

A red car is shown from a low angle, driving on a paved road. The car's front wheel and headlight are prominent. The background is a bright blue sky with white clouds and a line of green trees in the distance. A green rectangular box is overlaid on the top left corner, containing the text 'nokia TYRES' in white.

nokia[®]
TYRES

Handelsbanken Nordic Large Cap Seminar

September 16, 2015

President and CEO Ari Lehtoranta

Index

1. Nokian Tyres in brief
2. Nokian Tyres financial performance
3. Business units and Russian operations
4. Nokian Tyres going forward



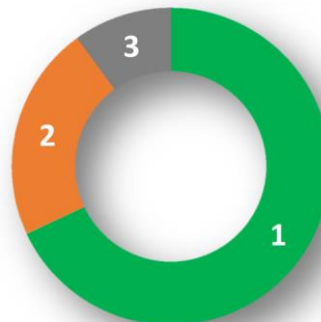
Nokian Tyres in brief

Nokian Tyres is the northernmost tyre manufacturer in the world, working relentlessly for safer, more comfortable and eco-friendly transportation – year round.

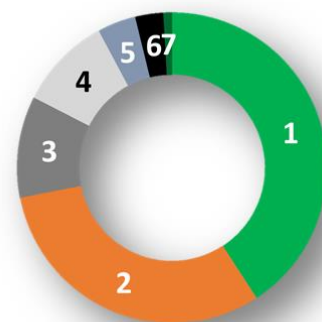
Net sales by market areas



Net sales by business units



Personnel by area



Key figures	2014
Net sales	M€ 1,389.1
Operating profit	M€ 308.7
Equity ratio	67.5%
Cash flow	M€ 458.3
Share of foreign shareholders	>60%
Personnel	4,272

Country / Area	2013	2014
1. Finland	14%	15%
2. Sweden	11%	13%
3. Norway	11%	12%
4. Russia and CIS	34%	26%
5. Central Europe	22%	24%
6. North America	7%	9%

Share of turnover

Business units	2013	2014
1. Passenger car tyres	71%	68%
2. Vianor	20%	22%
3. Heavy Tyres	9%	10%

Share of turnover

Country / Area	2014
1. Finland	41%
2. Russia	31%
3. Sweden	11%
4. Norway	10%
5. North America	4%
6. Central Europe	3%
7. Others	1%
Total	4,272

Market overview 1-6/2015

Growth in the west – Russia declined

Estimates	Nordic countries	Russia	Europe (incl. Nordics)	North America
GDP growth	+1-2%	-3.5%	+1.5%	+1.5%
New car sales	+6%	-36%	+8%	+4%
Car tyre* sell-in	+9%	-15...-20%	+2%	±0
Heavy tyre segments **	↑	↓	↑	↑
Currency impact	●	●	-	●

*) premium and mid-segment

**) Nokian Tyres core product segments

Nokian Tyres' performance 1-6/2015

Volumes and currencies hit Net sales, North America on the rise

Sales & SOM	Nordic countries	Russia and CIS	Other Europe	North America
Gross sales	+5.8%	-37.5%	-7.0%	+26.8%
Car tyre sales pcs	+	-	-	+
Car tyre SOM	-	-	-	+

Profitability		Distribution	Units	Incr. H1 (pcs)
Currency effect to Net sales, M€	38.0	Vianor equity-owned	197	+8
Car tyre ASP (€/pcs)	↓	Vianor total	1,390	+35
Raw material cost	-14.8%	NAD (+N-Tyre)	1,100	+178
Fixed costs	↑			
Car tyre production volume, pcs	-10%			
Car tyre productivity (kg/mh)	+6%			

Summary 1-6/2015

Delayed start of the winter tyre sales in Central Europe and Russia as well as deeper retail slump in Russia weakened volumes – clear improvement in mix

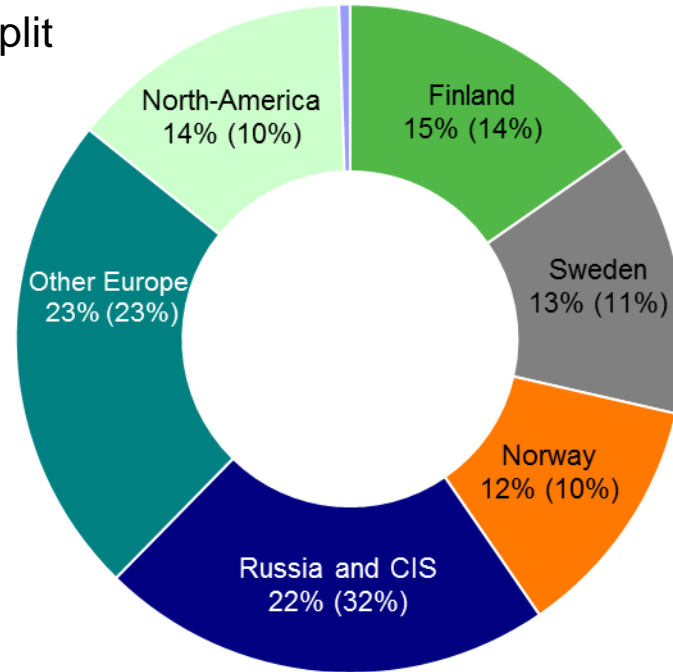
	4-6/15	4-6/14	Change%	1-6/15	1-6/14	Change%	2014
Net sales	345.5	369.5	-6.5	626.8	681.5	-8.0	1,389.1
Operating profit	80.6	90.7	-11.2	128.8	159.1	-19.0	308.7
Operating profit, %	23.3	24.5		20.6	23.3		22.2
Profit before tax	73.2	78.6	-6.9	136.7	134.6	+1.6	261.2
Profit for the period	64.5	66.1	-2.4	199.8	104.8	+90.6	208.4
Earnings per share, EUR	0.48	0.50	-2.4	1.50	0.79	+90.6	1.56
Equity ratio, %				70.4	67.6		67.5
Cash flow from operations	-13.0	-21.8	+40.2	-72.7	-25.5	-185.2	458.3
RONA,% (roll. 12 months)				17.0	18.9		18.3
Gearing, %				6.9	18.0		-13.6

- Net sales hit by lower volumes and weaker currency rate in Russia
- ASP drop levelling off, negative currency impact partly compensated by improved mix
- Strong development of sales and profitability in North America
- Profitable business supported by raw material cost and productivity
- Product offering top-notch: Test success in car media continued
- Nokian Heavy Tyres showed growth with improved delivery capability
- Back tax annulment improved Profit for the period by EUR 100.3 million

Gross sales by market area 1-6/2015

Western markets' weight up

- More balanced geographical sales split
- North America boosted by market share gain and strong USD/CAD



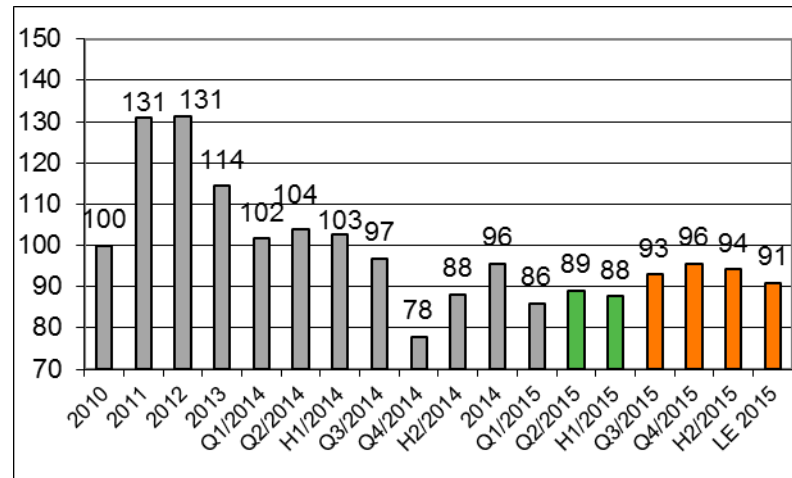
Raw material cost development

Cost decrease levelling off

Nokian Tyres raw material cost (€/kg)

- decreased by 14.8% in H1/2015 vs. H1/2014
- increased by 3.0% in Q2/2015 vs. Q1/2015
- is estimated to decrease by 5% in 2015 vs. 2014

→ Estimated tailwind in 2015 vs. 2014: **15 M€**



Raw material cost development index 2010-E2015

Business units 1-6/2015

Heavy Tyres and Vianor improving, Car Tyres hit by Russia

Passenger Car Tyres

- Net sales: 448.8 M€; -13.8%
- EBIT: 129.7 M€; -20.7%
- EBIT margin: 28.9% (31.4%)

Vianor

- Net sales: 141.7 M€; +8.6%
- EBIT: -6.9 M€; +0.2%
- EBIT margin: -4.9% (-5.3%)

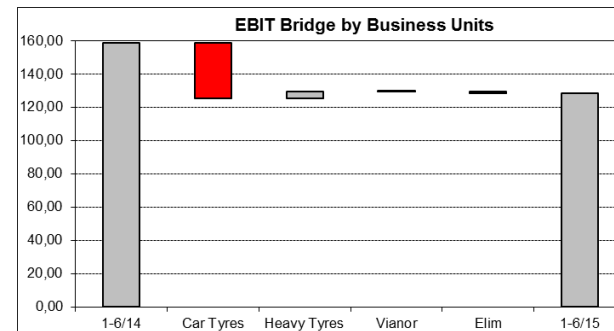
Heavy Tyres

- Net sales: 75.6 M€; +6.1%
- EBIT: 14.3 M€; +44.1%
- EBIT margin: 18.9% (13.9%)

Net sales 626.8 M€



EBIT 128.8 M€



Business units	H1/2015	H1/2014
1. Passenger car tyres	67%	72%
2. Vianor	21%	18%
3. Heavy Tyres	11%	10%

Passenger Car Tyres

Net sales hurt by volume and currency in Russia – mix improved

Performance in 1-6/2015

- + Sales booming in North America, Nordics solid
- + Product mix improved
- + Magazine test success continued with summer tyres
- + Decreasing raw material cost supported margins
- + Productivity improved
- Sales in Russia fell clearly
- ASP decreased due to currency devaluations



	Q2/2015	Q2/2014	Change %	H1/2015	H1/2014	Change%	2014
Net sales, M€	241.2	273.7	-11.9	448.8	520.6	-13.8	1,003.2
EBIT, M€	69.6	83.4	-16.6	129.7	163.5	-20.7	292.2
EBIT%	28.9	30.5		28.9	31.4		29.1
RONA%, r.12 m.				22.8	25.6		23.5



State of the art know-how

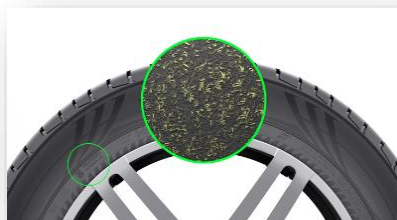
New Aramid sidewall technology, new tailored products

New SUV tyres for varying summer conditions in Nordic and Central Europe

- Nokian Aramid Sidewall technology – Toughness like never before
- Test wins for new SUV products e.g. in Sweden, Norway, Germany
- Sales increased by more than 50%

Tailored product range also for NA market

- Nokian eNTYRE 2.0, Nokian Rotiiva AT Plus, Nokian Rotiiva HT



Magazine tests 2015 and 2014

Test success continues – both in winter and in summer

Summer tyres, spring 2015 – test victories also to new SUV tyres

- New Nokian Line SUV – Tough wet performer
- New Nokian zLine SUV – Tough cool performer
- Nokian Line – Multiple test winner
- Nokian Hakka Blue – Test winner, wet performer
- Nokian Hakka Blue SUV – Test winner

Winter tyres, autumn 2014 – over 40 test victories

- Nokian Hakkapeliitta 8 – Multiple test winner
- Nokian Hakkapeliitta R2 – Northern Comfort
- New Nokian Hakkapeliitta 8 SUV and Hakkapeliitta R2 SUV
- Nokian WR D3 – Forget the Forecasts
- New Nokian WR SUV 3 – Ultimate snow and slush performance



Russia and CIS countries

Clearly weakened purchasing power cut demand

Economy, car sales and tyre sales down

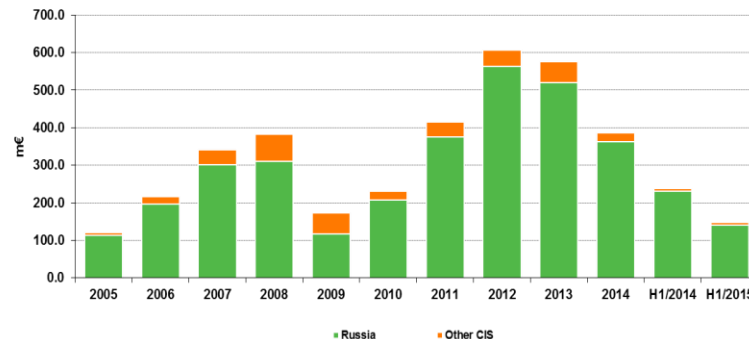
- High inflation has cut purchasing power
- Interest rates for car loans high
- Car sales -36%, tyre sales -15...-20% in H1

Nokian Tyres' sales value down

- Sales decreased due to lower volumes and currency rate effects
- Market position in premium segment prevailed, although consumers partly shifted to cheaper segments and brands; recovery to premium expected when economy improves

Tyre demand growing in the long term

- Replacement market growing with expanding car park
- When economy recovers, growing car sales to increase demand for winter tyres



Nokian Tyres' sales in Russia and CIS

Heavy Tyres

Improved delivery capability - sales and profitability up

Performance in 1-6/2015

- + Forestry tyre sales up 14%, healthy order book
- + Truck tyre sales picked up
- + Higher production volume improved delivery capability
- + EBIT up with higher sales volumes and lower fixed costs
- + Lower raw material cost and improved productivity supported margins
- ASP decreased due to tight pricing environment
- Russia & CIS weak



	Q2/2015	Q2/2014	Change%	H1/2015	H1/2014	Change%	2014
Net sales, M€	38.0	36.7	+3.6	75.6	71.3	+6.1	149.1
EBIT, M€	7.5	5.4	+39.1	14.3	9.9	+44.1	24.6
EBIT%	19.8	14.8		18.9	13.9		16.5
RONA%, r.12 m.				27.7	19.3		22.9

New drive axle tyre Nokian Hakka Truck Drive

Unique stability, grip and safety for year-round use

- Drive axle tyre for all-year cargo and coach traffic on long and medium distances.
- Designed for the varying Central European and Nordic weather conditions.
- Excellent wear resistance, grip and driving stability without any compromises.
- Supplements the Nokian Hakka Truck product family that already offers tyres for the steer axle and trailer.
- Sizes 315/70 R22.5 and 315/80 R22.5.
- Innovations developed to ensure the driver's safety on dry, wet and snowy roads alike:
 - Unique shoulder structure
 - V-shaped tread pattern
 - Additional grooves
 - Self-Generating Siping



Performance in 1-6/2015

- + 1,390 stores in 27 countries; +35 stores in H1/2015
- + Market share improved
- + 61 car service operations acquired and integrated to existing Vianor stores by the end of H1/2015
- + Service revenues increased by 8%, car services +10%
- Operating result was seasonally negative in H1



Equity-owned stores (197)	Q2/2015	Q2/2014	Change%	H1/2015	H1/2014	Change%	2014
Net sales, M€	86.7	81.0	+7.0	141.7	130.5	+8.6	314.8
EBIT, M€	5.7	5.0	+12.1	-6.9	-6.9	+0.2	2.1
EBIT%	6.5	6.2		-4.9	-5.3		0.7
RONA%, roll.12 m.				1.2	0.7		1.2

Nokian Tyres' retail partner network

Expansion of distribution continued

Vianor – 1,390 stores

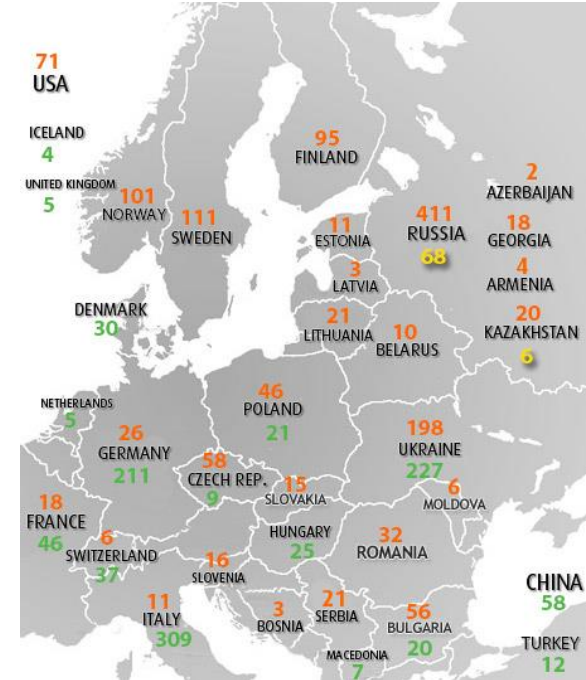
- in 27 countries
- increase of 35 stores in H1/2015

Nokian Tyres Authorized Dealers (NAD) – 1 026 stores

- in 15 European countries and China
- increase of 157 stores in H1/2015

N-Tyre – 74 stores

- in Russia and Kazakhstan



Production facilities

Annualized production capacity >20 million tyres with shift arrangements. Potential to increase further by 1.5 mpcs in existing factories.



Nokia, Finland

- R&D, administration and marketing
- Development of key processes
- Prototype production batches
- Special car tyres
- Heavy tyres, retreading materials
- Export to western markets

2012-2014:

- Car tyres 5-day shift system
- Temporary production cuts
- Modernization and ramp up of Heavy tyre production

2015:

- Car tyres: target to decrease the annual output



Vsevolozhsk, Russia

- Production of the whole car tyre range with state-of-the-art production technology and lower production costs
- Tax benefit agreements
- Inside the duty borders of Russia and CIS
- Export to all markets
- Possibility to expand in current premises & land area

2012:

- New factory next to the current one
- Own electricity generation

2013-2014:

- 13 lines in production. Capacity > 15 Mpcs.

Outlook 2015

Growth in the west – Russia declines

Assumptions

- Core markets
 - New car sales growth 5% in Europe
 - New car sales in Russia to decline over 30%
 - Russia and CIS currencies weak against EUR
 - Sales shift towards lower B&C segments in Russia shadows premium sales development
- Passenger car tyre markets
 - Demand in North America, CE and Nordic countries to grow
 - Demand in Russia to decline 20-25%
- Raw material cost (€/kg) to decrease 5% in 2015 vs. 2014
- Investments approximately 100 M€
- Heavy tyre market demand stable in Nokian Tyres' core product groups
- Nokian Tyres financial position remains solid

Outlook 2015

- Nokian Tyres' position to improve in all western markets, in Russia and CIS market leader position in premium segment remains
- Test-winner product range supports mix and ASP
- Pricing environment tight for all tyre categories
- Profitability supported by efficient cost structure and productivity on the back of high share of Russian production
- Strong performance by Nokian Heavy Tyres

Year 2015 guidance (updated)

- In 2015, with current exchange rates, Net sales is to decline slightly compared to 2014 and Operating profit is estimated to be approximately EUR 270-295 million.

Capital Markets Day
Tuesday 17 November, 2015

Welcome to Finland!

A low-angle, perspective shot of two cars parked on an asphalt road. The focus is on the front tires of both vehicles. The car on the left is dark-colored, and the car on the right is light blue. The tires have a distinctive red and blue stripe running down the center of the tread. The background shows a clear blue sky and some greenery in the distance.

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TYRES

Thank you!