

# ABOUT NOKIA



**NOKIA**  
CONNECTING PEOPLE



## Nokia is about Connecting People

Mobile communications have made it possible for everyone to stay in touch with the people and information that matter to them. Everyone from first-time to experienced mobile phone users and business professionals to serious mobile gamers will find Nokia products to help them stay in touch.

## Our business

Nokia is dedicated to enhancing people's lives and productivity by providing easy-to-use and secure products like mobile phones and solutions for imaging, games, media, mobile network operators and businesses.

## Our people

Nokia employs over 50 000 people from more than 120 countries, which creates a world of opportunity for our personnel. For many people, working side by side with people from diverse backgrounds is an attractive aspect of their daily work.

## Our actions

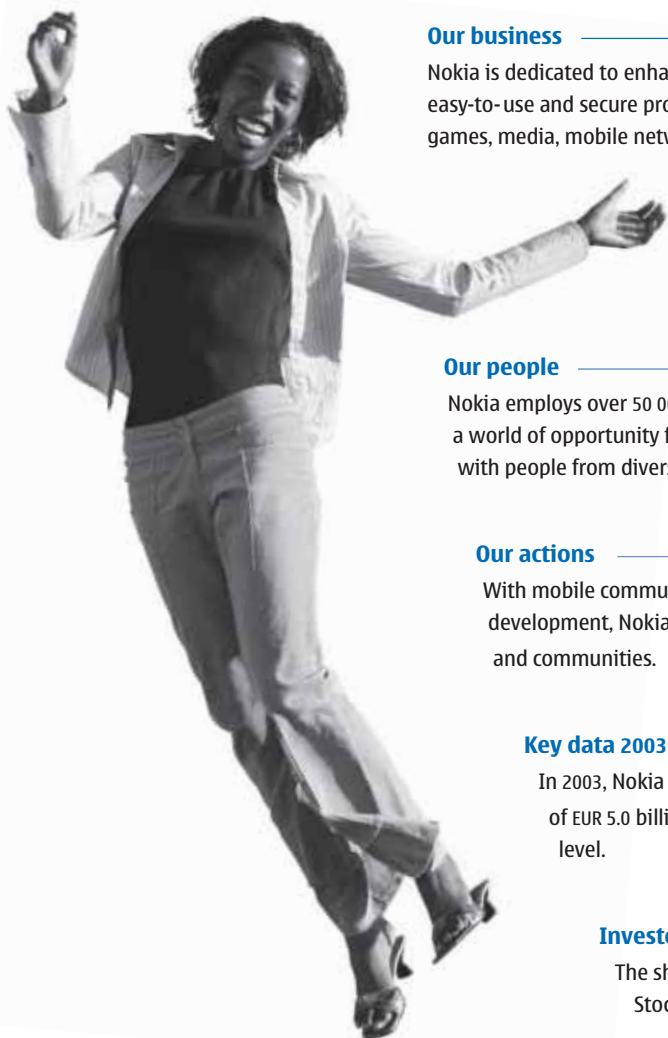
With mobile communications as an established force for social and economic development, Nokia is committed to responsible business, the environment and communities.

## Key data 2003

In 2003, Nokia achieved strong profitability and operating profit of EUR 5.0 billion. In addition, our cash flow remained at an excellent level.

## Investor information

The shares of Nokia Corporation are listed on the Helsinki, Stockholm, Frankfurt, Paris and New York stock exchanges.





Mobile communications have made it possible for everyone to stay in touch with the people and information that matter to them. Everyone from first-time to experienced mobile phone users and business professionals to serious mobile gamers will find easy-to-use Nokia products to help them stay in touch.

Nokia is most often known as a leader in mobile phones, but we offer much more for our customers. We have a broad range of products, not only the traditional mobile phones for which we are best known, but also advanced mobile devices and solutions for imaging, games, media, mobile network operators and businesses. Some of these business areas are new and represent an exciting future for the company. For example, mobile multimedia products have already hit the market with features such as imaging and multi-player games, while enterprise-focused handsets and mobile connectivity solutions have the potential to rejuvenate the world of business. At the same time, our networks business continues to provide the backbone over which voice and data communications take place.

## **“Nokia is about Connecting People”**

Around the world, the number of people using mobile devices continues to grow. The number of first-time mobile phone users is increasing, especially in markets with low penetration rates, while more developed mobile phone markets are seeing the adoption of advanced devices as features such as cameras and color-screens capture our imagination. Exciting developments in our industry will shape the future use of mobile devices. A new mobility industry is emerging in which the mobile



communications, information technology and media industries converge, and mobile devices that combine a mobile phone, digital camera and personal digital assistant (PDA) are just the first examples. The years ahead promise powerful mobile devices and networks, with which people can send and receive pictures, files, documents and complete many of the other activities carried out at the desk today.

In 2008, we expect there will be 2 billion people using mobile devices as part of their daily lives. Looking even further ahead towards more universal access, the aim is to bring access to communications to half of the world's people by 2015.

At Nokia, we know that maintaining our edge depends on understanding the customer, developing easy to use and attractive products with leading technologies, cooperating with industry players and promoting the development and use of open standards. We believe the result will be a healthy mobility industry where customers will enjoy substantial benefits.

While customer satisfaction remains foremost among our Nokia values, it doesn't detract from the importance

we attach to our own personnel. Our aim is to create an atmosphere in which everyone can reach their potential, and enjoy doing so. After all, the passion of our people lies at the heart of our efforts to please customers today and in the future. Doing the right thing by our employees is important. It not only influences the culture of the company, it impacts positively on the health and sustainability of the business.

Sustainability, however, depends on many things, not least the way we interact with the community and the environment. To that end, Nokia undertakes many projects each year to ensure that it meets its social, environmental and economic responsibilities. These extend from community involvement programs and efforts to raise environmental awareness, to the creation of products that will bring mobility to less affluent parts of the world. Ultimately, doing the right thing is less an act of altruism than the simple, common-sense approach to doing business that we have maintained throughout our history.

**Jorma Ollila**

Chairman and CEO, Nokia



**OUR BUSINESS**



### A new era begins

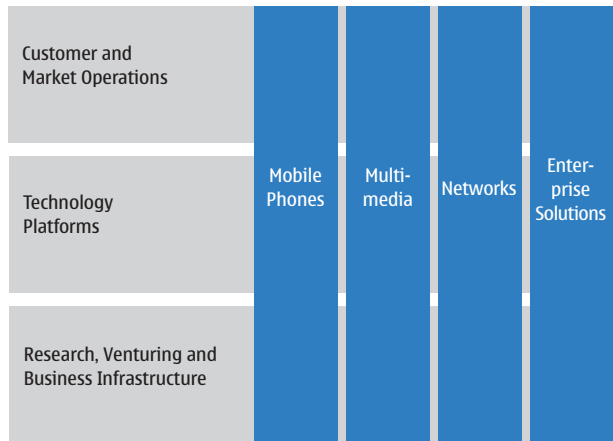
Today, Nokia is a world leader in mobile communications, contributing to the growth and sustainability of the broader mobility industry. Nokia is dedicated to enhancing people’s lives and productivity by providing easy-to-use and secure products like mobile phones and solutions for imaging, games, media, mobile network operators and businesses.

we aim to help people get connected and increase the level of enjoyment and productivity that results. Today, Nokia comprises four business groups: Mobile Phones, Multimedia, Networks and Enterprise Solutions.

The company has come a long way from its 19<sup>th</sup> century origins in the paper industry. Following earlier divestments of non-core businesses, our decision to concentrate on mobile telecommunications in the early 1990s allowed us to help build the industry at the very beginning of its dramatic growth. Now, more than one in three mobile phones sold globally is a Nokia phone. Now, as the features and functionality of mobile devices extends from voice to imaging, games, entertainment and business applications, we are again entering a new growth period.

Our strategy is to expand mobile voice, drive consumer multimedia, and bring mobility to enterprise. This means

### New Nokia business group structure



### What is the origin of the Nokia name?

The Nokia name comes from the river Nokia (on which Fredrik Idestam founded the wood pulp mill, Nokia Ab, in 1865). The river took its name from a dark, furry rodent called the nokia (in English, the musteline), which lived on the banks of the river.





**Mobile Phones** develops mobile phones for all major standards and customer segments in over 130 countries. It is responsible for Nokia's current core mobile phones business, based mainly on GSM, CDMA and TDMA technologies. Mobile Phones focuses on bringing feature-rich, segmented mobile phones to the global market. Its comprehensive product portfolio consists of several categories catering to the diverse needs, lifestyles and preferences of our customers.

**Multimedia** brings mobile multimedia to consumers in the form of advanced mobile devices and applications. Its products have features and functionality such as imaging, games, music, media and a range of other attractive content. Our ambitions for Multimedia are reflected in products such as the Nokia 7700 media device, the Nokia 6600 imaging phone, the Nokia 7600 3G phone and the Nokia N-Gage mobile game deck.



**Networks** is a leading provider of network infrastructure, service delivery platforms and related services to mobile operators and service providers. Focusing on the GSM family of technologies, the group aims at leadership in GSM, EDGE and WCDMA radio networks. Our networks have been installed in all major global markets that have adopted these standards. Networks is also a leading provider of broadband access and TETRA networks for professional users in the public safety and security sector.

Through the **Enterprise Solutions** business group, Nokia seeks to leverage its knowledge of the two crucial elements in mobilizing enterprises: high levels of security and reliability, and the ability to produce state-of-the-art, pocketable, powerful and user-friendly devices. Enterprise Solutions offers businesses a range of devices and mobile connectivity solutions based on end-to-end mobility architecture, and focuses on business devices, IP network perimeter security and mobile connectivity solutions. These help companies mobilize their workforces while ensuring the security and reliability of their networks.

Nokia also has three horizontal groups that support the business groups: Customer and Market Operations, Technology Platforms, and Research, Venturing and Business Infrastructure.

**Customer and Market Operations** includes Nokia's sales and marketing organization as well as manufacturing, logistics and sourcing. They have been organized globally to support the three mobile phone and device related business groups: Mobile Phones, Multimedia and Enterprise Solutions. The Networks business group continues to have its own dedicated sales and marketing, logistics and sourcing activities.

**Technology Platforms** delivers leading technologies and platforms to Nokia's business groups and external customers. The unit addresses the evolving converging digital industry and strengthens Nokia's position with the help of competitive technologies.

**Research, Venturing and Business Infrastructure** combines the forces of the several important organizations. Looking beyond current product development, the Nokia Research Center develops disruptive technologies and creates competencies in technology areas vital to the company's future success. The ongoing renewal of the company is also furthered by the Nokia Ventures Organization, which identifies new business opportunities and nurtures them through to profitable commercialization. To enable the overall efficient operation of the company, Business Infrastructure manages our business processes, applications supporting those processes, and IT platforms.

With a leading brand, strong product offering, advanced technology, and unique corporate culture, Nokia is well placed to usher in a new era of mobile communications.

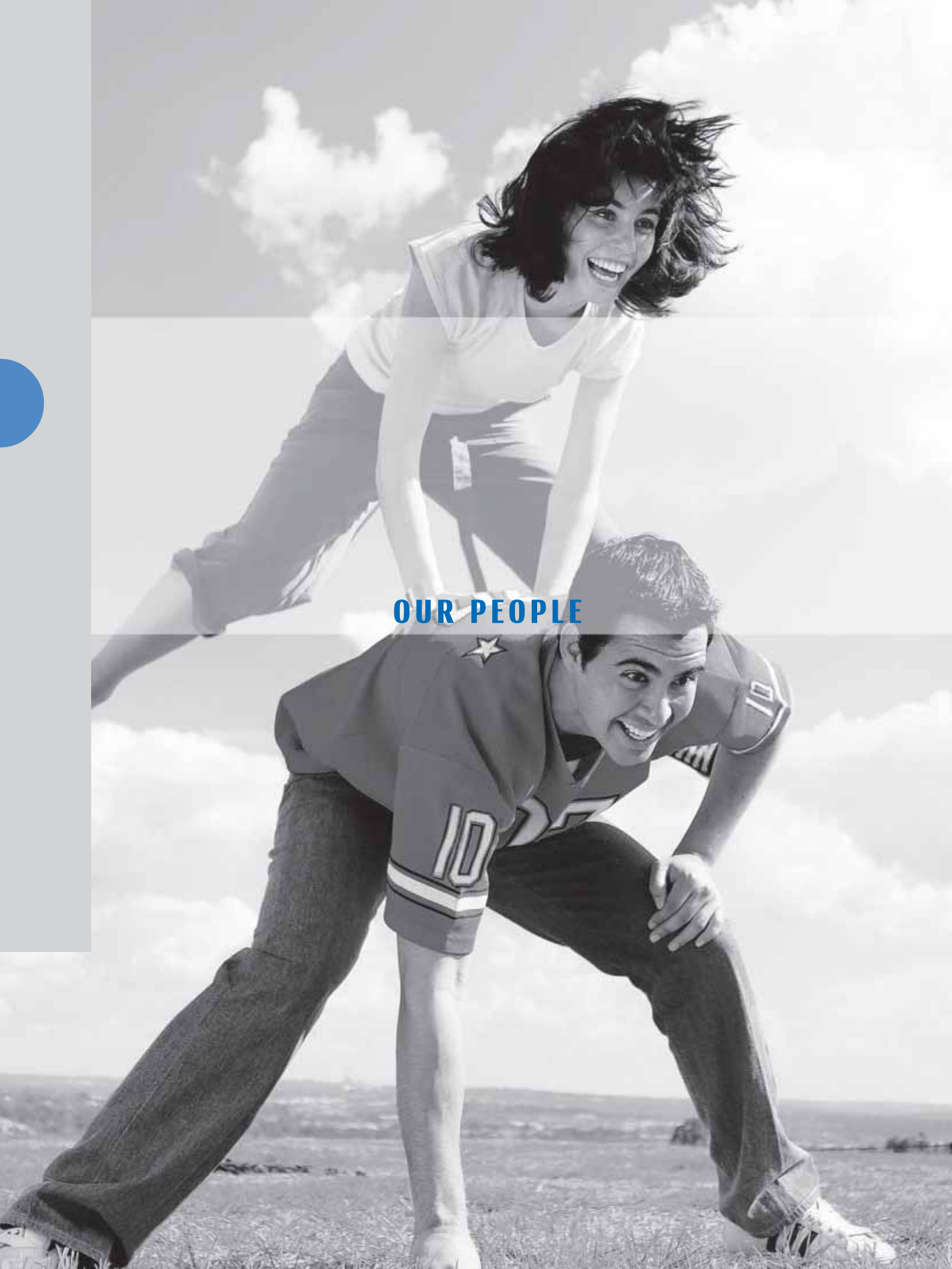


## FROM MULTIBRANCH TO

Tires • Footwear • Technical rubber • Plastics • Power supply • Consumer electronics • Monitors • Data  
Telecommunications • Cables • Aluminium • Machinery • Robotics • Engineering • Paper • Chemicals

Mobile Phones • Multimedia  
Networks • Enterprise Solutions

## MOBILE COMMUNICATIONS



**OUR PEOPLE**



### The heart of Nokia

Nokia employs over 50 000 people from more than 120 countries, which creates a world of opportunity for our personnel. When people join Nokia, they are often struck by the international orientation of our company. And, for many people, working side by side with people from diverse backgrounds is an attractive aspect of their daily work.

The scale of our business also means that our employees have the chance to lead or participate in projects that have global impact, changing the lives of millions of people and living our mission: Connecting People.

To date, the talent and efforts of our personnel have been fundamental to the company's success: cutting-edge technology and appealing products have made Nokia a household name around the world. But, it is important for us to ensure that our people remain motivated and dedicated to build on this success, and this is an issue to which we pay a great deal of attention.

Because people have different priorities, Nokia offers a wide range of opportunities and the flexibility to make sure that they are accessible. The recognition of achievement through a mix of individual, team and company-wide incentives is one aspect. However, equally important are the support given to personnel in finding a balance between work and free time, and the creation of opportunities for personal and professional growth.

Ultimately, the most important thing in the workplace is to ensure that people can feel comfortable, valued and motivated to succeed. Through the Nokia Values: customer satisfaction, achievement, respect and renewal, we aim to create such an atmosphere, where people can be themselves and excel at what they do. Our values also help us to establish a firm base from which we can deliver excellent products and services, and build a company with which customers, stakeholders and our own people are proud to be connected.

#### 10 major countries, personnel, Dec. 31

10

	2003	2002
Finland	22 274	22 535
USA	6 636	6 661
China	4 595	4 778
Germany	3 486	3 620
Hungary	2 571	1 975
UK	1 947	2 139
Brazil	1 497	1 466
Mexico	1 290	1 158
Denmark	1 270	1 176
South Korea	743	821



## OUR ACTIONS



### Making a difference

With mobile communications as an established force for social and economic development, Nokia is committed to responsible business, the environment and communities. With approximately every third mobile phone in use manufactured by Nokia, our operations influence the lives of hundreds of millions of people: as customers, employees, business partners and investors. As market leader with global operations, Nokia takes its responsibility seriously and has many established practices and programs to help make sure that our overall impact is positive.

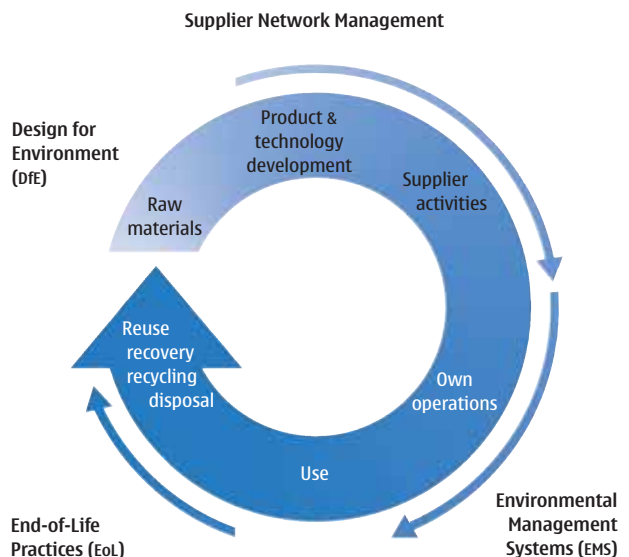
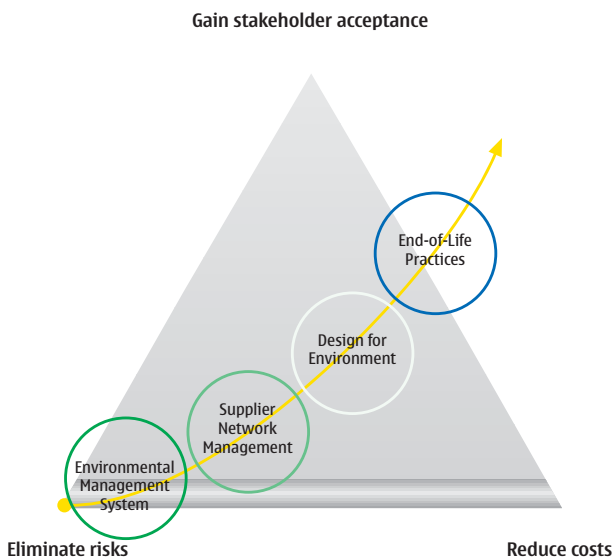
### Social and economic impact

Mobile communications can make a significant contribution to societal development through its ability to build social networks, improve access to information and stimulate economies. For example, we aim to increase the penetration of mobile communications in countries with basic or sparse communications infrastructure. Nokia has

introduced mobile entry products and solutions, creating a way for network operators to offer affordable mobile services to a broader cross-section of society in a way that is financially viable.

### The environment

Nokia's approach to environmental issues is based on life cycle thinking. Environmental considerations are integrated into Nokia's activities through four programs that cover the entire product life cycle. **Design for Environment** aims to ensure that new products do not contain restricted materials and are energy and material efficient and recyclable. **Supplier Network Management** oversees the environmental impact of suppliers. **Environmental Management Systems** control the environmental impact of Nokia's own operations, while **End-of-Life Practices** focus on take-back systems as well as the safe recycling of products, ensuring the recovery of materials and energy.



### Community involvement

Nokia's community involvement activities follow our belief in investing in a shared future. The same philosophy that drives our product development – encouraging communication and learning among people and societies – also drives the youth and education programs we invest in. Aimed at helping young people create their own place in the world, Make a Connection is a life-skills program run in 17 countries by the International Youth Foundation and its local partners. Bridge*it* is a true tri-sector cooperation program using mobile technology to deliver digital education materials to remote or poorly equipped schools. We also have a global employee volunteering program, Nokia Helping Hands, and regularly make disaster relief donations through, for example, the Red Cross and UNICEF.

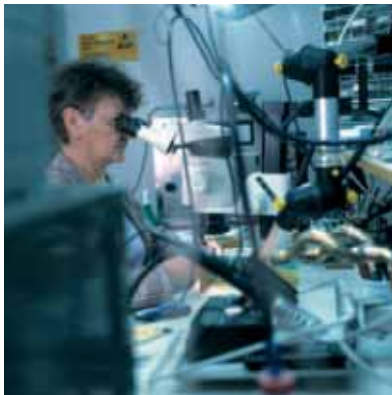
### Stakeholder cooperation

Reaping the benefits of mobile communications and ensuring corporate responsibility requires cooperation between governments, civil society and the business sector. Stakeholder engagement provides the chance both to listen to expectations and to discuss what responsibility

lies with the different members of society. It is an important input for future business success. Nokia is involved in a number of cooperation initiatives, including those with the United Nations, WWF (World Wide Fund for Nature), International Youth Foundation, World Business Council for Sustainable Development and the SRI (Socially Responsible Investment) community.

### Integrating into daily business

Nokia can contribute to sustainable development by pursuing its business vision in a responsible way. It is equally important to remember that sound company ethics make business sense by helping us to anticipate risks, comply with legislation, enhance company efficiency, demonstrate company values, increase employee satisfaction and protect the Nokia brand. We can only cover the range and complexity of issues by integrating programs and policies into everyday business operations and involving our employees. In doing so, our global functions and organizational structure are vital for consistent practice and adherence to our code of conduct.





**ADDITIONAL INFORMATION**



## KEY DATA 2003

EURm	2003	2002	Change, %
Net sales	29 455	30 016	- 2
Operating profit	5 011	4 780	5
Profit before taxes	5 345	4 917	9
Net profit	3 592	3 381	6

2003 was a record year for the mobile handset industry and for Nokia Mobile Phones. With volume growth of 16%, the mobile phone market achieved record volumes of 471 million units, according to our preliminary estimates. Nokia Mobile Phones not only reached record profits, but also higher-than-even sales and volumes. In addition, we increased our market share to slightly above 38%.

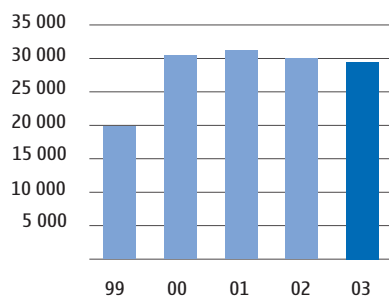
In 2003, Nokia achieved strong profitability and operating profit of EUR 5.0 billion. In addition, our cash flow remained at an excellent level. At constant currency, Nokia sales would have grown 7%. Sales were muted by the continued weakness of the US dollar.

EURm	2003	2002
Net sales by business group		
Nokia Mobile Phones	23 618	23 211
Nokia Networks	5 620	6 539
Nokia Ventures Organization	366	459

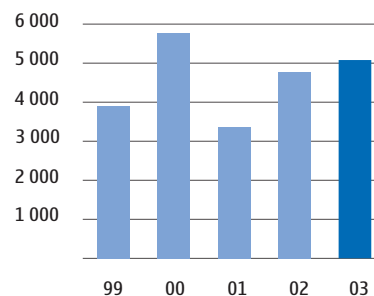
Full-year net sales for Nokia Mobile Phones reached their highest level ever at EUR 23.6 billion, driven by the consumer uptake of color-screen and camera phones, Nokia's growing presence in low penetration markets, and Nokia's increased share of the US, China and CDMA markets.

Nokia Networks sales declined in 2003 due to the continued decline in the infrastructure market. Nokia Networks made a small gain in market share, reaching slightly above 15% of the overall mobile infrastructure market. Encouraging signs in the fourth quarter of 2003 indicated the market was beginning to stabilize.

Net sales 1999–2003



Operating profit 1999–2003



Research and development	2003	2002
Number of R&D employees	19 849	19 579
Number of countries where R&D centers located	11	14
R&D expenditure, EURm	3 760 *	3 052

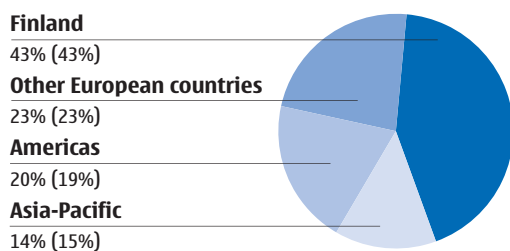
\* includes impairments and write-offs of capitalized R&D in Nokia Networks

Personnel by Business Group, Dec. 31	2003	2002
Nokia Mobile Phones	27 785	26 090
Nokia Networks	15 301	17 361
Nokia Ventures Organization	1 561	1 506
Common Group Functions	6 712	6 791
<b>Nokia Group</b>	<b>51 359</b>	<b>51 748</b>

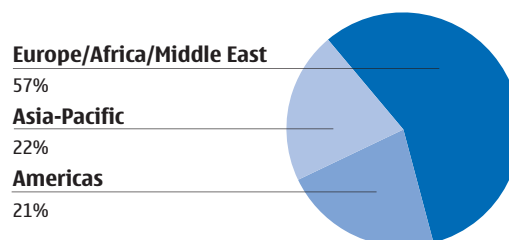
10 largest markets, net sales EURm	2003	2002
USA	4 475	4 665
UK	2 693	3 111
Germany	2 297	1 849
China	2 013	2 802
UAE	1 886	925
India	1 062	539
Italy	1 003	1 342
France	867	1 273
Brazil	805	773
Spain	748	531

The ten largest markets in 2003 represent 61% of Nokia's total sales.

Personnel by market area 2003 (2002)



Net sales by market area 2003



# INVESTOR INFORMATION

## Information on the Internet

[www.nokia.com/investor](http://www.nokia.com/investor)

Available on the Internet: financial reports, Nokia management presentations, conference call and other investor related material, press releases as well as environmental and social information.

## Investor relations contacts

[investor.relations@nokia.com](mailto:investor.relations@nokia.com)

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## Annual General Meeting

Date: Thursday March 25, 2004 at 3.00 pm

Address: Hartwall Arena, Veturitie 13, Helsinki, Finland

## List of indices

### NOK1V

HEX HEX General Index  
HEXTELE HEX Telecommunications  
HEX 20 HEX 20 Index  
BE500 Bloomberg Europe  
BETECH BBG Europe Technology  
SX5E DJ Euro STOCXX 50  
SX5P DJ Europe STOXX  
SX\_ Various other Dj Indices  
E300 FTSE Eurotop 300

### NOKI

OMX Stockholm  
GENX Swedish General  
GENX04 Swedish Engineer  
GENX16 Swedish SX 16  
Index

### NOK

NYA NYSE Composite  
NNA NYSE Utilities Index  
NN NYSE Utilities  
CTN GSFO Technology  
MLO Merrill Lynch 10

## Dividend

Dividend proposed by the Board of Directors for 2003 is EUR 0.30. The dividend record date is March 30, 2004 and the dividend will be paid on April 16, 2004.

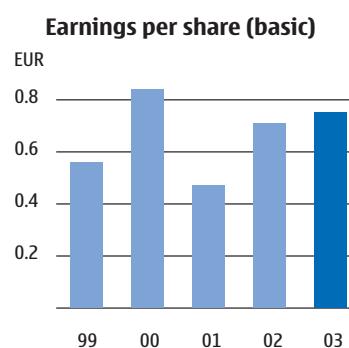
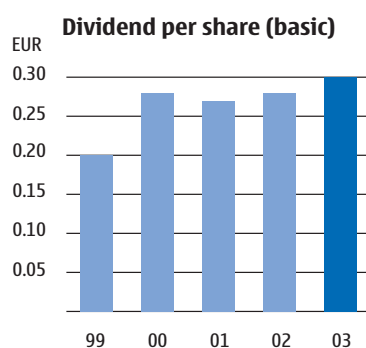
## Financial reporting

Nokia's quarterly reports in 2004 are planned for April 16, July 15 and October 14. The 2004 results are scheduled for January 2005 and the financial statements for February/ March 2005.

## Stock exchanges

The shares of Nokia Corporation are quoted on the following stock exchanges:

	Symbol	Trading currency
HEX, Helsinki (quoted since 1915)	NOK1V	EUR
Stockholmsbörsen (1983)	NOKI	SEK
Frankfurter Wertpapierbörse (1988)	NOA3	EUR
Bourse de Paris (1988)	NOK	EUR
New York Stock Exchange (1994)	NOK	USD



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