



**nokian[®]
TYRES**

IMPROVING POSITION IN CORE MARKETS

**SEB Finnish Blue Chip
3 September 2013, Helsinki**

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

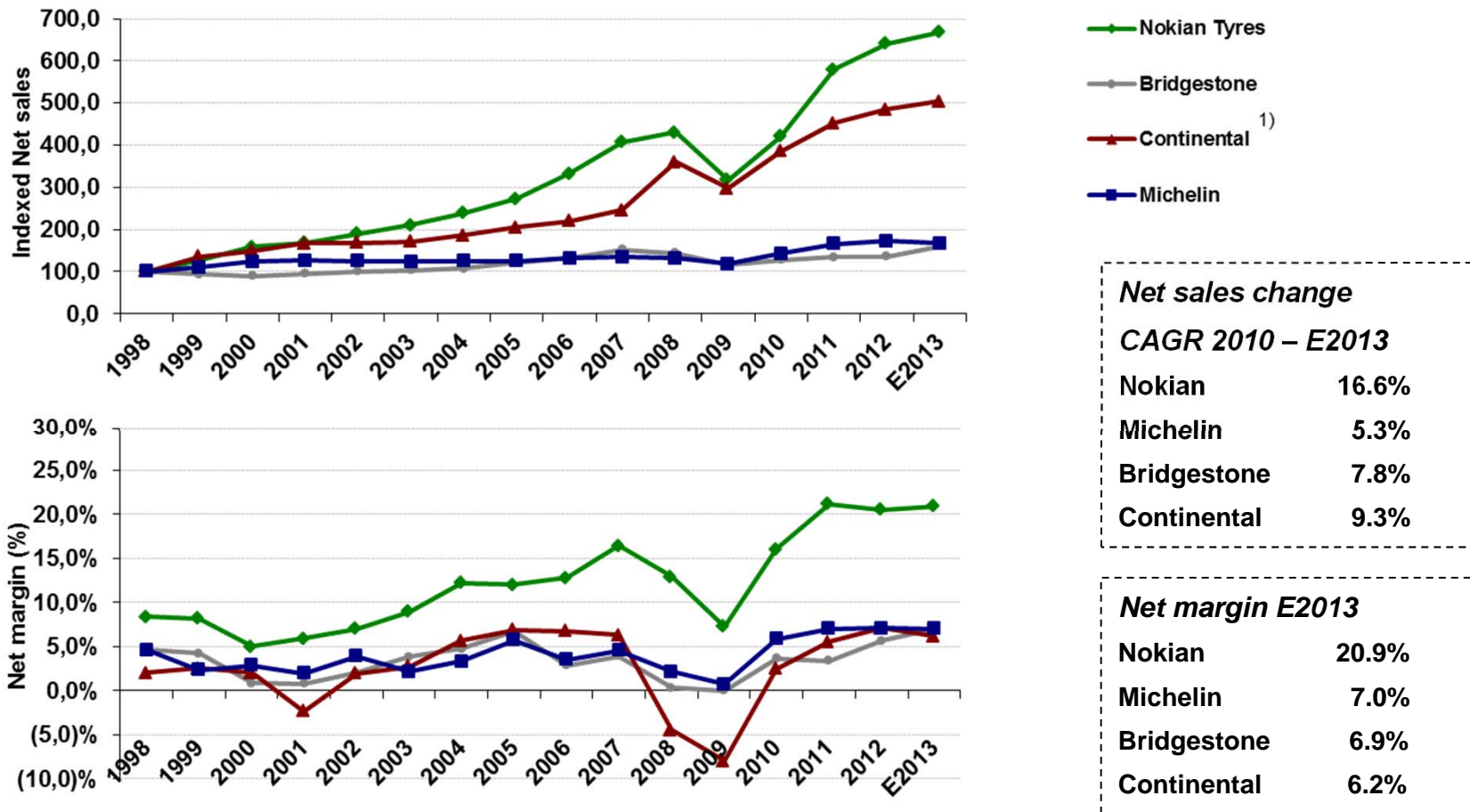


GENERAL OVERVIEW

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.



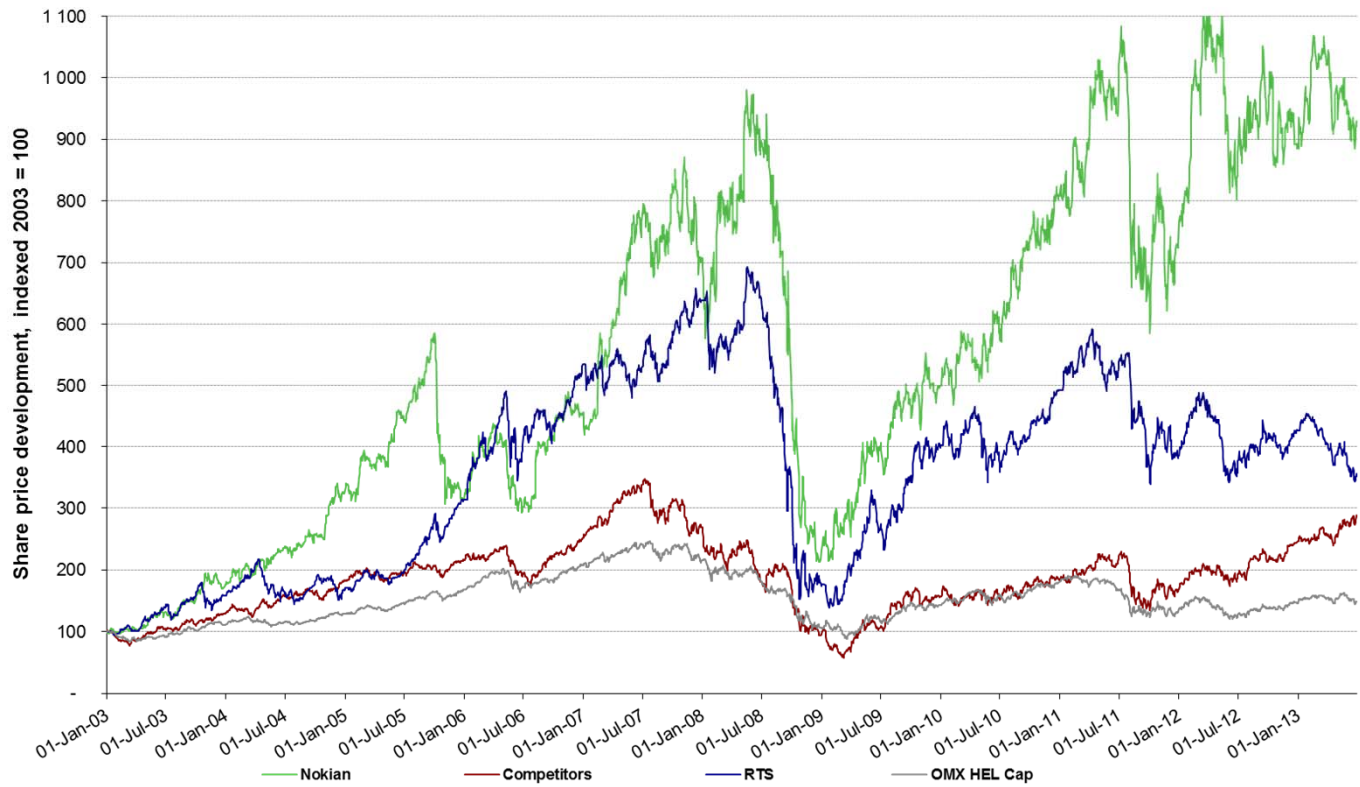
Source: Results 1998-2012 (company websites) and 2013 consensus estimates for the peers as per Thomson Reuters 9 Jul 2013.

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



GENERAL OVERVIEW

Comparing share price development to main indexes 1/2003 - 6/2013



Nokian Tyres, +821%

RTS, +255%

Competitors, +188% ¹⁾

OMX Hel Cap, +48%

Source: Thomson Reuters, as of 9 Jul 2013. The composite consists of an indexed average values of the main peers of Nokian Tyres.

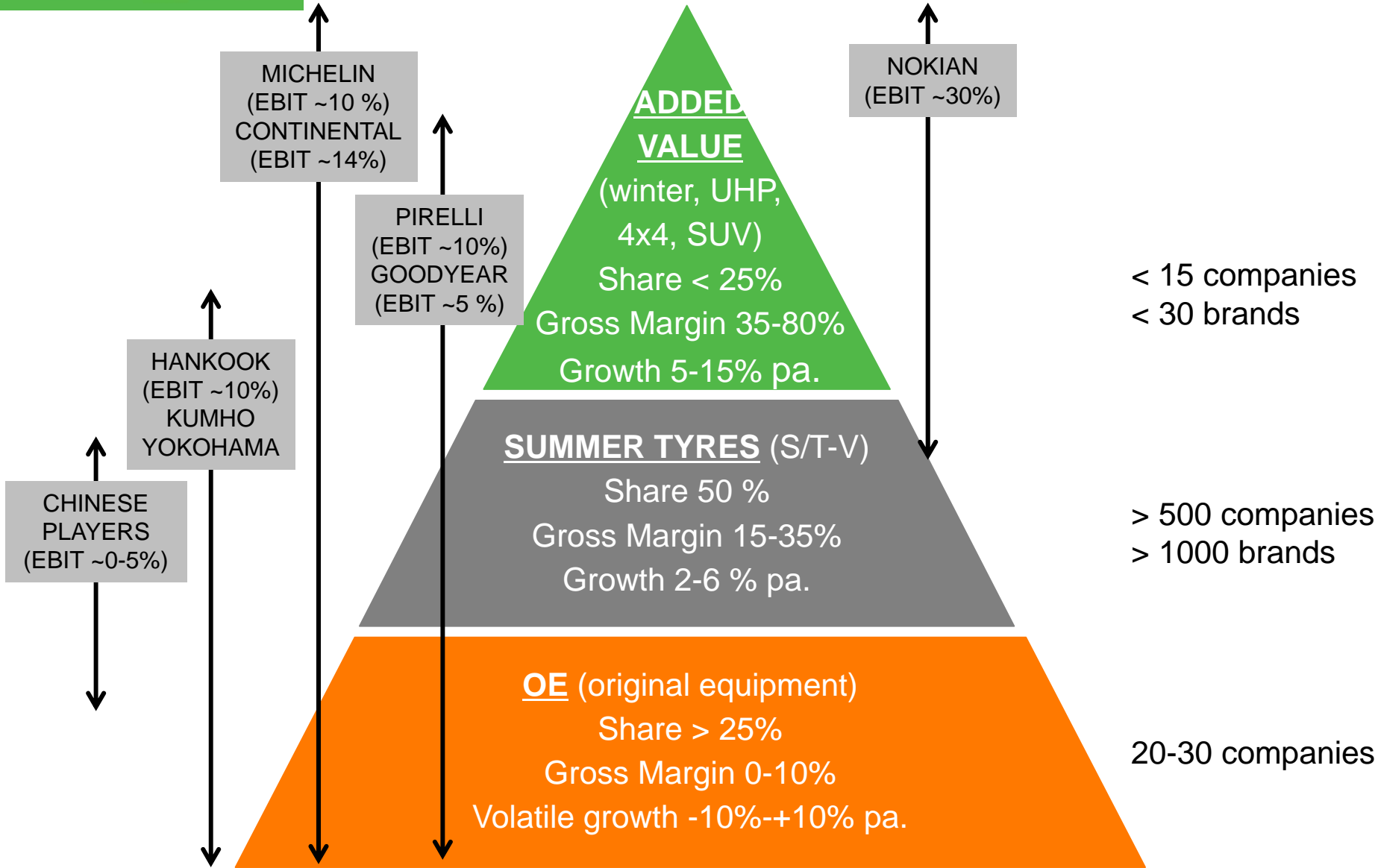
**Nokian Tyres
by Jun-30-2013**

| | Last 10 years | Last 5 years | Last 3 years | LTM | L6M | L3M | Last month |
|----------------|---------------|--------------|--------------|-------|-------|-------|------------|
| High | 37,88 | 37,88 | 37,88 | 36,31 | 36,31 | 35,53 | 32,17 |
| Average | 19,55 | 24,18 | 29,74 | 32,36 | 33,13 | 32,50 | 31,22 |
| Low | 4,08 | 7,23 | 19,40 | 29,09 | 30,10 | 30,10 | 30,10 |



STRATEGIC FOCUS *Nokian vs. Tyre industry*

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



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 1-6/2013

Demand stable in Russia, Nordic countries and CE slightly down

Car tyres**Challenging markets**

- Uncertainty and slowing growth in global economy
- Economies in the Nordic countries and Russia relatively stable
- Car sales in Russia -6%, Europe -7%, Nordics -8% yoy
- Car tyre demand in Russia flat (winter up, summer down), Europe -6% (winter -23%), Nordics -2% yoy
- Distributors' carry-over stocks of summer tyres in CE and Russia
- 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 uncertainties from RUB/EUR 40.33 to 42.85 during H1/2013

Raw material prices**Raw material prices in downward trend**

- Nokian Tyres' raw material cost (€/kg) down by 9.6% in H1/2013 vs. H1/2012.
- Raw material cost to decrease by 9.5% in 2013 vs. 2012. Tailwind some 45 m€ yoy.

NOKIAN TYRES PERFORMANCE 1-6/2013*Q1 reasonable, Q2 improved results***Sales and
market position****Sales and market share up in the core markets**

- + Sales growth in Russia, Nordic countries and in winter tyres
- + Car tyres' market share improved in all markets, especially in Russia and the Nordic countries
- + Test success continued
- CE sales down due to clear drop in winter tyre preseason demand

Profitability**Tailwind from decreasing raw material cost**

- + Raw material cost down 9.6% yoy
- + Increasing share of Russian sales and production
- + Average Selling Price (€/kg) on par with H1/2012
- + Winter tyres 73% (64%) of sales volume in H1/2013 → supported mix and ASP
- 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 increased Q2/2013 yoy

Distribution**Vianor expanding as planned, new partner concepts booming**

- + Vianor expanded to 1,121 stores in 26 countries; +84 stores in H1/2013
- + Over 2,700 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 2009-6/2013

1-6/2013

Net sales 752.2 m€,
(798.0 m€) -5.7%

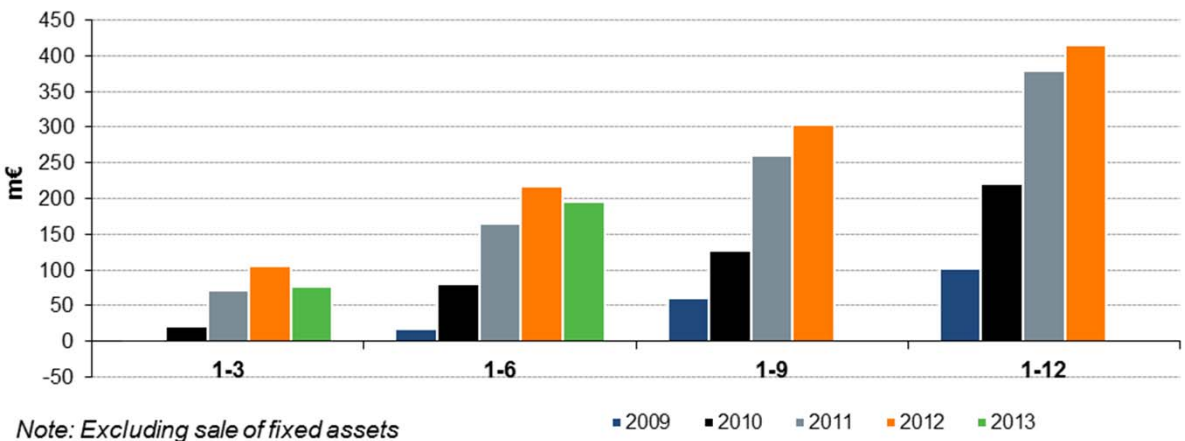
EBIT 196.6 m€,
(217.7 m€) -9.7%

4-6/2013

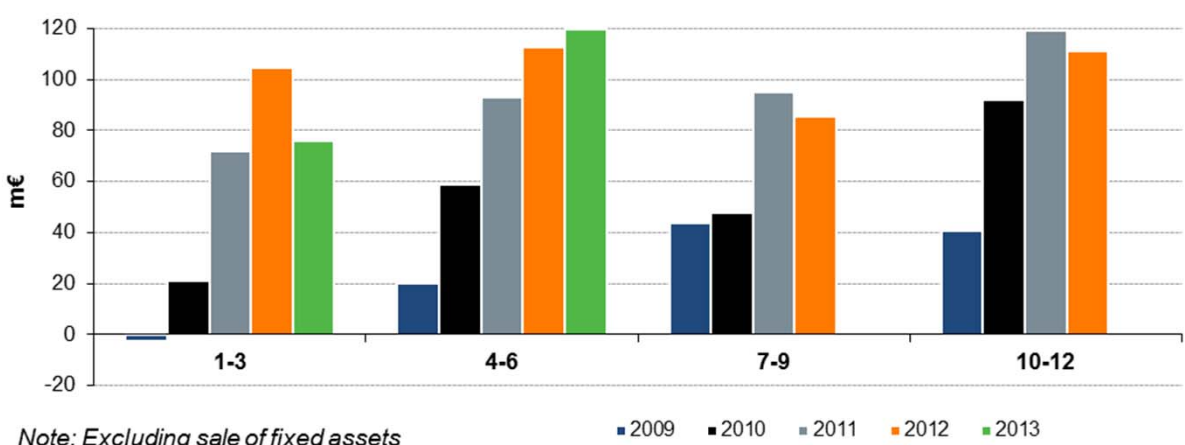
Net sales 419.1 m€,
(413.8 m€) +1.3%

EBIT 120.2 m€,
(112.7 m€) +6.7%

Cumulative Operating profit per review period (m€)



Group Operating profit per quarter (m€)

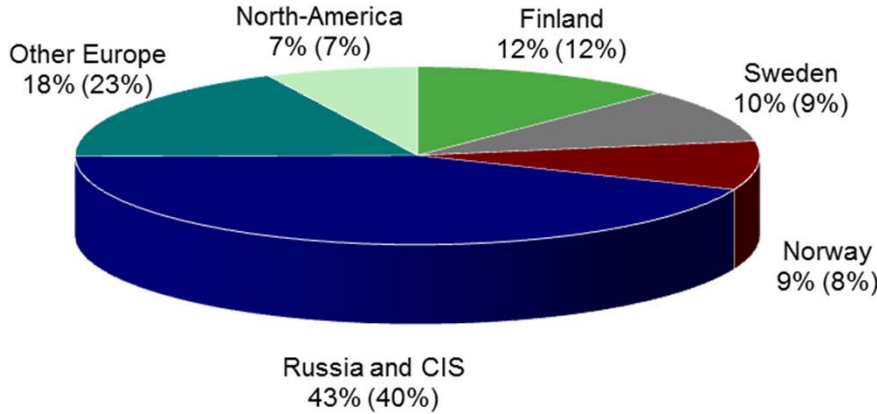




FINANCIAL PERFORMANCE 1-6/2013

Gross sales by market area

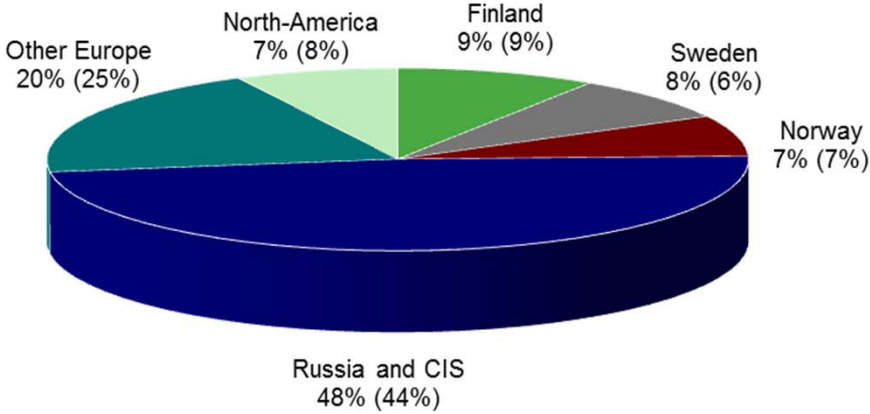
Sales of Nokian Tyres Group: 822.5 m€ -3.9%



GROUP
Sales development in euros

| | |
|--------------------|--------|
| ■ Nordic countries | +2.6% |
| ■ Russia and CIS | +4.3% |
| ■ Other Europe | -24.4% |
| ■ North America | -4.5% |

Sales of Manufacturing Units: 742.1 m€ -4.9%



MANUFACTURING
Sales development in euros

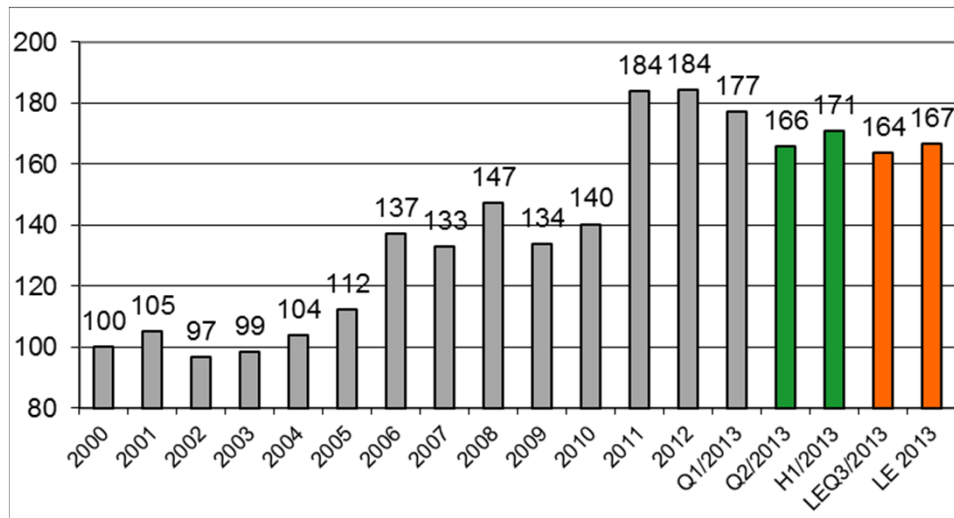
| | |
|--------------------|--------|
| ■ Nordic countries | +1.2% |
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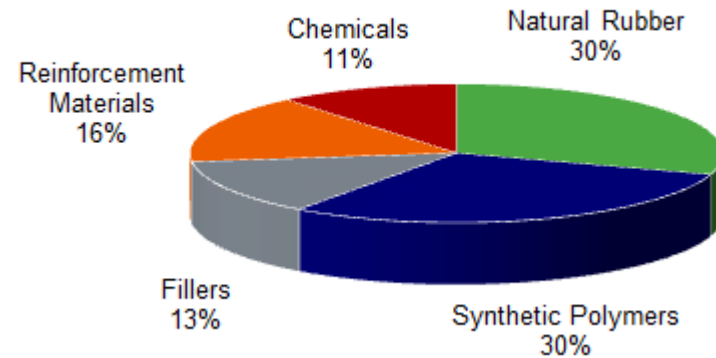
FINANCIAL PERFORMANCE

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 10.2% in Q2/2013 vs. Q2/2012
 - decreased by 6.4% in Q2/2013 vs. Q1/2013
 - decreased by 9.6% in H1/2013 vs. H1/2012
- **Raw material cost is estimated to**
 - decrease by 1.5% in Q3/2013 vs. Q2/2013
 - decrease about 9.5% in 2013 vs. 2012

Estimated tailwind in 2013: 45 m€

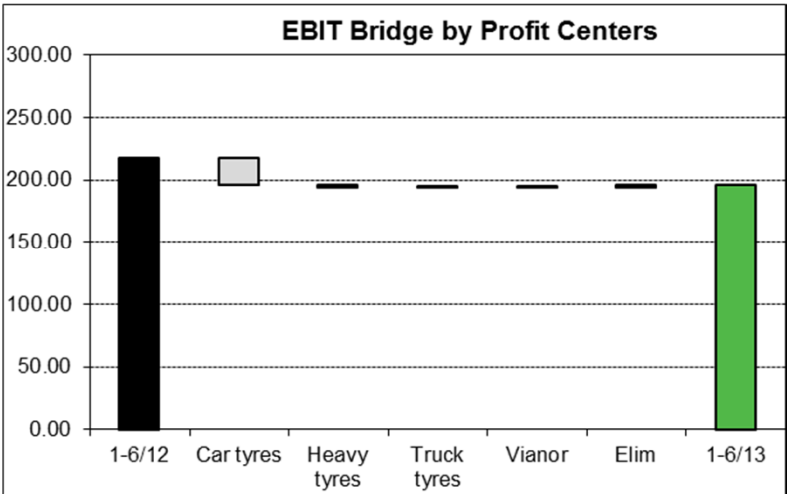
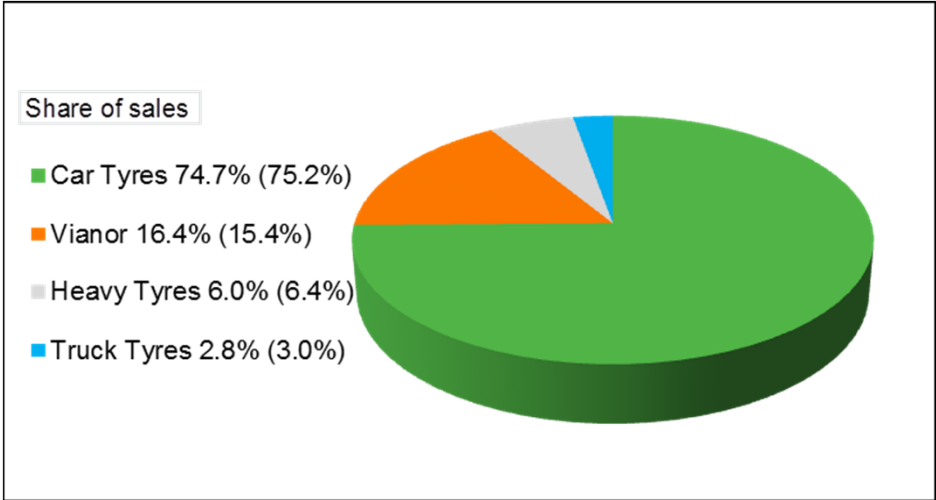


PROFIT CENTRES 1-6/2013

General overview

Net sales 752.2 m€ -5.7%

EBIT 196.6 m€ -9.7%



Passenger Car Tyres

- Net sales: 591.6 m€, -6.5%
- EBIT 207.0 m€, -9.5%
- EBIT margin: 35.0% (36.1%)
- Key products: studded and non-studded winter tyres, high-speed summer tyres

Vianor

- Net sales: 130.0 m€, +0.5%
- EBIT: -9.9 m€, -38.0%
- EBIT margin: -7.6% (-5.5%)
- 1,121 stores in 26 countries in Nokian Tyres' core markets

Heavy Tyres

- Net sales: 47.4 m€, -11.4%
- EBIT: 4.9 m€, -23.1%
- EBIT margin: 10.3% (11.9%)
- Key products: tyres for forestry, industrial and agricultural machinery

Truck Tyres

- Net sales: 22.4 m€, -11.5%
- Key products: truck tyres and retreading materials



PROFIT CENTRES 1-6/2013

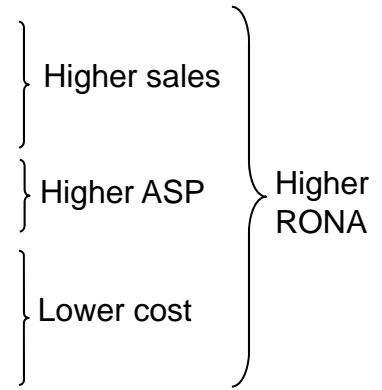
Passenger Car Tyres: Sales and market share up in core markets

Performance in 1-6/2013

- + Q2 sales and Operating profit improved
- + Sales and market share growth in Russia and in Nordic countries
- + Magazine test success continued in core markets
- + Tailwind from decreasing raw material cost supported margins
- + Capacity increased with line 12 in Q1 and line 13 installation in Q2
- + ASP €/kg flat yoy despite challenging pricing environment
- + Improved cash flow
- H1 sales decreased:
 - Weak winter tyre demand in CE
 - Sales growth stagnated in Russia
 - Manufacturing contract with Bridgestone ended
- Depreciation up due to commissioning of the new factory

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, expand distribution in CE, improve productivity – Improve sales and EBIT

| | |
|---------------------|----------------------------|
| Net sales: | |
| 1-6/2013: | 591.6 m€ (633.0 m€); -6.5% |
| 4-6/2013: | 317.9 m€ (317.1 m€); +0.3% |
| EBIT: | |
| 1-6/2013: | 207.0 m€ (228.7 m€); -9.5% |
| 4-6/2013: | 114.6 m€ (110.0 m€); +4.2% |
| EBIT margin: | |
| 1-6/2013: | 35.0% (36.1%) |
| 4-6/2013: | 36.0% (34.7%) |



New Nokian Hakkapeliitta 8

MAGAZINE TESTS

Test success continues – both in summer and in winter

WINTER TYRES, autumn 2012

Nokian Hakkapeliitta 7 – Multiple test winner

- Studded winter tyre family for core markets. Test victories in magazine tests, e.g.: Tekniikan Maaailma, Tuulilasi (Finland), Motor Auto, Motor og Sport, (Norway); Aftonbladet BIL, Auto, Motor & Sport, Vi Bilägare (Sweden); Za Rulem, AutoReview (Russia), Auto Centre (Ukraine)

Nokian Hakkapeliitta R (non-studded) – Safe and reliable

- Test victories e.g. Tekniikan Maaailma, Tuulilasi (Finland), Motor, Auto, Motor og Sport (Norway); Auto, Motor & Sport, Vi Bilägare (Sweden) Za Rulem, AutoReview (Russia), Auto Centre (Ukraine)

Nokian WR D3 – for Central European winter

- Test victories e.g.: Auto, Motor und Sport, ADAC, AUTO Strassenverkehr, Firmenauto (Germany), Aftonbladet BIL, AMS (Sweden)

Nokian WR A3 – for Central European winter

- Test victory: AutoBild (Germany)

SUMMER TYRES, spring 2012

Nokian Hakka Blue – Wet performer

- Test victories e.g.: Tekniikan Maaailma (Finland), Aftonbladet BIL (Sweden), Motor/NAF (Norway), AutoReview (Russia), Auto Centre (Ukraine)

Nokian Hakka Green – Naturally safe

- Test victories e.g.: Tuulilasi (Finland), Vi Bilägare (Sweden)

Nokian Z G2 – Cool Performer

- Test victories e.g.: Auto Bild, Gute Fahrt, Auto Bild Allrad, auto TESTest

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 7:
Over 30 test wins in car magazines between years 2009 and 2012

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



Nokian Hakka Blue

MAJOR REVAMP OF PRODUCT OFFERING 2013

Examples of new products and innovations

WINTER TYRES

Nokian Hakkapeliitta 8 – Ruler of the North

- Based on the Nokian Hakkapeliitta 7 with over 30 test victories 2009-2012

Nokian Hakkapeliitta R2 – Northern comfort

- The new non-studded winter tyre will safely tackle all winter conditions

Nokian Hakkapeliitta R2 SUV – Northern comfort and stability

- The non-studded winter tyre, specially tailored for sport utility vehicles

Nokian WR SUV 3

- Developed for Central Europe's varying winter conditions in SUV segment

Nokian WR G3

- An extension of the Nokian Tyres' All Weather Plus line for North America

New range puts winter grip on an awesome new level!

SUMMER TYRES

Nokian eLine – Next generation summer tyre for all markets

- Fuel efficiency and wet grip are at the top of the new EU tyre label, class A

Nokian Hakka Black – UHP tyre for core markets

- Cool performance for fast driving, stable and precise from spring to autumn

Nokian zLine – Ultra High Performance summer tyres for CE

- New top class tyre family for varying Central European summer conditions



Nokian Hakkapeliitta 8



Nokian Hakkapeliitta R2



Nokian Hakka Black



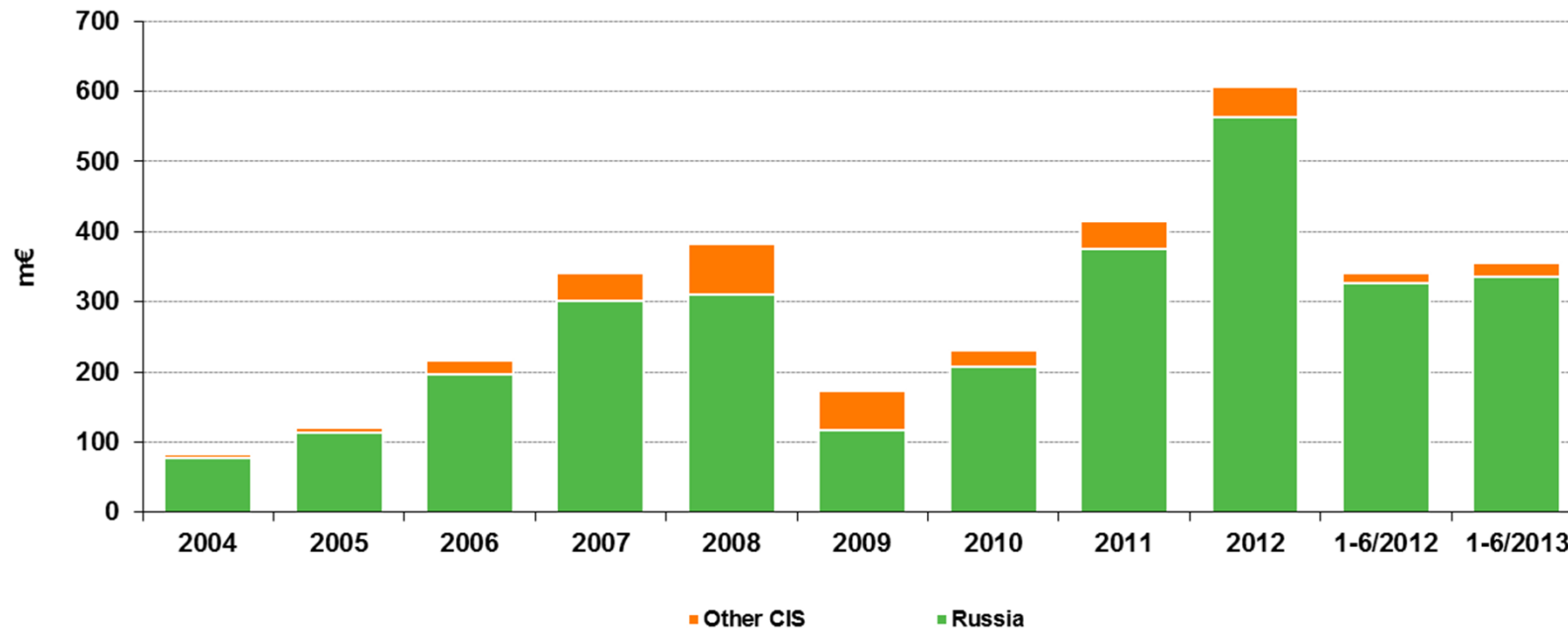
RUSSIA & CIS

Growth continues – H1 sales up 4.3%

- Sales in Russia in 1-6/2013 grew by 2.6% to 336.4 m€ (327.9 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 20.3 m€ (14.1 m€), up 44%.

→ 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:
581 Vianor shops (+48 in H1) – over 2,700 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)
- ▼ 581 Vianor stores in 344 cities (+48 stores in H1)

Nokia Hakka Guarantee dealership program includes over 2,700 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 – 581 Vianor stores / over 2,700 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 factory exports approximately 50% of its production to over 40 countries:
Biggest consumer goods exporter in Russia
- Housing project, Hakkapeliitta Village –
343 flats for employees ready in summer 2013
- Number of personnel in Russia on 30 June 2013: 1,309 (1,187)
- CAPEX by end 2012: 704 m€

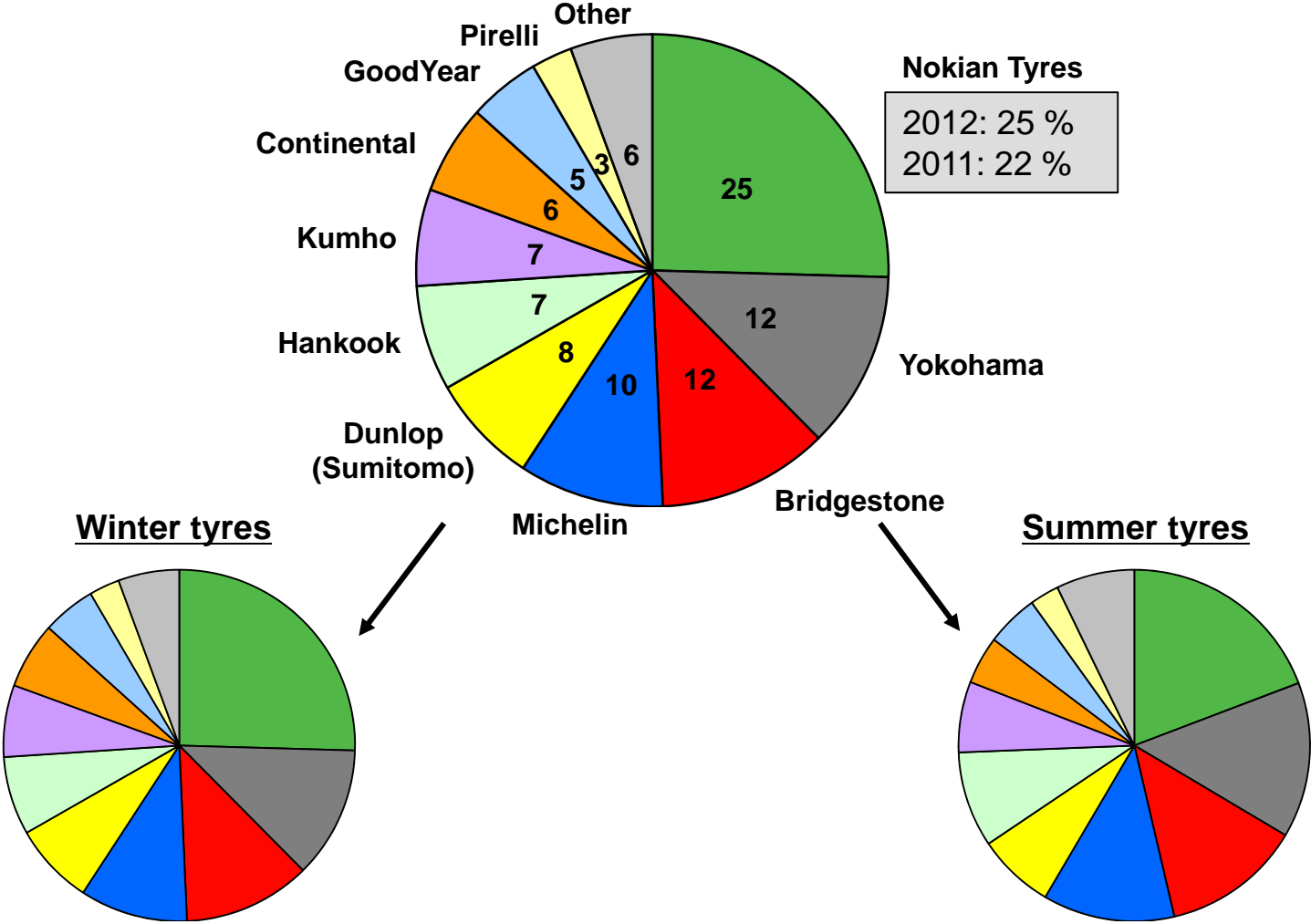




RUSSIA

Market shares in 2012

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

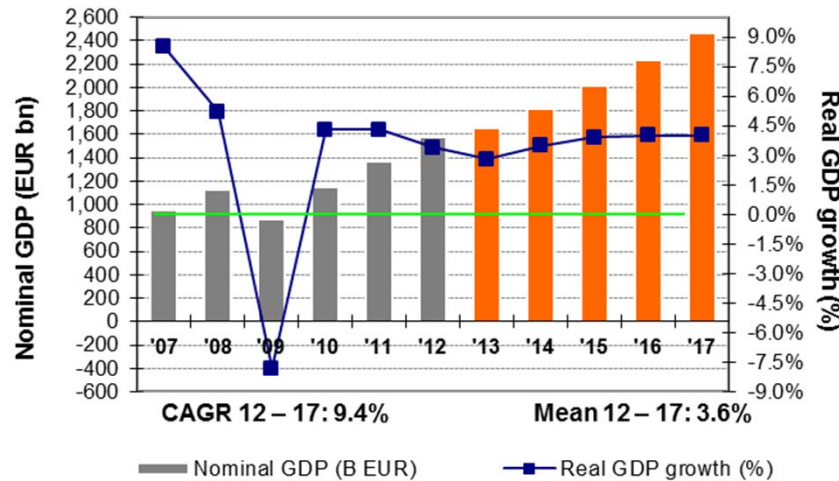


Source: Nokian Tyres estimates

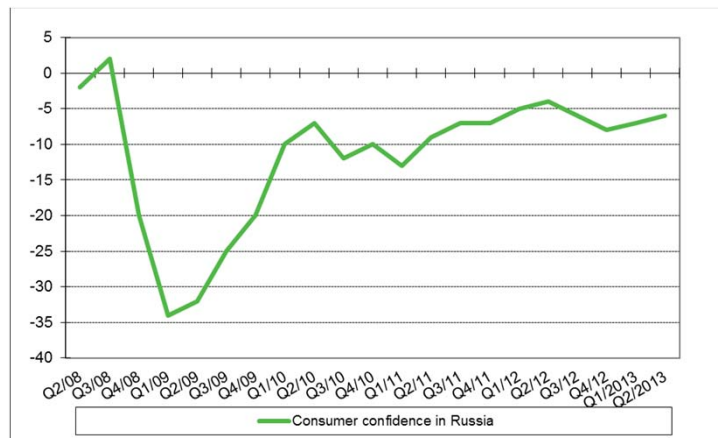
RUSSIA

Russia's economy growing, but with a slower pace

Russia's GDP growth



Consumer confidence in Russia



Source: Rosstat; Ministry for Economic Development; EIU; Nokian Tyres estimates

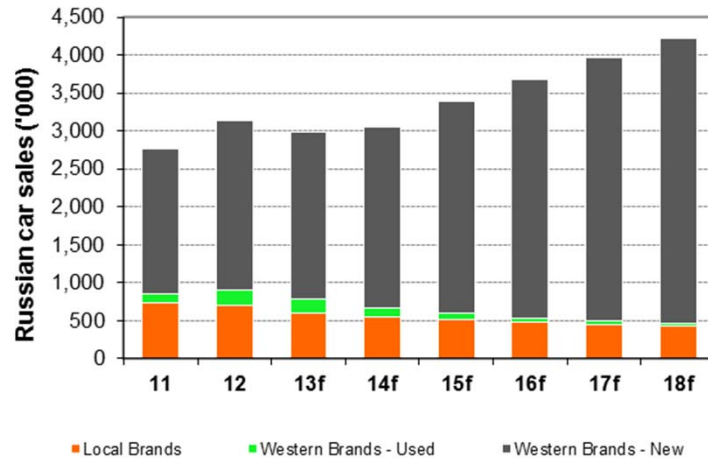
Major trends and expectations

- 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 H1/2013 the slowdown continued: the estimated real GDP growth was a modest 1.7% (in Q2: 1.9%), reflecting weaker investment and consumer consumption
- The forecast for 2013 has been downgraded to 2.4% by the government; market expectations vary between 2.0 and 2.8%
- Weaker expectations are based on lower oil and other commodity prices
- 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
- Ruble exchange rate has fluctuated in 2012, stabilized at its long-time average level of 40 RUB / EUR and then slightly devalued (to ~42.5); generally, it is expected to remain quite stable with fluctuations between 40 and 44 RUB / EUR

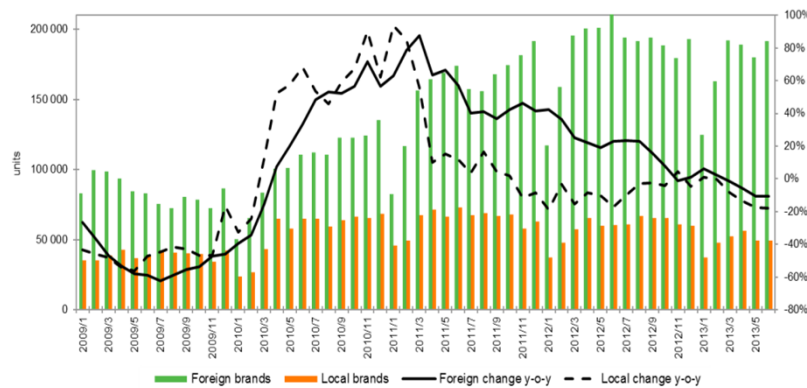
RUSSIA

Car sales' return to growth track expected – new subsidized loans

Russian car sales forecast – base scenario



Monthly car sales



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

Car market summary

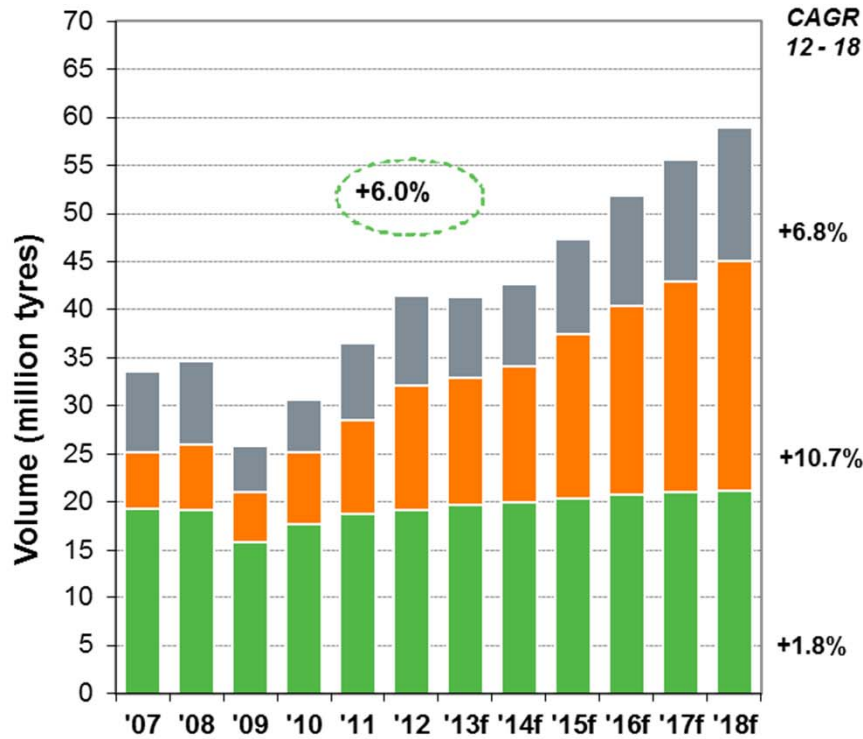
- Sales of new cars and LCVs in Russia continued to grow in 2012, albeit with a clearly declining growth in H2; full-year growth was 11% vs. 2011
- Year 2013 started quite slowly, as expected: Q1 showed zero growth and in Q2 sales of new cars started to decline; totally 6% less cars were sold in H1/2013 vs. the same period of 2012, in June the decrease was 11%
- In H2/2013 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 2-5% 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
- In July 2013 the Russian government re-launched the program of supporting car loans: it will subsidize 5.5 p.p. (2/3 of the Central Bank refinancing rate) of car loans provided by banks to finance purchase of cars with the maximum price of 750,000 RUB. The program will continue at least until mid 2014 and is expected to cover ~200,000 car loans and thus support the overall market (share of car purchases financed through loans is already over 40%)



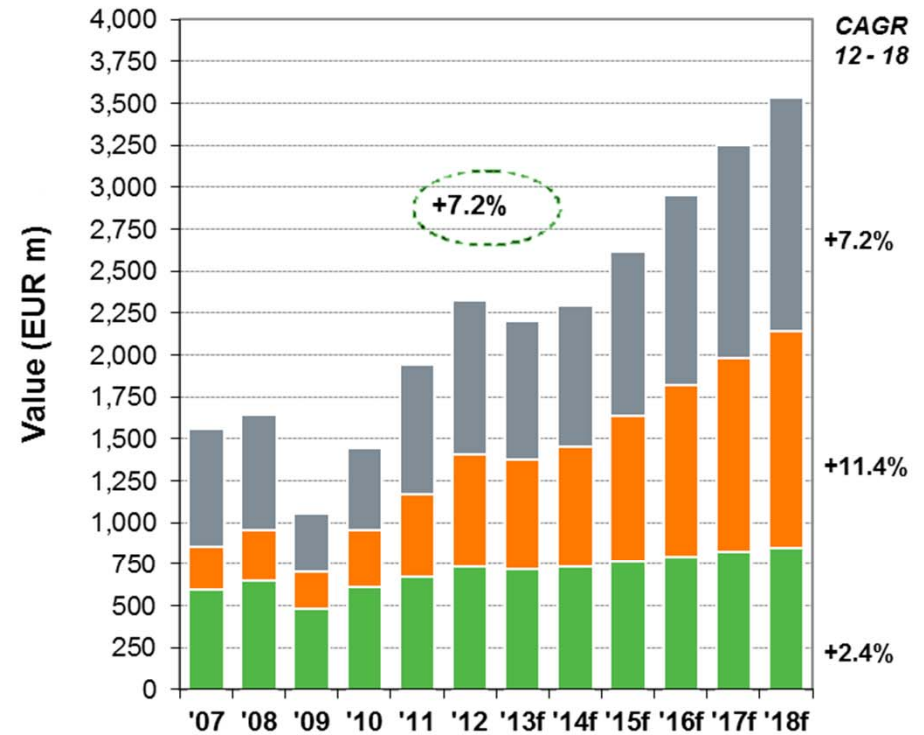
RUSSIA

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 July 2013

PROFIT CENTRES 1-6/2013

Vianor: Q2 sales and EBIT up vs. Q2/2012, EBIT 7%

Performance in 1-6/2013

- + 1,121 stores in 26 countries; +84 stores in H1/2013
- + Sales and EBIT of equity-owned stores up in Q2/2013 yoy
- + Strategic tasks to expand distribution and set market prices for Nokian products succeeded
- + 40 car service operations acquired and integrated to existing Vianor stores by the end of H1/2013
- H1/2013 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:

1-6/2013: 130.0 m€ (129.4 m€); +0.5%

4-6/2013: 86.4 m€ (79.4 m€); +8.8%

EBIT:

1-6/2013: -9.9 m€ (-7.2 m€); -38.0%

4-6/2013: 6.0 m€ (3.2 m€); +87.0%

EBIT margin:

1-6/2013: -7.6% (-5.5%)

4-6/2013: 7.0% (4.0%)



Vianor Friedrichshafen, Germany



EXPANSION OF DISTRIBUTION CHANNEL 1-6/2013

Vianor: Foothold on core markets strengthening, +84 shops

NAD: New soft franchise launch, 217 shops

Vianor – 1,121 stores in 26 countries

- 84 new stores in H1/2013; +44 in Q2/2013
- 183 equity-owned, 938 franchising/partners
- **Largest tyre chain in Nordic and Baltic countries:**
288 stores (+17 in H1/2013)
- **Largest tyre chain in Russia and CIS:**
581 stores (+48 in H1/2013) in 344 cities
- **Expansion to Central Europe:**
210 stores (+12 in H1/2013)

Vianor stores by segment

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

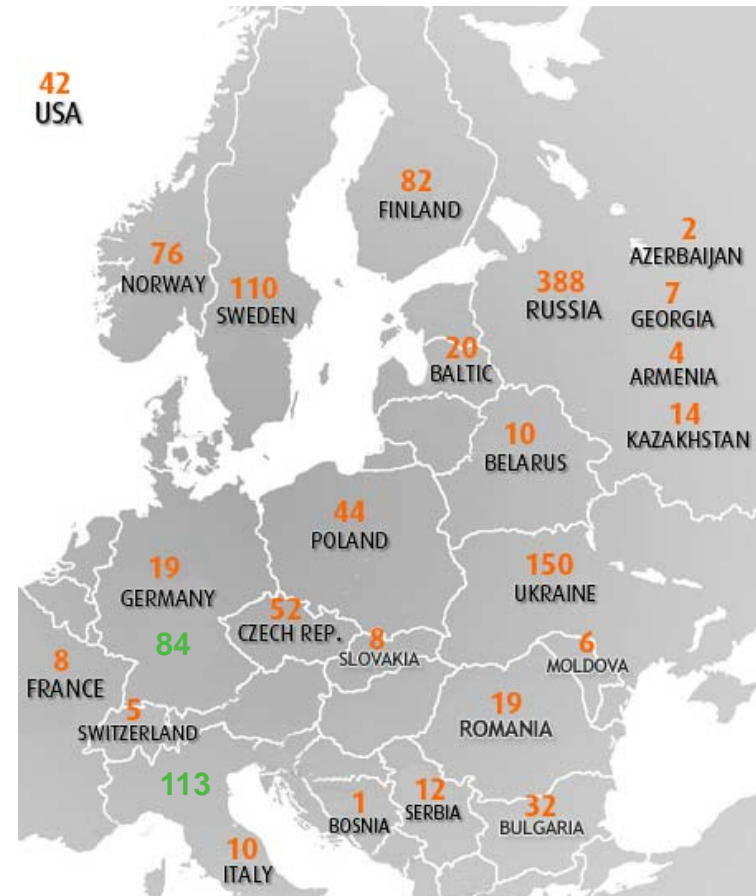
Target 2013 → over 1,180 Vianor stores

Nokian Authorized Dealers (NAD)

- H1/2013: 217 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 1-6/2013

Heavy Tyres: Improved structure, soft demand

Performance in 1-6/2013

- + 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:

1-6/2013: 47.4 m€ (53.6 m€); -11.4%

4-6/2013: 25.3 m€ (26.5 m€); -4.6%

EBIT:

1-6/2013: 4.9 m€ (6.3 m€); -23.1%

4-6/2013: 2.7 m€ (2.6 m€); +4.0%

EBIT margin:

1-6/2013: 10.3% (11.9%)

4-6/2013: 10.5% (9.6%)



Nokian Mine L-5S

PROFIT CENTRES 1-6/2013

Truck Tyres: Market shares up in core markets

Performance in 1-6/2013

- + Market share improved in the Nordic countries and Russia
- + Wider range for premium & standard truck tyres
- + Operating profit on a healthy level
- Sales down trailing weaker demand in the Nordic countries

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

Net sales:

1-6/2013: 22.4 m€ (25.3 m€); -11.5%

4-6/2013: 11.4 m€ (12.7 m€); -10.5%



Nokian Hakkapeliitta Truck D



NOKIAN TYRES GOING FORWARD

Investment for growth and productivity

Investment in 1-6/2013

- 88.8 m€ (109.8 m€)

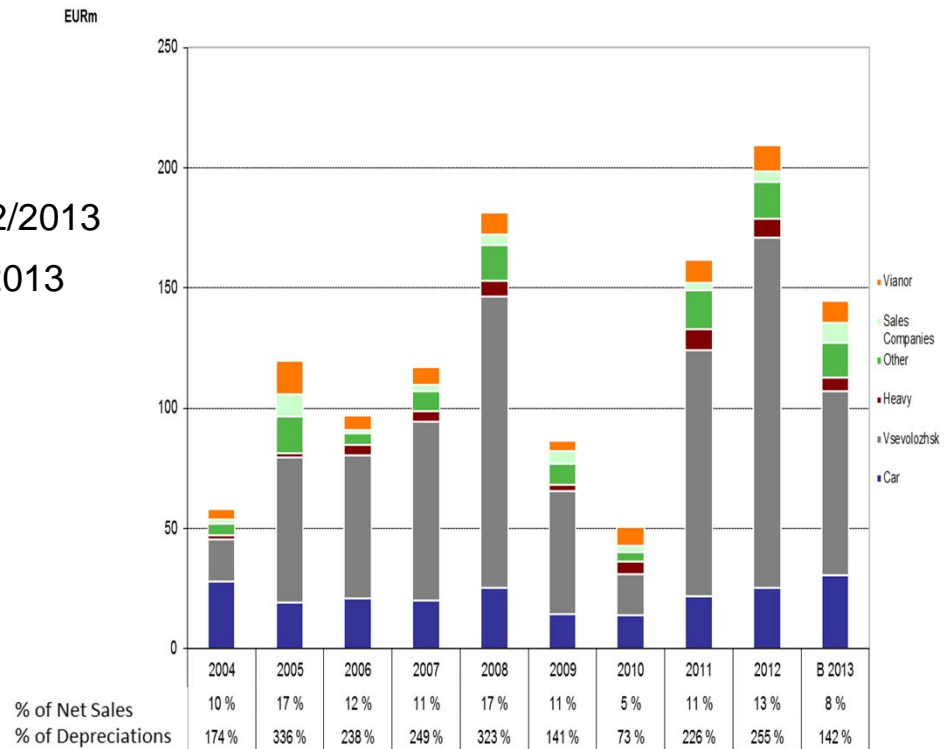
Russia

- 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€)



PRODUCTION PLANTS

Production capacity in 2013: 18 million tyres

Potential to increase output by 50% by 2014



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 completed in Q2/2013

NOKIAN TYRES GOING FORWARD

Outlook for 2013: Flat to some growth in Net sales and EBIT

Assumptions

- Core markets growing slowly
 - GDP growth Russia 2.4%, Nordic 1%
 - In Russia uncertainty increased, full year car sales down 2-5%
 - Currencies on Nokian core markets to be stable
- Price pressure may affect ASP
- Raw material cost (€/kg) estimations
 - Cost to decrease by 1.5% in Q3/2013 vs. Q2/2013
 - Cost to decrease by 9.5% in 2013 vs. 2012
- Passenger car tyre operation environment
 - Demand in core markets flat compared to 2012
 - Demand improving for winter tyres in long term; legislation in Europe, Russia & CIS
- Heavy tyre market demand
 - Demand in 2013 flat vs. 2012
- Nokian Tyres financial position remains solid
 - No major loans due for payment in 2013
 - Equity ratio 67.6% at the end of H1/2013
 - Undrawn facilities available

Outlook: Flat to some growth in a challenging market

- Sales in Russia, Nordic countries and N-America expected to show some growth in 2013, CE to grow in H2
- Pricing environment 2013 challenging for all tyre categories
- Raw material cost (€/kg) estimate -9.5% full year 2013. Tailwind some 45 m€ in 2013.
- New Hakkapeliitta range supports winter tyre sales and ASP
- Capacity ramp-up in Russia proceeds
 - Line 12 on stream Q1/2013, line 13 installed in Q2/2013
 - Inbuilt capability to increase output by 50%
- Profitability supported by improved cost structure and productivity on the back of increasing share of Russian production

Year 2013 guidance (updated):

- In 2013, the company is positioned to show flat to some growth in Net sales and Operating profit compared to 2012.

nokian[®]
TYRES

