

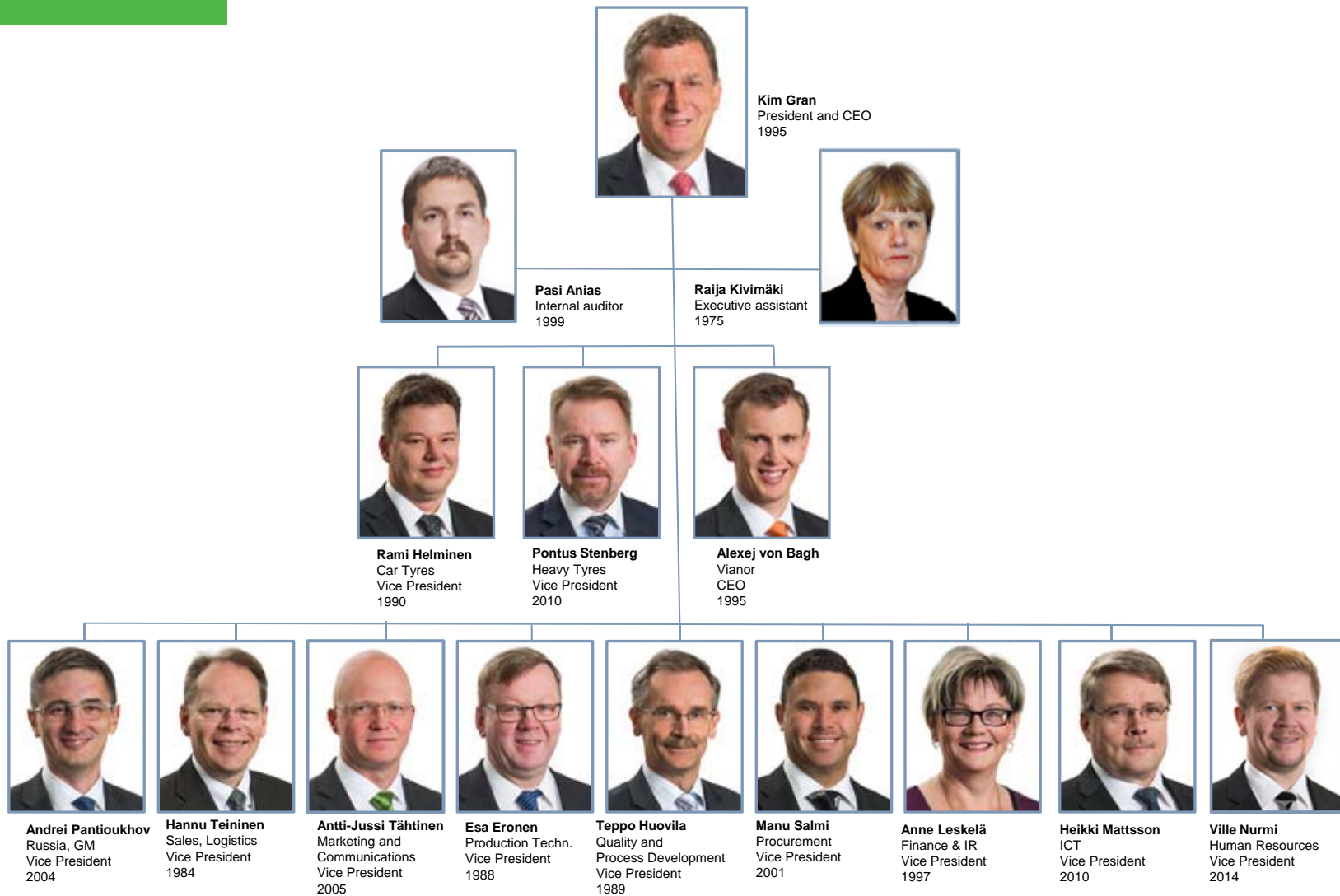


ANNUAL GENERAL MEETING 8 APRIL 2014

Kim Gran
President and CEO
Nokian Tyres plc



NOKIAN TYRES MANAGEMENT 8 APRIL, 2014



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



GENERAL OVERVIEW 2013

Market position strengthened

Challenging markets

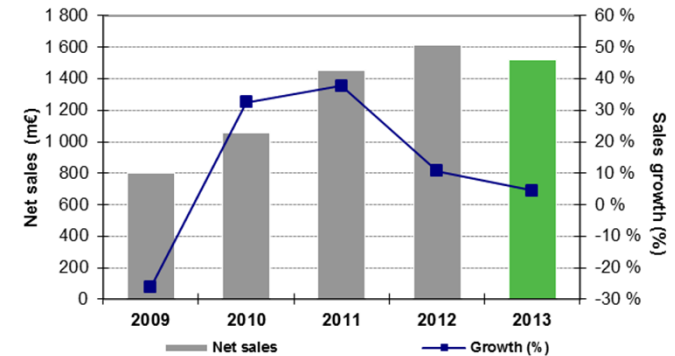
- Russian economy slowed down, car sales weakened
→ tyre sales decreased
- Nordic countries relatively stable
- Demand in Central Europe turned to growth during H2

Nokian Tyres: position improved

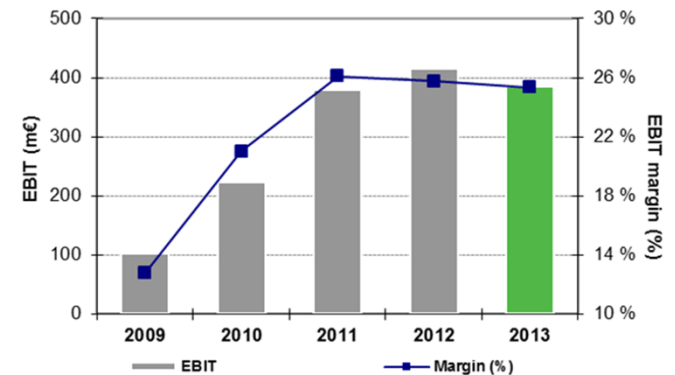
- Market leadership in Russia and Nordic countries strengthened. In CE faster-than-market growth.
- Strong sales mix with new test winning winter tyre range
- Good profitability – Gross margin 44.1% → 46.1%
 - Raw material cost clearly down
 - Increased share of Russian production
 - ASP flat in tight pricing environment
- Car tyre production 15.0 million tyres, productivity improved. Capacity 18 million tyres.
- Distribution network expanded according to plans
- Additional taxes of 100.3 m€ to Finland from years 2007-2010 penalized Net profit

- **Net sales 1,521.0 m€, -5.7%**
- **Operating profit 385.5 m€**
- **Profit before tax 312.8 m€**
- **Profit for the period 183.7 m€**
- **Earnings per share 1.39 €**

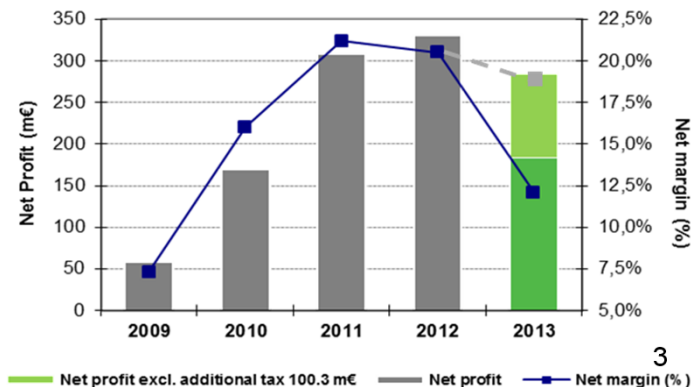
Net sales (m€) and Net sales growth (%)



EBIT (m€) and EBIT margin (%)



Net profit (m€) and net margin (%)



GENERAL OVERVIEW 2013

Strong financial position

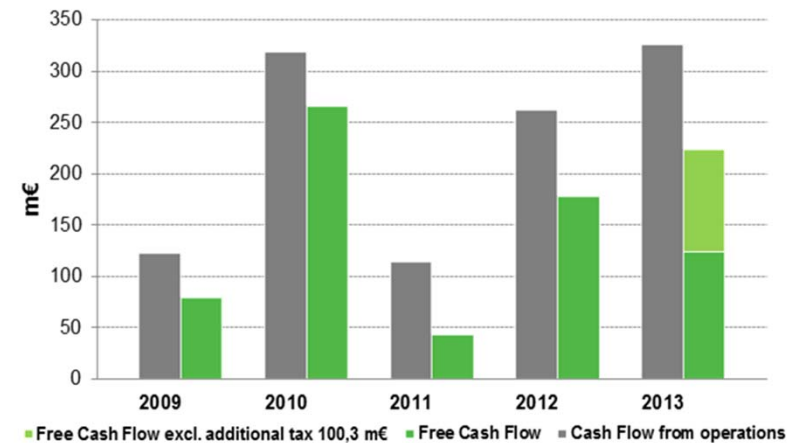
Cash flow from operations: 325.6 m€ in 2013

- CAPEX 125.6 m€, down 83,6 m€ vs. 2012
- Free cash flow 123.9 m€
- Free cash flow 224.2 m€ excl. additional tax

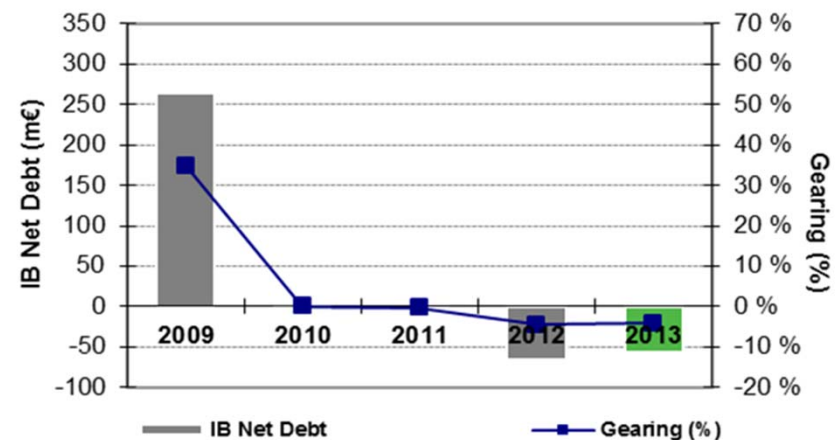
Strong balance sheet

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

Group Cash Flow From Operations and Free Cash flow



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



GENERAL OVERVIEW 2013

Market position improved

Nordic countries – Solid market leadership

- Sales growth 1.5% (market -2%)
- Winter tyre market share 37% in Nordic countries
- Vianor expanded to 271 stores (+20 in 2013)

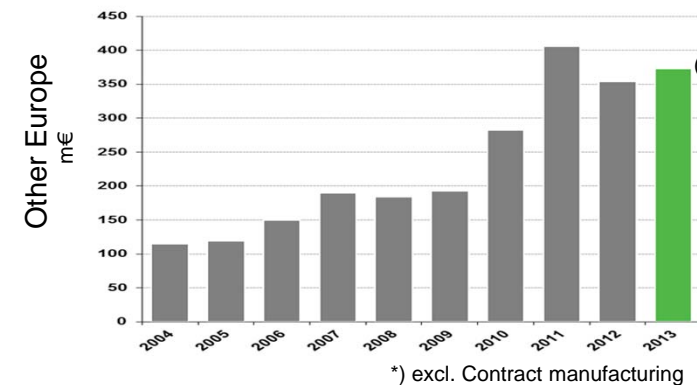
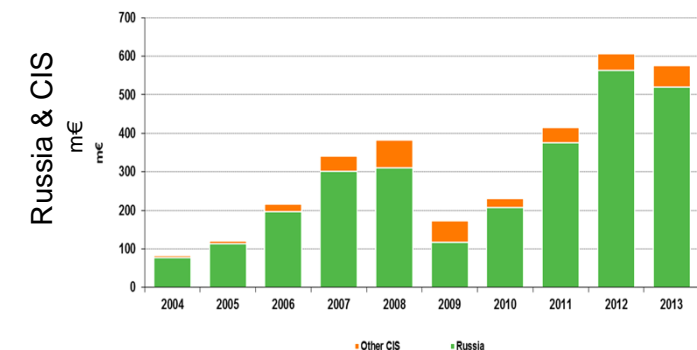
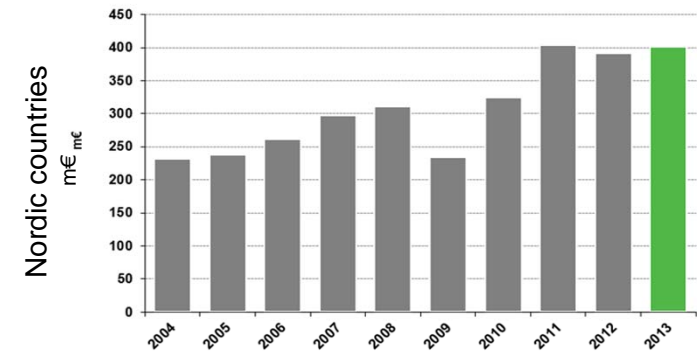
Russia & CIS – Market leadership strengthened

- Sales in Russia decreased 7.6% (market -9%)
- Winter tyre market share in A&B segment improved clearly
- Vianor expanded to 621 stores (+88 in 2013) in 363 cities

Other Europe – Demand turned to growth

- Sales increased by 5.8% (excl. Contract manufacturing). Market -1%.
- Market position - distribution and market shares - improved
- Vianor expanded to 238 stores (+40 in 2013)
- NAD network expanded to 432 stores

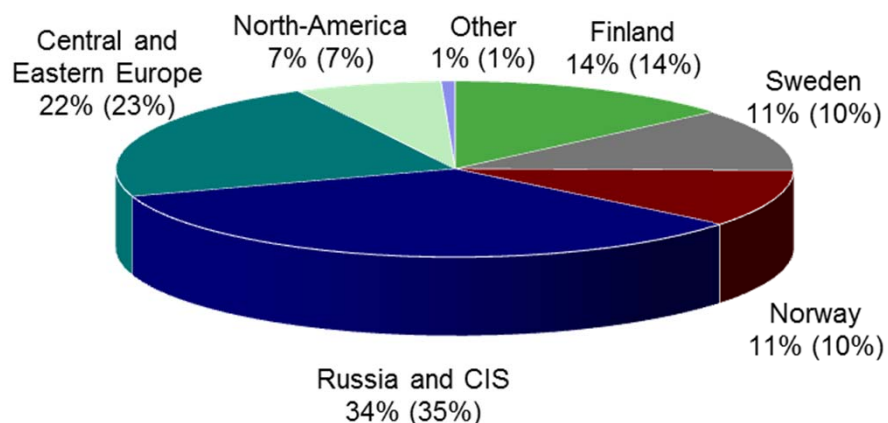
Manufacturing sales development 2004-2013



FINANCIAL PERFORMANCE

Gross sales by market area 2013

Sales of Nokian Tyres Group: 1,665.7 m€, -3.8%

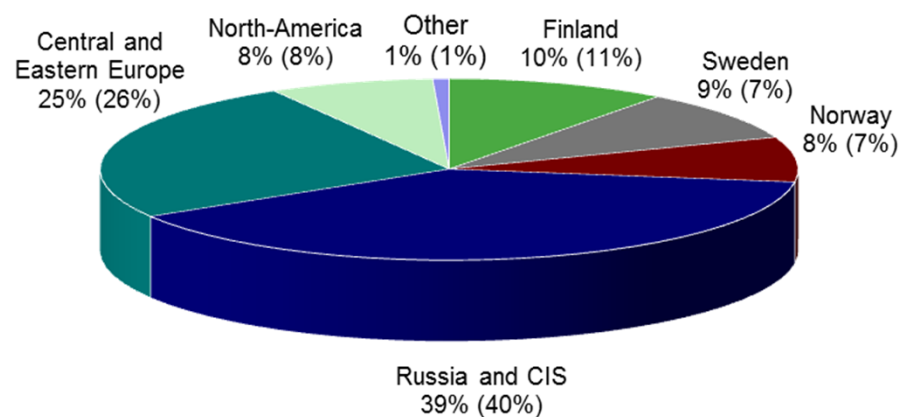


GROUP

Sales development in euros

Nordic countries	+1.5%
Russia and CIS	-4.9%
Other Europe	+5.8% (*)
North America	+0.1%

Sales of Manufacturing Units: 1,453.3 m€, -4.3%



MANUFACTURING

Sales development in euros

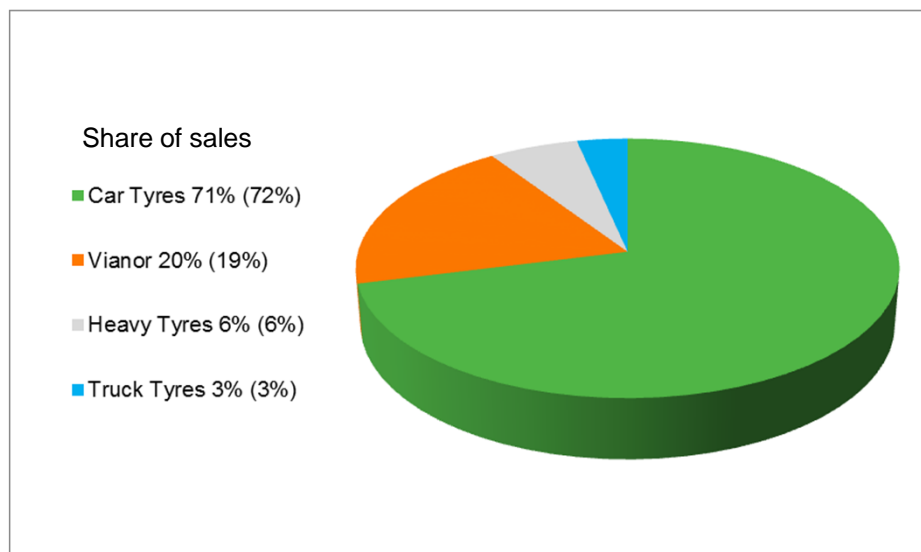
Nordic countries	+2.6%
Russia and CIS	-4.9%
Other Europe	+5.7% (*)
North America	+0.3%

*) Excluding contract manufacturing

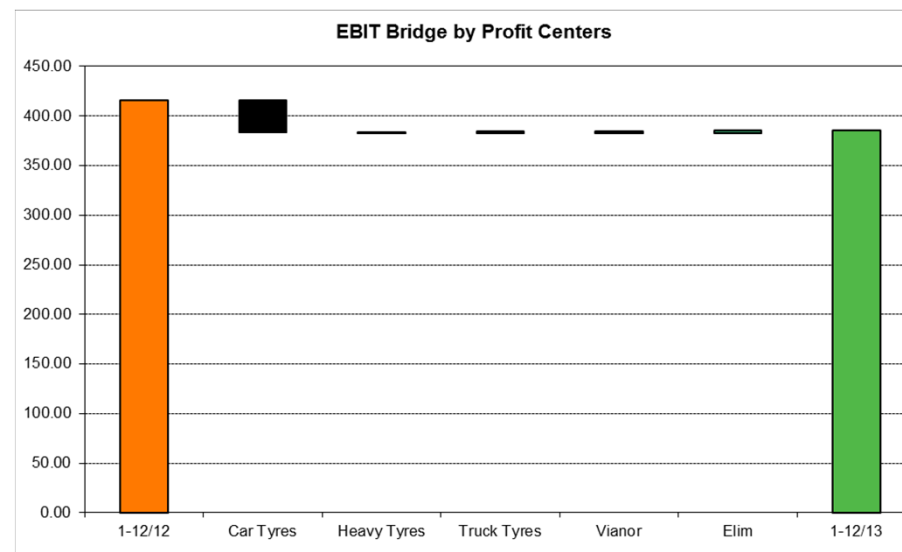
PROFIT CENTRES

General overview 2013

Net sales 1,521.0 m€, -5.7%



EBIT 385.5 m€, -7.1%



Passenger Car Tyres

- Net sales: 1,137.0 m€, -6.8%
- EBIT: 378.5 m€, -7.8%
- EBIT margin: 33.3% (33.7%)
- Key products: studded and non-studded winter tyres, high-speed summer tyres

Vianor

- Net sales: 312.5 m€, -0.9%
- EBIT: -1.8 m€
- EBIT margin: -0.6% (-0.0%)
- 1,206 stores in 27 countries in Nokian Tyres' core markets
- 183 equity-owned stores consolidated in result

Heavy Tyres

- Net sales: 95.7 m€, -8.4%
- EBIT: 10.3 m€, -9.3%
- EBIT margin: 10.7% (10.8%)
- Key products: tyres for forestry, industrial and agricultural machinery

Truck Tyres

- Net sales: 54.0 m€, +2.2%
- EBIT: 10.1 m€, +17.6%
- EBIT margin: 18.7% (16.2%)
- Key products: truck tyres and retreading materials



PASSENGER CAR TYRES

Market position improved – EBIT 33.3%

Performance in 2013

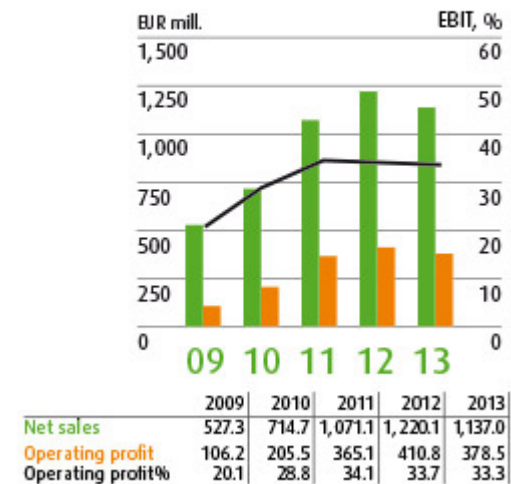
- Market share growth in Russia, Nordics and CE to all-time-high
- Magazine test winning streak continued with winter & summer tyres
- Tailwind from decreasing raw material cost supported margins
- Good profitability and cash flow

Key actions and targets for 2014

- Strong sales growth in the west to compensate for most of the decline in Russia and CIS
- Improve market shares further in core markets and CE
- Defend brand and price position
- Secure delivery capability for the winter season

→ **Beat market growth in car and SUV tyre sales, improve price position with new products, expand distribution, improve productivity and capacity utilization**

Net sales, Operating profit and Operating profit%





RUSSIA & CIS

Slower growth, improving position

Slower growth in Russian economy and car sales

- GDP 2013: +1.3%. 2014 estimation: 0.5-1.5%
- Car sales 2013: -5%
- Car sales decreases 0-7% in 2014 with western brands growing slowly
- Interest rates for car loans have risen in early 2014

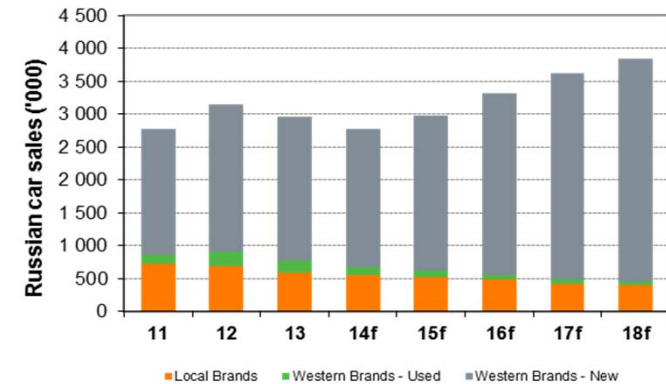
Tyre demand growing in the long term

- Growing car sales to increase demand for winter tyres
- Replacement market growing with expanding car park

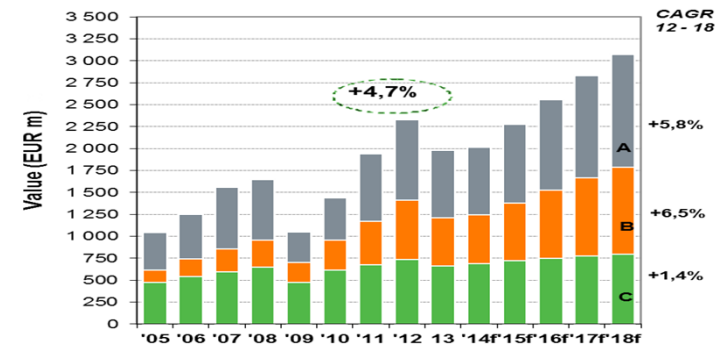
Nokian Tyres' sales in Russia and CIS

- Nokian winter tyre sales in Russia increased clearly in 2013, total sales in Russia -7.6%
- Market leadership in premium and medium segments with Nokian and Nordman brands solid and to continue
- Sales to decrease in 2014 due to soft demand and a weaker mix
- Great potential to be capitalized in tyre sales during the next period of economy growth

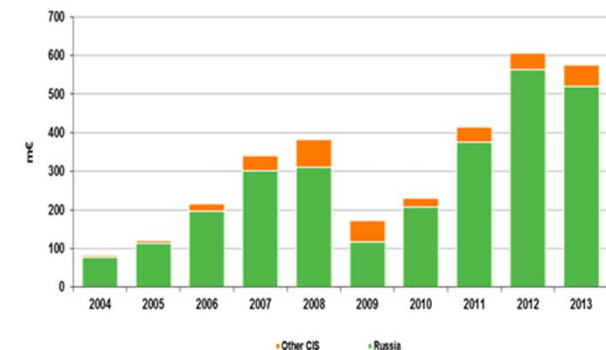
New car sales in Russia



Tyre sales in replacement market in Russia



Nokian Tyres' car tyre sales in Russia & CIS



MAGAZINE TESTS 2013-2014

Test success continues – both in summer and in winter

WINTER TYRES, autumn 2013 – OVER 20 TEST VICTORIES

Nokian Hakkapeliitta 8 – New multiple test winner

- Studded winter tyre family for core markets

New Nokian Hakkapeliitta R2 – Northern Comfort

- Non-studded winter tyre family for core markets

New Nokian WR SUV 3 – Ultimate snow and slush performance

- New high-performance SUV tyre for Central European winter

Nokian WR D3 – Forget the Forecasts

- Reliable winter tyre for Central Europe



Nokian Hakkapeliitta 8: Superior test winner in Nordic countries and Russia

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

SUMMER TYRES, spring 2014 – SEVERAL TEST VICTORIES

Nokian Hakka Blue – Multiple test winner

- Summer tyre family for core markets

Nokian Hakka Green – Naturally safe

- Summer tyre family for core markets

Nokian Line – Multiple test winner

- Summer tyre family for Central European markets

Nokian Z SUV – Durable champion of extreme conditions

- High-performance SUV tyre for Central European summer



New Nokian Hakkapeliitta R2

NEW PRODUCTS IN 2014

Nokian Hakkapeliitta 8 SUV – Provides grip and durability like never before

- The Nokian Hakkapeliitta 8 SUV, the new studded tyre for SUVs, uses completely new innovations to tame the extremes of the Northern winter.
- The most modern stud technology (Nokian Eco Stud 8 Concept) in the business provides grip like never before on ice and snow.
- The durability of the sidewall is optimised by means of aramid fibres (Nokian Aramid Sidewall technology), widely used in the aerospace and defence industries.



Nokian Hakkapeliitta 8 SUV

Nokian Hakkapeliitta C3 – Winter grip and efficiency for professionals

- The new Nokian Hakkapeliitta C3 studded tyre makes life easier for heavy duty professionals. These durable studded tyres can master harsh winter conditions; in addition to the balanced winter grip that is synonymous with the Hakkapeliitta brand, it offers stable handling
- The new square steel stud ensures excellent winter grip
- The steel belt package and rubber compound, optimised for heavy use, provide structural durability and high-end performance for the rough Northern roads



Nokian Hakkapeliitta C3

Nokian Hakkapeliitta CR3 – Driving comfort for demanding professional use

- The new Nordic non-studded winter tyre, Nokian Hakkapeliitta CR3, is developed for versatile use on delivery vehicles and vans. It provides excellent winter grip and driving comfort.
- In addition to the extremely low rolling resistance, developments have also been made in handling on ice, snow, and wet roads.
- The new non-studded van tyre effectively utilises the Nokian Cryo Crystal Concept that was used to maximise the ice grip of the Nokian Hakkapeliitta R2 passenger car tyre.



Nokian Hakkapeliitta CR3



FUTURE VISIONS – CONCEPT TYRE

Video: The world's first winter tyre with retractable studs

The driver
can bring out
the studs

A close-up, black and white photograph of a tyre tread. The tread pattern is visible, showing grooves and sipes. A small, circular stud is visible on the tread surface. The Nokian Tyres logo is visible in the top right corner of the image.

nokian
TYRES

DEVELOPMENT OF BUSINESS IN 1898-2014

From an industrial manufacturer to a consumer-driven enterprise

Manufacturing



Manufacturing

- Suomen Gummitehdas was founded in 1898
- Nokia plant in 1904
- 1st Russian plant in 2005
- 2nd Russian plant in 2012

Distribution



Distribution

- Since the late 1990's controlled distribution; a tool to improve market shares
→ Vianor tyre chain to over 1,200 stores and Nokian Tyres Authorized Dealers to over 400 stores by the end of 2013

Consumers



Consumers

- Since 2009 direct dialogue with end-users
- Electronic business, creating consumer relationship, improving interaction
- Proof-by-performance: Test wins and user testimonials



VIANOR

Network of shops expands

Performance in 2013

- 1,206 stores in 27 countries; +169 stores in 2013
- Strategic tasks to expand distribution and set market prices for Nokian products succeeded
- 45 car service operations acquired and integrated to existing Vianor stores by the end of 2013
- Service revenues increased

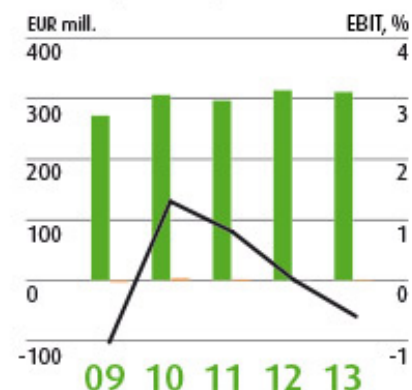
Key actions and targets for 2014

- Improve tyre sales and market shares
- Increase sales of car services, tyre hotels and other services
- Optimize seasonal sales
- Continue to expand the network and the number of partners

→ Target: 1,340 stores by the end of 2014

→ **Cement and improve market leader position as a distributor in Nokian Tyres' core markets**

Net sales, operating result and operating result%



	2009	2010	2011	2012	2013
Net sales	273.2	307.9	298.4	315.3	312.5
Operating result	-3.0	4.0	2.3	0.0	-1.8
Operating result%	-1.1	1.3	0.8	0.0	-0.6

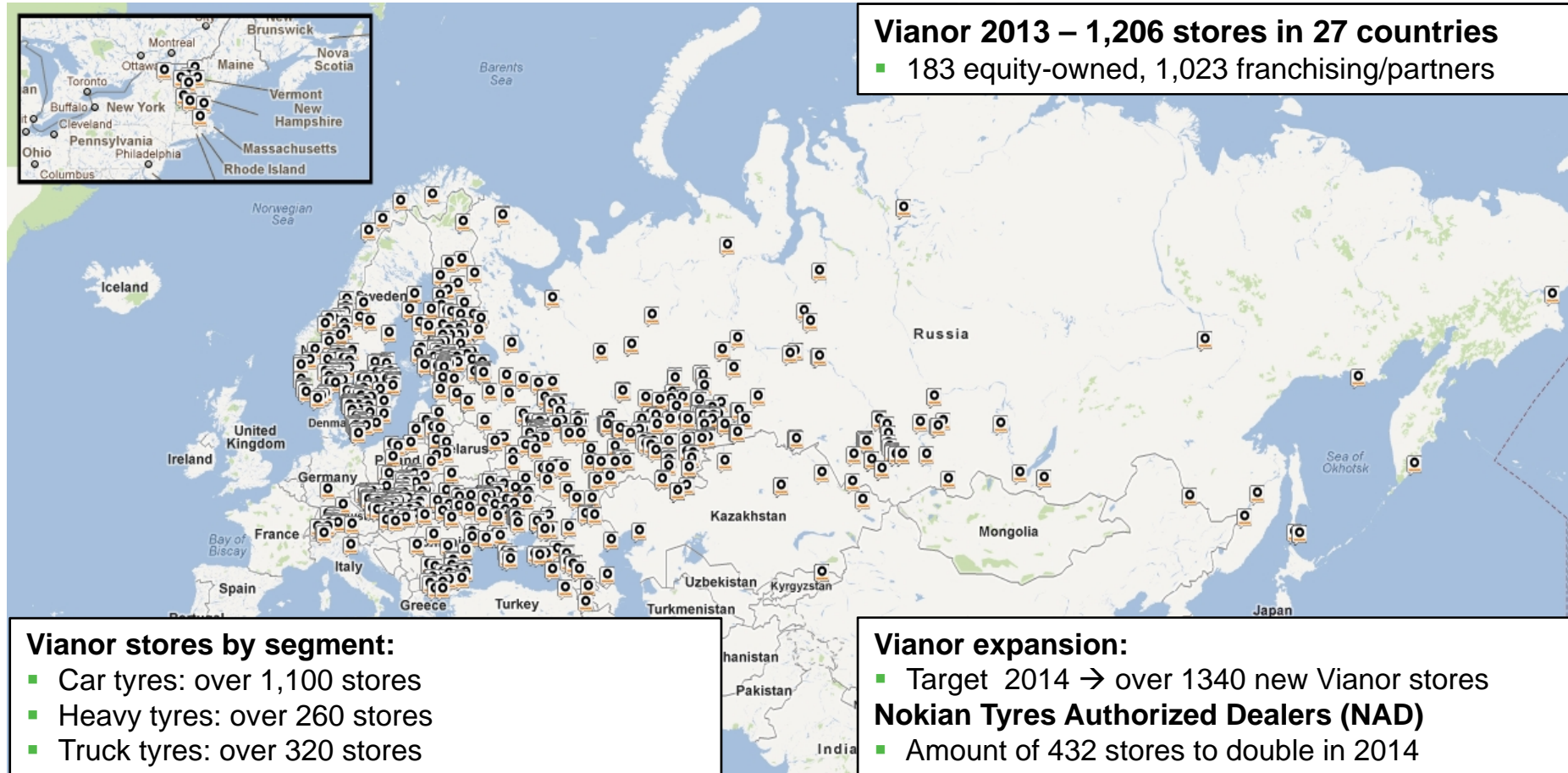


Vianor Jihlava, Czech



VIANOR

Target to build permanent market shares – pricing control



EXPANDING DISTRIBUTION

Vianor & Nokian Tyres Authorized Dealers (NAD)



Requirements for Vianors

- Minimum purchases and minimum share from Nokian Tyres and a strong visibility in the store
- Professional tyre services, fulfillment of Vianor operative standards
- Full Vianor branding, Nokian Tyres shop-in-shop

Key benefits for Vianors

- Vianor terms and conditions
- Access to Vianor central purchase program
- Vianor fleet customer program
- Vianor Academy training program
- Marketing program, Vianor clothing



Requirements for NADs

- Minimum purchases from Nokian Tyres and a strong visibility in the store
- Professional tyre services
- Soft Nokian Tyres outdoor branding, Nokian Tyres shop-in-shop

Key benefits for NADs

- NAD terms and conditions
- Product and sales training program
- Seminars, launch events
- Advertising materials, web visibility



HEAVY TYRES

Improved structure includes Truck Tyres in 2014

Performance in 2013

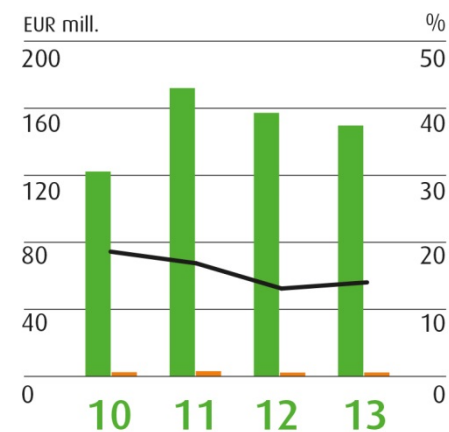
- Structural changes in manufacturing reduced manning and improved product quality, flexibility, and productivity
- Lower raw material cost supported margins
- Productivity improved
- Heavy Tyres and Truck Tyres units integrated in the year-end

Key actions and targets for 2014

- Increase sales, especially in forestry, radial and truck winter tyres
- Expand the distribution network, especially in Russia and CIS
- Launch new forestry and industrial radial products
- Utilize synergies from the integrated new division

→ **Increase sales, improve market shares, optimize production output and improve productivity.**

Pro forma Heavy tyres
(incl. Truck tyres)



	2010	2011	2012	2013
Net sales	122.2	172.1	157.3	149.7
Operating profit	22.2	28.2	19.9	20.4
Operating profit%	18.1	16.4	12.7	13.6



Nokian Forest King F



Nokian Hakkapeliitta Truck D

PRODUCTION PLANTS

Production capacity in 2013: 18 million tyres

Potential to increase output by 50% 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

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
- Expansions in Heavy tyres factory

2012-2013:

- Car tyres 5-day shift system
- Temporary production cuts



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

2011:

- Lines 9 and 10 & new technology into use

2012:

- New factory next to the current one
- New line (11) commenced production
- Own electricity generation

2013:

- Line 12 on stream in March 2013
- Line 13 installation in Q2/2013

INVESTMENTS

Investments for growth and productivity

Investments in 2013

- 125.6 m€ (209.2 m€)

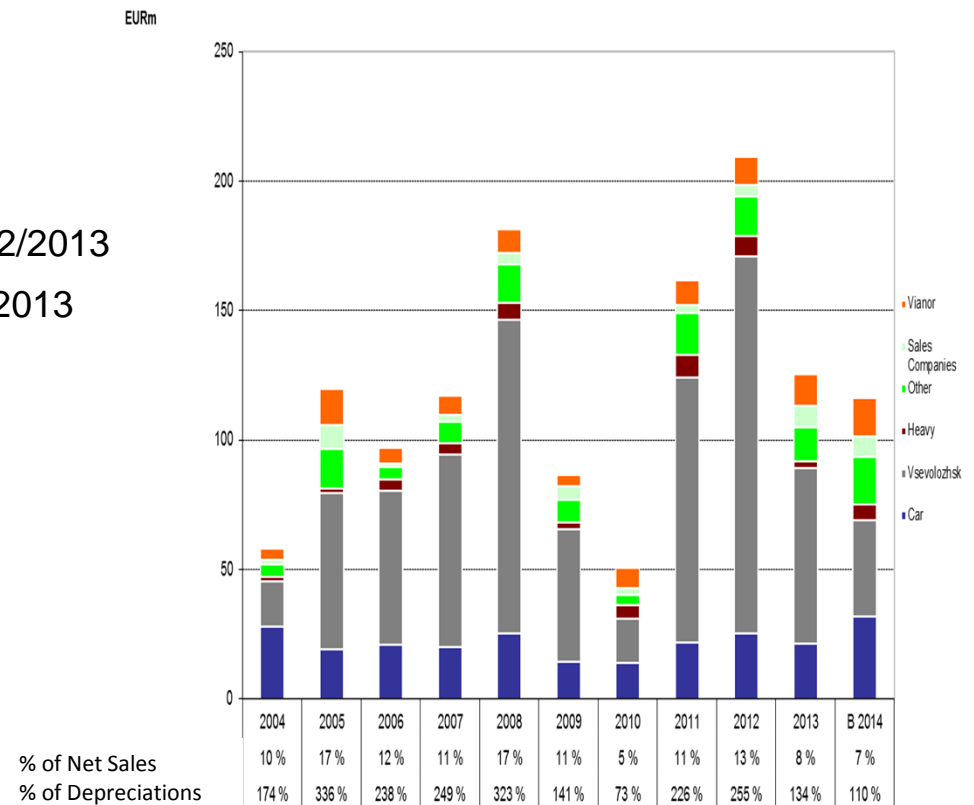
Russia

- Capacity ramp-up and investments
 - 12 lines in production since Q1/2013
 - Line 13 installed Q2/2013, in production H2/2013
 - Hakkapeliitta Village 2nd stage completed 2013

Estimated investment for 2014

- Approximately 116 m€
 - Russia: 42 m€

Nokian Tyres Capital expenditures (m€)





OUTLOOK FOR 2014

Position to improve, Russia slowdown hurts sales

Outlook 2014

- Car tyre demand and Nokian Tyres' sales to grow in Nordic Countries, Central Europe and North America
- The devaluation of the Rouble and CIS currencies will cut ASP and sales in Russia & CIS
- Pricing environment 2014 improving but still tight for all tyre categories
- Further improved product offering with continuous test victories support tyre sales and price position
- Raw material cost (€/kg) -7% full year 2014, tailwind of 30 m€ vs. 2013
- Approximately 80% of production in Russia → Profitability supported by:
 - Improved cost structure
 - Higher productivity
 - Exports from Russia

Year 2014 guidance:

- In 2014, Net sales and Operating profit are to decline compared to 2013.

The background of the advertisement is a high-contrast, black and white photograph of a car's undercarriage, specifically focusing on the suspension and a tire. The tire is a winter tire with a prominent tread pattern, including several small circular studs. The car's body is dark and appears wet, with water droplets visible. The overall aesthetic is gritty and industrial. In the top right corner, there is a solid green square containing the 'nokia TYRES' logo. The main text 'THE FIRST.' is positioned in the lower half of the image, with 'SINCE 1934' below it. The text has a distressed, high-contrast, and grainy appearance, as if it were spray-painted or stenciled onto the dark background.

nokia[®]
TYRES

THE FIRST.
SINCE 1934