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Speakers:	Hille Korhonen, President and CEO Teemu Kangas-Kärki, CFO Päivi Antola, Head of Investor Relations
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Operator: Hello and welcome to the Nokian Tyres Q4 and full year results 2018. Throughout the call, all participants will be in listen only mode and afterwards there will be a question and answer session. Speakers, please begin your meeting.

Päivi Antola: Good afternoon from Helsinki and welcome to Nokian Tyre 2018 on Q4 results conference calls. My name is Päivi Antola and I am the head of investor relations in Nokian Tyres. Together with me in the call I have Hille Korhonen, the president and CEO of Nokian Tyres, and Teemu Kangas-Kärki, the CFO. We will start the call with a brief presentation by Hille and Teemu then continued with a Q & A. So Hille, please go ahead.

Hille Korhonen: Thank you Päivi. And good afternoon and thank you for joining us today. I'm very pleased with the work and results our team has been achieving in 2018. The underlying operative performance of Nokian Tyre was very good. We had strong growth both in North America and Russia. Although when you look at our reported numbers, you see significant headwinds from currencies. 2018 started with very strong first half and business sentiment changed, especially in Europe during the second half of the year. It almost looked like two different years and during the coming ten minutes, I will explain the drivers behind more in detail. On the group level, the growth was mainly driven by passenger car tyres. It's also worth mentioning the 10% currency neutral net sales growth in heavy tyres, which were supported by increasing production output. As you know, we continue to be capacity limited in heavy tyres and our priority is to serve our OE customers and focus on growing in our core segments, forestry and agri products. Our operating profit improved during full year despite of significant negative currency impact. During the year we have been investing in building the business platforms, focusing on shared IT-systems and processes which will be taken into use in Dayton factory. We have also been further developing our branded distribution network. I am very satisfied with the profitability, improvement in Vianor, which is actually realizing now one year ahead of the original plan. So even by our good financial performance, our board of directors is proposing to increase our dividend to 1.58 euros per share. I will now spend a couple of minutes to explain the key drivers behind our strong growth in North America and Russia as well as the market situation in Europe during the second half of 18. In Nordics as we already announced before the fourth quarter, the new car sales is one of the important drivers for sales of winter tyres. So when people buy new cars, they also buy set of new winter tyres. And as the new car sales declined in whole Europe during second half of the year due to poor implementation of, for example, the WLTP. It had an impact on our tails. In Norway, key driver for the new car sales was lack of electric and hybrid vehicles to fulfil the market demand and we are expecting that to improve slightly in 2019. Replacement tyre sale-in were showing overall growth in Nordics in 2018, with budget segments growing most. In Central Europe the competitive situation was getting tighter in the replacement tyre market due to several reasons, for example, declining OE business and situation in Turkey. The replacement tyre market growth was more related to grow in budget segment with increasing imports of tyres outside Europe while the premium segment was clearly declining. I would say that when we look at the year 2019, the visibility to the market is still very low at this point of time. In Russia the new car sales was increasing by 13%, as we estimated earlier, which is about 1.8 million new car cars being sold. The summer tyre inventories continued to be on a higher level than normal and we are expecting that situation to normalize towards end of 2019, which means that it will be normal after the next summer season. Overall, our estimates for Russian market regarding 2019 are for new car sales, 8-12% driven by the deferred demand from previous years but having impact from lower consumer purchasing power. And the replacement tyre sell-in is expected to grow between 5-7% and that's driven by the low number of new cars sold 3 to 4 years ago coming to the replacement cycle and also lower new car sales. In North America the replacement market was growing into 2018 and we continued to grow together with our existing customers. In the second half of 2018, several tyre manufacturers announced price increases, as we also did. When we look at the fourth quarter in 2018 the sales in Central Europe were slowing down, as explained, due to the lack of winter conditions and aggressive pricing in the market. At that point of time, we decided to allocate more capacity to the Russian market where we were actually selling more summer tyres than expected due to competitive commercials, terms and good availability. Overall when we look at the full year 2018, we were clearly over performing the Russian market. So we continue to implement our strategic ambition supported by investments in Dayton factories in US, in testing center in Spain, and capacity increase in heavy tyres. This also means that in 2019 we will carry extra cost for starting the Dayton factory ramp-up. We will be recruiting people, implementing IT-systems and starting the production process to be ready for the commercial production beginning of 2020. At the same time, the products that we are selling in North America will be produced and shipped from Russia. We will also have extra cost for heavy tyres capacity increase as we are running the production in parallel to having the project ongoing. In Spain we will start part of the testing activities during this year. All of this is fully in line with what we have communicated in capital markets day in November. In order to support our strategy and ambition, we have also re organized our business areas beginning of the year in order to have even better focus in Central European markets and to be able to utilize better synergies keys between Nokian Tyres Nordics and Vianor chain. I will now hand over to Teemu to go through the figures in more detail. Please go ahead Teemu.

Teemu Kangas-Kärki: This slide is a reminder of our financial targets that we announced last year in our Capital Markets Day. Then moving to the year 2018 and if I start with the Q4 performance on a comparable currencies, our top line growth was a -1% reaching the operating profit of 117 million. Looking the full year performance on a comparable currencies, we were able to increase our top line 5.7% being at the level of 1,595 billions for the full year. The operating profits reached the level of 372 million. Looking our return on capital employed, you can say that we were able to perform strongly in this respect. The cash flow from operating activities from especially at the end of fourth quarter we were able to collect really well, trade receivables contributing positively to reaching the level of 537 million euros. There we need to keep in mind that during the year we got this 140 million from the tax authorities. The capex level for the full year was 226 million and our three strategic projects Dayton, heavy tyres and Spain. They were in line with the original plan and compared to the earlier guidance, we were short of some investments in Russia and in Nokian factory. Then looking to the passenger car tyres at the full year level. The top line was 1,150 billion euros, with a compare for currency growth of 6.1%. The operating profit was almost at the previous year's level of 357 million. We had a good volume growth and positive price mix effect on top line. Last year we announced that we will increased the capacity in Finland and now we will plan to adjust the utilization rate as the Central European car tyre market is not as robust as we estimated a year ago. Then moving to the bridge, where you can see in detail the performance of our net sales and EBIT and looking to net sales development, you can say that the currency impact on top line was close to 60 million and on operating profit level, the negative impact was around 31 million. Volume and price and mix contributed well to the bottom line and then production and another costs were increased and one explanation for that increase was the added production line in xxx in at the end of the 17 having the full impact last year in 2018. With regards heavy tyres as commented by Hille, strong growth continued there, especially in agricultural tyres and forestry tyres, and the operating profit was on a level of 29 million. It was lower than in 2017 and it was decreased due to the currency impact, inventory evaluation and the increased cost related to the ongoing ramp-up of new production capacity. As planned, the production capacity in Finland will be increased in the coming two years and the project is product proceeding in line with the original plan having the full impact in year 2021. Vianor was able to grow the top line, with the compatible currencies the growth was close to 2% and reaching positive operating profit on a full year basis. As we have communicated earlier, Vianor had the target of reaching the 3% EBITDA by the end of the 2019. But we were able to raise that target already in 2018. So good or excellent performance in Vianor. The operating profit improvement was driven by the better sales management and increased operational efficiency. Then going to the outlook for 2019, we are expecting our net sales with comparable currencies to grow and our operating profit to be approximately at the level of 2018. And as communicated in our capital markets day, we are having investments programs on going to support the growth, and therefore in 2019 we will have additional operating cost visible in our result 2019.

Päivi Antola: Thank your Teemu. Thank you Hille. Operator, we would be ready for questions from the audience, please.

Operator: Thank you. And ladies and gentlemen, if you do wish to ask a question, please press zero one on your telephone keypad now. the first question is from the line of Mattias Holmberg from DNB Markets. The line is open.

Mattias Holmberg: Thank you. Hi, everyone. And so you write in the report and you talk a bit here as well in the presentation that you intend to adjust the planned capacity increase in Finland as the Central European core tyre market is not as robust as you earlier estimated. So my question is, does this new insight have any implications on your ambition to increase sales in Central Europe by 50%?

Hille Korhonen: No, this is only a timing issue, so the ambition level increasing the sales by 50% we see still valid and we continue to pursue that target.

Mattias Holmberg: Thank you and just a follow up on the timing here because you write in the report as you look forward to increase sales by said 50% in Central Europe and double North America in the next five years. And I simply just want to clarify what five-year period that you're referring to given that you were, I thought that 2017 was the base here, given that the target's were stated already in the 2017 annual report. But as I read the report today or in your release, it seems like it would be five years from today. So I would just like to clarify what five-year period you referring to?

Hille Korhonen: Well, you are right that 2017 was the base-line and base-year for that ambition and, of course, we have to take into account what is happening in the marketplace. But then, of course, looking forward, it's even more challenging target for us.

Mattias Holmberg: So should I think of it as five-year target with 2017 as the base or 2018 the base.

Hille Korhonen: 2017 as a base.

Mattias Holmberg: Thank you.

Operator: Next question is from the line of Thomas Besson from Kepler Cheuvreux. Please go ahead. Your line is open.

Thomas Besson: Thank you very much. I have a few questions, it it's ok I go through them one by one. First, I would like to come back to the bridge you give us for the passenger side of business on, please. It's different from what we had in the past. Can you explain, why affects is having such high impact on your earnings in 2018. And can you say whether this had a very positive impact in 2017 if we were to use the exact same bridge?

Teemu Kangas-Kärki: So in in 2018 all our major currencies were against us and the major currency headwind we got from Russian ruble. But then also the Swedish krona and Norwegian krona and the U.S. dollar had a headwind in effect in our operating profit.

Thomas Besson: Ok. Could you give the equivalent effect in 2017, please?

Teemu Kangas-Kärki: The 2017, now I don't have that the figure in my head. But if I remember correctly, we had a positive impact from the currencies into 2017.

Thomas Besson: Ok, if I move on to the next question. Could you clarify whether there is still a remaining positive impact to expect in 2019 from the tax issued you have with the your tax authorities and in any case indicate what tax rate we should assume for 2019 please?

Teemu Kangas-Kärki: So the tax dispute is still ongoing. And we are expecting to get an answer from the High Administrative Court in the coming months and if that is what is positive to us, then the case is closed. But unfortunately, we cannot give you any exact timing when we get that information. And then going forward for the next three years, I would say that you should assume a tax rate around 19-20%.

Thomas Besson: Ok. Can you remind us of how much there is left for the case where you expect the High Court to give you in the final judgment?

Teemu Kangas-Kärki: So that amount that we got last year from the tax authorities was 148 millon so that is the amount that we have now waiting the decision from the Higher Administrative Court to know that is this tax case over or not? And that relates to the year 2007 and 2011.

Thomas Besson: Okay. Good. Last question for me, please. You've indicated that 2019 and 2020 will still be heavy years in terms of investments between the Dayton plant, the Spanish, the truck and the capacity in the heavy tyre. Is it fair to assume that the peak year in terms of Capex is going to be 2019 and that we should be 40 or 50 million higher than in 2018 or is 2020 going to be the peak year?

Teemu Kangas-Kärki: As communicated in the Capital Markets Day, the big year in terms of the Capex is 2019.

Thomas Besson: Ok. And at what level please?

Teemu Kangas-Kärki: That is approximately on a level of 300 million.

Thomas Besson: Great. Thank you very much.

Operator: Next question is from the line of Akshat Kacker from JP Morgan. Please go ahead. Your line is open.

Akshat Kacker: Thank you two questions, please. First on your sell-in expectations for Nordics in 2019, as the OECD market should still be weak in the first half. What are you expecting overall for 2019 for Nordics? That's the first one and the second one is on Russia. If I heard you correctly, you still see high channel inventories and you're expecting sell-in to be up around 5-7% for the full year. So when should we expect a rebound in volumes in Russia as such in 2019?

Hille Korhonen: So regarding Nordics, as we have estimated the overall market is not growing and as we are in the A&B segment that part of the market is remaining quite flat. However, there are some positive signs of increasing the new car sales slightly, but the timing of that is still not clear. And what comes to Russia, the channel inventories of summer tyres, they are still on a higher level, and after the next summer season, they should be coming down to normal level. So that's why we are stating that the replacement tyre market growth will be between 5-7% less in the summer tyres and more in the winter tyres.

Akshat Kacker: And or are growth higher in the second half versus first half for 2019 Russian volumes for you?

Hille Korhonen: The visibility to the full year is more clear than between the different quarters or between the first half and second half, so I would not confirm any specific volumes at this point and time.

Akshat Kacker: Okay. Thank you.

Operator: Next questions from the line of Artem Belezky from SEB. Please go ahead. Your line is open.

Artem Belezky: Yes, this is Artem Belezky from SEB. I have also a couple of questions so lets do those one by one. And the first is relating to your 2019 guidance. Just a clarification relating to sales growth and EBIT being flat, is it basically in local currencies the development what you expect in or in euros?

Teemu Kangas-Kärki: We are keeping the guidance on comparable currencies, so that means in local currencies.

Artem Belezky: Ok. Very clear. And then the second question is relating to Finnish production. As you mentioned, you won't be ramping up that much as thought one year ago. And then you have been talking about an increase from 3 to 4 million units. Could you provide some number, what we should be expecting? Will it still go up from last year levels or would it be flat basically?

Hille Korhonen: So it should go up from last year levels, but to what extent? That's very, very much, depending on the need. So we will be reacting to the forecasted volume and adjusting the capacity utilisation accordingly.

Artem Belezky: Ok. And then one question relating to inventory situation in winter tyres. I know the season is not really over yet but could you provide some colour on what is the situation you are seeing in the different geographies?

Hille Korhonen: Well our understanding at the moment is that in different markets, the winter tyre inventory situation is on a normal level. When we look at the Russian market, the premium segment is a bit on a higher level compared to mid or budget segments.

Artem Belezky: Ok. Very clear. And the last one from my side is relating to volume development in Q4 so as I do some calculations, it seems that volumes also declined in Q4 by roughly 5% year over year. Could you maybe explain whether it's basically demand driven or capacity limitation what you had in Q4 for this year which was driving basically low volumes?

Hille Korhonen: Well we have been selling according to the demand, so we do not have any capacity limitations in passenger car tyres.

Artem Belezky: All right, very clear. Thank you very much.

Operator: Next question is from the line of Panu Laitinmäki from Danske Bank. Please go ahead. Your line is open.

Panu Laitinmäki: Yes, thank you. I just wanted to ask about Central Europe. So basically in Q4 when your sales were down, how much of this was due to the late winter season and how much kind of other market weakness. And then onto 2019, if the outlook is slightly worse than you expected earlier, kind of how much has changed as you are still saying that the market is expected to increase slightly, what was your earlier expectation? And could you talk a bit more about that kind of, what are you seeing in the market? Thank you.

Hille Korhonen: Thank you. So in the fourth quarter, as you mentioned, the winter season did not start practically at all. So all the snow was coming only after Christmas time, and that of course has an impact on the sales. Because when the season is on, people are not coming back to the tyre shops to change their tyres and when we look at look at the market, the overall replacement market was growing but it was growing mainly in the budget segment as there were quite a few Chinese tyres coming to the market so that part of the market was growing, but not the premium segment. And additionally, there was a lot of competition due to the fact that as the OE demand has been going down the OE producers, they have been pushing the volumes to the replacement market in order to build their capacity so that's very natural market reaction. When we have been looking at the forecast for 2019, we were also assuming stronger fourth quarter so that is explaining part of the kind of gap we see in the overall situation in 2019.

Panu Laitinmäki: Ok, that's clear. Thank you.

Operator: Next question is from the line of Henning Cosman, HSBC. Please, go ahead. Your line is open.

Henning Cosman: Hi. Thank you very much. My first question was also regarding Europe. I was hoping you could maybe elaborate some of the point you made in your initial statements about visibility remaining quite poor and also what you said just now about competition and growth in favour of the budget segment and not so much premium. I was under the impression that Continental, but also Michelin and Pirelli had recently made indications that they were quite happy with the winter tyre business in the fourth quarter. Is it maybe pricing also then on part of your premium competitors, is it those that you refer to as OE producers where competition has increased, if you could please elaborate on that a little bit and whether focus maybe also on repercussions for 2019 inventory levels and pricing levels and so on. Is my first question, please.

Hille Korhonen: Yes, you are right about the pricing. So when there is tough competitive situation, is means that the prices are going down and that was not what we did. We did not take our prices down during the fourth quarter. And what comes to 2019, we are now clearly seeing the big players coming up with price decreases and it means that the market will be very competitive in 2019 as well.

Henning Cosman: So that's what you mean with visibility, right? That we don't quite know yet the dynamics between price and volume in which players is going to play which xxx?

Hille Korhonen: Exactly.

Henning Cosman: Great. And then secondly, I wanted to ask about the capacity expanded in Finland. So I think you're proceeding with that as planned, adding that 1 million additional unit. I wasn't sure if I understood you earlier when you were asked about capacity utilization. Are you prepared to give a number for capacity utilization in 18 and how that's developing and with respect to the expansion in Finland, can that be at passenger car division profitability or is the fact that you have these higher production costs in Finland, does that naturally mean that it can't be at existing profitability and it would be slightly less profitable if you ramp that up?

Hille Korhonen: We have been adding a number of the people in the Finnish factories in order to be prepared for the growth and to be able to support our ambition in different markets. Now, when we look at 2019 and have lower visibility to what is happening, for example, in Central Europe we are ready to exhaust the capacity utilization accordingly. As the Finland production cost is much higher than what it is in Russia so that's the natural place for us to have the flexibility.

Henning Cosman: Is it fair to say that you're capacity constrained to certain extended in passenger car tyres, say to a volume growth for 5% or so under current setup?

Hille Korhonen: We are not capacity limited at the moment.

Henning Cosman: Ok.

Hille Korhonen: Only in heavy tyres. Not in passage car tyres.

Henning Cosman: Understood. Thank you very much.

Operator: Next question is from the line of Pasi Väisänen from Nordea. Please go ahead. Your line is open.

Pasi Väisänen: Thank you, this is Pasi Väisänen from Nordea. Regarding this ramp-up costs, related to Dayton plant, so which probably are also included to the full year guidance. Could you actually kind of elaborate amount of these costs you are actually including? Is it 5 million or 15 million? And secondly, regarding these utilisation ratio adjustment you're going to make in Finnish factory, so are you also able to adjust costs in line with the lower utilisation ratios, or is it going to hurt the margins? Thanks.

Teemu Kangas-Kärki: With regards to the Dayton ramp-up costs I can refer to our communication in the Capital Markets Day where we said that the impact in year 2019 will be between 1-2% points from the passenger car net sales.

Pasi Väisänen: Ok, that's clear. Thanks.

Operator: Next question is from the line of Ashek Krien from Jefferies. Please go ahead. Your line is open.

Ashek Krien: Hi. Thanks for taking my questions, the first one is just a confirmation on your guidance. At Capital Markets Day you mentioned your net xxx the ruble and shot the dollar. If I look at the portrait today for what it implies for 2019, you should have transaction and headwinds on both the ruble and the U. S. Dollar. So when you guide for flat EBIT is that factoring into these transaction headwinds or is the flat EBIT not taking into account any headwinds that you have from currency.

Teemu Kangas-Kärki: Our guidance in terms of EBIT takes into account the current exchange rates.

Ashek Krien: You mean as of today and maybe not in line with 2018?

Teemu Kangas-Kärki: As of January 2019.

Ashek Krien: The second question in terms of your sales and production that you show on the revenue bridge show volumes up 5% and then on the slideshow production, up 6%. Are these like for like? And then back did you end up producing more than you sold or we should not be comparing this two numbers?

Teemu Kangas-Kärki: Yeah, directionally you are right with your thinking.

Ashek Krien: In this last question when I compared the bridges that you've shown for third quarter and for the full year, it seems like you've had a bit of a tailwind in terms of fixed costs for fourth quarter. Is that completely driven by the lower volumes in the fourth quarter or was there any level of lower investments or cost cutting that you did in the fourth quarter to reflect the slower market?

Teemu Kangas-Kärki: Clearly already earlier of the year when we were seeing shortening top line growth and as a prudent leaders we manage also our cost base with view of our top line development.

Ashek Krien: And like when we look at for 2019, would everything in the fixed cost line be reflecting the 1-2% points headwind that you flagged in terms of the North American ramp-up or would they be some offsetting cost measures that you will have to, in other words, would the fixed costs line in your full year 2019 bridge will it be just the 1-2% margin xxx, or can it be substantially lower than that?

Teemu Kangas-Kärki: The communication in the Capital Markets Day, that was the net of all the activities that we do at the passenger car tyre business.

Ashek Krien: Ok, perfect. Thank you.

Operator: Next question is from Sasha Gomez from Credit Suisse. Please, go ahead. Your line is open.

Sasha Gomez: Yes. Thank you for taking my question. I just have a couple of follow-ups on the Capex question. I understand that you guide for 300 million for this year, but I think you were guiding for 250 million for last year. You spend a little bit less. Maybe you can explain why you spent less and why it's not kind of added to 19. So is there kind of a net saving on some investments. And then the second question would actually be on the Nordics. Can you give a rough indication of how much from your sales is kind of directly linked to your e-sales in the Nordics? Thank you very much.

Teemu Kangas-Kärki: In terms of the Capex guidance for this year, which I earlier in the call said that that is about 300 million, so we are managing all the time every year the overall Capex level and some investments were postponed from this year from last year to this year, but it then means that we cannot implement everything that was originally planned for this year so we will have a rollover effect to 2020. But the amount for this year is a level of 300.

Hille Korhonen: Well, I don't have the Nordic specific car dealer business figure, because we are looking at that business as a whole for whole Europe and Russia.

Sasha Gomez: What would that be for the whole business?

Hille Korhonen: Sorry, we are not disclosing that figure.

Sasha Gomez: Thank you anyway.

Operator: Next question is from the line of Kai Menke from Bank of America Merill Lynch. Please go ahead. Your line is open.

Kai Menke: Hi. Thank you very much for taking my question. I'm just coming back to Ashek's point on your guidance just to understand a little bit when you say approximately in the range of last year at current effects. What do you mean with approximately in terms of the quantities of the +-3%? Or what do we, how do we have to think about that?

Teemu Kangas-Kärki: We are not defining this in more detail so it is approximately at the level of the 2018.

Kai Menke: Ok. And then sorry I think I missed that because I was just off the cue. But in terms of your sales growth at constant effects when you say to grow, can you give some sort of quantification what that means?

Hille Korhonen: Well, the growth is in line with our long-term financial ambition level. So we would be talking about single digit growth numbers.

Kai Menke: Ok. That's very clear. And then just to come back as well. You know, when you were at the Captain Markets Day you talked about this 22% level. Would you say that this is a trough or would you say that this is the average over those three years of the plan?

Teemu Kangas-Kärki: What we discussed at the Capital Markets Day, we are saying that it is at the level of 22% and it can be slightly higher or slightly lower.

Kai Menke: Okay, perfect. And then is there sort of some cost savings that you did in Q4 leading to your better margin that could spill into 2019 as well? Despite, you know, as the market is still somewhat weaker, despite your costs that you're putting in for the new factory.

Teemu Kangas-Kärki: In Q4 we didn't do any extraordinary things, so it was just a prudent way of managing the business.

Kai Menke: Ok, perfect. Thank you very much.

Operator: And next question is from the line of Eduardo Spina from Exane BNP. Please go ahead. Your line is open.

Eduardo Spina: Thank you. I have three quick questions. The first one is on 2018 for passenger car tyres. You show price mix that is positive. Can I ask if you can give an indication if mix itself without price was positive? I try to get, you know, just an indication if mix growth was higher than price growth for Nokia? Thank you.

Teemu Kangas-Kärki: So we are communicating that as a one figure. We are not separating the price and mix effect in our communication.

Eduardo Spina: Ok. For 2019, I think you mentioned that you expect some pressure, further pressure, from the market on pricing. Does it mean that also, Nokian Tyres would expect price decline for your own business?

Hille Korhonen: We are in different situations in different markets, depending on our market position and in the Nordics we are the market leader, also in Russia and there we have strong, stronger pricing power. For example, in Russia, we have been already increasing prices for the summer tyres as we have started to sell those already in the fourth quarter in 2018. What comes to other markets like North America and Central Europe, there way always look at the market leaders and then make our decisions regarding the prices based on tha,t and on the overall market situation of course.

Eduardo Spina: Ok. Can you just give us a bit of colour on this pressure that you mentioned for the markets? Does it focus on specific segments like premium or maybe the low-end market? Or would you say it's across the board? A similar level of pressure for 2018?

Hille Korhonen: Yes, it looks to us that it's across the board that there is a pressure, or so from the market leaders to reduce the prices. And they have been announcing price decreases.

Eduardo Spina: Thank you, very final one on the heavy tyres. Considering that you said that your capacity constraint, should we expect to the level of profitability for this business to improve in 2019?

Teemu Kangas-Kärki: So we are not giving any guidance on each business area. But clearly this ramp-up phase that we are having in the heavy tyre business it will have an impact on the profitability during the coming two years.

Eduardo Spina: Thank you.

Operator: And just as a reminder, if you have any further questions, please press zero one on your telephone keypad now. We do have a question from the line of Deton Toutlemonde from Deutsche Bank. Please, go ahead. Your line is open.

Deton Toutlemonde: Good afternoon. It's going to be briefly, very short. The authorization of the xxx issue, it's just a mechanical one, you do regularly or if you have something in mind behind that? That's my first question and have a second one afterwards.

Hille Korhonen: This is exactly in line with what we have been doing earlier, so nothing extraordinary.

Deton Toutlemonde: Ok, perfect. Now, I want to have a little bit of clarification about the pricing environment where you talk about pricing initiated by most of your competitors. In the end what are we talking about? We're talking about -1% order of magnitude or something more severe than that? That's a little bit the perception of when I talked to the industry.

Hille Korhonen: Well, I would not maybe go into that level of details. But what we been seeing is that many of the big players have been reducing their price.

Deton Toutlemonde: Ok. Thank you.

Operator: And they're currently no further questions registered. All hand to call back to the speakers. Please go ahead.

Päivi Antola: Thank you. Hille, before we finished the call, would you like to briefly summarize the Nokian Tyres 2018?

Hille Korhonen: Thank you, Päivi. As a summary, I would like to state that our underlying operative performance is solid and we continue implementation of our strategy and growth ambition supported by the investments in North American factory and heavy tyres. All our key projects they are proceeding on time and on course targets. And of course this is very energising for the whole organization. So we are looking forward to completing these projects

Päivi Antola: And this ends today's conference call. Thank you for participating and have a good day.