



Result 2016

February 2, 2017
Interim President and CEO
Andrei Pantioukhov

Strong performance in challenging market environment.








1. General overview

2. Nokian Tyres financial performance
3. Business units
4. Nokian Tyres going forward
5. Board's proposals to AGM; dividend



Market overview 2016

Stable development in the West – Russia's situation stabilizing

	Nordics	Russia	Europe (incl. the Nordics)	North America
GDP growth (E2016)	+0.8% to +3.2%	-0.6%	+1.6%	+1.6%
New car sales	+7%	-11%	+7%	+0.6%
Car tyre* sell-in	0%	Approx. -5%	+2%	+1.4%
Heavy tyre segments **				
Currency impact			-	



*) premium and mid-segment

**) Nokian Tyres core product segments

Nokian Tyres' performance 2016

Positive development in all key markets

Sales & SOM	Nordic countries	Russia and CIS	Other Europe	North America
Net sales	+1.8%	-3.6%	+13.5%	-8.3%
Car tyre sales pcs	+-	+	+	-
Car tyre SOM	+-	+	+	+-

Profitability	
Currency effect to net sales, M€	-29.9
Car tyre ASP (€/pcs)	
Raw material cost	-5.3%
Fixed costs	
Car tyre production volume (pcs)	+5%
Car tyre productivity (kg/mh)	+3%

Distribution	Units	Increase 1-12 (pcs)
Vianor equity-owned	212	+14
Vianor total	1,501	+26
NAD + N-Tyre	1,601	+260

1. General overview
2. Nokian Tyres financial performance
 - Summary
 - Group Operating profit
 - Net sales by market area
 - Raw material cost development
 - The investment of the third factory
3. Business units
4. Nokian Tyres going forward
5. Board's proposals to AGM; dividend



Summary 2016

Net sales and profitability improved, along with the market shares

Key figures, M€	10–12/16	10–12/15	Change%	2016	2015	Change%
Net sales	460.7	422.3	9.1	1,391.2	1,360.1	2.3
Operating profit	108.5	94.8	14.4	310.5	296.0	4.9
Operating profit %	23.5	22.5		22.3	21.8	
Profit before tax	106.3	72.9	45.8	298.7	274.2	8.9
Profit for the period	91.2	-16.8	643	251.8	240.7	4.6
Earnings per share, EUR	0.67	-0.13	621	1.87	1.80	3.6
Equity ratio, %				73.8	70.8	
Cash flow from operating activities	456.9	398.9	14.6	364.4	283.4	28.6
Gearing, %				-19.7	-16.9	
Interest-bearing net debt				-287.4	-209.7	
Capital expenditure	31.1	29.0	7.2	105.6	101.7	3.8

- The fourth quarter exceeded our expectations
- Russia was the biggest contributor to the growth in sales in Q4
- Winter season started early and continued strongly
- Production volumes higher than last year
- Productivity continued to develop positively
- Raw material costs started to increase as forecasted
- Investments in 2016 amounted to 105.6 M€, 2017 estimate 190 M€

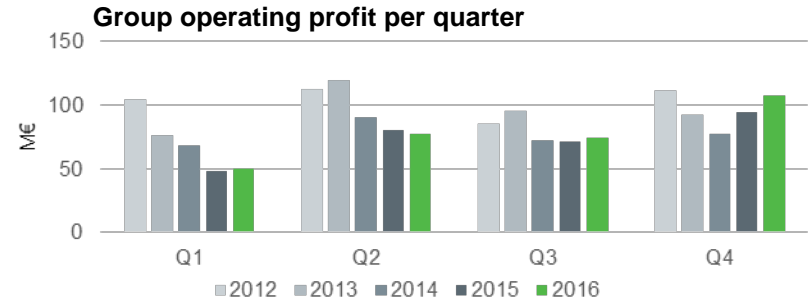
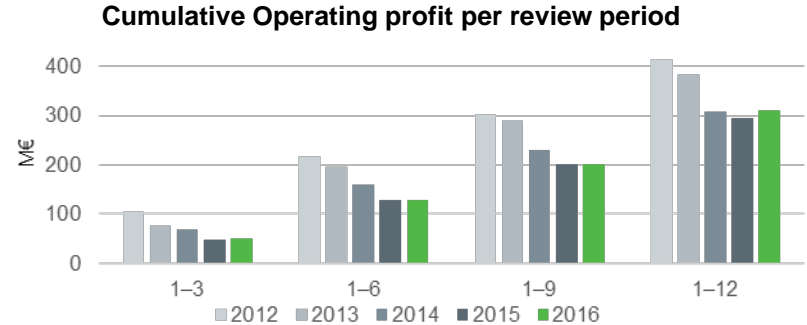
Group Operating profit per quarter 2012–2016

2016

- Net sales 1,391.2 M€ (1,360.1 M€), 2.3%
- EBIT 310.5 M€ (296.0 M€), 4.9%

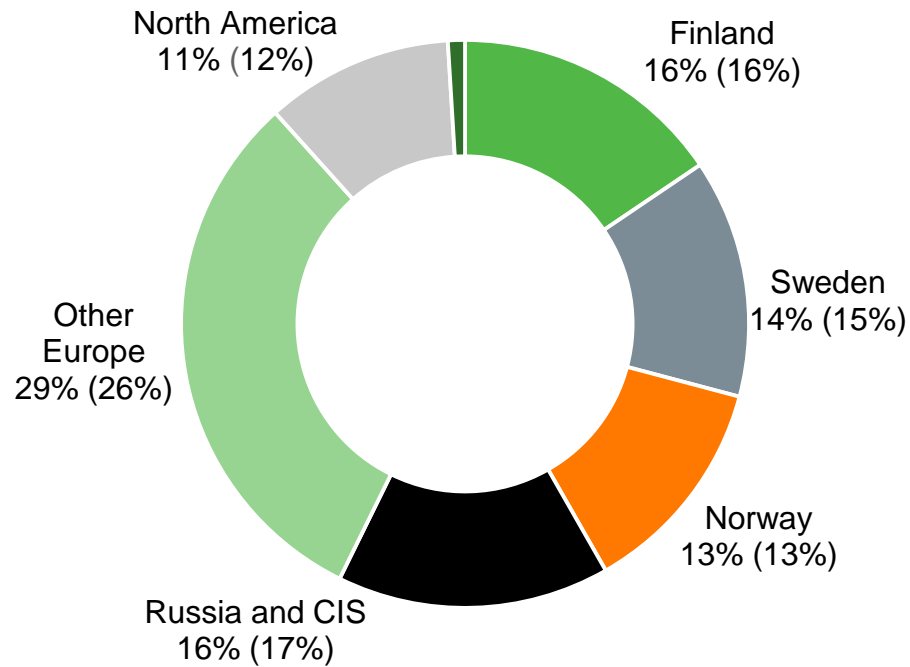
10–12/2016

- Net sales 460.7 M€ (422.3 M€), 9.1%
- EBIT 108.5 M€ (94.8 M€), 14.4%



Net sales by market area 2016

Other Europe increased further



Raw material cost development

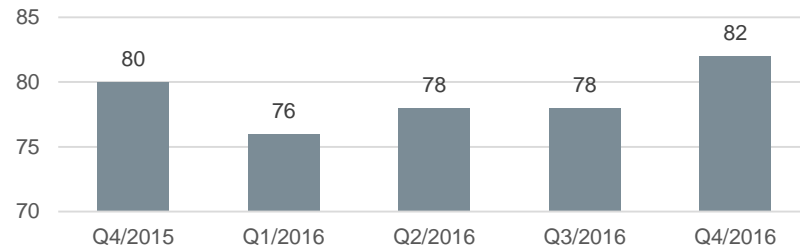
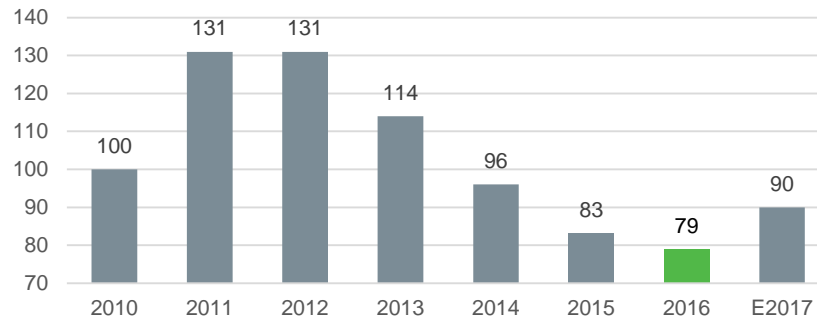
Estimated to increase in 2017

Nokian Tyres' raw material cost (€/kg)

- decreased by 5.3% in 2016 vs. 2015
- increased by 5.3% in Q4/2016 vs. Q3/2016
- is estimated to increase by approximately 15–20% in 2017 vs. 2016

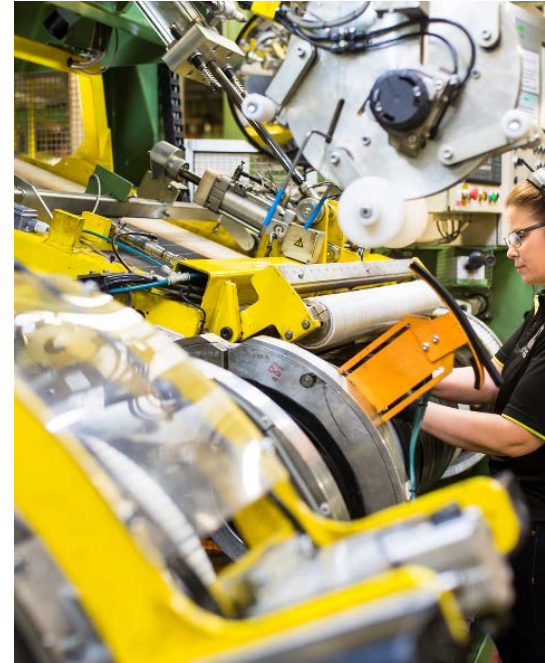
→ Estimated headwind in 2017 vs. 2016:
approximately 40–55 M€

Raw material cost development index 2010–E2017



The investment of the third factory

- The operative management has presented the initial plans regarding the third factory to the Board of Directors in December 2016.
- The matter is under further investigation.
- The decision is to be made during spring 2017.



1. General overview
2. Nokian Tyres financial performance

3. Business units

- General overview
- Passenger Car Tyres
- Heavy Tyres
- Vianor and retail network

4. Nokian Tyres going forward
5. Board's proposals to AGM; dividend



Business units 2016

Profitability remained at a good level

Passenger Car Tyres

- Net sales: 981.1 M€, +3.1%
- EBIT: 305.8 M€, +7.1%
- EBIT margin: 31.2% (30.0%)

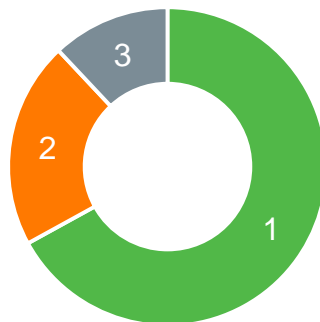
Vianor

- Net sales: 334.8 M€, +2.2%
- EBIT: -8.1 M€, -330.4%
- EBIT margin: -2.4% (-0.6%)

Heavy Tyres

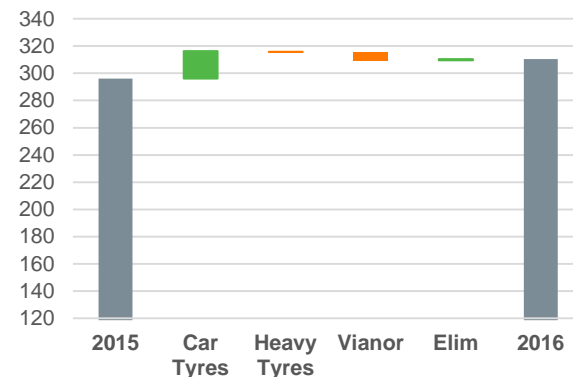
- Net sales: 155.3 M€, 0.0%
- EBIT: 28.2 M€, -1.8%
- EBIT margin: 18.2% (18.5%)

Net sales 1,391.2 M€



Business units	2016	2015
1. Passenger car tyres	67%	66%
2. Vianor	23%	23%
3. Heavy Tyres	11%	11%

EBIT 310.5 M€
EBIT Bridge by Business Units



Passenger Car Tyres

Good performance especially in Europe and Russia

Performance in 2016

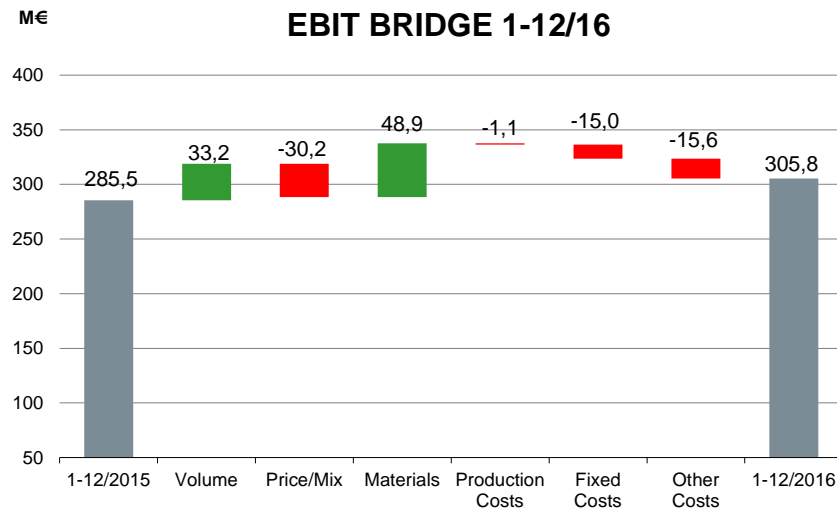
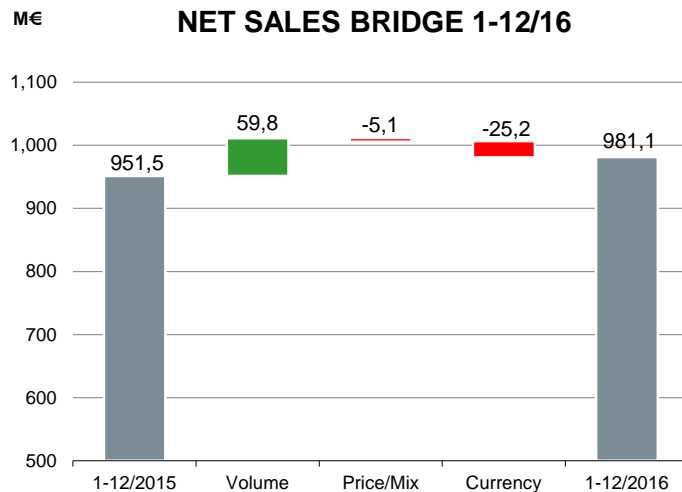
- + In Other Europe sales increased
- + Winter season was good
- + In Q4 sales increased especially in Russia
- + Summer tyre sales increased
- + Test success in products continued
- + Decreasing raw material cost supported the margins
- + Productivity improved by 3%
- ASP decreased slightly mainly due to currency impacts



	10-12/16	10-12/15	Change%	2016	2015	Change%
Net sales, M€	314.0	276.5	13.6	981.1	951.5	3.1
Operating profit, M€	94.4	80.3	17.6	305.8	285.5	7.1
Operating profit, %	30.1	29.0		31.2	30.0	

Passenger Car Tyres

Both sales and profitability improved



Passenger Car Tyres – new products

Nokian Hakkapeliitta 9 and Nokian Hakkapeliitta 9 SUV
- unique Functional Stud Concept

- New Nokian Hakkapeliitta 9 and 9 SUV premium winter tyres for Nordic countries, Russia and North America
- The unique, patented **Nokian Tyres Functional Stud Concept** is at the heart of the new products
- The different studs that operate during braking, acceleration and cornering ensure easy and comfortable driving even on the worst winter days
- The modern Nokian Hakkapeliitta 9 product range covers sizes from 14 inches to 20 inches.
- The extensive and modern selection for the flagship product will be available for the winter tyre season of autumn 2017

Extreme winter safety

Nokian Tyres Functional Stud Concept



Naturally functional - New Nokian Hakkapeliitta 9

Passenger Car Tyres – new products

Nokian Nordman 7 and Nokian Nordman 7 SUV

– simple reliability for varying winter weather

- New Nokian Nordman tyres are a reliable choice for the varying Northern conditions offering an alternative to the premium products in terms of the price to quality ratio
- The product family supplements Nokian Tyres' product range for different consumer groups
- The key markets for Nokian Nordman studded tyres are in the Nordic countries, Russia and North America
- Offers safe and comfortable winter driving
- The reliable winter grip and soft road contact are ensured by **Air Claw Technology**
- The comprehensive size selection of these new products will be available to consumers in the autumn of 2017



Simple reliability – New Nokian Nordman 7

Heavy Tyres

Investments for the future continued

Performance in 2016

- + In the Western markets, demand was moderate
- + Sales of forestry tyres were strong
- + New product sales developed well
- + The raw material cost savings supported full year profitability
- + Increased sales volumes of own production
- + Continuous investments into production technology improved productivity
- Operating profit decreased slightly due to the decreased ASP and higher level of marketing activities
- ASP decreased due to a challenging pricing environment, a bigger share of OE sales and the product mix



	10-12/16	10-12/15	Change%	2016	2015	Change%
Net sales, M€	41.7	41.8	-0.2	155.3	155.3	0.0
Operating profit, M€	7.2	6.7	7.7	28.2	28.7	-1.8
Operating profit, %	17.2	15.9		18.2	18.5	

Nokian Tyres – new products

Nokian Hakkapeliitta 44 – at home in harsh winter conditions

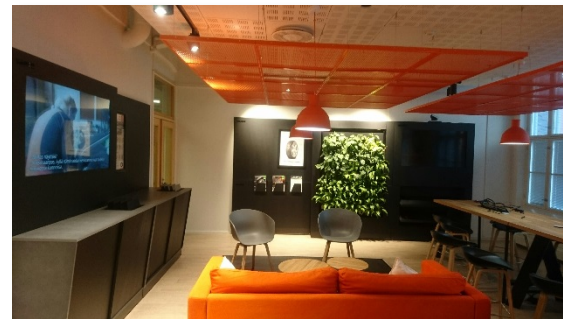
- Robust Nokian Hakkapeliitta 44 winter tyre is the newest top-of-the-line product resulting from the cooperation between Nokian Tyres and Arctic Trucks
- New Nokian Hakkapeliitta 44 is especially designed for Arctic Trucks' heavy SUV-type 4x4 vehicles and it excels in grip and durability
- Vehicles are used in the harshest environments of the world: among glaciers, Antarctica and northern part of Eurasia
- **Nokian Tyres Polar Expedition tread compound** combines first class winter grip with durability excelling in extreme cold weather
- The production of the tyre will begin in Spring 2017 and it is available exclusively through Arctic Trucks and Nokian Tyres.



New Nokian Hakkapeliitta 44

Performance in 2016

- + Net sales increased in the Nordic countries year-over-year
- + Service sales increased by 4.1%
- + Retail sales accounted for 51% of total sales
- In Q4/2016, the retail business environment was very challenging
- Profitability was below the targeted level driven by operational challenges and non-recurrent items



Year 2017

- Comprehensive profit improvement program will be launched in 2017.

Equity-owned stores (212)	10-12/16	10-12/15	Change%	2016	2015	Change%
Net sales, M€	125.0	119.4	4.6	334.8	327.6	2.2
Operating profit, M€	7.8*	11.1	-29.8	-8.1**	-1.9	-330.4
Operating profit, %	6.2*	9.3		-2.4**	-0.6	

* Excluding non-recurring items: Operating profit EUR 10.4 million, operating profit percentage 8.3%.

** Excluding non-recurring items: Operating profit EUR -4.5 million, operating profit percentage -1.3%.

Non-recurring items amounting to EUR 3.6 million include the write-off of ICT development projects.

Nokian Tyres' retail network

Vianor, NAD, N-Tyre – +286 outlets in 2016

Vianor – 1,501 stores in 27 countries

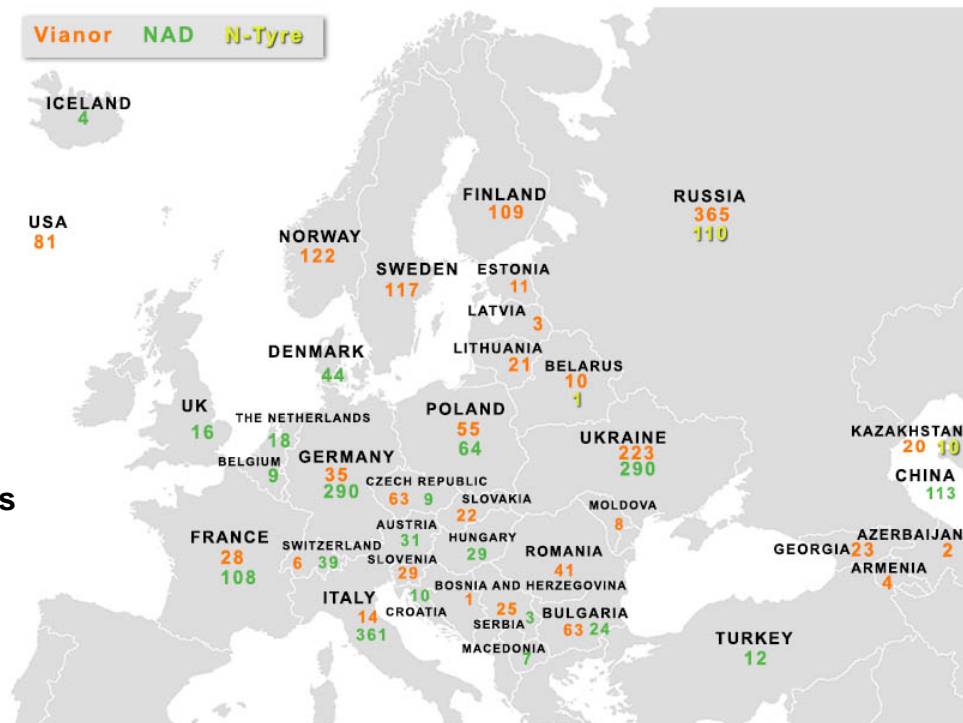
- 212 equity-owned, 1,289 partners
- Total +26 stores in 2016
- largest tyre chain in Nordic and Baltic countries:**
383 stores (+27 in 2016)
- largest tyre chain in Russia and CIS:**
655 stores (-51 in 2016)
- expansion to Central Europe:**
382 stores (+45 in 2016)
- expansion to USA:**
81 stores (+5 in 2016)

Nokian Tyres Authorized Dealers (NAD) – 1,481 stores

- in 19 European countries and China
- increase of 242 stores in 2016

N-Tyre – 120 stores

- in Russia and the CIS
- increase of 18 stores in 2016



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Outlook 2017

Back to profitable growth

Nokian Tyres' assumptions

- Markets
 - New car sales growth 2% in Europe
 - New car sales in Russia to increase by 5–10%
- Passenger car tyre markets
 - Demand in CE, North America, and the Nordic countries to grow
 - Demand in Russia (sell-in) to increase by 5–10%
- Raw material cost (€/kg) estimated to increase by approximately 15–20% in 2017 vs. 2016
- Investments approximately 190 M€ in 2017
- Heavy tyre market demand stable in Nokian Tyres' core product groups
- Nokian Tyres financial position remains solid

Outlook 2017

- Nokian Tyres' position expected to improve in all key markets. In Russia, the company expects to retain and further strengthen its market position in the A + B segments in 2017.
- New flagship products will strengthen Nokian Tyres' position in core markets.
- Rapidly growing raw materials costs will force the global tyre industry to increase prices in 2017.
- Profitability supported by efficient cost structure and productivity on the back of high share of Russian production.

Year 2017 guidance

- In 2017, with the current exchange rates, net sales and operating profit are expected to grow by at least 5% compared to 2016.

Board's proposals to AGM

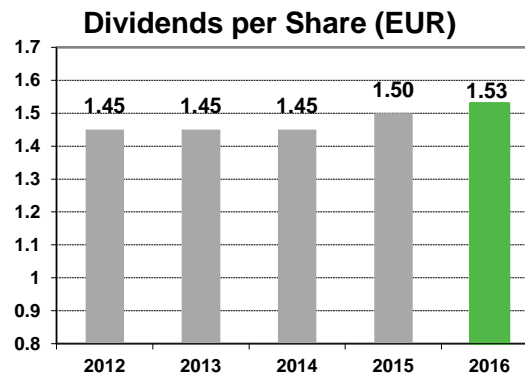
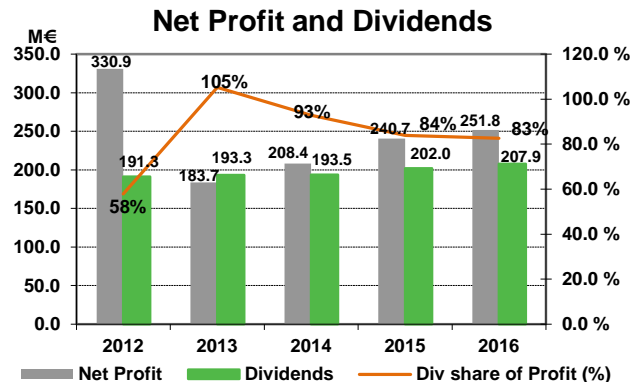
Dividend – Board's proposal 1.53 €/share

Dividend

- Parent company's distributable funds 608.6 M€
- The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 1.53 per share be paid for the fiscal year 2016

Annual General Meeting on April 10, 2017

- Record Date April 12, 2017
- Payment Date April 27, 2017





Thank you!

Interim Report 1–3/2017

May 3, 2017

www.nokiantyres.com/investors

Nokian Tyres' Interim President & CEO

As of January 1, 2017

Stock exchange release December 21, 2016

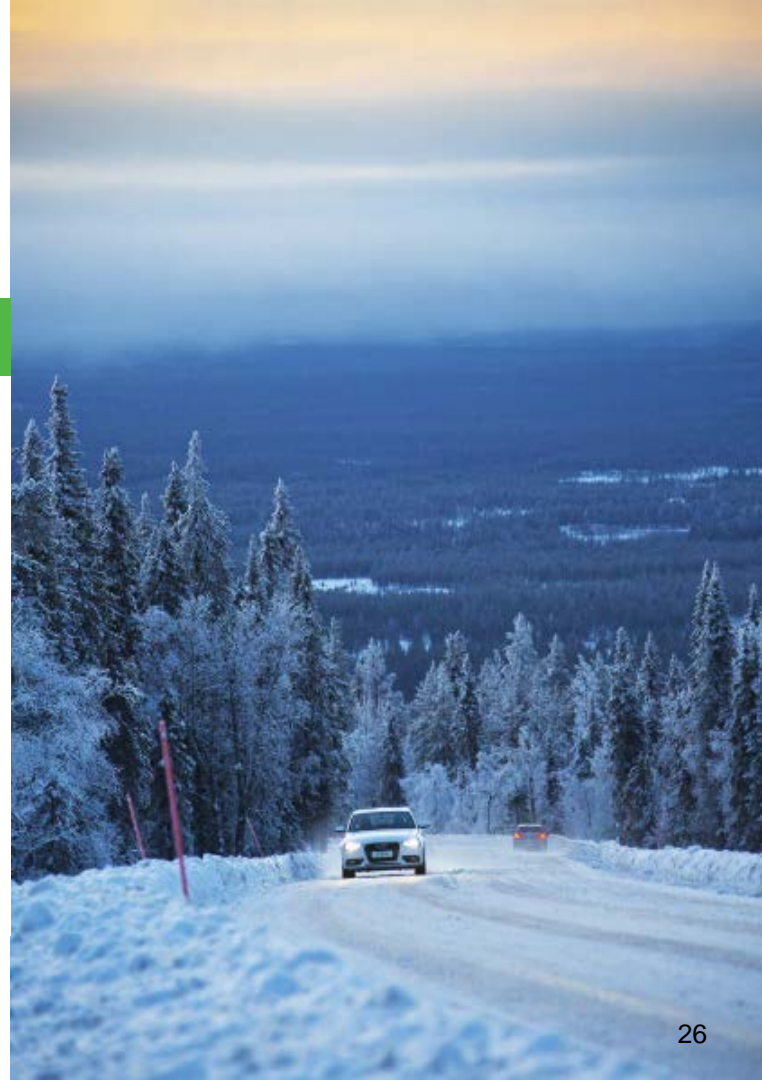
- The Board of Directors of Nokian Tyres has appointed MBA Andrei Pantioukhov as the interim President and CEO starting January 1, 2017.
- He currently serves as Nokian Tyres' General Manager, Russian operations, and also continues in this role.
- He has been in the company since 2004, a member of the management since 2009, and Executive Vice President since the beginning of 2016.
- Read more:
<https://www.nokiantyres.com/company/news-article/andrei-pantioukhov-appointed-interim-president-and-ceo-of-nokian-tyres-plc/>



Interim President & CEO
Andrei Pantioukhov

Appendices

- Board's proposals to AGM
- Must-Wins
- International Group
- Biggest shareholders
- Share price development
- Competitor comparison
- Magazine tests
- Examples of new products
- Winter tyre regulations
- Personnel
- Raw material consumption
- Financing: Loans and Net Financial Expenses
- Key figures



Appendix: Board's proposals to AGM

Change to Articles of Association

- **Current wording of Article 4:**

The Company's administration and proper organization of operations shall be the responsibility of the Board of Directors, consisting of a minimum of three and a maximum of eight members, in accordance with the decision made by the General Meeting of the Shareholders. The term of office of the members of the Board of Directors ends at the closing of the first Annual General Meeting following the election. The Board of Directors shall elect a Chairman from among its members until the closing of the next Annual General Meeting.

- **New proposed wording of Article 4:**

The Company's administration and proper organization of operations shall be the responsibility of the Board of Directors, consisting of a minimum of four and a maximum of eight members, in accordance with the decision made by the General Meeting of the Shareholders. The term of office of the members of the Board of Directors ends at the closing of the first Annual General Meeting following the election. The Board of Directors shall elect a Chairman and a Deputy Chairman from among its members until the closing of the next Annual General Meeting.

Appendix: Board's proposals to AGM

Remuneration

The Nomination and Remuneration Committee's proposal for Members of the Board

- Remuneration:
 - The monthly fee paid to the Chairman of the Board would be EUR 6,667 or EUR 80,000 per year,
 - The monthly fee paid to the Deputy Chairman of the Board and to the Chairman of the Audit Committee would be EUR 5,000 or EUR 60,000 per year and
 - The monthly fee paid to Members of the Board EUR 3,333 or EUR 40,000 per year
 - 50% of the annual fee to be paid in cash and 50% in Company shares to the effect that in the period from 11 April to 30 April 2017
 - EUR 40,000 worth of Nokian Tyres plc shares will be purchased at the stock exchange on behalf of the Chairman of the Board
 - EUR 30,000 worth of Nokian Tyres Ic shares will be purchased at the stock exchange on behalf of the Deputy Chairman of the Board and Chairman of the Audit committee
 - EUR 20,000 worth of shares will be purchased on behalf of each Board Member
 - The company is liable to pay any asset transfer tax which may arise from the acquisition of shares
 - Each member of the Board will receive a meeting fee of EUR 600 per attended meeting. If a Board Member's habitual residence is outside Finland the meeting fee is EUR 1,200 per attended meeting.
 - Travel expenses to be compensated in accordance with the company's travel policy

Appendix: Board's proposals to AGM

Members of the Board of Directors and Auditor

The Nomination and Remuneration Committee's proposal for members of the Board:

- Eight members
- Seven of the current Board members to continue: Heikki Allonen, Hille Korhonen, Tapio Kuula, Raimo Lind, Veronica Lindholm, Inka Mero and Petteri Walldén
- New Board member: George Rietbergen

All Board members are independent of the company. All Board members are independent of any major shareholders of the company.

Board's proposal for the Auditor:

- Fees according to current practice
- Authorised Public Accountant KPMG Oy Ab
- Lasse Holopainen, Authorised Public Accountant, acting as the auditor with principal responsibility

Appendix: Board's proposals to AGM

Authorizing the Board to decide on the repurchase the company's own shares

The Board asks for the AGM's authorization to decide on the repurchase the company's own shares

- The Board proposes that the Annual General Meeting of Shareholders authorize the Board of Directors to resolve to repurchase a maximum of 5,000,000 shares in the Company by using funds in the unrestricted shareholders' equity. The proposed number of shares corresponds to 3.7 per cent of all shares of the Company.
- The shares may be repurchased in order to improve the capital structure of the Company, to carry out acquisitions or other arrangements related to the Company's business, to be transferred for other purposes, or to be cancelled, for the Company's incentive plans, or if according to the Board of Directors' comprehension, it is the interest of shareholders.
- The price paid for the shares repurchased under the authorization shall be based on the market price of the Company's share in public trading. The minimum price to be paid would be the lowest market price of the share quoted in public trading during the authorization period and the maximum price the highest market price quoted during the authorization period.
- Company's own shares can be repurchased otherwise than in proportion to the shareholdings of the shareholders (directed repurchase)
- It is proposed that the authorization be effective until the next Annual General Meeting of Shareholders, however, at most until October 10, 2018.

Appendix: Board's proposals to AGM

Authorization for a share issue

The Board asks for the AGM's authorization for a share issue

- The Board of Directors proposes that at the Annual General Meeting the Board should be authorized to make a decision to offer no more than 25,000,000 shares through a share issue, or by granting special rights under chapter 10 section 1 of the Finnish Companies Act that entitle to shares (including convertible bonds) on one or more occasions.
- The Board may decide to issue new shares or shares held by the company. The maximum number of shares included in the proposed authorization accounts for approximately 18.4% of the company's shares.
- The authorization includes the right to issue shares or special rights through private offering, in other words to deviate from the shareholders' pre-emptive right subject to provisions of the law.
- Under the authorization, the Board of Directors will be entitled to decide on the terms and conditions of a share issue, or the granting of special rights under chapter 10, section 1 of the Finnish Companies Act, including the recipients of shares or special rights entitling to shares, and the compensation to be paid. It is proposed that this authorization be exercised for purposes determined by the Board of Directors.
- The subscription price of new shares shall be recognized under unrestricted equity reserve. The consideration payable for Company's own shares shall be recognised under unrestricted equity reserve.
- The authorization will be effective for two years from the decision made at the Annual General Meeting. This authorization will invalidate all other Board authorizations regarding share issues and convertible bonds.

Appendix: Must-Wins (1/2)

Examples of year 2016 activities

Must-Win 1: First choice for consumers

- Remained clear #1 in consumer preference for winter tyres in Nordic countries and Russia. Improved preference in CE.
- Investments on visibility and consumer service in main markets
- Created several new online sites & social media channels and signed new sponsorship contracts
- FB-likes increased by over 70% from last year and site visits increased y-o-y by 18%

Must-Win 2: Preferred partner for customers

- Significant investments in systems and processes to serve partners better and more consistently across channels
- Satisfaction surveys confirm Nokian Tyres enjoys very high Net Promoter Scores among partners
- Next generation B2B dealer online services concept defined and build initiated
- Pricing capabilities taken to next level to support growth globally



Appendix: Must-Wins (2/2)

Examples of year 2016 activities

Must-Win 3: World's best tyres & increasing number of services

- Several strategically important products launched
 - Nokian zLine A/S, a premium UHP All Season tyre for the North American market
 - Nokian Rockproof, a special tyre for professional applications globally
 - Nokian Hakka Blue2, a premium high performance summer tyre for Nordic and Russia
- Announced a tyre test center project in Spain, with operations starting in 2018
- SnapScan, a groundbreaking tyre scanning service launched in parking garages in Helsinki, Finland

Must-Win 4: Strong growth in Central Europe & North America

- North America
 - Completed Montreal warehouse investment
 - Added nationwide key accounts
- Central Europe
 - Successful product launches, and investments in sales and marketing



Tyre scanning service SnapScan

Appendix: International Group

Own production, test centers, sales companies and network



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

- 1,501 stores in 27 countries
- Increase of 26 stores in 2016.

NAD (Nokian Tyres Authorized Dealers)

- 1,481 stores
- 19 European countries and China
- Increase of 242 stores in 2016.

N-Tyre

- 120 stores
- Russia and the CIS
- Increase of 18 stores in 2016.

Appendix

Biggest Shareholders registered in Finland as of December 31, 2016

Biggest Shareholders registered in Finland		Number of shares	Share of capital %	Change from previous month
1	Varma Mutual Pension Insurance Company	3,772,007	2.8	0
2	Ilmarinen Mutual Pension Insurance Company	2,817,947	2.1	0
3	Odin Norden	1,031,217	0.8	0
4	The State Pension Fund	773,000	0.6	0
5	Schweizer Nationalbank	758,639	0.6	0
6	Mandatum Life Insurance Company Limited	600,000	0.4	0
7	OP Investment Funds	522,417	0.4	+210,000
8	Nordea	508,573	0.4	+181,257
9	Svenska litteratursällskapet i Finland r.f.	494,700	0.4	-12,500
10	Barry Staines Linoleum Oy	430,000	0.3	0
Biggest Shareholders total		11,708,500	8.8	
Foreign Shareholders ¹⁾		104,496,414	76.9	
Bridgestone Corporation ²⁾		20,000,000	14.7	

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

2) In the name of a nominee.

See flagging and shareholders:

<http://www.nokiantyres.com/company/investors/share/flagging-notifications/>

<http://www.nokiantyres.com/company/investors/share/major-shareholders/>

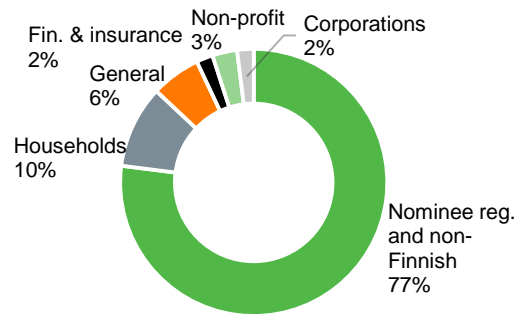
Options, outstanding as of Dec. 31, 2016

2013A: 1,149,540 (56,756 in company's possession)

2013B: 1,149,815 (40,321 in company's possession)

2013C: 1,150,000 (107,375 in company's possession)

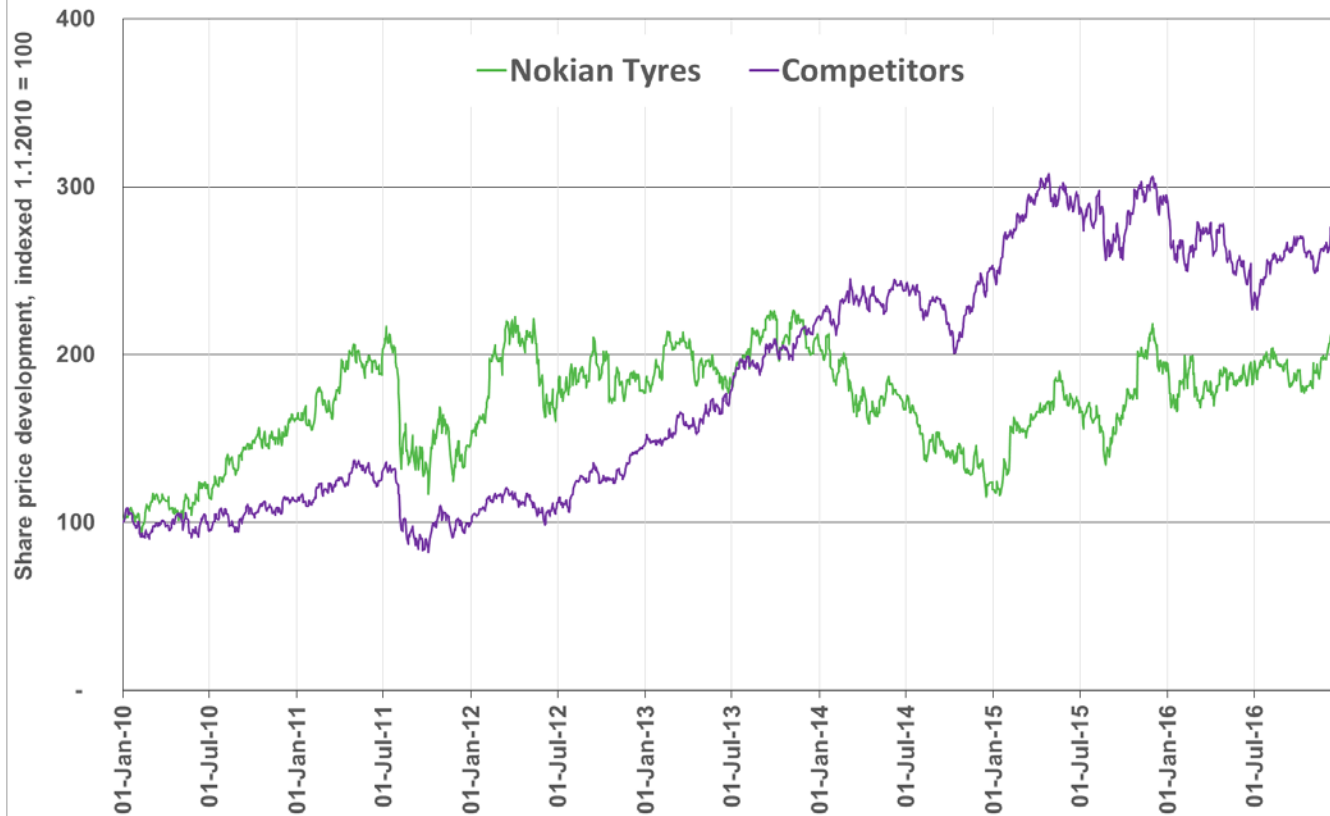
Division by Category as of Dec. 31, 2016



Total number of shares: 135,911,695

Appendix

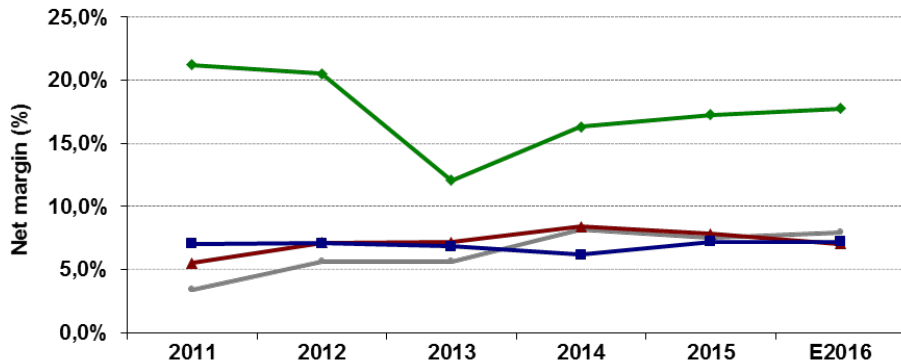
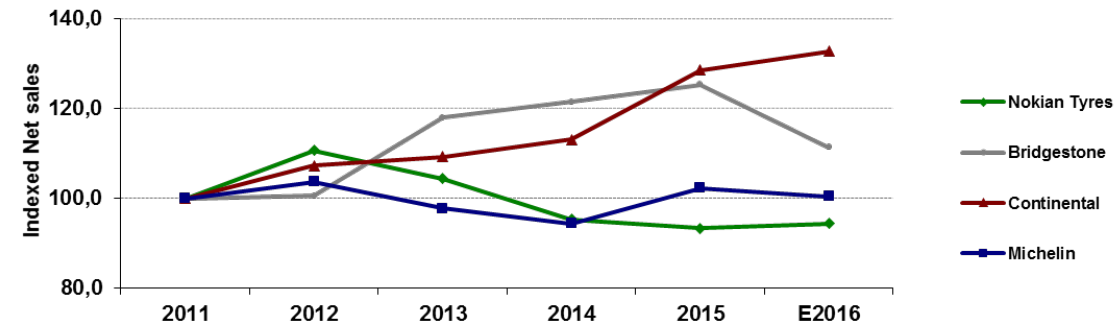
Indexed share price development 2010–2016



Appendix

Nokian Tyres the most profitable tyre producer

Nokian Tyres' profitability has been clearly better than that of the main peers during the past 6 years. The better profitability protects the company profits during recessions and potential downturns.



Net margin E2016

Nokian Tyres	17.7%
Bridgestone	8.0%
Michelin	7.2%
Continental	7.0%

Source: Consensus estimates for the peers as per Thomson Reuters January 3, 2017.
E2016 FIGURES ARE BASED ON CONSENSUS ESTIMATES, NOT NOKIAN TYRES GUIDANCE.

Appendix: Magazine tests autumn 2016

Test success for winter tyres

Winter tyres, autumn 2016

Nordic and Russia

- **Nokian Hakkapeliitta 8 studded winter tyre.** Test winner Tekniikan Maailma (shared), Tuulilasi (Finland), Vi Bilägare, Auto, Motor & Sport (Sweden), Za Rulem, Autoreview, Auto.mail.ru (Russia) and AutoCentre (Ukraine). Winner also in Sweden (Aftonbladet) and in Norway (Motor) by Test World test
- **Nokian Hakkapeliitta R2 non-studded winter tyre.** Test winner Auto, Motor & Sport (Sweden). 2nd place Tekniikan Maailma, Tuulilasi (Finland), Vi Bilägare, Aftonbladet (Sweden), Motor (Norway), Za Rulem (Russia)
- **Nokian Hakkapeliitta 8 SUV.** Test winner Tekniikan Maailma (Finland), Za Rulem (Russia) and Auto Bild Belarus
- **Nokian Hakkapeliitta R2 SUV.** Test winner Za Rulem (Russia), Auto Bild Belarus, AutoCentre (Ukraine), 2nd place Automobily (Kazakhstan), 3rd place Tekniikan Maailma (Finland)
- **Nokian Hakkapeliitta CR3.** Test winner Auto Bild Belarus
- **Nokian Hakkapeliitta C3.** Test winner Husbilet (Sweden)
- **Nokian Hakkapeliitta CR Van.** 2nd place Husbilet (Sweden)

Central Europe

- **Nokian WR D4 winter tyre.** Test winner Motor (Poland). 2nd place Auto Motor und Sport "Recommendable", Auto Zeitung "Highly recommended" and GTÜ "Very recommendable", 2nd place Auto Express (UK). ADAC "Satisfactory", ÖAMTC and TCS "Recommendable"
- **Nokian Weatherproof all-weather tyre.** Test winner ACE Lenkrad and ARBÖ "Highly recommendable". ADAC 3rd place "Sufficient", 2nd place Auto Express (UK), 2nd place shared ProMobil



Appendix: Magazine tests spring 2016

Test success for summer tyres

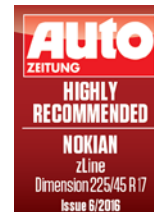
Summer tyres, spring 2016

Nordic and Russia

- **New Nokian Hakka Green 2**
 - Test winner in Finland (Tekniikan Maailma, Tuulilasi) and in Russia (Za Rulem). Winner also in Sweden (Aftonbladet) and in Norway (Motor) by Test World test. 2nd place Auto Review, 3rd place Vi Bilägare.
- **Nokian Hakka Black** – 2nd place Tekniikan Maailma
- **Nokian Hakka Blue** – 2nd place Za Rulem
- **Nokian Hakka Blue SUV** – 1st place Za Rulem

Central Europe

- **Nokian Line** (185/65 R15) – ADAC 3/2016 “Good”, TCS and ÖAMTC “Highly recommended”
- **Nokian zLine** (225/45 R17) – Auto Zeitung 6/2016 and GTÜ 2/2016 “Highly recommended”



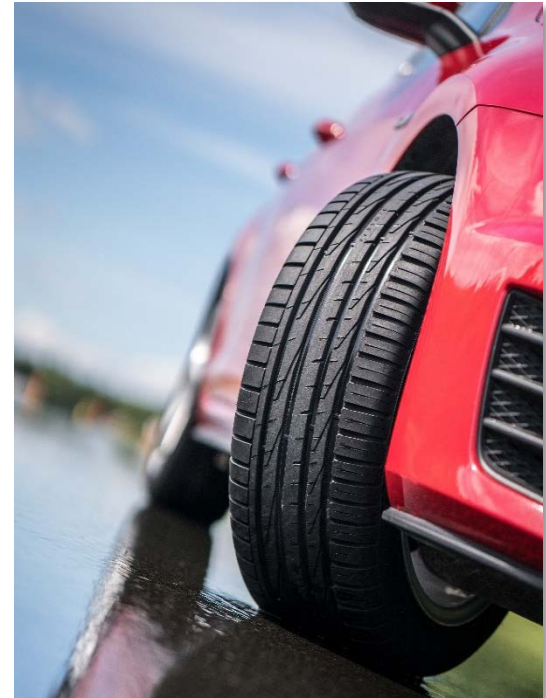
Appendix: Passenger Car Tyres

Nokian Hakka Blue 2 – safe and balanced performer on rain-soaked roads

- Nokian Hakka Blue 2 premium summer tyre for Nordic countries and Russia
- New introduction to the Hakka summer tyre family, designed for high-powered mid-size passenger cars and sporty family cars
- The new-generation Nokian Hakka Blue 2 summer tyre stops firmly and effortlessly prevents aquaplaning due to the unique Dry Touch concept
- The wet grip rating according to the EU tyre label is A, the best possible rating, for most sizes
- Nokian Hakka Blue 2 will be available at retailers in the spring of 2017



The Dry Touch concept prevents aquaplaning effectively



Appendix: Passenger Car Tyres

Nokian Rockproof – Ultimate durability

- A new, strong special tyre for demanding professionals
- Offers extreme durability for professional driving and off-road enthusiasts globally
- Designed for light trucks, SUVs and off-road use. Fearless performer at quarries, forests and mining areas
- The new cut-resistant **Nokian Rockproof Hybrid** tread compound and aggressive tread pattern provide the tyre with excellent resistance
- Nokian Rockproof will be available in Europe and North America early 2017



Aramid Sidewall – a bulletproof vest for your tyre



Appendix: Passenger Car Tyres

Nokian zLine A/S All-Season – luxury and performance all year round

- UHP all-season tyre designed for luxury and performance
- Retail sales of the product started in North America in late 2016
- Performs safely and precisely under all weather conditions
- New premium all-season tyre providing excellent mileage and fuel saving benefits and responds well to changing road conditions
- Comprehensive product family. Sizes from 16 to 20 inches and the speed category W (270 km/h)
- Nokian zLine A/S is also available for SUVs



Appendix: Heavy Tyres

Examples of new products

Nokian Logger King LS-2 is the ultimate workhorse for the full-tree forestry work

- The new product comes in two versions: Logger King LS-2 and Logger King LS-2 Extreme
- The standard version is suitable for the majority of the environments and machines starting from small to medium sized skidders



Nokian Logger King LS2

Nokian Hakkapeliitta Loader – winter tyre for wheel loaders

- New compound and more rubber in the tread creates better grip and increased lifetime
- Durability around the year



Nokian Hakkapeliitta Loader

Appendix

Winter tyre regulations in Europe and Russia

	Austria	Bosnia Herzegovina	Croatia	Czech Republic	Estonia	Finland	France	FYR of Macedonia	Germany	Hungary	Iceland	Italy	Latvia	Lithuania	Luxembourg	Montenegro	Norway	Poland	Portugal	Romania	Russian Federation	Serbia	Slovakia	Slovenia	Spain	Sweden	Switzerland	Turkey
Within a specified time frame	●	●	● ¹⁾		●	●		●	●		●		●	●		●	● ³⁾					●	●	●	●			● ⁴⁾
Within a specified time frame and during specified weather conditions	●		● ¹⁾	● ²⁾					●						●	●				●						●		
When indicated by a road sign (winter tyre and/or snow chain)				● ²⁾			●			●		●						●	●						●		●	

1) On major roads, regardless of weather conditions, on other roads, in wintry weather conditions

2) Both equally valid

3) Sufficient grip requirement; de facto mandatory winter tyres

4) For taxis and commercial vehicles, not regular passenger vehicles

Source: Nokian Tyres 12/2016

Appendix

Winter tyre legislation in USA




























	Alabama	Alaska	Arizona	Arkansas	California	Colorado	Connecticut	Delaware	District Of Columbia	Florida	Georgia	Hawaii	Idaho	Illinois	Indiana	Iowa	Kansas	Kentucky	Louisiana	Maine	Maryland	Massachusetts	Michigan	Minnesota	Mississippi	Missouri
Winter tyres are legally mandatory																										
Winter tyres are recommended		●				●	●	●	●				●	●	●	●				●	●	●	●	●		
Winter tyres are mandatory if there is a specific road sign						●																				
Studded tyres are permitted		●	●	●	●	●	●	●	●		●		●	(*)	●	●	●	●		●	(*)	●		(*)		●
	Montana	Nebraska	Nevada	New Hampshire	New Jersey	New Mexico	New York	North Carolina	North Dakota	Ohio	Oklahoma	Oregon	Pennsylvania	Rhode Island	South Carolina	South Dakota	Tennessee	Texas	Utah	Vermont	Virginia	Washington	West Virginia	Wisconsin	Wyoming	
Winter tyres are legally mandatory																										
Winter tyres are recommended	●	●		●	●		●		●	●		●	●	●		●			●	●		●	●	●	●	
Winter tyres are mandatory if there is a specific road sign																										
Studded tyres are permitted	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●		●	●	●	●	●		●	

Source: Nokian Tyres 12/2016

(*) The use is restricted on special use / special regions.

Appendix

Winter tyre legislation in Canada

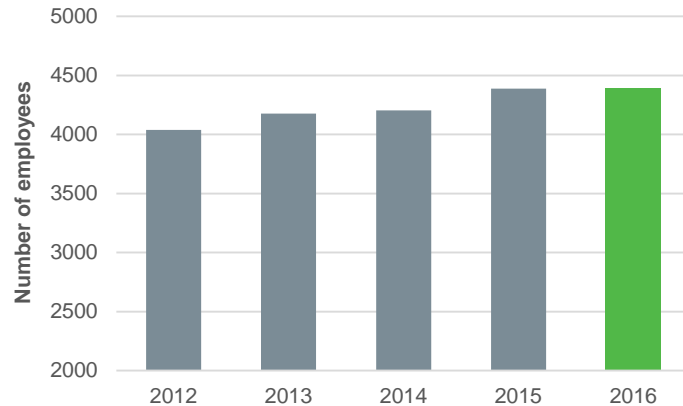
	British Columbia	Alberta	Saskatchewan	Manitoba	Ontario	Northern Ontario	Quebec
Winter tyres are legally mandatory							
Winter tyres are recommended							
Winter tyres are mandatory if there is a specific road sign							
Studded tyres are permitted							
	New Brunswick	Nova Scotia	Prince Edward Island	Newfoundland	Yukon	Northwest Terr.	
Winter tyres are legally mandatory							
Winter tyres are recommended							
Winter tyres are mandatory if there is a specific road sign							
Studded tyres are permitted							

Source: Nokian Tyres 12/2016

Appendix

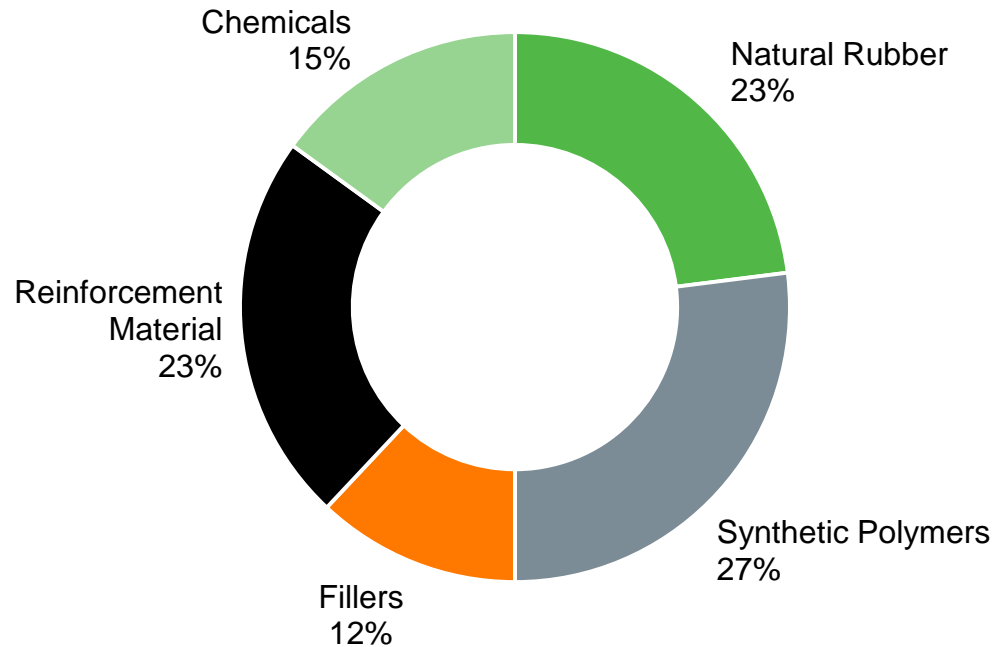
Personnel December 31, 2016

- Nokian Tyres Group: 4,392 (4,389)
- Finland: 1,616 (1,732)
- Russia: 1,368 (1,327)
- Equity-owned Vianor: 1,724 (1,681)



Appendix

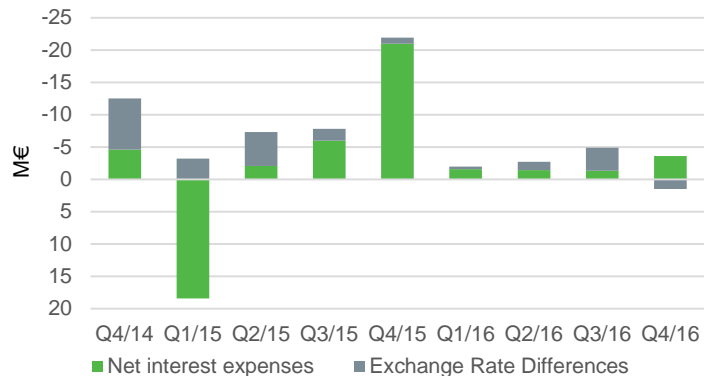
Value of raw material consumption (%)



Appendix

Financing: Loans on December 31, 2016

Net Financial Expenses and currency effect



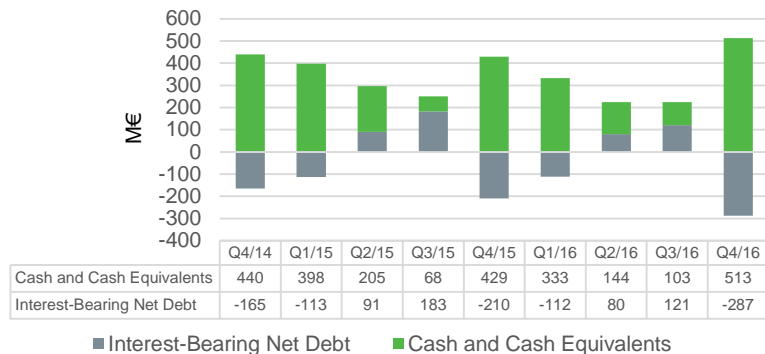
- = Expenses, + = Income

Net financial items/exchange rate difference (M€) Dec 31, 2016

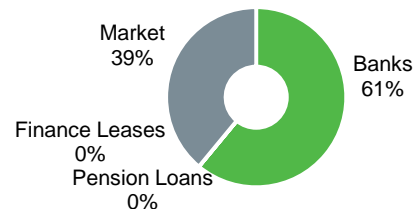
	RUB	NOK	SEK	USD	CAD	Other	Total
Underlying 1)	-4.1	2.1	-2.2	1.1	2.8	-0.9	-1.2
Hedging	2.9	-1.7	1.9	-1.1	-2.3	0.4	0.1
Hedging cost	-1.5	-0.3	0.1	-0.2	-0.4	-0.3	-2.7
Total	-2.7	0.0	-0.1	-0.3	0.2	-0.8	-3.8

1) AP, AR, Internal loans/deposits

Interest-Bearing Debt



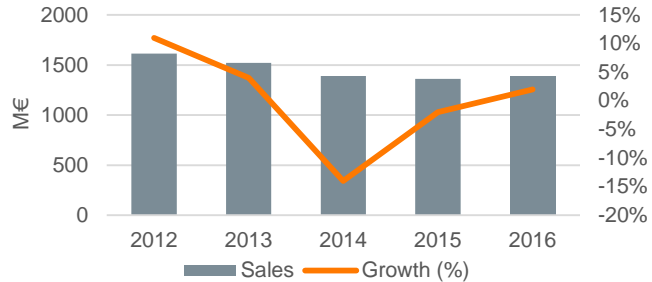
Interest-Bearing Debt 225.8 M€(Dec 31, 2016)



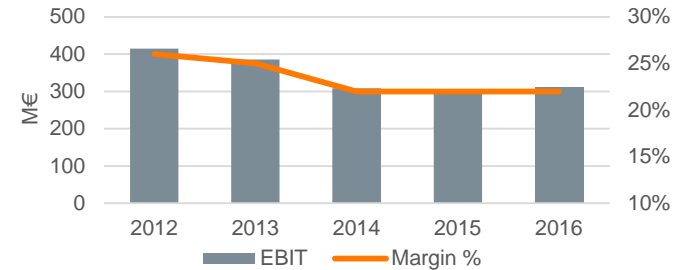
Appendix

Key figures 2012–2016

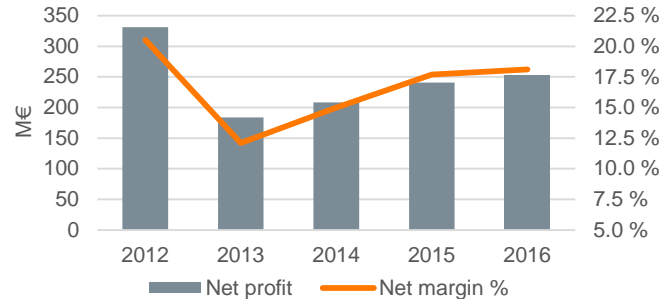
Net sales and net sales growth



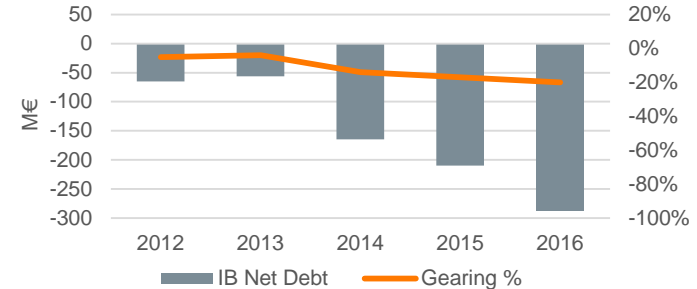
EBIT and EBIT margin



Net profit and net margin

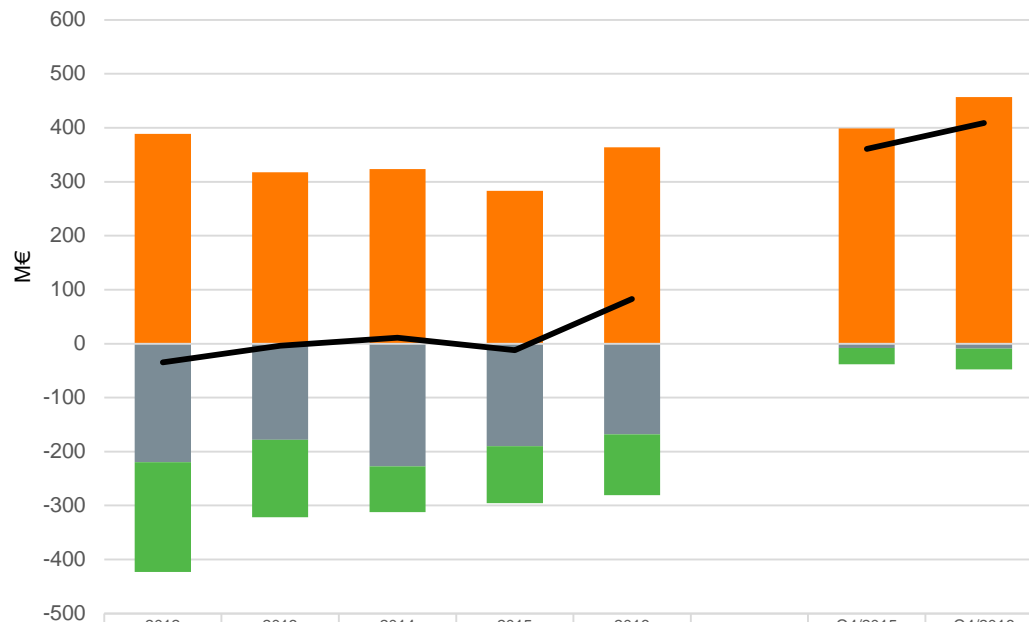


Interest-bearing net debt and gearing



Appendix

Cash flow from operating activities 2012–2016

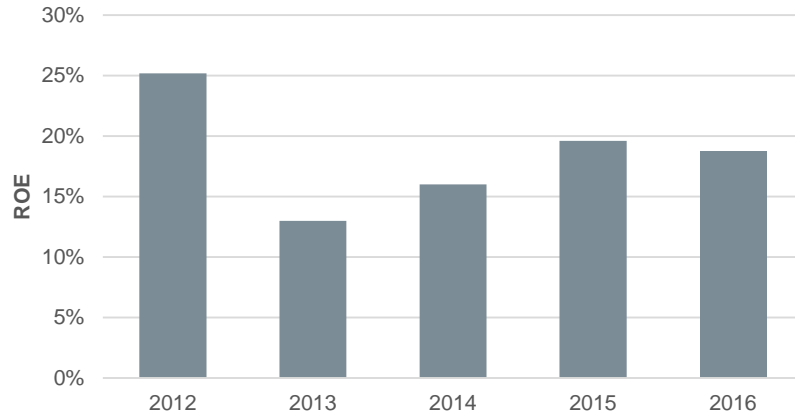


	2012	2013	2014	2015	2016		Q4/2015	Q4/2016
Cash flow from operating activities	389	318	323	283	364		399	457
Cash flow from investing activities	-203	-143	-85	-105	-113		-30	-39
Cash flow from financing activities	-220	-178	-228	-190	-168		-8	-9
Change in cash and cash equivalents	-35	-4	11	-12	83		361	409

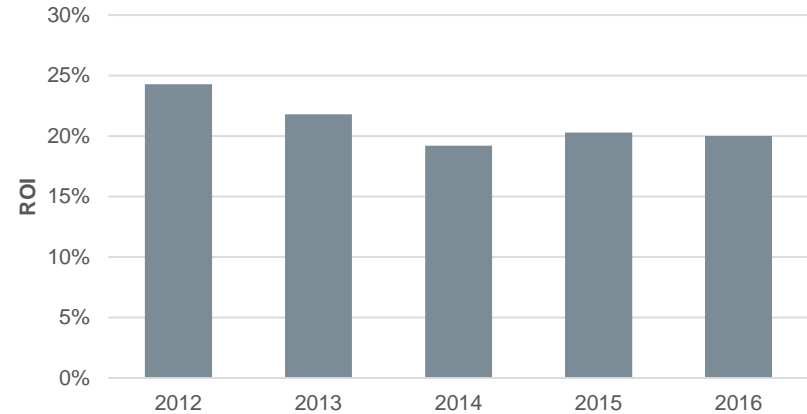
Appendix

ROE and ROI 2012–2016

Return on Equity



Return on Capital Employed





Thank you!

Interim Report 1–3/2017

May 3, 2017

www.nokiantyres.com/investors