



LUKA KOPER GROUP
NON-AUDITED INTERIM REPORT
OF LUKA KOPER GROUP AND
LUKA KOPER, D. D.,
JANUARY – JUNE 2016

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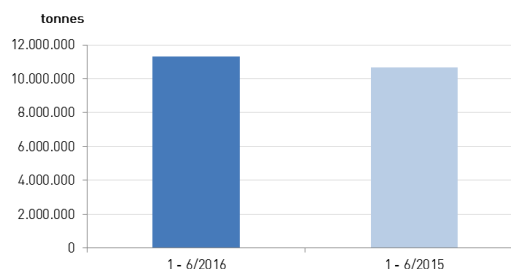
BUSINESS REPORT

PERFORMANCE HIGHLIGHTS OF LUKA KOPER JANUARY – JUNE 2016

- In the first half of 2016, the throughput stood at 11.3 million tonnes and was by 6 percent ahead on the comparable period last year. In May 2016, a record monthly maritime throughput was achieved in Luka Koper, d. d. history in the amount of 2.15 million tonnes.

11,301,834 TONNES

MARITIME THROUGHPUT **2016/2015 +6 %**



- In the first half of 2016, the containers throughput amounted to 423.3 thousand TEUs and was by 8 percent ahead on the comparable period in 2015. In March 2016, a record monthly throughput of TEUs was achieved in Luka Koper d. d. in the amount of 73.7 thousand TEUs. The vehicles throughput in the first half of 2016 amounted to 355.5 thousand vehicles and was by 22 percent ahead on the same period in 2015. In March 2016, a record monthly throughput of vehicles was achieved in Luka Koper d. d. history in the amount of 70.1 thousand vehicles.

423,265 TEUS

CONTAINERS **2016/2015 +8 %**

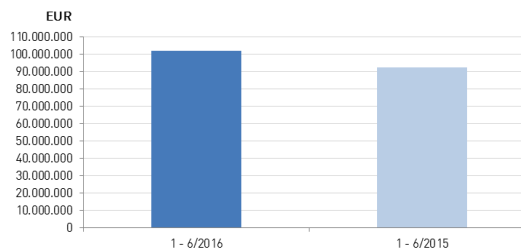
355,513 UNITS

VEHICLES **2016/2015 +22 %**

- In the first half of 2016, net revenue from sales amounted to EUR 102 million and was 11 percent ahead on 2015.

102,047,399 EUR

NET REVENUE FROM SALE 2016/2015 **+11 %**



→ In the first half of 2016, operating profit amounting to EUR 28.1 million exceeded by 17 percent the achieved operating profit in 2015.

28,096,756 EUR

OPERATING PROFIT 2016/2015 **+17 %**

→ In the first half of 2016, net operating profit amounted to EUR 23.7 million, which is a year-on increase of 21 percent.

23,712,736 EUR

NET OPERATING PROFIT 2016/2015 **+21 %**

→ In the first half of 2016, Luka Koper Group allocated EUR 27.9 million for investments. Construction of three new tanks continued for the needs of the Liquid cargoes terminal continued, the construction of a new railway track and new bridge over the channel for the needs of the Container terminal and filling of the landfill site on the head of the Pier II for the needs of the increased throughput of vehicles. In the first half of 2016, Luka Koper d. d. allocated EUR 11.8 million for 11 ordered new and more efficient cranes for containers throughput.

→ In the first half of 2016, 27 new employments were realised. Number of employees in the first half of 2016 reached 1,055 and increased by 3 percent resp. for 32 employees with respect to the first half of 2015.

1,055

NUMBER OF EMPLOYEES 2016/2015 **+ 3 %**

→ In June 2016, Luka Koper, d. d., received the information about approval of two prepared projects and namely:

- **CarEsmatic** – partnership project jointly with the Port Authority of Barcelona, Autoterminal and shipping company Neptune Lines, facilitating 30 percent co-funding for the construction of the berth Ro-Ro in the Basin III and group VI of tracks in the rear area of the Basin III in the Port of Koper, potential co-funding EUR 3,45 million.
- **ELEMED** – partnership project with Greek and Cypriot partners, 50 percent co-funding of the study and potential solutions of electric power supply to vessels, potential co-funding of EUR 150 thousand.

FINANCIAL INDICATORS

Key performance indicators of Luka Koper, d. d., and Luka Koper Group, January – June 2016 in comparison to January – June 2015

(in evrih)	Luka Koper, d. d.			Luka Koper Group		
	1 – 6 2016	1 – 6 2015	Index 2016/ 2015	1 – 6 2016	1 – 6 2015	Index 2016/ 2015
Income statement						
Revenue	96,367,328	87,610,150	110	102,047,399	92,130,652	111
Operating result (EBIT)	25,696,085	22,028,176	117	28,096,756	24,027,708	117
Operating earning before amortisation (EBITDA)	38,522,869	35,161,912	110	41,415,462	37,725,899	110
Profit or loss from financing activities	297,735	-750,713	-40	-991,929	-1,372,949	72
Profit and loss before tax	25,993,820	21,277,463	122	28,114,291	23,356,937	120
Net operating profit	21,925,643	17,865,522	123	23,712,736	19,641,172	121
Added value ¹	61,364,682	56,355,547	109	67,443,721	61,823,627	109

Statement of financial position			Index 2016/ 2015			Index 2016/ 2015
	30.06.2016	31.12.2015		30.06.2016	31.12.2015	
Assets	467,588,374	448,483,218	104	484,105,146	466,991,445	104
Non-current assets	424,551,689	412,427,964	103	433,983,475	421,332,909	103
Current assets	43,036,685	36,055,254	119	50,121,671	45,658,536	110
Equity	302,968,886	282,847,478	107	328,372,732	306,290,469	107
Non-current liabilities with provisions and long-term accruals	124,583,814	127,660,101	98	114,470,970	121,175,916	94
Current liabilities	40,035,674	37,975,639	105	41,261,444	39,525,060	104
Financial liabilities	120,895,332	121,896,953	99	107,464,752	111,866,534	96

¹ Added value = operating revenue + income – cost of goods, material, services – other operating expenses excluding revaluation operating expenses.

Statement of cash flows	1 – 6 2016	1 – 6 2015	Index 2016/ 2015	1 – 6 2016	1 – 6 2015	Index 2016/ 2015
Investment in property, plant and equipment, investment property and intangible assets	27,448,305	9,209,014	298	27,950,347	9,411,789	297

(in EUR)	Luka Koper, d. d.			Luka Koper Group		
Indicators (in %)	1 – 6 2016	1 – 6 2015	Indeks 2016/ 2015	1 – 6 2016	1 – 6 2015	Index 2016/ 2015
Return on sales (ROS)	26.7%	25.1%	106	27.5%	26.1%	106
Net return on equity (ROE) ²	15.0%	12.9%	116	14.9%	13.2%	113
Net return on assets (ROA) ³	9.6%	8.0%	119	10.0%	8.5%	117
EBITDA margin	40.0%	40.1%	100	40.6%	40.9%	99
Financial liabilities /equity	39.9%	43.1%	93	32.7%	37.7%	87
Net financial debt/EBITDA ⁴	1.5	1.6	89	1.1	1.3	86

Maritime throughput (in tonnes)	1 – 6 2016	1 – 6 2015	Index 2016/ 2015	1 – 6 2016	1 – 6 2015	Index 2016/ 2015
Maritime throughput	11,301,834	10,651,329	106	11,301,834	10,651,329	106

Number of employees						
Number of employees	866	834	104	1,055	1,023	103

² Indicator calculated on the basis of annualised data

³ Indicator calculated on the basis of the annualised data.

⁴ Indicator calculated on the basis of annualised data.

Net financial indebtedness /EBITDA = (Financial liabilities – cash and cash equivalents) /EBITDA

Key performance indicators of Luka Koper, d. d., and Luka Koper Group, January – June 2016 in comparison with the plan for January – June 2016

(in EUR)	Luka Koper, d. d.			Luka Koper Group		
	1 – 6 2016	Plan 1 – 6 2016	Index 2016/ Plan 2016	1 – 6 2016	Plan 1 – 6 2016	Index 2016/ Plan 2016
Operating revenues	96,367,328	93,308,628	103	102,047,399	98,768,279	103
Operating profit (EBIT)	25,696,085	21,530,684	119	28,096,756	23,039,657	122
EBITDA	38,522,869	34,156,386	113	41,415,462	36,155,983	115
Net profit	21,925,643	18,620,471	118	23,712,736	19,232,531	123

From Statement of Financial Position	30.06.2016	Plan 30.06.2016	Index 2016/ Plan 2016	30.06.2016	Plan 30.06.2016	Index 2016/ Plan 2016
Assets	467,588,374	468,806,054	100	484,105,146	481,146,394	101
Equity	302,968,886	299,604,277	101	328,372,732	323,472,613	102
Financial liabilities	120,895,332	130,106,868	93	107,464,752	114,307,129	94

Indicators i (in %)	1 – 6 2016	Plan 1 – 6 2016	Index 2016/ Plan 2016	1 – 6 2016	Plan 1 – 6 2016	Index 2016/ Plan 2016
Return on sales (ROS)	26.7%	23.1%	116	27.5%	23.3%	118
Net return on equity (ROE) ⁵	15.0%	12.8%	117	14.9%	12.2%	122
Net return on assets (ROA) ⁶	9.6%	8.1%	118	10.0%	8.1%	123
EBITDA margin	40.0%	36.6%	109	40.6%	36.6%	111
Financial liabilities /equity ^l	39.9%	43.4%	92	32.7%	35.3%	93
Net financial debt /EBITDA ⁷	1.5	1.9	78	1.1	1.6	73

From Cash Flow Statement	1 – 6 2016	Plan 1 – 6 2016	Index 2016/ Plan 2016	1 – 6 2016	Plan 1 – 6 2016	Index 2016/ Plan 2016
Investments in property, plant and equipment, investment property and assets	27,448,305	39,285,898	70	27,950,347	39,762,438	70

Maritime throughput (in tonnes)	1 – 6 2016	Plan 1 – 6 2016	Index 2016/ Plan 2016	1 – 6 2016	Plan 1 – 6 2016	Index 2016/ Plan 2016
Maritime throughput	11,301,834	10,370,300	109	11,301,834	10,370,300	109

⁵ Indicator calculated on the basis of annualised data.

⁶ Indicator calculated on the basis of annualised data.

⁷ Indicator calculated on the basis of annualised data.

Net financial debt /EBITDA = (Financial liabilities – cash and cash equivalents)/EBITDA

INTRODUCTORY NOTE

Compliant with the Market and Financial Instrument Act RS, Ljubljana Stock Exchange Rules as well as Guidelines and Disclosure for Listed Companies, Luka Koper, d.d. Vojkovo nabrežje 38, 6501 Koper discloses this Non-audited Report on the performance of Luka Koper, d. d. and Luka Koper Group for January – June 2016.

This Non-audited report on the performance of Luka Koper, d. d., and Luka Koper Group for January – June 2016 can be examined at Luka Koper, d. d., registered headquarters at Vojkovo nabrežje 38, 6501 Koper and shall be accessible via the company's website www.luka-kp.si, from 30th August 2016 onwards.

The company promptly publishes any pertinent changes to information contained in the prospectus for stock exchange listing on SEOnet, the electronic information system.

This Non-audited Report on the performance of Luka Koper, d. d., and the Luka Koper Group for January – June 2016 was addressed by the company's Supervisory Board at its regular session on 30th August 2016.

PRESENTATION OF LUKA KOPER

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

Profile of the company Luka Koper, d. d., as of 30th August 2016

Company name	Luka Koper, pristaniški in logistični sistem, delniška družba
Short company name	Luka Koper, d. d.
Registered office	Vojkovo nabrežje 38, Koper
	Phone: 05 66 56 100
	Fax: 05 63 95 020
	Email: portkoper@luka-kp.si
	Website: www.luka-kp.si
Company registration	Application N°066/10032200 registered at Koper District Court
Company registration number	5144353000
Tax number	SI 89190033
Issued share capital	58.420.964,78 euros
Number of shares	14.000.000 ordinary no-par value shares
Share listing	Ljubljana Stock Exchange
Share ticker symbol	LKPG
President of the Management Board	Dragomir Matić
Member of the Management Board	Andraž Novak
Member of the Management board	Irena Vincek
Member of the Management Board – Labour Director	Stojan Čepar
President of the Supervisory Board	Alenka Žnidaršič Kranjc
Luka Koper, d.d. core activity	Seaport and logistics system and service provider
Luka Koper group activities	Various support and ancillary services in relation to core activity

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 and associated companies as of 30th June 2016:

Luka Koper Group as of 30th June 2016

- Luka Koper, d. d.
 - Subsidiary companies
 - Luka Koper INPO, d. o. o., 100 %
 - Adria Terminali, d. o. o., 100 %
 - Luka Koper Pristan, d. o. o., 100 %
 - Logis Nova, d. o. o., 100 %
 - Adria Investicije, d. o. o., 100 %
 - TOC, d. o. o., 68,13 %
 - Associated companies
 - Adria Transport, d. o. o., 50 %
 - Adria – Tow, d. o. o., 50 %
 - Adriaфин, d. o. o., 50 %
 - Avtoservis, d. o. o., 49 %
 - Golf Istra, d. o. o. – bankruptcy, 20 % (in bankruptcy since 9th October 2014)

CORPORATE MANAGEMENT AND GOVERNANCE

Luka Koper, d. d., Management Board

As of 30th June 2016, the Luka Koper, d.d. Management Board was comprised of the following members:

- Dragomir Matić, President of the Management Board, appointed on 23rd May 2014 for a five-year term, taking up the position as of 10th June 2014,
- Andraž Novak, Member of the Management Board, commenced a five-year term on 10th June 2014,
- Irena Vincek, Member of the Management Board, commenced a five-year term on 21st August 2015,
- Stojan Čepar, Labour Director, commenced a five-year term on 30th November 2015

A presentation of Luka Koper, d.d. Members of the Management Board is available on the company's website www.luka-kp.si

Luka Koper, d. d. Supervisory Board

The Luka Koper, d. d., Supervisory Board is composed of nine members, six of whom are elected by the General Shareholders' Meeting and three by the Workers' Council. They are elected for a four-year term. Mandat članov nadzornega sveta traja štiri leta.

As of 30 June 2016, the Supervisory Board was comprised of the following members:

Representatives of shareholders

- dr. Alenka Žnidaršič Kranjc, President of the Supervisory Board, commenced a four-year term on 7th October 2013 (23rd General Shareholders' Meeting),
- dr. Elen Tvrđy, Deputy President of the Supervisory Board, commenced a four-year term on 7th October 2013 (23rd General Shareholders' Meeting),
- Rado Antolovič, Member of the Supervisory Board, commenced a four-year term on 7th October 2013 (23rd General Shareholders' Meeting),
- Andrej Šercer, M.SC. , Member of the Supervisory Board, commenced a four-year term on 7th October 2013 (23rd General Shareholders' Meeting),
- Žiga Škerjanec, Member of the Supervisory Board, commenced a four-year term on 7th October 2013 (23rd General Shareholders' Meeting),
- Sabina Mozetič, Member of the Supervisory Board, representative of the Municipality of Koper, commenced a four-year term on 21st August 2015 (26th General Shareholders' Meeting).

Representatives of Employees

- Mladen Jovičič, Member of the Supervisory Board, commenced a four-year term on 18th March 2013,
- Nebojša Topič, M.Sc., Member of the Supervisory Board, commenced a four-year term on 28 July 2012,
- Marko Grabljevec, Member of the Supervisory Board, commenced a four-year term on 18th January 2016 (the shareholders were informed in this respect at 27th General Shareholders Meeting on 1st July 2016).

Post-balance sheet changes

On 28th July 2016 Nebojša Topič, M.Sc., Member of the Supervisory Board, ended his four-year mandate.

External Member of the Supervisory Board Audit Committee

- Barbara Nose, appointed for the term from 22nd August 2014 till 7th October 2017.

Post-balance sheet changes

At its session held on 7th July 2016 Luka Koper, d. d., Supervisory Board recalled the external member of the Supervisory Board Audit Committee Barbara Nose and appointed a new external member of the Supervisory Board Audit Committee Polona Pergar Guzaj, for the term from 7th July 2016 until the revocation.

SIGNIFICANT EVENTS, NEWS AND ACHIEVEMENTS JANUARY– JUNE 2016

JANUARY

- The Study "What are the consequences for the Slovenian economy of the potential if the second railway track is not constructed?" was presented at the Chamber of Commerce and Industry
- The Members of Workers' Council elected Marko Grabljevec as member of the Supervisory Board. The General Shareholders' Meeting has to be informed about his appointment.
- Luka Koper published its annual call for applications for sponsorship and donations as part of Living with the Port fund for 2016.
- The meeting of the board of directors of the Association of Mediterranean Cruise Ports MedCruise was held in Koper.
- On 14 January 2016 Luka Koper addressed a letter with the information about the situation in the railway sector in the Port of Koper to the managing director of Slovenian Railways, Mr. Dušan Mes . Yet from November 2015 the problems in the Slovenian railway network escalated, which resulted in long delays in port's works. In January 2016, due to the closures of Koper-Divača railway line Luka Koper d.d. was facing the problems with delivery/shipment of waggons.
- The delegation from the Chinese port Tianjin paid the visit to the Port of Koper.
- Under auspices of the European project Fresh food corridors, Luka Koper presented itself at the biggest fresh produce trade fair Fruit Logistica in Berlin.
- Under the auspices of the Slovenian business delegation, Luka Koper presented the advantages of the transport route through the Port of Koper to the Iranian businessmen.
- Luka Koper concluded an agreement on cooperation with Sherif Rashed for the assistance in promoting the Port of Koper in Egypt.
- 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, which is an improvement compared to the previous rating 5A2. The obtained rating 5A1 is the highest possible credit rating, which means an excellent general performance and the lowest rating of operational risk.

FEBRUARY

- In relation to the saturation of the railway capacities on the Slovenian railway network and consequently the congestion in the cargo transport to resp.from the Port of Koper, Luka Koper suggested the establishment of a crisis team with aim to accelerate solving of the situation and invited the representatives of all operators involved in the railway transport in Slovenia, SŽ-tovorni promet, Rail Cargo Carrier, Adria Transport, Slovenian Freight

Forwarders Association, SŽ-Infrastruktura to participate..

- On 22nd February 2016 the deputies of the parliamentary committee for infrastructure and economy discussed about the construction of the second track on Koper-Divača railway line. The President of the Management board of Luka Koper, representative of the trade union SŽPD, representative of the trade union SPDS-KS-90 and the Deputy-Chairman of Workers council of Luka Koper also attended the session.
- In February 2016, the employees of Luka Koper started to collect signatures under the statement requiring from the Government to start immediately the construction of the second track on Koper-Divača railway line and to prevent the selling-off of the sole Slovenian cargo port.
- After four months of cars export through the Port of Koper, Mercedes assessed the Port of Koper 'southern logistic route' as a turning point in the development of its global logistic network. It was emphasized that the export of vehicles through the Port of Koper to the Far Est represents a major step forward for the improvement of the whole distribution logistics. After Bremerhaven and Zeebrugge the Port of Koper is the third export port that Mercedes included in its supply chains. The prerequisite for the selection was the reliability of the infrastructure and specific experience in handling and storage of sensitive cargo.

MARCH

- President of the Management Board of Luka Koper, d. d., Mr. Dragomir Matić was granted the Entrepreneur of Primorska Award which was granted for the 19th consecutive time by Radio Koper, Primorske novice and Televizija Koper. The award was given for excellent business performance and numerous records Luka Koper achieved in 2015. The Prime Minister of the Republic of Slovenia Miro Cerar, also attended the event and in addressing the government's achievements and future plans, among others also emphasized the construction of the second track on Koper – Divača railway line.
- On 5 March 2016, at night, the first test container train with a perishable cargo through the Port of Koper, destined to Rotterdam was conveyed . within the framework of the EU project Fresh Food Corridors (FFC). It was the case of the freight of a major Israeli exporters, conveyed as per the concept of the motorways of the sea. This was the first train in the history that was fully loaded with reefer containers and which was conveyed from the south to the north of Europe. The freight, usually conveyed with ships from Israel to the Northern-European ports, will reach the destination in a significantly shorter time, since the transit time through a new corridor will be shorter for six days.
- Mayors of the Primorska region signed a joint declaration on support to Luka Koper and its development plans and the construction of the second railway track.
- The Economic and Social Council discussed about development dilemmas of the Port of Koper, adopted the following two decisions: the State should provide sufficient investments in the public railway infrastructure, prioritising the second railway track and

intervening in the current governance model of Luka Koper, which should remain State investment.

- Luka Koper presented itself to the Egyptian economic operators in Cairo.
- In the National Assembly of the Republic of Slovenia took place the consultation session about the construction of the second railway track.
- The Government of the Republic of Slovenia adopted a decision on the establishing the project company 2TDK, which will perform all activities for implementation of the second track of the Divača – Koper railway line.
- Ministry of the Environment and Spatial Planning issued the building permit for the construction of the second track.
- The specialized magazine Automotive Logistics, ranked Luka Koper at twelfth place with respect to handled vehicles among the EU ports and at third place among the Mediterranean European ports.
- State-owned Algerian shipping company CNAN MED started new service connecting the Port of Koper with Algerian ports.

APRIL

- The representatives of the Government of the Republic of Slovenia and key stakeholders discussed about the second railway track project at working session where they agreed on the establishment of the project board and reached a compromise to seek solutions, not requiring additional concessions in the Port.
- Luka Koper rewarded best suppliers in 2015.
- The intermodal operator Adria Kombi has launched a new container shuttle train from Luka Koper Container terminal to Salzburg.
- The Supervisory Board of Luka Koper, d. d., endorsed the proposal on the allocation of distributable profit for 2015, the Management Board and Supervisory Board will propose for endorsement to the General Shareholders' Meeting. The proposal on the allocation of distributable profit amounting to EUR 15,880,814.24 as per 31 December 2015, is the following:
 - part of distributable profit in the amount of EUR 9,520,000.00 is to be disbursed as dividends in gross value of EUR 0.68 per ordinary share,
 - the remaining distributable profit in the amount of EUR 6,360,814.24 shall remain undistributed.
- Luka Koper d. d., joined the Slovenian transport logistics delegation in Japan, which presented the transport route to the Europe through the Port of Koper.

MAY

- Luka Koper invited Polish and Serbian business partners to a business meeting.
- The President of the Government of the Republic of Slovenia, Mr. Miro Cerarr

accompanied by the Minister for infrastructure Peter Gašperšič and Minister for Economic Development and technology Mr. Zdravko Počivalšek paid visit to Luka Koper.

- Luka Koper discussed about the business cooperation with the representatives of Chinese State agencies and the National Council of the Republic of China as well as with the Algerian delegation.
- In occasion of the traditional tenth Port's Day more than 3.000 visitors visited the Port.

JUNE

- Luka Koper arranged a business meeting in Koper for Austrian partners.
- Slovenski državni holding (SDH) – Slovenian Sovereign Holding (SSH) addressed a request to Luka Koper, d. d., to supplement the agenda of the General Shareholders' Meeting with proposal for an early recall of three members of the Supervisory Board and the proposal for the appointment of three new members.
- Slovenian Infrastructure Agency signed a contract for the construction of the side track and a contract for the verification of the estimated value as well as all potential rationalisations and optimisations pertaining the second railway track project.
- The parliamentary Public Finance Oversight Commission debated the implementation of the management function of the Slovenian Sovereign Holding (SSH) in Luka Koper, d. d. case
- Workers' Council of Luka Koper, d. d., arranged the Workers Assembly and addressed to public authorities requests regarding building permits, enlargement of the concession area, adoption of the development plan, withdrawal of replacement of the members of the supervisory board from the General Shareholders' Meeting agenda and establishment of the responsibility for the destabilisation of the company.
- Demonstrations in support of Luka Koper d.d. took place in the main square in Koper.
- The investment in the arrangement of 9.000 m² of containers' storage area and the investment in the enlargement of the entry into the Port was completed.
- Luka Koper, as only port presented itself at the key logistics event in Austria, Logistics days 2016.
- Luka Koper, d. d., received the judgement of the Higher Court in Koper, by which the judgement of the District court in Koper rejecting the filed claim of the applicant S-5, requiring from Luka Koper, d. d., the payment of EUR 2,138,487,63 jointly with the statutory default interests and legal costs, was approved. In the event S-5 had succeeded with the entire claim, Luka Koper d.d. would have been obliged to pay EUR 3,000,000.00.

RELEVANT POST-BALANCE EVENTS

JULY

- A new provision of the SOLAS Regulation of the International Maritime Organization (IMO) SOLAS Regulation related to the verified container weight prior to the loading onto the vessel, became legally effective on July 1, 2016. Luka Koper, d. d., got ready for operations in accordance with new provisions in due time and from 1st July 2016 onwards the additional containers weighing service has been performed.
- An unannounced, sudden and unexpected revolte of Luka Koper workers fully stopped all working processes in the Port of Koper for three days from Friday July 1 till Sunday July, 3 2016, two days the working processes were performed during 8 hours work time with all available resources and continued in the night shift for all critical processes. The workers' requirements were not addressed to the employer, but to the government institutions. Yet from the first day of the work stoppage, the Management Board made all necessary efforts to resume the work processes and managed that the work in the Port restarted smoothly on July 5, 2016, at 10 p.m. and handled all backlogs in the shortest time possible.
- Shareholders attending the 27th General Shareholders' Meeting of Luka Koper, d. d., held on 1st July 2016:
 - adopted the proposed resolution on the allocation of distributable profit for 2015 in the amount of EUR 15,880,814.24 (the counter-proposal submitted by the Slovenian Sovereign Holding was adopted):
 - a part of distributable profit in the amount of EUR 15,820,000.00 shall be disbursed as dividends in gross value of EUR 1.13 per ordinary share,
 - the remaining distributable profit in the amount of EUR 60,814.24 shall remain undistributed.
 - were presented with the adopted Annual Report of Luka Koper, d. d., and Luka Koper Group for 2015 with auditor's Report and Supervisory Board Report on the examination of the Annual report of Luka Koper, d. d., and Luka Koper Group for 2015,
 - granted a discharge to the Management Board and Supervisory Board for 2015,
 - appointed the auditors KPMG Slovenija, podjetje za revidiranje, d. o. o., as Luka Koper, d. d., and Luka Koper Group external auditor for 2016,
 - adopted the amendments of the Articles of association of Luka Koper, d. d.

- were presented with the resolution of the Workers' council of Luka Koper, d. d., of dne 18th January 2016, from which results that Workers' Council elected Marko Grabljevec as employees representative in the Supervisory Board for the term of four years from 18th January 2016.
- were presented with the written withdrawal of the Slovenian Sovereign Holding (SDH, d. d.) proposal for the extension of the agenda related to the dismissal of three members of the Supervisory Board of Luka Koper d.d., and the appointment of three new members, on its own behalf and on behalf of the shareholder Republic of Slovenia at General Shareholders' Meeting itself
- The parliamentary Public Finance Oversight Commission continued previously twice suspended session at which debated on responsibility for the developments in the Port of Koper.
- On July 12, 2016 Banka Koper, d. d., and Luka Koper, d. d., signed a contract on 10-years loan in the amount of EUR 28 million, for one year moratorium repayment to fund the investments. In compliance with the company's strategy the loan is destined for the completion of three new reservoirs for the needs of the Liquid Cargoes terminal and for the purchase of the additional equipment for the needs of the Container terminal. Banka Koper, d. d., approved an uncovered loan containing the financial commitments, which do not essentially differ from financial commitment of already stipulated loans.
- EIA (environmental impact assessment) was made for the extension of the Pier I, as defined in the National Spatial Plan, the application for the issue of the environmental permit was submitted on 5th October 5, 2015 and supplemented on 11th April 2016. From the EIA it results that the construction, operation and omission or removal of the intervention will not result in excessive environmental impact and is from the environmental aspect acceptable. In the supplemented safety report it was established, that owing to the introduced safety management system the highest level of safety is provided. The public display was held from June 21 until July 20 2016. In the procedure the request of the Municipality of Koper for the cooperation as the party to the proceeding, which will extend the procedure of the obtainment of the environmental permit. Currently, the company is not in position to estimate the time line for the obtainment of the environmental permit and consequently the building permit due to the long-term procedures and potential lodging of complaints.
- On 28th July 2016 Nebojša Topič, M.Sc., Member of the Supervisory Board, ended his four-year mandate.

PERFORMANCE ANALYSIS OF LUKA KOPER GROUP

PERFORMANCE OF LUKA KOPER , D.D., JANUARY – JUNE 2016

In the first half of 2016, Luka Koper, d. d. net revenue from sale amounted to EUR 102 million and was by EUR 3.3 million resp. by 3 percent ahead on planned net sales revenues in the first half of 2016, and EUR 9.9 resp. 11 percent ahead on the achieved sale revenue in the equivalent period last year.

Net revenue from sale of Luka Koper Group in the first half of 2016 exceeded the plan by 8 percent, while the revenue from the performance of public utility service regular maintenance of the port's infrastructure destined to public traffic fall behind the planned schedule by EUR 4.3 million resp. by 51 percent, which results in total exceeding of planned revenues of Luka Koper in January – June 2016 by only 3 percent.

In the first half of 2016, the operating expenses of Luka Koper amounted to EUR 75.6 million, which is a year-on increase of EUR 4.4 million resp. 6 percent. Within the framework of operating expenses, comparably to the to the equivalent period in 2015, all costs increased, except amortisation and other operating expense, which were both lower than the previous year.

The operating profit of Luka Koper Group in January - June 2016 amounted to EUR 28.1 million and was by EUR 4.1 million resp. 17 percent ahead on the achieved operating profit in the comparable period 2015.

The EBITDA achieved EUR 41.4 million which is a year-on increase of EUR 3.7 million resp. 10 percent. In comparison to the plan, the EBITDA was EUR 5.3 million resp. 15 percent ahead on the plan.

Net profit of Luka Koper Group in January – June 2016 amounted to EUR 23.7 million and was above the achieved net profit in 2016, by EUR 4.1 million resp. by 21 percent by EUR 4.5 million resp. 23 percent above the planned.

In the first half of 2016, Luka Koper Group allocated EUR 27.9 for investments.

PERFORMANCE OF LUKA KOPER, D. D., JANUARY – JUNE 2016 - SUMMARY

In the first half of 2016, Luka Koper, d. d., net revenue from sale amounted to EUR 96.4 million and thereby exceed the planned net revenue from sale for EUR 3.1 million resp. 3 percent, and the generated revenue from sale was for EUR 8.8 million higher than in the first half of 2015, representing 10 percent.

Net revenue from sale of Luka Koper, d.d. in the first half of 2016 represent 94.4 percent of net revenue from sale of Luka Koper Group.

Net revenue from sale of Luka Koper, d. d., from sales activity in the first half of 2016 exceeded the planned by 9 percent, whilst the revenue from the performance of the public utility service regular maintenance of the port's infrastructure destined to public traffic falls behind the planned schedule by EUR 4.3 million resp. by 51 percent, which results in total exceeding of planned revenues of Luka Koper, d. d., in the first half of of 2016 by only 3 percent.

In the first half of 2016, Luka Koper, d. d., operating expenses amounted to EUR 71.3 million, which is EUR 3.7 million resp. 5 percent ahead on the equivalent period last year. Within the operating expenses, comparably to the equivalent period last year, the increase was recorded in cost of services and labour costs, whilst the cost of material, amortisation and other other expenses decreased.

The operating profit of Luka Koper, d. d., in the first half of 2016 was EUR 25.7 million, which exceed the planned figures by EUR 4.2 million resp. by 19 percent and the achieved operating profit in the comparable period in 2015, by EUR 3.7 million resp. 7 percent .

The EBITDA amounted to EUR 38.5 million and it was higher than in the first half of 2015 by EUR 3.4 million resp. by 10 percent. In comparison to the plan, the EBITDA was higher by EUR 4.4 million resp. by 13 percent.

Net operating profit of Luka Koper, d. d., in January – June 2016 amounted to EUR 21.9 million and exceeded the planned figures by EUR 3.3 million resp. by 18 percent, and the achieved net operating profit in 2015 by EUR 4.1 million resp. by 23 percent.

In the first half of 2016, Luka Koper, d. d., allocated for investment EUR 27.4 million, which is 98 percent of the Group.

FORECAST OF THE NET REVENUE FROM SALE OF LUKA KOPER, D. D. IN THE THIRD QUARTER OF 2016⁸

According to current forecasts, Luka Koper, d. d., estimates that net revenue from sale in the third quarter will expectedly be lower than planned by 4 percent and meanwhile 7 percent ahead on the third quarter of 2015. The throughput in the third quarter of 2016 will be lower also due to the breake-down at the production plant and thereby decreased consumption of goods of one of key customers of Luka Koper of the product group dry bulk cargoes. The third quarter is in last five years usually also the period of minor throughput of goods in the Port of Koper, both due to seasonal characteristics of some product groups and collective holiday in plants, as well as celebration of religious festivities in some markets. Despite the expected lower throughput in the third quarter, Luka Koper, d. d., currently estimates that net revenue from sale in the second half of the year will be at planned levels and thereby the exceeded planned net revenue from sale 2016 by 2 percent. Other impacts on net operating profit of Luka Koper, d. d., except changes in the throughput volume and related net revenue from sale, are currently not envisaged by Luka Koper, d.d.

A more detailed analysis of the performance, presented hereinafter, refers to the Luka Koper Group performance.

⁸ The forecast is based on current expectations and forecasts and is subject to risks and uncertainties, which may have an impact on the concrete results and may materially differ due to different factors, over which Luka Koper Group has no control. These factors include, but are not necessarily limited to the following: consumers demand and market conditions on the markets where operate final consignees of goods, transhiped through the Port of Koper, relevant losses or reduced businesses concerning key customers, political instability and unfavourable economic situation in countries of origin resp. destination of goods transhipped through the Port of Koper, competition pressure to lower prices., limited storage capacities due to lengthy obtainment of adequate permits from competent authorities, high occupancy of storage areas and therefore lower productivity and higher operations costs resulting from additional movements of cargo, insufficient entry capacity into the port, and therefore the traffic flow capacity in the port zone. In case one or more risks resp. uncertainties are materialised or the assumptions prove to be incorrect, actual results materially differ from those stated as expected, estimated or forecasted. Luka Koper allows any updating or auditing of these forecasts in case the future development may differ from the expctations.

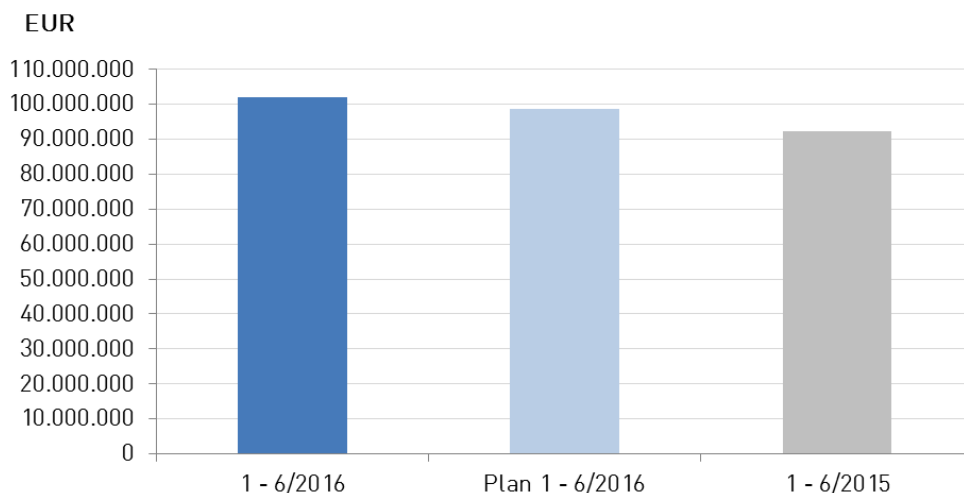
PERFORMANCE OF LUKA KOPER, JANUARY – JUNE 2016

NET REVENUE FROM SALE

In the first half of 2016, the net revenue from sale of Luka Koper Group reached EUR 102 million, thus exceeding the net revenue from sale in the comparable period last year by EUR 9.9 million resp. by 11 percent. Planned net revenues from sale were exceeded by EUR 3.3 million resp. by 3 percent. Net revenue from sale of Luka Koper Group increased in its primary activity of loading and unloading of goods and in provision of additional services.

Net revenue from sale of Luka Koper Group from sales activity in the first half of 2016 was by 8 percent ahead on the planned, while the revenue from the performance of public utility service regular maintenance of the port's infrastructure destined to public traffic falls behind the planned schedule EUR 4.3 million resp. by 51 percent, which resulted in total exceeding of planned revenues of Luka Koper Group in January – June 2016 by only 3 percent. In January – June 2016, Luka Koper Group planned a higher volume of regular maintenance of the port's infrastructure destined to the public traffic, as actually performed, and consequently the release of deferred revenue for costs of the public utility service. A diminished volume volume of regular maintenance of the port's infrastructure destined for public traffic than planned is due to the delayed approval of the Ministry of Infrastructure.

Net revenue from sale of Luka Koper Group



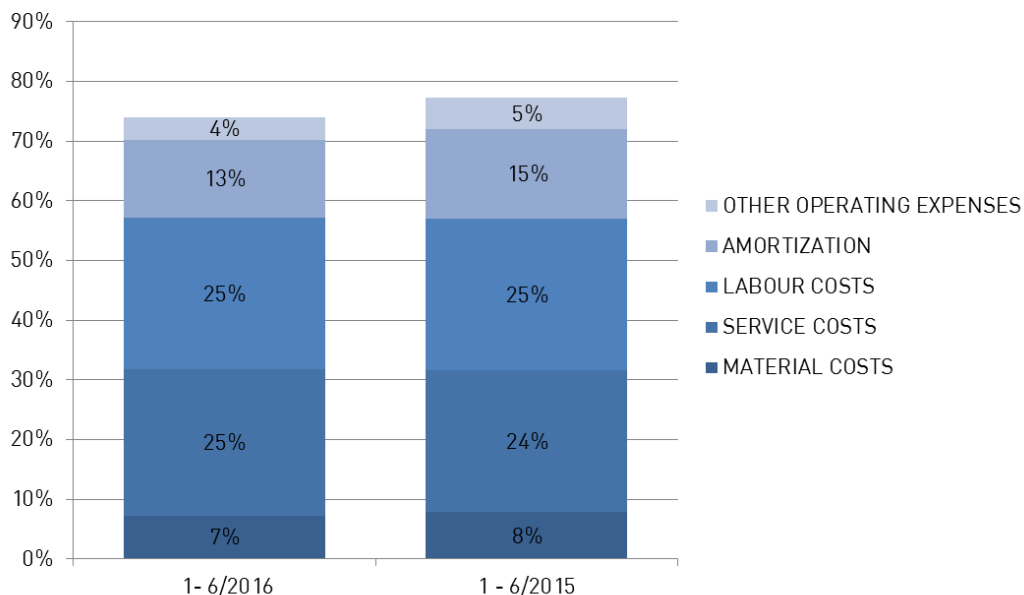
OTHER REVENUES

Other revenues of Luka Koper Group in January – June 2016 amounted to EUR 1.6 million, which is EUR 1.5 million resp. 48 percent decrease on the same period last year. In 2015, was recognised as the reversal of provision in the amount of EUR 1.5 million related to the court settlement. The major share of other revenues in the first half of 2016 were subsidies subsidies, grants and similar revenues in the amount of EUR 964 thousand. This income results from the withdrawal of the assigned assets from the withheld contributions of Luka Koper INPO, d. o. o.

OPERATING EXPENSES

In the first half of 2016, the Luka Koper Group operating expenses amounted to EUR 75.6 million, which is EUR 4.4 million resp. 6 percent ahead on the equivalent period last year. Within the operating expenses, the increase was recorded in all types of expenses, except amortisation and other operating expenses, which were both lower with comparison to the previous year. The share of operating expense within net revenue from sale in January – June 2016 amounted to 74 percent, which is 3.2 percentage point decrease in comparison with the equivalent period last year. Comparably to 2015, a share of costs of material, amortisation and other operating expense under net revenue from sale decreased, the share of cost of services increased, the share of labour costs stayed at the same level.

Share of single operating expense in net revenue from sale of Luka Koper Group



Cost of material

In January – June 2016, the cost of material of Luka Koper Group amounted to EUR 7.4 million which is EUR 202.5 thousand resp. 3 percent increase of the cost of material in the comparable period in 2015. A major volume of maintenance works resulted in the increase of costs of auxiliary material. The cost for energy decreased due to the lower cost of electric power and lower fuel costs.

Cost of services

In the first half of 2016, the cost of services amounted to EUR 25 million, which is EUR 3.1 million resp. 14 percent ahead on costs generated in 2015. As consequence of increased maritime throughput and higher number of hours worked the costs of port's services increased by EUR 1.7 million resp. by 16 percent. A major increase resulted from increased volume of throughput and more demanding procedures in handling operations of new cars' trademarks at Car terminal, one of major consumers of these services. Higher costs are also attributed to a major occupancy of storage areas and consequently a larger number of movements.

Costs of other services increased by EUR 1.1 million resp. by 18 percent. As a result of higher operating revenue, there were higher concession costs. Cost of IT support increased due to new upgradings of the information system and supply of new software.

Cost of labour

In the first half of 2016, the Luka Koper labour costs amounted to EUR 25.9 million, which is an increase of EUR 2.4 million resp. 10 percent. The year-on increase can be attributed to the increase of the basic salary, applicable as from 1st January 2016 onwards in Luka Koper, d. d., and Luka Koper INPO, d. o. o., in compliance with the collective agreement, and higher payments for job performance and pay for holiday. On the basis of the provision of the Corporate Collective Agreement, Luka Koper, d. d., and its subsidiary companies in June 2016 paid to the employees the pay for holiday 2016 in the amount up to 70 percent of the average salary in the Republic of Slovenia calculated two months ago, published on the Statistical Office of Slovenia website.

As at 30th June 2016, the total number of employees in Luka Koper Group companies 2016 was 1,055, which was 32 employees more resp. 3 percent increase comparing with the situation on 30th June 2015.

Depreciation costs

In January to June 2016, the depreciation cost in the amount of EUR 13.3 million were EUR 379.5 thousand resp. by 3 percent lower than the depreciation costs of the comparable period in 2015.

Other operating expenses

Other operating expenses of Luka Koper Group in the first half of 2016 amounted to EUR 3.9 million and were EUR 975.7 thousand resp. 20 percent lower than in the comparable period in 2015. The revaluation operating expenses decreased as well as administrative fees and court costs, which were higher in 2015 due to court settlements. Within charges not depending on labour costs and other types of costs is classified the cost increase of the compensation for the use of the building land by the Municipality of Koper resulted from a new decision.

OPERATING PROFIT

In January to June 2016, Luka Koper Group generated the operating profit in the amount of EUR 28.1 million which is EUR 4.1 million resp. ahead on the comparable period in 2015. Higher operating profit primarily resulted from 11 percent higher net revenue from sale .

The EBITDA amounted to EUR 41.4 million and was higher by EUR 3.7 million resp. by 10 percent than in the comparable period 2015. In comparison to the plan, the EBITDA was higher by EUR 5.3 million resp. by 15 percent.

In the first half of 2016, the EBITDA margin amounted to 40.6 percent and was lower by one percent resp. by 0.4 percentage point in comparison with the the first half of 2015, when it amounted to 40.9 percent. In 2015, the EBITDA and consequently EBITDA margin were affected by an extraordinary income from the reversal of provisions from judicial settlement in the amount of EUR 1.5 million. Excluding this revenue, the EBITDA margin the first half of 2015 would amount to 39.3 percent. Consequently, the EBITDA margin achieved in the first half of 2016 was higher with respect to the previous year without the aforesaid extraordinary revenues by 3 percent resp. by 1.3 percentage point. This type of revenues was not planned in 2016.

In comparison to the plan, the EBITDA margin was higher by 11 percent resp. by 4 percentage point. In the first half of 2016, Luka Koper, d. d., projected for the public utility service of regular maintenance of the port's infrastructure more extensive volume of maintenance and consequently higher revenue in the amount of EUR 4.8 million due to the withdrawal of long-term deferred revenues in comparison to the plan of the first half of 2016. Actually, a minor volume of regular maintenance of the port's infrastructure destined to the public due to the delayed adoption of the plan by the Ministry of Infrastructure, we received on 5th May 2016. In the event of the elimination of the impact of EUR 4.8 million higher revenues in this respect , the planned EBITDA margin would amount to 38.5 percent. Consequently, the achieved EBITDA margin in the first half of 2016 was higher than planned, without the said impact of long-term referred revenues by 5 percent resp. by 2.1 percentage point.

FINANCE INCOME AND FINANCE EXPENSES

In the first half of 2016, the finance income of Luka Koper Group amounted to EUR 240.7 thousand, which is EUR 9.5 thousand resp. by 4 percent on the achieved finance income in the comparable period 2015. The finance income from shares in other companies increased.

Finance expense in January – June amounted to EUR 1.2 million and recorded EUR 371.5 thousand (resp. 23 percent) decline. Finance expense from financial liabilities fell by EUR 374.9 thousand, as result of lower EURIBOR, as result of reduced interest rate margins on some loan contracts at the end of 2015 and the reduced indebtedness.

RESULTS OF ASSOCIATED COMPANIES

In the first half of 2016, profit before tax is increased by results of the associated companies in the amount of one million euros which is EUR 307 thousand resp. 44 percent increase in comparison with the equivalent period last year. The results almost entirely refer to the improvement of the performance of Adria Transport, d. o. o., Adria-Tow, d. o. o, and Avtoservis, d. o. o.

PROFIT BEFORE TAX AND PROFIT FOR THE PERIOD

Profit before tax of Luka Koper Group in January – June 2016 amounted to EUR 28.1 million and exceeded the achieved in profit the comparable period 15 by EUR 4.8 million resp. by 20 percent.

Net operating profit of the Luka Koper Goup in January – June 2016 amounted to EUR 23.7 million, which is EUR 4.1 million resp. 21 percent ahead on the achieved net operating profit in the comparable period in 2015 and EUR 4.5 million resp. by 23 percent.

Income tax and deferred taxes in January – June 2016 reduced the net operating profit in the amount of EUR 4.4 million, net operating profit of the comparable period 2015 was reduced by EUR 3.7 million.

FINANCIAL SITUATION AND FINANCIAL MANAGEMENT

As at 30th June 2016, the balance sheet total of Luka Koper Group amounted to EUR 484.1 million, which is EUR 17.1 million resp. 4 percent ahead on 31st December 2015.

As at 30th June 2016, non-current assets amounted to EUR 434 million, which is 89.6 percent of the Group, which is EUR 12.7 million increase in comparison to 31st December 2015. Due to higher investments, an increase was recorded in property, plant and equipment, and respectively by EUR 15 million, principally from advances.

Shares and interests decreased by EUR 1.9 million, due to the fall of the market value of non-current financial investments in other shares and interests, and is carried out at fair value.

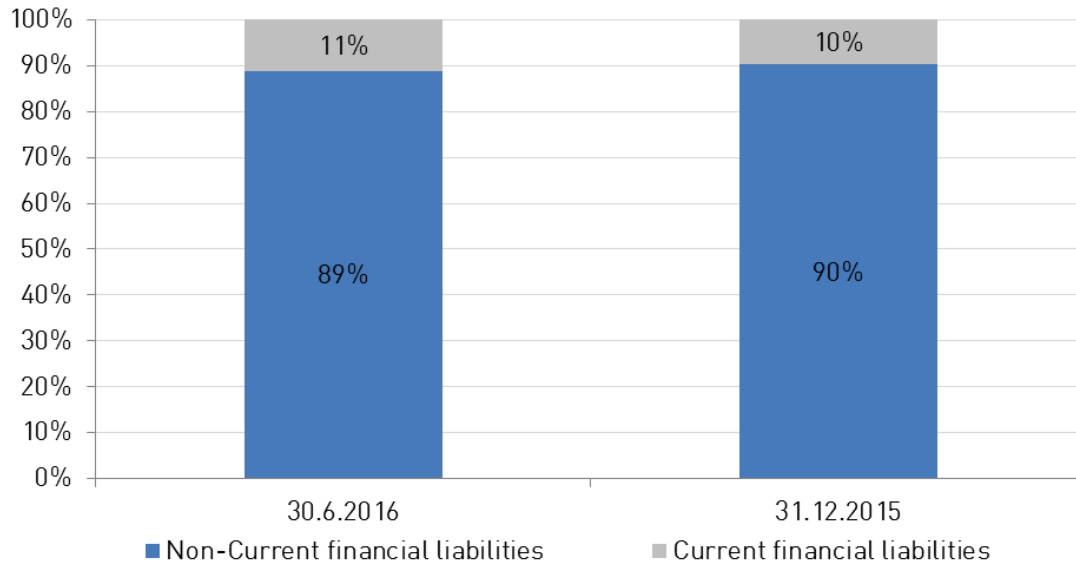
As at 30th June 2016, short-term assets amounted to EUR 50.1 million, which is EUR 4.5 million increase with respect to 31st December 2015. The inventories of maintenance material as of 30th June 2016 amounted to EUR 921.2 thousand, which is EUR 107.5 thousand ahead on 31st December 2015. Due to larger volume of operations with respect to 31st December 2015, the trade receivables grew by EUR 958 thousand. Accrued costs resp. revenues increased by EUR 3.1 million. A major increase was recorded in the accrued costs for the use of the building land and namely in the amount of EUR 2.2 million, accrued costs for annual holiday pay in the amount of EUR 574 thousand and deferred cost from insurance premiums in the amount of EUR 354 thousand. In comparison to 31st December 2015, cash and cash equivalents increased by EUR 1.3 million and as of 30th June 2016 amounted to EUR 13.9 million.

As of 30 June 2016, the equity of Luka Koper Group amounted to EUR 328.4 million, which accounts for 68 percent of the balance sheet total. Non-current liabilities with provisions and long-term accrued costs, which represent 24 percent of liabilities at 30th June 2016 amounted to EUR 114.5 million. With respect too the balance at 31st December 2015 they decreased by EUR 6.7 million. Provisions and borrowings from banks decreased due to the repayment of borrowings.

As at 30th June 2016, the current liabilities amounted to EUR 41.3 million and registered an increase of EUR 1.7 million with respect to 31st December 2015. The major increase was registered in other financial liabilities, and namely in accrued costs for the 13th salary for 2016 and accrued commercial discounts.

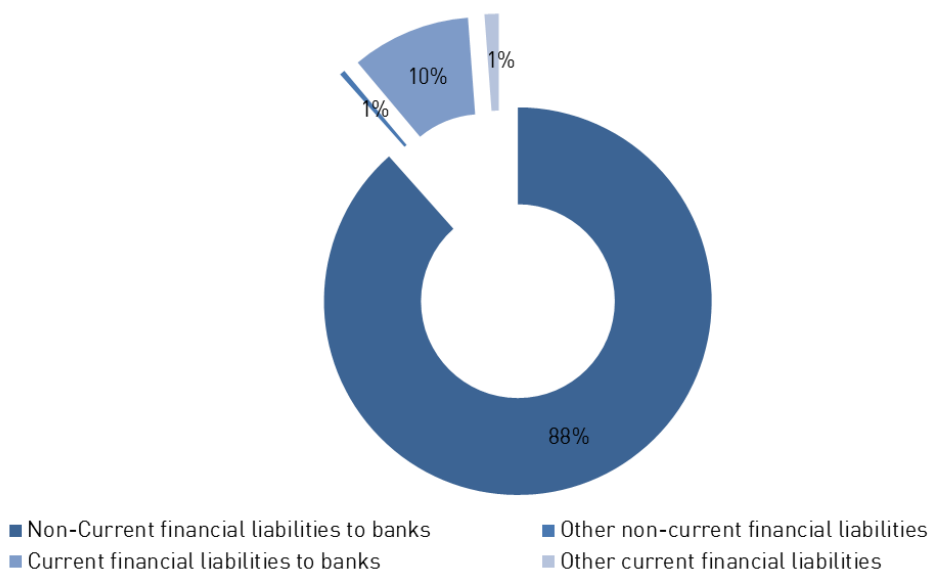
As of 30th June 2016, the financial liabilities of Luka Koper Group amounted to EUR 107.5 million and with respect to 31st December 2015 decreased by EUR 4.4 million. The liabilities towards the banks decreased due to the repayment of borrowings, according to the amortization schedules.

Structure of Luka Koper Group's financial liabilities by maturity



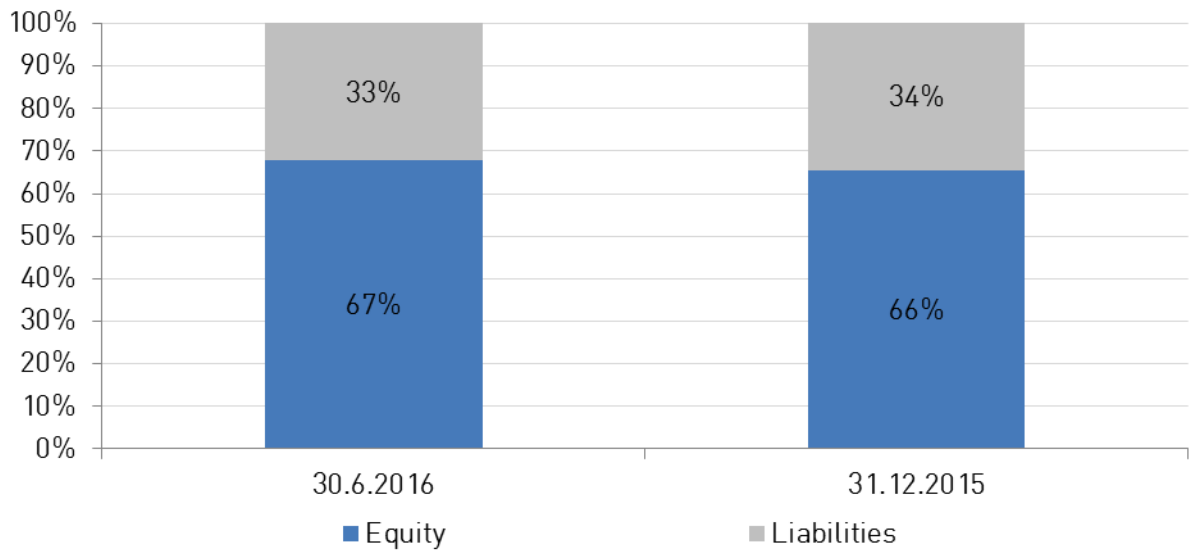
As at 30th June 2016, the non-current financial liabilities of Luka Koper Group amounted to 88 percent of total financial liabilities. Comparably, as at 31st December 2015, their share decreased by 2 percentage points.

Luka Koper Group financial liabilities as of 30 June 2016



Among financial liabilities of Luka Koper Group, prevail the liabilities related to the variable interest rate. The Group manages the interest rate risk by entering into an interest hedge for EUR 60.7 million of principal amount of non-current borrowing, which represents 57.1 percent share of total financial liabilities from received loans as of 30th June 2016. An eventual change of variable interest rates would consequently have an impact on 42.4 percent of all Group's loans (in 2015, there were 43.0 percent of such loans). The remnant 57.6 percent of loans were hedged against interest rate risk.

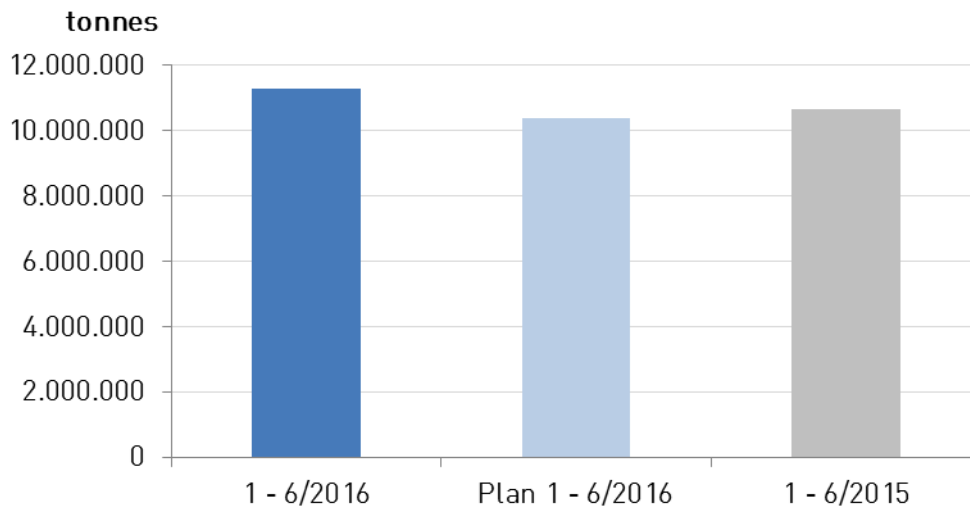
Structure of equity and liabilities of Luka Koper Group



MARKETING AND SALES

The maritime throughput of Luka Koper Group in the first half of 2016 amounted to 11.3 million tonnes, which is 9 percent ahead on planned quantities and 6 percent ahead on the throughput registered in 2015. In May 2016, a record monthly maritime throughput was achieved in Luka Koper, d.d. history in the amount of 2.15 million tonnes. The Group's throughput growth in the first half of the year in comparison to 2015 was achieved in all product groups. With respect to the previous year, Luka Koper Group generated 1 percent growth of loaded goods onto and 9 percent growth of unloaded goods from vessels.

January – June 2016 and 2015 cargo tonnage throughput and the plan for 2016



The increase in the maritime throughput generated the growth of net revenue from sales. Net revenue from sale of Luka Koper Group from sales activity in the first half of 2016 exceeds the planned revenue by 8 percent, while the revenue from the performance of public utility service of regular maintenance of the port's infrastructure destined to the public traffic fall behind the planned schedule by EUR 4.3 million resp. by 51 percent, causing the exceeding of total planned revenues of Luka Koper Group in the first half of 2016 only by 3 percent.

Cargo structure by types

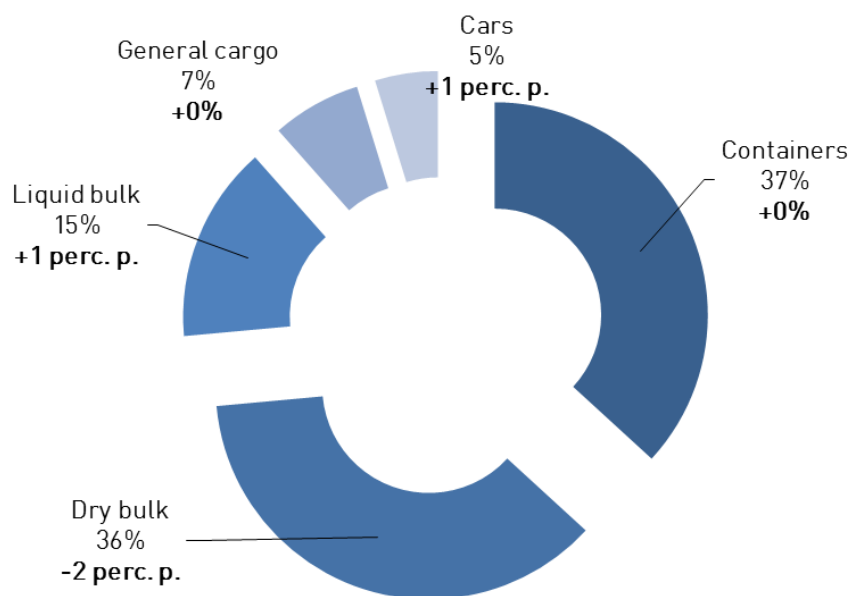
Cargo throughput in tonnes per cargo types, January - June 2016 and 2015

CARGO TYPES (in tonnes)	1 - 6 2016	1 - 6 2015	Index 2016/2015
General cargoes	763,989	733,319	104
Containers	4,161,654	3,902,984	107
Vehicles	538,367	429,030	125
Liquid cargoes	1,688,004	1,496,062	113
Bulk and break bulk cargoes	4,149,821	4,089,934	101
TOTAL	11,301,834	10,651,329	106

Container (in TEU) and vehicle (in units), January – June 2016 and 2015

CARGO TYPES	1 - 6 2016	1 - 6 2015	Indeks 2016/2015
Containers – in TEUs	423,265	393,655	108
Vehicles – in UNITS	355,513	291,598	122

Structure of cargo throughput by product type, January – June 2016 and percentage change in relation to January – June 2015



General cargoes

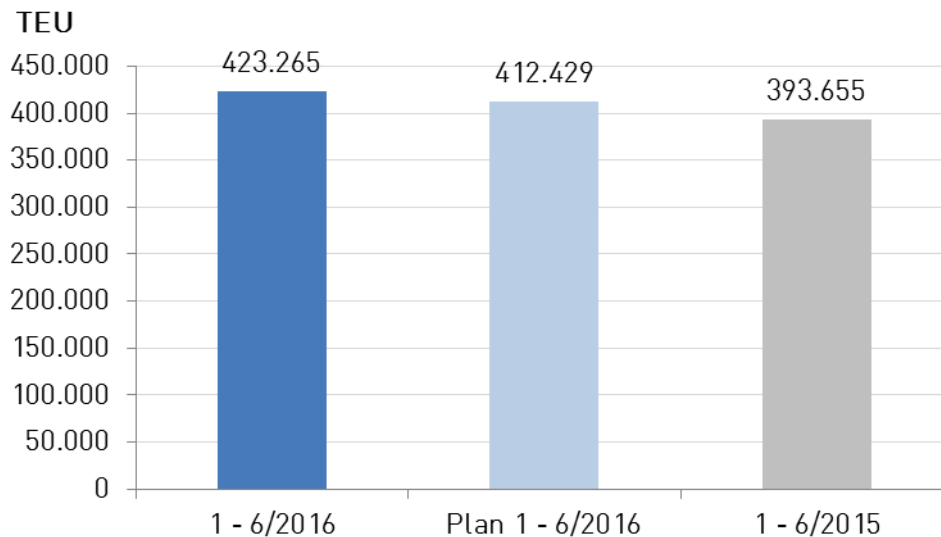
Within the general cargoes Luka Koper Group in January – June 2016 reached a growth of the maritime throughput in the amount of 4 percent with respect to January – June 2015. The growth was recorded in the throughput of steel and steel products and of bananas shipped by conventional ships. Due to unstable economic and political situation in Northern African countries the throughput of timber registered a decline in comparison with the previous year.

Containers

The maritime throughput of containers in January – June 2016 amounted to 423,265 TEUs. The achieved maritime throughput of containers recorded a 8 percent year-on increase. The throughput of full containers rose by 9 percent, a major growth was registered in import in the amount of 14 percent, and in export 4 percent growth was achieved.

The Port of Koper is the first port of call from the Far East for the alliance 2M and Ocean3, and last port of call for Ocean3 alliance, thus providing a big advantage to importers and exporters thanks to the shorter transit time in import and export of goods from Far East.

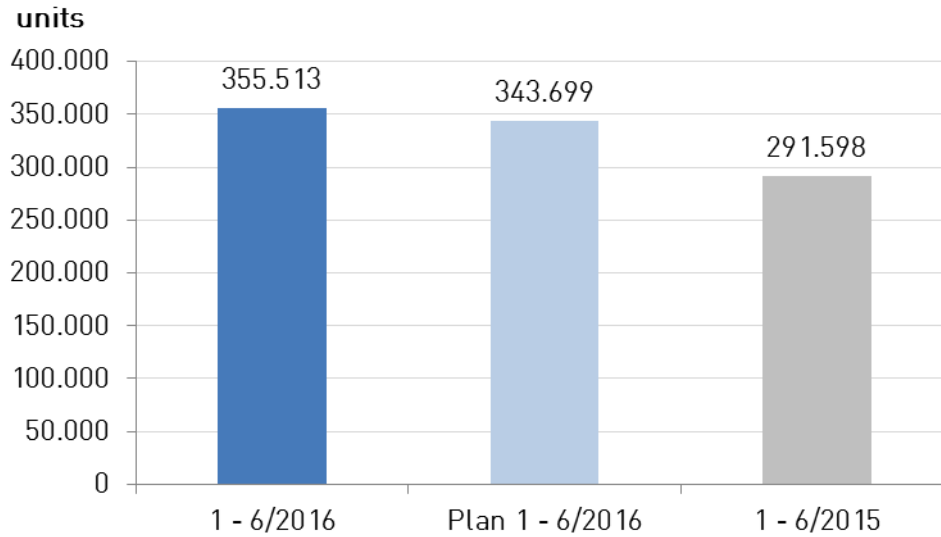
Container throughput, January – June 2016 and 2015 (in TEUs)



Vehicles

A total of 355,513 vehicles were handled in January – June 2016, which is 22 year-on increase. 107 thousand of vehicles were handled in import, 248 thousand in export.

Throughput of vehicles, January - June 2016 and 2015 (in units)



Liquid cargoes

In the first half of 2016, the throughput of liquid cargoes recorded a year-on increase of 13 percent.

Dry bulk cargoes

In the product category dry bulk cargoes, the Luka Koper Group achieved one percent growth in comparison with the previous year. Due to the changed dynamics of vessels' arrivals in the Port of Koper, the throughput of coal and iron ore was lower by one percent with respect to the maritime throughput in January – June 2015.

The throughput of soya and organic cereals, besides that the Luka Koper Group acquired a new minerals business.

RISK MANAGEMENT

In the second quarter of 2016, the subsidiary companies Adria Terminali, d. o. o., Luka Koper INPO d. o. o., and Logis Nova, d. o. o., were included in the uniform system of risk management within Luka Koper Group, whilst at the conclusion of the third quarter of 2016 the risk assessment inventory is projected for other subsidiary companies. Within further development of the corporate integrity system, the company provided IT support for the acceptance of notifications on notifications of corporate integrity violations through the electronic link on Luka Koper, d.d., website.

Timely completion of strategic development Luka Koper Group until 2020 mainly depends on a timely obtainment of adequate permits. In the procedure of the public display of the documentation for the obtainment of the environmental permit for the projected extension of the Pier I, held from 21st June 2016 until 20th July 2016, the Municipality of Koper submitted a request for the participation as party to a proceeding, which will extend the procedure related to the obtainment of the environmental permit. Currently, Luka Koper, d.d. is not in position to estimate the time frame for the obtainment of the environmental permit and consequently the building permit due to long-term procedures and potential submission of claims.

In the second half of 2016, Luka Koper, d. d., identified again among the key risk the risk of frequent changes of the Supervisory Board resp. the Management Board and new risk of intended amendments of the Concession Agreement and the establishment of the Port Authority. Luka Koper d.d. was presented with the intention to amend the concession agreement and to establish the Port Authority without additional explanation of the Ministry of Infrastructure with respect to the questions exposed during the debate at the 87th session of the Committee on the economy, which was submitted jointly with the Development Programme of the international freight port in Koper for 2016-2020 to the Secretariat-General of the Republic of Slovenia for approval at the Government session held on 30th June 2016 (N^o of the document 3731 – 12 / 2015 / 66 - 02021189). In case the intentions from the above mentioned document had been implemented, the latter could represent an adverse impact on Luka Koper Group performance; therefore Luka Koper d.d. will adopt all adequate measures with aim to protect its interests in compliance with the Concession agreement in force until 2043 and all other available measures. In case of other identified risks related to the provision of additional infrastructural capacities and compliances, the Company adopted adequate measures for risk management.

In the beginning of July, Luka Koper, d. d., faced a backlog in the performance of handling operations in the port due to an unexpected, unpreventable and unavoidable sudden revolt of workers, who completely blocked all work processes in the port for three days due to a disagreement with the way of acting of some government representatives in relation to Luka Koper d.d. From the very first day of the work stoppage in the Port of Koper, the Management Board made all possible efforts in order to restore the processes. All competent government and

municipality authorities were informed about the situation in the port , related to the activities in the port. At the stoppage of the work, workers did not wish to communicate with anybody, neither with the Management Board. Only on 1st July , late in the afternoon, the workers submitted a writing with their requests which were not addressed to the employer. The same day, the Workers' council of Luka Koper, d. d., at the initiative of Luka Koper d.d. Management Board assumed the role of mediator and established the contact between the workers and the Management Board, which led to an agreement on July 3, 2016 which envisaged the work processes to be restored on 4th July, from 9 a.m until 5 p.m., with all available resources resp. for critically important operations also outside this time frame. During the blockade the workers ensured the handling operations of highly perishable goods and other critical handling operations. On 4th July, the Management Board of Luka Koper d.d. agreed with workers the same working arrangements also on 5th July 2016, when late in the afternoon an agreement on final lifting of the blockade on the same day at 10 p.m., was reached. The same evening the work started uninterruptedly in three shifts and also at terminals, where the work is not performed in three shifts with aim to tackle as soon as possible with backlogs orders for customers, by which the delays within the port zone were removed yet on 5th July. Till the date of publication of the Report, Luka Koper d.d, has received only few unofficial and/or unfounded announcements resp. requests, which will be adequately addressed in the future.

Multiple terroristic attacks and attempted coup d'état in Turkey, which is a key market for the Car terminal, representing 40 throughput, may have an impact on the deepening of the internal and external political instability in the coming months, thereby having an impact on the throughput decline for the abovementioned market. Currently, it is impossible to estimate the extent of the impact.

LKPG SHARE

As at 30th June 2016, Luka Koper, d. d., had a total of 11,270 shareholders resp. a year-on decline of 4.7 percent. The ten major shareholders held 76.93 percent of all Luka Koper, d. d. stock. The Republic of Slovenia, with its 51-percent stake, is the company's major shareholder.

Ten largest shareholders in Luka Koper, d.d., as of 30 June 2016

Shareholder	Number of shares 30. 6. 2016	Percentage stake 30. 6. 2016 (in %)
Republic of Slovenia	7,140,000	51.00
Slovenski državni holding, d.d.	1,557,857	11.13
Kapitalska družba, d.d.	696,579	4.98
Municipality of Koper	466,942	3.34
SOP Ljubljana	412,248	2.94
Unicredit Bank Austria AG - fiduciarni	122,373	0.87
Zavarovalnica Triglav, d.d.	104,756	0.75
Aktsiaselts Trigon Funds	95,681	0.68
Parametric Emerging Markets Fund	94,050	0.67
Perspektiva FT d.o.o.	80,000	0.57
Total	10,770,486	76.93
Total shares	14,000,000	100.00

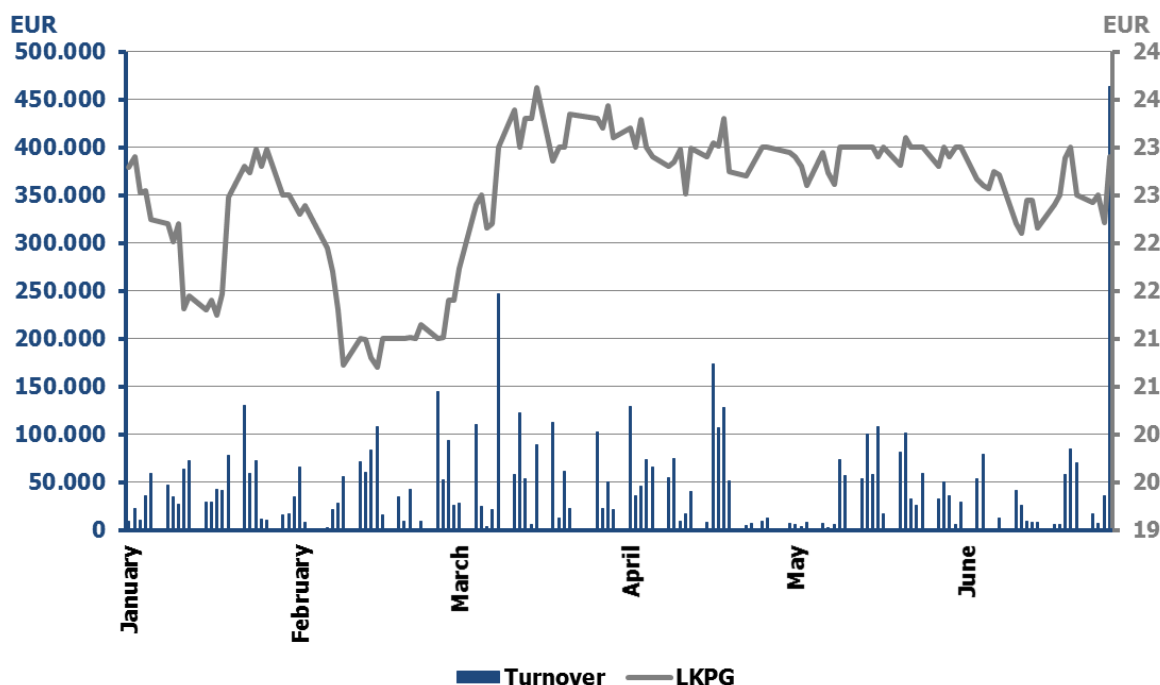
Trading in LKPG share

In the first half of the year, the average daily share price of Luka Koper, d.d., stood at EUR 22.47, whilst its overall trading value fluctuated between EUR 20.70 and EUR 23.63. The highest daily price was EUR 23.63, the lowest EUR 20.60. As of 30th June 2016, the market capitalisation of Luka Koper, d. d., shares amounted to EUR 320,600,000. There were 1,832 transactions and block trades with an aggregate value of EUR 6,061,549, whereby 269,983 shares changed ownership.

Relevant data o LPKG share

	1 – 6 2016	1 – 6 2015
Number of shares as of 30 June	14,000,000	14,000,000
Number of ordinary no-par value shares	14,000,000	14,000,000
Closing price as of 30 June (in euros)	22.90	25.01
Book value of share as of 30 June (in euros)	21.64	20.42
Ratio between average weighted price and avce (P/B)	1.06	1.22
Average weighted market price (in euros) ⁹	22.45	24.96
Average book value of share (in eur) ¹⁰	20.98	19.88
Ratio between average weighted price and average book value of the share	1.07	1.26
Net earning per share (EPS) (in euros) ¹¹	3.13	2.55
Ratio between market price and earnings per share (P/E) ¹²	7.31	9.80
Marke capitalisation as of 30 June (in mio euros)	320.6	350.1
Turnover (all transactions) January – June (in mio euros)	6.1	11.1

Changes in the daily LKPG share price and daily turnover, January – March 2016



⁹ Weighted average market price is calculated as a ratio between total value of LPKG stock exchange transactions and the aggregate number of LPKG shares traded across the period.

¹⁰ Average book value of the LPKG is calculated on the basis of average monthly ratio between equity and number of ordinary shares.

¹¹ Indicator is calculated on the basis of annualised data..

¹² Indicator is calculated on the basis of annualised data.

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

As of 30th June 2016, the following members of the Luke Koper, d. d., Supervisory Board held shares in the company:

Nebojša Topič, M.Sc., Member of the Supervisory Board	9
Marko Grabljevec, Member of the Supervisory Board	10

As of 30th June 2016, the following Member of the Luka Koper, d.d., Management Board held shares in the company:

Dragomir Matić, president of the Mangement Board	1,238
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Treasury stock, authorised capital, conditional capital increase

As at 30th June 2016, Luka Koper d.d., did not hold any treasury stock. The company statute does not 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 June 2016 period.

INVESTMENTS IN PROPERTY PLANT AND EQUIPMENT, INVESTMENT PROPERTY AND INTANGIBLE ASSETS

In the first half of 2016, Luka Koper Group allocated z EUR 27.9 million for investments in property, plant and equipment, investment property and in intangible assets, which is EUR 18.5 million increase in comparison with the first half of 2015 and 30 percent less than planned.

Luka Koper, d. d., allocated EUR 27.4 million for investments, which is 98 percent of Luka Koper Group investments.

In January – June 2016 three mayor investmens were implemented and namely:

- Continuation of the construction of three new tanks for the needs of the Liquid cargoes terminal;
- due to the increased traffic at the Container terminal and in other to provide a smooth shipment and delivery of waggons in this area, continuation of the construction of a new railway track and new bridge over the channel.
- Further filling of landfill site on the head of the Pier I was carried out due to the increased cars' handling operations and need of new parking areas.

At the end of 2015, Luka Koper d.d. ordered 11 new, more efficient cranes for containers handling, as part of the investment projecting besides new more efficient equipment also the extension of the Pier I and construction of additional capacities at the Container terminal, thus achieving the capacity 1.3 million TEUs until 2020. In the first half of 2016, Luka Koper d.d., allocated EUR 11.8 million for ordered cranes.

Furhermore, several minor investments such as additional storage area for full containers, replacement areas for timber storage, new prefabricated roofing at the warehouse 28 c, new X-ray scan and inspection area, the dredgginmg of the basin within the Port of Koper harbour area was completed, the extension of tracks 45 and 46 started, the extension of the truck loading station started at the Liquid cargo terminal and construction of RMG lane for cranes.

Monitoring and management of environmental impacts remain a significant part of regular port's activities. In order to preserve the environmental sustainability, a part of funds in the first half of 2016 was allocated to the ecology, in line with strategic objectives. With purpose to reduce the dusting, a new waterproof grab with major capacity was purchased.

DEVELOPMENT ACTIVITY

In January – Junij 2016 period, Luka Koper, d. d., further pursued its development and research activities related to the Port's development with regard to the trend in this business line and long-term plans. Since in 2015 new strategic documents on Port's development until 2020 with guidelines until 2030, which defined the spatial and infrastructure interventions, Luka Koper d.d. focused on the technological aspect and prospects of improvement of process efficiency. As was the case in the preceding period, there is still a considerable emphasis on the accelerated implementation of priority infrastructure projects and including this type of activities in co-funding applications. The sediment problems resp. the location of their disposal represent a big challenge, and therefore Luka Koper d.d. started a specific project on this subject. After a lengthy coordination, on 30th June 2016 the Government of the Republic of Slovenia adopted the Port's Development Programme 2016 – 2020, which makes conditional the implementation of investments in the port's infrastructure in compliance with the strategic priorities of Luka Koper d.d. Many activities concerning the emphasizing the timely construction of the second track on Koper – Divača railway line, which determines further Port's development, logistic activities in Slovenia and trade with hinterland countries of the Central and Eastern Europe, were carried out..

As concerns the European projects, very intensive activities were carried out in the first half of 2016, in particular as concerns the projects of TEN-T programme resp. CEF, whereby Luka Koper endeavours to cofinance concrete development challenges and infrastructure needs of the Port in the light of the implementation of EU corridor policy:

- Luka Koper d.d. has been completing the reporting of 5 projects of TEN-T programme from the previous financial perspective, which had been completed on 31 December 2015: NAPA STUDIES, NAPADRAG, NAPAPROG, POSEIDON MED and B2MOS.
- New projects of the second call of the programme CEF with the date of submission of new applications by 16 February were prepared. In June we received the information that 2 submitted projects were approved and namely:
 - CarEsmatic – partnership project jointly with the Port Authority of Barcelona, Autoterminal and shipping company Neptune Lines, facilitating 30 percent co-funding of the construction of the Ro-Ro berth in the Basin III and VI, group of tracks in the rear area of the basin III in the Port of Koper, potential co-funding in the amount of EUR 3,45 million.
 - ELEMED – partnership project with Greek and Cypriot partners, co-funding 50 percent of the study and potential electric power supply to vessels, potential co-funding in the amount of EUR 150 thousand.
- Until 31st March 2016 Luka Koper d.d. prepared first reports for 3 new projects which were

approved at the first call CEF: NAPA4CORE, AINN4MOS and Fresh Fruit Corridors and continued the activities, and as well the project RCMS (programme Horizon 2020).

- From 20 till 22 2016 June we also attended institutionally very important European event TEN-T days 2016 held in Rotterdam, where we presented the port's development plans to the European institutions.

As concerns the territorial cooperation projects, where the topics are somewhat regional and the cooperation softer, with emphasis on partnership projects, the relevant activities concerned mainly:

- Applications to the first call of a new programme ADRION, to which Luka Koper d.d. until the date of submission 25 March 2016 joined the applications for 16 projects.
- Luka Koper received results of last year's first calls for tenders of programmes Central Europe and Mediterranean, where 3 projects, which passed the first phase of assessment, were unfortunately not approved, and therefore new they will be improved and the applications will be forwarded to following calls for tender.
- Until the term for application 24th June 2016 Luka Koper once again joined the partnership project TalkNet within the programme Central Europe.
- Discussions about the cooperation and cross-border projects of the programme Slovenia – Italy, for which a call for tenders was published in June 2016.
- the project Easyconnecting programme IPA Jadran, whereby Luka Koper cooperates as external contractor, was prolonged until September 2016.

The cooperation in European territorial cooperation programmes is also relevant, since they place Luka Koper in the European institutional setting – mainly as concerns the planning and development of national and Transeuropean transport infrastructure, logistic concepts, environmental protection, safety, sustainable energy supply, IT updating, cultural heritage and similar.

In April 2016, we joined the wider consortium of Slovenian partners in the project of Ministry of Economic Development and Technology "Research and Development Programmes "From value chains to value networks", which was approved and will allow the study of dredged sediments and their potential use.

In the first half of 2016, Luka Koper d.d. has still been endeavouring to obtain replies on the potential cofinancing of the Cruise terminal, since the project documentation is at an advanced stage and for Luka Koper d.d. it is to obtain a final reply in order to take decision about the implementation of the project. However, it has been noted that the co-funding once again depends on the availability of the resources of the Ministry of Infrastructure, which has other priorities and limited financial resources.

As concerns the international institutional activities, Luka Koper d.d. attended the meeting of the

executive committee of the European Sea Port Organisation ESPO held in Brussels, forums Baltic-Adriatic, Mediterranean corridor and forum Motorways of the sea – organised by the European Commission with aim to monitor the implementation of corridor policy CEF. In February 2016 the representatives of Luka Koper attended the meeting with the commissioner for transport, Mrs. Violeta Bulc and Minister Peter Gašperšič with Slovenian stakeholders, in March we took active part at the Transport-Logistic conference, organised by SBRA in Brussels. In June we attended annual general meetings and key ESPO (Dublin) and FEPORT (Valencia) events.

Luka Koper d.d. has followed the development of the adoption of the European ports' regulations through the association ESPO in FEPORT

In June, a sole this year joint promotional event respectively the presentation at the traditional fair TL Shanghai was organised within NAPA association.

With respect to the emphasizing the significance of the second railway track ra Koper – Divača and development plans, Luka Koper took part in several events held at Chamber of Commerce, in the National Assembly and National council of the Republic of Slovenia, at Economic and Social Council of Slovenia, at Port's Community Propeller club, and hosted various political and business delegations.

However, it should be emphasized that the support of the Slovenian State and the understanding of the port's activity is of paramount importance for further Port's development, the achievement of which is a big challenge for the development activity of Luka Koper d.d.

SUSTAINABLE DEVELOPMENT

NATURAL ENVIRONMENT



Luka Koper has always taken care for the improvement of the quality of life in the whole area where the Ports is situated. The principles of sustainable development and responsible environment management are taken into consideration, and wherby the set strategic directions are followed. In August 2016, Luka Koper d.d., published the Environmental Report of Luka Koper d.d. 2015, which is also available on the website <http://www.zivetispristaniscem.si/index.php?page=static&item=14>.

CARE FOR ENVIRONMENT

The endeavours to decrease emissions into the atmposhere that are generated during the Port's acctivity, involve various activities. The most important measures to decrease dusting were the introduction of the technology to apply paper mill sludge to the coal and iron dumping area. Paper mill sludge forms a layer that prevents dusting.

TOTAL VOLUME OF DUST AT THE PORT

Control measurements of the total volume of dust are carried out yet from 2002 on ten measurements points in the Port. There are no legal restrictions on the quantity of dust deposits in Slovenia, nevertheless, we have set a goal not to exceede the average annual level of 250 mg/m²day. In the first half of the year 2016, the average of the measured values from all measuring points amounted to 114 mg/m²day.

Total average values were by 19 percent lower than the average values in 2015 and also under the set limit. Exceedings were not recorded. Since the damage occured to the equipment, 4 measurements from 50, were not implemented.

QUANTITY OF HEALTH HAZARDOUS DUST PARTICLES (PM₁₀)

Statutory prescribed mesurements of fine dust particles (PM₁₀), are carried out by an authorised organisation and are continuously monitored on three points withi the Port. The measurements

taken in the first half of the year were below the target value of $30 \mu\text{g}/\text{m}^3$ and statutory set up volume of $40 \mu\text{g}/\text{m}^3$. The results from two measurement devices are shown automatically every hour on the Port's web pages www.zivetispristaniscem.si.

Comparison of mean values of PM10 measurements January- June 2016 and 2015

	1 - 6 2016	1 - 6 2015	Indeks 2016/2015
Ankaran – Rožnik	20 µg/m ³	20 µg/m ³	100
Bertoki	21 µg/m ³	23 µg/m ³	91
Koper – Cruise terminal	23 µg/m ³	21 µg/m ³	110

In comparison to 2015, the values differ slightly. Towards Ankaran – Rožnik remained unchanged, towards Bertoki slightly decreased and towards Koper slightly increased. It has to be emphasized that in the beginning of 2016, there was a high increase of dust particles in the atmosphere.

EMISSIONS OF DUST PARTICLES ON KEY SOURCES

Since the permitted values of dust particles emissions of key sources are stipulated by law, we perform measurements in the direct vicinity of the dust-generating sources (e.g. at loading/unloading of wagons, trucks and ships). In 2016, the company has not performed yet the measurements required by law. The measurements required by law will be performed by and authorised official till the end of 2016.

WASTE MANAGEMENT

Various types of waste are generated in the Port of Koper. In order to protect the environment, Luka Koper ensures that waste separation extends to all terminal operations as well as users of the port zone, vessels included. The waste is separately collected, recycled and processed. Separately collected waste materials are delivered to external waste-processing contractors and agents, whereas organic waste is processed at the composting plant in the port. Luka Koper d.d. also collaborates with external companies in relation to waste processing.

In the first half of 2016, we achieved 93 percent waste separation and we exceeded the set objective of 84 percent of sorted and separately collected waste. In April 2016 154 tonnes of unserviceable railway waggon were removed from the port's zone and delivered to an authorised external company.

NOISE

Noise levels are continuously monitored by devices at three peripheral points around the port, and the results are published online via the Living With The Port www.zivetispristaniscem.si.

Average nightly noise levels (in dB), recorded at locations around the Port, January- June 2016 and 2015

1 - 6 2016			1 - 6 2015			Threshold value
Eastern periphery (Bertoki)	Northern periphery (Ankaran)	Southern periphery (Koper)	Eastern periphery (Bertoki)	Northern periphery (Ankaran)	Southern periphery (Koper)	
L _D =55	L _D =54	L _D =64	L _D = 54	L _D = 53	L _D =63	L _D = 73
L _V =52	L _V =53	L _V =62	L _V = 53	L _V = 51	L _V =62	L _V = 68
L _N =50	L _N =50	L _N =60	L _N = 49	L _N = 49	L _N =60	L _N = 63
L _{DVN} =57	L _{DVN} =58	L _{DVN} =68	L _{DVN} = 57	L _{DVN} = 57	L _{DVN} =67	L _{DVN} = 73

Legend: L_D – daily noise level, L_V – evening noise level, L_N – night noise level, L_{DVN} – noise level day – evening – night

Level of noise in the first half of the year slightly increased within the entire Port's area in comparison to the same period last year. Main sources of noise in the Port are due to the goods handling operations, and therefore the main reason for the noise increase in the first half of the year was the growth of the throughput and the increased use of the port's machinery. A significant source of noise in the Port is attributable to the vessels, which due to ensuring smooth operation, must keep engines running.

ENERGY

In the first half of 2016, the first phase of installation of network analysers and communication equipment in transformer stations for the control of the electricity consumption in the Port. The data will be transferred from measuring devices through the ethernet in SCADA monitor and control system. In the third quarter of 2016, Luka Koper d.d. will be able to measure and save data about the electric power consumption of the whole port's zone at the minute level.

Within the framework of EU project GAINN4MOS Luka Koper started to examine a potential use of liquefied natural gas for ships' supply, handling equipment and power generation to supply vessels, handling mechanisation and production of the electric power. Results of the study will be known in the third quarter of the year.

In the third quarter of 2016, the first phase of the investment i.e the replacement of the existing high-pressure sodium lighting by modern LED lighting will start.

CONSUMPTION OF ENERGY AND WATER

Slightly higher consumption of the electricity and motor fuel in the first quarter of 2016 in comparison with 2015 is primarily attributable to the increased throughput and limited storage areas. The consumption of water does not depend directly on the throughput and is to a certain extent attributable to water leakage, and therefore the indicator is more difficult to manage.

Through continuous fixing of leaks, the company is reducing the occurrence of new leaks. Specific consumption of water in the first half of 2016 in comparison with 2015 has decreased primarily due to the reduced water leakage in the water network and reduced absolute consumption of the drinking water.

In the first half of 2016, Luka Koper d.d. carried out two measurements on the quality of waste water in small purification treatment plants and measurements of drinking water at the Cruise terminal. The results were adequate.

Specific consumption of energy products and water per handled tonne of the total throughput ¹³, January – June 2016 and 2015

	1 - 6 2016	1 - 6 2015	Index 2016/2015
Electricity consumption (kWh/t)	1.11	1.08	103
Motor fuel consumption (l/t)	0.24	0.23	104
Potable water consumption (l/t)	5.84	6.82	86

EFFECTS OF LIGHTING

In accordance with regulations for safe work, Luka Koper d.d. ensures proper lighting, which is required for continuous performance of work processes. Unfortunately, the lighting, which illuminates warehousing areas, working sites, transport routes and tracks at night is the source of environmental pollution.

Therefore, we have been adjusting and changing lights on the basis of the performed Study for Comprehensive Coordination of the Port's Outdoor Lighting, ensuring the light is not directed upwards. In order to achieve a 100 percent compliance, it is requested to replace the lighting at the container terminal, where the works already started. In the Port's areas, the lighting has already been harmonized.

MARINE PROTECTION

Pursuant to the provisions of the Concession Agreement for the performance of port activity, management, development and regular maintenance of port infrastructure in the Koper's cargo port area, in Luka Koper d.d. we regularly take care to prevent and remove the consequences of sea pollution. To carry out such activities we need special equipment, boats and skilled staff. We therefore regularly train the staff, provide training and drills. In the first half of 2016, Luka Koper d.d. in cooperation with the Faculty of Maritime Studies and Transport from Portorož in accordance with standards of International Maritime Organization (IMO) concluded a special training for actions taken in the event of sea pollution for five employees. The participants received

¹³ Total throughput comprises maritime throughput, stuffing/unstuffing of containers and land transhipment

a certificate which is valid for 36 months.

In exceptional events at sea Luka Koper d.d. takes measures in compliance with the valid Protection and rescuing plan of Luka Koper, d.d. in case of industrial accidents. In the first half of 2016, 17 incidents of sea pollution were recorded within the Port's aquatorium. In all cases measures were taken in accordance to the activation scheme of forces and resources for minor accident, and the consequences of pollution were successfully dealt with within the concession area. We managed to trace the polluters and had them refund the cost of cleaning. In the first half of 2016, Luka Koper d.d., invoiced EUR 16 thousand revenue from pollution incidents.

Statistical data on intervention at sea, January - June 2016 and 2015

	1 - 6 2016	1 - 6 2015
Number of accidents at sea	17	11
Number of interventions in the Port's aquatorium	14	10
Number of incidents not requiring intervention	3	1
Number of pollution incidents outside the Port's aquatorium	0	0

The results of measurements from the modern measuring station for monitoring of the sea quality, which is installed at the entrance into the Port Basin III, are published on the website www.zivetispristaniscem.si.

HUMAN RESOURCES

Skilled and motivated staff is strategic wealth and the condition for the development plans implementation. Luka Koper d.d. pays particular attention to the employees' management, development and motivation.

Knowledge, entrepreneurship, partnership, respect and responsibility of each employee are values Luka Koper follows and implements in practice.

RECRUITMENT, TURNOVER RATE AND EMPLOYMENT STRUCTURE

In Luka Koper Group, during three consecutive years the three percent employees growth trend proceeded. In the first half of 2016, there were 27 new employments, whereof 21 in Luka Koper, d. d., which is slightly up from the equivalent period last year. New recruitments were mostly in the primary process of unloading and warehousing. In the disability company Luka Koper INPO, d. o. o., there were 2 recruitments of employees with disability status.

Number of employees in Luka Koper group companies, as at 30 June 2016 and 30 June 2015¹⁴

	30.6.2016	30.6.2015	Index 2016/2015
Luka Koper, d. d.	866	834	104
Luka Koper INPO, d. o. o.	159	159	100
Luka Koper Pristan, d. o. o.	4	4	100
Adria Terminali, d. o. o.	22	23	96
TOC, d. o. o.	4	3	133
Luka Koper Group	1,055	1,023	103

The number of employees leaving the Luka Koper Group for termination of employment relationship was low, and in comparison with the comparable period last year further decreased. The terminations were mainly for reasons of old-age pensions and to a lesser extent consensual termination of the employment.

In the first half of 2016, the staff turnover in the Luka Koper Group remained at low level and amounted to 0.8 percent, which is a slight decline in comparison with the same period previous year.

¹⁴ the comparison includes only those enterprises with employees who were - as of 31st March 2016 consolidated within Luka Koper Group

Comparison between recruitment, termination and the turnover rate, January – June 2016 and 2015

	Number of new recruitments		Number of departures		TURNOVER RATE (in %) ¹⁵	
	1 – 6 2016	1 – 6 2015	1 – 6 2016	1 – 6 2015	1 – 6 2016	1 – 6 2015
Luka Koper, d. d.	21	18	7	8	0,8	1,0
Luka Koper Group	27	24	9	11	0,8	1,17

OCCUPATIONAL HEALTH AND SAFETY

Health and safety at work in accordance with the guidelines of the BS OHSAS 18001, Luka Koper, d. d., are approved by internal and external audits. Likewise, the modifications of the international standard ISO 45001 are followed through various external trainings in order to be prepared for the transition when the standard is approved.

The company is striving to implement preventive actions with trainings, additional education, awareness of employees and other persons in the Port. Each severe and repeating injury is examined and adequate actions are taken in order to prevent similar incidents.

Injuries at work, January – June 2016 and 2015

	1 – 6 2016	1 – 6 2015
Luka Koper, d. d.	8	11
Stevedore companies	20	19
Outsourcing companies	5	6
Subsidiaries	3	0
TOTAL	36	36

Currently, the objective of maximum 18 occupational injuries per million hours worked at Luka Koper d.d, has been achieved, since in the first half of 2016 there were 14.6 injuries per million hours worked. In the first quarter of 2016, a serious injury at work concerned a stevedore company, due to which the objective of zero serious occupational injuries, will not be achieved.

Within the framework of promoting health in the workplace, the Comprehensive Health project in conjunction with the University of Primorska –IAM, was successfully completed. A nine-member commission was appointed for the promotion of health which will focus on four priority tasks: reduction of sick leave due to musculoskeletal diseases, respiratory diseases, more efficient

¹⁵ Method for calculating turnover rate = number of terminations/(initial number of employees + new recruitments) x 100.

dealing with addictions and improvement of interpersonal relationship.

EDUCATION AND DEVELOPMENT OF EMPLOYEES

In the first half of 2016, the Luka Koper Group provided on average 11.6 hours of training per employee, by which the last year number of hours was exceeded, whereby Luka Koper, d. d., provided on average 12.5 hours of training per employee. 62 percent of trainings were in-house trainings of newly recruited employees for operating the port's mechanisation, training for promoting health in the workplace, training related to the standard ISO 9001, management by objectives, transport law and transport of dangerous goods.

Luka Koper Group financed 21 employees' studies with aim to obtain higher level of education resp. specific educational training, which is 2 percent of employees.

Luka Koper, d. d., offered 3 scholarships, whereof one scholarship was cofinanced through The Slovene human resources development and scholarship fund.

ENSURING PERSONAL AND PROFESSIONAL GROWTH OF EMPLOYEES

In the first half of 2016, the internal mobility amounting to 16 percent was significantly lower in comparison to the equivalent period last year. In 2016, the internal mobility involved mainly various opportunities of carrier development and to lower extent the process changes, whilst the previous year a considerable part of internal mobility resulted from the internal reorganisation in Luka Koper, d. d.

WORKER CO-MANAGEMENT

In June 2016 was convened a sklicana konstitutivna seja of newly elected Workers' Council of Luka Koper, d. d. On 22nd June 2016, the chairman of the Workers' Council convened the Workers' assembly of Luka Koper, d. d., at which the employees were presented with the actual situation and further measures in order to ensure the stability of Luka Koper, d.d. and posts.

COMMITMENT TO THE COMMUNITY

For many years Luka Koper has been endeavouring for the harmony with the environment and for the improvement of the quality of life in which it operates. It wishes to be active and responsible stakeholder in the local environment and establish relationships, being based on mutual trust. Luka Koper objective is to be recognised, understood and accepted by the local community, trying to achieve this objective through open communication channels: corporate website www.luka-kp.si, sustainable development website Living with the Port www.zivetispristaniscem.si, facebook, linkedIn and Instagram, with publications in electronic and printed media, from January 2015 onwards also with internal gazette Luški glasnik, which is accessible to the broader and professional public also on the corporate website. By this means Luka Koper d.d. wishes to approach the Port's activities and attractions, mainly at the local level, and widely, to present the projects on which depends its further development. The communication is taking place through communication electronic and printed channels, but also directly in meetings, various gatherings and in occasion of the Port Day. At this year Port's Day, held on 21st May, there were more than 3000 visitors from the local and broader Slovenian environment.

Luka Koper traditionally supports the activities of organized groups and individuals, who implement projects or activities with a positive impact on the development of the local environment in many areas: sports, cultural, humanitarian, educational and environmental-protection activities. In January 2016, on the website Living with the Port www.zivetispristaniscem.si, Luka Koper d.d. published its annual call for applications for sponsorships and donations. From total 193 received applications, 171 were approved. Meanwhile, in the first half of 2016, 481 thousand euros were allocated for sponsorships and donations.

FINANCIAL REPORT

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

Income statement of Luka Koper, d. d.

(in EUR)	1-6 2016	1-6 2015
Revenue	96,367,328	87,610,150
Other income	613,975	2,005,118
Cost of material	-6,499,154	-6,894,662
Cost of services	-25,338,605	-22,153,641
Employee benefits expense	-22,685,031	-20,535,437
Amortisation and depreciation expense	-12,826,784	-13,133,736
Other operating expenses	-3,935,644	-4,869,616
Operating profit	25,696,085	22,028,176
Finance income	1,595,498	930,852
Finance expenses	-1,297,763	-1,681,565
Loss from financing activities	297,735	-750,713
Profit before tax	25,993,820	21,277,463
Income tax expense	-4,062,815	-3,404,394
Deferred taxes	-5,362	-7,547
Net profit for the period	21,925,643	17,865,522
Net earnings per share	1.57	1.28

Statement of other comprehensive income of Luka Koper, d. d.

(in EUR)	1-6 2016	1-6 2015
Profit for the period	21,925,643	17,865,522
Change in revaluation surplus of available-for-sale financial assets	-2,444,159	2,003,845
Deferred tax on revaluation of available-for-sale financial assets	428,699	-340,654
Change in fair value of hedging instruments	254,488	266,695
Deferred tax on change in value of hedging instruments	-43,263	-45,338
Total comprehensive income that will not be reclassified subsequently to profit or loss	-1,804,235	1,884,548
Other comprehensive income	-1,804,235	1,884,548
Total comprehensive income for the period	20,121,408	19,750,070

Statement of financial position of Luka Koper, d. d.

(in EUR)	30 Jun 2016	31 Dec 2015
ASSETS		
Property, plant and equipment	339,445,627	324,333,652
Investment property	30,205,738	30,445,956
Intangible assets	4,052,792	4,326,997
Shares and interests in Group companies	4,533,063	4,533,063
Shares and interests in associates	6,737,709	6,737,709
Other non-current investments	29,207,795	31,677,981
Deposits and loans given	309,120	400,419
Non-current operating receivables	74,022	37,931
Deferred tax assets	9,985,823	9,934,256
Non-current assets	424,551,689	412,427,964
Inventories	921,217	813,734
Deposits and loans given	13,378	177,124
Trade and other receivables	33,868,764	29,875,827
Cash and cash equivalents	8,233,326	5,188,569
Current assets	43,036,685	36,055,254
TOTAL ASSETS	467,588,374	448,483,218
EQUITY AND LIABILITIES		
Share capital	58,420,965	58,420,965
Capital surplus (share premium)	89,562,703	89,562,703
Revenue reserves	108,745,094	108,745,094
Reserves arising from valuation at fair value	8,433,667	10,237,902
Retained earnings	37,806,457	15,880,814
Equity	302,968,886	282,847,478
Provisions	3,117,204	3,190,453
Deferred income	10,253,800	10,857,961
Loans and borrowings	108,430,211	110,354,822
Other non-current financial liabilities	489,252	639,954
Non-current operating liabilities	189,497	184,554
Deferred tax liabilities	2,103,850	2,432,357
Non-current liabilities	124,583,814	127,660,101
Loans and borrowings	11,201,645	10,054,104
Other current financial liabilities	774,224	848,073
Income tax liabilities	1,496,457	2,761,153
Trade and other payables	26,563,348	24,312,309
Current liabilities	40,035,674	37,975,639
TOTAL EQUITY AND LIABILITIES	467,588,374	448,483,218

Statement of cash flows of Luka Koper, d. d.

(in EUR)	1-6 2016	1-6 2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the period	21,925,643	17,865,522
Adjustments for:		
Amortisation/Depreciation	12,826,784	13,133,736
Reversal and impairment losses on property, plant and equipment, and intangible assets	23,970	643,824
Gain on sale of property, plant and equipment, and investment property	-30,082	-22,467
Allowances for receivables	132,812	14,374
Collected written-off receivables and liabilities	-157,047	0
Reversal of provisions	0	-1,501,667
Finance income	-1,595,498	-930,852
Finance expenses	1,297,763	1,681,565
Income tax expense and income (expenses) from deferred taxes	4,068,177	3,411,941
Profit before change in net current operating assets and taxes	38,492,522	34,295,976
Change in operating receivables	-3,963,476	-7,234,172
Change in inventories	-107,483	-143,469
Change in operating liabilities	-505,171	7,081,005
Change in provision	-73,249	-2,976,979
Change in non-current deferred income	-604,161	799,895
Cash generated in operating activities	33,238,982	31,822,256
Interest expenses	-1,297,763	-1,698,285
Tax expenses	-2,566,358	-1,185,781
Net cash from operating activities	29,374,861	28,938,190
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	81,626	165,664
Dividends received and share of profits – subsidiaries	661,171	575,188
Dividends received and share of profits – associates	700,000	150,000
Dividends received and share of profits – other companies	152,239	40,000
Proceeds from sale of property, plant and equipment, and intangible assets	30,083	324,089
Proceeds from investment property	281,383	407,677
Proceeds from sale, less investments and loans given	-27,448,305	-9,209,014
Acquisition of investments, increase in loans given	-310	-3,071,535
Net cash used in investing activities	-25,542,113	-10,617,931
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from non-current borrowings	3,400,000	0
Repayment of non-current borrowings	0	-1,359,334
Repayment of current borrowings	-4,187,991	-10,463,630
Net cash used in financing activities	-787,991	-11,822,964
Net increase in cash and cash equivalents	3,044,757	6,497,295
Opening balance of cash and cash equivalents	5,188,569	3,984,291
Closing balance of cash and cash equivalents	8,233,326	10,481,586

Statement of changes in equity of Luka Koper, d. d., 2016

(in EUR)	Share capital	Capital surplus	Legal reserves	Other revenue reserves	Retained earnings	Reserves arising on valuation at fair value			Total equity
						Investments	Financial instruments	Actuarial gains/losses	
Balance at 31 Dec 2015	58,420,965	89,562,703	18,765,115	89,979,979	15,880,814	12,035,713	-861,126	-936,685	282,847,478
Total comprehensive income for the period	0								
Profit for the period	0	0	0	0	21,925,643	0	0	0	21,925,643
Change in revaluation surplus of financial assets, less tax	0	0	0	0	0	-2,015,460	0	0	-2,015,460
Change in fair value of hedging instruments, less tax	0	0	0	0	0	0	211,225	0	211,225
	0	0	0	0	21,925,643	-2,015,460	211,225	0	20,121,408
Balance at 30 Jun 2016	58,420,965	89,562,703	18,765,115	89,979,979	37,806,457	10,020,253	-649,901	-936,685	302,968,886

Statement of changes in equity of Luka Koper, d. d., 2015

(in EUR)	Share capital	Capital surplus	Legal reserves	Other revenue reserves	Retained earnings	Reserves arising on valuation at fair value			Total equity
						Investments	Financial instruments	Actuarial gains/losses	
Balance at 31 Dec 2014	58,420,965	89,562,703	18,765,115	75,557,442	14,598,947	10,905,958	-1,208,193	-511,665	266,091,272
Total comprehensive income for the period	0								
Profit for the period	0	0	0	0	17,865,522	0	0	0	17,865,522
Change in revaluation surplus of financial assets, less tax	0	0	0	0	0	1,663,191	0	0	1,663,191
Change in fair value of hedging instruments, less tax	0	0	0	0	0	0	221,357	0	221,357
	0	0	0	0	17,865,522	1,663,191	221,357	0	19,750,070
Balance at 30 Jun 2015	58,420,965	89,562,703	18,765,115	75,557,442	32,464,469	12,569,149	-986,836	-511,665	285,841,343

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

Luka Koper, d. d., a port operator and logistic provider, with its registered office in Slovenia, is the controlling company of the Luka Koper Group. The company's Financial Statements are compiled for January – June 2016 resp. as at 30 June 2016.

Statement of compliance

The interim Report has been compiled in accordance with the International Accounting standards 34 - Interim Financial Reporting. The company's financial statements have been compiled in accordance with International Reporting Standards as adopted by the International Accounting Standards Board (IASB) and European Union and in compliance with Companies Act RS.

Basis for the compilation of financial statements

The financial statements have been compiled in euros (EUR), rounded to the nearest unit. Through these separated financial statements, the Luke Koper, d. d., wants to provide the broadest sphere of users information on the company's performance from January – June 2016, in comparison with data for the previous year, together with the company's financial position as of 30 June 2016 in comparison with 31 December 2015.

The non-audited financial statements of Luka Koper, d. d., for the reporting period are compiled with the same accounting policies and principles that were applicable in 2015.

Additional notes to the Statement of Financial Position

Revenue

(in EUR)	1-6 2016	1-6 2015
Revenue generated on sales with domestic customers	31,070,647	26,134,983
- services	30,363,436	25,381,225
- goods and material	3,429	82
- rentals	703,782	753,676
Revenue generated on sales with foreign customers	65,296,681	61,475,167
- services	65,264,881	61,430,336
- rentals	31,800	44,831
Total	96,367,328	87,610,150

Other income

(in EUR)	1-6 2016	1-6 2015
Other operating income	187,129	1,687,439
Reversal of provisions	0	1,501,667
Revaluation operating income	187,129	185,772
Income on sale of property, plant and equipment and investment property	30,082	22,467
Collected written-off receivables and written-off liabilities	157,047	163,305
Other income	426,846	317,679
Compensations and damages	186,455	280,380
Subsidies and other income not related to services	6,406	26,473
Other income	233,985	10,826
Total	613,975	2,005,118

Cost of material

(in EUR)	1-6 2016	1-6 2015
Cost of auxiliary material	1,056,469	1,068,758
Cost of spare parts	2,266,583	2,370,444
Cost of energy	2,931,059	3,201,141
Cost of office stationary	66,570	67,196
Other cost of material	178,473	187,123
Total	6,499,154	6,894,662

Cost of services

(in EUR)	1-6 2016	1-6 2015
Port services	12,535,933	10,757,434
Cost of transportation	154,651	137,628
Cost of maintenance	4,114,017	3,430,371
Rentals	418,511	331,803
Reimbursement of labour-related costs	192,210	176,959
Costs of payment processing, bank charges and insurance premiums	356,341	315,349
Cost of intellectual and personal services	339,260	367,674
Advertising, trade fairs and hospitality	549,166	607,077
Costs of services provided by individuals not performing business activities	139,644	129,402
Cost of other services		
Sewage and disposal services	408,793	352,189
Information support	1,524,001	1,435,118
Concession-related costs	3,241,201	2,986,656
Costs of other services	1,364,877	1,125,981
Total	25,338,605	22,153,641

Costs of port services and concession cost increased due to the larger volume of operations and consequently higher revenue from sale.

Employee benefits expense

(in EUR)	1-6 2016	1-6 2015
Wages and salaries	15,603,651	13,986,930
Wage compensations	1,867,726	1,862,241
Costs of additional pension insurance	695,717	620,533
Employer's contributions on employee benefits	2,880,044	2,623,749
Annual holiday pay, reimbursements and other costs	1,637,893	1,441,984
Total	22,685,031	20,535,437

Amortisation and depreciation expense

(in EUR)	1-6 2016	1-6 2015
Depreciation of buildings	6,157,484	5,908,830
Depreciation of equipment and spare parts	6,031,630	6,619,252
Depreciation of small tools	10,552	9,035
Depreciation of investment property	311,993	310,636
Amortisation of intangible assets	315,125	285,983
Total	12,826,784	13,133,736

Other operating expenses

(in EUR)	1-6 2016	1-6 2015
Impairment costs, write-offs and losses on property, plant and equipment, and investment property	23,970	643,824
Expenses for allowances for receivables	132,812	14,374
Levies that are not contingent upon employee benefits expense and other types of cost	3,374,741	3,092,141
Donations	78,950	104,651
Environmental levies	39,313	37,788
Awards and scholarship to students inclusive of tax	9,991	10,231
Awards and scholarship to students	4,460	6,060
Other costs and expenses	271,407	960,547
Total	3,935,644	4,869,616

Among costs of other services, the most significant amount among costs of other services, are costs which do not depend on labour costs and other costs, and namely the compensation for the use of the building land in the amount of EUR 3,255,766.

Finance income and expenses

(in EUR)	1-6 2016	1-6 2015
Finance income from shares and interests		
Finance income from shares and interests in Group companies	661,171	575,188
Finance income from shares and interests in associates	700,000	150,000
Finance income from shares and interests in other companies	152,239	40,000
Finance income - interest		
Interest income - Group companies	721	1,998
Interest income - other	10,219	33,089
Finance income from operating receivables		
Finance income from operating receivables due from others	71,148	130,577
Total finance income	1,595,498	930,852
Finance expenses – interest		
Interest expenses – Group companies	-66,205	-78,627
Interest expenses – associates and jointly controlled entities	-3,926	-3,915
Interest expenses – banks	-1,194,645	-1,569,531
Finance expenses for financial liabilities		
Finance expenses for trade payables	-5	-403
Finance expenses for other operating liabilities	-32,982	-29,089
Total finance expenses	-1,297,763	-1,681,565
Net financial result	297,735	-750,713

Finance income from shares and interests in Group companies include profits for 2015 of Luka Koper INPO, d. o. o., in the amount of EUR 661,172, finance income from shares and interests in associates refer to sharing of profits for 2015 of the companies Adria Transport, d. o. o., in the amount of EUR 500,000 and Adria-Tow, d. o. o., in the amount of EUR 200,000.

Profit

In January - June 2016, Luka Koper, d. d., generated the operating profit in the amount of EUR 25,696.085, in the comparable period last year EUR 22,028,176. The financial result amounted to EUR 297,735, whilst in the comparable period last year it was negative and amounted to EUR -750,713. The profit before tax amounted to EUR 25,993,820, in the comparable period in 2015 to EUR 21,277,463. The Company concluded the first half of 2016 with the net profit in the amount of EUR 21,925,643 whilst the net profit in the first half of 2015 amounted to EUR 17,865,522. The income tax was in the amount of EUR 4,062,815 is also comprised.

(in EUR)	31 Mar 2016	31 Dec 2015
Net profit for the period	21,925,643	17,865,522
Total number of shares	14,000,000	14,000,000
Number of ordinary shares	14,000,000	14,000,000
Earnings per share	1.57	1.28

Net earnings per share were calculated by dividing the net operating profit with weighted average number of ordinary shares in issue during the year.

Additional notes to the Statement of Financial Position

Property, plant and equipment

(in EUR)	30 Jun 2016	31 Dec 2015
Land	7,276,705	7,276,705
Buildings	227,024,698	221,904,041
Plant and machinery	53,834,116	57,306,790
Property, plant and equipment being acquired and advances given	51,310,108	37,846,116
Total	339,445,627	324,333,652

Property, plant and equipment are not pledged as collateral and in the reporting period there were no additional charges on the Luka Koper, d. d., assets.

In January – June 2016, Luka Koper, d. d., did not execute major disposals of property, plant and equipment.

In the first half of 2016, most relevant investments of Luka Koper, d. d., were the following:

- Continuation of construction of three new fuel tanks at the Liquid terminal,
- Continuation of construction of tracks 21 a, b, c and the bridge over the channel,
- Arrangement of transport and storage areas for the needs of the Container terminal.

Investment property

(in EUR)	30 Jun 2016	31 Dec 2015
Investment property - land	18,160,734	18,160,734
Investment property - buildings	12,045,004	12,285,222
Total	30,205,738	30,445,956

Intangible assets

Intangible assets refer to the industrial property rights and other rights, such as computer software, information systems and development-project plans, which as at 30th June 2016 amounted to EUR 4,052,792, as at 31st December 2015 to EUR 4,326,997.

Shares and interests in Group companies

As at 30th June 2016, shares and interests In Group companies amounted to EUR 4,533,063 and were at the same level as at 31 December 2015 .

Shares and interests in associates

Shares and interests in associated companies as at 30th June 2016 amounted to EUR 6,737,709 and stayed at the same level as at 31st December 2015.

Other non-current investments

(in EUR)	30 Jun 2016	31 Dec 2015
Other investments measured at cost	1,028,827	1,054,854
Other investments measured at fair value through equity	28,178,968	30,623,127
Total	29,207,795	31,677,981

A decline in the value of investments measured at fair value through equity was due to the reduction in the value of shares on the stock exchange.

Deposits and loans given

(in EUR)	30 Jun 2016	31 Dec 2015
Financial assets held to maturity:		
Non-current loans given with purchase of bonds from others	272,492	360,884
Loans		
Non-current loans to others, including finance lease	36,628	39,535
Non-current housing loans to employees	20,603	21,608
Non-current loans to others	16,025	17,927
Total	309,120	400,419

Non-current operating receivables

As at 30th June 2016, non-current operating receivables amounted to EUR 74,022, as at 31st December 2015 they amounted to EUR 37,931.

Deferred tax

(in EUR)	Deferred tax assets		Deferred tax liabilities	
	30 Jun 2016	31 Dec 2015	30 Jun 2016	31 Dec 2015
Deferred tax assets and liabilities relating to:				
impairment of investments in subsidiaries	512,122	512,122	0	0
impairment of investments in associates	15,725	15,725	0	0
impairment of other investments and deductible temporary differences arising on securities	8,367,690	8,310,762	2,103,850	2,432,357
financial instruments	176,375	176,375	0	0
allowances for trade receivables	192,372	192,372	0	0
provisions for retirement benefits	270,004	273,623	0	0
provisions for jubilee premiums	42,444	44,186	0	0
long-term accrued costs and deferred income from public commercial services	409,091	409,091	0	0
Total	9,985,823	9,934,256	2,103,850	2,432,357

Inventories

As at 30th June 2016, inventories were recorded at EUR 921,217, whilst at the end of 2015 they amounted to EUR 813,734. The major part of these inventories is related to the overhead and auxiliary material in the amount of EUR 470,529 and maintenance material and spare parts in the amount of EUR 411,954.

Deposits and loans given

(in EUR)	30 Jun 2016	31 Dec 2015
Current loans to Group companies	0	161,819
Current loans to others	13,378	15,305
Total	13,378	177,124

Trade and other receivables

(in EUR)	30 Jun 2016	31 Dec 2015
Current trade receivables:		
domestic costumers	17,233,916	16,253,109
foreign costumers	10,422,629	10,392,229
Current operating receivables due from Group companies	231,940	76,049
Current operating receivables due from associates	57,354	43,763
Current trade receivables	27,945,839	26,765,150
Current receivables due from dividends	200,000	200,000
Advances and collaterals given	206,085	81,542
Current receivables related to finance income	2,931	3,393
Receivables due from the state	1,513,411	1,299,823
Other current receivables	95,546	177,310
Total trade receivables	29,963,812	28,527,218
Short-term deferred costs and expenses	3,564,941	252,830
Accrued income	340,011	1,095,779
Other receivables	3,904,952	1,348,609
Total	33,868,764	29,875,827

As at 30th June 2016, the company pledged receivables in connection with collate rising a bank loan in amount of EUR 5,300,000. On the reporting date, these receivables amounted to EUR 144,878.

Accrued costs comprise costs for the use of the building land for the Municipality of Koper for the second half of 2016 in the amount of EUR 2,223,548, deferred costs for annual holiday pay for the second half of 2016 in the amount of EUR 472,313 and deferred costs from insurance premiums in the amount of EUR 350,704.

Among accrued income, Luka Koper, d. d., classifies accrued income for development projects.

Cash and cash equivalents

(in EUR)	30 Jun 2016	31 Dec 2015
Cash in hand	80	21
Bank balances	1,413,958	367,030
Current deposits	6,819,288	4,821,518
Total	8,233,326	5,188,569

Equity

(in EUR)	30 Jun 2016	31 Dec 2015
Share capital	58,420,965	58,420,965
Capital surplus (share premium)	89,562,703	89,562,703
Revenue reserves	108,745,094	108,745,094
<i>Legal reserves</i>	<i>18,765,115</i>	<i>18,765,115</i>
<i>Other revenue reserves</i>	<i>89,979,979</i>	<i>89,979,979</i>
Reserves arising from valuation at fair value	8,433,667	10,237,902
Retained earnings	15,880,814	1,458,277
Net profit for the period	21,925,643	14,422,537
Equity	302,968,886	282,847,478

Provisions

(in EUR)	30 Jun 2016	31 Dec 2015
Provisions for retirement benefits and similar obligations	2,641,980	2,715,229
Provisions for legal disputes	475,224	475,224
Total	3,117,204	3,190,453

Deferred income

(in EUR)	30 Jun 2016	31 Dec 2015
Long-term deferred income for regular maintenance	7,739,386	7,823,250
Long-term deferred income	2,514,414	3,034,711
Total	10,253,800	10,857,961

Loans and borrowings

(in EUR)	30 Jun 2016	31 Dec 2015
Non-current financial liabilities to Group companies	13,400,000	10,000,000
Non-current borrowings from domestic banks	62,366,411	66,544,844
Non-current borrowings from foreign banks	32,663,800	33,809,978
Total	108,430,211	110,354,822

Non-current financial liabilities from borrowings at 30th June 2016 decreased by EUR 1,924,611 in comparison to 31st December 2015, respectively as the net effect of the transfer of part of liabilities to the current liabilities and the disbursement of a new loan in the amount of EUR 3,400,000 from the company within Luka Koper Group.

Other non-current financial liabilities

Other non-current financial liabilities are related to the fair value of the interest swap of the parent company, and as at 30th June 2016 amounted to EUR 489,252, as at 31st December 2015 to EUR 639,954

Non-current operating liabilities

As at 30th June 2016 the non-current operating liabilities amounted to EUR 189,497 represent non-current received advances and securities. As at 31st December 2015 the non-current operating liabilities amounted to EUR 184,554.

Loans and borrowings

(in EUR)	30 Jun 2016	31 Dec 2015
Current financial liabilities to Group companies	30,580	30,580
Current financial liabilities to associates	500,000	500,000
Current borrowings from domestic banks	8,375,983	8,375,983
Current borrowings from foreign banks	2,295,082	1,147,541
Total	11,201,645	10,054,104

As at 30th June 2016, current financial liabilities for borrowing were EUR 1,147,541 ahead on 31st December 2015, and namely as net effect of transfer of a part of liabilities from non-current liabilities to current liabilities and the repayment of the principal amount of the loan.

Other current financial liabilities

Other current financial liabilities in the amount of EUR 774,224 (as at 31st December 2015 they amounted to EUR 848,073) include interest payables and liabilities under the interest swap, which was entered into with the purpose to manage the interest rate risk.

Trade and other payables

(in EUR)	30 Jun 2016	31 Dec 2015
Current liabilities to:		
domestic suppliers	15,199,735	12,111,020
foreign suppliers	462,992	2,720,702
Current liabilities to Group companies	740,331	488,206
Current liabilities to associates	129,188	99,564
Current trade payables	16,532,246	15,419,492
Current liabilities from advances	41,481	42,340
Current liabilities to employees	3,092,697	3,028,348
Current liabilities to state and other institutions	505,953	909,664
Total operating liabilities	20,172,377	19,399,844
Accrued costs	6,390,971	4,912,465
Other operating liabilities	6,390,971	4,912,465
Total	26,563,348	24,312,309

Current trade receivables increased primarily as a result of increased liabilities towards the

suppliers, which were higher due to the larger volume of operations and due to accrued costs, and primarily for accrued costs for the 13th salary in the amount of EUR 1,317,683 .

Contingent assets and liabilities

(in EUR)	30 Jun 2016	31 Dec 2015
Securities given	27,380,235	15,984,283
Guarantees received	11,266,342	10,013,571
Contingent assets under legal disputes	32,638,935	32,638,935
Other contingent assets	102,113	67,153
Total contingent assets	71,387,625	58,703,942
Guarantees given	1,560,000	1,560,000
Securities given	8,239,179	7,152,284
Contingent liabilities under legal disputes	786,510	3,012,100
Approved borrowing	36,000,000	36,000,000
Total contingent liabilities	46,585,689	47,724,384

Securities received increased due to the advance payment guarantees for the purchase of the port's equipment, whilst the securities given increased from given letters of credit to the supplier of the port's equipment.

In the first half of 2016, the Company concluded and closed contingent assets under legal disputes in the amount of EUR 2,247,540 which terminated to the benefit of Luka Koper, d. d., and opened a new contingent liability due to a new legal dispute in the amount of EUR 21,950. As at 30th June 2016, the exposure to the Company's legal risk EUR 1.3 million (whereof EUR 0.8 million related to the contingent liabilities and EUR 0.5 million non-current provisions for lawsuits).

Related party transactions

From January to June 2016 several legal actions were performed among the associated companies within Luka Koper Group, in which the parent company acted as buyer, supplier or in other role. The legal base for these transactions were various contracts, orders, offers and similar, for which market terms were applied, which are used for the transactions with unrelated parties.

Sale, purchase, finance income and expenses with subsidiary and associated companies

(in EUR)	1-6 2016	1-6 2015
Sale to subsidiaries	1,005,892	444,144
Sale to associates	334,308	294,492
Purchase from subsidiaries	2,333,675	1,871,886
Purchase from associates	593,112	509,724
Finance income from shares and interests in subsidiaries	661,171	575,188
Finance income from shares and interests in associates	700,000	150,000
Finance income from loans to subsidiaries	721	1,998
Finance expenses for liabilities to subsidiaries	66,205	78,627
Finance expenses for liabilities to associates	3,926	3,915

Receivables and liabilities to subsidiary and associated companies

(in EUR)	30 Jun 2016	31 Dec 2015
Trade and other receivables due from subsidiaries	231,939	76,049
Trade and other receivables due from associates	257,354	243,763
Operating liabilities to subsidiaries	740,331	488,206
Operating liabilities to associates	129,188	99,564
Loans to subsidiaries	0	161,819
Borrowings from subsidiaries	13,430,580	10,030,580
Borrowings from associates	500,000	500,000

Financial instruments and financial risk management

The most significant risks to which the Company is exposed to, include:

1. risk management of the change in fair value,
2. management of interest rate risk,
3. management of liquidity risk,
4. management of currency risk,
5. management of credit risk and
6. risk management relating to adequate capital structure.

1. Risk management relating to change in fair value

The Company has invested 6.0 percent of its assets (at the end 2015 6.8 percent) in investments, measured at fair value. The fair value risk associated with these investments is demonstrated through changes in stock market that affect the value of these assets and, consequently the potential gain on their disposal. This type of risk was identified by the Company in association with investments in market securities of Slovenian companies. As at 30th June 2016, the value of current available-for-sale investments at fair value through equity, amounted to EUR 28,178,968.

This value comprises shares of Slovenian companies and units of mutual fund assets.

Sensitivity analysis of investments at fair value:

Risk of change at fair value of securities as at 30th June 2016

Change of index (in %)	Impact ion equity
-10%	-2,817,897
10%	2,817,897

Risk of change at fair value of securities as at 31st December 2015

Change of index (in %)	Impact ion equity
-10%	-3,062,313
10%	3,062,313

Fair value hierarchy

(in EUR)	Valuation at fair value			
	Carrying amount at 30 Jun 2016	Direct stock market quotation (Level 1)	Value defined on the basis of comparable market inputs (Level 2)	No observable market inputs (Level 3)
Assets measured at fair value				
Other interests and shares	28,178,968	28,178,968	0	0
Assets measured at cost				
Loans given	322,498	0	0	322,498
Other shares and interests	12,299,599	0	0	12,299,599
Operating receivables	29,963,812	0	0	29,963,812
Liabilities measured at fair value				
Interest rate hedging for borrowings	489,252	0	489,252	0
Liabilities measured at amortised cost				
Other financial liabilities	774,224	0	397,546	376,678
Borrowings	119,770,518	0	0	119,770,518
Operating liabilities	20,172,377	0	0	20,172,377

(in EUR)	Valuation at fair value			
	Carrying amount at 31 Dec 2015	Direct stock market quotation (Level 1)	Value defined on the basis of comparable market inputs (Level 2)	No observable market inputs (Level 3)
Assets measured at fair value				
Other interests and shares	30,623,127	30,623,127	0	0
Assets measured at cost				
Loans given	577,543	0	0	577,543
Other shares and interests	12,325,626	0	0	12,325,626
Operating receivables	28,527,218	0	0	28,527,218
Liabilities measured at fair value				
Interest rate hedging for borrowings	639,954	0	639,954	0
Liabilities measured at amortised cost				
Other financial liabilities	848,073		397,546	450,527
Borrowings	120,558,509	0	0	120,558,509
Operating liabilities	19,399,844	0	0	19,399,844

2. Management of interest rate risk

In January – June 2016, the company's financial liabilities decreased by 0.8 percent with respect to 31st December 2015, thus as at 30th June 2016 they amounted to EUR 120,895,332.

The share of financial liabilities in the overall structure of liabilities slightly decreased in comparison to the situation as at 31st December 2015, and as at 30th June 2016 amounted to 25.7 percent. The effect of possible changes in variable interest rates on the Company's future operating results is shown in the table below.

In previous year the company hedged the interest rate risk for two major non-current borrowings in the total open amount of EUR 60,714,286 as at 30th June 2016, respectively the borrowing in the amount of EUR 25,714,286 with final maturity in 2025 and the borrowing in the amount of EUR 35,000,000 with final maturity in 2031. The eventual change of variable interest rates may consequently affect 37.7 percent of company's borrowing (in 2015 this share amounted to 39.7 percent), since the remaining 62.3 percent is hedged for eventual change of variable interest rate.

Overview of exposure

(in EUR)	30 Jun 2016	Exposure 2016	31 Dec 2015	Exposure 2015
Borrowings received at variable interest rate (without interest rate hedge)	45,125,652	37.7%	47,885,073	39.7%
Borrowings received at variable interest rate (with interest rate hedge)	60,714,286	50.7%	62,142,856	51.5%
Borrowings received at nominal interest rate	13,930,580	11.6%	10,530,580	8.7%
Total	119,770,518	100.0%	120,558,509	100.0%

Sensitivity analysis of borrowings from banks in view of the variable interest rate fluctuations:

(in EUR)	Borrowings from banks under the variable interest rate as at 30 Jun 2016	Increase by 15 bp	Increase by 25 bp	Increase by 50 bp
3M EURIBOR	45,125,652	18,672	80,754	199,017
Total effect on interests expenses	45,125,652	18,672	80,754	199,017

(in EUR)	Borrowings from banks under the variable interest rate as at 2015	Increase by 15 bp	Increase by 25 bp	Increase by 50 bp
3M EURIBOR	47,885,073	19,252	82,203	201,916
Total effect on interests expenses	47,885,073	19,252	82,203	201,916

The sensitivity analysis of bank loans on changes of variable interests rates is based on the assumption of potential growth in interest rates of 15, 25 and 50 bp.

3. Management of liquidity risk

Liquidity risk is the risk that the Company will fail to settle its liabilities at maturity. The Company manages liquidity risk by regular planning of cash flows required to settle liabilities with diverse maturity. Additional measures for preventing delays in receivable collection include regular monitoring of payments and immediate response to any delay and charging penalty interest in accordance with the uniform policy of receivable management.

(in EUR)	Up to 3 months	3 to 12 months	1 to 2 years	3 to 5 years	More than 5 years	Total
30 Jun 2016						
Loans and borrowings*	1,153,481	10,048,165	13,582,399	37,633,312	57,353,161	119,770,518
Accrued interest maturing in the next calendar year	55,409	0	0	0	0	55,409
Expected interest on all borrowings	304,993	1,347,168	1,434,350	2,818,052	1,425,291	7,329,854
Other financial liabilities	480,464	293,760	0	489,252	0	1,263,476
Payables to suppliers	16,532,246	0	0	0	0	16,532,246
Other operating liabilities	3,640,131	0	0	0	0	3,640,131
Total	22,166,724	11,689,093	15,016,749	40,940,616	58,778,452	148,591,634
31 Dec 2015						
Loans and borrowings*	579,710	9,474,394	11,761,732	41,213,399	57,529,274	120,558,509
Accrued interest maturing in the next calendar year	33,947	0	0	0	0	33,947
Expected interest on all borrowings	335,166	1,569,968	1,583,425	3,238,917	1,925,740	8,653,216
Other financial liabilities	450,527	397,546	0	639,954	0	1,488,027
Payables to suppliers	15,419,492	0	0	0	0	15,419,492
Other operating liabilities	3,980,352	0	0	0	0	3,980,352
Total	20,799,194	11,441,908	13,345,157	45,092,270	59,455,014	150,133,543

*The item includes also borrowings from associates

4. Management of currency risk

The risk of changes in foreign exchange rates arises from trade receivables denominated in US dollars (USD). In the first half of 2016, the average Company's outstanding trade receivables amounted to 91 thousand US dollars. As at 30th June 2016, the Company did not record receivables denominated in US dollars. As at 31st December 2015, outstanding receivables in US dollars amounted to 0.79 percent.

5. Management of credit risk

Assets exposed to credit risk:

(in EUR)	30 Jun 2016	31 Dec 2015
Non-current loans	309,120	400,419
Non-current operating liabilities	74,022	37,931
Current loans	13,378	177,124
Current trade receivables	27,945,839	26,765,150
Other current receivables	2,017,973	1,762,068
Cash and cash equivalents	8,233,326	5,188,569
Guarantees and collaterals granted	9,799,179	8,712,284
Total	48,392,837	43,043,545

The management estimates that the Company's exposure to credit risk is low, and due to the risk management mechanisms put in place, there is a low likelihood of damages.

6. Risk management relating to adequate capital structure

(in EUR)	30 Jun 2016	31 Dec 2015
Total liabilities	167,185,846	165,635,740
Cash and cash equivalents and current deposits	-8,233,326	-5,188,569
Net debt	158,952,520	160,447,171
Equity	302,968,886	282,847,478
Net debt/equity	0.52	0.57

CONSOLIDATED FINANCIAL STATEMENTS OF THE LUKA KOPER GROUP

Consolidated income statement

(in EUR)	1-6 2016	1-6 2015
Revenue	102,047,399	92,130,652
Capitalised own products and services	2,097	7,847
Other income	1,601,043	3,053,626
Cost of material	-7,424,073	-7,221,623
Cost of services	-25,011,502	-21,907,604
Employee benefits expense	-25,866,643	-23,428,477
Amortisation and depreciation expense	-13,318,706	-13,698,191
Other operating expenses	-3,932,859	-4,908,522
Operating profit	28,096,756	24,027,708
Finance income	240,704	231,233
Finance expenses	-1,232,633	-1,604,182
Loss from financing activities	-991,929	-1,372,949
Profit or loss of associates	1,009,464	702,178
Profit before tax	28,114,291	23,356,937
Income tax expense	-4,395,052	-3,707,353
Deferred taxes	-6,503	-8,412
Net profit for the period	23,712,736	19,641,172
Net profit attributable to owners of the company	23,703,815	19,631,330
Net profit attributable to non-controlling interests	8,921	9,842
Net earnings per share	1.69	1.40

Consolidated statement of other comprehensive income

(in EUR)	1-6 2016	1-6 2015
Profit for the period	23,712,736	19,641,172
Change in revaluation surplus of available-for-sale financial assets	-2,234,809	1,828,977
Deferred tax on revaluation of available-for-sale financial assets	393,110	-310,927
Change in fair value of hedging instruments	254,488	266,695
Deferred tax on change in value of hedging instruments	-43,263	-45,338
Total comprehensive income that will not be reclassified subsequently to profit or loss	-1,630,474	1,739,407
Other comprehensive income	-1,630,474	1,739,407
Total comprehensive income for the period	22,082,262	21,380,579
Total comprehensive income of owners of the company	22,073,341	21,370,737
Total comprehensive income of non-controlling interests	8,921	9,842

Consolidated statement of financial position

(in EUR)	30 Jun 2016	31 Dec 2015
ASSETS		
Property, plant and equipment	356,555,817	341,565,465
Investment property	18,664,082	18,749,424
Intangible assets	4,434,044	4,732,332
Shares and interests in associates	12,009,293	11,699,829
Other non-current investments	32,229,255	34,490,093
Loans given and deposits	309,120	400,419
Non-current operating receivables	74,022	37,931
Deferred tax assets	9,707,842	9,657,416
Non-current assets	433,983,475	421,332,909
Assets held for sale	13,882	14,047
Inventories	921,217	813,734
Deposits and loans given	108,407	311,887
Trade and other receivables	35,216,398	31,908,819
Cash and cash equivalents	13,861,767	12,610,049
Current assets	50,121,671	45,658,536
TOTAL ASSETS	484,105,146	466,991,445
EQUITY AND LIABILITIES		
Share capital	58,420,965	58,420,965
Capital surplus (share premium)	89,562,703	89,562,703
Revenue reserves	108,745,096	108,745,096
Reserves arising from valuation at fair value	8,573,144	10,203,618
Retained earnings	62,891,517	39,187,701
Equity of owners of the parent	328,193,425	306,120,083
Non-controlling interests	179,307	170,386
Equity	328,372,732	306,290,469
Provisions	12,930,727	13,785,360
Deferred income	3,603,930	3,690,601
Loans and borrowings	95,030,211	100,354,822
Other non-current financial liabilities	489,252	639,954
Non-current operating liabilities	267,990	263,401
Deferred tax liabilities	2,148,860	2,441,778
Non-current liabilities	114,470,970	121,175,916
Loans and borrowings	11,171,065	10,023,524
Other current financial liabilities	774,224	848,234
Income tax liabilities	1,573,922	2,923,564
Trade and other payables	27,742,233	25,729,738
Current liabilities	41,261,444	39,525,060
TOTAL EQUITY AND LIABILITIES	484,105,146	466,991,445

Consolidated statement of cash flows

(in EUR)	1-6 2016	1-6 2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the period	23,712,736	19,641,172
Adjustments for:		
Amortisation/Depreciation	13,318,706	13,698,191
Reversal and impairment losses on property, plant and equipment, and intangible assets	24,921	646,116
Gain on sale of property, plant and equipment, intangible assets and investment property	-30,809	-65,226
Allowances for receivables	136,695	23,135
Collected written-off receivables and liabilities	-173,912	0
Reversal of provisions	0	-1,501,667
Finance income	-240,704	-231,233
Finance expenses	1,232,633	1,604,182
Recognised results of subsidiaries under equity method	-1,009,464	-702,178
Income tax expense and income (expenses) from deferred taxes	4,401,555	3,715,765
Profit before change in net current operating assets and taxes	41,372,357	36,828,257
Change in operating receivables	-3,171,789	-7,122,881
Change in inventories	-107,483	-143,469
Change in assets (disposal group) held for sale	165	0
Change in operating liabilities	1,923,117	7,135,816
Change in provision	-86,671	-2,985,341
Change in non-current deferred income	-854,633	505,833
Cash generated in operating activities	39,075,063	34,218,215
Interest expenses	-1,232,633	-1,590,277
Tax expenses	-5,744,693	-1,337,725
Net cash from operating activities	32,097,737	31,290,213
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	88,465	196,145
Dividends received and share of profits – associates	700,000	0
Dividends received and share of profits – other companies	152,239	8,892
Proceeds from sale of property, plant and equipment, and intangible assets	30,808	401,045
Proceeds from sale, less investments and loans given	321,117	3,227,806
Acquisition of property, plant and equipment, and intangible assets	-27,950,347	-9,411,789
Acquisition of investments, increase in loans given	-310	-3,006,535
Net cash used in investing activities	-26,658,028	-8,584,436
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of non-current borrowings	0	-1,333,334
Repayment of current borrowings	-4,187,991	-10,463,117
Net cash used in financing activities	-4,187,991	-11,796,451
Net increase in cash and cash equivalents	1,251,718	10,909,326
Opening balance of cash and cash equivalents	12,610,049	5,940,791
Closing balance of cash and cash equivalents	13,861,767	16,850,117

Consolidated statements of changes in equity in 2016

(in EUR)	Reserves arising on valuation at fair value								Total equity of owners of the parent company	Non-controlling interests	Total equity
	Share capital	Capital surplus	Legal reserves	Other revenue reserves	Retained earnings	Investments	Financial instruments	Actuarial gains/losses			
Balance at 31 Dec 2015	58,420,965	89,562,703	18,765,117	89,979,979	39,187,701	12,081,707	-861,126	-1,016,963	306,120,083	170,386	306,290,469
Total comprehensive income for the period											
Profit for the period	0	0	0	0	23,703,815	0	0	0	23,703,815	8,921	23,712,736
Change in revaluation surplus of financial assets, less tax	0	0	0	0	0	-1,841,699	0	0	-1,841,699	0	-1,841,699
Change in fair value of hedging instruments, less tax	0	0	0	0	0	0	211,225	0	211,225	0	211,225
	0	0	0	0	23,703,815	-1,841,699	211,225	0	22,073,341	8,921	22,082,262
Balance at 30 Jun 2016	58,420,965	89,562,703	18,765,117	89,979,979	62,891,517	10,240,008	-649,901	-1,016,963	328,193,425	179,307	328,372,732

Consolidated statements of changes in equity in 2015

(in EUR)	Reserves arising on valuation at fair value								Total equity of owners of the parent company	Non-controlling interests	Total equity
	Share capital	Capital surplus	Legal reserves	Other revenue reserves	Retained earnings	Investments	Financial instruments	Actuarial gains/losses			
Balance at 31 Dec 2014	58,420,965	89,562,703	18,765,117	75,557,441	34,325,098	11,285,672	-1,208,193	-548,729	286,160,074	163,496	286,323,570
Total comprehensive income for the period	0										
Profit for the period	0	0	0	0	19,631,330	0	0	0	19,631,330	9,842	19,641,172
Change in revaluation surplus of financial assets, less tax	0	0	0	0	0	1,518,050	0	0	1,518,050	0	1,518,050
Change in fair value of hedging instruments, less tax	0	0	0	0	0	0	221,357	0	221,357	0	221,357
	0	0	0	0	19,631,330	1,518,050	221,357	0	21,370,737	9,842	21,380,579
Balance at 30 Jun 2015	58,420,965	89,562,703	18,765,117	75,557,441	53,956,428	12,803,722	-986,836	-548,729	307,530,811	173,338	307,704,149

NOTES OF THE FINANCIAL STATEMENTS OF THE LUKA KOPER GROUP

The interim statements of Luka Koper Group for January – Jun 2016, i.e. as at 30 Jun 2016, encompass the financial statements of the controlling company, Luka Koper, d. d., as the statements of its subsidiary enterprises, together with attributable profits and losses of associated companies.

Statement of compliance

The interim financial statements have been compiled in accordance with the International Accounting standards 34 - Interim Financial Reporting. The Group's financial statements have been compiled in accordance with International Reporting Standards as adopted by the International Accounting Standards Board (IASB) and European Union and in compliance with Companies Act RS.

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 the company's performance from January – June 2016, in comparison with data for the previous year, together with the Group's financial position as of 30th June 2016 in comparison with 31st December 2015.

The non-audited financial statements of the Luka Koper Group for the reporting period are compiled in accordance with the same accounting policies and principles that were applicable in 2015.

Additional notes to the consolidated income statement

Revenue

(in EUR)	1-6 2016	1-6 2015
Revenue generated on sales with domestic customers	34,879,044	28,342,006
- services	34,274,306	27,724,686
- goods and material	3,429	82
- rentals	601,309	617,238
Revenue generated on sales with foreign customers	67,168,355	63,788,646
- services	67,136,555	63,743,526
- rentals	31,800	45,120
Total	102,047,399	92,130,652

Other income

(in EUR)	1-6 2016	1-6 2015
Other operating income	1,168,800	2,735,555
Reversal of provisions	0	1,501,667
Subsidies, grants and similar income	964,079	1,005,348
Revaluation operating income	204,721	228,540
Income on sale of property, plant and equipment and investment property	30,809	65,226
Collected written-off receivables and written-off liabilities	173,912	163,314
Other income	432,243	318,071
Compensations and damages	191,744	280,810
Subsidies and other income not related to services	0	26,473
Other income	240,499	10,788
Total	1,601,043	3,053,626

Subsidies, grants and similar income in the amount of EUR 964,079 almost entirely refer to the company Luka Koper Inpo, d. o. o., and namely on income from the withdrawal of the assigned assets from the withheld contributions of Luka Koper INPO, d. o. o.

Cost of material

(in EUR)	1-6 2016	1-6 2015
Cost of material	817	653
Cost of auxiliary material	1,894,344	1,362,321
Cost of spare parts	2,194,290	2,278,094
Cost of energy	3,059,290	3,304,603
Cost of office stationary	74,578	74,849
Other cost of material	200,754	201,103
Total	7,424,073	7,221,623

Cost of services

(in EUR)	1-6 2016	1-6 2015
Cost of services rendered in connection with the core activity	12,457,361	10,776,051
Cost of transportation	142,432	112,712
Cost of maintenance	3,040,584	2,772,268
Rentals	498,358	458,721
Reimbursement of labour-related costs	213,024	189,034
Costs of payment processing, bank charges and insurance premiums	400,814	357,756
Cost of intellectual and personal services	352,795	386,398
Advertising, trade fairs and hospitality	549,333	607,296
Costs of services provided by individuals not performing business activities	152,796	143,622
Cost of other services		
Sewage and disposal services	83,473	69,051
Information support	1,607,099	1,522,413
Concession-related costs	3,241,201	2,986,656
Costs of other services	2,272,232	1,525,626
Total	25,011,502	21,907,604

The cost of services relating to the core activity and concession charges increased due the increased performance volume and consequently higher revenue from sale of Luka Koper Group.

Employee benefits expense

(in EUR)	1-6 2016	1-6 2015
Wages and salaries	17,671,068	15,822,182
Wage compensations	2,179,700	2,171,890
Costs of additional pension insurance	798,495	716,302
Employer's contributions on employee benefits	3,256,813	2,984,740
Annual holiday pay, reimbursements and other costs	1,960,567	1,733,363
Total	25,866,643	23,428,477

Amortisation and depreciation expense

(in EUR)	1-6 2016	1-6 2015
Depreciation of buildings	6,449,374	6,205,373
Depreciation of equipment and spare parts	6,421,808	7,073,190
Depreciation of small tools	12,005	13,210
Depreciation of investment property	95,812	95,533
Amortisation of intangible assets	339,707	310,885
Total	13,318,706	13,698,191

Other operating expenses

(in EUR)	1-6 2016	1-6 2015
Impairment costs, write-offs and losses on property, plant and equipment, and investment property	24,921	646,116
Expenses for allowances for receivables	136,695	23,135
Levies that are not contingent upon employee benefits expense and other types of cost	3,363,114	3,116,983
Donations	81,226	106,161
Environmental levies	33,063	32,559
Awards and scholarship to students inclusive of tax	11,705	12,224
Awards and scholarship to students	4,460	6,060
Other costs and expenses	277,675	965,284
Total	3,932,859	4,908,522

Among other operating expenses the most significant amount represent the charges not depending on labour costs and other costs, respectively the compensation for the use of the building land in the amount of EUR 3,511,863.

Finance income and expenses

(in EUR)	1-6 2016	1-6 2015
Finance income from shares and interests		
Finance income from shares and interests in other companies	152,239	48,892
Finance income - interest		
Interest income - other	12,017	44,436
Finance income from operating receivables		
Finance income from operating receivables due from others	76,448	137,905
Total finance income	240,704	231,233
Finance expenses – interest		
Interest expenses – associates and jointly controlled entities	-3,926	-3,915
Interest expenses – banks	-1,194,645	-1,569,531
Finance expenses for financial liabilities		
Finance expenses for trade payables	-5	-420
Finance expenses for other operating liabilities	-34,057	-30,316
Total finance expenses	-1,232,633	-1,604,182
Net financial result	-991,929	-1,372,949

Profit of the period

The Group's profit of the period for January – June 2016 amounted to EUR 28,096,756, in the equivalent period last year to EUR 24,027,708.

The Group's net profit of the period January – June 2016 amounted to EUR 23,712,736 (in the equivalent period last year EUR 19,641,172), whereof EUR 23,703,815 (in the equivalent period last

year EUR 19,631,330) pertained to the owners of the company, and EUR 8,921 (in the equivalent period last year EUR 9,842) pertained to the non-controlling company. Non-controlling interest pertains to the co-owner of the company TOC, d. o. o.

(in EUR)	30 Jun 2016	31 Dec 2015
Net profit for the period	23,703,815	19,631,330
Total number of shares	14,000,000	14,000,000
Number of ordinary shares	14,000,000	14,000,000
Earnings per share	1.69	1.40

Net earnings per share were calculated by dividing the net operating profit with weighted average number of ordinary shares in issue during the year.

The diluted earning per share is equal to the basic earning per share, since the equity of Luka Koper Group after the conversion of preferential shares into ordinary shares is composed exclusively of ordinary shares.

Additional notes to the consolidated statement of financial position

Property, plant and equipment

(in EUR)	30 Jun 2016	31 Dec 2015
Land	10,445,956	10,445,956
Buildings	238,541,990	233,620,036
Plant and machinery	56,251,511	59,652,478
Property, plant and equipment being acquired and advances given	51,316,360	37,846,995
Total	356,555,817	341,565,465

Property, plant and equipment are not pledged as collateral. In the reporting period, no additional charges of Luka Koper Group assets were identified.

In January – June 2016, the Group did not execute major disposals of property, plant and equipment.

In January – June the largest investments were the following:

- continuation of the construction of three new fuel tanks at the Liquid cargoes terminal,
- continuation of the construction of the track 21 a, b, c and the bridge over the channel,
- arrangement of transport and storage areas for the needs of the container terminal.

Investment property

(in EUR)	30 Jun 2016	31 Dec 2015
Investment property - land	14,991,483	14,991,483
Investment property - buildings	3,672,599	3,757,941
Total	18,664,082	18,749,424

Intangible assets

(in EUR)	30 Jun 2016	31 Dec 2015
Development costs	254,091	273,522
Non-current property rights (concessions, patents, licences, trademarks and similar rights)	4,179,953	4,458,810
Total	4,434,044	4,732,332

Non-current property rights refer to the industrial property and other rights such as software, information systems and development-project programmes, whilst the development cost refer to the development project of the subsidiary company.

Shares and interests in associates

(in EUR)	2016	2015
Balance at the beginning of the period	11,699,829	10,846,601
Increase		
Attributable profits	1,009,464	1,328,228
- Adria Transport, d. o. o.	399,668	523,481
- Adria-tow, d. o. o.	385,032	564,721
- Adriafin, d. o. o.	-2,002	-3,808
- Avtoservis, d. o. o.	226,766	243,834
Decrease		
Share of profits	-700,000	-475,000
- Adria Transport, d. o. o.	-500,000	-325,000
- Adria-tow, d. o. o.	-200,000	-150,000
Balance at the end of the period	12,009,293	11,699,829

Other non-current investments

(in EUR)	30 Jun 2016	31 Dec 2015
Other investments measured at cost	3,514,602	3,540,629
Other investments measured at fair value through equity	28,714,653	30,949,464
Total	32,229,255	34,490,093

A decline in the value of investments measured at fair value through equity was due to the reduction in the value of shares on the stock exchange.

Loans and given deposits

(in EUR)	30 Jun 2016	31 Dec 2015
Financial assets held to maturity:		
Non-current loans given with purchase of bonds from others	272,492	360,884
Loans		
Non-current loans to others, including finance lease	36,628	39,535
Non-current housing loans to employees	20,603	21,608
Non-current loans to others	16,025	17,927
Total	309,120	400,419

Non-current operating receivables

As at 30th June 2016, non-current operating receivables, which represent non-current given advances and securities, amounted to EUR 74,022, as at 31st December 2015 to EUR 37,931.

Deferred tax

(in EUR)	Deferred tax assets		Deferred tax liabilities	
	30 Jun 2016	31 Dec 2015	30 Jun 2016	31 Dec 2015
Deferred tax assets and liabilities relating to:				
impairment of investments in associates	15,725	15,725	0	0
impairment of other investments and deductible temporary differences arising on securities	8,535,119	8,478,190	2,148,860	2,441,778
financial instruments	176,375	176,375	0	0
allowances for trade receivables	217,712	217,712	0	0
provisions for retirement benefits	304,915	309,087	0	0
provisions for jubilee premiums	48,904	51,235	0	0
long-term accrued costs and deferred income from public commercial services	409,092	409,092	0	0
Total	9,707,842	9,657,416	2,148,860	2,441,778

Inventories

As at 30th June 2016 the inventories of the material account for EUR 921,217, as at 31 December 2015 they accounted for EUR 813,734. Major part of these inventories is related to the overhead and auxiliary material in the amount of EUR 470,529 and the maintenance material and spare parts in the amount of EUR 411,954.

Deposits and loans given

(in EUR)	30 Jun 2016	31 Dec 2015
Current loans to others	13,378	15,305
Non-current deposits to others	95,029	296,582
Total	108,407	311,887

Trade and other receivables

(in EUR)	30 Jun 2016	31 Dec 2015
Current trade receivables:		
domestic costumers	18,368,442	17,787,919
foreign costumers	10,605,347	10,484,805
Current operating receivables due from associates	57,354	43,763
Current trade receivables	29,031,143	28,316,487
Current receivables due from dividends	200,000	200,000
Advances and collaterals given	208,142	82,500
Current receivables related to finance income	15,209	17,240
Receivables due from the state	1,593,378	1,384,713
Other current receivables	118,502	207,386
Total trade receivables	31,166,374	30,208,326
Short-term deferred costs and expenses	3,709,442	603,868
Accrued income	340,582	1,096,625
Other receivables	4,050,024	1,700,493
Total	35,216,398	31,908,819

As at 30th June 2016, the Group pledged receivables in connection with collateralising a bank loan in the amount of EUR 5,300,000, the Group has concluded the assignment of claim agreement. As at 30th June 2016, these receivables amounted to EUR 144,878.

Accrued costs substantially comprise accrued costs for the use of building land for the second half of 2016 in the amount of EUR 2,223,548, accrued costs for the annual holiday pay for the second half of 2016 in the amount of EUR 574,939 and accrued costs for insurance premiums in the amount of EUR 354,435.

Among accrued income are registered as accrued income related to the development projects.

Cash and cash equivalents

(in EUR)	30 Jun 2016	31 Dec 2015
Cash in hand	15,215	7,606
Bank balances	3,327,264	573,190
Current deposits	10,519,288	12,029,253
Total	13,861,767	12,610,049

Equity

(in EUR)	30 Jun 2016	31 Dec 2015
Share capital	58,420,965	58,420,965
Capital surplus (share premium)	89,562,703	89,562,703
Revenue reserves	108,745,096	108,745,096
<i>Legal reserves</i>	18,765,117	18,765,117
<i>Other revenue reserves</i>	89,979,979	89,979,979
Reserves arising from valuation at fair value	8,573,144	10,203,618
Retained earnings	39,187,702	21,202,404
Net profit for the period	23,703,815	17,985,297
Equity of owners of the parent	328,193,425	306,120,083
Non-controlling interests	179,307	170,386
Equity	328,372,732	306,290,469

Provisions

(in EUR)	30 Jun 2016	31 Dec 2015
Provisions for retirement benefits and similar obligations	3,128,706	3,215,377
Provisions for legal disputes	475,224	475,224
Total	3,603,930	3,690,601

Deferred income

(in EUR)	30 Jun 2016	31 Dec 2015
Long-term deferred income for regular maintenance	7,739,386	7,823,250
Non-refundable grants received	3,049,046	3,575,640
Other long-term deferred income	2,142,295	2,386,470
Total	12,930,727	13,785,360

Loans and borrowings

(in EUR)	30 Jun 2016	31 Dec 2015
Non-current borrowings from domestic banks	62,366,411	66,544,844
Non-current borrowings from foreign banks	32,663,800	33,809,978
Total	95,030,211	100,354,822

As at 30th June 2016, the Group's non-current liabilities were EUR 5,324,611 lower than as at 31st December 2015 due to the transfer of a part of liabilities to current liabilities.

Other non-current financial liabilities

Other non-current financial liabilities are related to the fair value of the interest swap of the parent company, and as at 30th June 2016 amounted to EUR 489,252, as at 31st December 2015 to EUR 639,954.

Non-current operating liabilities

Non-current operating liabilities represent non-current advances and deposits, which as at 30th June 2016 amounted to EUR 267,990, as at 31st December 2015 they amounted to EUR 263,401.

Loans and borrowings

(in EUR)	30 Jun 2016	31 Dec 2015
Current financial liabilities to associates	500,000	500,000
Current borrowings from domestic banks	8,375,983	8,375,983
Current borrowings from foreign banks	2,295,082	1,147,541
Total	11,171,065	10,023,524

Current liabilities from borrowings as at 30th June 2016 were EUR 1,147,541 higher than as at 31st December 2015, and namely as the net effect of the transfer of a part of non-current liabilities to current liabilities and the repayment of the principal amount.

Other current financial liabilities

Other current financial liabilities for interests and liabilities for the payment of the interest swap, established in compliance with the management of interest rate risk strategy of the parent company and as at 30th June 2016 amounted to EUR 774,224, as at 31st December 2015 to EUR 848,234.

Trade and other payables

(in EUR)	30 Jun 2016	31 Dec 2015
Current liabilities to:		
domestic suppliers	16,129,511	13,164,430
foreign suppliers	467,671	2,740,831
Current liabilities to associates	129,188	99,564
Current trade payables	16,726,370	16,004,825
Current liabilities from advances	85,896	78,381
Current liabilities to employees	3,434,577	3,422,925
Current liabilities to state and other institutions	691,406	948,764
Total operating liabilities	20,938,249	20,454,895
Accrued costs or expenses	6,802,977	5,176,915
Short-term deferred income	738	6,275
Other operating liabilities	269	91,653
Other operating liabilities	6,803,984	5,274,843
Total	27,742,233	25,729,738

Current trade liabilities due to the increased liabilities to suppliers, due to larger volume of

operations and due to higher accrued costs for the 13th salary in the amount of EUR 1,492,930 and accrued commercial discounts in the amount of EUR 984,125.

Contingent assets and liabilities

(in EUR)	30 Jun 2016	31 Dec 2015
Securities given	27,380,235	15,984,283
Guarantees received	11,266,342	10,281,042
Contingent assets under legal disputes	32,638,935	32,638,935
Other contingent assets	103,001	70,225
Total contingent assets	71,388,513	58,974,485
Guarantees given	1,639,983	2,106,270
Securities given	8,239,179	6,902,284
Contingent liabilities under legal disputes	786,510	3,012,100
Approved borrowing	36,000,000	36,000,000
Total contingent liabilities	46,665,672	48,020,654

Securities received increased due to the advance payments for the purchase of the port's equipment, whilst the securities given increased due to given letters of credit to the supplier of the port's equipment.

In the first half of 2016, Luka Koper Group concluded and closed contingent liabilities from lawsuits of the parent company in the amount of EUR 2,247,540, created a new contingent liability due to a new lawsuit in the amount of EUR 21,950. As at 30th June 2016 the exposure to the legal risks of the Group was only EUR 1.3 million (whereof EUR 0.8 million is at contingent liabilities and EUR 0.5 million at current provisions for lawsuits).

Financial instruments and financial risk management

The financial risks to which the Group is exposed include:

1. risk management of the change in fair value,
2. management of interest rate risk,
3. management of liquidity risk,
4. management of currency risk,
5. management of credit risk and
6. risk management relating to adequate capital structure.

1. Risk management relating to change in fair value

As at 30th June 2016, the Group has invest 5.9 percent of its assets (at the end of the previous year 6.6 percent) in investments measured at fair value, whereof the parent company 98 percent.

The fair value risk associated with these investments is demonstrated through changes in stock market prices that affect the value of these assets and, consequently the potential gain on their

disposal. This type of risk was identified in association with investments in market securities of Slovenian companies. As at 30th June 2016, the value of non-current available-for-sale investments at fair value through equity amounted to EUR 28,714,653. This value comprises shares of Slovenian companies and units of mutual fund assets.

The sensitivity analysis of finance investments measured at fair value:

Risk of change at fair value of securities as at 30th Jun 2016

Change of index (in %)	Impact ion equity
-10%	-2,871,465
10%	2,871,465

Risk of change at fair value of securities as at 31st December 2015

Change of index (in %)	Impact ion equity
-10%	-3,094,946
10%	3,094,946

Fair value hierarchy

(in EUR)	Valuation at fair value			
	Carrying amount at 30 Jun 2016	Direct stock market quotation (Level 1)	Value defined on the basis of comparable market inputs (Level 2)	No observable market inputs (Level 3)
Assets measured at fair value				
Other interests and shares	28,714,653	28,714,653	0	0
Assets measured at cost				
Loans given	417,527	0	0	417,527
Other shares and interests	3,514,602	0	0	3,514,602
Operating receivables	31,166,374	0	0	31,166,374
Liabilities measured at fair value				
Interest rate hedging for borrowings	489,252	0	489,252	0
Liabilities measured at amortised cost				
Other financial liabilities	774,224	0	397,456	376,678
Borrowings	106,339,938	0	0	106,339,938
Operating liabilities	20,938,249	0	0	20,938,249

(in EUR)	Valuation at fair value			
	Carrying amount at 31 Dec 2015	Direct stock market quotation (Level 1)	Value defined on the basis of comparable market inputs (Level 2)	No observable market inputs (Level 3)
Assets measured at fair value				
Other interests and shares	30,949,464	30,949,464	0	0
Assets measured at cost				
Loans given	712,306	0	0	712,306
Other shares and interests	3,540,629	0	0	3,540,629
Operating receivables	30,208,326	0	0	30,208,326
		0	0	0
Liabilities measured at fair value				
Interest rate hedging for borrowings	639,954	0	639,954	0
Liabilities measured at amortised cost				
Other financial liabilities	848,234	0	397,456	450,778
Borrowings	110,527,929	0	0	110,527,929
Operating liabilities	20,454,895	0	0	20,454,895

2. Management of interest rate risk

Only the parent company encounters the interest rate risk, since its financial liabilities are with variable interest rates.

In January to June 2016, the Group managed to reduce financial liabilities by 3.9 percent with respect to the previous business year, and as at 30th June 2016 they amounted to EUR 107,464,752. In previous years, the parent company entered into an interest rate hedge for two major borrowings in the total open amount of EUR 60,714,286 as at 30th June 2016. It is a case of the borrowing in the amount of EUR 25,714,286 with final maturity in 2025 and the borrowing in the amount of EUR 35,000,000 with final maturity in 2031. An eventual change of variable interest rates may have a consequential impact on 42.4 percent of all Group's borrowings. In 2015 there were 43.0 percent of such borrowings. The remaining 57.6 percent is hedged against eventual change of variable interest rate.

Overview of exposure

(in EUR)	30 Jun 2016	Exposure 2016	31 Dec 2015	Exposure 2015
Borrowings received at variable interest rate (without interest rate hedge)	45,125,652	42.4%	47,885,073	43.3%
Borrowings received at variable interest rate (with interest rate hedge)	60,714,286	57.1%	62,142,856	56.2%
Borrowings received at nominal interest rate	500,000	0.5%	500,000	0.5%
Total	106,339,938	100.0%	110,527,929	100.0%

Sensitivity analysis of borrowings from banks in view of the variable interest rate fluctuations:

(in EUR)	Borrowings from banks under the variable interest rate as at 30 Jun 2016	Increase by 15 bp	Increase by 25 bp	Increase by 50 bp
3M EURIBOR	45,125,652	18,092	109,517	529,200
Total effect on interests expenses	45,125,652	18,092	109,517	529,200

(in EUR)	Borrowings from banks under the variable interest rate as at 31 Dec 2015	Increase by 15 bp	Increase by 25 bp	Increase by 50 bp
3M EURIBOR	47,885,073	19,252	82,203	201,916
Total effect on interests expenses	47,885,073	19,252	82,203	201,916

The analysis of financial liabilities' sensitivity to changes in variable interest rates is based on the assumption of potential growth in interest rates of 15, 25 and 50 bp.

3. Management of liquidity risk

Liquidity risk is the risk that the Group will fail to settle its liabilities at maturity. The Group manages liquidity risk by regular planning of cash flows required to settle liabilities with diverse maturity. Additional measures for preventing delays in receivable collection include regular monitoring of payments and immediate response to any delays and charging penalty interest in accordance with the Group's uniform policy of receivable management.

(in EUR)	Up to 3 months	3 to 12 months	1 to 2 years	3 to 5 years	More than 5 years	Total
30 June 2016						
Loans and borrowings*	1,153,481	9,517,585	13,582,399	37,633,312	43,953,161	105,839,938
Accrued interest maturing in the next calendar year	55,409				0	55,409
Expected interest on all borrowings	265,945	1,234,984	1,287,178	2,376,536	1,351,255	6,515,898
Other financial liabilities	480,464	293,760	0	489,252	0	1,263,476
Payables to suppliers	16,726,370	0	0		0	16,726,370
Other operating liabilities	4,211,879	0	0	0	0	4,211,879
Total	22,893,548	11,046,329	14,869,577	40,499,100	45,304,416	134,612,970
31 Dec 2015						
Loans and borrowings*	579,710	9,443,814	11,761,732	41,213,399	47,529,274	110,527,929
Accrued interest maturing in the next calendar year	34,108	0	0	0	0	34,108
Expected interest on all borrowings	307,821	1,487,331	1,473,926	2,910,417	1,816,240	7,995,735
Other financial liabilities	450,688	397,546	0	639,954	0	1,488,188
Payables to suppliers	16,004,825	0	0		0	16,004,825
Other operating liabilities	4,450,070	0	0	0	0	4,450,070
Total	21,827,222	11,328,691	13,235,658	44,763,770	49,345,514	140,500,855

*the item includes also borrowings from associates

4. Management of currency risk

The risk of changes in foreign exchange rates arises from trade receivables denominated in US dollars (USD). In the first half of 2016, the average monthly balance of Group's outstanding trading receivables amounted to USD 92 thousand. As at 30st June 2016, the Group did not disclose receivables denominated in US dollars. As at 31st December 2015, outstanding receivables

amounted to 0.75 percent.

5. Management of credit risk

Assets exposed to credit risk:

(in EUR)	30 Jun 2016	31 Dec 2015
Non-current loans	309,120	400,419
Non-current operating liabilities	74,022	37,931
Current deposits	95,029	296,582
Current loans	13,378	15,305
Current trade receivables	29,031,143	28,316,487
Other current receivables	2,135,231	1,891,839
Cash and cash equivalents	13,861,767	12,610,049
Guarantees and collaterals granted	9,879,162	9,008,554
Total	55,398,852	52,577,166

The Group estimates that the exposure to credit risk is low, and due to the risk management mechanisms put in place, there is a low likelihood of damages.

6. Risk management relating to adequate capital structure

(in EUR)	30 Jun 2016	31 Dec 2015
Total liabilities	158,715,954	160,700,976
Cash and cash equivalents and current deposits	-13,956,796	-12,906,631
Net debt	144,759,158	147,794,345
Equity	328,193,425	306,120,083
Net debt/equity	0.44	0.48

STATEMENT OF THE MANAGEMENT RESPONSIBILITY

The Management of Luka Koper, d. d., herein declares that the non-audited condensed financial statements of Luka Koper, d. d., and non-audited condensed consolidated statements of the Luka Koper Group of companies for the period ending 30th June 2016, have been compiled in order that they shall provide a true and fair disclosure of the financial condition as well as the business performance and cash flows of Luka Koper, d. d., and Luka Koper Group. The condensed financial statements January to June 2016 have been compiled in accordance with the same accounting policies and principles applicable in the Luka Koper, d. d., and Luka Koper Group 2015 annual reports.

These condensed interim statements for the period ending 30th June 2016, were compiled in accordance to the International accounting Standards 34 – Interim Financial Statement, and should be considered in relation to the annual financial statements for fiscal year ending 31 December 2015. Financial statements for 2015 are audited.

The Management Board shall be held responsible for the implementation of measures guaranteeing the preservation and growth of assets of Luka Koper, d. d. and Luka Koper Group assets and detection of fraud and other irregularities and their elimination.

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.

Members of the Management Board:



Dragomir Matić

President of the Management Board



Andraž Novak

Member of the Management Board



Irena Vinček

Member of the Management Board



Stojan Čepar

Member of the Management Board – Labour Director

Koper, 17 August 2016