

NOKIAN TYRES AND AMTEL SIGN LETTER OF INTENT ON A JOINT VENTURE IN RUSSIA

Amtel Holding (Russia) and Nokian Tyres plc (Finland) have signed a letter of intent to form a 50/50 joint venture company for the purpose of manufacturing, marketing, and selling premium branded tires in Russia and CIS countries.

The letter of intent, is the latest step in a relationship between the two companies in formation of a strategic partnership. A final joint venture agreement is expected to be completed in the autumn 2002. The parties have already earlier agreed to start off-take manufacturing of Nordman branded tyres at Amtel factories in the autumn of 2002.

The Joint Venture, expected to be called Amtel - Nokian Trading, will produce tires under Nokian and Nordman brands in CIS and will have a manufacturing capacity of 3 Million tires. First Nokian branded tires are going to be produced at JV's facilities in Voronezh in 2004. Full capacity planned to be reached by 2007. Total investments into new manufacturing facilities will reach US\$ 110 million with first year investment of 38 million, with the equity ratio of 30-40%.

"By combining the strengths of Nokian Tyres and Amtel, which have a strong strategic fit, we expect to create a more efficient organization committed to the needs of our customers in CIS countries", said Mr. Kim Gran, President of Nokian Tyres plc. "Furthermore, the new company has great innovative potential in product technologies and market knowledge. The elements for success in a growing Russian and CIS markets are very strong."

"The joint venture will have an impressive product range of tires for passenger cars, light and heavy trucks. Synergies in manufacturing capacity and distribution network of Amtel plus branded quality products and technology of Nokian Tyres will greatly benefit our customers, as we continue building critical mass in CIS markets," stressed Mr. Sudhir Gupta, President of Amtel.

Amtel Holdings Company, a privately held company, is a leader in the tire industry in CIS countries with a total market share of approximately 30%. In the automobile and light truck market segment, AMTEL's share is even higher - over 36.5%. AMTEL is a market leader in CIS in production of tires for bicycles and motorcycles, and tires for the aviation industry, as well as a leader in manufacturing giant tires for heavy earthmovers and dump trucks.

AMTEL possesses manufacturing facilities for production of Nylon 6 and Nylon 6.6 cord fabrics, as well as polyamide fibers (elastic), industrial Capron fibers for IRP and for the fishing industry. AMTEL manufactures more than 30% of all carbon black produced in Russia. In 2001, Amtel group has sold about 11 million tires, and employed approximately 30,000 people nationwide.

Nokian Tyres is the largest tire manufacturer in the Nordic countries and one of the most profitable companies in its industry worldwide. Nokian Tyres plc history goes back to 1898 and it was listed on the Helsinki Stock Exchange in 1995. The company's best-known brand, the Nokian Hakkapeliitta tyre, was launched in 1936. Today this brand is the most recognized brand in winter tires in Scandinavia and Russia and Nokian is the market leader in imported tyres to Russia. The company develops and manufactures summer and winter tires for cars, light trucks, vans and bicycles, and tires for a range of heavy machinery. Nokian Tyres runs the Vianor tire chain, which is the largest and most extensive of its kind in the Nordic countries. The chain comprises 170 of its own retail outlets across Finland, Sweden, Norway, Estonia and Latvia. In 2001, Nokian Tyres booked net sales of EUR 423.4 million and employed some 2,664 people.

Nokian Tyres plc

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