



**nokian
TYRES**

**RESULT 2009
February 11, 2010**

The New Nokian Hakkapeliitta 7 SUV

**Mr. Kim Gran
President and CEO
Nokian Tyres plc**

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GENERAL OVERVIEW OF 2009

Introduction

Key figures, m€	10-12/09	10-12/08	Change(%)	1-12/09	1-12/08	Change(%)
Net Sales	247.7	267.7	-7.5 %	798.5	1 080.9	-26.1 %
Operating result	40.8	46.5	-12.2 %	102.0	247.0	-58.7 %
Margin (%)	16.5 %	17.4 %		12.8 %	22.8 %	
Result before tax	46.7	-12.2	-483.2 %	73.5	173.8	-57.7 %
Result for the period	29.2	-11.6	-352.1 %	58.3	139.9	-58.3 %
Margin (%)	11.8 %	-4.3 %		7.3 %	12.9 %	
EPS (EUR)	0.23	-0.09	-349.8 %	0.47	1.12	-58.4 %
RONA (%), roll. 12 m.				8.38	20.47	
Cash Flow from operations	249.2	298.2	-16.4 %	123.1	9.5	1195.0 %
Gearing (%)				34.8	40.9	

Summary

- Difficult markets; Nokian Tyres' decisive actions resulted in solid results
- Winter tyre market share improved in Nordic countries, North America & Central and Eastern Europe
- New spearhead product Hakkapeliitta 7 boosted sales
- Vianor expanded to 623 outlets
- Cost savings targets were achieved and industrial structure improved
 - Wages and salaries down 44.6 m€ vs. 2008
 - Fixed costs excl. salaries down 24.2 m€ vs. 2008
- Cash flow improved by 113.6 m€ in 2009 vs. 2008
 - Investments cut by 94.7 m€
 - Inventories cut by 90.9 m€
 - Current receivables down by 72.3 m€

Outlook for 2010 – Back to growth

- Overall demand increasing supported by distributors' low carry-over stocks and some market improvement
- Share of Nordic, Russian and CIS sales to increase
- Pricing environment expected to be challenging
- Recovery of profitability supported by
 - Lower cost structure
 - Higher sales volume
 - Better sales mix and ASP
 - Increasing share of Russian production
- Year 2010 estimates:
 - Nokian Tyres is positioned to improve net sales and operating result compared to 2009

GENERAL OVERVIEW OF 2009

Market overview

Car tyres

Tyre markets clearly down

- The financial crisis and low car sales reduced tyre demand
 - Drastically in Russia and CIS and clearly in Nordic countries
- Tyre manufacturers implemented price increases to offset currency devaluations in Russia, Ukraine, Sweden and Norway
 - Prices increased in local currencies
 - Prices of winter tyres resisted the general price erosion better than summer tyres
- USA introduced a three-year duty program for Chinese car tyres
 - Puts pressure on economy segment summer tyre prices on all non-US markets
- Price pressure mounting, market environment more competitive than in prev. years

Heavy tyres

Machinery and equipment production declined

- Production of forestry and other machinery in severe recession which decreased heavy tyre demand to less than one-half compared to 2008
- Demand started to recover slowly in the second half of the year

Raw materials

Natural rubber on the rise

- Raw material prices decreased from Q4/2008 to the end of Q2/2009
- Pressure for raw material price increases mounting since Q3/2009. Natural rubber market price more than doubled by end 2009 → affects margins of tyre manufacturers in H2/2010

Currencies

Rouble seems stable

- Currencies on Nokian Tyres' core markets (excl. Ukraine) have stabilized since early 2009 and show signs of strengthening

GENERAL OVERVIEW OF 2009

Nokian Tyres performance

Sales and market position

Winter tyre market shares up

- + Winter tyre market share improved in Nordic countries, North America and CE & CEE
- + Sales growth in Central & Eastern Europe and North America
- + Launch and test victories of Nokian Hakkapeliitta 7 boosted sales
- + Winter tyre price increases in local currencies implemented on all markets
- Sales volumes decreased in all product groups
- Receivable risks and carry-over inventories limited deliveries to distribution
- Market share lost in Russia due to trading down to cheaper brands

Profitability and cash flow

Cash flow improved, planned cost savings executed

- + Cash flow improved by 113.6 m€ vs. 2008
 - + Investments cut by 94.7 m€
 - + Inventories cut by 90.9 m€
 - + Current receivables reduced by 72.7 m€, trade receivables by 20.4 m€
- + Wages and salaries down 44.6 m€ vs. 2008
- + Fixed costs excl. salaries down 24.2 m€ vs. 2008
- + Raw material cost decreased by 9% vs. 2008
- + Higher share of Russian production offset effects of low capacity utilisation
- Weaker sales, sales mix and ASP cut profitability
- Devaluations in core markets diluted results

Production

Improved industrial structure

- + Measures taken to adjust production to reduced demand
- + Shifting to utilize the most profitable capacities
- Lower utilisation of existing production capacity reduced productivity

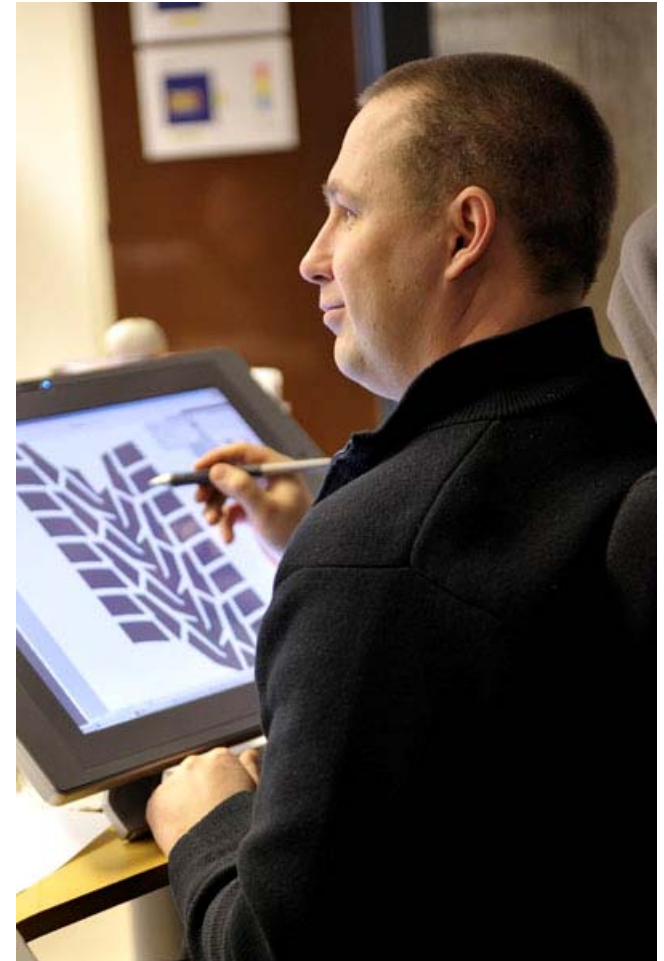
Distribution

New Vianor shops according to plan

- + Vianor expanded to 623 outlets; increase by 116 outlets in 2009, 38 outlets in Q4/2009
- + First Vianor franchise shops opened in Germany, Moldova, Georgia and Bulgaria

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 - Gross sales by market area
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FINANCIAL PERFORMANCE

Group operating result per quarter 2005-2009

2009

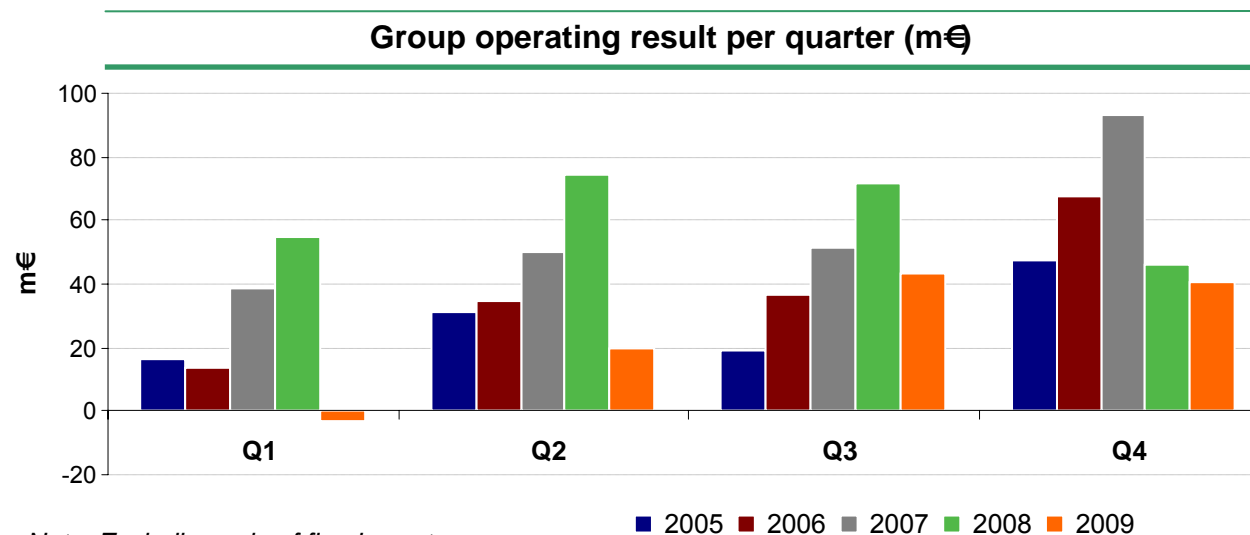
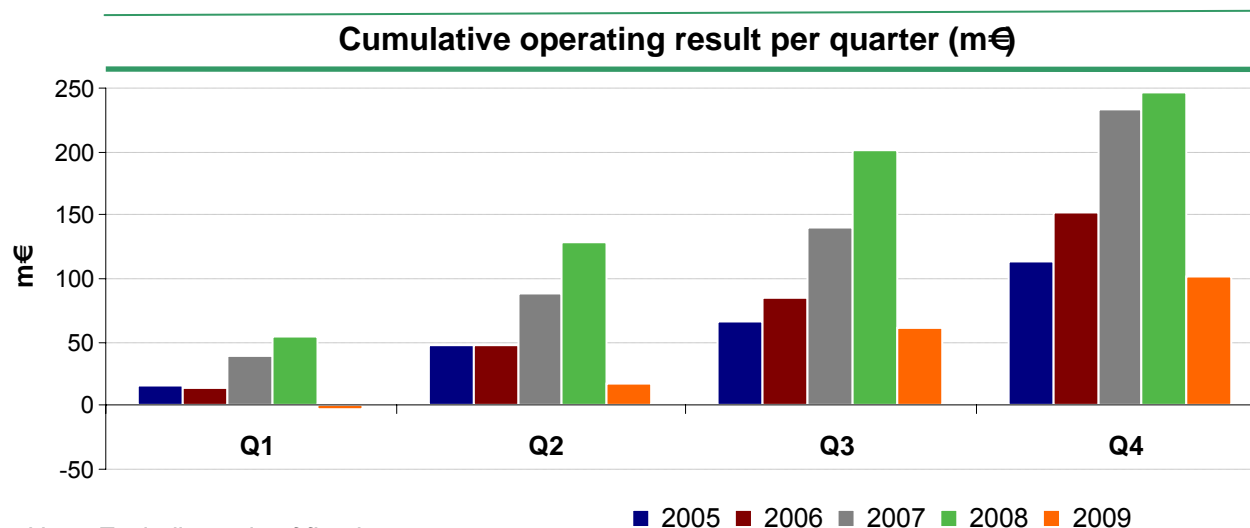
Net sales 798.5 m€
(1,080.9 m€), -26.1%

EBIT 102.0 m€,
(247.0 m€), -58.7%

Q4/2009

Net sales 247.7 m€
(267.7 m€), -7.5%

EBIT 40.8 m€
(46.5 m€), -12.2%

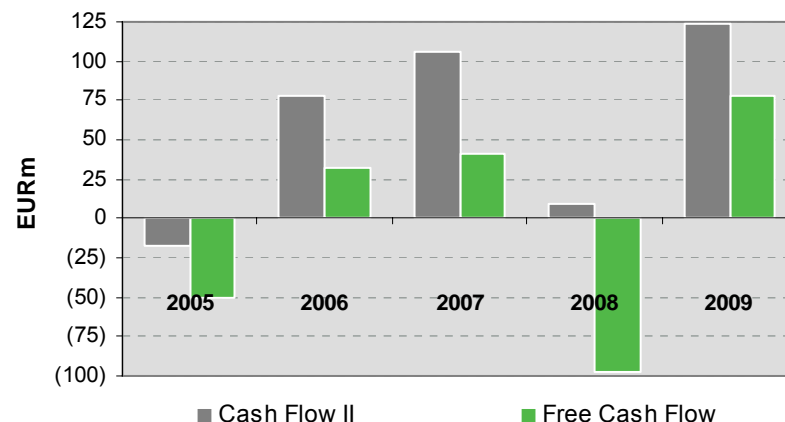


FINANCIAL PERFORMANCE

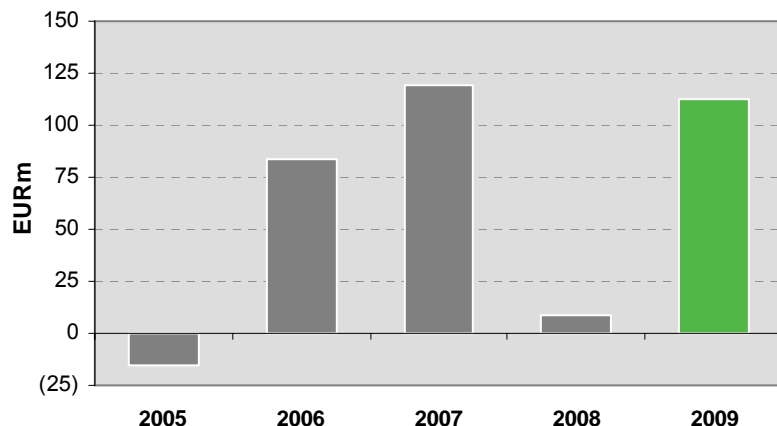
Group Operating Cash Flow and Free Cash Flow 2005-2009

- Both the Operating cash flow (Cash Flow II) and the Free cash flow clearly positive in 2009
 - Lower investments, inventories and trade receivables
- Cash flow II: 123,1 m€ in 2009

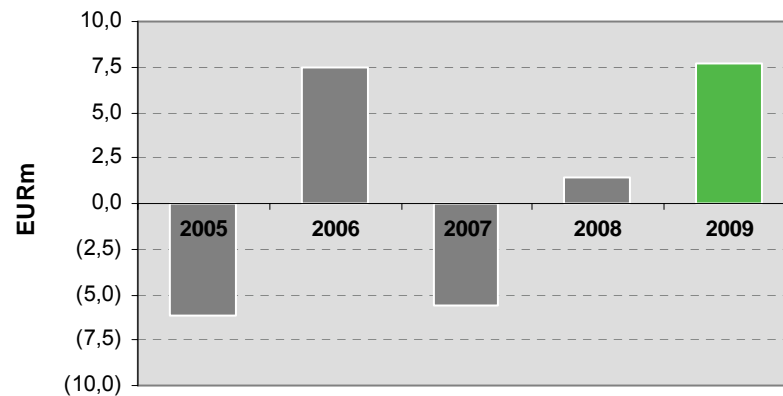
Group Cash Flow II and Free Cash Flow



Manufacturing Cash Flow II



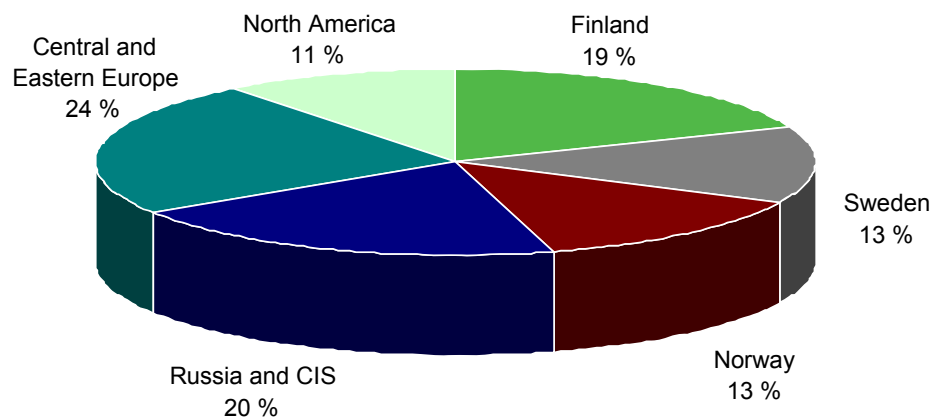
Vianor Cash Flow II



FINANCIAL PERFORMANCE

Gross sales by market area 2009

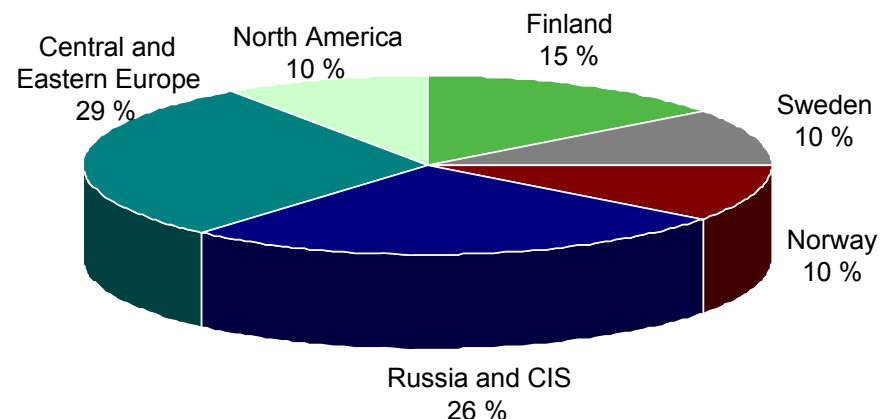
Sales of Nokian Tyres Group: 848.0 m€



Sales development in euros

■ Nordic countries	-18.9%
■ Russia and CIS	-55.0%
■ Central and Eastern Europe	+3.6%
■ North America	+6.0%

Sales of Manufacturing Units: 663.6 m€



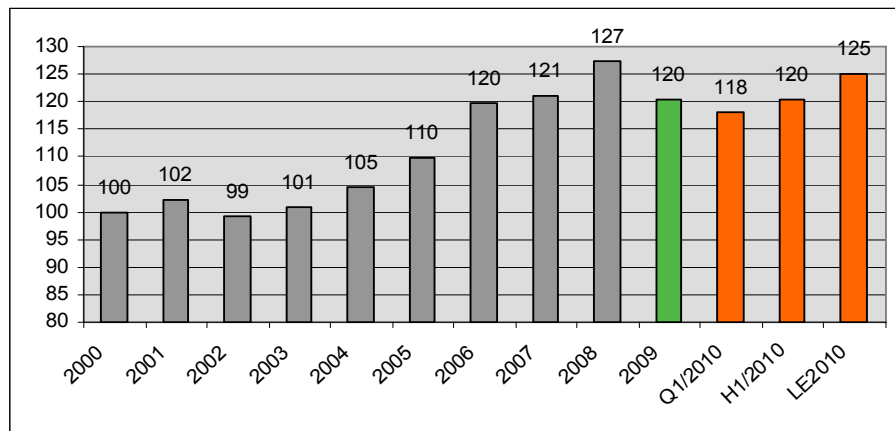
Sales development in euros

■ Nordic countries	-24.9%
■ Russia and CIS	-55.0%
■ Central and Eastern Europe	+3.3%
■ North America	+5.0%

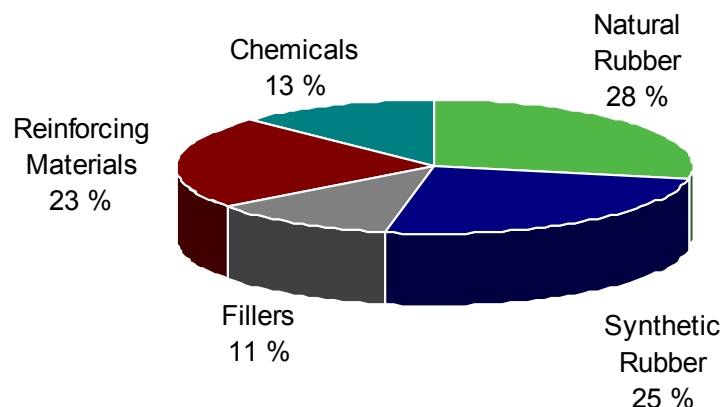
FINANCIAL PERFORMANCE

Raw material price and cost development

Raw material price development index 2000-E2010



Value of raw material consumption (%)



Nokian Tyres raw material cost (eur/kg)

- Raw material cost decreased
 - by 9% in 2009 vs. 2008
 - by 30% in Q4/2009 vs. Q4/2008
 - by 4% in Q4/2009 vs. Q3/2009
- Raw material cost is estimated to
 - decrease by 20% in Q1/2010 compared to Q1/2009
 - increase by 11% in Q1/2010 vs. Q4/2009
 - increase by 6% in 2010 vs. 2009

FINANCIAL PERFORMANCE

Capex 2009 → adjusted to maximise cash flow and utilise existing capacities; investments cut by 94.7 m€ vs. 2008

Investments in 2009

- Q4/2009: 9.6 m€ (67.0 m€)
- 2009: 86.5 m€ (181.2 m€)

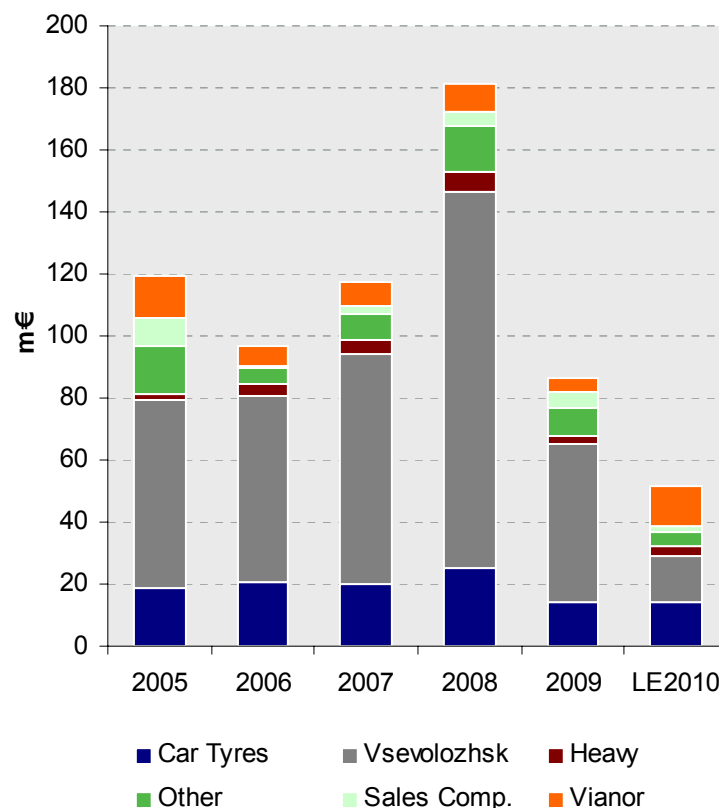
Russia

- Capacity ramp-up and investments
 - 7 lines installed
 - Line 8 in-house, uninstalled
 - Production lines 8-10 subject to demand

Estimated investments for 2010

- Approximately 50 m€
 - Investments required for new products: 20 m€
 - Investments in Russia: 15 m€

Nokian Tyres Capital expenditures (m€)

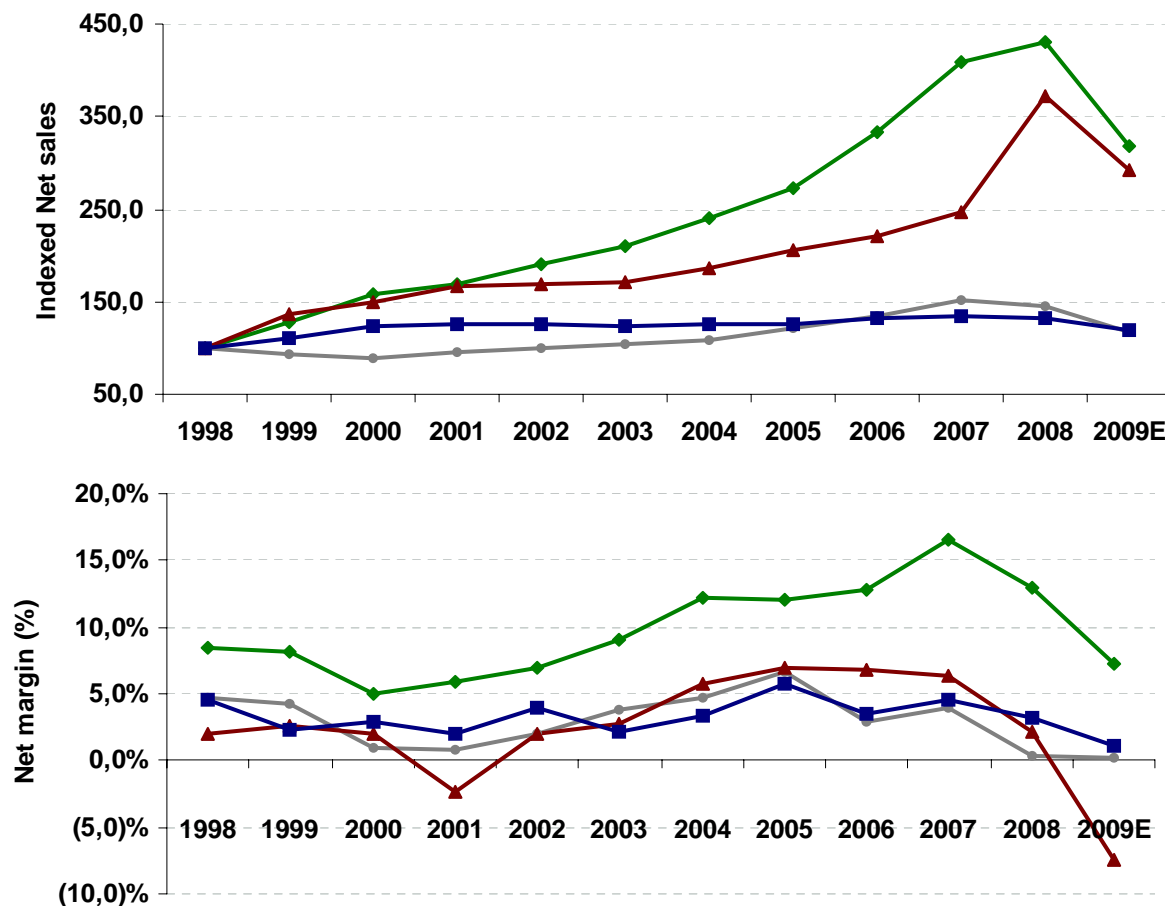


FINANCIAL PERFORMANCE

Competitor comparison 1998-2009E:

Nokian Tyres still the most profitable tyre producer

Nokian Tyres' operational performance (growth and profitability) has been clearly better than that of the main of the main peers during the past 10 years. The clearly better profitability protects the company profits during profits during recessions and potential downturns.



Net sales change

CAGR 2006 – 2009E

Nokian	-1.5%
Michelin	-3.2%
Bridgestone	-4.5%
Continental	n.m. ¹⁾

Net income 2006 – 2009E

	CAGR	Margin
Nokian	-18.4%	7.3%
Michelin	-34.7%	1.1%
Bridgestone	-65.9%	0.1%
Continental	n.m.	-7.4%

Source: Nokian Tyres result 2009 and consensus research estimates for the peers as per Reuters 27 January 2010.

Note: "n.m." means that the results would be non-meaningful or that the calculation is not possible due to negative results.

1) Continental sales for 2008 not comparable due to VDO acquisition.

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PROFIT CENTRES

General overview of 2009

Net sales 798.5 m€ -26.1%

EBIT 102.0 m€ -58.7%



Nokian Hakkapeliitta 7

Truck tyres

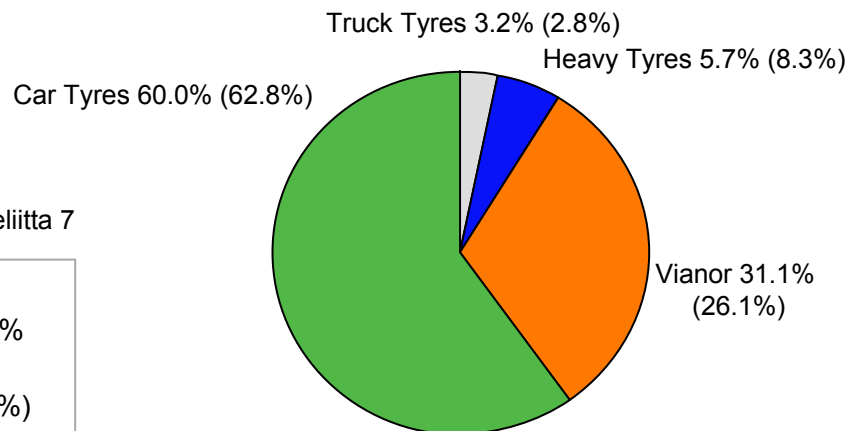
- **Net sales:** 28.5 m€; -14.5%
- **Key products:** truck tyres and retreading materials

Heavy Tyres

- **Net sales:** 50.1 m€; -48.8%
- **EBIT:** 0.0 m€; -99.9%
- **EBIT margin:** 0.0% (18.1%)
- **Key products:** tyres for forestry, industrial and agricultural machinery

YEAR 2010

- Improve production volumes and productivity
- Enlarge the distribution network
- Add service centres



Car tyres

- **Net sales:** 527.3 m€; -28.9%
- **EBIT:** 106.2 m€; -53.8%
- **EBIT margin:** 20.1% (31.0%)
- **Key products:** studded and non-studded winter tyres, high-speed summer tyres
- **Key markets:** Nordic, Russia and CIS countries, Central & Eastern Europe, North America

YEAR 2010

- Increase sales and market shares in core markets, especially in Russia and CIS
- Improve sales mix and ASP
- Improve productivity, utilize the most feasible capacities



Vianor

- **Net sales:** 273.2 m€; -11.4%
- **EBIT:** -3.0 m€; -166.5%
- **EBIT margin:** -1.1% (1.4%)
- 623 sales outlets in 19 countries in Nokian Tyres' core markets

YEAR 2010

- Improve sales and market shares
- Continue to expand the network and the number of partners to >700 shops



Nokian Forest Rider

PROFIT CENTRES

Passenger car tyres 2009

Performance in 2009

- + Sales grew in North America and in Central & Eastern Europe
- + Winter tyre market share improved in Nordic countries, North America and also in Central and Eastern Europe
- + New key product launches; e.g. Nokian Hakkapeliitta 7
- + Profitability was supported by streamlining measures, decreased raw material cost and increased share of Russian production
- + Significantly improved cash flow due to decreased investments, inventories and trade receivables
- Sales decreased significantly in Russia and CIS
- Market share lost to cheaper brands in Russia
- Weaker country and sales mix → weaker ASP
- Currency devaluations in core markets weakened profits

Key actions and targets for 2010

- Increase sales in all areas, especially in Russia and CIS
- Increase market shares in core markets
- Defend brand and price position
- Improve sales mix utilising winter tyre season
- Improve productivity, utilize the most feasible capacities
- Cost control
- Continue efficient collecting of receivables
- Maintain present inventory level

→ **Back to growth track**

Net sales:

2009: 527.3 m€ (741.6 m€); -28.9%
 Q4/2009: 135.6 m€ (143.9 m€); -5.7%

EBIT:

2009: 106.2 m€ (230.0 m€); -53.8%
 Q4/2009: 28.2 m€ (28.4 m€); -0.6%

EBIT margin:

2009: 20.1% (31.0%)
 Q4/2009: 20.8% (19.7%)



Nokian Hakkapeliitta 7

NEW 2009

Nokian Hakkapeliitta 7 SUV

NEW 2010

Performance in 2009

- + Adjustments in production were implemented and cost savings were achieved in H2/2009
- + Inventories decreased significantly and cash flow improved
- + ASP improved slightly
- + Raw material cost decreased
- + Orders started to recover gradually
- Exceptionally low heavy tyre demand and sales
- Lower productivity due to excessive capacity

Key actions and targets for 2010

- Bring in new customers
- Maximize production and sales of radial products
- Accelerated development of new products
- Enlarge the distribution network, especially in Russia and CIS
- Improve service concepts and logistics
- Optimise production and costs to demand
- Improve production volumes and productivity
- Increase outsourced production
- Maintain present inventory level

→ **Improve product offering, develop distribution and service network**

Net sales:

2009: 50.1 m€ (97.7 m€); -48.8%

Q4/2009: 15.3 m€ (19.9 m€); -23.3%

EBIT:

2009: 0.0 m€ (17.7 m€); -99.9%

Q4/2009: 2.2 m€ (2.2 m€); +1.8%

EBIT margin:

2009: 0.0% (18.1%)

Q4/2009: 14.7% (11.1%)



Nokian Forest Rider

Performance in 2009

- + Market shares improved in core markets
- + Lower inventories
- + Renewed and wider truck tyre range
- Lower truck tyre demand, including retreaded tyres

Key actions and targets for 2010

- Utilize the stronger winter product range (incl. Hakkapeliitta truck tyres)
- Increase sales further in Nordic countries, Russia and CIS
- Open new sales channels in Eastern Europe
- Improve off-take contract manufacture and logistics further
- Enlarge the product range with new sizes
- Utilize the combination of new and retreaded tyres as a sales concept

→ **Utilize group synergies and launch complementing new products to further improve the product offering**

Net sales:

2009: 28.5 m€ (33.4 m€), -14.5%

Q4/2009: 9.3 m€ (8.9 m€); +4.5%



Nokian Hakkapeliitta Truck F
NEW 2009

Performance in 2009

- + Vianor expanded to 623 outlets; addition of 116 in 2009 and 38 in Q4/2009
- + Vianor's market share improved in Nordic countries
- + Restructuring and cost cuts implemented
- + Fixed costs and inventories decreased
- + Improved and positive cash flow
- Lower sales due to the economic slowdown
- EBIT decreased due to lower sales with a relatively fixed structure and cost base

Key actions and targets for 2010

- Improve sales and market shares
 - Accelerate e-commerce
 - Maintain tyre prices
 - Cost control in equity owned shops
 - Increase sales of fast fit, tyre hotels and other services
 - Continue to expand the network and the number of partners
- Target: over 700 shops by end of 2010

→ Cement and improve market leader position as a distributor

Net sales:

2009: 273.2 m€ (308.3 m€); -11.4%

Q4/2009: 104.5 m€ (116.5 m€); -10.3%

EBIT:

2009: -3.0 m€ (4.4 m€); -166.5%

Q4/2009: 7.9 m€ (11.1 m€); -29.4%

EBIT margin:

2009: -1.1% (1.4%)

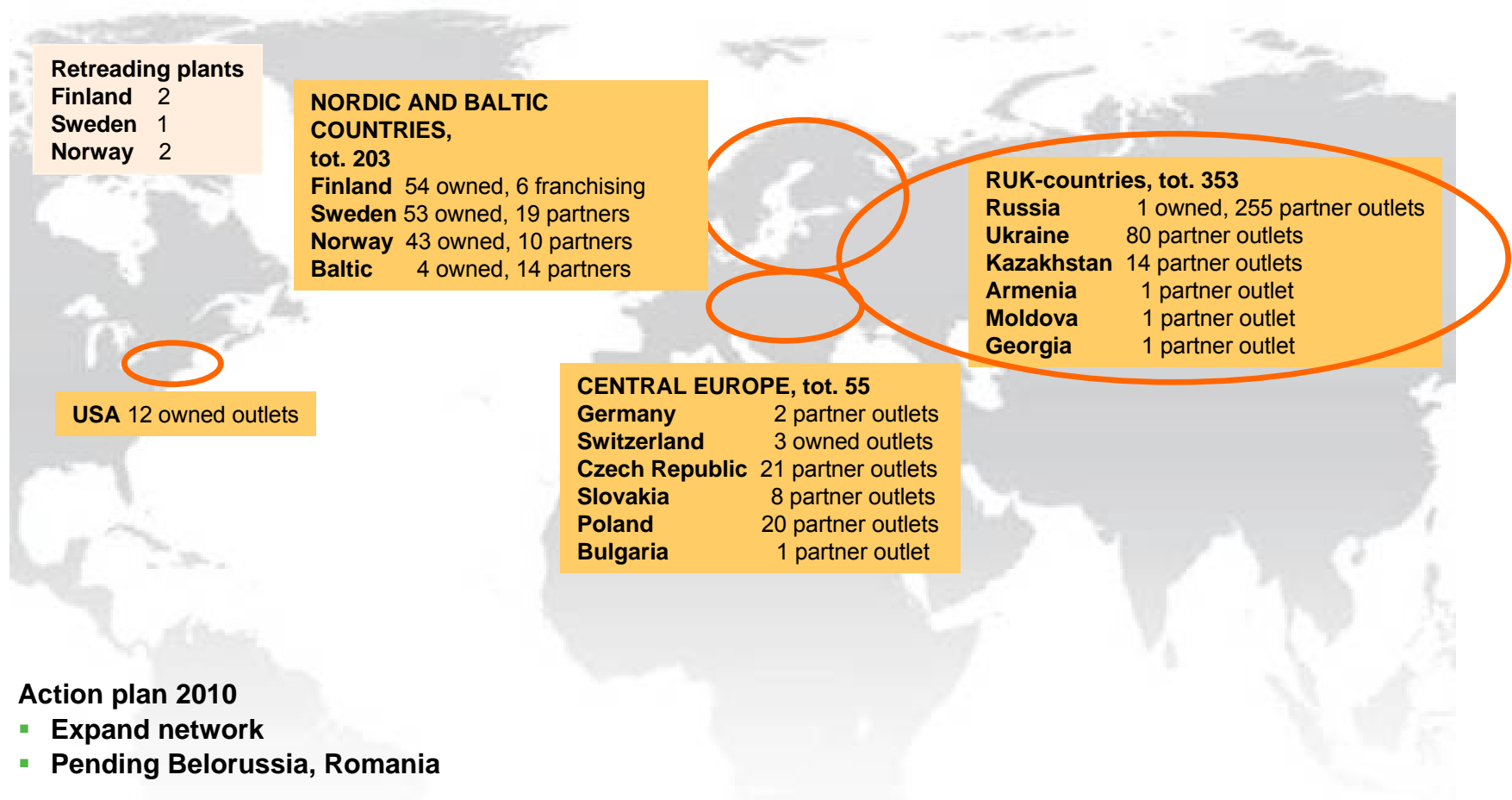
Q4/2009: 7.5% (9.6%)



PROFIT CENTRES

Vianor Globally – Overview of stores as of 31 December 2009

**Total: 623 outlets in 19 countries
(170 owned, 453 franchising/partner)**



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 - **Overview of Nokian Tyres' Russian operations**
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 - **Overview of car sales development**
 - **Tyre sales in the replacement market**
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RUSSIA

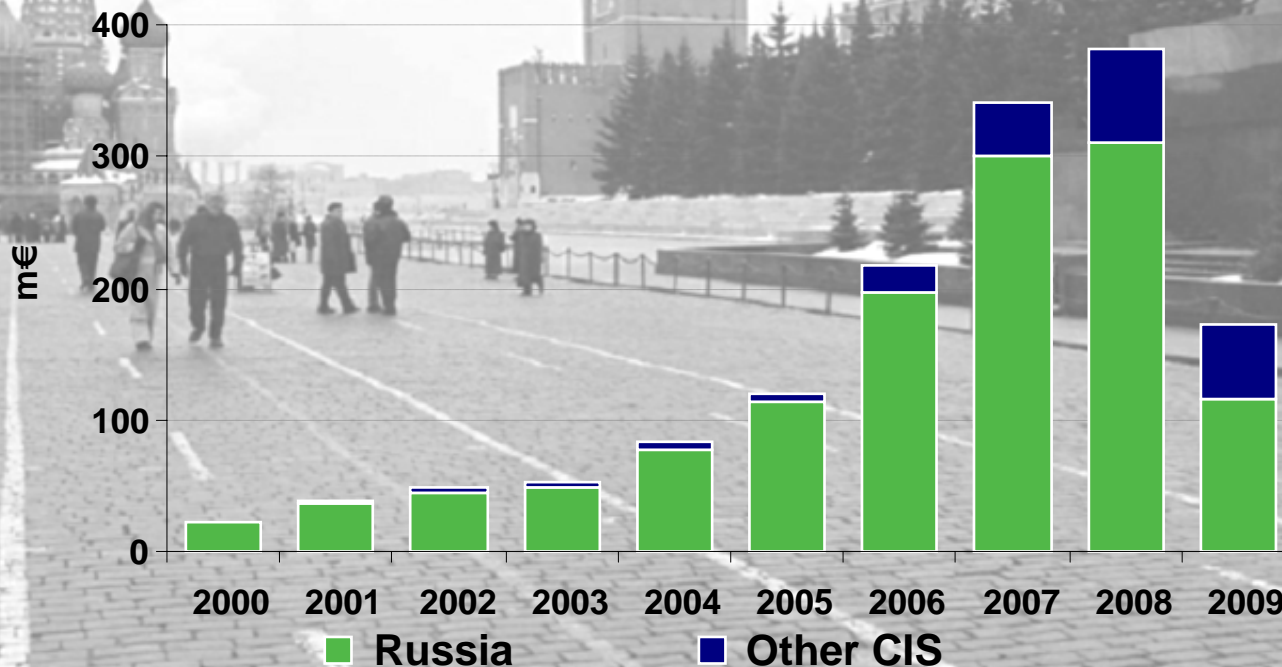
Focus 2009: Risk management and receivables

Focus 2010: Back to growth

- Demand and sales dropped trailing car sales and carry-over stock of distributors
- Sales in Russia in 2009 were 116.7 m€ (309.8 m€)
- Sales in CIS (excluding Russia) in 2009 were 55.4 m€ (72.6 m€)
- Sales of Russia and CIS in Q4/2009 increased by 24.7% vs. Q4/2008

→ Nokian Tyres is clear # 1 in premium tyres in Russia and CIS countries

Russia and other CIS sales development



RUSSIA

Vianor Partner Outlets in Russia and CIS (31 December 2009)

353 outlets, +28 in Q4/2009



Nokian Tyres market position in Russia

- Only global tyre company with a state-of-the-art and efficient factory in Russia
 - Close access to markets
 - Within customs zone (duty 20% for import)
- Clear market and price leader in core product categories
- Widely recognised and strong brand – both company (Nokian Tyres) and products (Hakkapeliitta)
- Strong distribution chain covering all of Russia – based on long-term and close customer relationships
- Only global producer with a controlled tyre distribution network – there are 353 Vianor outlets in Russia and CIS

➔ *Nokian Tyres to maintain and further strengthen its market leader position in Russia*

Nokian Tyres' factory in Russia

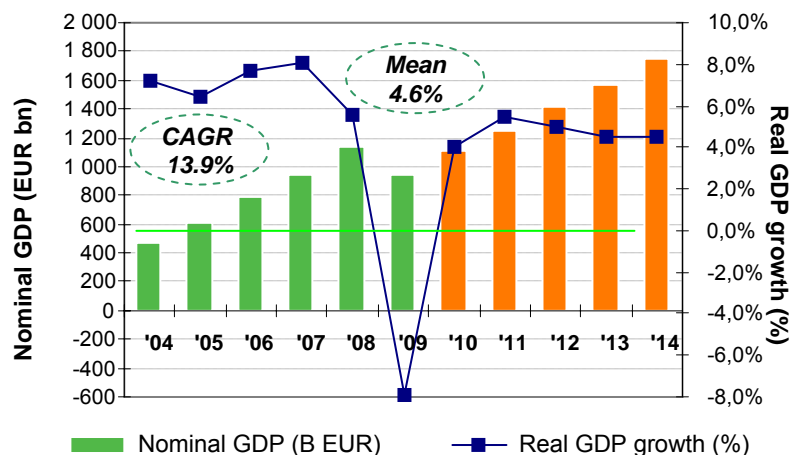
- Six production lines have been operating since 06/2008; restricted production subject to demand in 2009
- 7th line installed Q4/2008, but not manned - line 8 machines in house, lines 9-10 pending
- Full production process in 2009 created raw material cost savings compared to 2008
- Expansion of the warehouse completed
- Exports from the Vsevolozhsk factory to over 20 countries
- Housing project, Hakkapeliitta Village – phase I completed and commissioned in October 2009
- Number of personnel December 31, 2009: 640 (684)



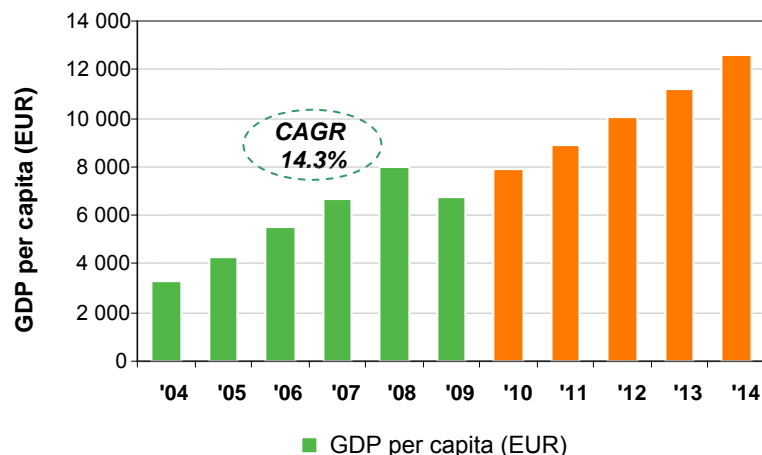
RUSSIA

Russia's economy stabilized H2/2009 – early signs of recovery

Russia's GDP growth



Russia's GDP per capita



Major trends and expectations

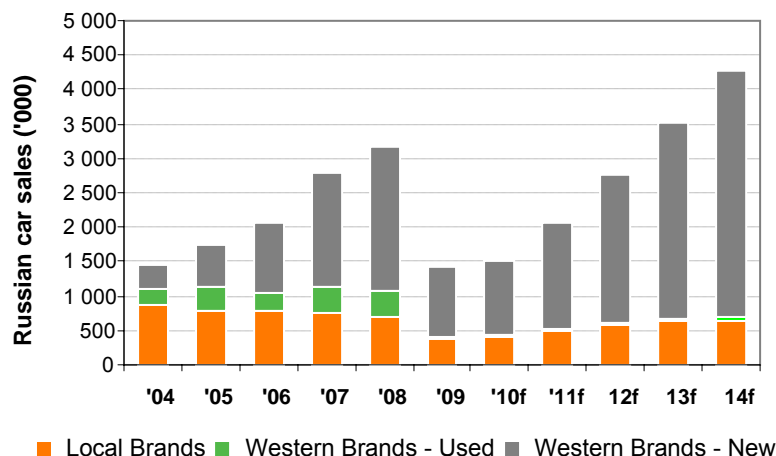
- In 2008 Russia was hit hard by the financial and economic crisis, in 2009 the economy was already supported by higher oil price and booming share prices
- Economy suffered in 2009 from an annual decrease in GDP of 7.9% - rate of decline clearly slowed down in the second half of the year
- Yet, overall growth trend will continue: average GDP growth for 2010-2014 is estimated at > 4% a year
- Consumer purchasing power was lower in 2009 but is estimated to start to improve from 2010 onwards
- Ruble's devaluation against major currencies exceeded 20% in late 2008 – early 2009
 - Devaluation risk has decreased substantially – on the opposite, the ruble has strengthened and there are signs of upward pressure on the ruble
- Consumer credit in the housing sector has re-emerged, indicating improvement to other consumable sectors
- Consumer confidence has been improving from Q2/2009
- Recovery of car sales estimated to start in 2010 and to accelerate in 2011-2012

→ **Economy expected to start recovering in 2010**

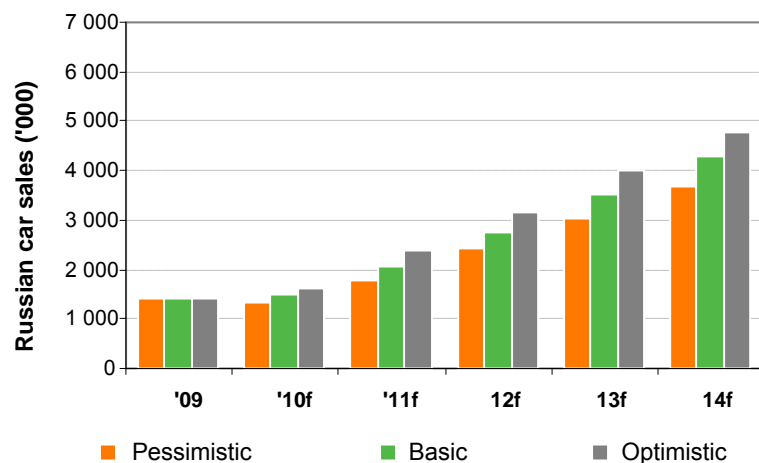
RUSSIA

Car sales suffered from crisis - recovery expected to start in 2010

Russian car sales forecast – basic scenario



Russian Car sales forecast – three scenarios



Car market summary

- New car and van sales decreased in 2009 by 49%
- Car sales were hit by financial crisis (lack of consumer credit and increased interest rates), dropped disposable incomes and demand
- Rate of car sales decrease clearly slowed down towards year-end (-38% in 12/2009 vs. 12/2008; +22% in 12/2009 vs. 11/2009)
- Gradual recovery is expected to start in 2010 and gain momentum in 2011-2012

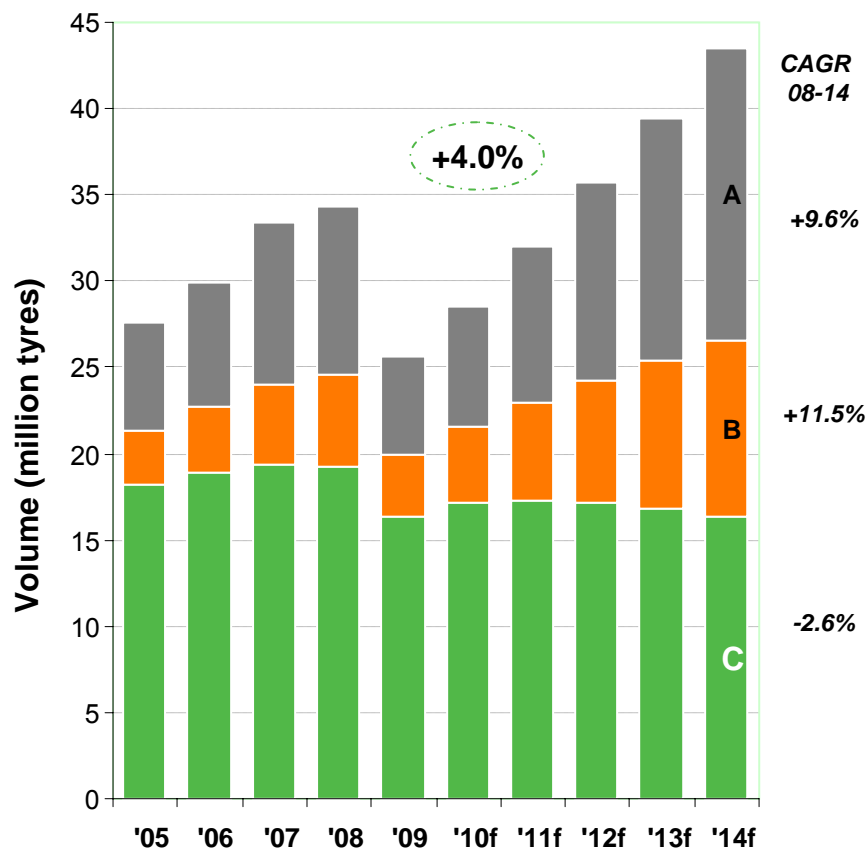
Factors affecting car market: all expected to develop positively

- Speed of economic recovery and its impact on disposable income
- Liquidity position of banks and their willingness to provide consumer credit
- Market interest rates for car loans and availability of attractive loans subsidized by the Government and car manufacturers
- Government policies (e.g. scrappage scheme)

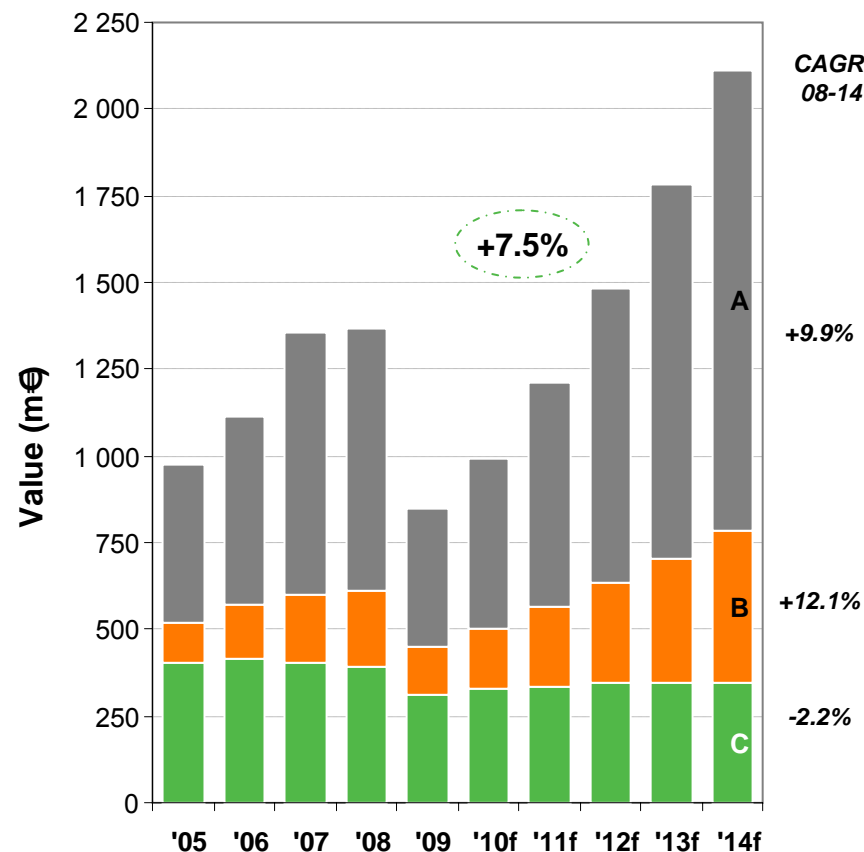
Huge market potential has not disappeared

- Consumer demand to recover once the recession is over

Car and van tyre replacement market (volume)



Car and van tyre replacement market (value)

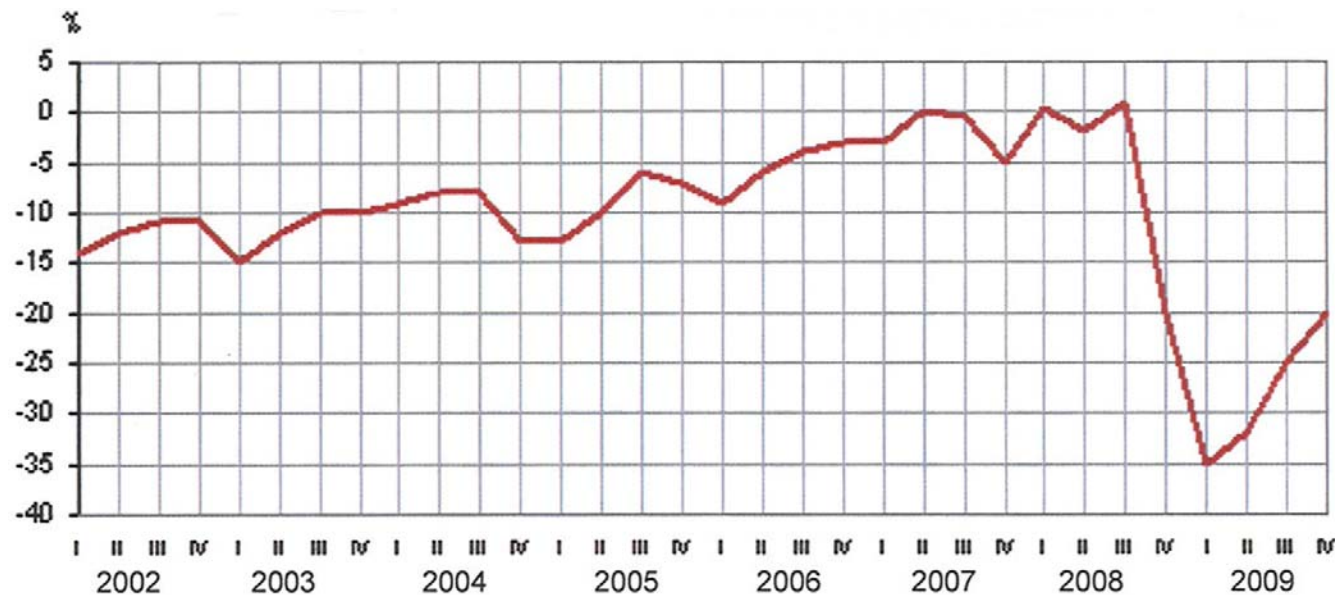


Note: Traditional segments' price positioning: index 100 = market leader; A: > 80; B: 60 – 80; C: < 60
Only replacement market included

Source: Nokian Tyres estimates

RUSSIA

Consumer confidence on the rise



Source: Rosstat

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OTHER MARKETS

Nordic Countries (Fin, Swe, Nor)

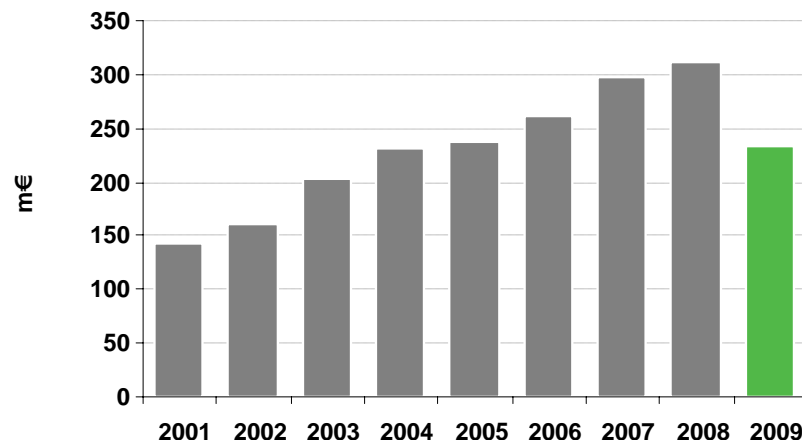
GENERAL

- Mature market with estimated annual growth 1-3% (in 2009 exceptionally -10%)
- Winter tyre legislation – use compulsory
- Three dominating brands (Nokian Tyres, Michelin and Continental) with more than 60% market share

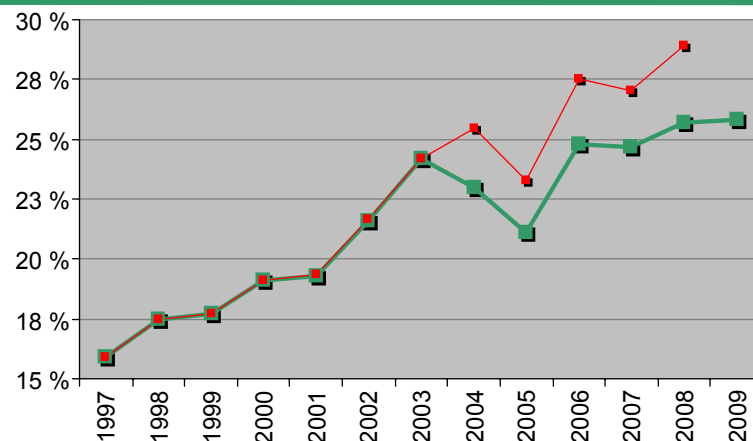
NOKIAN TYRES

- Market and price leader with over 30% market share in winter tyres and more than 15% in summer tyres
- Only local producer and best distribution network
- Strong role of own Vianor tyre chain
- Local player – product range and service specially designed for northern conditions
- In 2009 new Nokian Hakkapeliitta 7 studded tyre boosted sales

Sales development in Nordic Countries



Market share (%)



■ Car & LT total (* ■ Comparable figures, without new members of the pool

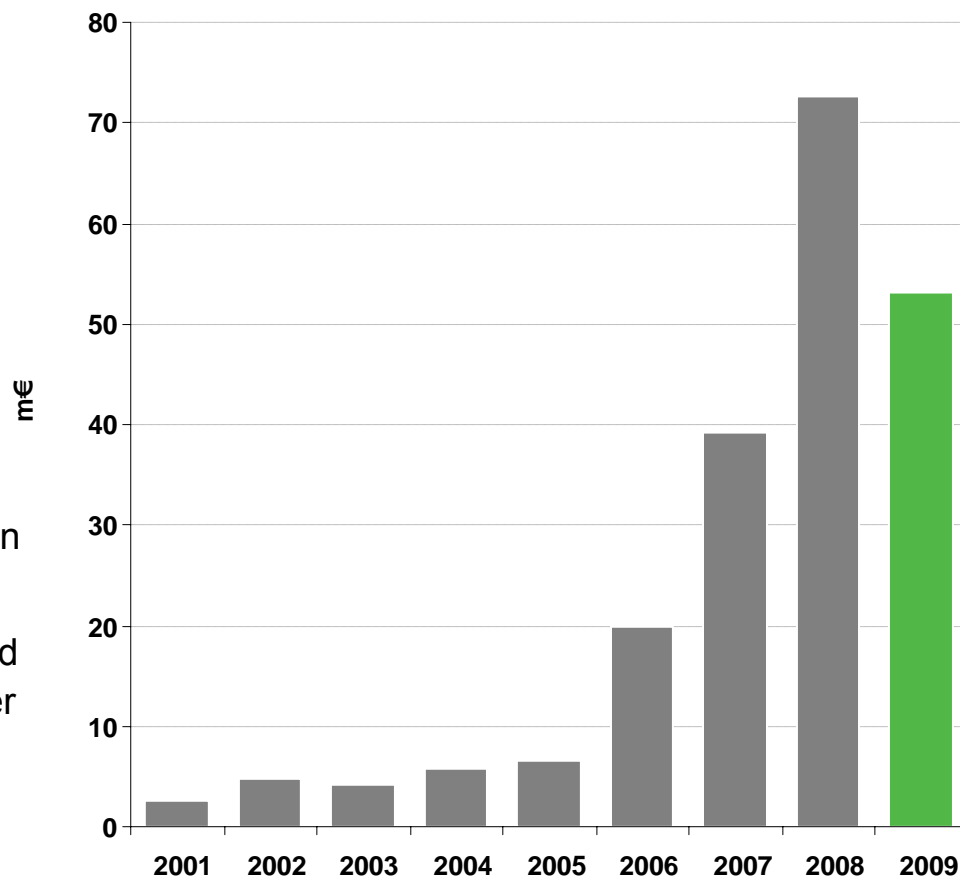
(* Some figures changed: New members joined pool in 2009 and submitted historical data starting from 2004)

GENERAL

- Strong market growth potential
 - Increasing sales of new cars
- Countries with “northern conditions”; but no winter tyre legislation
- Currency risks
- Good potential for future growth at above-average price levels

NOKIAN TYRES

- Market and price leader in A-segment tyres
- Only tyre producer with a controlled tyre chain
- Rapidly growing Vianor network
- No custom duty between Russia, Ukraine and other CIS countries – import duties from other areas (10-20%) penalise all competitors

Sales development in other CIS countries

OTHER MARKETS *Central and Eastern Europe*

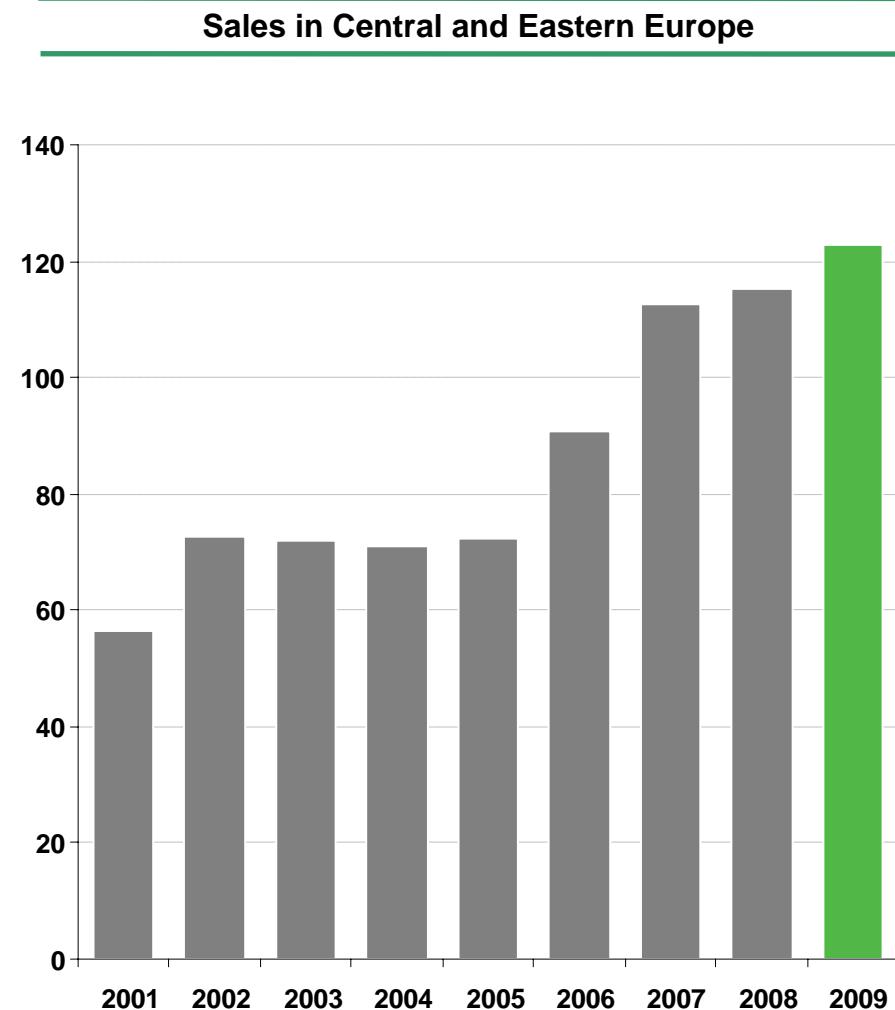
GENERAL

- Key markets: Alpine area, CEE and Balkans
- Globally the biggest winter tyre market – potential 8 times that of Nordic Countries'
- Winter tyres is the fastest growing segment in CEE and Balkans

NOKIAN TYRES

- Nokian Tyres brand position improving
- Vianor expansion to CEE
- Improved availability and distribution
- New logistics and service centre with 24 hour service to main markets
- Tailored product range

m€

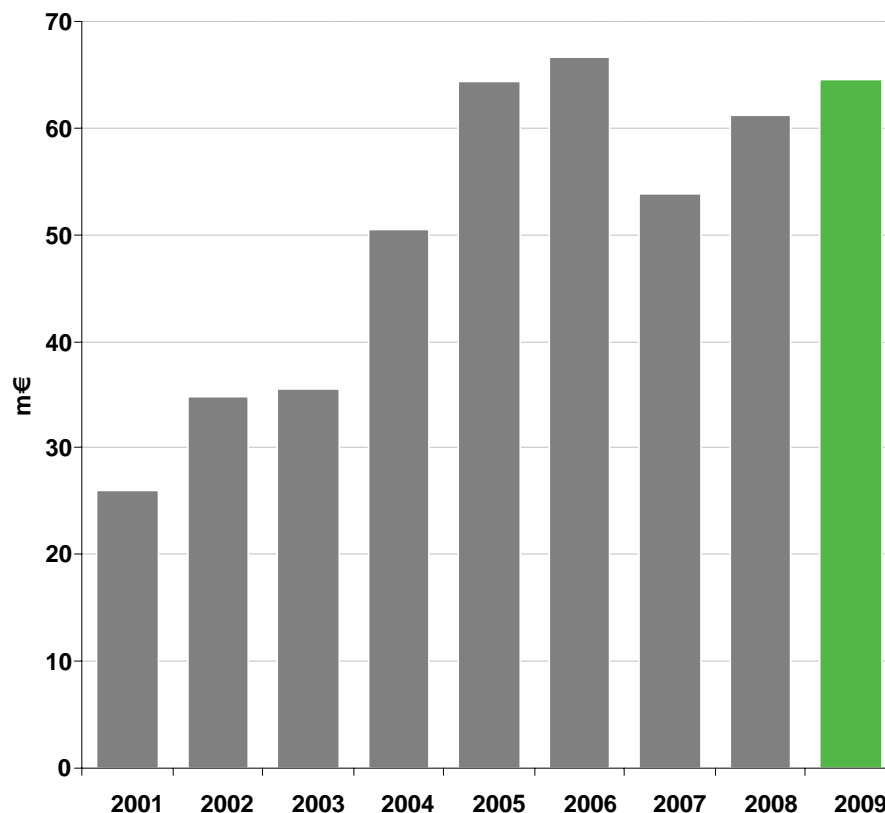


GENERAL

- Key markets: Canada and US snow belt area
- Market potential for winter tyres twice that of Nordic Countries
- Winter tyre legislation in Canada support the growth of demand

NOKIAN TYRES

- Strong brand and product quality reputation
- Exclusive distribution in selected areas
- Strong historical presence
- New start in 2008-2009 following improved market environment
- Establishment of Vianor in New England

Sales development in North America

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7. The Board's proposals to the AGM
8. Appendixes



NOKIAN TYRES GOING FORWARD

Outlook for 2010 and planned actions:

Nokian Sales to improve backed by recovering markets

ASSUMPTIONS

- Challenging market
 - Level of demand stabilized, some signs of recovery
 - Carry-over stocks mostly melted in all markets
 - New car sales start to show improvement
 - Russian economy stabilized, consumer confidence recovering
 - Currencies on Nokian core markets (excl. Ukraine) have stabilized since early 2009 and show signs of strengthening
- Nokian Tyres raw material cost starts rising slowly
 - Raw material cost decreased by 9% in 2009 vs. 2008
 - Raw material cost estimated to increase by 6 % in 2010 vs. 2009
- Passenger car tyre operation environment
 - Overall demand improving in core markets
 - Melted carry-over inventories offer growth opportunities
 - Demand improving for winter tyres
 - Market very competitive, price pressure mounting
- Heavy tyre market demand
 - OE markets for OTR and heavy tyres start to recover slowly
 - Aftermarket demand healthier than in 2009
- Nokian Tyres financial position remains solid
 - No major loans due for payment in 2010
 - Equity ratio 62.0%
 - Undrawn facilities available

NOKIAN TYRES ACTION PLAN

Focus on sales

- Increase sales and strengthen market positions
- Defend price positions
- Active launch of new products
- Expand Vianor franchise network
- Utilize strong seasonal logistics
- Utilize most feasible production capacities
- Cost control
- Low investments, capacity expansion subject to demand

Outlook for 2010 – Back to growth

- Overall demand increasing supported by distributors' low carry-over stocks and some market improvement
- Share of Nordic, Russian and CIS sales to increase
- Pricing environment expected to be challenging
- Recovery of profitability supported by
 - Lower cost structure
 - Higher sales volume
 - Better sales mix and ASP
 - Increasing share of Russian production
- Year 2010 estimates:
 - Nokian Tyres is positioned to improve net sales and operating result compared to 2009

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 - **Payment of dividend**
 - **Members of the Board of Directors, Auditor and Remuneration**
 - **Stock option plan 2010**
- 8. Appendixes**



THE BOARD'S PROPOSALS TO THE AGM

Payment of dividend

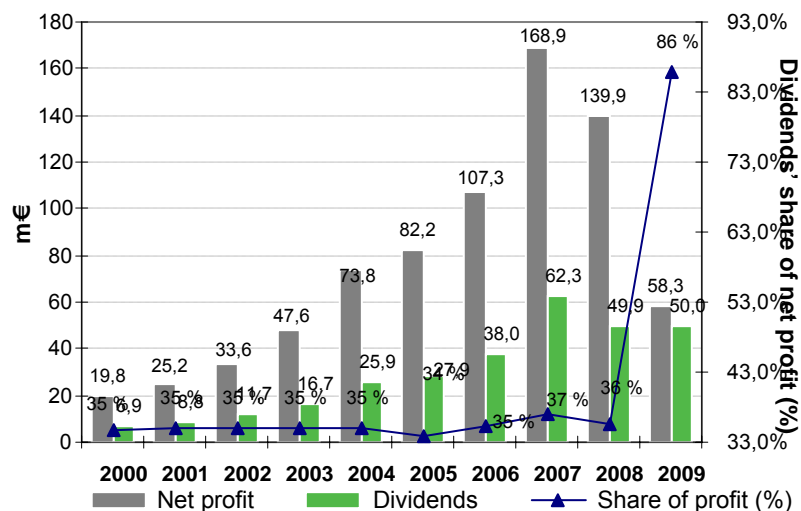
Board's proposal for payment of dividend:

- Dividend policy: 35% of Net Result; 86% in 2009
- The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0,40 per share be paid for the fiscal year 2009

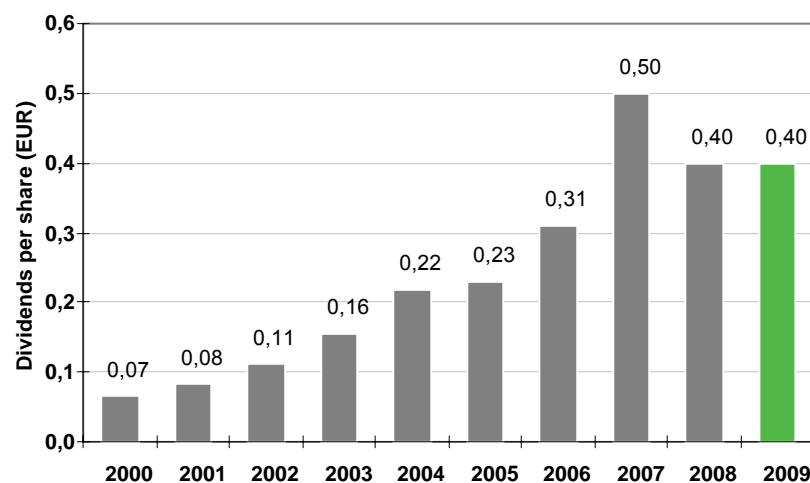
Annual General Meeting on 8 April, 2010

- Record date 13 April, 2010
- Payment Date 23 April, 2010

Net profit and dividends



Dividend per share (EUR)



THE BOARD'S PROPOSALS TO THE AGM

Stock Option Plan 2010

- Stock Option Plan for all employees of the company
- A total of 4 000 000 options in three lots
 - annual dilution less than one percent
 - Subscription price 2010A: April 2010 -> vest in May 2012
 - Subscription price 2010B: April 2011 -> vest in May 2013
 - Subscription price 2010C: April 2012 -> vest in May 2014
- Share subscription ends in 2 years from vesting
- Proportion of option income must be used for share purchases (top management)

THE BOARD'S PROPOSALS TO THE AGM

Members of the Board of Directors, remuneration and the Auditor

The Nomination and Remuneration Committee's proposals to AGM:

All seven members of the Board be re-elected

- Current Board members to continue (Kim Gran, Hille Korhonen, Hannu Penttilä, Yasuhiko Tanokashira, Petteri Walldén, Aleksey Vlasov and Kai Öistamö)
- Kim Gran is the President and CEO of the company. The other Board members are independent of the company. All Board members except Yasuhiko Tanokashira are independent of any major shareholders of the company.

Yearly remuneration to remain otherwise unchanged, additional meeting fee to be granted

- The fee paid to the Chairman of the Board is EUR 70,000 per year, and the fee paid to Members of the Board EUR 35,000 per year
- 60% of the annual fee be paid in cash and 40% in company shares to the effect that in the period from 8 April to 30 April 2010, EUR 28,000 worth of Nokian Tyres plc shares will be purchased at the stock exchange on behalf of the Chairman of the Board and EUR 14,000 worth of shares on behalf of each Board Member
- Each member of the Board will receive a meeting fee of EUR 600 per each attended meeting
- It is not proposed to pay a separate compensation to the President and CEO for Board work

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

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 - **Nokian Hakkapeliitta 7 and Nokian Hakkapeliitta 7 SUV**
 - **Magazine test results, autumn 2009**
 - **Personnel in 2009**
 - **Development of key financials 2005-2009**
 - **Shareholders & share price development**
 - **Financing: Loans and net Financial Expenses**
 - **Tables of financial figures**



APPENDIX

Nokian Hakkapeliitta 7 and Nokian Hakkapeliitta 7 SUV

Nokian Hakkapeliitta 7 - a new generation of studded tyres

- New studded car tyre for core markets – test winner in practically all magazine tests
- Altogether 49 tyre sizes – market's widest range.

Nokian Hakkapeliitta 7 SUV - firm grip, excellent durability

- The purebred SUV tyre successfully utilises the same ingenious technical solutions found in the test-winning Nokian Hakkapeliitta 7
- Sales of the new Nokian Hakkapeliitta 7 SUV will begin in spring 2010 with 21 tyre sizes.

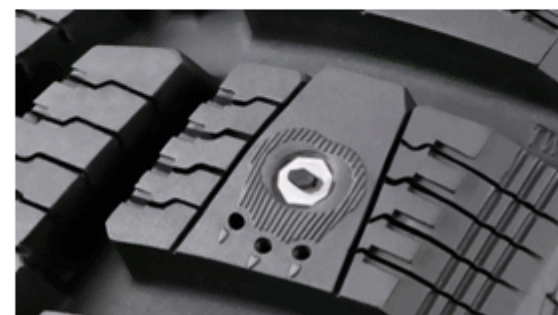
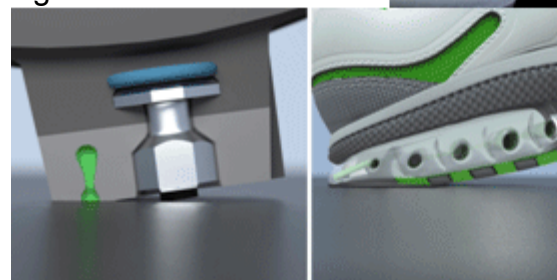
Superb performance through new innovations

- **New** Anchor studs
- **New** Air Claw Technology - air damping of studs
- **New** Cryo-silane compound
- **New** Slush edges
- **New** Side impact protection (Hakkapeliitta 7 SUV)

Clear benefits for Nokian Tyres


















- Further strengthen market and price leader position in core markets
- Superior product range in winter tyres
- Market leader products a spearhead for success

→ **Technological leadership always the driver for growth!**



APPENDIX

Magazine test results, autumn 2009

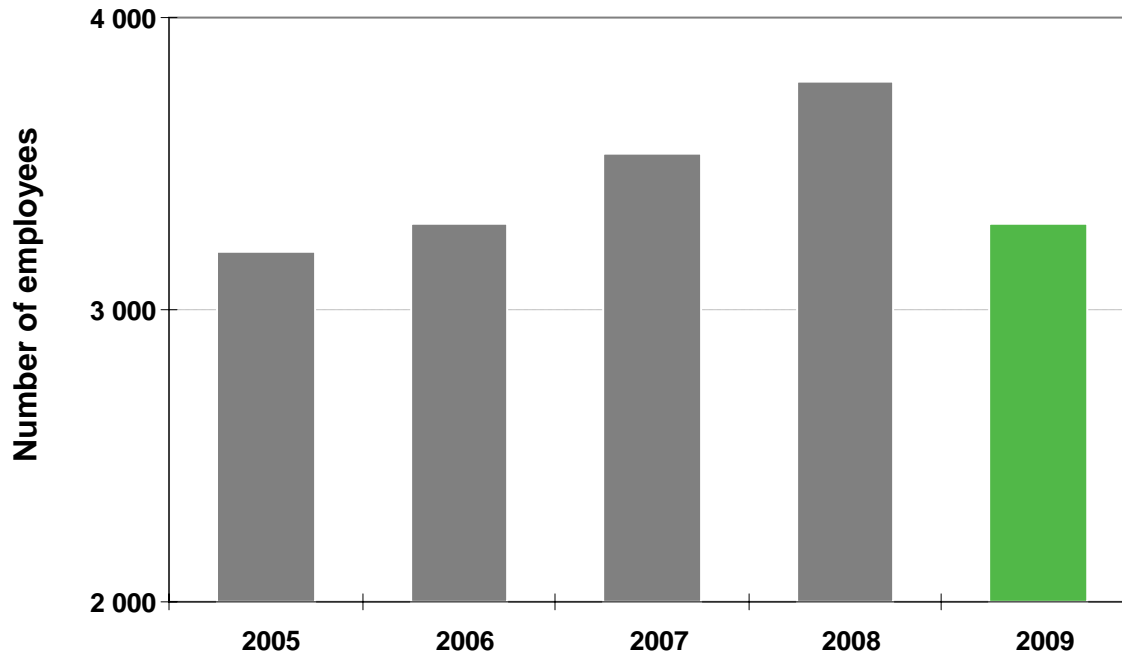
Magazine	Product	Result *	Strength
	Nokian Hakkapeliitta 7, 175/65 R14	1/10	Winter grip, rolling resistance (RR).
	Nokian Hakkapeliitta 7, 205/55 R16	1/8	Properties on ice, snow and slush.
	Nokian Hakkapeliitta 7, 205/55 R16	1 tie/13	Winter grip, handling.
	Nokian Hakkapeliitta 7, 205/55 R16	1/8	Braking and acceleration on ice.
	Nokian Hakkapeliitta 7, 205/55 R16	1 tie/13	Winter grip and handling.
	Nokian Hakkapeliitta 7, 205/55 R16	4/6	Emergency manoeuvring.
	Nokian Hakkapeliitta 7, 175/65 R14	1/3	Grip on ice and snow, stability.
	Nokian Hakkapeliitta 7, 205/55 R16	1/9	Braking and grip on snow and ice, RR.
	Nokian Hakkapeliitta 7, 175/65 R14	1/3	Properties on snow and ice, silent.
	Nokian Hakkapeliitta R, 205/55 R16	2 tie/8	Handling on ice and snow.
	Nokian Hakkapeliitta R, 175/65 R14	3/7	Winter grip, rolling resistance.
	Nokian Hakkapeliitta R, 205/55 R16	2/14	Properties on snow and ice.
	Nokian Hakkapeliitta R, 205/55 R16	1/8	Properties on snow and ice.
	Nokian Hakkapeliitta R, 205/55 R16	3/8	Properties on snow and ice.
	Nokian Hakkapeliitta R, 205/55 R16	2/5	Rolling resistance, comfortable.
	Nokian Hakkapeliitta R, 175/65 R14	1/3	Grip on snow, handling on snow and ice, RR.
	Nokian Hakkapeliitta R, 175/65 R14	1/8	Properties on snow and ice, handling on asphalt.

APPENDIX

Personnel in 2009

Personnel at the end of 2009: 3,292 (3,784)

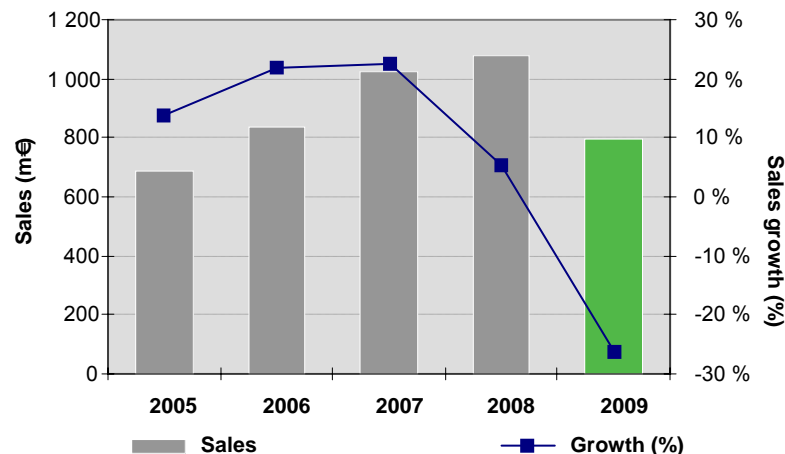
- Vianor: 1,388 (1,440)
- Russia: 640 (684)
- 492 job cuts in 2009 (Nokia and Vianor)
- Temporary lay-offs for personnel in all business units



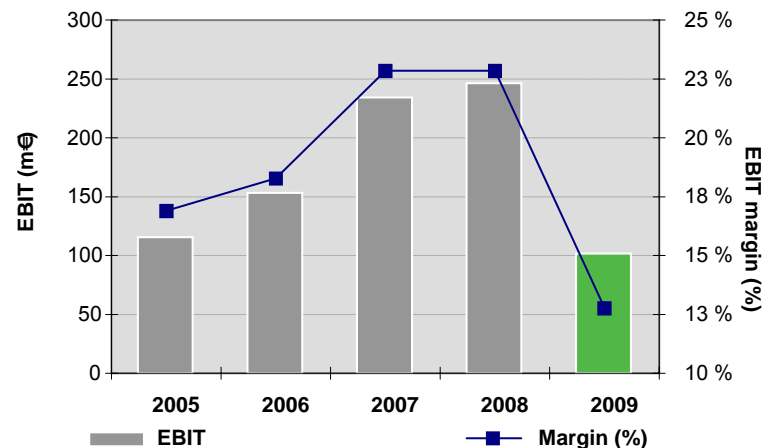
APPENDIX

Development of key financials 2005-2009

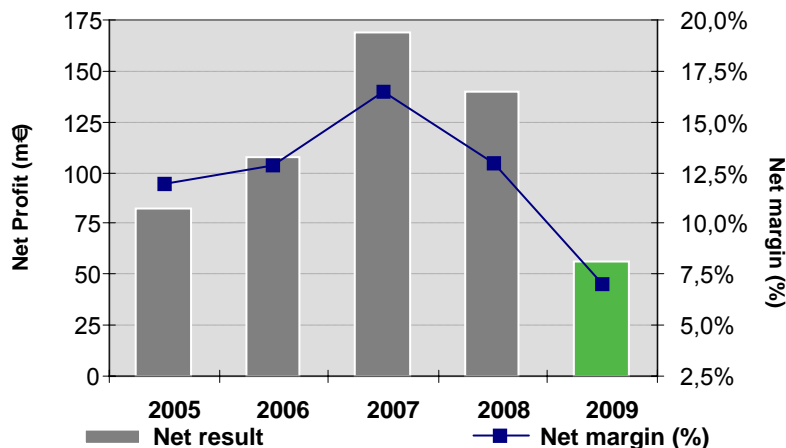
Net sales (m€) and Net sales growth (%)



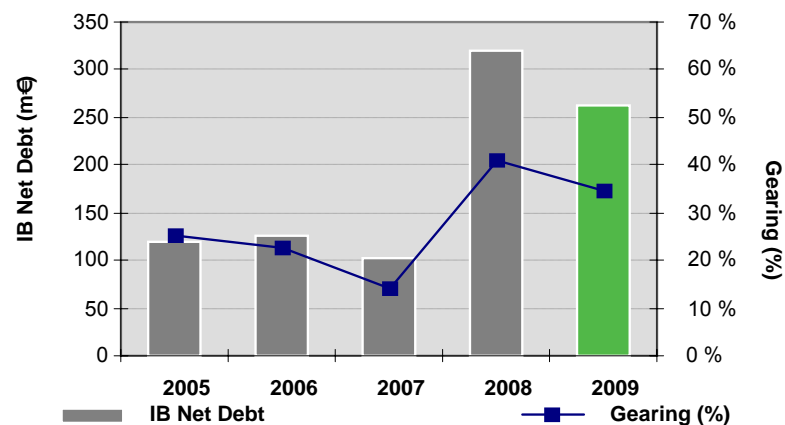
EBIT (m€) and EBIT margin (%)



Net profit (m€) and net margin (%)



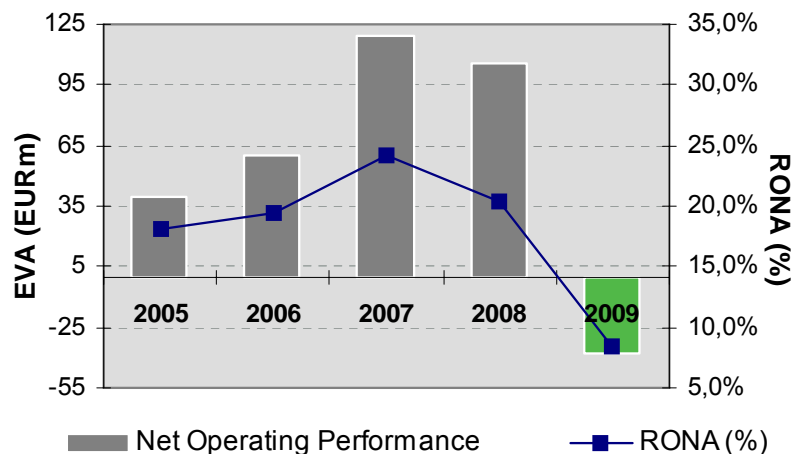
IB net debt (m€) and gearing (%)



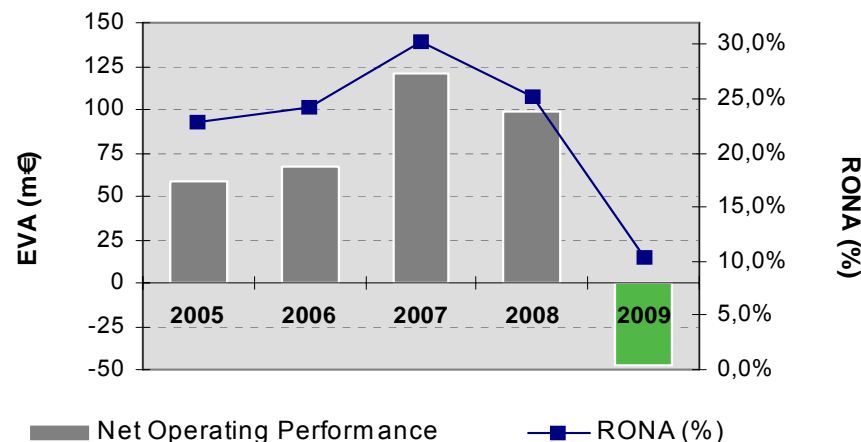
APPENDIX

RONA (%) and net operating performance (EVA) ¹⁾ 2005-2009

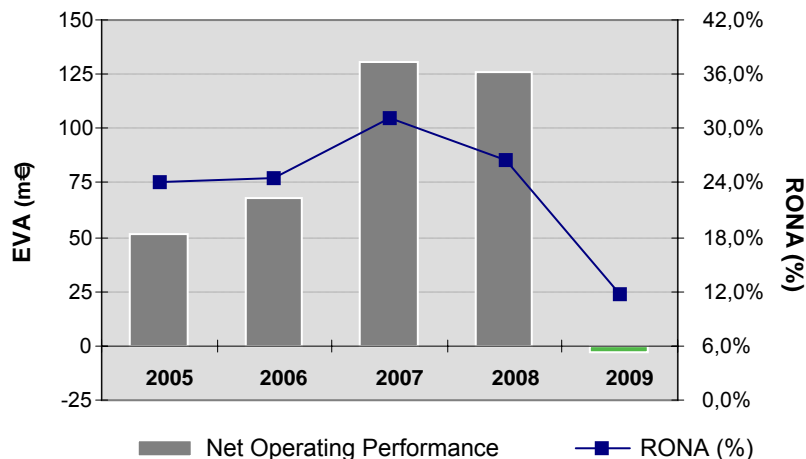
Group EVA (m€) and RONA (%)



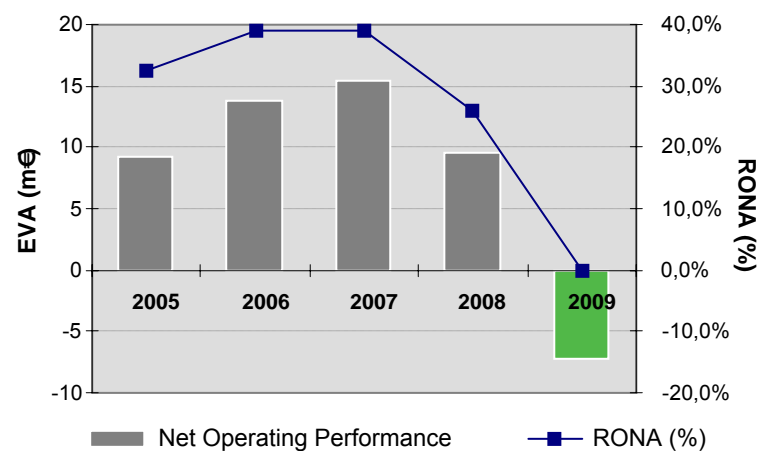
Manufacturing EVA (m€) and RONA (%)



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



Heavy Tyres EVA (m€) and RONA (%)



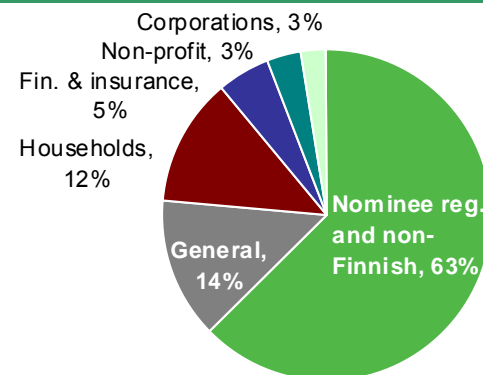
¹⁾ EVA is calculated based on 12% interest on capital employed.

APPENDIX

Major shareholders as of December 31, 2009

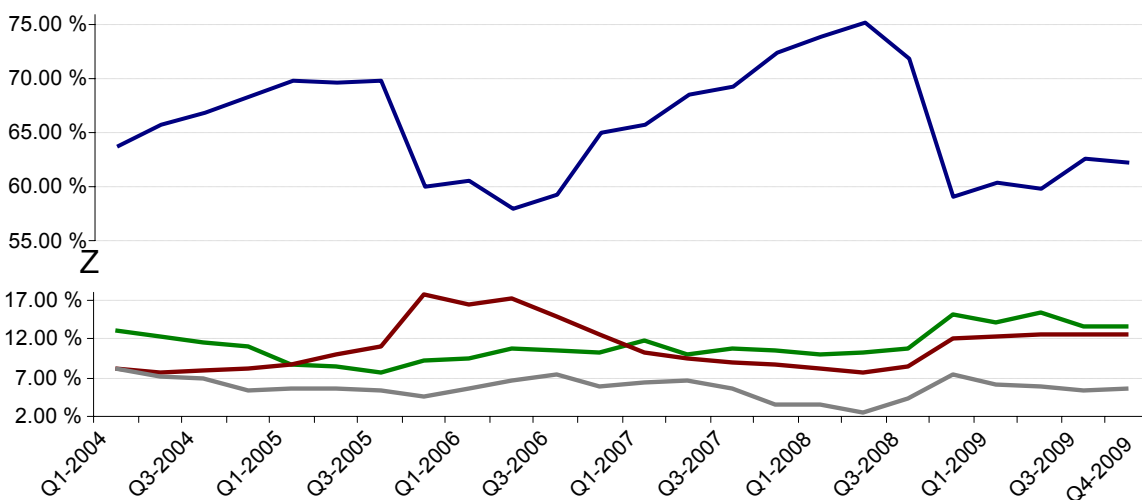
Major Domestic Shareholders	Number of Shares	Share of Capital (%)	Change from 30 November 2009
1 Varma Mutual Pension Insurance Company	8 312 178	6.66	0.00
2 Ilmarinen Mutual Pension Insurance Company	3 255 654	2.61	0.00
3 The State Pension Fund	2 000 000	1.60	0.00
4 Tapiola Mutual Pension Insurance Company	1 280 000	1.03	0.00
5 Nordea	1 123 675	0.90	61 737.00
6 Mandatum Life Insurance Company Limited	886 725	0.71	1 980.00
7 OP Investment Funds	854 774	0.68	-1 15 000.00
8 Sijoitusrahasto Aktia Capital	520 000	0.42	0.00
9 Barry Staines Linoleum Oy	450 000	0.36	0.00
10 The Finnish Cultural Foundation	446 000	0.36	0.00
Major Domestic Shareholders total	19 129 006	15.3%	(51 283)
Foreign Shareholders ¹⁾	77 714 850	62.2%	
Bridgestone Europe NV/SA ²⁾	20 000 000	16.0%	

Division by Category as of 31 December 2009



Total number of shares: 124,851,390

Shareholder development by category Q1/2004 – Q4/2009



Note: Options, free (Dec 31, 2009)

2004C: 244,099 pcs (7,424 in company's possession)

2007A: 2,249,700 (104,890 in company's possession)

2007B: 2,250,000 (424,357 in company's possession)

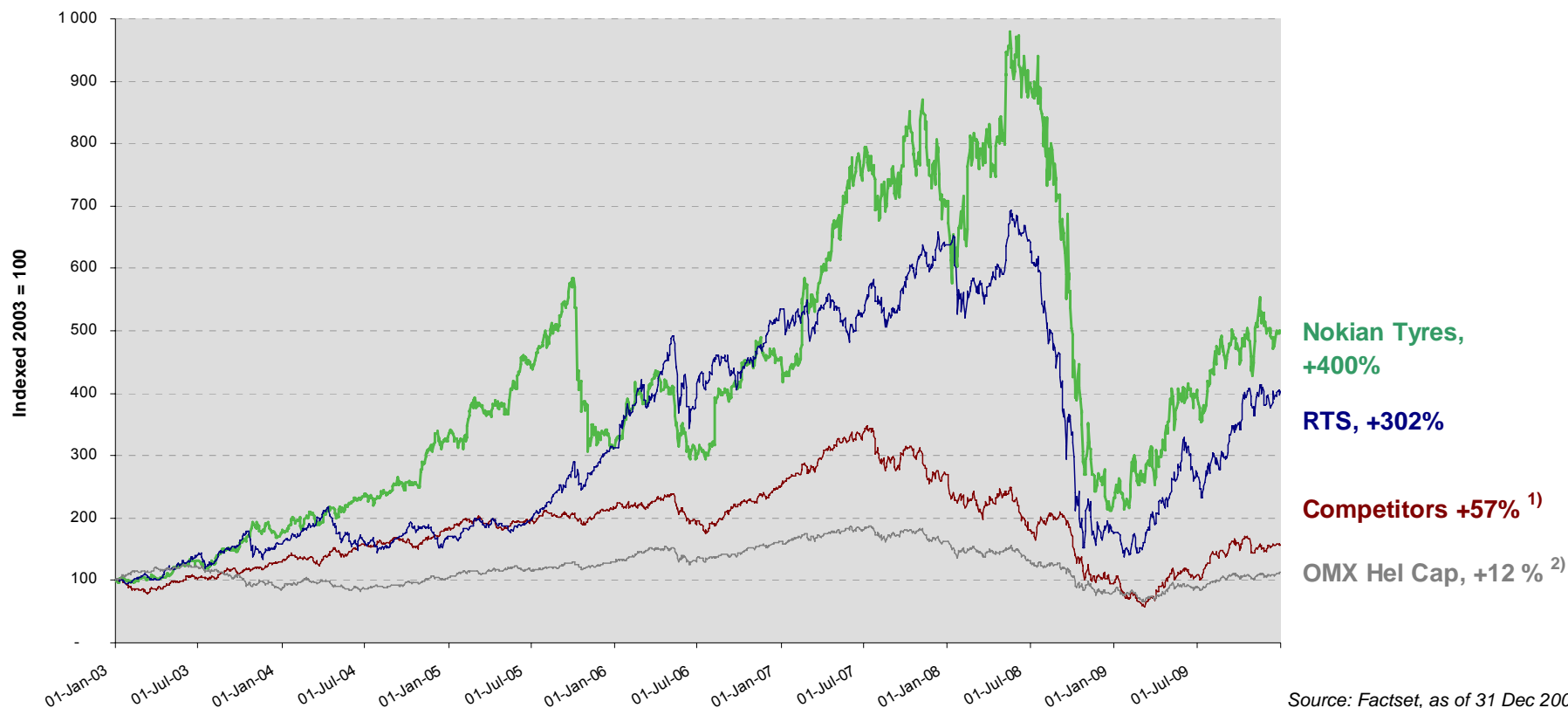
2007C: 2,250,000 (1,137,100 in company's possession)

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

2) In the name of a nominee.

APPENDIX

Comparing share price development to main indexes 2003-2009



Source: Factset, as of 31 Dec 2009.

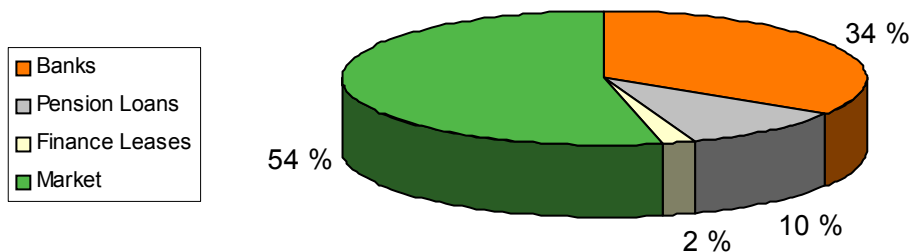
- 1) The composite consists of an indexed average values of the main peers of Nokian Tyres.
- 2) OMX Helsinki Cap is calculated assuming a natural continuation of HEX Portfolio Index.

	Nokian		Competitors		RTS	OMX Hel Cap	
Nokian Tyres by Dec-31-2010	Last 7 years	Last 3 years	Last 2 years	LTM	L6M	L3M	Last month
High	33,30	33,30	33,30	18,81	18,81	18,81	17,12
Average	14,10	19,62	17,89	13,28	15,87	16,76	16,81
Low	3,30	7,23	7,23	7,27	12,05	14,54	16,05

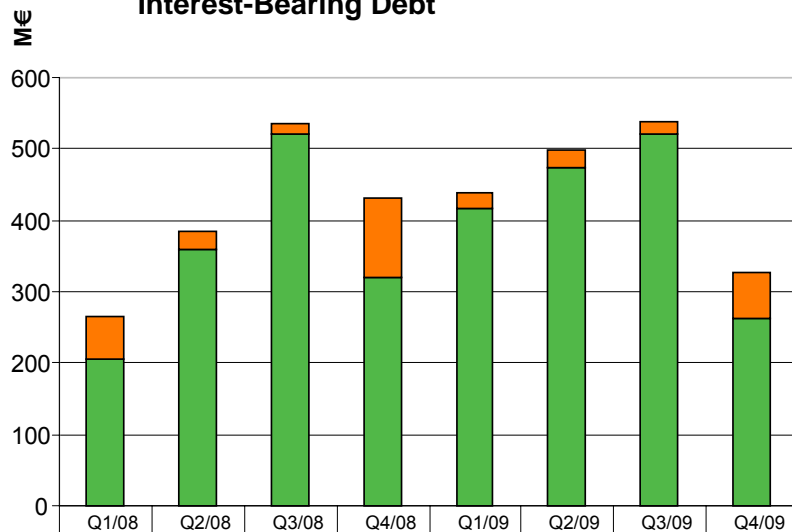
APPENDIX

Financing: loans 31.12.2009

Interest Bearing Debts 326.2 M€(Q4/09)



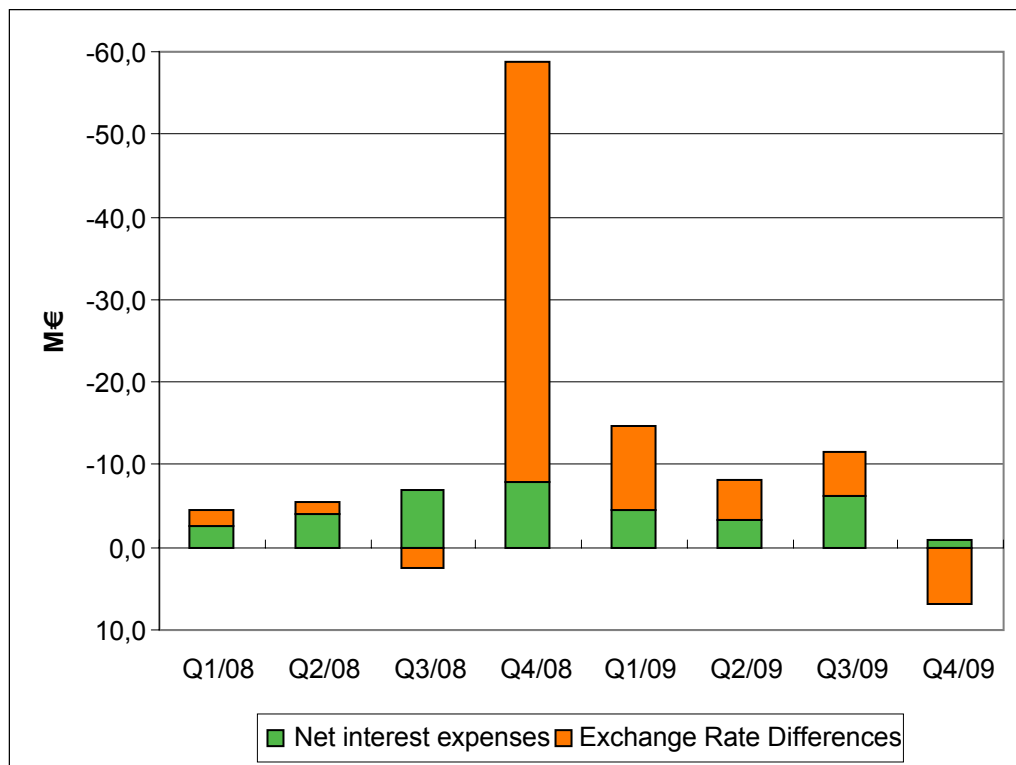
Interest-Bearing Debt



	Q1/08	Q2/08	Q3/08	Q4/08	Q1/09	Q2/09	Q3/09	Q4/09
Cash and Cash Equivalents	59	26	14	113	21	24	16	63
Interest-Bearing Net Debt	207	359	522	319	418	474	521	264

APPENDIX

Financing: Net Financial Expenses



- Net Financial Expenses 2009: 28.6 m€
- In exchange rate differences Q4/2008: 34.0 m€ from UAH and 7.9 m€ from RUB
- In exchange rate differences Q1/2009: majority from RUB and KTZ

APPENDIX

CONSOLIDATED INCOME STATEMENT

CONSOLIDATED INCOME STATEMENT

Million euros	10-12/09	10-12/08	1-12/09	1-12/08	Change %
Net sales	247.7	267.7	798.5	1,080.9	-26.1
Cost of sales	-143.4	-152.3	-478.0	-588.1	-18.7
Gross profit	104.2	115.4	320.4	492.7	-35.0
Other operating income	1.0	1.2	2.2	2.2	0.2
Selling and marketing expenses	-49.7	-55.5	-174.1	-198.8	-12.4
Administration expenses	-6.5	-9.6	-24.5	-27.4	-10.8
Other operating expenses	-8.3	-5.2	-22.1	-21.8	1.5
Operating profit	40.8	46.5	102.0	247.0	-58.7
Financial income	23.6	83.9	97.1	111.1	-12.6
Financial expenses	-17.7	-142.6	-125.7	-184.3	-31.8
Result before tax	46.7	-12.2	73.5	173.8	-57.7
Tax expense (1)	-17.5	0.6	-15.2	-33.9	-55.1
Result for the period	29.2	-11.6	58.3	139.9	-58.3
Attributable to:					
Equity holders of the parent	29.2	-11.6	58.3	139.9	
Minority interest	0.0	0.0	0.0	0.0	
Earnings per share from the profit attributable to equity holders of the parent					
basic, euros	0.23	-0.09	0.47	1.12	-58.4
diluted, euros	0.24	-0.07	0.49	1.10	-55.4

1) Tax expense in the consolidated income statement is based on the taxable result for the period.

APPENDIX

CONSOLIDATED OTHER COMPREHENSIVE INCOME

CONSOLIDATED OTHER COMPREHENSIVE INCOME Million euros	10-12/09	10-12/08	1-12/09	1-12/08
Result for the period	29.2	-11.6	58.3	139.9
Other comprehensive income, net of tax:				
Gains/Losses from hedge of net investments in foreign operations	-10.1	5.3	-24.4	6.2
Interest rate swaps	0.1	-0.2	0.1	-0.1
Translation differences on foreign operations (2	13.0	-43.7	-12.8	-46.4
Total other comprehensive income for the period, net of tax	3.0	-38.6	-37.0	-40.3
Total comprehensive income for the period	32.3	-50.2	21.2	99.6
Total comprehensive income attributable to:				
Equity holders of the parent	32.3	-50.2	21.2	99.6
Minority interest	0.0	0.0	0.0	0.0

2) Since the beginning of this year 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'.

APPENDIX

KEY RATIOS

KEY RATIOS	31.12.09	31.12.08	Change %
Equity ratio, %	62.0	54.8	
Gearing, %	34.8	41.0	
Equity per share, euro	6.07	6.20	-2.2
Interest-bearing net debt, mill. euros	263.7	319.0	
Capital expenditure, mill. euros	86.5	181.2	
Depreciation and amortisations, mill. euros	61.9	56.2	
Personnel, average	3,503	3,812	
Number of shares (million units)			
at the end of period	124.85	124.85	
in average	124.85	124.61	
in average, diluted	129.76	131.47	

APPENDIX: CONSOLIDATED STATEMENT OF FINANCIAL POSITION

CONSOLIDATED STATEMENT OF FINANCIAL POSITION	31.12.09	31.12.08
Million euros		
Non-current assets		
Property, plant and equipment	507.6	499.8
Goodwill	55.0	53.9
Other intangible assets	19.2	19.0
Investments in associates	0.1	0.1
Available-for-sale financial assets	0.2	0.2
Other receivables	9.9	11.6
Deferred tax assets	28.7	20.3
Total non-current assets	620.7	604.9
Current assets		
Inventories	200.0	290.9
Trade receivables	248.0	268.4
Other receivables	90.7	143.0
Cash and cash equivalents	62.5	113.2
Total current assets	601.2	815.5
Equity		
Share capital	25.0	25.0
Share premium	155.2	155.2
Translation reserve	-90.2	-53.0
Fair value and hedging reserves	0.0	-0.1
Retained earnings	667.6	647.6
Minority interest	0.0	2.7
Total equity	757.6	777.3
Non-current liabilities		
Deferred tax liabilities	29.4	27.6
Provisions	1.4	1.1
Interest-bearing liabilities	253.8	394.5
Other liabilities	2.1	2.1
Total non-current liabilities	286.7	425.3
Current liabilities		
Trade payables	33.8	79.0
Other current payables	70.7	99.9
Provisions	0.7	1.1
Interest-bearing liabilities	72.4	37.8
Total current liabilities	177.6	217.8
Total assets	1,221.9	1,420.4

APPENDIX

CONSOLIDATED STATEMENT OF CASH FLOWS

CONSOLIDATED STATEMENT OF CASH FLOWS	1-12/09	1-12/08
Million euros		
Cash flows from operating activities:		
Cash generated from operations	228.5	201.1
Financial items and taxes	-34.3	-182.7
Net cash from operating activities	194.2	18.4
Cash flows from investing activities:		
Net cash used in investing activities	-92.8	-177.2
Cash flows from financing activities:		
Proceeds from issue of share capital	0.1	6.4
Change in current financial receivables and debt	-117.2	25.1
Change in non-current financial receivables and debt	15.4	147.5
Dividends paid	-49.9	-62.3
Net cash from financing activities	-151.7	116.7
Net change in cash and cash equivalents	-50.2	-42.1
Cash and cash equivalents at the beginning of the period	113.2	158.1
Effect of exchange rate changes	-0.5	-2.8
Cash and cash equivalents at the end of the period	62.5	113.2
	-50.2	-42.1

APPENDIX

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Million euros

	Share capital	Share premium	Trans- lation reserve	Fair value and hedging reserves	Retained earnings	Mino- rity inte- rest	Tot.
Equity, Jan 1st 2008	24.7	149.0	-12.8	0.0	551.9	0.0	712.8
Dividends paid					-62.3		-62.3
Exercised warrants	0.2	6.2					6.4
Share-based payments					18.7		18.7
Other changes					-0.6		-0.6
Total comprehensive income for the period			-40.2	-0.1	139.9		99.6
Change in minority interest						2.7	2.7
Equity, Dec 31st 2008	25.0	155.2	-53.0	-0.1	647.6	2.7	777.3
Equity, Jan 1st 2009	25.0	155.2	-53.0	-0.1	647.6	2.7	777.3
Dividends paid					-49.9		-49.9
Share issue							0.0
Exercised warrants	0.0	0.0					0.0
Share-based payments					11.8		11.8
Total comprehensive income for the period			-37.2	0.1	58.3		21.2
Change in minority interest						-2.7	-2.7
Equity, Dec 31st 2009	25.0	155.2	-90.2	0.0	667.6	0.0	757.6

APPENDIX

SEGMENT INFORMATION

SEGMENT INFORMATION

Million euros	10-12/09	10-12/08	1-12/09	1-12/08	Change %
Net sales					
Passenger car tyres	135.6	143.9	527.3	741.6	-28.9
Heavy tyres	15.3	19.9	50.1	97.7	-48.8
Vianor	104.5	116.5	273.2	308.3	-11.4
Other operations	9.3	8.9	28.5	33.4	-14.5
Eliminations	-17.0	-21.5	-80.7	-100.2	
Total	247.7	267.7	798.5	1,080.9	-26.1
Operating result					
Passenger car tyres	28.2	28.4	106.2	230.0	-53.8
Heavy tyres	2.2	2.2	0.0	17.7	-99.9
Vianor	7.9	11.1	-3.0	4.4	-166.5
Other operations	-2.2	-1.9	-5.0	-6.4	21.9
Eliminations	4.7	6.6	3.7	1.2	
Total	40.8	46.5	102.0	247.0	-58.7
Operating result, % of net sales					
Passenger car tyres	20.8	19.7	20.1	31.0	
Heavy tyres	14.7	11.1	0.0	18.1	
Vianor	7.5	9.6	-1.1	1.4	
Total	16.5	17.4	12.8	22.8	
Cash Flow II					
Passenger car tyres	212.0	241.8	109.9	-2.3	4,802.0
Heavy tyres	6.3	18.5	5.7	10.6	-46.1
Vianor	26.2	31.8	7.6	1.4	441.7
Group total	249.2	298.2	123.1	9.5	1,195.0

APPENDIX

CONTINGENT LIABILITIES

CONTINGENT LIABILITIES	31.12.09	31.12.08
Million euros		
FOR OWN DEBT		
Mortgages	0.9	0.9
Pledged assets	35.8	37.4
OTHER OWN COMMITMENTS		
Guarantees	5.5	2.1
Leasing and rent commitments	101.1	104.9
Purchase commitments of property, plant and equipment	3.4	1.5
DERIVATIVES	31.12.09	31.12.08
Million euros		
INTEREST RATE DERIVATIVES		
Interest rate swaps		
Notional amount	3.9	14.4
Fair value	0.0	-0.1
FOREIGN CURRENCY DERIVATIVES		
Currency forwards		
Notional amount	427.2	396.5
Fair value	-7.1	24.4
Currency options, purchased		
Notional amount	3.9	5.0
Fair value	0.0	0.5
Currency options, written		
Notional amount	3.9	10.1
Fair value	-0.1	-0.3

APPENDIX

DEFINITIONS OF CONSOLIDATED KEY FINANCIAL INDICATORS

Earnings per share, euro:

Result for the period attributable to the equity holders of the parent / Average adjusted number of shares during the period

Earnings per share (diluted), euro:

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

- 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

Operating margin:

Operating result, % of net sales

A man in a black t-shirt and green overalls with red accents is smiling while working on a large industrial machine in a factory. He is wearing red gloves and is positioned on the right side of the frame. The machine is green and has various rollers and components. A large roll of white material is visible in the background. The overall scene is a factory setting with industrial equipment.

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TYRES**

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