Nokian Tyres plc Stock Exchange Release 13 February 2008 at 8:00 a.m.

NOKIAN TYRES PLC FINANCIAL STATEMENTS BULLETIN 2007

Net sales of Nokian Tyres Group increased by 22.6% in 2007 and were 1,025.0 million (2006:EUR 835.9 million). Operating profit was EUR 234.0 million (EUR 153.1 million). EPS rose to EUR 1.37 (EUR 0.88). Profit for the period was EUR 168.9 million (EUR 107.3 million). The Board of Directors proposes that a dividend of EUR 0.50 per share (EUR 0.31) be distributed. In 2008, the company is positioned to achieve strong growth in sales with improved profits in line with previous years.

Key figures

EUR million:	10-12 2007	10-12 2006	1-12 2007	1-12 2006
Net sales	356.4	302.0	1,025.0	835.9
Operating profit	93.2	67.5	234.0	153.1
Profit before tax	85.0	61.5	213.8	139.3
Profit for the period	61.4	48.0	168.9	107.3
Earnings per share, EUR	0.50	0.39	1.37	0.88
Equity ratio, %			61.8	63.0
Cash flow from operations, (Cash Flow II)	319.4	242.8	105.6	77.7
RONA, % (rolling 12 months)			24.2	19.4
Gearing, %			14.4	22.8

Kim Gran, President and CEO:

“Nokian Tyres enjoyed strong growth throughout the year, and a particularly successful period in the final quarter completed our good performance. Passenger car tyres accounted for the majority of the growth, but also all other profit centres recorded improved net sales and operating profit. Sales grew in all key markets and particularly in Russia. Despite significant investments, our cash flow improved. The average tyre prices rose as a result of the improved sales mix, new products and successfully implemented price increases. Russian manufacture grew clearly from the year before, and the benefits gained improved profitability significantly. The outlook for 2008 is good, and we expect the strong growth to continue in our key markets."

Market situation

The strong demand growth continued in the markets relevant for Nokian Tyres. The winter tyre and SUV tyre markets as well as replacement markets for high-speed summer tyres in Russia, CIS countries and Eastern Europe accounted for the strongest growth. Markets declined slightly in the Nordic countries and Western Europe. The demand for heavy special tyres and truck tyres was high, and the shortage of heavy special tyres continued. Several tyre manufacturers raised their prices in response to the higher raw material prices.

Nokian Tyres October to December 2007

In the period from October to December 2007 the Nokian Tyres Group recorded net sales of EUR 356.4 million (EUR 302.0 million), representing an increase of 18.0% over the corresponding period a year earlier. The Group’s invoicing to the Nordic countries grew by 7.5%, to Russia and other CIS countries by 66.7%, and to the Eastern Europe by 28.0%. Sales to the USA were down by 20.0%.

Raw material purchase prices in manufacturing (EUR/kg) decreased by –3,7% in the final quarter compared to the corresponding period a year earlier. Fixed costs amounted to EUR 84.5 million (EUR 71.0 million). The share of fixed costs of net sales was 23.7% (23.5%).

Nokian Tyres Group’s operating profit rose to EUR 93.2 million (EUR 67.5 million). Net financial expenses were EUR 8.2 million (EUR 6.0 million). Financial expenses include EUR 1.8 million in calculatory non-cash expenses related to convertible bonds.

Profit before tax was EUR 85.0 million (EUR 61.5 million). Profit for the period amounted to EUR 61.4 million (EUR 48.0 million) while earnings per share increased to EUR 0.50 (EUR 0.39).

Income financing after the change in working capital, investments and the disposal of fixed assets (cash flow II) was EUR 319.4 million (EUR 242.8 million).

January to December 2007

In the period from January to December 2007 the Nokian Tyres Group booked net sales of EUR 1,025.0 million (EUR 835.9 million), representing an increase of 22.6% over the corresponding period a year earlier. The Group’s invoicing to the Nordic countries grew by 11.1%, to Russia and other CIS countries by 56.9%, and to the Eastern Europe by 44.4%. Sales to the United States decreased by 15.9% from the previous year as sales were restricted due to the weak U.S. dollar.

Raw material purchase prices in manufacturing (EUR/kg) increased by 1.5% compared to the corresponding period a year earlier. Price increases and a good sales mix resulted in average prices/kg in manufacturing to rise by 8.3% (4.4%). Fixed costs amounted to EUR 277.4 million (EUR 236.7 million), representing 27.1% (28.3%) of net sales.

Nokian Tyres Group’s operating profit rose to EUR 234.0 million (EUR 153.1 million). The figure includes reservation of bad debts amounting to EUR 5.8 million (EUR 4.7 million). In compliance with IFRS, the operating profit for the review period was burdened by an option scheme write-off of EUR 13.3 million (EUR 8.0 million). The Group’s tax rate was reduced to 21% as a consequence of tax reliefs in compliance with the Russian agreements.

Net financial expenses were EUR 20.2 million (EUR 13.8 million). Financial expenses include EUR 3.6 million in calculatory non-cash expenses related to convertible bonds. Net financial items contain EUR –3.1 million (EUR –1.2 million) of exchange rate differences.

Profit before tax rose to EUR 213.8 million (EUR 139.3 million). Profit for the period amounted to EUR 168.9 million (EUR 107.3 million), and EPS were EUR 1.37 (EUR 0.88).

Return on net assets (RONA, rolling 12 months) was 24.2% (19.4%). Income financing after the change in working capital, investments and the disposal of fixed assets (cash flow II) picked up to EUR 105.6 million (EUR 77.7 million). Equity ratio was 61.8% (63.0%).

An expected improvement occurred in terms of receivables and inventories in the final quarter.

The Group employed an average of 3,462 (3,234) people over the period, and 3,535 (3,297) at the end of the period. The Vianor tyre chain had 1,241 (1,279) employees at the end of the period. The number of employees in Russia was 511 (322).

PASSENGER CAR TYRES

	10-12 2007	10-12 2006	Change %	1-12 2007	1-12 2006	Change %
Net sales, MEUR	233.5	189.0	23.5	691.2	533.2	29.6
Operating profit, MEUR	74.2	52.4	41.5	212.0	133.4	58.9
Operating profit, %	31.8	27.7		30.7	25.0	
RONA, % (rolling 12 months)				31.2	24.6	

The net sales of Nokian passenger car tyres in January to December totalled EUR 691.2 million (EUR 533.2 million); 29.6% more than in the previous year. Operating profit amounted to EUR 212.0 million (EUR 133.4 million) and the operating profit percentage was 30.7% (25.0%).

Passenger car tyres sold very well throughout the year with a marked sales increase in the final quarter. Russia, the other CIS countries and the Eastern Europe contributed to the strongest growth. Sales consisted mostly of winter tyres, with the Nokian Hakkapeliitta 5 and Nokian Hakkapeliitta SUV 5 tyres representing the best-selling products. The Nokian Hakka summer tyre range with the Hakka guarantee was well received in the Nordic and Russian markets, cementing the company’s position as a summer tyre manufacturer. Nokian-branded tyres performed well in the tyre tests of trade magazines and were ranked number one several times.

As a result of the good sales mix, new products and successfully implemented price increases, the average tyre prices rose from the previous year. Winter tyres represented 83,9% (82,1%) and new products 53% (34%) of net sales.

The production volumes grew as planned due to the capacity increase at the Russian plant. Off-take contract manufacturing volume remained at the previous year's level. Benefits gained from the increased manufacture in Russia improved profitability clearly.

In September, Nokian Tyres introduced three new passenger car tyre families, Nokian Hakka Z and Nokian Hakka SUV summer tyres, and the Nokian Hakkapeliitta R SUV winter tyre. The consumer sales of these new products will begin in 2008. The tyres are designed for demanding conditions and aimed at the Nordic and Russian markets.

HEAVY TYRES

	10-12 2007	10-12 2006	Change %	1-12 2007	1-12 2006	Change %
Net sales,MEUR	27.2	24.4	11.4	100.8	90.1	11.9
Operating profit, MEUR	5.4	4.6	17.5	22.3	19.9	11.9
Operating profit, %	19.9	18.8		22.1	22.1	
RONA, % (rolling 12 months)				39.0	39.0	

The January-December net sales of Nokian Heavy Tyres totalled EUR 100.8 million (EUR 90.1 million), showing an increase of 11.9% on the corresponding period of the previous year. Operating profit rose to EUR 22.3 million (EUR 19.9 million), and the operating profit percentage was 22.1% (22.1%).

Demand remained strong in Heavy Tyres. Sales and order income grew in all product groups and in all core markets for both original equipment and replacement markets. Higher production volumes of machine and equipment manufacturers boosted sales growth. Better sales mix and the price increases raised average prices.

Investments contributed to the planned raise in the production volumes. Despite the volume increase, delivery capacity was not sufficient to meet the high demand in the market.

Original equipment installation represented 45.3% (42.0%) of the unit's net sales.

VIANOR

	10-12 2007	10-12 2006	Change %	1-12 2007	1-12 2006	Change %
Net sales, MEUR	108.1	96.9	11.6	278.5	246.9	12.8
Operating profit, MEUR	11.9	8.3	42.0	8.4	2.3	262.9
Operating profit %	11.0	8.6		3.0	0.9	
RONA, % (rolling 12 months)				6.0	1.8	

Vianor’s January to December net sales totalled EUR 278.5 million (EUR 246.9 million), showing an increase of 12.8% year on year. Operating profit amounted to EUR 8.4 million (EUR 2.3 million) and the operating profit percentage was 3.0% (0.9%).

Vianor’s performance during both summer and winter tyre peak seasons was better than a year earlier. Sales picked up in the retail and wholesale sectors, and in all product and customer groups. Sales of services increased, which improved Vianor’s profitability. Sales mix improved from the previous year and average prices were up. Nokian-branded tyres were the best-selling products. Vianor Finland performed particularly well, and for the first time operations in all Nordic countries were profitable.

New Vianor outlets were opened in all key market areas and in Russia in particular. During 2007, the Vianor network started operations in Switzerland, Ukraine and Kazakhstan, and at the year-end in the United States where Nokian Tyres acquired Goss Tire Company, a retail tyre sales company. At the end of the year, the Vianor network comprised a total of 366 sales outlets, 192 of which are partner and franchising stores.

OTHER OPERATIONS

Truck Tyres

The net sales of Nokian truck tyres in January-December were EUR 32.8 million (EUR 21.0 million). The net sales increased by 56.2%. The unit’s product range mainly consists of winter products, the sales of which are highest in the second half of the year.

The sales of new truck tyres increased significantly throughout the year. Sales were particularly brisk in the final quarter. A revamped truck tyre range and higher production capacity boosted sales growth. New products accounted for 49% of the unit’s net sales.

Sales focused more strongly on the new markets - Russia and Eastern and Central Europe - than in the previous year. Nokian Tyres’ market share grew significantly in the Nordic countries.

RUSSIA AND CIS COUNTRIES

In 2007, sales in Russia and in the CIS countries amounted to EUR 340.3 million. The sales increased by 56.9% compared to previous year, and the market shares improved. The distribution network was extended by signing additional distribution agreements, and through Vianor’s activities.

The four production lines of the Russian plant operate continuously in three shifts, and the plant’s production volume and quality level are on target.

On 15 February 2007 the Board of Directors of Nokian Tyres decided to launch extension and capacity increase measures at the Russian plant, which will more than double the production volume of the Vsevolozhsk plant. The objective is to reach a production volume of 10 million tyres by 2011.

An extension of 32,500 square metres is being built adjacent to the existing plant, which has a capacity of four million tyres. The extension will enable the planned increase in production volume. The construction work has progressed as planned. Installation of machinery and equipment for the fifth and the sixth production lines have started as planned. The objective is to increase production capacity at a steady rate annually, in line with the growth in demand.

The total investment in 2007-2010 amounts to approximately EUR 195 million, of which EUR 95 million is allocated to 2008. Increasing the capacity also requires future investments in the expansion of the mixing production.

INVESTMENTS

Investments in the final quarter amounted to EUR 34.1 million (EUR 20.7 million) and EUR 117.1 million (EUR 97.0 million) for the year 2007. Some EUR 92 million (EUR 59.6 million) was spent on the Russian plant’s operations and extension. Other investments include production investments at the Nokia plant, moulds for new products, and acquisitions associated with Vianor’s growth.

KAZAKHSTAN

On 19 October 2007, Nokian Tyres announced it had signed an agreement with the Kazakhstanian multi-industrial company Ordabasy Corporation JSC to build a greenfield passenger car tyre factory in Kazakhstan. The new factory will be a joint venture company of which Nokian Tyres' share will be 10% with the option to increase ownership to a minimum of 50%.

The new factory is scheduled to be on line during 2009. 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.

OTHER MATTERS

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

The Board of Directors of Nokian Tyres plc decided to apply for the listing of stock options 2004B on the Helsinki Stock Exchange effective as of 1 March 2007.
There are a total of 245,000 2004B stock options. Each stock option 2004B entitles the holder to subscribe for ten Nokian Tyres plc shares. The subscription period for options 2004B commenced on 1

March 2007 and expires on 31 March 2009. The total amount of shares available for subscription with options 2004B is 2,450,000. The current subscription price with stock options 2004B is EUR 11.34 per 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 21 August 2006, a total of 39,550 shares were subscribed for with the 2001A stock options under Nokian Tyres' Option Schemes of 2001 and 2004, 104,100 shares with the 2001B options, 143,340 shares with the 2001C options, and 127,350 shares with the 2004A options. The increase in share capital resulting from the subscription, EUR 82,868, was entered in the Trade Register on 12 January 2007. Trading of the shares along with the old shares began on 15 January 2007. Following the increase, the number of Nokian Tyres shares is 122,446,610 and the share capital is EUR 24,489,322.

After the increase in share capital registered on 12 January 2007, a total of 34,800 shares were subscribed for with the 2001A bonds with warrants attached to the Nokian Tyres' Option Schemes of 2001 and 2004, 72,300 shares with the 2001B warrants, 91,600 shares with the 2001C warrants, and 7,630 shares with the 2004A warrants.
The increase in share capital resulting from the subscription, EUR 41,266, was entered in the Trade Register on 22 February 2007. Trading of the shares along with the old shares began on 23 February 2007. After the increase, the number of Nokian Tyres shares is 122,652,940 and the share capital is EUR 24,530,588.

After the increase in share capital registered on 22 February 2007, a total of 60,600 shares were subscribed for with the 2001A bonds with warrants attached to the Nokian Tyres' Option Schemes of 2001 and 2004, 77,400 shares with the 2001B warrants, 128,850 shares with the 2001C warrants, 21,310 shares with the 2004A warrants, and 48,520 with the 2004B warrants. The increase in share capital resulting from the subscription, EUR 67,336, was entered in the Trade Register on 21 May 2007. Trading of the shares along with the old shares began on 22 May 2007. The total number of Nokian Tyres shares after the increase is 122,989,620, and the share capital is EUR 24,597,924.

After the increase in share capital registered on 21 May 2007, a total of 202,090 shares were subscribed for with the 2,004A bonds with warrants attached to the Nokian Tyres' Option Scheme of 2004 and 120,200 shares with the 2,004B warrants. The increase in share capital resulting from the subscription, EUR 64,458, was entered in the Trade Register on 20 August 2007. Trading of the shares along with the old shares began on 21 August 2007. Following the increase, the number of Nokian Tyres shares is 123,311,910 and the share capital is EUR 24,662,382.

After the increase in share capital registered on 20 August 2007, a total of 23,280 shares were subscribed for with the 2,004A bonds with warrants attached to the Nokian Tyres' Option Scheme of 2004 and

5,170 shares with the 2,004B warrants. The increase in share capital resulting from the subscription, EUR 5,690, was entered in the Trade Register on 14 November 2007. Trading of the shares along with the old shares began on 15 November 2007. Following the increase, the number of Nokian Tyres shares is 123,340,360 and the share capital is EUR 24,668,072.

After the increase in share capital registered on 14 November 2007, a total of 353,300 shares were subscribed for with the 2,004A bonds with warrants attached to the Nokian Tyres' Option Scheme of 2004 and 2,620 shares with the 2,004B warrants. The increase in share capital resulting from the subscription, EUR 71,184, was entered in the Trade Register on 20 December 2007. Trading of the shares along with the old shares began on 21 December 2007. Following the increase, the number of Nokian Tyres shares is 123,696,280 and the share capital is EUR 24,739,256.

3. Share price development

The Nokian Tyres' share price was EUR 24.05 at the end of the review period (EUR 15.52). The average share price during the period was EUR 23.11 (EUR 13.28), the highest EUR 29.92 (EUR 16.68) and the lowest EUR 13.99 (EUR 9.90). A total of 236,332,864 shares were traded during the period (257,824,937), representing 191% (211%) of the company's overall share capital. The company's market value at the end of the period was EUR 2.975 billion (EUR 1.894 billion). The company's percentage of Finnish shareholders was 27.6% (35.0%) and 72.4% (65.0%) were nominee-registered foreign shareholders, including Bridgestone's ownership of approximately 16%.

4. Decisions made at the Annual General Meeting

At the Annual General Meeting of Nokian Tyres held on 3 April 2007, the financial statements for 2006 were approved and the Board of Directors and the President were discharged from liability. The final dividend was set at EUR 0.31 per share. The matching date was 10 April 2007 and the payment date on 17 April 2007.

4.1 Board of Directors and auditor

The number of Board members was set at seven. Kim Gran, Rabbe Grönblom, Hille Korhonen, Hannu Penttilä, Koki Takahashi, Aleksey Vlasov and Petteri Walldén will continue as Board members. In a meeting held after the Annual General Meeting, Petteri Walldén was elected Chairman of the Board. In its meeting in May, the Board of Nokian Tyres decided to establish a committee for appointments and rewards. Board members Hille Korhonen and Hannu Penttilä and the Chairman of the Board Petteri Walldén are members of the committee.

Authorised public accountants KPMG Oy Ab continue as auditors.

4.2 Remuneration of the Board members

It was decided that the monthly fee paid to the Chairman of the Board would be EUR 5,000 or EUR 60,000 per year, while that paid to Board members was set at EUR 2,500 or EUR 30,000 per year. It was also decided that according to the existing practices, 60% of the annual fee be paid in cash and 40% in company shares, such that in the period from 4 April to 30 April 2007, EUR 24,000 worth of Nokian Tyres plc shares will be purchased at the stock exchange on behalf of the Chairman of the Board and EUR 12,000 worth 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.
Each member of the Committee will receive a meeting fee of EUR 500 for each Committee meeting attended.

4.3 The Board of Directors' authorisation to make a decision on a share issue and on granting special rights entitling to shares

The Annual General Meeting authorised the Board of Directors to make a decision to offer no more than 24,000,000 shares through a share issue or by granting special rights under chapter 10 section 1 of the Finnish Companies Act that entitle to shares (including convertible bonds) on one or more occasions. The Board may decide to issue new shares or shares held by the company. The maximum number of shares included in the authorisation accounts for approximately 20% of the company's entire share capital. The company has one type of share with a nominal value of EUR 0.20.

The authorisation includes the right to issue shares or special rights through a private offering, in other words to deviate from the shareholders' pre-emptive right subject to provisions of the law.

Under the authorisation, the Board of Directors will be entitled to decide on the terms and conditions of a share issue, or the granting of special rights under Chapter 10, section 1 of the Finnish Companies Act, including the recipients of shares or special rights entitling to shares, and the compensation to be paid.
It was decided that the authorisation should be exercised for purposes determined by the Board.

The authorisation will be effective for five years from the decision made at the Annual General Meeting. This authorisation invalidates all other Board authorisations regarding share issues and convertible bonds.

4.4 The issue of stock options

The Annual General Meeting decided that stock options will be issued 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 issuing stock options since the stock options are intended to form part of the incentive and commitment programme 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 shall be 6,750,000. The stock options entitle their holders to subscribe for a maximum total of 6,750,000 new shares in the company. The stock options now issued can be exchanged for shares constituting a maximum total of 5.2% of the company's shares and votes of the shares, after the potential share subscription.

The share subscription price shall be based on the prevailing market price of the Nokian Tyres plc share on the Helsinki Stock Exchange in January–March 2007, January–March 2008 and January–March 2009.

The share subscription period for stock options 2007A shall be 1 March 2009–31 March 2011, for stock options 2007B, 1 March 2010–31 March 2012 and for stock options 2007C, 1 March 2011–31 March 2013.

A share ownership plan shall be incorporated to the 2007 stock options, according to which the Group's senior management shall be obliged to acquire the Company's shares with a proportion of the income gained from the stock options.

5. Convertible bond loan for Finnish and international institutional investors

On 20 June 2007 the Board of Directors of Nokian Tyres announced the issue of a convertible bond totalling EUR 130.4 million, deviating from the pre-emptive rights of the company's shareholders, for subscription by Finnish and international institutional investors in the tender procedure. The loan was heavily oversubscribed within three hours of the beginning of the tender procedure. With reference to the earlier announcement, on 20 June 2007 Nokian Tyres announced the issue of a convertible bond loan totalling EUR 130.4 million, expiring in 2014.

The Board of Directors of Nokian Tyres accepted the final terms of the loan and, on the basis of the authorisation granted by the Annual General Meeting on 3 April 2007, issued a loan for institutional investors, deviating from the pre-emptive rights of the company's shareholders.

The loan was issued to finance the company's strategy-based investments, to refinance existing financial arrangements, and for the company's general needs.

The loan was issued as bonds with a capital of EUR 100,000. The loan was issued up to 100 per cent of the amount of its capital and will not bear interest during the loan period. The loan will be redeemed when it finally expires for an amount producing an annual yield of

3.0%, or for 123 per cent of the loan capital, unless it has previously been exchanged, redeemed, purchased or cancelled. Each bond of EUR 100,000 can be traded for 2,672 company shares. The premium on the exchange rate is 40% higher than the reference price of the company share EUR 26.73 on 20 June 2007. The right to trade the loan for company shares starts on 7 August 2007 and ends on 20 June 2014 at 4:00 p.m. Finnish time. If the loan is traded for company shares in its entirety, the total number of new shares issued by the company will be 4,008,441, corresponding to 3.3% of the total amount of company shares on 20 June (providing the over-allocation option is fully executed).

The due date of the loan is 27 June 2014, unless it is redeemed, exchanged, purchased or cancelled prior to this date. The company may redeem the loan for the capital price accumulated by its due date at any given time on 27 June 2011 or after this date, providing the price of the company share multiplied by the exchange ratio figure is at least 130% of the then applicable accumulated capital for 20 trading days during 30 consecutive trading days. Furthermore, the company has the right to redeem the loan at any given time when the outstanding total capital of the loan is 15%, or less, of the original capital of the issued loan.

The payment of the issue took place on 27 June 2007, and the issue was entered into the Finnish Trade Register on 28 June 2007.

Nokian Tyres granted an over-allocation option to Nomura International Plc. On the basis of this option, extra loan may be subscribed for to a maximum of EUR 19.6 million, only to cover excessive demand, and the option may be used at any given time, but no later than 20 July 2007.

The trading of the loan on the Euro MTF market of Luxembourg commenced on 17 July 2007. The company issued a Listing Document concerning the listing of the loan (and its terms) on 17 July 2007. The new shares issued in conjunction with converting the loan will be listed on the Helsinki Stock Exchange.
The parties arranging the issue are Nomura International Plc (Sole Bookrunner and Joint Lead Manager) and Carnegie Investment Bank AB (Joint Lead Manager).

On 17 July 2007 Nokian Tyres announced that Nomura International Plc, the party arranging the company’s convertible bond loan expiring in 2014, had executed the over-allocation option of EUR 19.6 million in full. The additional loan of EUR 19.6 million will only be used to cover excessive demand. Following the execution of the over-allocation option, the sum total of the convertible bond loan is EUR 150 million.

6. Changes in share holdings

On 20 July 2007 Nokian Tyres received a notification from Grantham, Mayo, Van Otterloo & CO LLC, according to which Grantham, Mayo, Van Otterloo & Co LLC’s holding of Nokian Tyres has exceeded the limit of

5 per cent as a consequence of the share transaction on 19 July 2007. Grantham, Mayo, Van Otterloo & Co LLC hold 6,224,719 shares in Nokian Tyres, which correspond to 5.06% of the company’s 122,989,620 shares and votes.

On 22 October 2007 Nokian Tyres received a notification from Grantham, Mayo, Van Otterloo & CO LLC, according to which Grantham, Mayo, Van Otterloo & Co LLC’s holding of Nokian Tyres had decreased from the earlier 5.06% to 4.96% as a result of a share transaction conducted on 10 October 2007. Grantham, Mayo, Van Otterloo & Co LLC now hold a total of 6,121,442 shares in Nokian Tyres, which correspond to 4.96% of the company’s 123,311,910 shares and votes.

RISKS, INSECURITY FACTORS AND LITIGATIONS 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 ruble, U.S. dollar, and Swedish and Norwegian krona. A change of one per cent in the EUR/RUB exchange rate would cause a change of approximately EUR 4 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 one million euro 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 this moment, the company does not expect these proceedings to have any material impact on the performance or future outlook.

TAX BASE

As a consequence of tax relief from Russia, the company’s tax rate has reduced. The tax relief is valid for as long as the company gains yields corresponding to the amount of the Russian investment, and for two years thereafter. Tax returns are entered on the basis of cash and are not divided by periods. The tax rate of the entire year 2007 was 21%, and the company anticipates the tax rate to continue reducing slightly in 2008.

OUTLOOK FOR 2008

The brisk economic growth in Russia and CIS countries is expected to continue despite increased uncertainty in the global economy. Strong sales of new cars and the expansion of the car park are expected to carry on for some years to come.

The outlook 2008 for Nokian Tyres is good, and the first quarter has started off as planned. The growth in demand for winter tyres, UHP summer tyres and SUV tyres is continuing, particularly in Russia, other CIS countries and Eastern Europe. In the Nordic countries and Western Europe markets remain flat. Manufacture of forestry and other machinery and equipment is active, and the global shortage of heavy special tyres is continuing.

In 2008 raw material prices are expected to go up by 7.0% compared to 2007. Nokian Tyres' average prices will rise as a result of new products, an improved sales and product mix and price increases.

The company's product range will be expanded to feature a large number of new products, which, together with an enhanced distribution network, offers good opportunities for sales growth and for achieving the desired profit margin. Tyres manufactured in Russia represent an increasingly large proportion of the Group's sales, which contributes to sustaining good profit margins.

Nokian Tyres pays specific attention to growth projects, sales and logistics management, as well as to expanding the distribution network. Capacity will be raised in accordance with an accelerated plan in Russia. Heavy Tyres will focus on production bottlenecks in order to further increase capacity.

Traditionally, the sales and performance 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 the high share of winter tyres. Growth in Russia and the higher share of preseason tyre sales have brought some balance to the seasonality, which shows in more evenly divided sales and profits within the year.

The order book for the beginning of the year is higher than last year, and production capacity has increased. In 2008, the company is positioned to achieve strong growth in sales with improved profits in line with previous years. All profit centres are estimated to show growth and improved profits.

Total investments in 2008 are approximately EUR 150 million (EUR 117 million), with some EUR 95 million (EUR 58 million) being spent on the Russian plant's operations and extension. The remainder comprises production investments in the Nokia plant, moulds for new products and Vianor expansion.

Nokia, 13 February 2008

Nokian Tyres plc
Board of Directors

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.

NOKIAN TYRES
CONSOLIDATED INCOME STATEMENT

Million euros	10-12/07	10-12/06	1-12/07	1-12/06	Change %
Net sales	356.4	302.0	1,025.0	835.9	22.6
Cost of sales	-196.6	-177.7	-569.1	-491.3	15.8
Gross profit	159.8	124.2	455.8	344.5	32.3
Other operating income	1.0	0.6	2.4	2.0	18.8
Selling and marketing expenses	-55.0	-48.4	-179.4	-157.6	13.8
Administration expenses	-7.5	-6.0	-23.5	-18.9	24.5
Other operating expenses	-5.0	-3.0	-21.3	-17.0	25.5
Operating profit	93.2	67.5	234.0	153.1	52.8
Financial income	42.2	3.9	63.1	22.3	182.2
Financial expenses	-50.4	-9.9	-83.3	-36.2	130.3
Profit before tax	85.0	61.5	213.8	139.3	53.5
Tax expense (1	-23.6	-13.4	-44.9	-32.0	40.3
Profit for the period	61.4	48.0	168.9	107.3	57.4
Attributable to:					
Equity holders of the parent	61.4	48.0	168.9	107.3	
Minority interest	0.0	0.0	0.0	0.0	
Earnings per share from the profit attributable to equity holders of the parent					
basic, euros	0.50	0.39	1.37	0.88	55.7
diluted, euros	0.47	0.38	1.31	0.86	52.6

KEY RATIOS	31.12.07	31.12.06	Change %
Equity ratio, %	61.8	63.0	
Gearing, %	14.3	22.8	
Equity per share, euro	5.76	4.56	26.4
Interest-bearing net debt, mill. euros	102.0	126.9	
Capital expenditure, mill. euros	117.1	97.0	
Depreciation and amortisations, mill. euros	47.1	40.8	
Personnel, average	3,462	3,234	
Number of shares (million units)			
at the end of period	123.70	122.03	
in average	122.95	121.63	
in average, diluted	129.09	125.15	

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

CONSOLIDATED BALANCE SHEET	31.12.07	31.12.06
Non-current assets		
Property, plant and equipment	419.9	353.2
Goodwill	52.8	51.8
Other intangible assets	7.5	8.2
Investments in associates	0.1	0.1
Available-for-sale financial assets	0.2	0.2
Other receivables	12.8	0.8
Deferred tax assets	17.7	14.3
Total non-current assets	511.0	428.6
Current assets		
Inventories	193.2	159.8
Trade receivables	225.3	209.7
Other receivables	67.7	47.6
Cash and cash equivalents	158.1	39.0
Total current assets	644.3	456.1
Equity		
Share capital	24.7	24.5
Share premium	149.0	142.7
Translation reserve	-12.8	-2.2
Fair value and hedging reserves	0.0	-0.1
Retained earnings	551.9	391.6
Minority interest	0.0	0.0
Total equity	712.8	556.6
Non-current liabilities		
Deferred tax liabilities	30.1	20.5
Interest-bearing liabilities	248.7	110.6
Other liabilities	2.4	1.9
Total non-current liabilities	281.1	133.0
Current liabilities		
Trade and other payables	148.9	138.9
Provisions	1.1	1.0
Interest-bearing liabilities	11.4	55.3
Total current liabilities	161.4	195.2
Total assets	1,155.4	884.7

CONSOLIDATED CASH FLOW STATEMENT Million euros	1-12/07	1-12/06
Cash flows from operating activities:		
Cash generated from operations	206.2	165.7
Financial items and taxes	-36.3	-59.1
Net cash from operating activities	169.9	106.6

Cash flows from investing activities:		
Net cash used in investing activities	-117.7	-89.8
Cash flows from financing activities:		
Proceeds from issue of share capital	6.5	5.2
Change in current financial receivables and debt	-44.4	42.5
Change in non-current financial receivables and debt	143.9	-41.0
Dividends paid	-38.0	-27.9
Net cash from financing activities	68.0	-21.2
Net change in cash and cash equivalents	120.3	-4.5
Cash and cash equivalents at the beginning of the period	39.0	45.7
Effect of exchange rate changes	1.2	2.2
Cash and cash equivalents at the end of the period	158.1	39.0
	120.3	-4.5

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 2006	24.2	137.8	5.7	-0.5	303.4	0.7	471.4
Interest rate swaps, net of tax				0.4			0.4
Translation differences			-7.2				-7.2
Gains/losses from hedge of net investments in foreign operations, net of tax			0.3				0.3
Profit for the period					107.3		107.3
Total recognised income and expenses for the period	0.0	0.0	-6.9	0.4	107.3	0.0	100.8
Dividends paid					-27.9		-27.9
Exercised warrants	0.3	4.9					5.2
Share-based payments					8.0		8.0
Other changes			-1.0		0.8		-0.3
Change in minority interest						-0.7	-0.7
Equity, 31 Dec 2006	24.5	142.7	-2.2	-0.1	391.6	0.0	556.6

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			-13.2				-13.2
Gains/losses from hedge of net investments in foreign operations, net of tax			2.6				2.6
Profit for the period					168.9		168.9
Total recognised income and expenses for the period	0.0	0.0	-10.7	0.2	168.9	0.0	158.4
Dividends paid					-38.0		-38.0
Exercised warrants	0.3	6.3					6.5
Share-based payments					13.3		13.3
Equity component of the convertible bond					16.0		16.0
Other changes							0.0
Equity, 31 Dec 2007	24.7	149.0	-12.8	0.0	551.9	0.0	712.8

SEGMENT INFORMATION Million euros	10-12/07	10-12/06	1-12/07	1-12/06	Change %
Net sales					
Passenger car tyres	233.5	189.0	691.2	533.2	29.6
Heavy tyres	27.1	24.4	100.8	90.1	11.9
Vianor	108.1	96.9	278.5	246.9	12.8
Others and eliminations	-12.4	-8.3	-45.6	-34.3	-32.9
Total	356.4	302.0	1,025.0	835.9	22.6
Operating result					
Passenger car tyres	74.2	52.4	212.0	133.4	58.9
Heavy tyres	5.4	4.6	22.3	19.9	11.9
Vianor	11.9	8.3	8.4	2.3	262.9
Others and eliminations	1.8	2.1	-8.7	-2.5	-244.9
Total	93.2	67.5	234.0	153.1	52.8
Operating result, % of net sales					
Passenger car tyres	31.8	27.7	30.7	25.0	
Heavy tyres	19.9	18.8	22.1	22.1	
Vianor	11.0	8.6	3.0	0.9	
Total	26.2	22.3	22.8	18.3	
Cash Flow II					
Passenger car tyres	288.4	211.9	102.3	68.9	48.4
Heavy tyres	15.9	13.4	21.0	19.4	8.4
Vianor	13.6	14.8	-5.6	7.5	-175.1
Total	319.4	242.8	105.6	77.7	36.0

CONTINGENT LIABILITIES Million euros	31.12.07	31.12.06
FOR OWN DEBT		
Mortgages	1.0	0.0
Pledged assets	0.0	0.0
OTHER OWN COMMITMENTS		
Guarantees	1.0	1.0
Leasing and rent commitments	89.9	82.5
Purchase commitments of property, plant and equipment	28.2	5.3
INTEREST RATE DERIVATIVES		
Interest rate swaps		
Fair value	0.1	-0.2
Notional amount	15.0	15.4
Options, purchased		
Fair value	0.0	0.0
Notional amount	0.0	0.0
CURRENCY DERIVATIVES		
Forward contracts		
Fair value	2.6	1.1
Notional amount	312.1	199.9
Options, purchased		
Fair value	0.1	0.0
Notional amount	4.8	12.6
Options, written		
Fair value	0.0	-0.1
Notional amount	4.8	12.6

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 in-effective portion is recognised in the income statement.

The fair value of forward foreign 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 by using the Garman-Kohlhagen option valuation model.

Currency derivatives are only used to hedge the Group's net exposure. The changes in the fair value of currency derivatives are reported in the income statement excluding the 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 the fair value are wholly deferred in equity except for the potential in-effective portion and the time value of currency options, which are recognised in the income statement.

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

Nokian Tyres plc

Raila Hietala-Hellman
Vice President, Corporate Communications

For further information, contact: Kim Gran, President and CEO, tel. +358 10 401 7336

Distribution: OMX and the key media

***

Nokian Tyres plc will publish the Financial Statements Bulletin 2007 on Wednesday February 13, 2008 at 8.00 am Finnish time.

The result presentation to analysts and media will be held in Helsinki at 10.00 am Finnish time.

The presentation can be listened through audiocast via internet at http://www.nokiantyres.com/Resultinfo2007

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 0025
Password: Nokian Tyres

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.