

Annual Report 2008

Nurminen Logistics ▶▶▶

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Kiev ▶  
◀ Malmö  
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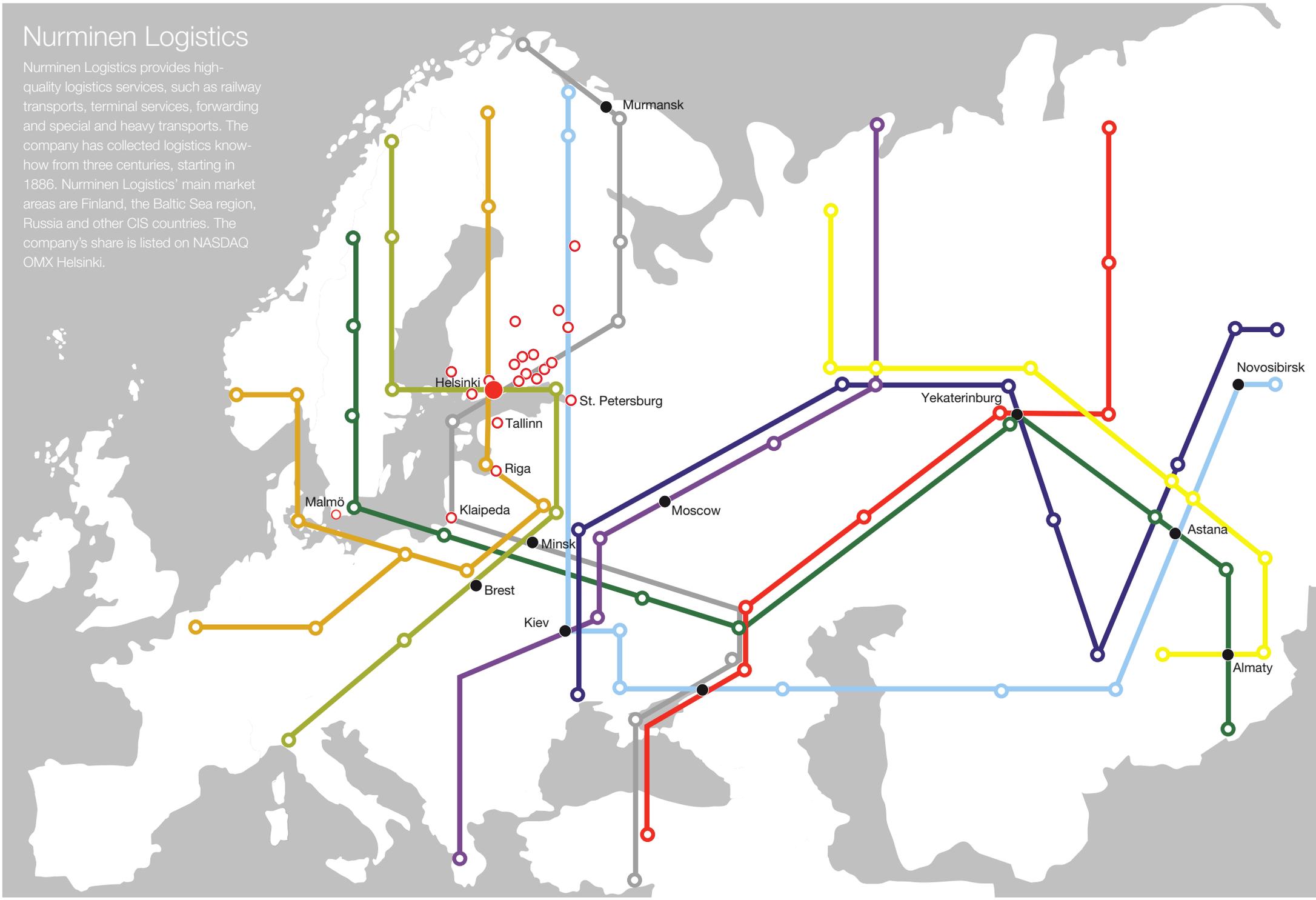
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# Nurminen Logistics

Nurminen Logistics provides high-quality logistics services, such as railway transports, terminal services, forwarding and special and heavy transports. The company has collected logistics know-how from three centuries, starting in 1886. Nurminen Logistics' main market areas are Finland, the Baltic Sea region, Russia and other CIS countries. The company's share is listed on NASDAQ OMX Helsinki.



## GOALS 2008

- To increase profit and net sales
- To harmonise operations through re-organisation
- To increase own rolling stock
- To increase terminal capacity
- To expand partner network in Russia
- To increase effectiveness of sales organisation
- To improve reporting system

## RESULTS 2008

- Profit and net sales increased
- Reorganisation was successful
- Own rolling stock increased to nearly 1,000 wagons
- Terminal capacity grew significantly through expansions at the terminals in Niirala and Luumäki and through the opening of the new logistics centre at Vuosaari Harbour in Helsinki
- Cooperation agreement covering Russia was signed with OAO RZD as well as a multi-year cooperation agreement with OOO Transgarant
- Reorganisation and training programs enhanced sales
- Reporting system was developed to a level well supporting operations and planning

## GOALS 2009

- To expand business organically and through acquisitions
- Establishing operational concept and the routines of the new logistics centre at Vuosaari Harbour in Helsinki
- Growth in the Nordic countries and elsewhere in the Baltic Sea region
- Sales growth in line with the company strategy
- To further strengthen Nurminen presence in Russia and other CIS countries
- To maintain cost efficiency

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# Business Units in Brief

## Nurminen Cargo

Nurminen Cargo business unit offers comprehensive and tailored logistics services. Its product range includes railway transports as well as forwarding and terminal services.

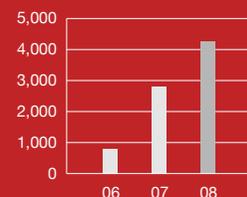
Net sales, 1,000 EUR



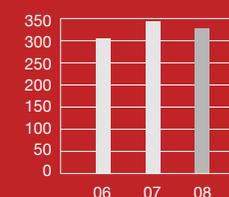
Percentage of Group's net sales\*



Operating profit (EBIT), 1,000 EUR



Personnel



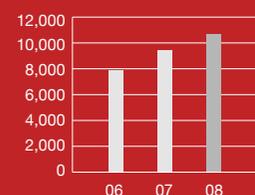
## Major events 2008

Rolling stock grew by 170 wagons, terminal capacity by 45,400 square metres. The new logistics centre at Vuosaari Harbour was opened.

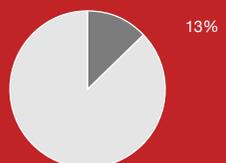
## Nurminen Heavy

Nurminen Heavy business unit offers transport services for large and heavy items in Europe, the Baltic countries, as well as in Russia and other CIS countries.

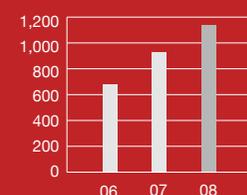
Net sales, 1,000 EUR



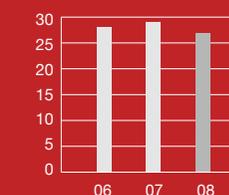
Percentage of Group's net sales\*



Operating profit (EBIT), 1,000 EUR



Personnel



## Major events 2008

Truck and trailer stock was significantly updated and diversified. Partner network coverage was expanded.

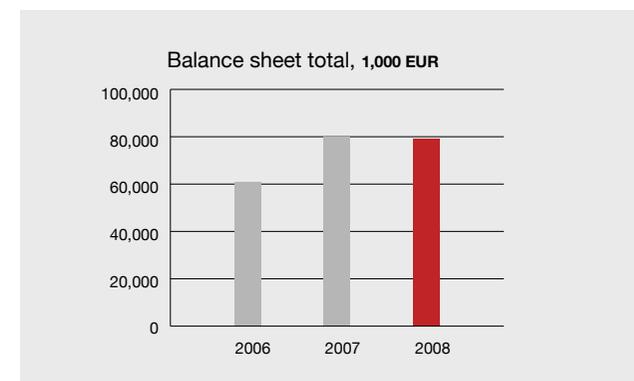
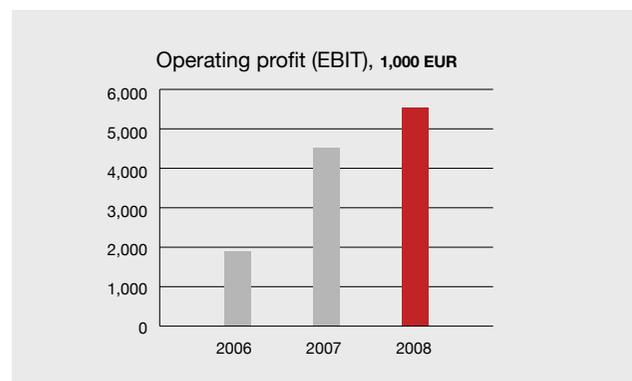
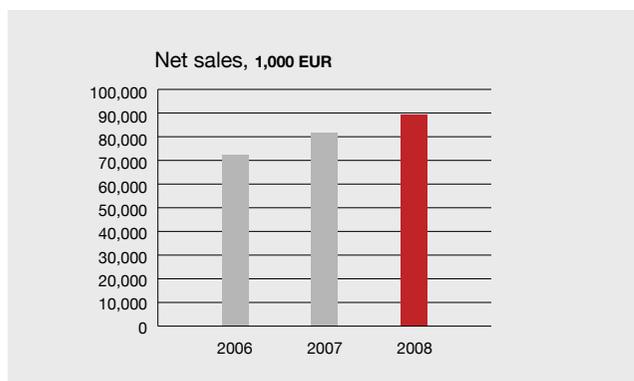
The company divested Nurminen Care business unit in October 2008. Nurminen Care is included in the Group's financial information until end of October. The comparative figures for 2006 and 2007 are carve out figures based on the consolidated financial statement of the old John Nurminen Ltd.

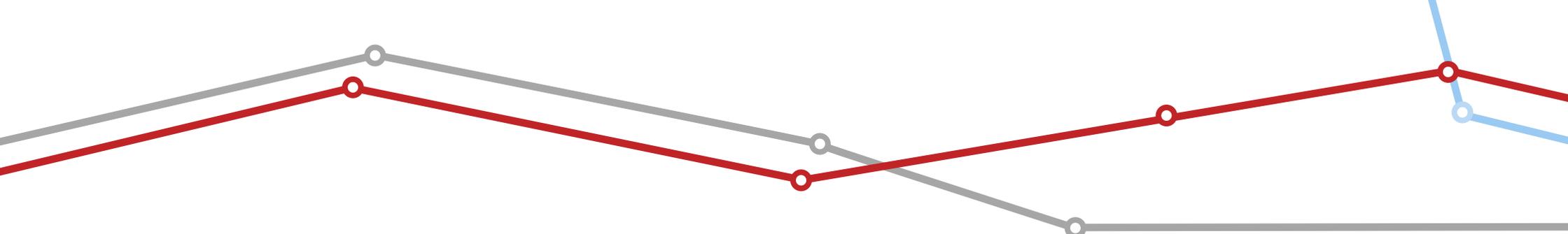
\*Continuing operations

# Key Figures

	2008	2007	2006
	IFRS	IFRS	IFRS
	(audited)	(audited)	(audited)
Net sales, 1,000 EUR	89,408	81,693	72,205
Operating profit (EBIT), 1,000 EUR	5,542	4,527	1,888
EBIT as percentage of net sales, %	6.20	5.54	2.61
Personnel on average	516	544	509

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## 2008 at a Glance

### **A new publicly traded company began operations**

Nurminen Logistics Plc was created on 1 January 2008 when John Nurminen Ltd demerged. The listing of the company was carried out by transferring part of the demerged John Nurminen Ltd into Kasola Plc. The transaction changed the name of Kasola Plc to Nurminen Logistics Plc. The same Board of Directors as John Nurminen Ltd had been chosen for the company by the 2008 general meeting of shareholders. Juha Nurminen, Matti Lainema, Matti Packalén, Olli Pohjanvirta, and Rolf Saxberg were elected to the Board. The Board selected Juha Nurminen as the Chairman of the Board and Matti Lainema as the Vice Chairman.



### **The number of railway wagons increased significantly during the year**

The company received the 100 new covered railway wagons in April-May that were ordered during the second half of 2007. In addition, the company took into use 50 additional new covered wagons and 20 flat wagons in October. These wagons increased the number of wagons owned by Nurminen Logistics to nearly a thousand. In addition, the company operates hundreds of railway wagons owned by other parties.

### **Nurminen Cargo became officially a high-quality business unit**

All operations of Nurminen Cargo business unit in Finland have been certified. Nurminen Cargo's quality, environmental and occupational health and safety systems were audited during the summer of 2008. These operations were deemed to fulfil the requirements established for the ISO 9001:2000, ISO 14001:2004, and OHSAS 18001 standards.

Nurminen Logistics was granted AEO (Authorised Economic Operator) status by Finnish Customs in December of 2008. AEO status is granted to actors that have proven to pay attention to safety issues in their activities and can, therefore, guarantee that they are dependable cooperation partners for both their clients and Customs.

### **New skilled resources to Vuosaari**

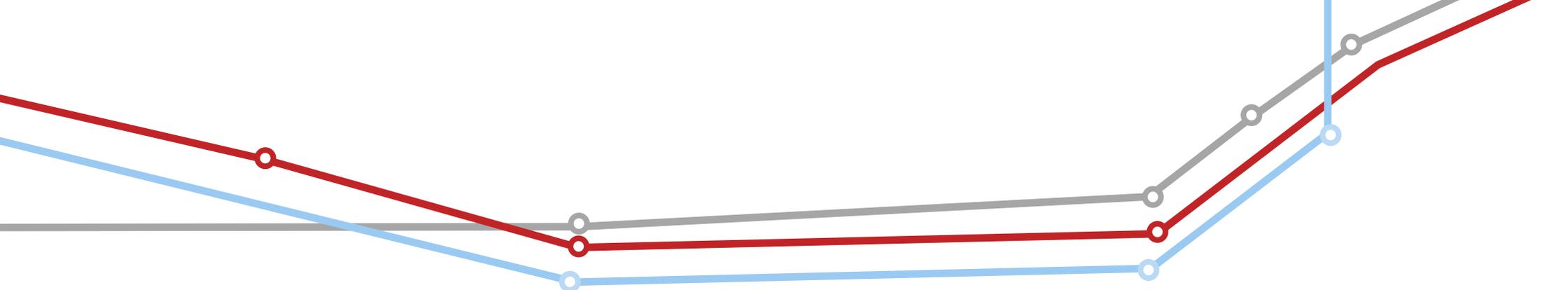
Nurminen Logistics started, together with the City of Helsinki and the national employment office, a recruitment training

project that was used to recruit new terminal workers for the logistics centre being opened in November 2008 at Vuosaari. Over 400 applications for the training were received. The eight-week recruitment training, which included both theory and on-the-job training, began in August. Upon conclusion of the training, Nurminen Logistics recruited 13 new skilled employees for its logistics centre.

### **Nurminen Care business unit divested**

Nurminen Logistics divested, together with its minority shareholders, the Nurminen Care business unit to a fund managed by





Sentica Partners. The Nurminen Care business unit's share of the net sales of Nurminen Logistics Plc was 10% during the first half of 2008. The ambulance operator services were divested so that the company can, in accordance with its strategy, focus on logistics and closely related operations.

### **An office also in Sweden**

Nurminen Logistics opened an office in Malmö in October. Using its new office, Nurminen Logistics is able to offer its customers new competitive transport routes to Russia and other CIS countries through Poland, in particular. Opening the office also contributes to acquiring new customers for the company in Scandinavia.

### **Nurminen Heavy also increased its amount of equipment**

The Nurminen Heavy business unit, which offers special and heavy transport, received three new trucks for use. The same order also included a super heavy duty truck, which is one of a kind in Finland. The unit received it for use at the beginning of 2009. Following the purchases, the unit has 14 trucks of its own. Trailers were invested in, as well – a total of eight of them were purchased during 2008. The new trailers completed Nurminen Heavy's already extensive selection of equipment, in particular with trailers needed to transport long cargo, as now the trailers are up to 44 metres in length. The unit has a total of 35 trailers. In addition, the unit has tens of trailers permanently in use, which are owned by its cooperation partners.

### **The extension in Niirala taken into use**

The terminal extension opening ceremony was held in October in Niirala. The extension created 4,000 square metres of additional space in the terminal. Now the terminal has a total of 18,000 square metres of covered area. In addition, the location has over 10 hectares of outside warehousing area. Along with the extension, the terminal also received new modern loading platforms, which allow all railway wagons or lorry trailers to be unloaded and loaded indoors.



### **Luumäki received additional space as well**

The Luumäki terminal extension was taken into use in November. The terminal received 3,400 square metres of additional space; therefore, the terminals now have a total of 11,700 square metres of covered area. Due to the extension, 17 railway wagons can now be loaded simultaneously in the terminal.

### **Vuosaari Harbour began operations**

The first ships arrived at Vuosaari Harbour on 24 November 2008. Along with the arrival of the ships, the Nurminen Logistics centre began full-scale operations in the logistics area of the harbour. The 38,000 square-metre Nurminen Logistics centre is located on an 11-hectare property in the logistics area of Vuosaari Harbour. The centre is to be expanded in the next few years so that its total area, following completion of all phases, is 50,000 square metres. Nurminen's customers will receive all services from one counter and tailored to meet their needs also at Vuosaari.

### **Wood terminals were discontinued**

Nurminen Logistics reduced its dependence on business associated with wood imports during 2008 due to a weak future outlook of the business. The shutting down of the round-wood terminals located in Russia was started during the summer and completed in November.

**nearby**

# Strategy, Vision and Values

Nurminen Logistics offers and delivers high quality logistics services that strengthen its customers' competitiveness in Finland, the Baltic Sea area, Russia and other CIS countries. The strategy of the company is to grow both organically and through selective mergers and acquisitions.

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**Nurminen Logistics is able to implement a customer's entire service chain with its own equipment and in its own facilities.**

The focus of company growth is on the Nurminen Cargo business unit, where the objective is to achieve a leading market position in railway transport between Finland and the CIS countries, as well as achieving a significant market position in logistics outsourcing services. The unit offers comprehensive and tailored logistics services. Its product offerings include railway transport, terminal services and forwarding, among other services. In addition, Nurminen Cargo also offers its customers services related to project transporting. The unit has at its disposal nearly 1,000 of its own railway wagons and a total terminal network of 130,000 square metres. Investments in equipment and facilities are part of the purposeful implementation of the

company strategy. Railway wagons are designed to meet the varied needs of the customers, for example in the transport of paper, machinery, equipment and timber. The terminals accept goods ranging from paper to machinery and equipment, which ensures a wide customer base for the unit.

In the Nurminen Heavy business unit, market share is being increased especially in deliveries headed to Russia. This business unit produces and supplies high quality special and heavy transport services and related value-added services in Europe, the Baltic, Russia and other CIS countries. Nurminen Heavy's specialty area of expertise is the comprehensive management of international special transport projects and customer value chains.

Nurminen Logistics is able to implement a customer's entire service chain with its own equipment and in its own facilities.

## **Vision**

Nurminen Logistics is a strongly growing logistics company whose goal is to be the best company in the industry in its market area.

## **Responsibility**

Nurminen Logistics participates in Finnish cultural heritage and environmental protection by supporting the John Nurminen Foundation.

## The values of Nurminen Logistics:

- Develop and improve – for the benefit of the customer
- Trust and be trustworthy
- Operate profitably
- Entrepreneurship means responsibility



# CEO's Review

Our first year as a listed company can be characterised as quite satisfactory, as both net sales and profits developed as targeted. There is never just one reason for success – success is a combination of many factors. For Nurminen Logistics, crucial factors have included, among other things, an enthusiastic and skilled workforce, well executed sales work, proper means of production and exceptional geographic location of our company's operating locations. In addition, a broad customer base and favourable market situation provided a good basis for achieving our goals.

Along with going public, we carried out a corporate reorganisation, in which three business units were combined into one. The new organisation turned out to be a functional solution. The flattened organisation brought a new kind of efficiency, and sharing responsibility among skilled professionals has been worthwhile. Nurminen employees have shown themselves to be trustworthy as promised in the company values. The restructuring that has been carried out has ultimately benefited our customers.

By going public we sought opportunities for growth and for broad-based international operations. The time was not favourable for achieving these goals yet, as the finance markets had already begun to weaken at the beginning of the year before they collapsed entirely in the autumn. However, the company is in good shape, and remains well positioned to reach its goals in the future.

In addition to combining three business units, our business structure was enhanced in October 2008 by divesting the Nurminen Care business unit, which had offered ambulance operator services. Now our business structure matches our strategy according to which Nurminen Logistics focuses on logistics and closely related operations.

## Investments support future growth

The year was marked by numerous investments for Nurminen Logistics. During the course of the year, the company put 170 new railway wagons into service, which increased the company's own rolling stock to nearly one thousand units. Nurminen Heavy equipment resources also grew, and its operational prerequisites were improved according to the demands of the market situation.

Our terminal capacity grew in Niirala and Luumäki, where terminals were expanded by a total of 7,400 square metres. An entirely new logistics centre was opened at Vuosaari Harbour, where a total of 38,000 square metres are in use in the initial phase. The strengths of the logistics centre are its excellent location at the largest harbour in Finland and the diversity of its service offerings. Although the harbour opened in November 2008, after the economic situation had already begun its downturn, operations at our centre have gone underway satisfactorily.

Due to investments we have made, Nurminen Logistics is in stronger shape than before and will be able to serve its customers better than before now and in the future.

## Activity continues despite the economic situation

Despite the poor state of the global economy, I am confident in the future of Nurminen Logistics. The national economies in our market area remain in relatively good condition with the exception of the Baltic countries. In addition, there is still much potential for growth in the economies of Russia and the other CIS countries, and the economies of these countries are not as dependent on developments in the stock markets and banking sector as the economies of

Europe or the United States. Although the economic situation is difficult, I still believe that we will see positive development in Russia and that its economy will improve.

According to our strategy, Nurminen Logistics will also focus its resources on becoming an even stronger player in the entire Baltic Sea area. During the year we opened a sales office in Sweden, and we are planning to open new offices elsewhere in our market area as well. We intend to be particularly active in creating routes through Poland to Russia and other CIS countries.

As this review is being written, market visibility is still practically zero. After the panic in the markets during November and December, the backlog disappeared, and it is challenging to predict business volumes even one month in advance. Support actions by governments will play a key role in getting the economy started again, but it is still difficult to say when we will begin to see their effects. Financing available from banks is limited, and in this regard their operations have not yet been reactivated as hoped.

However, the world keeps turning around and activity continues. Nurminen Logistics' business idea is to offer and deliver high quality logistics services that strengthen the competitiveness of its customers. Our comprehensive services and the needs of customers to outsource their logistics operations ensure that the future of the company looks good. I thank our customers, our personnel, our investors, our other partners and our shareholders for the year 2008. I believe that we will continue to be trustworthy also in the future.



Lasse Paitsola

**nearby**

# Complete Logistics Chains from Nurminen

Nurminen Logistics offers its customers all of the services of the logistics industry at one counter. Services are always tailored to meet the customer's needs, and Nurminen is able to offer its customers an entire value chain from beginning to end.

Nurminen has almost 1,000 own railway wagons, more than 130,000 square metres of terminal space and a diverse fleet of special and heavy transport equipment. The company also offers forwarding and documentation services. Thanks to its comprehensive services and extensive experience, the company is also a reliable project transport provider, and is the only Nordic logistics company that is able to handle the entire service chain with its own equipment and in its own facilities.

## **Near to the flows of goods**

Nurminen has terminals located at the most important border crossings with Russia, as well as at the Vuosaari, Kotka, and Hamina harbours. Good terminal locations yield savings in both time and expense for customers. In addition to the areas where terminals are located, forwarding and documentation services are offered in other locations such as at Nurminen's Turku and Rauma locations.

## **Near to the customer**

Nurminen strives to be the best problem solver in the logistics industry. This means a strong skills base and a feeling of accessibility in accordance with the needs of the customer. A familiar sales person and the individual forwarder assigned to each customer can take care of any possible problems even before they occur.

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**The size of the product to be transported or the distance to its destination is not a problem for Nurminen. Reliable logistics shortens distances and transport times.**

## **Good logistics services bring even distant places near**

The size of the product to be transported or the distance to its destination is not a problem for Nurminen. Reliable logistics shortens distances and transport times.

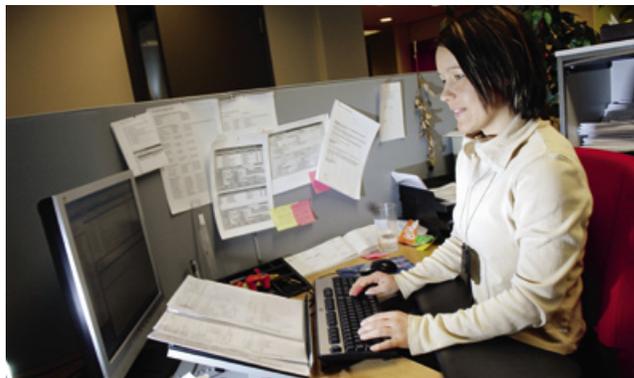
The following pages contain an example of a container transport operation from Vuosaari Harbour to Ukraine. Services related to special and heavy transport are presented on pages 14-15, and a report is given about the operation of the new Nurminen logistics centre at Vuosaari Harbour on pages 16-17.

# On the Right Track

Project transport succeeds with ease if forwarding, documentation and warehousing services can be left in the hands of the same service provider as the actual transport operation. The following example follows the transport of a Nurminen customer's goods by rail from Vuosaari to Ukraine. Special and heavy transport, which is often a part of project transport, is discussed in more detail in the subsequent spread.

## Your own forwarder handles the preparations

Each customer has their own forwarder assigned to handle their shipment. The goods to be transported arrive at Vuosaari Harbour from around the world by ship and truck. A few days before the goods arrive, the customer sends the forwarder a cargo list of the goods arriving. In addition to the cargo list, the customer also delivers instructions for loading and the reference numbers of the goods. At Nurminen, the shipment information is entered



into an information system where the information moves digitally from the forwarder to the terminal lifting truck computers.

## Containers are moved from the ship to the Nurminen logistics centre located at the harbour

When the ship brings the customer's containers to the harbour, the forwarder handles the movement and receipt of the customer's containers, as well as ordering the return of the empty containers. Goods receive arrival numbers, and a report detailing the goods that arrived is sent to the customer.

## Goods are stored and loaded into project containers

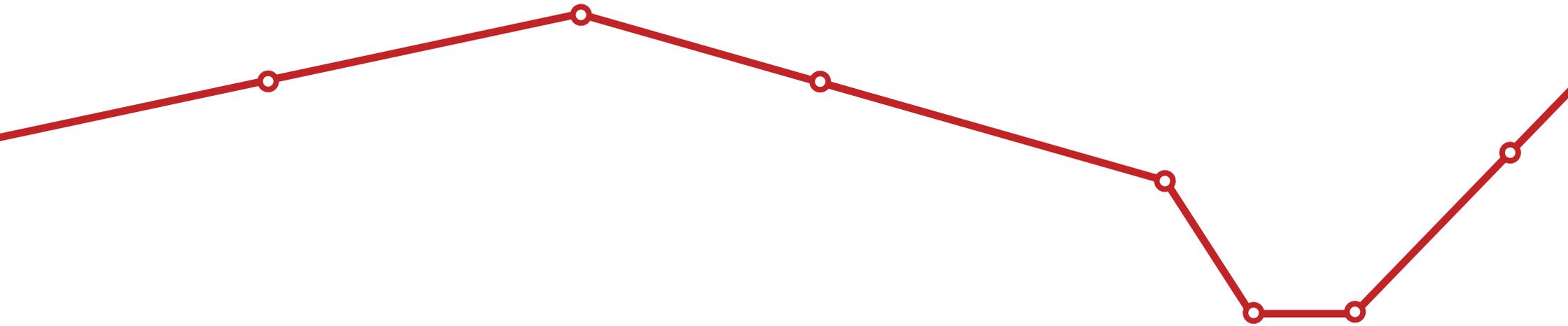
Nurminen's terminal workers handle unloading the containers, and the customer receives a report of the work carried out. Loads are tagged with the cargo tags received from the customer, and the tagged loads are stored in the storage area reserved for them. The goods are transported forward from Vuosaari in project containers, which are only intended for the use of this customer. Nurminen transfers containers delivered to the Vuosaari container depot to its own terminal and inspects the state of the containers. The use of project containers is only one

method; if necessary, Nurminen can also purchase containers according to the needs of its customers. Goods are loaded into the containers according to the loading orders received from the customer and the units are sealed.

## The containers continue their journey by train

The forwarder contacts Nurminen's traffic department traffic operator, who directs the necessary number of Nurminen's





own flat wagons to Vuosaari. The traffic operator gives the forwarder the consignment note's filling orders and, among other things, the information necessary for the freight charges.

When the containers are loaded onto Nurminen's wagons, the forwarder delivers the complete consignment note to VR (the Finnish state railway company), which retrieves the wagons from Vuosaari Harbour. VR pulls the wagons to the Russian border, from which point a Russian state railway engine



continues on. In addition, the forwarder delivers a copy of the consignment note to Nurminen's traffic department, which transmits the necessary information about the shipment to the company's St. Petersburg unit. The St. Petersburg unit handles the freight charges. For this project, freight charges are being paid in Russia and Ukraine.

The wagons leave Vuosaari toward their destination. On the Finnish side, VR tracks traffic and reports as necessary to Nurminen on the movement of the wagons. If the customer so wishes, wagons can also be tracked actively on the Finnish side as well, but usually the first report from VR comes when the wagons have crossed the Russian border.

### **In Russia the wagons are tracked constantly**

Trains travelling from Finland to Russia cross the border at Vainikkala. On the Russian side, responsibility for wagon tracking is transferred over to Nurminen's St. Petersburg office. They are able to report to the customer daily on the location of the wagons. The customer can also track the progress of the wagons using the Track&Report Service on the Nurminen Logistics' website.

### **The wagons return from their destination**

After the wagons have arrived at their destination, Nurminen delivers instructions to the customer for the consignment note necessary for the return of the wagons, after which the customer makes out a consignment note for the empty wagons and notifies the local railway station that the empty wagons may be retrieved. Nurminen again pays the necessary freight charges and tracks the wagons. The wagons are now free for their following task.



# Everything Moves

Nurminen Logistics is able to transport any size of goods. In addition to road transport, special and heavy transport can also be carried out by rail. When transporting oversize or wide items careful attention must always be paid to planning, procuring the necessary permits and lashing and securing the item being transported.

## “Well planned is half done”

Nurminen’s special and heavy transport services are planned individually for each customer. The experts at Nurminen Heavy assist the customer in planning their own project and optimising cargo sizes often even before a contract has been made for the transport operation. At the bid calculation stage the optimal equipment type for the transport operation is selected, the route is planned and the transport operation is scheduled tentatively.



This all affects the price of the transport operation. Good planning results in significant cost savings for the customer.

The traffic operator can petition the authorities for an advance permit based on the planned route or in some situations an actual special transport permit, which ensures that the transport operation will be possible on a certain route. Sometimes the planning of a transport operation can take several months, and making a transport operation possible may require, among other things, the removal of traffic signs and the lifting of electrical and telephone lines.

## Traffic operator’s work is like assembling a puzzle

When a contract has been made with the customer, the transport operation becomes the responsibility of Nurminen’s traffic operator. The traffic operator defines the schedule with the customer and begins to carry out the plan drawn up by the sales person. The traffic operator procures the abnormal transport permits from each country and plans the route concretely with a specific schedule. Necessary ferry connections are taken into account in route planning. For shipments going outside of Finland, Nurminen takes care of all services related to border crossing and customs as necessary.

Nurminen’s experienced drivers are unparalleled experts in their field on the roads of Finland, Central Europe and Russia, where the company has 40 years of experience with special and heavy transport. Depending on the item, the most appropriate truck and trailer are chosen for the job, along with a professional driver who specialises in the destination country.

Traffic operator’s work is like putting together small puzzle pieces to make a large, successful whole.



### Transport to the destination without sacrificing safety

The item to be transported is lifted onto the trailer and secured to the trailer. Lashing and securing is done using the connection points the sender has provided on the item in number sufficient for its mass. If necessary, Nurminen Heavy will give the customer instructions on making and marking connection points. Lashing and securing of the item must be carried out with extreme care to ensure the safety of the shipment in traffic.



Large shipments are escorted by escort cars. Nurminen uses either its own abnormal transport traffic directors or those of tried and trusted partners in arranging the convoy. In some cases, the shipment may also require traffic directing by the police. The traffic operator will track the progress of the shipment and will keep the customer informed as necessary. At the destination, the cargo is unloaded and the customer receives a notice that the transport operation has been completed.

### Intermediate storage at Vuosaari brings cost savings

The new logistics centre located next to Vuosaari Harbour has more than 2,000 square metres of special and heavy transport storage where items can be stored and reloaded indoors. Customers' production facilities are freed up for production use when goods are stored with Nurminen at the Vuosaari logistics centre. The floor of the special transport warehouse can hold heavy loads, and there are two bridge cranes available that can lift items weighing up to 80 tons. Doors seven metres wide and ten metres tall make it possible to drive large items straight into the warehouse. The Vuosaari logistics centre is in pole position, right next to the harbour area. Storing items in the immediate vi-

cinity of the harbour makes it possible to offer flexible and fast service. Large and heavy loads can be transferred directly from the warehouse to the harbour without any more need to transport them along public roads.

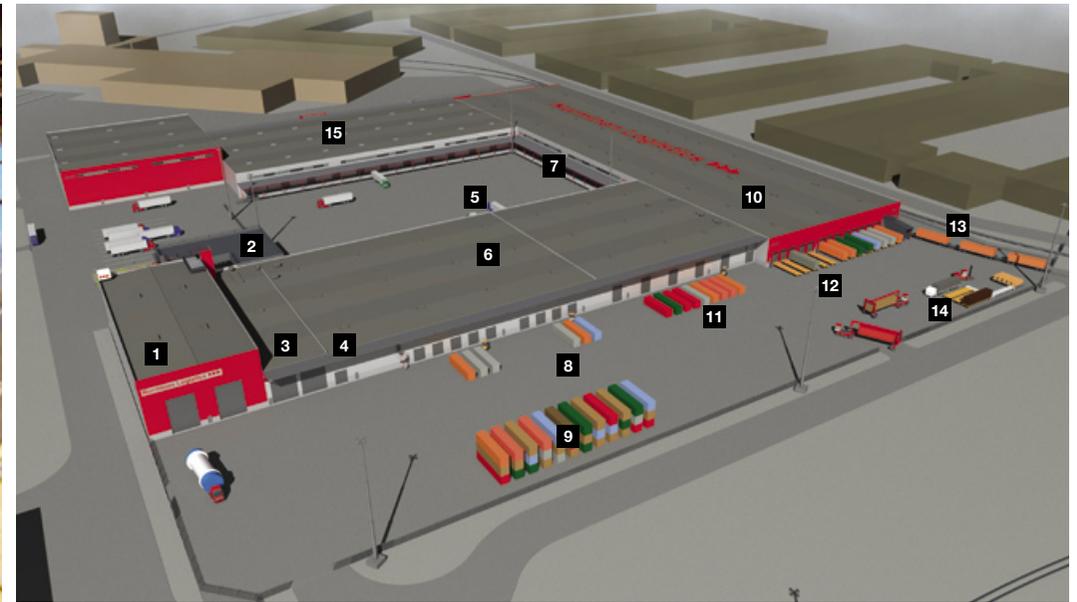




- 1 Warehousing of special and heavy transport
- 2 Terminal office / Documentation
- 3 Temperature-regulated warehousing
- 4 Special warehouses
- 5 Transit loadings, loadings

- 6 Terminal, heated/unheated
- 7 Handling of long goods
- 8 Outdoor logistics
- 9 Outdoor yard stores
- 10 Railway terminal

- 11 Unloading of containers
- 12 Loading of containers
- 13 Own blind track
- 14 Container loading point
- 15 Planned



# Logistics ‘Department Store’ Near to the Flow of Goods

The logistics centre located in the logistics area of Vuosaari Harbour is a great example of how Nurminen Logistics is able to offer all logistics services over one counter and to bring its services near to their users.

Nurminen’s logistics centre has been referred to as a logistics department store due to its diverse service selection and its size. The logistics centre, opened in November of 2008, has 38,000 square metres of space. Once all phases are complete, the centre will offer a total of up to 50,000 square metres of efficient terminal space.

The logistics centre has, for example, a special and heavy cargo warehouse, refrigerated storage, and a railway terminal with a 250-metre platform. There is a double girder bridge crane in the hall intended for special and heavy cargo warehousing. It can be used to lift up to 80-tonne items. The centre is located on an 11-hectare property. The large outside areas also make offering services related to project entities possible. In addition to terminal services, documentation, forwarding and freight services for all modes of transport are available under the same roof.

At Vuosaari, Nurminen Logistics is nearby flow of goods; only a short distance away from the docks of the harbour. Finland’s largest and most modern cargo harbour is located at Vuosaari, which, together with its logistics area, forms a new type of entity. Lorries are able to continue their journey from the new harbour effortlessly following the ring roads without having to drive through the centre of Helsinki. The harbour can also be accessed by rail, and the airport is not far away either. Goods are transported in containers, lorries, and trailers. For rail transport, the customer

has access to, for example, nearly a thousand railway wagons owned by Nurminen. With road transport, the customer has 35 trailers for special cargo owned by Nurminen available.

For Nurminen Logistics’ customers, the location of the logistics centre translates into saving time and money. Unneces-

sary phases are eliminated from goods handling when containers do not have to first be moved from the harbour. Services are customised based on the needs of each customer. Operations are efficient also due to the new high-quality information system and skilled personnel.

## Nurminen Logistics’ services in Vuosaari

### Warehousing

- heated and unheated space
- large unit loads to warm place for the night
- floor space, shelf space, outdoor space
- extra-strong floor and bridge crane for heavy transports
- bonded warehousing

### Forwarding, documentation and freight services

- import and export clearance
- customs transit procedures
- bonded warehouse documentations
- transit documents
- Intrastat EU statistics
- intermediation of transport services

### Cargo handling

- cargo is transported, e.g., by car, by train, in containers, by roll trailers
- direct rail connection, 250-metre platform
- short-term warehousing according to the customer’s needs
- in addition, container loading, changes of mode of transport, cargo distribution, consolidation

### Special and heavy transports

- abnormal transports in Finland and other countries
- project transports
- permit services for abnormal transports
- warning cars and traffic directors

### Tailored service concepts

- innovative solutions and value-added services for all logistics needs
- finding ideal solutions for each customer

**nearby**

# Good Human Resources Management Pays Off

A personnel satisfaction survey conducted in 2008 indicates that Nurminen Logistics staff are satisfied with their work and their working environment. The company is also a sought-after employer – terminal worker recruitment training carried out during the autumn of 2008 attracted more than 400 applications. A good image as an employer is based on long-term development work.

The results of a personnel satisfaction survey conducted in 2008 are encouraging. Personnel satisfaction as a whole is at a record high level (a score of 3.99 on a scale of 0–5), which is yet another improvement over 2006 when the previous survey was conducted. Grades in the main areas are slightly better than in Finnish companies in the average. The difference is clearest in the area of management work. The best grades were received by management work and employer image. Significant improvement compared to the previous survey was seen particularly in the areas of management work and the smoothness of operations in the unit. The company has been investing precisely in management and fostering open discussion for several years now. The primary tool for management work is regular performance appraisals, which are carried out across the entire organisation. In 2008, performance appraisals were also accompanied for the first time by a skills mapping exercise aimed at identifying the skill areas and possible needs for development of every person working at Nurminen. This also allows for the identification of strategic skill goals.

In addition to the fact that Nurminen Logistics' employer image is positive among those working in the company, it is also good among those seeking work. Evidence of this can be seen in the steady growth over several years in the number of job applications received and, for example, in the recruitment train-

ing project organised in the autumn in cooperation with the City of Helsinki and the national employment office. Through this training program, new terminal workers were recruited for the logistics centre located at Vuosaari Harbour which opened in November 2008. More than 400 applications were received for the training program. At the conclusion of the training, Nurminen Logistics recruited 13 new skilled workers for its logistics centre.

Good levels of personnel satisfaction and a positive employer image are the result of development work consciously undertaken in the company. The company's four values are a fundamental part of management practice, and all the operations are aimed to be improved based on these values in cooperation with our staff.

## Opening the new logistics centre was a joint effort

At the end of 2008, the total number of Nurminen Logistics employees was 352. This was a drop compared to 2007 as a result of the sale of the Nurminen Care business unit, the shutting down of wood terminals located in Russia and the closure of the Nurminen Heavy location in Tallinn.

The most significant single effort for the year was the opening of the new logistics centre at Vuosaari Harbour. Employees

## Core competencies of Nurminen Logistics personnel:

- Marketing and customer orientation
- Business understanding
- Productivity and results orientation
- Leadership and interaction



were moved to the new centre from the Vantaa location, new staff was recruited and both old and new personnel were orientated and trained in the new operational environment. The new information system implemented at the centre also required extensive training. The project met with success, and operations at the new logistics centre were set in motion smoothly and on time with the aid of around one hundred professionals.

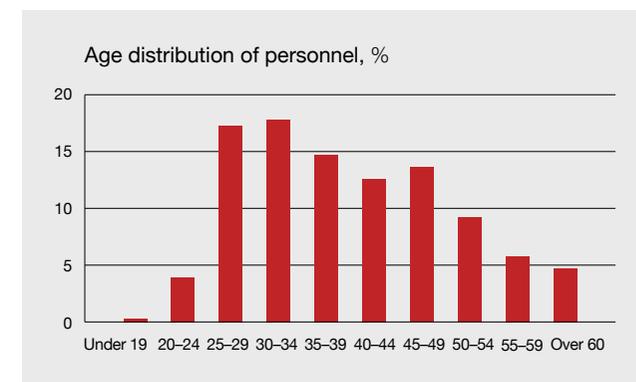
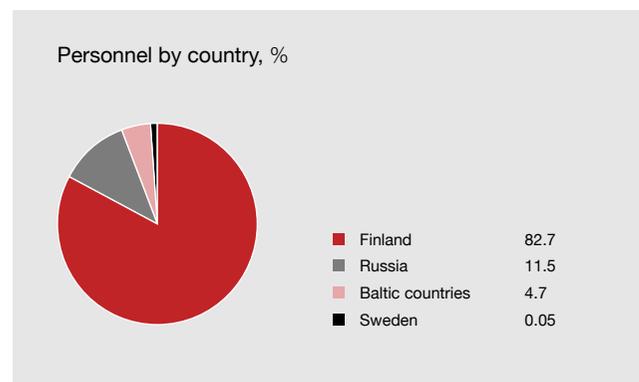
### Growth through training

Nurminen Logistics considers its skilled staff to be an extremely significant factor for competitiveness and wants to be the best problem solver in the logistics industry. Several training events were held during 2008, partially based on skills mapping done

during performance assessments. The largest of the training projects was the “Sales Growth Factors” project, which yielded excellent results. Immediate improvements were seen through a significant growth in sales activity and the establishment of new customer relationships. Employees were also trained on a continuous basis through smaller training initiatives, most of which had to do with professional skills and workplace safety.

Nurminen Logistics pays special attention to well-being in the workplace. The Nurminen Cargo business unit’s occupational health and safety systems were audited during the summer of 2008, and the unit was awarded an occupational health and safety certification. Preventative activities related to occupational health were also continued during the year in many areas.

The employee bonus system was also updated during 2008. These improvements aimed at achieving more transparency and predictability in the awarding of bonuses. A performance-related pay system applies to all staff, and for management there is also a merit pay system in use.



# Corporate Governance

In decision-making and administration at Nurminen Logistics Plc, the company's Articles of Association, the Finnish Limited-liability Companies Act and other legislation applicable to the company are followed. In addition, the company follows the regulations of NASDAQ OMX Helsinki Oy and the Finnish Corporate Governance Code. The company also follows the NASDAQ OMX Helsinki Guidelines for Insiders.

## Annual General Meeting

The supreme decision-making body in Nurminen Logistics Plc is the General Meeting of shareholders. It resolves on the issues defined for General Meetings in the Finnish Companies Act and the company's Articles of Association. These include approving the financial statements, deciding on the distribution of dividend, discharging the company's Board of Directors and CEO from liability for the financial year, appointing the company's Board of Directors and auditors, and deciding on their compensation.

The General Meeting of Nurminen Logistics Plc is to be held at least once a year. According to the Articles of Association, the Annual General Meeting shall be held annually within six months of the end of the financial year. Notices of General Meetings of shareholders must be delivered to shareholders not earlier than two months and not later than seventeen days before the General Meeting by publishing them in a national

newspaper chosen by the Board of Directors or alternatively by demonstrably delivering the notices in writing in time. To take part in a General Meeting, shareholders must register with the company by the date indicated in the notice at the latest, which date may be no earlier than ten days before the meeting.

Nurminen Logistics Plc also publishes its invitations to General Meetings as stock exchange announcements and on its internet website. Shareholders are, according to the law, entitled to have any matter concerning the company's business and falling within the scope of a General Meeting considered by the Meeting if he or she submits such a request in writing to the Board of Directors early enough for the matter to be included in the notice of meeting.

## Board of Directors

The Board of Directors, which comprises four to eight members and of no more than three deputy members as decided and elected by an Annual General Meeting, is responsible for the administration and the proper arrangement of the operations of the company. The Annual General Meeting elects the Board of Directors for a term ending at the closing of the Annual General Meeting of the shareholders following the appointment. The board elects a chairman from its membership. The board also appoints a President and CEO. The Board of Directors shall convene at the invitation of the chairman regu-

larly 10 times per year and as often as required by the company's activities or when proposed by the President and CEO. The Board of Directors shall be quorate when more than half of its members are present. In the event of a tied vote, the decision of the Board of Directors shall be the opinion supported by the chairman.

Duties of the Board are among others:

- to decide on Group strategy and business segments' strategies
- to decide on structure and organisation of the Group
- to discuss and to approve interim reports, financial statements including Group financial statement and the Board of Directors' report
- to approve Group's business plan, budget and investment plan
- to decide on strategically or financially significant individual investments, acquisitions, divestments, reorganisations and liabilities
- to decide on reward and incentive scheme for Group management
- to approve Group's risk management and reporting procedures
- to prepare dividend policy and to look after the development of shareholder value

- to be responsible for other duties described in the Companies Act and elsewhere

The Board has written Rules of Procedure.

### Composition of Board of Directors

According to the Articles of Association, the Board of Directors of Nurminen Logistics Plc is made up of from four to eight regular members chosen in the Annual General Meeting to serve until the next Annual General Meeting and, if so decided by the General Meeting, of at most three deputy members. The Board of Directors selects a Chairman from among its membership.

In the Annual General Meeting of Nurminen Logistics Plc held on 11 April 2008, the following five board members were selected:

- M.Sc. (Econ. & Bus. Adm.) Juha Nurminen, b. 1946, Chairman of the Board, non-independent board member. Along with his controlling interest corporations, owned 7,063,430 Nurminen Logistics Plc shares at the end of 2008.
- D.Sc. (Econ.) Matti Lainema, b. 1939, vice chairman of the board, independent board member. Owned 89,630 Nurminen Logistics Plc shares at the end of 2008.
- M.Sc. (Eng.), M.Sc. (Econ.) Matti Paakkalén, b. 1947, non-independent board member. Owned 75,262 Nurminen Logistics Plc shares at the end of 2008.
- LL.M. Olli Pohjanvirta, b. 1967, independent board member.

Owned 75,262 Nurminen Logistics Plc shares at the end of 2008.

- B.Sc. (Econ.) Rolf Saxberg, b. 1944, independent board member. Owned 181,451 Nurminen Logistics Plc shares at the end of 2008.

One deputy member was also selected by the Annual General Meeting:

- M.Sc. (Econ.) Jukka Nurminen, b. 1979, non-independent deputy board member. Owned 893,229 Nurminen Logistics Plc shares at the end of 2008.

Board member personal data are located on page 27.

### Board of Directors meetings

In 2008, the Board of Directors met 16 times at an average attendance rate of 99%.

### Fees of the members of the Board of Directors

A General Meeting of shareholders decides on the fees of the members of its Board of Directors.

The Annual General Meeting of Shareholders (11 April 2008) decided to pay annual remuneration of EUR 30,000 to the Chairman of the Board, EUR 20,000 to the deputy Chairman of the Board, and EUR 15,000 to the other members of the Board and

in addition a fee of EUR 700 per meeting to each member of the Board. It was decided to compensate the travel and other expenses of the members of the Board in accordance with customary practice. It was furthermore decided to pay to the members of the Board a merit pay, which shall be tied to the profit of the company's share during the term of the Board of Directors. The profit of the company's share shall be calculated from the change in the share's average price of the month preceding the Annual General Meeting of Shareholders (i.e. March 2008) and the average price of March 2009, taking into account the dividends. For each percent the profit has accrued the Chairman of the Board shall be paid a remuneration of EUR 2,000 and other members of the Board EUR 1,000. If the yearly profit exceeds 25 percent, the remuneration shall be paid according to 25 percent. The decision means that the final remuneration of the members of the Board of Directors shall be subject to the total return of the company's share.

### Evaluation of work of Board of Directors

The Board of Directors evaluates its activities annually in an internal self-evaluation.

### Committees of the Board of Directors

The Board of Directors appoints an Audit Committee at its organising meeting and, as necessary, other committees, as well

## Corporate Governance

as naming the members and chairperson of the committee. The purpose of committees is to prepare matters for the Board of Directors. They do not have independent decision-making authority.

The Board of Directors has an Audit Committee. The Audit Committee follows the work of the auditors. The Committee also follows the company's financial position and monitors the appropriateness of financial reporting. Its duties also include the evaluation of internal control and risk control, as well as contact with the auditors and the evaluation of the auditors' reports and recommendations. The Committee regularly reports on its work to the Board of Directors.

In 2008 the Audit Committee consisted of Matti Lainema and Olli Pohjanvirta. The Audit Committee met four times at an average attendance rate of 87,5%.

Contrary to the Corporate Governance recommendation, the Audit Committee has two members rather than three, because this number has been considered sufficient given the size of the company.

### Boards of Directors of Subsidiaries

The Chairman and the majority of the members of the Boards of Directors of Nurminen Logistics Plc's subsidiaries belong to the operational management of the Group.

### President and CEO and Executive Board

The President and CEO is responsible for the daily management of the company in accordance with the instructions and directions of the Board of Directors. The President and CEO

is appointed by the Board of Directors. M.Sc. (Econ.) Lasse Paitsola has served as the President and CEO of the company since 2007.

The mutual period of notice for the employment contract of the President and CEO is six months, during which time full salary and benefits are paid. In addition to this, in the event that the company terminates the contract, the President and CEO shall be paid compensation equivalent to six month's full salary.

The President and CEO has statutory pension coverage and the right to retire at age 62.

The Executive Board of the company comprises of the senior management. It is the Executive Board's duty to prepare the strategy of the company, to monitor its performance and to handle matters with significant financial or other bearing. The Executive Board members report to the President and CEO. The Executive Board has a total of four members.

- President and CEO Lasse Paitsola, b. 1952.  
Owned 120,104 Nurminen Logistics Plc shares at the end of 2008.
- Senior Vice President Kaj Kulp, b. 1970.  
Owned 125,893 Nurminen Logistics Plc shares at the end of 2008.
- CFO Antti Sallila, b. 1972.  
Owned 60,326 Nurminen Logistics Plc shares at the end of 2008.
- Senior Vice President Harri Vainikka, b. 1961.  
Owned 47,894 Nurminen Logistics Plc shares at the end of 2008.

The Executive Board is presented on page 29.

The expanded Executive Board includes, in addition to those mentioned previously, HR Manager Jaana Ekola, Communications Manager Niina Haasola, Director of ICT Matti Timonen and the employee representative, driver Reijo Järviö.

The Executive Board of the Nurminen Cargo business unit includes Senior Vice President Harri Vainikka, Vice President Jorma Kervinen, Group Controller Ville Kujansuu, Vice President Risto Miettinen and Vice President Olli Väättäin.

The Executive Board of the Nurminen Heavy business unit includes President and CEO Lasse Paitsola, Vice President Hannu Vuorinen, Business Controller Jenni Häyrén, Area Manager Markku Koponen, Customer Service Manager Mikko Lietosaari and Operations Manager Esa Liikanen.

### Incentive System

The Board of Directors decides on the fees of the President and CEO and the Executive Board. The Executive Board of the Nurminen Logistics business are covered by an annual bonus system, which is based on business performance. The entire staff is covered by a bonus system.

Information on fees paid in 2008 to the President and CEO and members of the Executive Board is found on page 31 of the Financial Statements.

Nurminen Logistics Plc has a share-based incentive plan for the Group key personnel. The plan includes three earning periods which are calendar years 2008, 2009 and 2010. The potential reward from the plan for the earning period 2008 will be based on the net sales and the operating profit of the Group.

The potential reward from the earning period 2008 will be paid partly as company's shares and partly in cash in 2009. The proportion to be paid in cash will cover taxes and tax-related costs arising from the reward. It is prohibited to transfer the shares during the two year restriction period. After this period, the key personnel must, however, own half of the shares earned from the plan as long as their service or employment in the Group continues. If a key person's employment or service ends during the restriction period, he/she must return the shares paid as reward to the company without compensation.

The plan is directed to start with to 10–15 people. The rewards to be paid during the 3-year period on the basis of the plan correspond to the approximate value of a maximum total of 510,000 Nurminen Logistics Plc shares (including also the proportion to be paid in cash).

### **Risk Management**

Financial Management is responsible for Group currency liquidity and interest rate management. Credit risks are monitored and insured widely. In addition, property, business interruption and liability risks are insured appropriately. IT department is responsible for the security of information systems.

### **Internal Auditing**

Internal control is one of the responsibilities of the CEO and the audit committee. Each year these organs together decide on areas of emphasis, resourcing and procedures for internal auditing. The purpose of this work is to evaluate the efficiency of

and further develop the company's risk management, control, supervising and administrative processes.

### **Insider Management**

Nurminen Logistics Plc follows the NASDAQ OMX Helsinki Guidelines for Insiders, and the company also has its own insider directives.

Persons employed by the company who, on account of their position or duties, have regular access to insider information from Nurminen Logistics' permanent company-specific group of insiders. Those persons who on the basis of an employment or other contract work for the company and obtain insider information associated with a specific project are considered the company's project-specific insiders. In addition to the public insider register, the company maintains a permanent company-specific insider register and a project-specific insider register.

Permanent insiders are prohibited from trading in Nurminen Logistics Plc's securities for 28 days prior to the publication of Nurminen Logistics' interim reports or financial statements releases. Project-specific insiders are prohibited from trading in the company's securities until the project concerned has been cancelled or disclosed.

The adherence to insider guidelines and for monitoring the duty to declare as well as the maintenance of insider registers is done under supervision of the CFO. The company maintains its insider registers in the Euroclear Finland Oy's SIRE system. Information on Nurminen Logistics Plc public insiders is available on the company's website at [www.nurminenlogistics.com](http://www.nurminenlogistics.com).

### **Auditing**

As decided by a General Meeting, the company has one auditing company authorised by the Central Chamber Of Commerce. The auditor's term comprises the financial year that is current and the term ends at the end of the first Annual General Meeting following the election.

The Company's auditor is Authorized Public Accountants Oy KPMG Ab, with APA Lasse Holopainen as principally responsible auditor.

The auditors of Nurminen Logistics Plc were paid a fee of EUR 33,885 in 2008 for auditing of the financial year. A total of EUR 85,300 was paid in consulting fees unrelated to auditing.

### **Communications**

Each year Nurminen Logistics Plc publishes three interim reports, a financial statement release, a financial statement and an annual report in Finnish and English. All of these and the company's other releases, as well as key information regarding the company are available on the company's website at [www.nurminenlogistics.com](http://www.nurminenlogistics.com).



Back row (from left): Rolf Saxberg, Matti Packalén and Jukka Nurminen. Front row (from left): Matti Lainema, Olli Pohjanvirta and Juna Nurminen.

# Board of Directors

## **Juha Nurminen** (b. 1946)

M.Sc. (Econ. & Bus. Adm.)

Chairman of the Board since 1997\* and member of the Board since 1971\*

### Primary working experience

Managing Director of John Nurminen 1979–1990, 1993–1997 and 2007, served on the boards of various companies of the John Nurminen Group from 1974.

### Other current key positions of trust

Chairman of the Board: John Nurminen Foundation

Member of the Board: John Nurminen Oy, John Nurminen Navis Oy, John Nurminen Prima Oy and John Nurminen Marine Oy.

Chairman: Clean Baltic Sea project, Steering Group

Member: Advisory Board of the Finnish Lifeboat Institution, Consultative Committee of the Naval Reserve.

## **Matti Lainema** (b. 1939)

D.Sc. (Econ.)

Vice Chairman of the Board

Member of the Board since 1989\*

### Primary working experience

Has previously held the posts as the Managing Director of S.A.M.I. Oy, and later as partner in S.A.M.I. Ernst & Young Oy.

### Other current key positions of trust

Chairman of the Board: Chat Republic Games Oy, Magisys Oy and Virvo Oy.

Member of the Board: Axel Technologies Oy, Neomarkka Plc, Aw-Energy Oy, M.A.S.I. Company, Reka Kumi Oy and Meconet Oy.

## **Matti Packalén** (b. 1947)

M.Sc. (Eng.), M.Sc. (Econ.)

Board member since 2002\*

### Primary working experience

Alma Media Plc's CEO in 1998–2002, the CEO of Aamulehti Yhtymä Oy in 1992–1998.

### Other current key positions of trust

Chairman of the Board: John Nurminen Oy, John Nurminen Classics B.V, John Nurminen Navis Oy and Spinverse Oy.

Member of the Board: Kem-Fine Group Ltd.

Partner: Boardman Oy.

## **Olli Pohjanvirta** (b. 1967)

LL.M.

Master's degree in law, RSUH (Russia)

Board member since 1994\*

### Primary working experience

A partner of Hannes Snellman Attorneys at Law Ltd, a shareholder of ETL Law Offices Ltd from 1993 to 2006.

### Other current key positions of trust

Member of the board: PKC Group Plc, Avelon Group Oy, OOO Aurinkomatkat and ZAO Vepsäläinen.

## **Rolf Saxberg** (b. 1944)

B.Sc. (Econ.)

Board member since 1994\*

### Primary working experience

A director of Asko-Upo Oy and Spontel Oy in 1980–1993, chairman and member of the boards of numerous Finnish companies from 1993.

### Other current key positions of trust

Chairman of the Board: Esbogård Aktiebolag, Hakonen Yhtiöt Oy, Suomen Autoteollisuus Oy and Suomen purjelaivasäätiö.

## **Jukka Nurminen** (b. 1979)

M.Sc. (Econ. & Bus. Adm.)

Deputy member of the Board since 2008

### Primary working experience

Managing director of Abyss Art Oy since 2006

### Other current key positions of trust

Member of the Board: John Nurminen Oy, John Nurminen Prima Oy, John Nurminen Navis Oy and John Nurminen Marine Oy.

\* Nurminen Logistics Plc began operations on 1 January 2008, after demerging from John Nurminen Ltd. The same Board of Directors as John Nurminen Ltd had was chosen for the company by the 2008 general meeting of shareholders. The date indicates how long the individual in question has been member of the board of directors at John Nurminen Ltd.



Antti Sallila, Harri Vainikka, Lasse Paitsola and Kaj Kulp.

# Executive Board

## **Lasse Paitsola** (b. 1952)

President and CEO

M.Sc. (Econ.)

In the service of the company since 2007\*

### **Primary working experience**

CEO of ADR Haanpää Oy from 2000 to 2007, an investment banker at Aros Securities Oy from 1998 to 2000.

## **Kaj Kulp** (b. 1970)

Senior Vice President, mergers and acquisitions and investments

M.Sc. (Econ. & Bus. Adm.), MBA

In the service of the company since 2004\*

### **Primary working experience**

Served in, for example, The Boston Consulting Group in from 1995 to 2004.

## **Antti Sallila** (b. 1972)

CFO

LL.M.

In the service of the company since 2007\*

### **Primary working experience**

Chief Financial Officer from 2005 to 2007, director in 2004 of ADR Haanpää Oy and private equity professional at EQT Partners Finland Oy from 2000–2003.

## **Harri Vainikka** (b. 1961)

Senior Vice President, Nurminen Cargo

High-school graduate

In the service of the company since 2001\*

### **Primary working experience**

Director of business operations at John Nurminen Oy since 2001. Held posts at Huolintakeskus Oy and BTL East Oy from 1980 to 2001.

\* Nurminen Logistics Plc began operations on 1 January 2008, after demerging from John Nurminen Ltd. The date indicates when the individual in question began employment with John Nurminen Ltd.

# Risk Management

Nurminen Logistics engages in continuous risk evaluation of its operative business, and aims to protect itself from known risk factors. The goal of Nurminen Logistics risk management is to secure the performance of the group, and to ensure the undisturbed continuation of business.

Nurminen Logistics has established a general risk management policy, the principles of which are:

## 1. Financial Risk Management

The goal of Nurminen Logistics risk management is to minimise the harmful effects by the changes in financial markets on the group's profit and equity. The policy for managing financial risks is based on the main principles of finance approved by the board of directors. Finance operations are responsible for daily risk management within the limits set by the board.

### Currency Risks

Currency risks are caused by foreign currency imports and exports, by the financing of foreign subsidiaries and by 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 as far as possible. If matching is not possible, a portion of the open position may be protected.

Foreign currency balance sheet items are hedged if the sum of currency exceeds EUR 500,000. Instruments used in hedging include forward contracts, currency options, NDF contracts, and their combinations. The protection level of currency positions should be between 30–70 percent, considering the current eco-

nomie trends and the predicted currency prospects as well as the functionality of each currency's hedge market.

Currency amounts in cheque accounts should be kept as small as possible without disturbing payment transactions. The amount of currency assets may not exceed one percent of the total of the profit and loss statement.

### Interest Rate Risks

Interest rate risks to Nurminen Logistics derive mainly through interest bearing debt. The purpose of interest rate risk management is to diminish the effect of market interest rate movements on finance cash flows. Usable protection instruments 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. Assets required for two weeks' payment transactions will be reserved as a buffer for liquidity of payment transactions.

### Credit Risks

The goal of managing credit risk is to minimise losses which are caused by the other party neglecting their obligations. The group will manage the counterparty risk based on the customer credit rating.

## 2. Operational risks

The company strives to minimise the operational risks of its activities by seeking as balanced a business revenue and expenditure structure as possible and by continually developing its own operations and systems.

In terms of revenue structure, the company pursues a balanced customer portfolio such that the proportion of the company's business activities deriving from individual customers and industries does not become too large.

In terms of expenditure structure, the company strives for a flexible expenditure structure such that outlays conform to seasonal variations in business activities.

The company continually develops its core processes and information systems in order to be able to serve customers in a competitive manner now and in the future. The quality, environmental and occupational health and safety systems of Nurminen Cargo have been certified.

It is the goal of the company to continuously develop the possibilities for the company and the personnel to improve their own operating environment and predict changes related thereto by developing procedures, systems, tools and personnel through many different means. Regular personnel satisfaction surveys, supervisor evaluations and skills mappings during performance assessments, along with evaluations of key personnel, allow the prediction and minimisation of possible human risks.

## 3. Indemnity Risks

The company continuously improves the safety and working conditions of its operations. The company's occupational health and safety system is certified (OHSAS 18001).

In addition to statutory insurance coverage, the company also has comprehensive property and business interruption insurance coverage in order to minimise indemnity risks. In order to ensure that insurance policies offer comprehensive coverage and are priced competitively, the company maps its insurance coverage yearly using external experts as necessary.

# Market Situation

Nurminen Logistics strengthened its market share over the past year. The company's market share in railway exports to Russia and other CIS countries is significant. The company maintained its strong position in the special and heavy transport market. The company achieved the financial objectives set for net sales and profitability.

The market situation for Nurminen Cargo business unit was mainly positive during the year. Overall the first half of the year went according to expectations, and the demand situation remained excellent in third quarter. However, during fourth quarter the global economic crisis had a clear effect on demand. The fourth quarter volumes were lower than anticipated as companies attempted to reduce their inventory levels, and the normal year-end volume decline was unusually strong.

Due to the changes in wood markets Nurminen Logistics wound down its wood operations as stated in its strategy. Operations in wood terminals in Russia ceased during the review period. A significant portion of the company's stanchion wagons

have been modified or are in the process of being modified into flat wagons.

The volumes of the Nurminen Heavy business unit vary with the rhythm of the deliveries of mechanical engineering industry. The decline of the demand situation caused a drop in Nurminen Heavy's volumes in fourth quarter.

Uncertainty in economy is at an exceptionally high level, and it is not possible to estimate the scale and duration of the current financial crisis. The decline in the volume of economy and foreign trade will also affect the outlook for Nurminen Logistics.

Russian economy is forecasted to have no growth or to slightly decline during 2009. These forecasts are sensitive to oil

price development. Russian government's own forecast for the economic growth is -2.2%. Russian imports have grown very strongly in recent years. Import growth will end and may even turn into decline. On the other hand, weakening of rouble will improve the competitiveness of Russian export industries, which will create opportunities for logistics service providers like Nurminen Logistics.

# Information for Shareholders

## IR Policy

Nurminen Logistics Plc's goal is to produce accurate, coherent, sufficient and up-to-date information about the development of business operations within Nurminen Logistics Plc, its strategy and financial position. Our main channels of communication are the stock exchange and Nurminen Logistics' internet site.

## Share information

Nurminen Logistics Plc's shares are quoted on the Main List of the NASDAQ OMX Helsinki as of 1 January 2008. The company has one series of shares. All shares have the same voting and dividend rights. The share's trading code is NLG1V.

## Payment of dividend

The board of directors proposes to the Annual General Meeting that the company would pay dividend of EUR 0.06 per share for the financial year 1 January – 31 December 2008. The dividend shall be paid to a shareholder that has been entered into the company's shareholders' register on the record date of the dividend payment on 9 April 2009. The board of directors proposes to the Annual General Meeting that the dividend shall be paid on 21 April 2009.

## Closed period

Nurminen Logistics Plc applies a four week closed period preceding the publication date of the annual or interim report. During this time the company's representatives do not meet investors or analysts, or comment on the company's financial position.

## Annual General Meeting

The Annual General Meeting of Nurminen Logistics Plc will take place on Monday, 6 April 2009 starting at 10:00 a.m. at the company's headquarters in address Pasilankatu 2, 00240 Helsinki, Finland.

Shareholders registered in the company's shareholders' register as maintained by Euroclear Finland Oy on 27 March 2009 are eligible to attend the Annual General Meeting.

Shareholders who wish to take part in the Annual General Meeting shall inform the company of their participation on 2 April 2009 at 4:00 p.m. at the latest.

Notice of attendance can be given

- by post to the address  
"General Meeting" / Nurminen Logistics Plc  
Pasilankatu 2  
00240 Helsinki  
Finland
- by phone to number +358 10 545 2598
- by fax to +358 10 545 2300
- by email to [yhtiokokous@nurminenlogistics.com](mailto:yhtiokokous@nurminenlogistics.com).

Registration letters or messages must arrive before the registration period expires. Possible powers of attorney are requested to be delivered to the above address at the time of registration.

## Interim Reports 2009

- January-March on 8 May 2009
- January-June 2009 on 7 August 2009
- January-September on 6 November 2009

Interim Reports are published in English and Finnish.

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