



LUKA KOPER, D.D.

www.luka-kp.si

Sector:
Port and logistics

Ticker:
LKPG SV

PRICE (15.09.2006)	EUR 37.93
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LKPG	
ORDINARY SHARES	7,140,000
PREFERENCE SHARES	6,860,000
MIN (52 WEEK)	EUR 24.18
MAX (52 WEEK)	EUR 37.93
MARKET CAP.	EUR 270.8 MN

BV (31.12.2005)	EUR 19.41
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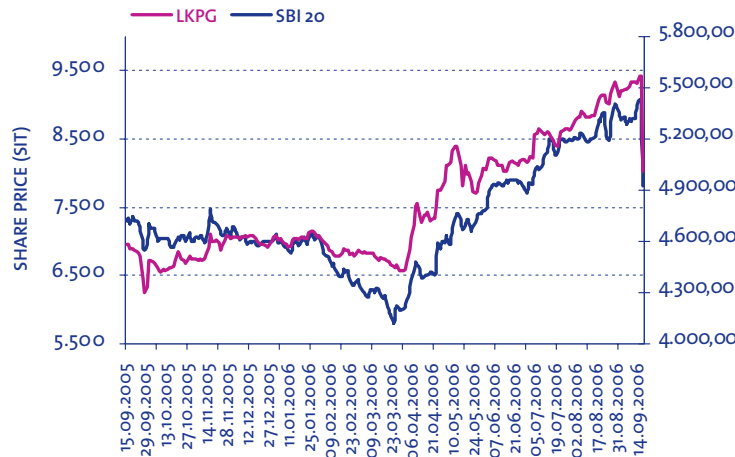
RATIOS*	
P/E	21.63
P/B	1.58
EV/EBITDA	13.05
EPS	EUR 1.41

* values based on H1 2006 annualized results and current price

Luka Koper provides port and logistic services in the Slovenian area of the Northern Adriatic, connecting seas and continents with the central part of Europe and further to South - East, West and East. The basic activity includes cargo handling and warehousing services for all types of goods and additional services for cargo, thus providing complete logistics support for customers. Luka Koper manages its commercial zone and provides resources for the development and maintenance of port infrastructure. Luka Koper's main connections from the Port of Koper, besides the Slovenian market, are to Austria, Italy, Hungary, Czech Republic, Slovakia, South Germany, Poland and to the countries of former Yugoslavia.

to offer also logistics services, in addition to the port activities. The plans for 2006 include an increased volume at the fruit terminal, liquid cargo terminals and an increased number of cars and containers being shipped.

The maritime throughput for the first six months of 2006 totalled 7.28 million tonnes. The total cargo handled amounted to 8.18 million tonnes and increased by 23 percent. In the first half of 2006, the company generated operating revenues in the amount of EUR 49.5 mn. Operating profit - amounting to EUR 9.8 mn is 11 percent ahead of the one for the same period last year. The EUR 9.6 mn net profit is a 3 percent increase in the first half of 2005.



COMPANY PROFILE:

Luka Koper has managed the Slovenian cargo port since its foundation in 1957. The company's development started with the handling of general cargo in the port. First transoceanic ship Gorica was moored in 1958. An important event was the construction of the railway connection between Koper and the hinterland in 1967. Three years later, the container terminal was built. In the following years, Luka Koper developed its operations and constructed a terminal for coal and iron, a grain silo and a car terminal. In 1996, the company was privatised and transformed to Luka Koper Plc. The development of the company continued with the construction of a livestock terminal, a waste management centre and a parking garage. In 2000, the company obtained a 30-year concession for managing the container terminal in the Trieste Port through the affiliate

Luka Koper's vision is to become the main port and logistics system for the countries of Central Europe. In the past years, the company made a strategic shift in its activities and started



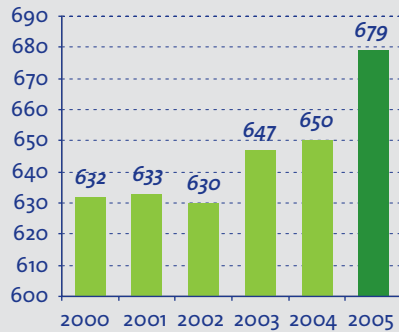
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NUMBER OF EMPLOYEES



company Trieste International Container Terminal SpA, which was sold in 2004. In 2004, Luka Koper acquired the status of the border inspection post for goods destined to the EU countries.

The company consists of nine profit centres, organised according to the goods and cargo received. The port system has 11 specialised terminals and it manages the free-trade zone. Luka Koper disposes with 30 ha of covered warehouses and 96 ha of open warehouse space on 255 ha of land. The company offers 25 ship moorings on 3,134 meters of the shore.

At the end of 2005, the company had 679 employees (4.4% more than in the previous year).

Luka Koper group includes four subsidiaries and several associated companies:

	SUBSIDIARY COMPANIES	OWNERSHIP STAKE
SLOVENIA	Luka Koper INPO d.o.o.	100%
	Luka Koper Pristan d.o.o.	100%
	Adria Tow d.o.o.	50%
SERBIA	Luka Kopar Beograd d.o.o.	90%

	ASSOCIATED COMPANIES	OWNERSHIP STAKE
	Adria Transport d.o.o.	50%
	Avtoservis Koper d.o.o.	49%
	Adriafin d.o.o.	39.45%
	Actual I.T. d.o.o.	26%
	Kopininvest Netherlands BV	25%
	Intereuropa d.d.	24.56
	Golf Istra d.o.o.	20%

Luka Koper's profit centres are: PC General Cargoes Terminal, PC Timber Terminal, PC Alumina Terminal, PC Car Terminal, PC European Energy Terminal, PC Liquid Cargoes Terminal, PC Fruit Terminal, PC Dry Bulk Cargoes and PC Container and RO RO Terminal.

Based on the technological procedures of handling goods, cargoes are divided into five groups: containers, vehicles, general cargoes, liquid cargoes and dry bulk cargoes. Around one third of the cargo goes to the Slovenian market and the other two thirds are mainly transported to nearby countries. An increasingly more important role is becoming a transshipment (handling of goods arriving and leaving the port by ship).

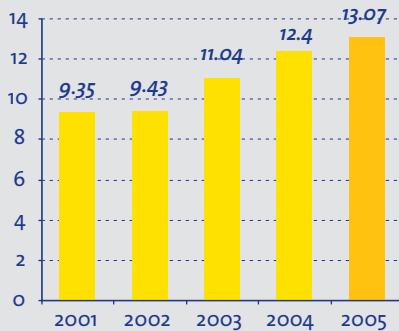
Dry bulk cargoes took a 59% stake in the total volume of cargo, followed by liquid cargoes with a 16% stake and containers with 14%. General cargoes accounted for 8% of a cargo volume and vehicles for 3%.

PERFORMANCE:

The operating revenues in 2005 amounted to EUR 92 mn, which are 22.4% higher than the revenues in the same period last year. Good results were mainly due to a new record in managed cargo of 13.07 mn tons (growing at a pace of 5.3%) and successful operations of other profit centres.

The containerisation of goods is globally increasing and also Luka Koper saw a 17% increase of handling containers compared with the year 2004. About 41% of handled containers are intended for Slovenian customers, followed by Hungarian customers and the customers from former Yugoslavia.

CARGO (MIO T)





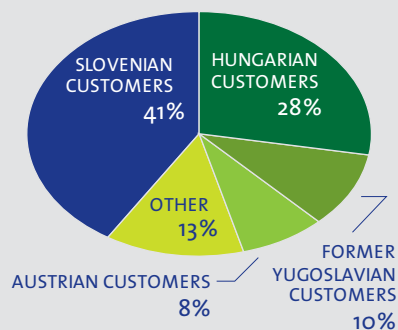
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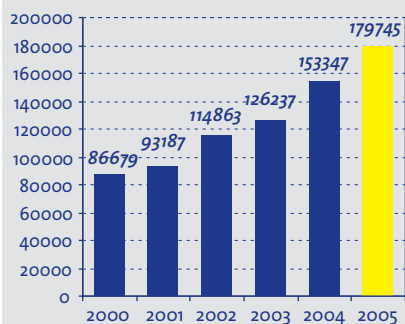
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CONTAINER THROUGHPUT



NUMBER OF CONTAINERS



The growth of turnover was due to the good cooperation between the port and the railway infrastructure. Luka Koper is cooperating with 35 container shipping companies. Since 2005, the company has been cooperating with a new Chinese ship operator COSCO. Luka Koper has established a regular weekly block train connection to Graz Cargo Center and BILK Terminal in Budapest.

The volume of general cargo has increased in all segments except in livestock. General cargoes are handled at specialised terminals: the fruit terminal, the timber terminal, the livestock terminal and the general cargo terminal (steel products, paper, cellulose, aluminium semi-products, sugar, coffee, appliances). The volume of non-durable goods as citrus, bananas and potato increased by 67% and reached 57,220 tons.

The volume of freighted wood increased by 38% and totalled to 473,365 tones. The volume of freighted vehicles amounted to 330,000. Oil cargoes have remained relatively constant for the last years. In 2005, the oil turnover amounted to 1.84 mn tones. Other liquid cargoes increased by 26% compared with 2004, thus reaching 187,427 tons.

Dry bulk cargoes are handled at four terminals: the European energy terminal, the silos for grain, the Alumina terminal and the dry bulk terminal. The volume of dry bulk cargo increased by 4% to 7.7 mn tones.

In 2005, the group created EUR 20 mn net profit, which presented 10.8% less than in 2004. The decrease in profit was mainly due to higher revenues from the sale of investments in 2004. The Tax Administration of Republic of Slovenia did not allow a lower tax for Luka Koper Plc and Adria Tow Ltd; consequently, the corporate income tax amounted to EUR 4.5 mn. The net profit of the major owners amounted to EUR 19.7 mn, the profit of the minor owners amounted to EUR 251 thousand.

The maritime throughput for the first six months of 2006 totalled 7.28 million tonnes. The total cargo handled, in the amount of 8.18 million tonnes showed a year-on increase of 23 percent. In the first half of 2006, the company generated operating revenues in the amount of

EUR 49.5 mn. Operating profits - amounting to EUR 9.8 mn is 11 percent ahead of those for the same period last year. The EUR 9.6 mn net profit shows a 3 percent increase in the first half of 2005.

Although the throughput is increasing rapidly, the company could not hold off increasing costs of services and salaries. The company did not reveal any reasons for such an increase. The company also intends to increase an already planned amount of investment in 2006 from EUR 25.8 mn to EUR 50.8 mn. New investment will improve the port infrastructure and the throughput capacities.

SHAREHOLDERS:

On 18 August 2006, ten largest shareholders owned 53.18% stake of the company:

SHAREHOLDER	NO OF SHARES	% STAKE	CUMULATIVE % STAKE
SLOVENSKA ODŠKODNINSKA DRUŽBA, D.D.	1,557,857	21.82	21.82
KAPITALSKA DRUŽBA, D.D.	696,579	9.76	31.57
MESTNA OBČINA KOPER	466,942	6.54	38.11
REPUBLIKA SLOVENIJA	280,000	3.92	42.04
KD ID, DELNIŠKA ID, D.D.	170,858	2.39	44.43
DELNIŠKI VZAJEMNI SKLAD TRIGLAV STEBER I	162,314	2.27	46.70
KD GALILEO, VZAJEMNI SKLAD	151,905	2.13	48.83
ADRIATIC SLOVENICA D.D. KOPER, KRITNO PREMOŽENJE	109,768	1.54	50.37
ZAVAROVALNICA TRIGLAV, D.D.	104,756	1.47	51.83
ISTRABENZ D.D.	95,867	1.34	53.18

INCOME
STATEMENT:

ooo EUR	GROUP			GROUP		
	2005	2004	05 / 04	H1 2006	H1 2005	06 / 05
OPERATING REVENUES	92,609	75,644	22.4%	51,516	45,254	13.8%
Revenues from services- domestic market	11,836	10,35	1.4%	10,949	9,540	14.8%
Revenues from services- foreign market	73,656	61,437	19.9%	40,554	35,624	13.8%
Revenues from sales of goods and materials - domestic market	15	17	-12.1%	14	14	-3.0%
Revenues from use and cancellation of provisions	152	152	-0.1%	0	0	
Revenues from rents	2,955	2,415	22.4%	0	0	
Other revenues related to products and services	1,4	725	93.0%	0	0	
Other operating revenues	0	511	-100.0%	2,131	0	0.0%
Revaluatory operating revenues	2,596	100	2496.9%	0	0	
Capitalised own products	0	1	-100.0%	0	0	
OPERATING COSTS	74,278	68,801	8.0%	42,153	36,961	14.0%
Cost of goods and materials sold	10	14	-30.6%	2,768	2,293	20.7%
Costs of materials	4,938	4,06	21.6%	14,257	12,037	18.4%
Costs of services	26,066	22,8	14.3%	0	0	
Depreciation	14,31	13,638	4.9%	7,138	7,075	0.9%
Long-term provisions	0	5	-100.0%	0	0	
Labour costs	23,742	22,691	4.6%	13,396	12,695	5.5%
Other costs	5,212	4,639	12.3%	4,596	2,861	60.7%
Costs of other services	0	473	-100.0%	0	0	
OPERATING PROFIT (LOSS)	18,332	6,843	167.9%	11,494	8,293	38.6%

ooo EUR	GROUP			GROUP		
	2005	2004	05 / 04	H1 2006	H1 2005	06 / 05
Financial revenues	9,428	22,298	-57.7%	2,601	4,125	-36.9%
Financial expenses	3,465	3,634	-4.7%	954	1,811	-47.3%
PROFIT BEFORE TAXES	24,294	25,507	-4.8%	13,141	10,606	23.9%
Corporate income tax	4,503	2,935	53.4%	2,269	2,144	5.8%
Deferred tax	301	-40	-857.1%	38	428	-91.0%
NET PROFIT FOR THE YEAR	20,093	22,532	-10.8%	10,559	8,719	21.1%
Net profit of minority interests	301	398	-24.4%	-275	-171	61.0%
Net profit of majority shareholders	19,79	22,134	-10.6%			
Basic net profit per share	251	284	-11.6%			
Diluted net profit per share	1,41	1,58	-10.6%			

INCOME
STATEMENT:

ooo EUR	GROUP			
	31.12.2005	31.12.2004	30.06.2006	05 / 04
ASSETS	331,126	321,420	350,416	3.0%
Non-current assets	266,758	264,981	282,879	0.7%
INTANGIBLE LONG-TERM ASSETS	1,093	2,115	796	-48.3%
Long-term property rights	1,093	2,115	796	-48.3%
TANGIBLE FIXED ASSETS	155,966	153,802	149,878	1.4%
Land and buildings	122,391	116,264	111,939	5.3%
Land	1,777	1,777	1,777	0.0%
Buildings	120,615	114,487	110,162	5.4%
Equipment and machinery	30,322	26,079	30,626	16.3%
Other equipment and machinery	55	58	55	-6.1%
Fixed assets in acquisition	3,198	11,401	7,259	-71.9%
LONG-TERM INVESTMENTS	109,698	109,064	123,641	0.6%
CURRENT ASSETS	64,29	56,326	67,048	14.1%
INVENTORIES	4	93	4	-95.5%
SHORT-TERM INVESTMENTS	44,053	35,046	43,948	25.7%
CASH BALANCE	1,512	1,103	1,966	37.1%
Deferred expenses and accrued revenues	79	113	489	-30.7%
Off-balance sheet assets	9,331	17,52		-46.7%
EQUITY AND LIABILITIES	331,126	321,420	350,416	3.0%
Equity	270,937	258,265	287,042	4.9%
Equity - majority equity interests	269,769	257,399	285,599	4.8%
CALLED-UP CAPITAL	58,421	58,421	58,421	0.0%
Share capital	58,421	58,421	58,421	0.0%

ooo EUR	GROUP			
	31.12.2005	31.12.2004	30.06.2006	05 / 04
CAPITAL SURPLUS	89,563	89,563	89,563	0.0%
RESERVES FROM PROFIT	92,6	84,696	92,600	9.3%
Legal reserves	18,86	18,857	18,860	0.0%
Other reserves from profit	73,74	65,839	73,740	12.0%
NET PROFIT OR LOSS FROM PREVIOUS YEARS	10,521	5,534		90.1%
NET PROFIT OR LOSS FOR THE CURRENT YEAR	11,05	13,335	10,559	-17.1%
Revaluation surplus	7,615	5,850		30.2%
EQUITY - MINORITY EQUITY INTERESTS	1,168	87	1,443	1,249.4%
PROVISIONS	8,106	7,353	8,292	10.2%
Long-term accrued expenses	5,029	4,617	5,065	8.9%
FINANCIAL AND OPERATING LIABILITIES	51,14	54,833	37,952	-6.7%
Long-term financial liabilities	34,44	16,459	33,571	109.2%
Long-term operating liabilities	1,852	1,604	86	15.5%
Short-term financial liabilities	1,536	17,862	593	-91.4%
Short-term operating liabilities	13,312	18,909	13,515	-29.6%
Liabilities for income taxes	4,503	2,935		53.4%
Accrued expenses and deferred revenues	94	970	3,022	-903%
Off-balance sheet liabilities	9,331	17,520	9,331	-46.7%



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COMPARATIVE
ANALYSIS

FIRM	COUNTRY	MARKET CAPITALIZATION (MIO EUR)	ROE	ROA	P/E	EST P/E	P/B	P/S
Forth Ports	UK	492.63	18.66	8.66	17.53	37.09	3.33	4.99
Bremer Lagerhaus	Germany	219.57	30.76	7.95	4.37	-	1.21	0.33
Port of Tauranga	New Zeland	1,267.43	7.94	5.25	21.55	20.49	1.57	5.67
Bintulu Port Hld's	Malaysia	8,293.82	12.29	10.87	17.86	17.01	2.12	5.04
Int. Cont. Term Services	Philippines	885,523.57	15.63	8.40	16.97	16.31	2.64	2.17
Shanghai Port Cont. Co	China	205,330.11	16.74	7.03	26.11	23.24	4.03	6.11
Lyttelton Port Co.	New Zeland	352.02	12.57	7.62	20.12	25.39	1.47	3.03

Luka Koper	Slovenia	2,700.24	7.28	5.79	26.83	22.16	1.95	6.15
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Average - adjusted		43,147.20	15.18	7.93	18.81	21.53	2.23	4.18
Min		219.57	7.94	5.25	4.37	16.31	1.21	0.33
Max		885,523.57	30.76	10.87	26.11	37.09	4.03	6.11

Comparative price					26.17	36.27	42.61	25.37
Weight					0.15	0.25	0.30	0.30

PEER VALUE PER SHARE	33.39
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Source:
Bloomberg and Ilirika's estimates



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