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Nokian Tyres plc financial statements bulletin 2011:
Strong 2011 results – profitable growth to continue

Nokian Tyres group's net sales increased by 37.7% to EUR 1,456.8 million (EUR 1,058.1 million in 2010). Operating profit grew to EUR 380.1 million (EUR 222.2 million) and Profit for the period amounted to EUR 308.9 million (EUR 169.7 million). Earnings per share increased to EUR 2.39 (EUR 1.34). Cash flow from operations was EUR 114.1 million (EUR 318.8 million). The Board of Directors proposes a dividend of EUR 1.20 (EUR 0.65) per share.

Outlook:
The demand and order book for Nokian car tyres has remained strong on all Nokian Tyres' core markets, despite uncertainties in the global economy. Growing production capacity offers further growth potential and productivity gains, and a declining raw material cost estimate supports profitability. Demand for heavy tyres has levelled off and is expected to be softer in 2012.

Financial guidance:
In 2012, the company is positioned to improve net sales and operating profit compared to 2011.

Key figures, EUR million:

	10-12/11	10-12/10	Change%	2011	2010	Change%
Net sales	482.5	368.7	30.9	1,456.8	1,058.1	37.7
Operating profit	119.1	91.8	29.7	380.1	222.2	71.1
Profit before tax	114.8	86.4	32.9	359.2	208.8	72.0
Profit for the period	94.2	62.6	50.6	308.9	169.7	82.0
Earnings per share, EUR	0.73	0.49	47.8	2.39	1.34	78.7
Equity ratio, %				63.2	68.4	
Cash flow from operations	367.3	358.1	2.6	114.1	318.8	-64.2
RONA,% (roll. 12 months)				27.0	17.8	
Gearing, %				-0.3	0.1	

Kim Gran, President and CEO:

"The year 2011 was a success story for Nokian Tyres as sales, margin and production output all improved. Our growth strategy paid off generously in conditions of strong demand.

The fourth quarter sales and results came in as planned with some modification in sales mix due to a black start for the winter season. Sales in 2011 were up significantly in all our key markets and we continue to win market share especially in Russia and CE. The successful launch of our new test winning Central European winter tyre range Nokian WR D3 combined with strong sales growth of our Nordic and Russian Hakkapeliitta winter tyre range fuelled growth and improved ASP.

A strong sales mix with a high share of premium products combined with price increases improved margin. We are market leaders in brand, price positioning and distribution in our core markets and managed to improve our position and profitability also in CE clearly. The expansion of our distribution network continues spearheaded by Vianor which recorded 139 new stores in 2011. The chain now totals 910 stores in 23 countries with 491 stores in 287 Russian/CIS cities.

Production output (tons) grew by 47% year-over-year both factories improving output and productivity. Weekly output was increased from 250 to 360 thousand tyres/week during the year by the start of new production lines in Russia. The ramp-up continues by building a new state-of-the-art factory in Russia with start of production during summer 2012.

The visibility to the first half of 2012 sales and results is good. Our order book is strong and inventory levels in distribution are normal on our core markets. Sales will correlate closely with full utilization of our growing production output. Raw material costs are levelling off which together with improving productivity will help to maintain healthy profitability.

Our sails continue to bulge with tailwind and we enter 2012 stronger than ever. Despite uncertainties in Europe our core markets in Northern Europe and Russia & CIS offer continued growth potential and we see no other target than to improve sales and results also in 2012."

Market situation

The growth rate of the global economy started to slow down during 2011. GDP growth was slower than expected in many countries causing downward revisions of economic forecasts. Major economies grew still, although at a slower pace, backed by easy monetary policies and low interest rates. Growth in Nokian Tyres' core markets, Nordic countries and Russia, have shown comparatively positive development. In Europe the uncertainty related to the governmental borrowing and its effects to financial markets continues and the outcome is still not fully visible. So far it has had minor effect on the private sector's spending. The uncertainty in macroeconomics has lately somewhat decreased but may still convert into weaker demand in 2012. The Euro has depreciated and a further depreciation would have a positive net effect on Nokian Tyres.

Drivers for growth in Nokian Tyres' core markets are still intact. Annual GDP growth averaged approximately 3% in the Nordic countries and over 4% in Russia in 2011 versus 2010. The new car sales increased in the Nordic countries by approximately 8% year-over-year. In Russia the new car sales were up by 39% in 2011 compared to 2010. In 2012 the GDP is estimated to grow 3.5% and new car sales by 10-15% in Russia.

The replacement market sales volume for car tyres in 2011 increased in the Nordic countries by an estimated 2% and in Europe by 3% year-over-year with summer tyre sales declining and winter tyre deliveries increasing by 15%. Tyre industry deliveries to distributors increased by over 30% in Russia in 2011, trailing the improving economy, lower stocks of distributors and strong consumer confidence.

The second consecutive true winter with heavy snowfall prolonged in spring 2011 in all Europe and in Russia, resulting in strong winter tyre consumer sales and leaving retailers with low inventories in the end of the season. Late snowfall in the autumn 2011 had only little negative impact on winter tyre sales to consumers in Nokian Tyres' core markets in Nordic countries and Russia. Tyre stocks are still relatively low in distribution. Summer tyre market declined in Europe but increased significantly in Russia.

The demand for special heavy tyres remained good in 2011 although order book for forestry tyres started to weaken in Q4. Heavy tyre demand for 2012 is uncertain but some positive signals have become visible in the form of somewhat increasing demand from after-market and some signs of recovery in commodity prices (e.g. pulp and metals).

The demand for new and retreaded truck tyres has remained solid in Nokian Tyres' core markets.

The prices for natural rubber and oil-based materials rose significantly from early 2009 to mid-2011 and some materials were in short supply. In early 2011 raw material costs continued to go up triggering additional price increases from the tyre industry. At the end of 2011 raw material prices dropped and availability came back to normal. The tyre industry raw material costs rose still slightly towards the end of the year due to stocks purchased with higher prices. Tyre industry pricing discipline appears to be good, but there will be less room for price increases in 2012 as the raw material cost will take a downturn in Q1.

October-December 2011

In the fourth quarter of 2011 Nokian Tyres Group recorded net sales of EUR 482.5 million (368.7), showing an increase of 30.9% on the corresponding period a year earlier. Sales increased in the Nordic countries by 8.5% and in Russia by 53.3%. The consolidated sales in Russia and CIS grew by 47.2%. In Central and Eastern Europe sales grew by 68.5% and in North America sales increased by 46.9%.

Raw material costs (EUR/kg) in manufacturing increased in the fourth quarter by 33.3% year-over-year and increased by 8.2% versus the third quarter of 2011. Fixed costs were EUR 101.1 million (91.9), accounting for 21.0% (24.9%) of net sales.

Nokian Tyres Group’s Operating profit was EUR 119.1 million (91.8). The Operating profit was negatively affected by expensed credit losses and provisions of EUR 4.5 million (0.3) and a bonus of EUR 5.0 million (4.7) for personnel and management. Net financial expenses were EUR 4.3 million (5.4). Net interest expenses were EUR 4.0 million (5.2) including EUR 2.2 million (2.1) in non-cash expenses related to convertible bonds. Net financial expenses include EUR 0.2 million (0.2) of exchange rate differences.

Profit before tax was EUR 114.8 million (86.4). Profit for the period amounted to EUR 94.2 million (62.6), and EPS were EUR 0.73 (EUR 0.49).

Income financing after the change in working capital, investments and the disposal of fixed assets (Cash flow from operations) was EUR 367.3 million (358.1).

January-December 2011

Nokian Tyres Group recorded net sales of EUR 1,456.8 million (1,058.1), showing an increase of 37.7% compared with 2010. In the Nordic countries sales increased by 17.4% representing 37.9% (44.5%) of the group’s total sales. Sales in Russia increased by 81.0%. Russia and CIS consolidated sales grew by 79.1% and formed 26.9% (20.7%) of the group’s total sales. In Central and Eastern Europe sales were up by 49.1% year-over-year representing 27.8% (25.7%) of the group’s total sales. In North America sales increased by 9.9% and were 6.9% (8.7%) of the group’s total sales.

Sales of passenger car tyres were up by 49.9% representing 69.5% (62.4%) of the group’s total sales. Heavy tyres’ sales increased by 39.2% and were 7.3% (7.1%) of the group’s total sales. Vianor’s sales decreased by 3.1% forming 19.4% (26.9%) of the group’s total sales. The sales of Other operations were up by 44.1% representing 3.8% (3.6%) of the group’s total sales.

Raw material cost (EUR/kg) in manufacturing increased by 30.9% in 2011 year-over-year. Fixed costs amounted to EUR 345.8 million (309.8), accounting for 23.7% (29.3%) of net sales. Total salaries and wages were EUR 182.4 million (147.7).

Nokian Tyres Group's Operating profit amounted to EUR 380.1 million (222.2). The Operating profit was negatively affected by the IFRS 2 -compliant option scheme write-off of EUR 8.1 million (7.3) and expensed credit losses and provisions of EUR 7.5 million (0.8).

Net financial expenses were EUR 20.9 million (13.3). Net interest expenses were EUR 14.4 million (19.5) including EUR 8.5 million (8.1) in non-cash expenses related to convertible bonds. Net financial expenses include EUR 6.5 million (-6.1) of exchange rate differences.

Profit before tax was EUR 359.2 million (208.8). Profit for the period amounted to EUR 308.9 million (169.7), and EPS were EUR 2.39 (EUR 1.34).

Return on net assets (RONA, rolling 12 months) was 27.0% (17.8%). Income financing after the change in working capital, investments and the disposal of fixed assets (Cash flow from operations) was EUR 114.1 million (318.8).

The Group employed an average of 3,866 (3,338) people, and 3,981 (3,506) at the end of the period. The equity-owned Vianor tyre chain employed 1,370 (1,409) people and Russian operations 1,062 (851) people at the end of the period.

Financial position on 31 December 2011

Gearing ratio was -0.3% (0.1%). Interest-bearing net debt amounted to EUR -3.6 million (0.7). Equity ratio was 63.2% (68.4%).

The Group's interest-bearing liabilities totalled EUR 461.0 million (217.2) of which current interest-bearing liabilities amounted to EUR 253.4 million (13.0). The average interest rate of interest-bearing liabilities was 5.6% (5.2%). The average interest rate of interest-bearing liabilities was 1.8% (1.5%) with calculatory non-cash expenses related to the convertible bond eliminated.

At the end of the review period the company had unused credit limits amounting to EUR 360.8 million (536.7) of which EUR 305.9 million (235.9) 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 2011 was 14.0% (18.7%). 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 for 9 years. The estimated tax rate going forward for the next 5 years is 17%.

PASSENGER CAR TYRES

	10-12/11	10-12/10	Change%	2011	2010	Change%
Net sales, m€	338.4	221.4	52.9	1,071.1	714.7	49.9
Operating profit, m€	103.1	69.9	47.4	365.1	205.5	77.6
Operating profit, %	30.5	31.6		34.1	28.8	
RONA,% (roll.12 m.)				38.3	23.3	

The net sales of Nokian Passenger Car Tyres in 2011 totalled EUR 1,071.1 million (714.7), up by 49.9% from previous year. Operating profit increased to EUR 365.1 million (205.5). Operating profit percentage improved to 34.1% (28.8%).

Nokian car tyres' sales increased in all market areas, 43% of the sales increase coming from Russia. Among product groups the SUV winter tyres showed the strongest growth. Winter tyres' share of Nokian Tyres' total sales mix grew year-over-year to 77% of volume. Nokian car tyres' market share improved in the Nordic countries, Russia and Europe. Despite significant production capacity ramp-up, high demand exceeded the company's supply capacity and some sales shifted to 2012.

The new summer tyre range with the spearhead product Nokian Hakka Green, a tyre giving clear savings in fuel-consumption, was successfully launched. The autumn 2011 sales were boosted by several magazine test victories for Nokian Tyres in studded and non-studded Nordic winter tyres as well as in Central European winter tyres like the new Nokian WR D3.

Sales mix improved clearly, which together with successful price increases raised the Average Selling Price year-over-year, thus compensating for the raw material cost (€/kg) increase of 31% versus 2010.

Production output (pcs) grew by 47% compared with the previous year, boosted by the increased capacity in Russia with lines 9 and 10 coming on stream. The plant in Nokia has been back to 7 days/week full capacity as from August 2011. Productivity improved along with high utilization and capacity increases.

Fixed costs increased moderately compared to the sales growth which helped to improve margins. Inventories and receivables grew along with increased sales.

Construction of the new plant and warehouse next to the current ones in Russia started and has proceeded on schedule. The new plant is estimated to commence production with two additional production lines during 2012 and further capacity increase by two lines taking place during 2013-2014.

The order book for 2012 is strong and the inventories are low in Nokian Tyres. Tyre raw material prices have levelled off and availability has improved, which will reduce raw material cost in Q1/2012 vs. Q4/2011. The focus in 2012 will be on securing the tyre supply capacity, optimising the logistics for growing deliveries and improving sales mix further.

HEAVY TYRES

	10-12/11	10-12/10	Change%	2011	2010	Change%
Net sales, m€	29.5	25.7	14.9	112.8	81.0	39.2
Operating profit, m€	3.0	4.2	-28.5	17.2	13.7	25.7
Operating profit, %	10.3	16.5		15.3	16.9	
RONA,% (roll.12 m.)				20.5	21.0	

The net sales of Nokian Heavy Tyres totalled EUR 112.8 million (81.0) in 2011, up by 39.2% year-over-year. Operating profit was EUR 17.2 million (13.7), and the Operating profit percentage 15.3% (16.9%).

Demand for heavy tyres was strong in 2011, although forestry tyre demand started to decrease in Q4. In total the Nokian Heavy Tyres order book improved during Q1-Q3 trailing the increased activity in machine building and a stronger replacement market. Sales improved clearly in all product groups, especially in forestry, mining and radial tyres. Sales in Russia improved clearly.

Price increases during the year were sufficient to offset the higher raw material cost.

The production was at full utilization until December and volume (tons) increased by 26% year-over-year. Further investments were taken to open bottlenecks in production and to increase capacity in 2012-2013 by approximately 20% from 2011 level.

A new product category, Beyond All-Steel Radial (BAS) developed by Nokian Tyres was launched targeting harbour and mining end use applications. Sales were started challenging traditional all-steel tyres.

In 2012 Nokian Heavy Tyres' sales are estimated to decrease compared to 2011 due to a softer demand. The focus in 2012 will be on optimizing production to demand, increasing sales to the replacement market and expanding the Industrial Vianor concept.

VIANOR

Equity-owned operations

	10-12/11	10-12/10	Change%	2011	2010	Change%
Net sales, m€	117.3	122.6	-4.3	298.4	307.9	-3.1
Operating profit, m€	13.0	11.8	9.7	2.3	4.0	-42.5
Operating profit, %	11.1	9.7		0.8	1.3	
RONA,% (roll.12 m.)				1.4	2.6	

At the end of 2011 Vianor had 179 (169) equity-owned stores in Finland, Sweden, Norway, USA, Switzerland and Russia. During the year 11 stores were acquired and 2 stores were closed. Vianor's net sales in 2011 amounted to EUR 298.4 million (307.9), down by 3.1% compared with 2010. Operating profit was EUR 2.3 million (4.0) and the Operating profit percentage was 0.8% (1.3%).

The strongest sales growth was achieved in service and truck tyre sales. Finland was the most profitable among Vianor's country organisations. Margins improved but the long-term profitability goals were not achieved due to the amount of fixed costs compared to sales. Vianor succeeded in its strategic goals acting as price leader and offering the best network of wholesale and retail for Nokian Tyres' products in core markets.

In 2012 the focus will be on improving sales and market shares further, developing the car services business and improving cost efficiency.

Franchising and partner operations

Vianor expanded the network on Nokian Tyres' core markets by 37 stores in Q4 and by 139 stores during 2011. At the end of 2011, the global Vianor network comprised of 910 stores of which 731 were partners. Vianor operated in 23 countries; most extensively in the Nordic countries, in Russia and in Ukraine. During the year Italy, Azerbaijan and Romania joined as new countries 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 59.3 million (41.2), up by 44.1% 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 improved market share in the Nordic countries.

Due to the improved market there was a global shortage of truck tyres in 2011. Nokian Tyres continues to expand the capacity platform for truck tyres. In 2012 the focus will also be on streamlining logistics and improving the product range. 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 year-over-year by 81.0% to EUR 375.8 million (207.7). Sales in CIS countries (excluding Russia) were EUR 39.3 million (24.1). Consolidated sales in Russia and CIS increased by 79.1% to EUR 415.1 million (231.8).

Sales in Russia grew significantly due to recovered consumer demand, distributors' low inventory levels and improved credit capability. Summer and winter tyre sales increased substantially, both in premium and standard tyres. Nokian Tyres improved further its market shares and the market leader position in premium tyres in Russia.

The distribution network was extended by signing additional distribution agreements and expanding the Vianor network. There were a total of 491 Vianor stores in 287 cities in Russia and CIS countries at the end of 2011.

By the end of 2011 two new production lines (9 and 10) in the Russian factory increased the annual capacity to approximately 11 million tyres. The company commenced building a new plant next to the current one, which will increase the annual car tyre capacity further by 5-6 million tyres. All required agreements with Russian authorities about tax relieves and infrastructure investments have been signed, which will prolong the incentive period by up to 9 years with respect to the new investment project. The new plant is estimated to commence production during 2012 and the capacity increase during 2012-2014.

Russian economy recovered at an estimated real GDP growth of 4.3% in 2011 versus 2010. Consumer confidence was strong and purchasing power improved. Russia is expected to show a healthy GDP growth of 3.5% in 2012.

New car sales, the main driver for premium tyres, increased by 39% in 2011 compared to 2010. The new car sales was supported by the credit rates offered by banks (including loans subsidized by car manufacturers) returning to pre-crisis values. New certificates of the car scrappage incentive program were no longer granted in the second half of the year, but the program's positive effect on car sales continued throughout the year. The car sales annual growth in 2012 is forecasted to be in the range of 10-15% with a return to pre-crisis volume. The sales of used cars are also strong with demand exceeding supply. Western cars that were acquired in large volumes before 2009 are now in need for both summer and winter replacement tyres.

The market potential with strong underlying consumer demand in Russia is evident with strong growth in car and tyre sales. Tyre industry deliveries to distributors increased by over 30% in 2011 year-over-year. The market is expected to show healthy growth also in 2012.

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 2011 amounted to EUR 161.7 million (50.5). 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 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 7.56/share. The dividends payable annually shall be deducted from the share subscription price.

2. Shares subscribed with option rights

After 14 December, 2010 registered new shares a total of 1,146,301 Nokian Tyres plc's shares have been subscribed with the 2007A option rights and 250 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 on 24 February, 2011. After the subscription, the number of Nokian Tyres shares was 128,849,012 and the share capital remained EUR 25,437,906.00.

After 24 February 2011 registered new shares a total of 448,867 Nokian Tyres plc's shares have been subscribed with the 2007A option rights and 175 with the 2007B option rights and 177,790 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 12 May 2011. After the subscription, the number of Nokian Tyres plc shares increased to 129,475,844 shares.

After 12 May 2011 registered new shares a total of 50 Nokian Tyres plc's shares have been subscribed with the 2007B option rights and 92,811 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 11 August 2011. After the subscription, the number of Nokian Tyres plc shares increased to 129,568,705 shares.

After 11 August 2011 registered new shares a total of 260 Nokian Tyres plc's shares have been subscribed with the 2007B option rights and 750 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 14 November 2011. After the subscription, the number of Nokian Tyres plc shares increased to 129,569,715 shares.

After 14 November 2011 registered new shares a total of 125 Nokian Tyres plc's shares have been subscribed with the 2007B option rights and 40,000 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 14 December 2011. After the subscription the number of Nokian Tyres plc shares will increase to 129,609,840 shares.

3. Share price development

The Nokian Tyres' share price was EUR 24.88 (EUR 27.45) at the end of the review period. The volume weighted average share price during the period was EUR 27.38 (EUR 21.05), the highest EUR 37.45 (EUR 28.20) and the lowest EUR 19.23 (EUR 15.89). A total of 209,897,339 shares were traded during the period (173,983,343), representing 162% (136%) of the company's overall share capital. The company's market value at the end of the period amounted EUR 3.225 billion (EUR 3.505 billion).The company's percentage of Finnish shareholders was 39.8% (37.6%) and 60.2% (62.4%) were foreign shareholders registered in the nominee register. This figure includes Bridgestone's ownership of approximately 15.4%.

4. Decisions made at the Annual General Meeting

On 7 April 2011, Nokian Tyres Annual General Meeting accepted the financial statements for 2010 and discharged the Board of Directors and the President and CEO from liability.

The meeting decided that a dividend of EUR 0.65 per share shall be paid for the period ending on 31 December, 2010. The dividend was decided to be paid to shareholders included in the shareholder list maintained by Euroclear Finland Ltd on the record date of 12 April 2011. The proposed dividend payment date was decided to be 27 April 2011.

4.1. Members of the Board of Directors and Auditor

The meeting decided that the Board of Directors has six members. Kim Gran, Hille Korhonen, Hannu Penttilä, Petteri Walldén and Aleksey Vlasov continued in the Nokian Tyres' Board of Directors. Benoit Raulin was elected as a new member of the Board. Authorised public accountants KPMG Oy Ab was decided to 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 29 April 2011, 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.

5. Signing of credit facility

Nokian Tyres plc signed a EUR 100 million Multicurrency Revolving Credit Facility for 5 years with international banks on the 31st of March 2011. The Facility will be used to refinance the existing EUR 180 million Multicurrency Revolving Credit Facility that was signed 4th of November 2009 and for general corporate purposes. Mandated Lead Arrangers and Bookrunners for the facility are: HANDELSBANKEN CAPITAL MARKETS, SVENSKA HANDELSBANKEN AB (PUBL),NORDEA BANK FINLAND PLC, POHJOLA BANK PLC and SAMPO BANK PLC. The coordinator and facility agent for the facility was Nordea.

6. Changes in ownership

Nokian Tyres received a notification from The Goldman Sachs Group, Inc. on 12 April 2011, according to which the total ownership of Goldman Sachs & Co., Goldman Sachs International and Goldman Sachs Asset Management L.P. increased above the level of 5% of the share capital in Nokian Tyres plc as a result of a share transaction concluded on 11 April 2011. The Goldman Sachs Group held on deal date a total of 7,829,934 Nokian Tyres' shares representing 6,08% of company's 128,849,012 shares and voting rights.

Nokian Tyres received a notification from The Goldman Sachs Group, Inc. on 14 April 2011, according to which the total ownership of Goldman Sachs & Co., Goldman Sachs International and Goldman Sachs Asset Management L.P. fell below the level of 5% of the share capital in Nokian Tyres plc as a result of a share transaction concluded on 13 April 2011.

Nokian Tyres received a notification from BlackRock, Inc. on 17th August 2011, according to which the ownership of Black Rock Investment Management (UK) Limited has decreased under the level of 5% of the share capital in Nokian Tyres plc as a result of a share transaction concluded on 15th August 2011. Black Rock Investment Management (UK) Limited held on deal date a total of 6,374,263 Nokian Tyres' shares representing 4.92% of company's 129,568,705 shares and voting rights.

RISKS, UNCERTAINTY AND DISPUTES IN THE NEAR FUTURE

Based on economic data the eurozone was in a recession in Q4/2011 and going into 2012. The recession is expected to be short but growth in 2012 to be weak. Ongoing uncertainty related to governmental borrowing in Europe may still cause disruption in the financial markets. Global economy is expected to improve in 2012 driven by growth in China and the continuing moderate recovery of the U.S. economy.

Receivables have increased during 2011 in line with increased sales and the business model. Tyre inventories are back on a normal level. Special attention is drawn to controlling net working capital. At the end of 2011 Russian trade receivables accounted for 17.7% of the Group's 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.

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

The demand and order book for Nokian car tyres has remained strong on all Nokian Tyres' core markets, despite uncertainties in the global economy. In 2012 the car tyre demand is expected to continue to grow globally at a rate of 2-4% driven by growth in emerging markets. Europe is expected to show zero to slow growth with northern countries performing comparatively well. Demand in Russia is forecasted to continue to show healthy growth on the back of growth in GDP, car sales and an expanding replacement market. Inventory levels in Nokian core markets are normal both for summer and winter tyres. Demand for heavy tyres in OE has levelled off and is expected to be soft in 2012.

Growing production capacity offers further growth potential and productivity gains. Production has been increased during H2/2011 by investment and start-up of two new lines in the Russian plant and by shifting the plant in Nokia to 7 days/week full capacity. The company is also building a new plant in Russia next to the current one, which will increase the annual car tyre capacity by 5-6 million tyres. The new plant is estimated to commence production during 2012 and the capacity increase during 2012-2014. The company and Russian authorities have signed agreements which will prolong incentives and tax relieves by 9 years.

Nokian Tyres' raw material cost is gradually levelling off and for full year 2012 it is estimated to decrease by 0-2% versus 2011.

Strong demand, a healthy order book, 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.

Financial guidance:

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 202 million (161.7). EUR 142 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, 8 February 2012

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 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'.

NOKIAN TYRES

CONSOLIDATED INCOME STATEMENT Million euros	10-12/11	10-12/10	1-12/11	1-12/10	Change %
Net sales	482.5	368.7	1,456.8	1,058.1	37.7
Cost of sales	-279.5	-205.2	-805.8	-604.0	-33.4
Gross profit	203.0	163.5	651.0	454.1	43.4
Other operating income	0.3	1.1	1.8	4.3	-59.4
Selling and marketing expenses	-64.5	-59.1	-216.5	-192.9	-12.3
Administration expenses	-8.5	-8.8	-29.4	-27.6	-6.4
Other operating expenses	-11.2	-4.8	-26.8	-15.8	-69.7
Operating profit	119.1	91.8	380.1	222.2	71.1
Financial income	27.7	24.7	90.9	96.3	-5.6
Financial expenses	-32.0	-30.1	-111.8	-109.7	-1.9
Profit before tax	114.8	86.4	359.2	208.8	72.0
Tax expense (1	-20.5	-23.8	-50.3	-39.1	-28.5
Profit for the period	94.2	62.6	308.9	169.7	82.0
Attributable to:					
Equity holders of the parent	94.2	62.6	308.9	169.7	
Non-controlling interest	0.0	0.0	0.0	0.0	
Earnings per share from the profit attributable to equity holders of the parent					
basic, euros	0.73	0.49	2.39	1.34	78.7
diluted, euros	0.71	0.48	2.32	1.32	75.8

CONSOLIDATED OTHER COMPREHENSIVE INCOME Million euros	10-12/11	10-12/10	1-12/11	1-12/10
Profit for the period	94.2	62.6	308.9	169.7
Other comprehensive income, net of tax:				
Gains/Losses from hedge of net investments in foreign operations	-7.5	-2.5	-2.9	-17.9
Cash flow hedges	-1.0	0.3	-1.4	-0.6
Translation differences on foreign operations	21.3	13.0	-7.6	37.0
Total other comprehensive income for the period, net of tax	12.8	10.8	-11.9	18.5
Total comprehensive income for the period	107.0	73.4	297.0	188.2
Total comprehensive income attributable to:				
Equity holders of the parent	107.0	73.4	297.0	188.2
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	31.12.11	31.12.10	Change %
Equity ratio, %	63.2	68.4	-7.6
Gearing, %	-0.3	0.1	
Equity per share, euro	9.15	7.34	
Interest-bearing net debt, mill. euros	-3.6	0.7	
Capital expenditure, mill. euros	161.7	50.5	
Depreciation, mill. euros	71.6	69.4	
Personnel, average	3,866	3,338	
Number of shares (million units)			
at the end of period	129.61	127.70	
in average	129.12	126.75	
in average, diluted	135.70	132.96	

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Million euros)	31.12.11	31.12.10
Non-current assets		
Property, plant and equipment	560.4	483.6
Goodwill	63.8	58.8
Other intangible assets	22.6	19.7
Investments in associates	0.1	0.1
Available-for-sale financial assets	0.3	0.3
Other receivables	17.9	20.6
Deferred tax assets	5.4	22.3
Total non-current assets	670.4	605.2
Current assets		
Inventories	324.0	210.6
Trade receivables	335.3	258.9
Other receivables	74.0	69.6
Current tax assets	7.6	10.7
Cash and cash equivalents	464.5	216.6
Total current assets	1,205.5	766.3
Equity		
Share capital	25.4	25.4
Share premium	181.4	181.4
Translation reserve	-81.5	-71.1
Fair value and hedging reserves	-2.0	-0.6
Paid-up unrestricted equity reserve	35.4	8.0
Retained earnings	1,027.2	793.9
Non-controlling interest	0.3	0.0
Total equity	1,186.1	937.2
Non-current liabilities		
Deferred tax liabilities	31.2	39.3
Provisions	0.0	0.1
Financial liabilities	207.6	204.2
Other liabilities	2.5	1.9
Total non-current liabilities	241.2	245.5
Current liabilities		
Trade payables	88.4	81.0
Other current payables	91.4	84.2
Current tax liabilities	13.5	8.5
Provisions	1.8	2.2
Short-term financial liabilities	253.4	13.0
Total current liabilities	448.5	189.0
Total assets	1,875.9	1,371.6

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	1-12/11	1-12/10
Cash flows from operating activities:		
Cash generated from operations	272.2	372.7
Financial items and taxes	-39.3	-45.4
Net cash from operating activities	232.9	327.2
Cash flows from investing activities:		
Net cash used in investing activities	-158.3	-33.7
Cash flows from financing activities:		
Proceeds from issue of share capital	27.4	34.7
Change in current financial receivables and debt	239.6	-29.8
Change in non-current financial receivables and debt	-8.9	-95.2
Dividends paid	-83.7	-50.7
Net cash from financing activities	174.3	-141.0
Net change in cash and cash equivalents	248.9	152.6
Cash and cash equivalents at the beginning of the period	216.6	62.5
Effect of exchange rate changes	-0.9	1.5
Cash and cash equivalents at the end of the period	464.5	216.6
	248.9	152.6

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 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
Equity, Jan 1st 2011	25.4	181.4	-71.1	-0.6	8.0	793.9	0.0	937.2
Profit for the period						308.9	0.0	308.9
Other comprehensive income, net of tax:								
Cash flow hedges				-1.4				-1.4
Net investment hedge			-2.9					-2.9
Translation differences			-7.6					-7.6
Total comprehensive income for the period			-10.5	-1.4		308.9		297.0
Dividends paid						-83.7		-83.7
Exercised warrants					27.4			27.4
Share-based payments						8.1		8.1
Total transactions with owners for the period					27.4	-75.7		-48.3
Change in non-controlling interest							0.3	0.3
Equity, Dec 31st 2011	25.4	181.4	-81.5	-2.0	35.4	1,027.2	0.3	1,186.1

SEGMENT INFORMATION

Million euros	10-12/11	10-12/10	1-12/11	1-12/10	Change %
Net sales					
Passenger car tyres	338.4	221.4	1,071.1	714.7	49.9
Heavy tyres	29.5	25.7	112.8	81.0	39.2
Vianor	117.3	122.6	298.4	307.9	-3.1
Other operations	19.9	13.2	73.8	41.6	77.3
Eliminations	-22.5	-14.1	-99.3	-87.2	-14.0
Total	482.5	368.7	1,456.8	1,058.1	37.7
Operating result					
Passenger car tyres	103.1	69.9	365.1	205.5	77.6
Heavy tyres	3.0	4.2	17.2	13.7	25.7
Vianor	13.0	11.8	2.3	4.0	-42.5
Other operations	-3.7	-3.2	-1.1	-1.6	31.4
Eliminations	3.7	9.0	-3.4	0.6	-649.4
Total	119.1	91.8	380.1	222.2	71.1
Operating result, % of net sales					
Passenger car tyres	30.5	31.6	34.1	28.8	
Heavy tyres	10.3	16.5	15.3	16.9	
Vianor	11.1	9.7	0.8	1.3	
Total	24.7	24.9	26.1	21.0	
Cash Flow II					
Passenger car tyres	306.1	298.9	151.9	291.2	-47.8
Heavy tyres	24.4	11.6	5.2	8.5	-38.2
Vianor	18.9	34.8	-23.3	12.4	-287.3
Total	367.3	358.1	114.1	318.8	-64.2

CONTINGENT LIABILITIES Million euros	31.12.11	31.12.10
FOR OWN DEBT		
Mortgages	1.1	1.1
Pledged assets	0.1	0.0
OTHER OWN COMMITMENTS		
Guarantees	3.3	6.2
Leasing and rent commitments	99.2	102.1
Purchase commitments	2.8	2.2

DERIVATIVE FINANCIAL INSTRUMENTS Million euros	31.12.11	31.12.10
INTEREST RATE DERIVATIVES		
Interest rate swaps		
Notional amount	41.3	30.7
Fair value	-1.4	-1.3
FOREIGN CURRENCY DERIVATIVES		
Currency forwards		
Notional amount	651.0	563.2
Fair value	-10.7	-3.3
ELECTRICITY DERIVATIVES		
Electricity forwards		
Notional amount	16.5	-
Fair value	-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.

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Nokian Tyres plc

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Nokian Tyres 2011 Financial Statement Bulletin was published on Wednesday 8 February, 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/resultinfo2011

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: 910233

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 will be published on Wednesday 9 May, 2012. Releases and company information will be found from http://www.nokiantyres.com