

PROPOSAL BY THE BOARD OF DIRECTORS OF NOKIA CORPORATION TO REDUCE THE SHARE CAPITAL THROUGH CANCELLATION OF NOKIA SHARES HELD BY THE COMPANY

The Board has used part of the authorization by the Annual General Meeting held on March 27, 2003 to repurchase Nokia shares. As a result of the repurchases, the Company held a total of 94 478 500 Nokia shares as of December 31, 2003, corresponding to approximately two per cent of the share capital of the Company and the total voting rights.

The Board proposes that the share capital be reduced by an aggregate par value of all the above mentioned shares as well as the shares possibly repurchased until the Annual General Meeting, i.e. a minimum of EUR 5 668 710 and a maximum of EUR 8 760 000 and that the amount to be cancelled be transferred from the share capital to the share issue premium. The reduction of the share capital will be effected through cancellation without consideration of the Nokia shares held by the Company, i.e. a minimum of 94 478 500 and a maximum of 146 000 000 shares, which reduces the total number of outstanding Nokia shares respectively. As a result of the reduction, the shareholders' equity of the Company will not be reduced.

The purpose of the reduction of the share capital is to cancel the abovementioned shares acquired by the Company and thus the cancellation concerns solely shares held by the Company. The reduction of the share capital will have no effect on the relative holdings of the other shareholders of the Company or on the voting powers among them.

The reduction of the share capital will have no effect on the stock options issued by the Company, or on the rights related thereto.

The aggregate amount of shares held by the persons referred to in the Finnish Companies Act, Chapter 1, Section 4, Paragraph 1, together with the shares they are entitled to subscribe for on the basis of existing stock options, corresponds to approximately 0,47 per cent of the share capital and 0,48 per cent the total voting rights. Assuming the full carrying out of the proposed reduction of the share capital the corresponding number is approximately 0,48 per cent of the share capital and the total voting rights.

Espoo, January 22, 2004

Board of Directors