

The background of the slide features a close-up of a car wheel with a multi-spoke alloy rim and a Nokian Line SUV tire. The wheel is positioned on the left side, resting on a patch of green grass. The background beyond the wheel is a soft-focus landscape of rolling hills under a bright, cloudy sky. The Nokian Tyres logo is prominently displayed in the top left corner.

nokian[®]
TYRES

Review by the President & CEO

Ari Lehtoranta

President & CEO

Nokian Tyres plc
Annual General Meeting
12 April 2016

1. Nokian Tyres in brief

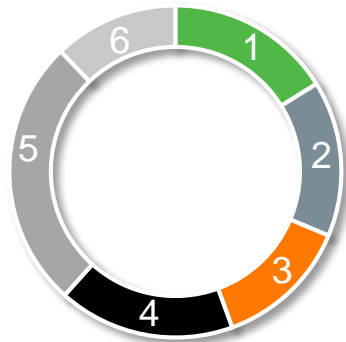
2. General overview 2015
3. Outlook and guidance 2016



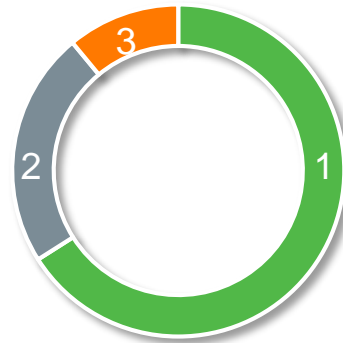
Nokian Tyres in brief

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

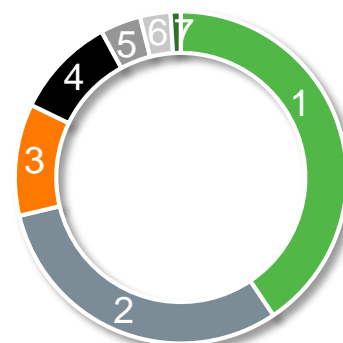
Net sales by market area



Net sales by business units



Personnel by area



Key figures	2014	2015
Net sales, M€	1.389,1	1.360,1
Operating profit, M€	308,7	296.0
Equity ratio	67,5%	70.8%
Cash flow, M€	458,3	311.1
Share of foreign shareholders	> 60%	> 70%
Personnel	4,272	4,421

Country / Area	2014	2015
1. Finland	15%	16%
2. Sweden	13%	15%
3. Norway	12%	13%
4. Russia and CIS	26%	17%
5. Other Europe	24%	26%
6. North America	9%	12%

Share of turnover

Business units	2014	2015
1. Passenger car tyres	68%	66%
2. Vianor	22%	23%
3. Heavy Tyres	10%	11%

Share of turnover

Country/Area	2014	2015
1. Finland	41%	41%
2. Russia	31%	31%
3. Sweden	11%	10%
4. Norway	10%	9%
5. North America	4%	4%
6. Central Europe	3%	4%
7. Others	1%	1%

International Group

Own production, test centers, sales companies and Vianor



Nokia, Finland
– capacity 2.5M tyres
– heavy tyres' own production



Vsevolozhsk, Russia
– capacity >15M tyres

Own production and test centers

- Own production: Nokia, Finland and Vsevolozhsk, Russia
- Own test centers: Ivalo and Nokia

Sales companies

- Finland (parent company), Sweden, Norway, Russia, Ukraine, Kazakhstan, Germany, Switzerland, Czech Republic, Belarus, USA, Canada and China.

Vianor

- 1,475 stores in 26 countries
- Increase of 120 stores in 2015.

NAD (Nokian Tyres Authorized Dealers)

- 1,239 stores
- 19 Central European countries and China
- Increase of 370 stores in 2015.

N-Tyre

- 102 stores
- Russia and CIS

Total 1,732 employees in Finland

Investments in Finland over 50 M€ in 2015

Nokia's site

- Capacity 2.5M passenger car tyres
- Production of heavy tyres
- Head office and R&D
- Development of key processes
- Export mainly to the Nordic countries
- **New biomass power plant to use in 2016**
 - in total over 40 M€ investment

Vianor

- Tyre sales, car servicing, tyre storage
- Approx. 100 units in Finland



Major domestic shareholders 31 March 2016

Varma Mutual Pension Insurance Company
Ilmarinen Mutual Pension Insurance Company
The State Pension Fund
Evli Europe Fund
Mandatum Life Insurance Company Limited
OP Investment Funds
Nordea
The Finnish Cultural Foundation

Profitable growth supported by development programmes

1. First choice for consumers

2. Preferred partner for customers

3. World's best tyres & increasing number of new services

4. Strong growth in CE & NA



1. Nokian Tyres in brief

2. **General overview 2015**

3. Outlook and guidance 2016



Market overview 2015

Growth in the west – Russia declined

	Nordics	Russia	Europe (incl. Nordics)	North America
GDP growth (2015E)	-0.2% – 3.7%	-3.7%	+1.5%	+2.5%
New car sales	+9%	-36%	+9%	+6%
Car tyre* sell-in	+5%	~ -20%	+3%	±0%
Heavy tyre segments **	➔	⬇	⬆	⬆
Currency impact	●	●	-	●

*) premium and mid-segment

**) Nokian Tyres core product segments

Nokian Tyres' performance 2015

Russian challenges compensated by success elsewhere

Sales & SOM	Nordics	Russia and CIS	Other Europe	North America
Gross sales	+4.7%	-34.0%	+4.7%	+25.1%
Car tyre sales pcs	+	-	+	+
Car tyre SOM	-	-	+	+

Profitability	
Currency effect to net sales, M€	-69.3
Car tyre ASP (€/pcs)	↓
Raw material cost	-13.1%
Fixed costs	➡
Car tyre production volume, pcs	-7%
Car tyre productivity (kg/mh)	+5%

Distribution	Units	Increase (pcs)
Vianor equity-owned	198	+9
Vianor total	1,475	+120
NAD + N-Tyre	1,341	+419

Summary 2015

Success in Europe boosted sales. Strong profitability in Q4.
Outlook for 2016 cautious.

Key figures, M€	2015	2014	Change%
Net sales	1,360.1	1,389.1	-2.1
Operating profit	296.0	308.7	-4.1
Operating profit, %	21.8	22.2	
Profit before tax	274.2	261.2	5.0
Profit for the period	240.7	208.4	15.5
Earnings per share, EUR	1.80	1.56	15.1
Equity ratio, %	70.8	67.5	
Cash flow from operations	311.1	458.3	-32.1
RONA, % (roll. 12 months)	18.5	18.3	
Gearing, %	-16.9	-13.6	

- Net sales and operating profit increased in Q4/15 vs. Q4/14
- Strong Q4 in Europe
- Profitable business supported by raw material cost and productivity development
- Product offering top-notch
- Heavy Tyres showed growth
- Investments in 2015 amounted to 102 M€, 2016 estimate 130 M€
- Back tax annulment 100.3 M€ in Q1 and new back taxes 94.1 M€ in Q4
- Total comprehensive income for the period 185.2 M€

Business units 2015

Heavy Tyres strong, Passenger Car Tyres affected by Russia

Passenger Car Tyres

- Net sales: 951.5 M€; -5.2%
- EBIT: 285.5 M€; -2.3%
- EBIT margin: 30.0% (29.1%)
- RONA% (roll 12 m): 27.8% (23.5%)

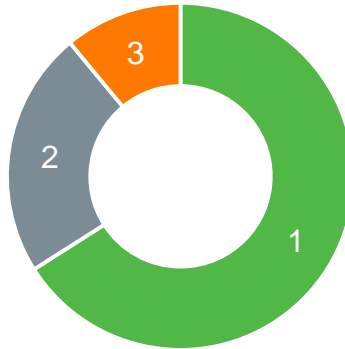
Vianor

- Net sales: 327.6 M€; +4.1%
- EBIT: -1.9 M€; -189.2%
- EBIT margin: -0.6% (0.7%)

Heavy Tyres

- Net sales: 155.3 M€; +4.2%
- EBIT: 28.7 M€; +16.9%
- EBIT margin: 18.5% (16.5%)

Net sales 1,360.1 M€



Business units	2015	2014
1. Passenger car tyres	66%	68%
2. Vianor	23%	22%
3. Heavy Tyres	11%	10%



Product launches 2015

New summer tyres for the Nordic countries and Central Europe

The new Nokian Hakka Green 2 – Natural safety for the Northern summer

- Offers balanced handling under wet conditions, minimises fuel consumption and provides more enjoyable kilometres.
- The wide selection offers sizes that are among the best in the industry, in class A, according to the EU tyre label in terms of wet grip and fuel efficiency.

The new Nokian iLine – Lightly rolling safety for varying Central European weather

- For drivers who desire enjoyable driving experiences and safety in any weather.

Unique innovations

- Aramid Sidewall Technology – Durability like never before for SUV use
- Next-generation Driving Safety Indicator (DSI)
- Nokian Tyres Coanda Technology – Effective aquaplaning prevention



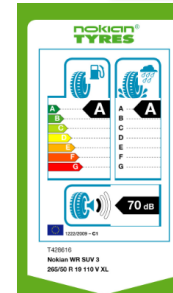
Product launches 2015

New winter products, strengthening position in Central Europe

- The new selection of winter product supports profitable growth in Central Europe, the world's largest market for winter tyres.
 - Nokian WR D4 passenger car tyres
 - Nokian WR C3 for versatile van use
 - Nokian Weatherproof – All-Weather product family: functional and safe for all-year use

State-of-the-art winter tyre expertise

- Tailored product selection also for the North American market
- Nokian Hakkapeliitta – The best-known winter tyre brand since 1936
- Nokian WR SUV 3 (size 265/50 R19 V) – The world's first winter tyre with wet grip and fuel efficiency in the EU tyre label's top class, A.



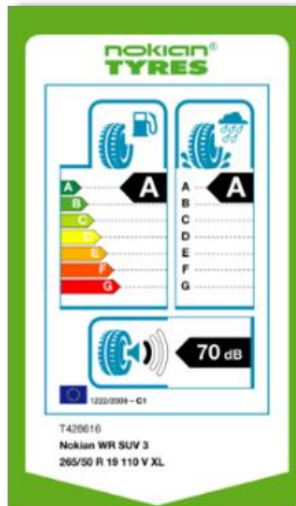
Test tyre policies and processes

All of the products are safe and of high quality

- On 24 February, Nokian Tyres announced in the Finnish newspaper Kauppalehti that its actions as regards certain tyre tests have not always been in line with the company's code of conduct. The company observed, corrected and told the issue voluntarily.
- The tests in the major Nordic, Russian and European professional magazines have been reliable for years. The most important testers purchase their tyres from tyre retailers and they also retest new tyres afterwards. This has been going on for years.
- In the US, tyres are only tested by a completely independent consumer organisation that has always bought its test tyres from a retailer.
- The EU tyre labels and other information concerning the products have always been precise and correct.
- Nokian Heavy Tyres has never been involved in any kind of test manipulation.
- Consumers who have bought tyres in recent years on the basis of test results have received tyres whose characteristics match the tyres that were tested.
- Pricing is based on our market position which derives from the quality products and from several generations of satisfied customers.
- Nokian Tyres' position is based on the know-how accrued over several generations, expertise in extreme conditions, state-of-the-art technology, efficient processes and special products, not only on tests in the motoring media.
- In addition to products, the company's overall success is based on a successful strategy in Russia, state-of-the-art production expertise, a constantly expanding distribution network, functional logistics, knowledge of the passenger car tyre and heavy tyre market segments and competent personnel.
- The company wishes to apologise for damaging the trust of its customers and partners. Nokian Tyres will be working hard to rebuild this trust.

More information: <https://www.nokiantyres.com/testtyre-faq/>

Test tyre policy and process



Subtest weights %

Dry handling	10
Wet handling	15
Aquaplaning on straight roads	15
Aquaplaning in corners	10
Braking on dry surface	10
Braking on wet surface	15
Fuel economy	10
Noise	7.5
Comfort	7.5

TOTAL 100%



GRADES	Weight (%)
Ice	40
Braking	15
Acceleration	10
Objective handling	10
Subjective handling	5
Snow	20
Braking	5
Acceleration	5
Objective handling	5
Subjective handling	5
Wet asphalt	15
Braking	5
Objective handling	5
Subjective handling	5
Dry asphalt	10
Braking	5
Subjective handling	5
Economy and comfort	15
Directional stability	5
Noise	5
Rolling resistance	5
OVERALL GRADE	100

Russia and CIS countries

Clearly weakened purchasing power continued to cut demand

Economy, car sales and tyre sales

- Economic situation remained challenging
- High inflation has cut purchasing power
- Car sales -36%, tyre sales ~ -20% in 2015

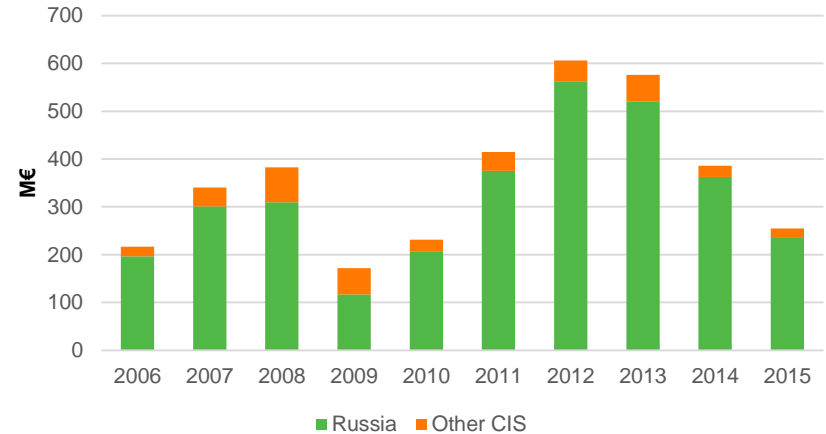
Nokian Tyres' sales decreased

- Sales decreased due to lower volumes and currency rate effects
- Product mix and ASP in the local currency clearly improved

Market position

- Market position in premium segment maintained
- Nokian Tyres the market leader in summer tyres in both A and B segments

Nokian Tyres' sales in Russia and CIS



Nokian Tyres' retail partner network

Expansion of distribution continued

Vianor – 1,475 stores in 26 countries

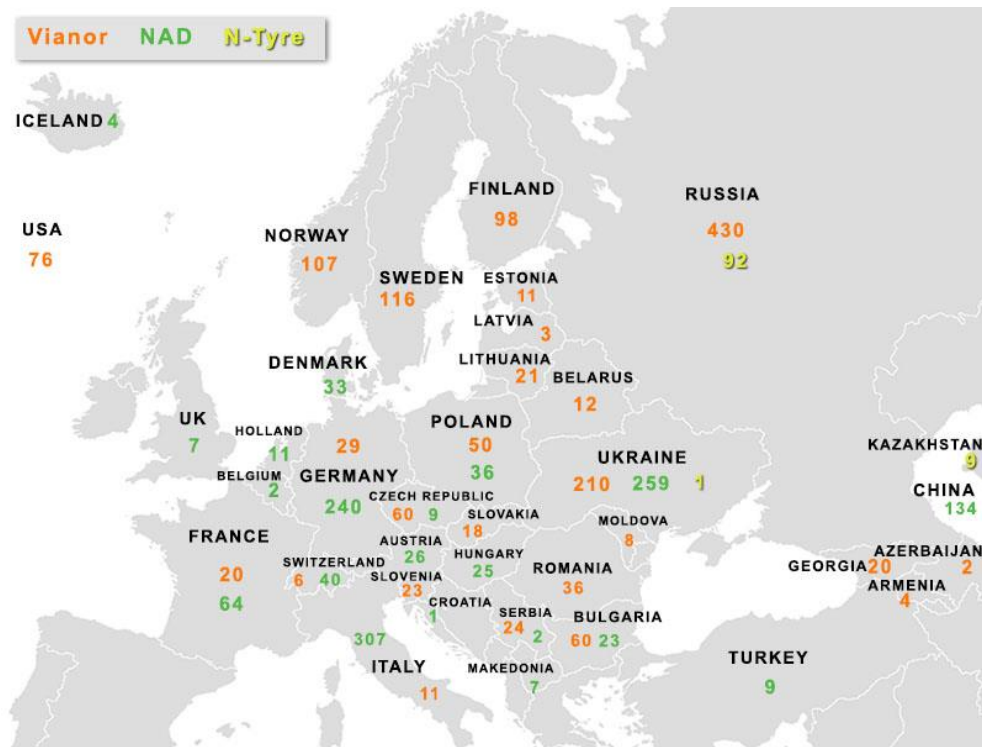
- 198 equity-owned, 1,277 partners
- increase of 120 stores in 2015
- largest tyre chain in Nordic and Baltic countries:**
356 stores (+27 in 2015)
- largest tyre chain in Russia and CIS:**
706 stores (+43 in 2015)
- expansion to Central Europe:**
337 stores (+43 in 2015)
- expansion to USA:**
76 stores (+7 in 2015)

Nokian Tyres Authorized Dealers (NAD) – 1,239 stores

- in 19 European countries and China
- increase of 370 stores in 2015

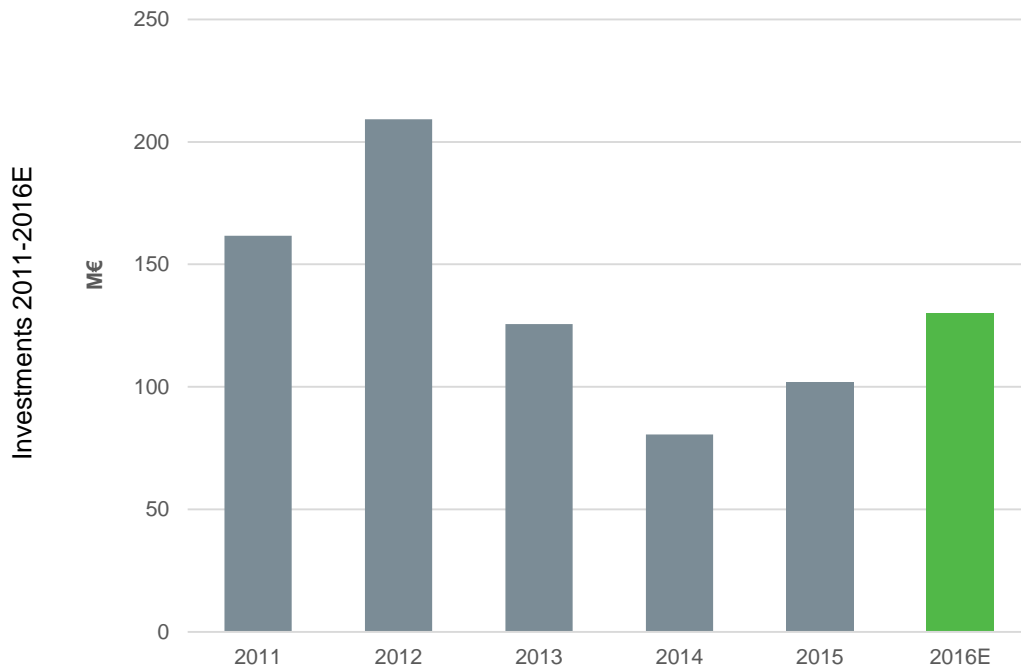
N-Tyre – 102 stores

- in Russia and CIS



Investments 2016E: 130 M€

R&D, marketing and quality – investments increased by over 10 M€ in 2015



Strategic main investments

Vsevolozhsk factory's capacity increase

- 17 million pcs
- 90 M€, ready in 2017

Third factory

- Decision to be made by Q4/2016
- 4 million pcs
- 250 M€, ready for production in 2019/2020

New biomass power plant (Nokianvirran Energia)

- One of the three partners, total investment over 40 M€
- Operation will start in 2016

New test center for summer tyres to South-Europe

- Decision in 2016

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Outlook 2016

Challenges in Russia continue, Growth in other markets

Assumptions

- Core markets
 - New car sales growth 4% in Europe
 - New car sales in Russia to decline ~ 10–25%
 - 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 CE, North-America, and Nordic countries to grow
 - Demand in Russia to decline 10–15%
- Raw material cost (€/kg) to decrease 5% in 2016 vs. 2015
- Investments approximately 130 M€
- Heavy tyre market demand stable in Nokian Tyres' core product groups
- Nokian Tyres financial position remains solid

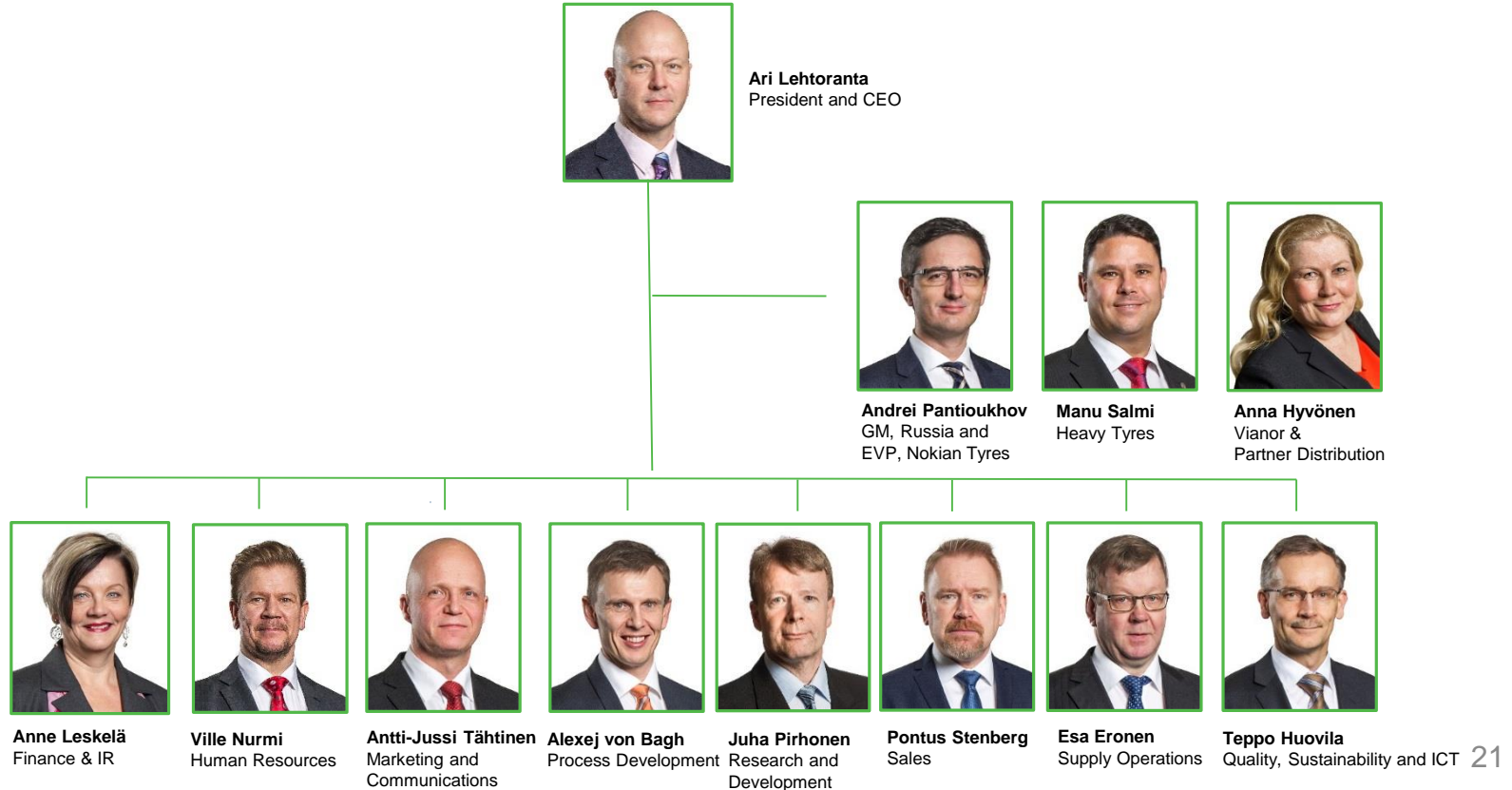
Outlook 2016

- Nokian Tyres' position to improve in all key markets. In Russia leader position in the A + B segment remains.
- Competitive product portfolio
- Pricing environment tight for all tyre categories
- Profitability supported by efficient cost structure and productivity on the back of high share of Russian production

Year 2016 guidance

- In 2016, with current exchange rates, net sales and operating profit are to remain at the same level compared to 2015.

Nokian Tyres' Management 1 April 2016



A close-up photograph of a car's front wheel with a silver alloy rim and a black Nokian Black SUV tire. The car is white. In the background, a city skyline is visible under a cloudy sky. A green rectangular box with the text 'nokian TYRES' is in the top left corner. The text 'Thank you!' is written in green in the middle right of the image.

nokian[®]
TYRES

Thank you!