

nokian[®]
TYRES

Swedbank

Helsinki investor trip

March 25, 2015

President and CEO Ari Lehtoranta



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4. Nokian Tyres going forward



Market overview 2014

Slow growth in the west, Russian economy in crisis

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





*) premium and mid-segment

**) Nokian Tyres core product segments

Nokian Tyres' performance 2014

Market shares improved, sales value in Russia dived

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

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

Summary 2014

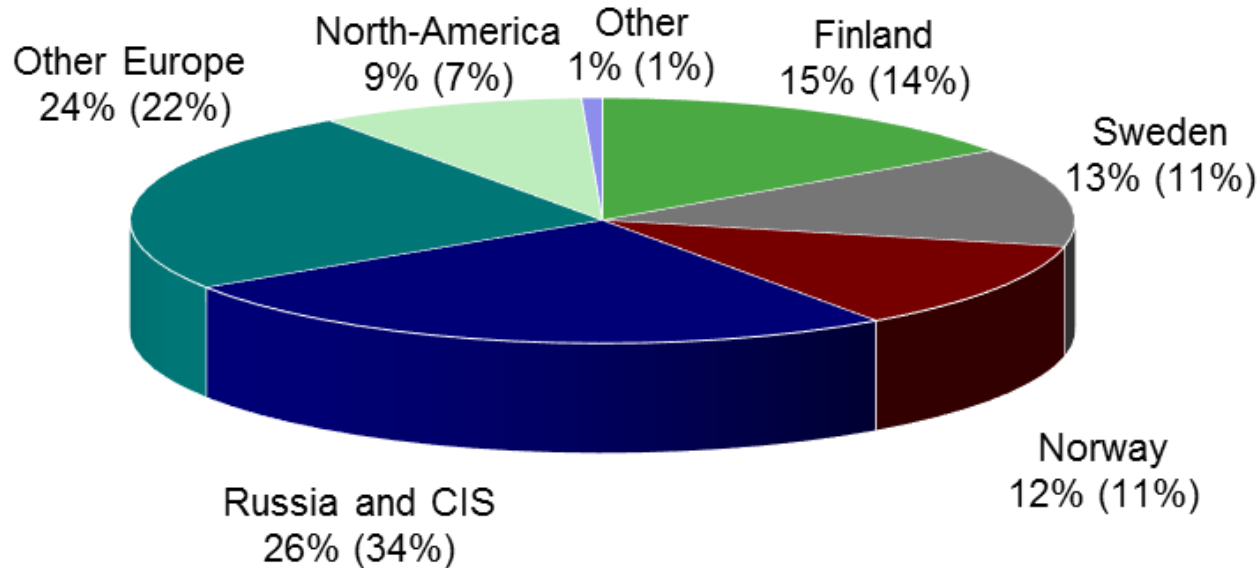
Market shares up, strong cash flow, Russia/CIS weak

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

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

Gross sales by market area 2014

Western markets' weight up



Raw material cost development

Decline continued

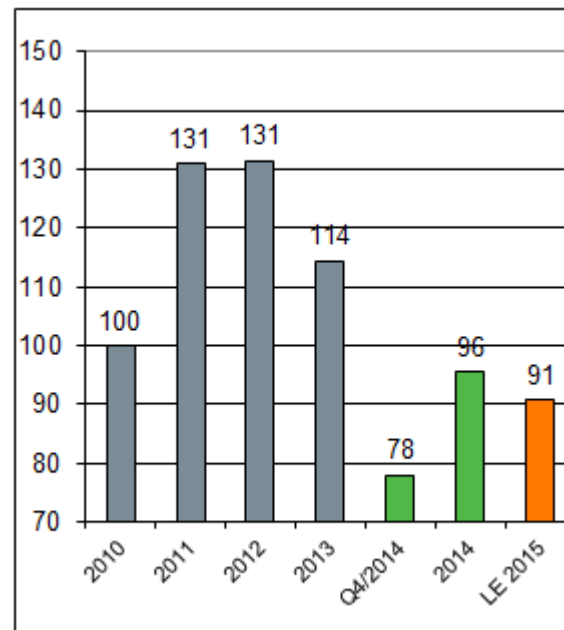
Nokian Tyres raw material cost (€/kg)

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

→ Tailwind in 2014 vs. 2013: 64 M€

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

Raw material cost development index 2010-E2015



Business units 2014

Passenger car tyre unit took a hit from Russia/CIS

Passenger Car Tyres

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

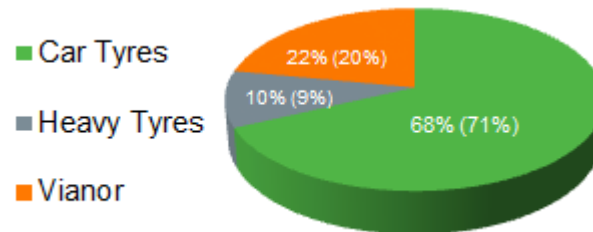
Heavy Tyres

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

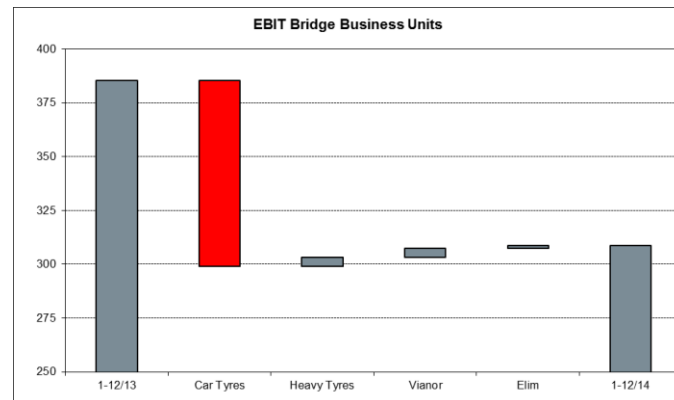
Vianor

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

Net sales 1,389.1 M€; -8.7%



EBIT 308.7 M€; -19.9%



Passenger Car Tyres

Sales volume on par, currencies and mix cut Net sales

Performance in 2014

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

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



Magazine tests 2014

Test success continues – both in winter and in summer

Winter tyres, autumn 2014 – over 40 test victories

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

Summer tyres, spring 2014 – increasing test victories

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

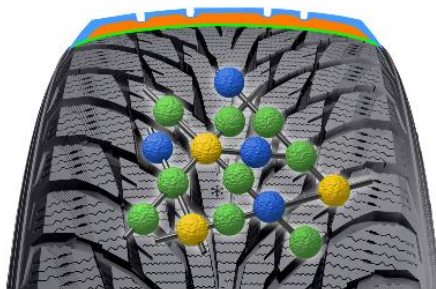
www.nokiantyres.com/test-success



Nokian know-how and future technology

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

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



Nokian Intelligent eSilica.
Increased range, maximises winter grip
Comfortable and quiet to drive



Russia and CIS countries

Oil price and currency devaluations hurt the economies

Negative development of economy and car sales

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

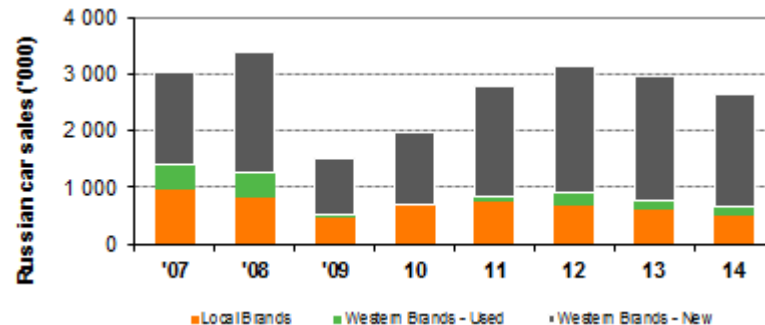
Nokian Tyres' sales value down

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

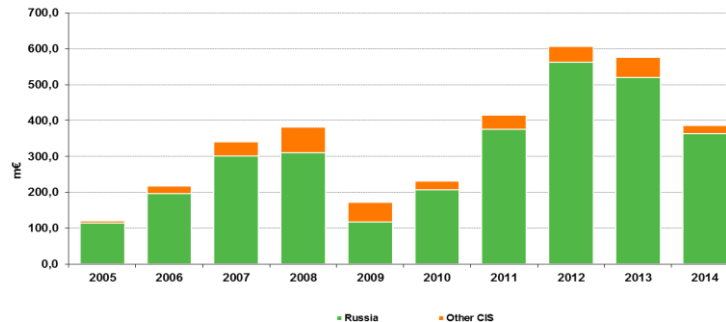
Tyre demand growing in the long term

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

Russia car sales estimate



Nokian Tyres' sales in Russia and CIS



Heavy Tyres

Profitability up

Performance in 2014

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

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



Durability for demanding use

New Nokian Hakka Truck 844

Excellent winter grip on snowy roads

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



M+S



Official winter tyre approval (3PMSE)



Vianor

EBIT improved, service sales up, network of shops expands

Performance in 2014

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

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



Outlook 2015

Net sales and Operating profit to decline slightly

Assumptions

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

Outlook 2015

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

Year 2015 guidance

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

Board's proposals to AGM

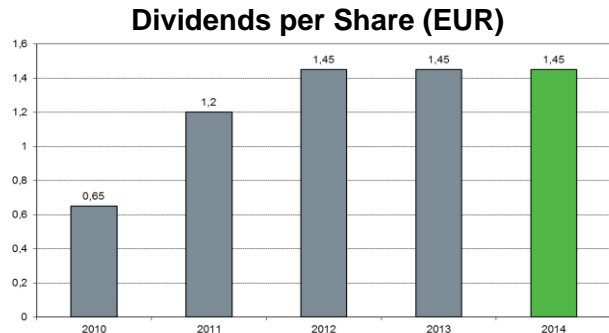
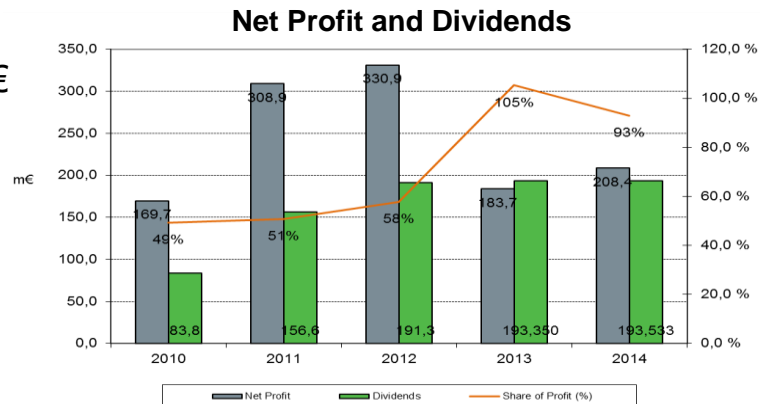
Dividend – Board's proposal 1.45 €/share

Dividend

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

Annual General Meeting on 8 April, 2015

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



Appendix

Nokian Tyres the most profitable tyre producer

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

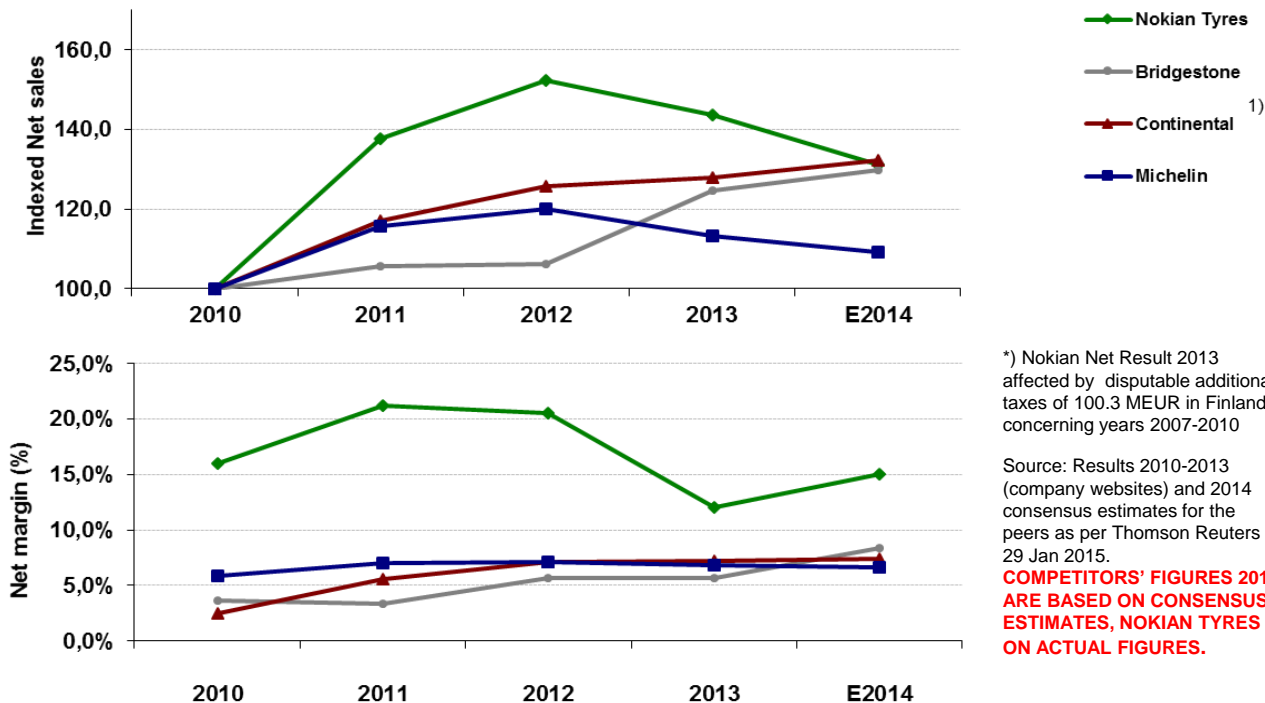
Net sales change

CAGR 2010 – E2014

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

Net margin E2014

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



*) Nokian Net Result 2013 affected by disputable additional taxes of 100.3 MEUR in Finland concerning years 2007-2010

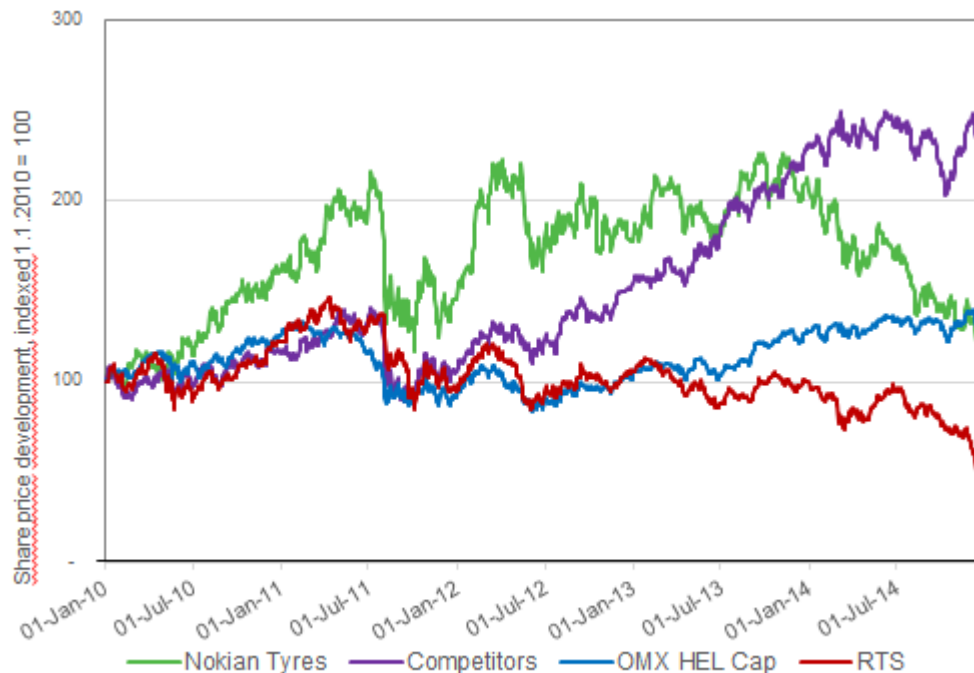
Source: Results 2010-2013 (company websites) and 2014 consensus estimates for the peers as per Thomson Reuters 29 Jan 2015.

COMPETITORS' FIGURES 2014 ARE BASED ON CONSENSUS ESTIMATES, NOKIAN TYRES ON ACTUAL FIGURES.

Appendix

Indexed share price development 2010-2014

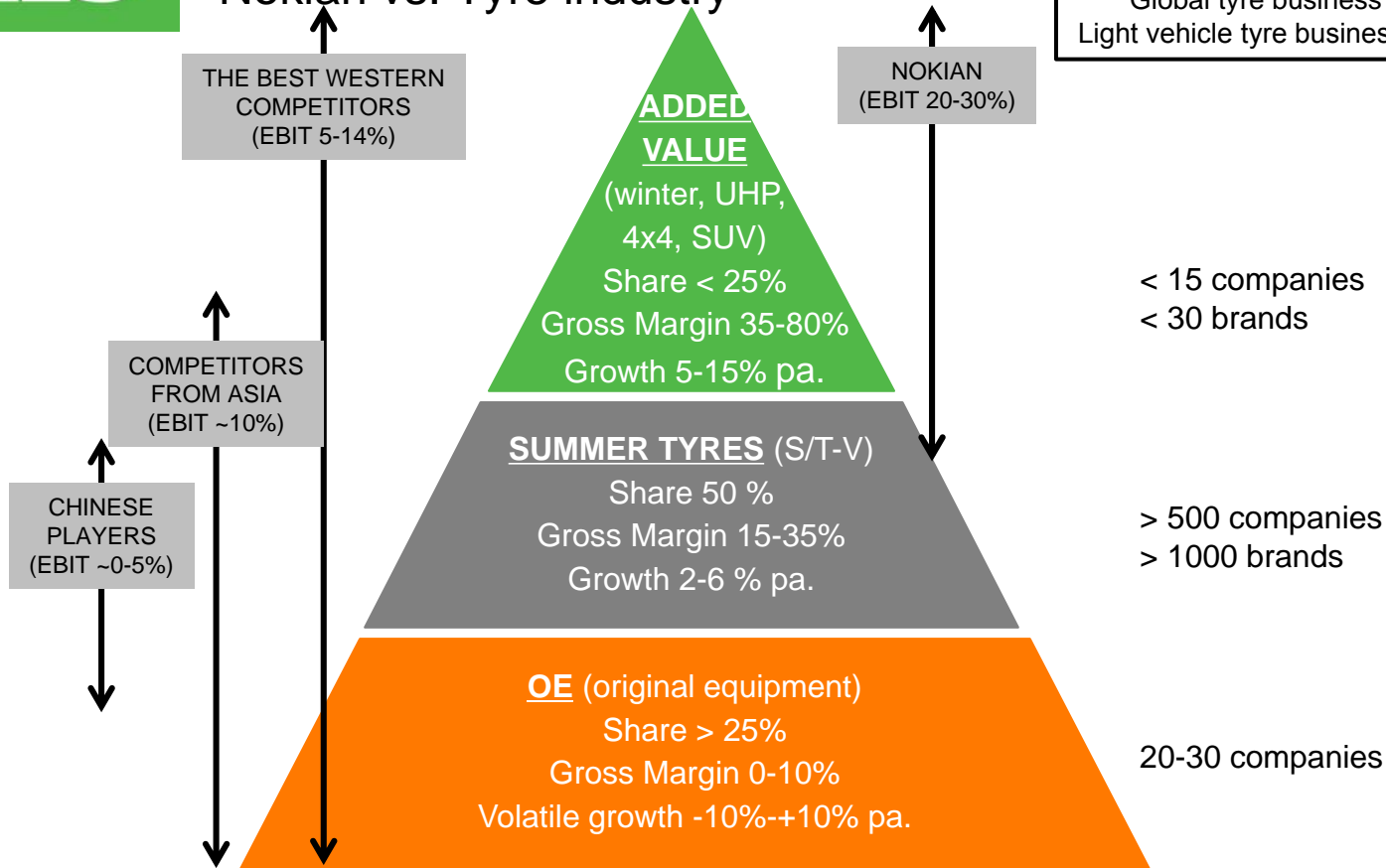
- Nokian Tyres' share price has fallen along with RTS-index in 2014, due to the Russian crisis



Appendix: Strategic focus

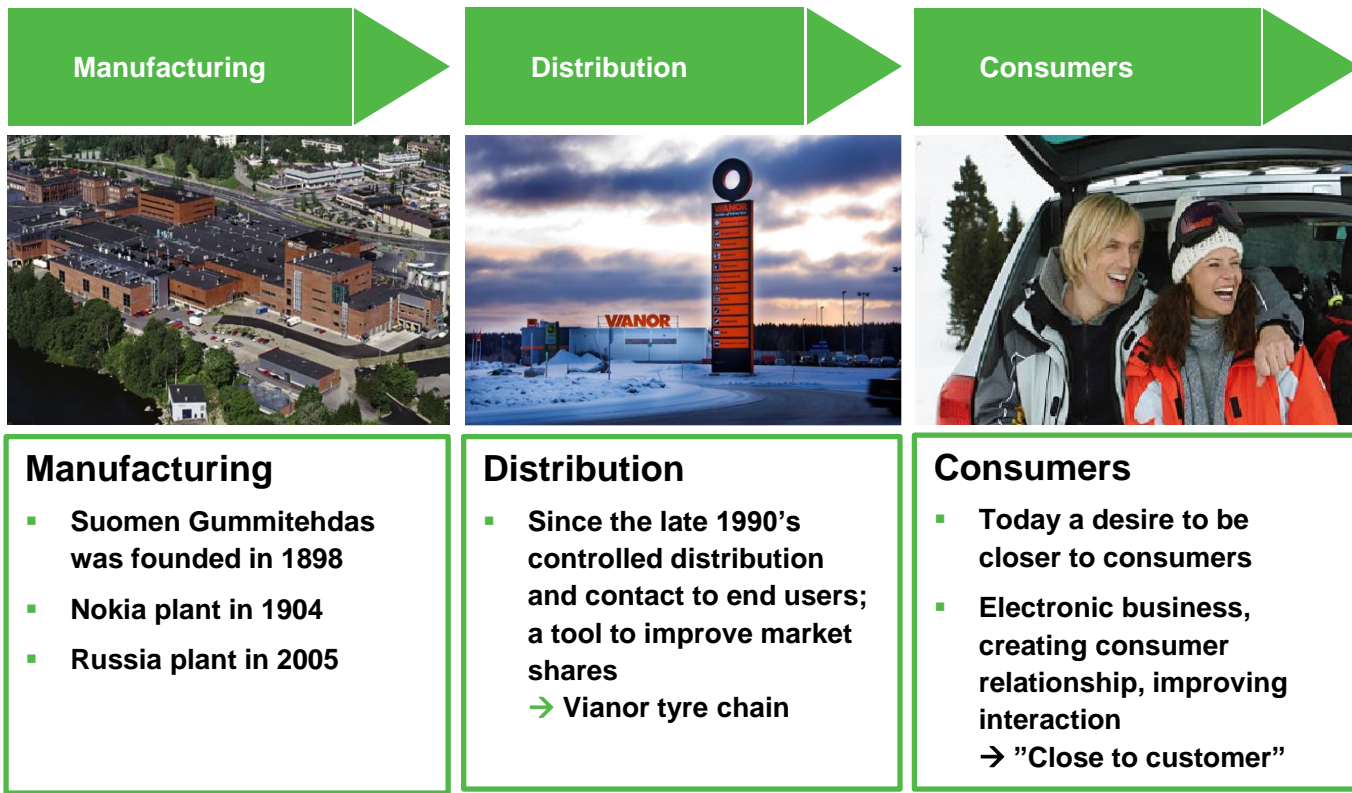
Nokian vs. Tyre industry

Global tyre business 2013: 190 B\$
Light vehicle tyre business ("PC1"): 100 B\$



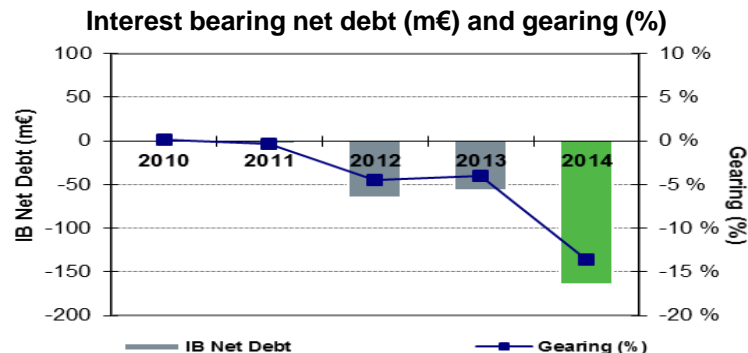
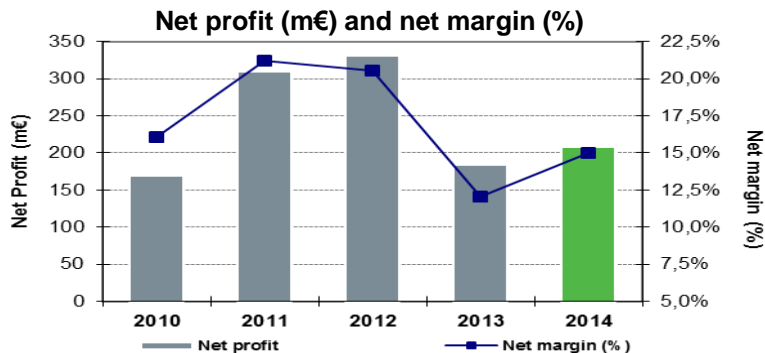
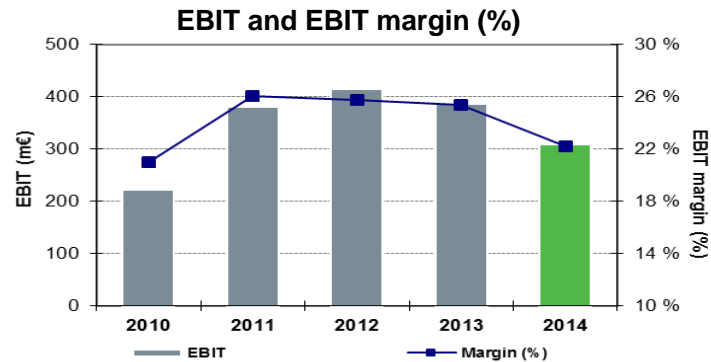
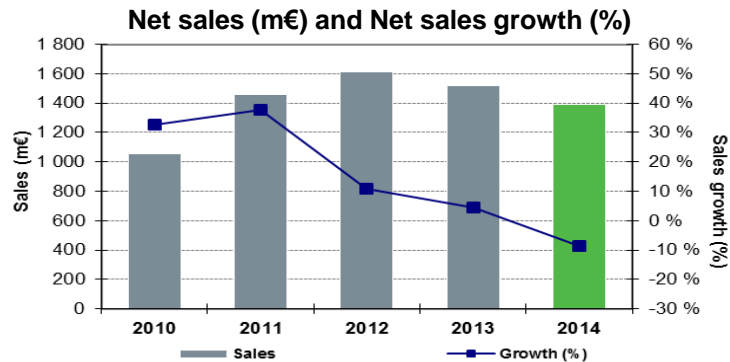
Appendix: Strategy development

From industrial to consumer goods company



Appendix

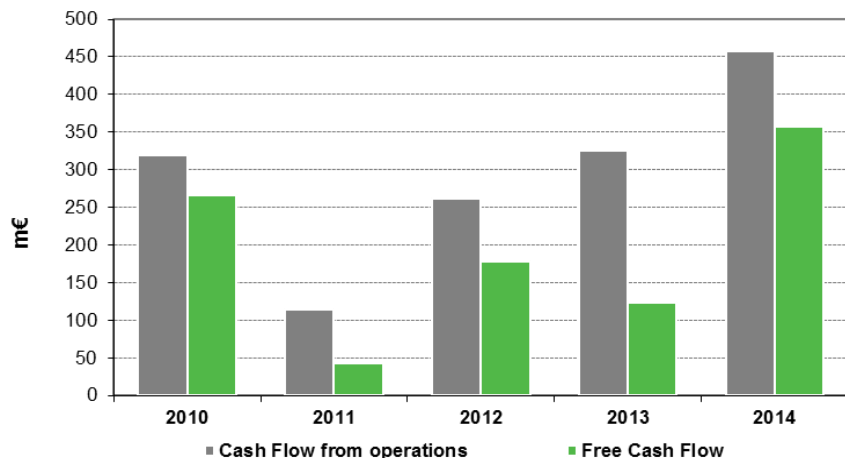
Key figures 2010-2014



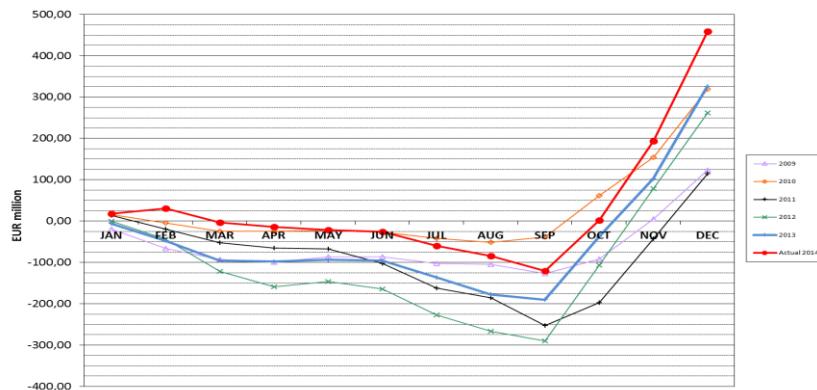
Appendix

Group Operating Cash Flow and Free Cash Flow 2010-2014

Group Cash Flow From Operations and Free Cash flow

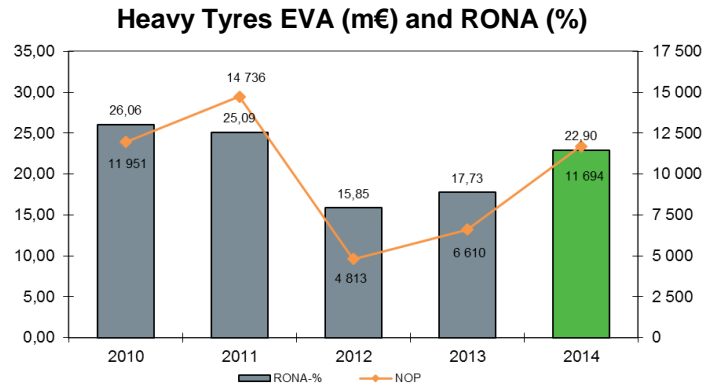
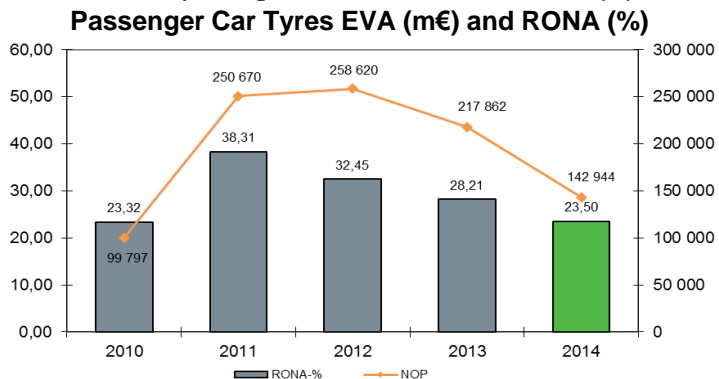
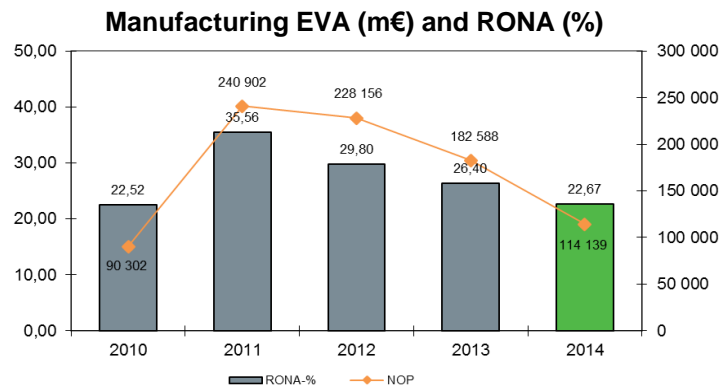
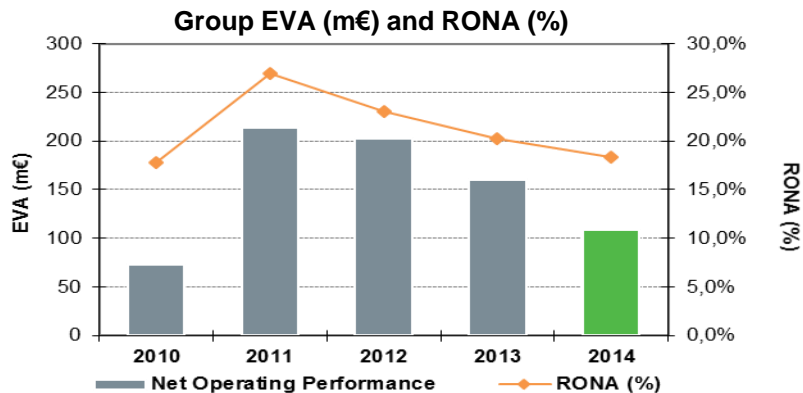


Monthly cumulative Group Cash flow from operations



Appendix

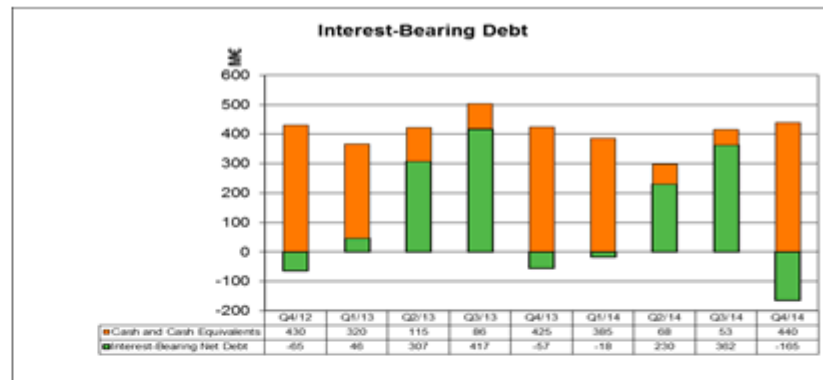
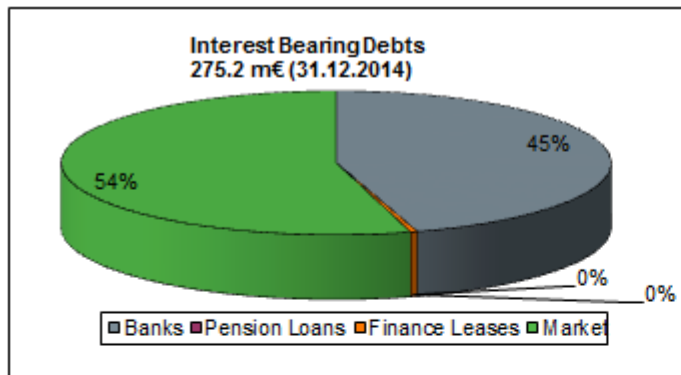
RONA (%) and Net operating performance (EVA) ¹⁾ 2010-2014



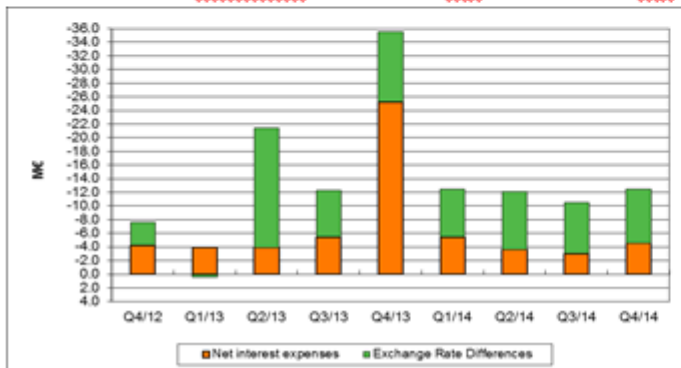
1) EVA is calculated based on 12% interest on capital employed.

Appendix

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



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



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

1) AP, AR, Internal loans/deposits

Appendix

New winter products in 2014



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

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

Nokian Hakkapeliitta C3 – Winter grip and efficiency for professionals

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

Nokian Hakkapeliitta CR3 – Driving comfort for demanding professional use

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

Nokian WR G3 SUV – Ultimate All-Weather Performance

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



New Nokian Hakkapeliitta 8 SUV



Nokian Hakkapeliitta CR3

Appendix

New summer products in 2014 - Tough performers



Nokian Hakka Black SUV – Tough cool performer

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

Nokian Hakka Blue SUV – Tough wet performer

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

Nokian zLine SUV – Cool performance for the Central European autobahns

- Precise handling, extreme durability and perfect driving pleasure.

Nokian Line SUV – Driving comfort and versatile safety

- Pleasant comfort, high performance and firm wet grip

Nokian Rotiiva HT – Reliable performer

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

Nokian summer tyres – Testing at the extremes

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



More durability. Nokian Aramid Sidewall Technology



New Nokian Line SUV

Appendix

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

Nokian Hakkapeliitta 8 – Ruler of the North

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

Nokian Hakkapeliitta R2 – Northern comfort

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

Nokian Hakkapeliitta R2 SUV – Northern comfort and stability for SUVs

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

Nokian WR SUV 3 – Ultimate snow and slush performance

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

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

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

New range puts winter grip on an awesome new level!



Nokian Hakkapeliitta 8



Nokian Hakkapeliitta R2



Nokian Hakkapeliitta R2 SUV

Appendix

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

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

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

Nokian zLine – Ultra High Performance summer tyre for Central Europe

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

Nokian Line – Safety and top performance for wet roads

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

Nokian WR – Winter tyre for Central Europe

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



Nokian Hakka Black



Nokian zLine



Nokian WR

Appendix

Heavy Tyres - Examples of new products

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

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

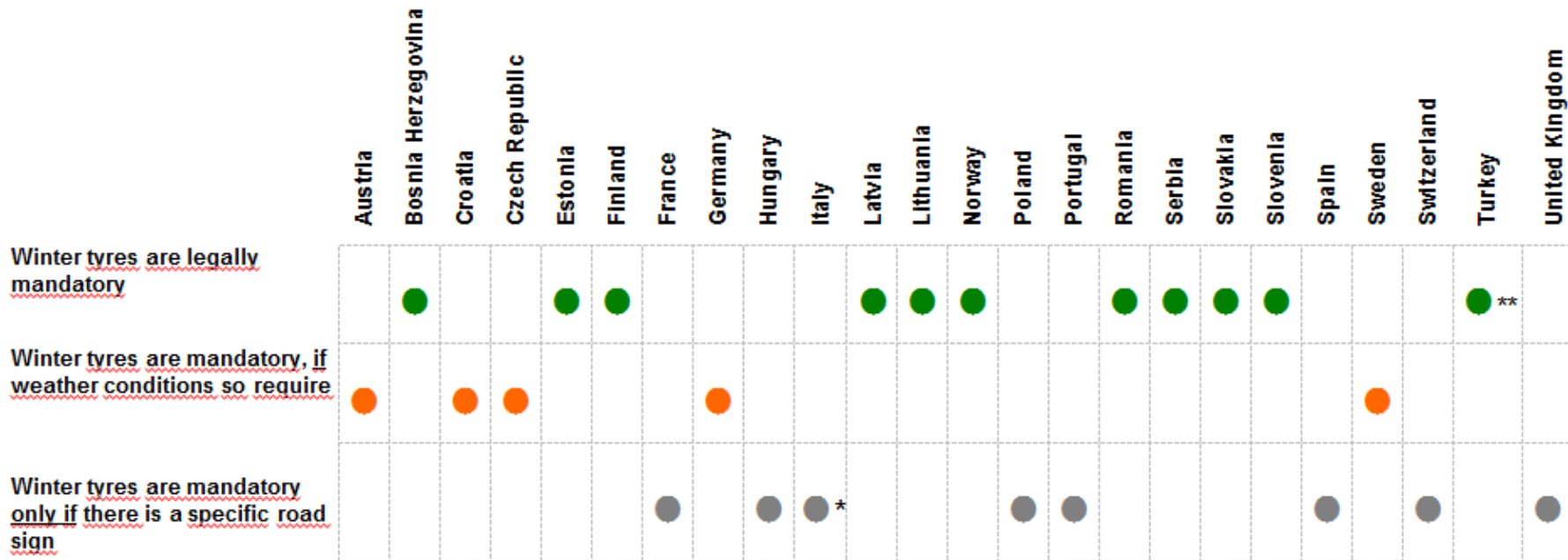
Nokian Hakkapeliitta Truck D – Superior grip and stability in the long haul

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



Appendix

Winter tyre regulations in Europe



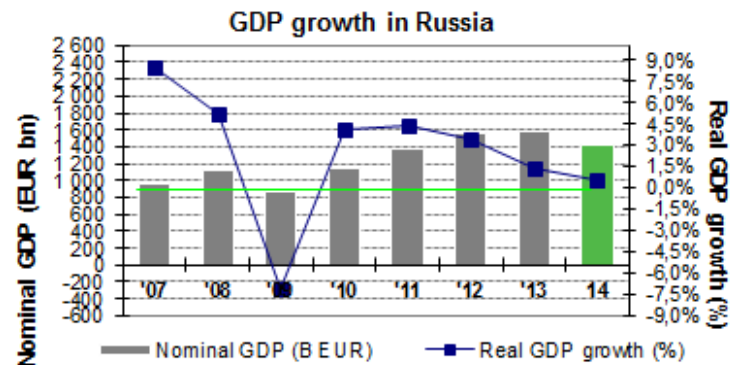
* There is variation in different areas.

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

Appendix

Russia's economy in a deep crisis

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

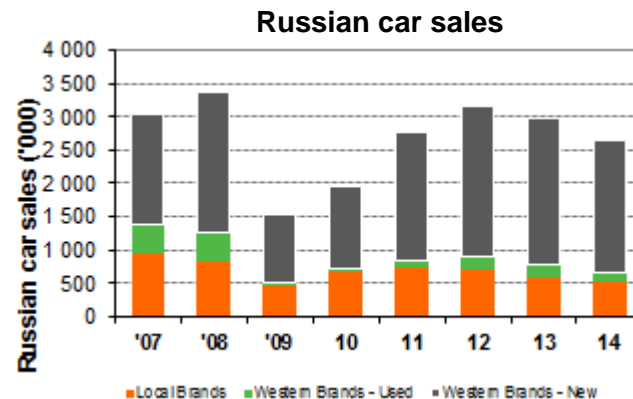


Appendix

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

Car market summary

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

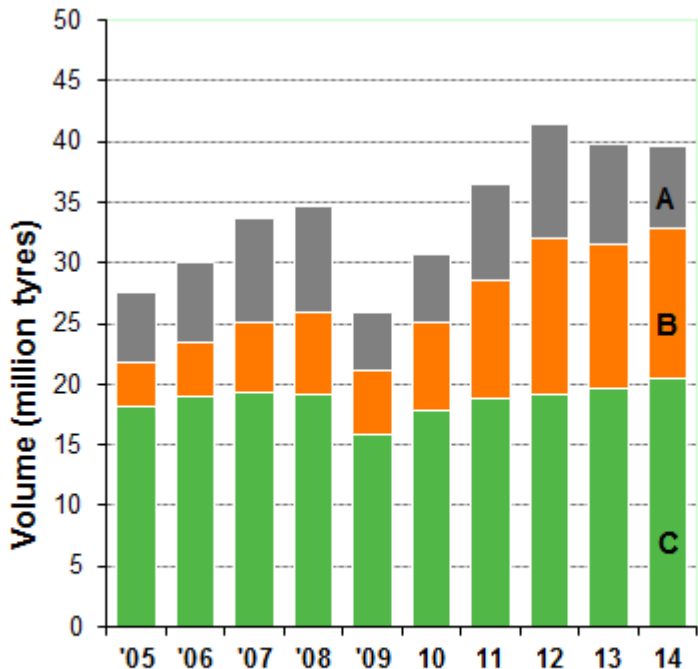


Source: AEB; IHS Global Insight; Nokian Tyres estimates Jan 2015

Appendix

Tyre market stagnating, but potential still exists

Car and van tyre replacement market (volume)



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

Source: Nokian Tyres estimates Jan 2015

Appendix

Production facilities

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



Nokia, Finland

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

2012-2014:

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



Vsevolozhsk, Russia

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

2012:

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

2013-2014:

- 13 lines in production. Capacity > 15 Mpcs.