

**nokian[®]
TYRES**

Strong growth in western markets - headwind in Russia

Swedbank Norway

27 August, 2014

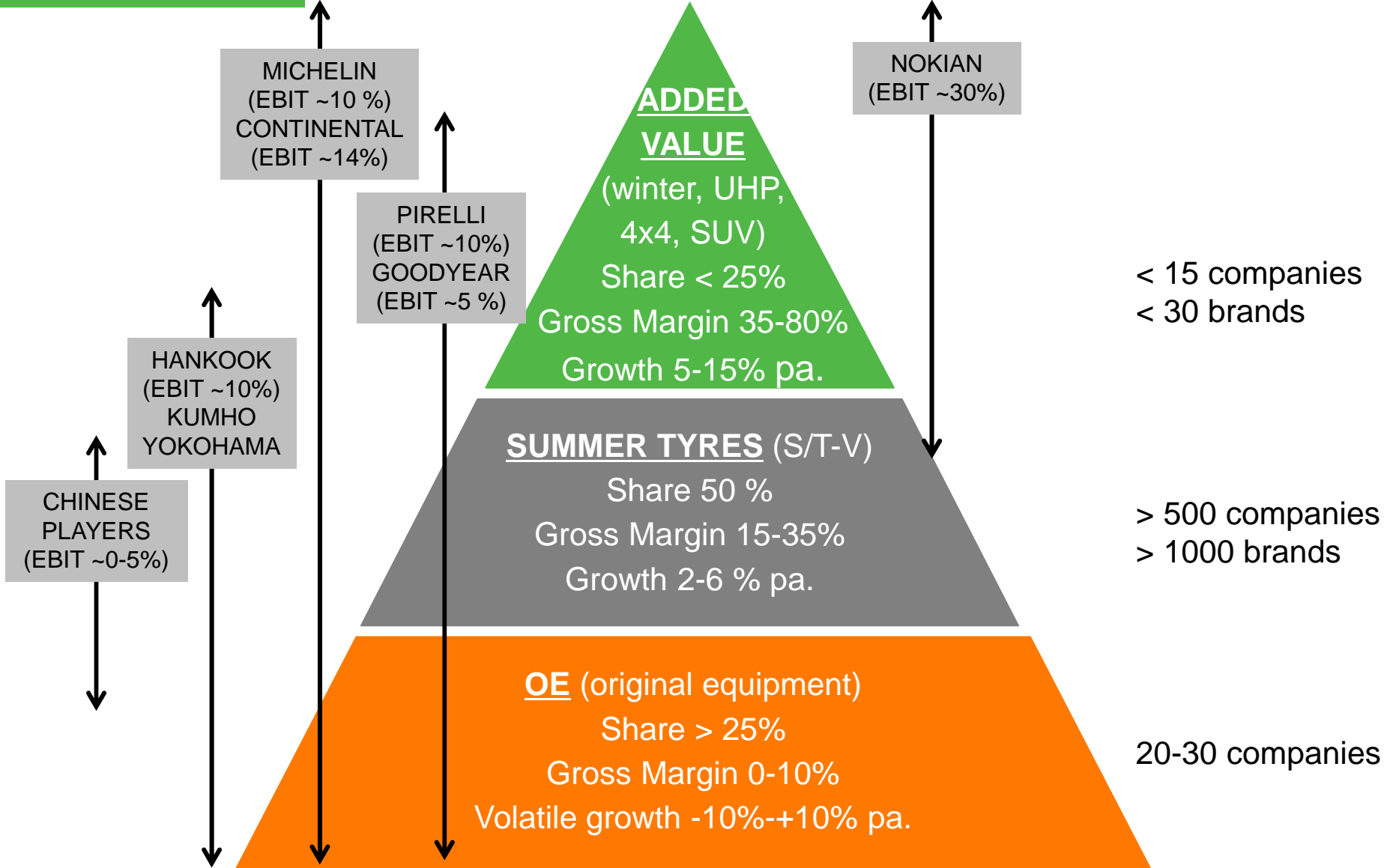


*Mr. Kim Gran
President and CEO
Nokian Tyres plc*



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"

GENERAL OVERVIEW 1-6/2014

Strong growth in western markets - headwind in Russia

Key figures, EUR million:	4-6/14	4-6/13	Change%	1-6/14	1-6/13	Change%	2013
Net sales	369.5	419.1	-11.8	681.5	752.2	-9.4	1,521.0
Operating profit	90.7	120.2	-24.6	159.1	196.6	-19.1	385.5
Operating profit, %	24.5	28.7		23.3	26.1		25.3
Profit before tax	78.6	98.8	-20.4	134.6	171.7	-21.6	312.8
Profit for the period	66.1	85.6	-22.8	104.8	149.2	-29.8	183.7
Earnings per share, EUR	0.50	0.65	-23.4	0.79	1.13	-30.2	1.39
Equity ratio, %				67.6	67.6		67.6
Cash flow from operations	-21.8	-0.9		-25.5	-96.0	73.4	325.6
RONA,% (roll. 12 months)				18.9	21.1		20.2
Gearing, %				18.0	22.4		-4.1

Summary 1-6/2014

- Car tyre sales volume increased 4%
- Growth and improved market share in western markets.
Sales: CE +16%, North America +24%, Nordic countries +1%
- Sales and ASP hit by currency rate effects (-51.2 m€) and mix
- Strong tailwind from raw material cost supported profitability
- Improved margins of Russian exports
- Production output and productivity improved
- Expanding distribution
 - Vianor 1,260 stores in 27 countries, +54 stores in H1/2014
 - In Russia 3,600 stores within Nokian dealership programs
 - Nokian Tyres Authorized Dealers (NAD) network grew by 240 new stores in H1/2014, now totalling 672 stores in Europe and China

Outlook 2014

- Car tyre demand: growth in Nordics, CE and North America; decline in Russia and CIS
- Nokian Tyres' sales volume to grow and position to improve in western markets
- H1 Net sales decreased due to currency devaluations and weaker mix. H2 sales seasonally better, less Russia impact.
- Pricing environment 2014 tight for all tyre categories
- Raw material cost (€/kg) -12.5% full year 2014, tailwind of 50 m€ vs. 2013
- Profitability supported by improved cost structure and productivity on the back of high share of Russian production

Year 2014 guidance

- In 2014, Net sales and Operating profit are to decline compared to 2013.

MARKET OVERVIEW 1-6/2014*Recovery in western economies, headwind in Russia & CIS***Car tyres****Markets turned positive in the west**

- Some recovery in global economy, excluding Russia and CIS
- Economies in the Nordic countries relatively stable
- New car sales in Russia -7.6%, Europe +6.5%, Nordics +11% yoy
- Car tyre demand picked up in Europe by 8% (winter +22%) yoy.
- Pricing in 2014 declining

Heavy tyres**Heavy tyres' markets recovering**

- Demand of forestry and radial industrial tyres improved
- Manufacturers' delivery times have become longer

Currencies**EUR strengthened against important currencies**

- RUB weakened from EUR/RUB 42.85 to 46.38 (end Q2/2013 vs. end Q2/2014)
- Other important currencies SEK, NOK, CAD, USD also weakened against EUR

Raw material prices**Raw material prices have continued to decrease**

- Nokian Tyres' raw material cost (€/kg) down by 15.6% vs. H1/2013
- Raw material cost to decrease by 12.5% in 2014 vs. 2013, tailwind 50 m€

NOKIAN TYRES PERFORMANCE 1-6/2014***Sales and market shares up in the west,
currencies and mix hurt global sales*****Sales and
market position****Market share up in western markets**

- + Car tyre sales volume total up 4%
- + Car tyre Net sales +20% in western markets
- + Car tyres' market share improved in Nordics, CE and North America
- + Test success continued with summer tyres
- Sales value down due to currency devaluations and weaker mix

Profitability**Improved productivity and tailwind from decreasing raw material cost**

- + Raw material cost down 15.6% in H1/2014 yoy
- + Car tyre production volume up 7%, productivity (kg/mh) improved by 4% yoy
- + Winter tyres' share of sales volume increased in H1 yoy
- + Fixed costs decreased yoy
- Russia & CIS sales down, share of total 43% → 32%
- Average Selling Price (€/kg) decreased due to currency devaluations, weaker mix and tight pricing environment

Production**Capacity to meet future market growth**

- + Annualized capacity over 15 million tyres in the Russian factories with 13 lines, inbuilt capability to increase group output rapidly without capex to > 20 million pcs
- + Production output and productivity increased in H1 yoy

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

- + Vianor expanded to 1,260 stores in 27 countries; +54 stores in H1/2014
- + 3,600 tyre stores in Nokian dealership programs in Russia
- + Nokian Tyres Authorized Dealer (NAD) +240 stores in H1/2014. Network comprises of 672 stores in Italy, Germany, Ukraine, China, Denmark, France, Czech and Bulgaria.



FINANCIAL PERFORMANCE

Group Operating profit per quarter 1/2010 - 6/2014

1-6/2014

Net sales 681.5 m€,
(752.2 m€) -9.4%

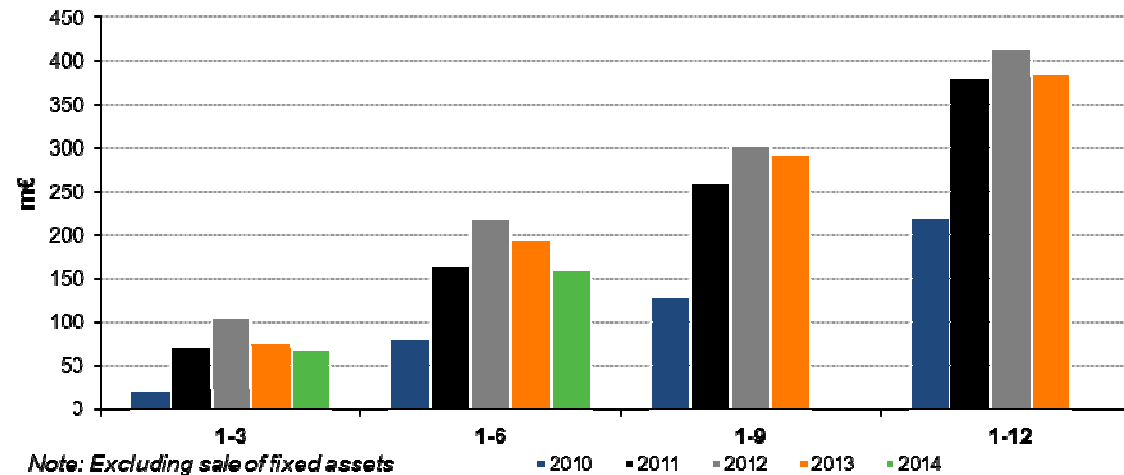
EBIT 159.1 m€,
(196.6 m€) -19.1%

4-6/2014

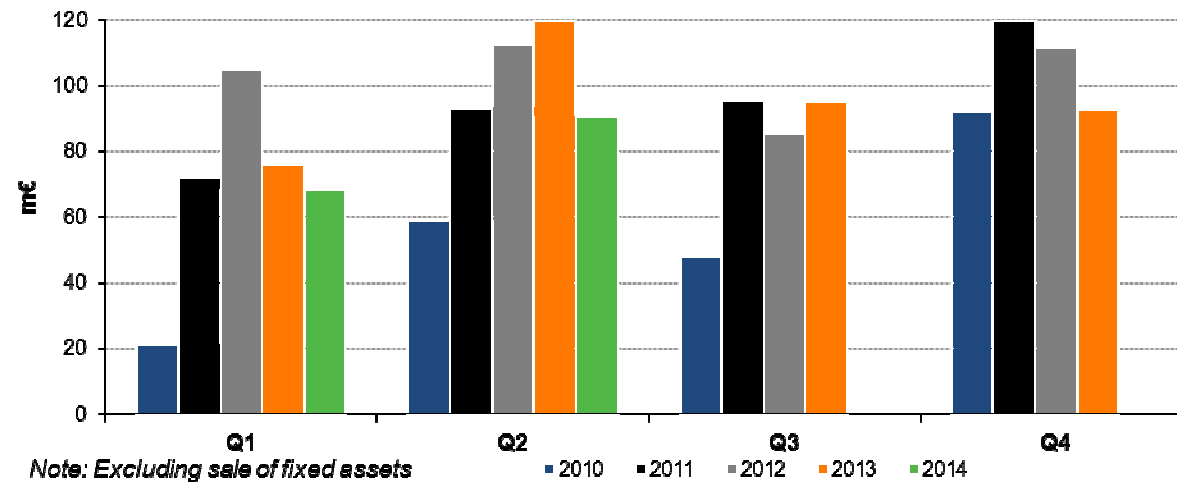
Net sales 369.5 m€,
(419.1 m€) -11.8%

EBIT 90.7 m€,
(120.2 m€) -24.6%

Cumulative Operating profit per review period (m€)



Group Operating profit per quarter (m€)

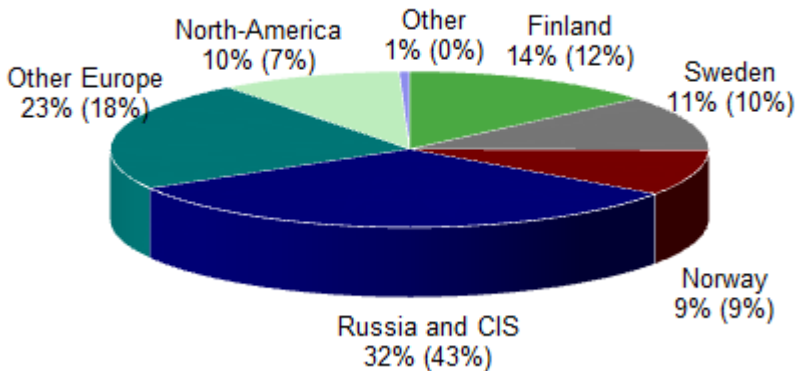




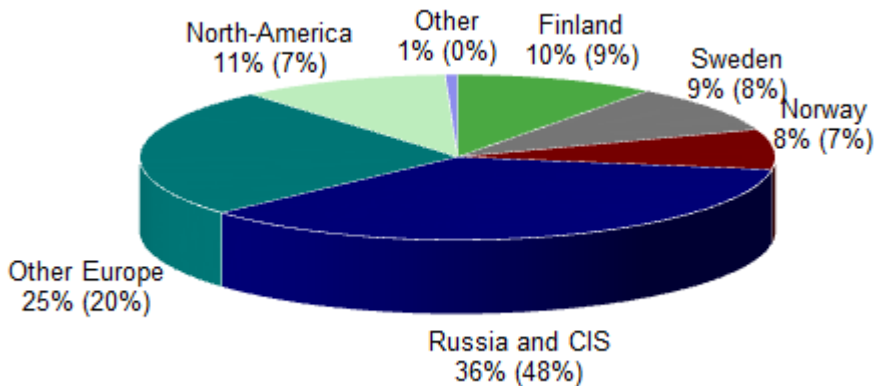
FINANCIAL PERFORMANCE

Gross sales by market area 1-6/2014

Sales of Nokian Tyres Group 745.4 m€



Sales of Manufacturing Units: 663.6 m€



GROUP Sales development in euros

- Nordic countries +1.1%
- Russia and CIS -33.3%
- Other Europe +16.1%
- North America +24.0%

MANUFACTURING Sales development in euros

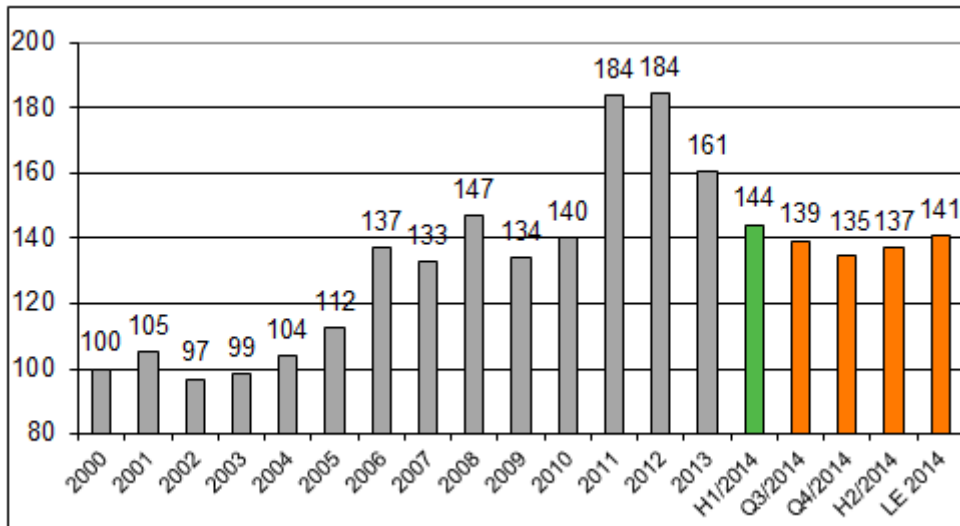
- Nordic countries +0.8%
- Russia and CIS -33.4%
- Other Europe +16.1%
- North America +25.5%



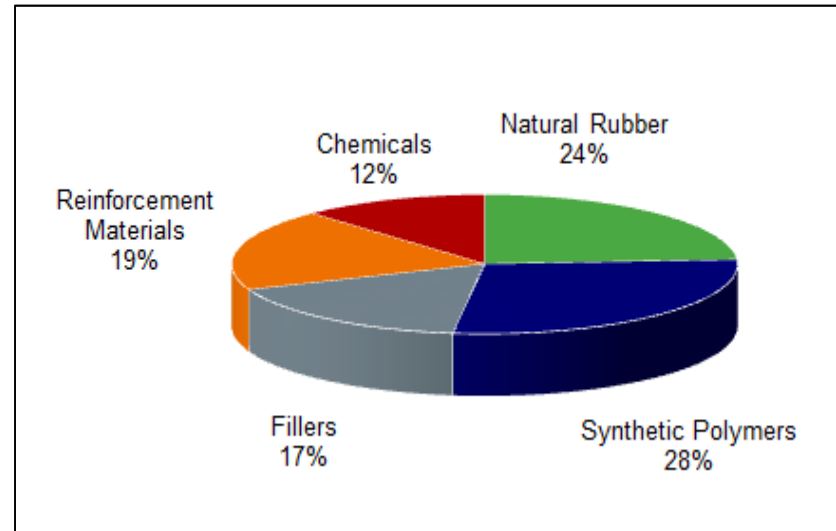
FINANCIAL PERFORMANCE

Raw material cost development

Raw material cost development index 2000-E2014



Value of raw material consumption (%)



Nokian Tyres raw material cost (€/kg)

- **Raw material cost**
 - decreased by 12.1% in Q2/2014 vs. Q2/2013
 - decreased by 15.6% in H1/2014 vs. H1/2013
- **Raw material cost is estimated to**
 - decrease by 4.5% in Q3/2014 vs. Q2/2014
 - decrease by 8% in H2/2014 vs. H2/2013
 - decrease about 12.5% in 2014 vs. 2013

Tailwind >30 m€ in H1/2014 vs. H1/2013

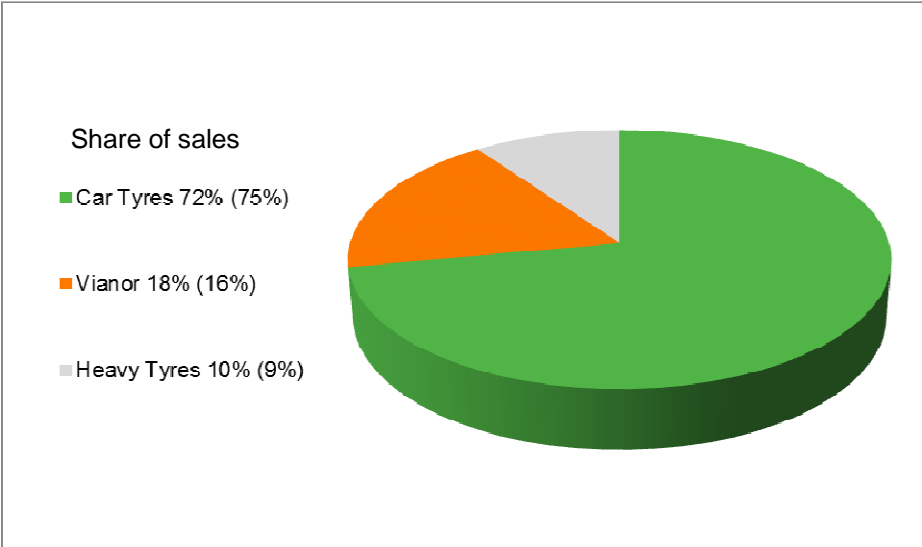
Estimated tailwind 50 m€ in 2014 vs. 2013



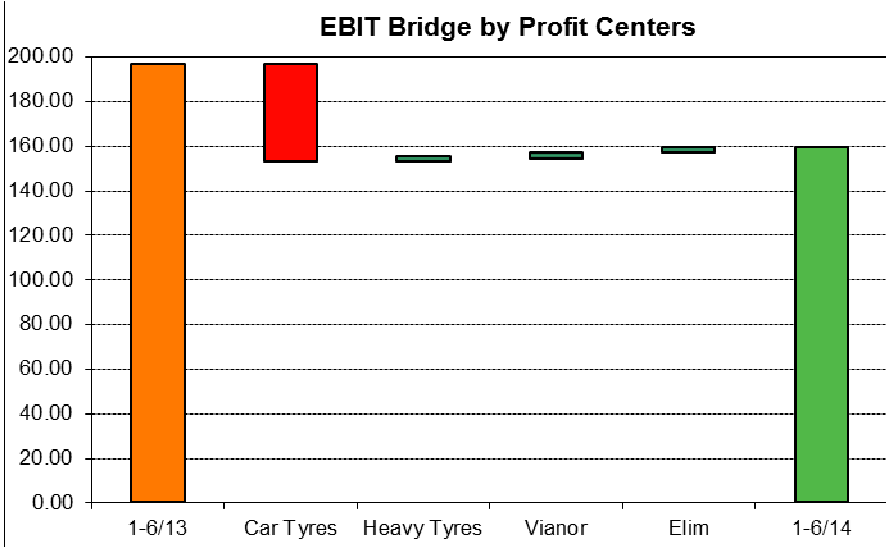
PROFIT CENTRES 1-6/2014

General overview

Net sales 681.5 m€; -9.4%



EBIT 159.1 m€; -19.1%



Passenger Car Tyres

- Net sales: 520.6 m€; -12.0%
- EBIT: 163.5 m€; -21.0%
- EBIT margin: 31.4% (35.0%)
- Key products: studded and non-studded winter tyres, high-speed summer tyres

Vianor

- Net sales: 130.5 m€; +0.4%
- EBIT: -6.9 m€; +29.9%
- EBIT margin: -5.3% (-7.6%)
- 1,260 stores in 27 countries in Nokian Tyres' core markets
- 186 equity-owned stores consolidated in result

Heavy Tyres

- Net sales: 71.3 m€; +2.0%
- EBIT: 9.9 m€; +14.9%
- EBIT margin: 13.9% (12.3%)
- Key products: tyres for forestry, industrial and agricultural machinery; truck tyres and retreading materials



PROFIT CENTRES 1-6/2014

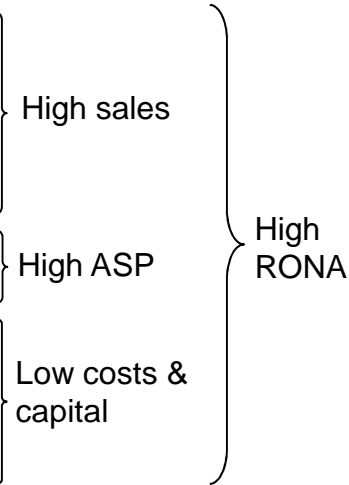
Car Tyres: Sales and market shares up in western markets

Performance in 1-6/2014

- + Western markets: Sales +20%, market shares up
- + Magazine test success continued with summer 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 and weaker mix

Key actions and targets for 2014

- Strong sales growth in the west to compensate for most of the decline in Russia and CIS
- Improve market shares further in core markets and CE
- Expand distribution, special focus CE
- Secure delivery capability for the winter season
- Defend sales mix & improve service level
- Defend brand and price position; new products H2/2014
- Improve productivity and utilization of capacities
- Secure collection of receivables
- Cut fixed costs
- Cut capex, improve NWC rotation



→ **Beat market growth in car and SUV tyre sales, improve price position with new products. Expand distribution, improve productivity and capacity utilization**

Net sales:

1-6/2014: 520.6 m€ (591.6 m€); -12.0%

4-6/2014: 273.7 m€ (317.9 m€); -13.9%

EBIT:

1-6/2014: 163.5 m€ (207.0 m€); -21.0%

4-6/2014: 83.4 m€ (114.6 m€); -27.2%

EBIT margin:

1-6/2014: 31.4% (35.0%)

4-6/2014: 30.5% (36.0%)



New Nokian Hakkapeliitta 8



MAGAZINE TESTS 2013-2014

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

New Nokian Hakkapeliitta R2 – Northern Comfort

- Non-studded winter tyre family for core markets

New Nokian WR SUV 3 – Ultimate snow and slush performance

- New high-performance SUV tyre for Central European winter

Nokian WR D3 – Forget the Forecasts

- Reliable winter tyre for Central Europe

SUMMER TYRES, spring 2014 – SEVERAL TEST VICTORIES

Nokian Hakka Blue – Multiple test winner

- Summer tyre family for core markets

Nokian Hakka Green – Naturally safe

- Summer tyre family for core markets

Nokian Line – Multiple test winner

- Summer tyre family for Central European markets

Nokian Z SUV – Durable champion of extreme conditions

- High-performance SUV tyre for Central European summer



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



Nokian Hakka Blue

NEW PRODUCTS IN 2014

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

- The Nokian Hakkapeliitta 8 SUV, the new studded tyre for SUVs, uses completely new innovations to tame the extremes of the Northern winter.
- The most modern stud technology (Nokian Eco Stud 8 Concept) in the business provides grip like never before on ice and snow.
- The durability of the sidewall is optimised by means of aramid fibres (Nokian Aramid Sidewall technology), widely used in the aerospace and defence industries.



Nokian Hakkapeliitta 8 SUV

Nokian Hakkapeliitta C3 – Winter grip and efficiency for professionals

- The new Nokian Hakkapeliitta C3 studded tyre makes life easier for heavy duty professionals. These durable studded tyres can master harsh winter conditions; in addition to the balanced winter grip that is synonymous with the Hakkapeliitta brand, it offers stable handling
- The new square steel stud ensures excellent winter grip
- The steel belt package and rubber compound, optimised for heavy use, provide structural durability and high-end performance for the rough Northern roads



Nokian Hakkapeliitta C3

Nokian Hakkapeliitta CR3 – Driving comfort for demanding professional use

- The new Nordic non-studded winter tyre, Nokian Hakkapeliitta CR3, is developed for versatile use on delivery vehicles and vans. It provides excellent winter grip and driving comfort.
- In addition to the extremely low rolling resistance, developments have also been made in handling on ice, snow, and wet roads.
- The new non-studded van tyre effectively utilises the Nokian Cryo Crystal Concept that was used to maximise the ice grip of the Nokian Hakkapeliitta R2 passenger car tyre.



Nokian Hakkapeliitta CR3

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.
- Feels at home in the varying weather conditions with excellent winter grip and driving response and all-season durability and comfort.



Nokian WR G3 SUV

RUSSIA

Comments on the current crisis

Politics

- Current crisis most difficult one since 1993. Back then it took the market less than two years to recover.

Market situation

- No major difficulties in doing business have emerged in Russia after the beginning of the crisis
- Weak GDP growth and new car sales penalize tyre sales
- Tyre sales shifting towards cheaper products penalizes ASP
- Weak RUB penalizes sales in Euros

Currency

- Recovery to EUR/RUB level of 40-44 possible. Requires right measures from the Central Bank.

Nokian Tyres' performance

- Sales volume decreased slightly and market share was flat in H1/2014 yoy
- Of the Russian production 55% is exported and the margin between production costs in Roubles and export sales in Euros has improved.

Worst case scenario (unlikely): Closing of the borders

- Nokian Tyres would double the production in Finland → would replace a half of current exports from Russia
- Increase sales domestically in Russia significantly



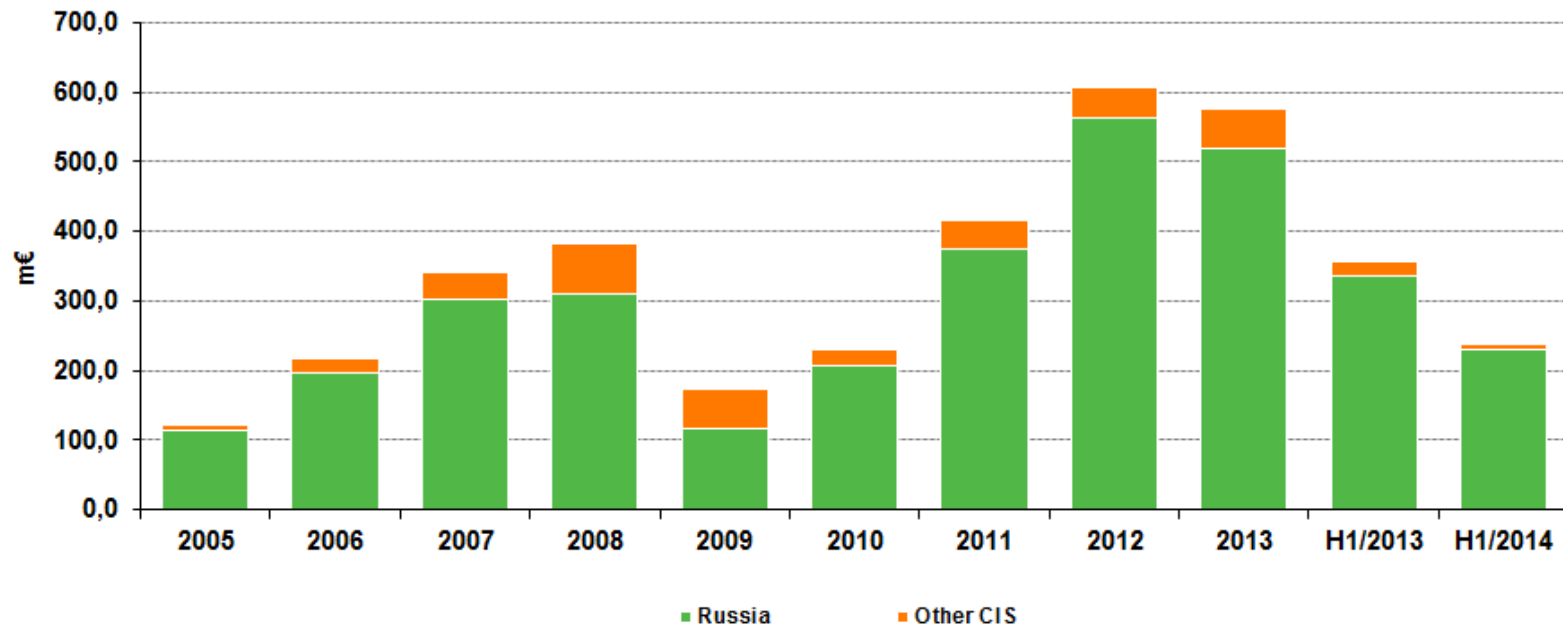
RUSSIA & CIS

Market share flat , sales volume down – ASP hit by devaluation and mix

- H1 Sales in Russia down by 31.4% to 230.9 m€ (336.4 m€)
 - Sales drop caused mainly by devaluation of RUB and a weaker mix
- Sales in CIS (excluding Russia) 6.9 m€ (20.3 m€), cut due to Ukraine-Crimea crisis
- Nokian Tyres: Market leader, improved supply capacity, expanding distribution

→ 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 other partners: 634 Vianor stores (+13 in H1/2014) – in Russia 3,600 retail partner points of sale



- Distributors (38)
- DSD current cities (Moscow, SPb, Samara/Togliatti, Yekaterinburg, Chelyabinsk, N.Novgorod, Omsk, Rostov-on-Don, Perm, Ufa, Orenburg, Kazan, Voronezh, Tyumen, Volgograd, Novosibirsk, Krasnodar)
- 634 Vianor stores in 367 cities; +13 stores in H1/2014

Nokian dealership programs include 3,600 tyre stores and car dealers in Russia

RUSSIA

Nokian Tyres is the strongest player in Russia

Nokian Tyres' market position in Russia

- State-of-the-art and efficient factory in Russia
 - Close access to markets
 - Within customs zone. Import duty for tyres 18% (in 2013 and early 2014) will gradually decrease to 10% in 2017
 - 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 – 634 Vianor stores / 3,600 partner stores in Russia
- ***Nokian Tyres continues to strengthen its market leader position in Russia***

Nokian Tyres' factories in Russia

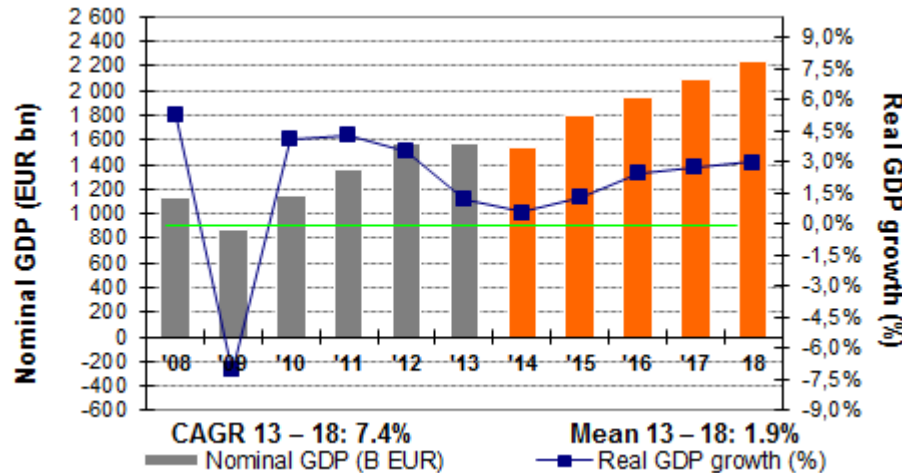
- 13 production lines → Annual capacity >15 million tyres with current shift arrangements
- State-of-the art machinery, high automation level and European quality standards
- Vsevolozhsk factories export approximately 55% of its production to over 40 countries:
Biggest consumer goods exporter in Russia
- Housing project, Hakkapeliitta Village – 343 flats for employees completed
- Number of personnel in Russia on 30 June 2014: 1,323 (1,309)
- CAPEX by end 2013: 796 m€



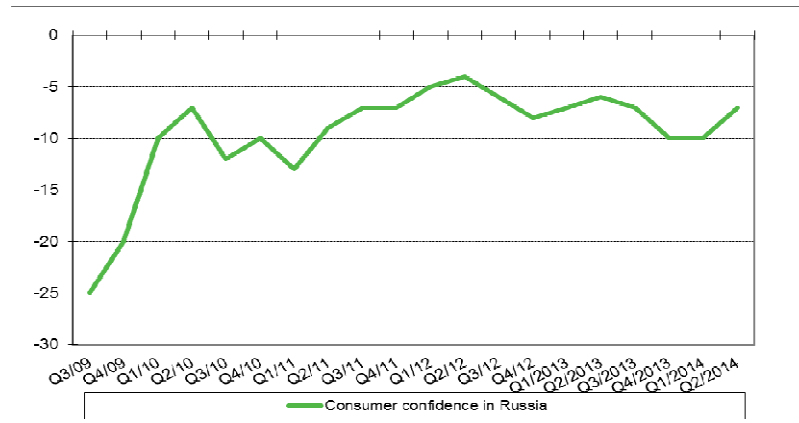
RUSSIA

Russia's economy growth stalled

Russia's GDP growth



Consumer confidence in Russia



Major trends and expectations

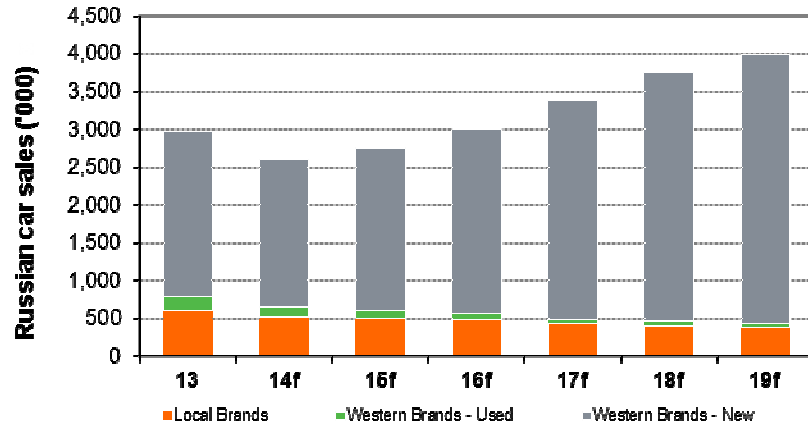
- After a severe crisis of 2008-2009, Russia's economy grew by ~4% a year in 2010-2012
- In 2013 the economy clearly slowed down: the real GDP growth in 2013 was a modest 1.3%, reflecting weaker investment and consumer consumption
- The growth further slowed down in 2014 driven by both fundamental and geopolitical factors such as the Ukraine crisis and the US and EU sanctions against Russia; H1 GDP real growth is estimated to be below 1%
- Overall growth trend is likely to resume once the current crisis in Russia's relations with the West is overcome and both foreign and domestic investors' confidence is restored, although its pace is likely to be slower
- Consumer confidence has stabilized and reached its normal level in 2013; in early 2014 it slightly declined, but improved in Q2; however, consumer spending and retail sales remain sluggish
- The ruble has devalued against major currencies following weakening of fundamental factors and later driven by the Ukrainian crisis and US and EU sanctions; given the current geopolitical situation, the ruble has fluctuated in the range 46 – 48 EUR/RUB, but some experts believe its fundamental value is ~42 EUR/RUB and expect this level in 2015



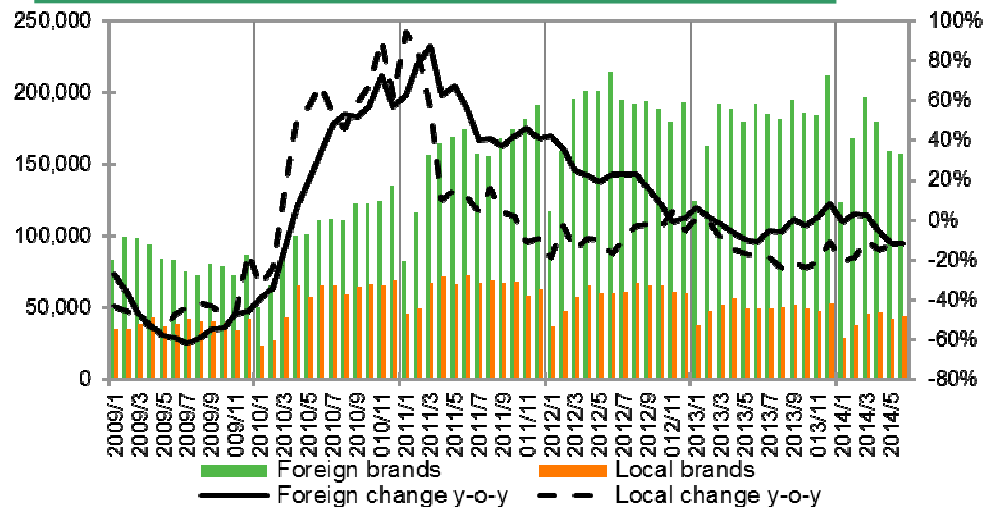
RUSSIA

Car sales continue to decline, return to growth track delayed

Russian car sales forecast – base scenario



Monthly car sales



Source: AEB; IHS Global Insight; Nokian Tyres estimates July 2014

Car market summary

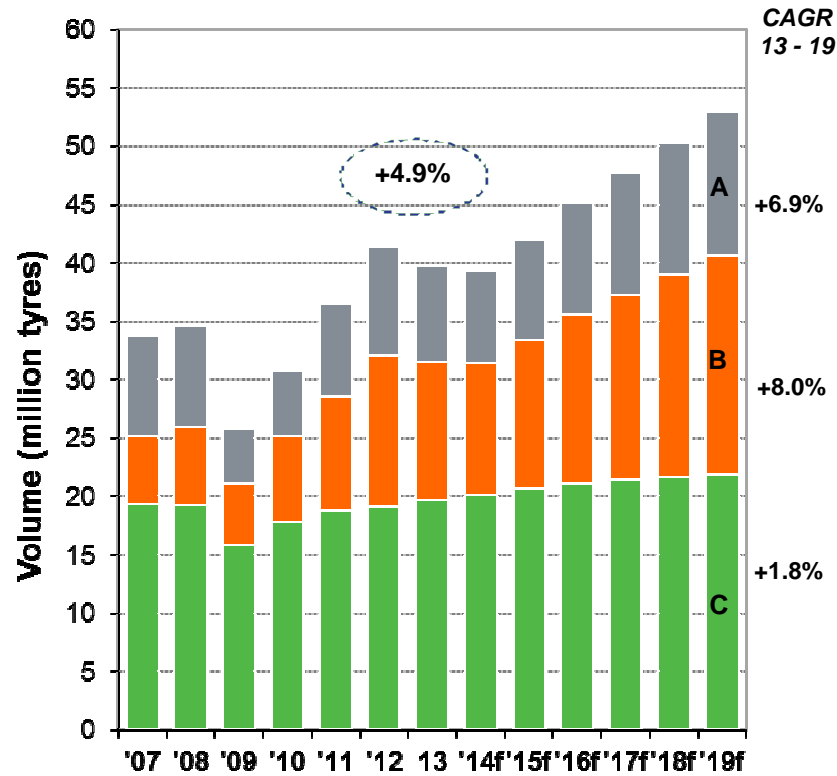
- The 11% growth in the new car sales in 2012 turned into a 5% decline in 2013
- As the result, the Russian new car and LCV market reached 2.78 million units sold in 2013
- During H1 2014 new car sales continued to decline with an accelerating pace: -7.6% in H1, -12.4% in Q2 and -17.3% in June 2014 vs. the same period of 2013; overall decrease in new car sales is expected at the level 10 – 15% in 2014 with the annual sales at the level of 2.4 – 2.5 million units
- This renewed negative dynamics is driven by the general weakening of the economy and consumer confidence; the ruble devaluation may have supported car sales in Feb - Mar 2014 on the back of consumer concerns about devaluation and resulting increases in car prices; further development will depend on the overall situation
- However, this slowdown of the car market is seen as a temporary phase caused by external factors, 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 maturity level of the car market is estimated at the level of ~4 million vehicles and it can be achieved by 2020
- Even with this decline in new car sales, the total amount of vehicles on the road is growing every year by some 0.8 – 1.0 million units a year



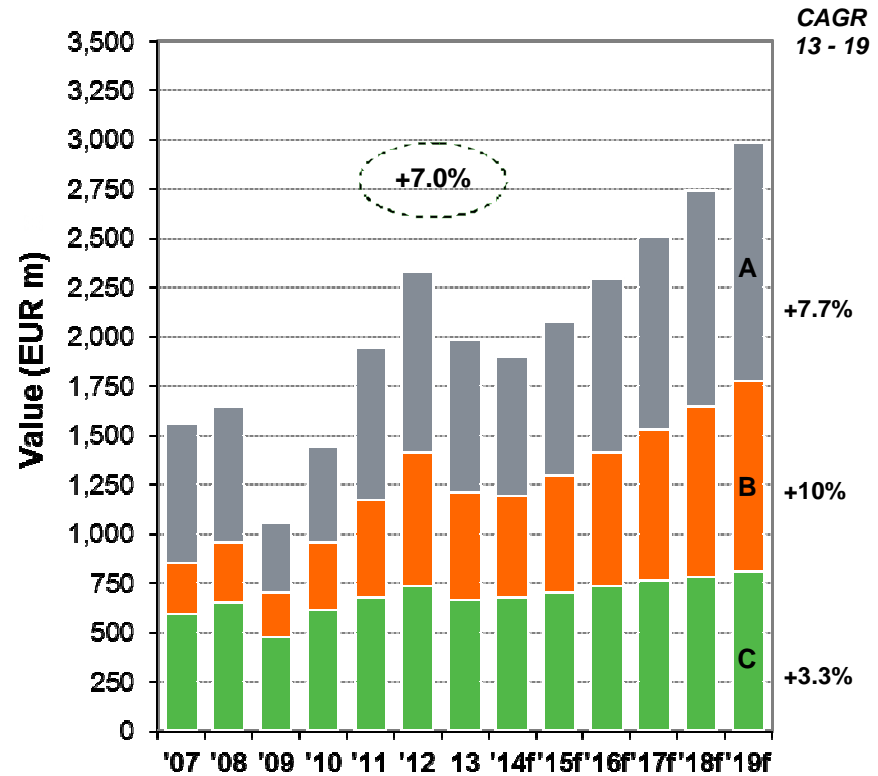
RUSSIA

Tyre market stagnating, but potential still exists

Car and van tyre replacement market (volume)



Car and van tyre replacement market (value)



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

Source: Nokian Tyres estimates August 2014



RUSSIA

Nokian model – lessons learned and some considerations

- | | |
|--|--|
| Risk Management | <ul style="list-style-type: none">- Build your political, and customer relations on personal level- Avoid having all eggs in the same basket- No jv's, either 100% or 0% |
| Local Empowerment | <ul style="list-style-type: none">- Trust vs. Ryssä- Be Tough, Fair and Generous, no bullshit, no compromises- Set ambitious Targets, nothing is impossible |
| Crisis offer Opportunities | <ul style="list-style-type: none">- Be Brave but not foolish, attack when blood on the streets- First mover benefits create sustainable competitive dvantage |
| Pricing determines Brand & Profitability | <ul style="list-style-type: none">- Become and maintain price leadership – be # 1. |
| Close to End User | <ul style="list-style-type: none">- Build and control distribution all the way to end user- Create partner and end user retention tools |
| Best Technology & Productivity | <ul style="list-style-type: none">- Invest in best available technology, do not save- Labour cost will go up significantly in major cities- Prohibit "frog disease" & escalating organisation growth |
| Contracts do not protect | <ul style="list-style-type: none">- Administration, Legal & Security matters in own hands |
| Social programs | <ul style="list-style-type: none">- Be a good ziticen, participate in social programs |



- 7 buildings with 7 floors
- 19 400 m², 343 apartments
- 2 kindergartens



- ★ First 4 buildings
(phase I)
- ★ 3 new buildings
(phase II)





NOKIAN TYRES RUSSIA 2014



**General Manager
Andrei Pantioukhov**



**HR Manager
Lilia Yasakova**



**National Sales
Manager
Dmitry Shmarov**



**L&P Manager
Tatiana Budennaya**



**Manufacturing Manager
Alexander Ustavshikov**



**Finance Manager
Irina Ushakova**



**Security Manager
Aleksandr Oleshuk**



**ICT Manager
Nikolay Enshin**



**Marketing
Communications Manager
Anna Gorokhova**



**Corporate Relations
Manager
Elena Timokhina**



**Assistant to GM
Natalia Belichenko**



EXPANSION OF DISTRIBUTION CHANNEL 1-6/2014

Vianor: Foothold on core markets strengthening, +54 stores

NAD: New soft franchise launch, +240 stores

Vianor – 1,260 stores in 27 countries

- 54 new stores in H1/2014; +25 Q2/2014
- 186 equity-owned, 1,074 franchising/partners
- Largest tyre chain in Nordic and Baltic countries: 310 stores (+13 in H1/2014)
- Largest tyre chain in Russia and CIS: 634 stores (+13 in H1/2014) in 367 cities
- Expansion to Central Europe: 261 stores (+23 in H1/2014)

Vianor stores by segment

- Car tyres: over 1,100 stores
- Heavy tyres: about 270 stores
- Truck tyres: about 330 stores

Target 2014 → over 1,340 Vianor stores

Nokian Tyres Authorized Dealers (NAD)

- H1/2014: +240 stores
- 672 stores in Italy, Germany, Ukraine, China, Denmark, France, Czech and Bulgaria
- Estimate by end of 2014: 900 stores

Vianor – Distribution spearhead for all product groups

NAD – Nokian Tyres Authorized Dealer



PROFIT CENTRES 1-6/2014

Heavy Tyres: Recovering forestry tyre demand

Performance in 1-6/2014

- + Sales up 2%, Forestry tyres up 26% in H1 yoy, healthy order book
- + Lower raw material cost supported margins
- + Structural changes in manufacturing reduced manning and improved product quality, flexibility, and productivity
- Production ramp-up still insufficient to meet growth in demand
- ASP decreased by 1% due to tight pricing environment
- Truck tyre sales decreased 5% yoy

Key actions and targets for 2014

- Maximize production output
 - Increase sales, especially in forestry, radial and truck winter tyres
 - Improve sales mix and share of replacement market sales
 - Expand the distribution network, especially in Russia and CIS
 - Launch new forestry and industrial radial products
 - Utilize new & retreaded truck tyres as a sales concept
 - Optimize off-take contract manufacturing
 - Utilize synergies from the integrated new division
- **Increase sales, maximize production output and improve productivity**
- **Increase H2/2014 sales and EBIT vs. H1/2014 and H2/2013**

Net sales:

1-6/2014: 71.3 m€ (69.6 m€); 2.0%

4-6/2014: 36.7 m€ (36.7 m€); 0.0%

EBIT:

1-6/2014: 9.9 m€ (8.6 m€); 14.9%

4-6/2014: 5.4 m€ (4.6 m€); 18.6%

EBIT margin:

1-6/2014: 13.9% (12.3%)

4-6/2014: 14.8% (12.5%)



Nokian Forest King F



NEW PRODUCTS IN 2014

Nokian Hakkapeliitta TRI – The first winter contracting tyre for tractors in the world

- 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.





NOKIAN TYRES GOING FORWARD

Investment for growth and productivity

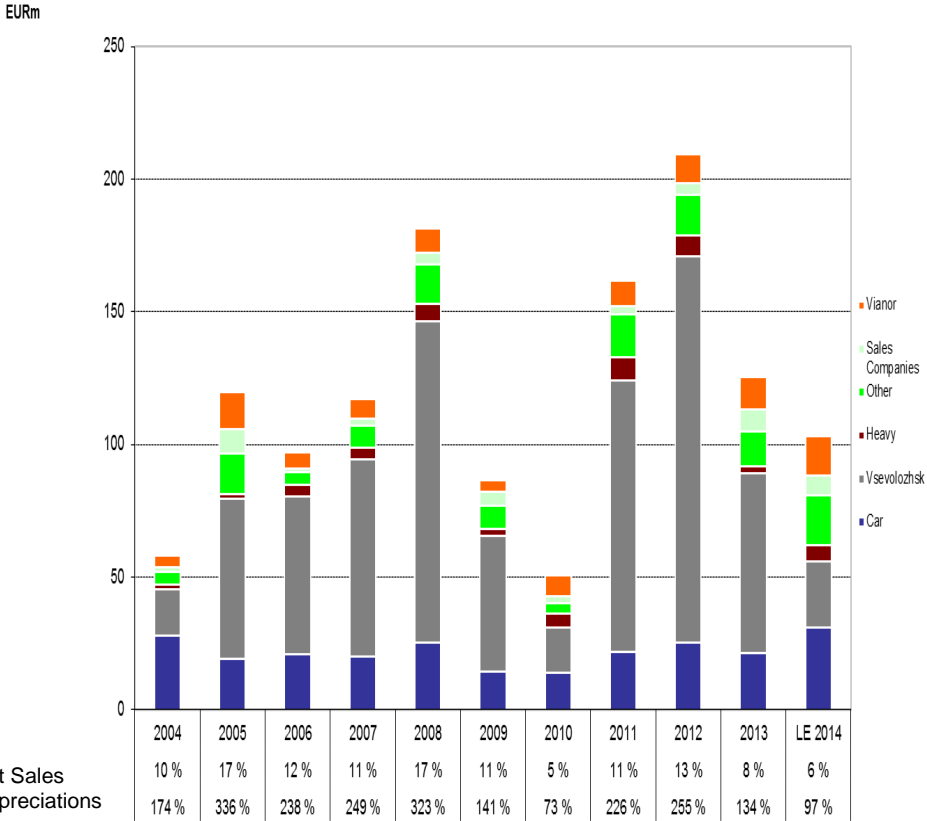
Investments in 1-6/2014

- 36.0 m€ (88.8 m€)

Estimated investments for 2014

- Approximately 103 m€
 - Russia: 26 m€
 - Nokia plant 50 m€ (automation, moulds, ICT & R&D)
 - Heavy Tyres 6 m€
 - Sales companies and Vianor 17 m€
 - Tyre chain acquisitions 5 m€

Nokian Tyres Capital expenditures (m€)



PRODUCTION PLANTS

Production capacity in 2014: 18 million tyres

Potential to increase output to over 20 million tyres 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

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

2012-2014:

- 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 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

2013-2014:

- Line 12 on stream in March 2013
- Line 13 installation in Q2/2013
- 13 lines in production. Capacity > 15 Mpcs.

NOKIAN TYRES GOING FORWARD

Outlook 2014: Market position to improve, sales value to decline

Assumptions

- Core markets
 - GDP growth 2014 in Russia 0%, Nordics 2%
 - New car sales growth in CE and Nordic countries
 - New car sales in Russia to decline 10-15%
 - RUB and key sales currencies weak against EUR
- Price pressure and sales shift from A to B segment in Russia shadow ASP development
- Raw material cost (€/kg) to decline
 - Cost to decrease by 8% in H2/2014 vs. H2/2013
 - Cost to decrease by 12.5% in 2014 vs. 2013
- Passenger car tyre markets
 - Demand in Nordic countries to grow 2-4%
 - Demand in CE countries to grow 5-8%
 - Demand in Russia & CIS to decline by 5-10%
 - Demand improving for winter tyres long term; legislation in Europe, Russia & CIS
- Heavy tyre market demand
 - Demand to improve in Nokian core product groups
- Nokian Tyres financial position remains solid
 - Equity ratio 67.6% at the end of H1/2014
 - Undrawn facilities available



Outlook 2014

- Car tyre demand: growth in Nordics, CE and North America; decline in Russia and CIS
- Nokian Tyres' sales volume to grow and position to improve in western markets
- H1 Net sales decreased due to currency devaluations & weaker mix. H2 sales seasonally better, less Russia impact.
- Pricing environment 2014 tight for all tyre categories
- Raw material cost (€/kg) -12.5% full year 2014, tailwind of 50 m€ vs. 2013
- Profitability supported by improved cost structure and productivity on the back of high share of Russian production

Year 2014 guidance

- In 2014, Net sales and Operating profit are to decline compared to 2013.

THE NEXT PRESIDENT AND CEO

Ari Lehtoranta

Position	Appointed President and CEO of Nokian Tyres as of 1 Oct 2014
History in the company	Will join the company on 1 Sep 2014
Year of birth	1963
Education	M.Sc. Telecommunications
Key experience	2010 – 31 Aug 2014: Executive Vice President, Central and Northern Europe, KONE Corporation 2008 - 2010: Executive Vice President, Major Projects, KONE 2005 - 2008: Senior Vice President, Head of Radio Access, Nokia Siemens Networks 2003 - 2005: Vice President, Operational Human Resources, Nokia 1999 - 2003: Head of Broadband Systems division, Head of Systems Integration, Head of Customer Services Europe, Nokia Networks 1985 - 1999: Various positions in Nokia Corporations, including Managing Director of Nokia Telecommunications in Italy
Positions of trust	2013 - present: Caverion Corporation 2013 - 2013: YIT Corporation 2009 - 2014: Elisa Corporation



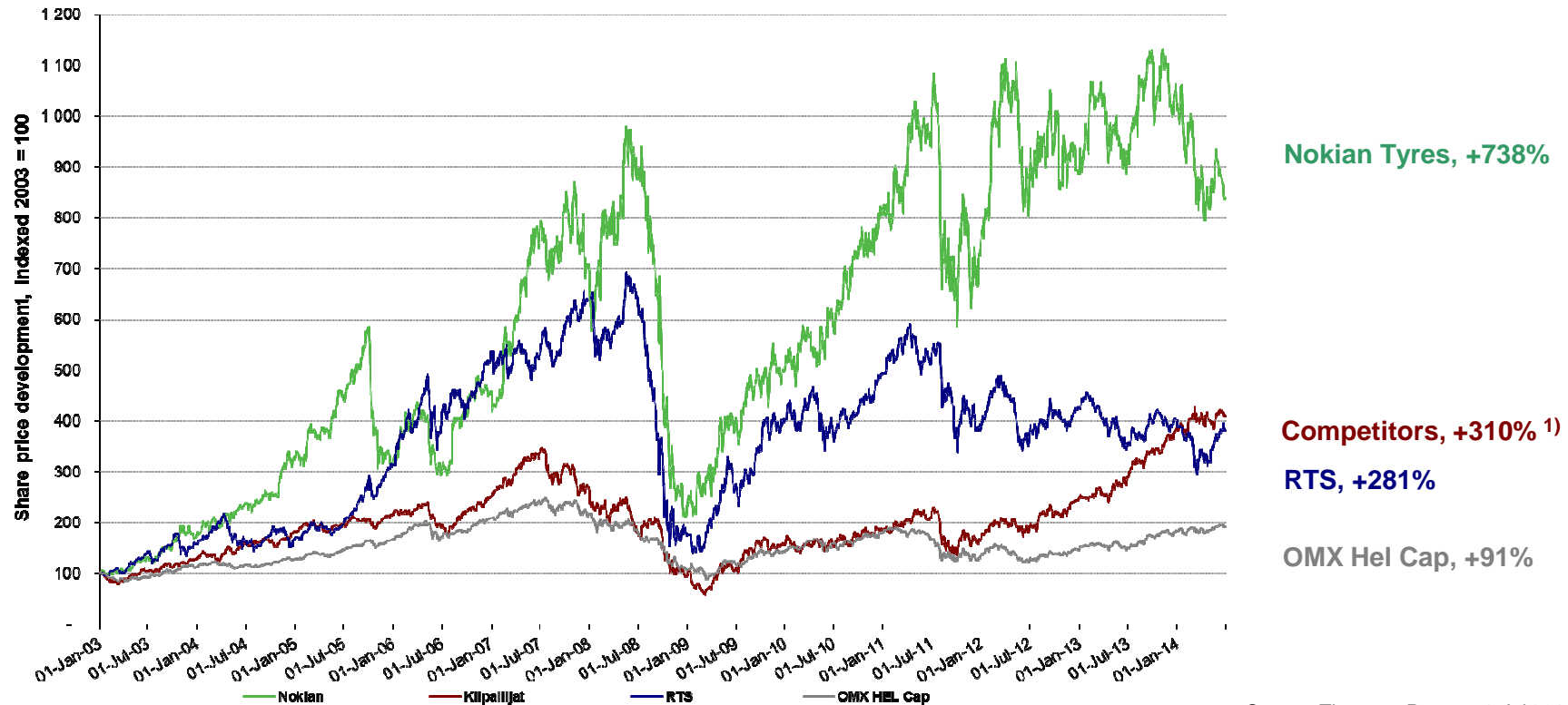


Thank you!



APPENDIX

Comparing share price to main indexes 1/2003 – 6/2014



Source: Thomson Reuters, 2 Jul 2014.
The composite consists of an indexed average values of the main peers of Nokian Tyres.

Nokian Tyres by Jun-30-2014

	Last 10 years	Last 5 years	Last 3 years	LTM	L6M	L3M	Last month
High	38,46	38,46	38,46	38,46	36,08	31,80	30,96
Average	22,26	27,96	31,60	33,17	30,74	29,42	29,73
Low	7,23	12,05	19,89	27,03	27,03	27,03	28,46

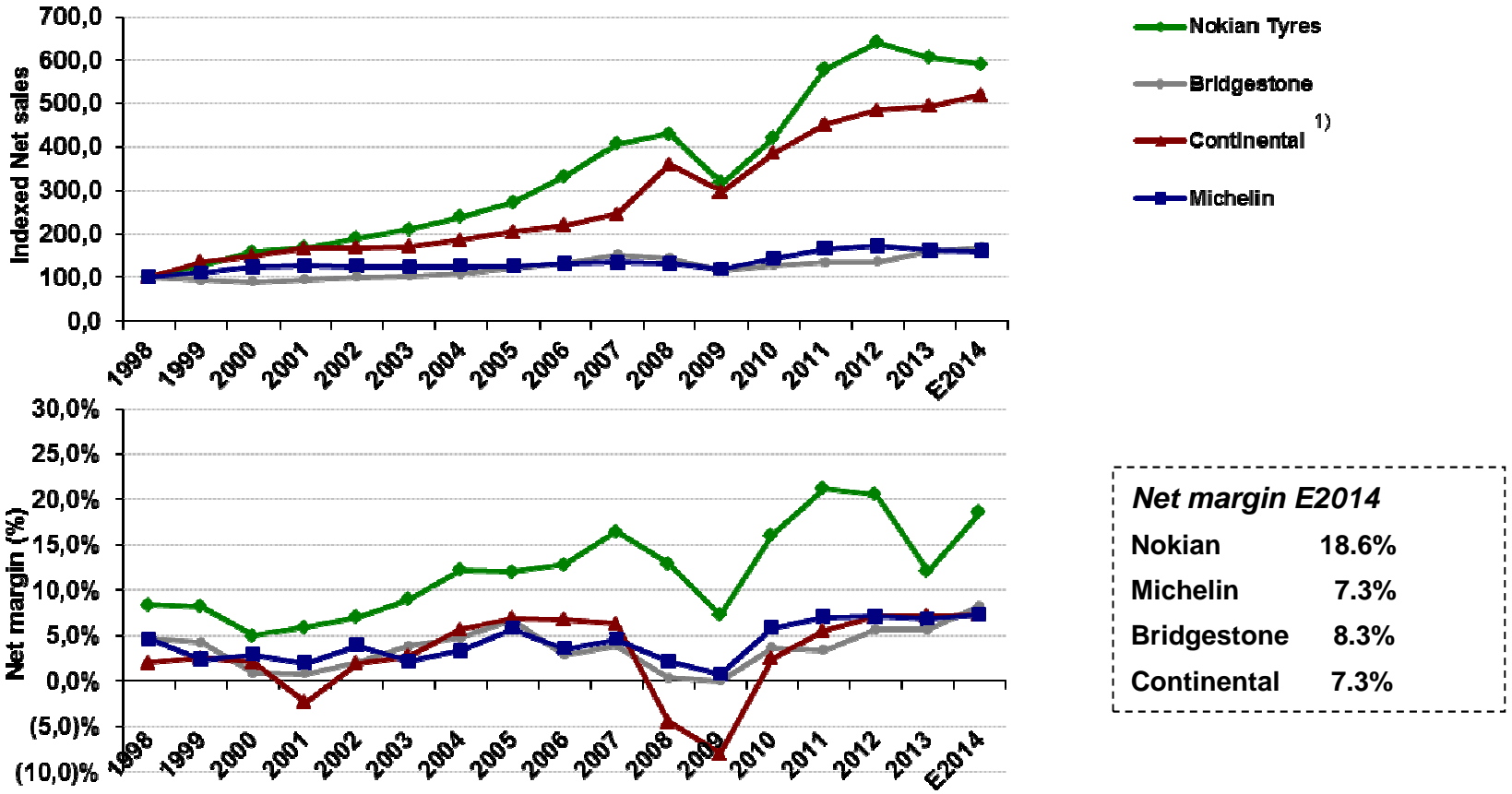


APPENDIX

Competitor comparison 1998-E2014

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 1998-2013 (company websites) and 2014 consensus estimates for the peers as per Thomson Reuters 30 Jul 2014.
PLEASE NOTE: ESTIMATE 2014 IS BASED ON CONSENSUS ESTIMATES, NOT NOKIAN TYRES GUIDANCE.

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