

## RESULT JANUARY - SEPTEMBER 2007

November 1, 2007



Mr. Kim Gran

President and CEO

Nokian Tyres plc

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## JANUARY – SEPTEMBER 2007 IN BRIEF

### Strong growth continued in Q3

	Q3/07	Q3/06	Change %	1-9/07	1-9/06	Change %	2006	5 year's average growth/year (*)
m€								
Net sales	236.0	184.5	+27.9	668.6	533.9	+25.2	835.9	14.6
Operating profit	51.6	37.0	+39.5	140.8	85.6	+64.4	153.1	23.9
Profit before tax	46.4	35.8	+29.3	128.8	77.8	+65.5	139.3	30.2
Net Profit	37.4	27.5	+36.3	107.5	59.3	+81.3	107.3	31.5
EPS €	0.30	0.23		0.88	0.49	+79.3	0.88	28.3
RONA, %								
(rolling 12 months)				22.9	18.1		19.4	
Cash Flow II	-89.6	-73.3		-213.8	-165.1		77.7	
Gearing, %				60.9	69.7		22.8	

- sales increased and profits improved in all profit centres in Q3
  - better sales mix with high car winter tyre share of sales
  - higher average prices
  - profitability improved in Passenger Car tyres in particular
  - benefits from Russian operations improved profitability
  - tax rate decreased to 17% due to tax benefits in Russia (est. 20% in 2007)
- => growth will continue in Q4, however not at the same pace as in the beginning of the year and in Q4 2006

(\*contains years  
2004-2006  
according to IFRS  
and previous  
years according  
to FAS

Net sales 1-9/07

668.6 m€, +25.2%

(1-9/06 533.9 m€)

EBIT

140.8 m€, +64.4%

(1-9/06 85.6 m€)

Net sales Q3/07

236.0 m€, +27.9%

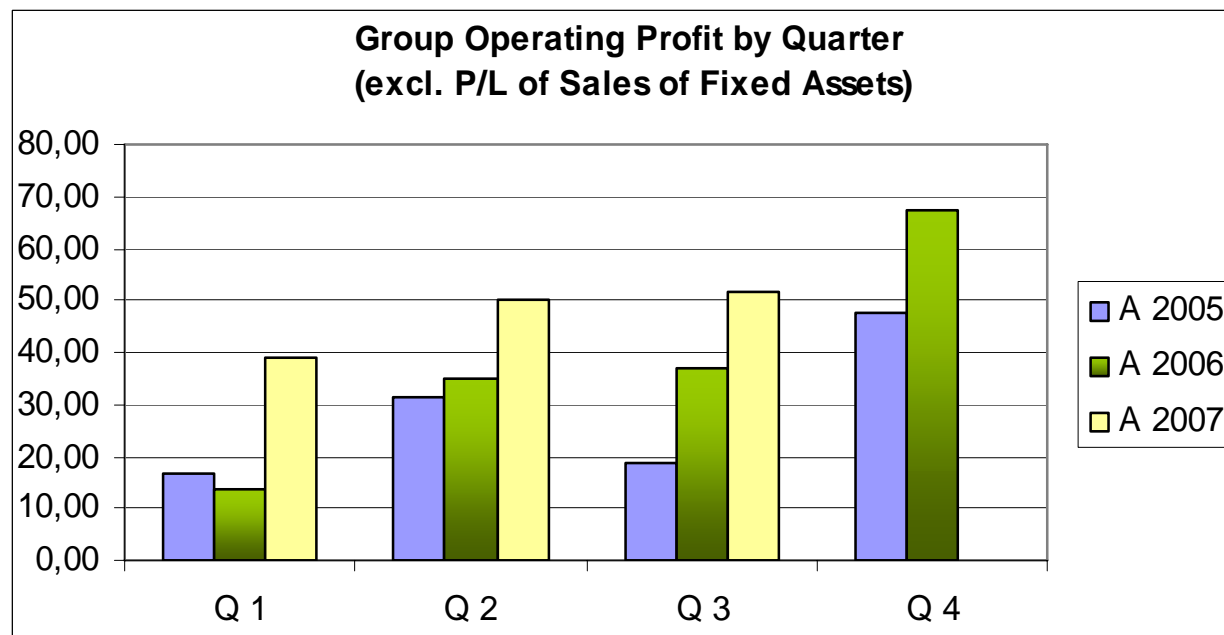
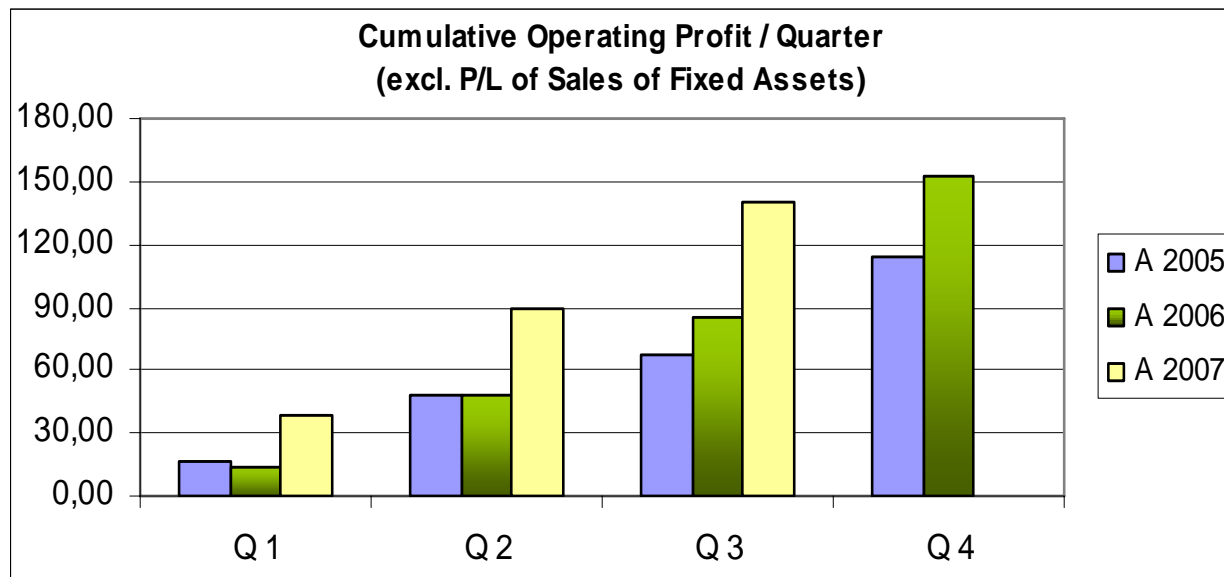
(Q3/06 184.5 m€)

EBIT

51.6 m€, + 39.5%

(Q3/06 37.0 m€)

## GROUP OPERATING PROFIT PER QUARTER 2007



**Car and van tyres – winter tyre and SUV tyre demand growing**

- strong growth in car tyre replacement markets in Russia and CIS countries and in Eastern Europe
- Nordic tyre market declined from the previous year
- strong growth in the demand for winter tyres and SUV tyres

**Heavy Tyres – strong demand continues**

- forestry and other industrial machine business continued to increase
- global shortage of heavy special tyres

**Raw material prices – higher than the previous year**

- tyre manufacturers increased prices to compensate raw material price increases



Nokian Hakkapeliitta 5  
295/30 R22

## NOKIAN TYRES 1-9 2007 IN BRIEF

### **Sales and market position – improvement in core markets**

- + strong sales growth in all product groups
- + good sales of car winter tyres in Nordic countries, Russia, CIS countries and in Eastern Europe
- + new Nokian Hakka summer tyre family with Hakka Guarantee boosted summer tyre sales
- + increased sales of heavy tyres and new truck tyres
- sales in the USA below previous year

### **Profitability – improvement in Passenger Car tyres in particular**

- + improved sales mix with high share of car winter tyres
- + higher average prices
- + benefits from the Russian operations
- + lowered tax rate due to Russian tax benefits
- IFRS and share option costs

### **Production volumes – grew as planned**

- + increased production volumes at the Russian factory
- + heavy tyre production volumes up from the previous year
- lack of capacity limited sales growth

### **Service capacity – expanded network and services**

- + new Vianor outlets in Nordic countries, Russia, Switzerland, Ukraine, Kazakhstan and in the USA
- + enhanced sales and logistics in key markets
- + Vianor's enhanced fast fit services



## SHARE OF NET SALES BY PRODUCT AREA 1-9 2007

**Vianor** 23.6% (25.8%)

**Net sales:** 170.4 m€ (149.9 m€); +13.7%

**Q3/07:** 56.2 m€ (50.9 m€)

**EBIT:** -3.4 m€ (-6.0 m€); +42.9%

**Q3/07:** -1.4 m€ (-1.7 m€)

**EBIT margin:** -2.0% (-4.0%)

**Q3/07:** -2.5% (-3.3%)

**Truck tyres** 3.0% (3.5%)

**Net sales:** 21.3 m€ (20.4 m€); +4.8%

**Heavy tyres** 10.2% (11.3%)

**Net sales:** 73.6 m€ (65.7 m€); +12.1%

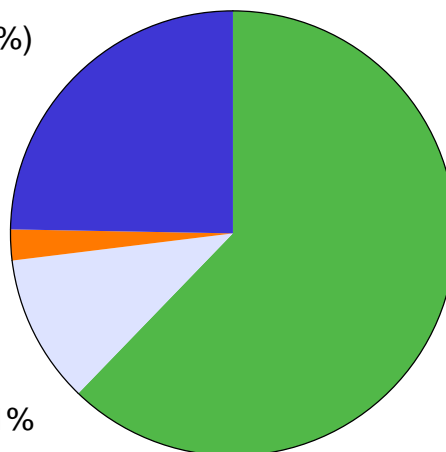
**Q3/07:** 23.1 m€ (20.5 m€)

**EBIT:** 16.9 m€ (15.3 m€); +10.3%

**Q3/07:** 5.0 m€ (4.4 m€)

**EBIT margin:** 23.0% (23.3%)

**Q3/07:** 21.8% (21.7%)



**Car tyres** 63.3% (59.3%)

**Net sales:** 457.7 m€ (344.2 m€); +33.0%

**Q3/07:** 169.7 m€ (122.1 m€)

**EBIT:** 137.8 m€ (81.0 m€); +70.2%

**Q3/07:** 54.2 m€ (35.2 m€)

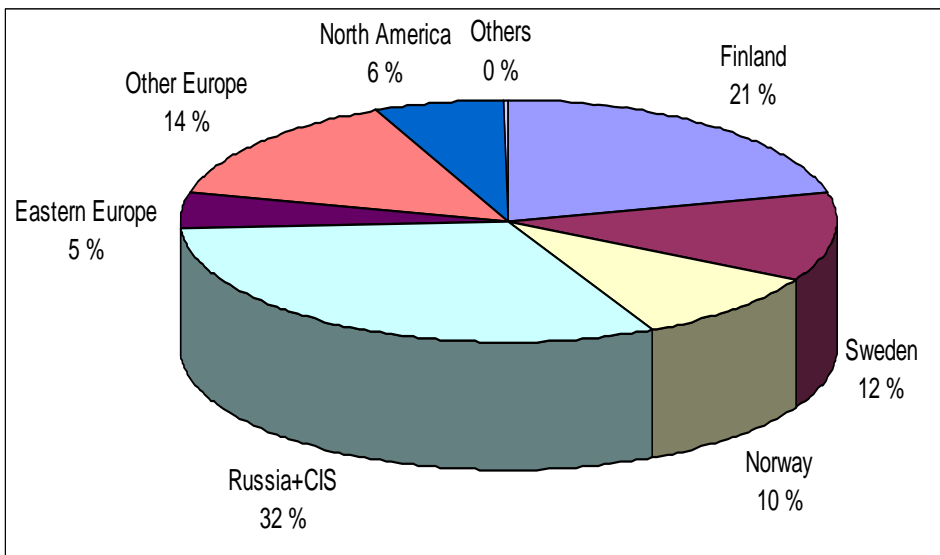
**EBIT margin:** 30.1% (23.5%)

**Q3/07:** 32.0% (28.8%)

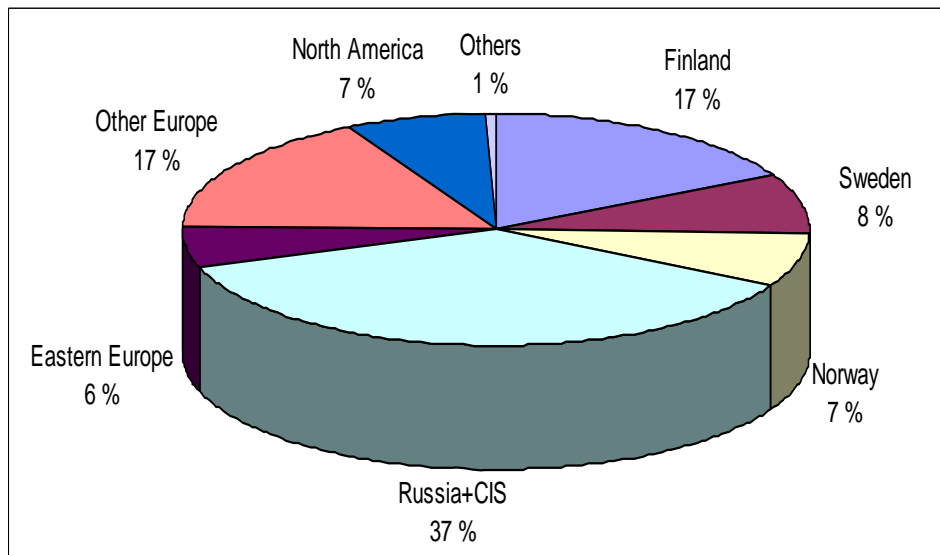
(1-9 2006 and Q3 2006)

## **GROSS SALES BY MARKET AREA 1-9 2007**

Sales of Nokian Tyres group EUR 702.0 million



Sales of Manufacturing units EUR 604.9 million



### **Sales**

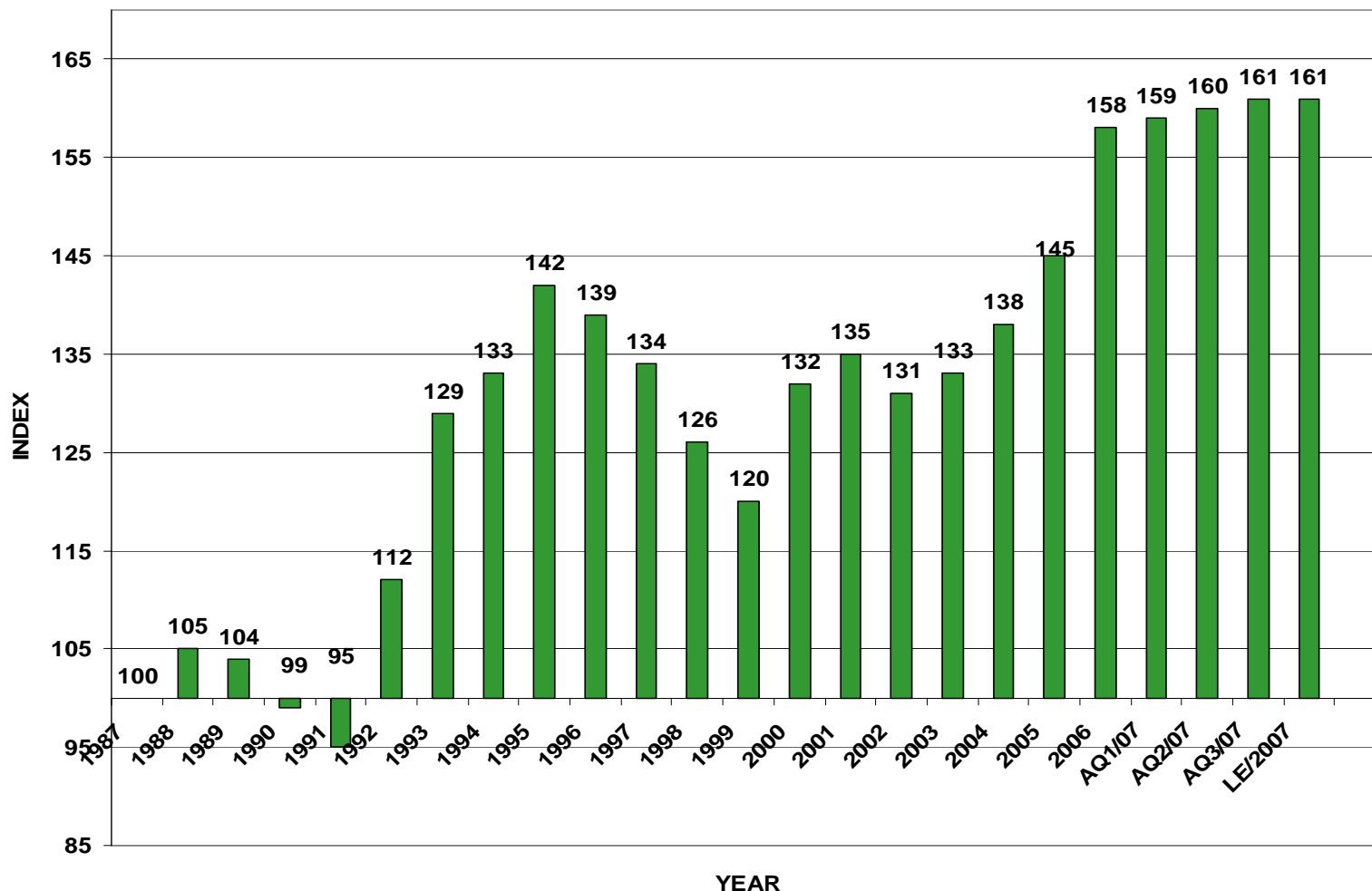
-Nordic countries	+13.3%
-Russia and CIS	+52.0%
-Eastern Europe	+55.2%
-North America	-12.9%

### **Sales**

-Nordic countries	+13.1%
-Russia and CIS	+52.7%
-Eastern Europe	+62.9%
-North America	-12.9%



# **RAW MATERIAL PRICE INDEX 1987 - 2007** (1987=100)



- Raw material prices (euro/kg) increased 3% in Q3 2007 vs. Q3 2006
- Raw material costs (euro/kg) increased 4.5% in 1-9 2007 vs. 1-9 2006
- Raw material purchase prices (euro/kg) to increase approx. 3% 2007 vs. 2006

## CAR TYRES 1-9 2007

**NET SALES: 457.7 m€(344.2 m€; +33.0%**

**EBIT: 137.8 m€(81.0 m€; +70.2%**

**EBIT margin: 30.1% (23.5%)**

**1-12/2006: 533.2 m€**

**133.4 m€**

**25.0%**

- + strong sales growth in core markets
- + improved sales mix with high share of winter tyres and SUV tyres
- + higher average prices
- + improved distribution network in core markets
- + increased production volumes in Russia
- + three new products launched: Nokian Hakka Z and Nokian Hakka SUV summer tyres and Nokian Hakkapeliitta SUV winter tyre
- + test wins in car magazines' winter tyre tests
- sales in the USA below previous year
- higher production costs due to raw material price increases
- higher working capital due to business model

### **TARGETS 2007 – IMPROVE SALES AND CASH FLOW**

- strong sales growth in core markets approx 20%
- capacity increase and full utilization of the Finnish and Russian factories
- active launch of new products
- enhanced distribution and logistics
- productivity improvements at Nokia and Vsevolozhsk factories
- improved NWC rotation
- improve EBIT and cash flow vs. 2006



**Nokian Hakka SUV**

## MAGAZINE TESTS, AUTUMN 2007

Magazine		Product	Rank	Positive	Critical	Overall
Tekniikan Maailma	FIN	HKPL 5	1.	Snow and ice grip, handling	Dry handling	"Best in winter conditions, silent"
Auto, Motor och Sport	S	HKPL 5	1.	All properties on snow and ice	Bare road	"Best in winter conditions, silent"
Motor	N	HKPL 5	1.	Snow and ice grip, handling	Dry handling	"Best in winter conditions, silent"
Aftonbladet - Bil	S	HKPL 5	1.	Grip and driving on snow and ice	Medium on bare road	"Best in winter conditions, silent"
Autoreview	RUS	HKPL 5	1.	Snow and ice grip, handling	Dry handling	"Best in winter conditions, silent"
Autocentre	UKR	HKPL 5	1.	Snow and ice grip, handling	Dry handling	"Best in winter conditions, silent"
Tehnikamaailm	EST	HKPL 5	1.	Snow and ice grip, handling	Dry handling	"Best in winter conditions, silent"
Tuulilasi	FIN	HKPL 5	1.	Snow and ice grip, handling	Wet braking	"Good handling properties"
Auto, Motor og Sport	N	HKPL 5	1.	Snow and ice properties	Wet braking	"Good handling properties"
Za Rulem (175/65R14)	RUS	HKPL 5	3.	Snow and ice grip, handling	Asfalt properties	
Za Rulem (195/65R15)	RUS	HKPL 5	2.	Snow and ice properties	Properties on dry	
Vi Bilägare	S	HKPL 5	no rank	Excellent on snow and ice	Dry and wet handling	"Best on snow and ice"
Tekniikan Maailma	FIN	RSi	3.	Snow and ice grip, handling	Dry handling	"Very good at winter conditions"
Auto, Motor och Sport	S	RSi	3.	Snow and ice grip, handling	Dry handling	"Very good at winter conditions"
Motor	N	RSi	3.	Snow and ice grip, handling	Dry handling	"Very good at winter conditions"
Aftonbladet - Bil	S	RSi	3.	Snow and ice grip and handling	Asfalt properties	"Very good at winter conditions"
Autoreview	RUS	RSi	3.	Snow and ice grip, handling	Dry handling	"Very good at winter conditions"
Autocentre	UKR	RSi	3.	Snow and ice grip, handling	Dry handling	"Very good at winter conditions"
Tehnikamaailm	EST	RSi	3.	Snow and ice grip, handling	Dry handling	"Very good at winter conditions"
Za Rulem (175/65R14)	RUS	RSi	2.	Snow and Ice grip	Dry braking	
Vi Bilägare	S	RSi	no rank	Snow and Ice grip	(nothing)	"Best on ice"
Auto, Motor & Sport	D	WR G2	9.	Dry handling and braking	Aquaplaning	"Recommended"
Alles Allrad	D	WR SUV	1.	Dry and wet braking, snow grip	Snow handling	"Recommended"

## HEAVY TYRES 1-9 2007

**NET SALES: 73.6 m€(65.7 m€; +12.1%**

**EBIT: 16.9 m€(15.3 m€); +10.3%**

**EBIT margin: 23.0% (23.3%)**

**1-12/2006: 90.1 m€**

**19.9 m€**

**22.1%**

+ sales growth continued in all product groups and core markets

+ demand for special OTR heavy tyres increased

+ price increases in line with raw material cost increases

+ production volumes increased

- lack of capacity limited further growth

### **TARGETS 2007 – MAXIMIZE OUTPUT, SALES AND CASH FLOW**

- increase sales by approx 10%
- increase production capacity and full utilization of same
- increase prices
- increase EBIT and cash flow vs. 2006



**NET SALES: 170.4 m€(149.9 m€; +13.7%**

**EBIT: -3.4 m€(-6.0 m€; +42.9%**

**EBIT margin: -2.0% (-4.0%)**

**1-12/2006 : 246.9 m€**

**2.3 m€**

**0.9%**

- + number of total outlets 340; 174 owned, 166 franchise (19.10.2007)
- + Vianor network expanded in Russia; total 115 outlets (19.10.2007)
- + first Vianor shops opened in Switzerland, Ukraine, Kazakhstan and in the USA
- + good summer tyre season sales
- + increased winter tyre pre-sales in wholesale
- + sales of heavy tyres, new and retreaded truck tyres up from the previous year
- + increased share of fast fit services
- costs of acquired new shops and closing unprofitable shops weakened profits

### **TARGETS 2007 – IMPROVE RESULTS CHANGING STRUCTURE AND CONCEPT**

- expand the network and the number of partners especially in Russia and CIS countries
- cut small and unprofitable workshops
- develop fast fit and other services
- improve seasonal wholesales and retail
- improve Vianor brand awareness in Sweden and Russia
- improve EBIT and cash flow



## VIANOR OUTLETS 2007, October 19th

**TOTAL: 340 OUTLETS**  
(174 own, 166 franchising/partner)

● over 10 outlets

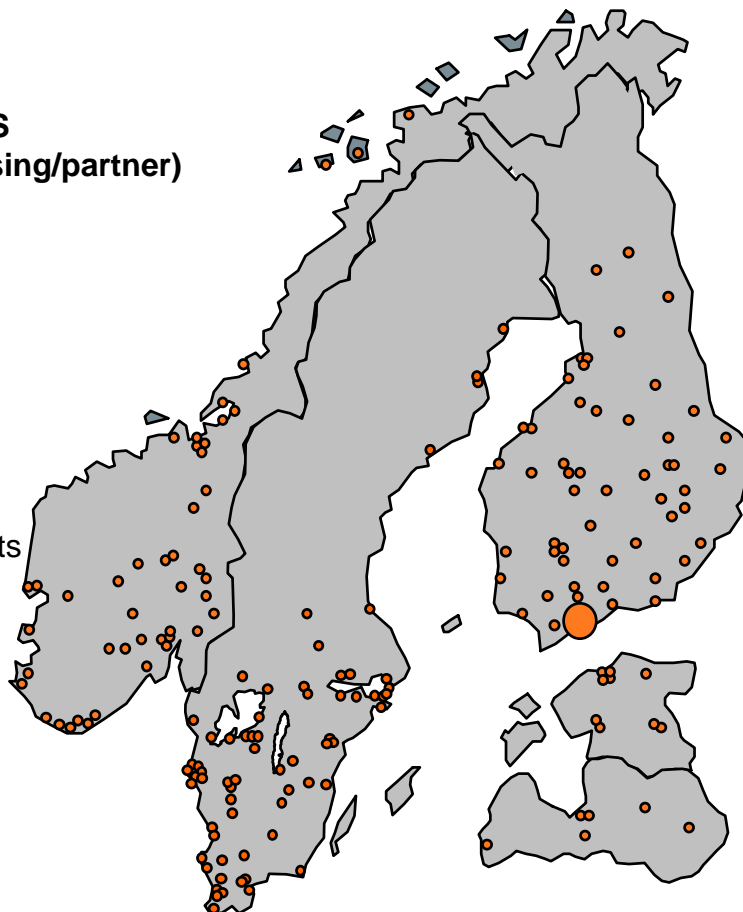
### Vianor Norway

- 43 own outlets
- 7 partner outlets
- 2 retreading plants
- personnel ~260

### Vianor Sweden

- 56 own outlets
- 17 partner outlets
- 1 retreading plant
- personnel ~380

- Switzerland 2 own outlets, personnel ~15
- Ukraine 11 partner outlets
- USA 6 own outlets
- Kazakhstan 1 partner outlet



### Vianor Finland

- 60 own outlets
- 7 franchising outlets
- 2 retreading plants
- personnel ~440

### Vianor Russia

- 2 own outlets
- 113 partner outlets
- 1 retreading plant

### Vianor Estonia

- 4 own outlets
- 5 partner outlets
- personnel ~30

### Vianor Latvia

- 1 own outlet
- 5 partner outlets
- personnel ~13

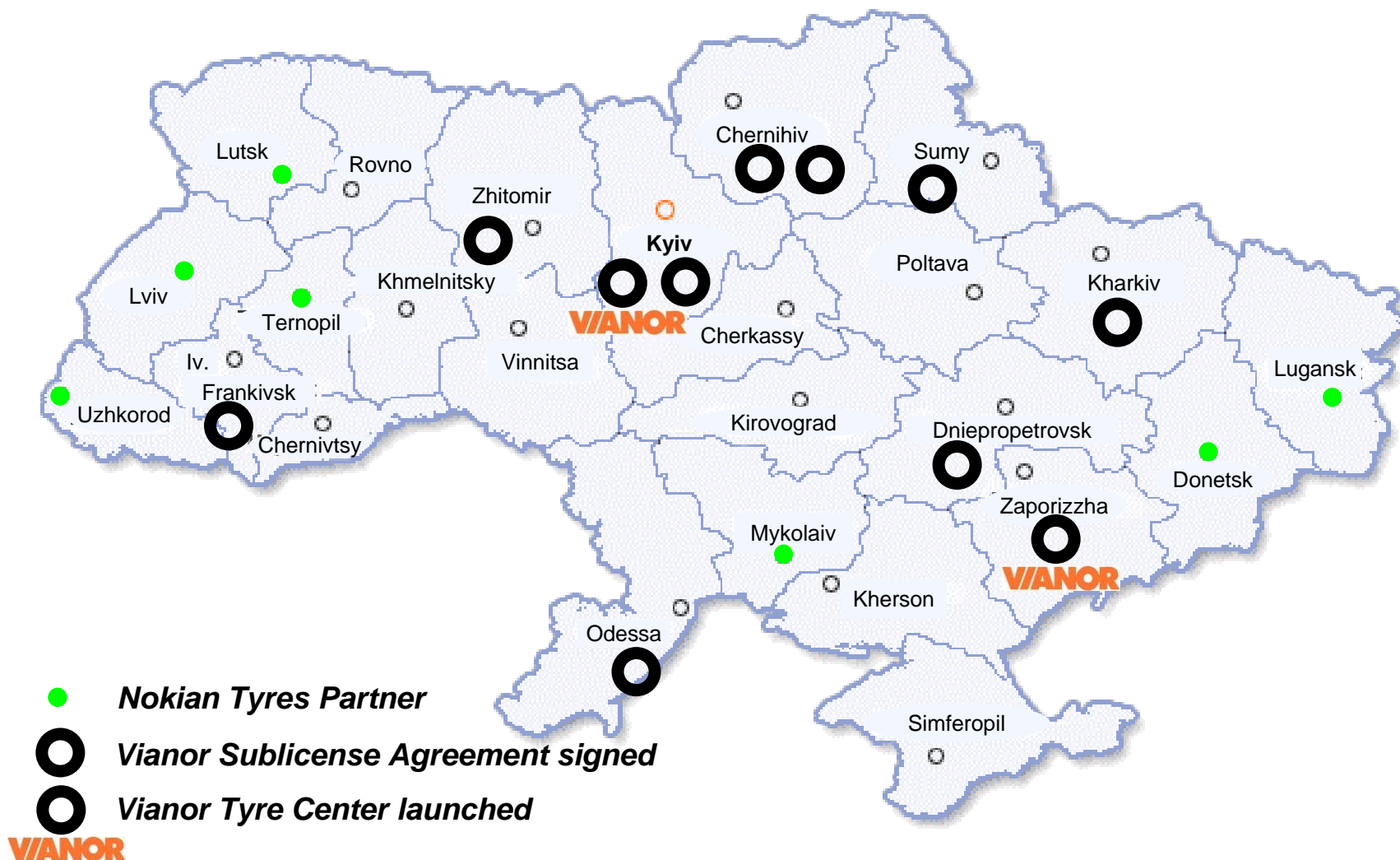


## VIANOR IN RUSSIA

- October 19th 2007: 115 outlets in 77 cities
- planned outlets => approx 130 by the end of 2007 => 300 by the end of 2009



## VIANOR CHAIN IN UKRAINE





**NET SALES: 21.3 m€ (20.4 m€; +4.8%)**

**2006: 31.8 m€**

- + increased sales of new truck tyres and retreading materials
- + increased production capacity
- + renewed and wider truck tyre range
- + more sales in new markets i.e. in Russia and Baltic countries

### **TARGETS 2007**

- increase sales in Sweden and Russia
- increase sales in Central Europe and USA
- improve profits



## CAPEX AND GROWTH PLAN FOR 2007 =>

### Investments

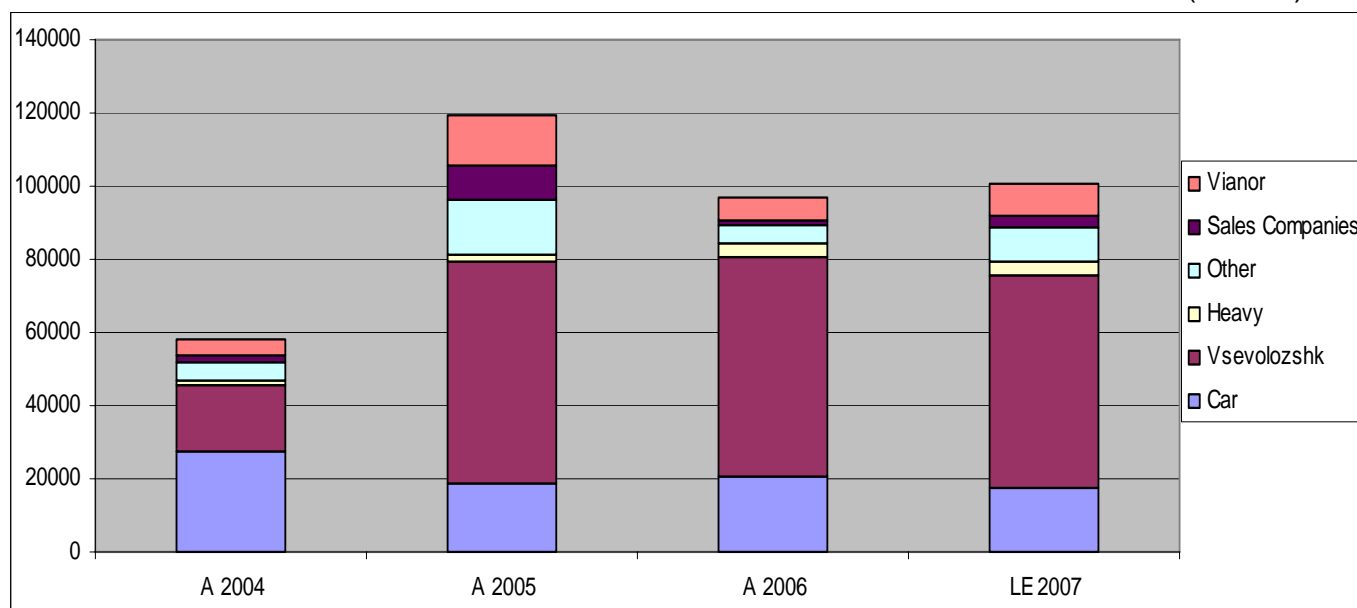
- Q3/2007: 25.3 m€ (23.5 m€)
- 1-9/2007: 83.1 m€ (76.1 m€)
- Total investments for 2007 110 m€ (97.0 m€)
- Estimated organic investments 2007-2009 350 m€

### RUSSIA

- capacity ramp-up and investments
  - Phase I 4 million pcs 2004-2007 ~ 155 m€
  - Phase II 4 ->10 million pcs 2007-2011 ~ 195 m€

### VIANOR EXPANSION

- Nordic countries, Russia, Eastern Europe
- own outlets, franchising and tyre hotels
- 2007 5.8 m€ (6.4 m€)



### ASSUMPTIONS

- strong market growth continues in Russia, CIS countries and in Eastern Europe
- West European and Nordic replacement tyre markets remain flat
- growing product segments: winter tyres, SUV tyres, UHP tyres and heavy special tyres
- normal winter season in Nordic countries and Russia
- winter tyres demand at previous years level in Germany and Central Europe
- raw material purchase prices increase by 3% yoy

### NOKIAN TYRES

- focus on sales growth, logistics and control of NWC
  - no major price increases during Q4 2007
  - increased marketing costs in Q4 vs. last year
  - expansion of distribution especially in Russia and Eastern Europe
  - ramp-up and utilization of the Russian production
- target for 2007: sales growth of approx. or slightly higher than 15% and slightly improved profitability
- growth will continue in Q4, but not at the same pace as in the beginning of the year and in Q4/2006
- change of seasonality due to strong presales of winter tyres during H1
- H1 share of profits higher than the previous year

## NEW PRODUCTS



Nokian Hakka SUV



Nokian Hakka Z



Nokian WR G2



Nokian Hakkapeliitta R SUV



Nokian Hakkapeliitta 5



Nokian Hakkapeliitta  
Sport Utility 5



Nokian Hakka H ja  
Nokian Hakka V



Nokian Hakka C Cargo & Van



Nokian Forest Rider



Nokian Truck tyres



Nordman NTR 72S

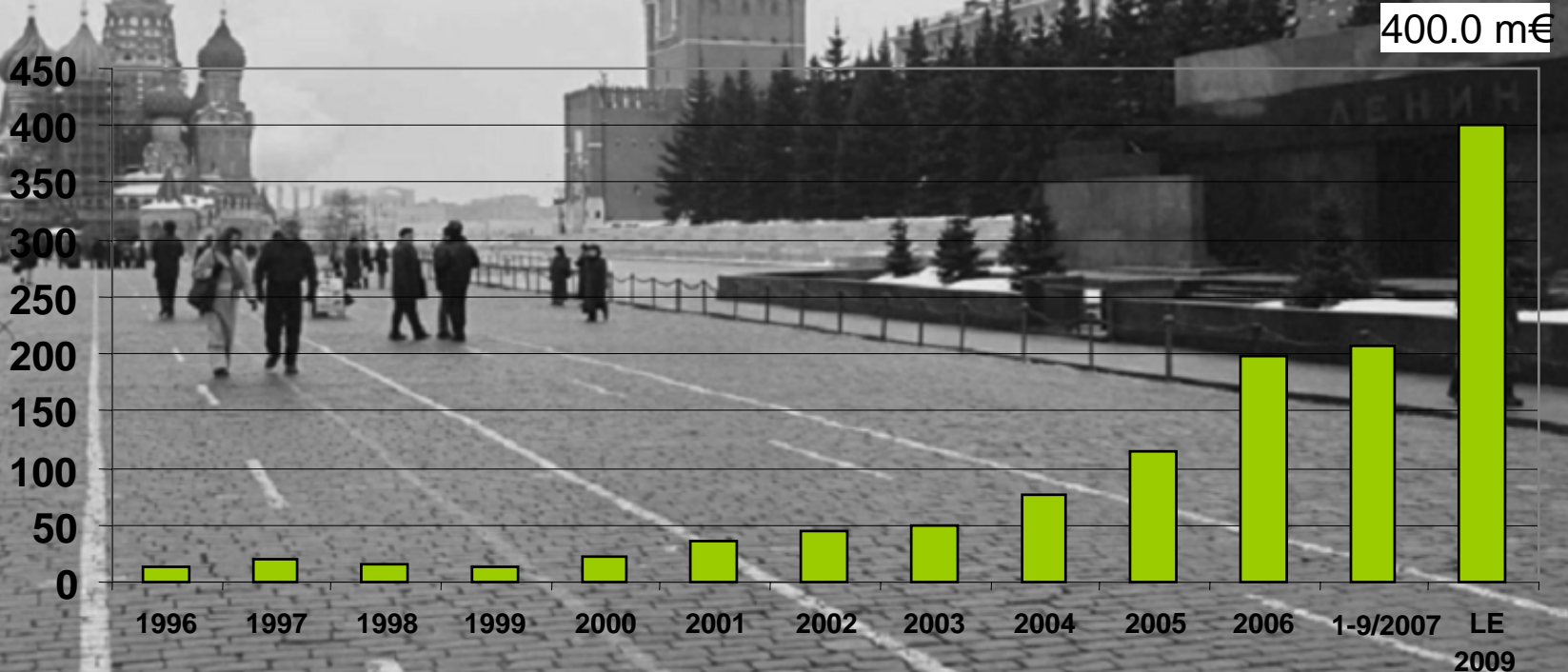
# Russia

## RUSSIA UPDATE

SALES DEVELOPMENT IN RUSSIA  
AND CIS COUNTRIES  
Growth 1-9 2007 +52.0%

Nokian Tyres clear # 1 in premium tyres

In 2006, Nokian car tyre sales in Russia exceeded sales  
in Nordic countries

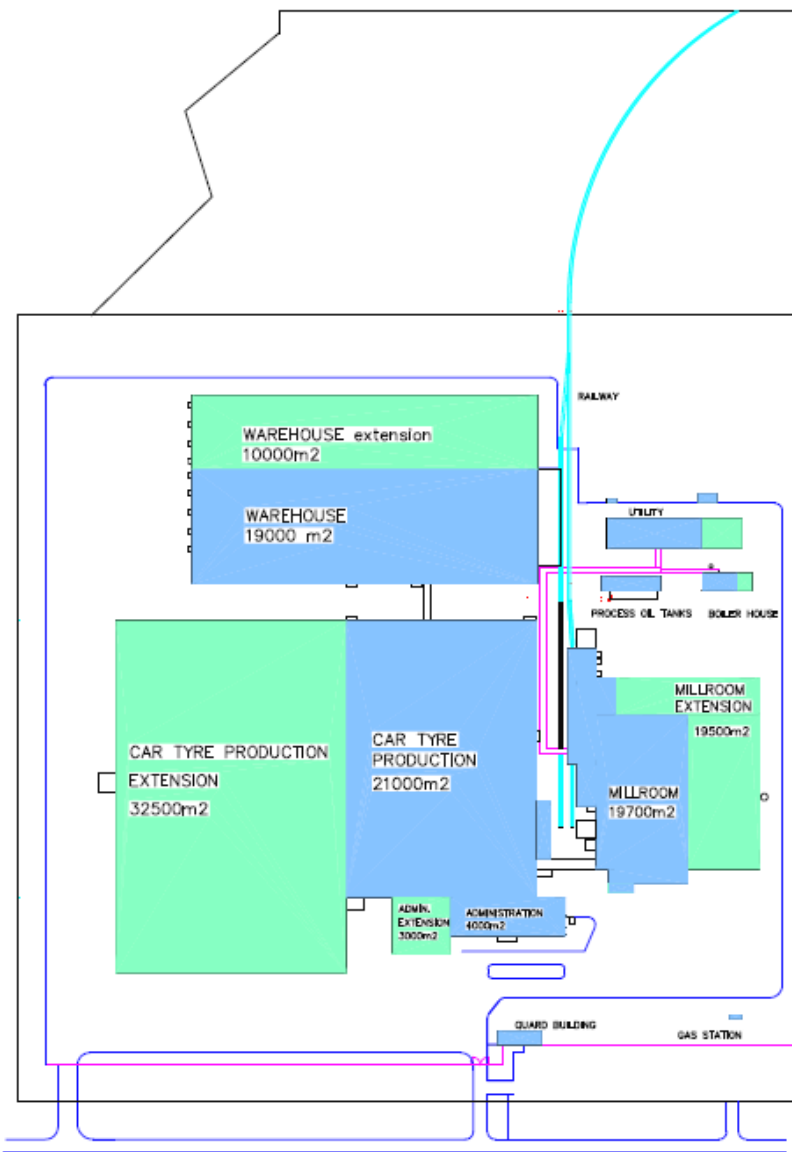




- clear market leader with more than 30% market share in premium car winter tyres
- distribution expanded through partner agreements and Vianor shops
- four first production lines operate in 3 shifts, 344 days/year
- full process raw material to finished product
- full utilization of production capacity of phase I by end of 2007
- decision to accelerate factory expansion with the target to increase capacity to 10 million tyres by the year 2011
- construction work of the factory expansion started and to be completed in 2008
- machine and equipment installations to be started according to plan in early 2008
- additional production capacity available spring 2008
- expansion plans of the mixing production started → construction work estimated to start in 2008
- Total number of personnel working in Russia 30.9.2007: 474 (288)



## VSEVOLOZHSK PLANT PHASE II



### Capacity ramp-up and investments

- phase I 4 million pcs 2004-2007 ~ 155 m€
- phase II 4 ->10 million pcs 2007-2011 ~ 195 m€
- total investment 2008 92 m€ including housing project

### Expansion 4-10 million tyres

- construction work proceed as planned
- production lines 5&6 ordered; installation February-August 2008

### Expansion of mixing department

- construction 2008; 22 000 m²
- commissioning 2 additional lines 2009

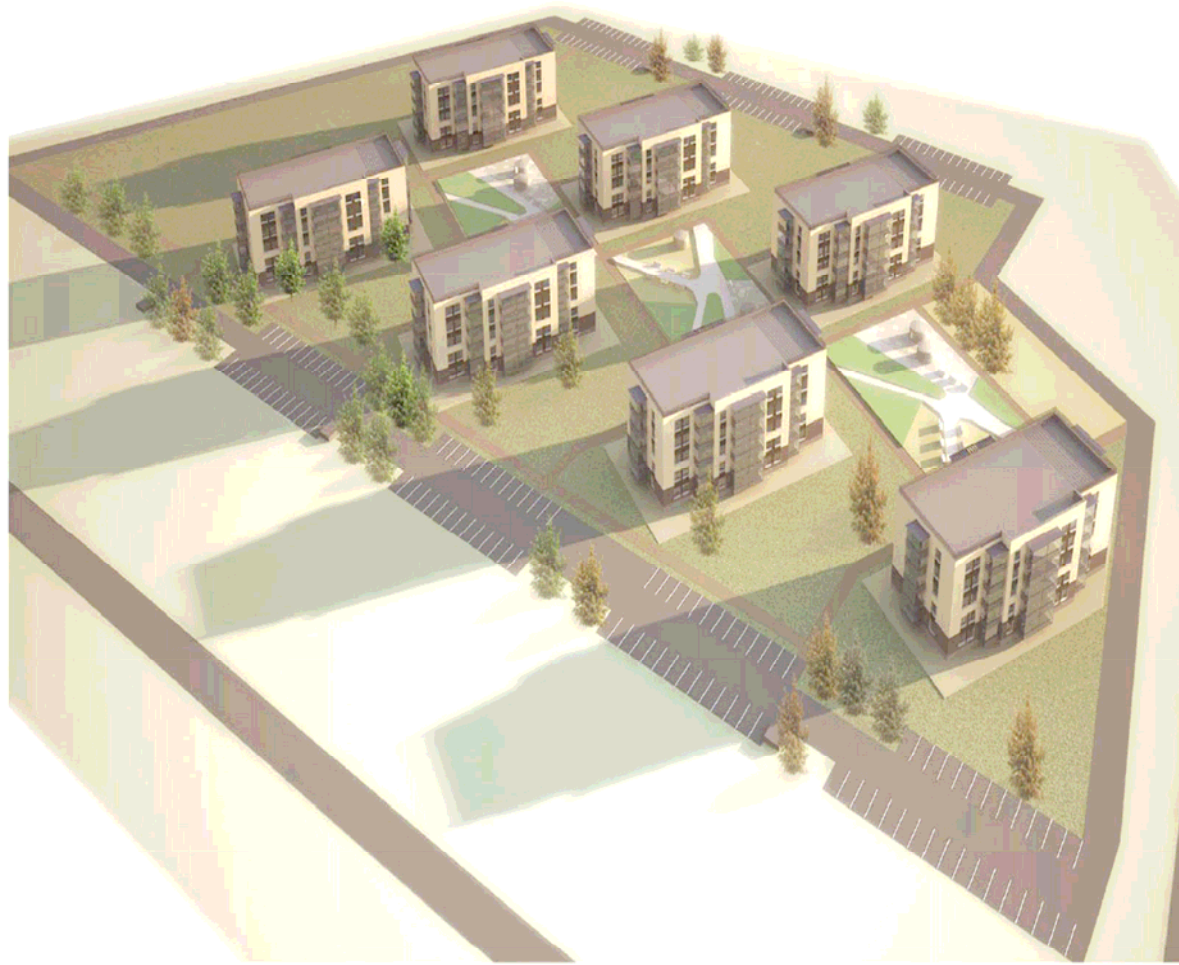
### Office expansion

- 2008; 3 000 m²



## HOUSING PROJECT FOR EMPLOYEES

**PRIVATLY OWNED (EMPLOYEES) APARTMENTS  
JOINT VENTURE BY LENOBLAST AND NOKIAN TYRES**

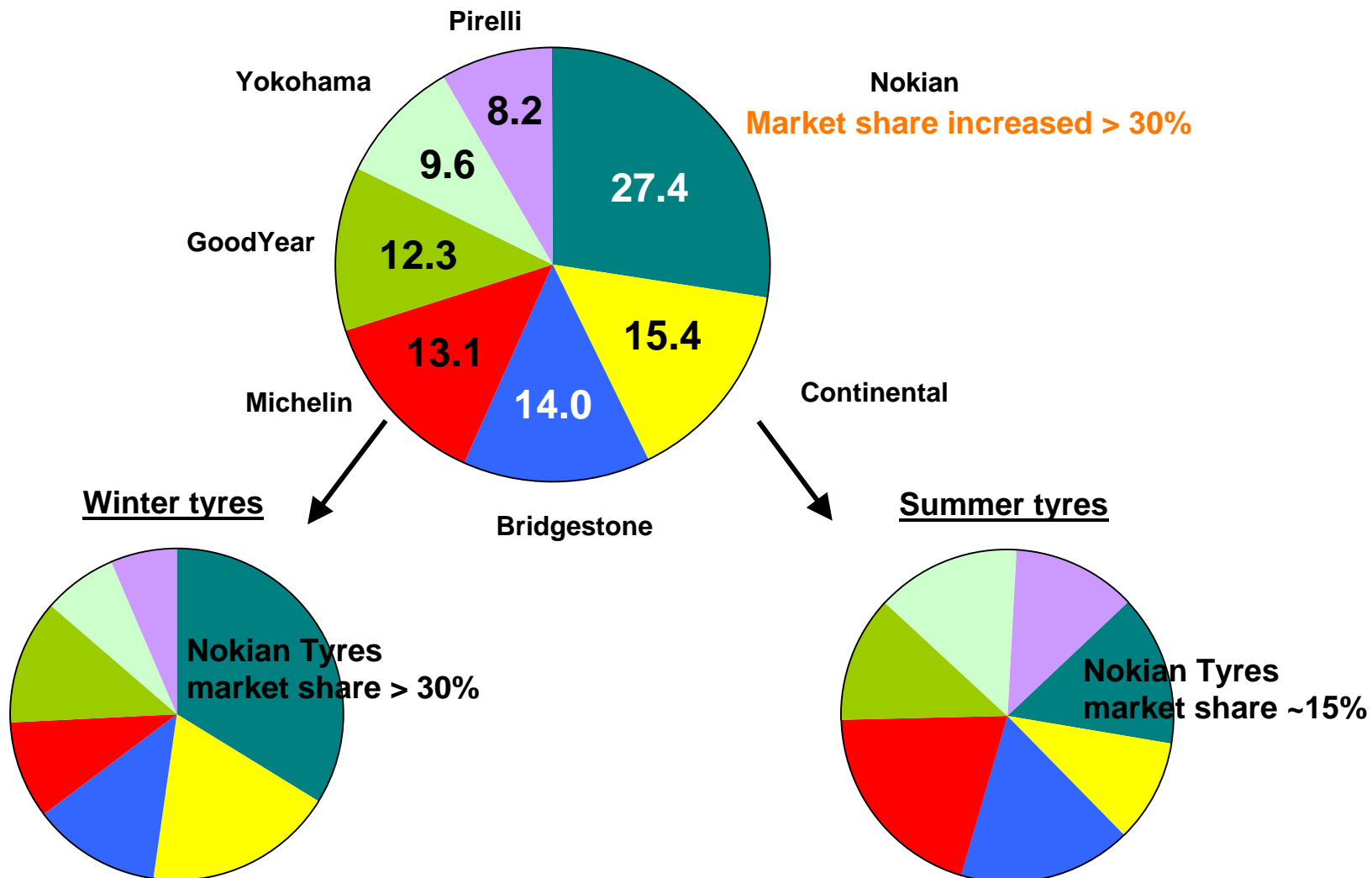


Proceeding as planned

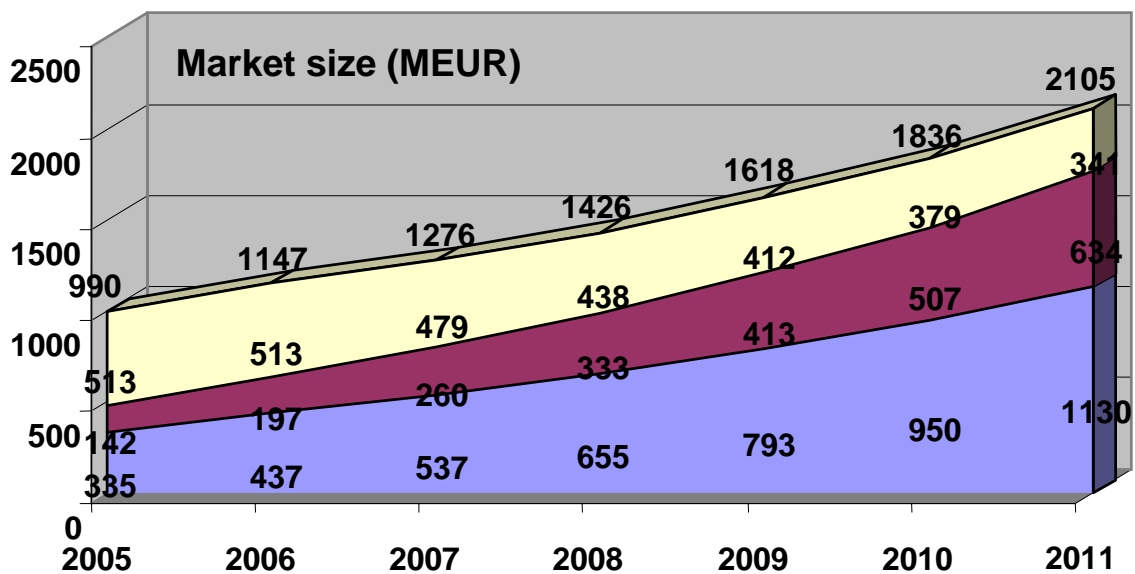
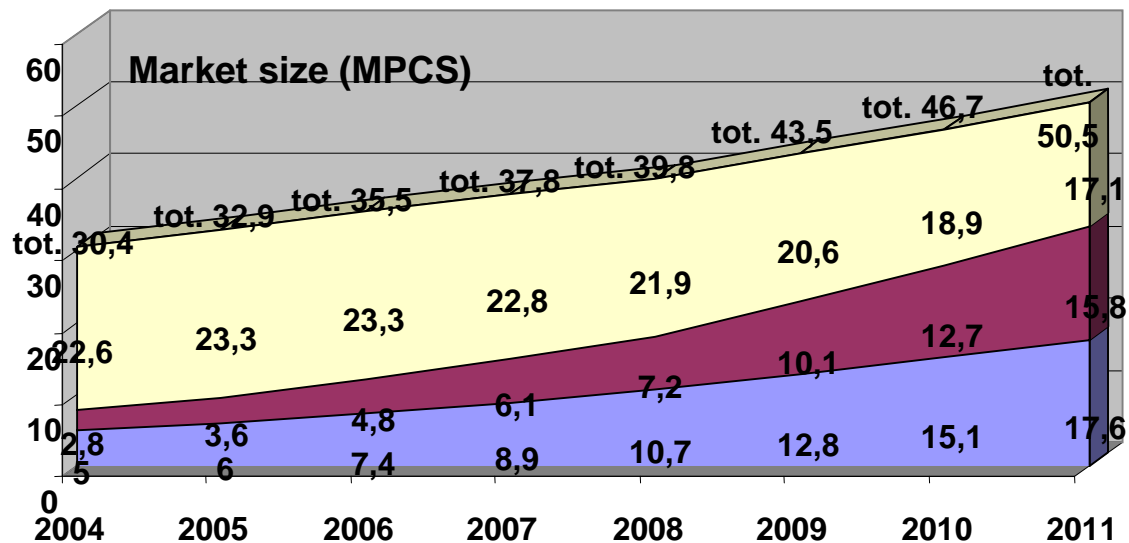
- earth work Q4/07
- building Q1-Q3/08
- first inhabitants 09/08

## RUSSIAN PREMIUM TYRE MARKET IN 2006: market shares

Estimated replacement A-segment market shares 2006 by sell-in volume

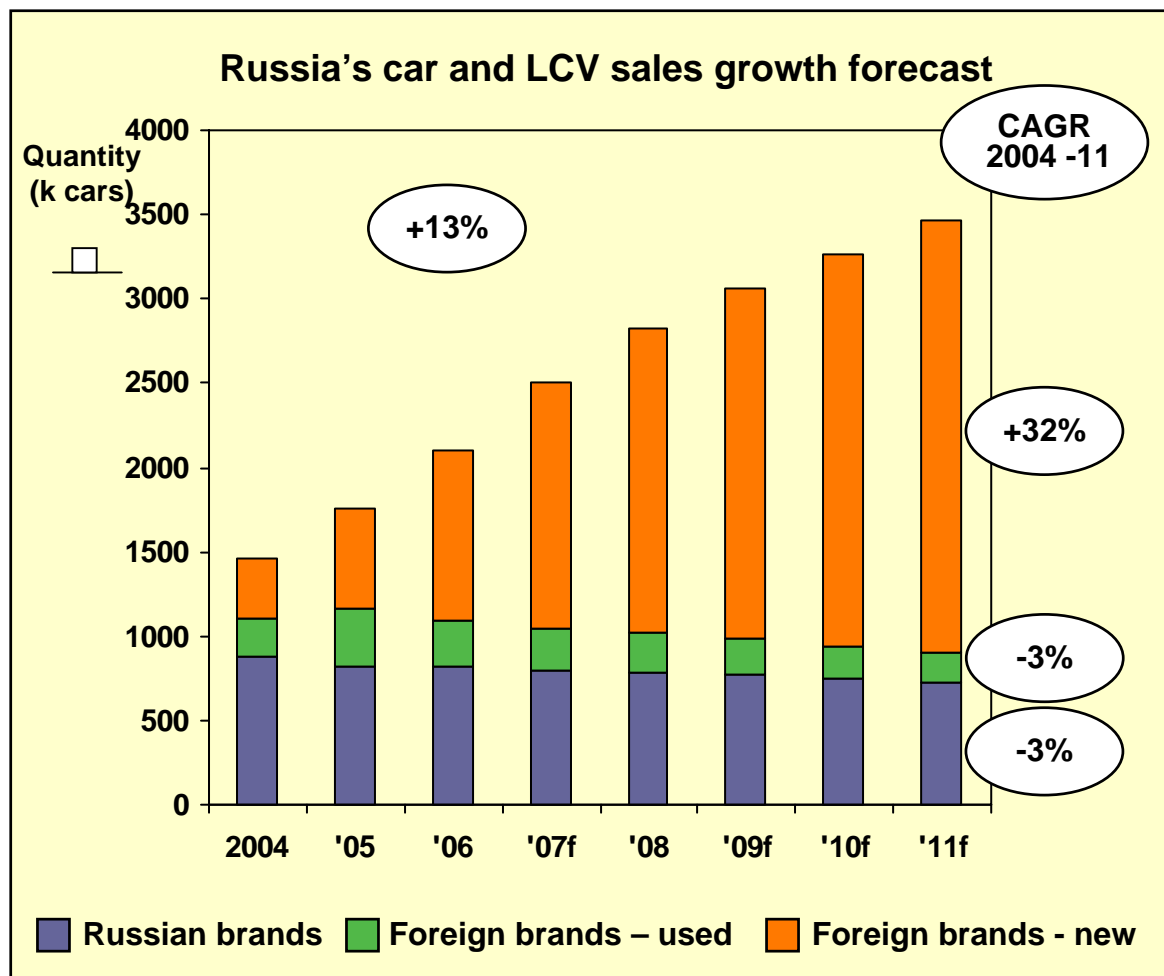


## SALES AND MARKET FORECAST IN RUSSIA



Source: Nokian Tyres

## CAR SALES DEVELOPMENT DRIVING PREMIUM TYRE DEMAND

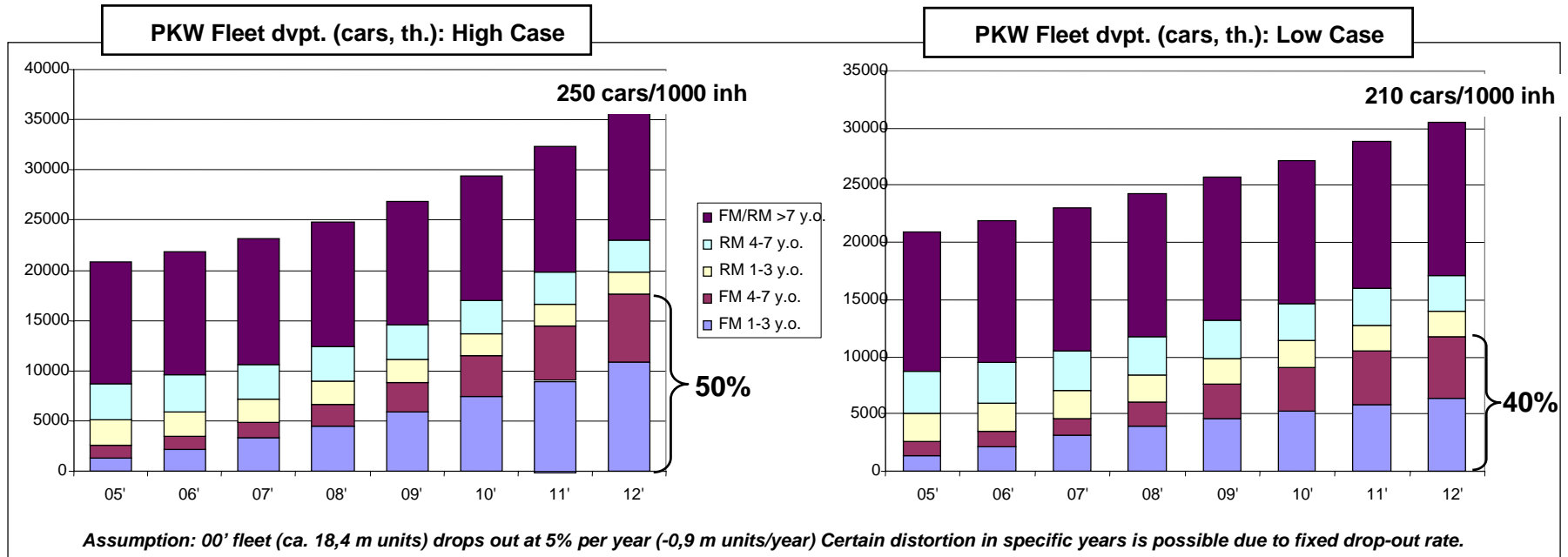


### Car sales growth drivers:

- Robust economic growth
- Increasing real disposable incomes
- Real appreciation of the ruble
- Rapid development of consumer credit
- Development of car dealerships across the country
- Slowing growth of used car imports due to customs policy
- Growth in local production of foreign-branded cars

## **CAR SALES IN RUSSIA / RUSSIAN NEWS 2007**

Sales of new cars 2 million pcs in 2006, > 50% of car sales western brands



Source: Nokian Tyres estimate

### **1-9 2007**

- Russia's car tyre output up 6.6% on year in Jan-Sept. 2007 (Industry and Trade Ministry)
- Foreign car sales in Russia grow 62% on year to 1,137 million vehicles in Jan-Sept. (AEB)
- GDP up 7.4% in Jan-Sept. (Russian Ministry of Economic Development and Trade)
- Industrial production up 6.6% y/y in Jan-Sept. (The Federal State Statistics Service)
- Consumer price index up 7.5% in Jan-Sept. (The Federal State Statistics Service)
- Producer price index up 17.0% in Jan-Sept. (The Federal State Statistics Service)

**CAR SALES IN RUSSIA IN 1-9 2007**

	<u>units</u>	<u>value</u>
New foreign cars	510,000	\$13.2 bn
Russian-made foreign cars	205,000	\$2.8 bn
Used foreign cars	150,000	\$2.2 bn
Russian cars	300,000	\$2.4 bn
Total	1,165,000 (+28%)	\$20.6 bn (+51% y/y)

Source: PricewaterhouseCoopers

## FOREIGN AUTOMAKERS' ASSEMBLY PLANTS IN RUSSIA

<u>Company</u>	<u>Assembly plant in Russia</u>	<u>Location</u>	
GM-AvtoVAZ	Yes	Togliatti	
Ford	Yes	Vsevolozhk	
Avtoframos (Renault 94%)	Yes	Moscow	
Kia-SOK JV	Yes	Izhvesk (Izh-Avto)	
Toyota	Started construction in June 2005	St. Petersburg	Production to start in December 2007
GM	Started construction in June 2006	St. Petersburg	Full-scale production to start in 2008
Volkswagen	Started construction in October 2006	Kaluga region	Production to start in Q3 2007
Bogdan	Started construction in December 2006	Nizhny Novgorod region	Production to start in 2009
Nissan	Started construction in July 2007	St. Petersburg	Production to start in 2009
Volvo Trucks	Started construction in October 2007	Kaluga region	Production to start in 2009
Suzuki	Construction to begin in the first half of 2008	St. Petersburg	Production to start in 2009
Peugeot-Citroën Isuzu, Mitsubishi, Hyundai, Scania, Etalon, Chery, Great Wall, Changan, Mahindra, Lifan	Considering		

- In March 2005, the government announced a cut in import duties on most autos components – from 13% to zero.
- The move is designed to encourage foreign investment in Russia's automotive sector.
- The duty reductions will only be available to foreign autos firms that source 50% of their production from local sources within five years.
- Vehicle output in Russia is expected to increase to 2.6m-3m units by 2010, Russia's Economic Development and Trade Minister said in April. Of this total, foreign-branded models are expected to account for 1.08m.
- In 2007, Russian companies plan to produce 860,000 Russian-branded vehicles, down from 899,000 units in 2006, the economic development and trade ministry has said. Joint ventures are expected to produce 360,000 foreign-branded vehicles, up from 276,000 units last year.

## NOKIAN TYRES IN KAZAKHSTAN

- agreement signed with Ordabasy Corporation October 19, 2007
- joint venture Ordabasy Nokian Tyres JSC → a greenfield car tyre factory in Kazakhstan
- Nokian Tyres share 10% of the JV → right to increase to the minimum of 50%
- the factory produces Nokian and Nordman-branded tyres for Nokian Tyres
- a new brand called Astana will be designed for the JV
- products to be sold in Kazakhstan, Central-Asia, Russia and Eastern Europe.
- Nokian Tyres provides the JV with the know-how and expertise needed to build the factory and to produce tyres
- start-up of the factory during 2009 and the full capacity of 4 million tyres by 2012-2013
- 35-65 % of the capacity for Nokian Tyres during the five first years and the minimum of 35% thereafter
- total investment approx. EUR 160 million → financed through equity of approximately EUR 40 million and external loans
- a long-term technical aid and management agreement





## EASTERN EUROPE AND CENTRAL ASIA – SALES GROWTH 1-9 2007

2007-2008

### Growth opportunity in Eastern Europe and Central Asia

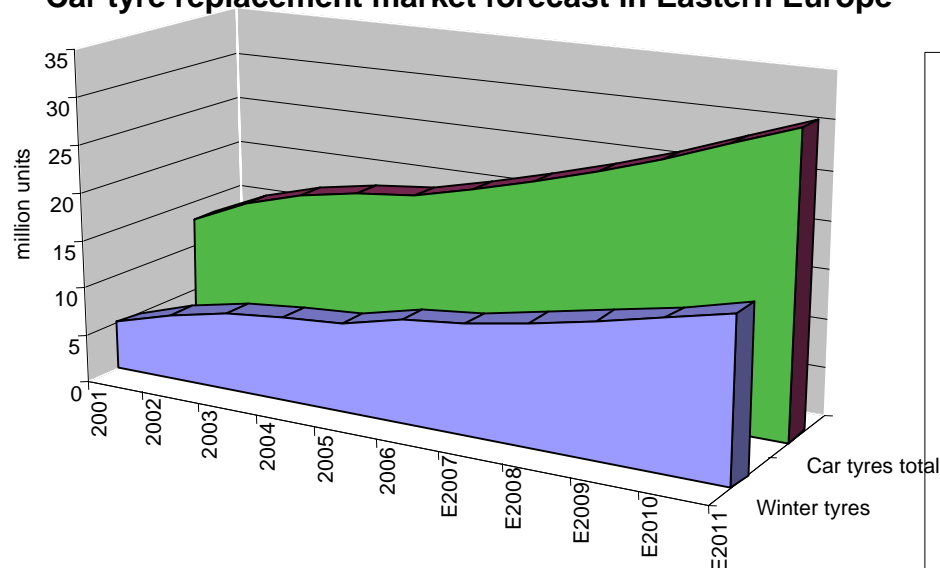
- average winter tyre growth 15.7% 2006, 4%/year 2005, 15%/years 2001-2004
- core growth areas: Poland, Czech Republic, Slovak Republic, Hungary, Ukraine, Kazakhstan
- winter tyre market bigger than in Russia
- winter tyre market 2 x Scandinavia

- strengthen sales and distribution
  - Kazakhstan and CIS countries
  - Hungary, Czech Republic, Slovak Republic, Ukraine
- launch of new products
- sales companies in Ukraine and Kazakhstan
- logistic center opened in Ejpvovice in Czech Republic
- Vianor expanded in Switzerland, Ukraine and Kazakhstan

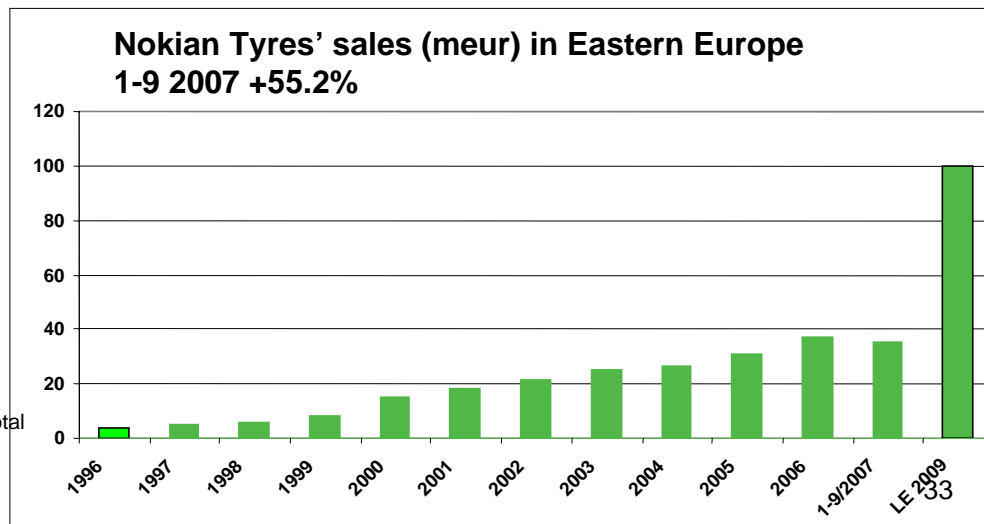
### Production capacity in CEE & Central Asia

- JV in Kazakhstan to build a greenfield tyre factory
- operational in 2009; 4million tyres by 2012-2013

### Car tyre replacement market forecast in Eastern Europe



### Nokian Tyres' sales (meur) in Eastern Europe 1-9 2007 +55.2%



**Shareholders**

**Share price development**

**Key figures Jan-Sept 2007**

## MAJOR SHAREHOLDERS September 30, 2007

	MAJOR SHAREHOLDERS September 30, 2007	Number of shares	% of share capital	Change from previous month
1	Varma Mutual Pension Insurance Company	5 012 250	4,06	320 000
2	Ilmarinen Mutual Pension Insurance Company	3 924 200	3,18	40 000
3	OP Investment Funds	2 216 424	1,8	-250 101
4	Tapiola Mutual Pension Insurance Company	1 100 000	0,89	0
5	The State Pension Fund	1 100 000	0,89	0
6	Odin FundsOdin Investment funds	1 071 200	0,87	0
7	Etera Mutual Pension Insurance Company	888 000	0,72	89 400
8	Gyllenberg Investment Funds	529 050	0,43	15 000
9	The Finnish association of graduates in economics and business administration - SEFE ry	500 000	0,41	0
10	Nordea	451 814	0,37	0
	<b>Major shareholders total</b>	<b>16 792 938</b>	<b>13,62</b>	
	Total amount of shares	123 311 910		
	<b>Bridgestone Europe NV/SA (in the name of a nominee)</b>	<b>20 000 000</b>		

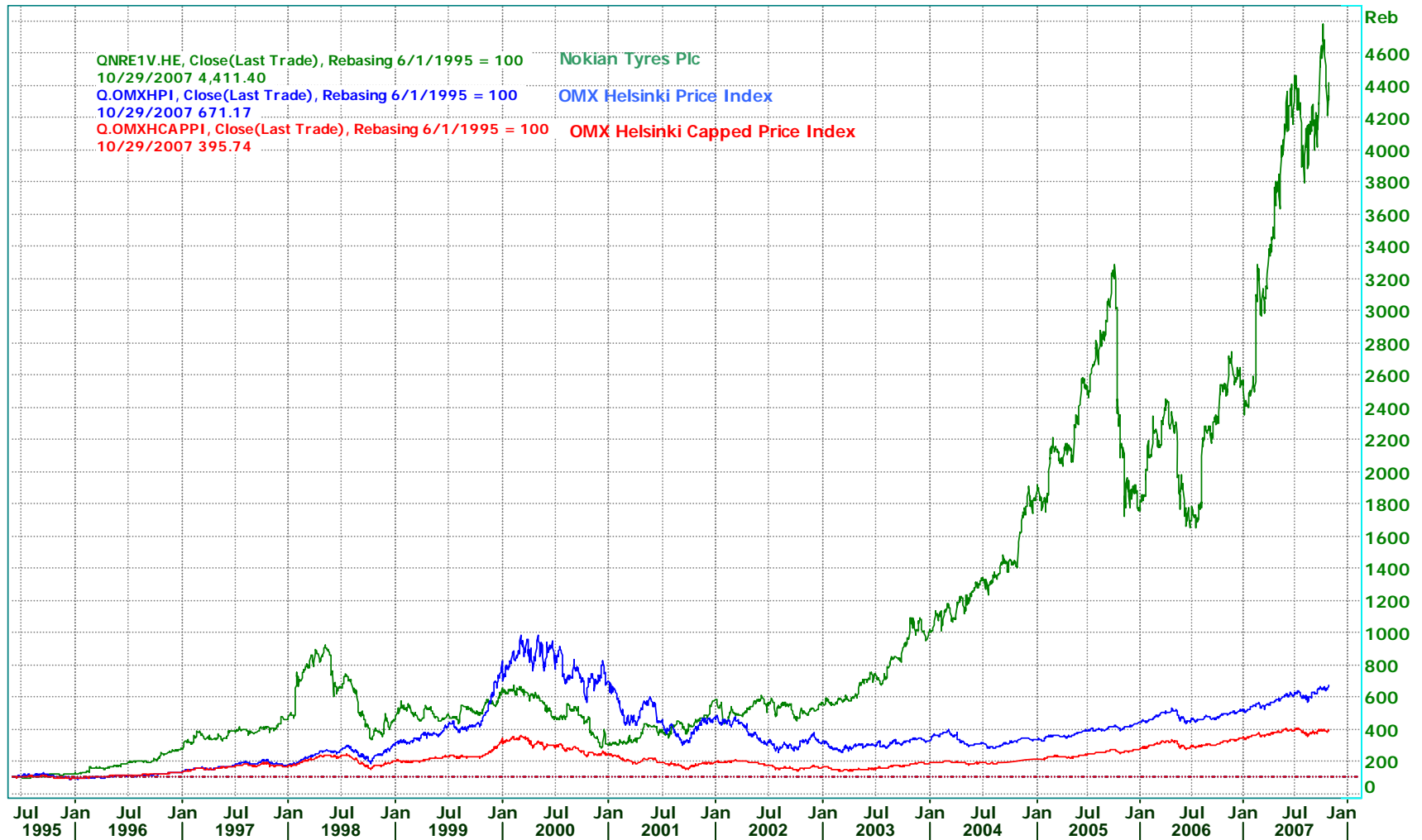
OWNERSHIP BY CATEGORY, %	30.9.2007	30.6.2007	31.3.2007	30.12.2006	29.9.2006
Foreign shareholders (*)	69,3	68,6	65,8	65,0	59,2
Public organisations	10,9	9,9	11,9	10,3	10,4
Private individuals	9,0	9,5	10,2	12,6	15,0
Financial institutions	5,6	6,7	6,4	5,9	7,5
Non-profit organisations	3,5	3,5	3,7	3,8	4,0
Corporations	1,7	1,7	2,0	2,5	3,9
(* includes also shares registered in the name of a nominee)					

### Options, free:

**2004A 160,528; 2004B 229,710; 2004C 245,000**

**2007A 2,250,000; 2007B 2,250,000; 2007C 2,250,000**

# SHARE PRICE DEVELOPMENT 1.6.1995 – 29.10.2007



## CONSOLIDATED INCOME STATEMENT

Million euros	7-9/07	7-9/06	1-9/07	1-9/06	Last 12 months	1-12/06
Net sales	236.0	184.5	668.6	533.9	970.5	835.9
Cost of sales	-133.1	-105.4	-372.5	-313.6	-550.2	-491.3
Gross profit	103.0	79.1	296.1	220.3	420.3	344.5
Other operating income	0.5	0.5	1.4	1.4	2.0	2.0
Selling and marketing expenses	-40.5	-34.6	-124.4	-109.2	-172.8	-157.6
Administration expenses	-5.1	-4.1	-16.0	-12.9	-22.0	-18.9
Other operating expenses	-6.3	-3.9	-16.3	-14.0	-19.3	-17.0
Operating profit	51.6	37.0	140.8	85.6	208.3	153.1
Financial income	7.3	3.2	20.9	18.5	24.8	22.3
Financial expenses	-12.5	-4.4	-32.9	-26.3	-42.7	-36.2
Profit before tax	46.4	35.8	128.8	77.8	190.3	139.3
Tax expense (1)	-8.9	-8.4	-21.3	-18.5	-34.8	-32.0
Profit for the period	37.4	27.5	107.5	59.3	155.5	107.3
Attributable to:						
Equity holders of the parent	37.4	27.5	107.5	59.3	155.5	107.3
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, euros	0.30	0.23	0.88	0.49	1.28	0.88
diluted, euros	0.29	0.22	0.84	0.47	1.24	0.86
1) Tax expense in the consolidated income statement is based on the taxable profit for the period.						

## SEGMENT INFORMATION

Million euros	7-9/07	7-9/06	1-9/07	1-9/06		1-12/06
Net sales						
Passenger car tyres	169.7	122.1	457.7	344.2		533.2
Heavy tyres	23.1	20.5	73.6	65.7		90.1
Vianor	56.2	50.9	170.4	149.9		246.9
Others and eliminations	-13.0	-9.0	-33.2	-26.0		-34.3
Total	236.0	184.5	668.6	533.9		835.9
Operating result						
Passenger car tyres	54.2	35.2	137.8	81.0		133.4
Heavy tyres	5.0	4.4	16.9	15.3		19.9
Vianor	-1.4	-1.7	-3.4	-6.0		2.3
Others and eliminations	-6.3	-0.9	-10.5	-4.7		-2.5
Total	51.6	37.0	140.8	85.6		153.1
Operating result, % of net sales						
Passenger car tyres	32.0	28.8	30.1	23.5		25.0
Heavy tyres	21.8	21.7	23.0	23.3		22.1
Vianor	-2.5	-3.3	-2.0	-4.0		0.9
Total	21.9	20.1	21.1	16.0		18.3
Cash Flow II						
Passenger car tyres	-77.1	-62.0	-186.1	-143.0		68.9
Heavy tyres	2.5	1.1	5.2	6.1		19.4
Vianor	-8.5	-5.4	-19.2	-7.4		7.5
Total	-89.6	-73.3	-213.8	-165.1		77.7

## CONSOLIDATED BALANCE SHEET

CONSOLIDATED BALANCE SHEET	30.9.07	30.9.06	31.12.06
Non-current assets			
Property, plant and equipment	399.3	341.5	353.2
Goodwill	52.8	51.3	51.8
Other intangible assets	7.6	8.2	8.2
Investments in associates	0.1	0.1	0.1
Available-for-sale			
financial assets	0.2	0.3	0.2
Other receivables	8.6	1.1	0.8
Deferred tax assets	25.7	22.0	14.3
Total non-current assets	494.3	424.6	428.6
Current assets			
Inventories	225.3	189.1	159.8
Trade receivables	434.7	330.3	209.7
Other receivables	61.4	52.4	47.6
Cash and cash equivalents	10.3	11.5	39.0
Total current assets	731.6	583.4	456.1
Equity			
Share capital	24.7	24.4	24.5
Share premium	146.6	141.5	142.7
Translation reserve	-7.8	1.6	-2.2
Fair value and hedging reserves	0.0	-0.2	-0.1
Retained earnings	486.1	341.2	391.6
Minority interest	0.0	0.0	0.0
Total equity	649.6	508.5	556.6
Non-current liabilities			
Deferred tax liabilities	28.6	23.1	20.5
Interest-bearing liabilities	298.5	195.0	110.6
Other liabilities	1.8	1.9	1.9
Total non-current liabilities	328.8	220.0	133.0
Current liabilities			
Trade and other payables	139.2	107.6	138.9
Provisions	1.0	0.9	1.0
Interest-bearing liabilities	107.3	171.0	55.3
Total current liabilities	247.5	279.5	195.2
Total assets	1225.9	1008.0	884.7

## KEY RATIOS

KEY RATIOS		30.9.07	30.9.06		31.12.06
Equity ratio, %		53.1	50.5		63.0
Gearing, %		60.9	69.7		22.8
Equity per share, euro		5.27	4.17		4.56
Interest-bearing net debt, mill. euros		395.5	354.4		126.9
Capital expenditure, mill. euros		83.1	76.3		97.0
Depreciation and amortisations, mill. euros		34.7	30.3		40.8
Personnel, average		3,414	3,172		3,234
Number of shares (million units)					
at the end of period		123.31	122.03		122.03
in average		122.81	121.49		121.63
in average, diluted		128.15	124.88		125.15



# Trust the Natives