



Result 2014

5 February, 2015

President and CEO Ari Lehtoranta



Market share gains and improvements in operations mitigate the impact of the weak Russian economy. Strong cash flow enables stable dividends

Index

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



Market overview 2014

Slow growth in the west, Russian economy in crisis

Estimates	Nordic countries	Russia	Europe (incl. Nordics)	North America
GDP growth	+1-2%	0%	+0.8%	+2.3%
New car sales	+8%	-10%	+6%	+6%
Car tyre* sell-in	-1%	-3 to -5%	+2%	N/A
Heavy tyre segments **	↑	↓	↑	↑
Currency impact	●	●	—	●

*) premium and mid-segment

**) Nokian Tyres core product segments

Nokian Tyres' performance 2014

Market shares improved, sales value in Russia dived

Sales & SOM	Nordics	Russia and CIS	Other Europe	North America
Gross sales	+1.2%	-33.0%	-2.0%	+16.8%
Car tyre sales pcs	+	-	+	+
Car tyre SOM	+	+	+	+

Profitability		Distribution	Units	Increase
Car tyre product mix	↓	Vianor equity-owned	189	+6
Car tyre country mix	↓	Vianor total	1,355	+149
Car tyre ASP (€/pcs)	↓	NAD (+N-Tyre)	922	+490
Raw material cost	-16%			
Fixed costs	↓			
Currency effect to Net sales	100 M€			
Car tyre production volume	+4%			
Car tyre productivity (kg/mh)	+5%			

Index

1. General overview
2. Nokian Tyres financial performance
 - Summary
 - Gross sales by market area
 - Raw material cost development
3. Business units (incl. Russian operations)
4. Nokian Tyres going forward



Summary 2014

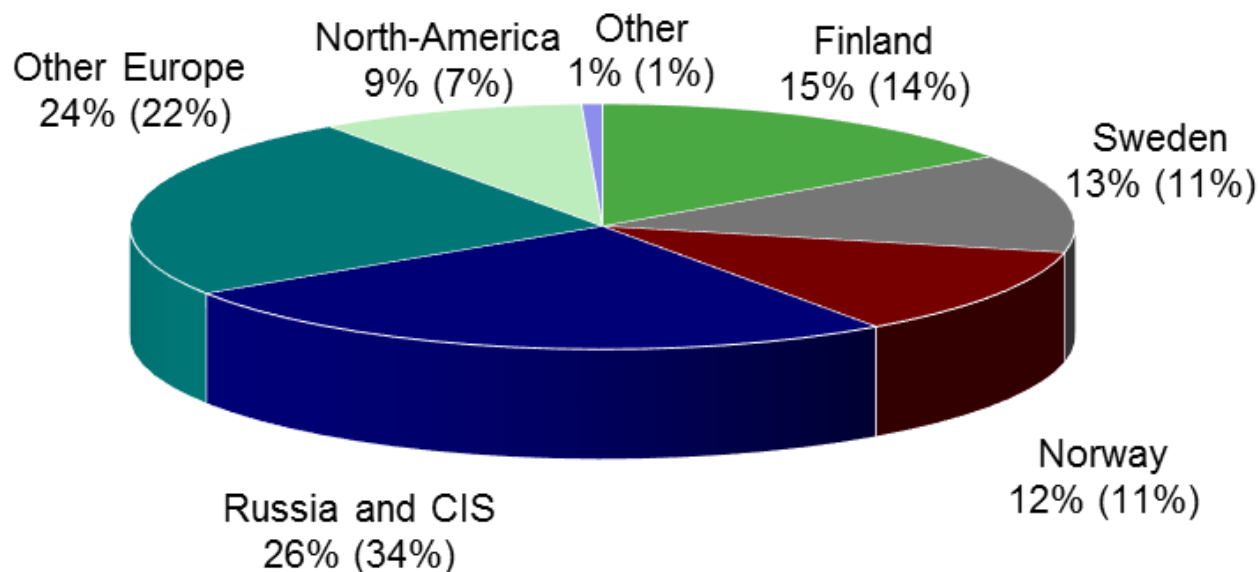
Market shares up, strong cash flow, Russia/CIS weak

Key figures, EUR million:	Q4/2014	Q4/2013	Change%	2014	2013	Change%
Net sales	380.0	411.8	-7.7	1,389.1	1,521.0	-8.7
Operating profit	77.5	93.2	-16.9	308.7	385.5	-19.9
Operating profit %	20.4	22.6		22.2	25.3	
Profit before tax	65.0	57.7	12.7	261.2	312.8	-16.5
Profit for the period	50.1	-36.4	237.6	208.4	183.7	13.4
Earnings per share, EUR	0.37	-0.28	232.1	1.56	1.39	12.9
Equity ratio, %				67.5	67.6	
Cash flow from operations	579.1	515.9	12.2	458.3	325.6	40.7
RONA,% (roll. 12 months)				18.3	20.2	
Gearing, %				-13.6	-4.1	

- Sales and ASP hit by Russian and CIS currency rate effects and mix; partially compensated through good development in other markets
- Profitable business supported by raw material cost, productivity and fixed cost development
- Positive development in Vianor and Nokian Heavy Tyres
- Strong Cash flow
- Competitiveness improved through expanding distribution and product range

Gross sales by market area 2014

Western markets' weight up



Raw material cost development

Decline continued

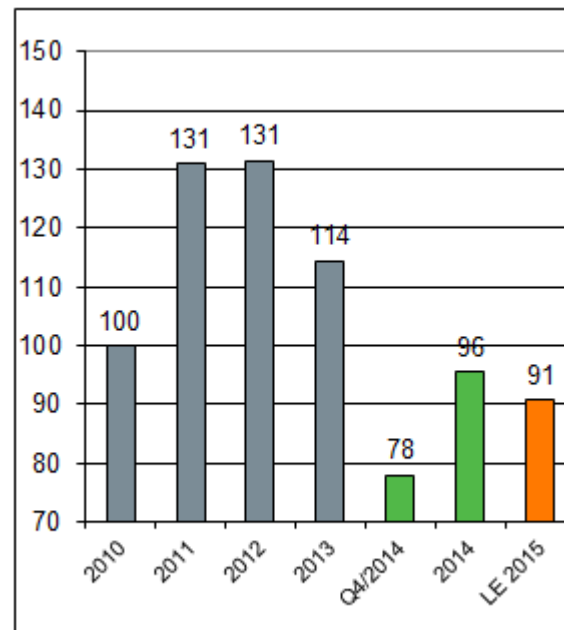
Nokian Tyres raw material cost (€/kg)

- decreased by 26.3% in Q4/2014 vs. Q4/2013
- decreased by 16.5% in 2014 vs. 2013
- is estimated to decrease by 5% in 2015 vs. 2014

→ Tailwind in 2014 vs. 2013: 64 M€

→ Estimated tailwind in 2015 vs. 2014: 15 M€

Raw material cost development index 2010-E2015



Index

1. General overview
2. Nokian Tyres financial performance
3. Business units (incl. Russian operations)
 - General overview
 - Passenger Car Tyres (incl. Russian operations)
 - Heavy Tyres
 - Vianor
4. Nokian Tyres going forward

Business units 2014

Passenger car tyre unit took a hit from Russia/CIS

Passenger Car Tyres

- Net sales: 1,003.2 M€; -11.8%
- EBIT: 292.2 M€; -22.8%
- EBIT margin: 29.1% (33.3%)

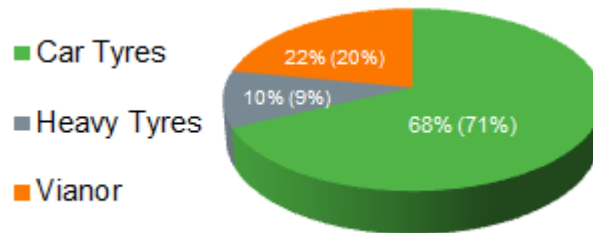
Heavy Tyres

- Net sales: 149.1 M€; -0.4%
- EBIT: 24.6 M€; +20.7%
- EBIT margin: 16.5% (13.6%)

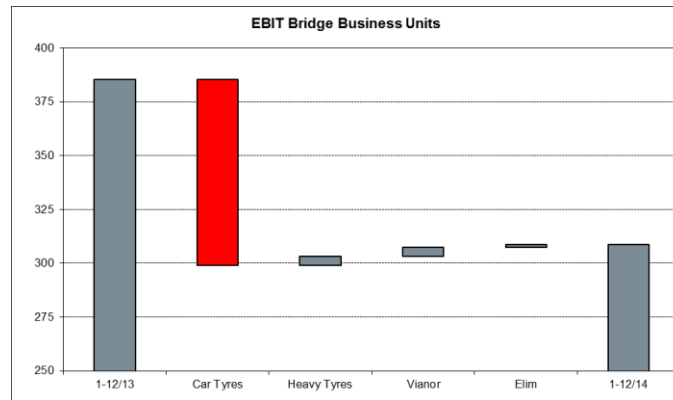
Vianor

- Net sales: 314.8 M€; +0.7%
- EBIT: 2.1 M€; +215.6%
- EBIT margin: 0.7% (-0.6%)

Net sales 1,389.1 M€; -8.7%



EBIT 308.7 M€; -19.9%



Passenger Car Tyres

Sales volume on par, currencies and mix cut Net sales

Performance in 2014

- + Western markets: Sales volume and market shares up
- + Magazine test success continued with summer and winter tyres
- + Tailwind from decreasing raw material cost supported margins
- + Production output and productivity improved
- + Fixed costs decreased
- + Good profitability and cash flow
- Sales value in Euros decreased
- ASP decreased due to currency devaluations, weaker mix and tight pricing environment

	Q4/2014	Q4/2013	Growth	2014	2013	Growth
Net sales	237.9	271.6	-12.4%	1,003.2	1,137.0	-11.8%
EBIT	55.4	75.3	-26.4%	292.2	378.5	-22.8%
EBIT%	23.3	27.7		29.1	33.3	
RONA_{r.12 m.}				23.5	28.2	



Magazine tests 2014

Test success continues – both in winter and in summer

Winter tyres, autumn 2014 – over 40 test victories

- Nokian Hakkapeliitta 8 – Multiple test winner
- Nokian Hakkapeliitta R2 – Northern Comfort
- New Nokian Hakkapeliitta 8 SUV and Hakkapeliitta R2 SUV
- Nokian WR D3 – Forget the Forecasts
- New Nokian WR SUV 3 – Ultimate snow and slush performance

Summer tyres, spring 2014 – increasing test victories

- Nokian Line – Multiple test winner
- Nokian Z SUV – Durable champion of extreme conditions
- Nokian Hakka Blue – Multiple test winner
- Nokian Hakka Green (2013) – Naturally safe

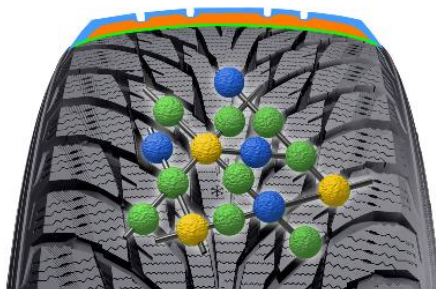
www.nokiantyres.com/test-success



Nokian know-how and future technology

State-of-the-art green winter tyre technology for electric cars

- The new non-studded Nokian Hakkapeliitta R2 155/70R19 is a genuine winter tyre designed for BMW's unique i3 electric car
- First ever EU tyre label class A (rolling resistance) winter tyre; The Nokian Hakkapeliitta R2 155/70R19 can reduce the rolling resistance of electric vehicles even 30%
- New size 215/45R20 for BMW's new i8 hybrid vehicle (February-March 2015)
- These features will be gradually launched in rest of Hakkapeliitta R2 range



Nokian Intelligent eSilica.

Increased range, maximises winter grip
Comfortable and quiet to drive



Russia and CIS countries

Oil price and currency devaluations hurt the economies

Negative development of economy and car sales

- RUB devaluation cut purchasing power
- Interest rates for car loans very high

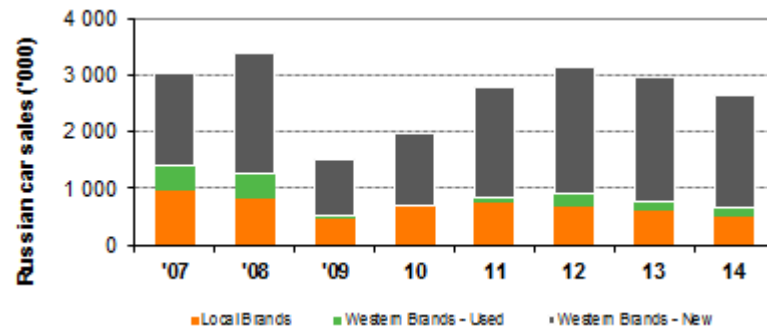
Nokian Tyres' sales value down

- Sales decreased due to currency rate effects, mix change and lower CIS volumes
- Market leadership in A&B segments with Nokian Hakkapeliitta/Hakka and Nordman brands solid and to continue

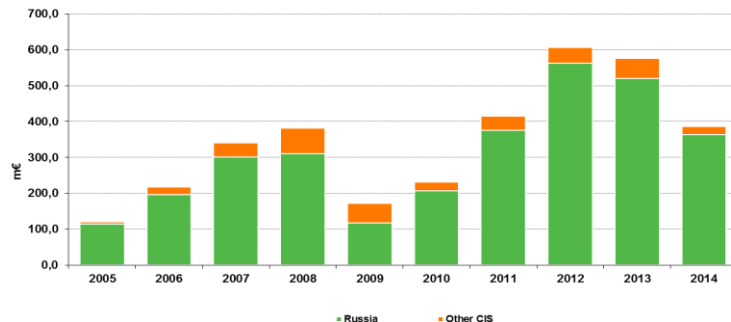
Tyre demand growing in the long term

- Growing car sales to increase demand for winter tyres
- Replacement market growing with expanding car park

Russia car sales estimate



Nokian Tyres' sales in Russia and CIS



Heavy Tyres

Profitability up

Performance in 2014

- + Forestry tyres up 15%, healthy order book
- + Lower raw material cost supported margins
- + Structural changes in manufacturing improved product quality, flexibility and productivity
- Production ramp-up delays in H1 impacted volumes
- ASP decreased due to tight pricing environment

	Q4/2014	Q4/2013	Growth	2014	2013	Growth
Net sales	41.0	40.0	2.6%	149.1	149.7	-0.4%
EBIT	7.8	5.6	39.9%	24.6	20.4	20.7%
EBIT%	18.9	13.9		16.5	13.6	
RONA_{r.12 m.}				22.9	17.7	



Durability for demanding use

New Nokian Hakka Truck 844

Excellent winter grip on snowy roads

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



M+S



Official winter tyre
approval (3PMSF)



Performance in 2014

- + 1,355 stores in 27 countries; +149 stores in 2014
- + Market share improved
- + 56 car service operations acquired and integrated to existing Vianor stores by the end of 2014
- + Service revenues increased by 6%, car services +23%
- + EBIT improved
- Mild weather in the beginning of winter hurt sales in Q4
- Strong Euro against SEK and NOK cut sales value

Equity-owned stores (189)	Q4/2014	Q4/2013	Growth	2014	2013	Growth
Net sales	117.5	117.2	0.2%	314.8	312.5	0.7%
EBIT	13.1	12.8	2.7%	2.1	-1.8	215.6%
EBIT%	11.2	10.9		0.7	-0.6	
RONA_{r.12 m.}				1.2	-1.1	



Nokian Tyres' retail partner network

Expansion of distribution continued

Vianor – 1,355 stores

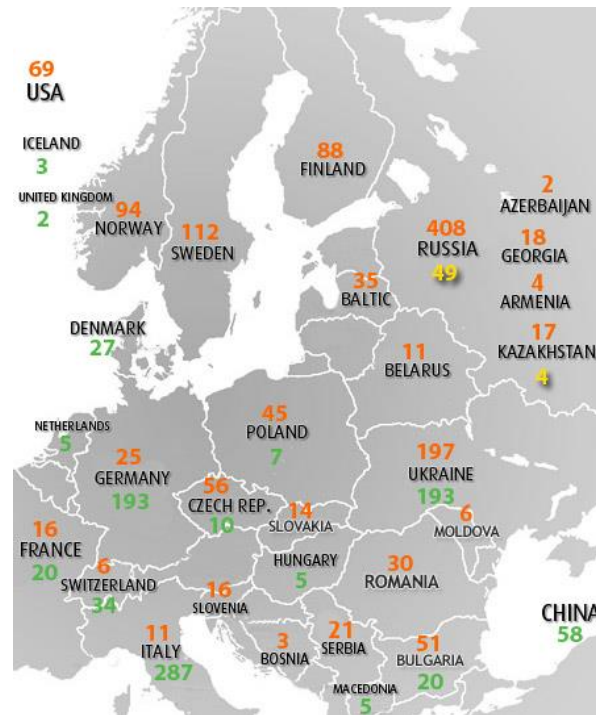
- in 27 countries
- increase of 149 stores in 2014

Nokian Tyres Authorized Dealers (NAD) – 869 stores

- in 14 Central European countries and China
- increase of 437 stores in 2014

N-Tyre – 53 stores

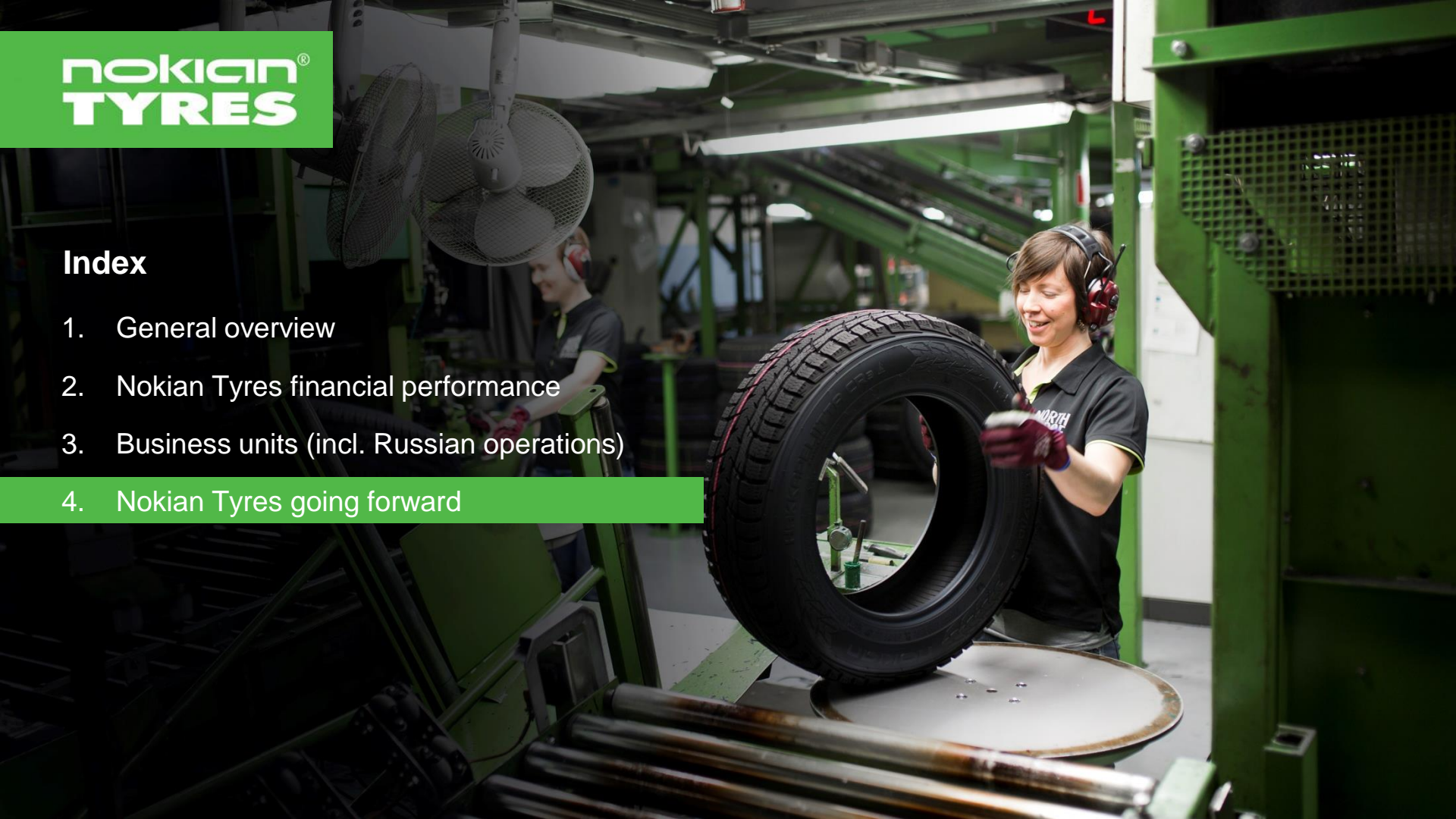
- in Russia and Kazakhstan



Vianor – NAD – N-Tyre network

Index

1. General overview
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Outlook 2015

Net sales and Operating profit to decline slightly

Assumptions

- Core markets
 - New car sales growth 3% in Europe
 - New car sales in Russia to decline 20-25%
 - Russia and CIS currencies weak against EUR
 - Sales shift from A to B segment in Russia shadow ASP development
- Raw material cost (€/kg) to decrease 5% in 2015 vs. 2014
- Investments approximately 100 M€
- Passenger car tyre markets
 - Demand in North America and CE to grow
 - Demand in Nordic countries to be stable
 - Demand in Russia & CIS to decline
- Heavy tyre market demand stable in Nokian core product groups
- Nokian Tyres financial position remains solid

Outlook 2015

- Nokian Tyres' position to improve in all markets
- Pricing environment tight for all tyre categories
- Profitability supported by efficient cost structure and productivity on the back of high share of Russian production

Year 2015 guidance

- In 2015, with stable exchange rates, Net sales and Operating profit are to decline slightly compared to 2014.
- First quarter Operating profit will be significantly below last year, as a delayed start of winter tyre sales in Russia will result in sales shifting to the following quarters.

Board's proposals to AGM

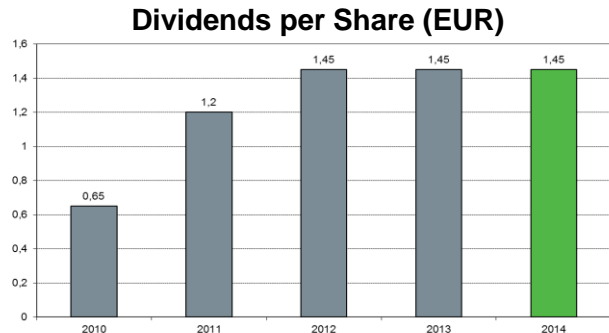
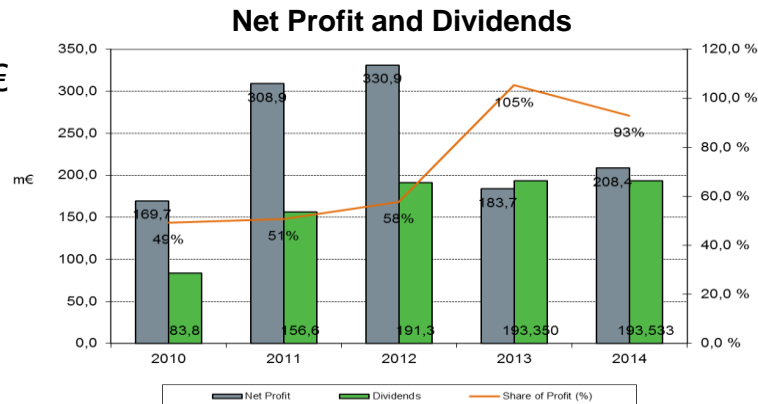
Dividend – Board's proposal 1.45 €/share

Dividend

- Parent company's distributable funds 519.1 M€
- The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 1.45 per share be paid for the fiscal year 2014

Annual General Meeting on 8 April, 2015

- Record date 10 April, 2015
- Payment Date 23 April, 2015



Appendices

- Board's proposals to AGM – Members of the Board of Directors, remuneration and auditor
- Major shareholders
- Share price development
- Competitor comparison
- Examples of new products and innovations
- Magazine test results
- Winter tyre legislation in Europe
- Russia
- Personnel
- Factories
- Raw material consumption
- Vianor and NAD
- Financing: Loans and Net Financial Expenses
- Tables of financial figures
- Key figures 2010-2014

Appendix: Board's proposals to AGM

Members of the Board of Directors, remuneration and auditor

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

- Six members
- Five of the seven current Board members continue Hille Korhonen, Raimo Lind, Inka Mero, Hannu Penttilä and Petteri Walldén
- New Member: Tapio Kuula
- Remuneration: Proposed to remain unchanged
 - The monthly fee paid to the Chairman of the Board would be EUR 6,667 or EUR 80,000 per year, and the monthly fee paid to Members of the Board EUR 3,333 or EUR 40,000 per year
 - 50% of the annual fee be paid in cash and 50% in company shares to the effect that in the period from 9 April to 30 April 2015, EUR 40,000 worth of Nokian Tyres plc shares will be purchased at the stock exchange on behalf of the Chairman of the Board and EUR 20,000 worth of shares on behalf of each Board Member
 - Each member of the Board will receive a meeting fee of EUR 600 per attended meeting
- All Board members are independent of the company. All Board members are independent of any major shareholders of the company.

Board's proposal for the auditor:

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

Appendix

Major shareholders as of 31 December, 2014

	Major Domestic Shareholders	Number of Shares	Share of Capital (%)	Change from previous month
1	Varma Mutual Pension Insurance Company	9,000,000	6.7	0
2	Ilmarinen Mutual Pension Insurance Company	3,148,947	2.4	-200,000
3	Elo Pension Company	1,450,000	1.1	0
4	Mandatum Life Insurance Company Limited	1,286,546	1.0	26,789
5	Odin Norden	1,077,511	0.8	64,803
6	The State Pension Fund	900,000	0.7	88,183
7	Svenska litteratursällskapet i Finland r.f.	857,200	0.6	4,400
8	Schweizer Nationalbank	667,403	0.5	0
9	Nordea Allemansfond Alfa	651,597	0.5	427,271
10	Kaleva Mutual Insurance Company	448,348	0.3	0
	Major Domestic Shareholders total	19,487,552	14.6	
	Foreign Shareholders ¹⁾	81,219,152	60.9	
	Bridgestone Corporation ²⁾	20,000,000	15.0	

1) Includes also shares registered in the name of a nominee 2) In the name of a nominee.

Note: Options, outstanding (31 December, 2014)

2010A: 82,817 (77,789 in company's possession)

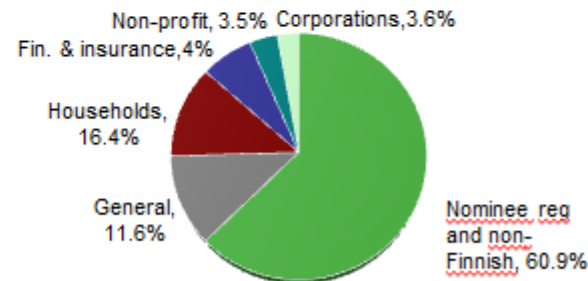
2010B: 1,339,800 (86,890 in company's possession)

2010C: 1,340,000 (70,610 in company's possession)

2013A: 1,150,000 (27,476 in company's possession)

2013B: 1,150,000 (97,815 in company's possession)

Division by Category as of 31 December, 2014

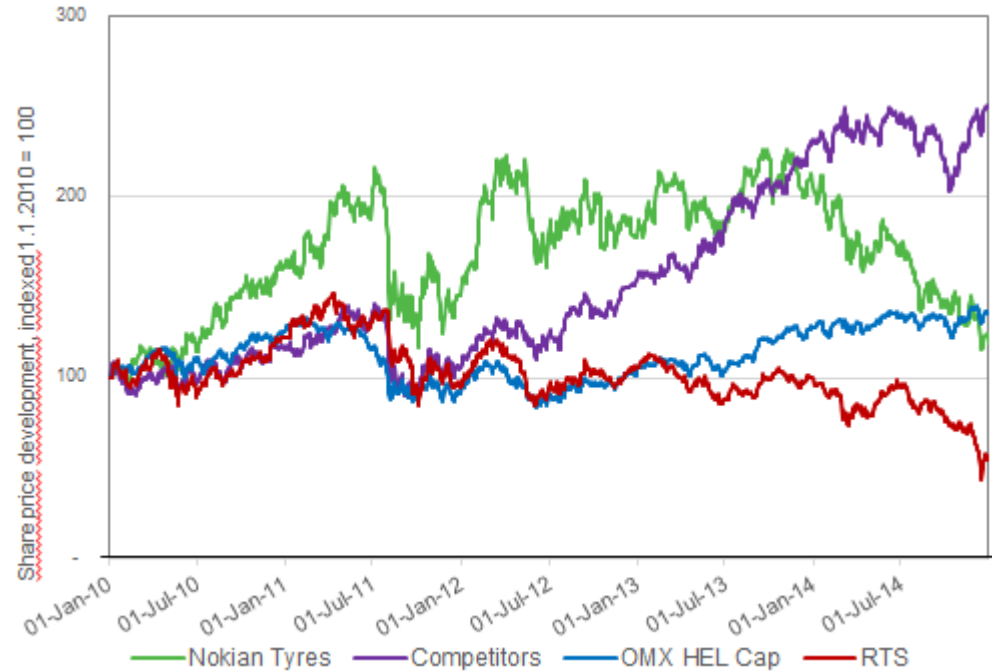


Total number of shares: 133,470,833

Appendix

Indexed share price development 2010-2014

- Nokian Tyres' share price has fallen along with RTS-index in 2014, due to the Russian crisis



Appendix

Nokian Tyres the most profitable tyre producer

Nokian Tyres' profitability has been clearly better than that of the main peers during the past 5 years. The better profitability protects the company profits during recessions and potential downturns.

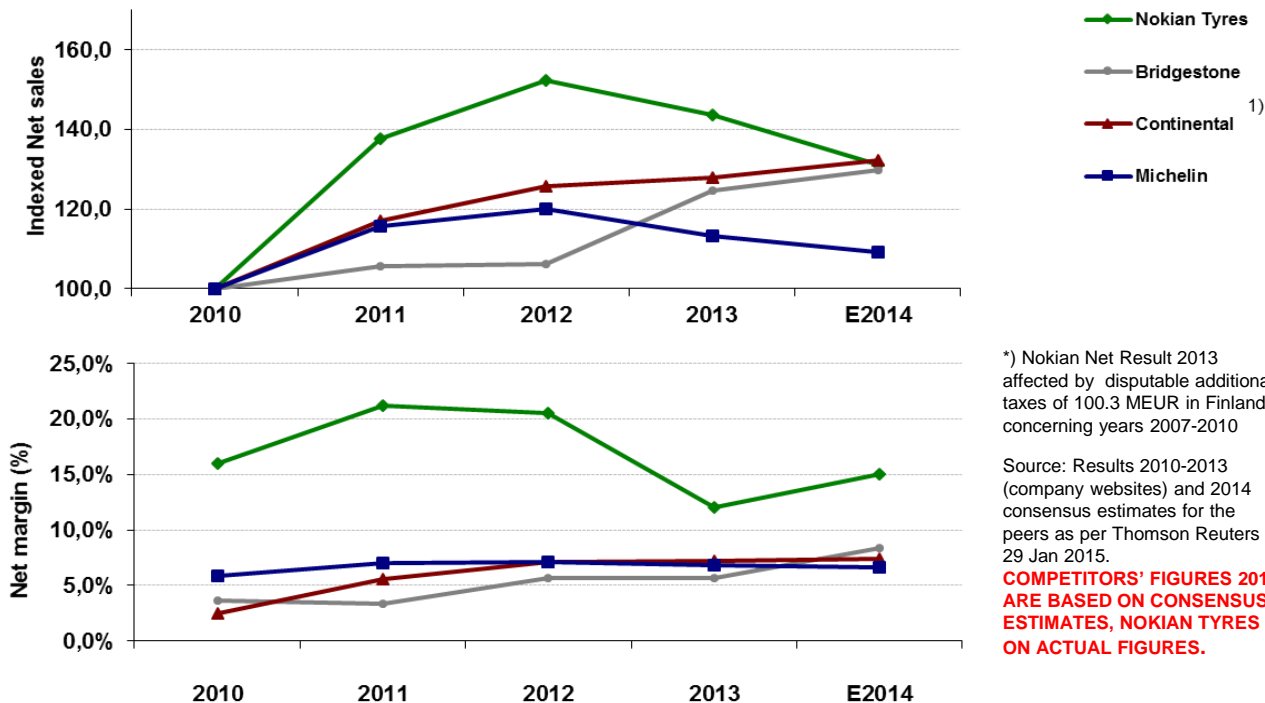
Net sales change

CAGR 2010 – E2014

Nokian (act.)	7.0%
Michelin	2.2%
Bridgestone	6.8%
Continental	7.2%

Net margin E2014

Nokian (act.) *	15.0%
Michelin	6.6%
Bridgestone	8.3%
Continental	7.4%



Appendix

Group Operating profit per quarter 2010 - 2014

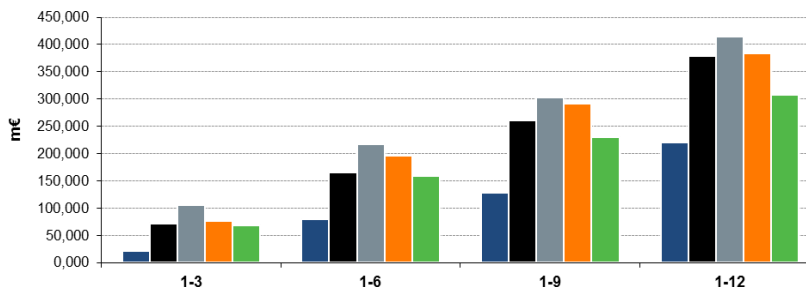
2014

- Net sales 1,389.1 m€ (1,521.0 m€), -8.7%
- EBIT 308.7 m€ (385.5 m€), -19.9%

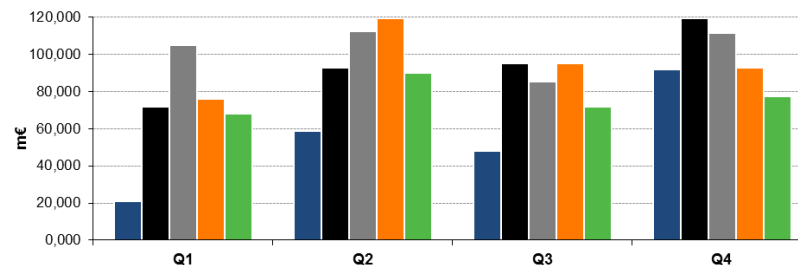
10-12/2014

- Net sales 380.0 m€ (411.8 m€), -7.7%
- EBIT 77.5 m€ (93.2 m€), -16.9%

Cumulative Operating profit per review period



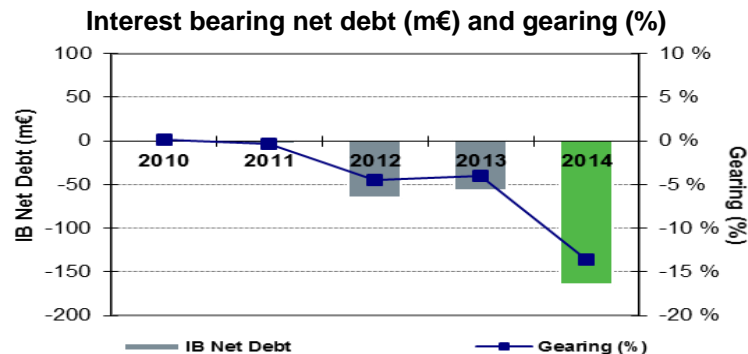
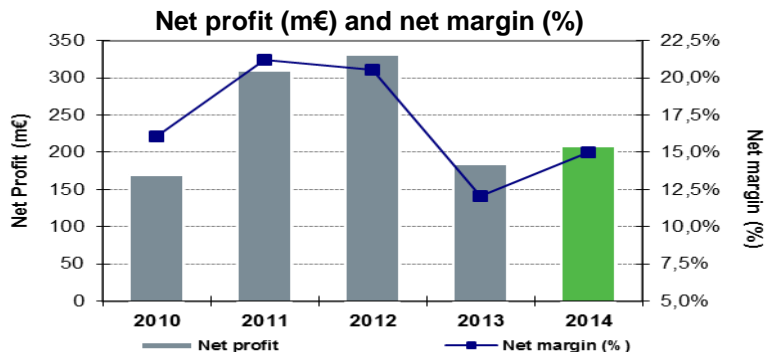
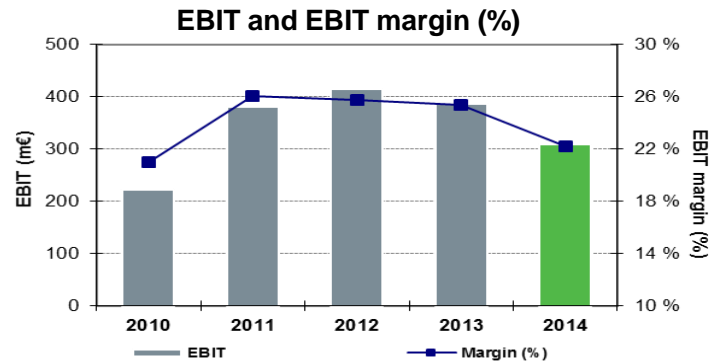
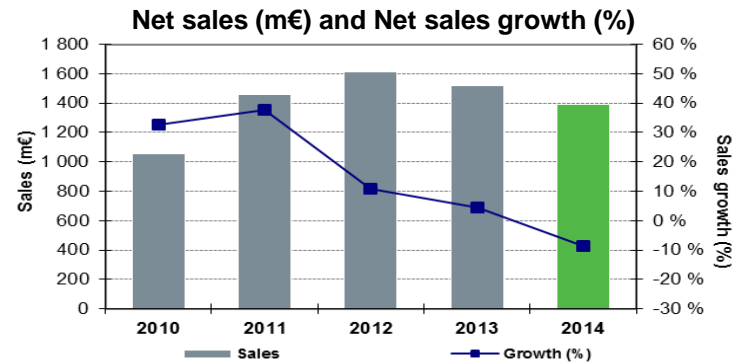
Group Operating profit per quarter



Note: Excluding sale of fixed assets

Appendix

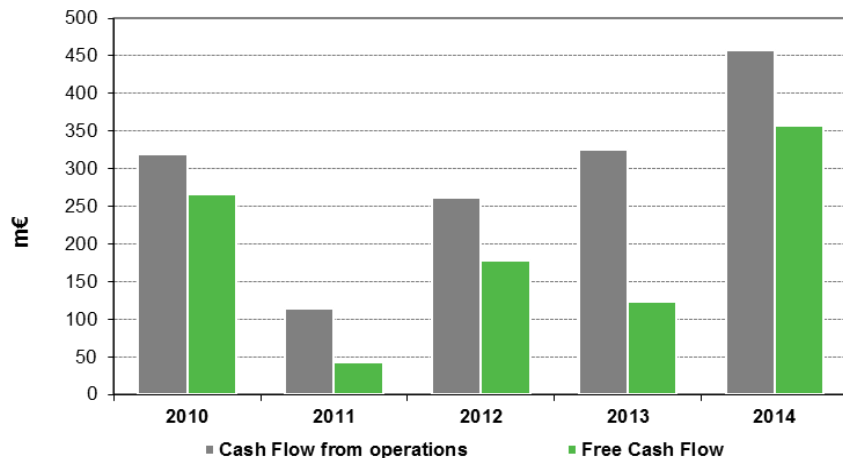
Key figures 2010-2014



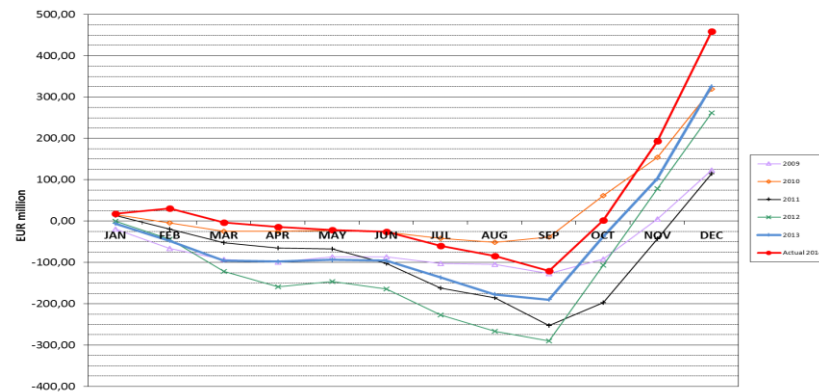
Appendix

Group Operating Cash Flow and Free Cash Flow 2010-2014

Group Cash Flow From Operations and Free Cash flow

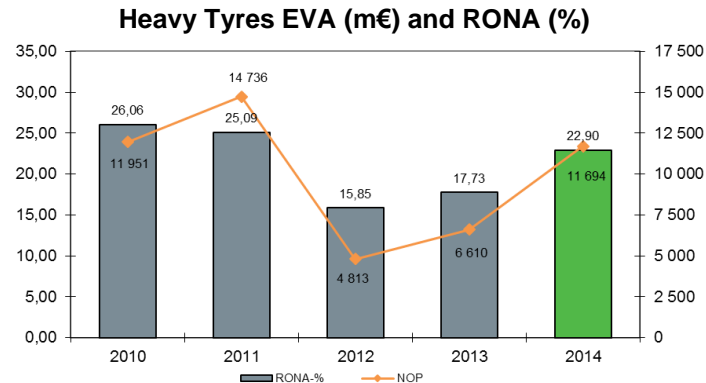
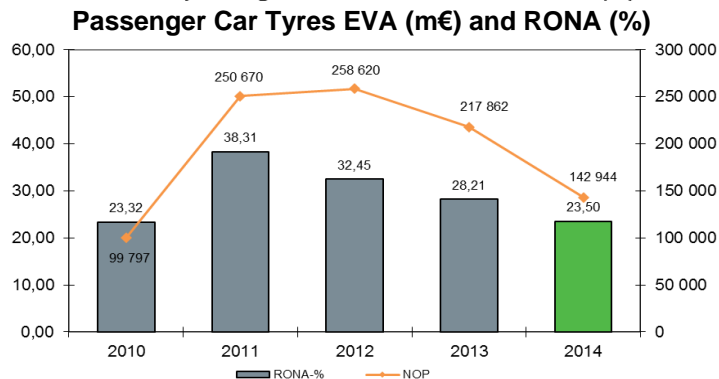
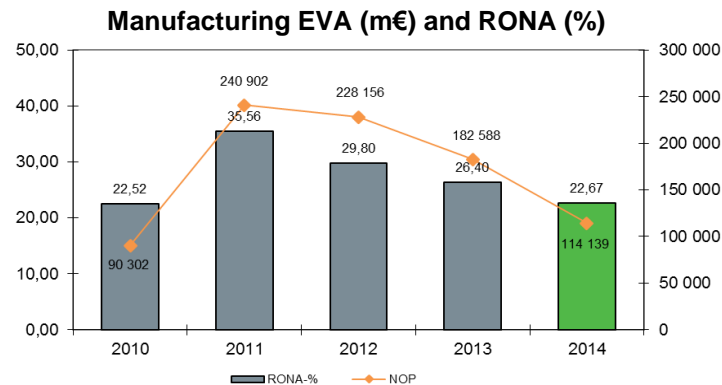
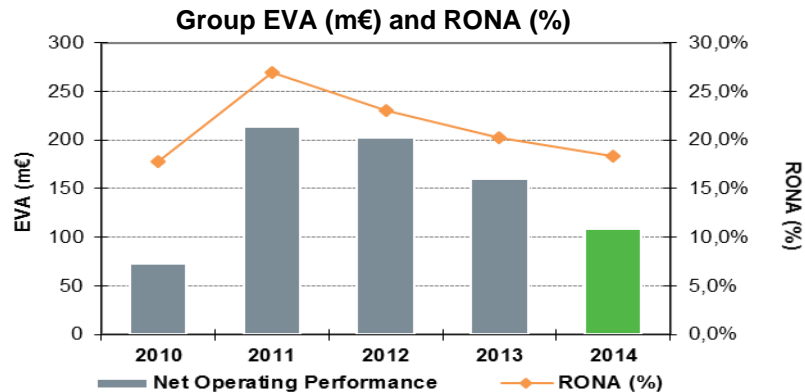


Monthly cumulative Group Cash flow from operations



Appendix

RONA (%) and Net operating performance (EVA) ¹⁾ 2010-2014



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

Appendix

New winter products in 2014



Nokian Hakkapeliitta 8 SUV – Provides grip and durability like never before

- The most modern stud technology (Nokian Eco Stud 8 Concept) in the business provides grip like never before on ice and snow.

Nokian Hakkapeliitta C3 – Winter grip and efficiency for professionals

- The new Nokian Hakkapeliitta C3 studded tyre makes life easier for heavy duty professionals.

Nokian Hakkapeliitta CR3 – Driving comfort for demanding professional use

- The new Nordic non-studded winter tyre is developed for versatile use on delivery vehicles and vans.

Nokian WR G3 SUV – Ultimate All-Weather Performance

- New high-performance Nokian WR G3 SUV all-weather tyre for varied use on sports utility vehicles for the North American market.



New Nokian Hakkapeliitta 8 SUV



Nokian Hakkapeliitta CR3

Appendix

New summer products in 2014 - Tough performers



Nokian Hakka Black SUV – Tough cool performer

- Steers logically, quickly and responsively at high speeds. Combines safety under extreme conditions, comfort, and durability.

Nokian Hakka Blue SUV –Tough wet performer

- Driving comfort, safety and durability like never before for versatile use on SUVs

Nokian zLine SUV – Cool performance for the Central European autobahns

- Precise handling, extreme durability and perfect driving pleasure.

Nokian Line SUV – Driving comfort and versatile safety

- Pleasant comfort, high performance and firm wet grip

Nokian Rotiiva HT – Reliable performer

- The Nokian Rotiiva HT, designed for heavy SUV-type 4x4 vehicles and pickups is a durable and reliable performer on asphalt and gravel alike

Nokian summer tyres – Testing at the extremes

<http://youtu.be/6kT0wLEOxY4>



More durability. Nokian Aramid Sidewall Technology



New Nokian Line SUV

Appendix

Car tyres - examples of current products and innovations 1(2)

Nokian Hakkapeliitta 8 – Ruler of the North

- Nokian Hakkapeliitta 8 is a superior test winner in Nordics and Russia. Nokian Hakkapeliitta 8 – winter grip like never before – has won practically all winter tyre magazine tests
- The ground-breaking stud distribution and the **Eco Stud 8 Concept** create fantastic winter properties: supreme grip during braking and acceleration, better wear resistance, and peace of mind through driving comfort.

Nokian Hakkapeliitta R2 – Northern comfort

- The new non-studded winter tyre, will safely tackle even the trickiest winter conditions.
- Nokian Hakkapeliitta R2 is the number one choice for those who value unique driving comfort and eco-friendly travelling. In addition to the extremely low rolling resistance, developments have also been made in handling on ice, snow, and wet roads, all for the benefit of drivers.

Nokian Hakkapeliitta R2 SUV – Northern comfort and stability for SUVs

- The non-studded Nokian Hakkapeliitta R2 SUV winter tyre, specially tailored for sport utility vehicles.
- The new innovations, like **Nokian Cryo Crystal Concept**, in the tread patterns and compounds of this stable, rugged new product ensure that the Nokian Hakkapeliitta R2 SUV's handling and grip properties are top-notch.

Nokian WR SUV 3 – Ultimate snow and slush performance

- Developed for Central Europe's varying winter conditions and the ever-increasing SUV segment

Nokian WR G3 and Nokian WR G3 SUV – Forget the Forecast

- Extensions of the Nokian Tyres' All Weather Plus product line for the North American market.

New range puts winter grip on an awesome new level!



Nokian Hakkapeliitta 8



Nokian Hakkapeliitta R2



Nokian Hakkapeliitta R2 SUV

Appendix

Car tyres - examples of current products and innovations 2(2)

Nokian Hakka Black – Ultra high Performance summer tyre for core markets

- Cool performance for fast driving, stable and precise driving feel
- Tailor-made for the northern roads, the newest member of the Hakka summer tyre range offers optimal handling and safety in demanding driving situations
- Top performance in both the W (270 km/h) and Y (300 km/h) speed

Nokian zLine – Ultra High Performance summer tyre for Central Europe

- New top class tyre family for varying Central European summer conditions
- New Nokian zLine - sporty, cool performance for fast driving
- Precise driving feel, uncompromisingly safe and comfortable travel

Nokian Line – Safety and top performance for wet roads

- Offers the best possible traction and precise handling especially for wet roads, for varying Central European driving conditions
- The new innovations maximize wet grip, the Cross-Block sipes and Surge Grooves
- The structural solutions and tread design were tailored to rise to the challenge of the different fast speeds in T, H, V and W speed categories

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, Nokian WR A3 for sporty use



Nokian Hakka Black



Nokian zLine



Nokian WR

Appendix

Heavy Tyres - Examples of new products

Nokian Hakkapeliitta TRI – The world's first winter contracting tyre for tractors

- Nokian Hakkapeliitta TRI introduces totally new technologies and user benefits to the market of winter contracting and snow clearing.
- Revolutionary tread design, tread block siping with siping activators and specially designed winter tread compound ensure that the user has superior traction and the best possible handling without compromising the economy of use.

Nokian Hakkapeliitta Truck D – Superior grip and stability in the long haul

- A durable and stable winter traction tyre for long-haul freight and bus traffic.
- Reliable grip and economic driving in demanding winter conditions.
- Patented twin-block pattern ensures optimal grip and precise driving response even under extreme conditions.



Appendix

Winter tyre regulations in Europe

	Austria	Bosnia Herzegovina	Croatia	Czech Republic	Estonia	Finland	France	Germany	Hungary	Italy	Latvia	Lithuania	Norway	Poland	Portugal	Romania	Serbia	Slovakia	Slovenia	Spain	Sweden	Switzerland	Turkey	United Kingdom
Winter tyres are legally mandatory		●			●	●					●	●	●			●	●	●	●				● **	
Winter tyres are mandatory, if weather conditions so require	●		●	●				●													●			
Winter tyres are mandatory only if there is a specific road sign							●		●	● *				●	●					●		●		●

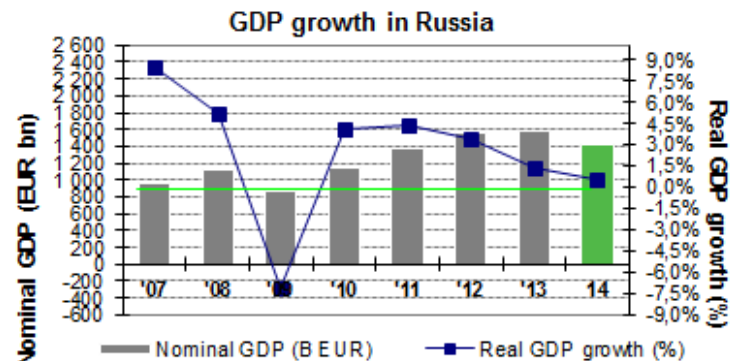
* There is variation in different areas.

** For taxis and commercial vehicles, not regular passenger vehicles

Appendix

Russia's economy in a deep crisis

- After a severe crisis of 2008-2009 and a rapid recovery in 2010-2012, in 2013 the economy clearly slowed down: the real GDP growth in 2013 was a modest 1.2%, reflecting weaker investment and consumer consumption.
- The growth stalled in 2014 driven by both fundamental and geopolitical factors such as the Ukraine crisis and the US and EU sanctions against Russia; the slowdown was reinforced by the dramatic decline in global oil prices; real GDP growth in 2014 is estimated at ~0%.
- Russia's economy is facing a deep crisis and a recovery is unlikely until oil prices clearly rise and the Ukrainian conflict is over; even then the economic growth is likely to be slower than before.
- In 2015, Russia's GDP is expected to decrease by 3% at best or even 5 - 8% in a more pessimistic scenario.
- Consumer confidence fluctuated in 2014 with a dramatic decline in Q4, reaching its lowest level since 2009; consumer spending and retail sales (+2.5% in nominal terms) remain sluggish.
- The ruble significantly devalued against major currencies driven by the fundamental factors, Ukrainian crisis, US and EU sanctions, and the recent sharp decline in global oil prices; the latter most probably will determine its dynamics in 2015.

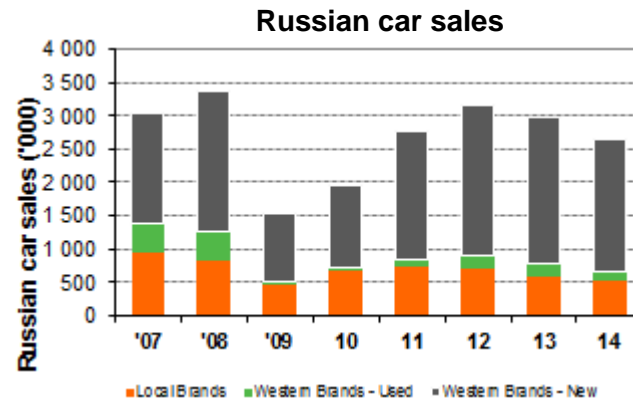


Appendix

Russia - Car sales continue to decline, return to growth track delayed

Car market summary

- In 2014 Russia's car market continued the negative trend of 2013 and declined by 10.3%; a total of 2.5 million cars and LCVs were sold in Russia in 2014.
- The pace of the decline slowed down in the autumn from its peak in Aug (-26%) due to the lower comparison base, renewed car recycling / trade-in government support program and 'flight from the ruble' – in Dec it turned into 2.4% growth 'stealing' sales of early 2015.
- The decline in 2014 was driven by the general weakening of the economy and consumer confidence as well as continuing ruble devaluation and dramatic increase in interest rates.
- The renewed government program of car recycling and trade-in support, covering 170,000 cars in 2014, supported the market (albeit mostly its low end); the government decided to continue the program into at least H1 2015 allocating the same amount of funds (10 billion RUB) as in 2014.
- In the base scenario, Russia's car market may decrease by 20 – 25% vs. 2014 or even collapse by up to 50%, as in 2009, depending on the overall economy situation.
- The long-term potential of Russia's car market has not disappeared, but its realization is likely to be delayed due to the current economy development.
- Even with this decline in new car sales, the total amount of vehicles on the road is growing every year by some 1 million units.

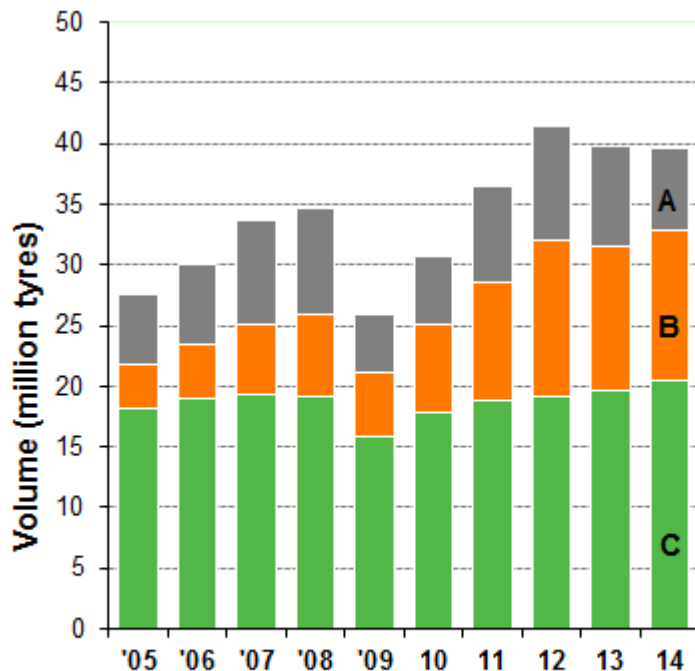


Source: AEB; IHS Global Insight; Nokian Tyres estimates Jan 2015

Appendix

Tyre market stagnating, but potential still exists

Car and van tyre replacement market (volume)



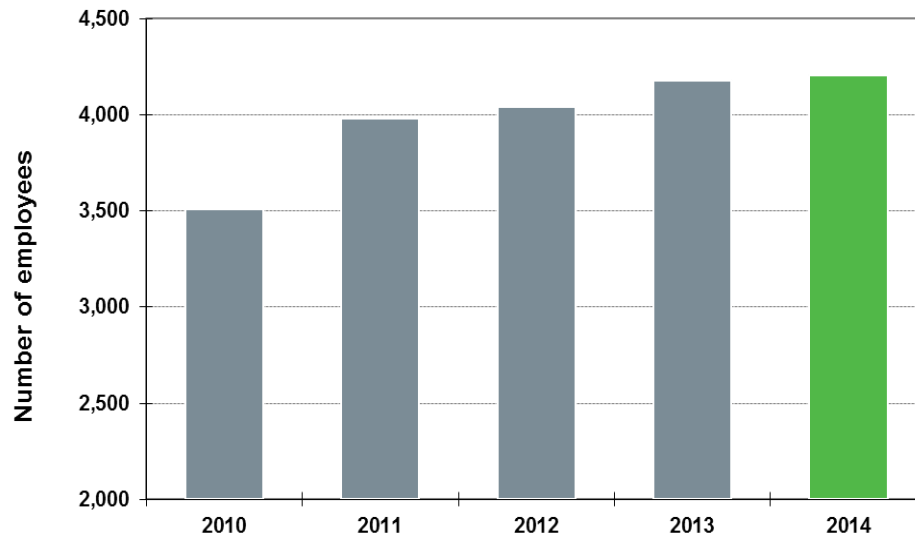
Note: Traditional segments / price positioning: index 100 = market leader; A: > 80; B: 60 – 80; C: <60

Source: Nokian Tyres estimates Jan 2015

Appendix

Personnel 31 December, 2014

- Nokian Tyres Group: 4,204 (4,170)
- Equity-owned Vianor: 1,508 (1,480)
- Russia: 1,326 (1,319)



Appendix

Production facilities

Annualized production capacity >20 million tyres with shift arrangements. Potential to increase further by 1.5 mpcs in existing factories.



Nokia, Finland

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

2012-2014:

- Car tyres 5-day shift system
- Temporary production cuts
- Modernization and ramp up of Heavy tyre production



Vsevolozhsk, Russia

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

2012:

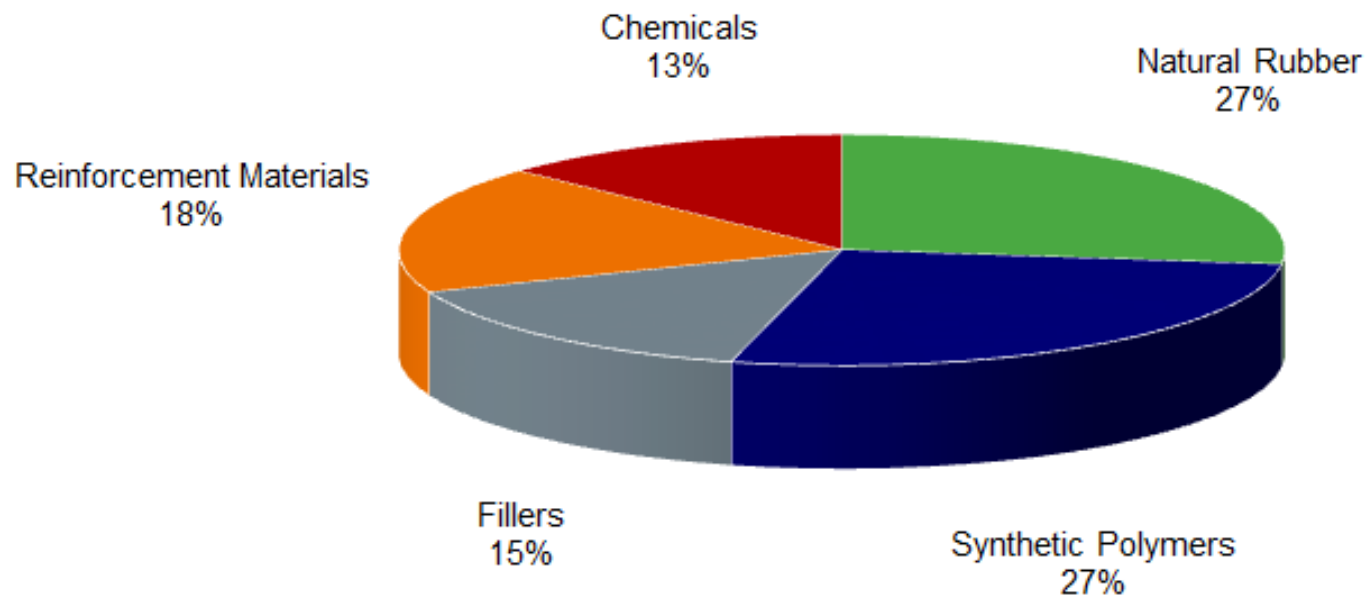
- New factory next to the current one
- Own electricity generation

2013-2014:

- 13 lines in production. Capacity > 15 Mpcs.

Appendix

Value of raw material consumption (%)



Appendix

Vianor & Nokian Tyres Authorized Dealers (NAD)

Requirements for Vianors

- Minimum purchases and minimum share from Nokian Tyres and a strong visibility in the store
- Professional tyre services, fulfillment of Vianor operative standards
- Full Vianor branding, Nokian Tyres shop-in-shop

Key benefits for Vianors

- Vianor terms and conditions
- Access to Vianor central purchase program
- Vianor fleet customer program
- Vianor Academy training program
- Marketing program, Vianor clothing

Requirements for NADs

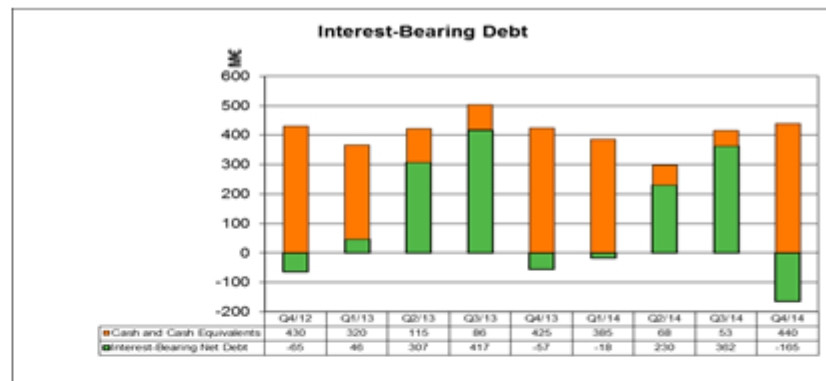
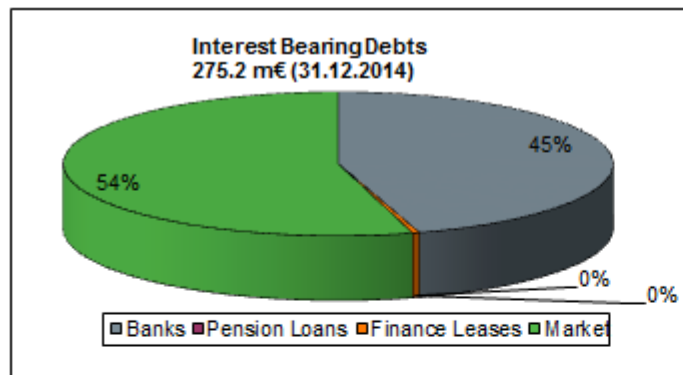
- Minimum purchases from Nokian Tyres and a strong visibility in the store
- Professional tyre services
- Soft Nokian Tyres outdoor branding, Nokian Tyres shop-in-shop

Key benefits for NADs

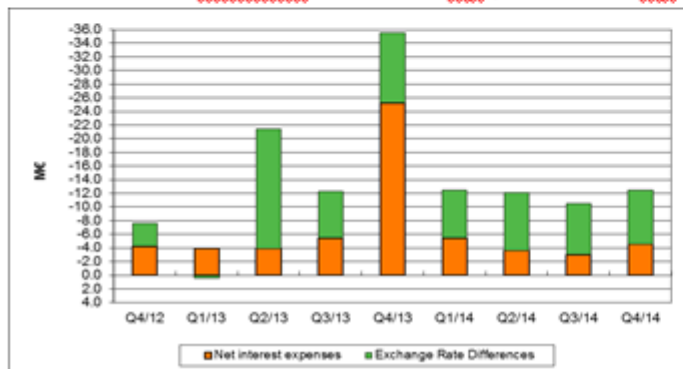
- NAD terms and conditions
- Product and sales training program
- Seminars, launch events
- Advertising materials, web visibility

Appendix

Financing: Loans on 31 December 2014, Net Financial Expenses and currency effect



Net Financial Expenses Q4/2014: 12.4 m€ (Q4/2013: 35.6 m€)



Net financial items/exchange rate difference (mEUR)							
	RUB	NOK	SEK	USD	CAD	Other	Total
Underlying 1)	-97.9	-3.6	-3.4	2.6	1.0	-6.5	-107.9
Hedging	94.7	2.6	3.2	-2.9	-0.7	3.7	100.5
Hedging cost	-21.4	-0.5	-0.4	0.0	-0.4	-0.7	-23.4
Total	-24.6	-1.5	-0.6	-0.3	-0.2	-3.6	-30.8
1) AP, AR, Internal loans/deposits							

Appendix

Consolidated Income Statement

Million euros	10-12/14	10-12/13	1-12/14	1-12/13	Change%
Net sales	380.0	411.8	1,389.1	1,521.0	-8.7
Cost of sales	-207.4	-223.5	-769.6	-819.9	6.1
Gross profit	172.6	188.4	619.5	701.0	-11.6
Other operating income	0.5	1.3	3.4	3.9	
Selling and marketing expenses	-73.6	-71.9	-246.5	-249.1	1.0
Administration expenses	-8.5	-9.7	-34.5	-36.6	5.7
Other operating expenses	-13.6	-14.9	-33.2	-33.8	1.7
Operating profit	77.5	93.2	308.7	385.5	-19.9
Financial income	176.5	36.4	268.4	104.3	157.2
Financial expenses (1)	-189.0	-71.9	-315.9	-177.0	-78.4
Profit before tax	65.0	57.7	261.2	312.8	-16.5
Tax expense (2 (3)	-14.9	-94.1	-52.8	-129.1	59.1
Profit for the period	50.1	-36.4	208.4	183.7	13.4
Attributable to:					
Equity holders of the parent	50.1	-36.4	208.4	183.7	
Non-controlling interest	0.0	0.0	0.0	0.1	
Earnings per share from the profit attributable to equity holders of the parent					
basic, euros	0.38	-0.28	1.56	1.39	12.9
diluted, euros	0.38	-0.30	1.56	1.39	12.9

1) Financial expenses in 1-12/14 contain EUR 1.6 million expensed punitive interest for tax reassessment decisions on years 2008-2012 and in 10-12/13 and 1-12/13

EUR 20.2 million on years 2007-2010.

2) Tax expense in 1-12/14 contains EUR 9.4 million expensed additional taxes with punitive tax increases for tax reassessment decisions on years 2008-2012 and in 10-12/13 and 1-12/13 EUR 80.1 million on years 2007-2010.

3) Otherwise tax expense in the consolidated income statement is based on the taxable result for the period.

Appendix

Consolidated Other Comprehensive Income

Million euros	10-12/14	10-12/13	1-12/14	1-12/13
Profit for the period	50.1	-36.4	208.4	183.7
Other comprehensive income, net of tax:				
Gains/Losses from hedge of net investments in foreign operations	0.0	0.0	0.0	-1.9
Cash flow hedges	-0.4	0.5	-1.9	0.8
Translation differences on foreign operations (4)	-152.7	-20.5	-202.1	-65.6
Total other comprehensive income for the period, net of tax	-153.1	-20.0	-204.0	-66.7
Total comprehensive income for the period	-103.0	-56.4	4.4	117.0
Total comprehensive income attributable to:				
Equity holders of the parent	-103.0	-56.4	4.4	117.1
Non-controlling interest	0.0	0.0	0.0	0.1

4) 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". The impact on year 2014 is EUR -10.0 million and in 10-12/14 -3.0 million.

Appendix

Consolidated Statement Of Financial Position

Million euros	31.12.14	31.12.13
Non-current assets		
Property, plant and equipment	502.8	683.8
Goodwill	73.3	69.9
Other intangible assets	19.8	24.7
Investments in associates	0.1	0.1
Available-for-sale financial assets	0.3	0.3
Other receivables	10.0	11.3
Deferred tax assets	9.1	8.8
Total non-current assets	615.4	798.8
Current assets		
Inventories	288.3	322.1
Trade receivables	351.0	404.8
Other receivables	93.6	98.8
Current tax assets	8.9	13.8
Cash and cash equivalents	439.9	424.6
Total current assets	1,181.6	1,264.1
Total Assets	1,797.0	2,062.9
Equity		
Share capital	25.4	25.4
Share premium	181.4	181.4
Treasury shares		
	-8.6	-
Translation reserve	-166.6	-128.5
Fair value and hedging reserves	-2.6	-0.7
Paid-up unrestricted equity reserve	100.3	97.1
Retained earnings	1,079.1	1,217.9
Non-controlling interest	-	0.2
Total equity	1,208.5	1,392.8

Non-current liabilities	31.12.14	31.12.13
Deferred tax liabilities	26.7	36.1
Provisions	0.1	0.1
Interest bearing financial liabilities	274.7	185.8
Other liabilities	5.1	3.5
Total non-current liabilities	306.5	225.4
Current liabilities		
Trade payables	63.9	65.8
Other current payables	196.0	189.4
Current tax liabilities	18.7	4.0
Provisions	2.8	3.1
Interest-bearing financial liabilities	0.6	182.4
Total current liabilities	282.0	444.7
Total assets	1,797.0	2,062.9
Changes in net working capital arising from operative business are partly covered by EUR 350 million domestic commercial paper programme.		

Appendix

Key Ratios

KEY RATIOS	31.12.14	31.12.13	Change %
Equity ratio, %	67.5	67.6	
Gearing, %	-13.6	-4.1	
Equity per share, euro	9.07	10.45	-13.1
Interest-bearing net debt, mill. euros	-164.6	-56.4	
Capital expenditure, mill. euros	80.6	125.6	
Depreciation, mill. euros	89.8	93.5	
Personnel, average	4,272	4,194	
Number of shares (million units)			
at the end of period	133.17	133.29	
in average	133.16	132.65	
in average, diluted	135.10	137.62	

Appendix

Consolidated Statement Of Cash Flows

Million euros	1-12/14	1-12/13
Cash flows from operating activities:		
Cash receipts from sales	1,348.9	1,469.9
Cash paid for operating activities	-870.9	-1,045.5
Cash generated from operations	477.9	424.3
Financial items and taxes	-154.6	-106.9
Net cash from operating activities	323.4	317.6
Cash flows from investing activities:		
Net cash used in investing activities	-84.7	-143.4
Cash flows from financing activities:		
Proceeds from issue of share capital	2.6	17.8
Purchase of treasury shares	-8.6	-
Change in current financial receivables and debt	54.3	-40.7
Change in non-current financial receivables and debt	-83.0	36.6
Dividends received	0.4	-
Dividends paid	-193.4	-191.9
Net cash from financing activities	-227.7	-178.1

Million euros	1-12/14	1-12/13
Net change in cash and cash equivalents	11.0	-4.0
Cash and cash equivalents at the beginning of the period	424.6	430.3
Effect of exchange rate changes	4.3	-1.8
Cash and cash equivalents at the end of the period	439.9	424.6
	11.0	-4.0

The company has received a stay of execution from the Finnish Tax Administration for the collection of the tax increases based on the tax reassessment decisions on years 2007-2010. In spite of this stay of execution the Finnish Tax Administration has taken funds in accordance with these aforesaid decisions from company's tax account setting off company's other tax refunds. Financial items and taxes in 2014 contain these set-offs by the Tax Administration in total of EUR 34.2 million.

Appendix

Consolidated Statement Of Changes In Equity

	Equity attributable to equity holders of the parent								
Million euros	A	B	C	D	E	F	G	H	I
Equity, 1 Jan 2013	25.4	181.4	-	-61.0	-1.5	79.3	1,213.2	0.3	1,437.2
Profit for the period							183.8	-0.1	183.7
Other comprehensive Income, net of tax:									
Cash flow hedges					0.8				0.8
Net investment hedge				-1.9					-1.9
Translation differences				-65.6					-65.6
Total comprehensive Income for the period				-67.5	0.8		183.8	-0.1	117.0
Dividends paid							-191.9		-191.9
Exercised warrants						17.8			17.8
Share-based payments							12.9		12.9
Total transactions with owners for the period						17.8	-179.1		-161.3
Equity, 31 Dec 2013	25.4	181.4	-	-128.5	-0.7	97.1	1,217.9	0.2	1,392.8
Equity, 1 Jan 2014	25.4	181.4	-	-128.5	-0.7	97.1	1,217.9	0.2	1,392.8
Profit for the period							208.4		208.4
Other comprehensive Income, net of tax:							0.2	-0.2	0.0
Cash flow hedges					-1.9				-1.9
Net investment hedge									0.0
Translation differences				-73.5			-128.7		-202.2
Total comprehensive Income for the period				-73.5	-1.9		79.9	-0.2	4.4
Dividends paid							-193.4		-193.4
Exercised warrants						2.6			2.6
Acquisition of treasury shares			-8.6						-8.6
Share-based payments							9.9		9.9
Total transactions with owners for the period			-8.6			2.6	-183.5		-189.5
Changes in the shareholding of subsidiaries						0.7			
Acquisition of non-controlling interests,									
with no impact on control							0.2		0.2
Equity, 31 Dec 2014	25.4	181.4	-8.6	-202.0	-2.6	100.3	1,114.5	-	1,208.5

A = Share capital

B = Share premium

C = Treasury shares

D = Translation reserve

E = Fair value and hedging reserves

F = Paid-up unrestricted equity reserve

G = Retained earnings

H = Non-controlling interest

I = Total equity

Appendix

Segment Information

Million euros	10-12/14	10-12/13	1-12/14	1-12/13	Change%
Net sales					
Passenger car tyres	237.9	271.6	1,003.2	1,137.0	-11.8
Heavy tyres	41.0	40.0	149.1	149.7	-0.4
Vianor	117.5	117.2	314.8	312.5	0.7
Other operations	5.4	4.3	13.5	14.1	-3.8
Eliminations	-21.9	-21.2	-91.5	-92.3	0.8
Total	380.0	411.8	1,389.1	1,521.0	-8.7
Operating result					
Passenger car tyres	55.4	75.3	292.2	378.5	-22.8
Heavy tyres	7.8	5.6	24.6	20.4	20.7
Vianor	13.1	12.8	2.1	-1.8	215.6
Other operations	-4.7	-6.4	-9.4	-13.1	28.1
Eliminations	5.9	6.0	-0.7	1.5	-151.1
Total	77.5	93.2	308.7	385.5	-19.9
Operating result, % of net sales					
Passenger car tyres	23.3	27.7	29.1	33.3	
Heavy tyres	18.9	13.9	16.5	13.6	
Vianor	11.2	10.9	0.7	-0.6	
Total	20.4	22.6	22.2	25.3	
Cash flow from operations					
Passenger car tyres	546.4	460.3	443.4	297.1	49.3
Heavy tyres	14.8	28.8	28.8	28.4	1.4
Vianor	20.3	31.1	-8.7	7.4	-216.7
Total	579.1	515.9	458.3	325.6	40.7

Appendix

Changes in property, plant and equipment

Million euros	31.12.14	31.12.13
Opening balance	683.8	692.5
Capital expenditure	88.2	155.2
Decrease	-15.0	-22.6
Depreciation for the period	-80.1	-85.1
Exchange differences	-174.0	-56.3
Closing balance	502.8	683.8
CONTINGENT LIABILITIES	31.12.14	31.12.13
Million euros		
FOR OWN DEBT		
Mortgages	1.0	1.1
Pledged assets	4.7	0.2
OTHER OWN COMMITMENTS		
Guarantees	4.6	3.3
Leasing and rent commitments	53.7	63.3
Purchase commitments	2.0	2.0

Appendix

Carrying amounts and fair values of financial assets and liabilities

	31.12.14		31.12.13	
	Carrying amount	Fair value	Carrying amount	Fair value
Million euros				
FINANCIAL ASSETS				
Financial assets at fair value				
through profit or loss				
Derivatives held for trading	19.2	19.2	5.3	5.3
Money market instruments	-	-	-	-
Loans and receivables				
Other non-current receivables	10.0	7.0	11.3	14.3
Trade and other receivables	355.2	355.8	408.3	407.7
Cash in hand and at bank	439.9	439.9	424.6	424.6
Available-for-sale financial assets				
Unquoted shares	0.3	0.3	0.3	0.3
Derivative financial instruments designated as hedges	0.3	0.3	0.1	0.1
FINANCIAL LIABILITIES				
Financial liabilities at fair value				
through profit or loss				
Derivatives held for trading	13.8	13.8	1.8	1.8
Financial liabilities measured at amortised cost				
Interest-bearing financial liabilities	275.2	279.8	368.2	375.8
Trade and other payables	63.9	63.9	65.8	65.8
Derivative financial instruments designated as hedges	4.8	4.8	2.9	2.9

Appendix

Derivative Financial Instruments

Million euros	31.12.14	31.12.13
INTEREST RATE DERIVATIVES		
Interest rate swaps		
Notional amount	100.0	0.0
Fair value	-2.3	0.0
FOREIGN CURRENCY DERIVATIVES		
Currency forwards		
Notional amount	303.8	225.8
Fair value	-9.4	1.9
Currency options, purchased		
Notional amount	-	110.3
Fair value	-	2.4
Currency options, written		
Notional amount	-	110.3
Fair value	-	-0.9
Interest rate and currency swaps		
Notional amount	67.5	20.0
Fair value	14.9	0.1
ELECTRICITY DERIVATIVES		
Electricity forwards		
Notional amount	10.0	12.3
Fair value	-2.3	-2.8

Appendix

Definitions Of Consolidated Key Financial Indicators

DEFINITIONS OF CONSOLIDATED KEY FINANCIAL INDICATORS

Earnings per share, euro:

Profit for the period attributable to the equity holders of the parent / Average adjusted number of shares during the period excluding treasury shares

Earnings per share (diluted), euro:

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

The share options affect the dilution as the average share market price for the period exceeds the defined subscription price.

Equity ratio, %:

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

Gearing, %:

$\text{Interest-bearing net debt} \times 100 / \text{Total equity}$

Equity per share, euro:

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

Cash flow from operations:

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



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