

November 29, 2006

Nokia – Internet key to next phase of growth in mobile phone industry

Amsterdam, The Netherlands – Nokia today outlined its vision for the future of the mobility industry, predicting that the internet would become the key driving force in a market it expects to reach 4 billion global subscriptions during 2010. The comments were made in a speech by Nokia CEO and President, Olli-Pekka Kallasuvo, to more than 2,000 people from the mobile and internet industries attending the Nokia World 2006 conference.

“Mobile communications is once again changing even faster than many of us have predicted, and we are still far away from this being a mature market.” said Kallasuvo. “The internet has transformed the way we live our lives and communicate with each other, and we expect it to play a key role in the next phase of Nokia’s growth. The next wave of the internet will be to make it truly mobile, creating new ways for people to connect to others and find information from wherever they are. Nokia intends to be at the forefront of this new era and be the company that truly merges the internet and mobility.”

At the two-day event, Nokia said growth in the mobility industry was accelerating faster than predicted earlier, and that it now expected the industry to reach the milestone of 3 billion mobile subscriptions globally in 2007. Nokia also gave its new forecast of 4 billion global mobile subscriptions during 2010.

Music, mobile TV and navigation services will play a key role in driving this growth, both in advanced and emerging markets where in the latter increasing numbers of people are accessing the internet for the first time on their mobile rather than on a PC. Reflecting this, Nokia said it estimates that the replacement market will account for about 65 per cent of the global market this year and that this figure is expected to rise to over 80 per cent by the year 2010.

Nokia also said that it expected more than half of the growth in mobile subscribers to come from emerging markets in the Asia Pacific region, including China and India. The company said it would continue to build its leadership position in these markets with a focus on both new and replacement or upgrade sales.

At the conference, Nokia also unveiled its latest mobile phone for the emerging markets, the Nokia 2626, the company’s first entry level fashion phone. Leading a new trend in emerging markets, the Nokia 2626 is targeted at style-conscious consumers, offering a mirrored colour screen, a range of color covers and fashionable accessories, as well as an FM radio, GPRS and even email.

Nokia World related press releases, product photos, event photos and broadcast material are available at: <http://www.nokia.com/nokiaworld/press>

About Nokia

Nokia is a world leader in mobile communications, driving the growth and sustainability of the broader mobility industry. Nokia connects people to each other and the information that matters to them with easy-to-use and innovative products like mobile phones, devices and solutions for imaging, games, media and businesses. Nokia provides equipment, solutions and services for network operators and corporations.

It should be noted that certain statements herein which are not historical facts, including, without limitation, those regarding: A) the timing of product and solution deliveries; B) our ability to develop, implement and commercialize new products, solutions and technologies; C) expectations regarding market growth, developments and structural changes; D) expectations regarding our mobile device volume growth, market share, prices and margins; E) expectations and targets for our results of operations; F) the outcome of pending and threatened litigation; G) expected timing, scope and effects, including estimated cost synergies, of the merger of Nokia's and Siemens' communications service provider businesses;

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and H) statements preceded by "believe," "expect," "anticipate," "foresee," "target," "estimate," "designed," "plans," "will" or similar expressions are forward-looking statements. Because these statements involve risks and uncertainties, actual results may differ materially from the results that we currently expect. Factors that could cause these differences include, but are not limited to: 1) the extent of the growth of the mobile communications industry, as well as the growth and profitability of the new market segments within that industry which we target; 2) the availability of new products and services by network operators and other market participants; 3) our ability to identify key market trends and to respond timely and successfully to the needs of our customers; 4) the impact of changes in technology and our ability to develop or otherwise acquire complex technologies as required by the market, with full rights needed to use; 5) competitiveness of our product portfolio; 6) timely and successful commercialization of new advanced products and solutions; 7) price erosion and cost management; 8) the intensity of competition in the mobile communications industry and our ability to maintain or improve our market position and respond to changes in the competitive landscape; 9) our ability to manage efficiently our manufacturing and logistics, as well as to ensure the quality, safety, security and timely delivery of our products and solutions; 10) inventory management risks resulting from shifts in market demand; 11) our ability to source quality components without interruption and at acceptable prices; 12) our success in collaboration arrangements relating to development of technologies or new products and solutions; 13) the success, financial condition and performance of our collaboration partners, suppliers and customers; 14) any disruption to information technology systems and networks that our operations rely on; 15) our ability to protect the complex technologies that we or others develop or that we license from claims that we have infringed third parties' intellectual property rights, as well as our unrestricted use on commercially acceptable terms of certain technologies in our products and solution offerings; 16) general economic conditions globally and, in particular, economic or political turmoil in emerging market countries where we do business; 17) developments under large, multi-year contracts or in relation to major customers; 18) exchange rate fluctuations, including, in particular, fluctuations between the euro, which is our reporting currency, and the US dollar, the Chinese yuan, the UK pound sterling and the Japanese yen; 19) the management of our customer financing exposure; 20) our ability to recruit, retain and develop appropriately skilled employees; 21) the impact of changes in government policies, laws or regulations; and 22) satisfaction of the conditions to the merger of Nokia's and Siemens' communications service provider businesses, and closing of transaction, and Nokia's and Siemens' ability to successfully integrate the operations and employees of their respective businesses; as well as 23) the risk factors specified on pages 12 - 22 of the company's annual report on Form 20-F for the year ended December 31, 2005 under "Item 3.D Risk Factors." Other unknown or unpredictable factors or underlying assumptions subsequently proving to be incorrect could cause actual results to differ materially from those in the forward-looking statements. Nokia does not undertake any obligation to update publicly or revise forward-looking statements, whether as a result of new information, future events or otherwise, except to the extent legally required.

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