

The logo for Nokian Tyres, featuring the word "nokian" in a smaller, lowercase font above the word "TYRES" in a larger, bold, uppercase font, both in white on a green rectangular background.

**nokian  
TYRES**

**Nokian Tyres plc**

**Interim Report January - March, 2012**

**9 May, 2012**

A blue sports car is driving on a wet road, splashing water. The car is in the center of the frame, moving towards the right. The background shows a green landscape with trees under a blue sky with white clouds. The car's license plate area has a small "nokian TYRES" logo.

**A flying start, good Q1 results  
and continuing growth in 2012**

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

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**Nokian Tyres Fastest on Ice with an electric car:  
New World Record 252.09 km/h**

## GENERAL OVERVIEW OF 1-3/2012

*A flying start, good Q1 results and continuing growth in 2012*

### Key figures, EUR million:

	Q1/12	Q1/11	Change%	Q2/11	Q3/11	Q4/11	2011
Net sales	384.3	289.2	32.9	338.8	346.3	482.5	1,456.8
Operating profit	105.0	72.3	45.3	93.3	95.4	119.1	380.1
Profit before tax	102.2	69.9	46.2	85.4	89.1	114.8	359.2
Profit for the period	87.6	62.4	40.3	74.2	78.1	94.2	308.9
Earnings per share, EUR	0.67	0.49	38.3	0.57	0.60	0.73	2.39
Equity ratio, %	74.3	71.0					63.2
Cash flow from operations	-121.3	-52.3	-131.9	-49.9	-150.9	367.3	114.1
RONA, % (roll. 12 months)	27.3	21.6					27.0
Gearing, %	10.3	5.5					-0.3

### Summary

- Sales grew on all key markets, especially in Russia
- Nokian Tyres' market shares up in Russia and Central Europe
- Strong sales of Hakkapeliitta range in Nordic countries and Russia plus new test-winning summer tyre range fuelled growth and improved ASP
- Improved sales mix with more SUV's → car tyre margins up
- Vianor expanded to 932 stores, addition of 22 in Q1/2012
- Capacity increases: production output (tons) up by 38%
- Uncertainty in Central Europe increased

### Outlook: Profitable growth

- Strong demand and order book, especially in Russia
- Raw material cost stabilizing and estimated to increase by 2% in 2012 vs. 2011
- Capacity ramp-up proceed as planned:
  - New plant in Russia in installation phase, production with lines 11 and 12 to start during 2012
- Profitability supported by:
  - Improved cost structure, higher sales volume, better mix & ASP
  - Increasing share of Russian production → productivity up
- **Year 2012 guidance:**
  - **In 2012, the company is positioned to improve net sales and operating profit compared to 2011.**

## GENERAL OVERVIEW OF 1-3/2012

*Market overview: Strong demand in core markets, CE down*

### Car tyres

#### **Tyre market volumes improved in the core markets**

- Economies in the Nordic countries and Russia improved, consumer confidence was strong and car sales picked up (Nordic +8%, Russia +19%)
- Demand in Russia up by >25% vs. Q1/2011. In CE market was down by 12%.
- Prolonged snowfall in spring → some sales shifted to Q2 in Northern Europe
- Distributors' tyre stocks are normal in Nokian Tyres' core markets, but in Central Europe the winter tyre carry-over stocks are high

### Heavy tyres

#### **Forestry machinery production recovering**

- The demand for forestry tyres showing signs of recovery
- Demand for special heavy tyres for mining, harbours and industrial equipment growing at a low rate

### Currencies

#### **Currencies' effects relatively insignificant**

- The Euro has been slightly weakening against the RUB and the NOK.

### Raw material prices

#### **Raw material prices relatively stable, slight increase expected in 2012**

- Nokian Tyres raw material cost rose by 15.7% YOY, but decreased by 3.6% in Q1/2012 vs. Q4/2011

## GENERAL OVERVIEW OF 1-3/2012

### *Nokian Tyres performance: Strong sales and profitability*

#### Sales and market position

##### **Volumes and market shares up**

- + Sales grew in car and truck tyres as well as in Vianor
- + Strongest sales growth in Russia and SUV tyres
- + Test victories of Nokian summer tyres boosted sales
- + Car tyres' market share improved in Russia and CE
- Demand for forestry tyres still lower YOY

#### Profitability

##### **Improved ASP offset the increased raw material cost**

- Raw material cost rose by 15.7% YOY
- + Mix improved & price increases in 2011 → car tyre ASP up
- + Increasing share of Russian sales and production improved margins
- + Profitability supported by higher sales volume vs. moderate growth of fixed costs

#### Production

##### **Productivity boost from increased production volumes**

- + In Russia 10 lines in production
- + Plant in Nokia in 7 d/week full capacity
- + Output (tons) grew by 38% with higher utilization of capacity and growing share of Russian production
- + Building of new Russian plant continued, production startup 2 lines during 2012

#### Distribution

##### **Vianor expanding**

- + Vianor expanded to 932 stores in 24 countries; increase by 22 stores in Q1/2012
- + New Vianor country: Serbia

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## FINANCIAL PERFORMANCE

### Group operating result per quarter 2007-2012

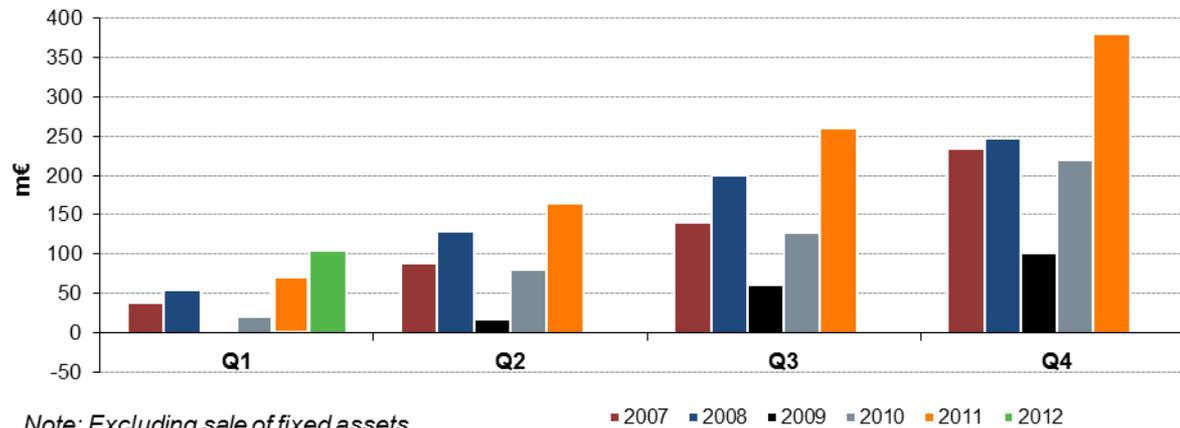
1-3/2012

Net sales 384.3 m€  
(298.2 m€), +32.9%

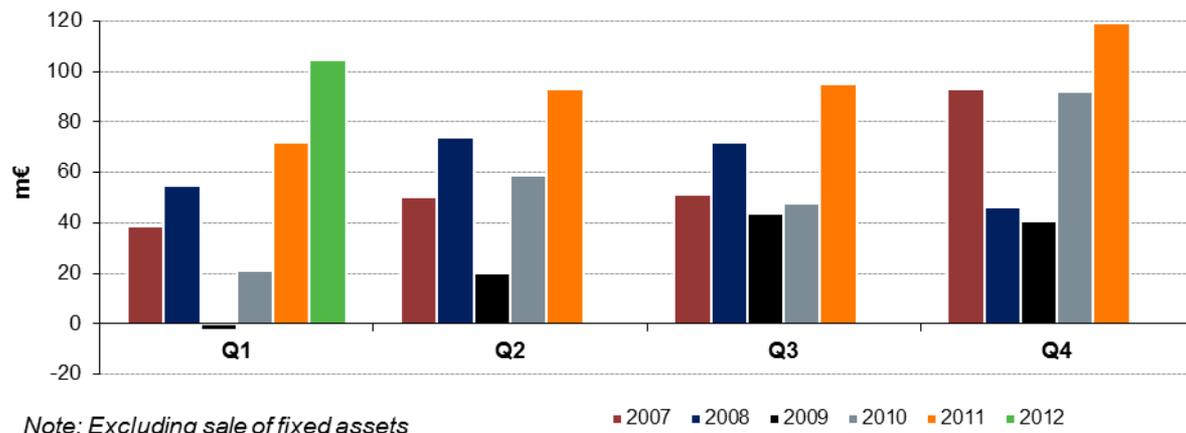
EBIT 105.0 m€  
(72.3 m€), +45.3%

- All-time high Q1

Cumulative operating profit per quarter (m€)



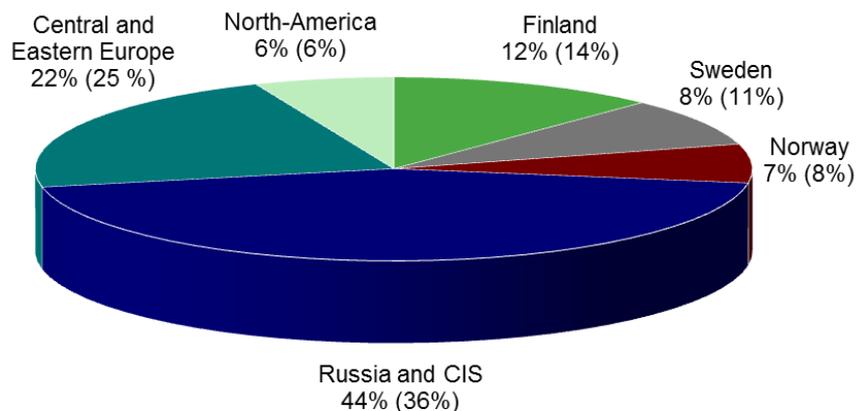
Group operating profit per quarter (m€)



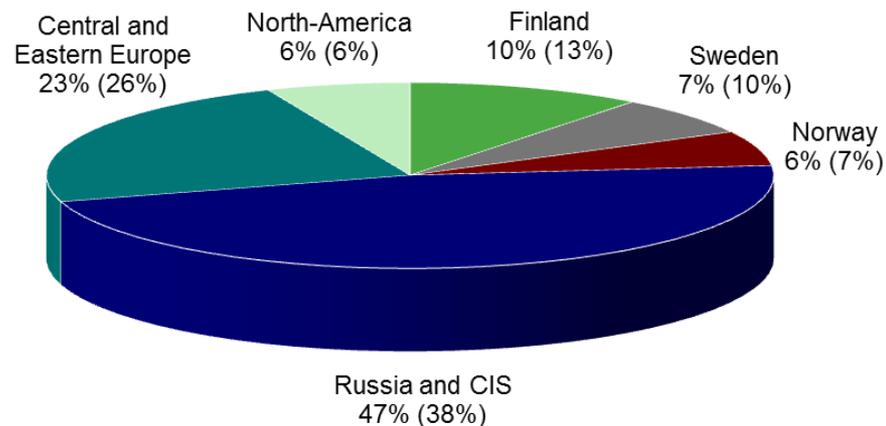
## FINANCIAL PERFORMANCE

Gross sales by market area 1-3/2012

**Sales of Nokian Tyres Group: 411.9 m€, +35.1%**



**Sales of Manufacturing Units: 387.7 m€, +34.3%**



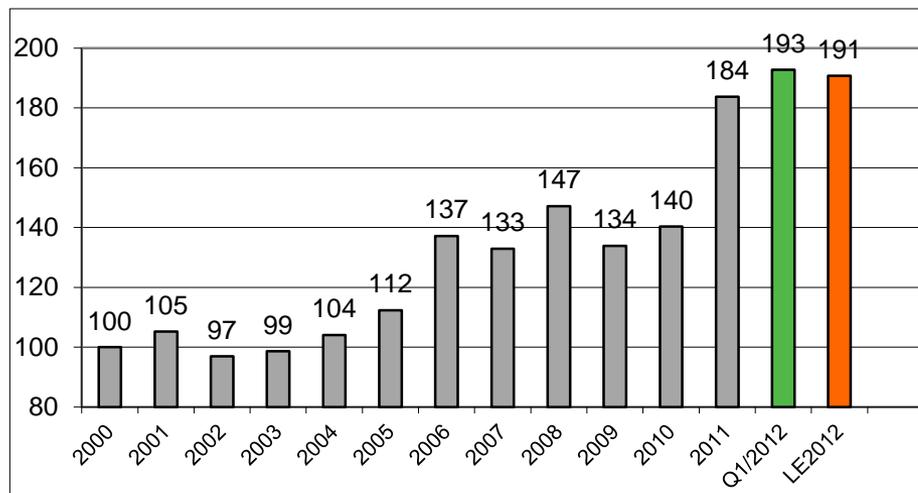
### GROUP Sales development in euros

▪ Nordic countries	+10.8%
▪ Russia and CIS	+66.2%
▪ Central and Eastern Europe	+18.7%
▪ North America	+44.8%

### MANUFACTURING Sales development in euros

▪ Nordic countries	+3.2%
▪ Russia and CIS	+66.1%
▪ Central and Eastern Europe	+18.9%
▪ North America	+49.9%

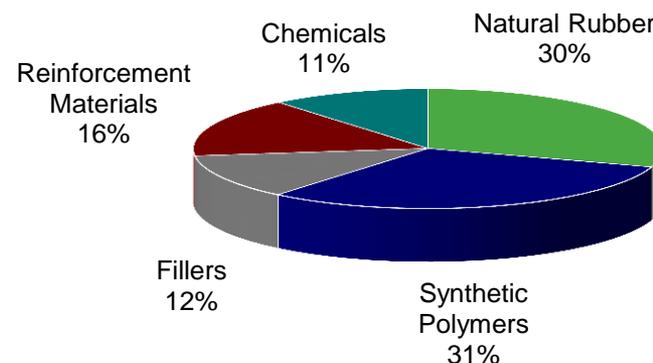
#### Raw material price development index 2000-E2012



#### Nokian Tyres raw material cost (€/kg)

- **Raw material cost**
  - increased by 15.7% in Q1/2012 vs. Q1/2011
  - decreased by 3.6% in Q1/2012 vs. Q4/2011
- **Raw material cost is estimated to**
  - decrease by 4% in Q2/2012 vs. Q1/2012
  - increase by 9% in H1/2012 vs. H1/2011
  - increase by 2% in 2012 vs. 2011

#### Value of raw material consumption (%)



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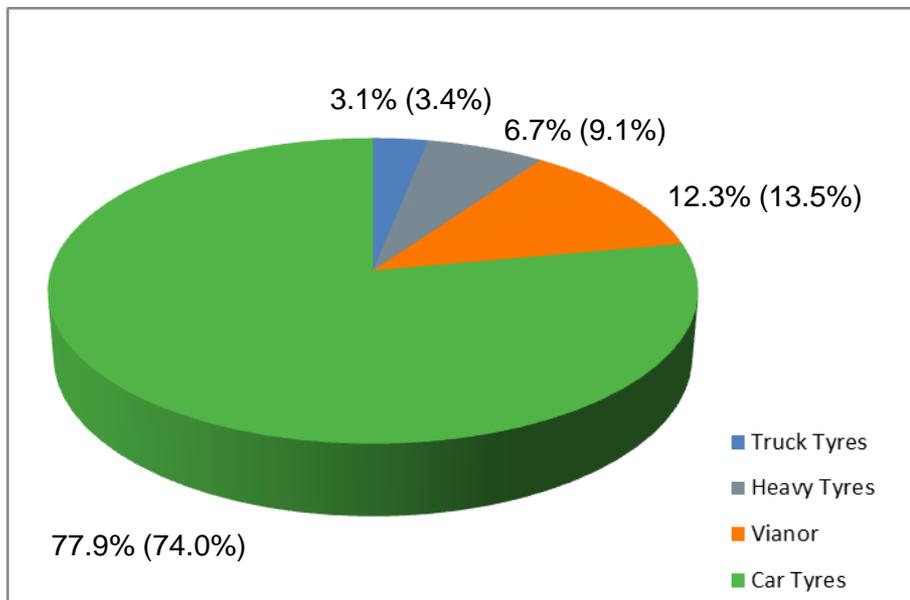
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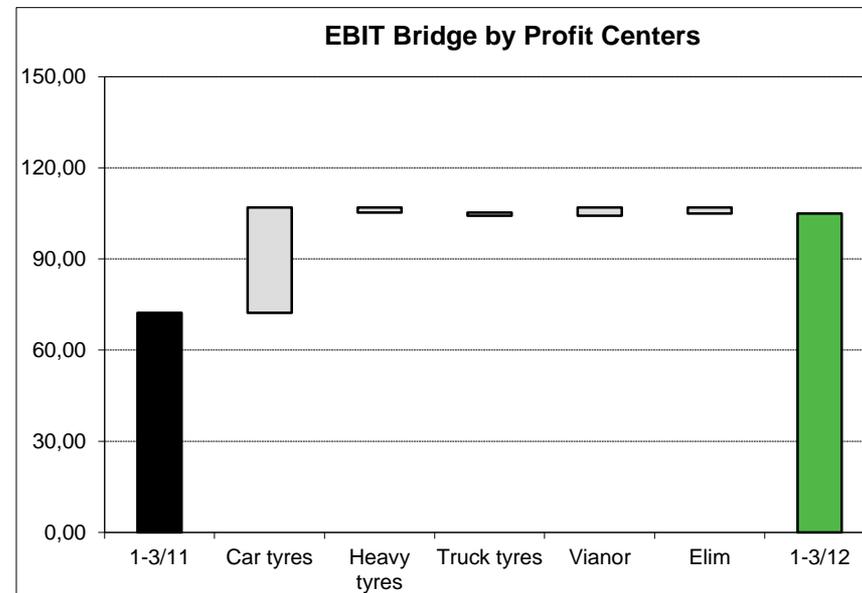
## PROFIT CENTRES

### General overview 1-3/2012

Net sales 384.3 m€; +32.9%



EBIT 105.0 m€; +45.3%



#### Passenger Car Tyres

- Net sales: 315.9 m€; +37.5%
- EBIT 118.7 m€; +41.2%
- EBIT margin: 37.6% (36.6%)
- Key products: studded and non-studded winter tyres, high-speed summer tyres

#### Heavy Tyres

- Net sales: 27.0 m€; -4.8%
- EBIT: 3.8 m€; -30.2%
- EBIT margin: 14.0% (19.1%)
- Key products: tyres for forestry, industrial and agricultural machinery

#### Truck Tyres

- Net sales: 12.6 m€; +19.4%
- Key products: truck tyres and retreading materials

#### Vianor

- Net sales: 50.1 m€; +19.4%
- EBIT: -10.4 m€; +20.8%
- EBIT margin: -20.8% (-31.3%)
- 932 stores in 24 countries in Nokian Tyres' core markets

## PROFIT CENTRES

### Passenger Car Tyres 1-3/2012: Russia spearheads sales growth

#### Performance in 1-3/2012

- + Record-high Q1 sales, significant growth in Russia
- + Healthy growth from SUV tyre sales
- + Order book strong in Russia and the Nordic countries
- + Market share up in Russia and CE
- + Magazine test wins for summer tyres both in Nordic and CE
- + Improved sales mix and previous year's price increases → ASP up
- + Production (pcs) up by 39% vs. Q1/2011
- + Productivity up trailing the higher production volume
- + Capacity increase projects proceeded as planned
- Raw material cost increased 15.7% YOY
- Order book in CE started to decline

#### Key actions and targets for 2012

- Increase sales, especially in Russia
- Improve market shares in core markets
- Optimize logistics, winter season management
- Improve sales mix & service level
- Defend brand and price position
- Increase production in Russia, lines 11&12 ramp-up
- Improve productivity
- Secure collection of receivables

→ Focus on optimizing supply capacity & logistics for growing deliveries and controlling inventories & trade receivables

#### Net sales:

1-3/2012: 315.9 m€ (229.7 m€); +37.5%

#### EBIT:

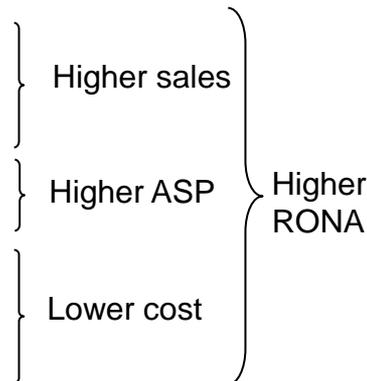
1-3/2012: 118.7 m€ (84.1 m€); +41.2%

#### EBIT margin:

1-3/2012: 37.6% (36.6%)



**New Nokian Hakka Blue, multiple test winner in the core markets.**



## MAGAZINE TESTS

*Test success continues – both in summer and in winter*

### SUMMER TYRES, spring 2012

#### Nokian Hakka Blue – Wet Performer

Summer tyre for core markets

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

#### Nokian Hakka Green – Naturally safe

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

#### Nokian Z G2 – Cool Performer

- Summer tyre for CE. Test victories e.g.:
  - Auto Bild, the biggest car magazine in Europe
  - Gute Fahrt, Auto Bild Allrad, Auto Test

#### Nokian H summer tyre for CE

- Test victory: Autozeitung



Nokian Hakka Blue



Nokian Hakkapeliitta 7

### WINTER TYRES, autumn 2011

#### Nokian Hakkapeliitta 7 – Next generation studded tyre

- Studded winter tyre family for core markets. Test victories in magazine tests, e.g.:

- Tuulilasi (Finland), Vi Bilägare (Sweden)
- AutoReview (Russia), Auto Centre (Ukraine)



#### Nokian Hakkapeliitta R – Safe and reliable friction tyre

- Rolls lightly and gives excellent grip. Test victories:

- Tuulilasi (Finland), Vi Bilägare (Sweden)
- Za Rulem (Russia), Auto Centre (Ukraine)



#### Nokian WR D3 – for Central European winter

Test victories e.g.:

- Sport Auto (Germany)
- Tekniikan Maailma (Finland)
- Aftonbladet (Sweden)
- Auto Centre (Ukraine), Auto Plus (France)



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

## RUSSIA & CIS

### Strong sales growth

- Sales in Russia in 1-3/2012 grew by 66.9% to 171.5 m€ (102.8 m€)
  - Good economic situation and continued growth in new car sales
  - Improved production and supply capacity of Nokian Tyres
- Sales in CIS (excluding Russia) increased to 9.0 m€ (5.8 m€)

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

Russia and other CIS sales development



## 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 (duty 20% for import, will gradually decrease 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
- Only global producer with a controlled tyre distribution network – 498 Vianor stores in Russia and CIS

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

### Nokian Tyres' factory in Russia

- 10 production lines operating – annual capacity increased to 11 million tyres
- New plant construction started; annual capacity increase of ~3 million tyres during 2012 with 2 new lines. Two more lines to be installed in 2013-2014.
- State-of-the art machinery, high automation level and European quality standards
- Vsevolozhsk factory exports approximately 50% of its production to 38 countries: Biggest consumer goods exporter in Russia
- Housing project, Hakkapeliitta Village – phase II construction in 2012-2013
- Number of personnel in Russia on 31 March, 2012: 1,074 (911)



## RUSSIA & CIS:

*Distributors, DSD-warehouses and Vianor stores 31 March, 2012*

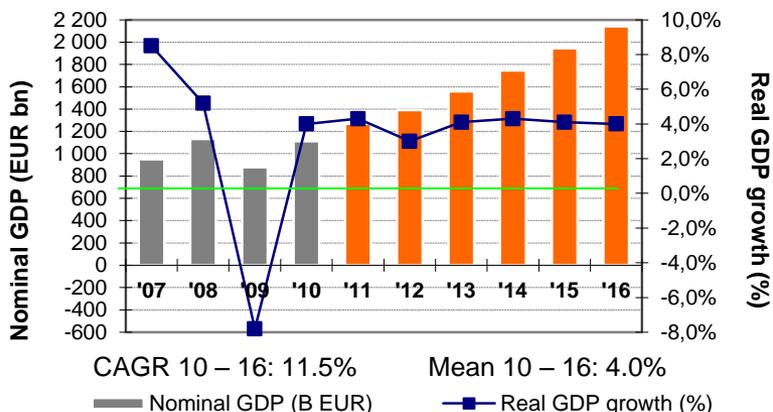


- Distributors (34)
- DSD current cities (Moscow, SPb, Samara/Togliatti, Ekaterinburg, Chelyabinsk, Kazan, N.Novgorod, Omsk, Rostov-on-Don, Perm, Ufa, Orenburg)
- 498 Vianor stores in 290 cities; +7 stores in Q1/2012

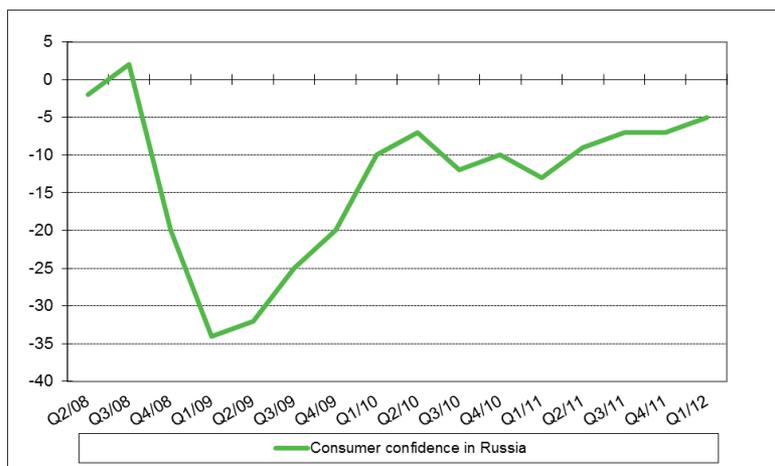
## RUSSIA

*Russia's economy recovering, but shadowed by global uncertainty*

### Russia's GDP growth



### Consumer confidence in Russia

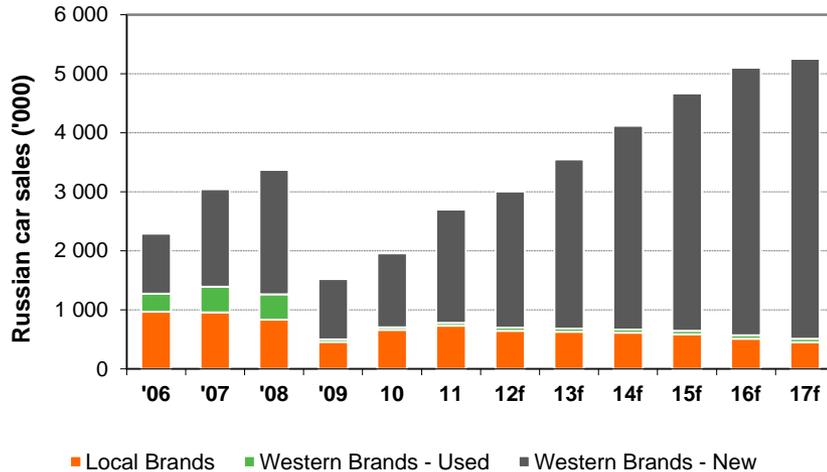


Source: RosStat, EIU and Nokian Tyres estimates Apr 2012

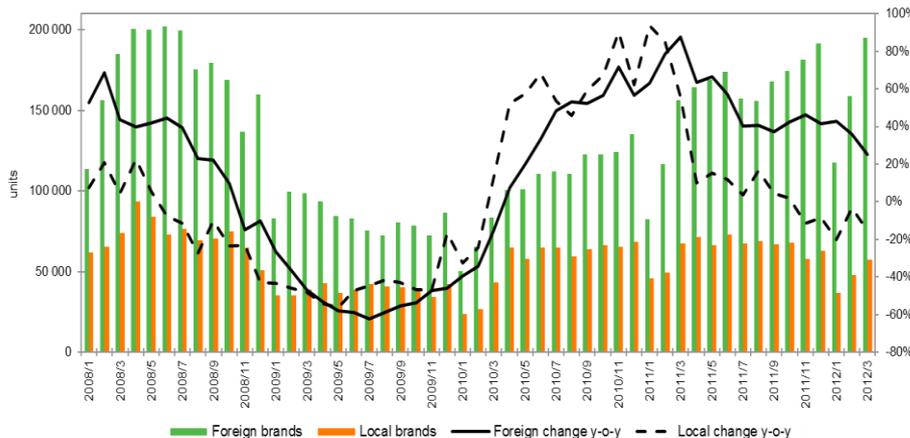
### Major trends and expectations

- Russia's economy has clearly recovered from the severe crisis of 2008 - 2009
- In 2009, economy fell into recession with an annual decrease in GDP of 7.9%, but in 2010 it grew by 4.0%
- Recovery kept momentum in 2011, backed by high oil and commodity prices
  - Annual real GDP growth in 2011 was 4.3%
- 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 2012-2016 is estimated at >4% a year
- However, some uncertainty has spread in the economy, fueled by the global financial turmoil and the internal political situation
- Election cycle has dominated economic policy since autumn 2011; further economic policy will be determined when a new government is formed after the new president's inauguration in May
- Consumer confidence has stabilized and practically reached its normal level
- Ruble exchange rate has strengthened against major currencies: in early 2012 the RUR/EUR rate stabilized at 38-39

#### Russian car sales forecast – base scenario



#### Monthly car sales



Source: AEB; IHS Global Insight; Nokian Tyres estimates Apr 2012

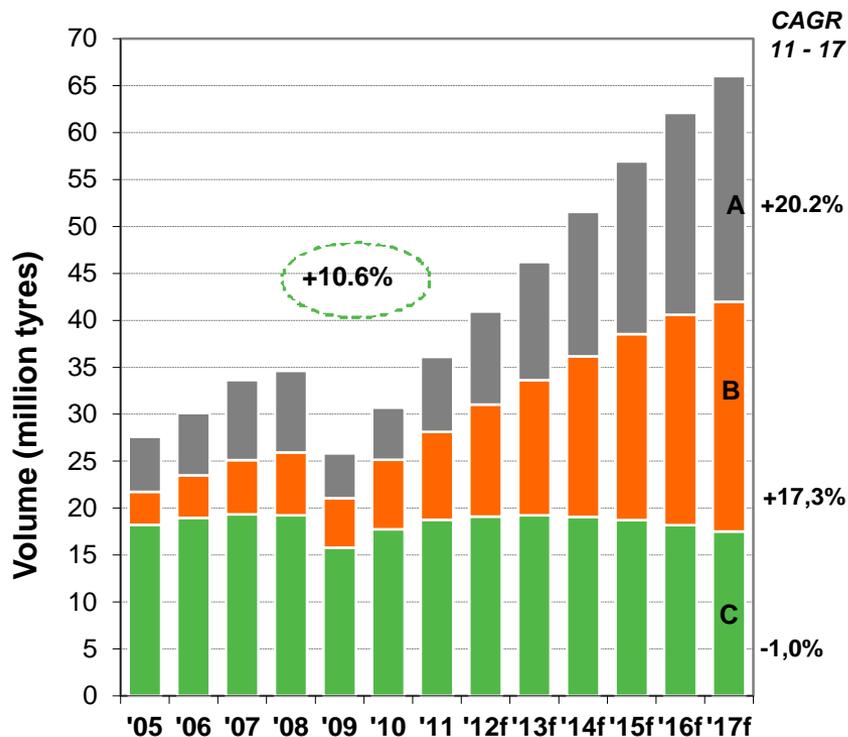
#### Car market summary

- Sales of new cars and LCVs in Russia increased by 39% in 2011 vs. 2010
  - Towards the end of the year the growth rate has slowed down due to a higher comparison base in H2/2010
  - However, even in Q4 growth was very impressive and above expectations (e.g. Dec 2011 +23% vs. Dec 2010)
- In Q1/2012 growth continued, albeit at a slower pace in March than in previous months
  - The whole Q1/2012 showed a 19% increase vs. Q1/2011, but in March the increase was 13% compared to the same month last year
- Due to rapid recovery of demand the lack of cars continues, as manufacturers have limited quotas for Russia
  - Long lead times remain for many popular brands and models (3 – 6 months, mostly for budget cars)
  - This deferred demand will continue to positively affect sales throughout 2012
- The car market is forecasted to exceed 3 million cars and LCVs in 2012, showing a 10 - 15% growth
- Financing of car purchases continues supporting car sales, with the share of sales financed by banks and car manufacturers reaching its pre-crisis level (up to 50%)

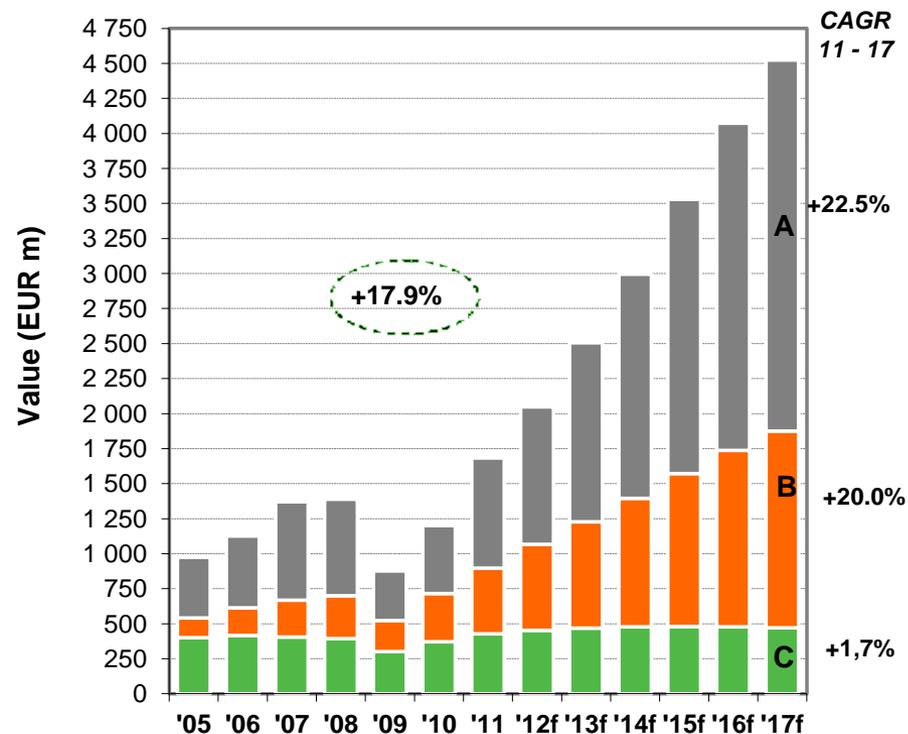
## RUSSIA

Tyre market passed 2008 level and continues to grow

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 April 2012

## PROFIT CENTRES

*Vianor 1-3/2012: Result improved, network expanding as planned*

### Performance in 1-3/2012

- + Expansion to 932 stores in 24 countries; +22 stores in Q1/2012.  
New country: Serbia
- + Equity-owned stores' sales improved, especially in tyre retail, car services and tyre hotel services
- + Six car service operations were acquired and integrated to existing Vianor stores
- Operating result negative due to strong seasonality

### Key actions and targets for 2012

- Improve tyre sales and market shares
- Increase sales of car services, tyre hotels and other services
- Increase e-commerce sales
- Continue to expand the network and the number of partners.  
Target: over 1,000 stores by the end of 2012

→ **Cement and improve market leader position as a distributor in Nokian Tyres' core markets**

### Equity-owned Vianor (179 stores)

#### Net sales:

1-3/2012: 50.1 m€ (41.9 m€); 19.4%

#### EBIT:

1-3/2012: -10.4 m€ (-13.1 m€); 20.8%

#### EBIT margin:

1-3/2012: -20.8% (-31.3%)



Vianor store in Germany

## EXPANSION OF DISTRIBUTION CHANNEL

*Vianor 1-3/2012: Foothold on core markets strengthening*

### Vianor – 932 stores in 24 countries

- 22 new stores in Q1/2012
- 179 equity-owned, 753 franchising/partners
- Largest tyre chain in Nordic and Baltic countries: 265 stores (+8 in Q1)
- Largest tyre chain in Russia and CIS: 498 stores (+7 in Q1) in 290 cities
- Expansion to Central Europe: 152 stores (+6 in Q1)

### Vianor stores by segment:

- Car tyres: over 870 stores
- Heavy tyres: nearly 200 stores
- Truck tyres: over 250 stores

### Vianor expansion Q1/2012:

- New country: Serbia

**Target 2012 → over 1,000 Vianor stores**

### Vianor – Distribution spearhead for all product groups



## PROFIT CENTRES

*Heavy Tyres 1-3/2012: Sales slightly down, outlook improved*

### Performance in 1-3/2012

- + Sales of mining, harbour and radial tyres increased
- + Sales in Russia and North America grew clearly
- + Sales mix and ASP improved
- + Order book shows signs of strengthening
- Total sales down slightly in Q1 due to weaker forestry tyre demand
- Production adjusted to demand: volume down by 10% vs. Q1/2011

### Key actions and targets for 2012

- Expand the distribution network, especially in Russia and CIS
  - Improve service concepts and logistics (i.e. Vianor Industrial)
  - Accelerate development of new radial and BAS products
  - Maximize sales of radial products
  - Improve sales mix and share of replacement market sales
  - Optimize use of capacity
  - Control inventory, reduce NWC
- **Focus to increase sales to replacement market, expand the Vianor industrial network and optimize production**

### Net sales:

1-3/2012: 27.0 m€ (28.4 m€); -4.8%

### EBIT:

1-3/2012: 3.8 m€ (5.4 m€); -30.2%

### EBIT margin:

1-3/2012: 14.0% (19.1%)



**Nokian Mine L-5S**

## PROFIT CENTRES

### *Truck Tyres 1-3/2012: Improved sales, downturn in order book*

#### Performance in 1-3/2012

- + Sales increased, mainly in the Nordic countries
- + Market share improved in the Nordic countries and CE
- + Wider range for premium & standard truck tyres
- Order book declined clearly in CE

#### Key actions and targets for 2012

- Optimize off-take contract manufacturing according to demand
- Increase sales in Nordic countries, Russia and CIS
- Reduce tyre inventory and trade receivables
- 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)

→ **Focus on increasing sales efforts, improving market shares, controlling tyre inventory and trade receivables**

#### Net sales:

1-3/2012: 12.6 m€ (10.6 m€); +19.4%



Nokian Hakkapeliitta Truck F

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  - Production plants
  - Outlook for 2012
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## NOKIAN TYRES GOING FORWARD

*Significant investments in 2012 to secure strong profitable growth*

### Investments in 1-3/2012

- 39.1 m€ (15.0 m€)

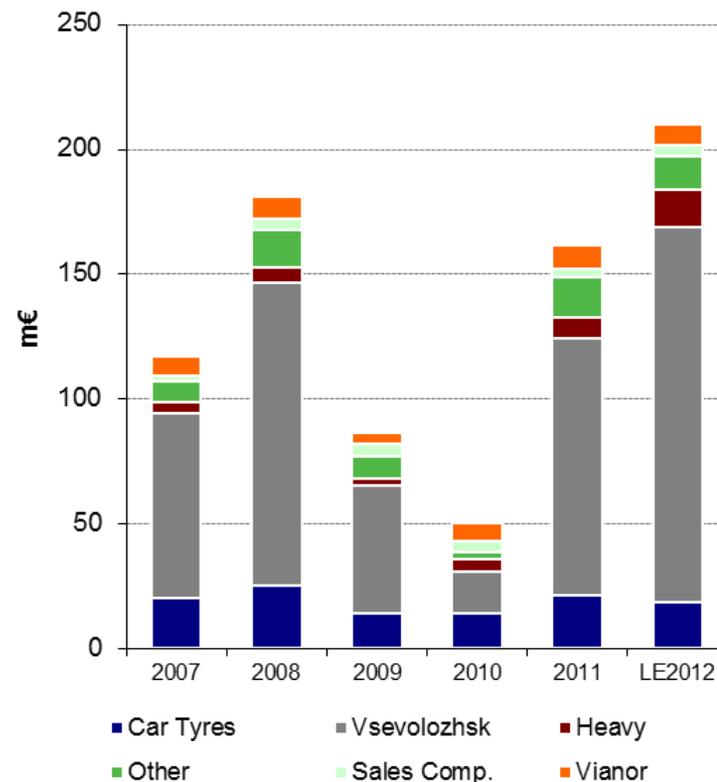
### Russia

- Capacity ramp-up and investments
  - 10 lines installed
  - Production lines 11-12 to be installed in 2012
  - Hakkapeliitta Village 2<sup>nd</sup> stage started

### Estimated investments for 2012

- Approximately 210 m€
  - Russia 150 m€
  - Nokia plant 32 m€ (automation & moulds & ICT & R&D)
  - Heavy Tyres 15 m€
  - Sales companies and Vianor 13 m€

Nokian Tyres Capital expenditures (m€)



## NOKIAN TYRES GOING FORWARD

*Production plants: Capacity increases continue*



### Nokia, Finland

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

#### 2010:

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

#### 2011:

- Car tyres to 7-day shift system in August
- Investments for increasing productivity through automation
- Approx. 200 new employees (temporary)
- Expansions in Heavy tyres factory



### 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
- Approx. 200 new employees

#### 2011:

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

#### 2012:

- New factory next to the current one
- 2 new lines, total annual capacity increase ~3 million tyres

#### 2013-2014:

- 2 new lines, additional ~ 3 million tyres
- Total annual capacity ~17 million pcs

## NOKIAN TYRES GOING FORWARD

*Outlook for 2012: Sales to improve backed by increasing capacity*

### Assumptions

- Growing core market: Russia & CIS, Nordic countries
  - GDP growth Nordic 0-2%, Russia 3.5%
  - Strong sales of new cars
  - Russian economy growing, strong consumer confidence
  - Currencies on Nokian core markets expected to be stable
- ASP to increase single digits
- Raw material cost (€/kg) estimations
  - Cost estimated to decrease by 4% in Q2/2012 vs. Q1/2012
  - Cost estimated to increase by 2% in 2012 vs. 2011
- Passenger car tyre operation environment
  - Demand strong in core markets
  - Normal carry-over distributor inventories in core markets
  - Demand improving for winter tyres, legislation in Europe
- Heavy tyre market demand
  - Demand in 2012 softer than in 2011
- Nokian Tyres financial position remains solid
  - No major loans due for payment in 2012
  - Equity ratio 74.3% in Q1/2012
  - Undrawn facilities available

### Outlook: Profitable growth

- Strong demand and order book, especially in Russia
- Raw material cost stabilizing and estimated to increase by 2% in 2012 vs. 2011
- Capacity ramp-up proceed as planned:
  - New plant in Russia in installation phase, production with lines 11 and 12 to start during 2012
- Profitability supported by:
  - Improved cost structure, higher sales volume, better mix & ASP
  - Increasing share of Russian production → productivity up
- **Year 2012 guidance:**
  - **In 2012, the company is positioned to improve net sales and operating profit compared to 2011.**

## Instructions to conference call attendees

Please press  and  to inform the operator that you have a question to the speaker.

## INDEX

1. **General overview of 1-3/2012**
2. **Nokian Tyres financial performance**
3. **Profit centres and Russian operations**
4. **Nokian Tyres going forward**
5. **Appendixes**
  - **Major shareholders**
  - **Competitor comparison**
  - **Share price development**
  - **Magazine test results**
  - **Examples of new products and innovations**
  - **Personnel**
  - **Financing: Loans and Net Financial Expenses**
  - **Tables of financial figures**

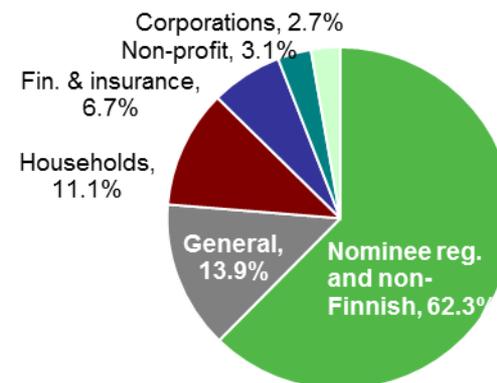


## APPENDIX

### Major shareholders as of 31 March, 2012

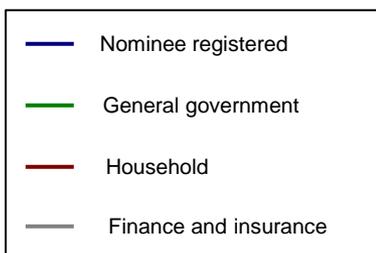
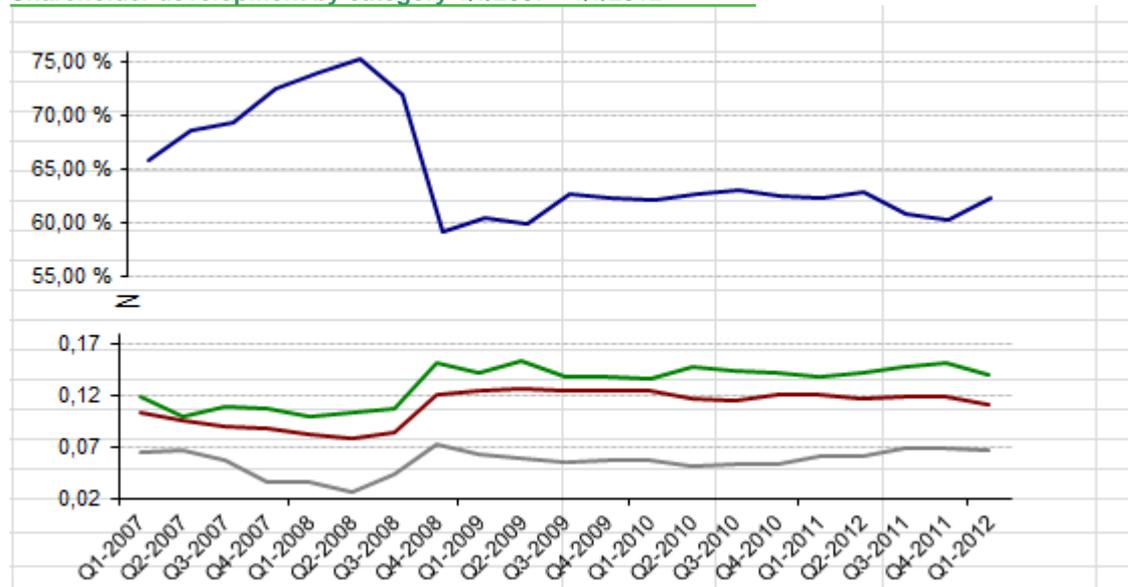
Major Domestic Shareholders		Number of Shares	Share of Capital (%)	Change from previous month
1	Varma Mutual Pension Insurance Company	9 000 000	6.9	0
2	Ilmarinen Mutual Pension Insurance Company	4 562 330	3.5	-665 000
3	Nordea	1 500 168	1.15	19 584
4	OP Investment Funds	1 470 000	1.13	15 000
5	The State Pension Fund	1 409 000	1.08	0
6	The Local Government Pensions Institution	919 941	0.7	7 135
7	Nordea Nordenfonden	800 797	0.61	4 600
8	Tapiola Mutual Pension Insurance Company	800 000	0.61	0
9	Suomi Mutual Life Assurance Company	515 000	0.39	30 000
10	Folketrygdfondet	495 883	0.38	90 000
<b>Major Domestic Shareholders total</b>		<b>21 473 119</b>	<b>16.45</b>	
Foreign Shareholders <sup>1)</sup>		81 359 165	62.3%	
Bridgestone Europe NV/SA <sup>2)</sup>		20 000 000	15.4%	

### Division by Category as of 31 March, 2012



Total number of shares: 130,496,395

### Shareholder development by category Q1/2007 - Q1/2012



Note: Options, outstanding (31 March, 2012)

2007C: 1,811,881 (1,113,050 in company's possession)

2010A: 1,320,000 (85,239 in company's possession)

2010B: 1,340,000 (151,580 in company's possession)

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

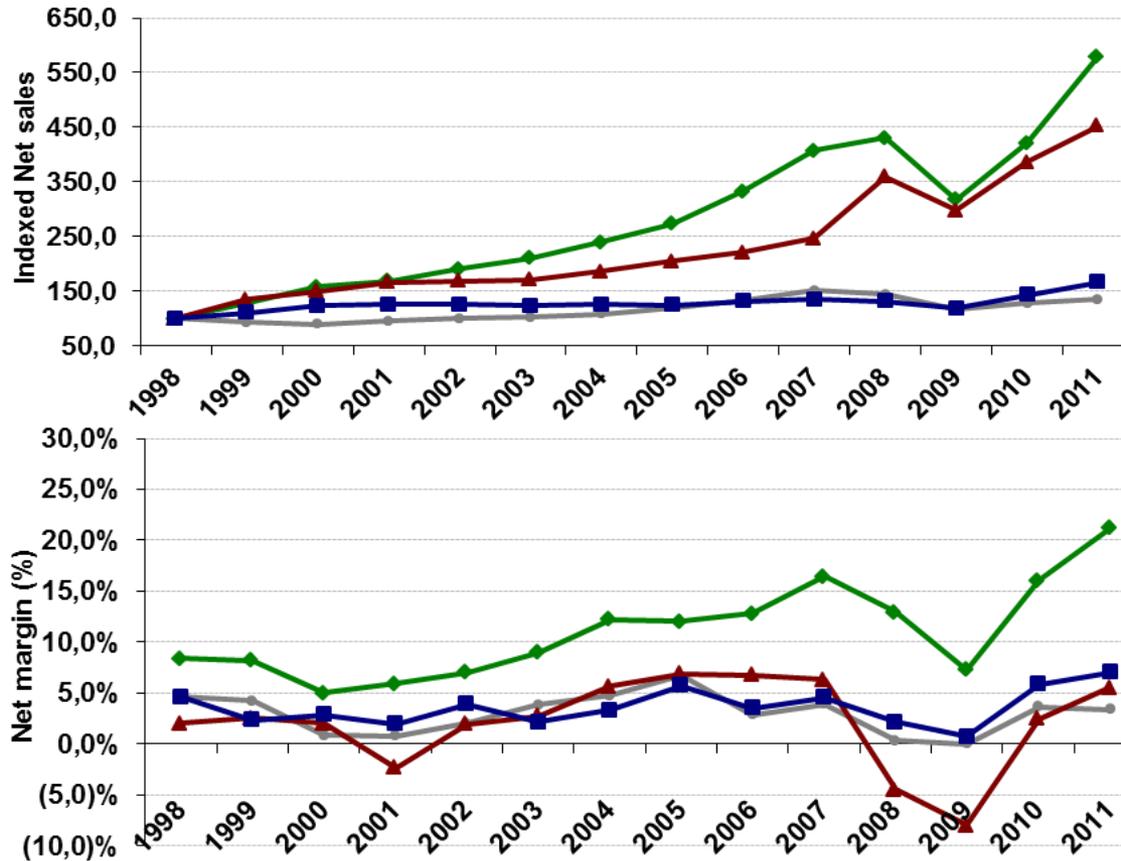
1) Includes also shares registered in the name of a nominee.

2) In the name of a nominee.

## APPENDIX

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

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



Net sales change	
CAGR 2008 – 2011	
Nokian	10.5%
Michelin	8.1%
Bridgestone	-2.2%
Continental	n.m. <sup>1)</sup>
Net margin 2011	
Nokian	22.1%
Michelin	7.1%
Bridgestone	3.4%
Continental	5.5%

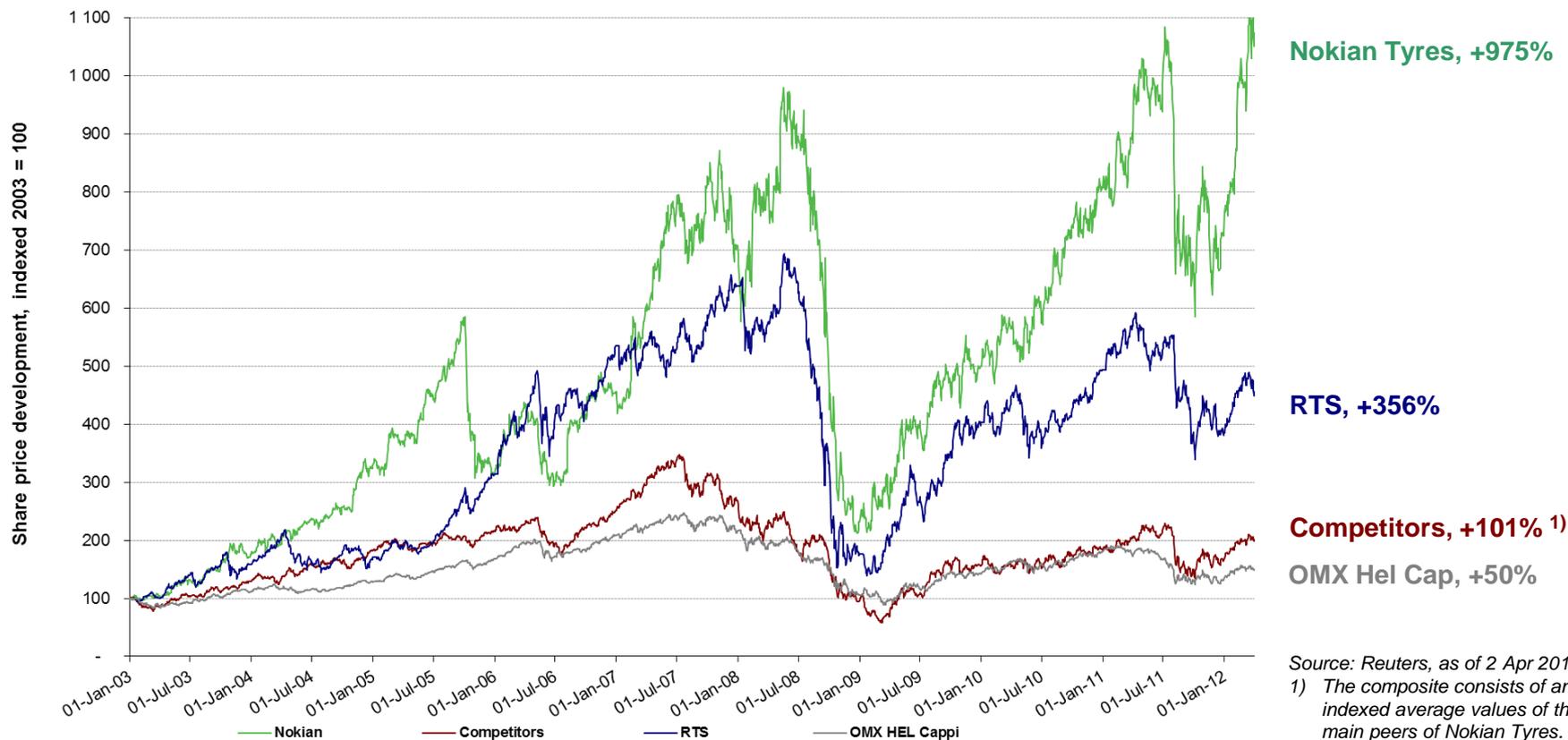
Source: Results 1998-2011 (company websites).

Note: "n.m." means that the results would be non-meaningful or that the calculation is not possible due to negative results.

1) Continental sales for 2008 not comparable due to VDO acquisition.

## APPENDIX

### Comparing share price development to main indexes 1/2003 - 3/2012



#### Nokian Tyres

by Mar-30-2012

	Last 9 years	Last 3 years	Last 2 years	LTM	L6M	L3M	Last month
High	37,48	37,48	37,48	37,48	37,48	37,48	37,48
Average	17,31	23,02	26,70	29,33	28,22	31,71	35,49
Low	3,47	9,03	17,24	19,89	19,89	25,82	31,94

## APPENDIX

### Test wins – spring 2012

	205/55R16 Nokian Hakka Green	1/9	Best handling on test. Well balanced properties.
	205/55R16 Nokian Hakka Green	1/7	Very good wet properties.
	205/55R16 Nokian Hakka Blue	1/9	Excellent wet properties.
	225/45R17 Nokian Z G2	Shared 1/15	Excellent properties on all road surfaces. Low fuel consumption.
	205/55R16 Nokian Hakka Blue	Shared 1/10	Excellent properties on wet and dry roads.
	185/60R15 Nokian H	1/7	Excellent properties on all road conditions. low rolling resistance.
	205/55R16 Nokian Hakka Blue	Shared 1/10	Excellent properties on wet and dry roads.
	205/55R16 Nokian Hakka Blue 185/60R14 Nokian Hakka Green	Shared 1/10 1/7	Excellent properties on wet and dry roads. Good handling and grip properties on wet and dry. Low rolling resistance.
	205/55R16 Nokian Hakka Blue	Shared 1/10	Excellent properties on wet and dry roads.
	225/45R17 Nokian Z G2	Shared 1/6	Excellent wet road properties. Good comfort, quiet, low rolling resistance.
	205/55R16 Nokian Hakka Blue	Shared 1/10	Excellent properties on wet and dry roads.
	235/55R17 Nokian Z G2	Shared 1/8	Excellent properties on wet. Very good on dry road. Very quiet.
	225/45R17 Nokian Z G2	Shared 1/15	Very good in all circumstances. Low fuel consumption.

## APPENDIX

### *Examples of new products and innovations*

#### **Nokian Hakka Blue – Summer tyre for core markets**

- Top performance for wet roads, comfort and economy from spring to autumn
- Tailor-made for the northern roads, the newest member of the Hakka summer tyre range offers the best possible traction and precise handling for challenging wet roads
- The new innovations, the Dry Touch Sipe and Swoop Grooves
- The Hakka Blue range will offer products in both the V (240 km/h) and W (270 km/h) speed ratings



#### **Nokian Hakka Green – Summer tyre for core markets**

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



#### **Nokian WR – Winter tyre for Central Europe**

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



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

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

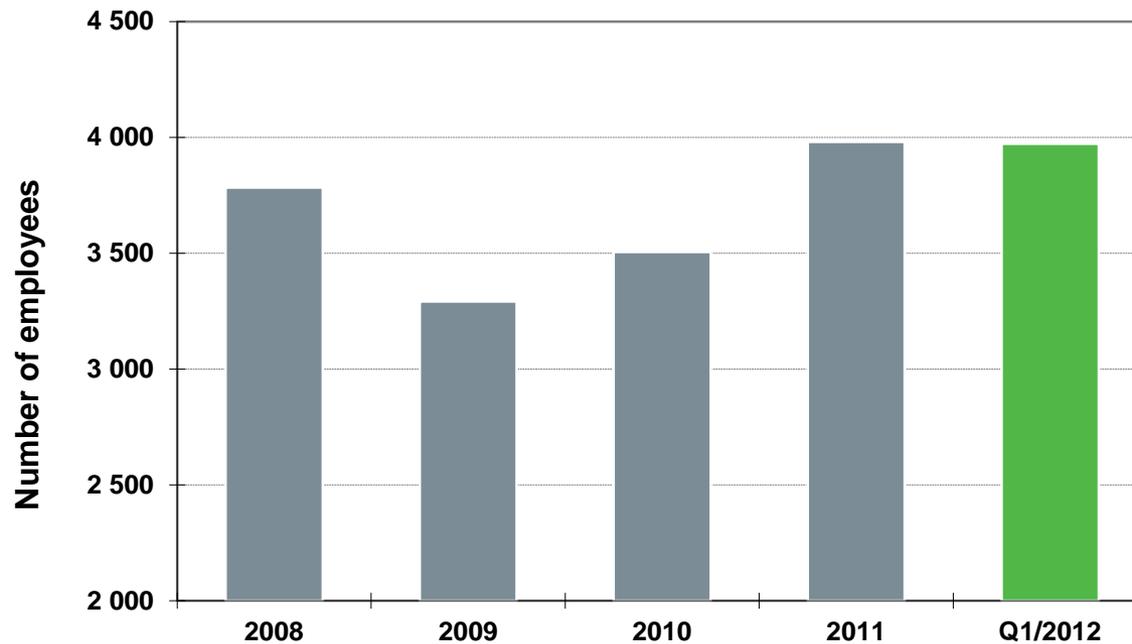


## APPENDIX

### *Personnel 31 March, 2012*

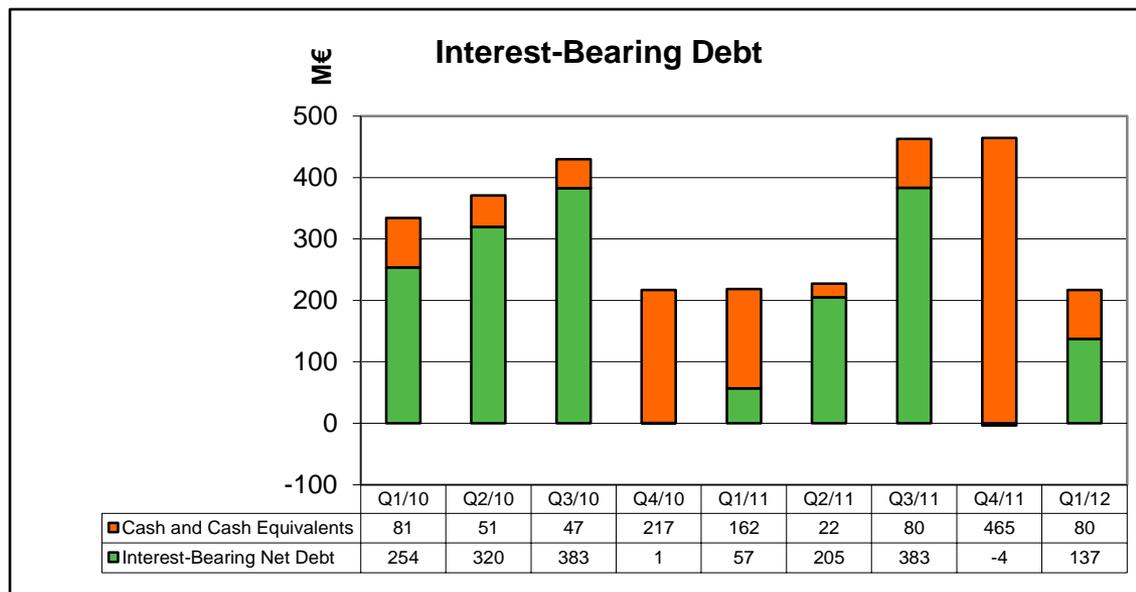
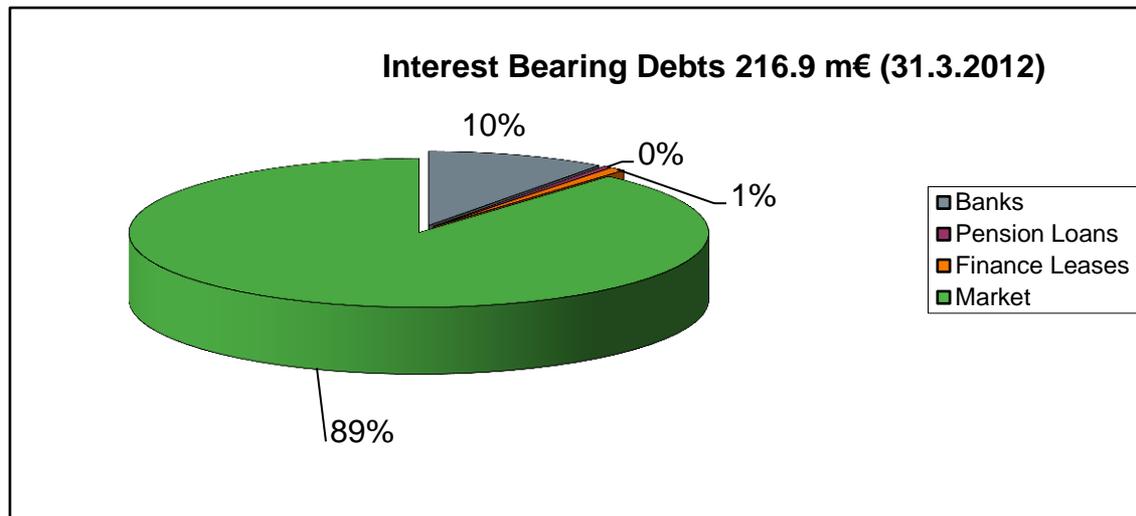
Personnel Q1/2012: 3,972 (3,653)

- Equity-owned Vianor: 1,343 (1,276)
- Russia: 1,074 (911)



**APPENDIX**

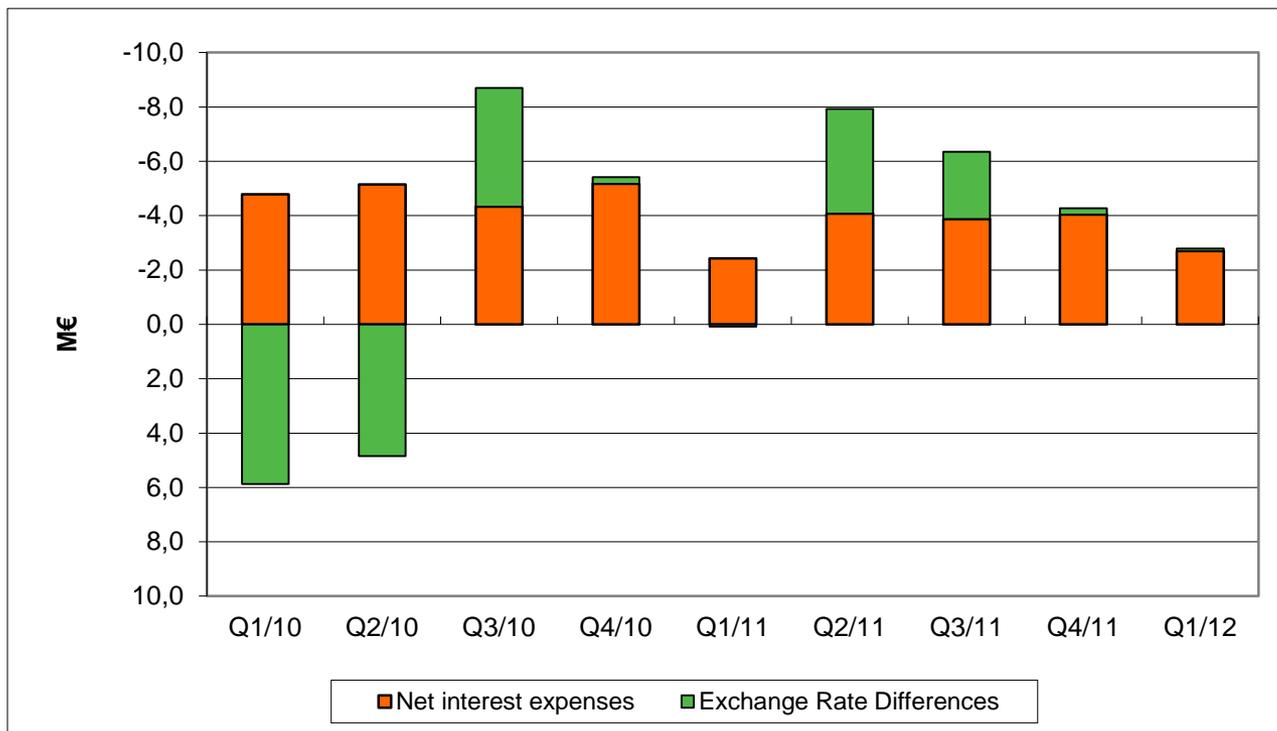
**Financing: Loans on 31 March, 2012**



## APPENDIX

### *Financing: Net Financial Expense*

Net Financial Expense Q1/2012: 2.8 m€ (Q1/2011: 2.4 m€)



## APPENDIX

### *Consolidated Income Statement*

Million euros	1-3/12	1-3/11	Last 12 months	1-12/11	Change %
Net sales	384.3	289.2	1,551.9	1,456.8	32.9
Cost of sales	-207.3	-155.6	-857.5	-805.8	-33.2
Gross profit	177.0	133.5	694.5	651.0	32.5
Other operating income	0.4	0.7	1.5	1.8	
Selling and marketing expenses	-55.0	-51.5	-220.1	-216.5	-6.9
Administration expenses	-8.4	-6.2	-31.5	-29.4	-33.9
Other operating expenses	-9.0	-4.2	-31.6	-26.8	-113.9
Operating profit	105.0	72.3	412.8	380.1	45.3
Financial income	37.1	34.6	93.4	90.9	7.2
Financial expenses	-39.9	-36.9	-114.7	-111.8	-7.9
Result before tax	102.2	69.9	391.5	359.2	46.2
Tax expense (1)	-14.7	-7.5	-57.4	-50.3	-95.6
Profit for the period	87.6	62.4	334.0	308.9	40.3
Attributable to:					
Equity holders of the parent	87.6	62.4	334.1	308.9	
Non-controlling interest	0.0	0.0	0.0	0.0	
Earnings per share from the profit attributable to equity holders of the parent					
basic, euros	0.67	0.49		2.39	38.3
diluted, euros	0.65	0.48		2.32	36.1
1) Tax expense in the consolidated income statement is based on the taxable result for the period.					

## APPENDIX

### *Consolidated Other Comprehensive Income*

Million euros	1-3/12	1-3/11	1-12/11
Profit for the period	87.6	62.4	308.9
Other comprehensive income, net of tax:			
Gains/Losses from hedge of net investments in foreign operations	-9.4	0.2	-2.9
Cash flow hedges	0.3	1.6	-1.4
Translation differences on foreign operations	45.4	6.2	-7.6
Total other comprehensive income for the period, net of tax	36.2	8.0	-11.9
Total comprehensive income for the period	123.8	70.4	297.0
Total comprehensive income attributable to:			
Equity holders of the parent	123.8	70.4	297.0
Non-controlling interest	0.0	0.0	0.0

## APPENDIX

### Key Ratios

KEY RATIOS	31.3.12	31.3.11	31.12.11	Change %
Equity ratio, %	74.3	71.0	63.2	
Gearing, %	10.3	5.5	-0.3	
Equity per share, euro	10.19	8.03	9.15	27.0
Interest-bearing net debt, mill. euros	137.3	57.0	-3.6	
Capital expenditure, mill. euros	39.1	15.0	161.7	
Depreciation, mill. euros	19.7	17.6	71.6	
Personnel, average	3,937	3,587	3,866	
Number of shares (million units)				
at the end of period	130.50	128.85	129.61	
in average	130.00	128.16	129.12	
in average, diluted	136.61	135.29	135.70	

## APPENDIX: Consolidated Statement Of Financial Position

Million euros	31/03/2012	31/03/2011	31.12.11
<b>Non-current assets</b>			
Property, plant and equipment	602.7	485.7	560.4
Goodwill	64.3	60.4	63.8
Other intangible assets	22.8	18.9	22.6
Investments in associates	0.1	0.1	0.1
Available-for-sale			
financial assets	0.3	0.3	0.3
Other receivables	19.9	21.0	17.9
Deferred tax assets	7.4	27.5	5.4
<b>Total non-current assets</b>	<b>717.5</b>	<b>613.8</b>	<b>670.4</b>
<b>Current assets</b>			
Inventories	385.1	263.2	324.0
Trade receivables	509.2	336.3	335.3
Other receivables	98.5	84.6	81.6
Cash and cash equivalents	79.7	161.8	464.5
<b>Total current assets</b>	<b>1,072.5</b>	<b>845.9</b>	<b>1,205.5</b>
<b>Equity</b>			
Share capital	25.4	25.4	25.4
Share premium	181.4	181.4	181.4
Translation reserve	-45.5	-64.6	-81.5
Fair value and hedging reserves	-1.8	1.0	-2.0
Paid-up unrestricted equity reserve	53.4	33.1	35.4
Retained earnings	1,117.5	858.3	1,027.2
Non-controlling interest	0.2	0.0	0.3
<b>Total equity</b>	<b>1,330.6</b>	<b>1,034.5</b>	<b>1,186.1</b>
<b>Non-current liabilities</b>			
Deferred tax liabilities	21.7	31.2	31.2
Provisions	0.1	0.1	0.0
Interest bearing financial liabilities	210.8	205.8	207.6
Other liabilities	2.5	1.3	2.5
<b>Total non-current liabilities</b>	<b>235.1</b>	<b>238.4</b>	<b>241.2</b>
<b>Current liabilities</b>			
Trade payables	108.6	91.6	88.4
Other current payables	108.3	80.1	104.9
Provisions	1.4	2.2	1.8
Interest-bearing financial liabilities	6.1	13.0	253.4
<b>Total current liabilities</b>	<b>224.4</b>	<b>186.8</b>	<b>448.5</b>
<b>Total assets</b>	<b>1,790.0</b>	<b>1,459.7</b>	<b>1,875.9</b>

## APPENDIX

### *Consolidated Statement Of Cash Flows*

Million euros	1-3/12	1-3/11	1-12/11
Cash flows from operating activities:			
Cash generated from operations	-69.8	-33.3	272.2
Financial items and taxes	-45.7	-31.1	-39.3
Net cash from operating activities	-115.5	-64.4	232.9
Cash flows from investing activities:			
Net cash used in investing activities	-37.8	-15.4	-158.3
Cash flows from financing activities:			
Proceeds from issue of share capital	17.9	25.0	27.4
Change in current financial receivables and debt	-247.3	0.0	239.6
Change in non-current financial receivables and debt	-2.6	-0.4	-8.9
Dividends paid	0.0	0.0	-83.7
Net cash from financing activities	-232.0	24.7	174.3
Net change in cash and cash equivalents	-385.2	-55.2	248.9
Cash and cash equivalents at the beginning of the period	464.5	216.6	216.6
Effect of exchange rate changes	0.4	0.4	-0.9
Cash and cash equivalents at the end of the period	79.7	161.8	464.5
	-385.2	-55.2	248.9

## APPENDIX

### Consolidated Statement Of Changes In Equity

Million euros	Equity attributable to equity holders of the parent							
	A	B	C	D	E	F	G	H
Equity, Jan 1st 2011	25.4	181.4	-71.1	-0.6	8.0	793.9	0.0	937.2
Profit for the period						62.4		62.4
Other comprehensive income, net of tax:								
Cash flow hedges				1.6				1.6
Net investment hedge			0.2					0.2
Translation differences			6.2					6.2
Total comprehensive income for the period			6.4	1.6		62.4		70.4
Exercised warrants					25.0			25.0
Share-based payments						1.9		1.9
Total transactions with owners for the period					25.0	1.9		26.9
Equity, Mar 31st 2011	25.4	181.4	-64.6	1.0	33.1	858.3	0.0	1,034.5
Equity, Jan 1st 2012	25.4	181.4	-81.5	-2.0	35.4	1,027.2	0.3	1,186.1
Profit for the period						87.6	0.0	87.6
Other comprehensive income, net of tax:								
Cash flow hedges				0.3				0.3
Net investment hedge			-9.4					-9.4
Translation differences			45.4				0.0	45.4
Total comprehensive income for the period			36.0	0.3		87.6		123.8
Exercised warrants					17.9			17.9
Share-based payments						2.7		2.7
Total transactions with owners for the period					17.9	2.7		20.6
Equity, Mar 31st 2012	25.4	181.4	-45.5	-1.8	53.4	1,117.5	0.2	1,330.6

A = Share capital  
 B = Share premium  
 C = Translation reserve  
 D = Fair value and hedging reserves  
 E = Paid-up unrestricted equity reserve  
 F = Retained earnings  
 G = Non-controlling interest  
 H = Total equity

## APPENDIX

### Segment Information

Million euros	1-3/12	1-3/11	1-12/11	Change %
Net sales				
Passenger car tyres	315.9	229.7	1,071.1	37.5
Heavy tyres	27.0	28.4	112.8	-4.8
Vianor	50.1	41.9	298.4	19.4
Other operations	14.9	12.8	73.8	15.8
Eliminations	-23.5	-23.7	-99.3	0.9
Total	384.3	289.2	1,456.8	32.9
Operating result				
Passenger car tyres	118.7	84.1	365.1	41.2
Heavy tyres	3.8	5.4	17.2	-30.2
Vianor	-10.4	-13.1	2.3	20.8
Other operations	-3.1	0.5	-1.1	-746.1
Eliminations	-4.0	-4.6	-3.4	12.3
Total	105.0	72.3	380.1	45.3
Operating result, % of net sales				
Passenger car tyres	37.6	36.6	34.1	
Heavy tyres	14.0	19.1	15.3	
Vianor	-20.8	-31.3	0.8	
Total	27.3	25.0	26.1	
Cash Flow II				
Passenger car tyres	-89.4	-14.1	151.9	-534.2
Heavy tyres	-9.5	-7.8	5.2	-20.6
Vianor	-5.5	-12.2	-23.3	55.1
Total	-121.3	-52.3	114.1	-131.9

## APPENDIX

### *Contingent Liabilities*

Million euros	31.3.12	31.3.11	31.12.11
<b>FOR OWN DEBT</b>			
Mortgages	1.1	1.0	1.1
Pledged assets	0.1	0.0	0.1
<b>OTHER OWN COMMITMENTS</b>			
Guarantees	3.3	6.2	3.3
Leasing and rent commitments	93.2	97.8	99.2
Purchase commitments	3.0	1.8	2.8
<b>DERIVATIVE FINANCIAL INSTRUMENTS</b>			
Million euros			
<b>INTEREST RATE DERIVATIVES</b>			
Interest rate swaps			
Notional amount	41.0	30.3	41.3
Fair value	-1.5	-0.2	-1.4
<b>FOREIGN CURRENCY DERIVATIVES</b>			
Currency forwards			
Notional amount	802.9	591.6	651.0
Fair value	0.4	3.0	-10.7
Currency options, purchased			
Notional amount	4.5	24.0	-
Fair value	0.1	0.2	-
Currency options, written			
Notional amount	18.1	24.0	-
Fair value	-0.1	0.0	-
<b>ELECTRICITY DERIVATIVES</b>			
Electricity forwards			
Notional amount	16.2	13.5	16.5
Fair value	-2.1	1.6	-1.9

## APPENDIX

### *Definitions Of Consolidated Key Financial Indicators*

#### **Earnings per share, euro:**

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

#### **Earnings per share (diluted), euro:**

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

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

#### **Equity ratio, %:**

Total equity x 100 / (Total assets - advances received)

#### **Gearing, %:**

Interest-bearing net debt x 100 / Total equity

#### **Equity per share, euro:**

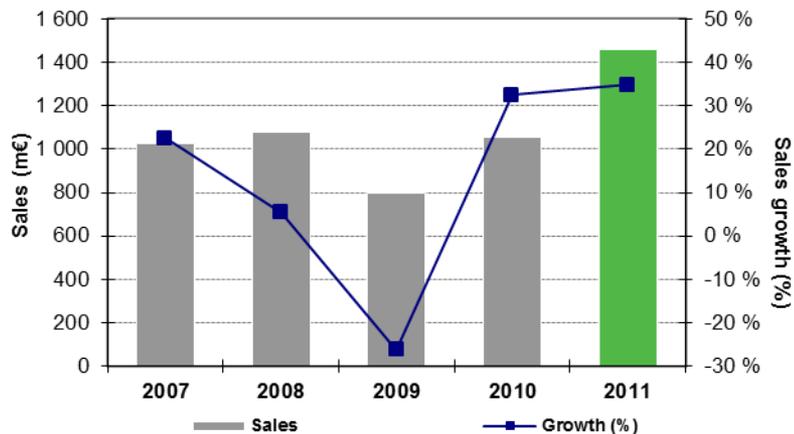
Equity attributable to equity holders of the parent / Adjusted number of shares on the reporting date

#### **Operating margin:**

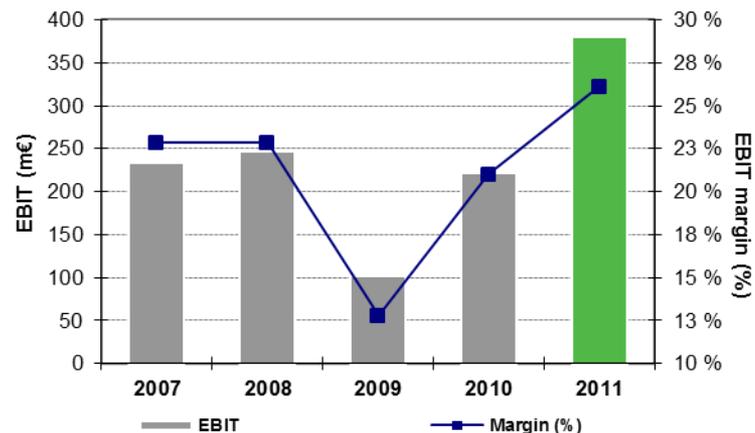
Operating result, % of net sales

## APPENDIX Key figures 2007 - 2011

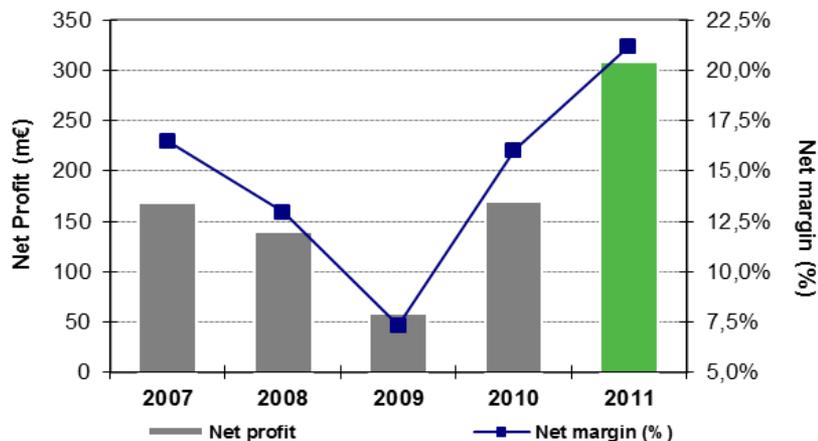
### Net sales (m€) and Net sales growth (%)



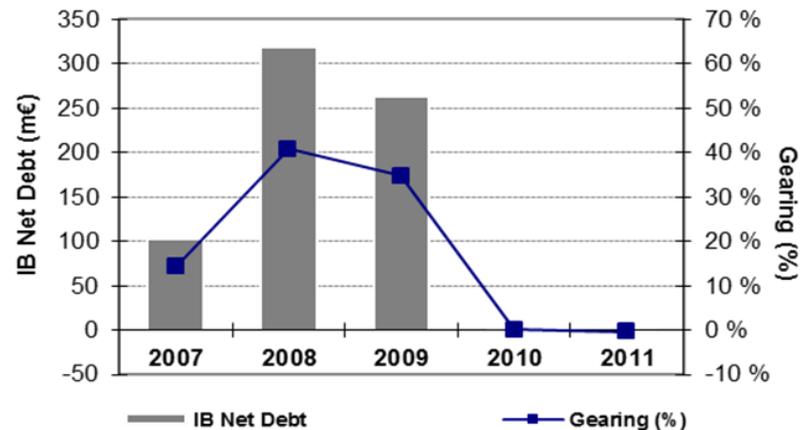
### EBIT (m€) and EBIT margin (%)



### Net profit (m€) and net margin (%)



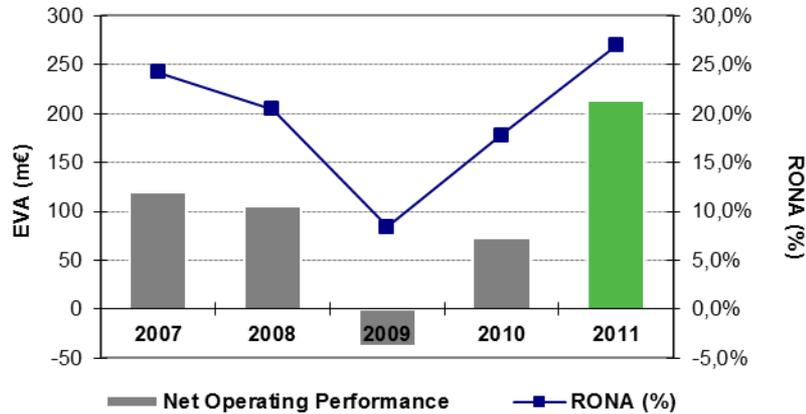
### Interest bearing net debt (m€) and gearing (%)



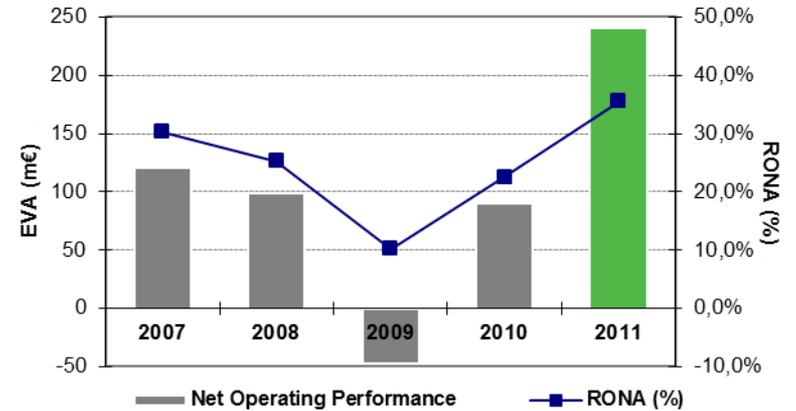
**APPENDIX**

**RONA (%) and net operating performance (EVA) <sup>1)</sup> 2007-2011**

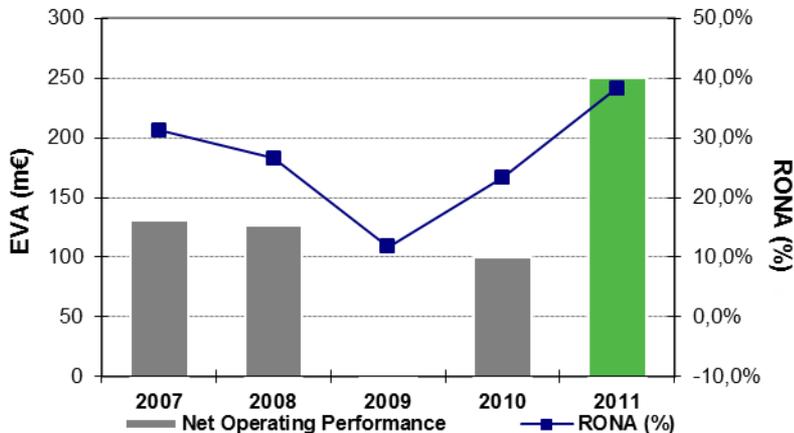
**Group EVA (m€) and RONA (%)**



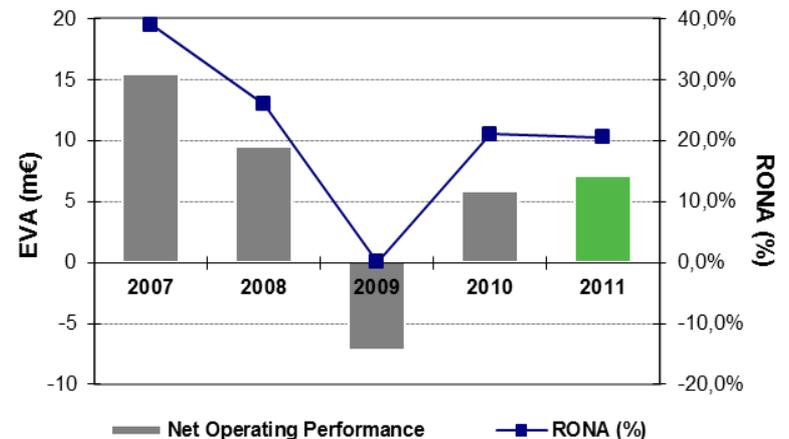
**Manufacturing EVA (m€) and RONA (%)**



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



**Heavy Tyres EVA (m€) and RONA (%)**



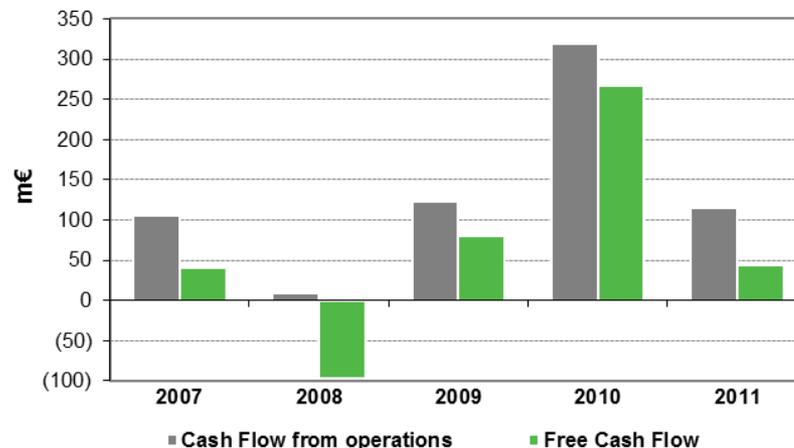
<sup>1)</sup> EVA is calculated based on 12% interest on capital employed.

## APPENDIX

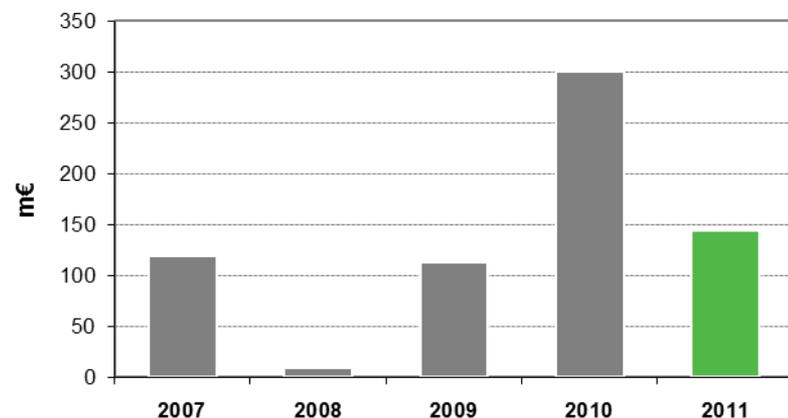
### Group Operating Cash Flow and Free Cash Flow 2007-2011

- Cash flow from operations: 114.1 m€ in 2011
  - Investments of 161.7 m€ (50.5) weakened the Cash flow
  - Inventories' and Trade receivables increased along with sales growth
  - Russian receivables 18% (24%) of total at year end
  - Vianor NWC high due to higher inventory and low interest free short term debts; investments 2,1m€ higher than previous year

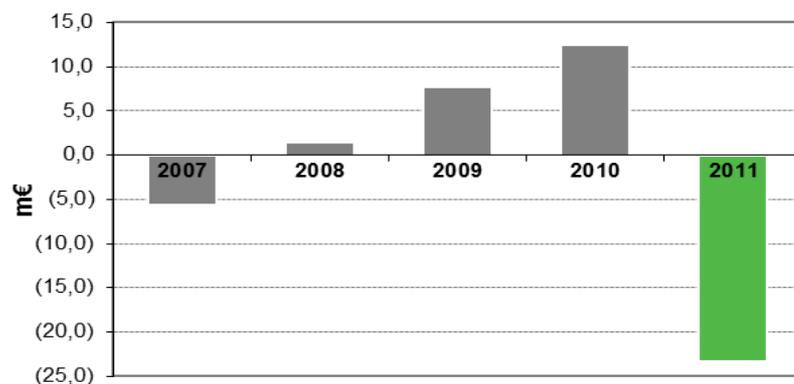
Group Cash Flow From Operations and Free Cash flow



Manufacturing Cash flow from operations



Vianor Cash flow from operations



**nokian<sup>®</sup>**  
**TYRES**

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