Nurminen Logistics ▶▶▶

Financial Statements and
the Board's Report on Operations 2012

Contents

The Board's Report on Operations

High Market Activity in the Strategic Growth Market

The market situation in Nurminen Logistics' operating environment was variable: market activity remained high in the company's key strategic growth market of Russia and its neighbouring countries, and the demand for logistics services in these markets was good. In Finland, markets remained at a reasonable level, although the demand and market situation varied between different business operations.

Domestic rail cargo transport grew in Russia and its neighbouring countries. With the help of the newly strengthened sales organisation in St. Petersburg, the company won new customers and further increased its share in Russia's domestic rail transport. The positive development of Russian operations balanced the volume of the Railway Logistics business unit as the demand for transport from Finland to Russia was characterised by fluctuations. However, demand slowed down in the Russian market late in the year. The demand for rail transport from Finland to Russia did not develop as well as expected due to factors including structural changes in the industrial sector and increased competition.

The relative share of the company's Baltic operations grew in Transit Logistics. The demand and volumes for container transport from the Baltics to Moscow and Central Asia were at a good level. The volume of transit traffic to Russia through Finnish ports declined slightly. The capacity utilisation rate of the Kotka unit improved as a result of its expanded customer base and increased export transport volume. Demand for the company's chemicals warehouse services also increased. Structural changes in traffic at the port of Hamina weakened harbour service demand somewhat.

The demand for forwarding services remained satisfactory, although there was a slight decline in the demand for import forwarding late in the year. The market situation and price level remained challenging for the Vuosaari terminal as the market tightened and competition intensified towards the end of the year.

The demand for special transport was characterised by customer-specific and market-specific variation. Price levels also fluctuated considerably in the market. Competition remained intense, particularly with respect to large project deliveries for the mechanical engineering industry. Demand and prices were better in international special transport, especially deliveries to Russia and its neighbouring countries, compared to Finland, where competition continued to be fierce.

Net Sales Increased and the Operating Result Improved Significantly

The net sales for the financial period amounted to EUR 78.4 million (2011: EUR 76.6 million), which represents an increase of 2.3% compared to 2011. The reported operating result was EUR 5,421 (1,947) thousand. The increase was 178.5%. The operating result includes non-recurring items of EUR -148 (850) thousand. The comparative operating result was therefore EUR 5,570 thousand, which is an increase of 407.8% compared to 2011. Due to the improved result, the amount of bonuses paid under the short- and long-term share-based incentive plans was higher than in 2011, which had an effect on the operating result.

The non-recurring profit for the financial period was the result of a final payment of a receivable written down in the 2010 financial statements. The non-recurring expenses in the review period were related to the changes in the Group's corporate structure in Finland. The non-recurring profit for the 2011 financial year resulted from a partial payment of a receivable written down in the 2010 financial statements and of a sales profit from divesting the Group's associated companies in the Baltic countries. The non-recurring expenses in 2011 were based on moving the head office and reorganising the business structure of the company.

The appreciation of the Russian rouble during the review period increased the company's financial result by EUR 0.3 million. This exchange rate profit had no cash flow impact.

The Railway Logistics business unit's net sales for the review period amounted to EUR 43,620 (2011: 43,777) thousand and the operating result was EUR 6,275 (2011: 5,055) thousand. The operating result includes non-recurring items of EUR -49 (305) thousand. The comparative operating result was therefore EUR 6,324 (4,750) thousand. There were considerable volume fluctuations in rail exports from Finland to Russia during the year. The full-year volume was lower than in 2011, mainly due to weaker demand in the fourth quarter. Demand for domestic railway transport in Russia and its neighbouring countries remained at a good level, although demand weakened late in the year. Profitability was boosted by the development of sales operations, growing the customer base and achieving operational improvements in areas such as domestic Russian transport.

The Special Transports and Projects business unit's net sales for the review period amounted to EUR 9,375 (7,572) thousand and the operating result was EUR 441 (-461) thousand. The operating result includes non-recurring items of EUR -16 (0) thousand. The comparative operating result was therefore EUR 457 (-461) thousand. The margins of received orders remained at an unsatisfactory level on average due to significantly increased costs and intense competition. Compared to the reference period, the operating result was improved by strong performance in sales operations, special transports and projects destined for Russia and its neighbouring countries, higher equipment utilisation rates and the successful management of fixed costs.

The Transit Logistics business unit's net sales for the review period amounted to EUR 13,903 (12,503) thousand and the operating result was EUR 2,510 (1,221) thousand. The operating result includes non-recurring items of EUR -42 (545) thousand. The comparative operating result was therefore EUR 2,552 (676) thousand. The result of the Transit Logistics unit during the review period was good, especially due to the container volumes transported via the Baltic countries to the CIS countries and Central Asia, as well as the increased export of containers by the Lithuanian subsidiary. Transit traffic operated by the company's Finnish units declined due to the decreased transit traffic market share of Finnish ports. The higher export traffic volumes, chemicals warehousing services and development of the customer base of the Kotka unit helped balance out the impact of reduced transit traffic volume.

The net sales of the Forwarding and Value Added Services business unit for the review period amounted to EUR 11,774 (13,031) thousand and the operating result was EUR -3,805 (-3,869) thousand. The operating result includes non-recurring items of EUR -41 (0) thousand. The comparative operating result was therefore EUR -3,763 (-3,869) thousand. The operating loss of the

Vuosaari logistics centre amounted to EUR 2.8 (3.1) million in the review period. The volume handled by the Vuosaari logistics centre declined by 5%, but the loss of the logistics centre decreased as a result of a profitability development programme implemented by the company. However, the effect of improved efficiency was counteracted somewhat by a rise in the cost of business premises.

The development of the key financial, personnel and share indicators for 2010–2012 is included in the Financial Statements separately.

Financial position and balance sheet

The company's cash flow from operations was EUR 4,372 thousand. Cash flow from investments was EUR -512 thousand. Cash flow from financing activities amounted to EUR -1,474 thousand.

At the end of the review period, cash and cash equivalents amounted to EUR 4,901 thousand. Liquidity improved as a result of financing arrangements made late in the year.

The Group's interest-bearing debt totalled EUR 29.1 million and net interest-bearing debt amounted to EUR 24.2 million.

Financing negotiations related to the company's continuing business operations are planned for the first half of 2013. The management expects the negotiations to lead to a positive outcome.

The balance sheet total was EUR 69.8 million and the equity ratio was 42.7%.

Related party loans

The company has not given related party loans. The company has a loan from the new John Nurminen Ltd, which was established in the demerger of the old John Nurminen Ltd. The principal amount of the loan is EUR 1,271,308.69, and the due date is 31 March 2013. The loan pays interest of 12 months euribor + 1.00% margin, and it has been repaid starting 31 March 2009.

Capital expenditure

The Group's gross capital expenditure during the review period amounted to EUR 1,145 (905) thousand, accounting for 1.5% of net sales. Depreciation totalled EUR 4.0 (4.2) million, or 5.1% of net sales.

Group structure

The company reorganised its operational activities in Finland on 31 December 2012. Nurminen Logistics Plc's business units Forwarding and Value Added Services, Railway Logistics and Transit Logistics were transferred to the company Nurminen Logistics Services Ltd and the Special Transports and Projects business unit were transferred to the company Nurminen Logistics Heavy Ltd. Finnish companies began operating under the new structure on 1 January 2013. Estonia and Lithuania business-related companies Nurminen Maritime Estonia AS and Nurminen Maritime UAB transferred directly under the parent company. Russian operations continue as a separate company, which was renamed OOO Nurminen Logistics and transferred directly under the parent company on 31 December 2012.

The group structure was announced in a stock exchange release dated 12 October 2012.

The Group comprises the parent company, Nurminen Logistics Plc, as well as the following subsidiaries and associated companies, owned directly or indirectly by the parent (ownership, %): RW Logistics Oy (100%), Nurminen Logistics Services Oy (100%), Nurminen Logistics Heavy Oy (100%), Nurminen Logistics Finland Oy (100%), OOO John Nurminen, St. Petersburg (100%), Nurminen Maritime Latvia SIA (51%), Pelkolan Terminaali Oy (20%), ZAO Irtrans (100%), OOO Nurminen Logistics (100%), OOO John Nurminen Terminal (100%), ZAO Terminal Rubesh (100%), Nurminen Logistics LLC (100%), UAB Nurminen Maritime (51%), Nurminen Maritime Eesti AS (51%), Team Lines Latvia SIA (23%) and Team Lines Estonia Oü (20.3%).

Research and development

Nurminen Logistics offers logistics services and aims to develop constantly these services both on its own and in cooperation with its partners. The company did not have separate research and development costs in its income statement in 2012 and 2011.

Personnel

At the end of the review period, the Group's number of personnel stood at 341, compared to 343 on 31 December 2011. The number of employees working abroad was 69 (71).

The Railway Logistics unit had 126 employees, the Special Transports and Projects unit had 26 employees, the Transit Logistics unit had 86 employees and the Forwarding and Value Added Services unit had 78 employees. Management and administrative personnel numbered 25 employees.

Personnel expenses in 2012 totalled EUR 15.9 million (2011: EUR 15.0 million).

The average number of employees during the financial year and the two preceding financial years, as well as staff salaries and the total amount of fees, are presented in the Notes to the Financial Statements.

Changes in senior management

Members of the Executive Board are President and CEO Topi Saarenhovi, CFO Paula Kupiainen, Senior Vice President Janne Lehtimäki (area of responsibility: Forwarding and Value Added Services), Senior Vice President Artur Poltavtsev (Railway Logistics), Senior Vice President Hannu Vuorinen (Special Transport and Projects), and Senior Vice President Risto Miettinen (IT and Quality).

Senior Vice President Harri Vainikka, a member of Nurminen Logistics Plc's Executive Board and Director of the Transit Logistics business unit, left the company on 14 May 2012. His departure was announced in a stock exchange release dated 12 April 2012. The change resulted in the size of Nurminen Logistics' Executive Board decreasing from six members to five. As of 15 May 2012, the Transit Logistics business units reports directly to President and CEO Topi Saarenhovi, with Director Risto Holopainen responsible for Finnish operations and Managing Director Alexander Kovalenko responsible for operations in the Baltic countries.

On 16 May 2012, the company announced that Nurminen Logistics' CFO and member of the Executive Board Antti Sallila has decided to leave his position to pursue further career opportunities with another employer outside the logistics industry.

On 20 June 2012 the company announced that Paula Kupiainen, M.Sc. (Econ), had been appointed the new CFO of the company and member of the Executive Board of Nurminen Logistics. Kupiainen joined Nurminen Logistics on 17 September 2012.

The company also announced it will place a stronger focus on the significance of developing the quality of its IT systems and operations in implementing its strategy. Senior Vice President Risto Miettinen, who is responsible for IT and quality, was appointed as a Member of the Executive Board as of 1 August 2012.

Share-based incentive plan

The Board of Directors of Nurminen Logistics Plc approved a new share-based incentive plan for the Group's key personnel in March 2011. The aim of the plan is to combine the objectives of the shareholders and the key personnel in order to increase the value of the company, to commit the key personnel to the company, and to offer them a competitive incentive plan based on ownership of company shares.

The plan includes one earning period, the 2011-2012 calendar years. The Board of Directors decides on the earnings criteria and related targets. The earnings criteria for the 2011-2012 earning period are Nurminen Logistics Group's net sales and operating profit.

The potential bonus for the earning period 2011-2012 will be paid partly in the form of company shares and partly in cash in 2013. The proportion to be paid in cash is intended to cover taxes and tax-related costs incurred by the key personnel as a result of receiving the bonus. The shares received under the plan may not be transferred during a one-year restriction period. If a key person's employment in the company ends during the restriction period, he or she must freely return to the company the shares received as a bonus. Approximately 15 people, including the members of the Executive Board, are included in the incentive plan.

The net bonuses to be paid on the basis of the plan are equal to a maximum total of 300,000 Nurminen Logistics Plc shares.

The incentive plan was announced in a stock exchange release dated 7 March 2011.

Shares and shareholders

Nurminen Logistics Plc's share has been quoted on the main list of NASDAQ OMX Helsinki Ltd under the current company name since 1 January 2008. The total number of Nurminen Logistics Plc's registered shares is 12,904,728 and the registered share capital is EUR 4,214,521. The company has one share class and all shares carry equal rights in the company. The company name was Kasola Oyj until 31 December 2007. The company was listed on the Helsinki Stock Exchange in 1987.

No dividend was paid for the 2011 financial year.

The company distributed EUR 0.07 per share from the other reserves of the unrestricted equity as repayment of equity on the basis of the balance sheet adopted in respect of the financial year ending on 31 December 2011.

The trading volume of Nurminen Logistics Plc's shares between 1 January and 31 December 2012 was 259,727. This represented 2% of the total number of shares. The value of the turnover was EUR 502,513. The lowest price for the period was EUR 1.78 per share and the highest EUR 2.34 per share. The closing price for the review period was EUR 1.88 per share and the market value of the entire share capital EUR 24,260,888.64.

At the end of the 2012 financial year the company had 525 shareholders. At the end of 2011 the number of shareholders stood at 507.

The company owns 13,830 of its own shares, which represent 0.107% of the votes in the company.

Nurminen Logistics Plc issued a stock exchange release on 17 January 2013 announcing that the market maker agreement, in accordance with the liquidity providing agreement between Nurminen Logistics Plc and Evli Bank Plc for the share of Nurminen Logistics Plc, will end on 18 February 2013.

Dividend policy

The company's Board of Directors on 14 May 2008 determined the company's dividend policy, according to which Nurminen Logistics Plc aims to annually distribute as dividends approximately one third of its net profit, provided that the company's financial position allows this.

Authorisations given to the board

Authorising the Board of Directors to decide on the repurchase of the company's own shares

The Annual General Meeting authorised the Board to decide on the repurchase of a maximum of 50,000 of the company's shares. The authorisation will be used for the payment of remunerations to the Board members. Own shares may be repurchased pursuant to the authorisation only by using unrestricted equity. The price payable for the shares shall be based on the price of the company's shares in public trading. Own shares may be repurchased in deviation from the proportional shareholdings of the shareholders (directed repurchase). The authorisation includes the right whereby the Board is authorised to decide on all other matters related to the acquisition of own shares.

The authorisation remains in force until 30 April 2013.

Authorising the Board of Directors to decide on the issuance of shares as well as the issuance of options and other special rights entitling to shares

The Annual General Meeting authorised the Board to decide on the issuance of shares and/or special rights entitling to shares pursuant to chapter 10 section 1 of the Finnish Companies Act.

Based on the above authorisation the Board is entitled to release or assign, either by one or several resolutions, shares and/or special rights up to a maximum equivalent of 20,000,000 new shares so that the shares and/or special rights can be used, for example, for the financing of company and business acquisitions corporate and business trading or for other business arrangements and investments, for the expansion of owner structure, payment of remunerations to Board members, and/or for creating incentives for, or encouraging commitment in, personnel.

The authorisation gives the Board the right to decide on a share issue with or without payment. The authorisation for deciding on a share issue without payment also includes the right to decide on the issue for the company itself, so that the number of shares granted to the company is no more than one tenth of all shares in the company.

The authorisation includes the right whereby the Board is entitled to decide on all other issues of shares and special rights. Furthermore, the Board is entitled to decide on share issues, option rights and other special rights in exactly the same way as the Annual General Meeting might decide on these. The authorisation also includes the right to decide on directed issues of shares and/or special rights.

The authorisation remains in force until 30 April 2013.

Shareholder agreements related to ownership and the exercise of voting rights

No shareholder agreements related to ownership in Nurminen Logistics Plc and the exercise of voting rights have been brought to the company's attention with the exception of the announcement that was published in stock exchange release on 28 December 2007. According to the announcement, the members of the Board of Directors and Executive Board have undertaken not to sell or otherwise transfer shares in John Nurminen Ltd owned by them on this date and the company's shares received as demerger consideration in conjunction with the demerger of John Nurminen Ltd without the advance written consent of the Board of Directors of the company.

Decisions made by the annual general meeting of shareholders

Nurminen Logistics Plc's Annual General Meeting of Shareholders held on 23 April 2012 made the following decisions:

Adoption of the financial statements and resolution on the discharge from liability

The Annual General Meeting of Shareholders confirmed the company's financial statements and the Group's financial statements for the financial period 1 January 2011 – 31 December 2011, and released the Board of Directors and the Managing Directors from liability.

Payment of dividend

The Annual General Meeting of Shareholders approved the Board's proposal that no dividend shall be paid for the financial year 1 January 2011 - 31 December 2011.

Composition and remuneration of the Board of Directors

The Annual General Meeting of Shareholders resolved that the Board of Directors shall consist of five (5) ordinary members. The Annual General Meeting of Shareholders re-elected the following ordinary members to the Board of Directors: Tero Kivisaari, Jan Lönnblad, Juha Nurminen, Jukka Nurminen and Olli Pohjanvirta. At its organising meeting immediately following the Annual General Meeting of Shareholders, the Board of Directors elected Olli Pohjanvirta as the Chairman of the Board. The Board of Directors also appointed an Audit Committee. The members of the Audit Committee are Tero Kivisaari and Jukka Nurminen.

The Annual General Meeting of Shareholders resolved that for the members of the Board elected at the Annual General Meeting for the term ending at the close of the Annual General Meeting in 2013 the remuneration level will be as follows: annual remuneration of EUR 80,000 for the Chairman and EUR 15,000 for the other members. Additionally, a meeting fee of EUR 700 per meeting shall be paid for each member of the Board. Fifty per cent of the annual remuneration will be paid in the form of Nurminen Logistics Plc's shares and the remainder in cash. A member of the Board of Directors may not transfer shares received as annual remuneration before a period of three years has elapsed from receiving the shares.

Authorising the Board of Directors to decide on the repurchase of the company's own shares

The Annual General Meeting authorised the Board to decide on repurchasing a maximum of 50,000 of the company's shares. The authorisation will be used for the payment of remuneration to the Board members. Own shares may be repurchased pursuant to the authorisation only by using unrestricted equity. The price payable for the shares shall be based on the price of the company's shares in public trading. Own shares may be repurchased in deviation from the proportional shareholdings of the shareholders (directed repurchase). The authorisation includes the right whereby the Board is authorised to decide on all other matters related to the acquisition of own shares.

The authorisation remains in force until 30 April 2013.

Authorising the Board of Directors to decide on the issuance of shares as well as the issuance of options and other special rights entitling to shares

The Annual General Meeting authorised the Board to decide on the issuance of shares and/or special rights entitling to shares pursuant to chapter 10 section 1 of the Finnish Companies Act.

Based on the above authorisation the Board is entitled to release or assign, either by one or several resolutions, shares and/or special rights up to a maximum equivalent of 20,000,000 new shares so that the shares and/or special rights can be used, for example, for the financing of company and business acquisitions corporate and business trading or for other business arrangements and investments, for the expansion of owner structure, payment of remuneration to the Board members and/or for the creating incentives for, or encouraging commitment in, personnel.

The authorisation gives the Board the right to decide on a share issue with or without payment. The authorisation for deciding on a share issue without payment also includes the right to decide on the issue for the company itself, so that the number of shares granted to the company is no more than one tenth of all shares of the company.

The authorisation includes the right whereby the Board is entitled to decide on all other issues of shares and special rights. Furthermore, the Board is entitled to decide on share issues, option rights and other special rights in exactly the same way as the Annual General Meeting might decide on these. The authorisation also includes the right to decide on directed issues of shares and/or special rights.

The authorisation remains in force until 30 April 2013.

Auditor

KPMG Oy Ab, Authorised Public Accountant audit-firm, was re-elected as Nurminen Logistics Plc's auditor. Mr Lasse Holopainen acts as the responsible auditor. The auditor's term ends at the end of the first Annual General Meeting following the election. The auditor's fee and costs will be paid in accordance with an invoice.

Environmental factors

Nurminen Logistics seeks environmentally friendly and efficient transport solutions as part of the development of its services. All services provided by the company in Finland are covered by a certified environmental management system that meets the requirements of the ISO 14001:2004 standard.

Outlook

Nurminen Logistics' key markets in Russia and its neighbouring countries are expected to continue to grow in 2013, although the rate of growth may be slower than in 2012, at least early in the year. Demand in the Finnish market is expected to be slightly lower than in 2012 due to the slowing down of economic growth.

Nurminen Logistics expects its net sales and operating result to be at the same level as in 2012 and earnings per share to improve.

The company's long-term goal is to grow at a faster rate than the market, on average by over 15% per year. Going forward, over 50% of net sales will come from the growth markets of Russia and its neighbouring countries. The company's other long-term goals are to improve profitability, achieve an operating profit level of 10% and return on equity of 20%.

Short-term risks and uncertainties

Uncertainty in the world economy may result in lower industrial production volumes and, as a consequence, weaker demand for the company's services and the cancellation of orders. Unfavourable market development in Russia and its neighbouring countries, in particular, would have a negative effect on the development of the company's net sales and result.

Overcapacity in Finnish ports keeps price competition intense. The company operates in Vuosaari, Kotka and Hamina harbours and therefore the variation in volume development of these ports has an effect on the company's result.

Unpredictable changes to railway tariffs in different countries may have a significant effect on the price competitiveness of rail transports and/or the company. Price competition may also burden the company's profitability in the future. Structural changes in the export industry and weaker than expected development of foreign trade would have a negative impact on the development of the company's net sales and profitability. The company has notable customer agreements whose continuity may be significant, especially with respect to the profitability of the company's business operations in the Baltic countries.

The company has received a total of 32 subsequent levy decisions from the National Board of Customs' Eastern District Office in Lappeenranta, which state that the company and VG Cargo Plc, which has filed for bankruptcy, are liable to pay import taxes from the year 2009. The company's liability for the import taxes is, at a maximum, EUR 0.8 million. The company does not consider itself liable to pay the stated import taxes and has not recorded provisions for the associated costs. If there is a case for subsequent levy, the company's view is that the levy should primarily be directed at the bankruptcy estate of VG Cargo Plc and be paid from its valid customs guarantee. The company has filed an appeal with the Helsinki District Court against the subsequent levy decisions made by the National Board of Customs.

Extraordinary general meeting

Nurminen Logistics Plc's Extraordinary General Meeting of Shareholders held on 5 October 2012 made the following decision:

Repayment of equity from reserves of unrestricted equity

In accordance with the proposal of the Board of Directors, the Extraordinary General Meeting resolved that EUR 0.07 per share shall be distributed from the other reserves of the unrestricted equity as repayment of equity on the basis of the balance sheet adopted in respect of the financial year ending on 31 December 2011. The repayment of equity is paid to shareholders registered in the company's shareholders' register maintained by Euroclear Finland Ltd on the record date, 10 October 2012. The payment date is 25 October 2012.

Events after the review period

Market maker agreement for the share of Nurminen Logistics Plc ends

The company issued a stock exchange release on 17 January 2013 announcing that the market maker agreement, in accordance with the liquidity providing agreement between Nurminen Logistics Plc and Evli Bank Plc for the share of Nurminen Logistics Plc, will end on 18 February 2013.

Nurminen Logistics starts co-determination negotiations concerning its Finnish operations

Nurminen Logistics issued a stock exchange release on 31 January 2013 announcing that it is to commence co-determination negotiations concerning all personnel in Finland. The Group is planning structural changes to improve its competitiveness and boost the efficiency of its Finnish operations. The reasons for the planned changes include structural changes in demand and flows of goods in Finland and the insufficient profitability of the Group's Finnish operations. The negotiations concern all of the company's personnel in Finland, 270 employees in total. The adjustment requirement is estimated to be no more than 28 man-years. The aim of the changes is to achieve EUR 800,000 in annual cost savings at the Group level. The planned measures would involve a one-time cost of no more than EUR 400,000.

The planned changes in production structure will not affect the company's strategy of strengthening its position in domestic railway transport in Russia and nearby countries as well as railway transport between Finland and Russia.

Board of Directors' proposal for profit distribution

Based on the financial statements on 31 December 2012, the parent company's distributable equity is 32,127,845.33 euros. The Board of Directors proposes to the Annual General Meeting that EUR 0.08 per share be distributed to shareholders from the reserves for invested unrestricted equity as repayment of equity.

Corporate Governance Statement

The Corporate Governance Statement of Nurminen Logistics Plc will be published on 20 March 2013 on the company's website at www.nurminenlogistics.com.

Largest shareholders

	Number of shares	% of total shares
Nurminen Juha	5,508,953	42.69
JN Uljas Oy	2,487,388	19.28
Nurminen Jukka Matias	903,081	7.00
Nurminen Mikko Johannes	870,108	6.74
Lassila Satu Maaria	706,866	5.48
Tuuli Markku Juhani	210,804	1.63
Saxberg Rolf Mikael	184,098	1.43
Etl Invest Oy	181,818	1.41
Etl Holding Oy	158,000	1.22
Bachmann Jari	155,960	1.21
Forsström Kirta	155,960	1.21
Pohjanvirta Olli	146,480	1.14
Bachmann Sanni Piritta	136,960	1.06
Kulp Kaj Kristian	91,622	0.71
Nordic Forwarding Services Finland Oy	91,394	0.71
Lainema Matti	75,262	0.58
Vuorinen Hannu M	63,157	0.49
Vainikka Harri	52,894	0.41
Raunio Kalevi Tapani	50,134	0.39
Maturiala Oy	49,480	0.38
Other 505 shareholders	624,309	4.84
	12,904,728	100

Shareholders by type

	Number of shares	% of total shares
Private companies	3,033,213	23.51
Financial institutions	47,950	0.37
Households	9,823,369	76.12
Foreign	195	0.00
Non-profit organizations	1	0.00
Total	12,904,728	100.00
Registered in the name of nominee	3,291	0.03

Distribution of ownership

Number of shares	Number of shareholders	% of shareholders	Number of shares	% of total shares
1-100	180	34.29	10,623	0.08
101-500	177	33.71	51,055	0.40
501-1,000	67	12.76	54,458	0.42
1,001-5,000	57	10.86	127,692	0.99
5,001-10,000	11	2.10	94,473	0.73
10,001-50,000	14	2.67	335,488	2.60
50,001-100,000	6	1.14	424,463	3.29
100,001-500,000	8	1.52	1,330,080	10.31
over 500,000	5	0.95	10,476,396	81.18
Total	525	100	12,904,728	100
Registered in the name of nominee	3		3,291	0.03

Consolidated Statement of Comprehensive Income, IFRS

1,000 EUR	Note	1 Jan-31 Dec 2012	1 Jan-31 Dec 2011
NET SALES	2	**78,396**	**76,630**
Other operating income	3	721	1,037
Materials and services		-33,801	-37,431
Employee benefit expenses	5	-15,900	-14,994
Depreciation, amortisation and impairment losses	6	-4,004	-4,185
Other operating expenses	4	-19,991	-19,110
OPERATING RESULT		**5,421**	**1,947**
Financial income	7	478	146
Financial expenses	7	-2,040	-2,931
Share of profit of equity-accounted investees	14	185	91
		-1,377	-2,693
RESULT BEFORE INCOME TAX		**4,044**	**-746**
Income tax expense	8	-1,360	-784
RESULT FOR THE YEAR		**2,684**	**-1,530**
OTHER COMPREHENSIVE INCOME			
Translation differences		867	-887
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**3,552**	**-2,417**
Result attributable to			
Equity holders of the parent company		682	-2,458
Non-controlling interest		2,002	928
Total comprehensive income attributable to			
Equity holders of the parent company		1,550	-3,345
Non-controlling interest		2,002	928
Earnings per share calculated from result attributable to equity holders of the parent company			
Earnings per share, undiluted, euro		0,05	-0,19
Earnings per share, diluted, euro		0,05	-0,19

Consolidated Statement of Financial Position, IFRS

1,000 EUR	Note	31 Dec 2012	31 Dec 2011
ASSETS			
Non-current assets			
Property, plant and equipment	10	38,737	40,785
Goodwill	11,13	9,516	9,516
Other intangible assets	11	813	719
Investments in equity-accounted investees	14	389	309
Receivables	15	35	35
Deferred tax assets	16	1,068	954
Non-current assets, total		**50,558**	**52,318**
Current assets			
Trade and other receivables	17	14,157	14,509
Current tax receivables		156	37
Cash and cash equivalents	18	4,901	2,490
Current assets, total		**19,214**	**17,036**
TOTAL ASSETS		**69,772**	**69,354**
EQUITY AND LIABILITIES			
Equity attributable to holders of the parent company	19		
Share capital		4,215	4,215
Share premium reserve		86	86
Other reserves		20,536	21,509
Translation differences		-3,276	-3,699
Retained earnings		5,799	4,673
Equity attributable to holders of the parent company		27,360	26,784
Non-controlling interest		2,437	1,064
Equity, total		**29,797**	**27,848**
LIABILITIES			
Non-current liabilities			
Deferred tax liabilities	16	431	398
Other liabilities	22	656	635
Interest-bearing finance liabilities	21	17,571	19,044
Non-current liabilities, total		**18,658**	**20,077**
Current liabilities			
Current tax liabilities		283	2
Interest-bearing finance liabilities	21	11,536	9,997
Trade payables and other liabilities	22	9,497	11,430
Current liabilities, total		**21,317**	**21,429**
LIABILITIES, TOTAL		39,975	41,506
EQUITY AND LIABILITIES, TOTAL		**69,772**	**69,354**

Consolidated Cash Flow Statement, IFRS

1,000 EUR	Note	1 Jan–31 Dec 2012	1 Jan–31 Dec 2011
Cash flows from operating activities			
PROFIT/LOSS FOR THE YEAR		2,684	-1,530
Adjustments for:			
Depreciation, amortisation & impairment losses	6	4,004	4,185
Gains (-) and losses (+) on disposals of property, plant and equipment and other non-current assets		-559	-32
Share of profit of associates, profit (-) / loss (+)		-185	-91
Unrealised foreign exchange gains (-) and losses (+)		-322	234
Financial income (-) and expenses (+)		1,884	2,551
Income taxes	8	1,360	784
Non-cash transactions		0	-187
Cash flow before changes in working capital		**8,866**	**5,913**
Working capital changes:			
Increase (-) / decrease (+) in non-interest bearing current receivables		376	-133
Increase (+) / decrease (-) in non-interest bearing current payables		-1,954	1,914
Net cash from operating activities before financial items and taxes		**7,289**	**7,694**
Interest paid		-1,362	-1,596
Interest received		62	91
Other financial items		-456	-326
Income taxes paid		-1,160	-995
Net cash from operating activities		**4,372**	**4,868**
Cash flows from investing activities			
Purchases of property, plant and equipment and intagible assets		-1,151	-905
Proceeds from sale of property, plant and equipment and intangible assets		639	54
Proceeds from sale of interests in associates		0	404
Net cash used in investing activities		**-512**	**-448**
Cash flows from financing activities			
Investment by non-controlling interest		63	0
Acquisition of own shares	19	-70	-47
Proceeds from current borrowings		2,908	4,000
Repayment of current borrowings		-1,516	-3,244
Proceeds from non-current borrowings		2,400	1,545
Repayment of non-current borrowings		-3,124	-5,222
Repayment of finance lease liabilities		-603	-647
Dividends paid / repayments of equity		-1,532	-857
Net cash used in financing activities		**-1,474**	**-4,473**
Net increase / decrease in cash and cash equivalents		**2,386**	**-52**
Cash and cash equivalents at the beginning of the year		2,490	2,563
Translation differences of cash and cash equivalents at the beginning of the year		34	-3
Net increase / decrease in cash and cash equivalents		2,386	-52
Translation differences of net increase / decrease in cash and cash equivalents		-9	-17
Cash and cash equivalents at the end of the year	18	4,901	2,490

Consolidated Statement of Changes in Equity

Equity attributable to equity holders of the parent company

1–12/2011 1,000 EUR	Note	Share capital	Share premium reserve	Legal reserve	Reserve for invested unrestricted equity	Translation differences	Retained earnings	Non-controlling interest	Total
Equity on 1 Jan 2011		**4,215**	**86**	**2,378**	**19,178**	**-3,352**	**7,373**	**993**	**30,872**
Result for the year							-2,458	928	-1,530
Total comprehensive income for the year/ translation differences						-348	-540		-887
Other changes	19				-47		297		250
Dividends / repayments of equity	19							-857	-857
Equity on 31 Dec 2011		**4,215**	**86**	**2,378**	**19,131**	**-3,699**	**4,673**	**1,064**	**27,848**

Equity attributable to equity holders of the parent company

1–12/2012 1,000 EUR	Note	Share capital	Share premium reserve	Legal reserve	Reserve for invested unrestricted equity	Translation differences	Retained earnings	Non-controlling interest	Total
Equity on 1 Jan 2012		**4,215**	**86**	**2,378**	**19,131**	**-3,699**	**4,673**	**1,064**	**27,848**
Result for the year							682	2,002	2,684
Total comprehensive income for the year/ translation differences						423	444		867
Other changes	19				-70		-1		-71
Dividends / repayments of equity	19				-903			-628	-1,532
Equity on 31 Dec 2012		**4,215**	**86**	**2,378**	**18,158**	**-3,276**	**5,799**	**2,437**	**29,797**

Notes To The Consolidated Financial Statements, IFRS

1. THE ACCOUNTING PRINCIPLES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

Basic information about the Group

The business idea of Nurminen Logistics is to provide and produce logistic services in Finland, the Baltic Sea region as well as in Russia and the CIS countries. The parent company of the Group is Nurminen Logistics Plc. The parent company is domiciled in Helsinki, Finland, and its registered address is Satamakaari 24, Helsinki.

Copies of the consolidated financial statements are available in internet at www.nurminenlogistics.com. The consolidated financial statements were authorised for issue by the Board of Directors on 26 February 2013. According to the Finnish Limited Liability Companies Act, shareholders have the right to approve or reject the financial statements in the Annual General Meeting held after the publication of the financial statements. The Annual General Meeting also has the right to make a decision to amend the financial statements.

Basis of preparation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) complying with the standards and interpretations effective on 31 December 2012. International Financial Reporting Standards are standards and interpretations adopted for application in the European Union in accordance with the procedure laid down in regulation (EC) No 1606/2002 of the European Parliament and Council. The notes to the consolidated financial statements are also in accordance with the Finnish Accounting Act and Ordinance and the Limited Liability Companies Act complementing the IFRSs.

The consolidated financial statements have been prepared on the historical cost basis except for the financial assets and financial liabilities measured at fair value through profit or loss.

The financial statements are presented in thousands of euro.

As from 1 January 2012 the Group has applied the following amendments to standards that did not have a significant impact on the consolidated financial statements:

- Amendments to IFRS 7 Financial Instruments: Disclosures (effective for financial years beginning on or after 1 July 2011): The amendments will promote transparency in the reporting of transfer transactions and improve users' understanding of the risk exposures relating to transfers of financial instruments and the effect of those risks on an entity's financial position, particularly those involving securitisation of financial assets. The amendments will impact the notes to the consolidated financial statements.

Principles of consolidation

Subsidiaries

The consolidated financial statements include the financial statements of Nurminen Logistics Plc and those of all its subsidiaries. The subsidiaries are entities controlled by the parent company. Control exists when the parent company has the power, directly or indirectly, to govern the financial or operating policies of an entity so as to obtain benefits from its activities. Subsidiaries acquired are included in the consolidated financial statements from the acquisition date that control commences until the date that control ceases.

Acquired subsidiaries are accounted for by using the acquisition method. The consideration transferred, identifiable assets and liabilities assumed of the acquired entity and are measured at their fair values at the acquisition date. Goodwill arising on an acquisition is recognised as the excess of the aggregate of the consideration transferred, the amount of any non-controlling interests and previously held equity interests in the acquiree, over the Group's share of the fair value of the net assets acquired at the acquisition date.

The consideration transferred includes any assets transferred by the acquirer, liabilities incurred by the acquirer to former owners of the acquiree and the equity interests issued by the acquirer, measured at fair value. Any contingent consideration related to the business combination is measured at fair value at the acquisition date and it is classified as either liability or equity. Contingent consideration classified as liability is remeasured at its fair value at each balance sheet date and the subsequent changes to fair value are recognised in profit or loss. Contingent consideration classified as equity is not subsequently remeasured. The consideration transferred does not include any transactions accounted for separately from the acquisition, which are treated in conjunction with the acquisition in profit or loss. All acquisition-related costs, with the exception for costs to issue debt or equity securities, are expensed in the periods in which costs are incurred and services rendered.

To those business combinations, which have occurred prior to 1 January 2010, accounting principles effective at that time have been applied.

All intra-group transactions, receivables and liabilities as well as unrealised gains and profit distribution are eliminated in the consolidation. Non-controlling interests are presented as a separate item under equity.

Non-controlling interests

Any non-controlling interest in the acquiree is measured on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Changes in the parent company's ownership interest in a subsidiary are accounted for as equity transactions if the parent company retains control over the subsidiary.

The result for the financial year and items recognised in other comprehensive income are allocated to the equity holders of the parent company and non-controlling interests. Total comprehensive income is allocated to the equity holders of the parent company and non-controlling interests, even if that results in a deficit balance, unless non-controlling interests have an exemption not to meet obligations which exceed non-controlling interests' investment. Equity attributable to the non-controlling interest is presented separately under equity in the consolidated balance sheet.

Associates

Associates are companies in which the Group has significant influence. Significant influence generally arises when the Group holds 20 to 50 per cent of a company's voting power or the Group otherwise has significant influence but not power to govern the financial and operating policies of an entity. Associates are consolidated using the equity method. When the Group's share of an associate's losses exceeds the carrying amount of the interest, the interest is recognised at zero value in the balance sheet and recognition of further losses is discontinued, except to the extent that the Group has committed to settle the associate's obligations. The interest in an associate includes goodwill arisen on acquisition. Unrealised gains resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate. The Group's share of an associate's result for the financial year is disclosed separately after financial items in the consolidated statement of comprehensive income.

Foreign currency transactions

Items included in the financial statements of each subsidiary in the Group are determined using the currency reflecting the primary economic environment of that subsidiary ("the functional currency"). The consolidated financial statements are prepared in euro which is the functional and presentation currency of the parent company and the presentation currency of the consolidated financial statements.

Foreign currency transactions of the Group companies are translated into functional currencies using the exchange rates prevailing at the transaction date. Monetary assets and liabilities denominated in foreign currency are translated using the balance sheet date exchange rates and non-monetary assets and liabilities that are measured at historical cost are translated using the transaction date exchange rates. Gains and losses arising from the translation are recognised in the consolidated statement of comprehensive income.

In preparation of consolidated financial statements income and expenses for the income statements and for the statements of comprehensive income of those foreign Group companies, whose functional currency is not euro, are translated into euro by using the average exchange rate for the financial year and the balance sheets are translated at the exchange rate at the balance sheet date. Translation differences arising from such translation are recognised in equity. Retranslating the result and the total comprehensive income for the financial year using different exchange rates for the statement of comprehensive income and for the balance sheet causes a translation difference recognised in Group's equity, the change in this translation difference is recognised under other comprehensive income. Respectively, foreign currency differences arising from the elimination of the costs of foreign subsidiaries, and from the retranslation of post-combination equity components in subsequent periods, are recognised in other comprehensive income. When a foreign operation is sold or is otherwise disposed of, in part or in full, the accumulated foreign currency differences are recognised in the statement of comprehensive income as part of the gain or loss on sale for the disposed part.

The intra-group loan denominated in Russian Rouble has been accounted for as part of the Group's net investment in that foreign operation to the extent that the settlement by the subsidiary that has received the loan is not likely to occur in the foreseeable future. The foreign currency differences arisen from this loan are recognised in other comprehensive income in the consolidated financial statements. The foreign currency differences accumulated in equity are transferred to the statement of comprehensive income when the foreign operation is disposed of, in full or in part.

Property, plant and equipment

Items of property, plant and equipment are carried at historical cost less accumulated depreciation and impairment losses. The cost includes all expenditure directly attributable to the acquisition of the asset. The borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale, are capitalised as part of the carrying amount of the asset. Subsequent costs are recognised in the carrying amount of the item only if it is probable that future economic benefits associated with the asset will flow to the Group and its cost can be measured reliably. Other repair and maintenance costs are expensed as incurred.

Property, plant and equipment are depreciated using the straight-line method over their estimated useful lives, which are the following:

Buildings	30–40 years
Rolling stock	
Wheels	7 years
Bogie	15 years
Other parts of the wagon	20–25 years
Transport equipment	5–8 years
Machinery and equipment	3–10 years
IT equipment	3 years

The cost of the rolling stock is allocated separately to wheels, bogie and other parts of the wagon (=component depreciation).

Land is not depreciated. Recognition of depreciation on an item of property, plant and equipment is discontinued when the item is classified as held for sale.

Useful lives and residual values are reviewed at every balance sheet date. Changes in the future economic benefits to be received from the items of property, plant and equipment are accounted for by adjusting the useful lives and residual values of the items in question. Gains and losses arising from sale and disposal of property, plant and equipment are included in other operating income or in other operating expenses.

Intangible assets

Goodwill

Goodwill arising on business combinations is recognised as the excess of the aggregate of the consideration transferred, the amount of non-controlling interest in the acquiree and the value of any previously held equity interest over the fair value of the acquired net assets.

Goodwill is not amortised but it is tested at least annually for impairment. Goodwill is carried at historical cost less accumulated impairment losses.

Research and development costs

Research costs are expensed in the financial year in which they are incurred. Development costs are capitalised when certain criteria are met. The Group has not had research and development costs in the financial years 2012 and 2011.

Other intangible assets

An intangible asset is recognised in the balance sheet only if its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to the asset will flow to the Group.

An intangible asset is measured at historical cost less amortisation and any impairment losses. Group's intangible assets include mainly IT software which is amortised on a straight-line basis over 3 to 5 years.

Impairment of intangible assets and property, plant and equipment

The Group assesses, at every balance sheet date, if there are any indications of impairment of property, plant and equipment or intangible assets. In case such indications exist, the asset's recoverable amount is estimated. If the carrying amount of an asset exceeds its recoverable amount, the impairment loss is recognised in the income statement. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

As to goodwill, the recoverable amount is estimated at least annually irrespective of whether indications of impairment exist. Impairment is assessed at a cash-generating unit level, i.e. at the lowest level for which there are separately identifiable, mainly independent cash flows. In impairment testing of goodwill the recoverable amount is based on value in use, i.e. on the estimated discounted future net cash flows.

At the recognition of the impairment loss the asset's useful life is re-estimated. The recognised impairment loss is reversed if the estimates used to determine the asset's recoverable amount have changed. The reversal of the impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset. An impairment loss on goodwill is never reversed.

Financial instruments

Financial assets

The financial assets of Nurminen Logistics are classified to the following categories: financial assets at fair value through profit or loss and loans and receivables. The classification is made based on their purpose of use upon initial recognition. The basis of classification is reassessed at each reporting date. For financial assets not carried at fair value through profit or loss, transaction costs are included in the initial carrying amounts. Purchases and sales of financial instruments are accounted for at settlement date. Fair values of financial instruments are determined by discounting their cash flows.

Financial assets are derecognised when the Group loses the rights to receive the contractual cash flows on the financial asset or it transfers substantially all the risks and rewards of ownership outside the Group.

At the end of the reporting period, the Group estimates whether there is objective evidence on impairment of items other than financial assets measured at fair value through profit or loss. A financial asset is assumed to be impaired if there is objective evidence on impairment and the effect on the estimated future cash flows to be generated by the financial assets can be reliably measured. Objective evidence on impairment may be e.g. a significant deterioration in the counterparty's results or a contract breach by the debtor. An impairment loss is recognised immediately either in other operating expenses or in financial items, depending on the item in question.

Financial assets at fair value through profit or loss

This category includes those derivatives that do not qualify for hedge accounting, and they are classified as held-for-trading instruments. The financial assets in this category are initially measured at fair value and are subsequently re-measured at their fair values. Gains and losses arising from fair value adjustments, both unrealised and realised, are recognised in profit or loss in the period in which they occur.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in active markets. Loans and receivables arise when the Group gives out a loan or delivers goods or services directly to a debtor. They are included in Trade and other receivables in the balance sheet, either in current or non-current items, based on their nature.

Loans and receivables are measured at amortised cost using the effective interest rate method, less any impairment losses. Loans and receivables are included in non-current assets, unless their maturity is less than 12 months from the balance sheet date.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and bank accounts as well as highly liquid investments with original maturities of three months or less at the acquisition date.

Financial liabilities

The financial liabilities of Nurminen Logistics are classified to the following categories: financial liabilities at fair value through profit or loss and financial liabilities measured at amortised cost (other financial liabilities). The former category includes derivatives entered into by the Group, to which hedge accounting is not applied and that are not financial guarantee contracts. They are classified as held-for-trading instruments. The financial liabilities in this category are initially measured at fair value and are subsequently re-measured at their fair values. Gains and losses arising from derivatives' fair value changes, both unrealised and realised, are recognised in profit or loss in the period in which they occur. Fair values are determined by discounting the instruments' cash flows.

Other financial liabilities, which mainly consist of Group's finance lease liabilities, are measured at fair value upon initial recognition. Transaction costs are included in the original carrying amount. Subsequently other financial liabilities are measured at amortised cost using the effective interest rate method.

A financial liability is classified as current if the Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period. A financial liability (or part of the liability) is not derecognised until the liability has ceased to exist, that is, when the obligation identified in a contract has been fulfilled or cancelled or is no longer effective.

Revenue recognition principles

Revenue from the sale of services is recognised when the outcome of a transaction involving the rendering of services can be estimated reliably. Revenue from transports by road is recognised at the point when goods are loaded to be transported. Revenues from other business operations are recognised when the transportation crosses the border. Revenue from short-term warehousing services is recognised at the point when goods stored in the Group's premises are forwarded. Revenue from long-term warehousing is accounted for as rental income and it is recognised on a straight-line basis over the period of warehousing.

Employee benefits

Pension arrangements

The pension arrangements of Nurminen Logistics have been classified as defined contribution plans. Payments to defined contribution plans are recognised as an expense in the income statement in the period to which they relate. In defined contribution plans the Group pays fixed contributions into a separate entity.
The Group has no legal or constructive obligation to pay further amounts in case

the separate entity receiving the contributions fails to pay out the pension benefits.

Share-based payments

Such arrangements in which the Group has granted its employees a right to a future cash payment by granting the employees a right to shares that are redeemable, either at the Group's or an employee's demand, are accounted for as cash-settled share-based payments. The liability arising from such arrangement is remeasured at fair value at each reporting date and at the settlement date and the changes in fair value are recognised in profit or loss in the period in which the changes occur. The benefits granted in this arrangement are measured at fair value at their grant date and expensed on a straight-line basis over the vesting period.

Income taxes

The income tax expense in the statement of comprehensive income comprises the current tax, adjustments to previous periods' taxes as well as changes in deferred taxes. Income taxes are recognised in profit or loss except when they relate to other comprehensive income or equity, while income taxes are recognised within the respective items. Current tax is calculated based on taxable income using tax rates enacted in each country.

Deferred tax assets and deferred tax liabilities are calculated for temporary differences between the amounts of assets and liabilities used for taxation purposes and the carrying amounts for financial reporting purposes under IFRSs. The principal temporary differences arise from financial instruments measured at fair value through profit or loss and depreciation related to component accounting. Deferred taxes are measured at the tax rate that has been enacted or substantially enacted by the reporting date.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax liabilities are recognised in the statement of financial position in full.

Leases

Leases, in which the Group is a lessee, are classified as finance leases if the risks and rewards of ownership are substantially transferred. Leases are classified at the inception of the lease. The leased items are recognised at the lower of fair value of the leased asset and the present value of minimum lease payments as an item of property, plant and equipment and as a financial liability. The item of property, plant and equipment is depreciated over the shorter of its useful life and the lease term. Payable lease rentals are divided into interest expense recognised in profit or loss and reduction of the financial liability.

Leases are classified as operating leases if the risks and rewards incidental to ownership have not been substantially transferred. Lease rentals payable under operating leases are recognised as an expense in profit or loss on a straight-line basis over the lease term.

Sale and leaseback

If a sale and leaseback arrangement results in a finance lease, the gain on the sale of the asset leased back is recognised as a liability and amortised over the lease term. If a sale and leaseback arrangement results in an operating lease and the sale is established at fair value, any profit or loss is recognised immediately.

Operating profit

The operating profit is the total of sales and other operating income from which expenses for material and services, employee benefits and other operating expenses as well as depreciation, amortisation and impairment losses on non-current assets are subtracted. Foreign currency differences arising from working capital items are included in the operating result, whereas foreign currency differences from financial assets and financial liabilities are included in financial income and expenses.

Accounting policies requiring management's judgment and key sources of estimation uncertainty

The preparation of the financial statements in conformity with IFRS requires the management to make estimates, assumptions and judgments in the application of the accounting policies. The estimates and assumptions made affect the reported amounts of assets and liabilities in the balance sheet as well as the income and expenses in the income statement.

In business combinations fair values of the items of property, plant and equipment and intangible assets are estimated and the depreciation and amortisation periods for the assets are determined. The determination of fair value of intangible assets is based on estimates about future cash flows to be generated by these assets.

Goodwill is tested for impairment annually. The recoverable amounts of the cash-generating units are determined based on value in use. The preparation of these calculations requires use of estimates. In calculation of value in use estimates are made about future cash flows and discount rate to be used. Estimates are based on budgets and forecasts, which contain some degree of uncertainty.

Due to uncertainty regarding use of confirmed losses the Group has not recorded deferred tax assets in the consolidated balance sheet

Property, plant and equipment as well as intangible assets are reviewed annually as to whether any indications exist that these assets might be impaired. If indications exist, the asset's recoverable amount is estimated.

Items of property, plant and equipment as well as intangible assets are depreciated and amortised over their estimated useful lives. The useful lives are reviewed regularly.

Estimates made in preparing the financial statements are based on the management's best view and the information available at the balance sheet date. Estimates and assumptions are based on past experience and other factors that are considered the best view in measuring such assets and liabilities, whose values cannot be derived from other sources. The estimates concerning the future are based on assumptions that are regarded as the most probable at the balance sheet date relating to the expected development of the financial environment of Nurminen Logistics and assumptions about the development of sales and cost level. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed continuously. The realisation of estimates and assumptions and the changes in underlying factors are reviewed regularly by using both external and internal sources of information. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only the period in question. If the revision to accounting estimate affects both the period in which the estimate is revised and future periods the revision is recognised respectively in the period in question and in future periods.

Application of new and revised IFRS standards

The IASB has published the following new or revised standards and interpretations that the Group has not yet applied. The Group will adopt these standards as of the effective date of each of the standards, or if the effective date is not the first day of the financial year, as of the beginning of the next financial year following the effective date. These standards are not expected to have a significant impact on the consolidated financial statements.

* = not yet endorsed for use by the European Union

- Amendments to IAS 1 *Presentation of Financial Statements** (effective for financial years beginning on or after 1 July 2012): The major change is the requirement to group items of other comprehensive income as to whether or not they will be reclassified subsequently to profit or loss when specific conditions are met.
- Amendment to IAS 19 *Employee Benefits* (effective for financial years beginning on or after 1 January 2013): The major changes are as follows: in future all actuarial gains and losses are immediately recognised in other comprehensive income, i.e. the corridor approach is eliminated, and finance costs are calculated on a net funding basis.
- IFRS 13 *Fair Value Measurement** (effective for financial years beginning on or after 1 January 2013): IFRS 13 establishes a single source for all fair value measurements and disclosure requirements for use across IFRSs. The new standard also provides a precise definition of fair value. IFRS 13 does not extend the use of fair value accounting, but it provides guidance on how to measure fair value under IFRSs when fair value is required or permitted. IFRS 13 will expand the disclosures to be provided for non-financial assets measured at fair value.
- *Annual Improvements to IFRSs 2009-2011* (May 2012) (effective for financial years beginning on or after 1 January 2013): The annual improvements process provides a mechanism for minor and non-urgent amendments to IFRSs to be grouped together and issued in one package annually. The amendments cover in total five standards.
- Amendments to IFRS 7 *Financial Instruments: Disclosures** (effective for financial years beginning on or after 1 January 2013): The amendments clarify disclosure requirements for financial assets and liabilities that are offset in the statement of financial position or subject to master netting arrangements or similar agreements. The disclosures required by those amendments are to be provided retrospectively.
- IFRS 10 *Consolidated Financial Statements** and subsequent amendments (in the EU effective for financial years beginning on or after 1 January 2014): IFRS 10 builds on existing principles by identifying the concept of control as the determining factor when deciding whether an entity should be incorporated within the consolidated financial statements. The standard also provides additional guidance to assist in the determination of control where this is difficult to assess.
- IFRS 11 *Joint Arrangements** and subsequent amendments (in the EU effective for financial years beginning on or after 1 January 2014): In the accounting of joint arrangements IFRS 11 focuses on the rights and obligations of the arrangement rather than its legal form. There are two types of joint arrangements: joint operations and joint ventures. In future jointly controlled entities are to be accounted for using only one method, equity method, and the other alternative, proportional consolidation is no longer allowed.
- IFRS 12 *Disclosures of Interests in Other Entities** and subsequent amendments (in the EU effective for financial years beginning on or after 1 January 2014): IFRS 12 includes the disclosure requirements for all forms of interests in other entities, including associates, joint arrangements, structured entities and other off-balance sheet vehicles. The new standard will expand the notes the Group provides for its interests in other entities.
- IAS 28 *Investments in Associates and Joint Ventures** (revised 2011) and subsequent amendments (in the EU effective for financial years beginning on or after 1 January 2014): Following the issue of IFRS 11 the revised IAS 28 includes the requirements for joint ventures, as well as associates, to be equity accounted.
- Amendments to IAS 32 *Financial Instruments: Presentation** (effective for financial years beginning on or after 1 January 2014): The amendments provide clarifications on the application of presentation requirements for offsetting financial assets and financial liabilities on the statement of financial position and give more related application guidance. The amended standard is to be applied retrospectively.
- *IFRS 9 Financial Instruments** and subsequent amendments (effective for financial years beginning on or after 1 January 2015): IFRS 9 is the first step of the IASB's originally three-phase project to replace the current IAS 39 Financial Instruments: Recognition and Measurement. The amendments resulting from the first phase (published in November 2009) address the classification and measurement of financial assets. Based on measurement, financial assets are classified into two main groups: financial assets at amortised cost and financial assets at fair value. Classification depends on a company's business model and the characteristics of contractual cash flows. The amendments published in October 2010 deal with the classification and measurement of financial liabilities and the standard retains most of the related IAS 39 requirements. The unfinished parts of IFRS 9, i.e. the impairment of financial assets and general hedge accounting phases are still a work in progress. Furthermore, the IASB is also considering limited amendments regarding the classification and measurement of financial assets. The macro hedge accounting phase has been taken apart from the IFRS 9 project as a separate project. As the IFRS 9 project is incomplete, the impacts of the standard on the consolidated financial statements cannot yet be assessed.

The following standards, interpretations or their amendments are not expected to have an impact on the consolidated financial statements:

- IFRIC 20 *Stripping Costs in the Production Phase of a Surface Mine**
- IAS 27 *Separate Financial Statements** (revised 2011)

2. SEGMENT INFORMATION

The company reorganised its operations on 4 October 2011. As a part of these reorganisation measures the operations were divided into four accountable business units: Forwarding and Value Added Services, Railway Logistics, Transit Logistics, and Special Transports and Projects. From the beginning of the year 2012 Nurminen Logistics Plc shall report four separate operating segments.

In financial reporting of the Group in 2011 one operating segment was reported. The figures of the operating segment were equal to the Group's figures.

Group's segment information is reported in a manner consistent with the internal reporting. The accounting principles applied are the same as those used to prepare the financial statements. Segment's performance is measured based on the operating result.

The Group's segment operates in Finland, Russia and Baltic countries. The net sales for the geographical areas are presented based on the geographical location of the Group. The non-current assets are presented based on the geographical location of the assets.

Operating segments 2012

1,000 EUR	Railway Logistics	Special Transports and Projects	Transit Logistics	Forwarding and Value Added Services	Eliminations	Total
External net sales	43,617	9,366	13,641	11,772	0	78,396
Internal net sales	3	9	262	2	-276	0
Total net sales	43,620	9,375	13,903	11,774	-276	78,396
Operating result	6,275	441	2,510	-3,805	0	5,421

Operating segments 2011

1,000 EUR	Railway Logistics	Special Transports and Projects	Transit Logistics	Forwarding and Value Added Services	Eliminations	Total
External net sales	43,777	7,572	12,250	13,030	0	76,630
Internal net sales	0	0	253	1	-254	0
Total net sales	43,777	7,572	12,503	13,031	-254	76,630
Operating result	5,055	-461	1,221	-3,869	0	1,947

Information on geographical areas 2012

1,000 EUR	Finland	Russia	Baltic countries	Total
Net sales	60,086	13,159	5,151	78,396
Non-current assets	23,230	25,909	315	49,455

Information on geographical areas 2011

1,000 EUR	Finland	Russia	Baltic countries	Total
Net sales	64,076	10,214	2,341	76,630
Non-current assets	24,313	26,777	239	51,329

Information on major customers

The Group's revenue from one customer was approximately EUR 9,560 thousand in 2012 (EUR 8,459 thousand in 2011), which was approximately 12% (11%) of the Groups' net sales.

3. OTHER OPERATING INCOME

1,000 EUR	2012	2011
Gains from sale of property, plant and equipment	605	51
Other items	116	986
Total	**721**	**1,037**

Other items includes non-recurring income EUR 69 thousand in 2012 and EUR 963 thousand in 2011.

4. OTHER OPERATING EXPENSES

1,000 EUR	2012	2011
Losses on sales and disposals of property, plant and equipment	46	19
Expenses relating to premises	8,142	8,477
Administrative expenses	6,773	6,284
Other items	5,030	4,330
Total	**19,991**	**19,110**

Administrative expenses includes non-recurring expenses EUR 205 thousand in 2012.
Expenses relating to premises includes non-recurring expenses EUR 80 thousand in 2011.

Auditors' fees

1,000 EUR	2012	2011
Audit fees	50	43
Other services	74	24
Total	**124**	**67**

5. EMPLOYEE BENEFIT EXPENSES

1,000 EUR	2012	2011
Wages and salaries	12,801	11,875
Pension expenses, defined contribution plans	2,321	2,066
Other social security costs	778	756
Share-based payments	-1	297
Total	**15,900**	**14,994**

Wages and salaries includes non-recurring expenses EUR 12 thousand in 2012 and EUR 32 thousand in 2011.
Information on the management remuneration is presented in note 26. Related party transactions.
Information on the share-based payments is presented in note 20. Share-based payments.

Personnel of the Group during the year in average

	2012	2011
Railway Logistics	126	144
Special Transports and Projects	26	26
Transit Logistics	87	81
Forwarding and Value Added Services	78	66
Administration	25	26
Total	**342**	**343**

6. DEPRECIATION, AMORTISATION AND IMPAIRMENT LOSSES

Depreciation and amortisation by asset category:

1,000 EUR	2012	2011
Intangible assets		
Intangible rights	59	58
Other intangible assets	299	257
Total	**358**	**315**
Property, plant and equipment		
Buildings	639	630
Machinery and equipment	2,944	3,168
Other tangible assets	63	73
Total	**3,646**	**3,870**

The Group has not recognised impairment losses in the financial year 2012 or 2011.

7. FINANCIAL INCOME AND EXPENSES

1,000 EUR	2012	2011
Financial income		
Interest income	62	82
Exchange rate gains	416	65
Total financial income	**478**	**146**

1,000 EUR	2012	2011
Financial expenses		
Interest expenses	1,489	1,657
Exchange rate losses	358	524
Other financial expenses	193	750
Total financial expenses	**2,040**	**2,931**

Items above the operating profit include exchange rate differences totalling EUR +75 thousand in 2012, and EUR +23 thousand in 2011.

8. INCOME TAX EXPENSE

The income tax expense in the statement of comprehensive income consists of the following:

1,000 EUR	2012	2011
Current tax expense	1,363	994
Adjustment for prior periods' taxes	78	0
Deferred taxes, net	-81	-210
Total	**1,360**	**784**

The reconciliation between the income tax expense recognised in the consolidated statement of comprehensive income and the taxes calculated using the Finnish corporate tax rate (24,5%):

1,000 EUR	2012	2011
Profit before income tax	4,044	-746
Income tax calculated using the Finnish corporate tax rate	991	-194
Effect of tax rates used in foreign subsidiaries	-201	-651
Tax exempt income	349	439
Share of profit equity-accounted investees	45	24
Non-deductible expenses	-15	-18
Unrecognised deferred tax assets on losses	6	1,315
Effect of change in Finnish corporate tax rate	0	-6
Adjustment for prior periods' taxes	78	0
Other differences	106	-125
Total adjustments	369	978
Income tax expense in the statement of comprehensive income	**1,360**	**784**

9. EARNINGS PER SHARE

	2012	2011
Result attributable to the equity holders of the parent company (1,000 EUR)	682	-2,458
Weighted average number of shares, undiluted	12,890,898	12,890,898
Earnings per share, undiluted, euro	0.05	-0.19
Result attributable to the equity holders of the parent company (1,000 EUR)	682	-2,458
Effect of share bonus scheme	71,680	0
Weighted average number of shares, diluted	12,962,578	12,890,898
Earnings per share, diluted, euro	0.05	-0.19

10. PROPERTY, PLANT AND EQUIPMENT

2012 1,000 EUR	Land and water areas	Buildings	Machinery and equipment	Other tangible assets	Prepayments and assets under construction	Total
Cost at 1 January	147	17,769	37,526	644	320	56,406
Additions		5	586	16	426	1,033
Transfers between asset classes		21	-21			0
Transfer to intangible assets					-340	-340
Disposals			-706		-25	-731
Effect of movements in exchange rates		36	1,188	-1		1,222
Cost at 31 December	147	17,831	38,572	659	382	57,591
Accumulated depreciation and impairment losses at 1 January	0	-1,732	-13,382	-507	0	-15,621
Depreciation for the year		-639	-2,944	-63		-3,646
Accumulated depreciation on disposals			651			651
Effect of movements in exchange rates		-22	-216	1		-238
Accumulated depreciation and impairment losses at 31 December	0	-2,393	-15,891	-569	0	-18,853
Carrying amount at 1 January 2012	**147**	**16,037**	**24,144**	**137**	**320**	**40,785**
Carrying amount at 31 December 2012	**147**	**15,437**	**22,681**	**90**	**382**	**38,737**

2011 1,000 EUR	Land and water areas	Buildings	Machinery and equipment	Other tangible assets	Prepayments and assets under construction	Total
Cost at 1 January	142	16,789	39,066	625	1,129	57,751
Additions	4	32	466	19	235	757
Transfers between asset classes		954			-954	0
Transfer to intangible assets					-68	-68
Disposals		-5	-145			-149
Effect of movements in exhange rates	1	-2	-1,862		-22	-1,885
Cost at 31 December	147	17,769	37,526	644	320	56,406
Accumulated depreciation and impairment losses at 1 January	0	-1,105	-11,594	-435	0	-13,134
Depreciation for the year		-630	-3,168	-73		-3,870
Accumulated depreciation on disposals		2	126			128
Effect of movements in exchange rates		1	1,254	1		1,256
Accumulated depreciation and impairment losses at 31 December	0	-1,732	-13,382	-507	0	-15,621
Carrying amount at 1 January 2011	**142**	**15,684**	**27,472**	**190**	**1,129**	**44,617**
Carrying amount at 31 December 2011	**147**	**16,037**	**24,144**	**137**	**320**	**40,785**

Assets acquired under finance leases

In 2009 Nurminen Logistics sold its properties in Kotka, Luumäki, Vainikkala, Niirala and Jyväskylä to Ilmarinen Mutual Pension Insurance Company. The selling price was approximately EUR 15 million. Nurminen Logistics continues its operations as a leaseholder in the above mentioned properties on a ten-year lease. Nurminen Logistics Plc has committed to repurchase the properties from Ilmarinen after the lease term.

2012 1,000 EUR	Machinery and equipment	Buildings	Total
Cost at 1 January	1,700	15,424	17,124
Additions	167		167
Disposals	-3		-3
Cost at 31 December	1,865	15,424	17,289
Accumulated depreciation and impairment losses at 1 January	-1,210	-1,108	-2,318
Depreciation for the year	-237	-513	-750
Accumulated depreciation on disposals	3		3
Accumulated depreciation and impairment losses at 31 December	-1,444	-1,621	-3,065
Carrying amount at 31 December	**420**	**13,803**	**14,224**

2011 1,000 EUR	Machinery and equipment	Buildings	Total
Cost at 1 January	1,585	15,424	17,009
Additions	139		139
Disposals	-24		-24
Cost at 31 December	1,700	15,424	17,124
Accumulated depreciation and impairment losses at 1 January	-1,004	-597	-1,601
Depreciation for the year	-230	-511	-741
Accumulated depreciation on disposals	24		24
Accumulated depreciation and impairment losses at 31 December	-1,210	-1,108	-2,318
Carrying amount at 31 December	**489**	**14,316**	**14,805**

11. INTANGIBLE ASSETS

2012 1,000 EUR	Goodwill	Intangible rights	Other intangible assets	Total
Cost at 1 January	9,516	818	2,730	13,064
Additions		17	95	111
Transfer from property, plant and equipment			340	340
Cost at 31 December	9,516	835	3,165	13,516
Accumulated amortisation and impairment losses at 1 January	0	-736	-2,093	-2,829
Amortisation for the year		-59	-299	-358
Accumulated amortisation and impairment losses at 31 December	0	-795	-2,392	-3,187
Carrying amount at 1 January 2012	**9,516**	**82**	**637**	**10,235**
Carrying amount at 31 December 2012	**9,516**	**40**	**773**	**10,329**

2011 1,000 EUR	Goodwill	Intangible rights	Other intangible assets	Total
Cost at 1 January	9,516	809	2,524	12,849
Additions		9	139	148
Transfer from property, plant and equipment			68	68
Cost at 31 December	9,516	818	2,730	13,064
Accumulated amortisation and impairment losses at 1 January	0	-678	-1,836	-2,514
Amortisation for the year		-58	-257	-315
Accumulated amortisation and impairment losses at 31 December	0	-736	-2,093	-2,829
Carrying amount at 1 January 2011	**9,516**	**131**	**688**	**10,334**
Carrying amount at 31 December 2011	**9,516**	**82**	**637**	**10,235**

Information on goodwill impairment testing is provided in note 13. Impairment of assets.

12. CARRYING AMOUNTS OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY CATEGORY

2012 1,000 EUR	Note	Loans and receivables	Liabilities measured at amortised cost	Carrying amounts in the balance sheet
Non-current financial assets				
Other receivables	15	35		35
Current financial assets				
Trade and other receivables	17	9,021		9,021
Cash and cash equivalents	18	4,901		4,901
Non-current financial liabilities				
Interest-bearing liabilities	21		17,571	17,571
Current financial liabilities				
Interest-bearing liabilities	21		11,536	11,536
Trade payables	22		3,282	3,282

2011 1,000 EUR	Note	Loans and receivables	Liabilities measured at amortised cost	Carrying amounts in the balance sheet
Non-current financial assets				
Other receivables	15	35		35
Current financial assets				
Trade and other receivables	17	8,433		8,433
Cash and cash equivalents	18	2,490		2,490
Non-current financial liabilities				
Interest-bearing liabilities	21		19,044	19,044
Current financial liabilities				
Interest-bearing liabilities	21		9,997	9,997
Trade payables	22		3,381	3,381

The carrying amounts of these financial assets and financial liabilities are in essentially equivalent to their fair values.

13. IMPAIRMENT OF ASSETS

Goodwill is tested for impairment annually and also if indications of impairment exist. The recoverable amount in the impairment testing calculations is determined on the basis of value in use.

An impairment loss is recognised if the carrying amount of the assets allocated to a cash-generating unit, including goodwill, is higher than the unit's recoverable amount. The recoverable amount of each cash-generating unit is determined by discounting the estimated future cash flows of the unit.

Goodwill is allocated for cash generating units (CGUs) for impairment testing. The CGUs are the four business units Nurminen Logistics Plc Group reports in 2012: Railway Logistics, Special Transports and Projects, Transit Logistics, and Forwarding and Value Added Services. These business units represent the lowest level at which the goodwill is monitored for internal management purposes. Goodwill is allocated to business units based on their fair values. In 2011, Nurminen Logistics Plc reported one operating segment. The figures for the operating segment were equal to the Group's figures. The impairment test for goodwill was performed at Nurminen Logistics Plc Group level.

Goodwill by CGUs

1,000 EUR	Railway Logistics	Special Transports and Projects	Transit Logistics	Forwarding and Value Added Services	Total
	6,157	2,802	172	386	9,516

Indications of possible impairment of assets are reviewed regularly, based on indicators from the Group's internal and external information sources. Such indicators may be, for example, unexpected discrepancies in key assumptions used in the calculations discovered in Group reporting. In addition, indicators may also be changes in competition or other conditions prevailing in the market or new authority regulations affecting different industries or matters concerning service concession. During the years 2012 and 2011 there were not any indicators that would have led to impairment testing of assets.

The impairment testing calculations are based on the estimates approved by management concerning the future cash flows, covering a five-year period. The estimated cash flows beyond the five-year period (terminal value) are determined by using long-term growth estimates.

The most important assumptions in the calculations are sales growth expectations, cost development, discount rate, and terminal value. The increase of sales is expected to be generated from Russia and its neighbouring areas. The market demand in Finland is expected to develop moderately. The Group's medium-term assumptions are uniform with external professionals' estimates. The company's long-term goal is to grow at a faster rate than the market. The volume growth is boosted by the rolling stock and special transport equipment acquired by the Group as well as by the investments in the local terminals in central areas.

The cash flow is estimated to develop according to the Group's medium-term growth and profitability expectations in the next five years. The growth of sales and the profitability development are defined respectively for every CGU based on their latest progress and common forecasts. The terminal value is based on a cash flow growth of 2% in all CGUs. The assumptions are based on the positive development in Russia and its neighbouring areas, which are essential for the Group as well as carried out efficiency improving operations.

The discount rate is defined separately for every CGU. It is based on their pre-tax weighted average cost of capital. The discount rates for the CGUs are the following: Forwarding and Value Added Services 9.0%, Railway Logistics 12.0%, Transit Logistics 9.0%, and Special Transports and Projects 9.0%. In determining the discount rate, the market risks and capital intensiveness relating to these businesses have been taken into account. The cost of equity that affects the discount rate is in line with the Group's long-term objectives of return on equity. The discount rate was 10.9% for the Group in 2011.

In impairment testing the essential assumptions have been tested. The management considers that there are no grounds for an impairment loss. In Forwarding and Value Added Services the following changes are possible without recognition of an impairment loss when it comes to the calculations for the year 2012: The discount rate could increase by 3.8 percentage points. If the terminal value growth was 2 percentage points lower (0%), the increase in the discount rate could be 2.4 percentage points, respectively. The cash flow could be 16% lower in every year covered in calculations. In other CGUs even bigger changes are possible without recognition of an impairment loss.

14. EQUITY-ACCOUNTED INVESTEES

1,000 EUR	2012	2011
At 1 January	309	651
Share of profit / loss for the year	185	91
Sale of interests in equity accounted investees	0	-404
Dividends	-100	-109
Translation differences / other changes	-5	80
At 31 December	**389**	**309**

Information about assets, liabilities, net sales and profit / loss for the period of the equity-accounted investees:

2012 1,000 EUR	Domicile	Assets	Liabilities	Net sales	Profit / loss for the period	Ownership (%)
Pelkolan Terminaali Oy	Lappeenranta	3,848	2,649	1,905	353	20.0
Team Lines Latvia SIA	Riga	598	187	644	476	23.0
Team Lines Estonia Oü	Tallinn	259	114	157	23	20.3

2011 1,000 EUR	Domicile	Assets	Liabilities	Net sales	Profit / loss for the period	Ownership (%)
Pelkolan Terminaali Oy	Lappeenranta	4,618	3,407	1,857	333	20.0
Team Lines Latvia SIA	Riga	567	443	326	132	23.0
Team Lines Estonia Oü	Tallinn	226	103	110	-27	20.3

The interests in CMA CGA Latvia SIA and CMA CGA Estonia Oü were sold to an external party in December 2011. The arrangement resulted in a non-recurring sales profit of EUR 545 thousand.

15. NON-CURRENT RECEIVABLES

1,000 EUR	2012	2011
Other receivables	35	35
Total	**35**	**35**

16. DEFERRED TAX ASSETS AND LIABILITIES

The Finnish corporate tax rate is 24,5% starting from 1 January 2012 and prior to that 26%.

1,000 EUR	1 Jan 2012	Recognised in the income statement	31 Dec 2012
Movements in deferred taxes during year 2012:			
Deferred tax assets:			
Financial instruments measured at fair value	8	-8	0
Component depreciation	946	122	1,068
Total	**954**	**114**	**1,068**
Deferred tax liabilities:			
Cumulative depreciation and amortisation difference	49	-48	1
Timing differences and temporary differences / reversal of deductible goodwill amortisation	315	9	324
Other items	34	71	105
Total	**398**	**33**	**431**

1,000 EUR	1 Jan 2011	Recognised in the income statement	31 Dec 2011
Movements in deferred taxes during year 2011:			
Deferred tax assets:			
Financial instruments measured at fair value	20	-12	8
Component depreciation	739	207	946
Total	**760**	**194**	**954**
Deferred tax liabilities:			
Cumulative depreciation and amortisation difference	102	-53	49
Timing differences and temporary differences / reversal of deductible goodwill amortisation	273	42	315
Other items	39	-5	34
Total	**414**	**-16**	**398**

Deferred taxes

1,000 EUR	2012	2011
Confirmed losses of the Group	9,146	11,861
Confirmed losses expires in 2017-2021		
Deferred tax assets on confirmed losses	**2,241**	**3,084**

In addition the Group has approximately EUR 2,997 thousand of unrecognised deferred tax assets, relating to deductible goodwill from internal reorganisations. Deferred tax assets have not been recognised in the Consolidated Statement of Financial Position, based on management's judgement.

17. TRADE AND OTHER RECEIVABLES

1,000 EUR	2012	2011
Trade receivables	8,610	7,805
Prepaid expenses and accrued income	3,561	4,284
VAT receivables	1,575	1,792
Other receivables	411	628
Total	**14,157**	**14,509**
Trade and other receivables in currencies		
Euro	9,311	10,532
US Dollar	695	69
Russian Rouble	4,152	3,908
	14,157	**14,509**

The most significant item under prepaid expenses and accrued income, EUR 956 thousand in 2012 (EUR 2 065 thousand in 2011), consists of services rendered at the balance sheet date but yet not invoiced from the customers.

The Group has recognised credit losses amounting to EUR 126 thousand in 2012 (EUR 101 thousand in 2011).

The carrying amounts of current receivables best represent the maximum exposure to credit risk, excluding fair value of any collaterals, in the case other party to an agreement fail to discharge an obligation concerning financial instruments. Trade and other receivables do not contain any significant concentrations of credit risk. The carrying amounts of trade and other current receivables are in essentially equivalent to their fair values.

18. CASH AND CASH EQUIVALENTS

1,000 EUR	2012	2011
Cash and bank balances	4,901	2,490
Cash and cash equivalents in the balance sheet	**4,901**	**2,490**

Cash and cash equivalents in the cash flow statement equal to the cash and cash equivalents in the balance sheet.

19. EQUITY DISCLOSURES

The Board members of the parent company review the capitalstructure and gearing of the Group on regular basis. No target has been set for the gearing, but the Board of the parent company may take measures, if development of the gearing is unfavourable. Gearing calculated from the consolidated statement of financial position of the Group was 81,2% in the end of 2012 and 95,3% in the end of 2011.

	Number of shares	Share capital, thousands of euro	Share premium reserve, thousands of euro	Legal reserve, thousands of euro	Reserve for invested unrestricted equity, thousands of euro
31 December 2010	**12,878,478**	**4,215**	**86**	**2,378**	**19,178**
Share-based payments					-47
Directed issue	26,250				
31 December 2011	**12,904,728**	**4,215**	**86**	**2,378**	**19,131**
Share-based payments					-70
Repayments of equity					-903
31 December 2012	**12,904,728**	**4,215**	**86**	**2,378**	**18,158**

The company's shares have no nominal value.
The maximum share capital of the company is EUR 4,215 thousand.

Reserves included in equity

Share premium reserve
The share premium reserve comprises both share issue gains arisen in the years 1997-2006, less transaction costs, as well as gains from sales of own shares.

Legal reserve
The share issue gains accrued from those share issues carried out before the entry into force of the Finnish Limited Liability Companies Act, i.e. prior to 1 September 2006, have been recognised in the legal reserve.

Reserve for invested unrestricted equity
The reserve for invested unrestricted equity comprises the share issue gains arisen from the directed share issue subscribed as at 1 January 2008.

Translation differences
The translation differences reserve includes translation differences arising from the translation of foreign units' financial statements.

20. SHARE-BASED PAYMENTS

The Board of Directors of Nurminen Logistics PLC approved a new share bonus scheme on 7 March 2011. The scheme include one earning period, the calendar years 2011-2012. The Board of Directors decides the criterias and targets for the scheme. The criterias for the earning period 2011-2012 are the net sales and operating profit of Nurminen Logistics Group. The possible reward for the earning period 2011-2012 is paid, partially in shares and partially in cash, during 2013. The portion to be paid in cash will cover taxes and tax-related costs arising to the key person's from the reward. It is prohibited to transfer the shares during the one year restriction period. If a key person's employment or service ends during the restriction period, he/she must return the shares paid as reward to the Company without compensation. The scheme is directed to approximately 15 people, including members of the Executive Board. The scheme correspond to the value of a maximum total of 300,000 Nurminen Logistics PLC shares. Total of 250,000 euros of share-based payments were accrued in the financial statement 2011. The book value of portion paid in cash related to share-based payments was 0 euro in 2011 (0 euro in 2010).

The Board of Directors allocated 128,000 shares for the performance period 2011-2012. The actual outcome for the share bonus scheme was approximately 56% of the maximum. The actual outcome of share-based payments in euros for the performance period 2011-2012 was approximately 179,000 euros, which is payable during 2013. 71,000 euros was reversed in 2012 from the accrual made in the financial statement for 2011. The book value of portion paid in cash related to share-based payments was 179,200 euros in 2012.

21. INTEREST-BEARING FINANCIAL LIABILITIES

1,000 EUR	2012	2011
Non-current		
Loans from financial institutions	4,358	5,081
Finance lease liabilities	13,214	13,963
Total	**17,571**	**19,044**
Current		
Loans from financial institutions	9,332	6,668
Other current interest-bearing liabilities	1,271	2,543
Finance lease liabilities	933	786
Total	**11,536**	**9,997**
Interest-bearing liabilities in currencies		
Euro	**29,108**	**29,041**

Finance lease liabilities

1,000 EUR	2012	2011
Total amount of minimum lease payments		
Less than one year	2,007	1,979
Between one and five years	7,118	7,204
More than five years	11,098	12,839
Total	**20,223**	**22,022**
Future finance expenses	-6,076	-7,273
Present value of minimum lease payments	**14,147**	**14,749**
Present value of minimum lease payments are due according to following		
Less than one year	933	786
Between one and five years	3,423	3,255
More than five years	9,791	10,708
Total	**14,147**	**14,749**

22. TRADE PAYABLES AND OTHER LIABILITIES

1,000 EUR	2012	2011
Current		
Trade payables	3,282	3,381
Other liabilities	300	513
Accrued expenses and deferred income	5,915	7,536
Total trade and other payables	**9,497**	**11,430**
Trade and other payables in currencies		
Euro	8,662	10,334
US Dollar	5	0
Russian Rouble	831	1,096
	9,497	**11,430**
Non-current		
Other liabilities	656	635
Total non-current liabilities	**656**	**635**

The most significant item under accrued expenses and deferred income, EUR 2,577 thousand in 2012 (EUR 2,033 thousand in 2011) consists of accrued employee benefit expenses.

23. FINANCIAL RISK MANAGEMENT

The objective of Nurminen Logistics' risk management is to minimise the adverse effects by the changes in financial markets on the Group's result and equity. The policy for managing financial risks is based on the main principles of finance approved by the Board of Directors. The finance operations are responsible for the daily risk management within the limits set by the Board of Directors.

Currency risk

Currency risk arises from foreign currency imports and exports, from the financing of foreign subsidiaries and from translation of subsidiaries' equity in foreign currency.

The Group manages the currency risk inherent in cash flows by keeping foreign currency income and expense cash flows in the same currency, and by matching them simultaneously to the extent possible. If matching is not possible, a part of an open position may be hedged.

Foreign currency balance sheet items are hedged if the sum per currency exceeds EUR 500,000. Hedging instruments may include currency forward contracts, currency options, NDF contracts and their combinations. The hedging level of currency positions should be between 30-70%, considering the current economic trends and the predicted currency prospects as well as the functionality of each currency's hedging market. In extraordinary hedging market circumstances the company may deviate from guidelines above.

Currency amounts in cheque accounts should be kept as small as possible without disturbing payment transactions. The amount of cash and cash equivalents denominated in foreign currencies may not exceed one per cent of the total of the balance sheet.

Interest rate risk

Interest rate risks to Nurminen Logistics arise mainly from interest-bearing liabilities. The purpose of the interest rate risk management is to diminish the effect of market interest rate movements on cash flows from financing. Hedging instruments may include forward rate agreements and interest rate futures, interest rate swaps and interest collar agreements.

Liquidity risk

The purpose of liquidity risk management is to ensure sufficient financing in all situations. Funds required for about two weeks' payment transactions will be reserved as a buffer for liquidity of payment transactions. The Group aims to guarantee the availability and flexibility of financing through credit limits and by using a number of financial institutions and financing methods in raising finance. Liquidity improved as a result of financing arrangements made late in the year. Financing negotiations related to the company's continuing business operations are planned for the first half of 2013. The management expects the negotiations to lead to a positive outcome. The company has an credit limit agreement, from which approximately EUR 2,1 million was not in use at 31 December 2012 (EUR 1,5 million in 2011).

Credit risk

The objective of credit risk management is to minimise losses which arise from other party neglecting their obligations. The Group manages the counterparty risk based on the customer credit rating and engages in active debt collection, when necessary.

The Group has not applied hedge accounting during 2012 and 2011.

Interest rate risk

Sensitivity analysis for interest rate risk

In calculating the sensitivity to changes in the interest rate level the following assumptions have been used:
- the change in the interest rate level has been assumed to be +/- 100 bps

Sensitivity analysis for variable interest rate loans

		Income statement		Equity	
2012		**Income statement 100 bp**		**Income statement 100 bp**	
1,000 EUR	**31 Dec 2012**	**increase**	**decrease**	**increase**	**decrease**
Total amount of variable interest rate loans	10,973				
Variable interest rate instruments		-99	99	-	-
Total effect		-99	99	-	-

Sensitivity analysis for variable interest rate loans

		Income statement		Equity	
2011		**Income statement 100 bp**		**Income statement 100 bp**	
1,000 EUR	**31 Dec 2011**	**increase**	**decrease**	**increase**	**decrease**
Total amount of variable interest rate loans	10,111				
Variable interest rate instruments		-91	91	-	-
Total effect		-91	91	-	-

Market-based loans are raised mainly as variable interest rate loans. Nurminen Logistics hedges from interest rate risk of market-based loans by electing the interest rate periods and with derivative instruments, mainly with interest rate swaps.

Currency risk

In calculating the sensitivity to changes in the exchange rate the following assumptions have been used:
- the change in the exchange rate has been assumed to be +/- 10%
- other variables remain constant

		Income statement		Equity	
2012		**10%**		**10%**	
1,000 EUR	**RUB**	**increase**	**decrease**	**increase**	**decrease**
Total currency items					
Income statement	264,223,891				
Equity	1,172,182,860				
Total effect EUR		-735	602	-3,229	2,642

		Income statement		Equity	
2011		**10%**		**10%**	
1,000 EUR	**RUB**	**increase**	**decrease**	**increase**	**decrease**
Total currency items					
Income statement	352,332,838				
Equity	1,028,085,180				
Total effect EUR		-958	784	-2,735	2,238

Exchange rates used

	Exchange rate for the period		Balance sheet exchange rate	
	2012	**2011**	**2012**	**2011**
RUB	39.92	40.88	40.33	41.77

Liquidity risk

The contractual cash flows of loan instalments and interests at 31 December 2012 were the following:

1,000 EUR	**1 month**	**1-3 months**	**3 months -1 year**	**1-5 years**	**5 years ->**
Loans from financial institutions	506	200	8,626	4,358	
Finance lease liabilities	78	155	699	3,423	9,791
Trade payables	2,790	492			
Other liabilities		1,271			
Interest	124	242	1,044	3,817	1,307
Total	**3,497**	**2,361**	**10,370**	**11,598**	**11,098**

The contractual cash flows of loan instalments and interests at 31 December 2011 were the following:

1,000 EUR	**1 month**	**1-3 months**	**3 months -1 year**	**1-5 years**	**5 years ->**
Loans from financial institutions	506	200	5,962	5,081	
Finance lease liabilities	66	132	588	3,255	10,708
Trade payables	2,874	507			
Other liabilities		636	1,907		
Interest	111	211	1,000	4,016	2,131
Total	**3,557**	**1,686**	**9,457**	**12,352**	**12,839**

Credit risk

Maximum exposure to credit risk

1,000 EUR	
2012	14,157
2011	14,509

Aging of trade receivables

1,000 EUR	Not past due	Past due less than 30 days	Past due 30–120 days	Past due over 120 days	Total
2012	7,049	1,403	146	12	8,610
2011	5,859	1,746	64	136	7,805

Nurminen Logistics has no significant concentrations of credit risk.

24. OPERATING LEASES

The Group as lessee
Future minimum lease payments under non-cancellable operating leases are as follows:

1,000 EUR	2012	2011
Less than one year	8,753	8,253
Between one and five years	27,705	28,353
More than five years	42,715	47,161
Total	**79,174**	**83,766**

The most significant leases concerning business properties are the terminal and office premises in Vuosaari (at the address Satamakaari 24), the terminal premises in Hamina (at the address Gerhardin väylä 3) and the terminal premises in Kotka (at the address Hovinsaarentie 25 and Tuulentie 70). Otherwise Nurminen Logistics leases as a lessee mainly IT equipment, office automation equipment, vehicles and cargo handling machines used in terminals.

25. CONTINGENCIES AND COMMITMENTS

1,000 EUR	2012	2011
Liabilities for which business mortgages have been given		
Loans from financial institutions	7,000	4,000
Mortgages given	11,000	7,000
Other commitments		
Customs duties and other guarantees	14,580	11,458

26. RELATED PARTY TRANSACTIONS

Nurminen Logistics' related parties include the members of the Board of Directors and those of the Executive Board as well as companies under their control. Related parties are also those shareholders that have direct or indirect control or significant influence in the Group. The business transferred to new John Nurminen in the demerger of John Nurminen Ltd is also considered to be related party.

Related party transactions with companies under control of Board members

1,000 EUR	2012	2011
Sales	10	21
Purchases	30	265
Interest expenses	97	104
Current receivables	6	5
Current liabilities	1,271	2,656

Management remuneration

EUR	2012	2011
CEO, Acting CEO, the members of the Board and the Executive Board		
Short-term employee benefits	1,162,572	858,356
Statutory pension payments	179,780	129,745
Share-based payments	69,998	47,244
Total	**1,412,350**	**1,035,345**
CEO		
Topi Saarenhovi (from 1 May 2011)	331,684	152,000
Acting CEO		
Antti Sallila (1 Dec 2010 - 30 April 2011)	0	69,495
Members of the Board		
Juha Nurminen	22,120	19,208
Matti Packalen	0	5,150
Olli Pohjanvirta	87,640	33,516
Rolf Saxberg	0	1,400
Eero Hautaniemi	0	19,208
Jukka Nurminen	22,120	19,908
Tero Kivisaari	18,620	15,708
Jan Lönnblad	21,420	17,808
Antti Pankakoski	0	1,400
Total	**503,604**	**354,801**

Members of the Board and CEO own 73,02% of company shares on 31 December 2012.

27. SUBSIDIARIES AND ASSOCIATES

The companies belonging to Nurminen Logistics are the following:

	Domicile	Ownership (%)	Share of the voting power (%)
Subsidiaries			
RW Logistics Oy	Finland	100.0%	100.0%
Nurminen Logistics Services Oy	Finland	100.0%	100.0%
Nurminen Logistics Heavy Oy	Finland	100.0%	100.0%
Nurminen Logistics Finland Oy	Finland	100.0%	100.0%
Nurminen Maritime Latvia SIA	Latvia	51.0%	51.0%
UAB Nurminen Maritime	Lithuania	51.0%	51.0%
Nurminen Maritime Eesti AS	Estonia	51.0%	51.0%
Nurminen Logistics LLC	Ukraine	100.0%	100.0%
OOO John Nurminen (St. Petersburg)	Russia	100.0%	100.0%
OOO Nurminen Logistics	Russia	100.0%	100.0%
OOO John Nurminen Terminal	Russia	100.0%	100.0%
Zao Terminal Rubesh	Russia	100.0%	100.0%
Zao Ir-Trans	Russia	100.0%	100.0%
Associates			
Pelkolan Terminaali Oy	Finland	20.0%	20.0%
Team Lines Latvia SIA	Latvia	23.0%	23.0%
Team Lines Estonia Oü	Estonia	20.3%	20.3%

28. EVENTS AFTER THE BALANCE SHEET DATE

There are no substantial events affecting the financial statement after the balance sheet date.

Parent company's income statement

EUR	Note	2012	2011
NET SALES	1.	**60,197,080.14**	**64,108,058.50**
Other operating income	2.	12,800,908.05	465,480.77
Materials and services	3.	-31,819,786.21	-36,942,781.62
Employee benefit expenses	4.	-14,389,263.79	-13,213,437.85
Depreciation. amortisation and impairment losses	5.	-831,000.31	-1,024,732.11
Other operating expenses	6.	-18,413,851.80	-18,519,340.05
OPERATING RESULT		**7,544,086.08**	**-5,126,752.36**
Financial income and expenses	7.	18,431,919.76	-130,969.22
RESULT BEFORE APPROPRIATIONS AND TAXES		**25,976,005.84**	**-5,257,721.58**
Change in accumulated depreciation and amortisation difference	8.	171,221.29	219,941.41
RESULT FOR THE YEAR		**26,147,227.13**	**-5,037,780.17**

Parent company's balance sheet

EUR	Note	2012	2011
ASSETS			
Non-current assets			
Intangible assets	1.	509,994.11	807,302.42
Property, plant and equipment	1.	37,608.38	2,149,670.29
Investments	2.	40,402,764.00	683,807.34
Total non-current assets		**40,950,366.49**	**3,640,780.05**
Current assets			
Non-current receivables	3.	2,577,649.67	22,727,342.41
Current receivables	3.	25,136,192.93	8,893,299.18
Cash and cash equivalents		206,049.04	263,379.43
Total current assets		**27,919,891.64**	**31,884,021.02**
TOTAL ASSETS		**68,870,258.13**	**35,524,801.07**
EQUITY AND LIABILITIES			
Equity			
Share capital	4.	4,214,521.00	4,214,521.00
Share premium reserve	4.	86,479.00	86,479.00
Other reserves			
Legal reserve	4.	2,373,537.86	2,373,537.86
Reserve for invested unrestricted equity	4.	18,157,874.06	19,131,154.12
Retained earnings	4.	-12,177,255.86	-7,139,475.69
Profit / loss for the financial year	4.	26,147,227.13	-5,037,780.17
Total equity		**38,802,383.19**	**13,628,436.12**
Appropriations			
Accumulated depreciation and amortisation difference		3,088.94	174,310.23
Liabilities			
Non-current liabilities	6.	8,724,219.75	2,559,620.48
Current liabilities	7.	21,340,566.25	19,162,434.24
Total liabilities		**30,064,786.00**	**21,722,054.72**
TOTAL EQUITY AND LIABILITIES		**68,870,258.13**	**35,524,801.07**

Parent company's cash flow statement

EUR	2012	2011
Cash flows from operating activities		
PROFIT/LOSS FOR THE YEAR	26,147,227.13	-5,037,780.17
Adjustments:		
Depreciation, amortisation and impairment losses	831,000.31	1,024,732.11
Gains (-) and losses (+) on sale of non-current assets	-12,690,457.35	-40,235.81
Unrealised foreign exchange gains (-) and losses (+)	-568,818.66	339,256.84
Financial income (-) and expenses (+)	-17,863,101.10	-208,287.62
Other adjustments	-171,221.29	-219,941.41
Cash flow before changes in working capital	**-4,315,370.96**	**-4,142,256.06**
Changes in working capital:		
Current non-interest bearing receivables, increase (-) / decrease (+)	757,106.25	-53,754.32
Current liabilities, non-interest bearing, increase (+) / decrease (-)	449,383.78	2,935,036.84
Net cash from operating activities before financial items and taxes	**-3,108,880.93**	**-1,260,973.54**
Interest paid	-302,259.47	-441,235.31
Dividends received	703,077.39	793,356.00
Interest received	631,305.52	642,077.83
Other financial items	-302,363.09	-236,590.51
Net cash from operating activities	**-2,379,120.58**	**-503,365.53**
Cash flows from investing activities		
Investments in property, plant and equipment and intangible assets	-326,787.22	-517,421.51
Proceeds from disposals of property, plant and equipment and intangible assets	14,595,614.48	40,235.81
Acquisition of subsidiary shares	-28,018,956.66	0.00
Investments in subsidiaries	-11,700,000.00	0.00
Loans granted	-2,408,300.00	0.00
Repayments of loan receivables	23,126,811.40	1,297,683.99
Net cash used in investing activities	**-4,731,618.00**	**820,498.29**
Cash flows from financing activities		
Acquisition of own shares	-69,998.45	-47,244.84
Proceeds from current liabilities	3,408,301.89	4,030,460.20
Repayments of current liabilities	-1,546,212.91	-3,244,444.00
Proceeds from non-current liabilities	7,265,095.52	1,544,651.23
Repayments of non-current liabilities	-1,100,496.25	-3,197,515.37
Dividends paid / repayments of equity	-903,281.61	0.00
Net cash used in financing activities	**7,053,408.19**	**-914,092.78**
Net increase / decrease in cash and cash equivalents	**-57,330.39**	**-596,960.02**
Cash and cash equivalents at the beginning of the year	263,379.43	860,339.45
Change in cash and cash equivalents	-57,330.39	-596,960.02
Cash and cash equivalents at year-end	206,049.04	263,379.43

Notes to the parent company's financial statements

Accounting principles for the parent company's financial statements

The financial statements of Nurminen Logistic Plc are prepared in accordance with Finnish Accounting Standards (FAS).

Measurement of property, plant and equipment and intangible assets

Items of property, plant and equipment and intangible assets are carried at cost less the planned depreciation / amortisation.

They are depreciated / amortised over their estimated useful lives, which are the following:

Intangible assets	3–5 years
Buildings	30–40 years
Goodwill	5–10 years
Machinery and equipment	3–10 years
Other capitalised long-term expenditure	5–10 years
Rolling stock	20–25 years

Measurement of receivables

Receivables are measured at the lower of nominal and estimated probable value.

Pensions

Pension costs are presented in accordance with national legislation in each country. The pension security of the Finnish personnel has been arranged through external pension insurance companies.

Foreign currency items

Foreign currency receivables and liabilities are translated into euro at the closing rate at the balance sheet date.

The exchange rate differences arising from forward contracts entered into for hedging purposes have been adjusted against the exchange rate differences arisen from the corresponding hedged items.

Leases

Lease payments are accounted for as rental costs. Lease payments due in the future years under the agreements are presented under contingencies and commitments.

Notes to the income statement

1,000 EUR	2012	2011
1. Net sales		
Sale of services	60,197	64,108
Total	**60,197**	**64,108**
2. Other operating income		
Gains on sales of property, plant and equipment and intangible assets	462	40
Gains on sales of businesses	12,231	0
Other items	107	425
Total	**12,801**	**465**
3. Materials and services		
External services	-31,820	-36,943
4. Disclosures for personnel and members of company organs		
Employee benefit expenses		
Wages and salaries	-11,605	-10,679
Pension expenses and pension contributions	-2,031	-1,800
Other social security costs	-753	-734
Total	**-14,389**	**-13,213**
5. Depreciation, amortisation and impairment losses		
Planned depreciation and amortisation:		
Intangible rights	-37	-36
Goodwill	-38	-246
Other capitalised long-term expenditure	-299	-257
Buildings and structures	-91	-95
Machinery and equipment	-331	-358
Other tangible assets	-35	-32
Total	**-831**	**-1,025**

1,000 EUR	2012	2011
6. Other operating expenses		
Rental costs	-8,280	-8,675
Other operating expenses	-10,133	-9,844
TOTAL	**-18,414**	**-18,519**
Auditors' fees		
Audit fees	-42	-36
Other fees paid to auditors	-74	-24
Total	**-116**	**-60**
7. Financial income and expenses		
Dividend income		
Dividend income from Group companies	17,654	753
Dividend income from associates	49	41
Total	**17,703**	**793**
Interest and other financial income		
Interest income from Group companies	702	615
Interest and other financial income from others	651	55
Total	**1,352**	**670**
Interest and other financial expenses		
Interest expenses to Group companies	-6	-11
Interest and other financial expenses to others	-617	-1,584
Total	**-623**	**-1,595**
Total financial income and expenses	**18,432**	**-131**
8. Change in accumulated depreciation and amortisation difference		
Decrease in accumulated depreciation and amortisation difference	171	220
TOTAL	**171**	**220**

Notes to the balance sheet

1,000 EUR	2012	2011
1. Property, plant and equipment and intangible assets		
Intangible rights:		
Cost at 1 Jan	290	281
Additions	17	9
Disposals	173	0
Cost at 31 Dec	134	290
Accumulated planned amortisation at 1 Jan	230	194
Amortisation for the year	37	36
Accumulated amortisation on disposals	155	0
Accumulated planned amortisation at 31 Dec	112	230
Carrying amount at 31 Dec	22	60
Other capitalised long-term expenditure		
Cost at 1 Jan	1,736	1,530
Additions	435	206
Disposals	1,448	0
Cost at 31 Dec	723	1,736
Accumulated planned amortisation at 1 Jan	1,099	842
Amortisation for the year	299	257
Accumulated amortisation on disposals	1,163	0
Accumulated planned amortisation at 31 Dec	235	1,099
Carrying amount at 31 Dec	488	637
Goodwill		
Cost at 1 Jan	1,405	1,405
Disposals	1,405	0
Cost at 31 Dec	0	1,405
Accumulated planned amortisation at 1 Jan	1,295	1,049
Amortisation for the year	38	246
Accumulated amortisation on disposals	1,333	0
Accumulated planned amortisation at 31 Dec	0	1,295
Carrying amount at 31 Dec	0	110
Land area		
Cost at 1 Jan	147	142
Additions	0	4
Disposals	129	0
Carrying amount at 31 Dec	17	147
Buildings		
Cost at 1 Jan	1,490	1,460
Additions	5	32
Disposals	1,495	2
Cost at 31 Dec	0	1,490
Accumulated planned depreciation at 1 Jan	716	623
Depreciation for the year	91	95
Accumulated depreciation on disposals	807	2
Accumulated planned depreciation at 31 Dec	0	716
Carrying amount at 31 Dec	0	774

1,000 EUR	2012	2011
Machinery and equipment		
Cost at 1 Jan	2,171	2,192
Additions	132	81
Disposals	2,297	102
Cost at 31 Dec	6	2,171
Accumulated planned depreciation at 1 Jan	1,335	1,079
Depreciation for the year	332	358
Accumulated depreciation on disposals	1,663	102
Accumulated planned depreciation at 31 Dec	4	1,335
Carrying amount at 31 Dec	3	836
Other tangible assets		
Cost at 1 Jan	648	463
Additions	9	252
Disposals	639	67
Cost at 31 Dec	18	648
Accumulated planned depreciation at 1 Jan	255	223
Depreciation for the year	35	32
Accumulated depreciation on disposals	289	0
Accumulated planned depreciation at 31 Dec	1	255
Carrying amount at 31 Dec	17	393

2. Investments

	2012	2011
Holdings in Group companies	28,184	165
Investments in reserve for invested unrestricted equity of Group companies	11,700	0
Holdings in associates	204	204
Other shares and holdings	33	33
Capital loan receivable	282	282
Total	**40,403**	**684**

Subsidiaries

	Domicile	Ownership %
RW Logistics Oy	Helsinki	100
Nurminen Logistics Services Oy	Helsinki	100
Nurminen Logistics Heavy Oy	Helsinki	100
Nurminen Logistics Finland Oy	Helsinki	100
Nurminen Maritime Latvia SIA	Riga	51
Nurminen Maritime Estonia AS	Tallinn	51
Nurminen Maritime UAB	Klaipeda	51
OOO Nurminen Logistics	St. Petersburg	100
OOO John Nurminen, Pietari	St. Petersburg	100
Nurminen Logistics LLC	Kiev	100
Associates		
Pelkolan Terminaali Oy	Imatra	20

3. Receivables

	2012	2011
Non-current		
Loan receivables from Group companies	2,576	22,726
Loan receivables from others	2	2
Total	**2,578**	**22,727**
Current		
Current receivables from Group companies		
Trade receivables	83	89
Interest receivables	132	0
Dividend receivables	17,000	0
Other receivables	7	7
Total	**17,222**	**96**

1,000 EUR	2012	2011
Trade receivables	6,192	5,767
Other receivables	433	540
Prepayments and accrued income		
Unfinished invoicing	904	2,065
Other items	386	425
Total	**7,914**	**8,797**
Total current receivables	**25,136**	**8,893**

4. Equity

Share capital total	4,215	4,215
Share premium reserve	86	86
Legal reserve	2,374	2,374
Restricted equity	**6,675**	**6,675**
Reserve for invested unrestricted equity at 1 Jan	19,131	19,178
Return of equity	-903	0
Acquisition of own shares	-70	-47
Reserve for invested unrestricted equity at 31 Dec	18,158	19,131
Retained earnings	-12,177	-7,139
Profit / loss for the year	26,147	-5,038
Unrestricted equity	**32,128**	**6,954**
Equity total	**38,802**	**13,628**
Distributable funds		
Reserve for invested unrestricted equity	18,158	19,131
Retained earnings	-12,177	-7,139
Profit / loss for the year	26,147	-5,038
Total	**32,128**	**6,954**

The company owns 13,830 of its own shares.

5. Deferred taxes

Deferred tax assets on confirmed losses	2,232	3,071

Deferred taxes have not been recorded in the parent company's separate financial statements.

6. Non-current liabilities

Non-current liabilities to Group companies		
Loans from Group companies	4,865	0
Total	**4,865**	**0**
Interest-bearing liabilities		
Loans from financial institutions	3,855	2,555
Non-interest bearing liabilities		
Other liabilities	5	5
Total	**3,859**	**2,560**
Total non-current liabilities	**8,724**	**2,560**

1,000 EUR	2012	2011

7. Current liabilities

Current liabilities to Group companies		
Trade payables	4,084	1,999
Other liabilities	506	30
Accrued expenses and deferred income	406	641
TOTAL	**4,996**	**2,670**
Interest-bearing liabilities		
Loans from financial institutions	8,580	7,187
Non-interest bearing liabilities		
Trade payables	2,083	2,307
Other liabilities	253	315
Accrued expenses and deferred income		
Employee benefit expense accruals	2,577	1,933
Operational accruals	2,578	4,275
Other items	275	475
Total	**16,345**	**16,492**
Total current liabilities	**21,341**	**19,162**

Other notes

Collaterals given by the Group

Liabilities for which business mortgages have been given

Loans from financial institutions	7,000	4,000
Mortgages given	11,000	7,000

Other commitments

Customs duties and other guarantees	13,580	11,458

Rental obligations

Payable in next year	9,177	9,091
Payable after that	78,672	85,065

Amounts payable under leases

Payable in next year	1,501	1,140
Payable after that	2,005	2,585

Notes regarding personnel and company organs

	2012	2011

The number of personnel

Personnel, average	273	274
Personnel, at year-end	276	278

Management remuneration

The Board of Directors and CEO	-434	-355

Auditor's Report

To the Annual General Meeting of Nurminen Logistics Plc

We have audited the accounting records, the financial statements, the report of the Board of Directors, and the administration of Nurminen Logistics Plc for the year ended 31 December, 2012. The financial statements comprise the consolidated statement of financial position, statement of comprehensive income, statement of changes in equity and statement of cash flows, and notes to the consolidated financial statements, as well as the parent company's balance sheet, income statement, cash flow statement and notes to the financial statements.

Responsibility of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, as well as for the preparation of financial statements and the report of the Board of Directors that give a true and fair view in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The Board of Directors is responsible for the appropriate arrangement of the control of the company's accounts and finances, and the Managing Director shall see to it that the accounts of the company are in compliance with the law and that its financial affairs have been arranged in a reliable manner.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements, on the consolidated financial statements and on the report of the Board of Directors based on our audit. The Auditing Act requires that we comply with the requirements of professional ethics. We conducted our audit in accordance with good auditing practice in Finland. Good auditing practice requires that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the report of the Board of Directors are free from material misstatement, and whether the members of the Board of Directors of the parent company or the Managing Director are guilty of an act or negligence which may result in liability in damages towards the company or have violated the Limited Liability Companies Act or the articles of association of the company.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the report of the Board of Directors. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements and report of the Board of Directors that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and the report of the Board of Directors.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion on the consolidated financial statements

In our opinion, the consolidated financial statements give a true and fair view of the financial position, financial performance, and cash flows of the group in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

Opinion on the company's financial statements and the report of the Board of Directors

In our opinion, the financial statements and the report of the Board of Directors give a true and fair view of both the consolidated and the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The information in the report of the Board of Directors is consistent with the information in the financial statements.

Helsinki, 26 February 2013
KPMG OY AB

Lasse Holopainen
Authorized Public Accountant

Signing of the Financial Statements and the Board's Report on Operations

Helsinki 26 February 2013

Olli Pohjanvirta Chairman of the Board	Tero Kivisaari
Jan Lönnblad	Jukka Nurminen
Juha Nurminen	Topi Saarenhovi President and CEO

An auditor's report on the general audit has been given today.

Helsinki 26 February 2013

KPMG Oy Ab
Lasse Holopainen,
Authorized Public Accountant

Group's Key Figures

1,000 EUR	2010	2011	2012
Key figures for business			
Net sales, EUR 1,000	69,682	76,630	78,396
Increase in net sales, %	11.5%	10.0%	2.3%
Operating result (EBIT), EUR 1,000	-618	1,947	5,421
% of net sales	-0.9%	2.5%	6.9%
Result before taxes, EUR 1,000	-1,072	-746	4,044
% of net sales	-1.5%	-1.0%	5.2%
Result for the financial year, EUR 1,000	-2,029	-1,530	2,684
% of net sales	-2.9%	-2.0%	3.4%
Return on equity (ROE), %	-6.4%	-5.2%	9.3%
Return on investment (ROI), %	1.3%	2.8%	9.9%
Equity ratio %	41.6%	40.2%	42.7%
Gearing %	97.1%	95.3%	81.2%
Gross investments, EUR 1,000	849	905	1,145
% of net sales	1.2%	1.2%	1.5%
Balance sheet total, EUR 1,000	74,145	69,354	69,772
Average number of employees	344	343	342
Wages and salaries paid, EUR 1,000	12,409	11,875	12,801
Share key figures			
Earnings per share (EPS), EUR, undiluted	-0.22	-0.19	0.05
Earnings per share (EPS), EUR, diluted	-0.22	-0.19	0.05
Equity per share, EUR	2.32	2.08	2.12
Dividend per share (adjusted), EUR	0.00	0.00	0.00
Dividend per share (nominal), EUR	0.00	0.00	0.00
Dividend to earnings ratio, %	0%	0%	0%
Effective dividend yield, %	0.0%	0.0%	0.0%
Repayment of equity per share, EUR	0.00	0.00	0.07
Price per earnings (P/E)	-13	-9	38
Number of shares adjusted for share issue, weighted average	12,877,773	12,890,898	12,890,898
Number of shares adjusted for share issue, at end of financial year	12,877,773	12,890,898	12,890,898
Share price development			
Highest price	3.73	3.00	2.34
Lowest price	2.81	1.51	1.78
Average price	3.27	2.22	1.95
Share price at balance sheet date	2.89	1.78	1.88
Market capitalisation, MEUR	37.2	23.0	24.3
Number of shares traded	2,031,630	622,928	259,727
Shares traded, % of total number of shares	15.8%	4.8%	2.0%
Number of shareholders	422	507	525

Calculation of Key Figures

$$\text{Return on equity, \%} = \frac{\text{Result for the year}}{\text{Equity (average of beginning and end of financial year)}} \times 100$$

$$\text{Capital employed} = \text{Balance sheet total - non-interest bearing liabilities}$$

$$\text{Return on capital employed, \%} = \frac{\text{Result for the year before taxes + interest and other financial expenses}}{\text{Capital employed (average of beginning and end of financial year)}} \times 100$$

$$\text{Equity ratio, \%} = \frac{\text{Equity}}{\text{Balance sheet total - advances received}} \times 100$$

$$\text{Gearing, \%} = \frac{\text{Interest-bearing liabilities - cash and cash equivalents}}{\text{Equity}} \times 100$$

$$\text{Earnings per share (EPS)} = \frac{\text{Result attributable to equity holders of the parent company}}{\text{Weighted average number of ordinary shares outstanding}}$$

$$\text{Equity per share} = \frac{\text{Equity attributable to equity holders of the parent company}}{\text{Undiluted number of shares outstanding at the end of the financial year}}$$

$$\text{Dividend per earnings, \%} = \frac{\text{Dividend per share}}{\text{Earnings per share}} \times 100$$

$$\text{Effective dividend yield, \%} = \frac{\text{Dividend per share}}{\text{Adjusted share price at the end of the financial year}} \times 100$$

$$\text{Price per earnings (P/E)} = \frac{\text{Share price at the end of the financial year}}{\text{Earnings per share}}$$

Stock Exchange Releases in 2011

24 February 2012
Nurminen Logistics Plc's Financial Statement Release 2011

21 March 2012
Nurminen Logistics' Annual Report and Corporate Governance Statement 2011 have been published

30 March 2012
Notice for Nurminen Logistics Plc's Annual General Meeting

12 April 2012
Nurminen Logistics publishes preliminary information of its January-March 2012 result and updates its outlook to be more positive

12 April 2012
Change in the Nurminen Logistics' Executive Board - Senior Vice President Harri Vainikka to leave the company

23 April 2012
Decisions made by the Annual General Meeting of Shareholders of Nurminen Logistics Plc

4 May 2012
Nurminen Logistics Plc's Interim Report 1 January - 31 March 2012

16 May 2012
Change in the Nurminen Logistics' Executive Board

20 June 2012
Changes in the Nurminen Logistics' Executive Board

3 August 2012
Nurminen Logistics Plc's Interim Report 1 January - 30 June 2012

13 September 2012
Notice for Nurminen Logistics Plc's Extraordinary General Meeting

25 September 2012
Nurminen Logistics updates its outlook to be more positive

5 October 2012
Decisions made by the Extraordinary General Meeting of Shareholders of Nurminen Logistics Plc

12 October 2012
Nurminen Logistics to align its legal corporate structure with the structure of its business operations

2 November 2012
Nurminen Logistics Plc's Interim Report 1 January - 30 September 2012

30 November 2012
Nurminen Logistics Plc's financial information in 2013

Nurminen Logistics ▶▶▶

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