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Dear Luka Koper d.d. Shareholders,

I imagine that you are somewhat puzzled by recent events in the company, thus, as Management Board President, I feel obliged to present you my point of view in more detail. I believe that the views of some Supervisory Board members, which were aired in public following its 10th January 2014 meeting, opened a number of questions as well as potential uncertainties. I understand such concern for the company's interests as fully legitimate, but I can affirm that the Management Board, under my presidency, is likewise exclusively focused on the interests of Luka Koper, its development and its future. This is corroborated by the company's successful performance in 2013. Indeed, despite the impairments which are the result of inopportune investments in the past, the operational results were enviable. In addition, the final day of 2013 was crowned by two ground-breaking records: the company exceeded 600,000 TUEs of container freight and handled 18 million tonnes of cargo.

At its last meeting, the Supervisory Board unanimously established that during my tenure the company acquired all requisite permits, realised and accomplished all public tender commitments and commenced seabed dredging, which at this point in time is an absolute priority and of key importance to the further development of the Port of Koper as well as the competitiveness of the Container Terminal. In this spirit - and in the light of the failure over recent years to realise a number of investments at the Container Terminal which are essential if the company is to maintain its primacy in the North Adriatic - we also elaborated a business plan for 2014. In addition to seabed dredging and a number of infrastructure projects, the Container Terminal expansion project is in itself a twelve million euro investment. Indeed, nearly fifty percent of all investments planned for 2014 have been anticipated in all the business plans since 2011, and now arise as a consequence of missed opportunities in the acquisition of new business. For this reason I again state that 2014 is a year of red alert, a year to realise and make right missed opportunities and broken guarantees provided to our business partners. This year's business plan is definitely ambitious as regards infrastructure, but it is nevertheless a consequence of



past failure as well as fully compliant with the company's strategic plan and the five-year development plan endorsed by the Government of the Republic of Slovenia.

The expectations of the Supervisory Board requiring more ambitious performance indicators are likewise fully understandable. Nevertheless, we must consider the fact that the company has been without a competent and stable management for nearly two years, that the Management Board was incomplete, and that upon entering office I had to assume the work of two Management Board members. Nonetheless, in just four months, several projects are now underway:


- The deepening of Basin I (commencement of the construction of two landfill sites for the disposal of dredged material and the selection of a contractor to undertake dredging operations).
- Commencement of construction of the hinterland storage area at the Container Terminal providing an additional 6,840 m² of capacity.
- Enhancement of IT connections and improvement of communications with business partners.
- Marketing activities and negotiation of contacts with all business partners - both at home and abroad - have been intensified.
- Applications for new European projects and funds in accordance with the development needs of the Port of Koper, as well as active engagement in ensuring inclusion in projects and programmes under the EU's new financial perspective 2014-2020.
- Conclusion of an agreement with the national railway operator Slovenske Železnice to increase the number of trains serving the port as well as the extension of train compositions.
- Elaboration of preliminary designs for three new entrances to the port zone in order to relieve internal logistics as well as decrease overall investment costs (materials presented at the most recent General Assembly of shareholders).
- Consideration of a larger extension of both existing piers than is anticipated in the National Spatial Plan; such would allow the port to naturally achieve the requisite depths necessary for larger vessels and thus avoid higher dredging costs in the future.
- An analysis of management and expert support processes at the port as well as the elaboration of an outline for their gradual renewal in order to increase the functional efficiency of the company and reduce operating costs.

The regulation of relations between the company's stakeholders is of key importance in successful operation and development, therefore a project-oriented approach has been implemented in order to establish a healthy and stimulating environment in this area. Preparations for an overhaul of work processes is being implemented in close co-operation with employees and their co-management bodies (i.e. the Workers Council, the Workers Director together with employee representatives on the Supervisory Board). Significantly more attention is being given to the strengthening of relations and collaboration with the local community; these were not pursued actively enough in the past and thus relationships became subject to prejudices which held back the company's development. It is important to remember that the local community's objections to the extension of Pier I are attributable to the fact that the company failed to identify any interlocutor who would be willing to listen to their views.

Today Luka Koper truly lives with the local community; respect and support is now a two-way street. This improvement in relations with the company's stakeholders has also been noticed at the Chamber of Commerce and Industry of Slovenia, which last November granted Luka Koper an award for excellence in corporate communications.

Dear Shareholders,

My appointment as Luka Koper's Management Board President shook some established patterns, but in a good way - in the direction of more enthusiasm, motivation, as well as provision of new and innovative ideas. To any shareholder who might be disappointed in me personally, I shall continue to try my hardest to justify your confidence. I assure you that I will perform my work with the utmost care and diligence, and by year's end Luka Koper shall exceed your expectations.

A handwritten signature in blue ink, consisting of a vertical line on the left and a horizontal line extending to the right, ending in a small flourish.

Gašpar Gašpar Mišič
Management Board President
Luka Koper d.d.