



ANNUAL GENERAL MEETING

12 April, 2012

Mr. Kim Gran
President and CEO
Nokian Tyres plc

NOKIAN TYRES MANAGEMENT APRIL 1, 2012



The year indicates when the person started working for Nokian Tyres.

GENERAL OVERVIEW 2011

Strong result

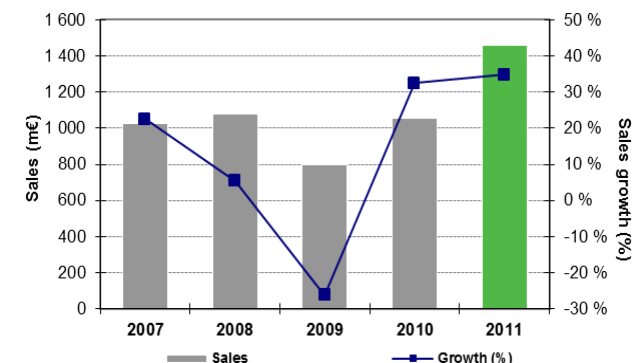
Strong demand in core markets

- Economies in the Nordic countries and Russia in good shape, consumer confidence was strong and car sales picked up
→ Strong growth of tyre sales in Nokian Tyres' core markets
- Distributors' low inventory levels and previous years' (2010-2011) true winters with heavy snowfall boosted winter tyre sales

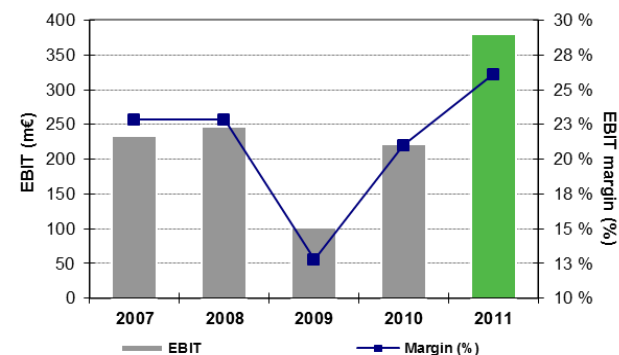
Nokian Tyres 2011 – strong result

- Strong sales and market share growth in core markets, Central Europe a rising star
- Improved sales mix and price increases
→ car tyre margins up
- Production output (tons) up by 47%; weekly output of car tyres from 250 to 360 kpcs/week during 2011
- Net sales 1,456.8 m€, growth 37.7%
- Operating profit 380.1 m€
- Profit before tax 359.2 m€
- Profit for the period 308.9 m€
- EPS 2.39 €

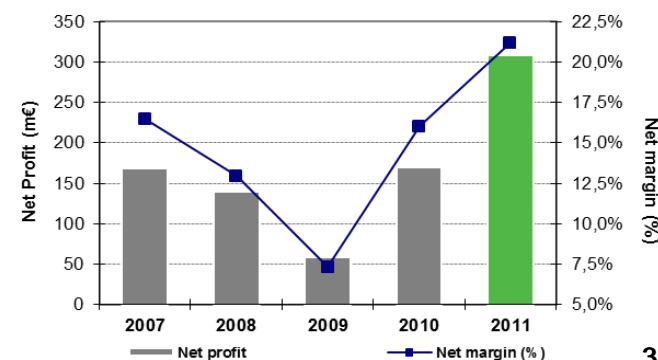
Net sales (m€) and Net sales growth (%)



EBIT (m€) and EBIT margin (%)



Net profit (m€) and net margin (%)



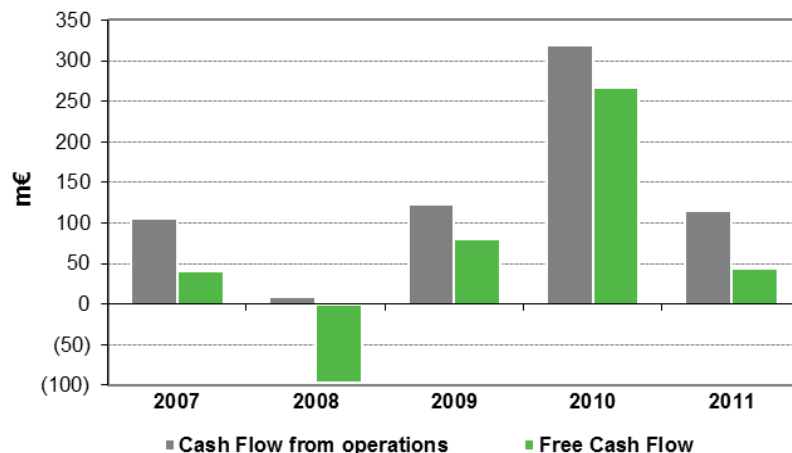
GENERAL OVERVIEW 2011

Strong financial position

Cash flow from operations 2011: 114.1 m€

- Investments 161.7 m€ (50.5) weakened Cash flow
- Inventories' and Trade receivables increased along with sales growth

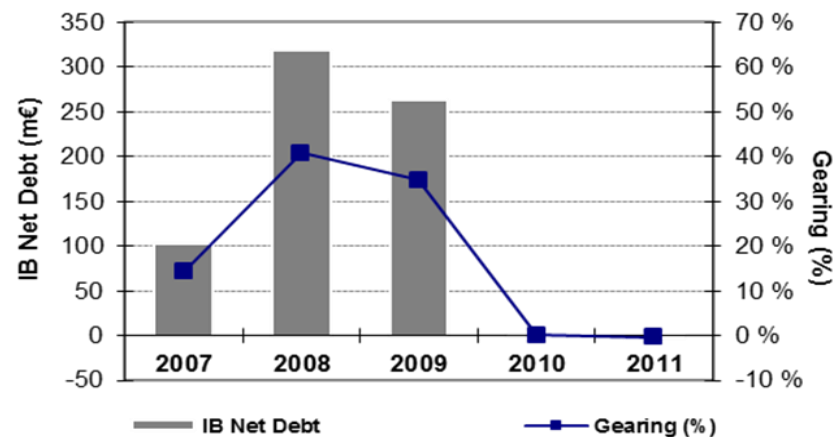
Group Cash Flow From Operations and Free Cash flow



Strong balance sheet

- The company was free of net debt at the end of 2011
- Strong balance sheet enables investments for growth

Interest bearing net debt (m€) and gearing (%)



GENERAL OVERVIEW 2011

Market position improved clearly

Nordic countries – Market leadership strengthened

- Sales growth 17%
- Car tyre market share improved to 29%
- Vianor expanded to 235 stores (+23 in 2011)

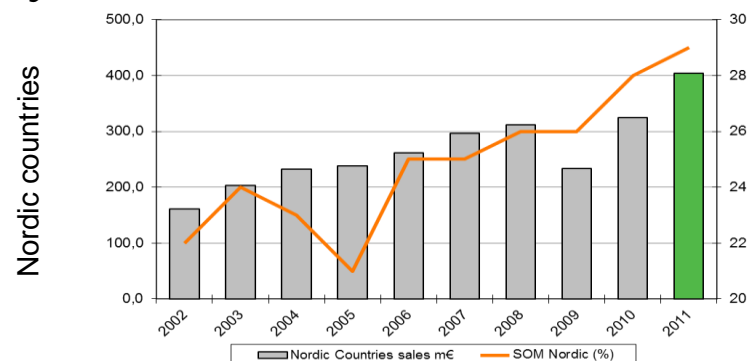
Russia & CIS – Market leadership in premium tyres

- Sales in Russia increased significantly, +81%
- Sales in CIS countries grew by 63%
- Market shares in winter tyres improved clearly
- Vianor expanded to 491 stores (+62 in 2011) in 287 cities

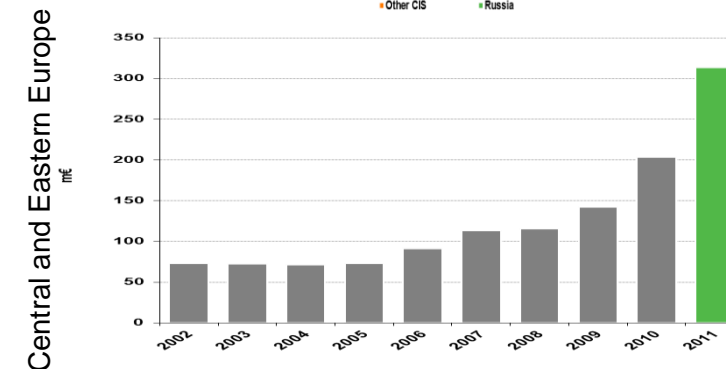
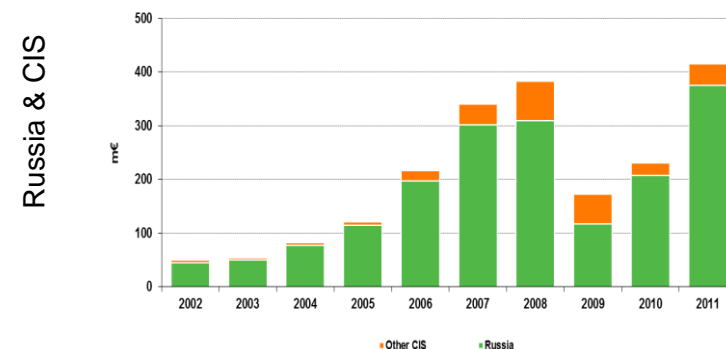
Central and Eastern Europe – Area of strong growth

- Sales increased by 49%
- Price and market position strengthened clearly
- A new area of strong profitable growth
- Vianor expanded to 146 stores (+42 in 2011)

Net sales development 2002-2011



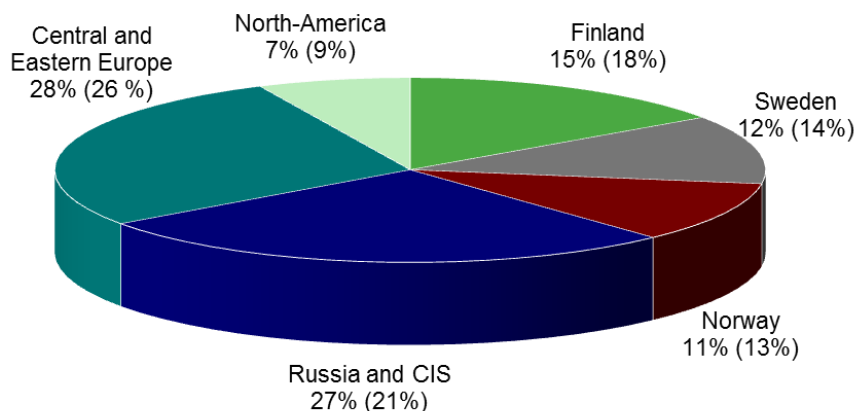
Russia and other CIS sales development



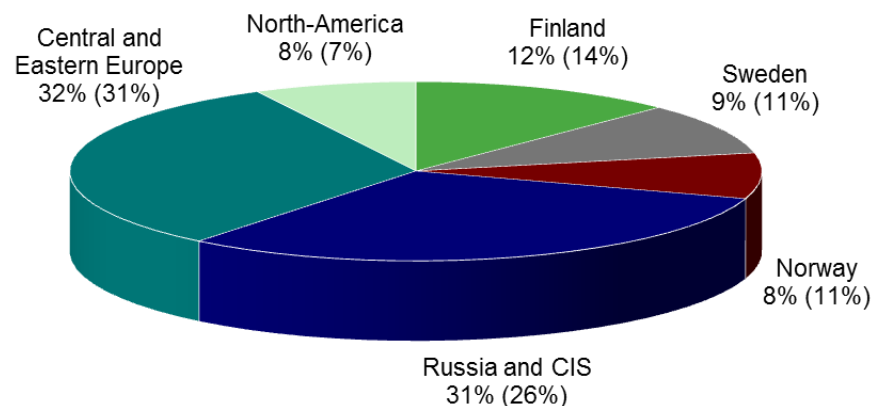
GENERAL OVERVIEW 2011

Gross sales by market area 2011

Sales of Nokian Tyres Group: 1,542.2 m€, +37.6%



Sales of Manufacturing Units: 1,351.9 m€, +49.7%



GROUP

Sales development in euros

■ Nordic countries	+17.4%
■ Russia and CIS	+79.1%
■ Central and Eastern Europe	+49.1%
■ North America	+9.9%

MANUFACTURING

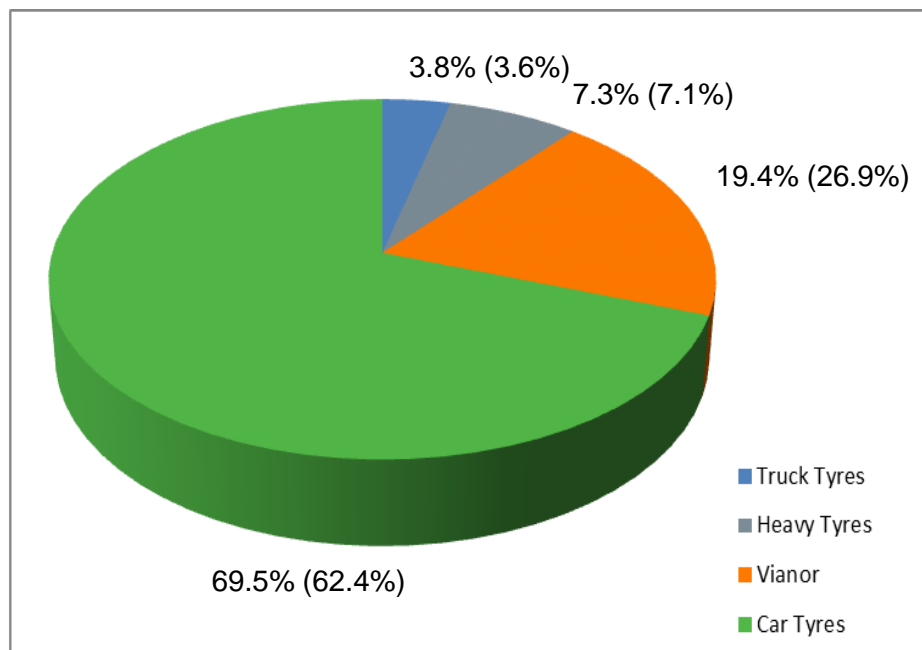
Sales development in euros

■ Nordic countries	+24.6%
■ Russia and CIS	+79.1%
■ Central and Eastern Europe	+50.6%
■ North America	+66.7%

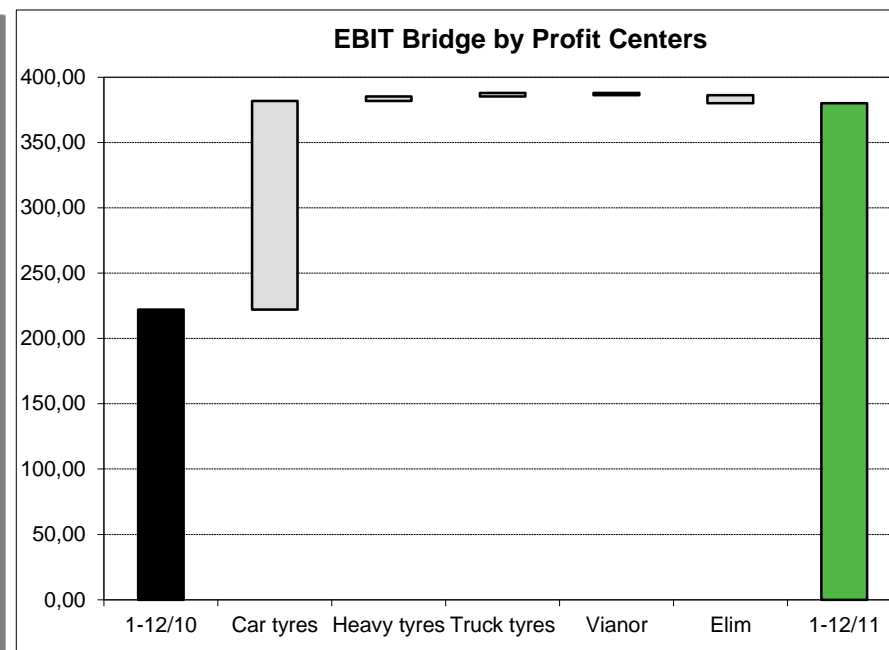
PROFIT CENTRES

General overview of 2011

Net sales 1,456.8 m€; +37.7%



EBIT 380.1 m€; +71.1%



Passenger Car Tyres

- Net sales: 1,071.1 m€; +49.9%
- EBIT 365.1 m€; +77.6%
- EBIT margin: 34.1% (28.8%)
- Key products: studded and non-studded winter tyres, high-speed summer tyres

Heavy Tyres

- Net sales: 112.8 m€; +39.2%
- EBIT: 17.2 m€; +25.7%
- EBIT margin: 15.3% (16.9%)
- Key products: tyres for forestry, industrial and agricultural machinery

Truck Tyres

- Net sales: 59.3 m€; +44.1%
- Key products: truck tyres and retreading materials

Vianor

- Net sales: 298.4 m€; -3.1%
- EBIT: 2.3 m€; -42.5%
- EBIT margin: 0.8% (1.3%)
- 910 stores in 23 countries in Nokian Tyres' core markets

PASSENGER CAR TYRES

Russia spearheads sales growth

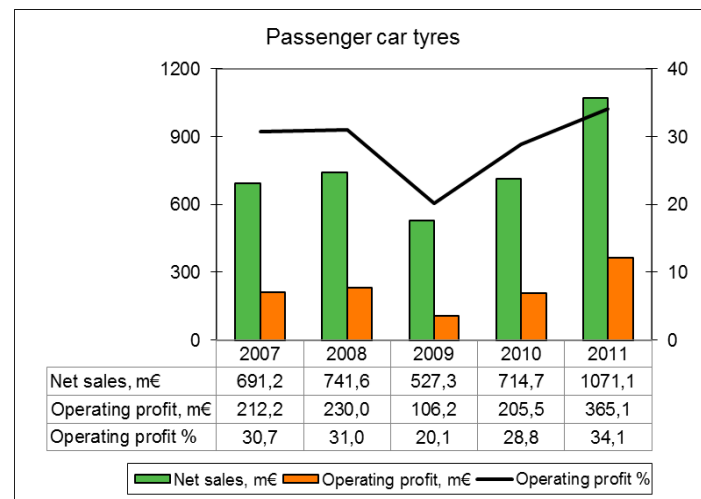
Performance in 2011

- + Sales & order book strong in all core markets
- + Market share up in Nordic countries, Russia and CE
- + Improved sales mix and price increases → ASP up despite the increased raw material cost
- + Production up by 47% vs. 2010

Key actions and targets for 2012

- Increase sales, especially in Russia and CE
- Improve market shares in core markets
- Defend brand and price position
- Increase production in Russia, lines 11&12 ramp-up

→ **Focus on capacity increase, mix improvement and growth on core markets**



RUSSIA & CIS *Significant growth potential*

Russian economy and car sales in growth mode

- GDP 2011: +4%, estimated GDP 2012: +3-4%
- Car sales 2011: +39%, estimate 2012: 10-15%
- Financing available with low interest rates

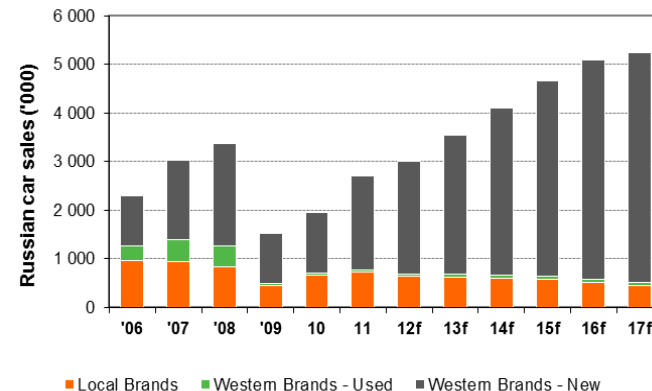
Tyre sales in strong growth

- Car sales increase demand for winter tyres
- Replacement market growing

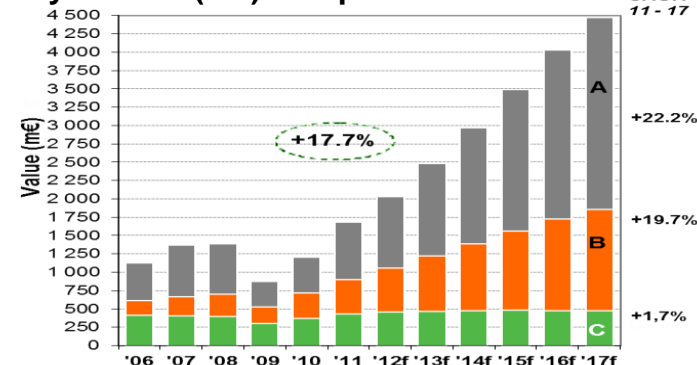
Sales in Russia and CIS

- Nokian sales in Russia increased by 81% in 2011
- Market leadership in premium and medium segments with Nokian and Nordman brands
- Estimate: strong growth in 2012
- Strong growth of tyre demand estimated to continue for 4-6 years

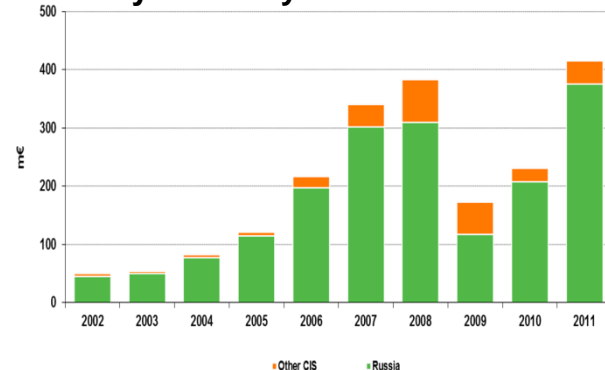
Car sales in Russia



Tyre sales (m€) in replacement market



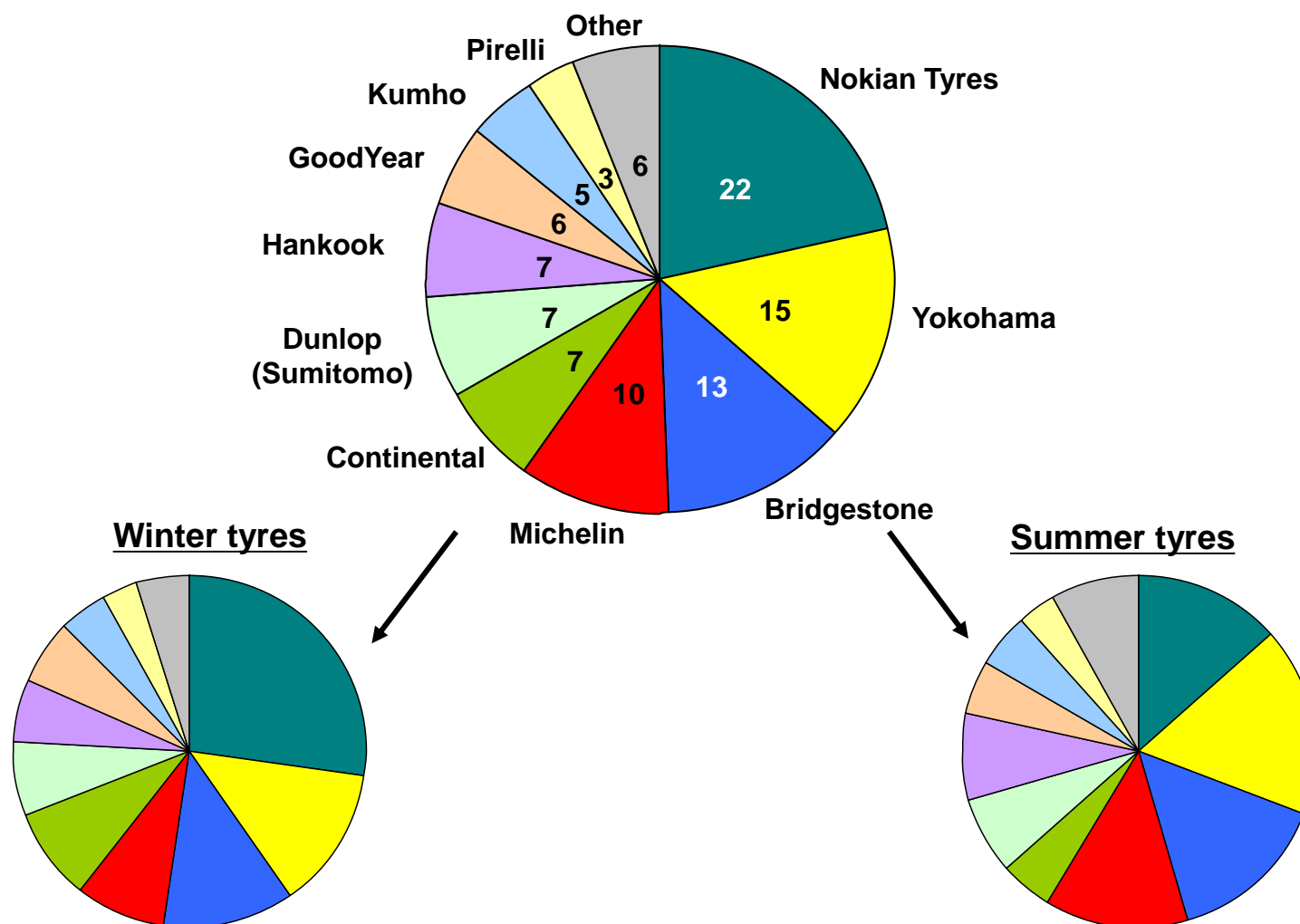
Nokian Tyres' car tyre sales in Russia & CIS



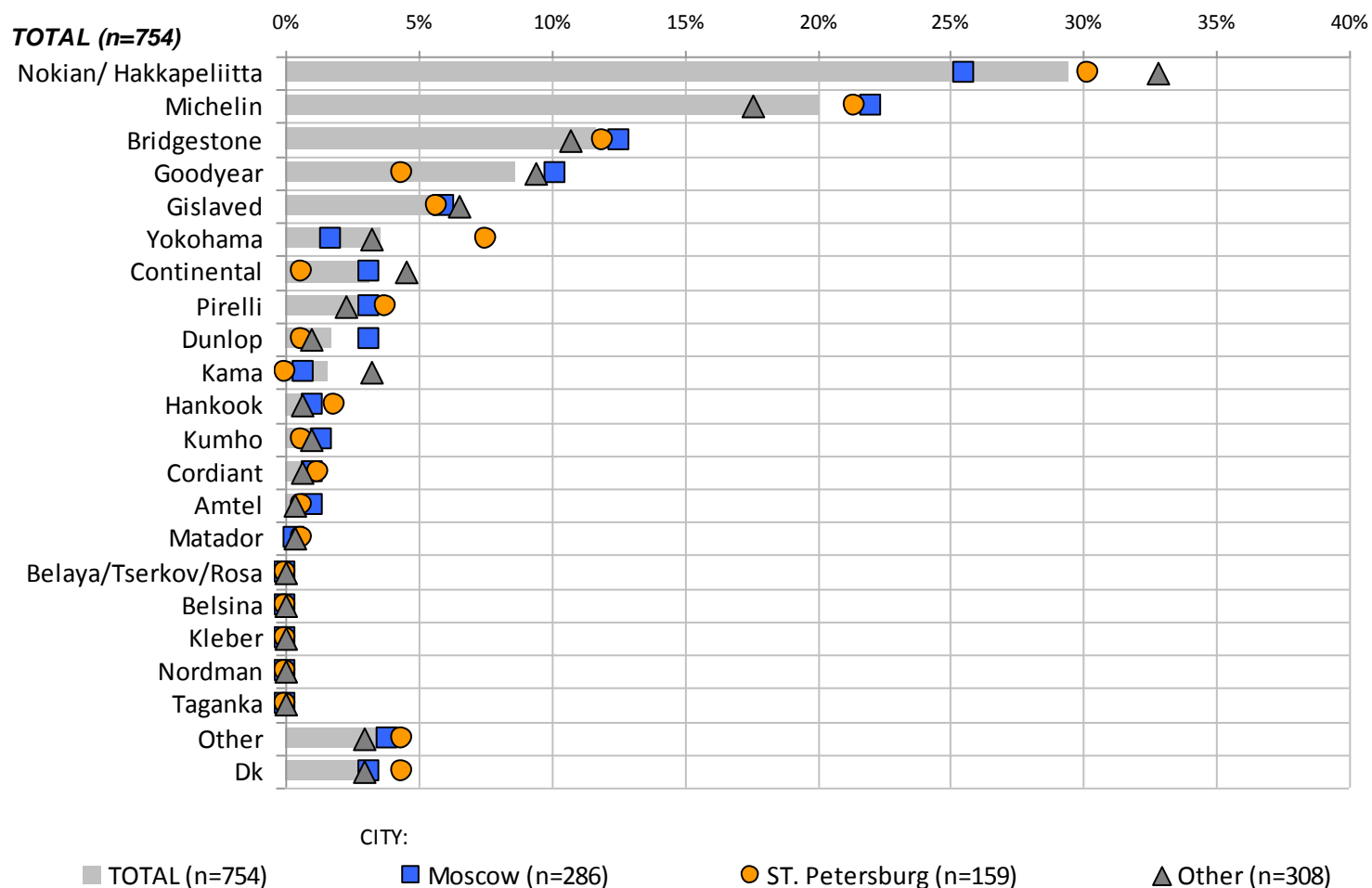
RUSSIA

Market share development in 2011

Estimated replacement A+B segments market shares 2011 by sell-in volume



Which passenger car winter tyre brands do you remember by name? - Top of mind



MAGAZINE TEST

Test success continues – both in summer and in winter

SUMMER TYRES, spring 2012

Nokian Hakka Blue – Wet Performer

Summer tyre for core markets

- Test victories e.g.: Tekniikan Maailma, (Finland), Aftonbladet BIL (Sweden), Motor/NAF (Norway), AutoReview (Russia), Auto Centre (Ukraine)

Nokian Hakka Green – Naturally safe

- Test victories: Tuulilasi, (Finland), Vi Bilägare (Sweden)

Nokian Z G2 – Cool Performer

- Summer tyre for CE. Test victories e.g.:
 - Auto Bild, the biggest car magazine in Europe
 - Gute Fahrt, Auto Bild Allrad, Auto Test

Nokian H summer tyre for CE

- Test victory: Autozeitung



Nokian Hakka Blue



Nokian Hakkapeliitta 7

WINTER TYRES, autumn 2011

Nokian Hakkapeliitta 7 – Next generation studded tyre

- Studded winter tyre family for core markets.

Test victories in magazine tests, e.g.:

- Tuulilasi (Finland), Vi Bilägare (Sweden)
- AutoReview (Russia), Auto Centre (Ukraine)

Nokian Hakkapeliitta R – Safe and reliable friction tyre

- Rolls lightly and gives excellent grip. Test victories:

- Tuulilasi (Finland), Vi Bilägare (Sweden)
- Za Rulem (Russia), Auto Centre (Ukraine)

Nokian WR D3 – for Central European winter

Test victories e.g.:

- Sport Auto (Germany)
- Tekniikan Maailma (Finland)
- Aftonbladet (Sweden)
- Auto Centre (Ukraine), Auto Plus (France)



- Minimum 35% of car tyres' net sales are new products
- Technological leadership
- High investment on winter tyre development & testing

Manufacturing



Manufacturing

- Suomen Gummitehdas was founded in 1898
- Nokia plant in 1904
- Russia plant in 2005

Distribution



Distribution

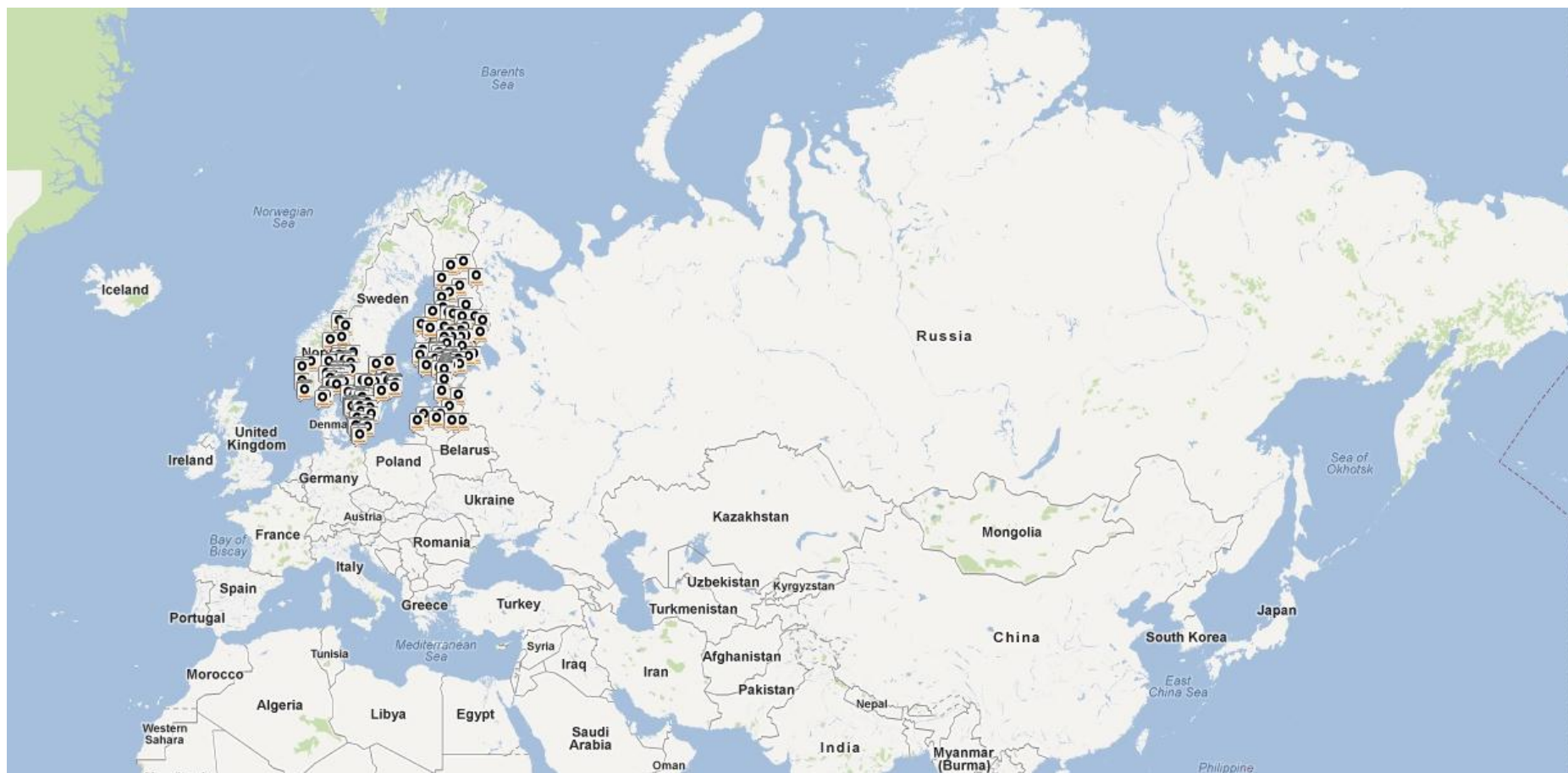
- Since the late 1990's controlled distribution and contact to end users; a tool to improve market shares
→ Vianor tyre chain

Consumers



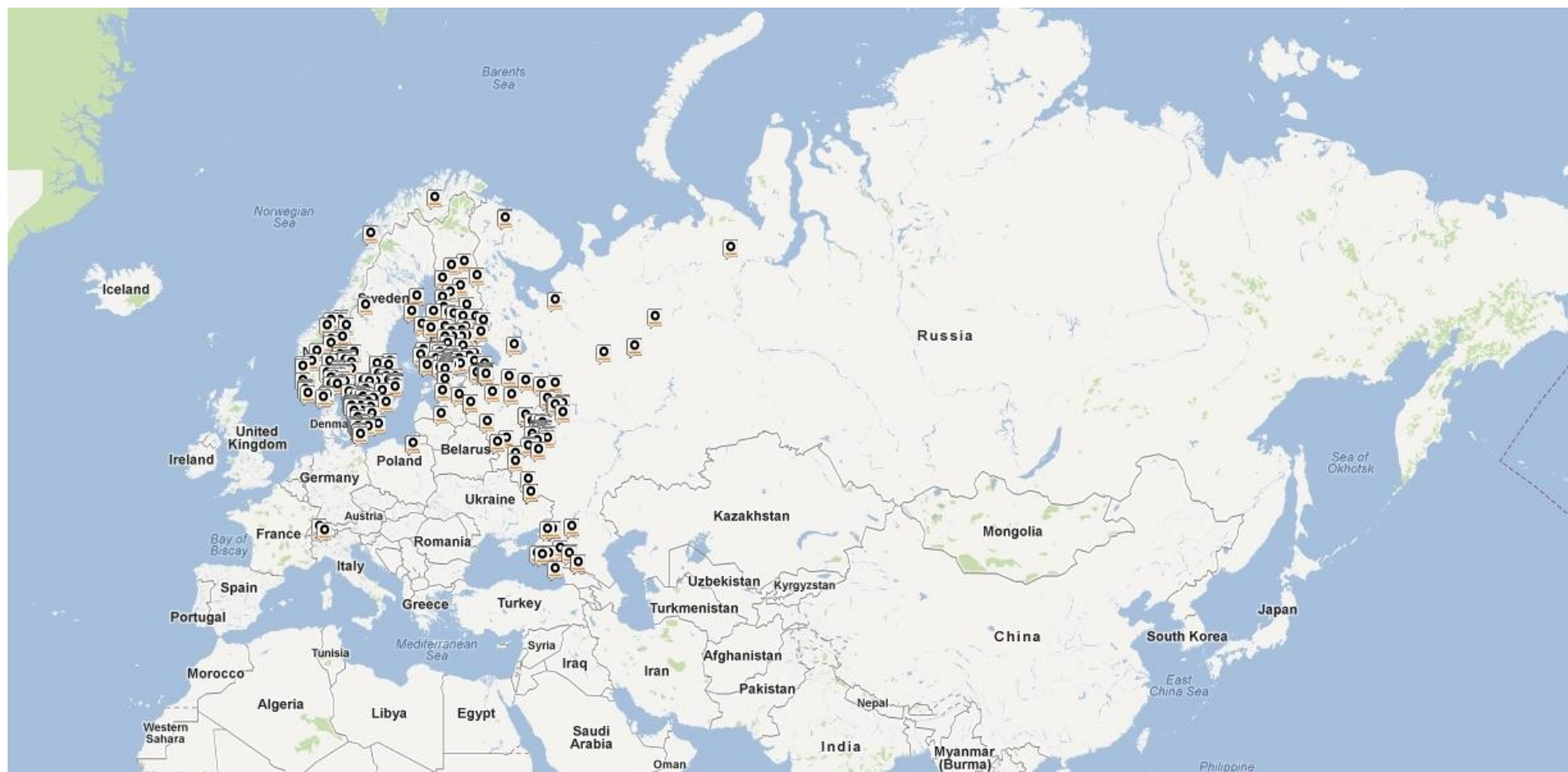
Consumers

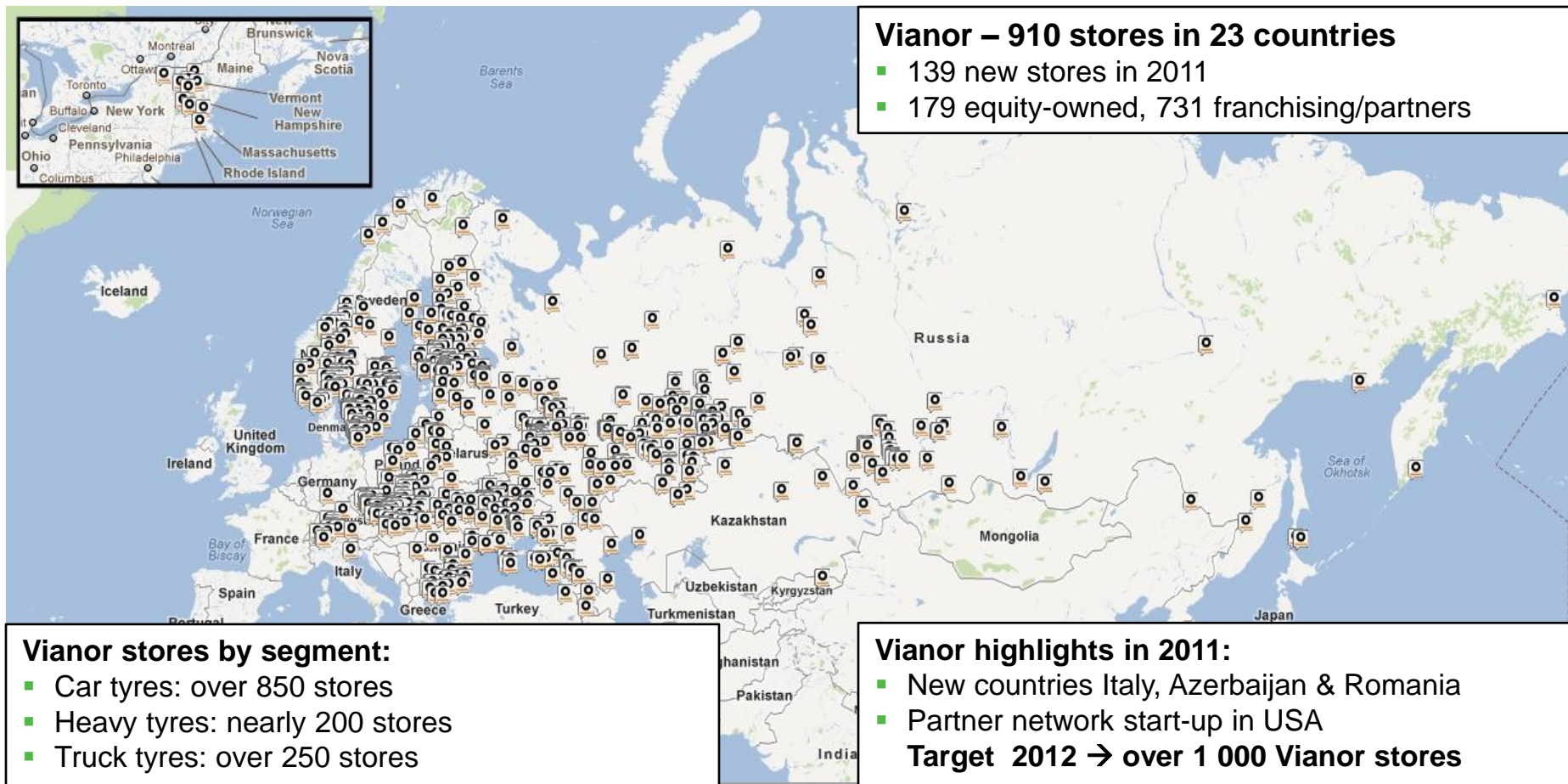
- In 2009 desire to be closer to consumers
- Electronic business, creating consumer relationship, improving interaction
→ "Close to customer"



VIANOR

Vianor network Q1/2007









VIANOR – UNIFIED APPEARANCE *Ukraine*



VIANOR – UNIFIED APPEARANCE *Germany*



VIANOR – UNIFIED APPEARANCE *Poland*



VIANOR – UNIFIED APPEARANCE *Czech*



HEAVY TYRES

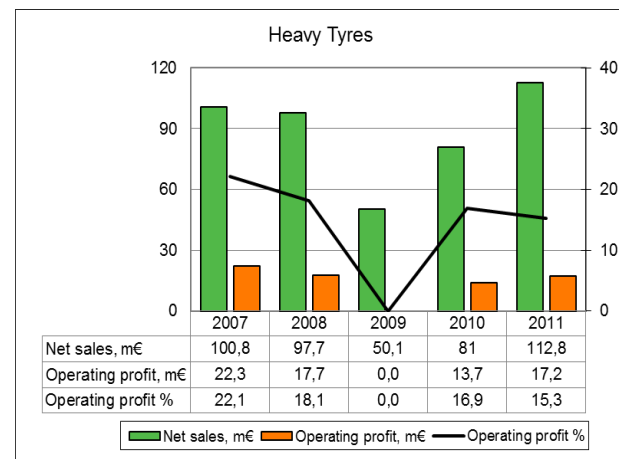
Production & sales up

Performance in 2011

- + Tyre demand and sales clearly up, especially in forestry, mining and radial tyres. Russian sales grew rapidly.
- + Price increases improved ASP and compensated for the increased raw material cost
- + Production volume up by 26% vs. 2010
- Order book growth levelled off in Q4/2011

Key actions and targets for 2012

- Expand the distribution network, especially in Russia and CIS
 - Improve service concepts and logistics (i.e. Vianor Industrial)
 - Accelerate development of new radial and BAS products
 - Improve sales mix and share of replacement market sales
- **Focus to optimize production to demand, increase sales to replacement market and expand the Vianor industrial network**



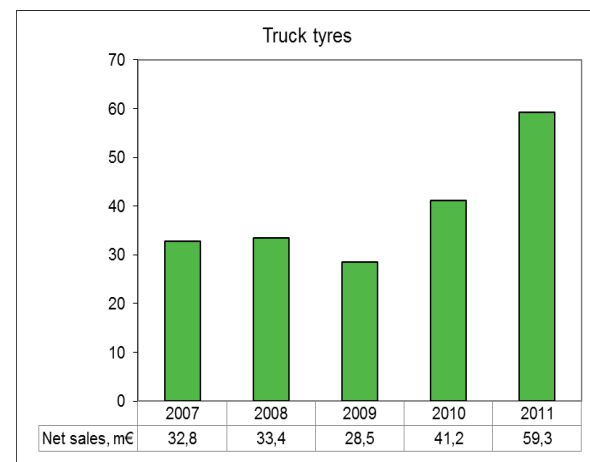
Performance in 2011

- + Demand and sales clearly up in all geographical market areas
- + Market share improved in the Nordic countries, CE and Russia
- + Wider range for premium & standard truck tyres

Key actions and targets for 2012

- Increase sales in Nordic countries, Russia and CIS
- Expand in Eastern Europe utilising the “Vianor truck” concept
- Utilize the stronger winter product range (incl. Hakkapeliitta truck tyres)

→ **Expand sales, utilize group distribution synergies and improve product offering**



PRODUCTION PLANTS

Capacity increases continue



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

2010:

- Car tyres to 6-day shift system
- Heavy tyres to 7-day full capacity utilisation

2011:

- Car tyres to 7-day shift system in August
- Investments for increasing productivity through automation
- Approx. 200 new employees (temporary)
- Expansions in Heavy tyres factory



Vsevolozhsk, Russia

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

2010:

- Lines 7 and 8 were taken into use
- Approx. 200 new employees

2011:

- Lines 9 and 10 & new technology into use
- Approx. 200 new employees

2012:

- New factory next to the current one
- 2 new lines, total annual capacity increase ~3 million tyres

2013-2014:

- 2 new lines, additional ~ 3 million tyres
- Total annual capacity ~17 million pcs

PRODUCTION PLANTS

Vsevolozhsk, Russia





NOKIAN TYRES GOING FORWARD

*Significant investments in 2011-2012
to secure strong profitable growth*

Investments in 2011

- 161.7 m€ (50.5 m€)

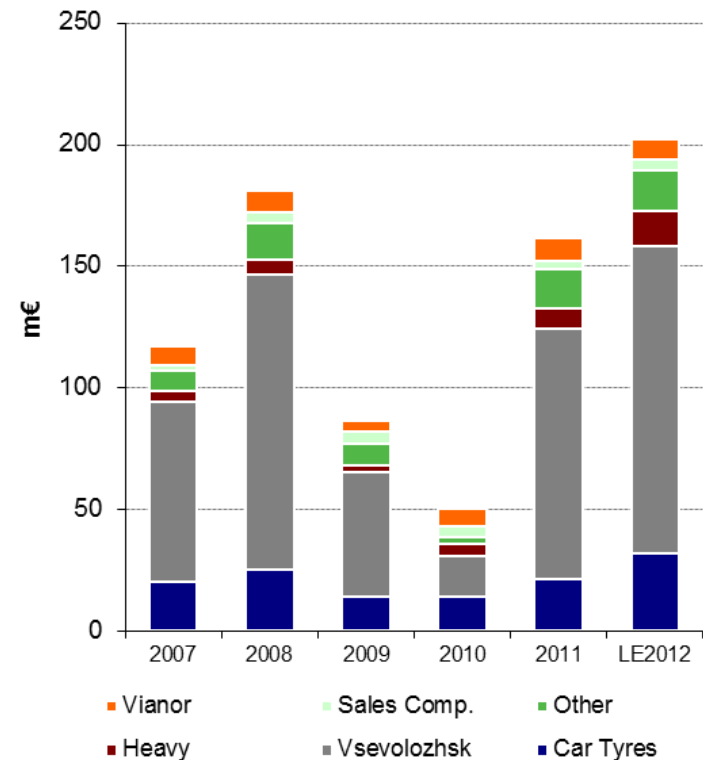
Russia

- 108.2 m€ (26.7 m€)
 - Lines 9-10 in production H2/2011
 - New plant construction started Q2/2011

Estimated investments for 2012

- Approximately 202 m€
 - Russia: 142 m€
 - Nokia plant (automation & moulds & ICT & R&D): 32 m€
 - Heavy Tyres: 15m€
 - Sales companies and Vianor: 13 m€

Nokian Tyres Capital expenditures (m€)



NOKIAN TYRES GOING FORWARD

Outlook: In 2012, the company is positioned to improve net sales and operating profit compared to 2011.

Outlook: Profitable growth

- Strong demand and order book → good visibility in H1/2012
- Raw material cost levelling off and estimated to decrease by 0-2% in 2012 vs. 2011
- Capacity ramp-up proceed as planned:
 - In Russia 10 lines in production
 - Plant in Nokia in 7 d/week full capacity
 - Building of new plant in Russia commenced, production with lines 11 and 12 to start during H2/2012
- Profitability supported by:
 - Improved cost structure, higher sales volume, better mix & ASP
 - Increasing share of Russian production → productivity up
- **Year 2012 guidance:**
 - **In 2012, the company is positioned to improve net sales and operating profit compared to 2011.**