of the Supervisory Board for a four-year term.

On 18th July 2011, the *Luka Koper d.d.* Management Board received a Crane Operators Union resolution on strike action anticipated to commence at 6 am on 29th July 2011, should its demands not be met. The 20th July 2011 negotiations between *Luka Koper d.d.* Management and the Union failed to reach a solution, thus the Union members went on strike at 6 am on 29th July 2011. Some personnel employed by external contractors also participated in the strike.

Luka Koper d.d.'s Living With The Port fund published its second call for applications for sponsorship and donations.

AUGUST

On 4th August 2011 the company's Supervisory Board were introduced to the course of negotiations between Management and the Union as well as the standpoints of both negotiating parties, further to which it supported the Management Board's efforts to resolve the crisis.

On 5th August 2011, the *Luka Koper d.d.* Management Board and the Crane Operators Union concluded negotiations and came to an agreement to end the strike. By way of this agreement the signatories have ensured stable working relations for at least one year, and made a commitment to continue a constructive dialogue.

Luka Koper d.d. Supervisory Board endorsed the five-year strategic plan for *Luka Koper d.d.* and *Luka Koper Group*.

SEPTEMBER

On 8th September 2011, in order to further open up communication with investors, the *Luka Koper* d.d. Management Board invited financial analysts and investors' representatives to the port to introduce them to company's interim results, its five-year strategic plan and the recently endorsed National Spatial Plan. The meeting was attended by twenty analysts from Slovenian stock-broking companies and banks.

The fifth *Luka Koper Open Door Day*, was attended by a record number of visitors from all over Slovenia.

RELEVANT POST-BALANCE-SHEET EVENTS

On 13th October 2011, through the conversion into capital of € 1.8 million in loans granted, *Luka Koper d.d.* acquired a 99.96% shareholding in the Murska Sobota-based company *Logis Nova d.o.o.* which holds agricultural land in Beltinci Municipality. In March 2008, the former Management Board of *Luka Koper d.d.* signed a letter of intent on the construction of a regional distribution centre near Beltinci, as well as an agreement with this company on the acquisition of the aforementioned land. *Luka Koper d.d.* no longer considers the construction of a logistics centre in Beltinci as a prudent development. In addition, the acquired estate has the status of Grade 1 agricultural land. As a result, and based on a valuation made in late 2010, *Luka Koper d.d.* has revalued the loans granted for the acquisition to the amount disclosed in its 2010 Annual Report.

LUKA KOPER GROUP BUSINESS REPORT**PERFORMANCE ANALYSIS OF THE LUKA KOPER GROUP**

Luka Koper Group's performance in the first nine months was characterised by growth in cargo throughput, sales revenue and the implementation of efficient cost management, all of which resulted in a doubling of operating revenues over the same period last year. Despite the June revaluation of the company's investment in *Intereuropa d.d.* - which negatively impacted results - net profit amounted to € 3.1 million. If it hadn't been for this impairment, operating profit would have stood at € 8.7 million.

Compared to the first half of 2011, a downward trend in the growth of throughput, revenues and costs has been recorded at the Group level across the third quarter of the year. Such a trend is observed every year, and can thus be attributed to a seasonal effect in that operating profit in the third quarter is normally down on Q1 and Q2; this said, however, 2011 third quarter performance recorded a significant year-on increase.

OPERATING REVENUES

January to September 2011 operating revenues in the amount of € 105.8 million were fifteen percent - or € 13.6 million - ahead of the same period last year, and growth exceeded projections by eight percent.

Figure 1: Luka Koper Group operating revenues

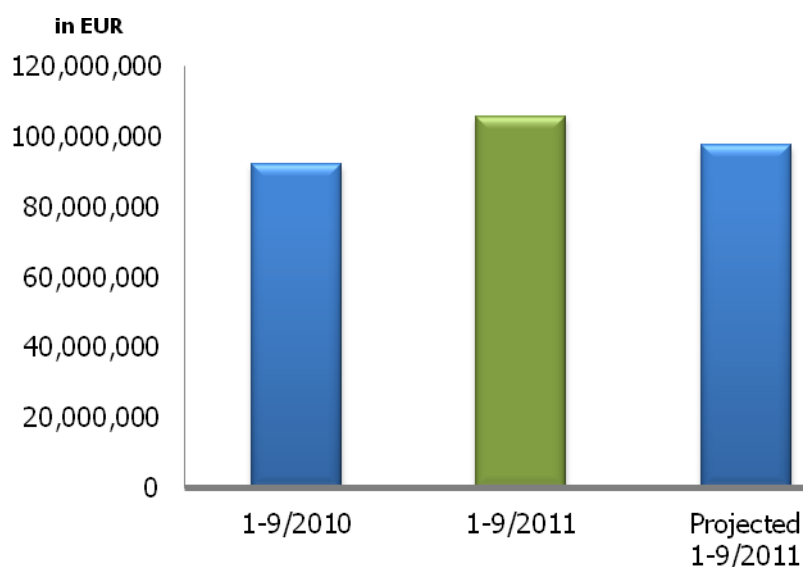


Table 1: Operating revenues by cargo type, January – September 2010 and 2011

Revenues (euro)	1 – 9 2010	1 – 9 2011	Index 2011/2010
General cargos	22,550,905	23,432,127	104
Container freight	17,185,668	24,342,549	142
Vehicles	9,028,476	10,091,386	112
Liquid cargos	4,476,401	5,303,014	118
Bulk and break bulk cargos	20,966,096	24,852,092	119
Other operating revenues	17,981,134	17,746,985	99
TOTAL	92,188,680	105,768,153	115

A year-on rise in general cargo revenue can mainly be attributed to increased income from storage charges and a higher volume of container stripping/stuffing operations. Indeed, the largest growth was recorded in container freight with a year-on increase in revenues of forty-two percent. The growth in container throughput, and consequently revenue, can be attributed to the continued global trend towards containerisation. The largest increase was recorded in container storage and the provision of supplementary services. In the third quarter, the growth in revenues from container handling slowed on the same period last year.

The rise in revenues at the Car Terminal can be attributed to the acquisition of new business as well as the provision of supplementary services. However, the rapid turnover of vehicles resulted in a consequent decline in revenues from storage charges.

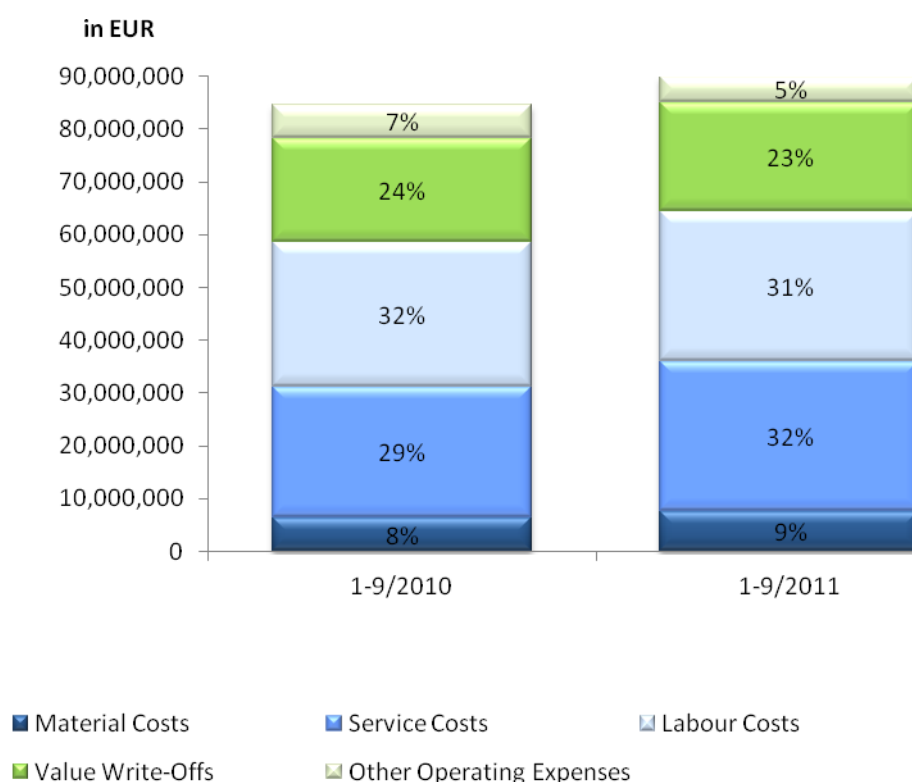
Due to the investment in the alcohol terminal facilities, revenues from liquid cargos rose by eighteen percent across the first nine months of 2011.

The nineteen percent increase in bulk and break bulk revenues can be attributed to the rise in income from storage, the provision of supplementary services as well as container stripping/stuffing.

OPERATING EXPENSES

Luka Koper Group's operating expenses in the amount of € 89.9 million recorded a year-on increase of six percent, which was two percent ahead of expectations. The costs of port service provision and energy achieved the largest increases on last year. In 2011, service costs - which are three percentage points ahead on the same period last year - account for major portion of operating expenses.

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



MATERIAL COSTS

Material costs in the amount of € 7.6 million are eighteen percent ahead of the same period last year. An increase was recorded in the consumption of electrical energy and fuel used to operate port machinery; with the exception of some cranes and forklifts, most machinery is reliant on fossil fuels. The growth in material costs can be attributed to a rise in the cargo throughput and the number of handling operations per cargo unit.

SERVICE COSTS

Service costs in the amount of € 28.5 million recorded a year-on rise of fifteen percent. This was mainly due to the increase in cargo throughput and the resultant increase in the volume of services provided as well as the general cost increase of the actual services performed. The major portion of service costs, amounting to € 12.3 million and accounting for 11.6 percent of *Group's* total operating revenues, can be attributed to port service provision. The € 6.6 million expended in maintenance costs together with the € 3.3 million concession fee – which, due to increased cargo throughput and operating revenues, recorded a year-on increase of nineteen percent – jointly accounted for a considerable portion of service costs.

LABOUR COSTS

Accounting for thirty-one percent of total operating expenses, year-on January to September labour costs were 3.7 percent up and amounted to € 23.8 million. As of 30th September 2011, *Luka Koper Group* enterprises employed 998 people, i.e. seven persons less than a year previously. The upturn in labour costs can be attributed to the escalation of basic salaries in July and August, which were a consequence of the settlement made in the previous period.

Labour and service costs together account for forty-five percent of *LK Group's* total operating expenses.

VALUE WRITE-OFFS

Value write-offs in the amount of € 20.6 million recorded a year-on increase of 4.6 percent. From January to September 2011, the company invested € 14.6 million, which is three percent less than the previous year (the Investment in Non-Financial Assets section provides more information on investments).

OPERATING PROFIT

The increase in operating revenues above last year's level, together with a rate of growth which exceeded the growth in operating expenses by nine percentage points, resulted in a higher net operating margin. Generated operating profit in the amount of € 15.8 million was double that of the January - September 2010 figure, and sixty-one percent ahead of expectations. EBIDTA, amounting to € 36.1 million, also recorded a thirty-three percent (€ 8.9 million) year-on increase, and as such is € 6.1 million above the January-September 2011 projections. The return on sales rose by eighty-two percent on last year.

FINANCIAL REVENUES AND EXPENSES

Financial revenues in the amount of € 1.6 million generated by the *Luka Koper Group* from January to September 2011 were 11.3 percent down on the same period last year. This can be attributed to a € 2.3 million profit participation in the associated company *Intereuropa d.d.* in fiscal 2010; however, on 31st December 2010 the *Intereuropa* investment was reclassified as a current asset held for sale(disposal group).

Financial expenses in the amount of € 12.9 million recorded a sixty-one percent increase, which is mainly due to the fact that on 30th June 2011, the value of the holding in *Intereuropa d.d.* was revised downwards by 6.3 million euros.

Despite the rise in the EURIBOR rate, year-on interest costs on loans hired were 5.5 percent less and amounted to € 6 million, which can be attributed to a restructuring of a portion of the company's loan portfolio.

PRE-TAX PROFIT AND NET PROFIT

Pre-tax profit for the first nine months of 2011 amounts to € 4.5 million, whilst due to deferred taxes, net profit is somewhat higher, i.e. € 3.1 million. Net profit is 3-fold greater than for the same period last year, and 28 percent lower of projections. Had it not been for the impairment of the **LK Group's** holding in *Intereuropa d.d.*, net profit would have amounted to 8.7 million euros.

ASSETS AND LIABILITIES

The balance sheet total of the *Luka Koper Group* as of 30th September 2011 amounted to 487.2 million euros, which is a three percent (€ 15.2 million) decrease on 31st December 2010.

Also as of 30th September 2011, non-current (long-term) assets in the amount of € 449.7 million account for ninety-two percent of total assets. Real-estate, plant and equipment in the amount of € 369.8 million account for the most significant item under non-current assets. The decrease in intangible fixed assets under acquisition is the result of the completion of the Passenger Terminal infrastructure investment.

Current assets in the amount of € 35.4 million decreased by € 7.3 million on 30th December 2010, which is mainly attributable to the write-down in the value of *Intereuropa d.d.*, a holding which has been classified under assets held for sale (disposal group). Receivables which account for 59.7 percent of current assets fell by € 2.2 million (9.6 percent) on 31st December 2010. In the structure of current assets, cash (short-term bank deposits) increased to € 1.6 million.

As of 30th September 2011, *LK Group* equity amounted to € 243.1 million, which is € 0.9 million ahead of the 31st December 2010 level. The increase in equity is attributable to *Group* profit in the amount of € 3.1 million, whilst this is moderated by the change in the fair value of financial assets available for sale in the amount of € 4 million. Equity accounted for fifty percent of balance sheet total.

FINANCIAL MANAGEMENT

Over the first nine months of 2011, the *Luka Koper Group* reduced its total financial liabilities by 6.8 percent - from € 226.3 million to € 210.9 million euros.

Maturity of sources of finance

During 2011, *Luka Koper Group* continues to restructure its existing financial liabilities through resort to longer maturity sources. As of 30th September 2011, the *LK Group's* long-term financial liabilities to banks accounted for seventy-three percent of total financial liabilities. The company also plans to substitute some other short-term credit lines to longer-term facilities by the end of the fiscal year.

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

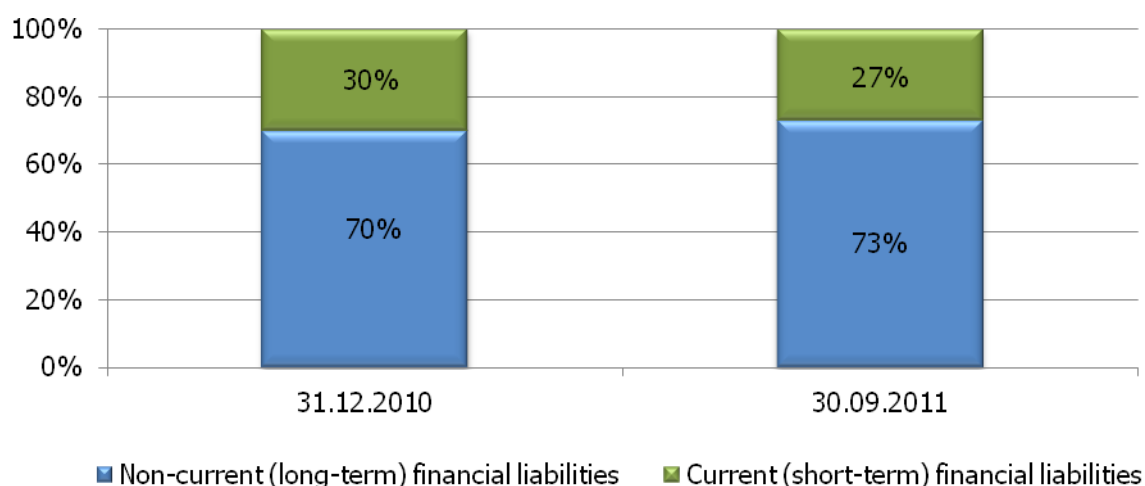
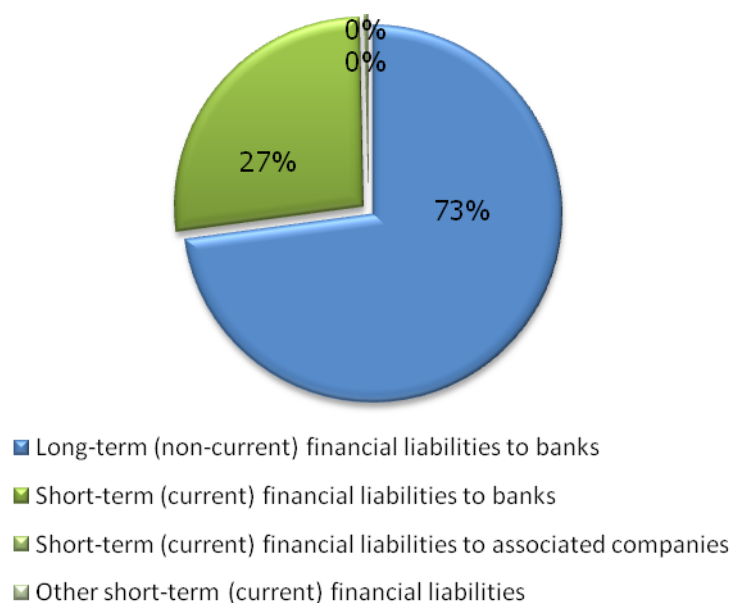
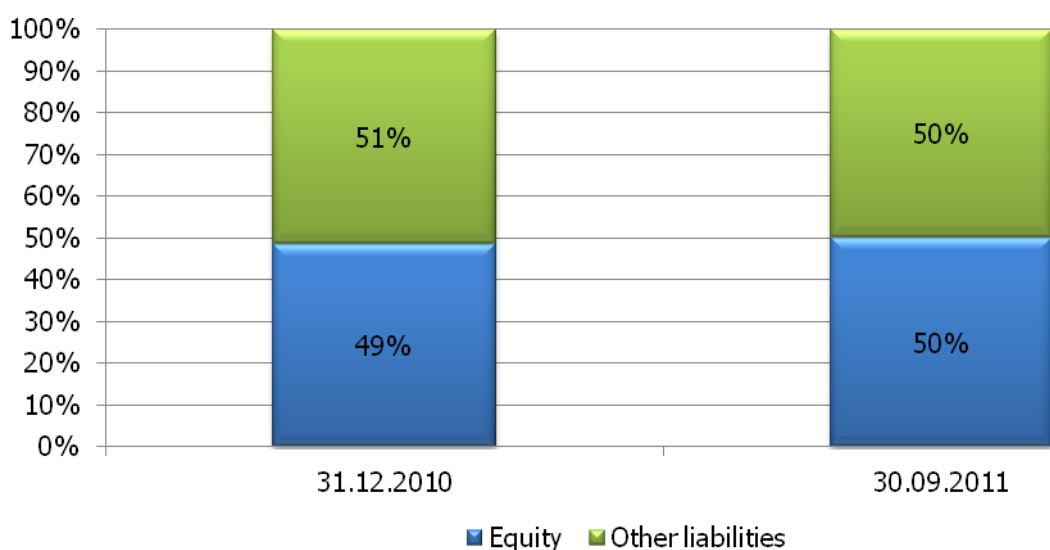


Figure 4: Luka Koper Group financial liabilities as of 30th September 2011

Structure of liabilities

Loans subject to variable interest rates account for 99.7 percent of the total financial liabilities of the *Luka Koper Group*. Fixed interest rate loans only pertain to credits granted by associated or jointly controlled companies which are implemented to ensure the efficient regulation of liquidity of the *Group* and its associated enterprises.

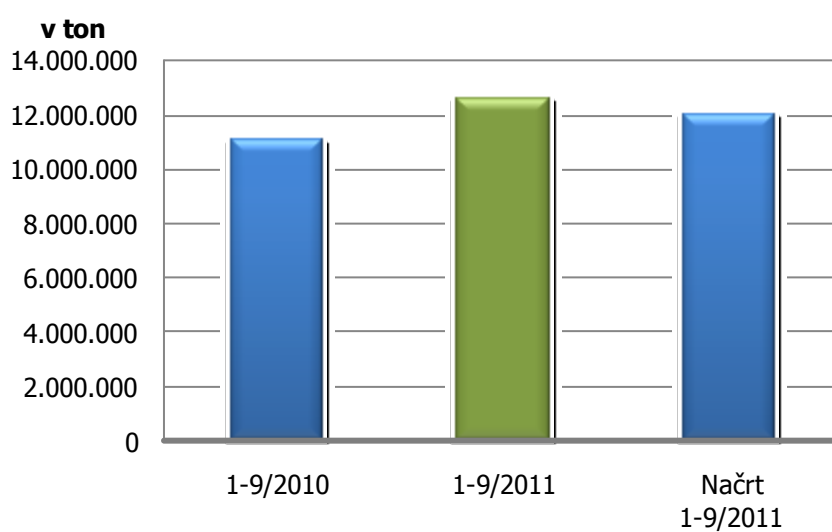
Figure 5: Capital structure of the Luka Koper Group



MARKETING AND SALES

In the first nine months of 2011, the volume of cargo handled amounted to 12,562,992 tonnes, which is fourteen percent ahead of the same period last year, and four percent above expectations. As in the first half of the year, the largest growth was recorded in the container freight and vehicle businesses.

Figure 6: Actual cargo throughput in the first nine months of 2010 and 2011, against the 2011 Q1-3 interim projection



Cargo throughput structure by type

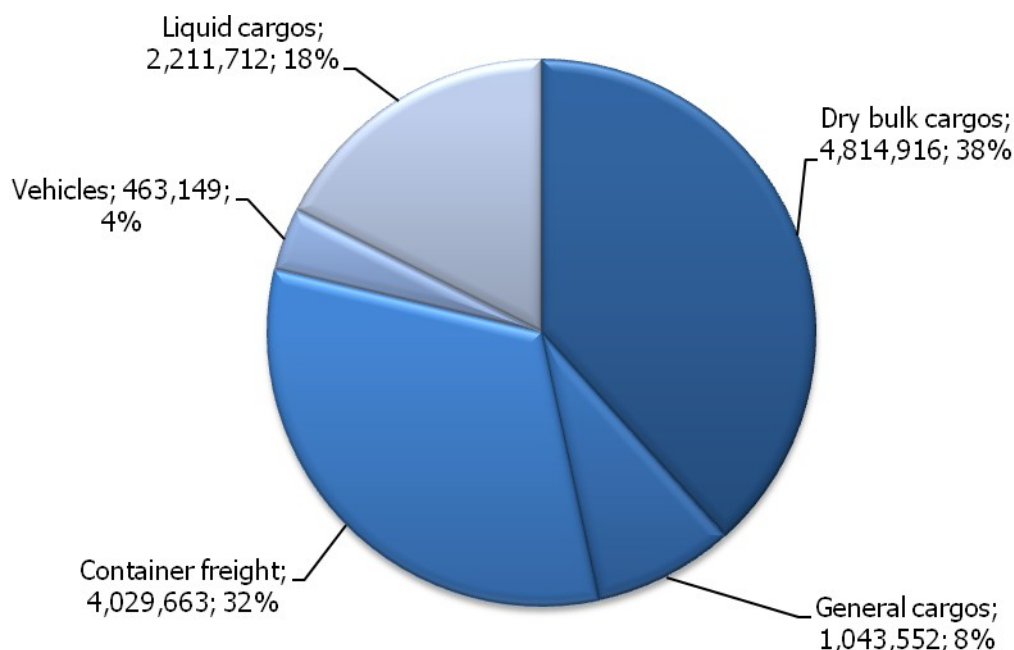
Table 2a: Tonnage throughput by cargo type

CARGO TYPE (in tonnes)	1 – 9 2010	1 – 9 2011	Index 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
Total	11,050,774	12,562,992	114

Table 2b: Throughput of containers (in TEUs) and vehicles (in units)
in the first nine months of 2010 and 2011

CARGO TYPES	1 – 9 2010	1 – 9 2011	Index 2011/2010
Container freight - TEUs	344,644	441,393	128
Vehicles - units	273,729	324,325	118

Figure 7: Throughput by cargo type (tonnage measure), January – September 2011



Bulk and break bulk cargos continue to account for the major portion of cargo throughput at the Port of Koper. Nevertheless, the proportion of container freight and vehicles has continued to increase at the expense of bulk, break bulk and general cargos.

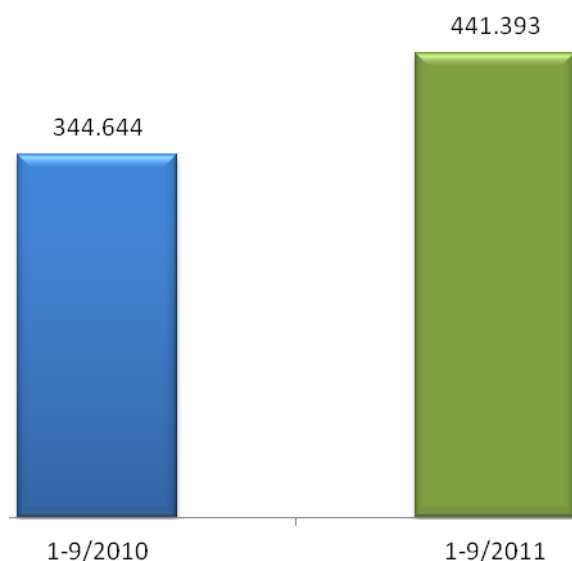
Container freight

In the first nine months of this year, largest growth in cargo throughput was recorded in relation to container freight; a total of 441,393 TEUs were handled between January and September 2009, which is a year-on increase of twenty-eight percent.

The 54,791 TEUs handled in September 2011 was an absolute record as regards container throughput at the Port of Koper, and 891 TEUs ahead of the previous highest (achieved in June 2011). However, growth in the third quarter has fallen below the trend recorded in the first half of the year.

As a result of promotion activities and the competitive advantages of the southern European route, some trade flows have been redirected away from the large ports on the northwestern seaboard of the continent and to the Northern Adriatic. Due to the fact that efficient logistics services are of crucial importance in achieving growth, *Luka Koper* has - in conjunction with its partners - developed new lines and services including regular rail freight connections with hinterland markets.

Figure 8: Container freight throughput from January to September 2010 and 2011 (in TEU)

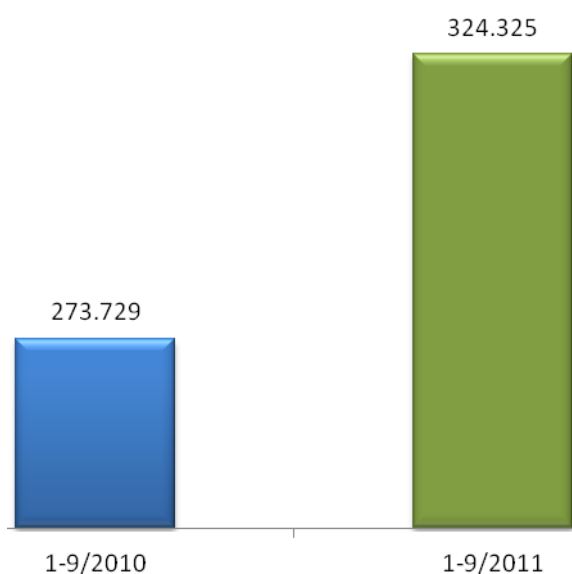


Vehicles

The total volume of 324,325 vehicles handled from January to September was eighteen percent ahead of the same period last year. Similar to the decline in container freight in the third quarter, the total volume of vehicles passing through the port also went down.

The increase can, in particular, be attributed to the assembly plants in the European hinterland which are exporting vehicles to Mediterranean countries. The export of *Volkswagen* models and Korean trademarks from assembly plants in Slovakia and Czech Republic were up.

Figure 9: Vehicle throughput from January to September 2010 and 2011 (in units)



General cargos

The five percent year-on increase in the throughput of general cargos can mainly be attributed to steel manufactures and project cargos. The growth in the third quarter also lagged behind the volume growth achieved in the first six months of 2009.

As regards perishables, and in particular banana imports by conventional vessels, changed market conditions have resulted in a downturn. However, the throughput of containerised fruit in reefers is on the increase.

Despite the still unstable political situation in some North African and Middle East countries, the throughput export of timber recorded a fifteen percent decrease.

Liquid cargos

The total volume of liquid cargos handled recorded a year-on increase of eleven percent; oil derivatives rose by ten percent, whilst the throughput of other liquid cargos (alcohol, mineral oils, chemicals and jet fuel) went up by eighteen percent.

Bulk and break bulk cargos

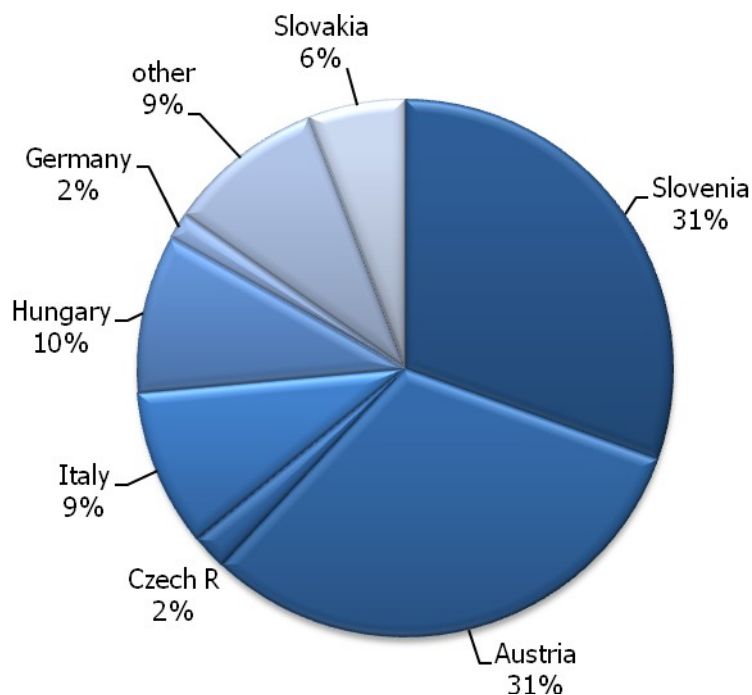
The volume of coal handled by *Luka Koper's* European Energy Terminal recorded a year-on increase of ten percent in the first nine months of 2011. The aggregate of other bulk minerals was four percent ahead of the same period last year, whilst cereal volumes fell. The forty-four percent year-on growth in alumina throughput was also significant.

Throughput structure by markets

The domestic (Slovenian) market accounts for nearly one-third of the Port of Koper's total cargo throughput. Cargos pertaining to the Austrian, Hungarian and Slovak markets all recorded increases over 2010 volumes.

The largest growth was accomplished by the Austrian market, in particular due to increased raw material imports and container freight. Today, more Austrian freight passes through Koper than any other port. The rise in container throughput also pertained to the growth in the Hungarian and Slovak market segments.

Figure 10: Cargo throughput structure by European market of origin or destination (tonnage measure), January – September 2011



Marketing activities

During the first nine months of 2011, *Luka Koper* representatives visited a number of markets in which it has longstanding business partners (such as Korea and Israel). The company also engaged in promotional activities in some of its rapidly-growing overseas markets (including India and China) in order to improve visibility of the Port of Koper as an ideal entrepôt for the markets of Central and Eastern Europe.

Luka Koper also participated in a number of conferences and fairs held in its European hinterland markets. Further to this, the company also hosted foreign delegations to discuss potential business and collaboration in achieving optimal logistics solutions.

RISK MANAGEMENT

The *Luka Koper Group* systematically assesses, tracks and manages all relevant types of risk. Among the financial risks - whose nature and management are described in more detail in the 2010 Annual Report - most attention was paid to the interest rate risk during the first nine months 2011.

The expansion of variable interest rates in money markets has resulted in an increase in interest costs. On October 6th 2011, in the post-balance-sheet period, *Luka Koper d.d.* performed an interest rate swap in relation to € 30 million of debt, which accounts for one-seventh of the *Group's* total financial liabilities.

As a consequence of increased cargo throughput, and dependence upon key personnel, human resource risk is estimated as very high. In order to accomplish objectives, measures are being implemented at all levels of the company's management in order to manage this risk. The non-secured provision of port services by external contractors, as well as the demands by the Crane Operator's Union - and threats of a strike - contribute to the high level of operational risk which is additionally increased by industrial action threat of the Subcontractor Providers of Port Services Union.

No significant changes have occurred in the management of other risks.

LKPG SHARE

As of 30th September 2011, *Luka Koper* had a total of 13,513 shareholders, which is 6.7 percent less than a year previously. The ten largest shareholders held 75.91 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 3: Ten largest shareholders as of 30th September 2011

No.	Shareholder title	No. of shares	Percentage stake
1.	Republika Slovenija	7,140,000	51.00%
2.	Slovenska odškodninska družba d. d.	1,557,857	11.13%
3.	Kapitalska družba d. d.	712,304	5.09%
4.	Mestna občina Koper	466,942	3.34%
5.	KD Galileo fleksibilna struktura naložb	155,079	1.11%
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.	KD Indija – Kitajska delniški	99,897	0.71%
Ten largest shareholders – total		10,627,438	75.91%
Total shares		14,000,000	100.00%

Trading in the Luka Koper Share

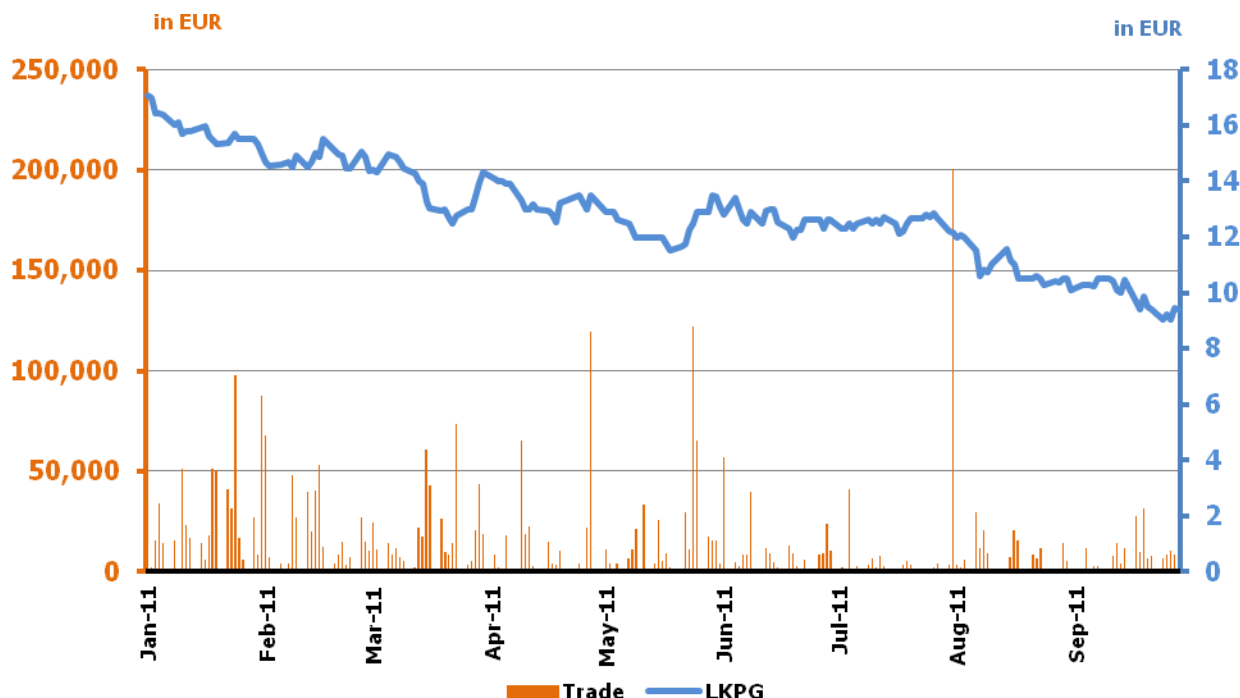
Table 4: Relevant information on the LKPG share

	2011	2010
Number of shares as of 30 th September	14,000,000	14,000,000
Market capitalisation as of 30 th September (in million €)	131.46	226.38
Turnover (all transactions) January - September (in million €)	3.13	4.65
*Lowest daily or closing price January to September (in €)	9.05	15.02
*Highest daily or closing price January to September (in €)	17.09	25.10
Closing price as of 30 th September (in €)	9.39	16.17

** From April 2011 onwards, the Ljubljana Stock Exchange modified its methodology for the calculation of the daily price, by publishing the closing price instead of the average trading price. In accordance with Ljubljana Stock Exchange methodology, the average daily trading prices are used for last year and the first quarter of 2011, and the closing price from April 2011 onwards.*

The average daily price and - since April - the average closing price of the *Luka Koper d.d.* share during January to September 2011 period was € 12.90, whereas its value fluctuated between 9.05 and 17.09 euros. A total of 2,174 transactions and block trades were accomplished in LKPG shares during the period, and the total value of these trades amounted to € 3,125,738, with 236,618 shares changing ownership. The peak market share price was € 17.20, while its lowest price was € 9.05. Compared to the same period last year, the share's value dropped by forty-one percent, whilst it fell by forty-seven percent between 31st December 2010 and 30th September 2011.

Figure 11: Movement of LKPG share price (daily - first quarter, and closing - second and third quarters), as well as the aggregate value of the daily trade in the share (in euro) between January and September 2011



Number of LKPG shares held by Supervisory and Management Board members

As of 30th September 2011, 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 30th September 2011, the following members of the *Luka Koper d.d.* Management Board held shares in the company:

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

Dividend policy

Luka Koper d.d. dividend policy combines the shareholders' strive for dividend yield with the requirement that a portion of profits should necessarily be reinvested into the business; this is forever a compromise between maximizing shareholder return and ensuring the long-term development of the company. Due to the fact that the company didn't generate any distributable net profit in 2010, no dividends will be disbursed for fiscal 2010. Taking into

consideration the anticipated investments in port infrastructure and equipment, the company aims to disburse up to one-third of net profit as dividends over the coming years.

Net earnings per share

Calculated on the basis of net profit generated between January and September 2011, divided by the number of shares issued, net earnings are the equivalent of 12 cents per share.

Book value of share

As of 30th September 2011, the book value of the *Luka Koper* share - calculated as the total value of equity divided by the total number of shares issued - amounted to € 16.65.

Treasury stock, authorised capital, conditional increase in share capital

As of 30th September 2011, the company didn't hold treasury stock. At the General Assembly meeting, shareholders rejected the proposal of a resolution that would allow the company to acquire treasury stock in the value of up to ten percent of the issued share capital. 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 September 2011, the company has had no grounds for any conditional increase in share capital.

Communication with investors

On 21st April 2011, *Luka Koper* attended the *Slovene Capital Markets Day* in Ljubljana, organised for the sixth consecutive year by the *Ljubljana Stock Exchange*. Through various presentations as well as individual meetings, some 150 representatives of Slovene and foreign brokerage firms, asset management corporations, banks and funds, acquired information about the company. In order to further promote communication, the 8th September *Open Door Day* was aimed at financial analysts and investors, who were presented the company's interim performance and five-year strategic plan. The meeting was attended by 20 analysts from a number of Slovenian brokerage firms and banks.

INVESTMENT IN NON-FINANCIAL ASSETS

This year, the *LK Group* allocated 14.6 million euros – of which 13.7 million euros (93.7 percent) was invested by *Luka Koper d.d.* – into the creation of infrastructure and the acquisition of plant. Due to ever-increasing quantities of container freight passing through the port, there have been further acquisitions of handling machinery. Investments were also made into seabed dredging to allow the berthing of larger cruise vessels, and into the continued conversion of Fruit Terminal warehousing into temperature and humidity controlled facilities for perishables.

Further investments in Container Terminal equipment

As a result of a large growth in the container freight business, modern handling machinery is being acquired for the Container Terminal in order to ensure the ongoing provision of reliable high-quality services. Two reach-stackers and six terminal tractors with trailers were acquired early this year, whilst in late May the machinery inventory was complemented by two new transtainers. An older container crane was renovated in July, whilst between July and September several transport routes were re-engineered and rehabilitated.

Renovation of storage facilities at the General Cargo and Timber Terminals

Larger storage areas, where the impact of stored cargo has caused holes and other damage, have been renovated in order to facilitate warehousing operations through enhancing occupational safety, quality of work, as well as the prevention of damage to machinery.

Refurbishment of the Break Bulk Terminal

The Break Bulk Terminal has acquired a more functional open area for the storage of scrap iron, as well as a new *Sennebogen* machine for handling scrap metal. In addition, the construction of a new surface for scrap metal handling has also been completed. The reason behind these investments is the growth in scrap throughput, although these same facilities will also serve for the handling and storage of other break bulk cargos.

The older flat storage cereal warehouses were also renewed and their steel elements replaced. In addition, the anti-dust protection system at the wagon-truck loading station was renovated through the installation of bag filters that efficiently neutralises soya-bean flour particle emissions.

Quayside dredging at the Passenger Terminal

Seabed dredging operations at the Passenger Terminal included the reconstruction of the seawall and installation of ground anchors, the provision of a new quayside with maritime pilot facility, the incorporation of four new bollards with a greater load capacity as well as the replacement of twenty-five fenders. The seabed at the berths was dredged to a depth of 10 metres, and to 8.5 m in the vicinity of Koper Marina. An operating permit for the reconstructed quayside was granted on 27th May, and on 29th May the *Voyager of the Seas* - the largest cruise vessel ever to visit Koper - berthed at the Passenger Terminal.

Modernisation of the Liquid Cargo Terminal

Upon the request by the Ministry of the Environment and Spatial Planning - Slovenia's Environment Agency - a number of installations and equipment at the tank chemicals storage facility were reconstructed and modernised. The contract for these works, signed in March, refers to equipment supplements and safety adjustments in accordance with current regulations governing the storage of hazardous liquids in above-ground reservoirs.

Construction of berth at the Alcohol Terminal

An additional fender to aid vessel mooring was constructed at the Alcohol Terminal. The berth is now designed symmetrically with four independent fenders, thus enhancing the safety of navigation and the mooring of smaller vessels.

Upgrade of LAN communications system

The core of *Luka Koper's* IT system is provided by six large hubs, and thus its entire information system is preconditioned by the functioning of these nodes. Due to the modernisation of applications and the provision of additional services, as well as in order to meet the requirements of software and the needs of other providers, the erstwhile communications hubs have been replaced with new high-performance switches.

RESEARCH & DEVELOPMENT

In August 2011, the company's Supervisory Board endorsed the *Luka Koper Group's* five-year strategic plan. Focusing on temporal and financial limitations, preparation of a detailed development concept - which considers priorities and port facilities as well as terminal operations for individual cargo types - is underway. In addition, a call has been published for proposals for consulting as to the further commercial, spatial and technological development of container freight operations at Piers I and III of the Port of Koper. The Port's five-year development plan adopted by the Government of RS is also being revised.

Between January and September 2011, *Luka Koper d.d.* continued its intensive participation in a number of European projects, systematically developed its own in-house research and development activities, as well as the process of strategic planning and the management of strategic plans. In addition, the company has been actively engaged in a number of European territorial and cross-border projects, including the following:

- *SoNorA*, *Empiric* and *Logical* in the Central Europe programme;
- *Watermode*, *Seta* and *Sea Mariner* in the Southeast Europe programme;
- *Climeport*, *Memo*, *Backgrounds*, *Porta*, *Freight4all* and *Losamedchem* in the Mediterranean Programme, and
- *Adria A* and *Safeport* in the Slovenia - Italy Programme.

Within the context of the *Marco Polo* programme, the *Hinterports* and *Kobalink* projects continued, where within the context of the latter, there has been relatively modest traffic via the Koper-Barcelona sea-link which has prevented the establishment of a regular direct service. Within the ongoing application of TEN-T, the *ITS Multiport Adriatic Gateway* and *MosAmos* projects are in full swing.

Luka Koper participates in a total of eighteen European projects, and recently, the company applied for two more - *Medicis* and *Med In* - within the Mediterranean Programme.

IT SUPPORT

A number of IT system improvements, aimed at the optimisation of *Luka Koper's* IT processes, the provision of better services to clients, as well as cost-reduction through enhanced efficiency, got underway between January and September 2011.

As to the improvements in the TINO system and external communication, a tracking solution has been implemented which allows forwarding agents advance notice of loading and delivery orders, thus facilitating their business operations at the Port of Koper.

Luka Koper also continued with the implementation of new e-document system modules based on a Microsoft SharePoint 2010 platform. A number of activities related to the implementation of the new container management system have implemented, and it is anticipated that the project shall be completed early next year.

In addition, a number of activities related to the selection of the most suitable business reporting solution have been launched, and the company was also active in the field of content and professional support in relation to various EU projects and programmes involving IT.

SUSTAINABLE DEVELOPMENT

HUMAN RESOURCE MANAGEMENT

This year, the above-expectations increase in cargo throughput – particularly with regard to container freight – has required the provision of additional personnel in the basic process of cargo handling and storage. The issue is being resolved through the internal optimisation of work processes and additional recruitment. Thus, during the first nine months of 2011, *Luka Koper d.d.* recruited thirty-one new employees, mainly operational staff, and specifically crane operators.

Table 5: Number of employees per *Luka Koper Group* companies

Company	31. 12. 2010	30. 9. 2011	Index 2011/2010
Luka Koper d. d.	748	762	102
Luka Koper INPO d. o. o.	213	204	96
Luka Koper Pristan d. o. o.	6	4	67
Adria Terminali d. o. o.	30	28	93
TOTAL*	997	998	100

* The comparison only includes those *LK Group* companies which have employees.

From January to September 2011, the number of new recruitments was equal to the number of departures at the *Group* level. Most departures can be attributed to age-related retirements, and, to a lesser degree, consensual terminations of employment contracts as well as disability retirement. The churn rate over the first nine months of 2011 was below last year's level in *Luka Koper d.d.*, whereas at the *Group* level it exceeded last year's level although still remains below the target annual rate which is four percent.

Table 6: Recruitment, retirement and churn in the first nine months of 2010 and 2011

	No. of new employees		No. of departures		Churn rate*	
	1 – 9 2010	1 – 9 2011	1 – 9 2010	1 – 9 2011	1 – 9 2010	1 – 9 2011
Luka Koper d. d.	4	31	23	17	3	2.2
Luka Koper Group	7	37	33	37	3.2	3.6

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

Sick leave

The number of working days lost as a consequence of sick leave recorded a year-on increase over the first nine months of 2011. In *Luka Koper d.d.*, it increased from 4.1 percent in 2010 to 5.5 percent in 2011, whilst at the *Group* level it rose from 4.9 percent to 5.7 percent. This can be attributed to prolonged absences (greater than 3 months) of a larger number of employees suffering from severe health conditions which are not directly related to their work.

Occupational safety within the port

One more workplace injury was recorded in the first nine months of 2011 compared to the same period last year - 53 in 2011 and 52 in 2010. Of these, 27 involved injury to staff employed by subcontractor providers of port services (33 in 2010), and 22 employees of *Luka Koper d.d.* (13 in 2010), whilst 4 pertained to external operators (6 in 2010), including a severe injury to an employee of Slovenian railways - *Slovenske Železnice d.d.*

In accordance with an action plan adopted in June, activities are being implemented to enhance the safety of all those who work within or visit the port zone; this plan shall have been fully implemented by year's end.

In order to reduce the number of traffic accidents, a new brochure has been published for the needs of the Container Terminal, an area in which road, rail and pedestrian traffic has substantially increased. The brochure, which is provided to truck drivers upon entrance to the port zone, warns as to the potential dangers.

As a consequence of the nuclear accident in Japan, and the resultant risk that contaminated cargo might arrive to the Port of Koper, stricter radiation monitoring of containers and vehicles from Japan has been implemented. The Slovenian Nuclear Safety Administration shall be informed in the event of any incident.

Personnel education and development

The general education structure of personnel within *Luka Koper d.d.* as well as at the *Group* as a whole has improved compared to last year. The decrease in the number of employees with lower levels of education can be attributed to the retirement of operational personnel who are not being directly replaced through new recruitment. In addition, the improved structure is due to successfully completed part-time study programmes. The percentage of employees whose part-time study is co-financed by the company has remained approximately the same during 2011, namely, two percent.

The intensive and selective integration of personnel in work-related in-house training courses, in which the company's own professionals take on the role of lecturers, has resulted in a slight increase of the average number of training hours per employee. Within *Luka Koper d.d.* it amounted to 12.7 hours per employee (up from 12 hours in 2010), and 10.6 hours per employee at the *Group* level (up from 9.7 hours in 2010). *Luka Koper's* annual target is an average of 16 hours per employee.

ENVIRONMENTAL IMPACT CONTROL

In order to ensure that Koper becomes an ever more environment-friendly port, *Luka Koper* regularly and closely monitors the impacts of its operations on the environment. The Ministry of the Environment and Spatial Planning - Slovenia's Environment Agency - officially corroborated the company's commitment to efficient environmental management by granting it EMAS status under certificate No. SI 00004. This year, *Luka Koper* published its first Environmental Report, which is also available via the company website. Further to this, information in relation to all relevant environmental issues is promptly published on its corporate www.luka-kp.si and *Living with the Port* www.zivetispristaniscem.si websites, as well as in the in-house *Luški Glasnik* gazette and via the national media.

Air Quality

Monthly control measurements of dust deposits are made at ten locations within the port zone. Because of the absence of pertinent national legislation in this field, the company follows German directives in which the threshold value for total dust deposits amounts to 350 mg/m²/day. At nine locations the measurements in the first nine months of 2011 were within the German standard, whilst at one location it didn't meet the objective. To resolve the issue, on-site dampening operations were increased; accordingly, the July – September measurements met the German standards.

Legally prescribed measurements of airborne concentrations of PM10 particulates, which are constantly implemented by an independent authority at two locations within the port zone, remained below the 40 µg/m³ threshold value. Average emissions from January to September in the direction of Ankaran-Rožnik amounted to 28 µg/m³, whilst at Bertoki they were 29 µg/m³. The results are automatically published every hour via the *Living with the Port* www.zivetispristaniscem.si website.

In March, during some exceptional conditions, strong winds blew iron ore dust out of the port zone and into the city centre of Koper. Based on the safety manifest, chemical analysis and a calculated risk assessment, experts established that the event was in no way whatsoever harmful to human health or detrimental to the environment. The results of the study into this and other events are available online via the *Luka Koper* websites.

Within the project of CO₂ emissions reduction, the company is proceeding with the *Climeport* project - Mediterranean Ports' Contribution to Climate Change Mitigation - which is now in the final stage implementation. As a leading partner, *Luka Koper* is preparing a joint action plan to reduce emissions applicable to all participating ports.

Noise Emissions

Noise emissions have been monitored by an authorised agency for over a decade, and since 2008 *Luka Koper* has promptly published measurements via its website. This year the company has been granted a noise emission environmental permit by the Ministry of the Environment and Spatial Planning – Slovenia's Environment Agency. Consequent to its compliance with legislative provisions and the ongoing implementation of noise abatement measures, the permit is for a five-year term.

Sources of noise within the port have been identified and, within the context of a noise-reduction action plan, a variety of abatement measures have been investigated. Early this year, a ship owner withdrew a container vessel which generated excessive noise upon each visit to the port. Vessel exclusion may also be used as a solution in the future as the company strives to keep noise emissions to a minimum. Further to this, two of the oldest and noisiest transtainers have been withdrawn from service at the Container Terminal and replaced with new ones, whilst the asphalt surface across a large section of the Container Terminal, together with the cargo handling area in the proximity of Koper's old town centre, has been renewed.

Waste Waters

Sewage waters account for a major portion of waste waters generated within the port zone, outstripping the quantity of industrial waste waters produced. Industrial waste waters are purified in on-site treatment plants prior to their discharge, whereas sewage waters are for the most part processed at the municipal treatment plant. The environmental protection permit for waste water emissions is in the process of acquisition. A port sewage system reconstruction plan, which will be implemented in stages, has also been prepared.

Consumption of Energy and Water

In conjunction with the *Jožef Stefan Institute's* Energy Efficiency Centre, *Luka Koper* is implementing an energy review of the port in order to establish the dynamics of its energy consumption. The first stage of the project has been completed, and the second stage launched in October will result in the actual calculations and measures necessary to achieve a fifteen percent reduction of energy consumption. The project will be completed in spring 2012.

Based on measurement, the quality of potable water in the port water supply network complies with the legislative provisions. The company has also acquired consent for the use of two new wells that will provide 100,000 m³ of water per year. The water shall mainly be used for the additional dampening of the coal dump to further reduce dust emissions.

Waste Management

The recycling of waste materials is based on the separation of waste at the terminals, within the port zone area, as well as aboard vessels using the port. Some separately collected waste is used as secondary raw material, whilst the composting plant at the company's Waste Management Centre processes organic waste - such as timber off-cuts, perished fruit and soya residues - into compost.

Luka Koper also co-operates with external contractors in waste processing. During the first nine months of 2011, eighty-five percent of waste generated at the port was collected separately for recycling, which is testimony to the company's concern for the environment and thereby the accomplishment of established environmental objectives. In addition, the individual organisational units within the company are being provided with containers for separate waste collection. Projects aimed at the upgrade of the port's bilge water-oil processing plant and the centre for the collection of hazardous waste are underway.

Maritime Protection

Luka Koper also provides services related to the prevention of maritime pollution, as well as response and clean-up in the event of pollution incidents. Eleven such incidents were recorded within the harbour area during the first nine months of 2011, and eight of these required the intervention of the company's maritime protection service. Six cases concerned oil spillage, whereas others incidents involved coal dust, inadequately processed sewage as well as various alluvial materials and tree branches.

Luka Koper d.d. has undertaken its own risk study which serves as a basis for the preparation of technological solutions in relation to the early detection of spillages, further to which the company also has its own land and sea protection and rescue plans in the event of accidents. As a consequence of its involvement in the European *SafePort* project - which promotes the development of strategies and joint plans for the prevention and reduction of environmental and industrial hazards within ports, *Luka Koper* is part of an international regime for the management of industrial and environmental risks. The aforementioned regime also involves monitoring seawater quality within the port basins, with the publication of results online.

Training, aimed at handling newly acquired equipment - a skimmer and protective floating curtain as well as special floating bag to remove slicks - was organised in July. This new equipment will allow *Luka Koper* to keep the harbour area cleaner.

Light Pollution

In order to ensure operational safety, the port requires good illumination which is provided in accordance with regulations. Unfortunately, the night-time illumination of operational areas, rail yards and roadways, causes light pollution. For this reason, and based on a comprehensive study of port illumination, lighting is being rehabilitated in a series of stages. The legally prescribed deadline has been deferred to 2016. According to estimations, by the end of September some seventy-five percent of external illumination was in accord with the regulation.

Construction Works

Construction work performed within the port in the context of necessary maintenance and redevelopment, may result in increased noise and dust emissions; building contractors are obliged to perform such operations in compliance with pertinent environmental regulations. Unfortunately, however, not all disturbances can be fully prevented. Excavation works pertaining to seabed dredging at the Passenger Terminal berths has caused disturbing noise and vibration. The works were interrupted during the summer months.

Development

Large-scale developments are necessarily subject to environmental impact assessments, which are undertaken by authorised authorities and further reviewed by auditors. This year there were no developments which would require environmental impact assessment under current legislation.

Dredged Materials

In order to guarantee safe navigation of vessels using the harbour, the port basins have to be excavated to a prescribed depth. Thus the company occasionally performs dredging works and deposits the sediments in designated areas within the port zone. The areas at the company's disposal are limited, thus studies have been made into alternative uses of the excavated materials, in particular by the construction industry. This research involves the participation of, amongst others, the Slovenian National Building and Civil Engineering Institute, Ljubljana University's Faculty of Civil Engineering, the Jožef Stefan Institute, and the National Institute of Chemistry.

COMMITMENT TO THE COMMUNITY

The *Luka Koper Group* demonstrates its commitment to the environment by significantly contributing to its development. A study made by the economist Jože P. Damjan illustrates that every euro generated by port operations engenders an additional 1.20 euros for the Slovenian economy as a whole.

In the local and broader community alike, *Luka Koper d.d.* has supported a number of infrastructural and other projects, which not only improve the quality of life of the population

at large, but also enable the development of a series of economic and other activities. This year, the most important project was related to the advancement of tourism, both locally as well as nationally. Seabed dredging and the rehabilitation of the quayside at the Passenger Terminal – a € 1.6 million investment by *Luka Koper d.d.* – allowed the arrival of largest cruise ships. As a result, the number of passenger visits nearly tripled on the previous year. In nine months, sixty vessels called, and the 88,275 visitors who disembarked significantly contributed to tourism in Primorska and the broader region as a whole.

Between January and September, *Luka Koper d.d.* allocated € 0.88 million to projects which promote cultural sport, environmental, humanitarian and other activities both locally and nationally. A portion was distributed via two calls for applications entitled *A Port of Good Ideas*. The company received a total of 432 applications, and fifty percent of the projects were actually supported.

The quality of life of the local population will also be influenced by the port's future development which was outlined by the National Spatial Plan (NSP) endorsed by the Government RS this June. The NSP determines the port zone, maritime conditions, the supplementation and extension of activities at the existing piers, the construction of a new pier, the regulation of the contact areas with the urban milieu and links to external infrastructure networks. The NSP anticipates the harmonised development of the Port of Koper, taking into consideration the requirements of the economy, the local population and the environment.

FINANCIAL REPORT

CONSOLIDATED FINANCIAL STATEMENTS OF LUKA KOPER GROUP

Table 7: Income Statement of Luka Koper Group

(in euro)	January - September 2011 Non-audited	January - September 2010 Non-audited
Operating revenues	105,768,153	92,188,680
Net sales revenues	103,859,552	90,396,160
Change in the value of inventory	0	0
Capitalised own products and services	0	4,315
Other operating revenues	1,908,601	1,788,205
Operating expenses	-89,939,677	-84,598,922
Cost of goods, materials and services	-36,047,457	-31,204,986
Labour costs	-28,317,526	-27,320,323
Value write-offs	-20,642,916	-19,736,406
Other operating expenses	-4,648,509	-4,873,105
Provisions	-283,269	-1,464,101
Operating profit	15,828,476	7,589,757
Financial revenues	1,626,203	1,833,869
Financial revenues from profit participation	1,190,911	1,291,081
Financial revenues from loans granted	169,918	244,603
Financial revenues from operating receivables	265,374	298,185
Financial expenses	-12,950,353	-8,050,770
Financial expenses from impairments and write-offs of financial investments	-6,634,999	-1,328,729
Financial expenses from financial liabilities	-6,125,545	-6,480,838
Financial expenses from operating liabilities	-189,809	-241,203
Pre-tax profit	4,504,326	1,372,856
Corporation tax	-411,636	-336,143
Deferred tax	-1,013,834	-8,096
Net profit for the period	3,078,856	1,028,617
Net profit – majority shareholder	3,078,856	1,029,590
Net profit – minority shareholder	0	-973
Net earnings per share (basic and diluted)	0.22	0.07

Table 8: Comprehensive Income Statement of Luka Koper Group

(in euro)	January – September 2011 Non-audited	January – September 2010 Non-audited
Net profit for the period	3,078,856	1,028,617
Other comprehensive income for the period:		
Change in revaluation surplus from financial assets available-for-sale	-4,998,320	-443,624
Deferred taxes	999,664	88,725
Other comprehensive income for the period	-3,998,656	-354,899
Total comprehensive income for the period	-919,800	673,718
Attributable to:		
- majority shareholder equity	-919,800	674,691
- minority shareholder equity	0	-973

Table 9: Balance Sheet Statement of Luka Koper Group

ASSETS (in euro)	30. 9. 2011 Non-audited	31. 12. 2010 Audited
ASSETS	487,153,670	502,345,304
A. Non-current assets	449,721,884	459,124,856
I. Intangible fixed assets and non-current deferred costs	4,390,343	7,299,398
II. Tangible fixed assets	369,814,735	373,840,418
III. Real-estate investments	18,605,396	17,512,207
IV. Non-current financial investments	48,504,295	51,015,089
V. Non-current operating receivables	4,764	41,559
VI. Deferred tax assets	8,402,352	9,416,185
B. Current assets	35,446,843	42,736,311
I. Assets (disposal group)	11,940,433	18,224,413
II. Inventories	12,782	12,688
III. Current financial investments	742,841	837,691
IV. Current operating receivables	20,771,052	22,980,690
V. Current corporation tax assets	391,250	0
VI. Cash and cash equivalents	1,588,485	680,829
Deferred costs and accrued revenues	1,984,943	484,137
LIABILITIES (in euro)	30. 9. 2011 Non-audited	31. 12. 2010 Audited
EQUITY AND LIABILITIES	487,153,670	502,345,304
Equity	243,136,704	244,056,503
A. Equity – majority shareholder	243,136,704	244,056,503
I. Called-up capital	58,420,965	58,420,965
II. Capital reserves	89,562,703	89,562,703
III. Legal reserves	18,882,890	18,882,890
IV. Other revenues reserves	58,112,522	58,112,522
V. Revaluation surplus	6,516,231	10,514,887
VI. Retained net profit	8,562,537	8,562,536
VII. Net profit for the year	3,078,856	0
B. Equity – minority shareholder	0	0
C. Provisions	12,297,762	12,636,801
D. Non-current liabilities	155,467,628	161,192,848
I. Non-current financial liabilities	153,707,480	158,376,144
II. Non-current operating liabilities	131,090	187,982
III. Deferred tax liabilities	1,629,058	2,628,722
E. Current liabilities	73,911,211	83,673,527
I. Current financial liabilities	57,237,385	67,893,506
II. Current operating liabilities	16,262,193	15,511,503
III. Current corporation tax liabilities	411,633	268,518
F. Accrued costs and deferred revenues	2,340,365	785,625

Table 10: Cash Flow Statement of Luka Koper Group

(in euro)	January – September 2011 Non-audited	January – September 2010 Non-audited
A) Cash flows from operating activities		
a) Net profit	4,092,690	1,036,713
Pre-tax profit	4,504,326	1,372,856
Corporation tax and other taxes not included in operating expenses	-411,636	-336,143
b) Adjustments for	25,047,054	25,844,165
Amortisation (+)	20,315,726	19,584,916
Revaluation of operating revenues associated with investments and financing (-)	-57,856	-58,194
Revaluation of operating expenses associated with investments and financing (+)	24,467	43,560
Finance income less finance income from operating receivables (-)	-1,360,829	-1,535,685
Finance expenses less finance expenses from operating liabilities (+)	6,125,546	7,809,568
b) Changes in net current assets per balance sheet items (including accruals and deferrals, provisions and deferred tax assets and liabilities)	8,899,784	-16,211,264
Changes in operating receivables	1,855,185	-1,048,641
Changed in deferred costs and accrued revenues	-1,500,806	-2,987,109
Changes in deferred tax assets	0	0
Changes in assets (disposal group) held for sale	6,283,980	-7,914
Changes in inventories	-95	1,801
Changes in operating liabilities	1,045,820	-13,645,104
Changes in accrued costs and deferred revenues, and provisions	1,215,700	1,475,703
Changes in deferred tax liabilities	0	0
c) Net inflows (outflows) from operating activities (a + b)	38,039,528	10,669,614
B) Cash flows from investment activities		
a) Inflows from investments	2,035,008	11,984,826
Inflows from interest and profit participation associated with investments	1,360,829	1,291,081
Inflows from disposal of intangible fixed assets	3,771	0
Inflows from disposal of tangible fixed assets	121,763	285,074
Inflows from disposal of real-estate investments	13,141	0

Inflows from disposal of non-current financial investments	176,376	6,557,398
Inflows from disposal of current financial investments	359,128	3,851,273
b) Outflows from investments	-17,732,479	-17,269,624
Outflows for acquisition of intangible fixed assets	-946,580	-396,769
Outflows for acquisition of tangible fixed assets	-13,632,864	-14,640,934
Outflows for acquisition of real-estate investments	-19	-29,690
Outflows for acquisition of non-current financial investments	-2,888,738	-145,390
Outflows for acquisition of current financial investments	-264,278	-2,056,841
c) Net inflows (outflows) from investment activities (a + b)	-15,697,471	-5,284,796
C) Cash flows from financing		
a) Inflows from financing	54,045,623	102,387,218
Inflows from paid-up capital	0	0
Inflows from increase of non-current financial liabilities	35,000,000	43,814,841
Inflows from increase of current financial liabilities	19,045,623	58,572,377
b) Outflows from financing	-75,480,024	-106,563,862
Outflows for interest payable associated with financing	-6,334,452	-6,480,838
Outflows for capital refunds	0	0
Outflows for payment of non-current financial liabilities	-46,282,321	-31,277,924
Outflows for payment of current financial liabilities	-22,863,218	-68,804,916
Outflows for distribution of dividends and other profit participation	-33	-184
c) Net inflows (outflows) from financing activities (a + b)	-21,434,401	-4,176,644
Closing balance of cash and cash equivalents	1,588,485	1,762,506
Net cash inflow (outflow) for the period (sum total of net cash Ac, Bc and Cc)	907,656	1,208,172
Opening balance of cash and cash equivalents	680,829	554,334

Table 11: Statement of Changes in Equity of Luka Koper Group, January – September 2010

STATEMENT OF CHANGES IN EQUITY (in euro) Non-audited	Called-up capital	Capital reserves	Legal reserves	Other revenues reserves	Retained net profit	Net profit for the financial year	Revaluation surplus	Total equity	Equity – minority shareholders	Total equity
Opening balance as of 1st January 2010	58,420,965	89,562,703	18,876,842	60,544,410	15,706,530	-7,112,730	11,044,595	247,043,315	367,181	247,410,494
Net profit for the financial year						1,029,590		1,029,590	-973	1,028,617
Other comprehensive income for the period							-354,900	-354,900		-354,900
Comprehensive income for the period	0	0	0	0	0	1,029,590	-354,900	674,690	-973	673,717
Formation of other revenue reserves upon the resolutions of the Management and Supervisory Boards								0	0	0
Transfer to other revenues reserves upon the resolution of General Assembly								0	0	0
Transfer of net profit from the previous year to retained net profit					-7,112,730	7,112,730		0	0	0
Distribution of dividends								0		0
Transfer from equity								0	-308,486	-308,486
Acquisition of minority interest					288,785			288,785		288,785
Other								0		0
Balance as of 30th September 2010	58,420,965	89,562,703	18,876,841	60,544,409	8,882,585	1,029,890	10,689,695	248,006,789	57,722	248,064,511

Table 12: Statement of Changes in Equity of Luka Koper Group, January – September 2011

STATEMENT OF CHANGES IN EQUITY (in euro) Non-audited	Called-up capital	Capital reserves	Legal reserves	Other revenue reserves	Retained net profit	Net profit for the financial year	Revaluation surplus	Total equity	Equity – minority shareholde rs	Total equity
Opening balance as of 1st January 2011	58,420,965	89,562,703	18,882,890	58,112,522	8,562,536	0	10,514,887	244,056,504	0	244,056,504
Net profit for the financial year						3,078,856		3,078,856	0	3,078,856
Other comprehensive income for the period							-3,998,656	-3,998,656		-3,998,656
Comprehensive income for the period	0	0	0	0	0	3,078,856	-3,998,656	-919,800	0	-919,800
Formation of legal reserves and coverage of losses from other revenues reserves upon the resolution of the Management Board										
Coverage of net loss for the current year from retained profits										
Transfer of net profit from the previous year to retained net profit										
Dividends										
Relinquished holding in acquisition										
Balance as of 30th September 2010	58,420,965	89,562,703	18,882,890	58,112,522	8,562,536	3,078,856	6,516,231	243,136,704	0	243,136,704

NOTES TO THE FINANCIAL STATEMENTS OF LUKA KOPER GROUP

The financial statements of the *Luka Koper Group* for January to September 2011, i.e. as at 30th September 2011, encompass the financial statements of the parent company, *Luka Koper d.d.*, as well as the statements of its subsidiary enterprises, together with the attributable profits or losses of associated and jointly controlled companies.

The non-audited financial statements of *Luka Koper Group* as of 30th September 2011 are compiled in accordance with the same accounting policies and principles that were applicable in 2010.

Statement of Compliance

The financial statements have been compiled in accordance with the Companies Act RS and International Financing Reporting Standards (IRS) as adopted by the EU.

Basis for the Compilation of Financial Statements

The financial statements have been compiled in euros (EUR), rounded to the nearest unit. Through these consolidated financial statements, the *Luka Koper Group* wants to provide the broadest sphere of users useful information on its finances, performance and changes in financial standing from January to June 2011, in comparison with data for the previous year.

Fair value has been used and disclosed in relation to available-for-sale financial assets and real-estate investments, whilst other financial statement items have been presented either at cost or amortised cost.

Additional Notes to the Income Statement

Operating revenues

(in euro)	January – September 2011	January – September 2010
OPERATING REVENUES	105,768,153	92,188,679
Net sales revenues on domestic market	34,402,833	31,160,942
Net sales revenues on foreign markets	69,456,719	59,235,218
Capitalised own products and services	0	4,315
Other operating revenues	1,908,601	1,788,204

Costs of goods, materials and services

(in euro)	January – September 2011	January – September 2010
COSTS OF GOODS, MATERIALS AND SERVICES	-36,047,457	-31,204,986

Material costs	-7,562,420	-6,383,454
Service costs	-28,485,037	-24,821,532

Labour costs

(in euro)	January – September 2011	January – September 2010
LABOUR COSTS	-28,317,526	-27,320,323
Costs of salaries	-21,318,906	-20,815,085
Social insurance costs	-4,378,599	-3,892,877
Other labour costs	-2,620,021	-2,612,361

Value write-offs

(in euro)	January – September 2011	January – September 2010
VALUE WRITE-OFFS	-20,642,916	-19,736,407
Amortisation of fixed assets	-20,240,141	-19,584,916
Amortisation of real-estate investments	-75,585	-43,560
Revaluation of operating expenses	-327,190	-107,931

An increase in the amortisation of fixed assets can mainly be attributed to the completion of larger investments. Two relevant items are National Spatial Plan and infrastructure investments (Passenger Terminal). Amortisation rates remained unchanged.

Other operating revenues

(in euro)	January – September 2011	January – September 2010
OTHER EXPENSES	-4.648.509	-4.873.105
Charges unrelated to labour and other costs	-4.001.032	-4.030.578
Environmental protection expenditure	-92.025	-134.322
Other costs	-555.452	-703.410

Financial revenues

(in euro)	January – September 2011	January – September 2010
FINANCIAL REVENUES	1,626,203	1,833,869
Financial revenues from profit participation	1,190,911	1,291,081

Financial revenues from loans granted	169,918	244,603
Financial revenues from operating receivables and foreign exchange gains	265,374	298,184

Financial expenses

(in euro)	January – September 2011	January – September 2010
FINANCIAL EXPENSES	-12,950,353	-8,050,770
Financial expenses from impairments and financial investment write-offs	-6,634,999	-1,328,729
Financial expenses from financial liabilities	-6,125,545	-6,480,838
Financial expenses from operating liabilities and foreign exchange losses	-189,809	-241,203

The investment in *Intereuropa d.d.* was impaired as of 30th June 2011 on the basis of 31st March 2011 valuation in accordance with an 8-year projection of cash flows which take into consideration the effective discount rate, which shall vary depending on the structure of liabilities; cash flows above 8 years were extrapolated in accordance with a nominal growth rate of two percent per annum.

Operating profit for the period

(in euro)	January – September 2011	January – September 2010
PRE-TAX PROFIT	4,504,326	1,372,855
Corporation tax	-411,636	-336,143
Deferred tax	-1,013,834	-8,095
NET PROFIT FOR THE PERIOD	3,078,856	1,028,617
Net earnings per share	0.22	0.07

Additional Notes to the Balance Sheet Statement

Tangible and intangible fixed assets and real-estate investments

(in euro)	30. 9. 2011	31. 12. 2010
INTANGIBLE FIXED ASSETS AND LONG-TERM DEFERRED COSTS & ACCRUED REVENUES	4,390,343	7,299,398
TANGIBLE FIXED ASSETS	369,814,735	373,840,417
1. Land and buildings	260,479,976	258,312,081

a. Land	12,072,877	12,072,877
b. Buildings	248,407,099	246,239,204
2. Plant and machinery	83,857,643	88,756,918
3. Other plant and equipment	149,952	148,951
4. Tangible fixed assets under acquisition	25,327,164	26,622,467
REAL-ESTATE INVESTMENTS	18,605,396	17,512,207

Non-current financial investments

(in euro)	30. 9. 2011	31. 12. 2010
NON-CURRENT FINANCIAL INVESTMENTS	48,504,295	51,015,089
1. Non-current investments less loans	43,370,344	48,671,349
2. Non-current loans	5,133,951	2,343,740

Current assets

(in euro)	30. 9. 2011	31. 12. 2010
CURRENT ASSETS	35,446,843	42,736,311

Equity

(in euro)	30. 9. 2011	31. 12. 2010
EQUITY	243,136,704	244,056,503
EQUITY – majority shareholder	243,136,704	244,056,503
Issued share capital	58,420,965	58,420,965
Capital reserves	89,562,703	89,562,703
Revenue reserves	76,995,412	76,995,412
1. Legal reserves	18,882,890	18,882,890
2. Other revenues reserves	58,112,522	58,112,522
Revaluation surplus	6,516,231	10,514,887
Retained net profit	8,562,536	8,562,536
Net profit for the financial year	3,078,856	0
EQUITY – minority shareholder	0	0

Non-current liabilities

(in euro)	30. 9. 2011	31. 12. 2010
NON-CURRENT LIABILITIES	155,467,628	161,192,848
Non-current financial liabilities	153,707,480	158,376,144

Non-current operating liabilities	131,090	187,982
Deferred tax liabilities	1,629,058	2,628,722

Current liabilities

(in euro)	30. 9. 2011	31. 12. 2010
CURRENT LIABILITIES	73,911,211	83,673,527
Current financial liabilities	57,237,385	67,893,506
Current operating liabilities	16,673,826	15,780,021

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

Table 13: Income Statement of Luka Koper d.d.

(in euro)	January – September 2011 Non-audited	January – September 2010 Non-audited
Operating revenues	99,111,208	85,732,260
Net sales revenues	98,969,702	85,635,358
Change in the value of inventory	0	0
Capitalised own products and services	0	0
Other operating revenues	141,506	96,902
Operating expenses	-85,777,603	-79,659,704
Cost of goods, materials and services	-37,549,884	-31,543,837
Labour costs	-23,697,257	-22,789,949
Value write-offs	-19,618,218	-18,884,486
Other operating expenses	-4,628,975	-4,977,331
Provisions	-283,269	-1,464,101
Operating profit	13,333,605	6,072,556
Financial revenues	2,576,802	3,170,918
Financial revenues from profit participation	2,144,902	2,659,567
Financial revenues from loans granted	176,158	229,002
Financial revenues from operating receivables	255,742	282,350
Financial expenses	-13,149,504	-8,276,352
Financial expenses from impairments and write-offs of financial investments	-6,634,999	-1,328,729

Financial expenses from financial liabilities	-6,330,905	-6,803,579
Financial expenses from operating liabilities	-183,600	-144,043
Pte-tax profit	2,760,903	967,125
Corporation tax	0	0
Deferred tax	-1,011,620	-6,226
Net profit for the period	1,749,283	960,899
Net earnings per share (basic and diluted)	0.12	0.07

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

(in euro)	January – September 2011 Non-audited	January – September 2010 Non-audited
Net profit for the period	1,749,283	960,899
Other comprehensive profit for the period:		
Change in revaluation surplus from financial assets available-for-sale	-4,998,320	-443,624
Deferred taxes	999,664	88,725
Other comprehensive profit for the period	-3,998,656	-354,899
Total comprehensive profit for the period	-2,249,373	606,000

Table 15: Balance Sheet Statement of Luka Koper d.d.

ASSETS (in euro)	30. 9. 2011 Non-audited	31. 12. 2010 Audited
ASSETS	479,048,616	494,944,676
A. Non-current assets	443,241,244	452,202,349
I. Intangible fixed assets and long-term deferred costs	4,386,906	7,299,398
II. Tangible fixed assets	341,678,421	343,843,293
III. Real-estate investments	36,434,307	37,120,101
IV. Non-current financial investments	52,324,990	54,474,523
V. Non-current operating receivables	4,765	41,559
VI. Deferred tax assets	8,411,855	9,423,475
B. Current assets	33,917,598	42,270,577
I. Assets (disposal group)	11,927,771	18,211,752
II. Current financial investments	950,868	1,131,029
III. Current operating receivables	19,556,291	22,335,500
IV. Current corporation tax assets	0	0
V. Cash and cash equivalents	1,482,668	592,296
C. Deferred costs and accrued revenues	1,889,774	471,750
LIABILITIES (in euro)	30. 9. 2011 Non-audited	31. 12. 2010 Audited
EQUITY AND LIABILITIES	479,048,616	494,944,676
A. Equity	233,126,818	235,376,191
I. Called-up capital	58,420,965	58,420,965
II. Capital reserves	89,562,703	89,562,703
III. Revenue reserves	76,877,636	76,877,636
IV. Revaluation surplus	6,516,231	10,514,887
V. Retained net profit	0	0
VI. Net profit for the year	1,749,283	0
B. Provisions	5,641,396	5,358,127
C. Non-current liabilities	155,415,042	161,075,952
I. Non-current financial liabilities	153,707,480	158,376,144
II. Non-current operating liabilities	78,504	71,086
III. Deferred tax liabilities	1,629,058	2,628,722
D. Current liabilities	82,599,175	92,402,544
I. Current financial liabilities	67,370,870	77,693,895
II. Current operating liabilities	15,228,305	14,708,649
E. Accrued costs and deferred revenues	2,266,185	731,862

Table 16: Cash Flow Statement of Luka Koper d.d.

(in euro)	January – September 2011 Non-audited	January – September 2010 Non-audited
A) Cash flows from operating activities		
a) Net profit	2,760,903	967,125
Pre-tax profit	0	967,125
Corporation tax and other taxes not included in operating expenses	2,760,903	0
b) Adjustments for	23,271,703	23,883,268
Amortisation (+)	19,315,953	18,747,938
Revaluation operating revenues associated investments and financing (-)	-78,563	-56,314
Revaluation operating expenses associated investments and financing (+)	24,467	43,560
Finance income less finance income from operating receivables (-)	-2,321,059	-2,888,568
Finance expenses less finance expenses from operating liabilities F (+)	6,330,905	8,036,652
b) Change in net current assets per balance sheet items (including accruals and deferrals, provisions and deferred tax assets and liabilities)	10,235,951	-16,301,271
Changes in operating receivables	2,816,004	-925,785
Changes in deferred costs and accrued revenues	-1,418,024	-2,906,801
Changes in deferred tax assets	0	-
Changes in assets (disposal group) held for sale	6,283,980	-7,914
Changes in inventories	0	-
Changes in operating liabilities	736,399	-14,463,202
Changes in accrued costs and deferred revenues, and provisions	1,817,591	2,002,431
Changes in deferred tax liabilities	0	-
c) Net inflows (outflows) from operating activities (a + b)	36,268,556	8,549,122
B) Cash flows from investments		
a) Inflows from investments	3,039,985	12,430,428
Inflows from interest and profit participation associated with investments	2,321,059	2,659,567
Inflows from disposal of intangible fixed assets	3,771	-
Inflows from disposal of tangible fixed assets	142,470	281,313
Inflows from disposal of real-estate investments	13,141	-
Inflows from disposal of non-current financial investments	176,376	5,913,405

Inflows from disposal of current financial investments	383,168	3,576,143
b) Outflows from investments	17,111,088	-16,559,761
Outflows for acquisition of intangible fixed assets	-942,711	-396,769
Outflows for acquisition of tangible fixed assets	-12,715,351	-13,065,964
Outflows for acquisition of real-estate investments	-19	-29,690
Outflows for acquisition of non-current financial investments	-3,250,000	-434,760
Outflows for acquisition of current financial investments	-203,007	-2,632,578
c) Net inflows (outflows) from investments (a + b)	-14,071,103	-4,129,333
C) Cash flows from financing activities		
a) Inflows from financing	58,765,000	118,778,376
Inflows from paid-up capital	0	
Inflows from increase of non-current financial liabilities	35,000,000	43,814,841
Inflows from increase of current financial liabilities	23,765,000	74,963,536
b) Outflows from financing	-80,072,083	-122,006,562
Outflows for interest payable associated with financing	-6,540,229	-6,707,922
Outflows for capital refunds	0	-
Outflows for payment of non-current financial liabilities	-46,282,321	-31,277,924
Outflows for payment of current financial liabilities	-27,249,500	-84,020,532
Outflows for distribution of dividends and other profit participation	-33	-184
c) Net inflows(outflows) from financing activities (a + b)	-21,307,083	-3,228,186
Closing balance of cash and cash equivalents	1,482,667	1,680,182
Net cash inflow (outflow) for the period (sum total of net cash Ac, Bc and Cc)	890,371	1,191,602
Opening balance of cash and cash equivalents	592,296	488,580

Table 17: Statement of Changes in Equity of Luka Koper d.d., January – September 2010

STATEMENT OF CHANGES IN EQUITY (in euro) Non-audited	Called-up capital	Capital reserves	Legal reserves	Other revenue reserves	Retained net profit	Net profit for the financial year	Revaluation surplus	Total equity
	I/1	II/1	III/1	III/4	IV/1	V/1	VI/2	
Opening balance as of 1st January 2010	58,420,965	89,562,703	18,765,115	11,044,595	60,544,410	0	11,044,595	238,337,788
Net profit for the financial year						960,899		960,899
Other comprehensive income for the period							-354,900	-354,900
Comprehensive income for the period	0	0	0	0	0	960,899	-354,900	606,000
Formation of other revenue reserves upon the resolutions of the Management and Supervisory Boards								
Transfer to other revenue reserves upon the resolution of General Assembly								
Transfer of net profit from the previous year to retained net profit								
Distribution of dividends								
Other								
Balance as of 30th September 2010	58,420,965	89,562,703	18,765,115	11,044,595	60,544,410	960,899	10,334,796	238,943,787

Table 18: Statement of Changes in Equity of Luka Koper d.d., January – September 2011

STATEMENT OF CHANGES IN EQUITY (in euro) Non-audited	Called-up capital	Capital reserves	Legal reserves	Other revenue reserves	Retained net profit	Net profit for the financial year	Revaluatio n surplus	Total
	I/1	II/1	III/1	III/4	IV/1	V/1	VI/2	
Opening balance as of 1st January 2011	58,420,965	89,562,703	18,765,115	58,112,521	0	0	10.514.887	235.376.191
Net profit for the financial year						1,749,283		1,749,283
Other comprehensive income for the period							-3.998.656	-3.998.656
Comprehensive income for the period	0	0	0			1,749,283	-3.998.656	-2,249,373
Formation of other revenue reserves upon the resolution of Management and Supervisory Boards								
Transfer to other revenue reserves upon resolution of General Assembly								
Transfer of net profit for the previous year to retained net profit								
Distribution of dividends								
Other								
Balance as of 30th September 2011	58,420,965	89,562,703	18,765,115	58,112,521	0	1,749,283	6.516.231	233,126,818

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

Luka Koper d.d., port and logistics system operator, with its registered office in Koper, Republic of Slovenia, is the parent company of the *Luka Koper Group* of companies. These financial statements are compiled for the period January to September 2011, i.e. as at 30th September 2011.

The non-audited financial statements of *Luka Koper d.d.* as of 30th September 2011 are compiled in accordance with the same accounting policies and principles as were applicable in 2010.

Statement of Compliance

The financial statements have been compiled in accordance with the Companies Act RS and International Financing Reporting Standards (IRS) as adopted by the EU.

Basis for Preparation of Financial Statements

The financial statements have been compiled in euros (EUR), rounded to the nearest unit. By way of these financial statements *Luka Koper d.d.* wishes to provide the broadest sphere of users useful information on the finances, performance and changes in its financial standing from January to September 2011, in comparison with data for the previous year.

Fair value has been used and disclosed in relation to available-for-sale financial assets and real-estate investments, whilst other financial statement items have been presented at cost or amortised cost.

Operating revenues

(in euro)	January – September 2011	January – September 2010
OPERATING REVENUES	99,111,208	85,732,260
Net sales revenues on domestic market	32,992,362	28,756,271
Net sales revenues on foreign markets	65,977,340	56,879,064
Other operating revenues	141,506	96,925

Costs of goods, materials and services

(in euro)	January – September 2011	January – September 2010
COST OF GOODS, MATERIALS AND SERVICES	-37,549,884	-31,543,837
Material costs	-7,141,308	-5,931,893
Service costs	-30,408,576	-25,611,944

Labour costs

(in euro)	January – September 2011	January – September 2010
LABOUR COSTS	-23,697,257	-22,789,949
Costs of salaries	-18,003,488	-17,528,370
Social insurance costs	-3,675,486	-3,227,946
Other labour costs	-2,018,283	-2,033,633

Value write-offs

(in euro)	January – September 2011	January – September 2010
VALUE WRITE-OFFS	-19,618,218	-18,884,486
Amortisation of fixed assets	-18,850,363	-18,747,938
Amortisation of real-estate investments	-465,590	-478,301
Revaluation of operating expenses	-302,265	-136,547

Other operating expenses

(in euro)	January – September 2011	January – September 2010
OTHER EXPENSES	-4,628,975	-4,977,331
Charges unrelated to labour and other costs	-4,014,250	-3,996,209
Environmental protection expenditure	-64,188	-277,629
Other costs	-550,537	-703,493

Financial revenues

(in euro)	January – September 2011	January – September 2010
FINANCIAL REVENUES	2,576,802	3,170,918
Financial revenues from profit participation	2,144,902	2,659,567
Financial revenues from loans granted	176,158	229,002
Financial revenues from operating receivables and foreign exchange gains	255,742	282,350

Financial expenses

(in euro)	January – September 2011	January – September 2010
FINANCIAL EXPENSES	-13,149,504	-8,276,351

Financial expenses from financial liabilities	-6,330,905	-6,707,922
Financial expenses from impairments and financial investment write-offs	-6,634,999	-1,328,729
Financial expenses from operating liabilities and foreign exchange losses	-183,600	-239,699

Operating profit for the period

(in euro)	January – September 2011	January – September 2010
Pre-tax profit	2,760,903	967,125
Corporation tax	0	0
Deferred tax	-1,011,620	-6,226
Net profit for the period	1,749,283	960,899
NET EARNINGS PER SHARE	0.12	0.07

Additional Notes to the Balance Sheet Statement**Tangible and intangible fixed assets and real-estate investments**

(in euro)	30. 9. 2011	31. 12. 2010
INTANGIBLE FIXED ASSETS AND LONG-TERM DEFERRED COSTS & ACCRUED REVENUES	4,386,906	7,299,398
TANGIBLE FIXED ASSETS	341,678,421	343,843,293
1. Land and buildings	237,115,457	233,069,731
a. Land	6,261,659	6,261,659
b. Buildings	230,853,798	226,808,072
2. Plant and machinery	79,130,094	84,045,380
3. Other plant and equipment	139,696	138,695
4. Tangible fixed assets under acquisition	25,293,174	26,589,487
REAL-ESTATE INVESTMENTS	36,434,307	37,120,101

Non-current financial investments

(in euro)	30. 9. 2011	31. 12. 2010
NON-CURRENT FINANCIAL INVESTMENTS	52,324,990	54,474,523
1. Non-current financial investments less loans	47,191,039	52,130,784
2. Long-term loans	5,133,951	2,343,739

Assets (disposal group) held for sale

(in euro)	30.9.2011	31.12.2010
ASSETS (DISPOSAL GROUP)	11,927,771	18,211,752
Fixed assets held for sale	1,385,540	1,413,750
Other non-current assets held for sale	10,542,231	16,798,002

The investment in *Intereuropa d.d.* was impaired as of 30th June 2011 on the basis of 31st March 2011 valuation in accordance with an 8-year projection of cash flows which take into consideration the effective discount rate, which shall vary depending on the structure of liabilities; cash flows above 8 years were extrapolated in accordance with a nominal growth rate of two percent per annum.

Current operating receivables

(in euro)	30. 9. 2011	31. 12. 2010
CURRENT OPERATING RECEIVABLES	19,556,291	22,335,500

Equity

(in euro)	30. 9. 2011	31. 12. 2010
EQUITY	233,126,818	235,376,191
Called-up capital	58,420,965	58,420,965
Capital reserves	89,562,703	89,562,703
Revenue reserves	76,877,636	76,877,636
1. Legal reserves	18,765,115	18,765,115
2. Other revenue reserves	58,112,521	58,112,521
Revaluation surplus	6,516,231	10,514,887
Retained net profit	0	0
Net profit for the financial year	1,749,283	0

Non-current liabilities

(in euro)	30. 9. 2011	31. 12. 2010
NON-CURRENT LIABILITIES	155,415,042	161,075,952
Non-current financial liabilities	153,707,480	158,376,144
Non-current operating liabilities	78,504	71,086
Deferred tax liabilities	1,629,058	2,628,722

Current liabilities

(in euro)	30. 9. 2011	31. 12. 2010
CURRENT LIABILITIES	82,599,175	92,402,544
Current financial liabilities	67,370,870	77,693,895
Current operating liabilities	15,228,305	14,708,649

MANAGEMENT BOARD STATEMENT OF RESPONSIBILITY

The Management Board of *Luka Koper d.d.* herein declares that the financial statements of *Luka Koper d.d.* and the consolidated financial statements of the *Luka Koper Group* of companies for the period ending 30th September 2011 have been compiled in order that they shall provide a true and fair disclosure of the financial condition as well as the business performance of *Luka Koper d.d.* and the *Luka Koper Group*.

The same accounting policies and standards have been applied in the compilation of these interim statements, as with the preparation of the annual financial statements of *Luka Koper d.d.* and the *Luka Koper Group*.

These interim statements for the period ending 30th September 2011 have been compiled in accordance with International Financing Reporting Standards (IFRS) and have to be considered in relation with the annual financial statements for the fiscal year ending 31st December 2010.



Dr. Gregor Veselko
President of the Management Board



Tomaž Martin Jamnik
Deputy President of the Management Board



Marko Rems
Member of the Management Board



Matjaž Stare

Member of the Management Board – Workers Director

Koper, Slovenia, 28th November 2011