Nokian Tyres plc Stock Exchange Release 30 October 2012, 8 a.m.

Nokian Tyres plc Interim Report January-September 2012:
Solid sales and result despite softer Q3

Nokian Tyres group's net sales increased by 19.7% to EUR 1,166.0 million (EUR 974.3 million in 1-9/2011). Operating profit grew to EUR 303.3 million (EUR 261.0 million). Earnings per share increased to EUR 1.85 (EUR 1.66).

Outlook:
Demand for car tyres in Q4 is expected to improve seasonally in Nokian Tyres' core markets due to the consumer winter tyre sales. Demand in Nordic countries is expected to be flat year-over-year and to grow in Russia on the back of growth in GDP, car sales and an expanding replacement market. In Central Europe the demand will be determined by winter conditions and how successfully inventories in distribution are converted to consumer sales.

Nokian Tyres has during 2012 further improved its position by winning market shares in all markets in winter tyres, especially in Russia and Central Europe. The company's full year sales in the Nordic countries are expected to be on previous year's level and in Russia sales will improve clearly compared to 2011. The visibility for Central European sales in Q4 is poor but expected to be below 2011.

Financial guidance (unchanged):
In 2012, the company is positioned to improve Net sales and Operating profit compared to 2011.

Key figures, EUR million:

	7-9/12	7-9/11	Change%	1-9/12	1-9/11	Change%	2011
Net sales	368.0	346.3	6.3	1,166.0	974.3	19.7	1,456.8
Operating profit	85.5	95.4	-10.4	303.3	261.0	16.2	380.1
Profit before tax	73.2	89.1	-17.8	283.5	244.4	16.0	359.2
Profit for the period	59.6	78.1	-23.6	242.6	214.6	13.0	308.9
Earnings per share, EUR	0.45	0.60	-25.3	1.85	1.66	11.3	2.39
Equity ratio, %				62.7	61.4		63.2
Cash flow from operations	-125.9	-150.9	16.6	-289.8	-253.1	-14.5	114.1
RONA,% (roll. 12 months)				24.3	26.8		27.0
Gearing, %				35.6	35.6		-0.3

Kim Gran, President and CEO:

“Nokian Tyres performed well in a challenging environment even though the third quarter results were below our plans. Our sales in Russia continued to grow more than the market also in Q3 and the Nordic countries sales came in as planned. Our car tyre sales in total improved, but a clearly weaker market and distributor carry-over winter tyre inventories in Central Europe hurt our mix and ASP in Q3, which resulted in lower margins. Cumulatively our Operating profit is well ahead of last year. In the review period improved productivity and successful cost control, as well as higher ASP, were the main factors for good profits.

Our car tyre market shares improved clearly in Russia and in CE on the back of an expanding distribution network, launch of new products, and excellent test results both for summer and winter tyres. In October we have dominated the car magazines’ winter tyre tests in the Nordic countries and Russia, and also scored significant wins in Central Europe which is expected to pay off in the consumer winter tyre season.

A continuous expansion of our distribution network is a cornerstone for our growth. It is encouraging that in a tougher market during the review period we managed to open 76 new Vianor stores, now totalling 986 stores in 24 countries. We will reach our target of exceeding 1,000 stores by the end of 2012.

Increasing production in our Russian factory boosted output (tons) by 16% versus 1-9/2011. Due to a weaker market and lower visibility we decided to cut production volumes during H2 in Finland in order to secure productivity and the ramp up of capacities in Russia.

With the new factory up and running we have presently an inbuilt capability to increase output rapidly to meet market growth without capex and to increase output 50% from existing factories by adding production lines in Russia.

There continues to be dark clouds in the market horizon as Global growth has been slowing down with Europe underperforming the rest of the world. Distribution customers in all markets have been limiting risks by carrying low stock but seasonal winter tyres sales will improve demand in Q4. The fourth quarter consumer winter sales will again be decisive for full year results. Our market geography in Russia and Northern Europe is looking comparatively healthy and offer us good potential.”

Market situation

The global economic development has clearly worsened during the summer and early autumn. The Euro Area crisis is weakening the economic development in Europe at least in the near term. European and U.S. debt problems remain unresolved and the growth in the emerging economies is slowing. The Euro area has practically been in a recession since spring 2011 and the growth for full year 2012 is expected to decline by 0.3% and estimated recovery is postponed to the latter part of 2013. The development is however very uneven across the region. The global GDP is projected to grow at approximately 2% in 2012 with the developed economies growing at only 1% and emerging market growth slowing down to less than 6%.

Growth in Nokian Tyres core markets, Nordic countries and Russia, continue to show comparatively positive development. Annual GDP growth estimates in the review period averaged 4% in Russia and 1% in the Nordic countries. The new car sales in 1-9/2012 in Russia were up by 14% year-over-year, with western brands growing 23%. In Russia the new car sales is estimated to grow by 10-12% in full year 2012. In the Nordic countries the new car sales decreased in the review period by approximately 8% year-over-year.

The sell-in sales volume for replacement market car tyres to distributors in the Nordic countries in 1-9/2012 shows a decrease of 4% (winter tyres -8%) year-over-year, whereas in Europe the market declined by 12% (winter tyres -13%). In Russia tyre industry deliveries to distributors increased by approximately 15% trailing the improving economy and continued growth in new car sales.

Summer tire sales from distributors to consumers were weak in Central Europe and in Russia. At the end of the review period the car tyre distributors especially in Central Europe had some carry-over stocks of both winter and summer tyres, which is expected to shift some of manufacturers' winter tyre sales to the consumer season in Q4. There is an overcapacity of economy tyres in the market. The pricing has continued to be good for premium tyres in Russia and Nordic countries. However, no significant price increases are expected by industry due to challenging market situation and reducing raw material costs.

There is a lot of uncertainty in the demand of all heavy tyre product groups. The demand for forestry tyres had a downturn in Q3 and is weaker than a year before. The low price of pulp has a negative effect on the demand for forestry tyres in future months. Metal prices have supported the demand for tyres in the mining industry, but the visibility at the moment is poor.

The demand for premium truck tyres and retreads in Europe fell in the review period by approximately 24% year-over-year. The Nordic countries suffered less with 13% decrease in truck tyre demand. In Russia the drop in demand for premium truck tyres was approximately 11%.

Tyre industry raw material cost was flat in Q3/2012 compared to Q2/2012. In 1-9/2012 the cost was 5.8% higher than in 1-9/2011. The raw material cost is expected to go down in H2/2012 versus H1/2012 and H2/2011. For the full year 2012 the material cost for the tyre industry is estimated to be flat compared to 2011.

July-September 2012

Nokian Tyres Group recorded Net sales of EUR 368.0 million (346.3), showing an increase of 6.3% compared with Q3/2011. In the Nordic countries sales were up by 1.7%. Sales in Russia increased by 22.0%. Russia and CIS consolidated sales grew by 11.8%. In Central and Eastern Europe sales were up by 13.0% year-over-year. In North America sales decreased by 18.9%.

Raw material cost (EUR/kg) in manufacturing decreased in the third quarter by 0.8% year-over-year and decreased by 0.8% versus the second quarter of 2012. Fixed costs amounted to EUR 89.7 million (78.8), accounting for 24.4% (22.8%) of net sales.

Nokian Tyres Group's Operating profit amounted to EUR 85.5 million (95.4). Expensed credit losses and provisions were EUR 0.0 million (2.2).

Net financial expenses were EUR 12.3 million (6.3). Net interest expenses were EUR 4.8 million (3.9) including EUR 2.3 million (2.2) in non-cash expenses related to convertible bonds. Net Financial expenses include EUR 7.5 million (2.5) of exchange differences of which EUR 4.2 million came from interest expenses related to RUB currency forwards.

Profit before tax was EUR 73.2 million (89.1). Profit for the period amounted to EUR 59.6 million (78.1), and EPS were EUR 0.45 (EUR 0.60).

Income financing after the change in working capital, investments and the disposal of fixed assets (Cash flow from operations) was EUR -125.9 million (-150.9).

January-September 2012

Nokian Tyres Group recorded Net sales of EUR 1,166.0 million (974.3), showing an increase of 19.7% compared with 1-9/2011. In the Nordic countries sales increased by 3.5% representing 31% (37%) of the group’s total sales. Sales in Russia increased by 55.8%. Russia and CIS consolidated sales grew by 49.3% and formed 36% (29%) of the group’s total sales. In Central and Eastern Europe sales were up by 14.5% year-over-year representing 25% (26%) of the group’s total sales. In North America sales increased by 9.6% and were 7% (6%) of the group’s total sales.

Sales of passenger car tyres were up by 25.0% representing 75% (70%) of the group’s total sales. Heavy tyres’ sales decreased by 5.7% and were 6% (8%) of the group’s total sales. Vianor’s sales increased by 7.1% forming 16% (17%) of the group’s total sales. The sales of Other operations were down by 14.1% representing 3% (4%) of the group’s total sales.

Raw material cost (EUR/kg) in manufacturing increased by 5.8% year-over-year. Fixed costs amounted to EUR 276.7 million (244.7), accounting for 23.7% (25.1%) of net sales. Total salaries and wages were EUR 141.7 million (128.1).

Nokian Tyres Group's Operating profit amounted to EUR 303.3 million (261.0). The Operating profit was negatively affected by the IFRS 2 -compliant option scheme write-off of EUR 8.3 million (6.3) and expensed credit losses and provisions of EUR 4.9 million (3.0).

Net financial expenses were EUR 19.7 million (16.6). Net interest expenses were EUR 11.3 million (10.4) including EUR 6.7 million (6.3) in non-cash expenses related to convertible bonds. Net Financial expenses include EUR 8.4 million (6.2) of exchange differences of which EUR 5.1 million came from interest expenses related to RUB currency forwards.

Profit before tax was EUR 283.5 million (244.4). Profit for the period amounted to EUR 242.6 million (214.6), and EPS were EUR 1.85 (EUR 1.66).

Return on net assets (RONA, rolling 12 months) was 24.3% (26.8%). Income financing after the change in working capital, investments and the disposal of fixed assets (Cash flow from operations) was EUR -289.8 million (-253.1).

The Group employed an average of 4,057 (3,774) people, and 4,009 (3,961) at the end of the period. The equity-owned Vianor tyre chain employed 1,329 (1,382) people and Russian operations 1,238 (1,039) people at the end of the period.

Financial position on 30 September 2012

Gearing ratio was 35.6% (35.6%). Interest-bearing net debt amounted to EUR 480.5 million (383.3). Equity ratio was 62.7% (61.4%).

Nokian Tyres plc issued an EUR 150 million five-year Eurobond under EUR 500 million Euro Domestic Note Issuance Program on 12th June 2012. The Bond carries an annual coupon of 3.25%. The Bond will be used for general corporate and refinancing purposes.

The Group’s Interest-bearing liabilities totalled EUR 543.5 million (463.0) of which Current interest-bearing liabilities amounted to EUR 205.8 million (260.2). The Average interest rate of interest-bearing liabilities was 3.4% (3.5%). The Average interest rate of interest-bearing liabilities was 2.0% (1.8%) with calculatory non-cash expenses related to the convertible bond eliminated. Cash and cash equivalents amounted to EUR 63.0 million (79.7).

At the end of the review period the company had unused credit limits amounting to EUR 479.3 million (310.7) of which EUR 306.1 million (255.8) were committed. The current credit limits and the commercial paper program are used to finance inventories, trade receivables, subsidiaries in distribution chains and thus control the typical seasonality in the Group’s cash flow due to changes in the working capital.

Tax rate

In the review period the Group’s Tax rate was 14.4% (12.2%). In full year 2011 the Tax rate was 14.0%. The Tax rate is affected by tax relieves in Russia based on present investments and further investment-related incentive agreements. A new agreement has been completed with authorities in Russia concerning additional investment in the existing factory and building the new factory. The agreement will prolong the tax benefits and incentives until approximately 2020. The estimated Tax rate for 2012 is 15% and for the following 5 years 17%.

In Q3/2012 the tax rate 18.6% was affected by the fact that the authorities’ final approvals of the new factory building in Russia are scheduled to Q1/2013 and the new agreed tax benefits and incentives will come into force from that moment.

PASSENGER CAR TYRES

	7-9/12	7-9/11	Change%	1-9/12	1-9/11	Change%	2011
Net sales, m€	282.9	264.2	7.1	915.9	732.7	25.0	1,071.1
Operating profit, m€	87.9	94.0	-6.5	316.7	262.0	20.9	365.1
Operating profit, %	31.1	35.6		34.6	35.8		34.1
RONA,% (roll.12 m.)				34.6	37.0		38.3

Net sales of Nokian Passenger Car Tyres totalled EUR 915.9 million (732.7), up by 25.0% from the corresponding period a year earlier. Operating profit increased to EUR 316.7 million (262.0). Operating profit percentage was 34.6% (35.8%).

Nokian car tyres' sales showed growth cumulatively in all markets and also in Q3 in the core markets and in Central Europe. A bulk of the total sales growth came from Russia where especially winter tyre sales grew significantly. Winter tyres represented 73% (72%) of the global sales volume.

Nokian car tyres' market share improved in Russia and in Central Europe as a result of an expanding distribution and the success of newly launched products. The market share in winter tyres improved also in the Nordic countries.

The new summer tyre range with the spearhead products Nokian Hakka Blue and Nokian Z G2 won several car magazines' tests in the core markets and in Central Europe. In October Nokian tyres dominated the winter tyre tests with several victories in Nordic and Russian magazines. Also the Central European winter test results have been a success for Nokian Tyres with test wins in key markets.

A good sales mix combined with successful price increases from 2011 and early 2012 raised the Average Selling Price year-over-year, although in Q3 the share of less expensive tyres increased in the sales mix especially in Central Europe.

Inventories and receivables grew seasonally along with increased sales. Fixed costs increased moderately compared to sales growth, which helped to improve profits. Raw material cost decreased less than expected in Q3 but continue to decrease towards the end of the year, thus supporting profitability.

Production output (pcs) grew by 20% compared to the corresponding period in the previous year, boosted by the increasing capacity in Russia. Productivity improved along with high utilization and the capacity increases. The shift pattern of the car tyre production in Nokia, Finland was cut from 7 days/week to a 5 days/week production by end June. Simultaneously the production in Russia has been increased. Construction of the new plant and warehouse next to the current ones in Russia has proceeded on schedule. The first line in the new plant has commenced production in June, and the second line is to become on stream in early 2013. Capacity will increase further with two more lines being added during 2013-2014. The planned combined output of the Nokia and Vsevolozhsk plants in 2012 is 16 million tyres.

The last quarter will again be decisive for the full year sales and profits. The focus for the rest of this year will be on optimizing the tyre supply capacity and the logistics for growing deliveries as well as on controlling the inventories and trade receivables.

HEAVY TYRES

	7-9/12	7-9/11	Change%	1-9/12	1-9/11	Change%	2011
Net sales, m€	25.0	26.6	-6.1	78.5	83.3	-5.7	112.8
Operating profit, m€	3.5	4.2	-15.0	9.9	14.2	-30.3	17.2
Operating profit, %	14.2	15.6		12.6	17.0		15.3
RONA,% (roll.12 m.)				14.4	23.4		20.5

The Net sales of Nokian Heavy Tyres totalled EUR 78.5 million (83.3), down by 5.7% year-over-year. Operating profit was EUR 9.9 million (14.2), and the Operating profit percentage 12.6% (17.0%).

Nokian Heavy Tyres' sales decreased due to weaker forestry tyre demand compared to 1-9/2011. Sales of mining and radial tyres showed growth especially in North America and Russia but did not fully compensate for the decline in the forestry sector. ASP improved due to an improved sales mix with higher sales to the replacement market and price increases. The order book took a moderate downturn in Q3 due to the global economy slowdown.

The production volume (tons) decreased by 11% year-over-year. During the review period the production was optimized to match a lower demand from OE customers and to reduce the inventory level. Investments are being made to modernize the factory, to open bottlenecks in production and to increase radial capacity. The upgrade of the factory will be completed in 2013.

The focus for the last quarter is to increase sales in the radial tyre segments and to optimize production output. In 2012 Nokian Heavy Tyres' sales and Operating profit are expected to be below previous year.

VIANOR

Equity-owned operations

	7-9/12	7-9/11	Change%	1-9/12	1-9/11	Change%	2011
Net sales, m€	64.6	60.6	6.7	194.0	181.1	7.1	298.4
Operating result, m€	-4.6	-3.5	-30.8	-11.7	-10.7	-9.3	2.3
Operating result, %	-7.0	-5.8		-6.0	-5.9		0.8
RONA,% (roll.12 m.)				0.7	-2.0		1.4

At the end of the review period Vianor had 178 (180) equity-owned stores in Finland, Sweden, Norway, USA, Switzerland and Russia. Vianor's Net sales amounted to EUR 194.0 million (181.1), up by 7.1% compared with 1-9/2011. Operating result was EUR -11.7 million (-10.7) and the Operating result percentage was -6.0% (-5.9%). Operating result was negative due to normal seasonality and start-up costs of service operations but is expected to turn positive in full year 2012 due to sales and profit generation during the winter tyre season in Q4.

Sales in tyre retail and service showed growth whereas gross sales decreased in line with market. The gradual change of operating model from tyre sales to full car service in the stores continues with investments and local acquisition of car service shops. In the review period a total of 20 car service operations were acquired and integrated to existing Vianor stores.

For the rest of the year the focus will be on optimizing sales in the consumer winter tyre season, developing the car services business and improving cost efficiency.

Franchising and partner operations

Vianor expanded the network on Nokian Tyres' key markets by 76 stores during 1-9/2012. At the end of the review period, the global Vianor network comprised of 986 stores of which 808 were partners. Vianor operates in 24 countries; most extensively in the Nordic countries, Russia and Ukraine. During the review period Serbia joined as a new country in the network. Nokian Tyres' market shares improved as a result of the expansion.

Expanding the partner franchise network will continue according to plans; the target is to have more than 1,000 stores by the end of 2012.

OTHER OPERATIONS

Truck Tyres

The Net sales of Nokian Truck Tyres were EUR 38.3 million (44.6), down by 14.1% compared to 1-9/2011. The demand in Central Europe declined rapidly during the first quarter, but started to recover slowly in the second and third quarter. Nokian truck tyres' market share increased in the Nordic countries and in Russia due to an improved product range in both premium and standard tyres. Sales and profitability were supported by an increasing share of Hakkapeliitta truck tyre sales and improving market position of Noktop retreading materials.

For the rest of the year the focus will be on increasing sales, improving market share as well as on controlling the tyre inventory and trade receivables. 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 22.0% in Q3 and in the review period by 55.8% year-over-year to EUR 427.3 million (274.3). Sales in CIS countries (excluding Russia) were EUR 23.0 million (27.4). Consolidated sales in Russia and CIS increased by 49.3% to EUR 450.3 million (301.7).

Sales in Russia grew significantly prompted by a good economic situation and continued growth in new car sales along with improved production and supply capacity of Nokian Tyres. Winter tyre sales increased significantly, both in premium and mid-price segments. Nokian Tyres managed to grow at a triple rate compared to the overall market, which lead to further improved market shares and a stronger market leader position in Russia.

The distribution network was extended by signing additional distribution agreements and expanding the Vianor network. There were a total of 511 Vianor stores in 305 cities in Russia and CIS countries at the end of the review period. Nokian Tyres' e-commerce development proceeded according to plans.

In the beginning of 2012 the annual capacity in the Russian factory was approximately 11 million tyres. The company has commissioned a new plant next to the current one, which will increase the annual car tyre capacity further by 5-6 million tyres. The first line in the new plant has commenced production in June, and the second line is estimated to become on stream in early 2013. Capacity will increase further with two more lines being added during 2013-2014.

The Russian economy grew at an estimated real GDP growth of over 4% in 1-9/2012 versus 1-9/2011. Consumer confidence was strong and purchasing power improved. Russia is expected to show a healthy GDP growth of approximately 4% in full year 2012.

New car sales, the main driver for premium tyres, increased by 14% with western brands growing by 23% in the review period compared to 1-9/2011. The new car sales were supported by the moderate credit rates offered by banks (including loans subsidized by car manufacturers). The car sales annual growth in 2012 is forecasted to be in the range of 10-12% with a return to 2008 volume. The sales of used cars are also strong with demand exceeding supply. Western cars that were acquired in large volumes before 2010 are now in need of both summer and winter replacement tyres.

The market potential with strong consumer demand in Russia is evident with strong growth in car and tyre sales. Tyre industry deliveries to distributors increased in the review period by 15% year-over-year. The market is expected to show healthy growth throughout 2012, despite a weak summer tyre consumer season.

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. By Russia joining WTO, the tyre duties will go down gradually; duty of car and van tyres will decrease from 20% to 10% in 5 years.

INVESTMENTS

Investments in January-September amounted to EUR 168.5 million (108.2). This comprises of production investments in the Russian and Finnish factories, moulds for new products and the Vianor expansion projects.

OTHER MATTERS

1. Stock options on the NASDAQ OMX Helsinki Stock Exchange

The total number of stock options 2010A is 1,320,000. Each stock option 2010A entitles its holder to subscribe for one Nokian Tyres plc share. The shares can be subscribed with the stock options 2010A during 1 May 2012 - 31 May 2014. In the aggregate, the stock options 2010A entitle their holders to subscribe for 1,320,000 shares. The present share subscription price with stock options 2010A is EUR 16.29/share. The dividends payable annually shall be deducted from the share subscription price.

The total number of stock options 2007C is 2,250,000. Each stock option 2007C entitles its holder to subscribe for one Nokian Tyres plc share. The shares can be subscribed with the stock options 2007C during 1 March 2011 - 31 March 2013. In the aggregate, the stock options 2007C entitle their holders to subscribe for 2,250,000 shares. The present share subscription price with stock options 2007C is EUR 6.39/share. The dividends payable annually shall be deducted from the share subscription price.

2. Shares subscribed with option rights

After 14 December 2011 registered new shares a total of 761,322 Nokian Tyres plc's shares have been subscribed with the 2007B option rights and 125,233 with the 2007C 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 on 21 February 2012. After the subscription the number of Nokian Tyres plc shares increased to 130,496,395 shares.

After 21 February 2012 registered new shares a total of 1,041,159 Nokian Tyres plc's shares have been subscribed with the 2007B option rights and 325,172 with the 2007C 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 on 22 May 2012. As a result of the share subscriptions, the number of Nokian Tyres plc shares will increase to 131,862,726 shares.

After 22 May 2012 registered new shares a total of 1,000 Nokian Tyres plc's shares have been subscribed with the 2007B option rights, 62,636 with the 2007C option rights and 150 with the 2010A option rights. These option rights are attached to the Nokian Tyres plc's Option Programs of 2007 and 2010. New shares have been registered into the Trade Register on 21 August 2012, as of which date the new shares will establish shareholder rights. The share capital will not increase with subscriptions made by 2007 and 2010 option rights. The entire subscription price of EUR 425,007.54 will be entered in the invested unrestricted equity reserve. As a result of the share subscriptions, the number of Nokian Tyres plc shares will increase to 131,926,512 shares.

3. Share price development

The Nokian Tyres' share price was EUR 31.65 (EUR 22.58) at the end of the review period. The volume weighted average share price during the period was EUR 32.12 (EUR 28.50), the highest EUR 38.20 (EUR 37.45) and the lowest EUR 24.84 (EUR 21.21). A total of 148,817,615 shares were traded during the period (149,402,622), representing 113% (115%) of the company's overall share capital. The company's market value at the end of the period amounted EUR 4.173 billion (EUR 2.926 billion).The company's percentage of Finnish shareholders was 37.0% (39.2) and 63.0 % (60.8) were foreign shareholders registered in the nominee register. This figure includes Bridgestone's ownership of approximately 15.2%.

4. Decisions made at the Annual General Meeting

On 12 April 2012, Nokian Tyres Annual General Meeting accepted the financial statements for 2011 and discharged the Board of Directors and the President and CEO from liability.

The meeting decided that a dividend of EUR 1.20 per share shall be paid for the period ending on 31 December, 2011. The dividend was decided to be paid to shareholders included in the shareholder list maintained by Euroclear Finland Ltd on the record date of 17 April 2012. The proposed dividend payment date was decided to be 3 May 2012.

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, Benoît Raulin, Aleksey Vlasov and Petteri Walldén will continue in the Nokian Tyres' Board of Directors. Risto Murto was elected as a new member 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 80,000 per year, while that paid to Board members is set at EUR 40,000 per year. With the exception of the President and CEO, members of the Board and the Nomination and Remuneration Committee are also granted an attendance fee of EUR 600 per meeting.

In addition, 50% of the annual fee be paid in cash and 50% in company shares, such that in the period from 12 April to 30 April 2012, EUR 40,000 worth of Nokian Tyres plc shares will be purchased at the stock exchange on behalf of the Chairman of the Board and EUR 20,000 worth of shares on behalf of each Board member. This means that the final remuneration paid to Board members is tied to the company's share performance. No separate compensation will be paid to the President and CEO for Board work.

4.3. Authorization for a share issue

The Annual General Meeting authorized the Board of Directors to make a decision to offer no more than 25,000,000 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 authorization accounts for approximately 19% of the company's entire share capital.

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

Under the authorization, 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. This authorization was given to be exercised for purposes determined by the Board of Directors.

The subscription price of new shares shall be recognized under unrestricted equity reserve. The consideration payable for Company's own shares shall be recognized under unrestricted equity reserve.

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

5. Changes in ownership

Nokian Tyres received a notification from JPMorgan Chase & Co on 12 April 2012, according to which the total ownership of J.P. Morgan Securities Ltd, JPMorgan Asset Management (UK) Limited, JPMorgan Asset Management (Taiwan) Limited, JP Morgan Chase Bank National Association and J.P. Morgan Investment Management Inc. rose to 5.26% of the share capital in Nokian Tyres plc as a result of a share transaction concluded on 11 April 2012.

Nokian Tyres received a notification from JPMorgan Chase & Co on 18 April 2012, according to which the total holding of J.P. Morgan Securities Ltd, JPMorgan Asset Management (UK) Limited, JPMorgan Asset Management (Taiwan) Limited, JP Morgan Chase Bank National Association and J.P. Morgan Investment Management Inc. in Nokian Tyres plc fell below 5% as a result of a share transaction concluded on 17 April 2012.

Nokian Tyres received a notification from Capital Research and Management Company (CRMC) on 12 July 2012, according to which the total holding of CRMC in Nokian Tyres plc exceeded 5% as a result of a share transaction concluded on 11 July 2012.

Nokian Tyres received a notification from The Capital Group Companies, Inc. on 5 September 2012, according to which as a result of the corporate re-organization effective 1 September 2012, the disaggregation exemption granted by the Finnish Financial Supervisory Authority no longer applies, so Capital Research and Management Company and Capital Group International Inc. will no longer report relevant holdings separately. The holdings under management will be reported in aggregate by the group's parent company, The Capital Group Companies Inc. The total holding of The Capital Group Companies Inc. in Nokian Tyres plc was 6.00% after the change in holdings reporting on 3 September 2012.

6. Events after the review period

Nokian Tyres gave a profit warning in its Stock exchange release on 16 October: "Due to Central European lower prices and clearly weakened demand, Nokian Tyres' Operating profit in the third quarter and in the second half will be weaker than in 2011. In Nordic countries the full year sales are expected to be on previous year's level and in Russia sales will improve clearly compared to 2011. Nokian Tyres' third quarter Net sales are estimated to be EUR 365 million and Operating profit EUR 85 million. The guidance for 2012 remains unchanged: In 2012, the company is positioned to improve Net sales and Operating profit compared to 2011."

RISKS, UNCERTAINTY AND DISPUTES IN THE NEAR FUTURE

Based on economic data the Euro area has practically been in a recession since spring 2011 and the growth for full year 2012 is expected to be negative. The development is however very uneven across the region. European and U.S. debt problems remain unresolved and the emerging economies' growth is slowing down. These uncertainties may weaken future demand for tyres. However, Nokian Tyres' core markets, the Nordic countries and Russia, have relatively healthy economies.

The company's receivables have increased in the review period in line with the increased sales and business model. Tyre inventories are on a planned level. The company follows the development of NWC very closely. At the end of the review period Russian trade receivables accounted for 43% of the Groups total trade receivables.

Around 36% of the Group's Net sales in 2012 are estimated to be generated from Euro-denominated sales. The most important sales currencies in addition to the Euro are the Russian Rouble, the Swedish and Norwegian Krona, the US Dollar and the Ukrainian Hryvnia. The widening interest rate difference between the Rouble and the Euro has increased the hedging costs of the Rouble exposure. Compared to the last year the total Rouble exposure has doubled amounting to approximately 12 billion RUB. In Q4 the Rouble exposure comes dramatically down as the payments from customers flow in.

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

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

OUTLOOK FOR 2012

Demand for car tyres in Q4 is expected to improve seasonally in Nokian Tyres' core markets due to the consumer winter tyre sales. Demand in Nordic countries is expected to be flat year-over-year and to grow in Russia on the back of growth in GDP, car sales and an expanding replacement market. In Central Europe the demand will be determined by winter conditions and how successfully inventories in distribution are converted to consumer sales.

Nokian Tyres has during 2012 further improved its position by winning market shares in all markets in winter tyres, especially in Russia and Central Europe. The company's full year sales in the Nordic countries are expected to be on previous year's level and in Russia sales will improve clearly compared to 2011. The visibility for Central European sales in Q4 is poor but expected to be below 2011.

Nokian Tyres' growing car tyre production capacity in Russia offers growth potential, productivity gains, and a declining fixed cost ratio supports profitability. Production output in Nokia, Finland has been cut for H2/2012 to support growth of production in Russia. The planned combined output of the Nokian and Vsevolozhsk plants in 2012 is 16 million tyres. In the beginning of 2012 the annual capacity in the Russian factory was 11 million tyres. The company has commissioned a new plant next to the current one, which will increase the annual car tyre capacity further by 5-6 million tyres. The first line in the new plant has commenced production in June, and the second line is estimated to become on stream in early 2013. Capacity will increase further with two more lines planned to be added during 2013-2014. The output can rapidly without capex be increased to meet growth in the market by up to 50% by adding to production lines in Russia and full utilization of all capacities in existing plants. The company and Russian authorities have signed agreements which will prolong incentives and tax relieves until approximately 2020.

The demand for heavy tyres remains relatively good for agriculture, mining and radial tyres but is weak for forestry tyres. Nokian Heavy Tyres full year sales and operating result will be below 2011.

Vianor is expected to seasonally make a healthy profit in Q4 and to show a positive operating result in full year 2012.

Nokian Tyres' raw material cost (EUR/kg) has been levelling off. Raw material cost in Q4 will be lower than in previous quarters in 2012 and clearly lower than in Q4/2011. Full year raw material cost in 2012 is estimated to be the same as in 2011.

A strong position in the core markets, an expanding distribution channel, fluent 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 strong profitable growth even in the more challenging environment.

Financial guidance (unchanged):
In 2012, the company is positioned to improve Net sales and Operating profit compared to 2011.

INVESTMENTS IN 2012

Nokian Tyres' budget for total investments in 2012 is EUR 210 million (161.7). EUR 150 million will be invested in Russia, including the start of the new production facilities. The balance comprises of investments in Nokia plant (automation, moulds, ICT, R&D) EUR 32 million, Heavy tyres EUR 15 million and sales companies including Vianor chain with its acquisitions EUR 13 million.

Nokia, 30 October 2012

Nokian Tyres plc, Board of Directors

****

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.

***

This financial statements bulletin has been prepared in accordance with IFRS compliant recognition and measurement principles 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'.

The interim report figures are unaudited.

NOKIAN TYRES CONSOLIDATED INCOME STATEMENT Million euros	7-9/12	7-9/11	1-9/12	1-9/11	Last 12 months	1-12/11	Change %
Net sales	368.0	346.3	1,166.0	974.3	1,648.6	1,456.8	19.7
Cost of sales	-216.4	-189.5	-651.9	-526.3	-931.4	-805.8	-23.9
Gross profit	151.6	156.8	514.2	448.0	717.2	651.0	14.8
Other operating income	0.4	0.3	1.3	1.5	1.6	1.8	
Selling and marketing expenses	-55.1	-48.7	-167.4	-152.0	-231.9	-216.5	-10.1
Administration expenses	-7.6	-6.3	-24.6	-20.8	-33.1	-29.4	-17.9
Other operating expenses	-3.8	-6.6	-20.2	-15.6	-31.4	-26.8	-29.2
Operating profit	85.5	95.4	303.3	261.0	422.3	380.1	16.2
Financial income	13.7	13.5	77.7	63.2	105.4	90.9	23.0
Financial expenses	-26.0	-19.9	-97.4	-79.8	-129.4	-111.8	-22.1
Profit before tax	73.2	89.1	283.5	244.4	398.3	359.2	16.0
Tax expense (1	-13.6	-11.0	-41.0	-29.7	-61.5	-50.3	-37.8
Profit for the period	59.6	78.1	242.6	214.6	336.8	308.9	13.0
Attributable to:							
Equity holders of the parent	59.7	78.1	242.5	214.6	336.8	308.9	
Non-controlling interest	0.0	0.0	0.1	0.0	0.0	0.0	
Earnings per share from the profit attributable to equity holders of the parent							
basic, euros	0.45	0.60	1.85	1.66		2.39	11.3
diluted, euros	0.44	0.60	1.80	1.65		2.32	9.3

CONSOLIDATED OTHER COMPREHENSIVE INCOME Million euros	7-9/12	7-9/11	1-9/12	1-9/11	1-12/11
Profit for the period	59,6	78,1	242,6	214,6	308,9
Other comprehensive income, net of tax:					
Gains/Losses from hedge of net investments in foreign operations	-4,4	4,0	-12,9	4,6	-2,9
Cash flow hedges	0,1	-1,1	0,3	-0,4	-1,4
Translation differences on foreign operations	18,2	-33,2	37,8	-28,8	-7,6
Total other comprehensive income for the period, net of tax	13,9	-30,4	25,3	-24,6	-11,9
Total comprehensive income for the period	73,6	47,7	267,8	190,0	297,0
Total comprehensive income attributable to:					
Equity holders of the parent	73,6	47,7	267,8	190,0	297,0
Non-controlling interest	0,0	0,0	0,1	0,0	0,0

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

KEY RATIOS	30.9.12	30.9.11	31.12.11	Change %
Equity ratio, %	62,7	61,4	63,2	
Gearing, %	35,6	35,6	-0,3	
Equity per share, euro	10,23	8,31	9,15	23,0
Interest-bearing net debt, mill. euros	480,5	383,3	-3,6	
Capital expenditure, mill. euros	168,5	108,2	161,7	
Depreciation, mill. euros	60,2	53,2	71,6	
Personnel, average	4 057	3 774	3 866	
Number of shares (million units)				
at the end of period	131,93	129,57	129,61	
in average	131,00	128,97	129,12	
in average, diluted	137,29	135,77	135,70	

CONSOLIDATED STATEMENT OF FINANCIAL POSITION Million euros	30.9.2012	30.9.2011	31.12.11
Non-current assets			
Property, plant and equipment	678.6	515.9	560.4
Goodwill	67.3	62.9	63.8
Other intangible assets	25.3	22.2	22.6
Investments in associates	0.1	0.1	0.1
Available-for-sale financial assets	0.3	0.3	0.3
Other receivables	19.3	19.7	17.9
Deferred tax assets	9.4	6.2	5.4
Total non-current assets	800.2	627.2	670.4
Current assets			
Inventories	378.9	353.6	324.0
Trade receivables	821.2	601.7	335.3
Other receivables	91.4	93.2	81.6
Cash and cash equivalents	63.0	79.7	464.5
Total current assets	1,354.5	1,128.2	1,205.5
Equity			
Share capital	25.4	25.4	25.4
Share premium	181.4	181.4	181.4
Translation reserve	-56.6	-95.3	-81.5
Fair value and hedging reserves	-1.7	-1.0	-2.0
Paid-up unrestricted equity reserve	79.1	35.1	35.4
Retained earnings	1,121.4	931.2	1,027.2
Non-controlling interest	0.3	0.3	0.3
Total equity	1,349.4	1,077.1	1,186.1
Non-current liabilities			
Deferred tax liabilities	30.0	13.8	31.2
Provisions	0.1	0.1	0.0
Interest bearing financial liabilities	337.7	202.8	207.6
Other liabilities	3.3	2.1	2.5
Total non-current liabilities	371.1	218.7	241.2
Current liabilities			
Trade payables	97.4	96.4	88.4
Other current payables	129.6	100.8	104.9
Provisions	1.4	2.2	1.8
Interest-bearing financial liabilities	205.8	260.2	253.4
Total current liabilities	434.2	459.6	448.5
Total assets	2,154.7	1,755.4	1,875.9

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

CONSOLIDATED STATEMENT OF CASH FLOWS Million euros	1-9/12	1-9/11	1-12/11
Cash flows from operating activities:			
Cash generated from operations	-118.4	-165.2	272.2
Financial items and taxes	-88.7	-42.9	-39.3
Net cash from operating activities	-207.0	-208.1	232.9
Cash flows from investing activities:			
Net cash used in investing activities	-155.2	-107.6	-158.3
Cash flows from financing activities:			
Proceeds from issue of share capital	43.7	27.1	27.4
Change in current financial receivables and debt	-69.2	246.5	239.6
Change in non-current financial receivables and debt	142.4	-8.7	-8.9
Dividends paid	-156.6	-83.7	-83.7
Net cash from financing activities	-39.7	181.1	174.3
Net change in cash and cash equivalents	-401.9	-134.6	248.9
Cash and cash equivalents at the beginning of the period	464.5	216.6	216.6
Effect of exchange rate changes	0.4	-2.3	-0.9
Cash and cash equivalents at the end of the period	63.0	79.7	464.5
	-401.9	-134.6	248.9

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 2011	25.4	181.4	-71.1	-0.6	8.0	793.9	0.0	937.2
Profit for the period						214.6		214.6
Other comprehensive income, net of tax:								
Cash flow hedges				-0.4				-0.4
Net investment hedge			4.6					4.6
Translation differences			-28.8					-28.8
Total comprehensive income for the period			-24.2	-0.4		214.6		190.0
Dividends paid						-83.7		-83.7
Exercised warrants					27.1			27.1
Share-based payments						6.3		6.3
Total transactions with owners for the period					27.1	-77.4		-50.3
Change in non-controlling interest							0.3	0.3
Equity, Sep 30th 2011	25.4	181.4	-95.3	-1.0	35.1	931.2	0.3	1, 077.1
Equity, Jan 1st 2012	25.4	181.4	-81.5	-2.0	35.4	1,027.2	0.3	1,186.1
Profit for the period						242.5	0.1	242.6
Other comprehensive income. net of tax:								
Cash flow hedges				0.3				0.3
Net investment hedge			-12.9					-12.9
Translation differences			37.8				0.0	37.8
Total comprehensive income for the period			24.9	0.3		242.5	0.1	267.8
Dividends paid						-156.6		-156.6
Exercised warrants					43.7			43.7
Share-based payments						8.3		8.3
Total transactions with owners for the period					43.7	-148.3		-104.6
Equity, Sep 30th 2012	25.4	181.4	-56.6	-1.7	79.1	1,121.4	0.3	1,349.4

SEGMENT INFORMATION

Million euros	7-9/12	7-9/11	1-9/12	1-9/11	1-12/11	Change %
Net sales						
Passenger car tyres	282.9	264.2	915.9	732.7	1,071.1	25.0
Heavy tyres	25.0	26.6	78.5	83.3	112.8	-5.7
Vianor	64.6	60.6	194.0	181.1	298.4	7.1
Other operations	16.0	21.8	47.3	54.0	73.8	-12.4
Eliminations	-20.4	-26.9	-69.7	-76.8	-99.3	9.3
Total	368.0	346.3	1,166.0	974.3	1,456.8	19.7
Operating result						
Passenger car tyres	87.9	94.0	316.6	262.0	365.1	20.9
Heavy tyres	3.5	4.2	9.9	14.2	17.2	-30.3
Vianor	-4.6	-3.5	-11.7	-10.7	2.3	-9.3
Other operations	0.4	3.3	-2.6	2.6	-1.1	-199.7
Eliminations	-1.8	-2.6	-8.9	-7.1	-3.4	-26.5
Total	85.5	95.4	303.3	261.0	380.1	16.2
Operating result, % of net sales						
Passenger car tyres	31.1	35.6	34.6	35.8	34.1	
Heavy tyres	14.2	15.6	12.6	17.0	15.3	
Vianor	-7.0	-5.8	-6.0	-5.9	0.8	
Total	23.2	27.6	26.0	26.8	26.1	
Cash Flow II						
Passenger car tyres	-111.0	-117.5	-233.4	-154.2	151.9	-51.4
Heavy tyres	1.4	-6.0	-10.2	-19.2	5.2	47.0
Vianor	-23.4	-22.1	-31.8	-42.2	-23.3	24.6
Total	-125.9	-150.9	-289.8	-253.1	114.1	-14.5

CONTINGENT LIABILITIES Million euros	30.9.12	30.9.11	31.12.11
FOR OWN DEBT			
Mortgages	1.1	1.0	1.1
Pledged assets	0.1	0.1	0.1
OTHER OWN COMMITMENTS			
Guarantees	3.4	2.3	3.3
Leasing and rent commitments	87.3	95.6	99.2
Purchase commitments	3.0	2.2	2.8

DERIVATIVE FINANCIAL INSTRUMENTS Million euros	30.9.12	30.9.11	31.12.11
INTEREST RATE DERIVATIVES			
Interest rate swaps			
Notional amount	100.4	89.2	41.3
Fair value	-1.6	-1.4	-1.4
FOREIGN CURRENCY DERIVATIVES			
Currency forwards			
Notional amount	717.2	497.8	651.0
Fair value	4.6	8.4	-10.7
Currency options, purchased			
Notional amount	81.8	57.9	-
Fair value	1.2	1.6	-
Currency options, written			
Notional amount	167.0	92.3	-
Fair value	-1.4	-1.1	-
ELECTRICITY DERIVATIVES			
Electricity forwards			
Notional amount	14.9	16.3	16.5
Fair value	-2.0	-0.3	-1.9

DEFINITIONS OF CONSOLIDATED KEY FINANCIAL INDICATORS

Earnings per share, euro:	Profit for the period attributable to the equity holders of the parent / Average adjusted number of shares during the period
Earnings per share (diluted), euro:	Profit for the period attributable to the equity holders of the parent / Average adjusted and diluted number of shares during the period The share options affect the dilution as the average share market price for the period exceeds the defined subscription price.
Equity ratio, %:	Total equity x 100 / (Total assets - advances received)
Gearing, %:	Interest-bearing net debt x 100 / Total equity
Equity per share, euro:	Equity attributable to equity holders of the parent / Adjusted number of shares on the reporting date

DEFINITIONS OF SALES AREAS

Nordic countries: Finland, Norway, Sweden.

Russia and CIS:

Russia, Armenia, 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

Antti-Jussi Tähtinen, Vice President, Marketing and Communications

Further information: Mr. Kim Gran, President and CEO, tel: +358 10 401 7336

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

*****

Nokian Tyres Interim Report January-September was published on Tuesday 30 October, 2012 at 8.00 a.m. Finnish time.

The result presentation to analysts and media will be held in Hotel Kämp in Helsinki at 10.00 a.m. Finnish time. The presentation can be listened through audiocast via internet at http://www.nokiantyres.com/resultinfoq32012

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: +358 (0)9 2313 9201 (Finland) or +44 (0)20 7162 0077 (UK). Password: 923810.

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 result 2012 will be published on Wednesday 6 February, 2013. Releases and company information will be found from http://www.nokiantyres.com