Nokian Tyres plc Stock Exchange Release 9 February 2011, 8 a.m.

NOKIAN TYRES PLC FINANCIAL STATEMENTS BULLETIN 2010:
Strong results, profitable growth back on track

Nokian Tyres group’s net sales increased by 32.5% to EUR 1,058.1 million (EUR 798.5 million in 2009). Operating profit grew to EUR 222.2 million (EUR 102.0 million) and Profit for the period to EUR 169.7 million (EUR 58.3 million). Earnings per share increased to EUR 1.34 (EUR 0.47). Cash flow from operations improved to EUR 318.8 million (EUR 123.1 million). The Board of Directors proposes a dividend of EUR 0.65 (EUR 0.40) per share.

Outlook and guidance:
In 2011, the company is positioned to provide strong sales growth and to improve operating profit compared to 2010.

Key figures, EUR million:

	10-12/10	10-12/09	1-12/10	1-12/09
Net sales	368.7	247.7	1,058.1	798.5
Operating profit	91.8	40.8	222.2	102.0
Profit before tax	86.4	46.7	208.8	73.5
Profit for the period	62.6	29.2	169.7	58.3
Earnings per share, EUR	0.49	0.23	1.34	0.47
Equity ratio, %			68.4	62.0
Cash flow from operations	358.1	249.2	318.8	123.1
RONA,% (rolling 12 months)			17.8	8.4
Gearing, %			0.1	34.8

Kim Gran, President and CEO:

“A clear improvement in the drivers for demand in core business brought Nokian Tyres back to a strong growth track. The sails are now bulging with strong tailwind as we go into 2011 with thick order books and growing capacity.

The demand for Nokian Tyres’ core products started to improve rapidly in Q2 in all our business units. The clear turnaround was driven by improving economies in the Nordic countries and Russia, strong growth in new car sales and better consumer confidence. Our operations were ramped up accordingly and we need to further increase capacity in order to keep up with the growing demand.

We managed to increase market shares, implemented price increases and improved our sales mix. Our distribution network continued to expand not only in Nordic countries and Russia & CIS but also in Central Europe. The Vianor chain opened 148 new shops now totalling 771 in 20 countries.

Our productivity increased significantly as a result of implementing structural changes and an improving utilization of our capacities. Our strong winter tyre brand and solid distribution foothold in core markets together with a snowy winter in all Europe helped us to present good results and strong growth for the whole year.

We will increase our investments significantly in 2011 to secure future growth. This includes two additional production lines for Russia (numbers 9 and 10) which will further improve our output and productivity. In addition, we are looking for further capacity expansion of both production and distribution.

Going into 2011 our order book is all-time high and it provides us with a good opportunity to increase sales, again operating more selectively. We will also continue to launch new product lines, increase prices and improve mix to offset higher raw material costs. Low inventories in the distribution channel and our growing production capacity offer a good starting point for further profitable growth in 2011.”

Market situation

The global economy continued to improve in 2010. Easier monetary policies and low interest rates improved global macro indicators. Growth rates of the developed countries were exceeded by those in the emerging markets. In Europe there has been uncertainty related to the governmental borrowing and its effects to financial markets.

Drivers for growth in Nokian Tyres’ core markets improved significantly. GDP growth averaged 3% in the Nordic countries and 4% in Russia. In 2010 the new car sales increased in the Nordic countries by 31% year-over-year. In Russia the new car sales were up by 30% in 2010 compared to 2009. In December 2010 the growth was already 60% versus December 2009 and car sales in Russia is expected to continue to grow by approximately 30% in 2011.

The aftermarket sales volume for car tyres increased in the Nordic countries by an estimated 10% and in Europe by 8% in 2010 year-over-year. Tyre industry deliveries to distributors increased by approximately 35% in Russia, trailing the improving economy, lower stocks of distributors and improved consumer confidence.

The second consecutive true winter with heavy snowfall in all Europe and Russia resulted in strong winter tyre consumer sales and left retailers with low inventories. Summer tyre carry-over stocks are down due to production cuts in 2009 combined with a rapid recovery of demand in 2010. Strong demand and improved sales for 2011 are expected in the tyre industry.

The demand for special heavy tyres has continued to improve supported by a significant increase in forest and mining machine manufacture in 2010. In the aftermarket demand has also increased for other special use tyres, i.e. container handling and agricultural tyres. The increase derives from improved demand and prices of pulp, sawmill products, metals and food raw materials.

A recovery of the transport sector improved demand for truck tyres and created some short supply in the aftermarket.

Overall, the market environment has improved clearly and demand exceeds supply in many product groups.

Tyre raw material prices have increased significantly since early 2009; the price for natural rubber has more than tripled by the end of 2010. Oil-based materials have also risen significantly and some materials are in short supply. Tyre industry has successfully implemented price increases but some negative effects on profitability have materialized especially for developing country producers. In early 2011 the raw material prices have continued to go up triggering additional price increases from the tyre industry.

October-December 2010

In the fourth quarter of 2010 Nokian Tyres Group recorded net sales of EUR 368.7 million (247.7), showing an increase of 48.9% on the corresponding period a year earlier. Sales increased in the Nordic countries by 36.3% and in Russia by 86.0%. The consolidated sales in Russia and CIS increased by 74.3%. In Central and Eastern Europe sales grew by 60.1% and in North America by 17.2%.

Raw material cost (EUR/kg) in manufacturing increased in the fourth quarter by 30% year-over-year and by 18% in the second half of the year versus the first half of 2010. Fixed costs were EUR 91.9 million (77.6), accounting for 24.9% (31.4%) of net sales.

Nokian Tyres Group’s operating profit was EUR 91.8 million (40.8). Net financial expenses were EUR 5.4 million (-6.0). Net interest expenses were EUR 5.2 million (0.8) including EUR 2.1 million (1.9) in non-cash expenses related to convertible bonds. Net financial expenses include EUR 0.2 million (-6.8) of exchange rate differences.

Profit before tax was EUR 86.4 million (46.7). Profit for the period amounted to EUR 62.6 million (29.2), and EPS were EUR 0.49 (EUR 0.23).

Income financing after the change in working capital, investments and the disposal of fixed assets (Cash flow from operations) was EUR 358.1 million (249.2).

January-December 2010

Nokian Tyres Group recorded net sales of EUR 1,058.1 million (798.5), showing an increase of 32.5% on the corresponding period a year earlier. In the Nordic countries sales increased by 29.1% representing 44.5% (45.4%) of the group’s total sales. Sales in Russia increased by 78.0%. Russia and CIS consolidated sales grew by 34.7% and formed 20.7% (20.3%) of the group’s total sales. In Central and Eastern Europe sales were up by 43.8% year-over-year representing 25.7% (23.4%) of the group’s total sales. In North America sales grew by 9.5% and were 8.7% (10.5%) of the group’s total sales.

Sales of passenger car tyres were up by 35.5% representing 62.4% (60.0%) of the group’s total sales. Heavy tyres’ sales increased by 61.8% and were 7.1% (5.7%) of the group’s total sales. Vianor’s sales grew by 12.7% forming 26.9% (31.1%) of the group’s total sales. The sales of Other operations were up by 44.3% representing 3.6% (3.2%) of the group’s total sales.

Raw material cost (EUR/kg) in manufacturing increased in the review period by 5% year-over-year. Fixed costs amounted to EUR 309.8 million (276.6), accounting for 29.3% (34.6%) of net sales. Total salaries and wages were EUR 147.7 million (131.0).

Nokian Tyres Group's operating profit amounted to EUR 222.2 million (102.0). This was positively affected by a real estate sales profit of EUR 1.8 million. The operating profit was negatively affected by the IFRS 2 -compliant option scheme write-off of EUR 7.3 million (11.8) and expensed credit losses and provisions of EUR 0.8 million (7.1).

Net financial expenses were EUR 13.3 million (28.6). Net interest expenses were EUR 19.5 million (14.8) including EUR 8.1 million (7.6) in non-cash expenses related to convertible bonds. Net financial expenses include EUR -6.1 million (13.8) of exchange rate differences.

Profit before tax was EUR 208.8 million (73.5). Profit for the period amounted to EUR 169.7 million (58.3), and EPS were EUR 1.34 (EUR 0.47).

Return on net assets (RONA, rolling 12 months) was 17.8% (8.4%). Income financing after the change in working capital, investments and the disposal of fixed assets (Cash flow from operations) was EUR 318.8 million (123.1).

The Group employed an average of 3,338 (3,503) people, and 3,506 (3,292) at the end of the period. The equity-owned Vianor tyre chain employed 1,409 (1,388) people and Russian operations 851 (640) people at the end of the period.

Financial position by 31 December 2010

Gearing ratio was 0.1% (34.8%). Interest-bearing net debt amounted to EUR 0.7 million (263.7). Equity ratio was 68.4% (62.0%).

The Group’s interest-bearing liabilities totalled EUR 217.2 million (326.2) of which current interest-bearing liabilities amounted to EUR 13.0 million (72.4). The average interest rate of interest-bearing liabilities was 5.25% (4.45%). The average interest rate of interest-bearing liabilities was 1.46% (2.16%) with calculatory non-cash expenses related to the convertible bond eliminated.

At the end of the year the company had unused credit limits amounting to EUR 536.7 million (456.1) of which EUR 235.9 million (185.4) 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

The Group’s tax rate in 2010 was 18.7% (20.7%). The tax rate is effected by tax relieves in Russia during the next two years based on present investments and thereafter subject to further investment-related incentive agreements.

PASSENGER CAR TYRES

	10-12/10	10-12/09	Change%	1-12/10	1-12/09	Change%
Net sales, m€	221.4	135.6	63.2	714.7	527.3	35.5
Operating profit, m€	69.9	28.2	148.2	205.5	106.2	93.5
Operating profit, %	31.6	20.8		28.8	20.1	
RONA, %(roll. 12 months)				23.3	11.7	

The net sales of Nokian Passenger Car Tyres in 2010 totalled EUR 714.7 million (527.3), up by 35.5% from previous year. Operating profit increased to EUR 205.5 million (106.2). Operating profit percentage improved to 28.8% (20.1%); in core markets it was 31.6% (24.3%) and in other markets 26.4% (18.6%).

Sales improved in all key geographical markets throughout the year. Sales were particularly good in Q4 with an increase of 63% year-over-year. Half of the sales growth came from an increase in winter tyre sales in Russia. Sales in Central and Eastern Europe improved and were all-time-high. Nokian Tyres' inventories were low after strong preseason sales in Q2, and despite the ramp-up in production winter tyre demand exceeded supply capability.

The company's spearhead product Nokian Hakkapeliitta 7, a studded winter tyre for northern conditions, won practically all car magazine tyre tests in the Nordic countries and in Russia, which boosted sales. Nokian Tyres' market share improved in the core market areas as well as in Central and Eastern Europe. Winter tyres' share of Nokian Tyres' total sales mix grew year-over-year to 76% of volume.

Price increases were implemented for all tyre ranges during the second half of the year to offset the increasing raw material cost. The Average Selling Price improved by 5% compared with 2009, backed by improved sales mix and changes on core markets' currencies.

Production volume increased by over 40% driven by the start-up of two new production lines (7&8) in Russia. Productivity improved clearly in both factories due to restructuring in 2009 and an improved capacity utilization rate. Production costs excluding materials (EUR/kg) were lower than in 2009 due to increased production volumes with a higher share of production made in Russia. A decision was made to add two additional production lines (9&10) in Russia in the second and third quarter of 2011 and to further increase the utilization of the Finnish factory from the start of the year.

Fixed costs increased moderately compared to the sales growth which helped to improve margins. Cash flow and working capital rotation improved compared to previous year due to lower inventories, investments and trade receivables.

The order book for 2011 is on a record-high level. The production capacity is ramped up further in order to fully utilize the growth potential. Increasing raw material cost will result in further tyre price increases during 2011.

HEAVY TYRES

	10-12/10	10-12/09	Change%	1-12/10	1-12/09	Change%
Net sales, m€	25.7	15.3	68.0	81.0	50.1	61.8
Operating profit, m€	4.2	2.2	88.6	13.7	0.0	76,435.9
Operating profit, %	16.5	14.7		16.9	0.0	
RONA, %(roll. 12 months)				21.0	0.0	

The net sales of Nokian Heavy Tyres in 2010 totalled EUR 81.0 million (50.1), up by 61.8% year-over-year. Operating profit was EUR 13.7 million (0.0), and the Operating profit percentage 16.9% (0.0%).

Demand for heavy tyres continued to grow at an accelerated pace in 2010. Nokian Heavy Tyres' sales improved in all special use product groups, with forestry tyres showing strongest growth. Low inventories and a time lag in ramping up capacity caused a temporary short supply of Nokian heavy tyres during the second half of the year pushing sales forward.

Price increases were implemented during the second half of 2010 to compensate for the growing raw material cost. A large share of sales to original equipment manufacturers with fixed prices until late 2010, however, cut margins.

The production volume (tons) doubled in 2010 versus 2009. Costs of capacity ramp-up penalized margins but will improve output, productivity and customer service going into 2011. The current heavy tyre weekly production capacity was in full use by the end of 2010.

Nokian Heavy Tyres delivered good results in developing its distribution network. New distributor contracts and 22 new "Vianor Industrial" stores in the Nordic countries were established to meet the increasing need for technical services.

The order book for Nokian Heavy Tyres is good and further price increases have been agreed for early 2011. The focus is to further increase the production output and capacity, to increase sales in Russia and CIS, and to increase prices in line with the growing raw material cost.

VIANOR

Equity-owned operations

	10-12/10	10-12/09	Change%	1-12/10	1-12/09	Change%
Net sales, m€	122.6	104.5	17.3	307.9	273.2	12.7
Operating result, m€	11.8	7.9	50.8	4.0	-3.0	233.7
Operating result, %	9.7	7.5		1.3	-1.1	
RONA, %(roll. 12 months)				2.6	-3.2	

Vianor’s net sales in 2010 were EUR 307.9 million (273.2), up by 12.7% compared with 2009. Operating result improved to EUR 4.0 million (-3.0) including a real estate sales profit of EUR 1.8 million. The Operating profit percentage was 1.3% (-1.1%).

At the end of 2010 Vianor had 169 equity-owned stores in Finland, Sweden, Norway, USA, Switzerland and Russia. All customer and product groups’ sales developed well with the biggest improvement recorded for winter tyre and truck tyre sales. Car services sales increased by 21%. Vianor’s market shares in the core market areas improved from the previous year.

In 2011 the focus will be on improving sales and market shares further, developing the car services business and improving cost efficiency.

Franchising and partner operations

During 2010 Vianor expanded the franchise and partner network on Nokian Tyres’ core markets by 148 shops. At the end of 2010, Vianor operated in 20 countries; most extensively in the Nordic countries, in Russia and in Ukraine. The global Vianor network comprised of 771 stores of which 602 were partners. Market shares improved as a result of the expansion.

Expanding the partner franchise network will continue according to earlier plans; target is to have more than 900 stores by the end of 2011.

OTHER OPERATIONS

Truck Tyres

The net sales of Nokian Truck Tyres were EUR 41.2 million (28.5), up by 44.3% from the previous year. Nokian truck tyres’ market share increased in the Nordic countries, in Russia as well as in Central and Eastern Europe due to an improved product range in both premium and standard tyres. Sales of retreading materials improved due to a higher utilization rate in the transport sector and restocking by customers.

The profitability of Nokian Truck Tyres reached an all-time high level in 2010 backed by increased sales volumes, tyre price increases and successful timing of purchases.

In 2011 the focus will be on streamlining logistics, expanding the product range and increasing prices further to offset the effects of the higher raw material cost. The expansion to Russia, CIS and Eastern Europe utilizing the “Vianor truck” service concept will continue.

RUSSIA AND THE CIS COUNTRIES

Nokian Tyres’ sales in Russia increased by 78.0% to EUR 207.7 million (116.7). Sales in CIS countries (excluding Russia) were EUR 24.1 million (55.4). Consolidated sales in Russia and CIS increased by 34.7% to EUR 231.8 million (172.1).

Sales in Russia grew significantly due to recovering consumer demand and distributors’ improving credit capability. Winter tyre sales increased substantially, both in premium and standard tyres. Nokian Tyres improved market shares in Russia and strengthened its position as the market and price leader in the segment of premium branded tyres. Sales in other CIS countries declined due to Nokian Tyres’ capacity restraints and delivery restrictions relating to distributors’ carry-over stocks and repatriation of receivables.

The distribution network was extended by signing additional distribution agreements and expanding the Vianor network. The Vianor tyre chain was expanded by 76 franchising stores in 2010 and there were a total of 429 Vianor stores in 260 cities in Russia and CIS countries at the end of 2010.

In 2010 two new production lines were taken into use in the Russian plant. A total of 8 production lines have been operating since September with an annualized capacity of 8 million tyres. Productivity has improved along with the growing production volumes. A significant share of the production was exported to more than 30 countries.

Backed by the oil price the Russian Rouble strengthened against the Euro in the first half of the year. Russian economy recovered at an estimated real GDP growth of 4.0% in 2010 versus 2009. Consumer confidence and purchasing power improved in 2010. Russia is expected to show a healthy growth of 4–6% in 2011.

New car sales, the main driver for premium tyres, increased by 30% in 2010 compared to 2009. In December the new car sales increased by 60% year-over-year. The new car sales is supported by the scrappage incentive program, which will be extended into 2011, and the credit rates offered by banks (including loans subsidized by car manufacturers) returning to pre-crisis values. The car sales annual growth in 2011 is forecasted to be approximately 30% with a gradual return to pre-crisis volume. The sales of used cars is also strong with demand exceeding supply. Western cars that were acquired in large volumes 2-4 years ago are now in need for both summer and winter replacement tyres.

The market potential with strong underlying consumer demand in Russia has become evident with strong growth in car and tyre sales. The Nokian Tyres plant located in Russia inside the customs borders (duty 20% for imported tyres) combined with an expanding Vianor chain provides a significant competitive edge on the market.

INVESTMENTS

Investments in the fourth quarter amounted to EUR 19.8 million (9.6). The company’s total investments in 2010 were EUR 50.5 million (86.5). This comprises of production investments in the Russian and Finnish factories, moulds for new products and the Vianor expansion projects. Net investment in 2010 was approximately EUR 30 million as flats of Hakkapeliitta Village sales to personnel was officially approved.

OTHER MATTERS

1. Stock options on the NASDAQ OMX Helsinki Stock Exchange

The Board of Directors of Nokian Tyres plc resolved to apply for listing of the stock options 2007B on the NASDAQ OMX (Helsinki Stock Exchange) so that the listing would commence on 1 March 2010.

The total number of stock options 2007B is 2,250,000. Each stock option 2007B entitles its holder to subscribe for one Nokian Tyres plc share. The shares can be subscribed with the stock options 2007B during 1 March 2010 - 31 March 2012. In the aggregate, the stock options 2007B entitle their holders to subscribe for 2,250,000 shares. The present share subscription price with stock options 2007B is EUR 22.97/share. The dividends payable annually shall be deducted from the share subscription price.

2. Shares subscribed with option rights

After 15 December 2009 registered increase in share capital a total of 1,835,020 Nokian Tyres plc’s shares have been subscribed with the 2004C option rights. These option rights are attached to the Nokian Tyres plc’s Option Programs of 2004. An increase in share capital relating to 2004C option rights totalling 367,004 euros was entered into the Trade Register on 25 February, 2010. The shares have been traded on the NASDAQ OMX Helsinki Ltd together with the old shares as of 26 February, 2010. After the increase, the number of Nokian Tyres shares was 126,686,410 and the share capital was EUR 25,337,222.00.

After 25 February 2010 registered increase in share capital a total of 503,420 Nokian Tyres plc’s shares have been subscribed with the 2004C option rights. These option rights are attached to the Nokian Tyres plc’s Option Programs of 2004. An increase in share capital relating to 2004C option rights totalling 100,684 Euros was entered into the Trade Register on 20 May, 2010. The shares have been traded on the NASDAQ OMX Helsinki Ltd together with the old shares as of 21 May, 2010. After the increase, the number of Nokian Tyres shares was 127,189,830 and the share capital was EUR 25,437,906.00.

After 20 May 2010 registered increase in share capital a total of 150 Nokian Tyres plc’s shares have been subscribed with the 2007A option rights. These option rights are attached to the Nokian Tyres plc’s Option Programs of 2007. New shares have been registered into the Trade Register 19 August, 2010. The share capital will not increase with subscriptions made by 2007A option rights. The sum, corresponding to earlier nominal value, will be entered into the reserve for invested unrestricted equity. The shares have been traded on the NASDAQ OMX Helsinki Ltd together with the old shares as of 20 August, 2010. After the increase, the number of Nokian Tyres shares is 127,189,980 and the share capital remained EUR 25,437,906.00.

After 19 August 2010 registered new shares a total of 950 Nokian Tyres plc’s shares have been subscribed with the 2007A option rights and 125 with the 2007B option rights. These option rights are attached to the Nokian Tyres plc’s Option Programs of 2007. New shares have been registered into the Trade Register 18 November, 2010.The share capital will not increase with subscriptions made by 2007A and 2007B option rights. The sum, corresponding to earlier nominal value, will be entered into the reserve for invested unrestricted equity. The shares have been traded on the NASDAQ OMX Helsinki Ltd together with the old shares as of 19 November, 2010. After the increase, the number of Nokian Tyres shares is 127,191,055 and the share capital remained EUR 25,437,906.00.

After 18 November 2010 registered new shares a total of 511,406 Nokian Tyres plc’s shares have been subscribed with the 2007A option rights. These option rights are attached to the Nokian Tyres plc’s Option Programs of 2007. New shares have been registered into the Trade Register 14 December, 2010. The share capital will not increase with subscriptions made by 2007A option rights. The sum, corresponding to earlier nominal value, will be entered into the reserve for invested unrestricted equity. The shares have been traded on the NASDAQ OMX Helsinki Ltd together with the old shares as of 15 December, 2010. After the increase, the number of Nokian Tyres shares is 127,702,461 and the share capital remained EUR 25,437,906.00.

3. Share price development

The Nokian Tyres’ share price was EUR 27.45 (EUR 17.00) at the end of the review period. The volume weighted average share price during the period was EUR 21.05 (EUR 12.61), the highest EUR 28.20 (EUR 18.85) and the lowest EUR 15.89 (EUR 7.00). A total of 173,983,343 shares were traded during the period (222,305,175), representing 136% (178%) of the company's overall share capital. The company’s market value at the end of the period amounted EUR 3.505 billion (EUR 2.122 billion). The company’s percentage of Finnish shareholders was 37.6% (37.8) and 62.4% (62.2) were foreign shareholders registered in the nominee register. This figure includes Bridgestone's ownership of approximately 16%.

4. Decisions made at the Annual General Meeting

On 8 April, 2010, Nokian Tyres Annual General Meeting accepted the financial statements for 2009 and discharged the Board of Directors and the President and CEO from liability.

The meeting decided that a dividend of EUR 0.40 per share shall be paid for the period ending on 31 December, 2009. The dividend shall be paid to shareholders included in the shareholder list maintained by Euroclear Finland Ltd on the record date of 13 April, 2010. The dividend payment date is 23 April, 2010.

4.1 Members of the Board of Directors and Auditor

The meeting decided that the Board of Directors has seven members. Kim Gran, Hille Korhonen, Hannu Penttilä, Yasuhiko Tanokashira, Aleksey Vlasov, Petteri Walldén and Kai Öistämö will continue as Nokian Tyres’ Board of Directors. In a meeting held after the Annual General Meeting, Petteri Walldén was elected Chairman of the Board. 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 70,000 per year, while that paid to Board members is set at EUR 35,000 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, 60% of the annual fee be paid in cash and 40% in company shares, such that in the period from 8 April to 30 April, 2010, EUR 28,000 worth of Nokian Tyres plc shares will be purchased at the stock exchange on behalf of the Chairman of the Board and EUR 14,000 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 Granting of stock options and the management’s share ownership plan

The meeting decided on the granting of stock options to the personnel of Nokian Tyres Group and to its fully owned subsidiary. The company has a weighty financial reason for issuing stock options since they are intended to form a part of the incentive and commitment programme for the personnel. The purpose of the issue is to encourage the personnel to work on a long-term basis to increase shareholder value. Another purpose of the stock options is to increase personnel commitment to the company. The stock options entitle their holders to subscribe for a maximum total of 4,000,000 new shares in the company. The stock options now issued can be exchanged for shares constituting a maximum total of 3 % of the company’s shares and votes of the shares, after the potential share subscription.

The subscription price for stock options is based on the market price of Nokian Tyres shares in NASDAQ OMX Helsinki Oy (Helsinki Stock Exchange) in April 2010, April 2011 and April 2012.

The share subscription period for stock options 2010A shall be 1 May 2012 – 31 May 2014, for stock options 2010B, 1 May 2013 – 31 May 2015 and for stock options 2010C, 1 May 2014 – 31 May 2016.

A share ownership plan shall be incorporated with the 2010 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. The stock option plan and the management’s share ownership plan have been introduced in more detail in the enclosure of AGM decisions press release.

4.4 Amendment to the Articles of Association

The meeting decided that the article regarding the invitation to a General Meeting of shareholders is amended, due to an amendment to the Finnish Companies Act now in effect, as follows:

9§ Invitation to Annual General Meeting
The invitation to Annual General Meeting must be published, in accordance with the Board of Directors’ decision, on the company’s website and in one national and one Tampere region daily newspaper, no earlier than three months before the record date referred to in Chapter 4, section 2, subsection 2 of the Finnish Companies Act and no later than three weeks before the Annual General Meeting. The invitation must, however, be delivered no later than nine days before the record date of the Meeting.

4.5 Donations to the institutes of higher education

The meeting authorised the Board to donate a maximum of EUR 500,000 to support universities and other institutes of higher education, and to decide on the payment schedules of donations and other terms relating to donations.

5. Changes in share ownership

Nokian Tyres received an announcement from BlackRock, Inc. on 25 February, 2010, according to which the ownership of Black Rock Investment Management (UK) Limited increased above the level of 10% of the share capital in Nokian Tyres plc as a result of a share transaction concluded on 22 February, 2010. Black Rock Investment Management (UK) Limited held on deal date a total of 12,565,454 Nokian Tyres’ shares representing 10,06% of company’s 124,851,390 shares and voting rights.

An increase in Nokian Tyres’ share capital relating to 2004C option rights totalling 367,004 euros was entered into the Trade Register on 25 February, 2010. After the increase, the number of shares rose to 126,686,410, and thus the ownership of Black Rock Investment Management (UK) Limited decreased below the level of 10% to 9.92% of shares and voting rights.

Nokian Tyres received an announcement from BlackRock, Inc. on 4 May 2010, according to which the ownership of Black Rock Investment Management (UK) Limited had increased above the level of 10% of the share capital in Nokian Tyres plc as a result of a share transaction concluded on 30 April 2010. Black Rock Investment Management (UK) Limited held on deal date a total of 12,809,656 Nokian Tyres’ shares representing 10.11% of company’s 126,686,410 shares and voting rights.

Nokian Tyres received an announcement from Invesco Limited on 24 June 2010, according to which the ownership of Invesco Limited had decreased under the level of 5% of the share capital in Nokian Tyres plc as a result of a share transaction concluded on 18 June 2010. Invesco Limited held on deal date a total of 6,321,453 Nokian Tyres’ shares representing 4.97% of company’s 127,189,830 shares and voting rights.

Nokian Tyres received an announcement from Invesco Limited on 9 July 2010, according to which the ownership of Invesco Limited had increased above the level of 5% of the share capital in Nokian Tyres plc as a result of a share transaction concluded on 5 July 2010. Invesco Limited held on deal date a total of 6,365,866 Nokian Tyres’ shares representing 5.00% of company’s 127,189,830 shares and voting rights.

Nokian Tyres received an announcement from Invesco Limited on 20 July 2010, according to which the ownership of Invesco Limited had decreased under the level of 5% of the share capital in Nokian Tyres plc as a result of a share transaction concluded on 12 July 2010. Invesco Limited held on deal date a total of 6,318,941 Nokian Tyres’ shares representing 4.97% of company’s 127,189,830 shares and voting rights.

Nokian Tyres received an announcement from BlackRock, Inc. on 1 December 2010, according to which the ownership of Black Rock Investment Management (UK) Limited had decreased under the level of

10% of the share capital in Nokian Tyres plc as a result of a share transaction concluded on 30 November 2010. Black Rock Investment Management (UK) Limited held on deal date a total of 12,679,435 Nokian Tyres' shares representing 9,97% of company's 127,191,055 shares and voting rights.

6. Matters after the review period

In 17 January 2011 Nokian Tyres stated that the company's sales and operating profit increased more than expected in the last quarter of 2010. For the whole year 2010, the Net sales was then estimated to be approximately EUR 1,055.0 million (2009: EUR 798.5 million) and Operating profit EUR 215-220 million (2009: EUR 102.0 million).

RISKS, UNCERTAINTY AND DISPUTES IN THE NEAR FUTURE

Ongoing uncertainty related to governmental borrowing in Europe may cause disruption in the financial markets.

Nokian Tyres other risks and uncertainty factors relate to significantly increased raw material prices and to company's ability to raise prices in line with the raw material cost in order to maintain profitability. An efficient ramp-up of new production lines in Russia will partly depend on the success of recruiting new work force from a tightening labour market.

Around 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 Swedish and Norwegian krona, the US dollar and the Ukrainian hryvnia.

Special attention will be drawn to controlling net working capital. Inventory and trade receivable rotation have improved compared to previous year in all business units. Russian trade receivables account for around 24% of the Group's total trade receivables.

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 2011

Car tyre demand and deliveries have increased clearly driven by a recovery of consumer confidence, growth of GDP on Nokian Tyres' core markets, growth in car sales and improved financing to distributors. Higher industrial activity in machine building and transportation supports growth of heavy tyre and truck tyre sales. Inventories are low in the whole tyre industry and distribution channels. Going into 2011 Nokian Tyres' order book is on an all-time high level in all manufacturing units and demand may exceed supply capacity at times in 2011.

Nokian Tyres will add to production capacity by more than 30% in 2011 versus 2010. Production will be increased by investing in the Russian factory and the company is also evaluating additional opportunities for expansion. Productivity is expected to improve in the Nokia factory due to restructuring and higher capacity utilization. The development of profits at Nokian Tyres is estimated to be supported by higher sales volumes and an increasing share of Russian production.

Increasing raw material cost will result in further tyre price increases during 2011. Nokian Tyres' raw material cost for full year 2011 is estimated to increase by 25-28% compared to 2010. In order to compensate the company is targeting an ASP increase of 7% for 2011.

A strong expanding distribution, good seasonal logistics, an improved cost structure with majority of production inside duty borders of Russia and CIS as well as new test winner products will give Nokian Tyres a good chance to strengthen its market leadership in the core markets and to continue profitable growth in 2011.

Outlook and guidance:
In 2011, the company is positioned to provide strong sales growth and to improve operating profit compared to 2010.

INVESTMENTS IN 2011

Nokian Tyres' total investments in 2011 will be approximately EUR 117 million (50.5). Roughly EUR 62 million will be invested in the Russian plant's operations and EUR 26 million in moulds for new products. The balance comprises of investments in production bottlenecks, ICT and development of the Vianor chain.

Nokia, 9 February 2011

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 financial statements bulletin has been prepared in accordance with IFRS compliant recognition and measurement pinciples. and the same accounting policies as in the most recent annual financial statements, but it has not been prepared in compliance with all requirements set out in IAS 34 'Interim Financial Reporting'.

NOKIAN TYRES
CONSOLIDATED INCOME STATEMENT

Million euros	10-12/10	10-12/09	1-12/10	1-12/09	Change%
Net sales	368.7	247.7	1,058.1	798.5	32.5
Cost of sales	-205.2	-143.4	-604.0	-478.0	-26.4
Gross profit	163.5	104.2	454.1	320.4	41.7
Other operating income	1.1	1.0	4.3	2.2	98.2
Selling and marketing expenses	-59.1	-49.7	-192.9	-174.1	-10.8
Administration expenses	-8.8	-6.5	-27.6	-24.5	-12.9
Other operating expenses	-4.8	-8.3	-15.8	-22.1	28.5
Operating result	91.8	40.8	222.2	102.0	117.8
Financial income	24.7	23.6	96.3	97.1	-0.8
Financial expenses	-30.1	-17.7	-109.7	-125.7	12.7
Result before tax	86.4	46.7	208.8	73.5	184.3
Tax expense (1	-23.8	-17.5	-39.1	-15.2	-157.6
Result for the period	62.6	29.2	169.7	58.3	191.3
Attributable to:					
Equity holders of the parent	62.6	29.2	169.7	58.3	
Non-controlling interest	0.0	0.0	0.0	0.0	
Earnings per share from the result attributable to equity holders of the parent					
basic, euros	0.49	0.23	1.34	0.47	186.9
diluted, euros	0.48	0.24	1.32	0.49	168.2

CONSOLIDATED OTHER COMPREHENSIVE INCOME

INCOME Million euros	10-12/10	10-12/09	1-12/10	1-12/09
Result for the period	62.6	29.2	169.7	58.3
Other comprehensive income, net of tax:				
Gains/Losses from hedge of net investments in foreign operations	-2.5	-10.1	-17.9	-24.4
Interest rate swaps	0.3	0.1	-0.6	0.1
Translation differences on foreign operations	13.0	13.0	37.0	-12.8
Total other comprehensive income for the period, net of tax	10.8	3.0	18.5	-37.0
Total comprehensive income for the period	73.4	32.3	188.2	21.2
Total comprehensive income attributable to:				
Equity holders of the parent	73.4	32.3	188.2	21.2
Non-controlling interest	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.

KEY RATIOS	31.12.10	31.12.09	Change %
Equity ratio, %	68.4	62.0	
Gearing, %	0.1	34.8	
Equity per share, euro	7.34	6.07	20.9
Interest-bearing net debt, mill. euros	0.7	263.7	
Capital expenditure, mill. euros	50.5	86.5	
Depreciation, mill. euros	69.4	61.9	
Personnel, average	3,338	3,503	
Number of shares (million units)			
at the end of period	127.70	124.85	
in average	126.75	124.85	
in average, diluted	132.96	129.76	

CONSOLIDATED STATEMENT OF FINANCIAL POSITION Million euros	31.12.10	31.12.09
Non-current assets		
Property, plant and equipment	483.6	507.6
Goodwill	58.8	55.0
Other intangible assets	19.7	19.2
Investments in associates	0.1	0.1
Available-for-sale financial assets	0.3	0.2
Other receivables	20.6	9.9
Deferred tax assets	22.3	28.7
Total non-current assets	605.2	620.7
Current assets		
Inventories	210.6	200.0
Trade receivables	258.9	248.0
Other receivables	80.4	90.7
Cash and cash equivalents	216.6	62.5
Total current assets	766.3	601.2
Equity		
Share capital	25.4	25.0
Share premium	181.4	155.2
Translation reserve	-71.1	-90.2
Fair value and hedging reserves	-0.6	0.0
Paid-up unrestricted equity reserve	8.0	0.0
Retained earnings	793.9	667.6
Non-controlling interest	0.0	0.0
Total equity	937.2	757.6
Non-current liabilities		
Deferred tax liabilities	39.3	29.4
Provisions	0.1	1.4
Interest bearing liabilities	204.2	253.8
Other liabilities	1.9	2.1
Total non-current liabilities	245.5	286.7
Current liabilities		
Trade payables	81.0	33.8
Other current payables	92.7	70.7
Provisions	2.2	0.7
Interest-bearing liabilities	13.0	72.4
Total current liabilities	189.0	177.6
Total assets	1,371.6	1,221.9

Changes in net working capital arising from operative business are partly covered by EUR 250 million domestic commercial paper programme.

CONSOLIDATED STATEMENT OF CASH FLOWS

Million euros	1-12/10	1-12/09
Cash flows from operating activities:		
Cash generated from operations	372.7	228.5
Financial items and taxes	-45.4	-34.3
Net cash from operating activities	327.2	194.2
Cash flows from investing activities:		
Net cash used in investing activities	-33.7	-92.8
Cash flows from financing activities:		
Proceeds from issue of share capital	34.7	0.1
Change in current financial receivables and debt	-29.8	-117.2
Change in non-current financial receivables and debt	-95.2	15.4
Dividends paid	-50.7	-49.9
Net cash from financing activities	-141.0	-151.7
Net change in cash and cash equivalents	152.6	-50.2
Cash and cash equivalents at the beginning of the period	62.5	113.2
Effect of exchange rate changes	1.5	-0.5
Cash and cash equivalents at the end of the period	216.6	62.5
	152.6	-50.2

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 2009	25.0	155.2	-53.0	-0.1		647.6	2.7	777.3
Profit for the period						58.3		58.3
Other comprehensive income, net of tax:								
Cash flow hedges				0.1				0.1
Net investment hedge			-24.4					-24.4
Translation differences			-12.8					-12.8
Total comprehensive income for the period			-37.2	0.1		58.3		21.2
Dividends paid						-49.9		-49.9
Exercised warrants	0.0	0.0			0.0			0.0
Share-based payments						11.8		11.8
Total transactions with owners for the period	0.0	0.0			0.0	-38.2		-38.2
Change in non-controlling interest							-2.7	-2.7
Equity, Dec 31st 2009	25.0	155.2	-90.2	0.0	0.0	667.6	0.0	757.6
Equity, Jan 1st 2010	25.0	155.2	-90.2	0.0	0.0	667.6	0.0	757.6
Profit for the period						169.7		169.7
Other comprehensive income, net of tax:								
Cash flow hedges				-0.6				-0.6
Net investment hedge			-17.9					-17.9
Translation differences			37.0					37.0
Total comprehensive income for the period			19.1	-0.6		169.7		188.2
Dividends paid						-50.7		-50.7
Exercised warrants	0.5	26.1			8.0			34.7
Share-based payments						7.3		7.3
Total transactions with owners for the period	0.5	26.1			8.0	-43.4		-8.7
Equity, Dec 31st 2010	25.4	181.4	-71.1	-0.6	8.0	793.9	0.0	937.2

SEGMENT INFORMATION

Million euros

	10-12/10	10-12/09	1-12/10	1-12/09	Change %
Net sales					
Passenger car tyres	221.4	135.6	714.7	527.3	35.5
Heavy tyres	25.7	15.3	81.0	50.1	61.8
Vianor	122.6	104.5	307.9	273.2	12.7
Other operations	13.2	9.3	41.6	28.5	45.9
Eliminations	-14.1	-17.0	-87.2	-80.7	-8.0
Total	368.7	247.7	1,058.1	798.5	32.5
Operating result					
Passenger car tyres	69.9	28.2	205.5	106.2	93.5
Heavy tyres	4.2	2.2	13.7	0.0	76,430.3
Vianor	11.8	7.9	4.0	-3.0	233.7
Other operations	-3.2	-2.2	-1.6	-5.0	67.6
Eliminations	9.0	4.7	0.6	3.7	-83.4
Total	91.8	40.8	222.2	102.0	117.8
Operating result, % of net sales					
Passenger car tyres	31.6	20.8	28.8	20.1	
Heavy tyres	16.5	14.7	16.9	0.0	
Vianor	9.7	7.5	1.3	-1.1	
Total	24.9	16.5	21.0	12.8	
Cash Flow II					
Passenger car tyres	298.9	212.0	291.2	109.9	164.9
Heavy tyres	11.6	6.3	8.5	5.7	47.5
Vianor	34.8	26.2	12.4	7.6	62.8
Total	358.1	249.2	318.8	123.1	159.0

CONTINGENT LIABILITIES Million euros	31.12.10	31.12.09
FOR OWN DEBT		
Mortgages	1.1	0.9
Pledged assets	0.0	35.8
OTHER OWN COMMITMENTS		
Guarantees	6.2	5.5
Leasing and rent commitments	102.1	101.1
Purchase commitments	2.2	3.4

DERIVATIVE FINANCIAL INSTRUMENTS Million euros	31.12.10	31.12.09
INTEREST RATE DERIVATIVES		
Interest rate swaps		
Notional amount	30.7	3.9
Fair value	-1.3	0.0
FOREIGN CURRENCY DERIVATIVES		
Currency forwards		
Notional amount	563.2	427.2
Fair value	-3.3	-7.1
Currency options, purchased		
Notional amount	0.0	3.9
Fair value	0.0	0.0
Currency options, written		
Notional amount	0.0	3.9
Fair value	0.0	-0.1

DEFINITIONS OF CONSOLIDATED KEY FINANCIAL INDICATORS

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

Earnings per share (diluted), euro:
Result for the period attributable to the equity holders of the parent / Average adjusted and diluted number of shares during the period

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

Equity ratio, %:
Total equity x 100 / (Total assets - advances received)

Gearing, %:
Interest-bearing net debt x 100 / Total equity

Equity per share, euro:
Equity attributable to equity holders of the parent / Adjusted number of shares on the reporting date

Operating margin:
Operating result, % of net sales

DEFINITIONS OF SALES AREAS

Nordic countries: Finland, Norway, Sweden.

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

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

North America: Canada, USA.

Core markets: Nordic countries, Russia and CIS.

Nokian Tyres plc

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Nokian Tyres plc will publish result 2010 on Wednesday 9 February, 2011 at 8.00 a.m. Finnish time.

The result presentation to analysts and media will be held in Helsinki at 10.00 a.m. Finnish time. The presentation can be listened through audiocast via internet at
http://www.nokiantyres.com/resultinfo2010

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: 885839

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-March 2011 will be published on 6 May, 2011. Releases and company information will be found from
http://www.nokiantyres.com