

Nokian Tyres plc Interim Report 30 October 2015, 8 a.m.

Nokian Tyres plc Interim Report January-September 2015: Improved profitability in Q3 supported by favourable product mix, raw material cost savings and productivity development

July-September 2015

- Net sales decreased 5.1% to EUR 311.0 million (EUR 327.7 million in 7-9/2014). Currency rate changes cut net sales by EUR 10.3 million compared with the rates in 7-9/2014.
- Operating profit increased 0.3% to EUR 72.4 million (72.1). Operating profit percentage was 23.3% (22.0%).
- Profit for the period increased 8.0% to EUR 57.7 million (53.4).
- Earnings per share were up 7.2% to EUR 0.43 (EUR 0.40).

January-September 2015

- Net sales decreased 7.1% to EUR 937.9 million (EUR 1,009.2 million in 1-9/2014). Currency rate changes cut net sales by EUR 48.3 million compared with the rates in 1-9/2014.
- Operating profit was down 13.0% to EUR 201.2 million (231.2). Operating profit percentage was 21.5% (22.9%).
- Profit for the period increased 62.7% to EUR 257.5 million (158.3). In Q1 the company returned to the financial result the 2007-2010 total additional taxes and punitive interest of EUR 100.3 million, based on the annulment decision made by the Board of Adjustment of the Finnish Tax Administration.
- Earnings per share were up 62.5% to EUR 1.93 (EUR 1.19).

Full year financial guidance (reiterated)

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

Key figures, EUR million:

| | 7-9/15 | 7-9/14 | Change% | 1-9/15 | 1-9/14 | Change% | 2014 |
|---------------------------|---------------|---------------|----------------|---------------|---------------|----------------|-------------|
| Net sales | 311.0 | 327.7 | -5.1 | 937.9 | 1,009.2 | -7.1 | 1,389.1 |
| Operating profit | 72.4 | 72.1 | 0.3 | 201.2 | 231.2 | -13.0 | 308.7 |
| Operating profit, % | 23.3 | 22.0 | | 21.5 | 22.9 | | 22.2 |
| Profit before tax | 64.6 | 61.7 | 4.7 | 201.3 | 196.2 | 2.6 | 261.2 |
| Profit for the period | 57.7 | 53.4 | 8.0 | 257.5 | 158.3 | 62.7 | 208.4 |
| Earnings per share, EUR | 0.43 | 0.40 | 7.2 | 1.93 | 1.19 | 62.5 | 1.56 |
| Equity ratio, % | | | | 71.3 | 63.3 | | 67.5 |
| Cash flow from operations | -33.2 | -95.3 | 65.2 | -105.9 | -120.8 | 12.3 | 458.3 |
| RONA,% (roll. 12 months) | | | | 17.3 | 18.1 | | 18.3 |
| Gearing, % | | | | 14.0 | 27.7 | | -13.6 |

Ari Lehtoranta, President and CEO:

“Russia’s economic challenges continue. Winter season deliveries, especially in Central Europe, are moving every year more and more towards the actual start of the season. At the same time, however, European and especially North American economies are more positive. Russia and CIS countries used to account for over 40% of our sales, and now that share is closer to 20%. Even though our net sales still was below last year’s figure in third quarter, we were able to improve our profitability, and the operating profit for the quarter reached last year’s level.

Profitability improvement in passenger car tyres came from a good product mix, improved productivity and lower raw material costs. The product mix was supported by the continuous success of SUV and Van tyres and the increased share of premium tyres. Productivity improvement was 5% this year despite the lower volumes. Global raw material prices were low due to low oil price levels and China’s economic slowdown.

Heavy Tyres contributed to the improved profitability and increased its net sales as well. In Vianor we are still waiting for the proper season to start, and profitability was lower than last year.

One of our key strengths, our distribution network, continued to grow as planned. We added 177 new Vianor, NAD and N-Tyre outlets to our branded distribution network, and the current number of Vianor stores is 1,429 and the NAD/N-Tyre network has already grown to over 1,200 stores. The recent flow of magazine test wins has proven that our product portfolio competitiveness is on an excellent level.

We were able to complete the painful capacity reduction negotiations in Finland. Our personnel has done tremendous work in a difficult environment, and I trust we now can start to build up the future also in our Nokian site with renewed organization. Our success can only come from the world’s best team of tyre professionals.

Based on the situation described above, I feel very confident that we have now started our journey back to profitable growth.”

Market situation

The global economy continues to grow at a modest pace. The USA continues to be the growth engine, with its supportive monetary policy, improved industrial production and strong employment ratio giving fuel for growth. Also Europe is recovering, due to lower oil prices, weaker euro and the expansionary monetary policy. The global GDP is estimated to grow by 3.1% in 2015. The GDP growth estimates for Nordic countries are +0-3% and for Europe (including Nordics) +1.3%.

In the Nordic countries new car sales increased in 1-9/2015 by 7% year-over-year. The market volume of car tyres showed an increase of 6% compared to 1-9/2014, but for full year 2015 the increase is expected to be lower.

In Europe sales of new cars increased in 1-9/2015 by 9% year-over-year. Car tyre sell-in to distributors was up 1% compared to 1-9/2014, with winter tyre demand decreasing by 8%. Overall tyre demand is estimated to grow in Central Europe in 2015. Pricing pressure is, however, tight.

In the USA estimated new car sales were up 5% in 1-9/2015 vs. 1-9/2014. The market volume of car tyres was flat compared with 1-9/2014, due to specific reasons related to the punitive import duties imposed on Chinese tyre suppliers. Car tyre demand in North America is expected to grow by 1.5% in 2015 year-over-year.

Russia's economic decline has stabilized after seemingly having reached its bottom in June - July: according to the first estimates, GDP contracted by 4.3% (y-o-y) in Q3 (-3.8% in September). The whole year GDP decline is expected at the level of 3.8 – 3.9% with Q4 growing compared to Q3. Inflation continued to be high (over 10% since the beginning of the year, 15% y-o-y), resulting in the cut of real wages of up to 10%. Russian consumers' purchasing power clearly weakened and consumer confidence remained at a very low level; no further improvement took place in Q3 vs. Q2. As a result, consumers are holding back their spending: retail turnover remains quite sluggish, with only minor improvement on the way.

Sales of new cars in Russia declined in January - September 2015 by 33% and in September by 29% vs. the same period a year earlier. Car manufacturers maintain their full-year forecast at 1.57 million units, 37% decrease vs. 2014.

Tyre market (sell-in in A+B segments) is estimated to have declined by approximately 20%, with continued shift towards cheaper segments and decrease of imports by 34%. Total production of tyres increased by 10%, due to growing exports and replacement of fallen imports. Tyre manufacturers have carried out announced price increases of 5 – 10% in the local currency, partly compensating the devaluation of the ruble. Some tyre manufacturers chose to pursue a more aggressive pricing policy, buying market share. The overall pricing environment in Russia remains tight. Price increases for the next year's summer season are expected to be quite modest at the current exchange rates.

The global demand for special heavy tyres varied still strongly between product and market areas. OE forestry tyre demand continued to be strong. The increased use of wood and good profitability of pulp manufacturers will also support forestry machine and tyre demand during the following quarters.

In 1-9/2015 in Europe the sell-in of premium truck tyres was up 4%, and in the Nordic countries demand was flat year-over-year. Demand in North America showed growth. In Russia, however, demand for premium truck tyres decreased by 10 % compared to 1-9/2014. Truck tyre demand in 2015 is estimated to show some increase or to be at the same level as in the previous year in all Nokian Tyres' western markets; in Russia demand is expected to decline.

Raw materials

The raw material costs continued to decline. Raw material prices are estimated to be stable on rather low levels. Raw material costs (€/kg) for Nokian Tyres were down 16.7 % in 1-9/2015 year-over-year. Raw material costs are estimated to decrease around 10% in full year 2015, providing a tailwind of over EUR 30.0 million versus 2014.

JULY-SEPTEMBER 2015

Nokian Tyres Group recorded net sales of EUR 311.0 million (327.7), a decrease of 5.1% compared with Q3/2014. Currency rate changes cut net sales by EUR 10.3 million. In the Nordic countries sales increased 0.5% year-over-year. Sales in Russia decreased 51.5%. Russia and CIS consolidated sales dropped 47.7%. In Other Europe sales were down 1.0% and in North America sales increased 37.9%.

The raw material cost (EUR/kg) in manufacturing decreased 20.5% year-over-year and decreased 13.5% versus the second quarter of 2015. Fixed costs amounted to EUR 95.0 million (93.3), accounting for 30.6% (28.5%) of net sales.

Nokian Tyres Group's operating profit amounted to EUR 72.4 million (72.1). The operating profit was negatively affected by the recognition of credit losses and provisions of EUR 3.9 million (1.2).

Net financial expenses were EUR 7.8 million (10.5). Net interest expenses were EUR 6.0 million (3.0). Q3 financial expenses include EUR 2.7 million premium related to Nokian Tyres voluntary buy-back of company's bond maturing 2017 amounting to EUR 62.3 million. Net financial expenses include EUR 1.8 million (7.5) of exchange rate differences.

Profit before tax was EUR 64.6 million (61.7). Profit for the period amounted to EUR 57.7 million (53.4), and EPS were EUR 0.43 (EUR 0.40).

Income financing after the change in working capital, investments and the disposal of fixed assets (cash flow from operations) was EUR -33.2 million (-95.3).

JANUARY-SEPTEMBER 2015

Nokian Tyres Group recorded net sales of EUR 937.9 million (1,009.2), a decrease of 7.1% compared with 1-9/2014. Currency rate changes cut net sales by EUR 48.3 million.

Gross sales development by market areas

| | Growth% | % of total sales in 1-9/2015 | % of total sales in 1-9/2014 |
|------------------|----------------|---|---|
| Nordic countries | 3.9 | 41 | 36 |
| Russia and CIS | -39.7 | 18 | 27 |
| Other Europe | -4.6 | 27 | 26 |
| North America | 30.0 | 13 | 9 |

Net sales development by business units

| | Growth% | % of total sales in 1-9/2015 | % of total sales in 1-9/2014 |
|---------------------|----------------|---|---|
| Passenger Car Tyres | -11.8 | 68 | 71 |
| Heavy Tyres | 5.0 | 11 | 10 |
| Vianor | 5.5 | 21 | 18 |

The raw material cost (EUR/kg) in manufacturing decreased by 16.7% year-over-year. Fixed costs amounted to EUR 289.7 million (290.3), accounting for 30.9 % (28.8%) of net sales. Total salaries and wages were EUR 142.2 million (142.4).

Nokian Tyres Group's operating profit amounted to EUR 201.2 million (231.2). The operating profit was negatively affected by the IFRS 2 -compliant option scheme accrual of EUR 6.9 million (8.0) and the recognition of credit losses and provisions of EUR 6.4 million (4.8).

Net financial expenses were EUR -0.1 million (35.0). Net interest expenses were EUR -10.3 million (12.1). Financial expenses have been adjusted with a EUR 20.2 million reversal of interest on back tax as the reassessment decisions on the years 2007-2010 were annulled and returned to the Tax Administration for reprocessing. Q3 financial expenses include EUR 2.7 million premium related to Nokian Tyres voluntary buy-back of company's bond maturing 2017 amounting to EUR 62.3 million. Net financial expenses include EUR 10.1 million (22.9) in exchange rate differences.

Profit before tax was EUR 201.3 million (196.2). Profit for the period amounted to EUR 257.5 million (158.3), and EPS were EUR 1.93 (EUR 1.19). The tax expense has been adjusted by EUR 80.1 million as the tax reassessment decisions on the years 2007-2010 were annulled and returned to the Tax Administration for reprocessing.

Return on net assets (RONA, rolling 12 months) was 17.3% (18.1%). Income financing after the change in working capital, investments and the disposal of fixed assets (cash flow from operations) was EUR -105.9 million (-120.8).

Investments

Investments in the review period amounted to EUR 72.7 million (59.1). This comprises of production investments in the Russian and Finnish factories, moulds for new products, ICT and process development projects, and the Vianor expansion projects.

Financial position on 30 September 2015

The gearing ratio was 14.0% (27.7%). Interest-bearing net debt amounted to EUR 182.6 million (362.3). Equity ratio was 71.3% (63.3%).

The Group's interest-bearing liabilities totalled EUR 250.6 million (415.3), of which current interest-bearing liabilities amounted to EUR 51.9 million (129.9). The average interest rate for interest-bearing liabilities was 3.0% (2.5%). Cash and cash equivalents amounted to EUR 68.0 million (53.0).

At the end of the review period the company had unused credit limits amounting to EUR 477.1 million (476.7), of which EUR 155.6 million (255.8) were committed. The current credit limits and the commercial paper program are used to finance inventories, trade receivables and subsidiaries in distribution chains and thus control the typical seasonality in the Group's cash flow.

Tax rate

Dispute concerning 2007-2010

In April 2015 the Board of Adjustment of the Finnish Tax Administration annulled the reassessment decision from the Tax Administration, according to which the Company was obliged to pay EUR 100.3 million additional taxes with punitive tax increases and interest concerning the tax years 2007-2010, and returned the matter to the Tax Administration for reprocessing. According to the Board of Adjustment, the Tax Administration neglected the obligation to hear the taxpayer. Because of the procedural fault by the Tax Administration, the Board of Adjustment annulled the decision without considering the actual substance of the matter.

The Company returned the 2007-2010 total additional taxes of EUR 100.3 million in full to the financial statement and result for the first quarter of 2015. The Company had recorded the same amounts as expenses in full in the financial statement and result for 2013. The Company also expects the Tax

Administration to return immediately EUR 43.1 million it has already set off despite the stay of execution.

Dispute concerning U.S subsidiary 2008-2012

Nokian Tyres U.S. Finance Oy, a subsidiary of Nokian Tyres plc (ownership 100% of shares), received a reassessment decision from the Finnish Tax Administration, according to which the company is obliged to pay EUR 11.0 million in additional taxes with punitive tax increases and interest concerning the tax years 2008 to 2012. EUR 7.9 million of this is additional taxes and EUR 3.1 million is punitive tax increases and interest. The company recorded them in full in the financial statement and result for Q1/2014.

The Large Taxpayers' Office carried out a tax audit concerning the Finnish Business Tax Act, where the Tax Administration raised an issue about the restructuring of the sales company and acquisitions by Nokian Tyres Group in North America, totally ignoring the business rationale and corresponding precedent rulings presented by the company.

Nokian Tyres U.S. Finance Oy considered the reassessment decision of the Tax Administration as unfounded and submitted a claim for rectification to the Board of Adjustment. If necessary, the company will continue the appeal process in the Administrative Court.

Tax rate outcome and estimate

Due to the annulment of additional taxes, the Group's tax rate was -27.9% (19.3%) in the review period. The tax rate excluding the annulment of additional taxes was 13.2%. The tax rate was positively affected by tax incentives in Russia for current investments and further investments in the future. The new agreed tax benefits and incentives came into force in the beginning of 2013. The agreement will extend the benefits and incentives until approximately 2020.

The tax rate in the coming years will depend on the timetable and final result of the ongoing back tax disputes with the Finnish Tax Administration. The Group's corporate annual tax rate may rise from its present level of 17% as a result of these cases.

Personnel

In 2015 the Group employed an average of 4,372 (4,235) people, and 4,364 (4,271) at the end of the review period. The equity-owned Vianor tyre chain employed 1,614 (1,534) people and Russian operations 1,336 (1,338) people at the end of the review period.

BUSINESS UNIT REVIEWS

Passenger Car Tyres

| | 7-9/15 | 7-9/14 | Change% | 1-9/15 | 1-9/14 | Change% | 2014 |
|----------------------|--------|--------|---------|--------|--------|---------|---------|
| Net sales, M€ | 226.3 | 244.7 | -7.6 | 675.0 | 765.3 | -11.8 | 1,003.2 |
| Operating profit, M€ | 75.6 | 73.3 | 3.1 | 205.3 | 236.8 | -13.3 | 292.2 |
| Operating profit, % | 33.4 | 30.0 | | 30.4 | 30.9 | | 29.1 |
| RONA, % (roll.12 m.) | | | | 24.8 | 24.2 | | 23.5 |

Net sales dropped in 1-9/2015 mainly due to clearly lower sales volumes in Russia and the devaluation of the ruble. Sales increased and market share improved in North America, further boosted by the stronger USD and CAD against the euro. Sales were flat in the Nordic countries. In Other Europe sales were slightly down as winter tyre sales have continued the trend of sales shifting towards the consumer winter season. Nokian Tyres summer tyre sales increased in all key markets.

In 1-9/2015 the Average Selling Price in euros decreased due to currency rate devaluations. The share of winter tyres in the sales mix was 72% (80%). Overall sales mix development was positive, as the share of premium tyres in the winter segment increased and successful SUV tyre sales improved the summer tyre mix. Local price increases in Russia supported the ASP development. Minor price reductions have taken place in some countries, which reflect the tight competitive situation and reductions in material costs partly passing through to tyre prices.

Raw material costs (€/kg) were down by 17.2% year-over-year, which together with improved productivity supported margins.

Like in 2014, Nokian Tyres has again dominated the winter tyre tests with several car magazine victories globally. Particularly noteworthy have been the Central European winter tyre test results, which have been a success for Nokian Tyres. The new Nokian Weatherproof took first place also in the British Auto Express All-Season tyre comparison test. The new Nokian Tyres summer tyre range also won several car magazine tests in Central Europe in spring 2015. A constant flow of product launches with new innovations - improving safety, comfort and ecological driving - have supported the brand image and price position of Nokian Tyres.

In 1-9/2015 capacity was not fully utilized, and production output (pcs) decreased by 10%. Productivity (kg/mh) improved by 5% year-over-year. In 1-9/2015, 80% (79%) of Nokian car tyres (pcs) were manufactured in the Russian factory.

Heavy Tyres

| | 7-9/15 | 7-9/14 | Change% | 1-9/15 | 1-9/14 | Change% | 2014 |
|----------------------|---------------|---------------|----------------|---------------|---------------|----------------|-------------|
| Net sales, M€ | 37.9 | 36.9 | 2.9 | 113.5 | 108.1 | 5.0 | 149.1 |
| Operating profit, M€ | 7.8 | 6.9 | 12.9 | 22.1 | 16.8 | 31.2 | 24.6 |
| Operating profit, % | 20.6 | 18.8 | | 19.4 | 15.6 | | 16.5 |
| RONA, % (roll.12 m.) | | | | 29.3 | 20.5 | | 22.9 |

Demand remained at a good level in the western markets in most of Nokian Heavy Tyres' core product groups. The delivery capacity improved year-over-year, resulting in higher net sales. Forestry tyre sales remained on a good level and other product groups developed moderately. North America showed the strongest sales growth and outlook for the rest of the year. Also the Nordic countries and Other Europe showed growth. Weak economies and currency devaluations against the euro weakened Russia and CIS sales.

The Average Selling Price decreased slightly year-over-year due to a challenging pricing environment. Operating profit, however, improved clearly on the back of increased sales volumes and reduced fixed costs. Margins were supported by lower raw material costs and double-digit productivity improvement.

Continuous investments to production and new products increased production output (tonnes) in the review period 18% year-over-year.

Vianor

Equity-owned operations

| | 7-9/15 | 7-9/14 | Change% | 1-9/15 | 1-9/14 | Change% | 2014 |
|----------------------|--------|--------|---------|--------|--------|---------|-------|
| Net sales, M€ | 66.4 | 66.7 | -0.5 | 208.2 | 197.3 | 5.5 | 314.8 |
| Operating result, M€ | -6.0 | -4.1 | -46.2 | -12.9 | -11.1 | -17.0 | 2.1 |
| Operating result, % | -9.1 | -6.2 | | -6.2 | -5.6 | | 0.7 |
| RONA, % (roll.12 m.) | | | | 0.1 | 1.0 | | 1.2 |

At the end of the review period Vianor had 197 (189) equity-owned stores in Finland, Sweden, Norway, USA, Switzerland and Russia.

Net sales grew in the Nordic countries, Norway showing the strongest development. Car tyre and heavy tyre sales increased, whereas truck tyre sales decreased slightly. Service sales increased by 6%, including growth of 8% in car service sales. Retail sales formed 52% of Vianor's total sales. As the season did not start during Q3, operating result decreased compared to 2014.

The gradual change in the operating model from tyre sales to full car service in the stores continues with investments and local acquisitions of car service shops. At the end of the review period a total of 62 car service operations have been acquired and integrated with existing Vianor stores in the Nordic countries.

Franchising and partner operations

Vianor expanded the retail network in Nokian Tyres' key markets by 74 stores during 1-9/2015. At the end of the review period the Vianor network comprised in total 1,429 stores, of which 1,232 were partners. Vianor operates in 27 countries; most extensively in the Nordic countries, Russia and Ukraine. Nokian Tyres' market shares have improved as a result of the expansion in each respective country. Expanding the partner franchise network will continue.

A softer partner model, Nokian Tyres Authorized Dealers (NAD), expanded in the review period by 118 stores and totals 1,144 stores under contract in 16 European countries and China. N-Tyre, a new Nokian Tyres partner network, is operating with 94 stores in Russia and Kazakhstan.

SPECIAL REVIEWS

Russia and the CIS countries 1-9/2015

Nokian Tyres' sales in Russia decreased year-over-year by 41.6% to EUR 169.1 million (289.3). Sales in the CIS countries (excluding Russia) were EUR 13.2 million (12.8), still low due to the Ukrainian situation. Consolidated sales in Russia and CIS decreased by 39.7% to EUR 182.2 million (302.1).

Sales volume in Russia decreased clearly compared to the previous year. Nokian Tyres' market share in winter tyres on the sell-in level (distributor sales) somewhat decreased in Russia measured in sales volume due to consumers' shift towards cheaper segments and brands driven by the weak purchasing power as well as aggressive pricing of some competitors. Nokian Tyres' market share on the sell-out level (consumer sales) is expected to remain intact or even slightly improve. The sales value decreased clearly also due to the ruble devaluation against the euro. Double-digit price increases in rubles were made in early 2015, but this does not fully compensate for the impact of the currency devaluation. However, Nokian Tyres' product mix and ASP in the local currency clearly improved due to the restructuring of the winter tyre range and the launch of new SUV models in the B segment.

Nokian Tyres maintained its market leader position in the premium segment. The company also became the clear market leader in summer tyres in both A and B segments. The biggest growth categories for Nokian Tyres in summer tyres were SUV, UHP (ultra-high performance) and other high value-added product lines.

The distribution network was extended by signing additional distribution agreements and expanding the Vianor network. There were a total of 688 Vianor stores in 388 cities in Russia and the CIS countries at the end of the review period. The Hakka Guarantee network and other retail partners working closely with Nokian Tyres in Russia comprised 3,939 tyre stores, Vianor shops, car dealers, and web shops. The N-Tyre network - a more flexible partner concept - included 94 stores in Russia and Kazakhstan at the end of 1-9/2015.

The Nokian Tyres plant located in Russia inside the customs borders, combined with strong brands and an expanding distribution network, provides a significant competitive edge on the market. However, in the current market situation Nokian Tyres estimates declined sales volume in the clearly falling market in 2015.

In the review period 70% of the sales volume from the Nokian Tyres' Russian factory was exported. This supports the company's margins, as production costs are mainly in rubles and sales mainly in euros.

After Russia joining WTO, tyre import duties will go down gradually; the duties have already gradually decreased from 20% to 14%, and the official target is 10% in 2017.

OTHER MATTERS

1. Stock options on the NASDAQ Helsinki Stock Exchange

The total number of stock options 2010B was 1,340,000. Each stock option 2010B entitled its holder to subscribe for one Nokian Tyres plc share. The shares were subscribed with the stock options 2010B during the period 1 May 2013 - 31 May 2015.

The total number of stock options 2010C is 1,340,000. Each stock option 2010C entitles its holder to subscribe for one Nokian Tyres plc share. The shares can be subscribed with the stock options 2010C during the period 1 May 2014 - 31 May 2016. The present share subscription price with stock options 2010C is EUR 30.95/share. The dividends payable annually are deducted from the share subscription price.

The total number of stock options 2013A is 1,150,000. Each stock option 2013A entitles its holder to subscribe for one Nokian Tyres plc share. The shares can be subscribed with the stock options 2013A during the period 1 May 2015 - 31 May 2017. The present share subscription price with stock options 2013A is EUR 29.36/share. The dividends payable annually are deducted from the share subscription price.

2. Authorizations

In 2012 the Annual General Meeting authorized the Board of Directors to make a decision to offer no more than 25,000,000 shares through a share issue. The authorization is effective for five years from that decision.

3. Own shares

No share repurchases were made in the review period, and the company did not possess any own shares on 30 September 2015.

Nokian Tyres has entered into an agreement with a third-party service provider concerning the share-based incentive program for key personnel. The third party owns the shares until the shares are given to the participants within the program. In accordance with IFRS these repurchased 300,000 shares have been reported as treasury shares in the Consolidated Statement of Financial Position. This number of shares corresponds to 0.2% of the total shares and voting rights of the company.

4. Trading in shares

The Nokian Tyres' share price was EUR 28.91 (EUR 23.88) at the end of the review period. The volume weighted average share price during the period was EUR 26.81 (EUR 28.60), the highest EUR 32.48 (EUR 36.19) and the lowest EUR 19.23 (EUR 22.84). A total of 155,019,206 shares were traded during the period (149,576,611), representing 115% (112%) of the company's overall share capital. The company's market capitalization at the end of the period was EUR 3.894 billion (EUR 3.187 billion). The company had 42,473 (47,706) shareholders. The percentage of Finnish shareholders was 31.2% (39.9%) and 68.8% (60.1%) were foreign shareholders registered in the nominee register. This figure includes Bridgestone's holding of approximately 15%.

5. Changes in ownership

Nokian Tyres received notification from The Capital Group Companies Inc. on 23 February 2015, according to which the total holding of The Capital Group Companies Inc. in Nokian Tyres plc fell below 5 percent as a result of a share transaction concluded on 20 February 2015.

Nokian Tyres received an announcement from BlackRock Inc. on 23 March 2015, according to which the holdings of the mutual funds managed by BlackRock exceeded 5% of the share capital in Nokian Tyres plc, as a result of share transactions concluded on 20 March 2015. On the transaction date, BlackRock held a total of 6,790,650 Nokian Tyres' shares, representing 5.09% of the company's 133,470,833 shares and voting rights.

Nokian Tyres has received notification from Varma Mutual Pension Insurance Company on 27 May 2015, according to which the total holding of Varma in Nokian Tyres plc fell below 5 percent as a result of a share transaction concluded on 26 May 2015.

Nokian Tyres has received an announcement from BlackRock Inc. on 20 August 2015, according to which the holdings of the mutual funds managed by BlackRock fell below level of 5% of the share capital in Nokian Tyres plc, as a result of a share transactions concluded on 19 August 2015.

Nokian Tyres has received an announcement from BlackRock Inc. on 15 September 2015, according to which the holdings of the mutual funds managed by BlackRock exceeded level of 5% of the share capital in Nokian Tyres plc, as a result of a share transactions concluded on 14 September 2015.

Nokian Tyres has received an announcement from The Capital Group Companies, Inc. on 15 September 2015, according to which the holdings of the mutual funds managed by The Capital Group Companies, Inc exceeded level of 5% of the share capital in Nokian Tyres plc, as a result of a share transactions concluded on 14 September 2015.

6. Decisions made at the Annual General Meeting

On 8 April 2015, the Annual General Meeting of Nokian Tyres approved the financial statements for 2014 and discharged the Board of Directors and the President and CEO from liability.

6.1 Dividend

The meeting decided that a dividend of EUR 1.45 per share be paid for the period ending on 31 December 2014. It was decided to pay the dividend to shareholders included in the shareholder list maintained by Euroclear Finland Ltd on the record date of 10 April 2015. The dividend payment date was 23 April 2015.

6.2. Members of the Board of Directors and Auditor

The meeting decided that the Board of Directors has six members. Existing members Hille Korhonen, Raimo Lind, Inka Mero, Hannu Penttilä and Petteri Walldén were elected to continue on the Board of Directors. Mr Tapio Kuula was elected as a new member of the Board.

Authorised public accountants KPMG Oy Ab continue as auditors.

6.3. Remuneration of the Members of the Board of Directors unchanged

The meeting decided that the fee paid to the Chairman of the Board is EUR 80,000 per year, while that paid to Board members is set at EUR 40,000 per year. Members of the Board are also granted a fee of EUR 600 for every Board meeting and Committee meeting attended.

In accordance with current practice, 50% of the annual fee is paid in cash and 50% in company shares. It was decided, that in the period 9 April to 30 April 2015, EUR 40,000 worth of Nokian Tyres plc shares be purchased on the stock exchange on behalf of the Chairman of the Board and EUR 20,000 worth of shares on behalf of each Board member. This means that the final remuneration paid to Board members is tied to the company's share performance.

7. Chairman of the Board and Committees of the Board of Directors

In the Board meeting on 8 April 2015 Petteri Walldén was elected chairman of the Board. The members of the Nomination and Remuneration committee are Petteri Walldén (chairman), Hille Korhonen and Hannu Penttilä. The members of the Audit committee are Raimo Lind (chairman), Inka Mero and Tapio Kuula.

8. Corporate social responsibility

Nokian Tyres published its Corporate Sustainability Report in March 2015. The report, implemented in accordance with the revised GRI G4 guidelines, has been published as a web version at

www.nokiantyres.com/company/sustainability. Product safety and quality, as well as profitable growth, good HR management, and environmental issues are important for the development of sustainable business operations in Nokian Tyres.

Nokian Tyres plc is included in the OMX GES Sustainability Finland GI index. The index is designed to provide investors with a liquid, objective and reliable benchmark for responsible investment. The benchmark index comprises of the 40 leading NASDAQ Helsinki listed companies in terms of sustainability. The index criteria are based on international guidelines for environmental, social and governance (ESG) issues. The index is calculated by NASDAQ in cooperation with GES Investment Services.

Nokian Tyres gets good grades for corporate responsibility

Nokian Tyres received consistently good results in the global Dow Jones Sustainability Index. The Dow Jones Sustainability Index is the world's most respected comparison of large companies in terms of corporate responsibility. Every year, the 3,400 largest listed companies in the world, representing dozens of different sectors, are invited to participate.

The evaluations reviews the corporate responsibility of the companies' operations from 18 different perspectives including environmental affairs, human rights, accountability in the procurement chain, and safety in the workplace.

In the 2015 evaluation, Nokian Tyres was graded above average for its sector in all of the 18 sub-areas. The evaluation is carried out by a Swiss company named RobecoSam.

9. Board of Adjustment annulled the reassessment decision against Nokian Tyres plc concerning tax years 2007-2010

On 7 April 2015 Nokian Tyres announced that the Board of Adjustment had annulled the reassessment decision from the Tax Administration, and that the Company would return the 2007-2010 total additional taxes of EUR 100.3 million in full to the financial statement and result for the first quarter of 2015.

10. Nokian Tyres plc's share bonus scheme 2015 and actual performance in 2013-2014

On 29 May 2015 Nokian Tyres announced that the targets set for the 2013-2014 earnings periods in the share based incentive plan were not met. As a result, no bonus has been paid to the key employees for the years 2013-2014.

Bonuses for the 2015 performance period 2015 will be paid partly in Company shares and partly in cash in 2017. The rewards to be paid on the basis of the 2015 performance period correspond to a maximum of some 160,000 Nokian Tyres plc shares, including the portion to be paid in cash. The target group for the scheme comprises approximately 40 people.

11. Nokian Tyres introduced new winter products for Central Europe

On 16 February 2015 Nokian Tyres announced that it is adding five new tyres to its product selection for varying Central European winter weather. The new Nokian WR D4 passenger car tyre, the Nokian WR C3 for versatile use on vans, and the Nokian Weatherproof product family that demonstrates the All-Weather concept, improve the company's competitive strength especially in Central Europe.

Central Europe is the world's largest market area for winter tyres. Approximately 70 million winter tyres were sold in 2014 and the winter tyre segment is growing faster than the overall market. As the tyre markets expand and winter tyre legislation becomes more common, Central Europe has become one of Nokian Tyres' most important areas for growth.

12. The launch of world's first AA class winter tyre in terms of wet grip and fuel efficiency

On 12 May 2015 Nokian Tyres announced that it will in the autumn of 2015 offer European SUV drivers the world's first winter tyre that achieves the best possible class A in wet grip and fuel efficiency for the

EU tyre label. The revolutionary Nokian WR SUV 3 winter tyre, in size 265/50 R19 V, can reduce braking distances by up to 18 meters on wet roads and save fuel by up to 0.6 l/100 km.

13. Voluntary tender offer of Nokian Tyres EUR 150,000,000 3.25 percent notes due 2017

On 28 August 2015 Nokian Tyres announced a voluntary cash tender offer for noteholders holding its EUR 150,000,000 3.25 percent senior unsecured notes issued on 19 July 2012 (FI4000046370). The approximate nominal amount of notes tendered under the tender offer was EUR 75,000,000.

The Offer Period expired at 4.00 p.m. EET on 8 September 2015. The aggregate principal amount of Notes validly offered for purchase by Noteholders was EUR 62,300,000 representing 41.53 percent of the aggregate amount of all the Notes. The Purchase Price was EUR 104,400 per each EUR 100,000 nominal amount of the Notes which, together with Accrued Interest of EUR 772.54 (0.7725 percent) per each EUR 100,000 nominal amount of the Notes, was payable by Nokian Tyres plc to the relevant Noteholders. The settlement occurred on 14 September 2015.

14. Statutory negotiations at Nokian Tyres' Finnish factory ended

The statutory negotiations concerning workers and staff in car tyre production and administration at Nokian Tyres' Finnish factory ended on 28 September 2015. Adjustments to production capacity utilization as well as cost savings will be achieved by reducing 122 people. Statutory negotiations concerned a total of 900 people.

MATTERS AFTER THE REVIEW PERIOD

15. Changes in operational structure and management team

On 20 October 2015 Nokia Tyres announced that it will change its operational structure and responsibilities in the management team to strengthen the company's product and innovation leadership, end-to-end supply operations and sales and distribution management which have been the core of Nokian Tyres' success.

In the new management structure the former operations of Passenger car tyres will be disintegrated and reorganized in a following way: product management, R&D and sales functions will report directly to CEO. Procurement, demand and supply management together with logistics and customer service functions will be part of new Supply Operations unit. In the financial reporting Passenger car tyres will continue to be separately reported like Vianor and Nokian Heavy Tyres. Other operations will continue as earlier without any changes in operative mode reporting to CEO.

RISKS, UNCERTAINTY AND DISPUTES IN THE NEAR FUTURE

Growth in Russia is expected to be negative with full year GDP growth around -3%...-4% due to the low oil price, high interest rates, slow investments, and sanctions followed the Ukraine crisis. An escalation of the Ukraine crisis could cause serious disruption, additional trade barriers and a further slowdown of economic development in Russia, CIS and Finland. All in all the uncertainties may weaken future demand for tyres and increase credit risk.

The company's receivables increased in the review period due to seasonality and the business model. Tyre inventories are at the planned level. The company follows the development of NWC very closely. At the end of the review period Russian trade receivables accounted for 30% (41%) of the Group's total trade receivables.

Around 40% of the Group's net sales in 2015 are estimated to be generated from Euro-denominated sales. The most important sales currencies in addition to the euro are the Russian ruble, the Swedish and Norwegian krona, and the US and Canadian dollar.

Nokian Tyres' other risks and uncertainty factors relate to the challenging pricing environment for tyres. If raw material prices rise, maintaining profitability depends on the company's ability to raise tyre prices in line with increasing raw material costs.

More detailed information relating to risks can be found at <http://www.nokiantyres.com/annual-reports>, Financial review 2014, pages 40-45 and 63-64.

Tax disputes

Nokian Tyres Group has pending disputes with the Finnish Tax Administration that are described in the section "Tax rate" earlier in this report.

OUTLOOK FOR 2015

The European economy is growing, as the ECB's quantitative easing program has increased economic activity in the area, and the weaker euro has supported the export industry. The Nordic area is estimated to show slow but comparatively stable development, with full year GDP growth in 2015 of +0-3%. In Russia consumer spending has been held back by the devalued ruble combined with high inflation and interest rates. Full year 2015 GDP growth estimates for Russia vary currently between -3% and -4%. North America has continued its positive economic development.

In 2015 market demand for replacement car tyres is expected to show growth in Central Europe, North America and the Nordic countries. In Russia and CIS the overall uncertainty will decrease tyre demand in 2015.

The company's replacement tyre market position is expected to improve in 2015 in North America, and stay at the same level in the Nordic countries and Other Europe. In Russia the company expects to retain its market leader position in the A + B segments.

Raw material cost is estimated to decrease around 10% in 2015 versus 2014. The pricing environment for 2015 remains tight for all tyre categories.

Nokian Tyres continues to have competitive advantages from having manufacturing inside Russia. About 70% of the Russian production is exported and the margin between production costs in rubles and export sales in euros has improved along with the ruble devaluation. If there is an upturn in demand, Nokian Tyres' car tyre production capacity in Russia offers an inbuilt capability to increase output rapidly without capex, to meet market growth.

Demand in Nokian Heavy Tyres' core products is estimated to remain healthy. Nokian Heavy Tyres' delivery capability has improved, therefore the sales and EBIT are expected to remain on a good level in 2015.

Vianor (equity-owned) is expected to increase sales, to develop the service business further and to show a positive operating result in full year 2015. Vianor (partners) and other Nokian Tyres' partner networks, like Nokian Tyres Authorized Dealers (NAD) and N-Tyre network, will continue expanding.

Nokian Tyres' estimate for total investments in 2015 is EUR 100 million (80.6).

The competitiveness of the Nokian Tyres product offering is very strong. The number of magazine test wins is at the highest level and a series of successful launches of new innovative products has resulted in a wider portfolio than ever before. A strong position in the core markets, an expanding distribution channel, and an improved cost structure combined with new test winner products give Nokian Tyres opportunities to strengthen its position in core markets and to provide healthy margins and a strong cash flow also in 2015.

Full year financial guidance (reiterated)

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

Nokia, 30 October 2015

Nokian Tyres plc
Board of Directors

The above-said information contains forward-looking statements relating to future events or future financial performance of the company. In some cases, such forward-looking statements can be identified by terminology such as "may", "will", "could", "expect", "anticipate", "believe" "estimate", "predict", or other comparable terminology. Such statements are based on the current expectations, known factors, decisions and plans of the management of Nokian Tyres. Forward-looking statements involve always risks and uncertainties, because they relate to events and depend on circumstances that may or may not occur in the future. Future results may thus vary even significantly from the results expressed in, or implied by, the forward-looking statements.

This Interim Report has been prepared in accordance with IFRS compliant recognition and measurement principles and the same accounting policies as in the most recent annual financial statements, but it has not been prepared in compliance with all requirements set out in IAS 34 'Interim Financial Reporting'.

The interim report figures are unaudited.

NOKIAN TYRES

CONSOLIDATED

INCOME STATEMENT

| Million euros | 7-9/15 | 7-9/14 | 1-9/15 | 1-9/14 | Last 12 months | 1-12/14 | Change % |
|---|--------|--------|--------|---------|----------------|---------|----------|
| Net sales | 311.0 | 327.7 | 937.9 | 1,009.2 | 1,317.8 | 1,389.1 | -7.1 |
| Cost of sales | -162.3 | -186.7 | -510.1 | -562.3 | -717.5 | -769.6 | 9.3 |
| Gross profit | 148.8 | 141.0 | 427.7 | 446.9 | 600.3 | 619.5 | -4.3 |
| Other operating income | 1.4 | 0.9 | 3.4 | 2.9 | 3.9 | 3.4 | |
| Selling and marketing expenses | -59.3 | -56.1 | -181.0 | -173.0 | -254.6 | -246.5 | -4.6 |
| Administration expenses | -8.6 | -8.0 | -25.1 | -26.1 | -33.5 | -34.5 | 3.8 |
| Other operating expenses | -10.0 | -5.6 | -23.9 | -19.6 | -37.5 | -33.2 | -21.9 |
| Operating profit | 72.4 | 72.1 | 201.2 | 231.2 | 278.7 | 308.7 | -13.0 |
| Financial income | 48.6 | 20.1 | 136.8 | 91.9 | 313.2 | 268.4 | 48.8 |
| Financial expenses (1 | -56.4 | -30.5 | -136.6 | -126.9 | -325.6 | -315.9 | -7.6 |
| Profit before tax | 64.6 | 61.7 | 201.3 | 196.2 | 266.3 | 261.2 | 2.6 |
| Tax expense (2 (3 | -6.9 | -8.2 | 56.2 | -38.0 | 41.3 | -52.8 | 248.1 |
| Profit for the period | 57.7 | 53.4 | 257.5 | 158.3 | 307.6 | 208.4 | 62.7 |
| Attributable to: | | | | | | | |
| Equity holders of the parent | 57.7 | 53.4 | 257.5 | 158.3 | 307.6 | 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 | 0.43 | 0.40 | 1.93 | 1.19 | | 1.56 | 62.5 |
| diluted, euros | 0.43 | 0.40 | 1.93 | 1.19 | | 1.56 | 62.4 |

CONSOLIDATED OTHER COMPREHENSIVE

| INCOME | 7-9/15 | 7-9/14 | 1-9/15 | 1-9/14 | 1-12/14 |
|---|--------|--------|--------|--------|---------|
| Million euros | | | | | |
| Profit for the period | 57.7 | 53.4 | 257.5 | 158.3 | 208.4 |
| Other comprehensive income, 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 | -0.8 | -0.7 | -1.5 | -1.5 | -1.9 |
| Translation differences on foreign operations (4) | -74.3 | -26.6 | -8.8 | -49.4 | -202.1 |
| Total other comprehensive income for the period, net of tax | -75.0 | -27.3 | -10.4 | -50.9 | -204.0 |
| Total comprehensive income for the period | -17.3 | 26.1 | 247.2 | 107.4 | 4.4 |
| Total comprehensive income attributable to: | | | | | |
| Equity holders of the parent | -17.3 | 26.1 | 247.2 | 107.4 | 4.4 |
| Non-controlling interest | - | 0.0 | - | 0.0 | 0.0 |

1) Financial expenses in 1-9/15 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 1-9/14 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 1-9/15 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 1-9/14 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.

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 1-9/15 is EUR -8.9 million and in 1-9/14 EUR -7.0 million and 1-12/14 EUR -10.0 million.

| KEY RATIOS | 30.9.15 | 30.9.14 | 31.12.14 | Change % |
|---|---------|---------|----------|-------------|
| Equity ratio, % | 71.3 | 63.3 | 67.5 | |
| Gearing, % | 14.0 | 27.7 | -13.6 | |
| Equity per share, euro | 9.68 | 9.83 | 9.07 | -1.5 |
| Interest-bearing net debt, mill. euros | 182.6 | 362.3 | -164.6 | |
| Capital expenditure, mill. euros | 72.7 | 59.1 | 80.6 | |
| Depreciation, mill. euros | 63.1 | 69.5 | 89.8 | |
| Personnel, average | 4,372 | 4,235 | 4,272 | |
| Number of shares (million units) | | | | |
| at the end of period | 134.39 | 133.17 | 133.17 | |
| in average | 133.37 | 133.16 | 133.16 | |
| in average, diluted | 133.42 | 135.76 | 135.10 | |

| CONSOLIDATED STATEMENT OF FINANCIAL POSITION | 30.9.15 | 30.9.14 | 31.12.14 |
|---|---------|---------|----------|
| Million euros | | | |
| Non-current assets | | | |
| Property, plant and equipment | 503.0 | 630.6 | 502.8 |
| Goodwill | 78.2 | 74.0 | 73.3 |
| Other intangible assets | 17.1 | 22.5 | 19.8 |
| Investments in associates | 0.1 | 0.1 | 0.1 |
| Available-for-sale financial assets | 0.3 | 0.3 | 0.3 |
| Other receivables | 9.7 | 14.1 | 10.0 |
| Deferred tax assets | 9.8 | 11.5 | 9.1 |
| Total non-current assets | 618.3 | 753.1 | 615.4 |
| Current assets | | | |
| Inventories | 321.2 | 340.9 | 288.3 |
| Trade receivables | 652.5 | 830.4 | 351.0 |
| Other receivables | 166.9 | 103.2 | 102.4 |
| Cash and cash equivalents | 68.0 | 53.0 | 439.9 |
| Total current assets | 1,208.7 | 1,327.3 | 1,181.6 |
| Total assets | 1,827.0 | 2,080.4 | 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 | -339.5 | -166.6 | -330.7 |
| Fair value and hedging reserves | -4.1 | -2.2 | -2.6 |
| Paid-up unrestricted equity reserve | 133.0 | 99.6 | 100.3 |
| Retained earnings | 1,313.8 | 1,179.9 | 1,243.2 |
| Non-controlling interest | - | 0.0 | - |
| Total equity | 1,301.4 | 1,309.0 | 1,208.5 |
| Non-current liabilities | | | |
| Deferred tax liabilities | 24.6 | 27.8 | 26.7 |
| Provisions | 0.5 | 0.1 | 0.1 |
| Interest bearing financial liabilities | 198.7 | 285.4 | 274.7 |
| Other liabilities | 4.4 | 4.7 | 5.1 |
| Total non-current liabilities | 228.3 | 317.9 | 306.5 |
| Current liabilities | | | |
| Trade payables | 78.1 | 98.3 | 63.9 |
| Other current payables | 164.2 | 222.2 | 214.7 |
| Provisions | 3.2 | 3.1 | 2.8 |
| Interest-bearing financial liabilities | 51.9 | 129.9 | 0.6 |
| Total current liabilities | 297.3 | 453.5 | 282.0 |
| Total equity and liabilities | 1,827.0 | 2,080.4 | 1,797.0 |

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.

| CONSOLIDATED STATEMENT OF CASH FLOWS | 1-9/15 | 1-9/14 | 1-12/14 |
|---|--------|--------|---------|
| Million euros | | | |
| Profit for the period | 257.5 | 158.3 | 208.4 |
| Adjustments for | | | |
| Depreciation, amortisation and impairment | 69.5 | 74.3 | 98.6 |
| Financial income and expenses | -0.1 | 35.0 | 47.5 |
| Gains and losses on sale of intangible assets, other changes | -7.9 | -0.9 | -11.0 |
| Income Taxes | -56.2 | 38.0 | 52.8 |
| Cash flow before changes in working capital | 262.8 | 304.6 | 396.3 |
| Changes in working capital | | | |
| Current receivables, non-interest-bearing, increase (-) / decrease (+) | -316.1 | -439.0 | 24.5 |
| Inventories, increase (-) / decrease (+) | -36.5 | -17.0 | 18.7 |
| Current liabilities, non-interest-bearing, increase (+) / decrease (-) | 37.4 | 67.7 | 38.4 |
| Changes in working capital | -315.3 | -388.3 | 81.6 |
| Financial items and taxes | | | |
| Interest and other financial items, received | 2.4 | 2.6 | 3.3 |
| Interest and other financial items, paid | -31.5 | -39.2 | -69.8 |
| Dividens received | 0.0 | 0.4 | 0.0 |
| Income taxes paid | -34.0 | -49.5 | -88.2 |
| Financial items and taxes | -63.1 | -85.7 | -154.6 |
| Cash flow from operating activities (A) | -115.5 | -169.4 | 323.4 |
| Cash flows from investing activities | | | |
| Acquisitions of property, plant and equipment and intangible assets | -69.6 | -59.1 | -81.7 |
| Proceeds from sale of property, plant and equipment and intangible assets | 1.0 | 3.6 | 3.2 |
| Acquisitions of Group companies | -6.9 | -4.8 | -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) | -75.4 | -60.4 | -84.7 |
| Cash flow from financing activities: | | | |
| Proceeds from issue of share capital | 33.4 | 2.6 | 2.6 |
| Purchase of treasury shares | 0.0 | -8.6 | -8.6 |
| Change in current financial receivables, increase (-) / decrease (+) | -16.4 | -0.3 | -8.0 |
| Change in non-current financial receivables, increase (-) / decrease (+) | 0.3 | 4.6 | -3.4 |
| Change in current financial borrowings, increase (+) / decrease (-) | 70.6 | 139.2 | 62.2 |
| Change in non-current financial borrowings, increase (+) / decrease (-) | -76.2 | -87.1 | -79.6 |
| Dividens received | 0.0 | 0.0 | 0.4 |
| Dividends paid | -193.5 | -193.4 | -193.4 |
| Cash flow from financing activities (C) | -181.8 | -143.0 | -227.7 |
| Change in cash and cash equivalents (A+B+C) | -372.7 | -372.7 | 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 | 0.9 | 1.1 | 4.3 |
| Cash and cash equivalents at the end of the period | 68.0 | 53.0 | 439.9 |

The consolidated statement of cash flows is prepared using the indirect method in 2015. Previous year has been changed accordingly.

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 1-9/15 EUR 6.1 million, in 1-9/14 EUR 28.2 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.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

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

| Million euros | Equity attributable to equity holders of the parent | | | | | | | | |
|--|---|-------|------|--------|------|-------|---------|------|---------|
| | A | B | C | D | E | F | G | H | I |
| Equity, 1 Jan 2014 | 25.4 | 181.4 | - | -128.5 | -0.7 | 97.1 | 1,217.9 | 0.2 | 1,392.8 |
| Profit for the period | | | | | | | 158.3 | | 158.3 |
| Other comprehensive income, net of tax: | | | | | | | 0.2 | -0.2 | 0.0 |
| Cash flow hedges | | | | | -1.5 | | | | -1.5 |
| Net investment hedge | | | | | | | | | 0.0 |
| Translation differences | | | | -38.0 | | | -11.3 | | -49.4 |
| Total comprehensive income for the period | | | | -38.0 | -1.5 | | 147.1 | -0.2 | 107.4 |
| Dividends paid | | | | | | | -193.4 | | -193.4 |
| Exercised warrants | | | | | | 2.6 | | | 2.6 |
| Acquisition of treasury shares | | | -8.6 | | | | | | -8.6 |
| Share-based payments | | | | | | | 8.0 | | 8.0 |
| Total transactions with owners for the period | | | | | | 2.6 | -185.3 | 0.0 | -182.8 |
| Acquisition of non-controlling interests, with no impact on control | | | | | | | 0.2 | | 0.2 |
| Equity, 30 Sep 2014 | 25.4 | 181.4 | -8.6 | -166.6 | -2.2 | 99.6 | 1,179.9 | 0.0 | 1,309.0 |
| Equity, 1 Jan 2015 | 25.4 | 181.4 | -8.6 | -330.7 | -2.6 | 100.3 | 1,243.2 | - | 1,208.4 |
| Profit for the period | | | | | | | 257.5 | | 257.5 |
| Other comprehensive income, net of tax: | | | | | | | | | |
| Cash flow hedges | | | | | -1.5 | | | | -1.5 |
| Net investment hedge | | | | | | | | | 0.0 |
| Translation differences | | | | -8.8 | | | | | -8.8 |
| Total comprehensive income for the period | | | | -8.8 | -1.5 | | 257.5 | | 247.2 |
| Dividends paid | | | | | | | -193.5 | | -193.5 |
| Exercised warrants | | | | | | 33.4 | | | 33.4 |
| Acquisition of treasury shares | | | | | | | | | 0.0 |
| Share-based payments | | | | | | | 6.7 | | 6.7 |
| Total transactions with owners for the period | | | | | | 33.4 | -186.8 | | -153.4 |
| Changes in the shareholding of group companies | | | | | | -0.7 | | | -0.7 |
| Equity, 30 Sep 2015 | 25.4 | 181.4 | -8.6 | -339.5 | -4.1 | 133.0 | 1,313.8 | - | 1,301.4 |

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.

SEGMENT INFORMATION

| Million euros | 7-9/15 | 7-9/14 | 1-9/15 | 1-9/14 | 1-12/14 | Change % |
|----------------------------------|--------|--------|--------|---------|---------|-------------|
| Net sales | | | | | | |
| Passenger car tyres | 226.3 | 244.7 | 675.0 | 765.3 | 1,003.2 | -11.8 |
| Heavy tyres | 37.9 | 36.9 | 113.5 | 108.1 | 149.1 | 5.0 |
| Vianor | 66.4 | 66.7 | 208.2 | 197.3 | 314.8 | 5.5 |
| Other operations | 3.6 | 3.9 | 10.4 | 8.1 | 13.5 | 28.2 |
| Eliminations | -23.1 | -24.5 | -69.3 | -69.7 | -91.5 | 0.5 |
| Total | 311.0 | 327.7 | 937.9 | 1,009.2 | 1,389.1 | -7.1 |
| Operating result | | | | | | |
| Passenger car tyres | 75.6 | 73.3 | 205.3 | 236.8 | 292.2 | -13.3 |
| Heavy tyres | 7.8 | 6.9 | 22.1 | 16.8 | 24.6 | 31.2 |
| Vianor | -6.0 | -4.1 | -12.9 | -11.1 | 2.1 | -17.0 |
| Other operations | -2.2 | -0.8 | -6.3 | -4.7 | -9.4 | -35.9 |
| Eliminations | -2.8 | -3.2 | -6.9 | -6.7 | -0.7 | -3.4 |
| Total | 72.4 | 72.1 | 201.2 | 231.2 | 308.7 | -13.0 |
| Operating result, % of net sales | | | | | | |
| Passenger car tyres | 33.4 | 30.0 | 30.4 | 30.9 | 29.1 | |
| Heavy tyres | 20.6 | 18.8 | 19.4 | 15.6 | 16.5 | |
| Vianor | -9.1 | -6.2 | -6.2 | -5.6 | 0.7 | |
| Total | 23.3 | 22.0 | 21.5 | 22.9 | 22.2 | |
| Cash flow from operations | | | | | | |
| Passenger car tyres | -15.5 | -86.7 | -74.3 | -103.1 | 443.4 | 28.0 |
| Heavy tyres | 3.4 | 6.8 | 21.9 | 14.0 | 28.8 | 56.7 |
| Vianor | -17.1 | -18.4 | -38.5 | -29.0 | -8.7 | -32.9 |
| Total | -33.2 | -95.3 | -105.9 | -120.8 | 458.3 | 12.3 |

CONTINGENT LIABILITIES

Million euros

30.9.15 30.9.14 31.12.14

FOR OWN DEBT

| | | | |
|----------------|-----|-----|-----|
| Mortgages | 1.0 | 1.0 | 1.0 |
| Pledged assets | 4.7 | 2.7 | 4.7 |

OTHER OWN COMMITMENTS

| | | | |
|------------------------------|------|------|------|
| Guarantees | 5.1 | 3.6 | 4.6 |
| Leasing and rent commitments | 66.3 | 58.0 | 53.7 |
| Purchase commitments | 1.6 | 2.0 | 2.0 |

DERIVATIVE FINANCIAL

| INSTRUMENTS | 30.9.15 | 30.9.14 | 31.12.14 |
|-------------|---------|---------|----------|
|-------------|---------|---------|----------|

Million euros

INTEREST RATE DERIVATIVES

Interest rate swaps

| | | | |
|-----------------|-------|-------|-------|
| Notional amount | 160.0 | 160.0 | 100.0 |
| Fair value | -2.2 | -2.0 | -2.3 |

FOREIGN CURRENCY DERIVATIVES

Currency forwards

| | | | |
|-----------------|-------|-------|-------|
| Notional amount | 349.7 | 582.1 | 303.8 |
| Fair value | 7.9 | 6.4 | -9.4 |

Currency options, purchased

| | | | |
|-----------------|------|------|---|
| Notional amount | 11.9 | 21.2 | - |
| Fair value | 1.2 | 0.0 | - |

Currency options, written

| | | | |
|-----------------|------|------|---|
| Notional amount | 23.8 | 32.8 | - |
| Fair value | -0.3 | -0.4 | - |

Interest rate and currency swaps

| | | | |
|-----------------|------|------|------|
| Notional amount | 87.5 | 20.0 | 67.5 |
| Fair value | 23.8 | 3.2 | 14.9 |

ELECTRICITY DERIVATIVES

Electricity forwards

| | | | |
|-----------------|------|------|------|
| Notional amount | 6.4 | 10.3 | 10.0 |
| Fair value | -2.9 | -2.0 | -2.3 |

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, %:

Total equity x 100 / (Total assets - advances received)

Gearing, %:

Interest-bearing net debt x 100 / 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

DEFINITIONS OF SALES AREAS

Nordic countries: Finland, Norway, Sweden.

Russia and CIS:

Russia, Armenia, Belarus, Georgia, Kazakhstan, Moldova, Ukraine.

Other Europe:

Albania, Austria, Belgium, Bulgaria, Croatia, Czech Republic, Denmark, Estonia, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Lithuania, The Former Yugoslav Republic of Macedonia, Netherlands, Poland, Portugal, Romania, Serbia, Slovakia, Slovenia, Spain, Switzerland, Turkey, United Kingdom.

North America: Canada, USA.

Core markets: Nordic countries, Russia and CIS.

Nokian Tyres plc

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Distribution: NASDAQ Helsinki, media, www.nokiantyres.com

Nokian Tyres Interim Report January-September 2015 was published on Friday 30 October, 2015 at 8.00 a.m. Finnish time.

The result presentation for analysts and media will be held in Hotel Kämp in Helsinki on 30 October at 10.00 a.m Finnish time. The presentation can be listened through audiocast via internet at www.nokiantyres.com/resultinfo-Q3-2015

To be able to ask questions during the event you can participate in the conference call. Please dial in 5-10 minutes before the beginning of the event FI +358981710495, UK +442031940552 or US +18557161597

Stock exchange release and presentation material will be available before the event from www.nokiantyres.com/ir-calendar

After the event the audio recording can be downloaded from the same page.

Nokian Tyres Result 2015 will be published on 5 February, 2016.

Releases and company information will be found from www.nokiantyres.com