

SUMMARY OF COMPETITIVE BENCHMARKING REPORT 2010–2015

February 2017

1) BENCHMARKING FINANCIAL INDICATORS AGAINST FOREIGN COMPANIES

➤ LUKA KOPER, D. D.

The comparability of Luka Koper d. d. reported financial indicators with foreign competitors is subject to the following:

- Luka Koper, d. d., is a multi-purpose port engaged in handling of various kinds of goods at specialised terminals. However, the importance of the container terminal has been increasing every year, with its share in the Luka Koper, d. d., EBITDA as high as 52% in 2015.
- Luka Koper, d. d., is not organised as a port authority. It makes investments itself – in the equipment, development and maintenance of port infrastructure – and itself pays the relevant compensations for the use of land, and the concession fee.
- Certain companies are terminal operators and probably also pay a concession fee, whereas investments in infrastructure in their case are implemented and financed by port authorities. The exact information on the method of financing is not known, and it is also not known what share of the related financial burden is transferred to terminal operators in the form of a concession fee or in another way. Notwithstanding, in granting concessions for the use of land, quays and warehouses, port authorities should – as in the case of the Port of Antwerp – abide by the principle of equality; and in setting the price they should take into account the location, the condition of the surface (paved or asphalt/un-engineered), the nature of planned activities, the planned value of the investment, efficient use of space, and the anticipated throughput volumes. In other words, the relevant burden- and profit-sharing should be equally distributed among port authorities and terminal operators. Also, a different organisation of ports should not have to mean that the profitability levels of individual ports are incomparable.

- Luka Koper, d. d., throughput in 2015:

Luka Koper, d. d.	
general cargoes	1,475,076 TONS
containers	790,736 TEU
vehicles	607,326 VEHICLES
liquid cargoes	3,297,225 TONS
dry bulk cargoes	7,295,426 TONS
passengers	57,893 PERSONS

The Benchmarking Report compares the indicators of **LUKA KOPER, D. D.**, with those of the following companies:

➤ **EUROKAI**

- It is a logistics group, the main terminal operator in the Port of Hamburg and one of the leading terminal operators in Italy, France, Austria, Portugal and the Czech Republic. Companies in the EUROKAI Group focus on container transport on the European continent. The EUROKAI Group has operators on the following container terminals:
 - Gioia Tauro, La Spezia, Cagliari, Ravenna and Salerno in Italy,
 - Hamburg, Bremerhaven and Wilhelmshaven in Germany,
 - Lisbon in Portugal,
 - Tangier in Morocco,
 - Ust-Luga in Russia.
- EUROKAI throughput in 2015:

EUROKAI	
containers	14,549,644 TEU

➤ **MEDCENTER CONTAINER TERMINAL SPA, GIOIA TAURO**

- It is part of the EUROKAI Group and a container terminal in Italy.
- Medcenter Container Terminal SPA, Gioia Tauro, throughput in 2015:

Medcenter Container Terminal SPA, Gioia Tauro	
containers	2,547,000 TEU

➤ **HHLA – HAMBURGER HAFEB UND LOGISTIK AG**

- It is one of the leading port logistics holdings in Europe. It controls three segments: container transports, logistics and intermodality. HHLA operates three high-efficiency container terminals – Altenwerder, Burchardkai and Tollerort – which ensure Hamburg’s position of a superior logistics centre.
- HHLA throughput in 2015:

HHLA	
containers	6,561,000 TEU

➤ **T.O. DELTA SPA**

- It is a multi-modal logistics holding engaged in logistics and transport. Operators working within the company are:
 - Trieste Marine Terminal SPA – the container terminal in Trieste,
 - Monfalcone – Compagnia Portuale Monfalcone – bulk cargo terminal in Monfalcone.

- T.O. Delta SPA throughput in 2015:

Trieste Marine Terminal SPA	
containers	443,882 TEU
Compagnia Portuale Monfalcone	
general cargoes	1,360,000 TONS
bulk cargoes	3,090,000 TONS
vehicles	124,000 VEHICLES

➤ **Trieste Marine Terminal SPA**

- It is a container terminal in Trieste, and part of the T.O. Delta SPA Group.
- Trieste Marine Terminal SPA throughput in 2015:

Trieste Marine Terminal SPA	
containers	443,882 TEU

➤ **AUTO TERMINAL SA**

- It is a multi-modal automobile terminal in Barcelona. It is part of the NOATUM Group.
- Auto Terminal SA throughput in in 2015:

AUTO TERMINAL SA	
vehicles	881,893 VEHICLES

➤ **NOATUM CONTAINER TERMINAL VALENCIA SA**

- It is a container terminal. It is the main gateway for the Iberian Peninsula and the natural port of Madrid. It is part of the NOATUM Group. The NOATUM Group unites the leading ports and transportation operators in Spain. The Noatum Group consists of:
 - Autoterminal Barcelona,
 - Noatum Container Terminal Bilbao,
 - Conterail, Madrid Rail Terminal,
 - Noatum Container Terminal Malaga,
 - Noatum Terminal Polivalente Sagunto,
 - Noatum Terminal Graneles Santander,
 - Noatum Terminal Polivalente Santander,
 - Noatum Container Terminal Valencia,
 - Noatum Rail Terminal Zaragoza,
 - Port of Las Palmas, operated by OPCSA.

- Noatum Container Terminal Valencia SA throughput in 2015:

Noatum	
containers	4,300,000 TEU
vehicles	1,175,000 VEHICLES
other goods	14,000,000 TONS
Noatum Container Terminal Valencia SA	
containers	2,116,164 TEU

➤ **LUKA PLOČE, D. D.**

- It is a multi-purpose port of the Mid Adriatic. It is the gateway of Corridor Vc, and is of exceptional importance for the economy of the neighbouring Bosnia and Herzegovina. It is organised as a port administration.
- Luka Ploče, d. d., throughput in 2015:

Luka Ploče, d. d.	
general cargoes	503,029 TONS
bulk cargoes	1,863,114 TONS
liquid cargoes	464,509 TONS
containers	20,676 TEU

➤ **LUKA RIJEKA, D. D.**

- It is a multi-purpose North Adriatic port. It operates under Lučka Uprava Rijeka (the Rijeka port administration), which unites the following concession operators:
 - Luka Rijeka, d. d. – concession operator for general and bulk cargoes,
 - Jadranska Vrata, d. d. – concession operator at the Brajdica container terminal,
 - Janaf, d. d. – Jadranski Naftovodi – concession operator at the Omišalj oil terminal,
 - Exportdrvo, d. d., concession operator for timber in Raša,
 - the Zagreb-based Šerif Export – Import, d. o. o., concession operator for wood processing in Raša.
- Lučka Uprava Rijeka throughput in 2015:

Luka Rijeka, d. d.	
general cargoes	631,687 TONS
bulk cargoes	1,772,503 TONS
passengers	153,304 PERSONS
Jadranska Vrata, d. d., Brajdica	
containers	200,102 TEU
Janaf, d. d.	
liquid cargoes	6,595,537 TONS
Exportdrvo, d. d.	
timber	381,990 TONS

➤ **PIRAEUS PORT AUTHORITY S.A.**

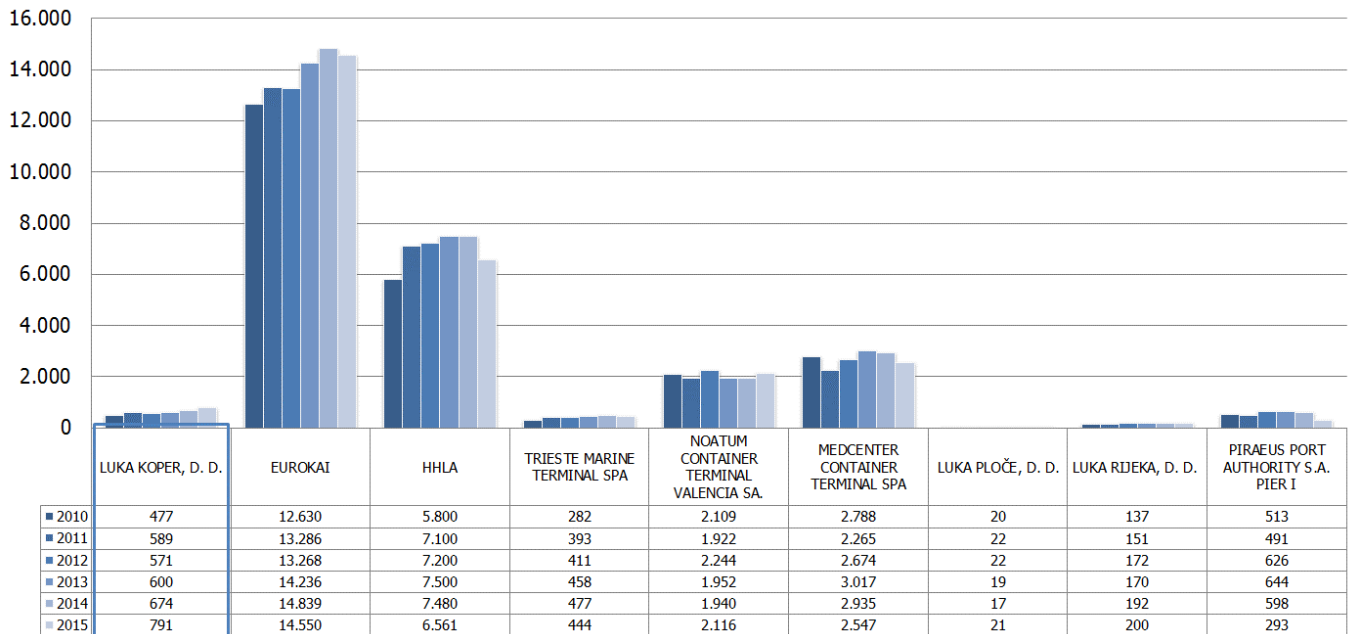
- Located in Piraeus, this is the largest Greek port, the largest passenger port in Europe, and the largest container port in Greece and the East Mediterranean. Operators working in the port are:
 - Piraeus Port Authority S.A. It operates the Pier I terminal with the capacity of 1 million TEU, the automobile terminal, the passenger terminal, and the ferry port;
 - Piraeus Container Terminal S.A. (COSCO). It operates the Pier II and Pier III terminals with the capacity of 4.8 million TEU.
 - Piraeus Consolidation & Distribution Center S.A. It operates the container terminal free zone, offers integrated logistics services, and provides storage space for warehousing general and bulk cargoes, refrigerated cargoes and chemicals.
- Piraeus Port Authority S.A. throughput in 2015:

Piraeus Port Authority S.A.	
containers	293,353 TEU
vehicles	341,386 VEHICLES
passengers	15,809,524 PERSONS
Piraeus Container Terminal S.A. (COSCO)	
containers	3,034,400 TEU

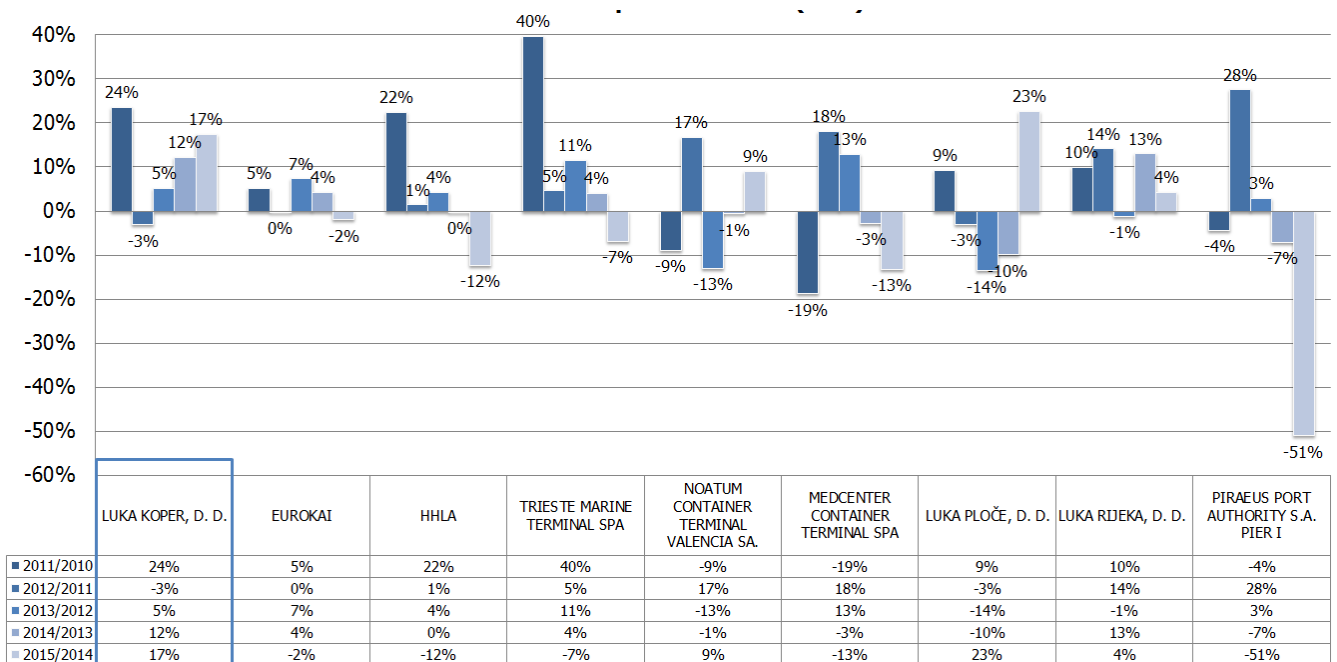
For companies Luka Ploče, d. d., and Luka Rijeka, d. d., amounts were expressed in HRK and converted to EUR at the exchange rate as at 31 December of each year.

Between 2010 and 2014 maritime throughput of containers in TEU increased on average for the compared companies, whereas in 2015 it witnessed a year-on-year decrease. The maritime throughput of containers by Luka Koper, d. d., was up 17% in 2015 compared to 2014. The highest year-on-year growth rate in 2015, of 23%, was reported by Luka Ploče, d. d.; however, its throughput is the lowest among all compared companies. The largest year-on-year decline in maritime throughput of containers in 2015 was witnessed by Piraeus Port Authority S.A. Pier I.

Throughput (in 000 TEU):

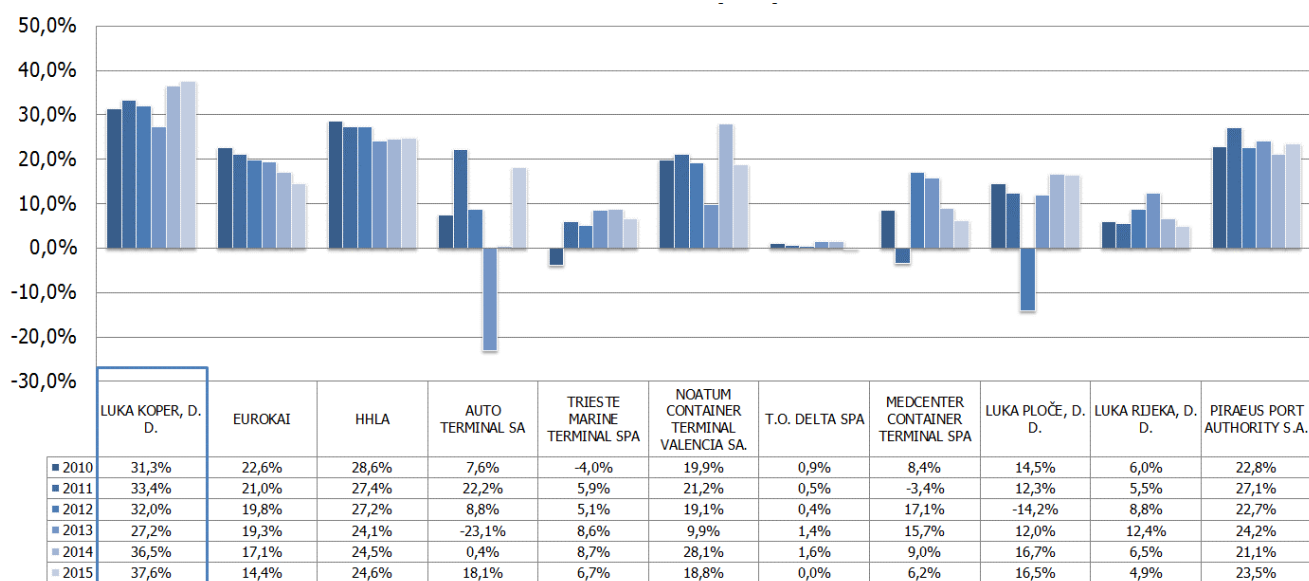


TEU throughput index (in %)



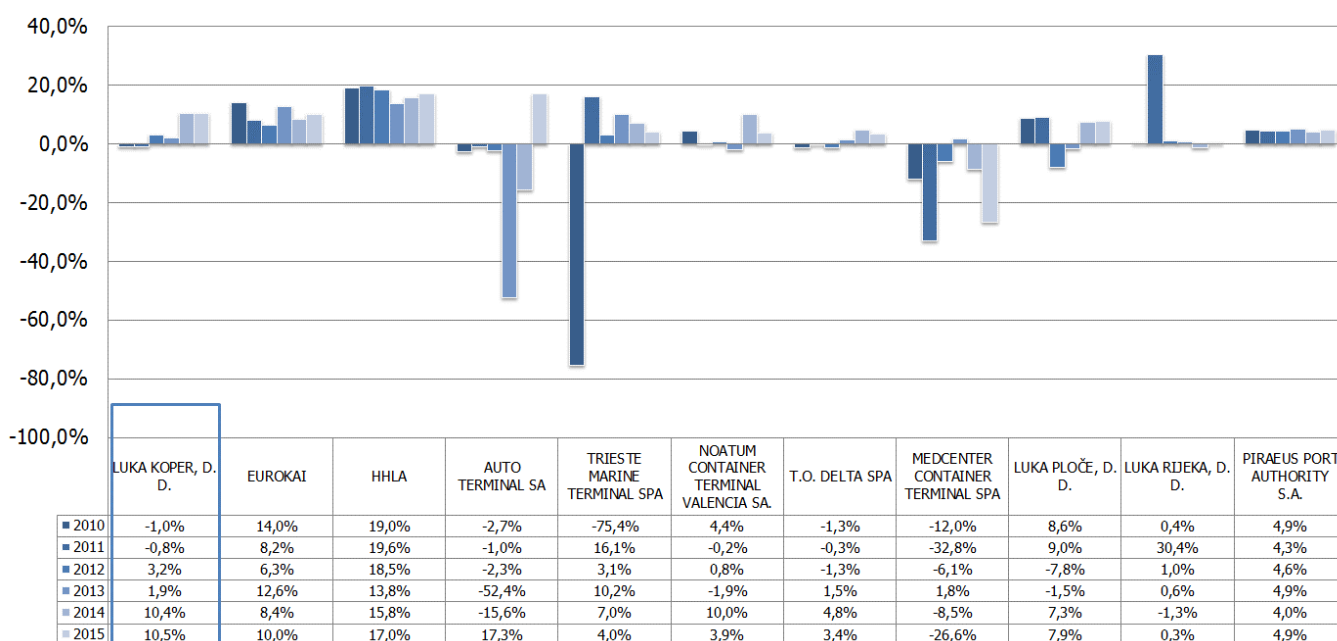
The EBITDA margin is an indicator facilitating competitive benchmarking. In the period 2010–2015, the highest EBITDA margin had been reported by Luka Koper, d. d., which preserved its leading position among the analysed peers in 2015, when its EBITDA margin was 37.6%. As to the other companies, the indicator's value deviates the most in case of Auto Terminal SA and Noatum Container Terminal Valencia SA – in both cases for 2013 and due to other extraordinary expenditure, which totalled EUR 5.8 million and EUR 15.1 million, respectively – and in case of Medcenter Container Terminal SA and Luka Ploče, d. d. – in both cases due to lower net sales revenues in 2011 and 2012, respectively.

EBITDA margin (in %)



Luka Koper, d. d., RETURN ON EQUITY (ROE) in the past years was under the impact of different impairments. Similarly, the other companies – with the exception of EUROKAI, HHLA and the Greek port – also faced instable operations in this period. The highest EBITDA margin in 2015, of 17.3%, was reported by the Spain-based Auto Terminal SA. After five years of losses, they reported a net profit for 2015. Their high ROE value is due to several years of having operated with a loss and the consequent decrease in the value of equity. The ROE of Luka Koper, d. d., in 2015 was 10.5%. The only company that reported a better ROE for 2015 than Luka Koper, d. d., was HHLA. As to the other companies, the indicator's value deviates the most in case of Trieste Marine Terminal SPA for 2010 due to net loss totalling EUR 2.8 million.

ROE (in %)

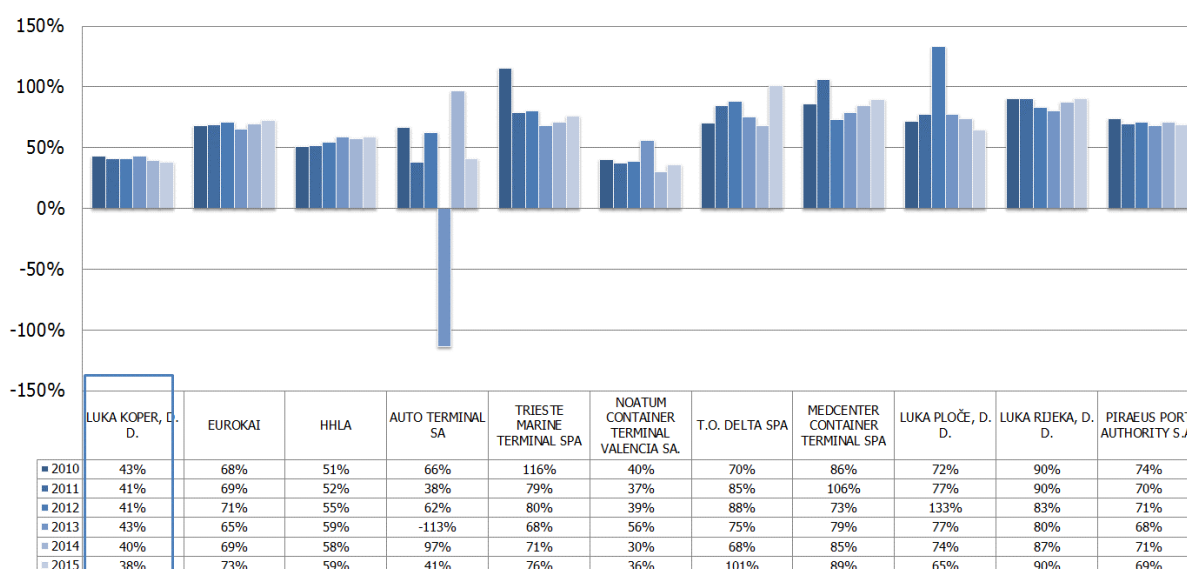


1) BENCHMARKING THE PRODUCTIVITY INDICATOR AGAINST FOREIGN COMPANIES

The comparability of the productivity indicator reported by Luka Koper, d. d., with those of foreign competitors may be subject to different models of port services, namely whether services are provided with employees or contractors. Information on what model of port services the other companies use, is not known.

The lowest shares of labour costs in value added in the period 2010–2015 were reported by Noatum Container Terminal Valencia SA¹ and Luka Koper, d. d. In 2015, the lowest share was maintained by Noatum Container Terminal Valencia SA on 36%, immediately followed by Luka Koper, d. d., on the second lowest share of 38%. The highest share of labour costs in value added among analysed peers in 2015 was 101%, reported by T.O. Delta SPA. As to the other companies, the indicator's value deviates the most for Auto Terminal SA – it witnessed a loss of EUR 7.5 million from operations in 2013, which resulted in negative value added of EUR 2.4 million – and for Luka Ploče, d. d., which reported a loss of EUR 3 million in 2012, also pushing value added down.

Labour costs / Value added (in %)



¹ The higher share of labour costs in value added in 2013 in case of Noatum Container Terminal Valencia (56%) was attributable to other extraordinary expenditure in the amount of EUR 15.1 million.

Sources:

- Luka Koper, d. d.
- EUROKAI Annual Reports 2010–2015
- http://www.eurokai.de/eurokai_en/Eurokai/The-Company
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- <http://www1.euogate.de/en/Terminals/Gioia-Tauro>
- HHLA – Hamburg Hafen und Logistik AG Annual Reports 2010–2015
- <https://hhla.de/de/startseite.html>
- Dun & Bradstreet Credit Rating of T.O. Delta SPA
- <http://www.todelta.it/>
- Dun & Bradstreet Credit Rating of Trieste Marine Terminal SPA
- <http://www.trieste-marine-terminal.com/>
- Dun & Bradstreet Credit Rating of Auto Terminal SA
- Dun & Bradstreet Credit Rating of Noatum Container Terminal Valencia SA
- <http://www.noatum.com/en/noatum-ports/valencia/>
- Luka Ploče, d. d., Management Reports on Operations and the Condition of Luka Ploče, d. d., 2010–2015
- <http://www.luka-ploce.hr/hr/>
- Luka Rijeka, d. d., Annual Financial Reports 2010–2015
- <http://www.lukarijeka.hr/>
- <http://www.portauthority.hr/>
- Piraeus Port Authority SA Annual Financial Reports 2010–2015
- <http://www.olp.gr/en/>

Disclaimer:

Information in this document was obtained from sources the author considers credible; however no assurances are being made as to their accuracy and completeness.

Information herein does not constitute inside information under Article 373 of the Slovene Markets in Financial Instruments Act. The Summary Competitive Benchmarking Report 2010–2015 compares Luka Koper, d. d., with other port operators on the basis of the gathered information. Benchmarking was based on the best available expertise and experience of Luka Koper, d. d., its objective being as credible as possible a comparison of the operating results of Luka Koper, d. d., with the operating results of other port operators.