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Nokian Tyres plc Interim Report January-June 2013:
Sales and EBIT growth in Q2, improving position in core markets

4-6/2013:
Nokian Tyres Group's net sales increased by 1.3% to EUR 419.1 million (EUR 413.8 million in 4-6/2012). Operating profit grew by 6.7% to EUR 120.2 million (112.7). Profit for the period amounted to EUR 85.6 million (95.4). Earnings per share amounted to EUR 0.65 (EUR 0.73).

1-6/2013:
Nokian Tyres Group's net sales decreased by 5.7% to EUR 752.2 million (EUR 798.0 million in 1-6/2012). Operating profit was EUR 196.6 million (217.7). Profit for the period amounted to EUR 149.2 million (182.9). Earnings per share amounted to EUR 1.13 (EUR 1.40).

Outlook:
The demand for replacement car tyres in 2013 is expected to be on previous year's level in Nordic countries with winter tyre demand showing growth. In Russia demand is estimated to show growth in winter tyres but to decrease in summer tyres. In Central Europe total tyre demand is estimated to be down compared to 2012, but winter tyre demand is expected to show growth during H2/2013. The pricing environment for 2013 is challenging for all tyre categories. Margins, however, will be supported by easing of raw material costs (€/kg) by approximately 9.5%, a tailwind of some EUR 45 million, in the full year 2013. Nokian Tyres' sales are expected to show flat to some growth during 2013. Sales in Russia, Nordic countries and North America are expected to show some growth full year 2013 and sales in Central Europe to pick up in H2/2013 year-over-year.

Financial guidance (updated):
In 2013, the company is positioned to show flat to some growth in Net sales and Operating profit compared to 2012.

Key figures, EUR million:

	4-6/13	**4-6/12**	**Change%**	**1-6/13**	**1-6/12**	**Change%**	**2012**
Net sales	419.1	413.8	1.3	752.2	798.0	-5.7	1,612.4
Operating profit	120.2	112.7	6.7	196.6	217.7	-9.7	415.0
Operating profit %	28.7	27.2		26.1	27.3		25.7
Profit before tax	98.8	108.0	-8.5	171.7	210.3	-18.4	387.7
Profit for the period	85.6	95.4	-10.2	149.2	182.9	-18.4	330.9
Earnings per share, EUR	0.65	0.73	-11.2	1.13	1.40	-19.5	2.52
Equity ratio, %				67.6	62.8		71.2
Cash flow from operations	-0.9	-42.5	97.9	-96.0	-163.9	41.4	262.3
RONA,% (roll. 12 months)				21.1	26.4		23.0
Gearing, %				22.4	25.9		-4.5

Kim Gran, President and CEO:

“Our strong market leader position in the core markets in Russia and Nordic countries is intact and we managed again to increase market share in all our markets. Pre-season sales of our new Hakkapeliitta winter tyre range were good and helped us to book reasonably good results with growth in sales and EBIT during Q2. Headwind continued to be heavy in the European economy, car sales and replacement tyre market being clearly down. We do not foresee any major improvement in the market for 2013 but target to grow and excel on the back of our renewed winter tyre range, expanding distribution and our strong industrial structure.

In the second quarter our strongest cards were Russia and the Nordic countries. Our sales in Russia, our biggest market, continue to exceed last year’s numbers and we managed again to grow winter tyre sales clearly more than average market growth. The best growth rate in Q2, however, came from the Nordic countries supported by the renewed winter tyre range and expanding distribution.

Our profitability remained good, price €/kg was flat due to an improved mix. A strong tailwind from material cost supported margins and offset higher depreciation costs.

We expect the good performance to continue with our new winter tyres spearheaded by Hakkapeliitta 8 being launched to consumers in the second half of the year. The Russian tyre market is growing modestly in 2013, however, car and tyre sales are expected to start to improve during H2 with recently launched state financing support. The Central European winter tyre market has been weak and competitive, but we expect some improvement and an upturn in H2/2013.

During the present phase of slower market growth we continue to develop and improve productivity and our industrial structure. In Q1 we commissioned another line (line 12) in the Russian factory and followed up in Q2 with installation of line 13. This is taking the annualized capacity in Russia to more than 15 million tyres by end of 2013.

We continue to expand our distribution network spearheaded by Vianor. We opened 84 new Vianor stores in the first half of the year, now totalling 1,121 stores in 26 countries. In Russia and CIS Nokian Hakka Guarantee dealership program includes over 2,700 tyre stores and car dealers. A new softer partner franchise model Nokian Authorized Dealer (NAD) has also been rolled out in H1 with 217 shops contracted in Italy, Germany and China.

We are looking into the rest of 2013 with confidence and fighting Hakkapeliitta spirit. After a slow start for the year we managed to improve operations in Q2 and expect to be able to improve our sales and EBIT in H2. With the newly launched next generation of Hakkapeliitta winter tyres and test winner winter and summer tyres, our product offering will be by far the best ever. Our tyre chains Vianor and NAD are to be expanded and our market geography in Russia and Northern Europe is looking comparatively healthy offering us a good base for profitable business. A stronger than expected raw material tailwind will help to offset softer prices and additional costs.”

Market situation

The global economy continues to be characterized by uncertainty and slow growth. While old risks remain, new risks have emerged threatening the growth in emerging markets. The growth in the USA is estimated to be slightly above 1% in 2013 and the improved housing sector and improving employment are giving fuel for further GDP growth. Slower growth of 7.5% in China and continued problems in Europe have reduced confidence and economic activity. The recession in Europe has been deeper than expected with slightly below zero growth estimated for 2013. The expectation is that global economy will turn for the better late 2013 with further improvement in 2014-2015 with the exception of Europe which remains weak.

Economies in Nokian Tyres' core markets continue to show slow but comparatively stable development. GDP growth in the first half-year was approximately 1.7% in Russia with full year growth estimated at 2.4%. In Nordic countries the full year 2013 GDP growth is estimated to be 1%.

In Russia consumer confidence has been on a healthy level, but consumer spending has been held back by increased interest rates and uncertainty relating to global economic turmoil. The sales of new cars in H1 in Russia decreased by 6% compared to H1/2012. On the back of government's recent program to subsidize car loan interest rates, the new car sales in 2013 are estimated to take an upturn during H2/2013 with full year sales being still down by 2-5% year-over-year. In 2013 demand for tyres is expected to be flat compared to 2012, with growing winter and decreasing summer tyre sales. Tyre prices have decreased slightly due to soft summer tyre sell-out to consumers and stagnated new car sales.

In Europe the weak economy has had a clear negative effect on consumer confidence and spending. In the first half of 2013 the sales of new cars dropped by 7%. Replacement car tyre sales decreased by 6%, with winter tyre sell-in to distributors down by 23% year-over-year. There is pricing pressure both in premium and economy tyres in Central Europe and sell-in prices of the tyre industry have declined due to the challenging market situation. The demand for winter tyres is expected to pick up in H2 due to seasonality and pent up demand.

In the Nordic countries the new car sales decreased by 8% in H1/2013 year-over-year. The market volume of car tyres showed a slight decrease of 2%. The sales of new cars and tyres started to pick up in Q2 and the volumes are expected to reach the previous year's level, with winter tyre sales growing seasonally in H2.

The demand for heavy tyres remains comparatively weak. Demand for mining machinery tyres has decreased along with the weakening prices of metals. Forestry tyre markets have been relatively soft in H1/2013, but are showing signs of improvement for the rest of the year.

At the beginning of 2013 there have been some signs of recovery in truck tyre demand. In Europe the demand for premium truck tyres was up by 5%, and in Russia the demand increased by 19% in H1 year-over-year. In the Nordic countries, however, the demand was still down by 17%.

Raw materials

Tyre industry raw material prices have continued to decrease in the first half of 2013, and the tailwind is expected to continue all 2013. The raw material cost (€/kg) for Nokian Tyres was down 9.6% in H1/2013 year-over-year. The raw material cost is estimated to decrease 1.5% in Q3/2013 versus Q2/2013, and 9.5% full year offering a tailwind of some EUR 45 million in 2013 vs. 2012.

April-June 2013

Nokian Tyres Group recorded Net sales of EUR 419.1 million (413.8), showing an increase of 1.3% compared with Q2/2012. In the Nordic countries sales increased by 14.5%. Sales in Russia increased by 2.4%. Russia and CIS consolidated sales grew by 5.5%. In Other Europe sales were down by 7.1% year-over-year. In North America sales decreased by 2.4%.

Raw material cost (EUR/kg) in manufacturing decreased in the second quarter by 10.2% year-over-year and decreased by 6.4% versus the first quarter of 2013. Fixed costs amounted to EUR 101.8 million (94.3), accounting for 24.3% (22.8%) of net sales.

Nokian Tyres Group's Operating profit amounted to EUR 120.2 million (112.7). The Operating profit was negatively affected by expensed credit losses and provisions of EUR 3.3 million (1.4).

Net financial expenses were EUR 21.4 million (4.7). Net interest expenses were EUR 3.9 million (3.8) including EUR 2.3 million (2.2) in non-cash expenses related to convertible bonds. Net financial expenses include EUR 17.5 million (0.9) of exchange rate differences of which EUR 15.6 million is unrealized related to internal lending in rouble due in the end of the year.

Profit before tax was EUR 98.8 million (108.0). Profit for the period amounted to EUR 85.6 million (95.4), and EPS were EUR 0.65 (EUR 0.73).

Income financing after the change in working capital, investments and the disposal of fixed assets (Cash flow from operations) was EUR -0.9 million (-42.5).

January-June 2013

Nokian Tyres Group recorded Net sales of EUR 752.2 million (798.0), showing a decrease of 5.7% compared with 1-6/2012. In the Nordic countries sales increased by 2.6% representing 31.1% (29.3%) of the group’s total sales. Sales in Russia increased by 2.6%. Russia and CIS consolidated sales grew by 4.3% and formed 43.3% (40.1%) of the group’s total sales. In Other Europe sales were down by 24.4% year-over-year representing 17.9% (22.8%) of the group’s total sales. In North America sales decreased by 4.5% and were 7.2% (7.2%) of the group’s total sales.

Sales of Passenger Car Tyres were down by 6.5% representing 74.7% (75.2%) of the group’s total sales. Heavy Tyres’ sales decreased by 11.4% and were 6.0% (6.4%) of the group’s total sales. Vianor’s sales increased by 0.5% forming 16.4% (15.4%) of the group’s total sales. The sales of Other operations were down by 11.5% representing 2.8% (3.0%) of the group’s total sales.

Raw material cost (EUR/kg) in manufacturing decreased by 9.6% year-over-year. Fixed costs amounted to EUR 202.2 million (187.0), accounting for 26.9% (23.4%) of net sales. Total salaries and wages were EUR 93.0 million (98.3).

Nokian Tyres Group's Operating profit amounted to EUR 196.6 million (217.7). The Operating profit was negatively affected by the IFRS 2 -compliant option scheme write-off of EUR 7.0 million (5.2) and expensed credit losses and provisions of EUR 3.4 million (4.9).

Net financial expenses were EUR 24.9 million (7.4). Net interest expenses were EUR 7.8 million (6.5) including EUR 4.6 million (4.4) in non-cash expenses related to convertible bonds. Net financial expenses include EUR 17.1 million (1.0) of exchange rate differences of which EUR 15.5 million is unrealized related to internal lending in rouble due in the end of the year.

Profit before tax was EUR 171.7 million (210.3). Profit for the period amounted to EUR 149.2 million (182.9), and EPS were EUR 1.13 (EUR 1.40).

Return on net assets (RONA, rolling 12 months) was 21.1% (26.4%). Income financing after the change in working capital, investments and the disposal of fixed assets (Cash flow from operations) was EUR -96.0 million (-163.9).

The Group employed an average of 4,138 (4,078) people, and 4,184 (4,155) at the end of the period. The equity-owned Vianor tyre chain employed 1,489 (1,413) people and Russian operations 1,309 (1,187) people at the end of the period.

Exchange rate differences

Net Financial expenses include EUR 17.1 million (1.0) of exchange rate differences of which EUR 15.5 million is unrealized related to internal RUB-nominated loans granted by the Finnish parent company to Russian subsidiaries maturing in the end of year 2013. Amount of RUB 3,000 million were hedged with option strategies where call options were sold on level 42.50 at the end of the review period.

Investments

Investments in the review period amounted to EUR 88.8 million (109.8). This comprises of production investments in the Russian and Finnish factories, moulds for new products and the Vianor expansion projects.

Financial position on 30 June 2013

Gearing ratio was 22.4% (25.9%). Interest-bearing net debt amounted to EUR 307.2 million (329.3). Equity ratio was 67.6% (62.8%).

The Group’s interest-bearing liabilities totalled EUR 422.3 million (530.6) of which current interest-bearing liabilities amounted to EUR 234.9 million (194.6). The average interest rate of interest-bearing liabilities was 4.2% (3.5%). The average interest rate of interest-bearing liabilities was 2.3% (1.0%) with calculatory non-cash expenses related to the convertible bond eliminated. Cash and cash equivalents amounted to EUR 115.1 million (201.4).

At the end of the review period the company had unused credit limits amounting to EUR 616.7 million (490.4) of which EUR 305.9 million (306.0) were committed. The current credit limits and the commercial paper program are used to finance inventories, trade receivables, subsidiaries in distribution chains and thus control the typical seasonality in the Group’s cash flow due to changes in the working capital.

Tax rate

In the review period the Group’s tax rate was 13.1% (13.0%). In 2012 the tax rate was 14.7%. The tax rate is affected by tax incentives in Russia based on present investments and further investment-related incentive agreements. A new agreement has been completed with authorities in Russia concerning additional investment in the existing factory and building the new factory. The agreement will prolong the benefits and incentives until approximately 2020. The estimated tax rate going forward for the next 5 years is 17%.

The authorities’ final approvals of the new factory building in Russia took place at the end of 2012 and the new agreed tax benefits and incentives came into force in the beginning of January 2013.

PASSENGER CAR TYRES

	4-6/13	4-6/12	Change%	1-6/13	1-6/12	Change%	2012
Net sales, m€	317.9	317.1	0.3	591.6	633.0	-6.5	1,220.1
Operating profit, m€	114.6	110.0	4.2	207.0	228.7	-9.5	410.8
Operating profit, %	36.0	34.7		35.0	36.1		33.7
RONA,% (roll.12 m.)				29.4	38.2		32.5

4-6/2013:
The net sales of Nokian Passenger Car Tyres was EUR 317.9 million (317.1). Operating profit improved to EUR 114.6 million (110.0). Operating profit percentage was up to 36.0% (34.7%).

Nokian car tyres' sales and Operating profit increased in the second quarter on the back of strong winter tyre sales in the core markets. The company continues to win market share in Russia and in the Nordic countries, and the company is the clear market leader in the premium and mid segment winter tyres.

1-6/2013:
The net sales of Nokian Passenger Car Tyres totalled EUR 591.6 million (633.0), down by 6.5% from the corresponding period a year earlier. Operating profit amounted to EUR 207.0 million (228.7). Operating profit percentage was 35.0% (36.1%).

The negative sales growth in January-June related mainly to weak demand in Central Europe and to Nokian Tyres ending contract manufacturing of tyres for Bridgestone after 2012.

Average Selling Price (€/kg) was on par with H1/2012 although the share of mid segment tyres was high and the pricing environment for tyres was tight. Winter tyres represented 73% (64%) of the company's sales volume in H1/2013, which improved mix and supported ASP.

Raw material costs were down 9% year-over-year, which supported margins.

The new summer tyre range with the spearhead products Nokian Hakka Blue, Hakka Green and Nokian Line won several car magazines' tests in the core markets and in Central Europe in 2012 and spring 2013. In October 2012 Nokian Tyres dominated the winter tyre tests with several victories in Nordic and Russian car magazines. Also the Central European winter tyre test results have been a success for Nokian Tyres with test wins in key markets. A major overhaul of key winter product offering, altogether five new product ranges, is being done in 2013. The biggest launch ever includes the new generation of studded Hakkapeliitta 8, non-studded Hakkapeliitta R2 and Hakkapeliitta R2 SUV targeting further growth in core markets. In addition to the Nordic product range, Nokian Tyres is also introducing two new winter tyres for the Central European and North American markets: Nokian WR G3 and Nokian WR SUV 3.

Fixed costs increased due to the commissioning of the new factory in Russia which increased depreciation, and due to increased marketing costs relating to the launch of new products. Inventories and Capex decreased resulting in an improved cash flow.

Production output (pcs) was cut in Q1 compared to 2012, but the output increased in Q2 year-over-year with commissioning of an additional line in the new plant (line 12) in Russia in March. Yet another line (line 13) in Russia has been installed in Q2. In the first half of the year 82% of Nokian car tyres (pcs) were manufactured in the Russian factories. The company aims to utilize full capacity in Q3/2013.

The target for 2013 is to increase sales, to win market share in core markets with new products, to expand distribution further and to improve productivity and the utilization of capacities.

HEAVY TYRES

	4-6/13	4-6/12	Change%	1-6/13	1-6/12	Change%	2012
Net sales, m€	25.3	26.5	-4.6	47.4	53.6	-11.4	104.4
Operating profit, m€	2.7	2.6	4.0	4.9	6.3	-23.1	11.3
Operating profit, %	10.5	9.6		10.3	11.9		10.8
RONA,% (roll.12 m.)				11.1	15.2		12.5

The net sales of Nokian Heavy Tyres totalled EUR 47.4 million (53.6), down by 11.4% year-over-year. Operating profit was EUR 4.9 million (6.3), and the Operating profit percentage 10.3% (11.9%).

Nokian Heavy Tyres' sales decreased due to weak demand in mining, forestry and harbour tyres and slowing down of machine building in Europe in most of the heavy end use product groups. Average Selling Price remained on the same level year-over-year despite a challenging market situation. Margins were supported by lower raw material cost and improved productivity.

The production volume was cut in H1 by reducing working days to match a lower demand and to control the inventory level. In the review period the production output (tonnes) decreased 11%. The low utilization rate with fixed structure penalized the profits.

An investment program is in progress to modernize the factory, to open bottlenecks in production and to increase radial tyre output. The upgrade of the factory will be completed in the beginning of 2014. The structural changes in manufacturing have already reduced manning and improved product quality, flexibility, and productivity in H1/2013.

The outlook in 2013 remains challenging with demand at a comparatively low level, although the forestry machine building is showing some signs of improvement. The focus for 2013 is to maximize sales and to optimize production output.

VIANOR

Equity-owned operations

	4-6/13	4-6/12	Change%	1-6/13	1-6/12	Change%	2012
Net sales, m€	86.4	79.4	8.8	130.0	129.4	0.5	315.3
Operating result, m€	6.0	3.2	87.0	-9.9	-7.2	-38.0	0.0
Operating result, %	7.0	4.0		-7.6	-5.5		0.0
RONA,% (roll.12 m.)				-1.5	1.4		0.0

At the end of the review period Vianor had 183 (180) equity-owned stores in Finland, Sweden, Norway, USA, Switzerland and Russia. Vianor's net sales amounted to EUR 130.0 million (129.4), up by 0.5% compared with 1-6/2012. Operating result was EUR -9.9 million (-7.2) and the Operating result percentage was -7.6% (-5.5%).

Vianor succeeded in its strategic task of expanding distribution and setting market prices for Nokian products and was able to win market shares in a challenging market situation. Sales and Operating result improved in Q2/2013 year-over-year. However, operating result was negative in January-June due to normal seasonality; it is expected to turn positive in H2 and full year 2013 due to sales and profit generation during the winter tyre season and increased service revenues.

The gradual change of operating model from tyre sales to full car service in the stores continues with investments and local acquisitions of car service shops. At the end of H1/2013 a total of 40 car service operations had been acquired and integrated to existing Vianor stores, which has caused some consolidation costs.

In 2013 there are on-going special projects in expanding the network, developing consumer tyre sales and the car services business, improving the customer experience further, updating all the processes (Vianor Way) and renewing the ERP-system.

Franchising and partner operations

Vianor expanded the shop network in Nokian Tyres' key markets by 84 stores during H1/2013. At the end of the review period the Vianor network comprised of totally 1,121 stores of which 938 were partners. Vianor operates in 26 countries; most extensively in the Nordic countries, Russia and Ukraine. Nokian Tyres' market shares improved as a result of the expansion in each respective country. Expanding the partner franchise network will continue according to plans; the target is to have more than 1,180 Vianor stores by the end of 2013.

A new softer partner franchise model Nokian Authorized Dealer (NAD) was rolled out in H1/2013 with first 217 shops contracted in Italy, Germany and China.

OTHER OPERATIONS

Truck Tyres

The net sales of Nokian Truck Tyres were EUR 22.4 million (25.3), down by 11.5% compared to 1-6/2012. Operating profit and cash flow improved and were on a healthy level.

The truck tyre market was challenging in H1/2013 in the Nordic countries with overall tyre industry sales down by 17%. However, in the core markets, Nordic countries and Russia, Nokian Tyres' market share increased due to an improved product range in both premium and standard tyres.

The distributors' low truck tyre inventories in the Nordic countries, a growing demand for premium truck tyres in Russia in combination with winter tyre season are expected to support sales in H2/2013.

In 2013 the focus will be on increasing sales and improving market shares in the core markets. Expansion to Russia and CIS utilizing the "Vianor Truck" service concept will continue.

RUSSIA AND THE CIS COUNTRIES

Nokian Tyres’ sales in Russia increased year-over-year by 2.6% to EUR 336.4 million (327.9). Sales in CIS countries (excluding Russia) were EUR 20.3 million (14.1). Consolidated sales in Russia and CIS increased by 4.3% to EUR 356.7 million (342.0).

Nokian Tyres’ sales in Russia grew although economic uncertainty has somewhat increased and the new car sales decreased in H1/2013. Nokian winter tyre sales increased clearly with a growing share of mid-price segment tyres. Summer tyre sales were slower due to distributors’ carry-over stocks and the company selling a bulk of summer tyres for 2013 already in Q4/2012. Nokian winter tyre market shares improved clearly and the company strengthened its market leader position in Russia. Payments of customers’ trade receivables and governmental tax incentives came in as planned.

The distribution network was extended by signing additional distribution agreements and expanding the Vianor network. There were a total of 581 Vianor stores in 344 cities in Russia and CIS countries at the end of the review period. The Hakka Guarantee retail network in Russia, working closely with Nokian Tyres, comprised of 2,528 tyre stores, Vianor shops, car dealers, and web shops. Totally 409 points of sale were added to the network in Q2/2013, including 292 web shops. Nokian Tyres’ e-commerce development proceeded according to plans.

The second line in the new factory (line 12) became on stream in Q1/2013, increasing annual capacity in the Russian factories to approximately 14 million tyres. Capacity has increased further as machinery for line 13 has been installed during Q2/2013. The completion of line 13 during H2 will increase the annual capacity to in excess of 15 million tyres by end 2013. The utilization rate in 2013 will depend on tyre demand.

The Nokian Tyres plant located in Russia inside the customs borders (duty 20% for imported tyres) combined with strong brands and an expanding Vianor chain provides a significant competitive edge on the market. By Russia joining WTO, the tyre duties will go down gradually; duty of car and van tyres will decrease from 20% to 18% in 2013 and gradually to 10% in 5 years.

OTHER MATTERS

1. Stock options on the NASDAQ OMX Helsinki Stock Exchange

The total number of stock options 2010A is 1,320,000. Each stock option 2010A entitles its holder to subscribe for one Nokian Tyres plc share. The shares can be subscribed with the stock options 2010A during 1 May 2012 - 31 May 2014. In the aggregate, the stock options 2010A entitle their holders to subscribe for 1,320,000 shares. The present share subscription price with stock options 2010A is EUR 14.84/share. The dividends payable annually shall be deducted from the share subscription price.

The total number of stock options 2010B is 1,340,000. Each stock option 2010B entitles its holder to subscribe for one Nokian Tyres plc share. The shares can be subscribed with the stock options 2010B during 1 May 2013 - 31 May 2015. In the aggregate, the stock options 2010B entitle their holders to subscribe for 1,340,000 shares. The present share subscription price with stock options 2010B is EUR 30.25/share. The dividends payable annually shall be deducted from the share subscription price.

2. Shares subscribed with option rights

After 17 December 2012 registered new shares a total of 116,427 Nokian Tyres plc's shares have been subscribed with the 2007C option rights and 248,376 with the 2010A option rights. These option rights are attached to the Nokian Tyres plc's Option Programs of 2007 and 2010. New shares have been registered into the Trade Register on 19 February 2013, as of which date the new shares have established shareholder rights. As a result of the share subscriptions, the number of Nokian Tyres plc shares increased to 132,321,930 shares.

After 19 February 2013 registered new shares a total of 160,246 Nokian Tyres plc's shares have been subscribed with the 2007C option rights and 127,320 with the 2010A option rights. These option rights are attached to the Nokian Tyres plc's Option Programs of 2007 and 2010. The subscription time with the 2007C option rights ended on 31 March 2013. New shares have been registered into the Trade Register on 14 May 2013, as of which date the new shares have established shareholder rights.
As a result of the share subscriptions, the number of Nokian Tyres plc shares increased to 132,609,496 shares.

3. Share price development

The Nokian Tyres’ share price was EUR 31.31 (EUR 29.86) at the end of the review period. The volume weighted average share price during the period was EUR 33.05 (EUR 32.19), the highest EUR 36.63 (EUR 38.20) and the lowest EUR 29.85 (EUR 24.84). A total of 73,565,503 shares were traded during the period (107,451,845), representing 56% (81%) of the company's overall share capital. The company’s market value at the end of the period amounted EUR 4.143 billion (EUR 3.937 billion). The company’s percentage of Finnish shareholders was 37.8% (36.4%) and 62.2% (63.6%) were foreign shareholders registered in the nominee register. This figure includes Bridgestone's ownership of approximately 15.1%.

4. Decisions made at the Annual General Meeting

On 11 April 2013, Nokian Tyres Annual General Meeting accepted the financial statements for 2012 and discharged the Board of Directors and the President and CEO from liability.

The meeting decided that a dividend of EUR 1.45 per share shall be paid for the period ending on 31 December, 2012. The dividend shall be paid to shareholders included in the shareholder list maintained by Euroclear Finland Ltd on the record date of 16 April 2013. The dividend payment date was decided to be 26 April 2013.

4.1. Members of the Board of Directors and Auditor

The meeting decided that the Board of Directors has six members. Current members Kim Gran, Hille Korhonen, Risto Murto, Hannu Penttilä, Aleksey Vlasov and Petteri Walldén will continue in the Nokian Tyres’ Board of Directors.

Authorised public accountants KPMG Oy Ab continue as auditors.

4.2. Remuneration of the Members of the Board of Directors

The meeting decided that the fee paid to the Chairman of the Board is EUR 80,000 per year, while that paid to Board members is set at EUR 40,000 per year. With the exception of the President and CEO, members of the Board and the Nomination and Remuneration Committee are also granted an attendance fee of EUR 600 per meeting.

In addition, 50% of the annual fee be paid in cash and 50% in company shares, such that in the period from 12 April to 30 April 2013, EUR 40,000 worth of Nokian Tyres plc shares will be purchased at the stock exchange on behalf of the Chairman of the Board and EUR 20,000 worth of shares on behalf of each Board member. This means that the final remuneration paid to Board members is tied to the company's share performance. No separate compensation will be paid to the President and CEO for Board work.

4.3. Issue of stock options

The Board of Directors decided that stock options will be issued by the General Meeting of Shareholders to the personnel of the Nokian Tyres Group as well as to a wholly owned subsidiary of Nokian Tyres plc.

The Company has a weighty financial reason for the issue of stock options, since the stock options are intended to form part of the incentive and commitment program for the personnel. The purpose of the stock options is to encourage the personnel to work on a long-term basis to increase shareholder value. The purpose of the stock options is also to commit the personnel to the Company.

The maximum total number of stock options issued will be 3,450,000 and they will be issued gratuitously. Of the stock options, 1,150,000 are marked with the symbol 2013A, 1,150,000 are marked with the symbol 2013B and 1,150,000 are marked with the symbol 2013C. The stock options entitle their owners to subscribe for a maximum total of 3,450,000 new shares in the Company or existing shares held by the Company. The stock options now issued can be exchanged for shares constituting a maximum total of 2.5 percent of all of the Company's shares and votes of the shares, after the potential share subscription, if new shares are issued in the share subscription.

The share subscription period for stock options 2013A, will be 1 May 2015 - 31 May 2017, for stock options 2013B, 1 May 2016 - 31 May 2018 and for stock options 2013C, 1 May 2017 - 31 May 2019.

The share subscription price for stock option 2013A is the trade volume weighted average quotation of the Company's share on NASDAQ OMX Helsinki Ltd. during 1 January - 30 April 2013, for stock option 2013B, the trade volume weighted average quotation of the share on NASDAQ OMX Helsinki Ltd. during 1 January - 30 April 2014, and for stock option 2013C, the trade volume weighted average quotation of the share on NASDAQ OMX Helsinki Ltd. during 1 January - 30 April 2015. The share subscription price will be credited to the reserve for invested unrestricted equity.

The Board of Directors will decide on the distribution of stock options annually in spring 2013, 2014 and 2015.

A share ownership plan shall be incorporated with the 2013 stock options, obliging the Group's senior management to acquire the Company's shares with a proportion of the income gained from the stock options.

Terms and conditions of the Stock options and the Share ownership plan are presented in the appendix of the press release dated 11 April 2013.

4.4. Authorizing the Board of Directors to resolve to repurchase treasury shares

The Annual General Meeting of Shareholders authorized the Board of Directors to resolve to repurchase a maximum of 300,000 shares in the Company by using funds in the unrestricted shareholders' equity. The proposed number of shares corresponds 0.2 per cent of all shares of the Company.

The price paid for the shares repurchased under the authorization shall be based on the market price of the Company's share in public trading. The minimum price to be paid would be the lowest market price of the share quoted in public trading during the authorization period and the maximum price the highest market price quoted during the authorization period.

The Board decides how treasury shares will be repurchased. Treasury shares can be repurchased otherwise than in proportion to the shareholdings of the shareholders (directed repurchase).

The authorization will be used for purposes determined by the Board of Directors, among other things, for the Company's incentive plans.

The authorization be effective until the next Annual General Meeting of Shareholders, however, at most until 11 October 2014.

5. Corporate social responsibility

Nokian Tyres plc is qualified to the OMX GES Sustainability Finland index. The index is designed to provide investors with a liquid, objective and reliable benchmark for responsible investment. The benchmark index comprises of the 40 leading NASDAQ OMX Helsinki listed companies in terms of sustainability. The index criteria are based upon international guidelines for environmental, social and governance (ESG) issues. The index is calculated by NASDAQ OMX in cooperation with GES Investment Services.

Nokian Tyres published its Corporate Responsibility Report in June, 2013.

6. Changes in ownership

Nokian Tyres plc received an announcement from Bridgestone Europe NV and Bridgestone Corporation on 2nd May 2013, according to which Bridgestone Europe NV has concluded an agreement with Bridgestone Corporation to transfer Bridgestone Europe NV's shares in the capital of Nokian Tyres plc to Bridgestone Corporation on 7th May 2013. This agreement decreases the ownership of Bridgestone Europe NV under the level of 5% of the share capital in Nokian Tyres plc and increases the ownership of Bridgestone Corporation over the level of 15% of the share capital in Nokian Tyres plc.

RISKS, UNCERTAINTY AND DISPUTES IN THE NEAR FUTURE

The global economy continues to be characterized by uncertainty and slow growth. While old risks remain, new risks have emerged threatening the growth in emerging markets. The recession in Europe area has been deeper than expected with slightly below zero growth estimated for 2013. Economies in Nokian Tyres' core markets continue to show slow but comparatively stable development. GDP growth in the first half-year was approximately 1.7% in Russia with full year growth estimated at 2.4%. In Nordic countries the full year 2013 GDP growth is estimated to be 1%. All in all the economic uncertainties may weaken future demand for tyres and increase credit risk.

The company's receivables increased in the review period due to seasonality and business model. Tyre inventories are on a planned level. The company follows the development of NWC very closely. At the end of the review period Russian trade receivables accounted for 48% of the Group's total trade receivables.

Around 32% of the Group's Net sales in 2013 are estimated to be generated from Euro-denominated sales. The most important sales currencies in addition to the Euro are the Russian Rouble, the Swedish and Norwegian Krona, the US Dollar and the Ukrainian Hryvnia.

Nokian Tyres' other risks and uncertainty factors relate to the challenging pricing environment of tyres. The maintaining of profitability in case of rising raw material prices depends on the company's ability to raise tyre prices in line with the increasing raw material cost. An efficient ramp-up of new production lines in Russia will depend on the success of recruiting and retaining work force in a tightening labour market.

Nokian Tyres Group has no pending disputes or litigations expected to have material effect on the performance or future outlook of the Group.

OUTLOOK FOR 2013

The expectation is that global economy will turn for the better late 2013 with further improvement in 2014-2015 with the exception of Europe which remains weak. Economies in Nokian Tyres' core markets continue to show slow but comparatively stable development. GDP growth in the first half-year was approximately 1.7% in Russia with full year growth estimated at 2.4%. In Nordic countries the full year 2013 GDP growth is estimated to be 1%.

The demand for replacement car tyres in 2013 is expected to be on previous year's level in Nordic countries with winter tyre demand showing growth. In Russia demand is estimated to show growth in winter tyres but to decrease in summer tyres. In Central Europe total tyre demand is estimated to be down compared to 2012, but winter tyre demand is expected to show growth during H2/2013. The pricing environment for 2013 is challenging for all tyre categories. Margins, however, will be supported by easing of raw material costs (€/kg) by approximately 9.5%, a tailwind of some EUR 45 million, in the full year 2013. Nokian Tyres' sales are expected to show flat to some growth during 2013. Sales in Russia, Nordic countries and North America are expected to show some growth full year 2013 and sales in Central Europe to pick up in H2/2013 year-over-year.

Nokian Tyres' growing car tyre production capacity in Russia offers growth potential, productivity gains, and a moderate growth of fixed costs supports profitability. Production output in Nokia, Finland has been cut to support growth of production in Russia. The Russian factory has 12 production lines operational with line 13 installed during Q2/2013. The combined annualized capacity of the Nokia and Vsevolozhsk plants in the beginning of the year was 18 million pcs with present shift patterns. The production utilization rate in 2013 will depend on tyre demand.

The demand for heavy tyres remains comparatively weak. The outlook for Nokian Heavy Tyres for 2013 remains stable compared to 2012. The focus for 2013 is in sales and in optimizing production output.

Vianor is expected to add more than 140 stores to the retail network in 2013 and to reach 1,180 stores, increase sales, develop service business further and to show a positive operating result in full year 2013.

A strong position in the core markets, an expanding distribution channel, an improved cost structure with majority of production inside duty borders of Russia and CIS combined with new test winner Hakkapeliitta products give Nokian Tyres opportunities to strengthen its market leadership in the core markets and to show growth also in the more challenging market environment.

Financial guidance (updated)
In 2013, the company is positioned to show flat to some growth in Net sales and Operating profit compared to 2012.

Previous guidance from 30 April 2013
In 2013, the company is positioned to show some growth in Net sales and Operating profit compared to 2012. On the back of Q1 results, Net Sales and Operating profit in H1 are, however, still going to be weaker than in 2012.

INVESTMENTS IN 2013

Nokian Tyres' budget for total investments in 2013 is EUR 144 million (209.2). EUR 83 million will be invested in Russia. The balance comprises of investments in Nokia plant (automation, moulds, ICT, R&D) EUR 44 million, Heavy tyres EUR 6 million and sales companies including Vianor chain with its acquisitions EUR 11 million.

Nokia, 9 August 2013

Nokian Tyres plc

Board of Directors

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The above-said information contains forward-looking statements relating to future events or future financial performance of the company. In some cases, such forward-looking statements can be identified by terminology such as ”may”, ”will”, ”could”, ”expect”, ”anticipate”, ”believe” ”estimate”, ”predict”, or other comparable terminology. Such statements are based on the current expectations, known factors, decisions and plans of the management of Nokian Tyres. Forward-looking statements involve always risks and uncertainties, because they relate to events and depend on circumstances that may or may not occur in the future. Future results may thus vary even significantly from the results expressed in, or implied by, the forward-looking statements.

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This Interim Report has been prepared in accordance with IAS 34 Interim Reports standard.
The company has adopted certain new or revised IFRS standards and IFRIC interpretations at the beginning of the financial period as described in the Financial Statements 2012. However, the adaption of these new or amended standards has not yet had an effect on the reported figures in practice. On the other respects, the same accounting policies have been followed as in the Financial Statements 2012.

The interim report figures are unaudited.

NOKIAN TYRES CONSOLIDATED INCOME STATEMENT Million euros	4-6/13	4-6/12	1-6/13	1-6/12	Last 12 months	1-12/12	Change %
Net sales	419.1	413.8	752.2	798.0	1,566.5	1,612.4	-5.7
Cost of sales	-221.0	-228.2	-405.9	-435.5	-871.1	-900.7	6.8
Gross profit	198.0	185.5	346.2	362.5	695.4	711.7	-4.5
Other operating income	0.6	0.4	1.7	0.8	2.8	1.9	112.6
Selling and marketing expenses	-61.6	-57.3	-120.7	-112.3	-246.9	-238.5	-7.5
Administration expenses	-9.3	-8.6	-18.3	-16.9	-36.1	-34.7	-8.0
Other operating expenses	-7.5	-7.3	-12.4	-16.4	-21.4	-25.4	24.2
Operating profit	120.2	112.7	196.6	217.7	393.8	415.0	-9.7
Financial income	20.6	26.9	38.9	64.0	64.8	89.8	-39.1
Financial expenses	-42.0	-31.5	-63.8	-71.4	-109.5	-117.1	10.6
Profit before tax	98.8	108.0	171.7	210.3	349.1	387.7	-18.4
Tax expense (1	-13.2	-12.7	-22.5	-27.3	-51.9	-56.8	17.9
Profit for the period	85.6	95.4	149.2	182.9	297.2	330.9	-18.4
Attributable to:							
Equity holders of the parent	85.6	95.4	149.3	182.9	297.2	330.9	
Non-controlling interest	0.0	0.0	-0.1	0.0	0.0	0.0	
Earnings per share from the profit attributable to equity holders of the parent							
basic, euros	0.65	0.73	1.13	1.40		2.52	-19.5
diluted, euros	0.64	0.71	1.11	1.36		2.45	-18.4

CONSOLIDATED OTHER COMPREHENSIVE INCOME Million euros	4-6/13	4-6/12	1-6/13	1-6/12	1-12/12
Profit for the period	85.6	95.4	149.2	182.9	330.9
Other comprehensive income, items that may be reclassified subsequently to profit and loss, net of tax:					
Gains/Losses from hedge of net investments in foreign operations	3.0	0.9	-1.9	-8.5	-13.4
Cash flow hedges	-0.2	0.0	-0.4	0.2	0.5
Translation differences on foreign operations (2	-45.2	-25.8	-32.1	19.6	33.9
Total other comprehensive income for the period, net of tax	-42.4	-24.9	-34.5	11.3	21.0
Total comprehensive income for the period	43.2	70.5	114.7	194.3	351.9
Total comprehensive income attributable to:					
Equity holders of the parent	43.1	70.5	114.7	194.3	351.9
Non-controlling interest	0.1	0.0	0.0	0.0	0.0

1)Tax expense in the consolidated income statement is based on the taxable result for the period.
2) According to Board’s decision foreign net investments in subsidiaries are no longer hedged.

KEY RATIOS	30.6.13	30.6.12	31.12.12	Change %
Equity ratio, %	67.6	62.8	71.2	
Gearing, %	22.4	25.9	-4.5	
Equity per share, euro	10.36	9.65	10.89	7.4
Interest-bearing net debt, mill. euros	307.2	329.3	-65.2	
Capital expenditure, mill. euros	88.8	109.8	209.2	
Depreciation, mill. euros	47.7	39.6	81.9	
Personnel, average	4,138	4,078	4,083	
Number of shares (million units)				
at the end of period	132.61	131.86	131.96	
in average	132.30	130.55	131.24	
in average, diluted	137.71	137.07	137.39	

CONSOLIDATED STATEMENT OF FINANCIAL POSITION, MEUR	30.6.13	30.6.12	31.12.12
Non-current assets			
Property, plant and equipment	698.9	629.5	692.5
Goodwill	68.9	65.7	67.9
Other intangible assets	26.3	24.6	26.4
Investments in associates	0.1	0.1	0.1
Available-for-sale financial assets	0.3	0.3	0.3
Other receivables	13.4	19.5	18.2
Deferred tax assets	10.0	6.9	5.4
Total non-current assets	817.7	746.6	810.8
Current assets			
Inventories	338.1	378.4	314.9
Trade receivables	652.5	609.0	375.7
Other receivables	112.5	94.5	88.0
Cash and cash equivalents	115.1	201.4	430.3
Total current assets	1,218.2	1,283.2	1,208.9
Equity			
Share capital	25.4	25.4	25.4
Share premium	181.4	181.4	181.4
Translation reserve	-76.4	-70.4	-61.0
Fair value and hedging reserves	-1.9	-1.8	-1.5
Paid-up unrestricted equity reserve	87.0	78.7	79.3
Retained earnings	1,158.0	1,058.7	1,213.2
Non-controlling interest	0.3	0.3	0.3
Total equity	1,373.8	1,272.3	1,437.2
Non-current liabilities			
Deferred tax liabilities	25.7	26.5	34.9
Provisions	0.1	0.1	0.1
Interest bearing financial liabilities	187.3	336.0	323.1
Other liabilities	4.3	3.0	3.5
Total non-current liabilities	217.4	365.6	361.7
Current liabilities			
Trade payables	101.2	78.1	75.5
Other current payables	104.3	117.7	99.0
Provisions	4.3	1.4	4.3
Interest-bearing financial liabilities	234.9	194.6	42.0
Total current liabilities	444.7	391.9	220.8
Total assets	2,035.9	2,029.8	2,019.6

Changes in net working capital arising from operative business are partly covered by EUR 350 million domestic commercial paper programme.

CONSOLIDATED STATEMENT OF CASH FLOWS Million euros	1-6/13	1-6/12	1-12/12
Cash flows from operating activities:			
Cash generated from operations	-44.9	-53.1	486.6
Financial items and taxes	-52.9	-61.0	-97.9
Net cash from operating activities	-97.8	-114.1	388.7
Cash flows from investing activities:			
Net cash used in investing activities	-87.1	-98.6	-203.4
Cash flows from financing activities:			
Proceeds from issue of share capital	7.7	43.3	43.9
Change in current financial receivables and debt	-0.6	-58.8	-233.7
Change in non-current financial receivables and debt	55.1	121.5	126.5
Dividends paid	-191.9	-156.6	-156.6
Net cash from financing activities	-129.7	-50.7	-219.9
Net change in cash and cash equivalents	-314.5	-263.4	-34.5
Cash and cash equivalents at the beginning of the period	430.3	464.5	464.5
Effect of exchange rate changes	-0.7	0.2	0.3
Cash and cash equivalents at the end of the period	115.1	201.4	430.3
	-314.5	-263.4	-34.5

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

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

	Equity attributable to equity holders of the parent							
Million euros	A	B	C	D	E	F	G	H
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						182.9	0.0	182.9
Other comprehensive income, net of tax:								
Cash flow hedges				0.2				0.2
Net investment hedge			-8.5					-8.5
Translation differences			19.6				0.0	19.6
Total comprehensive income for the period			11.1	0.2		182.9	0.0	194.3
Dividends paid						-156.6		-156.6
Exercised warrants					43.3			43.3
Share-based payments						5.2		5.2
Total transactions with owners for the period					43.3	-151.4		-108.1
Equity, Jun 30th 2012	25.4	181.4	-70.4	-1.8	78.7	1,058.7	0.3	1,272.3
Equity, Jan 1st 2013	25.4	181.4	-61.0	-1.5	79.3	1,213.2	0.3	1,437.2
Profit for the period						149.3	-0.1	149.2
Other comprehensive income, net of tax:								
Cash flow hedges				-0.4				-0.4
Net investment hedge			-1.9					-1.9
Translation differences (2			-13.4			-18.7	0.0	-32.1
Total comprehensive income for the period			-15.4	-0.4		130.6	-0.1	114.7
Dividends paid						-191.9		-191.9
Exercised warrants					7.7			7.7
Share-based payments						6.1		6.1
Total transactions with owners for the period					7.7	-185.7		-178.0
Equity, Jun 30th 2013	25.4	181.4	-76.4	-1.9	87.0	1,158.0	0.3	1,373.8

SEGMENT INFORMATION

Million euros	4-6/13	4-6/12	1-6/13	1-6/12	1-12/12	Change %
Net sales						
Passenger car tyres	317.9	317.1	591.6	633.0	1,220.1	-6.5
Heavy tyres	25.3	26.5	47.4	53.6	104.4	-11.4
Vianor	86.4	79.4	130.0	129.4	315.3	0.5
Other operations	15.4	16.4	28.5	31.3	66.7	-8.7
Eliminations	-25.9	-25.7	-45.5	-49.2	-94.1	7.7
Total	419.1	413.8	752.2	798.0	1,612.4	-5.7
Operating result						
Passenger car tyres	114.6	110.0	207.0	228.7	410.8	-9.5
Heavy tyres	2.7	2.6	4.9	6.3	11.3	-23.1
Vianor	6.0	3.2	-9.9	-7.2	0.0	-38.0
Other operations	0.4	0.1	-1.9	-3.0	-5.5	37.5
Eliminations	-3.4	-3.1	-3.5	-7.2	-1.6	50.9
Total	120.2	112.7	196.6	217.7	415.0	-9.7
Operating result, % of net sales						
Passenger car tyres	36.0	34.7	35.0	36.1	33.7	
Heavy tyres	10.5	9.6	10.3	11.9	10.8	
Vianor	7.0	4.0	-7.6	-5.5	0.0	
Total	28.7	27.2	26.1	27.3	25.7	
Cash Flow II						
Passenger car tyres	-14.5	-33.0	-91.8	-122.4	258.4	25.0
Heavy tyres	2.5	-2.1	1.9	-11.5	8.2	116.2
Vianor	2.1	-3.0	-8.5	-8.5	-1.4	0.1
Total	-0.9	-42.5	-96.0	-163.9	262.3	41.4

CHANGES IN PROPERTY, PLANT AND EQUIPMENT

Million euros	30.6.13	30.6.12	31.12.12
Opening balance	692.5	560.4	560.4
Capital expenditure	92.7	106.4	202.3
Decrease	-12.3	-3.0	-8.3
Depreciation for the period	-44.0	-36.6	-75.4
Exchange differences	-30.0	2.2	13.6
Closing balance	698.9	629.5	692.5

CONTINGENT LIABILITIES	30.6.13	30.6.12	31.12.12
Million euros			
FOR OWN DEBT			
Mortgages	1.1	1.1	1.1
Pledged assets	0.2	0.1	0.2
OTHER OWN COMMITMENTS			
Guarantees	3.4	3.3	3.4
Leasing and rent commitments	80.7	89.5	84.8
Purchase commitments	2.0	3.0	3.0

CARRYING AMOUNTS AND FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES	30.6.13		31.12.12	
	Carrying	Fair	Carrying	Fair
Million euros	amount	value	amount	value
FINANCIAL ASSETS				
Financial assets at fair value through profit or loss				
Derivatives held for trading	15.6	15.6	1.8	1.8
Money market instruments	-	-	41.5	41.5
Loans and receivables				
Other non-current receivables	13.3	14.9	18.1	20.3
Trade and other receivables	656.3	656.9	378.5	378.9
Cash in hand and at bank	115.1	115.1	388.8	388.8
Available-for-sale financial assets				
Unquoted shares	0.3	0.3	0.3	0.3
Derivative financial instruments designated as hedges	0.3	0.3	0.7	0.7
FINANCIAL LIABILITIES				
Financial liabilities at fair value through profit or loss				
Derivatives held for trading	7.6	7.6	1.5	1.5
Financial liabilities measured at amortised cost				
Interest-bearing financial liabilities	422.3	431.5	365.1	379.7
Trade and other payables	101.2	101.2	75.5	75.5
Derivative financial instruments designated as hedges	3.8	3.8	5.9	5.9

All fair value measurements have been classified to Level 2 in the fair value hierarchy.
Level 2 includes Group's derivative financial instruments and money market investments.
To establish the fair value of these instruments the Group uses generally accepted valuation models with inputs based on observable market data.
There has been no transfers between the different levels in the fair value hierarchy.

DERIVATIVE FINANCIAL INSTRUMENTS Million euros	30.6.13	30.6.12	31.12.12
INTEREST RATE DERIVATIVES			
Interest rate swaps			
Notional amount	69.2	70.7	40.1
Fair value	-0.8	-1.6	-1.3
FOREIGN CURRENCY DERIVATIVES			
Currency forwards			
Notional amount	347.4	655.7	538.4
Fair value	3.3	9.2	-1.3
Currency options, purchased			
Notional amount	299.4	47.8	9.5
Fair value	9.7	0.6	0.1
Currency options, written			
Notional amount	454.6	96.1	19.1
Fair value	-6.5	-1.1	-0.1
Interest rate and currency swaps			
Notional amount	20.0	-	20.0
Fair value	1.4	-	-0.2
ELECTRICITY DERIVATIVES			
Electricity forwards			
Notional amount	12.9	15.2	13.3
Fair value	-2.7	-2.2	-1.9

RELATED PARTY TRANSACTIONS

The Group has related party relationships with members of the Board of Directors, the President, other key management personnel, and close members of their families.
Bridgestone Group is no longer considered as a related party.

Transactions and outstanding balances with parties having significant influence

Key management personnel	1-6/13	1-6/12	1-12/12
Total employee benefit expenses	4.2	3.4	7.7
Of which share-based payments	2.2	1.5	3.4

During 1 January and 30 June 2013 the President and other key management personnel were granted a total of 69,400 shares and 250,200 share options (during 1 January and 30 June 2012 375,040 share options). The performance share plan and share option plan terms for the key management personnel are equal to the share options directed at other personnel. On 30 June 2013 the key management personnel held 1,057,494 share options, with 432,294 exercisable (on 30 June 2012 1,123,040 share options, with 377,000 exercisable).

No shares nor share options have been granted to the other members of the Board of Directors.

BUSINESS COMBINATIONS

Vianor-chain have expanded further through several minor business combinations in Finland, Sweden and Norway during the reported period.

Recognised amounts of identifiable assets acquired and liabilities assumed:

Property, plant and equipment	1.6
Inventories	0.3
Trade and other receivables	0.2
Cash and cash equivalents	0.3
Total Assets	2.4
Deferred tax liabilities	0.1
Financial liabilities	0.6
Trade and other payables	0.2
Total liabilities	0.9
Total identifiable net assets	1.5

Composition of goodwill in the acquisition

Consideration transferred	3.7
Total identifiable net assets	1.5
Goodwill	2.2
Consideration paid in cash	2.8
Cash and cash equivalents in the subsidiaries acquired	-0.3
Net cash outflow	2.5

The expectations relating to the growth in sales through increased customer base, and the future expectations on improved market area coverage and sales increase resulted in the recognition of goodwill.

Since these pieces of information are not material individually, the presentation is aggregated. The profits of the acquired companies, totalling EUR 0.0 million, are included in the consolidated income statement. The actual acquisition dates and the nature of the operations taken into account the effect of the acquisition on the consolidated net sales and profit is not material even if they were combined as of the beginning of the financial year.

The acquisition related costs of EUR 0.0 million have been recorded as selling and marketing expenses. There were no other transactions recognised separately from these acquisitions.

The consideration has been transferred in cash and no significant contingent consideration arrangements were included. No non-controlling interest remained in the acquiree.
The identifiable assets acquired and liabilities assumed are recognised in fair value.

Goodwill is measured as the excess of the consideration transferred over the total identifiable net assets. None of the goodwill recognised is deductible for income tax purposes.

DEFINITIONS OF CONSOLIDATED KEY FINANCIAL INDICATORS

Earnings per share, euro:
Profit for the period attributable to the equity holders of the parent / Average adjusted number of shares during the period

Earnings per share (diluted), euro:
Profit 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

DEFINITIONS OF SALES AREAS

Nordic countries: Finland, Norway, Sweden.

Russia and CIS:
Russia, Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Moldova, Ukraine.

Other Europe: Austria, Belgium, Bosnia and Herzegovina, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Lithuania, The Former Yugoslav Republic of Macedonia, Netherlands, Poland, Portugal, Romania, Serbia, Slovakia, Slovenia, Spain, Switzerland, Turkey, United Kingdom.

North America: Canada, USA.

Core markets: Nordic countries, Russia and CIS.

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Nokian Tyres plc

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Distribution: NASDAQ OMX, media, www.nokiantyres.com

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Nokian Tyres Interim Report January-June was published on Friday 9 August, 2013 at 8.00 a.m. Finnish time.

The result presentation to analysts and media will be held in Hotel Kämp in Helsinki at 10.00 a.m. Finnish time. The presentation can be listened through audiocast via internet at http://www.nokiantyres.com/resultinfoq22013

To be able to ask questions during the event you can participate in the conference call. Please dial in 5-10 minutes before the beginning of the event +44 (0)20 7162 0077. Password: 934933.

Stock exchange release and presentation material will be available before the event from http://www.nokiantyres.com/ir-calendar

After the event the audio recording can be downloaded from the same page.

Nokian Tyres interim report January-September will be published on Thursday 31 October, 2013. Releases and company information will be found from http://www.nokiantyres.com