

2011



LUKA KOPER GROUP

NON-AUDITED REPORT OF
LUKA KOPER GROUP AND LUKA KOPER D.D.
JANUARY – DECEMBER 2011

Koper, Slovenia,
February 2012

CONTENTS

PERFORMANCE HIGHLIGHTS OF LUKA KOPER GROUP	1
GENERAL INFORMATION	3
INTRODUCTORY NOTE.....	3
PRESENTATION OF LUKA KOPER GROUP	4
CORPORATE MANAGEMENT AND GOVERNANCE	7
SIGNIFICANT EVENTS JANUARY– DECEMBER 2011	9
RELEVANT POST-BALANCE SHEET EVENTS	13
LUKA KOPER GROUP BUSINESS REPORT	14
PERFORMANCE ANALYSIS OF THE LUKA KOPER GROUP	14
MARKETING & SALES	18
LKPG SHARE.....	21
NON-FINANCIAL INVESTMENTS.....	25
HUMAN RESOURCE MANAGEMENT	25
FINANCIAL REPORT	27
CONSOLIDATED FINANCIAL STATEMENTS OF LUKA KOPER GROUP.....	27
NON-CONSOLIDATED FINANCIAL STATEMENTS OF.....	34
LUKA KOPER D. D.	34
MANAGEMENT BOARD STATEMENT OF RESPONSIBILITY.....	41

PERFORMANCE HIGHLIGHTS OF LUKA KOPER GROUP

COMPARISON OF ACTUAL AND PLANNED RESULTS FOR JANUARY – DECEMBER 2011

	Result 1 – 12 2011	Plan 1 – 12 2011	Index result / plan
Operating revenues ¹	143,633,226	131,480,519	109
Operating profit (EBIT)	22,383,700	15,419,253	145
EBITDA	49,675,239	42,758,085	116
Net profit for the period	447,729	7,602,680	6
Investments in intangible and tangible fixed assets and real-estate investments	19,834,054	32,360,089	61
Cargo throughput (in tonnes)	17,051,315	16,457,236	104

COMPARISON OF JANUARY – DECEMBER RESULTS FOR 2011 AND 2010

(in euro)	1 – 12 2011	1 – 12 2010	Index 2011/2010
From Income Statement			
Operating revenues ¹	143,633,226	127,346,489	113
Operating profit (EBIT)	22,383,700	14,193,939	158
EBITDA	49,675,239	40,462,737	123
Financing gain (loss)	-20,450,291	-17,495,591	117
Pre-tax profit	1,933,409	-3,301,652	-
Net profit for the period	447,729	-2,903,652	-

¹ Operating revenues are comprised of net sales revenues and other operating revenues which do not include other revenues. In the 2010 Annual Report and 2011 interim reports, operating revenues also included other revenues. The value of other revenues - which in order to allow comparison with 2011 figures are not included in operating revenues - amounts to 392,000 euros in 2010, and 487,000 euros in 2011.

(in euro)	31. 12. 2011	31. 12. 2010	Index 2011/2010
From Balance Sheet Statement			
Assets	478,271,061	502,345,304	95
Non-current assets	445,992,223	459,124,856	97
Current assets and deferred expenses and accrued revenues	32,278,838	43,220,449	75
Equity	240,796,819	244,056,503	99
Long-term liabilities and provisions	168,819,726	173,829,649	97
Short-term liabilities and accrued expenses and deferred revenues	68,654,516	84,459,152	81
Financial liabilities	205,799,473	226,269,650	91

(as percentage)	1 – 12 2011	1 – 12 2010	Index 2011/2010
Indicators			
Return on sales (ROS)	15.58%	11.15%	139.82
Net return on equity (ROE)	0.18%	-1.18%	-
Net return on assets (ROA)	0.09%	-0.56%	-
EBITDA margin	34.58%	31.77%	108.85
Financial liabilities/equity	85.47%	92.71%	92.18

*The calculation of indicators is rounded to two decimal points.

(in euro)	1 – 12 2011	1 – 12 2010	Index 2011/2010
From Cash Flow Statement			
Investments in intangible and tangible fixed assets and real-estate investments	19,834,054	20,157,813	98

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 – December 2011.

This Non-Audited Report on the performance of *Luka Koper d.d.* and the *Luka Koper Group* for January – December 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 27th February 2012 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 – December 2011 was addressed by the company's Supervisory Board at its regular session held on 24th February 2012.

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.

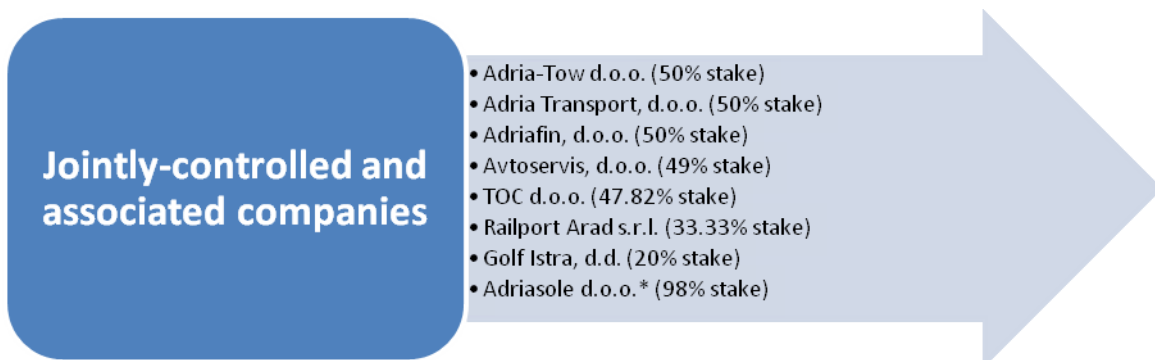
<i>Full title</i>	<i>Luka Koper, a public limited liability port and logistics system operator</i>
<i>Short title</i>	<i>Luka Koper, d. d.</i>
<i>Registered office</i>	<i>Vojkovo nabrežje 38, Koper, Slovenia</i> <i>Telephone: +385 (0)5 66 56 100</i> <i>Fax: +386 (0)5 63 95 020</i> <i>Email: portkoper@luka-kp.si</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, prime market</i>
<i>Share 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 – 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</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 31st December 2011:



*As of 11th December 2011, *Luka Koper d.d.* increased its share in the company *TOC d.o.o.* to 66.80 percent due to the withdrawal of one of the *TOC d.o.o.* partners.

As of 31st December June 2011, *Luka Koper d.d.* also discloses financial investments in jointly-controlled and associated companies in which it exerts 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 *Adriasole d.o.o.*, decision making requires the consent of the partner pursuant to an agreement. Compliant with provisions of IAS 28 (7), *Adriasole d.o.o.* has been reclassified as an associated company. *Luka Koper d.d.* disposed of the associated company *Ecoporto Koper d.o.o.* on 15th July 2011.

Luka Koper d. d. also holds shareholdings in the companies listed below which are classified as assets held for disposal and sale.

- *Intereuropa d.d., 24.81%,*
- *Logis Nova d.o.o., 99.96%,*
- *Adria Investicije d.o.o., 100%.*

CORPORATE MANAGEMENT AND GOVERNANCE

Luka Koper d. d. Management Board

As of 31st December 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 available on the company's website: www.luka-kp.si

Luka Koper d. d. Supervisory Board

As of 31st December 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 13th July 2009 (16th General Assembly of Shareholders).
- Sabina Mozetič, Member of the Supervisory Board, appointed upon the proposal of Koper Municipality Council; commenced a four-year term on 12th July 2011 (19th General Assembly of Shareholders).

Representatives of employees:

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

SIGNIFICANT EVENTS JANUARY– DECEMBER 2011**JANUARY**

- *Luka Koper d. d.* received a request from *Securities Market Agency RS* to clarify facts and circumstances relevant for any decision regarding the eventual obligation of *Luka Koper d.d.* and other companies that are shareholders of:
 - Krka, d. d., Novo Mesto
 - Zavarovalnica Triglav d. d., Ljubljana
 - Petrol d. d., Ljubljana
 - Telekom Slovenije d. d.
 - Aerodrom Ljubljana d. d.

which act in a concerted manner with *Luka Koper d.d.* to make a formal takeover bid for the shares of listed companies on the basis of the provisions of the Takeovers Act RS.

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

as large shareholders of *Intereuropa d.d.* invited interested parties to participate in a public tender for blocks of shares 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 d.d.* 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 some 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 the 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 the adopted Annual Report for 2010;
 - 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 restricted 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 the performance of function and attendance fees for members of the Supervisory Board as well as 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 a new member of the Supervisory Board for a four-year term.
-
- On 18th July 2011, *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. On 28th July 2011, the negotiations between *Luka Koper d.d.* Management Board and the Crane Operators Union failed to achieve resolution, thus the Union members went on strike at 6 am on 29th July 2011. The strike was joined by some employees of external contractors.
 - *Luka Koper d. d.* published its second call for the disbursement of sponsorships and donations from the *Living With the Port* fund.

AUGUST

- On 4th August 2011 the company's Supervisory Board were introduced to the course of negotiations between Management Board and the Crane Operators Union as well

as their standpoints; further to this, Supervisory 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.*'s Supervisory Board endorsed the five-year strategic plan of *Luka Koper d.d.* and the *Luka Koper Group*.

SEPTEMBER

- On 8th September 2011, in a measure to further enhance communication with investors, the *Luka Koper d.d.* Management Board invited financial analysts and investor representatives to the port and presented them with the company's interim performance, its five-year strategic plan as well as informed them about the adoption of the National Spatial Plan. The meeting was attended by twenty analysts from various Slovenian stockbrokers and banks.
- *Luka Koper d.d.*'s fifth Open Door Day saw a record number of people from across Slovenia visit the port.

OCTOBER

- On 13th October 2011, *Luka Koper d.d.* acquired, through the conversion of a 1.8 million euro loan to a capital stake, 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 *Logis Nova d.o.o.* to acquire land. *Luka Koper d.d.* management now estimates that the construction of this logistics centre is no longer commercially viable. Further to this, the acquired real 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 loan granted for the acquisition to the amount disclosed in its 2010 Annual Report.
- In its sixth year of operation, the annual number of passengers passing through *Luka Koper d.d.*'s Passenger Terminal has exceeded one hundred thousand, which is a record number.
- The members of *Medcruise*, the Association of Mediterranean passenger ports, elected *Luka Koper's* Bojan Babič as its deputy president.

- *Luka Koper d. d.* made a presentation to its potential business partners in Cambodia and Burma (Myanmar).
- Estonian and Slovenian rail operators established a new regular container freight service linking the Port of Koper with Poland, Lithuania, Estonia and Finland, with service connections to Bulgaria, Greece, Turkey, Russia, Azerbaijan and Turkmenistan.
- *Sermar Line* and *Shipping Corporation of India (SCI)* established a new container feeder service linking India with the Adriatic and the Port of Koper.

NOVEMBER

- For the first time in its history, annual cargo throughput at *Luka Koper d.d.*'s Container Terminal exceeded 500,000 TEUs.

DECEMBER

- At its 20th December 2011 session, the *Luka Koper d.d.* Supervisory Board endorsed the company's Business Plan for 2012.
- On 30th December 2011, *Luka Koper d.d.* signed a 37 million euro seven-year loan agreement with three commercial banks. This refinancing of short-term liabilities into longer term ones additionally extends the maturity of *Luka Koper d.d.*'s debt financing with the aim of maturity matching. The average maturity of the *Luka Koper Group's* financial liabilities is thus extended to 5.3 years.
- *Luka Koper d.d.*'s *Living With the Port* project, which was entered in the annual European Sea Ports Organisation (ESPO) competition, reached the final three; the Port of Stockholm was declared the eventual winner of the 2011 Award.
- *Luka Koper d.d.* made a presentation to its business partners in Turkey.
- *Luka Koper d.d.* organised well attended meetings with businesses in Austria, Hungary and Slovakia, its largest continental markets.

RELEVANT POST-BALANCE SHEET EVENTS

JANUARY

- The group of shipping companies (Hanjin, Yang Ming, Hyundai Merchant Marine in United Arab Shipping Company) cancelled its joint direct container service connecting Koper with Far East. The last service called at Koper in mid-January 2012; henceforth these shipping companies shall provide feeder services to the Port of Koper.

LUKA KOPER GROUP BUSINESS REPORT

PERFORMANCE ANALYSIS OF THE LUKA KOPER GROUP

The *Luka Koper Group* successfully concluded fiscal 2011, achieving a record cargo throughput of 17 million tonnes, which is a year-on increase of eleven percent. In addition, 2011 was also characterised by an increase in net sales revenues and efficient cost management that resulted in a year-on rise in operating profits of over fifty percent. The write-downs in the company's investment in *Intereuropa d.d.* in June and December significantly impacted net profit which totalled 447,700 euros; without the downward re-evaluation of *Luka Koper d.d.*'s holding in *Intereuropa*, net profits for 2011 would have been 12.9 million euros.

In the fourth quarter of 2011, *Luka Koper Group* recorded a four percent increase in cargo throughput on the same period last year. The *Group* generated 37.9 million euros in operating revenues in the fourth quarter of 2011, which is eight percent ahead of last year; operating profit amounted to 6.6 million euros in the final quarter, which is a significant increase on the third quarter but a slight decrease on the record set in the second quarter of 2011.

Luka Koper d.d., the parent company of the *Luka Koper Group* completed fiscal 2011 with a net loss in the amount of 1.8 million euros.

OPERATING REVENUES

In 2011, *Luka Koper Group* generated operating revenues in the amount of 143.6 million euros, which is a thirteen percent increase on the previous year and nine percent ahead of plans for 2011.

Figure 1: Luka Koper Group operating revenues

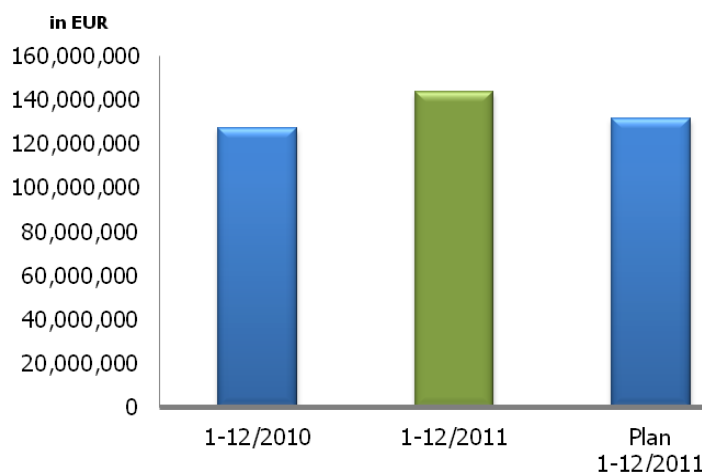


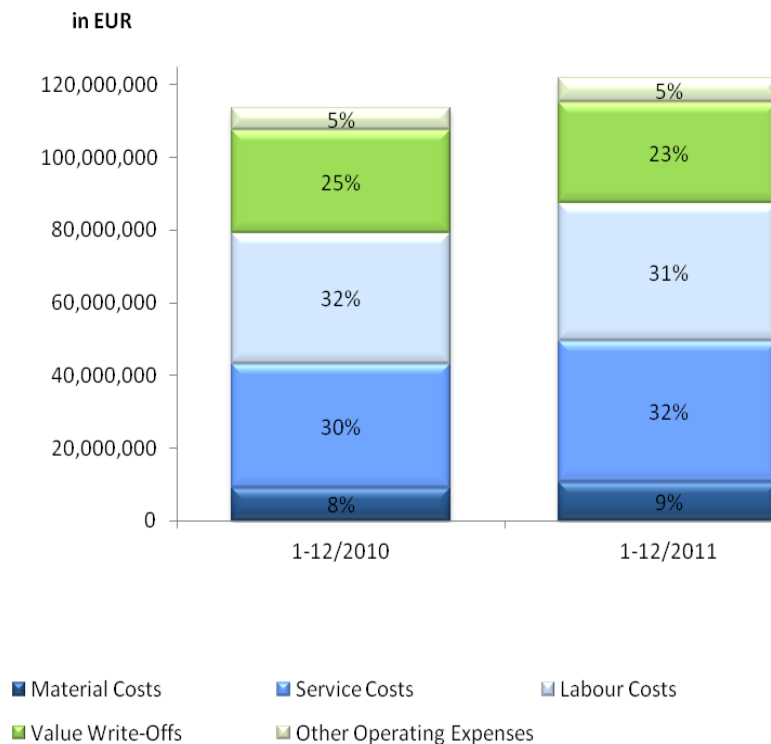
Table 1: Operating revenues by cargo type from January to December 2011 and 2010

REVENUES (in euro)	1 – 12 2011	1 – 12 2010	Index 2011/2010
General cargos	31,572,579	29,396,296	107
Containers	32,356,896	23,975,023	135
Vehicles	14,062,430	12,348,555	114
Liquid cargos	7,201,491	6,269,203	115
Bulk and break bulk cargos	34,647,247	30,960,514	112
Other	23,792,583	24,396,898	98
TOTAL	143,633,226	127,346,489	113

OPERATING EXPENSES

In 2011, *Luka Koper Group* operating expenses amounted to 121.7 million euros, which is a year-on increase of seven percent and four percent ahead of plans. The largest increases over the 2010 amount were recorded by the costs of port service provision and energy. Service costs accounted for the largest portion of operating expenses during 2011.

Figure 2: Structure of Luka Koper Group operating expenses



MATERIAL COSTS

With a year-on increase of sixteen percent, the total cost of materials amount to 10.4 million euros. The largest increase under this heading was recorded in relation to energy, in particular the cost of electricity and fuel used to drive port machinery. The growth in these expenses can be attributed to the rise in cargo throughput and the number of handling operations per unit of cargo throughput.

SERVICE COSTS

Service costs in the total amount of 39 million euros recorded a fourteen percent year-on increase. At 17 million euros, port service costs account for the major portion of total service cost provision. The twenty-eight percent growth in these costs can be attributed to an increased volume of services rendered, itself consequent to increased cargo throughput, as well as an actual rise in the costs of services rendered.

LABOUR COSTS

Accounting for the second largest portion of total operating expenses, labour costs amounted to 37.9 million euros in 2011, which is a year-on rise of five percent. As of 31st December 2011, *Luka Koper Group* companies had 1,018 employees, 21 more than in the previous year. The increase in labour costs can be attributed to an escalation of basic salaries in July and August, as well as backdated pay.

VALUE WRITE-OFFS

Amounting to 27.7 million euros, value write-offs recorded a two percent decrease on 2010. In 2011, the *Group* accomplished infrastructure investments in the amount of 19.8 million euros, which is two percent down on the previous year (for more information on this, see the section entitled: Investments in Non-Financial Assets).

OPERATING PROFIT

The rise in operating revenues over the 2010 level, in tandem with a slow-down in cost growth which was 5.6 percentage points below the growth in operating revenues, is reflected in operating profits for 2011, which amounted to 22.4 million euros, i.e. a fifty-eight percent increase on the previous year as well as forty-five percent ahead of plans. Operating profit plus amortisation (EBITDA) amounted to 49.7 million euros, which is 9.2 million euros (twenty-three percent) ahead of 2010, and 6.9 million euros ahead of 2011 plans.

FINANCIAL REVENUES AND FINANCIAL EXPENSES

In 2011, *Luka Koper Group* generated financial revenues in the amount of 1.9 million euros, which is 15.8 percent down on the previous year.

Financial expenses amounting to 22.4 million euros recorded a thirteen percent year-on increase, which can mainly be attributed to the write-downs of *Luka Koper's* holding in *Intereuropa d.d.* in the total amount of 13.9 million euros, executed on 30th June and 31st December 2011.

PRE-TAX PROFIT AND NET PROFIT

Pre-tax profit amounted to 1.9 million euros, while net profit for 2011 stood at 447,700 euros, which is well ahead of 2010 when the *Group* disclosed a net loss of 2.9 million euros. Had it not been for the write-downs in the *Intereuropa d.d.* investment, net profit for 2011 would have stood at 12.9 million euros.

ASSETS AND LIABILITIES

As of 31st December 2011, the *Luka Koper Group* balance sheet totalled 478.3 million euros, a five percent reduction on 31st December 2010. Non-current assets accounted for ninety-three percent of total assets.

The year-on eleven million euro decrease in current assets can, in particular, be attributed to the write-down in *Luka Koper's* holding in *Intereuropa d.d.*, which is now classified in assets held for sale (disposal group).

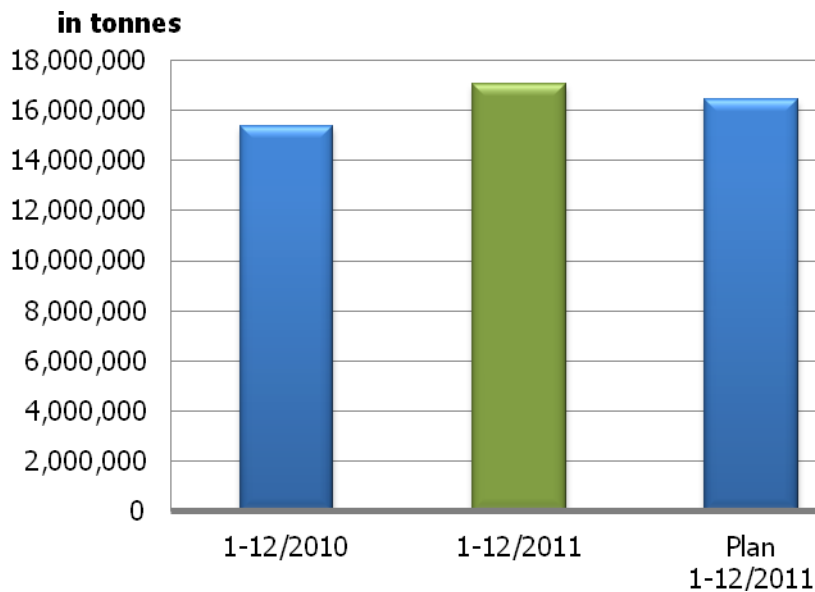
As of 31st December 2011, long-term liabilities and long-term provisions amounted to 168.8 million euros, and accordingly account for thirty-five percent of total liabilities.

Financial liabilities in 2011 recorded an eight percentage point decrease on 2010, and are the equivalent of 85.5 percent of equity.

MARKETING & SALES

Despite weak economic growth in *Luka Koper Group's* hinterland markets, annual cargo throughput in 2011 broke the record 17 million tonnes threshold, which is a year-on rise of eleven percent and nearly four percent ahead of the business plan. The largest growth was achieved by container freight and vehicle throughput.

Figure 6: Actual cargo throughput in 2010 and 2011 relative to the plan



Structure of cargo throughput by type

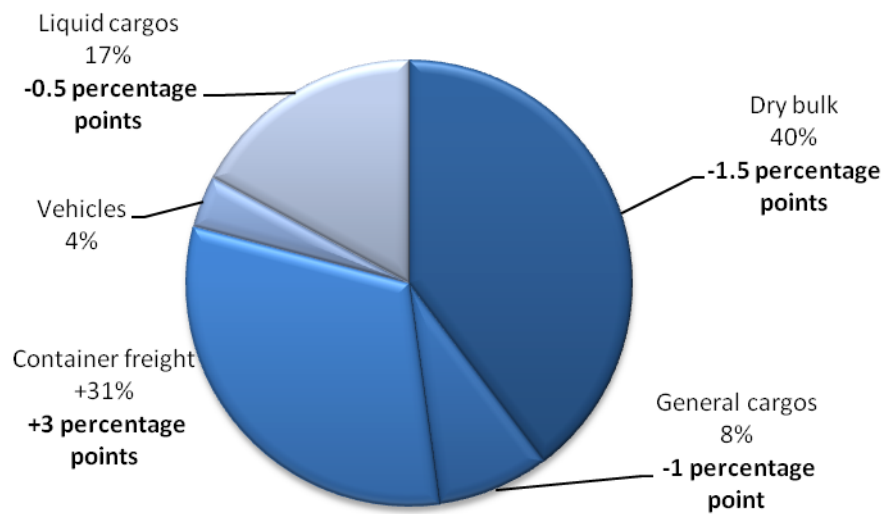
Table 2: Tonnage throughput by cargo type in 2011 and 2010

Cargo Type (in tonnes)	1 – 12 2011	1 – 12 2010	Index 2011/2010
General cargos	1,383,355	1,445,630	96
Containers	5,334,817	4,302,542	124
Vehicles	640,407	533,300	120
Liquid cargos	2,922,890	2,727,014	107
Bulk and break bulk cargos	6,769,845	6,363,557	106
Total	17,051,314	15,372,044	111

Table 2: Container throughput (in TEUs) and vehicles (in units) in 2011 and 2010

Cargo Type	1 – 12 2011	1 – 12 2010	Index 2011/2010
Container freight - in TEUs	589,314	476,731	124
Vehicles - in units	446,743	378,318	118

Figure 7: Throughput by cargo type in 2011 and percentage change in relation to 2010 (tonnage measure)



Bulk and break bulk cargos account for the major portion of total throughput. The portion of container freight recorded an upturn on the previous year, in particular at the expense of bulk and break bulk, general and liquid cargo throughput which recorded a downturn.

Container freight

9.7 percent ahead of plans as well as 23.6 percent ahead of 2010, Koper's Container Terminal operations recorded the largest growth in cargo throughput in 2011 with a record 589,314 TEUs.

Vehicles

In 2011 *Luka Koper d.d.* handled 446,743 vehicles, which is a year-on increase of eighteen percent. The largest throughput growth was achieved in the last quarter when 122,418 vehicles passed through the Car Terminal, thereby exceeding the Q4 plan by eleven percent.

General cargos

In the field of general cargoes, *Luka Koper d.d.* recorded a 4.3 percent year-on decrease in cargo throughput. The downturn was most evident in relation to timber throughput which can be attributed to political instability in several North African states, as well as an accelerated trend towards the containerisation of perishable goods such as fruit. Simultaneously, an increase in the throughput of special general cargoes was recorded.

Liquid cargoes

2011 was characterised by the growth in liquid cargoes throughput in both sub-segments, i.e. oil derivatives and non-petrochemicals. 22.8 percent growth can be also attributed to the new alcohol terminal completed in 2010 but only in full operation in 2011. As a result, the business plan was exceeded by three percent.

Oil derivatives throughput at the Port of Koper increased by 4.1 percent on the previous year, and was eight percent ahead of the 2011 plan.

Bulk and break bulk cargoes

Coal volumes recorded six percent year-on growth, whilst iron ore throughput remained the same as in 2010 and were within the planned quantities. The successful operation of Austrian steelworks contributed to the ten percent growth in iron ore throughput.

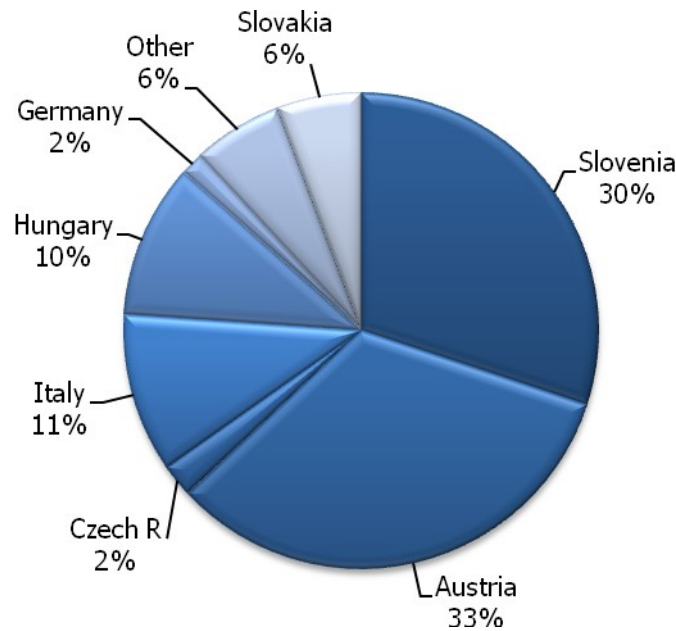
Break bulk operations recorded 7.8 percent year-on growth in particular as a consequence of an increased throughput of minerals and raw materials. A significant 47.5 percent year-on increase in alumina throughput was also recorded.

Throughput structure by markets

An increase in cargo throughput was recorded in relation to all *Luka Koper d.d.*'s traditional hinterland markets. Much effort was invested into maintaining the company's position in key markets as well as increasing its share in individual markets through seizing new opportunities.

The largest growth was achieved in the Hungarian and Austrian markets, and this was particularly due to increased container throughput. In terms of total throughput volume the Austrian market has now surpassed the local (Slovenian) one. Growth in container throughput was also been recorded in relation to the Slovak and Czech markets.

Figure 8: Cargo throughput structure by markets in 2011



Marketing activities

Again in 2011, the company paid a lot of attention to expand the visibility of the port and the promotion of *Luka Koper d.d.* as a port of entry to Europe - and in particular its Central and Eastern European hinterland markets - for cargos from the Middle and Far East.

The company organised and attended a number of events, such as logistics conferences, business delegations, open days, as well as meetings in established and prospective overseas markets including South Korea, China, India, Thailand, Cambodia and Burma.

In November, the company organised its first *Luka Koper Day* in Istanbul, further to which the Turkish market is an important one for *Luka Koper d.d.*, particularly as regards the car industry.

LKPG SHARE

As of 31st December 2011, *Luka Koper* had a total of 13,396 shareholders, which is 5.7 percent less than the previous year. The ten largest shareholders held 75.87 percent of all *Luka Koper d.d.* stock. The largest shareholder remains the state - the Republic of Slovenia - which holds a fifty-one percent stake.

Table 3: Ten largest shareholders as of 31st December 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.	696,579	4.98 %
4.	Mestna občina Koper	466,942	3.34 %
5.	KD Galileo, fleksibilna struktura naložb	158,230	1.13 %
6.	Vzajemni sklad KD delniški dohodkovni	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.	KD Indija – Kitajska delniški	106,935	0.76 %
10.	Zavarovalnica Triglav d. d.	104,756	0.75 %
Ten largest shareholders - total		10,621,902	75.87 %
Total shares		14,000,000	100.00%

Trading in the Luka Koper Share

Bearing the ticker symbol LKPG, the *Luka Koper d.d.* share is publicly traded on the Ljubljana Stock Exchange's prime market.

Table 4: The LKPG share

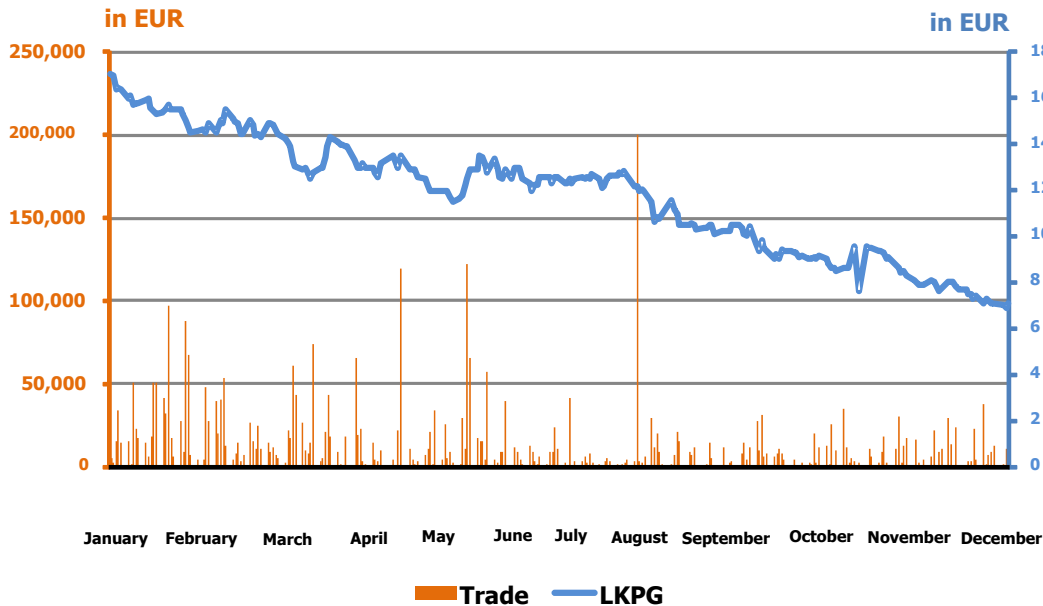
	2011	2010
Number of shares as of 31 st December	14,000,000	14,000,000
Market capitalisation as of 31 st December (in euro)	99,400,000	245,840,000
Turnover (all transactions) January – December (in euro)	3,650,000	8,200,000
*Lowest daily or closing price January – December (in euro)	6.86	15.02
*Highest daily or closing price January to December (in euro)	17.01	25.10
Closing price as of 31 st December (in euro)	7.10	17.56

* 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 2010 and the first quarter of 2011, and the closing price from April 2011 onwards.

During 2011, the average daily price and - since April - the average closing price of the *Luka Koper d.d.* share was € 11.78, whereas its value fluctuated between € 6.86 and € 17.09. The peak market share price was € 17.20, while its lowest price was € 6.86. As of 31st December 2011, the market capitalisation of *Luka Koper d.d.* stood at € 99,400,000. In 2011, the LKPG share price recorded a slightly larger fall than the Ljubljana Stock Exchange SBITOP index as a whole. 301,107 LKPG shares were traded in a total of 2,657 transactions and block trades

during 2011, and the total value of these trades amounted to € 3,653,673, which is over fifty percent down on 2010.

Figure 9: Movement of LKPG daily share price (first quarter) and closing price (second, third and fourth quarters), and the aggregate value of daily trades, January - December 2011



Number of LKPG shares held by Supervisory and Management Board members

As of 31st December 2011, the following members of *Luka Koper d.d.*'s Supervisory Board held shares in the company:

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

As of 31st December 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 to

reduce the debt burden in the financing structure. The company anticipates disbursing up to one-third of net profit as dividends over the coming years.

Net loss per share

Calculated as the ratio between net loss generated between January to December 2011 divided by the number of shares issued, net loss per *Luka Koper d.d.* share amounts to € 0.13 euro.

Book value of share

As of 31st December 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 € 16.41.

Treasury stock, authorised capital, conditional increase in share capital

As of 31st December 2011, the company didn't hold treasury stock. The *Luka Koper d.d.* statute doesn't anticipate any category of authorised capital by way of which the Management Board may increase share capital. Further to this, the company 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. The company also attended a further such meeting in Ljubljana on 6th December within the context of another event organised by the *Ljubljana Stock Exchange*. Attended by twenty analysts from a number of Slovenian brokerage firms and banks, the 8th September *Open Door Day* presented the company's interim performance and five-year strategic plan to financial analysts and investors, thus further promoting communication.

NON-FINANCIAL INVESTMENTS

In 2011, *Luka Koper Group* allocated 19.8 million euros in infrastructure investments, of which eighty-seven percent (17.3 million) was invested by *Luka Koper d.d.*

During 2011, the *Luka Koper Group* realised the following larger investments:

- Modernisation of Container Terminal in order to relieve bottlenecks in the work process and provide higher quality services to clients.
- Seabed dredging and reconstruction of berths at the Passenger Terminal, which facilitates their use by large 300-metre long cruise vessels, as well as the simultaneous berthing of two smaller passenger ships. On 29th May the largest cruise vessel ever to visit Koper – *Voyager of the Seas* – berthed at the Terminal. In addition, lighting at the Terminal was also regulated.
- Construction of an additional fourth fender for ships berthing at the Alcohol Terminal, which allows longer vessels to moor safely.
- Rehabilitation of handling areas at the General Cargo Terminal due to the increased throughput of one-off project cargos which require a larger area for handling and storage.
- Provision of more functional scrap iron storage areas at the Bulk Cargo Terminal. All the bearing elements in the old cereal storage warehouses (flat store 1 and flat store2) were refurbished in order to ensure safety.
- Rearrangement and modernisation of machinery and installations at the liquid cargo tank storage reservoirs at Pier I in compliance with regulations.
- Modernisation of LAN communications network.
- Late 2011 saw the commencement of construction of a centre for the storage of harmful waste materials and waste from vessels. This new closed storage facility within the port zone shall reduce the negative impacts of waste on the natural environment.
- Reconstruction work on the covered handling area at the Fruit Terminal also began at the end of 2011.

HUMAN RESOURCE MANAGEMENT

Despite the fact that one of the cost management measures applied throughout the *Luka Koper Group* over the last two years included a selective approach to new employment and a consequent reduction in personnel, the intensive cargo throughput growth in 2011 required the provision of additional labour in handling and warehousing operations. The issue was resolved through the internal optimisation of work processes and additional recruitment. As a result – as well as due to the

agreement concluded with Port Crane Operators Union on changed work regimes at the Container Terminal – *Luka Koper d.d.* took on 39 new workers, primarily crane operators, and mostly during the second quarter of 2011. This recruitment at *Luka Koper d.d.* resulted in a higher number of employees within the *Luka Koper Group* in 2011.

Table 5: Employee numbers in Luka Koper Group companies

Company	31. 12. 2011	31. 12. 2010	Index 2011/2010
Luka Koper d. d.	787	748	105
Luka Koper INPO d. o. o.	200	213	94
Luka Koper Pristan d. o. o.	4	6	67
Adria Terminali d. o. o.	27	30	90
TOTAL*	1,018	997	102

* The comparison only includes those companies which have employees.

There were no compulsory redundancies in the *Luka Koper Group* during 2011. Employee departures, the numbers of which were smaller than a year previously, can mainly be attributed to age-related retirement and to a significantly lesser extent to consensual termination of employment contracts, disability retirement or the death of an employee.

FINANCIAL REPORT

CONSOLIDATED FINANCIAL STATEMENTS OF LUKA KOPER GROUP

Table 7: Income Statement of Luka Koper Group

(in euro)	Notes	January - December 2011 Non-audited	January - December 2010 Audited
Operating revenues		143,633,226	127,346,489
Net sales revenues		141,032,422	125,175,301
Other operating revenues		2,600,804	2,171,188
Other revenues		486,606	392,177
Operating expenses		-121,736,132	-113,544,728
Costs of goods, material and services		-49,463,203	-43,160,757
Labour costs		-37,897,391	-36,100,966
Value write-offs		-27,738,473	-28,267,008
Other operating expenses		-6,112,635	-6,267,365
Provisions		-524,429	251,369
Operating profit		22,383,700	14,193,939
Financial revenues		1,945,726	2,309,705
Financial revenues from profit participation		1,298,498	1,830,707
Financial revenues from loans granted		256,170	288,754
Financial revenues from operating receivables		391,059	190,245
Financial expenses		-22,396,017	-19,805,296
Financial expenses from impairments and write-offs of financial investments	1	-14,161,958	-11,069,760
Financial expenses from financial liabilities		-8,001,150	-8,630,937
Financial expenses from operating liabilities		-232,909	-104,600
Pre-tax profit		1,933,409	-3,301,652
Corporation tax		-1,130,339	-391,250
Deferred tax		-355,341	789,250
Net profit for the period		447,729	-2,903,652
Net profit – majority shareholder		443,364	-2,903,652
Net profit – minority shareholder		4,364	0
Net earnings per share: basic and diluted		0.03	-0.21

Note 1

In 2011, the company made two write-downs in the total amount of € 13,916,047 in relation to its holding in *Intereuropa d.d.*. The market value of *Intereuropa* shares held for sale was assessed on 30th September 2011 in

accordance with an 8-year projection of cash flows and the effective discount rate, which shall vary depending on the financing sources structure; cash flows above 8 years were extrapolated in accordance with a one percent growth rate per annum.

Table 8: Comprehensive Income Statement of Luka Koper Group

(in euro)	January – December 2011 Non- audited	January – December 2010 Audited
Net profit for the period	447,729	-2,903,652
Other comprehensive income for the period:		
Change in fair value of financial assets available-for-sale	-4,389,895	-662,135
Deferred taxes	951,563	132,427
Change in fair value of financial instruments for hedge accounting in net amount	-372,857	0
Other comprehensive income for the period	-3,811,189	-529,708
Total comprehensive income for the period	-3,363,460	-3,433,360
Attributable to:		
- majority shareholder equity	-3,367,823	-3,433,360
- minority shareholder equity	4,364	0

Table 9: Balance Sheet Statement of Luka Koper Group

ASSETS (in euro)	31. 12. 2011 Non-audited	31. 12. 2010 Audited
ASSETS	478,271,061	502,345,304
A. Non-current assets	445,992,223	459,124,856
I. Intangible fixed assets and non-current deferred costs and accrued revenue	5,089,118	7,299,398
II. Tangible fixed assets	363,153,532	373,840,418
III. Real-estate investments	20,283,049	17,512,207
IV. Non-current financial investments	48,397,015	51,015,089
V. Non-current operating receivables	8,664	41,559
VI. Deferred tax assets	9,060,844	9,416,185
B. Current assets	31,726,090	42,736,311
I. Assets (disposal group)	6,975,723	18,224,413
II. Inventories	0	12,688
III. Current financial investments	594,235	837,691
IV. Current operating receivables	22,729,474	22,980,690
V. Current corporation tax assets	388,388	0
VI. Cash and cash equivalents	1,038,270	680,829
C. Deferred costs and accrued revenues	552,748	484,137
LIABILITIES (in euro)	31. 12. 2011 Non-audited	31. 12. 2010 Audited
EQUITY AND LIABILITIES	478,271,061	502,345,304
Equity	240,796,819	244,056,503
A. Equity – majority shareholder	240,688,679	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	56,263,317	58,112,522
V. Revaluation surplus	6,703,698	10,514,887
VI. Retained net profit	10,411,742	8,562,536
VII. Net profit for the year	443,364	0
B. Equity – minority shareholder	108,140	0
C. Provisions	12,435,924	12,636,801
D. Non-current liabilities	156,383,802	161,192,848
I. Non-current financial liabilities	154,575,708	158,376,144
II. Non-current operating liabilities	130,935	187,982
III. Deferred tax liabilities	1,677,159	2,628,722
E. Current liabilities	67,352,739	83,673,527
I. Current financial liabilities	51,223,765	67,893,506
II. Current operating liabilities	14,998,635	15,511,503
III. Current corporation tax liabilities	1,130,339	268,518
F. Accrued costs and deferred revenues	1,301,777	785,625

Table 10: Cash Flow Statement of Luka Koper Group

(in euro)	January – December 2011 Non-audited	January – December 2010 Audited
A. Cash flows from operating activities		
a) Net profit	803,070	-3,692,902
Pre-tax profit	1,933,409	-3,301,652
Corporation tax and other taxes not included in operating expenses	-1,130,339	-391,250
b) Adjustments for	47,824,979	43,828,138
Amortisation (+)	27,291,540	26,268,798
Revaluation operating revenues associated with investments and financing (-)	-108,024	-78,763
Revaluation operating expenses associated with investments and financing (+)	33,023	56,867
Finance income less income from operating receivables (-)	-1,554,668	-2,119,460
Finance expenses less finance expenses from operating liabilities (+)	22,163,108	19,700,696
b) Changes in net current assets per balance sheet items (including accruals and deferrals, provisions and deferred tax assets and liabilities)	825,082	-21,289,642
Changes in operating receivables	-104,276	-3,895,140
Changes in deferred expenses and accrued revenue	-68,612	219,213
Changes in deferred tax assets	0	0
Changes in assets (disposal group) held for sale	378,100	-43,424
Changes in inventories	12,688	1,064
Changes in operating liabilities	291,907	-15,617,629
Changes in accrued costs and revenues, and provisions	315,275	-1,953,726
Changes in deferred tax liabilities	0	0
c) Net inflows (outflows) from operating activities (a + b)	49,453,131	18,845,594
B. Cash flows from investments		
a) Inflows from investments	4,392,628	18,593,009
Inflows from interest and profit participation associated with investments	1,329,732	2,028,952
Inflows from disposal of intangible fixed assets	3,771	0
Inflows from disposal of tangible fixed assets	164,722	2,431,193
Inflows from disposal of real-estate investments	805,253	1,079
Inflows from disposal of non-current financial investments	494,038	10,878,305

Inflows from disposal of current financial investments	1,595,112	3,253,480
b) Outflows from investments	-24,621,595	-20,859,080
Outflows for acquisition of intangible fixed assets	-1,722,886	-533,397
Outflows for acquisition of tangible fixed assets	-18,067,298	-19,310,249
Outflows for acquisition of real-estate investments	-43,870	-314,167
Outflows for acquisition of non-current financial investments	-2,828,133	-419,145
Outflows for acquisition of current financial investments	-1,959,408	-282,122
c) Net inflows (outflows) from investments (a + b)	-20,228,967	-2,266,071
C. Cash flows from financing activities		
a) Inflows from financing	45,690,118	140,503,795
Inflows from paid-up capital	0	446,549
Inflows from increase of non-current financial liabilities	45,000,000	78,550,000
Inflows from increase of current financial liabilities	690,118	61,507,246
b) Outflows from financing	-74,556,840	-156,957,123
Outflows for interest payable associated with financing	-8,001,150	-8,630,935
Outflows for capital refunds	0	0
Outflows for payment of non-current financial liabilities	-34,895,279	-40,437,007
Outflows for payment of current financial liabilities	-31,660,303	-107,888,779
Outflows for distribution of dividends and other profit participation	-108	-402
c) Net inflows (outflows) from financing activities (a + b)	-28,866,722	-16,453,328
Closing balance of cash and cash equivalents	1,038,270	680,829
Net cash inflows (outflows) for the period (sum total of net cash Ac, Bc and Cc)	357,442	126,195
Opening balance of cash and cash equivalents	680,828	554,634

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

STATEMENT OF CHANGES IN EQUITY (in euro) 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 shareholder	Total equity
Opening balance as of 1st January 2010	58,420,965	89,562,704	18,876,841	60,544,410	15,706,529	-7,112,730	11,044,595	247,043,314	367,181	247,410,495
Net profit for the financial year						-2,903,652		-2,903,652	0	-2,903,652
Other comprehensive income for the period							-529,708	-529,708		-529,708
Comprehensive income for the period	0	0	0	0	0	-2,903,652	-529,708	-3,433,360	0	-3,433,360
Formation of legal reserves and covering loss from other revenue reserves upon the resolution of the Management Board			6,048	-2,431,888		2,425,839		0	0	0
Net loss covering of current year from retained net profit					-477,812	477,812		0	0	0
Transfer of net profit from the previous year to retained net profit					-7,112,730	7,112,730		0	0	0
Interest acquisition					446,549			446,549		446,549
Transfer from equity								0	-367,181	-367,181
Balance as of 31st December 2010	58,420,965	89,562,704	18,882,889	58,112,522	8,562,536	0	10,514,887	244,056,503	0	244,056,503

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

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 financial year	Revaluation surplus	Total equity	Equity – minority shareholder	Total equity
Opening balance as of 1st January 2011	58,420,965	89,562,704	18,882,889	58,112,522	8,562,536	0	10,514,887	244,056,503	0	244,056,503
Net profit for the financial year						443,364		443,364	4,364	447,729
Other comprehensive income for the period							-3,811,188	-3,811,188		-3,811,188
Comprehensive income for the period	0	0	0	0	0	443,364	-3,811,188	-3,367,824	4,364	-3,363,460
Formation of legal reserves and covering loss from other revenue reserves upon the resolution of the Management Board				-1,849,205		1,849,205		0	0	0
Net loss covering of current year from retained net profit					1,849,205	-1,849,205		0	0	0
Transfer of net profit from the previous year to retained net profit								0	0	0
Distribution of dividends										
Interest acquisition								0	103,776	103,776
Balance as of 31st December 2011	58,420,965	89,562,704	18,882,889	56,263,317	10,411,742	443,364	6,703,698	240,688,679	108,140	240,796,819

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

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

(in euro)	Notes	January – December 2011 Non-audited	January – December 2010 Audited
Operating revenues		134,426,837	118,938,924
Net sales revenues		134,346,847	118,860,425
Other operating revenues		79,990	78,499
Other revenues		386,007	370,322
Operating expenses		-115,814,715	-107,181,329
Costs of goods, material and services		-51,283,601	-44,186,813
Labour costs		-31,764,802	-30,057,873
Value write-offs		-26,196,999	-27,037,980
Other operating expenses		-6,044,885	-6,150,032
Provisions		-524,429	251,369
Operating profit		18,998,129	12,127,917
Financial revenues		3,087,093	5,433,118
Financial revenues from profit participation		2,448,430	4,980,335
Financial revenues from loans granted		262,300	276,026
Financial revenues from operating receivables		376,362	176,757
Financial expenses		-23,036,382	-20,125,398
Financial expenses from impairments and write-offs of financial investments	1	-14,538,345	-11,069,760
Financial expenses from financial liabilities		-8,271,455	-8,951,286
Financial expenses from operating liabilities		-226,582	-104,353
Pre-tax profit		-951,161	-2,564,363
Corporation tax		-586,187	0
Deferred tax		-311,858	132,475
Net profit for the period		-1,849,205	-2,431,888
Net earnings per share: basic and diluted		-0.13	-0.17

Note 1

In 2011, the company made two write-downs in the total amount of € 13,916,047 in relation to its holding in *Intereuropa d.d.*. The market value of *Intereuropa* shares held for sale was assessed on 30th September 2011 in accordance with an 8-year projection of cash flows and the effective discount rate, which shall vary depending on the financing sources structure; cash flows above 8 years were extrapolated in accordance with a one percent growth rate per annum.

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

(in euro)	January – December 2011 Non-audited	January – December 2010 Audited
Net profit for the period	-1,849,205	-2,431,888
Other comprehensive income for the period:		
Change in fair value of financial assets available-for-sale	-4,389,895	-662,135
Deferred taxes	951,563	132,427
Change in fair value of financial instruments for hedge accounting in net amount	-372,857	0
Other comprehensive income for the period	-3,811,189	-529,708
Total comprehensive income for the period	-5,660,394	-2,961,596

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

ASSETS (in euro)	31. 12. 2011 Non-audited	31. 12. 2010 Audited
ASSETS	468,699,491	494,944,676
A. Non-current assets	438,078,711	452,202,349
I. Intangible fixes assets and deferred costs and accrued revenue	4,580,294	7,299,398
II. Tangible fixed assets	338,692,966	343,843,293
III. Real-estate investments	35,523,894	37,120,101
IV. Non-current financial investments	50,161,275	54,474,523
V. Non-current operating receivables	8,664	41,559
VI. Deferred tax assets	9,111,617	9,423,475
B. Current assets	30,080,353	42,270,577
I. Assets (disposal group)	6,963,061	18,211,752
II. Current financial investments	730,568	1,131,029
III. Current operating receivables	21,485,590	22,335,500
IV. Current corporation tax assets	0	0
V. Cash and cash equivalents	901,134	592,296
C. Deferred costs and accrued revenue	540,427	471,750
LIABILITIES (in euro)	31. 12. 2011 Non-audited	31. 12. 2010 Audited
EQUITY AND LIABILITIES	468,699,491	494,944,676
A. Equity	229,715,798	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	75,028,431	76,877,636
IV. Revaluation surplus	6,703,698	10,514,887
V. Retained net profit	0	0
VI. Net profit for the financial year	0	0
B. Provisions	6,026,604	5,358,127
C. Non-current liabilities	165,990,760	161,075,952
I. Non-current financial liabilities	164,236,580	158,376,144
II. Non-current operating liabilities	77,021	71,086
III. Deferred tax liabilities	1,677,159	2,628,722
D. Current liabilities	65,767,830	92,402,544
I. Current financial liabilities	51,223,765	77,693,895
II. Current operating liabilities	14,544,065	14,708,649
E. Accrued costs and deferred revenue	1,198,500	731,862

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

(in euro)	January – December 2011 Non-audited	January – December 2010 Audited
A. Cash flows from operating activities		
a) Net profit	-1,537,348	-2,564,363
Pre-tax profit	-951,161	-2,564,363
Corporation tax and other taxes not included in operating expenses	-586,187	0
b) Adjustments for :	45,899,573	39,853,100
Amortisation (+)	25,850,007	25,110,887
Revaluation operating revenues associated with investments and financing (-)	-79,963	-78,463
Revaluation operating expenses associated with investments and financing (+)	30,459	55,990
Finance income less finance income from operating receivables (-)	-2,710,731	-5,256,361
Finance expenses less finance expenses from operating liabilities (+)	22,809,800	20,021,046
b) Changes in net current assets per balance sheet items (including accruals and deferrals, provisions and deferred tax assets and liabilities)	2,168,695	-18,826,107
Changes in operating receivables	882,806	-4,146,196
Changes in deferred expenses and accrued revenue	-68,677	217,387
Changes in deferred tax assets	0	0
Changes in assets (disposal group) held for sale	378,101	-30,763
Changes in inventories	0	0
Changes in operating liabilities	-158,648	-13,739,618
Changes in accrued expenses and deferred revenue, and provisions	1,135,114	-1,126,917
Changes in deferred tax liabilities	0	0
c) Net inflows (outflows) from operating activities (a + b)	46,530,920	18,462,630
B. Cash flows from investments		
a) Inflows from investments	6,450,164	19,191,416
Inflows from interest and profit participation associated with investments	2,485,795	5,165,853
Inflows from disposal of intangible fixed assets	3,771	0

Inflows from disposal of tangible fixed assets	136,661	2,457,339
Inflows from disposal of real-estate investments	805,253	1,079
Inflows from disposal of non-current financial investments	494,038	9,324,532
Inflows from disposal of current financial investments	2,524,646	2,242,613
b) Outflows from investments	-23,418,239	-20,011,127
Outflows for acquisition of intangible fixed assets	-1,213,434	-533,397
Outflows for acquisition of tangible fixed assets	-16,023,244	-17,982,309
Outflows for acquisition of real-estate investments	-43,870	-314,167
Outflows for acquisition of non-current financial investments	-3,405,728	-952,174
Outflows for acquisition of current financial investments	-2,731,962	-229,080
c) Net inflows (outflows) from investments (a + b)	-16,968,075	-819,711
C. Cash flows from financing activities		
a) Inflows from financing	46,800,000	158,358,137
Inflows from paid-up capital	0	0
Inflows from increase of non-current financial liabilities	45,000,000	78,550,000
Inflows from increase of current financial liabilities	1,800,000	79,808,137
b) Outflows from financing	-76,054,007	-175,897,341
Outflows for interest payable associated with financing	-8,271,455	-8,951,286
Outflows for capital refunds	0	0
Outflows for payment of non-current financial liabilities	-34,895,279	-40,437,007
Outflows for payment of current financial liabilities	-32,887,165	-126,508,645
Outflows for distribution of dividends and other profit participation	-108	-403
c) Net inflows (outflows) from (a + b)	-29,254,007	-17,539,203
Closing balance of cash and cash equivalents	901,134	592,297
Net cash inflow (outflow) for the period (sum total of net cash Ac, Bc and Cc)	308,838	103,717
Opening balance of cash and cash equivalents	592,296	488,580

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

STATEMENT OF CHANGES IN EQUITY (in euro) 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	89,562,704	18,765,115	60,544,409	0	0	11,044,595	238,337,787
Net profit for the financial year						-2,431,888		-2,431,888
Other comprehensive income for the period							-529,708	-529,708
Comprehensive income for the period	0	0	0	0	0	-2,431,888	-529,708	-2,961,596
Formation of other revenues reserves upon the resolution of Management and Supervisory Boards				-2,431,888		2,431,888		
Transfer to other revenue reserves upon the resolution of General Assembly								
Transfer of the net profit from previous year to retained net profit								
Dividend distribution								
Other								
Balance as of 31st December 2010	58,420,965	89,562,704	18,765,115	58,112,521	0	0	10,514,887	235,376,191

Table 18: Statement of Changes in Equity of Luka Koper d. d., January – December 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
	I/1	II/1	III/1	III/4	IV/1	V/1	VI/2	
Opening balance as of 1st January 2011	58,420,965	89,562,704	18,765,115	58,112,521	0	0	10,514,887	235,376,191
Net profit for the financial year						-1,849,205		-1,849,205
Other comprehensive income for the period							-3,811,189	-3,811,189
Comprehensive income for the period	0	0	0	0	0	-1,849,205	-3,811,189	-5,660,394
Formation of other revenue reserves upon the resolutions of Management and Supervisory Boards				-1,849,205		1,849,205		
Transfer to other revenue reserves upon resolution of General Assembly								
Transfer of the net profit from the previous year to retained net profit								
Dividend distribution								
Other								
Balance as of 31st December 2011	58,420,965	89,562,704	18,765,115	56,263,317	0	0	6,703,698	229,715,797

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 31st December 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 January – December 2011 financial statements as in the preparation of the annual financial statements of *Luka Koper d.d.* and the *Luka Koper Group*.

These statements for the period ending 31st December 2011 have been compiled in accordance with International Financing Reporting Standards (IFRS) and have to be considered in relation to 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, 24th February 2012