

Result 2017

February 2, 2018

President and CEO
Hille Korhonen



Strong performance in 2017. Positive outlook for 2018.

1. General overview

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

Market overview 2017

Russia's economy started growing in 2017

| | Nordic countries | Russia | Europe (incl. the Nordic countries) | North America |
|-------------------------------|------------------|---------------|-------------------------------------|---------------|
| GDP growth (E2017) | +1.9% to +3.2% | +1.4% to 1.8% | +2.4% | +2.3% |
| New car sales | +2% | +12% | +3% | -1% |
| Car tyre* sell-in | -6% | ~ +20% | +3% | +1% |
| Heavy tyre segments ** | ➡ | ➡ | ➡ | ➡ |
| Currency impact | ● | ● | - | ● |



*) premium and mid-segment

**) Nokian Tyres core product segments

Nokian Tyres' performance 2017

Sales growth in all key markets

| Sales & SOM | Nordic countries | Russia and CIS | Other Europe | North America |
|--------------------|------------------|----------------|--------------|---------------|
| Net sales | +4.6% | +46.4% | +8.0% | +15.2% |
| Car tyre sales pcs | + - | + | + - | + |
| Car tyre SOM | + | + | + - | + |

| Profitability | |
|----------------------------------|---|
| Currency effect to net sales, M€ | +21.7 |
| Car tyre ASP (€/pcs) |  |
| Raw material cost | +17.5% |
| Fixed costs (€) |  |
| Car tyre production volume (pcs) | +15% |
| Car tyre productivity (kg/mh) | +3% |

| Distribution | Units | Change 2017 (pcs) |
|---------------|-------|-------------------|
| Vianor equity | 194 | -18 |
| Vianor total | 1,466 | -35 |
| NAD + N-Tyre | 1,928 | +381 |

1. General overview

2. Nokian Tyres financial performance

- Summary
- Group operating profit
- Net sales by market area
- Raw material cost development
- Total investments
- New organization structure
- Heavy Tyres' production capacity

3. Business units

4. Nokian Tyres going forward

5. Board's dividend proposal to AGM



Summary 2017

Strong performance in 2017. Positive outlook for 2018.

| Key figures, EUR million | 10–12/17 | 10–12/16 | Change% | 2017 | 2016 | Change% |
|-------------------------------------|----------|----------|---------|---------|---------|---------|
| Net sales | 490.4 | 460.7 | 6.4 | 1,572.5 | 1,391.2 | 13.0 |
| Operating profit | 122.6 | 108.5 | 13.0 | 365.4 | 310.5 | 17.7 |
| Operating profit % | 25.0 | 23.5 | | 23.2 | 22.3 | |
| Profit before tax | 118.9 | 106.3 | 11.9 | 332.4 | 298.7 | 11.3 |
| Profit for the period | 94.7 | 91.2 | 3.8 | 221.4 | 251.8 | -12.1 |
| Earnings per share, EUR | 0.69 | 0.67 | 2.8 | 1.63 | 1.87 | -13.0 |
| Equity ratio, % | | | | 78.2 | 73.8 | |
| Cash flow from operating activities | 368.3 | 456.9 | | 234.1 | 364.4 | |
| Gearing, % | | | | -14.2 | -19.7 | |
| Interest-bearing net debt | | | | -208.3 | -287.4 | |
| Capital expenditure | 39.6 | 31.1 | 27.3 | 134.9 | 105.6 | 27.8 |

- Successful year in all aspects
- Strong performance in all main markets
- Net sales and operating profit improved
- Passenger Car Tyres and Heavy Tyres performed well
- Production volumes increased in all factories
- In Q4/2017, raw material costs decreased slightly compared with Q3/2017

Group operating profit per quarter 2013–2017

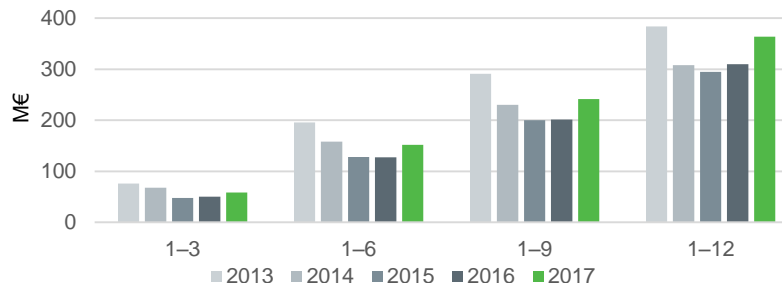
2017

- Net sales 1,572.5 M€ (1,391.2 M€), +13.0%
- EBIT 365.4 M€ (310.5 M€), +17.7%

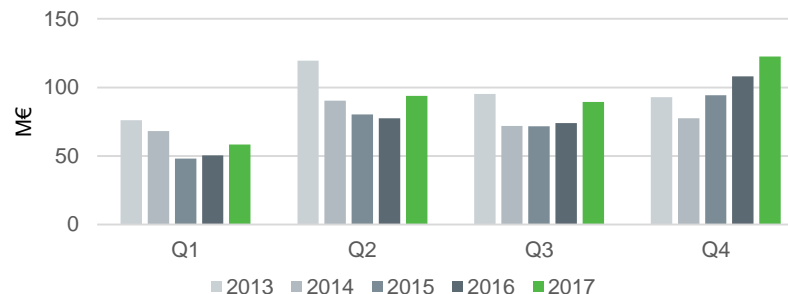
10–12/2017

- Net sales 490.4 M€ (460.7 M€), +6.4%
- EBIT 122.6 M€ (108.5 M€), +13.0%

Cumulative operating profit per review period

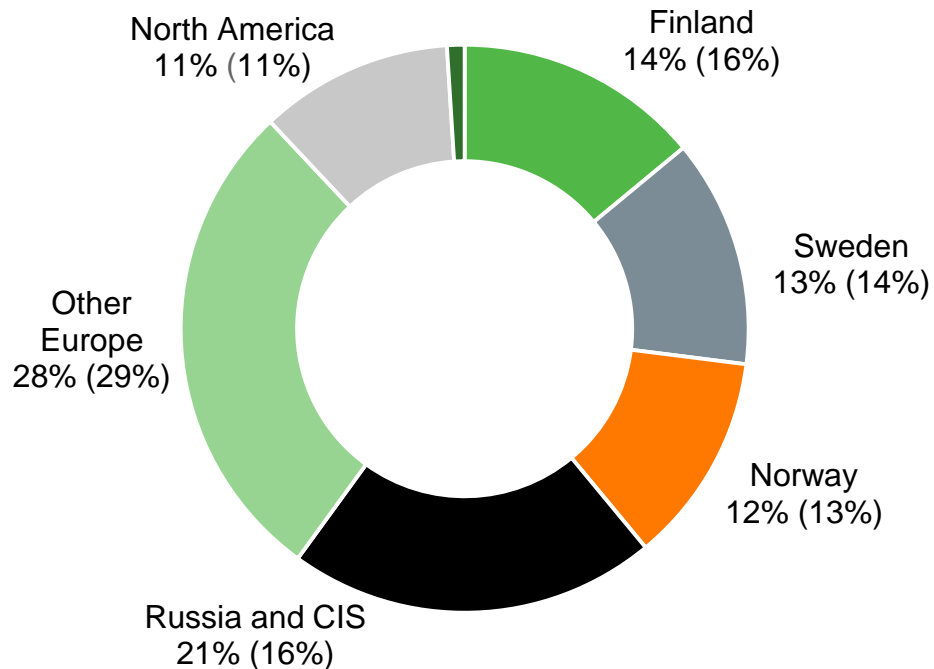


Group operating profit per quarter



Net sales by market area 2017

Solid performance in all main markets



Raw material cost development

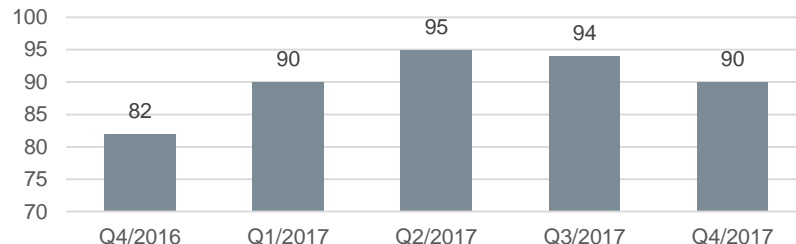
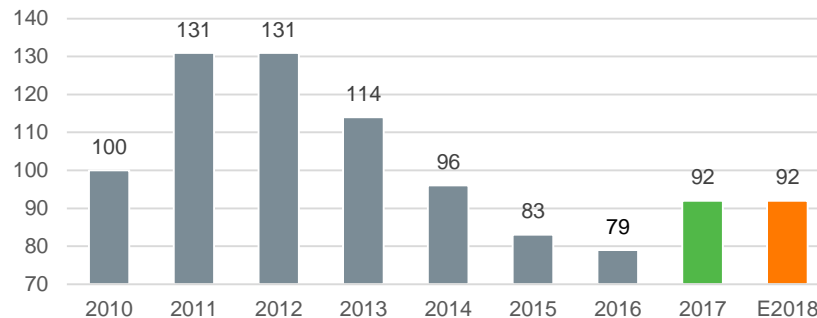
Estimated to remain approximately at the same level in 2018

Nokian Tyres' raw material costs (€/kg)

- increased by 17.5% in 2017 vs. 2016
- decreased by 3.9% in Q4/2017 vs. Q3/2017

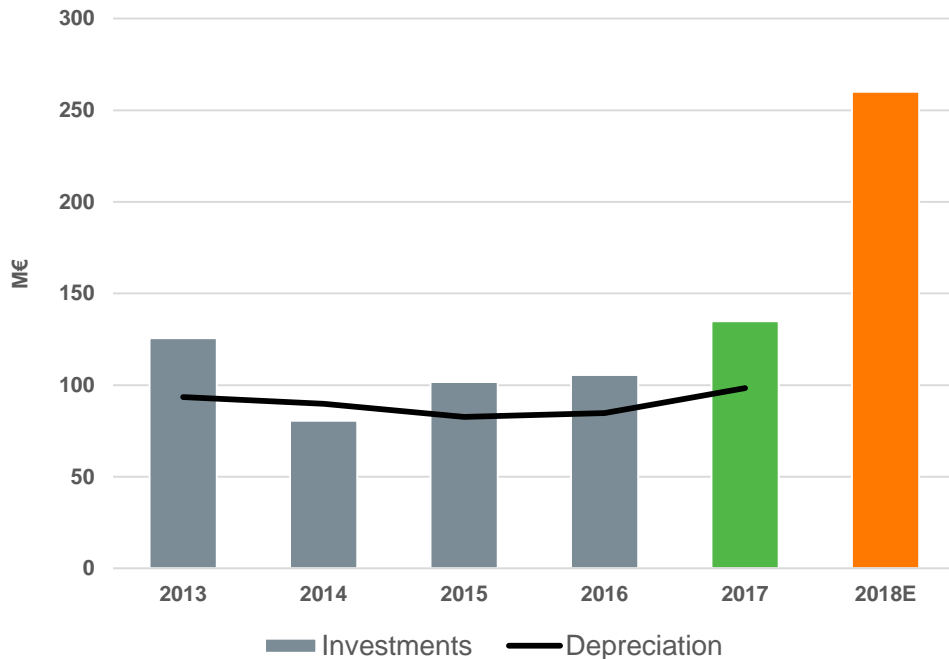
→ Is estimated to remain approximately at the same level in 2018 vs. 2017

Raw material cost development index 2010–E2018



Total investments 2018E: 260 M€

Investments 134.9 M€ in 2017 (105.6 M€ in 2016)



Investments 2018E:

Construction work of Dayton factory (TN, USA)

■ Total 110 M€

Nokia factory and global development projects

■ Total 75 M€

Russia

■ Total 40 M€

Heavy Tyres, sales companies and Vianor chain

■ Total 35 M€

Nokian Tyres is renewing its leadership and operational model to support global business

Stock exchange release

December 4, 2017:

- Nokian Tyres is accelerating profitable growth, customer orientation and innovative future solutions by renewing its leadership and operational model.
- The purpose of this change is also to create a scalable structure and to increase efficiency through global functions and processes.
- The new organization structure will be valid starting from January 1, 2018.
- Nokian Tyres' business unit structure will remain unchanged, consisting of Passenger Car Tyres, Nokian Heavy Tyres and Vianor.
- Company's external reporting model will continue to include business units and geographical areas.



Nokian Heavy Tyres to increase its production capacity by 50%

Investing EUR 70 million in Nokia, Finland

Company release December 22, 2017:

- Nokian Heavy Tyres Ltd is increasing its production capacity by 50% by investing a total of approximately EUR 70 million in its factory in Nokia over the following three years.
- With the capacity increase, approximately 50 new people will be hired for the production of heavy tyres.
- The aim is to increase the maximum capacity for heavy tyre production from approximately 20 million kg to 32 million kg.
- Nokian Heavy Tyres Ltd has also signed an agreement with the local labor union on increasing competitiveness through flexibility. The agreement motivates the personnel to develop multiple skills. This agreement remains in force until the end of 2020.



1. General overview
2. Nokian Tyres financial performance
- 3. Business units**
 - General overview
 - Passenger Car Tyres
 - Heavy Tyres
 - Vianor and branded distribution network
4. Nokian Tyres going forward
5. Board's dividend proposal to AGM



Business units 2017

Passenger Car Tyres and Heavy Tyres showed growth

Passenger Car Tyres

- Net sales: 1,138.8 M€; +16.1%
- EBIT: 359.9 M€; +17.7%
- EBIT margin: 31.6% (31.2%)

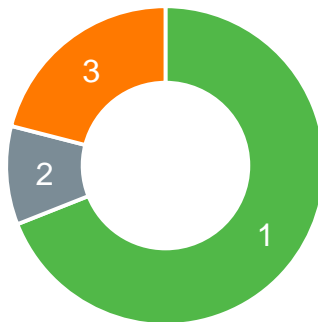
Heavy Tyres

- Net sales: 172.3 M€; +11.0%
- EBIT: 32.2 M€; +14.1%
- EBIT margin: 18.7% (18.2%)

Vianor

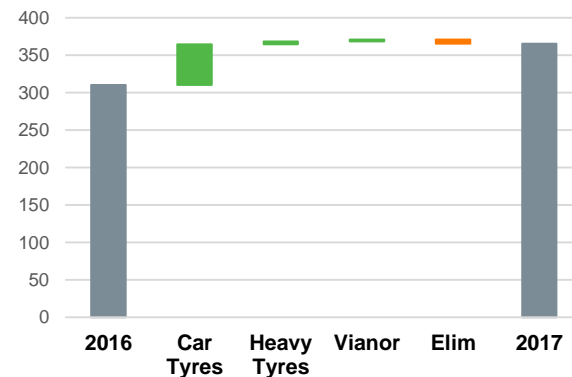
- Net sales: 339.4 M€; +1.4%
- EBIT -5.8 M€; +28.4%
- EBIT margin: -1.7% (-2.4%)

Net sales 1,572.5 M€



| Business units | 2017 | 2016 |
|------------------------|------|------|
| 1. Passenger Car Tyres | 69% | 67% |
| 2. Heavy Tyres | 10% | 11% |
| 3. Vianor | 21% | 23% |

EBIT 365.4 M€
EBIT Bridge by Business Units



Passenger Car Tyres

Performed well in 2017

Performance in 2017

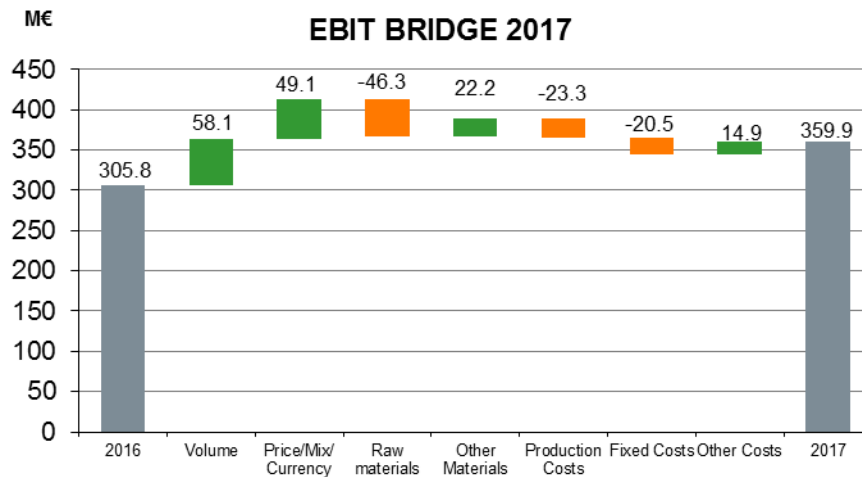
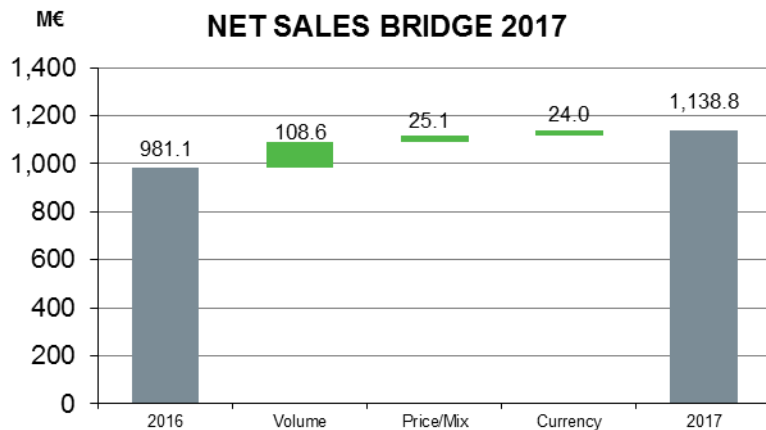
- + Net sales increased, due to a significant net sales increase in Russia and good growth in Other Europe and North America
- + Market growth was exceeded in Russia due to a competitive product portfolio, price positioning and supply capability
- + Sales and marketing investments and new products generated sales growth in Other Europe and North America
- + ASP increased due to price increases, a positive currency impact and an improved product mix
- + Price increases were implemented in all markets
- + Nokian Tyres excelled in tyre tests
- + Production output increased by 15%
- + Productivity improved by 3%



| | 10–12/17 | 10–12/16 | Change % | 2017 | 2016 | Change % |
|-----------------------------|----------|----------|----------|---------|-------|----------|
| Net sales, M€ | 338.3 | 314.0 | 7.7 | 1,138.8 | 981.1 | 16.1 |
| Operating profit, M€ | 100.9 | 94.4 | 6.9 | 359.9 | 305.8 | 17.7 |
| Operating profit, % | 29.8 | 30.1 | | 31.6 | 31.2 | |

Passenger Car Tyres

Both sales and operating profit improved



Passenger Car Tyres – new products

Nokian Tyres' four new winter product families

Nokian Tyres introduced new state-of-the-art products for its winter tyre range: Nokian Hakkapeliitta R3, Nokian Hakkapeliitta R3 SUV, Nokian WR SUV 4 and Nokian WR G4

- The comprehensive and modern size selection will be available to consumers during the winter tyre season of autumn 2018
- The main markets for the new-generation non-studded Nokian Hakkapeliitta R3 and the Nokian Hakkapeliitta R3 SUV for sport utility vehicles are in the Nordic countries, Russia and North America
- The new products will also support the business of the winter weather pioneer in other markets, such as China, Japan and Ukraine
- In addition to the Nokian Hakkapeliitta winter tyres, the company is introducing entirely new winter products on its important growth markets in Central Europe and North America, Nokian WR SUV 4 for Central Europe and Nokian WR G4 for North America



New Nokian Hakkapeliitta R3 SUV

Heavy Tyres

All market areas showed growth

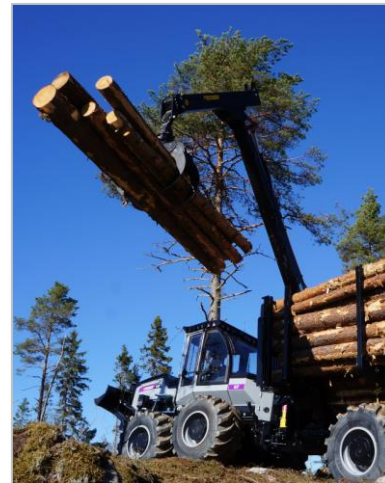
Performance in 2017

- + Demand was good in most of core product groups in the Western markets
- + Net sales, operating profit and production volumes increased
- + Sales of agricultural tyres and forestry tyres increased in particular
- + New product sales developed well and increased the full year net sales
- + ASP increased slightly year-over-year mainly due to price increases and an improved product mix
- + Price increases were implemented in all markets

Year 2018

- + Heavy Tyres is increasing its production capacity by 50% by investing a total of approximately EUR 70 million in its factory in Nokia, Finland, during the years 2018–2020.

| | 10–12/17 | 10–12/16 | Change % | 2017 | 2016 | Change % |
|----------------------|----------|----------|----------|-------|-------|----------|
| Net sales, M€ | 46.5 | 41.7 | 11.4 | 172.3 | 155.3 | 11.0 |
| Operating profit, M€ | 9.4 | 7.2 | 31.4 | 32.2 | 28.2 | 14.1 |
| Operating profit, % | 20.3 | 17.2 | | 18.7 | 18.2 | |



Heavy Tyres – new products

Nokian Concept Tyre stands for a new era

The new visionary Concept Tyre from the Nokian Heavy Tyres presents the new era of tractor-based work

- The changing field of tractor-based farming and contracting needs forerunners
- Combining soft soil traction and on-road endurance it builds up business opportunities for small-scale farmers; the tyre's innovative tread pattern is a combination of lug and block patterns
- The new Nokian Concept Tyre has been especially designed to enable versatile, cost-effective work
- It offers reliability and a long service life and its visionary tread pattern makes all-round mobility and heavier loads possible



New Nokian Concept Tyre

Performance in 2017

- + Net sales increased slightly year-over-year
- + The profit improvement program, including the network optimization, progressed according to plan
- Nordic countries' retail business environment was very challenging in terms of tough competition landscape
- A complex pricing environment

| Equity operations | 10-12/17 | 10-12/16 | Change% | 2017 | 2016 | Change% |
|-----------------------------|----------|----------|---------|---------|--------|---------|
| Net sales, M€ | 124.7 | 125.0 | -0.2 | 339.4 | 334.8 | 1.4 |
| Operating profit, M€ | 13.1 | 7.8* | 68.4 | -5.8*** | -8.1** | 28.4 |
| Operating profit, % | 10.5 | 6.2* | | -1.7*** | -2.4** | |
| Equity service centers, pcs | | | | 194 | 212 | |

In 2016, non-recurring items amounting to EUR 3.6 million included the write-off of ICT development projects.

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

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

In 2017, non-recurring items amounting to EUR 1.8 million in total.

*** Excluding non-recurring items: Operating profit EUR -4.0 million, operating profit percentage -1.2%.



Nokian Tyres' branded distribution network

Vianor, NAD, N-Tyre; +346 stores in 2017

Vianor – 1,466 service centers in 26 countries

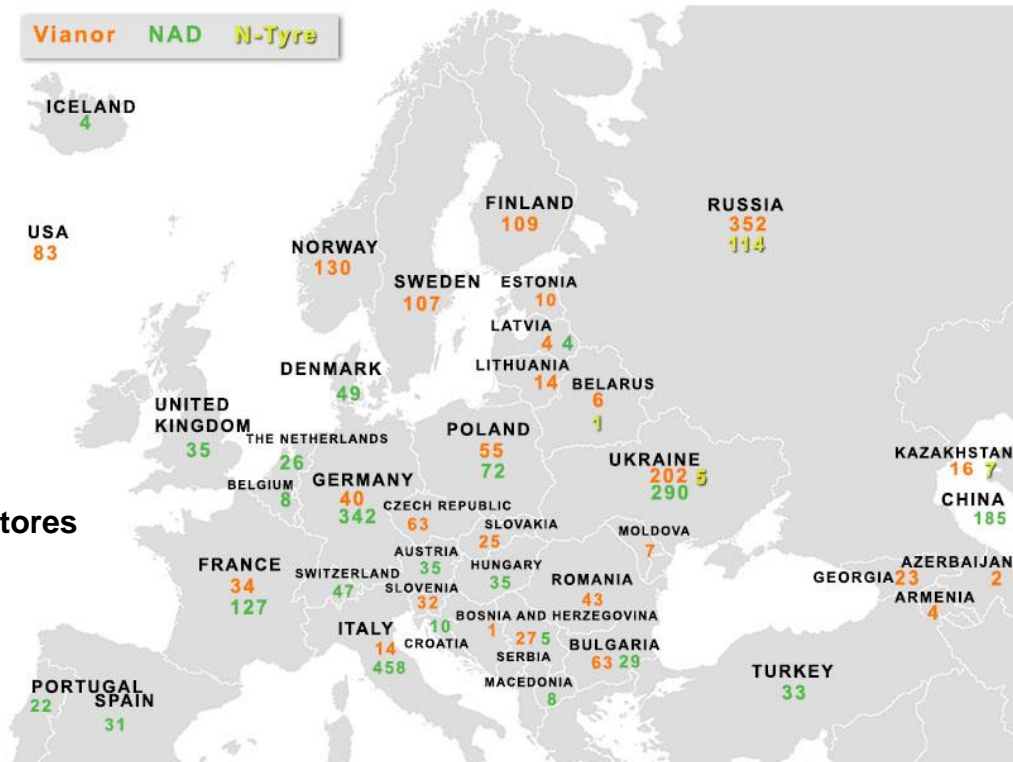
- 194 equity and 1,272 partner
- Equity -18, partner -17 vs. year-end 2016
- largest tyre chain in the Nordic and Baltic countries:**
374 service centers (-9 vs. year-end 2016)
- largest tyre chain in Russia and CIS:**
612 service centers (-43 vs. year-end 2016)
- Central Europe:**
397 service centers (+15 vs. year-end 2016)
- USA:**
83 service centers (+2 vs. year-end 2016)

Nokian Tyres Authorized Dealers (NAD) – 1,855 stores

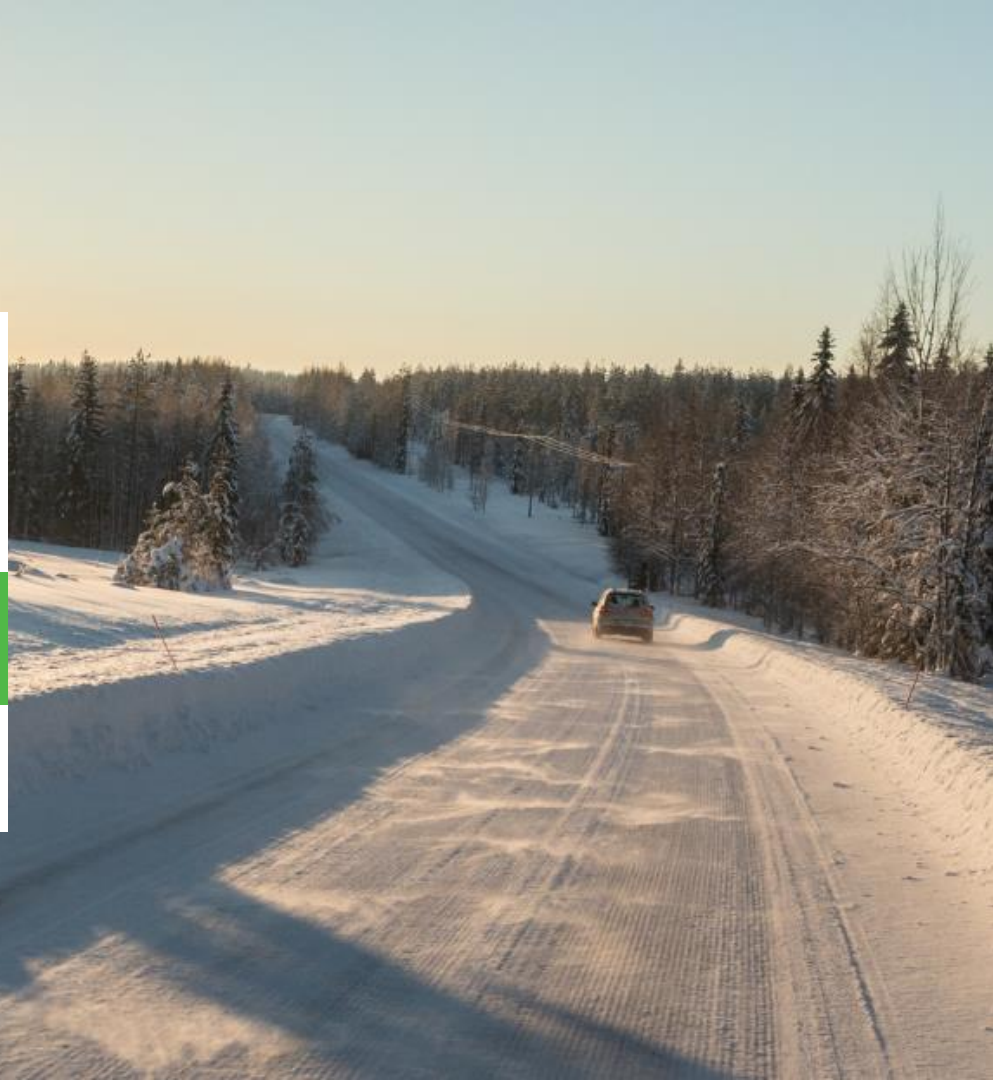
- in 21 European countries and China
- increase of 374 stores vs. year-end 2016

N-Tyre – 127 stores

- in Russia and the CIS
- increase of 7 stores vs. year-end 2016



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Outlook 2018

Positive outlook

Nokian Tyres' assumptions

- Markets
 - New car sales growth 2% in Europe
 - New car sales in Russia to increase by 12–15%
- Passenger car tyre markets
 - Demand in Central Europe, North America and the Nordic countries to show some growth
 - Demand in Russia (sell-in) to increase by 3–5%
- Raw material costs (€/kg) are estimated to remain approximately at the same level in 2018 compared with 2017
- Investments approximately 260 M€ in 2018
- The demand for Nokian Heavy Tyres' core products is estimated to remain healthy
- Nokian Tyres financial position remains solid

Outlook 2018

- Nokian Tyres' position is expected to improve in all key markets. In Russia, the company expects to retain and further strengthen its market leader position in the A+B segments in 2018.
- New flagship products will strengthen Nokian Tyres' position
- Profitability supported by efficient cost structure and productivity on the back of high share of Russian production.

Year 2018 guidance

- In 2018, with the current exchange rates, net sales and operating profit are expected to grow compared with 2017.

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Board's proposals to AGM

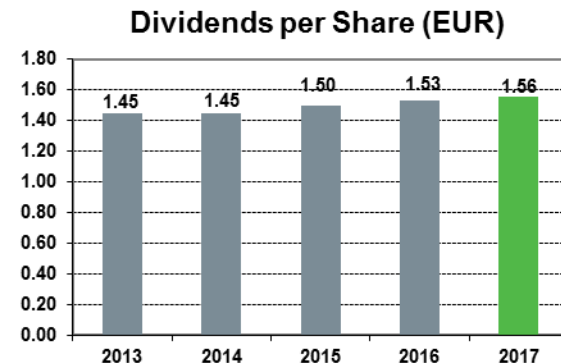
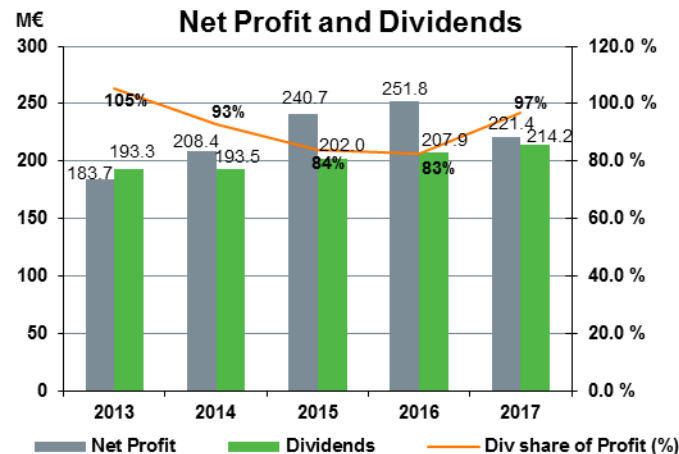
Dividend – Board's proposal 1.56 €/share

Dividend

- Parent company's distributable funds 658.0 M€
- The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 1.56 per share be paid for the fiscal year 2017

Annual General Meeting on April 10, 2018

- Record Date April 12, 2018
- Payment Date April 25, 2018





Thank you!

Interim Report 1–3/2018
May 9, 2018

www.nokiantyres.com/investors

Appendices

- International Group
- Dayton factory
- DJSI World Index
- Biggest shareholders
- Share price development
- Competitor comparison
- Magazine tests
- Examples of new products
- Winter tyre regulations
- Personnel
- Raw material consumption
- Financing: Net financial expenses and interest-bearing debt
- Key figures

Appendix: International Group

Own production, test centers, sales companies and network



Nokia, Finland
– capacity ~3M tyres
– heavy tyres' own production



Vsevolozhsk, Russia
– capacity ~17M tyres

Own production and test centers

- Own production: Nokia, Finland and Vsevolozhsk, Russia
- Own test centers: Ivalo and Nokia

Sales companies

- Finland (parent company), Sweden, Norway, Russia, Ukraine, Kazakhstan, Germany, Switzerland, Czech Republic, Belarus, USA, Canada and China.

Vianor

- 1,466 service centers in 26 countries
- Equity -18, partner -17 compared with year-end 2016.

NAD (Nokian Tyres Authorized Dealers)

- 1,855 stores
- 21 European countries and China
- Increase of 374 stores compared with year-end 2016.

N-Tyre

- 127 stores
- Russia and the CIS
- Increase of 7 stores compared with year-end 2016.

Appendix: The construction work of Nokian Tyres' third factory started in North America

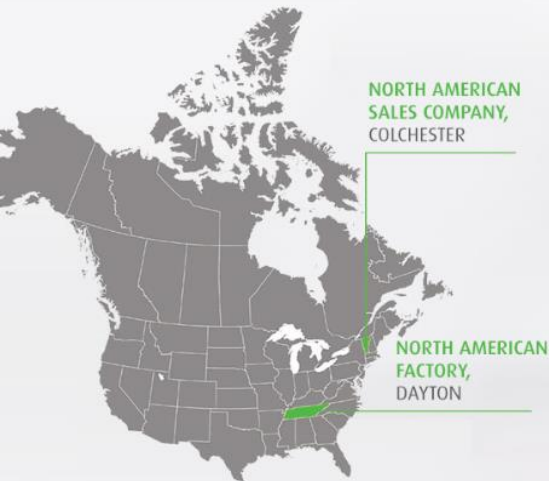
Our ambition is to double sales within North America in the next five years

- The new greenfield factory will be located in Dayton, Tennessee, USA
- The initial capacity will be four million tyres annually with potential to expand depending on future demand
- The site will also house a distribution facility with a storage capacity of 600,000 tyres
- Construction is scheduled to begin in early 2018
- Production is planned to begin in 2020 – about one million tyres



Appendix: Dayton factory in numbers

Sustainable modern production



FACTORY IN RHEA COUNTY

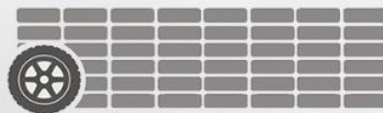
The new factory in Dayton (Rhea County), Tennessee, USA strengthens company's strategic growth. The factory allows us to improve production capabilities and customer service throughout our global operations.



Our Dayton factory will concentrate on the production of passenger, SUV and light truck tyres that are sold exclusively or primarily in the North American market.

4 MILLION

TYRES PRODUCED ANNUALLY



WAREHOUSE
CAPACITY
600,000
TYRES



2017
GROUNDBREAKING



2020
GRAND OPENING

400

NEW NOKIAN TYRES'
EMPLOYEES

- QUALITY CONTROL
- LOGISTICS
- MIXING
- MANUFACTURING
- SHIPPING
- BUILDING SERVICES
- ADMINISTRATION

Appendix: We are in DJSI World Index

Nokian Tyres has been selected for Dow Jones' DJSI World Sustainability index in 2017

2×

Total sustainability score nearly twice as high as the industry* average.

78p.

Only one point behind the industry's* best company.

10%

Only 10% of 3,500 companies were selected in DJSI World Index.

- DJSI is an annual sustainability assessment of large publicly traded companies by the Swiss RobecoSAM
- Assessment categories: financial, social and environmental
- *Industry: Auto Components sector



Appendix

Biggest Shareholders registered in Finland as of December 31, 2017

| Biggest Shareholders registered in Finland | | Number of shares | Share of capital % | Change from previous month |
|--|---|------------------|--------------------|----------------------------|
| 1 | Varma Mutual Pension Insurance Company | 3,772,007 | 2.7 | 0 |
| 2 | Ilmarinen Mutual Pension Insurance Company | 2,944,035 | 2.1 | 0 |
| 3 | OP Investment Funds | 1,152,900 | 0.8 | 26,552 |
| 4 | Odin Norden | 1,031,217 | 0.8 | 0 |
| 5 | The State Pension Fund | 773,000 | 0.6 | 0 |
| 6 | Evli Europe Fund | 598,391 | 0.4 | 8,391 |
| 7 | Nordea | 562,581 | 0.4 | 23,486 |
| 8 | Eam Nre1v Holding Oy | 521,877 | 0.4 | 546 |
| 9 | Schweizer Nationalbank | 518,921 | 0.4 | 0 |
| 10 | Svenska litteratursällskapet i Finland r.f. | 494,700 | 0.4 | 0 |
| Biggest Shareholders total | | 12,369,629 | 9.0 | |
| Foreign Shareholders ¹⁾ | | 102,315,820 | 74.5 | |
| Bridgestone Corporation ^{2,3)} | | 20,000,000 | 14.6 | |

1) Includes also shares registered in the name of a nominee
 3) Ownership at the AGM registration day on April 10, 2017

2) In the name of a nominee

See flagging and shareholders:

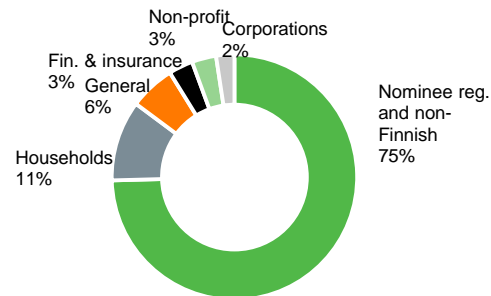
www.nokiantyres.com/company/investors/share/flagging-notifications/
www.nokiantyres.com/company/investors/share/major-shareholders/

Options, outstanding as of Dec. 31, 2017

2013B: 975,896 pcs (40,321 in company's possession)

2013C: 1,047,465 pcs (136,005 in company's possession)

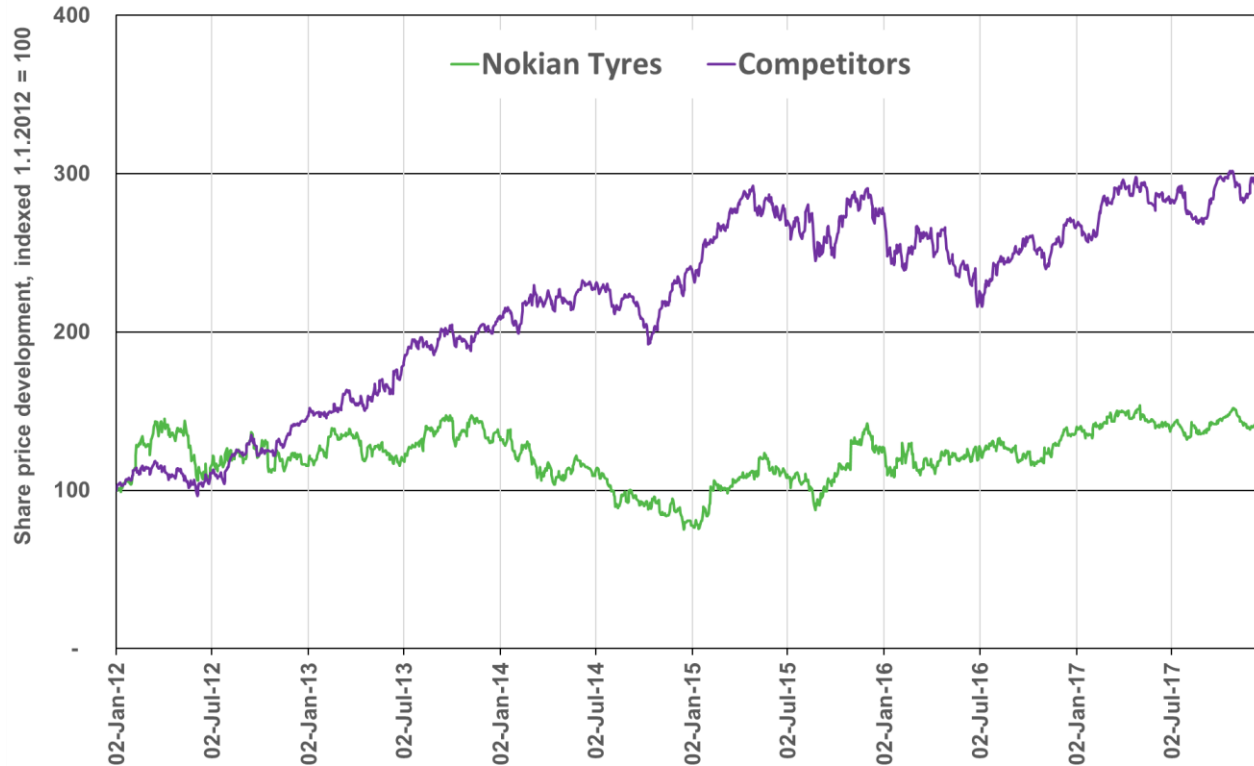
Division by Category as of Dec. 31, 2017



Total number of shares: 137,266,582

Appendix

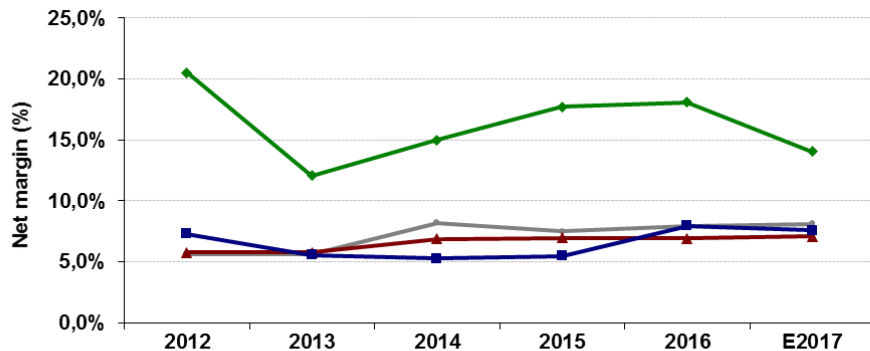
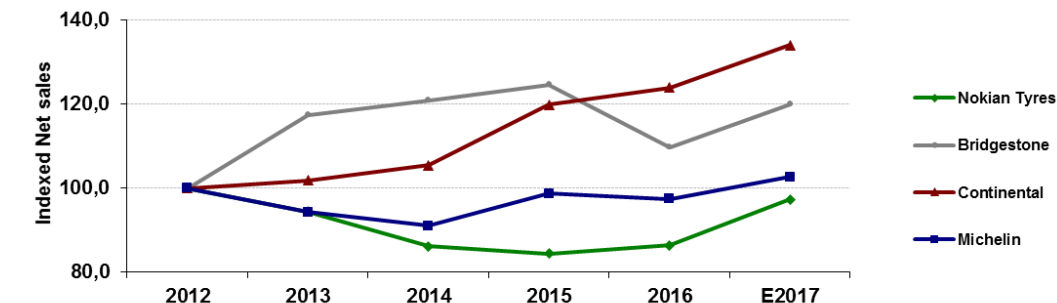
Indexed share price development 2012–2017



Appendix

Nokian Tyres the most profitable tyre producer

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



Net margin E2017

| | |
|--------------|-------|
| Nokian Tyres | 14.1% |
| Bridgestone | 8.1% |
| Michelin | 7.6% |
| Continental | 7.1% |

Source: Consensus estimates for the peers as per Thomson Reuters January 3, 2018.
E2017 FIGURES ARE BASED ON CONSENSUS ESTIMATES, NOT NOKIAN TYRES GUIDANCE.

Appendix: Magazine tests autumn 2017

Test success for winter tyres

Winter tyres, autumn 2017

The Nordic countries and Russia

- **New Nokian Hakkapeliitta 9 studded winter tyre.** Test winner Vi Bilägare, Auto, motor & sport (Sweden), Za Rulem (Russia), Auto, motor og sport (Norway), AutoCentre (Ukraine), 3rd place Tekniikan Maaailma (Finland), Motor (Norway) and Aftonbladet (Sweden)
- **Nokian Hakkapeliitta R2 non-studded winter tyre.** Test winner Vi Bilägare, Auto, motor & sport (Sweden), Za Rulem (Russia), Auto, motor og sport (Norway), shared 1st place AutoCentre (Ukraine), 3rd place Tekniikan Maaailma (Finland), Motor (Norway) and Teknikens Värld (Sweden), shared 3rd place Aftonbladet (Sweden)
- **New Nokian Hakkapeliitta 9 SUV.** Test winner Tuulilasi (Finland) and AutoReview (Russia)
- **Nokian Hakkapeliitta R2 SUV.** Test winner AutoReview (Russia), shared 1st place Tuulilasi (Finland)
- **Nokian WR D4.** Test winner Teknikens Värld, Auto, motor & sport (Sweden), Auto, motor og sport (Norway) and Auto Centre (Ukraine)

Central Europe

- **Nokian WR D4.** Shared 2nd place ADAC (Germany) "Satisfactory", ÖAMTC (Austria) and TCS (Switzerland) "Recommendable", Test winner auto motor og sport (Norway)
- **Nokian Weatherproof All-Weather tyre.** Test winner Automobilismo (Italy), 3rd place Auto Bild allrad (Germany)



Tuulilasi

Vi Bilägare

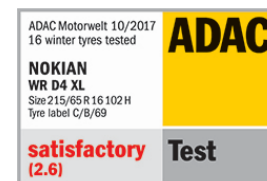
Teknikens Värld

auto motor & sport

MOTOR

АВТО ЦЕНТР.ua

За рулем



Appendix: Magazine tests spring 2017

Test success for summer tyres

Summer tyres, spring 2017

The Nordics, Russia and Kazakhstan

- **Nokian Hakka Blue 2.** Test winner in Finland (Tekniikan Maailma, Tuulilasi), Sweden (Aftonbladet) and Norway (Motor). Shared 1st place in Ukrainian AutoCentre and 3rd place in Swedish Vi Bilägare.
- **Nokian Hakka Green 2.** Test winner in Russia (shared 1st place of Za Rulem) and Ukraine (AutoCentre)
- **Nokian Hakka Black SUV.** Test winner in Kazakhstan (Automobil) and **Nokian Hakka Black** 2nd place of Vi Bilägare

Central Europe

- **Nokian Line.** ADAC “Satisfactory”, ÖAMTC and TCS “Recommended”
- **Nokian zLine.** Auto Zeitung “Very Recommended”, Autobild Sportscars “Good”
- **Nokian Line SUV.** ADAC 3rd position, “Satisfactory“, ACE, TCS and ÖAMTC “Recommended”
- **Nokian Weatherproof SUV.** Test winner of Firmenauto (2/2017)



Appendix: Passenger Car Tyres – new products

Nokian Hakka summer tyres' latest generation renewed

Nokian Hakka summer tyres for the Nordic countries and Russia

- Comprehensive and modern Nokian Hakka product range ready for summer season 2018
- The **Nokian Hakka Black 2** summer tyre, designed for fast and sporty driving, masters the strict requirements of the Northern summer in an enjoyable and balanced manner
- The stable and easy handling of the **Nokian Hakka Black 2 SUV**, designed for larger sport utility vehicles, will please all drivers of high-performance SUVs
- The **Nokian Hakka Blue 2 SUV** summer tyre is a safe and reliable choice for sport utility vehicles and crossover models

Nokian eNTYRE C/S for the North American market

- The **Nokian eNTYRE C/S** an All-Season tyre designed for CUVs and SUVs
- The new product line offers uncompromising performance, durability, comfort and safety on wet, snowy and dry surfaces



Nokian Hakka Black 2 SUV

Appendix: Passenger Car Tyres – new products

Winter tyres: safe and comfortable winter driving

The Nokian Hakkapeliitta 9, Hakkapeliitta 9 SUV and Nokian Nordman 7, Nokian Nordman 7 SUV winter tyres for the Nordic countries, Russia and North America

- Extreme winter safety. The Nokian Hakkapeliitta 9 and Hakkapeliitta 9 SUV studded tyres adapt to all the challenges of winter and ensure easy and comfortable driving even on the worst winter days
- The unique, patented **Double Stud Technology** is at the heart of the new products
- The world's largest science and technology magazine Popular Science selected Nokian Hakkapeliitta 9 for its 2017 Best of What's New Award
- Nokian Nordman tyres are a reliable choice for the varying Northern conditions offering an alternative to the premium products in terms of the price to quality ratio
- The reliable winter grip and soft road contact are ensured by **Air Claw Technology**



Nokian Hakkapeliitta 9

Appendix: Heavy Tyres – new products

- **The Nokian HTS G2.** The 2nd generation of terminal tyres. High performance and reliability for container handling
- **The Nokian E-Truck series** of All-Season truck and bus tyres is optimized for long and medium haul in regular weather conditions. Reliable, economical kilometers for every season and axle position
- **The Nokian Hakkapeliitta City Bus** is designed to endure the wear and tear of city streets, and get there on time, even on snow and slush. Reinforced sidewalls protect the tyre against curbs. Durability and grip around the year
- **The Nokian Hakka Truck Steer** Nokian Tyres sets out to create an optimized feature set for all-weather long and medium haul steering axle tyre. Stable steering and good mileage
- **The Nokian Hakkapeliitta Truck F2** represents the fourth generation of extreme winter specialized steer axle tyres for trucks & buses



Nokian HTS G2

Appendix

Winter tyre regulations in Europe and Russia

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

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

2) Both equally valid

3) Sufficient grip requirement; de facto mandatory winter tyres

Source: Nokian Tyres 12/2017

Appendix

Winter tyre regulations in USA

| | Alabama | Alaska | Arizona | Arkansas | California | Colorado | Connecticut | Delaware | 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 | | ● | ● | ● | ● | ● | ● | ● | | ● | | ● | (*) | ● | ● | ● | ● | | ● | (*) | ● | | (*) | | ● |

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

| | 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 | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● | | ● | ● | ● | ● | ● | | ● |

Appendix

Winter tyre regulations in Canada

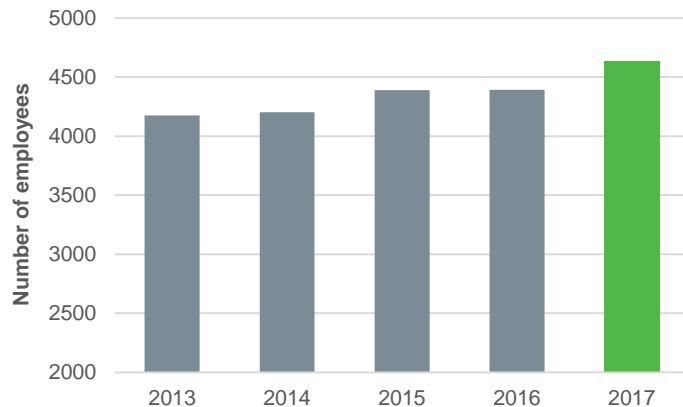
| | Alberta | British Columbia | Manitoba | New Brunswick | Newfoundland and Labrador | Northwest Territories | Nova Scotia | Nunavut | Ontario | Prince Edward Island | Quebec | Saskatchewan | Yukon |
|---|---------|------------------|----------|---------------|---------------------------|-----------------------|-------------|---------|---------|----------------------|--------|--------------|-------|
| Winter tyres are legally mandatory | | | | | | | | | | | ● | | |
| Winter tyres are recommended | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● |
| Winter tyres are mandatory if there is a specific road sign | | ● | | | | | | | | | | | |
| Studded tyres are permitted | ● | ● | ● | ● | ● | ● | ● | ● | | ● | ● | ● | ● |

Source: Nokian Tyres 12/2017

Appendix

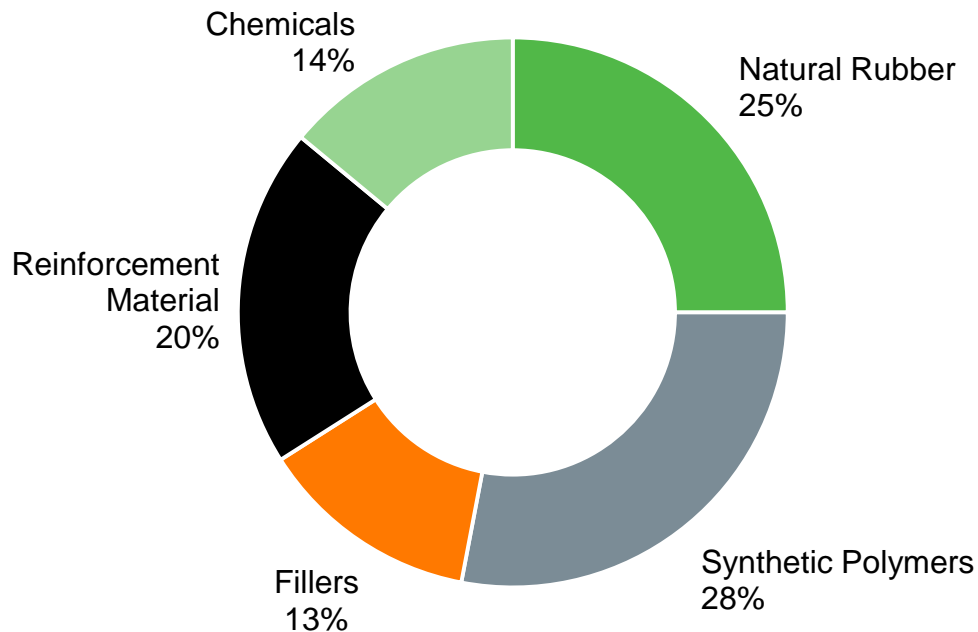
Personnel December 31, 2017

- Nokian Tyres Group: 4,635 (4,392)
- Finland: 1,724 (1,616)
- Russia: 1,503 (1,368)
- Equity-owned Vianor: 1,660 (1,742)



Appendix

Value of raw material consumption (%)

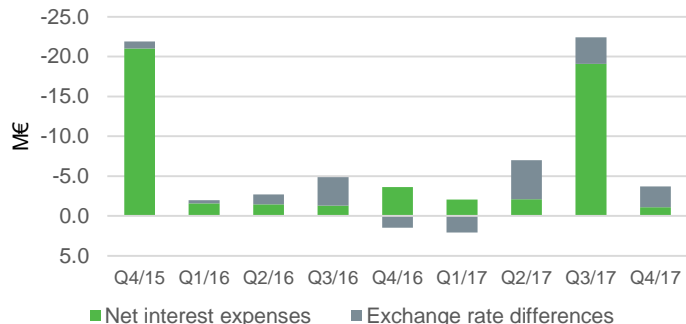


Source: Nokian Tyres 12/2017

Appendix

Financing: Net financial expenses and interest-bearing debt

Net financial expenses per quarter



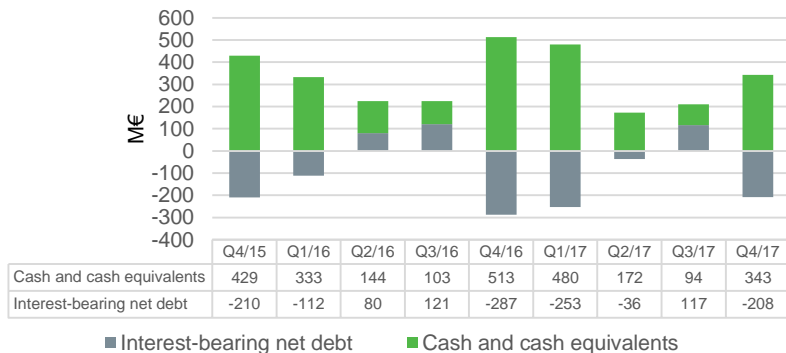
- = Expenses, + = Income

Exchange rate differences in net financial items (M€) 2017

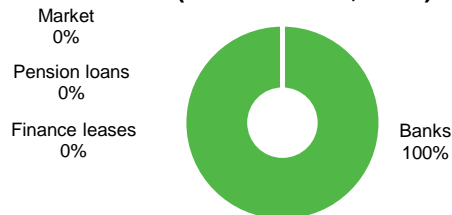
| | RUB | NOK | SEK | USD | CAD | Other | Total |
|---------------|-------|------|------|------|------|-------|-------|
| Underlying 1) | -25.8 | -3.6 | -3.4 | -2.0 | -2.5 | -2.8 | -40.2 |
| Hedging | 26.2 | 2.4 | 3.3 | 1.6 | 2.1 | 1.1 | 36.7 |
| Hedging cost | -4.1 | -0.4 | 0.1 | -0.3 | -0.5 | -0.1 | -5.2 |
| Total | -3.7 | -1.6 | -0.1 | -0.6 | -0.9 | -1.8 | -8.7 |

1) AP, AR, Internal loans/deposits

Interest-bearing debt



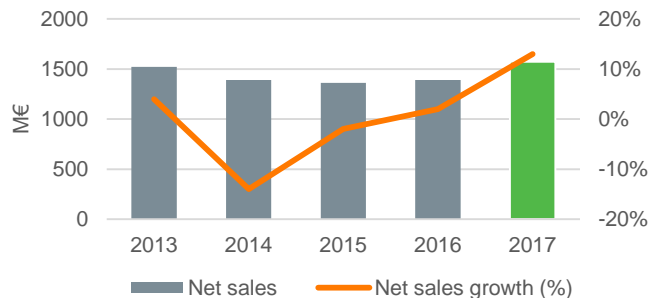
Interest-bearing debt 135.2 M€
(December 31, 2017)



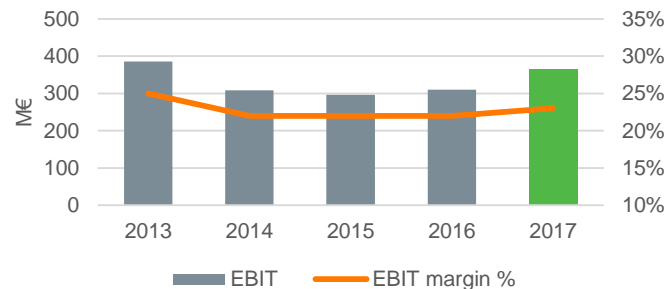
Appendix

Key figures 2013–2017

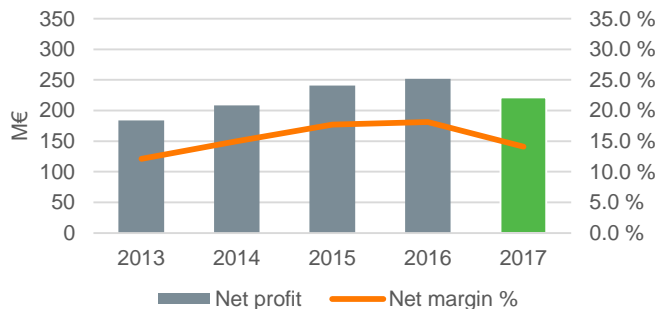
Net sales and net sales growth



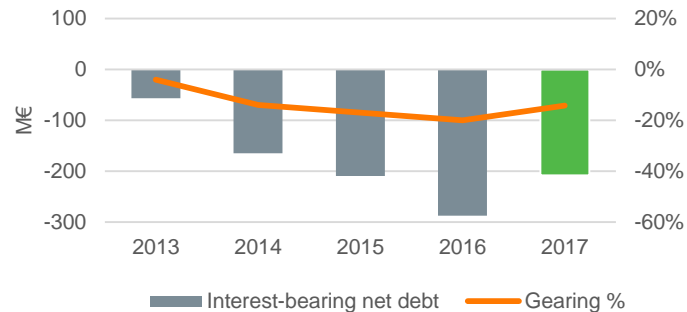
EBIT and EBIT margin



Net profit and net margin

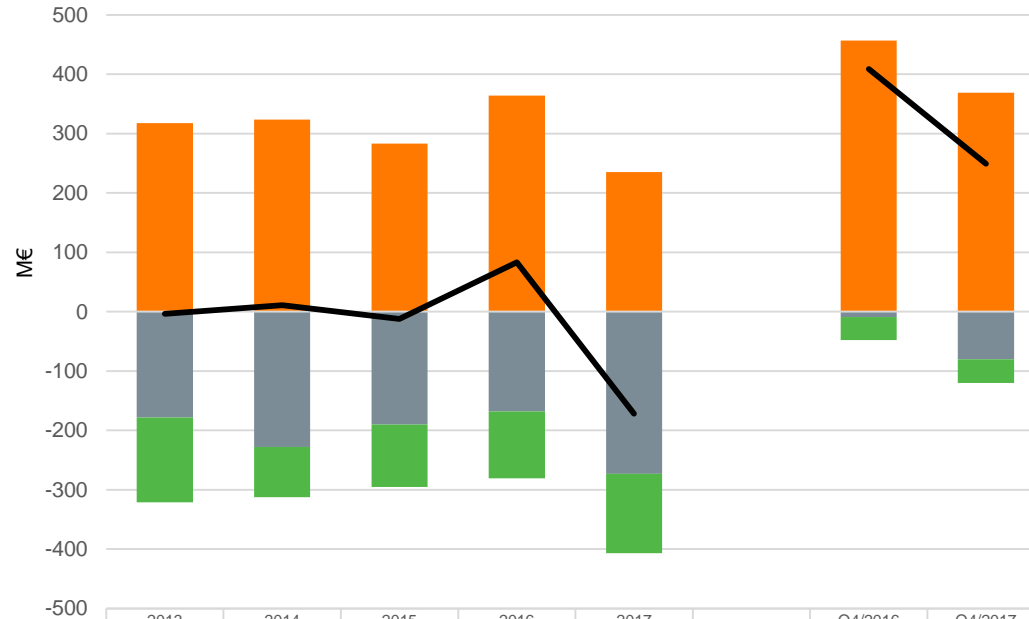


Interest-bearing net debt and gearing



Appendix

Cash flow from operating activities 2013–2017

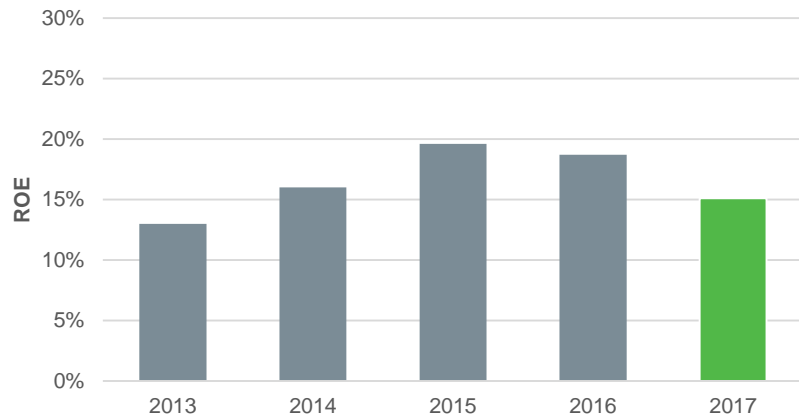


| | 2013 | 2014 | 2015 | 2016 | 2017 | | Q4/2016 | Q4/2017 |
|-------------------------------------|------|------|------|------|------|--|---------|---------|
| Cash flow from operating activities | 318 | 323 | 283 | 364 | 235 | | 457 | 369 |
| Cash flow from investing activities | -143 | -85 | -105 | -113 | -134 | | -39 | -40 |
| Cash flow from financing activities | -178 | -228 | -190 | -168 | -273 | | -9 | -80 |
| Change in cash and cash equivalents | -4 | 11 | -12 | 83 | -172 | | 409 | 249 |

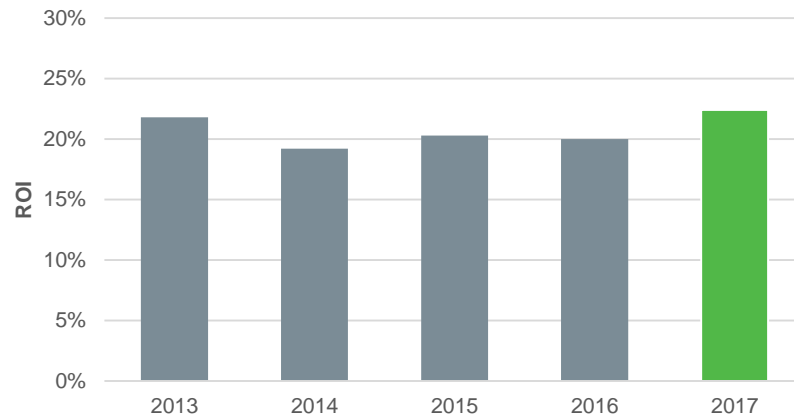
Appendix

ROE and ROI 2013–2017

Return on equity



Return on capital employed



A man with short dark hair and a light beard, wearing a light blue button-down shirt, is sitting in the driver's seat of a car. He is looking towards the camera with a slight smile. A woman with blonde hair tied back is in the passenger seat, looking towards the man. The car has brown leather seats with a Maserati logo on the headrest. The background is a blurred view of a road and greenery.

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Thank you!

**Interim Report 1–3/2018
May 9, 2018**

www.nokiantyres.com/investors