



**A good sales mix, strong market position and
raw material tailwind support margins**

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

**Nordea
Finnish Large Cap Summit 2013
20 November, 2013**

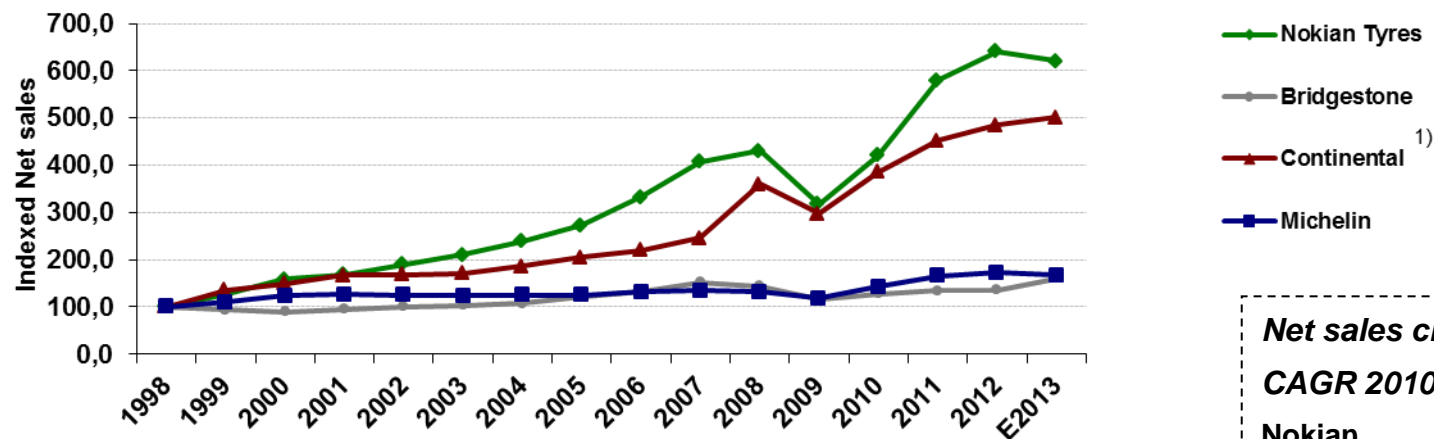


GENERAL OVERVIEW

Competitor comparison 1998-E2013

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 15 years. The clearly better profitability protects the company profits during recessions and potential downturns.



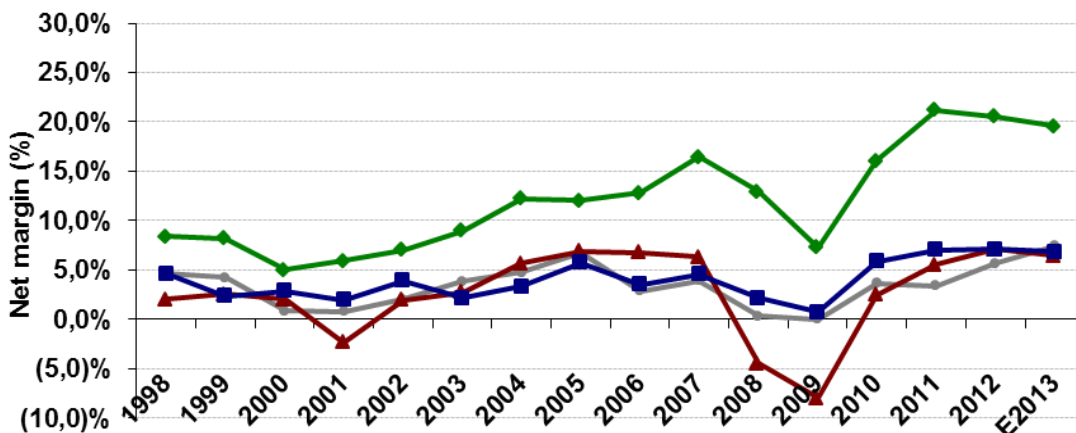
Net sales change

CAGR 2010 – E2013

Nokian	13.8%
Michelin	5.3%
Bridgestone	7.8%
Continental	9.1%

Net margin E2013

Nokian	19.6%
Michelin	6.9%
Bridgestone	7.4%
Continental	6.4%

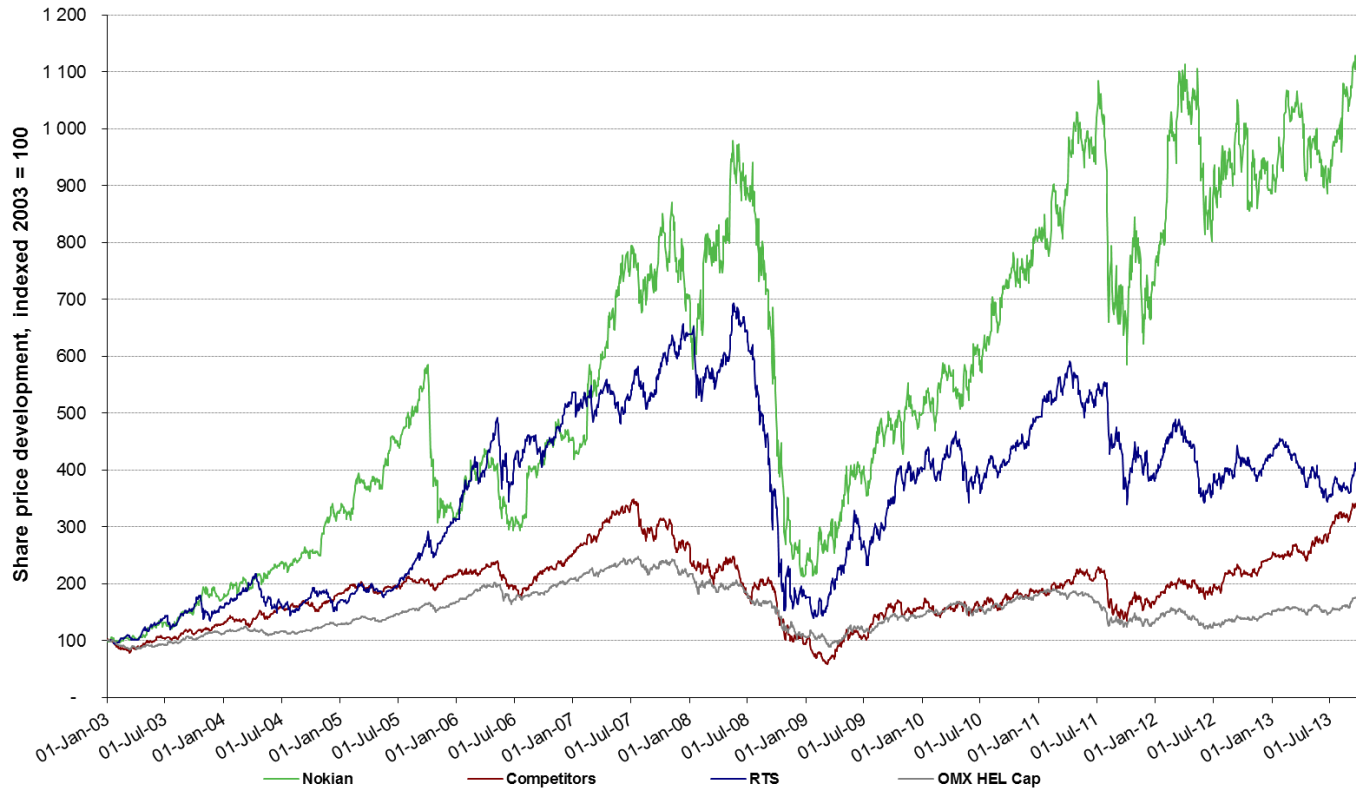


Source: Results 1998-2012 (company websites) and 2013 consensus estimates for the peers as per Thomson Reuters 16 Oct 2013.

PLEASE NOTE: ESTIMATE 2013 IS BASED ON CONSENSUS ESTIMATES, NOT NOKIAN TYRES GUIDANCE.

GENERAL OVERVIEW

Comparing share price to main indexes 1/2003 – 24 Oct 2013



Nokian Tyres, +959%

RTS, +316%

Competitors, +247% ¹⁾

OMX Hel Cap, +75%

Source: Thomson Reuters, as of 25 Oct 2013. The composite consists of an indexed average values of the main peers of Nokian Tyres.

Nokian Tyres by Oct-24-2013

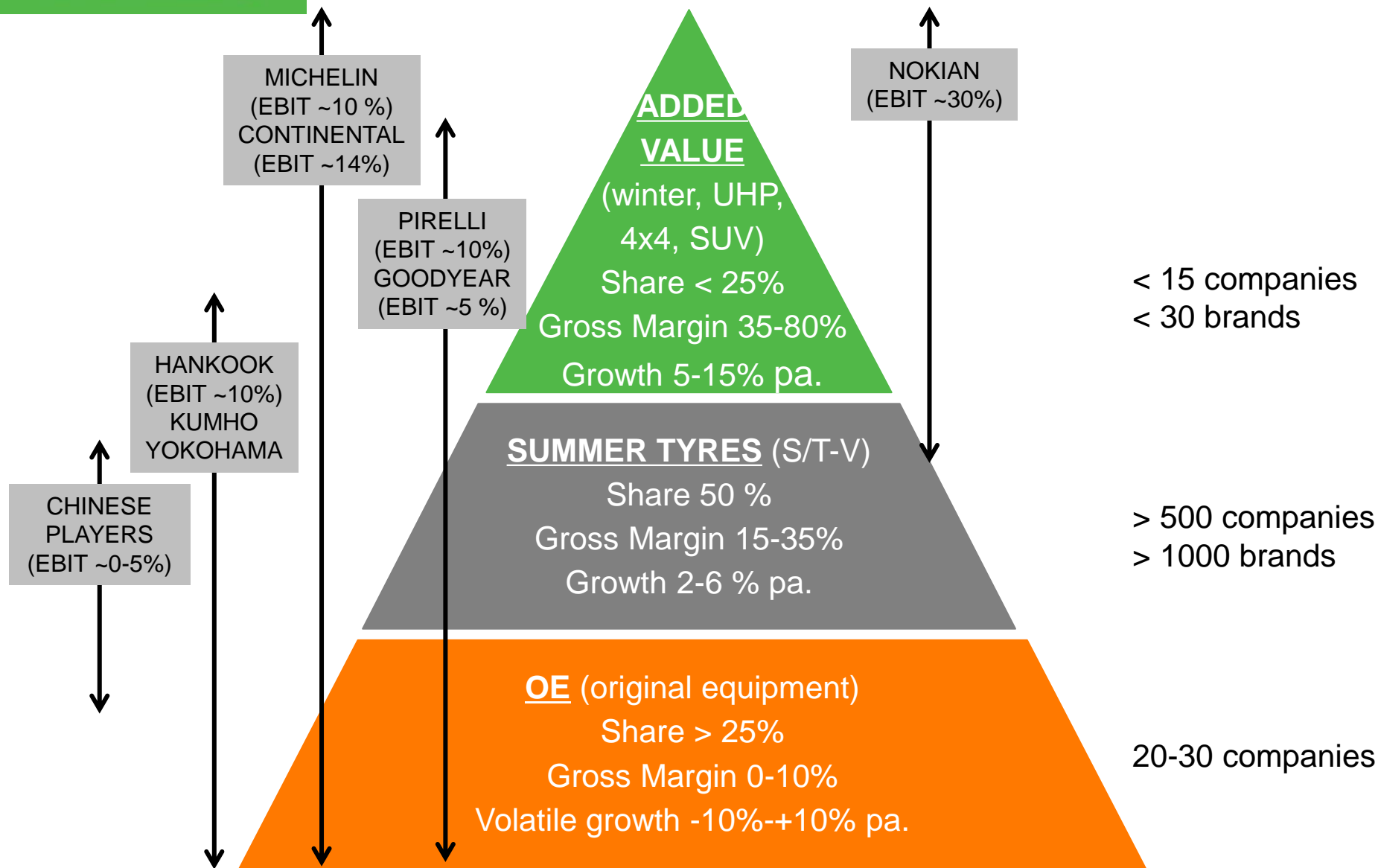
	Last 10 years	Last 5 years	Last 3 years	LTM	L6M	L3M	Last month
High	38,41	38,41	38,41	38,41	38,41	38,41	38,41
Average	20,52	24,96	31,01	33,41	34,13	35,90	35,80
Low	5,75	7,23	19,89	29,25	30,10	32,61	33,41

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TYRES

STRATEGIC FOCUS

Nokian vs. Tyre industry

Global tyre business 2011: 187,5 B\$
Light vehicle tyre business ("PC1"): 100 B\$



STRATEGY DEVELOPMENT

From industrial to consumer goods company

Manufacturing



Manufacturing

- Suomen Gummitehdas was founded in 1898
- Nokia plant in 1904
- Russia plant in 2005

Distribution



Distribution

- Since the late 1990's controlled distribution and contact to end users; a tool to improve market shares
→ Vianor tyre chain

Consumers



Consumers

- Since 2009 desire to be closer to consumers
- Electronic business, creating consumer relationship, improving interaction
→ "Close to customer"

MARKET OVERVIEW 1-9/2013

Signs of recovery in global economy and tyre business

Car tyres

Challenging markets, some light ahead

- Signs of recovery in global economy
- Economies in the Nordic countries and Russia relatively stable
- Car sales in Russia -7%, Europe -4%, Nordics -4% yoy
- Car tyre demand picked up in Europe in Q3; 1-9/2013 still -2% (winter -8%) yoy. Demand in Nordics -1%, Russia also down with weak summer tyre season.
- Pricing environment for 2013 challenging

Heavy tyres

Uncertainty continued in heavy tyres' markets

- Demand soft in all product groups

Currencies

RUB weakened against EUR

- RUB weakened due to financial market uncertainties from RUB/EUR 40.33 to 43.82 during 1-9/2013

Raw material prices

Raw material prices stabilizing on current level

- Nokian Tyres' raw material cost (€/kg) down by 12.3% vs. 1-9/2012
- Raw material cost to decrease by 12.5% in 2013 vs. 2012. Tailwind some 50 m€ yoy.

NOKIAN TYRES PERFORMANCE 1-9/2013

Winter tyre sales and market shares up, profitability intact

Sales and market position

Sales and market share up in the core markets

- + Sales growth in Nordic countries and in winter tyres
- + Car tyres' market share improved in all markets, especially in Russia and the Nordic countries
- + New Hakkapeliitta range a success in the markets
- + Test success continued, both in winter and summer tyres
- Sales down due to soft demand in Russia in Q3

Profitability

Tailwind from decreasing raw material cost

- + Raw material cost down 12.3% yoy
- + Increasing share of Russian production
- + Average Selling Price (€/kg) on par with 1-9/2012
- + Winter tyres 80% (73%) of sales volume in 1-9/2013 → supported mix and ASP
- Negative effect from weakened RUB rate
- Commissioning of the new factory in Russia increased depreciation

Production

Capacity increases continued

- + Line 12 in Russia commenced production in Q1/2013, line 13 installed in Q2/2013
- Output on par with 1-9/2012 due to production cuts in Q1/2013

Distribution

Vianor expanding as planned, new partner concepts booming

- + Vianor expanded to 1,161 stores in 26 countries; +124 stores in 1-9/2013
- + Nearly 3,000 Hakka Guarantee tyre stores in Russia and CIS
- + Nokian Authorized Dealer (NAD) network has already been rolled out in Italy, Germany and China

FINANCIAL PERFORMANCE

Group Operating profit per quarter 2009-9/2013

1-9/2013

Net sales 1,109.1 m€,
(1,166.0 m€) -4.9%

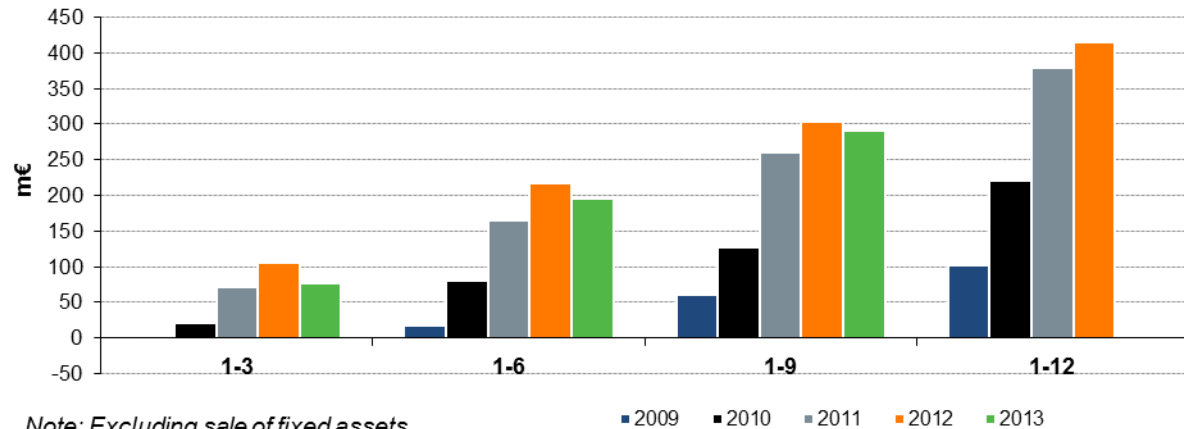
EBIT 292.2 m€,
(303.3 m€) -3.6%

7-9/2013

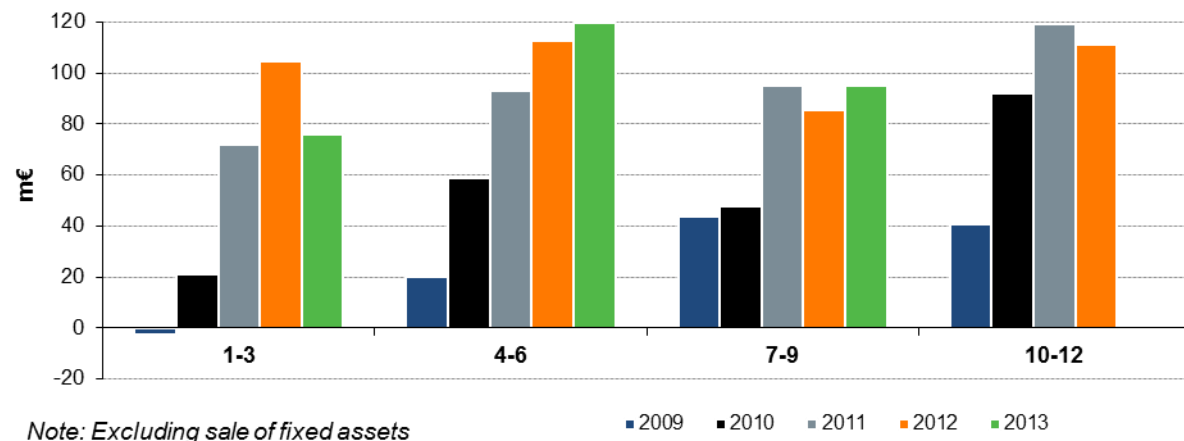
Net sales 357.0 m€,
(368.0 m€) -3.0%

EBIT 95.7 m€,
(85.5 m€) +11.9%

Cumulative Operating profit per review period (m€)



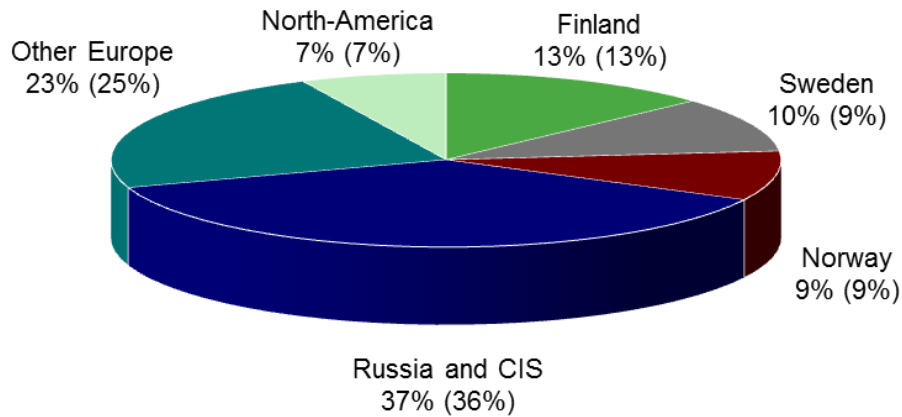
Group Operating profit per quarter (m€)



FINANCIAL PERFORMANCE 1-9/2013

Gross sales by market area

Sales of Nokian Tyres Group: 1,217.3 m€, -2.7%

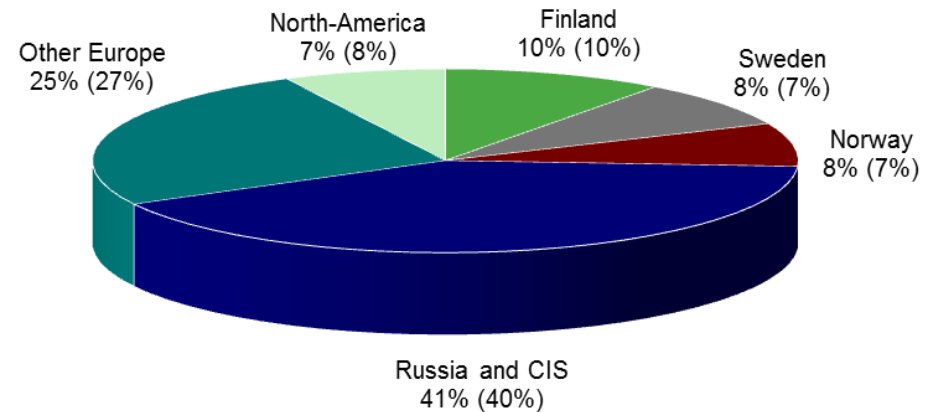


GROUP

Sales development in euros

■ Nordic countries	+2.0%
■ Russia and CIS	+0.8%
■ Other Europe	-8.6%
■ North America	-1.1%

Sales of Manufacturing Units: 1,099.5 m€, -3.0%



MANUFACTURING

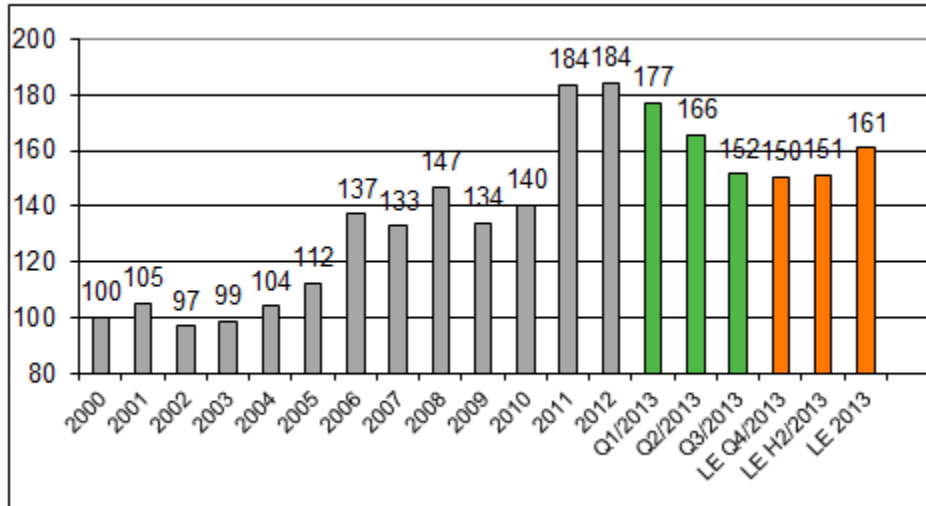
Sales development in euros

■ Nordic countries	+2.9%
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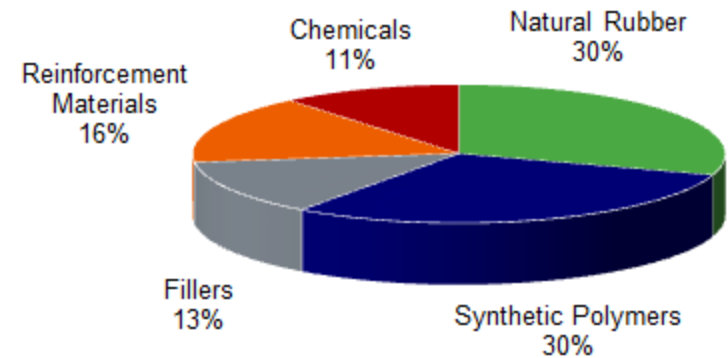
FINANCIAL PERFORMANCE

Raw material cost development

Raw material cost development index 2000-E2013



Value of raw material consumption (%)



Nokian Tyres raw material cost (€/kg)

- **Raw material cost**
 - decreased by 17.2% in Q3/2013 vs. Q3/2012
 - decreased by 8.5% in Q3/2013 vs. Q2/2013
- **Raw material cost is estimated to**
 - decrease by 1.0% in Q4/2013 vs. Q3/2013
 - decrease by 12.5% in 2013 vs. 2012

Estimated tailwind 50 m€ in 2013 vs. 2012

PROFIT CENTRES 1-9/2013

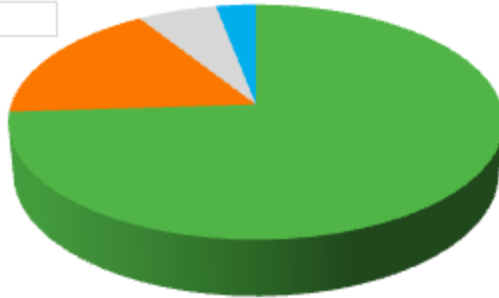
General overview

Net sales 1,109.1 m€; -4.9%

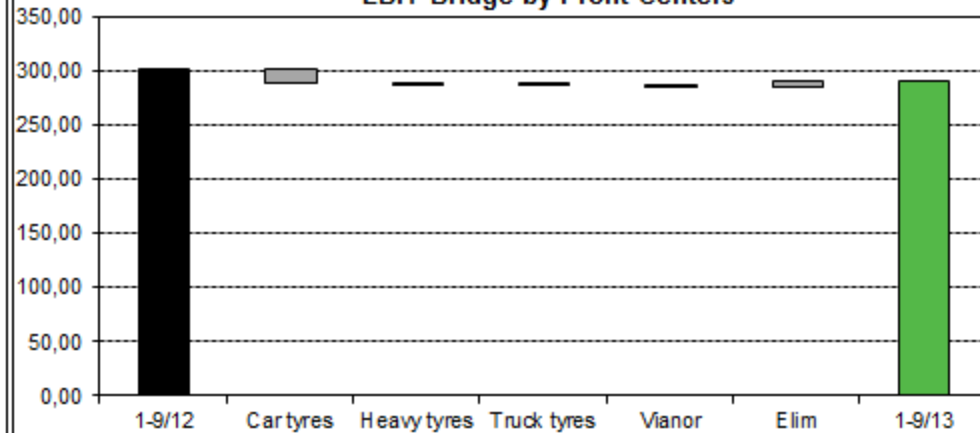
EBIT 292.2 m€; -3.6%

share of sales

- Car Tyres 74% (75%)
- Vianor 17% (16%)
- Heavy Tyres 6% (6%)
- Truck Tyres 3% (3%)



EBIT Bridge by Profit Centers



Passenger Car Tyres

- **Net sales:** 865.4 m€; -5.5%
- **EBIT:** 303.6 m€; -4.2%
- **EBIT margin:** 35.0% (34.6%)
- **Key products:** studded and non-studded winter tyres, high-speed summer tyres

Vianor

- **Net sales:** 195.3 m€; +0.6%
- **EBIT:** -14.6 m€; -24.5%
- **EBIT margin:** -7.5% (-6.0%)
- 1,161 stores in 26 countries in Nokian Tyres' core markets

Heavy Tyres

- **Net sales:** 70.6 m€; -10.2%
- **EBIT:** 7.5 m€; -23.7%
- **EBIT margin:** 10.7% (12.6%)
- **Key products:** tyres for forestry, industrial and agricultural machinery

Truck Tyres

- **Net sales:** 39.2 m€; +2.4%
- **Key products:** truck tyres and retreading materials

PROFIT CENTRES 1-9/2013

Passenger Car Tyres: Successful new products, market shares up

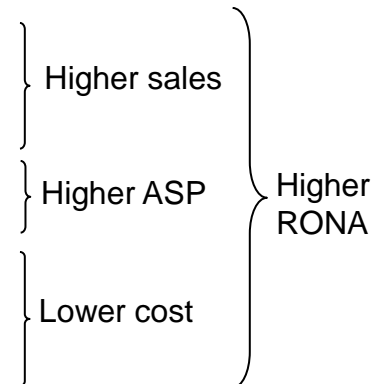
Performance in 1-9/2013

- + Market share growth in Russia, Nordics and CE
- + Magazine test winning streak continued with winter and summer tyres
- + New Hakkapeliitta range a success in the markets
- + ASP €/kg flat yoy despite challenging pricing environment
- + Tailwind from decreasing raw material cost supported margins
- + Capacity increased with new lines 12 and 13 in Russia
- Sales decreased slightly
 - Sales growth slowed down in Q3 in Russia
 - Manufacturing contract with Bridgestone ended
- Weakening of RUB had a negative effect on profitability

Key actions and targets for 2013

- Maximize sales with renewed product offering
- Improve market shares in core markets
- Expand distribution, special focus CE
- Improve sales mix & service level
- Defend brand and price position
- Increase production in Russia, ramp-up of new lines
- Improve productivity and utilization of capacities
- Secure collection of receivables

→ **Maximize sales of new winter range, defend ASP, expand distribution in CE, improve productivity**



Net sales:

1-9/2013: 865.4 m€ (915.9 m€); -5.5%

7-9/2013: 273.8 m€ (282.9 m€); -3.2%

EBIT:

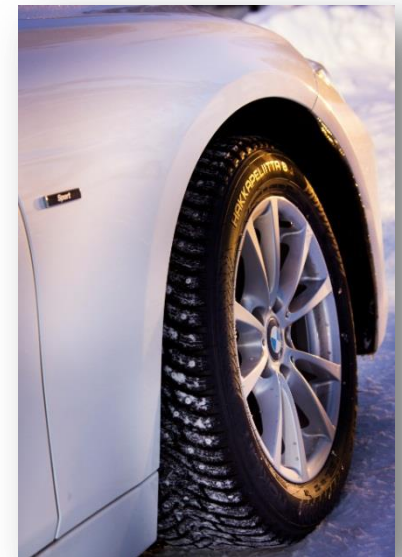
1-9/2013: 303.3 m€ (316.7 m€); -4.2%

7-9/2013: 96.3 m€ (87.9 m€); +9.6%

EBIT margin:

1-9/2013: 35.0% (34.6%)

7-9/2013: 35.2% (31.1%)



New Nokian Hakkapeliitta 8

MAGAZINE TESTS

Test success continues – both in summer and in winter

WINTER TYRES, autumn 2013 – over 20 test victories

Nokian Hakkapeliitta 8 – New multiple test winner

- Studded winter tyre family for core markets: Ruler of the North
- Test victories in magazine tests, e.g.: Tekniikan Maailma, Tuulilasi (Finland); Auto, Motor & Sport, Vi Bilägare, Motorföraren (Sweden); Auto, Motor og Sport, (Norway); AutoReview, Za Rulem, (Russia); AutoCentre (Ukraine); Autobild (Belarus)

New Nokian Hakkapeliitta R2 – Northern Comfort

- Non-studded winter tyre family for core markets
- Test victories in magazine tests, e.g.: Tuulilasi, Auto Bild (Finland); Vi Bilägare, Teknikens Värld, Auto, Motor & Sport (Sweden); AutoCentre (Ukraine), AutoBild (Belarus)

New Nokian WR SUV 3 – Ultimate snow and slush performance

- New high-performance SUV tyre for Central European winter
- Test victories e.g.: OFF Road, SUV Magazin (Germany)

Nokian WR D3 – Forget the Forecasts

- Reliable winter tyre for Central Europe
- Ranked among the best. Nokian WR D3 (185/60 R15) reached highest recommendation “good” by ADAC and Stiftung Warentest
- “Highly recommended” by TCS and ÖAMTC
- “Especially recommended” by auto motor und sport

SUMMER TYRES, spring 2013

Nokian Hakka Blue

- Test victory: Tuulilasi (Finland)

Nokian Hakka Green and Nokian Hakka SUV

- Test victories: Za Rulem (Russia), Auto Centre (Ukraine)

Nokian Line – NEW

- Test victories or best reviews e.g.: Auto Bild, auto TEST, Auto, Motor & Sport, ADAC, Stiftung Warentest (Germany)



Nokian Hakkapeliitta 8: Superior test winner in Nordic countries and Russia

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



New Nokian Hakkapeliitta R2

MAJOR REVAMP OF PRODUCT OFFERING 2013

Car tyres - examples of new 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.
- The design of this next-generation studded Hakkapeliitta tyre is based on the Nokian Hakkapeliitta 7. This multiple test winner holds a world record in its field: over 30 test wins in car magazines between 2009 and 2012.

Nokian Hakkapeliitta R2 – Northern comfort

- The new non-studded winter tyre, will safely tackle even the trickiest winter conditions.
- The new innovations like **Nokian Cryo Crystal Concept** maximise the grip of this Nordic non-studded tyre on ice.
- 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 – Forget the Forecast

- An extension 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

MAJOR REVAMP OF PRODUCT OFFERING 2013

Car tyres - examples of new 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
- The new innovations, Multi-layered structure, Nokian Intelligent UHP Silica, Hydro Grooves and Silent Groove Design.
- Top performance in both the W (270 km/h) and Y (300 km/h) speed categories

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

nokian[®]
TYRES

**Nokian Tyres Fastest on Ice on 9 March, 2013:
New Nokian Hakkapeliitta 8 and World Record 335.713 km/h**



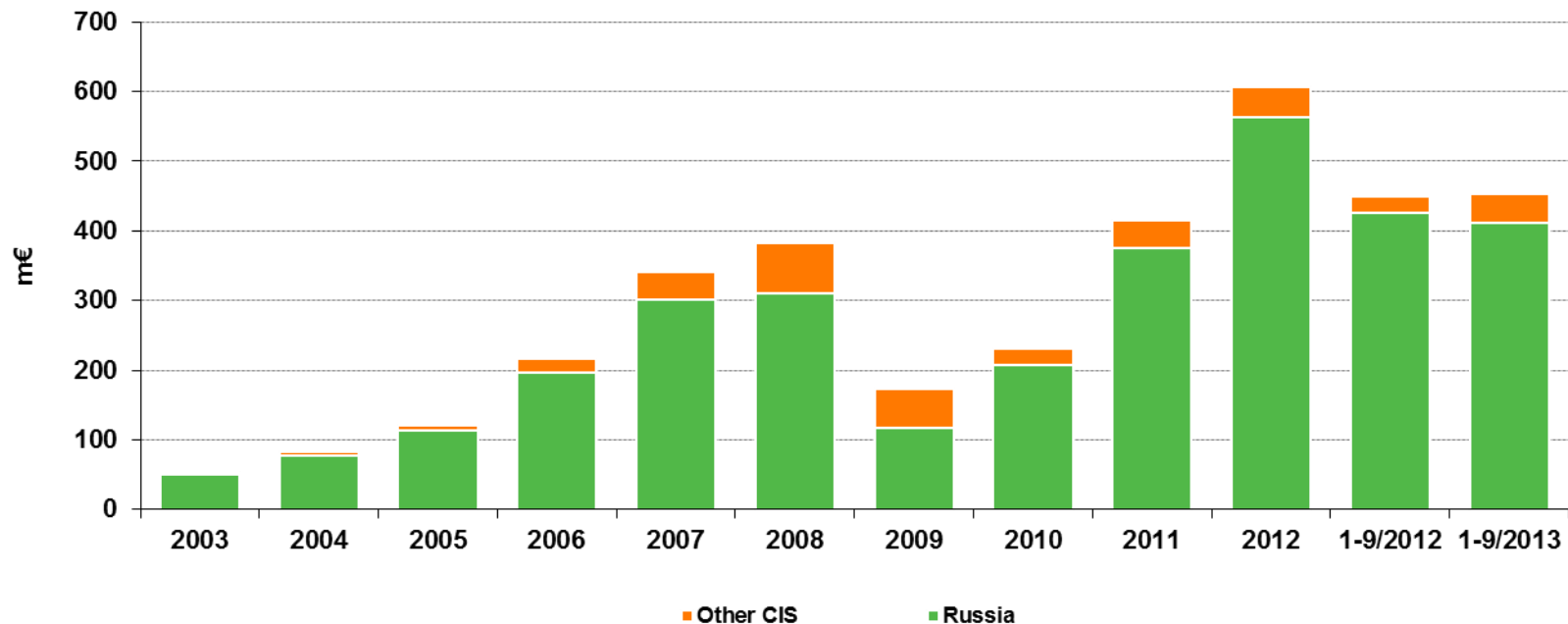
RUSSIA & CIS

Market shares and winter tyre sales up

- Sales in Russia in 1-9/2013 down by 3.7% to 411.7 m€ (427.3 m€)
 - Slower growth rate in the economy, new car sales down
 - Nokian Tyres: Improved supply capacity, expanding distribution, higher market share
- Sales in CIS (excluding Russia) were 42.4 m€ (23.0 m€), up 84.1%.

→ Nokian Tyres is clear market leader in premium tyres in Russia and CIS countries

Russia and other CIS sales development



RUSSIA & CIS

*Distributors, DSD-warehouses, Vianors and Hakka Guarantee network:
603 Vianor shops (+24 in Q3/2013) – nearly 3,000 retail partner points of sale*



- Distributors (37)
- DSD current cities (Moscow, SPb, Samara/Togliatti, Yekaterinburg, Chelyabinsk, N. Novgorod, Omsk, Rostov-on-Don, Perm, Ufa, Orenburg, Kazan, Voronezh, Tyumen, Volgograd, Novosibirsk)
- 603 Vianor stores in 345 cities; +24 stores in Q3/2014

Nokian Hakka Guarantee dealership program includes nearly 3,000 tyre stores and car dealers

Nokian Tyres' market position in Russia

- State-of-the-art and efficient factory in Russia
 - Close access to markets
 - Within customs zone (duty 20% for import, will decrease to 18% in 2013 and to 10% in 5 years)
- Clear market and price leader in core product categories
- Widely recognised and strong brand – both company (Nokian Tyres) and products (Hakkapeliitta, Nordman)
- Strong distribution chain covering all of Russia – based on long-term and close customer relationships
- The biggest controlled tyre distribution network – 603 Vianor stores / nearly 3,000 partner stores in Russia & CIS

→ ***Nokian Tyres continues to strengthen its market leader position in Russia***

Nokian Tyres' factories in Russia

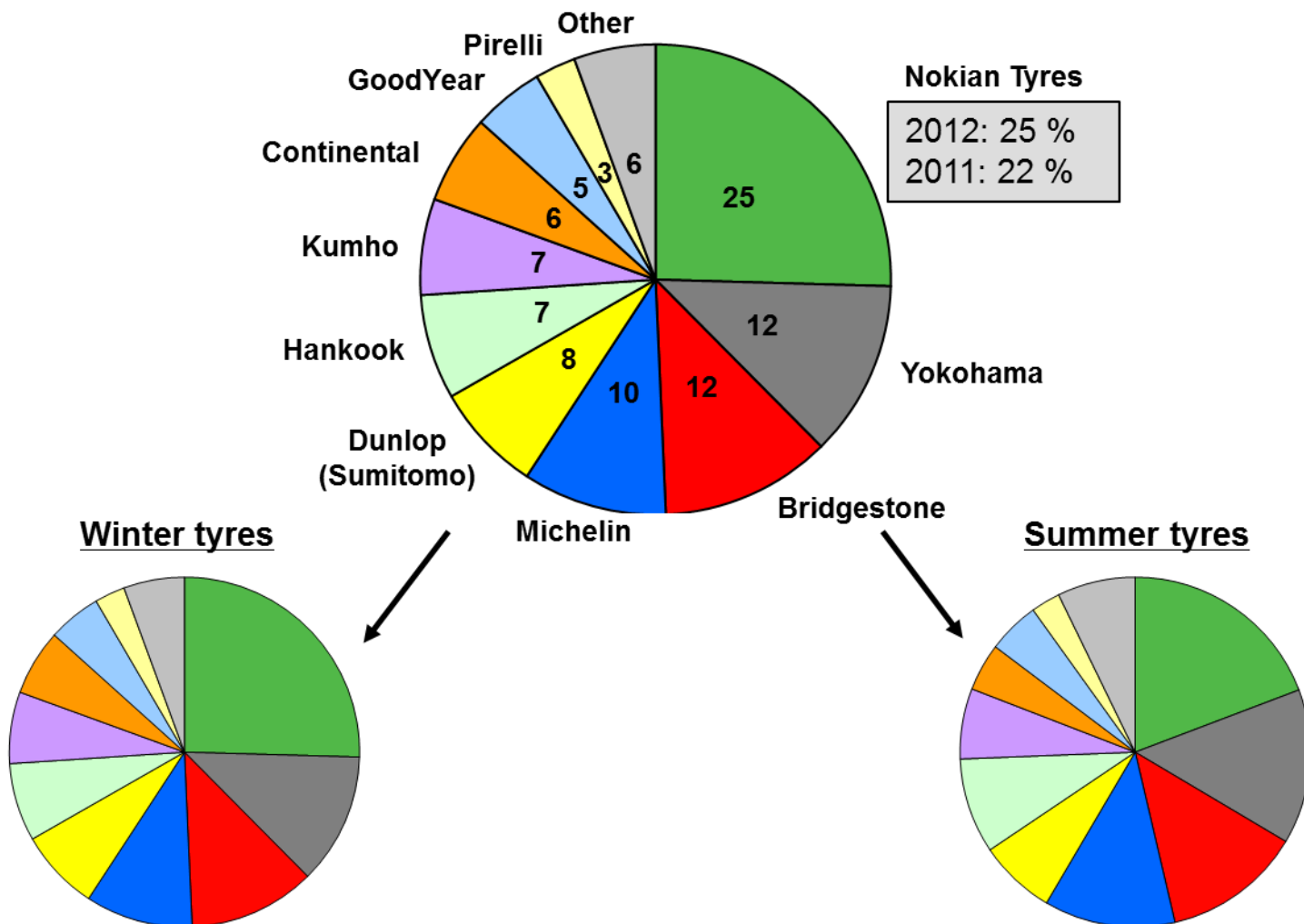
- At the beginning of 2013 annual capacity in Russia was 14 million tyres with 2 factories, 11 lines operating and line 12 installed
- Line 12 commenced production in Q1/2013
- Line 13 installed in Q2/2013 → Annual capacity to >15 million tyres by end 2013
- State-of-the art machinery, high automation level and European quality standards
- Vsevolozhsk factories export approximately 50% of its production to over 40 countries: Biggest consumer goods exporter in Russia
- Housing project, Hakkapeliitta Village – 343 flats for employees commenced in summer 2013
- Number of personnel in Russia on 30 September 2013: 1,344 (1,238)
- CAPEX by end 2012: 704 m€



RUSSIA

Market shares in 2012

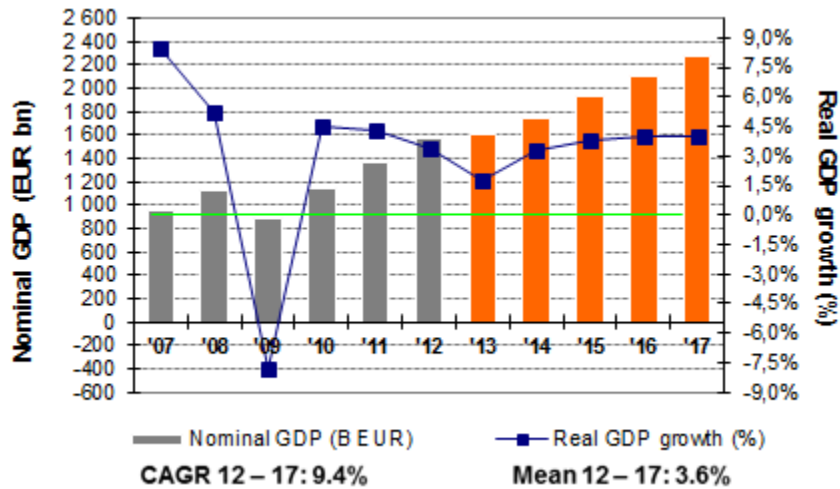
Estimated replacement A+B segments market shares 2012 by sell-in volume



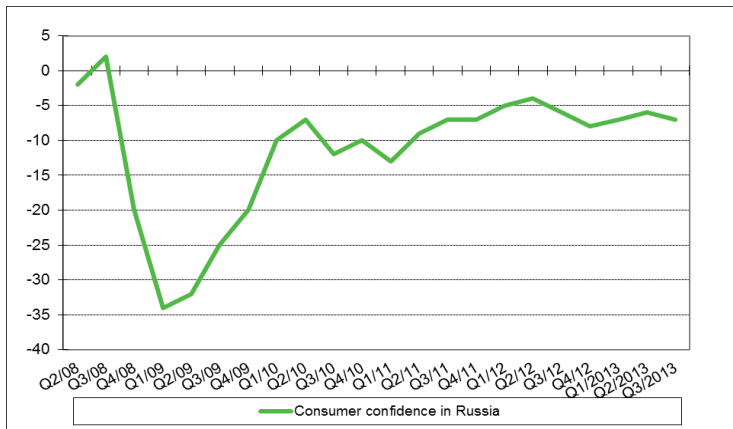
RUSSIA

Russia's economy growing, but with a slower pace

Russia's GDP growth



Consumer confidence in Russia



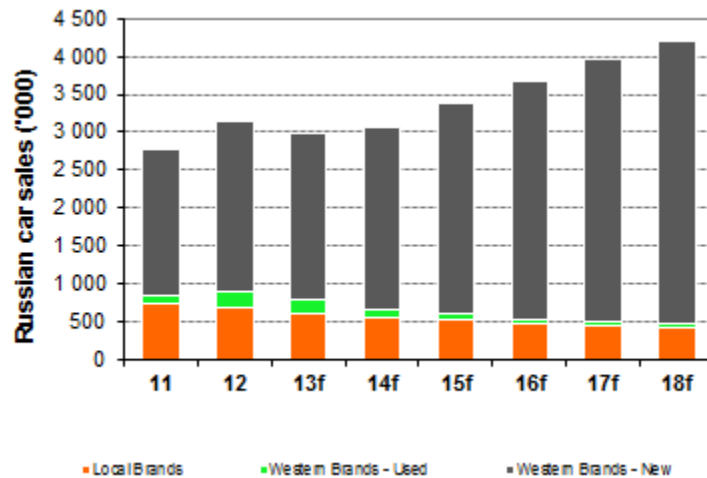
Major trends and expectations

- After a severe crisis of 2008 – 2009, Russia's economy grew by ~4% a year in 2010 – 2011
- In 2012 the economic growth continued, but slowed down to 3.4%
- In 2013 the slowdown has continued: the estimated real GDP growth in Q1-Q3 was a modest 1.5%, reflecting weaker investment and consumer consumption
- The forecast for 2013 has been downgraded to 1.8% by the government; market expectations vary between 1.5 and 2.0%
- Overall growth trend is likely to continue unless major external shocks (e.g. collapse of oil prices) take place: in the base scenario, average GDP growth for 2014-2016 is estimated at 3-4% a year
- Consumer confidence has stabilized and practically reached its normal level, although consumer spending and retail sales remain sluggish
- After fluctuations in 2012, the ruble stabilized in H1/2013 and then devalued to level 43-44 RUB/ EUR (reflecting also a strong EUR); generally, it is expected to remain quite stable, although some experts expect the gradual strengthening of the ruble back to the level of ~41-42 RUB/ EUR in 2014-2015

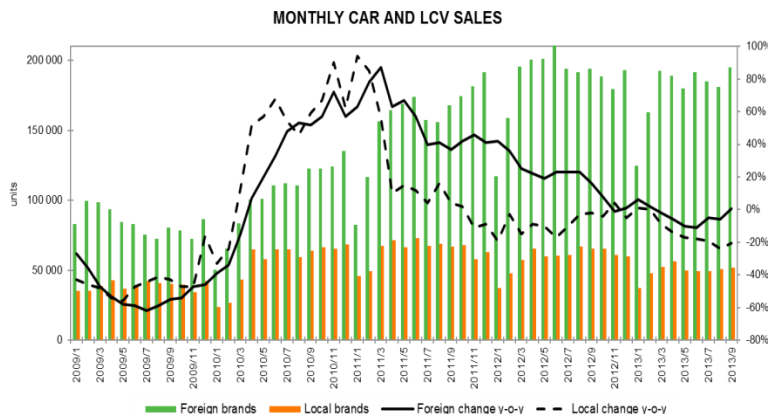
RUSSIA

Car sales show decline, but return to growth track is expected

Russian car sales forecast – base scenario



Monthly car sales



Source: AEB; IHS Global Insight; Nokian Tyres estimates October 2013

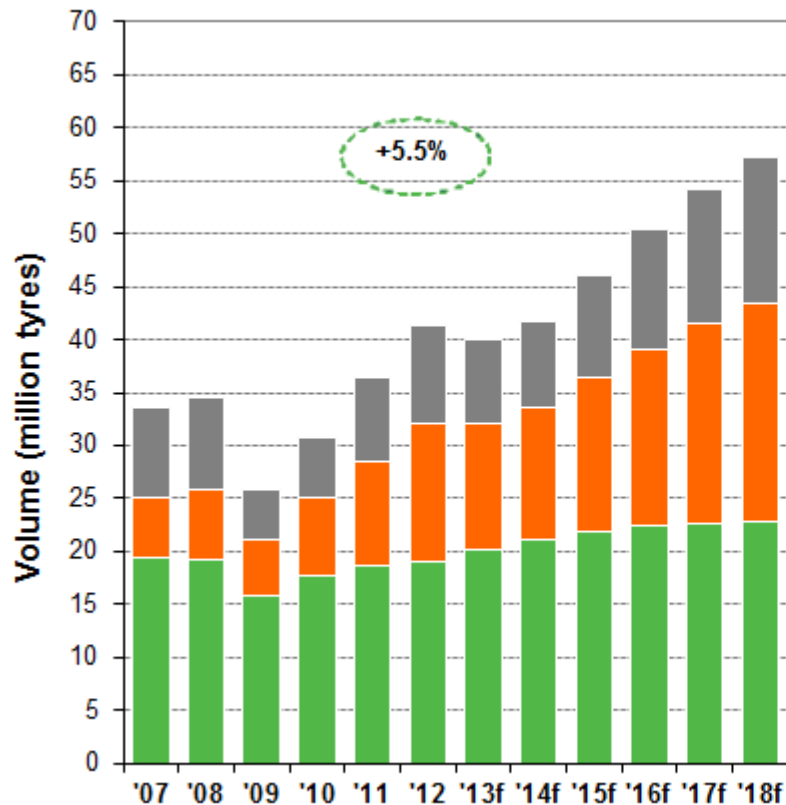
Car market summary

- Sales of new cars and LCVs in Russia continued to grow in 2012, albeit with a clearly declining growth in H2; full-year growth was 11% vs. 2011
- Year 2013 started quite slowly, as expected: the zero growth in Q1 turned into a decline in Q2; totally 7% less cars were sold in 9 months 2013 vs. the same period of 2012, in September the decrease was 5%
- However, the first signs of market improvement are clearly visible - the decline rate is lower than a few months ago and the structure of the market is improving with foreign brands and more expensive cars gaining share (without the Lada brand the 9m decline was 5% and in Sep alone only 1%)
- In late 2013 the new car market is expected to gradually return to the growth track, but the full-year dynamics will stay negative: according to the updated forecast sales of new cars and LCV will decline by 5% in 2013, reaching ~2.8 million units
- This slowdown of the car market is seen as a temporary phase, not a sign of fundamental maturity of the market - as global and Russia economies improve, the car market will continue to grow, as the unrealized potential has not disappeared
- The government program of supporting car loans has brought first positive results: during its first three months (Jul – Sep) ~100,000 subsidized car loans have been provided to consumers supporting the total car market, especially its budget segments

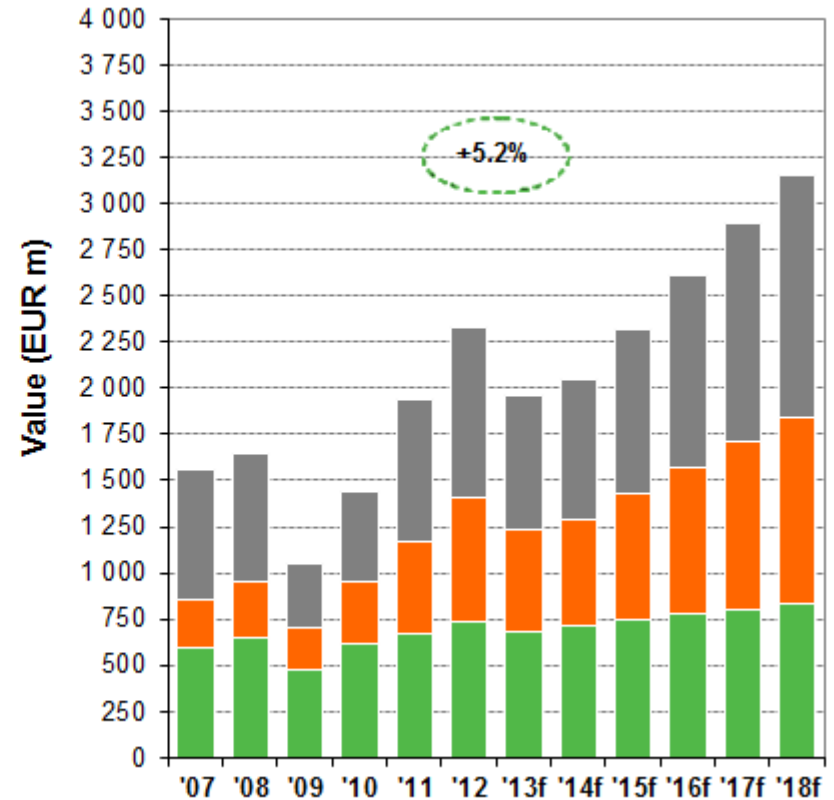
RUSSIA

Growth of tyre market slowed down, but potential still exists

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 October 2013

PROFIT CENTRES 1-9/2013

Vianor: Network of shops expands

Performance in 1-9/2013

- + 1,161 stores in 26 countries; +124 stores in 1-9/2013
- + Sales of equity-owned stores up yoy
- + Strategic tasks to expand distribution and set market prices for Nokian products succeeded
- + 43 car service operations acquired and integrated to existing Vianor stores by the end of the review period
- EBIT negative due to seasonality

Key actions and targets for 2013

- Improve tyre sales and market shares
- Increase sales of car services, tyre hotels and other services
- Increase e-commerce sales
- Process evaluation & ERP renewal
- Continue to expand the network and the number of partners
 - Target: over 1,180 stores by the end of 2013

→ Cement and improve market leader position as a distributor in Nokian Tyres' core markets – H2 and full year EBIT positive

Equity-owned Vianor (183 stores)

Net sales:

1-9/2013: 195.3 m€ (194.0 m€); +0.6%

7-9/2013: 65.3 m€ (64.6 m€); +1.0%

EBIT:

1-9/2013: -14.6 m€ (-11.7 m€); -24.5%

7-9/2013: -4.7 m€ (-4.6 m€); -3.3%

EBIT margin:

1-9/2013: -7.5% (-6.0%)

7-9/2013: -7.2% (-7.0%)



Vianor Friedrichshafen, Germany

EXPANSION OF DISTRIBUTION CHANNEL 1-9/2013

Vianor: *Foothold on core markets strengthening, +124 shops*

NAD: *New soft franchise launch, 262 shops*

Vianor – 1,161 stores in 26 countries

- 124 new stores in 1-9/2013; +40 in Q3/2013
- 183 equity-owned, 978 franchising/partners
- **Largest tyre chain in Nordic and Baltic countries:** 292 stores (+21 in 1-9/2013)
- **Largest tyre chain in Russia and CIS:** 603 stores (+70 in 1-9/2013) in 345 cities
- **Expansion to Central Europe:** 217 stores (+19 in 1-9/2013)

Vianor stores by segment

- Car tyres: over 1,000 stores
- Heavy tyres: over 240 stores
- Truck tyres: over 300 stores

Target 2013 → over 1,180 Vianor stores

Nokian Authorized Dealers (NAD)

- 1-9/2013: 262 stores in Italy, Germany and China
- Estimate 2013: >300 in 3 countries

Vianor – Distribution spearhead for all product groups

NAD – Nokian Authorized Dealer



EXPANDING DISTRIBUTION

Nokian Authorized Dealers (NAD)

Requirements for NADs

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

Benefits for NADs

- NAD terms and conditions
- Product seminars, launch events
- Advertising materials, web visibility

Target 2013

- Over 300 stores in 3 countries by end of 2013



PROFIT CENTRES 1-9/2013

Heavy Tyres: Improved structure, soft demand

Performance in 1-9/2013

- + Structural changes in manufacturing reduced manning and improved product quality, flexibility, and productivity
- + ASP was flat yoy despite challenging market situation
- + Productivity improved
- Sales down due to weaker demand and machine building in Europe
- Production adjusted to demand; profitability suffered from lower utilization rate

Key actions and targets for 2013

- Maximize sales
 - Improve sales mix and share of replacement market sales
 - Expand the distribution network, especially in Russia and CIS
 - Accelerate development of new radial products
 - Finalize factory modernization project
 - Optimize production output
- Increase sales to replacement market, optimize production output and improve productivity – Maintain EBIT

Net sales:

1-9/2013: 70.6 m€ (78.5 m€); -10.2%

7-9/2013: 23.1 m€ (25.0 m€); -7.5%

EBIT:

1-9/2013: 7.5 m€ (9.9 m€); -23.7%

7-9/2013: 2.7 m€ (3.5 m€); -24.8%

EBIT margin:

1-9/2013: 10.7% (12.6%)

7-9/2013: 11.5% (14.2%)



Nokian Mine L-5S

PROFIT CENTRES 1-9/2013

Truck Tyres: Market shares up in core markets

Performance in 1-9/2013

- + Sales and market share improved in Nordics and Russia
- + Wider range for premium & standard truck tyres
- + Operating profit on a healthy level

Net sales:

1-9/2013: 39.2 m€ (38.3 m€); +2.4%

7-9/2013: 16.8 m€ (12.9 m€); +29.6%

Key actions and targets for 2013

- Increase sales and market shares in core markets
- Expand in Eastern Europe utilising the “Vianor truck” concept
- Utilize the combination of new & retreaded tyres as a sales concept
- Utilize the stronger winter product range (incl. Hakkapeliitta truck tyres)
- Optimize off-take contract manufacturing

→ **Focus on increasing sales, improving market shares and expanding distribution**



Nokian Hakkapeliitta Truck D

PRODUCTION PLANTS

Production capacity in 2013: 18 million tyres

Potential to increase output by 50%



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
- Expansions in Heavy tyres factory

2012:

- Car tyres to 5-day shift system at the end of Q2
- Further temporary production cuts in Q4

2013:

- Temporary production cuts in Q1



Vsevolozhsk, Russia

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

2010:

- Lines 7 and 8 were taken into use

2011:

- Lines 9 and 10 & new technology into use

2012:

- New factory next to the current one
- New line (11) commenced production
- Own electricity generation

2013:

- Line 12 on stream in March 2013
- Line 13 installation in Q2/2013

Investments in 1-9/2013

- 104.8 m€ (168.5 m€)

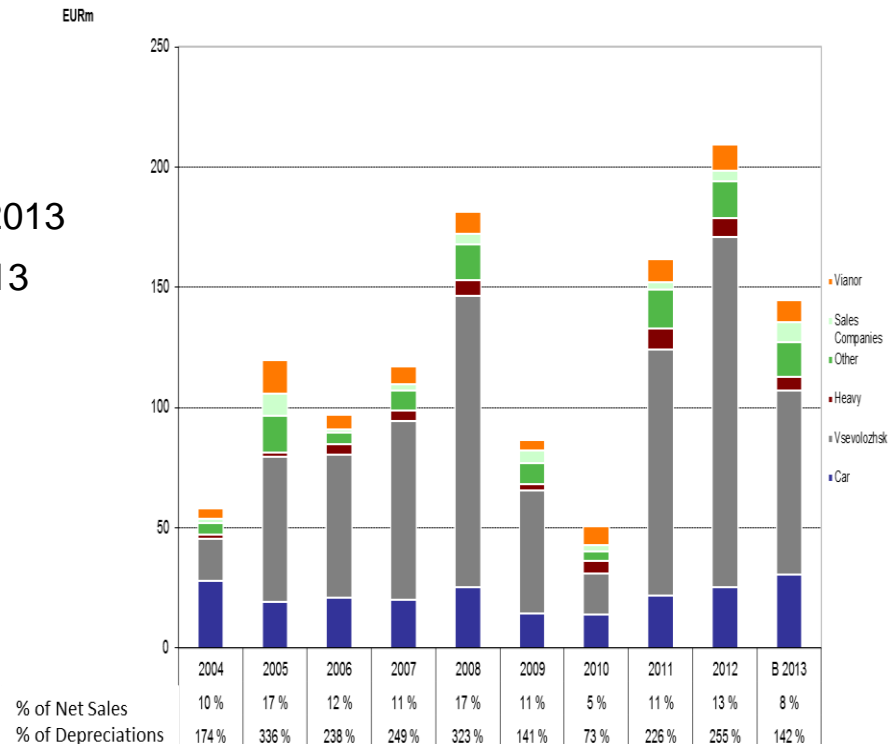
Russia

- Capacity ramp-up and investments
 - 12 lines in production since Q1/2013
 - Line 13 installed Q2/2013, in production H2/2013
 - Hakkapeliitta Village 2nd stage completed 2013

Estimated investment for 2013

- Approximately 144 m€
 - Russia: 83 m€
 - Nokia plant 44 m€ (automation & moulds & ICT & R&D)
 - Heavy Tyres 6 m€
 - Sales companies and Vianor 11 m€

Nokian Tyres Capital expenditures (m€)



NOKIAN TYRES GOING FORWARD

Outlook: Structure, market position and margins intact

Assumptions

- Core markets growing slowly
 - GDP growth 2013 in Russia 1.8%, Nordics 1%
 - In Russia uncertainty increased, full year new car sales down 5%
 - Currencies: Weakened RUB hurts sales in euros
- Price pressure may affect ASP
- Raw material cost (€/kg) estimations
 - Cost to decrease by 1% in Q4/2013 vs. Q3/2013
 - Cost to decrease by 12.5% in 2013 vs. 2012
- Passenger car tyre operation environment
 - Demand in Russia down in 2013 vs. 2012
 - Demand improving for winter tyres in long term; legislation in Europe, Russia & CIS
- Heavy tyre market demand
 - Demand in 2013 below 2012
- Nokian Tyres financial position remains solid
 - No major loans due for payment in 2013
 - Equity ratio 65.6% at the end of Q3
 - Undrawn facilities available

Outlook: Structure, market position and margins intact

- Nokian Tyres' 2013 sales expectations: Nordics some growth, CE on par with 2012, Russia and North America slightly down
- Pricing environment 2013 challenging for all tyre categories
- New Hakkapeliitta range supports winter tyre sales and ASP
- Raw material cost (€/kg) estimate -12.5% full year 2013. Tailwind some 50 m€ in 2013.
- Weakened RUB → negative effect 25 m€ on Net sales, 14 m€ on EBIT
- Profitability supported by improved cost structure and productivity on the back of increasing share of Russian production

Year 2013 guidance:

- In 2013, Net sales and Operating profit will show some decline compared to 2012.

nokian[®]
TYRES

