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INTERIM REPORT FOR NOKIAN TYRES PLC JANUARY-JUNE 2006

Net sales up, market shares and operating profit improved

The Group’s net sales were up by 18.3% to EUR 349.4 million (EUR 295.4 million in H1 2005). Operating profit amounted to EUR 48.6 million (EUR 46.1 million), and EPS were EUR 0.26 (EUR 0.29). The company is positioned to achieve its objectives set for 2006: steady growth in sales, upward trend in profits and better capital management.

Key figures, EUR million:

	Q2/06	Q2/05	Q1-Q2/06	Q1-Q2/05	2005
Net sales	200.0	166.0	349.4	295.4	686.5
Operating profit	35.1	31.5	48.6	46.1	115.8
Profit before tax	31.9	33.4	42.0	47.1	112.6
Profit for the period	24.9	23.9	31.8	33.3	82.2
Earnings per share, EUR	0.20	0.20	0.26	0.29	0.70
Equity ratio, %			53.2	53.7	59.1
Cash flow from operations, (Cash Flow II)	-27.1	-49.8	-91.9	-103.6	-17.1
RONA, % (rolling 12 months)			16.7	23.6	18.1
Gearing, %			56.2	48.9	25.4

Kim Gran, President and CEO:

"In spite of the challenging market situation, Nokian Tyres’ net sales increased and operating profit picked up, especially in the second quarter. Passenger car tyre market shares improved clearly in all core markets. Strong growth continued in the heavy tyres business. Cash flow improved from the previous year. Raw material prices rose sharply, which increased the production costs and weakened the profitability of manufacturing. In the beginning of the year, sales mix included a larger number of summer tyres than in the previous year. The prices of these tyres dropped as a result of the increasingly tight price competition in the industry. Financial expenses from the period in review did not include exchange rate gains as in previous year. Inventory levels were higher and receivables larger than a year earlier, but the situation will normalise once the winter season begins in the second half. Actions to boost production capacity in Russia and in Heavy Tyre production proceeded as planned, as well as the expansion of Vianor chain into the East."

Market situation

Passenger car tyre replacement markets grew modestly in the Nordic countries and Central Europe whereas the strong growth in demand persisted in Russia and in Eastern Europe. High-speed summer tyres and winter tyres accounted for the strongest market growth. The main season for summer tyre consumer sales in the Nordic countries and in

Russia was in the second quarter. Winter tyre sales continued into the first quarter, which helped lower the winter tyre inventory levels and winter tyre pre-season sales for the next peak season started during the second quarter.

The manufacture of forestry and other industrial machinery continued at a brisk pace, while the global shortage of tyres for harbour, mining and excavation machinery continued to plague the markets. Raw material prices increased sharply, but stiffer competition led to a reduction in the summer tyres prices in the Nordic countries. Several tyre manufacturers informed about price increases of their products in the second half in response to the higher raw material prices.

April to June 2006

In the second quarter of 2006, the Nokian Tyres Group recorded net sales of EUR 200.0 million (EUR 166.0 million), showing an increase of 20.5% on the corresponding period a year earlier. Sales in the Nordic countries increased by 1.9%, in Russia and other CIS countries by 63.7%, in Eastern Europe by 63.0% and in the USA by 19.6% from the previous year.

Raw material prices in manufacturing increased by 11% in the second quarter compared to the corresponding period a year earlier.
At EUR 58.4 million (EUR 52.7 million), fixed costs accounted for 29.2% (31.7%) of net sales.

Nokian Tyres Group's operating profit rose to EUR 35.1 million (EUR 31.5 million). Owing to exchange rate differences, net financial expenses were EUR -3.2 million (EUR +1.9 million).

Profit before taxes totalled EUR 31.9 million (EUR 33.4 million). Profit for the period amounted to EUR 24.9 million (EUR 23.9 million) and EPS were EUR 0.20 (EUR 0.20).

Income financing after the change in working capital, investments and the disposal of fixed assets (Cash flow II) was EUR -27.1 million (EUR -49.8 million).

January to June 2006

Nokian Tyres Group’s net sales in the first half of 2006 totalled EUR 349.4 million (EUR 295.4 million); an increase of 18.3% on the corresponding period a year earlier. Sales in the Nordic countries increased by 3.9%, in Russia and other CIS countries by 50.2%, in Eastern Europe by 35.7% and in the USA by 22.0% from the previous year.

Raw material prices in manufacturing increased by 9.5% in the first half from the same period a year earlier.
Fixed costs amounted to EUR 113.0 million (EUR 99.1 million) and their share of net sales decreased to 32.3% (33.5%).

Nokian Tyres Group's operating profit rose to EUR 48.6 million (EUR 46.1 million). The performance was weakened by the lower profit margins for summer tyres. Other weakening factors included the expenses budgeted for the development of business and production in Russia, the costs incurred from US acquisitions in 2005, as well as the option scheme write-off of EUR 3.7 million (EUR 1.9 million) in compliance with IFRS 2. Profits were also weakened by the credit loss reserve of EUR 4.2 million mainly due to the bankruptcy of an Italian importer.

Net financial expenses were EUR -6.6 million (EUR +1.0 million). This includes EUR 1.4 million worth of exchange rate losses. The comparison figure for the previous year includes exchange rate gains worth EUR 4.8 million.

Profit before taxes was EUR 42.0 million (EUR 47.1 million). Profit for the period amounted to EUR 31.8 million (EUR 33.3 million) and EPS were EUR 0.26 (EUR 0.29).

Return on net assets (RONA, rolling 12 months) was 16.7% (23.6%). Income financing after the change in working capital, investments and the disposal of fixed assets (Cash flow II) was EUR -91.9 million (EUR -103.6 million). Equity ratio was 53.2% (53.7%).

The Group employed an average of 3,160 (2,901) people over the period, and 3,175 (3,006) at the end of the period. The tyre chain employed 1,203 (1,261) people and Russian operations 308 (157) people at the end of the period.

PASSENGER CAR TYRES

	Q2 2006	Q2 2005	Change %	1-6 2006	1-6 2005	Change %	Q3 2005	Q4 2005
Net sales,MEUR	120.3	94.3	27.5	222.1	185.2	19.9	95.8	135.2
Operating profit, MEUR	26.8	20.7	29.9	45.8	44.1	3.7	23.5	34.2
Operating profit %	22.3	21.9		20.6	23.8		24.6	25.3
RONA, % (rolling 12 months)				21.2	33.6		26.9	24.1

The net sales of Nokian passenger car tyres in the first half increased by 19.9% on the previous year to EUR 222.1 million (EUR 185.2 million). Operating profit amounted to EUR 45.8 million (EUR 44.1 million), and the operating profit percentage was 20.6% (23.8%). Net sales and operating profit percentage improved during the second quarter compared to the previous year.

The summer tyre season peaked in the second quarter and developed favourably with increased sales and improved market shares in all key markets. Russia, the USA and Eastern Europe were the strongest growth areas.

Summer tyres and contract manufactured tyres accounted for a bigger share of the unit’s total volume than in the previous year. Summer tyre prices dropped from the previous year’s level, which reduced the profit margin and the average price. Also winter tyres were higher than the previous year. The prices of winter tyres remained at the previous year’s level. The new Nokian Hakkapeliitta 5 winter tyre family was launched, preseason sales have started and consumer sales will commence at the beginning of the winter season. The winter tyre order book is high.

The production volume of Nokian Tyres’ own plants rose due to the planned increase in capacity at the Russian plant.

HEAVY TYRES

	Q2 2006	Q2 2005	Change %	1-6 2006	1-6 2005	Change %	Q3 2005	Q4 2005
Net sales,MEUR	23.3	19.2	21.5	45.2	36.3	24.4	17.8	22.1
Operating profit, MEUR	5.4	3.1	78.1	10.9	6.2	76.7	3.1	5.4
Operating profit %	23.3	15.9		24.1	17.0		17.6	24.5
RONA, % (rolling 12 months)				41.1	24.1		26.5	32.4

The net sales of Nokian heavy tyres in the first half totalled EUR 45.2 million (EUR 36.3 million), showing an increase of 24.4% on the corresponding period of the previous year. The operating profit for heavy tyres increased to EUR 10.9 million (EUR 6.2 million), and the operating profit percentage was 24.1% (17.0%).

The manufacture of forestry machinery and other industrial machinery continued at a brisk pace. The sales of Nokian heavy tyres increased in all product groups and in all key markets, both for original equipment installation and replacement markets. Due to the rise in raw material prices, price increases were implemented in order to ensure good productivity as well as a healthy profit level. Forestry tyres, new radial special tyres and other core products accounted for a clearly bigger share of overall sales compared to the previous year.

The production capacity of Nokian heavy tyres was in full use, production volumes increased by some 16.8% and productivity improved.

In March, Nokian Tyres’ Board of Directors made a decision on a four-million-euro investment to raise the production capacity of heavy tyres in Finland. Due to the investment, the production volumes of radial tyres will increase in late 2006 and early 2007. After the completion of the investment in 2007, the capacity of radial tyres will increase by some 30% and overall capacity by some 10% a year.

VIANOR

	Q2 2006	Q2 2005	Change %	1-6 2006	1-6 2005	Change %	Q3 2005	Q4 2005
Net sales,MEU	64.9	63.1	2.9	99.0	96.3	2.8	51.8	87.0
Operating profit, MEUR	4.5	7.6	-40.9	-4.3	0.6	-813.0	-3.0	7.7
Operating profit, %	6.9	12.0		-4.4	0.6		-5.9	8.9
RONA, % (rolling 12 months)				1.0	9.6		4.4	4.9

Vianor’s net sales in the first half totalled EUR 99.0 million (EUR 96.3 million), showing an increase of 2.8% on the corresponding period a year earlier. Vianor recorded an operating result of EUR -4.3 million (EUR 0.6 million) and the operating profit percentage was -4.4% (0.6%). The first half of the year 2005 includes overvaluation of inventories by EUR 3,7 million, which was written off in Q3/2005. The comparable operating profit was on the previous year's level. Vianor's cash flow January-June was EUR 3,8 million better than the previous year.

The consumer sales of summer tyres in Nordic countries peaked during the second quarter and were on the previous year's level. The sales of new and retreaded truck tyres increased. Profits were weakened by the costs arising from expanding the network and closing of unprofitable shops. Nokian-branded tyres maintained their share of Vianor’s overall sales. Because of the winter tyre season, Vianor’s profits are mainly generated in the second half of the year.

Vianor AB, a Nokian Tyres Group company, signed a partner agreement in May with the Swedish Amring Verkstäder AB. As a result 16 outlets have joined the Vianor chain and become Vianor Partner outlets.

The Vianor tyre chain expanded as planned in Russia, where the number of sales cooperation partners totalled 39 at the end of June.

OTHER OPERATIONS

The net sales of Nokian truck tyres were EUR 9.9 million (EUR 8.9 million), up 11.5% on the previous year. The unit’s product range consists mainly of winter products, which, being seasonal items, sell slowly at the beginning of the year. Most of the sales and profit are generated in the second half of the year.

Retreading materials sold clearly better than a year earlier. Decreasing the number of retreading plants has enhanced operations and improved productivity.

The truck tyre range was expanded in early April with two novelties that are expected to boost sales in the second half.

RUSSIA

During the period under review, Nokian Tyres' sales in Russia and in the CIS countries increased by 50.2% compared to the corresponding period last year, and the market shares improved. The distribution network was strengthened by signing new distribution agreements and by expanding the Vianor network.

The first two production lines at the Russian plant operate continuously in three shifts, and the installation of the third production line is scheduled to begin during the second half of the year. Production quality and daily production volumes are on target.

The plant expansion project has progressed as planned. Construction of the mixing department and the central warehouse began at the end of 2005, and the new 19,000 square-metre warehouse holding approximately 600,000 tyres was introduced in June. The first production line at the mixing department will be up and running in autumn 2006 and the second line by the end of the year.

INVESTMENTS

Investments during the period under review amounted to EUR 52.6 million (EUR 63.3 million).
The company's overall investments in 2006 amount to EUR 93.0 million (EUR 119.6 million), including the investments made to expand the Russian plant, totalling EUR 51.4 million (EUR 60.4 million), and the Vianor tyre chain, totalling EUR 3 million (EUR 14.0 million). The remainder comprises production investments in the Nokia plant and moulds for new products.

OTHER MATTERS

1. Changes in ownership

Deutsche Bank AG London has informed on the behalf of Deutsche Bank AG that as a result of transactions in the ordinary shares of Nokian Tyres plc undertaken on 11 May 2006, Deutsche Bank AG and its subsidiary companies were in possession of 5,817,505 ordinary shares of Nokian Tyres plc, representing 4.80% of the total of 121,091,600 shares and of the voting rights of that company. Deutsche Bank AG is a corporation domiciled in Frankfurt, Germany, of which Deutsche Bank London is a branch.

2. Warrants on the Main List of the Helsinki Stock Exchange

Nokian Tyres applied for its 2004A warrants of the 2004 option scheme to be listed on the Main List of the Helsinki Stock Exchange as of 1 March 2006. The Annual General Meeting of Nokian Tyres held on 5 April 2004 decided to grant bonds with warrants to the personnel of Nokian Tyres. A total of 245,000 warrants 2004A, 245,000 warrants 2004B and 245,000 warrants 2004C have been issued on the basis of the bond loan.

The subscription period of warrants 2004A began on 1 March 2006 and will end on 31 March 2008. Each warrant entitles the holder to subscribe ten shares in Nokian Tyres plc with a nominal value of 0.2 euros, at a subscription price of EUR 6.079 per share. The subscription price will be reduced by the amount of dividends paid before the subscription, on the balancing date of each dividend payment. As a result of subscriptions, the number of company shares may rise, at the most, by 2,450,000 shares and the share capital, at the most, by EUR 490,000. The warrants were transferred to the book-entry securities system prior to their listing. On 30 December 2005 the Financial Supervision Authority granted the company an exemption from the duty to publish a prospectus when offering shares for public trading.

3. Shares subscribed for with bonds with warrants

After the increase in share capital registered on 11 November 2005, a total of 9,400 shares were subscribed with the 2001A bonds with warrants attached to the 2001 option scheme, 19,340 shares with the 2001B warrants and 63,940 shares with the 2001C warrants. As a result of the subscriptions an increase in share capital totalling EUR 18,536 was entered in the Trade Register on 22 February 2006. Trading of the shares, along with the old shares, began on 23 February 2006. After the increase, Nokian Tyres has a total of 121,091,600 shares and a share capital of EUR 24,218,320.00.

After the increase in share capital registered on 22 February 2006, a total of 30,500 shares were subscribed for with the 2001A bonds with warrants attached to the Nokian Tyres' Option Schemes of 2001 and 2004, 56,460 shares with the 2001B warrants, 231,060 shares with the 2001C warrants, and 474,000 shares with the 2004A warrants. The increase in share capital resulting from the subscription, EUR 158,484, was entered in the Trade Register on 19 May 2006. Trading of the shares along with the old shares began on 22 May 2006. After the increase, the number of Nokian Tyres shares is 121,884,020 and the share capital is EUR 24,376,804.00.

4. Development of the share price

The Nokian Tyres’ share price was EUR 10.28 at the end of the review period (EUR 15.06). The average share price during the period was EUR 12.29 (EUR 12.95), the highest EUR 14.87 (EUR 15.97) and the lowest EUR 9.90 (EUR 10.55). A total of 61,537,935 shares (61,278,201 shares) were traded during the period, representing 50% (51%) of the company’s overall share capital. The company’s market value at the end of the period amounted to EUR 1,253 billion (EUR 1,810 billion). 42.1% (30.4%) of the company’s shareholders were Finnish and 57.9% (69.6%) were foreign shareholders registered in the nominee register. This figure also includes Bridgestone’s ownership of approximately 16.4%.

5. Decisions made at the Annual General Meeting

The Annual General Meeting of Nokian Tyres held on 6 April 2006 accepted the profit and loss statement for 2005 and discharged the Board of Directors and the President from liability. The final dividend was set at EUR 0.23 per share. The matching date was 11 April 2006 and the payment date on 20 April 2006.

Board of Directors and auditor

The meeting decided that the Board of Directors shall have seven members. Rabbe Grönblom, Managing Director, AB R.Grönblom International LTD; Hannu Penttilä, Managing Director, Stockmann plc; Petteri Walldén, MSc (Eng.), and Kim Gran, President and CEO, Nokian Tyres plc, will continue as Board members. New members of the Board include Hille Korhonen, Director of Operations, Iittala Group; Koki Takahashi, General Manager, Headquarters Accounting Department 1, Bridgestone Corporation, and Aleksey Vlasov, Deputy Director of JSC Mezhregiongaz, Gazprom. At its meeting following the Annual General meeting, the Board elected Petteri Walldén as Chairman of the Board.

Authorised public accountants KPMG Oy Ab continue as auditors.

Remuneration of the members of the Board of Directors

The Annual General Meeting decided that the monthly fee paid to the Chairman of the Board would be EUR 5,000, or EUR 60,000 per year, while that paid to Board members was set at EUR 2,500, or EUR 30,000 per year. In line with former practices, 60% of the annual fee will be paid in cash and 40% in company shares to the effect that in the period from 7 April to 30 April 2006, EUR 24,000 worth of Nokian Tyres plc shares will be purchased on the stock exchange on behalf of the Chairman of the Board and EUR 12,000 worth of shares on behalf of each Board member. This means that the fees of Board members are linked to the performance of the company’s share. No separate compensation will be paid to the President and CEO for Board work.

Authorisation granted to the Board of Directors to increase the share capital

The Annual General Meeting authorised the Board of Directors to make a decision regarding an increase in the share capital on one or more occasions by issuing new shares and/or convertible bonds. As a result of the authorisation, the company’s share capital may increase by a maximum of EUR 4,000,000. A maximum of 20,000,000 new shares may be issued, each bearing a nominal value of EUR 0.20.
The Board of Directors also has the right to deviate from the shareholders pre-emptive right to subscribe for shares, provided there is a compelling financial reason referred to in chapter 4, section 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.

OUTLOOK FOR THE YEAR-END

Tough competition is expected to continue in the European tyre markets. Raw material prices will continue to rise, and several tyre manufacturers have announced they will increase the prices of their products during the second half. Implementing the price increases will be more challenging than in the previous years owing to extremely tight competition.

The demand for winter tyres, UHP summer tyres and SUV tyres will continue to see strong growth in Russia, Eastern Europe and in North America. In Germany, the recently enforced winter tyre regulation is expected to boost the demand for winter tyres while in the Nordic countries and in Central Europe the growth in demand is more moderate. The growth prospects for heavy tyres are good.

Material costs for the entire year in Nokian Tyres' manufacturing business are expected to be roughly 12,5% higher than those in 2005. In response to higher raw material costs, the company will implement tyre price increases as of 1 September 2006. During the year, the company will launch a record number of novelties in all product groups, making it easier to maintain tyre prices at the target level. In addition to new products, growth in the sales of tyres manufactured in Russia will help maintain the profit margins.

Special attention will be paid to the control of sales and logistics, capital management and the expansion of the distribution network. Capacity will be increased as planned in Russia. The emphasis in Finnish production will be on improving productivity. Contract manufacturing will concentrate on expanding the product range. Heavy Tyres will focus on bottlenecks in production and on increasing capacity.

The objective for the company's home market – the Nordic countries and Russia – is to increase sales and improve market shares. Sales will be boosted also in North America and Eastern Europe, where Nokian Tyres has been able to further strengthen its position. All Nokian Tyres' product groups enjoy good sales prospects for the year-end as well as large order books.

Owing to the seasonal nature of the business, the company's net sales and operating profit are primarily generated in the latter part of the year, especially in the last quarter, in both the manufacturing business and distribution.

The company is positioned to achieve its objectives set for 2006: steady growth in sales, upward trend in profits and better capital management.

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

The interim report figures are unaudited.

NOKIAN TYRES
CONSOLIDATED INCOME STATEMENT

Million euros		4-6/06	4-6/05	1-6/06	1-6/05	Last12 months	1-12/05
Net sales		200.0	166.0	349.4	295.4	740.5	686.5
Cost of sales		-116.9	-91.3	-208.2	-166.0	-443.2	-401.0
Gross profit		83.2	74.7	141.2	129.3	297.3	285.5
Other operating income		0.5	0.3	0.9	0.5	5.0	4.6
Selling and marketing expenses		-38.6	-36.9	-74.5	-68.5	-149.1	-143.0
Administration expenses		-4.7	-3.6	-8.8	-6.5	-17.9	-15.6
Other operating expenses		-5.1	-3.0	-10.1	-8.7	-17.1	-15.8
Operating profit		35.1	31.5	48.6	46.1	118.2	115.8
Financial income		14.9	12.3	15.3	13.6	8.9	7.2
Financial expenses		-18.2	-10.3	-21.9	-12.6	-19.6	-10.4
Profit before tax		31.9	33.4	42.0	47.1	107.5	112.6
Tax expense	(1	-7.1	-9.5	-10.1	-13.8	-26.8	-30.4
Profit for the period		24.9	23.9	31.8	33.3	80.7	82.2
Attributable to:							
Equity holders of the parent		24.8	23.9	31.8	33.3	80.9	82.4
Minority interest		-0.1	0.0	0.0	0.0	-0.2	-0.2
Earnings per share from the profit attributable to equity holders of the parent							
basic, euros	(2	0.20	0.20	0.26	0.29	0.68	0.70
diluted, euros	(2	0.20	0.19	0.26	0.28	0.66	0.68

KEY RATIOS		30.6.06	30.6.05	31.12.05
Equity ratio, %		53.2	53.7	59.1
Gearing, %		56.2	48.9	25.4
Equity per share, euro	(2	3.93	3.42	3.89
Interest-bearing net debt, mill. euros		269.1	201.2	119.5
Capital expenditure, mill. euros		52.6	63.3	119.6
Depreciation, mill. euros		20.0	18.9	35.6
Personnel, average		3,160	2,901	3,041
Number of shares (million units)				
at the end of period		121.88	120.17	121.00
in average		121.25	116.38	118.57
in average, diluted		124.80	120.22	121.96

1) Tax expense in the consolidated income statement is based on the taxable profit for the period.
2) The per-share data include the effect of the share split carried out on 15 April 2005.

CONSOLIDATED BALANCE SHEET	30.6.06	30.6.05	31.12.05
Non-current assets			
Property, plant and equipment	328.0	281.3	304.0
Goodwill	51.5	42.2	50.7
Other intangible assets	7.8	7.5	8.5
Investments in associates	0.1	0.5	0.1
Available-for-sale financial assets	0.3	0.6	0.3
Other receivables	1.8	2.1	2.1
Deferred tax assets	19.0	10.3	11.9
Total non-current assets	408.4	344.6	377.6
Current assets			
Inventories	173.7	134.1	146.1
Trade and other receivables	300.0	250.4	228.1
Cash and cash equivalents	17.0	38.1	45.7
Total current assets	490.7	422.7	419.9
Equity			
Share capital	24.4	24.0	24.2
Share premium	141.2	136.2	137.8
Translation reserve	2.7	1.6	5.7
Fair value and hedging reserves	-0.2	-0.9	-0.5
Retained earnings	310.7	250.4	303.4
Minority interest	0.0	0.4	0.7
Total equity	478.6	411.7	471.4
Non-current liabilities			
Deferred tax liabilities	23.2	21.9	22.7
Interest bearing liabilities	165.8	141.3	152.5
Other liabilities	2.0	2.9	2.1
Total non-current liabilities	191.0	166.0	177.3
Current liabilities			
Trade and other payables	108.3	90.6	135.1
Provisions	0.9	0.9	0.9
Interest-bearing liabilities	120.3	98.0	12.8
Total current liabilities	229.5	189.5	148.7
Total assets	899.1	767.3	797.4

CONSOLIDATED CASH FLOW STATEMENT Million euros	1-6/06	1-6/05	1-12/05
Cash flow from operating activities:			
Cash generated from operations	-53.0	-62.1	90.0
Financial items and taxes	-28.1	-11.8	-59.8
Net cash from operating activities	-81.1	-73.9	30.2

Cash flow from investing activities:			
Net cash used in investing activities	-43.0	-56.9	-95.4
Cash flow from financing activities:			
Proceeds from issue of share capital	3.5	132.9	133.6
Change in current financial receivables and debt	106.1	27.0	-42.1
Change in non-current financial receivables and debt	13.6	11.0	21.4
Dividends paid	-27.9	-25.9	-25.9
Net cash from financing activities	95.4	145.0	87.0
Net change in cash and cash equivalents	-28.7	14.3	21.8
Cash and cash equivalents at the beginning of the period	45.7	23.9	23.9
Cash and cash equivalents at the end of the period	17.0	38.1	45.7
	-28.7	14.3	21.8

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
Million euros

	Share capital	Share premium	Translation reserve	Fair Value and hedging reserves	Retained Earnings	Minority interest	Total
Equity, Jan 1st 2005	21.7	6.7	0.9	-1.1	240.1	0.0	268,3
Share issue expenses		-1.1					-1,1
Interest rate swaps				0.2			0,2
Translation differences			0.8				0,8
Profit for the period					33.3	0.0	33,3
Total recognised income and expenses for the period	0.0	-1.1	0.8	0.2	33.3	0.0	33,3
Share issue	2.1	128.9					131,0
Dividends paid					-25,9		-25,9
Exercised warrants	0.2	1.7					1,9
Share-based payments					1.9		1,9
Other changes					0.4		0,4
Change in minority interest						0.4	0,4
Equity, Jun 30th 2005	24.0	136.2	1.6	-0.9	249.9	0.4	411,7

Equity, Jan 1st 2006	24.2	137.8	5.7	-0.5	303.4	0.7	471,4
Interest rate swaps				0.3			0,3
Translation differences			-3.0				-3,0
Profit for the period					31.8		31,8
Total recognised income and expenses for the period	0.0	0.0	-3.0	0.3	31.8	0.0	29,1
Dividends paid					-27,9		-27,9
Exercised warrants	0.2	3.4					3,6
Share-based payments					3.7		3,7
Other changes					-0.4		-0,4
Change in minority interest						-0,7	-0,7
Equity, Jun 30th 2006	24.4	141.2	2.7	-0.2	310.7	0.0	478,6

SEGMENT INFORMATION Million euros	4-6/06	4-6/05	1-6/06	1-6/05	1-12/05
Net sales					
Passenger car tyres	120.3	94.3	222.1	185.2	416.2
Heavy tyres	23.3	19.2	45.2	36.3	76.2
Vianor	64.9	63.1	99.0	96.3	235.1
Others and eliminations	-8.5	-10.6	-17.0	-22.5	-41.1
Total	200.0	166.0	349.4	295.4	686.5
Operating result					
Passenger car tyres	26.8	20.7	45.8	44.1	101.9
Heavy tyres	5.4	3.1	10.9	6.2	14.7
Vianor	4.5	7.6	-4.3	0.6	5.3
Others and eliminations	-1.6	0.2	-3.7	-4.8	-6.1
Total	35.1	31.5	48.6	46.1	115.8
Operating result, % of net sales					
Passenger car tyres	22.3	21.9	20.6	23.8	24.5
Heavy tyres	23.3	15.9	24.1	17.0	19.3
Vianor	6.9	12.0	-4.4	0.6	2.2
Total	17.6	19.0	13.9	15.6	16.9
Cash Flow II					
Passenger car tyres	-30.7	-52.7	-81.0	-99.0	-24.5
Heavy tyres	1.2	2.9	5.0	5.2	15.8
Vianor	0.9	-5.9	-2.0	-5.8	-6.1
Total	-27.1	-49.8	-91.9	-103.6	-17.1

CONTINGENT LIABILITIES Million euros	30.6.06	30.6.05	31.12.05
FOR OWN DEBT			
Mortgages	0.2	1.0	0.2
Pledged assets	0.0	0.0	0.0
OTHER OWN COMMITMENTS			
Guarantees	1.0	1.0	1.0
Leasing and rent commitments	76.5	22.6	65.0
Acquisition commitments	4.1	1.0	0.7
INTEREST RATE DERIVATIVES			
Interest rate swaps			
Fair value	-0.3	-1.2	-0.7
Notional amount	10.0	20.0	16.5
Options, purchased			
Fair value	0.0	0.0	0.0
Notional amount	50.0	0.0	0.0
CURRENCY DERIVATIVES			
Forward contracts			
Fair value	0.5	-3.0	-1.6
Notional amount	212.3	151.8	176.2
Options, purchased			
Fair value	0.0	0.0	0.0
Notional amount	3.1	0.0	5.3
Options, written			
Fair value	0.0	0.0	-0.1
Notional amount	3.1	0.0	5.3

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

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

Currency derivatives are only used to hedge the Group's net exposure. The changes in the fair values of currency derivatives are reported in the income statement excluding the forward foreign exchange contracts that are hedging the foreign currency denominated net investment in a foreign subsidiary. Hedge accounting is applied for those hedges and for hedges meeting the hedge accounting criteria the changes in the fair values are wholly deferred in equity. The fair value of those forward foreign exchange contracts was EUR 0.2 million.

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

Nokian Tyres plc

Raila Hietala-Hellman
Vice President, Communications and IR

Further information: Mr. Kim Gran, President and CEO,
tel. +358 3 340 7336.

Distribution: OMX and major media

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Nokian Tyres will publish the January-June 2006 financial results on Tuesday, August 8, 2006 at 9.00 am Finnish time.

The result presentation to the analysts and media will be held at Hotel Kämp, Helsinki on Tuesday, August 8 at 10.00 am Finnish time. The presentation language will be English.

The presentation can be listened live through audiocast via internet on August 8, 2006 at 10.00 am Finnish time
http://www.nokiantyres.com/resultinfo2006q2en

To participate a conference call to ask questions during the event, please dial in 5-10 minutes before the beginning of the event (10.00 am):
+44 (0)20 7162 0125
Password: Nokian Tyres

Stock exchange release and the CEO's presentation material will be available before the conference call at http://www.nokiantyres.com/investors_en.
The next day at the latest also the audio recording of the conference call can be found at that address.