

Nokian Tyres plc Stock Exchange Release 7.5.2008 8.00 a.m.

INTERIM REPORT FOR NOKIAN TYRES PLC JANUARY-MARCH 2008

Strong sales growth and improved operating profit.

The Group's net sales were up by 23.2% to EUR 246.3 million (EUR 199.9 million in Jan-March 2007). Operating profit rose to EUR 54.4 million (EUR 39.0 million), while earnings per share increased to EUR 0.36 (EUR 0.23). In 2008, the company is positioned to achieve strong growth in sales and to outperform the previous year's results. All profit centres are expected to grow and improve results.

Key figures:

MEUR

	Q1/08	Q1/07	Q2/07	Q3/07	Q4/07	2007
Net sales	246.3	199.9	232.6	236.0	356.4	1,025.0
Operating profit	54.4	39.0	50.2	51.6	93.2	234.0
Profit before tax	49.8	35.6	46.9	46.4	85.0	213.8
Profit for the period	45.1	28.1	41.9	37.4	61.4	168.9
Earnings per share, EUR	0.36	0.23	0.34	0.30	0.50	1.37
Equity ratio, %	62.9	59.9				61.8
Cash flow from operations, (Cash Flow II)	-78.1	-103.7	-20.4	-89.6	319.4	105.6
RONA, % (rolling 12 months)	24.4	21.9				24.2
Gearing, %	27.1	40.8				14.3

Kim Gran, President and CEO:

"The first quarter gave a flying start for 2008: sales increased strongly in the company's core markets, and operating profit saw a clear improvement over the previous year. The majority of growth in sales came from Russia and other CIS countries. Both sales of summer tyres and pre-sales of winter tyres were brisk. The average price of tyres rose as a result of a good sales mix, successfully implemented price increases and new products. Russian manufacture increased in line with targets, and the advantages thereof improved the profitability. The late onset of the summer tyres season is shifting Vianor's result to the second quarter. The outlook for 2008 is good, and we expect the strong growth to continue in our key markets."

Market situation

The replacement markets of passenger car tyres in Russia and the CIS countries grew from the previous year. Markets declined slightly in the Nordic countries and elsewhere in West Europe. The winter tyre, SUV tyre and high-speed summer tyre markets accounted for the strongest growth. The main season for the consumer sales of summer tyres shifted to the second quarter in the Nordic countries and Russia. The demand for heavy special tyres and truck tyres continued to be strong. Several tyre manufacturers raised the prices of their products in response to the higher raw material prices.

NET SALES AND PROFIT

In the period January to March 2008, the Nokian Tyres Group recorded net sales of EUR 246.3 million (EUR 199.9 million), showing an increase of 23.2% on the corresponding period a year earlier. Compared with the previous year, the Group's net sales increased by 1.4% in the Nordic countries, by 64.0% in Russia and the CIS

countries, by 33.7% in North America and fell by 8.8% in Eastern Europe.

Raw material prices in manufacturing increased by 3.5% in the first quarter compared to the corresponding period a year earlier. At EUR 73.4 million (EUR 62.3 million), fixed costs accounted for 29.8% (31.2%) of net sales.

Nokian Tyres Group's operating profit rose to EUR 54.4 million (EUR 39.0 million). In compliance with IFRS 2, operating profit was burdened by a non-cash option scheme write-off of EUR 4.2 million (EUR 1.6 million).

Net financial expenses were EUR 4.6 million (EUR 3.4 million). Financial expenses include EUR 1.8 million in calculatory non-cash expenses related to convertible bonds. Net financial expenses contain EUR -1,7 million (EUR -0.3 million) of exchange rate differences.

Profit before taxes was EUR 49.8 million (EUR 35.6 million). The Group's tax rate was reduced to 9.5% as a consequence of tax relieves in compliance with the Russian agreements. Profit for the period amounted to EUR 45.1 million (EUR 28.1 million) and EPS was EUR 0.36 (EUR 0.23).

The return on net assets (RONA, rolling 12 months) was 24.4% (21.9%). Income financing after the change in working capital, investments and the disposal of fixed assets (cash flow II) was EUR -78.1 million (EUR -103.7 million). Equity ratio was 62.9% (59.9%).

The Group employed an average of 3,661 (3,397) people, and 3,706 (3,513) at the end of the period. The Vianor tyre chain had 1,461 (1,372) employees at the end of the period. The number of employees in Russia increased to 521 (376).

#### Tax rate

The company's tax rate has reduced as a consequence of tax relieves in Russia. The tax relief is valid for as long as the company gains tax on yields corresponding to the amount of the Russian investment, and for two years thereafter.

As the tax relief from Russia has realised according to the agreements and the uncertainty linked to the relief has reduced materially, the company has revised its accounting estimate relating to the recognition of tax assets from the tax relief. The tax asset from the relief is recognised from now on to the probable realisation value. Due to this change in accounting estimate the first quarter in 2008 contains a non-recurring EUR 6.5 million tax relief from the second half of 2007.

The company anticipates the tax rate of the entire year 2008 to be approx. 18%.

#### PASSENGER CAR TYRES

	Q1/08	Q1/07	Change, %	Q2/07	Q3/07	Q4/07	2007
Net sales, EUR million	190.1	141.4	34.4	146.6	169.7	233.5	691.2
Operating profit, EUR million	65.0	41.6	56.3	42.0	54.2	74.2	212.0
Operating profit, %	34.2	29.4		28.6	32.0	31.8	30.7
RONA, %	33.6	27.4					31.2

(rolling 12 months)

The net sales from Nokian passenger car tyres were up by 34.4% on the previous year to EUR 190.1 million (EUR 141.4 million). Operating profit amounted to EUR 65.0 million (EUR 41.6 million) and the operating profit percentage was 34.2% (29.4%). The raise in profits was due to the earlier start of the winter tyre pre-sales.

Sales of both summer and winter tyres increased clearly over the previous year. Russia and the other CIS countries accounted for most of the sales growth, but sales also picked up from the previous year in the Nordic countries and the USA. The best-selling summer tyres were the SUV and UHP tyres. During the period under review, pre-sales of winter tyres began in Russia and the other CIS countries. The sales were boosted by the new studless Nokian Hakkapeliitta R winter tyre family, which will be launched for the consumers for the first time in the autumn.

The average tyre prices rose from the previous year as a result of the good sales mix, new products and successfully implemented price increases.

The production volume rose as a result of the planned capacity increase at the Russian plant. Increased capacity was not, however, sufficient to meet the demand for tyres, and sales had to be restricted to Central and Eastern European countries.

#### HEAVY TYRES

	Q1/08	Q1/07	Change, %	Q2/07	Q3/07	Q4/07	2007
Net sales, EUR million	27.9	25.6	8.9	24.9	23.1	27.2	100.8
Operating profit, EUR million	6.3	6.1	3.7	5.8	5.0	5.4	22.3
Operating profit, % RONA, %	22.7	23.8		23.2	21.8	19.9	22.1
	38.1	38.9					39.0
(rolling 12 months)							

The net sales of Nokian Heavy Tyres totalled EUR 27.9 million (EUR 25.6 million), showing an increase of 8.9% on the corresponding period of the previous year. Operating profit improved slightly, totalling EUR 6.3 million (EUR 6.1 million) and the operating profit percentage was 22.7% (23.8%).

The manufacturing of forestry and industrial machinery continued to be brisk, and sales of Nokian heavy tyres saw growth over the previous year in the Nordic countries and Central Europe. The increase was strongest in the sales of forestry tyres, heavy industrial tyres, mining machinery tyres and special radial agricultural tyres. During the first part of the year the company raised prices, which, along with a good sales mix, raised average prices.

Although production capacity was in full use and production volumes increased as planned, delivery capacity was insufficient to meet the high market demand. A lack of tyre rims also restricted sales and shifted them to the second quarter.

#### VIANOR

	Q1/08	Q1/07	Change, %	Q2/07	Q3/07	Q4/07	2007
Net sales, EUR million	46.7	46.0	1.6	68.2	56.2	108.1	278.5
Operating profit,	-10.4	-5.7	-80.5	3.7	-1.4	11.9	8.4

EUR million						
Operating profit, %	-22.2	-12.5	5.5	-2.5	11.0	3.0
RONA, %	2.6	4.2				6.0
(rolling 12 months)						

Vianor's net sales were EUR 46.7 million (EUR 46.0 million), an increase of 1.6% on the corresponding period of the previous year. Operating profit amounted to EUR -10.4 million (EUR -5.7 million), expressed as a percentage -22.2% (-12.5%).

Vianor's first quarter sales and profits were low. The spring season of summer tyres and the sales of related services did not begin during the period under review in the Nordic countries and Russia, but was shifted to the second quarter.

The Vianor tyre chain expanded in Russia and Ukraine. At the end of March, the Vianor network comprised a total of 382 sales outlets, 208 of which were partner and franchising stores. During the first quarter, a total of 16 new Vianor outlets were opened.

#### OTHER OPERATIONS

##### Truck Tyres

The net sales of Nokian truck tyres were EUR 4.9 million (EUR 4.5 million), up 9.4% on the previous year. The unit's product range mainly consists of winter products, which do not sell very well at the beginning of the year due to the seasonal nature of operations.

During the period under review, sales were directed at new market areas in Ukraine, Poland and Bulgaria. Sales in Russia also developed well, thanks to an expanded distribution network.

#### RUSSIA AND THE CIS COUNTRIES

During the period under review, sales in Russia and the CIS countries increased by 64.0% compared to previous year, and market shares improved. The distribution network was expanded by signing distribution agreements and through growth of the Vianor network.

The four production lines of the Russian plant operate continuously in three shifts, and the plant's production volume and quality level are on target.

An extension of 32,500 square metres has been built adjacent to the existing plant, which currently has a capacity of four million tyres. Installation of production machinery has proceeded according to plan, and parts of the new production lines are already in operation. During 2008, production capacity will be gradually increased with three new production lines. Also extension work on the mixing department and the housing project "Hakkapeliitta Village" for the personnel has commenced.

#### KAZAKHSTAN

On 19 October 2007, Nokian Tyres announced it had signed an agreement with the Kazakhstani multi-industrial company Ordabasy Corporation JSC to build a green-field passenger car tyre factory in Kazakhstan. Nokian Tyres has a 10% stake in the joint venture, with the option to increase its ownership to a minimum of 50%.

Plant start-up is scheduled for 2009. The total investment will be approximately EUR 160 million, financed through equity of approximately EUR 40 million and external loans. Nokian Tyres has signed a long-term technical support and management aid agreement with Ordabasy Corporation.

Construction work on the plant has not yet begun.

#### INVESTMENTS

Investments during the period under review amounted to EUR 42.7 million (EUR 30.2 million). The company's total investments in 2008 will be approximately EUR 170 million (EUR 117 million), and some EUR 110 million (EUR 92 million) will be spent on the Russian plant's operations and extension. The remainder comprises production investments in the Nokia plant, moulds for new products and the Vianor expansion projects.

#### OTHER MATTERS

##### 1. Stock options on the Main List of the Helsinki Stock Exchange

The Board of Directors of Nokian Tyres plc has decided to apply for the listing of stock options 2004C on the Helsinki Stock Exchange effective as of 1 March 2008. There are a total of 245,000 2004C stock options. Each stock option 2004C entitles the holder to subscribe to ten Nokian Tyres plc shares. The subscription period for options 2004C commenced on 1 March 2008 and expires on 31 March 2010. The total amount of shares available for subscription with options 2004C is 2,450,000. The subscription price with stock options 2004C was EUR 12.28/share on 31<sup>st</sup> March, 2008. The annually paid dividends shall be deducted from the share subscription price.

##### 2. Shares subscribed for with stock options

After the increase in share capital registered on 20 December 2007, a total of 898,690 shares were subscribed for with the 2004A bonds with warrants attached to the Nokian Tyres' Option Scheme of 2004, and 35,730 shares with the 2004B warrants. The increase in share capital resulting from the subscription, EUR 186,884, was entered in the Trade Register on 26 February 2008. Trading of the shares along with the old shares began on 27 February 2008. Following the increase, the number of Nokian Tyres shares is 124,630,700 and the share capital is EUR 24,926,140.

##### 3. Share price development

The Nokian Tyres' share price was EUR 27 at the end of the review period (EUR 20.50). The average share price during the period was EUR 24.57 (EUR 17.02), the highest EUR 28.44 (EUR 20.92) and the lowest EUR 19.04 (EUR 13.99). A total of 63,395,294 shares were traded during the period (79,826,504), representing 51% (65%) of the company's overall share capital. The company's market value at the end of the period amounted EUR 3,365 billion (EUR 2.514 billion). The company's percentage of Finnish shareholders was 26% (34%) and 74% (66%) were foreign shareholders registered in the nominee register. This figure includes Bridgestone's ownership of approximately 16%.

#### 4. Decision made at the Annual General Meeting

The Annual General Meeting of Nokian Tyres held on 3 April 2008 accepted the profit and loss statement for 2007 and discharged the Board of Directors and the President from liability. The final dividend was set at EUR 0.50 per share. The matching date was 8 April 2008 and the payment date 15 April 2008.

##### 4.1 Board of Directors and auditor

The number of Board members was set at seven. Kim Gran, Hille Korhonen, Hannu Penttilä, Koki Takahashi, Aleksey Vlasov and Petteri Walldén will continue as Board members. Kai Öistämö was elected as a new member of the Board. In a meeting held after the Annual General Meeting, Petteri Walldén was elected Chairman of the Board.

Authorised public accountants KPMG Oy Ab continue as auditors.

##### 4.2 Remuneration of the Board members

The Annual General Meeting decided that the monthly fee paid to the Chairman of the Board would be EUR 5,833, or EUR 70,000 per year, while that paid to Board members was set at EUR 2,917, or EUR 35,000 per year. It was also decided that each member of the Committee will receive a meeting fee of EUR 500 for each Committee meeting attended.

In addition, it was decided that, according to the existing practices, 60% of the annual fee be paid in cash and 40% in company shares, such that in the period from 4 April to 30 April 2008, 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 decision 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.

##### 4.3 Changes to the Articles of Association

The decision was made to make the following changes to the Articles of Association:

- sections 3 and 4 of the present Articles of Association will be removed and the numbering will be revised correspondingly
- section 5 of the Articles of Association will be changed to the following: "The company's shares belong to the book-entry securities system"
- section 8 of the Articles of Association will be changed to the following:  
"Both the Managing Director and the Chairman of the Board may represent the company alone, and the members of the board, two together."
- section 10 of the Articles of Association will be changed to the following:  
"The company will have one auditor, who must be approved by the Central Chamber of Commerce. The term of office of the auditor ends with the election of the following auditor at the Annual General Meeting."

- section 11 of the Articles of Association will be changed to the following:

"The invitation to the Annual General Meeting must be published no earlier than three months and no later than one week before the date referred to in Chapter 4:2§ Clause 2 of the Limited Liabilities Companies Act, in accordance with the board decision, on the company's website and in one national and in one Tampere regional daily newspaper."

- section 12 of the Articles of Association will be changed to the following:

"In order to be able to participate in the Annual General Meeting, shareholders must inform the company no later than the day stated in the meeting invitation, which may be no earlier than ten days before the meeting. The method of voting is determined by the chairman of the Annual General Meeting."

- section 13 of the Articles of Association will be changed to the following:

"The Annual General Meeting must be held annually on a date specified by the Board of Directors before the end of May. The Annual General Meeting is held in accordance with the decision by the Board, either at the registered office of the company or in Tampere or in Helsinki.

The Annual General Meeting must present

1. annual accounts, including profit and loss account, balance sheet and annual report,
2. auditor's report;  
to be decided
3. confirmation of the company's annual accounts,
4. use of profit based on the balance sheet,
5. discharge from liability of the Board members and the Managing Director,
6. remuneration for the Board members and auditor,
7. number of Board members  
to be elected
8. Board members,
9. auditor

- section 14 of the Articles of Association will be changed to the following:

"The annual accounts, the Board's annual report and other documents relating to company operations must be submitted to the auditor by the end of March, and the auditor must submit his/her report to the Board before 15<sup>th</sup> April."

#### RISKS, INSECURITY FACTORS AND LITIGATIONS IN THE NEAR FUTURE

Roughly 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 U.S. dollar and the Swedish and Norwegian krona. A change of one per cent in the EUR/RUB exchange rate would cause a change of approximately EUR 4.0 million in the company's net sales. A corresponding change in the EUR/USD exchange rate would cause a change of approximately EUR 0.5 million in the company's net sales. A change of one per cent in the EUR/SEK and EUR/NOK exchange rates would cause a change of roughly EUR 1 million in the company's net sales.

Nokian Tyres' future risks and uncertainty factors have to do with the development of the growing markets, the success of winter tyre sales in the key markets, and the development of raw material prices.

The Russian plant capacity increase has been implemented as planned, but future success depends on the availability of skilled personnel.

Nokian Tyres has certain pending legal proceedings and litigations in some countries. At this moment, the company does not expect these proceedings to have any material impact on the performance or future outlook.

#### OUTLOOK FOR 2008

The economic growth of Russia and the CIS countries is expected to continue at a brisk pace. The strong growth in the sales of new cars and the expansion of the car park is also expected to continue in the next coming years.

Nokian Tyres' prospects for 2008 are good. Demand is increasing for winter tyres, UHP summer tyres and SUV tyres, particularly in Russia, the CIS countries and Eastern Europe. In North America, too, prospects in the winter tyre market have improved, whereas in the Nordic countries and Western Europe markets remain flat. Manufacture of forestry machinery as well as other machinery and equipment is active, and the global shortage of heavy special tyres is continuing.

Raw material prices for the whole year 2008 are estimated to be about 7.0% higher than the previous year. Nokian Tyres' average prices will rise as a result of new products, improved sales and product mix and price increases.

The company will continue to launch a large number of new products, which, together with an enhanced distribution network, offer good opportunities for sales growth and for achieving the desired profit margin. Tyres manufactured in Russia represent an increasingly large proportion of the Group's sales, which contributes to sustaining a good profit margin.

Nokian Tyres pays specific attention to growth projects, sales and logistics management, as well as to expanding the distribution network. Capacity will be raised in accordance with an accelerated plan in Russia. Heavy Tyres will focus on production bottlenecks in order to further increase capacity.

Traditionally, the sales and performance of Nokian Tyres are focused on the second half of the year, and in particular on the last quarter of the year, owing to the seasonal nature of the operations and the high share of winter tyres. Growth in Russia and the higher share of pre-sales of tyres have brought some balance to the seasonality, which shows in more evenly divided sales and profits within the year.

The year's second quarter has begun as planned, the order book is larger than last year, and production capacity is higher. In manufacturing, profit growth in the second quarter will be slightly more moderate than in the corresponding period a year earlier. Vianor's profit will improve significantly from its level at the start of the year.

In 2008, the company is positioned to achieve strong growth in sales and to outperform the previous year's results. All profit centres are expected to grow and improve their results.

This interim report 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'.

The interim report figures are unaudited.

#### NOKIAN TYRES

#### CONSOLIDATED INCOME STATEMENT

Million euros	1-3/08	1-3/07	Last 12 months	1-12/07	Change %
Net sales	246.3	199.9	1,071.3	1,025.0	23.2
Cost of sales	-133.4	-109.4	-593.1	-569.1	21.9
Gross profit	112.9	90.5	478.2	455.8	24.7
Other operating income	0.3	0.4	2.3	2.4	-19.5
Selling and marketing expenses	-47.8	-40.6	-186.6	-179.4	17.9
Administration expenses	-6.1	-5.1	-24.5	-23.5	19.4
Other operating expenses	-4.9	-6.2	-20.0	-21.3	-21.4
Operating profit	54.4	39.0	249.4	234.0	39.4
Financial income	19.0	5.6	76.4	63.1	239.6
Financial expenses	-23.6	-9.0	-97.8	-83.3	160.9
Profit before tax	49.8	35.6	228.0	213.8	40.0
Tax expense (1)	-4.7	-7.4	-42.1	-44.9	-36.7
Profit for the period	45.1	28.1	185.9	168.9	60.3

#### Attributable to:

Equity holders of the parent	45.1	28.1	185.9	168.9	
Minority interest	0.0	0.0	0.0	0.0	

#### Earnings per share from the profit attributable to equity holders of the parent

basic, euros	0.36	0.23	1.51	1.37	58.3
diluted, euros	0.35	0.22	1.45	1.31	58.6

#### KEY RATIOS

	31.3.08	31.3.07	31.12.07	Change %
Equity ratio, %	62.9	59.9	61.8	
Gearing, %	27.1	40.8	14.3	
Equity per share, euro	6.10	4.78	5.76	27.7
Interest-bearing net debt, mill, euros	206.5	239.6	102.0	
Capital expenditure, mill, euros	42.7	30.2	117.1	
Depreciation, mill, euros	12.9	11.1	47.1	
Personnel, average	3,661	3,397	3,462	

#### Number of shares (million units)

at the end of period	124.63	122.65	123.70
in average	124.06	122.48	122.95
in average, diluted	131.83	126.75	129.09

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

#### CONSOLIDATED BALANCE SHEET

	31.3.08	31.3.07	31.12.07
Non-current assets			
Property, plant and equipment	447.0	369.4	419.9

Goodwill	52.6	52.6	52.8
Other intangible assets	7.5	8.1	7.5
Investments in associates	0.1	0.1	0.1
Available-for-sale financial assets	0.3	0.2	0.2
Other receivables	12.3	0.7	12.8
Deferred tax assets	20.3	19.7	17.7
Total non-current assets	540.0	450.8	511.0
Current assets			
Inventories	219.3	198.1	193.2
Trade and other receivables	394.1	313.9	293.0
Cash and cash equivalents	58.9	17.6	158.1
Total current assets	672.3	529.6	644.3
Equity			
Share capital	25.0	24.6	24.7
Share premium	154.9	143.6	149.0
Translation reserve	-20.8	-1.0	-12.8
Fair value and hedging reserves	0.0	-0.1	0.0
Retained earnings	601.7	419.4	551.9
Minority interest	0.0	0.0	0.0
Total equity	760.9	586.5	712.8
Non-current liabilities			
Deferred tax liabilities	28.4	22.8	30.1
Interest bearing liabilities	250.8	113.5	248.7
Other liabilities	2.3	1.9	2.4
Total non-current liabilities	281.5	138.1	281.1
Current liabilities			
Trade and other payables	154.2	110.9	148.9
Provisions	1.1	1.0	1.1
Interest-bearing liabilities	14.7	143.7	11.4
Total current liabilities	170.0	255.7	161.4
Total assets	1,212.3	980.4	1,155.4
CONSOLIDATED CASH FLOW STATEMENT	1-3/08	1-3/07	1-12/07
Million euros			
Cash flows from operating activities:			
Cash generated from operations	-26.1	-74.1	206.2
Financial items and taxes	-37.6	-11.7	-36.3
Net cash from operating activities	-63.8	-85.8	169.9
Cash flows from investing activities:			
Net cash used in investing activities	-46.1	-28.9	-117.7
Cash flows from financing activities:			
Proceeds from issue of share capital	6.1	1.0	6.5
Change in current financial receivables and debt	2.2	89.3	-44.4
Change in non-current financial			

receivables and debt	3.0	3.0	143.9
Dividends paid	0.0	0.0	-38.0
Net cash from financing activities	11.3	93.3	68.0
Net change in cash and cash equivalents	-98.5	-21.5	120.3
Cash and cash equivalents at the beginning of the period	158.1	39.0	39.0
Effect of exchange rate changes	0.6	-0.1	1.2
Cash and cash equivalents at the end of the period	58.9	17.6	158.1
	-98.5	-21.5	120.3

The effect of exchange rate changes EUR 0.6 million in 2008 is included in the net cash from operating activities. In 2007 that effect was EUR -0.1 million.

#### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Million euros

	Share capital	Share premium	Trans-lation reserve	Fair value and hedging reserves	Retai-ned earnings	Mino-rity inte-rest	Total
Equity, Jan 1st 2007	24.5	142.7	-2.2	-0.1	391.6	0.0	556.6
Interest rate swaps, net of tax				0.1			0.1
Translation differences			1.3				1.3
Gains/losses from hedge of net investments in foreign operations, net of tax			-0.1				-0.1
Profit for the period					28.1		28.1
Total recognised income and expenses for the period	0.0	0.0	1.2	0.1	28.1	0.0	29.4
Exercised warrants	0.1	0.9					1.0
Share-based payments					1.6		1.6
Other changes					-2.0		-2.0
Change in minority interest							0.0
Equity, Mar 31st 2007	24.6	143.6	-1.0	-0.1	419.4	0.0	586.5
Equity, Jan 1st 2008	24.7	149.0	-12.8	0.0	551.9	0.0	712.8
Interest rate swaps, net of tax				0.1			0.1

Translation differences			-12.4				-12.4
Gains/losses from hedge of net investments in foreign operations, net of tax			4.4				4.4
Profit for the period					45.1		45.1
Total recognised income and expenses for the period	0.0	0.0	-7.9	0.1	45.1	0.0	37.3
Exercised warrants	0.2	5.9					6.1
Share-based payments					4.2		4.2
Other changes					0.3		0.3
Change in minority interest							0.0
Equity, Mar 31st 2008	25.0	154.9	-20.8	0.2	601.7	0.0	760.9

SEGMENT INFORMATION	1-3/08	1-3/07	1-12/07	Change %
Million euros				

Net sales				
Passenger car tyres	190.1	141.4	691.2	34.4
Heavy tyres	27.9	25.6	100.8	8.9
Vianor	46.7	46.0	278.5	1.6
Others and eliminations	-18.4	-13.1	-45.6	-40.8
Total	246.3	199.9	1,025.0	23.2

Operating result				
Passenger car tyres	65.0	41.6	212.0	56.3
Heavy tyres	6.3	6.1	22.3	3.7
Vianor	-10.4	-5.7	8.4	-80.5
Others and eliminations	-6.6	-2.9	-8.7	-124.6
Total	54.4	39.0	234.0	39.4

Operating result, % of net sales				
Passenger car tyres	34.2	29.4	30.7	
Heavy tyres	22.7	23.8	22.1	
Vianor	-22.2	-12.5	3.0	
Total	22.1	19.5	22.8	

Cash Flow II				
Passenger car tyres	-44.4	-83.2	102.3	46.6
Heavy tyres	-6.6	-5.9	21.0	-12.4
Vianor	-12.9	-7.7	-5.6	-66.2
Total	-78.1	-103.7	105.6	24.7

CONTINGENT LIABILITIES	31.3.08	31.3.07	31.12.07
Million euros			

FOR OWN DEBT			
Mortgages	1.0	0.0	1.0
Pledged assets	41.6	0.0	0.0

## OTHER OWN COMMITMENTS

Guarantees	1.4	1.0	1.0
Leasing and rent commitments	93.7	83.9	89.9
Acquisition commitments	27.1	6.2	28.2

## INTEREST RATE DERIVATIVES

Interest rate swaps			
Notional amount	14.9	15.4	15.0
Fair value	0.0	-0.1	0.1

## FOREIGN CURRENCY DERIVATIVES

Currency forwards			
Notional amount	395.8	245.6	312.1
Fair value	7.1	1.8	2.6
Currency options, purchased			
Notional amount	23.5	39.4	4.8
Fair value	0.5	0.3	0.1
Currency options, written			
Notional amount	23.5	36.9	4.8
Fair value	-0.2	-0.4	0.0

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

Foreign currency derivatives are only used to hedge the Group's net exposure. The changes in fair value of foreign currency derivatives are reported in the income statement excluding the foreign currency derivatives 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 fair value are wholly deferred in equity except for the potential ineffective portion and the time value of currency options, which are recognised in the income statement.

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

Nokian Tyres plc

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Distribution: OMX and major media

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Nokian Tyres plc will publish the interim report January-March on Wednesday May 7, 2008 at 8.00 am Finnish time.

The result presentation to analysts and media will be held in Helsinki at 10.00 am Finnish time.

The presentation can be listened through audiocast via internet at <http://www.nokiantyres.com/resultinfo2008q1>

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: Nokian Tyres

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.