Nokian Tyres plc Stock Exchange Bulletin 12. February 2004 8:00 a.m.

NOKIAN TYRES IN 2003

Group’s net sales and operating profit increased in Q4, and the entire period in review. All profit centres improved their results. Net sales grew by 10.3%, to EUR 528.7 million (2002: EUR 479.2 million). Operating profit was EUR 79.1 million (EUR 60.1 million). EPS were up to EUR 4.48 (EUR 3.17). The Board of Directors proposes a dividend equalling 35% of the net profit, i.e. EUR 1.56 (EUR 1.11) per share, to be distributed.

NET SALES AND PROFIT

The situation in Nokian Tyres' main markets and core products continued to show positive development, although global economic uncertainty, the weak US dollar and increasing raw material prices affected the tyre business overall. The demand for passenger car winter tyres, high-speed summer tyres and heavy special tyres increased in the key markets. The sales of new cars continued their strong growth in Finland and Sweden, and the importation of used cars increased considerably in Finland.

Nokian Tyres Group performed well in 2003. Net sales and operating profit were up and market shares improved considerably in the key markets. The Nordic countries, especially Sweden, as well as Eastern Europe and Russia, were the strongest sales regions of Nokian Tyres. The Vianor chain sold clearly more Nokian tyres than the year before, especially in Sweden. Co-operation between manufacturing and Vianor produced a considerable increase in synergy benefits. The production volumes of the Nokia plant grew, as did the amount of contract manufacturing. Productivity (kg/mh) improved, especially in the car tyre production.

October-December 2003

Nokian Tyres’ consolidated net sales were up by 11.4% to EUR 187.2 million (EUR 168.0 million in the corresponding period in 2002). Net sales from manufacturing grew by 18.3% and Vianor’s net sales by 2.8% on the previous year. Vianor’s net sales and operating profit include the sales of the four new Norwegian outlets acquired in September.

Fixed costs increased by 3.1%, totalling EUR 50.3 million (EUR 48.8 million). Raw material costs for the manufacturing business were 2% lower than the previous year.

The Group’s operating profit improved, totalling EUR 40.7 million (EUR 36.1 million). Operating profit from the manufacturing business amounted to EUR 28.3 million (EUR 23.5 million), while Vianor’s operating profit before depreciation of goodwill was EUR 9.8 million (EUR 10.6 million). Depreciation of goodwill was EUR 1.7 million (EUR 2.0 million) and related the Vianor chain in its entirety.

The Group’s profit before taxes improved, totalling EUR 37.8 million (EUR 33.2 million), and the net profit for the period totalled EUR 25.8 million (EUR 23.7 million).

January-December 2003

In 2003 Nokian Tyres booked net sales of EUR 528.7 million (EUR 479.2 million), which is 10.3% more than in the previous year. Net sales from manufacturing grew by 18.0% while Vianor’s fell by 1.5% on the previous year. Vianor’s comparable net sales, however, increased by 6.5% on the previous year as its comparable net sales 2002 included sales to the Finnish car dealers, which were transferred from Vianor to the parent company in late 2002. From the beginning of 2003, sales to Finnish car dealers have been included in the net sales of the Nokian passenger car tyre unit.

Invoicing from outside Finland accounted for 68% (70%) of the consolidated net sales. Group's sales in the Nordic countries increased by 11.1%, in Russia and other CIS countries by 21.4%, in Eastern Europe by 17.8% and in North America by 4.2% on the previous year.

Profitability improved due to a better sales mix enhanced by new products, higher share of winter tyres, implemented price increases and improved productivity.

The Group’s fixed costs increased by EUR 4.0 million, i.e. 2.3%, totalling EUR 174.7 million (EUR 170.8 million). The share of fixed costs decreased to 33.0% (35.6%). Vianor’s fixed cost decreased by EUR 1.9 million. Raw material costs in manufacturing were 2% higher than the average prices in 2002.

The Group’s operating profit improved, totalling EUR 79.1 million (EUR 60.1 million). Operating profit from the manufacturing business amounted to EUR 75.6 million (EUR 59.5 million), while Vianor’s operating profit before depreciation of goodwill was EUR 11.8 million (EUR 8.9 million). Depreciation of goodwill amounted to EUR 6.9 million (EUR 7.9 million) and related Vianor in its entirety.

The Group’s net financial expenses amounted to EUR 9.5 million (EUR 12.1 million) and represented 1.8% (2.5%) of net sales.

Profit before taxes improved to EUR 69.6 million (EUR 48.0 million). The operating profit for the period improved, totalling EUR 47.6 million (EUR 33.6 million). Earnings per share were up to EUR 4.48 (EUR 3.17), i.e. 41.3%.

The return on net assets (RONA, rolling 12 months) was up to 19.5% (15.0%). Income financing after the change in the working capital, investments and the disposal of fixed assets (Cash Flow II) was EUR 65.7 million (EUR 70.1 million). The equity ratio rose from 46.9% to 51.9%, including the capital loan booked under shareholders’ equity.

Research and development costs totalled EUR 8.3 million (EUR 8.5 million), representing 2.2% of the manufacturing net sales.

Over the year the Group employed an average of 2,650 people (2,663). Meanwhile, the parent company employed 1,368 (1,334) people. At the end of the financial year the Group employed 2,736 (2,585) people and the parent company 1,398 (1,340). At year-end Vianor employed 1,230 (1,150) people.

MANUFACTURING

Passenger car tyres

The net sales generated from the Nokian passenger car tyre business grew by 21.9% on the previous year and amounted to EUR 296.0 million (EUR 242.8 million). Operating profit improved, totalling EUR 69.5 million (EUR 51.4 million).

Nokian passenger car tyres sold well throughout the period under review, reaching particularly good figures in the last quarter. Key markets included the Nordic countries, Eastern Europe, Russia and North America. Sales to the Nordic car dealers developed particularly favourably. The increase in imports of used cars also boosted the demand for tyres in Finland. Market shares improved in all key markets. In the Nordic countries the market share of Nokian-brand tyres increased from 21.7% to 24.3%. The market share for winter tyres picked up from 26.2% to 29.8%.

Winter tyres and other products with high profit margins accounted for a large portion of total sales. Winter tyres represented 75% (73%) and new products 50.2% (44%) of the profit centre’s net sales.

The Nokian Hakkapeliitta 4, a new studded winter tyre introduced in early 2003, spearheaded winter tyre sales. Several number one rankings in trade magazine tyre tests boosted the demand for the tyre. Thanks to increased production volumes, improved customer service and logistics solutions, the company’s delivery capacity during the peak seasons was considerably better than the previous year and winter tyre sales set a new record.

Despite the weak US dollar, sales in the USA were also good. Increased sales volumes, a better sales mix, and price increases were successfully used to compensate for the influence of the low value of the dollar.

Another important novelty introduced in the spring was the new Nokian NRHi, a summer tyre in the H speed category manufactured using only purified, low aromatic oils. Consumer sales in the Nordic countries, Russia and Continental Europe will start in the spring of 2004.

Production volumes in Finland increased from 5.1 million to 5.4 million tyres. For the first time, the sales of Nokian tyres exceeded 6 million units sold. Productivity (kg/mh) improved by 7% on the previous year. The average price per product unit increased by an average of 8%

Heavy tyres

The net sales of Nokian heavy tyres business totalled EUR 58.8 million (EUR 55.0 million), showing an increase of 7.0% on the previous year. Operating profit improved, totalling EUR 5.0 million (EUR 4.7 million).

The demand for heavy special tyres improved throughout the period under review. Forestry tyres, heavy industrial tyres and flotation tyres designed for agricultural use showed the strongest growth. The original equipment installation of forestry tyres was good throughout the period and the replacement market started picking up in the last quarter. The US forestry tyre markets showed signs of recovery. Co-operation with Vianor produced good results and led to an increase in the sales of Nokian truck tyres over the previous year.

Original equipment installation represented 39% and new products 6% of the heavy tyres' net sales. The annual output of the heavy tyre production was 9,317 tonnes (8,670 tonnes). Contract manufacturing proceeded as planned.

Bicycle tyres

The net sales from Nokian bicycle tyres were EUR 5.1 million (EUR 5.5 million, down by 7.9% on the previous year. Operating profit remained at the previous year’s level and cash flow was positive.

The demand for bicycle tyres remained on a low level. However, the bicycle tyre unit developed its operations and improved profitability, despite the challenges in the operating environment.

New products accounted for 12% of the net sales. Manufacturing volumes at the Lieksa factory totalled 784,000 (830,000) bicycle tyres.

Retreading materials

The net sales of Nokian retreading materials business totalled EUR 11.0 million (EUR 11.2 million), remaining close to the previous year’s level. Operating profit improved and cash flow was positive.

The demand for truck tyre retreading materials was weak in the Nordic countries during the period under review, although car tyre retreading materials sold better than the year before. Nokian Tyres improved its position in the Nordic retreading material market. The retreading factory acquired in St. Petersburg last summer strengthened company’s position in the growing Russian markets.

New products accounted for 12% of the profit centre’s net sales. Production volumes amounted to 4,318 (4,336) tonnes.

RoadSnoop

The RoadSnoop pressure watch production started in May with sales initiated in some 30 countries. The unit registered net sales of EUR 1.3 million (EUR 0 million). The RoadSnoop pressure watch is the world’s first, and so far the only, wireless battery-operated tyre pressure control device.

The research and development work was active and new versions were created for a variety of end-users. Development work resulted in a pilot control system for the tyres of heavy vehicles, as well as a 12V version designed for taxi drivers, police officers, ambulance drivers and other frequently travelling professional drivers. In addition, the development and sales of the pressure watch designed for the original equipment installation of car manufacturers started.

VIANOR

Vianor registered net sales of EUR 213.0 million (EUR 216.2 million), i.e. 1.5% less than the year before, but with comparable net sales increasing by 6.5%. The comparable 2002 figures for Vianor's net sales included sales to the Finnish car dealers, which were transferred from Vianor to the parent company at the end of 2002. Operating profit before depreciation of goodwill improved, totalling EUR 11.8 million (EUR 8.9 million). The depreciation of goodwill amounted to EUR 6.9 million (EUR 7.9 million). Cash flow II totalled EUR 1.8 million (EUR 10.3 million).

The Vianor chain expanded with four new outlets in Norway as a result of Nokian Tyres acquiring the Grimstad Vulk AS and Mandal Vulk AS tyre outlets in September. The net sales and operating profit of the new outlets were consolidated into Vianor as of 1 October 2003.

Both the winter and summer seasons were good for Vianor, and its market share in all Nordic countries rose from 18.5% to 19.2%. The demand for truck tyres increased clearly in the latter part of the year and the sales of agricultural tyres were good. The demand for retreaded tyres remained weak. Consumer prices of tyres, as well as Vianor's service prices, were raised. The share of Nokian branded tyres increased considerably over the previous year, in Vianor Sweden in particular providing the parent company with a wealth of synergy benefits.

Profitability boosting measures in Vianor continued with good results especially in Sweden. Vianor Finland saw another record year.

INVESTMENTS

Nokian Tyres spent a total of EUR 44.2 million (EUR 26.0 million) on investments in 2003. Production and operative investments accounted for EUR 41.6 million. Vianor's investments amounted to EUR 7.4 million (EUR 3.0 million). The majority of investments in 2003 were moulds for new products, as well as machinery and equipment purchases to remove production bottlenecks at the Nokia plant.

AMTEL-NOKIAN TYRES

Contract manufacturing at the Amtel plant proceeded as planned, with the production volumes of Nordman tyres amounting to 602,000 units. The Nordman tyres were sold in Russia by Amtel-Nokian Tyres, a 50/50 joint venture company established by Nokian Tyres and Amtel in co-operation with Amtelshintorg. The sales totalled 468,000 units and EUR 9.5 million (EUR 0 million). Half of that as well as half of the net profit, i.e. EUR 0.7 million were consolidated into Nokian Tyres.

CONTRACT MANUFACTURING

The contract manufacturing of passenger car tyres increased clearly over the previous year, amounting to some 600,000 tyres.

In 2003 the team of suppliers was joined by Matador AS, with whom Nokian Tyres signed a co-operation agreement for contract manufacturing in January. Compliant with the agreement, Matador started to manufacture Nokian branded summer tyres for passenger cars in the S, T and H speed categories at its plant in Slovakia. Sold in the Eastern European countries, the tyres will form part of the Nokian Tyres product range. The agreement is valid until the end of 2005 and renewable for one year at a time.

The aim of co-operation in contract manufacturing is to ensure opportunities for growth in Eastern Europe, a strongly expanding market. It also releases production capacity at the Nokia plant for the manufacture of ultra-high-performance tyres.

Contract manufacturing in Indonesia and the USA also improved as planned.

OTHER MATTERS

Decisions of the Annual General Meeting

On March 26,2003, Nokian Tyres Annual General Meeting accepted the profit and loss statement for 2002 and discharged the Board of Directors and the President from liability. A decision was made on a dividend of 1.11 euros per share. The matching date was to be 31 March 2003 and the payment date 7 April 2003.

The meeting decided that the Board of Directors will have seven members. Rabbe Grönblom, Chairman of the Board, Kotipizza Oyj; Bo-Erik Haglund, Doctor of Science h.c.; Satu Heikintalo, M.Sc (Econ); Hannu Penttilä, Managing Director Stockmann plc; Henrik Therman, Master of Science; Matti Vuoria, Chairman of the Board, Fortum Oyj and Kim Gran, President and CEO Nokian Tyres plc were elected. Authorised public accountants KPMG Wideri Oy continue as auditors. In the Board meeting, held after the Annual General Meeting, Mr. Matti Vuoria was elected Chairman of the Nokian Tyres Board of Directors.

Authorisations granted to the Board of Directors

The Annual General Meeting of Nokian Tyres held in March 2003 authorised the Board of Directors to make a decision about increasing the share capital on one or more occasions by an issue of new shares and/or convertible bonds. As a result of the authorisation, the company’s share capital may increase by a maximum of EUR 4 million. A maximum of 2,000,000 new shares may be issued, each bearing a nominal value of EUR 2.00.

The Board of Directors may also deviate from the shareholders’ pre-emptive subscription right, provided there is a compelling financial reason, such as acquisitions or other corporate arrangements, as referred to in section 4:2a of the Companies Act.

The Board of Directors has the right to decide upon the parties who are entitled to subscribe, as well as the subscription prices, terms and conditions of share subscription, and the terms and conditions of convertible bonds. The validity of the authorisation is one year from the date of the Annual General Meeting. At the same time, any other effective authorisations to increase the share capital are nullified.

Shares subscribed with option rights

In May a total of 22,030 shares were subscribed with the 2001A option rights attached to the Nokian Tyres plc’s Option Program of 2001. As a result of the subscription, an increase in share capital of EUR 44,060 was entered in the Trade Register on 12 May 2003. Trading of the shares along with the old shares started on 13 May 2003. After the increase the number of shares was 10,604,316 and the share capital EUR 21,208,632.00.

After the increase in share capital registered on 12 May 2003 a total of 51,200 shares were subscribed with the 2001A option rights attached to the Nokian Tyres plc’s Option Program of 2001. As a result of the subscription, an increase in share capital of EUR 102,400 was entered in the Trade Register on 14 August 2003. Trading of the shares along with the old shares started on 15 August 2003. After the increase the number of Nokian Tyres plc shares was 10,655,516 and the share capital EUR 21,311,032.00.

After the increase in share capital registered on 14 August 2003 a total of 13,395 shares were subscribed with the 2001A option rights attached to the Nokian Tyres plc’s Option Program of 2001. As a result of the subscription, an increase in share capital of EUR 26,790 was entered in the Trade Register on 31 October 2003. Trading of the shares along with the old shares started on 3 November 2003. After the increase the number of Nokian Tyres shares was 10,668,911 and the share capital EUR 21,337,822.00.

After the increase in share capital registered on 31 October 2003 a total of 13,070 shares were subscribed with the 2001A option rights attached to the Nokian Tyres plc’s Option Program of 2001. As a result of the subscription, an increase in share capital of EUR 26,140 was entered in the Trade Register on 10 December 2003. Trading of the shares along with the old shares started on 11 December 2003. After the increase the number of Nokian Tyres shares was 10,681,981 and the share capital EUR 21,363,962.00.

Changes in ownership structure

A share transaction on 19 August 2003 reduced Nokia plc’s share of the votes and share capital of Nokian Tyres plc from 18.9% to 0%. The transaction implemented the agreement signed on 24 February 2003 by Nokia plc and Bridgestone Europe NV/SA, which was reported on 24 February 2003 in compliance with Chapter 2, section 10 of the Securities Market Act. Bridgestone Europe NV/SA announced that its share of the votes and share capital of Nokian Tyres plc was 18.9%.

As a result of a share transaction made on 19 August 2003 the Ilmarinen Mutual Pension Insurance Company’s share of the Nokian Tyres plc share capital and votes fell below one-twentieth.
Ilmarinen now holded 520,500 Nokian Tyres shares, and its share of the company’s share capital and votes decreased to 4.88%.

The foreign ownership of Nokian Tyres has been increasing steadily and amounted to 60.5% (31.4%) at the end of the period under review.

ADOPTION OF IFRS REPORTING

Nokian Tyres began preparations for the adoption of International Financial Reporting Standards (IFRS) in 2002. The company made surveys in different areas aiming to identify the differences between the IFRS and Finnish accounting practices concerning the preparation of consolidated financial statements. An IFRS project team, monitored by the Vice President, Finance and Control, was set up in 2003. The company also arranged several training and informative events for the management and other responsible persons concerning the adoption of IFRS and the main standards from the Group’s point of view.

Tasks for 2004 include decisions on the optional principles for preparing financial statements, as well as calculating the information for the opening IFRS balance sheet and the 2004 comparison data for the interim reports in 2005. The system modifications required to launch IFRS-compliant reporting at the beginning of 2005 will also be carried out this year.

According to a preliminary survey, the procedures of Nokian Tyres may cause changes in the booking of financial leasing agreements. In terms of requirements related to more extensive segment information, Nokian Tyres' information is already largely available at the required level. Other calculation principles may be subject to minor changes.

More information about the phases and impact of transferring to the new reporting practices will be published along the year on the company’s home pages at www.nokiantyres.com.

MATTERS AFTER THE PERIOD UNDER REVIEW

In January Nokian Tyres introduced Nokian Hakkapeliitta RSi, a new non-studded winter tyre for passenger cars. The new tyre is the successor to the successful Nokian Hakkapeliitta Q friction tyre, and is designed for the Nordic, Russian and North American markets. The Nokian Hakkapeliitta RSi offers a wide range of sizes and consumer sales will start in the autumn of 2004.

OUTLOOK FOR 2004

The company continues its operations in a profitable growth path, aiming to outperform the results of 2003 in terms of net sales and profit in 2004. As in previous years, the first quarter will show a low profit. The demand for tyres in the domestic market is normally weak early in the year, while fixed costs that are not linked to sales will tax the profitability steadily throughout the year. Overall performance is expected to improve dramatically in the second half, and particularly in the final quarter because of the winter season.

The recovery of the global economy and the increasing tyre manufacture in China will result in pressure to increase raw material prices. Nokian Tyres estimates that its raw material prices in the first quarter will increase by some 4% on the corresponding period last year. The price of natural rubber, in particular, appears to be increasing steeply. The value of the US dollar against the euro is likely to remain low.

According to its strategy, Nokian Tyres will focus on the expanding and profitable winter and forest markets and product areas. There are several opportunities for growth in the core areas and the company also holds an increasingly strong position in these areas. The demand

for passenger car winter tyres, high-performance summer tyres and heavy special tyres is expected to increase further in the Nordic countries, Eastern Europe, Russia and the USA.
The markets for heavy special tyres also look favourable. The sales of RoadSnoop products are expected to improve on the previous year.

Nokian Tyres is well positioned to meet the growing demand in its core areas. The production capacity of the Nokia plant will be increased, the aim being a production volume of over 6 million tyres in 2004. Productivity will be further increased by investing in resolving bottlenecks, while distribution will be improved by focusing on seasonal logistics. Increasing contract manufacturing will release more capacity at the Nokia plant for the manufacture of high-profit special products. In Russia, the increased market and production efforts, as well as the sales of Nordman branded tyres will strengthen Nokian Tyres' position in the strongly growing market. Contract manufacturing in Eastern Europe enables the company to better meet the needs of growing markets.

Nokian Tyres launched a project to construct a tyre factory of its own in the St. Petersburg region. The goal is to start the production in 2005, which means that the construction work must begin in 2004. Authorities are currently processing construction and other related permits. The total investment of the first phase will be EUR 52 million in the years 2004-2005.

The sales mix will continue to improve thanks to the various top-segment novelties in the company’s product range. The consumer sales of the new car summer and winter tyres, as well as the heavy tyres, will start during this year. The car tyre prices were increased by some 4% at the beginning of the year.

Vianor continues to enhance production efficiency and increase the share of own products, the share of work and service sales, and implement rationalisation methods, particularly in Sweden and Norway.

Actions will be taken in order to further improve return on capital and to cut the growth of fixed costs. Investments will focus on opening the bottlenecks at the Nokia plant and on production possibilities in Russia.

The overall investments in 2004 total EUR 64.0 million (EUR 44.2 million), including the initial investment of EUR 22 million reserved for the new plant in Russia. Other investments include production investments and new product moulds for the Nokia factory.

Nokia 12 February 2004

Nokian Tyres plc

Board of Directors

NOKIAN TYRES
CONSOLIDATED PROFIT AND LOSS ACCOUNT

Million euros	10-12/03	10-12/02	1-12/03	1-12/02	Change %
Net sales	187.2	168.0	528.7	479.2	10.3

Operating expenses	137.1	122.9	413.6	384.2	7.6
Depreciation according to plan	7.6	7.0	29.1	27.0	7.8
Operating result before non-recurring items and goodwill amortisations	42.4	38.1	86.0	68.0	26.5
Non-recurring items	0.0	0.0	0.0	0.0	
Goodwill amortisations	1.7	2.0	6.9	7.9	-13.0
Operating result	40.7	36.1	79.1	60.1	31.7
Financial income and expenses	-2.9	-2.9	-9.5	-12.1	-21.7
Result before extra-ordinary items and tax	37.8	33.2	69.6	48.0	45.1
Extraordinary items	0.0	0.0	0.0	0.0	
Direct tax for the period 1)	12.0	9.5	22.0	14.4	52.9
Profit applicable to minority shareholders	0.0	0.0	0.0	0.0	
Net result	25.8	23.7	47.6	33.6	41.8

CONSOLIDATED BALANCE SHEET	31.12.03	31.12.02
Intangible assets	13.7	12.5
Goodwill	36.4	40.8
Tangible assets	202.4	195.4
Investments	0.7	0.6
Inventories	85.1	78.8
Receivables	118.9	102.2
Cash in hand and at bank	19.0	20.5
Shareholders' equity	211.2	175.4
Capital loan	36.0	36.0
Minority shareholders' interest	0.0	0.0
Long-term liabilities		
interest bearing	82.2	98.0
non interest bearing	22.0	20.5
Current liabilities		
interest bearing	36.8	44.9
non interest bearing	87.9	76.1
Total assets	476.1	450.9
Interest bearing net debt	100.0	122.5
Capital expenditures	44.2	26.0
Personnel average	2,650	2,663

CASH FLOW STATEMENT	31.12.03	31.12.02
Operating activities		
Cash flow from operating activities before the financial items and taxes	107.3	91.3
Financial items and taxes	-28.2	-22.0
Cash flow from operating activities	79.0	69.3
Investing activities		
Cash flow from investing activities	-42.7	-26.2
Financing activities		
Cash flow from financing activities		
Share issues	1.6	0.0
Change in short-term financial receivables and debt	-13.7	5.3
Change in long-term financial receivables and debt	-14.1	-37.4
Dividends paid	-11.7	-8.8
Cash flow from financing activities	-37.9	-40.9
Change in cash and cash equivalents	-1.5	2.2

NOKIAN TYRES KEY RATIOS	31.12.03	31.12.02	Change %
Earnings per share, euro	4.48	3.17	41.3
Earnings per share, diluted, euro	4.37	3.13	39.5
Equity ratio, % 2)	51.9	46.9	
Equity ratio, %	44.4	38.9	
Gearing. % 2)	40.5	57.9	
Shareholders' equity per share, euro	19.77	16.57	19.3
Number of shares (1,000 units)	10,682	10,582	

No company shares are owned by the Parent company or the Group.

1) Direct tax in the consolidated profit and loss account is based on the taxable profit for the period.
2) Capital loan is included in equity

SEGMENT INFORMATION	10-12/03	10-12/02	1-12/03	1-12/02	Change %
Net sales	187.2	168.0	528.7	479.2	10.3
Manufacturing	120.2	100.2	372.3	314.5	18.4
Vianor	83.8	81.6	213.0	216.2	-1.5
Operating result	40.7	36.1	79.1	60.1	31.7
Manufacturing	28.3	23.5	75.6	59.5	27.1

Vianor	8.1	8.6	4.9	0.9	419.3
Operating result before amortisations					
Vianor	9.8	10.6	11.8	8.9	32.7
Cash Flow II	114.0	93.8	65.7	70.1	-6.3
Manufacturing	95.5	67.5	60.1	59.3	1.5
Vianor	16.0	26.5	1.8	10.3	-82.6

CONTINGENT LIABILITIES Million euros	31.12.03	31.12.02
FOR OWN DEBT		
Mortgages	1.0	1.0
Pledged assets	0.5	0.0
ON BEHALF OF OTHER COMPANIES		
Guarantees	0.1	0.0
OTHER OWN COMMITMENTS		
Guarantees	1.0	1.0
Leasing and rent commitments	34.9	38.7
Acquisition commitments	0.7	1.2
INTEREST RATE DERIVATIVES		
Interest rate swaps		
Fair value	-2.2	-2.1
Underlying value	36.5	46.5
CURRENCY DERIVATIVES		
Forward contracts		
Fair value	0.9	0.8
Underlying value	92.4	50.5

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

Currency derivatives are included in the financial result at market value except for those relating to order stock and budgeted net currency positions, which are entered in the profit and loss account as the cash flow is received.

Nokian Tyres plc

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Distribution: HEX and major medias