



Result 2015

5 February, 2016

President and CEO Ari Lehtoranta

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

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

Market overview 2015

Growth in the west – Russia declined

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

*) premium and mid-segment

**) Nokian Tyres core product segments

Nokian Tyres' performance 2015

Russian challenges compensated by success elsewhere

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

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

Distribution	Units	Increase 1-12 (pcs)
Vianor equity-owned	198	+9
Vianor total	1,475	+120
NAD + N-Tyre	1,341	+419

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2. Nokian Tyres financial performance
 - Summary
 - Gross sales by market area
 - Raw material cost development
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Summary 2015

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

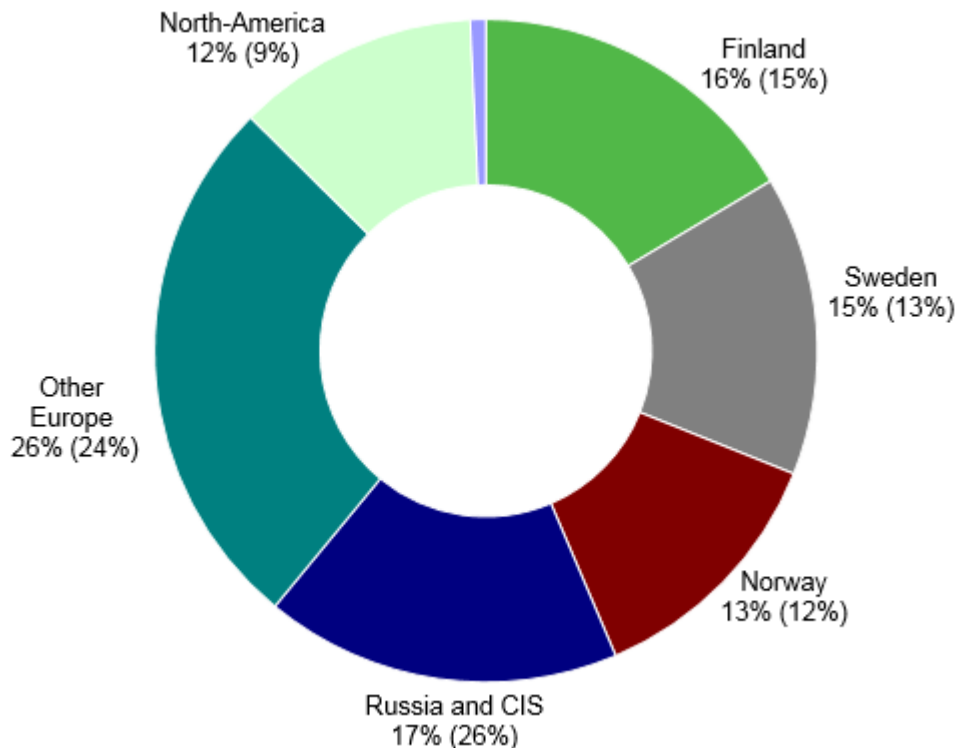
Key figures, M€	10-12/15	10-12/14	Change%	2015	2014	Change%
Net sales	422.3	380.0	11.1	1,360.1	1,389.1	-2.1
Operating profit	94.8	77.5	22.4	296.0	308.7	-4.1
Operating profit, %	22.5	20.4		21.8	22.2	
Profit before tax	72.9	65.0	12.1	274.2	261.2	5.0
Profit for the period	-16.8	50.1	-133.5	240.7	208.4	15.5
Earnings per share, EUR	-0.13	0.37	-134.4	1.80	1.56	15.1
Equity ratio, %				70.8	67.5	
Cash flow from operations	417.0	579.1	-28.0	311.1	458.3	-32.1
RONA,% (roll. 12 months)				18.5	18.3	
Gearing, %				-16.9	-13.6	

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

Gross sales by market area 2015

Western markets continued to grow

- Balanced geographical sales split



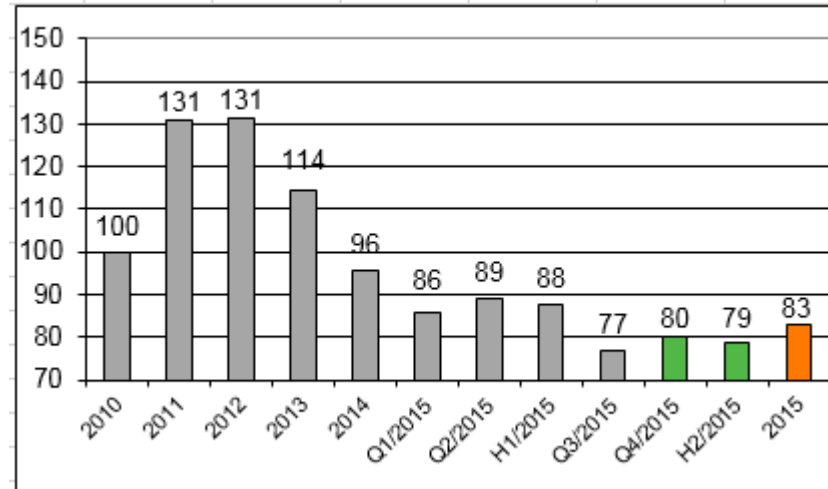
Raw material cost development

Favourable development in 2015

Nokian Tyres raw material cost (€/kg)

- decreased by 13.1% in 2015 vs. 2014
- increased by 4.1% in Q4/2015 vs. Q3/2015
- is estimated to decrease around 5% in 2016 vs. 2015

→ Estimated tailwind in 2016 vs. 2015:
approximately 15 M€



Raw material cost development index 2010-2015

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 - Passenger Car Tyres and Russian operations
 - Heavy Tyres
 - Vianor and retail network
4. Nokian Tyres going forward

Business units 2015

Heavy Tyres strong, Passenger Car Tyres affected by Russia

Passenger Car Tyres

- Net sales: 951.5 M€; -5.2%
- EBIT: 285.5 M€; -2.3%
- EBIT margin: 30.0% (29.1%)

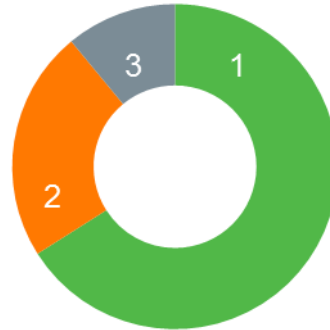
Vianor

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

Heavy Tyres

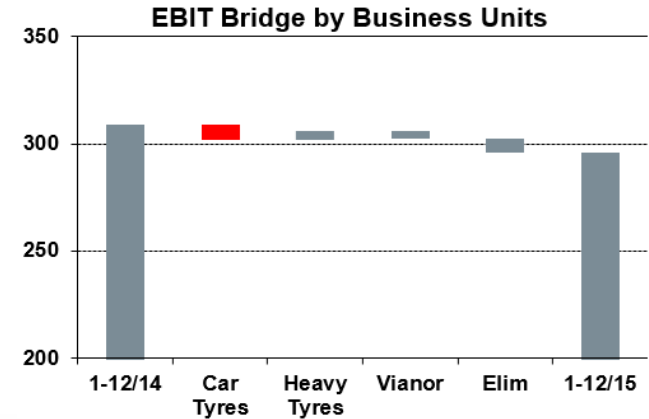
- Net sales: 155.3 M€; +4.2%
- EBIT: 28.7 M€; +16.9%
- EBIT margin: 18.5% (16.5%)

Net sales 1,360.1 M€



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

EBIT 296.0 M€



Passenger Car Tyres

Strong end to the year

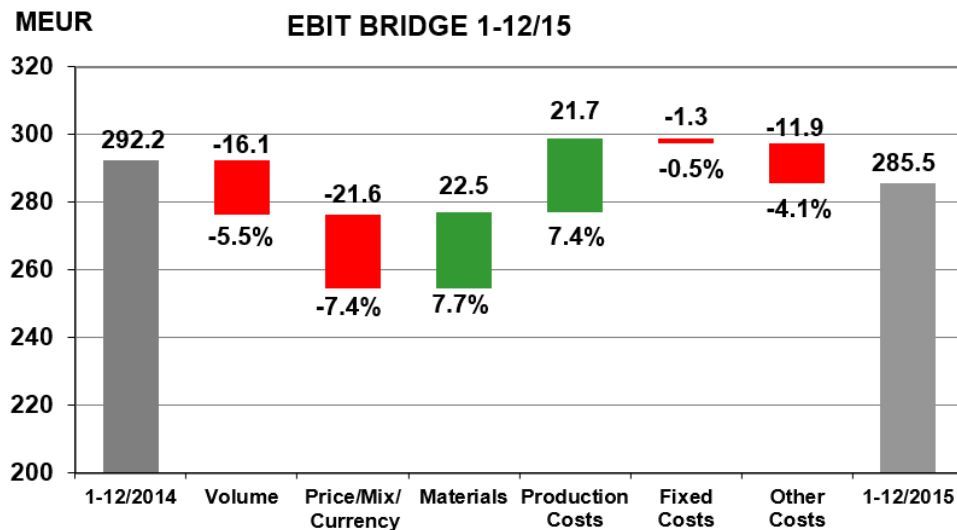
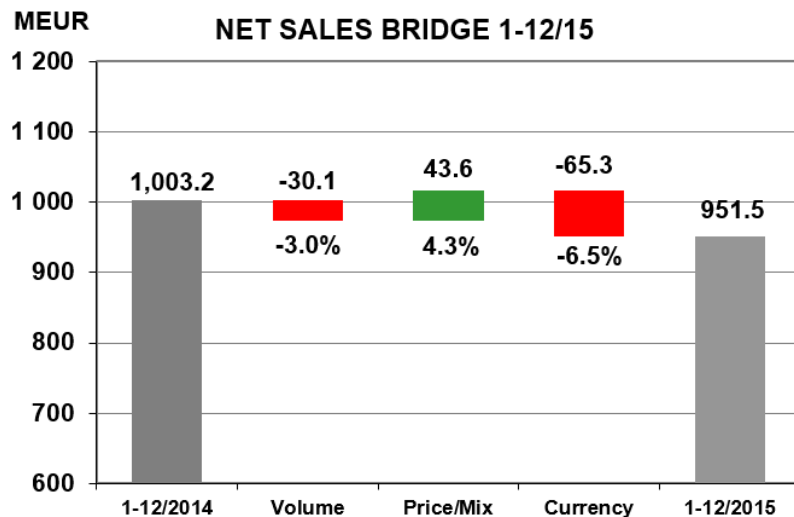
Performance in 2015

- + Sales increased in North America and CE, Nordics flat
- + Product mix improved
- + Success in products continued
- + Decreasing raw material cost supported margins
- + Productivity improved by 5%
- Sales in Russia fell clearly
- ASP decreased due to currency devaluations



	Q4/2015	Q4/2014	Change%	2015	2014	Change%
Net sales, M€	276.5	237.9	+16.2	951.5	1,003.2	-5.2
EBIT, M€	80.3	55.4	+44.8	285.5	292.2	-2.3
EBIT%	29.0	23.3		30.0	29.1	
RONA%, r.12 m.				27.8	23.5	

Passenger Car Tyres



State of the art know-how

New summer tyres for Central Europe

New Nokian eLine 2 – Advanced safety and greener mobility

- The new AA-rated summer tyre ensures reliable top performance under all weather conditions.

New Nokian iLine - Lightly rolling safety for varying weather

- Especially for drivers who desire an enjoyable driving feel as well as uncompromising safety for any weather.

Unique innovations

Next-generation Driving Safety Indicator (DSI)

- After the tread depth reaches below 4 mm, a red stripe becomes visible informing the driver of the increased risk of aquaplaning.

Nokian Tyres Coanda Technology – effective aquaplaning prevention

- Same Coanda phenomenon has already been successfully utilised in aeroplane wings and Formula 1 cars.



Improving competitive strength

New All-Weather product family for Central Europe

- Central Europe is the world's largest market area for winter tyres. Winter tyre segment is growing faster than the overall market.
- Renewal of Nokian WR winter tyre family and new **Nokian Weatherproof All-Weather product family** support our profitable growth.
- Revolutionary All-Weather concept combine reliable winter safety with the precise driving stability and firm handling of our summer tyres.
- All of the sizes have the Snowflake symbol (3PMSF), which indicates that the tyres have been officially approved for winter use.
- New Nokian Weatherproof All-Weather product family has succeeded very well in comparison tests in 2015.



Magazine tests winter 2015

New Nokian Weatherproof test winner in Germany, France, UK

- New Nokian Weatherproof All-Weather tyre was the winner in the German Auto Zeitung (22/2015), VOX auto mobil TV, French L'argus (Dec 2015) and British Auto Express (Sep 2015).



"Highest safety with aquaplaning, short braking distances, good wet grip, safe driving properties on the wet road." Auto Zeitung



"Very balanced performance characteristics on dry and wet surfaces. Top spot in all snow tests." L'argus



"The Nokian Weatherproof achieved a clean sweep on snow, beating even our reference winter tyre." Auto Express



ALL-SEASON TYRE TEST

PERFORMANCE | ECONOMY | SAFETY UK's top all-season tyres rated

1. Nokian Weatherproof

WHILE Nokian has a range of summer tyres, winter rubber is the brand's forte. It won our winter tyre test in 2013, so it was no surprise to see its Weatherproof all-season design top the snow tests. It achieved a clean sweep here, beating even our specialist winter comparison tyre.



100%

Price	£69.27
Snow braking	100% 1st
Snow traction	100% 1st
Snow circle	100% 1st
Snow handling	100% 1st
Straight aqua	100% 1st
Curved aqua	100% 1st
Wet braking	97.3% 2nd
Wet handling	96.2% 4th
Wet circle	97.7% 4th
Dry braking	95.3% 5th
Dry handling	98.3% 6th
Rolling resistance	94.7% 4th
Cabin noise	98.6% 5th

OUR VERDICT
"Remarkable ability on snow and in deep water seals victory"



Werte / Punkte	
13	35.3 m 34
10	+
12	1.40.5 min 11
23	1333 H 38
20	21

Russia and CIS countries

Clearly weakened purchasing power continued to cut demand

Economy, car sales and tyre sales

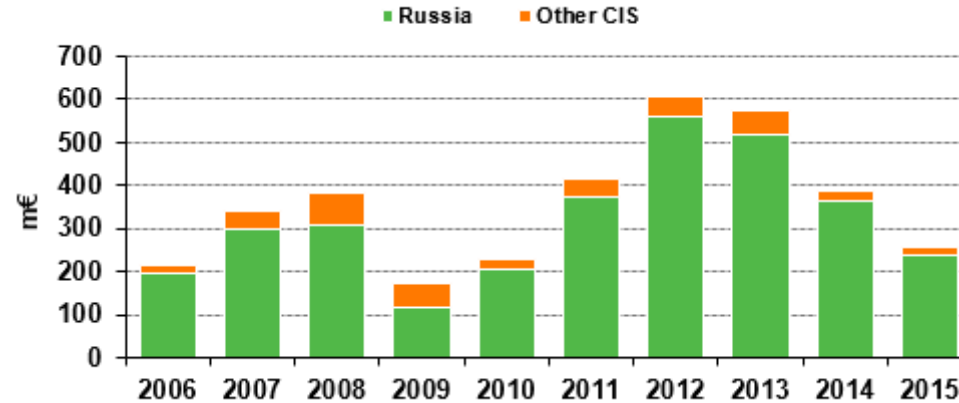
- Economic situation remained challenging
- High inflation has cut purchasing power
- Car sales -36%, tyre sales ~ -20% in 2015

Nokian Tyres' sales decreased

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

Market position

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



Nokian Tyres' sales in Russia and CIS

Heavy Tyres

Strong year

Performance in 2015

- + Delivery capacity improved
- + Forestry tyre sales remained on a good level, other product groups developed moderately
- + Productivity improvement supported margins
- + EBIT up with higher sales volumes
- ASP decreased slightly due to tight pricing environment and bigger share of OE sales
- Increased investments – increased depreciation
- Russia & CIS weak



	Q4/2015	Q4/2014	Change%	2015	2014	Change%
Net sales, M€	41.8	41.0	+1.9	155.3	149.1	+4.2
EBIT, M€	6.7	7.8	-14.1	28.7	24.6	+16.9
EBIT%	15.9	18.9		18.5	16.5	
RONA%, r.12 m.				28.9	22.9	

Heavy Tyres

Examples of new products

Completely redesigned Nokian Forest King product family takes grip to a new level in forestry machines

- To modern CTL (cut-to-length) forestry machines developed Nokian Forest King F2 and Nokian Forest King TRS 2 are designed for professional timber harvesting.
- Nokian Forest King F2 is specially designed for track use tyre with a special rubber compound designed to function reliably in the woods.
- Nokian Forest King TRS 2 is specially aimed at Central European markets forestry machines. The tyre has very high load-bearing capacity and firm grip as they progress on steep slopes.

Nokian Hakkapeliitta TRI – World's first winter tyre for tractors

- The Hakkapeliitta TRI has very big amount of gripping edges both in rolling and lateral direction. It is the worlds' first tractor tyre with siping. Siped blocks are equipped with siping activators which help to get all the grip you can get.
- Specially for winter conditions developed rubber compound with new carcass structure and tread pattern ensure superior winter grip. Tyre has pre-defined stud positions if even more grip is needed. Hakkapeliitta TRI is targeted to professional tractor contractors working in snowy areas.



Nokian Forest King F2



Nokian Hakkapeliitta TRI

Performance in 2015

- + Net sales improved 2015 vs. 2014
- + 64 car service operations acquired and integrated to existing Vianor stores by the end of 2015
- + Service sales increased by 6%, car services +8.5%
- Investments without proper season affected profitability



Equity-owned stores (198)	Q4/2015	Q4/2014	Change%	2015	2014	Change%
Net sales, M€	119.4	117.5	+1.6	327.6	314.8	+4.1
EBIT, M€	11.1	13.1	-15.7	-1.9	2.1	-189.2
EBIT%	9.3	11.2		-0.6	0.7	
RONA%, roll.12 m.				-1.0	1.2	

Nokian Tyres' retail partner network

Expansion of distribution continued

Vianor – 1,475 stores in 26 countries

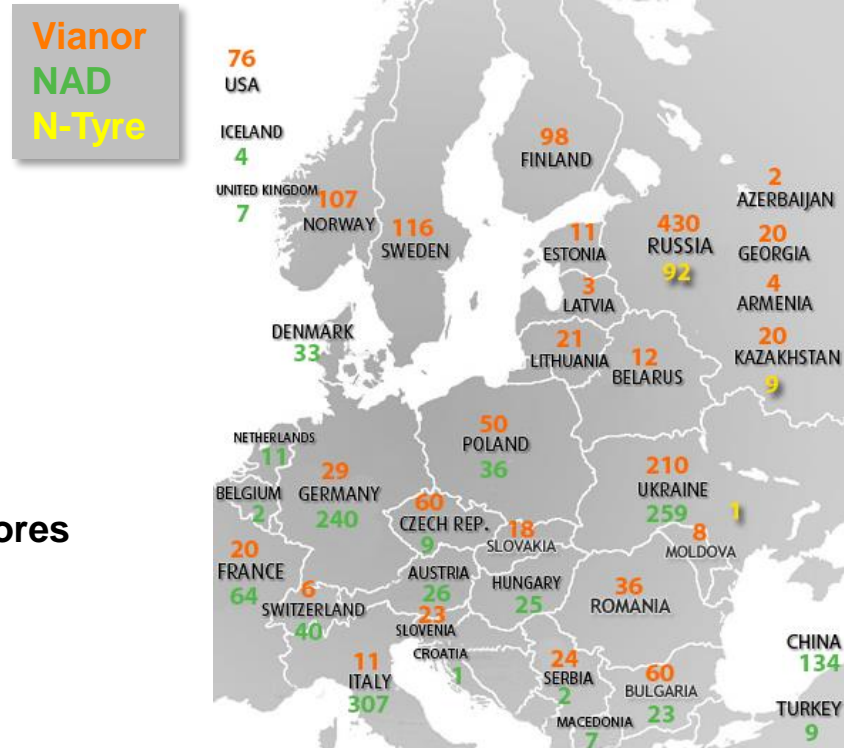
- 198 equity-owned, 1,277 partners
- increase of 120 stores in 2015
- largest tyre chain in Nordic and Baltic countries:**
356 stores (+27 in 2015)
- largest tyre chain in Russia and CIS:**
706 stores (+43 in 2015)
- expansion to Central Europe:**
337 stores (+43 in 2015)
- expansion to USA:**
76 stores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

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

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

N-Tyre – 102 stores

- in Russia and CIS



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Outlook 2016

Challenges in Russia continue, Growth in other markets

Assumptions

- Core markets
 - New car sales growth 4% in Europe
 - New car sales in Russia to decline ~ 10-25%
 - Russia and CIS currencies weak against EUR
 - Sales shift towards lower B&C segments in Russia shadows premium sales development
- Passenger car tyre markets
 - Demand in CE, North-America, and Nordic countries to grow
 - Demand in Russia to decline 10-15%
- Raw material cost (€/kg) to decrease 5% in 2016 vs. 2015
- Investments approximately 130 M€
- Heavy tyre market demand stable in Nokian Tyres' core product groups
- Nokian Tyres financial position remains solid

Outlook 2016

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

Year 2016 guidance

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

Board's proposals to AGM

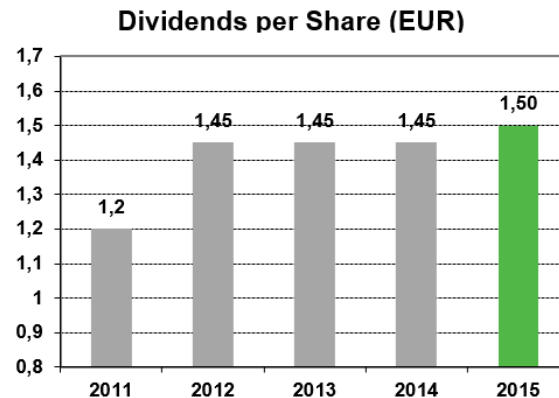
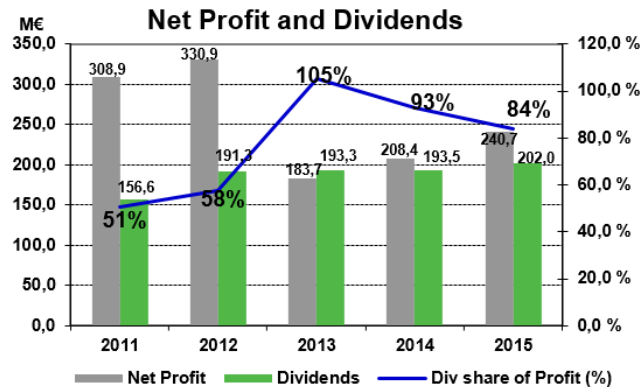
Dividend – Board's proposal 1.50 €/share

Dividend

- Parent company's distributable funds 575.6 M€
- The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 1.50 per share be paid for the fiscal year 2015

Annual General Meeting on 12 April, 2016

- Record date 14 April, 2016
- Payment Date 28 April, 2016



Appendices

- Board's proposals to AGM
- Major shareholders
- Share price development
- Competitor comparison
- Examples of new products and innovations
- Winter tyre legislation
- Personnel
- Factories
- Raw material consumption
- Group Operating profit
- Financing: Loans and Net Financial Expenses
- Tables of financial figures
- Key figures 2011-2015

Appendix: Board's proposals to AGM

Members of the Board of Directors, remuneration and auditor

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

- Seven members
- Five of the six current Board members continue: Hille Korhonen, Tapio Kuula, Raimo Lind, Inka Mero, Petteri Walldén
- New Members: Heikki Allonen and Veronica Lindholm
- Remuneration: Proposed to remain unchanged
 - The monthly fee paid to the Chairman of the Board would be EUR 6,667 or EUR 80,000 per year, and the monthly fee paid to Members of the Board EUR 3,333 or EUR 40,000 per year
 - 50% of the annual fee be paid in cash and 50% in company shares to the effect that in the period from 13 April to 30 April 2016, EUR 40,000 worth of Nokian Tyres plc shares will be purchased at the stock exchange on behalf of the Chairman of the Board and EUR 20,000 worth of shares on behalf of each Board Member
 - Each member of the Board will receive a meeting fee of EUR 600 per attended meeting
- All Board members are independent of the company. All Board members are independent of any major shareholders of the company.

Board's proposal for the auditor:

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

Appendix: AGM proposals

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

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

- The Board proposes that the Annual General Meeting of Shareholders authorize the Board of Directors to resolve to repurchase a maximum of 5,000,000 shares in the Company by using funds in the unrestricted shareholders' equity. The proposed number of shares corresponds 3.7 per cent of all shares of the Company.
- The price paid for the shares repurchased under the authorization shall be based on the market price of the Company's share in public trading. The minimum price to be paid would be the lowest market price of the share quoted in public trading during the authorization period and the maximum price the highest market price quoted during the authorization period.
- Company's own shares can be repurchased otherwise than in proportion to the shareholdings of the shareholders (directed repurchase).
- The shares may be repurchased in order to improve the capital structure of the Company, to carry out acquisitions or other arrangements related to the Company's business, to be transferred for other purposes, or to be cancelled, for the Company's incentive plans, or if according to the Board of Directors' comprehension, it is the interest of shareholders.
- It is proposed that the authorization be effective until the next Annual General Meeting of Shareholders, however, at most until 12 October 2017.

Appendix

Major shareholders as of 31 December, 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	0
2	Ilmarinen Mutual Pension Insurance Company	3,170,947	2.4	-50,000
3	Odin Norden	1,066,614	0.8	0
4	Mandatum Life Insurance Company Limited	776,789	0.6	-50,000
5	Schweizer Nationalbank	750,764	0.6	6,442
6	Nordea	740,857	0.6	374,775
7	The State Pension Fund	700,000	0.5	0
8	Evli Europe Fund	682,546	0.5	25,924
9	Svenska litteratursällskapet i Finland r.f.	607,200	0.5	0
10	OP Investment Funds	510,000	0.4	-44,910
Major Domestic Shareholders total		14,277,724	10.8	
Foreign Shareholders ¹⁾		97,692,441	72.5	
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.

See flaggings and major shareholders:

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

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

Options, outstanding as of 31 Dec, 2015

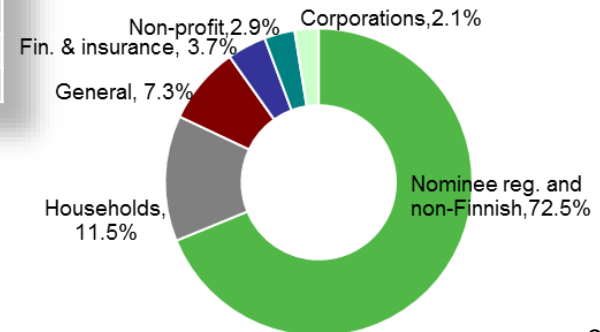
2010C: 1,339,920 (70,610 in company's possession)

2013A: 1,149,880 (56,196 in company's possession)

2013B: 1,150,000 (155,814 in company's possession)

2013C: 1,150,000 (131,765 in company's possession)

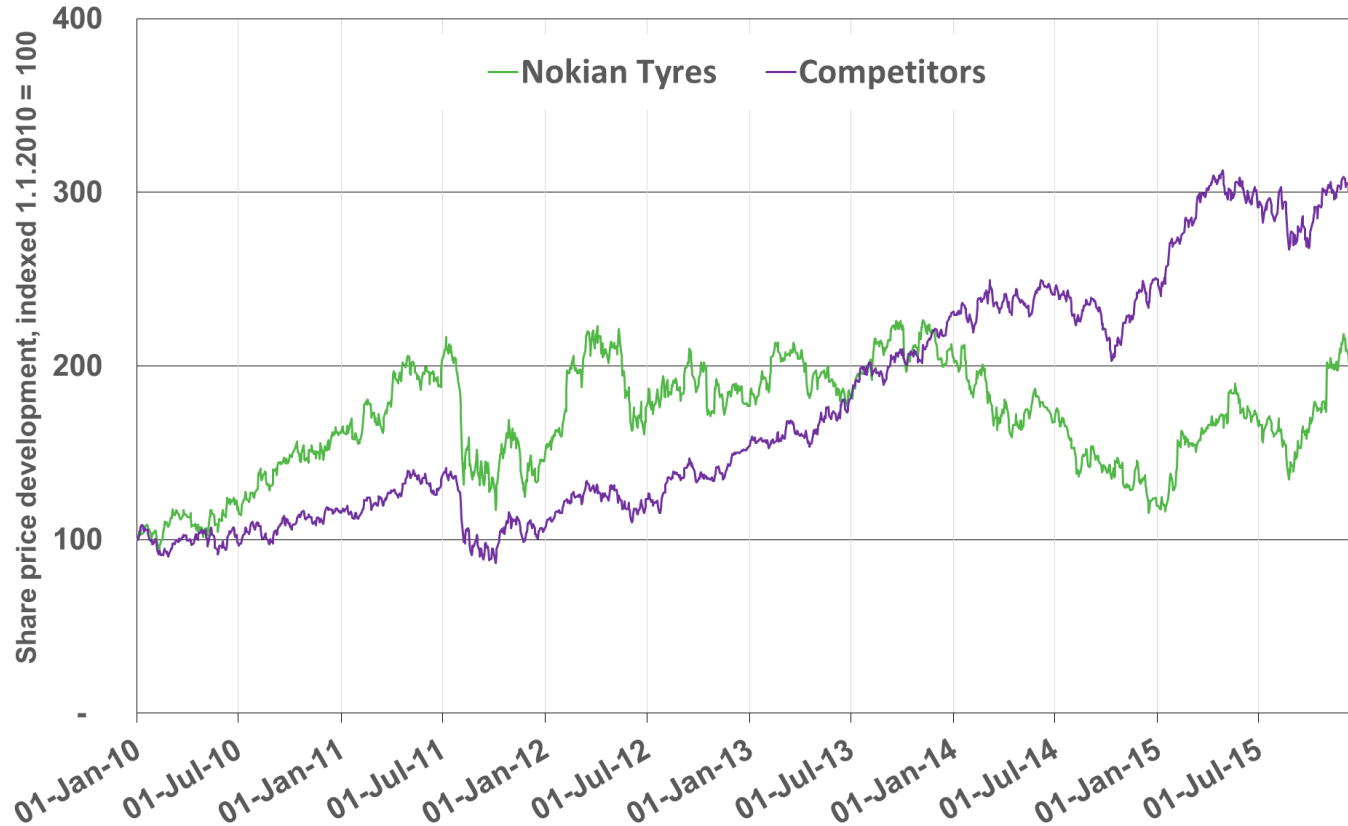
Division by Category as of 31 Dec, 2015



Total number of shares: 134,691,174

Appendix

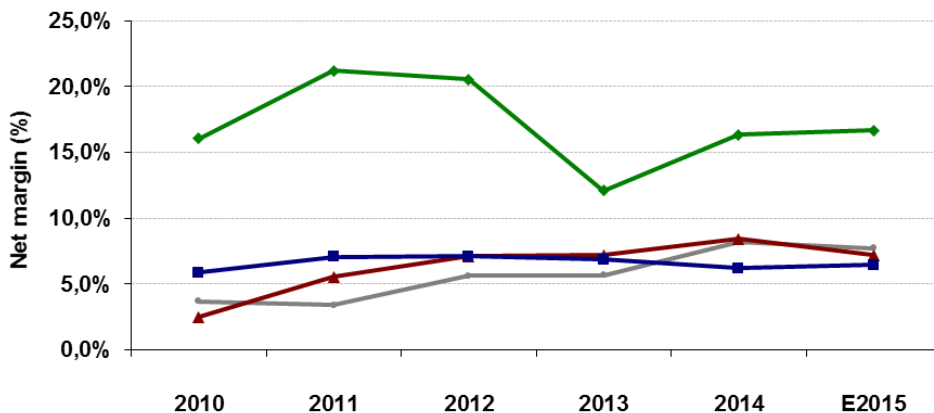
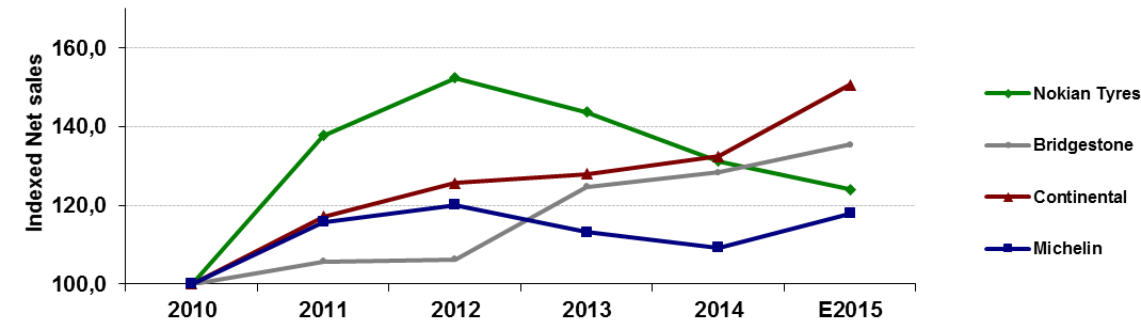
Indexed share price development 2010 - 2015



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.



Net margin E2015

Nokian Tyres	16.7%
Bridgestone	7.7%
Continental	7.2%
Michelin	6.5%

Source: Consensus estimates for the peers as per Thomson Reuters 25 Jan 2016.

E2015 FIGURES ARE BASED ON CONSENSUS ESTIMATES, NOT NOKIAN TYRES GUIDANCE.

Appendix: State of the art know-how

New AA rated summer tyre for the Northern roads

New Nokian Hakka Green 2 rolls lightly and offers excellent durability

- Balanced handling under wet conditions, minimises fuel consumption and provides more kilometres of enjoyment
- Extensive selection includes sizes that are ranked in the EU tyre label's highest class A in terms of wet grip and rolling resistance
- Key markets for novelty and for test-winning Nokian Hakka summer tyre family are the Nordic countries and Russia



Nokian Tyres Coanda Technology – effective aquaplaning prevention

- Same Coanda phenomenon has already been successfully utilised in aeroplane wings and Formula 1 cars



Appendix

Newest summer products in 2015

CENTRAL EUROPE

New Nokian eLine 2 – Advanced safety and greener mobility

- The new AA-rated Nokian eLine 2 summer tyre ensures reliable top performance under all weather conditions. The precise driving feel and optimal comfort.

New Nokian iLine - Lightly rolling safety for varying weather

- Summer tyre for smaller and mid-sized family cars. Especially for drivers who desire an enjoyable driving feel as well as uncompromising safety for any weather.

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



New Nokian eLine 2



More durability. Nokian Aramid Sidewall Technology

Appendix

Newest summer products in 2015

NORDIC COUNTRIES AND RUSSIA

New Nokian Hakka Green 2 – Naturally safe

- New AA rated summer tyre for the Northern roads rolls lightly and offers excellent durability

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

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 Hakka Green 2



More durability. Nokian Aramid Sidewall Technology

Appendix: Magazine tests 2015

Winning streak for winter tyres – over 30 test wins

Winter tyres, autumn 2015

Nordic, Russia and North America

- Nokian Hakkapeliitta winter tyres have won the most important comparison tests
- Multiple test winners - Nokian Hakkapeliitta 8 studded tyre and Nokian Hakkapeliitta R2 Nordic non-studded

Central Europe

- Excellent test success also for novelties
- New Nokian Weatherproof All-Weather tyre, test winner in Auto Zeitung, Auto Express, L'argus, German TV Show Auto Mobil
- New Nokian WR D4, test victories, very recommendable in Auto Zeitung
- Nokian WR SUV 3, test winner in OFF Road and SUV Magazin



Tuulilasi

Vi Bilägare AFTONBLADET

motor

auto motor sport

APRILIA

Зарулем

АВТО ВЕЩА

CAR AND DRIVER

Auto Bild

Auto ZEITUNG WINNER
NOKIAN Weatherproof
Dimension 165/65 R 15 74 H M-S
AUTO ZEITUNG Issue 22 / 2015

Auto EXPRESS BEST BUY 2015

Auto ZEITUNG SEHR EMPFEHLENSWERT
NOKIAN WR D4
Dimension 165/65 R 15
Ausgabe 21/2015

the ROAD
Winterreifen-Test 2015
SEHR EMPFEHLENSWERT
Nokian WR SUV 3
2015/177 171 16 16

L'argus
Gagnant du test 4 saisons 2015
205/55 R16

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 Block Optimized Siping and the 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 Tyres 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



Block Optimized Siping



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.



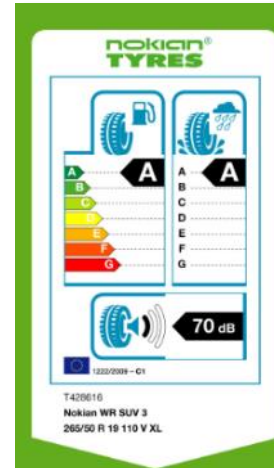
Nokian Hakkapeliitta 8 SUV

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 offers 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

Heavy Tyres - Examples of new products

New Nokian NTR 74S – Reliable durability

- Ensures safe travel under all weather conditions, all year round
- Optimized for main roads and it is primarily targeted for trailers
- The Nokian NTR 74S is 3PMSF approved and it offers durability and economical driving

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
- The Nokian Hakka Truck Drive has been awarded the innovation prize, "Innovation des Jahres 2016", in German Busplaner magazines reader vote

Nokian Hakka Truck 844 – Durability for demanding use

- Economical, safe and quiet tyre for year-round use, medium and long haul distances
- The first trailer tyre in this size (385/55R22.5) on the market with both the M+S and the snowflake marking (3PMSF), which is the official winter tyre approval



New Nokian NTR 74S



Nokian Hakka Truck Drive

Appendix

Winter tyre regulations - 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, <u>only</u> if there is a specific road sign							●		●	●				●	●					●		●		●

* For taxis and commercial vehicles, not regular passenger vehicles

Source: Nokian Tyres 1/2016

Appendix




























Winter tyre legislation - USA

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

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

Appendix

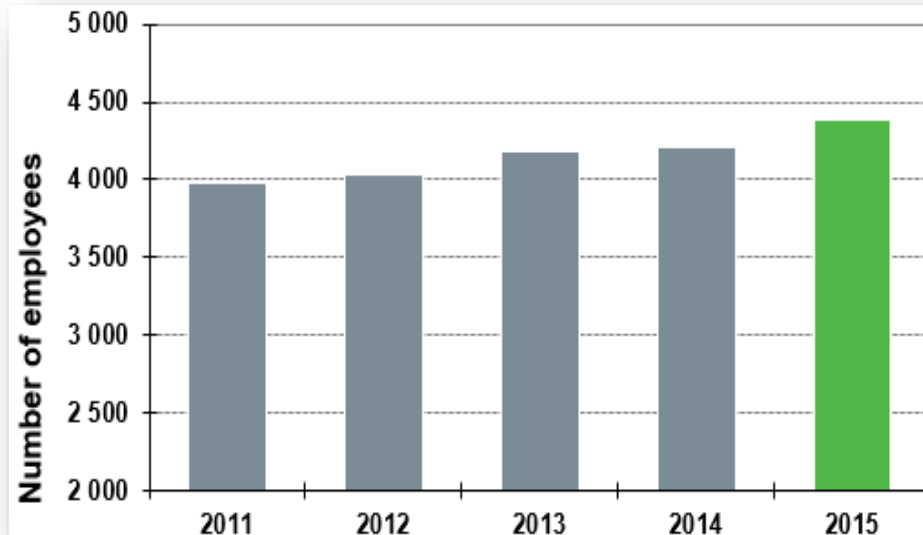
Winter tyre legislation - Canada

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

Appendix

Personnel 31 December, 2015

- Nokian Tyres Group: 4,389 (4,204)
- Finland: 1,732 (1,657)
- Russia: 1,327 (1,326)
- Equity-owned Vianor: 1,681 (1,508)



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 – capacity 2.5 M tyres

- Production of the whole car tyre range
- Head office & R&D
- Development of key processes
- Prototype production batches
- Special car tyres
- Heavy tyres, retreading materials
- Export to western markets

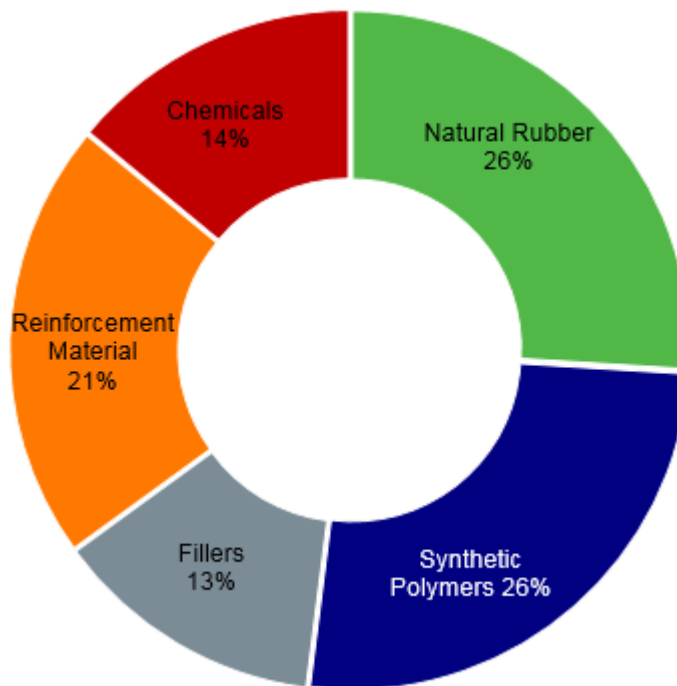


Vsevolozhsk, Russia – capacity > 15 M tyres

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

Appendix

Value of raw material consumption (%)



Appendix

Group Operating profit per quarter 2011 – 2015

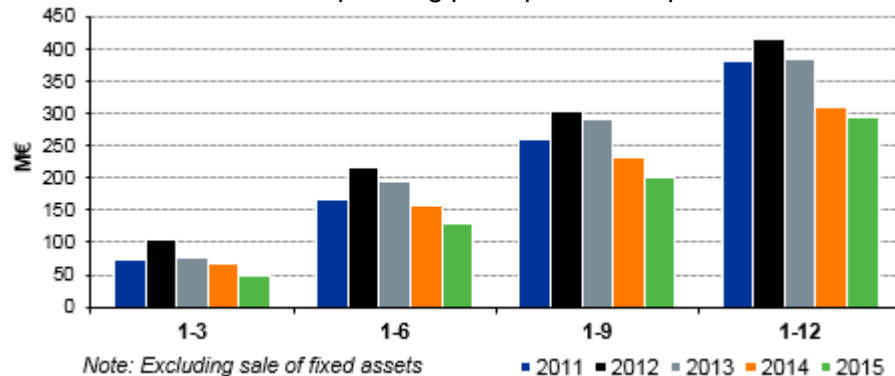
2015

- Net sales 1,360.1 M€ (1,389.1 M€), -2.1%
- EBIT 296.0 M€ (308.7 M€), -4.1%

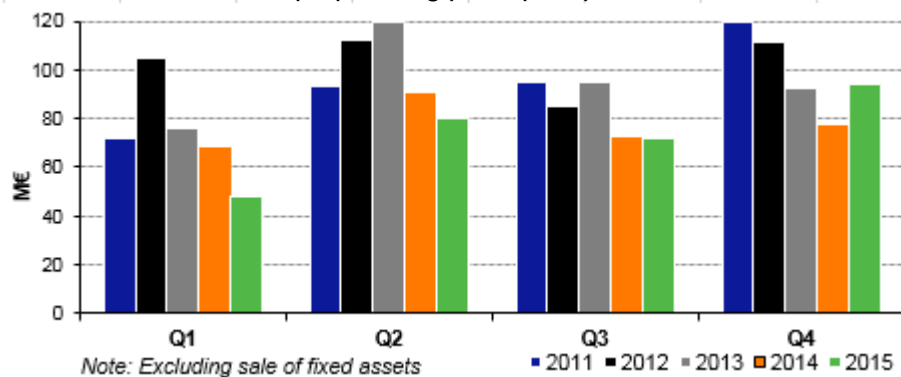
10-12/2015

- Net sales 422.3 M€ (380.0 M€), 11.1%
- EBIT 94.8 M€ (77.5 M€), 22.4%

Cumulative Operating profit per review period

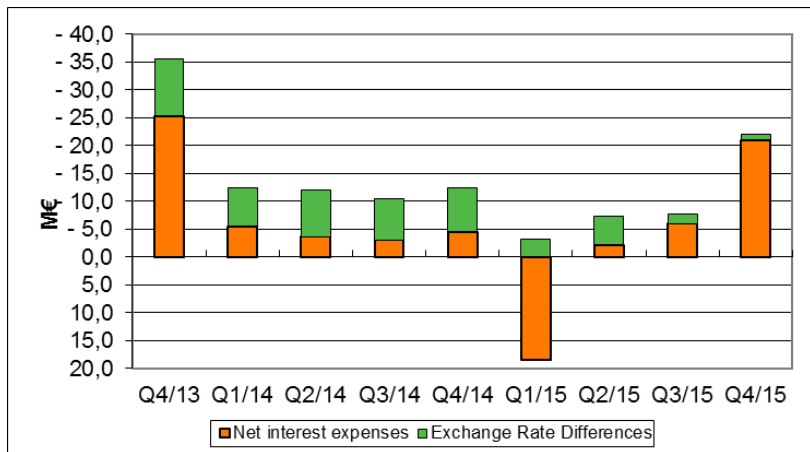


Group operating profit per quarter

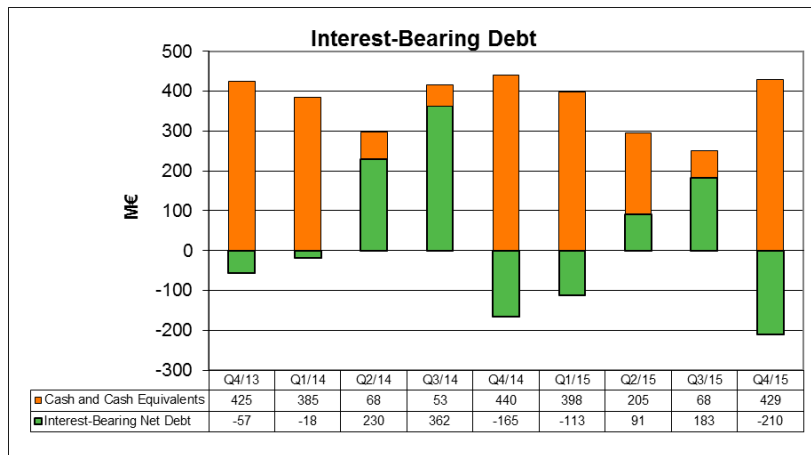


Appendix

Financing: Loans on 31 December 2015, Net Financial Expenses and currency effect



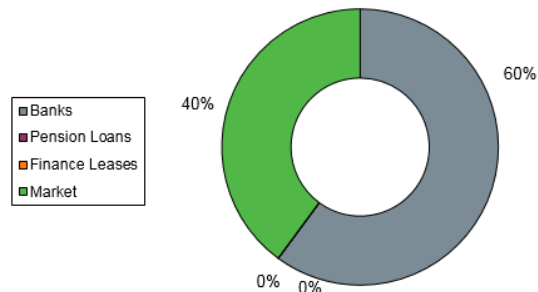
- = Expenses
+ = Income



Net financial items/exchange rate difference (M€) 31 December, 2015

	RUB	NOK	SEK	USD	CAD	Other	Total
Underlying 1)	3.9	-2.3	2.6	-0.9	-3.2	4.0	4.0
Hedging	-1.1	2.5	-2.1	0.1	3.3	-3.3	-0.6
Hedging cost	-13.9	-0.4	0.1	0.0	-0.2	-0.1	-14.5
Total	-11.1	-0.2	0.6	-0.8	-0.1	0.6	-11.1
1) AP, AR, Internal loans/deposits							

Interest Bearing Debt 219.6 M€ (31.12.2015)



Appendix

Consolidated Income Statement

Million euros	10-12/15	10-12/14	1-12/15	1-12/14	Change%
Net sales	422.3	380.0	1,360.1	1,389.1	-2.1
Cost of sales	-223.6	-207.4	-733.7	-769.6	4.7
Gross profit	198.6	172.6	626.4	619.5	1.1
Other operating income	0.3	0.5	3.7	3.4	
Selling and marketing expenses	-75.2	-73.6	-256.2	-246.5	-3.9
Administration expenses	-10.2	-8.5	-35.3	-34.5	-2.3
Other operating expenses	-18.7	-13.6	-42.6	-33.2	-28.3
Operating profit	94.8	77.5	296.0	308.7	-4.1
Financial income	64.1	176.5	200.9	268.4	-25.2
Financial expenses (1	-86.0	-189.0	-222.7	-315.9	29.5
Profit before tax	72.9	65.0	274.2	261.2	5.0
Tax expense (2 (3	-89.7	-14.9	-33.5	-52.8	36.7
Profit for the period	-16.8	50.1	240.7	208.4	15.5
Attributable to:					
Equity holders of the parent	-16.8	50.1	240.7	208.4	
Non-controlling interest	-	0.0	-	0.0	
Earnings per share from the profit attributable to equity holders of the parent					
basic, euros	-0.13	0.38	1.80	1.56	15.1
diluted, euros	-0.13	0.38	1.80	1.56	15.1

1) Financial expenses in 1-12/15 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. Additionally financial expenses in 10-12/15 and 1-12/15 contain EUR 19.2 million expensed punitive interest for reprocessed tax reassessment decisions on years 2007-2010. Financial expenses in 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 1-12/15 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. Additionally tax expense in 10-12/15 and 1-12/15 contains EUR 74.9 million expensed additional taxes with punitive tax increases for reprocessed tax reassessment decisions on years 2007-2010. Tax expense in 1-12/14 contains 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	10-12/15	10-12/14	1-12/15	1-12/14
Profit for the period	-16.8	50.1	240.7	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
Cash flow hedges	1.2	-0.4	-0.3	-1.9
Translation differences on foreign operations (4)	-46.4	-152.7	-55.2	-202.1
Total other comprehensive income for the period, net of tax	-45.2	-153.1	-55.5	-204.0
Total comprehensive income for the period	-62.0	-103.0	185.2	4.4
Total comprehensive income attributable to:				
Equity holders of the parent	-62.0	-103.0	185.2	4.4
Non-controlling interest	-	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 1-12/15 is EUR -13.7 million and in 1-12/14 EUR -10.0 million.

Appendix

Consolidated Statement Of Financial Position

Million euros	31.12.15	31.12.14
Non-current assets		
Property, plant and equipment	485.0	502.8
Goodwill	79.2	73.3
Other intangible assets	19.4	19.8
Investments in associates	0.1	0.1
Available-for-sale financial assets	0.3	0.3
Other receivables	8.8	10.0
Deferred tax assets	7.5	9.1
Total non-current assets	600.2	615.4
Current assets		
Inventories	271.3	288.3
Trade receivables	356.9	351.0
Other receivables	84.1	93.6
Current tax assets	13.0	8.9
Cash and cash equivalents	429.3	439.9
Total current assets	1,154.6	1,181.6
Total assets	1,754.8	1,797.0
Equity		
Share capital	25.4	25.4
Share premium	181.4	181.4
Treasury shares	-8.6	-8.6
Translation reserve	-385.9	-330.7
Fair value and hedging reserves	-2.9	-2.6
Paid-up unrestricted equity reserve	133.0	100.3
Retained earnings	1,299.2	1,243.2
Non-controlling interest	-	-
Total equity	1,241.6	1,208.5

Million euros	31.12.15	31.12.14
Non-current liabilities		
Deferred tax liabilities	25.7	26.7
Provisions	0.5	0.1
Interest bearing financial liabilities	199.7	274.7
Other liabilities	2.1	5.1
Total non-current liabilities	228.0	306.5
Current liabilities		
Trade payables	55.7	63.9
Other current payables	186.7	196.0
Current tax liabilities	20.0	18.7
Provisions	2.8	2.8
Interest-bearing financial liabilities	19.9	0.6
Total current liabilities	285.1	282.0
Total equity and liabilities	1,754.8	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.

Appendix

Key Ratios

	31.12.15	31.12.14	Change%
Equity ratio, %	70.8	67.5	
Gearing, %	-16.9	-13.6	
Equity per share, euro	9.24	9.07	1.8
Interest-bearing net debt, mill. euros	-209.7	-164.6	
Capital expenditure, mill. euros	101.7	80.6	
Depreciation, mill. euros	82.6	89.8	
Personnel, average	4,421	4,272	
Number of shares (million units)			
at the end of period	134.39	133.17	
in average	133.63	133.16	
in average, diluted	133.74	135.10	

Appendix

Consolidated Statement Of Cash Flows

Million euros	1-12/15	1-12/14
Profit for the period	240.7	208.4
Adjustments for		
Depreciation, amortisation and impairment	100.4	98.6
Financial income and expenses	21.8	47.5
Gains and losses on sale of intangible assets, other changes	-10.5	-11.0
Income Taxes	33.5	52.8
Cash flow before changes in working capital	385.8	396.3
Changes in working capital		
Current receivables, non-interest-bearing, increase (-) / decrease (+)	-27.6	24.5
Inventories, increase (-) / decrease (+)	8.2	18.7
Current liabilities, non-interest-bearing, increase (+) / decrease (-)	4.0	38.4
Changes in working capital	-15.4	81.6
Financial items and taxes		
Interest and other financial items, received	2.9	3.3
Interest and other financial items, paid	-49.8	-69.8
Dividends received	0.0	0.0
Income taxes paid	-40.0	-88.2
Financial items and taxes	-87.0	-154.6
Cash flow from operating activities (A)	283.4	323.4
Cash flows from investing activities		
Acquisitions of property, plant and equipment and intangible assets	-100.0	-81.7
Proceeds from sale of property, plant and equipment and intangible assets	1.4	3.2
Acquisitions of Group companies	-6.7	-5.8
Change in non-controlling interest	-	-0.3
Acquisitions of other investments	0.0	0.0
Cash flows from investing activities (B)	-105.3	-84.7

Cash flow from financing activities:		
Proceeds from issue of share capital	33.3	2.6
Purchase of treasury shares	-	-8.6
Change in current financial receivables, increase (-) / decrease (+)	-6.0	-8.0
Change in non-current financial receivables, increase (-) / decrease (+)	0.4	-3.4
Change in current financial borrowings, increase (+) / decrease (-)	48.5	62.2
Change in non-current financial borrowings, increase (+) / decrease (-)	-73.4	-79.6
Dividends received	0.4	0.4
Dividends paid	-193.5	-193.4
Cash flow from financing activities (C)	-190.2	-227.7
Change in cash and cash equivalents (A+B+C)	-12.2	11.0
Cash and cash equivalents at the beginning of the period	439.9	424.6
Effect of exchange rate fluctuations on cash held	1.6	4.3
Cash and cash equivalents at the end of the period	429.3	439.9

The consolidated statement of cash flows has been 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 1-12/15 EUR 6.1 million, in 1-12/14 EUR 37.0 million. The Board of Adjustment once already annulled the reassessment decisions in question and returned the assessments for reprocessing.

The Tax Administration did not refund these set-offs, but did discontinue with additional ones. Finally the Tax Administration reprocessed the tax reassessment decisions, which amounts, less the previous set-offs, the company paid in 2016.

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, 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							208.4		208.4
Other comprehensive income, net of tax:							0.2	-0.2	0.0
Cash flow hedges					-1.9				-1.9
Net investment hedge									0.0
Translation differences				-202.1					-202.1
Total comprehensive income for the period				-202.1	-1.9		208.6	-0.2	4.4
Dividends paid							-193.4		-193.4
Exercised warrants						2.6			2.6
Acquisition of treasury shares			-8.6						-8.6
Share-based payments							9.9		9.9
Total transactions with owners for the period			-8.6			2.6	-183.5		-189.5
Changes in the shareholding of subsidiaries						0.7			0.7
Acquisition of non-controlling interests, with no impact on control							0.2		0.2
Equity, 31 Dec 2014	25.4	181.4	-8.6	-330.7	-2.6	100.3	1,243.2	-	1,208.5
Equity, 1 Jan 2015	25.4	181.4	-8.6	-330.7	-2.6	100.3	1,243.2	-	1,208.5
Profit for the period							240.7		240.7
Other comprehensive income, net of tax:									
Cash flow hedges					-0.3				-0.3
Net investment hedge									-
Translation differences				-55.2					-55.2
Total comprehensive income for the period				-55.2	-0.3		240.7		185.2
Dividends paid							-193.5		-193.5
Exercised warrants						33.3			33.3
Acquisition of treasury shares									-
Share-based payments							9.1		9.1
Total transactions with owners for the period						33.3	-184.5		-151.2
Changes in the shareholding of subsidiaries						-0.7			-0.7
Equity, 31 Dec 2015	25.4	181.4	-8.6	-385.9	-2.9	133.0	1,299.2	-	1,241.6

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 in 2014 ja 2015 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 has been made between translation reserve and retained earnings and has no effect on total equity.

Appendix

Segment Information

Million euros	10-12/15	10-12/14	1-12/15	1-12/14	Change%
Net sales					
Passenger car tyres	276.5	237.9	951.5	1,003.2	-5.2
Heavy tyres	41.8	41.0	155.3	149.1	4.2
Vianor	119.4	117.5	327.6	314.8	4.1
Other operations	4.9	5.4	15.4	13.5	13.5
Eliminations	-20.4	-21.9	-89.7	-91.5	2.0
Total	422.3	380.0	1,360.1	1,389.1	-2.1
Operating result					
Passenger car tyres	80.3	55.4	285.5	292.2	-2.3
Heavy tyres	6.7	7.8	28.7	24.6	16.9
Vianor	11.1	13.1	-1.9	2.1	-189.2
Other operations	-7.6	-4.7	-13.9	-9.4	-47.8
Eliminations	4.4	5.9	-2.5	-0.7	-234.3
Total	94.8	77.5	296.0	308.7	-4.1
Operating result, % of net sales					
Passenger car tyres	29.0	23.3	30.0	29.1	
Heavy tyres	15.9	18.9	18.5	16.5	
Vianor	9.3	11.2	-0.6	0.7	
Total	22.5	20.4	21.8	22.2	
Cash flow from operations					
Passenger car tyres	390.0	546.4	315.8	443.4	-28.8
Heavy tyres	15.6	14.8	37.5	28.8	30.3
Vianor	22.2	20.3	-16.2	-8.7	-87.5
Total	417.0	579.1	311.1	458.3	-32.1

Appendix

Changes in Property, Plant and Equipment and Contingent Liabilities

CHANGES IN PROPERTY, PLANT AND EQUIPMENT		
Million euros	31.12.15	31.12.14
Opening balance	502.8	683.8
Capital expenditure	118.9	88.2
Decrease	-39.5	-15.0
Depreciation for the period	-67.8	-80.1
Exchange differences	-29.3	-174.0
Closing balance	485.0	502.8
CONTINGENT LIABILITIES	31.12.15	31.12.14
Million euros		
FOR OWN DEBT		
Mortgages	1.0	1.0
Pledged assets	4.8	4.7
ON BEHALF OF OTHER COMPANIES		
Guarantees	0.4	-
OTHER OWN COMMITMENTS		
Guarantees	5.2	4.6
Leasing and rent commitments	82.6	53.7
Purchase commitments	1.6	2.0

Appendix

Carrying Amounts and Fair Values of Financial Assets and Liabilities

	31.12.15		31.12.14	
Million euros	Carrying	Fair	Carrying	Fair
	amount	value	amount	value
FINANCIAL ASSETS				
Financial assets at fair value				
through profit or loss				
Derivatives held				
for trading	8.9	8.9	19.2	19.2
Money market instruments	6.0	6.0	-	-
Loans and receivables				
Other non-current receivables	8.8	6.8	10.0	7.0
Trade and other receivables	360.1	360.7	355.2	355.8
Cash in hand and at bank	423.3	423.3	439.9	439.9
Available-for-sale financial assets				
Unquoted shares	0.3	0.3	0.3	0.3
Derivative financial instruments				
designated as hedges	19.9	19.9	0.3	0.3
Total financial assets	827.2	825.8	824.9	822.5
FINANCIAL LIABILITIES				
Financial liabilities at fair value				
through profit or loss				
Derivatives held				
for trading	15.4	15.4	13.8	13.8
Financial liabilities measured				
at amortised cost				
Interest-bearing financial liabilities	219.6	224.2	275.2	279.8
Trade and other payables	55.7	55.7	63.9	63.9
Derivative financial instruments				
designated as hedges	5.5	5.5	4.8	4.8
Total financial liabilities	296.1	300.8	357.7	362.3

Appendix

Derivative Financial Instruments

Million euros	31.12.15	31.12.14
INTEREST RATE DERIVATIVES		
Interest rate swaps		
Notional amount	100.0	100.0
Fair value	-2.4	-2.3
FOREIGN CURRENCY DERIVATIVES		
Currency forwards		
Notional amount	497.9	303.8
Fair value	-6.6	-9.4
Interest rate and currency swaps		
Notional amount	87.5	67.5
Fair value	19.8	14.9
ELECTRICITY DERIVATIVES		
Electricity forwards		
Notional amount	7.0	10.0
Fair value	-3.0	-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:

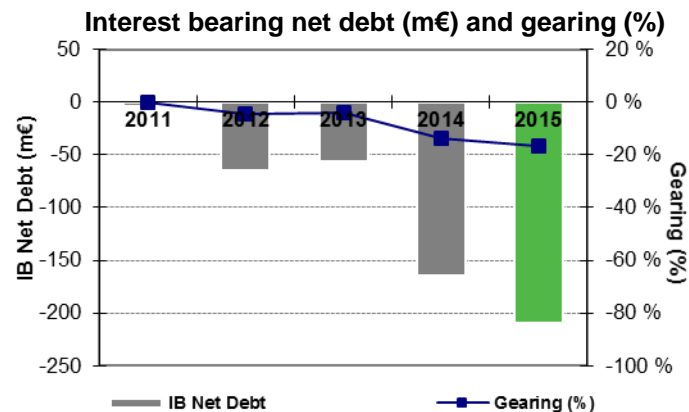
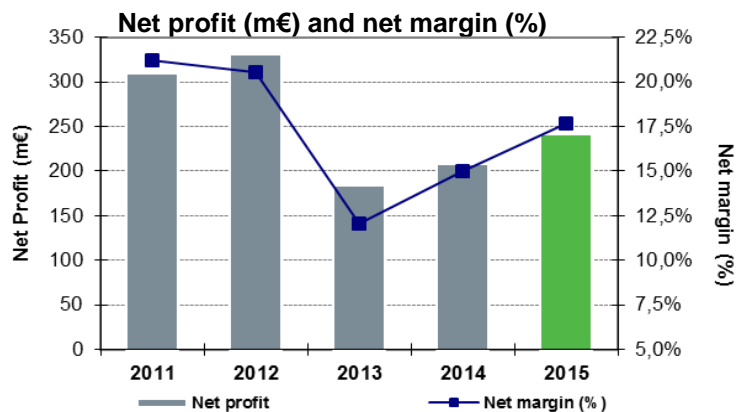
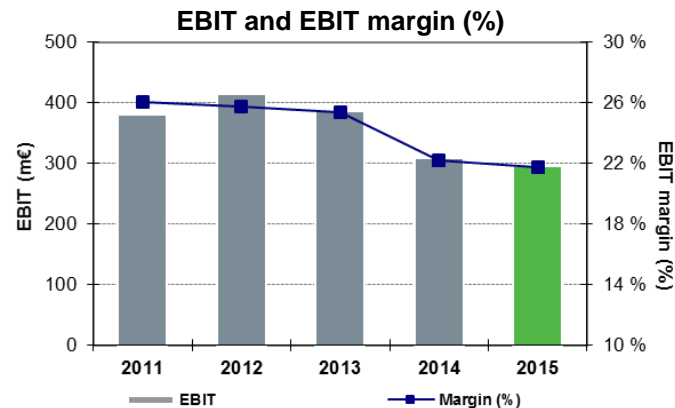
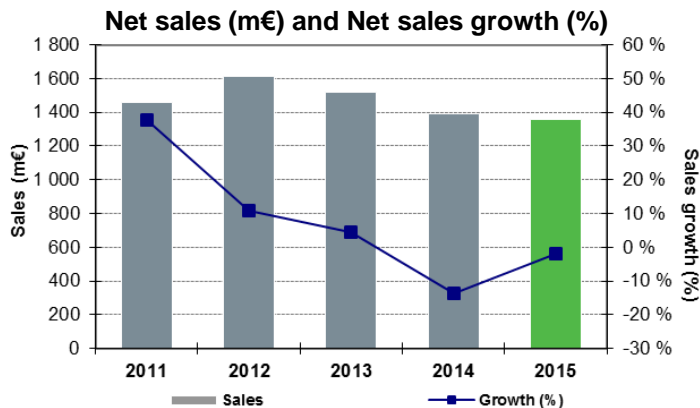
Equity attributable to equity holders of the parent / Adjusted number of shares on the reporting date excluding treasury shares

Cash flow from operations:

Income financing after the change in working capital, investments and the disposal of fixed assets

Appendix

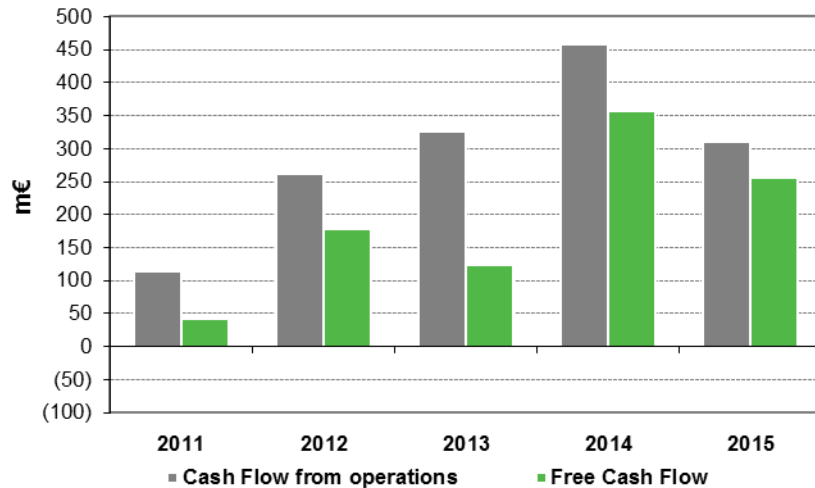
Key figures 2011-2015



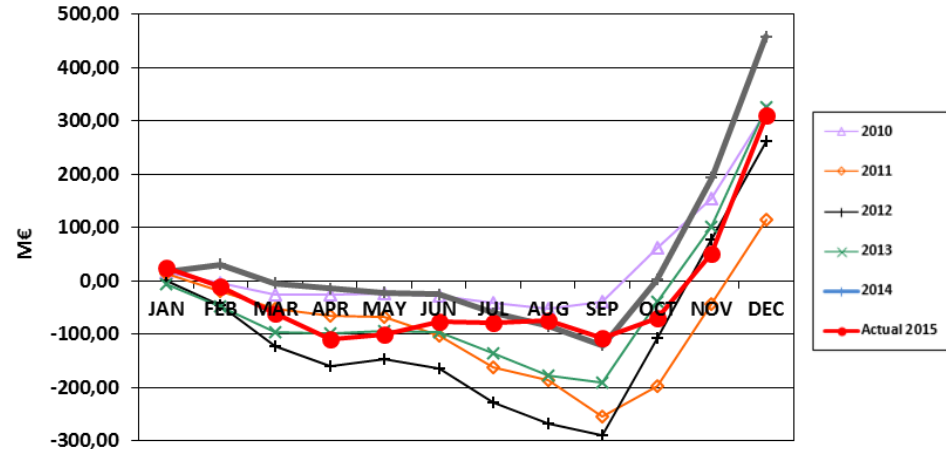
Appendix

Group Operating Cash Flow and Free Cash Flow

Group Cash Flow From Operations and Free Cash flow



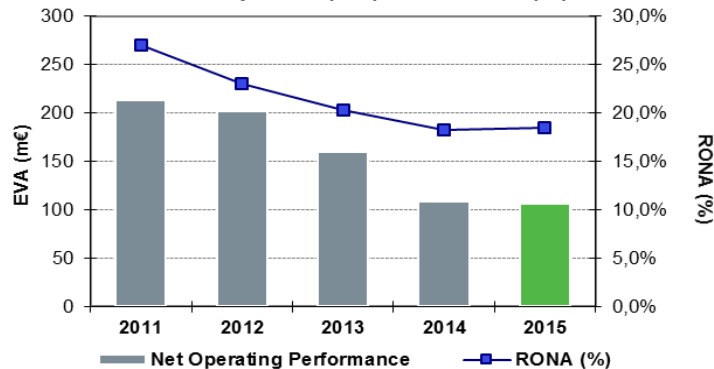
Monthly cumulative Group Cash flow from operations



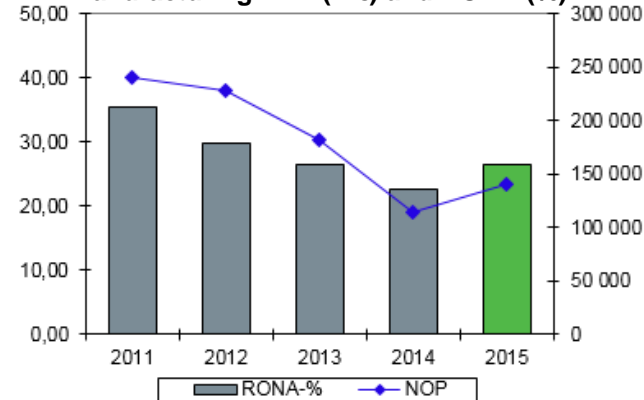
Appendix

RONA (%) and Net operating performance (EVA) ¹⁾ 2011-2015

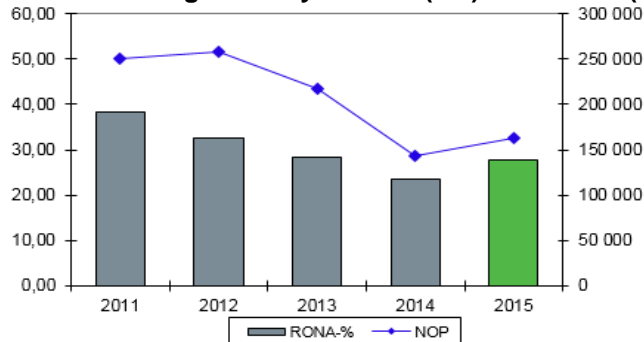
Group EVA (m€) and RONA (%)



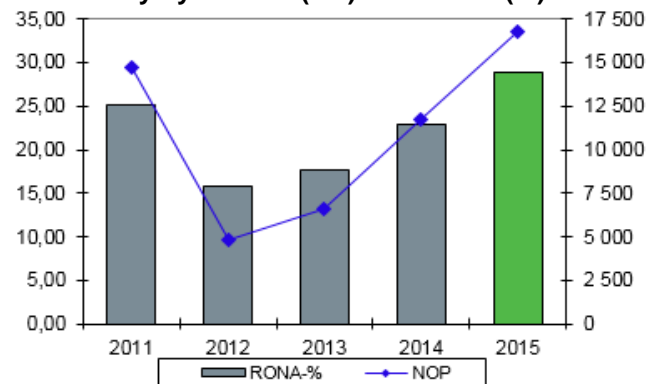
Manufacturing EVA (m€) and RONA (%)



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



Heavy Tyres EVA (m€) and RONA (%)



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

nokian[®]
TYRES

Thank you!

