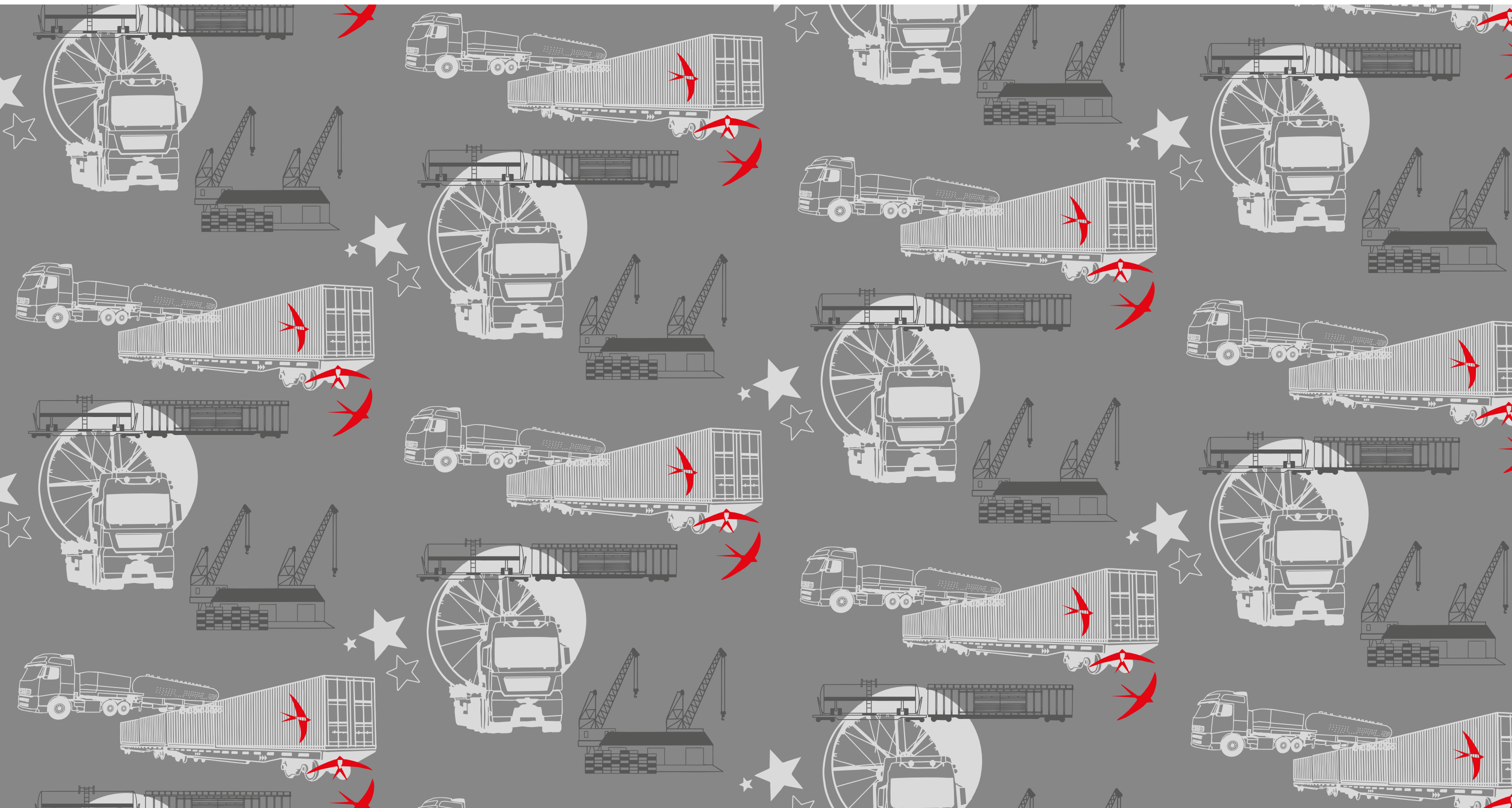
Nurminen Logistics

Financial Statements and
the Boards Report on Operations

1 January 2015–31 December 2015



Nurminen Logistics ▶▶▶

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The Board's Report on Operations

Market conditions deteriorated

The year 2015 was characterised by significant changes in demand and operating volumes. We fell short of our net sales and profit targets. Our operating result showed a loss. However, the development of the company's operating result and net sales varied greatly between business units and operating locations. Despite the challenging market conditions, we were able to improve the company's cash flow from operations that amounted to EUR 1.1 million.

Nurminen Logistics Plc announced on 11 September 2015 that the company has concluded an agreement for selling Nurminen Logistics Heavy Oy's shares to Transport Company Ville Silvasti Oy. Share transaction has been validated on 30 September 2015 and the responsibility of Nurminen Logistics Heavy's operations was transferred to Transport Company Ville Silvasti as of 1 October 2015. The transaction has no significant impact on Nurminen Logistics' result in 2015 or on Group's consolidated balance sheet. Nurminen Logistics Heavy Oy is excluded from the consolidated figures as of 1 October 2015.

Market conditions in the review period deteriorated compared to 2014. Finnish exports decreased by four per cent and imports by six per cent from the previous year. The decline in exports to non-EU countries was particularly steep, with exports to Russia falling by more than a third. In forestry and in the engineering industry, however, exports remained at a good level and the company has a strong position and good clients in these segments. The company has been able to maintain its market share in spite of the challenging market situation.

Nurminen Logistics announced on 21 December 2015 that the company will change its financial reporting practices as of 1 January 2016. In the future, the company will publish financial review twice a year. The decision is based on the amended Securities Markets Act, which entered into force on November 26, 2015. Amendments to the Securities Markets Act concern, among other things, giving up the requirement to disclose interim reports for the first three and nine months of the year.

Net sales decreased and the result showed a loss

The net sales for the 2015 financial period amounted to EUR 43.0 million (2014: EUR 52.8 million), which represents a decrease of 18.5% compared to 2014. The reported operating result was EUR –2,127 (1,328) thousand. The operating result includes non-recurring items of EUR –209 (–174) thousand. The comparative operating result was therefore EUR –1,918 (1,502) thousand. The non-recurring costs in the review period and in 2014 were related to adjustment measures, personnel arrangements and restructuring implemented under the profit improvement programme. The operating result for the financial period was improved by exchange rate gains on the valuation of rouble-denominated trade payables resulting from the depreciation of the rouble. This had a total effect of EUR 0.7 (2.7) million on the result. The depreciation of the Russian rouble during the review period decreased the company's financial result by EUR 0.2 (1.5) million. These exchange rate gains and losses had no cash flow impact.

The Railway Logistics business unit's net sales for the review period amounted to EUR 12,292 (2014: 17,935) thousand and the operating result was EUR –58 (2,686) thousand. The operating result includes non-recurring items of EUR –143 (–85) thousand. The comparative operating result was therefore EUR 86 (2,771) thousand. The net sales and operating result of Railway Logistics declined substantially during the review period compared to the previous year due to the further weakening of the rouble exchange rate and the significant decrease in transport volumes in traffic between Finland and Russia, particularly with respect to pulp, paper and chemical industry products as well as machinery and equipment. Due to the depreciation of the Russian rouble, the net sales of Railway Logistics declined by EUR 3.2 million calculated at yearly average exchange rate compared to 2014. Covered wagon deliveries originating from Finland declined by 40 per cent on average compared to 2014. The situation was particularly weak in the fourth quarter. Transport volumes for other wagon types remained at a good level in traffic between Finland and Russia throughout the review period. In Russian domestic transport, covered wagon loading volumes grew slightly, while the volumes for other wagon types remained at the same level as in 2014. However, the intense price competition resulting from overcapacity in the supply of wagons in the Russian domestic market contributed to a decline in net sales in spite of the good loading volumes.

The Special Transports and Projects business unit's net sales for the review period amounted to EUR 5,131 (7,794) thousand and the operating result was EUR 107 (163) thousand. The operating result includes non-recurring items of EUR 0 (0) thousand. Therefore, the comparative operating result was EUR 107 (163) thousand. Nurminen Logistics Heavy Oy and the special transport business were transferred to Transport Company Ville Silvasti Oy on 1 October 2015. From 1 October 2015 onwards, the project business has been reported under the Forwarding and Value Added Services unit. A sales gain of EUR 32 thousand was recognised in the fourth quarter.

The net sales of the Forwarding and Value Added Services business unit for the review period amounted to EUR 25,963 (27,778) thousand and the operating result was EUR –2,176 (–1,521) thousand. The operating result includes non-recurring items of EUR –67 (–89) thousand. The comparative operating result was therefore EUR –2,109 (–1,432) thousand. The net sales of the Forwarding and Value Added Services unit decreased and its result declined due to weaker service demand in exports to Russia and transit logistics. At the Vuosaari terminal, the processing volumes of pulp, paper and forest industry products were at a good level throughout the year, with the volumes of break-bulk cargo and the engineering and metal industries also developing favourably during the review period. The demand for forwarding services decreased slightly year-on-year, but nevertheless remained at a good level. The demand for the services of the unit's companies in the Baltic countries was satisfactory in the difficult market climate of 2015, but there was a notable decrease compared to the previous quarter and the previous year. Forwarding volumes in railway transport and transit logistics decreased from the previous year due to the sharp decline of trade with Russia.

The development of the key financial, personnel and share indicators for 2013–2015 is included in the Financial Statements separately.

Financial position and balance sheet

The company's cash flow from operations was EUR 1,143 thousand. Cash flow from investments was EUR 325 thousand. Cash flow from financing activities amounted to EUR 270 thousand.

At the end of the financial period, cash and cash equivalents amounted to EUR 3,273 thousand. The company's financial position improved as a result of the sale of Nurminen Logistics Heavy Oy and the property arrangement and share issue announced on 4 June 2015. The company's financing agreement with the financing banks will expire on 29 February 2016.

On 17 February 2016 the company signed a sale and purchase agreement concerning the sale of 380 covered wagons. The transaction will be realized when the buyer's financing is confirmed. Wagon sales revenue will improve the company's working capital, allowing further development of the company. The transaction has no impact on the result for 2016 because wagons are valued in the rubles selling price in the financial statements 2015. The company's wagon operation continues unchanged with regard to the covered wagons as well.

The covenants of the Group's loans from financial institutions, namely the ratio of net debt to operating margin and the equity ratio, were breached as of the financial statement date of 31 December 2015. The Group has received a commitment from its creditors confirming that the breach of the covenants will not have any consequences on the Group.

On 27 February 2015, Nurminen Logistics signed a 12-month financing agreement relating to its continuing business operations with its financing banks. The financing agreement includes covenants that are assessed on a quarterly basis.

The company has signed an agreement with the financing banks on short-term financing until 31 May 2016, which guarantees the company's financial position for a period of the closing of the sale. In the future financing banks' covenants terms will be assessed semi-annually.

Nurminen Logistics Plc has agreed with Ilmarinen Mutual Pension Insurance Company on an arrangement concerning the lease payment schedule of terminals located at the Vuosaari harbor as well as in Luumäki, Niirala and Vainikkala. A proportion of leases allocated for years 2015–2021 will, as an advanced payment, be paid to Ilmarinen by means of 13.5 million euro loans granted by Ilmarinen to the company. The rest of the originally agreed lease will yet be paid during the lease period. As part of the agreement related to the lease payments, Nurminen Logistics Plc arranged a 1.7 million euro share issue. The Board of Directors of Nurminen Logistics Plc decided on a directed share issue in order to allow the immediate implementation of the agreement and to minimize the arrangement costs. The decision on the share issue is based on the authorization granted by the Annual General Meeting of Shareholders on 7 April 2015.

In the share issue, a maximum total of 1,416,668 new shares in the company were offered, in deviation from the shareholders' pre-emptive right, for subscription to certain members of the Board of Directors and the President and CEO of the company and/or the companies, in which they exercise control. The shares were subscribed as follows: Juha Nurminen and JN Uljas Oy, in which he exercises control, 1,291,667 shares in total, and Jukka Nurminen, Tero Kivisaari and Russian Capital Management Oy, in which Olli Pohjanvirta exercises control, each 41,667 shares.

The Group's interest-bearing debt totaled EUR 28.3 million at the end of the financial period, and net interest-bearing debt amounted to EUR 25.0 million. The agreement with Ilmarinen Mutual Pension Insurance Company signed in June concerning the lease payment schedule of terminals located at the Vuosaari harbor as well as in Luumäki, Niirala and Vainikkala increased company's long-term net interest-bearing debt by EUR 13.5 million.

The balance sheet total was EUR 51.0 million, and the equity ratio was 17.0% (23.6%). The most significant factor (–3,5%) contributing to the decline in the equity ratio via translation differences is the substantial depreciation of the rouble.

Capital expenditure

The Group's gross capital expenditure during the review period amounted to EUR 468 (506) thousand, accounting for 1.1% of net sales. Depreciation totaled EUR 2.2 (2.4) million, or 5.1% of net sales.

Group structure

During the review period Nurminen Logistics Plc sold its subsidiary Nurminen Logistics Heavy Oy (100%) and its associated company Team Lines Estonia Oü (20.3%).

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

Research and development

Nurminen Logistics offers logistics services and aims to constantly develop these services both on its own and in cooperation with its partners. Due to the nature of its operations the company did not have separate research and development costs in its income statement in 2015.

Personnel

At the end of the review period, the Group had 196 employees, compared with 233 on 31 December 2014. The number of employees working abroad was 49. The sale of the subsidiary Nurminen Logistics Heavy Oy saw 19 employees transferred outside the company.

Railway Logistics had 27 employees and Forwarding and Value Added Services 155 employees.

Management and administrative personnel comprised 14 employees.

Personnel expenses in 2015 totaled EUR 10.3 million (2014: EUR 11.1 million).

Changes in the top management

The Board of Directors of Nurminen Logistics Plc has elected Mr. Marko Tuunainen (M. Sc. Econ.) as President and CEO of the Company. Mr. Tuunainen started in his new position on 1 August 2015. This information was published in a stock exchange release on 23 June 2015.

Markku Puolanne, Michael Karjagin and Risto Holopainen have been appointed the new members of the Management Team of Nurminen Logistics Plc.

Markku Puolanne, aged 42, has been appointed the new Chief Financial Officer (CFO) and member of the Management Team of Nurminen Logistics. Puolanne has been working as a Group Financial Controller of the company. Before joining Nurminen Logistics, Markku Puolanne has acted among others as CFO and Group Financial Controller of subsidiary of the SRV Yhtiöt Plc in St. Petersburg (area of responsibility: Russia and Baltics) and as a Business Controller in Mesvac.

Michael Karjagin, aged 47, has been appointed the Vice President of Nurminen Logistics's Forwarding business line and member of the Management Team of Nurminen Logistics. Karjagin has been working in the company as a Director of Forwarding business line and as a Sales Director last three years.

Risto Holopainen, aged 51, has been appointed the Vice President of Nurminen Logistics's Terminal and Value Added Services business line and member of the Management Team of Nurminen Logistics. Holopainen has worked with Nurminen Logistics in different roles since 2002. As Director of Terminal and Value Added Services business line Holopainen has been working from 2013.

Maija Dietrich, aged 37, has been appointed the Vice President of Nurminen Logistics' Railway Logistics business unit. Previously Dietrich was acting as HR and Development Director of Nurminen Logistics. Dietrich will continue in the Management Team.

This information was published in a stock exchange release on 7 September 2015.

Vice President of Nurminen Logistics responsible for Special Transports and Projects, Hannu Vuorinen, transferred to Transport Company Ville Silvasti Oy as of 1 October 2015 in the connection of sale of Nurminen Logistics Heavy Oy. This information was published in a stock exchange release on 11 September 2015.

On 31 December 2015, Nurminen Logistics' Management Team consisted of the following members:

Marko Tuunainen, President and CEO
Markku Puolanne, CFO
Maija Dietrich, Vice President, Rail Services
Risto Holopainen, Vice President, Terminal
and Value Added Services
Mike Karjagin, Vice President, Forwarding.

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 14,574,410 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.

The trading volume of Nurminen Logistics Plc's shares was 416,183 during the period from 1 January to 31 December 2015. This represented 2.9% of the total number of shares. The value of the turnover was EUR 500,522. The lowest price during the review period was EUR 0.97 per share and the highest EUR 1.66 per share. The closing price for the period was EUR 1.10 per share and the market value of the entire share capital was EUR 16,031,851 at the end of the period.

At the end of the 2015 financial year the company had 629 shareholders. At the end of 2014 the number of shareholders stood at 586.

In the end of 2014 the company held 120,275 of its own shares, corresponding to 0.8% of votes. In July 2015 Nurminen Logistics issued 100,000 new shares in the company to the company without consideration. The issued shares will be used for the payment of the remuneration of the Board members and/or for the creation of incentives for, or encouraging commitment in, personnel.

The distribution of shares and ownership by shareholders type are included in the Financial Statements separately.

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 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 2016.

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 Management Team 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 Extraordinary General Meeting of Shareholders

Nurminen Logistics Plc's Extraordinary General Meeting of Shareholders held on 24 August 2015 made the following decisions:

The remuneration of the Chairman of the Board of Directors

The Extraordinary General Meeting of Shareholders resolved that the remuneration of the Chairman of the Board will be EUR 10,000 per month plus car benefit with the maximum value of EUR 1,600 per month and telephone benefit in addition to the remuneration agreed upon in the Annual General Meeting on 7 April 2015.

The Annual General Meeting of Shareholders on 7 April 2015 resolved that for the Chairman of the Board remuneration level will be as follows: annual remuneration of EUR 40,000 and a meeting fee of EUR 1,000 per meeting for the Board and Board Committee meetings.

Composition and the number of members of the Board of Directors

The Extraordinary General Meeting of Shareholders resolved that the number of members of the Board of Directors will be five until the end of the next Annual General Meeting and thus complementing the Board of Directors with one member. The Extraordinary General Meeting of Shareholders elected Olli Pohjanvirta as a Board Member and to be chosen as the Chairman of the Board of Directors. The current Chairman of the Board of Directors Tero Kivisaari would continue as a Member of the Board of Directors. The Chairman's duties include, in addition to managing the Board of Directors, promoting projects in line with the company's strategy, especially in the rail transport market as well as taking care of financing and investor relations.

Decisions made by the Annual General Meeting of Shareholders

Nurminen Logistics Plc's Annual General Meeting of Shareholders held on 7 April 2015 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 2014 – 31 December 2014 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 2014 – 31 December 2014.

Composition and remuneration of the Board of Directors

The Annual General Meeting of Shareholders resolved that the Board of Directors shall consist of four (4) 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. 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 2016 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.

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 2016.

Auditor

KPMG Oy Ab, Authorised Public Accountant audit-firm, was re-elected as Nurminen Logistics Plc's auditor. Mr. Ari Eskelinen, 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.

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 expects that both its operating result and earnings per share will improve compared to 2015, but that its net sales will fall short of the level of 2015. The predictability of the operating result involves significant uncertainty due to the development of the rouble exchange rate. Exchange rate fluctuations have a significant impact on the reported net sales and operating result.

Short-term risks and uncertainties

A significant decline of the Finnish and Russian economies and the decline of the global economy would have a direct impact on Finnish imports and exports, which in turn would have a negative effect on the company's net sales and result. Significant fluctuations in the rouble exchange rate have an impact on the Group's reported result and financial position.

The company's financial risks are described in more detail in the Financial Position and Balance Sheet section.

More detailed information about risk management can be found on Investors page on Nurminen Logistics' website www.nurminenlogistics.com.

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.

Events after the review period

On 17 February 2016 the company signed a sale and purchase agreement concerning the sale of 380 covered wagons. The transaction will be realized when the buyer's financing is confirmed. Wagon sales revenue will improve the company's working capital, allowing further development of the company. The transaction has no impact on the result for 2016 because wagons are valued in the rubles selling price in the financial statements 2015. The company's wagon operation continues unchanged with regard to the covered wagons as well.

The company has signed an agreement with the financing banks on short-term financing until 31 May 2016, which guarantees the company's financial position for a period of the closing of the sale. In the future financing banks' covenants terms will be assessed semi-annually.

Board of Directors' proposal for profit distribution

Based on the financial statements as at 31 December 2015, the parent company's distributable equity is 32,241,951.55 euros. The Board of Directors proposes to the Annual General Meeting that that no dividend shall be distributed for the financial year 2015.

Corporate governance statement

The Corporate Governance Statement of Nurminen Logistics Plc will be published on 17 March 2016 on the company's website at www.nurminenlogistics.com.

Consolidated Statement Of Comprehensive Income, IFRS

1,000 EUR	Note	1–12/2015	1–12/2014
NET SALES	2	43,016	52,774
Other operating income	3	219	465
Materials and services		–19,437	–24,600
Employee benefit expenses	5	–10,317	–11,146
Depreciation, amortisation and impairment losses	6	–2,201	–2,351
Other operating expenses	4	–13,406	–13,813
OPERATING RESULT		**–2,127**	**1,328**
Financial income	7	169	82
Financial expenses	7	–2,468	–3,298
Share of profit of equity-accounted investees	14	143	–57
		–2,156	–3,273
RESULT BEFORE INCOME TAX		**–4,283**	**–1,945**
Income tax expense	8	–93	–396
RESULT FOR THE YEAR		**–4,375**	**–2,341**
OTHER COMPREHENSIVE INCOME			
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Translation differences		–1,363	–7,842
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**–5,738**	**–10,183**
Result attributable to			
Equity holders of the parent company		–4,551	–2,793
Non-controlling interest		176	453
Total comprehensive income attributable to			
Equity holders of the parent company		–5,914	–10,636
Non-controlling interest		176	453
Earnings per share calculated from result attributable to equity holders of the parent company			
Earnings per share, undiluted, euro		–0,33	–0,21
Earnings per share, diluted, euro		–0,33	–0,21

Consolidated Statement of Financial Position, IFRS

1,000 EUR	Note	31 Dec 2015	31 Dec 2014
ASSETS			
Non-current assets			
Property, plant and equipment	11	14,988	23,351
Goodwill	12,14	8,970	9,516
Other intangible assets	12	191	354
Investments in equity-accounted investees	13	293	173
Receivables	16	7,223	35
Deferred tax assets	17	547	608
Non-current assets, total		**32,212**	**34,037**
Current assets			
Trade and other receivables	18	10,709	9,648
Current tax receivables		129	83
Cash and cash equivalents	19	3,273	1,530
Current assets, total		**14,111**	**11,262**
For sale non-current assets		**4,710**	**0**
TOTAL ASSETS		**51,033**	**45,299**
EQUITY AND LIABILITIES			
Equity attributable to holders of the parent company	20		
Share capital		4,215	4,215
Share premium reserve		86	86
Other reserves		21,268	19,568
Translation differences		–8,168	–7,679
Retained earnings		–9,216	–6,349
Equity attributable to holders of the parent company		**8,185**	**9,841**
Non-controlling interest		**489**	**833**
Equity, total		**8,675**	**10,674**
LIABILITIES			
Non-current liabilities			
Deferred tax liabilities	17	447	426
Other liabilities	23	305	350
Financial liabiliites	22	23,759	13,200
Non-current liabilities, total		**24,511**	**13,977**
Current liabilities			
Current tax liabilities		79	127
Financial liabilities	22	4,517	8,592
Trade payables and other liabilities	23	13,252	11,930
Current liabilities, total		**17,847**	**20,649**
Liabilities, total		**42,358**	**34,625**
EQUITY AND LIABILITIES, TOTAL		**51,033**	**45,299**

Consolidated Cash Flow Statement, IFRS

1,000 EUR	Note	1–12/2015	1–12/2014
Cash flow from operating activities			
PROFIT/LOSS FOR THE YEAR		**–4,375**	**–2,341**
Adjustments for:			
Depreciation, amortisation & impairment losses	6	2,201	2,351
"Gains (–) and losses (+) on disposals of property, plant and equipment and other non-current assets"		–69	–19
Share of profit of associates, profit (–) / loss (+)		–143	57
Unrealised foreign exchange gains (–) and losses (+)		196	1,530
Financial income (–) and expenses (+)		2,103	1,686
Income taxes	8	93	396
Other adjustments		167	–2,654
Cash flow before changes in working capital		**173**	**1,006**
Working capital changes:			
Increase (-) / decrease (+) in non-interest bearing current receivables		1,482	374
Increase (+) / decrease (-) in non-interest bearing current payables		1,729	201
Net cash from operating activities before financial items and taxes		**3,384**	**1,582**
Interest paid		–1,530	–1,295
Dividends received		19	0
Interest received		76	1
Other financial items		–653	–386
Income taxes paid		–152	–349
Net cash from operating activities		**1,143**	**–448**
Cash flow from investing activities			
Purchases of property, plant and equipment and intagible assets		–540	–490
Proceeds from sale of property, plant and equipment and intangible assets		1,341	758
Sales of shares in affiliated undertakings		4	0
Proceeds from sale of other investments		32	0
Loans granted		–512	0
Net cash used in investing activities		**325**	**268**
Cash flow from financing activities			
Share issue against payment	20	1,700	63
Proceeds from current borrowings		71	2,087
Repayment of current borrowings		–4,403	–1,947
Proceeds from non-current borrowings		5,587	0
Repayment of non-current borrowings		0	–900
Repayment of finance lease liabilities		–2,330	–796
Dividends paid / repayments of equity		–354	–178
Net cash used in financing activities		**270**	**–1,670**
Net increase / decrease in cash and cash equivalents		**1,739**	**–1,850**
Cash and cash equivalents at the beginning of the year		1,530	3,553
Translation differences of cash and cash equivalents at the beginning of the year		–29	–186
Net increase / decrease in cash and cash equivalents		1,739	–1,850
Translation differences of net increase / decrease in cash and cash equivalents		33	14
Cash and cash equivalents at the end of the year	**19**	**3,273**	**1,530**

Consolidated Statement of Changes in Equity, IFRS

1,000 EUR	Note	Equity attributable to equity holders of the parent company								
1–12/2014		Share capital	Share premium reserve	Legal reserve	Reserve for invested unrestricted equity	Translation differences	Retained earnings	Total	Non-controlling interest	Total equity
Equity on 1 Jan 2014		**4,215**	**86**	**2,378**	**17,127**	**–4,193**	**720**	**20,333**	**558**	**20,891**
Comprehensive income										
Result for the year							–2,793	–2,793	453	–2,341
Other comprehensive income										
Translation differences						–3,486	–4,357	–7,842		–7,842
Total comprehensive income for the year						**–3,486**	**–7,150**	**–10,636**	**453**	**–10,183**
Business transactions with share holders										
Other changes					63		80	143	0	143
Dividends									–178	–178
Total business transactions with share holders					**63**		**80**	**143**	**–178**	**–34**
Equity on 31 Dec 2014		**4,215**	**86**	**2,378**	**17,190**	**–7,679**	**–6,350**	**9,841**	**832**	**10,674**

1,000 EUR	Note	Equity attributable to equity holders of the parent company								
1-12/2015		Share capital	Share premium reserve	Legal reserve	Reserve for invested unrestricted equity	Translation differences	Retained earnings	Total	Non-controlling interest	Total equity
Equity on 1 Jan 2015		**4,215**	**86**	**2,378**	**17,190**	**–7,679**	**–6,350**	**9,841**	**832**	**10,674**
Comprehensive income										
Result for the year							–4,551	–4,551	176	–4,375
Other comprehensive income										
Translation differences						–490	–873	–1,363		–1,363
Total comprehensive income for the year						**–490**	**–5,424**	**–5,914**	**176**	**–5,738**
Business transactions with share holders										
Other changes					1,700		2,558	4,258	0	4,258
Dividends									–519	–519
Total business transactions with share holders					**1,700**		**2,558**	**4,258**	**–519**	**3,739**
Equity on 31 Dec 2015		**4,215**	**86**	**2,378**	**18,890**	**–8,168**	**–9,216**	**8,185**	**489**	**8,675**

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 high-quality and customer competitiveness increasing logistics services in Russia, its' neighbouring areas and in Finland. 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 18 February 2016. 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), in accordance with the IAS and IFRS standards and SIC and IFRIC interpretations effective on 31 December 2014. 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 2015 the Group has applied the following amendments to standards that did not have a significant impact on the consolidated financial statements:

• *Annual Improvements to IFRSs (2011–2013 cycle and 2010–2012 cycle)* (effective for financial years beginning on or after 1 July 2014): 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 four (2011–2013 cycle) and seven (2010–2012 cycle) standards.

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. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. 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.

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 recognized in Group's equity, the change in this translation difference is recognized 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 an internal loan. The foreign currency differences arisen from this loan are recognized in financial income and expenses in the consolidated financial statements. Treatment of the loan as an net investment has ended in May 2013.

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 recognized 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 recognized 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. Due to the nature of its operations the company did not have separate research and development costs in its income statement in 2014 and 2013.

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 as of 31 December 2015.

• Amendment to IAS 1 *Presentation of Financial Statements: Disclosure Initiative* (effective for financial years beginning on or after 1 January 2016). The amendments are designed to encourage companies to apply judgement in determining what information to disclose in the financial statements. For example, the amendments clarify the application of the materiality concept and judgement when determining where and in what order information is presented in the financial disclosures.

• Amendments to IAS 16 *Property, Plant and Equipment and IAS 38 Intangible Assets – Clarification of Acceptable Methods of Depreciation and Amortisation* (effective for financial years beginning on or after 1 January 2016): The amendments clarify IAS 16 and IAS 38 that revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in limited circumstances to amortise intangible assets.

• Amendments to IFRS 10 *Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 28 Investments in Associates and Joint Ventures: Investment Entities: Applying the Consolidation Exception** (the amendments can be applied immediately; mandatory for financial years beginning on or after 1 January 2016): The narrow-scope amendments to IFRS 10, IFRS 12 and IAS 28 clarify the requirements when accounting for investment entities. The amendments also provide relief in particular circumstances, which will reduce the costs of applying the Standards.

• Amendments to IFRS 11 *Joint Arrangements - Accounting for Acquisitions of Interests in Joint Operations* (effective for financial years beginning on or after 1 January 2016): The amendments add new guidance to IFRS 11 on how to account for the acquisition of an interest in a joint operation that constitutes a business, i.e. business combination accounting is required to be applied.

• Amendments to IAS 27 *Separate Financial Statements – Equity Method in Separate Financial Statements* (effective for financial years beginning on or after 1 January 2016): The amendments to IAS 27 will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements.

• New IFRS 15 *Revenue from Contracts with Customers** (effective for financial years beginning on or after 1 January 2018): IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue guidance, including IAS 18 *Revenue*, IAS 11 *Construction Contracts* and IFRIC 13 *Customer Loyalty Programmes*. Under IFRS 15 an entity shall recognise revenue in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

• New IFRS 9 *Financial Instruments** (effective for financial years beginning on or after 1 January 2018): IFRS 9 replaces the existing guidance in IAS 39 *Financial Instruments: Recognition and Measurement.* IFRS 9 includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets, and the new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39.

• *Annual Improvements* to IFRSs (2012-2014 cycle) (effective for financial years beginning on or after 1 January 2016): 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 four standards.

Other, here not listed revised standards or interpretations are not expected to have an impact on the consolidated financial statements.

2. SEGMENT INFORMATION

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.

Nurminen Logistics Plc announced on 11 September 2015 that the company has concluded an agreement for selling Nurminen Logistics Heavy Oy's shares to Transport Company Ville Silvasti Oy. Share transaction has been validated on 30 September 2015 and the responsibility of Nurminen Logistics Heavy's operations was transferred to Transport Company Ville Silvasti as of 1 October 2015. The project logistics has been reported as a part of forwarding and value added services segment since 1.10.2015.

Operating segments 2015

1,000 EUR	Railway Logistics	Special Transports and Projects	Forwarding and Value Added Services	Eliminations	Total
2015					
External net sales	12,280	4,838	25,898		43,016
Internal net sales	12	293	65	–370	0
Total net sales	12,292	5,131	25,963	–370	43,016
Operating result	–58	107	–2,176		–2,127
2014					
External net sales	17,868	7,411	27,495		52,774
Internal net sales	67	383	283	–734	0
Total net sales	17,935	7,794	27,778	–734	52,774
Operating result	2,686	163	–1,521		1,328

Information on geographical areas 2015

1,000 EUR	Finland	Russia	Baltic countries	Total
2015				
Net sales	34,555	6,940	1,520	43,016
Non-current assets	29,484	2,671	57	32,212
2014				
Net sales	40,109	10,326	2,338	52,774
Non-current assets	21,032	12,323	39	33,394

Information on major customers

Revenue from a single customer didn't exceed 10 % of Group´s net sales in 2015.
Revenue from a single customer didn't exceed 10 % of Group´s net sales in 2014.

3. OTHER OPERATING INCOME

1,000 EUR	2015	2014
Gains from sale of property, plant and equipment	209	352
Rent income	7	0
Other items	3	113
Total	**219**	**465**

4. OTHER OPERATING EXPENSES

1,000 EUR	2015	2014
Losses on sales and disposals of property, plant and equipment	141	332
Expenses relating to premises	7,261	7,794
Administrative expenses	2,636	4,514
Other cost items	3,369	1,173
Total	**13,406**	**13,813**

Administrative expenses do not include non-recurring costs in 2015 and 2014.

Auditor fees

1,000 EUR	2015	2014
Audit fees	52	73
Other services	1	3
Total	**53**	**76**

5. EMPLOYEE BENEFIT EXPENSES

1,000 EUR	2015	2014
Wages and salaries	8,487	9,073
Pension expenses, defined contribution plans	1,464	1,594
Other social security costs	308	399
Share-based payments	58	80
Total	**10,317**	**11,146**

Employee benefits includes non-recurring expenses EUR 209 thousand in 2015 (EUR 155 thousand in 2014).
Information on the management remuneration is presented in note 27. Related party transactions.
Information on the share-based payments is presented in note 21. Share-based payments.

Personnel of the Group during the year in average

	2015	2014
Railway Logistics	31	49
Special Transports and Projects	20	23
Forwarding and Value Added Services	158	153
Administration	16	16
Total	**225**	**241**

6. DEPRECIATION, AMORTISATION AND IMPAIRMENT LOSSES

Depreciation and amortisation by asset category:

1,000 EUR	2015	2014
Intangible assets		
Intangible rights	11	11
Other intangible assets	184	197
Total	**196**	**208**
Property, plant and equipment		
Buildings	945	612
Machinery and equipment	1,050	1,495
Other tangible assets	12	36
Total	**2,006**	**2,142**

The Group has not recognised impairment losses in the financial year 2015 or 2014.

7. FINANCIAL INCOME AND EXPENSES

1,000 EUR	2015	2014
Financial income		
Interest income	76	1
Exchange rate gains	94	82
Total financial income	**169**	**83**
Financial expenses		
Interest expenses	1,519	1,308
Exchange rate losses	310	1,556
Other financial expenses	640	433
Total financial expenses	**2,468**	**3,298**

Items above the operating profit include exchange rate differences totalling EUR +710 thousand in 2015 (EUR +2,652 thousand in 2014). Other financial expenses include a non-recurring debt arrangement cost of EUR 259 thousand in 2015

8. INCOME TAX EXPENSE

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

1,000 EUR	2015	2014
Current tax expense	40	359
Adjustment for prior periods' taxes	0	0
Deferred taxes, net	53	37
Total	**93**	**396**

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 (20.0 %):

1,000 EUR	2015	2014
Profit before income tax	–4,283	–1,945
Income tax calculated using the Finnish corporate tax rate	–857	–389
Effect of tax rates used in foreign subsidiaries	–53	–21
Tax exempt income	0	0
Share of profit equity-accounted investees	–25	–11
Non-deductible expenses	–4	–10
Usage of prior unrecognised tax assets on losses	0	0
Unrecognised deferred tax assets on losses	1,357	1,020
Effect of change in Finnish corporate tax rate	0	0
Adjustment for prior periods’ taxes	0	0
Other differences	–324	–192
Total adjustments	950	785
Income tax expense in the statement of comprehensive income	**93**	**396**

9. EARNINGS PER SHARE

	2015	2014
Result attributable to the equity holders of the parent company (1,000 EUR)	–4,551	–2,793
Weighted average number of shares, undiluted	13,745,801	13,030,762
Earnings per share, undiluted, euro	–0.33	–0.21
Result attributable to the equity holders of the parent company (1,000 EUR)	–4,551	–2,793
Effect of share bonus scheme, number of shares	0	0
Weighted average number of shares, diluted	13,745,801	13,030,762
Earnings per share, diluted, euro	–0.33	–0.21

10. INTERESTS IN OTHER ENTITIES

Group has following 3 subsidiaries with material non-controlling interests.

Name	Business segment	Country of incorporation	Group ownership (%)	Group share of voting rights (%)
Nurminen Maritime Latvia SIA	Forwardind and Value Added Services	Latvia	51.0 %	51.0 %
UAB Nurminen Maritime	Forwardind and Value Added Services	Liettua	51.0 %	51.0 %
Nurminen Maritime Eesti AS	Forwardind and Value Added Services	Eesti	51.0 %	51.0 %

The following is summarised financial information for the subsididiaries with material non-controlling interests. The information is before inter-company eliminations with other companies in the Group.

	Nurminen Maritime Latvia SIA		UAB Nurminen Maritime		Nurminen Maritime Eesti AS	
1,000 EUR	**2015**	**2014**	**2015**	**2014**	**2015**	**2014**
Summary of comprehensive income staments						
Net sales	588	1,017	4,053	6,713	497	698
Profit before taxes	–34	386	478	765	–14	–53
Income tax	0	–53	–72	–120	0	0
Other comprehensive income	0	0	0	0	0	0
Total comprehensive income	–34	332	406	644	–14	–53
Total comprehensive income attributable to NCI	–17	163	199	316	–7	–26
Summary of balance sheets						
Current assets	1,091	1,000	906	1,241	89	134
Non-current assets	20	25	33	52	4	9
Current liabilities	623	505	475	578	33	68
Non-current liabilities	10	10	3	15	0	0
Net assets	478	511	461	699	60	74
Net assets attributable to NCI	234	250	226	343	30	36
Summary of cash flows						
Cash flow from operating activities	119	–117	632	573	3	–86
Cash flow from investing activities	15	57	–1	–3	1	–3
Cash flow from financing activities	–207	0	–661	–378	0	3
Net increase in cash and cash equivalents	–73	–60	–30	192	4	–86
Dividends paid to NCI during the year	203	0	316	178	0	0

11. PROPERTY, PLANT AND EQUIPMENT

1,000 EUR	Land and water areas	Buildings	Machinery and equipment	Other tangible assets	Prepay-ments and assets under construction	Total
2015						
Cost at 1 January	147	17,371	22,306	711	0	40,534
Additions		6	420	8		434
Divestitures			63	–2		60
Disposals		0	–5,811			–5,811
Effect of movements in exchange rates		–67	–1,514			–1,581
Cost at 31 December	147	17,309	15,464	716	0	33,636
Accumulated depreciation and impairment losses at 1 January	0	–3,547	–12,993	–644	0	–17,184
Depreciation for the year		–941	–924	–12		–1,876
Depreciation of divestments			–217	2		–215
Accumulated depreciation on disposals						0
Effect of movements in exchange rates		14	612			626
Accumulated depreciation and impairment losses at 31 December	0	–4,473	–13,522	–653	0	–18,649
Carrying amount at 1 January 2015	**147**	**13,824**	**9,314**	**66**	**0**	**23,351**
Carrying amount at 31 December 2015	**147**	**12,836**	**1,942**	**63**	**0**	**14,988**
2014						
Cost at 1 January	147	17,744	32,657	671	9	51,228
Additions			339	40		379
Disposals		–34	–670		–9	–714
Effect of movements in exhange rates		–339	–10,019			–10,358
Cost at 31 December	147	17,371	22,306	711	0	40,534
Accumulated depreciation and impairment losses at 1 January	0	–2,989	–16,138	–608	0	–19,735
Depreciation for the year		–610	–1,131	–36		–1,777
Accumulated depreciation on disposals		27	151			178
Effect of movements in exchange rates		25	4,125			4,150
Accumulated depreciation and impairment losses at 31 December	0	–3,547	–12,993	–644	0	–17,184
Carrying amount at 1 January 2014	**147**	**14,754**	**16,519**	**63**	**9**	**31,491**
Carrying amount at 31 December 2014	**147**	**13,824**	**9,314**	**66**	**0**	**23,351**

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.

1,000 EUR	Machinery and equipment	Buildings	Total
2015			
Cost at 1 January	1,855	15,424	17,281
Additions	40		40
Disposals			0
Cost at 31 December	1,896	15,424	17,320
Accumulated depreciation and impairment losses at 1 January	–1,670	–2,647	–4,317
Depreciation for the year	–144	–829	–973
Accumulated depreciation on disposals			0
Accumulated depreciation and impairment losses at 31 December	–1,814	–3,476	–5,290
Carrying amount at 31 December	**81**	**11,949**	**12,029**
2014			
Cost at 1 January	1,780	15,424	17,205
Additions	74		74
Disposals			0
Cost at 31 December	1,855	15,424	17,280
Accumulated depreciation and impairment losses at 1 January	–1,522	–2,134	–3,656
Depreciation for the year	–148	–513	–661
Accumulated depreciation on disposals			0
Accumulated depreciation and impairment losses at 31 December	–1,670	–2,647	–4,317
Carrying amount at 31 December	**185**	**12,778**	**12,963**

12. INTANGIBLE ASSETS

1,000 EUR	Goodwill	Intangible rights	Other intangible assets	Total
2015				
Cost at 1 January	9,516	846	3,212	13,574
Additions			34	34
Divestitures		–7	–12	–19
Disposals	–546			–546
Cost at 31 December	8,970	838	3,234	13,043
Accumulated amortisation and impairment losses at 1 January	0	–816	–2,888	–3,704
Amortisation for the year		–11	–184	–196
Depreciation of divestments		6	12	18
Accumulated amortisation and impairment losses at 31 December	0	–821	–3,060	–3,882
Carrying amount at 1 January 2015	**9,516**	**29**	**324**	**9,870**
Carrying amount at 31 December 2015	**8,970**	**17**	**174**	**9,161**
2014				
Cost at 1 January	9,516	839	3,187	13,542
Additions		6	26	32
Transfer from property, plant and equipment				0
Cost at 31 December	9,516	846	3,212	13,574
Accumulated amortisation and impairment losses at 1 January	0	–805	–2,691	–3,496
Amortisation for the year		–11	–197	–208
Accumulated amortisation and impairment losses at 31 December	0	–816	–2,888	–3,704
Carrying amount at 1 January 2014	**9,516**	**35**	**496**	**10,046**
Carrying amount at 31 December 2014	**9,516**	**29**	**324**	**9,870**

Information on goodwill impairment testing is provided in note 14. Impairment of assets.

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

1,000 EUR	Note	Loans and receivables	Liabilities measured at amortised cost	Carrying amounts in the balance sheet
2015				
Non-current financial assets				
Other receivables	16	7,223		7,223
Current financial assets				
Trade and other receivables	18	6,031		6,031
Cash and cash equivalents	19	3,273		3,273
Non-current financial liabilities				
Interest-bearing liabilities	22		23,759	23,759
Current financial liabilities				
Interest-bearing liabilities	22		4,517	4,517
Trade payables	23		7,236	7,236
2014				
Non-current financial assets				
Other receivables	16	35		35
Current financial assets				
Trade and other receivables	18	6,824		6,824
Cash and cash equivalents	19	1,530		1,530
Non-current financial liabilities				
Interest-bearing liabilities	22		13,200	13,200
Current financial liabilities				
Interest-bearing liabilities	22		8,592	8,592
Trade payables	23		5,993	5,993

The carrying amounts of these financial assets and financial liabilities are in essentially equivalent to their fair values and are classified to tier 2 on the fair value hierarchy.

14. IMPAIRMENT OF ASSETS

Goodwill is tested for impairment annually, and if indications of impairment exist. The recoverable amount in the impairment testing calculations is determined based on 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 two business units Nurminen Logistics Plc Group reports starting from 1.10.2015: Railway Logistics, and Forwarding and Value Added Services. The Group sold the Special Transport business 1.10.2015 and the Project business was included in the Forwarding and Value Added Services business unit. 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.Services. The Forwarding and Value Added Services and Transit Logistics were merged into one segment at 1.1.2014. 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.

Goodwill by CGUs

1,000 EUR	Railway Logistics	Forwarding and Value Added Services	Total
	6,283	2,687	8,970

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. In 2015 there was a EUR 545 thousand write down in goodwill when the Special Transportation business was sold. During 2014 there was not any indicators that would have led to impairment testing of assets.

The impairment testing calculations are based on, by management approved budgets for 2015 and estimates 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 moderate as well in Finland as in Russia and its neighboring areas. 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 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 1 % in all CGUs. The assumptions are based on the positive development in Russia and its neighboring areas which are essential for the Group as well as carried out efficiency improving operations.

The discount rate is defined separately for every CG. 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 7,6 %, Railway Logistics 12,0 %. In determining the discount rate and impairment testing calculations, the market risks and capital intensiveness relating to these businesses have been taken into account. The cost of equity that affects to the discount rate is in line with the Group's long term objectives of return on equity.

In impairment testing the essential assumptions have been tested. The management considers that there are no grounds for an impairment loss. According to Forwarding and Value Added Services calculations, the business unit's recoverable amount exceeds the accounting value by EUR 11.7 million. In Forwarding and Value Added Services an increase of 7.6 percentage points in the discount rate would not lead to recognition of an impairment loss when it comes to the calculations for the year 2015. If the terminal value growth was 1 percentage points lower (beeing 0 %), the increase in the discount rate could be 7.1 % percentage points respectively. The cash flow could be 64 % lower in every year covered in calculations.

According to Railway Logistics calculations, the business unit's recoverable amount exceeds the accounting value by EUR 7.7 million. In Railway Logistics an increase of 4.7 percentage points in the discount rate would not lead to recognition of an impairment loss when it comes to the calculations for the year 2015. If the terminal value growth was 1 percentage points lower (beeing 0 %), the increase in the discount rate could be 4.2 % percentage points respectively. The cash flow could be 92 % lower in every year covered in calculations.

15. EQUITY-ACCOUNTED INVESTEES

1,000 EUR	2015	2014
At 1 January	173	295
Share of profit / loss for the year	143	–58
Sale of interests in equity accounted investees	–4	0
Dividends	–19	–65
Translation differences / other changes	–1	1
At 31 December	**293**	**173**

The equity-accounted investees (listed below) are not material for Group. During the financial year Nurminen Logistics Plc sold its associated company Team Lines Estonia Oü (20.3%).

	Domicile	Ownership (%)
Pelkolan Terminaali Oy	Lappeenranta	20.0
Team Lines Latvia SIA	Riga	23.0

16. NON-CURRENT RECEIVABLES

1,000 EUR	2015	2014
Other receivables	7,223	35
Total	**7,223**	**35**

17. DEFERRED TAX ASSETS AND LIABILITIES

The Finnish corporate tax rate is 20,0 % starting from 1 January 2014 and prior to that 24,5 %.

1,000 EUR	1 Jan 2015	Recognised in the income statement	Divestments	Exchange rate differences	31 Dec 2015
Movements in deferred taxes during year 2015:					
Deferred tax assets:					
Component depreciation and sales profit of spare parts	608	2		–63	547
Total	**608**			**–63**	**547**
Deferred tax liabilities:					
Cumulative depreciation and amortisation difference	33	2	–33		1
Timing differences and temporary differences / reversal of deductible goodwill amortisation	277	2			278
Other items	117	50			168
Total	**426**	**54**		**0**	**447**

1,000 EUR	1 Jan 2014	Recognised in the income statement	Exchange rate differences	31 Dec 2014
Movements in deferred taxes during year 2014:				
Deferred tax assets:				
Component depreciation	926	39	–357	608
Total	**926**	**39**	**–357**	**608**
Deferred tax liabilities:				
Cumulative depreciation and amortisation difference	1	32		33
Timing differences and temporary differences / reversal of deductible goodwill amortisation	271	6		277
Other items	79	38		117
Total	**351**	**76**	**0**	**426**

1,000 EUR	2015	2014
Deferred taxes		
Losses of Group companies from previous financial years	21,652	17,925
Confirmed losses expires in 2020–2024		
Deferred tax assets on losses from previous financial years	**4,330**	**3,585**

In addition the Group has approximately EUR 2,174 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.

18. TRADE AND OTHER RECEIVABLES

1,000 EUR	2015	2014
Trade receivables	4,564	5,355
Loan receivables	512	0
Prepaid expenses and accrued income	4,678	2,825
VAT receivables	606	859
Other receivables	348	609
Total	**10,709**	**9,648**
Trade and other receivables in currencies		
Euro	9,894	8,631
US Dollar	556	455
Russian Rouble	259	562
	10,709	9,648

The most significant item under prepaid expenses and accrued income, EUR 991 thousand in 2015 (EUR 1,397 thousand in 2014), consists of services rendered at the balance sheet date but yet not invoiced from the customers and pre-rentall for year 2016 to Ilmarinen EUR 2,108 thousand.

The Group has recognised credit losses amounting to EUR 16 thousand in 2015 (EUR 29 thousand in 2014).

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.

19. CASH AND CASH EQUIVALENTS

1,000 EUR	2015	2014
Cash and bank balances	3,273	1,530
Cash and cash equivalents in the balance sheet	**3,273**	**1,530**

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

20. 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 288.2 % in the end of 2015 and 189.8 % in the end of 2014.

	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 2013	**13,012,737**	**4,215**	**86**	**2,378**	**17,127**
Share-based payments	45,005				63
Repayments of equity					
31 December 2014	**13,057,742**	**4,215**	**86**	**2,378**	**17,190**
Directed issue	1,516,668				1,700
Repayments of equity					0
31 December 2015	**14,574,410**	**4,215**	**86**	**2,378**	**18,890**

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.

21. SHARE-BASED PAYMENTS

The Board of Directors of Nurminen Logistics Plc has on 13 January 2014 decided, by virtue of an authorization granted by the Annual General Meeting of Nurminen Logistics Plc held on 15 April 2013, to issue stock options to the key employees of the Company and its subsidiaries. The stock options shall be issued gratuitously to the key employees of the Group. The purpose of the stock options is to encourage the key employees to work on a long-term basis to increase shareholder value and to commit the key employees to the employer.

The Board of Directors has set the target for the options to be positive net result of the Group. 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 Share subscription price of the stock options 2014 is EUR 1.60 per share. Shares subscribed for and fully paid shall be registered on the book-entry account of the subscriber.

The Share subscription period shall be

- for stock option 2014A 1 April 2015—31 March 2018
- for stock option 2014B 1 April 2016—31 March 2018
- for stock option 2014C 1 April 2017—31 March 2018.

The Share subscription period for stock options 2014A shall begin only if the Group's net result for the financial year 2014 is positive. The Share subscription period for stock options 2014B shall begin only if the Group's net results for the financial year 2014 and for the financial year 2015 are positive. The Share subscription period for stock options 2014C shall begin only if the Group's net results for the financial year 2014 and for the financial year 2015 as well as for the financial year 2016 are positive. In case employment contract of a key person shall terminate during option period, such person shall, without delay, forfeit to the Company or its designate, without compensation, such stock options that the Board of Directors has distributed to him or her at its discretion.

There was no expenses from stock options in 2015 or in 2014.

In june there was a share offering for members of the Board of Directors and the President and CEO of the company and/or the companies, in which they exercise control. A total of 1,416,668 new shares were subscribed totalling EUR 1,700,000.

In 2014 there was a total of 45,005 new shares subscribed in the personnel share issue totalling EUR 63,447,05.

22. FINANCIAL LIABILITIES

1,000 EUR	2015	2014
Non-current		
Loans from financial institutions	14,300	1,500
Finance lease liabilities	9,459	11,700
Total	**23,759**	**13,200**
Current		
Loans from financial institutions	3,781	7,769
Finance lease liabilities	736	822
Total	**4,517**	**8,592**
Interest-bearing liabilities in currencies		
Euro	**28,276**	**21,792**
Finance lease liabilities		
Total amount of minimum lease payments		
Less than one year	1,279	1,841
Between one and five years	11,465	14,665
More than five years	0	0
Total	**12,744**	**16,506**
Future finance expenses	–2,549	–3,983
Present value of minimum lease payments	**10,195**	**12,523**
Present value of minimum lease payments are due according to following		
Less than one year	736	882
Between one and five years	9,459	11,640
More than five years	0	0
Total	**10,195**	**12,523**

23. TRADE PAYABLES AND OTHER LIABILITIES

1,000 EUR	2015	2014
Current		
Trade payables	7,236	5,993
Other liabilities	478	543
Accrued expenses and deferred income	5,537	5,394
Total trade payables and other liabilities	**13,252**	**11,930**
Trade payables and other liabilities in currencies		
Euro	12,974	11,557
US Dollar	258	271
Russian Rouble	21	102
	13,252	**11,930**
Non-current		
Other liabilities	305	350
Total non-current liabilities	**305**	**350**

The most significant item under accrued expenses, EUR 3,332 thousand in 2015 (EUR 3,105 thousand in 2014), consists of periodization of operative expenses and personnel expenses EUR 1,154 thousand (EUR 1,616 thousand in 2014).

24. FINANCIAL RISK MANAGEMENT

The objective of the Group's 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 department is 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 transaction risk position can be hedged if the counter value of currency exceeds EUR 500 000. Positions greater than EUR 2 million are hedged 50-110 %. Foreign currency risk of the net translation exposure can be hedged 25-75 %. Instruments used in hedging include forward contracts and plain vanilla options. Exotic options are forbidden. The hedge ratio is considered based on the current economic trends and the predicted currency prospects as well as the functionality of each currency's hedge market. In extraordinary hedging market circumstances the company may deviate from guidelines above.

Currency amounts in bank 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 the Group derive mainly through interest-bearing debts. 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. The company's financial position improved as a result of the sale of Nurminen Logistics Heavy Oy and the property arrangement and share issue announced on 4 June 2015. The company's financing agreement with the financing banks will expire on 29 February 2016. On 17 February 2016 the company signed a sale and purchase agreement concerning the sale of 380 covered wagons. The transaction will be realized when the buyer's financing is confirmed. Wagon sales revenue will improve the company's working capital, allowing further development of the company. The transaction has no impact on the result for 2016 because wagons are valued in the rubles selling price in the financial statements 2015. The company's wagon operation continues unchanged with regard to the covered wagons as well. The covenants of the Group's loans from financial institutions, namely the ratio of net debt to operating margin and the equity ratio, were breached as of the financial statement date of 31 December 2015. The Group has received a commitment from its creditors confirming that the breach of the covenants will not have any consequences on the Group. The company has an credit limit agreement, from which approximately EUR 0,6 million was not in use at 31 December 2015 (EUR 0,6 million in 2014).

The company has signed an agreement with the financing banks on short-term financing until 31 May 2016, which guarantees the company's financial position for a period of the closing of the sale. In the future financing banks' covenants terms will be assessed semi-annually.

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 nor hedging instruments during 2015 and 2014.

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

		2015			
1,000 EUR	**31 Dec 2015**	**Income statement 100 bp**		**Equity 100 bp**	
		increase	**decrease**	**increase**	**decrease**
Total amount of variable interest rate loans	16 581				
Variable interest rate instruments		–115	115	–	–
Total effect		**–115**	**115**	**–**	**–**

		2014			
1,000 EUR	**31 Dec 2014**	**Income statement 100 bp**		**Equity 100 bp**	
		increase	**decrease**	**increase**	**decrease**
Total amount of variable interest rate loans	6 205				
Variable interest rate instruments		–22	22	–	–
Total effect		**–22**	**22**	**–**	**–**

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 +/– 30% (+/– 10% in 2014)
- other variables remain constant

		2015			
		Income statement 30%		**Equity 30%**	
1,000 EUR	**Russian Rouble**	**increase**	**decrease**	**increase**	**decrease**
Total currency items					
Income statement	507,550				
Equity	870,876				
Total effect		**–3,196**	**1,721**	**–4,627**	**2,491**

		2014			
		Income statement 10%		**Equity 10%**	
1,000 EUR	**Russian Rouble**	**increase**	**decrease**	**increase**	**decrease**
Total currency items					
Income statement	469,856				
Equity	902,472				
Total effect		**–1,025**	**838**	**–1,386**	**1,134**

	Exchange rate for the period		**Balance sheet exchange rate**	
Exchange rates used	**2015**	**2014**	**2015**	**2014**
Russian Rouble	68.07	50.95	80.67	72.34

LIQUIDITY RISK

The contractual cash flows of loan instalments and interests at 31 December 2015 were the following :

1,000 EUR	1 month	1–3 months	3 months–1 year	1–5 years	5 years ->
Loans from financial institutions	0	3,131	650	800	13,500
Finance lease liabilities	68	116	552	9,459	
Trade payables	3,567	3,670			
Interest	105	206	895	3,620	1,132
Total	**3,739**	**7,123**	**2,097**	**13,879**	**14,632**

The contractual cash flows of loan instalments and interests at 31 December 2014 were the following :

1,000 EUR	1 month	1–3 months	3 months–1 year	1–5 years	5 years ->
Loans from financial institutions	0	6,455	650	1,500	
Finance lease liabilities	88	127	668	11,640	
Trade payables	6,337	899			
Interest	95	188	759	3,061	
Total	**6,521**	**7,670**	**2,077**	**16,201**	**0**

CREDIT RISK

Maximum exposure to credit risk	1,000 EUR
2015	5,425
2014	5,965

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
2015	4,855	880	219	77	6,031
2014	4,195	948	110	102	5,355

Nurminen Logistics has no significant concentrations of credit risk.

25. OPERATING LEASES

The Group as lessee

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

1,000 EUR	2015	2014
Less than one year	4,460	7,498
Between one and five years	21,566	25,143
More than five years	42,930	27,489
Total	**68,956**	**60,131**

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.

26. CONTINGENCIES AND COMMITMENTS

1,000 EUR	2015	2014
Liabilities for which business mortgages have been given and subsidiary shares pledged		
Loans from financial institutions	18,676	10,800
Mortgages given	11,000	11,000
Book value of pledged subsidiary shares	46,613	51,229

Pledged subsidiary shares include the book value of the shares of OOO Nurminen Logistics for the investment loan of 0.5 million (2.5 million in 2012) euros that has been entirely repaid in the beginning of 2014.

Other commitments		
Customs duties and other guarantees	9,985	11,976

27. RELATED PARTY TRANSACTIONS

Nurminen Logistics' related parties include the members of the Board of Directors and those of the Management Team 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	2015	2014
Sales	113	7
Purchases	49	170
Interest expenses	0	0
Current liabilities	76	130

Management remuneration

EUR	2015	2014
CEO, the members of the Board and the Executive Board		
Salaries and other short-term employee benefits	947,534	1,076,279
Statutory pension payments	171,750	169,869
Post-service contract benefits	0	78,000
Share-based payments	57,500	64,000
Total	**1,176,785**	**1,388,148**
Salaries and wages		
CEO		
Olli Pohjanvirta (until 31 July 2015)	268,860	242,482
Statutory pension payments 49 201 in 2015 (41 586 in 2014)		
Marko Tuunainen (from 1 August 2015)	105,000	
Statutory pension payments 19 215 in 2015		
Members of the Board		
Juha Nurminen	26,000	23,200
Olli Pohjanvirta (from 24 August 2015)	18,667	0
Jukka Nurminen	29,000	27,200
Tero Kivisaari	35,667	71,200
Jan Lönnblad (until 8 April 2014)	0	1,600
Alexey Grom	26,000	23,200
Tommi Matomäki (until 7 April 2015)	8,667	23,200
Total	**517,860**	**412,082**

Members of the Board and CEO own 74,75 % of company shares on 31 December 2015.

28. 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 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 Nurminen Logistics	Russia	100.0 %	100.0 %
Zao Terminal Rubesh	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 %

29. EVENTS AFTER THE BALANCE SHEET DATE

On 17 February 2016 the company signed a sale and purchase agreement concerning the sale of 380 covered wagons. The transaction will be realized when the buyer’s financing is confirmed. Wagon sales revenue will improve the company’s working capital, allowing further development of the company. The transaction has no impact on the result for 2016 because wagons are valued in the rubles selling price in the financial statements 2015. The company’s wagon operation continues unchanged with regard to the covered wagons as well.

The company has signed an agreement with the financing banks on short-term financing until 31 May 2016, which guarantees the company’s financial position for a period of the closing of the sale. In the future financing banks’ covenants terms will be assessed semi-annually.

Parent Company's Income Statement

EUR	Note	2015	2014
NET SALES	1	**2,517,605.00**	**2,771,610.62**
Other operating income	2	0.00	36,804.22
Materials and services	3	0.00	–7,590.99
Employee benefit expenses	4	–1,508,068.00	–1,417,893.07
Depreciation, amortisation and impairment losses	5	–143,546.06	–144,577.63
Other operating expenses	6	–2,757,454.45	–1,829,952.31
OPERATING RESULT		**–1,891,463.51**	**–591,599.16**
Financial income and expenses	7	–521,398.79	1,425,940.82
RESULT BEFORE APPROPRIATIONS AND TAXES		**–2,412,862.30**	**834,341.66**
Change in accumulated depreciation and amortisation difference	8	776.68	1,035.60
RESULT FOR THE YEAR		**–2,412,085.62**	**835,377.26**

Parent Company's Balance Sheet

EUR	Note	2015	2014
ASSETS			
Non-current assets			
Intangible assets	1	109,504.30	252,273.68
Property, plant and equipment	1	24,921.96	25,698.64
Investments	2	45,640,758.79	46,961,258.79
Total non-current assets		**45,775,185.05**	**47,239,231.11**
Current assets			
Non-current receivables	3	8,674,941.34	2,598,390.56
Current receivables	3	8,006,201.35	4,882,537.39
Cash and cash equivalents		2,094,702.34	53,836.98
Total current assets		**18,775,845.03**	**7,534,764.93**
TOTAL ASSETS		**64,551,030.08**	**54,773,996.04**
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	18,890,249.67	17,190,249.27
Retained earnings	4	15,739,632.70	14,904,255.44
Profit / loss for the financial year	4	-2,412,085.62	835,377.26
Total equity		**38,892,334.61**	**39,604,419.83**
Appropriations			
Accumulated depreciation and amortisation difference		0.00	776.68
Liabilities			
Non-current liabilities	6	14,304,515.27	1,504,515.27
Current liabilities	7	11,354,180.20	13,664,284.26
Total liabilities		**25,658,695.47**	**15,168,799.53**
TOTAL EQUITY AND LIABILITIES		**64,551,030.08**	**54,773,996.04**

Parent Company's Cash Flow Statement

EUR	2015	2014
Cash flow from operating activities		
PROFIT / LOSS FOR THE YEAR	**–2,412,085.62**	**835,377.26**
Adjustments		
Depreciation, amortisation and impairment losses	143,546.06	144,577.63
Unrealised foreign exchange gains (–) and losses (+)	9,999.40	57,669.45
Financial income (–) and expenses (+)	511,399.39	–1,483,610.27
Other adjustments	–776.68	–1,035.60
Cash flow before changes in working capital	**–1,747,917.45**	**–447,021.53**
Changes in working capital		
Current non-interest bearing receivables, increase (–) / decrease (+)	–503,330.87	–4,215,511.23
Current liabilities, non-interest bearing, increase (+) / decrease (–)	250,120.09	6,450,446.29
Net cash from operating activities before financial items and taxes	**–2,001,128.23**	**1,787,913.53**
Interest paid	–595,540.18	–337,763.99
Dividends received	539,619.13	1,952,456.49
Interest received	91,020.70	113,540.58
Other financial items	–550,499.82	–312,582.49
Net cash from operating activities	**–2,516,528.40**	**3,203,564.12**
Cash flow from investing activities		
Investments in property, plant and equipment and intangible assets	0.00	0.00
Investments in subsidiaries	0.00	12,912.37
Proceeds from sales of shares in subsidiaries	2,500.00	0.00
Loans granted	–512,000.00	0.00
Repayments of loan receivables	3,817,560.29	0.00
Net cash used in investing activities	**3,308,060.29**	**12,912.37**
Cash flow from financing activities		
Share issue against payment	1,700,000.40	63,447.05
Proceeds from current liabilities	0.00	1,017,465.79
Repayments of current liabilities	–3,256,223.37	–1,500,000.00
Increase (+) / decrease (–) of current liabilities	0.00	–1,858,969.49
Proceeds from non-current liabilities	2,805,556.44	0.00
Repayments of non-current liabilities	0.00	–900,000.00
Dividends paid / repayments of equity	0.00	0.00
Net cash used in financing activities	**1,249,333.47**	**–3,178,056.65**
Change in cash and cash equivalents	**2,040,865.36**	**38,419.84**
Cash and cash equivalents at the beginning of the year	53,836.98	15,366.35
Change in cash and cash equivalents	2,040,865.36	38,470.63
Cash and cash equivalents at year-end	**2,094,702.34**	**53,836.98**

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
• Goodwill	5–10 years
• Machinery and equipment	3–10 years
• Other capitalised long-term expenditure	5–10 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	2015	2014
1. Net sales		
Sale of services	2,501	2,772
Total	**2,501**	**2,772**
2. Other operating income		
Rent income	17	0
Other items	0	37
Total	**17**	**37**
3. Materials and services		
External services	0	–8
Total	**0**	**–8**
4. Disclosures for personnel and members of company organs		
Employee benefit expenses		
Wages and salaries	–1,337	–1,277
Pension expenses and pension contributions	–130	–102
Other social security costs	–41	–40
Total	**–1,508**	**–1,418**
5. Depreciation, amortisation and impairment losses		
Planned depreciation and amortisation:		
Intangible rights	–6	–7
Goodwill	0	0
Other capitalised long-term expenditure	–136	–137
Machinery and equipment	–1	–1
Other tangible assets	0	0
Total	**–144**	**–145**
6. Other operating expenses		
Rental costs	–341	–369
Other operating expenses	–2,416	–1,461
Total	**–2,757**	**–1,830**
Auditors' fees		
Audit fees	–39	–48
Other fees paid to auditors	–1	–2
Total	**–40**	**–50**
7. Financial income and expenses		
Dividend income		
Dividend income from Group companies	540	1,952
Dividend income from associates	0	0
Total	**540**	**1,952**
Interest and other financial income		
Interest income from Group companies	35	56
Interest and other financial income from others	69	12
Total	**104**	**68**
Interest and other financial expenses		
Interest expenses to Group companies	0	–3
Interest and other financial expenses to others	–1,165	–592
Total	**–1,165**	**–595**
Total financial income and expenses	**–521**	**1,426**
8. Change in accumulated depreciation and amortisation difference		
Decrease in accumulated depreciation and amortisation difference	1	1
Total	**1**	**1**

Notes to the Balance Sheet

1,000 EUR	2015	2014
1. Property, plant and equipment and intangible assets		
Intangible rights:		
Cost at 1 Jan	148	148
Additions	0	0
Disposals	0	0
Cost at 31 Dec	148	148
Accumulated planned amortisation at 1 Jan	133	126
Amortisation for the year	6	7
Accumulated amortisation on disposals	0	0
Accumulated planned amortisation at 31 Dec	139	133
Carrying amount at 31 Dec	**9**	**15**
Other capitalised long-term expenditure		
Cost at 1 Jan	754	745
Additions	0	9
Disposals	0	0
Cost at 31 Dec	754	754
Accumulated planned amortisation at 1 Jan	517	380
Amortisation for the year	136	137
Accumulated amortisation on disposals	0	0
Accumulated planned amortisation at 31 Dec	653	517
Carrying amount at 31 Dec	**101**	**237**
Land area		
Cost at 1 Jan	17	17
Disposals	0	0
Carrying amount at 31 Dec	**17**	**17**

Notes to the Balance Sheet

1,000 EUR	2015	2014
Machinery and equipment		
Cost at 1 Jan	6	6
Additions	0	0
Disposals	0	0
Cost at 31 Dec	6	6
Accumulated planned depreciation at 1 Jan	6	5
Depreciation for the year	1	1
Accumulated depreciation on disposals	0	0
Accumulated planned depreciation at 31 Dec	7	6
Carrying amount at 31 Dec	**0**	**1**
Other tangible assets		
Cost at 1 Jan	9	18
Additions	0	0
Disposals	0	9
Cost at 31 Dec	9	9
Accumulated planned depreciation at 1 Jan	1	1
Depreciation for the year	0	0
Accumulated depreciation on disposals	0	0
Accumulated planned depreciation at 31 Dec	1	1
Carrying amount at 31 Dec	**8**	**8**
2. Investments		
Holdings in Group companies	35,022	35,024
Investments in reserve for invested unrestricted equity of Group companies	10,100	11,700
Holdings in associates	204	204
Other shares and holdings	33	33
Capital loan receivable	282	282
Total	**45,641**	**47,243**

	Domicile	Ownership %
Subsidiaries		
RW Logistics Oy	Helsinki	100
Nurminen Logistics Services 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
Nurminen Logistics LLC	Kiev	100
Associates		
Pelkolan Terminaali Oy	Imatra	20

1,000 EUR	2015	2014
3. Receivables		
Non-current		
Loan receivables from Group companies	87	2,315
Loan receivables from others	8,588	2
Total	**8,675**	**2,316**
Current		
Current receivables from Group companies		
Trade receivables	4,840	4,336
Interest receivables	0	52
Other receivables	339	108
Total	**5,179**	**4,496**
Trade receivables	21	20
Loan receivables	512	0
Other receivables	2	170
Prepayments and accrued income		
Other items	2,292	196
Total	**2,827**	**387**
Total current receivables	**8,006**	**4,883**
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	17,190	17,127
Acquisition of own shares	0	63
Issue of shares	1,700	0
Reserve for invested unrestricted equity at 31 Dec	18,890	17,190
Retained earnings	15,740	14,904
Profit / loss for the year	–2,412	835
Unrestricted equity	**32,218**	**32,930**
Equity total	**38,892**	**39,604**
Distributable funds		
Reserve for invested unrestricted equity	18,890	17,190
Retained earnings	15,740	14,904
Profit / loss for the year	–2,412	835
Total	**32,218**	**32,930**
The company owns 120,275 of its own shares.		
5. Deferred taxes		
Deferred tax assets on losses	2,186	1,966
Deferred taxes have not been recorded in the parent company's separate financial statements.		
6. Non-current liabilities		
Interest-bearing liabilities		
Loans from financial institutions	14,300	1,500
Non-interest bearing liabilities		
Other liabilities	5	5
Total	**14,305**	**1,505**
Total non-current liabilities	**14,305**	**1,505**

1,000 EUR	2015	2014
7. Current liabilities		
Current liabilities to Group companies		
Trade payables	0	0
Other liabilities	5,037	4,362
Accrued expenses and deferred income	63	586
Total	**5,100**	**4,948**
Interest-bearing liabilities		
Loans from financial institutions	3,106	5,662
Non-interest bearing liabilities		
Trade payables	2,635	2,411
Other liabilities	180	75
Accrued expenses and deferred income		
Employee benefit expense accruals	286	398
Other items	48	170
Total	**6,255**	**8,716**
Total current liabilities	**11,354**	**13,664**

Other notes

1,000 EUR	2015	2014
Liabilities for which business mortgages have been given and subsidiary shares pledged		
Loans from financial institutions	18,676	10,800
Mortgages given	11,000	11,000
Book value of pledged subsidiary shares	34,813	37,033
Collaterals given on behalf of Group companies		
Other quarantees	0	0
Book value of pledged subsidiary shares	34,813	34,816
Other commitments		
Customs duties and other guarantees	9,985	11,976
Rental obligations		
Payable in next year	1,596	4,092
Payable after that	78,469	65,525
Rental obligations of the parent company, include obligations considered as finance lease liabilities in the consolidated financial statements.		
Amounts payable under leases		
Payable in next year	154	83
Payable after that	110	71

Notes Regarding Personnel and Company Organs

	2015	2014
The number of personnel		
Personnel, average	16	16
Personnel, at year-end	14	17
Management remuneration (1,000 EUR)		
The Board of Directors and CEO	–578	–428

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, 2015. The financial statements comprise the consolidated statement of financial position, income statement, 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.

Emphasis of a matter

We would like to draw attention to the chapter "Financial position and balance sheet" in the report of the Board of Directors and the chapter "24. Financial risks management" in the notes to the financial statements stating that the company has signed 17.2.2016 an agreement concerning the sale of covered wagons. The sale has substantial impact to the company's ability to manage its financial obligations. As presented in the report of the Board of Directors and in the chapter "Events after the balance sheet date" in the financial statements the transaction has not been finished while signing the financial statements. This may cast uncertainty over the fulfilment and timing of the transaction. Our opinion has not been qualified by this matter.

Helsinki 17 March 2016
(signed)

Ari Eskelinen
Authorized Public Accountant

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

Helsinki 17 March 2016

Olli Pohjanvirta
Chairman of the Board

Juha Nurminen

Tero Kivisaari

Jukka Nurminen

Alexey Grom

MarkoTuunainen
President and CEO

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

Helsinki 17 March 2016

KPMG Oy Ab

Ari Eskelinen
Authorized Public Accountant

Group's Key Figures

Key figures for business

	2013	2014	2015
Net sales, EUR 1,000	63,844	52,774	43,016
Increase in net sales, %	–18.6 %	–17.3 %	–18.5 %
Operating result (EBIT), EUR 1,000	216	1,328	–2,127
% of net sales	0.3 %	2.5 %	–4.9 %
Result before taxes, EUR 1,000	–3,048	–1,945	–4,283
% of net sales	–4.8 %	–3.7 %	–10.0 %
Result for the financial year, EUR 1,000	–3,947	–2,341	–4,375
% of net sales	–6.2 %	–4.4 %	–10.2 %
Return on equity (ROE), %	–15.6 %	–14.8 %	–45.2 %
Return on investment (ROI), %	0.9 %	3.3 %	–5.5 %
Equity ratio %	36.4 %	23.6 %	17.0 %
Gearing %	96.7 %	189.8 %	288.2 %
Gross investments, EUR 1,000	429	506	468
% of net sales	0.7 %	1.0 %	1.1 %
Balance sheet total, EUR 1,000	57,486	45,299	51,033
Average number of employees	277	241	196
Wages and salaries paid, EUR 1,000	11,861	9,073	10,317
Share key figures			
Earnings per share (EPS), EUR, undiluted	–0.32	–0.21	–0.33
Earnings per share (EPS), EUR, diluted	–0.32	–0.21	–0.33
Equity per share, EUR	1.56	0.75	0.60
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	0.08	0.00	0.00
Price per earnings (P/E)	–5	–5	–3
Number of shares adjusted for share issue, weighted average	13,002,492	13,027,012	13,745,801
Number of shares adjusted for share issue, at end of financial year	13,002,492	13,057,742	14,574,410
Share price development			
Share price development			
• Highest price	2.20	1.73	1.66
• Lowest price	1.52	0.98	0.97
• Average price	1.90	1.40	1.20
• Share price at balance sheet date	1.60	0.99	1.10
Market capitalisation, MEUR	20.8	12.9	16.0
Number of shares traded	190,092	309,273	416,183
Shares traded, % of total number of shares	1.5 %	2.4 %	2.9 %
Number of shareholders	567	586	629

Calculation of Key Figures

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

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

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

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

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

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

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

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

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

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

Distribution of Ownership

Number of shares	Number of shareholders	% of shareholders	Number of shares	% of total shares and votes
1–100	221	35.14	12,189	0.08
101–1000	281	44.67	126,524	0.87
1 001–10 000	93	14.79	263,045	1.80
10 001–100 000	19	3.02	799,623	5.49
100 001–1 000 000	13	2.07	4,698,095	32.24
over 1 000 000	2	0.32	8,674,934	59.52
Total	**629**	**100.00**	**14,574,410**	**100.00**
Registered in the name of nominee	4		5,029	0.03

Largest shareholders

	Number of shares	% of total shares and votes
Nurminen Juha	5,575,546	38.26
JN Uljas Oy	3,099,388	21.27
Nurminen Jukka Matias	949,674	6.52
Nurminen Mikko Johannes	870,108	5.97
Lassila Satu Maaria	686,866	4.71
VGK Invest Oy	648,000	4.45
Tuuli Markku Juhani	327,950	2.25
Saxberg Rolf M	184,098	1.26
ETL Invest Oy	181,818	1.25
Bachmann Jari	172,360	1.18
Forsström Kirta Kristina	172,260	1.18
Pohjanvirta Olli Mikael	143,334	0.98
Russian Capital Management Oy	126,667	0.87
Nurminen Logistics Oyj	120,275	0.83
Bachmann Sanni Piritta	114,685	0.79
ETL Holding Oy	98,000	0.67
Nordic Forwarding Services Finland Oy	91,394	0.63
Vuorinen Hannu M	84,409	0.58
Kivisaari Tero Erkki	66,445	0.46
Hälläväliä Oy	60,001	0.41
Muut 609 osakkeenomistajaa	801,132	5.50
Total	**14,574,410**	**100.00**

Shareholders by type

	Number of shares	% of total shares
Private companies	4,506,643	30.92
Financial institutions	2,443	0.02
Households	10,055,368	68.99
Foreign	4,926	0.03
Non-profit organizations	1	0.00
Registered in the name of nominee	5,029	0.03
Total	**14,574,410**	**100**

Notes

Notes

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