

NURMINEN LOGISTICS PLC'S INTERIM REPORT 1 JANUARY - 31 MARCH 2014

Increase in Finnish operations' market share and a positive Group operating result

Nurminen Logistics key figures 1 January - 31 March 2014

- Net sales were EUR 14.1 million (2013: EUR 16.7 million).
- Reported operating result was EUR 0.0 million (EUR -0.2 million).
- Operating margin was 0.2% (-1.0%).
- Operating result excluding non-recurring items was EUR 0.2 million (EUR 0.0 million).
- EBT was EUR -0.7 million (EUR -0.5 million).
- Net result was EUR -0.8 million (EUR -0.9 million).
- Earnings per share, undiluted: EUR -0.06 (EUR -0.08).
- Earnings per share, diluted: EUR -0.06 (EUR -0.08).

As of 1 January 2014, Nurminen Logistics reports on three business units: Railway Logistics, Special Transports and Projects, and Forwarding and Value Added Services. In 2013, the company reported on four business units. At the end of 2013, the Transit Logistics business unit was merged into the Forwarding and Value Added Services unit.

OLLI POHJANVIRTA, PRESIDENT AND CEO:

“We achieved a positive operating result in the review period thanks to the improved efficiency of our operations. In the first quarter, our net sales decreased due to a substantial sudden decline in volumes in railway logistics between Finland and Russia resulting from lower deliveries by customers, as well as the temporary interruption in deliveries to Ukraine. In line with our strategy, we have quickly acquired replacement traffic in the Russian internal market in 2014, which is securing the growth targets of our railway logistics operations going forward. We are also prepared to serve our customers, and access the necessary amount of additional wagon capacity in the rental wagon market, when traffic between Finland and Russia recovers as the value of the rouble stabilises.

In Finland, we continued to improve the efficiency of our operations by closing down the Niirala terminal and consolidating the management of our railway terminals and other terminals. We also paid the final instalment of the EBRD loan for our own wagon fleet acquisition in January 2014. In the Finnish operations of our Forwarding and Value Added Services unit, we have significantly improved our profitability despite the difficult market situation. Our net sales and profitability improved in Special Transports and Projects. Our service concept development and efficiency improvement measures progressed well during the review period, and the growth of operations in line with the company's strategy is proceeding according to plan, particularly with respect to expanding our customer base in the Russian and CIS market,” says Olli Pohjanvirta, President and CEO.

MARKET SITUATION IN THE REVIEW PERIOD

In Railway Logistics, the market situation in cross-border traffic between Finland and Russia weakened significantly due to reasons including the depreciation of the rouble and a decline in customer order volumes as they awaited upcoming changes to customs duties. The market situation in the Russian internal market remained stable, and the expected growth did not materialise. The slowing down of the Ukrainian market had a significant impact on the decline in net sales of the Railway Logistics unit, but the company was able to find customers for the wagons formerly used for Ukrainian traffic in the Russian internal market during the review period. The company currently has significant ongoing customer negotiations in Russia and Finland, which reflect its operating capacity in spite of the difficult market situation.

In Special Transports and Projects unit, the uncertainty in the world economy and the tightening of financial markets were reflected particularly in the demand, which remained weak. However, demand for transport to Russia and the CIS area was more active than for other market areas, and fluctuations in the rouble exchange rate and the Ukrainian crisis did not yet affect the situation. Competition remained intense and price levels in the market fluctuated considerably.

In the market for Forwarding and Value Added Services unit, volumes in the pulp, paper and forest industry increased, while those of the engineering and metal industries fluctuated substantially. Market demand for transit logistics to Russia through Finland was weaker than in the comparison period, and price competition was tight. Demand on routes between the Baltic countries and Russia remained almost unchanged from the previous year. The demand for transport from the Baltic countries to Central Asia declined substantially from the high level seen in the comparison period. The demand for the services of the Kotka and Hamina terminals was at a higher level than in the first quarter of 2013.

NET SALES AND FINANCIAL PERFORMANCE 1 JANUARY – 31 MARCH 2014

The net sales for the review period amounted to EUR 14.1 million (2013: EUR 16.7 million), which represents a decrease of 15.5% compared to 2013. The reported operating result was EUR 24 (-168) thousand. The operating result includes non-recurring items of EUR -174 (-202) thousand. The comparative operating result was therefore EUR 198 thousand.

The non-recurring items in the review period were related to reductions in personnel. The cost reduction measures under the profit improvement programmes announced in autumn 2013 and during the review period progressed as planned.

The depreciation of the Russian rouble during the review period decreased the company's financial items by EUR 0.3 million. This exchange rate loss had no cash flow impact.

Railway Logistics

The Railway Logistics business unit's net sales for the review period amounted to EUR 6,399 (2013: 9,298) thousand and the operating result was EUR 763 (1,005) thousand. The operating result includes non-recurring items of EUR -130 (-144) thousand. The comparative operating result was therefore EUR 893 (1,149) thousand. The net sales and operating result of Railway Logistics

declined during the first quarter compared to the corresponding period in the previous year due to a significant decrease in transport volumes in traffic between Finland and Russia and the temporary interruption in deliveries to Ukraine.

Special Transports and Projects

The Special Transports and Projects business unit's net sales for the review period amounted to EUR 2,214 (1,748) thousand and the operating result was EUR 23 (-116) thousand. The operating result includes non-recurring items of EUR 0 (-14) thousand. The comparative operating result was therefore EUR 23 (-103) thousand. The business unit's success in securing orders increased net sales significantly. The result improved substantially due to higher volume and the profit improvement programme launched in late 2013.

Forwarding and Value Added Services

The net sales of the Forwarding and Value Added Services business unit for the review period amounted to EUR 5,623 (5,771) thousand and the operating result was EUR -762 (-1,056) thousand. The operating result includes non-recurring items of EUR -44 (-44) thousand. The comparative operating result was therefore EUR -718 (-1,012) thousand. The business unit was successful in increasing the efficiency of its operations during the period under review. The business unit's net sales declined, but the operating result showed a significant year-on-year improvement. At the Vuosaari terminal, volumes in the pulp, paper and forest industry increased, while those of the engineering and metal industries fluctuated substantially during the period. The demand for the services of the Kotka and Hamina terminals was also at a higher level than in the comparison period. The operational loss of the Vuosaari logistics centre was EUR -0.3 (-0.7) million in the period under review. The high rental level of the Vuosaari logistics centre has a significant negative effect on the otherwise good operating result.

NET SALES BY UNIT	1-3/2014	1-3/2013	1-12/2013
EUR 1,000			
Railway Logistics	6,399	9,298	33,131
Special Transports and Projects	2,214	1,748	8,874
Forwarding and Value Added Services	5,623	5,771	22,320
Eliminations	-123	-108	-481
Total	14,114	16,709	63,844

OPERATING RESULT BY UNIT	1-3/2014	1-3/2013	1-12/2013
EUR 1,000			
Railway Logistics	763	1,005	5,062
Special Transports and Projects	23	-116	-221
Forwarding and Value Added Services	-762	-1,056	-4,624
Total	24	-168	216

OUTLOOK

Nurminen Logistics expects that its key market of Russia and its neighbouring countries will grow in 2014 based on already concluded customer agreements and the stable outlook of the Russian railway market in 2014 - 2015. Demand in the Finnish market is expected to be better than in 2013.

Nurminen Logistics expects its net sales, operating result and earnings per share to improve compared to 2013.

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 further long-term goals are to improve profitability, achieve an operating profit level of 10 per cent and return on equity of 20 per cent.

SHORT-TERM RISKS AND UNCERTAINTIES

The prolongation of the Ukrainian crisis and the Russian financial markets subsequently becoming more difficult would have a negative impact on the goods flows of the company's Western and Russian customers, which in turn would significantly affect the company's result outlook.

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 0.5 million. The company does not consider itself liable for the aforementioned 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.

FINANCIAL POSITION AND BALANCE SHEET

The company's cash flow from operations was EUR -1,634 thousand. Cash flow from investments was EUR -39 thousand. Cash flow from financing activities amounted to EUR -412 thousand.

At the end of the review period, cash and cash equivalents amounted to EUR 1,434 thousand. Liquidity remained satisfactory, and the company signed a 12-month financing agreement relating to its continuing business operations with its financing banks.

The Group's interest-bearing debt totalled EUR 23.3 million at the end of the financial year, while net interest-bearing debt amounted to EUR 21.9 million.

The balance sheet total was EUR 53.3 million and the equity ratio was 34.9%.

CHANGES IN THE TOP MANAGEMENT

Mr. Marko Tuunainen, M.Sc. (Econ), aged 43, has been appointed the Senior Vice President of Nurminen Logistics Plc's Forwarding and Value Added Services business unit and member of the Executive Board of Nurminen Logistics. He reports to Olli Pohjanvirta, President and CEO. Mr. Tuunainen started in his new position on 14 January 2014. Before joining Nurminen Logistics, Marko Tuunainen worked as the CEO of iResponse Solutions Oy.

Due to this change the size of Nurminen Logistics' Executive Board increased from four members to five.

From 14 January 2014, Nurminen Logistics' Executive Board consists of the following members:

Olli Pohjanvirta, President and CEO

Paula Kupiainen, CFO

Fedor Larionov, Senior Vice President, Railway Logistics

Marko Tuunainen, Senior Vice President, Forwarding and Value Added Services

Hannu Vuorinen, Senior Vice President, Special Transports and Projects.

This information was published in a stock exchange release on 8 January 2014.

CAPITAL EXPENDITURE

The Group's gross capital expenditure during the review period amounted to EUR 70 (127) thousand, accounting for 0.5% of net sales. Depreciation totalled EUR 0.7 (1.0) million, or 4.7% of net sales.

GROUP STRUCTURE

There were no changes in the group structure of Nurminen Logistics Plc. 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%).

PERSONNEL

At the end of the review period the Group's number of personnel stood at 242, compared to 261 on 31 December 2013. The number of employees working abroad was 63.

The Railway Logistics unit had 81 employees, the Special Transports and Projects unit had 24 employees and the Forwarding and Value Added Services unit had 123 employees. Management and administrative personnel comprised 14 employees.

REMUNERATION

The company announced on 14 January 2014 a new key employee stock option plan. The company has a weighty financial reason for the issue of stock options, since the stock options are intended to form part of the incentive and commitment program for the Group key employees. The purpose of the stock options is to encourage the key employees to work on a long-term basis to increase shareholder value. The purpose of the stock options is also to commit the key employees to the employer.

The maximum total number of stock options issued is 1,500,000, and they entitle their owners to subscribe for a maximum total of 1,500,000 new shares in the company or existing shares held by the company. The stock options will be issued gratuitously. Of the stock options, 500,000 are marked with the symbol 2014A, 500,000 are marked with the symbol 2014B and 500,000 are marked with the symbol 2014C. The Board of Directors will decide upon the distribution of stock options to the key employees.

The number of shares subscribed by exercising stock options now issued corresponds to a maximum total of 10.34 per cent of all shares and votes of the shares in the company after the potential share subscription, if new shares are issued in the share subscription.

The share subscription price of the stock options 2014 is EUR 1.60 per share. The share subscription price is based on the prevailing price of the company's share. The share subscription price will be credited to the reserve for invested unrestricted equity.

The share subscription period, for stock option 2014A will be 1 April 2015 - 31 March 2018, for stock option 2014B, 1 April 2016 - 31 March 2018, and for stock option 2014C, 1 April 2017 - 31 March 2018. The share subscription period will begin only if the Group's net result is positive during the period of time determined by the Board of Directors.

After the share subscriptions with stock options, the number of the company's shares may be increased by a maximum total of 1,500,000 shares, if new shares are issued in the share subscription.

The Board of Directors decided on the new stock option plan on the basis of the authorization granted by the company's Annual General Meeting held on 15 April 2013. Approximately 10 key employees, including the members of the Group's Executive Board and other separately named executives, belong to the target group of the plan. For all key employees, the prerequisite for receiving stock options is share ownership in the company.

SHARES AND SHAREHOLDERS

The trading volume of Nurminen Logistics Plc's shares was 56,377 during the period from 1 January to 31 March 2014. This represented 0.43% of the total number of shares. The value of the turnover was EUR 90,227. The lowest price during the review period was EUR 1.47 per share and the highest EUR 1.73 per share. The closing price for the period was EUR 1.55 per share and the market value of the entire share capital was EUR 20,169,742.35 at the end of the period.

At the end of the review period the company had 575 shareholders.

In 31 March 2014 the company held 20,275 of its own shares, corresponding to 0.2% of votes.

DECISIONS MADE BY THE ANNUAL GENERAL MEETING OF SHAREHOLDERS

Nurminen Logistics Plc's Annual General Meeting of Shareholders held on 8 April 2014 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 2013 - 31 December 2013 and released the Board of Directors and the President and CEO 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 2013 - 31 December 2013.

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, Juha Nurminen, Jukka Nurminen and Alexey Grom. Tommi Matomäki was elected as a new member of the Board of Directors. In its organising meeting immediately following the Annual General Meeting of Shareholders, the Board of Directors elected Tero Kivisaari as the Chairman of the Board. The Board of Directors also appointed an Audit Committee. The members of the Audit Committee are Jukka Nurminen and Alexey Grom.

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 2015 remuneration level will be as follows: annual remuneration of EUR 80,000 for the Chairman and EUR 20,000 for the other members. Additionally a meeting fee of EUR 1,000 per meeting for the Board and Board Committee meetings shall be paid for each member of the Board living in Finland and EUR 1,500 per meeting for a member of the Board living outside Finland. 50 per cent of the annual remuneration will be paid in the form of Nurminen Logistics Plc's shares and the remainder in money. 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 shares.

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

Annual Meeting authorised the Board to decide on the acquisition of a maximum of 100,000 of the company's own shares. The authorisation will be used for the paying of remuneration of the members of the Board of Directors. The own shares may be acquired 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 at the time of the acquisition. The own shares may be acquired in deviation from the proportional shareholdings of the shareholders (directed repurchase).

The authorisation includes the right whereby the Board of Directors is authorised to decide on all other matters related to the acquisition of own shares.

The authorisation remains in force until 30 April 2015.

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

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

Based on the aforesaid authorisation the Board of Directors 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 aforesaid shares and/or special rights can be used, e.g., 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, paying of remuneration of 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 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 authorisation may be used in such a way that in total no more than one tenth (1/10) of all shares in the company may from time to time be in the possession of the company and its subsidiaries.

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

The authorisation remains in force until 30 April 2015.

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. Auditor's fee will be paid in accordance with the auditor's invoice accepted by the company.

DIVIDEND POLICY

The company's Board of Directors has 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 acquisition of the company's own shares

Annual Meeting authorised the Board to decide on the acquisition of a maximum of 100,000 of the company's own shares. The authorisation will be used for the paying of remuneration of the members of the Board of Directors. The own shares may be acquired 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 at the time of the acquisition. The own shares may be acquired in deviation from the proportional shareholdings of the shareholders (directed repurchase). The authorisation includes the right whereby the Board of Directors is authorised to decide on all other matters related to the acquisition of own shares.

The authorisation remains in force until 30 April 2015.

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

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

Based on the aforesaid authorisation the Board of Directors 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 aforesaid shares and/or special rights can be used, e.g., 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, paying of remuneration of the Board members and/or for the creating incentives for, or encouraging commitment in, personnel.

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The authorisation remains in force until 30 April 2015.

OTHER EVENTS DURING THE REVIEW PERIOD

Nurminen Logistics Plc arranges a share issue to the personnel

Nurminen Logistics announced on 14 January 2014 that the Board of Directors of Nurminen Logistics Plc has decided on 14 January 2014 to arrange a share issue directed to the personnel. In the share issue, new shares in the company will be offered for subscription to all Group employees. In the share issue, a maximum total of 200,000 new shares in the company will, in deviation from the shareholders' pre-emptive right, be offered for subscription to the Group personnel. The company has a weighty financial reason for the deviation from the shareholders' pre-emptive right, since the purpose of the share issue is to encourage the personnel to acquire and own the company's shares. The Group employs 197 people in Finland and 66 people outside Finland. The share subscription price is EUR 1.48 per share. The share subscription price is based on the trade volume weighted average quotation of the company's share on NASDAQ OMX Helsinki Ltd between 1 December 2013 and 31 December 2013, and on a discount of 10 per cent calculated from such price. The trade volume weighted average quotation of the company's share during the above period is EUR 1.64 per share. The share subscription period will be 10 March–20 March 2014, and approved subscriptions must be paid no later than 11 April 2014. The minimum subscription is 100 shares. The decision on the share issue is based on the authorization granted by the Annual General Meeting of Shareholders on 15 April 2013.

Nurminen Logistics announced on 10 March 2014 that the Board of Directors has decided to update the share subscription price of the new shares to be offered in the personnel share issue. The new share subscription price is EUR 1.41 per share. The share subscription price is based on the trade volume weighted average quotation of the company's share on NASDAQ OMX Helsinki Ltd between 1 February 2014 and 28 February 2014, and on a discount of 10 per cent calculated from such price. The trade volume weighted average quotation of the company's share during the above period is EUR 1.57 per share. The share subscription period will be 10 March - 20 March 2014.

Nurminen Logistics announced on 25 March 2014 that the Board of Directors of Nurminen Logistics Plc approved subscriptions for 45,005 new shares subscribed in the personnel share issue, corresponding to a total of EUR 63,457.05. The share subscription price was EUR 1.41 per share. The share subscription period ended on 20 March 2014.

Change in Nurminen Logistics' own shares

A total of 10,030 shares granted as share-based incentives have been returned to Nurminen Logistics on February 6, 2014 in accordance with the terms of the incentive plan as the employment ended. Nurminen Logistics holds now a total of 20,275 its own shares. The number of own shares corresponds to 0.2% of all Nurminen Logistics shares. This information was published in a stock exchange release on 6 February 2014.

Nurminen Logistics will centralise its railway terminal operations to Luumäki

Nurminen Logistics announced on 20 January 2014 its plans to reduce its terminal capacity and transfer terminal operations from the Niirala terminal to the Luumäki terminal. Due to the personnel impact of the planned changes, Nurminen Logistics launched co-determination negotiations concerning the terminal and forwarding personnel of the Niirala location. The co-determination negotiations were concluded on 11 February 2014, and the company has decided to shut down the Niirala terminal and centralise its railway terminal operations to Luumäki. Project deliveries through

the Niirala project field will be continued. As a result of the negotiations, Nurminen Logistics will permanently lay off a maximum of nine people in Niirala. The lay-offs will be carried out without delay. The company will support those being laid off to find new employment. According to preliminary estimates, Nurminen Logistics will record approximately EUR 0.2 million of expenses related to the arrangement to the first quarter of 2014. The arrangement will save EUR 0.4 million annually from 2015 onwards.

By centralising its railway terminal operations to the Luumäki terminal, Nurminen Logistics will adapt its operations to the market change taking place in Finland, in which railway wagons are more often loaded directly at the factory, and geographical routes change. The company's strategy is to strengthen its position in domestic railway transport in Russia and nearby countries, railway transport between Finland and Russia, as well as in special and project transport. These changes will not affect this strategy.

EVENTS AFTER THE REVIEW PERIOD

Disclosure notification under chapter 2, section 9 of the Securities Market Act

The company announced in a stock exchange release on 14 April 2014 that it has received the following disclosure notifications of changes in portions of holdings on 14 April 2014, pursuant to the Securities Markets Act:

Mr. Olli Pohjanvirta has announced to Nurminen Logistics Plc that his personal and controlled companies' portion of Nurminen Logistics Plc's total number of shares and voting rights has risen above 5 per cent (1/20). A company controlled by Olli Pohjanvirta, VGK Invest Oy, bought 648,000 of Nurminen Logistics Plc's shares (4.98% of shares and votes) on 11 April 2014. In addition, Olli Pohjanvirta controls directly or indirectly Nurminen Logistics Plc's shares and votes as follows: Olli Pohjanvirta owns directly 141,184 shares (1.08% of shares and votes) and through the companies controlled by him: Etl Holding Oy 158,000 shares (1.21% of shares and votes), Etl Invest Oy 181,818 shares (1.40% shares and votes), and through Russian Capital Management Oy 25,000 shares (0.19% of shares and votes).

Olli Pohjanvirta's share capital now comprises 1,154,002 Nurminen Logistics Plc's shares which are equivalent to 8.87% of Nurminen Logistics Plc's share capital and voting rights. Nurminen Logistics Plc's share capital comprises 13,012,737 shares and votes.

A positive arbitrage for Nurminen Logistics in a tax responsibility matter

The company announced on 14 April 2014 that an arbitral tribunal has given a positive arbitrage for Nurminen Logistics in the matter related to the taxation of the old John Nurminen Ltd of year 2007. The arbitration clarified the division of tax responsibility between the new John Nurminen Ltd and Nurminen Logistics Plc pertaining to the adjustment decision of the pre-demerger John Nurminen Ltd for the financial year 2007. According to the arbitrage, the new John Nurminen Ltd is responsible for the EUR 0.4 million tax responsibility.

The former John Nurminen Ltd was demerged on 1 January 2008 according to a demerger plan dated 7 September 2007, with the two receiving companies being the new John Nurminen and Kasola Plc. Kasola Plc subsequently changed its name to Nurminen Logistics Plc.

New shares in Nurminen Logistics Plc entered into the trade register

A total of 45,005 new shares subscribed in the personnel share issue of Nurminen Logistic Plc were entered into the Trade Register on 28 April 2014. The shareholder rights of the new shares arise as from the date of the Trade Register entry, 28 April 2014. After the Trade Register entry of the new shares, the total number of shares in Nurminen Logistics Plc is 13,057,742. The shares entered into the Trade Register will be publicly traded as of 29 April 2014. This information was published in a stock exchange release on 28 April 2014.

Disclaimer

Certain statements in this bulletin are forward-looking and are based on the management's current views. Due to their nature, they involve risks and uncertainties and are susceptible to changes in the general economic or industry conditions.

Nurminen Logistics Plc

Board of Directors

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Nurminen Logistics is a listed company established in 1886 that offers logistics services. The company provides high-quality railway transports, project transport services, special transports and forwarding and cargo handling services to its customers. The main market areas of Nurminen Logistics are Finland, Russia and its neighbouring countries.

TABLES

Tables concerning business units are presented in the verbal part of the interim report.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	1-3/2014	1-3/2013	1-12/2013
EUR 1,000			
NET SALES	14 114	16 709	63 844
Other operating income	79	212	1 834
Materials and services	-6 926	-7 306	-29 189
Employee benefit expenses	-2 881	-3 870	-14 606
Depreciation, amortisation and impairment losses	-661	-967	-3 538
Other operating expenses	-3 701	-4 945	-18 129
OPERATING RESULT	24	-168	216
Financial income	7	82	55
Financial expenses	-699	-453	-3 444
Share of profit in equity- accounted investees	-31	19	126
RESULT BEFORE TAX	-699	-520	-3 048
Income taxes	-93	-355	-899
PROFIT / LOSS FOR THE PERIOD	-791	-875	-3 947
Other comprehensive income			
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Translation differences	-1 538	382	-2 287
Other comprehensive income for the period after tax	-1 538	382	-2 287
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	-2 329	-493	-6 234
Result attributable to			
Equity holders of the parent company	-831	-1 051	-4 149
Non-controlling interest	39	176	202
Total comprehensive income attributable to			
Equity holders of the parent company	-2 368	-669	-6 439
Non-controlling interest	39	176	202
EPS undiluted	-0,06	-0,08	-0,32

EPS diluted	-0,06	-0,08	-0,32
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CONSOLIDATED STATEMENT OF FINANCIAL POSITION	31.3.2014	31.3.2013	31.12.2013
EUR 1,000			
ASSETS			
Non-current assets			
Property, plant and equipment	29 762	37 939	31 492
Goodwill	9 516	9 516	9 516
Other intangible assets	470	722	530
Investments in equity-accounted investees	264	368	295
Receivables	35	35	35
Deferred tax assets	868	1 105	926
NON-CURRENT ASSETS	40 915	49 684	42 795
Current assets			
Trade and other receivables	10 782	15 046	11 045
Current tax receivables	159	184	93
Cash and cash equivalents	1 434	4 740	3 553
CURRENT ASSETS	12 376	19 970	14 691
ASSETS TOTAL	53 291	69 654	57 486
EQUITY AND LIABILITIES			
Share capital	4 215	4 215	4 215
Other reserves	19 593	20 622	19 591
Translation differences	-4 860	-3 057	-4 193
Retained earnings	-961	4 933	720
Non-controlling interest	597	2 613	558
EQUITY, TOTAL	18 583	29 326	20 891
Non-current liabilities			
Deferred tax liability	361	516	350
Other liabilities	525	649	561
Financial liabilities	14 398	17 565	14 849
NON-CURRENT LIABILITIES	15 285	18 730	15 760
Current liabilities			
Current tax liabilities	101	214	88
Financial liabilities	8 910	10 640	8 902
Trade payables and other liabilities	10 413	10 743	11 846
CURRENT LIABILITIES	19 423	21 598	20 835
TOTAL LIABILITIES	34 708	40 328	36 595
TOTAL EQUITY AND LIABILITIES	53 291	69 654	57 486

CONDENSED CONSOLIDATED CASH FLOW STATEMENT EUR 1,000	1-3/2014	1-3/2013	1-12/2013
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CASH FLOW FROM OPERATING ACTIVITIES			
Profit/Loss for the period	-791	-875	-3 947
Gains and losses on disposals of property, plant and equipment and other non-current assets	-3	-160	-1 685
Depreciation, amortisation and impairment losses	661	967	3 538
Unrealised foreign exchange gains and losses	289	-81	1 071
Other adjustments	440	677	2 629
Paid and received interest	-314	-205	-1 400
Taxes paid	-148	-543	-1 244
Changes in working capital	-1 767	333	4 848
Cash flow from operating activities	-1 634	112	3 808
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment and intangible assets	-71	527	3 531
Investments in property, plant and equipment and intangible assets	31	-127	-446
Proceeds from sale of other investments	0	0	2
Cash flow from investing activities	-39	400	3 087
CASH FLOW FROM FINANCING ACTIVITIES			
Share issue for cash	2	0	0
Changes in liabilities	-413	-697	-5 360
Dividends paid / repayments of equity	0	0	-2 762
Cash flow from financing activities	-412	-697	-8 122
CHANGE IN CASH AND CASH EQUIVALENTS	-2 118	-161	-1 349
Cash and cash equivalents at beginning of period	3 553	4 901	4 901
Cash and cash equivalents at end of period	1 434	4 740	3 553

A= Share capital

B= Share premium reserve

C= Legal reserve

D= Reserve for invested unrestricted equity

E= Translation differences

F= Retained earnings

G= Non-controlling interest

H= Total

STATEMENT OF CHANGES IN EQUITY 1- 3/2014 EUR 1,000	A	B	C	D	E	F	G	H
Equity 1.1.2014	4215	86	2378	17127	-4193	720	558	20891
Result for the period	0	0	0	0	0	-831	39	-791
Total comprehensive income for the period / translation differences	0	0	0	0	-668	-871	0	-1538
Other changes	0	0	0	2	0	20	0	22
Equity 31.3.2014	4215	86	2378	17128	-4860	-961	597	18583

STATEMENT OF CHANGES IN EQUITY 1- 3/2013 EUR 1,000	A	B	C	D	E	F	G	H
Equity 1.1.2013	4215	86	2378	18158	-3276	5799	2437	29797
Result for the period	0	0	0	0	0	-1051	176	-875
Total comprehensive income for the period / translation differences	0	0	0	0	219	162	0	382
Other changes	0	0	0	0	0	23	0	23
Equity 31.3.2013	4215	86	2378	19131	-2867	4933	2613	29326

MOVEMENTS IN FIXED ASSETS

Movements in fixed assets	Tangible	Intangible	Total
EUR 1,000			
Book value 1.1.2014	31 492	10 046	41 539
Additions	70	0	70
Disposals	-27	0	-27
Depreciation, amortisation and impairment losses	-600	-61	-661
Exchange rate differences	-1 173	0	-1 173
Book value 31.3.2014	29 762	9 986	39 748

Movements in fixed assets	Tangible	Intangible	Total
EUR 1,000			
Book value 1.1.2013	38 737	10 329	49 066
Additions	127	0	127
Disposals	-370	0	-370
Depreciation, amortisation and impairment losses	-876	-91	-967
Exchange rate differences	321	0	321
Book value 31.3.2013	37 939	10 238	48 177

RELATED PARTY TRANSACTIONS

The related parties comprise the members of the Board of Directors and Executive Board of Nurminen Logistics and companies in which these members have control. Related parties are also deemed to include shareholders with direct or indirect control or substantial influence.

Related party transactions	1-3/2014
EUR 1,000	
Sales	2
Purchases	49
Current liabilities	36

KEY FIGURES

KEY FIGURES	1-3/2014	1-3/2013	1-12/2013
Gross capital expenditure, EUR 1,000	70	127	429
Personnel	248	336	277
Operating margin %	0,2 %	-1,0 %	0,3 %
Share price development			
Share price at beginning of period	1,60	1,88	1,88
Share price at end of period	1,55	2,00	1,60
Highest for the period	1,73	2,05	2,20

Lowest for the period	1,47	1,85	1,52
Equity/share EUR	1,38	2,07	1,56
Earnings/share (EPS) EUR, undiluted	-0,06	-0,08	-0,32
Earnings/share (EPS) EUR, diluted	-0,06	-0,08	-0,32
Equity ratio %	34,87	42,10	36,42
Gearing %	117,70	80,00	96,70

OTHER LIABILITIES AND COMMITMENTS

Contingencies and commitments, EUR 1,000	31.3.2014	31.3.2013	31.12.2013
Mortgages given	11 000	11 000	11 000
Book value of pledged subsidiary shares and -loan receivables	52 434	39 662	46 516
Other contingent liabilities	12 323	16 604	15 568
Rental obligations	65 283	71 950	67 194

ACCOUNTING POLICIES

The interim financial information has been prepared in accordance with IAS 34 'Interim Financial Reporting'. The IFRS recognition and measurement principles as described in the annual financial statements for 2013 have also been applied in the preparation of the interim financial information, with the changes mentioned below. Other adopted new and amended IFRS-standards and interpretations have not had significant impact on reported figures.

The Group has applied the following revised and amended standards as of 1 January 2014:

IFRS 10 Consolidated Financial Statements

IFRS 12 Disclosures of Interests in Other Entities

Annual Improvements to IFRSs

All figures have been rounded and consequently the sum of individual figures can deviate from the presented sum figure. Key figures have been calculated using exact figures. This interim report is unaudited.

Calculation of Key Figures

Equity ratio (%) =

$$\frac{\text{Equity}}{\text{Balance sheet total} - \text{advances received}} \times 100$$

Balance sheet total – advances received

Earnings per share (EUR) =

$$\frac{\text{Result attributable to equity holders of the parent company}}{\text{Weighted average number of ordinary shares outstanding}}$$

Weighted average number of ordinary shares outstanding

Equity per share (EUR) =

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

Undiluted number of shares outstanding at the end of the financial year

Gearing (%) =

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

Equity