



Interim Report 1-6/2015

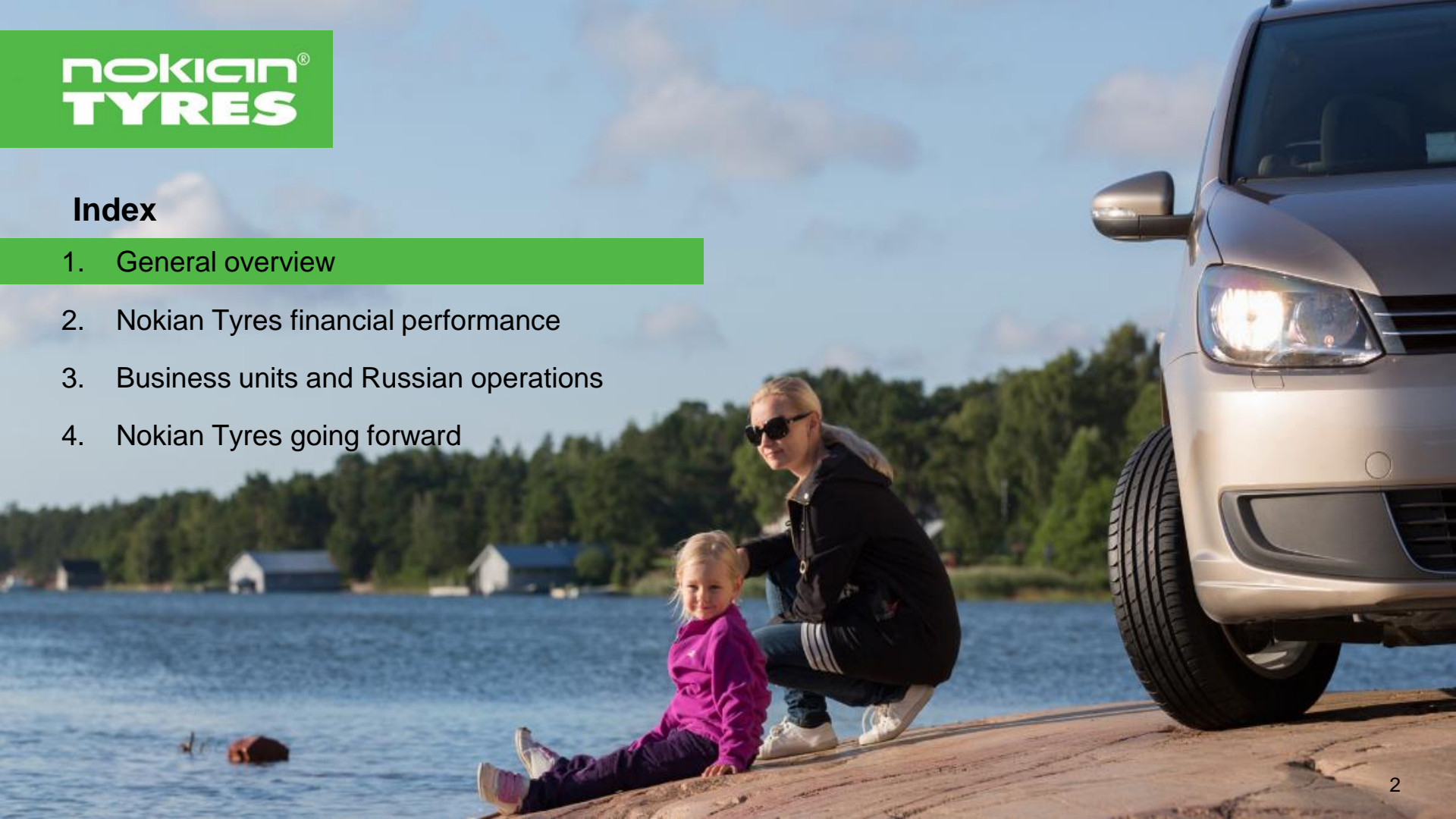
7 August, 2015

President and CEO Ari Lehtoranta

Delayed start of the winter tyre sales in Central Europe and Russia as well as deeper retail slump in Russia weakened volumes – clear improvement in mix

Index

1. General overview
2. Nokian Tyres financial performance
3. Business units and Russian operations
4. Nokian Tyres going forward



Market overview 1-6/2015

Growth in the west – Russia declined

Estimates	Nordic countries	Russia	Europe (incl. Nordics)	North America
GDP growth	+1-2%	-3.5%	+1.5%	+1.5%
New car sales	+6%	-36%	+8%	+4%
Car tyre* sell-in	+9%	-15...-20%	+2%	±0
Heavy tyre segments **	↑	↓	↑	↑
Currency impact	●	●	-	●

*) premium and mid-segment

**) Nokian Tyres core product segments

Nokian Tyres' performance 1-6/2015

Volumes and currencies hit Net sales, North America on the rise

Sales & SOM	Nordic countries	Russia and CIS	Other Europe	North America
Gross sales	+5.8%	-37.5%	-7.0%	+26.8%
Car tyre sales pcs	+	-	-	+
Car tyre SOM	-	-	-	+

Profitability		Distribution	Units	Incr. H1 (pcs)
Currency effect to Net sales, M€	38.0	Vianor equity-owned	197	+8
Car tyre ASP (€/pcs)	↓	Vianor total	1,390	+35
Raw material cost	-14.8%	NAD (+N-Tyre)	1,100	+178
Fixed costs	↑			
Car tyre production volume, pcs	-10%			
Car tyre productivity (kg/mh)	+6%			

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2. Nokian Tyres financial performance
 - Summary
 - Gross sales by market area
 - Raw material cost development
3. Business units (incl. Russian operations)
4. Nokian Tyres going forward

Summary 1-6/2015

Delayed start of the winter tyre sales in Central Europe and Russia as well as deeper retail slump in Russia weakened volumes – clear improvement in mix

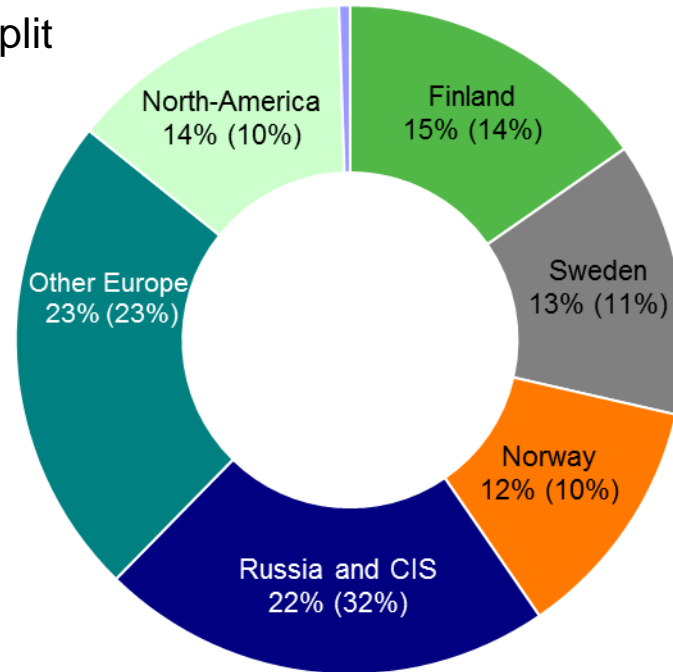
	4-6/15	4-6/14	Change%	1-6/15	1-6/14	Change%	2014
Net sales	345.5	369.5	-6.5	626.8	681.5	-8.0	1,389.1
Operating profit	80.6	90.7	-11.2	128.8	159.1	-19.0	308.7
Operating profit, %	23.3	24.5		20.6	23.3		22.2
Profit before tax	73.2	78.6	-6.9	136.7	134.6	+1.6	261.2
Profit for the period	64.5	66.1	-2.4	199.8	104.8	+90.6	208.4
Earnings per share, EUR	0.48	0.50	-2.4	1.50	0.79	+90.6	1.56
Equity ratio, %				70.4	67.6		67.5
Cash flow from operations	-13.0	-21.8	+40.2	-72.7	-25.5	-185.2	458.3
RONA,% (roll. 12 months)				17.0	18.9		18.3
Gearing, %				6.9	18.0		-13.6

- Net sales hit by lower volumes and weaker currency rate in Russia
- ASP drop levelling off, negative currency impact partly compensated by improved mix
- Strong development of sales and profitability in North America
- Profitable business supported by raw material cost and productivity
- Product offering top-notch: Test success in car media continued
- Nokian Heavy Tyres showed growth with improved delivery capability
- Back tax annulment improved Profit for the period by EUR 100.3 million

Gross sales by market area 1-6/2015

Western markets' weight up

- More balanced geographical sales split
- North America boosted by market share gain and strong USD/CAD



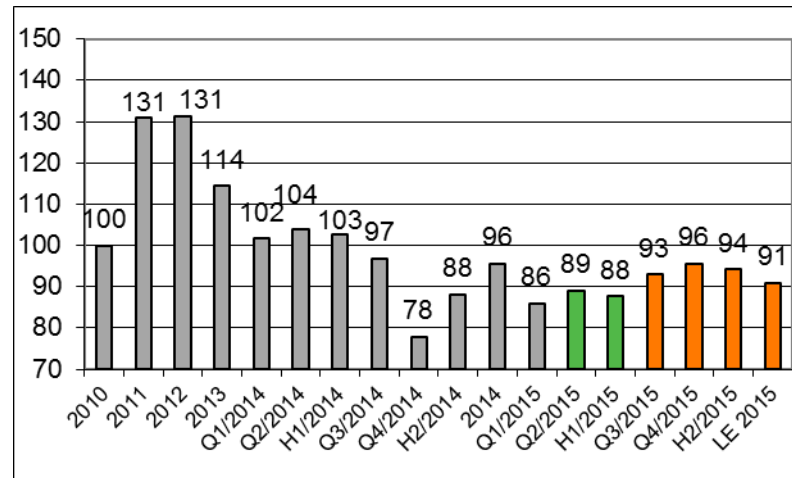
Raw material cost development

Cost decrease levelling off

Nokian Tyres raw material cost (€/kg)

- decreased by 14.8% in H1/2015 vs. H1/2014
- increased by 3.0% in Q2/2015 vs. Q1/2015
- is estimated to decrease by 5% in 2015 vs. 2014

→ Estimated tailwind in 2015 vs. 2014: **15 M€**



Raw material cost development index 2010-E2015

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2. Nokian Tyres financial performance
3. Business units and Russian operations
 - General overview
 - Passenger Car Tyres and Russian operations
 - Heavy Tyres
 - Vianor and retail network
4. Nokian Tyres going forward

Business units 1-6/2015

Heavy Tyres and Vianor improving, Car Tyres hit by Russia

Passenger Car Tyres

- Net sales: 448.8 M€; -13.8%
- EBIT: 129.7 M€; -20.7%
- EBIT margin: 28.9% (31.4%)

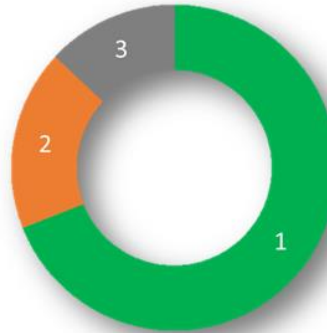
Vianor

- Net sales: 141.7 M€; +8.6%
- EBIT: -6.9 M€; +0.2%
- EBIT margin: -4.9% (-5.3%)

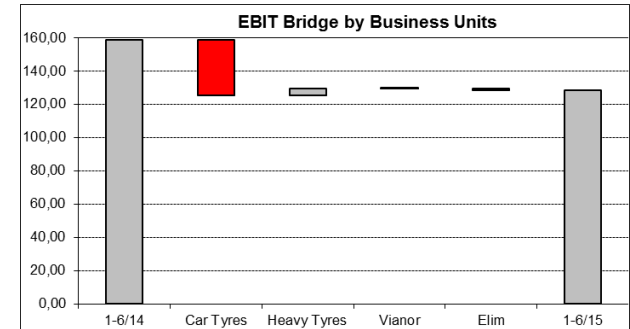
Heavy Tyres

- Net sales: 75.6 M€; +6.1%
- EBIT: 14.3 M€; +44.1%
- EBIT margin: 18.9% (13.9%)

Net sales 626.8 M€



EBIT 128.8 M€



Business units	H1/2015	H1/2014
1. Passenger car tyres	67%	72%
2. Vianor	21%	18%
3. Heavy Tyres	11%	10%

Passenger Car Tyres

Net sales hurt by volume and currency in Russia – mix improved

Performance in 1-6/2015

- + Sales booming in North America, Nordics solid
- + Product mix improved
- + Magazine test success continued with summer tyres
- + Decreasing raw material cost supported margins
- + Productivity improved
- Sales in Russia fell clearly
- ASP decreased due to currency devaluations



	Q2/2015	Q2/2014	Change %	H1/2015	H1/2014	Change%	2014
Net sales, M€	241.2	273.7	-11.9	448.8	520.6	-13.8	1,003.2
EBIT, M€	69.6	83.4	-16.6	129.7	163.5	-20.7	292.2
EBIT%	28.9	30.5		28.9	31.4		29.1
RONA%, r.12 m.				22.8	25.6		23.5



State of the art know-how

New Aramid sidewall technology, new tailored products

New SUV tyres for varying summer conditions in Nordic and Central Europe

- Nokian Aramid Sidewall technology – Toughness like never before
- Test wins for new SUV products e.g. in Sweden, Norway, Germany
- Sales increased by more than 50%

Tailored product range also for NA market

- Nokian eNTYRE 2.0, Nokian Rotiiva AT Plus, Nokian Rotiiva HT



Magazine tests 2015 and 2014

Test success continues – both in winter and in summer

Summer tyres, spring 2015 – test victories also to new SUV tyres

- New Nokian Line SUV – Tough wet performer
- New Nokian zLine SUV – Tough cool performer
- Nokian Line – Multiple test winner
- Nokian Hakka Blue – Test winner, wet performer
- Nokian Hakka Blue SUV – Test winner

Winter tyres, autumn 2014 – over 40 test victories

- Nokian Hakkapeliitta 8 – Multiple test winner
- Nokian Hakkapeliitta R2 – Northern Comfort
- New Nokian Hakkapeliitta 8 SUV and Hakkapeliitta R2 SUV
- Nokian WR D3 – Forget the Forecasts
- New Nokian WR SUV 3 – Ultimate snow and slush performance



Russia and CIS countries

Clearly weakened purchasing power cut demand

Economy, car sales and tyre sales down

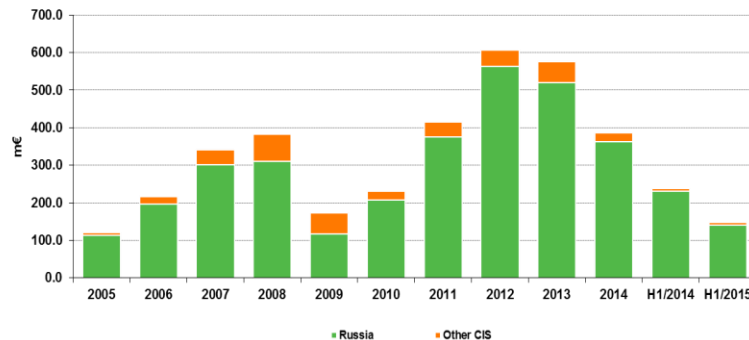
- High inflation has cut purchasing power
- Interest rates for car loans high
- Car sales -36%, tyre sales -15...-20% in H1

Nokian Tyres' sales value down

- Sales decreased due to lower volumes and currency rate effects
- Market position in premium segment prevailed, although consumers partly shifted to cheaper segments and brands; recovery to premium expected when economy improves

Tyre demand growing in the long term

- Replacement market growing with expanding car park
- When economy recovers, growing car sales to increase demand for winter tyres



Nokian Tyres' sales in Russia and CIS

Heavy Tyres

Improved delivery capability - sales and profitability up

Performance in 1-6/2015

- + Forestry tyre sales up 14%, healthy order book
- + Truck tyre sales picked up
- + Higher production volume improved delivery capability
- + EBIT up with higher sales volumes and lower fixed costs
- + Lower raw material cost and improved productivity supported margins
- ASP decreased due to tight pricing environment
- Russia & CIS weak



	Q2/2015	Q2/2014	Change%	H1/2015	H1/2014	Change%	2014
Net sales, M€	38.0	36.7	+3.6	75.6	71.3	+6.1	149.1
EBIT, M€	7.5	5.4	+39.1	14.3	9.9	+44.1	24.6
EBIT%	19.8	14.8		18.9	13.9		16.5
RONA%, r.12 m.				27.7	19.3		22.9

New drive axle tyre Nokian Hakka Truck Drive

Unique stability, grip and safety for year-round use

- Drive axle tyre for all-year cargo and coach traffic on long and medium distances.
- Designed for the varying Central European and Nordic weather conditions.
- Excellent wear resistance, grip and driving stability without any compromises.
- Supplements the Nokian Hakka Truck product family that already offers tyres for the steer axle and trailer.
- Sizes 315/70 R22.5 and 315/80 R22.5.
- Innovations developed to ensure the driver's safety on dry, wet and snowy roads alike:
 - Unique shoulder structure
 - V-shaped tread pattern
 - Additional grooves
 - Self-Generating Siping



Performance in 1-6/2015

- + 1,390 stores in 27 countries; +35 stores in H1/2015
- + Market share improved
- + 61 car service operations acquired and integrated to existing Vianor stores by the end of H1/2015
- + Service revenues increased by 8%, car services +10%
- Operating result was seasonally negative in H1



Equity-owned stores (197)	Q2/2015	Q2/2014	Change%	H1/2015	H1/2014	Change%	2014
Net sales, M€	86.7	81.0	+7.0	141.7	130.5	+8.6	314.8
EBIT, M€	5.7	5.0	+12.1	-6.9	-6.9	+0.2	2.1
EBIT%	6.5	6.2		-4.9	-5.3		0.7
RONA%, roll.12 m.				1.2	0.7		1.2

Nokian Tyres' retail partner network

Expansion of distribution continued

Vianor – 1,390 stores

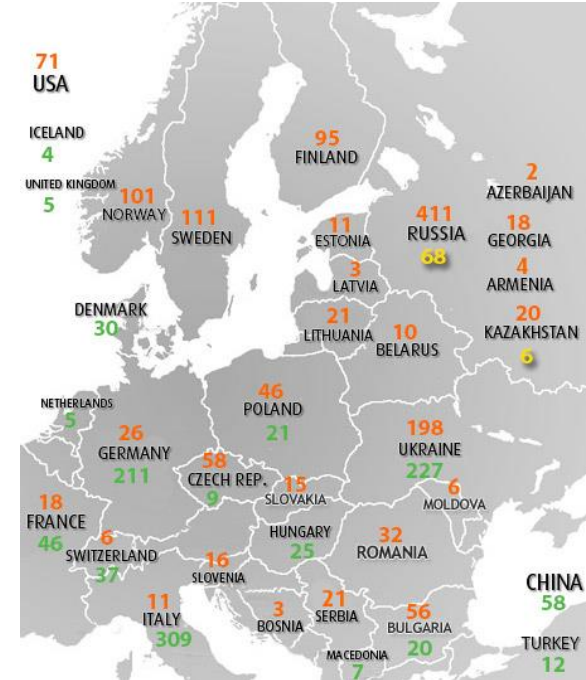
- in 27 countries
- increase of 35 stores in H1/2015

Nokian Tyres Authorized Dealers (NAD) – 1 026 stores

- in 15 European countries and China
- increase of 157 stores in H1/2015

N-Tyre – 74 stores

- in Russia and Kazakhstan



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Outlook 2015

Growth in the west – Russia declines

Assumptions

- Core markets
 - New car sales growth 5% in Europe
 - New car sales in Russia to decline over 30%
 - 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 North America, CE and Nordic countries to grow
 - Demand in Russia to decline 20-25%
- Raw material cost (€/kg) to decrease 5% in 2015 vs. 2014
- Investments approximately 100 M€
- Heavy tyre market demand stable in Nokian Tyres' core product groups
- Nokian Tyres financial position remains solid

Outlook 2015

- Nokian Tyres' position to improve in all western markets, in Russia and CIS market leader position in premium segment remains
- Test-winner product range supports mix and ASP
- Pricing environment tight for all tyre categories
- Profitability supported by efficient cost structure and productivity on the back of high share of Russian production
- Strong performance by Nokian Heavy Tyres

Year 2015 guidance (updated)

- In 2015, with current exchange rates, Net sales is to decline slightly compared to 2014 and Operating profit is estimated to be approximately EUR 270-295 million.

Capital Markets Day
Tuesday 17 November, 2015

Welcome to Finland!

Instructions to conference call attendees

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

Appendices

- Major shareholders
- Share price development
- Competitor comparison
- Examples of new products and innovations
- Winter tyre legislation in Europe
- Personnel
- Factories
- Raw material consumption
- Group Operating profit
- Financing: Loans and Net Financial Expenses
- Tables of financial figures
- Key figures 2010-2014

Appendix

Major shareholders as of 30 June, 2015

Major Domestic Shareholders		Number of shares	Share of capital %	Change from previous month
1	Varma Mutual Pension Insurance Company	5,272,007	3.9	-727,993
2	Ilmarinen Mutual Pension Insurance Company	2,700,947	2.0	-410,000
3	Mandatum Life Insurance Company Limited	1,286,546	1.0	0
4	OP Investment Funds	1,077,337	0.8	+327,337
5	Odin Norden	1,044,270	0.8	0
6	The State Pension Fund	800,000	0.6	0
7	Svenska litteratursällskapet i Finland r.f.	757,200	0.6	0
8	Schweizer Nationalbank	675,965	0.5	+1,297
9	Nordea Allemansfond Alfa	662,314	0.5	0
10	Evli Europe Fund	581,753	0.4	0
Major Domestic Shareholders total		14,858,339	11.1	
Foreign Shareholders ¹⁾		92,374,007	69.2	
Bridgestone Corporation ²⁾		20,000,000	14.9	

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

2) In the name of a nominee.

Options, outstanding as of 30 June, 2015

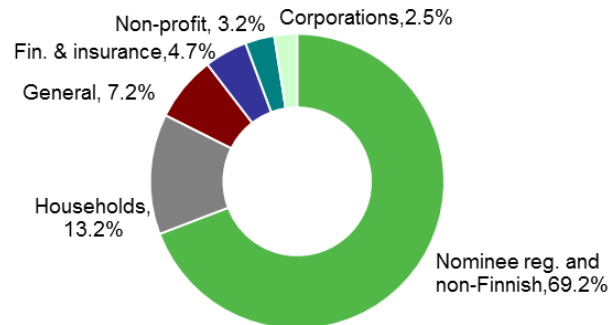
2010B: 119,659 (86,850 in company's possession)

2010C: 1,339,920 (70,570 in company's possession)

2013A: 1,149,920 (47,186 in company's possession)

2013B: 1,150,000 (123,445 in company's possession)

Division by Category as of 30 June, 2015



Total number of shares: 133,471,373

Appendix

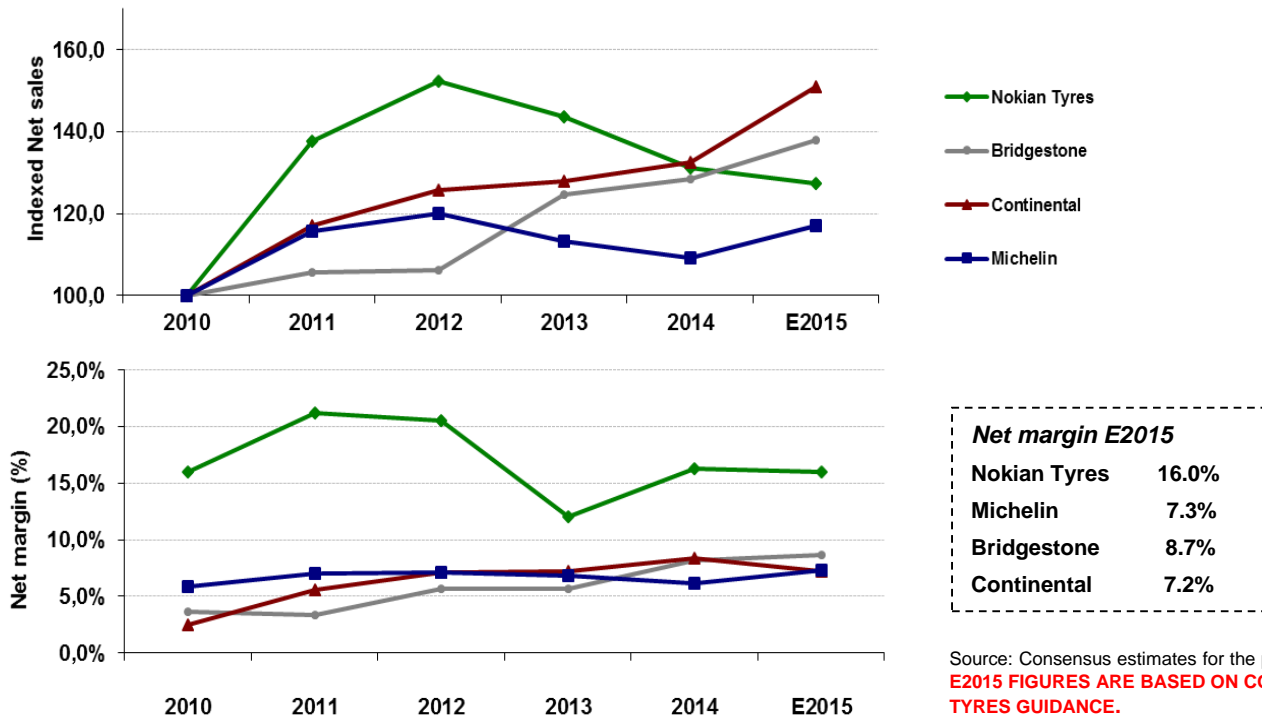
Indexed share price development 2010 - 6/2015



Appendix

Nokian Tyres the most profitable tyre producer

Nokian Tyres' profitability has been clearly better than that of the main peers during the past 5 years. The better profitability protects the company profits during recessions and potential downturns.



Appendix

Newest summer products in 2015

NORDIC COUNTRIES AND RUSSIA

Nokian Hakka Black SUV – Tough cool performer

- Steers logically, quickly and responsively at high speeds. Combines safety under extreme conditions, comfort, and durability

Nokian Hakka Blue SUV –Tough wet performer

- Driving comfort, safety and durability like never before for versatile use on SUVs

Nokian Hakka C2 - Controlled stability and durability

- Stable and comfortable under heavy use

CENTRAL EUROPE

Nokian zLine SUV – Cool performance for the Central European autobahns

- Precise handling, extreme durability and perfect driving pleasure.

Nokian Line SUV – Driving comfort and versatile safety

- Pleasant comfort, high performance and firm wet grip

Nokian cLine – Works on the road

- More stability, safety and driving kilometres for the hard-working professionals

NORTH AMERICA

Nokian eNTYRE 2.0 – The next generation premium All-Season tyre

- Specifically for North America designed novelty offers safety and high performance

Nokian Rotiiva HT – Reliable performer

- Designed for heavy SUV-type 4x4 vehicles and pickups is a durable and reliable performer on asphalt and gravel alike



New Nokian Line SUV



More durability. Nokian Aramid Sidewall Technology

Appendix

Newest winter products in 2015

CENTRAL EUROPE

Nokian WR D4 – The world's first winter tyre that offers wet grip in the A class

- The world's first premium winter tyre for passenger cars that offers wet grip in the EU tyre label's best A class
- The Nokian Block Optimized Siping and the Nokian Twin Trac Silica offer controlled handling and firm grip

Nokian Weatherproof – Safe year-round driving comfort

- Nokian Tyres' All-Weather concept combine reliable winter safety with the precise driving stability and firm handling of the Nokian summer tyres
- Much safer and more versatile than the typical all-season tyres

Nokian WR C3 – Tough performance

- Stability, durability and safety for versatile use on delivery vehicles and vans



Nokian Block Optimized Siping.



Nokian Twin Trac Silica.



Appendix

Newest winter products in 2015



NORDIC COUNTRIES AND RUSSIA

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

- The most modern stud technology (Nokian Eco Stud 8 Concept) in the business provides grip like never before on ice and snow.

Nokian Hakkapeliitta C3 – Winter grip and efficiency for professionals

- The new Nokian Hakkapeliitta C3 studded tyre makes life easier for heavy duty professionals.

NORTH AMERICA

Nokian WR G3 SUV – Ultimate All-Weather Performance

- New high-performance Nokian WR G3 SUV all-weather tyre for varied use on sports utility vehicles for the North American market.



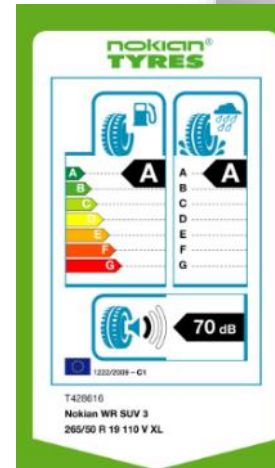
Nokian Hakkapeliitta 8 SUV

Appendix

The world's first winter tyre with class A wet grip and fuel efficiency

The EU tyre label's top AA category is now a reality in winter tyres

- Nokian Tyres will in the autumn of 2015 offer European SUV drivers the world's first winter tyre that achieves the best possible class A in the EU tyre label's wet grip and fuel efficiency
- The modern Nokian WR SUV 3 (size 265/50 R19 V) targets the Central European market
- This genuine SUV winter tyre is excellently suited for versatile use on different sports utility vehicles
- The industry's finest snow and wet grip and fuel efficiency as well as precise handling combined with excellent durability

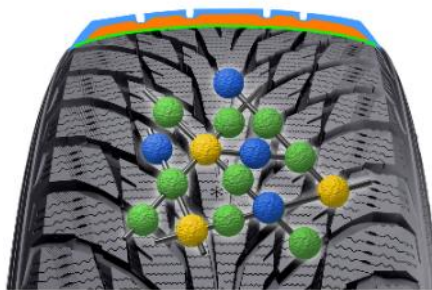


Appendix

State-of-the-art green winter tyre technology for electric cars

- The new non-studded Nokian Hakkapeliitta R2 155/70R19 is a genuine winter tyre designed for BMW's unique i3 electric car
- First ever EU tyre label class A (rolling resistance) winter tyre; The Nokian Hakkapeliitta R2 155/70R19 can reduce the rolling resistance of electric vehicles even 30%
- New size 215/45R20 for BMW's new i8 hybrid vehicle
- These features will be gradually launched in rest of Hakkapeliitta R2 range

Nokian Intelligent eSilica.
Increased range, maximises winter grip
Comfortable and quiet to drive



Appendix

Car tyres - examples of current products and innovations 1(2)

NORDIC COUNTRIES AND RUSSIA

Nokian Hakkapeliitta 8 – Ruler of the North

- Nokian Hakkapeliitta 8 is a superior test winner in Nordics and Russia. Nokian Hakkapeliitta 8 – winter grip like never before – has won practically all winter tyre magazine tests
- The ground-breaking stud distribution and the Eco Stud 8 Concept create fantastic winter properties: supreme grip during braking and acceleration, better wear resistance, and peace of mind through driving comfort.

Nokian Hakkapeliitta R2 – Northern comfort

- The new non-studded winter tyre, will safely tackle even the trickiest winter conditions. The number one choice for those who value unique driving comfort and eco-friendly travelling.
- The new innovations, like Nokian Cryo Crystal Concept maximise grip on ice

Nokian Hakkapeliitta R2 SUV – Northern comfort and stability for SUVs

- The non-studded Nokian Hakkapeliitta R2 SUV winter tyre, specially tailored for sport utility vehicles.
- The new innovations, like Nokian Cryo Crystal Concept, in the tread patterns and compounds of this stable, rugged new product ensure that the Nokian Hakkapeliitta R2 SUV's handling and grip properties are top-notch.

CENTRAL EUROPE

Nokian WR SUV 3 – Ultimate snow and slush performance

- Developed for Central Europe's varying winter conditions and the ever-increasing SUV segment

NORTH AMERICA

Nokian WR G3 and Nokian WR G3 SUV – Forget the Forecast

- Extensions of the Nokian Tyres' All Weather Plus product line for the North American market.



Nokian Hakkapeliitta 8



Nokian Hakkapeliitta R2



Nokian Hakkapeliitta R2 SUV

Appendix

Car tyres - examples of current products and innovations 2(2)

NORDIC COUNTRIES AND RUSSIA

Nokian Hakka Black – Ultra high Performance summer tyre for core markets

- Cool performance for fast driving, stable and precise driving feel
- Top performance in both the W (270 km/h) and Y (300 km/h) speed.
- New innovations: Nokian Intelligent UHP Silica, Hydro Grooves and Silent Groove Design.

CENTRAL EUROPE

Nokian zLine – Ultra High Performance summer tyre for Central Europe

- Top class tyre family for varying Central European summer conditions. Sporty, cool performance for fast driving
- Precise driving feel, uncompromisingly safe and comfortable travel

Nokian Line – Safety and top performance for wet roads

- Offers the best possible traction and precise handling especially for wet roads
- The new innovations maximize wet grip, the Cross-Block sipes and Surge Grooves
- The structural solutions and tread design were tailored to rise to the challenge of the different fast speeds in T, H, V and W speed categories

Nokian WR – Winter tyre for Central Europe

- Advanced new-generation tyre family for any winter weather
- Environmentally friendly premium products feature nanotechnology, canola oil and the solid winter expertise of Nokian Tyres
- Nokian WR D3 for the economic driver, Nokian WR A3 for sporty use



Nokian Hakka Black



Nokian zLine



Nokian WR

Appendix

Heavy Tyres - Examples of new products

Nokian Hakkapeliitta TRI – The world's first winter contracting tyre for tractors

- Nokian Hakkapeliitta TRI introduces totally new technologies and user benefits to the market of winter contracting and snow clearing.
- Revolutionary tread design, tread block siping with siping activators and specially designed winter tread compound ensure that the user has superior traction and the best possible handling without compromising the economy of use.

Nokian Hakkapeliitta Truck D – Superior grip and stability in the long haul

- A durable and stable winter traction tyre for long-haul freight and bus traffic.
- Reliable grip and economic driving in demanding winter conditions.
- Patented twin-block pattern ensures optimal grip and precise driving response even under extreme conditions.



Appendix

Heavy Tyres - Examples of new products

Nokian Hakka Truck Drive – Unique stability, grip and safety for year-round use

- The new drive axle tyre offers excellent wear resistance, grip and driving stability without any compromises
- Entirely new type of drive axle tyre for all-year cargo and coach traffic on long and medium distances for the varying Central European and Nordic weather conditions

Nokian Hakka Truck 844 – Durability for demanding use

- Economical, safe and quiet tyre for year-round use, medium and long haul
- The first trailer tyre in this size (385/55R22.5) on the market with both the M+S and the snowflake marking, which is the official winter tyre approval



Appendix

Winter tyre regulations in Europe

	Austria	Bosnia Herzegovina	Croatia	Czech Republic	Estonia	Finland	France	Germany	Hungary	Italy	Latvia	Lithuania	Norway	Poland	Portugal	Romania	Serbia	Slovakia	Slovenia	Spain	Sweden	Switzerland	Turkey	United Kingdom
Winter tyres are legally mandatory		●			●	●					●	●	●			●	●	●	●				● *	
Winter tyres are mandatory, if weather conditions so require	●		●	●				●													●			
Winter tyres are mandatory only if there is a specific road sign							●		●	●				●	●					●		●		●

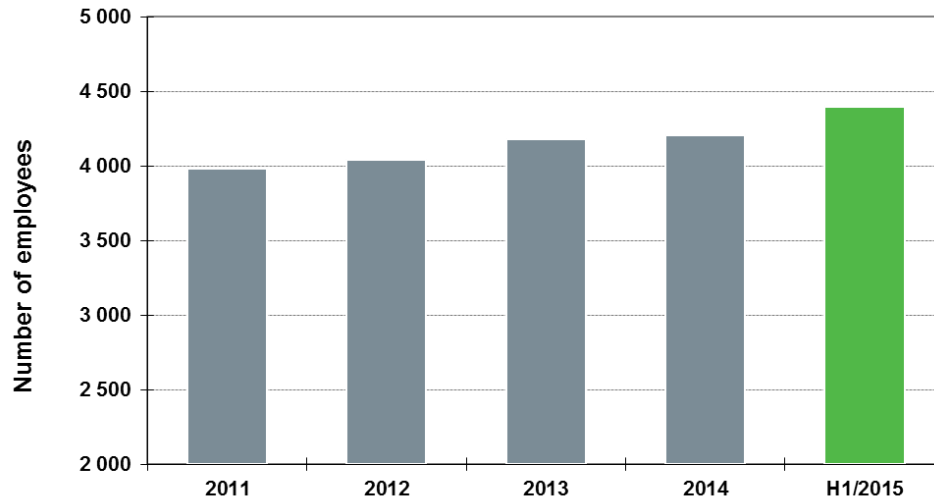
* For taxis and commercial vehicles, not regular passenger vehicles

Source: Nokian Tyres 8/2015

Appendix

Personnel 30 June, 2015

- Nokian Tyres Group: 4,393 (4,222)
- Equity-owned Vianor: 1,628 (1,499)
- Russia: 1,346 (1,323)



Appendix

Production facilities

Annualized production capacity >20 million tyres with shift arrangements. Potential to increase further by 1.5 mpcs in existing factories.



Nokia, Finland

- R&D, administration and marketing
- Development of key processes
- Prototype production batches
- Special car tyres
- Heavy tyres, retreading materials
- Export to western markets

2012-2014:

- Car tyres 5-day shift system
- Temporary production cuts
- Modernization and ramp up of Heavy tyre production



Vsevolozhsk, Russia

- Production of the whole car tyre range with state-of-the-art production technology and lower production costs
- Tax benefit agreements
- Inside the duty borders of Russia and CIS
- Export to all markets
- Possibility to expand in current premises & land area

2012:

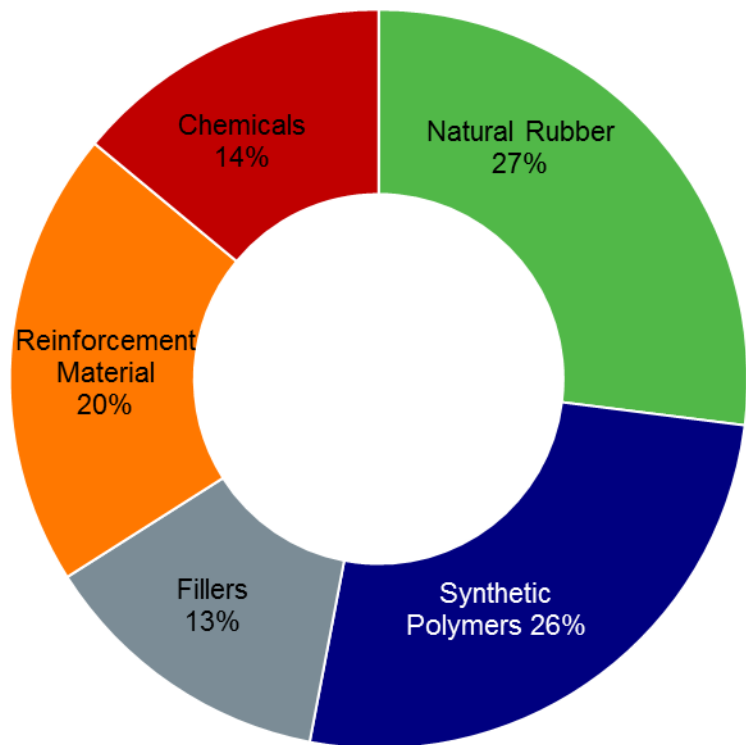
- New factory next to the current one
- Own electricity generation

2013-2014:

- 13 lines in production. Capacity > 15 Mpcs.

Appendix

Value of raw material consumption (%)



Appendix

Group Operating profit per quarter 1/2011 – 6/2015

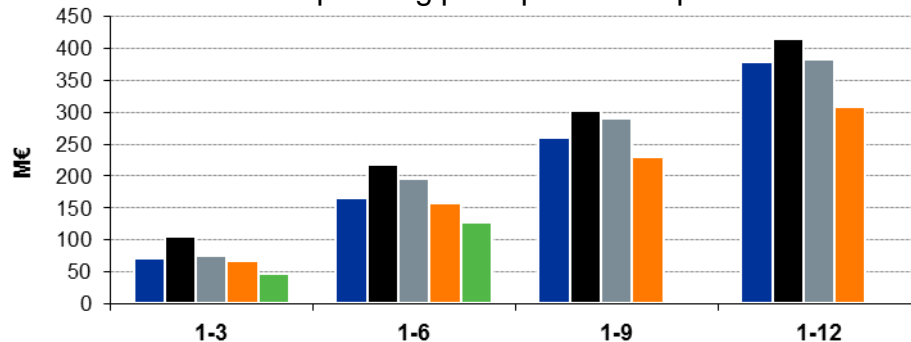
1-6/2015

- Net sales 626.8 M€ (681.5 M€), -8.0%
- EBIT 128.8 M€ (159.1 M€), -19.0%

4-6/2015

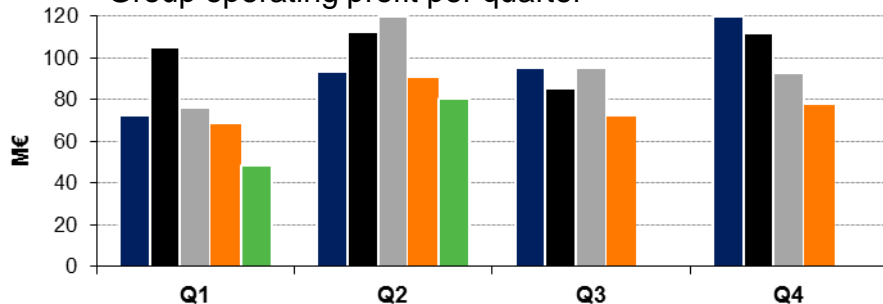
- Net sales 345.5 M€ (369.5 M€), -6.5%
- EBIT 80.6 M€ (90.7 M€), -11.2%

Cumulative Operating profit per review period



Note: Excluding sale of fixed assets ■ 2011 ■ 2012 ■ 2013 ■ 2014 ■ 2015

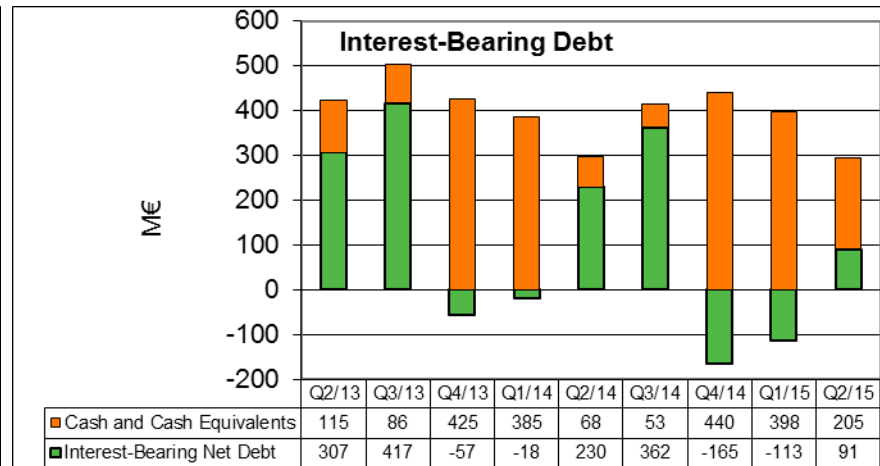
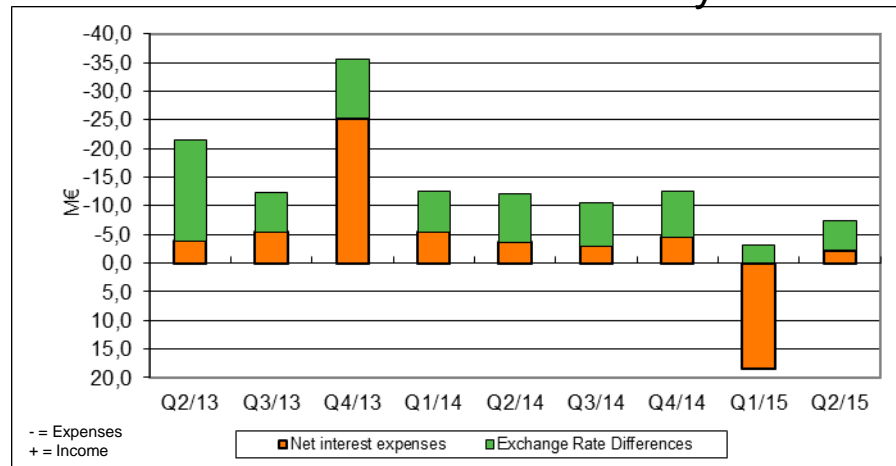
Group operating profit per quarter



Note: Excluding sale of fixed assets ■ 2011 ■ 2012 ■ 2013 ■ 2014 ■ 2015

Appendix

Financing: Loans on 30 June 2015, Net Financial Expenses and currency effect

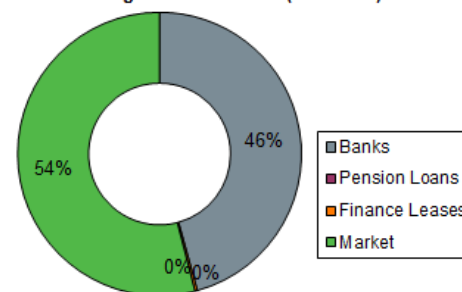


Net financial items/exchange rate difference (M€) 30 June, 2015

	RUB	NOK	SEK	USD	CAD	Other	Total
Underlying 1)	17,9	0,3	0,8	-2,2	0,0	3,6	20,3
Hedging	-15,7	0,1	-0,6	1,9	0,3	-3,9	-17,9
Hedging cost	-10,5	-0,1	0,0	0,1	-0,2	0,0	-10,8
Total	-8,3	0,2	0,2	-0,3	0,0	-0,3	-8,4

1) AP, AR, Internal loans/deposits

Interest Bearing Debts 295.7 M€ (30.6.2015)



Appendix

Consolidated Income Statement

Million euros	4-6/15	4-6/14	1-6/15	1-6/14	Last 12 months	1-12/14	Change %
Net sales	345.5	369.5	626.8	681.5	1,334.5	1,389.1	-8.0
Cost of sales	-189.3	-206.3	-347.9	-375.5	-742.0	-769.6	7.4
Gross profit	156.2	163.2	279.0	305.9	592.5	619.5	-8.8
Other operating income	1.2	0.9	1.9	2.0	3.4	3.4	-4.1
Selling and marketing expenses	-63.3	-57.7	-121.7	-116.9	-251.4	-246.5	-4.2
Administration expenses	-7.5	-9.1	-16.4	-18.0	-32.9	-34.5	8.9
Other operating expenses	-6.1	-6.6	-13.9	-14.0	-33.1	-33.2	0.6
Operating profit	80.6	90.7	128.8	159.1	278.5	308.7	-19.0
Financial income	27.0	31.5	88.2	71.9	284.7	268.4	22.7
Financial expenses (1	-34.4	-43.6	-80.3	-96.4	-299.8	-315.9	16.7
Profit before tax	73.2	78.6	136.7	134.6	263.4	261.2	1.6
Tax expense (2 (3	-8.7	-12.6	63.1	-29.7	40.0	-52.8	312.2
Profit for the period	64.5	66.1	199.8	104.8	303.4	208.4	90.6
Attributable to:							
Equity holders of the parent	64.5	66.1	199.8	104.8	303.4	208.4	
Non-controlling interest	-	0.0	-	0.0	0.0	0.0	
Earnings per share from the profit attributable to equity holders of the parent							
basic, euros	0.48	0.50	1.50	0.79		1.56	90.6
diluted, euros	0.48	0.50	1.50	0.79		1.56	89.3

1) Financial expenses in 1-6/15 have been adjusted with EUR 20.2 million reversal of interests on back taxes as the tax reassessment decisions on years 2007-2010 were annulled and returned to the Tax Administration for reprocessing. Financial expenses in 1-6/14 and 1-12/14 contain EUR 1.6 million expensed punitive interest for tax reassessment decisions on years 2008-2012 of a group company.

2) Tax expense in 1-6/15 has been adjusted with EUR 80.1 million as the tax reassessment decisions on years 2007-2010 were annulled and returned to the Tax Administration for reprocessing. Tax expense in 1-6/14 and 1-12/14 contain EUR 9.4 million expensed additional taxes with punitive tax increases for tax reassessment decisions on years 2008-2012 of a group company.

3) Otherwise tax expense in the consolidated income statement is based on the taxable result for the period.

Appendix

Consolidated Other Comprehensive Income

Million euros	4-6/15	4-6/14	1-6/15	1-6/14	1-12/14
Profit for the period	64.5	66.1	199.8	104.8	208.4
Other comprehensive income, items that may be reclassified subsequently to profit and loss, net of tax:					
Gains/Losses from hedge of net investments in foreign operations	0.0	0.0	0.0	0.0	0.0
Cash flow hedges	1.9	0.2	-0.8	-0.8	-1.9
Translation differences on foreign operations 4)	-4.7	22.5	65.4	-22.8	-202.1
Total other comprehensive income for the period, net of tax	-2.7	22.7	64.7	-23.5	-204.0
Total comprehensive income for the period	61.8	88.8	264.5	81.3	4.4
Total comprehensive income attributable to:					
Equity holders of the parent	61.8	88.7	264.5	81.3	4.4
Non-controlling interest	-	0.1	-	0.0	0.0

4) Since the beginning of year 2014 the Group has internal loans that are recognised as net investments in foreign operations in accordance with IAS 21 "The Effects of Changes in Foreign Exchange Rates". The impact in 1-6/15 is EUR -1.7 million and in 1-6/14 EUR -7.3 million and 1-12/14 EUR -10.0 million.

Appendix

Consolidated Statement Of Financial Position

Million euros	30.6.15	30.6.14	31.12.14	Million euros	30.6.15	30.6.14	31.12.14
Non-current assets				Non-current liabilities			
Property, plant and equipment	547.0	661.2	502.8	Deferred tax liabilities	26.5	28.6	26.7
Goodwill	79.3	71.1	73.3	Provisions	0.1	0.1	0.1
Other intangible assets	18.6	23.8	19.8	Interest bearing financial liabilities	285.7	287.2	274.7
Investments in associates	0.1	0.1	0.1	Other liabilities	7.7	4.0	5.1
Available-for-sale financial assets	0.3	0.3	0.3	Total non-current liabilities	320.0	319.9	306.5
Other receivables	11.6	15.6	10.0				
Deferred tax assets	6.8	10.7	9.1	Current liabilities			
Total non-current assets	663.8	782.7	615.4	Trade payables	73.3	70.0	63.9
Current assets				Other current payables	150.0	222.6	214.7
Inventories	317.0	318.5	288.3	Provisions	3.3	3.2	2.8
Trade receivables	533.2	656.4	351.0	Interest-bearing financial liabilities	10.0	10.5	0.6
Other receivables	154.6	80.7	102.4	Total current liabilities	236.6	306.3	282.0
Cash and cash equivalents	204.6	67.8	439.9	Total assets	1,873.2	1,906.1	1,797.0
Total current assets	1,209.4	1,123.4	1,181.6				
Total assets	1,873.2	1,906.1	1,797.0				
Equity							
Share capital	25.4	25.4	25.4				
Share premium	181.4	181.4	181.4				
Treasury shares	-8.6	-8.6	-8.6				
Translation reserve	-265.3	-151.3	-330.7				
Fair value and hedging reserves	-3.3	-1.4	-2.6				
Paid-up unrestricted equity reserve	133.7	98.8	100.3				
Retained earnings	1,253.4	1,135.7	1,243.2				
Non-controlling interest	-	0.0	-				
Total equity	1,316.6	1,280.0	1,208.5				

Changes in net working capital arising from operative business are partly covered by EUR 350 million domestic commercial paper programme. The presentation of translation differences has been adjusted from the 2014 financial statements by presenting all translation differences in translation reserve. The adjustment is EUR -128.7 million and the adjusted translation reserve is EUR -330.7 million. The adjustment is made between translation reserve and retained earnings and has no effect on total equity.

Appendix

Key Ratios

	30.6.15	30.6.14	31.12.14	Change %
Equity ratio, %	70.4	67.6	67.5	
Gearing, %	6.9	18.0	-13.6	
Equity per share, euro	9.89	9.62	9.07	6.0
Interest-bearing net debt, mill. euros	91.1	229.9	-164.6	
Capital expenditure, mill. euros	48.2	36.0	80.6	
Depreciation, mill. euros	42.3	46.3	89.8	
Personnel, average	4,361	4,224	4,272	
Number of shares (million units) at the end of period	133.17	133.11	133.17	
in average	133.17	133.17	133.16	
in average, diluted	133.21	137.08	135.10	

Appendix

Consolidated Statement Of Cash Flows

Million euros	1-6/15	1-6/14	1-12/14
Profit for the period	199.8	104.8	208.4
Adjustments for			
Depreciation, amortisation and impairment	44.9	46.3	98.6
Financial income and expenses	-7.9	24.5	47.5
Gains and losses on sale of intangible assets, other changes	-4.3	-0.7	-11.0
Income Taxes	-63.1	29.7	52.8
Cash flow before changes in working capital	169.5	204.7	396.3
Changes in working capital			
Current receivables, non-interest-bearing, increase (-) / decrease (+)	-164.3	-246.3	24.5
Inventories, increase (-) / decrease (+)	-15.7	7.2	18.7
Current liabilities, non-interest-bearing, increase (+) / decrease (-)	16.7	38.4	38.4
Changes in working capital	-163.2	-200.7	81.6
Financial items and taxes			
Interest and other financial items, received	1.8	2.1	3.3
Interest and other financial items, paid	1.8	-45.5	-69.8
Dividens received	0.0	0.4	0.0
Income taxes paid	-15.7	-24.6	-88.2
Financial items and taxes	-12.0	-67.6	-154.6
Cash flow from operating activities (A)	-5.7	-63.5	323.4
Cash flows from investing activities			
Acquisitions of property, plant and equipment and intangible assets	-48.2	-36.0	-81.7
Proceeds from sale of property, plant and equipment and intangible assets	0.4	0.7	3.2
Acquisitions of Group companies	0.1	-3.8	-5.8
Change in non-controlling interest	0.0	0.0	-0.3
Acquisitions of other investments	0.0	0.0	0.0
Cash flows from investing activities (B)	-47.7	-39.2	-84.7

Million euros	1-6/15	1-6/14	1-12/14
Cash flow from financing activities:			
Proceeds from issue of share capital	33.4	1.7	2.6
Purchase of treasury shares	0.0	-8.6	-8.6
Change in current financial receivables, increase (-) / decrease (+)	-21.4	-0.7	-8.0
Change in non-current financial receivables, increase (-) / decrease (+)	0.2	3.2	-3.4
Change in current financial borrowings, increase (+) / decrease (-)	-6.3	14.3	62.2
Change in non-current financial borrowings, increase (+) / decrease (-)	6.9	-71.6	-79.6
Dividens received	0.0	-193.4	0.4
Dividends paid	-193.5	0.0	-193.4
Cash flow from financing activities (C)	-180.8	-255.1	-227.7
Change in cash and cash equivalents (A+B+C)	-234.2	-357.9	11.0
Cash and cash equivalents at the beginning of the period	439.9	424.6	424.6
Effect of exchange rate fluctuations on cash held	-1.0	1.0	4.3
Cash and cash equivalents at the end of the period	204.6	67.8	439.9

The company has received a stay of execution from the Finnish Tax Administration for the collection of the tax increases based on the tax reassessment decisions on years 2007-2010. In spite of this stay of execution the Finnish Tax Administration has taken funds in accordance with these aforesaid decisions from company's tax account setting off company's other tax refunds. Financial items and taxes contain

these set-offs by the Tax Administration in 1-6/15 EUR 6.1 million, in 1-6/14 EUR 19.4 million and in 1-12/14 EUR 37.0 million.

On 17 March 2015 the Board of Adjustment annulled the reassessment decisions in question and returned the assessments to the Tax Administration for reprocessing. The Tax Administration has yet to refund these set-offs, but has discontinued with additional ones.

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	I
Equity, Jan 1st 2014	25.4	181.4	-	-128.5	-0.7	97.1	1,217.9	0.2	1,392.8
Profit for the period							104.8		104.8
Other comprehensive income, net of tax:							0.2	-0.2	0.0
Cash flow hedges					-0.8				-0.8
Net investment hedge				0.0					0.0
Translation differences				-22.8					-22.8
Total comprehensive income for the period				-22.8	-0.8		105.0	-0.2	81.3
Dividends paid							-193.4		-193.4
Exercised warrants						1.7			1.7
Acquisition of treasury shares			-8.6						-8.6
Share-based payments							5.9		5.9
Total transactions with owners for the period						1.7	-187.4	0.0	-185.7
Changes in the shareholding of subsidiaries									
Acquisition of non-controlling interests, with no impact on control							0.2		0.2
Equity, Jun 30th 2014	25.4	181.4	-8.6	-151.3	-1.4	98.8	1,135.7	0.0	1,280.0
Equity, Jan 1st 2015	25.4	181.4	-8.6	-330.7	-2.6	100.3	1,243.2	-	1,208.5
Profit for the period							199.8		199.8
Other comprehensive income, net of tax:									
Cash flow hedges					-0.8				-0.8
Net investment hedge									0.0
Translation differences				65.4					65.4
Total comprehensive income for the period				65.4	-0.8	0.0	199.8		264.5
Dividends paid							-193.5		-193.5
Exercised warrants						33.4			33.4
Acquisition of treasury shares									0.0
Share-based payments							4.0		4.0
Total transactions with owners for the period							-189.6		-189.6
Equity, Jun 30th 2015	25.4	181.4	-8.6	-265.3	-3.3	133.7	1,253.4	-	1,316.6

A = Share capital

B = Share premium

C = Treasury shares

D = Translation reserve

E = Fair value and hedging reserves

F = Paid-up unrestricted equity reserve

G = Retained earnings

H = Non-controlling interest

I = Total equity

The presentation of translation differences has been adjusted from the 2014 financial statements by presenting all translation differences in translation reserve. The adjustment is EUR -128.7 million and the adjusted translation reserve is EUR -330.7 million. The adjustment is made between translation reserve and retained earnings and has no effect on total equity.

Appendix

Segment Information

Million euros	4-6/15	4-6/14	1-6/15	1-6/14	1-12/14	Change %
Net sales						
Passenger car tyres	241.2	273.7	448.8	520.6	1,003.2	-13.8
Heavy tyres	38.0	36.7	75.6	71.3	149.1	6.1
Vianor	86.7	81.0	141.7	130.5	314.8	8.6
Other operations	4.0	2.7	6.9	4.3	13.5	60.9
Eliminations	-24.4	-24.6	-46.2	-45.2	-91.5	-2.2
Total	345.5	369.5	626.8	681.5	1,389.1	-8.0
Operating result						
Passenger car tyres	69.6	83.4	129.7	163.5	292.2	-20.7
Heavy tyres	7.5	5.4	14.3	9.9	24.6	44.1
Vianor	5.7	5.0	-6.9	-6.9	2.1	0.2
Other operations	-1.4	-0.8	-4.1	-3.9	-9.4	-5.3
Eliminations	-0.9	-2.4	-4.1	-3.5	-0.7	-18.5
Total	80.6	90.7	128.8	159.1	308.7	-19.0
Operating result, % of net sales						
Passenger car tyres	28.9	30.5	28.9	31.4	29.1	
Heavy tyres	19.8	14.8	18.9	13.9	16.5	
Vianor	6.5	6.2	-4.9	-5.3	0.7	
Total	23.3	24.5	20.6	23.3	22.2	
Cash Flow II						
Passenger car tyres	-11.1	-22.7	-58.7	-16.4	443.4	-258.4
Heavy tyres	11.4	6.2	18.5	7.2	28.8	156.7
Vianor	-8.5	1.8	-21.4	-10.6	-8.7	-102.1
Total	-13.0	-21.8	-72.7	-25.5	458.3	-185.2

Appendix

Changes in property, plant and equipment

Million euros	30.6.15	30.6.14	31.12.14
Opening balance	502.8	683.8	683.8
Capital expenditure	47.1	39.7	88.2
Decrease	-10.0	-7.2	-15.0
Depreciation for the period	-38.5	-43.1	-80.1
Exchange differences	45.6	-12.0	-174.0
Closing balance	547.0	661.2	502.8
CONTINGENT LIABILITIES			
Million euros	30.6.15	30.6.14	31.12.14
FOR OWN DEBT			
Mortgages	1.0	1.0	1.0
Pledged assets	4.7	0.2	4.7
OTHER OWN COMMITMENTS			
Guarantees	5.2	3.2	4.6
Leasing and rent commitments	62.9	53.6	53.7
Purchase commitments	2.0	2.0	2.0

Appendix

Carrying amounts and fair values of financial assets and liabilities

	30.6.15		30.6.14		31.12.14	
Million euros	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
FINANCIAL ASSETS						
Financial assets at fair value through profit or loss						
Derivatives held for trading	12.0	12.0	4.7	4.7	19.2	19.2
Money market instruments	-	-	-	-	-	-
Loans and receivables						
Other non-current receivables	11.6	8.1	15.5	19.7	10.0	7.0
Trade and other receivables	537.0	537.5	660.8	660.0	355.2	355.8
Cash in hand and at bank	204.6	204.6	67.8	67.8	439.9	439.9
Available-for-sale financial assets						
Unquoted shares	0.3	0.3	0.3	0.3	0.3	0.3
Derivative financial instruments designated as hedges	9.7	9.7	2.1	2.1	0.3	0.3
Total financial assets	775.3	772.3	751.2	754.6	824.9	822.5
FINANCIAL LIABILITIES						
Financial liabilities at fair value through profit or loss						
Derivatives held for trading	1.9	1.9	11.9	11.9	13.8	13.8
Financial liabilities measured at amortised cost						
Interest-bearing financial liabilities	295.7	300.8	297.7	307.9	275.2	279.8
Trade and other payables	73.3	73.3	70.0	70.0	63.9	63.9
Derivative financial instruments designated as hedges	9.0	9.0	5.4	5.4	4.8	4.8
Total financial liabilities	379.9	385.0	385.1	395.3	357.7	362.3

Appendix

Derivative Financial Instruments

Million euros	30.6.15	30.6.14	31.12.14
INTEREST RATE DERIVATIVES			
Interest rate swaps			
Notional amount	130.0	130.0	100.0
Fair value	-1.8	-0.9	-2.3
FOREIGN CURRENCY DERIVATIVES			
Currency forwards			
Notional amount	286.1	533.9	303.8
Fair value	3.0	-9.7	-9.4
Currency options, purchased			
Notional amount	7.2	24.8	-
Fair value	0.3	0.2	-
Currency options, written			
Notional amount	14.5	44.4	-
Fair value	0.0	-0.2	-
Interest rate and currency swaps			
Notional amount	87.5	20.0	67.5
Fair value	11.7	2.5	14.9
ELECTRICITY DERIVATIVES			
Electricity forwards			
Notional amount	8.1	11.3	10.0
Fair value	-2.4	-2.5	-2.3

Appendix

Definitions Of Consolidated Key Financial Indicators

Earnings per share, euro:

Profit for the period attributable to the equity holders of the parent / Average adjusted number of shares during the period excluding treasury shares

Earnings per share (diluted), euro:

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

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, %:

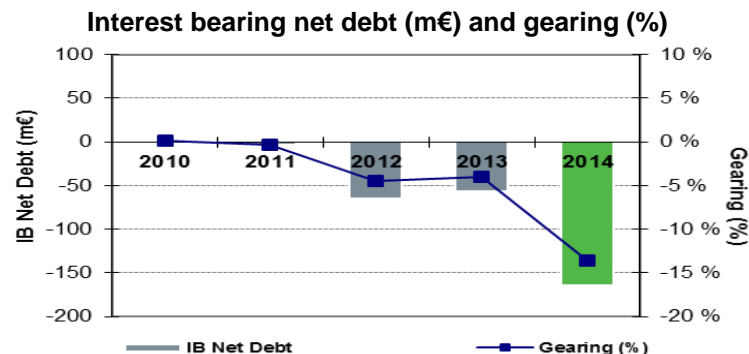
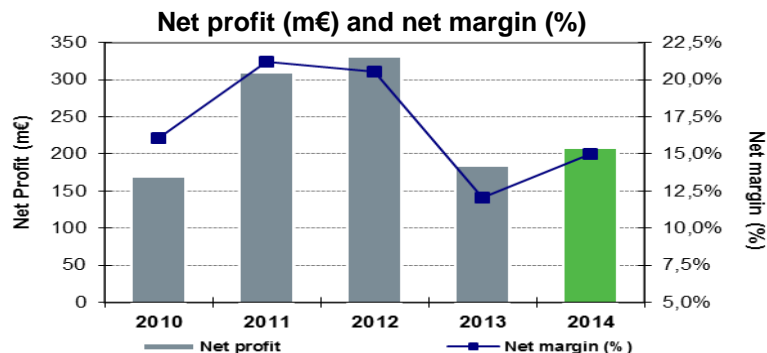
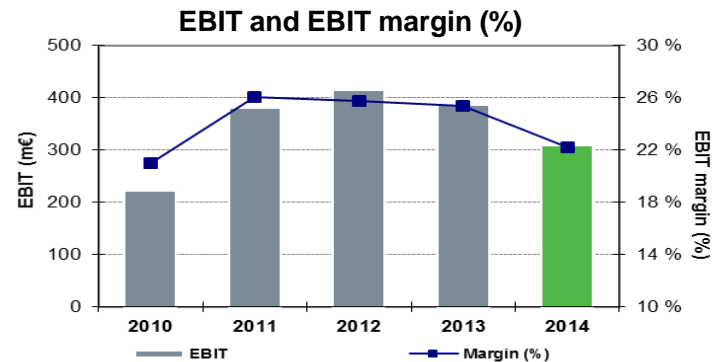
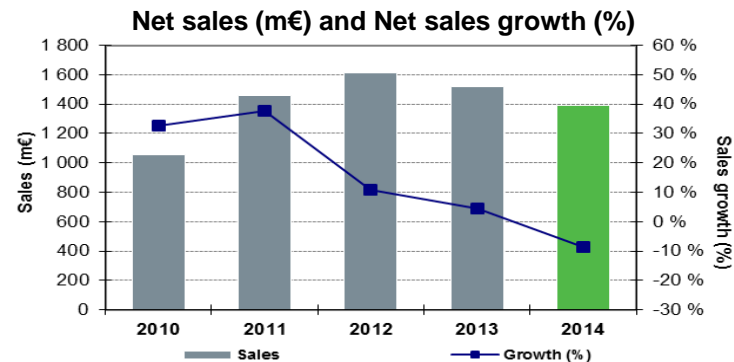
$\text{Interest-bearing net debt} \times 100 / \text{Total equity}$

Equity per share, euro:

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

Appendix

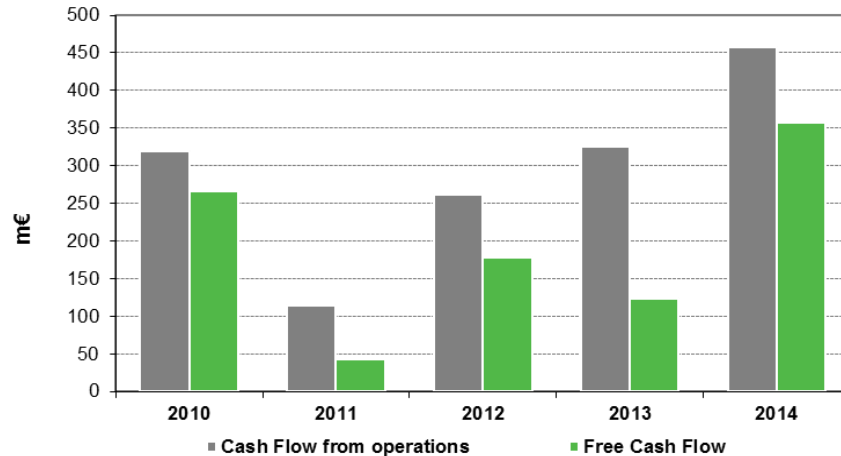
Key figures 2010-2014



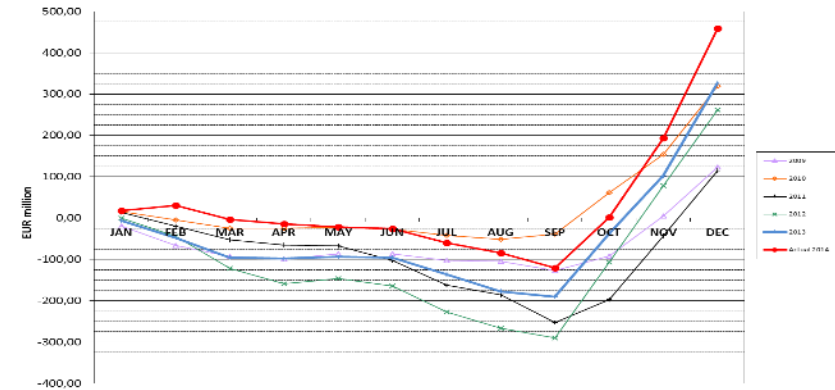
Appendix

Group Operating Cash Flow and Free Cash Flow 2010-2014

Group Cash Flow From Operations and Free Cash flow

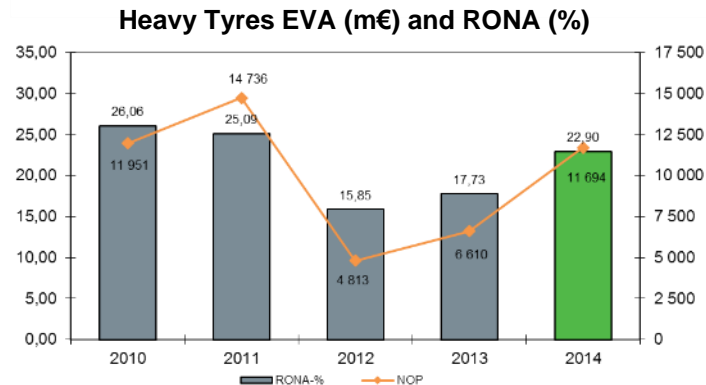
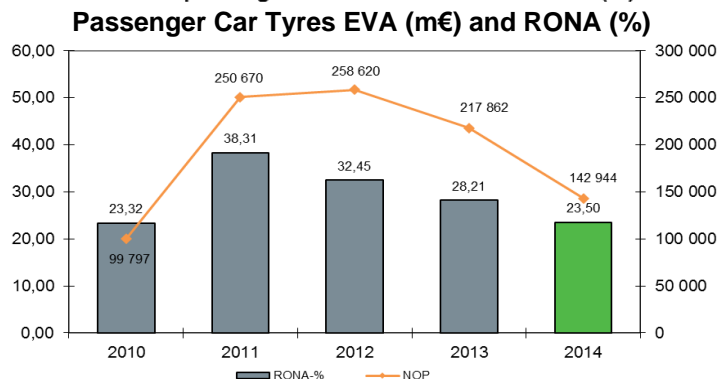
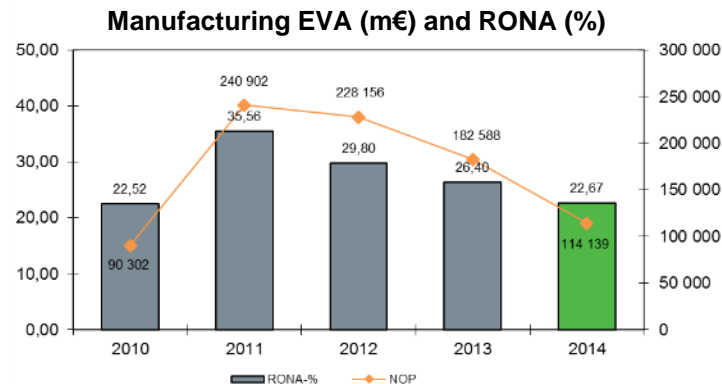
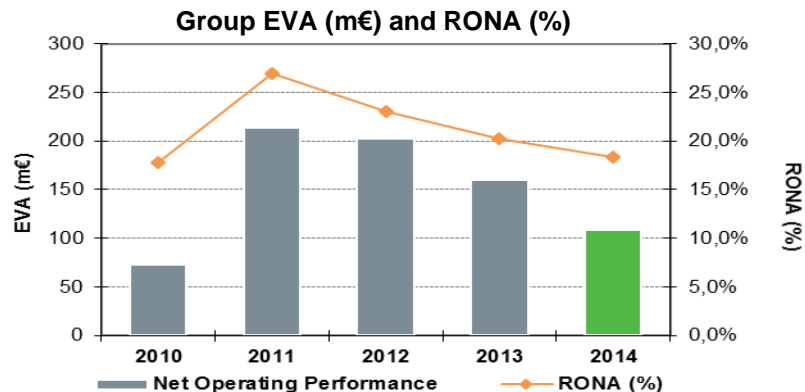


Monthly cumulative Group Cash flow from operations



Appendix

RONA (%) and Net operating performance (EVA) ¹⁾ 2010-2014



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

A low-angle, perspective shot of two cars parked on an asphalt road. The car on the left is dark brown, and the car on the right is light blue. Both cars have Nokian tires with a distinctive red and blue stripe running down the center of the tread. The background shows a clear blue sky and green trees in the distance. The text 'Thank you!' is centered in the upper half of the image.

nokian[®]
TYRES

Thank you!