

RESULT JANUARY- SEPTEMBER 2005

nokian
TYRES

November 3rd



*Safest tyres for
Nordic conditions*

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Net sales increased, operating profit on previous year's level

	1-9/05	1-9/04	Change%	7-9/05	Change %
• Net sales	445.6 m€	(392.0 m€)	+13.7%	150.2 m€	+6.4%
• Operating profit	65.1 m€	(65.2 m€)	-0.2%	18.9 m€	-41.6%
• Profit before taxes	64,0 m€	(58.8 m€)	+8.9%	16.9 m€	-42.4%
• Net profit	46.8 m€	(44.0 €)	+6.3%	13.5 m€	-36.8%
• EPS	0.398 €	(0.410 €)	-3.1%	0.112 €	-43.7%
• Equity ratio,%	50.0%	(38.9%)			
• RONA % (rolling 12 months)	19.5%	(23.7%)			
• Cash flow II	-164.4 m€	(-50.4 m€)			
• Gearing %	60.8%	(102.4%)			

- Q3 result below targets and p.y. due to unfavourable sales mix, increased fixed costs and change in Vianor's structure

Tyre markets more challenging with tightened competition

- lower car summer tyre replacement markets in Europe
- tougher price competition on key markets in Nordic countries and Russia
- strong demand for tyres continued in Russia and Eastern Europe
- sales of new cars increased in Nordic countries
- active pre-season sales of car winter tyres in H1 => distributors' high inventories in Q3
- strong heavy tyre demand continued with global shortage of special heavy tyres
- active machinery and equipment manufacture boosted forestry tyre demand
- demand for new and retreaded truck tyres started to pick up
- raw material prices increased in line with the expectations

Main reasons for the weaker performance in Q3:

- high investments and increased fixed costs in Russia
 - structural changes in Vianor tyre chain and write down of inventory
 - active pre-sales of car winter tyres in H1; sales up by 36% compared to H1/04
 - weaker sales mix => share of contract manufactured tyres and sales in low price countries increased during Q3
 - lower than planned sales in key markets in Q3
 - tightened competition in tyre markets
- ⇒ No changes in strategy and targets
- ⇒ Nokian Tyres aims at strong, profitable growth in winter tyre markets as in previous years

NOKIAN TYRES

Market position

- sales increased in Russia, the USA, Eastern Europe and Nordic countries
- sales to car dealers increased
- heavy tyre sales hit record numbers
- Vianor tyre chain expanded in Russia and in Sweden

Profitability

- good sales mix and new products 1-9 2005
- high share of car winter tyres 75.3% (73.1%)
- increased average prices in production
- high share of contract manufactured tyres with lower average prices and margins in Q3
- higher material costs in production

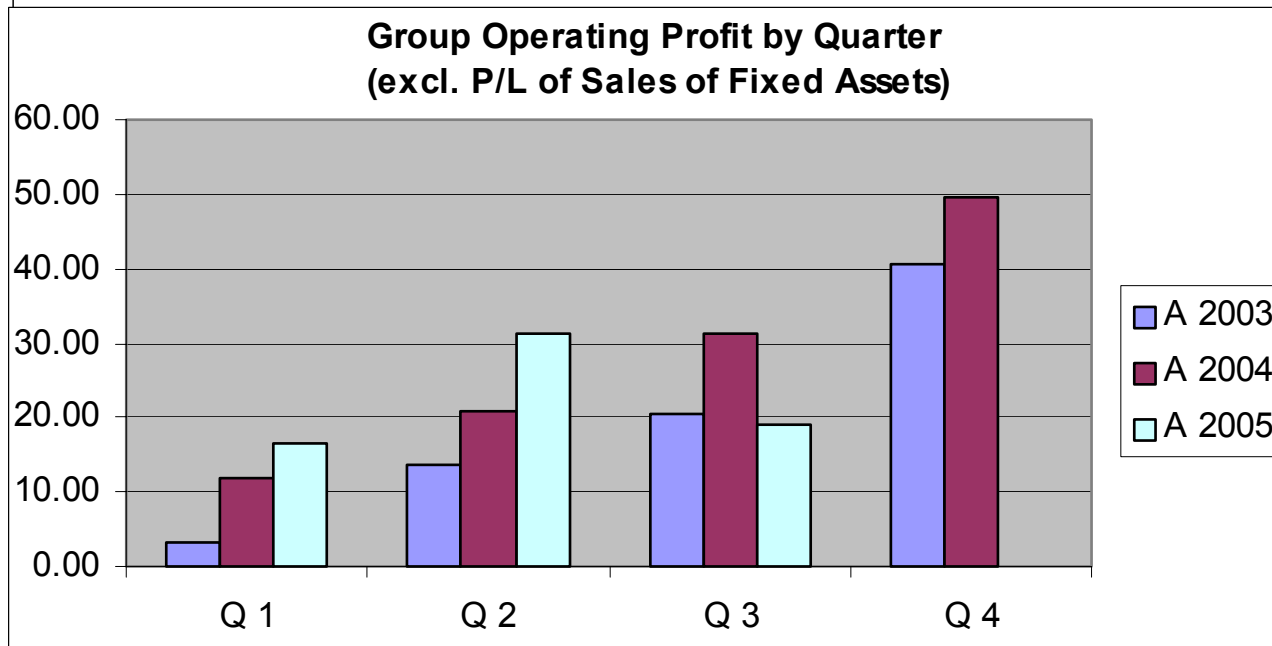
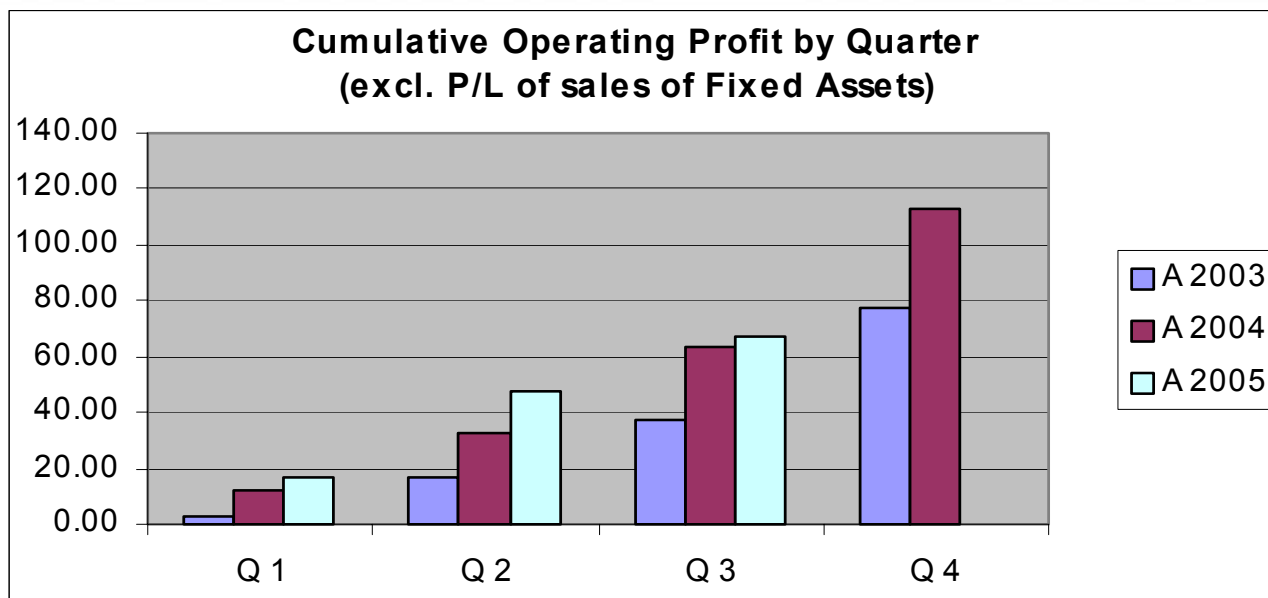
Production volumes

- production in Russia started
- production volumes in Nokia increased and profitability improved
- contract manufacturing volumes increased

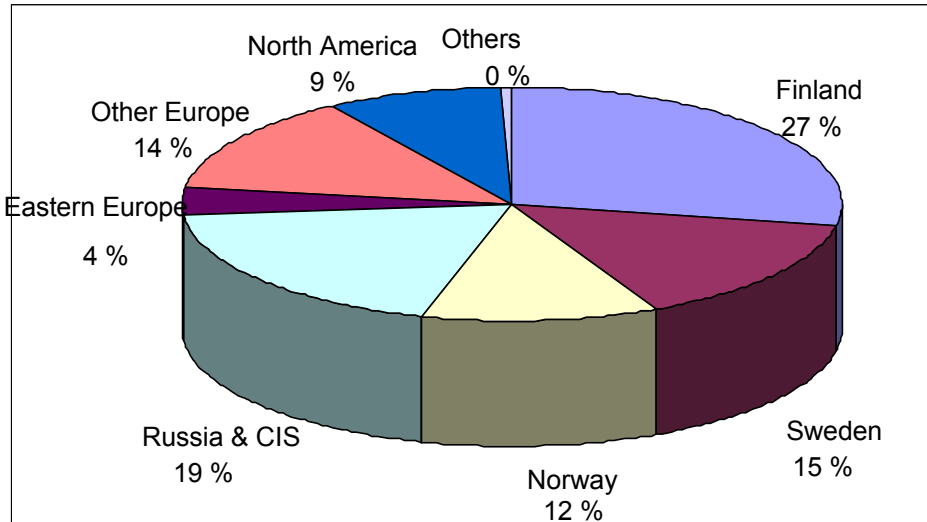
Service capacity

- active pre-sales of winter tyres will improve service capacity during the peak season
- acquisition of University Wholesalers and of Andel Export-Import improve wholesale and logistics in winter tyre markets
- more effective distribution network in Russia and in the USA
- new Vianor shops in Russia and Nordic countries
- acquisition of AGI Däck AB's truck tyre retreading business in Sweden

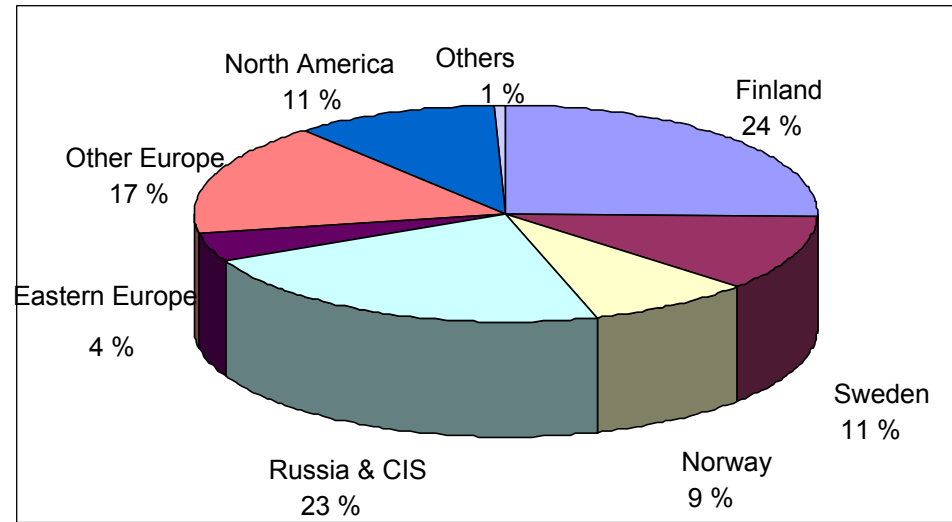
GROUP OPERATING PROFIT PER QUARTER



Sales of Nokian Tyres group



Sales of Manufacturing business units



Sales increased

-Nordic countries	+7.5%
-Russia and CIS	+53.7%
-Eastern Europe	+16.6%
-North America	+15.2%

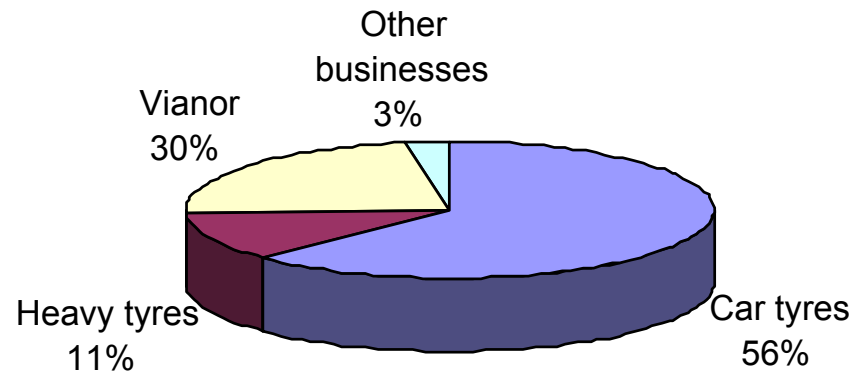
Sales increased

-Nordic countries	+2.2%
-Russia and CIS	+55.1%
-Eastern Europe	+13.9%
-North America	+15.2%

NET SALES AND OPERATING PROFIT BY PROFIT CENTER 1-9 2005

Group's net sales 1-9 2005 445.6 m€; +13.7%
Group's operating profit 1-9 2005 65.1 m€ (65.2 m€ 2004)

Share of net sales per profit center 1-9 2005



Car tyres

Net sales 281.0 m€ (245.9)

Growth 14.3%

Operating profit 67.7 m€ (66.3)

EBIT margin 24.1(27.0)

Heavy tyres

Net sales 54.2 m€ (42.7)

Growth 26.8%

Operating profit 9.3 m€ (6.6)

EBIT margin 17.2 (15.5)

Vianor

Net sales 148.1 m€ (139.9)

Change 5.9%

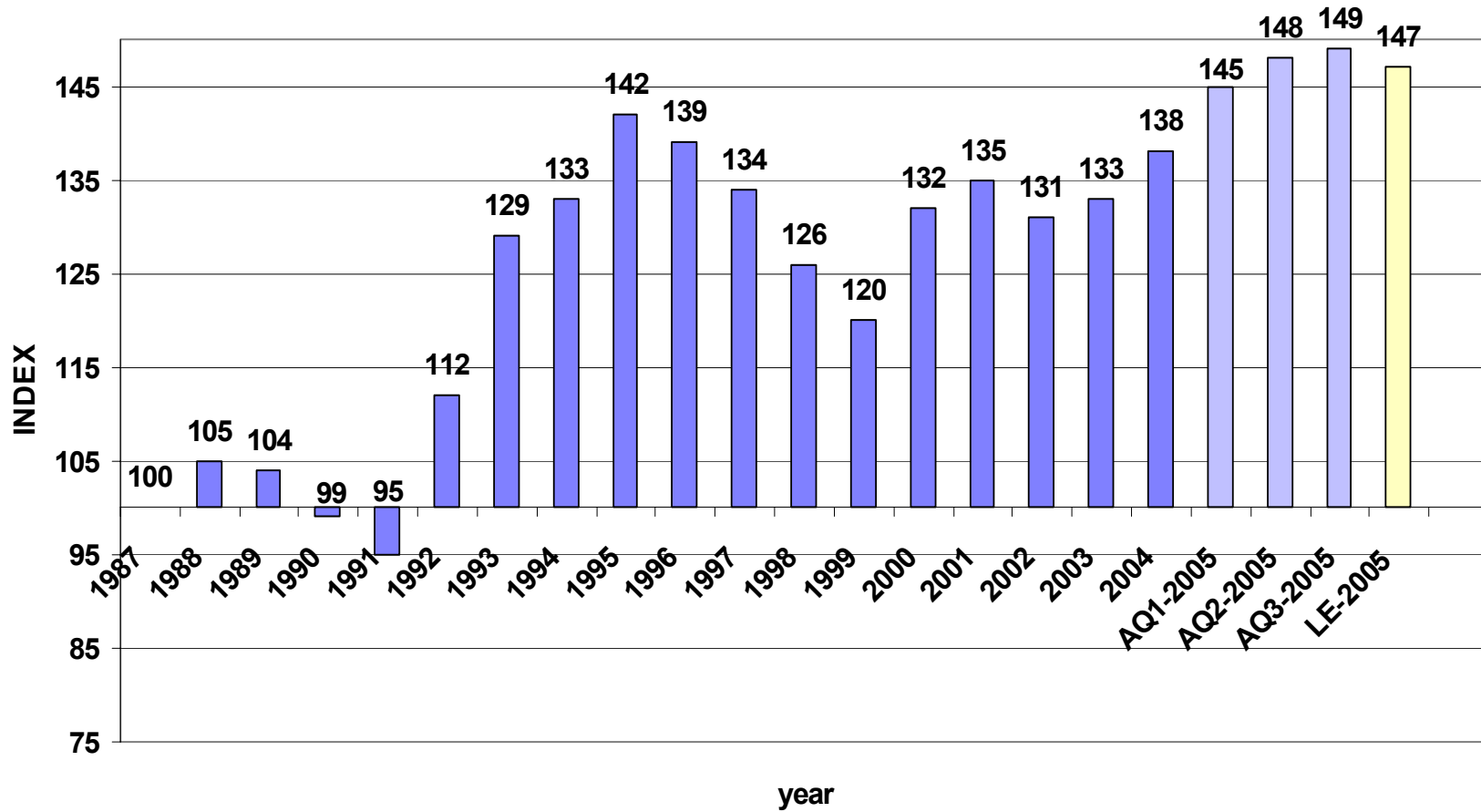
Operating result -2.4 m€ (4.3)

EBIT margin -1.6 (3.0)

(1-9 2004)

RAW MATERIAL PURCHASE PRICE DEVELOPMENT

INDEX 1987-2005 (1987 = 100)



NET SALES 281.0 m€ (245.9 m€); + 14.3% (2004: 364.6 m€)
OPERATING PROFIT 67.7 m€ (66.3 m€) (2004: 100.6 m€)
EBIT MARGIN 24.1% (27.0%) (2004: 27.6%)

- seasonal sales of summer tyres concentrated in UHP tyres in Nordic countries
- active pre-sales of winter tyres in H1; increase +36%
- share of winter tyres 75.3% (73.1%)
- higher share of contract manufactured tyres in Q3=> weaker prices and margins
- sales to car dealers increased
- production volumes increased and productivity (kg/mh) improved
- first Nokian branded run flat winter tyres and Nokian i3 summer tyre introduced

TARGET Q4/2005:

- strong sales growth in core markets
- maximize season winter tyre deliveries
- production at full capacity in Nokia
- capacity increase in the Russian factory and accelerated growth
- start of summer tyre deliveries in December



MAGAZINE TESTS AUTUMN 2005 – winter tyres

Magazine		Product	Rank	Positive	Critical	Overall
Tekniikan Maailma	FIN	HKPL 4	2.	Winter grip, snow handling	(nothing)	"No weaknesses"
Tuulilasi	FIN	HKPL 4	1.	Snow grip, handling	Wet- and dry grip, noise	"Well balanced tyre"
Autobild, Suomi	FIN	HKPL 4	2.	Winterhandling and -grip	Wet handling	"Best tyre for winter"
Vi Bilägare	S	HKPL 4	1.	Ice grip, handling	Noise	"Good Buy"
Motorföaren	S	HKPL 4	1.	Ice grip, handling	Dry braking	
Aftonbladet	S	HKPL 4	2.	Winter grip, snow handling	(nothing)	"No weaknesses"
Auto, Motor och Sport	S	HKPL 4	2.	Winter grip, snow handling	(nothing)	"Good choice"
Teknikens Värld	S	HKPL 4	2.	Winterhandling and -grip	Dry handling	"Best tyre for winter"
Motor	N	HKPL 4	2.	Winter grip, snow handling	(nothing)	"No weaknesses"
Auto, Motor og Sport	N	HKPL 4	2.	Ice braking	Aquaplaning	
Avto-Revju	RUS	HKPL 4	2.			
Za Rulem (175/70R13)	RUS	HKPL 4	1.			
Za Rulem (195/65R15)	RUS	HKPL 4	1.			
Auto Zentr	UKR	HKPL 4	2.			
Tekniikan Maailma	FIN	Rsi	3.	Winter grip, snow handling	Wet braking	
Autobild, Suomi	FIN	Rsi	2.	Winter grip and handling	Dryhandling	"Recommended"
Auto, Motor och Sport	S	Rsi	3.	Winter grip, snow handling	Dry handling	"Good choice"
Teknikens Värld	S	Rsi	2.	Winter grip and handling	Dryhandling	
Motorföaren	S	Rsi	3.	Ice handling	Dry handling	
Aftonbladet	S	Rsi	3.	Winter grip, snow handling	Wet braking	
Vi Bilägare	S	Rsi	1.	Ice and snow braking	(nothing)	"Best ice grip"
Motor	N	Rsi	3.	Winter grip, snow handling	Wet braking	
Auto, Motor og Sport	N	Rsi	2.-3.	Ice braking, balanced handling	Wet braking	
Avto-Revju	RUS	Rsi	2.			
Za Rulem (175/70R13)	RUS	Rsi	1.			
Za Rulem (195/65R15)	RUS	Rsi	4.			
Auto Zentr	UKR	Rsi	3.			

HEAVY TYRES JANUARY- SEPTEMBER 2005

NET SALES 54.2 m€ (42.7 m€); +26.8%; (2004: 59.6 m€)
OPERATING PROFIT 9.3 m€ (6.6 m€) (2004: 9.3 m€)
EBIT MARGIN 17.2% (15.5%) (2004: 15.7%)

- active machinery and equipment manufacturing boosted heavy tyre demand
- all time high demand for harbour, mining and earthmoving machinery tyres
- sales increased in all product groups and core markets
- production volumes increased and productivity (kg/mh) improved
- full capacity usage
- improved delivery capacity

TARGETS Q4 2005:

- increase sales
- improve profits
- full capacity usage
- price increases



NET SALES 148.1 m€ (139.9 m€) +5.9% (2004: 223.9 m€)
OPERATING PROFIT -2.4 m€ ** (4.3 m€) (2004: 11.4 m€ *)
EBIT MARGIN -1.6% (3.0%) (2004: 5.1%)

* Includes sales of fixed assets worth 1 m€

** includes write-off of inventories worth 1.9 m€

- new Vianor shops in Sweden and in Russia; total up 170 ->195
- good peak season sale of summer tyres
- active summer tyre sales during early autumn
- wholesales to car dealers and transport business increased
- demand for new and retreaded truck tyres started to pick up
- lower profits due to start up and takeover of new outlets and renouncement of the retreading business

TARGET Q4 2005 :

- positive and significantly better results than in Q4/04
- sales growth through new outlets
- maximize season retail and wholesale



New outlet in Russia

VIANOR OUTLETS, October 28

TOTAL 197 OUTLETS
(incl. 28 franchising outlets)

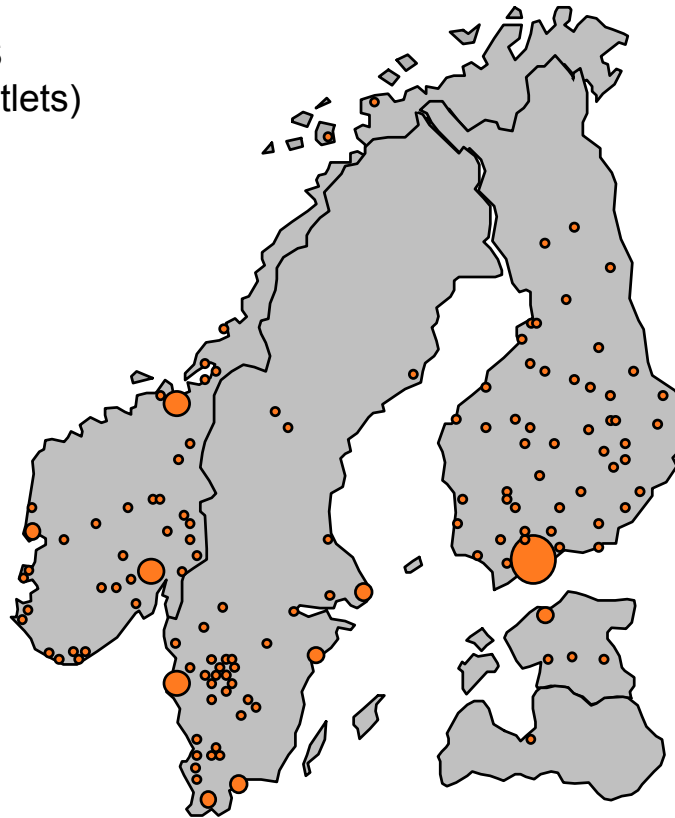
● over 10 outlets

Vianor Norway

- 44 outlets
- 2 retreading plants
- personnel ~260
- 1 new outlet year 2005 (on Q3)

Vianor Sweden

- 56 outlets
- 1 retreading plant
- personnel ~ 360
- 9 new outlets year 2005 total
 - 2 new outlets Q3
 - 1 new in October
 - (+ 1 starting in November)



Vianor Finland

- 68 outlets
- 3 retreading plants
- personnel ~450
- 3 new outlets year 2005

Vianor Russia

- 22 outlets, all opened during 2005
- 13 new outlets Q3
- personnel ~20

Vianor Estonia

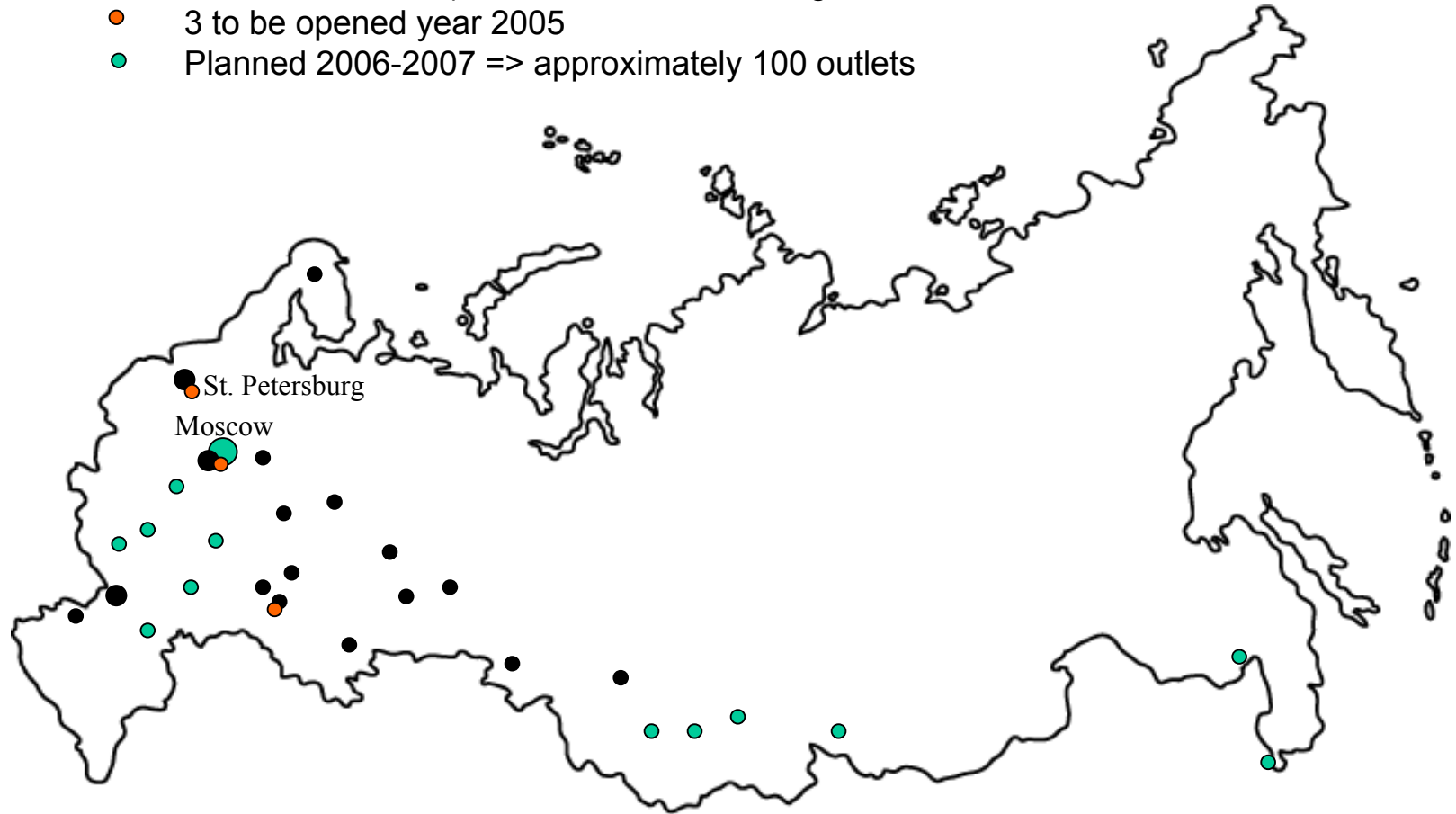
- 6 outlets
- personnel ~ 30
- 1 new outlet year 2005

Vianor Latvia

- 1 new outlet year 2005
- personnel 4

VIANOR IN RUSSIA

- 22 Vianor outlets (2 own and 20 franchising outlets)
- 3 to be opened year 2005
- Planned 2006-2007 => approximately 100 outlets



ROADSNOOP

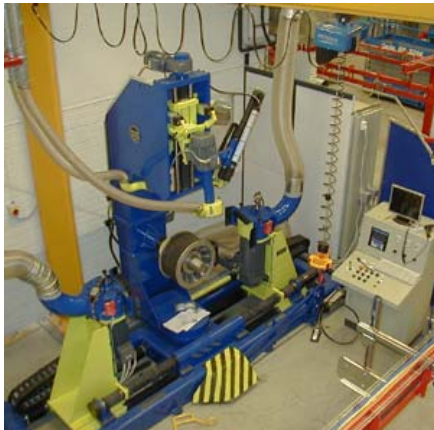
- to be liquidated in Q4 2005
- no profit and loss effects

RETREADING OPERATIONS AND TRUCK TYRES

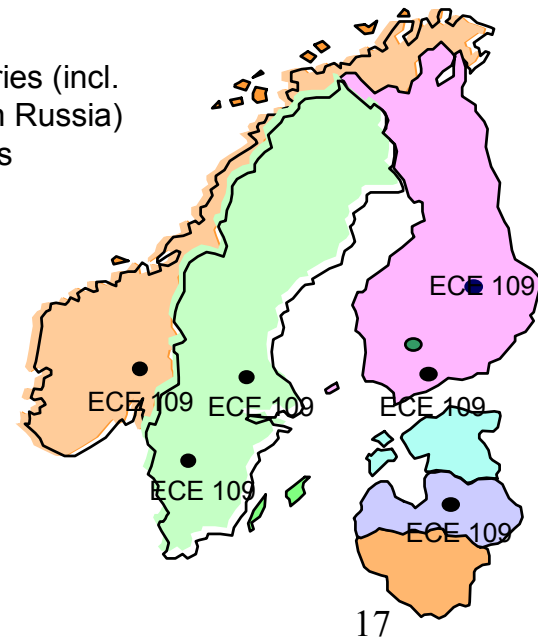
- **Net sales 17.8 m€ (21.6 m€)** (2004: 31.0 m€)
- demand for new and retreaded truck tyres started to pick up
- new Nokian Noktop 41 stud tread launched for Norwegian markets
- car tyre retreading business sold to Mc Ripper AB in Sweden
- acquisition of AGI Däck AB's truck retreading business in Sweden
- truck tyre contract manufacturing started in Spain

TARGETS Q4 2005

- increase sales
- improve profits growth in Russia and in Sweden



- Total 2009
- 8 T&B factories (incl. 2 factories in Russia)
- Nokian Tyres



OUTLOOK FOR Q4 2005

ASSUMPTIONS Q4

- market growth continues in Russia and Eastern Europe
- demand for car winter tyres and high performance summer tyres continue to increase
- better winter tyre season in Nordic countries in Q4 vs. 2004
- strong demand for heavy special tyres continues
- raw material costs increase approx. 8.5% in 2005

NOKIAN TYRES Q4

- strong focus on sales
- improved sales mix compared to Q3/05
- full production utilization
- install start up of second production line in Russia
- improve Vianor's profitability
- target for 2005: to increase sales and to reach an operating profit on the same level as in 2004

Capex

Q3 2005

31.4 m€ (15.5 m€)

1-9 2005

94.7 m€ (36.6 m€)

Nokian Tyres' total investments 2005

105 m€ (57.8 m€)

2005-2007 > 250 m€

Total investment for the Russian factory

2004-2007 approx. 150 m€

2005 approx. 55 m€

Accelerated timetable

MAJOR PROJECTS

- Russia
- Vianor expansion
- Own distribution, USA and Eastern Europe
- Production Eastern Europe

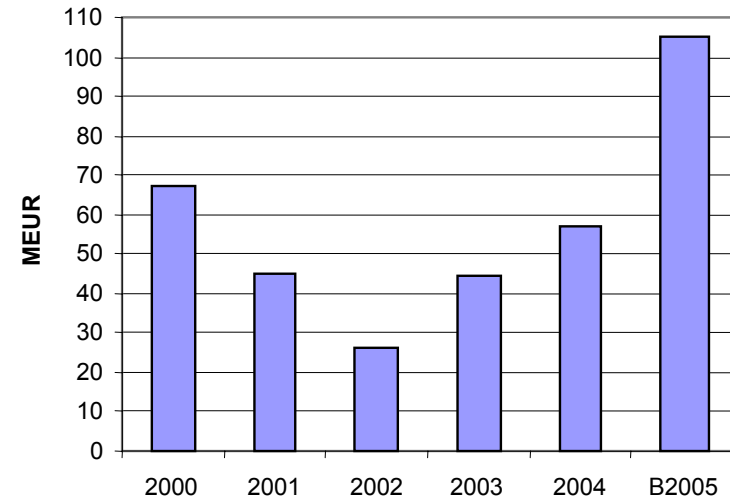
Production volumes in Russia

2005: start-up 0.3 million tyres

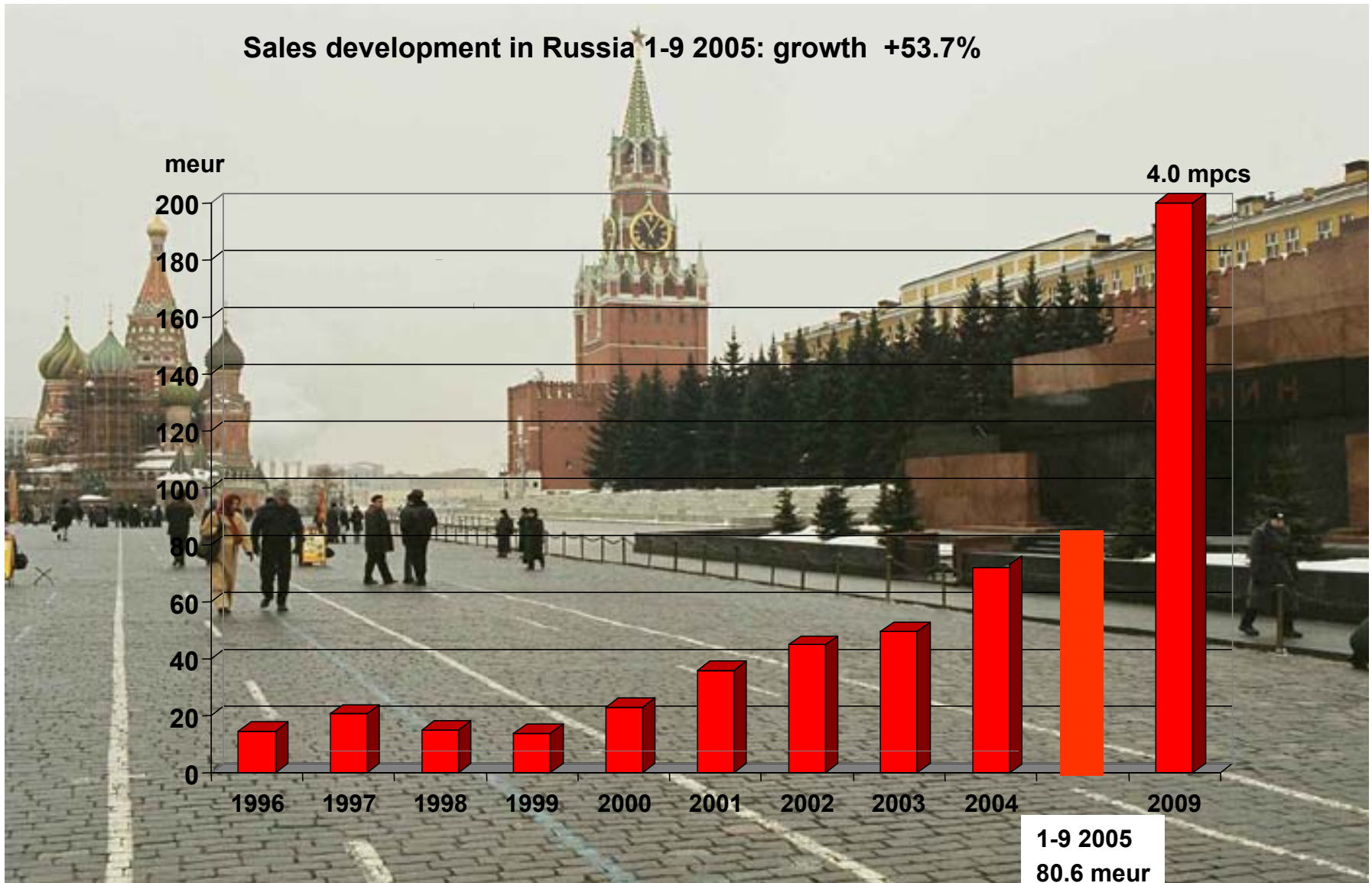
2006: 1.9 million tyres

2007: 3.1 million tyres

2008: 4.1 million tyres



Sales development in Russia 1-9 2005: growth +53.7%



- Russia's car tyre output up 8.5% on yr in Jan-Sep to 20 million units
(Federal State Statistics Service)
- The production of passenger cars in Russia in Jan-Sep reduced by 6.7%
- Russia's non-CIS auto imports up 48.6% on yr in Jan-Aug
(Federal Customs Service)
- In Jan-Sep 2005 the GDP increased by 5.9% y/y
(Ministry of Economic Development and Trade of the RF)
- Russia's January-September industrial output up 4% y/y
(The Federal State Statistics Service)
- Real disposable income rose 9.3% in Jan-Sep y/y
(The Federal State Statistics Service)

Project proceeded according to plan:

- production started and first Nokian Hakkapeliitta 4 winter tyres manufactured in June 2005
- official opening ceremonies in September
- production in 3 shifts as of August, ramp up of capacity
- volume target for 2005: approx. 300.000 tyres => ab. 130.000 produced to date
- sales of Russian made tyres started

- mixing house and warehouse; construction work started in October
- the second production line to be installed in November 2005
- factory site expansion project started

- number of personnel in October 2005: 196



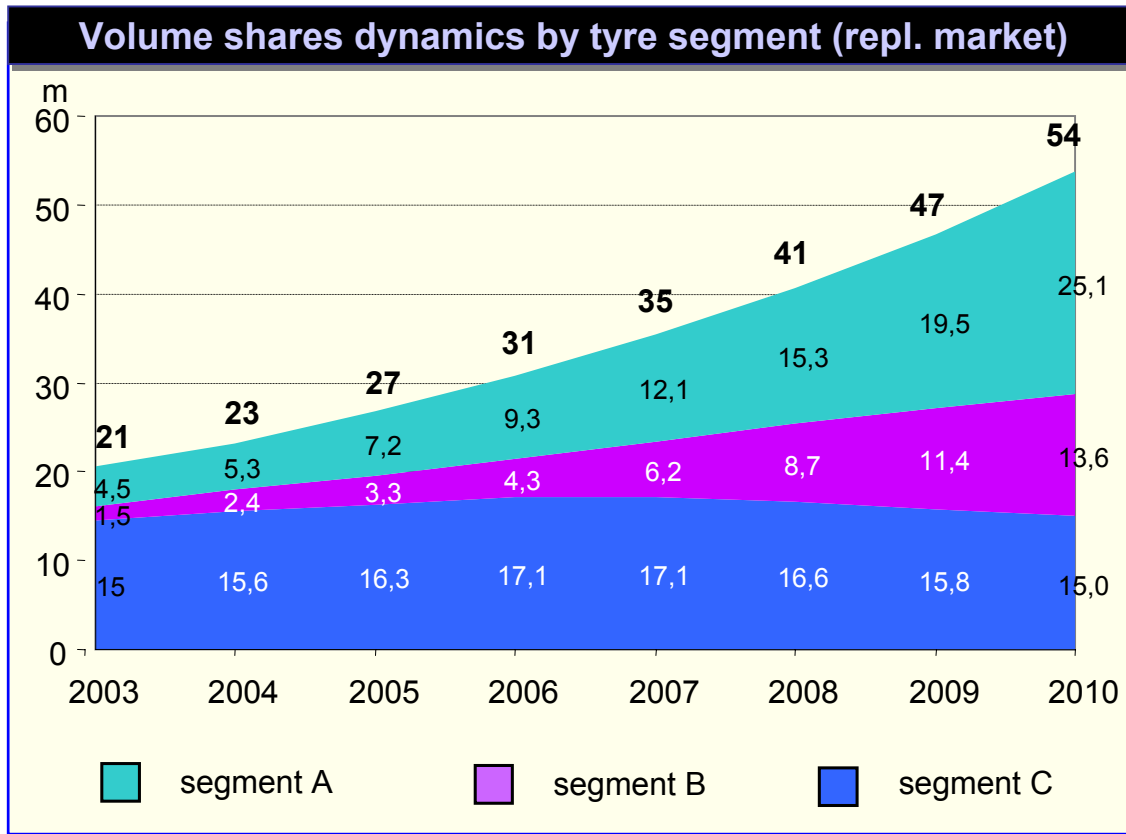
WHY PRODUCTION IN RUSSIA?

Benefits compared to production in Finland:

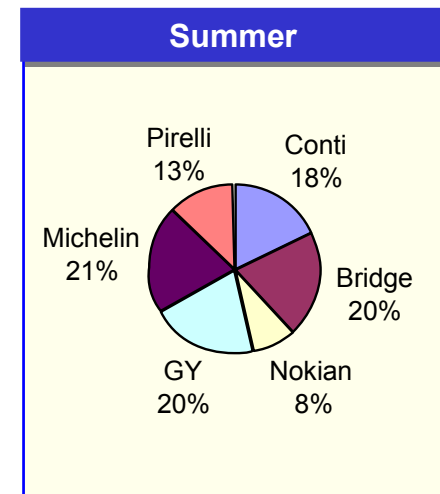
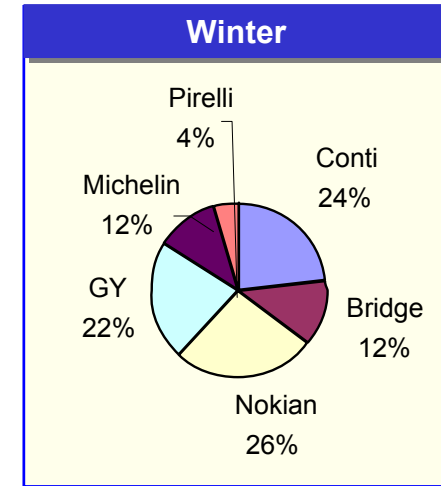
- no import duties => 6-15 euros per tyre
- lower personnel costs
=> Finland EUR 45.000-50.000 per year
=> Russia EUR 5.000 per year
- 20-25% lower raw material costs
- 40% lower energy costs
- tax holiday for 10 years
- 4 million tyres => 80 MEUR/year benefit in favour of Russia



Replacement car tyre market



Top performers in A segment



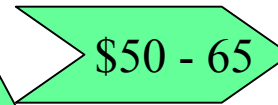
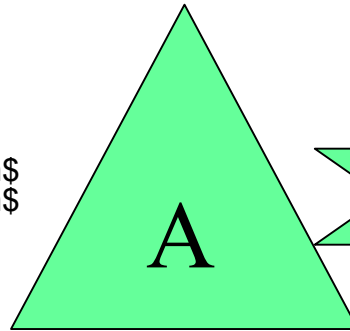
EXPECTED PRICE SEGMENTATION IN THE FUTURE

2004

2010 (Passenger car tires R13-15")

23%
5 mill. pcs

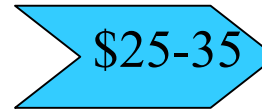
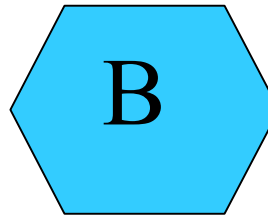
45%
25 mill. pcs
Sales > 1250 m\$
Margin > 650 m\$



Premium brand names
Nokian, Michelin,
Continental, Bridgestone

10%
3 mill. pcs

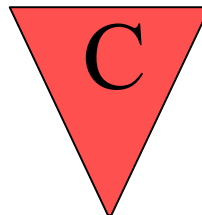
35%
19 mill. pcs
Sales > 570 m\$
Margin > 200 m\$



Medium brand names
Matador, **Nordman**, Amtel,
Fortio, Medved, Kumho,
Hankook...

67%
16 mill. pcs

20%
15 mill. pcs
Sales < 300 m\$
Margin Negative



Russian old type tyres

ACTION PLAN 2005

- sales and distribution => sales and logistics center in Czech Republic
- increase of contract manufacturing => Matador 0.3 =>1.5 million tyres
- launch of new products => Nokian W, Nokian NRe
- growth through acquisitions and own production

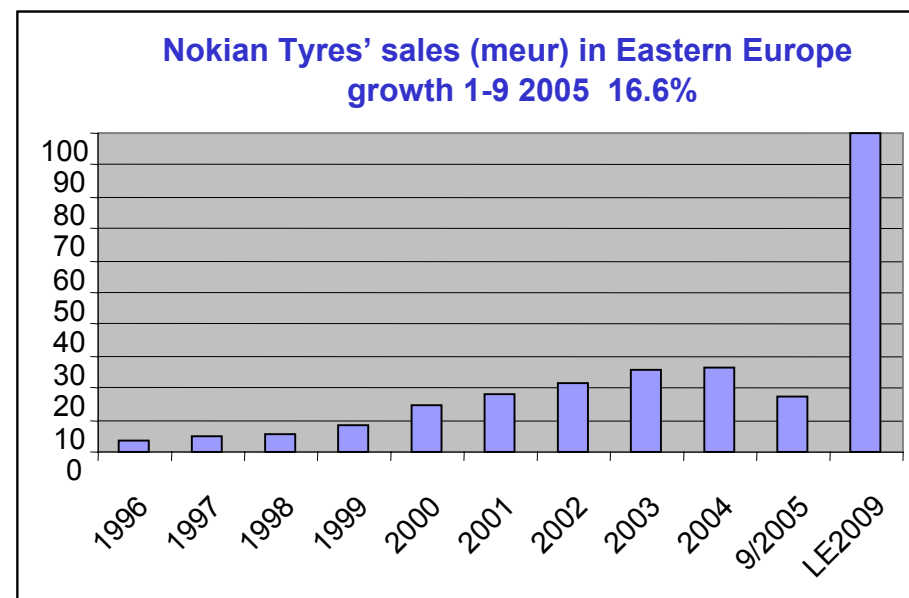
GROWTH PLAN 2005-2007

SALES

- strengthen sales organisation and distribution
 - Hungary, Czech Republic, Slovak Republic

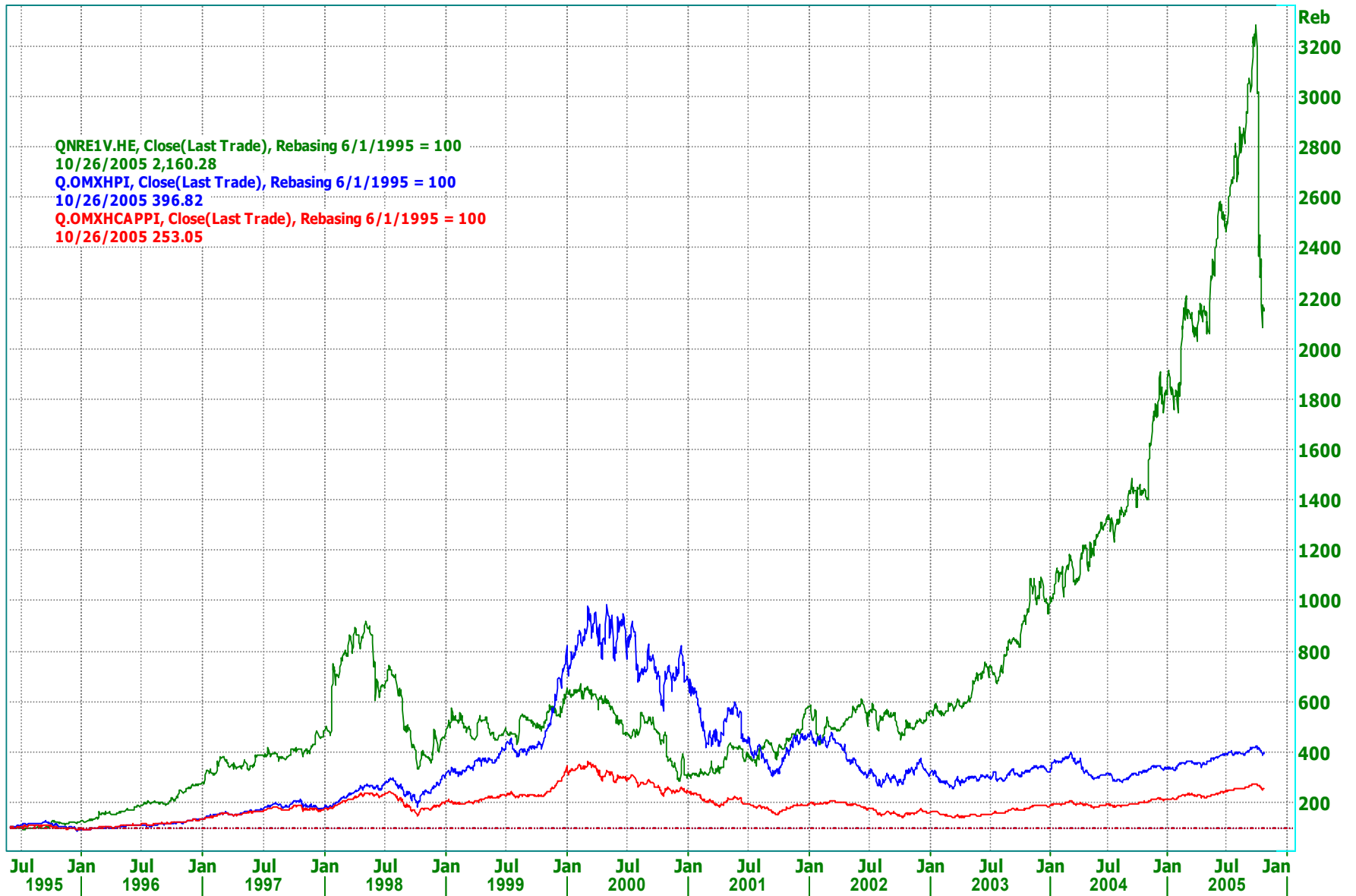
PRODUCTION CAPACITY

- projects proceed



SHARE PRICE DEVELOPMENT
THE OWNERS OF NOKIAN TYRES
KEY NUMBERS

SHARE PRICE DEVELOPMENT 1.6.1995 – 26.10.2005

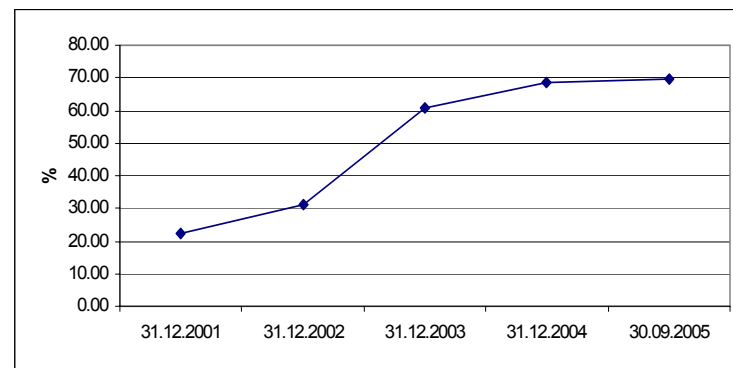


LARGEST SHAREHOLDERS

Largest Shareholders September 30,2005	Shares	Percentage of shares %
1. Bridgestone Europe NV / SA (*)	20,000,000	16.55%
2. Varma Mutual Pension Insurance Company	3,189,250	2.64%
3. Ilmarinen Mutual Pension Insurance Company	2,183,943	1.81%
4. OP-Delta Investment Foundation	1,518,670	1.26%
5. The Local Government Pension Institution	903,500	0.75%
6. Tapiola Mutual Pension Insurance Company	900,000	0.74%
7. Tapiola Mutual Life Insurance Company	567,600	0.47%
8. Eläke-Fennia Mutual Insurance Company	500,000	0.41%
8. The Finnish Association of Graduates in Economics and Business Administration	500,000	0.41%
8. The State's Pension Institution	500,000	0.41%
Biggest owners in total	30762963	25.46%
Total amount of shares, pcs	120,841,920	
Foreign shareholders, incl. Bridgestone 69.85% (30.9.2004 66.90%)		
Option rights, pcs (free)		
2001A 38,695; 2001B 41,220; 2001C 92,179; 2004A+B+C 735,000		

OWNERSHIP BY CATEGORY	30.9.2005
Foreign shareholders (*)	69.85
Public organisations	7.66
Private individuals	11.01
Financial institutions	5.48
Non-profit organisations	3.45
Corporations	2.56
(*) includes also shares registered in the name of a nominee	

Foreign shareholders, includes also shares registered in the name of a nominee



CONSOLIDATED PROFIT AND LOSS ACCOUNT

CONSOLIDATED PROFIT AND LOSS ACCOUNT							
Million euros	7-9/05	7-9/04	1-9/05	1-9/04	Last 12 months	1-12/04	
Net sales	150.2	141.2	445.6	392.0	656.9	603.3	
Operating expenses	122.5	100.7	354.6	302.5	503.1	451.0	
Depreciation according to plan	8.7	8.0	25.9	24.3	34.9	33.4	
Operating result before non-recurring items	18.9	32.4	65.1	65.2	118.8	119.0	
Non-recurring items	0.0	0.0	0.0	0.0	-3.4	-3.4	
Operating result	18.9	32.4	65.1	65.2	115.4	115.6	
Financial income and expenses	-2.1	-3.1	-1.1	-6.4	-7.3	-12.6	
Result before tax	16.9	29.3	64.0	58.8	108.2	103.0	
Direct tax for the period (1)	3.4	8.1	17.2	14.8	31.6	29.2	
Net result	13.4	21.3	46.8	44.0	76.5	73.8	
Attributable to:							
Equity holders of the parent	13.5	21.3	46.9	44.0	76.6	73.8	
Minority interest	0.0	0.0	-0.1	0.0	-0.1	0.0	
Earnings per share from the profit attributable to equity holders of the parent							
basic, euro (2)	0.112	0.198	0.398	0.410	0.713	0.687	
diluted, euro (2)	0.107	0.191	0.385	0.397	0.691	0.665	
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


CONSOLIDATED BALANCE SHEET	30.9.05	30.9.04		31.12.04
Intangible assets	8.9	8.7		9.0
Goodwill	48.5	40.4		40.5
Tangible assets	294.5	233.5		242.3
Investments	1.2	0.8		0.8
Deferred tax assets	15.8	12.8		8.0
Other long term receivables	2.2	2.2		2.8
Total non-current assets	368.9	296.2		303.4
Inventories	169.2	111.5		98.0
Receivables	297.7	184.2		153.1
Cash in hand and at bank	22.0	7.8		23.9
Total current assets	488.9	303.4		275.0
Shareholders' equity	429.8	233.8		268.3
Minority shareholders' interest	0.3	0.0		0.0
Long-term liabilities				
interest bearing	192.3	170.5		131.9
deferred tax liabilities	21.7	20.9		21.1
other non interest bearing	0.0	0.8		0.0
Current liabilities				
interest bearing	91.1	76.7		55.3
non interest bearing	124.8	99.1		101.8
Total assets	860.0	601.8		578.4

SEGMENT INFORMATION

SEGMENT INFORMATION	7-9/05	7-9/04	1-9/05	1-9/04	1-12/04
Million euros					
Net sales					
Car and van tyres	95.8	97.5	281.0	245.9	364.6
Heavy tyres	17.8	13.8	54.2	42.7	59.6
Vianor	51.8	46.9	148.1	139.9	223.9
Others and eliminations	-15.2	-17.0	-37.7	-36.5	-44.7
Total	150.2	141.2	445.6	392.0	603.3
Operating result					
Car and van tyres	23.5	34.0	67.7	66.3	100.6
Heavy tyres	3.1	2.1	9.3	6.6	9.3
Vianor	-3.0	3.1	-2.4	4.3	11.4
Others and eliminations	-4.7	-6.7	-9.5	-11.9	-5.8
Total	18.9	32.4	65.1	65.2	115.6
Operating result, % of net sales					
Car and van tyres	24.6	34.9	24.1	27.0	27.6
Heavy tyres	17.6	14.9	17.2	15.5	15.7
Vianor	-5.9	6.6	-1.6	3.0	5.1
Total	12.6	23.0	14.6	16.6	19.2
Cash Flow II					
Car and van tyres	-53.1	-22.8	-152.1	-32.5	38.3
Heavy tyres	3.2	0.9	8.5	7.1	12.2
Vianor	-10.1	-7.6	-15.9	-17.4	-6.0
Total	-71.3	-29.0	-174.8	-50.4	42.9

KEY RATIOS

KEY RATIOS	30.9.05	30.9.04		31.12.04
Equity ratio, %	50.0	38.9		46.4
Gearing, %	60.8	102.4		60.9
Shareholders' equity per share, euro (2)	3.56	2.16		2.47
Interest bearing net debt, mill. euros	261.4	239.4		163.3
Capital expenditures, mill. euros	93.2	36.6		57.8
Personnel average	3,026	2,789		2,843
Number of shares (million units) at the end of period	120.84	108.02	108.53	108.53
in average	117.77	107.22	107.46	107.46
in average, diluted	121.84	110.80	110.91	110.91
2) The per-share data include the effect of the share split carried out on 15 April 2005.				



*As far as the road
can take us...*