

Hakkapeliitta



1936 *75* 2011

nokian
HAKKAPELIITTA

Nokian Tyres plc
Result January-June 2011
5 August, 2011

**High demand, strong sales growth
and improved results**

Mr. Kim Gran
President and CEO
Nokian Tyres plc

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1. General overview of 1-6/2011
 - Summary
 - Market overview
 - Nokian Tyres performance
2. Nokian Tyres financial performance
3. Profit centres (incl. Russian operations)
4. Nokian Tyres going forward
5. Appendixes



Nokian Tyres – new world record on ice 2011

GENERAL OVERVIEW OF 1-6/2011

High demand, strong sales growth and improved results

Key figures, EUR million:

	4-6/11	4-6/10	Change%	1-6/11	1-6/10	Change%	2010
Net sales	338.8	260.4	30.1	628.0	444.2	41.4	1,058.1
Operating profit	93.3	60.9	53.3	165.6	82.0	101.9	222.2
Profit before tax	85.4	60.6	40.9	155.3	82.8	87.5	208.8
Profit for the period	74.2	52.6	41.1	136.6	72.6	88.1	169.7
Earnings per share, EUR	0.57	0.42	36.7	1.06	0.58	84.5	1.34
Equity ratio, %				70.2	60.9		68.4
Cash flow from operations	-49.9	-2.5	-1,900.9	-102.3	-27.3	-274.4	318.8
RONA,% (rolling 12 months)				24.1	13.5		17.8
Gearing, %				20.0	37.3		0.1

Summary

- Sales grew significantly in core markets
- Nokian Tyres' market shares up on all key markets, especially in Russia and Nordic countries
- Improved sales mix and price increases → car tyre ASP and margins up despite the significant raw material cost increase
- Vianor expanded to 820 stores, addition of 49 in H1/2011
- Production output (tons) up by 53%, demand still exceeded the supply
- Record-high order book going into H2

Outlook: Profitable growth

- Strong demand and order book → good visibility in 2011
- Raw material cost gradually leveling off but estimated to go up 30% in 2011 vs. 2010
- Capacity increasing:
 - Line 9 in Russia commenced, ramp-up ongoing
 - Line 10 in Russia start-up in Q3/2011
 - Plant in Nokia back in 7 d/week full capacity in Aug 2011
 - Building of new plant in Russia commenced, production by summer 2012
- Profitability supported by:
 - Improved cost structure, higher sales volume, better mix and ASP
 - Increasing share of Russian production → productivity up
- Year 2011 estimates:
 - The company is positioned to provide strong sales growth and to improve operating profit clearly compared to 2010

GENERAL OVERVIEW OF 1-6/2011

Market overview: Strong demand continued

Car tyres

Tyre market volumes improved clearly

- Global economy's uncertainty factors had little effect on Nokian Tyres' core markets; economies in the Nordic countries and Russia improved, consumer confidence was strong and car sales picked up
- Demand grew in all Nokian Tyres' core markets, in Russia by >50%
- Distributors' low inventory levels and a true, prolonged winter with heavy snowfall boosted winter tyre sales

Heavy tyres

Machinery and equipment production on the rise

- Demand and prices of pulp, sawmill products, metals and food were strong
- Production of forestry, mining and other machinery increased significantly
- Tyre demand improved clearly in all product groups
- Demand exceeded supply in some product groups and sizes

Currencies

Stable development of currencies

- Currencies on Nokian Tyres' core markets strengthened against the Euro in H1/2011 vs. H1/2010
- Currencies have been relatively stable in core markets in H1/2011 vs. H2/2010

Raw material prices

Raw material prices expected to level off

- Raw material prices rose significantly YOY, expected to level off in H2/2011
- Natural rubber price peaked and is leveling off
- Synthetic rubber and chemicals still on the rise

GENERAL OVERVIEW OF 1-6/2011

Nokian Tyres performance: Strong sales and profitability

Sales and market position

Volumes and market shares up

- + Sales grew significantly in all manufacturing units
- + Strongest sales growth in Russia and SUV tyres
- + Test victories of Nokian summer tyres boosted sales
- + Car tyres' market share improved in Nordic countries, CE and in Russia
- + Strong forestry tyre sales with continued build-up of orders

Profitability

Improved ASP offset the increased raw material cost

- Raw material cost rose by 35.8% YOY with shortage of some materials
- + Mix improved & price increases implemented → car tyre ASP up
- + Increasing share of Russian sales and production improved margins
- + Profitability supported by higher sales volume vs. moderate growth of fixed costs

Production

Productivity boost from increased production volumes

- + Higher utilization of capacity and growing share of Russian production
- + Line 9 in Russia commenced, line 10 to start production in Q3/2011
- + Plant in Nokia back in 7 d/week full capacity in Aug 2011
- + Building of new plant commenced, production by summer 2012
- Demand exceeded supply capacity

Distribution

Vianor expanding

- + Vianor expanded to 820 stores in 22 countries; increase by 49 in H1/2011
- + New countries Italy & Azerbaijan, partner network start-up in USA

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- 2. Nokian Tyres financial performance**
 - Operating result per quarter
 - Gross sales by market area
 - Raw material cost development
- 3. Profit centres (incl. Russian operations)**
- 4. Nokian Tyres going forward**
- 5. Appendixes**



FINANCIAL PERFORMANCE

Group operating result per quarter 2007-2011

1-6/2011

Net sales 628.0 m€
(444.2 m€), +41.4%

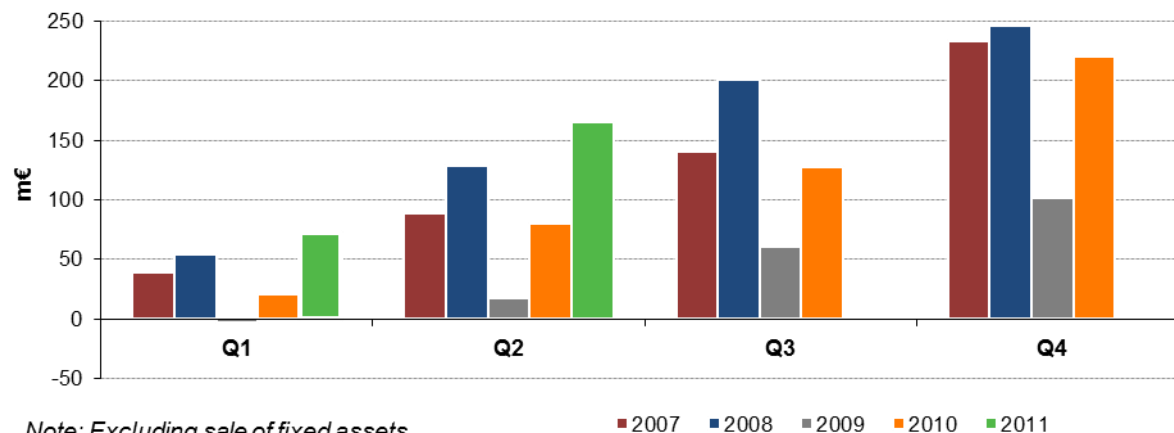
EBIT 165.6 m€
(82.0 m€), +101.9%

4-6/2011

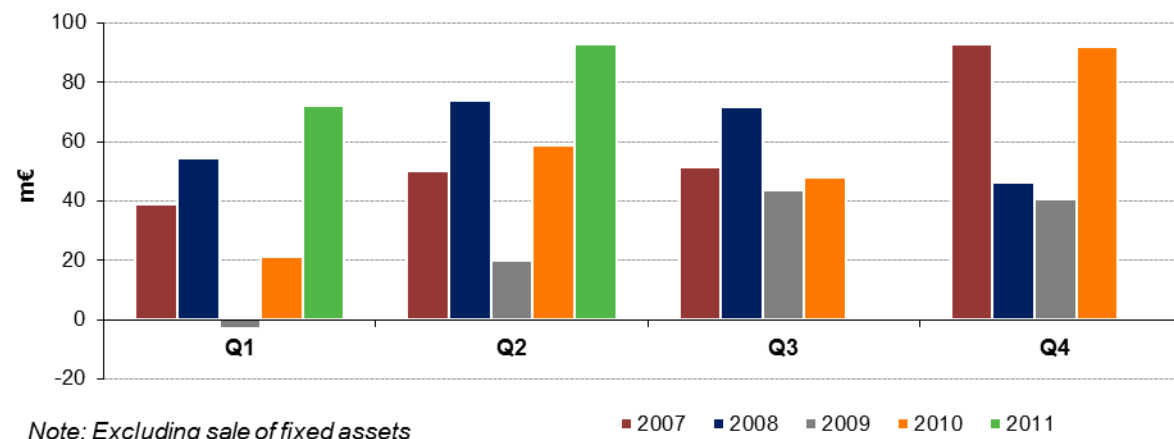
Net sales 338.8 m€
(260.4 m€), +30.1%

EBIT 93.3 m€
(60.9 m€), +53.3%

Cumulative operating result per quarter (m€)



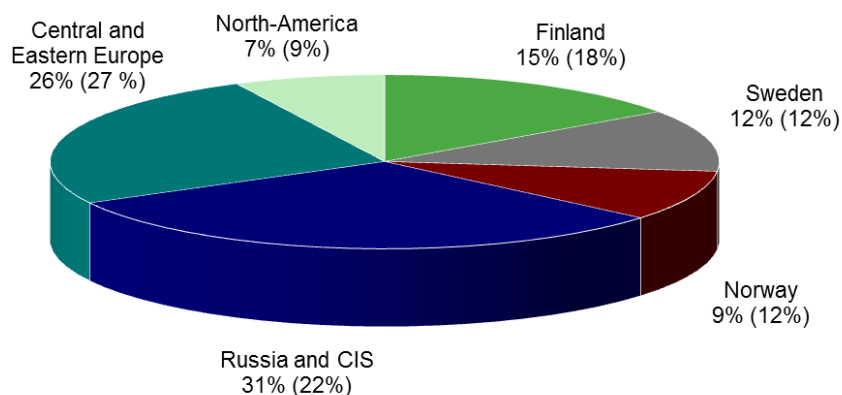
Group operating result per quarter (m€)



FINANCIAL PERFORMANCE

Gross sales by market area 1-6/2011

Sales of Nokian Tyres Group: 663.4 m€, +41.1%

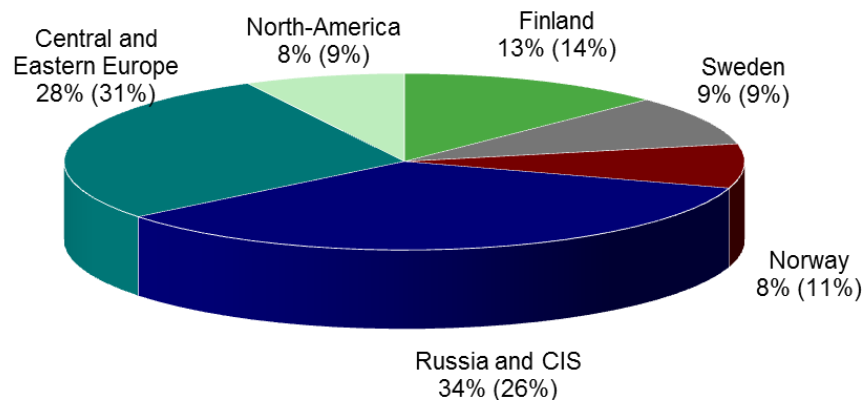


GROUP

Sales development in euros

■ Nordic countries	+22.6%
■ Russia and CIS	+102.0%
■ Central and Eastern Europe	+36.4%
■ North America	+13.7%

Sales of Manufacturing Units: 597.4 m€, +49.1%



MANUFACTURING

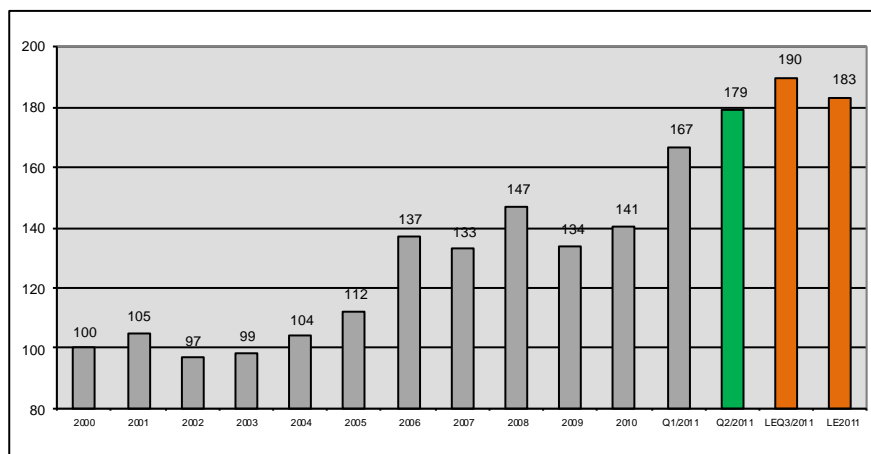
Sales development in euros

■ Nordic countries	+32.8%
■ Russia and CIS	+102.1%
■ Central and Eastern Europe	+36.9%
■ North America	+23.3%

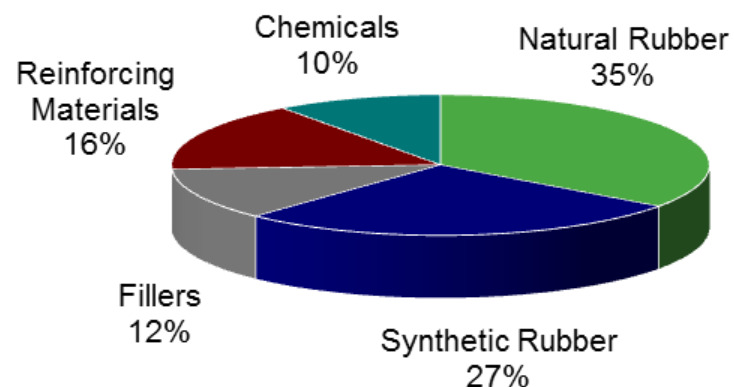
FINANCIAL PERFORMANCE

Raw material cost development

Raw material cost development index 2000-E2011



Value of raw material consumption (%)



Nokian Tyres raw material cost (€/kg)

Raw material cost increased by

- 32.0% in Q2/2011 vs. Q2/2010
- 35.8% in H1/2011 vs. H1/2010
- 7.5% in Q2/2011 vs. Q1/2011

Raw material cost is estimated to increase by

- 6% in Q3/2011 vs. Q2/2011
- 27% in H2/2011 vs. H2/2010
- 30% in 2011 vs. 2010

In order to maintain material margin +9% in ASP required in 2011 vs. 2010

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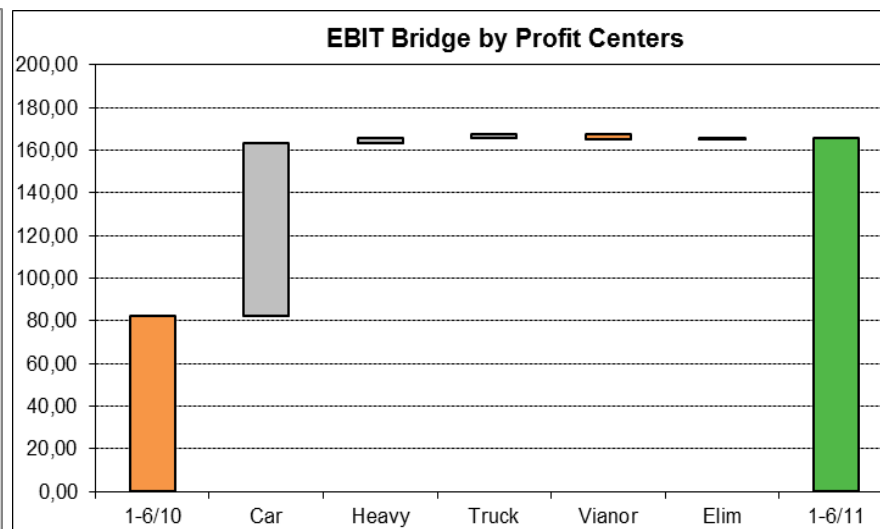
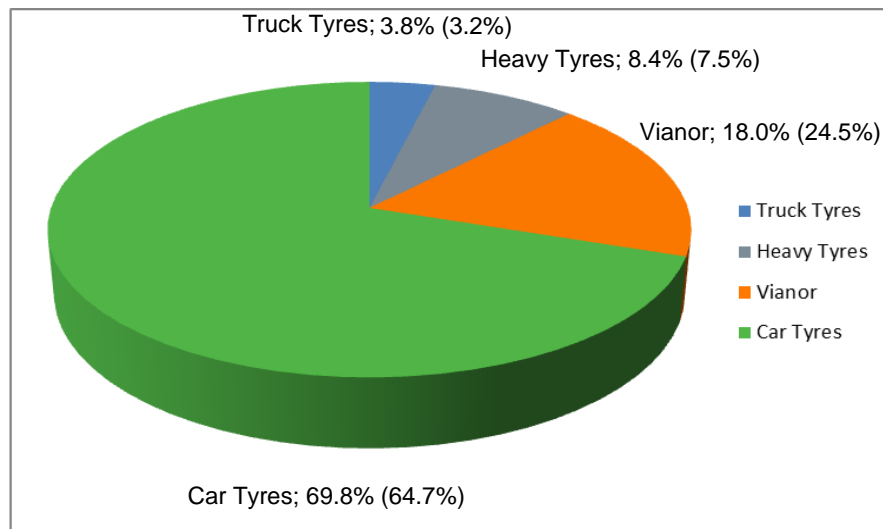
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 - Heavy Tyres
 - Truck Tyres
 - Vianor
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PROFIT CENTRES *General overview of 1-6/2011*

Net sales 628.0 m€; +41.4%

EBIT 165.6 m€; +101.9%



Passenger Car Tyres

- **Net sales:** 468.5 m€; +47.0%
- **EBIT** 168.0 m€; +93.3%
- **EBIT margin:** 35.9% (27.3%)
- **Key products:** studded and non-studded winter tyres, high-speed summer tyres

Heavy Tyres

- **Net sales:** 56.7 m€; +52.8%
- **EBIT:** 10.0 m€; +29.6%
- **EBIT margin:** 17.7% (20.8%)
- **Key products:** tyres for forestry, industrial and agricultural machinery

Truck Tyres

- **Net sales:** 25.8 m€; +62,1%
- **Key products:** truck tyres and retreading materials

Vianor

- **Net sales:** 120.6 m€; -0.2%
- **EBIT:** -7.2 m€; -43.2%
- **EBIT margin:** -6.0% (-4.2%)
- 820 stores in 22 countries in Nokian Tyres' core markets

PROFIT CENTRES

Passenger Car Tyres 1-6/2011: Russia spearheads sales growth

Performance in 1-6/2011

- + Sales & order book improved significantly in all core markets
- + Strongest growth rate from SUV tyre sales in Russia
- + Market share up in Nordic countries, Russia and CE
- + Magazine test wins for summer tyres
- + Improved sales mix and price increases → ASP up
- + Production (pcs) up by 48% vs. H1/2010
- + Productivity up trailing the higher production volume
- + Capacity increase projects proceeded as planned
- Supply capacity a bottleneck → sales shifted to H2/2011
- Raw material cost increased significantly

Key actions and targets for 2011

- Increase sales in all areas, especially in Russia
- Improve market shares in core markets
- Optimize logistics according to growing deliveries
- Improve sales mix
- Defend brand and price position
- Increase production in Russia, lines 9&10 start-up
- Improve productivity, utilize full capacities
- Cost control

→ Focus on capacity increase, mix improvement and growth on core markets

Net sales:

1-6/2011: 468.5 m€ (318.7 m€); +47.0%

4-6/2011: 238.8 m€ (179.5 m€); +33.0%

EBIT:

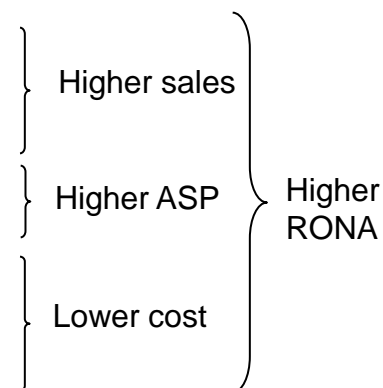
1-6/2011: 168.0 m€ (86.9 m€); +93.3%

4-6/2011: 83.9 m€ (51.5 m€); +63.0%

EBIT margin:

1-6/2011: 35.9% (27.3%)

4-6/2011: 35.2% (28.7%)



Test winner
Nokian Hakka Green 12

RUSSIA

Strong sales growth – potential to exceed pre-crisis sales in 2011

- Sales and demand recovering trailing improving car sales, growing replacement sales of tyres and low inventories of distributors
- Sales in Russia in 1-6/2011 grew by 110.7% to 192.8 m€ (91.5 m€)
- Sales in CIS (excluding Russia) were 12.0 m€ (9.9 m€)

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



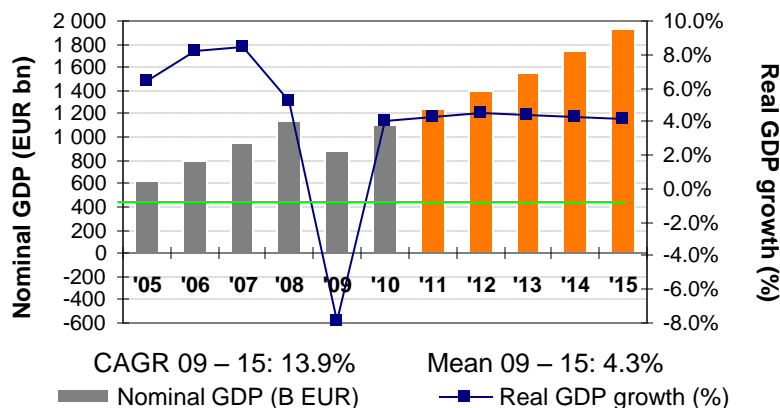
RUSSIA: Vianor stores in Russia & CIS as of 30 June 2011
450 stores in 277 cities; + 49 stores in H1/2011



RUSSIA

Russia's economy clearly recovering

Russia's GDP growth



Consumer confidence in Russia

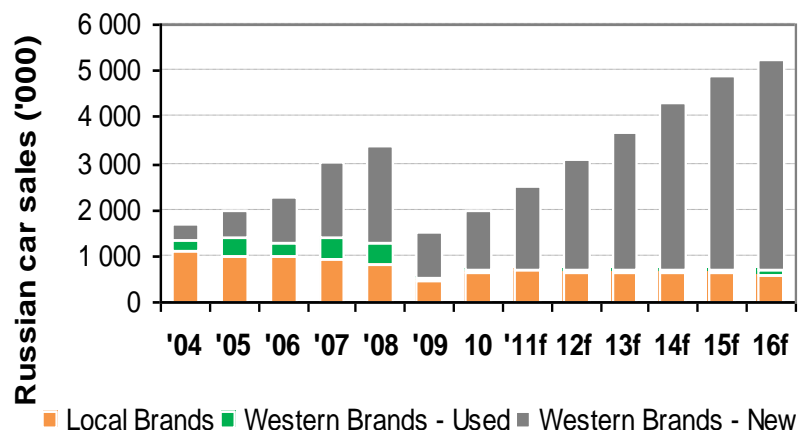


Source: Rosstat, EIU and Nokian Tyres estimates

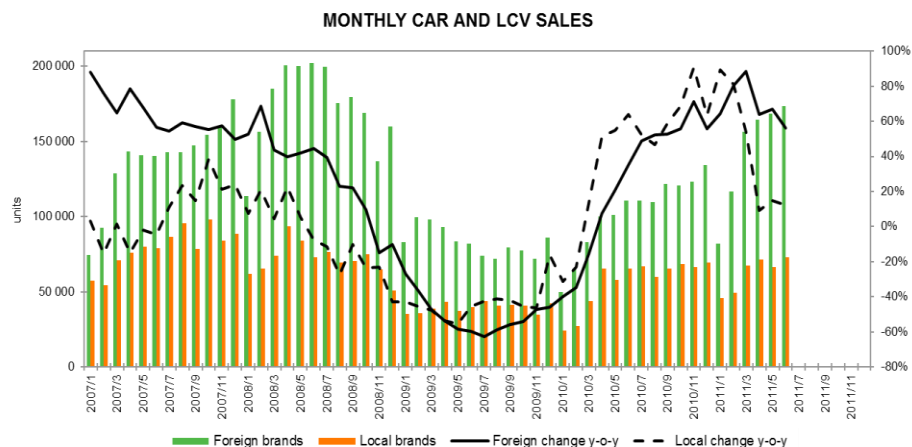
Major trends and expectations

- Russia's economy has continued to recover from the severe crisis of 2008 - 2009
- In 2009, economy fell into recession with an annual decrease in GDP of 7.9%, but in 2010 it grew by estimated 4.0%
- Recovery is expected to keep momentum in 2011, backed by high oil and commodity prices
 - estimated annual real GDP growth in H1/2011 is 4% vs. H1/2010
- Overall growth trend will continue: average GDP growth for 2010-2015 is estimated at >4% a year. Faster growth is possible, but restricted by unbalanced structure of the economy; weak investment and the election cycle
- Domestic demand revival gradually started due to increased disposable incomes
- Ruble exchange rate fluctuated in 2010 with year-average clearly stronger against major currencies vs. 2009; in 2011 it is expected to remain stable or strengthen further

Russian car sales forecast – basic scenario



Monthly car sales

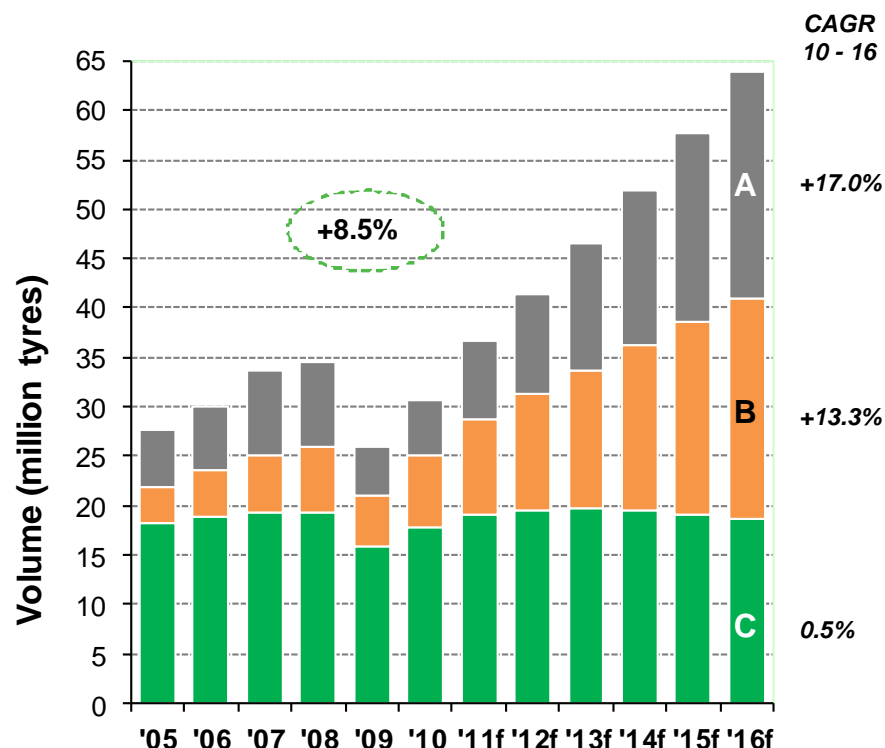


Source: AEB; IHS Global Insight; MinPromTorg; Nokian Tyres estimates

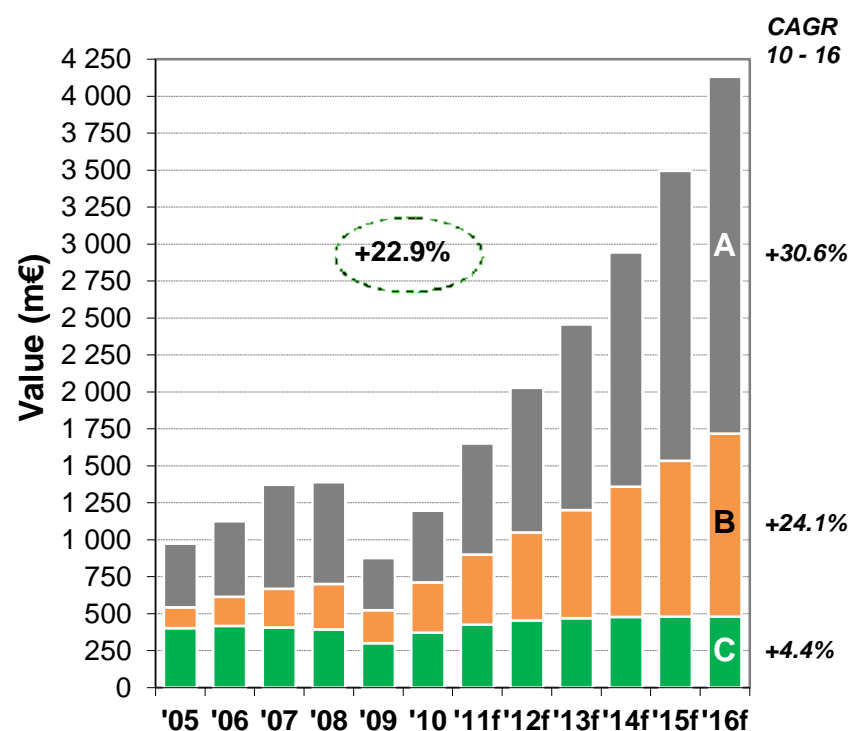
Car market summary

- Sales of new cars and LCVs in Russia increased by 30% in 2010 vs. 2009 and by 56% in H1/2011 vs. H1/2010
 - Growth is expected to continue the whole year, but the rate is likely to slow down
- Government scrappage scheme brought very positive results, albeit supporting mostly cheap brands and models
 - The program, which has positively affected the whole year's car sales, has been fulfilled in mid 2011
- Due to rapid recovery of demand the lack of cars continues, as manufacturers have limited quotas for Russia
 - Long lead times remain for many popular brands and models (up to a year)
 - This deferred demand will continue to positively affect sales in 2011 and to some extent in 2012
- The car market is forecasted to reach 2.5 million cars and LCVs in 2011, showing a 30% growth
- Financing of car purchases revived in 2010, with share of sales financed by banks and car manufacturers reaching pre-crisis levels
 - Government implemented own car loan support program, with 355 thousand applications and 166 thousand loans granted in 2010
 - The program continues in 2011 with the participation of 117 banks

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

Source Nokian Tyres estimates

RUSSIA

Nokian Tyres is the strongest player in Russia

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 – 450 Vianor stores in Russia and CIS

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

Nokian Tyres' factory in Russia

- 9 production lines operating
- Line 10 to be commenced by the end of Q3/2011 – annual capacity to increase to 11 million tyres
- New plant construction started; annual capacity increase of 5-6 million tyres during 2012-2014
- State-of-the art machinery, high European quality standards
- Vsevolozhsk factory exports approximately 50% of its production to 35 countries: Biggest consumer goods exporter in Russia
- Housing project, Hakkapeliitta Village – phase I completed, phase II in 2011-2012
- Number of personnel on 30 June 2011: 965 (691)



PROFIT CENTRES

Heavy Tyres 1-6/2011: Production & sales up

Performance in 1-6/2011

- + Tyre demand and sales clearly up, especially in forestry, mining and radial tyres. Russian sales growing rapidly.
- + Price increases improved ASP
- + Production volume up by 44% vs. H1/2010; weekly capacity in Nokia in full use
- + New product category Beyond All-Steel Radial (BAS) launched
- Raw material cost increased significantly
- Capacity a bottleneck for sales growth

Key actions and targets for 2011

- | | | |
|--|---|---|
| <ul style="list-style-type: none"> ■ Expand the distribution network, especially in Russia and CIS ■ Improve service concepts and logistics ■ Accelerate development of new radial and BAS products ■ Increase prices further to offset the high raw material cost ■ Maximize production and sales of radial products ■ Improve sales mix, share of aftermarket sales ■ Full utilization of capacity, improve production volumes & productivity ■ Increase outsourced production | <div style="display: flex; align-items: center;"> <div style="font-size: 4em; margin-right: 10px;">}</div> <div>Higher sales</div> </div> <div style="display: flex; align-items: center;"> <div style="font-size: 4em; margin-right: 10px;">}</div> <div>Higher ASP</div> </div> <div style="display: flex; align-items: center;"> <div style="font-size: 4em; margin-right: 10px;">}</div> <div>Lower cost</div> </div> | <div style="font-size: 4em; margin-top: 10px;">}</div> <div>Higher RONA</div> |
|--|---|---|

→ Focus on mix improvement and higher capacity

Net sales:

1-6/2011: 56.7 m€ (37.1 m€); +52.8%

4-6/2011: 28.3 m€ (20.3 m€); +39.6%

EBIT:

1-6/2011: 10.0 m€ (7.7 m€); +29.6%

4-6/2011: 4.6 m€ (3.9 m€); +17.2%

EBIT margin:

1-6/2011: 17.7% (20.8%)

4-6/2011: 16.2% (19.3%)



Nokian Forest Rider₁₉

PROFIT CENTRES

Truck Tyres 1-6/2011: Profitable growth

Performance in 1-6/2011

- + Demand and sales clearly up in all geographical market areas
 - + Increased truck manufacturing
 - + Improved utilization rate in the transport sector
- + Market share improved in the Nordic countries, CE and Russia
- + Wider range for premium & standard truck tyres
- + Tyre price increases

Key actions and targets for 2011

- Increase off-take contract manufacturing
- Increase sales further in Nordic countries, Russia and CIS
- Expand in Eastern Europe utilising the “Vianor truck” concept
- Utilize the combination of new & retreaded tyres as a sales concept
- Utilize the stronger winter product range (incl. Hakkapeliitta truck tyres)
- Improve the product range with new sizes
- Improve logistics further

→ **Expand sales, utilize group synergies and the improved product offering**

Net sales:

1-6/2011: 25.8 m€ (15.9 m€); +62.1%

4-6/2011: 15.3 m€ (9.9 m€); +54.8%



Nokian Hakkapeliitta Truck F

PROFIT CENTRES

Vianor 1-6/2011: Partner network expanding as planned

Performance in 1-6/2011

- + Vianor expanded to 820 stores in 22 countries; +49 in H1/2011
 - + New countries Italy & Azerbaijan
 - + Partner network started in USA
 - + Master franchising agreement signed in Romania
- Equity-owned chain's EBIT negative due to seasonality

Key actions and targets for 2011

- Improve tyre sales and market shares
- Increase sales of car services, tyre hotels and other services
- Increase e-commerce sales
- Continue to expand the network and the number of partners.
Target: over 900 stores by the end of 2011

→ **Cement and improve market leader position as a distributor in Nokian Tyres' core markets**

Equity-owned Vianor (173 stores)

Net sales:

1-6/2011: 120.6 m€ (120.9 m€); -0.2%

4-6/2011: 78.7 m€ (78.7 m€); 0.0%

EBIT:

1-6/2011: -7.2 m€ (-5.1 m€); -43.2%

4-6/2011: 5.9 m€ (6.8 m€); -13.2%

EBIT margin:

1-6/2011: -6.0% (-4.2%)

4-6/2011: 7.5% (8.6%)



New Vianor store in Italy

EXPANSION OF DISTRIBUTION CHANNEL

Vianor 1-6/2011: Foothold on core markets strengthening

Vianor – 820 stores in 22 countries

- 28 new stores in Q2/2011, +49 in H1/2011
- 173 equity-owned, 647 franchising/partners
- Largest tyre chain in Nordic and Baltic countries:
236 stores (+3 in Q2/2011)
- Largest tyre chain in Russia and CIS:
450 stores (+12) in 277 cities
- Expansion to Central Europe gained momentum:
121 stores (+10)

Vianor stores by segment:

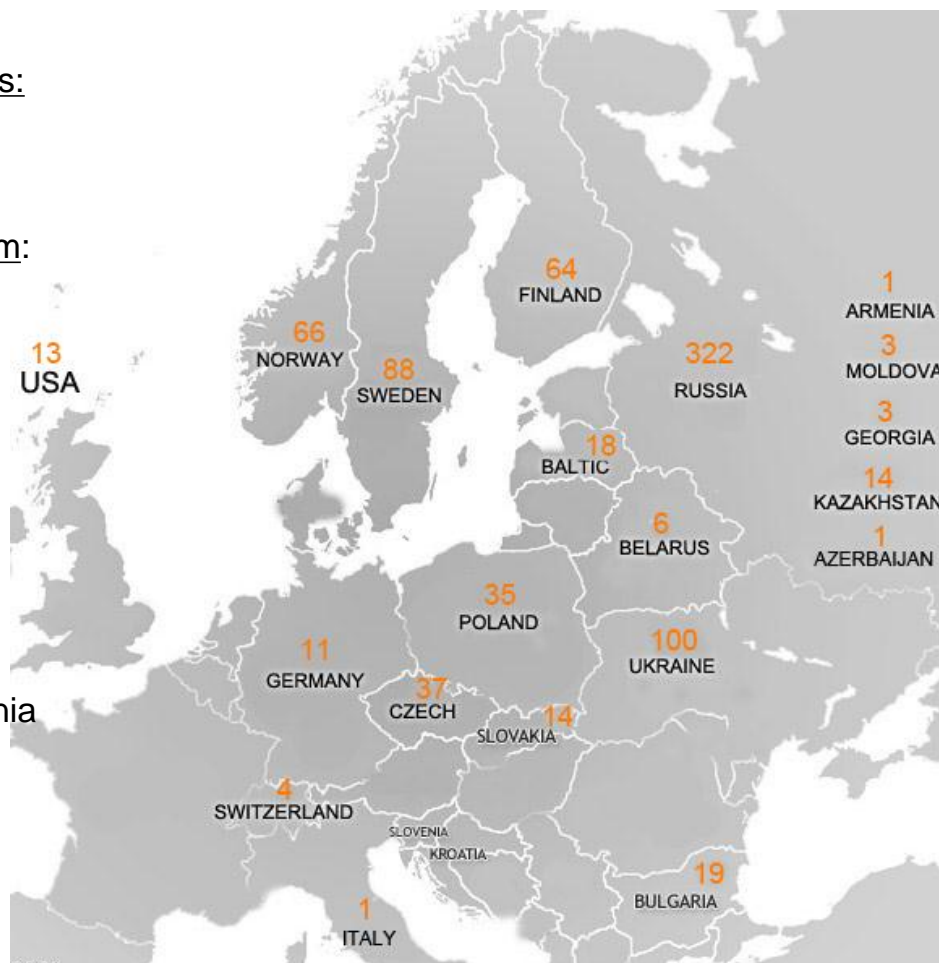
- Car tyres: over 800 stores
- Heavy tyres: nearly 200 stores
- Truck tyres: over 240 stores

Vianor highlights in Q2/2011:

- New countries: Italy & Azerbaijan
- Partner network started in USA
- Master franchising agreement signed in Romania

Target 2011 → over 900 Vianor stores

Vianor – Distribution spearhead for all product groups



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NOKIAN TYRES GOING FORWARD

Significant investments in 2011 to secure strong profitable growth

Investments in 1-6/2011

- 52.6 m€ (27.6 m€)

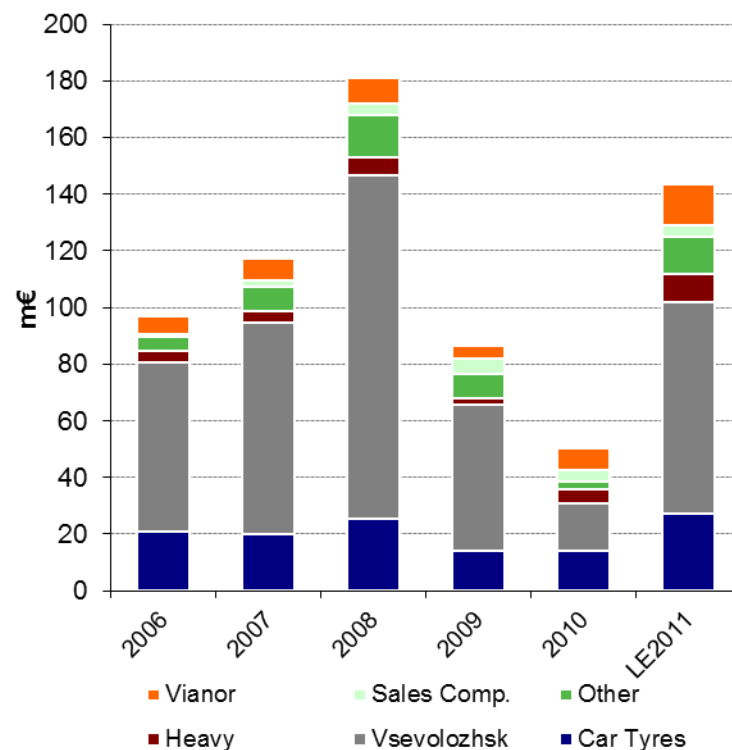
Russia

- Capacity ramp-up and investments
 - Lines 9 in production
 - Line 10 start-up in Q3/2011
 - New plant under construction, production starts by summer 2012

Estimated investments for 2011

- Approximately 140 m€
 - Investments to Russia incl. the start of new plant construction 75 m€
 - Nokian plant and processes 25 m€
 - Moulds for new products 26 m€
 - Vianor chain including acquisitions 14 m€

Nokian Tyres Capital expenditures (m€)



NOKIAN TYRES GOING FORWARD

Production plants: Capacity increases continue



Nokia, Finland

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

2010:

- Car tyres to 6-day shift system
- Heavy tyres to 7-day full capacity utilisation

2011:

- Car tyres to 7-day shift system in August
- Investments for increasing productivity through automation
- Approx. 150 new employees



Vsevolozhsk, Russia

- Production of the whole car tyre range
- State-of-the-Art production technology
- Low production costs
- Tax relieves
- Inside the duty borders of Russia and CIS
- Export to all markets
- Possibility to expand in current premises & land area

2010:

- Lines 7 and 8 were taken into use
- Approx. 200 new employees

2011:

- Lines 9 and 10 & new technology into use
- Approx. 200 new employees

**New factory next to the current one in 2012-2014:
5-6 million tyres annual capacity, a new agreement
for tax relieves and incentives successfully completed.**

NOKIAN TYRES GOING FORWARD

Outlook for 2011: Sales to improve backed by increasing capacity

Assumptions

- Growing core market: Nordic countries, Russia & CIS
 - GDP growth 3-5%
 - New car sales improving
 - Russian economy growing, strong consumer confidence
 - Currencies on Nokian core markets expected to be stable
- Further ASP improvement to offset higher raw material cost (€/kg)
 - Cost up by 35.8% in H1/2011 vs. H1/2010
 - Cost estimated to increase by 6% in Q3/2011 vs. Q2/2011
 - Cost estimated to increase by 30% in 2011 vs. 2010
- Passenger car tyre operation environment
 - Demand strong in core markets
 - Low carry-over distributor inventories offer growth opportunities
 - Demand improving for winter tyres, legislation in Europe
 - Receivable risks are back to normal
- Heavy tyre market demand
 - OE markets for heavy tyres continue to grow
 - Aftermarket demand continues to grow
- Nokian Tyres financial position remains solid
 - No major loans due for payment in 2011
 - Equity ratio 70.2%
 - Undrawn facilities available

Outlook: Profitable growth

- Strong demand and order book → good visibility in 2011
- Raw material cost gradually levelling off but it is estimated to go up 30% in 2011 vs. 2010
- Capacity increasing:
 - Line 9 in Russia commenced, ramp-up ongoing
 - Line 10 in Russia start-up in Q3/2011
 - Plant in Nokia back in 7 d/week full capacity in Aug 2011
 - Building of new plant in Russia commenced, production by summer 2012
- Profitability supported by:
 - Improved cost structure, higher sales volume, better mix and ASP
 - Increasing share of Russian production → productivity up
- Year 2011 estimates:
 - The company is positioned to provide strong sales growth and to improve operating profit clearly compared to 2010

Instructions to conference call attendees

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

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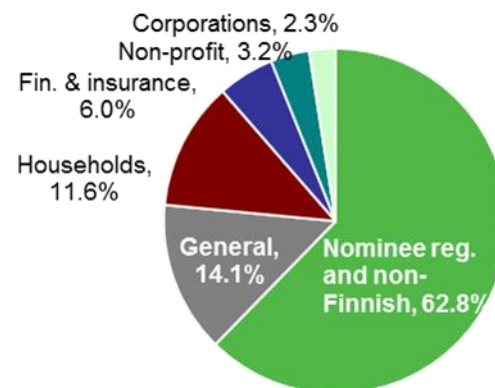


APPENDIX

Major shareholders as of 30 June, 2011

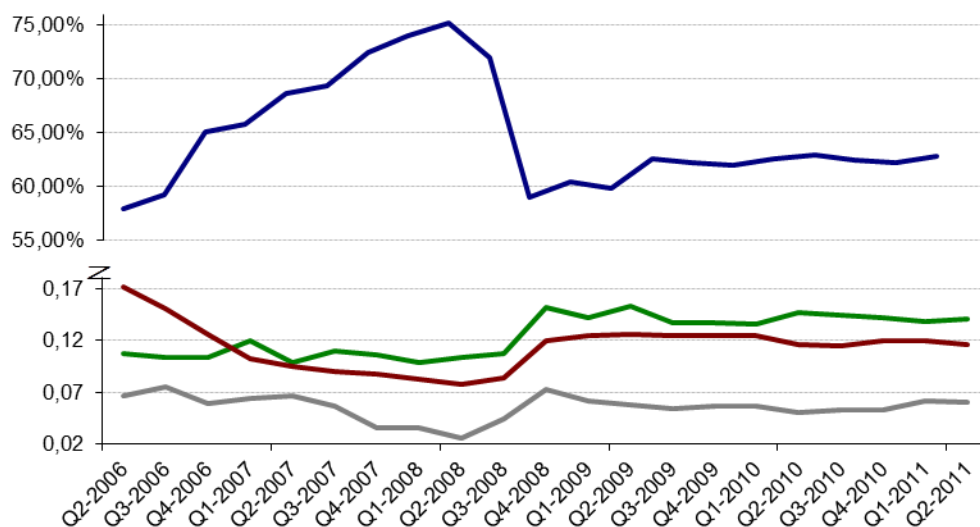
Major Domestic Shareholders	Number of Shares	Share of Capital (%)	Change from previous month
1 Varma Mutual Pension Insurance Company	8 502 839	6,57	0
2 Ilmarinen Mutual Pension Insurance Company	5 440 313	4,2	201000
3 Nordea	1 335 625	1,03	33229
4 OP Investment Funds	1 283 000	0,99	0
5 The State Pension Fund	1 189 530	0,92	0
6 Tapiola Mutual Pension Insurance Company	1 150 000	0,89	0
7 Gyllenberg Investment Funds	652 500	0,5	-14400
8 Folketrygdfondet	630 883	0,49	0
9 Etera Mutual Pension Insurance Company	589 953	0,46	-50000
10 Nordea Nordenfonden	569 060	0,44	30500
Major Domestic Shareholders total	21 343 703	16,49	
Foreign Shareholders ¹⁾	81 311 580	62.8%	
Bridgestone Europe NV/SA ²⁾	20 000 000	15.5%	

Division by Category as of 30 June 2011



Total number of shares: 129 475 844

Shareholder development by category Q2/2006 - Q2/2011



Note: Options, free (30 June, 2011)

2007B: 2,249,450 (423,940 in company's possession)

2007C: 2,248,400 (1,114,100 in company's possession)

2010A: 1,320,000 (37,000 in company's possession)

2010B: 1,340,000 (1,340,000 in company's possession)

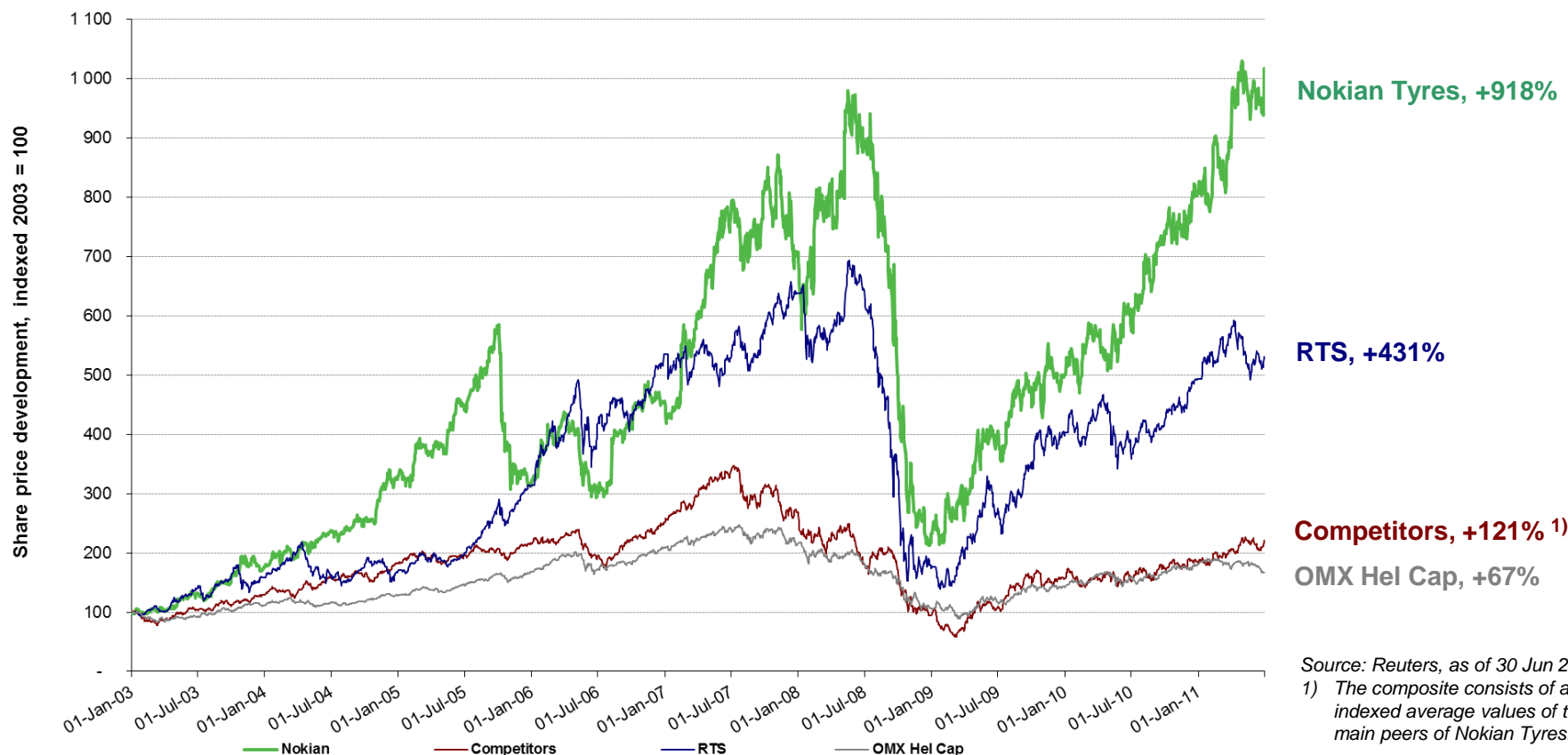
2010C: 1,340,000 (1,340,000 in company's possession)

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 1/2003 - 6/2011



Source: Reuters, as of 30 Jun 2011.

1) The composite consists of an indexed average values of the main peers of Nokian Tyres.

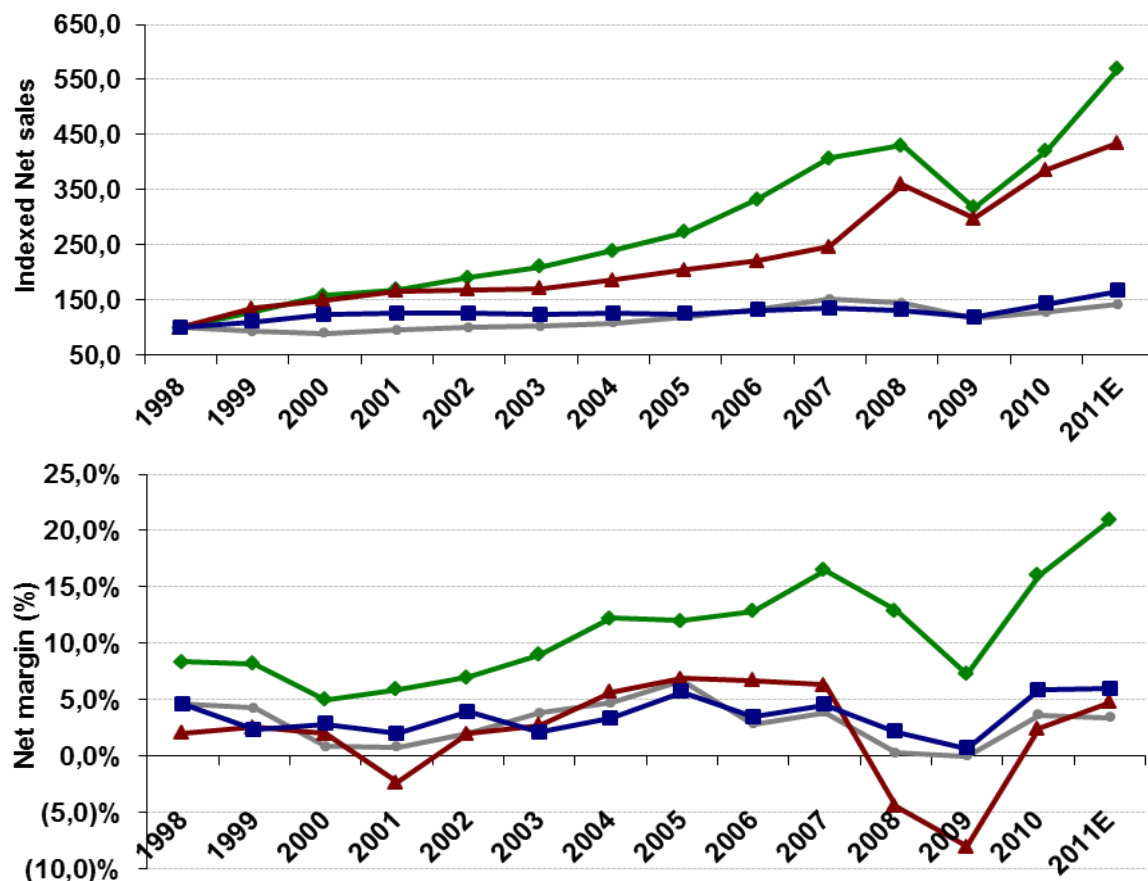
Nokian Tyres

by Jun-30-2011

	Last 8 years	Last 3 years	Last 2 years	LTM	L6M	L3M	Last month
High	35,00	35,00	35,00	35,00	35,00	35,00	34,60
Average	16,71	19,72	22,44	27,58	30,92	33,25	33,00
Low	4,08	7,23	12,05	19,40	26,38	30,80	31,91

APPENDIX: Competitor comparison 1998-2011E: **Nokian Tyres the most profitable tyre producer**

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



Net sales change

CAGR 2007 – 2011E

Nokian	8.8%
Michelin	5.4%
Bridgestone	-1.7%
Continental	n.m. ¹⁾

Net income 2007 – 2011E

	CAGR	Margin 2011E
Nokian	15.5%	20.9%
Michelin	12.7%	6.0%
Bridgestone	-4.8%	3.4%
Continental	n.m.	4.8%

Source: Results 1998-2010 (company websites) and 2011 consensus estimates for the peers as per Reuters 28 July 2011.

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.

PLEASE NOTE: ESTIMATE 2011 IS BASED ON CONSENSUS ESTIMATES, NOT NOKIAN TYRES GUIDANCE.

APPENDIX: The new products' test success continues – both in summer and in winter

SUMMER TYRES, spring 2011

Nokian V

- Summer tyre for CE and North America
- Test victories e.g.:
 - Auto, Motor und Sport (Germany)
 - ADAC Motorwelt (Germany)

Nokian Hakka H for core markets

- Test victory: Za Rulem (Russia)

Nokian Hakka Green for core markets

- Test victory: Tuulilasi (Finland)



Nokian V

WINTER TYRES, autumn 2010

Nokian Hakkapeliitta 7 – Next generation studded tyre

- New studded winter tyre family for core markets. Winner in practically all magazine tests, e.g.:
 - Tekniikan Maailma (Finland)
 - Tuulilasi (Finland)
 - Vi Bilägare (Sweden)
 - Aftonbladet BIL (Sweden)
 - Za Rulem (Russia)
 - Avto Centr (Ukraine)



Nokian Hakkapeliitta 7

Nokian Hakkapeliitta R – Safe and reliable friction tyre

- Rolls lightly and gives excellent grip. Test victories e.g.:
 - Vi Bilägare (Sweden)
 - Za Rulem (Russia)
 - Avto Centr (Ukraine)



- Minimum 35% of car tyres' net sales are new products
- Technological leadership
- High investment on winter tyre development & testing

APPENDIX

Examples of new products and innovations

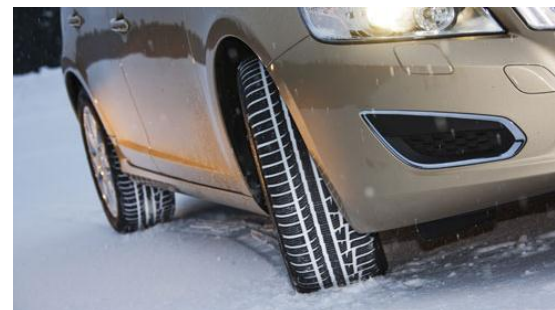
Nokian Hakka Green – Summer tyre for core markets

- Environmentally friendly novelty, extremely low rolling resistance
→ Fuel savings and less carbon dioxide emissions
- Superior grip and driving response
- If all Finnish car drivers would use use Nokian Hakka Green tyres, annual fuel savings would be over 114 million litres, which corresponds to 2,077 trailer loads. Carbon dioxide emissions would decrease by some 296,000 tonnes



Nokian WR – Winter tyre for Central Europe

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



Beyond All-Steel Radial – Challenging All-Steel special tyres

- Revolutionary technology of the future, used in harbour, mining and earthmoving machinery tyres
- Unique technical solution combining a multi-layer textile structure with a modern radial structure
- Better stability, longer life time, enhanced safety
- First top product: the Nokian HTS Straddle harbour tyre

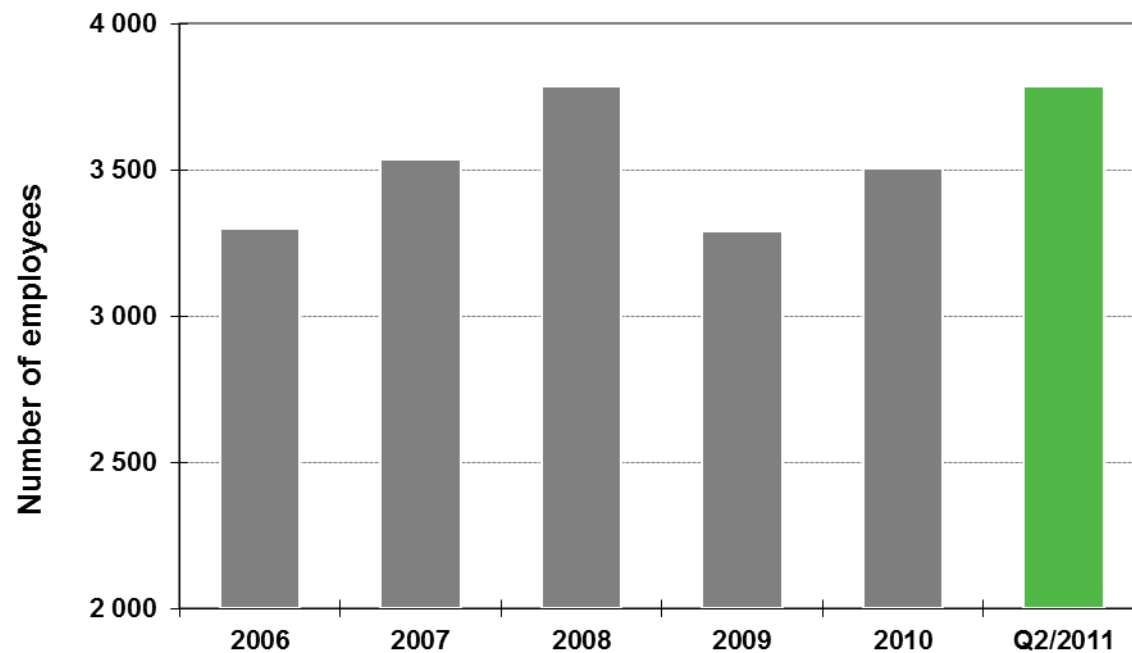


APPENDIX

Personnel 30 June, 2011

Personnel at the end of the review period: 3,786 (3,264)

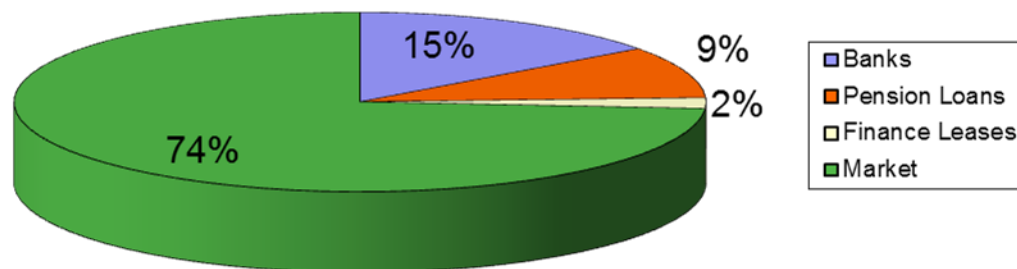
- Equity-owned Vianor: 1,317 (1,349)
- Russia: 965 (691)



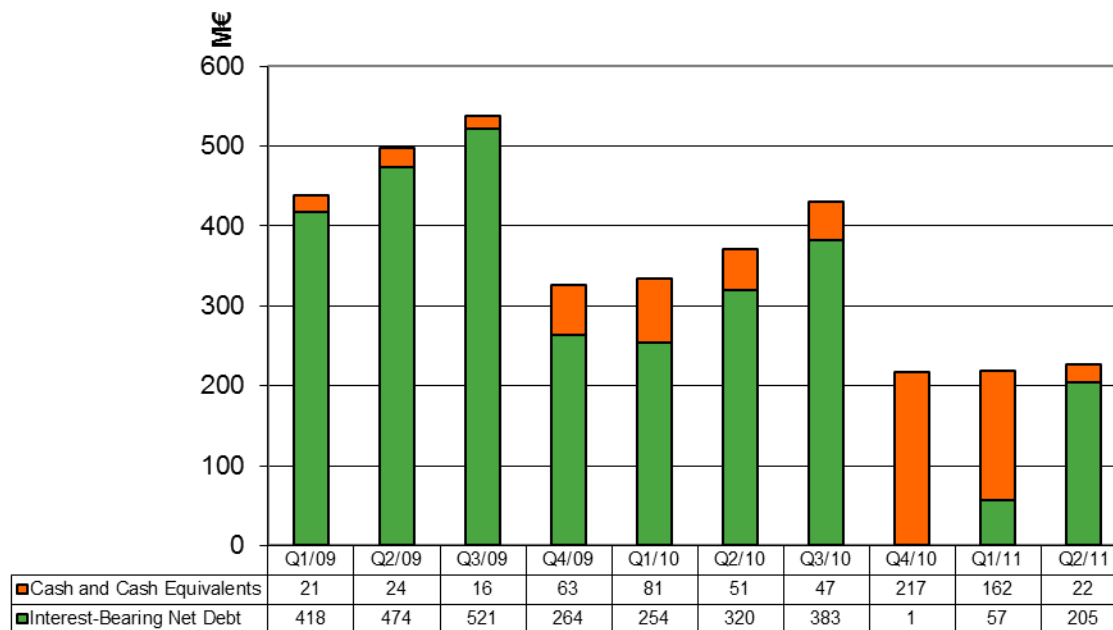
APPENDIX

Financing: Loans on 30 June, 2011

Interest Bearing Debts 227.4 m€ (30.6.2011)



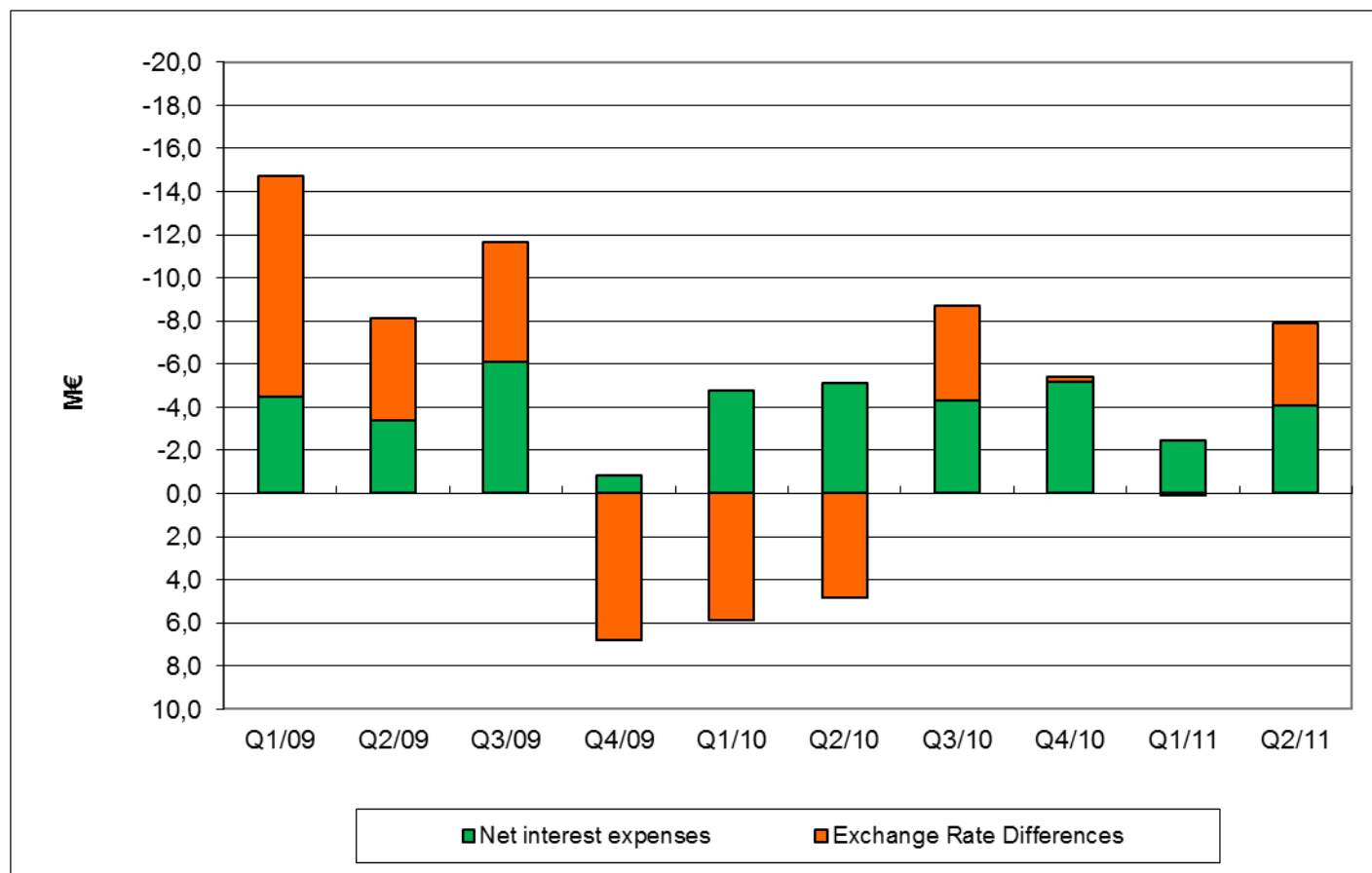
Interest-Bearing Debt



APPENDIX

Financing: Net Financial Expense

Net Financial Expense 1-6/2011: 10.3 m€ (1-6/2010: -0.8 m€)



APPENDIX

CONSOLIDATED INCOME STATEMENT

CONSOLIDATED INCOME STATEMENT	4-6/11	4-6/10	1-6/11	1-6/10	Last 12 months	1-12/10		Change
Million euros								%
Net sales	338,8	260,4	628,0	444,2	1 241,9	1 058,1		41,4
Cost of sales	-181,1	-145,6	-336,7	-254,2	-686,5	-604,0		-32,5
Gross profit	157,7	114,8	291,2	190,0	555,4	454,1		53,3
Other operating income	0,5	1,9	1,2	2,8	2,7	4,3		
Selling and marketing expenses	-51,8	-45,8	-103,3	-90,4	-205,7	-192,9		-14,2
Administration expenses	-8,3	-6,5	-14,5	-12,5	-29,6	-27,6		-15,8
Other operating expenses	-4,8	-3,5	-9,0	-7,8	-17,0	-15,8		-15,9
Operating profit	93,3	60,9	165,6	82,0	305,7	222,2		101,9
Financial income	15,0	16,7	49,6	46,0	99,9	96,3		7,8
Financial expenses	-23,0	-17,0	-59,9	-45,2	-124,3	-109,7		-32,4
Result before tax	85,4	60,6	155,3	82,8	281,3	208,8		87,5
Tax expense (1)	-11,2	-8,0	-18,7	-10,2	-47,7	-39,1		-83,7
Profit for the period	74,2	52,6	136,6	72,6	233,7	169,7		88,1
Attributable to:								
Equity holders of the parent	74,2	52,6	136,6	72,6	233,7	169,7		
Non-controlling interest	0,0	0,0	0,0	0,0	0,0	0,0		
Earnings per share from the profit attributable to equity holders of the parent								
basic, euros	0,57	0,42	1,06	0,58		1,34		84,5
diluted, euros	0,57	0,41	1,05	0,57		1,32		83,8
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	4-6/11	4-6/10	1-6/11	1-6/10	1-12/10
Million euros					
Result for the period	74,2	52,6	136,6	72,6	169,7
Other comprehensive income, net of tax:					
Gains/Losses from hedge of net investments in foreign operations	0,4	-4,3	0,6	-20,4	-17,9
Cash flow hedges	-0,9	-0,2	0,7	-0,8	-0,6
Translation differences on foreign operations	-1,8	25,2	4,4	69,1	37,0
Total other comprehensive income for the period, net of tax	-2,2	20,6	5,7	48,0	18,5
Total comprehensive income for the period	71,9	73,2	142,3	120,7	188,2
Total comprehensive income attributable to:					
Equity holders of the parent	71,9	73,2	142,3	120,7	188,2

APPENDIX

KEY RATIOS

KEY RATIOS	30.6.11	30.6.10		31.12.10		Change
						%
Equity ratio, %	70,2	60,9		68,4		
Gearing, %	20,0	37,3		0,1		
Equity per share, euro	7,92	6,74		7,34		17,6
Interest-bearing net debt,						
mill. euros	205,0	319,6		0,7		
Capital expenditure,						
mill. euros	52,6	27,6		50,5		
Depreciation, mill. euros	35,4	34,6		69,4		
Personnel, average	3 727	3 221		3 338		
Number of shares (million units)						
at the end of period	129,48	127,19		127,70		
in average	128,68	126,25		126,75		
in average, diluted	135,90	132,16		132,96		

APPENDIX: CONSOLIDATED STATEMENT OF FINANCIAL POSITION

CONSOLIDATED STATEMENT OF FINANCIAL POSITION	30.6.2011	30.6.2010	31.12.10
Million euros			
Non-current assets			
Property, plant and equipment	503,6	524,9	483,6
Goodwill	60,1	57,4	58,8
Other intangible assets	19,8	18,1	19,7
Investments in associates	0,1	0,1	0,1
Available-for-sale financial assets	0,3	0,3	0,3
Other receivables	21,4	11,8	20,6
Deferred tax assets	19,2	36,2	22,3
Total non-current assets	624,5	648,6	605,2
Current assets			
Inventories	310,3	231,0	210,6
Trade receivables	419,8	369,8	258,9
Other receivables	84,9	106,5	80,4
Cash and cash equivalents	22,4	51,4	216,6
Total current assets	837,4	758,7	766,3
Equity			
Share capital	25,4	25,4	25,4
Share premium	181,4	181,4	181,4
Translation reserve	-66,0	-41,4	-71,1
Fair value and hedging reserves	0,1	-0,8	-0,6
Paid-up unrestricted equity reserve	34,4	0,0	8,0
Retained earnings	850,7	692,5	793,9
Non-controlling interest	0,0	0,0	0,0
Total equity	1 026,0	857,1	937,2
Non-current liabilities			
Deferred tax liabilities	30,3	30,4	39,3
Provisions	0,1	1,4	0,1
Financial liabilities	203,2	203,5	204,2
Other liabilities	1,4	2,9	1,9
Total non-current liabilities	234,9	238,2	245,5
Current liabilities			
Trade payables	86,7	60,5	81,0
Other current payables	87,8	83,1	92,7
Provisions	2,2	0,7	2,2
Short-term financial liabilities	24,2	167,6	13,0
Total current liabilities	201,0	311,9	189,0
Total assets	1 461,9	1 407,3	1 371,6

APPENDIX

CONSOLIDATED STATEMENT OF CASH FLOWS

CONSOLIDATED STATEMENT OF CASH FLOWS		1-6/11	1-6/10	1-12/10
Million euros				
Cash flows from operating activities:				
Cash generated from operations		-64,2	56,0	372,7
Financial items and taxes		-26,3	-56,3	-45,4
Net cash from operating activities		-90,5	-0,3	327,2
Cash flows from investing activities:				
Net cash used in investing activities		-53,5	-24,1	-33,7
Cash flows from financing activities:				
Proceeds from issue of share capital		26,4	26,6	34,7
Change in current financial receivables and debt		11,1	125,6	-29,8
Change in non-current financial receivables and debt		-4,3	-90,2	-95,2
Dividends paid		-83,7	-50,7	-50,7
Net cash from financing activities		-50,5	11,4	-141,0
Net change in cash and cash equivalents		-194,5	-13,1	152,6
Cash and cash equivalents at the beginning of the period		216,6	62,5	62,5
Effect of exchange rate changes		0,3	1,9	1,5
Cash and cash equivalents at the end of the period		22,4	51,4	216,6
		-194,5	-13,1	152,6

APPENDIX

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

A = Share capital, B = Share premium, C = Translation reserve

D = Paid-up unrestricted equity reserve, E = Fair value and hedging reserves

F = Retained earnings, G = Non-controlling interest, H = Total equity

	Equity attributable to equity holders of the parent							
Million euros	A	B	C	D	E	F	G	H
Equity, Jan 1st 2010	25,0	155,2	-90,2	0,0	0,0	667,6	0,0	757,6
Profit for the period						72,6		72,6
Other comprehensive income, net of tax:								
Cash flow hedges				-0,8				-0,8
Net investment hedge			-20,4					-20,4
Translation differences			69,1					69,1
Total comprehensive income for the period			48,8	-0,8		72,6		120,7
Dividends paid						-50,7		-50,7
Exercised warrants	0,5	26,1						26,6
Share-based payments						2,9		2,9
Total transactions with owners for the period	0,5	26,1				-47,8		-21,1
Equity, Jun 30th 2010	25,4	181,4	-41,4	-0,8	0,0	692,5	0,0	857,1
Equity, Jan 1st 2011	25,4	181,4	-71,1	-0,6	8,0	793,9	0,0	937,2
Profit for the period						136,6		136,6
Other comprehensive income, net of tax:								
Cash flow hedges				0,7				0,7
Net investment hedge			0,6					0,6
Translation differences			4,4					4,4
Total comprehensive income for the period			5,0	0,7		136,6		142,3
Exercised warrants					26,4			26,4
Share-based payments						3,8		3,8
Total transactions with owners for the period					26,4	-79,9		-53,5
Equity, Jun 30th 2011	25,4	181,4	-66,0	0,1	34,4	850,7	0,0	1 026,0

APPENDIX

SEGMENT INFORMATION

SEGMENT INFORMATION							
Million euros	4-6/11	4-6/10	1-6/11	1-6/10	1-12/10		Change
							%
Net sales							
Passenger car tyres	238,8	179,5	468,5	318,7	714,7		47,0
Heavy tyres	28,3	20,3	56,7	37,1	81,0		52,8
Vianor	78,7	78,7	120,6	120,9	307,9		-0,2
Other operations	19,3	10,1	32,1	16,1	41,6		99,1
Eliminations	-26,2	-28,1	-49,9	-48,6	-87,2		-2,8
Total	338,8	260,4	628,0	444,2	1 058,1		41,4
Operating result							
Passenger car tyres	83,9	51,5	168,0	86,9	205,5		93,3
Heavy tyres	4,6	3,9	10,0	7,7	13,7		29,6
Vianor	5,9	6,8	-7,2	-5,1	4,0		-43,2
Other operations	-1,2	0,9	-0,7	-0,5	-1,6		-35,2
Eliminations	0,0	-2,2	-4,5	-7,0	0,6		36,1
Total	93,3	60,9	165,6	82,0	222,2		101,9
Operating result, % of net sales							
Passenger car tyres	35,2	28,7	35,9	27,3	28,8		
Heavy tyres	16,2	19,3	17,7	20,8	16,9		
Vianor	7,5	8,6	-6,0	-4,2	1,3		
Total	27,5	23,4	26,4	18,5	21,0		
Cash Flow II							
Passenger car tyres	-22,6	-2,0	-36,7	-10,5	291,2		-250,3
Heavy tyres	-5,3	2,0	-13,1	-1,3	8,5		-903,0
Vianor	-7,9	0,0	-20,1	-9,1	12,4		-119,7
Total	-49,9	-2,5	-102,3	-27,3	318,8		-274,4

APPENDIX

CONTINGENT LIABILITIES

CONTINGENT LIABILITIES	30.6.11	30.6.10	31.12.10
Million euros			
FOR OWN DEBT			
Mortgages	1,0	0,9	1,1
Pledged assets	0,0	0,0	0,0
OTHER OWN COMMITMENTS			
Guarantees	6,1	5,7	6,2
Leasing and rent commitments	97,2	98,7	102,1
Purchase commitments	1,7	3,4	2,2
DERIVATIVE FINANCIAL INSTRUMENTS	30.6.11	30.6.10	31.12.10
Million euros			
INTEREST RATE DERIVATIVES			
Interest rate swaps			
Notional amount	59,9	61,2	30,7
Fair value	-0,7	-1,6	-1,3
FOREIGN CURRENCY DERIVATIVES			
Currency forwards			
Notional amount	412,7	371,5	563,2
Fair value	-0,8	-8,1	-3,3
Currency options, purchased			
Notional amount	64,6	31,6	0,0
Fair value	0,9	0,6	0,0
Currency options, written			
Notional amount	113,1	71,9	0,0
Fair value	-0,9	-0,6	0,0
ELECTRICITY DERIVATIVES			
Electricity forwards			
Notional amount	16,3	-	-
Fair value	0,5	-	-

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, %:

$\text{Total equity} \times 100 / (\text{Total assets} - \text{advances received})$

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

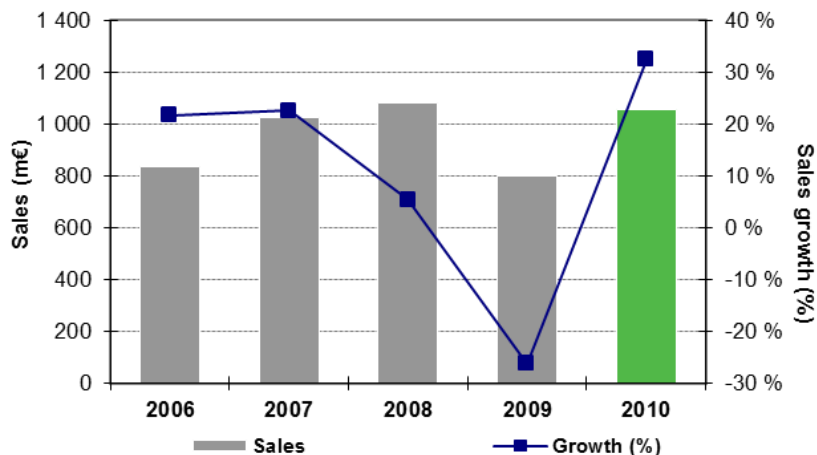
Operating margin:

Operating result, % of net sales

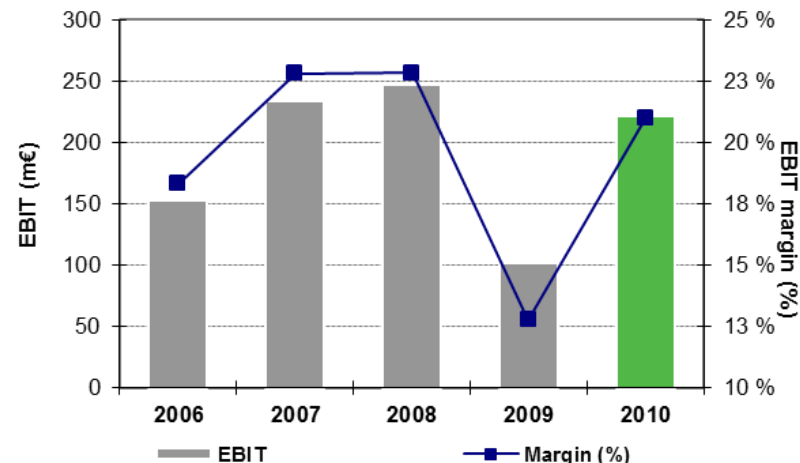
FINANCIAL PERFORMANCE

Development of key financials 2006-2010

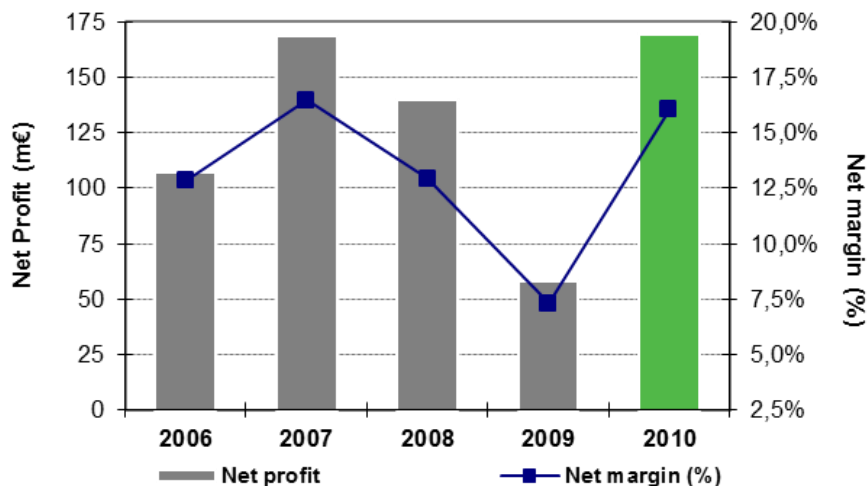
Net sales (m€) and Net sales growth (%)



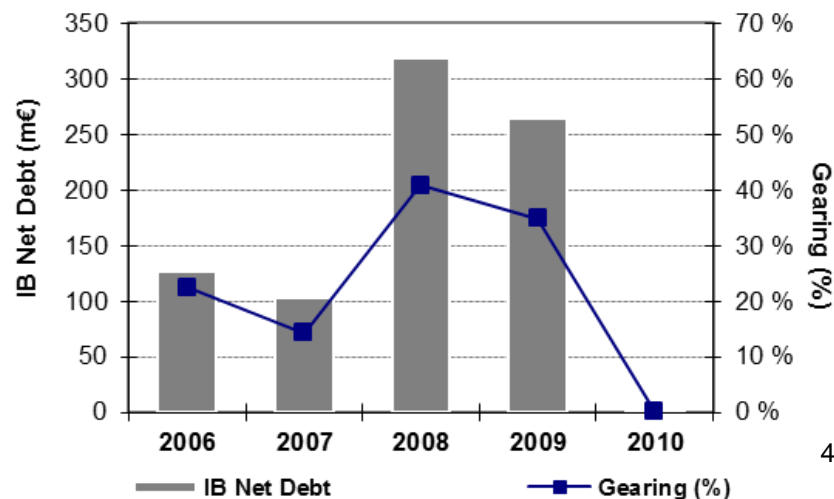
EBIT (m€) and EBIT margin (%)



Net profit (m€) and net margin (%)



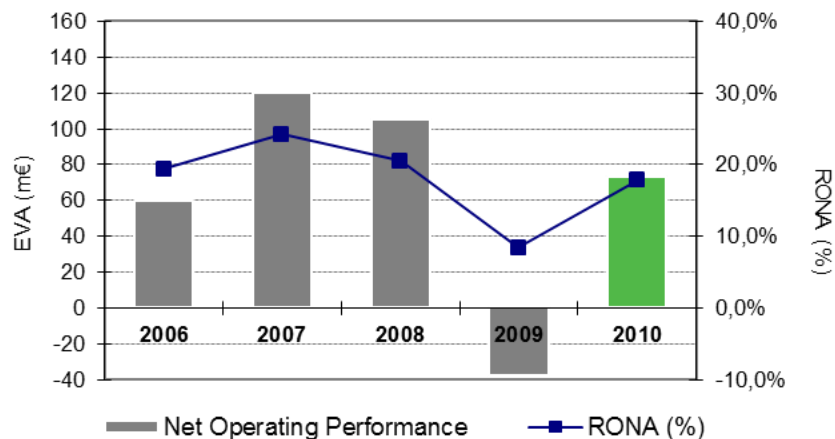
Interest bearing net debt (m€) and gearing (%)



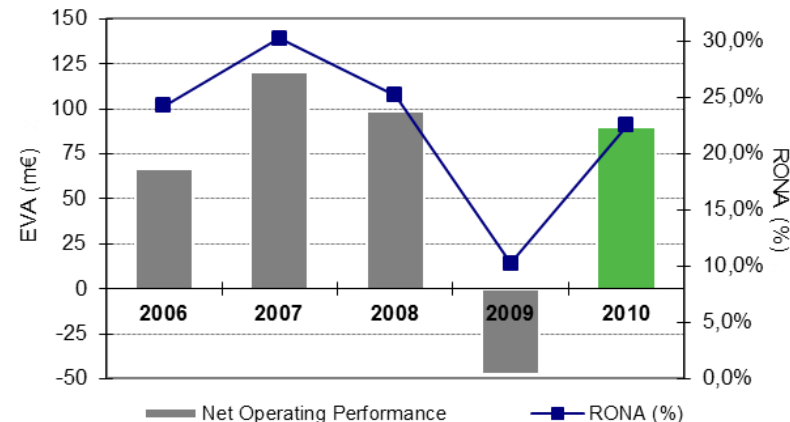
FINANCIAL PERFORMANCE

RONA (%) and net operating performance (EVA) ¹⁾ 2006-2010

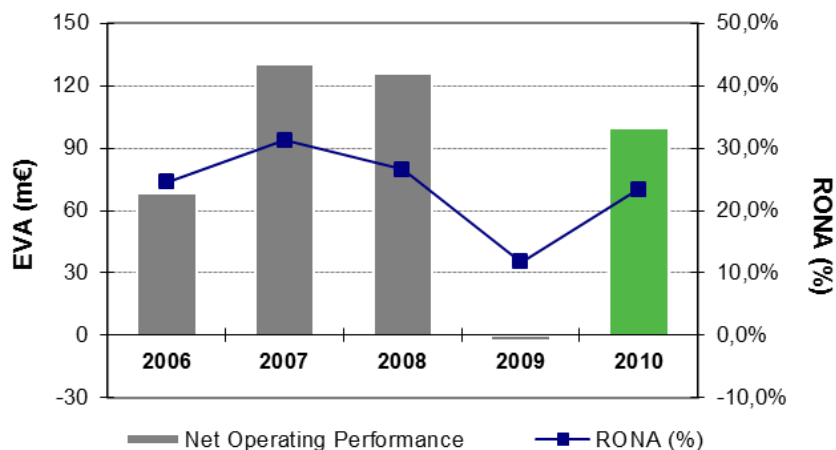
Group EVA (m€) and RONA (%)



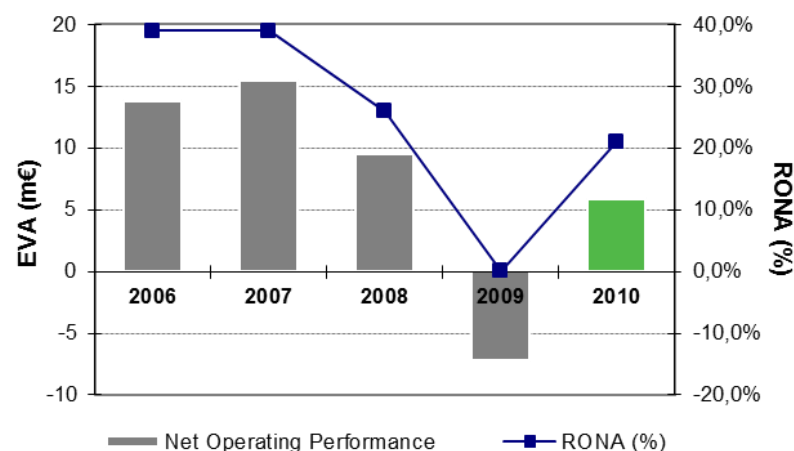
Manufacturing EVA (m€) and RONA (%)



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



Heavy Tyres EVA (m€) and RONA (%)



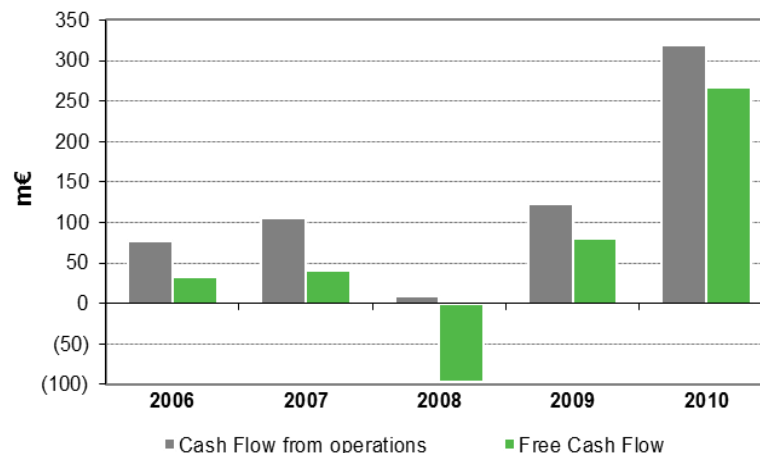
¹⁾ EVA is calculated based on 12% interest on capital employed.

FINANCIAL PERFORMANCE

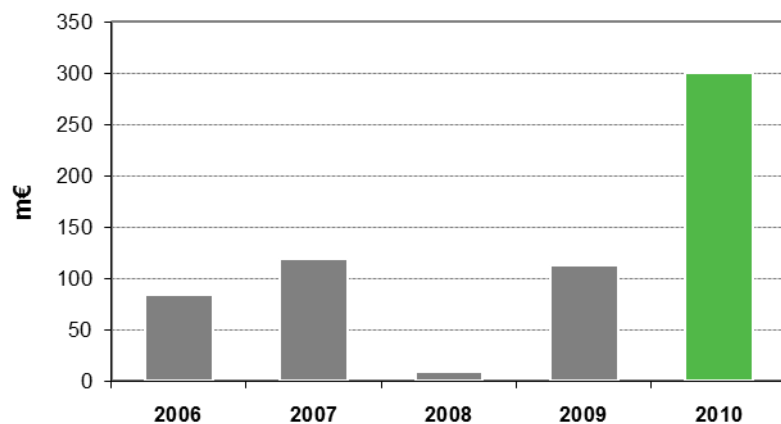
Group Operating Cash Flow and Free Cash Flow 2006-2010

- Both the Cash flow from operations and the Free cash flow all-time high in 2010
- Cash flow from operations: 318.8 m€ in 2010
 - Inventories' and Trade receivables rotation days improved
 - Russian receivables 24% (23%) of total at year end

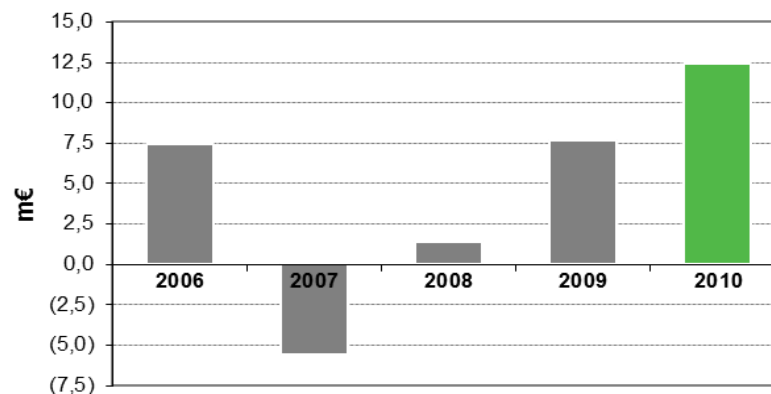
Group Cash flow from operations and Free Cash flow



Manufacturing Cash flow from operations



Vianor Cash flow from operations



Lessons from the North.

nokian
HAKKA GREEN

