

Nokia Group 2004 – 2008, IFRS *

	2008	2007	2006	2005	2004
Profit and loss account, EURm					
Net sales	50 710	51 058	41 121	34 191	29 371
Cost and expenses	-45 744	-43 073	-35 633	-29 552	-25 045
Operating profit	4 966	7 985	5 488	4 639	4 326
Share of results of associated companies	6	44	28	10	-26
Financial income and expenses	-2	239	207	322	405
Profit before tax	4 970	8 268	5 723	4 971	4 705
Tax	-1 081	-1 522	-1 357	-1 281	-1 446
Profit before minority interests	3 889	6 746	4 366	3 690	3 259
Minority interests	99	459	-60	-74	-67
Profit attributable to equity holders of the parent	3 988	7 205	4 306	3 616	3 192
Balance sheet items, EURm					
Fixed assets and other non-current assets	15 112	8 305	4 031	3 501	3 315
Current assets	24 470	29 294	18 586	18 951	19 508
Inventories	2 533	2 876	1 554	1 668	1 305
Accounts receivable and prepaid expenses	15 117	14 665	8 495	7 373	6 406
Available-for-sale investments	—	—	—	—	255
Total cash and other liquid assets	6 820	11 753	8 537	9 910	11 542
Total equity	16 510	17 338	12 060	12 514	14 553
Capital and reserves attributable to the Company's equity holders	14 208	14 773	11 968	12 309	14 385
Minority interests	2 302	2 565	92	205	168
Long-term liabilities	2 717	1 285	396	268	294
Long-term interest-bearing liabilities	861	203	69	21	19
Deferred tax liabilities	1 787	963	205	151	179
Other long-term liabilities	69	119	122	96	96
Current liabilities	20 355	18 976	10 161	9 670	7 976
Current portion of long-term loans	13	173	—	—	—
Short-term borrowings	3 578	714	180	279	113
Other financial liabilities	924	184	67	98	102
Accounts payable	5 225	7 074	3 732	3 494	2 669
Accrued expenses	7 023	7 114	3 796	3 320	2 604
Provisions	3 592	3 717	2 386	2 479	2 488
Total assets	39 582	37 599	22 617	22 452	22 823

* 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 full year 2008 are not directly comparable to the results for the full years 2004–2007. Nokia's first quarter 2007 and full years 2004–2006 results included Nokia's former Networks business group only.

On July 10, 2008, Nokia completed the acquisition of NAVTEQ Corporation. NAVTEQ is a separate reportable segment of Nokia starting from the third quarter 2008. Accordingly, the results of NAVTEQ are not available for the prior periods.

Key ratios and economic indicators ¹	2008	2007	2006	2005	2004
Net sales, EURm	50 710	51 058	41 121	34 191	29 371
Change, %	-0.7	24.2	20.3	16.4	-0.5
Exports and foreign subsidiaries, EURm	50 348	50 736	40 734	33 860	29 020
Salaries and social expenses, EURm	6 847	5 702	4 206	3 773	3 430
Operating profit, EURm	4 966	7 985	5 488	4 639	4 326
% of net sales	9.8	15.6	13.3	13.6	14.7
Financial income and expenses, EURm	-2	239	207	322	405
% of net sales	—	0.5	0.5	0.9	1.4
Profit before tax, EURm	4 970	8 268	5 723	4 971	4 705
% of net sales	9.8	16.2	13.9	14.5	16.0
Profit from continuing operations, EURm	3 988	7 205	4 306	3 616	3 192
% of net sales	7.9	14.1	10.5	10.6	10.9
Taxes, EURm	1 081	1 522	1 357	1 281	1 446
Dividends, EURm	1 520 ²	2 111	1 761	1 641	1 539
Capital expenditure, EURm	889	715	650	607	548
% of net sales	1.8	1.4	1.6	1.8	1.9
Gross investments ³ , EURm	1 166	1 017	897	870	1 197
% of net sales	2.3	2.0	2.2	3.1	4.1
R&D expenditure, EURm	5 968	5 647	3 897	3 825	3 776
% of net sales	11.8	11.1	9.5	11.2	12.9
Average personnel	121 723	100 534	65 324	56 896	53 511
Non-interest bearing liabilities, EURm	16 833	18 208	10 103	9 487	7 959
Interest-bearing liabilities, EURm	4 452	1 090	249	300	132
Return on capital employed, %	27.2	54.8	46.1	36.5	31.5
Return on equity, %	27.5	53.9	35.5	27.1	21.5
Equity ratio, %	41.2	45.5	52.6	56.4	64.6
Net debt to equity, %	-14	-62	-69	-77	-78

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² Board's proposal.

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

Calculation of key ratios, see page 60.

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 exchange rates 2008

	1 EUR =
USD	1.3917
GBP	0.9525
JPY	126.14
CNY	9.4956
INR	67.066