

**2013**



# **LUKA KOPER GROUP**

**NON-AUDITED INTERIM REPORT OF LUKA KOPER GROUP AND  
LUKA KOPER D.D., JANUARY – MARCH 2013**

**Koper, Slovenia, May 2013**

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## BUSINESS REPORT

### PERFORMANCE HIGHLIGHTS OF LUKA KOPER GROUP

#### **COMPARISON OF ACTUAL AND PLANNED RESULTS OF LUKA KOPER GROUP FOR JANUARY – MARCH 2013**

<b>(in euro)</b>	<b>Result Jan - March 2013</b>	<b>Plan Jan - March 2013</b>	<b>Index result / plan</b>
Operating revenues	37,010,668	36,948,429	100
Operating profit (EBIT)	6,264,353	5,382,429	116
EBITDA	13,306,138	12,361,751	108
Net profit	4,651,741	3,792,593	123
Investments in intangible and tangible assets and real-estate investments	2,177,450	6,493,858	34
Cargo throughput (in tonnes)	4,483,269	4,490,506	100

#### **COMPARISON OF LUKA KOPER GROUP RESULTS FOR JANUARY – MARCH 2013 AND 2012**

<b>(in euro)</b>	<b>Jan - March 2013</b>	<b>Jan - March 2012</b>	<b>Index 2013/2012</b>
<b>From Income Statement</b>			
Operating revenues	37,010,668	35,413,133	105
Operating profit (EBIT)	6,264,353	4,690,461	134
EBITDA	13,306,138	11,624,221	114
Financing gain (loss)	-877,786	-1,607,284	55
Pre-tax profit	5,386,567	3,083,177	175
Net profit	4,651,741	2,562,729	182
Cargo throughput (in tonnes)	4,483,269	4,357,369	103

<b>(in euro)</b>	<b>31. 3. 2013 Non-audited</b>	<b>31. 12. 2012 Audited</b>	<b>Index 2013/2012</b>
<b>From Balance-Sheet Statement</b>			
Assets	464,773,964	463,397,435	100
Non-current assets	420,956,464	428,249,680	98
Current assets and deferred costs and accrued revenues	43,817,500	35,147,755	125
Equity	252,785,860	249,328,319	101
Non-current liabilities and provisions	146,582,633	150,435,553	97
Current liabilities and accrued costs and deferred revenues	65,405,471	63,633,563	103
Financial liabilities	175,363,684	183,962,135	95

<b>(as percentage)</b>	<b>2013</b>	<b>1 – 3 2012</b>	<b>Index 2013/2012</b>
<b>Indicators</b>			
Return on sales (ROS)	16.93 %	13.24 %	128
Net return on equity (ROE) <sup>1</sup>	7.41 %	4.24 %	175
Net return on assets (ROA) <sup>1</sup>	4.01 %	2.14 %	187
EBITDA margin	35.95 %	32.82 %	110
Financial liabilities/equity	69.37 %	83.20 %	83

<b>(in euro)</b>	<b>Jan - March 2013</b>	<b>Jan - March 2012</b>	<b>Index 2013/2012</b>
<b>From Cash Flow Statement</b>			
Investments in intangible and tangible fixed assets and real-estate investments	2,177,450	4,980,992	44

**COMPARISON OF LUKA KOPER D.D. RESULTS FOR JANUARY – MARCH 2013 AND 2012**

<b>(in euro)</b>	<b>Jan - March 2013</b>	<b>Jan - March 2012</b>	<b>Index 2013/2012</b>
<b>From Income Statement</b>			
Net profit	3,995,437	1,949,618	205

<sup>1</sup> The indicators are calculated on the basis of annualised data.

## 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 Interim Report on the performance of *Luka Koper d.d.* and the *Luka Koper Group* for January – March 2013.

This Non-Audited Interim Report on the performance of *Luka Koper d.d.* and the *Luka Koper Group* for January – March 2013 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](http://www.luka-kp.si) from 24th May 2013 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 Interim Report on the performance of *Luka Koper d.d.* and the *Luka Koper Group* for January – March 2013 was addressed by the company's Supervisory Board at its regular session held on 24th May 2013.

## LUKA KOPER GROUP PRESENTATION

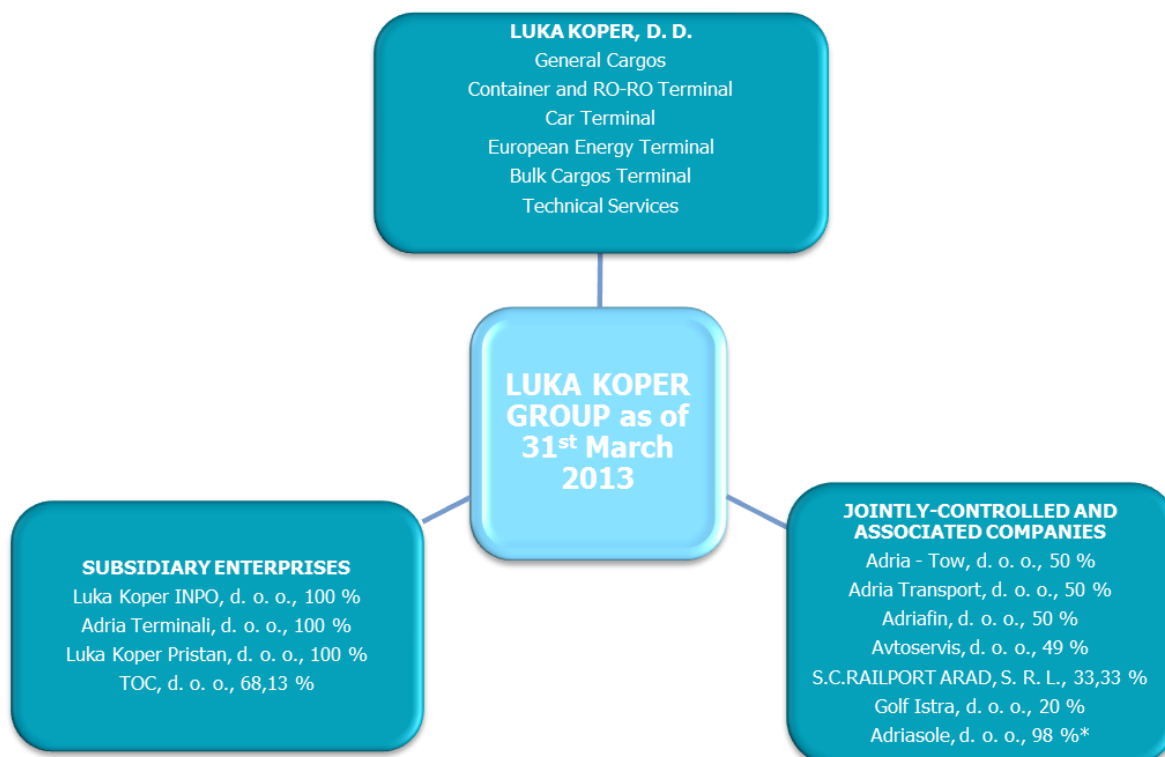
*Luka Koper*, a port operator and logistics provider, with its registered office in Koper, Slovenia, is the parent company of the *Luka Koper Group* of enterprises.

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<i>Full title</i>	<i>Luka Koper, a public 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: + 386 (0)5 6656100</i> <i>Fax: + 386 (0)5 6395020</i> <i>E-mail: <a href="mailto:portkoper@luka-kp.si">portkoper@luka-kp.si</a></i> <i>Website: <a href="http://www.luka-kp.si">www.luka-kp.si</a></i>
<i>Company registration</i>	<i>Application No. 066/10032200, 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>Shares listing</i>	<i>Ljubljana Stock exchange, prime market</i>
<i>Share ticker symbol</i>	<i>LKPG</i>
<i>President of the Management Board</i>	<i>Bojan Brank</i>
<i>Member of the Management Board</i>	<i>Marko Rems</i>
<i>Member of the Management Board - Workers Director</i>	<i>Matjaž Stare</i>
<i>Supervisory Board President</i>	<i>Dr. Janez Požar</i>
<i>Number of consolidated companies</i>	<i>12</i>
<i>Luka Koper d.d. core activity</i>	<i>Seaport logistics system operator and service provider</i>
<i>Luka Koper Group activities</i>	<i>Various support and ancillary services in relation to core activity</i>

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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 31<sup>st</sup> March 2013:



\*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 classified as an associated company.

The *Luka Koper Group* also holds stakes in the companies listed below which are classified as assets held for disposal and sale:

- *Intereuropa d.d.* - 7.13 % in total equity, 11.65% in ordinary shares,
- *Logis Nova d.o.o.* - 99.67 %,
- *Adria Investicije d.o.o.* - 100 %.

## CORPORATE MANAGEMENT AND GOVERNANCE

### Luka Koper d. d. Management Board

As of 31<sup>st</sup> March 2013, the *Luka Koper d.d.* Management Board was composed of the following members:

- Mr. Bojan Brank, President of the Management Board, appointed on 7<sup>th</sup> September 2012 for a maximum one-year term in accordance with the provisions of Paragraph 2, Article 273 of the Companies Act RS.
- Mr. Marko Rems, Member of the Management Board, commenced a five-year term on 1<sup>st</sup> March 2012.
- Mr. Matjaž Stare, Workers Director, commenced a five-year term on 18<sup>th</sup> October 2010.

A presentation of the *Luka Koper d.d.* Management Board members is available on the company's website [www.luka-kp.si](http://www.luka-kp.si).

### Luka Koper d. d. Supervisory Board

The *Luka Koper d.d.* Supervisory Board is composed of nine members, of whom six are elected by the General Assembly and three by the Workers Council. They are elected for a four-year term. As of 31<sup>st</sup> March 2013, the Management Board was comprised of the following members:

#### As 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 14<sup>th</sup> July 2009 (16<sup>th</sup> 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 14<sup>th</sup> July 2009 (16<sup>th</sup> 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 14<sup>th</sup> July 2009 (16<sup>th</sup> General Assembly of Shareholders). As of 7<sup>th</sup> September 2012, in compliance with the second paragraph of Article 273 of the Companies Act RS, Mr. Brank's position as Board member and the President of the Supervisory Board's Human Resource Committee was frozen due to his appointment as President of the *Luka Koper d.d.* Management Board.
- Dr. Marko Simoneti, Member of the Supervisory Board, appointed upon the proposal of the Republic of Slovenia; commenced a four-year term on 14<sup>th</sup> July 2009 (16<sup>th</sup> 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 14<sup>th</sup> July 2009 (16<sup>th</sup> General Assembly of Shareholders).
- Ms. Sabina Mozetič, Member of the Supervisory Board, appointed upon the proposal of the Council of Koper Municipality; commenced a four-year term on 12<sup>th</sup> July 2011 (19<sup>th</sup> General Assembly of Shareholders).

**As representatives of employees:**

- Mr. Mladen Jovičič, Employee Representative; commenced a four-year term on 18<sup>th</sup> March 2013.
- Mr. Stojan Čepar, Employee Representative; commenced a four-year term on 18<sup>th</sup> March 2013.
- Mr. Nebojša Topič, Employee Representative; commenced a four-year term on 28<sup>th</sup> July 2012.

**As an external member of the Supervisory Board Audit Committee:**

- Ms. Blanka Vezjak, external member of Supervisory Board Audit Committee, appointed at the Supervisory Board meeting of 1<sup>st</sup> September 2009. The other two members of the Audit Committee are Jordan Kocjančič (president) and Mladen Jovičič (member).

**RELEVANT EVENTS JANUARY - MARCH 2013**

**JANUARY**

- The *Capital Assets Agency of the Republic of Slovenia (AUKN)* submitted a request for a General Assembly of *Luka Koper d.d.* shareholders.
- *Luka Koper d.d.* adopted the company's energy policy as a guideline to improve energy efficiency and thereby contribute to a more reliable energy supply, reduce environmental impact and further improve the company's performance.

**FEBRUARY**

- The company published the Non-Audited Business Report of *Luka Koper d.d.* and the *Luka Koper Group* for January – December 2012.
- Company executives visited partners in South Korea and presented them with the port's latest accomplishments as well as the further possibilities for cargo distribution via the Port of Koper.
- Following the withdrawal of the Port of Ravenna from the *North Adriatic Ports Association*, representatives of the ports of Koper, Trieste, Venice and Rijeka met to review and reconfirm the Association's vision and mission.

- Greece's *MCCL Group* established a new RO-RO service between Koper and the Black Sea Port of Poti in Georgia.
- Within the EU-funded *EMPIRIC* (Enhancing Multimodal Platforms, Inland waterways and Railways services Integration in Central Europe) project, *Luka Koper* organised a conference on the possibilities of improving the efficiency of the logistics chain for highly perishable goods via the Port of Koper.
- *Luka Koper d.d.*'s Workers Council published its position against the sale of Slovenia's only seaport.

## MARCH

- The company published a call for a General Assembly of *Luka Koper d.d.* shareholders, and, prior to the meeting, a proposal by the shareholder Koper Municipality on the appointment of a Supervisory Board member.
- Slovenia's Minister of Economic Development, Mr. Stanko Stepišnik, the Mayor of Koper Municipality, Mr. Boris Popovič, and *Luka Koper d.d.* Management Board President Mr. Bojan Brank, jointly signed a letter in support of the economic development efforts being made by the local community and the Port of Koper.
- Koper's Passenger Terminal receives a *Best Destination Experience* award at the world's largest cruise fair.
- *Luka Koper d.d.*'s best suppliers in 2012 received awards.
- Trade risk and credit insurance specialist *Coface* grants *Luka Koper Pristan d.o.o.* an *Excellent SME Slovenia* certificate, which corroborates the company's business excellence.
- In the context of the *Zlata Nit* research project, *Luka Koper d.d.* was placed among the seven best employers in Slovenia in 2012.
- 207 applicants applied in response to this year's call by *Luka Koper* for bursaries and sponsorship under its *Living with the Port* fund. In accordance with the company's orientation towards sustainable development and support to the broader local community, *Luka Koper* funded 104 projects in the total value of € 63,000.

## RELEVANT POST-BALANCE SHEET EVENTS

### APRIL 2013

- At its 4<sup>th</sup> April 2013 session, the *Luka Koper d.d.* Supervisory Board endorsed the Annual Report of *Luka Koper d.d.* and the *Luka Koper Group* for 2012.
- At the same session, the Supervisory Board endorsed the Management Board's proposal on the allocation of distributable net profit as follows:
  - a portion of distributable profit in the amount of € 2,380,000 will be disbursed as dividends in the gross value of € 0.17 per ordinary share,

- the remaining portion of distributable profit in the amount of € 1,383,795 shall be retained.
- Shareholders did not vote in favour of the replacement of the *Luka Koper d.d* Supervisory Board at the General Assembly. Shareholders endorsed the instigation of an audit of the company's unaudited transactions and the provision of a report in relation to any eventual harmful business transactions; in response to this the notary drew attention to the fact that any such appointment of a special auditor was not congruent with the Companies Act RS, and was likely to draw an action for annulment. At the General Assembly, shareholders were also presented with the 18<sup>th</sup> March 2013 resolution adopted by the *Luka Koper d.d* Workers Council, namely, the re-appointment of Mr. Mladen Jovičič and Mr. Stojan Čepar as Employee Representatives on the company's Supervisory Board for a four-year term.
- *Luka Koper* presented its operations and plans to Slovene institutional investors at the annual investment conference organised by *Ljubljana Stock Exchange*.
- As anticipated at the General Assembly, the VZMD (Pan-Slovenian Shareholders' Association) brought an action for the annulment of Resolution No. 4 of 5<sup>th</sup> April 2013 General Assembly of *Luka Koper* shareholders.
- On 26<sup>th</sup> April 2013, *Luka Koper d.d.* sold 615,730 *Intereuropa* (IEKG) shares to its subsidiary. *Luka Koper d.d.* henceforth holds 1,344,783 IEKG shares which accounts for 7.99% of *Intereuropa d.d.* stock.
- Completion of preliminary archaeological excavations at a plot at the foot of Sermin Hill, a location identified by the company in collaboration with the Ministry of Transport and Spatial Development as an alternative site for the disposal of silt from dredging operations. Following this investigation, the company was required by Slovenia's Institute for the Protection of Cultural Heritage to ensure the presence of archaeologists during the implementation of ground works related to silt disposal. Project documentation for the acquisition of a permit to use this plot as a landfill site is currently being elaborated.
- At the end of April, *Luka Koper d.d.*, *Luka Koper INPO d.o.o.* and *Adria Terminali d.o.o.* were subject to regular external audits of their quality management systems in accordance with ISO 9001:2008 standards and the environmental protection system according to ISO 14001 standards. The parent company was also subject to a regular audit of its BS OHSAS 18001:2007 occupational health and safety regime, as well as a surveillance audit of its ISO 22000:2005 food safety management system in accordance with the provisions of EC 1221:2009. *Luka Koper Group* companies successfully passed these audits and extended the validity of their respective certificates.

## PERFORMANCE ANALYSIS OF LUKA KOPER GROUP

The *Luka Koper Group's* cargo throughput amounted to 4.5 million tonnes in the first quarter of 2013, which is three percent ahead of the same period last year and within the anticipated

volumes. The *Group's* operating revenues in the amount of 37 million euros were 1.6 million euros (five percent) ahead of the January – March 2012 level, as well as 62,000 euros above the plan.

First quarter operating profit in the amount of 6.3 million euros recorded a year-on increase of 1.6 million euros (thirty-four percent). This upward trend can also be attributed to a year-on fall in other operating expenses from formed provisions. The *LK Group's* net profit for the first quarter of 2013 amounted to 4.7 million euros, which is 2 million euros (eighty-two percent) above the January – March 2012 level: accordingly, Q1 operating profit was 0.9 million euros ahead of plans.

The *Luka Koper Group's* performance in the first quarter of 2013 was successful. Cargo throughput and operating revenues both recorded increases, and the company successfully managed costs.

### ***OPERATING REVENUES***

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The *Luka Koper Group's* operating revenues amounted to 37 million euros in the first quarter of 2013; within planned volumes, they saw a 1.6 million (five percent) increase on the same period last year.

Figure 1: Luka Koper Group operating revenues

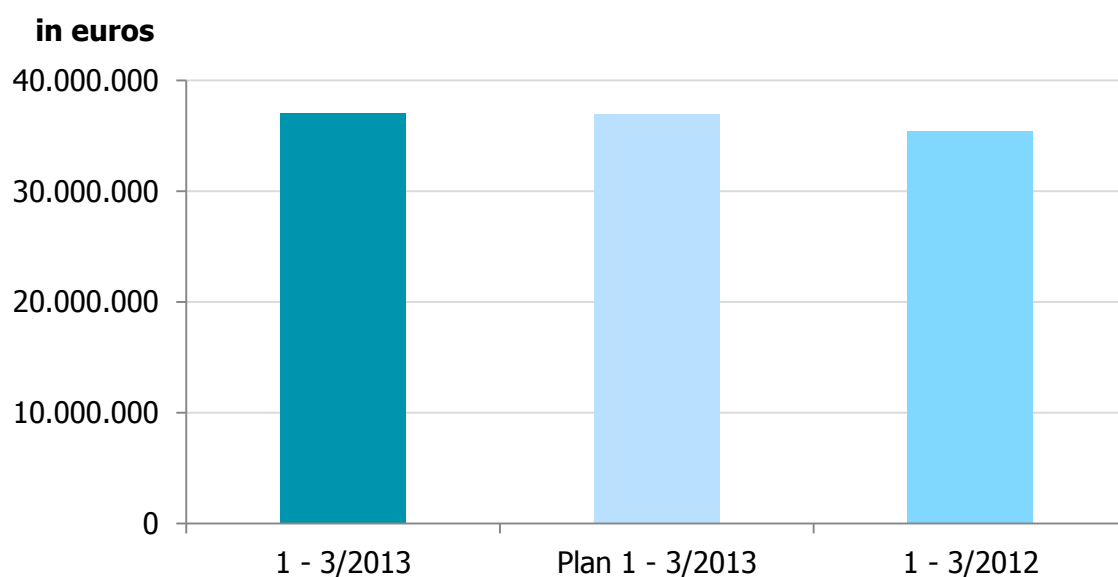


Table 1: Q1 operating revenues by cargo type in 2013 and 2012

<b>OPERATING REVENUES (in euro)</b>	<b>Jan. - March 2013</b>	<b>Jan. - March 2012</b>	<b>Index 2013/2012</b>
General cargos	9,239,687	8,484,586	109
Container freight	8,998,194	8,366,526	108
Vehicles	3,480,713	3,754,109	93
Liquid cargos	1,681,310	1,673,400	100
Bulk and dry bulk cargos	8,481,580	8,421,459	101
Other operating revenues	5,129,184	4,713,053	109
<b>TOTAL</b>	<b>37,010,668</b>	<b>35,413,133</b>	<b>105</b>

With the exception of vehicles, where operating revenues fell by 0.3 million euros (seven percent), the *Luka Koper Group* increased operating revenues across all cargo types.

Operating revenues from general cargos recorded the largest year-on increase - in the amount of 775,000 euros - across the first quarter of 2013. General cargos rose as a consequence of increased exports of timber, while income deriving from metals were mainly attributable to the increased throughput of sheet metal and aluminium.

Container throughput recorded a 632,000-euro upturn on the same period last year, and revenues rose both as a consequence of cargo throughput as well as storage charges.

Operating revenues from vehicle cargos were seven percent down on the January to March 2012 level. This decrease is mostly attributable to the first quarter downturn in car sales on the European market, further to which income from storage charges also declined.

Despite a lower first quarter throughput, operating revenues generated from liquid cargos remained at the Q1 level of 2012, this due to the conclusion of fixed-price contracts which are not quantity dependent.

In the first quarter of 2013, operating revenues from bulk and break cargos recorded a one percent rise as a consequence of increased income from coal throughput.

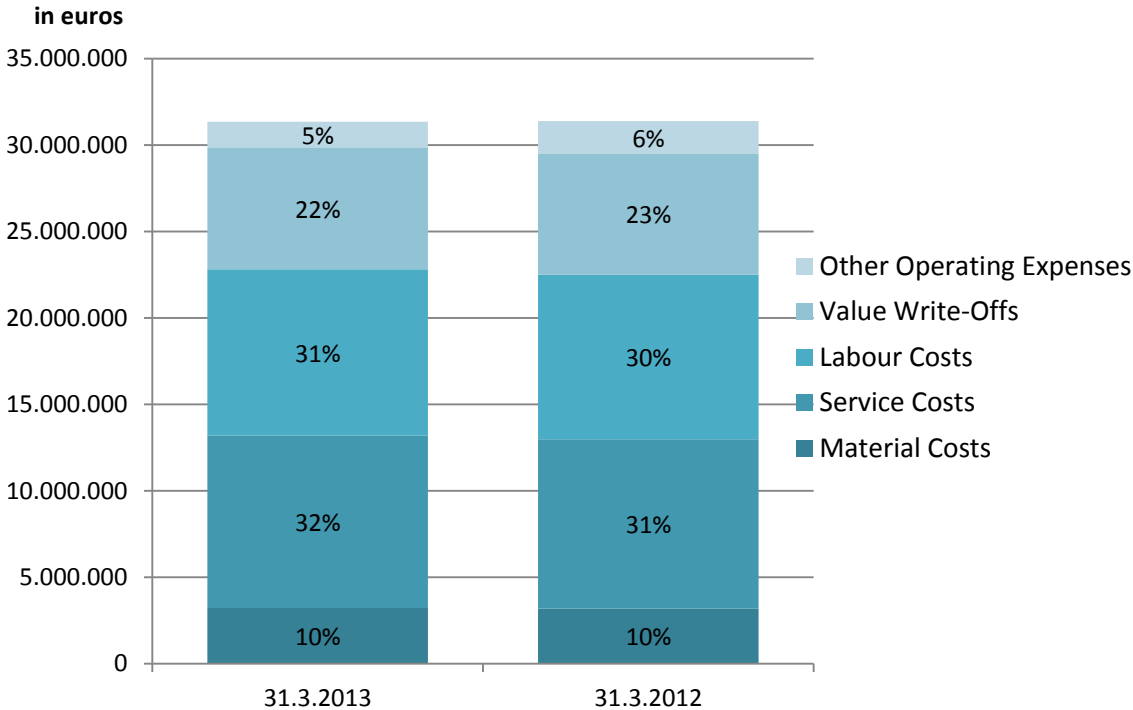
Within the category of other operating revenues, income from port dues recorded a rise which is directly attributable to the overall upturn in cargo throughput.

**OPERATING EXPENSES**

The *Luka Koper Group's* year-on operating expenses in the first quarter of 2013 amounted to 31.4 million euros, which is much the same as last year and equivalent to 84.71% of operating revenues, namely four percentage points less than in the first quarter of 2012.

Although material, service, labour and value write-off costs all recorded slight year-on *increases*, other operating expenses fell by a significant twenty percent.

Figure 2: Structure of the Luka Koper Group's operating expenses as a percentage of its operating revenues in the first quarters of 2012 and 2013



**MATERIAL COSTS**

In the first quarter of 2013, material costs amounted to 3.2 million euros, which is a year-on increase of one percent and fully attributable to a rise in consumables pertaining to the growth in the provision of maintenance services.

### **SERVICE COSTS**

Service costs - amounting to 10 million euros - recorded two percent year-on growth in the first quarter of 2013. The largest increase within service costs - 0.2 million euros (fourteen percent) - was recorded in relation to maintenance service provision.

### **LABOUR COSTS**

Labour costs in the first quarter of 2013 in the amount of 9.6 million euros were 0.1 million euros (one percent) ahead of the same period last year. This year-on growth is the result of a basic salaries escalator in accordance with the collective agreement which was implemented in February 2012 (+0.8 percent), August 2012 (+1.6 percent) and February 2013 (+0.8 percent). As of 31<sup>st</sup> March 2013, there were 22 (two percent) fewer employees in *Luka Koper Group* companies than on 31<sup>st</sup> March 2012. Further to this, employee structure in relation to work posts also altered.

### **VALUE WRITE-OFFS**

In the first quarter of 2013, value write-offs amounted to 7.1 million euros, which is a year-on increase of one percent. Amortisation in the amount of 7 million euros (two percent ahead of the equivalent period in 2012) accounts for a major portion of value write-offs.

### **OTHER OPERATING EXPENSES**

Other operating expenses amounting to 1.5 million euros were 0.4 million euros (twenty percent) down on the same period last year, this as a consequence of provisions formed in the first quarter of 2012 to cover anticipated losses from litigation.

### **OPERATING PROFIT**

In the first quarter of 2013, the *Luka Koper Group* generated operating profit in the amount of 6.3 million euros, which is 1.6 million euros (thirty-four percent) ahead of the equivalent period in 2012. In addition, the *Group* exceeded Q1 performance expectations by 0.9 million euros.

EBIDTA amounted to 13.3 million euros, which is 1.7 million (fourteen percent) above the level recorded for Q1 in 2012; further to this, EBIDTA was also 0.9 million euros (eight percent) ahead of plans.

### **FINANCIAL REVENUES AND FINANCIAL EXPENSES**

In the first quarter of 2013, the *Luka Koper Group* generated 0.2 million euros in financial revenues, which is seventeen percent ahead of last year. This year-on increase is due to an rise in financial revenues from profit participation in associated companies accounted in accordance with the equity method.

The *Group's* financial expenses in the amount of 1.1 million euros, were 0.7 million euros (thirty-eight percent) down on the equivalent period of 2012. The decline in financial expenses can be attributed to a lower EURIBOR reference interest rate and reduced indebtedness.

### ***PRE-TAX PROFIT AND NET PROFIT***

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In the first quarter of this year the *Luka Koper Group* generated in 5.4 million euros in pre-tax profits, which is a seventy-five percent increase on the same period in 2012.

The *Group's* net profit in the amount of 4.7 million euros was 2 million euros (eighty-two percent) ahead of Q1 2012, and 0.8 million euros (twenty-three percent) above expectations.

### ***ASSETS AND LIABILITIES***

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As of 31<sup>st</sup> March 2013, the *Luka Koper Group's* balance sheet total amounted to 464.8 million euros, which is 1.4 million euros up on the 31<sup>st</sup> December 2012 level.

Non-current assets, which account for the major portion (91 percent) of total assets, recorded a 7.7 million euro decrease on 31<sup>st</sup> December 2012. The largest downturn was recorded in real-estate, plant and equipment, this as a consequence of amortisation. Non-current financial investments fell by a total amount of 1.5 million euros, a figure which takes account of the drop in the trading price of *Krka d.d.* shares, this in the amount of 1.6 million euros.

Current assets totalling to 37.9 million euros recorded a 4.3 million euro increase on 31<sup>st</sup> December 2012. The largest upturn was in relation to current trade receivables in the amount of 4.3 million euros, which is the result of an increased volume of operations, in particular in March. Bank deposits decreased within short-term loans due to the repayment of deposits.

At the close of the first quarter, the *Group's* equity amounted to 252.8 million euros and accounted for fifty-four percent of the balance sheet total. Non-current liabilities and long-term provisions, together with long-term deferred revenues in the amount of 146.6 million euros, account for thirty-two percent of total equity and liabilities.

As of 31<sup>st</sup> March 2013, financial liabilities accounted for 69.4 percent of equity, which is six percentage points down on 31<sup>st</sup> December 2012. In the first quarter of 2013, non-current and current financial liabilities decreased due to the repayment of loans. Operating liabilities recorded a 5.4 million euro (thirty-nine percent) increase over the period, which can in particular be attributed to the provision of compensation for the use of land.



## FINANCIAL MANAGEMENT

In the first quarter of 2013, the *LK Group* managed to reduce its overall indebtedness; aggregate financial liabilities fell by nearly five percent from 183.9 to 175.4 million euros over the three-month period.

### Maturity of financing sources

As of 31<sup>st</sup> March 2013, the *Luka Koper Group's* non-current financial liabilities to banks accounted for seventy-five percent of total financial liabilities. In 2013 the *Group* will further restructure outstanding liabilities through the provision of sources with longer maturity; such shall only be reflected in the structure of financial liabilities in the second half of 2013.

Figure 3: Structure of Luka Koper Group financial liabilities by maturity in the first quarters of 2013 and 2012

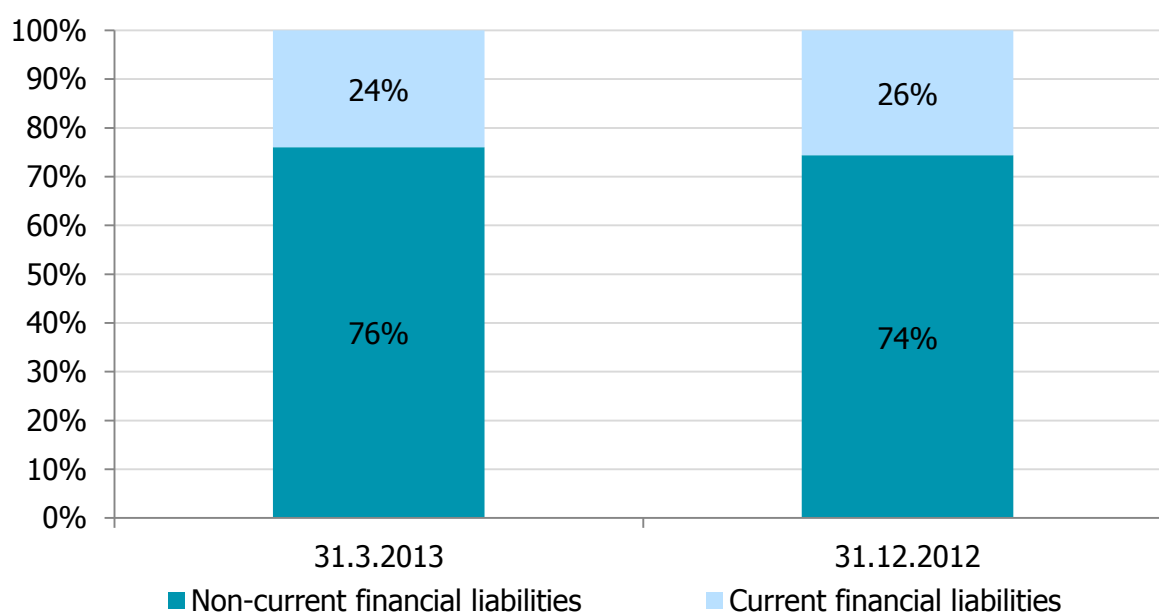
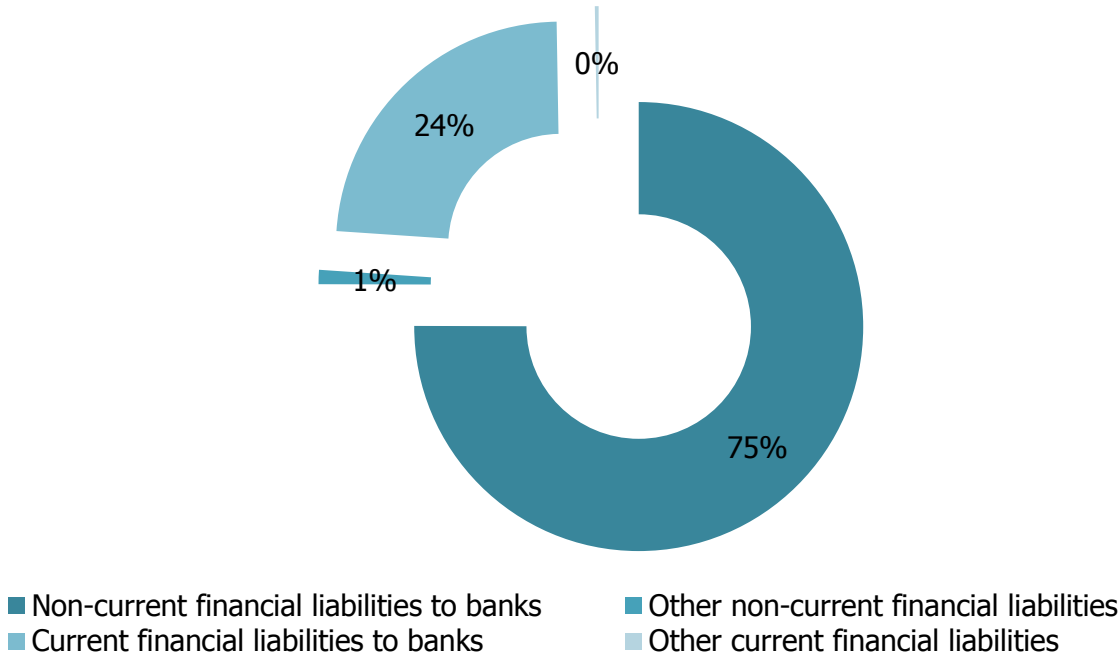


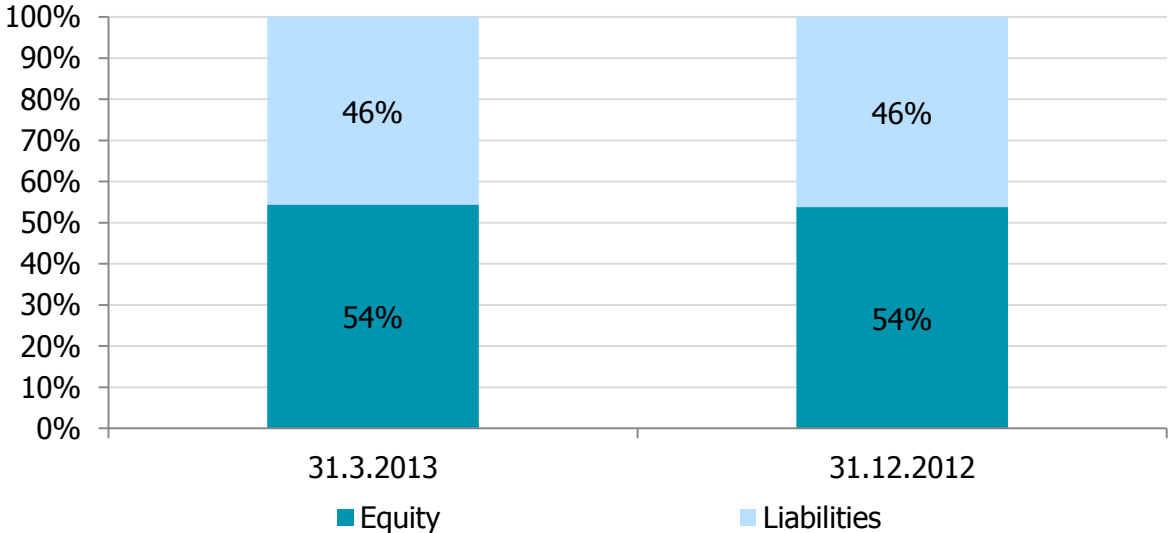
Figure 4: Luka Koper Group financial liabilities as of 31<sup>st</sup> March 2013



**Structure of equity and liabilities**

Liabilities related to variable interest rates account for the major portion of the *Luka Koper Group's* financial liabilities. Through an established interest rate swap the *Group* is to hedge its 30 million euro non-current loan, which accounts for eleven percent of the *Group's* total financial liabilities as of 31<sup>st</sup> March 2013.

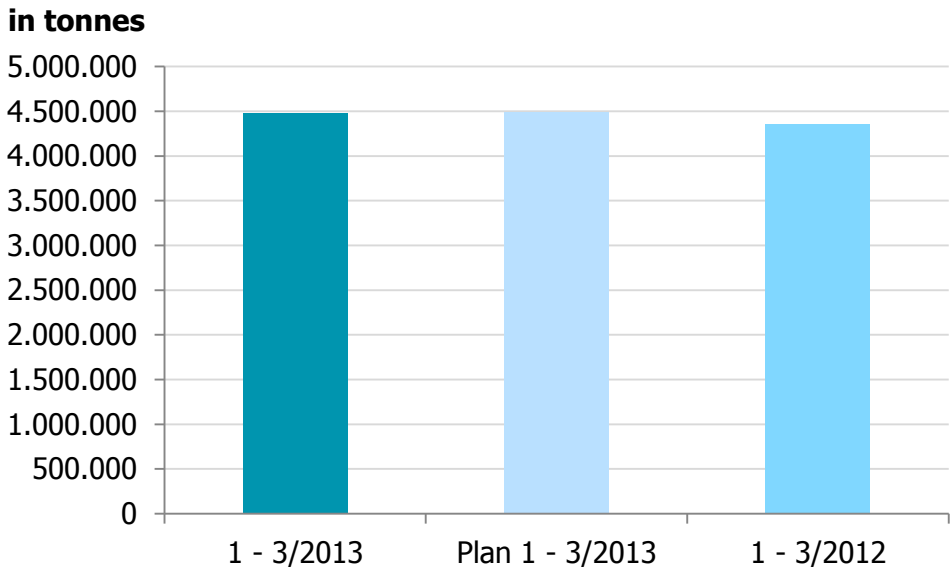
Figure 5: Structure of equity and liabilities of the Luka Koper Group in the first quarters of 2013 and 2012



**MARKETING AND SALES**

Cargo throughput in the first quarter of 2013 amounted to 4.5 million tonnes, which is a year-on increase of three percent and within planned volumes. Throughput growth was recorded by general cargos (up 48 percent to 430,000 tonnes), bulk and break bulk cargos (up 7 percent to 1.9 million tonnes) and container freight (up 4 percent to 1.4 million tonnes). Declines were recorded in relation to throughputs of vehicles and liquid cargos.

Figure 6: Cargo throughput in the first quarters of 2013 and 2012, against the 2012 plan



## Throughput structure by cargo type

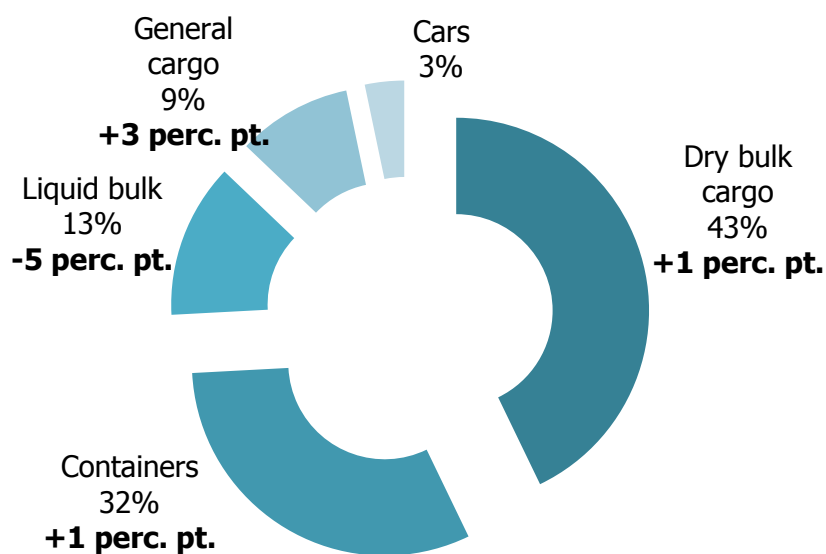
Table 2: Tonnage throughput by cargo type in the first quarters of 2013 and 2012

CARGO TYPE (in tonnes)	Jan. - March 2013	Jan. - March 2012	Index 2013/2012
General cargos	430,003	290,624	148
Container freight	1,404,174	1,344,927	104
Vehicles	147,426	155,874	95
Liquid cargos	581,193	764,307	76
Bulk and break bulk cargos	1,920,473	1,801,637	107
<b>Total</b>	<b>4,483,269</b>	<b>4,357,369</b>	<b>103</b>

Table 3: Throughput of container freight (in TEUs) and vehicles (in units) in the first quarters of 2013 and 2012

CARGO TYPE	Jan. - March 2013	Jan. - March 2012	Index 2013/2012
Container freight - in TEUs	146,903	152,072	97
Vehicles - in units	105,739	110,314	96

Figure 7: Structure of throughput (tonnage measure) by cargo type in the first quarter of 2013, and percentage change in relation to the first quarter of 2012



### **General cargos**

The largest growth in general cargo throughput was recorded by its largest subcategory, i.e. timber. Growth was sixty-seven percent ahead of the first quarter of 2012, in particular as a consequence of exports to the countries of North Africa. General cargos were thirty-one percent ahead of the equivalent period in 2012. This increase can be attributed to the upturn in the throughput of metals and metal manufactures, in particular for the Italian market which relieved the drop in volumes attributable to other hinterland markets.

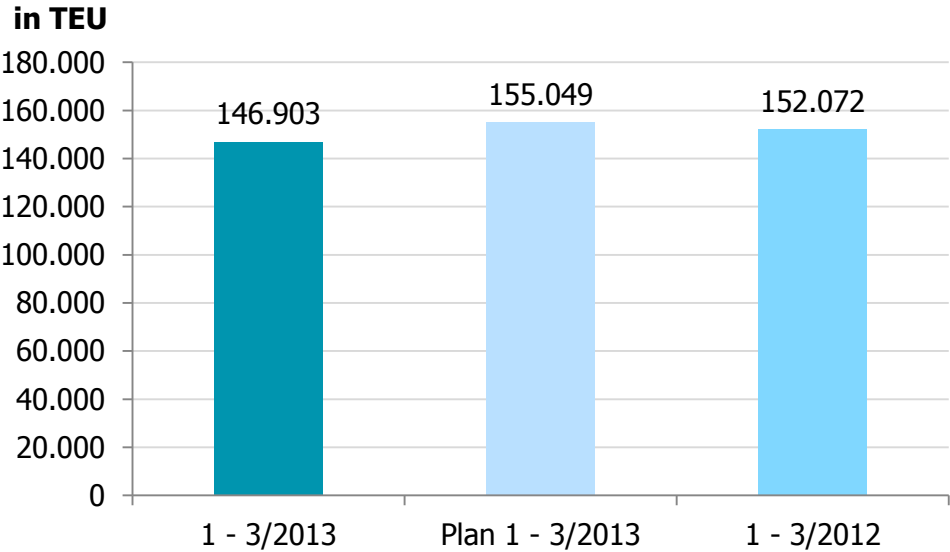
Cargo throughput of fruit from South America, which to a lesser degree is handled in a non-containerised form, recorded a twelve percent year-on increase. The container throughput of fruit, vegetables and other highly perishable goods which is stripped from containers at Koper, was thirty-six percent down on the equivalent period in 2012, this is a particular consequence of the increase in Israeli exports via French ports.

### **Container freight**

Container throughput in the first three months of 2013 amounted to 147,000 TEUs, which is a three percent decline on the first quarter of 2012. The decrease can be attributed to a twenty-three percent decline in the throughput of empty containers, this as a consequence of reduction of the overseas trade imbalance, and indeed, the throughput of full containers actually rose by one percent. The recession in Europe has resulted in a fourteen percent growth in container freight exports accompanied by a five percent decline in imports.

Although the Port of Koper remains an essential element in Central Europe's overseas trade, the dredging of Basin I has been problematic for quite some time now. Due to the extant draught restriction, large vessels on direct services from the Far East must first unload a portion of their cargo in Trieste before sailing on to Koper; accordingly, some clients are obliged to unload their most urgent shipments in Trieste.

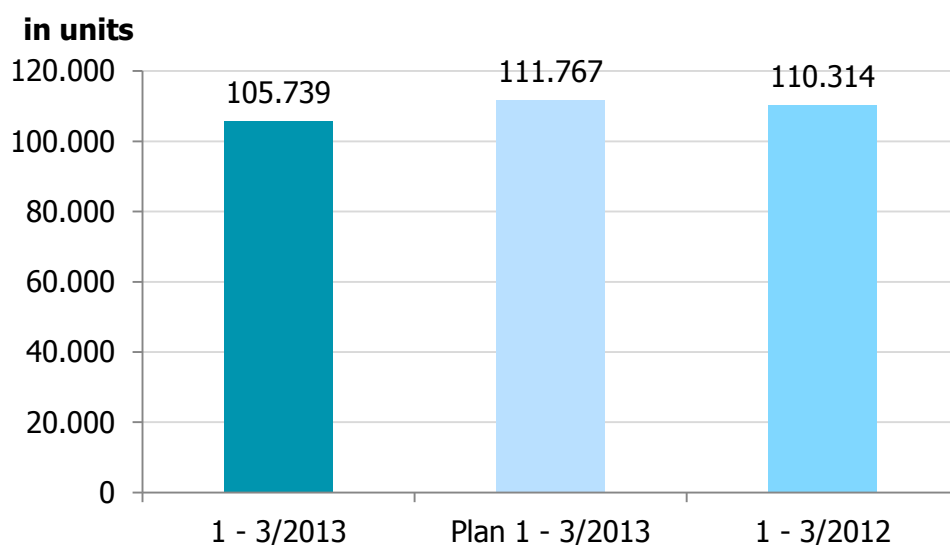
Figure 8: Container throughput in the first quarters of 2013 and 2012 (TEU measure)



**Vehicles**

In the first three months of 2013, *Luka Koper* handled 106,000 vehicles which is a year-on decrease of four percent. Imports, mostly from Asia, amounted to 46,000 vehicles (nineteen percent less than in the equivalent period last year). The fall was due to the fact that sales of cars on European markets have dropped significantly. According to ACEA (European Automobile Manufacturers Association), the sale of new cars in Europe fell by 9.8 percent on the first quarter of 2012, whilst the March year-on decline amounted to 10.2 percent. Due to the fall in sales on domestic markets, European car manufacturers are looking for opportunities abroad, and this is reflected in the fourteen percent rise in exports. Of the 60,000 vehicles that were shipped overseas through Koper in the first quarter of 2013, the largest export growth was recorded in relation to Mediterranean countries, and Turkey and North Africa in particular.

Figure 9: Throughput of vehicles in the first quarters of 2013 and 2012 (in units)



### Liquid cargos

The throughput of liquid cargos recorded a year-on twenty-four percent decline in the first quarter of 2013. This is attributable to the fact that the arrival of one vessel was delayed to the following quarter.

### Bulk and break bulk cargos

The *Luka Koper Group* recorded seven percent growth in bulk and break bulk cargos. First quarter imports decreased by eight percent year-on to 0.4 million tonnes, while exports rose by eleven percent to 1.5 million tonnes; these figures which can, in particular, be attributed to coal for the needs of the Italian market and the import of salt. The export of scrap iron declined due to the recession and low prices of scrap metals in world markets. The decline in soya throughput in the first quarter was due to adverse weather and a strike in the South American port of origin, which resulted in the delayed arrival of a shipment at the Port of Koper.

### Marketing activities

In the first quarter of 2013, the company further implemented marketing activities in its overseas as well as hinterland markets. *Luka Koper* visited key and potential clients in South Korea and Malaysia, actively participated at the Amsterdam logistics forum, as well as visited key shipping companies in Singapore, Hong Kong and Taipei. In conjunction with a commercial delegation and the President of the Republic of Slovenia, *Luka Koper* organised a visit to Japan, where its executives met with existing clients as well as representatives of a number of internationally renowned companies which are becoming evermore interested in penetrating the markets of Central and Eastern Europe via the Northern Adriatic route.

Its close collaboration with the Chamber of Commerce and Industry of Slovenia and the Ministry of Foreign Affairs, allowed *Luka Koper* to meet corporate representatives and

commercial delegations in China, Hungary, Egypt, India, Turkey and Japan. The company has invested much effort into identifying trade flows and a shipper to establish direct container services between Koper and Turkish seaports. Simultaneously, *Luka Koper* is endeavouring to increase Japanese trade flows - which are currently directed primarily via the large seaports of northwestern continental Europe - through the Port of Koper.

## RISK MANAGEMENT

Risks are managed through an integrated process of assessment, management, monitoring and reporting, implemented by corporate structures. Upon identification, significant risks are divided into three categories - strategic, operational and financial - and entered into a risk register for the purposes of review and periodic report, which is a key strategy in their management. In the first quarter of 2013, the *Luka Koper Group* did not perceive any significant changes to those risks presented in the 2012 Annual Report.

## LKPG SHARE

As of 31<sup>st</sup> March 2013, *Luka Koper d.d.* had a total of 12,685 shareholders, which is a year-on decline of four percent. The ten largest shareholders held seventy-six percent of all *Luka Koper d.d.* stock. The Republic of Slovenia with its 51 percent stake is the company's largest shareholder.

Table 4: Ten largest shareholders in Luka Koper d.d. as of 31<sup>st</sup> March 2013

Shareholder	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. KD Indija - Kitajska, delniški	150,900	1.08 %
7. Vzajemni sklad KD Dividendni, delniški	141,389	1.01 %
8. Perspektiva FT, d.o.o.	125,895	0.90 %
9. Zavarovalnica Triglav, d.d.	104,756	0.75 %
10. Vzajemni sklad KD Rastko, delniški	100,965	0.72 %
<b>Ten largest shareholders - total</b>	<b>10,643,513</b>	<b>76.03 %</b>
<b>Total shares</b>	<b>14,000,000</b>	<b>100.00%</b>



## Trading in the LKPG share

Table 5: Relevant data on the LKPG share

	2013	2012
Number of shares as of 31 <sup>st</sup> March	14,000,000	14,000,000
Number of ordinary no-par-value shares	14,000,000	14,000,000
Closing price as of 31 <sup>st</sup> March (in euro)	8.60	10.00
Book value of share as of 31 <sup>st</sup> March	17.01	16.48
Ratio between market price and book value (P/B ratio)	0.51	0.61
Average weighted market price (in euro) <sup>2</sup>	8.81	8.03
Average book value of share (in euro) <sup>3</sup>	17.01	16.44
Ratio between average weighted market price and average book value of the share	0.52	0.49
Net earnings per share (in euro) <sup>4</sup>	1.14	0.56
Ratio between average weighted market price and earnings per share <sup>5</sup>	7.72	14.42
Ratio between market price and earnings per share (P/E) <sup>6</sup>	7.53	17.95
Market capitalisation as of 31 <sup>st</sup> March (in million euro)	120.4	140.0
Turnover (all transactions) January - March (in million euro)	2.0	1.4

Between January and March 2013, the average closing price of a *Luka Koper d.d.* share stood at € 8.55, whilst its overall trading value fluctuated between € 7.95 and € 9.50. There were 740 transactions and block trades of shares over the period, and a total of 229,710 shares with an aggregate value of € 2,023,370 changed ownership. By way of comparison, 174,752 shares changed ownership in the first quarter of 2012, and the total value of these transactions amounted to € 1,403,972.

In the first quarter of 2013, the highest daily trading price was € 9.85 and the lowest € 7.30. The share price is fourteen percent down on the same period last year, but eight percent up on 31<sup>st</sup> December 2012.

<sup>2</sup> Weighted average market price is calculated as a ratio between total value of LKPG stock exchange transactions and the aggregate number of LKPG shares traded across the period.

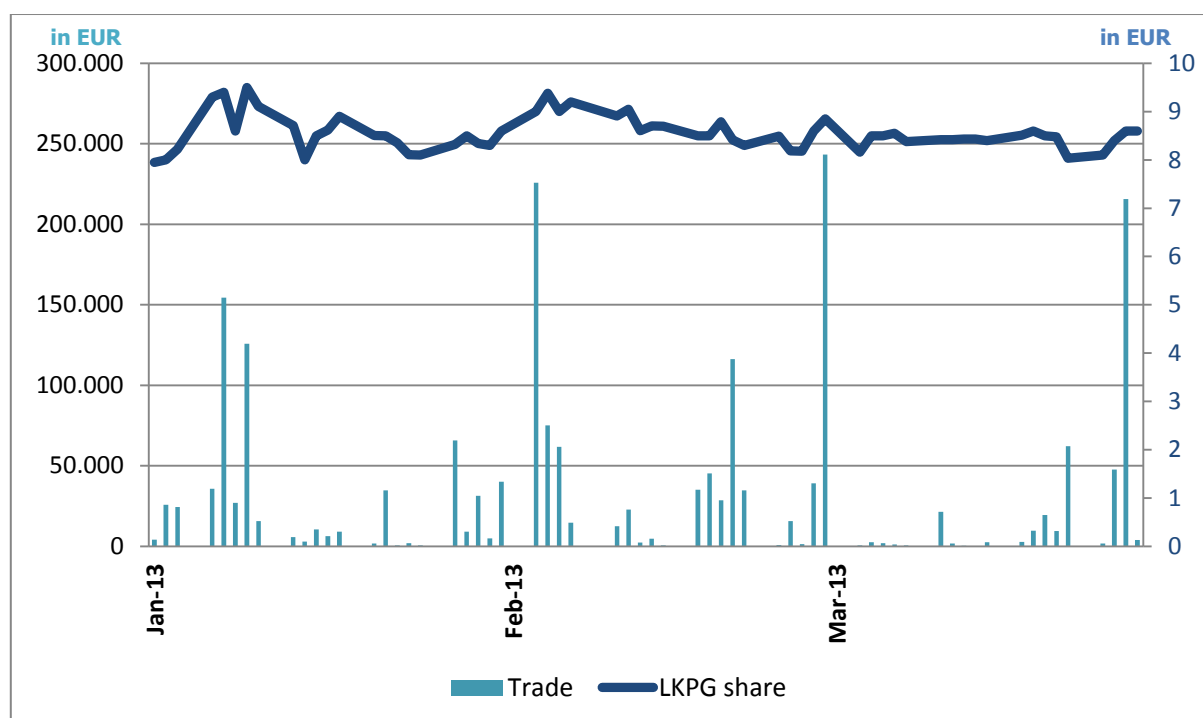
<sup>3</sup> Average book value of the LKPG share is calculated on the basis of average monthly ratios between equity and number of ordinary shares.

<sup>4</sup> Indicators are calculated on the basis of annualised data

<sup>5</sup> Indicators are calculated on the basis of annualised data

<sup>6</sup> Indicators are calculated on the basis of annualised data

Figure 10: Movement of the LKPG closing price and the value of daily trades, January - March 2013



### Number of LKPG shares held by Supervisory and Management Board members

As of 31<sup>st</sup> March 2013, the following members of the *Luka Koper d.d.* Supervisory Board held shares in the company:

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

None of the Management Board members held shares in the company as of 31<sup>st</sup> March 2013.

### Dividend policy

*Luka Koper d.d.* dividend policy combines the shareholders' strive for dividend yield with the requirement that net profit is reinvested into the business. Considering the company's performance in 2012 and dividend policy, the company's Management and Supervisory Boards proposed that the General Assembly should apportion distributable profit - which as of 31<sup>st</sup> December 2012 amounted to € 3,763,795 - as follows:

- a portion of distributable profit in the amount of € 2,380,000 to be disbursed as dividends in the gross value of € 0.17 per ordinary share;
- the remaining portion of distributable profit in the amount of € 1,383,795 to be retained.

Over the coming years, and taking into consideration plans for investment into port infrastructure and equipment, the company anticipates the distribution of up to one-third of net profit as dividends.

### **Treasury stock, authorised capital, conditional increase in share capital**

*Luka Koper d.d.* didn't hold any treasury stock as of 31<sup>st</sup> March 2013. The company statute doesn't anticipate any category of authorised capital by way of which the Management Board may increase share capital, and further to this the company had no grounds for any conditional increase in share capital in the January to March period.

## **NON-FINANCIAL INVESTMENTS**

In the first quarter of 2013, the *Luka Koper Group* allocated 2.2 million euros in non-financial investments, which is fifty-six percent down on the same period in 2012. 2.2 million euros (nine-eight percent) of this total was invested by the parent company, *Luka Koper d.d.*

The largest investments made by the *Group* over the first three months of 2013 were as follows:

- a new forklift for handling empty containers was acquired by the Container Terminal;
- further to the provisions of health and safety at work legislation and ecological requirements, a new central facility was constructed for the repair, maintenance and servicing of machinery;
- in the context of ecological rehabilitation, the mobile hopper was reconstructed and fitted with an electrostatic filter to prevent dust formation.

## **RESEARCH & DEVELOPMENT**

In the first quarter of 2013, *Luka Koper* further implemented the following activities in the field of research & development:

- elaboration of various studies in relation to the needs of individual terminals;
- implementation of IT improvements;
- co-ordination of development materials for the company and the port, and
- institutional collaboration at the local, national and international level.

An undoubtedly important activity was the harmonisation of the upgraded five-year Port Development Plan 2011-2015 with Slovenia's Ministry of Infrastructure and Spatial Development. The company also collaborated with local institutions in relation to the

incorporation of port development projects in the 2014-2020 Regional Development Programme.

*Luka Koper* commenced 2013 actively engaged in seventeen collaborative EU projects which pertained to such issues as the planning and development of national, international and pan-European transport infrastructure and logistics concepts, environmental and marine protection, safety, hazardous cargos and IT upgrades. The *Losamedchem*, *Freight4all*, *PORTA*, *EMPIRIC*, *LOGICAL*, *SEE Mariner*, *SETA*, *INWAPO* and *GIFT* projects which continue from 2012 are complemented by three new ones launched in 2013: *Greenberth*, *INTE-TRANSIT* and *iFreightMED*.

As part of the *ADRIA-A* initiative, focused on the promotion of regional transport links and services in the context of the *Italy-Slovenia Cross-border Co-operation Programme*, *Luka Koper* further pursued the development of passenger terminal operations. In the context of the *SafePort* collaborative research project, intensive efforts were also invested into the management of environmental and industrial risks in Northern Adriatic ports.

As part of Europe's *TEN-T* transport initiatives programme, activities were further implemented in relation to the *Intelligent Transport Services - NAPA (North Adriatic Ports Association)* project and the establishment of an IT platform for data exchange among the Northern Adriatic ports, as well as the *Greencranes* project investigating energy efficiency within container terminals.

Activities related to the national call for project applications in relation to the creation of a Logistics Competence Centre are also underway, and the company has also been active in the further promotion of the adequate incorporation of the Port of Koper into the new *TEN-T* regulation being adopted by the European Parliament.

## SUSTAINABLE DEVELOPMENT

### ENVIRONMENTAL IMPACT CONTROL

During the first quarter of 2013 *Luka Koper* continued to monitor the impacts of its operations on the environment, as well as implement a number of activities aimed at ensuring it becomes an ever more environment-friendly port. As Slovenia's Environment Agency, the Ministry of Agriculture and the Environment, officially corroborated the company's efforts and efficient environmental management by granting the company EMAS (SI 00004) certification. In 2012, a joint Environmental Report, combining the requirements of ISO 14001 and EC 1221:2009 (EMAS), was prepared for management review. Following an external audit, the Report will be published on the company's website. This year, *Luka Koper* was granted the final requisite environmental permit for emissions of waste water. As a consequence of a change of medium in one of the storage tank farms, procedures are

under completion to ensure congruence with the conditions of the environmental permit in relation to the Seveso Directives on industrial accidents.

Information in relation to all pertinent environmental issues are promptly published online on the company's website [www.luka-kp.si](http://www.luka-kp.si), and on the *Living With the Port* website [www.zivetispristaniscem.si](http://www.zivetispristaniscem.si), as well as the in-house *Luški Glasnik* gazette and the media.

## Air quality

*Luka Koper d.d.* constantly strives to reduce airborne emissions from port operations. Monthly measurements of dust deposits are made at ten locations within the port zone. Due to the absence of pertinent national legislation in this field, the company follows German directives which define the upper permissible limit for total dust deposits as 350 mg/m<sup>2</sup>/day. In 2013, the company's objective is to ensure deposits remain below 250 mg/m<sup>2</sup>/day. The values recorded at all ten points remained within this set objective in the January to March period.

Across the first quarter of 2013, ongoing measurements of airborne concentrations of PM10 particulates, which are implemented by an authorised independent organisation at four locations within the port zone, remained below the legally prescribed 40 µg/m<sup>3</sup> threshold value. The readings of two devices that facilitate automatic real-time measurement are published hourly on the *Living With The Port* [www.zivetispristaniscem.si](http://www.zivetispristaniscem.si) website.

Average PM<sub>10</sub> values in the first quarter of 2013 and 2012

Measurement location	January - March 2013	January - March 2012	Index 2013/2012
Ankaran – Rožnik	21 µg/m <sup>3</sup>	27 µg/m <sup>3</sup>	78
Bertoki	23 µg/m <sup>3</sup>	28 µg/m <sup>3</sup>	82
Koper – Passenger Terminal	24 µg/m <sup>3</sup>	-*	-

\*These measurements were first implemented in 2013.

## Waste management

In order to protect the environment, *Luka Koper* ensures that waste separation extends to all terminal operations as well as all users of the port zone, vessels included. Separately-collected waste is delivered to external waste-processing contractors and agents, whereas organic waste is processed at the composting plant within the port.

From January to March 2013, ninety-two percent of all waste was collected separately, a year-on rise of four percent as well as eight points ahead of the eighty-four percent objective. In March 2013, the company elaborated a new Waste Management Plan for 2013-2016.

## Noise emissions

Noise levels are monitored by devices at three peripheral points of the port, and the results are published online at *Living With the Port* [www.zivetispristaniscem.si](http://www.zivetispristaniscem.si).

Average nightly noise levels (in dB) recorded at locations around the Port in the first quarters of 2013 and 2012

January - March 2013			January - March 2012			Threshold values
Eastern periphery (Bertoki)	Northern periphery (Ankaran)	Southern periphery (Koper)	Eastern periphery (Bertoki)	Northern periphery (Ankaran)	Southern periphery (Koper)	
$L_N = 52$	$L_N = 53$	$L_N = 60$	$L_N = 52$	$L_N = 54$	$L_N = 59$	$L_N = 63$

$L_N$  – average nightly noise level in decibels

Some noise abatement measures within the company's noise reduction plan have already been implemented, including the withdrawal of the noisiest old transtainers to the centre of the port zone in order to minimise disturbance. New transtainers feature the variable setting of engine rpm, and thus lower noise emissions.

## Consumption of energy and water

In the first quarter of 2013, *Luka Koper* further implemented its energy review of the Container Terminal, which is the Port's largest consumer of energy. A system of target energy consumption monitoring (TECM) is being implemented to monitor the characteristic consumption of energy and water, and the initial aim is to achieve a one percent overall decrease in the characteristic consumption of energy and water at the company level. Measures shall begin being implemented upon completion of the energy review, most likely this summer.

Consumption of energy and water per tonne of cargo handled in the first quarters of 2013 and 2012

	Jan - March 2013	Jan - March 2012	Index 2013/2012
Consumption of electricity (kWh per tonne)	1.36	1.64	83
Consumption of fuel (litres per tonne)	0.25	0.27	93
Consumption of potable water (litres per tonne)	7.20	7.24	99

On the basis of measurements from the energy review and the implementation of an energy management system, it is anticipated that further reductions in the consumption of energy and water shall be achieved in accordance with the set objectives.

## **Wastewater**

Typical municipal (sewerage) waters account for a major portion of wastewater produced in the port zone; industrial wastewaters account for a smaller proportion of total and are appropriately processed in in-house treatment plants prior to discharge. Sewerage waters are for the most part treated at Koper's municipal treatment plant. This February the company was granted the final environmental permit in relation to wastewater emissions.

## **Light pollution**

The port zone requires sufficient lighting in order to ensure operational safety, and this is provided in accordance with current regulations. Unfortunately, the night-time illumination of operational areas, rail yards and roadways causes light pollution. For this reason, and based on a comprehensive study of port illumination, lighting is being rehabilitated in a series of stages. The legally prescribed deadline for complete rehabilitation has been deferred to 2016. Thus far, some eighty-three percent of external illumination within the port zone has been appropriately regulated, while the objective for 2013 is to increase this figure to eighty-five percent.

## **Maritime protection**

The prevention of pollution, as well as ensuring clean-up operations in the event of accidents and incidents, form part of *Luka Koper's* everyday operations. In the first quarter of 2013, seven incidents were recorded within the harbour area, and six of these required intervention. There were three incidences of oil spillage, three cases of coal dust pollution, and one involving fluvial materials and tree branches.

As a consequence of the acquisition of a new cargo type at the Liquid Cargos Terminal, *Luka Koper* is, in collaboration with the Faculty of Maritime Studies and Transport, elaborating a hazard evaluation procedure which shall provide the basis of a prevention protection and rescue plan in the event of an industrial incident.

Special signs have been erected adjacent the harbour area in order to inform as to the protection of this zone.

## **Construction works**

Improvements to transport infrastructure were implemented during the first quarter of 2013, and one building facility was demolished.

Due to the fact that construction works may result in increased noise and dust emissions, contractors are obliged to perform all operations in compliance with pertinent environmental regulations. Nonetheless, disturbance cannot be fully prevented or avoided in relation to some construction activities.

## Development projects

All large development projects in the port zone are subject to environmental impact assessments, which are undertaken by authorised authorities. In the first quarter of 2013, there were no developments which, under current legislation, would require environmental impact assessments.

## Dredged materials

In order to ensure the safe navigation of vessels using the Port of Koper, the port basins and approach channels have to be dredged to the prescribed depth. Accordingly, *Luka Koper* occasionally performs dredging works, and deposits the dredged sediments in designated areas within the port zone. Due to the fact that the areas at the company's disposal are limited, studies have commenced into alternative uses of the excavated materials. Together with the Slovenian National Building and Civil Engineering Institute, *Luka Koper* carried out a research project into the reuse of waterborne sediments as a secondary raw material.

In relation to the shortage of dredged material disposal sites in relation to the planned dredging of the northern section of Basin I, a new alternative location has been identified at Bonifika near Ankaran. The disposal of excavated materials at this site could allow the commencement of dredging operations; accordingly, the preparation of project documentation for the acquisition of necessary permissions is underway.

## HUMAN RESOURCE MANAGEMENT

The trend towards reducing employee numbers in the *Luka Koper Group* continued in early 2013. As of 31<sup>st</sup> March, the total number of personnel in the *Group* was 22 fewer than it had been on 31<sup>st</sup> December 2012.

Table 6: Number of employees in Luka Koper Group companies

Company	31.3.2013	31.3.2012	31.12.2012	Index Q1 2013/ Q1 2012	Index 31.3.2013 / 31.12.2012
Luka Koper d.d.	786	788	785	100	100
Luka Koper INPO d.o.o.	179	197	184	91	97
Luka Koper Pristan d.o.o.	4	4	4	100	100
Adria Terminali d.o.o.	24	26	24	92	100
TOC d.o.o.	2	2	2	100	100
<b>TOTAL *</b>	<b>995</b>	<b>1,017</b>	<b>999</b>	<b>98</b>	<b>100</b>

\*The comparison includes only those enterprises with employees which were - as of 31<sup>st</sup> March 2013 - consolidated within the Luka Koper Group of companies.

In the first three months of 2013 and in accordance with the annual plan, personnel were primarily recruited by the parent company, and these were for the most part junior



management staff engaged in the core processes of handling and warehousing. The employee churn rate remains at a relatively low level.

Table 7: Recruitment, departures and churn rate in the first quarters of 2013 and 2012

	No. of new employees		No. of departures		Churn rate (as %)*	
	1 – 3 2013	1 – 3 2012	1 – 3 2013	1 – 3 2012	1 – 3 2013	1 – 3 2012
Luka Koper d.d.	6	8	5	7	0.6	0.9
Luka Koper Group	7	9	11	10	1.1	1.0

\*Churn rate = number of departures / (initial number of employees + new recruitments) x 100

### Sick leave

Sick leave among *Luka Koper Group* employees fluctuates significantly. It amounted to 6.3 percent of total working hours at the *Group* level, against 3.9 percent in the equivalent period last year. Sick leave pertaining to *Luka Koper d.d.* employees in the first quarter of 2013 amounted to 6 percent of total working hours, against 3.8 percent in the January to March 2012 period.

### Occupational health and safety

Fifteen work-related injuries were recorded in the first quarter of 2013, which is two injuries less than in the same period in 2012. Nine employees of port service providers received injuries at work, together with five *Luka Koper* personnel and one external operator.

A number of measures aimed at the reduction of work-related injuries, the certification of procedures that ensure improved safety at work, together with the acquisition of an occupational health and safety permit, are now being implemented

The *Comprehensive Occupational Health and Safety Project* within the *Luka Koper Group* aims to promote a healthy attitude to work, good working conditions as well as the physical and mental welfare of personnel. In March this project was upgraded through the first part of a study into the lower back loading of employees undertaken by the Scientific and Research Centre of the University of Primorska. This will be followed at the end of June by an analysis and thence the proposal of measures to be implemented in individual work places. Based on these measures, a second stage of study and assessment is anticipated at the end of 2013.

### Personnel education and development

Employee education structure is constantly improving, and this is for the major part attributable to new recruitments of personnel with higher levels of education, whilst the major portion of age-related retirements pertained to those with lower education.

The average number of education and training hours per employee in the *LK Group* amounted to 4.7, whilst this figure stood at 5.8 hours for *Luka Koper d.d.* personnel. Eighty-six percent of education was organised internally.

*Luka Koper Group* employees can enjoy different patterns of career development based on a high degree of workplace mobility, particularly as regards the parent company. In the first three months of 2013, fifteen employees were either horizontally or vertically promoted within *Luka Koper d.d.* Sixty-four employees (forty-three in *Luka Koper d.d.*), have benefitted from training which facilitates a higher degree workplace flexibility. In the first quarter of 2013, work post mobility remained below eight percent, which is similar to the same period last year.

In accordance with the collective agreement, employee salaries were harmonised on the basis of the rate of inflation over the previous six-month period.

## COMMITMENT TO THE COMMUNITY

*Luka Koper d.d.* is one of the most important local and regional protagonists of economic development, thus it considers its participation in projects that promote human welfare and social development to be very important. Through sponsorship and donations made through its *Living With The Port* fund, the company has supported 104 projects in the field of sport, culture, education, humanitarian activities, tourism and ecology for a fourth consecutive year. A listing of successful applicants is published on the *Living With The Port* website [www.zivetispristaniscem](http://www.zivetispristaniscem) which is aimed in particular at informing the public as to the sustainable operational policies being implemented by *Luka Koper d.d.* *Living With The Port* accounts for only a portion of the company's sponsorship and donation activities, and in the first quarter of 2013 *Luka Koper d.d.* disbursed over 178,000 euros of funding. Indeed, the company collaborates with other associations and individuals, particularly in the field of sport. Further to which, the promotion of the country through sport - for example *Luka Koper's* support of Slovenia's national Olympic Committee - is also in the commercial interests of the company.

Engagement and partnership with the local community also significantly contributes to the development and expansion of the port. Further to this, representatives of Slovenia's Ministry of Economic Development and Technology, Koper Municipality and *Luka Koper d.d.*, have signed a letter of intent guaranteeing support to all stakeholders in the resolution of administrative and other obstacles in the accomplishment of the anticipated development of the Port of Koper.

Support of the port is also reflected in the annual public opinion poll among the inhabitants of communities adjacent the port zone. According to the last poll conducted in December 2012, sixty-four percent of respondents support the development of the port as anticipated in the National Spatial Plan. Nonetheless, respondents still considered the port as one of the major sources of environmental pollution locally, but they assess *Luka Koper's* concern for the environment as good. Only one-third of those questioned had visited the port in person, and it is the company's objective to increase this percentage.

## FINANCIAL REPORT

### CONSOLIDATED FINANCIAL STATEMENTS OF LUKA KOPER GROUP

Table 8: Income Statement of Luka Koper Group

(in euro)	Jan. – March 2013	Jan. – March 2012
Operating revenues	37,010,668	35,413,133
Other revenues	606,026	652,943
Material costs	3,206,291	3,185,382
Service costs	9,985,688	9,791,360
Labour costs	9,614,428	9,516,601
Value write-offs	7,059,267	7,013,392
Other operating expenses	1,486,667	1,868,880
<b>Operating profit</b>	<b>6,264,353</b>	<b>4,690,461</b>
Financial revenues from profit participation	152,591	85,439
Financial revenues from loans granted	31,322	62,948
Financial revenues from operating receivables	61,262	61,829
Financial expenses from financial investments	10,230	-
Financial expenses from financial liabilities	1,085,580	1,778,262
Financial expenses from operating liabilities	27,151	39,238
<b>Financial gain (loss)</b>	<b>-877,786</b>	<b>-1,607,284</b>
<b>Pre-tax profit</b>	<b>5,386,567</b>	<b>3,083,177</b>
Corporation tax	615,835	322,955
Deferred tax	118,991	197,493
<b>Net profit for the period</b>	<b>4,651,741</b>	<b>2,562,729</b>
<b>Net profit – majority shareholder</b>	<b>4,659,533</b>	<b>2,568,392</b>
<b>Net profit – minority shareholder</b>	<b>-7,792</b>	<b>-5,663</b>
<b>Net earnings per share – basic and diluted</b>	<b>0.33</b>	<b>0.18</b>

Table 9: Comprehensive Income Statement of Luka Koper Group

(in euro)	Jan. – March 2013	Jan. – March 2012
<b>Net profit for the period</b>	<b>4,651,741</b>	<b>2,562,729</b>

Change in revaluation surplus from financial assets available for sale	-1,626,080	-1,490,288
Change in fair value of hedging instruments	194,609	253,202
Deferred taxes	237,271	248,405
Other components of comprehensive income	-	-
<b>Other comprehensive income</b>	<b>-1,194,200</b>	<b>-988,681</b>
<b>Total comprehensive income for the period</b>	<b>3,457,541</b>	<b>1,574,048</b>

Table 10: Statement of Financial Position of Luka Koper Group

<b>(in euro)</b>	<b>Jan. – March 2013</b>	<b>Jan. – March 2012</b>
<b>ASSETS</b>		
Real estate, plant and equipment	346,584,270	351,319,247
Real-estate investments	19,394,759	20,310,622
Intangible assets and long-term deferred costs	5,787,146	5,882,038
Non-current financial investments	39,898,255	41,381,973
Loans granted	1,581,526	1,526,547
Non-current operating receivables	5,488	5,243
Deferred tax assets	7,705,020	7,824,010
<b>Non-current assets</b>	<b>420,956,464</b>	<b>428,249,680</b>
Assets (disposal group) held for sale	6,873,498	5,992,398
Financial investments and loans granted	1,312,877	3,278,291
Operating receivables	26,980,342	22,713,218
Cash and cash equivalents	2,689,760	1,608,345
<b>Current assets</b>	<b>37,856,477</b>	<b>33,592,252</b>
<b>Deferred costs and accrued revenues</b>	<b>5,961,023</b>	<b>1,555,503</b>
<b>TOTAL ASSETS</b>	<b>464,773,964</b>	<b>463,397,435</b>
<b>EQUITY AND LIABILITIES</b>		
Share capital	58,420,965	58,420,965
Capital reserves	89,562,703	89,562,703
Revenue reserves	78,904,872	78,904,872
Revaluation surplus	3,556,359	4,750,559
Retained net profit	17,561,028	10,845,942
Net profit for the financial year	4,659,533	6,715,086
<b>Equity – controlling shareholder</b>	<b>252,665,460</b>	<b>249,200,127</b>
<b>Equity non-controlling shareholders</b>	<b>120,400</b>	<b>128,192</b>
<b>Provisions and long-term deferred revenues</b>	<b>11,909,985</b>	<b>12,053,082</b>
Loans	131,986,865	135,262,778
Other financial liabilities	1,412,775	1,607,383
Non-current operating liabilities	199,399	201,430
Deferred tax liabilities	1,073,609	1,310,880

<b>Non-current liabilities</b>	<b>134,672,648</b>	<b>138,382,471</b>
Loans	41,491,860	46,586,860
Other financial liabilities	472,184	505,114
Corporation tax liabilities	1,062,282	808,070
Other non-current liabilities	19,338,323	13,947,890
<b>Current liabilities</b>	<b>62,364,649</b>	<b>61,847,934</b>
<b>Accrued costs and deferred revenues</b>	<b>3,040,822</b>	<b>1,785,629</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>464,773,964</b>	<b>463,397,435</b>

Table 11: Cash Flow Statement of Luka Koper Group

<b>(in euro)</b>	<b>Jan. – March 2013</b>	<b>Jan. – March 2012</b>
<b>Cash flows from operating activities</b>		
Net profit for the period	4,651,741	2,562,729
<b>Adjustments for:</b>		
Amortisation	7,041,785	6,933,760
Value write-offs and losses from sale of real estate, plant, equipment and real-estate investments	-	34,556
Profit from sale of real-estate, plant and equipment, intangible assets and real-estate investments	-	-6,324
Bad debt allowance	17,184	45,076
Financial revenues	-92,584	-210,216
Financial expenses	1,112,731	1,817,500
Share of profit of equity accounted investees	-	-
Corporation tax and revenues (expenses) from deferred taxes	734,826	520,448
<b>Operating profit before changes in net current assets and taxes</b>	<b>13,465,683</b>	<b>11,697,529</b>
<b>Change in net current assets and provisions</b>		
Change in operating receivables	-4,284,553	-2,752,557
Change in current assets (disposal group) held for sale	-	12,662
Change in deferred costs and accrued revenues	-4,405,520	-4,570,446
Change in operating liabilities	5,497,782	4,543,011
Change in provisions	-143,097	365,435
Change in accrued costs and deferred revenues	1,255,193	1,230,705
Corporation tax	-615,835	-345,921
<b>Cash inflows (outflows) from operating activities</b>	<b>10,769,653</b>	<b>10,180,418</b>
<b>Cash flows from investments</b>		
Interest received	92,584	124,777
Proceeds from sale of real estate, plant and equipment, and intangible assets	-	893,761

Proceeds from sale and reduction of financial investments and loans granted	3,037,232	187,224
Expenses for acquisition of real estate, plant and equipment and intangible assets	-2,177,450	-4,961,068
Expenses for acquisition of real-estate investments	-	-19,924
Expenses for acquisition of financial investments and increase of loans granted	-1,126,742	-262,447
<b>Cash inflows (outflows) from investments</b>	<b>-174,376</b>	<b>-4,037,677</b>
<b>Cash flows from financing activities</b>		
Interest paid	-1,112,731	-1,817,500
Proceeds from non-current loans granted	15,129	27,425,000
Proceeds from current loans granted	650,000	16,661,902
Expenses for repayment of non-current loans	-8,383,298	-3,986,977
Expenses for repayment of current loans	-682,962	-44,497,000
<b>Cash inflows (outflows) from financing activities</b>	<b>-9,513,862</b>	<b>-6,214,575</b>
<b>Opening balance of cash and cash equivalents</b>	<b>1,608,345</b>	<b>1,038,270</b>
<b>Financial gain (loss) for the period</b>	<b>1,081,415</b>	<b>-71,834</b>
<b>Closing balance of cash and cash equivalents</b>	<b>2,689,760</b>	<b>966,436</b>

Table 12: Statement of Changes in Equity of Luka Koper Group, 2013

(in euro)	Share capital	Capital reserves	Legal reserves	Other revenue reserves	Retained net profit	Net profit for the period	Revaluation surplus	Total equity of controlling shareholders	Equity of non-controlling shareholders	Total equity
<b>Opening balance as of 31<sup>st</sup> December 2012</b>	<b>58,420,965</b>	<b>89,562,703</b>	<b>18,877,761</b>	<b>60,027,111</b>	<b>10,845,942</b>	<b>6,715,086</b>	<b>4,750,559</b>	<b>249,200,127</b>	<b>128,192</b>	<b>249,328,319</b>
<b>Opening balance as of 1<sup>st</sup> January 2013</b>	<b>58,420,965</b>	<b>89,562,703</b>	<b>18,877,761</b>	<b>60,027,111</b>	<b>10,845,942</b>	<b>6,715,086</b>	<b>4,750,559</b>	<b>249,200,127</b>	<b>128,192</b>	<b>249,328,319</b>
<b>Total comprehensive income for the period</b>	-	-	-	-	-	-	-	-	-	-
Net profit for the reporting period	-	-	-	-	-	4,659,533	-	<b>4,659,533</b>	-7,792	<b>4,651,741</b>
Other components of comprehensive income for the period	-	-	-	-	-	-	-1,194,200	<b>-1,194,200</b>	-	<b>-1,194,200</b>
	-	-	-	-	-	<b>4,659,533</b>	<b>-1,194,200</b>	<b>3,465,333</b>	<b>-7,792</b>	<b>3,457,541</b>
<b>Changes in equity</b>										
Allocation of the remaining portion of net profit for the period to other components of equity	-	-	-	-	6,715,086	-6,715,086	-	-	-	-
	-	-	-	-	<b>6,715,086</b>	<b>-6,715,086</b>	-	-	-	-
<b>Closing balance as of 31<sup>st</sup> March 2013</b>	<b>58,420,965</b>	<b>89,562,703</b>	<b>18,877,761</b>	<b>60,027,111</b>	<b>17,561,028</b>	<b>4,659,533</b>	<b>3,556,359</b>	<b>252,665,460</b>	<b>120,400</b>	<b>252,785,860</b>

Table 13: Statement of Changes in Equity of Luka Koper Group, 2012

(in euro)	Share capital	Capital reserves	Legal reserves	Other revenues reserves	Retained net profit	Net profit for the period	Revaluation surplus	Total equity of controlling shareholders	Equity of non-controlling shareholders	Total equity
<b>Opening balance as of 31<sup>st</sup> December 2011</b>	<b>58,420,965</b>	<b>89,562,703</b>	<b>18,882,889</b>	<b>56,263,316</b>	<b>10,411,742</b>	<b>443,364</b>	<b>6,703,698</b>	<b>240,688,677</b>	<b>108,140</b>	<b>240,796,817</b>
<b>Opening balance as of 1<sup>st</sup> January 2012</b>	<b>58,420,965</b>	<b>89,562,703</b>	<b>18,882,889</b>	<b>56,263,316</b>	<b>10,411,742</b>	<b>443,364</b>	<b>6,703,698</b>	<b>240,688,677</b>	<b>108,140</b>	<b>240,796,817</b>
<b>Total comprehensive income for the period</b>	-	-	-	-	-	-	-	-	-	-
Net profit for the reporting period	-	-	-	-	-	2,568,392	-	<b>2,568,392</b>	-5,663	<b>2,562,729</b>
Other components of comprehensive income for the reporting period	-	-	-	-	-	-	-988,681	<b>-988,681</b>	-	<b>-988,681</b>
	-	-	-	-	-	<b>2,568,392</b>	<b>-988,681</b>	<b>1,579,711</b>	<b>-5,663</b>	<b>1,574,048</b>
<b>Closing balance as of 31<sup>st</sup> March 2012</b>	<b>58,420,965</b>	<b>89,562,703</b>	<b>18,882,889</b>	<b>56,263,316</b>	<b>10,411,742</b>	<b>3,011,756</b>	<b>5,715,017</b>	<b>242,268,388</b>	<b>102,477</b>	<b>242,370,865</b>



## NOTES TO FINANCIAL STATEMENTS OF LUKA KOPER GROUP

The interim statements of *Luka Koper Group* for January to March 2013, i.e. as at 31<sup>st</sup> March 2013, encompass the financial statements of the parent company, *Luka Koper d.d.*, as well as the statements of its subsidiary enterprises, together with attributable profits and losses of associated and jointly controlled companies.

### Statement of compliance

The financial statements have been compiled in accordance with the Companies Act RS as well as International Reporting Standards (IRS) as adopted by the International Accounting Standards Board (IASB).

### Basis for the compilation of financial statements

The financial statements have been compiled in euros (EUR), rounded to the nearest unit. Through these consolidated financial statements, the *Luka Koper Group* wants to provide the broadest sphere of users useful information on its finances, performance and changes in financial standing from January to March 2013, in comparison with data for the previous year and the *Group's* financial position as of 31<sup>st</sup> March 2013, in comparison with 31<sup>st</sup> December 2012.

The non-audited financial statements of the *Luka Koper Group* as of 31<sup>st</sup> March 2013 are compiled in accordance with the same accounting policies and principles that were applicable in 2012.

### Additional notes to the Income Statement

#### Operating revenues

(in euro)	January - March 2013	January - March 2012
Net sales revenues on the domestic market from:	13,715,604	13,282,412
- services	13,387,782	12,879,358
- goods and materials	68	36,841
- rentals	327,754	366,213
Net sales revenues on foreign markets from:	23,295,064	22,130,721
- services	23,240,787	22,075,433
- goods and materials	2,414	-
- rentals	51,863	55,288
<b>Total operating revenues</b>	<b>37,010,668</b>	<b>35,413,133</b>

**Other revenues**

(in euro)	January - March 2013	January - March 2012
Subventions, grants and other similar revenues	586,678	645,152
Revaluation operating revenues	-	6,324
Other revenues	19,348	1,467
<b>Total other revenues</b>	<b>606,026</b>	<b>652,943</b>

Operating revenues and other revenues for the first quarter of 2012 are disclosed according to a new structure of the Income Statement; i.e. other operating revenues and other revenues are combined under the other revenues item. Data for comparison with other quarters will be adjusted to the new statement's structure. The balance sheet items in the 2012 Annual Report have already been disclosed according to the new structure.

In the Q1 2012 interim report, revenues were divided into other operating revenues that encompassed net sales revenues and other operating revenues, other revenues and financial revenues. In the new structure, operating revenues only disclose net sales revenues, whereas other operating revenues (including subventions, grants and similar revenues, revaluation operating revenues and some other revenues) and other revenues were combined under the other revenues item.

**Material costs**

(in euro)	January - March 2013	January - March 2012
Costs of materials	192	317
Costs of auxiliary materials	1,019,120	933,463
Energy costs	2,039,029	2,107,662
Costs of office supplies	48,544	46,904
Other material costs	99,406	97,036
<b>Total cost of materials</b>	<b>3,206,291</b>	<b>3,185,382</b>

**Service costs**

(in euro)	January - March 2013	January - March 2012
Costs of physical services	4,365,299	4,365,023
Transportation costs	33,337	52,557
Maintenance costs	1,626,261	1,424,670
Rents	257,854	197,668
Reimbursement of costs associated with labour	104,313	76,446

Cost of payments processing and insurance premiums	122,522	112,160
Cost of intellectual and personal services	193,542	226,216
Cost of trade fairs, advertising and hospitality	229,109	266,824
Cost of services rendered by natural persons	48,083	83,518
Other service costs	3,005,368	2,986,278
<b>Total cost of services</b>	<b>9,985,688</b>	<b>9,791,360</b>

### Labour costs

(in euro)	January - March 2013	January - March 2012
Cost of salaries	7,305,709	7,157,939
Social insurance costs	1,480,139	1,495,736
Other labour costs	828,580	862,926
<b>Total labour costs</b>	<b>9,614,428</b>	<b>9,516,601</b>

### Value write-offs

(in euro)	January - March 2013	January - March 2012
Amortisation of real-estate, plant and equipment	6,879,457	6,777,248
Amortisation of real-estate investments	34,764	34,785
Amortisation of intangible non-current assets	127,564	121,727
Revaluation operating expenses from real-estate, plant and equipment	298	34,556
Revaluation operating expenses from current assets	17,184	45,076
<b>Total value write-offs</b>	<b>7,059,267</b>	<b>7,013,392</b>

### Other operating expenses

(in euro)	January - March 2013	January - March 2012
Provisions	-	380,366
Other costs and expenses	1,486,667	1,488,514
Charges unrelated to labour costs and other costs	1,323,724	1,342,584
Environmental charges	16,586	26,025
Awards to apprentices and interns	1,521	2,091

Scholarships awarded to students	2,409	2,100
Other costs and expenses	142,427	115,714
<b>Total other operating expenses</b>	<b>1,486,667</b>	<b>1,868,880</b>

The disclosure of operating expenses and provision costs for the first quarter of 2012 were adjusted to the new structure of the Income Statement; i.e. other operating expenses and provision costs that were disclosed as two separate items under operating expenses, were combined under other operating expenses.

### Financial revenues

(in euro)	January - March 2013	January - March 2012
Financial revenues from profit participation	152,591	85,439
Financial revenues from loans granted	31,322	62,948
Financial revenues from operating receivables and foreign exchange gains	61,262	61,829
<b>Total financial revenues</b>	<b>245,175</b>	<b>210,216</b>

### Financial expenses

(in euro)	January - March 2013	January - March 2012
Financial expenses from financial investments	10,230	-
Financial expenses from financial liabilities	1,085,580	1,778,262
Financial expenses from operating liabilities and foreign exchange losses	27,151	39,238
<b>Total financial expenses</b>	<b>1,122,961</b>	<b>1,817,500</b>

### Operating profit for the period

(in euro)	January - March 2013	January - March 2012
<b>Pre-tax profit</b>	<b>5,386,567</b>	<b>3,083,177</b>
Corporation tax	615,835	322,955
Deferred taxes	118,991	197,493
<b>Net profit for the period</b>	<b>4,651,741</b>	<b>2,562,729</b>
<b>Net profit for the period – majority shareholder</b>	<b>4,659,533</b>	<b>2,568,392</b>

<b>Net profit for the period – minority shareholder</b>	<b>-7,792</b>	<b>-5,663</b>
<b>Net earnings per share</b>	<b>0.33</b>	<b>0.18</b>

### Additional Notes to the Statement of Financial Position

#### Real-estate, plant and equipment, real-estate investments and intangible fixed assets

<b>(in euro)</b>	<b>31.3.2013</b>	<b>31.12.2012</b>
<b>Real-estate, plant and equipment</b>	<b>346,584,270</b>	<b>351,319,247</b>
Land and buildings	248,131,006	249,105,787
Land	10,966,136	11,043,000
Buildings	237,164,870	238,062,787
Production plant and machinery	71,663,195	74,799,620
Other plant and machinery	3,328,240	3,478,412
Real-estate, plant and equipment under acquisition	23,461,829	23,935,428
<b>Real-estate investments</b>	<b>19,394,759</b>	<b>20,310,622</b>
<b>Intangible fixed assets and long-term deferred costs</b>	<b>5,787,146</b>	<b>5,882,038</b>

#### Non-current financial investments and non-current loans granted

<b>(in euro)</b>	<b>31.3.2013</b>	<b>31.12.2012</b>
<b>Non-current financial investments</b>	<b>39,898,255</b>	<b>41,381,973</b>
Stocks and holdings in associated companies	12,230,189	12,087,827
Other stocks and holdings	27,668,066	29,294,146
<b>Non-current loans granted</b>	<b>1,581,526</b>	<b>1,526,547</b>
Loans granted to others	1,581,526	1,526,547

#### Assets held for sale

<b>(in euro)</b>	<b>31.3.2013</b>	<b>31.12.2012</b>
Real-estate, plant and equipment held for sale	2,156,979	1,275,879
Other non-current assets held for sale	4,716,519	4,716,519
<b>Total assets held for sale</b>	<b>6,873,498</b>	<b>5,992,398</b>

**Current loans granted**

<b>(in euro)</b>	<b>31.3.2013</b>	<b>31.12.2012</b>
Loans granted to others	65,258	130,968
Deposits in banks and other financial institutions	1,247,619	3,147,323
<b>Total current loans granted</b>	<b>1,312,877</b>	<b>3,278,291</b>

**Current operating receivables and deferred costs and accrued revenues**

<b>(in euro)</b>	<b>31.3.2013</b>	<b>31.12.2012</b>
Operating receivables from associated companies	240,034	272,929
Trade receivables	23,921,661	19,943,138
Operating receivables from others	2,818,647	2,497,151
<b>Total current operating receivables</b>	<b>26,980,342</b>	<b>22,713,218</b>

**Equity**

<b>(in euro)</b>	<b>31.3.2013</b>	<b>31.12.2012</b>
Share capital	58,420,965	58,420,965
Capital reserves	89,562,703	89,562,703
Revenue reserves	78,904,872	78,904,872
Legal reserves	18,877,761	18,877,761
Other revenue reserves	60,027,111	60,027,111
Revaluation surplus	3,556,359	4,750,559
Retained net profit	17,561,028	10,845,942
Net profit for the year	4,659,533	6,715,086
<b>Total equity of controlling shareholder</b>	<b>252,665,460</b>	<b>249,200,127</b>
<b>Equity of non-controlling shareholders</b>	<b>120,400</b>	<b>128,192</b>

**Provisions**

<b>(in euro)</b>	<b>31.3.2013</b>	<b>31.12.2012</b>
Provisions for pensions and similar	1,018,278	1,046,159
Provisions for lawsuits	1,828,648	1,828,648
Other provisions	130,719	96,111
Long-term deferred revenues	8,932,340	9,082,164

<b>Total provisions</b>	<b>11,909,985</b>	<b>12,053,082</b>
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**Non-current liabilities**

<b>(in euro)</b>	<b>31.3.2013</b>	<b>31.12.2012</b>
Loans	131,986,865	135,262,778
Other financial liabilities	1,412,775	1,607,383
Non-current operating liabilities	199,399	201,430
Deferred tax liabilities	1,073,609	1,310,880
<b>Total non-current liabilities</b>	<b>134,672,648</b>	<b>138,382,471</b>

**Current liabilities and accrued costs and deferred revenues**

<b>(in euro)</b>	<b>31.3.2013</b>	<b>31.12.2012</b>
<b>Current liabilities</b>	<b>62,364,649</b>	<b>61,847,934</b>
Loans	41,491,860	46,586,860
Other financial liabilities	472,184	505,114
Current operating liabilities	20,400,605	14,755,960
<b>Accrued costs and deferred revenues</b>	<b>3,040,822</b>	<b>1,785,629</b>

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

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

(in euro)	January - March 2013	January - March 2012
Operating revenues	35,268,590	33,719,454
Other revenues	11,356	18,719
Material costs	2,964,848	2,982,061
Service costs	10,298,398	10,143,458
Labour costs	8,182,347	8,012,848
Value write-offs	6,654,222	6,620,956
Other operating revenues	1,469,239	1,851,860
<b>Operating profit</b>	<b>5,710,892</b>	<b>4,126,990</b>
Financial revenues from profit participation	-	-
Financial revenues from loans granted	27,596	63,329
Financial revenues from operating receivables	60,073	58,789
Financial expenses from financial investments	-	-
Financial expenses from financial liabilities	1,149,594	1,852,947
Financial expenses from operating liabilities	27,086	38,865
<b>Financial gain (loss)</b>	<b>-1,089,011</b>	<b>-1,769,694</b>
<b>Pre-tax profit</b>	<b>4,621,881</b>	<b>2,357,296</b>
Corporation tax	508,407	212,157
Deferred taxes	118,037	195,521
<b>Net profit for the period</b>	<b>3,995,437</b>	<b>1,949,618</b>
<b>Net earnings per share – basic and diluted</b>	<b>0.29</b>	<b>0.14</b>



Table 15: Comprehensive Income Statement of Luka Koper d.d.

<b>(in euro)</b>	<b>January - March 2013</b>	<b>January - March 2012</b>
<b>Net profit for the period</b>	<b>3,995,437</b>	<b>1,949,618</b>
Change in surplus from revaluation of financial assets held for sale	-1,626,080	-1,490,288
Change in fair value of hedging instruments	194,608	253,202
Deferred taxes	237,271	248,405
Other components of comprehensive income	-	-
<b>Other comprehensive income</b>	<b>-1,194,201</b>	<b>-988,681</b>
<b>Total comprehensive income for the period</b>	<b>2,801,236</b>	<b>960,937</b>

Table 16: Statement of Financial Position of Luka Koper d.d.

<b>(in euro)</b>	<b>January - March 2013</b>	<b>January - March 2012</b>
<b>ASSETS</b>		
Real-estate, plant and equipment	323,499,548	327,801,023
Real-estate investments	34,339,886	35,342,753
Intangible assets and long-term deferred costs	5,243,838	5,324,587
Non-current financial investments	40,634,803	42,260,883
Loans granted	1,572,318	1,517,396
Non-current operating receivables	5,488	5,243
Deferred tax assets	7,858,571	7,976,607
<b>Non-current assets</b>	<b>413,154,452</b>	<b>420,228,492</b>
Assets (disposal group) held for sale	6,869,845	5,988,745
Financial investments and loans granted	471,577	3,525,810
Operating receivables	24,777,954	20,629,730
Cash and cash equivalents	1,889,627	629,077
<b>Current assets</b>	<b>34,009,003</b>	<b>30,773,362</b>
<b>Deferred costs and accrued revenues</b>	<b>5,735,754</b>	<b>1,528,525</b>
<b>TOTAL ASSETS</b>	<b>452,899,209</b>	<b>452,530,379</b>
<b>EQUITY AND LIABILITIES</b>		
Share capital	58,420,965	58,420,965
Capital reserves	89,562,703	89,562,703
Revenue reserves	78,792,226	78,792,226
Revaluation surplus	3,556,359	4,750,560
Retained net profit	3,763,795	-
Net profit for the period	3,995,437	3,763,795
<b>Equity</b>	<b>238,091,485</b>	<b>235,290,249</b>

<b>Provisions and accrued costs, and deferred revenues</b>	<b>6,725,085</b>	<b>6,627,678</b>
Loans	142,146,440	145,446,353
Other financial liabilities	1,301,868	1,496,476
Non-current operating liabilities	159,225	164,000
Deferred tax liabilities	1,073,609	1,310,880
<b>Non-current liabilities</b>	<b>144,681,142</b>	<b>148,417,709</b>
Loans	41,491,860	46,586,860
Other financial liabilities	471,352	504,315
Corporation tax liabilities	508,467	361,684
Other non-current liabilities	18,043,128	13,071,801
<b>Current liabilities</b>	<b>60,514,807</b>	<b>60,524,660</b>
<b>Accrued costs and deferred revenues</b>	<b>2,886,690</b>	<b>1,670,083</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>452,899,209</b>	<b>452,530,379</b>

Table 17: Cash Flow Statement of Luka Koper d.d.

<b>(in euro)</b>	<b>January - March 2013</b>	<b>January - March 2012</b>
<b>Cash flows from operating activities</b>		
Net profit for the period	3,995,437	1,949,618
<b>Adjustments for:</b>		
Amortisation	6,644,596	6,549,947
Value write-offs and losses from the sale of real-estate, plant, equipment and real-estate investments	-	34,556
Profit from sale of real-estate, plant and equipment, intangible assets and real-estate investments	-	-17,517
Bad debt allowance	9,626	36,453
Financial revenues	-87,669	-122,118
Financial expenses	1,176,680	1,891,812
Share of profit of equity accounted investees	-	-
Corporation tax and revenues (expenses) from deferred taxes	626,444	407,678
<b>Operating profit before changes in net current assets and taxes</b>	<b>12,365,114</b>	<b>10,730,429</b>
<b>Change in net current assets and provisions</b>		
Change in operating receivables	-4,158,095	-2,794,001
Change in deferred costs and accrued revenues	-4,207,229	-4,402,714
Change in operating liabilities	5,113,335	4,592,210
Change in provisions	97,407	638,467
Change in accrued costs and deferred revenues	1,216,607	1,225,826
Corporation tax	-508,407	-311,952
<b>Cash inflows (outflows) from operating activities</b>	<b>9,918,732</b>	<b>9,678,265</b>

<b>Cash flows from investments</b>		
Interest received	87,669	122,118
Proceeds from sale of real estate, plant and equipment, and intangible assets	-	901,636
Proceeds from sale and reduction of financial investments and loans granted	3,054,233	159,803
Expenses for acquisition of real-estate, plant and equipment and intangible assets	-2,140,606	-4,942,423
Expenses for acquisition of real-estate investments	-	-19,924
Expenses for acquisition of financial investments and increase of loans granted	-54,923	-202,491
<b>Cash inflows (outflows) from investments</b>	<b>946,373</b>	<b>-3,981,281</b>
<b>Cash flows from financing activities</b>		
Interest paid	-1,176,680	-1,891,812
Proceeds from non-current loans received	12,385	28,206,646
Proceeds from current loans received	650,000	16,747,000
Expenses from repayment of non-current loans	-8,407,298	-4,517,977
Expenses from repayment of current loans	-682,962	-44,542,000
<b>Cash inflows (outflows) from financing activities</b>	<b>-9,604,555</b>	<b>-5,998,143</b>
<b>Opening balance of cash and cash equivalents</b>	<b>629,077</b>	<b>901,134</b>
<b>Financial gain (loss) for the period</b>	<b>1,260,550</b>	<b>-301,159</b>
<b>Closing balance of cash and cash equivalents</b>	<b>1,889,627</b>	<b>599,975</b>

Table 18: Statement of Changes in Equity of Luka Koper d.d., 2013

(in euro)	Share capital	Capital reserves	Legal reserves	Other revenue reserves	Retained net profit	Net profit for the period	Revaluation surplus	Total equity
<b>Closing balance as of 31<sup>st</sup> December 2012</b>	<b>58,420,965</b>	<b>89,562,703</b>	<b>18,765,115</b>	<b>60,027,111</b>	-	<b>3,763,795</b>	<b>4,750,560</b>	<b>235,290,249</b>
<b>Opening balance as of 1<sup>st</sup> January 2013</b>	<b>58,420,965</b>	<b>89,562,703</b>	<b>18,765,115</b>	<b>60,027,111</b>	-	<b>3,763,795</b>	<b>4,750,560</b>	<b>235,290,249</b>
<b>Total comprehensive income for the period</b>	-	-	-	-	-	-	-	-
Comprehensive income for the reporting period	-	-	-	-	-	3,995,437	-	<b>3,995,437</b>
Other components of the comprehensive income for the reporting period	-	-	-	-	-	-	-1,194,201	<b>-1,194,201</b>
	-	-	-	-	-	<b>3,995,437</b>	<b>-1,194,201</b>	<b>2,801,236</b>
<b>Changes in equity</b>								
Allocation of the remaining portion of net profit for the period to other components of equity	-	-	-	-	3,763,795	-3,763,795	-	-
	-	-	-	-	<b>3,763,795</b>	<b>-3,763,795</b>	-	-
<b>Closing balance as of 31<sup>st</sup> March 2013</b>	<b>58,420,965</b>	<b>89,562,703</b>	<b>18,765,115</b>	<b>60,027,111</b>	<b>3,763,795</b>	<b>3,995,437</b>	<b>3,556,359</b>	<b>238,091,485</b>

Table 19: Statement of Changes in Equity of Luka Koper d.d., 2012

(in euro)	Share capital	Capital reserves	Legal reserves	Other revenue reserves	Retained net profit	Net profit for the period	Revaluation surplus	Total equity
<b>Closing balance as of 31<sup>st</sup> December 2011</b>	<b>58,420,965</b>	<b>89,562,703</b>	<b>18,765,115</b>	<b>56,263,316</b>	-	-	<b>6,703,698</b>	<b>229,715,797</b>
<b>Opening balance as of 1<sup>st</sup> January 2012</b>	<b>58,420,965</b>	<b>89,562,703</b>	<b>18,765,115</b>	<b>56,263,316</b>	-	-	<b>6,703,698</b>	<b>229,715,797</b>
<b>Total comprehensive income for the period</b>	-	-	-	-	-	-	-	-
Net profit for the reporting period	-	-	-	-	-	1,949,618	-	<b>1,949,618</b>
Other components of comprehensive income for the reporting period	-	-	-	-	-	-	-988,681	<b>-988,681</b>
	-	-	-	-	-	<b>1,949,618</b>	<b>-988,681</b>	<b>960,937</b>
<b>Closing balance as of 31<sup>st</sup> March 2012</b>	<b>58,420,965</b>	<b>89,562,703</b>	<b>18,765,115</b>	<b>56,263,316</b>	-	<b>1,949,618</b>	<b>5,715,017</b>	<b>230,676,734</b>

## NOTES TO THE FINANCIAL STATEMENTS OF LUKA KOPER D. D.

*Luka Koper d.d.*, port and logistics system operator, is the parent company of the *Luka Koper Group*. These interim financial statements are compiled for January – March 2013, i.e. as at 31<sup>st</sup> March 2013.

### Statement of compliance

The financial statements have been compiled in accordance with the Companies Act RS as well as International Reporting Standards (IRS) as adopted by the International Accounting Standards Board (IASB).

### Basis for the compilation of financial statements

The financial statements have been compiled in euros (EUR), rounded to the nearest unit. Through these statements, *Luka Koper d.d.* wishes to provide the broadest sphere of users information in relation to its performance in the January to March 2013 period, in comparison with a year previously, together with the company's financial standing as of 31<sup>st</sup> March 2013, in comparison with 31<sup>st</sup> December 2012.

The non-audited financial statements of *Luka Koper d.d.* for January to March are compiled in accordance with the same accounting policies and principles that were applicable in 2012.

### Additional notes to the Income Statement

#### Operating revenues

(in euro)	January - March 2013	January - March 2012
Net sales revenues on the domestic market from:	12,777,029	12,504,309
- services	12,361,454	12,014,092
- goods and materials	68	36,840
- rentals	415,507	453,377
Net sales revenues on foreign markets from:	22,491,561	21,215,145
- services	22,441,348	21,161,507
- rentals	50,213	53,638
<b>Total operating revenues</b>	<b>35,268,590</b>	<b>33,719,454</b>

The surplus of revenues over expenses in regular maintenance of port infrastructure has been adjusted for the January – March 2012 period in accordance with the new recognition applied at the end of 2012. Revenues from port fees were accordingly reduced in the amount of 316,296 euros.

**Other revenues**

<b>(in euro)</b>	<b>January - March 2013</b>	<b>January - March 2012</b>
Subventions, grants and similar revenues	635	-
Revaluation operating revenues	-	17,517
Other revenues	10,721	1,202
<b>Total other revenues</b>	<b>11,356</b>	<b>18,719</b>

Operating revenues and other revenues for the first quarter of 2012 are disclosed according to a new structure of the Income Statement; i.e. other operating revenues and other revenues are combined under the other revenues item. Data for comparison with other quarters will be adjusted to the new statement's structure. The balance sheet items in the 2012 Annual Report have already been disclosed according to the new structure.

In the Q1 2012 interim report, revenues were divided into other operating revenues that encompassed net sales revenues and other operating revenues, other revenues and financial revenues. In the new structure, operating revenues only disclose net sales revenues, whereas other operating revenues (including subventions, grants and similar revenues, revaluation operating revenues and some other revenues) and other revenues were combined under the other revenues item.

**Material costs**

<b>(in euro)</b>	<b>January - March 2013</b>	<b>January - March 2012</b>
Costs of auxiliary materials	918,953	840,785
Energy costs	1,911,178	2,013,935
Costs of office supplies	43,098	40,717
Other material costs	91,619	86,624
<b>Total material costs</b>	<b>2,964,848</b>	<b>2,982,061</b>

**Service costs**

<b>(in euro)</b>	<b>January - March 2013</b>	<b>January - March 2012</b>
Costs of physical services	4,322,468	4,334,017
Transportation costs	27,444	44,599
Maintenance costs	2,150,662	1,918,804

Rentals	194,922	198,664
Reimbursement of costs associated with labour	100,209	69,938
Costs of payments processing and insurance premiums	103,076	97,140
Costs of intellectual and personal services	189,443	223,005
Costs of trade fairs, advertising and hospitality	230,943	273,631
Cost of services rendered by natural persons	48,083	77,711
Other service costs	2,931,148	2,905,949
<b>Total service costs</b>	<b>10,298,398</b>	<b>10,143,458</b>

### Labour costs

(in euro)	January - March 2013	January - March 2012
Costs of salaries	6,254,321	6,071,635
Social insurance costs	1,260,535	1,261,010
Other labour costs	667,491	680,203
<b>Total labour costs</b>	<b>8,182,347</b>	<b>8,012,848</b>

### Value write-offs

(in euro)	January - March 2013	January - March 2012
Amortisation of real-estate, plant and equipment	6,379,485	6,289,981
Amortisation of real-estate investments	141,922	141,023
Amortisation of intangible non-current assets	123,189	118,943
Revaluation operating expenses from real-estate, plant and equipment	-	34,556
Revaluation operating expenses from current assets	9,626	36,453
<b>Total value write-offs</b>	<b>6,654,222</b>	<b>6,620,956</b>

### Other operating expenses

(in euro)	January - March 2013	January - March 2012
Provisions	-	380,366
Other costs and expenses	1,469,239	1,471,494
Charges unrelated to labour costs and other costs	1,316,302	1,330,288



Environmental charges	18,899	24,155
Awards to apprentices and interns	1,214	1,784
Scholarships awarded to students	2,100	2,100
Other costs and expenses	130,724	113,167
<b>Total other operating expenses</b>	<b>1,469,239</b>	<b>1,851,860</b>

The surplus of revenues over expenses in regular maintenance of port infrastructure has been adjusted for the January – March 2012 period in accordance with the new recognition applied at the end of 2012. Provisions costs were reduced and transferred to operating revenues, where net sales revenues on domestic market (revenues from port fees) were accordingly reduced. The disclosure of operating expenses and provision costs for the first quarter of 2012 were adjusted to the new structure of the Income Statement; i.e. other operating expenses and provision costs that were disclosed as two separate items under operating expenses, were combined under other operating expenses.

### Financial revenues

(in euro)	January - March 2013	January - March 2012
Financial revenues from loans granted	27,596	63,329
Financial revenues from operating receivables and foreign exchange gains	60,073	58,789
<b>Total financial revenues</b>	<b>87,669</b>	<b>122,118</b>

### Financial expenses

(in euro)	January - March 2013	January - March 2012
Financial expenses from financial liabilities	1,149,594	1,852,947
Financial expenses from operating liabilities and foreign exchange losses	27,086	38,865
<b>Total financial expenses</b>	<b>1,176,680</b>	<b>1,891,812</b>

Financial expenses were 0.7 million euros less than in the first quarter of 2012, which can be attributed to the lower reference (EURIBOR) interest rate as well as reduced indebtedness.

### Operating profit for the period

<b>(in euro)</b>	<b>January - March 2013</b>	<b>January - March 2012</b>
<b>Pre-tax profit</b>	<b>4,621,881</b>	<b>2,357,296</b>
Corporation tax	508,407	212,157
Deferred taxes	118,037	195,521
<b>Net profit for the period</b>	<b>3,995,437</b>	<b>1,949,618</b>
<b>Net earnings per share</b>	<b>0.29</b>	<b>0.14</b>

### Additional Notes to the Statement of Financial Position

#### Real-estate, plant and equipment, real-estate investments and intangible fixed assets

<b>(in euro)</b>	<b>31.3.2013</b>	<b>31.12.2012</b>
<b>Real-estate, plant and equipment</b>	<b>323,499,548</b>	<b>327,801,023</b>
Land and buildings	229,002,845	229,854,811
Land	6,261,659	6,261,659
Buildings	222,741,186	223,593,152
Plant and machinery	68,111,165	70,979,189
Other plant and equipment	2,924,209	3,032,095
Real-estate, plant and equipment under acquisition	23,461,329	23,934,928
<b>Real-estate investments</b>	<b>34,339,886</b>	<b>35,342,753</b>
<b>Intangible fixed assets and long-term deferred costs</b>	<b>5,243,838</b>	<b>5,324,587</b>

#### Non-current financial investments and non-current loans granted

<b>(in euro)</b>	<b>31.3.2013</b>	<b>31.12.2012</b>
<b>Non-current financial investments</b>	<b>40,634,803</b>	<b>42,260,883</b>
Stocks and holdings in Group companies	4,279,678	4,279,678
Stocks and holdings in associated enterprises	8,687,059	8,687,059
Other stock and holdings	27,668,066	29,294,146
<b>Non-current loans granted</b>	<b>1,572,318</b>	<b>1,517,396</b>
Loans granted to others	1,572,318	1,517,396

#### Assets held for disposal

<b>(in euro)</b>	<b>31.3.2013</b>	<b>31.12.2012</b>

Real-estate, plant and equipment held for disposal	2,153,326	1,272,226
Other non-current assets held for disposal	4,716,519	4,716,519
<b>Total assets held for disposal</b>	<b>6,869,845</b>	<b>5,988,745</b>

### Current loans granted

(in euro)	31.3.2013	31.12.2012
Loans granted to Group companies	406,319	423,319
Loans granted to others	65,258	130,968
Deposits in banks and other financial institutions	-	2,971,523
<b>Total current loans granted</b>	<b>471,577</b>	<b>3,525,810</b>

Bank deposits within current loans granted decreased due to repayment.

### Current operating receivables and deferred costs and accrued revenues

(in euro)	31.3.2013	31.12.2012
Operating receivables from Group companies	179,593	60,172
Operating receivables from associated companies	240,034	272,929
Trade receivables	22,711,521	18,520,744
Operating receivables from others	1,646,806	1,775,885
<b>Total current operating receivables</b>	<b>24,777,954</b>	<b>20,629,730</b>

Current operating receivables are 4.2 million euros (twenty-five percent) up on 31<sup>st</sup> December 2012. This increase is attributable to trade receivables which rose due to the increased volume of the company's operations, in particular in March.

### Equity

(in euro)	31.3.2013	31.12.2012
Share capital	58,420,965	58,420,965
Capital reserves	89,562,703	89,562,703
Revenue reserves	78,792,226	78,792,226
Legal reserves	18,765,115	18,765,115
Other revenue reserves	60,027,111	60,027,111
Revaluation surplus	3,556,359	4,750,560
Retained net profit	3,763,795	-
Net profit for the financial year	3,995,437	3,763,795

<b>Total equity</b>	<b>238,091,485</b>	<b>235,290,249</b>
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**Provisions**

<b>(in euro)</b>	<b>31.3.2013</b>	<b>31.12.2012</b>
Provisions for pensions and similar liabilities	757,299	772,461
Provisions for law suits	1,828,648	1,828,648
Long-term deferred revenues	4,139,138	4,026,569
<b>Total provisions</b>	<b>6,725,085</b>	<b>6,627,678</b>

**Non-current liabilities**

<b>(in euro)</b>	<b>31.3.2013</b>	<b>31.12.2012</b>
Loans	142,146,440	145,446,353
Other financial liabilities	1,301,868	1,496,476
Non-current operating liabilities	159,225	164,000
Deferred tax liabilities	1,073,609	1,310,880
<b>Total non-current liabilities</b>	<b>144,681,142</b>	<b>148,417,709</b>

The decrease in non-current and current financial liabilities in the first quarter of 2013 is attributable to the repayment of loans in the amount of 9.1 million euros.

**Current liabilities and accrued costs, and deferred revenues**

<b>(in euro)</b>	<b>31.3.2013</b>	<b>31.12.2012</b>
<b>Current liabilities</b>	<b>60,514,807</b>	<b>60,524,660</b>
Loans	41,491,860	46,586,860
Other financial liabilities	471,352	504,315
Current operating liabilities	18,551,595	13,433,485
Operating liabilities to Group companies and associated enterprises	401,036	459,189
Operating liabilities to suppliers and for advances	13,585,252	9,125,151
Liabilities from corporation tax	508,467	361,684
Other operating liabilities	4,056,840	3,487,461
<b>Accrued costs and deferred revenues</b>	<b>2,886,690</b>	<b>1,670,083</b>

Current operating liabilities recorded a 5.1 million euro (thirty-eight percent) increase on 31<sup>st</sup> December 2012. Liabilities to suppliers (in the amount of 4.5 million euros) and other liabilities (in the amount of 0.6 million euros) recorded the largest increase. The growth of

liabilities to suppliers is in particular due to liabilities from building land and a water use fee for 2013 in the amount of 5.3 million euros. Other liabilities increased on account of increased liabilities from salaries, bonuses and annual leave calculated in March and reimbursed in April 2013.

## MANAGEMENT BOARD STATEMENT OF RESPONSIBILITY

The Management Board of *Luka Koper d.d.* herein declares that the condensed financial statements of *Luka Koper d.d.* and the condensed consolidated financial statements of the *Luka Koper Group* of companies for the period ending 31<sup>st</sup> March 2013 have been compiled in order that they shall provide a true and fair disclosure of the financial condition as well as the operational performance and cash flows of *Luka Koper d.d.* and the *Luka Koper Group*. The condensed financial statements January to March 2013 have been compiled in accordance with the same accounting policies and principles applicable in the compilation of *Luka Koper d.d.* and *Luka Koper Group* 2012 annual reports.

These condensed interim statements for the period ending 31<sup>st</sup> March 2013 have been compiled in accordance with International Financing Reporting Standards (IFRS) and should be considered in relation to the annual financial statements for the fiscal year ending 31<sup>st</sup> December 2012.

The Management Board shall be held responsible for the implementation of measures guaranteeing the preservation of *Luka Koper d.d.* and *Luka Koper Group* assets as well as the prevention and detection of fraud and other irregularities.

The Management Board declares that the associated companies of the *Luka Koper Group* made mutual transactions on the basis of concluded agreements in which market prices for products and services were applied; namely, no business was conducted under unusual terms and conditions.

Bojan Brank  
President of the Management Board



Marko Rems  
Member of the Management Board



Matjaž Stare  
Member of the Management Board – Workers Director



Koper, Slovenia, 14th May 2013