Nokian Tyres plc Stock Exchange Release 6 May 2011, 8 a.m.

NOKIAN TYRES PLC INTERIM REPORT JANUARY-MARCH 2011:
Strong first quarter results and record-high order book

Nokian Tyres group's net sales increased by 57.3% to EUR 289.2 million (EUR 183.8 million in Q1/2010). Operating profit grew to EUR 72.3 million (EUR 21.1 million) and Earnings per share increased to EUR 0.49 (EUR 0.16).

Outlook:
Car tyre demand and deliveries have increased clearly driven by a recovery of consumer confidence, growth of GDP on Nokian Tyres' core markets, growth in car sales and improved financing to distributors. Higher industrial activity in machine building and transportation supports growth of heavy tyre and truck tyre sales. Inventories are low in the whole tyre industry and distribution channels. Nokian Tyres' order book is on an all-time high level in all manufacturing units and demand may exceed supply capacity at times in 2011.

Financial quidance:

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

Key figures, EUR million:

	Q1/11	Q1/10	Change%	Q2/10	Q3/10	Q4/10	2010
Net sales	289.2	183.8	57.3	260.4	245.2	368.7	1,058.1
Operating profit	72.3	21.1	241.8	60.9	48.3	91.8	222.2
Profit before tax	69.9	22.2	214.5	60.6	39.6	86.4	208.8
Profit for the period	62.4	20.1	211.1	52.6	34.5	62.6	169.7
Earnings per share, EUR	0.49	0.16	198.3	0.42	0.27	0.49	1.34
Equity ratio, %	71.0	62.5					68.4
Cash flow from operations	-52.3	-24.8	-110.8	-2.5	-12.0	358.1	318.8
RONA,% (rolling 12 months)	21.6	10.3					17.8
Gearing, %	5.5	30.4					0.1

Kim Gran, President and CEO:

"Continued clear improvement of demand in core business gave Nokian Tyres a flying start for 2011. The first quarter was a success for us, as we beat all former Q1 results.

Sales grew significantly in our core markets, Northern Europe and Russia, trailing the economic growth, booming new car sales and improved consumer confidence. We continue to win market share with new test winning products and the expansion of distribution network spearheaded by Vianor. A larger share of Russian sales, with sales mix weighting more clearly on premium tyres combined with price increases were sufficient to compensate for the significantly increasing raw material cost.

We managed to increase production output in Q1 by 61% YOY, which however is not enough to satisfy the growth in sales. Two additional production lines for Russia (numbers 9 and 10) are being installed with start-up during summer, which will further improve output and productivity. The new plant to be built in Russia next to the current one will increase our annual car tyre capacity further by 5-6 million tyres in 2012-2014. The investment and incentive agreement is being finalized with local authorities and the new plant will commence production during H2/2012.

The visibility to this year's sales is quite good. Inventories of all our core products remain low in Nokian Tyres as well as in the distribution. Our order book is record-high with sales growth correlating closely with increases in production output.

Our sails bulge with tailwind, however it is not plain sailing; we still face serious challenges with further significant raw material cost increases, availability issues and general uncertainties of the global economy. We trust to be able to tackle these challenges as in times of short supply we will make choices which will enhance productivity and profitability."

Market situation

The global economy continued to improve in the first quarter of 2011. Easy monetary policies and low interest rates have improved global macro indicators on a broad basis. The earthquake with the resulting tsunami and extensive damage in Japan as well as the upheavals in Northern Africa and Middle East have added to economic uncertainty. However, implications to Northern European economies and Russia and consequently to Nokian Tyres are so far assessed to be insignificant. In Europe there has been uncertainty related to the governmental borrowing and its effects to financial markets but it has had minor input on the private sector's optimism.

Drivers for growth in Nokian Tyres' core markets improved. Annual GDP growth averaged 3.5% in the Nordic countries and 4.5% in Russia at the end of Q1. The new car sales increased in the Nordic countries by 17% year-over-year. In Russia the new car sales were up by 77% in January-March compared to the corresponding period in 2010. New car sales in Russia is expected to continue to grow by approximately 30% in 2011.

The aftermarket sales volume for car tyres in the review period increased in the Nordic countries by an estimated 7% and in Europe also by 7% year-over-year. Tyre industry deliveries to distributors increased by over 40% 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 stocks are down due to the previous year's rapid recovery of demand continuing in Q1/2011. In the tyre industry strong demand and improved sales for 2011 are expected.

The demand for special heavy tyres has continued to improve supported by a significant increase in forest and mining machine manufacture. In the aftermarket demand has also increased for other special use tyres, i.e. container handling and agricultural tyres. The increase derives from improved demand and prices of pulp, sawmill products, metals and food raw materials.

A recovery of the transport sector has improved demand for truck tyres and created some short supply in the aftermarket.

Overall, the market environment has improved clearly and demand exceeds supply in many product groups.

Tyre raw material prices have been increasing significantly since early 2009. The price for natural rubber has increased by approximately 60% in the end of Q1/2011 versus Q1/2010. Oil-based materials have also risen significantly and some materials are in short supply. In early 2011 the raw material prices have continued to go up triggering additional price increases from the tyre industry.

January-March 2011

Nokian Tyres Group recorded net sales of EUR 289.2 million (183.8), showing an increase of 57.3% on the corresponding period a year earlier. In the Nordic countries sales increased by 33.6% representing 33.2% (39.0%) of the group's total sales. Sales in Russia increased by 119.8%. Russia and CIS consolidated sales grew by 115.9% and formed 35.7% (25.9%) of the group's total sales. In Central and Eastern Europe sales were up by 58.0% year-over-year representing 24.7% (24.5%) of the group's total sales. In North America sales decreased by 9.8% and were 5.8% (10.1%) of the group's total sales.

Sales of passenger car tyres were up by 65.0% representing 74.0% (68.1%) of the group's total sales. Heavy tyres' sales increased by 68.7% and were 9.1% (8.2%) of the group's total sales. Vianor's sales decreased by 0.6% forming 13.5% (20.7%) of the group's total sales. The sales of Other operations were up by 73.9% representing 3.4% (3.0%) of the group's total sales.

Raw material cost (EUR/kg) in manufacturing increased in the review period by 41,3% year-over-year. Fixed costs amounted to EUR 81.3 million (73.1), accounting for 28.1% (39.7%) of net sales. Total salaries and wages were EUR 40.7 million (33.3).

Nokian Tyres Group's operating profit amounted to EUR 72.3 million (21.1). The operating profit was negatively affected by the IFRS 2 -compliant option scheme write-off of EUR 1.9 million (1.7) and expensed credit losses and provisions of EUR 0.5 million (0.1).

Net financial expenses were EUR 2.4 million (-1.1). Net interest expenses were EUR 2.4 million (4.8) including EUR 2.0 million (1.9) in non-cash expenses related to convertible bonds. Net financial expenses include EUR 0.1 million (5.9) of exchange rate differences.

Profit before tax was EUR 69.9 million (22.2). Profit for the period amounted to EUR 62.4 million (20.1), and EPS were EUR 0.49 (EUR 0.16).

Return on net assets (RONA, rolling 12 months) was 21.6% (10.3%). Income financing after the change in working capital, investments and the disposal of fixed assets (Cash flow from operations) was EUR -52.3 million (-24.8).

The Group employed an average of 3,587 (3,184) people, and 3,653 (3,189) at the end of the period. The equity-owned Vianor tyre chain employed 1,276 (1,300) people and Russian operations 911 (648) people at the end of the period.

Financial position by 31 March 2011

Gearing ratio was 5.5% (30.4%). Interest-bearing net debt amounted to EUR 57.0 million (253.7). Equity ratio was 71.0% (62.5%).

The Group's interest-bearing liabilities totalled EUR 218.7 million (334.4) of which current interest-bearing liabilities amounted to EUR 13.0 million (72.4). The average interest rate of interest-bearing liabilities was 5.3% (4.5%). The average interest rate of interest-bearing liabilities was 1.5% (2.2%) 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 536.6 million (451.1) of which EUR 235.9 million (180.4) 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 tax rate is effected by tax relieves in Russia based on present investments and further investment-related incentive agreements. The Group's tax rate in 2010 was 18.7% and it is estimated to remain at the same level during 2011.

PASSENGER CAR TYRES

	Q1/11	Q1/10	Change%	Q2/10	Q3/10	Q4/10	2010
Net sales, m€	229.7	139.2	65.0	179.5	174.7	221.4	714.7
Operating profit, m€	84.1	35.4	137.4	51.5	48.7	69.9	205.5
Operating profit, %	36.6	25.4		28.7	27.9	31.6	28.8
RONA,% (roll.12 m.)	29.3	13.9					23.3

The net sales of Nokian Passenger Car Tyres in January-March totalled all-time-high for Q1, EUR 229.7 million (139.2), up by 65.0% from previous year. Operating profit increased to EUR 84.1 million (35.4). Operating profit percentage improved to 36.6% (25.4%).

The demand for car tyres continued to increase. Nokian Tyres' sales were strong in all core markets. Winter tyre sales represented 49% of total sales, which is roughly the same as in the corresponding period a year earlier. Majority of the sales growth came from Russia where the winter tyre sales improved clearly and the summer tyre sales doubled year-over-year. Among product groups the SUV tyres showed the strongest sales 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 second quarter.

The new summer tyre models with the spearhead product Nokian Hakka Green, a tyre giving clear savings in fuel-consumption, won car magazines' tyre tests in the core markets and in Europe.

Improved sales mix, successful price increases and favourable currency exchange rate development raised the Average Selling Price significantly compared to Q1/2010, thus compensating for the raw material cost increase of 41% year-over-year.

Production output grew by 63% 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 capacity will increase as the lines 9 and 10 in Russia come on stream in the second and third quarter of the year, and as the company increases off-take contract manufacturing.

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

The order book for 2011 is all-time high and the inventories are low. Increasing raw material cost will result in further tyre price increases of 4-7% during Q2-Q3/2011. The most important challenges in 2011 will be securing the tyre supply capacity and the availability of raw materials.

HEAVY TYRES

	Q1/11	Q1/10	Change%	Q2/10	Q3/10	Q4/10	2010
Net sales, m€	28.4	16.8	68.7	20.3	18.3	25.7	81.0
Operating profit, m€	5.4	3.8	42.4	3.9	1.7	4.2	13.7
Operating profit, %	19.1	22.7		19.3	9.5	16.5	16.9
RONA,% (roll.12 m.)	22.5	10.0					21.0

The net sales of Nokian Heavy Tyres totalled EUR 28.4 million (16.8) in the review period, up by 68.7% year-over-year. Operating profit was EUR 5.4 million (3.8), and the Operating profit percentage 19.1% (22.7%).

Demand for heavy tyres continued to grow at a healthy pace trailing increasing activity in machine building and a stronger replacement market. Sales of Nokian Heavy Tyres improved clearly in all product groups. Forestry tyres, mining and radial tyres showed strongest growth.

Price increases were implemented to offset higher raw material costs and margins improved compared to the end of 2010.

The production volume (tons) increased by 50% year-over-year and was at full utilization with a clear improvement in productivity. Further investment to open bottlenecks in production and to increase output in 2012-2013 by approximately 25% from present level have been taken. Installation of first machinery will start during H2/2011.

A new product category, Beyond All-Steel Radial (BAS) developed by Nokian Tyres was launched targeting harbour and mining end use applications. Sales have started in late 2010 challenging traditional all-steel tyres.

VIANOR

Equity-owned operations

	Q1/11	Q1/10	Change%	Q2/10	Q3/10	Q4/10	2010
Net sales, m€	41.9	42.2	-0.6	78.7	64.5	122.6	307.9
Operating result, m€	-13.1	-11.8	-10.9	6.8	-2.8	11.8	4.0
Operating result, %	-31.3	-28.0		8.6	-4.4	9.7	1.3
RONA,% (roll.12 m.)	-2.1	-3.4					2.6

At the end of the review period Vianor had 172 equity-owned stores in Finland, Sweden, Norway, USA, Switzerland and Russia. Vianor’s net sales in January-March amounted to EUR 41.9 million (42.2), down by 0.6% compared with the corresponding period a year earlier. Operating result was EUR -13.1 million (-11.8) and the Operating result percentage was -31.3% (-28.0%). The Operating result was negative due to seasonality. Summer tyre consumer sales and the related service sales in the Nordic countries were delayed to the second quarter of the year due to a prolonged winter and a late timing of Easter. Weeks around Easter are the main consumer season for changing from winter to summer tyres.

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

In the review period Vianor expanded the network on Nokian Tyres’ core markets by 21 stores. At the end of March 2011, the global Vianor network comprised of 792 stores of which 620 were partners. Vianor operated in 20 countries; most extensively in the Nordic countries, in Russia and in Ukraine. Nokian Tyres’ market shares improved as a result of the expansion.

Expanding the partner franchise network will continue according to earlier plans; target is to have more than 900 stores by the end of 2011.

OTHER OPERATIONS

Truck Tyres

The net sales of Nokian Truck Tyres were EUR 10.6 million (6.1), up by 73.9% 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.

The profitability of Nokian Truck Tyres improved significantly year-over-year backed by increased sales volumes and tyre price increases.

Due to the market upturn there is 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, expanding the product range and increasing prices further to offset the effects of the higher raw material cost. 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 119.8% to EUR 102.8 million (46.8). Sales in CIS countries (excluding Russia) were EUR 5.8 million (3.5). Consolidated sales in Russia and CIS increased by 115.9% to EUR 108.6 million (50.3).

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

The distribution network was extended by signing additional distribution agreements and expanding the Vianor network. The Vianor tyre chain was expanded and there were a total of 438 Vianor stores in over 260 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 will increase the annual capacity to approximately 11 million tyres. The company is also preparing a new plant next to the current one, which will increase the annual car tyre capacity further by 5-6 million tyres. Negotiations about tax relieves and infrastructure investments are in their final stage. The new plant is estimated to commence production during 2012 and the capacity increase during 2012-2014.

Backed by the oil price the Russian Rouble has gradually strengthened against the Euro. Russian economy recovered at an estimated real GDP growth of 4.5% in Q1/2011 versus Q1/2010. Consumer confidence was strong and purchasing power improved. Russia is expected to show a healthy GDP growth of 4–6% in 2011.

New car sales, the main driver for premium tyres, increased by 77% in Q1/2011 compared to Q1/2010. The new car sales is supported by the scrappage incentive program, which has been extended into 2011, and the credit rates offered by banks (including loans subsidized by car manufacturers) returning to pre-crisis values. 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 2-4 years ago are now in need for both summer and winter replacement tyres.

The market potential with strong underlying consumer demand in Russia has become evident with strong growth in car and tyre sales. Tyre industry deliveries to distributors increased by over 40% in Q1/2011.

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 the first quarter amounted to EUR 15.0 million (14.4). 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 increase, the number of Nokian Tyres shares is 128,849,012 and the share capital remained EUR 25,437,906.00.

3. Share price development

The Nokian Tyres' share price was EUR 30.03 (EUR 19.23) at the end of the review period. The volume weighted average share price during the period was EUR 28.65 (EUR 18.16), the highest EUR 31.13 (EUR 20.15) and the lowest EUR 26.07 (EUR 15.89). A total of 43,927,658 shares were traded during the period (49,747,979), representing 34% (39%) of the company's overall share capital. The company's market value at the end of the period amounted EUR 3.869 billion (EUR 2.436 billion).The company's percentage of Finnish shareholders was 37.8% (37.6) and 62.2% (62.4) 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. Matters after the review period

In April 4 2011 Nokian Tyres announced that the company's sales and operating profit increased clearly in the first quarter. January-March 2011 Net sales was on that date estimated to be approximately EUR 278 million (Q1/2010: EUR 183.8 million) and Operating profit EUR 65-70 million (Q1/2010: EUR 21.1 million). The market outlook in Nokian Tyres' core markets was stated to have strengthened further. The guidance was updated: "In 2011, the company is positioned to provide strong sales growth and to improve operating profit clearly compared to 2010."

In the Annual General Meeting of Nokian Tyres plc on 7 April 2011, President and CEO Kim Gran stated in his review: "Market outlook has strengthened clearly and we need more production capacity. We, together with the local authorities, are preparing a new plant next to the current one, which will increase our annual car tyre capacity by 5-6 million tyres. Negotiations about tax relieves and infrastructure investments are in their final stage. According to plans, the new plant can be taken into use during 2012 and the capacity increase during 2012-2014. We are also considering adding production capacity for heavy tyres in order to serve the growing demand. We will make a decision on this matter during this year".

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 has 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.

RISKS, UNCERTAINTY AND DISPUTES IN THE NEAR FUTURE

Ongoing uncertainty related to governmental borrowing in Europe may cause disruption in the financial markets.

Nokian Tyres other risks and uncertainty factors relate to the prices and availability 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 .

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.

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 around 40% of the Group's total trade receivables.

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

OUTLOOK FOR 2011

Car tyre demand and deliveries have increased clearly driven by a recovery of consumer confidence, growth of GDP on Nokian Tyres' core markets, growth in car sales and improved financing to distributors. Higher industrial activity in machine building and transportation supports growth of heavy tyre and truck tyre sales. Inventories are low in the whole tyre industry and distribution channels. Nokian Tyres' order book is on an all-time high level in all manufacturing units and demand may exceed supply capacity at times in 2011.

Nokian Tyres will add to production capacity by more than 30% in 2011 versus 2010. Production will be increased mainly by investing in two new lines in the Russian plant. The company is also preparing a new plant in Russia next to the current one, which will increase the annual car tyre capacity by 5-6 million tyres. Negotiations about tax relieves and infrastructure investments are in their final stage. The new plant is estimated to commence production during 2012 and the capacity increase during 2012-2014.

Productivity is expected to improve due to the benefits of restructuring and higher capacity utilization. The development of profits at Nokian Tyres is estimated to be supported by higher sales volumes, price increases, improved sales mix and an increasing share of Russian production.

Increasing raw material cost will result in further tyre price increases during 2011. Nokian Tyres' raw material cost for full year 2011 is estimated to increase by approximately 30% 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 first quarter exceeded the target.

A strong demand, 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 in 2011.

Financial guidance:
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 has been increased by EUR 23 million and will be approximately EUR 140 million (50.5). Roughly EUR 75 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 25 million, moulds for new products EUR 26 million and Vianor chain including acquisitions EUR 14 million.

Nokia, 6 May 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'.

The interim report figures are unaudited

NOKIAN TYRES

CONSOLIDATED INCOME STATEMENT Million euros	1-3/11	1-3/10	Last 12 months	1-12/10	Change %
Net sales	289.2	183.8	1,163.5	1,058.1	57.3
Cost of sales	-155.6	-108.7	-651.0	-604.0	-43.2
Gross profit	133.5	75.2	512.5	454.1	77.7
Other operating income	0.7	0.9	4.1	4.3	
Selling and marketing expenses	-51.5	-44.6	-199.8	-192.9	-15.5
Administration expenses	-6.2	-6.1	-27.8	-27.6	-2.8
Other operating expenses	-4.2	-4.3	-15.7	-15.8	1.4
Operating profit	72.3	21.1	273.3	222.2	241.8
Financial income	34.6	29.3	101.6	96.3	17.9
Financial expenses	-36.9	-28.3	-118.3	-109.7	-30.7
Profit before tax	69.9	22.2	256.5	208.8	214.5
Tax expense (1	-7.5	-2.2	-44.5	-39.1	-246.3
Profit for the period	62.4	20.1	212.1	169.7	211.1
Attributable to:					
Equity holders of the parent	62.4	20.1	212.1	169.7	
Non-controlling interest	0.0	0.0	0.0	0.0	
Earnings per share from the profit attributable to equity holders of the parent					
basic, euros	0.49	0.16		1.34	198.3
diluted, euros	0.48	0.16		1.32	200.0

CONSOLIDATED OTHER COMPREHENSIVE INCOME Million euros	1-3/11	1-3/10	1-12/10
Profit for the period	62.4	20.1	169.7
Other comprehensive income, net of tax:			
Gains/Losses from hedge of net investments in foreign operations	0.2	-16.0	-17.9
Cash flow hedges	1.6	-0.5	-0.6
Translation differences on foreign operations	6.2	44.0	37.0
Total other comprehensive income for the period, net of tax	8.0	27.5	18.5
Total comprehensive income for the period	70.4	47.5	188.2
Total comprehensive income attributable to:			
Equity holders of the parent	70.4	47.5	188.2
Non-controlling interest	0.0	0.0	0.0

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

KEY RATIOS	31.3.11	31.3.10	31.12.10	Change %
Equity ratio, %	71.0	62.5	68.4	
Gearing, %	5.5	30.4	0.1	
Equity per share, euro	8.03	6.58	7.34	22.0
Interest-bearing net debt, mill. euros	57.0	253.7	0.7	
Capital expenditure, mill. euros	15.0	14.4	50.5	
Depreciation, mill. euros	17.6	17.0	69.4	
Personnel, average	3,587	3,184	3,338	
Number of shares (million units)				
at the end of period	128.85	126.69	127.70	
in average	128.16	125.57	126.75	
in average, diluted	135.29	131.66	132.96	

CONSOLIDATED STATEMENT OF FINANCIAL POSITION Million euros	31.3.11	31.3.10	31.12.10
Non-current assets			
Property, plant and equipment	485.7	522.0	483.6
Goodwill	60.4	56.3	58.8
Other intangible assets	18.9	19.0	19.7
Investments in associates	0.1	0.1	0.1
Available-for-sale financial assets	0.3	0.2	0.3
Other receivables	21.0	13.6	20.6
Deferred tax assets	27.5	37.9	22.3
Total non-current assets	613.8	649.1	605.2
Current assets			
Inventories	263.2	213.1	210.6
Trade receivables	336.3	287.8	258.9
Other receivables	84.6	103.2	80.4
Cash and cash equivalents	161.8	80.7	216.6
Total current assets	845.9	684.8	766.3
Equity			
Share capital	25.4	25.4	25.4
Share premium	181.4	181.3	181.4
Translation reserve	-64.6	-62.2	-71.1
Fair value and hedging reserves	1.0	-0.5	-0.6
Paid-up unrestricted equity reserve	33.1	0.0	8.0
Retained earnings	858.3	689.4	793.9
Non-controlling interest	0.0	0.0	0.0
Total equity	1,034.5	833.4	937.2
Non-current liabilities			
Deferred tax liabilities	31.2	32.3	39.3
Provisions	0.1	1.4	0.1
Interest bearing liabilities	205.8	260.2	204.2
Other liabilities	1.3	2.4	1.9
Total non-current liabilities	238.4	296.4	245.5
Current liabilities			
Trade payables	91.6	43.1	81.0
Other current payables	80.1	85.9	92.7
Provisions	2.2	1.0	2.2
Interest-bearing liabilities	13.0	74.2	13.0
Total current liabilities	186.8	204.2	189.0
Total assets	1,459.7	1,333.9	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	1-3/11	1-3/10	1-12/10
Cash flows from operating activities:			
Cash generated from operations	-33.3	18.1	372.7
Financial items and taxes	-31.1	-13.7	-45.4
Net cash from operating activities	-64.4	4.4	327.2
Cash flows from investing activities:			
Net cash used in investing activities	-15.4	-12.5	-33.7
Cash flows from financing activities:			
Proceeds from issue of share capital	25.0	26.6	34.7
Change in current financial receivables and debt	0.0	1.6	-29.8
Change in non-current financial receivables and debt	-0.4	-2.9	-95.2
Dividends paid	0.0	0.0	-50.7
Net cash from financing activities	24.7	25.2	-141.0
Net change in cash and cash equivalents	-55.2	17.1	152.6
Cash and cash equivalents at the beginning of the period	216.6	62.5	62.5
Effect of exchange rate changes	0.4	1.1	1.5
Cash and cash equivalents at the end of the period	161.8	80.7	216.6
	-55.2	17.1	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						20.1		20.1
Other comprehensive income, net of tax								
Cash flow hedges				-0.5				-0.5
Net investment hedge			-16.0					-16.0
Translation differences			43.9					43.9
Total comprehensive income for the period			27.9	-0.5		20.1		47.5
Exercised warrants	0.5	26.1						26.6
Share-based payments						1.7		1.7
Total transactions with owners for the period	0.5	26.1				1.7		28.3
Equity, Mar 31st 2010	25.4	181.3	-62.2	-0.5	0.0	689.4	0.0	833.4
Equity, Jan 1st 2011	25.4	181.4	-71.1	-0.6	8.0	793.9	0.0	937.2
Profit for the period						62.4		62.4
Other comprehensive income, net of tax								
Cash flow hedges				1.6				1.6
Net investment hedge			0.2					0.2
Translation differences			6.2					6.2
Total comprehensive income for the period			6.4	1.6		62.4		70.4
Exercised warrants					25.0			25.0
Share-based payments						1.9		1.9
Total transactions with owners for the period					25.0	1.9		26.9
Equity, Mar 31st 2011	25.4	181.4	-64.6	1.0	33.1	858.3	0.0	1,034.5

SEGMENT INFORMATION

Million euros	1-3/11	1-3/10	1-12/10	Change %
Net sales				
Passenger car tyres	229.7	139.2	714.7	65.0
Heavy tyres	28.4	16.8	81.0	68.7
Vianor	41.9	42.2	307.9	-0.6
Other operations	12.8	6.1	41.6	111.0
Eliminations	-23.7	-20.5	-87.2	-15.9
Total	289.2	183.8	1,058.1	57.3
Operating result				
Passenger car tyres	84.1	35.4	205.5	137.4
Heavy tyres	5.4	3.8	13.7	42.4
Vianor	-13.1	-11.8	4.0	-10.9
Other operations	0.5	-1.4	-1.6	134.7
Eliminations	-4.6	-4.9	0.6	6.2
Total	72.3	21.1	222.2	241.8
Operating result, % of net sales				
Passenger car tyres	36.6	25.4	28.8	
Heavy tyres	19.1	22.7	16.9	
Vianor	-31.3	-28.0	1.3	
Total	25.0	11.5	21.0	
Cash Flow II				
Passenger car tyres	-14.1	-8.5	291.2	-66.1
Heavy tyres	-7.8	-3.3	8.5	-134.4
Vianor	-12.2	-9.1	12.4	-33.9
Total	-52.3	-24.8	318.8	-110.8

CONTINGENT LIABILITIES

Million euros	31.3.11	31.3.10	31.12.10
FOR OWN DEBT			
Mortgages	1.0	0.9	1.1
Pledged assets	0.0	35.6	0.0
OTHER OWN COMMITMENTS			
Guarantees	6.2	5.9	6.2
Leasing and rent commitments	97.8	97.9	102.1
Purchase commitments	1.8	3.4	2.2

DERIVATIVE FINANCIAL INSTRUMENTS Million euros	31.3.11	31.3.10	31.12.10
INTEREST RATE DERIVATIVES			
Interest rate swaps			
Notional amount	30.3	31.6	30.7
Fair value	-0.2	-1.0	-1.3
FOREIGN CURRENCY DERIVATIVES			
Currency forwards			
Notional amount	591.6	498.6	563.2
Fair value	3.0	-21.6	-3.3
Currency options, purchased			
Notional amount	24.0	15.7	0.0
Fair value	0.2	0.1	0.0
Currency options, written			
Notional amount	24.0	27.3	0.0
Fair value	0.0	-0.3	0.0
ELECTRICITY DERIVATIVES			
Electricity forwards			
Notional amount	13.5		
Fair value	1.6		

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.

Nokian Tyres plc

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Nokian Tyres plc interim report January- March 2011 was published on Friday 6 May, 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/resultinfoq12011

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: 893583

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 interim report January-June 2011 will be published on 5 August, 2011. Releases and company information will be found from http://www.nokiantyres.com