

Nokia Group 2003 – 2007, IFRS *

	2007	2006	2005	2004	2003
Profit and loss account, EURm					
Net sales	51 058	41 121	34 191	29 371	29 533
Cost and expenses	-43 073	-35 633	-29 552	-25 045	-24 573
Operating profit	7 985	5 488	4 639	4 326	4 960
Share of results of associated companies	44	28	10	-26	-18
Financial income and expenses	239	207	322	405	352
Profit before tax	8 268	5 723	4 971	4 705	5 294
Tax	-1 522	-1 357	-1 281	-1 446	-1 697
Profit before minority interests	6 746	4 366	3 690	3 259	3 597
Minority interests	459	-60	-74	-67	-54
Profit attributable to equity holders of the parent	7 205	4 306	3 616	3 192	3 543
Balance sheet items, EURm					
Fixed assets and other non-current assets	8 305	4 031	3 501	3 315	3 991
Current assets	29 294	18 586	18 951	19 508	20 083
Inventories	2 876	1 554	1 668	1 305	1 169
Accounts receivable and prepaid expenses	14 665	8 495	7 373	6 406	6 802
Available-for-sale investments	—	—	—	255	816
Total cash and other liquid assets	11 753	8 537	9 910	11 542	11 296
Total equity	17 338	12 060	12 514	14 553	15 466
Capital and reserves attributable to the Company's equity holders	14 773	11 968	12 309	14 385	15 302
Minority interests	2 565	92	205	168	164
Long-term liabilities	1 285	396	268	294	328
Long-term interest-bearing liabilities	203	69	21	19	20
Deferred tax liabilities	963	205	151	179	241
Other long-term liabilities	119	122	96	96	67
Current liabilities	18 976	10 161	9 670	7 976	8 280
Short-term borrowings	898	247	377	215	387
Current portion of long-term loans	173	—	—	—	84
Accounts payable	7 074	3 732	3 494	2 669	2 919
Accrued expenses	7 114	3 796	3 320	2 604	2 468
Provisions	3 717	2 386	2 479	2 488	2 422
Total assets	37 599	22 617	22 452	22 823	24 074

* As of April 1, 2007, Nokia results include those of Nokia Siemens Networks on a fully consolidated basis. Nokia Siemens Networks, a company jointly owned by Nokia and Siemens, is comprised of Nokia's former Networks business group and Siemens' carrier-related operations for fixed and mobile networks. Accordingly, the results of the Nokia Group and Nokia Siemens Networks for the year ended December 31, 2007 are not directly comparable to the results for the year ended December 31, 2006. Nokia's 2003-2006 results included Nokia's former Networks business group only.

Key ratios and economic indicators ¹	2007	2006	2005	2004	2003
Net sales, EURm	51 058	41 121	34 191	29 371	29 533
Change, %	24.2	20.3	16.4	-0.5	-1.6
Exports and foreign subsidiaries, EURm	50 736	40 734	33 860	29 020	29 186
Salaries and social expenses, EURm	5 702	4 206	3 773	3 430	3 026
Operating profit, EURm	7 985	5 488	4 639	4 326	4 960
% of net sales	15.6	13.3	13.6	14.7	16.8
Financial income and expenses, EURm	239	207	322	405	352
% of net sales	0.5	0.5	0.9	1.4	1.2
Profit before tax, EURm	8 268	5 723	4 971	4 705	5 294
% of net sales	16.2	13.9	14.5	16.0	17.9
Profit from continuing operations, EURm	7 205	4 306	3 616	3 192	3 543
% of net sales	14.1	10.5	10.6	10.9	12.0
Taxes, EURm	1 522	1 357	1 281	1 446	1 699
Dividends, EURm	2 111 ²	1 761	1 641	1 539	1 439
Capital expenditure, EURm	715	650	607	548	432
% of net sales	1.4	1.6	1.8	1.9	1.5
Gross investments ³ , EURm	1 017	897	870	1 197	1 013
% of net sales	2.0	2.2	3.1	4.1	3.4
R&D expenditure, EURm	5 647	3 897	3 825	3 776	3 788
% of net sales	11.1	9.5	11.2	12.9	12.8
Average personnel	100 534	65 324	56 896	53 511	51 605
Non-interest bearing liabilities, EURm	18 024	10 036	9 389	7 857	8 117
Interest-bearing liabilities, EURm	1 274	316	398	234	491
Return on capital employed, %	54.3	45.8	36.3	31.2	34.0
Return on equity, %	53.9	35.5	27.1	21.5	23.8
Equity ratio, %	45.5	52.6	56.4	64.6	65.0
Net debt to equity, %	-61	-68	-76	-78	-70

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² Board's proposal

³ Includes acquisitions, investments in shares and capitalized development costs.

Calculation of Key Ratios, see page 58.

Calculation of key ratios

Key ratios under IFRS

Operating profit

Profit after depreciation

Shareholders' equity

Share capital + reserves attributable to the Company's equity holders

Earnings per share (basic)

$\frac{\text{Profit attributable to equity holders of the parent}}{\text{Average of adjusted number of shares during the year}}$

P/E ratio

$\frac{\text{Adjusted share price, December 31}}{\text{Earnings per share}}$

Dividend per share

$\frac{\text{Nominal dividend per share}}{\text{The adjustment coefficients of the share issues that have taken place during or after the year in question}}$

Payout ratio

$\frac{\text{Dividend per share}}{\text{Earnings per share}}$

Dividend yield, %

$\frac{\text{Nominal dividend per share}}{\text{Share price}}$

Shareholders' equity per share

$\frac{\text{Capital and reserves attributable to the Company's equity holders}}{\text{Adjusted number of shares at year end}}$

Market capitalization

Number of shares x share price per share class

Adjusted average share price

$\frac{\text{Amount traded, in EUR, during the period}}{\text{Adjusted number of shares traded during the period}}$

Share turnover, %

$\frac{\text{Number of shares traded during the period}}{\text{Average number of shares during the period}}$

Return on capital employed, %

$\frac{\text{Profit before taxes + interest and other net financial expenses}}{\text{Average capital and reserves attributable to the Company's equity holders + short-term borrowings + long-term interest-bearing liabilities (including the current portion thereof) + minority shareholders' interests}}$

Return on shareholders' equity, %

$\frac{\text{Profit attributable to the equity holders of the parent}}{\text{Average capital and reserves attributable to the Company's equity holders during the year}}$

Equity ratio, %

$\frac{\text{Capital and reserves attributable to the Company's equity holders + minority shareholders' interests}}{\text{Total assets - advance payments received}}$

Net debt to equity (gearing), %

$\frac{\text{Long-term interest-bearing liabilities (including the current portion thereof) + short-term borrowings - cash and other liquid assets}}{\text{Capital and reserves attributable to the equity holders of the parent + minority shareholders' interests}}$

Year-end currency rates 2007

	1 EUR =
USD	1.4439
GBP	0.7148
SEK	9.4397
JPY	163.52