Nokian Tyres plc Stock Exchange Release 4 November 2011, 8 a.m.

NOKIAN TYRES PLC INTERIM REPORT JANUARY-SEPTEMBER 2011:
Strong third quarter results - high order book

Nokian Tyres group's net sales increased by 41.3 % to EUR 974.3 million (EUR 689.4 million in 1-9/2010). Operating profit grew to EUR 261.0 million (EUR 130.4 million) and Earnings per share increased to EUR 1.66 (EUR 0.85).

Outlook:
Car tyre deliveries have increased clearly and demand remains strong for all 2011 on Nokian Tyres' core markets, despite uncertainties in the global economy. Low inventories in distribution combined with improved car sales and a clear growth in winter tyre sales in Europe and Russia/CIS offer further growth potential. Heavy tyre demand is healthy for 2011 but the growth in order intake is levelling off.

Financial guidance (updated):
In 2011, the company is positioned to provide strong sales growth and to improve operating profit significantly compared to 2010.

Previous financial guidance (Q2/2011):
In 2011, the company is positioned to provide strong sales growth and to improve operating profit clearly compared to 2010.

Key figures, EUR million:

	7-9/11	7-9/10	Change%	1-9/11	1-9/10	Change%	2010
Net sales	346.3	245.2	41.2	974.3	689.4	41.3	1,058.1
Operating profit	95.4	48.3	97.4	261.0	130.4	100.2	222.2
Profit before tax	89.1	39.6	124.7	244.4	122.5	99.5	208.8
Profit for the period	78.1	34.5	126.4	214.6	107.1	100.4	169.7
Earnings per share, EUR	0.60	0.27	122.5	1.66	0.85	96.7	1.34
Equity ratio, %				61.4	58.2		68.4
Cash flow from operations	-150.9	-12.0	-1,159.4	-253.1	-39.3	-544.2	318.8
RONA,% (rolling 12 months)				26.8	13.9		17.8
Gearing, %				35.6	44.9		0.1

Kim Gran, President and CEO:

"A successful first semester was followed by strong growth in Q3 in sales, production output and productivity.

Sales in all our core markets grew significantly and we continued to win market share. The successful launch of our new test winning Central European winter tyre Nokian WR D3 combined with strong sales of Nordic/Russian Hakkapeliitta winter tyre range fuelled growth and improved ASP. An improved sales mix combined with additional price increases improved margins. We continue to expand our distribution network spearheaded by Vianor which has this year recorded 102 new stores totalling 873 by end of September.

Our production output (tons) increased by 51% YOY both factories running full utilization, but not enough to fully satisfy the growth in demand. The start-up of new production lines 9 and 10 in Russia was completed as planned. The ramp-up of capacities continues in Q4, which will further improve output, productivity and service levels.

The visibility to this year sales and results is good. Our sales will correlate closely with our growing production output. ASP will be strong due to seasonality and raw material prices and cost are levelling off, which will help to maintain healthy profitability.

In 2011 our sky seems reasonably clear and our sails continue to bulge with tailwind. We will go in to 2012 stronger than ever and well prepared to take on opportunities and challenges whatever they may be."

Market situation

The growth rate of the global economy started to slow down during the review period. GDP growth was slower than expected in many countries causing downward revisions of economic forecasts. Major economies are still expected to grow, although at a slower pace, backed by easy monetary policies and low interest rates. Growth in Nokian Tyres' core markets, Northern European economies and especially Russia, has shown comparatively positive development. In Europe uncertainty related to the governmental borrowing and its effects to financial markets continue and the outcome is still not fully visible. So far it has had minor effect on the private sector's spending. The uncertainty in macroeconomics has increased globally and may convert into weaker demand in 2012.

Drivers for growth in Nokian Tyres' core markets are still intact. Annual GDP growth averaged approximately 4% in both the Nordic countries and in Russia at the end of the review period. The new car sales increased in the Nordic countries by approximately 11% year-over-year. In Russia the new car sales were up by 44% in January-September compared to the corresponding period in 2010. Sales of new cars in Russia are expected to continue to grow with an estimated total growth of 30% in 2011 year-over-year.

The replacement market sales volume for car tyres in the review period increased in the Nordic countries by an estimated 4% and in Europe by 5% year-over-year. Tyre industry deliveries to distributors increased by over 30% in Russia, trailing the improving economy, lower stocks of distributors and strong consumer confidence.

The second consecutive true winter with heavy snowfall prolonged well into 2011 in all Europe and Russia resulted in strong winter tyre consumer sales and left retailers with low inventories. Summer tyre market was stable in Europe but increased significantly in Russia. Due to a rapid recovery of demand tyre stocks are still low in distribution especially for winter tyres and at times there will be shortage at wholesale and retail level. In the tyre industry strong demand as well as improved sales and ASP for 2011 are expected.

The demand for special heavy tyres remain good for 2011 in the forestry machine, harbour and mining industry. Signs of demand levelling off are starting to appear, which derives from weakened demand and prices of pulp, sawmill products, metals and food raw materials.

The demand for truck tyres has remained strong and there is some short supply in the replacement market.

Overall, the market environment in Nokian Tyres' core markets is healthy and demand exceeds supply in car and truck tyres.

The prices for natural rubber and oil-based materials rose significantly from early 2009 to mid-2011 and some materials were in short supply. In early 2011 raw material costs continued to go up triggering additional price increases from the tyre industry. At the end of the review period raw material prices have dropped and availability is back to normal. The tyre industry raw material costs have still risen slightly in Q3/2011 due to stocks purchased with higher prices. The industry has continued to implement price increases, although at a slower pace. Tyre industry pricing discipline appears to be good.

July-September 2011

In the third quarter of 2011 Nokian Tyres Group recorded net sales of EUR 346.3 million (245.2), showing an increase of 41.2% on the corresponding period a year earlier. Sales increased in the Nordic countries by 23.5% and in Russia by 63.2%. The consolidated sales in Russia and CIS grew by 81.3%. In Central and Eastern Europe sales grew by 45.3% while in North America sales decreased by 37.8%.

Raw material costs (EUR/kg) in manufacturing increased in the third quarter by 21.7% year-over-year and increased 3.2% versus the second quarter of 2011. Fixed costs were EUR 78.8 million (70.3), accounting for 22.8% (28.7%) of net sales.

Nokian Tyres Group’s Operating profit was EUR 95.4 million (48.3). Net financial expenses were EUR 6.3 million (8.7). Net interest expenses were EUR 3.9 million (4.3) including EUR 2.2 million (2.1) in non-cash expenses related to convertible bonds. Net financial expenses include EUR 2.5 million (4.4) of exchange rate differences.

Profit before tax was EUR 89.1 million (39.6). Profit for the period amounted to EUR 78.1 million (34.5), and EPS were EUR 0.60 (EUR 0.27).

Income financing after the change in working capital, investments and the disposal of fixed assets (Cash flow from operations) was EUR -150.9 million (-12.0).

January-September 2011

Nokian Tyres Group recorded net sales of EUR 974.3 million (689.4), showing an increase of 41.3% on the corresponding period a year earlier. In the Nordic countries sales increased by 22.9% representing 37% (42%) of the group’s total sales. Sales in Russia increased by 93.9%. Russia and CIS consolidated sales grew by 94.9% and formed 29% (21%) of the group’s total sales. In Central and Eastern Europe sales were up by 39.6% year-over-year representing 26% (27%) of the group’s total sales. In North America sales decreased by 5.8% and were 6% (9%) of the group’s total sales.

Sales of passenger car tyres were up by 48.5% representing 70% (65%) of the group’s total sales. Heavy tyres’ sales increased by 50.5% and were 8% (7%) of the group’s total sales. Vianor’s sales decreased by 2.3% forming 17% (24%) of the group’s total sales. The sales of Other operations were up by 57.7% representing 4% (4%) of the group’s total sales.

Raw material cost (EUR/kg) in manufacturing increased in the review period by 30.2% year-over-year. Fixed costs amounted to EUR 244.7 million (217.9), accounting for 25.1% (31.6%) of net sales. Total salaries and wages were EUR 128.1 million (102.2).

Nokian Tyres Group's Operating profit amounted to EUR 261.0 million (130.4). The Operating profit was negatively affected by the IFRS 2 -compliant option scheme write-off of EUR 6.3 million (4.7) and expensed credit losses and provisions of EUR 3.0 million (0.5).

Net financial expenses were EUR 16.6 million (7.9). Net interest expenses were EUR 10.4 million (14.3) including EUR 6.3 million (6.0) in non-cash expenses related to convertible bonds. Net financial expenses include EUR 6.2 million (-6.4) of exchange rate differences.

Profit before tax was EUR 244.4 million (122.5). Profit for the period amounted to EUR 214.6 million (107.1), and EPS were EUR 1.66 (EUR 0.85).

Return on net assets (RONA, rolling 12 months) was 26.8% (13.9%). Income financing after the change in working capital, investments and the disposal of fixed assets (Cash flow from operations) was EUR -253.1 million (-39.3).

The Group employed an average of 3,774 (3,262) people, and 3,961 (3,411) at the end of the period. The equity-owned Vianor tyre chain employed 1,382 (1,395) people and Russian operations 1,039 (815) people at the end of the period.

Financial position by 30 September 2011

Gearing ratio was 35.6% (44.9%). Interest-bearing net debt amounted to EUR 383.3 million (382.9). Equity ratio was 61.4% (58.2%).

The Group's interest-bearing liabilities totalled EUR 463.0 million (430.0) of which current interest-bearing liabilities amounted to EUR 260.2 million (226.9). The average interest rate of interest-bearing liabilities was 3.5% (3.2%). The average interest rate of interest-bearing liabilities was 1.8% (1.4%) with calculatory non-cash expenses related to the convertible bond eliminated.

At the end of the review period the company had unused credit limits amounting to EUR 310.7 million (322.2) of which EUR 255.8 million (235.9) were committed. The current credit limits and the commercial paper program are used to finance inventories, trade receivables, subsidiaries in distribution chains and thus control the typical seasonality in the Group's cash flow due to changes in the working capital.

Tax rate

The Group's tax rate in 2010 was 18.7%. It is estimated to be slightly below that in 2011.The tax rate is effected by tax relieves in Russia based on present investments and further investment-related incentive agreements. A new agreement has been completed with authorities in Russia concerning additional investment in the existing factory and building the new factory. The agreement will prolong the tax benefits and incentives for 9 years.

PASSENGER CAR TYRES

	7-9/11	7-9/10	Change%	1-9/11	1-9/10	Change%	2010
Net sales, m€	264.2	174.7	51.3	732.7	493.3	48.5	714.7
Operating profit, m€	94.0	48.7	92.9	262.0	135.6	93.2	205.5
Operating profit, %	35.6	27.9		35.8	27.5		28.8
RONA,% (roll.12 m.)				37.0	18.2		23.3

The net sales of Nokian Passenger Car Tyres in January-September totalled EUR 732.7 million (493.3), up by 48.5% from previous year. Operating profit increased to EUR 262.0 million (135.6). Operating profit percentage improved to 35.8% (27.5%).

The demand for car tyres continued to grow. Nokian Tyres' sales were strong in all core markets, majority of the sales increase coming from Russia. Among product groups the SUV tyres showed the strongest growth. Nokian car tyres' market share improved in the Nordic countries, Russia and Europe. High demand exceeded the company's supply capacity and some sales shifted to the last quarter of the year and to 2012.

The new summer tyre range with the spearhead product Nokian Hakka Green, a tyre giving clear savings in fuel-consumption, won car magazines' tyre tests in the core markets, which boosted sales. A new Central European winter tyre family Nokian WR A3/D3 was successfully launched. The autumn 2011 magazine test results have been successful for Nokian Tyres with several victories in studded and non-studded Nordic winter tyres as well as in Central European winter tyres.

Sales mix improved clearly, which together with successful price increases raised the Average Selling Price year-over-year, thus compensating for the raw material cost increase of 30.7% versus the corresponding period a year earlier.

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

Fixed costs increased moderately compared to the sales growth which helped to improve margins.

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

The order book for 2011 is strong and the inventories are low. Tyre raw materials' availability has improved and material prices have levelled off. The most important challenges in 2011 will be to secure the tyre supply capacity and to optimise the logistics for growing deliveries.

HEAVY TYRES

	7-9/11	7-9/10	Change%	1-9/11	1-9/10	Change%	2010
Net sales, m€	26.6	18.3	45.8	83.3	55.4	50.5	81.0
Operating profit, m€	4.2	1.7	140.9	14.2	9.5	49.9	13.7
Operating profit, %	15.6	9.5		17.0	17.1		16.9
RONA,% (roll.12 m.)				23.4	18.4		21.0

The net sales of Nokian Heavy Tyres totalled EUR 83.3 million (55.4) in the review period, up by 50.5% year-over-year. Operating profit was EUR 14.2 million (9.5), and the Operating profit percentage 17.0% (17.1%).

Demand for heavy tyres improved trailing the increased activity in machine building and a stronger replacement market. Sales of Nokian Heavy Tyres improved clearly in all product groups. Forestry, mining and radial tyres showed strongest growth. Sales in Russia improved clearly. The order book was healthy at the end of the review period, although the demand growth seems to be levelling off.

Price increases were implemented in order to offset the higher raw material cost.

The production was at full utilization and volume (tons) increased by 40% year-over-year. Further investment to open bottlenecks in production and to increase capacity in 2012-2013 by approximately 20% from present level have been taken. Installation of machinery has started in Q3/2011.

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

VIANOR

Equity-owned operations

	7-9/11	7-9/10	Change%	1-9/11	1-9/10	Change%	2010
Net sales, m€	60.6	64.5	-6.1	181.1	185.3	-2.3	307.9
Operating result, m€	-3.5	-2.8	-22.8	-10.7	-7.9	-35.9	4.0
Operating result, %	-5.8	-4.4		-5.9	-4.3		1.3
RONA,% (roll.12 m.)				-2.0	-1.5		2.6

At the end of the review period Vianor had 180 (170) equity-owned stores in Finland, Sweden, Norway, USA, Switzerland and Russia. In the review period 11 stores were acquired and one store was closed. Vianor's net sales in January-September amounted to EUR 181.1 million (185.3), down by 2.3% compared with the corresponding period in 2010. Operating result was EUR -10.7 million (-7.9) and the Operating result percentage was -5.9% (-4.3%). The Operating result was negative due to seasonality. As in previous years, the last quarter with winter tyre consumer season will be decisive for Vianor's results.

In 2011 the focus will be on improving sales and market shares further, developing the car services business and improving cost efficiency.

Franchising and partner operations

Vianor expanded the network on Nokian Tyres' core markets by 53 stores in Q3 and by 102 stores during the review period. At the end of September 2011, the global Vianor network comprised of 873 stores of which 693 were partners. Vianor operated in 23 countries; most extensively in the Nordic countries, in Russia and in Ukraine. In the third quarter Romania joined as a new country in the network. Nokian Tyres' market shares improved as a result of the expansion.

Expanding the partner franchise network will continue according to plans; the target is to have more than 900 stores by the end of 2011, out of which 180 are equity-owned.

OTHER OPERATIONS

Truck Tyres

The net sales of Nokian Truck Tyres were EUR 44.6 million (28.3), up by 57.7% from the previous year. Nokian truck tyres' market share increased in the Nordic countries, in Russia as well as in Central and Eastern Europe due to an improved product range in both premium and standard tyres. Sales of retreading materials improved due to a higher utilization rate in the transport sector and restocking by customers.

Due to the improved market there has been a global shortage of truck tyres. Nokian Tyres will continue to get more capacity in order to meet higher demand. In 2011 the focus will also be on streamlining logistics and expanding the product range. The expansion to Russia, CIS and Eastern Europe utilizing the “Vianor Truck” service concept will continue.

RUSSIA AND THE CIS COUNTRIES

Nokian Tyres' sales in Russia increased year-over-year by 93.9% to EUR 274.3 million (141.4). Sales in CIS countries (excluding Russia) were EUR 27.4 million (13.4). Consolidated sales in Russia and CIS increased by 94.9% to EUR 301.7 million (154.8).

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

The distribution network was extended by signing additional distribution agreements and expanding the Vianor network. There were a total of 474 Vianor stores in 283 cities in Russia and CIS countries at the end of the review period.

A total of 8 production lines have been operating since September 2010 with an annualized capacity of 8 million tyres. During 2011 two new production lines (9 and 10) in the Russian factory have increased the annual capacity to approximately 11 million tyres. The company commenced building a new plant next to the current one, which will increase the annual car tyre capacity further by 5-6 million tyres. All required agreements with Russian authorities about tax relieves and infrastructure investments have been signed, which will prolong the incentive period by 9 years. The new plant is estimated to commence production during 2012 and the capacity increase during 2012-2014.

Russian economy recovered at an estimated real GDP growth of 4% in 1-9/2011 versus 1-9/2010. Consumer confidence was strong and purchasing power improved. Russia is expected to show a healthy GDP growth of 4% in 2011.

New car sales, the main driver for premium tyres, increased by 45% in 1-9/2011 compared to 1-9/2010. The new car sales was supported by the credit rates offered by banks (including loans subsidized by car manufacturers) returning to pre-crisis values. New sertificates of the car scrappage incentive program are no longer granted, but the program's positive effect on car sales still continues. The car sales annual growth in 2011 is forecasted to be approximately 30% with a gradual return to pre-crisis volume. The sales of used cars is also strong with demand exceeding supply. Western cars that were acquired in large volumes 3-4 years ago are now in need for both summer and winter replacement tyres.

The market potential with strong underlying consumer demand in Russia is evident with strong growth in car and tyre sales. Tyre industry deliveries to distributors increased by over 30% in 1-9/2011 year-over-year.

The Nokian Tyres plant located in Russia inside the customs borders (duty 20% for imported tyres) combined with an expanding Vianor chain provides a significant competitive edge on the market.

INVESTMENTS

Investments in January-September amounted to EUR 108.2 million (30.6). This comprises of production investments in the Russian and Finnish factories, moulds for new products and the Vianor expansion projects.

OTHER MATTERS

1. Stock options on the NASDAQ OMX Helsinki Stock Exchange

The total number of stock options 2007C is 2,250,000. Each stock option 2007C entitles its holder to subscribe for one Nokian Tyres plc share. The shares can be subscribed with the stock options 2007C during 1 March 2011 - 31 March 2013. In the aggregate, the stock options 2007C entitle their holders to subscribe for 2,250,000 shares. The present share subscription price with stock options 2007C is EUR 7.56/share. The dividends payable annually shall be deducted from the share subscription price.

2. Shares subscribed with option rights

After 14 December, 2010 registered new shares a total of 1,146,301 Nokian Tyres plc’s shares have been subscribed with the 2007A option rights and 250 with the 2007B option rights. These option rights are attached to the Nokian Tyres plc’s Option Programs of 2007. New shares have been registered into the Trade Register on 24 February, 2011. After the subscription, the number of Nokian Tyres shares was 128,849,012 and the share capital remained EUR 25,437,906.00.

After 24 February 2011 registered new shares a total of 448,867 Nokian Tyres plc's shares have been subscribed with the 2007A option rights and 175 with the 2007B option rights and 177,790 with the 2007C option rights. These option rights are attached to the Nokian Tyres plc's Option Programs of 2007. New shares have been registered into the Trade Register on 12 May 2011. After the subscription, the number of Nokian Tyres plc shares increased to 129,475,844 shares.

After 12 May 2011 registered new shares a total of 50 Nokian Tyres plc's shares have been subscribed with the 2007B option rights and 92,811 with the 2007C option rights. These option rights are attached to the Nokian Tyres plc's Option Programs of 2007. New shares have been registered into the Trade Register on 11 August 2011, as of which date the new shares will establish shareholder rights. The share capital will not increase with subscriptions made by 2007 option rights. The entire subscription price of EUR 705,616.49 will be entered in the invested unrestricted equity reserve. As a result of the share subscriptions, the number of Nokian Tyres plc shares will increase to 129,568,705 shares.

3. Share price development

The Nokian Tyres’ share price was EUR 22.58 (EUR 25.19) at the end of the review period. The volume weighted average share price during the period was EUR 28.50 (EUR 19.68), the highest EUR 37.45 (EUR 25.38) and the lowest EUR 21.21 (EUR 15.89). A total of 149,402,622 shares were traded during the period (134,973,979), representing 115% (107) of the company's overall share capital. The company’s market value at the end of the period amounted EUR 2.926 billion (EUR 3.191 billion).The company’s percentage of Finnish shareholders was 39.2% (37.1) and 60.8% (62.9) were foreign shareholders registered in the nominee register. This figure includes Bridgestone's ownership of approximately 15.5%.

4. Decisions made at the Annual General Meeting

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

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

4.1. Members of the Board of Directors and Auditor

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

4.2. Remuneration of the Members of the Board of Directors

The meeting decided that the fee paid to the Chairman of the Board is EUR 70,000 per year, while that paid to Board members is set at EUR 35,000 per year. With the exception of the President and CEO, members of the Board and the Nomination and Remuneration Committee are also granted an attendance fee of EUR 600 per meeting.

In addition, 60% of the annual fee be paid in cash and 40% in company shares, such that in the period from 8 April to 29 April 2011, EUR 28,000 worth of Nokian Tyres plc shares will be purchased at the stock exchange on behalf of the Chairman of the Board and EUR 14,000 worth of shares on behalf of each Board member. This means that the final remuneration paid to Board members is tied to the company's share performance. No separate compensation will be paid to the President and CEO for Board work.

5. Signing of credit facility

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

6. Changes in ownership

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

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

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

RISKS, UNCERTAINTY AND DISPUTES IN THE NEAR FUTURE

Ongoing uncertainty related to governmental borrowing in Europe may from time to time cause disruption in the financial markets. The increased uncertainty in macroeconomics globally may convert into weaker demand, sales and results.

Inventories and receivables have increased during the review period in line with seasonality and the business model. Special attention will be drawn to controlling net working capital. Inventory and trade receivable rotation have improved compared to previous year in all business units. Russian trade receivables account for 37.5% of the Group's total trade receivables.

Around 35% of the Group's net sales are generated from euro-denominated sales. The most important sales currencies in addition to the euro are the Russian rouble, the Swedish and Norwegian krona, the US dollar and the Ukrainian hryvnia.

Nokian Tyres' other risks and uncertainty factors relate to the prices of raw materials. The maintaining of profitability depends on company's ability to raise prices in line with the increasing raw material cost. An efficient ramp-up of new production lines in Russia will depend on the success of recruiting and retaining work force in a tightening labour market.

Nokian Tyres group has no pending disputes or litigations expected to have material effect on the performance or future outlook of the group.

OUTLOOK FOR 2011

Car tyre deliveries have increased clearly and demand remains strong for all 2011 on Nokian Tyres' core markets, despite uncertainties in the global economy. Low inventories in distribution combined with improved car sales and a clear growth in winter tyre sales in Europe and Russia/CIS offer further growth potential. Heavy tyre demand is healthy for 2011 but the growth in order intake is levelling off.

Nokian Tyres have added to production capacity more than 30% in 2011 versus 2010. Production has been increased by investment and start-up of two new lines in the Russian plant and by shifting the plant in Nokia back to 7 days/week full capacity. The company is also building a new plant in Russia next to the current one, which will increase the annual car tyre capacity by 5-6 million tyres. The new plant is estimated to commence production during 2012 and the capacity increase during 2012-2014. All required agreements with Russian authorities about tax relieves and infrastructure investments have been signed, which will prolong the incentive period by 9 years.

Nokian Tyres' raw material cost is gradually levelling off, but for full year 2011 it is estimated to increase by approximately 29% compared to 2010. In order to compensate the company is targeting an ASP increase of 9% for 2011. The year-over-year ASP development in the review period exceeded the target.

Strong demand, a healthy order book, expanding distribution channel, fluent seasonal logistics, an improved cost structure with majority of production inside duty borders of Russia and CIS as well as new test winner products will give Nokian Tyres a good chance to strengthen its market leadership in the core markets and to continue strong profitable growth.

Financial guidance (updated):

In 2011, the company is positioned to provide strong sales growth and to improve operating profit significantly compared to 2010.

Previous financial guidance (Q2/2011):

In 2011, the company is positioned to provide strong sales growth and to improve operating profit clearly compared to 2010.

INVESTMENTS IN 2011

Nokian Tyres' budget for total investments in 2011 is approximately EUR 150 million (50.5). Roughly EUR 87 million will be invested in Russia, including the start of construction of the new production facilities. The balance comprises of investments in Nokia plant and processes EUR 29 million, moulds for new products EUR 20 million and Vianor chain including acquisitions EUR 14 million.

Nokia, 4 November 2011

Nokian Tyres plc

Board of Directors

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The above-said information contains forward-looking statements relating to future events or future financial performance of the company. In some cases, such forward-looking statements can be identified by terminology such as "may", "will", "could", "expect", "anticipate", "believe" "estimate", "predict", or other comparable terminology. Such statements are based on the current expectations, known factors, decisions and plans of the management of Nokian Tyres. Forward-looking statements involve always risks and uncertainties, because they relate to events and depend on circumstances that may or may not occur in the future. Future results may thus vary even significantly from the results expressed in, or implied by, the forward-looking statements.

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This financial statements bulletin has been prepared in accordance with IFRS compliant recognition and measurement principles and the same accounting policies as in the most recent annual financial statements, but it has not been prepared in compliance with all requirements set out in IAS 34 'Interim Financial Reporting'.

NOKIAN TYRES
CONSOLIDATED INCOME STATEMENT

Million euros	7-9/11	7-9/10	1-9/11	1-9/10	Last 12 months	1-12/10
Net sales	346.3	245.2	974.3	689.4	1,343.0	1,058.1
Cost of sales	-189.5	-144.6	-526.3	-398.8	-731.5	-604.0
Gross profit	156.8	100.6	448.0	290.6	611.5	454.1
Other operating income	0.3	0.5	1.5	3.3	2.5	4.3
Selling and marketing expenses	-48.7	-43.3	-152.0	-133.7	-211.1	-192.9
Administration expenses	-6.3	-6.2	-20.8	-18.8	-29.7	-27.6
Other operating expenses	-6.6	-3.3	-15.6	-11.0	-20.4	-15.8
Operating profit	95.4	48.3	261.0	130.4	352.8	222.2
Financial income	13.5	25.6	63.2	71.7	87.8	96.3
Financial expenses	-19.9	-34.3	-79.8	-79.6	-109.9	-109.7
Profit before tax	89.1	39.6	244.4	122.5	330.7	208.8
Tax expense (1	-11.0	-5.2	-29.7	-15.4	-53.5	-39.1
Profit for the period	78.1	34.5	214.6	107.1	277.2	169.7
Attributable to:						
Equity holders of the parent	78.1	34.5	214.6	107.1	277.2	169.7
Non-controlling 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	0.60	0.27	1.66	0.85		1.34
diluted, euros	0.60	0.27	1.65	0.84		1.32

CONSOLIDATED OTHER COMPREHENSIVE INCOME Million euros	7-9/11	7-9/10	1-9/11	1-9/10	1-12/10
Profit for the period	78.1	34.5	214.6	107.1	169.7
Other comprehensive income, net of tax:					
Gains/Losses from hedge of net investments in foreign operations	4.0	4.9	4.6	-15.5	-17.9
Cash flow hedges	-1.1	-0.1	-0.4	-0.9	-0.6
Translation differences on foreign operations	-33.2	-45.1	-28.8	24.0	37.0
Total other comprehensive income for the period, net of tax	-41.4	-40.4	-24.6	7.7	18.5
Total comprehensive income for the period	36.7	-5.9	190.0	114.8	188.2
Total comprehensive income attributable to:					
Equity holders of the parent	36.7	-5.9	190.0	114.8	188.2
Non-controlling interest	0.0	0.0	0.0	0.0	0.0

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

KEY RATIOS	30.9.11	30.9.10	31.12.10
Equity ratio, %	61.4	58.2	68.4
Gearing, %	35.6	44.9	0.1
Equity per share, euro	8.31	6.71	7.34
Interest-bearing net debt, mill. euros	383.3	382.9	0.7
Capital expenditure, mill. euros	108.2	30.6	50.5
Depreciation, mill. euros	53.2	52.1	69.4
Personnel, average	3,774	3,262	3,338
Number of shares (million units)			
at the end of period	129.57	127.19	127.70
in average	128.97	126.56	126.75
in average, diluted	135.77	132.59	132.96

CONSOLIDATED STATEMENT OF FINANCIAL POSITION Million euros	30.9.11	30.9.10	31.12.10
Non-current assets			
Property, plant and equipment	515.9	490.5	483.6
Goodwill	62.9	57.9	58.8
Other intangible assets	22.2	17.1	19.7
Investments in associates	0.1	0.1	0.1
Available-for-sale financial assets	0.3	0.2	0.3
Other receivables	19.7	17.3	20.6
Deferred tax assets	6.2	34.4	22.3
Total non-current assets	627.2	617.6	605.2
Current assets			
Inventories	353.6	224.1	210.6
Trade receivables	601.7	464.1	258.9
Other receivables	93.2	115.6	80.4
Cash and cash equivalents	79.7	47.1	216.6
Total current assets	1,128.2	850.9	766.3
Equity			
Share capital	25.4	25.4	25.4
Share premium	181.4	181.4	181.4
Translation reserve	-95.3	-81.6	-71.1
Fair value and hedging reserves	0.0	-0.9	-0.6
Paid-up unrestricted equity reserve	35.1	0.0	8.0
Retained earnings	930.2	728.7	793.9
Non-controlling interest	0.3	0.0	0.0
Total equity	1,077.1	853.1	937.2
Non-current liabilities			
Deferred tax liabilities	13.8	29.9	39.3
Provisions	0.1	1.4	0.1
Financial liabilities	202.8	203.1	204.2
Other liabilities	2.1	3.1	1.9
Total non-current liabilities	218.7	237.6	245.5
Current liabilities			
Trade payables	96.4	65.2	81.0
Other current payables	100.8	85.1	92.7
Provisions	2.2	0.7	2.2
Short-term financial liabilities	260.2	226.9	13.0
Total current liabilities	459.6	377.9	189.0
Total assets	1,755.4	1,468.5	1,371.6

Changes in net working capital arising from operative business are partly covered by EUR 250 million domestic commercial paper programme.

CONSOLIDATED STATEMENT OF CASH FLOWS Million euros	1-9/11	1-9/10	1-12/10
Cash flows from operating activities:			
Cash generated from operations	-165.2	9.0	372.7
Financial items and taxes	-42.9	-62.1	-45.4
Net cash from operating activities	-208.1	-53.2	327.2
Cash flows from investing activities:			
Net cash used in investing activities	-107.6	-27.2	-33.7
Cash flows from financing activities:			
Proceeds from issue of share capital	27.1	26.6	34.7
Change in current financial receivables and debt	246.5	183.8	-29.8
Change in non-current financial receivables and debt	-8.7	-95.9	-95.2
Dividends paid	-83.7	-50.7	-50.7
Net cash from financing activities	181.1	63.8	-141.0
Net change in cash and cash equivalents	-134.6	-16.5	152.6
Cash and cash equivalents at the beginning of the period	216.6	62.5	62.5
Effect of exchange rate changes	-2.3	1.1	1.5
Cash and cash equivalents at the end of the period	79.7	47.1	216.6
	-134.6	-16.5	152.6

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

A = Share capital
B = Share premium
C = Translation reserve
D = Fair value and hedging reserves
E = Paid-up unrestricted equity reserve
F = Retained earnings
G = Non-controlling interest
H = Total equity

	Equity attributable to equity holders of the parent							
Million euros	A	B	C	D	E	F	G	H
Equity, Jan 1st 2010	25.0	155.2	-90.2	0.0	0.0	667.6	0.0	757.6
Profit for the period						107.1		107.1
Other comprehensive income, net of tax:								
Cash flow hedges				-0.9				-0.9
Net investment hedge			-15.5					-15.5
Translation differences			24.0					24.0
Total comprehensive income for the period			8.6	-0.9		107.1		114.8
Dividends paid						-50.7		-50.7
Exercised warrants	0.5	26.1						26.6
Share-based payments						4.7		4.7
Total transactions with owners for the period	0.5	26.1				-46.0		-19.4
Equity, Sep 30th 2010	25.4	181.4	-81.6	-0.9	0.0	728.7	0.0	853.1
Equity, Jan 1st 2011	25.4	181.4	-71.1	-0.6	8.0	793.9	0.0	937.2
Profit for the period						214.6		214.6
Other comprehensive income, net of tax:								
Cash flow hedges				-0.4				-0.4
Net investment hedge			4.6					4.6
Translation differences			-28.8					-28.8
Total comprehensive income for the period			-24.2	-0.4		214.6		190.0
Dividends paid						-83.7		-83.7
Exercised warrants					27.1			27.1
Share-based payments						6.3		6.3
Total transactions with owners for the period					27.1	-77.4		-50.3
Change in non-controlling interest							0.3	0.3
Equity, Sep 30th 2011	25.4	181.4	-95.3	-1.0	35.1	931.2	0.3	1,077.1

SEGMENT INFORMATION

Million euros	7-9/11	7-9/10	1-9/11	1-9/10	1-12/10	Change %
Net sales						
Passenger car tyres	264.2	174.7	732.7	493.3	714.7	48.5
Heavy tyres	26.6	18.3	83.3	55.4	81.0	50.5
Vianor	60.6	64.5	181.1	185.3	307.9	-2.3
Other operations	21.8	12.4	54.0	28.5	41.6	89.4
Eliminations	-26.9	-24.5	-76.8	-73.1	-87.2	-5.1
Total	346.3	245.2	974.3	689.4	1,058.1	41.3
Operating result						
Passenger car tyres	94.0	48.7	262.0	135.6	205.5	93.2
Heavy tyres	4.2	1.7	14.2	9.5	13.7	49.9
Vianor	-3.5	-2.8	-10.7	-7.9	4.0	-35.9
Other operations	3.3	2.1	2.6	1.6	-1.6	64.9
Eliminations	-2.6	-1.4	-7.1	-8.4	0.6	16.2
Total	95.4	48.3	261.0	130.4	222.2	100.2
Operating result, % of net sales						
Passenger car tyres	35.6	27.9	35.8	27.5	28.8	
Heavy tyres	15.6	9.5	17.0	17.1	16.9	
Vianor	-5.8	-4.4	-5.9	-4.3	1.3	
Total	27.6	19.7	26.8	18.9	21.0	
Cash Flow II						
Passenger car tyres	-117.5	2.8	-154.2	-7.7	291.2	-1,906.6
Heavy tyres	-6.0	-1.8	-19.2	-3.1	8.5	-517.3
Vianor	-22.1	-13.2	-42.2	-22.3	12.4	-89.2
Total	-150.9	-12.0	-253.1	-39.3	318.8	-544.2

CONTINGENT LIABILITIES Million euros	30.9.11	30.9.10	31.12.10
FOR OWN DEBT			
Mortgages	1.0	1.0	1.1
Pledged assets	0.1	0.0	0.0
OTHER OWN COMMITMENTS			
Guarantees	2.3	6.0	6.2
Leasing and rent commitments	95.6	102.4	102.1
Purchase commitments	2.2	1.7	2.2

DERIVATIVE FINANCIAL INSTRUMENTS Million euros	30.9.11	30.9.10	31.12.10
INTEREST RATE DERIVATIVES			
Interest rate swaps			
Notional amount	89.2	90.8	30.7
Fair value	-1.4	-1.8	-1.3
FOREIGN CURRENCY DERIVATIVES			
Currency forwards			
Notional amount	497.8	360.9	563.2
Fair value	8.4	9.5	-3.3
Currency options, purchased			
Notional amount	57.9	43.1	0.0
Fair value	1.6	0.8	0.0
Currency options, written			
Notional amount	92.3	86.6	0.0
Fair value	-1.1	-0.6	0.0
ELECTRICITY DERIVATIVES			
Electricity forwards			
Notional amount	16.3	-	-
Fair value	-0.3	-	-

DEFINITIONS OF CONSOLIDATED KEY FINANCIAL INDICATORS

Earnings per share, euro:
Profit for the period attributable to the equity holders of the parent / Average adjusted number of shares during the period

Earnings per share (diluted), euro:
Profit for the period attributable to the equity holders of the parent / Average adjusted and diluted number of shares during the period

The share options affect the dilution as the average share market price for the period exceeds the defined subscription price.

Equity ratio, %:
Total equity x 100 / (Total assets - advances received)

Gearing, %:
Interest-bearing net debt x 100 / Total equity

Equity per share, euro:
Equity attributable to equity holders of the parent / Adjusted number of shares on the reporting date

DEFINITIONS OF SALES AREAS

Nordic countries: Finland, Norway, Sweden.

Russia and CIS:

Russia, Armenia, Belarus, Georgia, Kazakhstan, Moldova, Ukraine.

Central and Eastern Europe:

Albania, Austria, Belgium, Bulgaria, Croatia, Czech Republic, Denmark, Estonia, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Lithuania, The Former Yugoslav Republic of Macedonia, Montenegro, Netherlands, Poland, Portugal, Romania, Serbia, Slovakia, Slovenia, Spain, Switzerland, Turkey, United Kingdom.

North America: Canada, USA.

Core markets: Nordic countries, Russia and CIS.

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Nokian Tyres plc

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Nokian Tyres plc interim report January-September 2011 was published on Friday 4 November, 2011 at 8.00 a.m. Finnish time.

The result presentation to analysts and media will be held in Hotel Kämp in Helsinki at 10.00 a.m. Finnish time. The presentation can be listened through audiocast via internet at http://www.nokiantyres.com/resultinfo2011q3

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: 905043

Stock exchange release and presentation material will be available before the event from http://www.nokiantyres.com/ir-calendar

After the event the audio recording can be downloaded from the same page.

Nokian Tyres result 2011 will be published on February, 2012. Releases and company information will be found from http://www.nokiantyres.com