

**PROPOSAL BY THE BOARD OF DIRECTORS OF NOKIA CORPORATION TO AUTHORIZE
THE BOARD OF DIRECTORS TO REPURCHASE NOKIA SHARES**

The Board proposes that the Annual General Meeting authorize the Board to resolve to repurchase Nokia shares. The shares may be repurchased under the proposed authorization in order to develop the capital structure of the Company, which includes carrying out the announced projection for a stock repurchase plan. In addition, the shares may be repurchased under the proposed authorization in order to finance or carry out acquisitions or other arrangements, to settle the Company's equity-based incentive plans, to be transferred for other purposes, or to be cancelled. The Board proposes to the Annual General Meeting that a separate authorization be given to the Board under item 13 in the Notice of Meeting to dispose own shares held by the Company to the extent that the shares will not be cancelled.

The authorization is proposed to amount to a maximum of 405 000 000 Nokia shares each with a par value of 6 cents. The proposed amount of shares corresponds to less than 10 per cent of the share capital of the Company and the total voting rights as of December 31, 2005, assuming the full completion of the cancellation of the shares as proposed by the Board. Pursuant to the Finnish Companies Act, the total nominal value or the total voting rights of shares held by the group after repurchases may not exceed 10 per cent of the current share capital of the Company or the total voting rights at any moment of time.

The purchases under the authorization are proposed to be carried out by using unrestricted shareholders' equity in which case repurchases will reduce funds available for distribution of profits. In accordance with the announcement by the Board on January 26, 2006, the Board plans to use a maximum of EUR 6.5 billion for repurchases in 2006 under the authorization requested from the Annual General Meeting.

The authorization for repurchases is proposed to be carried out, as resolved by the Board, either

- a) through a tender offer made to all the shareholders on equal terms determined by the Board, in relation to the holdings of the shareholders, and for an equal price determined by the Board; or
- b) through public trading and on such stock exchanges the rules of which allow companies to trade with their own shares. In this case the shares would be repurchased in another proportion than according to the holdings of the shareholders. The Company may enter into derivative, share lending or other arrangements customary in capital markets practice within the limits set by law and other regulations. In repurchases through public trading, the Company will follow the rules and guidelines, among others, regarding the determination of the repurchase price, settlement and disclosure of the trades, of the stock exchange on which the repurchase is carried out. The repurchase price must be based on the market price of Nokia shares in public trading. Further, in repurchases through public trading as determined above - thereby disapplying the

shareholders' pre-emptive rights - the Board will act based on from the Company's perspective important financial grounds.

The Annual General Meeting held on April 7, 2005, gave the Board a one-year authorization to repurchase shares. Also a year earlier, on March 25, 2004, the Board was given a similar authorization for one year.

The Board has used these authorizations during 2005 as depicted in the below table. Additional information on the share repurchases in 2005 can be found in the Annual Accounts of the Company.

Repurchases between January 1, 2005 and December 31, 2005		
	Number of shares (1000)	Amount used (EURm)
Authorization 2005 Valid from April 7, 2005 to April 7, 2006	261 010	3 614
Authorization 2004 Valid from March 28, 2004 to March 25, 2005	54 000	651
Repurchases in total	315 010	4 265

It is proposed that the authorization be effective until March 30, 2007.

The Finnish Government has issued a Government proposal for the new Finnish Companies Act and laws related thereto (HE 109/2005) to be passed by Parliament. The proposed laws are intended to enter into force on September 1, 2006. The new Companies Act, when in force, will allow the general meeting of shareholders to resolve on the authorization for the Board to repurchase own shares for a period of up to 18 months. Under the current law, the authorization may be given for a period of up to one year only. In the event that the President of the Republic of Finland approves the laws by the time of the Annual General Meeting, and provided that the new Companies Act enters into force latest on March 30, 2007, the authorization is in this case proposed to be effective until June 30, 2007.

It is proposed that the authorization given by the Annual General Meeting 2005 on April 7, 2005, shall expire on March 30, 2006, provided that the new authorization proposed herein will be approved.

Referring to the Finnish Companies Act, Chapter 7, Section 3, it is noted that the repurchases under the authorization will have no material impact on the relative holdings of the other shareholders of the Company or on the voting powers among them. The aggregate amount of shares held by the persons belonging to the related parties referred to in the Finnish Companies Act, Chapter 1, Section 4, Paragraph 1 corresponds to approximately 0.31 per cent of the share capital of the Company and approximately 0.33 per cent of the total voting rights. The number is based on the

currently outstanding share capital of the Company, the shareholdings of the said related persons, and the equity incentives held by them assuming the incentives fully result in shareholding in the Company. Assuming the holdings of the said related persons to remain unchanged until the authorization expires, and the Company to repurchase the maximum number of shares pursuant to the proposed authorization, as well as the maximal cancellation of shares as proposed by the Board (notice of meeting, item 10), the corresponding numbers will be approximately 0.34 per cent of the share capital and 0.38 per cent of the total voting rights.

Referring to the proposed new Companies Act, Chapter 15, Section 5, it is noted that the consideration paid for the shares to be repurchased under the authorization shall not be less than EUR 0.06 and not more than EUR 50.

Espoo, January 26, 2006

Board of Directors