


The logo for Nokian Tyres, featuring the word "nokian" in a lowercase, sans-serif font above the word "TYRES" in a bold, uppercase, sans-serif font. The text is white and set against a solid green rectangular background.

**nokian  
TYRES**

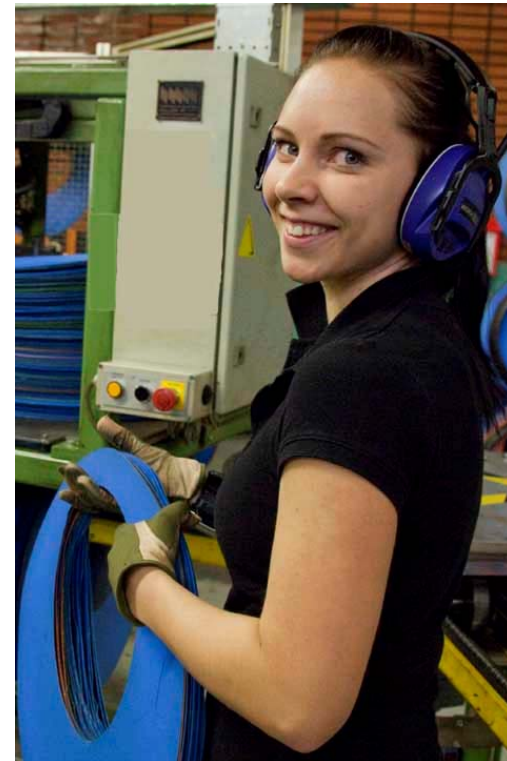
A close-up photograph of the rear side of a white car parked on a snowy surface. The car's rear wheel is visible, showing a winter tire tread pattern. The background consists of a snowy landscape with trees and a bright, hazy sky, suggesting a winter setting.

**Nokian Tyres back to growth**  
**Conference call of ABG Sundal**  
**Collier Sales**

Mr. Kim Gran  
President and CEO  
Nokian Tyres plc  
November, 2010

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- 2. Nokian Tyres financial performance**
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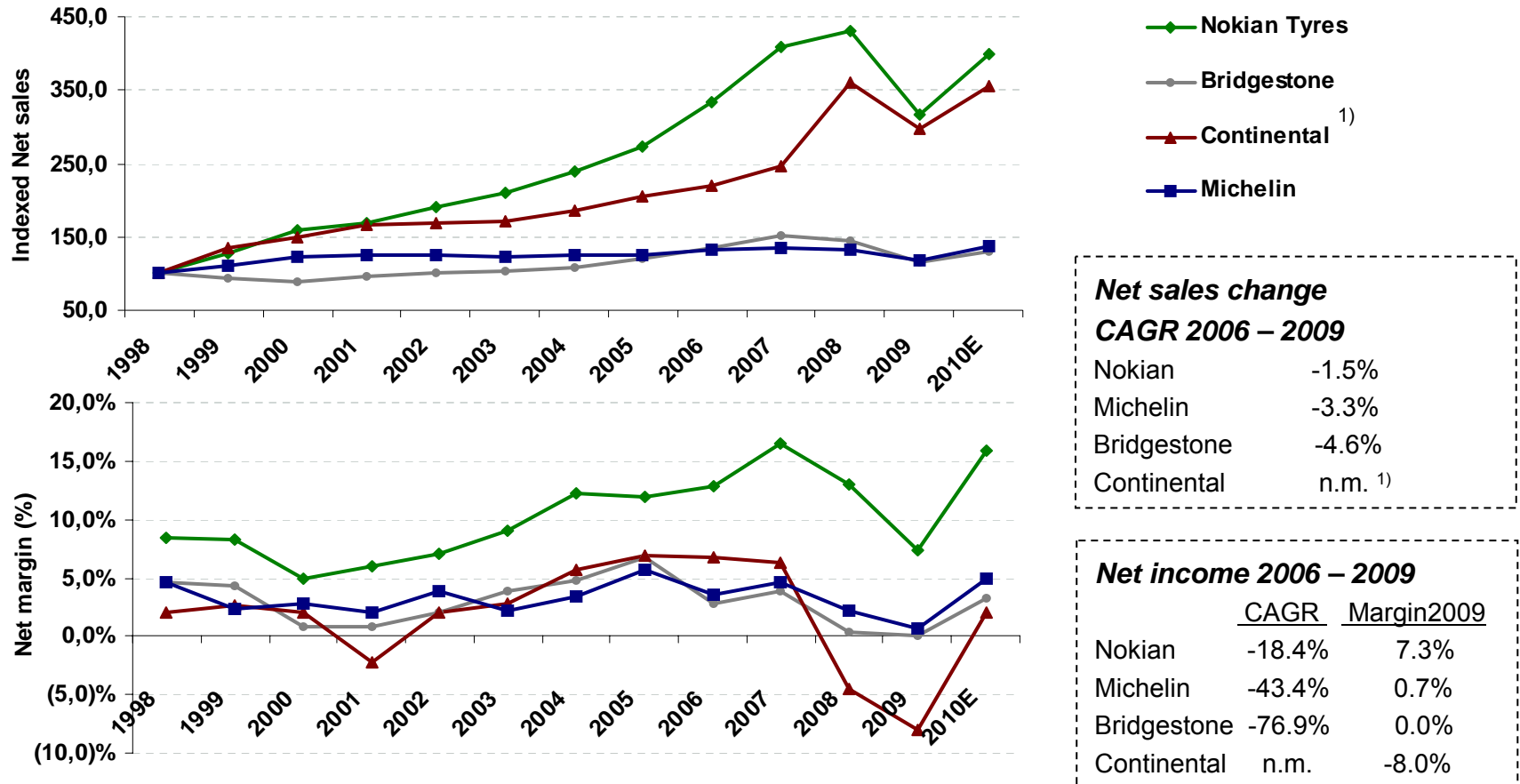


## GENERAL OVERVIEW

Competitor comparison 1998-2010E:

**Nokian Tyres still 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 1998-2009 (company websites) and 2010 consensus estimates for the peers as per Reuters 8 October 2010.

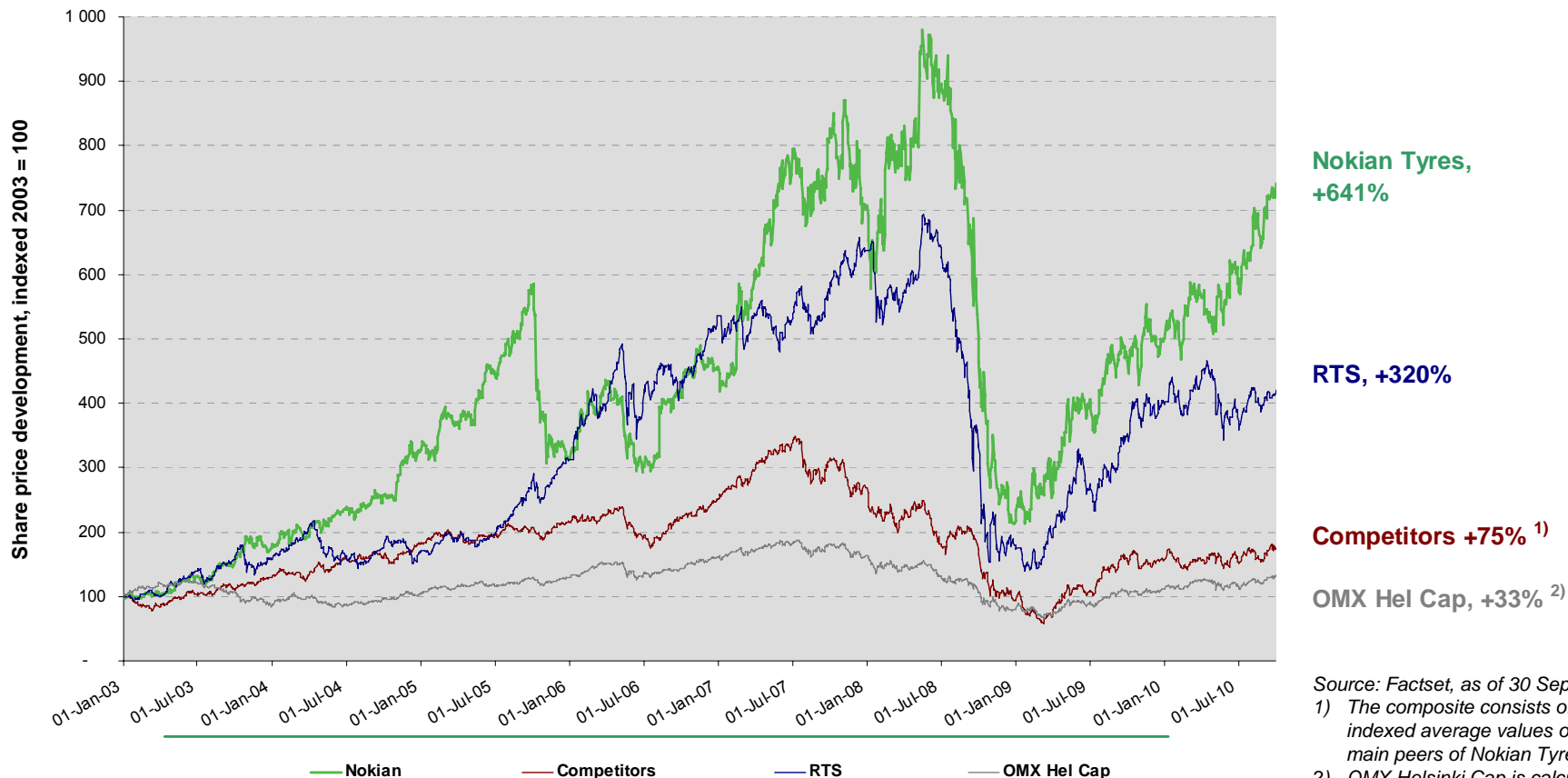
Note: "n.m." means that the results would be non-meaningful or that the calculation is not possible due to negative results.

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

**PLEASE NOTE: ESTIMATE 2010 IS BASED ON CONSENSUS ESTIMATES, NOT NOKIAN TYRES GUIDANCE!**

## GENERAL OVERVIEW

Comparing share price development to main indexes 2003-Q3/2010



Source: Factset, as of 30 Sep 2010.

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

### Nokian Tyres by Sep-30-2010

	Last 7 years	Last 3 years	Last 2 years	LTM	L6M	L3M	Last month
High	33,30	33,30	25,19	25,19	25,19	25,19	25,19
Average	15,81	19,16	15,42	19,22	20,91	22,67	24,40
Low	5,42	7,23	7,23	14,54	17,24	19,40	23,34

## GENERAL OVERVIEW

*Strategy: Focusing as a cornerstone*

### Nordic conditions

- Winter & Forest
- High growth potential – in product segments and market areas
- Russia and CIS, Eastern Europe, Nordic countries and North America

### Narrow product segments

- Special competence that gives added value to customers
- Winter tyres
- Light truck & SUV tyres
- Forestry, harbour and mining machinery tyres

### Replacement markets

- Practically no sales to car manufacturers
- Sales mainly through specialised tyre dealers & outlets, car dealers etc.



## GENERAL OVERVIEW

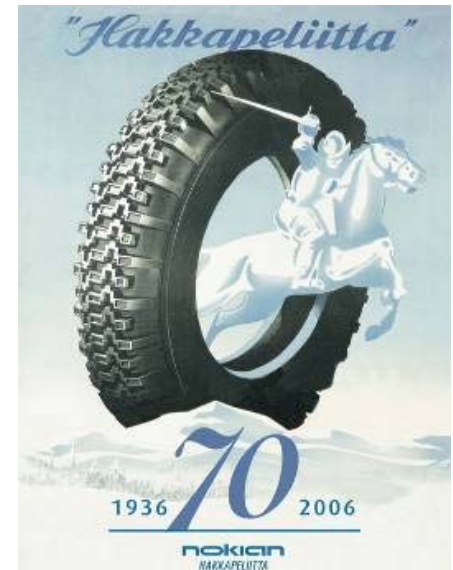
### *Strategy: Supporting elements*

#### Investments in R&D, production, distribution and logistics

- Philosophy of sustainable safety
- Own production concentrates on high-margin key products
- New products make at least 25% of net sales annually
- Continuous improvement of processes, quality, productivity and logistics

#### Corporate culture

- Open and participatory culture, “Hakkapeliitta Spirit”
- Continuous personnel development
  - Highly motivated working community
  - Success of individuals and the company



**”The original winter tyre”**

## GENERAL OVERVIEW

### *Strategy: Key objectives into 2014*

1. Market leadership in the Nordic countries
2. Market leadership in premium tyres in Russia and CIS
3. Globally strong position in key products
4. Growth through a continuously improved product range
5. Profit growth through high productivity and the best customer processes in the industry
6. Profit growth through skilled, inspired personnel with entrepreneurial spirit



# GENERAL OVERVIEW OF 1-9/2010

## Summary

Key figures, m€	7-9/10	7-9/09	Change (%)	1-9/10	1-9/09	Change (%)	2009
Net Sales	245.2	204.1	20.2 %	689.4	550.8	25.2 %	798.5
Operating profit	48.3	43.7	10.6 %	130.4	61.2	112.9 %	102.0
Margin (%)	19.7 %	21.4 %		18.9 %	11.1 %		12.8 %
Profit before tax	39.6	32.1	23.7 %	122.5	26.7	358.2 %	73.5
Profit for the period	34.5	27.5	25.4 %	107.1	29.0	269.0 %	58.3
Margin (%)	14.1 %	13.5 %		15.5 %	5.3 %		7.3 %
EPS (EUR)	0.27	0.22	23.0 %	0.85	0.23	264.0 %	0.47
RONA (%), rolling 12 months				13.9	8.6		8.4
Cash flow from operations	-12.0	-37.5	68.1 %	-39.3	-126.1	68.8 %	123.1
Gearing (%)				44.9%	72.0%		34.8 %

### Summary

- Strong demand for Nokian Tyres' core products
- Drivers for growth: Improving economies in Nordic countries and Russia, increased new car sales, better consumer confidence
- Low inventory, strong sales and growing order book in Q3  
→ lack of production capacity postponed some sales to Q4
- Capacity ramp-up: 8 production lines now on stream in Russia
- Car tyre price increases implemented, further increases impact ASP as from September 2010
- Heavy tyre sales and orders improved significantly
- Vianor expanded to 714 outlets

### Outlook: Profitable growth

- Overall demand increasing, growing order book, low inventories
- Share of Russian and Nordic sales to increase
- Further tyre price increases & mix improvement in Q4  
→ Target of ASP improvement of over 4% in 2010 is realistic
- Capacity increasing: lines 9&10 to be installed in Russia in 2011
- Profitability supported by
  - Lower cost structure (excl. raw materials)
  - Higher sales volume
  - Better sales mix and ASP
  - Increasing share of Russian production → productivity up
- Year 2010 estimates:
  - The company is positioned to clearly improve net sales and operating result compared to 2009.



## FINANCIAL PERFORMANCE

### Group operating result per quarter 2006-2010

**1-9/2010**

Net sales 689.4 m€

(550.8 m€), +25.2%

EBIT 130.4 m€

(61.2 m€), +112.9%

**7-9/2010**

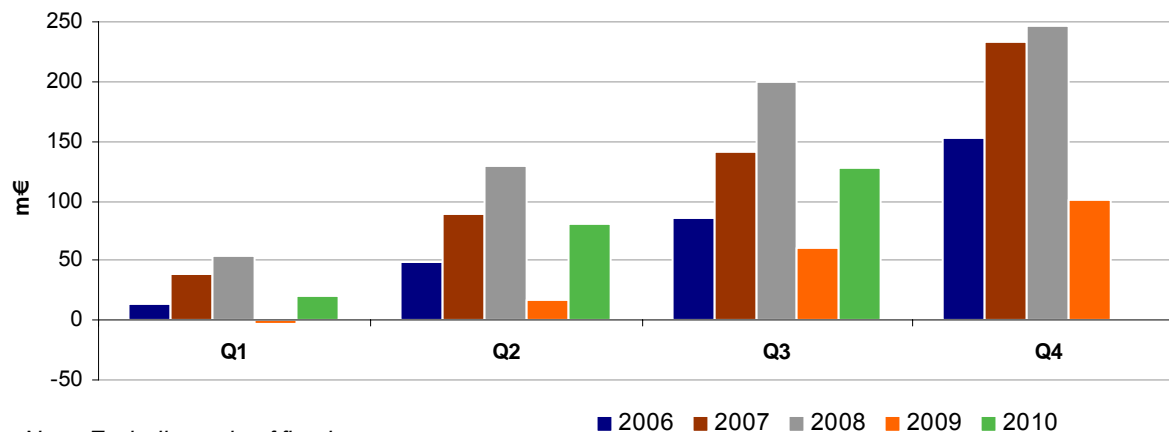
Net sales 245.2 m€

(204.1 m€), +20.2%

EBIT 48.3 m€

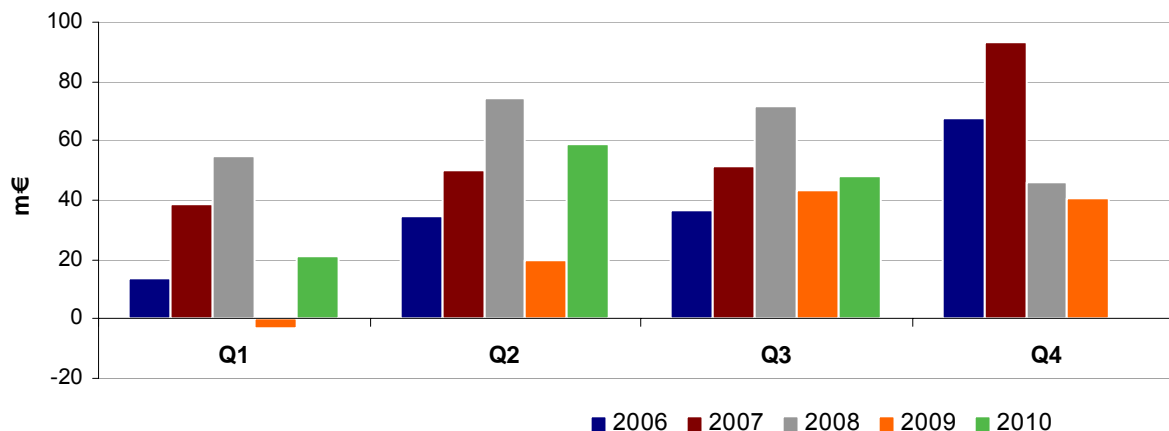
(43.7 m€), +10.6%

Cumulative operating result per quarter (m€)



Note: Excluding sale of fixed assets

Group operating result per quarter (m€)

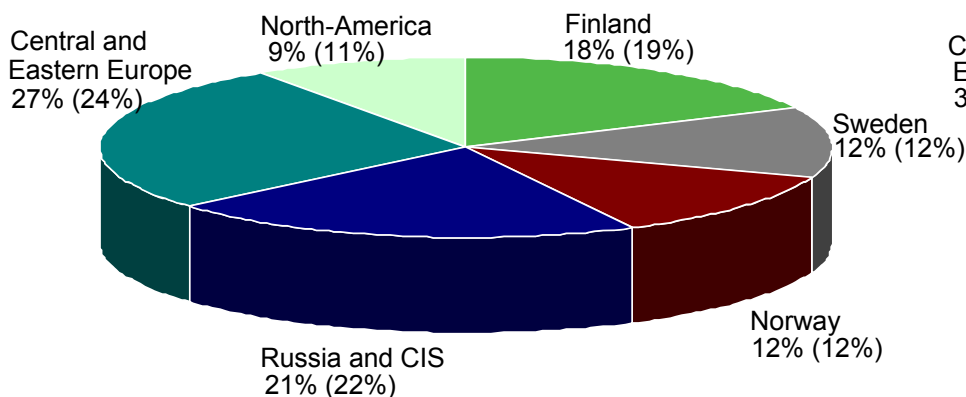


Note: Excluding sale of fixed assets

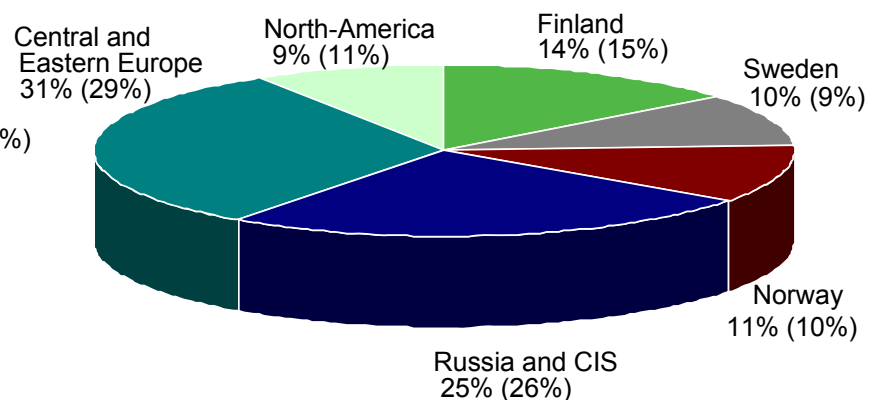
## FINANCIAL PERFORMANCE

Gross sales by market area 1-9/2010

Sales of Nokian Tyres Group: 730.5 m€, +26.2%



Sales of Manufacturing Units: 622.5 m€, +29.5%



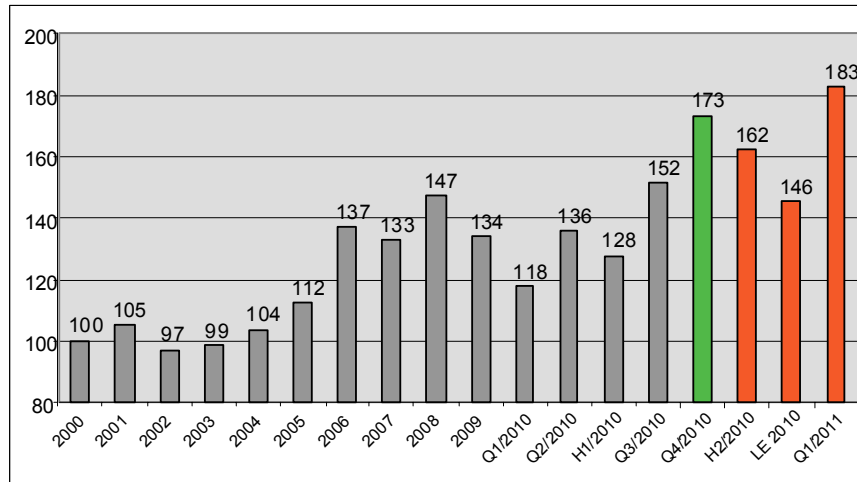
### Sales development in euros

■ Nordic countries	+25.0%
■ Russia and CIS	+21.0%
– Russia: +74.5%	
■ Central and Eastern Europe	+36.9%
■ North America	+6.6%

### Sales development in euros

■ Nordic countries	+32.6%
■ Russia and CIS	+21.4%
■ Central and Eastern Europe	+38.7%
■ North America	+2.6%

#### Raw material cost development index 2000-E2010



#### Nokian Tyres raw material cost (EUR/kg)

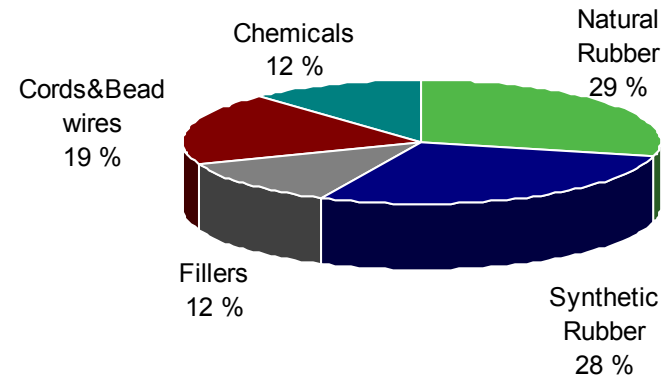
##### Raw material cost

- decreased by 2.8% in 1-9/2010 vs. 1-9/2009
- increased by 26.4% in Q3/2010 vs. Q3/2009
- increased by 11.6% in Q3/2010 vs. Q2/2010

##### Raw material cost is estimated to increase by

- 10% in 2010 vs. 2009
- 14% in Q4/2010 vs. Q3/2010
- 50% in Q4/2010 vs. Q4/2009
- 28% in H2/2010 vs. H1/2010
- 38% in H2/2010 vs. H2/2009

#### Value of raw material consumption (%)



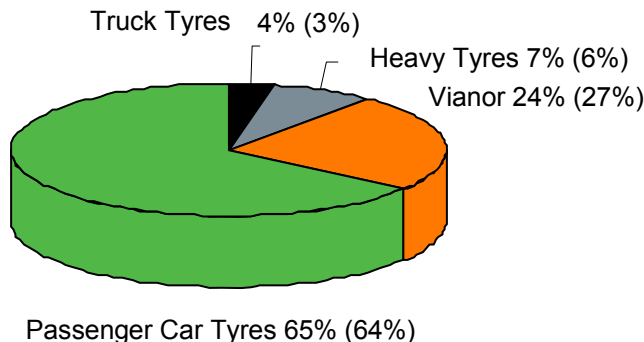
→ Nokian Tyres' price increases improve ASP as from September 2010. Further increases in Q4/2010.

## PROFIT CENTRES

### General overview of 1-9/2010

**Net sales 689.4 m€ +25.2%**

**EBIT 130.4 m€ +112.9%**



#### Passenger Car Tyres

- **Net sales:** 493.3 m€ ; +25.9%
- **EBIT:** 135.6 m€; +73.7%
- **EBIT margin:** 27.5% (19.9%)
- **Key products:** studded and non-studded winter tyres, high-speed summer tyres
- **Key markets:** Nordic, Russia and CIS countries, Central & Eastern Europe, North America

#### YEAR 2010

- Capacity ramp-up: increase production and productivity
- Increase sales and market shares in core markets, Russia and Nordic countries
- Increase prices to offset the growing raw material cost
- Improve sales mix and ASP

#### Heavy Tyres

- **Net sales:** 55.4 m€ ; +59.2%
- **EBIT:** 9.5 m€; +525.3%
- **EBIT margin:** 17.1% (-6.4%)
- **Key products:** tyres for forestry, industrial and agricultural machinery

#### YEAR 2010

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

#### Vianor

- **Net sales:** 185.3 m€; +9.8%
- **EBIT:** -7.9 m€; +26.9%
- **EBIT margin:** -4.3% (-6.4%)
- 714 sales outlets in 20 countries in Nokian Tyres' core markets

#### YEAR 2010

- Improve sales and market shares
- Continue to expand the network and the number of partners to >740 shops
- Increase service sales

#### Truck Tyres

- **Net sales:** 28.3 m€; +47.0%
- **Key products:** truck tyres and retreading materials

## PROFIT CENTRES

### *Passenger Car Tyres 1-9/2010*

#### Performance in 1-9/2010

- + Sales and order book improved clearly in all core market areas; some sales postponed to Q4 as demand exceeded supply capacity in Q3
- + Price increases implemented, further increases impact ASP as from September 2010
- + Market share up in Nordic countries, CE and Russia
- + Several magazine test wins for Nokian Hukka summer tyres and Nokian Hakkapeliitta 7 winter tyre
- + 2 new production lines on stream in Russia in 2010, totalling 8 lines
- + Improved cash flow due to lower investments and inventories
- Increased raw material cost affected EBIT in Jul-Aug 2010
- Somewhat weaker sales mix and ASP in Russia

#### Key actions and targets for 2010

- Increase sales in all areas, especially in Russia
  - Improve market shares in core markets
  - Increase prices to improve ASP by over 4%
  - Improve sales mix utilising winter tyre season
  - Defend brand and price position
  - Increase production capacity
  - Improve productivity, utilize the most feasible capacities
  - Cost control
  - Continue efficient collecting of receivables
- **Focus back on growth in core markets**

#### **Net sales:**

1-9/2010: 493.3 m€ (391.7 m€); +25.9%

7-9/2010: 174.7 m€ (146.7 m€); +19.0%

#### **EBIT:**

1-9/2010: 135.6 m€ (78.1 m€); +73.7%

7-9/2010: 48.7 m€ (43.3 m€); +12.5%

#### **EBIT margin:**

1-9/2010: 27.5% (19.9%)



















7-9/2010: 27.9% (29.5%)



**Nokian Hakkapeliitta 7**  
Test winner in  
several countries

## PROFIT CENTRES

### Magazine tests – Autumn 2010

Magazine	Country	Product	Result	Strength
	Swedish	Nokian Hakkapeliitta 7, 205/55 R16	1 / 7	Best winter tyre, winter properties on ice, snow slush.
	Ukrainian	Nokian Hakkapeliitta 7, 205/55 R16	1/ 13	Winter grip, handling
	Russian	Nokian Hakkapeliitta 7, 205/55 R16	1 / 10	All winter properties, low fuel consumption.
	Swedish	Nokian Hakkapeliitta 7, 205/55 R16	1 / 14	Properties on snow and ice.
	Finnish	Nokian Hakkapeliitta 7, 205/55 R16	1 / 13	Winter grip and handling.
	Finnish	Nokian Hakkapeliitta 7, 205/55 R16	1 / 9	Braking and acceleration on ice.
	Swedish	Nokian Hakkapeliitta 7, 205/55 R16	1 tie / 5	Braking and grip on snow and ice, low RR.
	Russian	Nokian Hakkapeliitta 7, 175/65 R14	1 tie / 8	Properties on snow and ice.
	Ukrainian	Nokian Hakkapeliitta 7, 175/65 R14	1 / 3	Snow and ice grip, ice braking.
	Swedish	Nokian Hakkapeliitta R, 205/55 R16	1 / 8	Balanced properties overall, low rolling resistance.
	Russian	Nokian Hakkapeliitta R, 205/55 R16	1 / 7	All winter properties, lowest fuel consumption.
	Belarusien	Nokian Hakkapeliitta R SUV, 235/65 R17	1 / 9	Good properties on snow and ice, low RR.
	Ukrainian	Nokian Hakkapeliitta R, 175/65 R14	1 / 10	Handling on ice and snow, slush properties.
	Ukrainian	Nokian Hakkapeliitta R, 205/55 R16	2 tie / 8	Properties on snow and ice, low RR.
	Finnish	Nokian Hakkapeliitta R, 205/55 R16	2 tie / 8	Handling on snow and ice, low rolling resistance.
	Swedish	Nokian Hakkapeliitta R, 205/55 R16	2 tie / 14	Grip and handling on winter, low rolling resistance.
	Russian	Nokian Hakkapeliitta R, 205/55 R16	2 tie / 14	Grip and handling on winter, lowest fuel consumption.
	Swedish	Nokian Hakkapeliitta R, 205/55 R16	2 / 5	Good winter properties, low RR.

**Performance in 1-9/2010**

- + Tyre demand increased clearly in forestry, mining and container handling sectors
- + Sales clearly up in all categories & low inventory → some sales postponed to Q4 as demand exceeded supply capacity in Q3
- + Improved distribution network with new importers and “Vianor industrial” concept stores
- Extra costs of capacity ramp-up increased fixed costs
- Large share of sales to OE customers with fixed prices until October & increased raw material cost → cut margins in Q3

**Key actions and targets for 2010**

- Increase capacity, production volumes and productivity
- Increase prices further to offset the growing raw material cost
- Maximize production and sales of radial products
- Increase outsourced production
- Expand the distribution network, especially in Russia and CIS
- Improve service concepts and logistics
- Bring in new customers
- Accelerate development of new products

→ **Focus back on growth and new products**

**Net sales:**

1-9/2010: 55.4 m€ (34.8 m€); +59.2%

7-9/2010: 18.3 m€ (12.0 m€); +51.7%

**EBIT:**

1-9/2010: 9.5 m€ (-2.2 m€); +525.3%

7-9/2010: 1.7 m€ (1.8 m€); -5.2%

**EBIT margin:**

1-9/2010: 17.1% (-6.4%)

7-9/2010: 9.5% (15.1%)



**Nokian Forest Rider**

**Performance in 1-9/2010**

- + Sales increased significantly
  - + Increased truck manufacturing
  - + Improved utilization rate in the transport sector
- + Market share improved in the Nordic countries, CE and Russia
- + Renewed and wider truck tyre range for A and B segments
- + Price increases in schedule to offset the higher contract manufacturing purchase costs (caused by increased raw material prices)

**Key actions and targets for 2010**

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

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

**Net sales:**

1-9/2010: 28.3 m€ (19.2 m€); +47.0%

7-9/2010: 12.3 m€ (9.7 m€); +27.4%



**Nokian Hakkapeliitta Truck F**



**Performance in 1-9/2010**

- + Sales and market shares improved
- + Equity-owned Vianors: Good development in Fast Fit service, fleet and heavy industrial tyre sales
- + Vianor expanded to 714 outlets; addition of 41 in Q3/2010
- EBIT still negative due to seasonality

**Key actions and targets for 2010**

- Improve sales and market shares
  - Successful winter tyre season and positive EBIT for 2010
  - Increase tyre retail prices
  - Accelerate e-commerce
  - Cost control in equity owned shops
  - Increase sales of fast fit, tyre hotels and other services
  - Continue to expand the network and the number of partners
- Target: over 740 shops by the end of 2010

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

**Net sales:**

1-9/2010: 185.3 m€ (168.7 m€); +9.8%

7-9/2010: 64.5 m€ (57.3 m€); +12.5%

**EBIT:**

1-9/2010: -7.9 m€ (-10.8 m€); +26.9%

7-9/2010: -2.8 m€ (-2.2 m€); -29.9%

**EBIT margin:**

1-9/2010: -4.3% (-6.4%)

7-9/2010: -4.4% (-3.8%)



# PROFIT CENTRES

*Vianor Globally – Overview of stores as of 30 September 2010*

**Total: 714 stores in 20 countries (+41 in Q3/2010)  
(168 owned, 546 franchising/partner)**

**Retreading plants**

Finland	2
Sweden	1
Norway	2

**Nordic and Baltic countries:**

**Total 220**

Finland	55 owned, 8 franchising/partners
Sweden	54 owned, 26 partners
Norway	44 owned, 17 partners
Baltic	16 partners

**RUK + other CIS –countries:**

**Total 401**

Russia	2 owned, 290 partners
Ukraine	90 partners (incl 12 Vianor Truck)
Kazakhstan	12 partners
Armenia	1 partner
Moldova	3 partners
Georgia	2 partners
Belarus	1 partner

**Central Europe:**

**Total 83**

Germany	4 partners
Switzerland	3 owned
Czech Republic	27 partners
Slovakia	11 partners
Poland	26 partners
Bulgaria	12 partners

**USA: 10 owned**

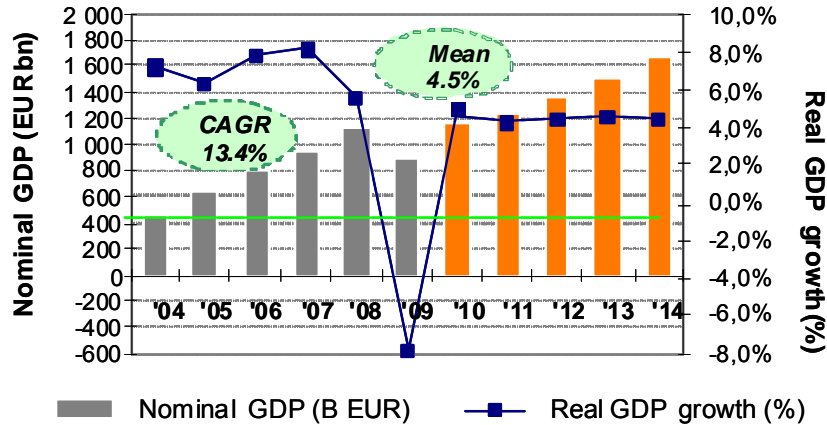
**Action plan:**

- Expand network
- Pending: Italy

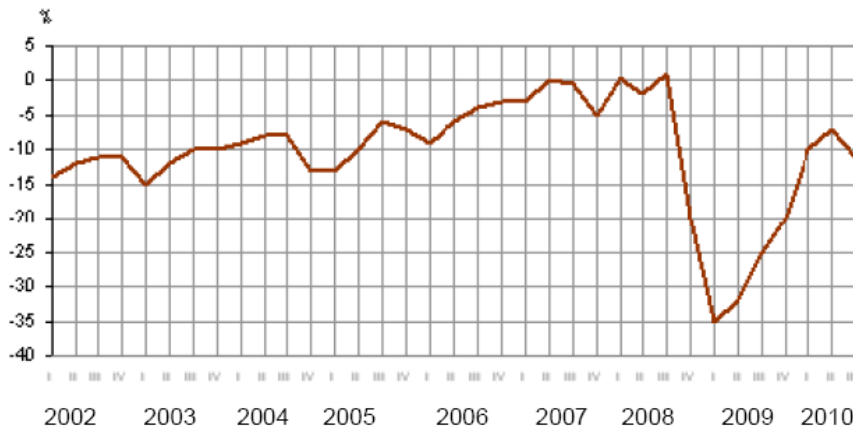
# RUSSIA

## Russia's economy clearly recovering

Russia's GDP growth



Consumer confidence in Russia

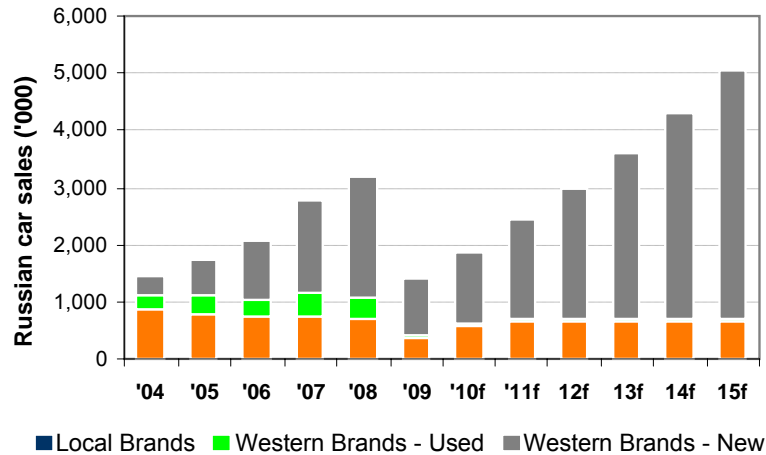


Major trends and expectations

- Russia's economy has clearly started 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 H1/2010 showed GDP growth of 4.2% (Q1 +2.9%, Q2 +5.4%) with industry growing 10.2% vs. H1/2009. Estimated GDP growth in 1-9/2010 vs. 1-9/2009 is 4.0%.
- Recovery is expected to keep momentum in the second half of the year with the estimated annual real GDP growth rate of 4-5%
- Overall growth trend will continue: average GDP growth for 2010-2014 is estimated at >4% a year
- Domestic demand revival is expected due to increased disposable incomes (higher wages and pensions and lower inflation)
- Ruble has strengthened in H1/2010, mostly due to strong oil prices
- Overall, the general view is that Russia avoided the worst-case scenario and is estimated to show healthy growth already in 2010

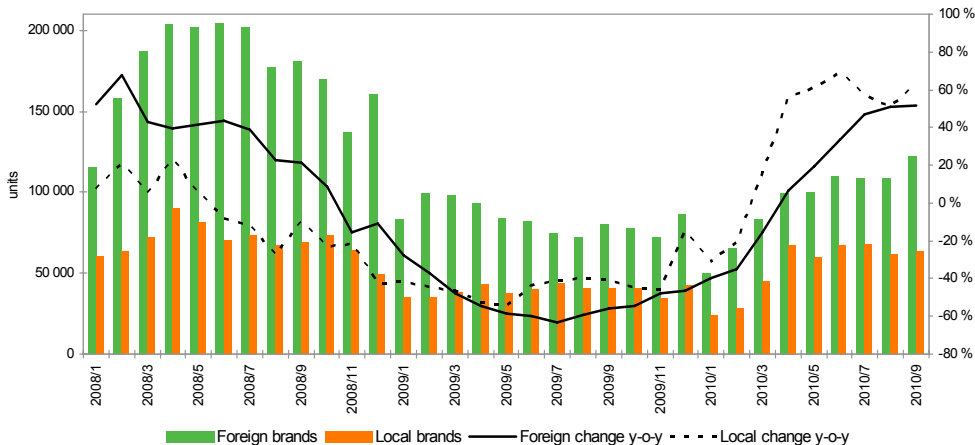
Source: Rosstat, EIU and Nokian Tyres estimates

#### Russian car sales forecast – basic scenario



#### Monthly car sales

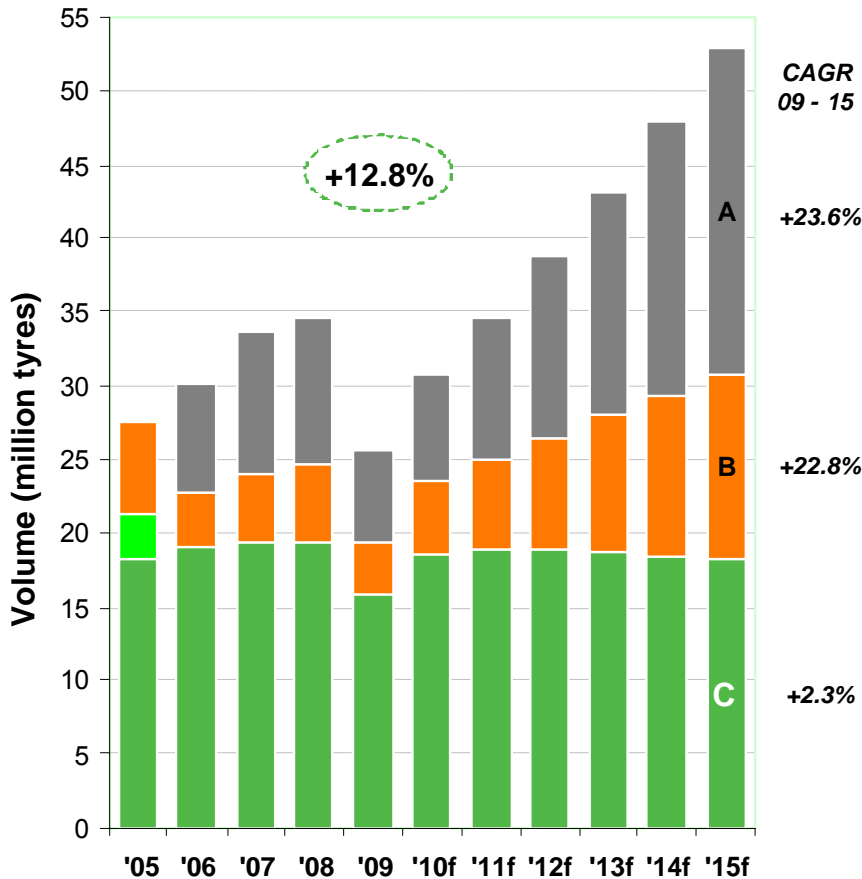
MONTHLY CAR AND LCV SALES



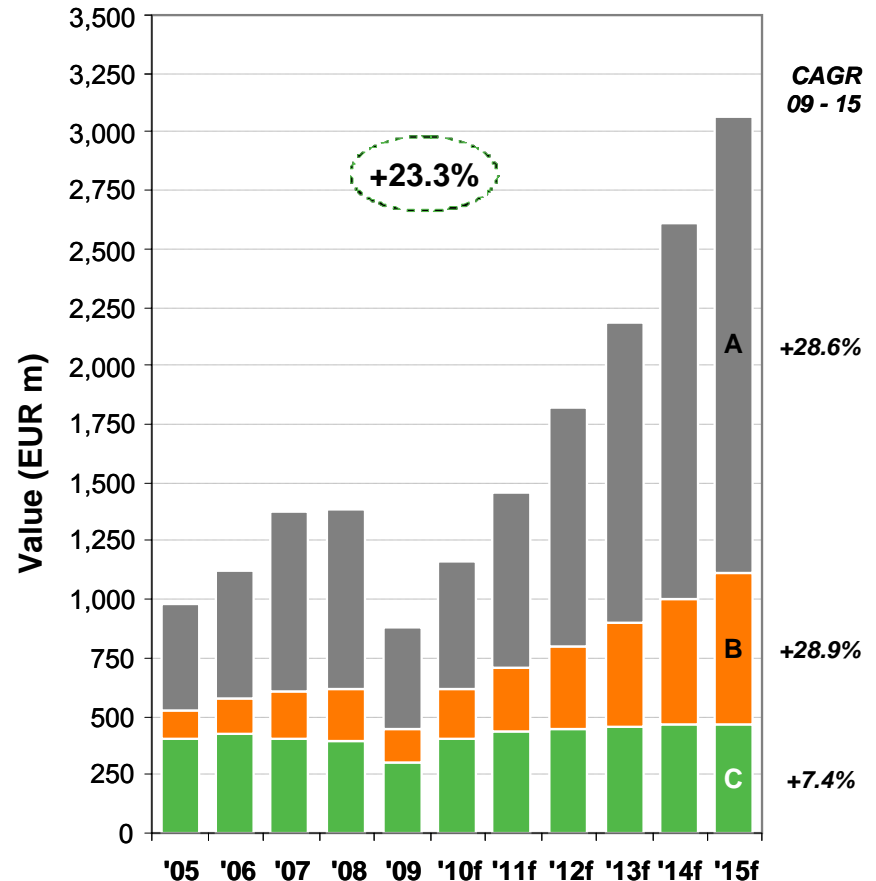
#### Car market summary

- Sales of new cars and LCVs in Russia increased by 51% in Q3/2010 vs. Q3/2009 and by 55% in Sep 2010 vs. Sep 2009
  - Forecast for 2010 has been updated to 1.9 million cars
- Government scrappage scheme came into force in March and brought very positive results, albeit supporting mostly cheap brands and models
  - The first wave of the program (200 thousand cars) has been already implemented
  - The second wave (extra 200 thousand cars) is under way now
  - The program is announced to continue also in 2011 (280.000 cars)
- As manufacturers had cut their quotas for Russia, lead times for many popular models reached 4 – 6 months, in some cases up to 9 months
- Prices of second-hand cars are reported to have gained 10% recently due to lack of supply of new cars
- Banks have made car loans more available by lowering loan rates and easing up conditions.
  - Car manufacturers restarted programs of interest rate subsidization with partner banks
  - Government is implementing its own car loan support program

Car and van tyre replacement market (volume)



Car and van tyre replacement market (value)



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

Source: Nokian Tyres estimates

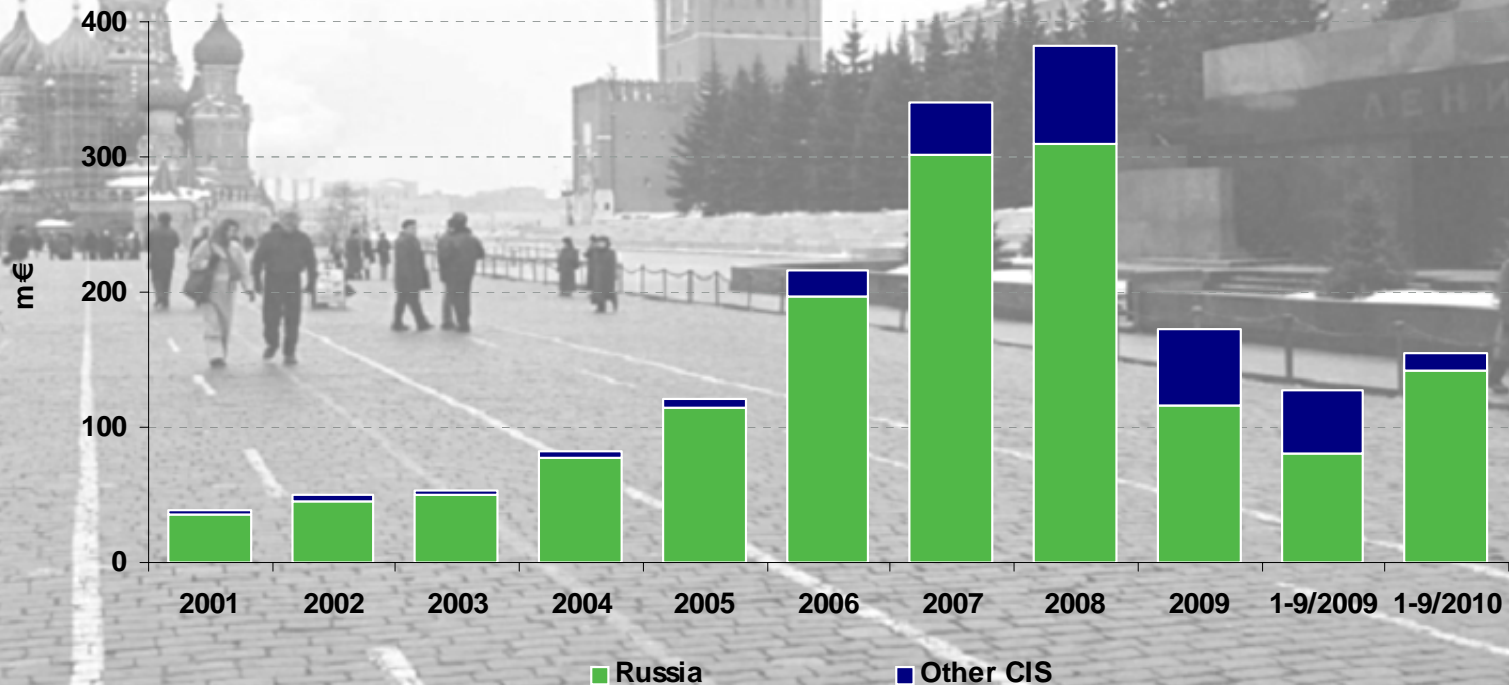
## RUSSIA

### Focus 2010: Back to growth

- Sales increased due to recovering demand, lower carry-over stocks and improved credit capability of distributors
- Sales in Russia in 1-9/2010 grew by 74.5% to 141.4 m€ (81.1 m€)
- Sales in CIS (excluding Russia) in 1-9/2010 were 13.4 m€ (46.9 m€)

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

Russia and other CIS sales development



**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 – 401 Vianor outlets in Russia and CIS

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

**Nokian Tyres' factory in Russia**

- Eight production lines operating
- Line 8 installation completed in Q3/2010, lines 9-10 ordered for installation in 2011
- State-of-the art machinery, high European quality standards
- Exports from the Vsevolozhsk factory to over 20 countries; biggest consumer goods exporter in Russia
- Housing project, Hakkapeliitta Village – phase I completed
- Number of personnel on 30 September, 2010: 815 (640)



Nokian Tyres celebrated its 5 years of tyre manufacturing in Russia

#### Expansion 4 → 10 million tyres

- Construction work completed
- Production lines 1-8 fully operational, lines 9-10 to be installed in 2011

#### Expansion of mixing department

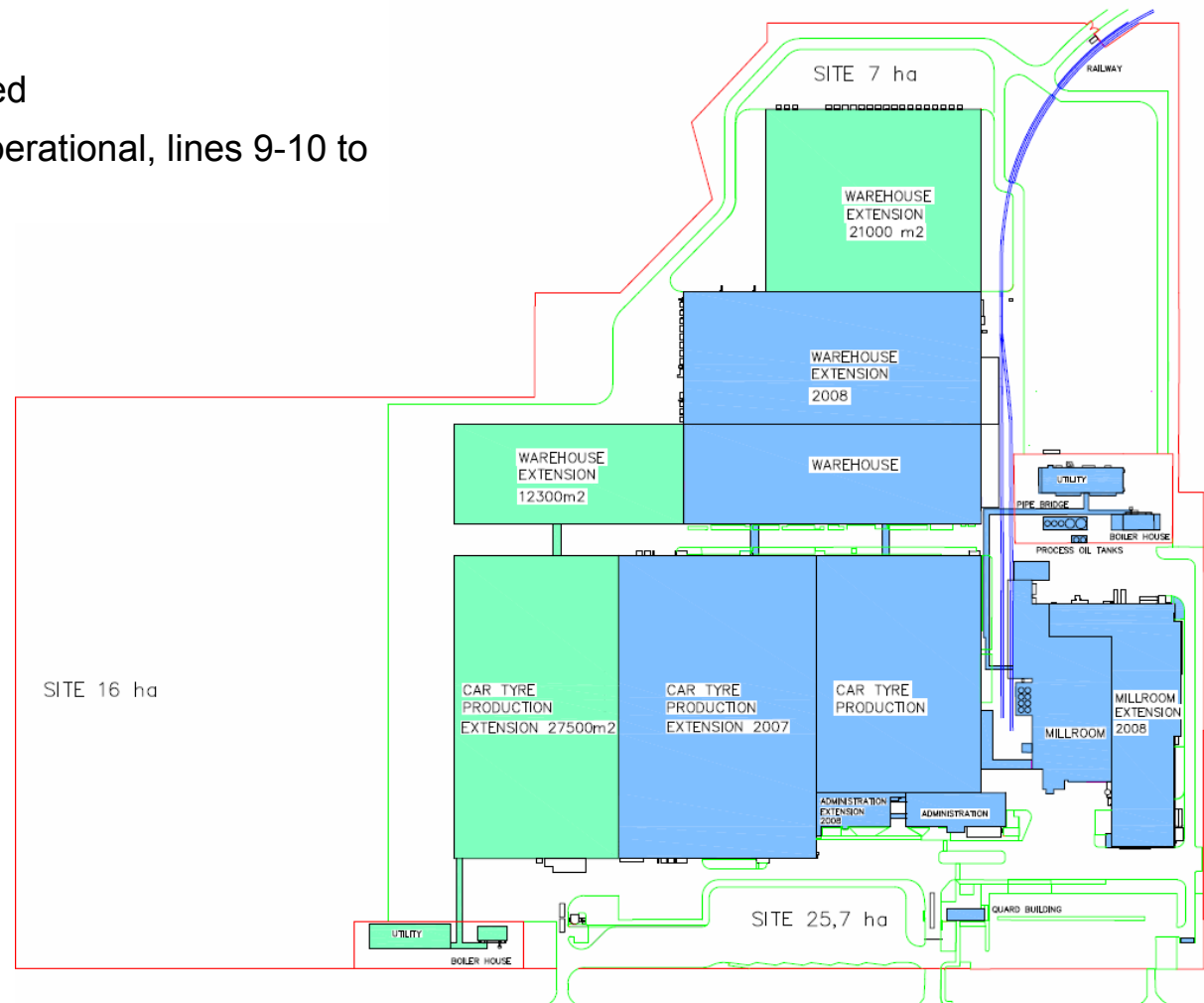
- Construction 2008; 22,000 m<sup>2</sup>
- 7 mixing lines installed

#### Office expansion

- Completed 2008; 3,000 m<sup>2</sup>

#### Warehouse expansion

- 21,000 m<sup>2</sup>
- Warehouse in full use



Potential on existing site → 20 million tyres



**RUSSIA**  
*Vianor concept*

- Growth via partner & franchising concept, target > 300 shops in 2010
- Limited investment in equity owned shops
- Loyalty requirement for Nokian sales
- Fast fit and service as part of concept
- Central marketing
- Training, ICT, dealer councils



Vianor Volga region

# RUSSIA

*Vianor Partner Outlets in Russia & CIS as of 30 September 2010*

*401 outlets, +23 in Q3/2010*

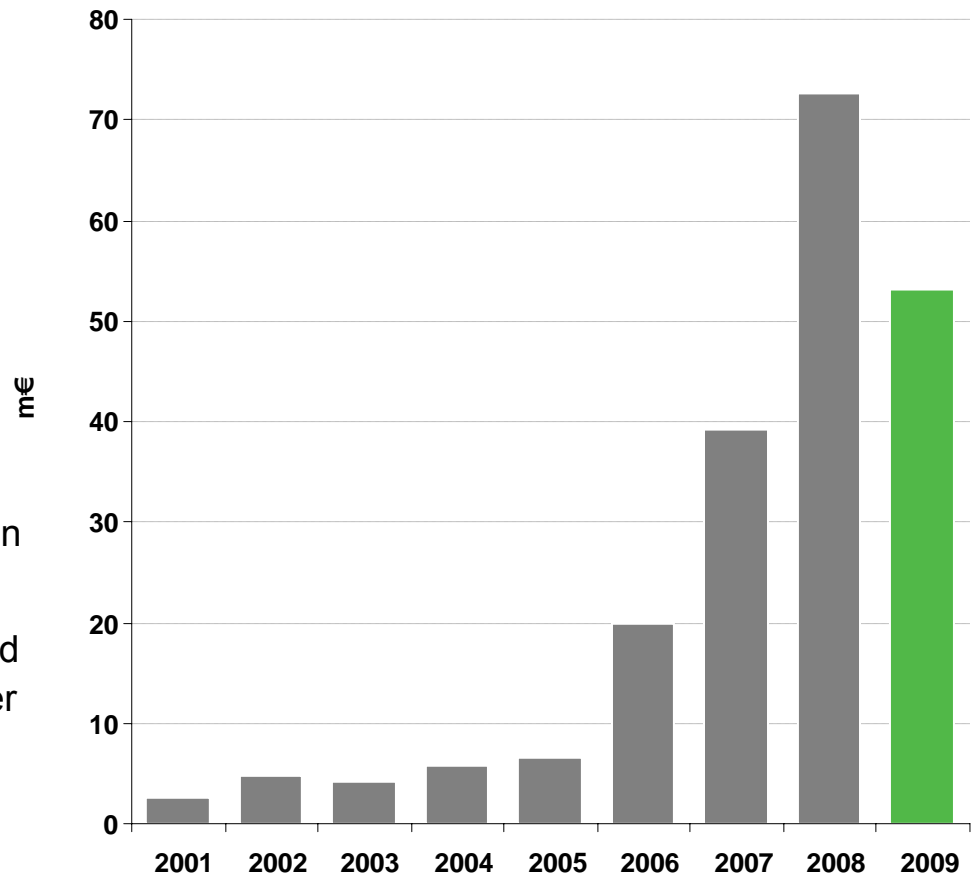


**GENERAL**

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

**NOKIAN TYRES**

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

**Sales development in other CIS countries**

#### Investments in 1-9/2010

- 30,6 m€ (76,9 m€)

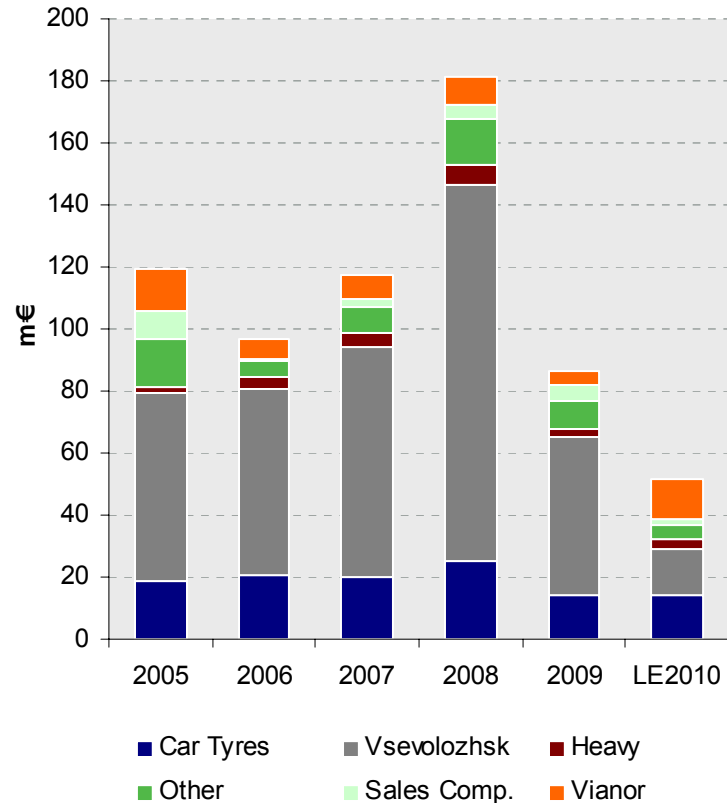
#### Russia

- Capacity ramp-up and investments
  - 8 production lines installed by Q3/2010
  - Lines 9-10 to be installed in 2011

#### Estimated investments for 2010

- Approximately 50 m€
    - Investments required for new products: 20 m€
    - Investments in Russia: 15 m€
- (Majority of Russian production lines 7-8 have been paid in 2008-2009)

Nokian Tyres Capital expenditures (m€)



# NOKIAN TYRES GOING FORWARD

## *Outlook for 2010 and planned actions:*

### *Nokian Tyres sales to improve backed by recovering markets*

#### ASSUMPTIONS

- Recovering core market
  - Tyre demand increasing in all product areas
  - New car sales improving
  - Russian economy growing, consumer confidence recovering
  - Currencies on Nokian core markets expected to be stable
- Further tyre price increases to offset higher raw material cost (€/kg)
  - Cost up by 26.4% in Q3/2010 vs. Q3/2009
  - Cost estimated to increase by 14% in Q4/2010 vs. Q3/2010
  - Cost estimated to increase by 10% in 2010 vs. 2009
- Passenger car tyre operation environment
  - Demand improving in core markets
  - Low carry-over inventories offer growth opportunities
  - Demand improving for winter tyres
  - Receivable risks are back to normal
- Heavy tyre market demand
  - OE markets for OTR and heavy tyres continue to grow
  - Aftermarket demand healthier than in 2009
- Nokian Tyres financial position remains solid
  - No major loans due for payment in 2010-2011
  - Equity ratio 58.2%
  - Undrawn facilities available

#### NOKIAN TYRES ACTION PLAN

##### Focus on sales, prices and capacity increase

- Increase sales and strengthen market positions
- Increase prices to offset the growing raw material cost
- Increase capacity & utilize most feasible capacities
- Active launch of new products
- Expand Vianor franchise network
- Utilize strong seasonal logistics
- Cost control

##### Outlook: Profitable growth

- Overall demand increasing, growing order book, low inventories
- Share of Russian and Nordic sales to increase
- Further tyre price increases & mix improvement in Q4
  - Target of ASP improvement of over 4% in 2010 is realistic
- Capacity increasing: lines 9&10 to be installed in Russia in 2011
- Profitability supported by
  - Lower cost structure (excl. raw materials)
  - Higher sales volume
  - Better sales mix and ASP
  - Increasing share of Russian production → productivity up
- Year 2010 estimates:
  - The company is positioned to clearly improve net sales and operating result compared to 2009.

## SUMMARY

### *Nokian Tyres strong both now and in the future*

- Clear market and price leader in its own core markets
  - Best and fully renewed product range in key product categories (e.g. Nokian Hakkapeliitta 7)
  - Best and fully controlled distribution network in the Nordic Countries
  - Best distribution network in Russia and former CIS countries
  - Industrial structure in great condition both in terms of technology, production capabilities and efficiency
  - Strong balance sheet provides possibilities for corporate development
  - By far the most profitable company in the industry and providing strong cash flow despite the difficult markets
- ***Nokian Tyres is well positioned to continue on growth track in 2010***

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  - **Personnel**
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  - **Share price development**
  - **Financing: Loans and net Financial Expenses**
  - **Tables of financial figures**



## APPENDIX

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

### WINTER TYRES

#### 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 7 SUV – firm grip, sturdy performance

- Same technical solutions as in 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)



Nokian Hakkapeliitta R

### SUMMER TYRES

#### Nokian Hakka H and Nokian Hakka Z

- Summer tyre families for core markets. Test victories e.g.:
  - Tekniikan Maailma (Finland)
  - Auto, Motor & Sport (Sweden)
  - Motor (Norway)
  - Za Rulem (Russia)



#### Nokian H

- Summer tyre for CE and North America. Test victory:
  - ADAC Motorwelt (Germany)



#### Clear benefits for Nokian Tyres

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

→ *Technological leadership always the driver for growth!*

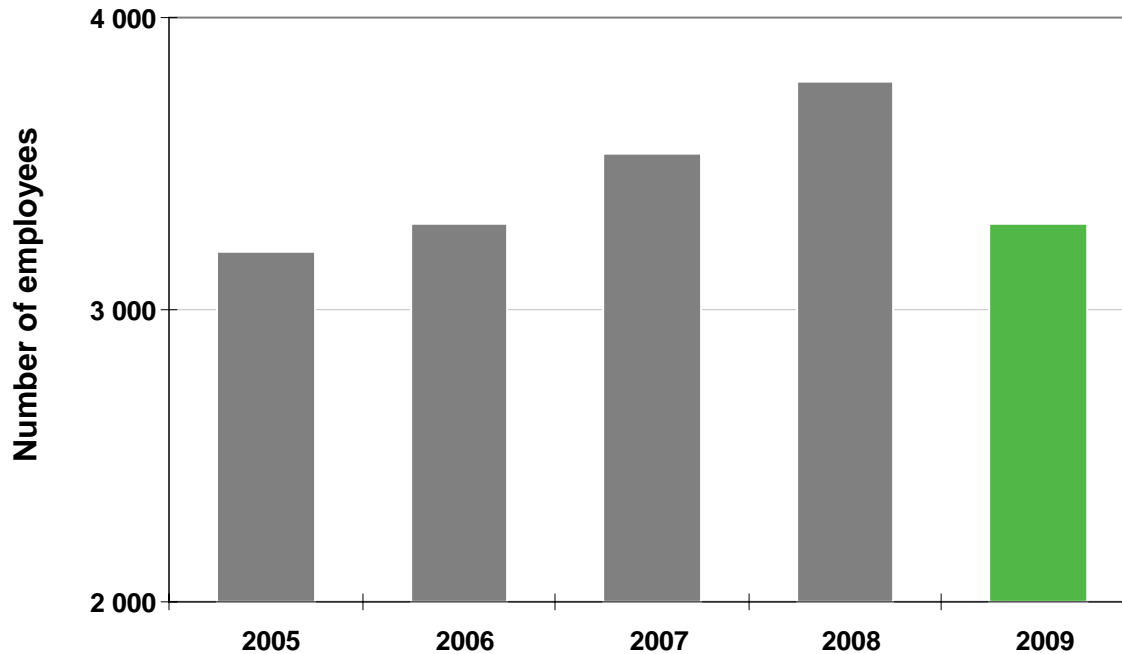


## APPENDIX

*Personnel 30 September, 2010*

Personnel at the end of the review period: 3,411 (3,259)

- Vianor: 1,395 (1,341)
- Russia: 815 (640)

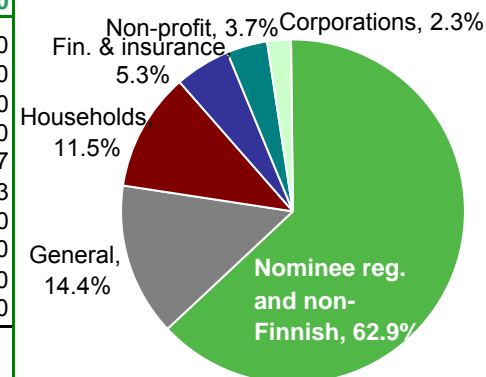


## APPENDIX

### Major shareholders as of 30 September, 2010

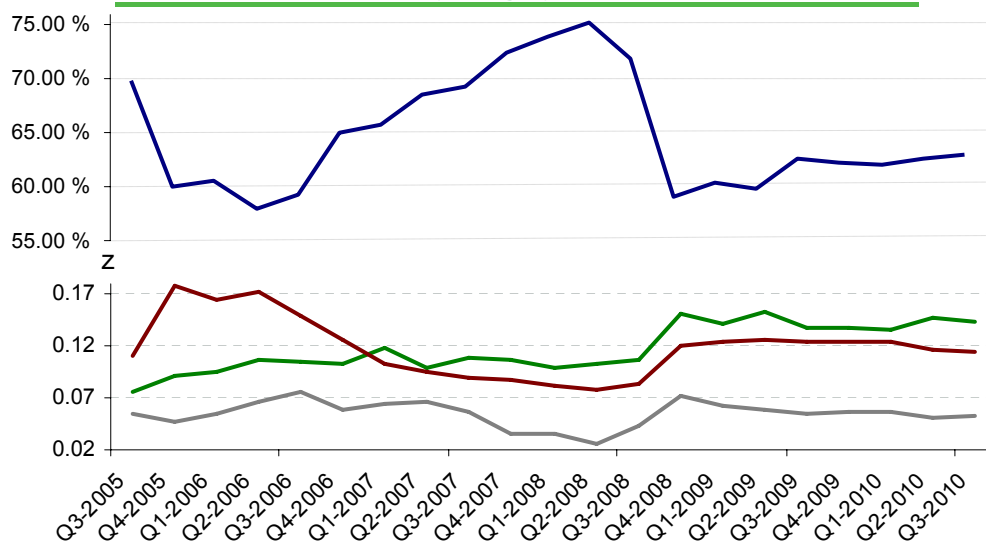
Major Domestic Shareholders	Number of Shares	Share of Capital (%)	Change from 31 August, 2010
1 Varma Mutual Pension Insurance Company	8 657 564	6.81	0
2 Ilmarinen Mutual Pension Insurance Company	4 228 654	3.32	-82000
3 The State Pension Fund	1 821 030	1.43	0
4 Tapiola Mutual Pension Insurance Company	1 280 000	1.01	0
5 OP Investment Funds	1 125 000	0.88	52157
6 Nordea	1 013 520	0.8	4093
7 Svenska litteratursällskapet i Finland r.f.	826 000	0.65	0
8 Etera Mutual Pension Insurance Company	650 053	0.51	-107380
9 Sijoiusrahasto Aktia Capital	510 000	0.4	-50000
10 Folketrygdfondet	509 883	0.4	40000
<b>Major Domestic Shareholders total</b>	<b>20 621 704</b>	<b>16.2%</b>	
Foreign Shareholders <sup>1)</sup>	79 942 239	62.9%	
Bridgestone Europe NV/SA <sup>2)</sup>	20 000 000	15.7%	

Division by Category as of 30 September, 2010



Total number of shares: 127,189,980

Shareholder development by category Q3/2005 - Q3/2010



- Nominee registered
- General government
- Household
- Finance and insurance

Note: Options, free (30 September, 2010)

2007A: 2,248,850 (104,740 in company's possession)

2007B: 2,249,875 (423,940 in company's possession)

2007C: 2,250,000 (1,157,150 in company's possession)

2010A: 1,320,000 (67,200 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)

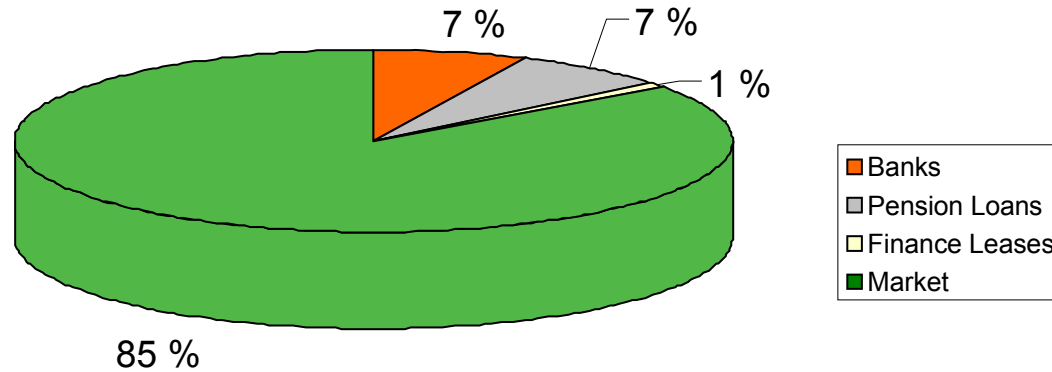
1) Includes also shares registered in the name of a nominee.

2) In the name of a nominee.

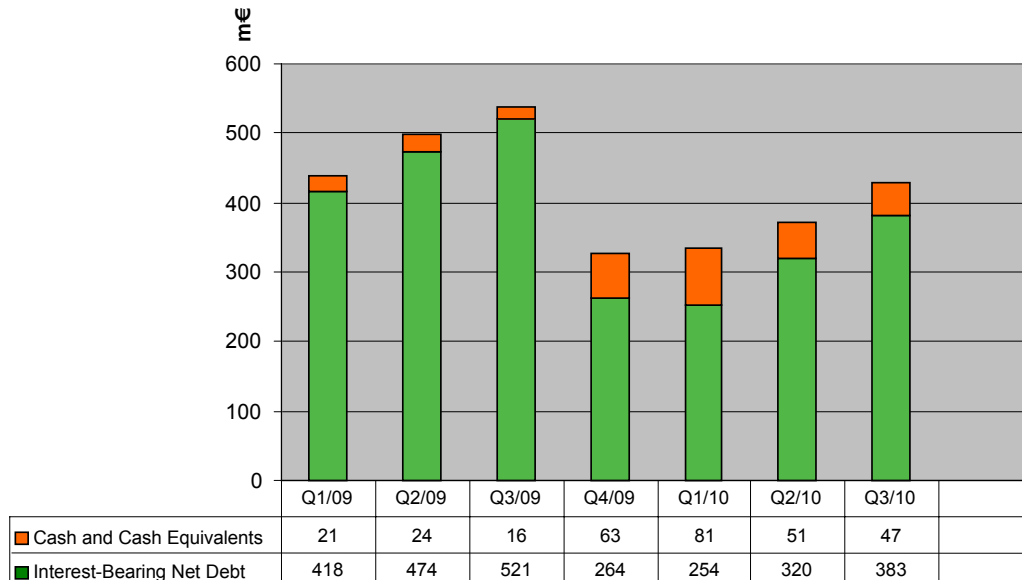
**APPENDIX**

*Financing: loans on 30 September, 2010*

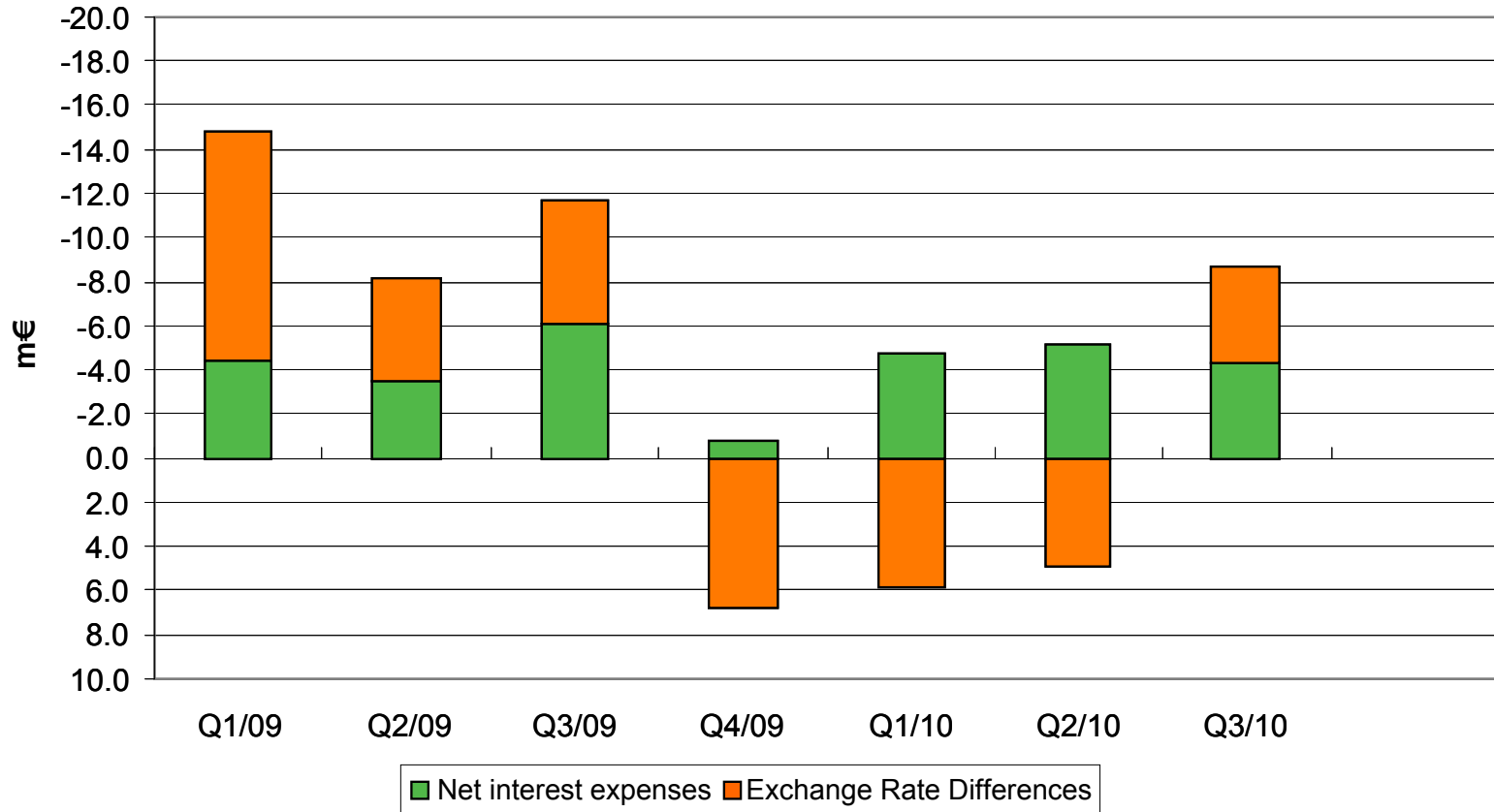
**Interest Bearing Debts 430.0 m€(Q3/10)**



**Interest Bearing Debt**



**APPENDIX**  
*Financing: Net Financial Expenses*



Net Financial Expenses Q3/2010: 8.5 m€ and Q3/2009: 11.7 m€

## APPENDIX

### CONSOLIDATED INCOME STATEMENT

CONSOLIDATED INCOME STATEMENT EUR million	7-9/10	7-9/09	1-9/10	1-9/09	Last 12 months	1-12/09	Change %
Net sales	245.2	204.1	689.4	550.8	937.1	798.5	25.2
Cost of sales	-144.6	-109.9	-398.8	-334.6	-542.2	-478.0	-19.2
Gross profit	100.6	94.2	290.6	216.2	394.8	320.4	34.4
Other operating income	0.5	0.2	3.3	1.2	4.3	2.2	175.5
Selling and marketing expenses	-43.3	-39.4	-133.7	-124.4	-183.4	-174.1	-7.5
Administration expenses	-6.2	-5.3	-18.8	-18.0	-25.2	-24.5	-4.3
Other operating expenses	-3.3	-5.9	-11.0	-13.8	-19.3	-22.1	20.2
Operating result	48.3	43.7	130.4	61.2	171.1	102.0	112.9
Financial income	25.6	15.1	71.7	73.5	95.3	97.1	-2.4
Financial expenses	-34.3	-26.8	-79.6	-108.0	-97.2	-125.7	26.3
Result before tax	39.6	32.1	122.5	26.7	169.2	73.5	358.2
Tax expense (1)	-5.2	-4.5	-15.4	2.3	-32.8	-15.2	-768.5
Result for the period	34.5	27.5	107.1	29.0	136.3	58.3	269.0
Attributable to:							
Equity holders of the parent	34.5	27.5	107.1	29.0	136.3	58.3	
Non-controlling interest	0.0	0.0	0.0	0.0	0.0	0.0	
Earnings per share from the result attributable to equity holders of the parent							
basic, euros	0.27	0.22	0.85	0.23	1.09	0.47	264.0
diluted, euros	0.27	0.22	0.84	0.26	1.08	0.49	227.7

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 EUR million	7-9/10	7-9/09	1-9/10	1-9/09	1-12/09
Result for the period	34.5	27.5	107.1	29.0	58.3
Other comprehensive income, net of tax:					
Gains/Losses from hedge of net investments in foreign operations	4.9	-3.5	-15.5	-14.3	-24.4
Interest rate swaps	-0.1	0.0	-0.9	0.0	0.1
Translation differences on foreign operations	-45.1	-0.5	24.0	-25.8	-12.8
Total other comprehensive income for the period, net of tax	-40.4	-4.0	7.7	-40.1	-37.0
Total comprehensive income for the period	-5.9	23.5	114.8	-11.0	21.2
Total comprehensive income attributable to:					
Equity holders of the parent	-5.9	23.5	114.8	-11.0	21.2
Non-controlling interest	0.0	0.0	0.0	0.0	0.0

## APPENDIX KEY RATIOS

KEY RATIOS	30.9.10	30.9.09	1-12/09	Change %
Equity ratio, %	58.2	50.5	62.0	
Gearing, %	44.9	72.0	34.8	
Equity per share, euro	6.71	5.80	6.07	15.7
Interest-bearing net debt, mill. euros	382.9	521.2	263.7	
Capital expenditure, mill. euros	30.6	76.9	86.5	
Depreciation, mill. euros	52.1	45.8	61.9	
Personnel, average	3 262	3 536	3 503	
Number of shares (million units)				
at the end of period	127.19	124.85	124.85	
in average	126.56	124.85	124.85	
in average, diluted	132.59	129.41	129.76	

## APPENDIX: CONSOLIDATED STATEMENT OF FINANCIAL POSITION

CONSOLIDATED STATEMENT OF FINANCIAL POSITION EUR million	30.9.10	30.9.09	31.12.09
<b>Non-current assets</b>			
Property, plant and equipment	490.5	509.6	507.6
Goodwill	57.9	54.9	55.0
Other intangible assets	17.1	19.6	19.2
Investments in associates	0.1	0.1	0.1
Available-for-sale financial assets	0.2	0.2	0.2
Other receivables	17.3	10.4	9.9
Deferred tax assets	34.4	31.4	28.7
<b>Total non-current assets</b>	<b>617.6</b>	<b>626.2</b>	<b>620.7</b>
<b>Current assets</b>			
Inventories	224.1	249.4	200.0
Trade receivables	464.1	408.2	248.0
Other receivables	115.6	132.9	90.7
Cash and cash equivalents	47.1	16.3	62.5
<b>Total current assets</b>	<b>850.9</b>	<b>806.8</b>	<b>601.2</b>
<b>Equity</b>			
Share capital	25.4	25.0	25.0
Share premium	181.4	155.2	155.2
Translation reserve	-81.6	-93.1	-90.2
Fair value and hedging reserves	-0.9	-0.1	0.0
Paid-up unrestricted equity reserve	0.0		0.0
Retained earnings	728.7	636.6	667.6
Non-controlling interest	0.0	0.0	0.0
<b>Total equity</b>	<b>853.1</b>	<b>723.6</b>	<b>757.6</b>
<b>Non-current liabilities</b>			
Deferred tax liabilities	29.9	27.5	29.4
Provisions	1.4	1.2	1.4
Interest bearing liabilities	203.1	214.7	253.8
Other liabilities	3.1	2.1	2.1
<b>Total non-current liabilities</b>	<b>237.6</b>	<b>245.4</b>	<b>286.7</b>
<b>Current liabilities</b>			
Trade payables	65.2	45.5	33.8
Other current payables	85.1	94.5	70.7
Provisions	0.7	1.1	0.7
Interest-bearing liabilities	226.9	322.8	72.4
<b>Total current liabilities</b>	<b>377.9</b>	<b>464.0</b>	<b>177.6</b>
<b>Total assets</b>	<b>1 468.5</b>	<b>1 433.0</b>	<b>1 221.9</b>



## APPENDIX

### CONSOLIDATED STATEMENT OF CASH FLOWS

CONSOLIDATED STATEMENT OF CASH FLOWS	1-9/10	1-9/09	1-12/09
EUR million			
Cash flows from operating activities:			
Cash generated from operations	9.0	-67.8	228.5
Financial items and taxes	-62.1	-5.7	-34.3
Net cash from operating activities	-53.2	-73.5	194.2
Cash flows from investing activities:			
Net cash used in investing activities	-27.2	-76.9	-92.8
Cash flows from financing activities:			
Proceeds from issue of share capital	26.6	0.0	0.1
Change in current financial receivables and debt	183.8	281.3	-117.2
Change in non-current financial receivables and debt	-95.9	-177.4	15.4
Dividends paid	-50.7	-49.9	-49.9
Net cash from financing activities	63.8	54.0	-151.7
Net change in cash and cash equivalents	-16.5	-96.3	-50.2
Cash and cash equivalents at the beginning of the period	62.5	113.2	113.2
Effect of exchange rate changes	1.1	-0.6	-0.5
Cash and cash equivalents at the end of the period	47.1	16.3	62.5
	-16.5	-96.3	-50.2

## 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 2009	25.0	155.2	-53.0		-0.1	647.6	2.7	777.3
Dividends paid						-49.9		-49.9
Exercised warrants	0.0	0.0						0.0
Share-based payments						9.0		9.0
Other changes						0.9		0.9
Total comprehensive income for the period			-40.1		0.0	29.0		-11.0
Change in non-controlling interest							-2.7	-2.7
Equity, Sep 30th 2009	25.0	155.2	-93.1		-0.1	636.6	0.0	723.6
Equity, Jan 1st 2010	25.0	155.2	-90.2	0.0	0.0	667.6	0.0	757.6
Dividends paid						-50.7		-50.7
Exercised warrants	0.5	26.1		0.0				26.6
Share-based payments						4.7		4.7
Total comprehensive income for the period			8.6		-0.9	107.1		114.8
Equity, Sep 30th 2010	25.4	181.4	-81.6	0.0	-0.9	728.7	0.0	853.1

## APPENDIX SEGMENT INFORMATION

### SEGMENT INFORMATION

EUR million	7-9/10	7-9/09	1-9/10	1-9/09	1-12/09	Change %
<b>Net sales</b>						
Passenger car tyres	174.7	146.7	493.3	391.7	527.3	25.9
Heavy tyres	18.3	12.0	55.4	34.8	50.1	59.1
Vianor	64.5	57.3	185.3	168.7	273.2	9.8
Other operations	12.4	9.7	28.5	19.2	28.5	48.4
Eliminations	-24.5	-21.6	-73.1	-63.6	-80.7	-14.9
<b>Total</b>	<b>245.2</b>	<b>204.1</b>	<b>689.4</b>	<b>550.8</b>	<b>798.5</b>	<b>25.2</b>
<b>Operating result</b>						
Passenger car tyres	48.7	43.3	135.6	78.1	106.2	73.7
Heavy tyres	1.7	1.8	9.5	-2.2	0.0	525.3
Vianor	-2.8	-2.2	-7.9	-10.8	-3.0	26.9
Other operations	2.1	1.0	1.6	-2.8	-5.0	156.9
Eliminations	-1.4	-0.3	-8.4	-1.0	3.7	-741.8
<b>Total</b>	<b>48.3</b>	<b>43.7</b>	<b>130.4</b>	<b>61.2</b>	<b>102.0</b>	<b>112.9</b>
<b>Operating result, % of net sales</b>						
Passenger car tyres	27.9	29.5	27.5	19.9	20.1	
Heavy tyres	9.5	15.1	17.1	-6.4	0.0	
Vianor	-4.4	-3.8	-4.3	-6.4	-1.1	
<b>Total</b>	<b>19.7</b>	<b>21.4</b>	<b>18.9</b>	<b>11.1</b>	<b>12.8</b>	
<b>Cash Flow II</b>						
Passenger car tyres	2.8	-20.4	-7.7	-102.1	109.9	92.5
Heavy tyres	-1.8	-1.2	-3.1	-0.6	5.7	-416.7
Vianor	-13.2	-10.7	-22.3	-18.6	7.6	-19.9
<b>Total</b>	<b>-12.0</b>	<b>-37.5</b>	<b>-39.3</b>	<b>-126.1</b>	<b>123.1</b>	<b>68.8</b>

## APPENDIX

### CONTINGENT LIABILITIES

CONTINGENT LIABILITIES	30.9.10	30.9.09	31.12.09
EUR million			
<b>FOR OWN DEBT</b>			
Mortgages	1.0	0.9	0.9
Pledged assets	0.0	35.1	35.8
<b>OTHER OWN COMMITMENTS</b>			
Guarantees	6.0	3.0	5.5
Leasing and rent commitments	102.4	105.9	101.1
Purchase commitments	1.7	4.2	3.4
<b>DERIVATIVE FINANCIAL INSTRUMENTS</b>	30.9.10	30.9.09	31.12.09
EUR million			
<b>INTEREST RATE DERIVATIVES</b>			
Interest rate swaps			
Notional amount	90.8	4.0	3.9
Fair value	-1.8	-0.2	0.0
<b>FOREIGN CURRENCY DERIVATIVES</b>			
Currency forwards			
Notional amount	360.9	438.1	427.2
Fair value	9.5	-12.4	-7.1
Currency options, purchased			
Notional amount	43.1	47.4	3.9
Fair value	0.8	0.3	0.0
Currency options, written			
Notional amount	86.6	91.4	3.9
Fair value	-0.6	-0.9	-0.1

## **APPENDIX**

### ***DEFINITIONS OF CONSOLIDATED KEY FINANCIAL INDICATORS***

#### **Earnings per share, euro:**

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

#### **Earnings per share (diluted), euro:**

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

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

#### **Equity ratio, %:**

Total equity x 100 / (Total assets - advances received)

#### **Gearing, %:**

Interest-bearing net debt x 100 / Total equity

#### **Equity per share, euro:**

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

#### **Operating margin:**

Operating result, % of net sales



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