

2014



LUKA KOPER GROUP

**INFORMATION ABOUT LUKA KOPER GROUP
AND LUKA KOPER, D. D. PERFORMANCE, JANUARY – DECEMBER
2014**

Koper, February 2015

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BUSINESS REPORT

PERFORMANCE HIGHLIGHTS OF LUKA KOPER GROUP

COMPARISON OF ACTUAL AND PLANNED RESULTS OF LUKA KOPER GROUP, JANUARY – DECEMBER 2014

(in euro)	1 – 12/2014	Plan 1 - 12/2014	Index Result/ Plan
From Income Statement			
Operating revenues	163.634.240	151.231.286	108
Operating profit (EBIT)	34.262.074	27.330.036	125
EBITDA	61.673.926	54.663.265	113
Net profit	28.560.506	20.797.516	137
From Cash Flow Statement			
Investments in real-estate, plant and equipment, real-estate investment and intangible assests	31.168.561	38.506.577	81
Cargo throughput (in tonnes)			
Cargo throughput	18.965.351	18.888.885	100

COMPARISON OF LUKA KOPER GROUP RESULTS FOR JANUARY – DECEMBER 2014 AND 2013

(in euro)	1 - 12/2014	1 - 12/2013	Index 2014/2013
From Income Statement			
Operating revenues	163.634.240	144.235.477	113
Operating profit (EBIT)	34.262.074	12.201.713	281
EBITDA	61.673.926	40.385.025	153
Financing gain (loss)	-1.298.436	-5.563.490	23
Pre-tax profit	32.963.638	6.638.223	497
Net profit	28.560.506	7.749.500	369
From Cash Flow Statement			
Investments in real-estate, plant and equipment, real-estate investment and intangible assests	31.168.561	14.825.864	210
Cargo throughput (in tonnes)			
Cargo throughput	18.965.351	17.999.662	105

(in euro)	31.12.2014	31.12.2013	Index 2014/2013
From Statement of Financial Position			
Assets	451.523.863	443.558.563	102
Non-current assets	412.509.948	404.525.029	102
Current assets, and deferred costs and accrued revenues	39.013.915	39.033.534	100
Equity	286.219.043	259.204.139	110
Non-current liabilities and provisions, and long-term accruals	126.162.974	152.993.571	82
Current liabilities, and accrued costs and deferred revenues	39.141.846	31.360.853	125
Financial liabilities	128.146.556	153.750.652	83

(as percentage)	1 - 12/2014	1 - 12/2013	Index 2014/2013
Indicators			
Return on sales (ROS)	20,94%	8,46%	248
Net return on equity (ROE)	10,47%	3,05%	344
Net return on assets (ROA)	6,38%	1,71%	373
EBITDA	37,69%	28,00%	135
Financial liabilities / equity	44,77%	59,32%	75

COMPARISON OF LUKA KOPER, D. D., RESULTS FOR JANUARY – DECEMBER 2014 AND 2013

(in euro)	1- 12/2014	1 - 12/2013	Index 2014/2013
From Income Statement			
Net profit	25.772.631	4.612.246	559

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, 6501 Koper, discloses this Non-Audited Report on the performance of *Luka Koper d.d.* and the Luka Koper Group for January – December.

This Non-Audited Interim Report on the performance of *Luka Koper d.d.* and the *Luka Koper, Group* for January – December 2014 can be examined at Luka Koper, d.d.'s registered headquarters at Vojkovo nabrežje 38, 6501 Koper and shall also be accessible via the company's website www.luka-kp.si, from 20th February 2015 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 - December 2014 was addressed by the company's Supervisory Board at its regular session on 20th February 2015. 0

PRESENTATION OF LUKA KOPER GROUP

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

Luka Koper, d. d.'s profile , as of 20st February 2015

<i>Full name</i>	<i>Luka Koper, publicpristaniški in logistični sistem, delniška družba</i>
<i>Short title</i>	<i>Luka Koper, d. d.</i>
<i>Registered office</i>	<i>Vojkovo nabrežje 38, Koper</i>
	<i>Telefon: 05 66 56 100</i>
	<i>Faks: 05 63 95 020</i>
	<i>Email: portkoper@luka-kp.si</i>
	<i>Website: www.luka-kp.si</i>
<i>Company registration</i>	<i>Application No. 066/10032200 registered at the Koper District Court Slovenia</i>
<i>Registration number</i>	<i>5144353</i>
<i>Tax number</i>	<i>SI 89190033</i>
<i>Issued share capital</i>	<i>58.420.964,78 evrov</i>
<i>Number of shares</i>	<i>14.000.000 ordinary no-par-value shares</i>
<i>Share listing</i>	<i>Ljubljana Stock exchange, prime market</i>
<i>Share ticker symbol</i>	<i>LKPG</i>
<i>President of the Management Board</i>	<i>Dragomir Matić</i>
<i>Member of the Management Board</i>	<i>Andraž Novak</i>
<i>Member of the Management Board</i>	<i>Tine Svoljšak</i>
<i>Member of the Management Board – Workers Director</i>	<i>Matjaž Stare</i>
<i>President of the Supervisory Board</i>	<i>Alenka Žnidaršič Kranjc</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, jointly controlled and associated enterprises as of 31st December 2014

Organigram of Luka Koper Group as of 31st December 2014

- Luka Koper, d. d.
- Luka Koper INPO, d. o. o., 100 %
- Adria Terminali, d. o. o., 100 %
- Luka Koper Pristan, d. o. o., 100 %
- TOC, d. o. o., 68,13 %
- Adria Transport, d. o. o., 50 %
- Adria – Tow, d. o. o., 50 %
- Adriaфин, d. o. o., 50 %
- Avtoservis, d. o. o., 49 %
- Logis Nova, d. o. o., 100 %¹
- Adria Investicije, d. o. o., 100 %²
- Adriasole, d. o. o. – bankrupt, 98 % (under bankruptcy proceeding as of 28th February 2014)
- Golf Istra, d. o. o. – bankrupt, 20 % (under bankruptcy proceeding as of 9th October 2014)

Companies comprised in *Luka Koper Group* as of 31st December 2014

a) Full consolidation method:

- Luka Koper INPO, d. o. o., 100 %
- Adria Terminali, d. o. o., 100 %
- Luka Koper Pristan, d. o. o., 100 %
- TOC, d. o. o., 68,13 %

b) Equity method:

- Adria Transport, d. o. o., 50 %
- Adria – Tow, d. o. o., 50 %
- Adriaфин, d. o. o., 50 %

^{1,3} From November 2011, the companies Logis Nova, d. o. o., and Adria Investicije, d. o. o., were reclassified under assets held for sale. Due to the inactivity, it was reclassified under subsidiary enterprises as of 31st December 2014 and due to the immateriality they are not consolidated.

- Avtoservis, d. o. o., 49 %

c) Companies not comprised in the consolidated financial statements:

- Logis Nova, d. o. o., 100 %
- Adria Investicije, d. o. o., 100 %
- Adriazole, d. o. o. – bankrupt, 98 % (under bankruptcy proceeding as of 28th February 2014)
- Golf Istra, d. o. o. – bankrupt 20 % (under bankruptcy proceeding as of 9th October 2014)

CORPORATE MANAGEMENT AND GOVERNANCE

Luka Koper, d. d. Management Board

As of 31st December 2014, the Luka Koper, d. d. Management Board was comprised of the following members:

- Dragomir Matić, President of the Management Board, appointed on 23rd May 2014 for a five-year term, taking up the position as of 10th June 2014,
- Andraž Novak, Member of the Management Board, commenced a five-year term on 10th June 2014,
- Jože Jaklin, Member of the Management Board, commenced a five-year term on 1st February 2014,
- Matjaž Stare, Workers Director, commenced a five-year term on 18th October 2010.

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

The Supervisory Board of *Luka Koper, d. d.*, at its regular session on 4th July 2014 acquainted with the resignation of Mr Jože Jaklin, Member of the Management Board. At its regular session held on 21st November 2014, the Supervisory Board of Luka Koper, d. d., appointed a new Member of the Management Board, responsible for Finance and Accounting, Mr. Tine Svoljšak, who commenced its five-years mandate on 1st February 2015.

As of 20th February 2015, the Luka Koper, d.d., Management Board was comprised of the following members:

- Dragomir Matić, President of the Management Board appointed on 23rd May 2014 for a five-year term, taking up the position as of 10th June 2014,
- Andraž Novak, Member of the Management Board, commenced a five-year term on 10th June 2014,
- Tine Svoljšak, Member of the Management Board, commenced a five-year term on 1st February 2015,
- Matjaž Stare, Workers Director, commenced a five-year term on 18th October 2010.

Luka Koper, d. d. Supervisory Board

The Luka Koper, d. d. Supervisory Board is composed of nine members, six of whom are elected by the General Assembly of Shareholders, and three by the Worker's Council. They are elected for a four-year term. As of 31st December 2014, the Supervisory Board was comprised of the following members:

Representatives of the shareholders

- dr. Alenka Žnidaršič Kranjc, President of the Supervisory Board, representative of shareholders, commenced a four-year term on 7th October 2013 (23rd General Assembly of the Shareholders),
- dr. Elen Tvrđy, Deputy President of the Supervisory Board, representative of shareholders, commenced a four-year term on 7th October 2013 (23rd General Assembly of the Shareholders),
- Rado Antolovič, Member of the Supervisory Board, representative of shareholders, commenced a four-year term on 7th October 2013 (23rd General Assembly of the Shareholders),
- Andrej Šercer, M.Sc., Member of the Supervisory Board, representative of shareholders, commenced a four-year term on 7th October 2013 (23rd General Assembly of the Shareholders),
- Žiga Škerjanec, Member of the Supervisory Board, representative of Shareholders, commenced a four-year term on 7th October 2013 (23rd General Assembly of the Shareholders),
- Sabina Mozetič, Member of the Supervisory Board, appointed upon the proposal of the Municipality of Koper, commenced a four-year term on July 2011 (19th General Assembly of Shareholders).

Representatives of employees

- Mladen Jovičič, Member, Employee Representative, commenced a four-year term on 18th March 2013,
- Stojan Čepar, Member, Employee Representative, commenced a four-year term on 18th March 2013,
- Nebojša Topič, M.Sc., Member, Employee Representative, commenced a four-year term on 28th July 2012.

External member of the Supervisory Board Audit Committee

- Mrs. Blanka Vezjak, M.Sc., the external member of the Supervisory Board Audit Committee, was recalled at the Supervisory Meeting on 22nd August 2014;
- Barbara Nose was appointed as a new external member of the Supervisory Board Audit Committee at the Supervisory Board Meeting on 22nd August for the term from 22nd August 2014 till 7th October 2017.

SIGNIFICANT EVENTS JANUARY – DECEMBER 2014

JANUARY

- Luka Koper, d. d., Supervisory Board appointed Andraž Novak as the Member of the Management Board for a five-year term commencing 13th January 2014.
- On 21st January 2014, Slovenska odškodninske družba, d. d., submitted a request to Luka Koper, d. d. Management Board for a General Assembly Meeting of Shareholders.
- In January 2014, the Slovenian Maritime Administration installed two new buoys at the entrance to the channel of Basin I, hence the requirement in relation to the Administration's decision to allow the arrival of ships with a draft of up to 11.8 m (thus far 11,4 m) under special conditions, was met. This 40-cm increase does not considerably impact cargo volumes at the Container terminal; the eventual increase to 14m, however, which was anticipated in April, 2014 shall have an impact on the throughput.
- In conjunction with the University of Primorska, Koper Municipality and the Association of technology institute advocates, Luka Koper signed a letter of intent in relation to the foundation of a Slovenian Institute of Technologies.
Luka Koper presented its activities and operations at the 7th Annual European Oil Storage Conference

FEBRUARY

- On 6th February 2014, *Luka Koper* made public the conditions and crisis measures adopted by the Port as a consequence of the natural disaster that had befallen a large part of Slovenia. Due to damage caused by freezing rain and ice the Notranjska region, the railway line linking Koper with its continental hinterland was closed for six days.
- On 17th February, the Company's Management Board published the call for 24th General Assembly of Luka Koper, d. d., which was held on 19th March 2014.
- February witnessed the commencement of the construction of 6.840 m² of storage areas behind berth 7 C at the Container Terminal. This extension of the Pier I, which will provide for the storage of an additional 672 TEUs, forms part of the Pier I investment project the completion of which is anticipated by 2018.
- As a part of the Pier I project, the first stage of dredging the seabed in Basin I to a depth of – 13m – got underway, as did the preparation of landfill areas for the deposit of dredged materials.
- As part of its *Living with the Port Fund* activities, Luka Koper published a call for applications for sponsorship and grants.
- After a break of five years, the Luka Koper d.d. share was once again included in the Ljubljana Stock Exchange's SBI TOP index.

MARCH

- At the Luka Koper d.d. General Assembly held on 19th March 2014, shareholders adopted an amendment of the Company Statute. Koper Municipality anticipated challenging action against this resolution. The Company's President of the Management Board Gašpar Gašpar Mišič also presented shareholders the current situation with regard to actions for damages against the former Management Board as well as members of the Supervisory Board.
- The first stage of seabed dredging in Basin 1 – to a depth of 13m – was completed.
- Luka Koper signed a Letter of Intent in relation to various forms of mutual collaboration with the Slovenian Maritime Administration.
- The Slovenian Maritime Administration issued a decision that allows the Port of Koper Container Terminal to service vessels with drafts of up to 12.5 m (up from 11.8 m).
- Luka Koper presented its operations and activities at Miami - Seatrade 2014, the world's largest cruise shipping fair.

APRIL

- At its regular session of 11th April 2014, the Luka Koper, d. d., Supervisory Board discharged the President of the Management Board Gašpar Gašpar Mišič and appointed Andraž Novak to this position. The Supervisory Board endorsed the Annual Report 2013 of the Luka Koper Group and Luka Koper, d. d., as well as proposal of the Management Board's proposal on the allocation of distributable net profit for 2013.
- The company was granted ISCC EU certification confirming that Luka Koper, d. d., handles and stores rape seed oil, soya oil, palm biodiesel, bioethanol and waste edible oil in accordance with the EC directive on the promotion of the use of energy from renewable sources.
- *Luka Koper, d.d.*, took on the presidency of the North Adriatic Ports Association (NAPA) until the end of 2014.
- The company obtained the usage permit for landfill sites 7A and 799/29.
- Commencement of dredging operations to deepen the navigational channel serving Basin I to a depth of 14 m.
- Slovenian Maritime Administration started the dredging of the access channel in Basin I to a depth of - 15 metres.
- The *Slovenian Institute of Quality and Metrology* performed an external audit in relation to environment management and health and safety at work.
- Luka Koper, d. d., received the Brand Leader Award as the best port operator and logistic provider in the South-Eastern Europe.

MAY

- The contract between Luka Koper d.d. and the company selected through a public tendering procedure to undertake seabed dredging at the Container Terminal

quayside in order to facilitate the servicing of vessels with 14 m draughts , expired on 13th May 2014. Upon measurement it was established that during the contractual period, within which the Italian company was obliged to complete dredging works, said contractor failed to complete even one tenth of the anticipated work. Consequent to the unjustified severe delay in dredging operations, as well as the problems which the contractor had during the preparation stage, the Management Board believed that it would be an excessive risk to allow the selected contractor to continue. Consequent to this decision, the company's Management Board has adopted all necessary measures to ensure that the project to deepen the quayside berths would be completed by the end of August.

- At Open Port Days the public was given the opportunity to visit the port.
- In conjunction with the University of Primorska we organized a conference on Kinesiology in ergonomics.
- Within the framework of the European project B2MOS and in cooperation with the Slovenian national forum for e-Invoicing we organised a seminar entitled e-Invoicing in logistics and transport.
- The Supervisory Board of *Luka Koper, d. d.*, Board appointed Dragomir Matić as a Management Board President for five-year term commencing on 10th June 2014, the same day the previous President of the Management Board Andraž Novak assumed office as the Management Board Member responsible for operations and sales, the position which he had held prior to his appointment as President on 11th April this year.

JUNE

- On 10th June 2014 Dragomir Matić took over the presidency from Andraž Novak who retook the position of the Member of the Management Board.
- Based on the provision of first paragraph of Article 10 *Luka Koper, d.d.* Statute, the Management Board published on 5th June the call for the 25th. General Assembly of Luka Koper, d. d., Shareholders which was held on 8th July 2014.
- On 19th June 2014 Luka Koper, d. d., and the Netherlands-based company Van Oord concluded the contract on dredging the access channel and northern section of Basin I within the Port of Koper harbour. The contract in the amount of 2.48 million euros anticipates the seabed dredging along the Container terminal to 14 metres which will require the removal of 230.000 m³ of sea sediments (silt). The Dutch company which was the only to apply for public call will commence the works on 15th July and complete them in the second half of August. They will work 24 hours a day using a technique which is faster of the classic hopper dredger.
- Austrian Transport magazine "Verkehr" published an analysis of Austria's overseas trade. As of 2013 Luka Koper, d. d., held the first position, which means that the Port of Koper remained the first port for import and export of Austrian cargo also last year. Luka Koper, d. d., has held this leading position since 2010.

JULY

- Shareholders attending the 25th General Shareholders Assembly of Luka Koper, d.d. held on 8th July 2014:
 - were presented the endorsed 2013 Annual Report for the *Luka Koper Group* and *Luka Koper, d. d.*;
 - adopted the proposed resolution on the allocation of distributable profit for 2013 in the amount of € 3.721.761 as follows:
 - a portion of distributable profit in the amount of € 2.240.000 to be disbursed as dividends in the gross value of € 0,16 per share,
 - the remaining distributable profit in the amount of € 1.481.761 to remain undistributed,
 - endorsed the work of the Management and Supervisory Board during 2013,
 - appointed the auditors KPMG Slovenija, podjetje za revidiranje, d. o. o., as the company's external auditor for fiscal 2013;
 - adopted the resolution on the amount of remuneration and the attendance fee for members of the Supervisory Board as well as Supervisory Board Commissions for the following twelve months,
 - Adopted the amendment to the *Luka Koper, d. d.* Statute
- Luka Koper d.d. completed the project on the extension of storage areas at the Container terminal on the head of Pier I, thus acquiring 6.840 m² of new areas, and consequently of approx. 600 TEU of additional storage places were provided.
- The Supervisory Board of *Luka Koper, d. d.*, on its regular session on 4th July 2014 acquainted with the resignation of Mr Jože Jaklin, Member of the Management Board. The Supervisory Board will start the recruitment activities within the notice period in order to select a new Member of the Management Board, responsible for Finance and Accounting.
- On 20th July 2014 the deepening of the seabed along the quayside of the Container Terminal to -14 metres started by a larger dredger of the Dutch contractor Van Oord.

SEPTEMBER

- In September the first stage of the deepening operations of the seabed along the quayside of the Container Terminal to -14 metres were completed and the Slovenian Maritime Administration issued a decision allowing larger vessels with a draft up to 13.5 metres to enter the Northern part of the Basin I. It is expected that with the completion of the dredging to -14 meters the Port of will become the first port of call for ships entering the Northern Adriatic.
- 24.300 m² of open storage areas for vehicles were arranged.
- the activities of the Koper Cruise Terminal were presented at the Cruise tourism Seatrade Med.

OCTOBER

- The shipping company ARKAS Line from Turkey included Luka Koper, d. d., in the container line Northern Adriatic– East Mediterranean, Black Sea, Northern Africa.
- The award as the best supply chain provider for material was given to *Luka Koper d.d.* by the Austrian steel producer Voestalpine.

NOVEMBER

- Luka Koper, d. d., was awarded this year's ESPO (European Sea Ports Organisation). Award. Other shortlisted ports for this year's competition for creating a sustainable future for the port and its surroundings were the port of Huelva, Lisbon, Marseille and Rotterdam.
- The theme of this year's ESPO Award was Innovative environmental projects. Luka Koper, d. d., presented the project No waste, just resources!, illustrating good practices in waste management in the Port of Koper. It was presented the use of paper mill sludge as an anti-dusting agent, the introduction of a heating system using the recycled wood, composting plant and the reuse of marine silt as a construction material. In all abovementioned cases the waste was reused and reprocessed into environment-friendly materials.
- At its regular session of 21st November 2014, the Luka koper d.d. Supervisory Board of Luka Koper, d. d., appointed a new Member of the Management Board for Finance and Accounting, Mr. Tine Svoljšak, who will start a five-year term on 1st February 2015.

DECEMBER

- Luka Koper, d. d., sold its 33,33 percent share in the company S.C.RAILPORT ARAD, S. R. L. company Trade Trans Log Srl
- The Finance Contract on long-term 15-years loan, with 3 years moratorium in the amount of 36 million euros was concluded with the European Investment Bank EIB. The loan will round the financial construction of the project related to the extension of the Pier I in Luka Koper, d. d., and other infrastructural works for the increase of the capacities at the Container terminal of Luka Koper, d. d.

RELEVANT POST-BALANCE –SHEET EVENTS

JANUARY

- At its regular session held on 9th January 2015, the Supervisory Board of Luka Koper, d. d., took note of Business Plan of *Luka Koper Group* for the year 2015 and gave its consent to the Business Plan.
- Compliant to the provisions and criteria of the Collective labour agreement and the Income statement the Management Board of *Luka Koper, d. d.*, and both representative union trades established that in 2013 and 2014 the company showed growth in added value per employee and net profit. On this basis, social partners concluded an agreement in accordance to which all employees are entitled to the salary supplement.
- Luka Koper, d. d., ended its half-a year chairmanship of the Northern Adriatic Ports Association NAPA, handing it over to the Port Authority of Trieste for the first half of 2015.
- As of 1st January 2015 pre-clearance procedures can be performed at the Port of Koper. The scheme enables forwarding of import declarations and notifications on the presentation of goods to be handed to the Customs authority, whilst the goods are still on the vessel heading to the Port of Koper. Thanks to the said pre-clearance procedure the Port of Koper will be more competitive and user-friendly, in particular for customers, for whom a short transit time is crucial.

PERFORMANCE ANALYSIS OF LUKA KOPER GROUP

In 2014 *Luka Koper Group* handled a total of 19 million tonnes of cargo, which is five percent above the 2013 level, and thus the planned maritime cargo throughput was achieved. Cargo throughput – similar to the previous year, increased in the throughput of containers, vehicles and liquid cargoes, a slight decrease was recorded in the throughput of other cargo types. As of 31st December 2014 container throughput achieved the annual record of 674 thousand TEU.

Luka Koper Group operating revenues amounted to 163.6 million euros and are 12.4 million euros resp. by 8 percent ahead on expectations, resp. 19.4 million euros (resp. 13 percent) ahead on the same period last year.

Luka Koper Group's operating profit for the January-December 2014 amounting to 34.3 million euros, was 6.9 million euros resp. by 25 percent ahead on the expectations and 22.1 million euros resp. 181 percent ahead on the same period last year. The increase of the operating profit in 2014 in comparison to the year 2013 is due to the increase of operating

revenues, whilst the operating profit for the year 2013 is lower due to the impairment of the real estate in the amount of 9 million euros.

Net profit of the *Group* for 2014 in the amount of 28.6 million euros is 7.8 million euros (37 percent) ahead of the plan and 20.8 million euros (269 percent) ahead of the equivalent period last year.

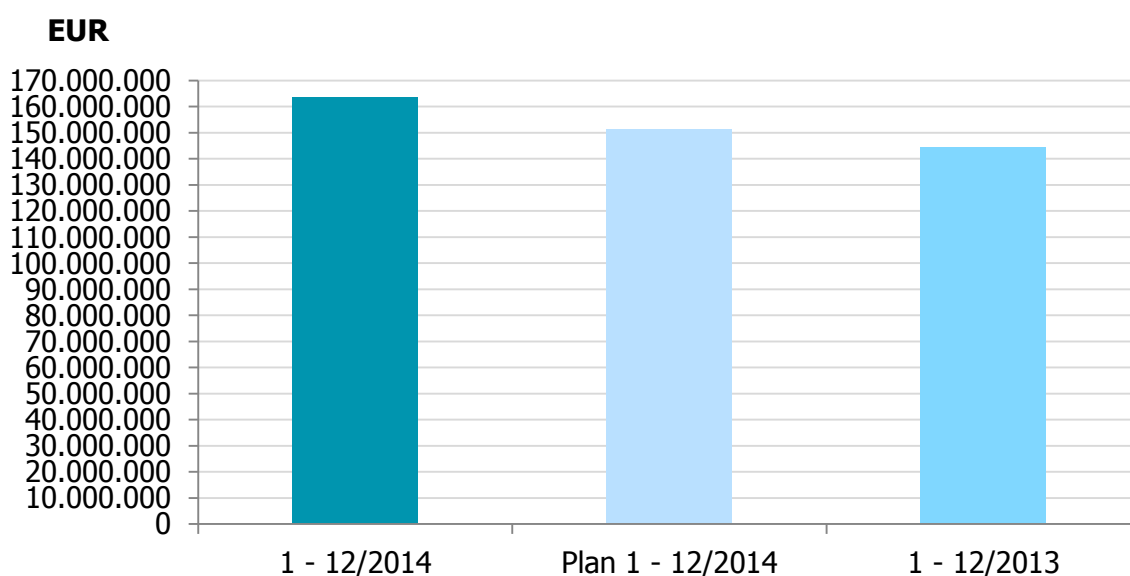
OPERATING REVENUES

In 2014, *Luka Koper Group* generated 163.6 million euros, which is 12.4 million euro (8 percent) ahead of expectations, and 19.4 million euros (13 percent) ahead of the same period last year.

Table 1: Operating revenues in 2014 and 2013

(in euro)	1 – 12/2014	1 – 12/2013	Index 2014/2013
TOTAL	163.634.240	144.235.477	113

Figure 1: Net sales revenues of *Luka Koper Group*



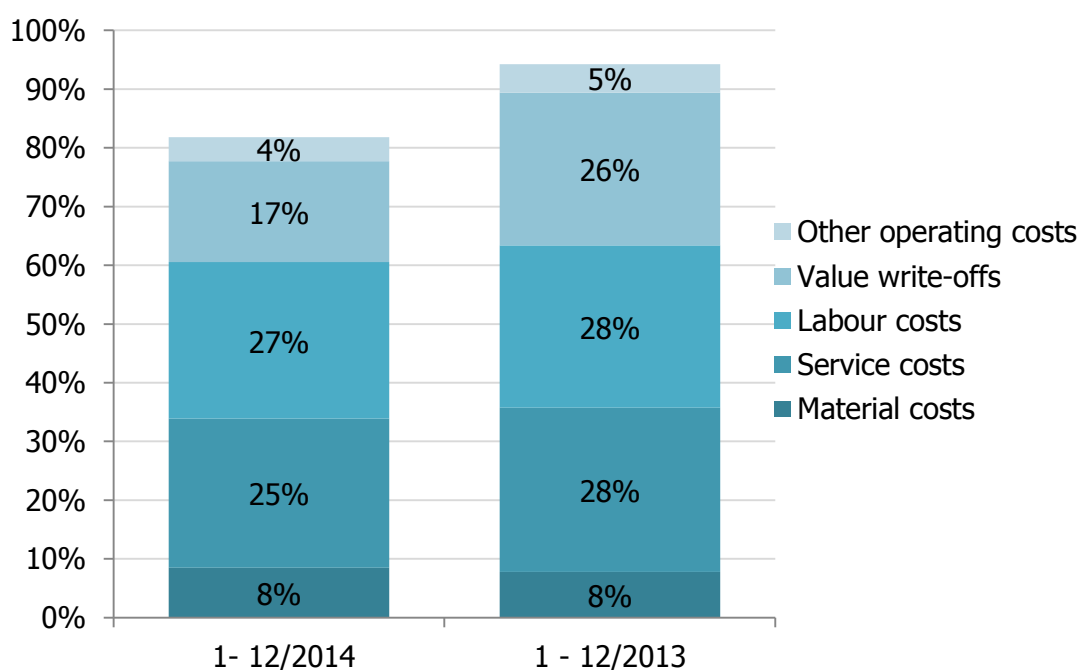
Luka Koper Group recorded a year-on growth of operating revenues in all cargo types. The largest year-on growth in revenue rises was recorded in the core activity of embarkement resp. desembarquement of goods and storage of goods.

OPERATING EXPENSES

The *Luka Koper Group's* operating expenses in 2014 amounted to 133.9 million euros, which is 2 million euros resp. one percent decrease compared to 2013. An increase was recorded in material costs, service costs and labour costs within the operating expenses, whereas value write-offs and other operating expenses decreased. The major decrease was recorded in value write-offs costs. An essential increase of the value write-offs was registered in 2014 in comparison to in 2013 which is attributable to the impairment of the real estate, recognised in the last quarter of 2014 which is attributable to 3.

The share of operating expenses in operating revenues in 2014 amounts to 81,8 percent, which is 12,4 percentage points down in comparison to the year 2013. The share of all types of costs in net sales revenues were reduced comparably to the year 2013, except material costs. The major reduction was recorded in costs of value write-offs and namely by 9 percentage points.

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



MATERIAL COSTS

In 2014 material costs amounted to 13.9 million euros which is 2.7 million euros (24 percent) ahead on the same period last year. Auxiliary materials and spare part costs increased and this rise can be attributed to a change in the accounting of the maintenance costs. Accordingly, in relation to the growth in maintenance material costs, there was a decline in costs of maintenance services. Energy costs increased by two percent and mainly due to the increase of the fuel registered by the company *Luka Koper INPO, d. o. o.*, where the fuel consumption increased due to the use of dredged involved in the dredging operations of the access channel.

SERVICE COSTS

In 2014 the service costs amounted to 41.5 million euros, which is three percent ahead on generated costs in 2013. Service costs pertaining to the provision of port services rose by 0.9 million euros resp. by five percent in line with the increase of the maritime cargo throughput. Also the costs of other services increased by 1.4 million euros resp. by fourteen percent, a feature which can be attributed to higher Concession costs as a consequence of higher operating revenues and higher costs of other services, which are in large part invoiced. Service costs pertaining to the maintenance were reduced due to the zaradi changes in accounting the maintenance costs.

LABOUR COSTS

Labour costs amounting to 43.6 million euros were 3.7 million (9 percent) ahead on 2013. This year-on increase can be attributed mainly to the effected payment of salary supplement in December 2014, in a gross amount of 230 euros per month per employee in the company Luka Koper, d. d., for the period from 1st July 2014 till 31st December 2014. The rise of costs included also the rise in remuneration for overtime, rise in performance related remunerations, higher number of employees and rise in basic remunerations on the basis of an existing agreement performed in February 2013 in the amount of 0.8 percent and in August 2013 in the amount of 1.9 percent.

As of 31st December 2014, the total number of employees in *Luka Koper Group* companies was 1.009, which was 27 resp. three percent more than on 31st December 2013.

VALUE WRITE-OFFS

In 2014 value write-offs totalled 28.2 million euros, which is 9.4 million euros resp. 25 percent lower than in 2013, whereof the amortisation amounted to 27.4 million euros and in comparison to the year 2013 fell by 0.8 million euros. Revaluation operating expenses in 2014 amounted to 0.8 million euros in comparison to shown ones in 2013 in the amount of 9.3 million euros, comprising the impairment of the real estate in the amount of 9 million euros.

OTHER OPERATING EXPENSES

In 2014 other operating expenses amounted to 6.7 million euros and were 0.3 million euros resp. four percent lower than in 2013, due to the decrease of costs of provisions from indemnities.

OPERATING PROFIT

In 2014, the operating profit generated by the Luka Koper Groupje totalled 34.3 million euros, which is 22.1 million euros (181 percent) up on last year's level. This increase can be attributed to 13 percent increase in net sales revenues and the impairment of the real estate in the amount of 9 million euros which were recognised in the last quarter of 2013 and were reducing operating profit for the year 2013.

EBITDA in the amount of 61.7 million euros was 21.3 million euros (53 percent) ahead on the same period last year and 7 million euros (13 percent) ahead of the planned volume.

FINANCIAL REVENUES AND FINANCIAL EXPENSES

In 2014 *Luka Koper Group* generated 2.7 million euros in financial revenues which is 1.1 million euros (71 percent) up on the same period last year. The increase can be attributed to higher revenues from profit participation in associated companies and other companies, mainly from the sale of 33,33 percent share in the company Railport Arad Srl.

The Group's financial expenses for 2014 amounted to four 4 million euros, which is 3.1 million euros (44 percent) down on January-December 2013 figure. Financial expenses from financial liabilities fell by 469 thousand euros, as a result of a lower EURIBOR interest reference rate and reduced indebtedness. Financial expenses from impairment and write-offs of financial investments in 2014 amounted 63 thousand euros in comparison to the previous year when they amounted to 2.7 million euros.

PRE-TAX PROFIT AND NET PROFIT

In 2014 Luka Koper Group pre-tax profit amounted to 33 million euros which is a year-on increase of 26.3 million euros resp. 397 percent.

The Group's net profit, amounting to 28.6 million euros was 20.8 million euros resp. 269 percent ahead of the same period in 2013.

Pre-tax profit and deferred tax liabilities in 2014 reduced the net profit in the amount of 4.4 million euros, whilst the net profit of the comparable period 2013 increased by 1.1 million euros.

ASSETS AND LIABILITIES

As of 31st December 2014, Luka Koper Group's balance sheet total amounted to 451.5 million euros, which is 8 million euros resp. 2 percent ahead on 31st December 2013.

As of 31st December 2014, non-current assets amounted to 412.5 million euros and are 8 million euros (two percent) ahead on the same period last year. As of 31st December 2014, non-current assets represent 91 percent of balance sheet total. Real estate, plant and equipment arose by 1.5 million euros from assets under acquisition. The real estate investment arose by 3.8 million euros due to the rental of the buildings and due to the reclassification of the real estate, plant and equipment from assets held for sale (disposal groups) to investment real estate. Non-current financial investments arose in the amount of 4.4 million euros, due to the transfer of investments from assets held for sale (disposal groups) and due to the increase of the market value of non-current financial investments in other shares and stakes, and is carried out at fair value.

As of 31st December 2014, short-term assets amounted to 37.4 million euros and are 1333 thousand euros ahead on 31st December 2013. Assets held for sale (disposal groups) decreased by 6.2 million euros and namely by 3.6 million euros from the transfer of the investments under the non-current financial investments and by 2.8 million euros from the transfer to the investment real-estate. In 2014 Luka Koper d. d. 2014 started to keep records of inventories of materials and spare parts, and as of 31st December 2014 they amounted to 0.5 million euros. Loans granted increased in the amount of 3.3 million euros due to bank deposits, cash and cash equivalents by 2.8 million euros. As of 31st December 2014 the financial liabilities remained at the same level as at the end of 2013.

As of 31st December 2014 the equity of *Luka Koper Group* amounted 286.2 million euros, and accounts for 63 percent of the balance sheet total.

Non-current liabilities and long term provisions together with long-term deferred revenues in the amount of 126.8 million euros, represent 28 percent of equity and liabilities. In comparison to 31st December 2013 they were reduced by 26.8 million euros. Non-current financial liabilities were decreased due to the transfer of long-term liabilities under current financial liabilities in the amount of 15.9 million euros and due to the repayment of loans.

As of 31st December 2014 current liabilities amounted to 36.2 million euros and registered a year-on increase of 7 million euros. The major increase was registered in liabilities to suppliers due to the increased volume of operations and other operating liabilities for corporation tax and liabilities for net salaries.

As of 31st December 2014, operating liabilities of *Luka Koper Group* amounted to 128.1 million euros and with respect to the situation as of 31st December 2013 decreased by 25.6 million euros. Due to the repayment of the loans, the loans were reduced by 26.3 million euros.

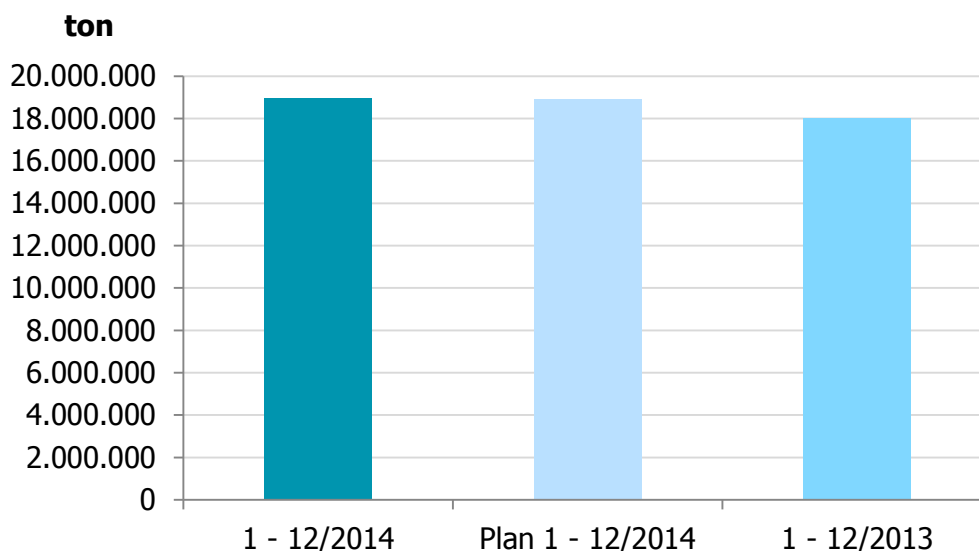
Luka Koper Group has been keeping the financial strength, since the share of financial liabilities in the equity as of 31st December 2014 amounted to 44.8 percent, which is 14.5 percentage points decrease on 31st December 2013.

MARKETING AND SALES

In 2014 the *Luka Koper Group* registered a five percent year-on increase in planned total cargo throughput. As of 31st December 2014 a record 674 thousand TEU were handled at the Container terminal and a record 19 million tonnes of maritime cargo throughput was registered. Upturn was recorded in containers, vehicles and liquid cargoes throughput, whilst other product types registered a slight decrease in handled quantities.

In 2014 the *Luka Koper Group* registered four percent year-on growth of cargo import and six percent cargo export, recording the largest growth in container freight on the route Asia – Europe – Asia.

Figure 3: January-December 2014 and 2013 cargo tonnage throughput, as well as the plan for 2014



Cargo structure by type

Table 2: Cargo throughput in tonnes, by cargo types in January – December 2014 and 2013

CARGO TYPE (in tonnes)	1 - 12 2014	1 - 12 2013	Index 2014/2013
General cargos	1.643.552	1.659.405	99
Containers	6.760.204	5.849.694	116
Vehicles	763.621	662.169	115
Liquid cargos	3.073.620	2.840.588	108
Bulk and break bulk cargos	6.724.354	6.987.806	96
TOTAL	18.965.351	17.999.662	105

Table 3: Container (in TEUs) and vehicle (in units) throughput, January – December 2014 and 2013

CARGO TYPE	1 - 12 2014	1 - 12 2013	Index 2014/2013
Containers – in TEUs	674.033	600.441	112
Vehicles – in UNITS	518.900	463.375	112

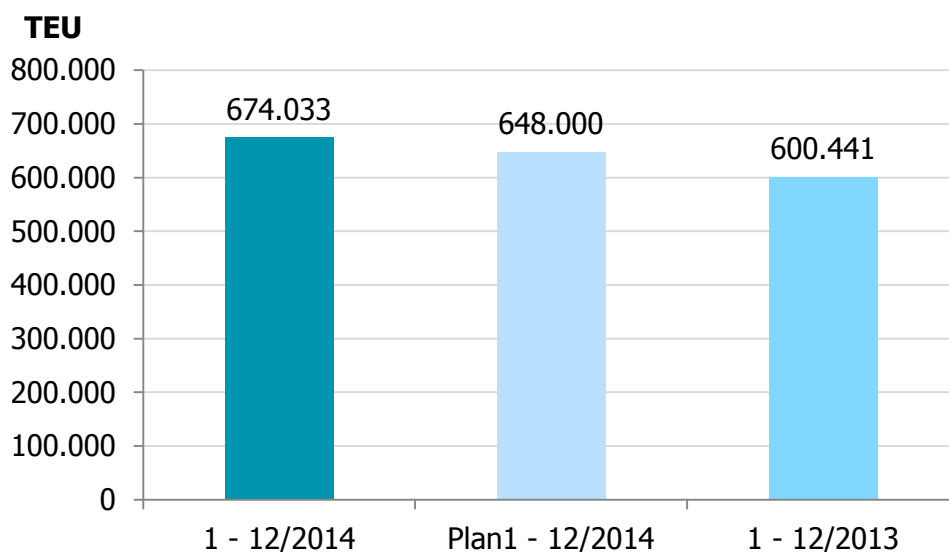
General cargos

In 2014, the *Luka Koper Group* registered a one percent decrease of cargo throughput in general cargos than in the same period last year. One percent decrease on the year 2013 in maritime cargo throughput is attributable to the reduced conventional fruit handling, which has been redirected to the container transshipment.

Containers

674 thousand TEUs were handled in 2014, which is a year-on increase of twelve percent. The throughput of full containers rose by 14 percent growth, which means that the goods flows through the Port of Koper increased more than shown in the increase of total throughput of containers. The throughput of empty containers increased by four percent.

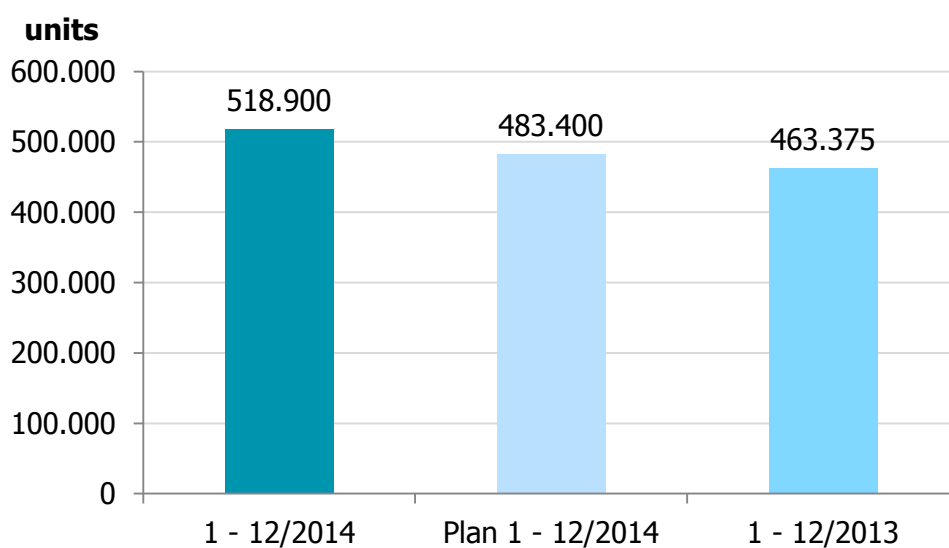
Figure 4: Container throughput, January-September 2014 and 2013 (in TEUs)



Vehicles

In 2014 the *Luka Koper Group* handled a total of 519 thousand cars, which is a twelve percent year-on increase. The share of throughput in import and in export remains at last year's level. 211 thousand cars were handled in import, 308 thousand in export.

Figure 5: Throughput of vehicles January - December 2014 and 2013 (in units)



Liquid cargoes

In 2014 the throughput of liquid cargoes recorded a year-on increase of eight percent, this rise was due in particular to oil derivatives.

Dry bulk and bulk cargoes

The volume of dry bulk cargoes and bulk cargoes handled by *Luka Koper Group* was four percent down on the same period last year. The decrease of the throughput is attributable to the reduced transshipment of bulk cargoes for the Italian market. In 2014, 24 percent decrease was registered in cargo throughput, and namely 979 thousand tonnes were handled. 5.7 million tonnes of goods were unloaded which is a year-on increase.

LKPG SHARE

The Luka Koper, d. d., share is traded on the Prime Market of the Ljubljana Stock Exchange, d. d.. At the end of 2014 the Luka Koper, d. d., share (LKPG) closed the trading with a 128 percent increase of the value in comparison to the previous year. The turnover with Luka Koper, d. d., share in 2014 achieved more than the double of the turnover from the year 2013. Closing LKPG share price on the last trading day in 2014 amounted to 22.50 euros per share.

Table 4: Ten largest shareholders in Luka Koper d.d., as of 31st December 2014

Shareholder	Number of shares	Percentage stake
1. Republika Slovenija	7.140.000	51,00%
2. Slovenski državni holding, d. d.	1.557.857	11,13%
3. Kapitalska družba, d.d.	696.579	4,98%
4. Mestna občina Koper (Koper Municipality)	466.942	3,34%
5. Unicredit Bank Austria AG - fiduciarni	229.100	1,64%
6. KD Galileo, fleksibilna struktura naložb	158.230	1,13%
7. KD Balkan, delniški	122.600	0,88%
8. Eaton Vance Parametric Structured	118.550	0,85%
9. Perspektiva DZU, d. o. o.	110.000	0,79%
10. Zavarovalnica Triglav, d. d.	104.756	0,75%
Ten largest shareholders – total	10.704.614	76,46%
Total shares	14.000.000	100,00%

Trading in the LKPG share

In 2014, the average daily share price of Luka Koper, d. d., amounted to 2010 euros, whilst its overall trading value fluctuated between 9.85 euros and 27.75 euros. The highest daily trading price was 28.00 euros, the lowest 9.37 euros. As of 31st December 2014, the market capitalisation of *Luka Koper, d. d.*, shares amounted to 315.000.000 euros.

In 2014, the value of the LKPG share increased much more in comparison to the index of Ljubljana Stock exchange SBITOP, which registered a 19 percent index growth and the Luka Koper d.d. share registered a 128 percent growth. There were 4.363 transactions and block trades in LKPG shares, and a total of 824.086 shares with an aggregate value of 16.047.341 euros, which is a 203 percent year-on increase, changed the ownership.

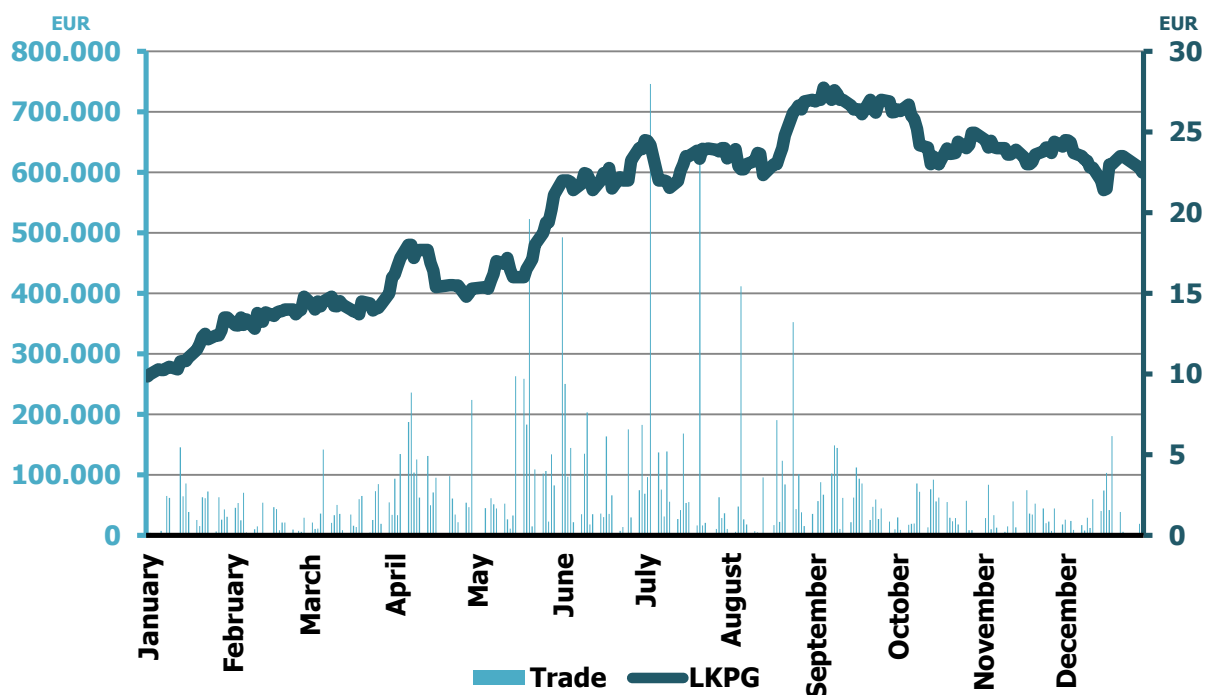
Table 5: Relevant data on the LKPG share January – December 2014 and 2013

	2014	2013
Number of shares as of 31st December	14.000.000	14.000.000
Number of ordinary no-par-value shares	14.000.000	14.000.000
Closing price as of 31st December (in euro)	22,50	9,40
Book value of share as of 31st December	18,99	17,29
Price-to-Book (P/B) ratio	1,18	0,54
Average weighted market price (in euro) ³	19,47	9,16
Average book value of share (in euro) ⁴	18,30	17,38
Ratio between average weighted price and average book value of the share	1,06	0,53
Net earnings per share (EPS) (in euro)	1,84	0,33
Ratio between market price and earnings per share (P/E) ⁴	12,22	28,53
Market capitalisation as of 31 st December (in million euro)	315,0	131,6
Turnover (all transactions Jan.-Dec.) (in mio euro)	16,0	7,9

³ Weighted average market price is calculated as a ratio between total value of LKPG stock exchange transactions and the aggregate number of LKPG shares traded across the period.

⁴ Average book value of the LKPG is calculated on the basis of average monthly ratios between equity and number of ordinary shares.

Figure 6: Movement of the LPKG closing price and the value of daily trades, January – December 2014



Number of LKPG shares held by Supervisory and Management Board members

As of 31st December 2014, the following member of the Luka Koper d.d. supervisory Board held shares in the company:

Nebojša Topič, M.Sc., Member of the Supervisory Board	9
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As of 31st December 2014, the following Members of the Luka Koper d.d. Management board held shares in the company:

Dragomir Matić, President of the Management Board	1.238
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Dividend policy

The *Luka Koper, d. d.* dividend policy combines the shareholders' strive for dividend yield with the requirement that net profits are reinvested into the business.

Considering the operating result in 2013 and dividend policy, the proposal of the General Meeting about the allocation of the distributable profit, which on 31st December 2013 amounted to 3.721.761 euros, is the following:

- a portion of distributable profit in the amount of 1.400.000 euros will be disbursed as dividends to shareholders in the gross value of 0,1 euro per share,

- the remaining portion of distributable profit in the amount of 2,321.761 euros shall remain undistributed.

At the 25th session of the General Meeting of Luka Koper d.d. shareholders, d. d., on 8th July 2014, the counter-proposal as to the allocation of distributable profit of the shareholder Republic of Slovenia and SDH, d. d., was endorsed, and namely:

- the portion of distributable profit in the amount of € 2.240.000 will be distributed as dividends in the gross value of € 0,16 per share.
- the remaining portion of distributable profit in the amount of €1.481.761 will remain undistributed.

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

Treasury stock, authorised capita, conditional increase in share capital

As of 31st December 2014, *Luka Koper, d. d.*, didn't hold any treasury stock. The company statute doesn't anticipate any category of authorised capital by way of which the Management Board may increase share capital, and further to this the company had no grounds for any conditional increase in share capital in the January to December 2014 period.

FINANCIAL REPORT

CONSOLIDATED FINANCIAL STATEMENTS OF LUKA KOPER GROUP

Table 6: Income Statement of Luka Koper Group

(in euro)	2014 Non- audited	2013 Audited
Operating revenues	163.634.240	144.235.477
Other revenues	4.518.874	3.887.272
Material costs	-13.903.600	-11.233.214
Service costs	-41.518.173	-40.294.532
Labour costs	-43.635.504	-39.907.233
Value write-offs	-28.162.734	-37.528.870
Other operating expenses	-6.671.029	-6.957.187
Operating profit	34.262.074	12.201.713

Financial revenues from profit participation	2.359.069	1.310.725
Financial revenues from loans granted	125.779	150.722
Financial revenues from operating receivables	191.695	99.716
Financial expenses from financial investments	-62.577	-2.685.613
Financial expenses from financial liabilities	-3.882.991	-4.351.740
Financial expenses from operating liabilities	-29.411	-87.300
Financial gain (loss)	-1.298.436	-5.563.490
Pre-tax profit	32.963.638	6.638.223
Corporation tax	-4.207.523	-368.300
Deferred taxes	-195.609	1.479.577
Net profit from ordinary activities	28.560.506	7.749.500
Net profit – majority shareholders	28.553.938	7.740.458
Net profit – minority shareholders	6.568	9.042
Net earnings per share: basic and diluted	2,04	0,55

Table 7: Comprehensive Income Statement of Luka Koper d.d.

(in euro)	2014 Non-audited	2013 Audited
Net profit for the period	28.560.506	7.749.500
Changes in surplus from revaluation of financial assets available for sale	1.745.173	4.294.107
Deferred tax on revaluation of financial assets available for sale	-296.680	-703.964
Change in fair value of hedging instruments	-758.091	798.914
Deferred tax on change in value of hedging instruments	128.875	118.586
Total comprehensive income to be recognised in the Income Statement	819.277	4.507.643
Unrealised actuarial gains or losses from post-employment benefits	-89.894	-36.247
Deferred tax on unrealised actuarial gains or losses	7.642	3.081
Total comprehensive income to be recognised in the Income Statement	-82.252	-33.166
Other comprehensive income	737.025	4.474.477
Total comprehensive income for the period	29.297.531	12.223.977
Total comprehensive income for the period – controlling shareholder	29.290.963	12.214.935
Total comprehensive income for the period – non-controlling shareholders	6.568	9.042

Table 8: Statement of Financial Position of Luka Koper Group

(in euro)	31.12.2014 Non-audited	31.12.2013 ⁵ Adjusted
ASSETS		
Real estate, plant and equipment	332.361.327	330.890.205
Real-estate investments	18.168.835	14.381.228
Intangible assets and long-term deferred costs	5.068.037	5.591.405
Non-current financial investments	49.050.671	44.697.605
Loans granted	761.840	1.548.089
Non-current operating receivables	5.681	6.088
Deferred tax assets	7.093.557	7.410.409
Non-current assets	412.509.948	404.525.029
Assets (disposal group) held for sale	1.783.638	8.021.355
Loans granted	4.011.556	735.800
Inventories	463.957	-
Operating receivables	25.212.710	25.359.467
Cash and cash equivalents	5.940.791	3.162.841
Current assets	37.412.652	37.279.463
Deferred costs and accrued revenues	1.601.263	1.754.071
TOTAL ASSETS	451.523.863	443.558.563
EQUITY AND LIABILITIES		
Share capital	58.420.965	58.420.965
Capital reserves	89.562.703	89.562.703
Revenues reserves	93.983.635	81.098.351
Revaluation surplus	9.962.061	9.225.036
Retained net profit	18.456.703	15.325.515
Net profit for the financial year	15.668.654	5.434.335
Equity – controlling shareholder	286.054.721	259.066.905
Equity – non-controlling shareholder	164.322	137.234
Provisions and long-term accruals	14.194.249	14.823.591
Loans	110.321.422	136.972.581
Other financial liabilities	1.455.653	1.099.393
Non-current operating liabilities	149.512	98.006
Deferred tax liabilities	42.138	
Non-current liabilities	111.968.725	138.169.980
Loans	15.927.780	15.211.280
Other financial liabilities	441.701	467.398
Corporation tax liabilities	3.853.412	368.300
Other current liabilities	15.989.586	13.174.332
Non-current liabilities	36.212.479	29.221.310
Accrued costs and deferred revenues	2.929.367	2.139.543
TOTAL EQUITY AND LIABILITY	451.523.863	443.558.563

⁵ Due to the reclassification of the company Luka Koper Pristan, d. o. o. the values of single items for the year 2013 were adjusted in the item Assets (disposal groups) held for sale.

Table 9: Cash Flow Statement of Luka Koper Group

(in euro)	2014 Non -audited	2013 ⁶ Adjusted
Cash flows from operating activities		
Net profit for the period	28.560.506	7.749.500
Adjustments for:		
Amortisation	27.411.852	28.183.312
Value write-offs and losses from the sale of real estate, plant, equipment and real-estate investments	107.447	9.197.251
Profit from the sale of real-estate, plant, intangible assets and real-estate investments	-9.040	-19.806
Allowance for receivables	643.435	18.787
Financial revenues	-2.676.543	-1.561.163
Financial expenses	3.974.979	7.124.653
Corporation tax and revenues (expenses) from deferred taxes	4.403.132	-1.111.277
Operating profit before changes in net current assets and taxes	62.415.768	49.581.257
Change in net current assets and provisions		
Change in operating receivables	-950.535	-1.923.765
Change in inventories	-463.957	-
Change in deferred costs and accrued revenues	152.808	-198.568
Change in operating liabilities	2.469.752	-1.372.485
Change in provisions	-629.342	2.770.509
Change in accrued costs and deferred revenues	789.824	353.914
Corporation tax	760.758	189.568
Cash inflows (outflows) from operating activities	64.545.076	49.400.430
Cash flows from investments		
Interest received	317.474	250.438
Dividends received	1.158.651	1.310.725
Proceeds from sale of real-estate, plant and intangible assets	1.946.211	828.120
Proceeds from sale and redction of financial investments and loans granted	2.176.935	4.361.472
Acquisition of real-estate, plant and equipment and intangible assets,	-31.168.561	-14.825.864
Acquisition of financial investments and increase of loans granted	-4.015.489	-925.448
Cash flows from investments	-29.584.779	-9.000.557
Cash flows from financing activities		

⁶ Due to the reclassification of the company Luka Koper Pristan, d. o. o. the values of single items for the year 2013 were adjusted in the item Assets (disposal groups) held for sale.

Interest paid	-3.912.402	-4.439.040
Proceeds from non-current loans received		20.165.000
Proceeds from current loans received	280.000	15.586.803
Expenses from repayment of non-current loans	-10.750.000	-3.243.917
Expenses from repayment of current loans	-15.516.796	-64.591.379
Change in equity	-42.627	31.843
Dividends reimbursed	-2.240.521	-2.354.687
Cash inflows (outflows) from financing activities	-32.182.346	-38.845.377
Opening balance of cash and cash equivalents	3.162.841	1.608.345
Financial gain (loan) for the period	2.777.950	1.554.496
Closing balance of cash and cash equivalents	5.940.791	3.162.841

Table 10: Statement of Changes in Equity of *Luka Koper Group*, 2014

(in euro) Non-audited	Share capital	Capital reserves	Legal reserves	Other revenue reserves	Total revenue reserves	Retained net profit	Net profit for the year	Revaluation surplus	Total equity of controlling shareholder	Equity of Non-controlling shareholders	Total equity
Closing balance as of 31st December 2013	58.420.965	89.562.703	18.765.117	62.333.234	81.098.351	15.325.515	5.434.335	9.225.036	259.066.905	137.234	259.204.139
Closing balance as of 1st January 2014	58.420.965	89.562.703	18.765.117	62.333.234	81.098.351	15.325.515	5.434.335	9.225.036	259.066.905	137.234	259.204.139
Change of equity – transactions with shareholders											
Dividend reimbursement	-	-	-	-	-	-2.240.000	-	-	-2.240.000	-	-2.240.000
Other changes in equity	-	-	-	-	-	-63.147	-	-	-63.147	20.520	-42.627
	-	-	-	-	-	-2.303.147	-	-	-2.303.147	20.520	-2.282.627
Total comprehensive income for the period											
Net profit for the reporting period	-	-	-	-	-	-	28.553.938	-	28.553.938	6.568	28.560.506
Change in surplus from financial investments revaluation reduced by tax	-	-	-	-	-	-	-	1.448.493	1.448.493	-	1.448.493
Change in fair value of hedging instruments reduced by tax	-	-	-	-	-	-	-	-629.216	-629.216	-	-629.216
Unrealised actuarial gains or losses, reduced by tax	-	-	-	-	-	-	-	-82.252	-82.252	-	-82.252
	-	-	-	-	-	-	28.553.938	737.025	29.290.963	6.568	29.297.531
Changes in equity											
Allocation of the portion of net profit for the period to other components of equity	-	-	-	12.885.284	12.885.284	-12.885.284	-	-	-	-	-
Allocation of the portion of net profit for the period to other components of equity upon the decision of the management and supervisory bodies	-	-	-	-	-	5.434.335	-5.434.335	-	-	-	-
Other changes in equity	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	12.885.284	12.885.284	5.434.335	-18.319.619	-	-	-	-
Closing balance as of 31st December 2014	58.420.965	89.562.703	18.765.117	75.218.518	93.983.635	18.456.703	15.668.654	9.962.061	286.054.721	164.322	286.219.043

Table 11: Statement of changes in Equity of Luka Koper Group , 2013

(in euro) Non-audited	Share capital	Capital reserves	Legal reserves	Other revenues reserves	Total	Retained net profit	Net profit for the year	Revaluation surplus	Total equity of controlling shareholders	Equity of non-controlling shareholders	Total equity
Closing balance as of 31st December 2012	58.420.965	89.562.703	18.877.761	60.027.111	78.904.872	10.845.942	6.715.086	4.750.559	249.200.127	128.192	249.328.319
Opening balance as of 1st January 2013	58.420.965	89.562.703	18.877.761	60.027.111	78.904.872	10.845.942	6.715.086	4.750.559	249.200.127	128.192	249.328.319
Change of equity – transactions with shareholders											
Dividend reimbursement	-	-	-	-	-	-2.380.000	-	-	-2.380.000	-	-2.380.000
Other changes in equity	-	-	-	-	-	31.843	-	-	31.843	-	31.843
	-	-	-	-	-	-2.348.157	-	-	-2.348.157	-	-2.348.157
Total comprehensive income for the period											
Net profit for the reporting period	-	-	-	-	-	-	7.740.458	-	7.740.458	9.042	7.749.500
Change in surplus from financial investments revaluation reduced by tax	-	-	-	-	-	-	-	3.590.143	3.590.143	-	3.590.143
Change in fair value of hedging instruments reduced by tax	-	-	-	-	-	-	-	917.500	917.500	-	917.500
Unrealised actuarial gains (losses), reduced by tax	-	-	-	-	-	-	-	-33.166	-33.166	-	-33.166
	-	-	-	-	-	-	7.740.458	4.474.477	12.214.935	9.042	12.223.977
Changes in equity											
Allocation of the remaining portion of net profit to other components of equity	-	-	-	-	-	6.715.086	-6.715.086	-	-	-	-
Allocation of a portion of net profit to other components of equity upon the decision of management and supervisory bodies	-	-	-	2.306.123	2.306.123	-	-2.306.123	-	-	-	-
Other changes of equity	-	-	-112.644	-	-112.644	112.644	-	-	-	-	-
	-	-	-112.644	2.306.123	2.193.479	6.827.730	-9.021.209	-	-	-	-
Closing balance as of 31st December 2013	58.420.965	89.562.703	18.765.117	62.333.234	81.098.351	15.325.515	5.434.335	9.225.036	259.066.905	137.234	259.204.139

NOTES TO THE FINANCIAL STATEMENTS LUKA KOPER GROUP

In consolidated financial statements of *Luka Koper Group* for the year ended on 31st December 2014, 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 enterprises.

The subsidiary enterprises comprised in consolidated financial statements:

- Luka Koper INPO, d. o. o., 100 %
- Adria Terminali, d. o. o., 100 %
- Luka Koper Pristan, d. o. o., 100 %
- TOC, d. o. o., 68,13 %

Jointly-controlled and associated companies comprised in consolidated financial statements:

- Adria Transport, d. o. o., 50 %
- Adria – Tow, d. o. o., 50 %
- Adriaфин, d. o. o., 50 %
- Avtoservis, d. o. o., 49 %

Companies, which are not comprised in the consolidated financial statements as of 31st December 2014:

- Logis Nova, d. o. o., 100 %
- Adria Investicije, d. o. o., 100 %
- Golf Istra, d. o. o. – bankrupt, 20 % (under bankruptcy proceeding as of 9th October 2014)
- AdriaSOLE, d. o. o. – bankrupt, 98 % (under bankruptcy proceeding as of 28th February 2014)

The investments in the companies Luka Koper Pristan d. o. o., Adria Investicije d. o. o. and Logis Nova d. o. o. in the Statement of financial position of *Luka Koper, d.d.*, for the year 2014, were reclassified from the item »Assets held for sale« under the item »Non-current financial investments«, due to the failure to meet the criterion was reclassified under the assets held for sale. Due to the reclassification the comparative data in the Statement of the financial position of *Luka Koper Group* as of 31st December 2013, were adjusted. The company Luka Koper Pristan, d. o. o., is consolidated by using the full consolidation method. The companies Adria Investicije d. o. o. and Logis Nova d. o. o. were not comprised in the consolidated financial statements due to the failure to meet the materiality criterion.

NON-CONSOLIDATED FINANCIAL STATEMENTS OF LUKA KOPER, D. D.Table 12: Income Statement of *Luka Koper, d. d.*

(in euros)	2014 Non-audited	2013 Audited
Operating revenues	154.497.187	136.808.792
Other revenues	2.224.793	1.487.461
Material costs	-13.056.264	-10.324.499
Service costs	-41.259.016	-40.945.827
Labour costs	-37.756.119	-34.350.388
Value write-offs	-26.595.667	-35.174.939
Other operating expenses	-6.701.554	-6.940.384
Operating profit	31.353.360	10.560.216
Financial revenues from profit participation	2.330.299	1.557.522
Financial revenues from loans granted	113.088	126.530
Financial revenues from operating receivables	183.069	92.409
Financial expenses from financial investments	-62.577	-4.744.844
Financial expenses from financial liabilities	-4.072.527	-4.542.225
Financial expenses from operating liabilities	-26.521	-81.922
Financial gain (loss)	-1.535.169	-7.592.530
Pre-tax profit	29.818.191	2.967.686
Corporation tax	-3.853.412	-
Deferred taxes	-192.148	1.644.560
Net profit for the period	25.772.631	4.612.246
Net earnings per share: basic and diluted	1,84	0,33

Table 13: Comprehensive Income Statement of *Luka Koper, d. d.*

(in euros)	2014	2013
	Non-audited	Audited
Net profit for the period	25.772.631	4.612.246
Changes in surplus from revaluation of financial assets available for sale	1.287.686	4.294.107
Deferred tax on revaluation of financial assets held for sale	-218.907	-703.964
Change in fair value of hedging instruments	-758.091	798.914
Deferred tax on change in fair value of hedging instruments	128.875	118.586
Total other comprehensive income to be recognised in the income statement	439.563	4.507.643
Unrealised actuarial gains or losses from post-employment benefits	-40.536	-45.098
Deferred tax on unrealised actuarial gains or losses	3.446	3.833
Total comprehensive income which will not be recognised in the future Income Statement	-37.090	-41.265
Other comprehensive income	402.473	4.466.378
Total comprehensive income for the period	26.175.104	9.078.624

Table 14: Statement of Financial Position of *Luka Koper, d.d.*

(in euros)	31.12.2014 Non-audited	31.12.2013 Audited
ASSETS		
Real estate, plant and equipment	314.042.915	315.025.705
Real-estate investments	30.240.281	23.638.779
Intangible assets and long-term deferred costs	4.612.609	5.085.761
Non-current financial investments	46.121.137	42.541.896
Loans granted	598.314	1.384.563
Non-current operating receivables	5.681	6.088
Deferred tax assets	7.450.008	7.728.741
Non-current assets	403.070.945	395.411.533
Assets (disposal group) held for sale	1.781.382	8.233.179
Inventories	463.957	-
Loans granted	1.299.157	534.983
Operating receivables	23.192.233	24.093.394
Cash and cash equivalents	3.984.291	895.323
Current assets	30.721.020	33.756.879
Deferred costs and accrued revenues	1.585.891	1.741.728
TOTAL ASSETS	435.377.856	430.910.140
EQUITY AND LIABILITIES		
Share capital	58.420.965	58.420.965
Capital reserves	89.562.703	89.562.703
Revenues reserves	93.984.665	81.098.349
Revaluation surplus	9.619.411	9.216.938
Retained net profit	1.374.740	1.415.638
Net profit for the financial year	12.886.316	2.306.123
Equity	265.848.800	242.020.716
Provisions and long-term accruals	10.519.358	10.354.268
Loans	120.378.002	147.223.161
Other financial liabilities	1.455.653	988.486
Non-current operating liabilities	81.281	60.090
Non-current liabilities	121.914.936	148.271.737
Loans	15.927.780	15.211.280
Other financial liabilities	441.329	466.845
Corporation tax liabilities	3.853.412	-
Other current liabilities	14.524.354	12.751.481
Current liabilities	34.746.875	28.429.606
Accrued costs and deferred revenues	2.347.887	1.833.813
TOTAL EQUITY AND LIABILITIES	435.377.856	430.910.140

Table 15: Cash Flow Statement of Luka Koper, d. d.

(in euro)	2014 Non-audited	Audited
Cash flow from operating activities		
Net profit for the period	25.772.631	4.612.246
Adjustments for:		
Amortisation	25.866.381	26.679.349
Value write-offs and losses from the sale of real-estate, plant and equipment and real-estate investments	95.167	8.480.558
Profit from sale of the real-estate, plant and equipment, intangible assets and real-estate investments	-46.165	-9.040
Bad receivable allowance	634.119	48.769
Financial revenues	-2.626.456	-1.776.461
Financial expenses	4.161.625	9.368.991
Corporation tax and revenues (expenses) from deferred taxes	4.045.560	-1.644.560
Operating profit before change in current assets and taxes	57.902.862	45.759.852
Change in non-current assets and provisions		
Change in operating receivables	-776.963	-2.421.088
Change in inventories	-463.957	
Change in deferred costs and accrued revenues	155.837	-213.203
Change in operating liabilities	1.633.508	-947.287
Change in provisions	165.090	3.726.590
Change in accrued costs and deferred revenues	514.076	163.730
Corporation tax	1.044.413	749.339
Cash inflows (outflows) from operating activities	60.174.864	46.817.933
Cash flows from investments		
Interest received	296.157	218.939
Dividends received	1.660.299	1.557.522
Proceeds from sale of real-estate, plant and equipment and intangible assets	1.770.459	801.490
Proceeds from sale of real investments	-	-
Proceeds from sale, reduction of financial investments and loans granted	2.746.345	4.461.472
Acquisition of real-estate, plant and equipment and intangible assets	-29.857.537	-14.522.369
Acquisition of real-estate investments	-	-
Acquisition of financial investments and increase of loans granted	-1.074.234	-105.508
Cash inflows (outflows) from investments	-24.458.511	-7.588.454
Cash flows from financing activities		

Interest paid	-4.099.048	-4.624.147
Proceeds from non-currentt loans received	-	20.642.005
Proceeds from current loans received	2.280.000	18.451.803
Expenses from repayment of non-current loans	-10.944.000	-3.653.917
Expenses from repayment of current loans	-17.516.796	-67.456.133
Change in equity	-107.021	31.843
Dividends paid	-2.240.521	-2.354.687
Cash inflows (outflows) from financinfg activities	-32.627.386	-38.963.233
Opening balance of cash and cash equivalentents	895.323	629.077
Cash flow for the period	3.088.967	266.246
Closin balance of cash and cash equivalentents	3.984.290	895.323

Table 16: Statement of Changes in equity of Luka Koper, d. d., 2014

(in euro) Non-audited	Shared capital	Capital reserves	Legal reserves	Other revenues reserves	Total revenue reserves	Retained net profit	Net profit for the year	Revaluation surplus	Total equity
Closing balance as of 31st December 2013	58.420.965	89.562.703	18.765.115	62.333.234	81.098.349	1.415.638	2.306.123	9.216.938	242.020.716
Opening balance as of 1st January 2014	58.420.965	89.562.703	18.765.115	62.333.234	81.098.349	1.415.638	2.306.123	9.216.938	242.020.716
Change of equity – transactions with shareholders									
Dividend reimbursement	-	-	-	-	-	-2.240.000	-	-	-2.240.000
Other changes of equity	-	-	-	-	-	-107.021	-	-	-107.021
	-	-	-	-	-	-2.347.021	-	-	-2.347.021
Total comprehensive income for the period	-	-	-	-	-	-	-	-	-
Net profit for the reporting period	-	-	-	-	-	-	25.772.631	-	25.772.630
Change in revaluation surplus of financial investments reduced by tax	-	-	-	-	-	-	-	1.068.779	1.068.779
Change of fair value of hedging instruments reduced by tax	-	-	-	-	-	-	-	-629.216	-629.216
Unrealized gains (losses) reduced by tax	-	-	-	-	-	-	-	-37.090	-37.090
	-	-	-	-	-	-	25.772.631	402.473	26.175.104
Changes in equity									
Allocation of a portion of net profit for the reporting period to other components of equity upon the decision of management and supervisory bodies				12.556.316	12.886.316			-12.886.316	
Allocation of a portion of net profit for formation of additional reserves upon the decision of General Meeting						2.306.123	-2.306.123		
	-	-	-	-	-	2.306.123	-15.192.439	-	-
Closing balance as of 31st December 2014	58.420.965	89.562.703	18.765.115	75.219.550	93.984.665	1.374.740	12.886.316	9.619.411	265.848.800

Table 17: Statement of Changes in Equity of Luka Koper, d. d., 2013

(in euro) Audited	Share capital	Capital reserves	Legal reserves	Other revenue reserves	Total revenue reserves	Retained net profit	Net profit for the year	Revaluation surplus	Total equity
Closing balance as of 31st December 2012	58.420.965	89.562.703	18.765.115	60.027.111	78.792.226	-	3.763.795	4.750.560	235.290.249
Opening balance as of 1st January 2013	58.420.965	89.562.703	18.765.115	60.027.111	78.792.226	-	3.763.795	4.750.560	235.290.249
Change of equity – transactions with shareholders									
Dividend reimbursement	-	-	-	-	-	-2.380.000	-	-	-2.380.000
Other changes of equity	-	-	-	-	-	31.843	-	-	31.843
	-	-	-	-	-	-2.348.157	-	-	-2.348.157
Total comprehensive income for the period	-	-	-	-	-	-	-	-	-
Net profit for the reporting period	-	-	-	-	-	-	4.612.246	-	4.612.246
Change in surplus from financial investments revaluation, reduced by tax	-	-	-	-	-	-	-	3.590.143	3.590.143
Change in fair value of hedging instruments reduced by tax	-	-	-	-	-	-	-	917.500	917.500
Unrealized actuarial gains (losses) reduced by tax	-	-	-	-	-	-	-	-41.265	-41.265
	-	-	-	-	-	-	4.612.246	4.466.378	9.078.624
Changes in equity									
Allocation of the remaining portion of net profit for the period to other components of equity	-	-	-	-	-	3.763.795	-3.763.795	-	-
Allocation of the portion of the net profit to other components of equity upon the decision of the Management and Supervisory Board	-	-	-	2.306.123	-	-	-2.306.123	-	-
	-	-	-	2.306.123	-	3.763.795	-6.069.918	-	-
Closing balance as of 31st December 2013	58.420.965	89.562.703	18.765.115	62.333.234	81.098.349	1.415.638	2.306.123	9.216.938	242.020.716

MANAGEMENT BOARD STATEMENT OF RESPONSIBILITY

The Management Board of *Luka Koper, d. d.*, herein declares that the non-audited condensed financial statements of *Luka Koper, d. d.*, and non-audited consolidated financial statements of the *Luka Koper Group* companies for the period ending 31st December 2014, 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 statement January to December 2014 have been compiled in accordance with the same accounting policies and principles applicable in compilation of *Luka Koper, d. d.*, and *Luka Koper Group* 2013 annual reports.

These condensed statements for the period ending 31st December 2014, have been compiled in accordance with International Accounting Standard (MSRP), as adopted by the International Accounting Standards Board (IASB) and the European Union as well as according to the Companies Act, and should be considered in relation to the annual financial statements for the fiscal year ending 31st December 2013. Financial statements for 2013 are audited.

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 together with their elimination.

The Management Board declares that the associated companies of *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.

Dragomir Matić
 Presidebt of the Management Board



Andraž Novak
 Member of the Management Board



Tine Svoljšak
 Member of the Management Board



Matjaž Stare
 Member of the Mangement Board – Workers Directors



Koper, 20th February 2015