



## Russia going strong – targeting growth in a slower market

**Interim Report  
January-March 2013  
30 April, 2013**

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





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1. General overview 1-3/2013
2. Nokian Tyres financial performance
3. Profit centres (incl. Russian operations)
4. Nokian Tyres going forward
5. Appendixes



**Nokian Tyres Fastest on Ice 9 March, 2013:  
New Nokian Hakkapeliitta 8 sets New World Record 335.713 km/h!**

## GENERAL OVERVIEW 1-3/2013

*Russia going strong – targeting growth in a slower market*

Key figures, EUR million	Q1/13	Q1/12	Change%	Q2/12	Q3/12	Q4/12	2012
Net sales	333.1	384.3	-13.3	413.8	368.0	446.4	1,612.4
Operating profit	76.3	105.0	-27.3	112.7	85.5	111.8	415.0
Profit before tax	72.9	102.2	-28.7	108.0	73.2	104.2	387.7
Profit for the period	63.6	87.6	-27.4	95.4	59.6	88.3	330.9
Earnings per share, EUR	0.48	0.67	-28.5	0.73	0.45	0.67	2.52
Equity ratio, %	71.2	74.3					71.2
Cash flow from operations	-95.1	-121.3	21.7	-42.5	-125.9	552.0	262.3
RONA,% (roll. 12 months)	20.8	27.3					23.0
Gearing, %	3.1	10.3					-4.5

### Summary

- Strong winter tyre sales and market share growth in Russia, market leadership in Russia and the Nordic countries
- CE demand dropped due to weak economy
- Prolonged winter shifted consumer summer tyre sales to Q2
- Contract manufacturing cut in Q1
- Tailwind from raw material cost supported margins, but lower utilization rate penalized operations
- Test success in car media continued in core markets
- Expanding distribution
  - Vianor 1,077 stores in 26 countries, +40 stores in Q1
  - In Russia over 2,100 Hakka Guarantee stores
  - Nokian Authorized Dealers (NAD) network building up in Europe and China

### Outlook: Some growth in a challenging market

- Sales in Russia and N-America to grow in 2013, Nordic and CE flat
- Pricing environment 2013 challenging for all tyre categories
- Raw material cost (€/kg) down 6.8% in H1/2013 yoy and 6% full year 2013. Tailwind some 30 m€ in 2013.
- New Hakkapeliitta range supports winter tyre sales and ASP
- Capacity ramp-up in Russia proceeds
  - Line 12 on stream in March 2013, line 13 installed in 2013
  - Inbuilt capability to increase output by 50%
- Profitability supported by improved cost structure and productivity on the back of increasing share of Russian production

### Year 2013 guidance:

- In 2013, the company is positioned to show some growth in Net sales and Operating profit compared to 2012. On the back of Q1 results, Net Sales and Operating profit in H1 are, however, still going to be weaker than in 2012.

## MARKET OVERVIEW 1-3/2013

*Demand stable in Russia, softer in Nordic countries, CE clearly down*

### Car tyres

#### Challenging markets

- Uncertainty and slowing growth in global economy
- Economies in the Nordic countries and Russia relatively stable
- Car sales in Russia flat yoy, Europe -10%, Nordics -22%
- Car tyre demand in Russia flat yoy, Europe -13%, Nordics -8%
- Distributors carry-over stocks of summer tyres in CE and Russia
- Pricing environment for 2013 challenging

### Heavy tyres

#### Uncertainty continued in heavy tyres' markets

- Demand soft in all product groups

### Currencies

#### Currency rate changes insignificant

- Euro relatively stable against RUB, SEK and NOK

### Raw material prices

#### Raw material prices in downward trend

- Nokian Tyres raw material cost (€/kg) was -8.2% in Q1/2013 vs. Q1/2012. Expected to decrease by 6% in 2013 vs. 2012.



## NOKIAN TYRES PERFORMANCE 1-3/2013

### *Reasonable Q1 results*

#### Sales and market position

##### **Sales and market share up in Russia**

- + Sales growth in Russia and in winter tyres
- + Car tyres' market share improved in Russia
- + Test success continued
- Sales down due to drop in CE demand and delayed summer tyre consumer sales in the Nordic countries

#### Profitability

##### **Tailwind from decreasing raw material cost**

- + Raw material cost down 8.2% yoy
- + ASP (€/kg) slightly up
- + Increasing share of Russian sales and production
- Higher fixed cost ratio due to lower utilization rate

#### Production

##### **Capacity increases continued**

- + Line 12 in Russia commenced production in March 2013
- Output decreased compared to Q1/2012 due to planned production cuts

#### Distribution

##### **Vianor expanding as planned, new partner concepts booming**

- + Vianor expanded to 1,077 stores in 26 countries; +40 stores in Q1/2013
- + Over 2,300 Hakka Guarantee tyre stores in Russia and CIS
- + Nokian Authorized Dealer (NAD) network has already been rolled out in Italy, Germany and China





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  - Operating result per quarter
  - Gross sales by market area
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## FINANCIAL PERFORMANCE

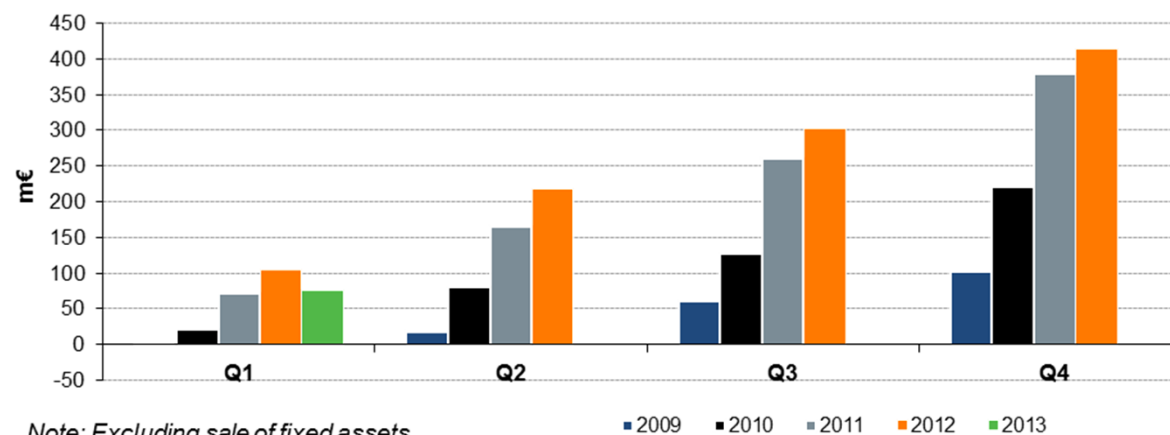
*Group operating profit per quarter 2009-Q1/2013*

### Q1/2013

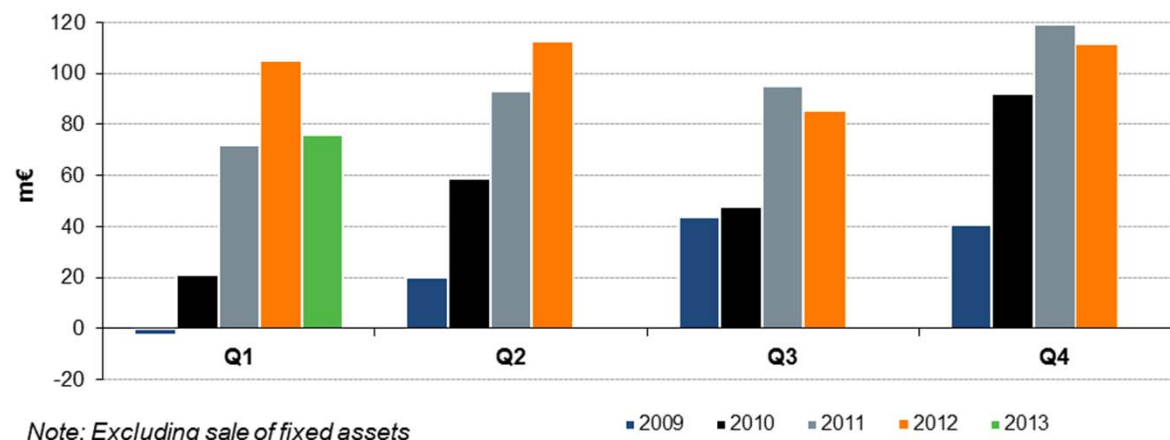
Net sales 333.1 m€,  
(384.3 m€) -13.3%

EBIT 76.3 m€,  
(105.0 m€) -27.3%

Cumulative operating profit per quarter (m€)



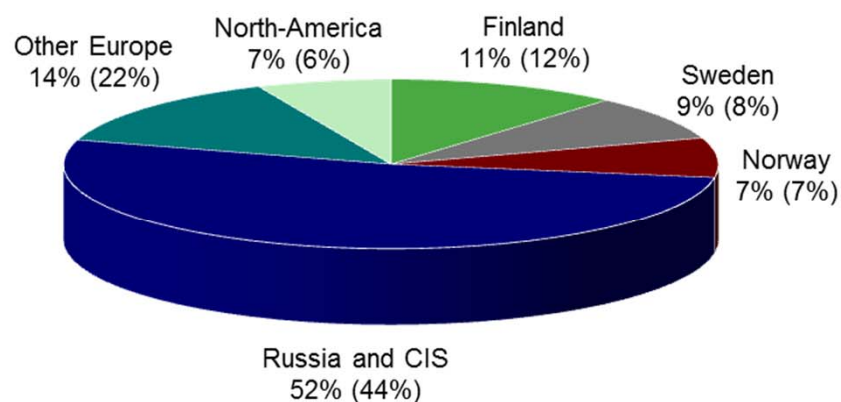
Group operating profit per quarter (m€)



# FINANCIAL PERFORMANCE 1-3/2013

## Gross sales by market area

**Sales of Nokian Tyres Group: 363.5 m€ -11.7%**

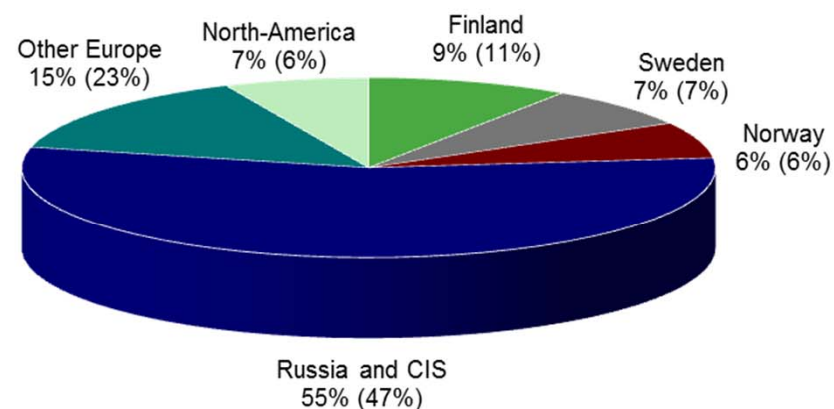


### GROUP

#### Sales development in euros

■ Nordic countries	-12.1%
■ Russia and CIS	+3.2%
■ Other Europe	-44.8%
■ North America	-7.4%

**Sales of Manufacturing Units: 341.5 m€ -11.9%**



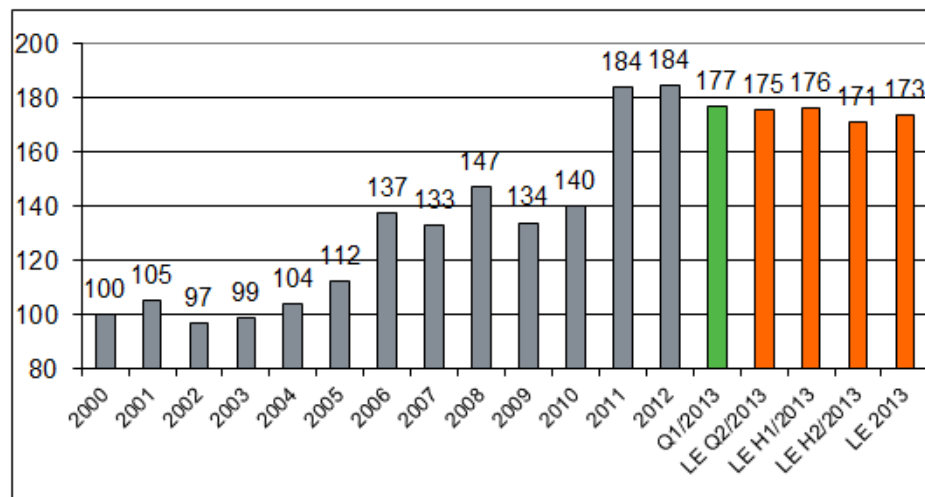
### MANUFACTURING

#### Sales development in euros

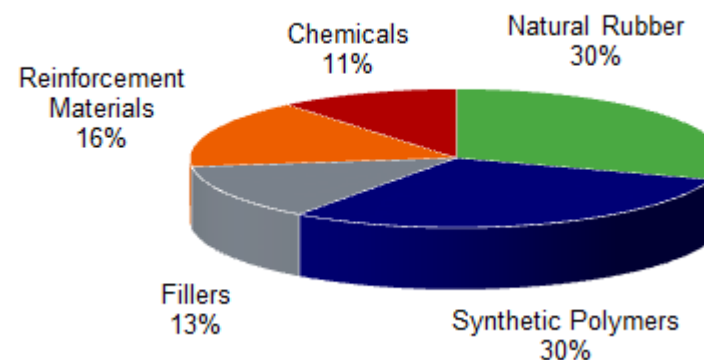
■ Nordic countries	-12.6%
■ Russia and CIS	+3.1%
■ Other Europe	-44.9%
■ North America	-7.4%



### Raw material cost development index 2000-E2013



### Value of raw material consumption (%)



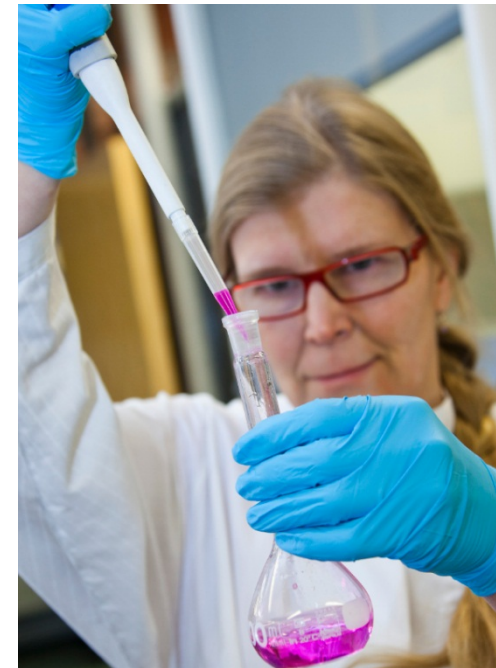
### Nokian Tyres raw material cost (€/kg)

- **Raw material cost**
  - decreased by 8.2% in Q1/2013 vs. Q1/2012
  - increased by 0.9% in Q1/2013 vs. Q4/2012
- **Raw material cost is estimated to**
  - decrease by 4.9% in Q2/2013 vs. Q2/2012
  - decrease by 6.8% in H1/2013 vs. H1/2012
  - decrease approximately 6% in 2013 vs. 2012

**Estimated tailwind in 2013: 30 m€**

## INDEX

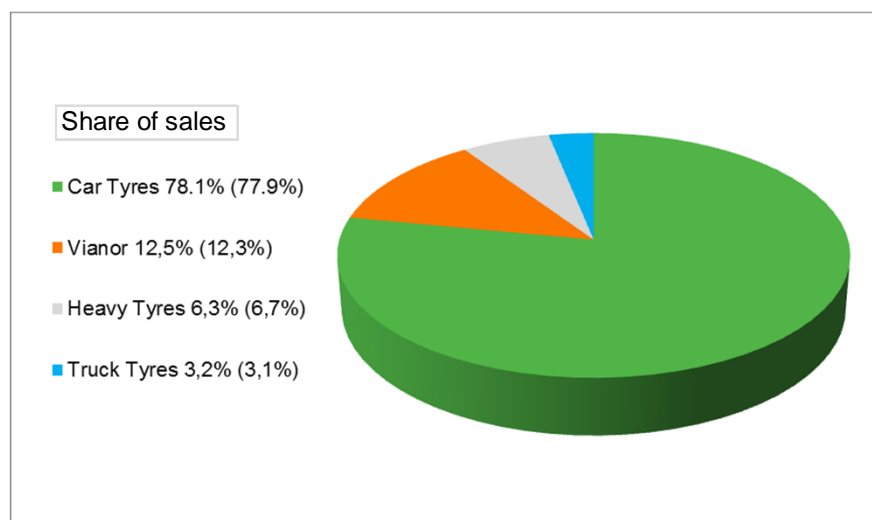
1. General overview of 1-3/2013
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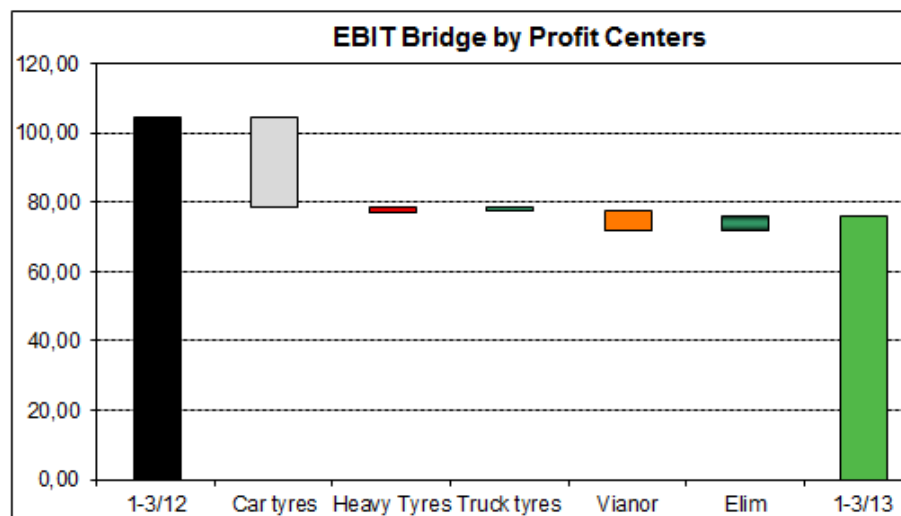
# PROFIT CENTRES 1-3/2013

## General overview

**Net sales 333.1 m€ -13.3%**



**EBIT 76.3 m€ -27.3%**



### Passenger Car Tyres

- Net sales: 273.7 m€, -13.4%
- EBIT 92.4 m€, -22.2%
- EBIT margin: 33.8% (37.6%)
- Key products: studded and non-studded winter tyres, high-speed summer tyres

### Vianor

- Net sales: 43.7 m€, -12.8%
- EBIT: -15.9 m€, -53.1%
- EBIT margin: -36.4% (-20.8%)
- 1,077 stores in 26 countries in Nokian Tyres' core markets

### Heavy Tyres

- Net sales: 22.1 m€, -18.1%
- EBIT: 2.2 m€, -41.3%
- EBIT margin: 10.1% (14.0%)
- Key products: tyres for forestry, industrial and agricultural machinery

### Truck Tyres

- Net sales: 11.0 m€, -12.4%
- Key products: truck tyres and retreading materials

## PROFIT CENTRES 1-3/2013

### *Passenger Car Tyres: Growth in Russia*

#### Performance in Q1/2013

- + Sales and market share growth in Russia
- + Magazine test success continued in core markets
- + Tailwind from raw material cost supported margins
- + Mix and high share of winter tyres → ASP (€/kg) up slightly
- Q1 sales decreased:
  - Weak demand in CE
  - Prolonged winter in the Nordics → summer tyre sales shifted to Q2
  - Manufacturing contract with Bridgestone ended
- Production output cut, but ramped up in March with line 12 in Russia

#### **Net sales:**

Q1/2013: 273.7 m€ (315.9 m€); -13.4%

#### **EBIT:**

Q1/2013: 92.4 m€ (118.7 m€); -22.2%

#### **EBIT margin:**

Q1/2013: 33.8% (37.6%)

#### Key actions and targets for 2013

- |   |   |              |               |
|---|---|--------------|---------------|
| <ul style="list-style-type: none"> <li>■ Maximize sales with renewed product offering</li> <li>■ Improve market shares in core markets</li> <li>■ Expand distribution, special focus CE</li> </ul>                | } | Higher sales | } Higher RONA |
| <ul style="list-style-type: none"> <li>■ Improve sales mix &amp; service level</li> <li>■ Defend brand and price position</li> </ul>  | } | Higher ASP   |               |
| <ul style="list-style-type: none"> <li>■ Increase production in Russia, ramp-up of new lines</li> <li>■ Improve productivity and utilization of capacities</li> <li>■ Secure collection of receivables</li> </ul> | } | Lower cost   |               |

→ **Maximize sales of new winter range, expand distribution in CE, improve productivity – Improve sales and EBIT**



**New Nokian Hakkapeliitta 8**

## MAGAZINE TESTS

*Test success continues – both in summer and in winter*

### WINTER TYRES, autumn 2012

#### **Nokian Hakkapeliitta 7 – Multiple test winner**

- Studded winter tyre family for core markets. Test victories in magazine tests, e.g.: Tekniikan Maaailma, Tuulilasi (Finland), Motor Auto, Motor og Sport, (Norway); Aftonbladet BIL, Auto, Motor & Sport, Vi Bilägare (Sweden); Za Rulem, AutoReview (Russia), Auto Centre (Ukraine)

#### **Nokian Hakkapeliitta R (non-studded) – Safe and reliable**

- Test victories e.g. Tekniikan Maaailma, Tuulilasi (Finland), Motor, Auto, Motor og Sport (Norway); Auto, Motor & Sport, Vi Bilägare (Sweden) Za Rulem, AutoReview (Russia), Auto Centre (Ukraine)

#### **Nokian WR D3 – for Central European winter**

- Test victories e.g.: Auto, Motor und Sport, ADAC, AUTO Strassenverkehr, Firmenauto (Germany), Aftonbladet BIL, AMS (Sweden)

#### **Nokian WR A3 – for Central European winter**

- Test victory: AutoBild (Germany)

### SUMMER TYRES, spring 2012

#### **Nokian Hakka Blue – Wet performer**

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

#### **Nokian Hakka Green – Naturally safe**

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

#### **Nokian Z G2 – Cool Performer**

- Test victories e.g.: Auto Bild, Gute Fahrt, Auto Bild Allrad, auto TEST

### SUMMER TYRES, spring 2013

#### **Nokian Hakka Blue**

- Test victory: Tuulilasi (Finland)

#### **Nokian Hakka Green and Nokian Hakka SUV**

- Test victories: Za Rulem (Russia), Auto Centre (Ukraine)

#### **Nokian Line – NEW**

- Test victories or best reviews e.g.: Auto Bild, auto TEST, Auto, Motor & Sport, ADAC, Stiftung Warentest (Germany)



**Nokian Hakkapeliitta 7:**  
Over 30 test wins in car magazines  
between years 2009 and 2012

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



**Nokian Hakka Blue**



## MAJOR REVAMP OF PRODUCT OFFERING 2013

*Examples of new products and innovations*

### WINTER TYRES

#### **Nokian Hakkapeliitta 8 – Ruler of the North**

- Based on the Nokian Hakkapeliitta 7 with over 30 test victories 2009-2012

#### **Nokian Hakkapeliitta R2 – Northern comfort**

- The new non-studded winter tyre will safely tackle all winter conditions

#### **Nokian Hakkapeliitta R2 SUV – Northern comfort and stability**

- The non-studded winter tyre, specially tailored for sport utility vehicles

#### **Nokian WR SUV 3**

- Developed for Central Europe's varying winter conditions in SUV segment

#### **Nokian WR G3**

- An extension of the Nokian Tyres' All Weather Plus line for North America

**New range puts winter grip on an awesome new level!**

### SUMMER TYRES

#### **Nokian eLine – Next generation summer tyre for all markets**

- Fuel efficiency and wet grip are at the top of the new EU tyre label, class A

#### **Nokian Hakka Black – UHP tyre for core markets**

- Cool performance for fast driving, stable and precise from spring to autumn

#### **Nokian zLine – Ultra High Performance summer tyres for CE**

- New top class tyre family for varying Central European summer conditions



Nokian Hakkapeliitta 8



Nokian Hakkapeliitta R2



Nokian Hakka Black



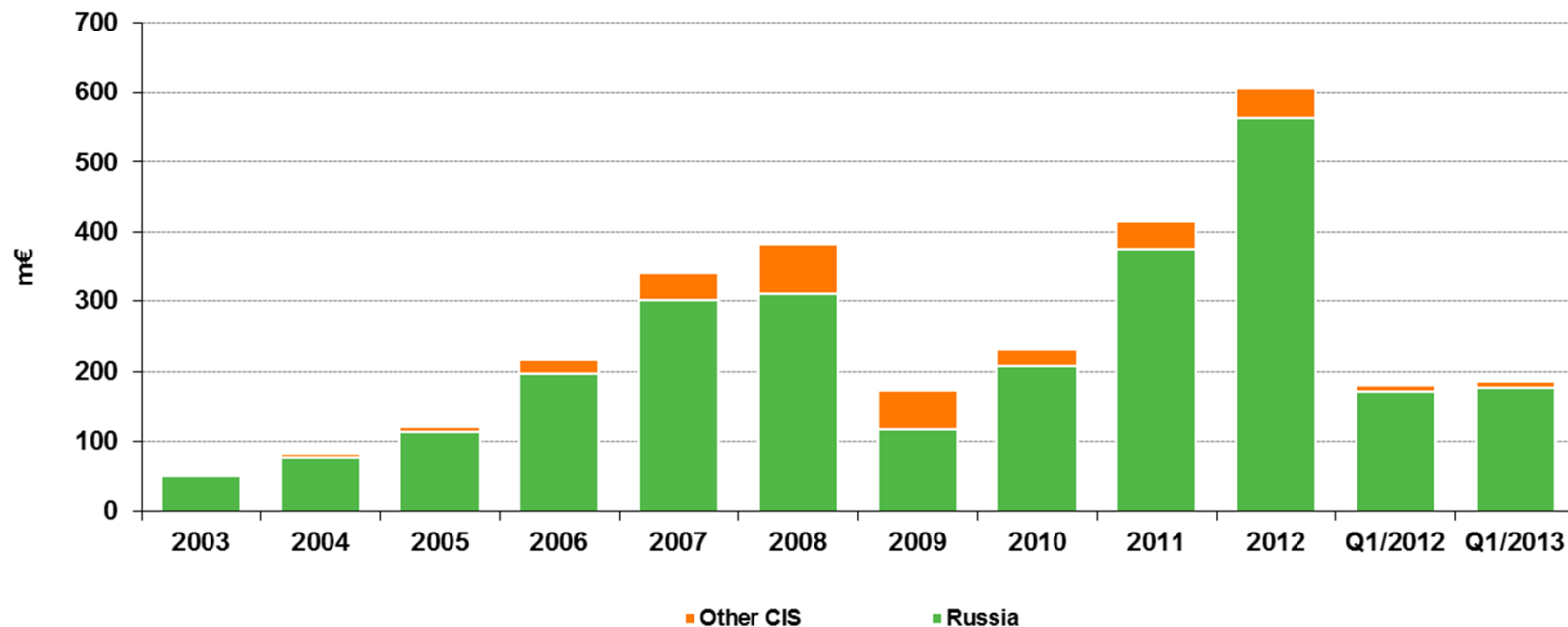
## RUSSIA & CIS

### *Sales growth continues*

- Sales in Russia in Q1/2013 grew by 2.8% to 176.3 m€ (171.5 m€)
  - Slower growth rate in the economy, flat new car sales
  - Nokian Tyres: Improved supply capacity, expanding distribution, higher market share
- Sales in CIS (excluding Russia) were 10.0 m€ (9.0 m€)

→ *Nokian Tyres is clear market leader in premium tyres in Russia and CIS countries*

Russia and other CIS sales development



## RUSSIA & CIS

*Distributors, DSD-warehouses, Vianors and Hakka Guarantee network*  
**556 Vianor shops – over 2,300 retail partner points of sale**



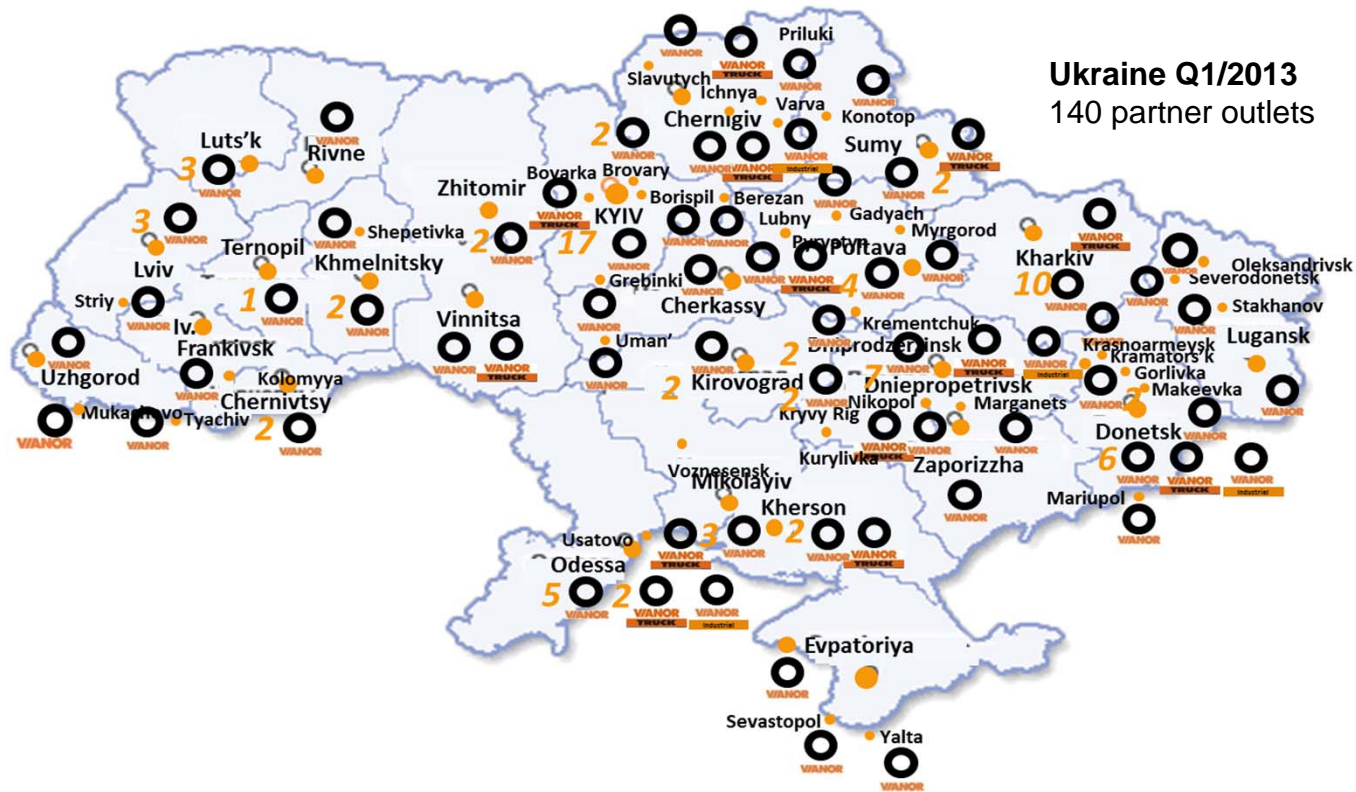
- ▼ Distributors (37)
- DSD current cities (Moscow, SPb, Samara/Togliatti, Yekaterinburg, Chelyabinsk, N. Novgorod, Omsk, Rostov-on-Don, Perm, Ufa, Orenburg, Kazan, Voronezh, Tyumen, Volgograd, Novosibirsk)
- 556 Vianor stores in 329 cities in Q1/2013

Nokian Hakka Guarantee dealership program includes 2,300 tyre stores and car dealers



## RUSSIA & CIS:

### *Vianor & Hakka Guarantee network in CIS*



#### Number of Hakka guarantee stores in CIS

Ukraine	140	Moldova	6
Armenia	4	Georgia	5
Azerbaijan	2	Belarus	10



## RUSSIA

***Nokian Tyres is the strongest player in Russia***

### **Nokian Tyres' market position in Russia**

- State-of-the-art and efficient factory in Russia
  - Close access to markets
  - Within customs zone (duty 20% for import, will decrease to 18% in 2013 and to 10% in 5 years)
- Clear market and price leader in core product categories
- Widely recognised and strong brand – both company (Nokian Tyres) and products (Hakkapeliitta, Nordman)
- Strong distribution chain covering all of Russia – based on long-term and close customer relationships
- The biggest controlled tyre distribution network – 556 Vianor stores / 2,300 partner sales points in Russia & CIS

**→ *Nokian Tyres continue to strengthen its market leader position in Russia***

### **Nokian Tyres' factories in Russia**

- At the beginning of 2013 annual capacity in Russia was 14 million tyres with 2 factories, 11 lines operating and line 12 installed
- Line 12 commenced production in March 2013
- Line 13 installed in 2013 → Annual capacity to 15.5 million tyres
- State-of-the-art machinery, high automation level and European quality standards
- Vsevolozhsk factory exports approximately 50% of its production to over 40 countries:  
Biggest consumer goods exporter in Russia
- Housing project, Hakkapeliitta Village –  
343 flats for employees ready in summer 2013
- Number of personnel in Russia on 31 Mar 2013: 1,269 (1,074)
- CAPEX by end 2012: 704 m€

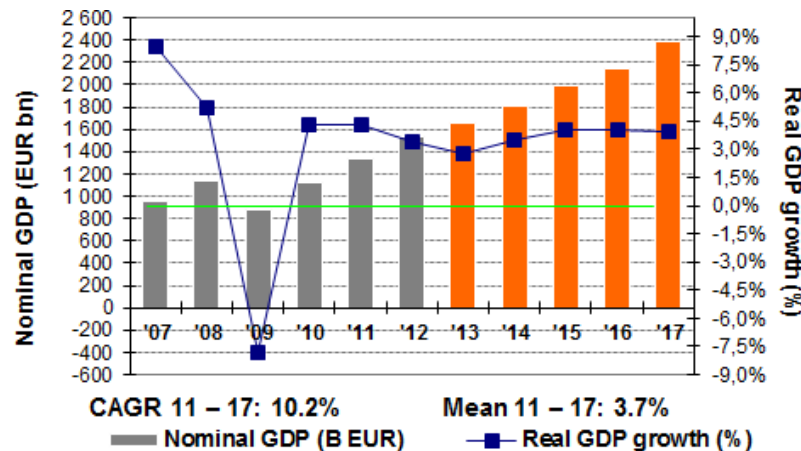




## RUSSIA

*Russian economy growing, but shadowed by global uncertainty*

### Russia's GDP growth



### Consumer confidence in Russia



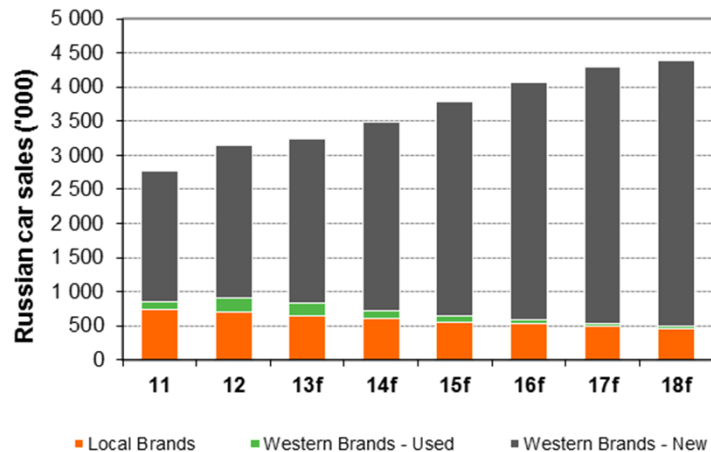
### Major trends and expectations

- After a severe crisis of 2008 – 2009, Russia's economy grew by ~4% a year in 2010 – 2011
- In 2012 the economic growth continued, but slowed down to 3.4%
- In Q1/2013 the slowdown continued: the estimated real GDP growth was 1.1%, reflecting weaker investment and consumer consumption
- The GDP forecast for 2013 has been downgraded to 2.7% by the government; market expectations vary between 2.0 and 3.0%
- Weaker expectations are based on lower oil and other commodity prices
- Overall growth trend is likely to continue unless major external shocks (e.g. collapse of oil prices) take place: in the base scenario, average GDP growth for 2013-2016 is estimated at 3 - 4% a year
- Consumer confidence has stabilized and practically reached its normal level, although the current level is slightly below one in early 2012 reflecting the general uncertainty caused by the global financial and economic turmoil
- Ruble exchange rate fluctuated in 2012 and stabilized at its long-time average level of 40 RUB/ 1 EUR; generally, it is expected to remain stable

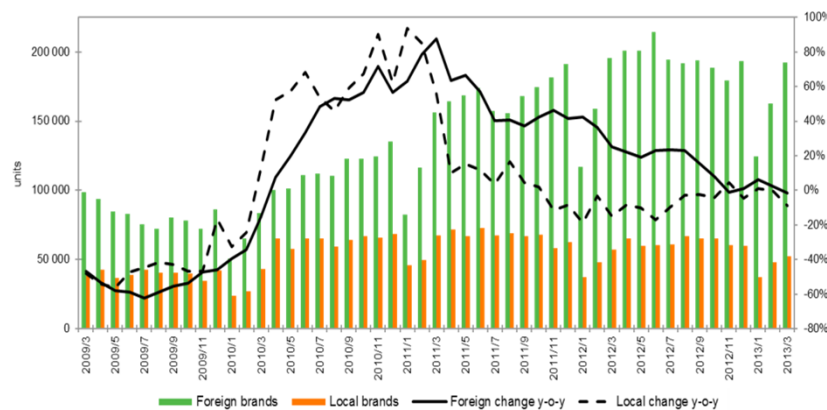
## **RUSSIA**

*Car sales continue to grow, albeit at a slower rate*

### **Russian car sales forecast – base scenario**



### **Monthly car sales**



Source: AEB; IHS Global Insight; Nokian Tyres estimates Apr 2013

### **Car market summary**

- Sales of new cars and LCVs in Russia continued to grow in 2012; full-year growth was 11% vs. 2011
- During H2/2012 the growth slowed down staying practically flat at the year-end caused by the clearly higher comparison base and more cautious consumer spending driven by the global economic woes
- Year 2013 started quite slowly, as expected: Q1 showed zero growth, in March total car sales declined by 4% vs. the same period of 2012
- In 2013 the new car market is forecasted to show a modest growth of 2 – 5%, reaching estimated 3.1 million new cars; growth is expected to be seen in H2 2013, whereas in H1 car sales are likely to remain flat or even decline a little
- This slowdown of the car market is seen as a temporary phase, not a sign of fundamental maturity of the market – as global and Russia economies improve, the car market will continue to grow, as the unrealized potential has not disappeared
- Moreover, the structural changes in the new car sales continue to favor foreign car brands (e.g. growth in 2012 18% vs. total market 11%)
- In 2012, a relatively tangible increase was noted in the imports of used foreign-branded cars, mostly from Belarus and Kazakhstan in the framework of the newly established Customs Union; since 2014 the flow of used cars is expected to return to normally low levels

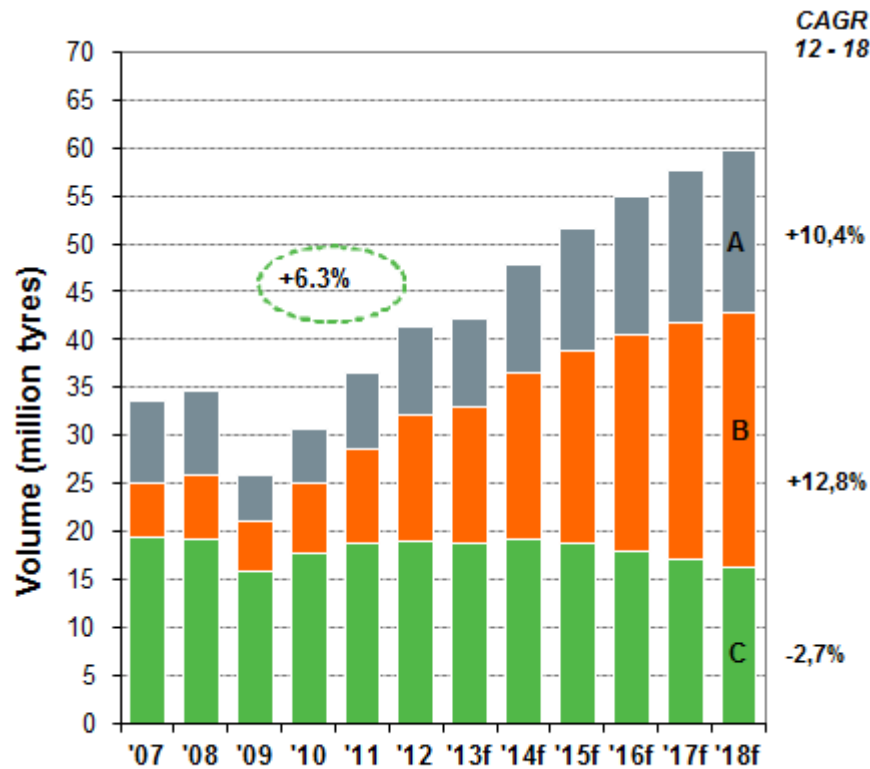




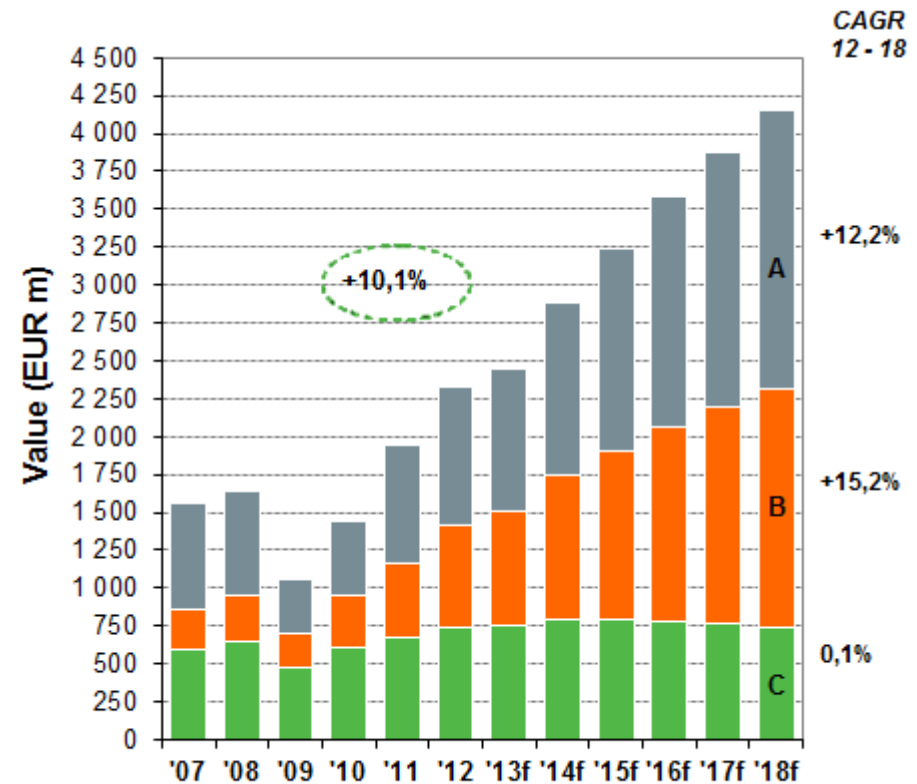
## RUSSIA

*Tyre market demonstrates clear growth and structural change.  
2013 market volume to grow 2-5%; summer flat, winter grow*

Car and van tyre replacement market (volume)



Car and van tyre replacement market (value)



Note Traditional segments / price positioning: index 100 = market leader; A: > 80; B: 60 – 80; C: <60

Source: Nokian Tyres estimates Apr 2013

## PROFIT CENTRES 1-3/2013

*Vianor: Market shares & service sales up, network expanding*

### Performance in Q1/2013

- + 1,077 stores in 26 countries; +40 stores in Q1/2013.
- + Strategic tasks to expand distribution and set market prices for Nokian products succeeded
- + 33 car service operations acquired and integrated to existing Vianor stores by the end of Q1/2013
- Sales and EBIT of equity-owned stores down due to seasonality; prolonged winter shifted summer tyre consumer sales to Q2/2013

### Key actions and targets for 2013

- Improve tyre sales and market shares
- Increase sales of car services, tyre hotels and other services
- Increase e-commerce sales
- Process evaluation & ERP renewal
- Continue to expand the network and the number of partners
  - Target: over 1,150 stores by the end of 2013

→ Cement and improve market leader position as a distributor in Nokian Tyres' core markets – Improve EBIT in Q2 and full year

### Equity-owned Vianor (182 stores)

#### Net sales:

Q1/2013: 43.7 m€ (50.1 m€); -12.8%

#### EBIT:

Q1/2013: -15.9 m€ (-10.4 m€); -53.1%

#### EBIT margin:

Q1/2013: -36.4% (-20.8%)



Vianor Friedrichshafen, Germany



## EXPANSION OF DISTRIBUTION CHANNEL 1-3/2013

**Vianor:** *Foothold on core markets strengthening*

**NAD:** *New soft franchise launch*

### **Vianor** – 1,077 stores in 26 countries

- 40 new stores in Q1/2013
- 182 equity-owned, 895 franchising/partners
- **Largest tyre chain in Nordic and Baltic countries:** 279 stores (+8 in Q1/2013)
- **Largest tyre chain in Russia and CIS:** 556 stores (+23 in Q1/2013) in 329 cities
- **Expansion to Central Europe:** 202 stores (+4 in Q1/2013)

### **Vianor** stores by segment

- Car tyres: over 1,000 stores
- Heavy tyres: over 230 stores
- Truck tyres: nearly 300 stores

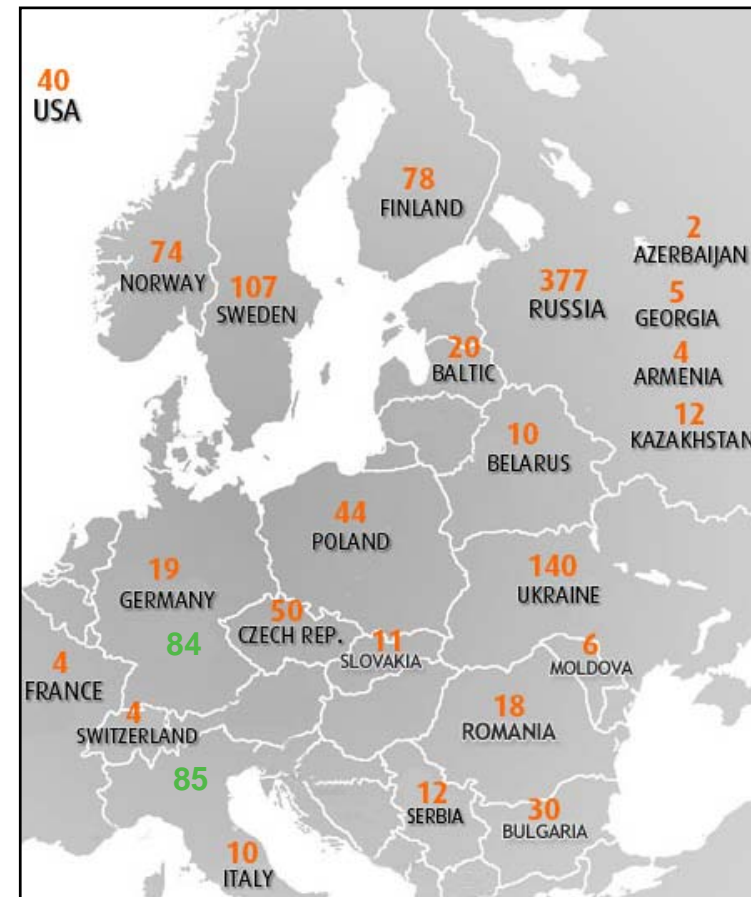
**Target 2013 → over 1,150 Vianor stores**

### **Nokian Authorized Dealers (NAD)**

- Q1/2013: 175 stores in Italy, Germany and China
- Estimate 2013: >300 in 3 countries

**Vianor** – Distribution spearhead for all product groups

**NAD** – Nokian Authorized Dealer





## EXPANDING DISTRIBUTION

*Nokian Authorized Dealers (NAD)*

### Requirements for NADs

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

### Benefits for NADs

- NAD terms and conditions
- Product seminars, launch events
- Advertising materials, web visibility

### Target 2013

- Over 300 stores in 3 countries by end of 2013



## PROFIT CENTRES 1-3/2013

*Heavy Tyres: Improved structure, soft demand*

### Performance in Q1/2013

- + Structural changes in manufacturing reduced manning and improved product quality, flexibility, and productivity
- + ASP was flat yoy despite challenging market situation
- Sales down due to weaker demand and machine building in Europe
- Production adjusted to demand; profitability suffered from lower utilization rate

### Key actions and targets for 2013

- Maximize sales
  - Improve sales mix and share of replacement market sales
  - Expand the distribution network, especially in Russia and CIS
  - Accelerate development of new radial products
  - Finalize factory modernization project
  - Optimize production output
- Increase sales to replacement market, optimize production output and improve productivity – Maintain EBIT

### Net sales:

Q1/2013: 22.1 m€ (27.0 m€); -18.1%

### EBIT:

Q1/2013: 2.2 m€ (3.8 m€); -41.3%

### EBIT margin:

Q1/2013: 10.1% (14.0%)



Nokian Mine L-5S

## PROFIT CENTRES 1-3/2013

### *Truck Tyres: Market shares up in core markets*

#### Performance in Q1/2013

- + Market share improved in the Nordic countries and Russia
- + Wider range for premium & standard truck tyres
- + Operating profit on a healthy level
- Sales down trailing weaker demand in the Nordic countries

#### Net sales:

Q1/2013: 11.0 m€ (12.6 m€); -12.4%

#### Key actions and targets for 2013

- Increase sales and market shares in core markets
- Expand in Eastern Europe utilising the “Vianor truck” concept
- Utilize the combination of new & retreaded tyres as a sales concept
- Utilize the stronger winter product range (incl. Hakkapeliitta truck tyres)
- Optimize off-take contract manufacturing

→ Focus on increasing sales, improving market shares and expanding distribution



Nokian Hakkapeliitta Truck D





## INDEX

1. General overview of 1-3/2013
2. Nokian Tyres financial performance
3. Profit centres (incl. Russian operations)
4. Nokian Tyres going forward
  - Investments
  - Production plants
  - Outlook for 2013
5. Appendixes





## NOKIAN TYRES GOING FORWARD

*Investment for growth and productivity*

### Investment in Q1/2013

- 47.6 m€ (39.1 m€)

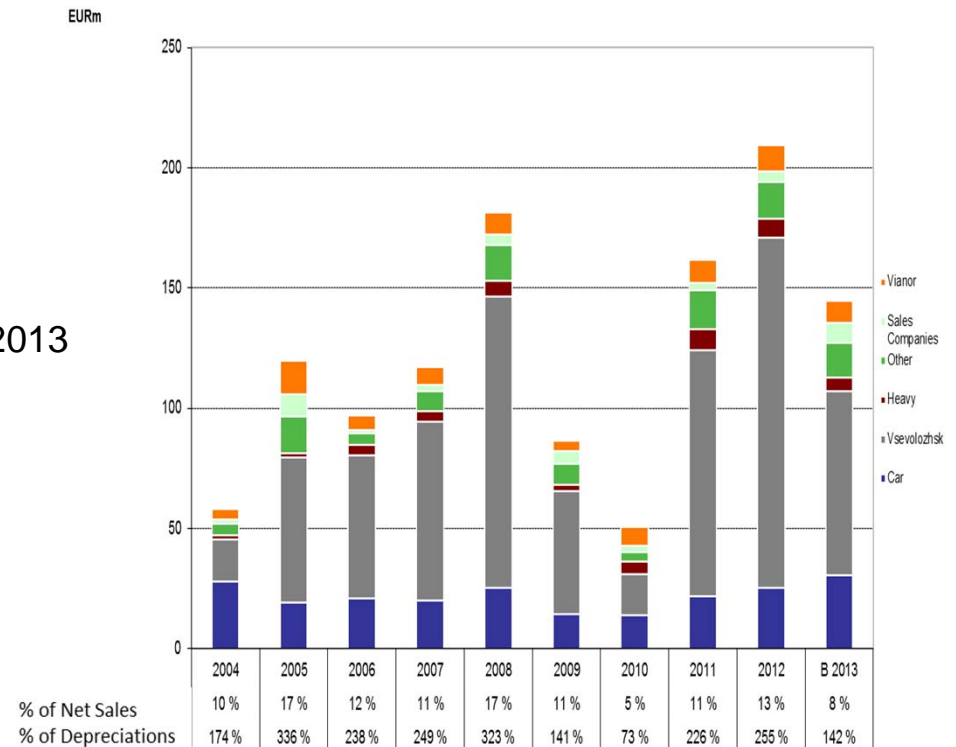
### Russia

- Capacity ramp-up and investments
  - 11 lines in production
  - Line 12 started production in March 2013
  - Line 13 installation in 2013
  - Hakkapeliitta Village 2<sup>nd</sup> stage completed 2013

### Estimated investment for 2013

- Approximately 144 m€
  - Russia: 83 m€
  - Nokia plant 44 m€ (automation & moulds & ICT & R&D)
  - Heavy Tyres 6 m€
  - Sales companies and Vianor 11 m€

### Nokian Tyres Capital expenditures (m€)



## PRODUCTION PLANTS

*Production capacity in 2013: 18 million tyres*

*Potential to increase output by 50% by 2014*



### 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:

- Car tyres to 5-day shift system at the end of Q2
- Further temporary production cuts in Q4

#### 2013:

- Temporary production cuts in Q1



### 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 to be completed in 2013



## NOKIAN TYRES GOING FORWARD

*Outlook for 2013: Full year sales to improve with weaker H1*

### Assumptions

- Core markets growing slowly
  - GDP growth Russia 2.7%, Nordic 1%
  - In Russia uncertainty increased, car sales up 2-5%
  - Currencies on Nokian core markets to be stable
- Price pressure may affect ASP
- Raw material cost (€/kg) estimations
  - Cost to decrease by 6.8% in H1/2013 vs. H1/2012
  - Cost to decrease by 6% in 2013 vs. 2012
- Passenger car tyre operation environment
  - Demand in core markets flat compared to 2012
  - Demand improving for winter tyres in long term; legislation in Europe
- Heavy tyre market demand
  - Demand in 2013 flat vs. 2012
- Nokian Tyres financial position remains solid
  - No major loans due for payment in 2013
  - Equity ratio 71.2% at the end of Q1/2013
  - Undrawn facilities available

### Outlook: Some growth in a challenging market

- Sales in Russia and N-America to grow in 2013, Nordic and CE flat
- Pricing environment 2013 challenging for all tyre categories
- Raw material cost (€/kg) down 6.8% in H1/2013 yoy and 6% full year 2013. Tailwind some 30 m€ in 2013.
- New Hakkapeliitta range supports winter tyre sales and ASP
- Capacity ramp-up in Russia proceeds
  - Line 12 on stream in March 2013, line 13 installed in 2013
  - Inbuilt capability to increase output by 50%
- Profitability supported by improved cost structure and productivity on the back of increasing share of Russian production

### Year 2013 guidance:

- In 2013, the company is positioned to show some growth in Net sales and Operating profit compared to 2012. On the back of Q1 results, Net Sales and Operating profit in H1 are, however, still going to be weaker than in 2012.



## INSTRUCTIONS TO CONFERENCE CALL ATTENDEES

Please press  and  to inform the operator that you have a question to the speaker.

## INDEX

1. General overview of 1-3/2013
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  - Competitor comparison
  - Magazine test results
  - Winter tyre legislation in Europe
  - Personnel
  - Financing: Loans and Net Financial Expenses
  - Tables of financial figures





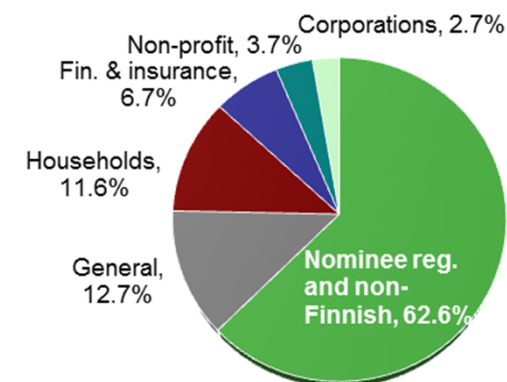
## APPENDIX

### Major shareholders as of 31 March, 2013

		Number of Shares	Share of Capital (%)	Change from previous month
<b>Major Domestic Shareholders</b>				
1	Varma Mutual Pension Insurance Company	9 000 000	6.80	0
2	Ilmarinen Mutual Pension Insurance Company	2 884 947	2.18	-150 000
3	The State Pension Fund	1 565 000	1.18	0
4	OP Investment Funds	1 458 208	1.10	-726 792
5	Nordea	1 389 156	1.05	85 772
6	Tapiola Mutual Pension Insurance Company	1 100 000	0.83	0
7	Mandatum Life Insurance Company Limited	911 505	0.69	0
8	Etera Mutual Pension Insurance Company	742 632	0.56	278 195
9	Schweizer Nationalbank	689 154	0.52	32 102
10	Svenska litteratursällskapet i Finland r.f.	689 100	0.52	50 000
<b>Major Domestic Shareholders total</b>		<b>20 429 702</b>	<b>15.43</b>	
Foreign Shareholders <sup>1)</sup>		82 859 506	62.60	
Bridgestone Europe NV/SA <sup>2)</sup>		20 000 000	15.11	

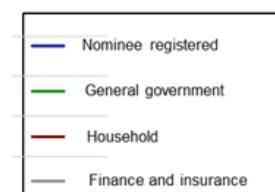
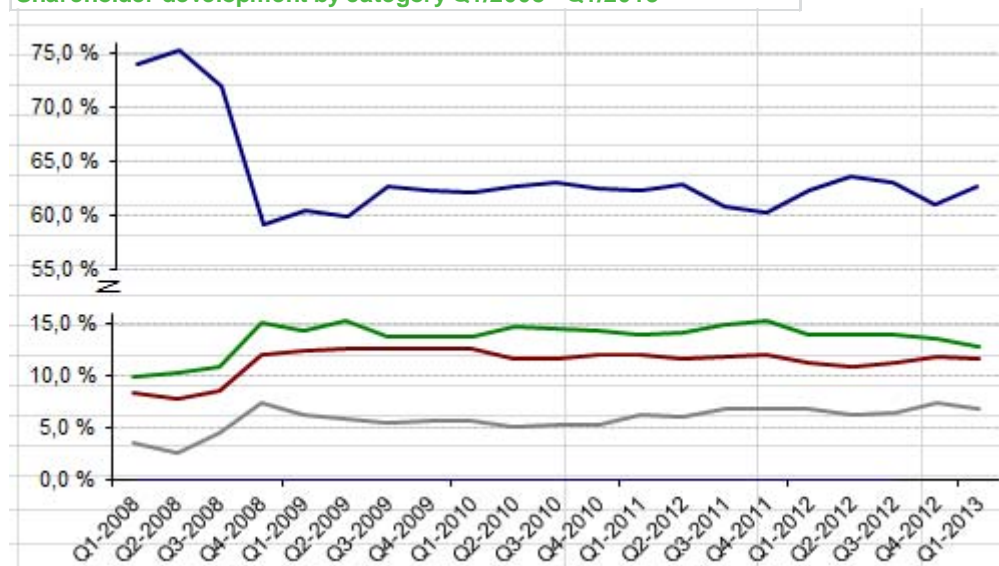
1) Includes also shares registered in the name of a nominee; 2) In the name of a nominee.

Division by Category as of 31 March, 2013



Total number of shares: 132,321,930

Shareholder development by category Q1/2008 - Q1/2013



Note: Options, outstanding (31 March, 2013)

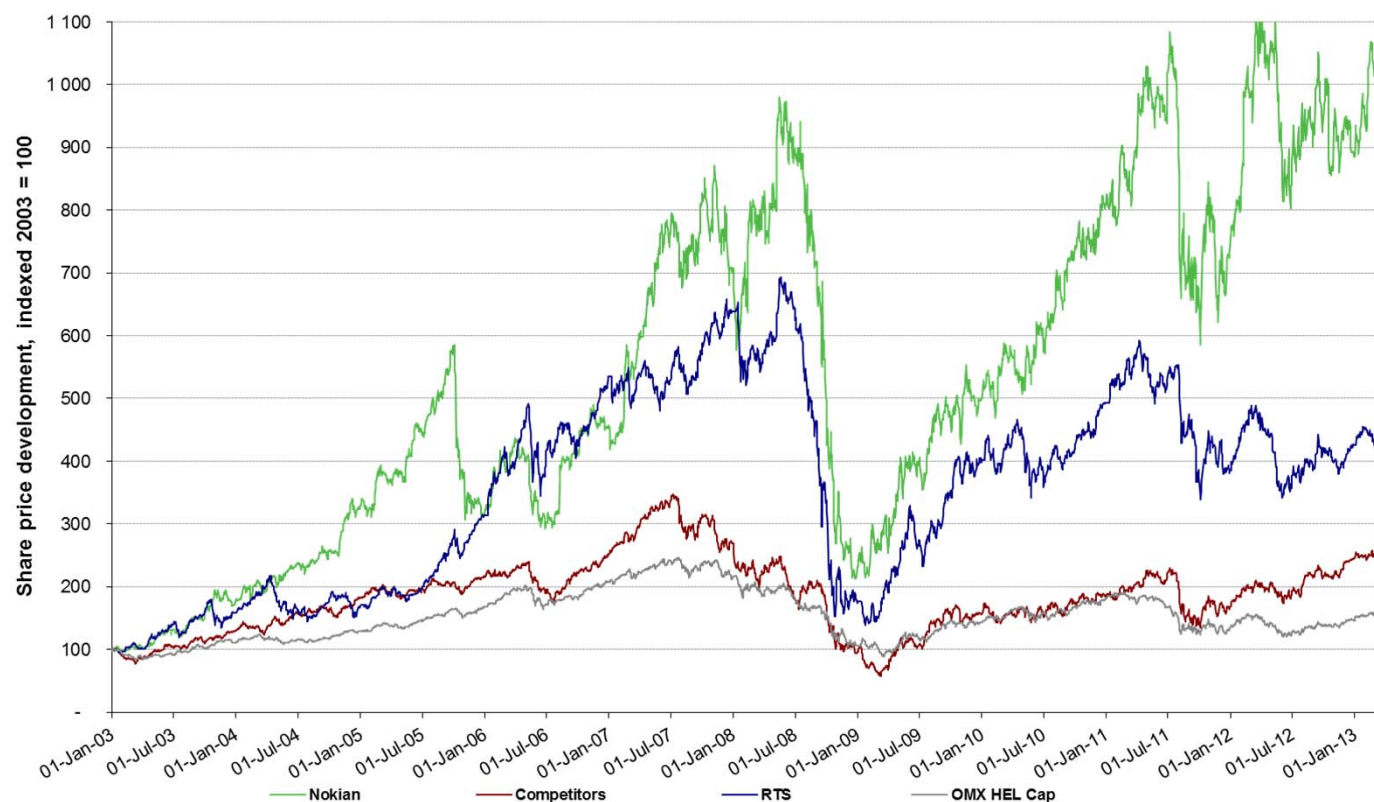
2010A: 1,070,258 (77,689 in company's possession)

2010B: 1,340,000 (132,720 in company's possession)

2010C: 1,340,000 (104,420 in company's possession)

## APPENDIX

### Comparing share price development to main indexes 1/2003 - 3/2013



**Nokian Tyres, +921%**

**RTS, +307%**

**Competitors, +157% <sup>1)</sup>**

**OMX HEL Cap, +54%**

Source: Thomson Reuters, as of 19 Apr 2013. The composite consists of an indexed average values of the main peers of Nokian Tyres.

#### Nokian Tyres

by Mar-31-2012

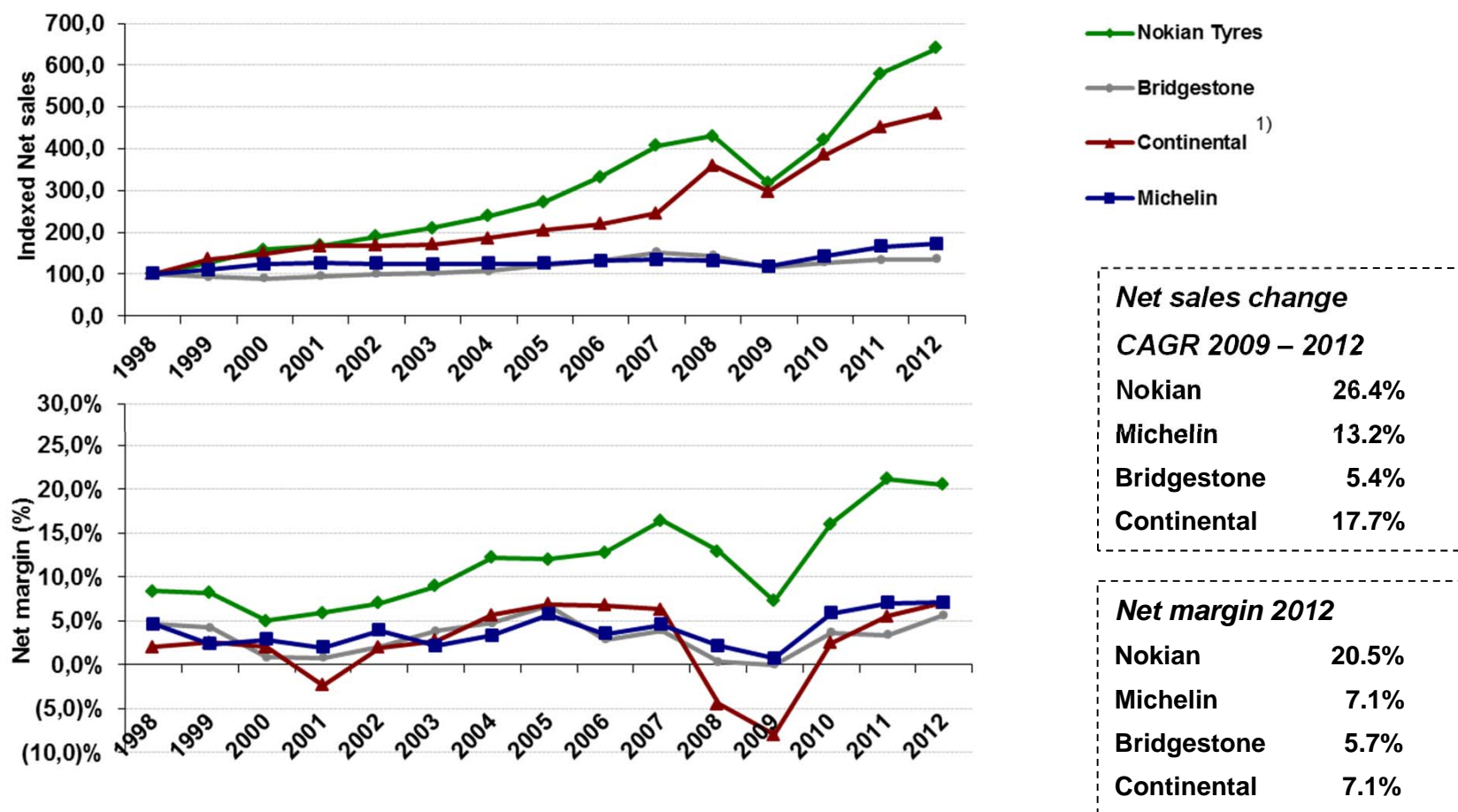
	Last 10 years	Last 5 years	Last 3 years	LTM	L6M	L3M	Last month
High	37,88	37,88	37,88	37,88	36,31	36,31	36,26
Average	18,83	24,03	28,63	32,48	32,52	33,77	35,21
Low	3,47	7,23	17,24	27,27	29,09	30,10	34,50

## APPENDIX

### Competitor comparison 1998-2012

#### Nokian Tyres 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 15 years. The clearly better profitability protects the company profits during recessions and potential downturns.*















Source: Results 1998-2012 (company websites) 19 Apr 2013.

## APPENDIX - *Test wins autumn 2012* 1(2)







Autumn 2012	Magazine	Position	Comments
<b>CENTRAL EUROPE</b>			
	Auto Motor und Sport (21/2012, Germany)	<b>1<sup>st</sup> place</b> Nokian WR D3 205/55R16 "BESTER im Test"	Exceptional performance on snow. Well balanced handling properties.
	AutoBild (43/2012, Germany)	<b>Shared 1<sup>st</sup> place</b> Nokian WR A3 225/40 R18 "Vorbildlich"	Exemplary handling properties on snowy, wet and dry road. Precise steering response. Low fuel consumption.
	ADAC (10/2012, Germany)	„Good“ Nokian WR D3 205/55R16 „Gut“	Well balanced tyre, good on snow.
	Stiftung Warentest (10/2012, Germany)	„Good“ Nokian WR D3 205/55R16 „Gut“	Well balanced tyre, good on snow.
	ÖAMTC (10/2012, Austria)	„Especially recommendable“ Nokian WR D3 205/55R16 „Sehr Empfehlenswert“	Well balanced tyre, good on snow.
	TCS (10/2012, Switzerland)	„Especially recommendable“ Nokian WR D3 205/55R16 „Sehr Empfehlenswert“	Well balanced tyre, good on snow.
	AUTO Strassenverkehr (2012, Germany)	<b>1<sup>st</sup> place</b> Nokian WR D3 205/55R16	Outstanding performance on snow, short braking distance on dry, balanced handling properties.
	Firmenauto (22/2012, Germany)	<b>1<sup>st</sup> place</b> Nokian WR D3 205/55R16	Excellent performance on snow, short braking distance on dry surface. Well balanced handling
<b>FINLAND</b>			
	Tekniikan Maailma (17/2012)	<b>Shared 1<sup>st</sup> place</b> Nokian Hakkapeliitta 7 205/55R16	Optimum driving properties for winter. Excellent grip.
	Tekniikan Maailma (17/2012)	<b>1<sup>st</sup> place</b> Nokian Hakkapeliitta R 205/55R16	Very good ice and snow grip. Silent and easy to drive. Lowest rolling resistance.
	Tuulilasi (13/2012)	<b>1<sup>st</sup> place</b> Nokian Hakkapeliitta 7 205/55R16	Very good and balanced driving properties in all conditions.
	Tuulilasi (14/2012)	<b>1<sup>st</sup> place</b> Nokian Hakkapeliitta R 205/55 R16	Excellent grip on ice. Well balanced driving properties. Lowest rolling resistance.





## APPENDIX - *Test wins autumn 2012* 2(2)

Autumn 2012	Magazine	Position	Comments
SWEDEN			
	Vi Bilägare (13/2012)	1 <sup>st</sup> place Nokian Hakkapeliitta R 205/55R16 "Testvinnare"	Excellent properties on snow, slush, wet and dry roads. Very low rolling resistance.
	Vi Bilägare (14/2012)	1 <sup>st</sup> place Nokian Hakkapeliitta 7 205/55R16	Excellent grip on ice, snow and slush. Balanced and safe on the extreme situations on dry conditions.
	Auto, Motor & Sport (21/2012)	Shared 1 <sup>st</sup> place Nokian Hakkapeliitta 7 205/55R16	Excellent grip on ice and snow. Easy to handle in challenging driving situations.
	Auto, Motor & Sport (21/2012)	1 <sup>st</sup> place Nokian Hakkapeliitta R 205/55R16	Very good performance on ice and snow. Well balanced handling properties.
	Auto, Motor & Sport (22/2012)	1 <sup>st</sup> place Nokian WR D3 205/55R16	Exceptional on snow. Best braking result on dry asphalt and well balanced handling properties.
	Aftonbladet BIL (7/2012)	Shared 1 <sup>st</sup> place Nokian WR D3 205/55R16	Very good on snow and even moderate grip on ice. Excellent grip and handling on dry surfaces. Low rolling resistance.
	Aftonbladet BIL (7/2012)	Shared 1 <sup>st</sup> place Nokian Hakkapeliitta 7 205/55R16	Excellent performance on all surfaces and balanced handling, test group's favourite.






NORWAY			
	Motor (7/2012)	Shared 1 <sup>st</sup> place Nokian Hakkapeliitta 7 205/55R16	Optimum driving properties for winter. Good grip, stability and the predictable behaviour in extreme driving situations.
	Motor (7/2012)	1 <sup>st</sup> place Nokian Hakkapeliitta R 205/55R16	Good ice and snow grip. Safe driving properties.
	Auto, Motor og Sport (11/2012)	1 <sup>st</sup> place Nokian Hakkapeliitta R 205/55 R16	Very good performance on ice and snow. Well balanced handling properties.
	Auto, Motor og Sport (11/2012)	Shared 1 <sup>st</sup> place Nokian Hakkapeliitta 7 205/55 R16	Excellent grip on ice and snow. Easy to handle in challenging driving situations.
RUSSIA			
	Za Rulem (10/2012)	1 <sup>st</sup> place Nokian Hakkapeliitta 7 205/55R16	Best longitudinal grip properties on snow and ice.
	Za Rulem (10/2012)	Shared 1 <sup>st</sup> place Nokian Hakkapeliitta R 195/65R15	Best grip properties on ice. Lowest fuel consumption.
	Za Rulem (9/2012)	1 <sup>st</sup> place Nokian Hakkapeliitta 7 175/65R14	Excellent properties on snow, well balanced, excellent grip.
	AutoReview (18/2012)	1 <sup>st</sup> place Nokian Hakkapeliitta 7 215/55R17	Excellent grip and handling on ice and snow. Very good braking properties on wet roads.
	AutoReview (19/2012)	Shared 1 <sup>st</sup> place Nokian Hakkapeliitta 7 205/55R16	Optimum driving properties for winter. Excellent grip.
	AutoReview (19/2012)	1 <sup>st</sup> place Nokian Hakkapeliitta R 205/55R16	Very good ice and snow grip. Silent and easy to drive. Lowest rolling resistance.
UKRAINE			
	Auto Centre (41/2012)	1 <sup>st</sup> place Nokian Hakkapeliitta R 195/65R15	Good grip on ice. Precise and easy to handle on snow. High performance also on wet and dry asphalt.
	Auto Centre (42/2012)	1 <sup>st</sup> place Nokian Hakkapeliitta 7 185/65R14	Logical and well balanced handling properties. Perfect grip on ice and snow.






Spring 2013	Magazine	Position	Comments
CENTRAL EUROPE			
	Auto Bild 9/2013 Germany	1 <sup>st</sup> place shared "Exemplary" Nokian Line 195/65R15	Well-balanced premium tyre with outstanding braking abilities, low rolling noise, good comfort.
	auto TEST 4/2013 Germany	„auto TEST test winner 2013“ Nokian Line 195/65R15 V	Well-balanced premium tyre with outstanding braking abilities, low rolling noise, good comfort.
	ADAC 3/2013 Germany	„Good“ Nokian Line 185/60R15	Very well-balanced tyre, good on wet surfaces, relatively low fuel consumption.
	Stiftung Warentest 3/2013 Germany	„Good“ Nokian Line 185/60R15	Good for wet surface, dry surface, wear resistance, fuel consumption.
	Auto Motor und Sport 6/2013 Germany	„Especially recommended“ 2 <sup>nd</sup> place Nokian Line 205/55R16 V	Very good traction, harmonious driving behaviour, excellent braking.
	AUTO 8/2013 Germany	„Especially recommended“ 2 <sup>nd</sup> place Nokian Line 205/55R16 V	Very good traction, harmonious driving behaviour, excellent braking.

Spring 2013	Magazine	Position	Comments
CENTRAL EUROPE			
	gute Fahrt 3/2013 Germany	„Very good -“ gute Fahrt recommendation Nokian Line 205/55R16 V	Great on wet surfaces, handling and braking „Very good“; on dry surfaces good stability and steering reaction. Good comfort, too.
	Firmenauto 4/2013 Germany	„especially recommended“ 2 <sup>nd</sup> place Nokian Line 205/55R16 V	Very good traction, harmonious driving behaviour, excellent braking.
	ÖAMTC 3/2013 Austria	„Highly recommended“ Nokian Line 185/60R15	Very good fuel consumption, good on dry surfaces and in the wet.
	TCS 3/2013 Switzerland	„Highly recommended“ Nokian Line 185/60R15	Very balanced tyre, good in all safety relevant disciplines.
	Konsument 3/2013 Austria	„GUT“ Nokian Line 185/60 R15	Good for wet roads, dry roads, wear-resistance, fuel consumption.

## APPENDIX - Test wins spring 2013 2(2)

Spring 2013	Magazine	Position	Comments
<b>RUSSIA</b>			
	Za Rulem 3/2013 Russia	Testwinner Nokian Hakka Green 185/60R14	Best braking properties on wet road. Excellent handling properties and steering accuracy. Economical and low noise level.
	Za Rulem 4/2013 Russia	Testwinner Nokian Hakka SUV 215/65R16	Very good grip properties both on wet and dry road surfaces. Stable and safe driving properties on all weather conditions. Low fuel consumption.
<b>FINLAND</b>			
	Tuulilasi 4/2013 Finland	1 <sup>st</sup> place shared Nokian Hakka Blue 205/55R16	Best handling properties both on dry and wet surfaces. Magnificent driving comfort. Easy to drive in all conditions.
	Tekniikan Maailma 5/2013 Finland	2nd place Nokian Hakka Blue 205/55R16	Excellent handling properties on wet road. Ranked best on dry surface. Comfortable and silent.
<b>SWEDEN</b>			
	Aftonbladet BIL 3/2013 Sweden	2nd place shared Nokian Hakka Blue 205/55R16	Best handling properties both in dry and wet surfaces. Silent and very good driving comfort.

Spring 2013	Magazine	Position	Comments
<b>NORWAY</b>			
	NAF/Motor 2/2013 Norway	2nd place shared Nokian Hakka Blue 205/55R16	Best handling properties both in dry and wet surfaces. Excellent in extreme situations.
<b>UKRAINE</b>			
	Auto Centre 12/2013 Ukraine	Testwinner Nokian Hakka Green 195/65R15	Best handling properties both on dry and wet surfaces. Top level grip properties both wet and dry conditions. Best rolling resistance.
	Auto Centre 13/2013 Ukraine	Testwinner Nokian Hakka SUV 215/65R16	Highly recommended. Clear number one on all wet condition tests. Extremely good grip properties on wet and dry conditions. Safe and accurate driving properties on all road surfaces.



## APPENDIX

### *Winter tyre legislation in Europe*

	Austria	Bosnia Herzegovina	Croatia	Czech Republic	Estonia	Finland	France	Germany	Latvia	Lithuania	Norway	Romania	Serbia	Slovakia	Slovenia	Spain	Sweden	Switzerland
Winter tyres are legally mandatory		●			●	●			●	●		●	●	●	●		●	
Winter tyres are mandatory <u>if</u> weather conditions so require	●		●					●			●							
Winter tyres are mandatory <u>only</u> if there is a specific road sign				●			●									●		●

Source: Nokian Tyres 4/2013

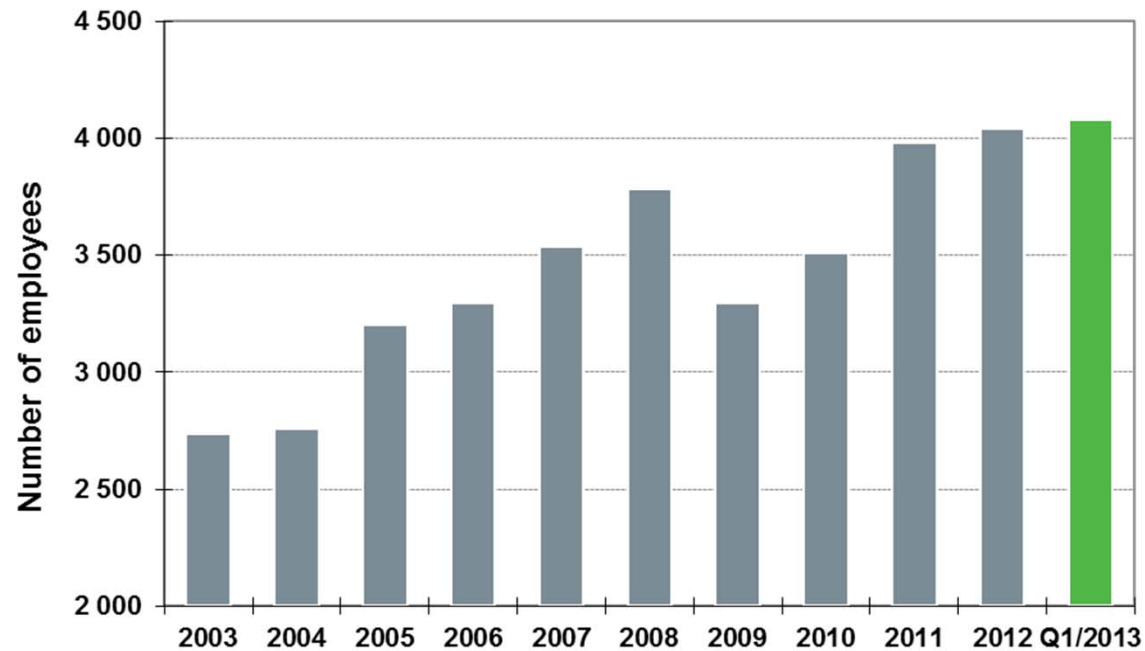


## APPENDIX

### *Personnel 31 March, 2013*

Personnel at the end of the review period: 4,080 (3,972)

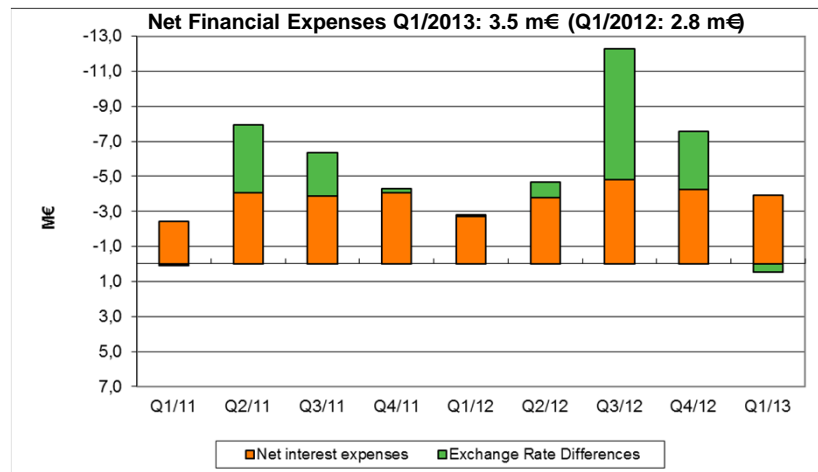
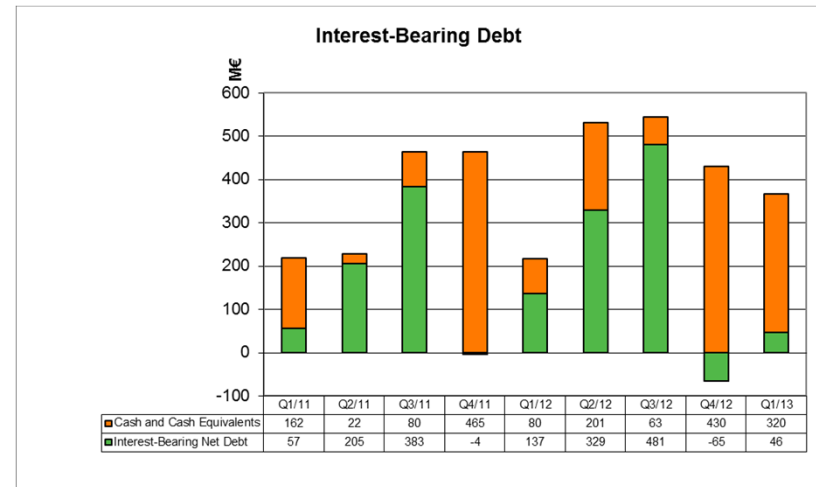
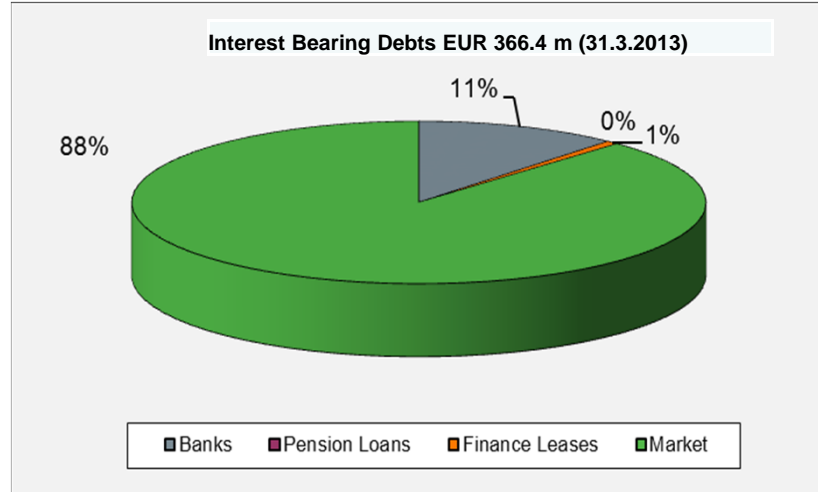
- Equity-owned Vianor: 1,408 (1,343)
- Russia: 1,269 (1,074)





## APPENDIX

### Financing: Loans on 31 March, 2013 and Net Financial Expense





## APPENDIX - Consolidated Income Statement

Million euros		1-3/13	1-3/12	1-12/12		Change %
Net sales		333.1	384.3	1,612.4		-13.3
Cost of sales		-184.9	-207.3	-900.7		10.8
Gross profit		148.2	177.0	711.7		-16.3
Other operating income		1.2	0.4	1.9		168.4
Selling and marketing expenses		-59.1	-55.0	-238.5		-7.4
Administration expenses		-9.0	-8.4	-34.7		-8.0
Other operating expenses		-4.9	-9.0	-25.4		45.2
Operating profit		76.3	105.0	415.0		-27.3
Financial income		18.4	37.1	89.8		-50.4
Financial expenses		-21.8	-39.9	-117.1		45.2
Profit before tax		72.9	102.2	387.7		-28.7
Tax expense (1)		-9.2	-14.7	-56.8		36.9
<b>Profit for the period</b>		<b>63.6</b>	<b>87.6</b>	<b>330.9</b>		<b>-27.4</b>
Attributable to:						
Equity holders of the parent		63.6	87.6	330.9		
Non-controlling interest		0.0	0.0	0.0		
Earnings per share from the profit attributable to equity holders of the parent						
basic, euros		0.48	0.67	2.52		-28.5
diluted, euros		0.47	0.65	2.46		-27.7
1)Tax expense in the consolidated income statement is based on the taxable result for the period.						



## APPENDIX - Consolidated Other Comprehensive Income

Million euros		1-3/13	1-3/12	1-12/12
Profit for the period		63.6	87.6	330.9
Other comprehensive income, net of tax:				
Gains/Losses from hedge of net investments in foreign operations		-4.9	-9.4	-13.4
Cash flow hedges		-0.2	0.3	0.5
Translation differences on foreign operations		13.1	45.4	33.9
Total other comprehensive income for the period, net of tax		7.9	36.2	21.0
Total comprehensive income for the period		71.5	123.8	351.9
Total comprehensive income attributable to:				
Equity holders of the parent		71.6	123.8	351.9
Non-controlling interest		0.0	0.0	0.1



## APPENDIX - *Key Ratios*

KEY RATIOS		31.3.13	31.3.12	31.12.12		Change %
Equity ratio, %		71.2	74.3	71.2		
Gearing, %		3.1	10.3	-4.5		
Equity per share, euro		11.46	10.19	10.89		-6.4
Interest-bearing net debt,						
mill. euros		46.3	137.3	-65.2		
Capital expenditure,						
mill. euros		47.6	39.1	209.2		
Depreciation, mill. euros		23.9	19.7	81.9		
Personnel, average		4,030	3,937	4,083		
Number of shares (million units)						
at the end of period		132.32	130.50	131.96		
in average		132.12	130.00	131.24		
in average, diluted		137.92	136.61	137.39		

## APPENDIX: Consolidated Statement Of Financial Position

Million euros	31.3.13	31.3.12	31.12.12
Non-current assets			
Property, plant and equipment	723.3	602.7	692.5
Goodwill	69.1	64.3	67.9
Other intangible assets	26.2	22.8	26.4
Investments in associates	0.1	0.1	0.1
Available-for-sale			
financial assets	0.3	0.3	0.3
Other receivables	16.6	19.9	18.2
Deferred tax assets	10.4	7.4	5.4
Total non-current assets	846.0	717.5	810.8
Current assets			
Inventories	346.4	385.1	314.9
Trade receivables	519.2	509.2	375.7
Other receivables	103.5	98.5	88.0
Cash and cash equivalents	320.1	79.7	430.3
Total current assets	1,289.2	1,072.5	1,208.9
Equity			
Share capital	25.4	25.4	25.4
Share premium	181.4	181.4	181.4
Translation reserve	-52.9	-45.5	-61.0
Fair value and hedging reserves	-1.7	-1.8	-1.5
Paid-up unrestricted equity reserve	84.1	53.4	79.3
Retained earnings	1,279.8	1,117.5	1,213.2
Non-controlling interest	0.3	0.2	0.3
Total equity	1,516.5	1,330.6	1,437.2
Non-current liabilities			
Deferred tax liabilities	41.6	21.7	34.9
Provisions	0.1	0.1	0.1
Interest bearing financial liabilities	325.2	210.8	323.1
Other liabilities	4.2	2.5	3.5
Total non-current liabilities	371.1	235.1	361.7
Current liabilities			
Trade payables	96.8	108.6	75.5
Other current payables	104.8	108.3	99.0
Provisions	4.8	1.4	4.3
Interest-bearing financial liabilities	41.2	6.1	42.0
Total current liabilities	247.5	224.4	220.8
Total assets	2,135.1	1,790.0	2,019.6

## APPENDIX: Consolidated Statement Of Cash Flows

Million euros		1-3/13	1-3/12	1-12/12
Cash flows from operating activities:				
Cash generated from				
operations		-46.3	-69.8	486.6
Financial items and taxes		-21.7	-45.7	-97.9
Net cash from operating				
activities		-68.0	-115.5	388.7
Cash flows from investing activities:				
Net cash used in investing				
activities		-46.2	-37.8	-203.4
Cash flows from financing activities:				
Proceeds from issue of share				
capital		4.8	17.9	43.9
Change in current financial				
receivables and debt		-2.2	-247.3	-233.7
Change in non-current financial				
receivables and debt		1.0	-2.6	126.5
Dividends paid		0.0	0.0	-156.6
Net cash from financing				
activities		3.6	-232.0	-219.9
Net change in cash and cash				
equivalents		-110.6	-385.2	-34.5
Cash and cash equivalents at				
the beginning of the period		430.3	464.5	464.5
Effect of exchange rate changes		0.3	0.4	0.3
Cash and cash equivalents at				
the end of the period		320.1	79.7	430.3
		-110.6	-385.2	-34.5



## APPENDIX: Consolidated Statement Of Changes In Equity

			Equity attributable to equity holders of the parent						
Million euros		A	B	C	D	E	F	G	H
Equity, Jan 1st 2012		25.4	181.4	-81.5	-2.0	35.4	1,027.2	0.3	1,186.1
Profit for the period							87.6	0.0	87.6
Other comprehensive income, net of tax:									
Cash flow hedges					0.3				0.3
Net investment hedge				-9.4					-9.4
Translation differences				45.4				0.0	45.4
Total comprehensive income for the period				36.0	0.3		87.6	0.0	123.8
Exercised warrants						17.9			17.9
Share-based payments							2.7		2.7
Total transactions with owners for the period						17.9	2.7		20.6
Equity, Mar 31st 2012		25.4	181.4	-45.5	-1.8	53.4	1,117.5	0.2	1,330.6
Equity, Jan 1st 2013		25.4	181.4	-61.0	-1.5	79.3	1,213.2	0.3	1,437.2
Profit for the period							63.6	0.0	63.6
Other comprehensive income, net of tax:									
Cash flow hedges					-0.2				-0.2
Net investment hedge				-4.9					-4.9
Translation differences				13.1				0.0	13.1
Total comprehensive income for the period				8.2	-0.2		63.6	0.0	71.5
Exercised warrants						4.8			4.8
Share-based payments							3.0		3.0
Total transactions with owners for the period						4.8	3.0		7.8
Equity, Mar 31st 2013		25.4	181.4	-52.9	-1.7	84.1	1,279.8	0.3	1,516.5

A = Share capital  
 B = Share premium  
 C = Translation reserve  
 D = Fair value and hedging reserves  
 E = Paid-up unrestricted equity reserve  
 F = Retained earnings  
 G = Non-controlling interest  
 H = Total equity

## APPENDIX: Segment Information

Million euros		1-3/13	1-3/12	1-12/12		Change %
Net sales						
Passenger car tyres		273.7	315.9	1,220.1		-13.4
Heavy tyres		22.1	27.0	104.4		-18.1
Vianor		43.7	50.1	315.3		-12.8
Other operations		13.2	14.9	66.7		-11.4
Eliminations		-19.5	-23.5	-94.1		17.0
Total		333.1	384.3	1,612.4		-13.3
Operating result						
Passenger car tyres		92.4	118.7	410.8		-22.2
Heavy tyres		2.2	3.8	11.3		-41.3
Vianor		-15.9	-10.4	0.0		-53.1
Other operations		-2.2	-3.1	-5.5		27.5
Eliminations		-0.1	-4.0	-1.6		96.4
Total		76.3	105.0	415.0		-27.3
Operating result, % of net sales						
Passenger car tyres		33.8	37.6	33.7		
Heavy tyres		10.1	14.0	10.8		
Vianor		-36.4	-20.8	0.0		
Total		22.9	27.3	25.7		
Cash Flow II						
Passenger car tyres		-77.3	-89.4	258.4		13.6
Heavy tyres		-0.7	-9.5	8.2		92.9
Vianor		-10.5	-5.5	-1.4		-92.0
Total		-95.1	-121.3	262.3		21.7

## APPENDIX: *Contingent Liabilities*

Million euros	31.3.13	31.3.12	31.12.12
FOR OWN DEBT			
Mortgages	1.1	1.1	1.1
Pledged assets	0.2	0.1	0.2
OTHER OWN COMMITMENTS			
Guarantees	3.4	3.3	3.4
Leasing and rent commitments	84.2	93.2	84.8
Purchase commitments	2.0	3.0	3.0
DERIVATIVE FINANCIAL INSTRUMENTS			
Million euros	31.3.13	31.3.12	31.12.12
INTEREST RATE DERIVATIVES			
Interest rate swaps			
Notional amount	39.8	41.0	40.1
Fair value	-1.1	-1.5	-1.3
FOREIGN CURRENCY DERIVATIVES			
Currency forwards			
Notional amount	545.3	802.9	538.4
Fair value	-6.0	0.4	-1.3
Currency options, purchased			
Notional amount	130.5	4.5	9.5
Fair value	1.3	0.1	0.1
Currency options, written			
Notional amount	262.8	18.1	19.1
Fair value	-2.0	-0.1	-0.1
Interest rate and currency swaps			
Notional amount	20.0	-	20.0
Fair value	-0.3	-	-0.2
ELECTRICITY DERIVATIVES			
Electricity forwards			
Notional amount	13.3	16.2	13.3
Fair value	-1.9	-2.1	-1.9



## APPENDIX

### *Definitions Of Consolidated Key Financial Indicators*

**Earnings per share, euro:**

Result for the period attributable to the equity holders of the parent / Average adjusted number of shares during the period

**Earnings per share (diluted), euro:**

Result for the period attributable to the equity holders of the parent / Average adjusted and diluted number of shares during the period

- The share options affect the dilution as the average share market price for the period exceeds the defined subscription price.

**Equity ratio, %:**

$\text{Total equity} \times 100 / (\text{Total assets} - \text{advances received})$

**Gearing, %:**

$\text{Interest-bearing net debt} \times 100 / \text{Total equity}$

**Equity per share, euro:**

Equity attributable to equity holders of the parent / Adjusted number of shares on the reporting date

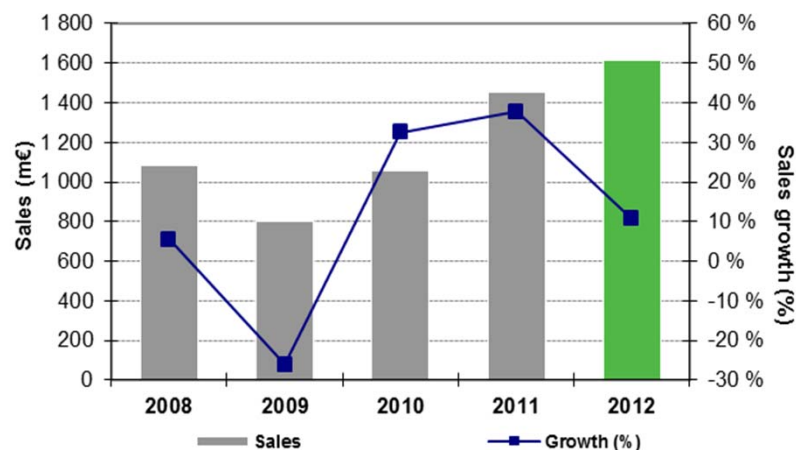
**Operating margin:**

Operating result, % of net sales

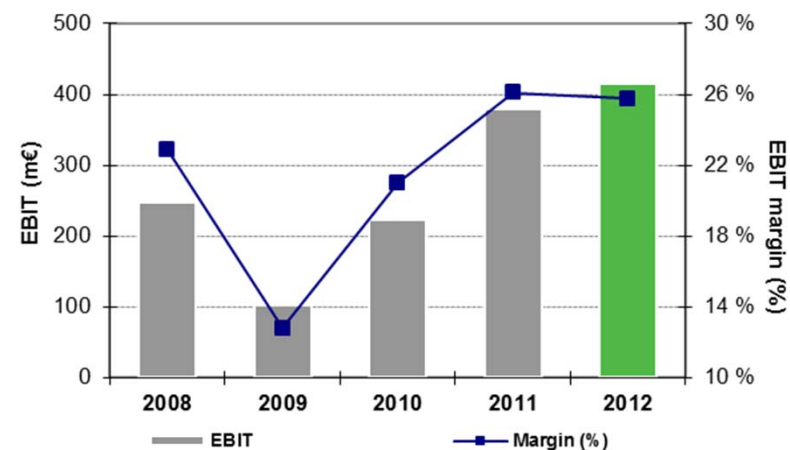
## APPENDIX

### Key figures 2008 -2012

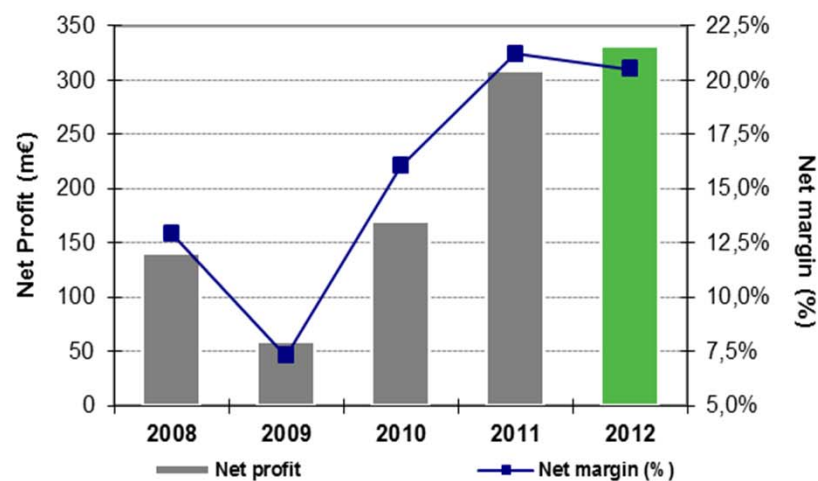
Net sales (m€) and Net sales growth (%)



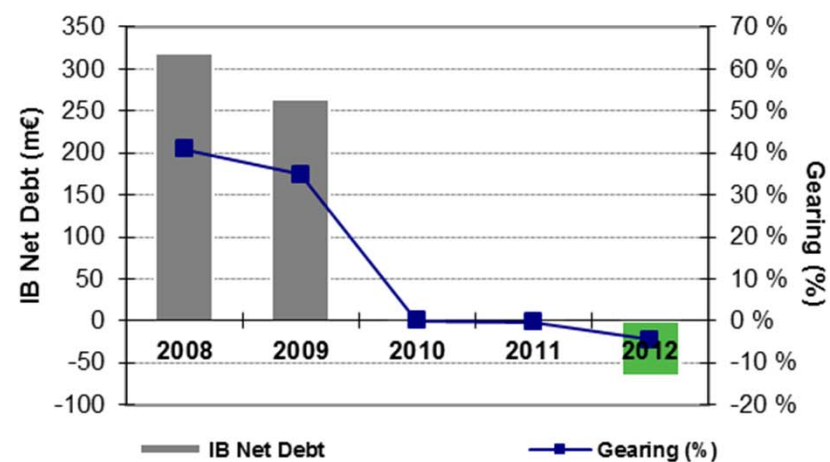
EBIT (m€) and EBIT margin (%)



Net profit (m€) and net margin (%)



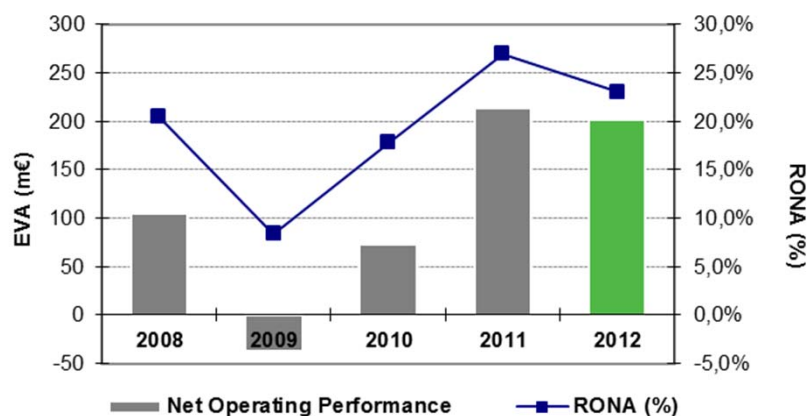
Interest bearing net debt (m€) and gearing (%)



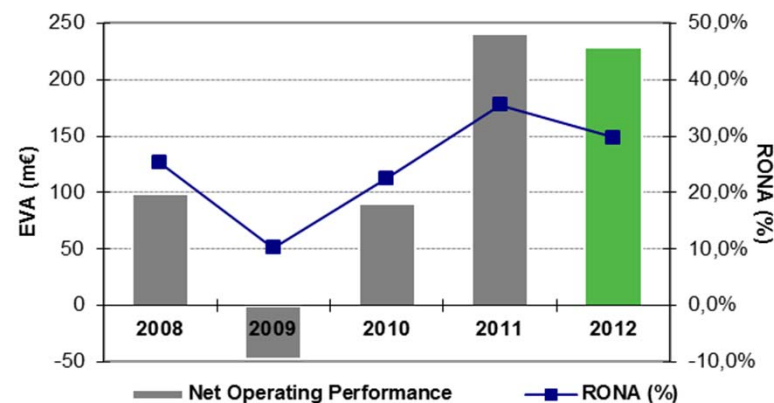
# APPENDIX

## RONA (%) and net operating performance (EVA) <sup>1)</sup> 2008-2012

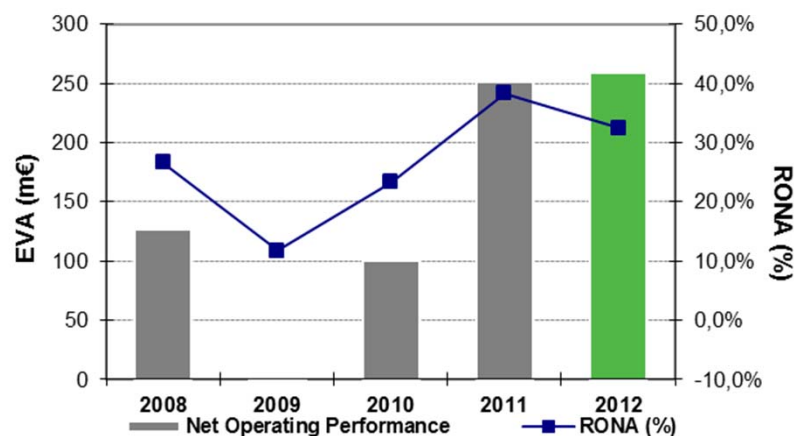
Group EVA (m€) and RONA (%)



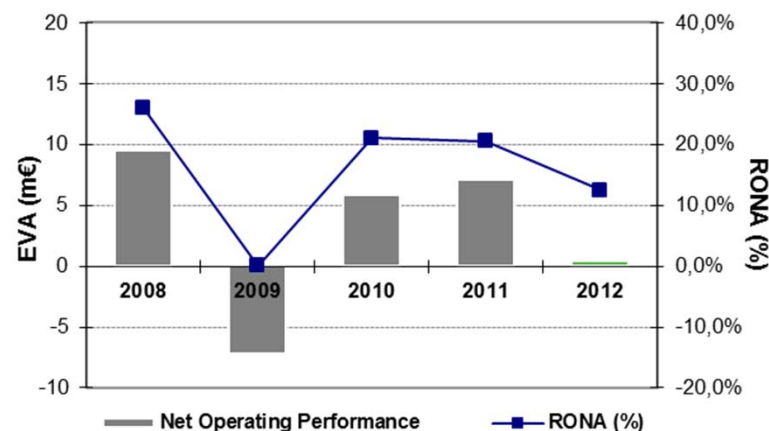
Manufacturing EVA (m€) and RONA (%)



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



Heavy Tyres EVA (m€) and RONA (%)



<sup>1)</sup> EVA is calculated based on 12% interest on capital employed

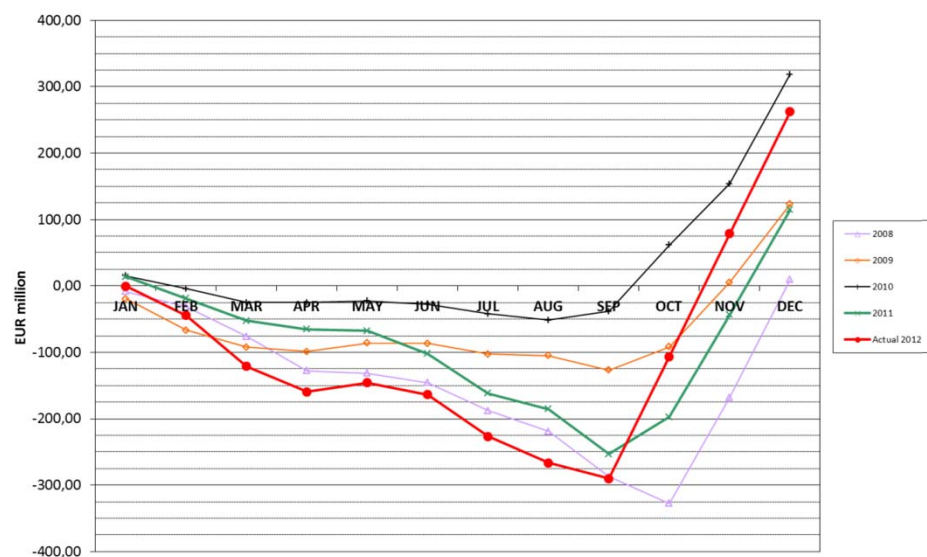


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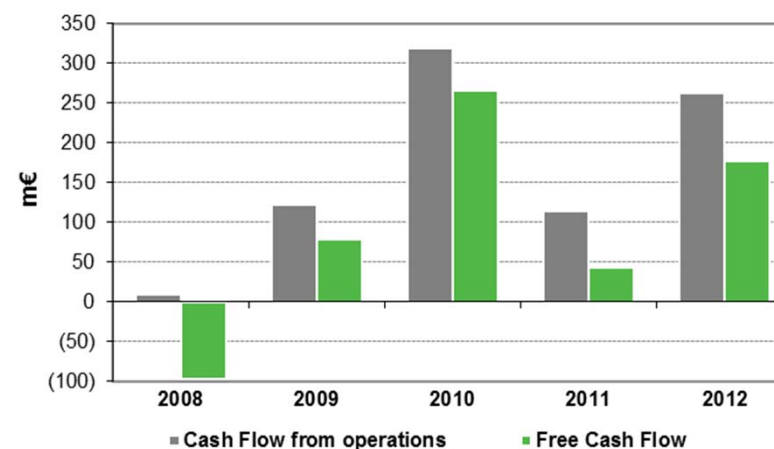
### Group Operating Cash Flow and Free Cash Flow 2008-2012

- Cash flow from operations: 262.3 m€ in 2012
  - Investments of 209.2 m€ (161.7) weakened the cash flow

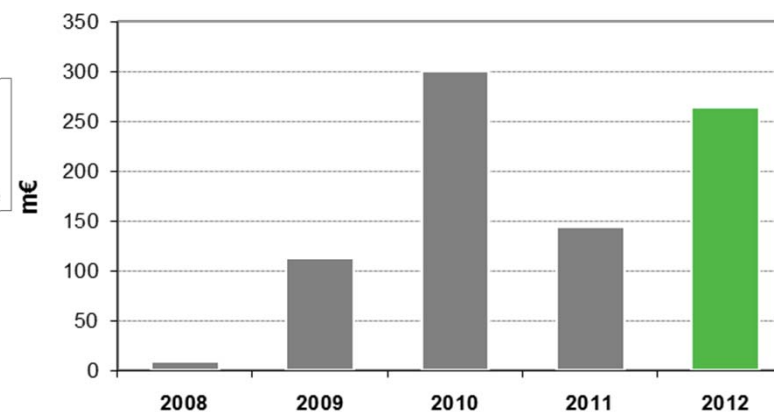
Monthly cumulative Group Cash flow from operations



Group Cash Flow From Operations and Free Cash flow



Manufacturing Cash flow from operations



**nokian<sup>®</sup>**  
**TYRES**

