

Hakkapeliitta



1936 *75* 2011

nokian
HAKKAPELIITTA

Nokian Tyres plc
Result January-September 2011
4 November, 2011

**Strong third quarter results
– high order book**

Mr. Kim Gran
President and CEO
Nokian Tyres plc

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Nokian Tyres – new world record on ice 2011

GENERAL OVERVIEW OF 1-9/2011

Strong third quarter results – high order book

Key figures, EUR million:

Key figures	7-9/11	7-9/10	Change (%)	1-9/11	1-9/10	Change (%)	2010
Net Sales	346.3	245.2	41.2%	974.3	689.4	41.3%	1 058.1
Operating profit	95.4	48.3	97.4%	261.0	130.4	100.2%	222.2
Profit before tax	89.1	39.6	124.7%	244.4	122.5	99.5%	208.8
Profit for the period	78.1	34.5	126.4%	214.6	107.1	100.4%	169.7
EPS (EUR)	0.60	0.27	122.5%	1.66	0.85	96.7%	1.34
RONA (%), rolling 12 months				26.8	13.9		17.8
Cash flow from operations	-150.9	-12.0	-1 159.4%	-253.1	-39.3	-544.2%	318.8
Gearing (%)				35.6	44.9		0.1

Summary

- Sales grew significantly on core markets
- Nokian Tyres' market shares up on all key markets, especially in Russia and Nordic countries
- Successful launch of a new CE winter tyre & strong sales of Hakkapeliitta range fuelled growth and improved ASP
- Improved sales mix and price increases → car tyre margins up
- Vianor expanded to 873 stores, addition of 102 in 1-9/2011
- Production output (tons) up by 51%, demand still exceeded the supply capacity.

Outlook: Profitable growth

- Strong demand and order book in Q4 → good visibility in 2011
- Raw material cost gradually levelling off but estimated to go up 29% in 2011 vs. 2010
- Capacity ramp-up proceed as planned:
 - Lines 9 and 10 in Russia in production
 - Plant in Nokia back in 7 d/week full capacity since August 2011
 - Building of new plant in Russia commenced, production during H2/2012
- Profitability supported by:
 - Improved cost structure, higher sales volume, better mix & ASP
 - Increasing share of Russian production → productivity up
- **Year 2011 guidance (updated):**
 - **The company is positioned to provide strong sales growth and to improve operating profit significantly compared to 2010**

GENERAL OVERVIEW OF 1-9/2011

Market overview: Strong demand continues

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 >30%
- Distributors' low inventory levels and a true, prolonged winter with heavy snowfall boosted winter tyre sales

Heavy tyres

Machinery and equipment production increased

- Demand and prices of pulp, sawmill products, metals and food strong but expected to weaken in 2012
- 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

Currencies' effects relatively insignificant

- Russian Rouble weakened against the Euro at the end of the review period
- SEK & NOK have been relatively stable during 2011
- EUR/USD has been volatile reflecting the uncertainties in the global economy

Raw material prices

Raw material prices expected to level off

- Raw material prices rose significantly YOY, levelling off in H2/2011

GENERAL OVERVIEW OF 1-9/2011

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 and winter tyres boosted sales
- + Car tyres' market share improved in Nordic countries, CE and in Russia
- + Strong forestry tyre sales
- Demand exceeded supply capacity in some product groups
- Demand growth for heavy tyres levelling off

Profitability

Improved ASP offset the increased raw material cost

- Raw material cost rose by 30.2% YOY
- + Mix improved & price increases implemented → car tyre ASP up double digits
- + 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
- + Lines 9 and 10 in Russia, production commenced
- + Plant in Nokia back in 7 d/week full capacity since August 2011
- + Building of new Russian plant commenced, production startup 2 lines during 2012

Distribution

Vianor expanding

- + Vianor expanded to 873 stores in 23 countries; increase by 102 in 1-9/2011
- + New countries Italy, Azerbaijan & Romania, partner network start-up in USA

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

Group operating result per quarter 2007-2011

1-9/2011

Net sales 974.3 m€

(689.4 m€), +41.3%

EBIT 261.0 m€

(130.4 m€), +100.2%

7-9/2011

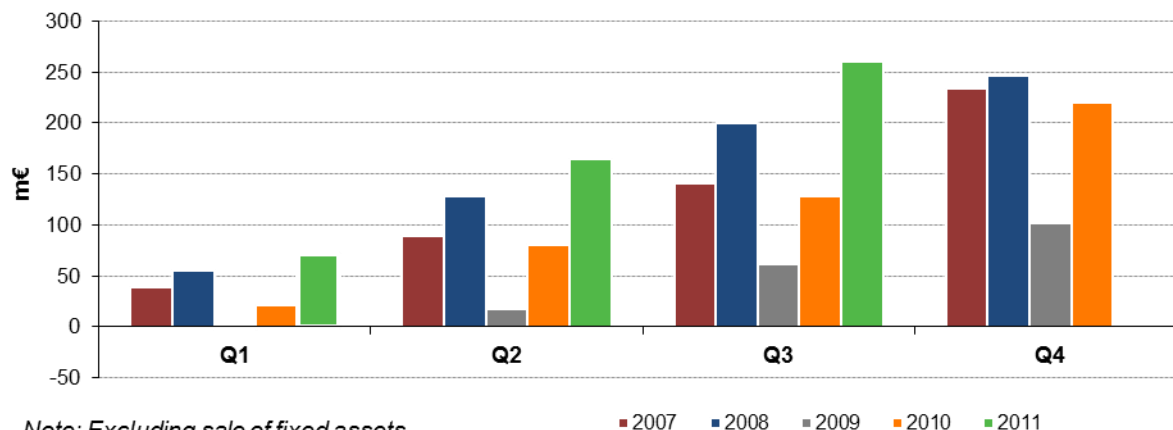
Net sales 346.3 m€

(245.2 m€), +41.2%

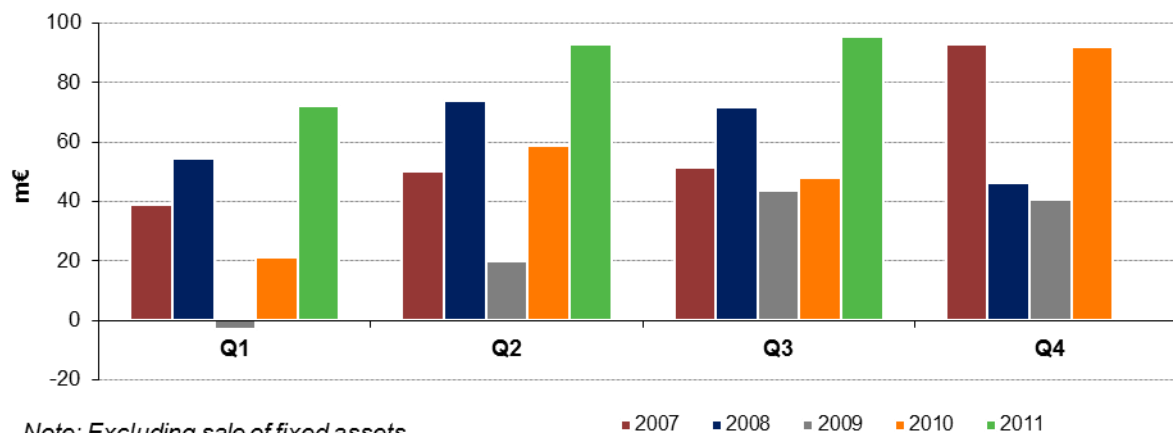
EBIT 95.4 m€

(48.3 m€), +97.4%

Cumulative operating result per quarter (m€)



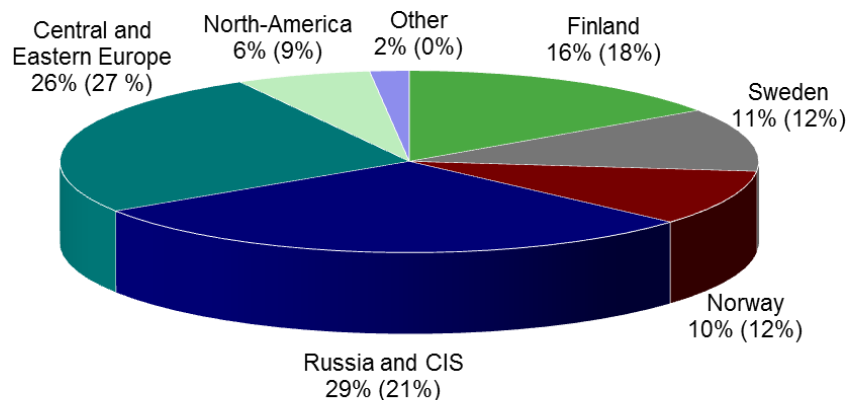
Group operating result per quarter (m€)



FINANCIAL PERFORMANCE

Gross sales by market area 1-9/2011

Sales of Nokian Tyres Group: 1,031.5 m€, +41.2%

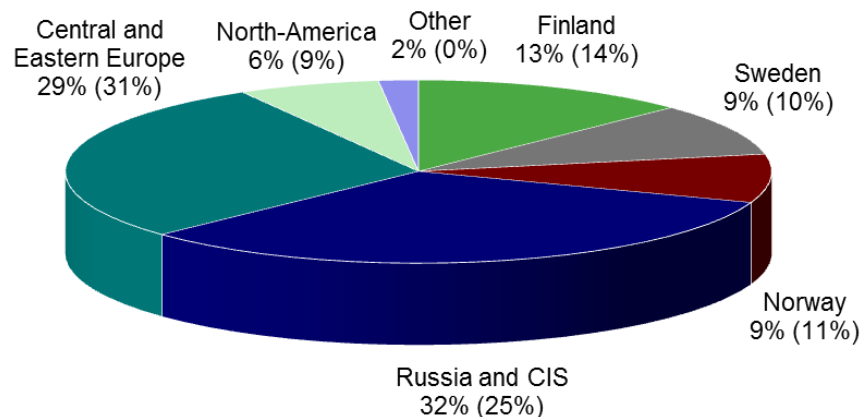


GROUP

Sales development in euros

■ Nordic countries	+22.9%
■ Russia and CIS	+94.9%
■ Central and Eastern Europe	+39.6%
■ North America	-5.8%

Sales of Manufacturing Units: 933.7 m€, +50.0%



MANUFACTURING

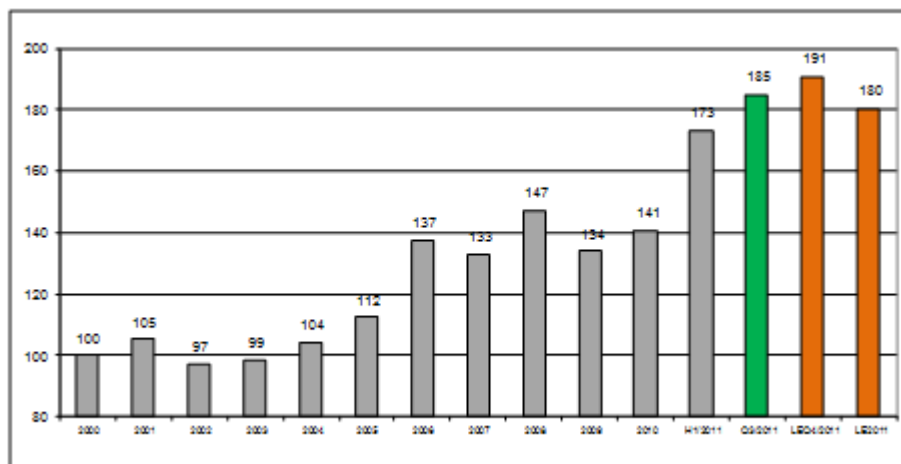
Sales development in euros

■ Nordic countries	+32.5%
■ Russia and CIS	+95.0%
■ Central and Eastern Europe	+41.3%
■ North America	+10.1%

FINANCIAL PERFORMANCE

Raw material cost development

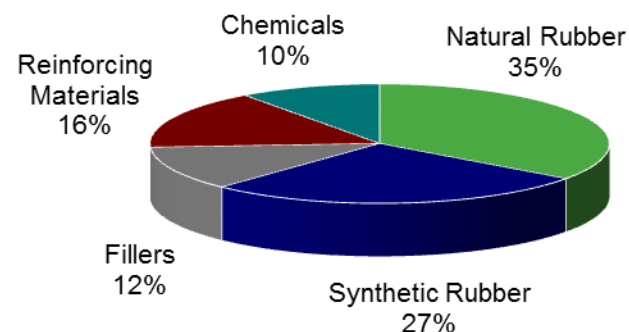
Raw material cost development index 2000-E2011



Nokian Tyres raw material cost (€/kg)

- **Raw material cost increased by**
 - 30.2% in 1-9/2011 vs. 1-9/2010
 - 21.7% in Q3/2011 vs. Q3/2010
 - 3.2% in Q3/2011 vs. Q2/2011
- **Raw material cost is estimated to increase by**
 - 3% in Q4/2011 vs. Q3/2011
 - 25% in H2/2011 vs. H2/2010
 - 29% in 2011 vs. 2010

Value of raw material consumption (%)



Nokian Tyres to improve material margin in 2011 vs. 2010 due to a ASP increase

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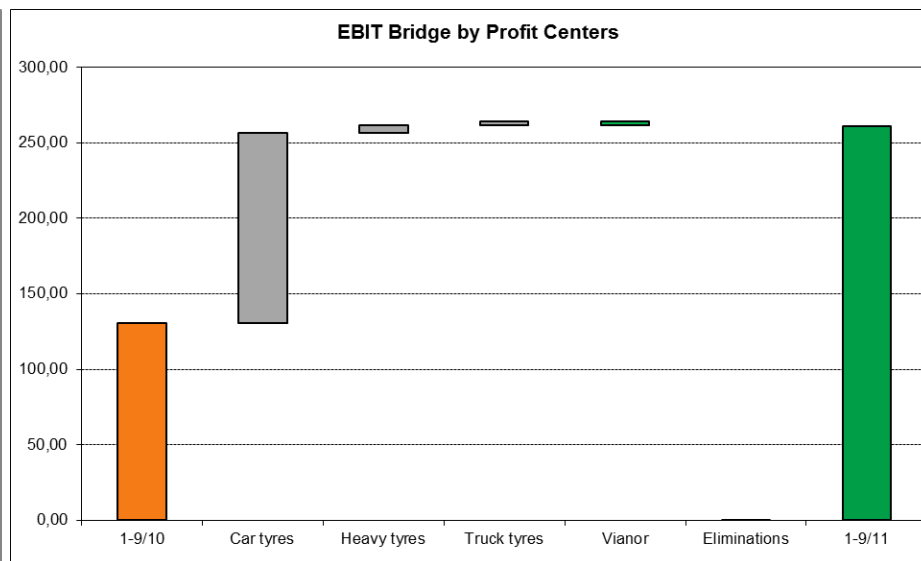
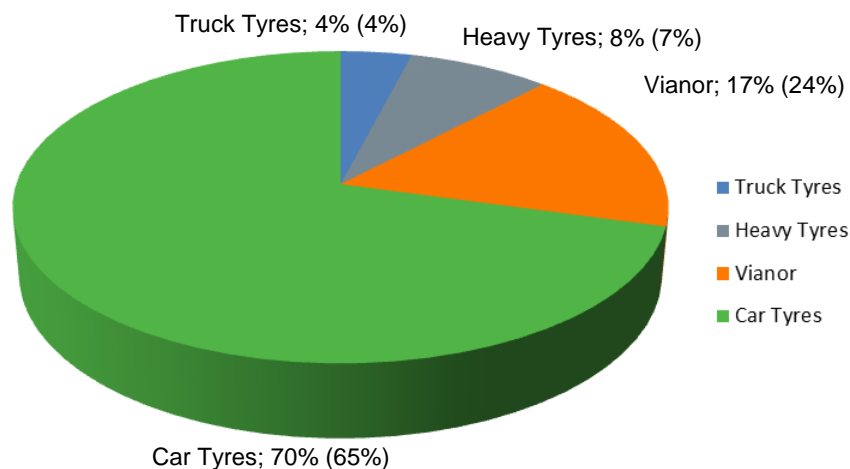
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 - Heavy Tyres
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PROFIT CENTRES *General overview of 1-9/2011*

Net sales 974.3 m€; +41.3%

EBIT 261.0 m€; +100.2%



Passenger Car Tyres

- **Net sales:** 732.7 m€; +48.5%
- **EBIT** 262.0 m€; +93.2%
- **EBIT margin:** 35.8% (27.5%)
- **Key products:** studded and non-studded winter tyres, high-speed summer tyres

Heavy Tyres

- **Net sales:** 83.3 m€; +50.5%
- **EBIT:** 14.2 m€; +49.9%
- **EBIT margin:** 17.0% (17.1%)
- **Key products:** tyres for forestry, industrial and agricultural machinery

Truck Tyres

- **Net sales:** 44.6 m€; +57.7%
- **Key products:** truck tyres and retreading materials

Vianor

- **Net sales:** 181.1 m€; -2.3%
- **EBIT:** -10.7 m€; -35.9%
- **EBIT margin:** -5.9% (-4.3%)
- 873 stores in 23 countries in Nokian Tyres' core markets

PROFIT CENTRES

Passenger Car Tyres 1-9/2011: Russia spearheads sales growth

Performance in 1-9/2011

- + 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 and winter tyres
- + Improved sales mix and price increases → ASP up
- + Production (pcs) up by 47% vs. 1-9/2010
- + Productivity up trailing the higher production volume
- + Capacity increase projects proceeded as planned
- Supply capacity a bottleneck → sales shifted to Q4 and 2012
- Raw material cost increased 30.2% YOY

Key actions and targets for 2011

- Increase sales, especially in Russia and CE
- Improve market shares in core markets
- Optimize logistics, winter season management
- Improve sales mix & service level
- Defend brand and price position
- Increase production in Russia, lines 9&10 ramp-up
- Improve productivity, utilize full capacities
- Reduce NWC, secure collection of receivables

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

Net sales:

1-9/2011: 732.7 m€ (493.3 m€); +48.5%

7-9/2011: 264.2 m€ (174.7 m€); +51.3%

EBIT:

1-9/2011: 262.0 m€ (135.6 m€); +93.2%

7-9/2011: 94.0 m€ (48.7 m€); +92.9%

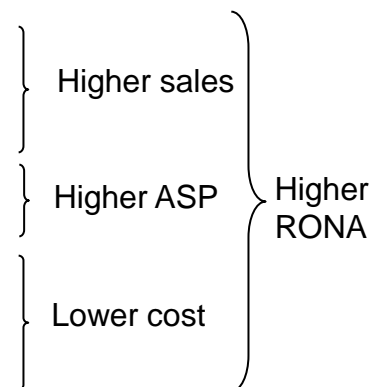
EBIT margin:

1-9/2011: 35.8% (27.5%)

7-9/2011: 35.6% (27.9%)



Test winner Nokian WR D3 and Nokian WR A3. New Central European winter tyre range 2011.



PROFIT CENTRES: *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 Hakka Green

WINTER TYRES, autumn 2011

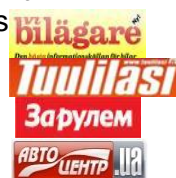
Nokian Hakkapeliitta 7 – Next generation studded tyre

- Studded winter tyre family for core markets.
- Test victories in magazine tests, e.g.:
 - Tuulilasi (Finland)
 - Vi Bilägare (Sweden)
 - AutoReview (Russia)
 - Auto Centre (Ukraine)



Nokian Hakkapeliitta R – Safe and reliable friction tyre

- Rolls lightly and gives excellent grip. Test victories
 - Vi Bilägare (Sweden)
 - Tuulilasi (Finland)
 - Za Rulem (Russia)
 - Auto Centre (Ukraine)



Nokian WR D3 – To Central European winter

Test victories e.g.:

- Sport Auto (Germany)
- Tekniikan Maailma (Finland)
- Aftonbladet (Sweden)
- Auto Centre (Ukraine)



Nokian Hakkapeliitta 7

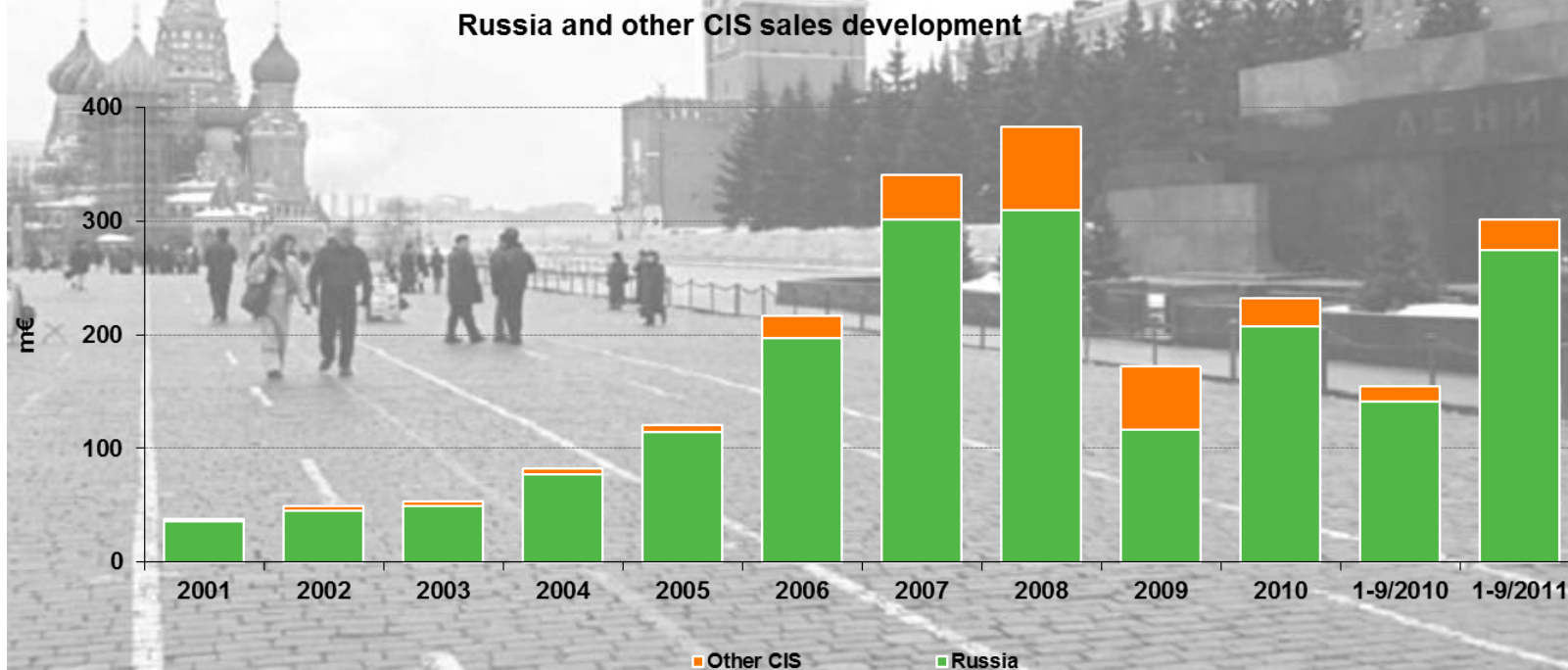
- Minimum 35% of car tyres' net sales are new products
- Technological leadership
- High investment on winter tyre development & testing

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 1-9/2011 grew by 93.9% to 274.3 m€ (141.4 m€)
- Sales in CIS (excluding Russia) were 27.4 m€ (13.4 m€)

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



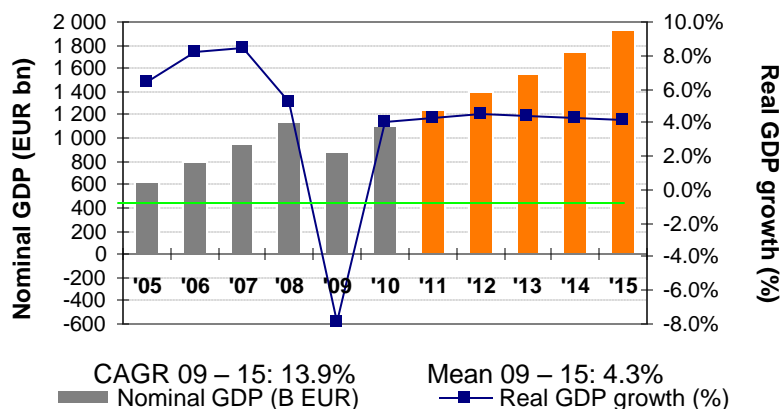
**RUSSIA: Vianor stores in Russia & CIS as of 30 September 2011:
474 stores in 283 cities; +45 stores in 1-9/2011**



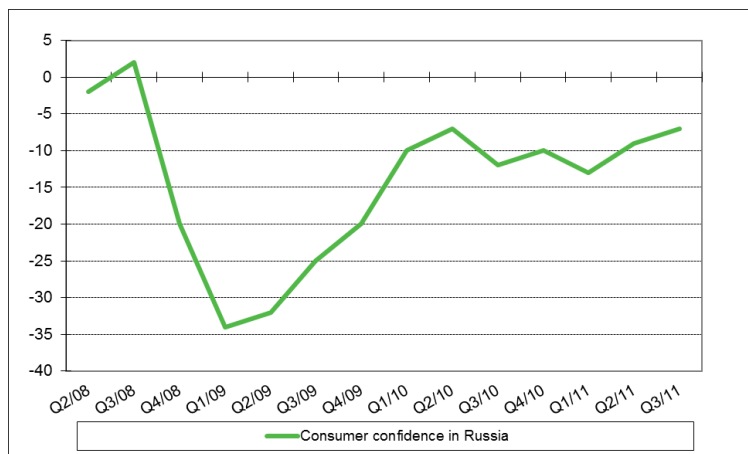
RUSSIA

Russia's economy recovering, but uncertainty creeping in

Russia's GDP growth: base scenario



Consumer confidence in Russia



Source: Rosstat, EIU and Nokian Tyres estimates

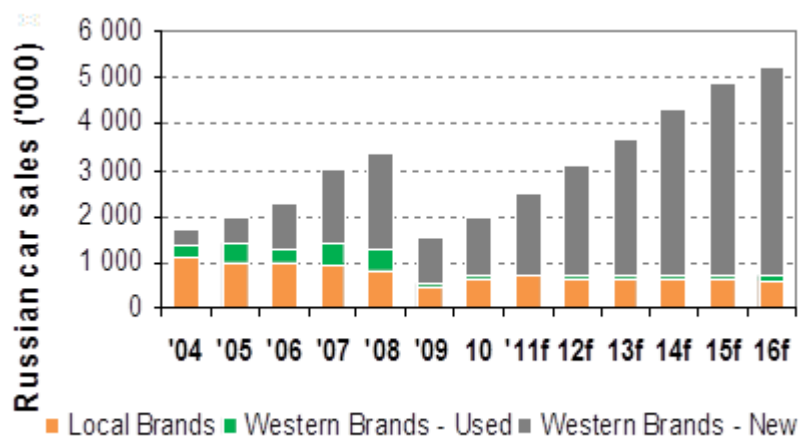
Major trends and expectations

- Russia's economy is clearly recovering 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 4.0%
- Recovery is keeping momentum in 2011, backed by high oil and commodity prices
 - estimated annual real GDP growth in Q1 – Q3/2011 is approx. 4%
- Overall growth trend is likely to continue unless major external shocks (e.g. collapse of oil prices) take place: in the base scenario, average GDP growth for 2010-2015 is estimated at >4% a year
- Election cycle will dominate economic policy until March 2012
- There are first signs of weakening demand in consumer markets – e.g. retail turnover is not growing in real terms, although consumer confidence has stabilized
- Ruble exchange rate, stable in H1/2011, started to fluctuate again in Q3 – following downturn in stock markets, the ruble devaluated from ~40 RUR/EUR to ~43 RUR/EUR and stabilized at this level, expected to revalue back after the uncertainty / downturn is over

RUSSIA

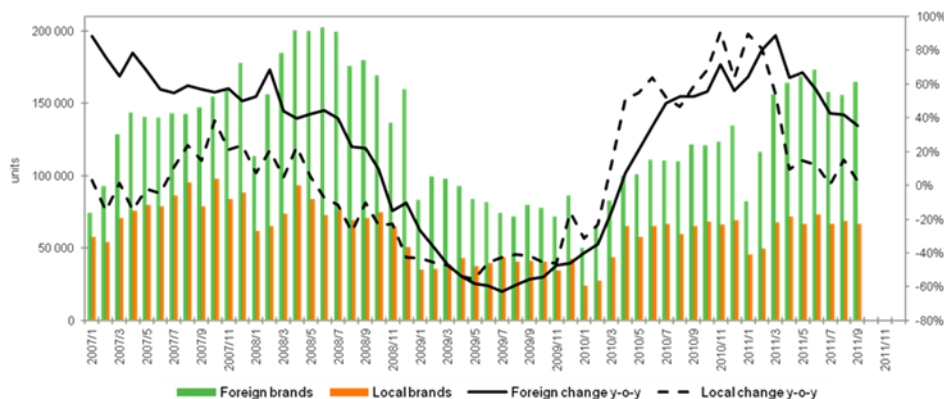
Car sales steadily on a growth track

Russian car sales forecast – base scenario



Monthly car sales

MONTHLY CAR AND LCV SALES

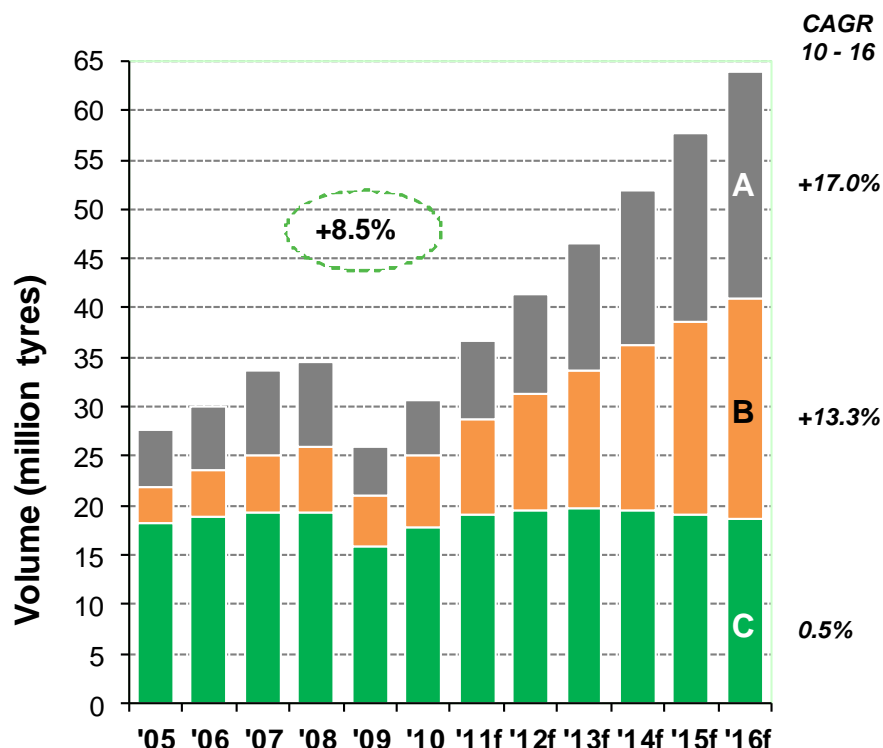


Source: AEB; IHS Global Insight; MinPromTorg; Nokian Tyres estimates

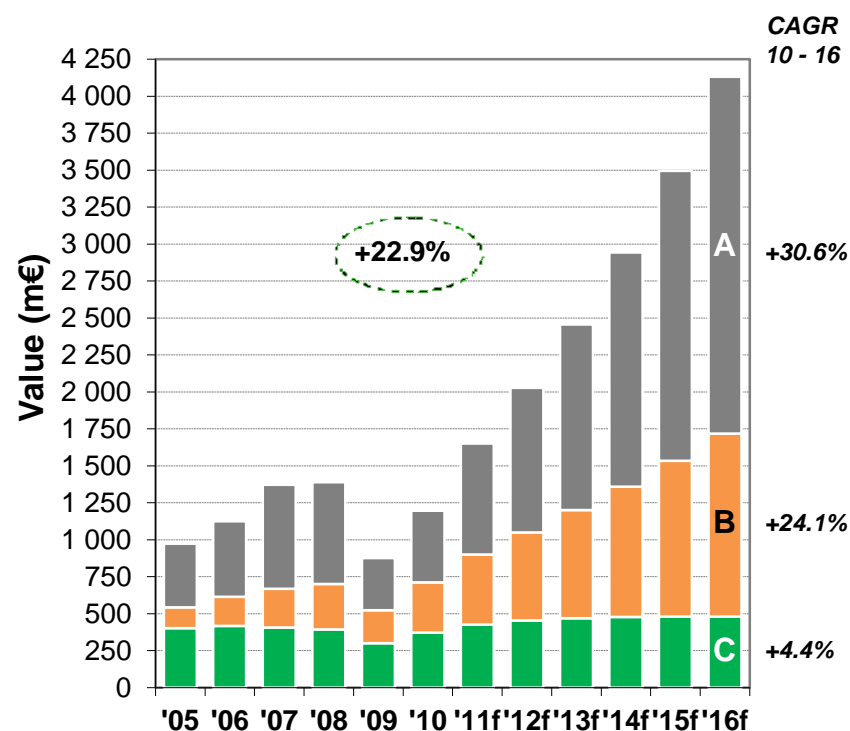
Car market summary

- Sales of new cars and LCVs in Russia increased by 30% in 2010 vs. 2009 and by 45% in 1-9/2011 vs. 1-9/2010
 - Growth is expected to continue the whole year, but the rate is slowing down due to a higher comparison base in H2/2010 (e.g. Sep 2011 +26% vs. Sep 2010)
- 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, Nordman)
- Strong distribution chain covering all of Russia – based on long-term and close customer relationships
- Only global producer with a controlled tyre distribution network – 474 Vianor stores in Russia and CIS

→ Nokian Tyres to further strengthen its market leader position in Russia

Nokian Tyres' factory in Russia

- 10 production lines operating – annual capacity increased to 11 million tyres
- New plant construction started; annual capacity increase of ~3 million tyres during 2012 with 2 new lines. Two more lines to be installed in 2013-2014
- 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 September 2011: 1,039 (815)



PROFIT CENTRES

Heavy Tyres 1-9/2011: Production & sales up

Performance in 1-9/2011

- + Tyre demand and sales clearly up, especially in forestry, mining and radial tyres. Russian sales grew rapidly.
- + Price increases improved ASP and compensated for the increased raw material cost
- + Production volume up by 40% vs. 1-9/2010; capacity in Nokia in full use
- + New product category Beyond All-Steel Radial (BAS) launched
- Capacity a bottleneck for sales growth
- Order book growth levelling off

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 | } | Higher sales | } Higher RONA |
| <ul style="list-style-type: none"> ▪ Accelerate development of new radial and BAS products ▪ Increase prices to offset the high raw material cost | } | Higher ASP | |
| <ul style="list-style-type: none"> ▪ Maximize production and sales of radial products ▪ Improve sales mix, share of aftermarket sales | } | Lower cost | |
| <ul style="list-style-type: none"> ▪ Full utilization of capacity, improve productivity ▪ Control inventory, reduce NWC | } | | |

→ Focus on mix improvement and higher capacity utilization

Net sales:

1-9/2011: 83.3 m€ (55.4 m€); +50.5%

7-9/2011: 26.6 m€ (18.3 m€); +45.8%

EBIT:

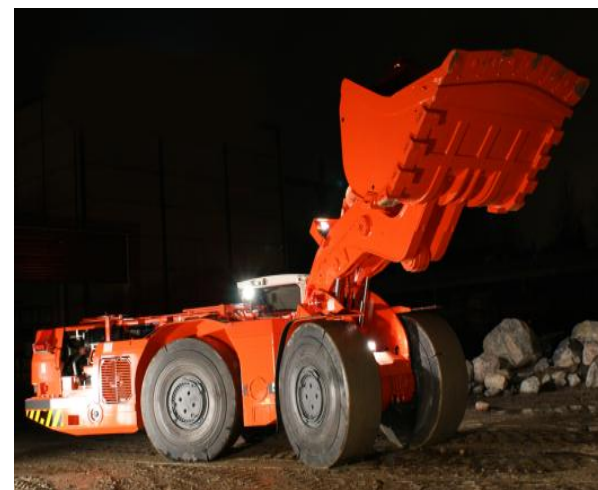
1-9/2011: 14.2 m€ (9.5 m€); +49.9%

7-9/2011: 4.2 m€ (1.7 m€); +140.9%

EBIT margin:

1-9/2011: 17.0% (17.1%)

7-9/2011: 15.6% (9.5%)



Nokian Mine L-5S

PROFIT CENTRES

Truck Tyres 1-9/2011: Profitable growth

Performance in 1-9/2011

- + 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 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

→ **Expand sales, utilize group distribution synergies and improve product offering**

Net sales:

1-9/2011: 44.6 m€ (28.3 m€); +57.7%

7-9/2011: 18.7 m€ (12.3 m€); +51.9%



Nokian Hakkapeliitta Truck F

PROFIT CENTRES

Vianor 1-9/2011: Partner network expanding as planned

Performance in 1-9/2011

- + Vianor expanded to 873 stores in 23 countries; +102 in 1-9/2011
 - + New countries Italy, Azerbaijan and Romania
 - + Partner network started in USA
- 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 (of which 180 equity-owned)

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

Equity-owned Vianor (180 stores)

Net sales:

1-9/2011: 181.1 m€ (185.3 m€); -2.3%

7-9/2011: 60.6 m€ (64.5 m€); -6.1%

EBIT:

1-9/2011: -10.7 m€ (-7.9 m€); -35.9%

7-9/2011: -3.5 m€ (-2.8 m€); -22.8%

EBIT margin:

1-9/2011: -5.9% (-4.3%)

7-9/2011: -5.8% (-4.4%)



New Vianor store in Italy

EXPANSION OF DISTRIBUTION CHANNEL

Vianor 1-9/2011: Foothold on core markets strengthening

Vianor – 873 stores in 23 countries

- 53 new stores in Q3/2011, +102 in Q1-Q3/2011
- 180 equity-owned, 693 franchising/partners
- Largest tyre chain in Nordic and Baltic countries:
252 stores (+24 in 1-9/2011)
- Largest tyre chain in Russia and CIS:
474 stores (+45) in 283 cities
- Expansion to Central Europe gained momentum:
134 stores (+30)

Vianor stores by segment:

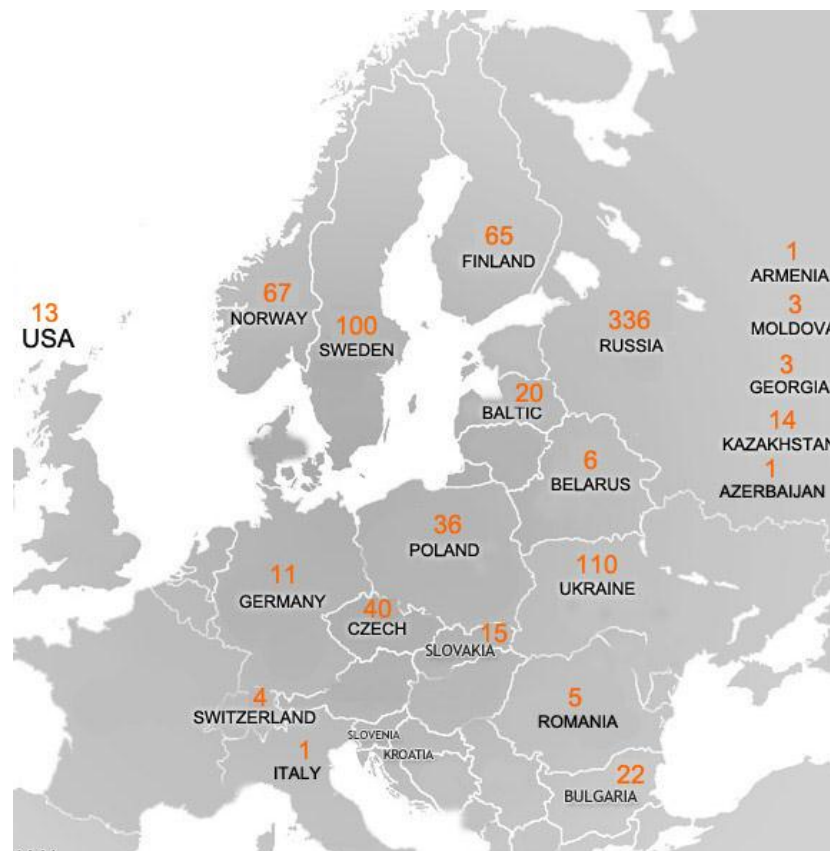
- Car tyres: over 850 stores
- Heavy tyres: nearly 200 stores
- Truck tyres: over 240 stores

Vianor highlights in Q3/2011:

- New country: 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 1-9/2011

- 108.2 m€ (30.6 m€)

Russia

- Capacity ramp-up and investments
 - Lines 9 and 10 in production
 - New plant under construction, production starts during 2012 with 2 new lines

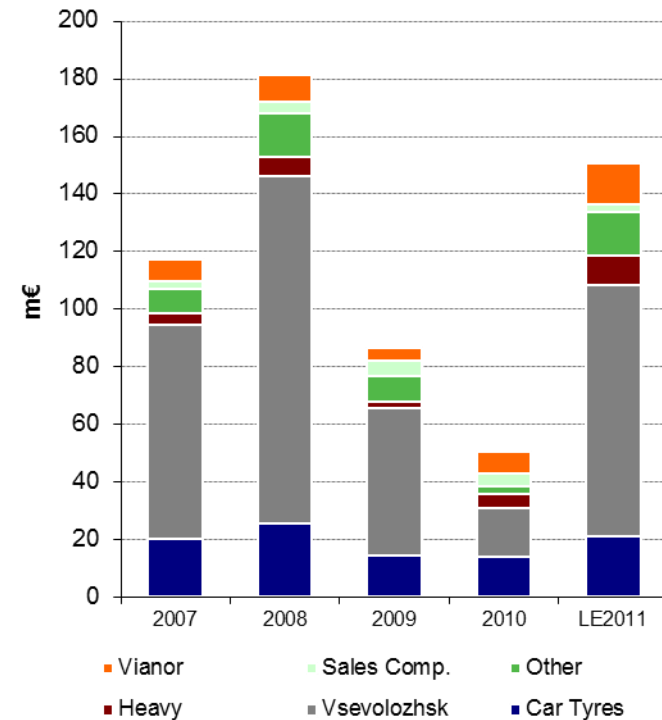
Estimated investments for 2011

- Approximately 150 m€
 - Investments to Russia incl. the start of new plant construction 87 m€
 - Nokian plant, processes and group ICT 29 m€
 - Moulds for new products 20 m€
 - Vianor chain including acquisitions 14 m€

Estimated investments for 2012

- 150-200 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. 200 new employees (temporary)
- Expansions in Heavy tyres factory



Vsevolozhsk, Russia

- Production of the whole car tyre range with state-of-the-art production technology and lower 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

2012:

- New factory next to the current one
- 2 new lines, total annual capacity increase ~3 million tyres

2013-2014:

- 2 new lines in the newer factory, additional ~ 3 million tyres
- Total annual capacity ~17 million pcs

NOKIAN TYRES GOING FORWARD

Outlook for 2011: Strong Q4 with high order book

Assumptions

- Growing core market: Nordic countries, Russia & CIS
 - GDP growth 3-5%
 - Strong sales of new cars
 - Russian economy growing, strong consumer confidence
 - Currencies on Nokian core markets expected to be stable
- ASP improvement to offset higher raw material cost (€/kg)
 - Cost up by 30.2% in 1-9/2011 vs. 1-9/2010
 - Cost estimated to increase by 3% in Q4/2011 vs. Q3/2011
 - Cost estimated to increase by 29% 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
- Heavy tyre market demand
 - Aftermarket demand strong in 2011
- Nokian Tyres financial position remains solid
 - No major loans due for payment in 2011
 - Equity ratio 61.4%
 - Undrawn facilities available

Outlook: Profitable growth

- Strong demand and order book in Q4 → good visibility in 2011
- Raw material cost gradually levelling off but estimated to go up 29% in 2011 vs. 2010
- Capacity ramp-up proceed as planned:
 - Lines 9 and 10 in Russia in production
 - Plant in Nokia back in 7 d/week full capacity since August 2011
 - Building of new plant in Russia commenced, production during H2/2012
- Profitability supported by:
 - Improved cost structure, higher sales volume, better mix & ASP
 - Increasing share of Russian production → productivity up
- **Year 2011 guidance (updated):**
 - **The company is positioned to provide strong sales growth and to improve operating profit significantly compared to 2010**

Instructions to conference call attendees

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

INDEX

- 1. General overview of 1-9/2011**
- 2. Nokian Tyres financial performance**
- 3. Profit centres (incl. Russian operations)**
- 4. Nokian Tyres going forward**
- 5. Appendixes**
 - **Shareholders**
 - **Share price development**
 - **Competitor comparison 1998-2010E**
 - **Magazine test results**
 - **Examples of new products and innovations**
 - **Personnel**
 - **Financing: Loans and net Financial Expenses**
 - **Tables of financial figures**

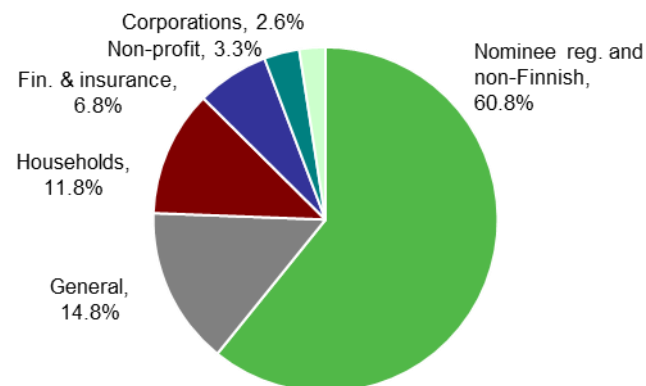


APPENDIX

Major shareholders as of 30 September, 2011

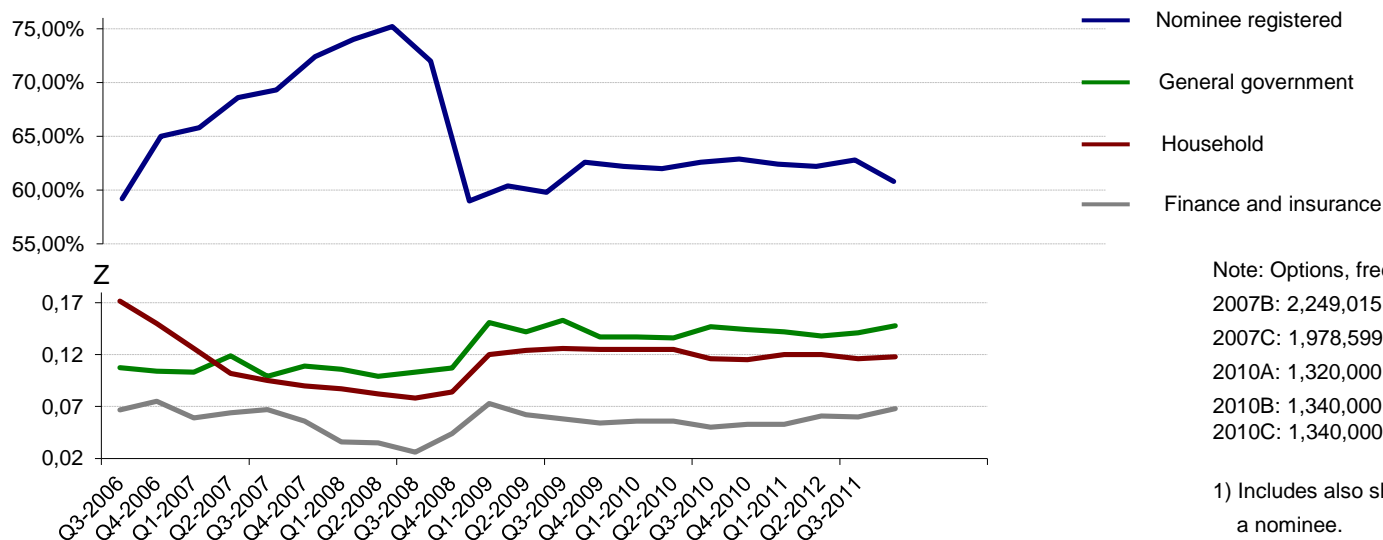
Major Domestic Shareholders	Number of Shares	Share of Capital (%)	Change from previous month
1 Varma Mutual Pension Insurance Company	10 000 000	7,72	431 457
2 Ilmarinen Mutual Pension Insurance Company	5 047 330	3,9	0
3 OP Investment Funds	1 520 000	1,17	60 000
4 Nordea	1 432 007	1,11	50 000
5 The State Pension Fund	1 309 530	1,01	150 000
6 Tapiola Mutual Pension Insurance Company	800 000	0,62	-300 000
7 Gyllenberg Investment Funds	667 500	0,52	0
8 Mandatum Life Insurance Company Limited	611 594	0,47	60 000
9 Nordea Nordenfonden	570 790	0,44	-65 000
10 Folketrygdfondet	510 883	0,39	0
Major Domestic Shareholders total	22 469 634	17,35	
Foreign Shareholders ¹⁾	78 725 820	60.8%	
Bridgestone Europe NV/SA ²⁾	20 000 000	15.4%	

Division by Category as of 30 September 2011



Total number of shares: 129 568 705

Shareholder development by category Q3/2006 - Q3/2011



Note: Options, free (30 September, 2011)

2007B: 2,249,015 (423,940 in company's possession)

2007C: 1,978,599 (1,114,100 in company's possession)

2010A: 1,320,000 (51,350 in company's possession)

2010B: 1,340,000 (84,200 in company's possession)

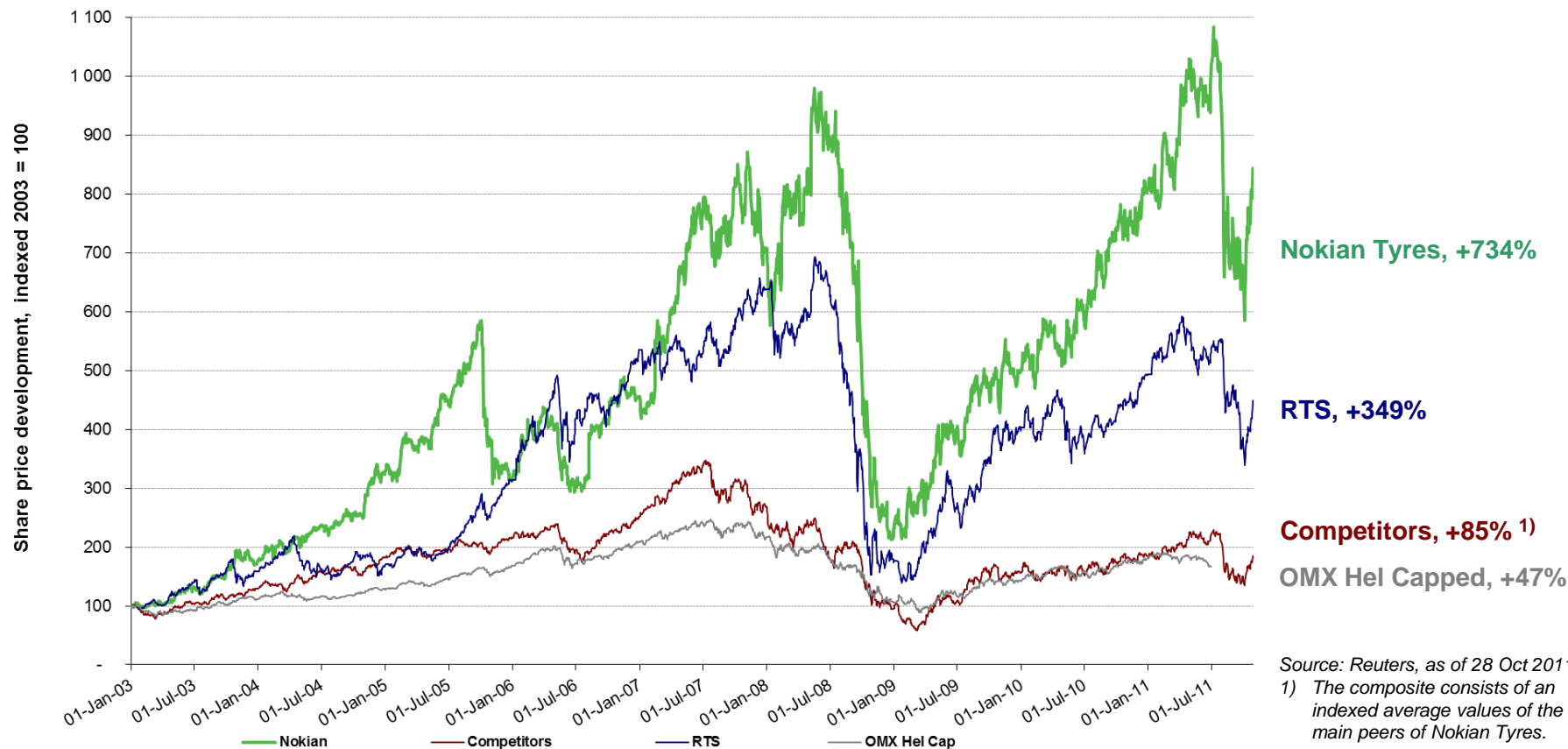
2010C: 1,340,000 (1,340,000 in company's possession)

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 - 10/2011



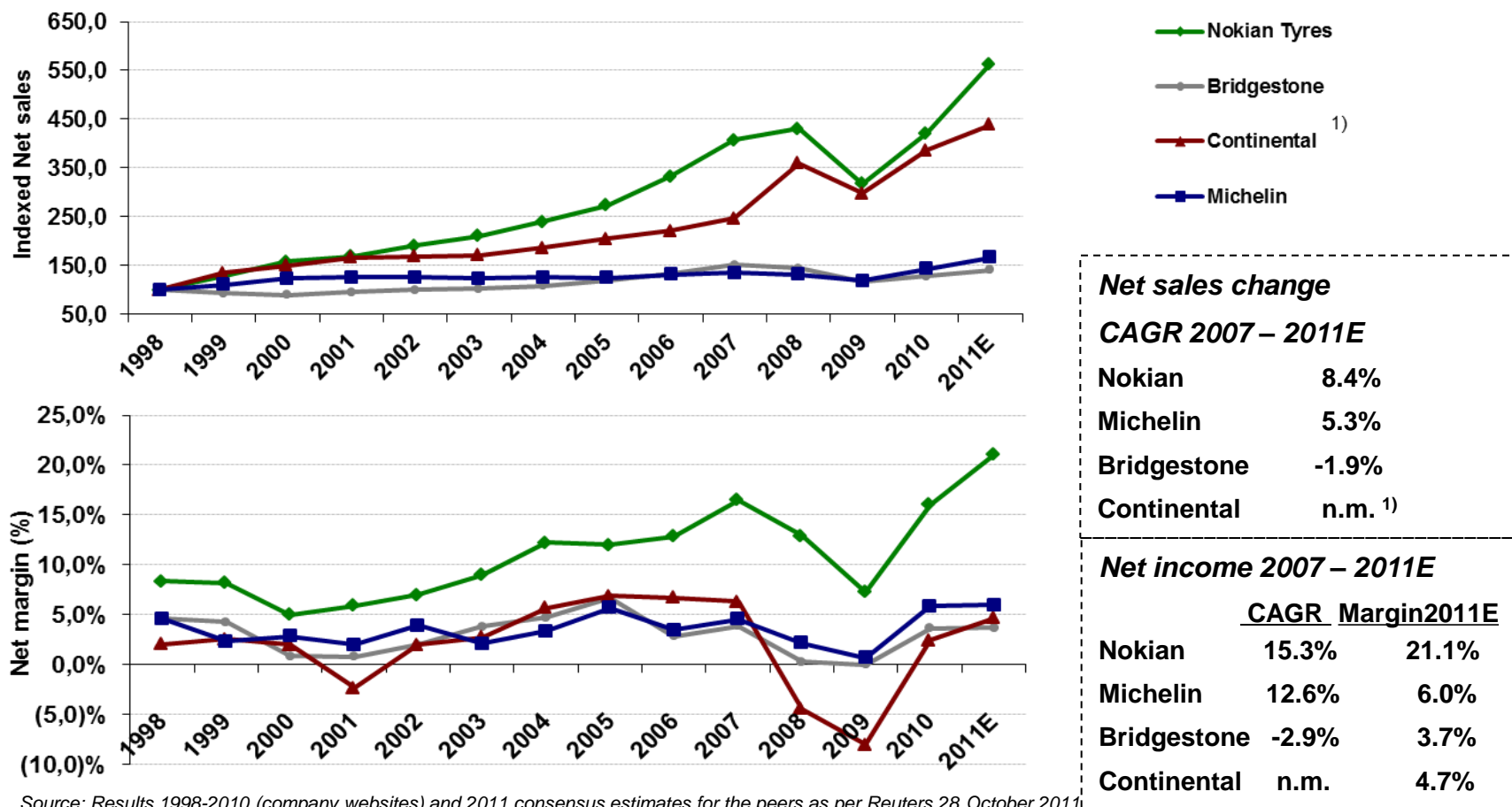
Nokian Tyres by Oct-28-2011

	Last 8 years	Last 3 years	Last 2 years	LTM	L6M	L3M	Last month
High	36,85	36,85	36,85	36,85	36,85	32,66	28,70
Average	17,62	20,20	24,37	28,81	29,17	24,65	24,80
Low	5,75	7,23	14,54	19,89	19,89	19,89	19,89

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.



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

Test wins – autumn 2011

	205/55R16 HKPL 7 205/55 R 16 HKPL R new 205/55R16 HKPL R worn	1/5 1/7 1/7	Best grip on ice Best tyre Best worn tyre
	215/65R16 HKPL 7	Shared 1/9	Good slushplaning properties, grip and handling on snow
	205/55R16 HKPL7 205/55R16 HKPL R worn 205/55R16 HKPL R new	1/8 1/7 1/7	Best in the test Best worn tyre Best tyre as new and worn
	195/65R5 HKPL 7 195/65R15 HKPL R	1/2 1/2	Excellent properties on ice and snow
	185/65R14 HKPL 7 185/65R14 HKPL R 185/65R14 WR D3	1/7 1/5 1/8	Good grip and handling on ice Good grip on ice, good handling on snow Excellent properties on asphalt, comfortable tyres
Зарулем	175/65R14 HKPL R	1/6	Best acceleration on snow, very low rolling resistance
AFTONBLADET	205/55R16 WR D3	1/10	Good grip on ice and snow, good rolling resistance
	225/45R17 WR D3	1/5	Good properties on dry surface
	205/55R16 WR D3	1/10	Good grip and driving properties, low rolling resistance
	235/65R17 HKPL R SUV 235/65R17 WR G2 SUV	1/6 1/3	Very balanced properties
	215/65R16 C HKPL CR	1/5	Excellent snow and ice properties
	235/65R17 HKPL R SUV	shared 1/12	Good braking properties on ice and snow

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



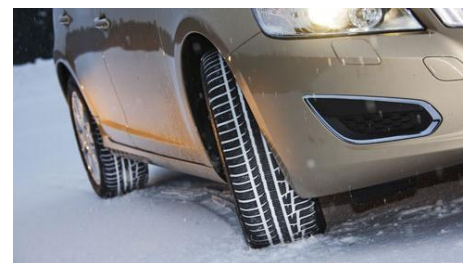
Nokian Hakka Blue – Summer tyre for core markets

- Top performance for wet roads, comfort and economy from spring to autumn
- Tailor-made for the northern roads, the newest member of the Hakka summer tyre range offers the best possible traction and precise handling for challenging wet roads
- The new innovations, the Dry Touch Sipe and Swoop Grooves
- The Hakka Blue range will offer products in both the V (240 km/h) and W (270 km/h) speed ratings



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

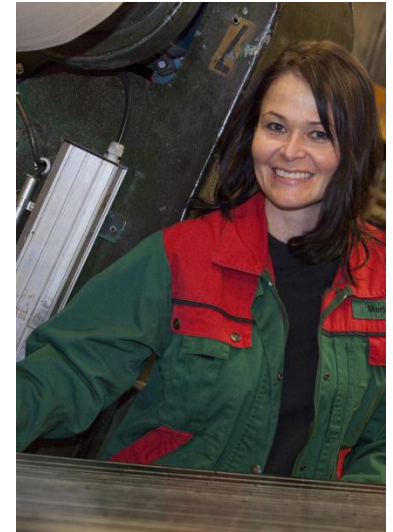
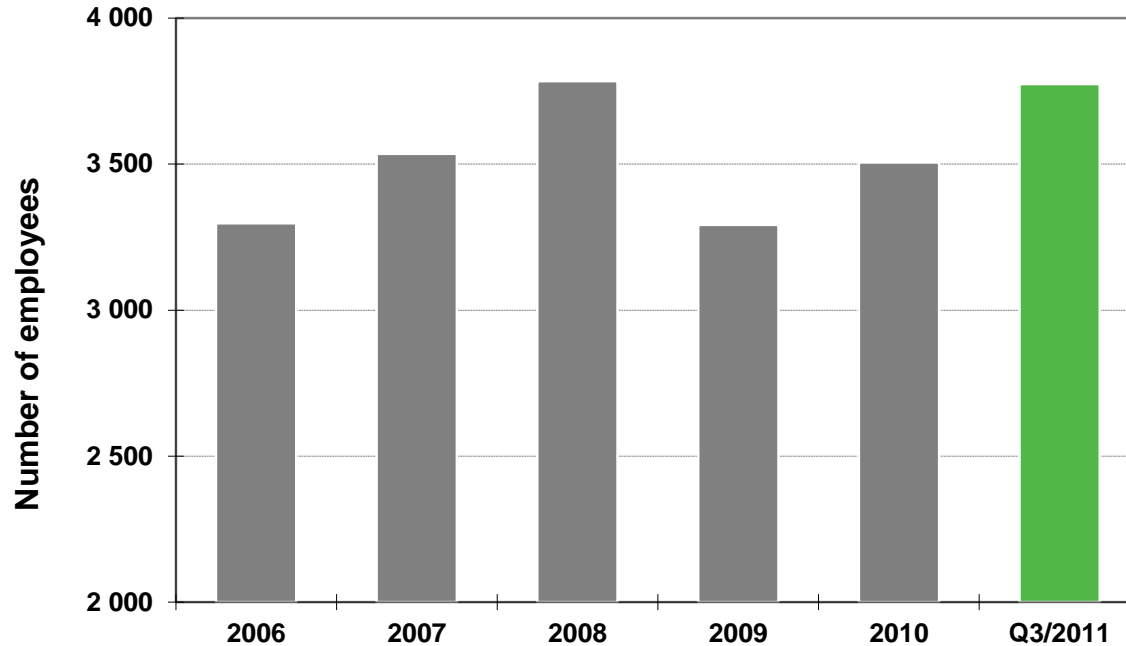


APPENDIX

Personnel 30 September, 2011

Personnel at the end of the review period: 3,774 (3,262)

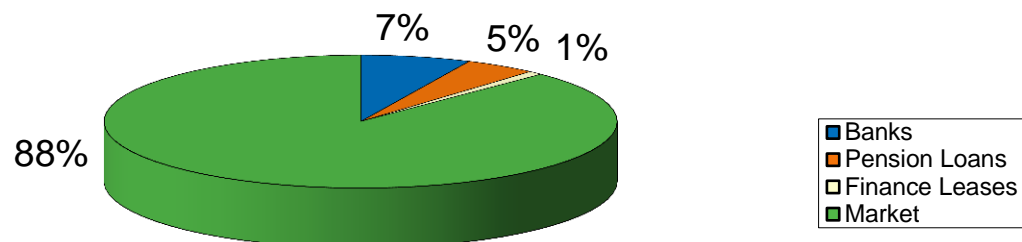
- Equity-owned Vianor: 1,382 (1,395)
- Russia: 1,039 (815)



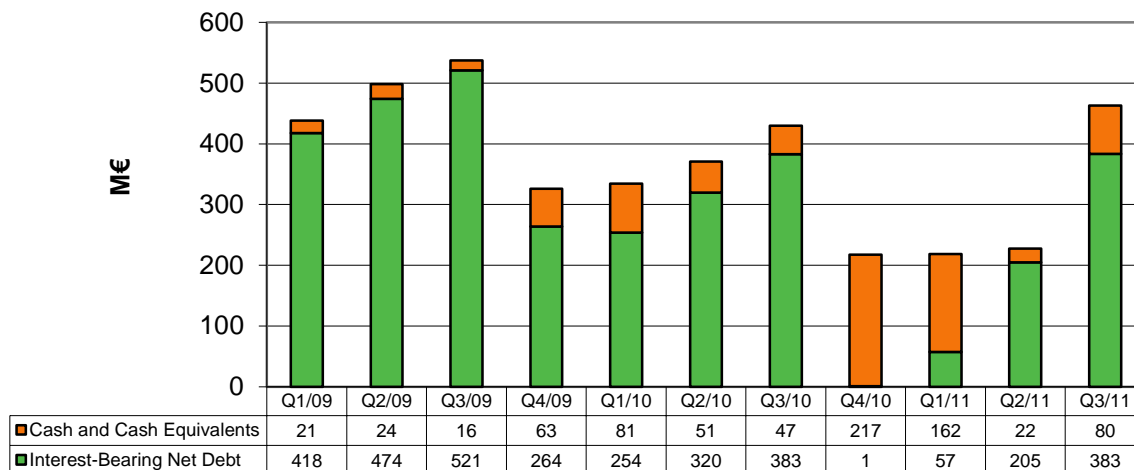
APPENDIX

Financing: Loans on 30 September, 2011

Interest Bearing Debts EUR 461.5 m€ (30.9.2011)



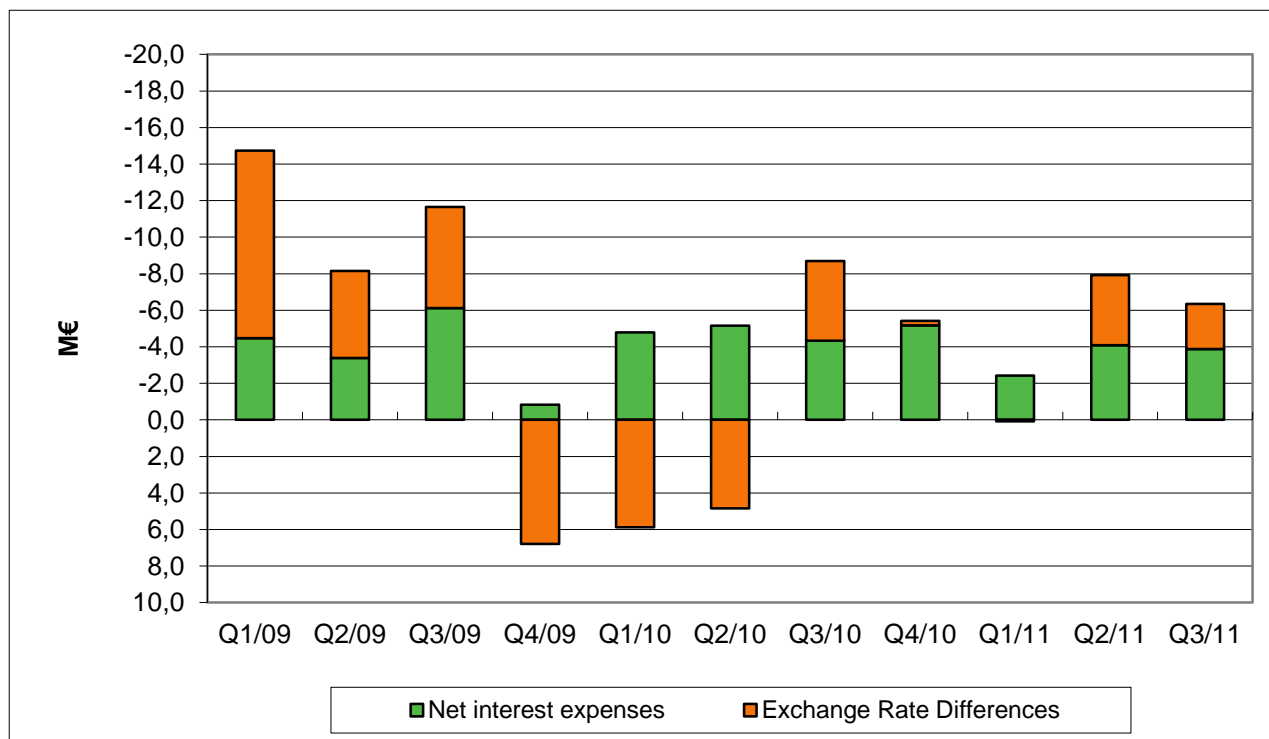
Interest-Bearing Debt



APPENDIX

Financing: Net Financial Expense

Net Financial Expense 1-9/2011: 16.6 m€ (1-9/2010: 7.9 m€)



APPENDIX

CONSOLIDATED INCOME STATEMENT

Million euros	7-9/11	7-9/10	1-9/11	1-9/10	Last 12 months	1-12/10	Change %
Net sales	346.3	245.2	974.3	689.4	1,343.0	1,058.1	41.3
Cost of sales	-189.5	-144.6	-526.3	-398.8	-731.5	-604.0	-32.0
Gross profit	156.8	100.6	448.0	290.6	611.5	454.1	54.2
Other operating income	0.3	0.5	1.5	3.3	2.5	4.3	
Selling and marketing expenses	-48.7	-43.3	-152.0	-133.7	-211.1	-192.9	-13.7
Administration expenses	-6.3	-6.2	-20.8	-18.8	-29.7	-27.6	-11.0
Other operating expenses	-6.6	-3.3	-15.6	-11.0	-20.4	-15.8	-41.9
Operating profit	95.4	48.3	261.0	130.4	352.8	222.2	100.2
Financial income	13.5	25.6	63.2	71.7	87.8	96.3	-11.9
Financial expenses	-19.9	-34.3	-79.8	-79.6	-109.9	-109.7	-0.3
Profit before tax	89.1	39.6	244.4	122.5	330.7	208.8	99.5
Tax expense (1)	-11.0	-5.2	-29.7	-15.4	-53.5	-39.1	-93.6
Profit for the period	78.1	34.5	214.6	107.1	277.2	169.7	100.4
Attributable to:							
Equity holders of the parent	78.1	34.5	214.6	107.1	277.2	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	0.60	0.27	1.66	0.85		1.34	96.7
diluted, euros	0.60	0.27	1.65	0.84		1.32	96.1
1) Tax expense in the consolidated income statement is based on the taxable result for the period.							

APPENDIX

CONSOLIDATED OTHER COMPREHENSIVE INCOME

Million euros	7-9/11	7-9/10	1-9/11	1-9/10		1-12/10
Profit for the period	78.1	34.5	214.6	107.1		169.7
Other comprehensive income, net of tax:						
Gains/Losses from hedge of net investments in foreign operations	4.0	4.9	4.6	-15.5		-17.9
Cash flow hedges	-1.1	-0.1	-0.4	-0.9		-0.6
Translation differences on foreign operations	-33.2	-45.1	-28.8	24.0		37.0
Total other comprehensive income for the period, net of tax	-41.4	-40.4	-24.6	7.7		18.5
Total comprehensive income for the period	36.7	-5.9	190.0	114.8		188.2
Total comprehensive income attributable to:						
Equity holders of the parent	36.7	-5.9	190.0	114.8		188.2
Non-controlling interest	0.0	0.0	0.0	0.0		0.0

APPENDIX

KEY RATIOS

	30.9.11	30.9.10		31.12.10		Change
						%
Equity ratio, %	61.4	58.2		68.4		
Gearing, %	35.6	44.9		0.1		
Equity per share, euro	8.31	6.71		7.34		23.9
Interest-bearing net debt,						
mill. euros	383.3	382.9		0.7		
Capital expenditure,						
mill. euros	108.2	30.6		50.5		
Depreciation, mill. euros	53.2	52.1		69.4		
Personnel, average	3,774	3,262		3,338		
Number of shares (million units)						
at the end of period	129.57	127.19		127.70		
in average	128.97	126.56		126.75		
in average, diluted	135.77	132.59		132.96		

APPENDIX: CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Million euros			30/09/2011	30/09/2010		31.12.10
Non-current assets						
Property, plant and equipment			515.9	490.5		483.6
Goodwill			62.9	57.9		58.8
Other intangible assets			22.2	17.1		19.7
Investments in associates			0.1	0.1		0.1
Available-for-sale financial assets			0.3	0.2		0.3
Other receivables			19.7	17.3		20.6
Deferred tax assets			6.2	34.4		22.3
Total non-current assets			627.2	617.6		605.2
Current assets						
Inventories			353.6	224.1		210.6
Trade receivables			601.7	464.1		258.9
Other receivables			93.2	115.6		80.4
Cash and cash equivalents			79.7	47.1		216.6
Total current assets			1,128.2	850.9		766.3
Equity						
Share capital			25.4	25.4		25.4
Share premium			181.4	181.4		181.4
Translation reserve			-95.3	-81.6		-71.1
Fair value and hedging reserves			0.0	-0.9		-0.6
Paid-up unrestricted equity reserve			35.1	0.0		8.0
Retained earnings			930.2	728.7		793.9
Non-controlling interest			0.3	0.0		0.0
Total equity			1,077.1	853.1		937.2
Non-current liabilities						
Deferred tax liabilities			13.8	29.9		39.3
Provisions			0.1	1.4		0.1
Financial liabilities			202.8	203.1		204.2
Other liabilities			2.1	3.1		1.9
Total non-current liabilities			218.7	237.6		245.5
Current liabilities						
Trade payables			96.4	65.2		81.0
Other current payables			100.8	85.1		92.7
Provisions			2.2	0.7		2.2
Short-term financial liabilities			260.2	226.9		13.0
Total current liabilities			459.6	377.9		189.0
Total assets			1,755.4	1,468.5		1,371.6

APPENDIX

CONSOLIDATED STATEMENT OF CASH FLOWS

Million euros	1-9/11	1-9/10	1-12/10
Cash flows from operating activities:			
Cash generated from operations	-165.2	9.0	372.7
Financial items and taxes	-42.9	-62.1	-45.4
Net cash from operating activities	-208.1	-53.2	327.2
Cash flows from investing activities:			
Net cash used in investing activities	-107.6	-27.2	-33.7
Cash flows from financing activities:			
Proceeds from issue of share capital	27.1	26.6	34.7
Change in current financial receivables and debt	246.5	183.8	-29.8
Change in non-current financial receivables and debt	-8.7	-95.9	-95.2
Dividends paid	-83.7	-50.7	-50.7
Net cash from financing activities	181.1	63.8	-141.0
Net change in cash and cash equivalents	-134.6	-16.5	152.6
Cash and cash equivalents at the beginning of the period	216.6	62.5	62.5
Effect of exchange rate changes	-2.3	1.1	1.5
Cash and cash equivalents at the end of the period	79.7	47.1	216.6
	-134.6	-16.5	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						107.1		107.1
Other comprehensive income, net of tax:								
Cash flow hedges				-0.9				-0.9
Net investment hedge			-15.5					-15.5
Translation differences			24.0					24.0
Total comprehensive income for the period			8.6	-0.9		107.1		114.8
Dividends paid						-50.7		-50.7
Exercised warrants	0.5	26.1						26.6
Share-based payments						4.7		4.7
Total transactions with owners for the period	0.5	26.1				-46.0		-19.4
Equity, Sep 30th 2010	25.4	181.4	-81.6	-0.9	0.0	728.7	0.0	853.1
Equity, Jan 1st 2011	25.4	181.4	-71.1	-0.6	8.0	793.9	0.0	937.2
Profit for the period						214.6		214.6
Other comprehensive income, net of tax:								
Cash flow hedges				-0.4				-0.4
Net investment hedge			4.6					4.6
Translation differences			-28.8					-28.8
Total comprehensive income for the period			-24.2	-0.4		214.6		190.0
Dividends paid						-83.7		-83.7
Exercised warrants					27.1			27.1
Share-based payments						6.3		6.3
Total transactions with owners for the period					27.1	-77.4		-50.3
Change in non-controlling interest							0.3	0.3
Equity, Sep 30th 2011	25.4	181.4	-95.3	-1.0	35.1	931.2	0.3	1,077.1

APPENDIX

SEGMENT INFORMATION

Million euros	7-9/11	7-9/10	1-9/11	1-9/10	1-12/10		Change
							%
Net sales							
Passenger car tyres	264.2	174.7	732.7	493.3	714.7		48.5
Heavy tyres	26.6	18.3	83.3	55.4	81.0		50.5
Vianor	60.6	64.5	181.1	185.3	307.9		-2.3
Other operations	21.8	12.4	54.0	28.5	41.6		89.4
Eliminations	-26.9	-24.5	-76.8	-73.1	-87.2		-5.1
Total	346.3	245.2	974.3	689.4	1,058.1		41.3
Operating result							
Passenger car tyres	94.0	48.7	262.0	135.6	205.5		93.2
Heavy tyres	4.2	1.7	14.2	9.5	13.7		49.9
Vianor	-3.5	-2.8	-10.7	-7.9	4.0		-35.9
Other operations	3.3	2.1	2.6	1.6	-1.6		64.9
Eliminations	-2.6	-1.4	-7.1	-8.4	0.6		16.2
Total	95.4	48.3	261.0	130.4	222.2		100.2
Operating result, % of net sales							
Passenger car tyres	35.6	27.9	35.8	27.5	28.8		
Heavy tyres	15.6	9.5	17.0	17.1	16.9		
Vianor	-5.8	-4.4	-5.9	-4.3	1.3		
Total	27.6	19.7	26.8	18.9	21.0		
Cash Flow II							
Passenger car tyres	-117.5	2.8	-154.2	-7.7	291.2		-1,906.6
Heavy tyres	-6.0	-1.8	-19.2	-3.1	8.5		-517.3
Vianor	-22.1	-13.2	-42.2	-22.3	12.4		-89.2
Total	-150.9	-12.0	-253.1	-39.3	318.8		-544.2

APPENDIX

CONTINGENT LIABILITIES

Million euros	30.9.11	30.9.10	31.12.10
FOR OWN DEBT			
Mortgages	1.0	1.0	1.1
Pledged assets	0.1	0.0	0.0
OTHER OWN COMMITMENTS			
Guarantees	2.3	6.0	6.2
Leasing and rent commitments	95.6	102.4	102.1
Purchase commitments	2.2	1.7	2.2
DERIVATIVE FINANCIAL INSTRUMENTS	30.9.11	30.9.10	31.12.10
Million euros			
INTEREST RATE DERIVATIVES			
Interest rate swaps			
Notional amount	89.2	90.8	30.7
Fair value	-1.4	-1.8	-1.3
FOREIGN CURRENCY DERIVATIVES			
Currency forwards			
Notional amount	497.8	360.9	563.2
Fair value	8.4	9.5	-3.3
Currency options, purchased			
Notional amount	57.9	43.1	0.0
Fair value	1.6	0.8	0.0
Currency options, written			
Notional amount	92.3	86.6	0.0
Fair value	-1.1	-0.6	0.0
ELECTRICITY DERIVATIVES			
Electricity forwards			
Notional amount	16.3	-	-
Fair value	-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, %:

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

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

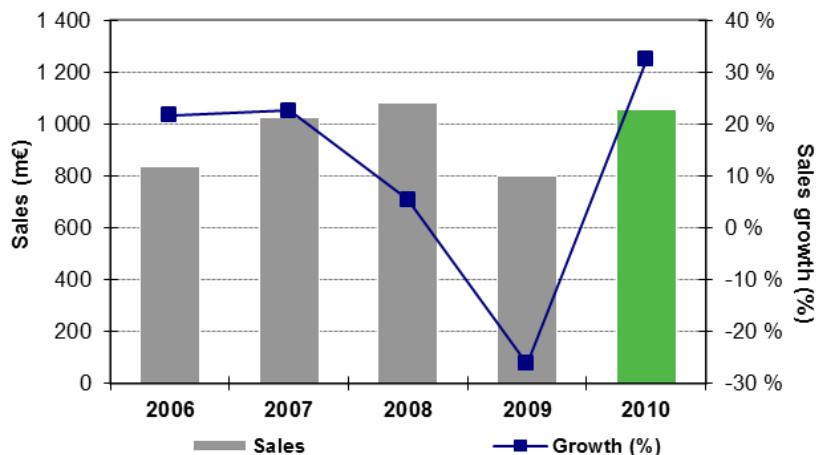
Operating margin:

Operating result, % of net sales

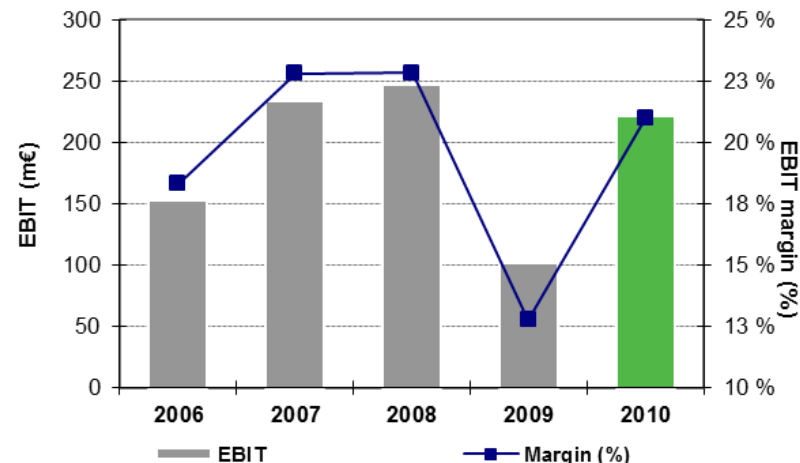
FINANCIAL PERFORMANCE

Development of key financials 2006-2010

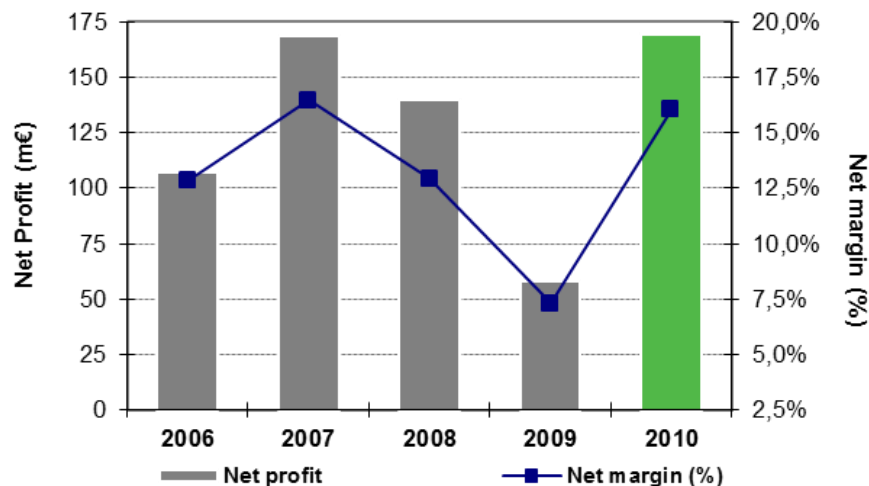
Net sales (m€) and Net sales growth (%)



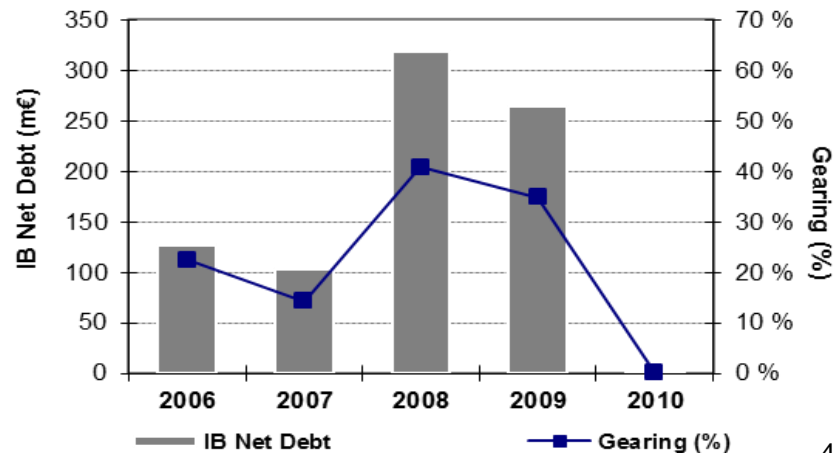
EBIT (m€) and EBIT margin (%)



Net profit (m€) and net margin (%)



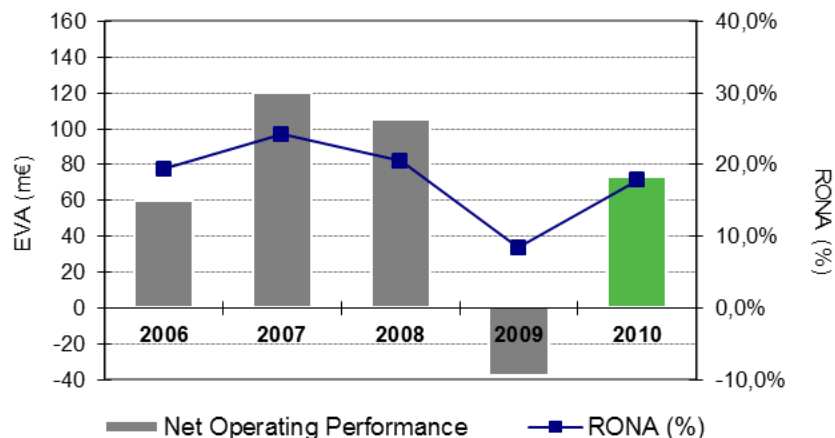
Interest bearing net debt (m€) and gearing (%)



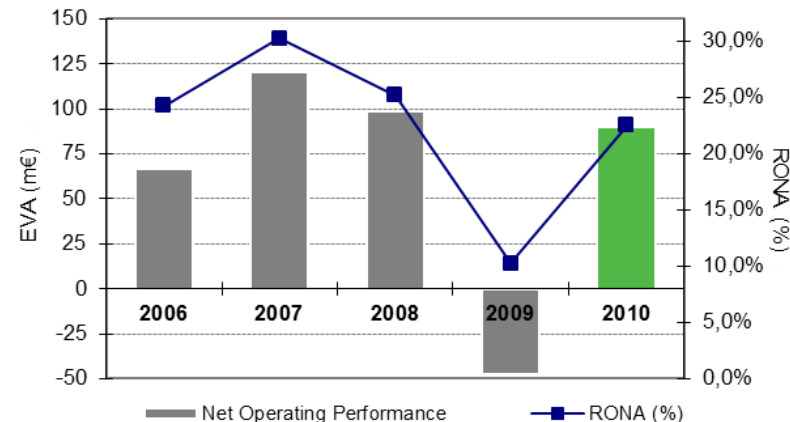
FINANCIAL PERFORMANCE

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

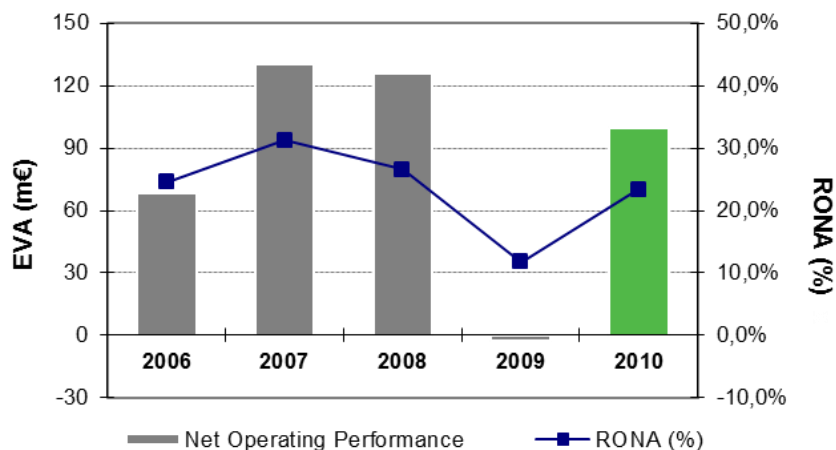
Group EVA (m€) and RONA (%)



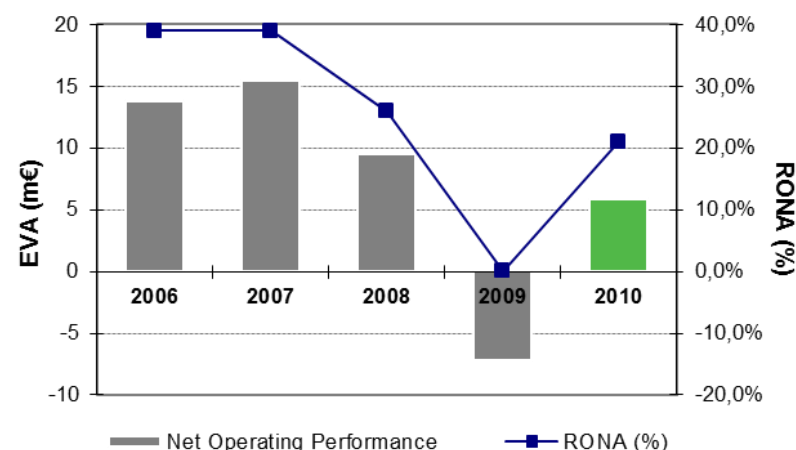
Manufacturing EVA (m€) and RONA (%)



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



Heavy Tyres EVA (m€) and RONA (%)



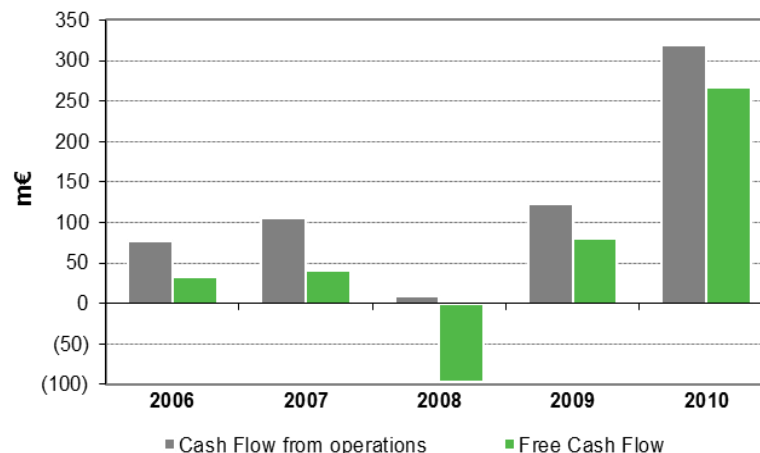
¹⁾ EVA is calculated based on 12% interest on capital employed.

FINANCIAL PERFORMANCE

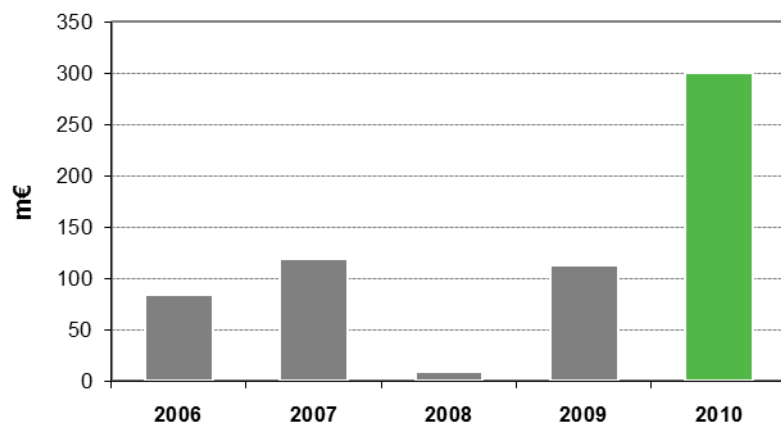
Group Operating Cash Flow and Free Cash Flow 2006-2010

- 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

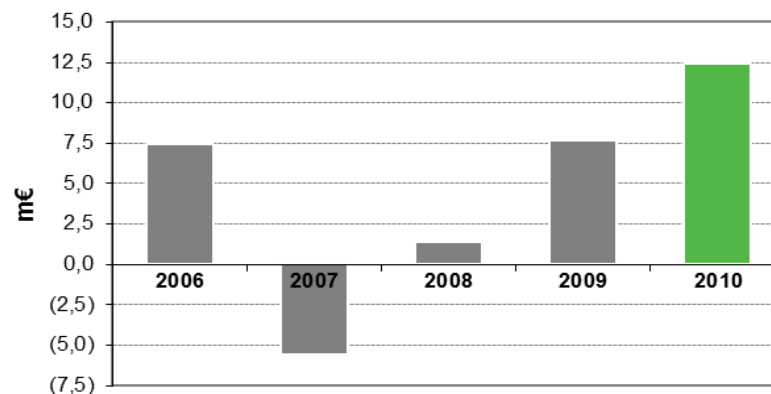
Group Cash flow from operations and Free Cash flow



Manufacturing Cash flow from operations



Vianor Cash flow from operations



The first.
The fastest.

nokian
TYRES

