



Nurminen Logistics

Nurminen Logistics ▶▶▶
Half Year Financial Report 2016

NURMINEN LOGISTICS PLC'S HALF YEAR FINANCIAL REPORT 1 JANUARY - 30 JUNE 2016

Comparable operating result improved and comparable net sales remained at the same level as in 2015

NURMINEN LOGISTICS KEY FIGURES 1 JANUARY - 30 JUNE 2016

- Net sales were EUR 18.8 million (1–6/2015: EUR 23.1 million).
- Comparable net sales were EUR 19.4 million (EUR 19.8 million).
- Reported operating result was EUR -1.3 million (EUR -1.3 million).
- Comparable operating result was EUR -0.4 million (EUR -0.9 million).
- Operating margin was -6.8% (-5.8%).
- Comparable operating margin was -2.1% (-4.7%).
- Earnings per share: EUR -0.12 (EUR -0.18).
- Equity ratio was 17.6% (18.9%).
- Balance sheet total was EUR 46.8 million (EUR 61.6 million).

The company's internal reporting and segment breakdown of external reporting have been changed and, starting from 1 January 2016, Nurminen Logistics reports only one business segment. Prior to 2016, the company reported three business segments, namely Forwarding and Value Added Services, Railway Logistics, and Special Transports and Projects, which was divested in 2015.

Nurminen Logistics has applied the guidance issued by the European Securities and Markets Authority (ESMA) on the presentation of alternative performance measures, which entered into force on 3 July 2016. Nurminen Logistics uses alternative performance measures to illustrate the development of its business and to improve comparability between reporting periods. The alternative performance measures do not, however, replace the key figures reported in accordance with IFRS. Nurminen Logistics has replaced the previously used terms "operating result excluding exchange rate changes" and "operating result excluding non-recurring items" with the new term "comparable operating result". Comparable net sales and operating result are calculated by adjusting the official result by eliminating the net sales and operating result of acquired and divested businesses, the revenue and expenses of discontinued businesses, revenue and expenses allocable to previous financial years and the direct effects of exchange rates.

MARKO TUUNAINEN, PRESIDENT AND CEO:

"The economic climate in Finland, Russia and the neighbouring areas of Russia remained challenging in the first half of the year. In spite of the contraction of the market as a whole, we were able to maintain – and in certain areas increase – our market share. Developments at our Vuosaari location have been particularly positive. Nurminen Logistics holds a 45% market share of the paper and cardboard volume passing through Vuosaari Harbour. We have been successful in acquiring new customers in both our forwarding services and terminal services. The net sales of forwarding services grew by 18.7% compared to the corresponding period in 2015. Railway export volumes remained at a low level, reflecting the general trend of Finland's exports to Russia. The company holds a stable market position in raw wood forwarding, and the volumes of this function have remained at the same level as in the previous year.

Our performance in the first half of the year was in line with our expectations. The year-on-year decrease in net sales was mainly attributable to the divestment of the Nurminen Logistics Heavy Oy business. The effect of the divestment on the decrease in net sales in the first half of the year was EUR 3.3 million. The year-on-year depreciation of the ruble reduced the net sales of our Russian subsidiary by EUR 0.7 million. Thus, comparable net sales remained nearly at the

previous year's level. We have successfully maintained tight control over our costs and our costs have developed according to plan. The comparable operating result showed a year-on-year improvement of 54%.

The sale of covered wagons in Russia was 80% completed by the end of July. The strengthening of the ruble in the spring, compared to the start of the year, improved our euro-denominated proceeds from the wagon sales. This structural arrangement has helped us lighten our balance sheet by more than EUR 4 million. Proceeds from the sale were used to repay current interest-bearing liabilities amounting to EUR 3 million and other current liabilities by EUR 1 million. The company's current interest-bearing liabilities are down to EUR 1.5 million, of which EUR 0.9 million is factoring debt. The company's non-current interest-bearing liabilities amount to EUR 23.8 million. The company's cash flow from operations before the change in working capital was EUR 0.6 million, but the change in working capital (EUR -1.9 million) pushed cash flow from operations down to negative territory. The change in working capital was primarily due to the repayment of old liabilities.

Nurminen Logistics celebrated its 130th anniversary in June this year. The company has a strong brand and market position in Finland and its neighbouring areas. Our goal remains to pursue growth in market share while continuing to develop our businesses and increase the efficiency of our operations. Our focus in the second half of the year will be on improving profitability and cash flow as well as implementing growth projects."

MARKET SITUATION IN THE REVIEW PERIOD

The market situation in the first half of 2016 deteriorated compared to 2015. The total value of Finland's exports of goods in January–June fell by 7%, while imports declined by 2% from the previous year. The decline in Finnish exports was the steepest in the case of non-EU countries, with Finland's trade with Russia continuing to decline in particular. The figures for January–June showed a decline of 10% for both exports and imports compared to the already low level of the previous year. The company has been able depending on the business to maintain or increase its market share, in spite of the challenging market situation, in Finland, the Baltic countries and Russia. In the company's key segments, such as forest industry and engineering industry products, the demand for services remained at a good level. Ruble-denominated freight and transport activity began to pick up slightly towards the end of the review period.

OUTLOOK

Nurminen Logistics believes that market conditions during the second half of the year will be similar to the first half of the year. Nurminen Logistics expects that its comparable net sales will remain at the same level as in 2015 and that its comparable result and earnings per share will improve compared to 2015. Exchange rate fluctuations have a significant impact on the reported net sales and operating result.

NET SALES AND FINANCIAL PERFORMANCE 1 JANUARY – 30 JUNE 2016

1,000 EUR	1–6/2016	1–6/2015	1–6/2016 comparable	1–6/2015 comparable
Net sales	18,766	23,097	19,441	19,848
Operating result	-1,277	-1,329	-422	-927

Net sales for the first half of 2016 amounted to EUR 18.6 (1–6/2015: EUR 23.1) million, which represents a decrease of 18.7% compared to the corresponding period in 2015. The operating result for the review period increased by 3.9% to EUR -1,277 (-1,329) thousand.

Comparable net sales amounted to EUR 19.4 (19.8) million, which represents a year-on-year decrease of 2%. The comparable operating result for the review period increased by 54% to EUR -422 (-927) thousand.

The appreciation of the Russian ruble during the review period reduced the company's operating result by EUR -728 (-640) thousand and reduced financial expenses by EUR 222 (431) thousand. These exchange rate changes had no cash flow impact.

The comparable result includes net sales adjustments of EUR 675 (-3,429) thousand, adjustments for exchange rate effects of EUR 728 (640) thousand and adjustments to other expenses amounting to EUR 127 (3,011) thousand. The adjustments to net sales in the review period consist of a reduction in the net sales of the Russian subsidiary due to the year-on-year depreciation of the ruble. The adjustments to net sales for the comparison period are related to a divested business. A more detailed breakdown of the adjustments can be found in the tables section.

Business review

The net sales of forwarding services grew by 18.7% compared to the corresponding period in 2015. The drivers of net sales growth were successful new customer acquisitions and a higher market share in export and import forwarding. During the review period, the forwarding operations of our Turku office were transferred to our Rauma office, and the operations of our office in Vartius were transferred to our Niirala office. The profit performance of our forwarding services was good during the review period due to the continuous improvement of operational efficiency as well as successful sales efforts.

The net sales of terminal services decreased by -3.0% year-on-year and the profitability of terminal services was unchanged from the comparison period. Volumes in the forest industry, engineering industry and chemical industry developed as expected, while volumes in Russian transit and export traffic remained low.

The net sales of railway logistics in Finland declined by -38.5% year-on-year. The profitability of railway logistics in Finland also declined substantially from the comparison period due to lower export volumes. Railway export volumes reflect the general development of Finland's exports to Russia. Chemical transport volumes remained stable.

In Russian domestic railway transport, loading volumes were at the same level as in the previous year. The efficiency improvement measures and successful sales efforts of our Russian office improved the result significantly compared to the corresponding period in the previous year.

The demand for the services of the Group's Baltic subsidiaries was satisfactory in a difficult market climate, but demand decreased slightly year-on-year due to a decline in transit volumes and the volumes of railway transports to Russia.

SHORT-TERM RISKS AND UNCERTAINTIES

A decline of the Finnish economy and the Russian economy compared to the current situation would have a negative impact on the company's operations and result. Fluctuations in the rouble exchange rate have an impact on company's business operations and a significant impact on the Group's reported result.

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 -1,189 thousand. Cash flow from investments was EUR 3,264 thousand. Cash flow from financing activities amounted to EUR -4,225 thousand.

At the end of the review period, cash and cash equivalents amounted to EUR 1,144 thousand. The company's financial position has improved following wagon sales. During the review period, the company repaid more than EUR 3 million in current interest-bearing liabilities. The company has no bank loans at the present time. The company's current interest-bearing liabilities (EUR 1.5 million) comprise pension loans of EUR 0.35 million, financial leasing debt of EUR 0.3 million and factoring debt of EUR 0.9 million. The company's non-current interest-bearing liabilities amount to EUR 23.8 million.

The company finalised previously announced (on 18 February 2016 and on 25 April 2016) sale of 380 covered wagons. A total of 216 wagons were transferred to the buyer during the review period. The remaining 164 wagons will be transferred to the buyer by the end of August. The wagon sales have no impact on profit and loss in 2016 as the wagons were valued at their ruble-denominated sales price in the 2015 financial statements. The ruble exchange rate, which appreciated from the start of the year, increased the euro-denominated sales price received for the wagons. The company will continue wagon operations with sold wagons.

On 29 June 2016, Nurminen Logistics signed a collateral pool agreement with its financing banks concerning guarantee liabilities. The agreement includes covenants related to the equity ratio, which will be evaluated semiannually. The terms of the covenant were satisfied on 30 June 2016.

The covenants of the Group's pension loans, namely the ratio of net debt to operating margin and the equity ratio, were breached as of the half year financial report date of 30 June 2016. The Group has received a commitment from its creditors confirming that the breach of the covenants in the first half of the year will not have any consequences on the Group. The company is negotiating long-term financing method.

The Group's interest-bearing debt totalled EUR 25.3 million, while net interest-bearing debt amounted to EUR 24.1 million.

The balance sheet total was EUR 46.8 million and the equity ratio was 17.6%.

CHANGES IN THE TOP MANAGEMENT

Nurminen Logistics Plc announced on 15 June 2016 that Maija Dietrich, Vice President and member of Nurminen Logistics Plc's Management Team, is leaving her post on 10 September 2016. Maija Dietrich has been a member of the Management Team since 2014. Vice President Risto Holopainen will assume responsibility for Nurminen Logistics' new railway logistics development projects in addition to his current duties. The size of Nurminen Logistics' Management Team will decrease from five members to four as a result of the change. As of 10 September 2016, Nurminen Logistics' Management Team will consist of the following members:

Marko Tuunainen, President and CEO
Markku Puolanne, CFO

Risto Holopainen, Vice President, Terminal and Value Added Services
 Mike Karjagin, Vice President, Forwarding and Railway Logistics in Finland.

CAPITAL EXPENDITURE

The Group's gross capital expenditure during the review period amounted to EUR 249 (296) thousand, accounting for 1.3% of net sales. Depreciation totalled EUR 0.8 (1.0) million, or 4.2% of net sales.

GROUP STRUCTURE

During the review period Nurminen Logistics Plc abolished its subsidiary Nurminen Logistics LLC (100 %) and changed the name of its subsidiary Nurminen Logistics Finland Oy to Nurminen Rail Oy.

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 Rail Oy (100%), Nurminen Maritime Latvia SIA (51%), Pelkolan Terminaali Oy (20%), OOO Nurminen Logistics (100%), ZAO Terminal Rubesh (100%), UAB Nurminen Maritime (51%), Nurminen Maritime Eesti AS (51%) and Team Lines Latvia SIA (23%).

PERSONNEL

At the end of the review period the Group's number of personnel stood at 198, compared to 196 on 31 December 2015. The number of employees working abroad was 49.

SHARES AND SHAREHOLDERS

The trading volume of Nurminen Logistics Plc's shares was 353,773 during the period from 1 January to 30 June 2016. This represented 2.4% of the total number of shares. The value of the turnover was EUR 283,931. The lowest price during the review period was EUR 0.54 per share and the highest EUR 1.10 per share. The closing price for the period was EUR 0.74 per share and the market value of the entire share capital was EUR 10,785,063 at the end of the period.

At the end of the review period the company had 667 shareholders.

In 30 June 2016 the company held 120,275 of its own shares, corresponding to 0.8% of votes.

DECISIONS MADE BY THE ANNUAL GENERAL MEETING OF SHAREHOLDERS

Nurminen Logistics Plc's Annual General Meeting of Shareholders held on 12 April 2016 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 2015 - 31 December 2015 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 2015 - 31 December 2015.

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: Olli Pohjanvirta, Tero Kivisaari, Juha Nurminen, Jukka Nurminen and Alexey Grom. In 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 Jukka Nurminen and Tero Kivisaari.

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 2017 remuneration level will be as follows: annual remuneration of EUR 40,000 for the Chairman and EUR 20,000 for the other members. In addition, 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. The Chairman of the Board will get, in addition, the remuneration of EUR 7,500 per month plus car benefit with the maximum value of EUR 1,600 per month and telephone benefit.

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 shall remain in force until 30 April 2017.

Auditor

Ernst & Young Oy, Authorised Public Accountant audit-firm, was elected as Nurminen Logistics Plc's auditor. Mr. Antti Suominen, APA, 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.

OTHER EVENTS DURING THE REVIEW PERIOD

The company had no significant events after the review period.

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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DISTRIBUTION

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www.nurminenlogistics.com

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

TABLES

Consolidated Statement of Comprehensive Income EUR 1,000	1-6/2016	1-6/2015	1-12/2015
NET SALES	18,766	23,097	43,016
Other operating income	61	88	219
Materials and services	-8,601	-10,530	-19,437
Employee benefit expenses	-4,347	-5,030	-10,317
Depreciation, amortisation and impairment losses	-779	-1,023	-2,201
Other operating expenses	-6,376	-7,930	-13,406
OPERATING RESULT	-1,277	-1,329	-2,127
Financial income	66	76	169
Financial expenses	-648	-882	-2,468
Share of profit in equity-accounted investees	-5	-24	143
RESULT BEFORE TAX	-1,863	-2,158	-4,283

Income taxes	193	-56	-93
PROFIT / LOSS FOR THE PERIOD	-1,670	-2,214	-4,375
Other comprehensive income			
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Translation differences	1,380	1,971	-1,363
Other comprehensive income for the period after tax	1,380	1,971	-1,363
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	-291	-243	-5,738
Result attributable to			
Equity holders of the parent company	-1,717	-2,291	-4,551
Non-controlling interest	47	77	176
Total comprehensive income attributable to			
Equity holders of the parent company	-338	-320	-5,914
Non-controlling interest	47	77	176
EPS undiluted	-0.12	-0.18	-0.33
EPS diluted	-0.12	-0.18	-0.33

The Group's Comparable Result EUR 1,000	1-6/2016	1-6/2015
Reported net sales	18,766	23,097
Divested businesses		-3,249
Changes in exchange rates	676	0
Adjustments to previous financial periods	-1	
Comparable net sales	19,441	19,848
Reported operating result	-1,277	-1,329
Adjustments to net sales		-3,249
Divested businesses		3,011
Changes in exchange rates	728	640
Adjustments to previous financial periods	127	
Comparable operating result	-422	-927

Consolidated Statement of Financial Position EUR 1,000	30.6.2016	30.6.2015	31.12.2015
ASSETS			
Non-current assets			
Property, plant and equipment	14,574	16,699	14,988
Goodwill	8,970	9,516	8,970
Other intangible assets	120	290	191
Investments in equity-accounted investees	288	126	293
Receivables	7,414	9,111	7,223

Deferred tax assets	618	693	547
Non-current assets	31,985	36,436	32,212
Current assets			
Trade and other receivables	13,306	16,319	10,709
Current tax receivables	349	167	129
Cash and cash equivalents	1,144	1,500	3,273
Current assets	14,799	17,987	14,111
For sale non-current assets	0	7,199	4,710
ASSETS TOTAL	46,784	61,621	51,033
EQUITY AND LIABILITIES			
Share capital	4,215	4,215	4,215
Other reserves	21,355	21,355	21,355
Translation differences	-7,566	-6,648	-8,168
Retained earnings	-10,120	-7,672	-9,216
Non-controlling interest	345	391	489
Equity, total	8,229	11,640	8,675
LIABILITIES			
Non-current liabilities			
Deferred tax liability	420	456	447
Other liabilities	341	401	305
Financial liabilities	23,777	25,145	23,759
Non-current liabilities	24,538	26,003	24,511
Current liabilities			
Current tax liabilities	33	41	79
Financial liabilities	1,481	6,353	4,517
Trade payables and other liabilities	12,502	17,584	13,252
Current liabilities	14,016	23,978	17,847
TOTAL LIABILITIES	38,555	49,981	42,358
TOTAL EQUITY AND LIABILITIES	46,784	61,621	51,033

Condensed Consolidated Cash Flow Statement EUR 1,000	1-6/2016	1-6/2015	1-12/2015
Cash flow from operating activities			
Profit/Loss for the period	-1,670	-2,214	-4,375
Depreciation, amortisation and impairment losses	779	1,023	2,201
Unrealised foreign exchange gains and losses	-224	-412	196
Other adjustments	2,548	1,526	1,567
Paid and received interest	-684	-818	-1,455
Received dividend	0	0	19
Taxes paid	-68	-168	-152
Changes in working capital	-1,870	2,182	3,211
Cash flow from operating activities	-1,189	1,120	1,212

Cash flow from investing activities			
Proceeds from sale of property, plant and equipment and intangible assets	-234	-289	-540
Investments in property, plant and equipment and intangible assets	3,540	328	1,341
Gains and losses on disposals of property, plant and equipment and other non-current assets	-42	-83	-69
Loans granted	0	0	-512
Cash flow from investing activities	3,264	-44	256
Cash flow from financing activities			
Share issue for cash	0	1,700	1,700
Changes in liabilities	-4,072	-2,490	-1,075
Dividends paid / repayments of equity	-153	-354	-354
Cash flow from financing activities	-4,225	-1,145	270
Change in cash and cash equivalents	-2,129	-30	1,743
Cash and cash equivalents at beginning of period	3,273	1,530	1,530
Cash and cash equivalents at end of period	1,144	1,500	3,273

A = Share capital
B = Share premium reserve
C = Legal reserve
D = Reserve for invested unrestricted equity
E = Issue of shares
F = Translation differences
G = Retained earnings
H = Non-controlling interest
I = Total

Statement of Changes in Equity EUR 1,000	A	B	C	D	E	F	G	H	I
1-6/2015									
Equity 1.1.2015	4,215	86	2,378	17,190	0	-7,679	-6,349	833	10,674
Result for the period	0	0	0	0	0	0	-2,291	77	-2,214
Total comprehensive income for the period / translation differences	0	0	0	0	0	1,031	940	0	1,971
Other changes	0	0	0	0	1,700	0	28	0	1,728
Equity 30.6.2015	4,215	86	2,378	17,190	1,700	-6,648	-7,672	391	11,640

1–6/2016									
Equity 1.1.2016	4,215	86	2,378	18,890	0	-8,168	-9,216	489	8,675
Result for the period	0	0	0	0	0	0	-1,717	47	-1,670
Total comprehensive income for the period / translation differences	0	0	0	0	0	603	777	0	1,380
Other changes	0	0	0	0	0	0	36	0	36
Equity 30.6.2016	4,215	86	2,378	18,890	0	-7,566	-10,120	345	8,229

Movements in fixed assets

Movements in fixed assets	Tangible	Intangible	Total
EUR 1,000			
Book value 1.1.2015	23,351	9,870	33,221
Additions	262	34	296
Disposals	-254	0	-254
Depreciation, amortisation and impairment losses	-925	-98	-1,023
Exchange rate differences	1,464	0	1,464
Book value 30.6.2015	23,898	9,806	33,704
Book value 1.1.2016	14,988	9,161	24,149
Additions	201	0	201
Disposals	-241	0	-241
Depreciation, amortisation and impairment losses	-708	-71	-779
Exchange rate differences	335	0	335
Book value 30.6.2016	14,574	9,090	23,664

Related party transactions

The related parties comprise the members of the Board of Directors and Management Team 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	1–6/2016
EUR 1,000	
Sales	46
Purchases	4
Current liabilities	0

Key figures

Key figures	1-6/2016	1-6/2015	1-12/2015
Gross capital expenditure, EUR 1,000	249	296	468
Personnel	193	227	215
Operating margin %	-6.8 %	-5.8 %	-4.9 %
Share price development			
Share price at beginning of period	1.10	0.99	0.99
Share price at end of period	0.74	1.27	1.10
Highest for the period	1.10	1.57	1.66
Lowest for the period	0.64	0.99	0.97
Equity/share EUR	0.55	0.86	0.60
Earnings/share (EPS) EUR, undiluted	-0.12	-0.18	-0.33
Earnings/share (EPS) EUR, diluted	-0.12	-0.18	-0.33
Equity ratio %	17.59	18.89	17.00
Gearing %	293.00	257.70	288.20

Other liabilities and commitments

Contingencies and commitments, EUR 1,000	30.6.2016	30.6.2015	31.12.2015
Mortgages given	11,000	11,000	11,000
Book value of pledged subsidiary shares and -loan receivables	10,566	51,628	46,613
Other contingent liabilities	9,959	11,996	9,985
Rental obligations	65,922	74,764	68,686

Accounting policies

The Half Year Financial Report has been prepared in accordance with IAS 34 Interim Financial Reporting. The accounting policies applied are consistent with those applied in the 2015 Financial Statements. Other new or amended IFRS standards or interpretations that have entered into force did not have a material impact on the Half Year Financial Report.

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 Half Year Financial Report is unaudited.

Calculation of key figures

Equity ratio (%) =

Equity

X 100

Balance sheet total – advances received

Earnings per share (EUR) =

Result attributable to equity holders of the parent company

Weighted average number of ordinary shares outstanding

Equity per share (EUR) =

Equity attributable to equity holders of the parent Company

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

Gearing (%) =

Interest-bearing liabilities - cash and cash equivalents

Equity

X 100

Comparable net sales (EUR) =

Reported net sales +/- net sales of acquired and divested businesses +/- net sales of discontinued businesses +/- net sales allocable to previous financial years +/- direct effects of exchange rates

Comparable operating result (EUR) =

Reported operating result +/- revenue and expenses of acquired and divested businesses +/- revenue and expenses of discontinued businesses +/- revenue and expenses allocable to previous financial years +/- direct effects of exchange rates