Nokian Tyres plc   Stock Exchange Release, 6 August 2008, 8:00 am

INTERIM REPORT FOR NOKIAN TYRES PLC JANUARY-JUNE 2008

Continued strong sales growth, clear improvement in profits.

The Group’s net sales were up by 22.6% to EUR 530.3 million (EUR 432.5 million in the corresponding period 2007). Operating profit increased to EUR 128.6 million (EUR 89.2 million), and EPS rose to EUR 0.80 (EUR 0.57). In 2008 the company is positioned to achieve strong growth in sales and to outperform the previous year’s results.

Key figures, EUR million:

	Q2/08	Q2/07	H1/08	H1/07	2007
Net sales	284.0	232.6	530.3	432.5	1,025.0
Operating profit	74.2	50.2	128.6	89.2	234.0
Profit before tax	68.6	41.9	99.1	70.1	168.9
Net profit	54.0	46.9	118.4	82.4	213.8
Earnings per share, EUR	0.43	0.34	0.80	0.57	1.37
Equity ratio,%			56.4	52.1	61.8
Cash flow from operations, (Cash Flow II)	-68.6	-20.4	-146.9	-124.2	105.6
RONA,% (rolling 12 months)			25.6	22.4	24.2
Gearing,%			47.3	46.6	14.3

Kim Gran, President and CEO:

“Nokian Tyres sales continued to grow steeply, and operating profit improved clearly in the second quarter and the whole review period. Most of the growth came from the pre-sales of winter tyres for passenger cars in Russia and the other CIS countries. Other product groups and core markets did also well. The late start to the summer tyre season shifted Vianor’s sales and result to the second quarter. The average prices rose from the previous year as a result of a good sales mix, price increases and new products. Russian manufacture increased in line with targets, and the advantages thereof improved profitability. The outlook for 2008 is good, and we expect strong growth to continue in our key markets."

Market situation

The replacement market for passenger car tyres grew in Russia and the other CIS countries. Also the Nordic tyre markets grew slightly, whereas the overall Western European tyre markets declined. The strongest growth was recorded in winter tyres, SUV tyres and high-speed summer tyres. The demand for heavy special tyres and truck tyres continued to be strong. Several tyre manufacturers raised their prices in response to higher raw material prices.

April–June 2008

In the second quarter of 2008 the Nokian Tyres Group recorded net sales of EUR 284.0 million (EUR 232.6 million), showing an increase of 22.1% on the corresponding period a year earlier. Sales increased in the Nordic countries by 14.1%, in Russia and the other CIS countries by 44.4%, in Eastern Europe by 8.9% and in the USA by 43.6%.

Raw material prices in manufacturing were up 9% year-over-year in the second quarter. Fixed costs were EUR 74.9 million (EUR 67.3 million), accounting for 26.4% (28.9%) of net sales.

Nokian Tyres Group’s operating profit rose to EUR 74.2 million (EUR 50.2 million). This includes a EUR 2.0 million fee for technical and management support given to the joint venture in Kazakhstan. Net financial expenses were EUR -5.5 million (EUR -3.3 million).

Profit before taxes was EUR 68.6 million (EUR 46.9 million). Profit for the period amounted to EUR 54.0 million (EUR 41.9 million), and EPS was EUR 0.43 (EUR 0.34).

Income financing after the change in working capital, investments and the disposal of fixed assets (cash flow II) was EUR -68.8 million (EUR –20.4 million).

January–June 2008

Nokian Tyres Group’s net sales in the first half of 2008 totalled EUR 530.3 million (EUR 432.5 million), signifying a 22.6% year-over-year increase. Sales increased in the Nordic countries by 8.4%, in Russia and the other CIS countries by 53.7% and in the USA by 39.1% from the previous year. Sales in Eastern Europe were down 1.9%.

Raw material prices increased by 6% year-over-year in the first half. Fixed costs amounted to EUR 148.3 million (EUR 129.6 million), accounting for 28.0% (30.0%) of net sales.

Nokian Tyres Group’s operating profit rose to EUR 128.6 million (EUR 89.2 million). This was negatively affected by the IFRS 2-compliant option scheme write-off of EUR 8.5 million (EUR 5.1 million).

Net financial expenses were EUR -10.1 million (EUR -6.8 million). Financial expenses include EUR 3.5 million in non-cash expenses related to convertible bonds. Net financial expenses include EUR -2.5 million (EUR -0.5 million) of exchange rate differences.

Profit before taxes was EUR 118.4 million (EUR 82.4 million). The Group’s tax rate was 16.4% (15.0%). Profit for the period amounted to EUR 99.1 million (EUR 70.1 million), and EPS was EUR 0.80 (EUR 0.57).

Return on net assets (RONA, rolling 12 months) was 25.6% (22.4%). Income financing after the change in working capital, investments and the disposal of fixed assets (cash flow II) was EUR -146.9 million (EUR -124.2 million). Equity ratio was 56.4% (52.1%).

The Group employed an average of 3,736 (3,372) people, and 3,764 (3,384) at the end of the period. The Vianor tyre chain employed 1,471 (1,219) people and Russian operations 580 (390) people at the end of the period.

Tax rate

The company's tax rate has decreased as a consequence of tax reliefs in Russia. The tax relief is valid for as long as the company accrues tax on yields corresponding to the amount of the Russian investment, and for two years thereafter.

Since the tax reliefs from Russia have been realised according to the agreements and the uncertainty related to the reliefs has reduced considerably, the company has revised its estimate of the recognition of tax assets in the balance sheet. From now on, tax assets related to the tax reliefs will be recognised at their probable realisation value. Owing to this change in estimate, the first half of 2008 includes EUR 6.5 million of non-recurring tax reliefs from the latter half of 2007.

PASSENGER CAR TYRES

EUR, million	Q2/08	Q2/07	Change %	H1/08	H1/07	Change %	2007
Net sales	195.6	146.6	33.4	385.7	288.0	33.9	691.2
Operating profit	63.8(x	42.0	51.1	128.8	83.6	54.1	212.0
Operating profit,%	32.6(x	28.6		33.4	29.0		30.7
RONA,% (rolling 12 months)				34.9	28.4		31.2

The net sales of Nokian passenger car tyres increased 33.9% year-over-year in the first half, amounting to EUR 385.7 million (EUR 288.0 million). Operating profit was EUR 128.8 million (EUR 83.6 million) and the operating profit percentage 33.4% (29.0%).
(x Operating profit includes a EUR 2.0 million fee for technical and management support given to the joint venture in Kazakhstan.

Both summer and winter tyre sales increased significantly over the previous year. Sales growth was strongest in Russia and Ukraine, but sales also picked up in the Nordic countries and the USA. The biggest growth was seen in SUV and UHP tyres. The sales of Nokian Hakka summer tyres increased clearly from the previous year and the winter tyre pre-sales were brisk in all key markets. Winter tyre sales were boosted by the new studless Nokian Hakkapeliitta R winter tyre range, which will be introduced to consumers this autumn.

The average tyre prices rose as a result of an improved sales mix, new products and successfully implemented price increases.

The production volume rose following the planned increase in capacity at the Russian plant. Increased capacity was not, however, sufficient to meet the demand for tyres, and sales had to be restricted to Central and Eastern European countries.

HEAVY TYRES

EUR, million	Q2/08	Q2/07	Change %	H1/08	H1/07	Change %	2007
Net sales	25.5	24.9	2.3	53.4	50.5	5.7	100.8
Operating profit	5.1	5.8	-12.5	11.4	11.9	-4.2	22.3
Operating profit,%	19.8	23.2		21.3	23.5		22.1
RONA,% (rolling 12 months)				35.6	38.0		39.0

The net sales of Nokian heavy tyres increased by 5.7% year-over-year in the first half, amounting to EUR 53.4 million (EUR 50.5 million). The operating profit was EUR 11.4 million (EUR 11.9 million) and the operating profit percentage 21.3% (23.5%).

The share of sales of forestry and original equipment tyres increased compared to the previous year. The sales of other heavy tyres were on the previous year’s level. The sales mix was slightly weaker in terms of margins than a year ago. Delays in original equipment manufacturers’ production postponed tyre deliveries from the second quarter to the latter half of the year.

Tyre prices will be increased and the sales mix is expected to improve during the second half of the year.

Although production capacity was in full use and production volumes increased as planned, delivery capacity was insufficient to meet the high market demand.

VIANOR

EUR, million	Q2/08	Q2/07	Change %	H1/08	H1/07	Change %	2007
Net sales	80.6	68.2	18.2	127.3	114.2	11.5	278.5
Operating profit	5.9	3.7	58.2	-4.5	-2.0	-121.6	8.4
Operating profit,%	7.3	5.5		-3.5	-1.8		3.0
RONA,% (rolling 12 months)				4.0	3.5		6.0

Vianor’s net sales increased by 11.5% year-over-year in the first half, amounting to EUR 127.3 million (EUR 114.2 million). Operating profit was EUR -4.5 million (EUR -2.0 million) and the operating profit percentage -3.5% (–1.8%).

The Russian and Nordic summer tyre season, which was delayed to the second quarter, did well, as did the related service sales. Sales grew and profits improved considerably.

On 22 April 2008 Vianor acquired the Swiss company Pneu Bauriedel AG and on 1 July 2008 Montuori Tire,Inc. from the USA. At the end of the review period the Vianor network comprised 425 outlets in Nordic countries, Russia, Ukraine, Switzerland, the Baltic countries, the USA and Eastern Europe. Of these, 176 were partner and franchising outlets. A total of 59 new Vianor outlets were opened during the period under review.

The expenses resulting from the establishment of new outlets reduced the operating income.

OTHER OPERATIONS

The net sales of Nokian truck tyres were EUR 12.4 million (EUR 10.4 million), up 18.7% over the previous year. Since the unit's product range mainly consists of winter items, the majority of its sales and profit is generated in the second half of the year.

RUSSIA AND THE CIS COUNTRIES

Sales in Russia and the CIS countries increased by 53.7% year-over-year during the period under review, and market shares improved. The distribution network was extended by signing distribution agreements and through Vianor's activities.

During the second quarter of the year, the amount of production lines at the Russian plant increased to six lines, which operate continuously in three shifts. The plant's production volume and quality level are on target. The capacity expansion has proceeded as planned and the new production lines will be fully operational in the beginning of the third quarter of the year. The seventh production line will be installed during 2008.

The extension of the mixing house has proceeded according to plan. In addition, the extension of the warehouse has started and it will be partly taken into use in the end of the year 2008. The construction work of Hakkapeliitta Village, the housing area for the personnel, is ongoing.

KAZAKHSTAN

On 19 October 2007, Nokian Tyres announced it had signed an agreement with the Kazakhstanian conglomerate Ordabasy Corporation JSC to build a green-field passenger car tyre factory in Kazakhstan. Nokian Tyres has a 10% stake in the joint venture, with the option to increase its ownership to a minimum of 50%.

The total investment will be approximately EUR 160 million, financed through equity of approximately EUR 40 million and external loans. Nokian Tyres has signed a long-term technical support and management aid agreement with Ordabasy Corporation. The agreement is valued at EUR 12 million which will enter as income within the next three years.

Construction work on the plant is expected to begin in 2008 and the tyre manufacture is scheduled to start in 2009-2010.

INVESTMENTS

Investments in the period were EUR 80.3 million (EUR 57.7 million). The company’s total investments in 2008 will be approximately EUR 170 million (EUR 117 million). Around EUR 110 million (EUR 92 million) will be spent on the Russian plant’s operations and extension. The remainder comprises production investments in the Nokia plant, moulds for new products and the Vianor expansion projects.

OTHER MATTERS

1. Stock options on the Main List of the Helsinki Stock Exchange

The Board of Directors of Nokian Tyres plc has decided to apply for the listing of stock options 2004C on the Helsinki Stock Exchange effective as of 1 March 2008.
There are a total of 245,000 2004C stock options. Each stock option 2004C entitles the holder to subscribe for ten Nokian Tyres plc shares. The subscription period for options 2004C commenced on 1 March 2008 and expires on 31 March 2010. The total number of shares available for subscription with options 2004C is 2,450,000. The current subscription price with stock options 2004C is EUR 11.78/share. The annually paid dividends shall be deducted from the share subscription price.

2. Shares subscribed for with stock options

After the increase in share capital registered on 20 December 2007, a total of 898,690 shares were subscribed for with the 2004A stock options attached to the Nokian Tyres' Option Scheme of 2004, and 35,730 shares with the 2004B options. The increase in share capital resulting from the subscription, EUR 186,884, was entered in the Trade Register on 26 February 2008. Trading of the shares, along with the old shares, began on 27 February 2008. Following the increase, the number of Nokian Tyres shares is 124,630,700 and the share capital is EUR 24,926,140.

After the increase in share capital registered on 26 February 2008, a total of 192,150 shares were subscribed for with the 2004A stock options attached to the Nokian Tyres' Option Scheme of 2004, 3,130 shares with the 2004B options and 1,560 shares with the 2004C options. As a result of the subscriptions, an increase in share capital totalling EUR 39,368 was entered in the Trade Register on 20 May 2008.
Trading of the shares, along with the old shares, began on 21 May 2008. Following the increase, Nokian Tyres has a total of 124,827,540 shares and a share capital of EUR 24,965,508.

3. Share price development

Nokian Tyres’ share price was EUR 30.50 at the end of the review period (EUR 26.02). The average share price during the period was EUR 27.16 (EUR 20.25), the highest EUR 33.73 (EUR 27.39) and the lowest EUR 19.04 (EUR 13.99). A total of 126,584,416 shares were traded during the period (135,978,695), representing 101% (111%) of the company's overall share capital. The company’s market value at the end of the period was EUR 3,807,239,970 billion (EUR 3,200,189,912 billion). Finnish nationals accounted for 24.8% (31.4%) and foreign nationals registered in the nominee register for 75.2% (68.6%) of the company’s shareholders. The latter figure includes Bridgestone's ownership of approximately 16%.

4. Decisions made at the Annual General Meeting

The Annual General Meeting of Nokian Tyres held on 3 April 2008 approved the financial statements for 2007 and discharged the Board of Directors and the President from liability. The final dividend was set at EUR 0.50 per share. The matching date was 8 April 2008 and the payment date 15 April 2008.

4.1 Board of Directors and auditor

The number of Board members was set at seven. Kim Gran, Hille Korhonen, Hannu Penttilä, Koki Takahashi, Aleksey Vlasov and Petteri Walldén will continue as Board members. Kai Öistämö was elected as a new member of the Board. At its meeting held after the Annual General Meeting, the Board elected Petteri Walldén as Chairman of the Board.

Authorised public accountants KPMG Oy Ab continue as auditors.

4.2 Remuneration of the Board members

The monthly fee paid to the Chairman of the Board was set at EUR 5,833, or EUR 70,000 per year, while that paid to Board members was set at EUR 2,917, or EUR 35,000 per year. The Annual General Meeting also decided that each member of the Committee will receive a meeting fee of EUR 500 for each Committee meeting attended.

A decision was made to follow existing practices and pay 60% of the annual fee in cash and 40% in company shares, so that in the period from 4 April to 30 April 2008, EUR 28,000 of Nokian Tyres plc shares will be purchased at the stock exchange on behalf of the Chairman of the Board and EUR 14,000 of shares on behalf of each Board member. This decision 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 Amendments to the Articles of Association

The Annual General Meeting decided to make the following amendments to the Articles of Association:

- sections 3 and 4 of the present Articles of Association will be removed and the numbering will be revised correspondingly

- section 5 of the Articles of Association will be changed to the following: “The company’s shares belong to the book-entry securities system”

- section 8 of the Articles of Association will be changed to the following:
"Both the Managing Director and the Chairman of the Board may represent the company alone, and the Members of the Board, two together."

- section 10 of the Articles of Association will be changed to the following:
"The company will have one auditor, who must be approved by the Central Chamber of Commerce. The term of office of the auditor ends with the election of the following auditor at the Annual General Meeting."

- section 11 of the Articles of Association will be changed to the following:
"The invitation to the Annual General Meeting must be published no earlier than three months and no later than one week before the date referred to in Chapter 4, section 2, subsection 2 of the Limited Liabilities Companies Act, in accordance with the Board decision, on the company's website and in one national and in one Tampere regional daily newspaper."

- section 12 of the Articles of Association will be changed to the following:
"In order to be able to participate in the Annual General Meeting, shareholders must inform the company no later than the day stated in the meeting invitation, which may be no earlier than ten days before the meeting. The method of voting is determined by the chairman of the Annual General Meeting."

- section 13 of the Articles of Association will be changed to the following:
"The Annual General Meeting must be held annually on a date specified by the Board of Directors before the end of May. The Annual General Meeting is held in accordance with the decision by the Board, either at the registered office of the company or in Tampere or in Helsinki.

The Annual General Meeting must present
1. annual accounts, including profit and loss account, balance sheet and annual report,
2. auditor's report;
to be decided
3. confirmation of the company's annual accounts,
4. use of profit based on the balance sheet,
5. discharge from liability of the Board members and the Managing Director,
6. remuneration for the Board members and auditor,
7. number of Board members
to be elected
8. Board members,
9. auditor.

- section 14 of the Articles of Association will be changed to the following:

"The annual accounts, the Board's annual report and other documents relating to company operations must be submitted to the auditor by the end of March, and the auditor must submit his/her report to the Board before 15th April."

CHANGES IN SHARE OWNERSHIP

On 5 May 2008, Nokian Tyres received a notification from Grantham, Mayo, Van Otterloo & CO LLC, according to which Grantham, Mayo, Van Otterloo & Co LLC's holding in Nokian Tyres had dropped under the limit of 5 per cent as a consequence of the share transaction on 30 April 2008. Grantham, Mayo, Van Otterloo & Co LLC now holds a total of 6,220,002 Nokian Tyres' shares, which represents 4.99% of the company's 124,630,700 shares and voting rights.

RISKS, UNCERTAINTY FACTORS AND DISPUTES IN THE NEAR FUTURE

Roughly 35% of the Group's net sales are generated from euro-denominated sales. The most important sales currencies in addition to the euro are the Russian rouble, the U.S. dollar and the Swedish and Norwegian krona. A change of one per cent in the EUR/RUB exchange rate would cause a change of approximately EUR 4.0 million in the company's net sales. A corresponding change in the EUR/USD exchange rate would cause a change of approximately EUR 0.5 million in the company's net sales. A change of one per cent in the EUR/SEK and EUR/NOK exchange rates would cause a change of roughly EUR 1 million in the company's net sales.

Nokian Tyres' future risks and uncertainty factors have to do with the development of the growing markets, the success of winter tyre sales in the key markets, and the development of raw material prices. The Russian plant capacity increase has been implemented as planned, but future success depends on the availability of skilled personnel.

Nokian Tyres has certain pending legal proceedings and litigations in some countries. At the moment, the company does not expect these proceedings to have any material impact on the performance or future outlook.

OUTLOOK FOR 2008

The economic growth in Russia and the CIS countries is expected to continue at a brisk pace. The strong growth in the sales of new cars and the expansion of the car park is also expected to continue in the coming years. In Nordic countries, the demand is expected to be on the previous year's level. Winter tyre inventories in the Central European distribution are exceptionally high.

The outlook for 2008 is good for Nokian Tyres. Demand for winter tyres, UHP summer tyres and SUV tyres is increasing in Russia, the CIS countries and Eastern Europe. In North America prospects in the winter tyre market have improved. The manufacture of forestry machinery, as well as other machinery and equipment, is active, and the global shortage of heavy special tyres continues.

Raw material prices are expected to rise steeply during the end of the year. The increase for the whole of 2008 is estimated to be about 11.0% compared to 2007. Nokian Tyres' average prices will rise as a result of new products, an enhanced sales and product mix, and price increases.

Nokian Tyres is positioned to increase sales and achieve the targeted margin level. Tyres manufactured in Russia represent an increasingly large proportion of the Group's sales, which contributes to sustaining a good profit margin.

Traditionally, the sales and profits of Nokian Tyres are focused on the second half of the year, and in particular on the last quarter of the year, owing to the seasonal nature of the operations and high share of winter tyres. Growth in Russia and the higher share of pre-season sales of tyres have brought some balance to the seasonality which will show in more evenly divided sales and profits within the year compared to 2007.

In 2008 the company is positioned to achieve strong growth in sales and to outperform the previous year's results. The third quarter has begun as planned, the order book is larger than a year earlier and production capacity is higher. Due to normal seasonality, the margin level in the third quarter is expected to be lower than in the beginning of the year as more sales will be generated from Nordic countries and other markets instead of Russia. The Group's full-year target for net sales growth is approximately 15%. This translates to net sales of approximately EUR 1,150-1,200 billion, depending on the success of the winter tyre season in core markets.

This interim report has been prepared in accordance with IAS 34 'Interim Financial Reporting' and the same accounting policies as in the most recent annual financial statements.

The interim report figures are unaudited.

NOKIAN TYRES
CONSOLIDATED INCOME STATEMENT
Million euros

	4-6/08	4-6/07	1-6/08	1-6/07	Last 12 months	1-12/07
Net sales	284.0	232.6	530.3	432.5	1,122.8	1,025.0
Cost of sales	-151.6	-130.0	-285.0	-239.4	-614.7	-569.1
Gross profit	132.5	102.6	245.4	193.1	508.1	455.8
Other operating income	0.2	0.5	0.6	0.9	2.1	2.4
Selling and marketing expenses	-48.4	-43.3	-96.3	-83.9	-191.8	-179.4
Administration expenses	-5.3	-5.8	-11.4	-10.9	-24.0	-23.5
Other operating expenses	-4.8	-3.8	-9.7	-10.0	-21.0	-21.3
Operating profit	74.2	50.2	128.6	89.2	273.4	234.0
Financial income	2.9	8.0	21.9	13.6	71.3	63.1
Financial expenses	-8.4	-11.3	-32.0	-20.4	-94.9	-83.3

Profit before tax	68.6	46.9	118.4	82.4	249.8	213.8
Tax expense (1	-14.7	-4.9	-19.4	-12.4	-51.9	-44.9
Profit for the period	54.0	41.9	99.1	70.1	197.9	168.9
Attributable to:						
Equity holders of the parent	54.0	41.9	99.1	70.1	197.9	168.9
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0
Earnings per share from the profit attributable to equity holders of the parent						
basic, euros	0.43	0.34	0.80	0.57	1.61	1.37
diluted, euros	0.40	0.33	0.75	0.55	1.53	1.31

KEY RATIOS	30.6.08	30.6.07	31.12.07
Equity ratio, %	56.4	52.1	61.8
Gearing, %	47.3	46.6	14.3
Equity per share, euro	6.07	4.94	5.76
Interest-bearing net debt, mill. euros	358.7	283.1	102.0
Capital expenditure, mill. euros	80.3	57.7	117.1
Depreciation and amortisation, mill. euros	26.3	22.7	47.1
Personnel, average	3,736	3,372	3,462
Acquisitions and disposals of items of property, plant and equipment	70.7	48.8	89.0
Number of shares (million units)			
at the end of period	124.83	122.99	123.70
in average	124.39	122.64	122.95
in average, diluted	132.49	126.95	129.09

1) Tax expense in the consolidated income statement is based on the taxable profit for the period.

CONSOLIDATED BALANCE SHEET	30.6.08	30.6.07	31.12.07
Non-current assets			
Property, plant and equipment	463.0	386.3	419.9
Goodwill	54.7	52.9	52.8
Other intangible assets	13.7	7.7	7.5
Investments in associates	0.1	0.1	0.1
Available-for-sale financial assets	0.3	0.2	0.2
Other receivables	13.7	0.8	12.8
Deferred tax assets	22.4	22.0	17.7
Total non-current assets	567.9	470.1	511.0
Current assets			

Inventories	237.1	211.9	193.2
Trade receivables	421.4	318.4	225.3
Other receivables	92.8	43.3	67.7
Cash and cash equivalents	26.2	123.5	158.1
Total current assets	777.6	697.1	644.3
Equity			
Share capital	25.0	24.6	24.7
Share premium	155.0	144.2	149.0
Translation reserve	-21.0	-4.8	-12.8
Fair value and hedging reserves	0.2	0.1	0.0
Retained earnings	598.8	443.3	551.9
Minority interest	0.0	0.0	0.0
Total equity	757.8	607.4	712.8
Non-current liabilities			
Deferred tax liabilities	29.0	27.6	30.1
Interest-bearing liabilities	252.1	300.3	248.7
Other liabilities	2.3	1.8	2.4
Total non-current liabilities	283.4	329.7	281.1
Current liabilities			
Trade and other payables	170.3	122.9	148.9
Provisions	1.1	1.0	1.1
Interest-bearing liabilities	132.8	106.2	11.4
Total current liabilities	304.3	230.1	161.4
Total assets	1,345.4	1,167.2	1,155.4

Changes in networking capital arising from operative business are partly covered by EUR 250 million domestic commercial paper program.

CONSOLIDATED CASH FLOW STATEMENT Million euros	1-6/08	1-6/07	1-12/07
Cash flows from operating activities:			
Cash generated from operations	-54.4	-63.3	206.2
Financial items and taxes	-61.0	-18.4	-36.3
Net cash from operating activities	-115.3	-81.6	169.9
Cash flows from investing activities:			
Net cash used in investing activities	-83.7	-57.9	-117.7
Cash flows from financing activities:			
Proceeds from issue of share capital	6.2	1.6	6.5
Change in current financial receivables and debt	120.5	51.5	-44.4
Change in non-current financial receivables and debt	3.1	208.7	143.9

Dividends paid	-62.3	-38.0	-38.0
Net cash from financing activities	67.5	223.7	68.0
Net change in cash and cash equivalents	-131.5	84.2	120.3
Cash and cash equivalents at the beginning of the period	158.1	39.0	39.0
Effect of exchange rate changes	0.3	-0.3	1.2
Cash and cash equivalents at the end of the period	26.2	123.5	158.1
	-131.5	84.2	120.3

The effect of exchange rate changes 0.3 million euros are included in the net cash from operating activities. Year 2007 that effect was -0.3 million euros.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
Million euros

	Share capital	Share premium	Translation reserve	Fair Value and hedging reserves	Retained earnings	Minority interest	Total
Equity, 1 Jan 2007	24.5	142.7	-2.2	-0.1	391.6	0.0	556.6
Interest rate swaps, net of tax				0.2			0.2
Translation differences			-3.0				-3.0
Gains/losses from hedge of net investments in foreign operations, net of tax			0.4				0.4
Profit for the period					70.1		70.1
Total recognised income and expenses for the period	0.0	0.0	-2.6	0.2	70.1	0.0	67.7
Dividends paid					-38.0		-38.0
Exercised warrants	0.1	1.5					1.6
Share-based payments					5.1		5.1
Equity component of the convertible bond					13.9		13.9
Other changes					0.5		0.5

Change in minority interest							0.0
Equity, 30 Jun 2007	24.6	144.2	-4.8	0.1	443.3	0.0	607.4
Equity, 1 Jan 2008	24.7	149.0	-12.8	0.0	551.9	0.0	712.8
Interest rate swaps, net of tax				0.2			0.2
Translation differences			-11.6				-11.6
Gains/losses from hedge of net investments in foreign operations, net of tax			3.4				3.4
Profit for the period					99.1		99.1
Total recognised income and expenses for the period	0.0	0.0	-8.2	0.2	99.1	0.0	91.0
Dividends paid					-62.3		-62.3
Exercised warrants	0.2	6.0					6.2
Share-based payments					8.5		8.5
Equity component of the convertible bond							0.0
Other changes					1.6		1.6
Change in minority interest							0.0
Equity, 30 Jun 2008	25.0	155.0	-21.0	0.2	598.8	0.0	757.8

SEGMENT INFORMATION Million euros	4-6/08	4-6/07	1-6/08	1-6/07	1-12/07
Net sales					
Passenger car tyres	195.6	146.6	385.7	288.0	691.2
Heavy tyres	25.5	24.9	53.4	50.5	100.8
Vianor	80.6	68.2	127.3	114.2	278.5
Others and eliminations	-17.7	-7.1	-36.1	-20.2	-45.6
Total	284.0	232.6	530.3	432.5	1,025.0
Operating result					
Passenger car tyres	63.8	42.0	128.8	83.6	212.0
Heavy tyres	5.1	5.8	11.4	11.9	22.3
Vianor	5.9	3.7	-4.5	-2.0	8.4
Others and eliminations	-0.6	-1.3	-7.1	-4.2	-8.7

Total	74.2	50.2	128.6	89.2	234.0
Operating result, % of net sales					
Passenger car tyres	32.6	28.6	33.4	29.0	30.7
Heavy tyres	19.8	23.2	21.3	23.5	22.1
Vianor	7.3	5.5	-3.5	-1.8	3.0
Total	26.1	21.6	24.2	20.6	22.8
Cash Flow II					
Passenger car tyres	-57.1	-25.8	-101.5	-109.0	102.3
Heavy tyres	2.8	8.5	-3.8	2.7	21.0
Vianor	-4.3	-3.0	-17.2	-10.7	-5.6
Total	-68.8	-20.4	-146.9	-124.2	105.6

CONTINGENT LIABILITIES Million euros	30.6.08	30.6.07	31.12.07
FOR OWN DEBT			
Mortgages	1.0	1.0	1.0
Pledged assets	41.8	0.0	0.0
OTHER OWN COMMITMENTS			
Guarantees	1.4	1.0	1.0
Leasing and rent commitments	103.1	81.4	89.9
Purchase commitments of property, plant and equipment	24.4	30.4	28.2
INTEREST RATE DERIVATIVES			
Interest rate swaps			
Notional amount	14.7	15.3	15.0
Fair value	0.2	0.1	0.1
FOREIGN CURRENCY DERIVATIVES			
Currency forwards			
Notional amount	622.4	298.1	312.1
Fair value	0.4	-2.2	2.6
Currency options, purchased			
Notional amount	13.0	76.8	4.8
Fair value	0.2	0.4	0.1
Currency options, written			
Notional amount	14.0	79.5	4.8
Fair value	-0.2	-0.8	0.0

The fair value of interest rate derivatives is defined by cash flows due to contracts. Interest rate swaps are wholly designated as cash flow hedges and their changes in fair value relating to the effective portion of the hedge is recognised in equity and the potential ineffective portion is recognised in the income statement.

The fair value of forward exchange contracts is calculated at the forward rates on the balance sheet closing date on the basis of cash flows arising from contracts. The fair value of currency options is calculated using the Garman-Kohlhagen option valuation model.

Foreign currency derivatives are only used to hedge the Group's net exposure. The changes in fair value of foreign currency derivatives are reported in the income statement excluding the foreign currency derivatives that are hedging the foreign currency denominated net investment in a foreign subsidiary. Hedge accounting is applied for those hedges and for hedges meeting the hedge accounting criteria the changes in fair value are wholly deferred in equity except for the potential ineffective portion and the time value of currency options, which are recognised in the income statement.

The notional amount of foreign currency derivatives is the euro equivalent of the contracts' currency denominated amount on the balance sheet closing date.

RELATED PARTY TRANSACTIONS

The Group has related party relationships with members of the Board of Directors, the President, other key management personnel, and Bridgestone Group with significant influence through share ownership.

Transactions and outstanding balances with parties having significant influence

Shareholders
Bridgestone Group

	1-6/08	1-6/07	1-12/07
Sales of goods	24.2	24.4	24.1
Purchases of goods	12.4	11.1	37.6

	30.6.08	30.6.07	31.12.07
Trade and other receivables	10.9	6.2	3.5
Trade and other payables	7.6	8.3	9.7

Key management personnel	1-6/08	1-6/07	1-12/07
Total employee benefit expenses	3.8	2.7	7.1
Of which share-based payments	2.5	1.6	4.0

During 1 January and 30 June 2008 the President and other key management personnel were granted a total of 766,000 share options for the subscription of 766,000 shares (during 1 January and 30 June 2007 a total of 684,200 share options for the subscription of 812,000 shares). The share option plan terms for the key management personnel are equal to the share options directed at other personnel. On 30 June 2008 the key management personnel held 1,450,300 share options for the subscription of 1,759,000 shares (797,950 share options for the subscription of 1,949,500 shares on 30 June 2007). Of these share options 34,300 pcs were exercisable for the subscription of of 343,000 shares on 30 June 2008 (47,750 pcs exercisable for the subscription of 477,500 shares on 30 June 2007).

No share options have been granted to the other members of the Board of Directors.

ACQUISITIONS

Acquisitions in 2008

In 2008 the Group has still expanded only through two minor asset deals in Vianor. With these asset deals Vianor acquired on 22 April 2008 the business in Pneu Bauriedel AG, domiciled in Switzerland, and on 1 July 2008 the business in US-based Montuori Tire, Inc..

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 recogition of goodwill.

Specification of the cost of business combinations	
Paid in cash	3.1
Costs directly attributable to the business combinations	0.0
Total cost of the business combinations	3.1
Fair value of the net assets acquired	0.8
Goodwill	2.3

	Fair values recorded in combination	Carrying amounts before combination
Specification of acquired net assets		
Intangible assets	0.0	0.0
Property, plant and equipment	0.0	0.0
Inventories	0.8	0.7
Receivables	0.0	0.0
Cash and cash equivalents	0.0	0.0
Liabilities	0.0	0.0
Net assets acquired	0.8	0.8
Consideration paid in cash	3.1	
Cash and cash equivalents in the subsidiaries acquired	0.0	
Net cash outflow	3.1	

Since these pieces of information are not material individually, the presentation is aggregated. The profits of the acquired companies, totalling EUR 0.2 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 acquisitions on the consolidated net sales and profits is not material even if they were combined as of the beginning of the financial year.

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 balance sheet date

Nokian Tyres plc

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Vice President, Corporate Communications

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Nokian Tyres will publish the January–June 2008 Interim Report on Wednesday 6 August 2008 at 8:00 am.

The results will be presented in English at an event for analysts and the press on the same day at 10:00 am at Hotel Kämp in Helsinki.

The event can be followed live on the Internet on Wednesday 6 August 2008, 10:00 am, at:
http://www.nokiantyres.com/tulosinfo2008q2

A telephone conference in English will be arranged in conjunction with the event. To participate in the conference, dial the following number 5 to 10 minutes before the event: +44 (0)20 7162 0025. The password is "Nokian Tyres".

The stock exchange release and presentation material will be available for download before the beginning of the event at:
http://www.nokiantyres.com/ir-kalenteri

A recording of the telephone conference will be available for download on this page after the event.

Nokian Tyres Q3 result will be published October 31, 2008. Releases and company information will be found from Internet
www.nokiantyres.com