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Dear Shareholders of Luka Koper d.d.,

As the Management Board President of Luka Koper d.d. - your investment - I am happy to establish that our commitment and efforts over recent months in the realisation of long overdue development projects have contributed to a rapid growth in share value as well as the restoration of confidence of all Luka Koper stakeholders, from the company's employees and business partners to shareholders. From September 2013, when I was appointed Management Board President, to the end of February 2014, the Luka Koper share price - as a ratio between the lowest and highest share value - increased by **64%**, which has resulted in an **eighty million euro** increase in market capitalisation. Restored confidence in Luka Koper has promoted trading, and, on 25<sup>th</sup> March, after a break of five years, the company's shares are again classified in SBI TOP, the LJSE blue-chip index.

This year the Luka Koper share has recorded one of the largest growths on Ljubljana's stock exchange, and this is ultimately the result of the company's good performance in 2013. Had there been no write-down of past investments, the company would have generated 18 million euros in net profit. I would like to draw particular attention to last year's Q4 performance - which the new Management and Supervisory Boards actively influenced: in the last quarter of 2013 Luka Koper generated 36.2 million euros in revenues, the highest in its history, while the year as a whole saw a record throughput of 600,000 TEUs encompassing 18 million tonnes of container freight.

This improvement in performance didn't just happen; indeed, it is directly attributable to the implementation of immediate short-term measures aimed at increasing productivity and efficiency. Despite the external pressures that followed my appointment as Management Board President, we managed, in just few short months, to launch long overdue development projects that provide the necessary impetus. The following are now underway:

- Implementation of the 2014 business plan, which anticipates some 37 million euros in infrastructure investments.
- Intensified activities aimed at the swift acquisition of all necessary consents to deepen the basin at the Container Terminal; a permit for the access of vessels of 12.5 metre draft (up from 11.4 m) has already been obtained from the Slovenian Maritime Administration.
- The second stage of seabed dredging at the Container Terminal quayside is underway and Basin I will be 14 metres deep by May.
- Construction work on an extended hinterland storage area at the Container Terminal, which shall provide an additional 6,840 m<sup>2</sup> of container storage capacity.



- Preparation of preliminary designs for the provision of new entrances to the port zone in order to facilitate internal logistics, relieve congestion, and thus decrease operational costs.
- Intensified marketing activities and enhancement of communications and contacts with business partners at home and abroad.
- Completion of IT communications infrastructure linking clients and partners.
- Relations within the company have been stabilised, and communication with all stakeholders has been improved.
- Close collaboration and partnership relations have been established with the local community. Today Luka Koper truly lives with the community in which it operates; respect and support is now a two-way street.

I came to Luka Koper fully aware that this company provides Slovenia a key competitive advantage, and it has been my goal to restore confidence in the company as well as promote awareness as to all its potentials in regional and national development. I am pleased that today many people understand that Luka Koper is not just a port zone containing quays and storage areas, but is a multinational operator whose markets and hinterland transport and logistics infrastructure extends across much of the continent. As a consequence of our development plans aimed at increasing cargo throughput, operating revenues and profit, together with the measures now being implemented which are intended to ensure ongoing operational improvement, I firmly believe that share value shall continue to grow.

I have mentioned on numerous occasions: 2014 is a year to realise missed opportunities as well as fulfil our commitments to business partners, and in relation to this we have been applauded for our ambitious plans and the deepening of berths at the Container Terminal. Indeed, every additional centimetre of depth facilitates an additional 160 tonnes of maritime cargo. As a direct result of the increase in permitted draft each container vessels can now ship an additional 3,600 TEUs via the port, thus Luka Koper has been able to fulfil a long-awaited key requirement of its business partners.

Dear Shareholders, my mode of operation might be somewhat unconventional, and definitely disturbing to those who have lived too long within a comfort zone that undermined the development potentials of Luka Koper. I am undoubtedly a man who thinks and acts outside the established frames, and this mindset also causes me to be unperturbed by obstacles. In Slovenia, we have become too used to "*can't be done*" - a phrase which has been stricken from my vocabulary, and I try to disseminate this same approach among my colleagues. The results are testimony to the fact that we are on the right track.

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