
Dr Gregor Veselko, Management Board President



will continue during 2012. In 2011 Luka Koper maintained its leading position in container freight among the Northern Adriatic ports, and we intend to keep and strengthen it through marketing activities, investments as well as improvements at the Container Terminal.

Unfortunately - and this is by no means meant as an excuse - not everything depends on our company. Indeed, the railway issue, i.e. the construction of the second track, is in the hands of the state. The expansion of port facilities also has to be agreed upon by the local as well as state authorities. Taking into consideration the pre-election promises, there's no need to be concerned about the port's future. The second railway track and the third pier were part of all political parties' programmes. As a logistics platform for the countries of Central and Eastern Europe, the Port Koper's operations should be above party-political interests, and instead addressed by state apparatus at all levels, from diplomacy to environmental protection. Thus far the Port of Koper remains Slovenia's comparative advantage, but its neighbouring states are not just standing by. Croatia is planning to modernise its railways and increase port capacities along its entire coast. With strong support from Austria, Northeastern Italy has already gained an advantage as regards European corridors (the Adriatic - Baltic corridor, which terminates in Ravenna, bypasses Slovenia). In short: unless we want to end up at the logistics margins, Slovenia has to become more ambitious and self-confident at the state level.

Dear All,

Although you have already been informed on the company's performance over the past year, this issue of Notice provides more information, including details on revenues. As you will see, revenue has outstripped cargo throughput, which itself broke the port's record in 2011; indeed, last year saw increases across all cargo types with the exception of general cargos. This segment was significantly affected by the political crisis in some North African states which are the destination of timber shipped from the Port of Koper. This is also a perfect illustration of the fact that a port is just one of many links in a long chain connecting the seller with the buyer, and, accordingly, port operations very much rest on the situation in world markets.

As already mentioned, revenues grew faster than throughput. General cargos are a good example: an increase in revenues was recorded despite the fall in throughput. This can be attributed to the company's strategy which gives priority to more profitable cargos. As is evident from our investment plan with its primary focus on the container business, this orientation

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LUKA KOPER

Port of Koper

Overview of the maritime throughput and revenues by cargo group

Maritime throughput in tonnes			
	2010	2011	Index 2011/2010
General cargos	1,445,630	1,383,355	96
Container freight	4,302,542	5,334,817	124
Vehicles	533,300	640,407	120
Liquid cargos	2,727,014	2,922,890	107
Dry bulk and break bulk cargos	6,363,557	6,769,845	106
Total	15,372,044	17,051,314	111

Maritime throughput in units of measure			
	2010	2011	Index 2011/2010
Containers (TEU)	476,731	589,314	124
Vehicles (units)	378,318	446,743	118



Operating revenues of Luka Koper, d.d.*			
(in 000 EUR)	2010	2011	Index 2011/2010
General cargos	29,396	31,573	107
Container freight	23,975	32,357	135
Vehicles	12,349	14,062	114
Liquid cargos	6,269	7,201	115
Dry bulk and break bulk cargos	30,961	34,647	112
Other operating revenues	15,989	14,587	91
Total operating revenues	118,939	134,427	113

*incomplete and non-audited data

*Operating revenues are composed of net sales and other operating revenues, which do not include other revenues. In the Annual report 2010 and interim reports in 2011 we disclosed operating revenues with already included other revenues. The amount of other revenues, which are not included in the operating revenues 2010 for comparison reasons, is 370 thousands EUR, while in 2011 they amounted 386 thousands EUR.

Good Prospects for Container Freight

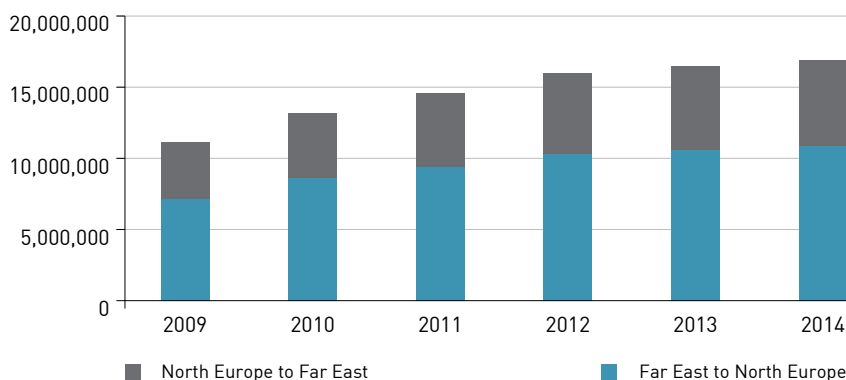
In their 50-year history, containers have revolutionised world trade and significantly contributed to globalisation. They have allowed international companies to establish their manufacturing bases at locations with lowest cost, as well as simultaneously provide the fast and safe delivery of products anywhere in the world. Containers account for

sixteen percent of total sea freight, which is about 1.25 billion tonnes of cargo per year. Fruit and vegetables are an excellent example: container transport accounts for sixty percent of the total world sea freight of such highly perishable goods.

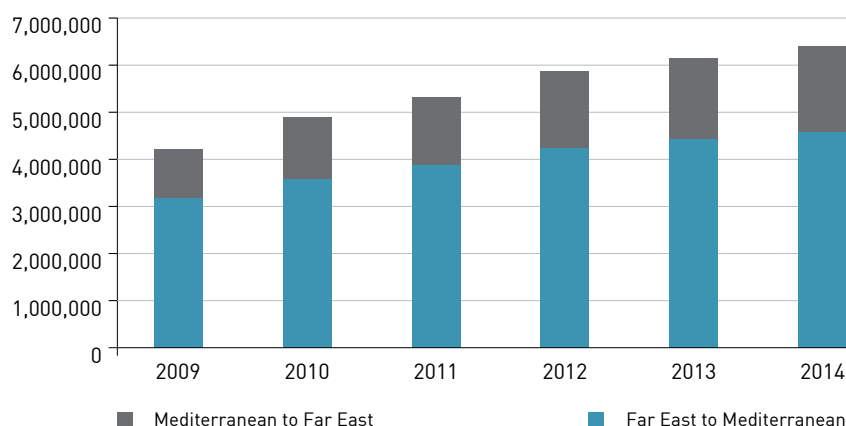
Based on the estimates of analysts, container freight remains one of the

most efficient means of transport, and seems destined to grow further despite the potential economic crisis. Growth is also predicted in Far East trade, both as regards Northwestern European as well as the Mediterranean ports, which is particularly interesting for Luka Koper.

Far East to/from Northern Europe. Trade in TEU:*



Far East to/from the Mediterranean. Trade in TEU:*



* Source: MDS Transmodal, BoxTrade Intelligence, Containerisation International 12-2011

This acceleration is also being experienced by North Adriatic ports:

Cargo throughput TEU	2011	2010	Index 11/10
Koper	589,314	476,731	124
Venice	495,000*	393,459	126
Trieste	393,195	281,629	140
Ravenna	214,000*	183,041	117
Rijeka	150,677	137,048	110

*Non-finalised data

Investments Enable Growth

As a result of the increased volume of operations at the Container Terminal, Luka Koper made additional investments in equipment and machinery during 2011. In February we acquired six yard trucks with trailers and two reach stackers, in June two RTG (rubber tyred gantry) cranes, in October five new yard trucks, and in December two more RTG cranes that will start operating in late January. Several days ago, the company signed an on the acquisition of three additional RTG cranes that will be delivered in October. Further to this, storage facilities at the Container Terminal were also expanded last year; an additional twenty-three workers have been employed, and overall annual capacity stands at 700,000 TEUs. A large portion of investments in 2012 shall again be allocated to the Container freight business.



Notwithstanding favourable estimates of general growth, this is a business in which each container is fought for, and shipowners play a key role in this. Container cargo usually goes where the best logistics possibilities are established, and shipping lines have their own views on this, which may thwart the plans of any individual port. In order to alleviate problems caused by increasing fuel costs and low tariffs, shippers employ larger vessels to achieve economies of scale and the

reorganisation of their services. Some lines also suffer from the fact that due to higher earnings they decided upon the acquisition of new larger ships just before the recession in 2008. "These might also be the reasons why at the end of last year four shipowners (Hanjin Shipping, United Arab Shipping Company, Yang Ming and Hyundai Merchant Marine) anticipated that they will service the Port of Koper solely through feeder lines and not directly." Says Tomaž Martin Jamnik,

vice president of the management board and he adds: "Due to the fact that Maersk and CMA-CGM shall continue their direct Far East services, Luka Koper doesn't expect a significant decline in throughput. Based on the estimates of our business partners, we expect a moderate growth in container throughput this year; much, however, shall depend upon global economic conditions."

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