

Review by the Board of Directors 2008*

In 2008, Nokia's net sales decreased 1% to EUR 50 710 million (EUR 51 058 million in 2007). Net sales of Devices & Services for 2008 decreased 7% to EUR 35 099 million (EUR 37 705 million). Net sales of NAVTEQ for the six months ended December 31, 2008 were EUR 361 million. Net sales of Nokia Siemens Networks increased 14% to EUR 15 309 million (EUR 13 393 million).

In 2008, Europe accounted for 37% (39% in 2007) of Nokia's net sales, Asia-Pacific 22% (22%), Greater China 13% (12%), North America 4% (5%), Latin America 10% (8%), and Middle East & Africa 14% (14%). The 10 markets in which Nokia generated the greatest net sales in 2008 were, in descending order of magnitude, China, India, the UK, Germany, Russia, Indonesia, the US, Brazil, Italy and Spain, together representing approximately 50% of total net sales in 2008. In comparison, the 10 markets in which Nokia generated the greatest net sales in 2007 were China, India, Germany, the UK, the US, Russia, Spain, Italy, Indonesia and Brazil, together representing approximately 50% of total net sales in 2007.

Nokia's gross margin in 2008 was 34.3%, compared to 33.8% in 2007. Nokia's 2008 operating profit decreased 38% to EUR 4 966 million, compared with EUR 7 985 million in 2007. Nokia's 2008 operating margin was 9.8% (15.6%). Nokia's operating profit in 2008 included purchase price accounting items and other special items of net negative EUR 2 067 million (net positive EUR 288 million). Devices & Services operating profit decreased 23% to EUR 5 816 million, compared with EUR 7 584 million in 2007, with an operating margin of 16.6% (20.1%). Devices & Services operating profit in 2008 included special items of net negative EUR 557 million (net negative EUR 4 million). NAVTEQ's operating loss for the six months ended on December 31, 2008 was EUR 153 million, representing an operating margin of -42.4%. NAVTEQ's operating loss included purchase price accounting items and other special items of net negative EUR 235 million. Nokia Siemens Networks had an operating loss of EUR 301 million, compared with a EUR 1 308 million operating loss in 2007, representing an operating margin of -2.0% (-9.8%). Nokia Siemens Networks operating loss in 2008 included purchase price accounting items and other special items of net negative EUR 1 058 million (net negative EUR 1 639 million).

The global economic slowdown, combined with unprecedented currency volatility, resulted in a sharp pull back in global consumer spending in the second half of 2008, particularly in the fourth quarter. The more limited availability of credit also reduced the purchasing ability of some trade customers. In 2008,

Nokia's net sales and profitability, in particular in Devices & Services, were negatively impacted by these factors.

Research and development expenses were EUR 5 968 million in 2008, up 6% from EUR 5 636 million in 2007. Research and development costs represented 11.8% of Nokia's net sales in 2008, up from 11.0% in 2007. Research and development expenses included purchase price accounting items and other special items of EUR 550 million in 2008 (EUR 575 million in 2007). At December 31, 2008, Nokia employed 39 350 people in research and development, representing approximately 31% of Nokia's total workforce, and had a strong research and development presence in 16 countries.

In 2008, Nokia's selling and marketing expenses were EUR 4 380 million, compared with EUR 4 379 million in 2007. Selling and marketing expenses for Nokia represented 8.6% of its net sales in 2008 (8.6% in 2007). Selling and marketing expenses included purchase price accounting items and other special items of EUR 341 million in 2008 (EUR 363 million).

Administrative and general expenses were EUR 1 284 million in 2008, compared to EUR 1 165 million in 2007. Administrative and general expenses were equal to 2.5% of net sales in 2008 (2.3% in 2007). Administrative and general expenses included special items of EUR 163 million in 2008 (EUR 146 million).

Corporate Common Functions expenses totaled EUR 396 million in 2008, compared with an operating profit of EUR 1 709 million in 2007. Expenses in 2008 included a EUR 217 million loss due to transfer of Finnish pension liabilities.

Net financial expense was EUR 2 million in 2008 (income of EUR 239 million in 2007).

Profit before tax and minority interests was EUR 4 970 million (EUR 8 268 million in 2007). Net profit totaled EUR 3 988 million (EUR 7 205 million in 2007). Earnings per share decreased to EUR 1.07 (basic) and EUR 1.05 (diluted), compared to EUR 1.85 (basic) and EUR 1.83 (diluted) in 2007.

Operating cash flow for the year ended December 31, 2008 was EUR 3 197 million (EUR 7 882 million for the year ended December 31, 2007) and total combined cash and other liquid assets were EUR 6 820 million (EUR 11 753 million). As at December 31, 2008, our net debt-to-equity ratio (gearing) was -14% (-62% as at December 31, 2007). In 2008, capital expenditure amounted to EUR 889 million (EUR 715 million).

The key financial data, including the calculation of key ratios, for the years 2008, 2007 and 2006 may be found in the Annual Accounts.

Main events in 2008

Nokia Group

- » Nokia began operating under its new organizational structure, with its three former mobile device business groups—Mobile Phones, Multimedia and Enterprise Solutions—and the supporting horizontal groups forming one integrated business group, Devices & Services. The new organizational structure is designed to align Nokia with the opportunities Nokia sees for future growth in devices and services and increase efficient ways of working across the company. Devices & Services has three business units: Devices; Services (operated in 2008 under the Services & Software name); and Markets. The three units receive operational support from our Corporate Development Office, which is also responsible for exploring corporate strategic and future growth opportunities.
- » Nokia announced and completed the closure of its mobile devices production facility in Bochum, Germany, began production of mobile devices at its new facility in Cluj, Romania, and made investments to upgrade its mobile device production facilities in Chennai, India and Manaus, Brazil.
- » Nokia and Qualcomm announced that they entered into a new 15 year license agreement covering various standards, including GSM, EDGE, CDMA, WCDMA, HSDPA, OFDM, WiMAX, LTE and other technologies. The agreement resulted in settlement of all litigation between the two companies.

Devices

- » Further strengthening its Nokia Nseries range of mobile devices, Nokia announced and began shipments of the Nokia N78, Nokia N79, Nokia N85 and Nokia N96, and unveiled the flagship Nokia N97 mobile computer.
- » Building out the Nokia Eseries range of mobile devices, Nokia announced and began shipments of the Nokia E63, Nokia E66 and Nokia E71.
- » Nokia announced that Microsoft Exchange ActiveSync will be available in all Nokia S60 3rd Edition devices, as well as compatibility with IBM Lotus Notes Traveler on all Nokia S60 3rd Edition devices. These announcements enable access to over 80% of the world's corporate email accounts.
- » Nokia announced and began shipments of eight mobile devices with functions and features specially designed for consumers in emerging markets, starting with the Nokia 1202 and up to the Nokia 7100 Supernova.

* As of January 1, 2008, our three mobile device business groups, Mobile Phones, Multimedia and Enterprise Solutions, and the supporting horizontal groups were replaced by an integrated business segment, Devices & Services. Prior period results for Nokia and its reportable segments have been regrouped for comparability purposes according to the new reportable segments.

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.

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 the former Nokia Networks and Siemens' carrier-related operations for fixed and mobile networks. Accordingly, the results of Nokia Group and Nokia Siemens Networks for the full year 2008 are not directly comparable to the results for the full years 2007 and 2006. Nokia's first quarter 2007 and the full year 2006 results included Nokia's former Networks business group only.

- » Nokia announced and began shipments of the Nokia 5800 XpressMusic, a mobile device optimized for music and featuring a 3.2 inch touch screen display with tactile feedback, a 3.2 megapixel camera and A-GPS functionality.
- » Nokia announced and began shipments of the Nokia 6210 Navigator, the first Nokia GPS-enabled device with an integrated compass for pedestrian guidance, and the Nokia 6220 classic.

Services & Software

- » Nokia announced that it is focusing on developing services in five core areas: music, maps, media, messaging and games.
- » Nokia expanded Nokia Music Store, its digital music store, to a cumulative total of 12 across three continents in 2008, from one at the end of 2007.
- » Nokia launched Comes With Music first in the United Kingdom, with the support of all major music labels—Universal Music Group International, Warner Music Group, Sony BMG Music Entertainment and EMI Group—numerous independent labels as well as music publishing rights.
- » The number of titles available on the N-Gage mobile games service grew to 27 by the end of the year.
- » Nokia updated Ovi.com with functionality for syncing your calendar, contacts, notes and tasks between a Nokia mobile device and *www.ovi.com*.

NAVTEQ

- » NAVTEQ announced an industry strategy for map-enhanced ADAS (advanced driver assistance systems) using the Map-Enhanced Positioning Engine (MPE).
- » NAVTEQ started providing both NAVTEQ Traffic RDS delivery service and NAVTEQ interactive advertising services for multiple Garmin devices (the nuvi 755T and 775T and nuvi 2x5 family). Together with Garmin, NAVTEQ is the first to bring an advertising supported, real-time traffic service to market in North America.
- » NAVTEQ expanded its portfolio of dynamic content—or real-time data—to include flight status and fuel prices, leveraging leading dynamic distribution capabilities from traffic and camera alerts.

Nokia Siemens Networks

- » At the Mobile World Congress 2008, Nokia Siemens Networks launched its LTE solution for radio and core networks, including the new Flexi Multimode Base Station, and in October announced that it had begun shipping LTE-compatible Flexi base stations.
- » Nokia Siemens Networks demonstrated its technological leadership throughout the year with a number of industry-leading events: the launch of the industry's first DWDM single optical platform serving Metro to Core; the world's first demonstration of LTE-Advanced technology; a record-breaking 100 Gbps. transmission on a single wavelength for more than 1040 kilometers over deployed field fiber (with Verizon); and the world's fastest IHSFA data call using a mobile device.
- » Nokia Siemens Networks secured major 3G radio access deals all over the world, from the UK to Mexico and Brazil to Indonesia.
- » Nokia Siemens Networks' Services expanded its global remote delivery capability, delivering more than 200 projects across the world with successes including major event support ensuring network quality and performance, software upgrades and maintenance, and network monitoring and planning services.
- » Nokia Siemens Networks continued to win major managed services deals including a breakthrough network operations agreement with Embarq Corporation in the United States.
- » Demonstrating its ongoing commitment to developing innovative solutions for emerging markets, Nokia Siemens Networks launched its eCommerce rural trading platform with Fujian Mobile in China, and added internet capability to its Village Connection solution.
- » In November 2008, Nokia Siemens Networks announced that it completed the preliminary planning process to identify the proposed remaining headcount reductions necessary to reach its previously announced synergy-related headcount adjustment goal of 9000 and began the process of sharing those plans with employees and their representatives.
- » Nokia Siemens Networks achieved substantially all of the EUR 2.0 billion of targeted annual cost synergies by the end of 2008.

Acquisitions and divestments 2008

- » On December 22, 2008, Nokia announced that it had signed an agreement to sell its security appliance business to Check Point Software Technologies. The disposal related to the renewal of Nokia's business mobility strategy and discontinuance of developing and marketing its own behind-the-firewall business mobility solutions.
- » On December 2, 2008, Nokia announced the completion of its acquisition of Symbian Limited, the company that develops and licenses Symbian OS, the market-leading operating system for mobile devices. The acquisition is an important step by Nokia and industry partners to develop Symbian OS into an open and unified mobile software platform, which will be licensed royalty-free and eventually move towards 'open source'. Nokia and its partners plan to establish Symbian Foundation, an independent entity, to manage and unify the platform.
- » On November 20, 2008, NAVTEQ announced an agreement to acquire T-Traffic Systems GmbH, a leading provider of traffic services in Germany. The acquisition was completed in January 2009.
- » On November 4, 2008, Nokia announced the completion of its acquisition of OZ Communications Inc., the leading consumer mobile messaging solution provider which delivers access to popular instant messaging and email services on consumer mobile devices.
- » On July 15, 2008, Nokia announced the completion of its acquisition of Plazes AG, a context-aware social activity service provider, to help Nokia to accelerate its vision of bringing people and places closer together, in line with Nokia's broader services strategy.
- » On July 10, 2008, Nokia completed the acquisition of NAVTEQ, a leading provider of comprehensive digital map information. As part of Nokia, NAVTEQ continues to develop its world-class expertise in the navigation industry, service its strong customer base, and invest in the further development of its industry-leading map data and technology platform.
- » On June 17, 2008, Nokia announced the completion of its acquisition of Trolltech ASA, a recognized software provider with world-class software development platforms and frameworks. Trolltech now operates as Qt Software, taking its new name from its Qt technology that forms the basis for tens of thousands of commercial and open source applications.
- » On May 15, 2008, Nokia announced the completion of its disposal of Identity Systems to Informatica Corporation.

- » On February 11, 2008, Nokia Siemens Networks announced that it had completed the acquisition of Apertio Ltd., a leading provider of open real-time subscriber data platforms and applications.
- » On January 7, 2008, Nokia Siemens Networks announced the completion of the acquisition of Carrier Ethernet specialist Atrica.

Personnel

The average number of employees for 2008 was 121 723, (100 534 for 2007 and 65 324 for 2006). At December 31, 2008, Nokia employed a total of 125 829 people (112 262 at December 31, 2007, and 68 483 people at December 31, 2006). The total amount of wages and salaries paid in 2008 was EUR 5 615 million (EUR 4 664 million in 2007 and EUR 3 457 million in 2006).

Management and Board of Directors

Board of Directors, Group Executive Board and President

Pursuant to the articles of association, Nokia has a Board of Directors composed of a minimum of seven and a maximum of twelve members. The members of the Board are elected for a term of one year at each Annual General Meeting, i.e. as from the close of that Annual General Meeting until the close of the following Annual General Meeting, which convenes each year by June 30. A general meeting may also dismiss a member of the Board of Directors. The Board has the responsibility for appointing and discharging the President as well as the CEO and the other members of the Group Executive Board. The CEO also acts as the President.

The current members of the Board of Directors were elected at the Annual General Meeting on May 8, 2008. On December 31, 2008, the Board consisted of the following members: Jorma Ollila (Chairman), Marjorie Scardino (Vice Chairman), Georg Ehrnrooth, Lalita D. Gupte, Bengt Holmström, Henning Kagermann, Per Karlsson, Olli-Pekka Kallasvuo, Risto Siilasmaa and Keijo Suila.

Information on shares and stock options held by the members of the Board of Directors and the President and CEO (and the other members of the Group Executive Board) may be found in the Annual Accounts.

Changes in the Group Executive Board

Veli Sundbäck, Executive Vice President, Corporate Relations and Responsibility, resigned from the Group Executive Board as of December 31, 2008, but Mr. Sundbäck will continue in Nokia as an executive advisor until his retirement on May 31, 2009. Esko Aho, Executive Vice President, Corporate Relations and Responsibility, was appointed as a member of the Group Executive Board as of January 1, 2009.

Service contracts

Olli Pekka Kallasvuo's service contract covers his current position as President and CEO and Chairman of the Group Executive Board. As at December 31, 2008, Mr. Kallasvuo's annual total gross base salary, which is subject to an annual review by the Board of Directors and confirmation by the independent members of the Board, was EUR 1 176 000. His incentive targets under the Nokia short-term cash incentive plan are 150% of the annual gross base salary. In case of termination by Nokia for reasons other than cause, including a change of control, Mr. Kallasvuo is entitled to a severance payment of up to 18 months of compensation (both the annual total gross base salary and target incentive). In case of termination by Mr. Kallasvuo, the notice period is six months and he is entitled to a payment for such notice period (both annual total gross base salary and target incentive for six months). Mr. Kallasvuo is subject to a 12-month non-competition obligation after termination of the contract. Unless the contract is terminated for cause, Mr. Kallasvuo may be entitled to compensation during the non-competition period or a part of it. Such compensation amounts to the annual total gross base salary and target incentive for the respective period during which no severance payment is paid.

Provisions on the amendment of Articles of Association

Amendment of the Articles of Association requires a decision of the general meeting, supported by two-thirds of the votes cast and two-thirds of the shares represented at the meeting. Amendment of the provisions of Article 13 of the Articles of Association requires a resolution supported by three-quarters of the votes cast and three-quarters of the shares represented at the meeting.

Shares and share capital

Nokia has one class of shares. Each Nokia share entitles the holder to one vote at general meetings of Nokia.

In 2008, Nokia issued 3 546 508 new shares upon exercise of stock options issued to personnel in 2003 and 2005. Effective March 27, 2008, a total of 185 409 913 shares held by the company were cancelled. The issuance of new shares and cancellation of shares did not have an effect on the amount of share capital of the company. Neither the issuance nor the cancellation of shares had any significant effect on the relative holdings of the other shareholders of the company nor on their voting power.

Nokia repurchased through its share repurchase plan a total of 157.4 million shares on NASDAQ OMX Helsinki at an aggregate price of approximately EUR 3 123 million during the period from January 25, 2008,

to August 7, 2008. The price paid is based on the market price at the time of repurchase. The shares were repurchased to be used for the purposes specified in the authorizations given by the Annual General Meetings of 2007 and 2008 to the Board. The aggregate amount of shares repurchased in 2008 represented approximately 4.1% of the total number of shares of the company and the total voting rights at the end of 2008. These new holdings did not have any significant effect on the relative holdings of the other shareholders of the company nor on their voting power.

In 2008, Nokia transferred a total of 4.2 million Nokia shares held by it under the Performance Share Plans and 1.4 million shares held by it under its Restricted Share Plans as settlement under the plans to the Plan participants, personnel of Nokia Group. The amount of shares transferred represented approximately 0.1% of the total number of shares of the company and the total voting rights. The transfers did not have a significant effect on the relative holdings of the other shareholders of the company nor on their voting power.

On December 31, 2008, Nokia and its subsidiary companies owned 103 076 379 Nokia shares. The shares represented approximately 2.7 % of the total number of the shares of the company and the total voting rights. The total number of shares at December 31, 2007, was 3 800 948 552. On December 31, 2008, Nokia's share capital was EUR 245 896 461.96.

Information on the authorizations held by the Board of Directors in 2008 to issue shares and special rights entitling to shares, transfer shares and repurchase own shares as well as information on the shareholders, stock options, shareholders' equity per share, dividend yield, price per earnings ratio, share prices, market capitalization, share turnover and average number of shares may be found in the Annual Accounts.

Industry and Nokia outlook for full year 2009

- » While noting the extremely limited visibility, Nokia expects 2009 industry mobile device volumes to decline approximately 10% from 2008 levels.
- » Nokia targets an increase in its market share in mobile devices in 2009.
- » Nokia and Nokia Siemens Networks expect the mobile infrastructure and fixed infrastructure and related services market to decline 5% or more in Euro terms in 2009, from 2008 levels.
- » Nokia and Nokia Siemens Networks target for Nokia Siemens Networks market share to remain constant in 2009, compared to 2008.

Subsequent events

In February 2009, Nokia issued EUR 1 750 million of Eurobonds with maturities of five and ten years under our EUR 3 000 million Euro Medium Term Note, or EMTN program, to repay part of its existing short-term borrowings. Nokia voluntarily cancelled its USD 2 000 million committed credit facility maturing in 2009 due to this repayment. In February 2009 Nokia also signed and fully drew down EUR 500 million loan from the European Investment Bank to finance part of its smartphone research and development expenses.

Risk factors

Set forth below is a description of risk factors that could affect Nokia. There may be, however, additional risks unknown to Nokia and other risks currently believed to be immaterial that could turn out to be material. These risks, either individually or together, could adversely affect our business, sales, results of operations, financial condition and share price from time to time.

- » We are a global company and have sales in most countries of the world and, consequently, our sales and profitability are dependent on general economic conditions globally and locally. The impact of the current global economic turmoil and any further deterioration of global economic conditions, as well as the related financial crisis, on us, our customers and end-users of our products, services and solutions, and suppliers and collaborative partners may have a material adverse effect on our business, results of operations and financial condition.
- » Our sales and profitability depend materially on the development of the mobile and fixed communications industry as well as the growth and profitability of the new market segments that we target and our ability to successfully develop or acquire and market products, services and solutions in those segments. If the mobile and fixed communications industry develop in an adverse manner, or if the new market segments we target and invest in grow less or are less profitable than expected, or if new faster growing market segments emerge in which we have not invested, our business, results of operations and financial condition may be materially adversely affected.
- » Competition in our industry is intense. Our failure to maintain or improve our market position or respond successfully to changes in the competitive landscape may have a material adverse effect on our business and results of operations.
- » We need to have a competitive portfolio of products, services and solutions that are preferred by our current and potential customers to those of our competitors. If we fail to achieve or maintain a competitive portfolio, our business, market share and results of operations may be materially adversely affected.
- » Our business and results of operations, particularly our profitability, may be materially adversely affected if we are not able to successfully manage costs related to our products, services, solutions and operations.
- » Our sales, costs and results of operations as well as the US dollar value of our dividends and market price of our ADSs are affected by exchange rate fluctuations, particularly between the euro, which is our reporting currency, and the US dollar, the Japanese yen, the Chinese yuan and the UK pound sterling, as well as certain other currencies.
- » We depend on a limited number of suppliers for the timely delivery of sufficient amounts of fully functional components, sub-assemblies, software and content and for their compliance with our supplier requirements, such as our own and our customers' product quality, safety, security and other standards. Their failure to deliver or meet those requirements could materially adversely affect our ability to deliver our products, services and solutions successfully and on time.
- » We must timely and successfully develop or otherwise acquire the appropriate technologies to use in our business. If we fail to develop or otherwise acquire these technologies as required by the market, or to successfully commercialize such technologies as new advanced products, services and solutions that meet customer demand, or fail to do so on a timely basis, this may have a material adverse effect on our business and results of operations.
- » Any actual or even alleged defects or other quality issues in our products, services and solutions could materially adversely affect our sales, results of operations, reputation and the value of the Nokia brand.
- » Our sales derived from, and assets located in, emerging market countries may be materially adversely affected by economic, regulatory and political developments in those countries or by other countries imposing regulations against imports to such countries. As sales from these countries represent a significant portion of our total sales, economic or political turmoil in these countries could materially adversely affect our sales and results of operations. Our investments in emerging market countries may also be subject to other risks and uncertainties.
- » Changes in various types of regulation and trade policies in countries around the world could have a material adverse effect on our business and results of operations.
- » We are developing a number of new products, services and solutions together with other companies. If any of these companies were to fail to perform as planned, we may not be able to bring our products, services and solutions to market successfully or in a timely way and this could have a material adverse effect on our sales and results of operations.
- » Our sales and results of operations could be materially adversely affected if we fail to efficiently manage our manufacturing and logistics without interruption or make timely and appropriate adjustments, or fail to ensure that our products, services and solutions meet our and our customers' quality, safety, security and other requirements and are delivered on time and in sufficient volumes.
- » Our products, services and solutions include increasingly complex technologies, some of which have been developed by us or licensed to us by certain third parties. As a consequence, evaluating the rights related to the technologies we use or intend to use is more and more challenging, and we expect increasingly to face claims that we have infringed third parties' intellectual property rights. The use of these technologies may also result in increased licensing costs for us, restrictions on our ability to use certain technologies in our products, services and solution offerings, and/or costly and time-consuming litigation, which could have a material adverse effect on our business, results of operations and financial condition.
- » Our products, services and solutions include numerous new Nokia, NAVTEQ and Nokia Siemens Networks patented, standardized or proprietary technologies on which we depend. Third parties may use without a license or unlawfully infringe our intellectual property or commence actions seeking to establish the invalidity of the intellectual property rights of these technologies. This may have a material adverse effect on our business and results of operations.
- » Our operations rely on the efficient and uninterrupted operation of complex and centralized information technology systems and networks. If a system or network inefficiency, malfunction or disruption occurs, this could have a material adverse effect on our business and results of operations.

- » The networks infrastructure business relies on a limited number of customers and large multi-year contracts. Unfavorable developments under such a contract or in relation to a major customer may adversely and materially affect our sales, results of operations and financial condition.
- » Providing customer financing or extending payment terms to customers can be a competitive requirement and could have a material adverse effect on our results of operations and financial condition.
- » If we are unable to retain, motivate, develop and recruit appropriately skilled employees, our ability to implement our strategies may be hampered and, consequently, that may have a material adverse effect on our business and results of operations.
- » Some of the Siemens carrier-related operations transferred to Nokia Siemens Networks have been and continue to be the subject of various criminal and other governmental investigations related to whether certain transactions and payments arranged by some former employees of Siemens were unlawful. As a result of those investigations, government authorities and others have taken and may take further actions against Siemens and/or its employees that may involve and affect the assets and employees transferred by Siemens to Nokia Siemens Networks, or there may be undetected additional violations that may have occurred prior to the transfer or violations that may have occurred after the transfer of such assets and employees that could have a material adverse effect on Nokia Siemens Networks and our reputation, business, results of operations and financial condition.
- » An unfavorable outcome of litigation could have a material adverse effect on our business, results of operations and financial condition.
- » Allegations of possible health risks from the electromagnetic fields generated by base stations and mobile devices, and the lawsuits and publicity relating to this matter, regardless of merit, could have a material adverse effect on our sales, results of operations, share price, reputation and brand value by leading consumers to reduce their use of mobile devices, by increasing difficulty in obtaining sites for base stations, or by leading regulatory bodies to set arbitrary use restrictions and exposure limits, or by causing us to allocate additional monetary and personnel resources to these issues.

Dividend

Nokia's Board of Directors will propose a dividend of EUR 0.40 per share for 2008.