

LUKA KOPER GROUP

**NON-AUDITED INTERIM REPORT OF LUKA KOPER GROUP AND
LUKA KOPER D. D.
JANUARY – JUNE 2012**

**Koper, Slovenia
August 2012**

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PERFORMANCE HIGHLIGHTS OF LUKA KOPER GROUP

COMPARISON OF ACTUAL AND PLANNED RESULTS FOR JANUARY – JUNE 2012

	Result 1 – 6 2012	Plan 1 – 6 2012	Index result/plan
Operating revenues	73,779,372	75,000,280	98
Operating profit (EBIT)	11,152,704	12,051,148	93
EBITDA	25,090,295	26,042,527	96
Net profit	6,220,222	7,002,140	89
Investments in intangible and tangible fixed assets and real-estate investments	8,441,745	20,777,325	41
Cargo throughput (in tonnes)	9,036,874	8,820,325	102

COMPARISON OF JANUARY–JUNE RESULTS FOR 2012 AND 2011

(in euro)	1 – 6 2012	1 – 6 2011	Index 2012/2011
From Income Statement			
Operating revenues	73,779,372	71,633,757	103
Operating profit (EBIT)	11,152,704	13,163,652	85
EBITDA	25,090,295	26,623,407	94
Financing gain (loss)	-3,422,066	-10,116,990	34
Pre-tax profit	7,730,638	3,046,662	254
Net profit	6,220,222	3,425,733	182

(in euro)	30. 6. 2012	31. 12. 2011	Index 2012/2011
From Balance Sheet Statement			
Assets	472,560,552	478,271,061	99
Non-current assets	431,712,145	445,905,231	97
Current assets and deferred expenses and accrued revenues	40,848,407	32,365,830	126
Equity	242,868,266	240,796,818	101
Non-current liabilities and provisions	185,082,028	171,108,726	108
Current liabilities and accrued expenses and deferred revenues	44,610,258	66,365,517	67
Financial liabilities	195,754,335	205,799,473	95

(as percentage)	1 – 6 2012	1 – 6 2011	Index 2012/2011
Indicators			

Return on sales (ROS)	15.12%	18.38%	82
Net return on equity (ROE)	5.14%	2.79%	184
Net return on assets (ROA)	2.62%	1.37%	191
EBITDA margin	34.01%	37.17%	92
Financial liabilities/equity	80.60%	87.41%	92

(in euro)	1 – 6 2012	1 – 6 2011	Index 2012/2011
From Cash Flow Statement			
Investments in tangible and intangible fixed assets and real-estate investments	8,441,745	11,274,988	75

GENERAL INFORMATION

INTRODUCTORY NOTE

Compliant with the *Market and Financial Instruments Act RS*, *Ljubljana Stock Exchange Rules* as well as *Guidelines on Disclosure for Listed Companies*, *Luka Koper d.d.*, Vojkovo Nabrežje 38, Koper, Slovenia, discloses this Non-Audited Interim Report on the performance of *Luka Koper d.d.* and *Luka Koper Group* for January – June 2012.

This Non-Audited Interim Report on the performance of *Luka Koper d.d.* and the *Luka Koper Group* for January – June 2012 can be examined at *Luka Koper d.d.*'s registered headquarters at Vojkovo Nabrežje 38, 6501 Koper, Slovenia, and shall also be accessible via the company's website www.luka-kp.si from 24th August 2012 onwards.

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

This Non-Audited Interim Report on the performance of *Luka Koper d.d.* and the *Luka Koper Group* for January – June 2012 was addressed by the company's Supervisory Board at its regular session held on 24th August 2012.

PRESENTATION OF LUKA KOPER GROUP

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

<i>Full title</i>	<i>Luka Koper d.d., a public limited liability port and logistics system operator</i>
<i>Short title</i>	<i>Luka Koper, d. d.</i>
<i>Registered office</i>	<i>Vojkovo Nabrežje 38, Koper, Slovenia Telephone: + 386 (0)5 66 56 100 Fax: + 386 (0)5 63 95 020 E-mail: portkoper@luka-kp.si Website: www.luka-kp.si</i>
<i>Company registration</i>	<i>Application No. 066/10032200, registered at the Koper District Court</i>
<i>Registration number</i>	<i>5144353</i>
<i>Tax number</i>	<i>SI 89190033</i>
<i>Issued share capital</i>	<i>€ 58,420,964.78</i>
<i>No. of shares</i>	<i>14,000,000 ordinary no-par-value shares</i>
<i>Shares listing</i>	<i>Ljubljana Stock Exchange, prime market</i>
<i>Share ticker symbol</i>	<i>LKPG</i>
<i>Management Board President</i>	<i>Dr. Gregor Veselko</i>
<i>Management Board Member</i>	<i>Marko Rems</i>
<i>Management Board Member – Workers Director</i>	<i>Matjaž Stare</i>
<i>Supervisory Board President</i>	<i>Dr. Janez Požar</i>
<i>No. of consolidated companies</i>	<i>5</i>
<i>Luka Koper d. d. core activity</i>	<i>Seaport and logistics system operator and service provider</i>
<i>Luka Koper Group activities</i>	<i>Various support and ancillary services in relation to core activity</i>

Companies consolidated within the *Luka Koper Group* provide various services which accomplish the comprehensive operation of the Port of Koper. In addition to the parent company *Luka Koper d.d.*, the *Luka Koper Group* was comprised of the following subsidiary enterprises as of 30th June 2012:



* The *Luka Koper Deutschland GmbH* subsidiary in which the parent company holds a 74.80 percent stake is currently under liquidation.

As of 30th June 2012, *Luka Koper d.d.* also discloses financial investments in jointly-controlled and associated companies in which it exerts significant influence:



* The company *Adriazole d.o.o.* is not controlled in compliance with International Accounting Standards 27 (13). Although *Luka Koper d.d.* holds a 98-percent stake in *Adriazole d.o.o.*, decision making requires the consent of the partner pursuant to an agreement. Compliant with provisions of IAS 28 (7), *Adriazole d.o.o.* has been reclassified as an associated company.

Luka Koper Group also has shareholdings in the companies listed below which are classified as assets held for disposal and sale:

- Intereuropa d.d., 24.81%
- Logis Nova d.o.o., 99.6609%
- Adria Investicije d.o.o., 100%.

CORPORATE MANAGEMENT AND GOVERNANCE

Luka Koper d. d. Management Board

As of 30th June 2012, *Luka Koper d.d.*'s Management Board was comprised as follows:

- Dr. Gregor Veselko, President of the Management Board, commenced a five-year term on 16th June 2009,
- Marko Rems, Member of the Management Board, commenced a five-year term on 1st March 2010,
- Matjaž Stare, Workers Director, commenced a five-year term on 18th October 2010.

A presentation of Management Board members is available on the company's website www.luka-kp.si.

Management Board Deputy President Mr Tomaž Martin Jamnik, tendered his resignation at the company's Supervisory Board meeting of 20th April 2012. He performed the function until 31st May 2012.

Luka Koper d. d. Supervisory Board

As of 30th June 2012, *Luka Koper d.d.*'s Supervisory Board was comprised as follows:

Representatives of shareholders:

- Dr. Janez Požar, President of the Supervisory Board, appointed upon the proposal of the Republic of Slovenia; commenced a four-year term on 14th July 2009 (16th General Assembly of Shareholders),
- Mr. Tomaž Može, Deputy President of the Supervisory Board, appointed as the representative of other shareholders; commenced a four-year term on 14th July 2009 (16th General Assembly of Shareholders),

- Mr. Bojan Brank, Member of the Supervisory Board, appointed upon the proposal of the Republic of Slovenia; commenced a four-year term on 14th July 2009 (16th General Assembly of Shareholders),
- Dr. Marko Simoneti, Member of the Supervisory Board, appointed upon the proposal of the Republic of Slovenia; commenced a four-year term on 14th July 2009 (16th General Assembly of Shareholders),
- Mr. Jordan Kocjančič, Member of the Supervisory Board, appointed upon the proposal of the state funds of the Republic of Slovenia; commenced a four-year term on 14th July 2009 (16th General Assembly of Shareholders),
- Sabina Mozetič, Member of the Supervisory Board, appointed upon the proposal of the Council of Koper Municipality; commenced a four-year term on 12th July 2011 (19th General Assembly of Shareholders).

Representatives of employees:

- Mr Mladen Jovičič, Employee Representative; commenced a four-year term on 8th April 2009,
- Mr. Stojan Čepar, Employee Representative; commenced a four-year term on 8th April 2009,
- Mr. Nebojša Topič, Employee Representative; commenced a four-year term on 28th July 2012.

External member of Supervisory Board Auditing Committee:

- Ms. Blanka Vezjak, external member of Supervisory Board Auditing Committee, appointed at the Supervisory Board meeting of 1st September 2009.

SIGNIFICANT EVENTS JANUARY – JUNE 2012

JANUARY

- *Luka Koper* signed a contract on the acquisition of three RTG cranes with the Finnish company *Konecranes*; these will be delivered in six months.
- A consortium of ship owners (*Hanjin, Yang Ming, Hyundai Merchant Marine* and the *United Arab Shipping Company*) cancelled a direct container line linking the Port of Koper with the Far East. The last vessel operating this service called at Koper in mid-January 2012. The aforementioned companies will continue to serve Koper via feeder line services.

FEBRUARY

- The *Luka Koper Group* published its non-audited non-consolidated and consolidated financial statements for fiscal 2011.
- Together with other members of North Adriatic Ports Association (NAPA), *Luka Koper* presented its operations at India's Mumbai logistics fair.
- The company was granted *Bureau Veritas* certification in relation to its handling and storage of crops and foods from organic and conventional production. It certifies that the cargo preserves the features of ecological production through all the stages of handling and storage.
- A strong bora wind impeded port operations for several days, and, for a time, also prevented cargo handling.
- During his visit to *Luka Koper*, Mr Brian Simpson, President of the European Parliament Transport and Tourism Committee, was presented with an overview of the company's operations and the need for improved rail links, including the Port of Koper's inclusion within Europe's Baltic – Adriatic transport corridor.

MARCH

- Koper's Passenger Terminal was presented to delegates at the Seatrade Cruise Shipping Convention in Miami, Florida, the largest cruise fair in the world.
- *Luka Koper's Living With The Port Fund*, which aims to foster and finance community-oriented initiatives, received 271 applications. Ninety-three projects - from such diverse fields as sport, culture, education, ecology and humanitarian endeavour - were supported in a total amount of € 91,400.
- In conjunction with Port Klang in Malaysia, *Luka Koper* organised business conferences in Budapest and Vienna.
- The company formed part of a Slovenian business delegation to Turkey, and met Turkish businessmen in Manisa, Izmir and Istanbul.

APRIL

- At its 20th April 2012 session, the Supervisory Board accepted the resignation of Management Board Deputy President Tomaž Martin Jamnik, who shall continue to perform his function until 31st May 2012.
- At its 20th April 2012 session, the Supervisory Board also endorsed the 2011 Annual Report.
- Based on resolutions adopted by the *Koper Municipal Council*, Koper Municipality requested the provision of compensation for the pollution suffered by the inhabitants of Koper city centre, Žusterna, Za Gradom, Semedela, Olmo-Prisoje and Ankaran, as well as that *Luka Koper d.d.* draw up a strategy to cease its dry bulk cargo handling operations within three years.
- The Taiwanese container freight shipping company *Evergreen Marine* established a direct container service between the Far East and the Adriatic, which also includes the Port of Koper.

- The 318 m long, 43 m wide *Maersk Karlskrona* with a capacity of 7,908 TEUs becomes the largest ever container vessel to berth at the Port of Koper.
- *Luka Koper* met with Slovak businessmen as part of a Slovenian commercial delegation accompanying a state visit to Slovakia by President Danilo Türk.
- On 16th April 2012, *Luka Koper d.d.* received a decision by the Securities Market Agency RS on the suspension of the exercise of its voting rights in *Krka Tovarna Zdravil d.d.*, Šmarješka Cesta 6, Novo Mesto, Slovenia. The suspension of such rights shall apply until the following companies:
 - Slovenska odškodninska družba d.d., Mala Ulica 5, Ljubljana,
 - Kapitalska družba pokojninskega in invalidskega zavarovanja d.d., Dunajska Cesta 119, Ljubljana,
 - Luka Koper, pristaniški in logistični sistem d.d., Vojkovo Nabrežje 38, Koper,
 - Zavarovalnica Triglav d.d., Miklošičeva Cesta 19, Ljubljana,
 - KBM Fineko, družba za finančne storitve, trženje in svetovanje d.o.o. - Skupina Nove KBM Maribor, Ulica Vita Kraigherja 5, Maribor,
 - Aerodrom Ljubljana d. d., Zgornji Brnik 130A, Brnik,
 together, or one of them on behalf and account of all of them, or several of them on behalf and account of all of them, makes a formal takeover bid for *Krka Tovarna Zdravil d.d.*, Šmarješka Cesta 6, Novo Mesto, Slovenia, in accordance with the provisions of the *Takeovers Act RS*, or until said companies dispose of Krka (KRKG) shares so that together, one or more of them does not maintain a holding in *Krka Tovarna Zdravil d.d.* which surpasses the prescribed takeover threshold. *Luka Koper d.d.* shall closely examine the decision by the *Securities Market Agency RS* and do everything in its power to protect the company's interests.
- The shipowner *Hapag Lloyd* has included the Port of Koper in a new container service linking the Egyptian ports of Damietta and Port Said with the Adriatic.
- In late April, the companies *Luka Koper d.d.*, *INPO d.o.o.* and *Adria Terminali d.o.o.* were subject to external re-audits of their ISO 9001:2008 Quality Management and ISO 14001 Environmental Protection Management (including EMAS) systems; *Luka Koper d.d.* was additionally subject to a regular surveillance audit of its food safety (ISO 22000:2005) and occupational health and safety (BS OHSAS 18001:2007) standards.
- The arrival of *Seabourn Odyssey* in Koper launched this year's Passenger Terminal season.
- As a part of the commercial delegation under the Ministry of Economic Development and Technology and the Public Agency of RS for Entrepreneurship and Foreign Investments, *Luka Koper* met with various Moroccan companies engaged in the field of maritime trade and logistics.
- *Luka Koper* presented its operations and development plans to analysts, investors and journalists at the Slovene Capital Markets Day organised by Ljubljana Stock Exchange.

MAY

- At its 14th May meeting, upon the proposal of Supervisory Board employee representatives, the Supervisory Board addressed a motion of confidence in the Management Board. The Supervisory Board acknowledged the achievements of the Management Board in its increasing the volume of operations as well as financial consolidation of the company during an extremely difficult economic and financial situation over the past three years. In addition, the Supervisory Board established that the main obstacle to the efficiency of Management Board operations has been a lack of teamwork and internal disagreements between its members, which have increased over time and exerted a negative impact on relations within the company as well as with the local community. The Supervisory Board accordingly proposed that the General Assembly should adopt a resolution as to the amendment of the company's Statute in order that it could be managed by a (single) Managing Director as opposed to a management board; by way of this measure, the company could improve performance in the future, as well as better face the important challenges in relation to investments, financing and expansion of port facilities over the coming years.
- Upon its 55th anniversary, *Luka Koper* organised a round table on the future of the Slovene maritime industry as well as an exhibition of the paintings of Jurij Kobe.
- *Luka Koper d.d.* employees elected their representatives in the Workers Council.
- Model employees were given awards and acknowledgements for their work in 2011.
- Within the context of its Tokyo and Osaka Port Day presentations, *Luka Koper's* Japanese business partners were provided an overview of the company's operations.
- Celebrity Silhouette, the largest cruise vessel ever to visit Koper, berthed at the Passenger Terminal.
- *Luka Koper* published a call for non-binding tenders for the acquisition of its shareholding in the company *Aerodrom Portorož*.
- *Luka Koper* acquired an environmental permit for air-borne emissions in the port zone.
- Koper Municipality councillors were invited to tour the port and were provided presentations of the measures being implemented in order to reduce the impacts of cargo handling operations on the local community.

JUNE

- *Luka Koper d. d.* presented its operations to Serbian business partners in Belgrade.
- The Annual General Assembly meeting of *Luka Koper d.d.* was held on 9th July 2012.
- Together with other members of NAPA (North Adriatic Ports Association), *Luka Koper* presented the Adriatic route to Europe at the TCL fair in Shanghai, China.
- Upon the invitation of the *International Institute for Middle East and Balkan Studies (IFIMES)*, *Luka Koper* visited Kuwait as part of a Slovene a commercial delegation.
- *Luka Koper* participated in a commercial delegation to Brazil organised by Slovenia's Ministry of Economic Development and Technology in collaboration with the national

Chamber of Commerce and Industry and the Ministry of Foreign Affairs. The delegation met with various companies in the field of logistics.

RELEVANT POST-BALANCE-SHEET EVENTS

JULY

- At the 20th Annual General Assembly of *Luka Koper d.d.*, held on 9th July 2012, shareholders:
 - were presented the Annual Report of *Luka Koper Group* and *Luka Koper d.d.* for 2011;
 - were introduced to the fact that there was no distributable profit for 2011, and that the company generated a net loss in the amount of € 1,849,205.32 over the accounting period; said loss was covered through the release of other revenue reserves;
 - refused to endorse the work of Management and Supervisory Boards for 2011;
 - appointed the auditors *Ernst & Young, Revizija, poslovno svetovanje, d.o.o.*, Dunajska Cesta 111, Ljubljana, Slovenia, as external auditor of *Luka Koper d.d.* and the *Luka Koper Group* for fiscal 2012;
 - rejected the resolution on the proposed amendment of the *Luka Koper d.d.* Statute, so that the company would be run by a (single) Managing Director;
 - adopted a resolution on the amount of remuneration for the performance of function and attendance fees for members of the Supervisory Board as well as Supervisory Board Commissions for the following twelve months;
 - rejected the resolution that the General Assembly authorise the company to acquire and dispose of treasury stock;
 - rejected the resolution on the recall of the following *Luka Koper d.d.* Supervisory Board members: Dr. Janez Požar, Dr. Marko Simoneti, Bojan Brank and Jordan Kocjančič;
 - were introduced to the resolution adopted by *Luka Koper d.d.* Workers Council on the re-election of Mr Nebojša Topič as of 21st July 2012 as an employee representative on the *Luka Koper d.d.* Supervisory Board for a period of four years, commencing 28th July 2012.
- On 1st July 2012, *Luka Koper d.d.* Management Board President Mr Gregor Veselko assumed the rotating presidency of the North Adriatic Ports Association (NAPA). Compliant with the Association's statute, the managing directors of port members alternately assume presidency for a six month period.

LUKA KOPER GROUP BUSINESS REPORT

PERFORMANCE ANALYSIS OF THE LUKA KOPER GROUP

The *Luka Koper Group* concluded the first half of 2012 with cargo throughput in the amount of 9 million tonnes, which is eight percent ahead of the first half of 2011. Operating revenues recorded a year-on increase of three-percent (€ 2.1 million), which is two percent (€ 1.2 million) down expectations. A two million euro (15%) year-on decline in operating profit (amounting to € 11.2 million) can mainly be attributed to the growth in labour and port services provision costs, as well as the formation of provisions. This was € 0.9 million (7%) short of expectations, and was in particular due to lower operating revenues; operating expense, however, did not significantly differ from the plans.

Performance in the first quarter of 2012 was also affected by weather conditions, namely the strong bora wind during February. Second quarter performance improved considerably. Indeed, the Group exceeded planned operating profit by one million euros (19%) which can be attributed both to an increase in operating revenues as well as a decrease in operating expenses. Compared to the second quarter of 2011, operating profit recorded a year-on decline of 0.6 million euros (8%), and this is mainly due to higher labour and port service provision costs.

In the first half of 2012, the *Luka Koper Group* generated net profit in the amount of € 6.2 million, which is € 0.8 million (11%) down on anticipations. Said performance was additionally affected by the € 0.4 million impairment of the company's investment in NLB d.d.. Nonetheless, net profit for January to June 2012 recorded a year-on € 2.8 million (82%) increase, due to the fact that results in the first half of 2011 included a € 6.3 million write down pertaining to investments in the company *Intereuropa d.d.*. Net profit for the first half of 2012 is down on last year due to the influence of deferred taxes and corporation tax.

Corporation tax and deferred tax combined recorded a € 1.9 million year-on increase, which are attributable to legislative changes in the field of corporate tax. In the second quarter of 2012, the *Luka Koper Group* generated net profit in the amount of € 3.7 million, which is seventeen percent ahead of plans as well as the January – June 2011 results, when the *Group* generated loss in the amount of € 0.8 million.

Based on the interim performance of the parent company *Luka Koper d.d.* as well as the *Luka Koper Group* as a whole, the Management Board estimates that conditions in key markets are highly unpredictable, meaning that any significant improvement cannot be expected in the second half of the year. Any downturn impacting general and break bulk cargos will in itself present a risk to the accomplishment of planned results. Rises in energy, labour and maintenance costs will additionally affect the *LK Group's* operating revenues. Marketing activities aimed at increasing cargo throughput, together with cost management, will be efficiently applied to manage said risks.

OPERATING REVENUES

In the first half of 2012, the *Luka Koper Group* generated operating revenues in the amount € 73.8 million, which is a year-on increase € 2.1 million (3%). This performance is € 1.2 million (2%) behind plans. The revenues generated in the second quarter of 2012 recorded a year-on increase of € 1 million (3%), and are € 0.4 million (1%) ahead of expectations.

Figure1: Luka Koper Group operating revenues

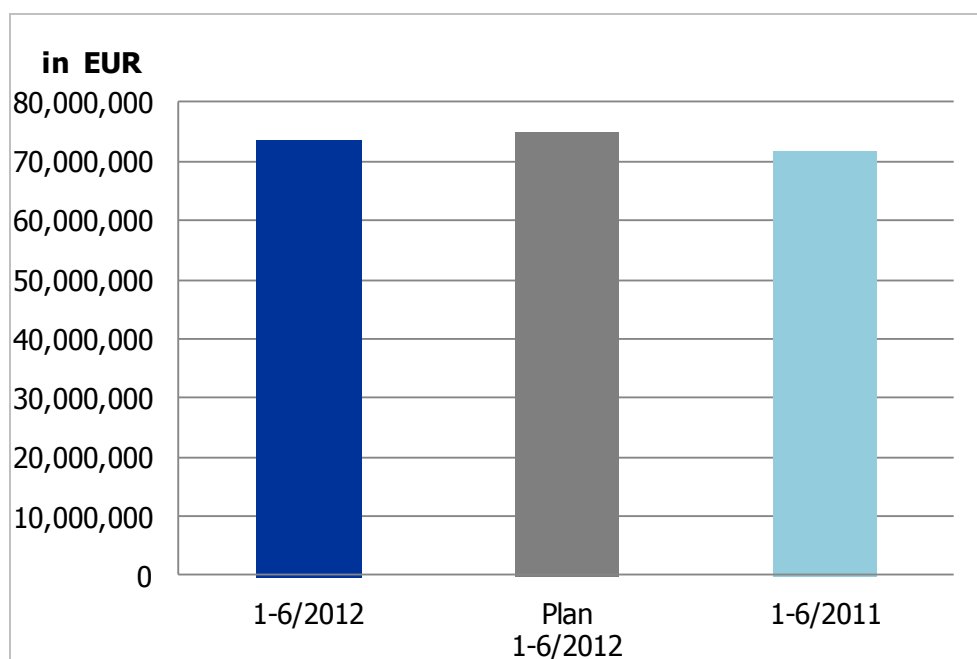


Table 1: Operating revenues by cargo types, January – June 2012 and 2011

OPERATING REVENUES (in euros)	1 – 6 2012	1 – 6 2011	Index 2012/2011
General cargos	16,512,813	16,702,740	99
Containers	16,722,622	16,354,526	102
Vehicles	8,237,750	6,580,374	125
Liquid cargos	3,453,260	3,519,845	98
Dry bulk cargos	17,166,462	16,757,191	102
Other operating revenues	11,686,465	11,719,081	100
TOTAL	73,779,372	71,633,757	103

In the first half of 2012, general cargos were € 0.2 million down on the same period in 2011, whereas general cargo operating revenues generated in the second quarter of 2012 recorded

a year-on increase of € 0.1 million (1%). The decline can mainly be attributed to the decrease in the volume of ferrous products consequent to the recession in European hinterland markets, as well as a decline in paper volumes. Better performance was recorded in relation to timber, though throughput volumes unfortunately failed to entirely compensate for the decline in revenue in other areas.

Container throughput revenues in the first half of 2012 was € 0.4 million (2%) ahead of the same period last year; data for the second quarter, however, reveals a year-on decrease of € 0.1 million (1%). Income generated in the second quarter are much the same as in the first quarter, while the year on improvement in performance is for the major part attributable to additional revenues from storage services.

An increase in operating revenues at the Car Terminal is the result of the acquisition of new business in North Africa, an expansion of supplementary service provision, as well as increased income from storage charges. Revenues in the second quarter of 2012 were nineteen percent up on those generated in the first quarter.

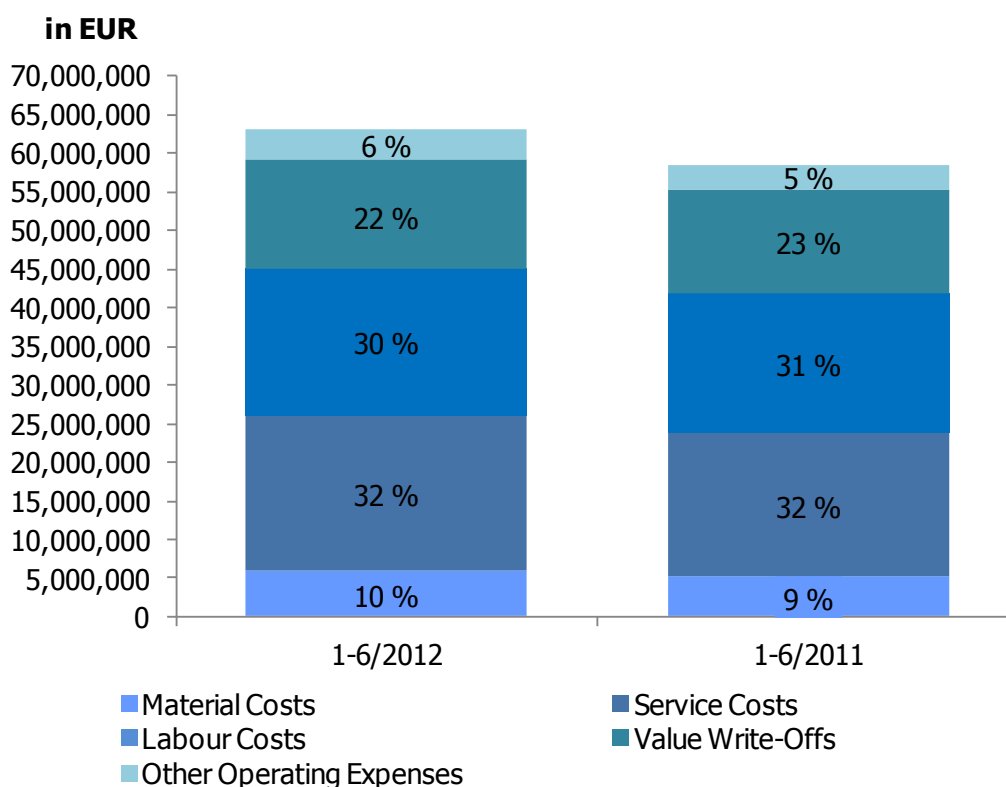
Although liquid cargo throughput recorded a higher increase than was the case between January – June 2011, operating revenues generated by the Liquid Cargo Terminal recorded a year-on decline, while second quarter performance in 2012 was one percent down on the same period last year. Indeed, due to the conclusion of fixed price contracts, liquid cargo revenues are to a large degree independent of actual throughput.

In the first half of 2012, *Luka Koper* increased operating revenues from dry bulk cargos by € 0.4 million (2%) over the same period last year, and this rise was generated across second quarter. The reason for year-on lower growth in income in comparison with cargo throughput is a consequence of the disparity in the structure of cargo handled. More information on dry bulk throughput available under *Marketing and Sales*.

OPERATING EXPENSES

In the first half of 2012, *Luka Koper Group* operating expenses amounted to € 63 million, i.e. € 4.5 million (8%) up on the same period last year. Operating costs accounted for eighty-five percent of total operating expenses; they rose by three percentage points year-on, which is within the planned volume. The largest absolute growth in operating expenses was recorded in relation to labour and port service provision costs. In the second quarter of 2012 the *LK Group's* operating expenses were € 0.4 million (1%) down on the anticipated volume, and € 1.9 million (6%) up on the same period last year.

Figure 2: Structure of operating expenses in Luka Koper Group's operating revenues



MATERIAL COSTS

In the first half of 2012, material costs amounted to € 5.9 million, which is a year-on increase of € 773,000 (15%); auxiliary materials account for € 502,000, whereas higher electrical energy costs amounted to € 271,000. Price rises for electricity and, in particular, fuel can be attributed to the general rise in energy prices, the growth in cargo throughput as well as a greater number of handling operations per unit of cargo. Material costs generated in the second quarter of 2012 amount to € 2.7 million, which is a year-on increase of twelve percent.

SERVICE COSTS

Material costs in the first half of 2012 amounted to € 20.1 million which is € 1.5 million (8%) up to the same period last year. The costs of port service provision in the amount of € 9 million – i.e. € 1 million (12%) up on the same period last year – account for forty-five percent of total service costs. Due to the growth in cargo throughput and the rise in the number of handling operations, a year-on increase was recorded both in the volume of services performed as well as the cost per unit of port service provision. Maintenance costs in the amount of € 2.9 million are two percent ahead of the same period in 2011.

Other service costs, and in particular the € 2.3 million concession fee, are a significant item in the structure of service costs, which due to higher operating revenues rose by two percent on the first half of 2011.

Service costs across the second quarter of 2012 rose by nine percent year-on and amounted to € 10.35 million. This increase is attributable to much the same reasons as the January to June rise.

LABOUR COSTS

Labour costs generated in the first half of 2012 amounting to € 19 million are € 1.1 million (6%) up on the same period last year. The number of employees in *Luka Koper Group* companies rose by one percent on 31st December 2011 and year on are four percent above 30th June 2011. Increases in basic salaries in July and August 2011, and again in February 2012 additionally contributed to the growth in labour costs. Further to this, employee structure was altered following last year's strike. The company has taken on more crane operators, who have higher than average salaries, whilst there has been a reduction in employee numbers within those subsidiaries where average labour costs are lower. Labour costs incurred in the second quarter of 2012 do not significantly differ from either the 2011 or first quarter levels.

VALUE WRITE-OFFS

Although value write-offs were stable across the first two quarters of 2012, they were four percent ahead of the equivalent 2011 period and amounted to € 14 million.

OTHER OPERATING EXPENSES

Among other operating expenses also provisions are included. In the first half of 2012, the company formed additional long-term provisions in the amount of € 866,000 for regular maintenance work in relation to its public utility service undertaking. This year's provisions are € 666,000 up on the same period last year. Long-term provisions in the amount of € 380,000 formed in the first quarter of 2012 and aimed at covering anticipated losses from litigation were eliminated in the second quarter of 2012.

OPERATING PROFIT

Operating profit generated in the first half of 2012 amounts to € 11.15 million, which is € 2 million (15%) down on the same period last year. Despite a three percent increase in operating revenues, operating profit is lower as a consequence of an eight percent rise in operating expenses. Operating profit is also € 0.9 million (7%) down on the 2012 plan. The same holds true for EBITDA, which in the first half of 2012 amounted to € 25 million - some € 1.5 million (6%) down on the same period last year, and € 952,000 (4%) less than anticipated.

Second quarter operating profit in the amount of € 6.5 million is nineteen percent ahead of plans and eight percent down on the same period in 2011.

FINANCIAL REVENUES AND FINANCIAL EXPENSES

In the first half of 2012, the *Luka Koper Group* generated financial revenues in the amount of € 680,000 which is a year-on increase of sixty-two percent. This is attributable to higher financial revenues from profit participation in associated companies.

Group financial expenses in the amount of € 4.1 million recorded a year-on fall of sixty percent. Financial expenses from the impairment and write-off of financial investments - which in mid-2011 totalled € 6.3 million and were entirely attributable to the investment in *Intereuropa d.d.* - amount to € 704,000 in the January to June 2012 period; € 450,000 of this total pertains to the investment in *NLB d.d.*

Expenses from financial liabilities also recorded a decline in the amount of € 777,000 (19%) due to twenty-three percent year-on decline in the EURIBOR interbank interest rate, lower indebtedness and lower average interest margin resulting from credit refinancing in the second half of 2011.

PRE-TAX PROFIT AND NET PROFIT

Pre-tax profit amounts to € 7.7 million and net profit to € 6.2 million. Net profit for the first half of 2012 recorded an eighty-two percent year-on increase and is eleven percent behind the plan. Net profit in the amount of € 3.7 million generated in the second quarter of the year is seventeen percent ahead of plans as well as ahead the same period in 2011 when the *LK Group* generated a loss.

ASSETS AND LIABILITIES

As of 30th June 2012, *Luka Koper Group's* balance sheet total amounted to € 472.6 million, which is € 5.7 million (1%) down on 31st December 2011.

As of 30th June 2012, non-current assets in the amount of € 431.7 million account for ninety-one percent of total assets. Tangible assets amounting to € 356.5 million – € 6.6 million down on 31st December 2011 – account for the major portion of non-current assets. In the first six months of 2012, non-current financial investments decreased by € 8.1 million (17%) which can mainly be attributed to the fall in price of *Krka d.d.* and *NLB d.d.* shares. The value of the *Krka d.d.* investment fell by € 4.6 million, whilst the *NLB d.d.* shareholding declined by € 0.5 million. The decrease in non-current and increase in current investments is also a consequence of the accounting recognition of a long-term € 2.9 million bank deposit as short-term.

Current assets amounting to € 36.8 million recorded a € 5 million increase on 31st December 2011. Current operating receivables rose by € 1.9 million to a total of € 25 million.

As of 30th June 2012, the *Luka Koper Group's* total equity amounted to € 242.9 million and accounts for 51.4 percent of balance sheet total.

Non-current liabilities and provisions amounting to € 185 million account for 39.2 percent of total equity and liabilities. Total long term equity and liabilities account for ninety-one percent of balance sheet total, which guarantees the harmonised financing through matching long-term liabilities with long-term assets.

As of 30th June 2012, financial liabilities were the equivalent of 80.6 percent of equity, an eight percentage-point decrease on 31st December 2011.

FINANCIAL MANAGEMENT

In the first half of 2012, *Luka Koper Group* managed to reduce total financial liabilities from € 205.8 million to € 195.7 million, i.e. by nearly five percent.

Maturity of financing sources

As of 30th June 2012, *Luka Koper Group's* non-current financial liabilities to banks accounted for eighty-eight percent of total financial liabilities, which is a twelve percentage point increase on 31st December 2011.

Figure 3: Structure of financial liabilities of the Luka Koper Group by maturity

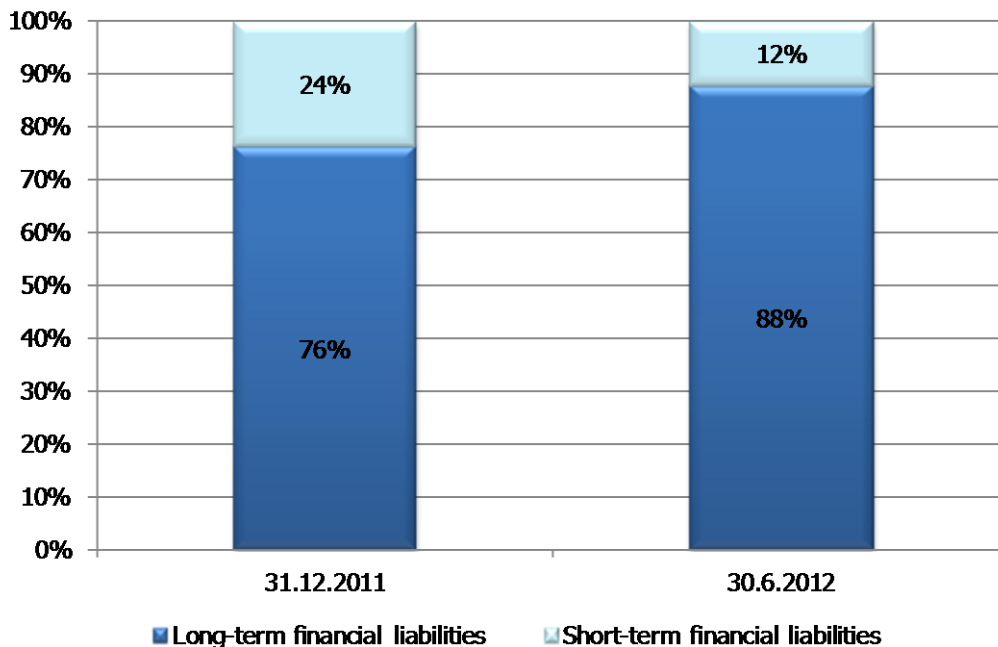
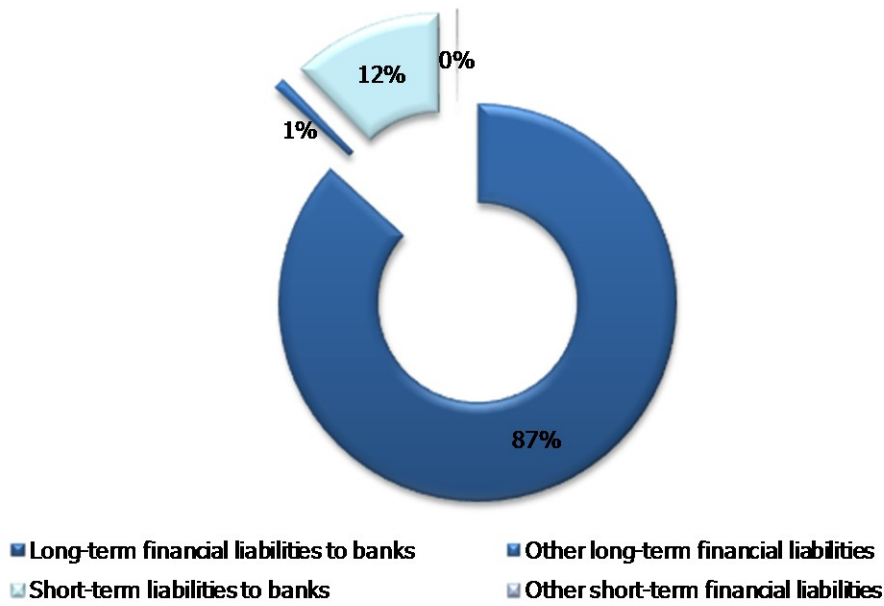


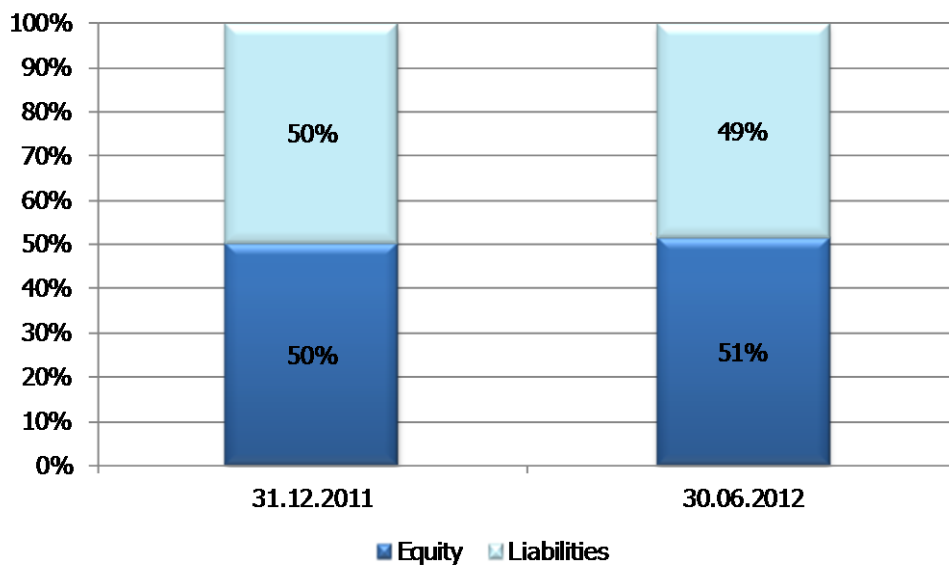
Figure 4: Luka Koper Group's financial liabilities as of 30th June 2012



Structure of equity and liabilities

Luka Koper Group companies did not conclude any new loan contracts during the first half of 2012; this, in conjunction with the regular servicing of existing loans, is manifested in the reduction of indebtedness and thereby a more favourable portion of equity in the balance sheet total.

Figure 5: Structure of equity and liabilities of Luka Koper Group

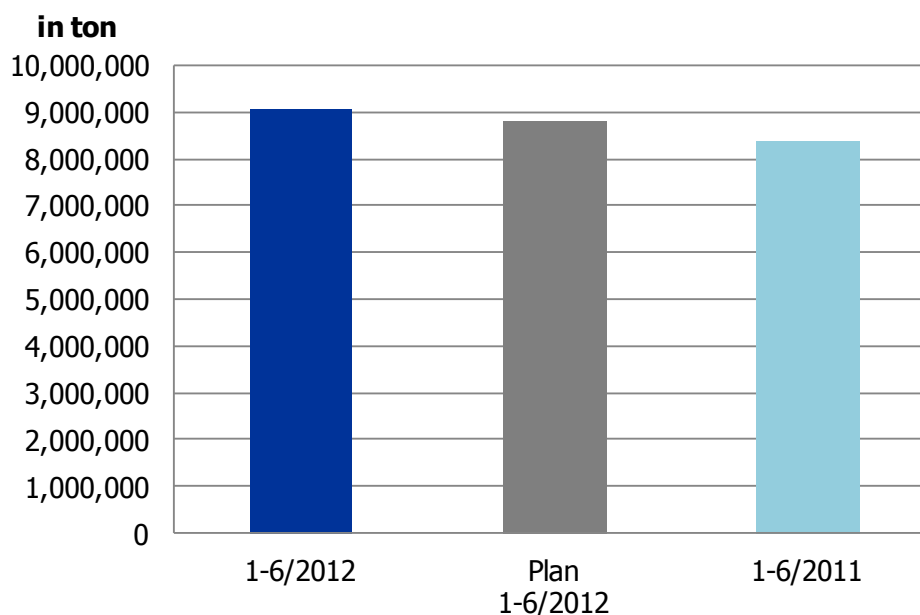


MARKETING & SALES

In the first half of 2012, *Luka Koper Group* handled a total of 9 million tonnes of cargo which is a year-on increase of eight percent as well as 2.5 percent ahead of the plan. *Luka Koper* recorded nine percent year-on increase in cargo throughput across the second quarter. From January to June 2012, 19,000 visitors arrived in Koper aboard passenger vessels, a figure which is thirty-two percent down on the same period in 2011.

The largest year-on growth in cargo throughput was recorded in dry bulk cargos, vehicles and liquid cargos, whereas a downturn was observed in general cargos and container freight.

Figure 6: Cargo throughput in the first six months of 2012 and 2011, against the 2012 plan



Throughput structure by cargo type

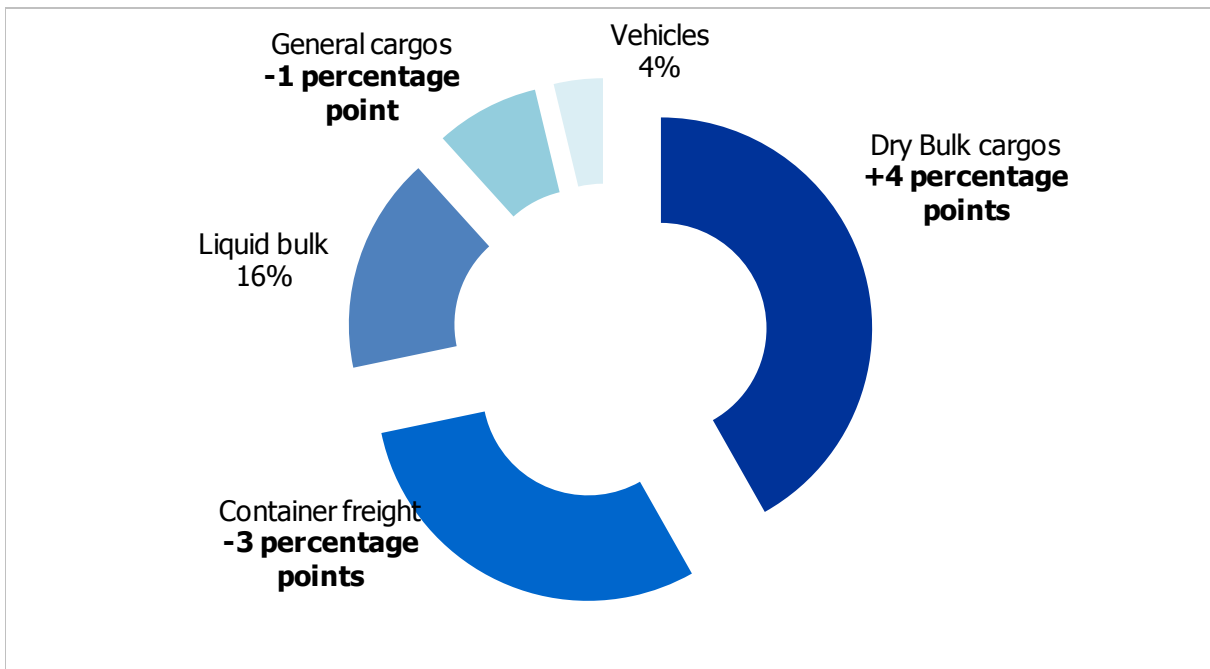
Table 2: Cargo throughput by type in tonnes

CARGO TYPE (in tonnes)	1 – 6 2012	1 – 6 2011	Index 2012/2011
General cargos	718,032	722,298	99
Containers	2,702,684	2,744,060	98
Vehicles	339,456	307,027	111
Liquid cargos	1,497,868	1,393,413	107
Dry bulk cargos	3,778,834	3,196,645	118
Total	9,036,874	8,363,443	108

Table 3: Throughput of containers (in TEUs) and vehicles (in units) from January to June 2012 and 2011

CARGO TYPE	1 – 6 2012	1 – 6 2011	Index 2012/2011
Containers - in TEUs	292,727	302,345	97
Vehicles - in units	241,771	215,329	112

Figure 7: Throughput structure by cargo type from January to June 2012, and percentage change on relation to January – June 2011



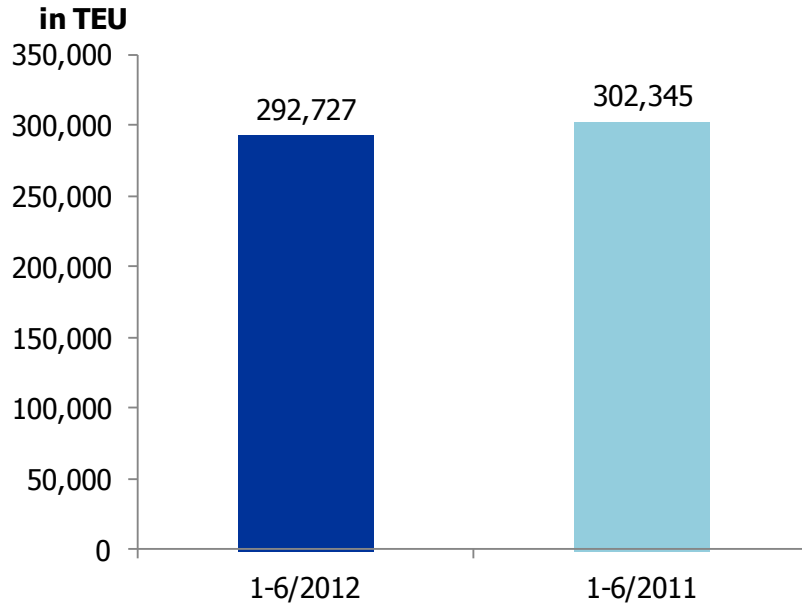
In the first half of 2012, dry bulk cargos accounted for the single largest portion of total cargo throughput, further to which this segment recorded a year-on increase of four percentage points. The four percent upturn in dry bulk cargos reflects the downturn in the throughput of container freight and general cargos.

Container freight

In the first half of 2012, a year-on downturn was recorded in container throughput. A total of 292,727 TEUs were handled, which is three percent down on the same period last year. Lower volumes and delays in dredging the navigational channel into the port have resulted in the redirection of cargos to North-European ports. Following the cancellation of a direct container freight service from the Far East early this year, new lines provided by other

operators were established between February and May. Nevertheless, thus far these services do not fully compensate for the shortfall in container throughput.

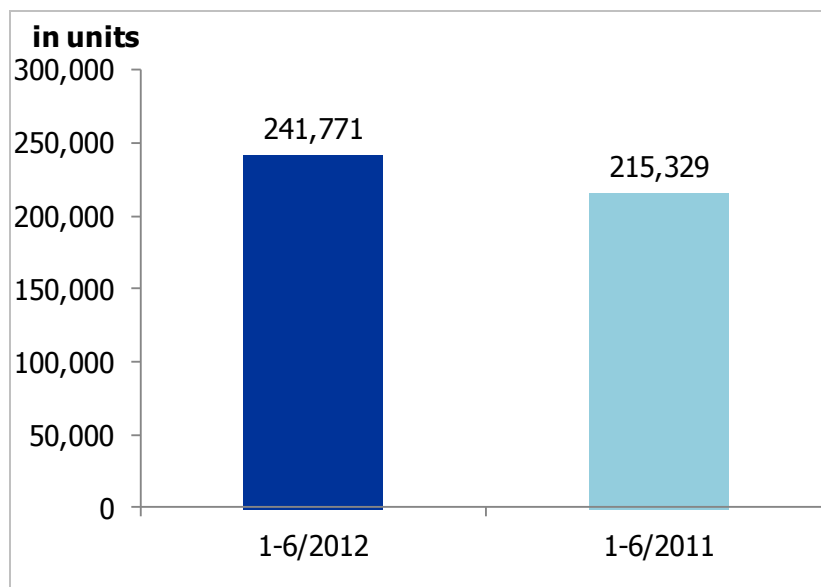
Figure 8: Container throughput in the first six months of 2012 and 2011 (in TEUs)



Vehicles

In the first half of 2012, the *Luka Koper Group* handled 241,771 vehicles, which is a year-on increase of twelve percent. Fourteen percent year-on growth was recorded in the second quarter.

Figure 9: Vehicle throughput in the first six months of 2012 and 2011 (in units)



General cargos

General cargo throughput from January to June 2012 recorded a one percent decline on the same period last year, whilst second quarter throughput was seventeen percent up on the 2011 level.

The largest drop was recorded in relation to ferrous products pertaining to continental hinterland markets, which is attributable to the downturn in the European construction sector and political crises in North Africa. A decrease in paper throughput is the result of problems with shipping companies in the logistics chain.

The decline in fruit throughput can be attributed in particular to the trend towards containerisation, which is on the increase, while shipping by conventional vessels is in decline. Accordingly, such lower cargo throughput does not affect operating revenues.

Notwithstanding the general political and economic situation in North Africa, timber exports recorded a forty-one percent year-on increase in the second quarter. Timber throughput in the first half of 2012 was fifteen percent ahead of the same period last year.

Liquid cargos

Oil derivatives remain within last year's quantities, whereas the throughput of other liquid cargos from January to June 2012 recorded thirty-two percent year-on rise; this was due in particular to the growth in the throughput of jet fuel, methanol and heating oil.

Dry bulk cargos

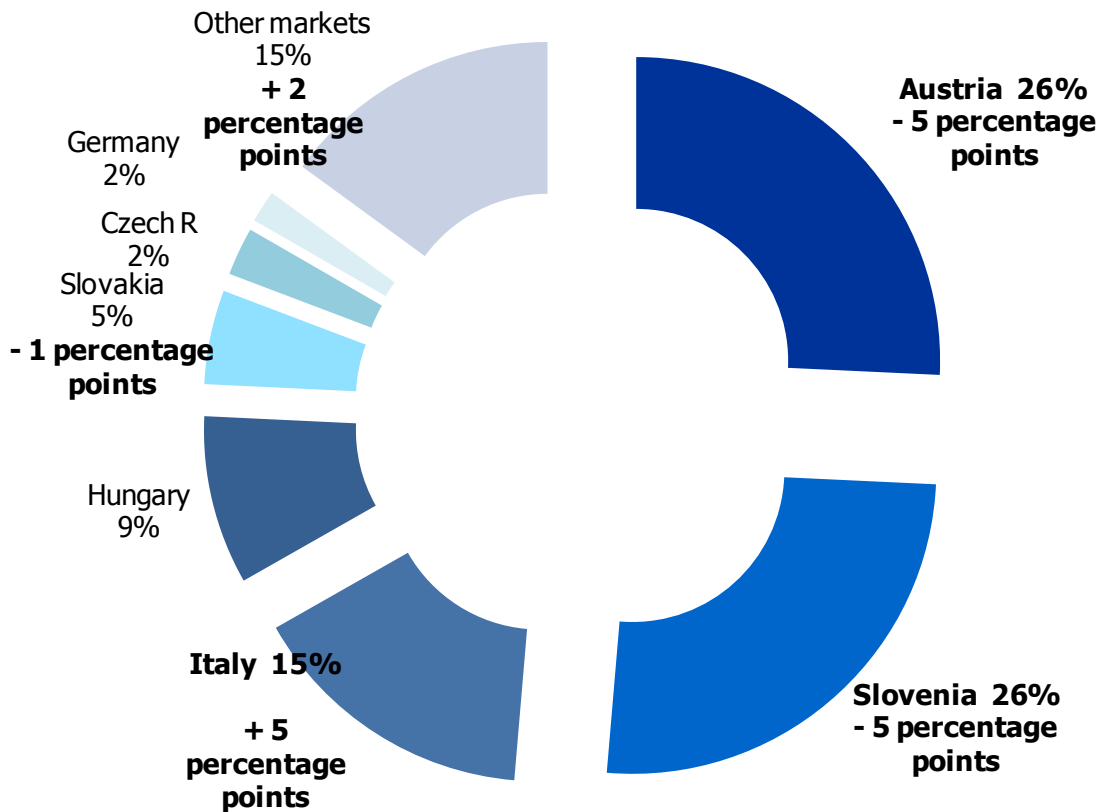
In the first half of 2012, the European Energy Terminal recorded year-on growth of twenty-seven percent, which is mainly a consequence of the redirection of coal for Italian market as well as the increased demand for coal within said market.

The volume of dry bulk cargos handled somewhat declined. A five percent year-on decrease was recorded in the throughput of cereals, minerals and other raw materials, and there were also downturns in scrap iron and some minerals. Scrap metal throughput has been impacted by low market prices as well as decrease in steel production due to the recession in Europe, whilst the downturn in minerals throughput can be attributed to exploitation of existing stocks and lower demand. The trend away from conventional shipping to container freight is also impacting dry bulk cargos.

Throughput structure by markets

In the January to June 2012 period, the Austrian market accounted for the largest portion of cargo throughput, almost matched by the domestic (Slovenian) market with practically the same portion. The largest year-on growth in cargo throughput was recorded in the Italian market, in particular due to increased volumes of dry bulk cargos being handled.

Figure 10: Cargo throughput structure by markets, January – June 2012



Marketing activities

In the first half of 2012 major attention was paid to the advancing BRIC economies. Together with the members of NAPA – *North Adriatic Ports Association* – *Luka Koper* presented its operations at SITL logistics fair in India as well as the Transport Logistic fair in China, while under the Ministry of Economic Development and Technology, and in collaboration with the Chamber of Commerce and Industry of Slovenia, *Luka Koper* took part in a commercial delegation visiting Brazil, where the company met a variety of logistics enterprises. *Luka Koper* also concentrated on developing relations with key business partners in South Korea in order to further promote and enhance business.

Together with other Slovene executives, *Luka Koper* representatives visited some rapidly-developing countries as well as potential new markets, including Turkey, Morocco and Kuwait, where the company had talks with enterprises in the field of maritime trade and logistics. In addition, activities were also aimed at the traditional hinterland markets. In order to make connections and search out opportunities for collaboration, *Luka Koper* and Port

Klang in Malaysia organised business conferences in Budapest and Vienna. Upon the visit of Slovenia's President Danilo Türk to Slovakia, *Luka Koper* representatives met with Slovak entrepreneurs and local business partners. Further marketing activities were aimed at the Port Authority of Thailand as part of efforts to penetrate South Asian markets.

In May, upon the inauguration of a new direct container service linking Japan and the Port of Koper, the company organised so-called Port Days in Tokyo and Osaka to which the existing and potential business partners were invited. A similar meeting was organised in June in Serbia at which *Luka Koper* re-established old business contacts in order to increase trade with Serbia.

RISK MANAGEMENT

Luka Koper has established a universal risk management system of ongoing assessment processes which also encompass the reporting and communication of risks that might significantly affect the accomplishment of *Luka Koper Group* objectives.

The 2011 Annual Report refers to key risks classified in three groups: strategic, operational and financial. Herein are presented those risks where significant changes have been perceived against the 2011 Annual Report as well as published in first quarter 2012 interim report.

The following two strategic risks have been identified and assessed as major due to their increased relevance since the first quarter of 2012:

The risk of late completion of infrastructure – in particular delays to the modernisation of Slovenia's railway network and specifically the construction of the new Divača – Koper line. The project for the realisation of this second track has yet to commence, which puts the completion date ever further into the future, and accordingly the possibility that the long-term development of the Port of Koper is hindered by inadequate hinterland infrastructure. The risk remains at the same level as in Q1. The *Luka Koper Group* manages this risk by providing information on development plans and requirements, both nationally as well as in the EU.

The risk of opposition from the local or broader community to *Luka Koper's* development plans. This April, Koper's Municipal Council adopted a resolution which imposes that by July 2012 *Luka Koper d.d.* shall prepare a strategy for the closure of its dry bulk cargo operations within three years. Further to this, said resolution requires the provision of compensation for pollution caused hitherto, as well as anticipates legal proceedings against *Luka Koper* and the possibility of a consultative referendum on the subject. The risk remains at the same level as in Q1. For the purpose of risk management, *Luka Koper d.d.* invited city councillors

to the port and explained the significance of said cargos in the company's operations, as well as the efforts and resources invested in environmental protection measures.

LKPG SHARE

As of 30th June 2012, *Luka Koper* had a total of 13,109 shareholders, which is 4.3 percent less than a year previously. The ten largest shareholders held 76.19 percent of all *Luka Koper d.d.* stock. The largest shareholder remains the state - the Republic of Slovenia - which enjoys a 51 percent stake.

Table 4: Ten largest shareholders as of 30th June 2012

No.	Shareholder title	No. of shares	Percentage stake
1.	Republika Slovenija	7,140,000	51.00%
2.	Slovenska odškodninska družba d. d.	1,557,857	11.13%
3.	Kapitalska družba d. d.	696,579	4.98%
4.	Mestna občina Koper	466,942	3.34%
5.	KD Galileo, fleksibilna struktura naložb	158,230	1.13%
6.	KD Delniški dohodkovni	149,389	1.07%
7.	Abanka Vipava d. d.	141,333	1.01%
8.	Perspektiva FT d. o. o.	125,895	0.90%
9.	KD Indija - Kitajska, delniški	115,675	0.83%
10.	Triglav vzajemni skladi - Delniški	114,859	0.82%
Ten largest shareholders - total		10,666,759	76.19%
Total shares		14,000,000	100.00%

Trading in the LKPG share

Table 5: Relevant information on the LKPG share

	2012	2011
Number of shares as of 30 th June 2012	14,000,000	14,000,000
Market capitalisation as of 30 th June (in million euro)	116.2	176.4
Turnover (all transactions) January-June (in million euro)	2.06	2.46
*Lowest daily or closing price January-June (in euro)	6.82	11.52
Highest daily or closing price January – June (in euro)	10.80	17.09
Closing price as of 30 th June (in euro)	8.30	12.60

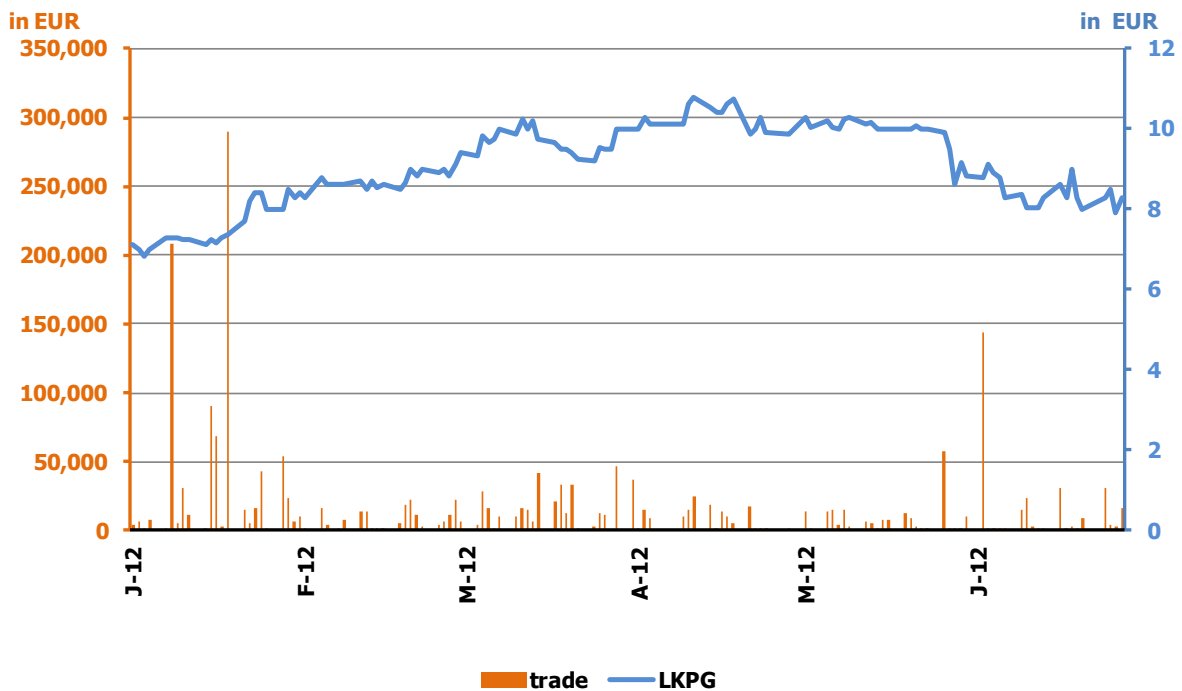
* From April 2011 onwards, the Ljubljana Stock exchange modified its methodology of publishing the daily price, by publishing the closing price instead of the average trading price. In accordance with Ljubljana Stock Exchange methodology, the average daily trading prices are used for the first quarter of 2011, and the closing price from April 2011 onwards.

The average closing price of the *Luka Koper d.d.* (LKPG) share between January and June 2012 was € 9.06, whereas its overall trading value fluctuated between € 6.82 and € 10.80.

In the first six months of 2012, 245,458 shares changed ownership in 1,260 transactions and block trades, and the total value of these transactions amounted to € 2,066,605. Between January and June 2011, the total value of transactions amounted to € 2,464,293 with 177,469 shares changing ownership.

In the first half of 2012, the highest daily trading price amounted to € 10.85 and the lowest € 6.80. The share price is thirty-four percent down on the same period last year, but seventeen percent up on 31st December 2011.

Figure 11: Movement of LKPG closing price and the value of daily trades, January-June 2012



Number of LKPG shares held by Supervisory and Management Board members

As of 30th June 2012, the following members of the *Luka Koper d.d.* Supervisory Board held shares in the company:

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

As of 30th June 2012, the following members of the *Luka Koper d.d.* Management Board held shares in the company:

Dr. Gregor Veselko, Management Board President	20
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Dividend policy

Luka Koper d.d. dividend policy combines the shareholders' strive for dividend yield with the requirement that net profit is reinvested into the business. Due to the fact that there was no distributable net profit for fiscal 2011, the Management Board did not propose to the General Assembly that there be any disbursement of dividends for 2011. Over the coming years, as well as taking into consideration the plans for investment into port infrastructure and equipment, the company anticipates distributing up to one-third of net profit as dividends.

Net earnings per share

Calculated as the ratio between total net profit generated between January to June 2012 divided by the number of shares issued, net earnings per *Luka Koper d.d.* share amounted to € 0.42.

Book value of share

As of 30th June 2012, the book value of the *Luka Koper* share - calculated as the total value of equity divided by the total number of shares issued - amounted to € 16.53.

Treasury stock, authorised capital, conditional increase in share capital

As of 30th June 2012, the company didn't hold treasury stock. The *Luka Koper d.d.* statute doesn't anticipate any category of authorised capital by way of which the Management Board may increase share capital. Further to this, from January to June the company had no grounds for any conditional increase in share capital.

NON-FINANCIAL INVESTMENTS

In the first half of 2012, the *Luka Koper Group* allocated € 8.44 million to infrastructure investments, which is a year-on decline of twenty-five percent. € 8.15 million of this total amount (99.6%) was invested by the parent company, *Luka Koper d.d.*

The *LK Group* undertook the following major investments during the first half of 2012:

- The investment in the acquisition of two RTG cranes ordered in late 2011 was completed, additional reach stackers were acquired for the Container Terminal and extra areas aimed at the storage of full containers were regulated and surfaced.
- Due to legislative requirements, and compliant with the Decree on waste water emissions, the company has ceased the use of back-flowing septic tanks within the port zone and is constructing an internal sewage system.
- Additional filters have been successively installed in relation to dry bulk terminal operations in order to further reduce dust emissions.

RESEARCH & DEVELOPMENT

Eight European projects will be concluded this year: the *Marco Polo Hinterport* programme came to an end in January; the *Watermode* project within the South-East Europe programme was completed in February, while the *Memo* and *Backgrounds* projects within the Mediterranean programme ended in March, *Climeport* project within the Mediterranean programme was completed in April and MOS4MOS project within TEN-T programme was concluded in May. Accordingly, final reports are being drawn up and conferences organised.

Prototype and pilot information solutions in port community and logistics chains were developed in the context of *MOS4MOS (Monitoring and Operation Services for Motorways of the Sea)* project within *TEN-T (Trans-European Transport Network)* programme. The project's outcomes were presented in the European Parliament in May. A study of cargo type potentials for container transport to 2030 was made as part of the *ITS Multi-port Adriatic Gateway* action, which includes the partners of the *Northern Adriatic Ports Association (NAPA)*. It has revealed the six million TEUs per annum potential of the Northern Adriatic as a southern gateway to the European continent. The results of the study were presented at various events in order to justify the Northern Adriatic ports' need for additional facilities as well as suitable transport infrastructure to hinterland markets serviced by these ports. Two new projects were launched in the first half of 2012: *GIFT* within the South-East Europe programme, and *Greencranes* in the context of the TEN-T programme.

Further to projects undergoing completion, there are fourteen open European projects implemented in compliance with the anticipated activities of various programmes, these with particular focus on European territorial collaboration.

IT-SUPPORT

In order to provide support, process optimisation and improved cost efficiency in relation to all aspects and actions of *Luka Koper's* operations, a number of IT projects were completed or continued between January and June 2012.

- A new co-operative system for document management, based on *Microsoft SharePoint 2010* platform, was introduced.
- In relation to the implementation of an advanced container terminal planning and management system, most activities were aimed at training end users as well as the testing of a system that will be put to use in autumn 2012.
- The business reporting system is being modernised to facilitate the prompt acquisition of quality analytical information in relation to performance in order to support the decision-making process. The solution will allow a larger number of users more rapid access to a single database.
- In March and April, prototype testing for the *TEN-T MOSAMOS* project was under preparation which will improve co-operation between port community stakeholders and the broader milieu. Special mention should be made of a prototype web interface with the *Customs Administration RS* and the *Slovenian Maritime Administration*, as well as a prototype system for the management of truck arrivals. Through its efficient commercialisation, this project can – in the medium term – contribute to the optimisation of road haulage services.

SUSTAINABLE DEVELOPMENT

HUMAN RESOURCE MANAGEMENT

As of 30th June 2012, the *Luka Koper Group* had four percent more employees than in the same period in 2011, this is mainly attributable to increased recruitment by *Luka Koper d.d.* The increase is the result of the upturn in cargo throughput and the necessity of additional labour in handling operations due to a change in the work organisation of crane operators. The company mainly recruited crane operators and junior management staff. The number of departures from *LK Group* companies, which were primarily a consequence of age-related retirement, remained similar to last year's level.

Table 6: Number of employees in Luka Koper Group companies

Company	30.6.2012	30.6.2011	31.12.2011	Index	
				30.6.2012 / 30.6.2011	30.6.2012 / 31.12.2011
Luka Koper d.d.	800	747	787	107	102
Luka Koper INPO d.o.o.	198	207	200	96	99
Luka Koper Pristan d.o.o.	4	4	4	100	100
Adria Terminali d.o.o.	26	29	27	90	96
TOC d.o.o.	2	-	2	-	100
TOTAL*	1,030	987	1,020	104	101

* The comparison includes only those companies with employees which were - as of 31st March 2012 - consolidated within the *Luka Koper Group*.

The churn rate is similar to the first half of 2011 and remains at a low level.

Table 7: Recruitment, retirement and churn in the first six months of 2012 and 2011

Company	No. of new employees		No. of departures		Churn rate * (as %)	
	1 – 6 2012	1 – 6 2011	1 – 6 2012	1 – 6 2011	1 – 6 2012	1 – 6 2011
Luka Koper d.d.	21	7	8	8	1.0	1.1
Luka Koper Group	23	8	12	19	1.2	1.9

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

Sick leave

Sick leave among employees recorded a year-on decline. It amounted to 4.6 percent of total working hours at the *LK Group* level, this against 5.8 percent in the same period last year. From January to June 2012 the sick leave rate in *Luka Koper d.d.* stood at 4.4 percent, as against 5.7 percent in the same period last year. The company engaged in a closer monitoring of personnel sick leave as well as the promotion of employee health. Several courses were organised within the *Luka Koper Group's* comprehensive employee health and occupational safety regime.

Health and safety at work

Thirty work-related injuries were recorded in the first half of 2012, which is nine less than in the same period last year.

In collaboration with the national railway operator *Slovenske Železnice d.d.*, *Luka Koper* endeavours to solve problems at level crossings in order to ensure safety, both through the additional training of employees as well as through the provision of in-situ technical solutions.

Personnel education and development

The education structure within *Luka Koper Group* is constantly improving which is attributable to new recruitments in operational and junior management staff, age-related retirements and the successful completion of part-time study courses by personnel.

Luka Koper Group systematically monitors the career development of its personnel. Upper management staff were recruited internally, and fifteen percent of employees benefitted from career development and promotion within the company.

Sixty-three percent of personnel were included in education and training courses. The average number of training hours per employee in *Luka Koper Group* companies amounted to 9.1, whilst this figure stood at 9.2 hours for *Luka Koper d.d.* personnel. Eighty-six percent of education and training activities were organised internally within the context of special programmes adapted to port operations.

The *Luka Koper Group* Code of Ethics was adopted in the first half of the year, while an agreement on the protection of personnel against sexual and other abuse within the workplace has also been prepared.

ENVIRONMENTAL IMPACT CONTROL

Luka Koper closely monitors the impacts of its operations on the environment, as well as implements a number of activities to ensure that operations at the Port of Koper become ever more environment-friendly. The *Ministry of Environment and Spatial Planning – the Environmental Agency RS* – has officially corroborated the company's commitment towards efficient environmental management through its granting *EMAS* status under certificate No. SI 00004. In 2011, a joint Environmental Report, combining the requirements of ISO 14001 and EMAS 1221/2009 standards, was subject to management review and, accordingly, endorsed.

Information on all relevant environmental issues is promptly published on the corporate www.luka-kp.si and *Living With The Port* www.zivetispristaniscem.si websites, as well as in the in-house *Luški Glasnik* gazette and the media.

Air quality

Monthly control measurements of dust deposits are made at ten locations within the port zone. Due to the absence of pertinent national legislation in this field, the company follows German directives which define the upper limit for total dust deposits at 350 mg/m²/day. The average first half 2012 value (152 mg/m²/day) is thirty-eight percent down on the same period last year.

Ongoing measurements of airborne concentrations of PM10 particulates, which are constantly implemented by a legally prescribed independent authority at two locations within

the port zone, remained below the 40 µg/m³ threshold value as well as below the anticipated objective of 30 µg/m³. The results are automatically published every hour on the *Living With The Port* www.zivetispristaniscem.si website.

Noise emissions

Noise emissions have been measured by an authorised agency for over a decade, and the measurements have been promptly published on the *LK* website since 2008. Results in the first half of 2012 are comparable to the same period last year and are compliant with legislation.

In the January to June period, *Luka Koper* addressed two complaints concerning noise generated by ships using the port. Based on these, the company asked the owner to withdraw the container vessel concerned from its Koper service. Within the noise-reduction action plan, all necessary noise abatement measures - particularly in relation to the Container Terminal and quaysides adjacent the old town centre - have been implemented.

Waste waters

The measurements of industrial waste water quality show compliance with the prescribed standards. The environmental permit for the waste water emissions is in the process of acquisition. In addition, a plan has been prepared for the phased reconstruction and renewal of the port sewerage system.

Consumption of energy and water

In the first half of 2012, the company intensively implemented various measurements and prepared actual calculations and measures in order to reduce energy consumption by at least fifteen percent. Further to this, target monitoring of energy consumption has been introduced.

From January to June 2012 the consumption of fossil fuels at *Luka Koper d.d.* amounted to 0.256 litre per tonne of cargo handled, which is above the annual anticipated objective of 0.18 l/tonne of cargo handled, and a little lower than last year's average value of 0.275 l/tonne.

In relation to the consumption of electrical energy, the company also continues to lag behind the annual objective of 1.3 kWh per tonne of cargo handled. Consumption over the first six months of 2012 amounted to 1.36 kWh/tonne of cargo handled, which is down on last year's average of 1.49 kWh/tonne. It is anticipated that measures based on the energy review, together with the establishment of an energy management system, will make a significant impact in ensuring the further reduction in energy consumption.

After a troublesome winter, which saw frost damage followed by strong bora winds in February, the major portion of leakages through damaged pipes were stemmed. Thanks to the completion of a systemic rehabilitation of the potable water supply network, *Luka Koper* is again close to accomplishing its target of 5.8 l of water per tonne of cargo handled: in the

first half of 2012, potable water consumption amounted to 5.92 l per tonne of cargo handled.

Waste management

The recycling of waste commences with the separation of waste material at the terminals as well as aboard vessels using the Port of Koper. *Luka Koper* co-operates with external waste processing contractors, and sorted materials are delivered to these licensed agents. Organic waste (including perished fruit and vegetables, soya residues and suchlike) is processed within the composting plant at the port zone's Waste Management Centre.

In the first half of 2012, eighty-seven percent of waste was sorted and collected separately, which is ahead of planned objective (80%). This testifies to the company's concern for the environment through ensuring the separation and recycling of waste materials. In February, worn tyres and redundant railway sleepers were removed from the port zone for reprocessing, whereas scrap iron was removed in March and June. In addition, the modernisation of the collection centre for hazardous waste has now been completed.

Maritime protection

Luka Koper regularly provides services related to the prevention of maritime pollution, as well as first response and clean-up in the event of incidents in the harbour and coastal waters. Fifteen incidents were recorded within the harbour area during the first six months of 2012, and the company's maritime protection service intervened on ten occasions. There were two cases of oil spillage whereas other incidents involved coal dust, inadequately treated sewage as well as various alluvial materials including tree branches. Perpetrators were identified and obliged to reimburse the costs of remedial operations. In addition, four events which caused direct danger of a pollution incident were also recorded, but - thanks to a prompt and efficient intervention - contamination was avoided. In the same period last year nine incidents were recorded, while the company's maritime protection service intervened on six occasions.

Luka Koper's Industrial Accident Threat Assessment, Protection and Rescue Plan has served as a basis for the preparation of technical solutions for the early detection of an oil spillage in conditions of impaired visibility. As part of its *Port and Industrial Environmental Risk Management* project, *SafePort* - Europe's maritime collaborative research programme - is to fund the installation of hydrocarbon sensors as well as various water quality measurement devices within the basins at the Port of Koper. The results of measurements shall also be published online.

Light pollution

The port zone requires sufficient lighting in order to ensure operational safety, and this is provided in accordance with regulations. Unfortunately, the night-time illumination of operational areas, rail yards and roadways causes light pollution. For this reason, and based

on a comprehensive study of port illumination, lighting is being rehabilitated in a series of stages. The legally prescribed deadline has been deferred to 2016, thus the implementation of the plan has been extended to that year. According to estimations, some eighty percent of external illumination within the port zone has already been appropriately regulated.

Construction works

In the context of necessary maintenance and redevelopment of the port zone, construction works may result in increased noise and dust emissions; contractors are obliged to perform all operations in compliance with pertinent environmental regulations. In addition to the construction of container storage areas at the Container Terminal, there were also rehabilitation works to the bridge at the European Energy Terminal during the first half of 2012.

Development projects

All larger development projects in the port zone are subject to environmental impact assessments, which are undertaken by authorised authorities and further reviewed by external auditors. In the first half of 2012, there were no developments which, under current legislation, would require environmental impact assessments.

Dredged materials

In order to ensure the safe navigation of vessels using the Port of Koper, the port basins and approach channels have to be dredged to the prescribed depth. Accordingly, *Luka Koper* occasionally performs dredging works, and deposits the dredged sediments in designated areas within the port zone. Due to the fact that the areas at the company's disposal are limited, studies have commenced into alternative uses of the excavated materials, in particular by the construction industry. A research project into the use of waterborne sediments as raw materials is being undertaken in conjunction with the *Slovenian National Building and Civil Engineering Institute*, *Ljubljana University's Faculty of Civil Engineering*, the *Jožef Stefan Institute*, *Slovenia's National Institute of Chemistry* and others.

COMMITMENT TO THE COMMUNITY

Luka Koper has been involved and integrated into the community in which it operates for the entire fifty-five years of its existence. During that time, the company has evolved into a modern enterprise whose significance far exceeds local and national boundaries; nevertheless, it has remained loyal to its roots and the city from which the major portion of its employees - both past and present - originate.

Luka Koper d.d. has incorporated social responsibility into its day-to-day operations and development strategy. Such is also reflected in concern for the environment in its broadest sense - people and nature. In addition to maintaining dialogue with local and national stakeholders, the company supports events, projects, individuals and groups in such diverse fields as sport, culture, education, environmental protection and humanitarian endeavour. On the basis of a public call as well as multi-year contracts, the company allocated € 560,000 in sponsorship and donations during the first half of 2012. There is ongoing monitoring of the use of these funds, and information on all community-related activities are published on the *Living with the Port* website - www.zivetispristaniscem.si - as well as on the *Facebook* social network.

Luka Koper d.d. marked its 55th anniversary through the organisation of a round table discussion on the significance of Slovenia's maritime trade from a future economic and infrastructural perspective. The event was attended by a number of professionals who pointed out the great significance and importance of maritime trade and port development to the state, as well as the necessary co-habitation of port and local community.

BUSINESS EXCELLENCE

In February 2012, *Luka Koper* acquired *Bureau Veritas* certification in relation to its handling and storage of crops and foods from organic and conventional production. Non-GMO appellation certification necessitates ensuring the non-introduction of genetically modified organisms, synthetic additives or exposure to ionizing radiation through all elements of the production, processing and handling chain of custody. The acquisition of such certification has been required by the customer, and enhances the quality of *Luka Koper's* services in relation to this important segment of the food industry.

With respect to soya and similar cargos, clients have set ever stricter requirements as to the integrity of handling operations and the provision of ancillary services, and the renewal of the company's Non-GMO certification system, which had lapsed over the last two years, shall be a boost to business.

In April, the *Slovenian Institute of Quality and Metrology - SIQ* - externally assessed *Luka Koper's* compliance with the following standards:

- Quality Management System – ISO 9001:2008 (re-assessment audit)
- Environmental Protection System – ISO 14001:2004 (re-assessment audit)
- Occupational Health and Safety System – BS OHSAS 18001 (surveillance audit)
- Food Safety System – ISO 22000:2005 (surveillance audit)
- Requirements of EC 1221/2009 regulation (EMAS) (surveillance audit).

The external audit by the competent authority confirmed that the company meets the prerequisites for the renewal of all three ISO certificates, BSI certification, as well as the requirements of EC 1221/2009 (EMAS) regulation. The four non-conformities detected in the

assessment process were eliminated prior to the assessment's completion and submission of the final written report.

FINANCIAL REPORT

CONSOLIDATED FINANCIAL STATEMENTS OF LUKA KOPER GROUP

Table 8: Income Statement of Luka Koper Group

(in euros)	January - June 2012 Non-audited	January - June 2011 Non-audited
Operating revenues	73,779,372	71,633,757
Net sales revenues	72,468,835	70,241,404
Other operating revenues	1,310,537	1,392,353
Other revenues	368,797	22,875
Operating expenses	62,995,465	58,492,980
Cost of goods, materials and services	26,055,756	23,756,861
Labour costs	19,040,142	17,978,378
Value write-offs	14,025,997	13,522,265
Other operating expenses	3,873,570	3,235,476
Operating profit	11,152,704	13,163,652
Financial revenues	680,365	419,943
Financial revenues from profit participation	427,088	165,349
Financial revenues from loans granted	119,224	97,245
Financial revenues from operating receivables	134,053	157,349
Financial expenses	4,102,431	10,536,933
Financial expenses from investment impairments and write-offs	704,343	6,258,612
Financial expenses from financial liabilities	3,343,666	4,120,191
Financial expenses from operating liabilities	54,422	158,130
Pre-tax profit	7,730,638	3,046,662
Corporation tax	1,126,919	293,177
Deferred tax	383,497	-672,248
Net profit for the period	6,220,222	3,425,733
Net profit – majority shareholder	6,221,423	3,425,733
Net profit – minority shareholder	-1,201	0
Net earnings per share: basic and diluted	0.44	0.24

Table 9: Comprehensive Income Statement of Luka Koper Group

(in euros)	January – June 2012 Non- audited	January – June 2011 Non- audited
Net profit for the period	6,220,222	3,425,733
Other comprehensive income for the period:		
Change in fair value of financial assets available for sale	-5,276,054	-1,228,552
Deferred taxes	1,132,492	245,710
Other comprehensive income for the period	-4,143,562	-982,842
Total comprehensive income for the period	2,076,660	2,442,891
Attributable to:		
- comprehensive income of majority shareholder	2,077,861	3,262,406
- comprehensive income of minority shareholder	-1,201	0

Table 10: Balance Sheet Statement of Luka Koper Group

ASSETS (in euros)	30. 6. 2012 Non-audited	31. 12. 2011 Audited
ASSETS	472,560,552	478,271,061
A. Non-current assets	431,712,145	445,905,231
I. Intangible fixed assets and long-term deferred costs	5,756,107	5,089,118
II. Tangible fixed assets	356,528,038	363,153,532
III. Real-estate investments	20,581,411	20,283,049
IV. Non-current financial investments	40,161,577	48,310,023
V. Non-current operating receivables	7,665	8,664
VI. Deferred tax assets	8,677,347	9,060,845
B. Current assets	36,830,253	31,813,082
I. Assets (disposal group) held for sale	7,024,910	6,975,723
II. Current financial investments	3,295,120	681,227
III. Current operating receivables	25,040,447	23,117,862
IV. Cash and cash equivalents	1,469,776	1,038,270
C. Deferred costs and accrued revenues	4,018,154	552,748
LIABILITIES (in euros)	30. 6. 2012 Non-audited	31. 12. 2011 Audited
EQUITY AND LIABILITIES	472,560,552	478,271,061
A. Equity – majority shareholder	242,761,327	240,688,678
I. Share capital	58,420,965	58,420,965
II. Capital reserves	89,562,703	89,562,703
III. Revenue reserves	75,140,993	75,146,205
IV. Revaluation surplus	2,560,137	6,703,699
V. Retained net profit	10,855,106	10,411,742
VI. Net profit for the year	6,221,423	443,364
B. Equity – minority shareholder	106,939	108,140
C. Provisions	12,671,715	12,435,924
D. Non-current liabilities	172,410,313	158,672,802
I. Non-current financial liabilities	171,754,904	156,864,708
II. Non-current operating liabilities	110,743	130,935
III. Deferred tax liabilities	544,666	1,677,159
E. Current liabilities	42,511,229	65,063,739
I. Current financial liabilities	23,999,431	48,934,765
II. Current operating liabilities	18,511,798	16,128,974
F. Accrued costs and deferred revenues	2,099,029	1,301,778

Table 11: Cash Flow Statement of Luka Koper Group

(in euros)	January – June 2012 Non-audited	January – June 2011 Non-audited
A. Cash flows from operating activities		
a) Net profit	6,603,719	2,753,487
Pre-tax profit	7,730,638	3,046,662
Corporation tax and other taxes not included in operating expenses	-1,126,919	-293,175
b) Adjustments for	17,488,193	17,271,262
Amortisation (+)	13,937,591	13,459,755
Revaluation operating revenues associated with investments and financing (-)	-7,077	-57,416
Revaluation operating expenses associated with investments and financing (+)	55,982	11,326
Finance income less finance income from operating receivables (-)	-546,312	-262,594
Finance expenses less finance expenses from operating liabilities (+)	4,048,009	4,120,191
c) Changes in net current assets per balance sheet items (including accruals and deferrals, provisions and deferred tax assets and liabilities)	-2,040,505	6,592,119
Changes in operating receivables	-1,921,586	-652,107
Changes in deferred expenses and accrued revenues	-3,465,406	-2,993,509
Changes in deferred tax assets	0	0
Changes in assets (disposal group) held for sale	-49,187	6,324,660
Changes in inventories	0	-95
Changes in operating liabilities	2,362,632	2,658,456
Changes in accrued expenses and deferred revenues, and provisions	1,033,042	1,254,714
Changes in deferred tax liabilities	0	0
d) Net inflows (outflows) from operating activities (a + b + c)	22,051,407	26,616,868
B. Cash flows from investment activities		
a) Inflows from investments	1,473,260	474,944
Inflows from interest and profit participation associated with investments	427,088	262,594
Inflows from disposal of intangible fixed assets	0	3,771

Inflows from disposal of tangible fixed assets	98,502	72,384
Inflows from disposal of real-estate investments	16,890	0
Inflows from disposal of non-current financial investments	177,137	136,195
Inflows from disposal of current financial investments	753,643	0
b) Outflows from investments	-9,113,538	-11,271,964
Outflows for acquisition of intangible fixed assets	-506,005	-733,957
Outflows for acquisition of tangible fixed assets	-7,933,856	-10,541,012
Outflows for acquisition of real-estate investments	-1,884	-19
Outflows for acquisition of non-current financial investments	-207,320	34,652
Outflows for acquisition of current financial investments	-464,473	-31,628
c) Net inflows (outflows) from investment activities (a + b)	-7,640,278	-10,797,020
<i>C. Cash flows from financing activities</i>		
a) Inflows from financing	53,257,581	11,519,749
Inflows from paid-up capital	0	0
Inflows from increase of non-current financial liabilities	28,155,581	259
Inflows from increase of current financial liabilities	25,102,000	11,519,490
b) Outflows from financing	-67,237,204	-26,761,707
Outflows for interest payable associated with financing	-3,343,666	-4,175,437
Outflows for capital refunds	-5,213	-12,546,452
Outflows for payment of non-current financial liabilities	-9,941,325	-10,039,785
Outflows for payment of current financial liabilities	-53,947,000	-33
Outflows for distribution of dividends and other profit participation	0	0
c) Net inflows (outflows) from financing activities (a + b)	-13,979,623	-15,241,958
<i>Closing balance of cash and cash equivalents</i>	1,469,776	1,258,719
Net cash inflow (outflow) for the period (sum total of net cash Ac, Bc and Cc)	431,506	577,890
<i>Opening balance of cash and cash equivalents</i>	1,038,270	680,829

Table 12: Statement of changes in equity of Luka Koper Group, January – June 2011

NON-AUDITED STATEMENT OF CHANGES IN EQUITY (in euros)	Called-up capital	Capital reserves	Legal reserves	Other revenues reserves	Retained net profit	Net profit for the financial year	Revaluation surplus	Total equity – majority shareholders	Equity – minority shareholders	Total equity
Opening balance as of 1st January 2011	58,420,965	89,562,704	18,882,889	58,112,522	8,562,536	0	10,514,887	244,056,503	0	244,056,503
Net profit for the financial year	0	0	0	0	0	3,425,733	0	3,425,733	0	3,425,733
Other comprehensive income for the period	0	0	0	0	0	0	-1,098,317	-1,098,317		-1,098,317
Comprehensive income for the period	0	0	0	0	0	3,425,733	-1,098,317	2,327,416	0	2,327,416
Formation of other revenue reserves upon the resolutions of Management and Supervisory Boards	0	0	0	0	0	0	0	0	0	0
Transfer to other revenue reserves upon the resolution of the General Assembly	0	0	0	0	0	0	0	0	0	0
Transfer of net profit from the previous year to retained net profit	0	0	0	0	0	0	0	0	0	0
Dividend distribution	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0
Closing balance as of 30th June 2011	58,420,965	89,562,704	18,882,889	58,112,522	8,562,536	3,425,733	9,416,570	246,383,919	0	246,383,919

Table 13: Statement of changes in equity of Luka Koper Group, January – June 2012

NON-AUDITED STATEMENT OF CHANGES IN EQUITY (in euros)	Called-up capital	Capital reserves	Legal reserves	Other revenue reserves	Retained net profit	Net profit for the financial year	Revaluation surplus	Total equity – majority shareholder	Equity – minority shareholders	Total equity
Opening balance as of 1st January 2012	58,420,965	89,562,703	18,882,889	56,263,316	10,411,742	443,364	6,703,699	240,688,678	108,140	240,796,818
Net profit for the financial year	0	0	0	0	0	6,221,423	0	6,221,423	-1,201	6,220,222
Other comprehensive income for the period	0	0	-5,212	0	0	0	-4,143,562	-4,148,774	0	-4,148,774
Comprehensive income for the period	0	0	-5,212	0	0	6,221,423	-4,143,562	2,072,649	-1,201	2,071,448
Formation of other revenue reserves upon the resolutions of Management and Supervisory Boards	0	0	0	0	0	0	0	0	0	0
Transfer to other revenue reserves upon the resolution of General Assembly	0	0	0	0	0	0	0	0	0	0
Transfer of net profit from the previous year to retained net profit	0	0	0	0	443,364	-443,364	0	0	0	0
Dividend distribution	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0
Closing balance as of 30th June 2012	58,420,965	89,562,703	18,877,677	56,263,316	10,855,106	6,221,423	2,560,137	242,761,327	106,939	242,868,266

NOTES TO THE FINANCIAL STATEMENTS OF LUKA KOPER GROUP

The financial statements of the *Luka Koper Group* for January to June 2012, i.e. as at 30th June 2012, encompass the financial statements of the parent company, *Luka Koper d.d.*, as well as the statements of its subsidiary enterprises, together with attributable profits and losses of associated and jointly controlled companies.

The non-audited financial statements of the *Luka Koper Group* as of 30th June 2012 are compiled in accordance with the same accounting policies and principles that were applicable in 2011.

Statement of Compliance

The financial statements have been compiled in accordance with the Companies Act RS and International Reporting Standards (IRS) as adopted by the EU.

Basis for the Compilation of Financial Statements

The financial statements have been compiled in euros (EUR), rounded to the nearest unit. Through these consolidated financial statements, the *Luka Koper Group* wants to provide the broadest sphere of users useful information on its finances, performance and changes in financial standing from January to June 2012, in comparison with data for the previous year.

Fair value has been used and disclosed in relation to available-for-sale financial assets and real-estate investments, whilst other financial statement items have been presented either at cost or amortised cost.

Additional Notes to the Income Statement

Operating revenues

(in euros)	January – June 2012	January – June 2011
OPERATING REVENUES	73,779,372	71,633,757
Net sales revenues on domestic market	26,561,873	24,118,646
Net sales revenues on foreign markets	45,906,962	46,122,758
Other operating revenues	1,310,537	1,392,353

Other revenues

(in euros)	January – June 2012	January – June 2011
OTHER REVENUES	368,797	22,875

Costs of goods, materials and services

(in euros)	January – June 2012	January – June 2011
COSTS OF GOODS, MATERIALS AND SERVICES	26,055,756	23,756,861
Material costs	5,911,989	5,138,978
Service costs	20,143,767	18,617,883

Labour costs

(in euros)	January – June 2012	January – June 2011
LABOUR COSTS	19,040,142	17,978,378
Costs of salaries	14,352,583	13,482,667
Social insurance costs	2,981,283	2,765,482
Other labour costs	1,706,276	1,730,229

Value write-offs

(in euros)	January – June 2012	January – June 2011
VALUE WRITE-OFFS	14,025,997	13,522,265
Amortisation of tangible fixed assets and intangible non-current assets	13,868,021	13,409,365
Amortisation of real-estate investments	69,570	50,390
Revaluation operating expenses	88,406	62,510

Other operating expenses

(in euros)	January – June 2012	January – June 2011
OTHER OPERATING EXPENSES	3,873,570	3,235,476

Formation of provisions	865,823	351,316
Other costs	3,007,747	2,884,160

Financial revenues

(in euros)	January – June 2012	January – June 2011
FINANCIAL REVENUES	680,365	419,943
Financial revenues from profit participation	427,088	165,349
Financial revenues from loans granted	119,224	97,245
Financial revenues from operating receivables and foreign exchange gains	134,053	157,349

Financial expenses

(in euros)	January – June 2012	January – June 2011
FINANCIAL EXPENSES	4,102,431	10,536,933
Financial expenses from impairments and financial investment write-offs	704,343	6,258,612
Financial expenses from financial liabilities	1,778,262	2,035,239
Financial expenses from operating liabilities and foreign exchange losses	54,422	158,130

Financial expenses from impairments and financial investment write-offs include the € 449,850 write-down - from € 116 to € 41 per share - in *Luka Koper's* investment in *NLB d.d.* as per the resolution adopted by the *NLB d.d.* General Assembly on 27th June 2012.

Operating profit for the period

(in euros)	January – June 2012	January – June 2011
PRE-TAX PROFIT	7,730,638	3,046,662
Corporation tax	1,126,919	293,177
Deferred tax	383,497	-672,248
Net profit for the period	6,220,222	3,425,733
Net profit – majority shareholder	6,221,423	3,425,733
Net profit – minority shareholder	-1,201	0

NET EARNINGS PER SHARE	0.44	0.24
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Interim corporation tax was calculated at an 18 percent rate in accordance with changed provisions of the *Corporate Income Tax Act RS*. Fifty percent of total deferred tax assets and liabilities in the amount of € 488,693 were also calculated on the basis of new tax rate. The remaining portion of deferred tax assets will be calculated in the second half of the year.

The disparity in deferred taxes arises as a consequence of the newly-formed provisions for severance payment and long service bonuses, the regular maintenance of public utility assets, as well as a correction as to the value of liabilities.

Additional Notes to Balance Sheet Statement

Tangible and intangible fixed assets and real-estate investments

(in euros)	30. 6. 2012	31. 12. 2011
INTANGIBLE FIXED ASSETS, AND LONG-TERM DEFERRED COSTS AND ACCRUED REVENUES	5,756,107	5,089,118
TANGIBLE FIXED ASSETS	356,528,038	363,153,532
1. Land and buildings	252,733,208	256,007,519
a. Land	10,966,136	10,966,136
b. Buildings	241,767,072	245,041,383
2. Plant and machinery	79,628,084	81,758,020
3. Other plant and equipment	209,454	245,119
4. Tangible fixed assets under acquisition	23,957,292	25,142,874
REAL-ESTATE INVESTMENTS	20,581,411	20,283,049

Non-current financial investments

(in euros)	30. 6. 2012	31. 12. 2011
NON-CURRENT FINANCIAL INVESTMENTS	40,161,577	48,310,023
1. Non-current financial investments less loans	38,484,323	43,742,721
2. Non-current loans	1,677,254	4,567,302

The decline in non-current financial investments is mainly attributable to falls in the price of *Krka d.d.* and *NLB d.d.* shares. In the first half of 2012, the fall in the value of *Krka d.d.* shares affected *Luka Koper d.d.*'s investment by € 4,641,421, whereas the write-down in the investment in *NLB d.d.* was € 449,850.

Assets (disposal group) held for sale

(in euros)	30. 6. 2012	31. 12. 2011
ASSETS (DISPOSAL GROUP)	7,024,910	6,975,723
Fixed assets held for sale	1,451,662	1,402,475
Other non-current assets held for sale	5,573,248	5,573,248

Current financial investments

(in euros)	30. 6. 2012	31. 12. 2011
SHORT-TERM LOANS	3,295,120	681,227
Short-term loans to others	158,087	641,201
Short-term bank deposits	3,137,033	40,026

The increase of current financial investments in the amount of € 2,613,893 can in particular be attributed to the transfer of long-term deposits to short-term ones as they reach maturity, whilst the fall in short-term loans to others is the result of loan payments.

Current operating receivables

(in euros)	30. 6. 2012	31. 12. 2011
CURRENT OPERATING RECEIVABLES	25,040,447	23,117,862
Current operating receivables from associated companies	29,131	62,057
Current trade receivables	21,725,890	20,011,234
Current operating receivables from others	3,285,426	3,044,571

Equity

(in euros)	30. 6. 2012	31. 12. 2011
EQUITY	242,868,266	240,796,818
EQUITY– majority shareholder	242,761,327	240,688,678
Called-up capital	58,420,965	58,420,965
Capital reserves	89,562,703	89,562,703
Revenue reserves	75,140,993	75,146,205
1. Legal reserves	18,877,677	18,882,889

2. Other revenue reserves	56,263,316	56,263,316
Revaluation surplus	2,560,137	6,703,699
Retained net profit	10,855,106	10,411,742
Net profit for the year	6,221,423	443,364
EQUITY – minority shareholder	106,939	108,140

The largest change in equity is due to the 62% - € 4,143,562 - decrease in the revaluation surplus which is for the major part attributable to the write down of the company's investment in *Krka d.d.*

Provisions

(in euros)	30. 6. 2012	31. 12. 2011
PROVISIONS	12,671,715	12,435,924
Provisions for pensions and similar	1,095,148	1,251,736
Other provisions	5,738,767	4,903,216
Long-term accrued costs and deferred revenues	5,837,800	6,280,972

There hasn't been any significant change in the amount of provisions, but their structure has altered. As of 31st December 2011, other provisions went up by € 835,551 mainly due to the formation of provisions for the cost of regular maintenance of port infrastructure performed by a public utility provider. Long-term accrued costs and deferred revenues decreased by € 443,172. This fall was a consequence of *Luka Koper INPOŠ* relinquishing accruals created from mandatory pension and disability insurance contributions, which the company utilised for the reduction of long-term deferred revenues and accrued costs.

Non-current liabilities

(in euros)	30. 6. 2012	31. 12. 2011
NON-CURRENT LIABILITIES	172,410,313	158,672,802
Non-current financial liabilities	171,754,904	156,864,708
Non-current operating liabilities	110,743	130,935
Deferred tax liabilities	544,666	1,677,159

Deferred tax liabilities derive from the revaluation of financial investments at their fair value and are also disclosed as a special equity item within the revaluation surplus.

Current liabilities

(in euros)	30. 6. 2012	31. 12. 2011
CURRENT LIABILITIES	42,511,229	65,063,739
Current financial liabilities	23,999,431	48,934,765
Current operating liabilities	18,511,798	16,128,974

Short-term accrued costs and deferred revenues

(in euros)	30. 6. 2012	31. 12. 2011
SHORT-TERM ACCRUED COSTS AND DEFERRED REVENUES	2,099,029	1,301,778
Accrued costs and expenses	2,099,029	1,301,778

As of 30th June 2012, *Luka Koper Group* eliminated accrued expenses in relation to unused annual leave from 2011 in the amount of € 134,466 which were, in accordance with the Employment Relationship Act RS, used by 30th June 2012.

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

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

(in euros)	January – June 2012 Non-audited	January – June 2011 Non-audited
Operating revenues	69,149,607	67,178,543
Net sales revenues	69,105,866	67,121,115
Other operating revenues	43,741	57,428
Other revenues	363,751	22,822
Operating expenses	59,595,112	55,859,438
Cost of goods, materials and services	26,378,449	24,758,855
Labour costs	16,083,857	15,020,434
Value write-offs	13,239,864	12,859,087
Other operating expenses	3,892,942	3,221,062
Operating profit	9,918,246	11,341,927
Financial revenues	1,178,874	1,496,684
Financial revenues from profit participation	929,996	1,242,729
Financial revenues from loans granted	119,362	101,521
Financial revenues from operating receivables	129,516	152,434
Financial expenses	3,996,919	10,675,098
Financial expenses from impairments and write-offs of financial investments	449,850	6,258,612
Financial expenses from financial liabilities	3,493,066	4,264,392
Financial expenses from operating liabilities	54,003	152,093
Pre-tax profit	7,100,201	2,163,513
Corporation tax	890,870	0
Deferred tax	379,678	-674,462
Net profit for the period	5,829,653	2,837,975
Net earnings per share, basic and diluted :	0.42	0.20

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

(in euros)	January – June 2012 Non-audited	January – June 2011 Non-audited
Net profit for the period	5,829,653	2,837,975
Other comprehensive income for the period:		
Change in fair value of financial assets held for sale	-5,276,054	-1,372,896
Deferred taxes	1,132,493	274,579
Other comprehensive income for the period	-4,143,561	-1,098,317
Total comprehensive income for the period	1,686,092	1,739,658

Table 16: Balance Sheet Statement of Luka Koper d. d.

ASSETS (in euros)	30. 6. 2012 Non-audited	31. 12. 2011 Audited
ASSETS	463,311,632	468,699,490
A. Non-current assets	424,458,773	437,991,718
I. Intangible fixed assets and long-term deferred costs	5,252,851	4,580,294
II. Tangible fixed assets	332,822,786	338,692,966
III. Real-estate investments	35,608,627	35,523,894
IV. Non-current financial investments	42,034,905	50,074,283
V. Non-current operating receivables	7,665	8,664
VI. Deferred tax assets	8,731,939	9,111,617
B. Current assets	35,013,578	30,167,345
I. Assets (disposal group) held for sale	7,024,910	6,963,061
II. Current financial investments	3,420,060	817,560
III. Current operating receivables	23,384,271	21,485,590
IV. Cash and cash equivalents	1,184,337	901,134
C. Deferred costs and accrued revenues	3,839,281	540,427
LIABILITIES (in euros)	30. 6. 2012 Non-audited	31. 12. 2011 Audited
EQUITY AND LIABILITIES	463,311,632	468,699,490
A. Equity	231,401,889	229,715,797
I. Called-up capital	58,420,965	58,420,965
II. Capital reserves	89,562,703	89,562,703
III. Revenue reserves	75,028,431	75,028,431
IV. Revaluation surplus	2,560,137	6,703,698
V. Retained net profit	0	0
VI. Net profit for the year	5,829,653	0
B. Provisions	6,813,233	6,026,603
C. Non-current liabilities	181,962,742	168,279,760
I. Non-current financial liabilities	181,349,076	166,525,580
II. Non-current operating liabilities	69,000	77,021
III. Deferred tax liabilities	544,666	1,677,159
D. Current liabilities	41,129,811	63,478,830
I. Current financial liabilities	23,999,431	48,934,765
II. Current operating liabilities	17,130,380	14,544,065
E. Accrued costs and deferred revenues	2,003,957	1,198,500

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

(in euros)	January – June 2012 Non-audited	January – June 2011 Non-audited
A. Cash flows from operating activities		
a) Net profit	6,209,331	2,163,513
Pre-tax profit	7,100,201	2,163,513
Corporation and other taxes not included in operating expenses	-890,870	0
b) Adjustments for	16,076,983	15,677,629
Amortisation (+)	13,171,184	12,803,577
Revaluation operating revenues associated with investments and financing (-)	-43,741	-57,416
Revaluation operating expenses associated with investments and financing (+)	55,982	11,326
Financial revenues less finance income from operating receivables (-)	-1,049,358	-1,344,250
Finance expenses less finance expenses from operating liabilities (+)	3,942,916	4,264,392
c) Changes in net current assets per balance sheet items (including accrual and deferrals, provisions and deferred tax assets and liabilities)	-1,088,004	8,121,714
Changes in operating receivables	-1,897,682	234,905
Changes in deferred costs and accrued revenues	-3,298,854	-2,835,625
Changes in deferred tax assets	0	0
Changes in assets (disposal group) held for sale	-61,849	6,324,660
Changes in inventories	0	0
Changes in operating liabilities	2,578,294	2,557,831
Changes in accrued costs and deferred revenues, and provisions	1,592,087	1,839,943
Changes in deferred tax liabilities	0	0
d) Net inflows (outflows) from operating activities (a + b + c)	21,198,310	25,962,856
B. Cash flows from investment activities		
a) Inflows from investments	1,923,983	1,648,295

Inflows from interest and profit participation associated with investments	929,996	1,344,250
Inflows from disposal of intangible fixed assets	0	3,771
Inflows from disposal of tangible fixed assets	63,171	72,384
Inflows from disposal of real-estate investments	16,891	0
Inflows from disposal of non-current financial investments	177,136	136,195
Inflows from disposal of current financial investments	736,789	91,695
b) Outflows from investments	-8,648,580	-11,043,382
Outflows for acquisition of intangible fixed assets	-506,005	-730,088
Outflows for acquisition of tangible fixed assets	-7,642,708	-10,087,529
Outflows for acquisition of real-estate investments	-1,884	-19
Outflows for acquisition of non-current financial investments	-61,895	0
Outflows for acquisition of current financial investments	-436,088	-225,746
c) Net inflows (outflows) from investment activities (a + b)	-6,724,597	-9,395,087
<i>C. Cash flow from financing activities</i>		
a) Inflows from financing	54,691,676	10,870,259
Inflows from paid-up capital	0	0
Inflows from increase of non-current financial liabilities	29,589,676	259
Inflows from increase of current financial liabilities	25,102,000	10,870,000
b) Outflows from financing	-68,882,186	-26,999,713
Outflows for interest payable associated with financing	-3,493,066	-4,319,638
Outflows for capital refunds	0	0
Outflows for payment of non-current financial liabilities	-11,442,120	-12,546,452
Outflows for payment of current financial liabilities	-53,947,000	-10,133,590
Outflows for distribution of dividends and other profit participation	0	-33
c) Net inflows (outflows) from financing activities (a + b)	-14,190,510	-16,129,454
<i>Closing balance of cash and cash equivalents</i>	1,184,337	1,030,611
Net cash inflow (outflow) for the period (sum total of net cash Ac, Bc and Cc)	283,203	438,315
<i>Opening balance of cash and cash equivalents</i>	901,134	592,296

Table 18: Statement of changes in equity of Luka Koper d.d., January – June 2011

NON-AUDITED STATEMENT OF CHANGES IN EQUITY (in euros)	Called-up capital	Capital reserves	Legal reserves	Other revenue reserves	Retained net profit	Net profit for the year	Revaluation surplus	Total equity
	I/1	II/1	III/1	III/4	IV/1	V/1	VI/2	
Opening balance as of 1st January 2011	58,420,965	89,562,703	18,765,115	58,112,521	0	0	10,514,887	235,376,191
Net profit for the period	0	0	0	0	0	2,837,975	0	2,837,975
Other comprehensive income for the period	0	0	0	0	0	0	-1,098,317	-1,098,317
Comprehensive income for the period	0	0	0	0	0	2,837,975	-1,098,317	1,739,658
Formation of other revenue reserves upon resolutions by Management and Supervisory Boards	0	0	0	0	0	0	0	0
Transfer to other revenue reserves upon resolution of General Assembly	0	0	0	0	0	0	0	0
Transfer of net profit from previous year to retained net profit	0	0	0	0	0	0	0	0
Dividend distribution	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0
Closing balance as of 30th June 2011	58,420,965	89,562,703	18,765,115	58,112,521	0	2,837,975	9,416,570	237,115,849

Table 19: Non-audited statement of changes in equity of Luka Koper d.d., January – June 2012

NON-AUDITED STATEMENT OF CHANGES IN EQUITY (in euros)	Called-up capital	Capital reserves	Legal reserves	Other revenue reserves	Retained net profit	Net profit for the year	Revaluation surplus	Total equity
	I/1	II/1	III/1	III/4	IV/1	V/1	VI/2	
Opening balance as of 1st January 2012	58,420,965	89,562,703	18,765,115	56,263,316	0	0	6,703,698	229,715,797
Net profit for the period	0	0	0	0	0	5,829,653	0	5,829,653
Other comprehensive income for the period	0	0	0	0	0	0	-4,143,561	-4,143,561
Comprehensive income for the period	0	0	0	0	0	5,829,653	-4,143,561	1,686,092
Formation of other revenues reserves upon the resolutions of Management and Supervisory Boards	0	0	0	0	0	0	0	0
Transfer to other revenue reserves upon resolution of General Assembly	0	0	0	0	0	0	0	0
Transfer of net profit from previous year to retained net profit	0	0	0	0	0	0	0	0
Dividend distribution	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0
Closing balance as of 30th June 2012	58,420,965	89,562,703	18,765,115	56,263,316	0	5,829,653	2,560,137	231,401,889

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

Luka Koper d.d., port and logistics system operator, with its registered office in Koper, Republic of Slovenia, is the parent company of the *Luka Koper Group* of companies. These financial statements are compiled for the period January to June 2012, i.e. as at 30th June 2012.

The non-audited financial statements of *Luka Koper d.d.* as of 30th June 2012 are compiled in accordance with the same accounting policies and principles as were applicable in 2011.

Statement of Compliance

The financial statements have been compiled in accordance with the Companies Act RS and International Financing Reporting Standards (IRS) as adopted by the EU.

Basis for Compilation of Financial Statements

The financial statements have been compiled in euros (EUR), rounded to the nearest unit. By way of these statements *Luka Koper d.d.* wishes to provide the broadest sphere of users useful information on the finances, performance and changes in its financial standing from January to June 2012, in comparison with data for the previous year.

Fair value has been used and disclosed in relation to available-for-sale financial assets and real-estate investments, whilst other financial statement items have been presented at cost or amortised cost.

Operating revenues

(in euros)	January – June 2012	January – June 2011
OPERATING REVENUES	69,149,607	67,178,543
Revenues from sales on domestic market	25,171,205	23,087,432
Revenues from sales on foreign markets	43,934,661	44,033,683
Other operating revenues	43,741	57,428

Other revenues

(in euros)	January – June 2012	January – June 2011
OTHER REVENUES	363,751	22,822

Costs of goods, materials and services

(in euros)	January – June 2012	January – June 2011
COSTS OF GOODS, MATERIALS AND SERVICES	26,378,449	24,758,855
Material costs	5,550,561	4,863,147
Service costs	20,827,888	19,895,708

Labour costs

(in euros)	January – June 2012	January – June 2011
LABOUR COSTS	16,083,857	15,020,434
Cost of salaries	12,196,320	11,365,205
Social insurance costs	2,523,665	2,320,625
Other labour costs	1,363,872	1,334,604

Value write-offs

(in euros)	January – June 2012	January – June 2011
VALUE WRITE-OFFS	13,239,864	12,859,087
Amortisation of tangible fixed assets and intangible non-current assets	12,887,986	12,487,305
Amortisation of real-estate investments	283,198	316,273
Revaluation operating expenses	68,680	55,509

Other operating expenses

(in euros)	January – June 2012	January – June 2011
OTHER OPERATING EXPENSES	3,892,942	3,221,062
Formation of provisions	865,823	351,316
Other costs	3,027,119	2,869,746

Financial revenues

(in euros)	January – June 2012	January – June 2011
FINANCIAL REVENUES	1,178,874	1,496,684
Financial revenues from profit participation	929,996	1,242,729
Financial revenues form loans granted	119,362	101,521
Financial revenues from operating receivables and foreign exchange gains	129,516	152,434

Financial expenses

(in euros)	January – June 2012	January – June 2011
FINANCIAL EXPENSES	3,996,919	10,675,098
Financial expenses from impairment and write-offs of financial investments	449,850	6,258,612
Financial expenses from financial liabilities	3,493,066	4,264,392
Financial expenses from operating liabilities and foreign exchange losses	54,003	152,093

Financial expenses from impairments and financial investment write-offs include the € 449,850 write-down - from € 116 to € 41 per share - in *Luka Koper's* investment in *NLB d.d.* as per the resolution adopted by the *NLB d.d.* General Assembly on 27th June 2012.

Operating profit for the period

(in euros)	January – June 2012	January – June 2011
PRE-TAX PROFIT	7,100,201	2,163,513
Corporation tax	890,870	0
Deferred tax	379,678	-674,462
Net profit for the period	5,829,653	2,837,975
Net earnings per share	0.42	0.20

Additional Notes to Balance Sheet Statement**Tangible and intangible fixed assets and real-estate investments**

(in euros)	30. 6. 2012	31. 12. 2011
INTANGIBLE FIXED ASSETS, AND LONG-TERM DEFERRED COSTS & ACCRUED REVENUES	5,252,851	4,580,294
TANGIBLE FIXED ASSETS	332,822,786	338,692,966
1. Land and buildings	233,431,363	236,422,702
a. Land	6,261,659	6,261,659
b. Buildings	227,169,704	230,161,043
2. Plant and machinery	75,294,935	76,988,193
3. Other plant and equipment	139,696	139,696
4. Tangible fixed assets under acquisition	23,956,792	25,142,375
REAL-ESTATE INVESTMENTS	35,608,627	35,523,894

Non-current financial investments

(in euros)	30. 6. 2012	31. 12. 2011
NON-CURRENT FINANCIAL INVESTMENTS	42,034,905	50,074,283
1. Non-current financial investments less loans	40,366,684	45,506,981
2. Long-term loans	1,668,221	4,567,302

Assets (disposal group) held for sale

(in euros)	30. 6. 2012	31. 12. 2011
ASSETS DISPOSAL GROUP	7,024,910	6,963,061
Fixed assets held for sale	1,451,662	1,389,813
Other non-current assets held for sale	5,573,248	5,573,248

Current financial investments

(in euros)	30. 6. 2012	31. 12. 2011
SHORT-TERM LOANS	3,420,060	817,560
Short-term loans to Group companies	351,319	176,359
Short-term loans to others	158,087	641,201
Short-term bank deposits	2,910,654	0

Current operating receivables

(in euros)	30. 6. 2012	31. 12. 2011
CURRENT OPERATING RECEIVABLES	23,384,271	21,485,590
Current operating receivables from Group companies	126,113	63,025
Current operating receivables from associated companies	29,131	62,057
Current trade receivables	20,742,008	19,099,136
Current operating receivables from others	2,487,019	2,261,372

Equity

(in euros)	30. 6. 2012	31. 12. 2011
EQUITY	231,401,889	229,715,797
Called-up capital	58,420,965	58,420,965
Capital reserves	89,562,703	89,562,703
Revenue reserves	75,028,431	75,028,431
1. Legal reserves	18,765,115	18,765,115
2. Other revenue reserves	56,263,316	56,263,316
Revaluation surplus	2,560,137	6,703,698
Retained net profit	0	0
Net profit for the year	5,829,653	0

Provisions

(in euros)	30. 6. 2012	31. 12. 2011
PROVISIONS	6,813,233	6,026,603
Provisions for pensions and similar	843,642	981,750
Other provisions	5,724,203	4,903,215
Accrued costs and deferred revenues	245,388	141,638

Non-current liabilities

(in euros)	30. 6. 2012	31. 12. 2011
NON-CURRENT LIABILITIES	181,962,742	168,279,760
Non-current financial liabilities	181,349,076	166,525,580
Non-current operating liabilities	69,000	77,021
Deferred tax liabilities	544,666	1,677,159

Current liabilities

(in euros)	30. 6. 2012	31. 12. 2011
CURRENT LIABILITIES	41,129,811	63,478,830
Current financial liabilities	23,999,431	48,934,765
Current operating liabilities	17,130,380	14,544,065

Short-term accrued costs and deferred revenues

(in euros)	30. 6. 2012	31. 12. 2011
SHORT-TERM ACCRUED COSTS AND DEFERRED REVENUES	2,003,957	1,198,500
Accrued costs and expenses	2,003,957	1,198,500

Transactions with associated companies

In the first half of 2012, numerous transactions were made between the associated companies of the *Luka Koper Group*, in which the parent company - *Luka Koper d.d.* - was a buyer, supplier, lessor and the like. All these transactions were based on various legal contracts, order forms and invoices etc., to which the same market conditions applied as with non-Group entities.

(in euros)	Luka Koper d. d.		Luka Koper Group	
	January - June 2012	January - June 2011	January - June 2012	January - June 2011
Items of Income Statement				
Net sales revenues				
Associated companies	706,975	751,061	0	0
Jointly-controlled companies	296,324	266,936	341,144	293,772
Material costs				
Associated companies	0	4,381	0	0
Jointly-controlled companies	0	0	0	0
Service costs				
Associated companies	1,688,857	1,985,317	0	0
Jointly-controlled companies	83,476	16,466	83,476	16,575
Labour costs				
Associated companies	754	747	0	0
Jointly-controlled companies	0	0	0	0
Other operating expenses				
Associated companies	4,228	6,859	0	0
Jointly-controlled companies	22,889	0	22,889	3,885
Financial revenues from profit participation				
Associated companies	644,513	1,242,729	0	0
Jointly-controlled companies	274,486	0	416,090	165,349
Financial revenues from loans granted				
Associated companies	3,042	4,426	0	0
Jointly-controlled companies	0	0	0	0
Financial expenses from impairment and investment value write-offs				
Associated companies	0	0	0	0
Jointly-controlled companies	0	0	254,493	0

Financial revenues from financial liabilities				
Associated companies	149,400	144,204	0	0
Jointly-controlled companies	12,624	18,310	12,624	18,310

(in euros) Balance Sheet Statement Items	Luka Koper d. d.		Luka Koper Group	
	30.06.2012	31.12.2011	30.06.2012	31.12.2011
Non-current financial investments less loans				
Associated companies	5,280,452	5,280,453	0	0
Jointly-controlled companies	8,753,710	8,753,709	12,151,801	12,269,902
Short-term loans				
Associated companies	351,319	176,359	0	0
Jointly-controlled companies	0	0	0	0
Current operating receivables				
Associated companies	126,113	63,025	0	0
Jointly-controlled companies	29,131	62,057	29,131	62,057
Non-current financial liabilities				
Associated companies	9,715,839	9,784,838	0	0
Jointly-controlled companies	783,000	1,064,212	783,000	0
Current financial liabilities				
Associated companies	0	0	0	0
Jointly-controlled companies	0	45,000	0	45,000
Current operating liabilities				
Associated companies	335,401	598,740	0	0
Jointly-controlled companies	51,033	51,727	51,033	51,727

(in euros)	Realised January - June 2012	Realised January – June 2011
Eliminated transactions between associated companies in the Income Statement		
Net sales revenue	2,263,790	2,508,564
Other operating revenues	0	440
Material costs	34,670	60,375
Service costs	2,141,915	2,386,260
Labour costs	754	747
Other operating expenses	86,451	61,622
Financial revenues	796,955	1,226,009
Financial expenses	152,442	148,630

(in euros)		
Eliminated transactions between associated companies in the Balance Sheet Statement	30.06.2012	31.12.2011
Assets	12,508,455	13,834,178
Non-current financial investments less loans	1,882,361	3,494,085
Long-term loans	9,715,839	0
Deferred tax assets	97,247	59,608
Short-term loans	351,319	9,288,894
Current operating receivables	486,054	991,591
Deferred costs and accrued revenues	-24,365	0
Equity and liabilities	12,508,455	13,834,178
Equity	1,979,608	3,159,291
Non-current financial liabilities	9,715,839	0
Non-current tax liabilities	0	394,402
Current financial liabilities	351,319	9,288,894
Current operating liabilities	461,689	991,591

MANAGEMENT BOARD STATEMENT OF RESPONSIBILITY

The Management Board of *Luka Koper d.d.* herein declares that the condensed financial statements of *Luka Koper d.d.* and the condensed consolidated financial statements of the *Luka Koper Group* of companies for the period ending 30th June 2012 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 the *Luka Koper Group*. The condensed financial statements January to June 2012 have been compiled in accordance with the same accounting policies and principles applicable in the compilation of *Luka Koper d.d.* and *Luka Koper Group* 2011 annual reports.

These condensed interim statements for the period ending 30th June 2012 have been compiled in accordance with International Financing Reporting Standards (IFRS) and should be considered in relation to the annual financial statements for the fiscal year ending 31st December 2011.

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

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



Dr. Gregor Veselko
President of the Management Board



Marko Rems
Member of the Management Board



Matjaž Stare

Member of the Management Board – Workers Director

Koper, Slovenia, 8th August 2012