NOKIAN TYRES PLC
Annual Report 1998

NOKIAN TYRES PLC
ANNUAL REPORT 1998

CONTENTS


Head office
Own plants
Off-take production
Test centres
Sales companies
Importers
Retail

ANNUAL GENERAL MEETING

The Annual General Meeting of Nokian Tyres plc will be held on 24 March 1999 at 4:00 p.m. in Nokian Tyres' Head Office in Nokia. Registration and handing out of ballot papers will start at 3.00 p.m.

Shareholders so registered in the company's shareholder register maintained by the Finnish Central Securities Depository Ltd. by 19 March 1999 at the latest are entitled to attend the Annual General Meeting. Any shareholder who would like to attend must register by 22 March 1999, 3:00 p.m., either in writing to: Nokian Tyres plc, PO Box 20, 37101 Nokia, Finland; or by telephone to: +358-3-3407 438 or +358-3-3407 293 or telefax +358-3-3420 677. Any credentials shall be delivered to the above address together with the registration.

The company's Financial Statements are available for shareholders' investigations during one week before the Annual General Meeting.

PAYMENT OF DIVIDENDS

The Board of Directors will propose at the Annual General Meeting of Shareholders that a dividend of FIM 4.35 per share be paid. If the Board of Directors' proposal is accepted, the matching date for the dividend will be 29 March 1999, and the payment date will be 7 April 1999.

SHARE REGISTER

Shareholders are requested to report changes in their contact information as well as changes in their ownership to the book-entry registry where they are listed.

1999 FINANCIAL DATA

Nokian Tyres will publish information in Finnish and in English on the 1999 fiscal year as follows:

3 month Interim Report	7 May 1999
6 month Interim Report	11 August 1999
9 month Interim Report	5 November 1999
Financial Statements Bulletin	February 2000
Annual Report 1999	March 2000

Reports of 1999 onwards will be published in euros.

These reports can be ordered from Nokian Tyres plc
Public Information, PO Box 20
SF-37101 Nokia, Finland
telephone: +358-3-3407 641
fax: +358-3-3407 799, e-mail: info@nokiantyres.fi

All Nokian Tyres' Stock Exchange Bulletins are published in Internet address: http://www.nokiantyres.fi.

Nokian Tyres is the largest tyre manufacturer in the Nordic countries. The company manufactures summer and winter tyres for cars, bicycles and for demanding professional use. The product range also includes retreading materials. Moreover, the company owns retail chains in Norway, Sweden and Latvia.

KEY FINANCIAL INDICATORS 1998
(FIM)

	1998	% of net sales	1997	% of net sales	Change %
Net sales, MFIM	1,494.0		1,258.3		18.7
Operating profit, MFIM	197.5	13.2	163.5	13.0	20.8
Profit before extraordinary					
items and tax, MFIM	174.3	11.7	149.1	11.8	16.9
Return on capital employed, %	19.8		21.5		-8.0
Interest bearing net debt, MFIM	560.4	37.5	235.7	18.7	137.8
Gross investments, MFIM	432.3	28.9	152.9	12.2	182.6
Cash flow from operations, MFIM	136.6		146.5		-6.8
Earnings per share, FIM	12.12		9.99		21.3
Cash flow per share, FIM	13.3		14.3		-7.5
Shareholders' equity per share, FIM	57.59		49.33		16.7
Equity ratio, %	37.1		45.2		-17.9
Gearing, %	94.3		46.6		102.1
Personnel, average	1,620		1,358		19.3

KEY FINANCIAL INDICATORS 1998
(Euro)

	1998	% of net sales	1997	% of net sales	Change %
Net sales, million euro	251.3		211.6		18.7
Operating profit, million euro	33.2	13.2	27.5	13.0	20.8
Profit before extraordinary					
items and tax, million euro	29.3	11.7	25.1	11.8	16.9
Return on capital employed, %	19.8		21.5		-8.0
Interest bearing net debt, million euro	94.2	37.5	39.6	18.7	137.8
Gross investments, million euro	72.7	28.9	25.7	12.2	182.6
Cash flow from operations, million euro	23.0		24.6		-6.8
Earnings per share, euro	2.04		1.68		21.3
Cash flow per share, euro	2.23		2.41		-7.5
Shareholders' equity per share, euro	9.7		8.3		16.7
Equity ratio, %	37.1		45.2		-17.9
Gearing, %	94.3		46.6		102.1
Personnel, average	1,620		1,358		19.3

NOKIAN TYRES' STRATEGY

Nokian Tyres is the only tyre manufacturer in the world, whose strategy is to focus on products designed for northern conditions. The principal market areas of the company are countries with snow, forests and demanding driving conditions.

The company has set the following strategic goals:

- Stronger position in all product groups in the home market area, that is Finland, Norway, Sweden, Russia and the Baltic States.
- Stronger position in core product groups worldwide.
- Increased profits through continually developed and renewed product ranges.
- Increased profits through better total quality.
- Increased profits through better productivity.
- Increasingly precise operations management as a result of using the latest information technology.
- Increasingly precise operations management as a result of developing the current matrix organisation towards a customer-driven process organisation.
- Continuous development of employees' skills (life-long learning).

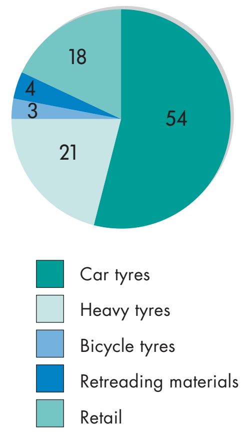
GUIDELINE VALUES

Following guideline values are placed for the business:

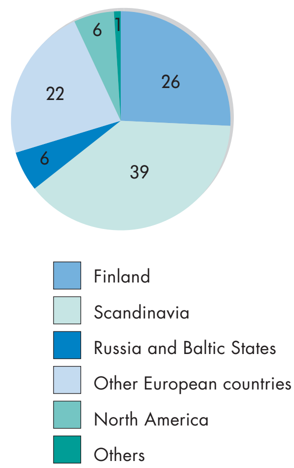
Earnings per share	+ 20%
Profit before tax	10% of net sales
Sales	+ 10%
Quality costs	- 10%
Productivity	+ 7%
Capacity usage	340 days/3 shifts
Personnel participation	10 initiatives/ person
Investments (organic)	10% of net sales
Product development costs	2.5% of net sales
Information technology costs	1.5% of net sales
Skills development	2% of net sales
Individual development plans	

The guideline values are further improved and strengthened by off-take production of the so-called supporting products. Manufacturing the supporting products in other tyre manufacturers' factories leaves the Nokia factory's capacity free to concentrate on manufacturing core products.

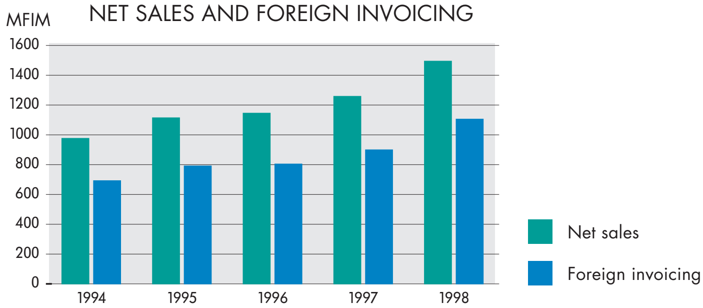
NET SALES
BY PRODUCT AREAS 1998
%



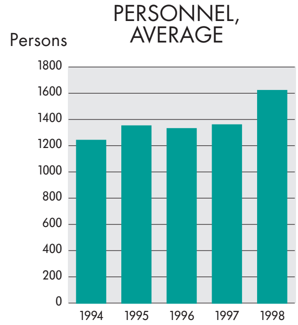
NET SALES
BY MARKET AREAS 1998
%



NET SALES AND FOREIGN INVOICING



PERSONNEL,
AVERAGE



1998 – the hundredth anniversary of the Finnish rubber industry – was the fifth successive year when Nokian Tyres' profit per share increased by 20%. As in previous years, the achievement of good profits faced external challenges that could not have been seen in spite of anticipation. In some years there have been problems in obtaining raw materials or in increase of raw material prices, in other years strong fluctuations of exchange rates. This year the disturbance came from Russia, where the first seven months of the year were good and suddenly all activity stopped until October. In November the sales picked up again and returned to about 70% of the planned level until slowed once again at the turn of the year.

From Nokian Tyres' point of view, Russian sales stopped at the worst possible moment – just when the winter tyre season was about to begin. Once again our organisation showed its adaptability and we managed to adjust to the situation quickly by directing deliveries intended for the Russian market to the west. The fact that the company can find the solutions leading to growth and profit even when the economic situation on important markets deteriorates for one reason or another proves that Nokian Tyres has been able to build this kind of flexibility potential into both its products and its activities.

GROWTH AND EXPANSION

1998 was a year of growth and expansion for Nokian Tyres. This was evident, among other things, in renewed, more versatile product ranges, increased production and expanded production facilities and particularly in the rapid building of our distribution network. Building up our own tyre distribution network has been both a defensive measure and also a means of supporting our strategy that aims at strengthening the position of all our products on our home markets the Nordic countries, the Baltic states and Russia. I believe that our distribution network will continue to expand in the future, too. The principal short term challenge is to develop our retail network further in order to reach the growth and profitability targets defined in the company's guideline values (see page 5).

In the previous year, growth and expansion were seen as record-breaking investments. Our guideline is to annually invest 10% of net sales, but last year our investments amounted to about 30%. However, one must remember that our investment projects involve a chain of investments lasting several years. A few years back we could still grow by removing bottlenecks from production, which has not been sufficient during recent years. The demand for our products has exceeded supply and we need totally new production facilities in order to grow. These kind of building projects require both time and money. Last year, in addition to building investments, investment in expanding our retail added to the costs. However, this situation is exceptional, and we will gradually return to our target level of 10%. Increased off-take production will also ease the need for additional capacity.

The project to establish ourselves in Russia by starting tyre manufacturing and distribution together with a strong local partner continued throughout last year and continues today as well. But we now have an opportunity to analyse the situation and the tyre business in Russia more closely, because we have purchased 8% of the Yaroslavl tyre factory. The reduced purchasing power of the Russians and the improved competitive ability of their products have supported our desire to start manufacturing tyres in Russia. Last year, Nokian Tyres' Russian exports amounted to 6% of net sales. We have decided to limit our sales in Russia to 20%. Founding a tyre factory in Russia would be the only reason to increase the volume of our Russian business above this limit.

DELIBERATE FOCUS ON BRAND

One of last year's focus tasks was to build the Nokian brand through traditional marketing methods and also through other kinds of information. The task has been successful. The many awards that our advertising campaign received last year (see p. 43) prove it, as do the surveys that show that awareness of our products has increased especially in the Nordic countries. The success of our new products, like the Nokian Hakkapeliitta Q friction tyre, has supported this project.

We have been determined in building our brand and at the same time we have seriously considered our strategies and specialisation in products designed for northern conditions. We have started to focus more on our niche – northern conditions – globally. We have noticed that there is great growth potential both on our current home market and elsewhere in the world, especially when we broaden our view of the possible market for tyres designed for northern conditions to extend from all of Eastern Europe all the way to the Alpine region. It is becoming increasingly evident that when we create our company's means to grow it is most important to consider whether we have the ability to grow on a particular market regardless of whether that market grows or not. In my opinion, this idea summarises the opportunities of a "small player".

During the last ten years, Nokian Tyres has tripled its net sales. The increase has mainly been organic, but this year includes also retail acquisitions. During the next five years, our target is to double our sales mainly through organic growth and to continue the good, steady profit development following our guideline values.

CONFIDENTLY INTO THE FUTURE

Nokian Tyres starts 1999 stronger than ever. Our product range is wider than ever before and there are tens of ongoing development projects creating new, innovative products for all product groups and different seasons of the year. In developing new products, our aim is to be quicker than our competitors in average and to position our product range higher and more precisely in the price/quality category. Additionally we are building more flexibility potential, the ability to adjust to the relevant changes, and we are creating such strong demand for our products that we have delivery addresses for our products in the future as well. This will allow us to be profitable and grow regardless of business cycles affecting demand.

Our production is growing heavily because of investments and increased off-take production. Moreover, we employ systematic quality work, improve productivity, take advantage of the latest information technology in operations management, and keep on improving awareness of our brand, especially outside Finland. We continuously invest in knowledge, skills and participation of our employees throughout the years: we promote new innovations by providing our employees with opportunities to present their ideas and views as initiatives and improvement suggestions either as individuals or in teams. This is only possible in a good working environment and by implementing the individual learning plans that provide the process with fresh views. All this requires the management and all our employees to be aware of the company's targets and to be able to provide inspiration to one another. Work must be "exciting and fun"; otherwise we will not have the strength to continue.

Once again I take great pleasure in thanking the important stakeholders for another successful year.

I want to thank our customers for the trust and, above all, the patience, you have shown to the impediments that our new operations management system has caused. Developing the system continues to be a major task.

I want to thank the employees for the strength and skill we have shown. I am proud that we have once again displayed the ability to face sudden, unexpected changes.

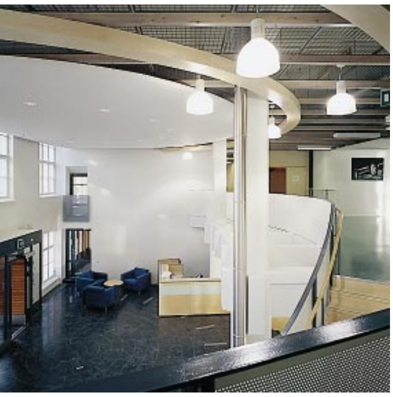
I want to thank the communities where our factories are located for their activity, flexibility and good co-operation.

I want to thank our shareholders and all our contacts on the stock market for having trust and interest in our company.

I thank you and wish you a successful 1999.

LASSE KURKILAHTI

INFORMATION ON NOKIAN TYRES SHARE



SHARE CAPITAL AND SHARES

Shares in Nokian Tyres were floated on the Helsinki Stock Exchange for the first time on 1 June 1995. The company has one class of shares each giving one vote at the Annual General Meeting and giving equal rights to dividends. The shares have a nominal value of FIM 10.

The minimum share capital as stipulated in the Articles of Association of Nokian Tyres plc is FIM 80,000,000 and the authorised share capital is FIM 320,000,000. The share capital may be increased or reduced within these limits without the need to amend the Articles of Association. On 31 December 1998 the company's own registered share capital was FIM 103,197,860. A total of 10,319,786 company shares had been issued by the end of 1998.

DIVIDEND POLICY

The dividend policy of the Board of Directors has been to propose a dividend that reflects the profit development of the company. The dividends declared and paid in the last six years equate to approximately 35% of net profits in any given year. Nokian Tyres' Board of Directors intends to continue its policy to propose an annual dividend of approximately 35% of net profits.

EXCHANGE RATES AND SHARE VOLUMES IN 1998

At the end of 1998, Nokian Tyres' shares were quoted at FIM 165, which is 4.6% less than the previous year (FIM 173). The highest quotation in 1998 was FIM 340 and the lowest was FIM 116.50.

A total of 5,689,588 Nokian Tyres' shares were traded on the Helsinki Stock Exchange. The market value of the share capital at the end of the year amounted to FIM 1,702,764,690.

RIGHTS OF THE BOARD OF DIRECTORS

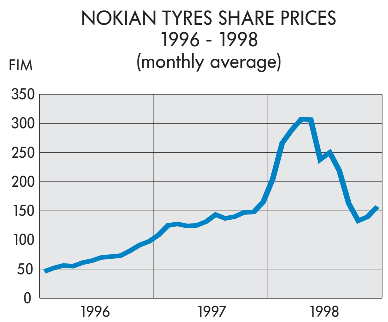
The Annual General Meeting held on 1 April 1998 authorised Nokian Tyres' Board of Directors to decide upon increasing the share capital with one or more rights issues within one year of the registration of the authorisation. The Board of Directors also has the right to deviate from the shareholders' pre-emptive right to subscribe stock, provided that there is a compelling corporate reason to do so. The share capital of the company may increase by a maximum of FIM 20 million as a result of the shares issues included in the authorisation. A maximum of 2,000,000 new shares can be issued, each bearing a nominal value of FIM 10. At the end of 1998 the Board of Directors did not have any unused rights to issue convertible bonds or bonds with warrants.

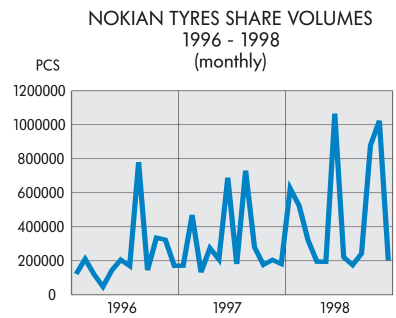
MANAGEMENT BONDS AND SHARES

Bonds with warrants

A decision was taken at Nokian Tyres' Annual General Meeting on 15 March 1995 to issue bonds with warrants with an aggregate nominal value of FIM 300,000 to the management of the company, as part of the management incentive scheme. The term of the bonds is 4 years. No interest is paid on the bonds. On 16 February 1996 the Board of Directors changed the maximum amount to FIM 30,000 and this motion was approved by all subscribers.

Each FIM 1,000 bond includes one thousand warrants, of which 500 are marked as "A" and 500 as "B". Each warrant gives the bearer the right to subscribe one Nokian Tyres share with a nominal value of FIM 10, at an exercise price of FIM 36. The warrants pertaining to the bonds confer the right to subscribe new shares between 1 December 1996–31 January 1998 (A) or





1 December 1998–31 January 2000 (B). 15 people subscribed to the bonds. 64,500 shares were subscribed on 1995 with warrants pertaining to the bonds 1 December 1998 and 4,000 on 9 December 1998. The share capital increase was registered on the Trade Register in February 1999. 81,500 shares, which is 0.8% of the current shares, remain unsubscribed.

The Annual General Meeting, held on 28 March 1996, decided to issue bonds with warrants with an aggregate value of FIM 20,000 to Nokian Tyres management. The subscription price of a share is FIM 45.30. The warrants confer the right to subscribe a maximum of 200,000 Nokian Tyres plc shares between 1 December 1997–31 January 1999, and 1 December 1999–31 January 2001. 14 people subscribed to the bonds. 65,000 shares were subscribed on 9 March 1998 and 17,500 shares on 1 December 1998 with warrants pertaining to the 1996 bonds. Share capital increases were entered onto the Trade Register during April 1998 and February 1999. Of the remaining shares, 5,000 remain totally unsubscribed. A total of 100,000 shares are still unsubscribed, which is 0.96% of current shares.

After the increases, the share capital of the company was FIM 104,057,860.

There were no other bonds with warrants or convertible bonds outstanding in 1998.

Share ownership

On 31 December 1998 Nokian Tyres' President owned a total of 3,000 shares in Nokian Tyres. The December 1998 subscription of 12,500 shares with warrants pertaining to the 1996 bonds increased the proportion to 0.14% of the company shares. The increase was registered on the Trade Register on 2 February 1999.

Other members of the Board of Directors do not own shares in Nokian Tyres.

SHARE ISSUES 1994–1998

Method of share capital increase	Subscription period	Exercise price in FIM	New shares	Payment date	New capital, thousand FIM	New share capital, thousand FIM	Share capital after issue in FIM
Personnel issue	29.5.1995–2.6.1995	32.40	92,286	19.6.1996	2,990	923	100,922,860
Management bonds 1/95	1.12.1996–31.1.1998	36.00	47,000	10.12.1996	1,692	470	101,392,860
Management bonds 1/95	1.12.1996–31.1.1998	36.00	103,000	7.3.1997	3,708	1,030	102,422,860
Management bonds 1/96	1.12.1997–31.1.1999	45.30	2,000	19.12.1997	91	20	102,442,860
Management bonds 1/96	1.12.1997–31.1.1999	45.30	10,500	29.12.1997	476	105	102,547,860
Management bonds 1/96	1.12.1997–31.1.1999	45.30	65,000	9.3.1997	2,945	650	103,197,860
Management bonds 1/96	1.12.1997–31.1.1999	45.30	17,500	1.12.1998	793	175*	103,372,860
Management bonds 1/95	1.12.1998–31.1.2000	36.00	64,500	1.12.1998	2,322	645*	104,017,860
Management bonds 1/95	1.12.1998–31.1.2000	36.00	4,000	9.12.1998	144	40*	104,057,860

*) were entered into the Trade Register during February 1999.

MAJOR SHAREHOLDERS ON 31 DECEMBER 1998

	Total number of shares	% of share capital and votes
1. Nokia Group	2,500,000	24.23
2. Dunlop Tyres Limited	1,550,000	15.02
3. The Finnish Local Covernment Pension Institution	447,900	4.34
4. Pension Insurance Company Ilmarinen	393,100	3.81
5. Tapiola General Mutual Pension Insurance Company	184,800	1.79
6. Pension Varma Sampo Mutual Insurance Company	180,977	1.75
7. Pohjola Life Assurance Company	160,000	1.55
8. Tapiola General Mutual Insurance Company	152,000	1.47
9. Suomi Mutual Life Assurance Company	130,000	1.26
10. Merita Life Insurance	107,200	1.04
Total	5,805,977	56.26
		% of shares
Shares registered in the name of a nominee	2,477,457	24.01

SHARE OWNERSHIP BREAKDOWN, 31 DECEMBER 1998

By Number of Shares Owned

Number of shares	Number of shareholders	% of shareholders	Total number of shares	% of share capital
1–100	804	39.12	54,424	0.53
101–1 000	1 088	52.94	386,922	3.75
1 001–10 000	116	5.64	360,033	3.49
10 001–100 000	36	1.75	1,381,873	13.39
100 001–	11	0.54	8,136,134	78.84
Total	2 055	100.00	10,319,386	100.00

By Shareholder Category

	% of share capital
Corporations	25.98
Financial institutions	14.32
Public organisations	13.48
Non-profit organisations	1.98
Private individuals	5.10
Foreign shareholders*	39.14
Total	100.00

*Includes also shares registered in the name of a nominee

2 January 2,000 Nokian Tyres shares have been subscribed with warrants pertaining to the 1996 bonds by 19 December 1997, and 10,500 shares by 29 December 1997.

15 January Nokian Tyres introduces the new friction tyre, the Nokian Hakkapeliitta Q, to retail customers and the press. Retail sales of the Hakkapeliitta Q will start in the autumn of 1998.

22 January Nokian Tyres and the Russian Rosshina Group and Yaroslavl tyre factory have signed a letter of intent on strategic co-operation at the Yaroslavl tyre factory.

5 February Nokian Tyres confirms that it has the exclusive rights to negotiate with the Rosshina Group and the Yaroslavl tyre factory.

16 February Financial statements bulletin: Profit before extraordinary items and tax, in 1997 increased by 25% on the previous year and stood at FIM 149 million. Profit per share was FIM 9.99 (FIM 8.30), 20.4% more than the previous year. Net sales increased by 10% and stood at FIM 1,258 million. The Board of Directors proposes that a dividend be distributed for 35% of the profit per share, that is FIM 3.50 per share.

17 March 65,000 Nokian Tyres shares have been subscribed with warrants pertaining to the 1996 bonds by 9 March.

1 April Annual General Meeting: The company accounts for 1997 are closed, and the members of the Board of Directors and the President of the company are discharged from liability. It is decided that a dividend of FIM 3.50 per share will be paid.

3 June Interim Report January-April 1998: Earnings per share stood at FIM 2.26, which is 19% higher than the previous year. Net sales increased by 25% and totalled FIM 425 million. Uncertainty factors appeared with company's Russian plans.

29 July Nokian Tyres and the Russian oil company Lukoil have agreed to start looking into marketing and distribution co-operation in Russia.

7 August Nokian Tyres purchases Galaxie, a Swedish tyre company. The Galaxie group is one of the largest tyre companies in Sweden with fifteen retail outlets and one large retreading plant. The purchase price is 150 million Swedish Crowns.

11 September Nokian Tyres has temporarily stopped deliveries to Russia. Difficulties have not arisen from the company's customers lacking solvency but from the fact that currency transfer operations are simply not working in Russia. The company is adjusting to the situation in Russia by directing exports to the west.

23 September Nokian Tyres starts to retail tyres in Latvia. Nokian Tyres owns 50% of the new tyre retail and wholesale joint venture company.

5 October Interim Report, January–August: Earnings per share stood at FIM 4.00, which is the same as the previous year. Net sales increased by 20% and stood at FIM 816 million.

7 October Nokian Tyres introduces a new V speed class summer tyre, Nokian NRV, for high performance passenger cars. The new tyre model will be released in the spring of 1999.

20 October Nokian Tyres expands its tyre distribution network in Sweden by purchasing the Däckshopen group with six tyre retail outlets in southern Sweden. The purchase price is approximately 18 million Swedish Crowns.

25 November Nokian Tyres' exports to Russia have clearly increased in November, and transactions from Russian customers are back to normal.

1 December Nokian Tyres' subsidiary, Nokian Rosshina Tyre Holding, has purchased an 8% share of ownership in the Russian Yaroslavl tyre factory at a cost of FIM 350,000.

30 December 17,500 Nokian Tyres shares had been subscribed with warrants pertaining to the 1996 bonds by 1 December 1998. 64,500 shares had been subscribed with warrants pertaining to the 1995 bonds by 1 December 1998 and 4,000 shares by 9 December 1998. After the increase, the company's own share capital amounts to FIM 104,057,860.

KEY FINANCIAL INDICATORS

Figures in FIM million unless otherwise indicated	1998	1997	1996	1995	1994	1993	1992	1991	1990	1989
Net sales	**1,494.0**	1,258.3	1,144.9	1,113.2	976.5	853.0	720.8	605.9	673.2	655.6
growth, %	**18.7**	9.9	2.9	14.0	14.5	18.3	18.9	-10.0	2.7	10.5
Operating profit before depreciation	**282.4**	233.2	194.5	167.9	148.0	134.9	133.5	75.7	114.3	121.0
Depreciation according to plan	**84.9**	69.7	54.7	47.8	46.0	43.0	39.5	38.2	33.8	29.6
Operating profit	**197.5**	163.5	139.8	120.2	102.0	91.9	93.9	37.5	80.5	91.5
% of net sales	**13.2**	13.0	12.2	10.8	10.4	10.8	13.0	6.2	12.0	14.0
Profit before extraordinary items and tax	**174.3**	149.1	119.2	96.4	79.0	64.4	60.5	2.0	50.7	64.5
% of net sales	**11.7**	11.8	10.4	8.7	8.1	7.6	8.4	0.3	7.5	9.8
Profit before tax	**177.9**	149.1	119.2	90.1	79.0	72.4	59.4	1.0	56.9	69.4
% of net sales	**11.9**	11.8	10.4	8.1	8.1	8.5	8.2	0.2	8.5	10.6
Return on equity, %	**22.7**	21.9	21.3	20.5	19.5	18.7	19.2	-0.3	15.3	23.6
Return on capital employed, %	**19.8**	21.5	20.8	20.2	18.1	17.7	19.5	8.5	14.7	17.2
Total assets	**1,601.3**	1,118.2	1,016.6	915.7	863.3	767.1	738.3	692.9	709.8	731.9
Interest bearing net debt	**560.4**	235.7	210.4	191.2	267.1	250.5	267.4	314.6	319.4	341.3
Equity ratio, %	**37.1**	45.2	41.9	39.6	36.5	36.4	32.5	29.7	31.7	27.4
Gearing, %	**94.3**	46.6	49.4	52.8	84.7	89.7	111.3	152.7	142.1	170.2
Cash flow from operations	**136.3**	146.5	101.3	114.9	126.2	59.4	117.1	71.5	–	–
Gross investments	**432.3**	152.9	105.0	77.1	85.6	52.6	64.6	28.7	55.1	37.4
% of net sales	**28.9**	12.2	9.2	6.9	8.8	6.2	9.0	4.7	8.2	5,7
R&D expenditure	**39.3**	33.4	29.8	25.9	23.9	20.2	15.9	15.1	16.5	16.3
% of net sales	**2.6**	2.7	2.6	2.3	2.5	2.4	2.2	2.5	2.5	2.5
Dividends	(prop.) **45.3**	35.9	29.4	24.2	20.0	20.0	15.0	0.0	15.0	15.0
Personnel, average during the year	**1,620**	1,358	1,329	1,350	1,240	1,126	1,064	1,033	1,134	1,130

PER SHARE DATA

PER SHARE DATA	1998	1997	1996	1995	1994	1993	1992	1991	1990	1989
Earnings per share, FIM	**12.12**	9.99	8.30	6.93	5.79	4.85	4.28	-0.06	3.25	4.29
Cash flow per share, FIM	**13.3**	14.3	10.0	11.4	12.6	5.9	11.7	7.2	–	–
Dividend per share, FIM	(prop.) **4.35**	3.50	2.90	2.40	2.00	2.00	1.50	0.00	1.50	1.50
Dividend pay-out ratio, %	(prop.) **36.3**	35.2	35.1	34.8	34.5	41.3	35.0	0.0	46.2	35.0
Shareholder's equity per share, FIM	**57.59**	49.33	42.00	35.90	31.53	27.92	24.03	20.59	22.48	20.06
P/E-ratio	**13.6**	16.6	11.8	6.4	–	–	–	–	–	–
Dividend yield, %	(prop.) **2.6**	2.1	3.0	5.5	–	–	–	–	–	–
Market capitalisation 31 December, MFIM	**1,702.8**	1,698.7	996.2	444.1	–	–	–	–	–	–
Average number of shares during the year	**10,298,759**	10,216,324	10,093,831	10,049,303	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
Number of shares 31 December	**10,319,786**	10,242,286	10,139,286	10,092,286	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000

Definitions

Return on equity, % = $\frac{\text{Profit after financial items - taxes x 100}}{\text{Shareholders' equity + minority interests (average)}}$

Return on capital employed, % = $\frac{\text{Profit after financial items + interest and other financial expenses x 100}}{\text{Total assets - interest-free debt (average)}}$

Equity ratio, % = $\frac{\text{Shareholders' equity + minority interests x 100}}{\text{Total assets - advances received}}$

Gearing, % = $\frac{\text{Interest bearing net debt x 100}}{\text{Shareholders' equity + minority interests}}$

Earnings per share, FIM = $\frac{\text{Profit after financial items - taxes}}{\text{Average adjusted number of shares during the year}}$

Cash flow per share, FIM = $\frac{\text{Cash flow from operations}}{\text{Average adjusted number of shares during the year}}$

Dividend per share, FIM = $\frac{\text{Dividend for the year}}{\text{Adjusted number of shares on the balance sheet date}}$

Dividend pay-out ratio, % = $\frac{\text{Dividend for the year x 100}}{\text{Profit after financial items - taxes}}$

Shareholders' equity per share, FIM = $\frac{\text{Shareholders' equity}}{\text{Adjusted number of shares on the balance sheet date}}$

P/E ratio = $\frac{\text{Share price, 30 December}}{\text{Earnings per share}}$

Dividend yield, % = $\frac{\text{Dividend per share}}{\text{Share price, 30 December}}$

KEY FINANCIAL INDICATORS

Figures in million euros unless otherwise indicated	**1998**	**1997**	**1996**	**1995**	**1994**	**1993**	**1992**	**1991**	**1990**	**1989**
Net sales	**251.3**	211.6	192.6	187.2	164.2	143.5	121.2	101.9	113.2	110.3
growth, %	**18.7**	9.9	2.9	14.0	14.5	18.3	18.9	-10.0	2.7	10.5
Operating profit before depreciation	**47.5**	39.2	32.7	28.2	24.9	22.7	22.5	12.7	19.2	20.4
Depreciation according to plan	**14.3**	11.7	9.2	8.0	7.7	7.2	6.6	6.4	5.7	5.0
Operating profit	**33.2**	27.5	23.5	20.2	17.2	15.5	15.8	6.3	13.5	15.4
% of net sales	**13.2**	13.0	12.2	10.8	10.4	10.8	13.0	6.2	12.0	14.0
Profit before extraordinary items and tax	**29.3**	25.1	20.1	16.2	13.3	10.8	10.2	0.3	8.5	10.9
% of net sales	**11.7**	11.8	10.4	8.7	8.1	7.6	8.4	0.3	7.5	9.8
Profit before tax	**29.9**	25.1	20.1	15.2	13.3	12.2	10.0	0.2	9.6	11.7
% of net sales	**11.9**	11.8	10.4	8.1	8.1	8.5	8.2	0.2	8.5	10.6
Return on equity, %	**22.7**	21.9	21.3	20.5	19.5	18.7	19.2	-0.3	15.3	23.6
Return on capital employed, %	**19.8**	21.5	20.8	20.2	18.1	17.7	19.5	8.5	14.7	17.2
Total assets	**269.3**	188.1	171.0	154.0	145.2	129.0	124.2	116.5	119.4	123.1
Interest bearing net debt	**94.2**	39.6	35.4	32.2	44.9	42.1	45.0	52.9	53.7	57.4
Equity ratio, %	**37.1**	45.2	41.9	39.6	36.5	36.4	32.5	29.7	31.7	27.4
Gearing, %	**94.3**	46.6	49.4	52.8	84.7	89.7	111.3	152.7	142.1	170.2
Cash flow from operations	**23.0**	24.6	17.0	19.3	21.2	10.0	19.7	12	–	–
Gross investments	**72.7**	25.7	17.7	13.0	14.4	8.9	10.9	4.8	9.3	6.3
% of net sales	**28.9**	12.2	9.2	6.9	8.8	6.2	9.0	4.7	8.2	5.7
R&D expenditure	**6.6**	5.6	5.0	4.4	4.0	3.4	2.7	2.5	2.8	2.7
% of net sales	**2.6**	2.7	2.6	2.3	2.5	2.4	2.2	2.5	2.5	2.5
Dividends	(prop.) **7.6**	6.0	4.9	4.1	3.4	3.4	2.5	0.0	2.5	2.5
Personnel, average during the year	**1,620**	1,358	1,329	1,350	1,240	1,126	1,064	1,033	1,134	1,130

PER SHARE DATA

	1998	**1997**	**1996**	**1995**	**1994**	**1993**	**1992**	**1991**	**1990**	**1989**
Earnings per share, euro	**2.04**	1.68	1.40	1.17	0.97	0.82	0.72	-0.01	0.55	0.72
Cash flow per share, euro	**2.2**	2.4	1.7	1.9	2.1	1.0	2.0	1.2	–	–
Dividend per share, euro	(prop.) **0.73**	0.59	0.49	0.40	0.34	0.34	0.25	0.00	0.25	0.25
Dividend pay-out ratio, %	(prop.) **36.3**	35.2	35.1	34.8	34.5	41.3	35.0	0.0	46.2	35.0
Shareholder's equity per share, euro	**9.69**	8.30	7.06	6.04	5.30	4.69	4.04	3.46	3.78	3.37
P/E-ratio	**13.6**	16.6	11.8	6.4	–	–	–	–	–	–
Dividend yield, %	(prop.) **2.6**	2.1	3.0	5.5	–	–	–	–	–	–
Market capitalisation 31 December, euro	**286.4**	285.7	167.6	74.7	–	–	–	–	–	–
Average number of shares during the year	**10,298,759**	10,216,324	10,093,831	10,049,303	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
Number of shares 31 December	**10,319,786**	10,242,286	10,139,286	10,092,286	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000

Definitions

Return on equity, % = $\frac{\text{Profit after financial items - taxes x 100}}{\text{Shareholders' equity + minority interests (average)}}$

Return on capital employed, % = $\frac{\text{Profit after financial items + interest and other financial expenses x 100}}{\text{Total assets - interest-free debt (average)}}$

Equity ratio, % = $\frac{\text{Shareholders' equity + minority interests x 100}}{\text{Total assets - advances received}}$

Gearing, % = $\frac{\text{Interest bearing net debt x 100}}{\text{Shareholders' equity + minority interests}}$

Earnings per share, euro = $\frac{\text{Profit after financial items - taxes}}{\text{Average adjusted number of shares during the year}}$

Cash flow per share, euro = $\frac{\text{Cash flow from operations}}{\text{Average adjusted number of shares during the year}}$

Dividend per share, euro = $\frac{\text{Dividend for the year}}{\text{Adjusted number of shares on the balance sheet date}}$

Dividend pay-out ratio, % = $\frac{\text{Dividend for the year x 100}}{\text{Profit after financial items - taxes}}$

Shareholders' equity per share, euro = $\frac{\text{Shareholders' equity}}{\text{Adjusted number of shares on the balance sheet date}}$

P/E ratio = $\frac{\text{Share price, 30 December}}{\text{Earnings per share}}$

Dividend yield, % = $\frac{\text{Dividend per share}}{\text{Share price, 30 December}}$

GENERAL

The demand for tyres was high, but the tyres imported from the Far East put pressure on prices in the Central European markets. Prices declined slightly, but finally settled at a relatively stable level. As a result of the crisis in the Far East, some raw material prices went down.

Demand for heavy tyres was particularly good. Machinery and equipment manufacturers' high production rates together with the favourable economic situation increased demand for heavy tyres both on the original equipment and the replacement markets.

At the beginning of the year, demand for passenger car winter tyres was boosted by the increased sales of new cars in the Nordic countries and at the end of the year, by the snowy and cold onset of winter in the whole of Central Europe. In the Nordic countries, friction tyre sales grew considerably, but studded winter tyres maintained their strong position. The proportion of studded tyres was about two thirds of all tyres sold in Finland, Sweden and Norway.

Russia provided an exception to the good market situation. After a good start in the first half of the year, sales started to slow down in mid-August as the political and economic situation of the country started to deteriorate. At the end of August, Nokian Tyres stopped all deliveries to Russia, because currency transactions were not working. As a result, the company started to direct exports intended for Russian markets to the West. Russian exports were stopped until the end of September, when sales started to recover slowly until slowed down again at the end of December. The company's Russian exports for the whole year was 70% from previous year's level.

NET SALES GREW BY 19%

Nokian Tyres' net sales increased by 19% on the previous year, and stood at FIM 1,494 million (FIM 1,258 million). For the first time, the figure includes net sales from Norwegian Bergs Gummi-Industri and the Swedish retail chains, Galaxie AB and Däckshopen AB. The comparable increase in net sales was 7%. The percentage of foreign invoicing was 74% (71%).

Nokian passenger car tyre net sales increased by 7% on the previous year and totalled FIM 813 million (FIM 758 million). Sales was particularly good in the Nordic countries. Winter tyre sales thrived and amounted to about 57% of passenger car tyre sales. The winter tyre demand was increased by the new friction tyre, the Nokian Hakkapeliitta Q, which performed well in its markets and in tyre tests in motor magazines.

The Nokian NRT 2 tyre that came onto the market in 1997 boosted sales of summer tyres. Light Truck tyres manufactured for the United States market also sold well.

In October, the company introduced the Nokian NRV, a V speed class (240 km/h) high performance tyre. The first tyres were delivered to Germany in December and retail sales started at the beginning of 1999. Sales prospects for the tyre are good, because it is the first production tyre which is both directional and asymmetric and because the demand for V speed-class tyres is increasing especially in Central Europe.

According to research, consumer advertising campaigns implemented in the Nordic countries have clearly strengthened the image of Nokian Tyres' products. The advertisement for the Nokian Hakkapeliitta 1 has received several advertising awards.

Passenger car tyre production increased from the 3.5 million tyres of the previous year to 3.8 million tyres through investments and improved productivity.

During the last two years, the passenger car tyre product range has expanded by the total of 98 new products or tyre sizes. New products amounted to 33% of the product area sales. The share of original equipment sales was below 5%.

Net sales of Nokian heavy tyres increased by 14% on the previous year and stood at FIM 318 million (FIM 280 million). Increased machinery and equipment production had a positive effect on the demand for heavy tyres. Forestry tyres, special radial agricultural tyres and harbour and mining machinery tyre product groups did particularly well.

Heavy tyres' production grew from 8,100 tons to 9,658 tons. New products constituted 14% of the product area sales. The share of original equipment installations was 50%. The sales of off-take tyres grew by 7%.

Nokian bicycle tyre net sales stood at FIM 45 million (FIM 46 million), which is 1.6% less than in the previous year. The rainy summer was not good for cycling and slowed down domestic bicycle tyre sales. Instead, exports increased by 12% on the previous year and amounted to 64% (56%) of product area sales. The new downhill tyre, the Nokian Gazzaloddi, and the all-purpose MTB tyre, the

Nokian Gazzut, received a lot of publicity in cycling magazines and were well received by customers.

Measures were started to simplify the product range and to enhance quality and productivity. The product area focused intensively on implementing its specialisation strategy.

The Lieksa factory manufactured 1.7 million (1.8 million) bicycle tyres and 1.5 million (1.3 million) inner tubes. 26% of product area sales came from new products. The percentage of original equipment installations was one third of product area sales.

Nokian retreading material net sales increased by 8% on the previous year and stood at FIM 60 million (FIM 55 million). Nokian brand retreading materials strengthened their position both on the domestic market and on new market areas in Central Europe. The strong demand was met with increased production. The factory unit that started to operate last year could now be better prepared for the winter season. Retreading material production increased from 3,886 tons to 4,900 tons. New products constituted 19% of the product area sales.

Nokian Tyres' retail sales in Norway grew by 127% on the previous year and stood at FIM 287 million (FIM 127 million). The increase in the company's retail sales reflects the strong demand for Nokian brand tyres in the Nordic countries and the company's activities to expand tyre retail chains in Norway and Sweden. In Norway, Bergs Gummi-Industri became part of the Vianor chain at the beginning of the year. As a result of the merger, the retail network includes a total of 37 outlets that cover the whole of Norway.

In August, Nokian Tyres expanded its retail operations in Sweden by purchasing the Galaxie tyre company that owns fifteen tyre retail outlets and a large retreading factory. Galaxie employs 130 people. The selling price was SEK 150 million. Galaxie's sales and profit were consolidated into Nokian Tyres' profit and loss account as of 1 September 1998.

In October, Nokian Tyres' further expanded its distribution network in Sweden by purchasing the Swedish Däckshopen company with six tyre retail outlets in southern Sweden. The selling price was approximately SEK 18 million. Däckshopen employs 40 people. Däckshopen's profit was consolidated into Nokian Tyres' profit and loss account as of 1 November 1998. Däckshopen is a modern passenger car tyre retailer in Sweden. It is one of a new type of consumer chains that have been founded alongside traditional tyre companies.

In September, Nokian Tyres and a Latvian tyre entrepreneur founded a tyre retail and wholesale joint venture company in Latvia. The joint venture company purchased the tyre business of the Latvian Freibi AS company. Nokian Tyres owns 50% of the joint venture. Freibi employs 33 people. The profit of Freibi will be consolidated into Nokian Tyres' profit and loss account as of the beginning of 1999.

PROFIT BEFORE EXTRAORDINARY ITEMS AND TAX INCREASED BY 17%

Profit before extraordinary items and tax totalled FIM 174 million (FIM 149 million), that is, 17% more than the previous year, and amounted to 11.7 % (11.8%) of net sales.

Operating profit was FIM 198 million (FIM 164 million), which is 21% more than the previous year. Fixed expenses increased by 25% as a result of investment in factory expansion and building up the distribution network.

In 1998, investments totalled FIM 432 million, which is 29% of net sales. The proportion of production and activity investments was approximately FIM 239 million, while renovating the office buildings cost approximately FIM 36 million and retail company acquisitions cost about FIM 157 million.

The R&D costs were FIM 39.3 (FIM 33.4) i.e. 2.6% of net sales.

The group's net financial expenses amounted to FIM 23.2 million (FIM 14.5 million), that is 1.6% (1.2%) of net sales.

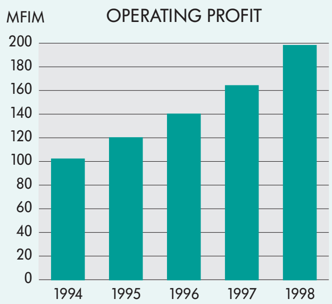
Earnings per share were FIM 12.12 (FIM 9.99), which is 21% more than the previous year. The group's net profit amounted to FIM 128.4 million (FIM 102.1 million), which is 26% more than in 1997.

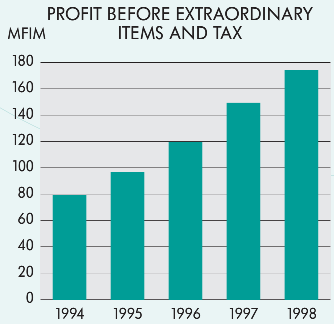
The return on capital employed was 19.8% (21.5%).

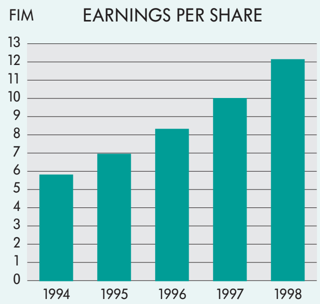
During the fiscal year the Group employed an average of 1,620 people (1,358). The corresponding figure within the Parent Company was 1,276 (1,180). At the end of the fiscal year, the Group employed 1,732 (1,375) people and the Parent Company 1,273 (1,202) people.

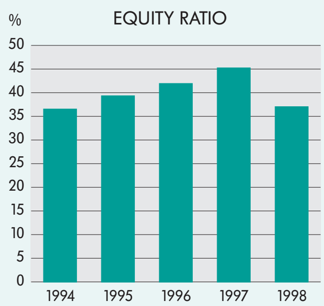
MORE CAPACITY

The factory expansion that started in August 1997 was completed with machinery installations in July.









Investments cover the whole passenger car production process from raw material mixing to shipping. The expansion increased the daily passenger car tyre production capacity from 10,000 to 13,000 tyres.

New machinery made it possible to further improve quality and productivity. The expansion was part of Nokian Tyres' investment programme to increase passenger car and delivery van tyres' annual production from 3.8 million to 5.5 million tyres by the year 2003. In 1999, the target is to increase production to 4.3 million tyres.

Construction of the new 11,000 m^2 heavy tyre building hall started towards the end of the review period. The building investments amount to FIM 56 million and the hall will be completed in the autumn of 1999. At the same time, two new curing presses will be taken into use. This will increase the curing capacity of heavy tyres by over 10%.

Expansion of the Nokia test track progressed as planned.

Off-take production at the Romanian S.C Tofan Grup S.A started and the first agricultural tyres were manufactured in Romania at the beginning of the year.

Co-operation in passenger car tyre production at the Cooper factory in the United States is thriving and the Nokian brand Light Truck tyres have been well received on the North American tyre market. Tyre manufacturing and marketing efforts in the United States were increased and the tyres were introduced in Europe.

Sales of tyres that were manufactured on off-take contracts increased by 50% on the previous year and stood at FIM 98 million. Nokian Tyres aims to further increase off-take production both in passenger car tyres' and heavy tyres' product areas in order to expand the product ranges and to increase production.

RUSSIAN PARTNERSHIP OPPORTUNITIES INVESTIGATED

Nokian Tyres and the Russian Rosshina Group signed a letter of intent in January to establish a joint venture and to start strategic co-operation at Rosshina's Yaroslavl tyre factory. The letter of intent dealt with tyre manufacture and distribution on the Russian tyre market.

Nokian Tyres negotiated with its Russian partner during the course of the year and investigated possibilities for co-operation. In the spring, it became evident that the operating environment, the production units involved and their commitments included uncertainties, so Nokian Tyres decided to also start looking into other possible partnerships in Russia.

In July, Nokian Tyres and the Russian oil company Lukoil agreed to start looking into marketing and distribution co-operation in Russia. The agreement covered distribution of passenger car and delivery van tyres through Lukoil petrol stations.

In August, the unstable situation in Russia started to affect the above mentioned projects. Nokian Tyres decided to follow developments in Russia and to keep in regular contact with its Russian negotiation partners in order to continue the co-operation projects when the situation in the country becomes clearer.

In December, Nokian Tyres' subsidiary, Nokian-Rosshina Tyre Holding Oy, purchased an 8% share of ownership of the Yaroslavl tyre factory with FIM 350,000 from a western investor. As a shareholder, the company expects to be able to follow the events and development of the Yaroslavl tyre factory and the tyre business in Russia more closely. The economic situation at the Yaroslavl tyre factory is not stable at the moment.

OTHER MATTERS IN THE REVIEW PERIOD

The Annual General Meeting of Nokian Tyres plc, held on 1 April 1998, authorised the Nokian Tyres Board of Directors to decide upon increasing the share capital with one or more rights issues within one year of the registration of the authorisation. The share capital of the company may increase by a maximum of FIM 20 million as a result of the shares issues included in the authorisation. A maximum of 2,000,000 new shares can be issued, each bearing a nominal value of FIM 10.

65,000 Nokian Tyres shares were subscribed with warrants pertaining to the 1996 bonds by 9 March. An increase in share capital was registered on the Trade Register on 16 April 1998. After the increase, the company's own share capital amounted to FIM 103,197,860 and the number of shares issued is 10,319,786. The figures include the increase in share capital registered on the Trade Register on February 1998, which is based on the subscription of 12,500 shares in late 1997.

17,500 Nokian Tyres shares had been subscribed with warrants pertaining to the 1996 bonds by 1 December 1998. 64,500 shares had been subscribed with warrants pertaining to the 1995 bonds by 1 December 1998 and 4,000 shares by 9 December 1998. An increase in share capital was registered on the trade register in February 1999. After the increase, the company's own share capital amounts to FIM 104,057,860.

The first series of warrants in 1996 conferred the right to a total of 100,000 shares with a subscription period from 1 December 1997 to 31 January 1999 at an exercise price of FIM 45.30. A total of 95,000 shares of the first series of 1996 bonds with warrants have been subscribed since the 1 December 1998 subscription. 5,000 shares remain unsubscribed.

For the third year in a row, Nokian Tyres left all others trailing in a Johtamistaidon opisto (Management Institute) survey on initiatives submitted in Finnish companies.

YEAR 2000 COMPATIBILITY

The Year 2000 is not an essential issue for Nokian Tyres as far as its products are concerned, as tyres do not contain any electronic systems. The company sees, however, the effects of the Year 2000 issue as being important to business activities, although Nokian Tyres updated its operative information system between 1995 and 1998, and the machinery and equipment do not form a unified, automatically controlled process. The machines and equipment are standalone and are mainly controlled manually.

At Nokian Tyres, preparations for the millennium actually started back in October 1994, when the previous information system started to be replaced with a new generation system. Enquiries were sent to information system suppliers in February 1998 and the official Year 2000 project started in May 1998.

The project is divided into four areas: production, product development, risk management and jurisprudence, and information technology. The progress is reported to the company's management on a monthly basis.

Charting the risks and changes needed because of the Year 2000 was completed in 1998. The required changes started to be made immediately and the target is to get all actions completed by 30 June 1999. Additionally, Nokian Tyres is conducting a survey charting the year 2000 compatibility level of key partners. Replies regarding possible actions are requested by the end of March.

FUTURE OUTLOOK

It is expected that the demand for tyres is likely to slow down generally throughout 1999. Difficult situations in Russia and Asia are causing uncertainty especially on passenger car tyre markets. The effects of imports from the Far East can be seen in Europe, and particularly in Germany where cheap imports are gaining more ground, which is making price competition tougher.

No significant changes are expected in raw material prices. The introduction of the Euro will reduce the amount of currencies bearing exchange rate risks from 14 to 7. The amount of invoicing in these currencies that is subject to currency exchange rate risk decreases from 72% to 53%.

Due to the selected strategy, sales prospects look good on Nokian Tyres' key market areas. The company is preparing for the possibly toughening market situation by focusing on enhancing internal quality and productivity more than in the previours year.

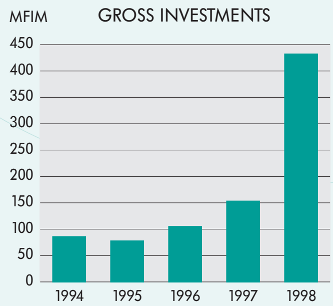
Good product ranges and new products in all product areas are improving Nokian Tyres' sales prospects. Marketing efforts to strengthen the Nokian brand will continue particularly on the home market and efforts will be directed to Germany as well.

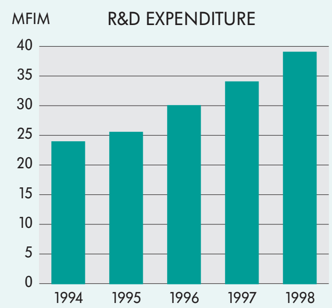
In Norway and Sweden, Nokian Tyres will use its distribution chains to sell passenger car tyres in particular. Due to the business structure of the distribution companies, their profit is heavily focused on the final few months of the year. As the proportion of distribution of net sales has increased substantially, the emphasis of Nokian Tyres' profits in the future will increasingly be on the final few months of the year. A major task in 1999 is to integrate the retail outlets into a uniform chain with its own brand. The target is that the distribution business will reach the same levels of growth and profitability as company's other areas.

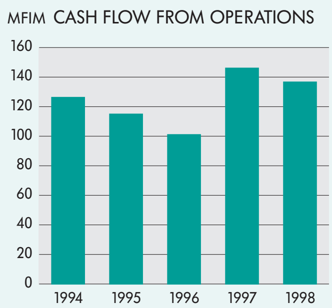
In 1999, Nokian Tyres is aiming for higher than 10% growth in sales. The growth will be generated both through organic operations and through the recent retail acquistions. The whole year sales of new retail outlets will now be added to Nokian Tyres' sales figures. The company's continued target is to increase its profits on a similar level to previous years.

Nokia, February 15, 1999

Board of Directors







PPROFIT AND LOSS ACCOUNTS

FIM '000 1.1.–31.12.	Notes	GROUP 1998	GROUP 1997	PARENT COMPANY 1998	PARENT COMPANY 1997
Net sales	(1)	**1 494 013**	1 258 317	**1 159 516**	1 064 386
Total cost of goods sold	(2)(3)(4)	**-952 658**	-825 899	**-793 776**	-733 776
Gross margin		**541 355**	432 418	**365 740**	330 610
Selling and marketing expenses	(3)(4)	**-245 614**	-191 581	**-103 624**	-95 550
Administration expenses	(3)(4)	**-38 579**	-30 415	**-35 739**	-30 415
Other operating expenses	(3)(4)	**-50 529**	-45 629	**-47 014**	-45 456
Other operating income		**2 424**	329	**248**	121
Goodwill depreciation	(4)	**-11 552**	-1 604		
Total other costs		**-343 850**	-268 900	**-186 129**	-171 300
Operating profit		**197 505**	163 518	**179 611**	159 310
Financial income and expenses	(5)	**-23 206**	-14 465	**-16 502**	-10 400
Profit before extraordinary items, appropriations and tax		**174 299**	149 053	**163 109**	148 910
Extraordinary items	(6)	**3 608**	0	**472**	0
Profit before appropriations and tax		**177 907**	149 053	**163 581**	148 910
Increase in accumulated depreciation in excess of plan				**-40 975**	-32 742
Decrease in untaxed reserves				**0**	32 455
Direct tax					
Direct tax for the year		**-42 914**	-47 056	**-35 470**	-43 148
Change in deferred tax		**-6 576**	57	**2 318**	0
Net profit for the year		**128 417**	102 054	**89 454**	105 475

BALANCE SHEETS

FIM '000 31.12	Notes	GROUP 1998	GROUP 1997	PARENT COMPANY 1998	PARENT COMPANY 1997
ASSETS					
Fixed assets and other non-current assets					
Intangible assets	(8)	**15 739**	930	**15 461**	869
Goodwill	(8)	**86 498**	1 085		
Tangible assets	(8)(9)	**728 561**	501 288	**651 602**	469 988
Shares in Group companies	(7)(8)(9)			**247 867**	91 109
Shares in associated companies	(7)(8)(9)	**405**	240	**390**	240
Shares in other companies	(8)(9)	**1 161**	669	**509**	646
Total non-current assets		**832 364**	504 212	**915 829**	562 852
Current assets					
Inventories	(10)	**303 296**	200 219	**147 753**	117 099
Long-term receivables	(11)	**14 816**	8 786	**24 842**	12 562
Deferred tax assets	(17)	**9 764**	0	**2 790**	0
Short-term receivables	(12)(13)(14)	**365 890**	329 840	**407 783**	357 571
Cash in hand and at bank		**75 156**	75 104	**11 174**	51 469
Total current assets		**768 922**	613 949	**594 342**	538 701
		1 601 286	1 118 161	**1 510 171**	1 101 553
LIABILITIES AND SHAREHOLDERS' EQUITY					
Shareholders' equity	(15)				
Share capital		**103 198**	102 423	**103 198**	102 423
Share issue		**860**	125	**860**	125
Share issue premium		**26 102**	21 408	**26 102**	21 408
Retained earnings		**335 738**	279 275	**212 653**	143 070
Net profit for the year		**128 417**	102 054	**89 454**	105 475
Total shareholders' equity		**594 315**	505 285	**432 267**	372 501
Untaxed reserves and provisions					
Accumulated depreciation in excess of plan				**242 817**	201 842
Liabilities					
Deferred tax liability	(17)	**77 906**	58 609	**0**	0
Long-term liabilities	(18)				
interest bearing		**459 724**	269 062	**457 279**	266 109
interest-free		**307**	1 199	**49**	50
		460 031	270 261	**457 328**	266 159
Short-term liabilities	(19)				
interest bearing		**175 810**	41 726	**194 320**	62 024
interest-free		**293 224**	242 280	**183 439**	199 027
		469 034	284 006	**377 759**	261 051
Total liabilities		**1 006 971**	612 876	**835 087**	527 210
		1 601 286	1 118 161	**1 510 171**	1 101 553

CASH FLOW STATEMENTS

FIM '000 1.1.–31.12.	GROUP **1998**	GROUP 1997	PARENT COMPANY **1998**	PARENT COMPANY 1997
Income finance				
Operating profit	**197 505**	163 518	**179 611**	159 310
Depreciation	**84 919**	69 682	**65 559**	63 356
Financial income and expenses	**-23 206**	-14 465	**-16 502**	-10 400
Other extraordinary items	**3 608**	0	**472**	0
Direct tax	**-49 490**	-46 999	**-33 152**	-43 418
	213 336	171 736	**195 988**	169 118
Change in net working capital				
Inventories, increase (-), decrease (+)	**-103 077**	-4 778	**-30 654**	8 106
Short-term trade receivables, increase (-), decrease (+)	**-34 149**	-49 815	**-7 582**	-62 648
Interest-free short-term liabilities, increase (+), decrease (-)	**50 944**	29 422	**-15 588**	32 151
Change in deferred taxes, increase (+), decrease (-)	**9 533**	-58	**-2 790**	0
	-76 749	-25 229	**-56 614**	-22 391
Cash flow from operations	**136 587**	146 507	**139 374**	146 727
Change in fixed assets and other investments				
Capital expenditure	**-420 068**	-152 948	**-423 544**	-162 193
Sales of fixed assets	**6 997**	6 205	**5 008**	6 163
	-413 071	-146 743	**-418 536**	-156 030
Cash flow before financing	**-276 484**	-236	**-279 162**	-9 303
Financing activities				
Dividents to shareholders	**-35 892**	-29 404	**-35 892**	-29 404
Long-term interest bearing financing, net	**183 740**	-23 949	**178 889**	-23 486
Short-term interest bearing financing, net	**132 183**	14 278	**89 666**	38 962
Share issues	**6 204**	4 274	**6 204**	4 274
	286 235	-34 801	**238 867**	-9 654
Increase/decrease in liquid funds	**9 751**	-35 037	**-40 295**	-18 957
Currency difference of shareholders' equity	**-9 699**	2 521		
Corrected change in liquid funds	**52**	-32 516	**-40 295**	-18 957
Increase/decrease in liquid funds				
Liquid funds 31.12.	**75 156**	75 104	**11 174**	51 469
Liquid funds 1.1.	**-75 104**	-107 620	**-51 469**	-70 426
	52	-32 516	**-40 295**	-18 957

1. PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include the accounts of companies in which Nokian Tyres plc owns, directly or indirectly through subsidiaries, over 50 % of the voting rights. Companies acquired during the financial year are consolidated into the profit and loss account from the date the responsibility for their operations was transferred to the Group.

The consolidation has been prepared by combining profit and loss accounts and balance sheets of the Parent Company and the subsidiaries. All intercompany transactions are eliminated as part of the consolidation process. Minority interests are presented as separate items in the consolidated profit and loss accounts and balance sheets.

Acquisitions of companies are accounted for using the purchase method. The Group's share of the net assets of the company acquired is deducted from the acquisition cost. From this difference, the amount by which the fair value of the assets and liabilities of the acquired company exceeds its balance sheet values is allocated to the Company's assets and liabilities. The balance is treated as goodwill and is amortised according to the new accounting act over a period not exceeding five years. However, previously defined depreciation times remain unchanged. The same principles are followed, where applicable, when companies within the Group are merged or liquidated.

Investments in associated companies, where Nokian Tyres owns between 20% and 50% of the voting rights are reported according to the equity method of accounting.

All items in the balance sheets of foreign subsidiaries are converted into Finnish marks using the exchange rates ruling at the financial statement date and in the profit and loss accounts, using average rates for the year. Conversion differences arising from the application of the purchase method in the consolidation of companies acquired are treated as part of consolidated shareholders' equity.

The Latvian company Freibi Riepas SIA acquired at the end of the financial period will not be consolidated to the Group until the start of year 1999. This omission has no material effect.

2. INVENTORY VALUATION

Inventories are valued at the lower of cost and net realisable value. Cost is determined on a first in – first out (FIFO) basis. Both direct costs and its share of fixed production costs are included in the value of finished goods.

3. FIXED ASSETS AND DEPRECIATION

Fixed assets are stated in the balance sheets at cost less depreciation according to plan. In the Parent Company, the accumulated difference between the total depreciation charged to the profit and loss account and depreciation according to plan is shown as a separate item in untaxed reserves.

Depreciation according to plan is calculated on the basis of the estimated useful life of the assets using the straight line method. The depreciation times are generally as follows:

Buildings and constructions	20–40 years
Machinery and equipment	4–20 years
Other tangible assets	10–40 years
Intangible assets	5–10 years
Goodwill	5 years

Land and water areas, as well as investments in shares, are not regularly depreciated.

4. RESEARCH AND DEVELOPMENT

Research and Development costs are charged to the profit and loss account in the year in which they are incurred.

5. PENSIONS AND COVERAGE OF PENSION LIABILITIES

Pension contributions are based on local, periodic actuarial calculations and are charged to the profit and loss account.

In Finland the pension schemes are funded through payments to a pension insurance company.

Foreign subsidiaries operate pension schemes for their employees in accordance with their local conditions and practices.

6. DIRECT TAXES

The consolidated profit and loss statement include the change in deferred tax liability and the direct taxes which are based on taxable profit of each company. These direct taxes are calculated according to local tax rules. The deferred tax liability and assets are recorded as separate items and are based on the prevailing corporate tax rate.

The profit and loss statement of the parent company include direct taxes based on the taxable profit and the change in deferred tax arising from temporary differences. The untaxed reserves of the parent company are shown in full in the balance sheet, and the deferred tax liability is not recorded.

The change in deferred tax of the previous financial periods is recorded in the extraordinary items.

7. FOREIGN CURRENCY ITEMS

Transactions in foreign currencies are recorded at the rates of exchange ruling at the dates of the transactions. At the end of the accounting period unsettled balances on foreign currency transactions and forward exchange contracts are valued at the rates published by the Bank of Finland as at the financial statement date. Foreign exchange gains and losses relating to normal business operations and hedging gains and losses are treated as adjustments to sales and purchases, while those gains and losses associated with financial transactions and hedging are entered under financial income and expenses.

The exchange rate gains and losses of the currencies within the euro currency area have been recorded as fully realized on December 31, 1998.

FIM '000	GROUP 1998	GROUP 1997	PARENT COMPANY 1998	PARENT COMPANY 1997
1. NET SALES BY PRODUCT AND MARKET AREAS				
Car and Van tyres	**813 138**	758 247	**770 316**	711 796
Heavy tyres	**317 900**	279 557	**275 954**	239 051
Bicycle tyres and inner tubes	**45 144**	45 893	**45 129**	45 874
Retreading materials	**59 649**	55 234	**57 782**	53 756
Retail	**287 152**	126 689		
Others	**-28 970**	-7 303	**10 335**	13 909
Total	**1 494 013**	1 258 317	**1 159 516**	1 064 386

Others contain the elimination of the intra-group net sales.

FIM '000	GROUP 1998	GROUP 1997	PARENT COMPANY 1998	PARENT COMPANY 1997
Finland	**390 087**	359 491	**387 948**	359 491
Other Nordic countries	**584 504**	391 020	**274 541**	224 551
Baltic States and Russia	**94 406**	127 662	**93 686**	127 662
Other European countries	**321 614**	290 266	**303 643**	269 306
North America	**93 009**	78 679	**89 305**	72 272
Other countries	**10 393**	11 199	**10 393**	11 104
Total	**1 494 013**	1 258 317	**1 159 516**	1 064 386
2. TOTAL COST OF GOODS SOLD				
Raw materials	**-349 771**	-318 179	**-348 425**	-318 179
Goods purchased for resale	**-260 385**	-158 167	**-91 620**	-69 055
Wages and social costs of goods sold	**-165 958**	-134 669	**-165 958**	-134 669
Other costs	**-127 325**	-115 321	**-125 553**	-113 845
Depreciation of production	**-56 632**	-55 193	**-55 967**	-55 193
Sales freights	**-50 596**	-46 465	**-36 907**	-34 729
Change in inventories	**57 336**	2 095	**30 654**	-8 106
Total	**-953 331**	-825 899	**-793 776**	-733 776
3. WAGES, SALARIES AND SOCIAL EXPENSES				
All personnel				
Wages and salaries	**263 006**	213 768	**196 624**	177 547
Fringe benefits	**2 639**	1 821	**1 275**	1 081
Pension contributions	**40 401**	28 552	**37 303**	25 474
Other social costs	**68 730**	54 787	**58 075**	49 856
Total	**374 776**	298 928	**293 277**	253 958
Remuneration of members of the Boards, President and Managing Directors on accrual basis*	**6 872**	5 468	**1 320**	1 360
*of which incentives	**235**	194	**3**	3
Personnel, average during the year				
Production	**975**	873	**954**	873
Sales and marketing	**465**	325	**147**	147
Others	**180**	160	**175**	160
Total	**1 620**	1 358	**1 276**	1 180
4. DEPRECIATION				
Depreciation according to plan				
Intangible assets	**1 132**	345	**1 086**	312
Buildings and constructions*	**8 085**	15 150	**5 982**	13 473
Machinery and equipment	**62 313**	51 726	**57 637**	48 741
Other tangible assets	**1 837**	857	**854**	830
Total	**73 367**	68 078	**65 559**	63 356
Goodwill	**11 552**	1 604		
Total	**84 919**	69 682		

FIM '000	GROUP 1998	GROUP 1997	PARENT COMPANY 1998	PARENT COMPANY 1997
Change in accumulated depreciation in excess of plan				
Intangible assets			**1 780**	42
Buildings and constructions			**2 581**	401
Utilisation of transitional reserve on building investments			**0**	32 455
Machinery and equipment			**36 431**	-69
Other tangible assets			**183**	-87
Total			**40 975**	32 742

Depreciation according to plan is calculated on the basis of the estimated useful life of the assets using the straight line method. The useful life of Lieksa factory building has been changed in 1997 (*).

The planned depreciation times are generally as follows:

Buildings and constructions	20-40 v.
Machinery and equipment	4-20 v.
Other tangible assets	10-40 v.
Intangible assets	5-10 v.
Goodwill	5 v.

	GROUP 1998	GROUP 1997	PARENT COMPANY 1998	PARENT COMPANY 1997
Activity-based depreciation				
Production*	**59 527**	55 193	**58 862**	55 193
Sales and marketing	**9 124**	8 291	**2 038**	3 569
Administration	**1 348**	1 148	**1 291**	1 148
Other operating depreciation	**3 368**	3 446	**3 368**	3 446
Total	**73 367**	68 078	**65 559**	63 356
Goodwill depreciation	**11 552**	1 604		
Total	**84 919**	69 682		

5. FINANCIAL INCOME AND EXPENSES

	GROUP 1998	GROUP 1997	PARENT COMPANY 1998	PARENT COMPANY 1997
Dividend income				
From the Group companies			**2 224**	2 574
From others	**6**	56	**5**	56
Total	**6**	56	**2 339**	2 630
Interest income, long-term				
From the Group companies			**711**	434
Other interest and financial income				
From the Group companies			**4 648**	2 119
From others	**4 675**	3 753	**2 265**	2 153
Exchange rate differentials (net)	**-321**	2 304	**-328**	2 059
Total	**4 354**	6 057	**6 585**	6 331
Total financial income	**4 360**	6 113	**9 635**	9 395
Interest and other financial expenses				
To the Group companies			**-93**	-59
To others	**-26 089**	-18 917	**-24 940**	-18 387
Other financial expenses	**-1 477**	-1 661	**-1 104**	-1 349
Total financial expenses	**-27 566**	-20 578	**-26 137**	-19 795
Total financial income and expenses	**-23 206**	-14 465	**-16 502**	-10 400

6. EXTRAORDINARY ITEMS

The extraordinary items in the Group and the Parent company contain the change in deferred tax – as required by the new accounting act – of the previous financial periods.

	GROUP 1998	GROUP 1997	PARENT COMPANY 1998	PARENT COMPANY 1997
Consolidation	**2 923**	0		
Temporary differences	**685**	0	**472**	0
Total	**3 608**	0	**472**	0

7. COMPANIES OWNED BY THE GROUP AND THE PARENT COMPANY

	Group share ownership %	Group voting ownership %	Parent Company holding %	Number of shares owned by Parent Company	Nominal value '000 currency	Book value '000 FIM	For the last financial period: Shareholders equity '000 FIM	For the last financial period: Net profit/loss '000 FIM
Group companies								
Nokian-Rosshina Tyre Holding Oy	100	100	100	100	50 fim	50	50	+0
Rosshina-Nokian Dealer Holding Oy	100	100	100	100	50 fim	50	50	+0
Nokian Däck AB	100	100	100	70 000	7 000 sek	5 375	15 737	+2 746
Nokian Dekk A/S	100	100	100	23 700	29 480 nok	23 270	32 866	+5 350
Nokian Reifen GmbH	100	100	100	2 500	2 500 dem	7 119	7 571	+2 187
Nokian Reifen AG	100	100	100	200	200 chf	497	3 244	-118
Nokian Tyres Inc.	100	100	100	3 000	1 500 usd	7 729	3 613	-3 369
Nokian Tyres (North America) Ltd.	100	100	100	500	500 cad	1 822	454	-1 815
Galaxie AB	100	100	100	10 000	1 000 sek	98 640	44 022	+5 518
Däckkedjan i Vara AB	100	100					1 005	+1 745
Falköpings Regummerings AB	100	100					112	+69
Galaxie Miljödäck AB	100	100					98	+0
Boss Däck i Vara AB	100	100					67	+1
Galaxie Gummi AB	100	100					857	-2
Däckcenter i Ulricehamn AB	50	50					1 076	
Däckshopen Autoservice i Malmö AB	100	100	100	5 000	500 sek	11 369	1 234	+55
Däckshopen Bil&Däckservice i Landskrona AB	100	100	100	1 000	100 sek	530	66	+11
Vianor AS	100	100	100	10 200	2 550 nok	45 296	19 975	+4 672
Bergs Gummi-Industri AS	100	100	100	500	500 nok	40 910	7 573	+1 723
Marco Trading AS	100	100					620	+53
Hallingdal Dekkservice AS	100	100	100	100	50 nok	5 192	1 037	+369
Freibi Riepas SIA	100	100	100	20	2 lvl	18	-	-
Associated company								
Sammaliston Sauna Oy	33	33				390		0
Total						248 257		

FIM '000	GROUP 1998	GROUP 1997	PARENT COMPANY 1998	PARENT COMPANY 1997
8. FIXED ASSETS AND OTHER NON-CURRENT ASSETS				
Intangible assets				
Accumulated cost, 1st Jan.	**3 918**	3 356	**3 811**	3 255
Decrease/increase	**16 053**	562	**15 678**	556
Accumulated cost, 31st Dec.	**19 971**	3 918	**19 489**	3 811
Translation adjustment	**-119**	-1		
Accumulated depreciation according to plan, 31st Dec.	**-4 113**	-2 987	**-4 028**	-2 942
Book value, 31st Dec.	**15 739**	930	**15 462**	869
Accumulated depreciation in excess of plan, 31st Dec.			**2 046**	266
Goodwill				
Accumulated cost, 1st Jan.	**34 863**	34 863		
Decrease/increase	**98 031**	0		
Accumulated cost, 31st Dec.	**132 894**	34 863		
Accumulated depreciation according to plan, 31st Dec.	**-46 396**	-33 778		
Book value, 31st Dec.	**86 498**	1 085		
Land and water property				
Accumulated cost, 1st Jan.	**9 172**	8 568	**5 161**	4 557
Decrease/increase	**2 991**	604	**0**	604
Accumulated cost, 31st Dec.	**12 163**	9 172	**5 161**	5 161
Translation adjustment	**-376**	0		
Book value, 31st Dec.	**11 787**	9 172	**5 161**	5 161
Buildings and constructions				
Accumulated cost, 1st Jan.	**208 693**	187 813	**168 575**	147 695
Decrease/increase	**122 479**	20 880	**84 389**	20 880
Accumulated cost, 31st Dec.	**331 172**	208 693	**252 964**	168 575
Translation adjustment	**-2 992**	2 088		
Accumulated depreciation according to plan, 31st Dec.	**-84 506**	-73 945	**-55 644**	-49 662
Book value, 31st Dec.	**243 674**	136 836	**197 320**	118 913
Accumulated depreciation in excess of plan, 31st Dec.			**80 205**	77 625

FIM '000	GROUP 1998	GROUP 1997	PARENT COMPANY 1998	PARENT COMPANY 1997
Machinery and equipment				
Accumulated cost, 1st Jan.	**562 426**	492 941	**531 417**	464 844
Decrease/increase	**229 604**	69 485	**185 323**	66 573
Accumulated cost, 31st Dec.	**792 030**	562 426	**716 740**	531 417
Translation adjustment	**-3 355**	2 382		
Accumulated depreciation according to plan, 31st Dec.	**-388 245**	-304 653	**-336 116**	-280 128
Book value, 31st Dec.	**400 430**	260 155	**380 624**	251 289
Accumulated depreciation in excess of plan, 31st Dec.			**159 288**	122 850
Other tangible assets				
Accumulated cost, 1st Jan.	**8 591**	8 627	**8 020**	8 327
Decrease/increase	**12 194**	-36	**3 167**	-307
Accumulated cost, 31st Dec.	**20 785**	8 591	**11 187**	8 020
Translation adjustment	**-1 196**	-45		
Accumulated depreciation according to plan, 31st Dec.	**-7 802**	-2 744	**-3 571**	-2 717
Book value, 31st Dec.	**11 787**	5 802	**7 615**	5 303
Accumulated depreciation in excess of plan, 31st Dec.			**1 278**	1 102
Shares in Group companies				
Accumulated cost, 1st Jan.			**91 109**	77 388
Decrease/increase			**156 758**	13 721
Accumulated cost, 31st Dec.			**247 867**	91 109
Book value, 31st Dec.			**247 867**	91 109
Shares in associated companies				
Accumulated cost, 1st Jan.	**240**	240	**240**	240
Decrease/increase	**166**	0	**150**	0
Accumulated cost, 31st Dec.	**406**	240	**390**	240
Book value, 31st Dec.	**406**	240	**390**	240
Shares in other companies				
Accumulated cost, 1st Jan.	**669**	814	**646**	791
Decrease/increase	**558**	-145	**-137**	-145
Accumulated cost, 31st Dec.	**1 227**	669	**509**	646
Translation adjustment	**-66**	0		
Book value, 31st Dec.	**1 161**	669	**509**	646

9. TAXABLE VALUES OF REAL ESTATES AND SHARES

Land areas	**11 787***	9 172*	**4 597**	4 215
Buildings and constructions	**243 674***	136 836*	**88 478**	79 673
Shares	**1 566***	909*	**248 766***	91 348*
*Book value				

10. INVENTORIES

Raw materials and supplies	**45 626**	33 385	**43 861**	33 385
Work-in-progress	**14 710**	21 219	**14 710**	21 219
Finished goods	**242 960**	145 615	**89 182**	62 495
Total book value	**303 296**	200 219	**147 753**	117 099
Replacement price	**310 828**	209 827	**148 241**	117 349
Difference	**-7 532**	-9 608	**-488**	-250

11. LONG-TERM RECEIVABLES

Receivables from the Group companies				
Loan receivables			**20 949**	8 318
Loan receivables	**11 717**	4 045	**3 893**	4 244
Other receivables	**3 099**	4 741	**0**	0
Total	**14 816**	8 786	**3 893**	4 244
Total long-term receivables	**14 816**	8 786	**24 842**	12 562

FIM '000	GROUP 1998	GROUP 1997	PARENT COMPANY 1998	PARENT COMPANY 1997
12. SHORT-TERM RECEIVABLES				
Trade debtors	**319 331**	296 036	**171 390**	166 019
Receivables from the Group companies				
Trade debtors			**112 215**	116 495
Loan receivables			**90 731**	48 101
Accrued revenues and deferred expenses			**730**	318
Total			**203 676**	164 914
Loan receivables	**2 015**	114	**0**	0
Other receivables	**19 909**	19 921	**15 709**	18 317
Accrued revenues and deferred expenses	**24 635**	13 769	**17 008**	8 321
Total	**46 559**	33 804	**32 717**	26 638
Total short-term receivables	**365 890**	329 840	**407 783**	357 571

13. LOANS TO DIRECTORS

Managing Directors of the Group and the members of the Board of Directors have been granted loans, totalling FIM 509,600 (FIM 36,970)

FIM '000	GROUP 1998	GROUP 1997	PARENT COMPANY 1998	PARENT COMPANY 1997
14. ACCRUED REVENUES AND DEFERRED EXPENSES				
Taxes	**9 735**	1 458	**8 838**	0
Annual discounts, purchases	**6 497**	2 987	**2 694**	1 240
Financial items	**3 536**	1 645	**3 536**	1 645
Social payments	**672**	3 230	**440**	3 185
15. SHAREHOLDERS' EQUITY				
Share capital, 1st Jan.	**102 423**	101 393	**102 423**	101 393
Emissions in 1997	**0**	1 030	**0**	1 030
Transfer to the share capital	**125**	0	**125**	0
Emissions in 1998	**650**	0	**650**	0
Share capital, 31st Dec.	**103 198**	102 423	**103 198**	102 423
Share issue, 1st Jan.	**125**	0	**125**	0
Emissions in 1997	**0**	125	**0**	125
Transfer to the share capital	**-125**	0	**-125**	0
Emissions in 1998	**860**	0	**860**	0
Share issue, 31st Dec.	**860**	125	**860**	125
Share issue premium, 1st Jan.	**21 408**	18 289	**21 408**	18 289
Emission gains	**4 694**	3 119	**4 694**	3 119
Share issue premium, 31st Dec.	**26 102**	21 408	**26 102**	21 408
Retained earnings, 1st Jan.	**381 329**	306 158	**248 545**	172 474
Dividens to shareholders	**-35 892**	-29 404	**-35 892**	-29 404
Translation adjustment	**-9 699**	2 521		
Retained earnings, 31st Dec.	**335 738**	279 275	**212 653**	143 070
Net profit for the year	**128 417**	102 054	**89 454**	105 475
Total shareholders' equity	**594 315**	505 285	**432 267**	372 501
Distributable equity, 31st Dec.	**242 534**	224 980		
The share of untaxed reserves and appropriations recorded in shareholders' equity	**181 237**	150 710		
16. DEFERRED TAX LIABILITIES AND ASSETS				
Deferred tax assets from				
Untaxed reserves and provisions	**0**	0		
Consolidation	**4 479**	0		
Temporary differences	**5 285**	0	**2 790**	0
Total	**9 764**	0	**2 790**	0
Deferred tax liabilities from				
Untaxed reserves and provisions	**76 326**	58 609		
Consolidation	**286**	0		
Temporary differences	**1 294**	0	**0**	0
Total	**77 906**	58 609	**0**	0

FIM '000	GROUP 1998	GROUP 1997	PARENT COMPANY 1998	PARENT COMPANY 1997
17. LONG-TERM LIABILITIES				
Interest bearing				
Bonds	**50 000**	100 000	**50 000**	100 000
Loans from financial institutions	**358 365**	113 837	**355 920**	110 884
Pension premium loans	**51 359**	55 225	**51 359**	55 225
Total	**459 724**	269 062	**457 279**	266 109
Interest-free				
Other long-term loans	**307**	1 199	**49**	50
Total long-term liabilities	**460 031**	270 261	**457 328**	266 159
Bonds				
1/1996 5% bullet maturity in 1999	**0**	50 000	**0**	50 000
2/1996 6% bullet maturity in 2001	**50 000**	50 000	**50 000**	50 000
Total	**50 000**	100 000	**50 000**	100 000
Liabilities maturing after five years				
Bonds	**0**	0	**0**	0
Loans from financial institutions	**153 735**	16 107	**152 000**	14 114
Pension premium loans	**38 419**	41 311	**38 419**	41 311
Other long-term finance loans	**0**	0	**0**	0
Total	**192 154**	57 418	**190 419**	55 425
Maturing of long-term liabilities				
Maturity				
2000	**26 409**	26 560	**26 224**	26 224
2001	**76 333**	76 316	**76 110**	76 110
2002	**26 026**	26 004	**25 875**	25 831
2003	**138 802**	17 178	**138 651**	17 006
2004 and later	**192 154**	40 240	**190 419**	38 419
Total	**459 724**	186 298	**457 279**	183 590
18. SHORT-TERM LIABILITIES				
Interest bearing				
Bonds	**50 000**	0	**50 000**	0
Loans from financial institutions	**121 944**	37 569	**121 653**	37 628
Pension premium loans	**3 866**	4 157	**3 866**	4 157
Total	**175 810**	41 726	**175 519**	41 785
Liabilities to the Group companies				
Finance loans			**18 801**	20 239
Total interest bearing	**175 810**	41 726	**194 320**	62 024
Interest-free				
Trade creditors	**133 125**	121 302	**75 022**	102 210
Liabilities to the Group companies				
Trade creditors			**1 483**	4 634
Accrued expenses and deferred revenues			**21**	9
Total			**1 504**	4 643
Other liabilities	**38 542**	23 653	**14 998**	13 256
Accrued expenses and deferred revenues	**121 557**	97 325	**91 915**	78 918
Total	**160 099**	120 978	**106 913**	92 174
Total interest-free liabilities	**293 224**	242 280	**183 439**	199 027
Bonds				
1/1996 5% bullet maturity in 1999	**50 000**	0	**50 000**	0

FIM '000	GROUP 1998	GROUP 1997	PARENT COMPANY 1998	PARENT COMPANY 1997
19. ACCRUED EXPENSES AND DEFERRED REVENUES				
Wages ans salaries	**46 830**	40 536	**41 160**	38 943
Annual discounts, sales	**23 727**	8 075	**19 187**	5 703
Social payments	**10 590**	4 701	**5 095**	2 859
Uninvoiced receipts	**9 712**	0	**9 712**	0
Goods in transit	**8 512**	1 154	**8 512**	1 154
Taxes	**4 115**	17 012	**0**	10 675
Financial items	**3 883**	3 283	**3 883**	3 283
Royalties	**3 189**	2 896	**3 189**	2 896
20. CONTINGENT LIABILITIES				
For own debt				
Mortgages	**8 548**	3 280	**0**	0
Pledged assets	**2 294**	102	**100**	102
Guarantees	**7 000**	7 000	**7 000**	7 000
On behalf of Group companies				
Guarantees			**11 735**	22 888
Rent commitments	**0**	3 452	**2 584**	3 452
On behalf of other companies				
Guarantees	**49**	37	**0**	0
Other own commitments				
Leasing and rent commitments	**22 693**	14 975	**13 217**	3 811
21. DERIVATIVE CONTRACTS				
Interest rate derivatives				
Interest rate swaps				
Fair value	**2 815**	2 668	**2 815**	2 668
Underlying value	**50 000**	50 000	**50 000**	50 000
Currency derivatives				
Forward contracts				
Fair value	**1 734**	-241	**1 734**	-241
Underlying value	**288 294**	140 105	**288 294**	140 105
Options, purchased				
Fair value	**1 032**	404	**1 032**	404
Underlying value	**90 656**	84 195	**90 656**	84 195
Options, written				
Fair value	**-47**	-225	**-47**	-225
Underlying value	**40 768**	108 763	**40 768**	108 763

The fair value of interest rate swaps is defined by cash flows due to contracts.

The fair value of exchange forward contracts is calculated at the rates at the balance sheet closing date on the basis of cash flow arising from contracts. The fair options is based on the market price calculated by option pricing model.

The underlying value of currency derivatives is the Finnish mark equivalent of the contracts' currency denominated amount at the balance sheet closing date.

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

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

Management of Nokian Tyres Group's financing and financial risks is centralised to the parent company and handled according to the financing policy approved by the company's Board of Directors.

At the end of 1998, the Group's liquid assets and investments amounted to FIM 75 million. Additionally the Group had unused revolving credit limits for over FIM 100 million and foreign currency credit limits and commercial paper programmes worth approximately FIM 590 million. The short-term limits are used to finance stocks, receivables and subsidiaries that are used as distribution channels. The average rotation days of trade debtors was approximately 98 days.

At the end of the year, the company's interest bearing debts amounted to FIM 636 million, as opposed to FIM 331 million the previous year. The increase was due to the Group's record-breaking investments in 1998. The investments amounted to FIM 432 million. The amount of short-term interest bearing debts, including the year's payment instalments, was FIM 176 million.

The proportion of foreign currency credit from long-term loans was 50 percent. The average interest on long term loans was 4.25 percent, whereas a year ago it was 5.36 percent.

CURRENCY EXCHANGE RATE RISK

More than 70 percent of the Group's invoicing was in foreign currencies. In 1998, the most important invoice currencies were the US dollar, the sterling, the Swedish and Norwegian crowns and the German mark. Together they amounted to approximately 85 percent of the Group's foreign invoicing.

The company's foreign exchange exposure includes currency denominated assets, liabilities, firm purchase and sale commitments (transaction risk), where the estimated foreign currency cash flow is added so that the calculation period covers the next twelve months. As defined in the Group's hedging policy, whole transaction risk is hedged and the estimated cash flow is hedged according to the market situation. The exchange rate differences are accounted in sales and purchasing adjustment items. The exchange rate differences from hedging against estimated cash flow is accounted in profit and loss accounts under sales adjustment items when the cash flow is realised. The exchange rate differences from hedging long-term loans are accounted in financing profits and losses.

The Group uses internal matching, foreign currency credit and foreign exchange derivatives as hedging methods.

INTEREST RATE RISK

The group's borrowing is divided into fixed and floating interest instruments. The management of interest rate risks is centralised in the parent company treasury that monitors the development of the interest rate risk using Gap analysis and steers it in the desired direction with forward rate agreements and interest rate swaps.

CREDIT AND LIQUIDITY RISK

Regular seasonal variation in cash flow is typical of the industry. It is balanced by using the above mentioned foreign currency credit limits and commercial paper programmes.

Long-term credit limits are used to ensure the financing of investments and other possible long-term arrangements.

COUNTERPARTY RISK

The Group's financial investments are short-term and only those counterparts with high creditworthiness are approved.

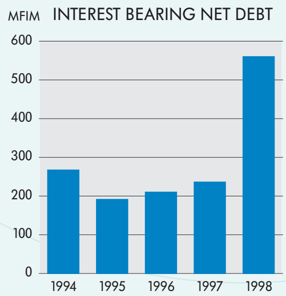
The Group only enters into derivative contracts with banks and credit institutions with adequate solvency.

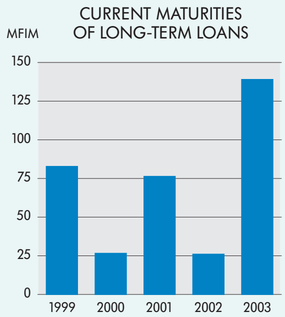
THE EURO

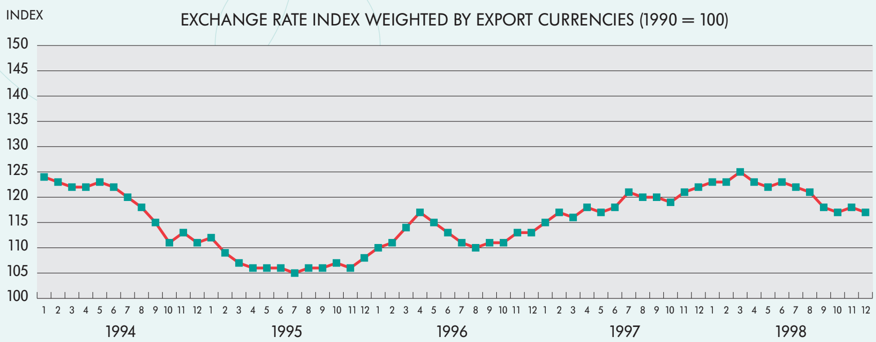
The introduction of the euro will reduce Nokian Tyres' currency exchange rate risk. The amount of invoicing from net sales that is subject to currency exchange rate risk decreases from approximately 70 percent to 50 percent.

Nokian Tyres will introduce the euro gradually during a transition period. Financing and risk management started to use the euro right at the beginning of 1999. Payment transfers will start using euros during 1999 and invoicing will take the euro into use in phases, so that by 1 January 2002 at the latest, during the last phase of Nokian Tyres transition plan, domestic invoicing will start to use the euro. Also payroll administration will start using euros by 1 January 2002.

Interim Reports and Financial Statements of 1999 will be published in euros.







The Board's Proposal for the Use of Profit

The distributable reserves of the Group on 31 December 1998 total FIM 464,155,000, of which FIM 242,534,000 can be distributed as dividends. The distributable reserves of the Parent Company total FIM 302,107,317.12. There are 10,405,786 shares entitled to a dividend.

The Board of Directors proposes that a dividend of FIM 4.35 (a total of FIM 45,265,169.10) be paid out for the 1998 fiscal year.

Nokia, 15 February 1999

Maija Torkko James Fraser Tapio Hintikka

Lasse Kurkilahti Heikki Niskakangas David Powell Jarmo Rytilahti

Auditors' Report

TO THE SHAREHOLDERS OF NOKIAN TYRES PLC

We have audited the accounting records and the financial statements, as well as the administration by the Board of Directors and the President of Nokian Tyres plc for the period ending 31 December 1998. The financial statements, which include the Report of the Board of Directors, consolidated and parent company income statements, balance sheets and notes to the financial statements, have been prepared by the Board of Directors and the President. Based on our audit, we express our opinion on these financial statements and the company's administration.

We have conducted our audit in accordance with Finnish Generally Accepted Auditing Standards. Those standards require that we plan and perform the audit in order to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by the management as well as evaluating the overall financial statement presentation. The purpose of our audit of the administration has been to examine that the Board of Directors and the President have complied with the rules of the Finnish Companies' Act.

In our opinion, the financial statements have been prepared in accordance with the Finnish Accounting Act and other rules and regulations governing the preparation of financial statements in Finland. The financial statements give a true and fair view, as defined in the Accounting Act, of both the consolidated and parent company result of operations as well as of the financial position. The financial statements can be adopted and the members of the Board of Directors and the President can be discharged from liability for the period audited by us. The proposal by the Board of Directors regarding the handling of profit is in compliance with the Finnish Companies' Act.

We have reviewed the interim reports published during the financial year. The interim reports have been prepared in accordance with applicable regulations.

Nokia, 15 February 1999

KPMG WIDERI OY AB

Matti Sulander
Chartered Accountant

Nokian Tyres develops and manufactures summer and winter tyres for both passenger cars and delivery vans. The product range includes 270 tyres. 95% of products are sold on replacement markets, that is, through tyre retailers and car dealers and petrol stations direct to consumers. The most important market areas are the home market countries, Finland, Sweden, Norway and the Baltic States, the Alpine region and North America. 75% of products are exported.

FOCUS ON PREMIUM TYRES

Nokian Tyres is constantly engaged in tens of projects to develop new, innovative products. Successful new product launches are a prerequisite for keeping product prices and profits at the desired levels. The proportion of new products, that is, passenger car and delivery van tyre models and sizes launched during the last two years, amounted to more than one third of car and van tyre net sales in 1998. Nokian Tyres' strategy is to concentrate more and more on premium tyres such as passenger car winter tyres and high speed class summer tyres.

Examples of innovative premium tyres include the new products of 1998, the Nokian Hakkapeliitta Q and the Nokian NRV. The Nokian Hakkapeliitta Q is a friction tyre developed specifically for northern conditions. Its retail sales in the Nordic countries started in the autumn. The tyre was well received on the market and was the best friction tyre in almost all Nordic motor magazine tyre tests. Nokian Spiral Sipe System, a new kind of siping technique has been developed to the tyre to significantly improve tyre's grip properties.

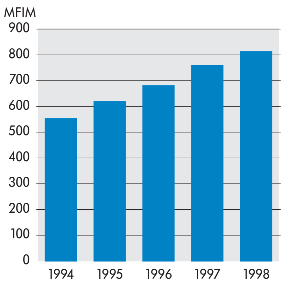
The Nokian NRV is a V speed class high performance summer tyre. This totally new type of directional and asymmetric summer tyre is unique in the world. Its most significant feature is its performance on cold and wet roads. Its retail deliveries started in January 1999.

GOOD PROSPECTS FOR GROWTH IN 1999

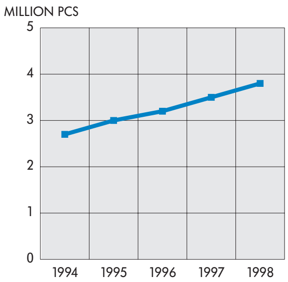
In all significant market areas the demand for winter tyres continues to grow more than the tyre market in general. Nokian Tyres is meeting the increased demand by introducing many new sizes in its winter tyre ranges. Nokian Hakkapeliitta Q range will more than double. In 1998, the Hakkapeliitta Q range included 17 sizes and the tyre was only available in the Nordic countries. In 1999, sales will start also in North America and the range therefore now includes the most important special sizes for the North American market. Five new sizes will be added to the Nokian NRW-H friction tyre range that is aimed at the Central European market.

During recent years and especially in the Central European summer tyre markets, demand has been highest in the higher speed classes (H=210 km/h and V=240 km/h). In Central Europe, V speed class summer tyres are increasingly being installed as original equipment on new cars. Additionally, more and more consumers want to improve the look of their cars with low profile, high speed class tyres. Nokian Tyres is meeting this demand with its new, innovative Nokian NRV summer tyre and with its 17" low profile winter tyre, Nokian Hakkapeliitta NRW-H, which will be launched in 1999. Production capacity continues to grow through the company's investment programme and increased off-take production. Activities to increase awareness of the Nokian brand continue along the lines of previous years in home market and it will be extended also to Germany.

CAR AND VAN TYRES
NET SALES



CAR AND VAN TYRES
PRODUCTION



Nokian Heavy Tyres product range includes: forestry tyres, harbour and mining machinery tyres, agricultural tyres, industrial and machinery tyres and truck tyres. The product range consists of 230 products. About 50% of net sales in the Heavy Tyres product area come from original equipment sales. In addition to the Nordic countries, the main market areas include central and southern Europe, the United States and Canada. New customer relations have recently been established in Russia, Africa, South America and the Far East. 62% of products are exported.

SPECIAL KNOW-HOW FOR THE PROFESSIONAL USE

Nokian Tyres focuses its heavy tyres' product development on narrow speciality areas like forestry tyres and harbour and mining machinery tyres. Usually, business cycles affecting demand have been reflected in sales of heavy tyres, especially in the forestry industry. However, during recent years, Nokian Tyres has actively reduced its vulnerability to business cycles by strengthening its position in the heavy tyres replacement market and expanding its product mix and market areas world-wide.

Nokian Tyres is a globally important manufacturer of forestry tyres. The development and manufacturing of European forestry machinery is concentrated in the Nordic countries and Nokian Tyres has worked in close co-operation with forestry machinery manufacturers ever since the 1960's. Nokian forestry tyres are sold wherever professional logging takes place – the product range includes tyres to suit all cutting methods.

Nokian Tyres has been operating in the global mining machinery tyre markets for only a few years, but has already gained a foothold by specialising in underground mines where the number of loaders is sufficiently large. The rubber compound, tread and structure of Nokian mining machinery tyres are designed to be wear-resistant and easy to retread. The mines that are Nokian Tyres customers value high-quality processes and low usage costs more than low purchase prices.

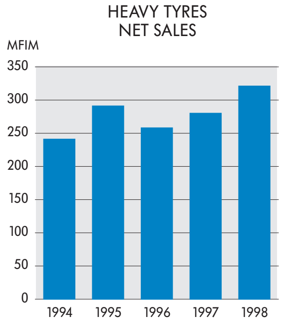
In addition to mining machinery tyres, harbour machinery tyres are a new, strategically important product group, for which it is possible to gain with world-wide markets. Today, harbour machinery tyre deliveries are primarily directed to central European container ports.

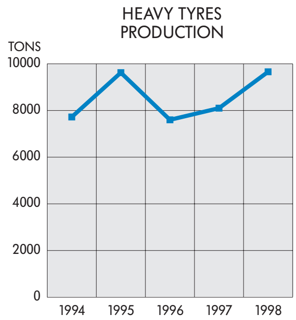
New 1998 products include special agricultural machinery radial tyres for vehicles that are used to transport heavy loads and need the ability to drive fast on roads. In 1998, radial tyres have been introduced in other product groups as well. The share of new products in 1998 amounted 14% of Heavy Tyres product area sales.

MORE CAPACITY TO PRODUCTION

The heavy tyres' market increase is expected to continue in 1999, but less rapidly than in 1998. Promoting new customer relationships that support the specialisation strategy and ensure continued growth are among Nokian Tyres' major challenges. The new products coming to the market in 1999 improve the growth possibilities.

One of the most important targets in 1999 is to increase the heavy tyres' production capacity. The aim is supported by new assembling hall of heavy tyres which will be in use in autumn 1999. The Nokia factory unit concentrates on manufacturing core products. The off-take production of other products continues in England, France and Romania. The manufacturing of products included in the contract with S.C.Tofan Grup S.A. will all be transferred to Romania by April 1999.





Nokian Tyres is one of five bicycle tyre manufacturers in Europe and the only one in the Nordic countries. The product range includes 200 products: standard, touring, mountain and racing bike tyres. Speciality is bicycle winter tyres. Bicycle tyres are manufactured at the company's Lieksa factory. Original equipment for European bicycle manufacturers amounts to about one third of sales in the product area. The main market areas include Nordic countries and Central Europe. 63% of products are exported.

ACTIVE PRODUCT DEVELOPMENT WORK

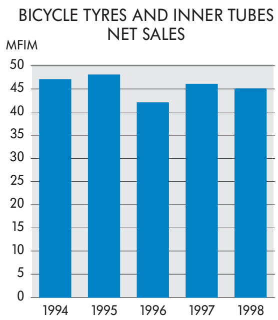
Nokian Tyres' strategy is to specialise in high-quality bicycle tyres and narrow speciality product segments. So the company avoids direct competition with cheap imports to Europe from the Far East. The development and renewal of bicycle tyres is rapid and product development closely follows trends in the bicycle industry. Development is driven by customers' wishes and requirements for tyre properties and product range structure. Nokian Tyres also manufactures products that are specifically tailored for countries where the cycling culture sets specific demands for bicycle tyres. Examples include puncture-resistant tyres developed specifically for the Dutch market, equipped with reflector bands and tread profiles which are designed for the paved bike paths in The Netherlands.

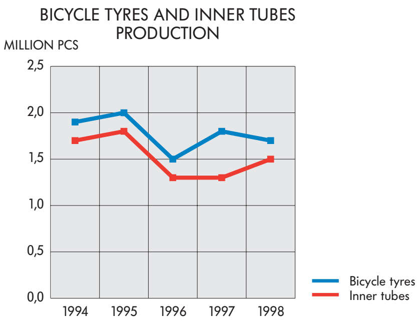
The latest new products are the Nokian Gazzaloddi downhill tyre and the Nokian Gazzut all-purpose MTB tyre which received a lot of favourable publicity in international cycling magazines. Market position strengthened e.g. in North-America. The share of new products in 1998 amounted 26% of all sales in the product area.

In 1998 the product area started an operations management project aimed at improving production quality and productivity, trimming the product range and improving delivery capacity and reliability.

STRENGTHENING SPECIALISATION STRATEGY

In the future Nokian Tyres will develop the implementation of its specialisation strategy. In addition to developing its production, product range and marketing, the Bicycle Tyres product area will develop its network of international partners, too. The target is to build a bicycle tyre delivery chain – from supplier to wholesale and retail seller – that supports the specialisation strategy of the product area. Marketing will concentrate on selected focus areas.





Nokian Tyres develops and manufactures materials for retreading passenger car, commercial vehicle and machinery tyres. The product range consists of 350 products. The main market areas include Finland, Sweden, Norway, Estonia and Central Europe. Exports account for 36% of sales in the product area.

KNOWLEDGE OF TYRE TECHNOLOGY SUPPORTS PRODUCT DEVELOPMENT

Expertise in the demanding, seasonally changing Nordic driving conditions is the speciality area of Nokian Retreading Materials. The products are continuously tested in northern conditions that demand a lot from the grip and durability of the treads. Based on this expertise, the company has developed gripping and durable tread rubber compounds and patterns for various purposes. The Nokian Noktop 21, a tread developed by Nokian Tyres, has become the most popular winter tread in the Nordic countries.

Durability is the property that consumers value most and special attention is therefore paid to the durability of all Nokian Tyres retreading products. New products with improved mileage have been added to the Nokian Noktop range. Nokian rubber compounds are internationally top-quality. Their rolling resistance is as low as possible, which is important both environmentally and economically.

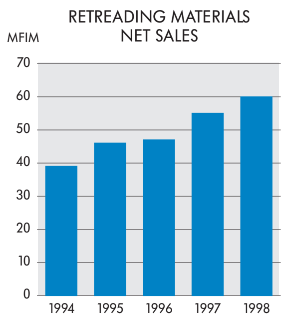
The product area emphasises customer-orientation and updates its operations according to the rapidly changing operating environment. Close connections with retreaders in the expanded market area provide a good overall view of the development of the retreading business. The activities have been successful and the market share has increased in all significant market areas.

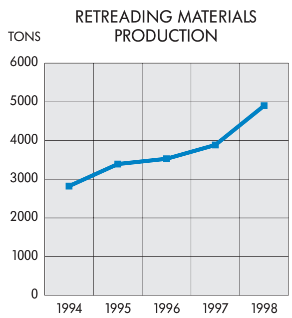
EXPANDING EXPORTS

Retreading is expected to increase in the main market areas by one to two percent annually. In addition to retreading commercial vehicle tyres, the interest in retreading passenger car tyres is increasing along with environmental awareness and recycling. Retreaded tyres have a stable position in the market, although the amount of cheap tyres imported from the Far East is constantly rising.

Exports provide the best opportunities to grow the product area sales. One of the company's targets for the year 1999 is to significantly increase exports. The retreading factory unit will also be developed. Its production capacity will be increased, by methods such as adding the number of running hours and developing automation by taking a new robotically controlled production line into use in April.

The proportion of new products in the retreading materials range will remain high. In 1998, new products accounted for over 19% of the product area sales.





Nokian Tyres' retail sales increased remarkably in 1998. In 1998, net sales of retail amounted to FIM 287 million, whereas the total for 1997 was FIM 127 million. At the end of 1998, the retail network had a total of 379 employees and 66 outlets.

During recent years, tyre distribution in Nordic countries has become the domain of tyre manufacturers. Through having its own retail sales network, Nokian Tyres defends its position and ensures constant growth of its tyre sales in the strategically important home market. Moreover, engaging in retail enables the manufacturer to have direct contact with the end users, ordinary drivers, which is important for developing new products to meet consumers' needs.

Due to the business structure of tyre retail companies, most of the year's profits come from the winter tyre season between September and December. As the proportion of retail increases, the emphasis of Nokian Tyres' annual net sales and profits will increasingly be on the final few months of the year.

ADDITIONS TO THE NORWEGIAN CHAIN

Nokian Tyres started retailing tyres in Norway at the end of the 1980's, when it acquired two tyre retail chains that were later joined to form Vianor AS. Currently Vianor has eighteen retail outlets in Norway.

In December 1997, the Norwegian retail chain was reinforced with the acquisition of the Bergs Gummi-Industri AS group that includes eighteen tyre retail companies and two truck tyre retreading companies. Bergs Gummi-Industri's profit was consolidated into Nokian Tyres profit and loss account as of the beginning of 1998.

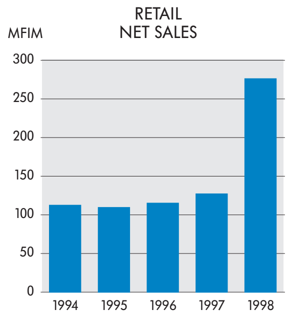
Nokian Tyres has a retail network of a total of 37 outlets in Norway covering the whole country.

RETAIL BEGINS IN SWEDEN

In August 1998, Nokian Tyres retail network expanded to Sweden, when the company purchased the Galaxie tyre company, which has fifteen retail outlets and a large retreading factory.

In October 1998, the Däckshopen tyre companies with six tyre retail outlets in southern Sweden were added to the Swedish retail network. Däckshopen's modern operation is different from the traditional tyre companies in many ways. Däckshopen has its outlets in town centres and the company concentrates solely on selling passenger car and delivery van tyres direct to customers. The company is known as an active advertiser and its customer register includes close to 60,000 names.

Nokian Tyres has a total of 21 retail outlets in Sweden.



LATVIAN NETWORK COVERS THE WHOLE COUNTRY

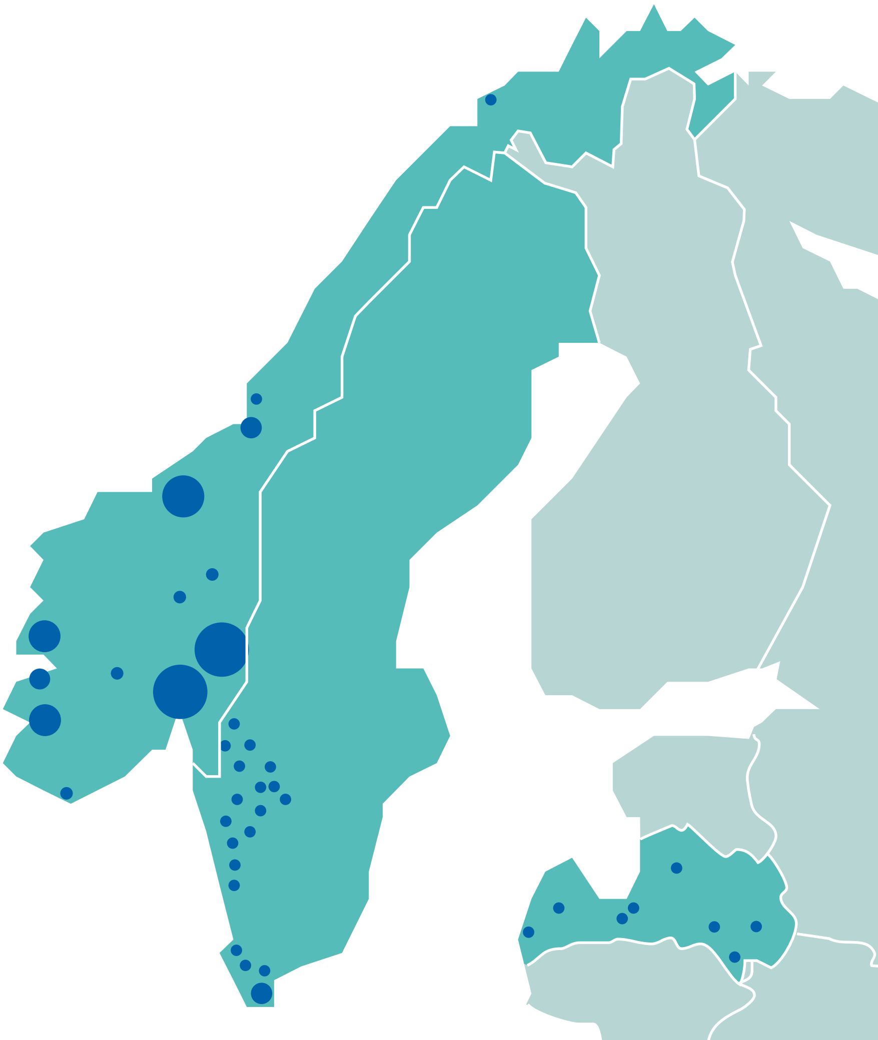
In September, Nokian Tyres and a Latvian tyre entrepreneur founded a tyre retail and wholesale joint venture company in Latvia. The joint venture company purchased the tyre business of the Latvian Freibi Riepas SIA. Nokian Tyres owns 50% of the joint venture. The company has eight retail outlets covering the whole country. The profit of Freibi will be consolidated into Nokian Tyres' profit and loss account as of the beginning of 1999.

FUTURE CHALLENGE: BUILDING A UNIFORM DISTRIBUTION CHAIN

Nokian Tyres expects its retail chain to expand in the future. The greatest challenge of the next few years is anyway to integrate the whole 66-outlet network into a uniform chain with its own brand and identity. Achieving this requires all vendors and employees to be committed to common targets.

In the future distribution chains will be clearly divided into two distinct groups. Traditional outlets will continue to serve both passenger car and heavy vehicle owners. Alongside the traditional outlets, there will be new Däckshopen style consumer chains – like retail outlets that focus on passenger car tyres and have their own customers profile. Nokian Tyres intends to develop both distribution chain types.

Growth and profitability targets in retail are similar to those of Nokian Tyres' other businesses.



Nokian Tyres' annual investment in product development amounts to approximately 2.5% of net sales. Tens of projects are constantly in progress. Although a tyre may look simple on the outside, it is a complex technical product that contains various different components that need to be taken into account when developing new tyres. New materials and tread pattern solutions are also being sought. It takes between two and four years to develop a totally new passenger car tyre.

Approximately 50% of product development costs are in testing. Reliable testing cannot be done in laboratory conditions. Tyres intended for northern markets must be tested in their real environment. Nokian Tyres has a 660-hectare test centre in Ivalo, in Finnish Lapland. The company has an 11-hectare test track in Nokia for testing summer tyres. The track will be expanded by 12 hectares by the year 2001. The expansion will improve the possibilities for testing high-speed summer tyres. After the enhancements, the track will be in use all year round and is also suitable for certain winter tests.

The product development of heavy tyres and bicycle tyres enjoys the benefit of co-operation with customers, i.e. machinery and equipment manufacturers and the bicycle industry.

TARGETS OF NOKIAN TYRES' PRODUCT DEVELOPMENT

Directing product development targets and focuses to appropriate areas are essential constituents of Nokian Tyres' specialisation strategy and of building the Nokian brand. The target is to develop tyres that bring added value to consumers in areas with northern conditions. Due to changing seasons and harsh climates, northern roads are often coarse and have ruts, which means that the tyres must have excellent grip, wear resistance and stability when the surface suddenly changes, as well as good aquaplaning properties. Safety properties must remain almost unchanged during the tyres' whole useful life. Therefore, durable safety is the leading principle of Nokian Tyres' product development.

Focusing on the northern conditions and on narrow niche areas has created such expertise which has been able to transfer to development of new product segments. Examples include harbour and mining tyres, whose product development utilises expertise gained from forestry tyres.

Various product innovations are the building blocks of competitive edge. According to Nokian Tyres' product development philosophy, every new product that enters the market has some technical innovation that makes the tyre unique. Examples of recent innovations are Nokian Hakkapeliitta 1 stud technology (Nokian Eco Stud System) and Nokian Hakkapeliitta Q siping system (Spiral Sipe System). Examples from other product areas include the Nokian MINE mining tyre family and Nokian Gazzaloddi downhill bicycle tyres.

In the future, the greatest challenge of product development is to develop new, innovative products faster than other companies in the tyre business. Successful product launches enable the company to maintain its position in the premium price category and to promote the awareness and desirability of Nokian brand tyres according to company targets.

During recent years, demand for Nokian Tyres' products has exceeded production capacity, although volumes have steadily increased and the capital utilisation ratio has been high. The company's guideline value has been to invest 10% of net sales in production every year. During recent years, in order to alleviate the need for capacity, the company has invested in expanding factory buildings, in addition to investments in machinery and equipment. This has sent investments to an all-time high. In 1998, investments to production amounted to 16% of net sales. Additionally, investments are used to improve productivity and quality and to increase the production of premium tyres, among other things.

Increasing off-take production also relieves the need for added capacity. In practical terms, off-take production means manufacturing Nokian brand tyres at partner companies' factories around the world. Off-take production adds production efficiency and gives the company a wider product range. Nokian Tyres has off-take production in England, France, Romania, the United States, Indonesia and Japan. Nokian Tyres' target is to increase off-take production of so-called supporting products and to continue to develop the Nokia factory into the production and product development unit of core products.

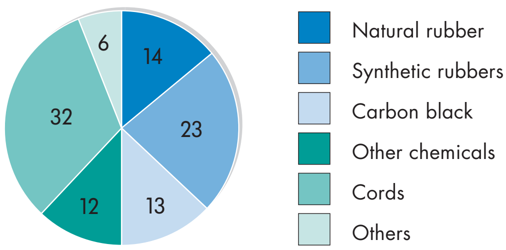
The most important issues in production are developing quality and productivity. The target of the company's quality improvement programme is to reduce quality costs by developing the quality of products and activities. Quality costs and quality projects to reduce costs are regularly monitored using various measures. Quality improvements have a direct link with improved productivity and customer satisfaction.

Adjusting to increasingly rapid market changes requires production development based on development of technology systems and investment in employees' attitudes and learning programmes.

The majority of passenger car and delivery van tyres, heavy tyres and all retreading materials are manufactured at the Nokia factory (approx. 132,600 m²). Bicycle tyres and inner tubes are manufactured at the Lieksa factory (approx. 14,000 m²). The factories mainly run on three shifts, 340 days a year. In 1998, the company manufactured 3.8 million (3.5 million in 1997) passenger car winter and summer tyres, 9,658 tonnes (8,100 tonnes) heavy tyres, 4,900 tonnes (3,886 tonnes) retreading materials, 1.7 million (1.8 million) bicycle tyres and 1.5 million (1.3 million) inner tubes.

The raw materials needed to manufacture tyres are imported. They include natural and artificial rubbers, carbon black and other reinforcing fillers, various chemicals and reinforcement cords. In addition to obtaining and receiving raw materials, tyre manufacturing consists of five other main phases. These are compound mixing, component manufacture, tyre building, curing and inspection.

CONSUMPTION OF RAW MATERIALS 1998
(based on consumption in FIM) %



At Nokian Tyres, total quality means beneficial activities with the aim of improving profitability. The target has been divided into short-term objectives with defined, explicit measures. Continuous reduction of quality costs is the most important, single total quality target. The target of cutting quality costs annually by 10% is included in the company's guideline values.

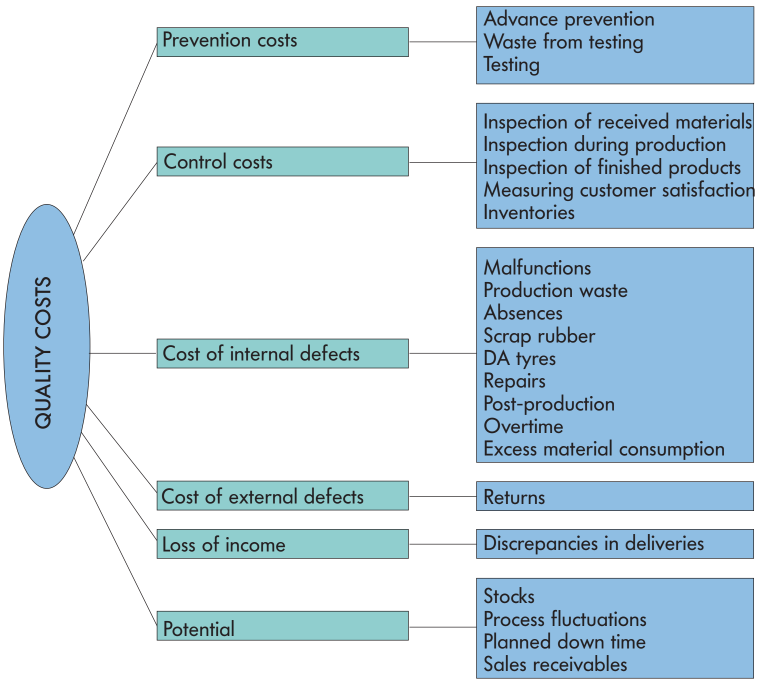
Quality costs indicate where savings can be made and where quality investments would be profitable. Quality is an investment, which – at the very least – must bring a return on the investment. One motive for measuring quality costs is the desire to be able to fund quality investments with quality improvement projects: In the short-term, quality projects are funded by the savings made through improvements in quality.

KEY ISSUES IN 1998

Many continuous quality improvement projects were implemented during 1998. Customer quality and satisfaction improved and cost savings were achieved. The most significant quality projects aimed at reducing the weight of the tyres, cutting down the amount of scrapped tyres and waste as well as improving the uniformity of component quality. Additionally, the management of quality projects was enhanced with a new computer-aided quality project management system.

The Nokian Tyres activity system (formerly quality system) was validated according to new automobile industry requirements. On 14 April 1998, Det Norske Veritas stated that the Nokian Tyres activity system complied to the QS9000 standard. The element of protection was added to the activity system that already included quality and environmental management.

The networking of quality activities to customers and suppliers continued. The quality systems of twenty retreading companies were audited. In addition to the most important raw material suppliers, the quality system of the Romanian off-take supplier, Tofan Grup, was also audited. The “Tidiness, Quality and Productivity” programme that was started in the autumn emphasised every employee’s individual responsibility for his or her activities. Specific quality training on dealing with daily non-conformities was also arranged for employees.



TARGETS FOR 1999

In the future, further extending the continuous quality improvement activities will continue to be one of the challenges. In addition to product quality, the emphasis will increasingly shift to improving the quality of activities, where the best opportunities to improve customer satisfaction and to save quality costs can be found. Enhancing the quality of activities requires the activities to be maintained to meet process requirements and more pronounced measures to be set and extended in order to enable the management of major processes that are formed from minor processes. The central issue in the activity systems is to unify and network the new subsidiaries’ quality systems into the parent company’s systems. Among other things, this requires a substantial amount of employee training. Networking the quality activities with major customers and suppliers will continue in the future.

Nokian Tyres has sales companies in Sweden, Norway, Germany, Switzerland and the United States as well as a representative office in Moscow. Independent importers handle product sales in other countries. International sales have increased remarkably – in 1998, foreign invoicing amounted to 74% of sales. Nokian Tyres' products are sold in about 50 countries in all. Two thirds of sales are directed on the home market area, that is, the Nordic countries, the Baltic States and Russia. In 1998, Nokian Tyres received the Finnish President's Export Award.

INVESTING IN BRAND

Nokian Tyres' basic marketing philosophy has remained fundamentally the same since the first Nokian passenger car tyres were manufactured in the thirties. Expertise in northern conditions has been a key theme both in marketing and in advertising. Another has been the importance of building close and reliable customer relations.

Since the mid-1990's, Nokian Tyres has invested heavily in promoting the awareness of the Nokian brand. The products have been increasingly visible both on TV and in magazine ads, particularly in the home market area. The company has also increased marketing and sales support to distributors.

Instead of separate campaigns, advertising and marketing have emphasised continuity and building a lasting image. The basic philosophy of northern conditions is present in all activities, not just in advertising. The Nokian brand has the image of long experience in the company's speciality area as well as that of durable, total safety. Traditionally, the image of Nokian Tyres has been that of a manufacturer of high quality winter tyres, but the company has also gained a reputation as a manufacturer of high quality summer tyres. The main idea is that expertise of the properties required in northern conditions provides added value to summer tyre manufacturing, as well as to other products of the company.

SUCCESSFUL ADVERTISING

Nokian Tyres wants its advertising to stand out from mainstream tyre advertisements with its originality. The efforts have paid off. The awareness of and willingness to buy the Nokian brand have been regularly monitored in the Nordic countries and both have clearly increased during recent years. This is evident from sales as well: according to the total market figures available, in 1998, Nokian Tyres' share of Nordic winter and summer tyre markets had increased since the previous year.

Investments in improving the awareness of the Nokian brand will continue particularly in the home market area. In 1999, increased efforts are planned for Germany as well.

During recent years, Nokian Tyres' advertising has received several awards in various competitions:

- Silver prize in A-media's MediaFinlandia competition, 1997
- Kultahuippu (Gold Crest) award in the Association of Finnish Graphic Design, Grafia, annual competition, 1997
- Hopeajyvä (Silver Grain) honorary diploma in the Finnish Marketing Federation's advertisement competition, 1998
- First prize in the Finnish Marketing Federation's Vuoden parhaat kampanjat (Best campaigns of the year) competition in international campaigns series, 1998
- Print Winner of Epica Awards 1998 series in European marketing magazines' competition.

Nokian Tyres' sustainable success and central skills depend on its employees. The Personnel Strategy is based on the company's strategic goals. Company employees' assessment and development take place according to the guidelines set down in the Strategy. The Strategy supports continuous learning by enhancing the employees' individual learning, professional skills and competence in their work.

TOWARDS A LEARNING ORGANISATION

In 1998, Nokian Tyres continued and expanded the Lifelong Learning programme that it started in 1996. Through the Lifelong Learning programme, the company aims to make its organisation a learning one. The notion of competence being the most important means of competition, which has become increasingly evident, supports the advancement of this target. To succeed in the tyre business, it is essential that the employees learn new skills and are able to renew their expertise faster than the competitors.

The individual's own desire and understanding of the continuous change at work and in society are prerequisites of continuous learning. Nokian Tyres emphasises that the learning opportunities, which the company provides, are only a fraction of Lifelong Learning. The target is a continuous renewal process that improves both the individual's and the company's competitive abilities.

Nokian Tyres provides development programmes in all its strategically important skills areas: technical skills, business skills, management skills and individual working skills. In addition to on-the-job learning and internal training and development programmes, Nokian Tyres has a wide network of training providers. The network includes nearly twenty co-operation partners ranging from local organisations that provide basic and supplementary training to institutes of higher education around the world. By the end of the year, personal learning plans had been implemented for approximately 400 employees and approximately 150 employees were attending training leading to qualifications.

PARTICIPATORY AND REWARDING CULTURE

In addition to Lifelong Learning, Nokian Tyres also

PERSONNEL ACCOUNT, PARENT COMPANY

FIM '000	1.1.-31.12.1998		%		1.1.-31.12.1997		%	
NET SALES		1,159,516	100			1,064,386	100	
PERSONNEL COSTS								
Actual work costs								
wages and salaries	-186,221				-158,208			
rewards	-7,329				-7,223			
	-193,550		16.7	66.3	-165,432		15.5	65.4
Results-based bonus costs								
results-based bonuses	-3,577				-9,354			
	-3,577		0.3	1.2	-9,354		0.9	3.7
Overtime work costs								
overtime	-11,385				-6,347			
	-11,385		1.0	3.9	-6,347		0.6	2.5
Renewal of personnel								
expenses for days off	-18,713				-14,510			
initiation wage costs	-138				-288			
recruitment	-563				-843			
holiday costs	-38,718				-37,116			
other personnel insurances	-1,446				-357			
other social pay	-10				-5			
	-59,588		5.1	20.4	-53,119		5.0	21.0
Personnel development costs								
atmosphere survey	-27				-42			
training	-5,038				-4,015			
*Kela	465				359			
occupational health service	-821				-789			
other social expenses	-2,785				-2,344			
	-8,205		0.7	2.8	-6,830		0.6	2.7
Personnel liabilities and benefits								
accident incurance premium	-4,408				-4,270			
accident, health and maternity pay	-6,983				-5,842			
accident, health and maternity compensations	1,815				1,213			
disability pension premiums	-5,789				-2,460			
*Kela	465				359			
occupational health service	-821				-789			
	-15,720		1.4	5.4	-11,789		1.1	4.7
		-292,024	25.2	100		-252,870	23.8	100
SUBCONTRACTED WORK		-93,638	8.1			-74,489	7.0	
OTHER EXPENSES		-684,400	59.0			-631,552	59.3	
NET PROFIT		89,454	7.7			105,475	9.9	

*Social Incurance Institution compensation promoted other projects with the aim of making the company culture increasingly participatory, rewarding and competitive.

Development of team-based organisation, which is a central management tool at Nokian Tyres, continued. The company uses the team approach to promote, among other things, operations management, quality, productivity and job satisfaction.

Remuneration and bonus systems were developed from the point of view of being internally fair, externally competitive and incentive. The target is to implement a results-based payment system, where the payment is 70% stipulated salary and 30% results-based bonus. The bonus is based on company profit, individual performance, group and team performance.

During last year, employees submitted about 20,100 initiatives, approximately 15 initiatives each, which is a good measure of the employees' level of activity and participation. The premiums for the initiatives amounted to FIM 885,000 and the resulting annual savings rose to FIM 4.1 million.

According to the annual personnel survey, employee satisfaction and the work atmosphere developed positively. Moreover, the survey asked the employees' opinions on work contents, working conditions, information flow, participation opportunities and management.

NUMBER OF PERSONNEL UP, AVERAGE AGE DOWN

The manufacturing of strategically important products at the Nokia factory is increasing. This has increased, and will continue to increase the number of personnel particularly in manufacturing passenger car tyres. The number of personnel at the parent company grew by 5.5% and stood at 1,273 at the end of the year. 88% of employees had permanent contracts. The number of personnel in the Group was 1,732.

The average age of Nokian Tyres' employees was 37 years. The average age has gone down by nine years over the last three years. Average employment length was 13 years. Over 50% of the employees had been with the company for more than ten years.

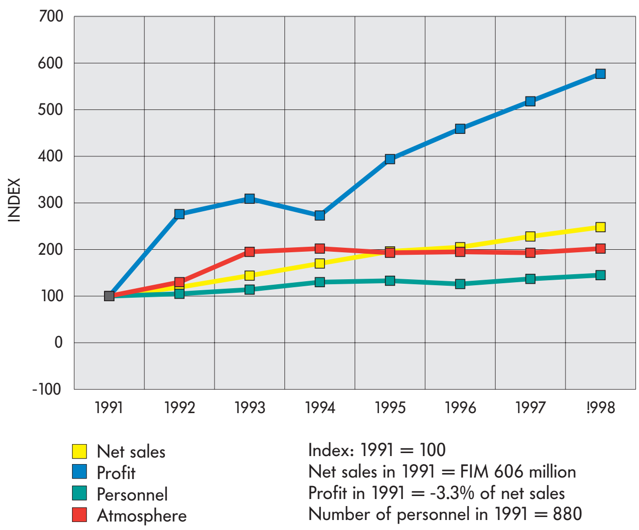
The employees' level of education has risen steadily. 46% of employees had vocational school education (31.7% in 1997), which was the most common education level. In the oldest age groups, comprehensive school education was the most common level of education. This has been taken into account both in skills development plans and in the Age Management project, where one of the central goals is to take the special knowledge and skills of older employees into account.

More information on personnel issues from Nokian Tyres Personnel Report 1999.

SUMMARY OF 1998 WORKING CAPACITY INDICES

Employees studied		
Women	24	Average working capacity index 39.7
Men	116	Average working capacity index 41.4
Total	140	Average working capacity index 41.1
Age groups		
40-year-olds, average working capacity index 43.7		
45-year-olds, average working capacity index 41.5		
50-year-olds, average working capacity index 40.9		
55-year-olds, average working capacity index 40.3		
Average working capacity index 41.3		
Management group		Average working capacity index 43.7
The working capacity index shows how well people will be able to perform their jobs in the near future considering the physical and mental demands of the job, their health and available resources. The working capacity index extends from 7 to 49 points. The points describe working capacity as follows:		
Impaired working capacity (apparent rehabilitation need) 7-27 pp.		
Average working capacity (working capacity promotion need) 28-43 pp.		
Good working capacity (working capacity maintenance need) 44-49 pp.		

NOKIAN TYRES' SUSTAINABLE PROFIT DEVELOPMENT IN THE 1990'S, PARENT COMPANY



At Nokian Tyres', environmental protection includes the products' environmental impact throughout their life cycle. In production management, environmental protection builds on the environmental policy and strategy, which are approved by the company's management. The objective is to minimise the products' and activities' harmful effects on the environment and on health and safety.

In the early summer of 1998, Det Norske Veritas stated in its factory inspection that Nokian Tyres' environmental management programme meets the requirements of the ISO 14001, the international environmental management standard. The company had already received the EMAS certificate in September 1997. During the year in question, the environmental, quality and occupational health and safety affairs were combined into a integrated management system.

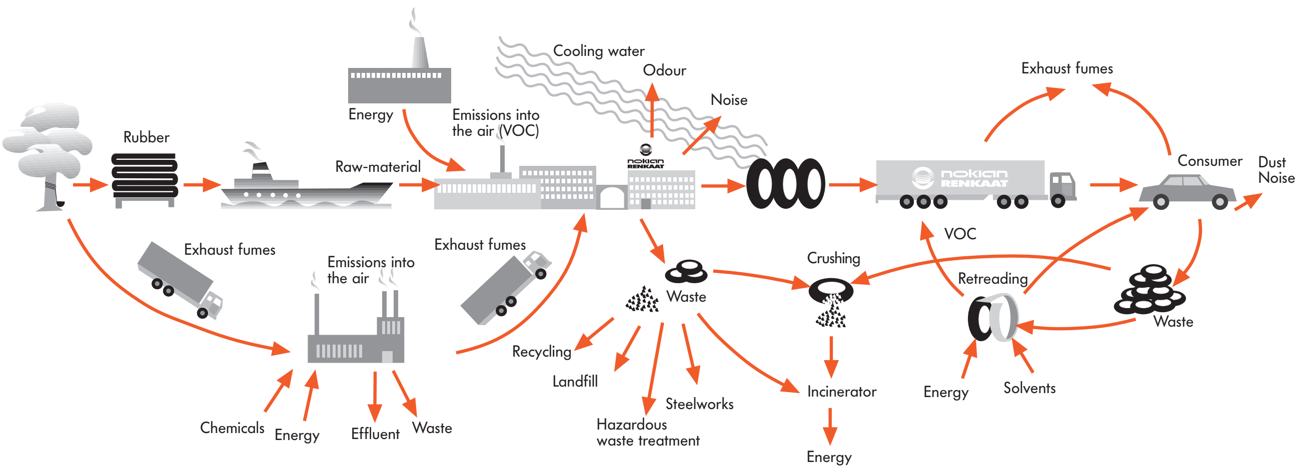
During the year, waste management was successful and the advancement of recycling surpassed all expectations. Since the beginning of 1998, scrapped tyres have been recycled directly from the factory. In the summer, an extensive project was started to reorganise the entire waste management system. Towards the end of the year, Nokian Tyres joined The Environmental Register of Packaging PYR Ltd.

In 1998, heat collection and air-conditioning equipment noise levels were reduced substantially. Since these measures were taken, no complaints have been received from the surrounding community. The catalytic oxidizer of volatile hydrocarbons, i.e. solvent emissions, operated throughout the year without disturbances. At the beginning of 1999, the cleaning capacity of the oxidizer facility and the environmental noise level of the factory will be inspected by external authorities.

The necessary permits have been granted by the Safety Technology Authority and the regional Environment Centre for expansion and alteration projects. The Effective Investment Project procedure ensures that environmental, health and safety issues are taken into account as early as the project planning stage. The new oil storage area and waterworks that were completed by the end of 1998 are examples of the procedure in action. Environmental effects are kept to a minimum although the activities expand.

Arranging environmental and chemicals training for employees continued to have a positive influence on attitudes. In 1998, there was particular

LIFE CYCLE OF A TYRE FROM RAW MATERIAL TO SCRAP



focus on training Project Managers and Work Supervisors and on providing comprehensive instruction for new employees.

In the early summer of 1998, the Environmental Department arranged an environmental campaign for employees. All employees received a booklet about the most important environmental matters and the importance of the matter was emphasised with posters and informative newsflashes on internal television.

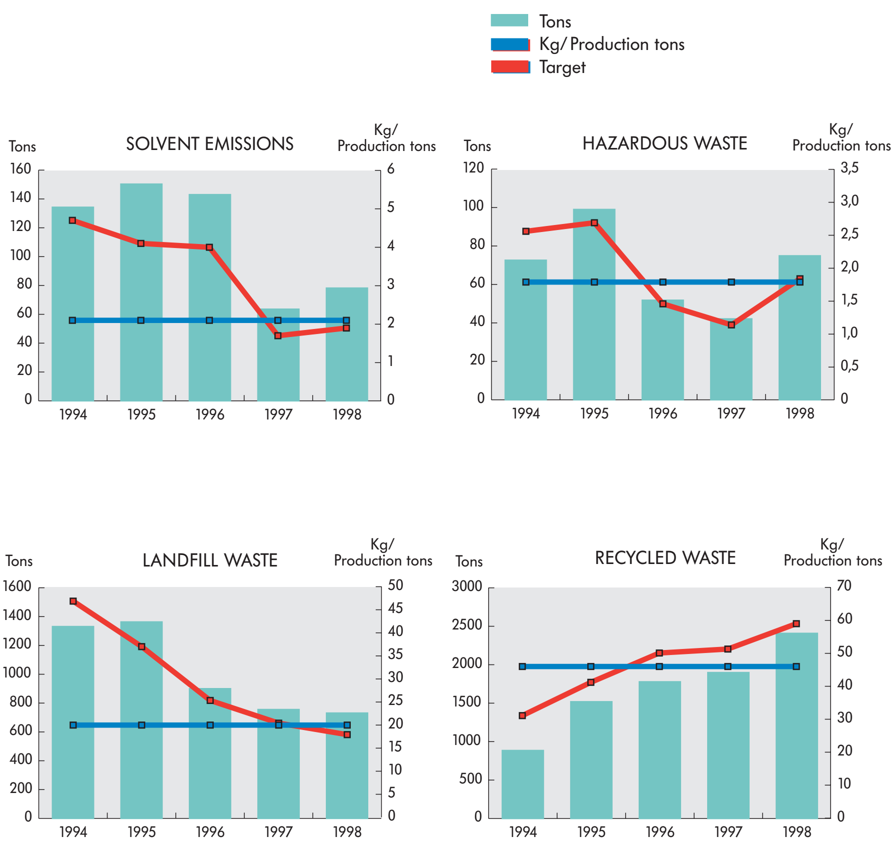
Nokian Tyres has invested in advance risk management. A safety survey of the entire Nokia factory was completed in the spring of 1998. A preliminary survey to calculate the environmental costs and a pilot system were completed towards the end of the year and the system was inaugurated in 1999. The objectives for monitoring environmental costs include increasing awareness of the economic importance of environmental issues within the company and with significant interested parties. Previously, environmental costs have been reported to Statistics Finland and to the authorities.

The life cycle model will be increasingly applied to partner activities, among other things by training subcontractors in the spring of 1999.

A uniform environmental, employee and property protection organisation started on 1 January 1999. The unit is led by the Environmental and Occupational Safety Manager, who reports to the responsible Director, the Production Director.

The company has no environmental liabilities or risks that would affect its economic position.

Further information on environmental affairs will be available in the Nokian Tyres Environmental Statement that will be published by the end of May 1999.



BOARD OF DIRECTORS

The company has a Board of Directors, which includes at least three and at most eight actual members. The Board of Directors governs the company, plans its activities as appropriate, elects the President and handles other tasks specified in the Companies' Act.

The Annual General Meeting of Nokian Tyres plc, held before the end of May each year, appoints the Directors. The term of the members of the Board ends at the end of the first Annual General Meeting after the election. The members of the Board select a Chairman from their number and he/she remains in office until the end of the first Annual General Meeting after the election.

Important company matters require the consent of the Board of Directors. Such matters include the Group's business strategy and ratification of long-term plans. Additionally, the Board of Directors approves annual plans and the most significant investment projects.

In 1998, the Board of Directors convened 4 times.

The President's main employment terms are specified in writing in the President's contract.

ORGANISATION OF BUSINESSES AND RESPONSIBILITIES

The Group's businesses are divided into five product areas: Passenger Car and Delivery Van Tyres, Heavy Tyres, Bicycle Tyres, Retreading Materials and Retail. Additionally, the Group's areas of responsibility are divided into service centers that provide services for the product areas. Supported by the service centers, the various product areas are responsible for their business areas, their profit, balance sheets and investments. Import and wholesale companies are part of the marketing service center and operate as product distribution channels in the local market areas.

FINANCES

The Group's cost accounting and financial accounting responsibilities are centralised in the Finance and Control service center of the parent company, which is responsible for producing the business areas' financial data and for the correctness of the data. The Finance and Control unit of the parent company defines the Group's accounting principles and produces Group and business area level consolidations and financial data. Each of the Group's judicial companies produces its own financial data under the supervision of the parent company's Finance and Control unit according to the specified instructions and local legislation.

FINANCING

The Group's financing function is centralised in the parent company. The Board of Directors approves external long-term credit arrangements.

Short-term liquidity management is centralised in the parent company, which controls the cash reserves of the Group's subsidiaries. The cash flow from the subsidiaries to the parent company is netted and transferred applying the Group's fortnightly internal payment arrangements. The parent company finances the Group's subsidiaries with internal loans.

The financing function is organised according to the financing policy and procedures approved by the company's Board of Directors.

FINANCIAL RISK MANAGEMENT

The parent company manages the currency exchange rate and interest rate risks centrally according to the financial policy confirmed by Nokian Tyres plc's Board of Directors. Hedging is done according to confirmed policy. The currency exchange risk position is reviewed per currency as net positions by 12-month budget periods. The Group's subsidiaries are only allowed to hedge with the parent company.

AUDITING

Authorised public accountants KPMG Wideri Oy Ab with Matti Sulander, authorised public accountant, as the responsible auditor, are selected by the Annual General Meeting to conduct the audit. In addition to the tasks governed by rules and regulations, he reports the audit's findings to the Group's management.

RISK MANAGEMENT

The purpose of risk management is to identify indemnity risks to the company's activities, property, and personnel and to minimise possible damage. The responsibility for risk management is decentralised to various companies that maintain the insurance cover. An external expert is used to assist with the administration and co-ordination of the insurance policies.

From left to the right: Lasse Kurkilahti, Maija Torkko, Jarmo Rytilahti, Heikki Niskakangas, David Powell , James Fraser, Tapio Hintikka

MAIJA TORKKO, 53
B.Sc. (Econ.), LL.M
Senior Vice President
Finance and Control, Nokia Corporation
Chairman of the Board since
27 March 1997

JAMES FRASER, 51
B.Sc. (Econ.)
Fellow of the Institute of Chartered
Accountants
Director, Finance, Dunlop Tyres Limited
Member of the Board since 1996

TAPIO HINTIKKA, 56
M.Sc. (Eng.)
President and CEO, Hackman plc
Chairman of the Board during 1990-1992
Member of the Board since 1995

LASSE KURKILAHTI, 50
M.Sc. (Econ.)
President and CEO, Nokian Tyres plc
Member of the Board since 1988

HEIKKI NISKAKANGAS, 51
LLD, M.Sc. (Econ.)
Professor, Helsinki School of Economics
Member of the Board since 1995

DAVID POWELL, 58
Fellow of the Chartered Institute
of Management Accountants
Chairman and Managing Director,
Dunlop Tyres Limited
Member of the Board since 1988

JARMO RYTILAHTI, 54
M.Sc. (Econ.)
President and CEO, Asko Group
Member of the Board since 1995

MEMBERS OF THE NOKIAN TYRES MANAGEMENT AND REPRESENTATIVES OF PERSONNEL (Picture)

From front row, left to right

Car Tyres
Kim Gran, 44

Public Information
Raila Hietala-Hellman, 46

Information Technology
Raimo Mansikkaoja, 37

President
Lasse Kurkilahti, 50

Quality
Ari J. Arvio, 47

Purchasing
Vesa Rantanen, 57

Finance and Control
Rami Helminen, 32

Heavy Tyres
Antero Turunen, 53

Retreading Materials
Keijo Vikman, 59

Marketing
Pentti Rantala, 51

Office Employees
Mailis Mäkelä, 53

Production
Reijo Korpela, 50

Retail
Juhani Kyrklund, 49

Recearch and Development
Antero Juopperi, 45

Personnel
Sirkka Hagman, 41

Bicycle Tyres
Matti Karppinen, 40

Chief Shop Steward
Jyri Nousiainen, 31

Technical Employees
Kyösti Vapalo, 52

(not in the picture)
Professional Employees
Kai Hauvala, 31

MANAGING DIRECTORS OF SUBSIDIARIES

Nokian Däck Ab, Sweden
Per-Åke Beijersten, 47

Nokian Dekk A/S, Norway
Rolf Erik Andersen, 60

Nokian Reifen GmbH
Germany
Dieter Köppner, 46

Nokian Reifen AG, Switzerland
Ruedi Häfliger, 48

Nokian Tyres Inc., USA
Dennis Gaede, 55

Vianor AS, Norway
Tor O. Dahle, 43

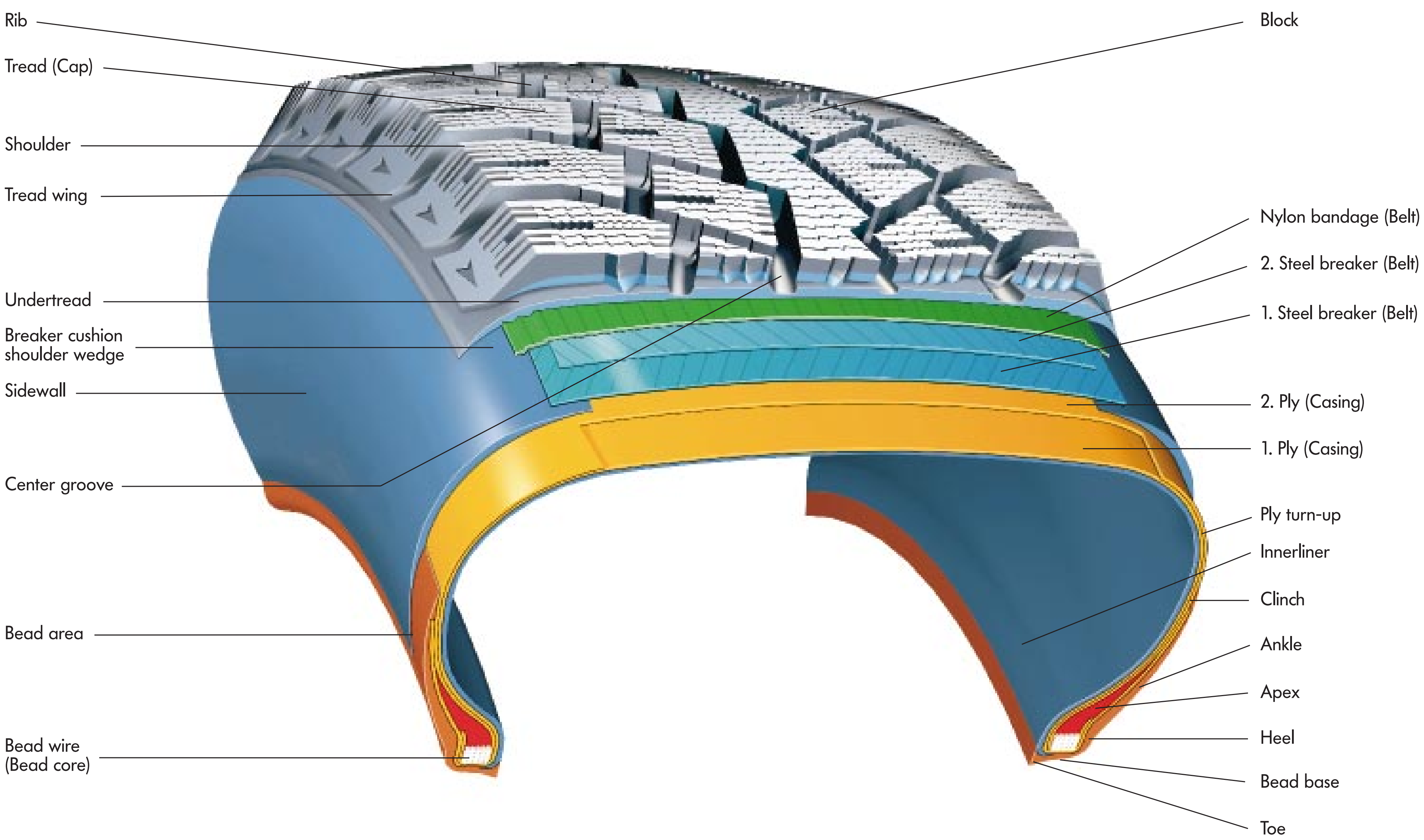
Bergs Gummi-Industri AS
Norway
Knut Daniel Håvik, 47

Galaxie Ab, Sweden
Helge Bädicker, 48

Däckshopen Auto-Service
i Malmö Ab, Sweden
Jan Zandelin, 59

Freibi Riepas SIA, Latvia
Janis Biksons, 31

COMPONENTS OF RADIAL CAR TYRE



CONTACT INFORMATION

Nokian Tyres plc
Pirkkalaistie 7, P.O.Box 20
FIN-37101 NOKIA
Tel. +358 3 340 7111
Fax +358 3 342 0677
http://www.nokiantyres.fi/
info@nokiantyres.fi

Nokian Tyres plc
Kerantie 19
FIN-81720 LIEKSA
Tel. +358 13 255 790
Fax +358 13 255 7950

Nokian Däck AB
Fagerstagatan 26
Lunda Industriområde
Box 8339
S-163 08
STOCKHOLM-LUNDA
Tel. +46 8 474 7440
Fax +46 8 761 1528

Nokian Dekk A/S
Industriveien 7 B
Boks 46
N-1471 SKÅRER
Tel. +47 67 906 810
Fax +47 67 970 1444

Nokian Reifen GmbH
Neuwieder Strasse 14
D-90411 NÜRNBERG
Tel. +49 911 527 550
Fax +49 911 527 5529

Nokian Reifen AG
Schaffhauserstrasse 55
Postfach 3218
CH-8152 GLATTBRUGG
Tel. +41 1 810 4454
Fax +41 1 810 1437

Nokian Tyres Inc., USA
339 Mason Rd. La Vergne
TN 37086 (Nashville, Tennessee), USA
Tel. +1 615 287 0600
Fax +1 615 287 0610
http://www.nokiantyres.com/

Bergs Gummi-Industri AS
Sørhaug, Postboks 48
N-5501 HAUGESUND
Tel. +47 52 724 488
Fax +47 52 712 959

Däckshopen Auto-Service i Malmö AB
Eriksfaltsgatan 23, 2 TR
S-21432 MALMÖ
Tel. +46 040 923 000
Fax +46 040 851 18

Freibi Riepas SIA
Rigas iela 20a
LV-3002 Jelgava, LATVIA
Tel. +371 920 4190
Fax +371 782 0301

Galaxie AB
Box 114
S-53422 VARA
Tel. +46 512 120 20
Fax +46 512 101 97

Vianor AS
Haslevangen 34
Boks 283 - Økern
N-0511 OSLO
Tel. +47 22 070 450
Fax +47 22 070 411

Nokian Tyres plc
4. Rostovskij pereulok 1/2
119121 Moscow, RUSSIA
Tel +7 095 9265651
+7 095 9265652
Fax +7 095 9265653

nokian
TYRES