Nokian Tyres plc Stock exchange release 8 August 2007 at 8:00 a.m.

INTERIM REPORT FOR NOKIAN TYRES PLC JANUARY-JUNE 2007

Strong growth continued.

The Group's net sales were up by 23.8%, totalling EUR 432.5 million (EUR 349.4 million in H1 2006). Operating profit was EUR 89.2 million (EUR 48.6 million) and earnings per share increased to EUR 0.57 (EUR 0.26). The company is positioned to achieve strong sales growth in 2007 and to continue to outperform the previous year's results.

Key figures, EUR million:

	Q2/07	Q2/06	H1/07	H1/06	2006
Net sales	232.6	200.0	432.5	349.4	835.9
Operating profit	50.2	35.1	89.2	48.6	153.1
Profit before tax	46.9	31.9	82.4	42.0	139.3
Profit for the period	41.9	24.9	70.1	31.8	107.3
Earnings per share, EUR	0.34	0.20	0.57	0.26	0.88
Equity ratio,%			52.1	53.2	63.0
Cash flow from operations, (Cash Flow II)	-20.4	-27.1	-124.2	-91.9	77.7
RONA, % (rolling 12 months)			22.4	16.7	19.4
Gearing, %			46.6	56.2	22.8

Kim Gran, President and CEO:
"Nokian Tyres had a clearly better second quarter and first half of the year in 2007 compared to the previous year: net sales increased and operating profit improved in all profit centres in the company's core markets. While most of the increase in sales came from Russia, steep year-over-year sales growth was also recorded in Eastern Europe and the Nordic countries. Passenger car tyre sales mainly consisted of winter tyres, but summer tyres also sold well. The latter were boosted by the Nokian Hakka summer tyre family, which saw its first season in consumer sales. Average tyre prices rose as a result of the improved sales mix, price increases and new products. The benefits gained from manufacturing operations in Russia improved profitability. The outlook for the rest of the year is good and the order book is strong, but sales growth and profit improvement will be more moderate than in the first part of the year."

Market situation

The replacement markets of passenger car tyres in Russia, the CIS countries and Eastern Europe grew on the previous year. Growth in the Nordic countries and Western Europe was moderate. The strongest growth was recorded in the markets for winter tyres, SUV tyres and high-speed summer tyres. Demand for heavy special tyres and truck tyres was high, and there was a shortage of heavy special tyres. Many tyre manufacturers compensated for the rise in raw material prices by increasing the prices of their products.

April–June 2007

In the April to June period, the Nokian Tyres Group recorded net sales of EUR 232.6 million (EUR 200.0 million), showing an increase of 16.3% on the corresponding period a year earlier. Sales increased in the Nordic countries by 5.7%, in Russia and other CIS countries by 36.2% and in Eastern Europe by 27.3% on the previous year. Sales in the USA were down 27.1% as a result of limiting sales due to the weak US dollar.

Raw material prices in manufacturing increased by 2% in the second quarter compared to the corresponding period a year earlier.
At EUR 67.3 million (EUR 58.4 million), fixed costs accounted for 28.9% (29.2%) of net sales.

The Group's operating profit rose to EUR 50.2 million (EUR 35.1 million). Net financial expenses were EUR -3.3 million (EUR -3.2 million).

Profit before taxes was EUR 46.9 million (EUR 31.9 million). Profit for the period amounted to EUR 41.9 million (EUR 24.9 million) and EPS was EUR 0.34 (EUR 0.20).

Income financing after the change in working capital, investments and disposal of fixed assets (Cash flow II) improved, totalling EUR –20.4 million (EUR -27.1 million).

January–June 2007

In the January to June period, the Nokian Tyres Group recorded net sales of EUR 432.5 million (EUR 349.4 million), which represented an increase of 23.8% on the corresponding period a year earlier. Sales increased in the Nordic countries by 11.8%, in Russia and other CIS countries by 52.1% and in Eastern Europe by 66.2% on the previous year. Sales in the USA were down 23.5%.

Raw material prices in manufacturing in the first half increased by 5% on the same period a year earlier. Fixed costs amounted to EUR 129.6 million (EUR 113.0 million) and represented 30.0% (32.3%) of net sales.

The Group’s operating profit was EUR 89.2 million (EUR 48.6 million). It was negatively affected by, among other things, the IFRS 2-compliant option scheme write-off of EUR 5.1 million (EUR 3.7 million). The Group’s tax rate decreased to 15% as a result of tax reliefs in compliance with Russian agreements.

Net financial expenses were EUR -6.8 million (EUR -6.6 million) and included exchange rate differences totalling EUR -0.5 million (EUR -1.4 million).

Profit before taxes was EUR 82.4 million (EUR 42.0 million). Profit for the period amounted to EUR 70.1 million (EUR 31.8 million) and EPS was EUR 0.57 (EUR 0.26).

Return on net assets (RONA, rolling 12 months) was 22.4% (16.7%). Income financing after the change in working capital, investments and the disposal of fixed assets (Cash flow II) was EUR -124.2 million (EUR -91.9 million). Equity ratio was 52.1% (53.2%).

The Group employed an average of 3,372 (3,160) people, and 3,384 (3,175) at the end of the period. The Vianor tyre chain employed 1,219 (1,203) people and Russian operations 390 (308) people at the end of the period.

PASSENGER CAR TYRES

MEUR	Q2/07	Q2/06	Change %	H1/07	H1/06	Change %	2006
Net sales	146.6	120.3	21.8	288.0	222.1	29,7	533,2
Operating profit	42.0	26.8	57.4	83.6	45.8	82.6	133.4
Operating profit, %	28.6	22.3		29.0	20.6		25.0
RONA, % (rolling 12 months)				28.4	21.2		24.6

The net sales of Nokian passenger car tyres in January–June were up 29.7% year over year, amounting to EUR 288.0 million (EUR 222.1 million). Operating profit was EUR 83.6 million (EUR 45.8 million), and the operating profit percentage was 29.0% (20.6%).

Summer and winter tyres for passenger cars sold very well in key markets, especially in Russia. Sales mainly consisted of winter tyres, whose pre-sales to distributors were brisk. The steepest growth in sales was recorded in Nokian Hakkapeliitta 5 and Nokian Hakkapeliitta SUV 5 tyres. The market launch of the Nokian Hakka summer tyre family boosted summer tyre sales.

Average tyre prices rose from the previous year due to a good sales mix, new products and price increases.

The production volume rose as a result of the planned capacity increase at the Russian plant. Russian manufacturing accounted for a clearly bigger share than in 2006, and the benefits gained improved profitability.

HEAVY TYRES

MEUR	Q2/07	Q2/06	Change %	H1/07	H1/06	Change %	2006
Net sales	24.9	23.3	7.1	50.5	45.2	11.9	90.1
Operating profit	5.8	5.4	6.5	11.9	10.9	9.1	19.9
Operating profit, %	23.2	23.3		23.5	24.1		22.1
RONA, % (rolling 12 months)				38.0	41.1		39.0

The January–June net sales of Nokian Heavy Tyres totalled EUR 50.5 million (EUR 45.2 million), increasing by 11.9% over the previous year. Operating profit rose to EUR 11.9 million (EUR 10.9 million), and the operating profit percentage was 23.5% (24.1%).

Sales and the order income growth continued in all of the Heavy Tyres unit's product groups and in all key markets, both in original equipment installation and replacement markets. A price increase carried out in early 2007, combined with a good sales mix, increased average prices.

The production volume grew from the previous year, but the unit did not have sufficient delivery capacity to respond to the steep growth in market demand.

VIANOR

MEUR	Q2/07	Q2/06	Change %	H1/07	H1/06	Change %	2006
Net sales	68.2	64.9	5.1	114.2	99.0	15.3	246.9
Operating profit	3.7	4.5	-16.8	-2.0	-4.3	53.4	2.3
Operating profit,%	5.5	6.9		-1.8	-4.4		0.9
RONA, % (rolling 12 months)				3.5	1.0		1.8

Vianor's net sales in January–June totalled EUR 114.2 million (EUR 99.0 million), increasing by 15.3% year over year. Operating result amounted to EUR -2.0 million (EUR –4.3 million) and the operating profit percentage was –1.8% (–4.4%).

Vianor's sales growth was based on successful pre-sales of winter tyres last autumn, which extended winter tyre restocking into the early part of 2007. Winter tyre pre-sales for the coming season were also brisk. In the Nordic countries, the main season for summer tyres got under way in the second quarter showing good results. New and retreaded truck tyres and heavy tyres also sold better than the previous year. The inputs made in fast fit services began to pay off; services accounted for a bigger share of sales and brought a slight improvement in profitability.

The Vianor network expanded in Sweden, Russia and Finland, and its clientele grew in Norway. In the second quarter Vianor extended its reach to Switzerland with the acquisition of Pneuhaus R Hauri and Pneuservice Birseck AG, two Swiss businesses engaged in passenger car tyre retail. At the end of the review period the Vianor network consisted of 295 outlets, 129 of which were partner and franchising outlets.

OTHER OPERATIONS

The net sales of Nokian truck tyres were up 5.7% on the previous year, totalling EUR 10.4 million (EUR 9.9 million). Since the unit's product range mainly consists of winter items, most of its sales and profit are generated in the second half of the year.

RUSSIA

In January-June sales in Russia and the CIS countries increased by 52.1% compared to the previous year and the market shares improved. The distribution network was expanded through new distribution agreements and Vianor outlets.

The three production lines of the Russian plant operate continuously in three shifts, and the plant's production volume and quality level are on target. The fourth production line has been installed and will come on line in autumn 2007.

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

An extension of 32,500 square metres will be built adjacent to the existing plant, which has a capacity of four million tyres. The extension will enable the planned increase in production volume. Earth construction work began in March 2007, and on 21 June Nokian Tyres and Lemcon Oy, which is part of the Lemminkäinen Group, signed a contract agreement on the expansion of the plant. Work will start immediately and the expansion will be completed in March 2008. Equipment and machinery installation will begin in early 2008. The objective is to raise production capacity gradually every year in order to keep up with the increase in demand.

The project will require a total investment of approximately EUR 195 million in 2007-2010, EUR 66 million of which has been scheduled for 2008. To increase capacity, future investments will also be needed to expand the mixing facilities and machine lines.

INVESTMENTS

Investments during the period under review amounted to EUR 57.7 million (EUR 52.6 million). The company's total investments in 2007 are approximately EUR 110 million (EUR 97 million), and some EUR 62 million (EUR 60 million) will be spent on the Russian plant's operations and expansion. Other investments include production investments at the Nokia plant, moulds for new products, and business acquisitions associated with Vianor's growth plans.

OTHER MATTERS

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

The Board of Directors of Nokian Tyres plc decided to apply for the listing of stock options 2004B on the Helsinki Stock Exchange effective as of 1 March 2007. There are a total of 245,000 2004B stock options. Each stock option 2004B entitles the holder to subscribe for ten Nokian Tyres plc shares. Shares can be subscribed for with the 2004B stock options from 1 March 2007 to 31 March 2009. The maximum number of shares subscribed for with the 2004B stock options is 2,450,000. The current subscription price with stock options 2004B is EUR 11.649/share. The annually paid dividends will be deducted from the share subscription price.

2. Shares subscribed for with stock options

After the increase in share capital registered on 21 August 2006, a total of 39,550 shares were subscribed for with the 2001A stock options under Nokian Tyres' Option Schemes of 2001 and 2004, 104,100 shares with the 2001B options, 143,340 shares with the 2001C options, and 127,350 shares with the 2004A options. The resulting increase of EUR 82,868 in share capital was entered in the Trade Register on 12 January 2007. Trading of these shares along with the old shares began on 15 January 2007. After the increase, Nokian Tyres has a total of 122,446,610 shares and a share capital of EUR 24,489,322.

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

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

3. Share price development

The Nokian Tyres’ share price was EUR 26.02 at the end of the review period (EUR 10.28). The average share price during the period was EUR 20.25 (EUR 12.62), the highest EUR 27.39 (EUR 14.89) and the lowest EUR 13.99 (EUR 9.90). A total of 135,978,695 shares were traded during the period (135,424,641), representing 111% (111%) of the company's overall share capital. The company’s market value at the end of the period was EUR 3,200,189,912 billion (EUR 1.254 billion). The company’s percentage of Finnish shareholders was 31.4% (42.1%) and 68,6% (57.9%) were foreign shareholders registered in the nominee register. This figure includes Bridgestone's holding of approx 16%.

4. Decisions made at the Annual General Meeting

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

4.1 Board of Directors and auditor

The number of Board members was set at seven. Kim Gran, Rabbe Grönblom, Hille Korhonen, Hannu Penttilä, Koki Takahashi, Aleksey Vlasov and Petteri Walldén will continue as Board members. In a meeting held after the Annual General Meeting, Petteri Walldén was elected Chairman of the Board. At its meeting in May, the Board of Directors decided to set up a Nomination and Compensation Committee. The Board is represented on the Committee by Hille Korhonen and Hannu Penttilä, Board members, and Petteri Walldén, Board Chairman.

Authorised public accountants KPMG Oy Ab continue as auditors.

4.2 Remuneration of Board members

It was decided that the monthly fee paid to the Chairman of the Board would be EUR 5,000 or EUR 60,000 per year, while that paid to Board members was set at EUR 2,500 or EUR 30,000 per year. It was also decided that according to the existing practices, 60% of the annual fee be paid in cash and 40% in company shares to the effect that in the period from 4 April to 30 April 2007, EUR 24,000 worth of Nokian Tyres plc shares will be purchased at the stock exchange on behalf of the Chairman of the Board and EUR 12,000 worth of shares on behalf of each Board member. This decision means that the final remuneration paid to Board members is tied to the company’s share performance. No separate compensation will be paid to the President and CEO for Board work.
Each member of the Committee will receive a meeting fee of EUR 500 for each Committee meeting attended.

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

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

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

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

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

4.4 Issue of stock options

The Annual General Meeting decided that stock options will be issued to the personnel of the Nokian Tyres Group, as well as to a wholly-owned subsidiary of Nokian Tyres plc. The company has a weighty financial reason for issuing stock options, since the stock options are intended to form part of the incentive and commitment programme for the personnel. The purpose of the stock options is to encourage the personnel to work on a long-term basis to increase shareholder value.
The purpose of the stock options is also to commit the personnel to the company.

The maximum total number of stock options issued shall be 6,750,000. The stock options entitle their holders to subscribe for a maximum total of 6,750,000 new shares in the company. The stock options now issued can be exchanged for shares constituting a maximum total of 5.2% of the company’s shares and votes of the shares, after the potential share subscription.

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

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

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

5. Convertible bonds to Finnish and international institutional investors

On 20 June 2007 the Board of Directors of Nokian Tyres announced its intention to issue convertible bonds to an aggregate amount of EUR

130.4 million in deviation from the pre-emptive subscription right of the company’s shareholders to Finnish and international institutional investors in a book building process. The bonds were oversubscribed several times within three hours of the start of the process. Related to its earlier announcement, Nokian Tyres announced later on 20 June that it had successfully issued its EUR 130.4 million convertible bonds due in 2014.

The Board of Directors approved the final terms of the bonds and, based on the authorisation given by the Annual General Meeting on 3 April 2007, issued the bonds to institutional investors in deviation of the pre-emptive rights of the company’s shareholders.

The bonds were issued to finance investments in line with the company’s strategy to refinance existing financing facilities and for general corporate purposes.

The bonds were issued in principal amounts of EUR 100,000 and at 100% in their principal amount. They will pay zero coupon, and, if not previously converted, redeemed, purchased or cancelled, will be redeemed at final maturity at a price which represents a yield-to-maturity equal to 3% per annum, or 123% of their principal amount. Each EUR 100,000 bond will be convertible into 2,672 company shares. The conversion price represents a premium of 40% above the reference price of EUR 26.73 of the company’s ordinary shares on 20 June 2007. The right to convert the bonds into shares in the company commences on 7 August 2007 and ends on 20 June 2014 at 4:00 p.m. Finnish time. In the event that all bonds will be converted into ordinary shares of the company, the aggregate number of new ordinary shares to be issued will be 4,008,551, which represents 3.3% of the aggregate number of company shares on 20 June 2007 (provided that the over-allotment option is fully used).

The maturity date of the bonds is 27 June 2014 unless previously redeemed, converted, purchased or cancelled. The company may redeem the bonds at their accreted principal amount as at the date fixed for redemption at any time on or after 27 June 2011 provided that the price of the company’s share multiplied by the conversion ratio is equal to or exceeds 130% of the then applicable accredited principal amount for a period of 20 trading days during a period of 30 consecutive trading days. In addition, the company has the right to redeem the bonds if at any time the aggregate principal amount of the bonds outstanding is equal to or less than 15% of the aggregate principal amount of the bonds initially issued.

The offering took place on 27 June 2007 and was registered in the Finnish Trade Register on 28 June 2007.

Nokian Tyres granted Nomura International plc an over-allotment option to subscribe for up to EUR 19.6 million of additional bonds solely to cover over-allotments, if any, which may be exercised at any time up to and including 20 July 2007.

Trading in the bonds on the Euro MTF Market of the Luxembourg Stock Exchange began on 17 July 2007. The company published a Listing Document concerning the listing of the bonds (including the terms and conditions) in Luxembourg on 17 July 2007. The ordinary shares of the company to be issued upon conversion of the bonds will be listed on the Helsinki Stock Exchange.

The offering was managed by Nomura International plc (Sole Bookrunner and Joint Lead Manager) and Carnegie Investment Bank AB (Joint Lead Manager).

FUTURE RISKS, UNCERTAINTY FACTORS AND LITIGATIONS

Approximately 40% of the company’s turnover is invoiced in euros. Other important sales currencies despite euro are Russian rouble, U.S. dollar and Norwegian and Swedish crowns. One per cent variation in EUR/RUB- exchange rate has approximately 2,5 million euros effect in company’s turnover. Similar change in EUR/USD- exchange rate has approximately 0,5 million euros impact in turnover. One per cent change in EUR/SEK- and EUR/NOK- exchange rates effects company’s turnover by approximately one million euros.

Nokian Tyres’ future risks and uncertainty factors have to do with the development of growing markets, the success of winter tyre sales in key markets and the development of raw material prices. The Russian plant capacity increase has been implemented as planned, but future success depends on the availability of skilled personnel.

Nokian Tyres is party to some litigations and disputes relating to the normal business in different countries. At the moment Nokian Tyres do not expect any material effect on the profits or future outlook of the company.

SEASONALITY OF SALES AND PROFITS

Owing to the seasonality, high share of winter tyres, sales and profits have historically been primarily generated in the second half of the year, especially in the final quarter. The growth in Russia and a higher share of preseason sales have decreased seasonality to some extent resulting in a more even distribution of sales and profits throughout the year.

TAX RATE

Tax rate has declined as a result of tax benefits in Russia. Benefit is valid for a period equal to the profit accumulation reaching investment in Russia plus two years. Tax refunds are booked when received with no accruals made. Full year tax rate for 2007 is estimated at 20% and is expected to further slightly decline in 2008.

DEVELOPMENTS AFTER THE PERIOD UNDER REVIEW

1. Convertible bonds to Finnish and international institutional investors

On 17 July, 2007 Nokian Tyres announced that Nomura International plc, the manager of the company's convertible bonds due in 2014, had fully exercised the EUR 19.6 million over-allotment option granted by Nokian Tyres plc. The additional bonds will be used solely to cover over-allotments. Subsequent to the exercise of the over-allotment option the total amount of the convertible bonds is EUR 150 million.

2. Notice of changes in ownership

On 20 July, 2007 Nokian Tyres received an announcement from Grantham, Mayo, Van Otterloo & Co LLC, according to which the holding of Grantham, Mayo, Van Otterloo & Co LLC in Nokian Tyres had exceeded the limit of 5% following a share transaction concluded on 19 July 2007. Grantham, Mayo, Van Otterloo & Co LLC now hold a total of 6,224,719 Nokian Tyres shares, which represents 5.06% of the company's 122,989,620 shares and votes.

OUTLOOK FOR THE REST OF THE YEAR

Demand will continue to increase in Nokian Tyres' key products, i.e. in winter tyres, UHP summer tyres and SUV tyres in the company's key markets in Russia, other CIS countries and Eastern Europe. Growth will be moderate in the Nordic countries and elsewhere in Europe. The production of forestry machines is brisk, and the sales outlook for forestry tyres is good. The shortage of tyres for other industrial machinery continues.

The tyre markets will remain challenging, and raw material prices will rise. Nokian Tyres expects its raw material costs in manufacturing (EUR/kg) to be about 6% higher in 2007 than in 2006.

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

In the Nordic countries and Russia, the objective is to increase sales and improve market shares. Sales and investments will especially target the CIS countries and Eastern Europe.

In 2007 Nokian Tyres will pay special attention to growth projects, sales and logistics management, and the expansion of its distribution network. Capacity will be raised in accordance with an accelerated plan in Russia. Heavy Tyres will focus on production bottlenecks in order to increase capacity.

The company is positioned to achieve growth in sales in 2007 and to continue to outperform the previous year's results with slightly improved profitability. Third-quarter started with sales slightly up compared to Q3 2006 and orders at high level. The Group's full-year net sales are targeted to grow approx. 15% and to amount EUR 900-

1,000 million, depending on how successful the winter tyre season is in the key markets.

This interim report has been prepared in accordance with IAS 34 'Interim Financial Reporting' and the same accounting policies as in the most recent annual financial statements.

Changes to the accounting policies as of January 1, 2007:
- IFRS 7 'Financial Instruments: Disclosures' has been adopted by the Group in 2007. The Group estimates that the new standard will mainly affect the notes to the future consolidated financial statements, e.g. disclosing sensitivity of market risks.
- Amendment to IAS 1 'IAS 1 Presentation of Financial Statements - Capital Disclosures' has been adopted by the Group in 2007
The Group estimates that the new requirements will mainly affect the notes to the future consolidated financial statements.

The interim report figures are unaudited.

NOKIAN TYRES
CONSOLIDATED INCOME STATEMENT

Million euros	4-6/07	4-6/06	1-6/07	1-6/06	Last 12 months	1-12/06
Net sales	232.6	200.0	432.5	349.4	919.0	835.9
Cost of sales	-130.0	-116.9	-239.4	-208.2	-522.5	-491.3
Gross profit	102.6	83.2	193.1	141.2	396.5	344.5
Other operating income	0.5	0.5	0.9	0.9	2.0	2.0
Selling and marketing expenses	-43.3	-38.6	-83.9	-74.5	-166.9	-157.6
Administration expenses	-5.8	-4.7	-10.9	-8.8	-21.0	-18.9
Other operating expenses	-3.8	-5.1	-10.0	-10.1	-16.9	-17.0
Operating profit	50.2	35.1	89.2	48.6	193.7	153.1
Financial income	8.0	14.9	13.6	15.3	20.7	22.3
Financial expenses	-11.3	-18.2	-20.4	-21.9	-34.7	-36.2
Profit before tax	46.9	31.9	82.4	42.0	179.7	139.3
Tax expense (1	-4.9	-7.1	-12.4	-10.1	-34.2	-32.0
Profit for the period	41.9	24.9	70.1	31.8	145.5	107.3
Attributable to:						
Equity holders of the parent	41.9	24.8	70.1	31.8	145.5	107.3
Minority interest	0.0	-0.1	0.0	0.0	0.0	0.0
Earnings per share from the profit attributable to equity holders of the parent						
basic, euros	0.34	0.20	0.57	0.26	1.20	0.88
diluted, euros	0.33	0.20	0.55	0.26	1.16	0.86

KEY RATIOS	30.6.07	30.6.06	31.12.06
Equity ratio, %	52.1	53.2	63.0

Gearing, %	46.6	56.2	22.8
Equity per share, euro	4.94	3.93	4.56
Interest-bearing net debt, mill. euros	283.1	269.1	126.9
Capital expenditure, mill. euros	57.7	52.6	97.0
Depreciation and amortisations, mill. euros	22.7	20.0	40.8
Personnel, average	3,372	3,160	3,234
Acquisitions and disposals of items of property, plant and equipment	48.8	40.7	89.0

Number of shares (million units)			
at the end of period	122.99	121.88	122.03
in average	122.64	121.25	121.63
in average, diluted	126.95	124.80	125.15

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

CONSOLIDATED BALANCE SHEET	30.6.07	30.6.06	31.12.06
Non-current assets			
Property, plant and equipment	386.3	328.0	353.2
Goodwill	52.9	51.5	51.8
Other intangible assets	7.7	7.8	8.2
Investments in associates	0.1	0.1	0.1
Available-for-sale financial assets	0.2	0.3	0.2
Other receivables	0.8	1.8	0.8
Deferred tax assets	22.0	19.0	14.3
Total non-current assets	470.1	408.4	428.6
Current assets			
Inventories	211.9	173.7	159.8
Trade receivables	318.4	249.1	209.7
Other receivables	43.3	50.9	47.6
Cash and cash equivalents	123.5	17.0	39.0
Total current assets	697.1	490.7	456.1
Equity			
Share capital	24.6	24.4	24.5
Share premium	144.2	141.2	142.7
Translation reserve	-4.8	2.7	-2.2
Fair value and hedging reserves	0.1	-0.2	-0.1
Retained earnings	443.3	310.7	391.6
Minority interest	0.0	0.0	0.0
Total equity	607.4	478.6	556.6
Non-current liabilities			

Deferred tax liabilities	27.6	23.2	20.5
Interest-bearing liabilities	300.3	165.8	110.6
Other liabilities	1.8	2.0	1.9
Total non-current liabilities	329.7	191.0	133.0
Current liabilities			
Trade and other payables	122.9	108.3	138.9
Provisions	1.0	0.9	1.0
Interest-bearing liabilities	106.2	120.3	55.3
Total current liabilities	230.1	229.5	195.2
Total assets	1167.2	899.1	884.7

Changes in net working capital arising from operative business is partly covered by EUR 150 million domestic commercial paper program.

CONSOLIDATED CASH FLOW STATEMENT Million euros	1-6/07	1-6/06	1-12/06
Cash flows from operating activities:			
Cash generated from operations	-63.3	-53.0	165.7
Financial items and taxes	-18.4	-28.1	-59.1
Net cash from operating activities	-81.6	-81.1	106.6
Cash flows from investing activities:			
Net cash used in investing activities	-57.9	-43.0	-89.8
Cash flows from financing activities:			
Proceeds from issue of share capital	1.6	3.5	5.2
Change in current financial receivables and debt	51.5	106.1	42.5
Change in non-current financial receivables and debt	208.7	13.6	-41.0
Dividends paid	-38.0	-27.9	-27.9
Net cash from financing activities	223.7	95.4	-21.2
Net change in cash and cash equivalents	84.2	-28.7	-4.5
Cash and cash equivalents at the beginning of the period	39.0	45.7	45.7
Effect of exchange rate changes	-0.3		2.2
Cash and cash equivalents at the end of the period	123.5	17.0	39.0
	84.2	-28.7	-4.5

The effect of exchange rate changes -0.3 million euros are included in the net cash from operating activities.

Year 2006 that effect was -1.5 million euros.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
Million euros

	Share capital	Share premium	Translation reserve	Fair value and hedging reserves	Retained earnings	Minority interest	Total
Equity, 1 Jan 2006	24.2	137.8	5.7	-0.5	303.4	0.7	471.4
Interest rate swaps, net of tax				0.3			0.3
Translation differences			-3.1				-3.1
Gains/losses from hedge of net investments in foreign operations, net of tax			0.1				0.1
Profit for the period					31.8		31.8
Total recognised income and expenses for the period	0.0	0.0	-3.0	0.3	31.8	0.0	29.1
Dividends paid					-27.9		-27.9
Exercised warrants	0.2	3.4					3.6
Share-based payments					3.7		3.7
Other changes					-0.4		-0.4
Change in minority interest						-0.7	-0.7
Equity, 30 Jun 2006	24.4	141.2	2.7	-0.2	310.7	0.0	478.6
Equity, 1 Jan 2007	24.5	142.7	-2.2	-0.1	391.6	0.0	556.6
Interest rate swaps, net of tax				0.2			0.2
Translation differences			-3.0				-3.0
Gains/losses from hedge of net investments in foreign operations, net of tax			0.4				0.4
Profit for the period					70.1		70.1
Total recognised income and expenses for the period	0.0	0.0	-2.6	0.2	70.1	0.0	67.7
Dividends paid					-38.0		-38.0
Exercised warrants	0.1	1.5					1.6
Share-based payments					5.1		5.1
Equity component of the convertible bond					13.9		13.9
Other changes					0.5		0.5
Equity, 30 Jun 2007	24.6	144.2	-4.8	0.1	443.3	0.0	607.4

SEGMENT INFORMATION Million euros	4-6/07	4-6/06	1-6/07	1-6/06	1-12/06
Net sales					
Passenger car tyres	146.6	120.3	288.0	222.1	533.2
Heavy tyres	24.9	23.3	50.5	45.2	90.1
Vianor	68.2	64.9	114.2	99.0	246.9
Others and eliminations	-7.1	-8.5	-20.2	-17.0	-34.3

Total	232.6	200.0	432.5	349.4	835.9
Operating result					
Passenger car tyres	42.0	26.8	83.6	45.8	133.4
Heavy tyres	5.8	5.4	11.9	10.9	19.9
Vianor	3.7	4.5	-2.0	-4.3	2.3
Others and eliminations	-1.3	-1.6	-4.2	-3.7	-2.5
Total	50.2	35.1	89.2	48.6	153.1
Operating result, % of net sales					
Passenger car tyres	28.6	22.3	29.0	20.6	25.0
Heavy tyres	23.2	23.3	23.5	24.1	22.1
Vianor	5.5	6.9	-1.8	-4.4	0.9
Total	21.6	17.6	20.6	13.9	18.3
Cash Flow II					
Passenger car tyres	-25.8	-30.7	-109.0	-81.0	68.9
Heavy tyres	8.5	1.2	2.7	5.0	19.4
Vianor	-3.0	0.9	-10.7	-2.0	7.5
Total	-20.4	-27.1	-124.2	-91.9	77.7

CONTINGENT LIABILITIES	30.6.07	30.6.06	31.12.06
Million euros			
FOR OWN DEBT			
Mortgages	1.0	0.2	0.0
Pledged assets	0.0	0.0	0.0
OTHER OWN COMMITMENTS			
Guarantees	1.0	1.0	1.0
Leasing and rent commitments	81.4	76.5	82.5
Purchase commitments of property, plant and equipment	30.4	4.1	5.3
INTEREST RATE DERIVATIVES			
Interest rate swaps			
Fair value	0.1	-0.3	-0.2
Notional amount	15.3	10.0	15.4
Options, purchased			
Fair value	0.0	0.0	0.0
Notional amount	0.0	50.0	0.0
CURRENCY DERIVATIVES			
Forward contracts			
Fair value	-2.2	0.5	1.1
Notional amount	298.1	212.3	199.9
Options, purchased			
Fair value	0.4	0.0	0.0
Notional amount	76.8	3.1	12.6

Options, written			
Fair value	-0.8	0.0	-0.1
Notional amount	79.5	3.1	12.6

The fair value of interest rate derivatives is defined by cash flows due to contracts. Interest rate swaps are wholly designated as cash flow hedges and their changes in fair value relating to the effective portion of the hedge is recognised in equity and the potential ineffective portion is recognised in the income statement.

The fair value of forward foreign exchange contracts is calculated at the forward rates on the balance sheet closing date on the basis of cash flows arising from contracts. The fair value of currency options is calculated by using the Garman-Kohlhagen option valuation model.

Currency derivatives are only used to hedge the Group's net exposure. The changes in the fair value of currency derivatives are reported in the income statement excluding the currency derivatives that are hedging the foreign currency denominated net investment in a foreign subsidiary. Hedge accounting is applied for those hedges and for hedges meeting the hedge accounting criteria the changes in the fair value are wholly deferred in equity except for the potential ineffective portion and the time value of currency options, which are recognised in the income statement.

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

RELATED PARTY TRANSACTIONS

Transactions and outstanding balances with parties having significant influence

The Group has related party relationships with members of the Board of Directors, the President, other key management personnel, and Bridgestone Group with significant influence through share ownership.

Shareholders
Bridgestone Group

	1-6/07	1-6/06	1-12/06
Sales of goods	24.4	17.2	17.6
Purchases of goods	11.1	13.4	27.4

	30.6.07	30.6.06	31.12.06
Trade and other receivables	6.2	3.5	1.7
Trade and other payables	8.3	8.5	1.7

Key management personnel	1-6/07	1-6/06	1-12/06
Total employee benefit expenses	2.7	2.1	4.7
Of which share-based payments	1.6	0.9	2.1

During 1 January and 30 June 2007 the President and other key management personnel were granted a total of 684,200 share options for the subscription of 812,000 shares (during 1 January and 30 June 2006 a total of 73,000 pcs for the subscription of 730,000 shares). The share option plan terms for the key management personnel are equal to the share options directed at other personnel. On 30 June 2007 the key management personnel held 797,950 share options for the subscription of 1,949,500 shares (181,385 pcs for the subscription of 1,813,500 shares on 30 June 2006). Of these share options 47,750 pcs were exercisable for the subscription of of 477,500 shares on 30 June 2007 (42,325 pcs exercisable for the subscription of 423,250 shares on 30 June 2006).

No share options have been distributed to the other members of the Board of Directors.

ACQUISITIONS

Acquisitions in 2007

In 2007 the Group has still acquired only small companies or their assets. On April 23rd, the Group acquired 100% of the share capital in OOO Hakkapeliitta Village, a Russian domiciled company, to set up the housing project for the personnel in Vsevolozhsk factory. On March 1st, Vianor expanded with an asset deal for five outlets from Swedish OKQ8 companies. On June 1st, Vianor acquired with another asset deal the business in a Finnish-based company Capital Rengas Oy. On July 1st, with yet another asset deal Vianor bought the business in Pneuhaus R Haur and Pneuservice Birseck AG, both domiciled in Switzerland.

The expectations relating to the growth in sales through increased customer base, and the future expectations on improved market area coverage and sales increase resulted in the recogition of goodwill.

Specification of the cost of business combinations	
Paid in cash	4.2
Costs directly attributable to the business combinations	0.0
Total cost of the business combinations	4.2
Fair value of the net assets acquired	2.4
Goodwill	1.8

	Fair values recorded in combination	Carrying amounts before combination
Specification of acquired net assets		
Intangible assets	0.0	0.0
Property, plant and equipment	1.0	0.9
Inventories	1.5	1.4
Receivables	0.0	0.0
Cash and cash equivalents	0.0	0.0
Liabilities	0.0	0.0
Net assets acquired	2.4	2.3

Consideration paid in cash	4.2
Cash and cash equivalents in the subsidiaries acquired	0.0
Net cash outflow	4.2

Since these pieces of information are not material individually, the presentation is aggregated. The profits of the acquired companies, totalling EUR -0.1 million, are included in the consolidated income statement. The actual acquisition dates and the nature of the operations taken into account the effect of the acquisitions on the consolidated net sales and profits is not material even if they were combined as of the beginning of the financial year.

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 balance sheet date

Nokian Tyres plc

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Distribution: HEX and major media

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Nokian Tyres will publish the January-June 2007 Interim Report on Wednesday, August 8, 2007 at 8.00 am Finnish time.

The result presentation to analysts and media will be held on the same day at Hotel Kämp, Helsinki at 10.00 am Finnish time. The presentation language will be English.

The presentation can be listened through audiocast via internet on Wednesday, August 8, 2007 at 10.00 am Finnish time
http://www.nokiantyres.com/Resultinfo2007q2en

To be able to ask questions during the event you can participate in the conference call. Please dial in 5-10 minutes before the beginning of the event:
+44 (0)20 7162 0025,
Password: Nokian Tyres

Stock exchange release and presentation material will be available before the event at http://www.nokiantyres.com/investors_en.
After the event the audio recording can be found at the same address.