motion

NOKIAN TYRES PLC | ANNUAL REPORT 2000

analysis, innova

NOKIAN TYRES IN 2000

PROFIT BEFORE EXTRAORDINARY ITEMS AND TAXES EUR 27.2 MILLION (35.9 in 1999)

NET SALES EUR 398.5 MILLION (322.6)

EARNINGS PER SHARE EUR 1.88 (2.51)

PERSONNEL AT THE END OF THE YEAR 2519 (2226)

Development at Nokian Tyres is dynamic. It is steered by unbiased perception and careful analysis of the business environment. The analysis enables us to create solutions that provide added value for our customers and increase our potential for profitable growth. Our success stems from innovation based on serious knowledge of northern conditions.

tion, growth

FOCUS ON NORTHERN CONDITIONS

Nokian Tyres plc is the largest tyre manufacturer in the Nordic countries and the only tyre manufacturer in the world to focus on northern conditions. The company manufactures car, van and bicycle summer and winter tyres and various tyres for heavy machinery. In addition, the product range includes retreading materials. Nokian Tyres' own tyre chain is the largest in the Nordic countries – the Vianor network comprises 151 outlets in Finland, Sweden, Norway, Estonia and Latvia.

In 2000, the net sales of the Nokian Tyres Group amounted to EUR 398.5 million and the company employed 2,519 people at the end of the year.

Product Development, Administration and Marketing as well as the majority of production are located in Nokia, Finland. Bicycle tyres are manufactured at the Lieksa factory. Additionally, the company has off-take manufacturing in Germany, Poland, the United States and Indonesia. Own sales companies are located in Sweden, Norway, Germany, Switzerland and in the United States. In Moscow, Russia, the company has a representative office.

Nokian Tyres was founded in 1988 and was listed on the Helsinki Stock Exchange in 1995. The company's roots go all the way back to 1898, when Suomen Gummitehdas Oy (Finnish Rubber Works) was founded. The company started manufacturing bicycle tyres in 1925 and passenger car tyres in 1932. Production of the company's best known brand, the Nokian Hakkapeliitta, started in 1936.

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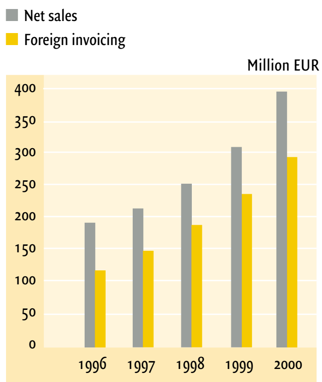
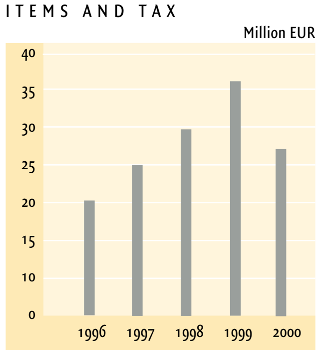
NET SALES



PROFIT BEFORE EXTRAORDINARY ITEMS AND TAX



OPERATIONS COMPRISE FIVE PRODUCT AREAS

Car and Van tyres

▪ 44% of net sales ▪ products: passenger car and delivery van summer and winter tyres, a total of approximately 300 different tyres ▪ new products[1)] amount to 40% of net sales ▪ main markets: home market, i.e., Finland, Sweden, Norway, Russia and the Baltic States, and the Alpine region, the United States and Canada. ▪ exports amount to 75%

Heavy tyres

▪ 13% of net sales ▪ products: forestry tyres, harbour and mining machinery tyres, special agricultural tyres, industrial machinery tyres and truck tyres, a total of 248 different tyres ▪ new products amount to 6% of net sales ▪ main markets: the Nordic countries, Western and Southern Europe, the United States and Canada ▪ exports amount to 67%

Bicycle tyres

▪ 1% of net sales ▪ products: summer and winter tyres for standard and touring bikes, MTBs and racing bikes, a total of 230 different tyres ▪ new products amount to 25% of net sales ▪ main market areas: the Nordic countries, Western Europe, the United States and Canada ▪ exports amount to 62%

Retreading materials

▪ 2% of net sales ▪ products: truck and other heavy vehicle and passenger car tyre treads, a total of 300 different products ▪ new products amount to 16% of net sales ▪ main market areas: the Nordic countries, the Baltic States and Western Europe ▪ exports amount to 42%

Tyre chain

▪ 40% of net sales ▪ products: passenger car, heavy duty vehicle and industrial machinery tyres, treads, car supplies and installation services ▪ main market areas: Finland, Sweden, Norway, Estonia and Latvia, a total of 151 outlets

1) Products launched in 1999 or 2000

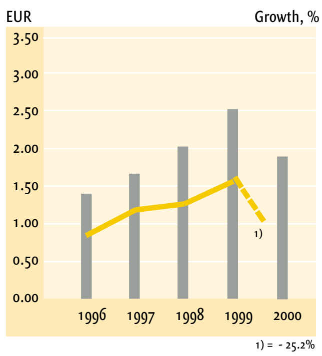
Net sales by market area

Finland 33%
Sweden 20%
Norway 14%
Russia, the Baltic States 7%
Other European countries 19%
The United States and Canada 6%
Other countries 1 %

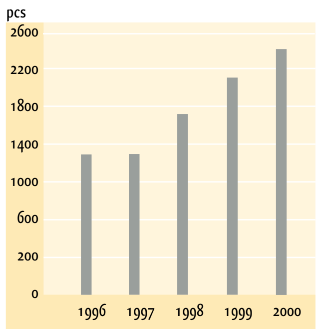
KEY FINANCIAL INDICATORS, 2000

	2000	% of net sales	1999	% of net sales	Change %
Net sales, million EUR	398.5		322.6		23.5
Operating profit, million EUR	39.4	9.9	42.1	13.1	- 6.4
Profit before extraordinary items and tax, million EUR	27.2	6.8	35.9	11.1	- 24.3
Return on capital employed, %	12.1		16.9		
Return on equity, %	13.7		23.6		
Interest bearing net debt, million EUR	182.1	45.7	170.4	52.8	6.9
Gross investments, million EUR	67.5	16.9	85.7	26.6	- 21.2
Cash flow from operations, million EUR	26.6		22.3		19.5
Earnings per share, EUR	1.88		2.51		- 25.2
Cash flow per share, EUR	2.52		2.14		17.8
Shareholders' equity per share, EUR	15.8		11.5		37.8
Equity ratio, %	36.1		30.9		
Personnel, average	2,462		2,023		21.7

EARNINGS PER SHARE (EPS)



PERSONNEL, AVERAGE



NOKIAN TYRES' FOCUSING STRATEGY

Focus on northern conditions

Nokian Tyres is the only tyre manufacturer in the world to focus on products designed for northern conditions. The products are marketed in all countries with Nordic conditions, that is, everywhere where there is snow, forests and demanding conditions caused by changing seasons.

■ Special products include passenger car winter tyres and forestry tyres, for example.

Focus on other narrow product segments

By focusing on products for northern conditions, Nokian Tyres has developed special competence that gives added value in other narrow special product segments.

■ Special products include light truck, SUV and harbour machinery tyres, for example.

Focus on replacement markets

Nearly all Nokian passenger car tyres and approximately 60% of heavy tyres are sold to replacement markets through specialised tyre retail outlets, car dealers and other companies involved in the tyre retail business.

Nokian Tyres' focusing strategy is supported by:

High investments in product development and production

■ The leading principle of product development is the philosophy of durable safety: product ranges are constantly being renewed and new products always include innovations that give customers added value.

■ Production focuses on high margin core products.

■ Consistent investment in quality and productivity.

Open and participatory corporate culture

■ A basic factor behind Nokian Tyres' lasting success is personnel development supported by an open and participatory corporate culture.

■ The corporate culture aims at developing a motivating workplace that supports the success of individuals and the company.

FOUR BASIC GUIDING VALUES

CUSTOMER SATISFACTION

Satisfied customers are the basis of Nokian Tyres' lasting success. By listening to and understanding its customers, Nokian Tyres is able to develop its products and services in such a way that they bring added value to customers.

EMPLOYEE SATISFACTION

For its employees, Nokian Tyres is a stimulating, equal and reliable employer. Employees have the opportunity to develop themselves and their working environment on the basis of the learning organisation and an active suggestions programme. Employees receive fair, competitive, results-based remuneration for their work.

ENVIRONMENTAL SATISFACTION

In the development of environmental satisfaction and responsibility, the company goes beyond the requirements set by legislation and permits. Nokian Tyres' environmental management system complies with the international ISO 14001 standard and the European Union EMAS statute.

OWNER SATISFACTION

Owner satisfaction and trust are based on Nokian Tyres' ability to grow steadily and profitably and to provide sufficient information on all factors that contribute to share value. Stable profit growth enables positive development of share value and dividend policy.

STRATEGIC GOALS

Market leader in the home market area

Nokian Tyres' key strategic goal in the home market area is to be the market leader in core products and services and to have the best customer satisfaction in the tyre business.

Globally strong position in core products

The company aims to gain a globally important position through focusing on narrow, growing product niches.

Growth through strong development of product ranges

The profitable growth is based on heavy investments in core products and services that give customers genuine added value and enhance the ability to launch innovative products and services.

Increased profits through high profitability and the most effective processes in the business

Effectiveness and profitability is improved by continuous development of quality, productivity, operations management and processes.

Profit increase through competent and active employees

The development of employee competencies aims at a learning organisation that promotes the company's strategy, personal development and growth as well as a good working atmosphere.

Increased profits through sound environmental management

Environmental and safety activities are developed accordingly to the strategic goals while ensuring the smooth operation of the organisation and supporting company targets in the spirit of good corporate citizenship.

NEW BASIS FOR FUTURE GROWTH

The year 2000 was an active and eventful year for Nokian Tyres. It will go down in the company's history as being a year when we laid foundations for future growth and success.

Strategic goals of Nokian Tyres are profitable growth combined with best customer satisfaction in the tyre industry. We aim to be the market leader in the Nordic countries, and to achieve a globally strong position in our core products while also producing best profitability in the tyre business.

In order to achieve our strategic goals, we have during recent years invested heavily in new products, the Nokian brand, in expanding our factory and building our tyre chain. Due to factory expansions we are now able to increase production volumes of our core products and manufacture technically more demanding products with high margins. We have expanded our tyre chain through acquisitions in order to strengthen our market position in the Nordic countries. As a result, we now possess strong capabilities to develop and grow in line with our strategic goals.

Our net sales increased by 24%, but our profit did not grow enough to cover the cost of expansion. Our profits were in addition to exceptionally high growth related investments, hit by external factors. The oil price increase inflated strongly raw material costs. Increased raw material costs weakened the profitability of the tyre industry and led to price pressures. We benefited from our strong specialisation strategy, focusing on growth segments and were able to compensate for the increase of raw material costs by price increases above the industry average. An exceptionally mild winter resulted in clearly lower sales than expected in the tyre chain.

The year 2000 was an exception to our stable profit development, yet we can be satisfied with the growth we were able to achieve and an improved position on our key markets. We managed this extremely challenging year well, our results were good and we maintained good profitability. This shows how healthy our basic business is.

Correct product strategy

The best ever success of our new winter tyres in motor magazine tests and our latest innovation, the intelligent tyre technology, are concrete examples of how we build for future success.

Our new winter tyres and the intelligent tyre technology (see page 19) display our specialisation strategy in seeking out new, growing segments. Although many practical aspects of the intelligent tyre technology are still being developed, we feel that, as a representative of the intelligent product segment, the concept will enjoy considerable future growth. Our new products display our product development philosophy; the principle of offering consumers value adding innovations and durable safety. The new products are fine examples of the innovative capacity and aspirations of our employees. They show that a small company is capable to launch unique ideas and discover future business opportunities. It is the right focus on activities and investments that matters, not just big resources.

Importance of return on capital invested and cash flow

Our key target this year is to improve the utilisation of the investments already in use. We will pay special attention to return on capital invested and on cash flow. In order to achieve our targeted profit development again, we will include these as key measures alongside earnings per share.

In order to gain profitable growth, we will increase the proportion of off-take manufacturing, free up own production capacity for our core products and boost productivity. We will slow down the pace of investments in order to secure our liquidity and to take care of capital costs in the future.

We will invest selectively and focus on a notable increase in capital and employee productivity. This year's investments will include the completion of our tyre chain in Sweden and investments in equipment and machinery to boost production in our own factory.

We will continue the integration process of our tyre chain in order to improve our profitability. Our objective is to exploit the newly created product policy and to benefit from large joint purchases. A common product policy and information system will help logistics management and improve return on capital. The structure of our tyre chain will be adjusted to increase sales and profitability in relation to the number of employees. A key task is to increase the sales value of work and services in relation to product sales.

Profitability will be boosted in the manufacturing operations by intensifying our focus on core business areas and products. This will require modulation, i.e. unifying product structures and increasing the amount of off-take manufacturing. These projects are in progress and they will start to bring results already this year.

Training promotes competitive edge

Structural improvements, setting functional targets and defining financial measures are important, but the key to our lasting success is people and their competencies.

Targets at Nokian Tyres have always been ambitious. Our basic principle is to do things better than just well. We aim to excel. This is the spirit of our extensive 10+ training programme for boosting productivity and management. The program runs over several years and will help us to focus better on achieving common goals and to developing our operating methods. We believe that the programme will take us to a completely new level in management practises, customer service, productivity and self-development. The training programme will carry on and intensify the development and learning process through which we have promoted competitiveness amidst a changing operating environment both on individual and on organisational levels.

Favourable outlook for improved results

I am convinced that this year will be a better one for Nokian Tyres than last year. Many of the previously mentioned development and improvement projects will take a lot of time and effort, but they will start to yield visible results already this year.

We have good opportunities to improve our results, particularly because our core business is healthy, the demand for our products is high, our production volumes are increasing and the renewal rate for our products is rapid. In addition, the brand awareness and buying intention of our products have clearly improved.

I want to thank all our important stakeholders for their efforts over the past year

My thanks go to our personnel for their plentiful ideas and ability to innovate. I also want to thank our people for believing in our company at this particularly challenging time, as well as for actively participating in developing the company. I admire your commitment!

I thank our key customers for having confidence in us at a time when we were investing in our own tyre chain. We are pleased to see that our co-operation has become even more intense.

I want to thank our shareholders, our Board of Directors and our partners operating in the stock market for interesting and inspiring discussions. They have been invaluable to me in my new position as President of the company. They have enabled me to enter swiftly into the world you represent and they have strengthened my conviction of the importance of up-to-date communications in a public company.

I thank our partners in the communities where our factories are located for their co-operation. Together we have been able to promote our important projects flexibly and favourably.

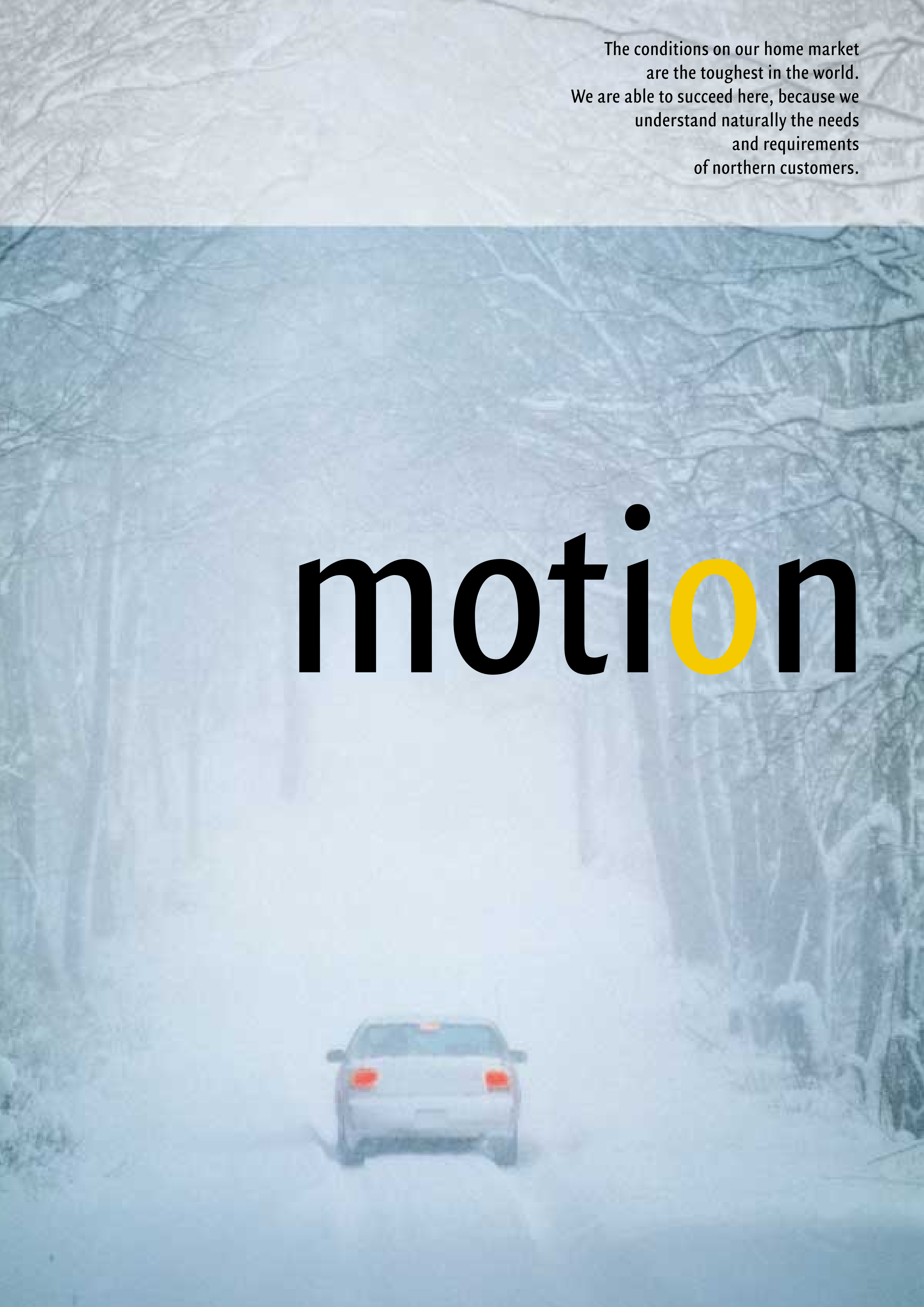
I wish you a successful year 2001!

Nokia, February 2001

Kim Gran

The conditions on our home market
are the toughest in the world.
We are able to succeed here, because we
understand naturally the needs
and requirements
of northern customers.

motion



STRONGER POSITION IN ALL PRODUCT GROUPS ON THE HOME MARKET

Nokian Tyres is striving to strengthen its position on the strategically important home market. The target is market leadership in core products, such as passenger car winter tyres, high-performance summer tyres and certain specialised heavy tyres. In order to achieve this, Nokian Tyres is actively launching new products designed for northern conditions, boosting the activities of its tyre chain, which is the largest in the Nordic countries, and developing its services in co-operation with its long-term customers. Additionally, the company is investing heavily in developing the Nokian brand and the desirability of Nokian branded tyres.

Majority of Nokian Tyres' net sales come from the home market area that includes Finland, Sweden, Norway, Russia and the Baltic States. When all product categories are taken into account, Nokian Tyres is the market leader in Finland, the third largest supplier in Norway and the fourth largest in Sweden. There are approximately 80 tyre brands competing on the Nordic tyre market. In Russia, Nokian branded tyres are the best known western tyres.

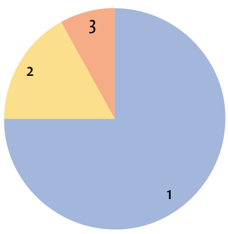
Nokian Tyres has own sales companies in Sweden and Norway and a representative office in Moscow, Russia. Additionally, the company's Vianor tyre chain is the largest in the Nordic countries with a total of 151 outlets in Finland, Sweden, Norway, Estonia and Latvia. Nokian Tyres is also the largest manufacturer and supplier of retreading materials in the Nordic countries.

One market, different countries

Nokian Tyres considers Finland, Sweden and Norway to be a unified market area, but it takes their country-specific differences into account. There are two distinct sales seasons, as winter tyres are compulsory in all three countries, but winter conditions are slightly different in all of them. In Finland, for example, winters tend to be snowier than in Norway, where the winter temperature is normally around zero degrees centigrade and anti-icing salt is in common use. The different winter conditions are reflected in the demand for studded and friction tyres. In 2000, 84% of winter tyres sold in Finland were studded tyres, whereas the corresponding per-

AFTER MARKET SALES OF TYRES IN THE NORDIC COUNTRIES 2000

Worth EUR 720 million



1. Passenger car and delivery van tyres 75 %
2. Truck tyres 17 %
3. Other tyres 8 %

COMMON SPEED RATINGS

Speed rating	Highest speed
Q	160 km/h or 99 mph
R	170 km/h or 106 mph
S	180 km/h or 112 mph
T	190 km/h or 118 mph
U	200 km/h or 124 mph
H	210 km/h or 130 mph
V	240 km/h or 150 mph
W	270 km/h or 169 mph
Y	300 km/h or 188 mph

PASSENGER CAR TYRE REPLACEMENT SALES IN THE NORDIC COUNTRIES 1996-2000

1,000 pcs

FINLAND	2000	1999	1998	1997	1996
Car summer S/T	954	892	879	848	764
Car summer H	153	104	95	45	49
Car summer V	64	52	24	11	13
Car summer W/Y/Z	21	17	12	6	4
Car summer total	1,193	1,065	1,012	910	832
Winter studdable	1,021	1,049	1,018	963	868
Winter nonstuddable	197	213	192	109	86
Winter total	1,218	1,262	1,210	1,073	954
Car tyre total	2,411	2,327	2,221	1,983	1,787

SWEDEN	2000	1999	1998	1997	1996
Car summer S/T	905	1,085	1,221	1,335	1,315
Car summer H	309	282	276	263	238
Car summer V	205	159	119	93	62
Car summer W/Y/Z	101	83	65	42	32
Car summer total	1,520	1,609	1,681	1,732	1,647
Winter studdable	1,071	1,757	1,169	1,216	1,032
Winter nonstuddable	510	761	478	439	437
Winter total	1,581	2,518	1,647	1,655	1,470
Car tyre total	3,101	4,127	3,328	3,387	3,117

NORWAY	2000	1999	1998	1997	1996
Car summer S/T	543	596	669	625	657
Car summer H	231	221	189	145	125
Car summer V/W/Y/Z	111	97	85	70	52
Car summer total	884	913	942	840	833
Winter studdable	608	677	631	790	842
Winter nonstuddable	569	671	622	461	349
Winter total	1,176	1,348	1,252	1,252	1,191
Car tyre total	2,061	2,261	2,195	2,091	2,025

Source: Local pooling

centage was 70% in Sweden and 52% in Norway. In the Nordic tyre markets, profits are concentrated on the final quarter of the year due to higher margins in the winter tyre season.

Potential in Russia

Russia is strategically important and is a potential growth area for Nokian Tyres. The company has been exporting tyres to Russia since 1964. At best, Russian exports have amounted to 10% of net sales. Nokian Tyres is the western tyre manufacturer that is located closest to Russia. In addition, products designed for northern conditions are suitable for the Russian market without modification. Increased imports of western cars and increasingly European business methods have improved business. Tyre sales in Russia increased during 2000, but country risks continue to slow Nokian Tyres' sales increase.

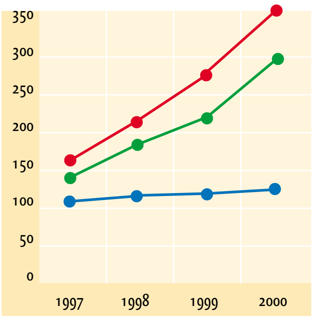
Closer to the customer through own tyre chain

During recent years, tyre retail has consolidated among tyre manufacturers and in increasingly larger retail networks. Nokian Tyres has built up its tyre chain to safeguard its position and to ensure that its products can enter the Nordic market. The company also wants to support its strategy as a strong player on the home market. The own tyre chain also provides a means to develop various service concepts and other elements contributing to success in the tyre retail business.

In this area, major business acquisitions have been completed and the most important action in the near future is to unify and boost the operations of the Vianor network and to gain benefits from synergy.

Research shows that the two main factors behind consumers' choice of tyres are the brand and retailer recommendations. As Nokian Tyres now has its own tyre chain, it has trained an active sales force of more than 1000 people. Through its tyre chain, Nokian Tyres has improved contacts with end users and this enables the company to gain valuable information for service, product and marketing development.

NOKIAN BRAND PURCHASING INTENTIONS 1997-2000



Index 1997 = 100

- Norway
- Sweden
- Finland

NOKIAN BRAND SUCCESSES IN MAGAZINE TESTS

Autumn 2000 Motor magazines in the home market area

MAGAZINE	TYRES	POSITION	PLUSES	MINUSES
Tekniikan Maailma (FIN)	HKPL2	1.	Handling on ice and snow	Dry asphalt
Tuulilasi (FIN)	HKPL2	1.	Grip on all surfaces	Hill climbing ability
Moottorilehti (FIN)	HKPL2	1.	Ice grip and slushplaning	-
Auto Motor och Sport (S)	HKPL2	1.	Ice grip, handling on snow	Noise, handling on dry surfaces
Vi Bilägare (S)	HKPL2	1.	Ice grip	Handling on dry surfaces
Aftonbladet (S)	HKPL2	2.	Good winter grip	Handling on dry surfaces
Motor (N)	HKPL2	1.	Ice grip	Handling on dry surfaces
Avto Reviu (RUS)	HKPL2	1.	Handling on ice and snow	Dry asphalt, noise
Tekniikan Maailma (FIN)	HKPLQ	1.	Handling on snow, slushplaning	Handling on dry surfaces
Auto Motor och Sport (S)	HKPLQ	1.	Snow and slush	Ice and dry surfaces
Vi Bilägare (S)	HKPLQ	1.	Ice and snow grip	Wet and dry asphalt
Motor (N)	HKPLQ	1.	Grip and handling on snow	-
Aftonbladet (S)	HKPLQ	1.	Good snow grip	Handling on dry surfaces
Avto Reviu (RUS)	HKPLQ	1.	Winter grip, driving comfort	Grip on dry surfaces
Yrkesbil (NOR)	C2	1.	Winter grip and driving qualities	-
Yrkesbil (NOR)	CQ	1.	Winter grip and aquaplaning	-

HKPL 2 = Nokian Hakkapeliitta 2
HKPL Q = Nokian Hakkapeliitta Q
C2 = Nokian Hakkapeliitta C2
CQ = Nokian Hakkapeliitta CQ

Magazine tests have a significant influence on consumer behaviour in Nokian Tyres' home market area. Nokian branded tyres have typically done well in tests. In the autumn of 2000, Nokian branded tyres achieved a remarkable number of first positions in both friction and studded tyre categories.

As defined in Vianor's unified product policy, 50% of the passenger car tyres sold through Vianor outlets are Nokian branded tyres and 50% are other brands. Tyre chain operations are developed using two concepts. Full service Vianor outlets serve trade and direct customers and the heavy-duty vehicle business. The Vianor Express outlets focus on passenger car tyres and consumer service and are mainly located in large cities. A unified information network enhances the service of the tyre chain and supports logistics management.

It is also worth noting that majority of Nokian Tyres' sales in the Nordic countries continue to be sold to customers through long-term retailer customers. Enhancing services to this group of customers is one of the company's targets. Nokian Tyres' own tyre chain is a responsible player towards other customers. It does not engage, for example, in unhealthy price competition, as securing profitability of the tyre business is in its interests.

PROMOTION OF NOKIAN BRAND SUPPORTS RETAILERS

Nokian Tyres invests in marketing and advertising its products in the Nordic countries. Advertising on television and in magazines as well as promotion of the visibility of Nokian branded passenger car tyres in retail outlets have been increased considerably. In the Nordic countries, driving safety is the decisive factor in choosing tyres and this combined with expertise in northern conditions is therefore the basic marketing message of Nokian Tyres' advertising. Advertising seeks to stand out from the crowd. A positive image increases the desirability of the products and promotes business opportunities throughout the retailer network.

Vianor Express outlet in Lahti, Finland.

VIANOR - NORTHERN ROAD

Nokian Tyres started to unify its tyre chain, which is the largest in the Nordic countries, under a common name and visual identity. The name of Nokian tyre chain became Vianor. The name is derived from Latin and means "Northern road".

Vianor used to be the name of Nokian Tyres' Norwegian tyre chain. Now the name has also been introduced in Finland, Sweden and Estonia. In Finland, the Isko and Mestarit groups' outlets were renamed Vianor. In Sweden, Vianor will replace the names of the private chains. The visual appearance of the retail outlets will be gradually updated with Finland and Sweden leading the way.

In 2000, sales of Vianor products reached over one million passenger car and delivery van tyres.

Vianor's net sales amounted to EUR 176.5 million and it had 1,054 employees.

We have defined our position on the global
market amidst international giants.
As a market area, our position is aimed
at countries with snow, forests and demanding
driving and weather conditions
because of seasonal changes.

motion

GLOBALLY STRONGER POSITION FOR CORE PRODUCTS

Nokian Tyres' growth in global markets is based on expertise in specific narrow product segments. Competition on global tyre markets is extremely intense and the opportunity for a small manufacturer lies in focusing on niche markets. Nokian Tyres focuses its investments and actions on growing markets where it is possible to apply special knowledge, skills and expertise in northern conditions.

Nokian Tyres' main market areas outside the home market include the Alpine region, Eastern Europe, the United States and Canada – these are all countries and areas with northern conditions and changing seasons. Nokian Tyres has its own sales companies in Germany, Switzerland and the United States. In other countries, product sales are handled by independent importers. In 2000, Nokian branded tyres were sold in 56 different countries.

New products that are tailored to meet the needs of consumers in the selected market areas have been introduced in the passenger car and delivery van tyre product ranges. Positive sales development in Germany and Switzerland is proof of successfully tailored winter competence.

For the United States market, Nokian Tyres has launched a new product concept, the so-called all-weather tyre, which is a year round tyre with winter emphasis.

The winter tyre range has been enhanced with new light truck and SUV tyres for the United States market among others. Enhancements to the summer tyre range include low-profile high performance tyres. Demand for winter tyres and for high performance summer tyres has increased in Europe and the United States.

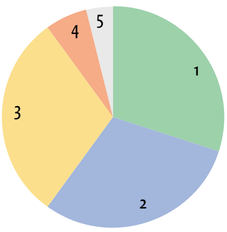
Global benefit from expertise in northern conditions

The Heavy Tyres product area also includes good examples of successful core product groups. Heavy Tyres are usually global products that can be used anywhere in the world. Examples include forestry tyres, where Nokian Tyres is a globally important player.

Expertise gained from forestry tyres has in turn been applied to the development of har-

GLOBAL TYRE MARKET, DIVISION INTO AREAS IN 1999

Worth 69.8 billion USD

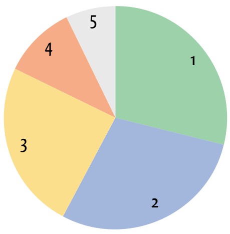


1. North America 30.0%
2. Europe 30.0%
3. Asia 30.0%
4. Latin America 6.0%
5. Other areas 4.0%

Source: Rubber & Plastic News

FIVE LARGEST TYRE COMPANIES IN THE WORLD IN 1999

Net sales millions USD



1. Bridgestone Corp, Japan, 13,500.0 [1)]
1. Michelin et Cie, France, 13,500.0 [2)]
3. Goodyear Tire & Rubber Co, United States, 11,515.6
4. Continental AG, Germany, 4,900.0 [1)]
5. Sumitomo Rubber Industries Ltd, Japan, 3,413.8

1) Estimate
2) Non-tyre portion of company-owned retail activities factored out
Source: European Tyre Report/European Rubber Journal

USE OF WINTER TYRES IN NOKIAN TYRES' EXPORT COUNTRIES

	USE OF FRICTION TYRES	USE OF STUDDED TYRES
Finland	■	■
Sweden	■	■
Norway	■	■
Russia	■	■
The Baltic States	■	■
Austria	■	■
Belgium	■	■
Canada	■	■
The Czech Republic	■	■
Denmark	■	■
France	■	■
Germany	■	
Hungary	■	
Italy	■	■
Japan	■	1)
Luxembourg	■	■
The Netherlands	■	
Poland	■	
Portugal	■	
Slovakia	■	■
Spain	■	■
Switzerland	■	■
The United Kingdom	■	■
The United States	■	1)

1) Studded tyres are only permitted in certain parts of the country.

bour and mining machinery tyres. The heavy tyre markets are sensitive to fluctuations and in truck tyres, for example, price competition is very tough. Nokian Tyres has, to some extent, been able to reduce its sensitivity to business cycles affecting demand and to avoid the most intense price competition. This is due to focusing on narrow segments and on new products designed for them. The company has also found new sales opportunies on replacement markets.

Success of Nokian retreading materials in the Nordic countries has proved to be useful while looking for new customers in Europe and North America.

Nokian bicycle tyre supply focuses on narrow global segments. For example, Nokian branded downhill tyres have gained a good reputation in the United States and Canada.

Challenging logistics management and distribution network

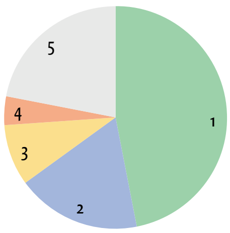
Operating on global markets is particularly challenging for a small Nordic tyre manufacturer. Geographical distances from factory to retailers are often very long, but customers demand that their tyre orders are delivered rapidly and securely without committing to large advance storage. The management of extensive product ranges also brings more production and logistics challenges.

Developing logistics management, optimising own production and using off-take manufacturing more intensively are becoming increasingly important as Nokian Tyres strives to grow and improve its competitiveness on global tyre markets.

In order to grow globally, the supply chains need to be developed to match Nokian Tyres' specialisation strategy. The company is looking for distribution partners with suitable expertise and existing end user connections to reach direct customers in narrow specialist fields. Among the targets is to intensify co-operation with key customers, for example, by increasing their participation in planning product ranges.

AFTER MARKET SALES OF PASSENGER CAR TYRES IN EUROPE 2000

Total 170 million pcs
(Annual growth estimate, %)



1. Summer S/T speed rated tyres 47% (-3%)
2. Summer H speed rated tyres 18% (9%)
3. Summer V speed rated tyres 9% (17%)
4. Summer W/Y/Z speed rated tyres 4% (25%)
5. Winter tyres 22% (13%)

Speed ratings, see page 11

WINTER TYRE AND HIGH-SPEED TYRE MARKETS ARE GROWING IN EUROPE

More than half of the European tyre market worth EUR 20 billion comes from sales of passenger car tyres. There are more than 200 tyre brands in Europe and about 80 brands are sold in the Nordic countries. Passenger car tyre markets are divided into original equipment markets and replacement markets. The original equipment market comprises sales to the automotive industry, the replacement market – where Nokian Tyres operates – is sales to consumers through tyre outlets, car dealers and service stations.

Growing tyre segments include passenger car winter tyres and high performance summer tyres, special heavy tyres with radial structure, bicycle downhill tyres and cross-country tyres as well as pre-vulcanised treads for retreading truck and other heavy tyres.

NICHE STRATEGY STEERS HEAVY TYRES

Nokian Tyres' niche strategy is an important factor that steers the operation of the Heavy Tyres product area.

For example, Nokian Tyres has selected winter tyres as its core product area in truck tyres, although summer tyres have a key role in truck tyre markets.

In harbour machinery tyres, Nokian Tyres has selected harbour and terminal container handling equipment tyres as the niche.

In forestry tyres, the focus is on tyres for cut-to-length (CTL) method forestry machinery developed in the Nordic countries. Nokian Tyres is the world leader in CTL machinery tyres. In addition to Europe, this more environmentally friendly harvesting method is also gaining in popularity in Canada, the United States and in Russia.

In the Heavy Tyres product area, the company has close development co-operation with machinery and equipment manufacturers. Original equipment sales amount to approximately 40% of net sales in the product area.

CONTINUED SPECIALISATION IN BICYCLE TYRES

The Bicycle Tyres product area intensified its strategy of maintaining a strong position on the home market. The target is to progress rapidly in narrow and profitable special segments on global markets that particularly include downhill, cross-country and winter tyre segments.

Alongside ordinary downhill tyres, Nokian Tyres has developed so-called dual slalom tyres for dual downhill racing on tracks usually built on slalom slopes. The main markets for downhill tyres are in North America, Western Europe and Japan. Cycling magazines have rated Nokian branded tyres to be the leading downhill tyres supplier in the world.

The largest cross-country tyre markets are in North America. The supply for XC tyres has increased remarkably, and Nokian Tyres is therefore carefully targeting selected markets.

Nokian Tyres has a wide range of studded tyres for winter cycling where the main market areas are the Nordic countries, the Alpine region, North America and Japan. Although the supply of studded bicycle tyres has increased, Nokian Tyres has maintained its position as the leading supplier in this product segment.

WINTER TYRES TO MATCH THE MARKET AREA

Nokian Tyres is the only tyre manufacturer that tailors its passenger car and delivery van winter tyres separately for customers in the Nordic countries and in continental Europe. The division is as follows:

NORDIC CUSTOMERS

Nokian Hakkapeliitta 2
■ Studded passenger car tyre that combines the advantages of studded and friction tyres; further information can be found on page 20
Nokian Hakkapeliitta C2
■ Studded van tyre with emphasis on great gripping properties in ultimate demanding winter conditions
Nokian Hakkapeliitta CQ
■ Friction tyre for vans with emphasis on good wear-resistance in addition to gripping properties.

CONTINENTAL EUROPEAN CUSTOMERS

Nokian Hakkapeliitta CS
■ Friction tyre for vans with emphasis on good wet grip and driving qualities even at motorway speeds.
Nokian Hakkapeliitta NRW
■ Passenger car friction tyre with emphasis on high-speed driving properties.
A new addition to the tyre family is the V speed rated (240 km/h or 150 mph) friction tyre.

The success of and the high regard for our products prove that a small but specialised player can create unique, globally significant innovations. The essential constituents of our success are correct analysis of the operating environment and careful focus of research and development resources.

motion

GROWTH THROUGH CONTINUOUS RENEWAL AND DEVELOPMENT OF PRODUCT RANGES

Rapid renewal of product ranges, successful launches of new products and skills to develop product innovations that give customers added value are the cornerstones of Nokian Tyres' success. Constant renewal of product ranges enables the company to strengthen its position and maintain the desired price and profitability levels despite tough competition. Successful product launches can improve profit margins by tens of percent compared with older products.

The basic thinking behind Nokian Tyres' product development has remained the same for over sixty years: the company develops tyres specifically for drivers who value and demand tyres that are safe in all northern driving conditions, in all seasons and in all situations. The key principle of product development is durable safety: enhancing traffic safety through technical innovations in all new products. In addition, the tyre needs to remain safe as it wears, not only while still new. The target is customer satisfaction throughout the useful life of the tyre.

Durable safety also means that Nokian branded tyres are developed to meet local road and traffic conditions and the special needs of drivers. The product development philosophy based on northern conditions and safety in particular gives Nokian Tyres' customers added value anywhere in the world.

In the passenger car tyre markets, expertise in winter tyres continues to be the stronghold of Nokian Tyres. The fact that Nokian branded studded and friction tyres have been clear winners of motor magazine tests particularly in the Nordic countries but also elsewhere in Europe provides concrete proof of expert competence in this field.

In recent years, Nokian Tyres has strengthened its position as a developer of increasingly demanding summer tyres. In particular, the company has invested in low profile, high performance tyres, demand for which has clearly increased in all major market areas.

In the Heavy Tyres product area, the company focuses particularly on special radial tyres, demand for which has increased constantly.

The Bicycle Tyres products and manufacturing are undergoing a substantial specialisation programme to gradually decrease the proportion of standard tyres in the product range in

INTELLIGENT TYRES USE BLUETOOTH WIRELESS SHORT-DISTANCE COMMUNICATIONS

Intelligent tyre technology developed by Nokian Tyres uses wireless Bluetooth data transmission technology and is currently being commercialised. It is a short-range radio link that enables wireless connections between computers, peripherals and cellular telephones.

Intelligent tyres will contain an intelligent chip that acts as a measuring instrument. It registers the tyre pressures and changes in tyre temperatures and transmits the data to the receiver, the driver's Bluetooth-enabled mobile phone. The first Bluetooth telephones are already on the market.

In the first phase, Nokian Tyres' intelligent tyre technology focuses on measuring tyre temperature and pressure. Later applications and further development areas include, for example, prevention of aquaplaning and slushplaning, monitoring tyre wear, anti-theft devices, vehicle positioning and logistics solutions. Monitoring tyre pressure is extremely important for driving safety. For example, in the United States close to 250,000 traffic accidents are caused each year by incorrect tyre pressures. [1)]

The intelligent tyre technology system has been developed in cooperation with Flextronics International, Nokia, Tekes, VTI Hamlin and the Technical Research Centre of Finland (VTT).

1) Source: National Highway Traffic Safety Administration (NHTSA)

THE NOKIAN NRC2 – VAN TYRE FOR THREE SEASONS

Nokian Tyres introduces a new summer tyre to its modern van tyre family. The Nokian NRC2 is designed for safety in Northern spring, summer and autumn driving conditions. The new tyre is designed for vans and minivans that are becoming more and more popular as taxicabs, for example.

Most of the Nokian NRC2 tyres are S rated (180 km/h or 112 mph) and one special size, the 205/65 R 15 C, is T rated (190 km/h or 118 mph). The Nokian NRC2 van tyre will come to the market in the spring of 2001 and is also available in light truck (LT) sizes for pickups and sports trucks.

order to improve profitability.

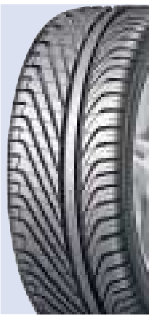
Nokian Tyres' strengths in the Retreading Materials are based on the company's versatile knowledge of and strong expertise in tyre technology and competence in tread design, among other things.

Intelligent tyre technology conquers a new area of technology and business

The latest demonstration of Nokian Tyres' innovative skills and putting safety first in product development is the Bluetooth-technology-based intelligent tyre system, which Nokian Tyres introduced as the first tyre manufacturer in the world.

The new intelligent tyre technology system will provide a quick and easy way of receiving real-time data on tyre pressures on the driver's Bluetooth-mobile phone without installing any extra equipment in the vehicle or through the car computer. In the first phase, Nokian Tyres' intelligent tyre technology focuses on measuring tyre temperature and pressure, but the system will have many applications and further development opportunities as the required technologies develop.

Nokian Tyres has a patent pending on the system and it aims to commercialise the system rapidly and extensively, therefore it also offers other tyre manufacturers the possibility to access the rights. Automobile manufacturers can also use the technology and the company sees applications for trucks as a particularly interesting area for development. Nokian Tyres' target is to launch its first intelligent tyre in 2002.



THE NOKIAN NRZi – PERFORMANCE AND SAFETY

The new Nokian summer tyre combines high performance and safety in a unique way. The W speed-rated (270 km/h or 169 mph) Nokian NRZi is designed to meet the demands of high-performance cars.

High-speed tyres need to be particularly reliable and safe. In addition to passive safety features, such as the Termo Silica rubber compound and asymmetric tread pattern, the new Nokian NRZi tyre includes active safety innovations.

The side of the Nokian NRZi includes an info pin, which shows the temperature of the tyre. The green pin turns darker as the tyre temperature reduces towards freezing point. In the spring and autumn, the colour change is a reminder of the risks of freezing roads and black ice. The info pin also comes in handy during storage and when changing tyres as the driver can set the arrow on the pin to mark the mounting position of the tyres.

Like all new Nokian branded tyres, the centre of the tread includes a wear indicator that displays the tread depth in numbers, which makes it easy to check the condition and safety of the tyres.

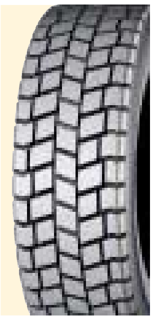
The tyre will be launched to consumers in the spring of 2001 and it is intended for Western and Southern Europe.

THE NOKIAN HAKKAPELIITTA 2 COMBINES THE GRIPPING PROPERTIES OF FRICTION AND STUDDED TYRES

The studded Nokian Hakkapeliitta 2 that was launched to consumers in the autumn of 2000 has sold particularly well and has been highly successful in tyre tests within the home market area (see page 12).

The Nokian Hakkapeliitta 2 is the first passenger car winter tyre to combine the most important safety properties of friction tyres and studded tyres. The gripping properties of friction tyres are based on an efficient friction rubber compound and a high amount of sipes. The Nokian Hakkapeliitta 2 includes these properties and also applies a brand new stud technology.

Combining studding and the softer friction rubber compound with a lot of sipes has been the biggest development challenge. The Nokian Hakkapeliitta 2 includes a record-setting 1,700 sipes, which is almost twice as many as on the previous studded tyre model. In addition, the high amount of sipes increases grip on snow and the new wide-bodied studs with elastic cushions stay in place and make less noise.



THE NOKIAN HTS TUGGER – SPECIFICALLY DESIGNED FOR TERMINAL TRACTORS

The Nokian HTS Tugger is the latest addition to the Nokian harbour tyre range. It is a terminal tractor tyre specifically designed for performance and profitability. Ordinary truck tyres are often used on terminal tractors, as previously there has never been a genuine special terminal tractor tyre on the market. The Nokian HTS Tugger comes in all terminal tractor tyre sizes and can be mounted on tubeless truck rims.

The Nokian HTS Tugger applies Nokian Tyres' new Shockabsorb Radial Construction, S.R.C. The sturdy construction of the Nokian HTS Tugger combines the good driving result and driving comfort of radial tyres with the stability, load-carrying capacity and retreadability of diagonal tyres.

The Nokian HTS Tugger was launched in the autumn of 2000. The product has a global market, but the main marketing effort will initially focus on Europe.

MORE TESTING POTENTIAL

Nokian Tyres invests approximately 2.5% of its net sales in product development. There are tens of product development projects in progress at Nokian Tyres. The development of a completely new product takes approximately two years.

Nokian Tyres invests approximately 50% of its research and development costs in testing. Most winter tyre testing takes place in the world's northernmost tyre testing centre at Ivalo, about 300 kilometres north of the Arctic Circle. The approximately 660-hectare test area is also used by other tyre and car manufacturers. Summer tyres are tested at the company's test track at Nokia. The 12-hectare expansion will be completed in 2001 and, in particular, it will increase the company's potential to develop high-speed rated summer tyres.

We ensure our competitiveness through significant investments in production and technology. They are based on and supported by international esteem for Nordic quality and the importance of know-how and information technology as a success factor.

motion

PROFIT DEVELOPMENT THROUGH PROCESS DEVELOPMENT

At Nokian Tyres, total quality development means continuous development of product and operation quality. Productivity is enhanced through cost-effective machinery and equipment investments, new working methods and optimisation of own production and off-take manufacturing. Development activities are strengthened through effective processes across organisational boundaries and supported by information systems using the most up-to-date information technology in operations management, monitoring and logistics management.

At Nokian Tyres, total quality means profit-oriented operations resulting in increased profitability. Quality costs are among the most significant total quality development measures and one of the company's targets is an annual 10% reduction in quality costs. The intranet quality cost system gives the organisation monthly department level reports on actual quality costs.

Several projects to enhance total quality are implemented each year. The most important single quality project in the year 2000 was to reduce the amount of production waste. The project achieved 20% reduction in waste compared with the situation at the start of the project.

In 2001, one of the key projects will be to apply the Six Sigma process development concept (Define-Measure-Analyse-Improve-Control). The target is to reduce quality costs and to describe the activity system in a process-oriented way according to the ISO 9000:2000 standard. Other projects this year include the introduction of a self-assessment procedure and an update to the auditing process of the internal operations.

Enhancing productivity and its measures

Nokian Tyres has traditionally measured direct productivity, that is, employee productivity (kg/ man hour) and return on net assets (RONA). These measures have been common to all product areas and groups. The annual target has been a 7% increase in employee productivity and a 20% return on net assets.

Through the specialisation strategy, production has strongly focused on demanding special tyres in all product areas and the product ranges are constantly being renewed. At the same

NOKIAN TYRES AND MICHELIN AGREE ON MANUFACTURING CO-OPERATION

Nokian Tyres and Michelin Group signed two agreements in October. Under the terms of the agreements, Michelin will manufacture Nokian branded truck tyres and agricultural and industrial tyres at its factories.

Nokian branded truck tyres will be manufactured at Michelins´s new truck tyre factory in Poland. In the year 2000, truck tyres amounted to approximately 15% of net sales in Nokian Tyres' Heavy Tyres product area.

Michelin has also started to manufacture Nokian branded agricultural and industrial tyres that have previously been manufactured in Romania. In the year 2000, these tyres accounted for less than 5% of net sales in the Nokian Heavy Tyres product area.

The co-operation agreements with Michelin are valid for three years, after which they will be renewed annually.

DEVELOPMENT OF OFF-TAKE MANUFACTURING 1999-2000

Sales (MEUR)	1999	2000
Cooper, USA	5.9	5.5
Dunlop, England/Germany	7.1	5.0
Dunlop, France	0.7	0.5
Dunlop, Japan	1.5	1.2
Gajah Tunggal, Indonesia	1.5	2.3
Tofan, Romania [1)]	0.3	0.1
Total	17.0	14.6
Percentage of net sales	5.3	3.7

1) Co-operation ended.

time, record-setting investments have changed the production environment and traditional productivity measures are no longer sufficient. The company has therefore developed more relevant targets and measures, such as the kg/machine hour machinery productivity indicator, and kg/capital unit that indicates productivity of invested capital.

In the year 2000, Nokian Tyres implemented many projects to boost productivity. The most important project has been the expansion of the compound mixing department (see separate article below). Particularly in curing, machine times have been shortened through single projects. The TPM (Total Productive Maintenance) programme aims to increase the capacity usage in manufacturing. The target of the modularity project is to boost productivity by unifying product structures and reducing the amount of components.

Off-take production is a long-term way of improving productivity. When non-core products are manufactured at the factories of partners around the world, the own production can focus on more demanding core products. This will reduce the number of items, which in turn will enable longer production series and modularity. Nokian Tyres' target is to increase off-take manufacturing from the current 3.7% to 30% by the year 2005.

Increasingly extensive operations management systems

Development of operations and new information system solutions aim at further improved customer service. In addition to high quality products, it means delivering the right products at the right time, as well as adequate flexibility and flawless information.

During the year 2000, development projects have been implemented both in manufacturing and in tyre chain. These projects have created a basis for future Group-level development projects. Another Group-level effort was also preparing for the introduction of the euro currency on 1 January 2001.

In manufacturing, the Nokian Tyres' ERP solution (Enterprise Resource Planning operations management system) now also includes the Swedish and Norwegian sales companies. Among other things, it enables the organisation to view all warehouses as a whole, which further

LARGEST SINGLE PRODUCTION INVESTMENT

The most significant individual production investment in the history of Nokian Tyres is the expansion of the mixing department by nearly 10,000 square metres that will be completed by the summer of 2001. It is an investment of 33 million euros, 18 million euros of which came in 2000.

The lack of own compound mixing capacity has increased costs of raw materials during recent years, as rubber compounds had to be purchased from other manufacturers. The aim of the investment in the compound mixing department is to increase annual production by nearly 50% by the year 2004 in order to gain the organic growth target.

The compound mixing department expansion will include a five-floor factory building and eight external silos for storing carbon black and silica. Among other things, the expansion will include the installation of two new compound mixing lines, the first of which will be taken into use in May 2001.

facilitates monitoring activities.

Control tools have been implemented to complement the operative operations management system. The system is based on a data warehouse that enables group-level information to be linked and analysed easily and flexibly. It includes tools for planning, simulating and controlling logistics, production and purchasing. Data for the sales companies in Germany, Switzerland and the United States are also integrated onto the system.

A joint operations management system was set up for the Finnish tyre chain and a project was launched to extend its use to the other Nordic countries as well. A key challenge for operations management will be to utilise the potential within the Group that originates from the expansion of the tyre chain. A key issue in this task is the development of cross-organisational processes, for example, in logistics from solutions of raw material purchases to customer service.

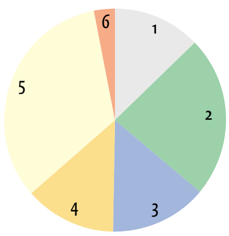
In the future, different e-commerce solutions will be increasingly applied to the business. In the year 2000, Nokian Tyres prepared an e-commerce strategy that laid the groundwork for future development projects both in business-to-business as well as business-to-consumer domains.

CONFORMANT TO THE LATEST REQUIREMENTS

Nokian Tyres Activity System (formerly Quality System) comprises quality and environmental management and protection. The system is certified to the following standards:
AQAP 110
ISO 9001
QS-9000.

The Environmental Management System is conformant to the international ISO 14001 standard and the European Union Eco-Management and Audit Scheme (EMAS).

CONSUMPTION OF RAW MATERIALS IN 2000[1)]



1. Natural rubber 12.7
2. Synthetic rubbers 23.4
3. Carbon black 14.3
4. Other chemicals 13.3
5. Cords 33.2
6. Others 3.1

Total 100.0%

1) Based on consumption in FIM

Respect for the individual and the environment are fundamental values in the Nordic countries. We understand that sustainable competitiveness can only be maintained and advanced by promoting these values.

motion

GROWTH THROUGH INCREASED COMPETENCIES AND SOUND ENVIRONMENTAL MANAGEMENT

Nokian Tyres secures its profitable growth through continued development of employee competencies. Competencies and learning processes are developed and steered to support the company's strategy of specialisation and focus.

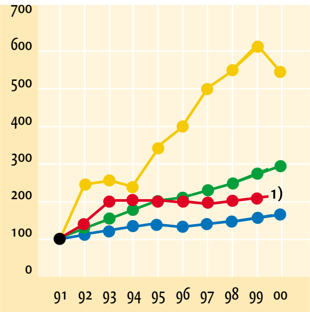
Environmental management and protection are developed into financially profitable activities that produce added value taking the principles of sustainable development into account. Lifecycle thinking is the foundation of activities that promote environmental protection.

Nokian Tyres systematically develops its open and participatory corporate culture. A key target of the personnel strategy is to support the continuous learning process that promotes individual competencies, professional skills and proficiency. The aim of learning new methods and unlearning old ones is to become a learning organisation that is active, innovative and sufficiently sensitive to be able to react quickly when the market situation changes.

Nokian Tyres has started an extensive training programme called 10+ for improving personal management practises and profitability. A total of approximately 450 managers, employees in expert positions, team leaders and representatives of different personnel groups will participate in the two-year programme. The objective of the programme is to clarify the company's common intent, strategy and values as well as to develop managerial activities and common methods of action.

The 10+ programme is based on common targets and emphasises the implementation of personal development plans in support of these targets. Personal development plans are based on individual development needs that are charted, for example, through tests, feedback and development discussions. Development areas and challenges are identified in everyday work. The approach to development and learning is the principle of learning by doing, which is implemented through individual learning, common periods and learning teams. The learning teams apply learning from peers, which also supports the implementation and maintenance of a unified management culture.

NOKIAN TYRES SUSTAINABLE PROFIT DEVELOPMENT 1991-2000



Index 1991 = 100
Net sales 1991 = 102 million EUR
Parent company's profit 1991 = -0.5 million EUR
Personnel 1991 = 880

- Net sales
- Profit
- Personnel
- Atmosphere

A theoretical presentation that describes sustainable profit development through four variables.

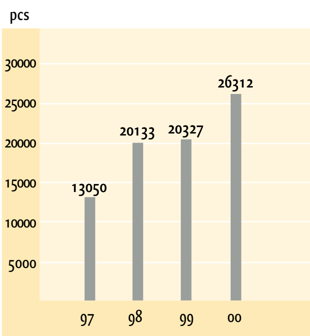
1) Available in late spring 2001

AVERAGE AGE 39 YEARS, AVERAGE LENGTH OF EMPLOYMENT 13 YEARS

The average age of parent company employees in the year 2000 was 39 years. The average age of female workers was 41 years of age and 38 years of age for male workers. The average age of workers was 37 years and the average age of office employees 41 years.

The average length of employment was 13 years. About half of the employees (46%) have been working with Nokian Tyres for over ten years. On average, workers have been with the company for 13 years and office employees for 12 years.

NUMBER OF SUGGESTIONS 1) 1997-2000



1) Parent company figures.

Suggestions as a participation tool

In the year 2000, Nokian Tyres' employees submitted a record number of suggestions, 26,312 in all, which equals an average of 11.8 suggestions per employee.

Suggestions have been part of Nokian Tyres' participatory management culture for many years. The fundamental principle of these suggestions is that each individual employee is the best expert on his or her own tasks and work processes. The company wants to put this wealth of knowledge and ideas into use. The suggestions programme is developed to emphasise quality and effectiveness alongside participation.

Environmental and safety management integrated into total quality

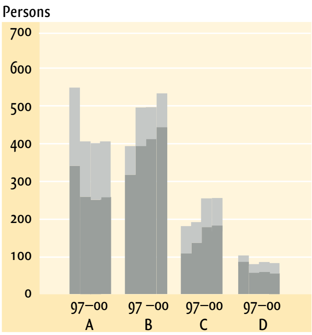
At Nokian Tyres, environmental and safety issues are among the basic variables of lasting success in strategic decision-making, which further emphasises their importance. Taking environment and safety into account is also a key element of the company's product development philosophy of durable safety.

Environmental protection at Nokian Tyres is based on the lifecycle model. The company takes responsibility for the environmental performance of its products and activities throughout their lifecycle. The lifecycle of a tyre can be divided into four basic phases: 1. Input in production, such as acquiring and manufacturing raw materials and energy, 2. Tyre manufacturing, 3. Use of the tyre and 4. End of use and beyond. Additionally, raw materials, products and waste are transported between the phases.

In the lifecycle of a tyre, most of the environmental effects come from use. The main environmental risks of tyre manufacturing are emissions into the air and waste. Noise and odours are the most significant local disturbances.

One of Nokian Tyres' product development targets is to develop tyres with increasingly environmentally friendly properties, materials and production methods. This requires decreasing tyre noise and increasing rolling resistance, improving retreadability and recycling properties without compromising other qualities. In addition to product development measures, Noki-

LEVEL OF EDUCATION[1)]
1997-2000

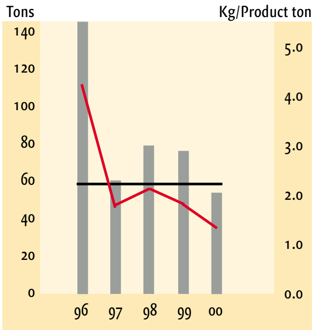


Men
Women

A = Comprehensive school
B = Vocational school
C = Post-secondary or polytechnic education
D = Higher education

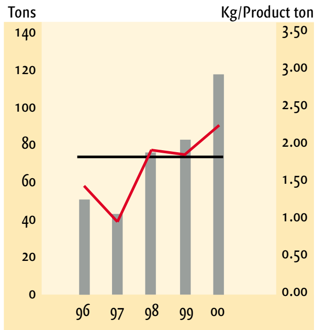
1) Parent company figures.

SOLVENT EMISSIONS FROM PRODUCTION
1996-2000



Tons
Kg/Product ton
Target < 2.1 kg/Product ton

HAZARDOUS WASTE
1996-2000



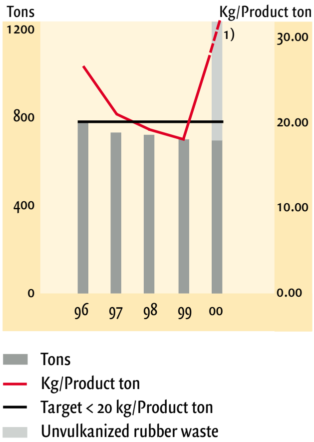
Tons
Kg/Product ton
Target < 1.79 kg/Product ton

an Tyres strives to decrease the environmental effects of tyre use by educating its customers.

In the year 2000, Nokian Tyres implemented a safety management system as specified in Seveso II Directive 59/1999, as part of the activity system that incorporates quality and environmental activities in a more integrated way than before. Nokian Tyres is constantly developing its levels of environmental protection complying with the European Union EMAS (Eco-management and Audit Scheme) regulations and the ISO 14001 international environmental management system standard. The Nokia factory was certificated according to EMAS in 1997 and all company activities were certificated according to the ISO 14001 standard in 1998.

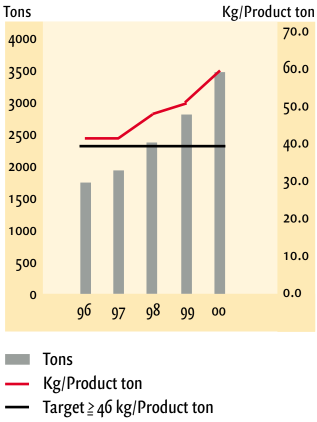
Further information on Nokian Tyres' environmental and safety matters is available in a separate report. The report is to be published in May 2001 and is compliant with the requirements of the EMAS statute (1836/1993) and the Finnish EMAS Act (1412/1994).

LANDFILL WASTE
1996-2000

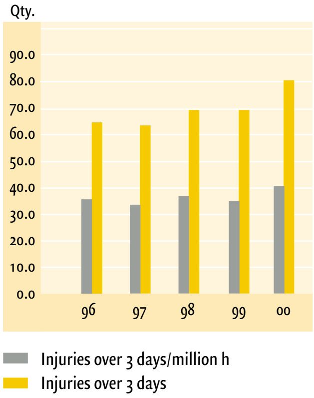


1) 3,300 tons

RECYCLED MATERIALS
1996-2000



INJURIES
1996-2000



NOKIAN TYRES' MANAGEMENT MEETING

The Management Meeting is the most important management forum at Nokian Tyres. The meeting also includes representatives of the personnel groups.

Members of the Nokian Tyres' Management Meeting from top left:

Ari J. Arvio
Production, 49

Rami Helminen
Finance and Control, 34

Antero Juopperi
Passenger Car and Delivery Van Tyres and R & D, 47

Minna Rosenlund
Investor Relations, 37

Kim Gran
President and CEO, 46

Antero Turunen
Heavy Tyres, 55

Raimo Mansikkaoja
Information Technology, 39

Raila Hietala-Hellman
Public Information, 48

Pentti Rantala
Marketing, 53

Sirkka Hagman
Personnel, 43

Mailis Mäkelä
Office employees, 55

Kai Hauvala
Professional employees, 33

Matti Karppinen
Bicycle Tyres, 42

Juhani Kyrklund
Tyre Chain, 51

Kyösti Vapalo
Technical employees, 54

Jyri Nousiainen
Chief Shop Steward, 33

Ari Maunula
Retreading Materials, 34

INFORMATION ON NOKIAN TYRES SHARES

SHARES AND SHAREHOLDERS

Share capital and shares

Shares in Nokian Tyres were floated on the Helsinki Stock Exchange on 1 June 1995. The company has one class of shares each entitling to one vote at the Annual General Meeting and giving equal rights to dividends. The shares have a nominal value of 1.68 euros. The minimum share capital as stipulated in Nokian Tyres plc's Articles of Association is 13,455,034 euros and the authorised share capital is 53,820,136 euros. The share capital may be increased or reduced within these limits without the need to amend the Articles of Association. On 31 December 2000 the company's own registered share capital amounted to 17,798,127 euros. A total of 10,582,286 shares in the company had been issued by the end of 2000.

Dividend policy

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

Nokian Tyres share price and trading volumes in 2000

At the end of 2000, Nokian Tyres' shares were quoted at 17.90 euros, which is 52.4% lower than the end of the previous year, 37.60 euros. The Helsinki Stock Exchange general index, the HEX, fell by 10.6% during the same period. The highest quotation in 2000 was 40.50 euros and the lowest was 17.20 euros.

A total of 4,812,069 Nokian Tyres' shares were traded on the Helsinki Stock Exchange during the year. The market value of the share capital at the end of the year amounted to 189,422,919 euros.

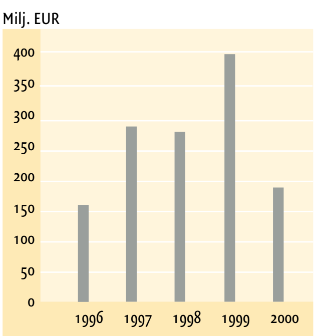
Rights of the board of directors

The Annual General Meeting held on 29 March 2000 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. The share capital of the company may increase by a maximum of 3.4 million euros 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 1.68 euros. At the end of 2000, the Board of Directors did not have any unused rights to issue convertible bonds or bonds with warrants.

Ownership and acquisition of own shares

Nokian Tyres does not own the company's own shares and the Board of Directors does not have authorisation to acquire shares in Nokian Tyres.

MARKET VALUE OF SHARE CAPITAL



Bonds with warrants

In 2000, Nokian Tyres had two bond loans outstanding as part of the management and employee incentive schemes.

Management bonds

A decision was taken at Nokian Tyres' Annual General Meeting in 1996 to issue bonds with warrants to the company's management. Each warrant gives the bearer the right to subscribe one Nokian Tyres share at an exercise price of FIM 45.30. The warrants attached to the bonds offer the right to subscribe to a maximum of 200,000 shares during specific periods between 1 December 1997 and 31 January 2001. 14 people subscribed the bonds. 37,500 shares were subscribed with warrants pertaining to the 1996 bonds on 3 April 2000. The increases in share capital were added to the Trade Register in May 2000. 5,000 shares remained unsubscribed.

Since the increases in May, the share capital of Nokian Tyres is 17,798,127 euros.

Personnel issue

The Annual General Meeting of Nokian Tyres decided to issue bonds with warrants to employees of Nokian Tyres Group and a subsidiary wholly owned by the company. The warrants offer the right to subscribe to a total of 600,000 shares, at an exercise price of 32.45 euros. The subscription price will be reduced by the amount of dividends distributed before the subscription, on each matching day of dividend payment. The total amount of the bond loan is 403,651.02 euros. The share subscription period will be staggered so as to start on 1 March 2001 and 1 March 2003. The share subscription period for all option rights ends on 31 March 2005. As a result of the subscriptions the company's share capital can increase by a maximum of 1,009,128 euros.

There were no other bonds with warrants or convertible bonds outstanding in 2000.

Share ownership

On 31 December 2000, Nokian Tyres Board of Directors and President owned a total of 6,600 Nokian Tyres shares and 12,000 warrants. The warrants are exerciable for 12,000 shares. Together these shares and warrants represent 0.2% of the total voting rights.

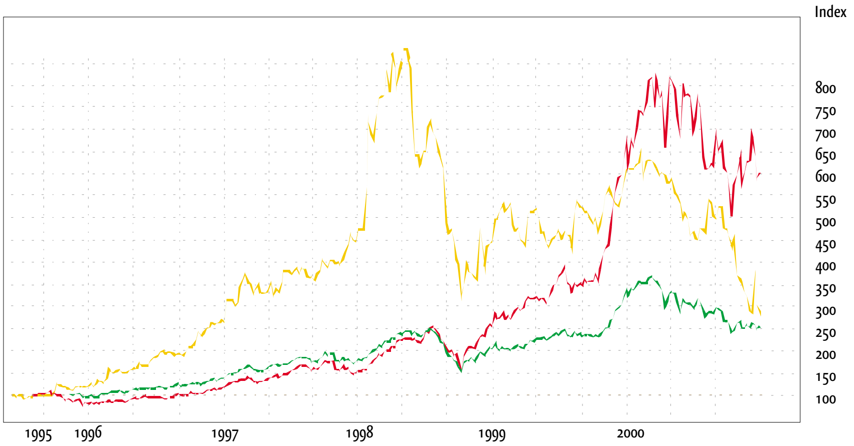
SHARE ISSUES 1995-2000

Method of share capital increase	Subcription period	Exercise price in euros	New shares pcs	Payment date	New capital 1,000 euros	New share capital 1,000 euros	Share capital after issue in euros
Personnel issue	29.5.1995-2.6.1995	5.45	92,286	19.6.1996	503	155	16,974,007
Management bonds 1/95	1.12.1996-31.1.1998	6.05	47,000	10.12.1996	284	79	17,053,055
Management bonds 1/95	1.12.1996-31.1.1998	6.05	103,000	7.3.1997	623	173	17,226,288
Management bonds 1/96	1.12.1997-31.1.1999	7.62	2,000	19.12.1997	15	3	17,229,652
Management bonds 1/96	1.12.1997-31.1.1999	7.62	10,500	29.12.1997	80	18	17,247,312
Management bonds 1/96	1.12.1997-31.1.1999	7.62	65,000	9.3.1998	495	109	17,356,634
Management bonds 1/96	1.12.1997-31.1.1999	7.62	17,500	1.12.1998	133	29	17,386,067
Management bonds 1/95	1.12.1998-31.1.2000	6.05	64,500	1.12.1998	390	108	17,494,548
Management bonds 1/95	1.12.1998-31.1.2000	6.05	4,000	9.12.1998	24	7	17,501,276
Management bonds 1/95	1.12.1998-31.1.2000	6.05	31,500	25.3.1999	191	53	17,554,255
Management bonds 1/95	1.12.1998-31.1.2000	6.05	40,000	23.11.1999	242	67	17,621,530
Management bonds 1/95	1.12.1998-31.1.2000	6.05	10,000	24.11.1999	61	17	17,638,349
Management bonds 1/96	1.12.1999-31.1.2001	7.62	57,500	8.12.1999	438	97	17,735,057
Management bonds 1/96	1.12.1999-31.1.2001	7.62	37,500	3.4.2000	286	63	17,798,127

DEVELOPMENT OF NOKIAN TYRES' SHARE PRICE 1 JUNE 1995 - 31 DECEMBER 2000

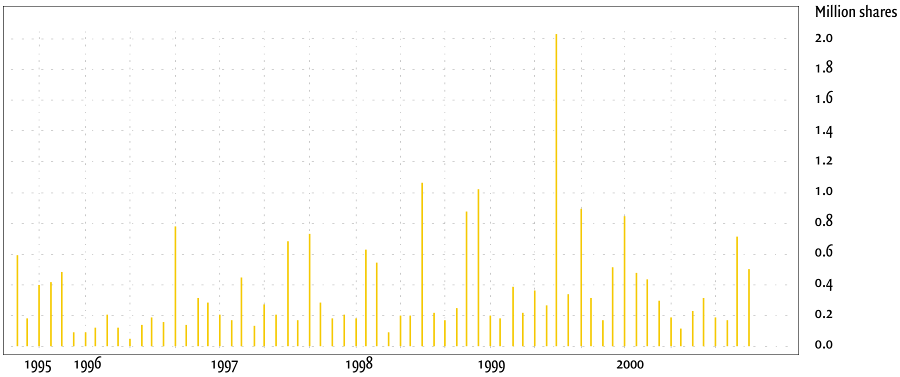
HEX general
Nokian Tyres
HEX portfolio index

Index 1 June 1995 = 100, in euros: 5.30



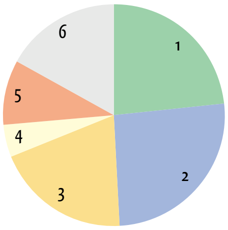
NOKIAN TYRES SHARE VOLUMES ON THE HELSINKI STOCK EXCHANGE 1 JUNE 1995- 31 DECEMBER 2000

Nokian Tyres



SHARE OWNERSHIP BY SHAREHOLDER CATEGORY

1. Corporations 23.41%
2. Financial institutions 25.63%
3. Public organisations 19.76%
4. Non-profit organisations 4.77%
5. Private individuals 9.53%
6. Foreign shareholders[1] 16.90%



1) Includes also shares registered in the name of a nominee

NOKIAN TYRES' MAJOR SHAREHOLDERS ON 31 DECEMBER 2000

	Number of shares	% of shares and votes
1. Nokia Corporation	2,000,000	18.90%
2. Ilmarinen Mutual Pension Insurance Company	673,000	6.36%
3. Varma-Sampo Mutual Pension Insurance Company	523,445	4.95%
4. Tapiola Mutual Pension Insurance Company	279,000	2.64%
5. Pohjola Life Assurance Company	260,000	2.46%
6. The Local Covernment Pensions Institution	247,900	2.34%
7. Tapiola General Mutual Insurance Company	202,000	1.91%
8. Merita Life Assurance	194,200	1.84%
9. Suomi Mutual Insurance Company	180,000	1.70%
10. Finnish Cultural Fund	125,000	1.18%
Total		44.28%
Foreign shareholders		16.90%

SHARE OWNERSHIP BRAKEDOWN 31.12.2000 (by number of shares owned)

Number of shares	Number of shareholders	% of shareholders	Shares	% of shares and votes
1-100	1,479	37.41	94,566	0.89
101-1,000	2,144	54.22	746,537	7.05
1,001-10,000	244	6.17	752,479	7.11
10,001-100,000	74	1.87	2,443,878	23.09
100,001-	13	0.33	6,544,826	61.85
Total	3,954	100.00	10,582,286	100.00

ANALYSTS

At least the following analysts have made investment analyses of Nokian Tyres during 2000.

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C O R P O R A T E
C O V E R N A N C E

Board of directors

The Annual General Meeting of Nokian Tyres plc, held before the end of May each year, appoints the Board of 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 they remain in office until the end of the first Annual General Meeting after the election.

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. 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.

The Annual General Meeting determines the remuneration for the members of the Board of Directors. The Board determines the salary and other remuneration for the President.

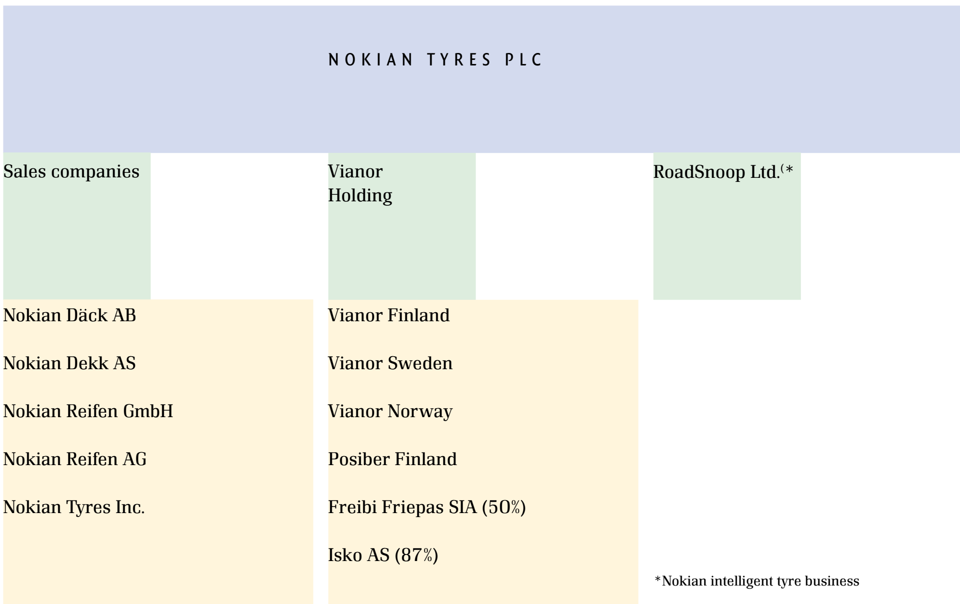
In 2000, the Board of Directors convened 5 times.

Organisation of businesses and responsibilities

The Group's businesses are divided into five profit units: Passenger Car and Delivery Van Tyres, Heavy Tyres, Bicycle Tyres, Retreading Materials and Tyre Chain. Additionally, the Group's areas of responsibility are divided into functions that provide services for the profit units. Supported by the functions, the various profit units are responsible for their business areas, their profit, balance and investments. Sales companies are part of the marketing function and operate as product distribution channels in the local market areas. The division of responsibilities is given on page 30.

During the final quarter of 2000, the Tyre Chain was organised into a separate sub-group. The parent company of the sub-group, Vianor Holding Oy, is fully owned by Nokian Tyres plc. All Vianor outlets in all countries belong to the sub-group. The legal structure of the Group is explained on the chart below.

N O K I A N T Y R E S G R O U P



Finances

The Group's cost accounting and financial accounting responsibilities are centralised in the Finance and Control function 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 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 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 every second week 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.

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.

Financial risk management is described on page 54.

Insider trading

The Board of Directors decided in a meeting held on 14 February 2000 that Nokian Tyres will apply Helsinki Exchanges' Regulations on Insider Trading valid as of 1 March 2000. Additionally, Nokian Tyres has amended the Helsinki Exchanges' Regulations with is own Insider Regulations.

KEY FINANCIAL INDICATORS

Figures in million euros unless otherwise indicated	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991
Net sales	398.5	322.6	251.3	211.6	192.6	187.2	164.2	143.5	121.2	101.9
growth, %	23.5%	28.4%	18.7%	9.9%	2.9%	14.0%	14.5%	18.3%	18.9%	-10.0%
Operating profit before depreciation	68.4	61.9	47.5	39.2	32.7	28.2	24.9	22.7	22.4	12.7
Depreciation according to plan	28.9	19.8	14.3	11.7	9.2	8.0	7.7	7.2	6.7	6.4
Operating profit	39.4	42.1	33.2	27.5	23.5	20.2	17.2	15.5	15.8	6.3
% of net sales	9.9%	13.1%	13.2%	13.0%	12.2%	10.8%	10.4%	10.8%	13.0%	6.2%
Profit before extraordinary items and tax	27.2	35.9	29.3	25.1	20.0	16.2	13.3	10.8	10.2	0.3
% of net sales	6.8%	11.1%	11.7%	11.8%	10.4%	8.7%	8.1%	7.6%	8.4%	0.3%
Profit before tax	27.2	35.5	29.9	25.1	20.0	15.2	13.3	12.2	10.0	0.2
% of net sales	6.8%	11.0%	11.9%	11.8%	10.4%	8.1%	8.1%	8.5%	8.2%	0.2%
Return on equity, %	13.7%	23.6%	22.7%	21.9%	21.3%	20.5%	19.5%	18.7%	19.2%	-0.3%
Return on capital employed, %	12.1%	16.9%	19.8%	21.5%	20.8%	20.2%	18.1%	17.7%	19.5%	8.5%
Total assets	464.0	391.8	269.3	188.1	171.0	154.0	145.2	129.0	124.2	116.5
Interest bearing net debt	182.1	170.4	94.2	39.6	35.4	32.2	44.9	42.1	45.0	52.9
Equity ratio, %	36.1%	30.9%	37.1%	45.2%	41.9%	39.6%	36.5%	36.4%	32.5%	29.7%
Equity ratio, %	28.3%	30.9%	37.1%	45.2%	41.9%	39.6%	36.5%	36.4%	32.5%	29.7%
Gearing, %	108.9%	140.6%	94.3%	46.6%	49.4%	52.8%	84.7%	89.7%	111.3%	152.7%
Cash flow from operations	26.6	22.3	21.2	24.6[2]	17.0[2]	19.3[2]	21.2[2]	10.0[2]	19.7[2]	12.0[2]
Gross investments	67.5	85.7	72.7	25.7	17.7	13.0	14.4	8.8	10.9	4.8
% of net sales	16.9%	26.6%	28.9%	12.2%	9.2%	6.9%	8.8%	6.2%	9.0%	4.7%
R&D expenditure	8.3	7.8	6.6	5.6	5.0	4.3	4.0	3.4	2.7	2.5
% of net sales	2.1%	2.4%	2.6%	2.7%	2.6%	2.3%	2.5%	2.4%	2.2%	2.5%
Dividends (proposal)	6.9	9.0	7.6	6.0	4.9	4.1	3.4	3.4	2.5	0.0
Personnel, average during the year	2,462	2,023	1,620	1,358	1,329	1,350	1,240	1,126	1,064	1,033

Per share data

	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991
Earnings per share, euro	1.88	2.51	2.04	1.68	1.40	1.17	0.97	0.82	0.72	-0.01
growth, %	-25.2%	23.0%	21.3%	20.4%	19.8%	19.7%	19.4%	13.1%	6763.5%	-102.0%
Cash flow per share, euro	2.52	2.14	2.05	2.41[2]	1.69[2]	1.92[2]	2.2[2]	1.00[2]	1.97[2]	1.20[2]
growth, %	17.8%	4.1%	-14.8%	42.9%	-12.2%	-9.4%	112.4%	-49.3%	63.8%	
Dividend per share, euro (proposal)	0.65	0.85	0.73	0.59	0.49	0.40	0.34	0.34	0.25	0.00
Dividend pay out ratio, % (proposal)	34.7%	34.4%	36.3%	35.2%	35.1%	34.8%	34.5%	41.3%	35.0%	0.0%
Shareholders' equity per share, euro	15.81	11.47	9.69	8.30	7.06	6.04	5.30	4.69	4.04	3.46
P/E ratio	9.5	15.1	13.6	16.6	11.8	6.4				
Dividend yield, % (proposal)	3.6%	2.3%	2.6%	2.1%	3.0%	5.5%				
Market capitalisation 31 December	189.4	398.6	286.4	285.7	167.5	74.7				
Average number of shares during the year, million units	10.57	10.42	10.30	10.22	10.09	10.05	10.00	10.00	10.00	10.00
Number of shares 31 December, million units	10.58	10.54	10.32	10.24	10.14	10.09	10.00	10.00	10.00	10.00

1) capital loan excluded from equity

2) according to previous cash flow statement definitions

Definitions

Return on equity, % = Profit after financial items - taxes x 100 / Shareholders' equity + minority interests (average)

Return on capital employed, % = Profit after financial items + interest and other financial expenses x 100 / Total assets - interest-free debt (average)

Equity ratio, % = Shareholders' equity + minority interests x 100 / Total assets - advances received

Equity ratio[1], % = Shareholders' equity + minority interests x 100 / Total assets - advances received

Gearing, % = Interest bearing net debt x 100 / Shareholders' equity + minority interests

Earnings per share, euro = Profit after financial items - taxes / Average adjusted number of shares during the year

Cash flow per share, euro = Cash flow from operations / Average adjusted number of shares during the year

Dividend per share, euro = Dividend for the year / Adjusted number of shares on the balance sheet date

Dividend pay-out ratio, % = Dividend for the year x 100 / Profit after financial items - taxes

Shareholders' equity per share, euro = Shareholders' equity / Adjusted number of shares on the balance sheet date

P/E ratio = Share price, 29 December / Earnings per share

Dividend yield, % = Dividend per share / Share price, 29 December

FINANCIAL STATEMENTS

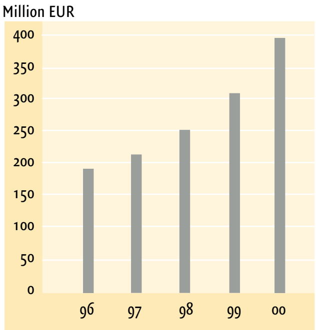
REPORT BY THE BOARD OF DIRECTORS

In 2000, Nokian Tyres plc´s earnings per share were 1.88 euros (2.51 euros in 1999). Net sales increased by 23.5% and were EUR 398.5 million (EUR 322.6 million). Manufacturing net sales and profit were somewhat higher than the previous year. Net sales and profitability from the tyre chain were below set targets. The Board of Directors will propose the payment of a dividend of 35% of net profit, that is 0.65 euros (0.85 euros) per share.

Net sales and profit

Nokian Tyres' net sales and operating profit during the first six months of the year 2000 were lower than a year ago, but during the second half of the year and especially during the last quarter, they exceeded previous year's level.

NET SALES

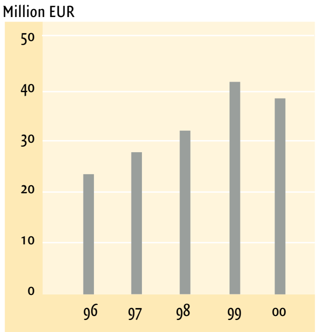


Net sales stood at EUR 398.5 million (EUR 322.6 million) which is 23.5% higher than the previous year. Commensurate net sales, i.e. net sales excluding the acquisitions in 2000 were EUR 359.8 million, which is 11.5% higher than the previous year. Invoicing outside Finland represented 67% (74%) of the total net sales.

Raw material prices of manufacturing increased by 9.1% on the average price last year. The lack of own compound mixing capacity increased raw material costs as rubber compounds were purchased from other manufacturers. This inflated the overall cost increase of raw materials to 13.7%.

Fixed costs increased EUR 37.4 million, which is 36% higher than the previous year and amounted to EUR 141.1 million (EUR 103.7 million). Fixed costs of the tyre chain represented 79% of the total increase. Commensurate fixed cost increase was 13.7%

PROFIT BEFORE EXTRA-ORDINARY ITEMS AND TAX

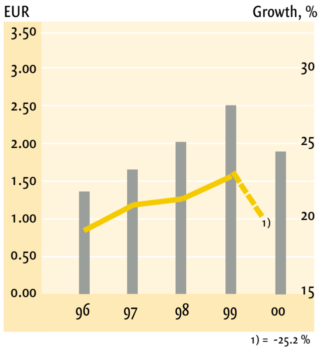


Operating profit stood at EUR 39.4 million (EUR 42.1 million). Commensurate operating profit was EUR 44.7 million. Operating profit of manufacturing stood at EUR 43.0 million (EUR 38.5 million) and operating result from the tyre chain stood at EUR -1.7 million (EUR 4.5 million). The exceptionally mild winter in Nordic countries, integration costs of tyre outlets, increased goodwill deprecations, as well as high fixed costs in relation to sales had a negative effect on the tyre chain result. Non-recurrent integration costs were EUR 3.2 million.

Net financial expenses were EUR 12.3 million (EUR 6.2 million).

The profit before tax was EUR 27.2 million (EUR 35.5 million). Net profit for the financial period was EUR 19.8 million (EUR 25.7 million). Commensurate net profit was EUR 25.6 million. Earnings per share was 1.88 euros (2.51 euros).

EARNINGS PER SHARE (EPS)



Return on net assets was 11.0% (15.9%).

Research and Development costs amounted to EUR 8.3 million (EUR 7.8 million), that is 2.1% from parent company's net sales.

During the fiscal year, the Group employed an average of 2,462 people (2,023). The corresponding figure within the Parent company was 1,396 (1,337) people. At the end of the fiscal year, the Group employed 2,519 (2,226) people and the Parent company 1,376 (1,347) people.

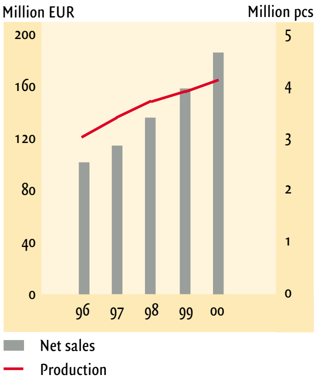
The number of employees increased most in the tyre chain, which employed 1,054 (795) people at the end of the year.

Passenger car tyres

Nokian passenger car tyre net sales grew by 13.5% on the previous year and amounted to EUR 186.2 million (EUR 164.0 million). The emphasis of sales was on winter tyres and other high margin new products. The share of new products was approximately 40% of the passenger car tyre sales. Sales were boosted by the best ever winter tyre test results gained in motor magazines. Winter tyre sales accounted for 69% of passenger car tyre sales.

The increase in demand for high-speed summer tyres continued on all main markets in Europe. Their share of Nokian passenger car summer tyre sales increased clearly. Demand for winter tyres decreased in Nordic countries and especially in Sweden, where the winter tyre market declined by approximately 40% from the previous year.

PASSENGER CAR TYRES, NET SALES AND PRODUCTION

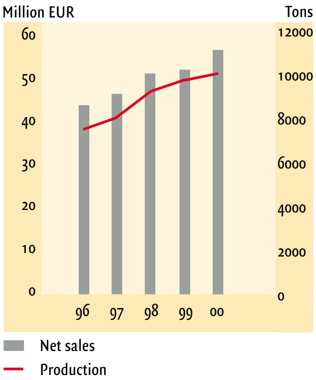


Swedish retailers overestimated demand due to winter tyres becoming compulsory in 1999 with a carry-over effect from the previous season as a result. In addition, the market experienced an exceptionally mild winter both in Nordic countries and elsewhere in Europe. The market position of Nokian Tyres, however, remained on the previous year's level.

Sales in other Nordic countries and in Western Europe developed favourably and market positions improved. Sales increased clearly also in Russia and in North America. Exports represented 75% (77%) of car tyre sales. Market prices for tyres remained stable at the beginning of the year, but improved during the autumn. Nokian Tyres implemented planned price increases. An up-graded sales mix and the launch of new products resulted in higher prices.

The production volume of passenger car tyres increased from 4.1 million tyres to 4.3 million tyres. The focus was to increase the added value of production and to improve the product mix. The daily production grew by 19% during the year.

HEAVY TYRES, NET SALES AND PRODUCTION



Heavy tyres

The high demand for heavy tyres continued during the whole year. The demand for especially forestry and radial tyres increased clearly.

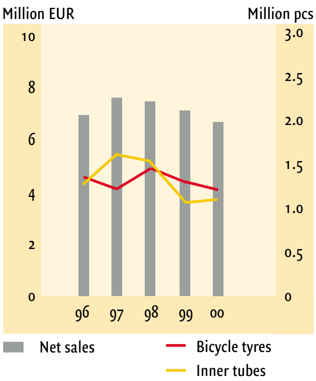
Nokian heavy tyre net sales increased by 4.2% and amounted to EUR 57.3 million (EUR 54.9 million). Exports amounted to 67% (66%) and original equipment installations to 39% (36%) of product area net sales.

Sales growth was restricted by supply problems in off-take manufacturing of agricultural and truck tyres and the transfer of production to a new factory hall at the beginning of the year. Sales of forestry and harbour machinery tyres developed favourably.

The annual production volume grew from 10,020 tons to 10,422 tons. The daily production grew by 15%.

Bicycle tyres

BICYCLE TYRES, NET SALES AND PRODUCTION



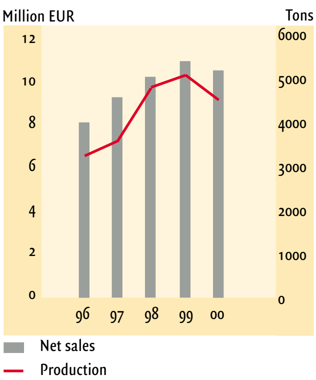
Net sales of Nokian bicycle tyres amounted to EUR 6.5 million (EUR 7.1 million), which is 8.4% less than the previous year. The share of original equipment installations was 34.4% and the exports amounted to 62% (68%) of the product area net sales.

Nokian bicycle tyre sales, domestic replacement sales in particular, picked up clearly during the last months of the year. Also in Switzerland and in the USA the sales were better than the previous year. The share of high margin bicycle tyres increased.

In 2000, Lieksa factory manufactured 1.2 million (1.3 million) bicycle tyres and 1.1 million (1 million) bicycle inner tubes. In the end of the year, the inner tube production line of Lieksa factory was sold to Nokian Tyres' off-take partner, Rubena AS in Czech Republic.

Retreading materials

RETREADING MATERIALS, NET SALES AND PRODUCTION



Nokian Tyres' retreading material sales was EUR 10.8 million (EUR 11.1 million) which is 2.5% less than the previous year. Exports amounted to 42% (45%) of the product area net sales.

Demand for car tyre retreading materials decreased in Finland and in Sweden, whereas demand for truck and bus tyre retreading materials increased from the previous year in all main market areas. The market position strengthened in all focus countries due to new products and stronger marketing efforts.

Sales and production growth were limited by the lack of mixing capacity.

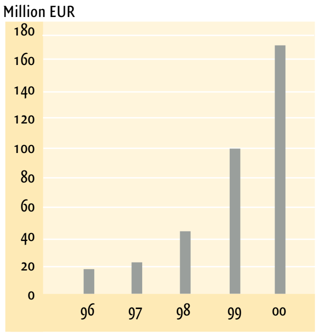
Production volume was 4,543 tons (5,176 tons) in year 2000.

Tyre chain

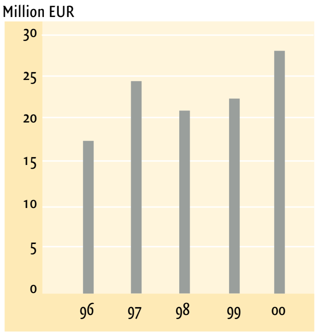
Net sales of Nokian tyre chain increased by 75.4% from the previous year and amounted to EUR 176.5 million (EUR 100.6 million). Commensurate net sales were EUR 117.4 million.

Tyre demand was unusually low at the beginning of the year. The sales picked up clearly

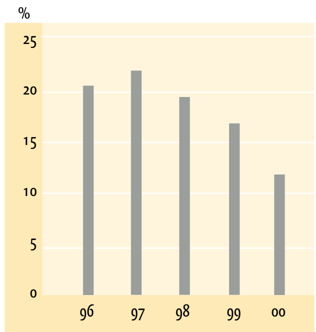
TYRE CHAIN, NET SALES



CASH FLOW FROM OPERATIONS



RETURN ON CAPITAL EMPLOYED



during the second quarter of the year. The summer tyre season was good and also the sales of truck tyres started well. The demand declined again towards the end of the year. Due to an exceptionally mild winter in Sweden, sales of winter tyres were lower than planned.

Targets for the year were to complete the tyre chain structure and to start the integration process.

The tyre chain structure was completed with the purchase of the Rengasmestarit-Kumi-Helenius Group, which had 31 outlets in Finland. The Nokian tyre chain in Finland expanded to cover the whole country. The acquisition price was EUR 8.3 million and the seller was Mr. Matti Kupiainen and his family. In April, the competition authorities approved the acquisition.

The operations within the Finnish tyre chain were unified as a part of the integration process. This meant centralising retreading operations and transferring the administration of the Rengasmestarit-Kumi-Helenius Group to the town of Lappeenranta. A project to unite the Nokian tyre chain under a common name and visual identity was completed. The new name of the Nordic tyre chain is Vianor, the name previously used by the Nokian tyre chain in Norway. In Finland, the Isko and Mestarit group's outlets were renamed Vianor and in Sweden, Vianor will replace the names of the private chains. The tyre chain structure was simplified by establishing Vianor Holding at the end of the year.

Investments

In 2000, Nokian Tyres invested the total of EUR 67.5 million (EUR 85.7 million). Production and operational investments amounted to EUR 49.3 million and tyre chain investments to EUR 18.2 million.

The investment program was implemented as planned. Installations of machinery at the new heavy tyre building hall (11,000 square metres) progressed as planned and the production in the new facility started in early autumn. The production hall that now was free was taken over by the passenger tyre production with new potential to increase production capacity.

The most significant single investment was the expansion of the mixing department, amounting to EUR 33 million. The effect on investments in year 2000 was approximately EUR 18 million. The start-up of the expansion will be summer 2001.

Other matters during the review period

Result of the public purchase offer of Isko plc

Nokian Tyres' purchase offer on all Isko shares that was started on 28 December 1999 ended on 28 January 2000. On the ending date of the public purchase offer, Nokian tyres owned or had received approval for all 900,000 K and 890,076 A shares in Isko. Nokian Tyres started redemption of the rest of the shares according to the regulations of the Companies' Act.

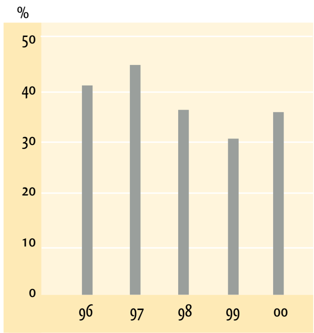
On 16 August, 2000 the court of arbitration appointed by the Finnish Central Chamber of Commerce confirmed in its session that Nokian Tyres had an undisputed right to redeem the minority shares in Isko and approved the security issued by Nokian Tyres. Pursuant to the Companies Act Nokian Tyres had the right to receive title to the minority shares of Isko, as it had issued a security approved by the Court of Arbitration, whereas its portion of the shares in Isko had risen to 100%.

Isko had on 16 August 2000 filed an application regarding the removal of its shares from the I-list of Helsinki Stock Exchange with the Board of Directors of the Helsinki Stock Exchange. On September 11, 2000 the Court of Arbitration determined the redemption price of minority shares in Isko to be FIM 151,00 per share.

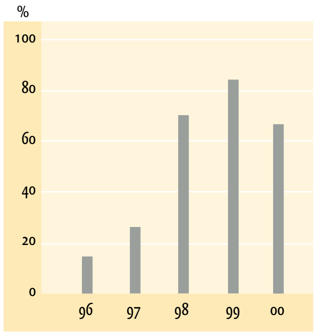
Nokian Tyres' capital loan 1/2000

Nokian Tyres financed the acquisition of Isko with the capital loan. The amount of the capital

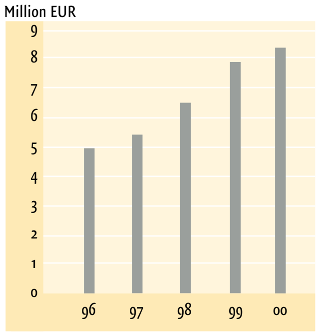
EQUITY RATIO



GROSS INVESTMENTS



R&D EXPENDITURE



loan is EUR 36 million and the coupon interest rate is 7.25%. The subscription date of the loan was 16 March 2000. The issue price of the loan was 101,018. The loan was oversubscribed approximately 1.9 times.

Insider issues

The Board of Directors decided in a meeting held on 14 February 2000 that Nokian Tyres would apply Helsinki Exchanges' Regulations on Insider trading valid as of 1 March 2000.

Subscription of bonds with warrants

37,500 Nokian Tyres shares had been subscribed with warrants attached to the 1996 bonds by 3 April 2000. An increase in share capital was registered on the trade register in May 2000. The total subscription price was 285,709 euros. 5,000 shares from the 1996 bonds remain unsubscribed.

Change in company management

Mr. Kim Gran, Vice President of Nokian Tyres' passenger car product area, was appointed President and CEO of Nokian Tyres as of 1st September 2000. The former President and CEO, Mr. Lasse Kurkilahti had been appointed Chief Executive Officer of Raisio Group. Lasse Kurkilahti continued as a Member of the Board of Directors of Nokian Tyres.

Co-operation with Michelin Group

Nokian Tyres announced on 3rd August 2000 that the French company, Michelin, had been selected as a partner through off-take production. On 29 September Nokian Tyres and Michelin Group signed a frame agreement on co-operation. On 5 October two manufacturing agreements were signed on manufacturing Nokian branded agricultural, industrial and truck tyres at Michelin factories. The agreements are valid for three years, after which they are to be confirmed annually.

The manufacturing of agricultural and industrial tyres started at the Michelin factory in Poland in the autumn and the first tyres entered to the market at the end of the year. During recent years, this product group has accounted for a total of 3-4% of the net sales of Nokian Heavy Tyres.

Additionally, a truck tyre manufacturing co-operation started and first tyres will be manufactured during the year 2001 at Michelin's new truck tyre factory in Poland. Truck tyres represent approximately 15% of Nokian Tyres' heavy tyre sales.

Off-take manufacturing co-operation with Michelin provides Nokian Tyres with an opportunity to boost sales in these product areas, to expand the product range and to improve customer service. Additionally, off-take manufacturing enables Nokian Tyres to focus on own manufacturing of core products and presents an opportunity to improve productivity.

Intelligent tyre technology combined with Bluetooth

On October, the company informed that as the first tyre manufacturer in the world, Nokian Tyres has developed an intelligent tyre technology system that communicates directly with the driver's mobile phone. The system sends real-time data on tyre pressures alternatively to the driver's mobile phone or to the car computer display system. Nokian Tyres owns the rights to the product concept and a patent for the system is pending. The functionality of the intelligent tyre project will progress along with the development of the required technologies.

With the intelligent tyre technology system, Nokian Tyres has entered a new area of technology and business. During the year 2001, the company aims to commercialise and globalise the system. The process of selecting co-operation partners for the different application areas is in progress.

The first commercial applications of the intelligent tyre technology system will be implemented on truck and van tyres as well as passenger car tyres with high-speed ratings.

The intelligent tyre technology system has been developed in co-operation with Flextronics International, Nokia, Tekes, VTI Hamlin and the Technical Research Centre of Finland (VTT).

Outlook for the year 2001

The company expects a growth of 1-2% to continue on the global tyre market. In some product segments the demand will, however, grow clearly more than the tyre market in average. Growth areas are high-speed car summer and winter tyres, heavy radial tyres, and light truck and SUV (Sports Utility Vehicle) tyres. Nokian Tyres concentrates on these growth segments. The target for 2001 is to continue to grow at a clearly faster pace than the market average, i.e. over 10% of net sales.

Raw material prices are estimated to further increase at the beginning of the previous year. In 2001, Nokian Tyres estimate the raw material cost to increase 10% compared with the previous year. The new mixing department will be taken into use in early summer and the need to purchase rubber compounds from other manufacturers will disappear.

It will be a challenging task to reach the first quarter results of the year 2000. Demand on tyre market is generally low during the first quarter of the year. However, structural fixed costs are the same throughout the whole year. Due to the acquisitions in 2000, the cost structure during the first half of the year is heavier than the previous year.

For the whole year, the capacity to improve results is better than during the previous year. The production capacity and productivity have clearly improved and sales prices have been increased at the end of the previous year. In the retail chain actions have been taken to simplify the product range and the organisation has been streamlined.

The product range consists of high margin special products and additional new tyres will be launched to the market also during the current year. The status of the heavy tyre off-take production has improved.

Cash flow and return on net assets are in focus alongside with the earnings per share to control the operational efficiency and to improve profitability. Investments are targeted to improve utilisation of investments that already have been completed. The investments in 2001 will be EUR 56 million, 85% of which will be production machinery and equipment investments.

In 2001, Nokian Tyres is in a good position to achieve over 10% growth in sales and to improve results compared to the previous year.

Nokia, 12 February 2001

Board of Directors

GROUP AND PARENT COMPANY PROFIT AND LOSS ACCOUNTS

in '000 euros 1.1. - 31.12.	Notes	GROUP 2000	GROUP 1999	PARENT COMPANY 2000	PARENT COMPANY 1999
Net sales	(1)	398,489	322,623	234,059	209,997
Total cost of goods sold	(2)(3)(4)	-238,024	-195,705	-156,008	-138,044
Gross margin		160,465	126,918	78,052	71,953
Selling and marketing expenses	(3)(4)	-97,911	-63,691	-23,371	-21,678
Administration expenses	(3)(4)	-8,903	-8,971	-8,903	-7,858
Other operating expenses	(3)(4)	-11,320	-10,225	-10,329	-9,761
Other operating income		3,829	1,344	364	591
Goodwill depreciation	(4)	-6,716	-3,253		
Total other costs		-121,021	-84,796	-42,239	-38,706
Operating profit	(5)	39,444	42,122	35,813	33,247
Financial income and expenses	(6)	-12,263	-6,194	-7,468	-4,680
Result before extraordinary items, appropriations and tax		27,180	35,928	28,345	28,567
Extraordinary items	(7)	0	-447	-36,693	0
Result before appropriations and tax		27,180	35,482	-8,349	28,567
Increase in accumulated depreciation in excess of plan	(8)			-4,146	-3,828
Direct tax					
Direct tax for the year		-7,567	-9,585	-5,755	-6,739
Change in deferred tax	(16)	216	-212	1,030	931
Profit applicable to minority shareholders		3	-3		
Net result for the year		19,832	25,682	-17,219	18,932

GROUP AND PARENT COMPANY BALANCE SHEETS

in '000 euros 31.12.	Notes	GROUP 2000	GROUP 1999	PARENT COMPANY 2000	PARENT COMPANY 1999
ASSETS					
Fixed assets and other non-current assets					
Intangible assets	(9)	11,505	8,875	5,855	4,620
Goodwill	(9)	50,189	50,716		
Tangible assets	(9)	190,077	154,052	156,670	126,141
Shares in Group companies	(10)(11)			27,788	89,140
Shares in associated companies	(10)(11)	78	107	66	150
Shares in other companies	(11)	347	592	119	102
Total non-current assets		252,196	214,341	190,498	220,152
Current assets					
Inventories	(12)	81,287	68,368	36,926	30,394
Long-term receivables	(13)	8,238	6,525	25,483	15,570
Deferred tax asset	(16)	4,669	3,178	2,431	1,401
Short-term receivables	(14)	103,595	85,173	136,161	83,375
Cash in hand and at bank		14,001	14,263	939	2,143
Total current assets		211,790	177,507	201,940	132,883
		463,986	391,849	392,438	353,035
LIABILITIES AND SHAREHOLDERS' EQUITY					
Shareholders' equity	(15)				
Share capital		17,798	17,735	17,798	17,735
Share issue		0	0	0	0
Share issue premium		5,310	5,088	5,310	5,088
Retained earnings		88,341	72,496	53,167	43,198
Net result for the year		19,832	25,682	-17,219	18,932
Capital loan		36,000	0	36,000	0
Total shareholders' equity		167,281	121,000	95,056	84,953
Minority shareholders' interest		21	148		
Untaxed reserves and provisions					
Accumulated depreciation in excess of plan				48,813	44,667
Liabilities					
Deferred tax liability	(16)	17,700	16,222	0	0
Long-term liabilities	(17)				
interest bearing		125,731	127,472	123,125	123,080
interest-free		376	385	404	470
		126,107	127,857	123,529	123,550
Short-term liabilities	(18)				
interest bearing		70,414	57,174	71,856	58,453
interest-free		82,463	69,447	53,185	41,413
		152,877	126,621	125,040	99,866
Total liabilities		296,684	270,700	248,569	223,416
		463,986	391,849	392,438	353,035

GROUP AND PARENT COMPANY CASH FLOW STATEMENTS

in '000 euros	1.1.-31.12.	GROUP 2000	1999	PARENT COMPANY 2000	1999
Cash flow from operating activities:					
Payments received from sales		386,322	302,849	229,183	202,381
Expenses paid for operating activities		-342,957	-266,706	-182,177	-164,989
Cash flow from operating activities before the financial items and taxes		43,365	36,144	47,006	37,392
Interest paid and other financial expenses		-11,353	-6,424	-10,476	-6,373
Interest received from operating activities		813	885	338	2,418
Dividends reiceived from operating activities		16	94	1,764	614
Income taxes paid		-6,230	-8,424	-5,038	-5,966
Cash flow from operating activities before extraordinary items		26,612	22,275	33,594	28,085
Cash flow from operating activities (A)		26,612	22,275	33,594	28,085
Cash flow from investing activities:					
Acquisition of tangible and intangible fixed assets		-52,335	-41,646	-47,644	-32,812
Acquisition of group companies, net of acquired cash		-7,025	-48,318	-669	-47,452
Investments in other shares		-957	-130	-17	-94
Cash flow from investing activities (B)		-60,316	-90,095	-48,331	-80,358
Cash flow from financing activities:					
Share issues		286	932	286	932
Change in short-term financial receivables		-3,543	799	-33,061	-2,154
Change in long-term financial receivables		-1,713	-4,033	3,620	-11,392
Change in financial short-term debt		13,132	28,872	15,672	26,132
Change in financial long-term debt		34,250	50,486	35,979	46,633
Dividends paid		-8,970	-7,613	-8,963	-7,613
Cash flow from financing activities (C)		33,442	69,442	13,533	52,537
Change in cash and cash equivalents (A+B+C) increase + / decrease -		-262	1,623	-1,203	264
Cash and cash equivalents at the beginning of the period		14,263	12,640	2,143	1,879
Cash and cash equivalents at the end of the period		14,001	14,263	939	2,143
		-262	1,623	-1,203	264
Notes to the cash flow statements					
Acquisition of group companies					
Cash flow from the acquisition					
Acquisition cost of the acquired companies		7,551	50,842	669	47,452
Cash and cash equivalents of the acquired companies		-526	-2,524		
		7,025	48,318	669	47,452

ACCOUNTING PRINCIPLES

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include the accounts of companies in which Nokian Tyres plc, domicile in Nokia, owns, directly or indirectly through subsidiaries, over 50% of the voting rights and associated companies, where Nokian Tyres plc owns between 20% and 50% of the voting rights. Companies acquired during the financial year are consolidated into the profit and loss account from the date of the acquisition.

All internal transactions, unrealised internal margins in the internal transactions, internal receivables and liabilities and internal dividend distributions 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. A consolidation difference arises from the acquisition cost if the acquisition cost is more than the total equity at the time of the acquisition. If the fair value of the assets is less than the acquisition cost, the elimination difference is allocated to the acquired company's assets and is amortized according to the plan on the basis of the estimated useful life of the assets. The rest of the elimination difference is treated as goodwill and is amortized on a straight-line basis over its expected useful life. This varies between five and ten years depending upon the nature of the acquisition. The goodwill arising from the acquisitions of the retail companies between years 1998 and 2000 is amortized in ten years based on the longer than normal income expectations and the major strategic significance to the business operations of the Group. The same principles are followed, where applicable, when companies within the Group are merged or dissolved.

Investments in associated companies, where Nokian Tyres plc owns between 20% and 50% of the voting rights are reported according to the equity method of accounting. The Group's share of profits and losses of associated companies is treated as sales and marketing expenses.

FOREIGN GROUP COMPANIES

All items on the balance sheets of foreign subsidiaries are translated into euros using the exchange rates published by the European Central Bank on the date of the financial statement and in the profit and loss accounts, using average rates for the year. Translation differences arising from these are treated as part of consolidated shareholders' equity. Translation differences arising from application of the purchase method are treated as part of consolidated shareholders' equity. The Group's policy is to hedge a portion of shareholders' equity in the foreign subsidiaries to reduce the effects of exchange rate fluctuations on the Group's net investments in foreign Group companies. Exchange gains and losses resulting from hedging transactions are offset against the translation differences arising from consolidation and recorded in shareholders' equity.

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. In addition to direct costs, an appropriate proportion of production overheads is included in the value of finished goods.

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 are calculated on the basis of the estimated useful life of the assets using the straight line method. The depreciation times are as follows:

Intangible assets	3-10 years
Goodwill	5-10 years
Buildings	20-40 years
Machinery and equipment	4-20 years
Other tangible assets	10-40 years

Land property, as well as investments in shares, are not regularly depreciated.

RESEARCH AND DEVELOPMENT

Research and development costs are charged to the other operating expenses in the profit and loss account in the year in which they are incurred. Certain significant development costs with useful life over three years are capitalised and amortized on a systematic basis over their expected useful lives. The amortization period is between three and five years.

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, 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.

DIRECT TAXES

The consolidated profit and loss statement includes the change in deferred tax 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 includes 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 on the balance sheet, and the deferred tax liability is not recorded.

FOREIGN CURRENCY ITEMS

Transactions in foreign currencies are recorded at the exchange rates 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 European Central Bank as at of 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. The exchange rate difference from hedging against estimated cash flow is accounted in profit and loss accounts under sales adjustment items when the cash flow is realised. Gains and losses associated with financial transactions and hedging are entered under financial income and expenses.

	GROUP		PARENT COMPANY	
in ‘000 euros	2000	1999	2000	1999

1. NET SALES BY SEGMENTS AND MARKET AREAS

Manufacturing				
Car and Van tyres	186,187	163,987	167,084	146,390
Heavy tyres	57,262	54,938	50,259	45,825
Bicycle tyres and inner tubes	6,525	7,126	6,523	7,124
Retreading materials	10,779	11,056	10,546	10,670
Total	260,753	237,107		
Tyre chain	176,475	100,598		
Others and eliminations	-38,739	-15,082	-352	-11
Total	398,489	322,623	234,059	209,997
Finland	130,562	83,439	67,808	64,377
Other Nordic countries	135,482	133,307	48,808	51,763
Baltic States and Russia	26,079	14,876	22,634	14,611
Other European countries	77,000	67,861	71,872	62,402
North America	24,481	20,065	18,054	13,769
Other countries	4,884	3,075	4,884	3,075
Total	398,489	322,623	234,059	209,997

2. TOTAL COST OF GOODS SOLD

Raw materials	71,517	63,703	71,517	59,984
Goods purchased for resale	94,434	66,703	11,511	12,775
Wages and social costs of goods sold	34,469	33,510	34,469	31,930
Other costs	25,190	20,578	22,745	19,793
Depreciation of production	14,708	12,742	14,708	12,434
Sales freights	10,626	9,731	7,589	6,673
Change in inventories	-12,919	-11,262	-6,532	-5,544
Total	238,024	195,705	156,008	138,044

3. WAGES, SALARIES AND SOCIAL EXPENSES

Wages and salaries	72,888	58,235	41,411	38,632
Pension contributions	11,354	7,480	6,775	6,118
Other social expenses	16,009	14,951	10,469	11,034
Total	100,250	80,666	58,656	55,784
Remuneration of the members of the Boards, President and Managing Directors on accr. basis	1,387	1,500	282	317
of which incentives	49	194	0	0

No special pension commitments have been granted to the members of the Boards, President and Managing Directors.

Personnel, average during the year				
Production	1,075	1,099	1,075	1,027
Sales and marketing	1,211	754	145	140
Others	176	170	176	170
Total	2,462	2,023	1,396	1,337

Personnel in Tyre chain companies has been reported in Sales and marketing from the beginning of the year 2000.

4. DEPRECIATION

Depreciation according to plan by asset category				
Intangible assets	1,582	654	675	389
Goodwill	6,716	3,253		
Buildings	2,543	2,218	1,516	1,564
Machinery and equipment	16,652	13,212	13,905	11,608
Other tangible assets	406	417	329	193
Total	27,900	19,754	16,426	13,754

in '000 euros	GROUP 2000	1999	PARENT COMPANY 2000	1999
The planned depreciation times are as follows:				
Intangible assets		3-10 years		
Goodwill		5-10 years		
Buildings		20-40 years		
Machinery and equipment		4-20 years		
Other tangible assets		10-40 years		

Depreciation according to plan is calculated on the basis of the estimated useful life of the assets using the straight line method.

Depreciation by function				
Production	14,708	12,742	14,708	12,434
Sales and marketing	4,901	2,340	143	215
Administration	577	384	577	362
Other operating depreciation	997	1,036	997	743
Goodwill	6,716	3,253		
Total	27,900	19,754	16,426	13,754

5. OPERATING RESULT

Manufacturing	43,003	38,463		
Tyre chain	-1,700	4,501		
Eliminatios	-1,860	-841		
Total	39,444	42,122		

6. FINANCIAL INCOME AND EXPENSES

Dividend income				
From the Group companies			4,094	610
From others	16	94	13	4
Total	16	94	4,107	614
Interest income, long-term				
From the Group companies			589	266
From others	45	46	44	46
Total	45	46	633	312
Other interest and financial income				
From the Group companies			888	1,304
From others	1,016	753	339	273
Total	1,016	753	1,227	1,577
Exchange rate differentials (net)	-115	206	264	-127
Interest and other financial expenses				
To the Group companies			-84	-48
To others	-12,710	-6,992	-12,360	-6,751
Other financial expenses	-516	-301	-1,254	-255
Total	-13,226	-7,293	-13,698	-7,055
Total financial income and expenses	-12,263	-6,194	-7,468	-4,680

7. EXTRAORDINARY ITEMS

The extraordinary items in the parent company in 2000 contain the dissolution loss arising from the changes in the Tyre chain group stucture. The effect on the direct taxes is 2,207 thousand euros.
The extraordinary items in the Group in 1999 contain the increase in deferred tax liability caused by the rise of the corporate tax rate.

Rise of corporate tax rate in deferred tax liability	0	-447		
Dissolution loss	0	0	-36,693	0
Total	0	-447	-36,693	0

8. APPROPRIATIONS

Change in accumulated depreciation in excess of plan				
Intangible assets			177	171
Buildings			861	494
Machinery and equipment			3,148	3,081
Other tangible assets			-40	81
Total			4,146	3,828

9. FIXED ASSETS

in '000 euros

	Intangible assets	Goodwill	Tangible assets: Land property	Buildings	Machinery and equipment	Other tangible assets	Advances and fixed assets under construction
Group							
Accumulated cost, Jan 1st 2000	10,248	61,721	4,860	71,436	162,220	3,307	11,444
Decrease/Increase	5,673	6,282	-70	11,661	27,524	670	15,661
Accumulated cost, Dec 31st 2000	15,921	68,004	4,790	83,097	189,744	3,977	27,105
Translation difference	-20	57	7	310	546	10	0
Accum. depr. acc. to plan, Dec 31st 2000	-4,396	-17,871	0	-22,258	-96,751	-1,281	0
Revaluation , Dec 31st 2000	0	0	0	782	0	0	0
Book value, Dec 31st 2000	11,505	50,189	4,797	61,930	93,539	2,706	27,105
Book value, Dec 31st 1999	8,875	50,716	4,911	53,225	81,402	3,069	11,444

The amount of the revaluation is based on the independent expert statements of the probable sales price of the buildings. The main principle used in revaluation is productive value.

	Intangible assets	Goodwill	Tangible assets: Land property	Buildings	Machinery and equipment	Other tangible assets	Advances and fixed assets under construction
Parent Company							
Accumulated cost, Jan 1st 2000	5,685		886	49,173	139,600	3,016	11,444
Decrease/Increase	1,910		8	6,174	23,223	612	15,605
Accumulated cost, Dec 31st 2000	7,596		894	55,347	162,823	3,628	27,049
Translation difference							
Accum. depr. acc. to plan, Dec 31st 2000	-1,741		0	-12,439	-79,510	-1,123	0
Book value, Dec 31st 2000	5,855		894	42,909	83,313	2,505	27,049
Book value, Dec 31st 1999	4,620		886	38,251	73,338	2,222	11,444
Accum. depreciation in excess of plan, Dec 31st 2000	692			15,319	32,546	256	
Accum. depreciation in excess of plan, Dec 31st 1999	515			14,458	29,397	296	

10. COMPANIES OWNED BY THE GROUP AND THE PARENT COMPANY

Group companies	Group share ownership %	Parent company share ownership %
Vianor Holding Oy, Nokia, Finland	100	100
Vianor Oy, Lappeenranta, Finland	100	
Kumisalama Ky, Turku, Finland	100	
Posiber Oy, Helsinki, Finland	100	
Rengasmestarit Ky, Kuopio, Finland	100	
Lieksan Rengas Oy, Lieksa, Finland	100	
Kumi-Helenius Oy, Rovaniemi, Finland	100	
Kiint. Oy Laure, Keminmaa, Finland	100	
Iisalmen Rengas Oy, Iisalmi, Finland	100	
Suonenjoen Rengashuolto Oy, Suonenjoki, Finland	100	
Kumico Oy, Pieksämäki, Finland	100	
Mikkelin Rengas Oy, Pieksämäki, Finland	100	
Rengasexpertti Hatemaa Oy, Helsinki, Finland	100	
Kiint. Oy Varkauden Käsityökatu 37, Varkaus, Finland	100	
Kiint Oy Kuopion Kallantie 6, Kuopio, Finland	100	
Kiint. Oy Rengas-Petteri, Kuopio, Finland	100	
Posiber Kiinteistöt Oy, Nokia, Finland	100	
Porvoon Rengas Ky, Porvoo, Finland, share of the active partner		
Auto-Söövis Ky, Mikkeli, Finland, share of the active partner		
Seinäjoen Autokumi Oy, Nurmo, Finland	100	
Forssan Rengas Oy, Forssa, Finland	100	
Valkeakosken Huhtakatu 7 Oy, Valkeakoski, Finland	100	
AS Isko, Estonia	87	
Galaxie AB, Sweden	100	
Galaxie Gummi AB, Sweden	100	
Vianor AB, Sweden	100	
Gävle Nya Gummi AB, Sweden	100	
B. Andersbergs i Örkelljunga AB, Sweden	100	
Falköpings Regummerings AB, Sweden	100	
Östersunds Däckservice AB, Sweden	100	
Järpens Däckservice AB, Sweden	100	
Auto Vulk i Kristianstad AB, Sweden	100	
Boss Däck i Vara AB, Sweden	100	
Däckshopen Autoservice i Malmö AB, Sweden	100	
Örestads Däckmarknad AB, Sweden	100	
B Heurlins Servicecenter AB, Sweden	100	
Håkan Börjesson Gummiverkstad AB, Sweden	100	
Däckshopen Bil & Däckservice i Landskrona AB, Sweden	100	
Vianor AS, Norway	100	
Br Bråthen AS, Norway	100	
Larsen & Lund AS, Norway	100	
Bergs Gummi-Industri AS, Norway	100	
Marco Trading AS, Norway	100	
Hallingdal Dekkservice AS, Norway	100	

Group companies	Group share ownership %	Parent company share ownership %
Nokian Däck AB, Sweden	100	100
Nokian Dekk AS, Norway	100	100
Nokian Reifen GmbH, Germany	100	100
Nokian Reifen AG, Switzerland	100	100
Nokian Tyres Inc., U.S.A	100	100
Nokian Tyres (North America) Ltd. , Canada	100	100
Nokian-Rosshina Tyre Holding Oy, Nokia, Finland	100	100
Direnic Oy, Nokia, Finland	100	100
Catillo Oy, Helsinki, Finland	100	100
Alppirengas V. Suvanto Oy, Helsinki, Finland	100	100
Itä-Suomen Kumi Oy, Lappeenranta, Finland	100	100
Kokkopyörä Oyj, Lappeenranta, Finland	100	100
Mäntsälän Rengas Oy, Mäntsälä, Finland	100	100
Associated companies		
Freibi Riepas SIA, Latvia	50	
Kiint. Oy Linnarengas, Savonlinna, Finland	50	
Sammaliston Sauna Oy, Nokia *)	33	33

*) Omitted from the Group accounts because of no material effect on the total.

11. INVESTMENTS

in '000 euros	GROUP		PARENT COMPANY		
	Shares in associated companies	Shares in other companies	Shares in group companies	Shares in associated companies	Shares in other companies
Accumulated cost, Jan 1st 2000	107	591	89,141	150	102
Decrease/Increase	-28	-244	-61,352	-84	17
Accumulated cost, Dec 31st 2000	78	346	27,788	66	119
Translation difference	0	1			
Book value, Dec 31st 2000	78	347	27,788	66	119
Book value, Dec 31st 1999	107	592	89,141	150	102

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

in '000 euros	GROUP 2000	GROUP 1999	PARENT COMPANY 2000	PARENT COMPANY 1999
12. INVENTORIES				
Raw materials and supplies	10,344	8,338	9,515	7,301
Work-in-progress	3,539	3,518	3,539	3,518
Finished goods	67,405	56,512	23,872	19,575
Total book value	81,287	68,368	36,926	30 ,394
13. LONG-TERM RECEIVABLES				
Loan receivables from the Group companies			24,746	9,904
Loan receivables from the Assoc. companies	917	754	0	754
Loan receivables	6,345	5,084	703	4 ,879
Other receivables	976	688	34	34
Total	7,321	5,771	737	4 ,913
Total long-term receivables	8,238	6,525	25,483	15,570

Loans to directors
Managing Directors and the members of the Board of Directors in the Group have been granted loans, totalling 107,469 euros. Loans have yearly installments.

in '000 euros	GROUP 2000	GROUP 1999	PARENT COMPANY 2000	PARENT COMPANY 1999
14. SHORT-TERM RECEIVABLES				
Receivables from the Group companies				
Trade debtors			23,659	24,168
Loan receivables			70,294	17,646
Accrued revenues and deferred expenses			1,787	386
Total			95,740	42,201
Receivables from the Assoc. companies				
Trade debtors	798	582	0	582
Loan receivables	370	393	0	393
Accrued revenues and deferred expenses	9	8	0	8
Yhteensä	1,177	982	0	982
Trade debtors	81,977	76,857	33,014	35,101
Loan receivables	210	110	0	0
Other receivables	12,324	2,385	2,672	2,017
Accrued revenues and deferred expenses	7,907	4,838	4,734	3,075
Total	102,419	84,191	40,420	40,193
Total short-term receivables	103,595	85,173	136,160	83,375
Significant items under accrued revenues and deferred expenses				
Taxes	1,053	728	1,040	714
Annual discounts, purchases	1,419	1,273	690	544
Financial items	2,610	440	2,492	323
Social payments	265	1,343	237	1,316

in '000 euros	GROUP 2000	1999	PARENT COMPANY 2000	1999

15. SHAREHOLDERS' EQUITY

in '000 euros	GROUP 2000	1999	PARENT COMPANY 2000	1999
Share capital, Jan 1st	17,735	17,357	17,735	17,357
Emissions in 1999	0	234	0	234
Transfer to the share capital	0	145	0	145
Emissions in 2000	63		63	
Share capital, Dec 31st	17,798	17,735	17,798	17,735
Share issue, Jan 1 st	0	145	0	145
Transfer to the share capital	0	-145	0	-145
Share issue, Dec 31st	0	0	0	0
Share issue premium, Jan 1st	5,088	4,390	5,088	4,390
Emission gains	223	698	223	698
Share issue premium, Dec 31st	5,310	5,088	5,310	5,088
Retained earnings, Jan 1st	98,177	78,065	62,130	50,811
Dividends to shareholders	-8,970	-7,613	-8,963	-7,613
Translation adjustment	-867	2,043	0	
Retained earnings, Dec 31st	88,341	72,496	53,167	43,198
Net profit for the year	19,832	25,682	-17,219	18,932
Capital loan	36,000	0	36,000	0
Total shareholders' equity	167,281	121,000	95,056	84,953

Capital loan

The amount of the capital loan is 36 million euros, interest rate 7.25 %, maturing on the April 29th, 2005. Interest on the capital loan may be paid only to the extent that the amount to be paid can be used for distribution of profit in accordance with the financial statements of the Nokian Tyres plc and the Group adopted for the preceding fiscal period. The principal of the capital loan may be repaid only if the non-distributable equity and other non-distributable items, as shown in the financial statements of the Nokian Tyres plc and the Group adopted for the preceding fiscal period, are left with full cover.

Specification of the distributable equity, December 31st	GROUP 2000	1999
Retained earnings, Dec 31st	88,341	72,496
Net profit for the year	19,832	25,682
The share of untaxed reserves and appropriations recorded in shareholders' equity	-36,787	-34,585
Subsidiaries' reserve funds	-6,210	-6,381
Distributable equity, Dec 31st	65,175	57,211

16. DEFERRED TAX LIABILITIES AND ASSETS

	GROUP 2000	1999	PARENT COMPANY 2000	1999
Deferred tax assets from				
Untaxed reserves and provisions	300	0		
Consolidation	1,836	1,265		
Temporary differences	2,533	1,913	2,431	1,401
Total	4,669	3,178	2,431	1,401
Deferred tax liabilities from				
Untaxed reserves and provisions	16,930	15,671		
Consolidation	0	257		
Temporary differences	769	294	0	0
Total	17,700	16,222	0	0

The deferred tax assets contain the deferred tax assets for the years 2001 and 2002 arising from the dissolution loss entered into extraordinary expenses in the parent company, the tax benefit will be realised during years 2000 and 2009. The deferred tax assets for years 2000-2002 arising from the dissolution loss entered into the extraordinary expenses in the parent company have been reported in the Profit and loss accounts during 1999 and 2000.
Deferred tax liabilities arising from the goodwill of the buildings, total 1,271 thousand euros and revaluation, total 227 thousand euros are not included in the amounts reported above.

17. LONG-TERM LIABILITIES

	GROUP 2000	1999	PARENT COMPANY 2000	1999
Interest bearing				
Bonds	0	8,409	0	8,409
Loans from financial institutions	108,441	100,079	105,835	95,686
Pension premium loans	17,291	18,984	17,291	18,984
Total	125,731	127,472	123,125	123,080
Interest-free				
Liabilities to the Group companies				
Other long-term loans			70	128
Other long-term loans	376	385	334	342
Total long-term liabilities	126,107	127,857	123,529	123,422
Bonds				
2/1996 6% bullet maturity in 2001	0	8,409	0	8,409

in ‘000 euros	GROUP 2000	1999	PARENT COMPANY 2000	1999
Liabilities maturing after five years				
Loans from financial institutions	14,167	16,294	14,167	15,833
Pension premium loans	9,407	10,910	9,401	10,910
Total	23,574	27,204	23,567	26,744
Maturing of long-term liabilities				
Maturity				
2001	28,418	24,976	26,694	23,663
2002	46,089	31,864	45,733	31,292
2003	20,094	26,260	19,750	25,825
2004	43,557	3,373	43,381	3,176
2005 and later	23,574	23,832	23,567	23,567
Total	161,731	110,304	159,125	107,523

18. SHORT-TERM LIABILITIES

Interest bearing				
Liabilities to the Group companies				
Finance loans			3,031	3,237
Bonds	8,409	0	8,409	0
Loans from financial institutions	60,328	55,339	58,739	53,523
Pension premium loans	1,677	1,835	1,677	1,694
Total	70,414	57,174	68,825	55,216
Total interest bearing	70,414	57,174	71,856	58,453
Interest-free				
Liabilities to the Group companies				
Trade creditors			34	9
Accrued expenses and deferred revenues			409	3,252
Total			443	3,262
Trade creditors	36,693	28,186	23,988	13,991
Liabilities to the others	13,897	8,436	9,715	3,569
Accrued expenses and deferred revenues	31,873	32,825	19,038	20,591
Total	82,463	69,447	52,741	38,151
Total interest-free liabilities	82,463	69,447	53,185	41,413
Total short-term liabilities	152,877	126,621	125,040	99,866
Significant items under accrued expenses and deferred revenues				
Wages and salaries	14,924	16,386	8,463	10,011
Annual discounts, sales	3,415	5,941	1,703	4,041
Taxes	2,607	1,473	1,042	0
Financial items	4,207	3,509	4,160	3,460
Royalty	745	0	745	0

in '000 euros	GROUP 2000	1999	PARENT COMPANY 2000	1999

19. CONTINGENT LIABILITIES

For own debt				
Mortgages	1,354	7,375	0	0
Mortgage on company assets	0	11,353	0	0
Pledged assets	57	67	0	0
Guarantees	1,177	1,177	1,177	1,177
The amount of debts mortgaged for	160	6,458	0	0
On behalf of Group companies				
Guarantees	0	0	4,642	2,174
Rent commitments	0	0	250	375

The amount of debts that the Parent company has mortgaged for are total 3,480 thousand euros.

On behalf of other companies				
Guarantees	6	9	0	0
Other own commitments				
Leasing and rent commitments				
Payments due in 2000/1999	3,357	1,447	2,392	261
Payments due in subsequent years	13,794	1,541	2,127	416
Acquisition commitments	5,318	5,109	94	5,109

20. DERIVATIVE CONTRACTS

Interest rate derivatives				
Interest rate swaps				
Fair value	23	283	23	283
Underlying value	8,409	8,409	8,409	8,409
Options, purchased				
Fair value	48	41	0	0
Underlying value	5,046	5,046	0	0
Currency derivatives				
Forward contracts				
Fair value	1,538	-1,266	1,538	-1,266
Underlying value	58,475	58,375	58,475	58,375
Options, purchased				
Fair value	0	148	0	148
Underlying value	0	7,000	0	7,000
Options, written				
Fair value	0	-240	0	-240
Underlying value	2,000	11,000	2,000	11,000

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 value of options is based on the market price calculated by Black & Scholes' option pricing model.

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

Currency derivatives are used only 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.

FINANCING AND FINANCIAL RISK MANAGEMENT

The parent company's treasury department manages the financial risks of the Group centrally according to the financing policy confirmed by the Board of Directors. Financial risk management is centralised for effective risk management and volume benefits. The target of financial risk management is to secure the planned profit development.

CREDIT AND LIQUIDITY RISK

As specified in the Group's financing policy, the Financing function ensures that the Group has adequate liquidity at all times. At the end of 2000, the Group's liquid assets and investments were EUR 14 million. Additionally, the Group had unused limits (revolving credit limits, foreign currency credit limits and commercial paper programmes) for approximately EUR 80 million. The short-term limits are used to finance stocks, receivables and subsidiaries that are used as distribution channels. The above-mentioned tools are also used to control regular seasonal variations in cash flow that is typical of Nokian Tyres.

At the end of the year, the amount of interest bearing loans was EUR 196 million as opposed to EUR 185 million the previous year. Of the long-term loans, the proportion of non-euro loans was 17% (23% in 1999). The average interest rate of long-term loans was 5.04% (4.59% in 1999).

In March 2000, Nokian Tyres issued a capital loan of EUR 36 million with maturity of five years to increase the equity ratio of the Group that had temporarily fallen due to investments in expansions to the Group's tyre chain. The interest rate of the capital loan is 7.25%.

Investments in 2000 amounted to EUR 68 million (EUR 86 million in 1999). The proportion of short-term loans, including repayments within the year, was EUR 70 million (EUR 57 million in 1999). The Nokian Tyres' bond issue of EUR 8 million from 1996 will mature during the year 2001 and it will be refinanced depending on the market situation either with a new bond issue or a long-term loan.

INTEREST RATE RISK

The Group's loans are divided into floating and fixed interest rate instruments. The financing function monitors the interest rate risk position and steers it with forward rate agreements, interest rate options and interest rate swaps. At the end of the year, the average interest rate tying time of the Group's interest rate portfolio was 23 months, compared to 20 months in the previous year.

CURRENCY EXCHANGE RATE RISK

The Group consists of the parent company in Finland, sales companies in Sweden, Norway, Germany, Switzerland and the United States and tyre chain in the Nordic countries, Estonia and Latvia. The subsidiaries mostly operate in their own currencies and it is therefore mainly the parent company that needs to be protected from exposure to currency exchange rate risk. The introduction of the euro has reduced Nokian Tyres' currency exchange rate risk and in the year 2000 46% of the Group's invoicing was in currencies other than the euro. The most important currency exchange rate differences were realised by the exchange rate fluctuations of the US dollar, the Swedish crown and the Norwegian crown.

The foreign exchange exposure of the Group includes currency denominated assets and liabilities, fixed purchase and sale commitments (transaction position) where forecast foreign currency cash flow is added so that the calculation period covers the next twelve months. As defined in the Group's hedging policy, the treasury hedges the whole transaction position so that +/-20% over- or underhedging is allowed. The forecast cash flow is hedged according to the market situation. The maximum hedging percentage can be 70% from the forecasted cash flow. Exchange rate differences from hedging are entered on the Profit and Loss Account as income adjustment items and expence adjustment items. Exchange rate differences from hedging against estimated cash flow will be entered on the Profit and Loss Account as income adjustment items when the cash flow is realised. Exchange rate differences from hedging long-term liabilities are accounted in financing profit and losses.

The treasury hedges the Group's foreign exchange position through internal netting, foreign currency credit and foreign exchange derivatives. Foreign exchange derivatives are only used for hedging purposes.

On Financial Statements, foreign subsidiaries' equity is translated into euros using the average rate of European Central Bank at the end of the period and changes in currency exchange rates are entered as translation differences on the Consolidated Financial Statements. Subsidiaries' significant equities are hedged by long-term currency items. Exchange rate differences from hedging are entered on the Consolidated Financial Statements for their net value against the translation differences of the equities.

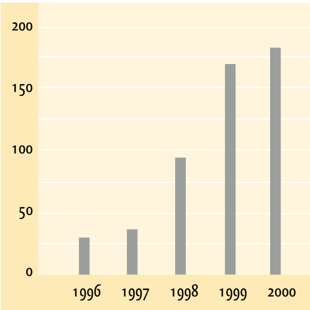
COUNTERPARTY RISK

The Group only makes short-term investments and only approves those counterparties with high credit rating.

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

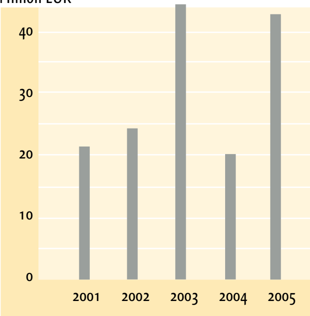
INTEREST BEARING NET DEPT

Million EUR



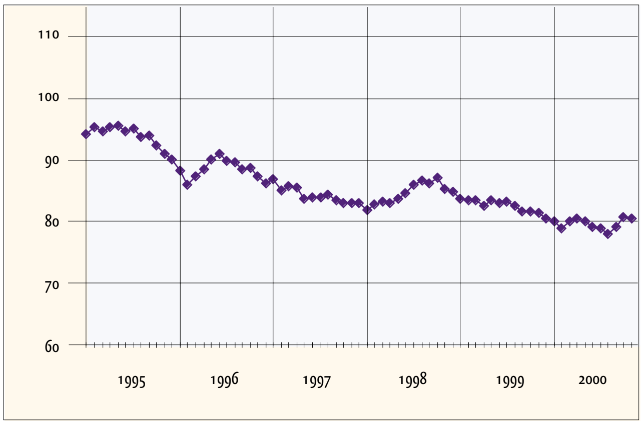
CURRENT MATURITIES OF LONG-TERM LOANS

Million EUR



EXHANGE RATE INDEX WEIGHTED BY EXPORT CURRENCIES

(Index 1990 = 100, euros)



THE BOARD´S PROPOSAL FOR THE USE OF PROFIT

The distributable reserves of the Group on 31 December 2000 total 108,173,000 euros, of which 65,857,000 euros can be distributed as dividends. The distributable reserves of the Parent Company total 35,947,644.30. There are 10,582,286 shares entitled to a dividend.

The Board of Directors proposes that a dividend of 0.65 euros (a total of 6,878,485.90 euros) be paid out for the 2000 fiscal year.

Nokia, 12 February 2001

Olli-Pekka Kallasvuo	*Lasse Kurkilahti*
Matti Oksanen	*Hannu Penttilä*
Antti Saarialho	*Kim Gran* President

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 2000. 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.

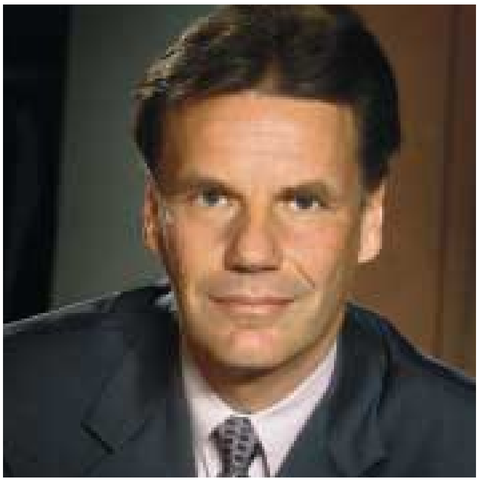
We have conducted our audit in accordance with Finnish Generally Accepted Auditing Standards. Those standards require that we plan and perform the audit in order to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a 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 of the parent company can be discharged from liability for the period audited by us. The proposal by the Board of Directors regarding the handling of the profit, is in compliance with the Finnish Companies´ Act.

Nokia, 13 February 2001

KPMG WIDERI OY AB
Matti Sulander, Authorized Public Accountant

BOARD OF DIRECTORS



Chairman:
Olli-Pekka Kallasvuo
Master of Laws
Executive Vice President, Chief Financial Officer, Nokia Group
Chairman of the Board 1992-1997
Chairman of the Board since 1999
Nokian Tyres' share ownership on 31 December 2000: 3000

Matti Oksanen
M.Sc. (Chem.Eng.)
Managing Director, Neste Marketing Ltd.
Member of the Board since 2000
Nokian Tyres' shares ownership on 31 December 2000: 600

Lasse Kurkilahti
President and CEO, Raisio Group
Member of the Board since 1988
Nokian Tyres' share ownership on 31 December 2000: 3000

Hannu Penttilä
Master of Laws
Deputy Managing Director, Stockmann plc
Member of the Board since 2000
No Nokian Tyres' shares.

Antti Saarialho
Licenciate of Technology
Professor (emer.) (Helsinki University of Technology, Automotive Engineering)
Member of the Board since 2000
No Nokian Tyres' shares.

Kim Gran
B.Sc. (Econ.)
President and CEO, Nokian Tyres plc as of September 1, 2000
No Nokian Tyres' shares.

CONTACT INFORMATION

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www.vianor.com

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Fax +46 512 10197
Managing Director Helge Bädicker

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Fax +46 40 85118
Managing Director Eddie Runfors

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Fax +371 782 0301
Managing Director Janis Biksons

Vianor/Estonia
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ESTONIA
Tel +372 605 1060
Fax +372 605 1067
Managing Director Peeter Pahn

STOCK EXCHANGE BULLETINS 2000

Nokian Tyres released 23 Stock Exchange bulletins during 2000. Below you will find concise summaries of the most important bulletins.

31.1. Nokian Tyres' public purchase offer on all Isko Oyj's shares that was started on 28 December 1999 ended on 28 January 2000.
31.1. Nokian Tyres introduces a new studded car winter tyre and three new delivery van winter tyres tailored for different market areas.
15.2. Nokian Tyres in 1999.
Profit per share in 1999 stood at 2.51 euros (2.04 euros in 1998), which is 23% higher than the previous year. Net sales increased by 28% to a total of 322.6 million euros (251.3 million euros). The Board of Directors proposes the payment of a dividend of 35% of net profit, that is 0.85 euros (0.73 euros) per share.
7.3. Nokian Tyres strengthens its retail network, which is the largest in the Nordic countries, by purchasing Rengasmestarit-Kumi-Helenius Group that has 31 tyre retail outlets in Finland. After the acquisition, Nokian Tyres' retail network covers the whole Finland. The purchase price is 8.3 million euros and the company is sold by Mr. Matti Kupiainen and his family.
29.3. Annual General Meeting, decisions. Nokian Tyres Annual General Meeting accepted the profit and loss statement for 1999 and discharged the Board of Directors and the President from liability. A decision was made on a dividend of 0.85 euros (FIM 5.05) per share.
27.4. Nokian Tyres Interim Report, January-March 2000. Earnings per share for the first quarter of 2000 stood at -0.41 euros (0.10 euros during the corresponding period of 1999). Net sales increased by 18.4% and totalled 67 million euros (57 million euros).
29.5. Mr. Lasse Kurkilahti, President and CEO of Nokian Tyres plc has been elected Chief Executive Officer of Raisio Group. He will start in his new position September 1, 2000.
22.6. The Board of Directors of Nokian Tyres plc has elected Mr Kim Gran, B.Sc. (Econ.), as President and CEO of Nokian Tyres. He will start in his new position on September 1, 2000. Kim Gran has been Vice President of Nokian Tyres' car and van tyres product area since 1994.
3.8. Nokian Tyres Interim Report, January-June 2000. Earnings per share stood at -0.39 euros (corresponding figures for 1999: 0.16 euros). Net sales increased by 25.4% and totalled 152.2 million euros (121.4 million euros).
3.8. Nokian Tyres and Michelin have agreed to establish a partnership through off-take production in car and heavy tyres.
16.8. On 16 August 2000 the court of arbitration appointed by the Finnish Central Chamber of Commerce has in its session confirmed that Nokian Tyres plc has an undisputed right to redeem the minority shares in Isko Oyj and approved the security issued by Nokian Tyres plc.
29.9. Nokian Tyres and Michelin Group sign frame agreement concerning off-take co-operation.
6.10. Nokian Tyres and Michelin Group signed two manufacturing agreements concerning the manufacturing of Nokian branded agricultural and industrial tyres as well as truck tyres at Michelin factories.
23.10. As the first tyre manufacturer in the world, Nokian Tyres has developed an intelligent tyre technology system that communicates directly with the driver's mobile phone in the future. The technology enables drivers to receive real-time information on tyre pressures without the need to install any extra equipment in the vehicle.
27.10. Nokian Tyres Interim Report, January-September 2000. Earnings per share stood at 0.26 euros (corresponding figures for 1999:0.95 euros). Net sales increased by 29.9% and totalled 258.6 million euros (199 million euros). Operating profit was 11.9 million euros (18.4 million euros).
21.12. Net sales of Nokian tyre chain in October-December will be clearly lower than expected. During the autumn, net sales and profits of the parent company developed as expected. The mild winter in the Nordic countries, particularly in Sweden, affected Nokian tyre chain net sales and decreased the demand for winter tyres strongly. Nokian Tyres' profits for the year 2000 will be clearly lower than estimated earlier.

All Stock Exchange releases from the year 2000:
www.nokiantyres.com

INVESTOR INFORMATION

Annual General Meeting

The Annual General Meeting of Nokian Tyres plc will be held on Wednesday, March 28, 2001 at 4 p.m. at Nokian Tyres' headquarters in Nokia. Registrations and handing out of ballot papers start at 3 p.m.

Shareholders registered on the company's shareholder register maintained by the Central Share Register of Finland by March 16, 2001 at the latest are entitled to attend the Annual General Meeting. Any shareholder who would like to attend must register by March 26, 2001, 3 p.m., either in writing to: Nokian Tyres plc, PO Box 20, 37101 NOKIA, Finland; or by telephone on: +358 3 3407 641 or by fax on +358 3 3407 799. Any credentials shall be delivered to the address above together with the registration.

Financial statements shall be made available at the company's headquarters one week before the Annual General Meeting of Shareholders.

Payment of dividends

The Board of Directors will propose at the Annual General Meeting of Shareholders that a dividend of 0,65 euros per share be paid for the fiscal year 2000. If the Board of Directors' proposal is accepted, the matching date for the dividend will be April 2, 2001, and the payment date will be April 9, 2001.

Share register

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

Financial reporting

Nokian Tyres will publish reports in Finnish and English as follows:

3 month Interim Report	April 27, 2001
6 month Interim Report	August 2, 2001
9 month Interim Report	October 23, 2001
Financial Statements Bulletin 2001	February 2002
Annual report 2001	March 2002

These reports can be ordered from the corporate information department at Nokian Tyres,
telephone +358 3 3407 641
fax +358 3 3407 799
e-mail info@nokiantyres.com

Internet users can access Nokian Tyres' reports and statements at
www. nokiantyres.com

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