

Hakkapeliitta



1936 *75* 2011

nokian
HAKKAPELIITTA

Nokian Tyres: The strongest tyre manufacturer in Russia

Helsinki 21 September 2011

ABG Sundal Collier

“Spotlight on Finland” seminar

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

INDEX

1. General overview & financial performance
2. Russia
3. Nokian Tyres going forward
4. Appendixes



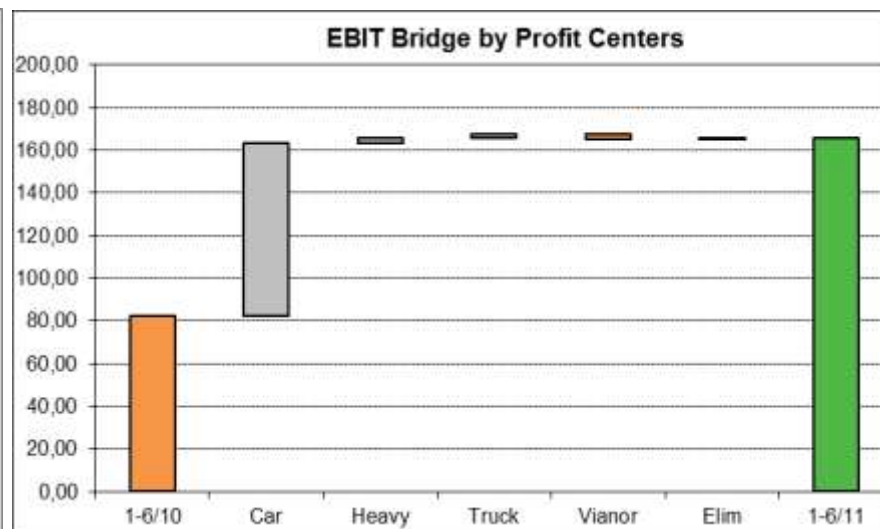
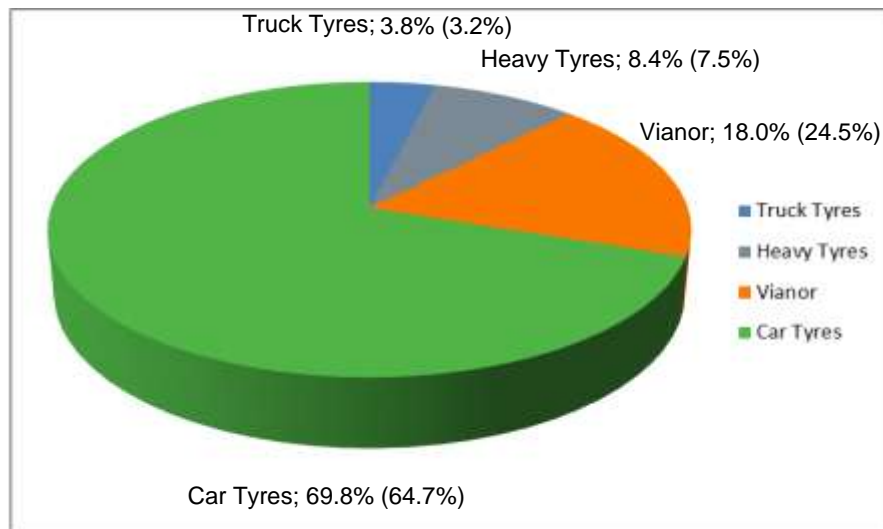
Nokian Tyres – new world record on ice 2011

STRONG H1 RESULTS – GOOD VISIBILITY IN 2011

Strong order book and high demand continue

Net sales 628.0 m€; +41.4%

EBIT 165.6 m€; +101.9%



Passenger Car Tyres

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

Heavy Tyres

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

Truck Tyres

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

Vianor

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

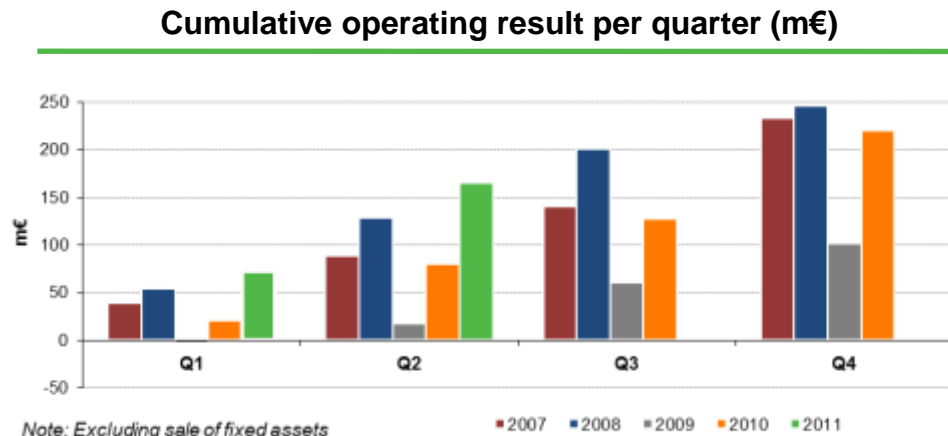
FINANCIAL PERFORMANCE

Group operating result per quarter 2007-2011

1-6/2011

Net sales 628.0 m€
(444.2 m€), +41.4%

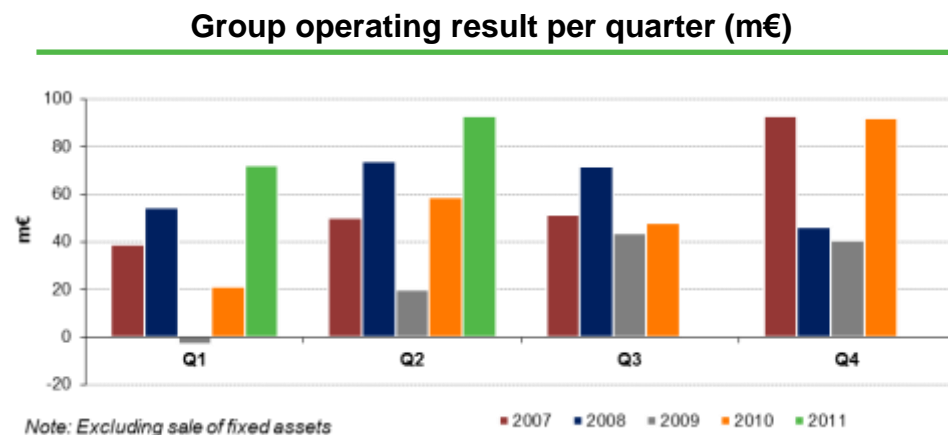
EBIT 165.6 m€
(82.0 m€), +101.9%



4-6/2011

Net sales 338.8 m€
(260.4 m€), +30.1%

EBIT 93.3 m€
(60.9 m€), +53.3%



Profitability supported by:

- Improved cost structure, higher sales volume, better mix and ASP
- Increasing share of Russian production → productivity up

Year 2011 estimates:

- The company is positioned to provide strong sales growth and to improve operating profit clearly compared to 2010

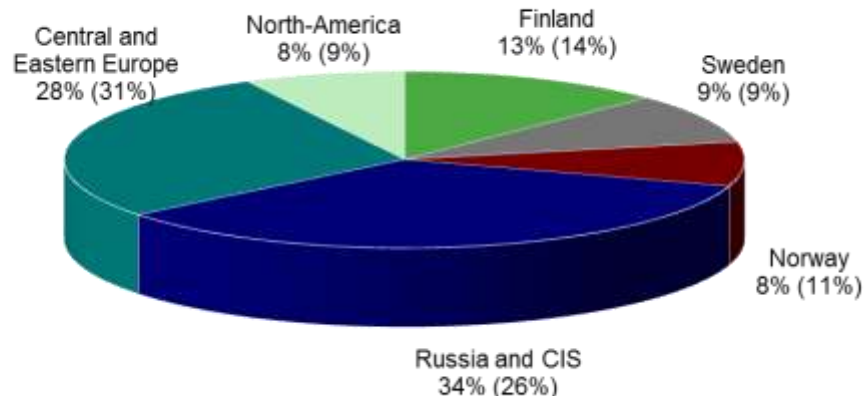
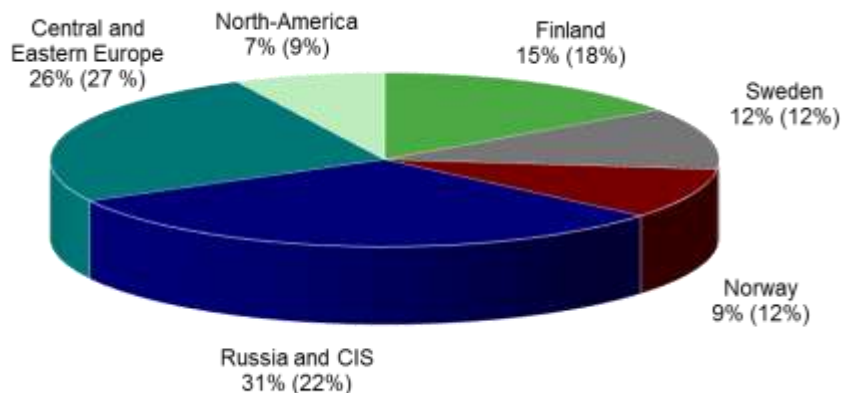
FINANCIAL PERFORMANCE

Gross sales by market area 1-6/2011

Growth targeted in Russia&CIS and Central Europe

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

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



GROUP

Sales development in euros

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

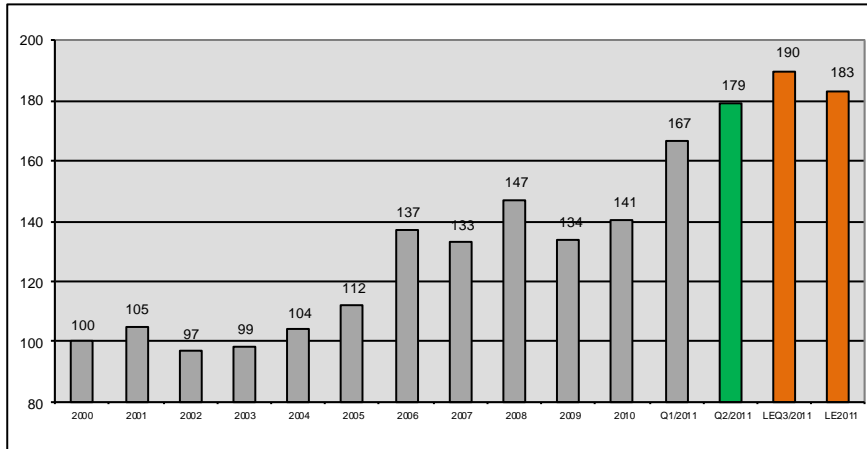
MANUFACTURING

Sales development in euros

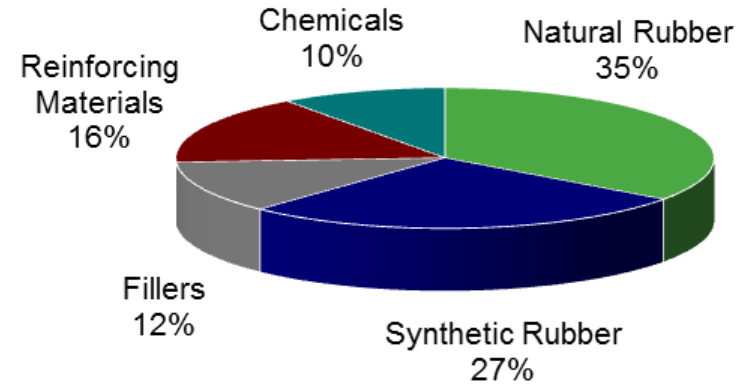
- Nordic countries +32.8%
- Russia and CIS +102.1%
- Central and Eastern Europe +36.9%
- North America +23.3%

Nokian Tyres is the price and market leader in Nordic region and Russia&CIS

Raw material cost development index 2000-E2011



Value of raw material consumption (%)



Nokian Tyres raw material cost (€/kg)

Raw material cost increased by

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

Raw material cost is estimated to increase by

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

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

Good pricing discipline in tyre business continue. Nokian price increases stick as planned.

STATE-OF-THE-ART PRODUCTION

Full utilization - Capacity increases continue



Nokia, Finland

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

2010:

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

2011:

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



Vsevolozhsk, Russia

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

2010:

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

2011:

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

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

EXPANDING DISTRIBUTION

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

Vianor – 820 stores in 22 countries

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

Vianor stores by segment:

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

Vianor highlights in Q2/2011:

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

Target 2011 → over 900 Vianor stores

Vianor – Distribution spearhead for all product groups



INVESTMENTS

Significant investments in 2011 to secure strong profitable growth

Investments in 1-6/2011

- 52.6 m€ (27.6 m€)

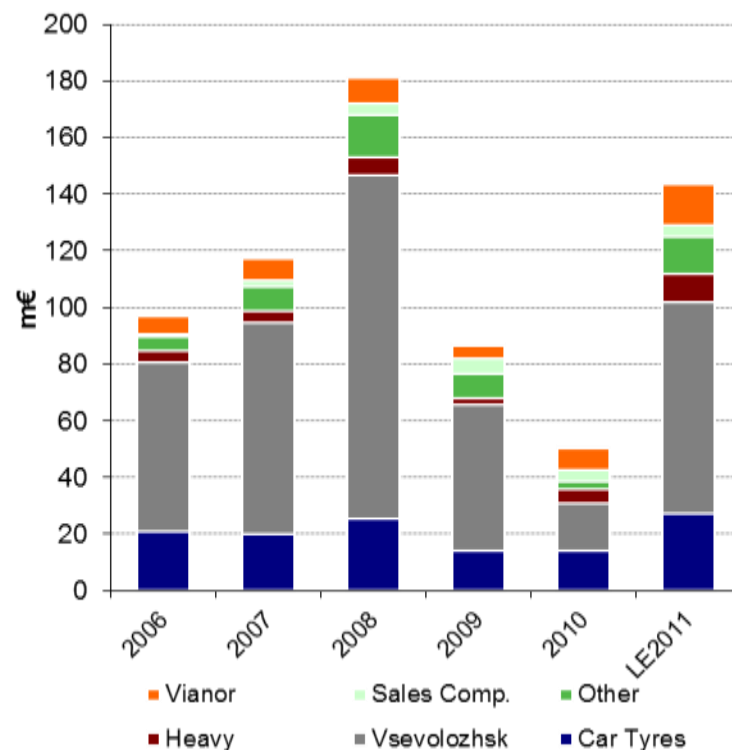
Russia

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

Estimated investments for 2011

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

Nokian Tyres Capital expenditures (m€)



INDEX

1. General overview & Financial performance
2. Russia
3. Nokian Tyres going forward
4. Appendixes



RUSSIA

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

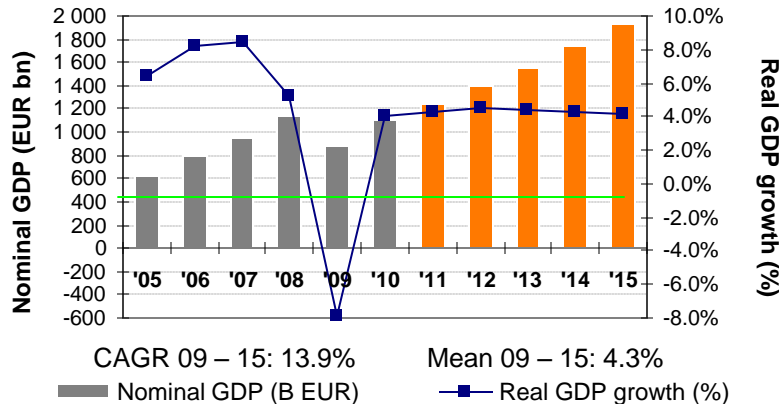
- Sales and demand recovering trailing improving car sales, growing replacement sales of tyres and low inventories of distributors
 - Sales in Russia in 1-6/2011 grew by 110.7% to 192.8 m€ (91.5 m€)
 - Sales in CIS (excluding Russia) were 12.0 m€ (9.9 m€)
- **Nokian Tyres is clear # 1 in premium tyres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



RUSSIA

Russia's economy clearly recovering

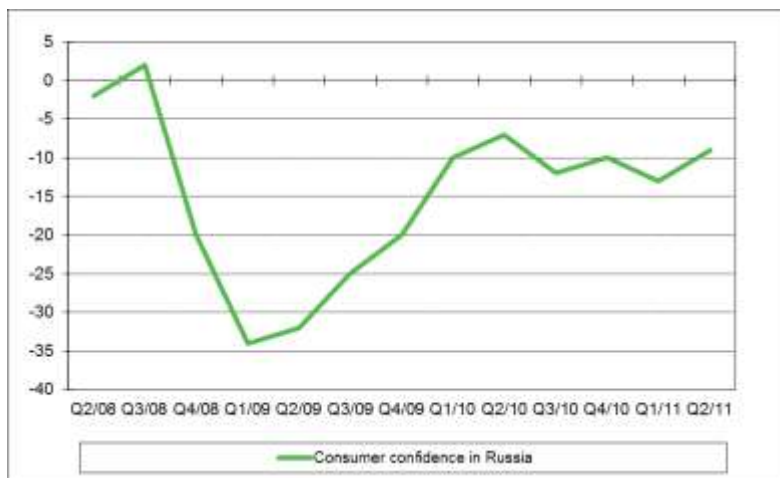
Russia's GDP growth



Major trends and expectations

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

Consumer confidence in Russia

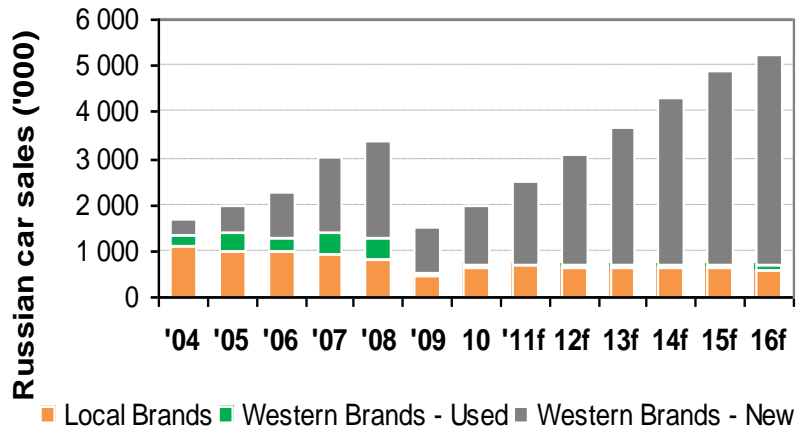


Source: Rosstat, EIU and Nokian Tyres estimates

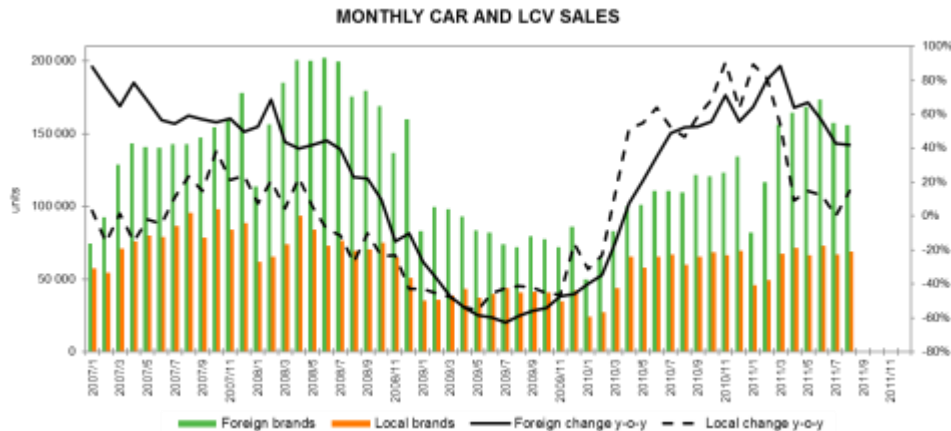
RUSSIA

Car sales back on a growth track

Russian car sales forecast – basic scenario



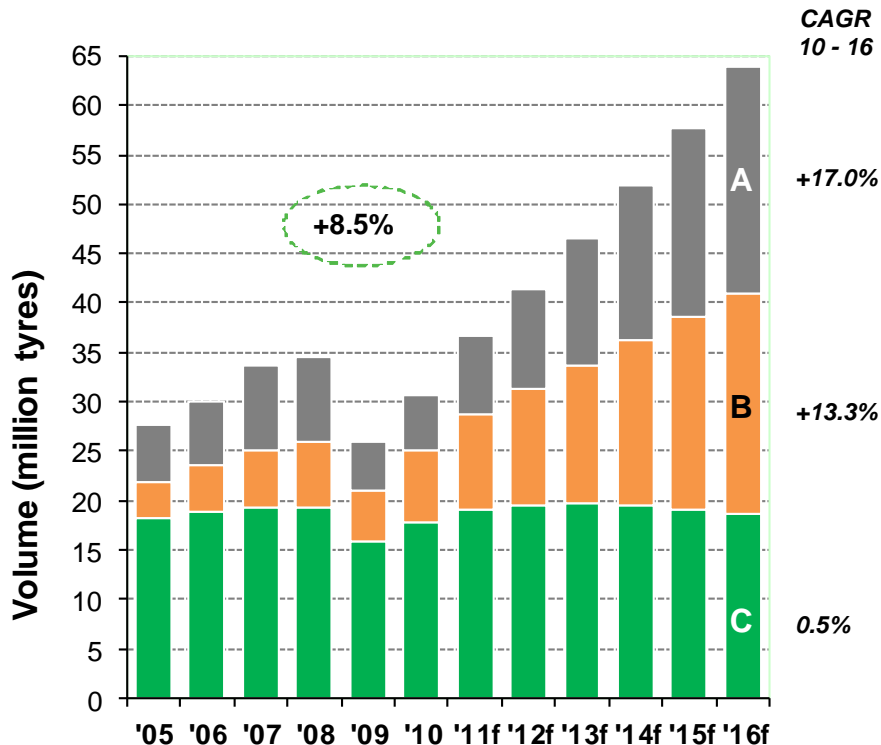
Monthly car sales



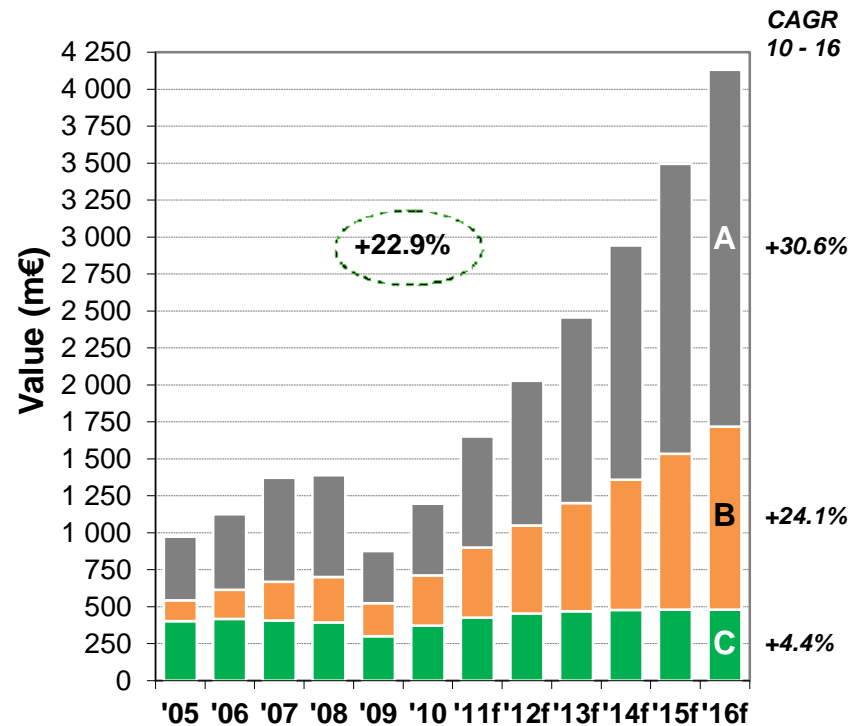
Car market summary

- Sales of new cars and LCVs in Russia increased by 30% in 2010 vs. 2009 and by 48% in 1-8/2011 vs. 1-8/2010
 - Growth is expected to continue the whole year, but the rate is likely to slow down
- Government scrappage scheme brought very positive results, albeit supporting mostly cheap brands and models
 - The program, which has positively affected the whole year's car sales, has been fulfilled in mid 2011
- Due to rapid recovery of demand the lack of cars continues, as manufacturers have limited quotas for Russia
 - Long lead times remain for many popular brands and models (up to a year)
 - This deferred demand will continue to positively affect sales in 2011 and to some extent in 2012
- The car market is forecasted to reach 2.5 million cars and LCVs in 2011, showing a 30% growth
- Financing of car purchases revived in 2010, with share of sales financed by banks and car manufacturers reaching pre-crisis levels
 - Government implemented own car loan support program, with 355 thousand applications and 166 thousand loans granted in 2010
 - The program continues in 2011 with the participation of 117 banks

Car and van tyre replacement market (volume)



Car and van tyre replacement market (value)



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

Source Nokian Tyres estimates

Nokian Tyres is the market leader in A-segment (Nokian Hakkapeliitta) & B-segment (Nokian Nordman)

RUSSIA

Nokian Tyres is the strongest player in Russia

Nokian Tyres market position in Russia

- Only global tyre company with a state-of-the-art and efficient factory in Russia
 - Close access to markets
 - Within customs zone (duty 20% for import)
- Clear market and price leader in core product categories
- Widely recognised and strong brand – both company (Nokian Tyres) and products (Hakkapeliitta)
- Strong distribution chain covering all of Russia – based on long-term and close customer relationships
- Only global producer with a controlled tyre distribution network – 450 Vianor stores in Russia and CIS

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

Nokian Tyres' factory in Russia

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



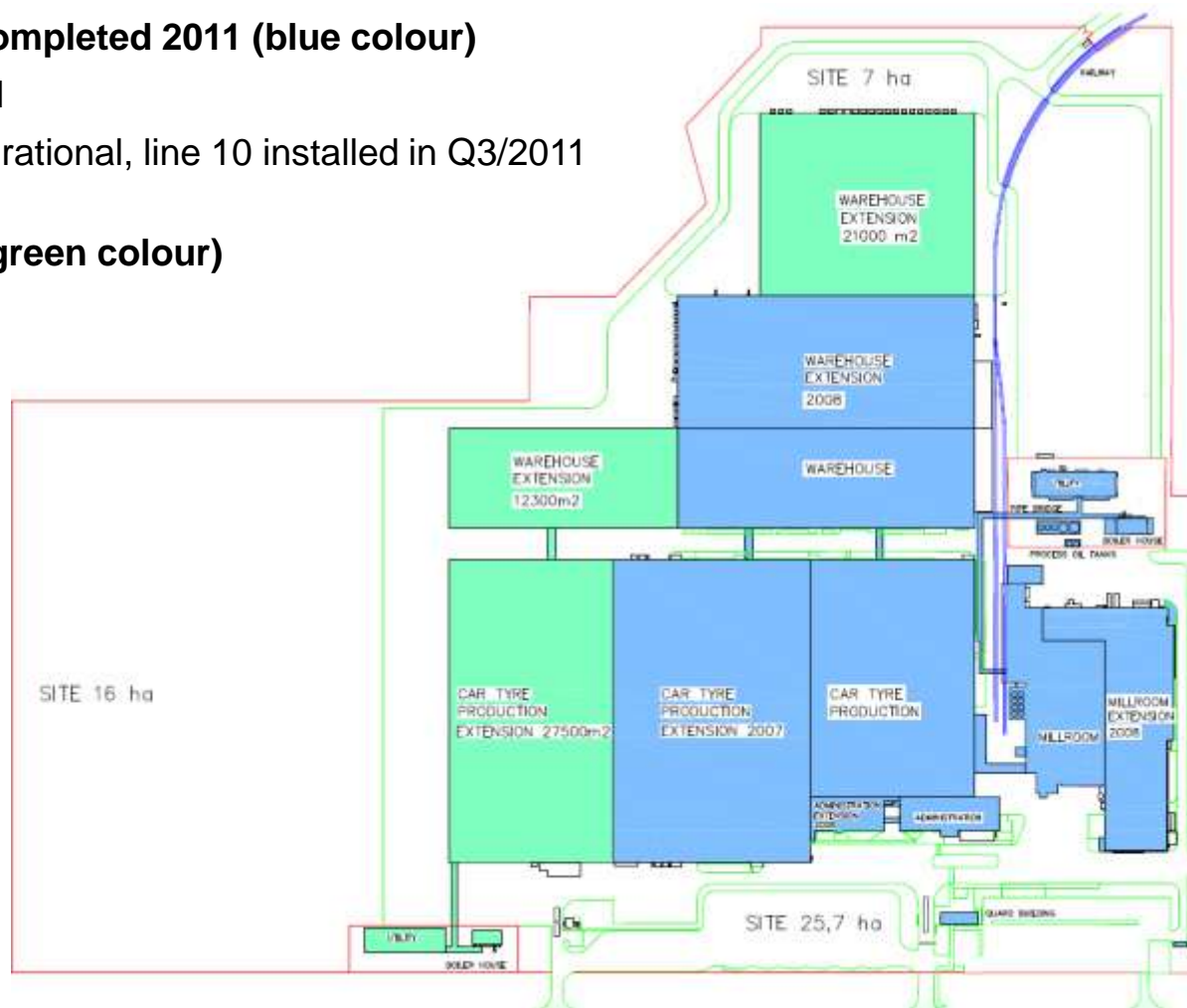
Expansion 4 → 11 million tyres completed 2011 (blue colour)

- Construction work completed
- Production lines 1-9 fully operational, line 10 installed in Q3/2011

Expansion 11 → 17 million tyres (green colour)

- Construction work started
- Production start up in summer 2012
- Gradual build-up to full capacity 2012-2014

Tax reliefs and incentive agreements signed to continue another 5-10 years

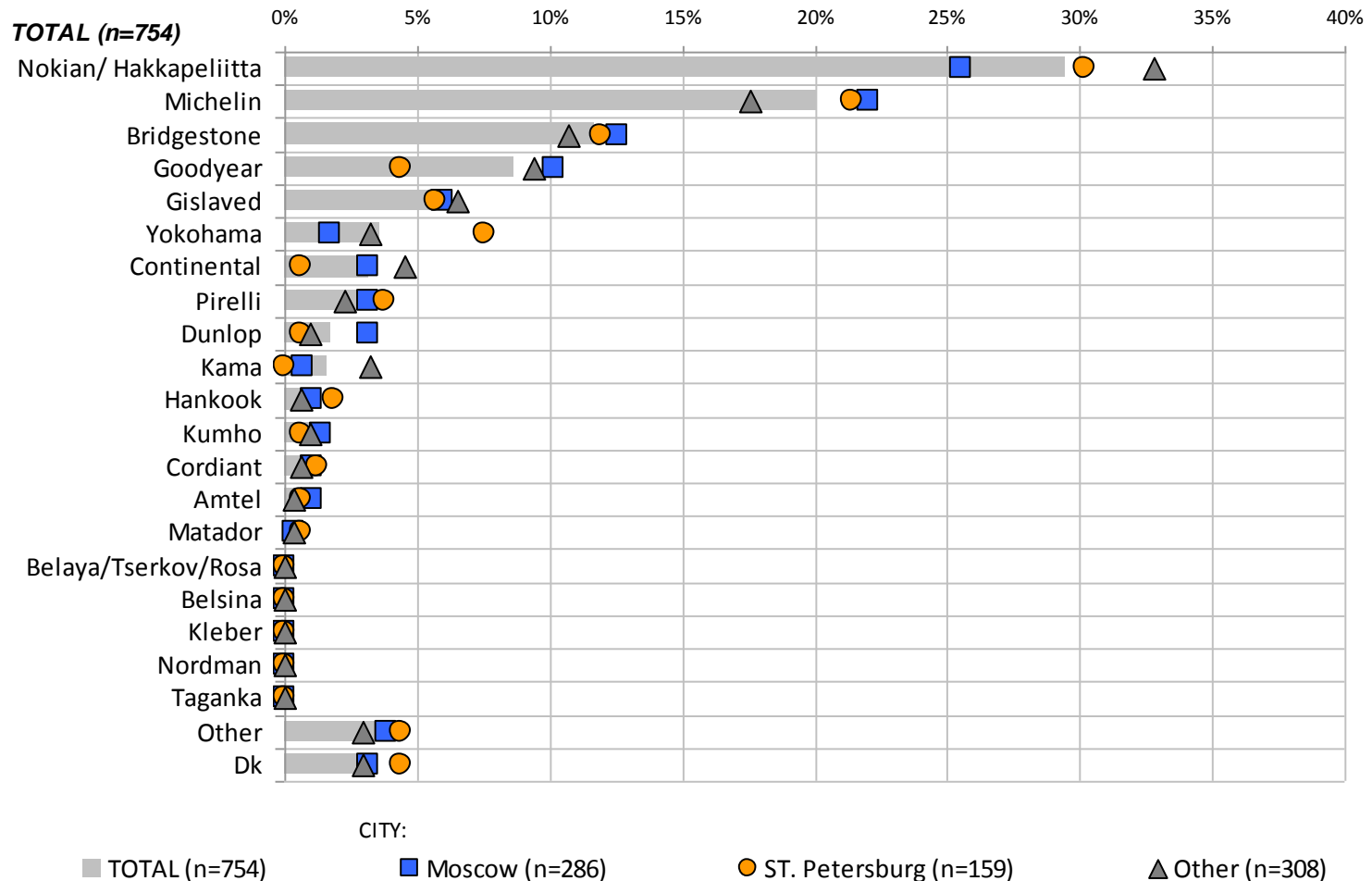


Potential on existing site → 20 million tyres

RUSSIA

Winter tyre brands survey – Top of mind

Which passenger car winter tyre brands do you remember by name? - Top of mind



Nokian Tyres is the strongest winter brand and market leader

RUSSIA & CIS

Vianor concept – tailor-made distribution in seasonal market

- Growth via partner & franchising concept, 450 stores in 277 cities at the end of Q2/2011
- 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



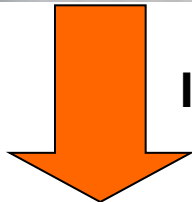
Vianor Volga region

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



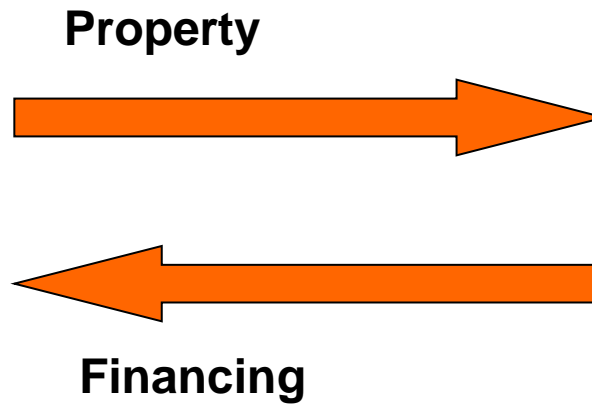
Scheme:

Own Partner's outlet



Investing

New Partner's outlet



Hakka-Invest



RUSSIA

Hakkapeliitta Village:

Own flats and financing for personnel



- Existing 4 houses
 - 167 apartments



- 3 new houses (phase II)
2012-2013
 - 11 000 m2 and 173 apartments

Personnel retention tool



INDEX

1. General overview & financial performance
2. Russia
3. Nokian Tyres going forward
4. Appendixes



NOKIAN TYRES GOING FORWARD

Outlook for 2011: Sales to improve backed by increasing capacity

Assumptions

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

Outlook: Profitable growth

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

NEW PRODUCTS

New Nokian Hakka Blue – Wet Performer

Nokian Hakka Blue

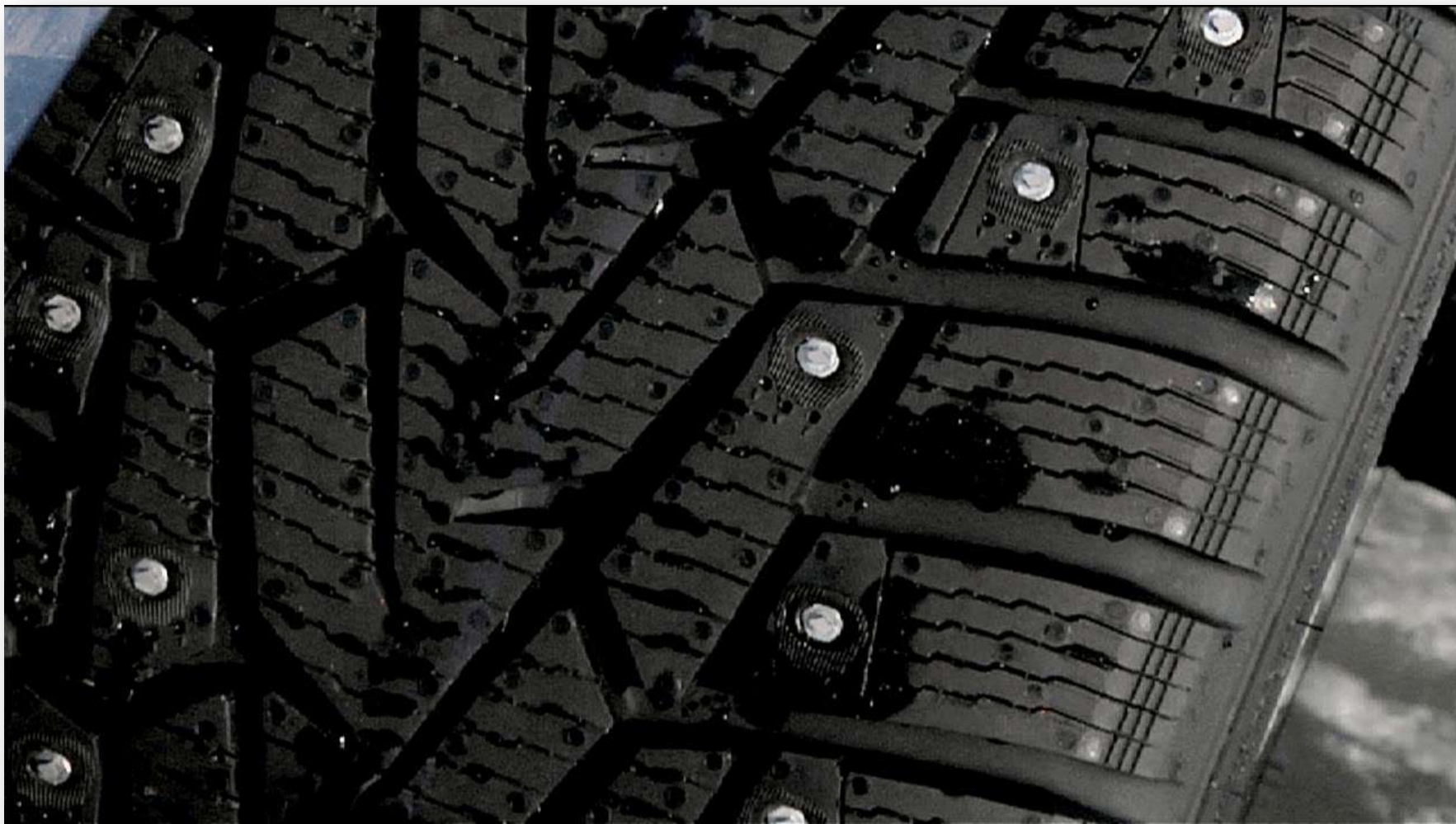
- The environmentally positioned **Nokian Hakka Green** started the launches of the second generation of Hakka summer tyres last fall
- The new **Nokian Hakka Blue** is developed to excel in *demanding wet conditions*
- Nokian Hakka Blue replaces mainly Nokian Hakka V



nokian
TYRES

NOKIAN HAKKAPELITTA

The first and fastest winter tyre



INDEX

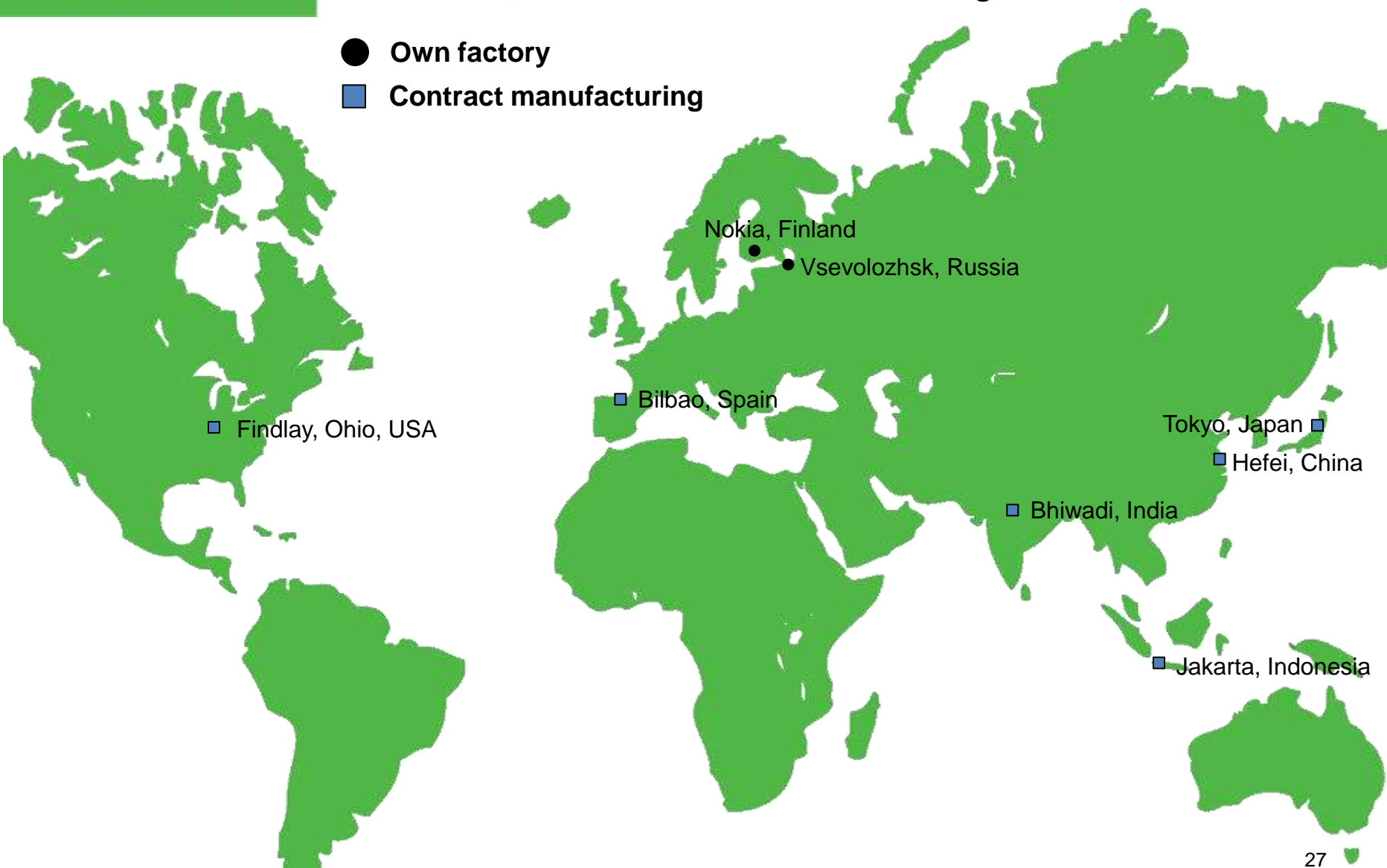
1. General overview
2. Nokian Tyres financial performance
3. Russia
4. Nokian Tyres going forward
5. Appendixes
 - Production
 - Sales companies
 - Strategy
 - Shareholders
 - Share price development
 - Competitor comparison 1998-2011E
 - Magazine test results
 - Examples of new products and innovations
 - Personnel
 - Investments
 - Financing: Loans and net Financial Expenses
 - Tables of financial figures



APPENDIX

Production; Own & contract manufacturing

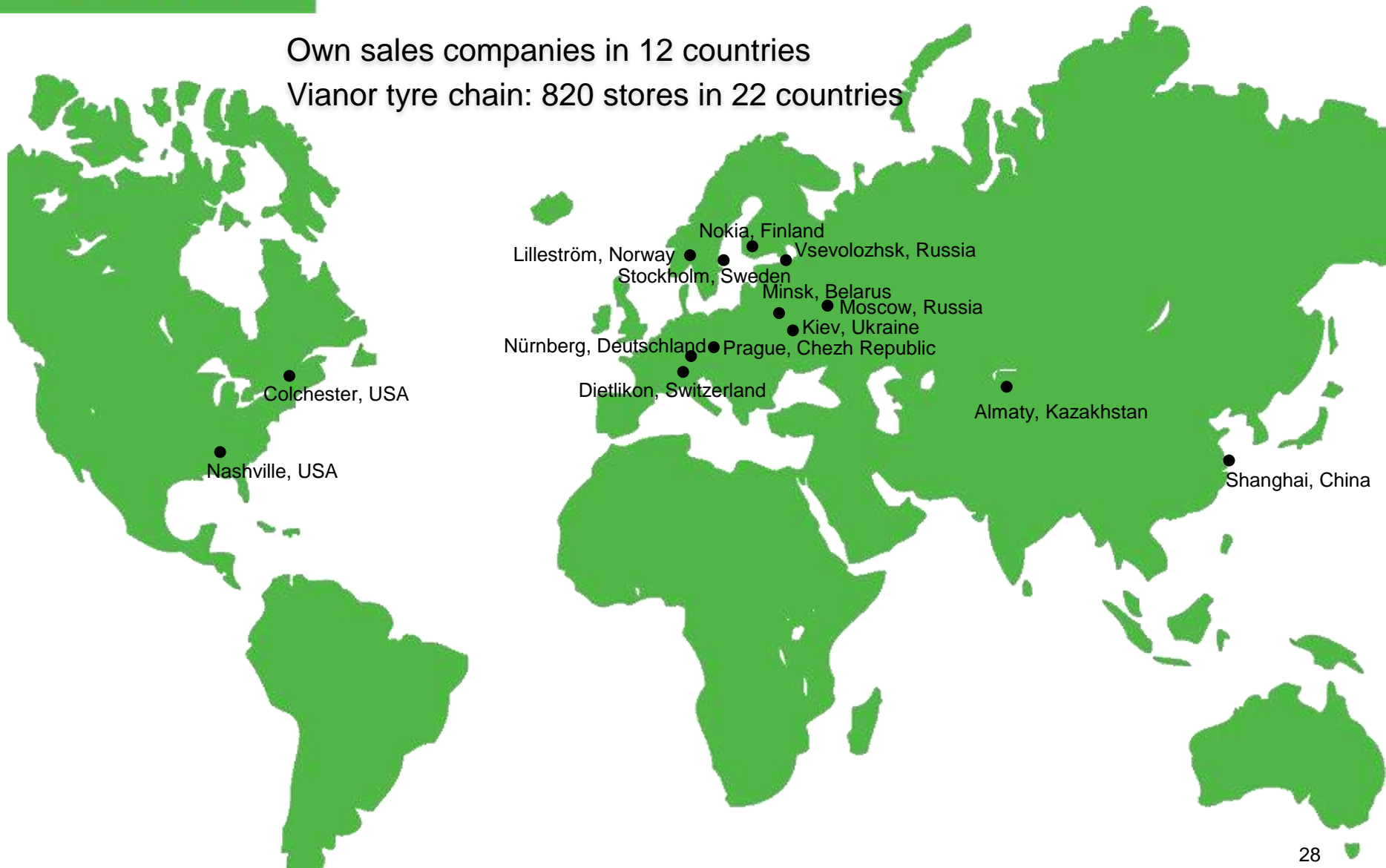
- Own factory
- Contract manufacturing



APPENDIX
Sales companies

Own sales companies in 12 countries

Vianor tyre chain: 820 stores in 22 countries



APPENDIX

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.



APPENDIX

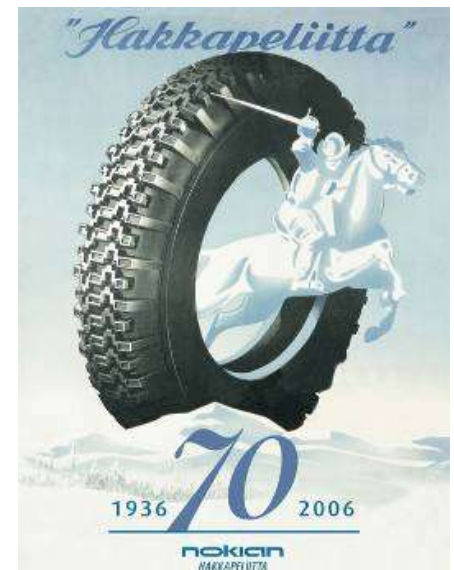
Strategy: Supporting elements

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

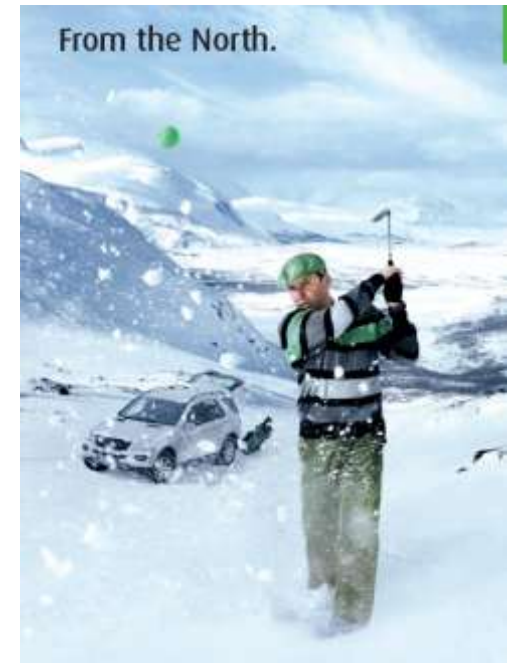


”The original winter tyre”

APPENDIX

Strategy: Key objectives into 2016

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

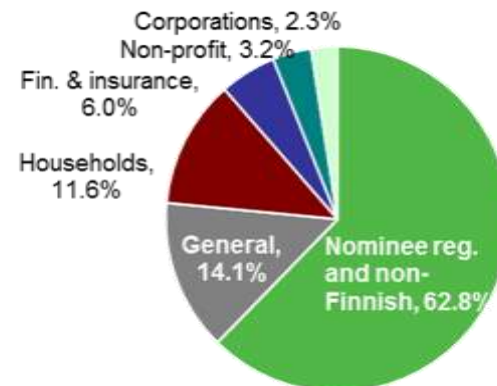


APPENDIX

Major shareholders as of 30 June, 2011

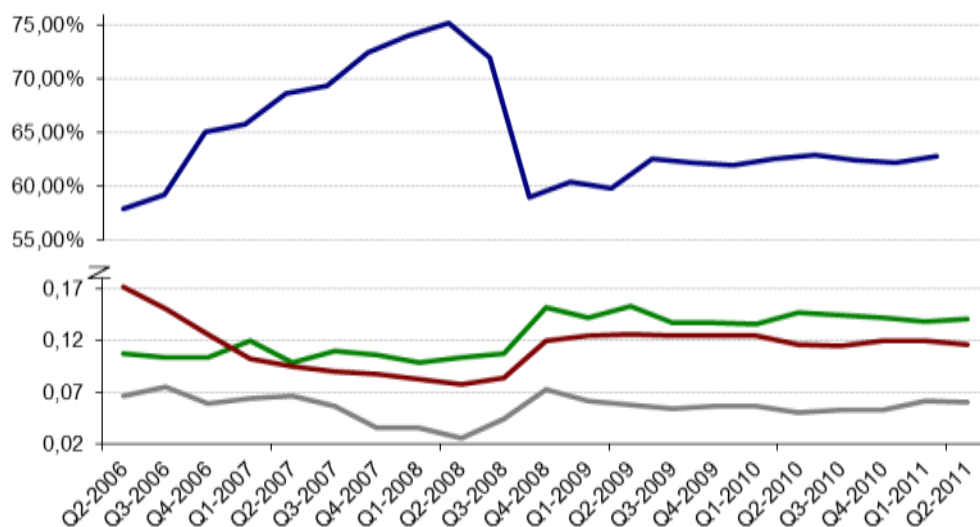
Major Domestic Shareholders	Number of Shares	Share of Capital (%)	Change from previous month
1 Varma Mutual Pension Insurance Company	8 502 839	6,57	0
2 Ilmarinen Mutual Pension Insurance Company	5 440 313	4,2	201000
3 Nordea	1 335 625	1,03	33229
4 OP Investment Funds	1 283 000	0,99	0
5 The State Pension Fund	1 189 530	0,92	0
6 Tapiola Mutual Pension Insurance Company	1 150 000	0,89	0
7 Gyllenberg Investment Funds	652 500	0,5	-14400
8 Folketrygdfondet	630 883	0,49	0
9 Etera Mutual Pension Insurance Company	589 953	0,46	-50000
10 Nordea Nordenfonden	569 060	0,44	30500
Major Domestic Shareholders total	21 343 703	16,49	
Foreign Shareholders ¹⁾	81 311 580	62,8%	
Bridgestone Europe NV/SA ²⁾	20 000 000	15,5%	

Division by Category as of 30 June 2011



Total number of shares: 129 475 844

Shareholder development by category Q2/2006 - Q2/2011



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

Note: Options, free (30 June, 2011)

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

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

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

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

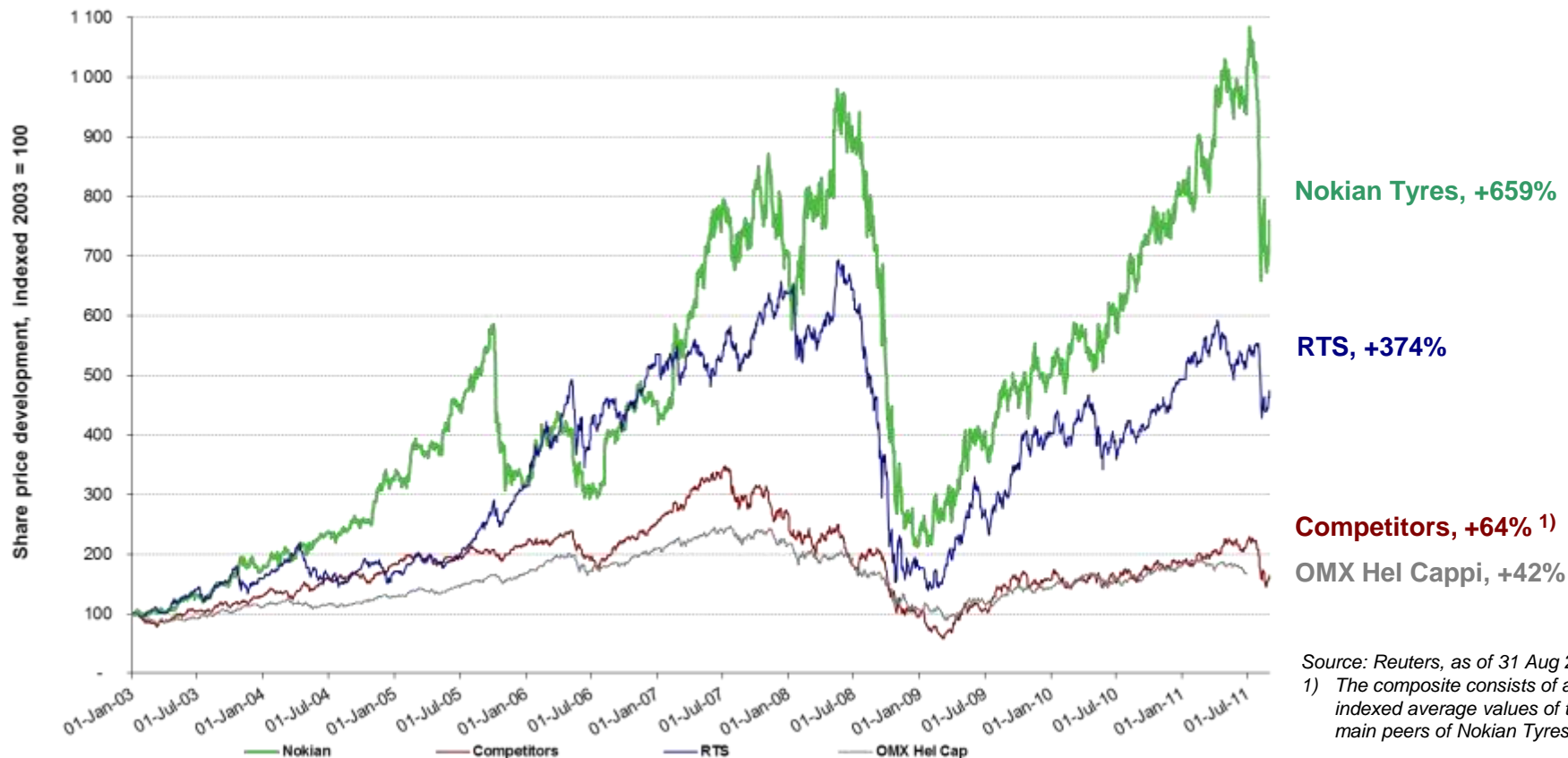
2010C: 1,340,000 (1,340,000 in company's possession)

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

2) In the name of a nominee.

APPENDIX

Comparing share price development to main indexes 1/2003 - 8/2011

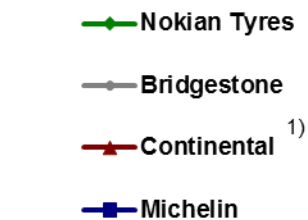
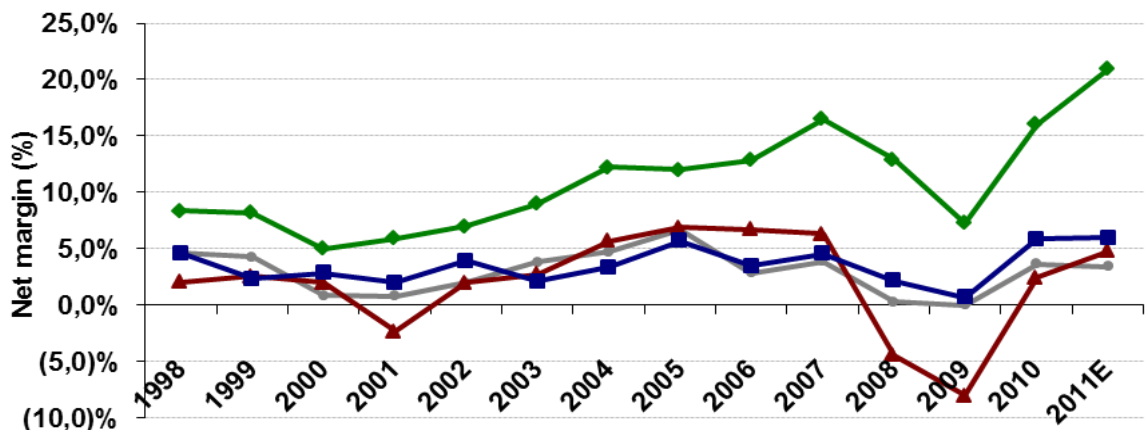
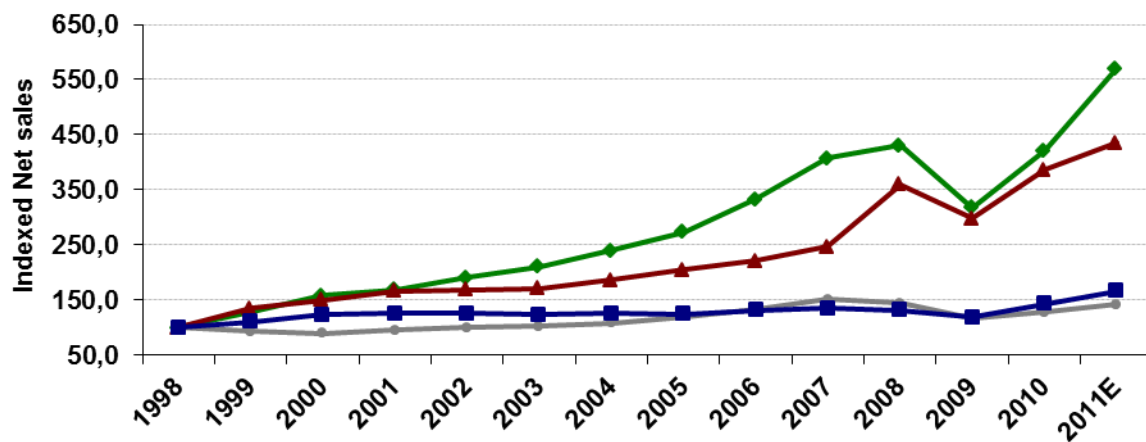


Nokian Tyres by Aug-31-2011

	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	36,85	31,40
Average	17,25	19,83	23,73	28,94	31,39	30,91	25,32
Low	4,94	7,23	14,54	22,42	22,42	22,42	22,42

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

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



Net sales change	
CAGR 2007 – 2011E	
Nokian	8.8%
Michelin	5.4%
Bridgestone	-1.7%
Continental	n.m. ¹⁾

Net income 2007 – 2011E		
	CAGR	Margin 2011E
Nokian	15.5%	20.9%
Michelin	12.7%	6.0%
Bridgestone	-4.8%	3.4%
Continental	n.m.	4.8%

Source: Results 1998-2010 (company websites) and 2011 consensus estimates for the peers as per Reuters 28 July 2011.
 Note: "n.m." means that the results would be non-meaningful or that the calculation is not possible due to negative results.
 1) Continental sales for 2008 not comparable due to VDO acquisition.

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

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

SUMMER TYRES, spring 2011

Nokian V

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



Nokian V

Nokian Hakka H for core markets

- Test victory: Za Rulem (Russia)

Nokian Hakka Green for core markets

- Test victory: Tuulilasi (Finland)

WINTER TYRES, autumn 2010

Nokian Hakkapeliitta 7 – Next generation studded tyre

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



Nokian Hakkapeliitta 7

Nokian Hakkapeliitta R – Safe and reliable friction tyre

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



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

APPENDIX

Examples of new products and innovations

Nokian Hakka Green – Summer tyre for core markets

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



Nokian WR – Winter tyre for Central Europe

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



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

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



APPENDIX

Winter tyre legislation in Europe

	Austria	Bosnia Herzegovina	Croatia	Czech Republic	Estonia	Finland	France	Germany	Latvia	Lithuania	Norway	Romania *	Serbia *	Slovakia	Slovenia	Spain	Sweden	Switzerland
Winter tyres are legally mandatory		●			●	●			●	●		●	●		●		●	
Winter tyres are mandatory <u>if</u> weather conditions so require	●		●					●			●			●				
Winter tyres are mandatory <u>only if</u> there is a specific road sign				●			●									●		●

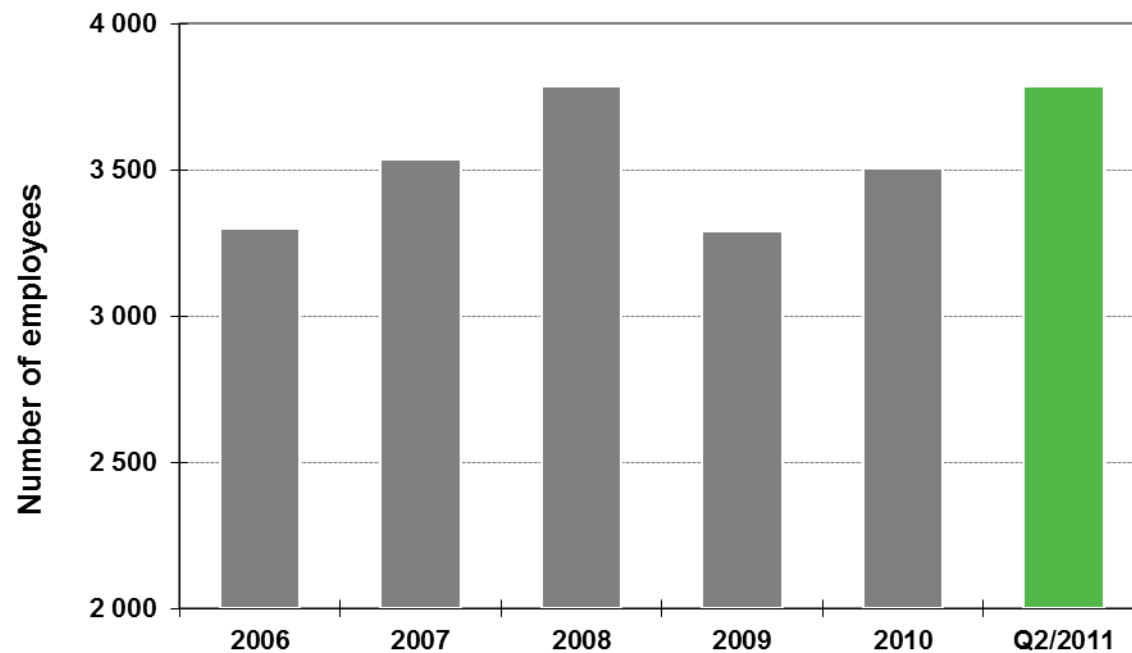
* Starting 2011

APPENDIX

Personnel 30 June, 2011

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

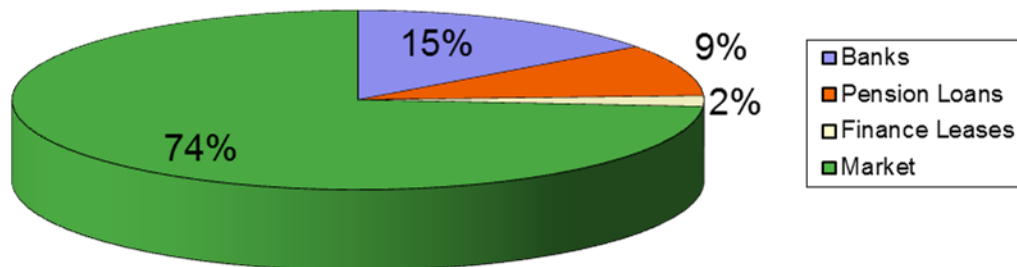
- Equity-owned Vianor: 1,317 (1,349)
- Russia: 965 (691)



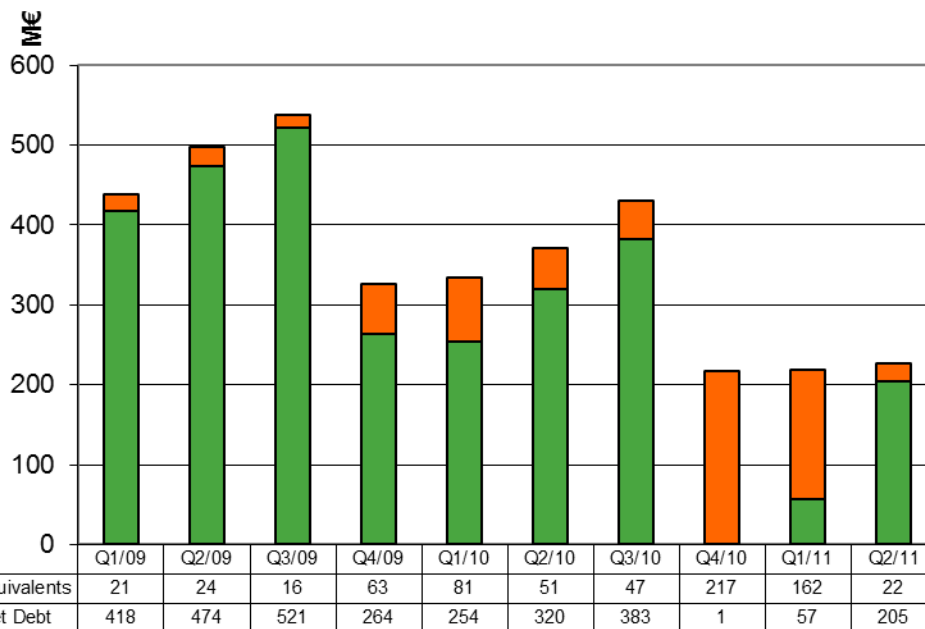
APPENDIX

Financing: Loans on 30 June, 2011

Interest Bearing Debts 227.4 m€ (30.6.2011)



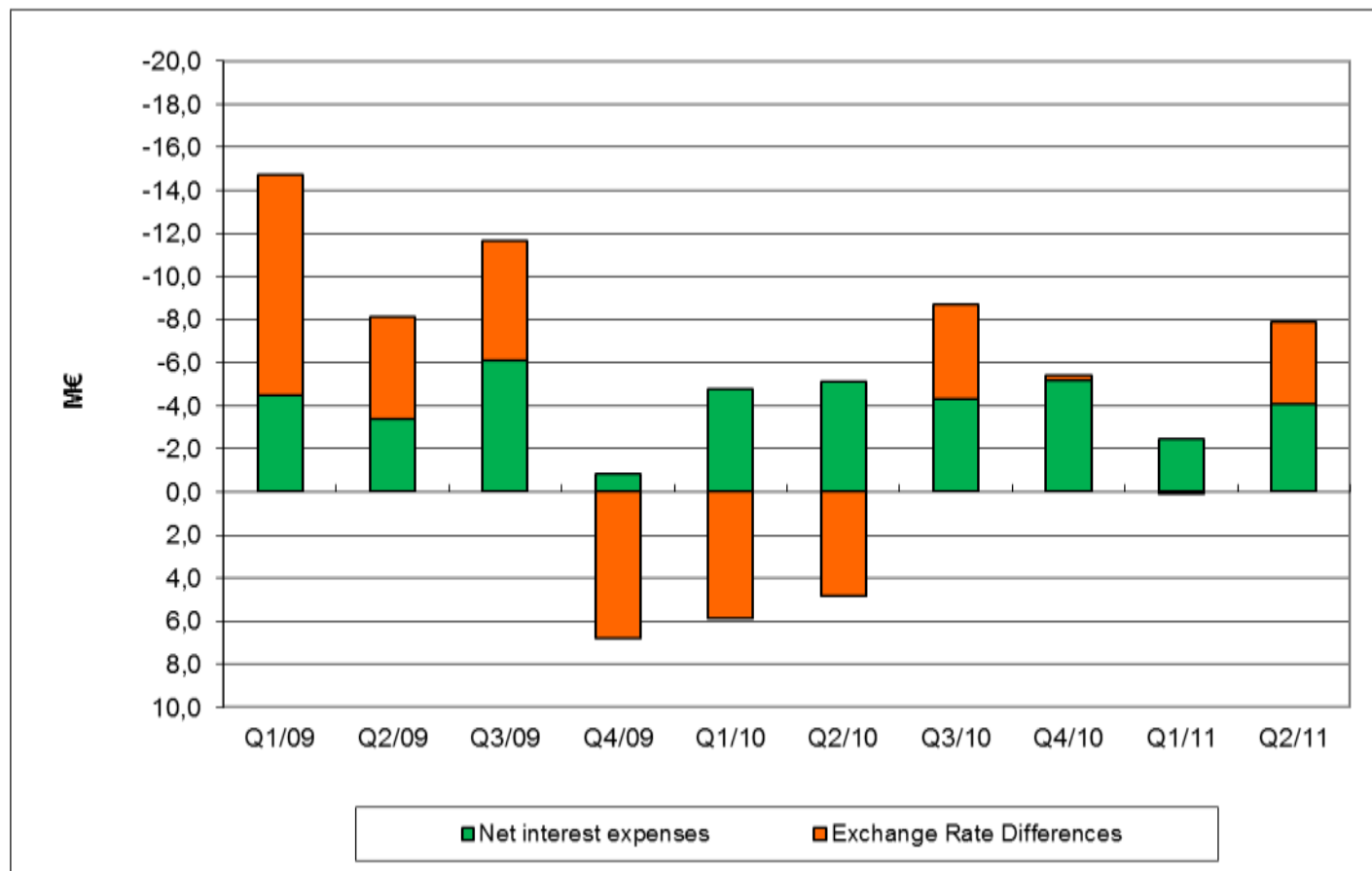
Interest-Bearing Debt



APPENDIX

Financing: Net Financial Expense

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



APPENDIX

CONSOLIDATED INCOME STATEMENT

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

APPENDIX

CONSOLIDATED OTHER COMPREHENSIVE INCOME

CONSOLIDATED OTHER COMPREHENSIVE INCOME	4-6/11	4-6/10	1-6/11	1-6/10	1-12/10
Million euros					
Result for the period	74,2	52,6	136,6	72,6	169,7
Other comprehensive income, net of tax:					
Gains/Losses from hedge of net investments in foreign operations	0,4	-4,3	0,6	-20,4	-17,9
Cash flow hedges	-0,9	-0,2	0,7	-0,8	-0,6
Translation differences on foreign operations	-1,8	25,2	4,4	69,1	37,0
Total other comprehensive income for the period, net of tax	-2,2	20,6	5,7	48,0	18,5
Total comprehensive income for the period	71,9	73,2	142,3	120,7	188,2
Total comprehensive income attributable to:					
Equity holders of the parent	71,9	73,2	142,3	120,7	188,2

APPENDIX KEY RATIOS

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

APPENDIX: CONSOLIDATED STATEMENT OF FINANCIAL POSITION

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

APPENDIX

CONSOLIDATED STATEMENT OF CASH FLOWS

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

APPENDIX

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

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

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

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

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

APPENDIX SEGMENT INFORMATION

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

APPENDIX CONTINGENT LIABILITIES

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

APPENDIX

DEFINITIONS OF CONSOLIDATED KEY FINANCIAL INDICATORS

Earnings per share, euro:

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

Earnings per share (diluted), euro:

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

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

Equity ratio, %:

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

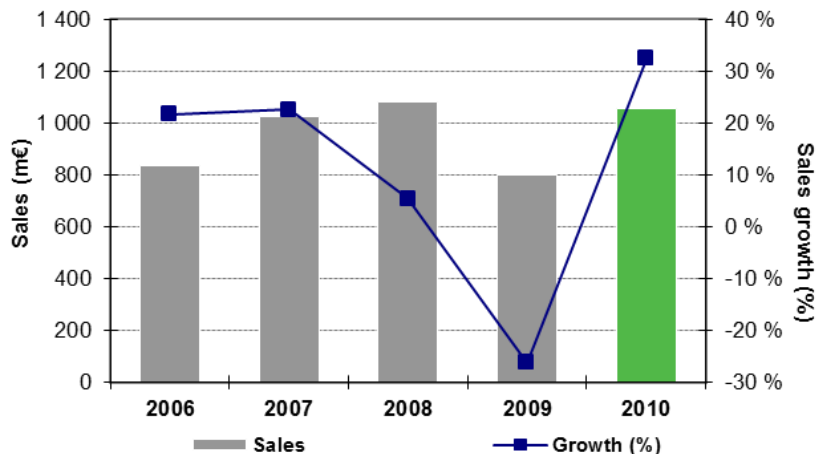
Operating margin:

Operating result, % of net sales

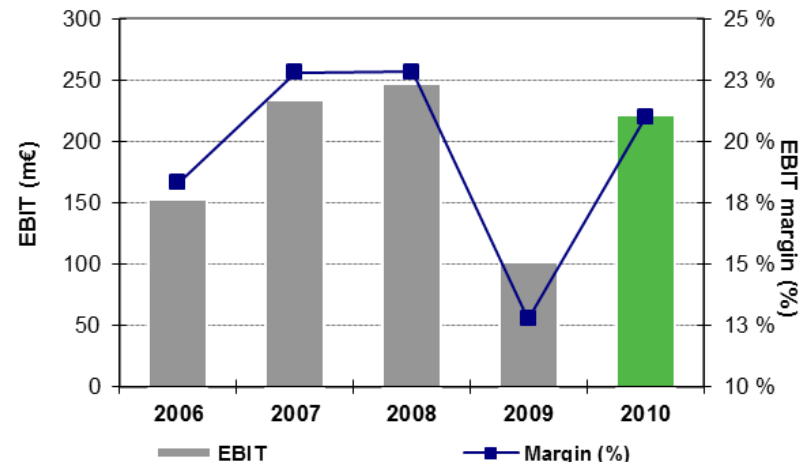
FINANCIAL PERFORMANCE

Development of key financials 2006-2010

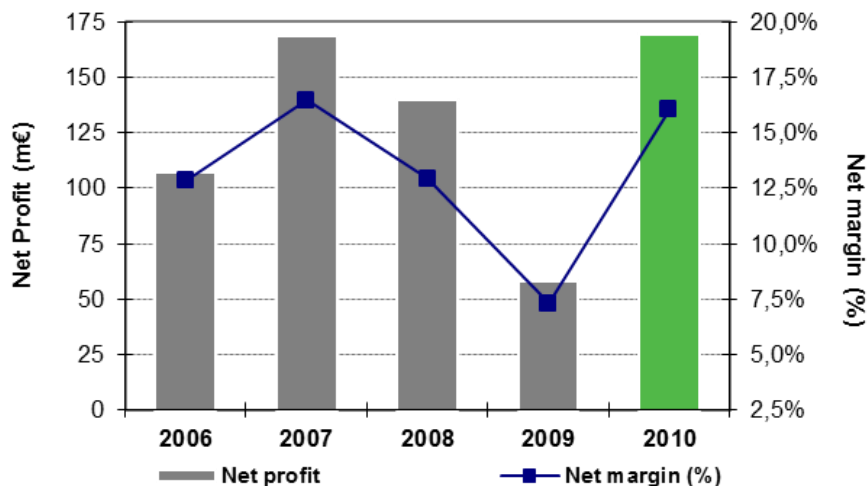
Net sales (m€) and Net sales growth (%)



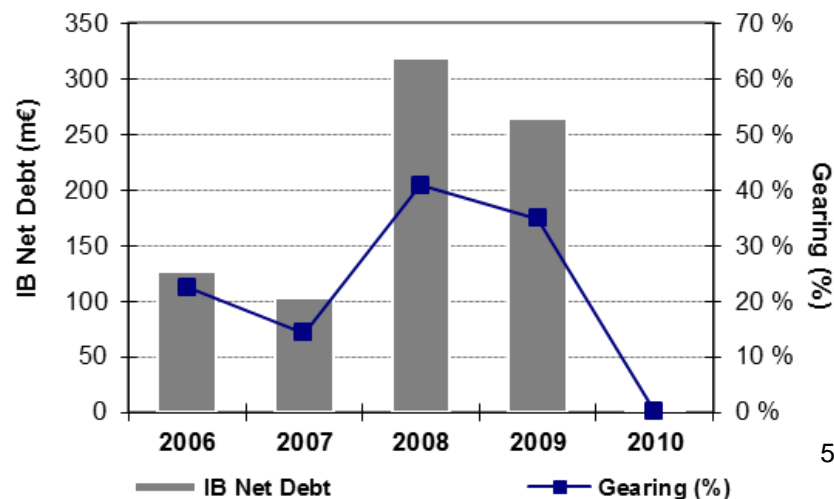
EBIT (m€) and EBIT margin (%)



Net profit (m€) and net margin (%)



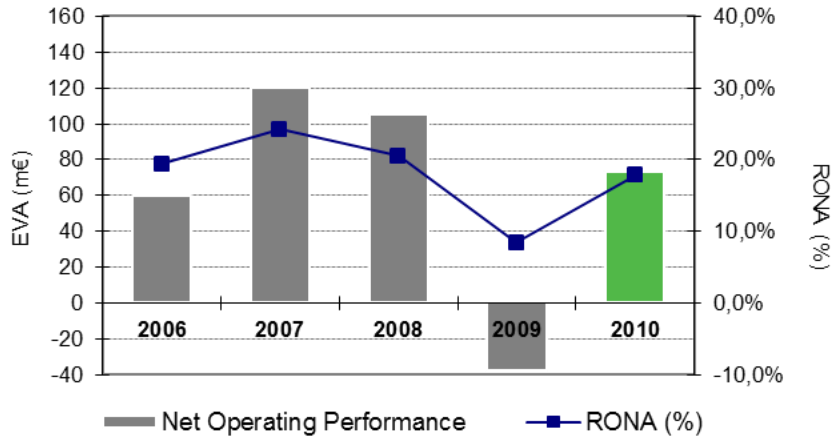
Interest bearing net debt (m€) and gearing (%)



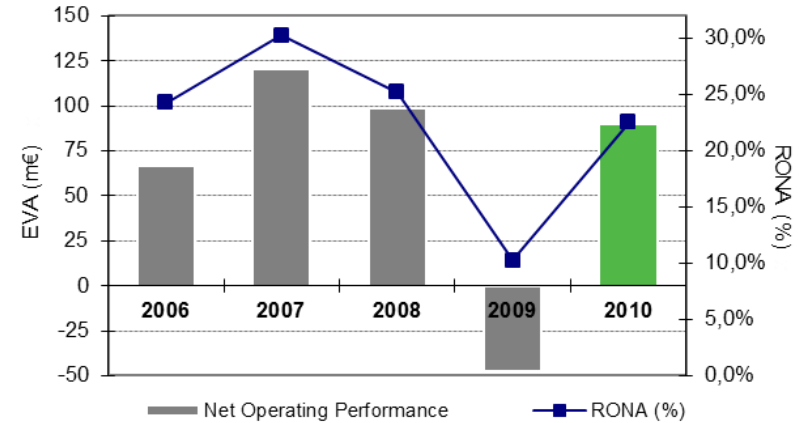
FINANCIAL PERFORMANCE

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

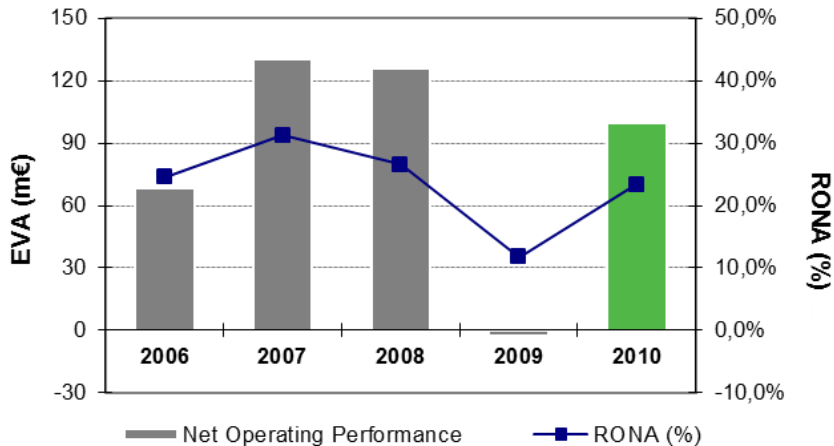
Group EVA (m€) and RONA (%)



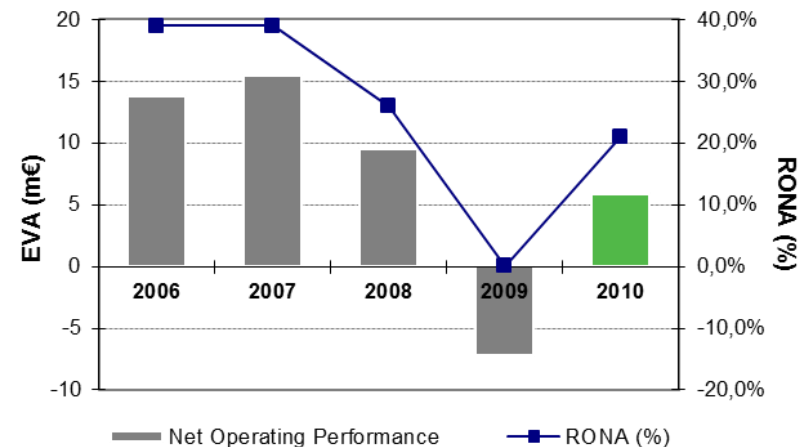
Manufacturing EVA (m€) and RONA (%)



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



Heavy Tyres EVA (m€) and RONA (%)



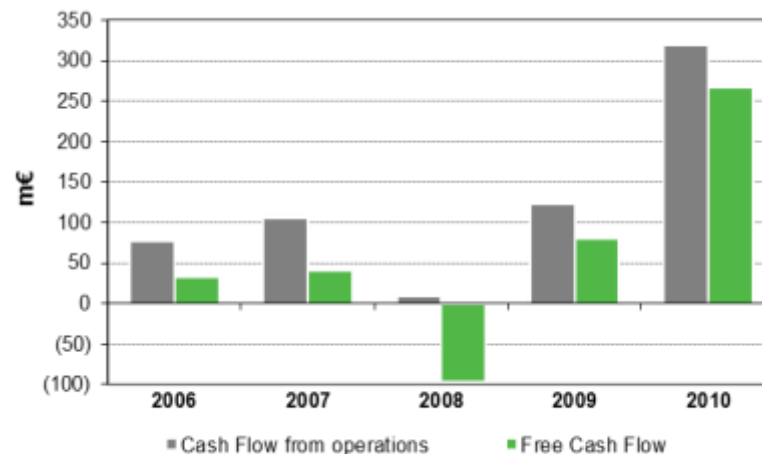
¹⁾ EVA is calculated based on 12% interest on capital employed.

FINANCIAL PERFORMANCE

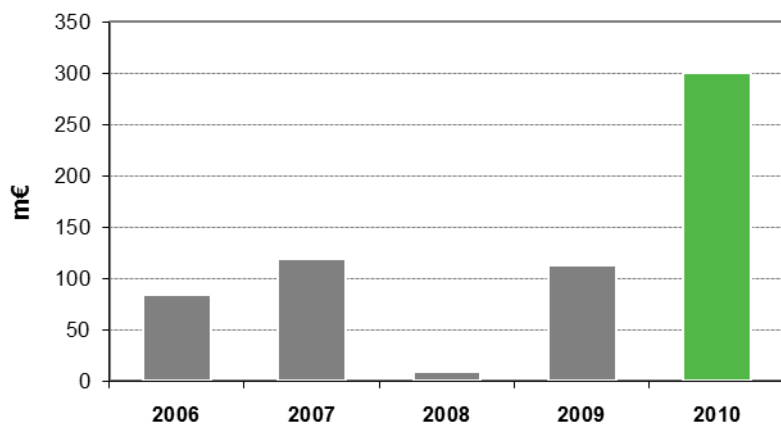
Group Operating Cash Flow and Free Cash Flow 2006-2010

- 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

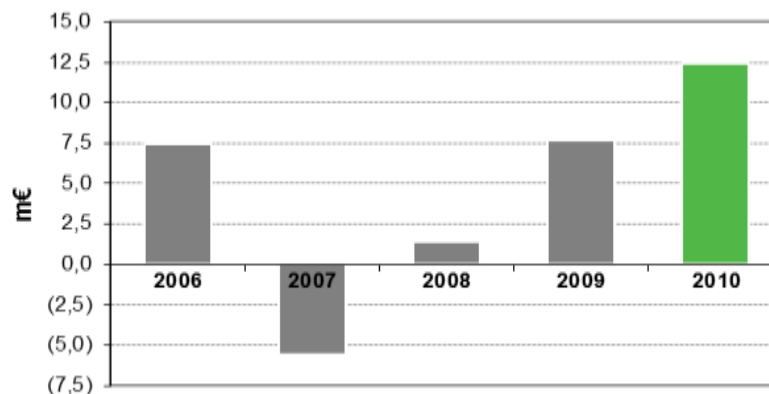
Group Cash flow from operations and Free Cash flow



Manufacturing Cash flow from operations



Vianor Cash flow from operations



The first.
The fastest.

nokian
TYRES

