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INTERIM REPORT FOR NOKIAN TYRES PLC JANUARY-JUNE 2005

Strong growth continued and profitability improved

The Group's net sales were up by 17.8% to EUR 295.4 million (EUR 250.8 million in the corresponding period in 2004). Operating profit amounted to EUR 46.1 million (EUR 32.8 million). Earnings per share increased to EUR 0.286(* (EUR 0.212). The target for 2005 is to outperform the results of 2004 in terms of net sales and profit.

Key figures, EUR million:

	4-6/05	4-6/04	1-6/05	1-6/04	2004
Net sales	166.0	137.9	295.4	250.8	603.3
Operating profit	31.5	20.8	46.1	32.8	115.6
Profit before taxes	33.4	19.7	47.1	29.4	103.0
Net profit	23.9	15.6	33.3	22.7	73.8
Earnings per share, EUR (*	0.200	0.146	0.286	0.212	0.687
Equity ratio, %			53.7	38.7	46.4
Cash flow from operations, (Cash Flow II)	-49.8	2.4	-103.6	-21.5	42.9
RONA, % (rolling 12 months)			23.6	22.0	24.8
Gearing, %			48.9	98.9	60.9

(* The per-share key figure includes the effect of the share split carried out on 15 April 2005.

Kim Gran, President and CEO:

"Nokian Tyres continued to make good progress throughout the review period. The Group's net sales increased and operating profit saw a clear improvement. The main growth regions were Russia, the USA and the Nordic countries. Growing production capacity enabled us also to increase sales in Eastern Europe. Production at our new plant in Russia started on schedule with the first Nokian Hakkapeliitta 4 winter tyres being manufactured in early June. We believe that the company is well-positioned to outperform the previous year's results in terms of net sales and profit in 2005."

GENERAL

Although demand for passenger car tyres picked up in European replacement markets in the spring, market growth was smaller than the year before. Healthy demand, however, continued in Russia. In the Nordic countries, the main season for summer tyres started later than the previous year, taking place in the second quarter.

The upward trend strengthened in heavy tyres, and there was a global shortage of harbour, mining and excavation machinery tyres. The manufacture of forestry machinery and other industrial machines was brisk, boosting the demand for tyres. Meanwhile, the demand for new and retreaded truck tyres was somewhat down on the previous year throughout Europe.

Raw material prices increased as expected, and tyre manufacturers raised their prices.

The net sales of the Nokian Tyres Group increased, operating profit was positive and improved over the previous year. The sales of Nokian-branded passenger car tyres grew especially in Russia, the USA, Eastern Europe and the Nordic countries. Sales to Nordic car dealers were better than the year before, and heavy tyres sold well in all product groups and in all of the main markets. Sales of new and retreaded truck tyres were weaker than the year before, which slowed growth in the Vianor tyre chain.

A good sales mix, price increases and growth in profitability boosted sales profits.

The Group’s cash flow decreased due to investments in the construction of the Russian plant, which were higher than the previous year, as well as an increase in receivables from pre-sales of winter tyres. In terms of receivables, the situation is expected to normalise once the winter tyre season starts later in the year.

April to June 2005

In the period April to June 2005, the Nokian Tyres Group booked net sales of EUR 166.0 million (EUR 137.9 million), showing an increase of 20.4% on the corresponding period a year earlier. Sales in the Nordic countries increased by 17.1%, in Russia and in other CIS countries by 83.5%, in Eastern Europe by 11.4% and in the USA by 33.0% from the previous year.

Raw material costs in manufacturing increased by 9% in the second quarter compared to the corresponding period a year earlier.
Fixed costs amounted to EUR 52.7 million (EUR 45.6 million), and their share of net sales decreased to 31.7% (33.1%).

The Group's operating profit improved, amounting to EUR 31.5 million (EUR 20.8 million). Net financial income was EUR 1.9 million (EUR -1.1 million) due to exchange rate differences and the strong ruble, in particular.

Profit before taxes increased to EUR 33.4 million (EUR 19.7 million). The net result for the period under review was EUR 23.9 million (EUR 15.6 million). Earnings per share increased to EUR 0.200 (EUR 0.146).

Income financing after the change in the working capital, investments and the disposal of fixed assets (Cash flow II) was EUR -49.8 million (EUR 2.4 million).

January to June 2005

In the period January to June 2005, the Nokian Tyres Group booked net sales of EUR 295.4 million (EUR 250.8 million), showing an increase of 17.8% on the corresponding period a year earlier. Sales in the Nordic countries increased by 8.9%, in Russia and other CIS countries by 98.7%, in Eastern Europe by 6.8% and in the USA by 27.5% from the previous year.

Raw material costs in manufacturing increased by 8% in the first half of the year compared to the corresponding period a year earlier. Fixed costs amounted to EUR 99.1 million (EUR 90.2 million). The share of fixed costs of net sales decreased to 33.5% (35.9%).

In compliance with IFRS 2, the operating profit for the second quarter was burdened by a write-off of EUR 1.9 million (EUR 1.1 million) resulting from the options scheme.

The Group's operating profit improved clearly, amounting to EUR 46.1 million (EUR 32.8 million). Net financing income totalled EUR 1.0 million (EUR -3.3 million).

Profit before taxes increased to EUR 47.1 million (EUR 29.4 million). The net result for the period under review was EUR 33.3 million (EUR 22.7 million). Earnings per share increased to EUR 0.286 (EUR 0.212).

Return on net assets (RONA, rolling 12 months) was 23.6% (22.0%). Income financing after the change in the working capital, investments and the disposal of fixed assets (Cash flow II) was EUR –103.6 million (EUR -21.5 million). The equity ratio increased to 53.7% (38.7%).

The Group employed an average of 2,901 (2,760) people, and 3,006 (2,834) at the end of the review period. The tyre chain employed 1,261 (1,242) people at the end of the period.

PASSENGER CAR TYRES

	4-6 2005	4-6 2004	Change %	1-6 2005	1-6 2004	Change %	7-9 2004	10-12 2004
Net sales, MEUR	94.3	75.2	25.5	185.2	148.4	24.9	97.5	118.7
Operating profit, MEUR	20.7	15.7	31.8	44.1	32.3	36.5	34.0	34.4
Operating profit, %	21.9	20.8		23.8	21.8		34.9	28.9
RONA,% (rolling 12 months)				33.6	32.4		35.3	36.2

The net sales of Nokian passenger car tyres in January to June increased to EUR 185.2 million (EUR 148.4 million), or 24.9% over the previous year. Operating profit improved, totalling EUR 44.1 million (EUR 32.3 million). The operating profit percentage increased to 23.8% (21.8%).

The summer tyre season and advance winter tyre deliveries enhanced the market in Nordic countries and in Russia. The emphasis of Nokian Tyres' summer tyre sales was in the UHP (ultra-high performance) segment tyres. The strongest growth areas were Russia, Eastern Europe and the USA, as well as Sweden where sales improved considerably over the previous year. Sales to car dealers were also good. Market shares remained at the previous year's level in the Nordic countries. Sales profitability improved thanks to a good product mix and price increases. The prices of tyres manufactured as contract manufacturing also rose. Winter tyres accounted for the majority of sales, amounting to 68.6% (60.0%) of the unit's net sales.

The production volumes at the Nokia plant increased by 10.4%, while labour productivity (kg/mh) rose by 11.3% over the corresponding period in the previous year. The amount of contract manufacturing of Nokian-branded tyres increased over the previous year, and the first tyres manufactured in China for the US markets were introduced in the period under review. However, the increased capacity could not meet the growth in demand in all markets.

The company's novelty introduced in the review period was a Nokian-branded run flat tyre designed for winter driving. Nokian Tyres will start off by manufacturing nine different run flat products, which will complement the product range of normal-structured winter tyres. Tyre deliveries will begin in the autumn.

HEAVY TYRES

	4-6 2005	4-6 2004	Change %	1-6 2005	1-6 2004	Change %	7-9 2004	10-12 2004
Net sales, MEUR	19.2	13.7	39.9	36.3	28.9	25.8	13.8	16.9
Operating profit, MEUR	3.1	1.7	76.9	6.2	4.5	35.9	2.1	2.7
Operating profit,%	15.9	12.6		17.0	15.7		14.9	16.2
RONA,% (rolling 12 months)				24.1	13.7		15.5	20.2

The net sales of Nokian heavy tyres in January to June totalled EUR 36.3 million (EUR 28.9 million), showing an increase of 25.8% on the corresponding period of the previous year. The operating profit for heavy tyres improved, totalling EUR 6.2 million (EUR 4.5 million). The operating profit percentage increased to 17.0% (15.7%).

The manufacture of forestry machinery and other industrial machines continued at a brisk pace, and the demand for tyres reached record heights. The sales of Nokian heavy tyres saw significant growth over the previous year in all product segments and in all of the main market areas. The price increases carried out in response to the rise in raw material prices improved sales profitability.

The production capacity of Nokian heavy tyres was at full use, and thanks to enhancement measures the plant's delivery capacity improved, with production volumes increasing by 30% compared to the same period a year earlier i.e. to a daily total of 40 tonnes. The increase in capacity could not, however, meet the steep growth in demand. Contract manufacturing proceeded as planned.

VIANOR

	4-6 2005	4-6 2004	Change %	1-6 2005	1-6 2004	Change %	7-9 2004	10-12 2004
Net sales, MEUR	63.1	57.0	10.6	96.3	93.0	3.5	46.9	83.9
Operating profit, MEUR	7.6	4.6	63.1	0.6	1.2	-50.0	3.1	7.1
Operating profit, %	12.0	8.2		0.6	1.3		6.6	8.5
RONA, % (rolling 12 months)				9.6	12.3		13.8	10.7

Vianor’s net sales in the period January to June totalled EUR 96.3 million (EUR 93.0 million), showing an increase of 3.5% on the corresponding period a year earlier. Operating result amounted to EUR 0.6 million (EUR 1.2 million), and the operating profit percentage decreased to 0.6% (1.3%).

The main season for summer tyres started later than the year before in the Nordic countries. The season went well, reaching the good level of the previous year. Wholesale to car dealers and transport companies increased from the previous year. The demand for new and retreaded truck tyres, however, was slow. Nokian-branded tyres represented an increasingly large part of Vianor’s sales, especially in Sweden.

Acquisitions of the new sales outlets in Sweden and Russia, as well as the expenses resulting from the establishment of tyre hotels and reorganisation of retreading operations, weighed on the Vianor chain’s financial performance.

The number of Vianor service outlets increased, totalling 180 at the end of the review period. Eight new Vianor outlets were opened in Russia, some of them owned by the company and others operating on franchising basis. The chain will continue its expansion through both acquisitions and franchising.

OTHER OPERATIONS

Demand for new and retreaded truck tyres decreased in the Nordic countries and all of Europe. Demand in Finland came to a near standstill due to the almost 7 weeks shut-down in the forest industry. The net sales from retreading operations and truck tyres totalled EUR 8.9 million (EUR 11.5 million) in the period January to June. The unit’s product range consists mainly of winter products, the sales of which are highest in the second half of the year.

In the early part of the year, the company divested its passenger car tyre retreading operations to Mc. Ripper AB in Sweden.

Finnish retreading operations were centralised by opening a new retreading plant in Nurmijärvi, which, together with the plant in Kuopio, will handle all of the company's retreading activities in Finland. August 4, 2005, one employee died in an accident occurred at the Nurmijärvi plant. The plant has been closed for the time being and investigations are going on in order to find out the reason for the accident.

In May, Nokian Tyres acquired the truck retreading business of the Swedish AGI Däck AB.

Contract manufacturing of truck tyres began as planned at Bridgestone’s plant in Spain.

INVESTMENTS

Investments in the second quarter amounted to EUR 39.6 million (EUR 13.2 million) and EUR 63.3 million (EUR 21.0 million) for the entire review period.
The budgeted overall investments for 2005 total EUR 95 million (EUR 57.8 million) including the investments of EUR 55 million in the new plant to be constructed in Russia. Other investments are related to the capacity increase at the plant in Finland and to Vianor’s acquisitions.

The construction of the Russian plant has progressed as planned, and the first tyres were produced in June. Tyre sales will start in the second half of the year. The installation of the second production line will begin at the end of this year. The company also decided to construct a mixing department and a warehouse the construction of which will start in autumn 2005.

The timetable of the Russian factory investment has been accelerated so that a total of EUR 140 million will be invested in the plant in order to reach the manufacturing target of 4 million tyres by 2008.

OTHER MATTERS

1. Change in ownership of shares

Threadneedle Asset Management Limited (registered in the United Kingdom and Wales, no. 573204) announced its ownership of 563,595 Nokian Tyres shares as of 24 January 2005, giving it a 5.193% share in the company’s share capital and votes.

In April, Threadneedle Asset Management announced a change in its ownership that took place on 28 April 2005 and resulted in the company’s share of Nokian Tyres’ share capital and votes decreasing to 4.924%.

2. Acquisition of Andel Export-Import

Nokian Tyres announced in February its acquisition of Andel Export-Import spol s.r.o., a Czech tyre wholesaler and Nokian Tyres' importer. The acquisition enables Nokian Tyres to concentrate its logistics operations in Central and Eastern Europe in Prague. The goal is to establish the company more firmly in the growing winter tyre markets in Eastern Europe.

3. Warrants on the Main List of the Helsinki Stock Exchange

Nokian Tyres plc applied for its 2001C warrants of the 2001 option scheme to be listed on the Main List of the Helsinki Stock Exchange as of 1 March 2005.
On 28 March 2001 the Annual General Meeting of Nokian Tyres plc decided to issue a bond loan with warrants to be subscribed by the personnel of the Nokian Tyres group. The amount of the bond loan was EUR 0.4 million; 216,000 warrants 2001A, 192,000 warrants 2001B and 192,000 warrants 2001C have been issued to the personnel on the basis of the bond loan.
Warrants 2001A were listed on the Helsinki Stock Exchange as of 3 March 2003, and warrants 2001B as of 1 March 2004.

The subscription period of warrants 2001C began on 1 March 2005 and will end on 31 March 2007. Each warrant entitled the holder to subscribe for one share in Nokian Tyres plc with a nominal value of 2 euros at a subscription price of EUR 26.93. The subscription price will be reduced by the amount of dividends paid before the subscription, on the balancing date of each dividend payment.

As a result of subscriptions, the number of company shares may rise, at the most, by 192,000 shares and the share capital, at the most, by EUR 384,000. The warrants were transferred to the book-entry securities system prior to their listing.

On 13 December 2002 the Financial Supervision Authority granted the company an exemption from the duty to publish a prospectus when offering shares to be publicly traded.

4. Shares subscribed for with bonds with warrants

After the increase in share capital registered on 27 December 2004, a total of 5,410 shares were subscribed for with the 2001A bonds with warrants attached to the Nokian Tyres' Option Program of 2001 and 5,010 shares with the 2001B warrants. The increase in share capital resulting from the subscription, EUR 20,840, was entered in the Trade Register on 21 February 2005. Trading of the shares along with the old shares began on 22 February 2005. After the increase, Nokian Tyres had 10,863,301 shares and a share capital of EUR 21,726,602.00.

After the increase in share capital registered on 21 February 2005, a total of 67,900 shares were subscribed for with the 2001A bonds with warrants attached to the Option Program of 2001, 105,100 shares with the 2001B warrants and 625,000 shares with the 2001C warrants. The increase in share capital resulting from the subscription, EUR 159,600, was entered in the Trade Register on 20 May 2005. Trading of the shares along with the old shares began on 23 May 2005. After the increase, the number of Nokian Tyres shares is 120,171,010 and the share capital is EUR 24,034,202.00.

5. Share issue directed at institutional investors

On 16 February 2005 Nokian Tyres' Board of Directors decided to start accepting subscription commitments related to the directed share issue planned by the company.

The Board of Nokian Tyres plc decided to suspend book-building on 17 February 2005. Demand exceeded the number of shares offered by a factor of 2.5. Based on the authorisation given by the Annual General Meeting on 5 April 2004, the Board of Directors decided to raise the company's share capital, at the most, by EUR 2,148,000, or by a total of 1,074,000 shares, by implementing a share issue directed to a maximum of one hundred institutional investors. The shares were subscribed for by paying a subscription price of EUR 122 per share. The number of shares offered to investors totalled 1,074,000, which corresponds to 9.9% of the company's share capital and votes prior to the implementation of the share issue. Some 13% of the shares offered in the share issue were allocated to Finnish investors, while some 87% went to international investors.

The share issue was carried out on the basis of a book-building process in which institutional investors subscribed for the shares issued by the Company on the basis of their subscription undertakings during the book-building between 16 February 2005 and 17 February 2005.

On 22 February 2005 the Board of Directors of Nokian Tyres plc announced its approval of the subscriptions made in the share issue. All of the 1,074,000 shares offered in the share issue were subscribed for. As a result of the share issue, the company's share capital increased by the maximum amount of EUR 2,148,000 stated in the decision made on the increase.

The increase in share capital was entered in the Trade Register on 23 February 2005, and the new shares were offered for public trading on the Main List of the Helsinki Stock Exchange on 24 February 2005.

6. Development of the share price

The price of Nokian Tyres' share was EUR 15.06 at the end of the period under review. The average share price during the period was EUR 12.95, with the highest being EUR 15.97 and the lowest EUR 10.55. A total of 61,278,201 shares were traded during the period, representing 51% of the company's overall share capital. The company's market value at the end of the period amounted to EUR 1.810 billion. 30.4% of the company's shareholders were Finnish and 69.6% were foreign shareholders registered in the nominee register. This figure also includes Bridgestone's ownership of approximately 17%.

7. IFRS-compliant financial information

On 31 March 2005 Nokian Tyres announced its adoption of IFRS-compliant financial reporting as of the beginning of 2005. The bulletin is available on the company’s Web site at www.nokiantyres.com. Among other things, the reports include the statements of change in the FAS and IFRS equity (1 January 2004 and 31 December 2004) and profit for 2004.

The interim report has been prepared in accordance with the IFRS and the same principles as in the bulletin mentioned above.

8. Decision made at the Annual General Meeting

The Annual General Meeting of Nokian Tyres held on 5 April 2005 accepted the profit and loss statement for 2004 and discharged the Board of Directors and the President from liability. The final dividend was set at EUR 2.17 per share, the matching date on 8 April 2005 and the payment date on 15 April 2005.

Board of Directors and auditor

The meeting decided that the Board of Directors shall have seven members. Rabbe Grönblom, Managing Director, AB R.Grönblom International LTD; Satu Heikintalo, M.Sc. (Econ.); Hannu Penttilä, Managing Director, Stockmann plc; Henrik Therman, M.Sc. ; Mitsuhira Shimazaki, Director, Sales Administration, Bridgestone Europe NV/SA and Kim Gran, President and CEO, Nokian Tyres plc, continue as Board members. Petteri Walldén, Managing Director of Onninen Oy, was appointed to the Board as a new member. At its meeting following the Annual General meeting, the Board elected Henrik Therman as Chairman of the Board.

Authorised public accountants KPMG Oy Ab continue as auditors.

Change to the number of shares

To facilitate trading and improve the liquidity of the share, the Annual General Meeting decided to change the nominal value of shares from EUR 2.00 to EUR 0.20 and to increase the number of shares from 11,937,301 at a ratio of 1:10, that is, to 119,373,010 shares without raising the share capital. Section 4 of the Articles of Association will also be changed to the following: “The nominal value of each share is EUR 0.20.”

The number of shares that can be subscribed with the warrants linked to the option schemes approved by the Annual General Meetings on 28 March 2001 and 5 April 2004 will change at the same ratio as the share capital is increased, so that the total nominal value and the total subscription price of subscribed shares remain unchanged. As a result of the change, each warrant holder is entitled to subscribe ten (10) new shares with one warrant. The new subscription prices for warrants, adjusted by the dividend paid for 2004, are the following:

2001A 1.268
2001B 2.027
2001C 2.476
2004A 6.079

The increase in the number of Nokian Tyres' shares at a ratio of 1:10, without raising the share capital, was entered in the Trade Register on 15 April 2005. The split share was offered for trading on the Helsinki Stock Exchange on 18 April 2005.

Authorisation granted to the Board of Directors
to increase the share capital

The Annual General Meeting authorised the Board of Directors to make a decision regarding an increase in the share capital on one or more occasions by issuing new shares and/or convertible bonds. As a result of the authorisation, the company's share capital may increase by a maximum of EUR 4,000,000. A maximum of 20,000,000 new shares may be issued, each bearing a nominal value of EUR 0.20.

The Board of Directors also has the right to deviate from the shareholders' pre-emptive right to subscribe for shares, provided there is a compelling financial reason, referred to in chapter 4, section 2a of the Companies Act.

The Board of Directors has the right to decide upon the parties who are entitled to subscribe, as well as the subscription prices, terms and conditions of share subscription, and the terms and conditions of convertible bonds.

The validity of the authorisation is one year from the date of the Annual General Meeting. At the same time, any other effective authorisations to increase the share capital are nullified.

Nokian Tyres signed a syndicated revolving
credit facility worth EUR 180 million

In April Nokian Tyres signed a EUR 180 million syndicated revolving credit facility for five years with international banks. The facility will be used to refinance the existing syndicated revolving credit facility of EUR 100 million that was signed on 1 April 2003 and for possible financing needs in the future. The mandated lead arranger for the facility is Danske Bank A/S.

OUTLOOK FOR THE YEAR-END

The main target of Nokian Tyres for 2005 is to outperform the results of the previous year in terms of net sales and profit. Owing to the seasonal nature of business, majority of the company’s net sales and operating profit is generated in the latter part of the year, especially in the last quarter.

Nokian Tyres will continue to increase sales in its core areas – the Nordic countries, Russia, the USA and Eastern Europe – where the company expects the demand for passenger car winter tyres and high-performance summer tyres to continue to grow. Nokian Tyres’ production, sales and logistics resources will focus on successful management of the winter tyre season. Pre-sales of winter tyres have been good, and the delivery capacity for winter tyres is better than last year.

The demand for heavy special tyres will continue on an upward trend. The outlook for new and retreaded truck tyres looks brighter than in the early part of the year.

Nokian Tyres’ product range will be upgraded, and the company’s own production volumes, as well as contract manufacturing volumes, will increase. The sales of tyres manufactured in Russia will be launched in the latter part of the year. Sales will be handled by the company’s own enhanced sales organisation and a more extensive distribution network. Sales will also be boosted in Eastern Europe, where the consumer sales of new products specially designed for the market will start in the latter part of the year. The Vianor chain and its tyre hotel services will be further expanded in Sweden and Russia, and sales outlets will be made more cost-effective.

Productivity will be further enhanced at the Nokia plant, and the distribution will focus on seasonal logistics.

Raw material prices will continue to rise, resulting in an increase in tyre prices. Nokian Tyres estimates its raw material costs in the second half to be some 8% higher compared to the corresponding period last year.

Nokian Tyres’ growth projects are related to the capacity increase in the Russian factory, Eastern Europe and Far East. The company will also further develop its local sales organisation in Russia. The distribution will be strengthened by increasing the number of Vianor outlets in the Nordic countries and Russia and by expanding the distribution network in the USA and Eastern Europe.

The interim report figures are unaudited.

NOKIAN TYRES

CONSOLIDATED PROFIT AND LOSS ACCOUNT

Million euros	4-6/05	4-6/04	1-6/05	1-6/04	Last 12 months	1-12/04
Net sales	166.0	137.9	295.4	250.8	647.9	603.3
Operating expenses	124.1	108.8	230.3	201.8	479.5	451.0
Depreciation according to plan	10.3	8.3	18.9	16.2	36.0	33.4
Operating result before non-recurring items	31.5	20.8	46.1	32.8	132.3	119.0
Non-recurring items	0.0	0.0	0.0	0.0	-3.4	-3.4
Operating result	31.5	20.8	46.1	32.8	128.9	115.6
Financial income and expenses	1.9	-1.1	1.0	-3.3	-8.3	-12.6
Result before extra-ordinary items and tax	33.4	19.7	47.1	29.4	120.6	103.0
Extraordinary items	0.0	0.0	0.0	0.0	0.0	0.0
Direct tax for the period (1	9.5	4.0	13.8	6.7	36.2	29.2
Net result	23.9	15.6	33.3	22.7	84.4	73.8
Attributable to:						
Equity holders of the parent	23.9	15.6	33.3	22.7	84.4	73.8
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0
Earnings per share from the profit attributable to equity holders of the parent						
basic, euro (2	0.200	0.146	0.286	0.212	0.785	0.687
diluted, euro (2	0.194	0.141	0.277	0.206	0.761	0.665

KEY RATIOS	30.6.05	30.6.04	31.12.04
Equity ratio, %	53.7	38.7	46.4
Gearing, %	48.9	98.9	60.9
Shareholders' equity per share, euro (2	3.42	1.97	2.47
Interest bearing net debt, mill. euros	201.2	209.0	163.3
Capital expenditures, mill. euros	63.3	21.0	57.8
Personnel average	2,901	2,760	2,843

Number of shares (million units)	4-6/05	4-6/04	1-6/05	1-6/04	1-12/04
at the end of period	120.17	107.36	120.17	107.36	108.53
in average	119.74	107.12	116.38	106.98	107.46
in average, diluted	123.44	110.91	120.22	110.43	110.91

1) Direct tax in the consolidated profit and loss account is based on the taxable profit for the period.
2) The per-share data include the effect of the share split carried out on 15 April 2005.

CONSOLIDATED BALANCE SHEET	30.6.05	30.6.04	31.12.04
Intangible assets	7.5	9.0	9.0
Goodwill	42.2	40.2	40.5
Tangible assets	281.3	226.9	242.3
Investments	1.1	0.7	0.8
Deferred tax assets	10.3	11.3	8.0
Other long term receivables	2.1	2.5	2.8
Total non-current assets	342.5	288.1	303.4
Inventories	134.1	110.0	98.0
Receivables	250.4	125.5	153.1
Cash in hand and at bank	38.1	20.1	23.9
Total current assets	422.7	255.6	275.0
Shareholders' equity	411.4	211.3	268.3
Minority shareholders' interest	0.4	0.0	0.0
Long-term liabilities			
interest bearing	141.3	129.8	131.9
deferred tax liabilities	21.9	20.3	21.1
other non interest bearing	0.7	0.1	0.0
Current liabilities			
interest bearing	98.0	99.3	55.3
non interest bearing	93.7	85.3	101.8
Total assets	767.3	546.2	578.4

CONSOLIDATED CASH FLOW STATEMENT Million euros	1-6/05	1-6/04	1-12/04
Operating activities			
Cash flow from operating activities before the financial items and taxes	-62.1	2.6	96.0
Financial items and taxes	-11.8	-21.5	-39.1
Cash flow from operating activities	-73.9	-18.9	56.9
Investing activities			
Cash flow from investing activities	-56.9	-20.5	-53.2
Financing activities			
Cash flow from financing activities			
Share issues	132.9	1.1	3.6
Change in short-term financial receivables and debt	27.0	64.8	18.5
Change in long-term financial receivables and debt	10.8	-8.7	-4.3
Dividends paid	-25.9	-16,7	-16.7
Cash flow from financing activities	144.8	40.6	1.2

Change in cash and cash equivalents	14.1	1.2	4.9

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS’ EQUITY

Million euros	Share capital	Share issue	Share issue premium	Fair value reserve	Retained earnings	Total
Shareholders' equity, 1.1.2004	21.4	0.0	3.4	-1.5	179.4	202.7
Share issue	0.1		1.0			1.1
Dividends paid					-16.7	-16.7
Share based payment					1.1	1.1
Interest rate swaps				0.2		0.2
Translation differencies					0.1	0.1
Result for the period					22.7	22.7
Other changes					0.0	0.0
Shareholders' equity, 30.6.2004	21.5	0.0	4.4	-1.3	186.5	211.3
Shareholders' equity, 1.1.2005	21.7	0.0	6.7	-1.1	241.0	268.3
Share issue	2.3	0.0	130.6			133.0
Share issue expenses			-1.1			-1.1
Dividends paid					-25.9	-25.9
Share based payment					1.9	1.9
Interest rate swaps				0.2		0.2
Translation differencies					1.6	1.6
Result for the period					33.3	33.3
Other changes						0.0
Shareholders' equity, 30.6.2005	24.0	0.0	136.2	-0.9	252.0	411.3

SEGMENT INFORMATION Million euros	4-6/05	4-6/04	1-6/05	1-6/04	1-12/04
Net sales					
Car and van tyres	94.3	75.2	185.2	148.4	364.6
Heavy tyres	19.2	13.7	36.3	28.9	59.6
Vianor	63.1	57.0	96.3	93.0	223.9
Others and eliminations	-10.6	-8.0	-22.5	-19.5	-44.7
Total	166.0	137.9	295.4	250.8	603.3
Operating result					
Car and van tyres	20.7	15.7	44.1	32.3	100.6
Heavy tyres	3.1	1.7	6.2	4.5	9.3
Vianor	7.6	4.6	0.6	1.2	11.4
Others and eliminations	0.2	-1.2	-4.8	-5.2	-5.8
Total	31.5	20.8	46.1	32.8	115.6
Operating result, % of net sales					
Car and van tyres	21.9	20.8	23.8	21.8	27.6
Heavy tyres	15.9	12.6	17.0	15.7	15.7
Vianor	12.0	8.2	0.6	1.3	5.1
Total	19.0	15.1	15.6	13.1	19.2

Cash Flow II

Car and van tyres	-52.7	7.2	-99.0	-9.8	38.3
Heavy tyres	2.9	4.0	5.2	6.2	12.2
Vianor	-5.9	-2.5	-5.8	-9.8	-6.0
Total	-49.8	2.4	-103.6	-21.5	42.9

CONTINGENT LIABILITIES Million euros	30.6.05	30.6.04	31.12.04
FOR OWN DEBT			
Mortgages	1.0	0.0	1.0
Mortgages on company assets	0.0	0.0	0.0
Pledged assets	0.0	0.4	0.0
Guarantees	0.0	0.0	0.0
The amount of debts with security	0.0	0.0	0.0
ON BEHALF OF OTHER COMPANIES			
Guarantees	0.0	0.1	0.0
OTHER OWN COMMITMENTS			
Guarantees	1.0	1.0	1.0
Leasing and rent commitments	22.6	22.2	24.2
Acquisition commitments	1.0	0.7	0.9
INTEREST RATE DERIVATIVES			
Interest rate swaps			
Fair value	-1.2	-1.8	-1.5
Underlying value	20.0	30.0	26.5
CURRENCY DERIVATIVES			
Forward contracts			
Fair value	-3.0	-0.1	1.1
Underlying value	151.8	85.6	68.1

Currency derivatives are used to hedge the Group's net exposure.

Currency derivatives are included in the financial result at market value.

THE IMPACT OF TRANSITION TO IFRS

On Shareholders' equity in 2004, quarterly

Million euros	31.3.04	30.6.04	30.9.04	31.12.04
Total equity, FAS	254.1	250.6	271.1	303.3
IFRS adjustments:				
IAS 12, Income Taxes	0.0	-0.6	-0.4	-0.1
IAS 16, Property, Plant and Equipment	-0.7	-0.7	-0.7	-0.9
IAS 17, Leases	-3.4	-3.5	-3.5	-3.5
IAS 38, Intangible Assets	-1.3	-0.8	-0.7	-0.7
IAS 39, Financial Instruments: Recognition and Measurement;				
capital loan	-36.0	-36.0	-36.0	-36.0
others	-2.9	-1.6	-1.6	-1.4
IFRS 3, Business Combinations	1.9	3.8	5.7	7.6
IFRS adjustments total:	-42.5	-39.3	-37.2	-35.1
Total equity, IFRS	211.6	211.3	233.8	268.3

On Net result in 2004, quarterly

Million euros	1-3/04	1-6/04	1-9/04	1-12/04
Net result, FAS	6.5	20.0	40.0	68.9
IFRS adjustments:				
IAS 12, Income Taxes	0.5	0.2	0.3	0.0
IAS 17, Leases	-0.1	-0.2	-0.2	-0.2
IAS 38, Intangible Assets	-0.5	0.1	0.1	0.2
IAS 39, Financial Instruments: Recognition and Measurement	-0.6	0.1	0.1	0.0
IFRS 2, Share-based Payment	-0.6	-1.1	-1.7	-2.3
IFRS 3, Business Combinations	1.9	3.6	5.4	7.2
IFRS adjustments total:	0.6	2.7	4.0	4.9
Net result, IFRS	7.1	22.7	44.0	73.8

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