



**nokian
TYRES**

**ANNUAL GENERAL MEETING
8 April, 2010**

The New Nokian Hakkapeliitta 7 SUV

**Mr. Kim Gran
President and CEO
Nokian Tyres plc**

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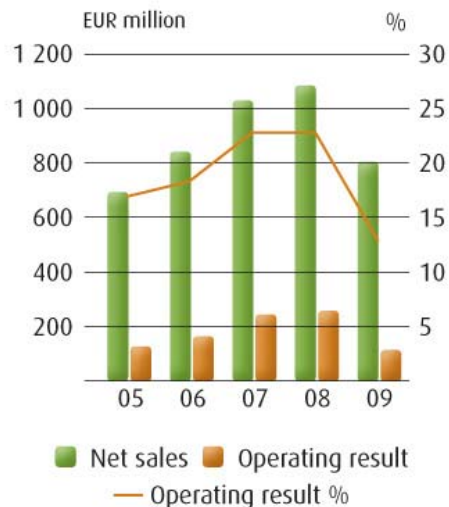
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GENERAL OVERVIEW OF 2009

Introduction

Net sales, operating result
and operating result-%



Net sales by market area
2009 (2008)



1. Finland	19% (20%)
2. Sweden	13% (12%)
3. Norway	13% (11%)
4. Russia and CIS.....	20% (34%)
5. Western and Eastern Europe..	24% (16%)
6. North America	11% (7%)

Tyre markets 2009

- Currency devaluations in Russia, Ukraine, Sweden and Norway
- The financial crisis and low car sales reduced tyre demand
- Price pressure mounting, market environment more competitive than in previous years
- Production of forestry and other machinery in severe recession; heavy tyre demand decreased to less than one-half vs. 2008

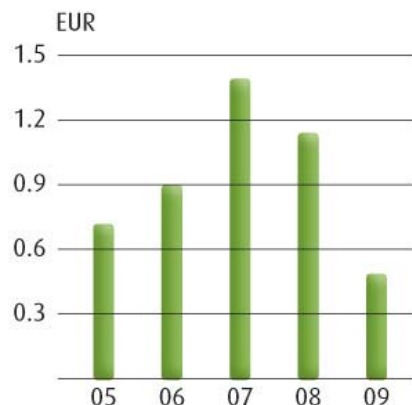
Nokian Tyres in 2009

- Nokian Tyres' decisive actions resulted in solid results
- Winter tyre market share improved in Nordic countries, North America & Central and Eastern Europe
- New spearhead product Hakkapeliitta 7 boosted sales
- Vianor expanded to 623 outlets

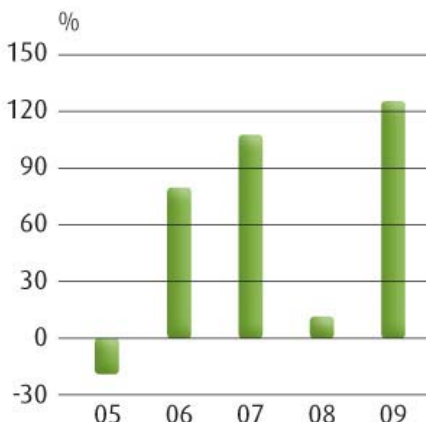
GENERAL OVERVIEW OF 2009

Introduction

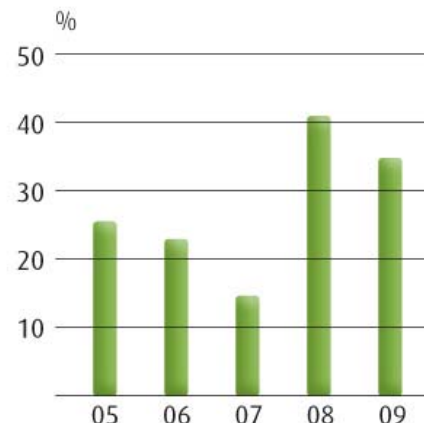
Earnings per share (EPS)



Cash flow from operations



Gearing



Nokian Tyres in 2009

- Cost savings targets were achieved and industrial structure improved
 - Wages and salaries down 44.6 m€ vs. 2008
 - Fixed costs excl. salaries down 24.2 m€ vs. 2008
- Cash flow improved by 113.6 m€ in 2009 vs. 2008
 - Investments cut by 94.7 m€
 - Inventories cut by 90.9 m€
 - Current receivables down by 72.3 m€

Outlook for 2010 – Back to growth

- Overall demand increasing
- Share of Nordic, Russian and CIS sales to increase
- Pricing environment expected to be challenging
- Raw material cost expected to rise by 10-12%
- Recovery of profitability supported by
 - Lower cost structure
 - Higher sales volume, better sales mix and ASP
 - Increasing share of Russian production
- Year 2010 estimates:
 - Nokian Tyres is positioned to improve net sales and operating result compared to 2009

GENERAL OVERVIEW OF 2009

Market overview

Car tyres

Tyre markets clearly down

- The financial crisis and low car sales reduced tyre demand
 - Drastically in Russia and CIS and clearly in Nordic countries
- Tyre manufacturers implemented price increases to offset currency devaluations in Russia, Ukraine, Sweden and Norway
 - Prices increased in local currencies
 - Prices of winter tyres resisted the general price erosion better than summer tyres
- USA introduced a three-year duty program for Chinese car tyres
 - Puts pressure on economy segment summer tyre prices on all non-US markets
- Price pressure mounting, market environment more competitive than in prev. years

Heavy tyres

Machinery and equipment production declined

- Production of forestry and other machinery in severe recession which decreased heavy tyre demand to less than one-half compared to 2008
- Demand started to recover slowly in the second half of the year

Raw materials

Natural rubber price on the rise

- Raw material prices decreased from Q4/2008 to the end of Q2/2009
- Pressure for raw material price increases mounting since Q3/2009. Natural rubber market price more than doubled by end 2009 → affects margins of tyre manufacturers in H2/2010

Currencies

Rouble seems stable

- Currencies on Nokian Tyres' core markets (excl. Ukraine) have stabilized since early 2009 and show signs of strengthening

GENERAL OVERVIEW OF 2009

Nokian Tyres performance

Sales and market position

Winter tyre market shares up

- + Winter tyre market share improved in Nordic countries, North America and CE & CEE
- + Sales growth in Central & Eastern Europe and North America
- + Launch and test victories of Nokian Hakkapeliitta 7 boosted sales
- + Winter tyre price increases in local currencies implemented on all markets
- Sales volumes decreased in all product groups
- Receivable risks and carry-over inventories limited deliveries to distribution
- Market share lost in Russia due to trading down to cheaper brands

Profitability and cash flow

Cash flow improved, planned cost savings executed

- + Cash flow improved by 113.6 m€ vs. 2008
 - + Investments cut by 94.7 m€
 - + Inventories cut by 90.9 m€
 - + Current receivables reduced by 72.7 m€, trade receivables by 20.4 m€
- + Wages and salaries down 44.6 m€ vs. 2008
- + Fixed costs excl. salaries down 24.2 m€ vs. 2008
- + Raw material cost decreased by 9% vs. 2008
- + Higher share of Russian production offset effects of low capacity utilisation
- Weaker sales, sales mix and ASP cut profitability
- Devaluations in core markets diluted results

Production

Improved industrial structure

- + Measures taken to adjust production to reduced demand
- + Shifting to utilize the most profitable capacities
- Lower utilisation of existing production capacity reduced productivity

Distribution

New Vianor shops according to plan

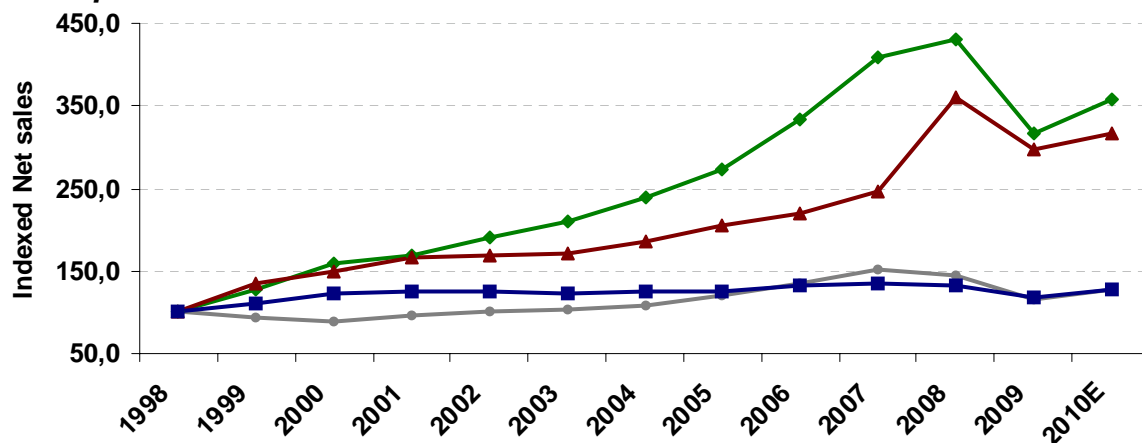
- + Vianor expanded to 623 outlets; increase by 116 outlets in 2009, 38 outlets in Q4/2009
- + First Vianor franchise shops opened in Germany, Moldova, Georgia and Bulgaria

GENERAL OVERVIEW

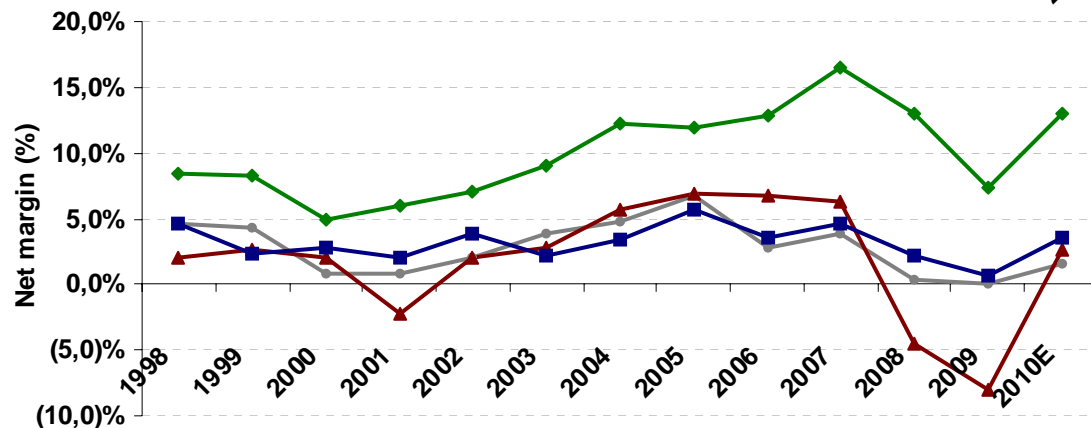
Competitor comparison 1998-2010E:

Nokian Tyres still the most profitable tyre producer

Nokian Tyres' operational performance (growth and profitability) has been clearly better than that of the main peers during the past 10 years. The clearly better profitability protects the company profits during recessions and potential downturns.



◆ Nokian Tyres
 ● Bridgestone
 ▲ Continental¹⁾
 ■ Michelin



Net sales change CAGR 2006 – 2009

Nokian	-1.5%
Michelin	-3.3%
Bridgestone	-4.6%
Continental	n.m. ¹⁾

Net income 2006 – 2009

	CAGR	Margin 2009
Nokian	-18.4%	7.3%
Michelin	-43.4%	0.7%
Bridgestone	-76.9%	0.0%
Continental	n.m.	-8.0%

Source: Results 1998-2009 (company websites) and 2010 consensus estimates for the peers as per Reuters 15 March 2010.

Note: "n.m." means that the results would be non-meaningful or that the calculation is not possible due to negative results.

1) Continental sales for 2008 not comparable due to VDO acquisition.

PLEASE NOTE: ESTIMATE 2010 IS BASED ON CONSENSUS ESTIMATES, NOT NOKIAN TYRES GUIDANCE!

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PROFIT CENTRES

General overview of 2009

Net sales 798.5 m€ -26.1%

EBIT 102.0 m€ -58.7%



Nokian Hakkapeliitta 7

Car tyres

- **Net sales:** 527.3 m€; -28.9%
- **EBIT:** 106.2 m€; -53.8%
- **EBIT margin:** 20.1% (31.0%)
- **Key products:** studded and non-studded winter tyres, high-speed summer tyres
- **Key markets:** Nordic, Russia and CIS countries, Central & Eastern Europe, North America

YEAR 2010

- Increase sales and market shares in core markets, especially in Russia and CIS
- Improve sales mix and ASP
- Improve productivity, utilize the most feasible capacities

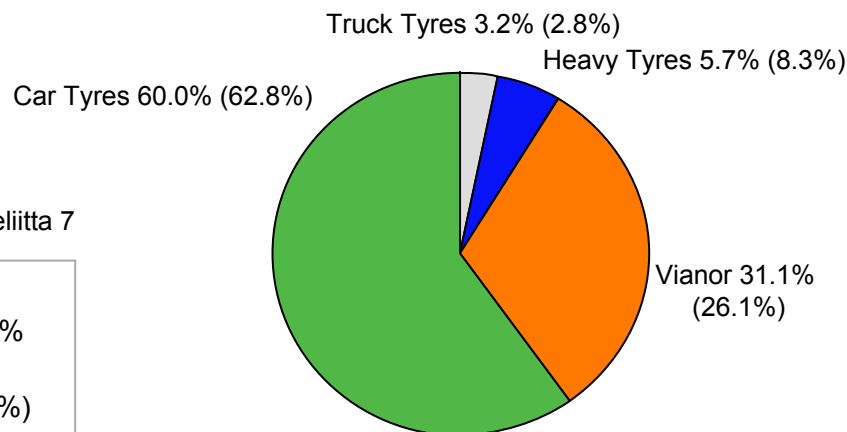


Vianor

- **Net sales:** 273.2 m€; -11.4%
- **EBIT:** -3.0 m€; -166.5%
- **EBIT margin:** -1.1% (1.4%)
- 623 sales outlets in 19 countries in Nokian Tyres' core markets

YEAR 2010

- Improve sales and market shares
- Continue to expand the network and the number of partners to >700 shops



Truck tyres

- **Net sales:** 28.5 m€; -14.5%
- **Key products:** truck tyres and retreading materials

Heavy Tyres

- **Net sales:** 50.1 m€; -48.8%
- **EBIT:** 0.0 m€; -99.9%
- **EBIT margin:** 0.0% (18.1%)
- **Key products:** tyres for forestry, industrial and agricultural machinery

YEAR 2010

- Improve production volumes and productivity
- Enlarge the distribution network
- Add service centres



Nokian Forest Rider

PROFIT CENTRES

Vianor Globally – Overview of stores as of 31 December 2009

Total: 623 outlets in 19 countries
(170 owned, 453 franchising/partner)
2009: 116 new outlets

Retreading plants

Finland	2
Sweden	1
Norway	2

NORDIC AND BALTIC COUNTRIES, tot. 203

Finland	54 owned, 6 franchising
Sweden	53 owned, 19 partners
Norway	43 owned, 10 partners
Baltic	4 owned, 14 partners

USA 12 owned outlets

CENTRAL EUROPE, tot. 55

Germany	2 partner outlets
Switzerland	3 owned outlets
Czech Republic	21 partner outlets
Slovakia	8 partner outlets
Poland	20 partner outlets
Bulgaria	1 partner outlet

Russia and CIS-countries, tot. 353

Russia	1 owned, 255 partner outlets
Ukraine	80 partner outlets
Kazakhstan	14 partner outlets
Armenia	1 partner outlet
Moldova	1 partner outlet
Georgia	1 partner outlet

Action plan 2010

- Expand network
- Pending Belorussia, Romania

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RUSSIA

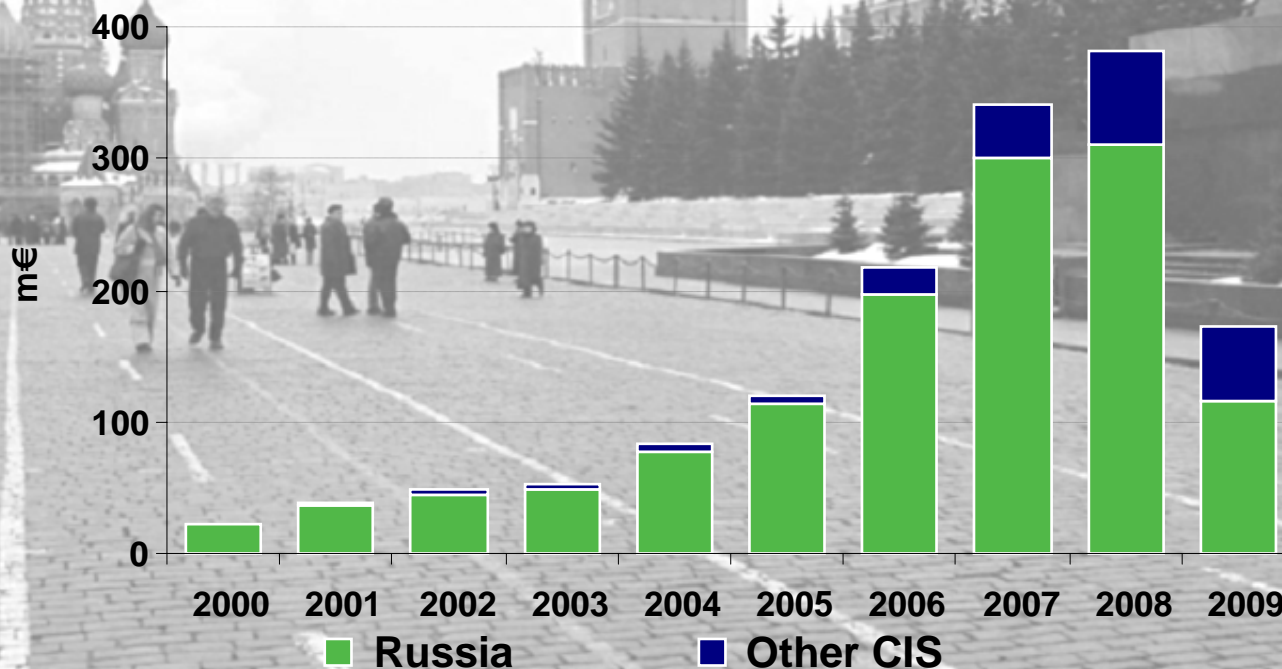
Focus 2009: Risk management and receivables

Focus 2010: Back to growth

- Demand and sales dropped in 2009 trailing car sales and carry-over stock of distributors
- Sales in Russia in 2009 were 116.7 m€ (309.8 m€)
- Sales in CIS (excluding Russia) in 2009 were 55.4 m€ (72.6 m€)
- Sales of Russia and CIS in Q4/2009 increased by 24.7% vs. Q4/2008

→ Nokian Tyres is clear # 1 in premium tyres in Russia and CIS countries

Russia and other CIS sales development



RUSSIA

Vianor Partner Outlets in Russia and CIS (31 December 2009)

353 outlets, +93 in 2009



Nokian Tyres market position in Russia

- Only global tyre company with a state-of-the-art and efficient factory in Russia
 - Close access to markets
 - Within customs zone (duty 20% for import)
- Clear market and price leader in core product categories
- Widely recognised and strong brand – both company (Nokian Tyres) and products (Hakkapeliitta)
- Strong distribution chain covering all of Russia – based on long-term and close customer relationships
- Only global producer with a controlled tyre distribution network – there are 353 Vianor outlets in Russia and CIS

➔ *Nokian Tyres to maintain and further strengthen its market leader position in Russia*

Nokian Tyres' factory in Russia

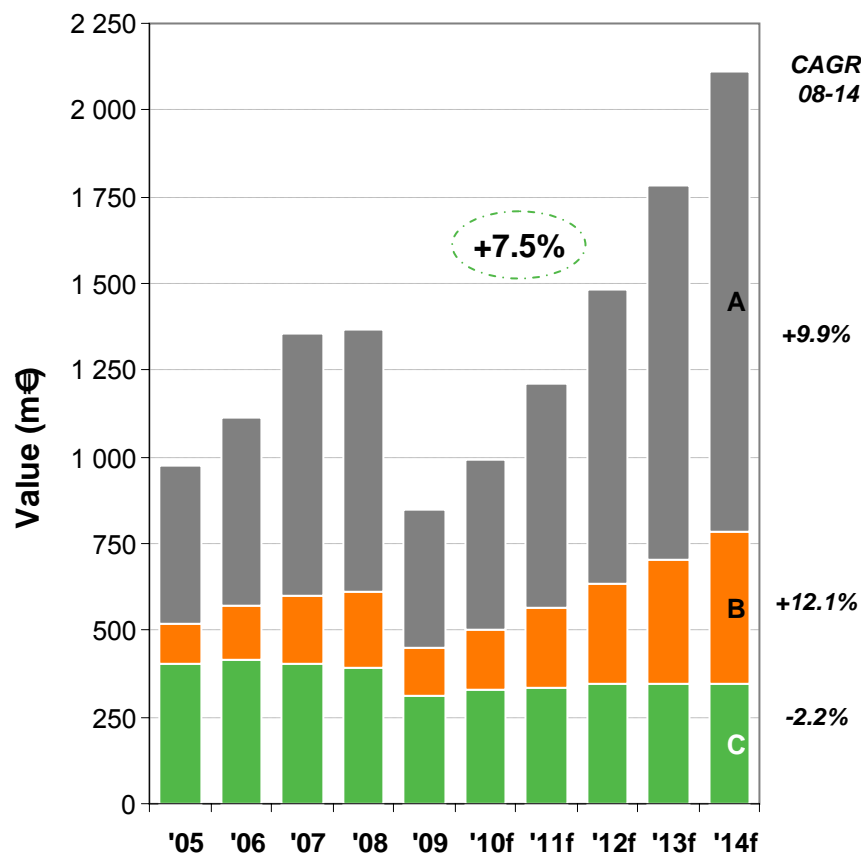
- Six production lines have been operating since 06/2008; restricted production subject to demand in 2009
- 7th line installed Q4/2008, but not manned - line 8 machines in house, lines 9-10 pending
- Full production process in 2009 created raw material cost savings compared to 2008
- Expansion of the warehouse completed
- Exports from the Vsevolozhsk factory to over 20 countries
- Housing project, Hakkapeliitta Village – phase I completed and commissioned in October 2009
- Number of personnel 31 December, 2009: 640 (684)



RUSSIA

Tyre market expected to start recovering in 2010

Car and van tyre replacement market (value)



Note: Traditional segments' price positioning: index 100 = market leader;
A: > 80; B: 60 – 80; C: < 60. Only replacement market included.

Source: Nokian Tyres estimates

Major trends and expectations

- In 2008 Russia was hit hard by the financial and economic crisis, in 2009 the economy was already supported by higher oil price and booming share prices
- Economy suffered in 2009 from an annual decrease in GDP of 7.9% - rate of decline clearly slowed down in the second half of the year
- Yet, overall growth trend will continue: average GDP growth for 2010-2014 is estimated at > 4% a year
- Consumer purchasing power was lower in 2009 but is estimated to start to improve from 2010 onwards
- Ruble's devaluation against major currencies exceeded 20% in late 2008 – early 2009
 - Devaluation risk has decreased substantially – on the opposite, the ruble has strengthened and there are signs of upward pressure on the ruble
- Consumer credit in the housing sector has re-emerged, indicating improvement to other consumable sectors
- Consumer confidence has been improving from Q2/2009
- Recovery of car sales estimated to start in 2010 and to accelerate in 2011-2012

→ **Economy expected to start recovering in 2010**

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 - **The factories: significant potential for sales growth**
 - **New products – test victories**
 - **Tyres of the future**
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NOKIAN TYRES GOING FORWARD

Capex 2009 → adjusted to maximise cash flow and utilise existing capacities; investments cut by 94.7 m€ vs. 2008

Investments in 2009

- Q4/2009: 9.6 m€ (67.0 m€)
- 2009: 86.5 m€ (181.2 m€)

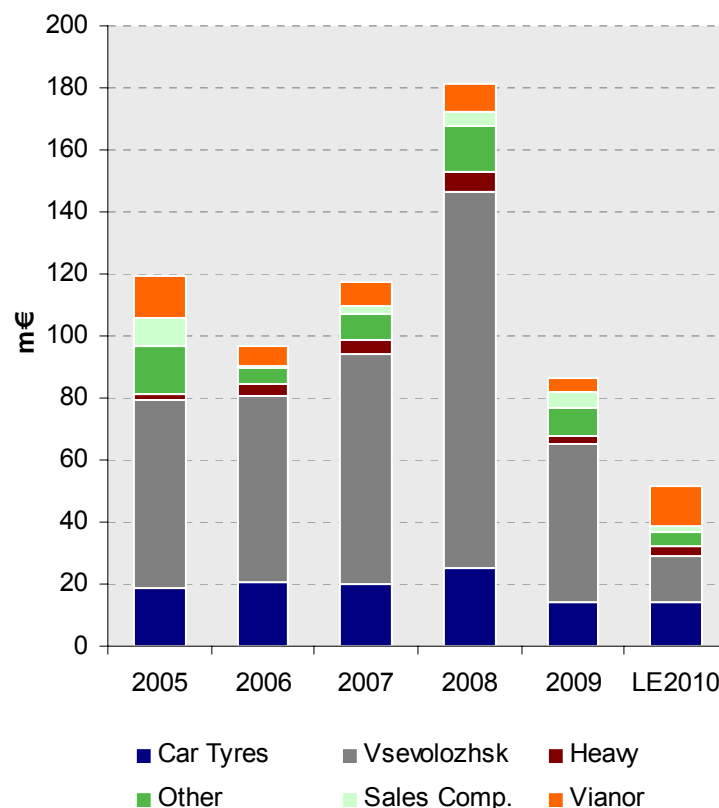
Russia

- Capacity ramp-up and investments
 - 7 lines installed
 - Line 8 in-house, uninstalled
 - Production lines 8-10 subject to demand

Estimated investments for 2010

- Approximately 50 m€
 - Investments required for new products: 20 m€
 - Investments in Russia: 15 m€

Nokian Tyres Capital expenditures (m€)



NOKIAN TYRES GOING FORWARD

The factories have significant potential for sales growth



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

- + Top class knowledge
- Productivity to be improved clearly



Vsevolozhsk, Russia

- Production of the whole car tyre range
- Large production batches
- Export to all markets

- + Inside the Russian customs barriers
- + Low production costs

NOKIAN TYRES GOING FORWARD

*The new products' test success continues
– both in summer and in winter*

WINTER TYRES

Nokian Hakkapeliitta 7 – Next generation studded tyre

- New studded winter tyre family for core markets. Winner in practically all magazine tests, e.g.:
 - Tekniikan Maailma (Finland, 1 tie)
 - Tuulilasi (Finland)
 - Vi Bilägare (Sweden)
 - Aftonbladet BIL (Sweden)
 - Za Rulem (Russia)



Nokian Hakkapeliitta 7

Nokian Hakkapeliitta 7 SUV – firm grip, sturdy performance

- Same technical solutions as in Nokian Hakkapeliitta 7

SUMMER TYRES

Nokian Hakka H and Nokian Hakka Z

- Summer tyre families for core markets. Test victories e.g.:
 - Tekniikan Maailma (Finland)
 - Auto, Motor & Sport (Sweden)
 - Motor (Norway)
 - Za Rulem (Russia)



Nokian Hakka H

Nokian Hakka i3

- Summer tyre for the core market. Test victory:
 - Auto Center (Ukraine)



Nokian H

- Summer tyre for CE and North America. Test victory:
 - ADAC Motorwelt (Germany)



Clear benefits for Nokian Tyres

- Further strengthen market and price leader position in core markets
- Superior product range in winter tyres
- Market leader products a spearhead for success

→ *Technological leadership always the driver for growth!*

TYRES OF THE FUTURE

– Rolling resistance test in March 2010

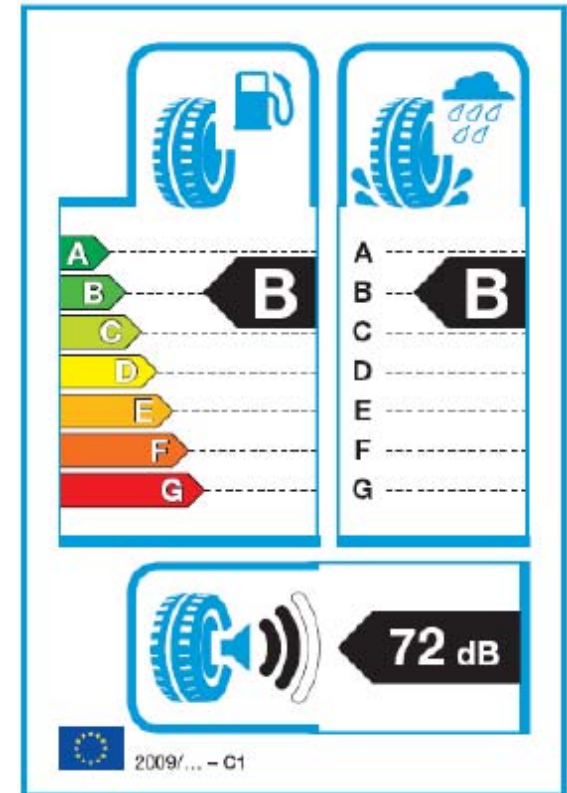
New European Union tyre regulations

New, mandatory qualification approval and classification directives for tyres come into effect on 1 November, 2012

- Qualification approval for rolling resistance, wet grip and pass-by noise
- Every tyre for sale in Europe will need a label that states the classifications of the tyre

In the following video:

The rolling test arranged by Nokian Tyres was implemented by allowing a car to roll in neutral gear off a ramp in windless conditions. The distance the car rolled corresponds directly to the tyres' rolling resistance. The farther the car rolls, the lower the rolling resistance. A low rolling resistance saves fuel.



Results of the rolling test:

1. Nokian prototype tyre 129 metres
2. Nokian Hakkapeliitta R friction tyre 99.5 metres
3. Eco-oriented summer tyre 78.9 metres

SUMMARY

Nokian Tyres strong both now and in the future

- Clear market and price leader in its own core markets
- Best and fully renewed product range in key product categories (e.g. Nokian Hakkapeliitta 7)
- Best and fully controlled distribution network in the Nordic Countries
- Best distribution network in Russia and former CIS countries
- Industrial structure in great condition both in terms of technology, production capabilities and efficiency
- Strong balance sheet provides possibilities for corporate development
- By far the most profitable company in the industry and providing strong cash flow despite the difficult markets

→ ***Nokian Tyres is well positioned to return to growth track in 2010***

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 - **Personnel in 2009**
 - **Development of key financials 2005-2009**
 - **Shareholders & share price development**



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Outlook for 2010 and planned actions:

Nokian Tyres' sales to improve backed by recovering markets

ASSUMPTIONS

- Challenging market
 - Level of demand stabilized, some signs of recovery
 - Carry-over stocks mostly melted in all markets
 - New car sales start to show improvement
 - Russian economy stabilized, consumer confidence recovering
 - Currencies on core markets strengthened since early 2010
- Nokian Tyres raw material cost increasing clearly
 - Raw material cost decreased by 9% in 2009 vs. 2008
 - Raw material cost estimated to increase by 10-12% in 2010 vs. 2009
- Passenger car tyre operation environment
 - Overall demand improving in core markets
 - Melted carry-over inventories offer growth opportunities
 - Demand improving for winter tyres
 - Market very competitive, price pressure mounting
- Heavy tyre market demand
 - OE markets start to recover
 - Aftermarket demand healthier than in 2009
- Nokian Tyres financial position remains solid
 - No major loans due for payment in 2010
 - Equity ratio 62.0%
 - Undrawn facilities available

NOKIAN TYRES ACTION PLAN

Focus on sales

- Increase sales and strengthen market positions
- Defend price positions
- Active launch of new products
- Expand Vianor franchise network
- Utilize strong seasonal logistics
- Utilize most feasible production capacities
- Cost control
- Low investments, capacity expansion subject to demand

Outlook for 2010 – Back to growth

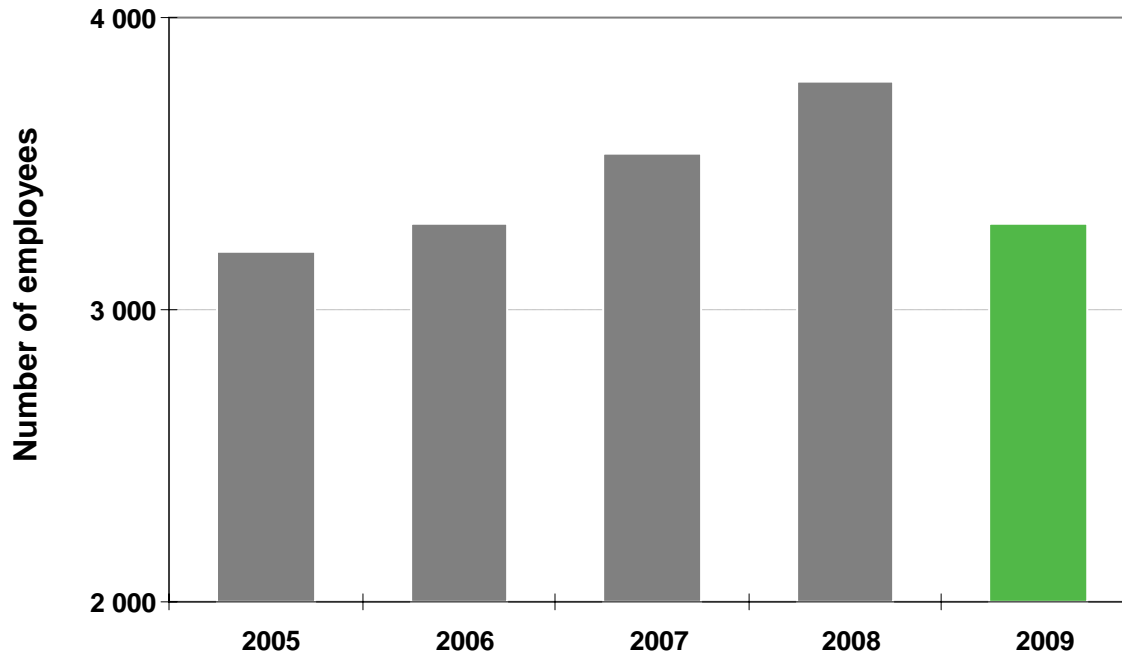
- Overall demand increasing supported by distributors' low carry-over stocks and some market improvement
- Share of Nordic, Russian and CIS sales to increase
- Pricing environment expected to be challenging
- Recovery of profitability supported by
 - Lower cost structure
 - Higher sales volume
 - Better sales mix and ASP
 - Increasing share of Russian production
- Year 2010 estimates:
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APPENDIX

Personnel in 2009

Personnel at the end of 2009: 3,292 (3,784)

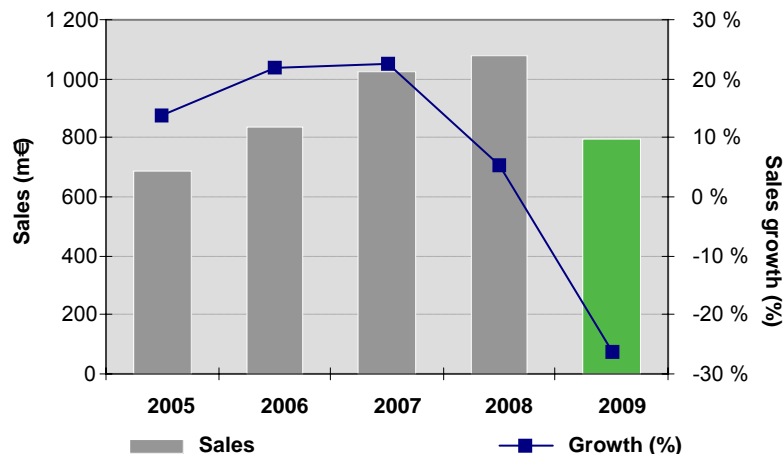
- Vianor: 1,388 (1,440)
- Russia: 640 (684)
- 492 job cuts in 2009 (Nokian Tyres and Vianor)
- Temporary lay-offs for personnel in all business units



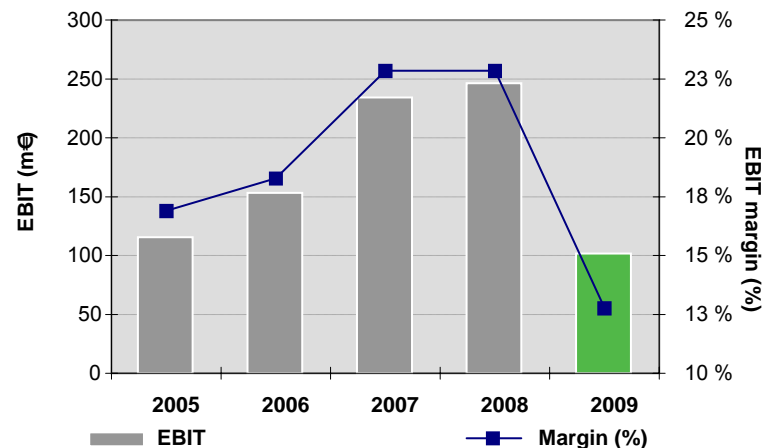
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Development of key financials 2005-2009

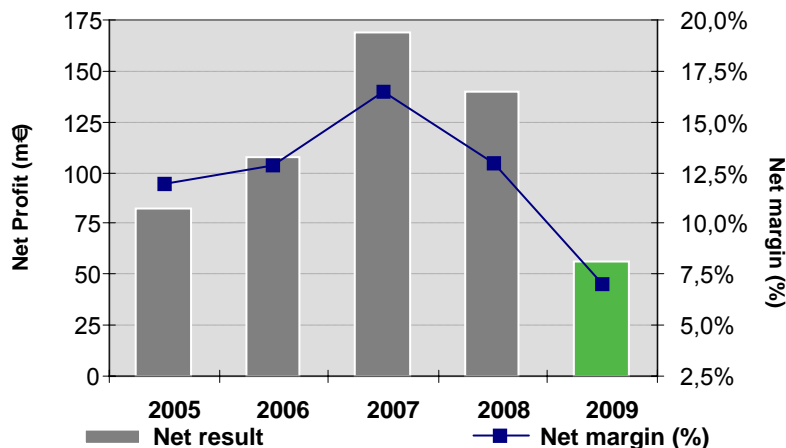
Net sales (m€) and Net sales growth (%)



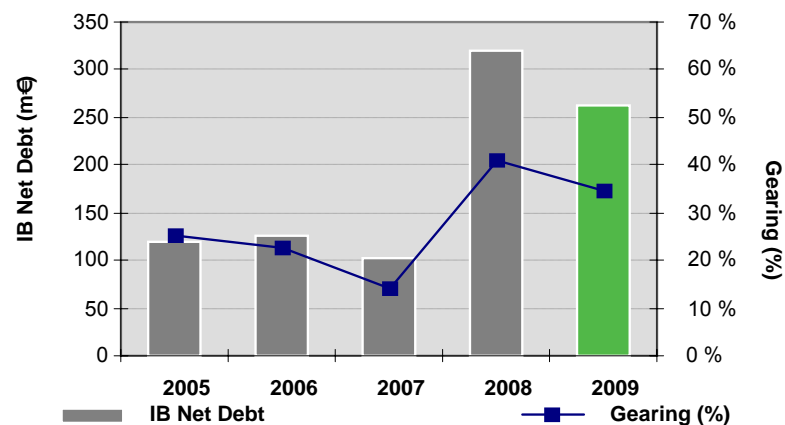
EBIT (m€) and EBIT margin (%)



Net profit (m€) and net margin (%)



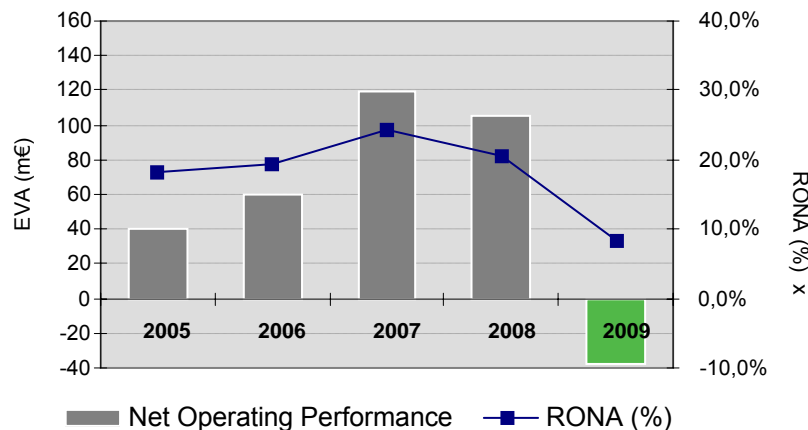
IB net debt (m€) and gearing (%)



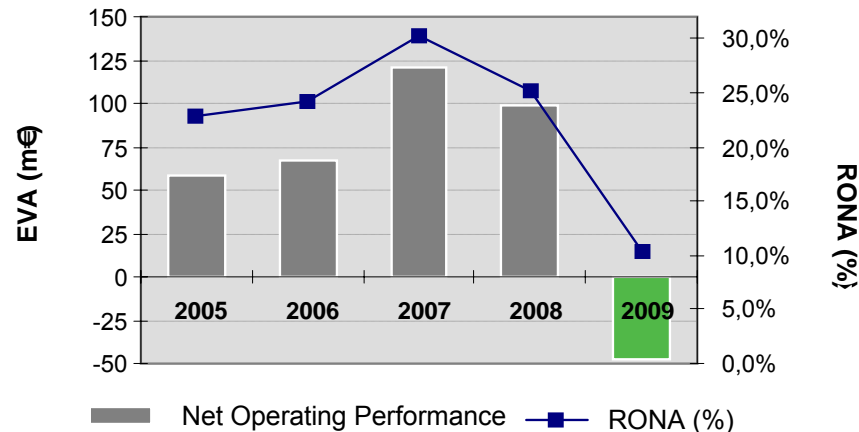
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RONA (%) and net operating performance (EVA) ¹⁾ 2005-2009

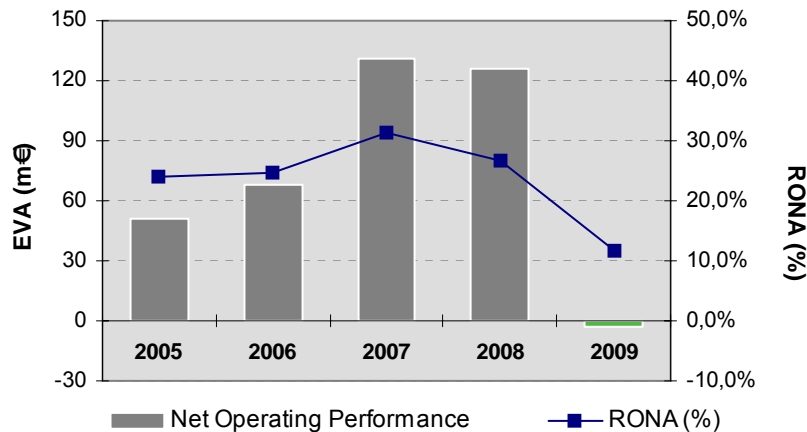
Group EVA (m€) and RONA (%)



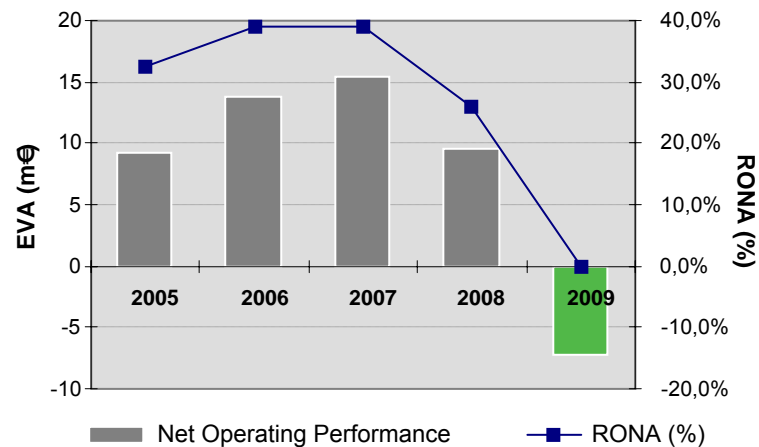
Manufacturing EVA (m€) and RONA (%)



Car and Van Tyres EVA (m€) and RONA (%)



Heavy Tyres EVA (m€) and RONA (%)



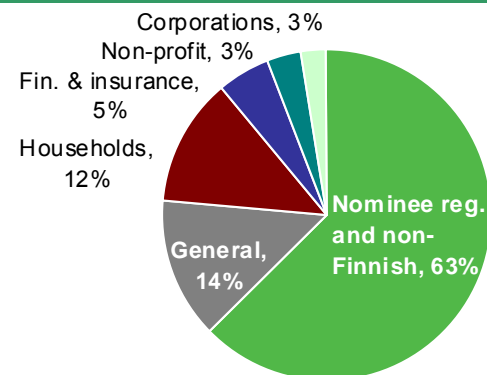
¹⁾ EVA is calculated based on 12% interest on capital employed.

APPENDIX

Major shareholders as of December 31, 2009

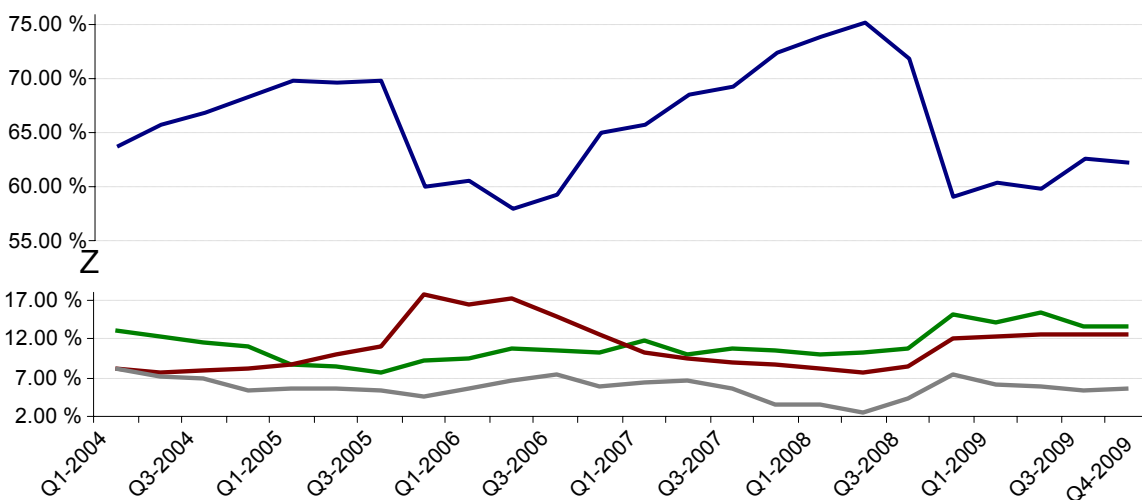
Major Domestic Shareholders	Number of Shares	Share of Capital (%)	Change from 30 November 2009
1 Varma Mutual Pension Insurance Company	8 312 178	6.66	0.00
2 Ilmarinen Mutual Pension Insurance Company	3 255 654	2.61	0.00
3 The State Pension Fund	2 000 000	1.60	0.00
4 Tapiola Mutual Pension Insurance Company	1 280 000	1.03	0.00
5 Nordea	1 123 675	0.90	61 737.00
6 Mandatum Life Insurance Company Limited	886 725	0.71	1 980.00
7 OP Investment Funds	854 774	0.68	-1 15 000.00
8 Sijoitusrahasto Aktia Capital	520 000	0.42	0.00
9 Barry Staines Linoleum Oy	450 000	0.36	0.00
10 The Finnish Cultural Foundation	446 000	0.36	0.00
Major Domestic Shareholders total	19 129 006	15.3%	(51 283)
Foreign Shareholders ¹⁾	77 714 850	62.2%	
Bridgestone Europe NV/SA ²⁾	20 000 000	16.0%	

Division by Category as of 31 December 2009



Total number of shares: 124,851,390

Shareholder development by category Q1/2004 – Q4/2009



- Nominee registered
- General government
- Household
- Finance and insurance

Note: Options, free (Dec 31, 2009)

2004C: 244,099 pcs (7,424 in company's possession)

2007A: 2,249,700 (104,890 in company's possession)

2007B: 2,250,000 (424,357 in company's possession)

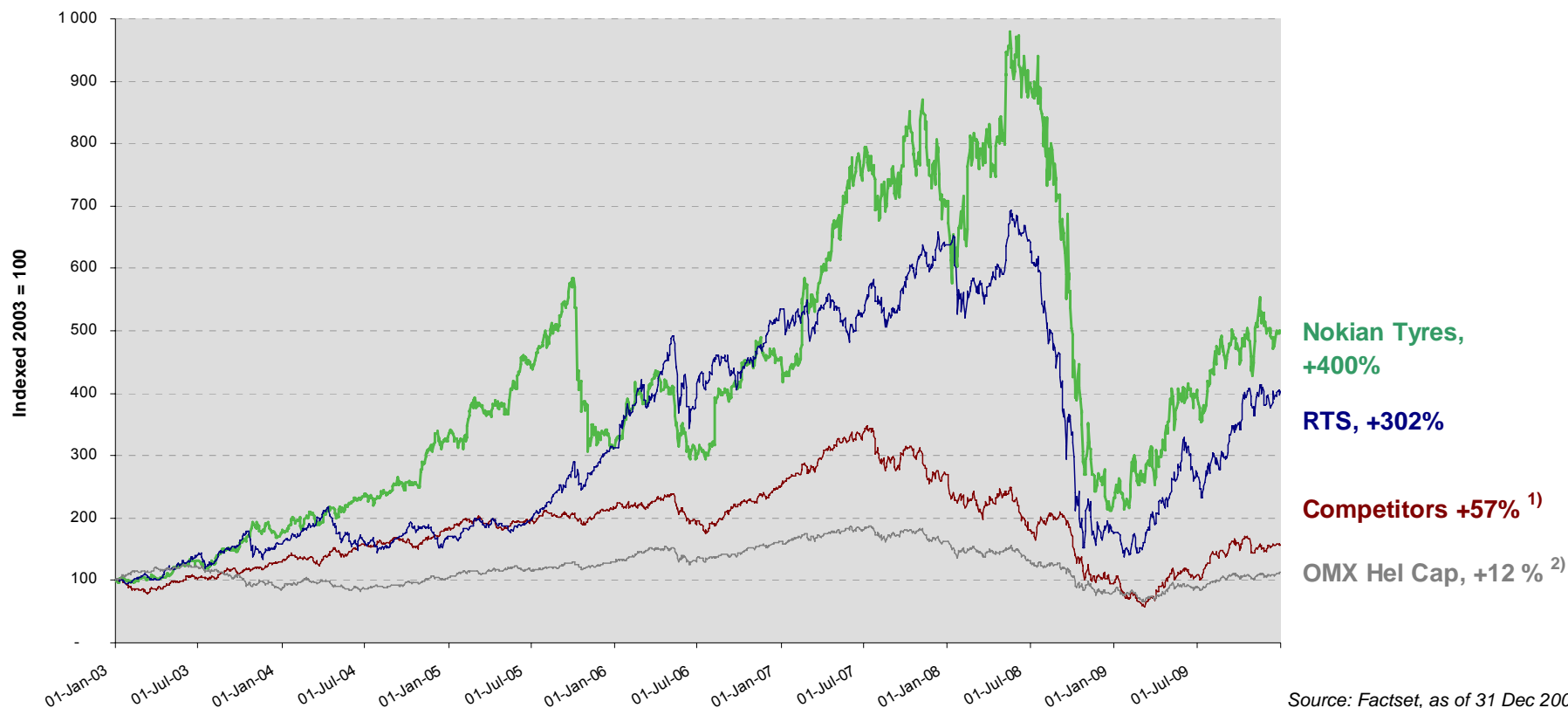
2007C: 2,250,000 (1,137,100 in company's possession)

1) Includes also shares registered in the name of a nominee.

2) In the name of a nominee.

APPENDIX

Comparing share price development to main indexes 2003-2009



Source: Factset, as of 31 Dec 2009.

- 1) The composite consists of an indexed average values of the main peers of Nokian Tyres.
- 2) OMX Helsinki Cap is calculated assuming a natural continuation of HEX Portfolio Index.

Nokian Tyres by Dec-31-2010

	Last 7 years	Last 3 years	Last 2 years	LTM	L6M	L3M	Last month
High	33,30	33,30	33,30	18,81	18,81	18,81	17,12
Average	14,10	19,62	17,89	13,28	15,87	16,76	16,81
Low	3,30	7,23	7,23	7,27	12,05	14,54	16,05