

2015

LUKA KOPER GROUP

**INFORMATION ON PERFORMANCE
OF LUKA KOPER GROUP AND LUKA KOPER, D. D.,
JANUARY – DECEMBER 2015**

Koper, February 2016

Introductory note

Compliant with the Market and Financial Instruments Act RS, Ljubljana Stock Exchange as well as Guidelines on disclosure for Listed companies, Luka Koper, d. d., Vojkovo nabrežje 38, 6501 Koper publishes this Information on the performance of Luka Koper, d. d., and Luka Koper Group 2015.

In accordance to the financial calendar, the Annual report 2015 will be published on April 15, 2016.

On November 30, 2015 there was a change in the composition of the Management Board of Luka Koper, d. d. , Mr. Stojan Čepar – Member of the Management Board – Labour Director started his five years' mandate.

On January 18, 2016, the members of the Workers Council elected Mr. Marko Grabljevec as employee representative in the Supervisory Board. The Shareholders' Meeting shall be acquainted with his appointment.

2015, the year of historic milestones

The year 2015 was extremely successful for the sole Slovenian port:

- ▶ The Supervisory Board of Luka Koper, d. d., adopted the Business strategy of Luka Koper, d. d., till 2030 and Strategic Business Plan 2016 – 2020 of Luka Koper, d. d., and Luka Koper Group.
- ▶ In 2015 20.7 million tonnes of goods were handled, by which a new milestone in the history of the Port of Koper was achieved. As at December 31, 2015, a record 791 thousand TEUs were handled at the Container terminal, record 607 thousand vehicles at the Car terminal and record 0.8 million tonnes of soya at the Dry bulk terminal.
- ▶ In 2015, Luka Koper reached a record net operating revenues in the amount of 184.3 million euros and realised a record net profit in the amount of 32.5 million euros.
- ▶ Luka Koper, d. d., has become one of pivotal ports for the German corporation Daimler AG for the export of cars produced in the Mercedes – Benz plants in Germany and some other European countries.
- ▶ According to the development strategy of the Container terminal, the second phase of the dredging of the access channel to the depth -15 metres was completed, 11 new, more effective cranes for containers handling were ordered and new stacking areas were arranged.
- ▶ We started the construction of three new tankers for the needs of the Liquid cargoes terminal.

- ▶ In 2015, 31 employees were additionally employed, and the number of employees was increased by 3 percent reaching 1,040 employees at the end of 2015.

Seized opportunities in the market

The maritime throughput of 20.7 million tonnes generated in 2015 tonnes represents 1.7 million tonnes resp. 9 percent growth in comparison to 2014. In 2015, the containers (TEU) and vehicles throughput recorded 17 percent year-on increase.

Structure of the maritime throughput per cargo types

CARGO TYPES (in tonnes)	1 - 12 2015	1 - 12 2014	Index 2015/2014
General cargoes	1,475,076	1,643,552	90
Containers	7,741,976	6,760,204	115
Vehicles	902,168	763,621	118
Liquid cargoes	3,297,225	3,073,620	107
Dry bulk cargoes	7,295,426	6,724,354	108
TOTAL	20,711,872	18,965,351	109

Containers (in TEUs) and vehicles (in units) throughput

CARGO TYPES	1 - 12 2015	1 - 12 2014	Index 2015/2014
Containers – in TEUs	790,736	674,033	117
Vehicles – in UNITS	607,326	518,900	117

The throughput growth in comparison to 2014 was recorded in all cargo types, except in general cargoes, whereby a 10-percent decrease of the maritime throughput was recorded in 2015. The downturn was recorded in volumes of timber due to unstable situation in North African countries and in the throughput of iron and steel products.

In 2015, exceptional results and a record throughput was achieved in the throughput of containers and vehicles.

Due to the economic growth in the hinterland and improved sales activities of our customers the maritime throughput of liquid cargoes reached 7 percent growth in comparison with 2014.

In the goods category dry bulk cargoes Luka Koper Group achieved a 8 percent growth in comparison with 2014, due to a major quantity of unloaded cargo as well as the transshipment for the Italian market.

In 2015, Luka Koper Group registered 57,893 passengers at Cruise terminal which is 2 percent downturn compared with 2014.

Financial results of Luka Koper Group follow the achievements in the throughput

Comparison of Luka Koper Group results 2015 and 2014

	2015 Non- audited	2014 Audited	Index 2015/ 2014
From Income Statement (in euro)			
Operating revenues	184,273,472	163,595,376	113
Operating profit (EBIT)	42,420,503	33,381,026	127
EBITDA	69,935,252	60,792,878	115
Financing gain (loss)	-5,930,515	-2,039,593	291
Pre-tax profit	37,818,238	31,957,329	118
Net profit	32,462,277	29,098,342	112
Added value ¹	120,029,932	105,591,082	114
From Statement of Financial Position (as at December 31) in euro			
Assets	466,818,061	452,585,551	103
Non-current assets	421,314,954	414,412,047	102
Current assets	45,503,107	38,173,504	119
Equity	306,320,045	286,323,570	107
Non-current liabilities and provisions	121,573,462	129,318,586	94
Current liabilities	38,924,554	36,943,395	105
Financial liabilities	111,866,534	128,146,556	87
From Cash Flow Statement (in euro)			
Investments in property, plant and equipment, investment property and intangible assets	37,720,952	29,958,975	126
Indicators (as percentage)			
Return on sales (ROS)	23.02%	20.40%	113
Return on equity (ROE)	10.96%	10.67%	103
Return on assets (ROA)	7.06%	6.49%	109
EBITDA	37.95%	37.16%	102
Financial liabilities / equity	36.52%	44.76%	82
Maritime throughput (in tonnes)			
Maritime throughput	20,711,872	18,965,351	109

¹ Added value = net revenues from sales + other revenues – cost of goods, material, services – other operating expenses without revaluation operating expenses

According to non-audited financial statements, the year 2015 was an exceptionally good year for Luka Koper Group. The increase in the maritime throughput by 9 percent in comparison with 2014 resulted in increase of net operating revenues by 13 percent resp. by 20.7 million euros in comparison with the previous year. The net profit in 2015 was 27 percent resp. 9 million euros ahead on the achieved net profit in 2014, despite recognised impairments of property in acquisition in the amount of 1.2 million euros.

The deterioration of the finance income in 2015 resulted from recognised impairment of financial investments in Trade Trans Invest Bratislava, a.s., in the amount of 4.3 million euros, while the reduction of the indebtedness and rates of interest resulted in decrease of expenses from financial liabilities in comparison with the previous year.

In 2015, the pre-tax profit is increased by results of associated companies in the amount of 1.3 million euros, which is 116 percent resp. 0.7 million euros ahead on 2014.

In 2015, the net profit of Luka Koper amounted to 32.5 million euros, which is 12 percent resp. 3.4 million euros of the achieved one in 2014. Without impairments the net profit would amount to 37.4 million euros and would be 29 percent resp. 8.3 million euros ahead on 2014.

In 2015 Luka Koper, d. d., pursued with early repayments of loans and with respect as of December 2014, reduced the indebtedness in banks by 13 percent.

In the beginning of 2016, Luka Koper, d. d., obtained the rating of a recognised credit rating agency Dun & Bradstreet, which assessed the credit worthiness of the company as excellent, with high rating 5A1 and realised improvement with respect to the previous rating, which was 5A2. The obtained rating 5A1 is the highest possible rating, which means an excellent general performance and the lowest performance assessment risk.

In 2015, Luka Koper Group allocated 37.7 million euros, when began the construction of three new tanks for the needs of the Liquid cargoes terminal and the arrangement of stacking areas for containers. At the end of 2015, the second phase of dredging of the access channel in harbour waters to the depth of -15 metres was completed, 11 new cranes were ordered for containers handling, for which Luka Koper paid 9.1 million euros in October 2015. This is a part of an investment, projecting the acquisition of a new more efficient equipment and the extension of the Pier I, as well as the construction of the additional capacity at the Container terminal, thanks to which the terminal will achieve the annual capacity of 1.3 million TEUs yearly by 2020. Besides that, several minor investments were completed.

Comparison of 2014 and 2015 Luka Koper, d. d., results

In 2015 Luka Koper, d. d., 2015 generated operating revenues in the amount of 173.3 million euros, which is 12 percent resp. 18.8 million euros year-on increase. Net profit of Luka Koper, d. d., amounted to 38.8 million euros, which is 27 percent resp. 8.4 million euros increase on the achieved net profit in 2014.

In 2015, net profit of Luka Koper, d. d., amounted to 28.9 million euros, which is 9 percent resp. 2.4 million euros increase compared with 2014. Without impairment, the realised net profit of 2015 would amount to 33.8 million euros and would be 28 percent resp. 7.4 million euros ahead-on the achieved net profit in 2014.

Overfullfilled plans

In 2015, Luka Koper Group maritime throughput amounted to 20.7 million euros, which is a 3 percent resp. 610 thousand tonnes increase on the planned cargo throughput.

Net revenues from sale of Luka Koper Group in 2015 were 4 percent resp. 6.4 million euros ahead on planned, thus contributing both to the growth in the EBIT, which achieved 42.4 million euros and is 26 percent resp. 8.7 million euros ahead on planned as well as on the net profit of Luka Koper Group which amounted to 32.5 million euros, and is ahead on planned by 18 percent resp. 5 million euros.

The transition into 2016 was marked by the critical situation on the railways network

Since November 2015, Luka Koper, d. d., has been facing the emergency situation on the Slovenian railway network, which has been reflected in the deadlocks of wagon compositions on and outside the railway network, with delayed delivery of announced and planned wagons causing difficulties in the organisation of handling activities in the Port. The public railway infrastructure operator stated that the reason for the described situation were deadlocks occurred in November on the railway network in Austria, maintenance and investment works on railway line sections in Slovenia and the disruption on the railway line Koper – Divača. Due to the deadlocks and delays some customers have redirected a part of cargo conveyed in the Port of Koper, in other European ports.

At the present time, it is too early to assess to which extent the situation in railways would affect Luka Koper Group performance. Luka Koper, d. d., suggested the establishment of a crisis panel and the representatives of all actors involved in railway transport in Slovenia, i.e. Slovenian Railways, Rail Cargo Carrier, Adria Transport, Slovenian Freight Forwarders,

Slovenian Railways Infrastructure and Luka Koper, d. d., were invited with purpose to find a prompt solution. Through concrete operational solutions and intensive communication with business partners we will strive to prevent the eventual redirection of cargo.

Members of the Management Board:



Dragomir Matić
President of the Management Board



Andraž Novak
Member of the Management Board



Irena Vincek
Member of the Management Board



Stojan Čepar
Member of the Management Board – Labour Director

Koper, February 11, 2016