

BASE PROSPECTUS



NOKIA CORPORATION

(incorporated as a public limited liability company in the Republic of Finland)

EUR 5,000,000,000 Euro Medium Term Note Programme

This Base Prospectus has been approved by the Central Bank of Ireland (the "**Central Bank**") as competent authority under Directive 2003/71/EC, as amended by Directive 2010/73/EU (together, the "**Prospectus Directive**"). The Central Bank only approves this Base Prospectus as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive. Such approval relates only to the issue of notes ("**Notes**") issued under the Euro Medium Term Note Programme (the "**Programme**") described in this Base Prospectus which are to be admitted to trading on a regulated market for the purposes of the Directive 2004/39/EC (the Markets in Financial Instruments Directive) and/or which are to be offered to the public in any Member State of the European Economic Area. Application has been made for Notes issued under the Programme during the period of 12 months after the date hereof to be admitted to the Official List of the Irish Stock Exchange (the "**Official List**") and to trading on its regulated market.

References in this Base Prospectus to Notes being "**listed**" (and all related references) shall mean that such Notes have been admitted to trading on the Irish Stock Exchange's regulated market and have been listed on the Irish Stock Exchange. References in this Base Prospectus to "**Irish Stock Exchange**" (and all related references) shall mean the regulated market of the Irish Stock Exchange.

The Programme will be rated by Standard and Poor's Credit Market Services Europe Limited ("**S&P**") and Moody's Deutschland GmbH ("**Moody's**"). Each of S&P and Moody's is established in the European Union and is registered under Regulation (EC) No. 1060/2009, as amended, on credit rating agencies (the "**CRA Regulation**"). The Issuer is rated by S&P and Moody's. Tranches of Notes to be issued under the Programme may be rated or unrated. Where a Tranche of Notes is to be rated, such rating will not necessarily be the same as the rating assigned to Notes already issued. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the relevant credit rating agency.

Investing in Notes issued under the Programme involves certain risks. The principal risk factors that may affect the abilities of the Issuer to fulfil its obligations under the Notes are discussed under "Risk Factors" below.

Arranger

Deutsche Bank

Dealers

**Citigroup
Goldman Sachs International**

**Deutsche Bank
J.P. Morgan**

21 August 2014

CERTAIN DEFINITIONS AND PRESENTATION OF FINANCIAL AND OTHER INFORMATION

In this Base Prospectus, all references to "**Nokia**", "**we**", "**us**", "**our**" or "**the Group**" are to Nokia Corporation and its subsidiaries on a consolidated basis, except where it is made clear that the term means Nokia Corporation or a particular subsidiary or business segment only, and except that references to Nokia's "**shares**", matters relating to Nokia's shares or matters of corporate governance, refer to the shares and corporate governance of Nokia Corporation. All references to the "**Issuer**" are to Nokia Corporation and not to any of its subsidiaries.

In this Base Prospectus, unless otherwise specified, references to a "**Member State**" are references to a Member State of the European Economic Area, references to "**U.S.\$**", "**USD**", "**U.S. dollars**" or "**dollars**" are to United States dollars, references to "**EUR**" or "**euro**" are to the lawful currency of the Member States that have adopted the single currency in accordance with the Treaty establishing the European Community, as amended by the Treaty on European Union, references to "**Sterling**", "**£**" and "**GBP**" are to the currency of the United Kingdom, references to "**Japanese Yen**" and "**JPY**" are to the currency of Japan, and references to "**Swiss Francs**" and "**CHF**" are to the currency of Switzerland.

In this Base Prospectus, "**Sale of the D&S Business**" refers to the transaction announced on 3 September 2013 and closed on 25 April 2014 where Nokia sold substantially all of Nokia's Devices & Services business ("**D&S Business**") to Microsoft pursuant to the Stock and Asset Purchase Agreement, dated 2 September 2013, between Nokia and Microsoft International Holdings B.V. (referred to in this Base Prospectus as the "**D&S Purchase Agreement**").

On 7 August 2013, Nokia completed the acquisition of the respective stakes of Siemens AG and Siemens International Holding B.V. (together "**Siemens**") in Nokia Siemens Networks, which was a joint venture between Nokia and Siemens, and renamed the company Nokia Solutions and Networks, also referred to as NSN. After the closing of the Sale of the D&S Business, NSN was renamed Networks. Networks was consolidated by Nokia prior to this transaction. Beginning in the third quarter of 2013, Nokia has reported financial information for the two operating and reportable segments within Networks: Mobile Broadband and Global Services. Beginning in the fourth quarter of 2013, the D&S Business has been reported as Discontinued Operations. To reflect these changes, historical results information for past periods has been regrouped for historical comparative purposes. As is customary, certain judgments have been made when regrouping historical results information and allocating items in the regrouped results. When presenting financial information as at 31 December 2013 and related comparative information for previous periods, we generally refer to the names of the businesses and reportable segments as they were named at 31 December 2013. However, the terms "**Networks**" and "**Nokia Solutions and Networks**", or "**NSN**", as well as "**Technologies**" and "**Advanced Technologies**" can be used interchangeably in this Base Prospectus.

Certain figures included in this Base Prospectus have been subject to rounding adjustments; accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

IMPORTANT NOTICES

The Issuer accepts responsibility for the information contained in this Base Prospectus and any Final Terms (as defined below) and declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Base Prospectus and any Final Terms are, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

Subject as provided in the relevant Final Terms, the only persons authorised to use this Base Prospectus in connection with an offer of Notes are the persons named in the relevant Final Terms as the relevant Dealer or the Managers, as the case may be.

This Base Prospectus is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see "*Information Incorporated by Reference*"). This Base Prospectus shall be read and construed on the basis that such documents are incorporated and form part of this Base Prospectus.

Each Tranche (as defined herein) of Notes will be issued on the terms set out herein under "*Terms and Conditions of the Notes*" (the "**Conditions**") below as completed by a document specific to such Tranche of Notes called the final terms (each a "**Final Terms**") or in a separate prospectus specific to such Tranche of Notes (each a "**Drawdown Prospectus**") (as described in "*Final Terms, Drawdown Prospectuses and Supplements*"). In the case of a Tranche of Notes which is the subject of a Drawdown Prospectus, each reference

in this Base Prospectus to information being specified or identified in the relevant Final Terms shall be read and construed as a reference to such information being specified or identified in the relevant Drawdown Prospectus, unless the context requires otherwise. This Base Prospectus must be read and construed together with any amendments or supplements hereto and with any information incorporated by reference herein and, in relation to any Tranche of Notes which is the subject of Final Terms, must be read and construed together with the relevant Final Terms.

No person has been authorised to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other document entered into in relation to the Programme or any information supplied by Nokia or such other information as is in the public domain and, if given or made, such information or representation should not be relied upon as having been authorised by Nokia or any Dealer.

Neither the Dealers nor any of their respective affiliates have authorised the whole or any part of this Base Prospectus and none of them makes any representation or warranty or accepts any responsibility as to the accuracy or completeness of the information contained in this Base Prospectus. Neither the delivery of this Base Prospectus or any Final Terms nor the offering, sale or delivery of any Note shall, in any circumstances, create any implication that the information contained in this Base Prospectus is true subsequent to the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented or that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the prospects or financial or trading position of Nokia since the date thereof or, if later, the date upon which this Base Prospectus has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The distribution of this Base Prospectus and any Final Terms and the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus or any Final Terms comes are required by the Issuer and the Dealers to inform themselves about and to observe any such restrictions. In particular, no action has been taken by the Issuer or the Dealers which is intended to permit a public offering of any Notes or distribution of this Base Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Base Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of this Base Prospectus or any Final Terms and other offering material relating to the Notes, see "*Subscription and Sale*". In particular, Notes have not been and will not be registered under the United States Securities Act of 1933 (as amended) (the "**Securities Act**") and Bearer Notes are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to U.S. persons.

Neither this Base Prospectus nor any Final Terms constitutes an offer or an invitation, or inducement to subscribe for or purchase any Notes and should not be considered as a recommendation by the Issuer, the Dealers or any of them that any recipient of this Base Prospectus or any Final Terms should subscribe for or purchase any Notes. Each recipient of this Base Prospectus or any Final Terms shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Issuer.

The maximum aggregate principal amount of Notes outstanding at any one time under the Programme will not exceed EUR 5,000,000,000 (and for this purpose, any Notes denominated in another currency shall be translated into euro at the date of the agreement to issue such Notes (calculated in accordance with the provisions of the Dealer Agreement)). The maximum aggregate principal amount of Notes which may be outstanding at any one time under the Programme may be increased from time to time, subject to compliance with the relevant provisions of the Dealer Agreement (as defined under "*Subscription and Sale*" below).

Any person making or intending to make a public offer of Notes, or seek the admission of any Notes to trading, in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**") may only do so if this Base Prospectus has been approved by the competent authority in that Relevant Member State (or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State) and published in accordance with the Prospectus Directive. Save as provided above, none of the Issuer or any Dealer has authorised, nor do they authorise, the making of any public offer of Notes, or any application for admission of any Notes to trading, in circumstances in which an obligation arises for the Issuer or any Dealer to publish or supplement a prospectus for such offer.

In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) may over allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of a Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or person(s) acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.

The Notes may not be a suitable investment for all investors

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Base Prospectus or any applicable supplement;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent: (i) Notes are legal investments for it; (ii) Notes can be used as collateral for various types of borrowing; and (iii) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

FORWARD-LOOKING STATEMENTS

It should be noted that Nokia and its business are exposed to various risks and uncertainties and certain statements herein that are not historical facts are forward-looking statements, including, without limitation, those regarding:

- expectations, plans or benefits related to Nokia's new strategy;
- expectations, plans or benefits related to future performance of Nokia's continuing businesses Networks, HERE and Technologies;
- expectations, plans or benefits related to changes in leadership and operational structure;
- expectations regarding market developments, general economic conditions and structural changes;
- expectations and targets regarding performance, including those related to market share, prices, net sales and margins;
- the timing of the deliveries of our products and services;
- expectations and targets regarding our financial performance, cost savings and competitiveness as well as results of operations;
- expectations and targets regarding collaboration and partnering arrangements;
- the outcome of pending and threatened litigation, disputes, regulatory proceedings or investigations by authorities;
- expectations regarding restructurings, investments, uses of proceeds from transactions, acquisitions and divestments and our ability to achieve the financial and operational targets set in connection with any such restructurings, investments, divestments and acquisitions, including any expectations, plans or benefits related to or caused by the Sale of the D&S Business; and
- statements preceded by or including "believe", "expect", "anticipate", "foresee", "sees", "target", "estimate", "designed", "aim", "plans", "intends", "focus", "continue", "project", "should", "will" or similar expressions.

These statements are based on management's best assumptions and beliefs in light of the information currently available to it. Because they involve risks and uncertainties, actual results may differ materially from the results that we currently expect. Factors, including risks and uncertainties that could cause these differences include, but are not limited to:

- 1) our ability to execute our new strategy successfully and in a timely manner, and our ability to successfully adjust our operations;
- 2) our ability to sustain or improve the operational and financial performance of our continuing businesses and correctly identify business opportunities or successfully pursue new business opportunities;
- 3) our ability to execute Networks' strategy and effectively, profitably and timely adapt its business and operations to the increasingly diverse needs of its customers and technological developments;
- 4) our ability within our Networks business to effectively and profitably invest in and timely introduce new competitive high-quality products, services, upgrades and technologies;
- 5) our ability to invent new relevant technologies, products and services, to develop and maintain our intellectual property portfolio and to maintain the existing sources of intellectual property related revenue and establish new such sources;
- 6) our ability to protect numerous patented standardised or proprietary technologies from third party infringement or actions to invalidate the intellectual property rights of these technologies;

- 7) our ability within our HERE business to maintain current sources of revenue, historically derived mainly from the automotive industry, create new sources of revenue, establish a successful location-based platform and extend our location-based services across devices and operating systems;
- 8) effects of impairments or charges to carrying values of assets, including goodwill, or liabilities;
- 9) our dependence on the development of the mobile and communications industry in numerous diverse markets, as well as on general economic conditions globally and regionally;
- 10) our Networks business' dependence on a limited number of customers and large, multi-year contracts;
- 11) our ability to retain, motivate, develop and recruit appropriately skilled employees;
- 12) the potential complex tax issues and obligations we may face, including the obligation to pay additional taxes in various jurisdictions and our actual or anticipated performance, among other factors, could result in allowances related to deferred tax assets;
- 13) our ability to manage our manufacturing, service creation and delivery, and logistics efficiently and without interruption, especially if the limited number of suppliers we depend on fail to deliver sufficient quantities of fully functional products and components or deliver timely services;
- 14) potential exposure to contingent liabilities due to the Sale of the D&S Business and possibility that the agreements we have entered into with Microsoft may have terms that prove to be unfavourable to us;
- 15) any inefficiency, malfunction or disruption of a system or network that our operations rely on or any impact of a possible cyber security breach;
- 16) our ability to reach targeted results or improvements by managing and improving our financial performance, cost savings and competitiveness;
- 17) management of Networks' customer financing exposure;
- 18) the performance of the parties we partner and collaborate with, and our ability to achieve successful collaboration or partnering arrangements;
- 19) our ability to protect the technologies, which we develop, license, use or intend to use from claims that we have infringed third parties' intellectual property rights, as well as, impact of possible licensing costs, restriction on our usage of certain technologies, and litigation related to intellectual property rights;
- 20) the impact of regulatory, political or other developments on our operations and sales in those various countries or regions where we do business;
- 21) exchange rate fluctuations, particularly between the euro, which is our reporting currency, and the US dollar, the Japanese yen and the Chinese yuan, as well as certain other currencies;
- 22) our ability to successfully implement planned transactions, such as acquisitions, divestments, mergers or joint ventures, manage unexpected liabilities related thereto and achieve the targeted benefits; and
- 23) the impact of unfavourable outcome of litigation, contract related disputes or allegations of health hazards associated with our business,

as well as or as described in more detail in the risk factors specified in the "*Risk Factors*" section of this Base Prospectus. Other unknown or unpredictable factors or underlying assumptions subsequently proven to be incorrect could cause actual results to differ materially from those in the forward-looking statements. Nokia does not undertake any obligation to publicly update 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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OVERVIEW

This overview must be read as an introduction to this Base Prospectus and any decision to invest in the Notes should be based on a consideration of the Base Prospectus as a whole, including any information incorporated by reference.

The overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Base Prospectus and, in relation to the terms and conditions of any particular Tranche of Notes, the relevant Final Terms.

This overview constitutes a general description of the Programme for the purposes of Article 22.5(3) of Commission Regulation (EC) No 809/2004 implementing the Prospectus Directive.

Words and expressions defined in the "*Terms and Conditions of the Notes*" below or elsewhere in this Base Prospectus have the same meanings in this overview.

Issuer:	Nokia Corporation.
Risk Factors:	Investing in Notes issued under the Programme involves certain risks. The principal risk factors that may affect the ability of the Issuer to fulfil its obligations under the Notes are discussed under " <i>Risk Factors</i> " below.
Arranger:	Deutsche Bank AG, London Branch.
Dealers:	Citigroup Global Markets Limited, Deutsche Bank AG, London Branch, Goldman Sachs International, J.P. Morgan Securities plc and any other Dealer appointed from time to time by the Issuer either generally in respect of the Programme or in relation to a particular Tranche of Notes.
Fiscal Agent:	Citibank, N.A., London Branch.
Irish Listing Agent:	J&E Davy.
Final Terms or Drawdown Prospectus:	Notes issued under the Programme may be issued either: (i) pursuant to this Base Prospectus and associated Final Terms; or (ii) pursuant to a Drawdown Prospectus. The terms and conditions applicable to any particular Tranche of Notes will be the Conditions as completed by the relevant Final Terms or, as the case may be, the relevant Drawdown Prospectus.
Listing and Trading:	Application has been made for Notes issued under the Programme during the period of 12 months after the date hereof to be admitted to the Official List of the Irish Stock Exchange and to trading on its regulated market. The Programme also permits Notes to be issued on the basis that they will be admitted to listing, trading and/or quotation by such other or further competent authorities, stock exchanges and/or quotation systems as may be agreed with the Issuer.
Clearing Systems:	Euroclear and/or Clearstream, Luxembourg and/or, in relation to any Tranche of Notes, any other clearing system as may be specified in the relevant Final Terms.
Initial Programme Amount:	Up to EUR 5,000,000,000 (or its equivalent in other currencies) aggregate principal amount of Notes outstanding at any one time.
Issuance in Series:	Notes will be issued in Series. Each Series may comprise one or more Tranches issued on different issue dates. The Notes of each Series will all be subject to identical terms, except that the issue date and the amount of the first payment of interest may be different in respect of different Tranches. The Notes of each Tranche will all be subject to identical terms in all respects save that a Tranche may comprise Notes of different

denominations.

Forms of Notes: Notes may be issued in bearer or in registered form. Each Tranche of Notes will initially be in the form of either a Temporary Global Note or a Permanent Global Note, in each case as specified in the relevant Final Terms. Each Global Note which is not intended to be issued in new global note form (a "**Classic Global Note**" or "**CGN**"), as specified in the relevant Final Terms, will be deposited on or around the relevant issue date with a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and each Global Note which is intended to be issued in new global note form (a "**New Global Note**" or "**NGN**"), as specified in the relevant Final Terms, will be deposited on or around the relevant issue date with a common safekeeper for Euroclear and/or Clearstream, Luxembourg. Each Temporary Global Note will be exchangeable for a Permanent Global Note or, if so specified in the relevant Final Terms, for Definitive Notes. If the TEFRA D Rules are specified in the relevant Final Terms as applicable, certification as to non-U.S. beneficial ownership will be a condition precedent to any exchange of an interest in a Temporary Global Note or receipt of any payment of interest in respect of a Temporary Global Note. Each Permanent Global Note will be exchangeable for Definitive Notes in accordance with its terms. Definitive Notes will, if interest-bearing, have Coupons attached and, if appropriate, a Talon for further Coupons.

Each Tranche of Registered Notes will be in the form of either Individual Note Certificates or a Global Registered Note, in each case as specified in the relevant Final Terms. Each Global Registered Note, which is not intended to be held under the new safekeeping structure (the "**New Safekeeping Structure**" or "**NSS**"), as specified in the relevant Final Terms, will be deposited on or around the relevant issue date with a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and registered in the name of a nominee for such depositary and will be exchangeable for Individual Note Certificates in accordance with its terms. Each Global Registered Note intended to be held under the New Safekeeping Structure, as specified in the relevant Final Terms, will, on or about the relevant issue date, be registered in the name of a common safekeeper (or its nominee) for Euroclear and/or Clearstream, Luxembourg and the relevant Global Registered Note will be exchangeable for Individual Note Certificates in accordance with its terms.

Currencies:..... Notes may be denominated in Euro, Sterling, U.S. dollars, Japanese Yen, Swiss Francs or in any other currency or currencies, subject to compliance with all applicable legal and/ or regulatory and/or central bank requirements.

Status of the Notes:..... Notes will be issued on an unsubordinated basis.

Issue Price:..... Notes may be issued fully-paid at any price. The price and amount of Notes to be issued under the Programme will be determined by the Issuer and the relevant Dealer at the time of issue in accordance with prevailing market conditions.

Maturities:..... Any maturity specified in the relevant Final Terms, subject, in relation to specific currencies, to compliance with all applicable legal and/or regulatory and/or central bank requirements.

Where Notes have a maturity of less than one year and either (a) the issue proceeds are received by the Issuer in the United Kingdom or (b) the activity of issuing the Notes is carried on from an establishment

maintained by the Issuer in the United Kingdom, such Notes must: (i) have a minimum redemption value of £100,000 (or its equivalent in other currencies) and be issued only to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses; or (ii) be issued in other circumstances which do not constitute a contravention of section 19 of the Financial Services and Markets Act 2000 ("FSMA") by the Issuer.

Redemption:	Notes may be redeemable at the Redemption Amount specified in the relevant Final Terms.
Optional Redemption:.....	Notes may be redeemed before their stated maturity at the option of the Issuer as described in Condition 9(c) (<i>Redemption and Purchase — Redemption at the option of the Issuer (Call Option)</i>), Condition 9(d) (<i>Redemption and Purchase — Redemption at the option of the Issuer (Make-Whole)</i>) and/or the Noteholders as described in Condition 9(f) (<i>Redemption and Purchase — Redemption at the option of Noteholders</i>) to the extent (if at all) specified in the relevant Final Terms.
Tax Redemption:	Except as described in " <i>Optional Redemption</i> " above, early redemption will only be permitted for tax reasons as described in Condition 9(b) (<i>Redemption and Purchase — Redemption for tax reasons</i>).
Interest:	Notes may be interest-bearing or non-interest bearing. Interest (if any) may accrue at a fixed rate or a floating rate and the method of calculating interest may vary between the issue date and the maturity date of the relevant Series.
Denominations:.....	The Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer save that (i) the minimum denomination of each Note will be such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency, and (ii) the minimum denomination of each Note will be EUR 100,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency). See also " <i>Maturities</i> " above, in relation to Sterling Notes having a maturity of less than one year.
Negative Pledge:.....	The Notes will have the benefit of a negative pledge as described in Condition 5 (<i>Negative Pledge</i>).
Cross Acceleration:.....	The Notes will have the benefit of a cross acceleration provision as described in Condition 13 (<i>Events of Default</i>).
Taxation:.....	All payments in respect of Notes will be made free and clear of withholding taxes of the Republic of Finland, as the case may be, unless the withholding is required by law. In that event, the Issuer will (subject as provided in Condition 12 (<i>Taxation</i>)) pay such additional amounts as will result in the Noteholders receiving such amounts as they would have received in respect of such Notes had no such withholding been required.
Governing Law:.....	The Notes and any non-contractual obligations arising out of or in connection with the Notes will be governed by, and shall be construed in accordance with, English law.
Enforcement of Notes in Global Form:	In the case of Global Notes, individual investors' rights against the Issuer will be governed by a Deed of Covenant dated 21 August 2014, a copy of which will be available for inspection at the specified office of the Fiscal

Agent.

Ratings:..... The rating of certain series of Notes to be issued under the Programme may be specified in the relevant Final Terms.

In general, European regulated investors are restricted under the CRA Regulation from using a credit rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Union and registered under the CRA Regulation unless (1) the rating is provided by a credit rating agency not established in the European Union or registered under the CRA Regulation but such credit rating is endorsed by a credit rating agency established in the European Union and registered under the CRA Regulation or (2) the credit rating is provided by a credit rating agency not established in the European Union or registered under the CRA Regulation but certification has been provided, in accordance with the CRA Regulation, that such credit rating agency is regulated in a manner equivalent to credit rating agencies registered in the European Union.

If rated Notes are issued, they are expected to be rated by S&P and Moody's. Each of S&P and Moody's are established in the European Union and have been registered under the CRA Regulation.

Selling Restrictions:..... For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of offering material in the United States of America, the United Kingdom, the European Economic Area and Japan, see "*Subscription and Sale*" below.

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, profitability, results of operations, financial condition, liquidity, market share, brand, reputation and share price from time to time, which may affect our ability to fulfil our obligations under Notes issued under the Programme. Unless otherwise indicated or the context otherwise provides, references in these risk factors to "Nokia", "we", "us" and "our" mean Nokia's consolidated operating segments and refer to Nokia's continuing operations and businesses.

The material risks for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.

Prospective investors should read the entire Base Prospectus and reach their own views prior to making any investment decision. Words and expressions defined in the "Terms and Conditions of the Notes" below or elsewhere in this Base Prospectus have the same meanings in this section.

Factors relating to Nokia

Nokia has announced a new strategy which is subject to various risks and uncertainties, including that Nokia may not be able to sustain or improve the operational and financial performance of its continuing businesses or that Nokia may not be able to correctly identify business opportunities or successfully pursue new business opportunities.

Nokia announced a new strategy on 29 April 2014 after the Nokia Board of Directors conducted a strategic evaluation of the company and its continuing businesses. This strategy, including continued investment into our continuing businesses or new business opportunities that we may pursue, may not deliver a return on investment as planned, or at all. Our ability to achieve our new strategic goals and targets is subject to uncertainties and contingencies, some of which are beyond our control, and no assurance can be given that we will be able to achieve these goals or targets.

The Sale of the D&S Business is a significant transaction to Nokia. The D&S Business, generated, over the long-term, a significant portion of our profits and cash, as well as net sales. The operations that were transferred to Microsoft generated EUR 15.1 billion, or approximately 50%, of Nokia's net sales for the full year 2012 and EUR 10.7 billion, or approximately 46%, of Nokia's net sales for the full year 2013. Accordingly, the Sale of the D&S Business is expected to reduce our net sales significantly compared to historical levels. There can be no assurances that Nokia's new strategic and operational focus will succeed in replacing or improving upon the historical contribution of the D&S Business to our consolidated results of operations. In addition, the Sale of the D&S Business may lead to us having a less diversified portfolio of businesses and may lead to reduced bargaining power with counterparties or reduced relevance in the overall technology sector and, most specifically in the industries we operate.

We operate in fast-paced and innovative industries. Our business may require significant investment to innovate and grow successfully. Such investment may include research and development, licensing arrangements, acquiring businesses and technologies, recruiting specialised expertise and partnering with third parties. Those investments may not, however, result in technologies, products or services that achieve or retain broad or timely market acceptance or are preferred by our customers and consumers. As such, the investments may not be profitable or achieve the target rates of return. There can be no assurance that we will be able to identify and understand the key market trends and user segments to enable us to address customers' and consumers' expanding needs in order to bring new innovative and competitive products and services to market in a timely manner. If we are unable to anticipate and respond with speed to these key market trends, or to actively drive future trends, through our product development processes, we may not achieve the intended goals of our new strategy, which may materially and adversely affect our business, financial condition and results of operations.

We may invest in certain new technologies, including investment in market exploration into connectivity capable of handling very large numbers of devices and exponential increases in data traffic, location services that seamlessly bridge between the real and virtual worlds and innovation, including in sensing, radio and low power technologies. Additionally, we continuously seek new business and monetisation models. Certain of our competitors have significant resources to invest in market exploration and seek new monetisation models or drive industry development and capture value in areas where we are not competitive. Those areas can be, for

instance, monetisation models linked to the use of advertising, large amounts of consumer data, large connected communities, home entertainment services and alternative payment mechanisms. We may not be able to invest our own resources to compete in these areas, which may in the future prove a competitive disadvantage for us. If we fail in these aspects of our strategy, we may not realise a return on our investments or may incur operating losses and impair our competitiveness for the longer term. We have also made, and may make in the future, these investments through acquisitions. We may, however, fail to successfully complete planned acquisitions or integrate the acquired businesses or assets or retain and motivate their key employees.

In addition to the risks set out above, we may not realise the intended benefits of our new strategy for a number of reasons, including but not limited to:

- The execution of our new strategy fails or is slower than anticipated, for example due to a lack of strategic clarity.
- We are unable to implement an efficient corporate and operational structure for Nokia going forward.
- We have based our strategic choices on expectations or developments that do not materialise as planned or at all, such as those related to market or technological developments.
- We fail to effectively invest in the right areas of our continuing businesses or invest in areas that do not deliver intended results and our evaluation of the prospects with respect to the shared opportunities between our continuing businesses do not materialise as planned.
- Our announced strategy or its implementation causes disruption in our continuing businesses or results in reduced performance of the continuing businesses.
- We lose key talent or are unable to recruit, retain or motivate the executives or employees needed to effectively manage Nokia and its continuing business, for example as a result of dissatisfaction with our new strategic direction or uncertainty about our continuing businesses or prospects.
- The Sale of the D&S Business may result in inefficiencies in our corporate or operational structure or gaps in resourcing or capabilities due to the transfer of significant amounts of employees, assets, contracts and legal entities to Microsoft.
- Our less diversified product and business portfolio may lead to an over-reliance on certain industries, which may materially expose our business and results of operations to certain market trends related to those industries that are beyond our control, such as the availability of competing services at lower cost or free of charge over the internet.
- By completing the Sale of the D&S Business with Microsoft, our engagement in the manufacture and sale of mobile phones and smartphones has ceased in accordance with the D&S Purchase Agreement and as such we have a less diversified business position and may lose relevance to customers and consumers that have associated Nokia with the D&S Business.
- Deterioration of Nokia's brand or reputation due to Nokia's reduced position in the consumer electronics industry or Nokia's new strategy, or by actions of other parties that have a license to use the Nokia brand for certain purposes. Any such deterioration to the Nokia brand or reputation may have an adverse effect on our continuing businesses.
- The focus of our management or other key employees may be diverted from our day-to-day business due to changes in Nokia's structure and business model. In addition, our management or other key employees may focus too much on certain areas of the continuing businesses, which may result in the suboptimal performance of the other businesses.
- We may not be able to implement certain required new capabilities, such as data analytics skills needed for certain business areas that involve processing large amounts of data.
- We make acquisitions that do not result in the intended benefits, or which are extensive or cause disruption to Nokia's business.

- We may fail in successfully marketing our products and services, as we have in the past mainly focused marketing on mobile products and related services.
- Negative effects to Nokia or its customer relationships due to speculation about Nokia strategy or the future of its businesses.
- We announced a planned capital structure optimisation programme on 29 April 2014, which focuses on recommencing ordinary dividends, distributing deemed excess capital to shareholders, and reducing interest bearing debt. Nokia is also targeting to returning to being an investment grade company. There can be no assurance that the capital structure optimisation programme can be executed as currently planned or that it would result in the targeted benefits, including returning us to being an investment grade company. Additionally, returning capital to shareholders reduces our capital, which could expose us to financial difficulties or us needing to incur additional indebtedness under certain circumstances, for instance if we have not accurately estimated our need of capital going forward or our business performance.

Networks' strategy focuses on mobile broadband and accordingly its sales and profitability depend on its success in the mobile broadband infrastructure and related services market. Networks may fail to execute its strategy or to effectively and profitably adapt its business and operations in a timely manner to the increasingly diverse solution needs of its customers in that market or technological developments.

In line with its strategy, Networks focuses on mobile broadband. Networks has recently evolved this strategy further around end-to-end mobile broadband leadership, services growth, and quality and execution. Accordingly, if Networks is not successful in implementation of its strategy and achieving the desired outcomes in a timely manner or if the mobile broadband infrastructure and related services market fails to develop in the manner currently anticipated by us, or if there are unfavourable variations in Networks' product and service mix towards lower margin products or services, Networks' business, results of operations, particularly profitability, and financial condition could be materially adversely effected. Networks' success with its focus on mobile broadband infrastructure and related services is subject to risks and uncertainties, including:

- Intensity of the competition.
- Further consolidation of Networks' customers or competitors.
- Networks may not develop in a timely manner, or at all, mobile broadband products and services that meet future technological or quality requirements and challenges.
- Networks may not be able to correctly estimate technological developments or adapt to those.
- The mobile broadband and related services market may develop in directions that leave Networks deficient in certain technologies and industry areas that impact its overall competitiveness.
- Certain customers who currently buy services and products from Networks that are not regarded as core may choose to turn to alternative vendors to maintain end-to-end service from such vendors.
- Delays in executing relevant initiatives related to the further implementation of Networks' strategy.
- Networks may not be able to successfully develop market recognition as a leading provider of software and services in the mobile broadband infrastructure and related services market.
- Networks may not be able to sustain or grow its net sales in the businesses and areas of its strategic focus, this could result in the loss of scale benefits and reduced competitiveness.
- Networks may not be able to continue identifying opportunities and obtaining contracts which meet its requirements and estimates for their profitability and to capture the expected opportunities for additional sales related to deals with lower initial profitability.
- Networks may not be able to continue utilising the customer relations related to its mobile broadband infrastructure products for advancing its services sales, and Networks may not be able to pursue new services-led growth opportunities.

- Networks may not be able to maintain efficient and low-cost operations.
- Networks may be adversely effected by economic or political instability or the introduction of trade sanctions; for instance the recent events in Ukraine and the international reaction to them may adversely affect Networks business or operations in Ukraine, Russia and/or related markets.

Networks faces intense competition and may fail to effectively and profitably invest in new competitive high-quality products, services, upgrades and technologies and to bring them to market in a timely manner.

The mobile broadband infrastructure and related services market is characterised by rapidly changing technologies, frequent new solutions requirements and product feature introductions and evolving industry standards.

Networks' business performance depends to a significant extent on the timely and successful introduction of new products, services and upgrades of current products to meet the evolving requirements of its customers, to comply with emerging industry standards and to address competing technological and product developments carried out by its competitors. The research and development of new and innovative, technologically advanced products, including the introduction of new radio frequency technologies, as well as upgrades to current products and new generations of technologies, is a complex and uncertain process requiring high levels of innovation and investment, as well as accurate anticipation of technology and market trends. Networks may focus its resources on products and technologies that do not become widely accepted or ultimately prove not to be viable. Networks results of operation will depend to a significant extent on its ability in following areas:

- Maintaining and developing a product portfolio and service capability that is attractive to its customers.
- Continuing to introduce new products and product upgrades successfully and on a timely basis.
- Development of new or enhance existing tools for its services offerings.
- Optimising the amount of customer account market specific technology, product and feature variants in its product portfolio.
- Continuing to enhance the quality of its products and services.
- Leveraging its technological strengths.

The participants in the mobile broadband infrastructure and related services market compete with each other on the basis of product offerings, technical capabilities, quality, service and price. The competitive environment in this market continues to be intense and is characterised by maturing of industry technology, equipment price erosion and intense price competition. Moreover, mobile operators' cost reductions, network sharing and the industry consolidation among the operators are reducing the amount of available business, resulting in further intense competition and pressure on pricing and profitability.

Networks competes with companies that have larger scale, affording such companies more flexibility on pricing, likewise Networks competes with companies that may have stronger customer finance possibilities due to internal policies or governmental support, such as in the form of trade guarantees, allowing them to offer products and services at very low prices or with attractive financing terms. Networks' key competitors have large scale, and industry consolidation could result in even larger scale entities, impairing Networks' competitive position. Networks also continues to face intense competition from competitors, including from China, which endeavour to gain further market share and broaden their presence in new areas of network infrastructure and related services business. Competition for new customers, as well as for new infrastructure deployment is particularly intense and focused on price and contract terms in favour of the customers. In addition, new competitors may enter the industry as a result of acquisitions or shifts in technology. For example, the virtualisation of core and radio networks and the convergence of information technology and telecommunications may lower the barriers of entry for IT companies to the traditional telecommunications industry. Further, these developments may enable more generic IT and IP hardware to be used in telecommunications networks leading to further price pressure. If Networks cannot respond successfully to the competitive challenges in the mobile broadband infrastructure and related services market, our business and results of operations, particularly profitability, and financial condition may be materially adversely affected.

Networks' failure to effectively and profitably invest in new competitive products, services, upgrades and technologies and bring them to market in a timely manner could result in a loss of net sales and market share and could have a material adverse effect on our results of operations, particularly profitability, and financial condition. Networks needs to introduce products and services in a cost efficient and timely manner and to manage proactively the costs and cost development related to its portfolio of products and services, including component sourcing, manufacturing, logistics and other operations. Currency fluctuations may also have an adverse impact on Networks' ability to manage its costs. If Networks fails to maintain or improve its market position and scale compared to our competitors across the range of our products and services, as well as leverage our scale to the fullest extent, or if it is unable to develop or otherwise acquire software, cost competitively in comparison to our competitors, or if its costs increase relative to those of our competitors due to currency fluctuations, this could materially adversely affect our competitive position, business and results of operations, particularly our profitability.

Networks' products are highly complex, and defects in their design, manufacture and associated hardware, software and content have occurred and may occur in the future. Defects and other quality issues may result from, among other things, failures in our own product and service creation and deliveries as well as manufacturing processes, failures of our suppliers to comply with our supplier requirements, or failures in products and services created jointly with collaboration partners or other third parties where the development and manufacturing process is not fully in our control. Quality issues may cause for instance delays in deliveries, liabilities for network outages, additional repair, product replacement or warranty costs to us, and harm our reputation and our ability to sustain or obtain business with our current and potential customers. With respect to our services, quality issues may relate to the challenges in having the services fully operational at the time they are made available to our customers and maintaining them on an on-going basis. We make provisions to cover our estimated warranty costs for our products. We believe our provisions are appropriate, although the ultimate outcome may differ from the provisions that are provided for, which could have a material adverse effect on our results of operations, particularly profitability and financial condition.

Our intellectual property ("IP") portfolio includes various patented standardised or proprietary technologies on which our products and services depend and we also use our IP portfolio for revenue generation. Third parties may use without a license and unlawfully infringe our IP or commence actions seeking to establish the invalidity of the intellectual property rights of these technologies, or we may not be able to sufficiently invent new relevant technologies, products and services to develop and maintain our IP portfolio, maintain the existing sources of intellectual property related revenue or establish new sources.

Our products and services include numerous patented standardised or proprietary technologies. We invest significantly in research and development in our businesses to develop new relevant technologies, products and services. For instance in 2013 our research and development spend through our three continuing businesses amounted to approximately EUR 2.5 billion. Our research and development activities have led to us having one of the industry's strongest IP portfolios in Technologies and a strong portfolio in Networks that our products and services depend on and we also generate revenue by licensing the portfolios. The continued strength of our portfolios depends on our ability to create new relevant technologies, products and services through our research and development activities. If we fail in creating technologies, products and services that are granted protection by intellectual property rights or if the technologies, products and services do not become relevant and therefore attractive to licensees, the strength of our IP portfolios would reduce, which could adversely affect our ability to use our IP portfolios for revenue generation.

We retained our entire patent portfolio upon the Sale of the D&S Business. In the past parts of our IP creation has been driven by the innovation in D&S Business. As we no longer own this business, this may lead to a reduced level of IP creation or a reduction in the relevance of Nokia's IP to the technology sector. Nokia may also have a diminished ability to influence industry trends and technology selections, reducing the relevance of our IP portfolio.

Despite the steps that we have taken to protect our technology investment with intellectual property rights, we cannot be certain that any rights or pending applications will be granted or that the rights granted in connection with any future patents or other intellectual property rights will be sufficiently broad to protect our technology. Third parties may infringe our intellectual property relating to our proprietary technologies or by ignoring their obligation to seek a license under our standard essential patents or by seeking to pay less than reasonable license fees.

Any patents or other intellectual property rights that are granted to us may be challenged, invalidated or circumvented, and any right granted under our patents may not provide competitive advantages for us. Our

ability to protect our IP is dependent on regulatory developments in various jurisdictions and the implementation of the regulations by administrative bodies. As such, regulatory developments or applications of regulations may adversely affect our ability to protect our IP or create IP related revenue.

IP related disputes and litigation are common in the technology industry and are often used to enforce the patents and seek licensing fees. Other companies have commenced and may continue to commence actions seeking to establish the invalidity of our intellectual property, for example, patent rights. In the event that one or more of our patents are challenged, a court may invalidate the patent or determine that the patent is not enforceable, which could harm our competitive position. The outcome of court proceedings is difficult to predict and as such our ability to use intellectual property for revenue generation is at times dependent on favourable court rulings. In addition, if any of our key patents are invalidated, or if the scope of the claims in any of these patents is limited by a court decision, we could be prevented from using such patents as a basis for product differentiation or from licensing the invalidated or limited portion of our intellectual property rights. Even if such a patent challenge is not successful, it could be expensive and time-consuming, divert attention of our management and technical personnel from our business and harm our reputation. Any diminution of the protection that our own intellectual property rights enjoy could cause us to lose some of the benefits of our investments in research and development. Additionally, our IP related revenue could be negatively affected if we were unable to successfully maintain or broaden the scope of licensees or contribute to future innovations and creation of IP.

We enforce our patents against unlawful infringement and generate revenue through realising the value of our intellectual property by entering into license agreements and through patent transactions. Patent license agreements can cover both licensee's past and future sales. The portion of the income that relates to licensees past sales is not expected to have a recurring benefit and on-going patent income from licensing is generally subject to various factors that we have little or no control over, for instance sales by the licensees. There are no assurance that our actions to generate intellectual property-related revenue will lead to favourable outcomes, such as patent license agreements on favourable terms to us or that we would be able to use our patent portfolio for revenue generation to a similar extent going forward. While we have various licensees, a significant portion of licensing revenues is generated from a limited number of licensees and as such issues as ends of contracts, licensee business performance or bankruptcies in relation to these select licensees could have a significant impact on our revenue. Due to various reasons including those that are set out above, our intellectual property related revenue can vary considerably from time to time and there is no assurance that past levels are indicative of future levels of intellectual property related revenue.

Our HERE business includes various risks and uncertainties, including that we may be unable to maintain current sources of net sales in the vehicle segment from which our HERE business has historically derived most of its net sales from, establish a successful location-based platform, extend our location-based services across devices and operating systems or create new sources of revenue.

Our HERE business net sales are mainly derived from sales to the automotive industry, making it dependent on overall developments in that industry and HERE's ability to remain successful in that industry. Our HERE business faces intense competition from several global and local companies with different business models. For example, Google uses an advertising-based model that allows consumers and companies to use parts of its map data and related services in their products free of charge. Google is increasingly competing with our HERE business in the provision of local search and services also to the automotive industry. The success of Google's Android platform and search services from Google can provide a competitive advantage to Google when providing local search and services to the automotive industry. Additionally certain competitors are bringing novel solutions, for instance offering entertainment and information capabilities, into vehicles which can include location intelligence provided by HERE's competitors. Additionally, certain governmental and quasi-governmental agencies are making more map data with improving coverage and content, and high quality, available free of charge or at lower prices. Certain crowdsourcing efforts may also result in the availability of competing map data. Additionally, our HERE business is exposed to various risks and uncertainties, including the following:

- The existing map license data customers may choose not to purchase, or purchase less, content or services from our HERE business.
- HERE net sales and profitability are dependent on developments in the automotive industry, including vehicle sales and adoption of in-vehicle navigation systems.

- HERE strives to be relevant in new and upcoming location-based services, such as augmented reality, new vehicle software systems, and autonomous driving systems. Also, HERE strives to be deeply integrated into the vehicle driver assistance systems. If HERE does not succeed in implementing this strategy, our HERE business could be materially and adversely affected.
- We may have inaccurately predicted market developments in, or market size of, the automotive navigation and personal navigation devices markets or we may lose market share to other manufacturers or other devices offering navigation solutions, including smartphones.
- HERE's competitiveness may be adversely affected if it is unable to effectively collate, process and analyse data, such as end-user behavioural data, and to derive intelligence from that data, which could be used to enhance its product offering.
- We may not be able to use our location-based assets to compete on a standalone basis or support the overall Nokia strategy.
- We may not be able to establish a successful location-based platform through HERE if other competing location-based platforms are preferred by customers and consumers, especially as HERE is a recently launched brand and platform and as such may be disadvantaged to more established brands and platforms.
- We may not be able to establish a successful HERE application suite for the platforms we are targeting.
- Investments into new business opportunities may not give a return on investment as planned, or at all.
- We may not succeed in attracting strategic partners and developers to develop and support our ecosystem around our HERE offering, or provide services that are supported by relevant ecosystems.
- Our HERE business may lose bargaining power or perceived relevance as a result of the Sale of the D&S Business, resulting, for instance, in a reduced ability to negotiate favourable terms or to attract partners and customers.
- We may fail to attract business partners and merchants to our service offerings.
- The service offering we currently provide may not be competitive or another participant may provide a more competitive new offering in the future or new more efficient or affordable ways of map content creation are introduced which may disrupt our own business models.
- HERE Maps, involves a possibility of product liability claims and associated adverse publicity. Claims could be made by business customers if errors or defects result in a failure of their products or services, or by end-users of those products or services as a result of actual or perceived errors or defects in the map database. In addition, business customers may require us to correct defective data, which could be costly, or pay penalties if quality requirements or service level agreements are not satisfied.
- HERE may be subject to IT issues or cyber security breaches, resulting, for instance, in disruptions in online service continuity, privacy breaches and security of customer data issues.

We assess the carrying amount of goodwill annually or more frequently if events or changes in circumstances indicate that such carrying amount may not be recoverable. Additionally, we assess the carrying amount of other identifiable assets if events or changes in circumstances indicate that their carrying amounts may not be recoverable. If revenue from our HERE business does not develop as anticipated or new sources of revenue do not materialise as expected, or at all, the HERE business may not generate enough positive operating cash flow. This or other factors may lead to the decrease in value of our location-based services and commerce assets, leading to further impairments charges that may be negative to Nokia, including goodwill for our HERE business. There was no goodwill impairment charge recorded in 2013 as a result of the goodwill impairment assessment, however an adverse change in any of the key assumptions used in measuring the recoverable value of our HERE business could have resulted in goodwill impairment as the current carrying value of HERE is only slightly lower than its' recoverable value. While we believe the estimated recoverable values are

reasonable, actual performance in the short- and long-term could be materially different from our forecasts, which could impact future estimates of recoverable value of HERE and may result in impairment charges.

Our sales, profitability and cash flow are dependent on the development of the mobile and communications industry in numerous diverse markets, as well as on general economic conditions globally and regionally.

As we are a global company with sales in most countries of the world, our sales and profitability are dependent on general economic conditions globally and regionally. The traditional mobile communications industry has matured to varying degrees in different markets and, consequently, the industry is more vulnerable than before to the negative effects related to the deterioration in global economic conditions.

Networks' sales and profitability are dependent on the development of the mobile broadband infrastructure industry in numerous diverse markets, particularly the growth of the investments made by mobile operators and services providers in network infrastructure and related services. The pace of such investments is in turn dependent on the ability of network providers and mobile operators to increase subscriber numbers, compete with alternative business models eroding the revenue from the traditional voice, messaging and data transport services, stimulate increased usage of voice, data and value-adding services that the subscribers will pay for, and maintain their profitability in intense competition.

Negative developments in, or the general weakness of, the economy, particularly in increasing levels of unemployment in the markets in which our customers operate, may have a direct negative impact on the spending patterns of end-users. This may affect both the services they subscribe to and usage levels of such services, which may lead to mobile operators and service providers investing in the related infrastructure and services less than anticipated. Regional and country specific changes may also affect us adversely. We continue to witness political unrest in various regions where we do business, which adversely affected our sales in those markets. For instance, the recent events and instability in Ukraine and the international reaction to them may adversely affect our business or operations in Ukraine, Russia and/or related markets, including as a result of potential trade sanctions or economic uncertainty or slowdown resulting from these events.

Continued difficulties, uncertainty or any deterioration in global economic conditions or a recurrence or escalation of political unrest may result in mobile network operators postponing or reducing their investment in their network infrastructure and related services. The demand for digital map information and other location-based content by automotive and mobile device manufacturers may decline in relation to any further contraction of sales in the automotive and consumer electronics industry. The demand for digital map information and other location-based content by automotive and mobile device manufacturers may decline in relation to any further contraction of sales in the automotive and consumer electronics industry. Our IP licensing business may be affected for instance as licensees may not have motivation to seek new or renew existing licensing arrangements with us or have reduced unit sales, as it is common that licensing fees are tied to unit sales.

In addition, continued difficulties, uncertainty or any deterioration in the global or relevant regional economic conditions may:

- Limit the availability of credit or raise the interest rates related to credit which may have a negative effect on the financial condition, and in particular on the purchasing ability, of some of our customers and may also result in requests for extended payment terms, credit losses, insolvencies, or limited ability to respond to demand.
- Cause financial difficulties for our suppliers and collaborative partners which may result in their failure to perform as planned and, consequently, in delays in the delivery of our products.
- Impair our ability to address the customer requests for longer payment terms through sales of our customer receivables.
- Cause lowered credit ratings of our short- and long-term debt or their outlook from the credit rating agencies and, consequently, impair our ability to raise new financing or refinance our current borrowings and increase our interest costs associated with any new debt instruments.
- Result in failures of derivative counterparties or other financial institutions which could have a negative impact on our treasury operations.

- Increase volatility in exchange rates which may increase the costs of our products that we may not be able to pass on to our customers and result in significant competitive benefit to certain of our competitors that incur a material part of their costs in other currencies than we do; hamper our pricing; and increase our hedging costs and limit our ability to hedge our exchange rate exposure.
- Result in inefficiencies due to our deteriorated ability to appropriately forecast developments in our industry and plan our operations accordingly, delayed or insufficient investments in new market segments and failure to adjust our costs appropriately.
- Cause reductions in the future valuations of our investments and assets and result in impairment charges related to goodwill or other assets due to any significant underperformance relative to historical or projected future results by us or any part of our business or any significant changes in the manner of our use of acquired assets or the strategy for our overall business.
- Result in increased and/or more volatile taxes that could negatively impact our effective tax rate, including the possibility of new tax regulations, interpretations of regulations which are stricter or increased effort by governmental bodies seeking to receive taxes more aggressively.

We currently believe our funding position is sufficient to meet our operating and capital expenditures in the foreseeable future. However, adverse developments in the global financial markets could have a material adverse effect on our financial condition and results of operations and/or our ability to access affordable financing on terms satisfactory to us.

Networks is dependent on a limited number of customers and large multi-year contracts and accordingly a loss of a single customer or issues related to a single contract can have a significant impact on Networks.

A large proportion of net sales that Networks generates have historically come from a limited number of customers. As consolidation among existing customers continues, it is possible that an even greater portion of Networks' net sales will be attributable to a smaller number of large service providers operating in multiple markets. As part of Networks' strategic focus on certain markets, the proportion of the sales to certain key customers in those markets has also grown. These developments will also increase the impact of the outcome of some individual contract tenders on Networks' net sales. In addition, mobile operators are increasingly entering into network sharing arrangements, as well as joint procurement agreements, which may reduce their investments and the number of networks available for Networks to service. Further, the procurement organisations of certain large mobile operators sell consulting services to enhance the negotiation position of smaller operators towards their vendors. As a result of these trends and the intense competition in the industry, Networks may be required to provide contract terms increasingly favourable to the customer to remain competitive. Any unfavourable developments in relation to or any change in the contract terms applicable to a major customer may have a material adverse effect on our business, results of operations and financial condition.

Large multi-year contracts, which are typical in the mobile broadband infrastructure and related services business, include a risk that the timing of sales and results of operations associated with those contracts will differ from what was expected. Moreover, such contracts often require the dedication of substantial amounts of working capital and other resources, which may negatively affect our cash flow, particularly in the early stages of a contract, or may require Networks to continue to sell certain products and services, or to certain markets, that would otherwise be discontinued, thereby diverting resources from developing more profitable or strategically important products and services. Any suspension, termination or non-performance by us under the contracts may have a material adverse effect on Networks because mobile operators have demanded and may continue to demand stringent contract undertakings, such as penalties for contract violations.

We may be unable to retain, motivate, develop and recruit appropriately skilled employees.

Our success is dependent on our ability to retain, motivate, develop through constant competence training and recruit appropriately skilled employees with a comprehensive understanding of our current and future businesses, technologies, software, products and services. We seek to create a corporate culture that is motivational and encourages creativity and continuous learning as competition for skilled personnel remains intense. We have over recent years significantly reduced our workforce and introduced changes in strategies. Changes and uncertainty may cause disruption and dissatisfaction among employees, as well as fatigue due to the cumulative effect of several other reorganisations in the past few years. As a result, employee motivation, energy, focus, morale and productivity may be reduced, causing inefficiencies and other problems across the

organisation and leading to the loss of key personnel and the related costs in dealing with such matters. Reorganisations and strategic changes may also result in key people leaving the company or resource gaps, some of which may be only noticed after a certain period of time. If the strategic direction of Nokia or any of its businesses is perceived negatively by our employees, this may result in a heightened risk of being able to retain or recruit needed resources. Moreover, our employees may be targeted aggressively by our competitors due to our changes in strategy, and some employees may be more receptive to such offers, leading to the loss of key personnel. Accordingly, we may need to adjust our compensation and benefits policies and take other measures to attract, retain and motivate skilled personnel aligned with the changes to our mode of working and culture needed to implement new strategies successfully. This will require significant time, attention and resources of our senior management and others within the organisation and may result in increased costs. We have encountered, and may encounter in the future, shortages of appropriately skilled personnel, which may hamper our ability to implement our strategies and materially harm our business and results of operations.

Relationships with employee representatives are generally managed at site level and most collective bargaining agreements have been in place for several years. Our inability to negotiate successfully with employee representatives or failures in our relationships with the representatives could result in strikes by the employees, increased operating costs as a result of higher wages or benefits paid to employees as the result of a strike or other industrial action and/or inability to implement changes to our organisation and operational structure in the planned time or cost, or at all. If our employees were to engage in a strike or other work stoppage, we could experience a significant disruption of operations and/or higher on-going labour costs.

We have operations in a number of countries and, as a result, face complex tax issues and could be obligated to pay additional taxes in various jurisdictions. Further, our actual or anticipated performance, among other factors, could reduce our ability to utilise our deferred tax assets.

We operate our business in a number of countries which involve different tax regimes and the application of rules related to taxation. Applicable taxes, value added tax ("VAT") and social taxes for which we make provisions could increase significantly as a result of changes in applicable tax laws in the countries where we operate, the interpretation of those laws by local tax authorities or tax audits performed by local tax authorities. The impact of these factors is dependent on the types of revenue and mix of profit we generate in various countries; for instance, profits from sales of devices or services may have a different tax treatment.

Nokia is subject to income taxes in Finland and in numerous other jurisdictions. Our business and investments globally and especially in emerging market countries are subject to uncertainties, including unfavourable or unpredictable tax law changes (even possibly with retroactive effect), taxation treatment and regulatory proceedings including tax audits. For instance, during early 2013 Nokia became subject to a tax investigation in India, focusing on Indian tax consequences of payments made within Nokia for the supply of operating software from its parent company in Finland. Such proceedings can be lengthy, involve actions that can hinder local operations, affect unrelated parts of our business and the outcomes of such proceedings is difficult to predict. To this end, Nokia has appealed on the underlying withholding tax claim it received in 2013 to the Income Tax Tribunal, Delhi.

Negative developments or outcome in such proceedings could have adverse effects to our cash flows, income statements and to our financial position. We are required to indemnify Microsoft for certain tax liabilities, including tax liabilities of the Nokia entities acquired by Microsoft in connection with the closing of the Sale of the D&S Business or the assets acquired by Microsoft attributable to tax periods ending on or prior to the closing date of the closing of the Sale of the D&S Business or the certain pre-closing portion of any taxable period that includes the closing date of the closing of the Sale of the D&S Business or taxes imposed with respect to any asset not acquired by Microsoft.

Deferred tax assets recognised on tax losses, unused tax credits and tax deductible temporary differences are dependent on our ability to offset such items against future taxable income within the relevant tax jurisdiction. Deferred tax assets recognised on tax losses, unused tax credits and tax deductible temporary differences are based on our assumptions for future taxable earnings and these may not occur as planned, which may cause the deferred tax asset to be reduced. There can be no assurances that an unexpected reduction in deferred tax assets will not occur. Any such reduction could have an adverse effect on us. Additionally, our earnings have been and may continue to be in the future unfavourably impacted if no tax benefits are recognised for certain deferred tax items. There may also be unforeseen tax expenses that may have an unfavourable impact on us. As a result and given the inherent unpredictable nature of taxation, there can be no assurance that the estimated long-term tax rate of Nokia will remain at current levels or that cash flows regarding taxes will be stable.

We may fail to manage our manufacturing, service creation and delivery, as well as our logistics efficiently, and without interruption, or the limited number of suppliers we depend on may fail to deliver sufficient quantities of fully functional products and components or deliver timely services meeting our customers' needs.

Our product manufacturing, service creation and delivery as well as our logistics are complex, require advanced and costly equipment and include outsourcing to third parties. These operations are continuously modified in an effort to improve efficiency and flexibility of our manufacturing, service creation and delivery as well as our logistics and to produce, create and distribute continuously changing volumes. We may experience difficulties in adapting our supply to meet the changing demand for our products and services, both ramping up and down production at our facilities and network implementation capabilities as needed on a timely basis; maintaining an optimal inventory level; adopting new manufacturing processes; finding the most timely way to develop the best technical solutions for new products; managing the increasingly complex manufacturing process and service creation and delivery process or achieving required efficiency and flexibility, whether we manufacture our products and create and deliver our services ourselves or outsource to third parties.

Our manufacturing operations depend on obtaining sufficient quantities of fully functional products, components, sub-assemblies, software and services on a timely basis. Our principal supply requirements for our products are for electronic components, mechanical components and software, which all have a wide range of applications in our products.

In some cases, a particular component or service may be available only from a limited number of suppliers or from a single supplier. In addition, our dependence on third-party suppliers has increased as a result of our strategic decisions to outsource certain activities. Suppliers may from time to time extend lead times, limit supplies, change their partner preferences, increase prices, have poor quality or be unable to increase supplies to meet increased demand due to capacity constraints or other factors, which could adversely affect our ability to deliver our products and services on a timely basis. For example, Networks' efforts to meet its customer needs during major network roll-outs in certain markets may require sourcing large volumes of components and services from the suppliers and vendors at short notice and at the same time with its competitors. If we fail to anticipate customer demand properly, an over-supply or under-supply of components and production or services delivery capacity could occur. In many cases, some of our competitors utilise the same contract manufacturers, component suppliers and service vendors. If they have purchased capacity or components ahead of us, this could prevent us from acquiring the needed components or services, which could limit our ability to supply our customers or increase our costs.

We also commit to certain capacity levels or component quantities which, if unused, will result in charges for unused capacity or scrapping costs. The cost efficiencies implemented in our supply chain to meet our targets to reduce Networks' production overheads may result in lapses in the availability of certain components, especially in situations of tight supply or demand peaks.

We may not be able to secure components at attractive terms from our suppliers or, a supplier may fail to meet our supplier requirements, such as, most notably, our and our customers' product quality, safety, security and other standards. Consequently, some of our products may be unacceptable to us and our customers, or may fail to meet our quality controls. In case of issues affecting a product's safety or regulatory compliance, we may be subject to damages due to product liability, or defective products, components or services may need to be replaced. Also, some suppliers may not be compliant with local laws, including, among other things, local labour laws. In addition, a component supplier may experience delays or disruption to its manufacturing processes or financial difficulties or even insolvency or closure of its business, in particular due to difficult economic conditions. Any of these events could delay our successful and timely delivery of products that meet our and our customers' quality, safety, security and other requirements, or otherwise materially adversely affect our sales and results of operations or our reputation and brand value.

We may also experience challenges caused by third parties or other external difficulties in connection with our efforts to modify our operations to improve the efficiency and flexibility of our manufacturing, service creation and delivery as well as our logistics, including, but not limited to, strikes, purchasing boycotts, public harm to our brands and claims for compensation resulting from our decisions on where to locate and how to utilise our manufacturing facilities. Such difficulties may result from, among other things, delays in adjusting or upgrading production at our facilities, delays in expanding production capacity, failure in our manufacturing, service creation and delivery as well as logistics processes, failures in the activities we have outsourced, and interruptions in the data communication systems that run our operations. Such failures or interruptions could result in our products not meeting our and our customers' quality, safety, security and other requirements, or

being delivered late or in insufficient or excess volumes compared to our own estimates or customer requirements, which could have a material adverse effect on our sales, results of operations, reputation and the value of our brands.

Many of our production sites or the production sites of our suppliers are geographically concentrated, with a majority of our suppliers based in Asia. In the event that any of these geographic areas is affected by any adverse conditions, such as natural disasters, geopolitical disruptions or civil unrest that disrupt production and/or deliveries from our suppliers, our ability to deliver our products on a timely basis could be negatively affected, which may materially adversely affect our business and results of operations.

The Sale of the D&S Business may expose us to contingent liabilities and the agreements we have entered into with Microsoft may have terms that prove to be unfavourable to us.

The sale by Nokia of substantially all of Nokia's D&S Business, including Smart Devices and Mobile Phones pursuant to the D&S Purchase Agreement may expose us to liabilities or have terms that prove unfavourable to us. Under the D&S Purchase Agreement, we are required to indemnify Microsoft for the breach or violation of certain representations and warranties and covenants made by us in the D&S Purchase Agreement, subject to certain limitations and, in some cases, subject to a cap of EUR 284,250,000 and for losses arising from assets not acquired by Microsoft, liabilities retained by us and liabilities that are not primarily related to the D&S Business, subject to certain limitations and, in some cases, subject to a cap of EUR 284,250,000. Significant indemnification claims by Microsoft with respect to the D&S Purchase Agreement and the Sale of the D&S Business could have a material adverse effect on our financial condition. In addition, we are required to indemnify Microsoft for certain tax liabilities, including tax liabilities of the Nokia entities acquired by Microsoft, the D&S Business or the assets to be acquired by Microsoft attributable to tax periods ending on or prior to the closing date of the transaction or the certain pre-closing portion of any taxable period that includes the closing date of the transaction or taxes imposed with respect to any asset not being acquired by Microsoft. The D&S Purchase Agreement may have terms that prove to be unfavourable to us and significant transactions may result in claims between the parties, which can consume time and management attention and the outcome of disputes related to significant transactions may be difficult to predict.

The D&S Purchase Agreement contains certain purchase price adjustment mechanisms. The estimate of the adjustments made for net working capital and cash earnings was slightly positive for Nokia, and we currently expect the total transaction price to be slightly higher than the earlier-announced transaction price of EUR 5.44 billion after the final adjustments are made based on the verified closing balance sheet. In line with the D&S Purchase Agreement, the final purchase price adjustment will be based on the final adjustment amount determined after Closing in accordance with the terms of the D&S Purchase Agreement and as such there are no assurances that this will be the final purchase price adjustment as it may be higher or lower.

Nokia and Microsoft made certain adjustments to the scope of the assets originally planned to transfer. These adjustments included Nokia's manufacturing facilities in Chennai in India and Masan in the Republic of Korea not transferring to Microsoft. In India, our manufacturing facility is subject to an asset freeze by the Indian tax authorities as a result of on-going tax proceedings. Consequently, the facility remains part of Nokia following the closing of the transaction. Nokia and Microsoft have entered into a service agreement whereby Nokia will produce mobile devices for Microsoft. In the Republic of Korea, Nokia and Microsoft agreed to exclude the Masan facility from the scope of the transaction. Nokia will now take steps to close the facility, which employs approximately 200 people.

As Nokia retains the Chennai facility and is taking steps to close the Masan facility, it continues to face certain risks and costs related to these production facilities that may not be fully remedied by our arrangements with Microsoft, including claims that may be made against Nokia as the owner of these facilities, administrative burden associated with running these facilities, potential claims by authorities and potential reputational damage associated with owning and running these production facilities. After the above mentioned periods, Nokia will need to find alternative solutions for these production facilities, which may further expose Nokia to additional risks and cost associated with such plans.

Our operations rely on the efficient and uninterrupted operation of complex and centralised information technology systems and networks and we store certain personal and consumer data as part of our business operations. If a system or network inefficiency, cyber security breach, malfunction or disruption occurs, this could have a material adverse effect on our business and results of operations.

Our operations rely on the efficient and uninterrupted operation of complex and centralised information technology systems and networks, which are integrated with those of third parties. Additionally, we store certain personal and consumer data as part of our business operations. All information technology systems are potentially vulnerable to damage, malfunction or interruption from a variety of sources. We are to a significant extent relying on third parties for the provision of information technology systems and networks. We may experience disruptions if our partners do not deliver as we have planned or if we are unable to successfully and manage systems together with our partners.

We have made certain adjustments to our information technology systems as a result of the Sale of the D&S Business. We will need to use new service providers and may increase our reliance on certain new technologies, such as cloud based services and certain other services that are used over the internet rather than with the traditional licensing model. Switching to using new service providers and introducing new technologies is inherently risky and may expose us to a heightened risk of experiencing disruptions in our operations for instance due to network inefficiency, cyber security breach, malfunction or other disruptions resulting from information technology systems.

We pursue various measures in order to manage our risks related to system and network malfunction and disruptions, including the use of multiple suppliers and available information technology security. However, despite precautions taken by us, any malfunction or disruption of our current or future systems, or networks such as an outage in a telecommunications network used by any of our information technology systems, or a breach of our cyber security, such as an attack, malware or other event that leads to an unanticipated interruption or malfunction of our information technology systems or networks or data leakages, could have a material adverse effect on our brand image, business and results of operations. In addition, if we fail to successfully use our information technology systems and networks, our operational efficiency or competitiveness could be impaired which could have a material adverse effect on our business and results of operations. A disruption, for instance, in our location-based services, could cause significant discontent among users of our products resulting in claims or deterioration of our brand image.

Although we endeavour to develop products and services that meet the appropriate security standards, including with respect to data protection, we or our products and online services, marketing and developer sites may be subject to breaches in our cyber security, including hacking, viruses, worms and other malicious software, unauthorised modifications or illegal activities, that may cause potential security risks and other harm to us, our customers or consumers and other end-users of our products. Events or mere allegations of cyber security breaches may have a material adverse effect on our business. Additionally, we contract with multiple third parties in various jurisdictions who collect and use certain data on our behalf. Although we have processes in place designed to ensure appropriate collection, handling and use of such data, third parties may use the data inappropriately, breach laws in collecting, handling or using such data or leak such data. This could lead to lengthy proceedings or fines imposed on us as well as adverse effects to our reputation and brand value.

In connection with providing our products to our customers and consumers, certain customer feedback, information on consumer usage patterns and other personal and consumer data is collected and stored through us, either by the consumers or by us or our partners or subcontractors. Loss, improper disclosure or leakage of any personal or consumer data collected by us or that is available to our partners or subcontractors, made available to us or stored in or through our products could result in liability to us and harm our reputation and brand. In addition, governmental authorities may use our networks products to access the personal data of individuals without our involvement, for example, through so-called lawful intercept capability of network infrastructure. Even perceptions that our products do not adequately protect personal or consumer data collected by us, made available to us or stored in or through our products or that they are being used by third parties to access personal or consumer data could impair our sales, results of operations, reputation and brand value.

Our efforts aimed at managing and improving financial performance, cost savings and competitiveness may not lead to targeted results or improvements.

We need to manage our operating expenses and other internal costs to maintain cost efficiency and competitive pricing of our products and services. Any failure by us to determine the appropriate prioritisation of operating expenses and other costs, to identify and implement on a timely basis the appropriate measures to adjust our operating expenses and other costs accordingly, or to maintain achieved reduction levels, could have a material adverse effect on our business, results of operations and financial condition.

Nokia has recently completed large restructuring programs and has over recent years significantly reduced its global work force. In November 2011, NSN (since renamed Networks) announced a strategy, including changes

to its organisational structure and an extensive global restructuring program, aimed at improving its competitiveness and profitability. The strategy also included efforts to focus its business and exit certain countries, business areas and contacts. This programme was largely completed at the end of 2013 resulting in a reduction of more than EUR 1.5 billion NSN (since renamed Networks) annualised operating expenses and production overheads, excluding special items and purchase price related items. We may in the ordinary course of business institute new plans for restructuring measures. The restructuring programs are costly, potentially disruptive to operations and may not lead to sustainable improvements in overall competitiveness and profitability, and may have a negative effect for instance as result in the loss of scale benefits.

Networks may be adversely affected by negative developments with respect to the customer financing or extended payment terms it provides to customers.

Mobile operators in some markets may require their suppliers, including Networks, to arrange, facilitate or provide financing in order to obtain sales or business. They may also require extended payment terms. In some cases, the amounts and duration of these financings and trade credits, and the associated impact on our working capital, may be significant. Credit markets in general have been tight since 2009. Requests for customer financing and especially extended payment terms have remained at a reasonably high level. However, the amount of financing provided directly to our customers continued to decrease in 2013.

Uncertainty in the financial markets may result in more customer financing requests. As a strategic market requirement, Networks arranges and facilitates financing or provides longer payment terms to a number of customers, typically supported by export credit or guarantee agencies or through sale of the related receivables. In the event that export credit agencies face future constraints on their ability or willingness to provide financing to Networks' customers or there is not sufficient demand to purchase their receivables, there could be a material adverse effect on our business and financial condition. Networks has agreed to extended payment terms for a number of customers, and may continue to do so. Extended payment terms may continue to result in a material aggregate amount of trade credits. Even when the associated risk is mitigated by the fact that the portfolio relates to a variety of customers, defaults in the aggregate could have a material adverse effect on us.

Networks cannot guarantee that it will be successful in arranging, facilitating or providing needed financing, including longer or extended payment terms to customers, particularly in difficult financial market conditions. In addition, certain of Networks' competitors may have greater access to credit financing, which could adversely affect our ability to compete successfully for business in the mobile broadband infrastructure and, indirectly, in the related services sectors. Networks' ability to manage its total customer finance and trade credit exposure depends on a number of factors, including capital structure, market conditions affecting its customers, the level and terms of credit available to it and to its customers, the cooperation of export credit or guarantee agencies and our ability to mitigate exposure on acceptable terms. Networks may not be successful in managing the challenges associated with the customer financing and trade credit exposure that Networks may have from time to time. While defaults under financings, guarantees and trade credits to our customers resulting in impairment charges and credit losses have not been a significant factor for Networks, these may increase in the future, and commercial banks may not continue to be able or willing to provide sufficiently long-term financing, even when backed by export credit agency guarantees, due to their own liquidity constraints.

Networks has used the sale of receivables to banks or other financial institutions to improve its liquidity, and any significant change in Networks' ability to continue this practice could impair our liquidity.

If any of the companies we partner and collaborate with were to fail to perform as planned or if we fail to achieve the collaboration or partnering arrangements needed to succeed, we may not be able to bring our products or services to market successfully or in a timely way.

We are increasingly collaborating and partnering with third parties to develop technologies, products and services. Additionally, we have outsourced various functions to third parties and are relying on them to provide certain services to us. These arrangements involve the commitment by each party of various resources, including technology, research and development efforts, services and personnel. Although the objective of the collaborative and partnering arrangements is a mutually beneficial outcome for each party, our ability to introduce products and services that are commercially viable and meet our and our customers' and consumers' quality, safety, security and other standards successfully and on schedule could be hampered if, for example, any of the following risks were to materialise:

- We fail to engage the right partners or on terms that are beneficial to us.

- We are unable to collaborate and partner effectively with individual partners and simultaneously with multiple partners to execute and reach the targets set for the collaboration.
- The arrangements with the parties we work with do not develop as expected, including their performance, delivery and timing, or include terms which prove unfavourable to us.
- The technologies provided by the parties we work with are not sufficiently protected or infringe third parties' intellectual property rights in a way that we cannot foresee or prevent, or private information shared with partners is leaked.
- The technologies or products or services supplied by the parties we work with do not meet the required quality, safety, security and other standards or customer needs.
- Our own quality controls fail.
- The financial condition of our collaborative partners deteriorates which may result in underperformance by the collaborative partners or insolvency or closure of the business of such partners.

Our products and services include increasingly complex technologies, some of which have been developed by us or licensed to us by certain third parties. As a result, evaluating the rights related to the technologies we use or intend to use is more and more challenging, and we expect to continue to face claims that we could have allegedly 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 and/or costly and time-consuming litigation.

Our products and services include increasingly complex technologies, some of which have been developed by us or licensed to us by certain third parties. As the amount of such proprietary technologies and the number of parties claiming intellectual property rights continue to increase, even within individual products, as the range of our products becomes more diversified and if we were to enter into new businesses, and as the complexity of the technology increases, the possibility of alleged infringement and related intellectual property claims against us continues. The holders of patents and other intellectual property rights potentially relevant to our products may be unknown to us, may have different business models, may refuse to grant licenses to their proprietary rights, or may otherwise make it difficult for us to acquire a license on commercially acceptable terms. There may also be technologies licensed to and relied on by us that are subject to alleged infringement or other corresponding allegations or claims by others which could impair our ability to rely on such technologies. In addition, although we endeavour to ensure that companies that work with us possess appropriate intellectual property rights or licenses, we cannot fully avoid the risks of intellectual property rights infringement created by suppliers of components and various layers in our products, or by companies with which we work in cooperative research and development activities. Similarly, we and our customers may face claims of infringement in connection with our customers' use of our products.

In many aspects the business models for mobile services are not yet established. The lack of availability of licenses for copyrighted content, delayed negotiations, or restrictive licensing terms may have a material adverse effect on the cost or timing of content-related services offered by us, mobile network operators or third-party service providers.

Since all technology standards, including those we use and rely on, include some intellectual property rights, we cannot fully avoid risks of a claim for infringement of such rights due to our reliance on such standards. We believe, the number of third parties declaring their intellectual property to be potentially relevant to these standards, for example, the standards related to so-called 3G and 4G mobile communication technologies, as well as other advanced mobile communications standards, is increasing, which may increase the likelihood that we will be subject to such claims in the future. As the number of market entrants and the complexity of technology increases, it remains likely that we will need to obtain licenses with respect to existing and new standards from other licensors. While we believe, most such intellectual property rights declared or actually found to be essential to a given standard carry with them an obligation to be licensed on fair, reasonable and non-discriminatory terms, not all intellectual property owners agree on the meaning of that obligation and thus costly and time consuming litigation over such issues has resulted and may continue to result in the future.

From time to time, some existing patent licenses may expire or otherwise become subject to renegotiation. The inability to renew or finalise such arrangements or new licenses with acceptable commercial terms may result in

costly and time-consuming litigation, and any adverse result in any such litigation may lead to restrictions on our ability to sell certain products and could result in payments that potentially could have a material adverse effect on our operating results and financial condition. These legal proceedings may continue to be expensive and time-consuming and divert the efforts of our management and technical personnel from our business, and, if decided against us, could result in restrictions on our ability to sell our products, require us to pay increased licensing fees, substantial judgments, settlements or other penalties and incur expenses.

Our patent license agreements may not cover all the future businesses that we may enter; our existing businesses may not necessarily be covered by our patent license agreements if there are changes in our corporate structure or in companies under our control; or our newly-acquired businesses may already have patent license agreements with terms that differ from similar terms in our patent license agreements. This may result in increased costs, restrictions to use certain technologies or time-consuming and costly disputes whenever there are changes in our corporate structure or in companies under our control, or whenever we enter new businesses or acquire new businesses.

We make accruals and provisions to cover our estimated total direct IPR costs for our products. The total direct IPR cost consists of actual payments to licensors, accrued expenses under existing agreements and provisions for potential liabilities. We believe that our accruals and provisions are appropriate for all technologies owned by others. The ultimate outcome, however, may differ from the provided level which could have a positive or negative impact on our results of operations and financial condition.

Any restrictions on our ability to sell our products due to expected or alleged infringements of third-party intellectual property rights and any intellectual property rights claims, regardless of merit, could result in material loss of profits, costly litigation, the payment of damages and other compensation, the diversion of the attention of our personnel, product shipment delays or the need for us to develop non-infringing technology or to enter into a licensing agreement. If licensing agreements were not available or are not available on commercially acceptable terms, we could be precluded from making and selling the affected products, or could face increased licensing costs. As new features are added to our products, we may need to acquire further licenses, including from new and sometimes unidentified owners of intellectual property. The cumulative costs of obtaining any necessary licenses are difficult to predict and may over time have a negative effect on our operating results.

We are a company with global operations and with sales derived from various countries, exposing us to risks related to regulatory, political or other developments in various counties or regions.

We generate sales from and have manufacturing facilities and suppliers located in various countries. Additionally, sales from emerging markets that may have a higher degree of regulatory or political risk represent a significant portion of our total sales and those countries represent a significant portion of any expected industry growth. Most of our suppliers are located in and our products are manufactured and assembled in emerging market countries, particularly in Asia. Accordingly, economic or political turmoil, military actions, labour unrest, civil unrest, public health and environmental issues or natural and man-made disasters in those countries could materially adversely affect the supply of our products and services, including network infrastructure equipment manufactured in those countries, our sales and results of operations. In recent years, we witnessed political unrest in various markets where we do business or have operations in, which adversely affected our sales in those markets or operations also outside those countries or regions, and any reoccurrence or escalation of such unrest could do so in the future. For instance, economic or political instability or the introduction of trade sanctions, as a result of the recent events and instability in Ukraine and the international reaction to them may adversely affect our business or operations in Ukraine, Russia and/or related markets, including as a result of potential trade sanctions or economic uncertainty or slowdown resulting from these events.

Further, the economic conditions in emerging market countries may be more volatile than in developed countries, and the purchasing power of our customers and consumers in those countries depends to a greater extent on the price development of basic commodities and currency fluctuations which may render our products too expensive to afford. Our business and investments in emerging market countries may also be subject to risks and uncertainties, including unfavourable or unpredictable taxation treatment, exchange controls, and other restrictions affecting our ability to make cross-border transfers of funds, regulatory proceedings, unsound or unethical business practices, challenges in protecting our intellectual property rights, nationalisation, inflation, currency fluctuations, or the absence of, or unexpected changes in, regulation as well as other unforeseeable operational risks.

Our business is subject to direct and indirect regulation in each of the countries where we, the companies with which we work, and our customers, do business. We develop many of our products based on existing regulations and technical standards, our interpretation of unfinished technical standards or there may be an absence of applicable regulations and standards. As a result, changes in various types of regulations, their application and trade policies applicable to current or new technologies or products may adversely affect our business and results of operations. For example, changes in regulation affecting the construction of base stations and other network infrastructure could adversely affect the timing and costs of new network construction or expansion and the commercial launch and ultimate commercial success of those networks. Also, changes in the applicable privacy related regulatory framework may adversely affect our business, especially our offering through our networks business, including if there are changes that reduce or are seen to reduce the privacy aspects of our offering, for instance if further governmental interception capabilities are required for the products and services that we offer. Our ability to protect the IP in our products and generate IP related net sales is dependent on regulatory developments in various jurisdictions, as well as the application of the regulations for instance through administrative bodies. Export control, tariffs or other fees or levies imposed on our products and environmental, health, data protection, product safety and data protection, security, consumer protection, money laundering and other regulations that adversely affect the export, import, technical design, pricing or costs of our products could also adversely affect our sales and results of operations. In addition, changes in various types of regulations or their application with respect to taxation or other fees collected by governments or governmental agencies may result in unexpected payments to be made by us, and in response to difficult global economic conditions there may be an increase in the aggressiveness of collecting such fees. The trade sanctions environment can be difficult to navigate for companies with global operations. We may be subject to new, existing or tightened export control regulations, sanctions, embargoes or other forms of trade restrictions imposed on certain countries. Such actions may trigger additional investigations, including tax audits by authorities or claims by contracting parties. The result and costs of such investigations or claims may be difficult to predict and could lead to lengthy disputes, fines or fees, indemnities or a settlement.

Our expansion into the provision of services, including the activities of our HERE business, has resulted in a variety of new regulatory issues and subjects us to increased regulatory scrutiny. Moreover, our competitors have employed and will likely continue to employ significant resources to shape the legal and regulatory regimes in countries where we have significant operations. Legislators and regulators may make legal and regulatory changes or interpret and apply existing laws in ways that make our services less appealing to the end users, require us to incur substantial costs, change our business practices or prevent us from offering our services.

In line with changes in strategy, as well as in some cases a difficult political or business environment and an increasingly complicated trade sanctions environment, Nokia and its Networks business have exited or reduced operations in certain areas or countries, with some of these exits or reductions in operations still-on-going. We continuously monitor international developments and assess the appropriateness of our presence and businesses in various markets. For instance, in light of the recent developments relating to Iran, Networks is assessing its position on performing business in Iran in compliance with all applicable trade sanctions and regulations, including potentially increasing its business activities with its existing customers in the country, while NSN works with them to find solutions to honour existing contractual obligations. The actions described in this paragraph may have adverse effects on Nokia for instance through triggering additional investigations, including tax audits by authorities or claims by contracting parties or reputational damage resulting for instance in adverse effects to business relationships. The result and costs of investigations or claims may be difficult to predict and could lead to lengthy disputes, fines or fees, indemnities or a settlement.

The impact of changes in or uncertainties related to regulation and trade policies could affect our business and results of operations adversely even though the specific regulations do not always directly apply to us or our products. In many parts of the world where we currently operate or seek to expand our business, local practices and customs may be contrary to our code of conduct and could violate anticorruption laws, including the US Foreign Corrupt Practices Act and the UK Bribery Act 2010 or EU and other applicable trade sanctions and embargoes. Our employees, or others who act on our behalf, could violate policies and procedures intended to promote compliance with anticorruption laws or trade sanctions. Violations of these laws by our employees or others who act on our behalf, regardless of whether we participated in such acts or knew about such acts at certain levels of our organisation, could subject us and our employees to criminal or civil enforcement actions, including fines or penalties, disgorgement of profits and suspension or disqualification from sales. Additionally, violations of law or allegations of violations may result in the loss of reputation and business. Detecting, investigating and resolving such situations may also result in significant costs, including the need to engage external advisors, and consume significant time, attention and resources of our management. The result and

costs of such investigations or claims may be difficult to predict and could lead to lengthy disputes, fines or fees, indemnities or a settlement.

As a global company, we are subject to various legislative frameworks and jurisdictions that regulate fraud committed in the course of business operations and trade sanctions and as such the extent and outcome of any proceedings is difficult to estimate. Further, our business and results of operations may be adversely affected by regulation and trade policies favouring the local industry participants as well as other measures with potentially protectionist objectives which host governments in different countries may take, particularly in response to difficult global economic conditions.

Our net 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 and the Chinese yuan, as well as certain other currencies.

We operate globally and are therefore exposed to foreign exchange risks in the form of both transaction risks and translation risks. Our policy is to monitor and hedge exchange rate exposure, and we manage our operations to mitigate, but not to eliminate, the impacts of exchange rate fluctuations. There can be no assurance, however, that our hedging activities will be successful in mitigating the impact of exchange rate fluctuations. In addition, significant volatility in the exchange rates may increase our hedging costs, as well as limit our ability to hedge our exchange rate exposure in particular against unfavourable movements in the exchange rates of certain emerging market currencies and could have an adverse effect on our results of operations, particularly our profitability. Further, exchange rate fluctuations may have an adverse effect on our net sales, costs and results of operations, as well as our competitive position through their impact on our competitors and customers. Further, exchange rate fluctuations may also materially affect the US dollar value of any dividends or other distributions that are paid in euro as well as the market price of our ADSs.

We may not be able to achieve targeted benefits from or successfully implement planned transactions, such as acquisitions, divestments, mergers or joint ventures, for instance due to issues in selecting successfully the targets or failure to execute transactions or due to unexpected liabilities associated with such transactions.

From time to time, we may consider possible transactions that would complement our existing operations and enable us to grow our business or divest our existing businesses or operations. In addition to the Sale of the D&S Business, we have for instance as part of Networks' strategy to focus on mobile broadband, divested certain businesses and may make further strategic divestments in the future.

We cannot provide assurance that any transactions, such as acquisitions, divestments, mergers or joint ventures, we consummate will ultimately provide the benefit we originally anticipate and the return on the acquisition may be below targets or negative. Furthermore, we may not succeed in integrating acquired operations with our existing businesses. We may not overcome problems encountered in connection with transactions, such as potential acquisitions or completed acquisitions, and such problems could have a material adverse effect on our business, financial condition, results of operation and cash flows.

Transactions, including acquisitions, divestments, mergers or joint ventures involve inherent risks, including:

- The assumption and exposure to unknown or contingent liabilities of acquired businesses.
- The ability to integrate acquired businesses and/or to achieve identified and anticipated operating and financial synergies.
- Unanticipated delays or inability to proceed with transactions as planned, for instance, due to issues in obtaining regulatory approvals.
- Unanticipated costs or changes in scope, for instance, due to issues with regulators or courts imposing terms on a transaction or obstacles that result in changes required in the scope of the transaction.
- The diversion of management attention from existing business.
- The potential loss of key employees and customers.

- Unanticipated changes in business, industry or general economic conditions that affect the assumptions underlying the acquisition.
- Potential disputes with sellers.
- Impairments related to goodwill and other intangible assets.
- Unexpected costs associated with the separation of the business to be sold.
- Additional payment obligations and higher costs resulting from non-performance by divested businesses.
- Exposure to contingent liabilities in connection with any indemnity we provide to the purchaser in connection with such divestiture.
- Potential post-closing claims for indemnification and disputes with purchasers.
- Our dependency on some of the divested businesses as our suppliers.
- High transaction costs.

An unfavourable outcome of litigation, contract-related disputes or allegations of health hazards associated with our business could have a material adverse effect on our business, results of operations, financial condition and reputation.

We are a party to lawsuits and contract-related disputes in the normal course of our business. Litigation or contract related disputes can be expensive, lengthy and disruptive to normal business operations and divert the efforts of our management. Moreover, the results of complex legal proceedings or contract related disputes are difficult to predict. An unfavourable resolution of a particular lawsuit or contract related dispute could have a material adverse effect on our business, results of operations, financial condition and reputation.

We record provisions for pending litigation when we determine that an unfavourable outcome is probable and the amount of loss can be reasonably estimated. Due to the inherent uncertain nature of litigation, the ultimate outcome or actual cost of settlement may vary materially from estimates. We believe that our provisions for pending litigation are appropriate. The ultimate outcome, however, may differ from the provided level which could have a positive or negative impact on our results of operations and financial condition.

There has been public speculation about possible health risks to individuals from exposure to electromagnetic fields from base stations and from the use of mobile devices. A substantial amount of scientific research conducted to date by various independent research bodies has indicated that these radio signals, at levels within the limits prescribed by safety standards set by, and recommendations of, public health authorities, present no adverse effect on human health. We cannot, however, be certain that future studies, irrespective of their scientific basis, will not suggest a link between electromagnetic fields and adverse health effects that could have a material adverse effect on our sales, results of operations, share price, reputation and brand value. Research into these issues is on-going by government agencies, international health organisations and other scientific bodies in order to develop a better scientific and public understanding of these issues.

Although Nokia products are designed to meet all relevant safety standards and recommendations globally, we cannot guarantee we will not become subject to product liability claims or be held liable for such claims or be required to comply with future regulatory changes in this area that could have a material adverse effect on our business. We have been involved in several lawsuits alleging adverse health effects associated with our product, including those caused electromagnetic fields and the outcome of such procedures is difficult to predict, including the potentially significant fines or settlements. Even a perceived risk of adverse health effects of mobile devices or base stations could have a material adverse effect on us through a reduction in the demand for mobile devices having a negative effect on our continuing businesses, for instance through demand for mobile networks or increased difficulty in obtaining sites for base stations.

Factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme

Risks related to the structure of a particular issue of Notes

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of the most common such features:

Notes subject to optional redemption by the Issuer

An optional redemption feature of Notes is likely to limit their market value. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Fixed/Floating Rate Notes

Fixed/Floating Rate Notes may bear interest at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Where the Issuer has the right to effect such a conversion, this will affect the secondary market and the market value of the Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate in such circumstances, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate in such circumstances, the fixed rate may be lower than then prevailing rates on its Notes.

Notes issued at a substantial discount or premium

The market values of securities issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

Risks related to Notes generally

Set out below is a brief description of certain risks relating to the Notes generally:

Modification and waivers

The conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

EU Savings Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income, Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State or to certain limited types of entities established in that other Member State. However, for a transitional period Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries) (subject to a procedure whereby, on meeting certain conditions, the beneficial owner of the interest or other income may request that no tax be withheld). A number of non-EU countries and territories have adopted similar measures (either provision of information or transitional withholding). Luxembourg has announced that it will no longer apply the withholding system as from 1 January 2015 and will provide details of payments of interest or other similar income as from that date.

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither the Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Note as a result of

the imposition of such withholding tax. The Issuer is required at all times to maintain a Paying Agent in a Member State that is not obliged to withhold or deduct tax pursuant to the Directive.

On 24 March 2014, the Council of the European Union adopted a directive amending Council Directive 2003/48/EC, which, when implemented, will broaden the scope of the requirements described above. Member States have until 1 January 2016 to adopt the national legislation necessary to comply with this amending directive. Investors who are in any doubt as to their position should consult their professional advisers.

Change of law

The conditions of the Notes are based on English law in effect as at the date of this Base Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of this Base Prospectus.

Notes where denominations involve integral multiples: definitive Notes

In relation to any issue of Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes such that its holding amounts to a Specified Denomination.

If definitive Notes are issued, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

Risks related to the market generally

Set out below is a brief description of the principal market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

The secondary market generally

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Notes.

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Notes in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease: (i) the Investor's Currency equivalent yield on the Notes; (ii) the Investor's Currency equivalent value of the principal payable on the Notes; and (iii) the Investor's Currency equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Interest rate risks

Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Fixed Rate Notes.

Credit ratings may not reflect all risks

One or more independent credit rating agencies may assign credit ratings to the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other

factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the credit rating agency at any time.

FINAL TERMS, DRAWDOWN PROSPECTUSES AND SUPPLEMENTS

In this section, the expression "*necessary information*" means, in relation to any Tranche of Notes, the information necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer and of the rights attaching to the Notes. In relation to the different types of Notes which may be issued under the Programme from time to time, the Issuer has endeavoured to include in this Base Prospectus all of the necessary information, except for information relating to the Notes which is not known at the date of this Base Prospectus and which can only be determined at the time of an individual issue of a Tranche of Notes.

Any information relating to the Notes which is not included in this Base Prospectus, and which is required in order to complete the necessary information in relation to a Tranche of Notes, will be contained either in the relevant Final Terms or in a Drawdown Prospectus.

For a Tranche of Notes which is the subject of Final Terms, those Final Terms will, for the purposes of that Tranche of Notes only, complete this Base Prospectus and must be read in conjunction with this Base Prospectus. The terms and conditions applicable to any particular Tranche of Notes which is the subject of Final Terms are the Conditions as completed by the relevant Final Terms.

Each Drawdown Prospectus will be constituted by a single document containing the necessary information relating to the Issuer and the relevant Notes. The terms and conditions applicable to any particular Tranche of Notes which is the subject of a Drawdown Prospectus will be the Conditions as supplemented, amended and/or replaced to the extent described in the relevant Drawdown Prospectus. In the case of a Tranche of Notes which is the subject of a Drawdown Prospectus, each reference in this Base Prospectus to information being specified or identified in the relevant Final Terms shall be read and construed as a reference to such information being specified or identified in the relevant Drawdown Prospectus, unless the context requires otherwise.

In the event of any significant new factor, material mistake or inaccuracy relating to information included in this Base Prospectus and whose inclusion or removal from this Base Prospectus is necessary for the purpose of allowing an investor to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer and/or the rights attaching to the Notes, the Issuer will prepare a supplement to this Base Prospectus or publish a new Base Prospectus for use in connection with such Notes and any subsequent issue of Notes.

INFORMATION INCORPORATED BY REFERENCE

The following documents, which have previously been published or are published simultaneously with this Base Prospectus and have been filed with the Irish Stock Exchange or approved by the Central Bank, shall be incorporated in, and form part of, this Base Prospectus:

- (a) the audited consolidated annual financial statements and auditor's report of the Issuer for the financial year ended 31 December 2012, which form part of the Issuer's annual accounts for the financial year ended 31 December 2012 and which can be found at pages 18 to 69 and page 86, respectively, of such annual accounts (<http://company.nokia.com/sites/default/files/download/investors/nokia-in-2012-pdf.pdf>);
- (b) the audited consolidated annual financial statements and auditor's report of the Issuer for the financial year ended 31 December 2013, which form part of the Issuer's annual accounts for the financial year ended 31 December 2013 and which can be found at pages 22 to 81 and page 100, respectively, of such annual accounts (http://company.nokia.com/sites/default/files/download/investors/nokia_in_2013.pdf);
- (c) the unaudited consolidated interim financial statements of the Issuer, which form part of the Issuer's interim report for the second quarter of 2014 and the first half of 2014 and which includes the information set out on the following pages of such interim report (http://company.nokia.com/en/system/files/download/investors/nokia_results_2014q2_e.pdf): (i) the "Summary Financial Information" and accompanying notes on pages 2 to 4 excluding, for the avoidance of doubt, the text following the heading "Nokia Outlook" on page 4; (ii) the "Second Quarter 2014 Financial and Operating Discussion" on pages 4 to 12 excluding, for the avoidance of doubt, the text following the heading "Second Quarter 2014 Operating Highlights" on page 12; (iii) the information following the heading "Nokia's Continuing Operations in January-June 2014" on pages 14 to 16; and (iv) the information on pages 17 to 40; and
- (d) the Terms and Conditions of the Notes which can be found at pages 22 to 42 of the previous Base Prospectus dated 8 December 2008, prepared by the Issuer in connection with the Programme.

The financial statements referred to in paragraph (a) and (b) above are prepared on the basis of International Financial Reporting Standards as issued by the International Accounting Standards Board and in conformity with International Financial Reporting Standards as adopted by the European Union. The financial statements referred to in paragraph (c) above were prepared in accordance with International Accounting Standard 34. The same accounting policies and methods of computation are followed in the financial statements referred to in paragraph (c) above as were followed in the financial statements referred to in paragraph (b) above.

Any documents themselves incorporated by reference in the documents incorporated by reference in this Base Prospectus shall not form part of this Base Prospectus. Where only certain parts of the documents referred to above in paragraphs (a) to (d) are incorporated by reference into this Base Prospectus, those parts of the documents that are not incorporated by reference into this Base Prospectus are either not relevant for investors or are covered elsewhere in this Base Prospectus.

Following the publication of this Base Prospectus a supplement may be prepared by the Issuer and approved by the Central Bank in accordance with Article 16 of the Prospectus Directive. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Base Prospectus or in a document which is incorporated by reference in this Base Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Prospectus.

Copies of documents incorporated by reference in this Base Prospectus can be obtained from the registered office of the Issuer and from the specified office of the Fiscal Agent for the time being in London.

The Issuer will, in the event of any significant new factor, material mistake or inaccuracy relating to information included in this Base Prospectus which is capable of affecting the assessment of any Notes, prepare a supplement to this Base Prospectus or publish a new Base Prospectus for use in connection with any subsequent issue of Notes.

FORMS OF THE NOTES

Each Tranche of Notes in bearer form ("**Bearer Notes**") will initially be in the form of either a temporary global note in bearer form (the "**Temporary Global Note**"), without interest coupons, or a permanent global note in bearer form (the "**Permanent Global Note**"), without interest coupons, in each case as specified in the relevant Final Terms. Each Temporary Global Note or, as the case may be, Permanent Global Note (each a "**Global Note**") which is not intended to be issued in new global note ("**NGN**") form, as specified in the relevant Final Terms, will be deposited on or around the issue date of the relevant Tranche of the Notes with a depository or a common depository for Euroclear Bank S.A./N.V. ("**Euroclear**") and/or Clearstream Banking, *société anonyme*, Luxembourg ("**Clearstream, Luxembourg**") and/or any other relevant clearing system and each Global Note which is intended to be issued in NGN form, as specified in the relevant Final Terms, will be deposited on or around the issue date of the relevant Tranche of the Notes with a common safekeeper for Euroclear and/or Clearstream, Luxembourg.

On 13 June 2006 the European Central Bank (the "**ECB**") announced that Notes in NGN form are in compliance with the "Standards for the use of EU securities settlement systems in ESCB credit operations" of the central banking system for the euro (the "**Eurosystem**"), provided that certain other criteria are fulfilled. At the same time the ECB also announced that arrangements for Notes in NGN form will be offered by Euroclear and Clearstream, Luxembourg as of 30 June 2006 and that debt securities in global bearer form issued through Euroclear and Clearstream, Luxembourg after 31 December 2006 will only be eligible as collateral for Eurosystem operations if the NGN form is used.

In the case of each Tranche of Bearer Notes, the relevant Final Terms will also specify whether United States Treasury Regulation §1.163-5(c)(2)(i)(C) (the "**TEFRA C Rules**") or United States Treasury Regulation §1.163-5(c)(2)(i)(D) (the "**TEFRA D Rules**") are applicable in relation to the Notes or, if the Notes do not have a maturity of more than 365 days, that neither the TEFRA C Rules nor the TEFRA D Rules are applicable.

Temporary Global Note exchangeable for Permanent Global Note

If the relevant Final Terms specifies the form of Notes as being "Temporary Global Note exchangeable for a Permanent Global Note", then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole or in part, for interests in a Permanent Global Note, without interest coupons, not earlier than 40 days after the issue date of the relevant Tranche of the Notes upon certification as to non-U.S. beneficial ownership. No payments will be made under the Temporary Global Note unless exchange for interests in the Permanent Global Note is improperly withheld or refused. In addition, interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

Whenever any interest in the Temporary Global Note is to be exchanged for an interest in a Permanent Global Note, the Issuer shall procure (in the case of first exchange) the prompt delivery (free of charge to the bearer) of such Permanent Global Note to the bearer of the Temporary Global Note or (in the case of any subsequent exchange) an increase in the principal amount of the Permanent Global Note in accordance with its terms against:

- (i) presentation and (in the case of final exchange) surrender of the Temporary Global Note to or to the order of the Fiscal Agent; and
- (ii) receipt by the Fiscal Agent of a certificate or certificates of non-U.S. beneficial ownership,

within seven days of the bearer requesting such exchange.

The principal amount of the Permanent Global Note shall be equal to the aggregate of the principal amounts specified in the certificates of non-U.S. beneficial ownership; *provided, however*, that in no circumstances shall the principal amount of the Permanent Global Note exceed the initial principal amount of the Temporary Global Note.

The Permanent Global Note will be exchangeable in whole, but not in part, for Notes in definitive form ("**Definitive Notes**"):

- (i) on the expiry of such period of notice as may be specified in the relevant Final Terms; or
- (ii) at any time, if so specified in the relevant Final Terms; or

- (iii) if the relevant Final Terms specifies "in the limited circumstances described in the Permanent Global Note", then if (a) Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business or (b) any of the circumstances described in Condition 13 (*Events of Default*) occurs.

Whenever the Permanent Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note to or to the order of the Fiscal Agent within 30 days of the bearer requesting such exchange.

Temporary Global Note exchangeable for Definitive Notes

If the relevant Final Terms specifies the form of Notes as being "Temporary Global Note exchangeable for Definitive Notes" and also specifies that the TEFRA C Rules are applicable or that neither the TEFRA C Rules or the TEFRA D Rules are applicable, then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole but not in part, for Definitive Notes not earlier than 40 days after the issue date of the relevant Tranche of the Notes.

If the relevant Final Terms specifies the form of Notes as being "Temporary Global Note exchangeable for Definitive Notes" and also specifies that the TEFRA D Rules are applicable, then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole or in part, for Definitive Notes not earlier than 40 days after the issue date of the relevant Tranche of the Notes upon certification as to non-U.S. beneficial ownership. Interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

Whenever the Temporary Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of the Temporary Global Note to the bearer of the Temporary Global Note against the surrender of the Temporary Global Note to or to the order of the Fiscal Agent within 30 days of the bearer requesting such exchange.

Permanent Global Note exchangeable for Definitive Notes

If the relevant Final Terms specifies the form of Notes as being "Permanent Global Note exchangeable for Definitive Notes", then the Notes will initially be in the form of a Permanent Global Note which will be exchangeable in whole, but not in part, for Definitive Notes:

- (i) on the expiry of such period of notice as may be specified in the relevant Final Terms; or
- (ii) at any time, if so specified in the relevant Final Terms; or
- (iii) if the relevant Final Terms specifies "in the limited circumstances described in the Permanent Global Note", then if (a) Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business or (b) any of the circumstances described in Condition 13 (*Events of Default*) occurs.

Whenever the Permanent Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note to or to the order of the Fiscal Agent within 30 days of the bearer requesting such exchange.

Terms and Conditions applicable to the Notes

The terms and conditions applicable to any Definitive Note will be endorsed on that Note and will consist of the terms and conditions set out under "*Terms and Conditions of the Notes*" below and the provisions of the relevant Final Terms.

The terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under "*Summary of Provisions Relating to the Notes while in Global Form*" below.

Legend concerning United States persons

In the case of any Tranche of Bearer Notes having a maturity of more than 365 days, the Bearer Notes in global form, the Notes in definitive form and any Coupons and Talons appertaining thereto will bear a legend to the following effect:

"Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code".

Registered Notes

Each Tranche of Registered Notes will be in the form of either individual Note Certificates in registered form ("**Individual Note Certificates**") or a global Note in registered form (a "**Global Registered Note**"), in each case as specified in the relevant Final Terms. Each Global Registered Note which is not intended to be held under the New Safekeeping Structure, as specified in the relevant Final Terms, will be deposited on or around the relevant issue date with a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and registered in the name of a nominee for such depositary and will be exchangeable for Individual Note Certificates in accordance with its terms. Each Global Registered Note which is intended to be held under the New Safekeeping Structure, as specified in the relevant Final Terms, will, on or about the relevant issue date, be registered in the name of a common safekeeper (or its nominee) for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system (which is authorised to hold such Notes as eligible collateral for Eurosystem monetary policy and intra-day credit operations) and be deposited with a nominee for such clearing system and will be exchangeable for Individual Note Certificates in accordance with its terms.

If the relevant Final Terms specifies the form of Notes as being "Individual Note Certificates", then the Notes will at all times be in the form of Individual Note Certificates issued to each Noteholder in respect of their respective holdings.

If the relevant Final Terms specifies the form of Notes as being "Global Registered Note exchangeable for Individual Note Certificates", then the Notes will initially be in the form of a Global Registered Note which will be exchangeable in whole, but not in part, for Individual Note Certificates:

- (i) on the expiry of such period of notice as may be specified in the relevant Final Terms; or
- (ii) at any time, if so specified in the relevant Final Terms; or
- (iii) if the relevant Final Terms specifies "in the limited circumstances described in the Global Registered Note", then if (a) Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business or (b) any of the circumstances described in Condition 13 (*Events of Default*) occurs.

Whenever the Global Registered Note is to be exchanged for Individual Note Certificates, the Issuer shall procure that Individual Note Certificates will be issued in an aggregate principal amount equal to the principal amount of the Global Registered Note within five business days of the delivery, by or on behalf of the registered holder of the Global Registered Note to the Registrar of such information as is required to complete and deliver such Individual Note Certificates (including, without limitation, the names and addresses of the persons in whose names the Individual Note Certificates are to be registered and the principal amount of each such person's holding) against the surrender of the Global Registered Note at the specified office of the Registrar. Such exchange will be effected in accordance with the provisions of the Agency Agreement and the regulations concerning the transfer and registration of Notes scheduled thereto and, in particular, shall be effected without charge to any holder, but against such indemnity as the Registrar may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such exchange.

Terms and Conditions applicable to the Notes

The terms and conditions applicable to any Individual Note Certificate will be endorsed on that Individual Note Certificate and will consist of the terms and conditions set out under "*Terms and Conditions of the Notes*" below and the provisions of the relevant Final Terms relating to the relevant Notes.

The terms and conditions applicable to any Global Registered Note will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under "*Summary of Provisions Relating to the Notes while in Global Form*" below.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions which, as completed by the relevant Final Terms, will be endorsed on each Note in definitive form issued under the Programme. The terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under "Summary of Provisions Relating to the Notes While in Global Form" below.

1. Introduction

- (a) *Programme:* Nokia Corporation (the "**Issuer**") has established a Euro Medium Term Note Programme (the "**Programme**") for the issuance of up to EUR 5,000,000,000 in aggregate principal amount of notes (the "**Notes**").
- (b) *Final Terms:* Notes issued under the Programme are issued in series (each a "**Series**") and each Series may comprise one or more tranches (each a "**Tranche**") of Notes. Each Tranche is the subject of a final terms (each a "**Final Terms**") which supplements these terms and conditions (the "**Conditions**"). The terms and conditions applicable to any particular Tranche of Notes are these Conditions as completed by the relevant Final Terms. In the event of any inconsistency between these Conditions and the relevant Final Terms, the relevant Final Terms shall prevail.
- (c) *Agency Agreement:* The Notes are the subject of an amended and restated issue and paying agency agreement dated 21 August 2014 (the "**Agency Agreement**") between the Issuer and Citibank, N.A., London Branch as fiscal agent (the "**Fiscal Agent**", which expression includes any successor fiscal agent appointed from time to time in connection with the Notes), Citigroup Global Markets Deutschland AG as registrar (the "**Registrar**"), and the paying agent named therein (together with the Fiscal Agent, the "**Paying Agents**", which expression includes any successor or additional paying agents appointed from time to time in connection with the Notes) and the transfer agent named therein (together with the Registrar, the "**Transfer Agents**", which expression includes any successor or additional transfer agents appointed from time to time in connection with the Notes). In these Conditions references to the "**Agents**" are to the Paying Agents and the Transfer Agents and any reference to an "**Agent**" is to any one of them.
- (d) *Deed of Covenant:* The Notes may be issued in bearer form ("**Bearer Notes**"), or in registered form ("**Registered Notes**"). Registered Notes are constituted by a deed of covenant dated 21 August 2014 (the "**Deed of Covenant**") entered into by the Issuer.
- (e) *The Notes:* All subsequent references in these Conditions to "**Notes**" are to the Notes which are the subject of the relevant Final Terms. Copies of the relevant Final Terms are available for viewing at the registered office of the Issuer and of the Fiscal Agent and copies may be obtained from those offices save that, if this Note is neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under Directive 2003/71/EC (as amended) the relevant Final Terms will only be obtainable by a Noteholder holding one or more Notes and such Noteholder must produce evidence satisfactory to the Issuer and the relevant Paying Agent as to its holding of such Notes and identity.
- (f) *Summaries:* Certain provisions of these Conditions are summaries of the Agency Agreement and are subject to their detailed provisions. The holders of the Notes (the "**Noteholders**") and the holders of the related interest coupons, if any (the "**Couponholders**" and the "**Coupons**", respectively) are bound by, and are deemed to have notice of, all the provisions of the Agency Agreement applicable to them. Copies of the Agency Agreement are available for inspection by Noteholders during normal business hours at the Specified Offices of each of the Paying Agents, the initial Specified Offices of which are set out below.

2. Interpretation

- (a) *Definitions:* In these Conditions the following expressions have the following meanings:

"**Accrual Yield**" has the meaning given in the relevant Final Terms;

"**Additional Business Centre(s)**" means the city or cities specified as such in the relevant Final Terms;

"**Additional Financial Centre(s)**" means the city or cities specified as such in the relevant Final Terms;

"Business Day" means:

- (i) in relation to any sum payable in euro, a TARGET Settlement Day and a day on which commercial banks and foreign exchange markets settle payments generally in each (if any) Additional Business Centre; and
- (ii) in relation to any sum payable in a currency other than euro, a day on which commercial banks and foreign exchange markets settle payments generally in London, in the Principal Financial Centre of the relevant currency and in each (if any) Additional Business Centre;

"Business Day Convention", in relation to any particular date, has the meaning given in the relevant Final Terms and, if so specified in the relevant Final Terms, may have different meanings in relation to different dates and, in this context, the following expressions shall have the following meanings:

- (i) **"Following Business Day Convention"** means that the relevant date shall be postponed to the first following day that is a Business Day;
- (ii) **"Modified Following Business Day Convention"** or **"Modified Business Day Convention"** means that the relevant date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day;
- (iii) **"Preceding Business Day Convention"** means that the relevant date shall be brought forward to the first preceding day that is a Business Day;
- (iv) **"FRN Convention"**, **"Floating Rate Convention"** or **"Eurodollar Convention"** means that each relevant date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months specified in the relevant Final Terms as the Specified Period after the calendar month in which the preceding such date occurred, *provided, however, that*:
 - (A) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;
 - (B) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and
 - (C) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred; and
- (v) **"No Adjustment"** means that the relevant date shall not be adjusted in accordance with any Business Day Convention;

"Calculation Agent" means the Fiscal Agent or such other Person specified in the relevant Final Terms as the party responsible for calculating the Rate(s) of Interest and Interest Amount(s) and/or such other amount(s) as may be specified in the relevant Final Terms;

"Calculation Amount" has the meaning given in the relevant Final Terms;

"Calculation Period" means, in respect of any calculation of interest, the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date;

"Coupon Sheet" means, in respect of a Note, a coupon sheet relating to the Note;

"Day Count Fraction" means, in respect of the calculation of an amount for any Calculation Period, such day count fraction as may be specified in these Conditions or the relevant Final Terms and:

- (i) if "**Actual/Actual (ICMA)**" is so specified, means:
- (a) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
 - (b) where the Calculation Period is longer than one Regular Period, the sum of:
 - (A) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
 - (B) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (a) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year;
- (ii) if "**Actual/365**" or "**Actual/Actual (ISDA)**" is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (iii) if "**Actual/365 (Fixed)**" is so specified, means the actual number of days in the Calculation Period divided by 365;
- (iv) if "**Actual/360**" is so specified, means the actual number of days in the Calculation Period divided by 360;
- (v) if "**30/360**" is so specified, means (A) in respect of the 2000 ISDA Definitions, the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months (unless (i) the last day of the Calculation Period is the 31st day of a month but the first day of the Calculation Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (ii) the last day of the Calculation Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month)); and (B) in respect of the 2006 ISDA Definitions, the number of days in the Calculation Period divided by 360 calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y₁" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M₁" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M₂" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"D₁" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D₁ will be 30; and

"D₂" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D₁ is greater than 29, in which case D₂ will be 30;

- (vi) if "**30E/360**" or "**Eurobond Basis**" is so specified means (A) in respect of the 2000 ISDA Definitions, the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months, without regard to the date of the first day or last day of the Calculation Period unless, in the case of the final Calculation Period, the date of final maturity is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month); and (B) in respect of the 2006 ISDA Definitions, the number of days in the Calculation Period divided by 360 calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y₁" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M₁" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M₂" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"D₁" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D₁ will be 30; and

"D₂" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D₂ will be 30; and

- (vii) if "**30E/360 (ISDA)**" is specified in the relevant Final Terms, means the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y₁" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M₁" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M₂" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"D₁" is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D₁ will be 30; and

"D₂" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31 and in which case D₂ will be 30;

"**Early Redemption Amount (Tax)**" means, in respect of any Note, its principal amount or such other amount as may be specified in the relevant Final Terms;

"**Early Termination Amount**" means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, these Conditions or the relevant Final Terms;

"**EURIBOR**" means the Euro inter-bank offered rate;

"**Extraordinary Resolution**" has the meaning given in the Agency Agreement;

"**Final Redemption Amount**" means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Final Terms;

"**First Interest Payment Date**" means the date specified in the relevant Final Terms;

"**Fixed Coupon Amount**" has the meaning given in the relevant Final Terms;

"**Group**" means the Issuer and its Subsidiaries from time to time;

"**IFRS**" means the international financial reporting standards formulated by the International Accounting Standards Board;

"**Indebtedness**" means (without double counting) any indebtedness in respect of:

- (i) moneys borrowed or raised;
- (ii) any debenture, bond, note, loan stock, commercial paper or similar instrument;
- (iii) any acceptance credit, bill discounting, note purchase or documentary credit facility;
- (iv) any payment obligations under any leases which would in accordance with IFRS be treated as finance or capital leases;
- (v) any receivables purchase, factoring or discounting arrangement under which there is recourse in whole or in part to any member of the Group;
- (vi) any other transaction having the commercial effect of a borrowing and which would, in accordance with IFRS, be treated as a borrowing; or
- (vii) any guarantees or other legally binding assurance against financial loss in respect of the indebtedness of any person arising under an obligation falling within paragraphs (i) to (vi) above;

"**Interest Amount**" means, in relation to a Note and an Interest Period, the amount of interest payable in respect of that Note for that Interest Period;

"**Interest Commencement Date**" means the Issue Date of the Notes or such other date as may be specified as the Interest Commencement Date in the relevant Final Terms;

"**Interest Determination Date**" has the meaning given in the relevant Final Terms;

"**Interest Payment Date**" means the First Interest Payment Date and any other date or dates specified as such in, or determined in accordance with the provisions of, the relevant Final Terms and, if a Business Day Convention is specified in the relevant Final Terms:

- (i) as the same may be adjusted in accordance with the relevant Business Day Convention; or
- (ii) if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention and an interval of a number of calendar months is specified in the relevant Final Terms as being the Specified Period, each of such dates as may occur in accordance with the FRN Convention, Floating Rate Convention or Eurodollar Convention at such Specified Period of calendar months following the Interest Commencement Date (in the case of the first Interest Payment Date) or the previous Interest Payment Date (in any other case);

"**Interest Period**" means each period beginning on (and including) the Interest Commencement Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date;

"**Intra-Group Debt**" means any indebtedness owed by a member of the Group to another member of the Group;

"**ISDA Definitions**" means the 2000 ISDA Definitions (as amended and updated as at the date of issue of the first Tranche of the Notes of the relevant Series (as specified in the relevant Final Terms) as published by the

International Swaps and Derivatives Association, Inc.) or, if so specified in the relevant Final Terms, the 2006 ISDA Definitions (as amended and updated as at the date of issue of the first Tranche of the Notes of the relevant Series (as specified in the relevant Final Terms) as published by the International Swaps and Derivatives Association, Inc.);

"**Issue Date**" has the meaning given in the relevant Final Terms;

"**LIBOR**" means the London inter-bank offered rate;

"**Margin**" has the meaning given in the relevant Final Terms;

"**Maturity Date**" has the meaning given in the relevant Final Terms;

"**Maximum Redemption Amount**" has the meaning given in the relevant Final Terms;

"**Meeting**" means a meeting of Noteholders (whether originally convened or resumed following an adjournment);

"**Minimum Redemption Amount**" has the meaning given in the relevant Final Terms;

"**NIBOR**" means the Norwegian inter-bank offered rate;

"**Non-recourse Securitisation**" means any securitisation, asset backed financing or similar transaction under which a Securitisation Entity on commercially reasonable terms:

- (i) acquires receivables or other assets for principally cash consideration or uses existing receivables or other assets;
- (ii) issues any notes, bonds, commercial paper, loans or other securities (whether or not listed on a recognised stock exchange) to fund the purchase of or otherwise backed by those receivables or other assets and/or any shares or other interests referred to in paragraph (ii) of the definition of "Permitted Security Interest" and the payment obligations in respect of such notes, bonds, commercial paper, loans or other securities:
 - (a) are secured directly on those receivables or other assets; and
 - (b) are not guaranteed by any member of the Group (other than as a result of any Permitted Security Interest);

"**Non-recourse Securitisation Debt**" means any Indebtedness incurred by a Securitisation Entity pursuant to a securitisation of receivables or other assets where the recourse in respect of that Indebtedness to any member of the Group (other than the Securitisation Entity) is limited to:

- (i) those receivables and/or other assets; and
- (ii) if those receivables or other assets comprise all or substantially all of the business of such Securitisation Entity, the shares or other interests of any member(s) of the Group in such Securitisation Entity;

"**Noteholder**", in the case of Bearer Notes, has the meaning given in Condition 3(b) (*Form, Denomination and Title — Title to Bearer Notes*) and, in the case of Registered Notes, has the meaning given in Condition 3(c) (*Form, Denomination and Title — Title to Registered Notes*);

"**Optional Redemption Amount (Call)**" means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Final Terms;

"**Optional Redemption Amount (Put)**" means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Final Terms;

"**Optional Redemption Date (Call)**" has the meaning given in the relevant Final Terms;

"**Optional Redemption Date (Put)**" has the meaning given in the relevant Final Terms;

"**Participating Member State**" means a Member State of the European Communities which adopts the euro as its lawful currency in accordance with the Treaty;

"Payment Business Day" means:

- (i) if the currency of payment is euro, any day which is:
 - (A) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and
 - (B) in the case of payment by transfer to an account, a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or
- (ii) if the currency of payment is not euro, any day which is:
 - (A) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and
 - (B) in the case of payment by transfer to an account, a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre;

"Permitted Security Interest" means any Security Interest over:

- (i) the assets or revenues of a Securitisation Entity which are subject to a Non-recourse Securitisation as security for Non-recourse Securitisation Debt raised by such Securitisation Entity in respect of such assets and revenues; and/or
- (ii) the shares or other interests owned by any member of the Group in any Securitisation Entity as security for Non-recourse Securitisation Debt raised by such Securitisation Entity provided that the assets or revenues which are the subject of the relevant Non-recourse Securitisation comprise all or substantially all of the business of such Securitisation Entity;

"Person" means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;

"Principal Financial Centre" means, in relation to any currency, the principal financial centre for that currency provided, however, that:

- (i) in relation to euro, it means the principal financial centre of such Member State of the European Communities as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent; and
- (ii) in relation to Australian dollars, it means either Sydney or Melbourne and, in relation to New Zealand dollars, it means either Wellington or Auckland; in each case as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent;

"Principal Subsidiary" means a Subsidiary of the Issuer whose net sales (consolidated in the case of a Subsidiary which itself has Subsidiaries) or whose total assets (consolidated in the case of a Subsidiary which itself has Subsidiaries) represent not less than ten per cent. of the consolidated net sales of the Group or the consolidated total assets of the Group, as the case may be, in each case:

- (i) as shown in the latest published audited or unaudited consolidated financial statements of the Issuer and its Subsidiaries; and
- (ii) adjusted to take account of any significant changes in circumstances resulting from any transfers between members of the Group or any acquisitions made by members of the Group since the date as at which such financial statements were prepared;

"Put Option Notice" means a notice which must be delivered to a Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder;

"Put Option Receipt" means a receipt issued by a Paying Agent to a depositing Noteholder upon deposit of a Note with such Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder;

"Rate of Interest" means the rate or rates (expressed as a percentage per annum) of interest payable in respect of the Notes specified in the relevant Final Terms or calculated or determined in accordance with the provisions of these Conditions and/or the relevant Final Terms;

"Redemption Amount" means, as appropriate, the Final Redemption Amount, the Early Redemption Amount (Tax), the Optional Redemption Amount (Call), the Optional Redemption Amount (Put), the Make-Whole Redemption Amount, the Early Termination Amount or such other amount in the nature of a redemption amount as may be specified in the relevant Final Terms;

"Reference Banks" has the meaning given in the relevant Final Terms or, if none, four major banks selected by the Calculation Agent in the market that is most closely connected with the Reference Rate;

"Reference Price" has the meaning given in the relevant Final Terms;

"Reference Rate" means LIBOR, EURIBOR, NIBOR or STIBOR, as specified in the relevant Final Terms;

"Regular Period" means:

- (i) in the case of Notes where interest is scheduled to be paid only by means of regular payments, each period from and including the Interest Commencement Date to but excluding the first Interest Payment Date and each successive period from and including one Interest Payment Date to but excluding the next Interest Payment Date;
- (ii) in the case of Notes where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where **"Regular Date"** means the day and month (but not the year) on which any Interest Payment Date falls; and
- (iii) in the case of Notes where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where **"Regular Date"** means the day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period;

"Relevant Date" means, in relation to any payment, whichever is the later of (i) the date on which the payment in question first becomes due and (ii) if the full amount payable has not been received in the Principal Financial Centre of the currency of payment by the Fiscal Agent on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Noteholders;

"Relevant Financial Centre" has the meaning given in the relevant Final Terms;

"Relevant Indebtedness" means any Indebtedness (other than Non-Recourse Securitisation Debt) which is in the form of or represented by any bond, note, debenture, debenture stock, loan stock, certificate or other instrument which is listed, quoted or traded on any stock exchange or in any securities market (including, without limitation, any over-the-counter market) or held in a securities clearance system;

"Relevant Screen Page" means the page, section or other part of a particular information service (including, without limitation, Reuters) specified as the Relevant Screen Page in the relevant Final Terms, or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the Person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate;

"Relevant Time" has the meaning given in the relevant Final Terms;

"Reserved Matter" means any proposal:

- (i) to change any date fixed for payment of principal or interest in respect of the Notes, to reduce the amount of principal or interest payable on any date in respect of the Notes or to alter the method of calculating the amount of any payment in respect of the Notes on redemption or maturity or the date for any such payment;

- (ii) to effect the exchange or substitution of the Notes for, or the conversion of the Notes into, shares, bonds or other obligations or securities of the Issuer or any other person or body corporate formed or to be formed;
- (iii) to change the currency in which amounts due in respect of the Notes are payable;
- (iv) to change the quorum required at any Meeting or the majority required to pass an Extraordinary Resolution; or
- (v) to amend this definition;

"**Securitisation Entity**" means any special purpose vehicle created for the sole purpose of carrying out, or otherwise used for the purpose of carrying out, a Non-recourse Securitisation or any other member of the Group which is effecting Non-recourse Securitisations;

"**Security Interest**" means any mortgage, charge, assignment by way of security, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect;

"**Specified Currency**" has the meaning given in the relevant Final Terms;

"**Specified Denomination(s)**" has the meaning given in the relevant Final Terms;

"**Specified Office**" has the meaning given in the Agency Agreement;

"**Specified Period**" has the meaning given in the relevant Final Terms;

"**STIBOR**" means the Stockholm inter-bank offered rate;

"**Subsidiary**" means, in relation to any Person (the "**first Person**") at any particular time, any other Person (the "**second Person**"):

- (i) which is controlled, directly or indirectly, by the first Person;
- (ii) more than half the issued share capital of which is beneficially owned, directly or indirectly, by the first Person; or
- (iii) which is a subsidiary of another subsidiary of the first Person;

and, for these purposes, the second Person shall be treated as being controlled by the first Person if the first Person is able to direct its affairs and/or to control the composition of its board of directors or equivalent body;

"**Talon**" means a talon for further Coupons;

"**TARGET2**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007;

"**TARGET Settlement Day**" means any day on which TARGET2 is open for the settlement of payments in euro;

"**Treaty**" means the Treaty establishing the European Communities, as amended; and

"**Zero Coupon Note**" means a Note specified as such in the relevant Final Terms.

(b) *Interpretation:* In these Conditions:

- (i) if the Notes are Zero Coupon Notes, references to Coupons and Couponholders are not applicable;
- (ii) if Talons are specified in the relevant Final Terms as being attached to the Notes at the time of issue, references to Coupons shall be deemed to include references to Talons;
- (iii) if Talons are not specified in the relevant Final Terms as being attached to the Notes at the time of issue, references to Talons are not applicable;

- (iv) any reference to principal shall be deemed to include the Redemption Amount, any additional amounts in respect of principal which may be payable under Condition 12 (*Taxation*), any premium payable in respect of a Note and any other amount in the nature of principal payable pursuant to these Conditions;
- (v) any reference to interest shall be deemed to include any additional amounts in respect of interest which may be payable under Condition 12 (*Taxation*) and any other amount in the nature of interest payable pursuant to these Conditions;
- (vi) references to Notes being "outstanding" shall be construed in accordance with the Agency Agreement;
- (vii) if an expression is stated in Condition 2(a) (*Interpretation — Definitions*) to have the meaning given in the relevant Final Terms, but the relevant Final Terms gives no such meaning or specifies that such expression is "not applicable" then such expression is not applicable to the Notes; and
- (viii) any reference to the Agency Agreement shall be construed as a reference to the Agency Agreement as amended and/or supplemented up to and including the Issue Date of the Notes.

3. **Form, Denomination and Title**

- (a) *Bearer Notes*: Bearer Notes are in the Specified Denomination(s) with Coupons and, if specified in the relevant Final Terms, Talons attached at the time of issue. In the case of a Series of Bearer Notes with more than one Specified Denomination, Bearer Notes of one Specified Denomination will not be exchangeable for Bearer Notes of another Specified Denomination.
- (b) *Title to Bearer Notes*: Title to Bearer Notes and the Coupons will pass by delivery. In the case of Bearer Notes, "**Holder**" means the holder of such Bearer Note and "**Noteholder**" and "**Couponholder**" shall be construed accordingly.
- (c) *Registered Notes*: Registered Notes are in the Specified Denomination(s), which may include a minimum denomination specified in the relevant Final Terms and higher integral multiples of a smaller amount specified in the relevant Final Terms.
- (d) *Title to Registered Notes*: The Registrar will maintain the register in accordance with the provisions of the Agency Agreement. A certificate (each a "**Note Certificate**") will be issued to each Holder of Registered Notes in respect of its registered holding. Each Note Certificate will be numbered serially with an identifying number which will be recorded in the Register. In the case of Registered Notes, "**Holder**" means the person in whose name such Registered Note is for the time being registered in the Register (or, in the case of a joint holding, the first named thereof) and "**Noteholder**" shall be construed accordingly.
- (e) *Ownership*: The Holder of any Note or Coupon shall (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing thereon or, in the case of Registered Notes, on the Note Certificate relating thereto (other than the endorsed form of transfer) or any notice of any previous loss or theft thereof) and no Person shall be liable for so treating such Holder. No person shall have any right to enforce any term or condition of any Note under the Contracts (Rights of Third Parties) Act 1999.
- (f) *Transfers of Registered Notes*: Subject to Conditions 3(i) (*Form, Denomination and Title — Closed periods*) and 3(j) (*Form, Denomination and Title — Regulations concerning transfers and registration*) below, a Registered Note may be transferred upon surrender of the relevant Note Certificate, with the endorsed form of transfer duly completed, at the Specified Office of the Registrar or any Transfer Agent, together with such evidence as the Registrar or (as the case may be) such Transfer Agent may reasonably require to prove the title of the transferor and the authority of the individuals who have executed the form of transfer; *provided, however, that* a Registered Note may not be transferred unless the principal amount of Registered Notes transferred and (where not all of the Registered Notes held by a Holder are being transferred) the principal amount of the balance of Registered Notes not transferred are Specified Denominations. Where not all the Registered Notes represented by the surrendered Note Certificate are the subject of the transfer, a new Note Certificate in respect of the balance of the Registered Notes will be issued to the transferor.

- (g) *Registration and delivery of Note Certificates:* Within five business days of the surrender of a Note Certificate in accordance with Condition 3(f) (*Transfers of Registered Notes*), the Registrar will register the transfer in question and deliver a new Note Certificate of a like principal amount to the Registered Notes transferred to each relevant Holder at its Specified Office or (as the case may be) the Specified Office of any Transfer Agent or (at the request and risk of any such relevant Holder) by uninsured first class mail (airmail if overseas) to the address specified for the purpose by such relevant Holder. In this Condition 3(g), "**business day**" means a day on which commercial banks are open for general business (including dealings in foreign currencies) in the city where the Registrar or (as the case may be) the relevant Transfer Agent has its Specified Office.
- (h) *No charge:* The transfer of a Registered Note will be effected without charge by or on behalf of the Issuer or the Registrar or any Transfer Agent but against such indemnity as the Registrar or (as the case may be) such Transfer Agent may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such transfer.
- (i) *Closed periods:* Noteholders may not require transfers to be registered during the period of 15 days ending on the due date for any payment of principal or interest in respect of the Registered Notes.
- (j) *Regulations concerning transfers and registration:* All transfers of Registered Notes and entries on the Register are subject to the detailed regulations concerning the transfer of Registered Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer with the prior written approval of the Registrar. A copy of the current regulations will be mailed (free of charge) by the Registrar to any Noteholder who requests in writing a copy of such regulations.

4. **Status of the Notes**

The Notes constitute direct, general and unconditional obligations of the Issuer which will at all times rank *pari passu* among themselves and at least *pari passu* with all other present and future unsecured obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

5. **Negative Pledge**

So long as any Note remains outstanding, the Issuer shall not, and the Issuer shall procure that none of its Principal Subsidiaries will, create or permit to subsist any Security Interest upon the whole or any part of its present or future undertaking, assets or revenues (including uncalled capital) to secure any Relevant Indebtedness without (a) at the same time or prior thereto securing the Notes equally and rateably therewith or (b) providing such other security for the Notes as may be approved by an Extraordinary Resolution of Noteholders.

6. **Fixed Rate Note Provisions**

- (a) *Application:* This Condition 6 is applicable to the Notes only if the Fixed Rate Note Provisions are specified in the relevant Final Terms as being applicable.
- (b) *Accrual of interest:* The Notes bear interest from the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 10 (*Payments — Bearer Notes*) or Condition 11 (*Payments — Registered Notes*). Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 6 (as well after as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).
- (c) *Fixed Coupon Amount:* The amount of interest payable in respect of each Note for any Interest Period shall be the relevant Fixed Coupon Amount and, if the Notes are in more than one Specified Denomination, shall be the relevant Fixed Coupon Amount in respect of the relevant Specified Denomination.

- (d) *Calculation of interest amount:* The amount of interest payable in respect of each Note for any period for which a Fixed Coupon Amount is not specified shall be calculated by applying the Rate of Interest to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of such Note divided by the Calculation Amount. For this purpose a "sub-unit" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

7. **Floating Rate Note Provisions**

- (a) *Application:* This Condition 7 is applicable to the Notes only if the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable.
- (b) *Accrual of interest:* The Notes bear interest from the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 10 (*Payments — Bearer Notes*) or Condition 11 (*Payments — Registered Notes*). Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 7(b) (as well after as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is five days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such fifth day (except to the extent that there is any subsequent default in payment).
- (c) *Screen Rate Determination:* If Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be determined by the Calculation Agent on the following basis:
- (i) if the Reference Rate is a composite quotation or customarily supplied by one entity, the Calculation Agent will determine the Reference Rate which appears on the Relevant Screen Page as at the Relevant Time on the relevant Interest Determination Date;
 - (ii) in any other case, the Calculation Agent will determine the arithmetic mean of the Reference Rates which appear on the Relevant Screen Page as at the Relevant Time on the relevant Interest Determination Date;
 - (iii) if, in the case of Condition 7(c)(i), such rate does not appear on that page or, in the case of Condition 7(c)(ii), fewer than two such rates appear on that page or if, in either case, the Relevant Screen Page is unavailable, the Calculation Agent will:
 - (A) request the principal Relevant Financial Centre office of each of the Reference Banks to provide a quotation of the Reference Rate at approximately the Relevant Time on the Interest Determination Date to prime banks in the Relevant Financial Centre interbank market in an amount that is representative for a single transaction in that market at that time; and
 - (B) determine the arithmetic mean of such quotations; and
 - (iv) if fewer than two such quotations are provided as requested, the Calculation Agent will determine the arithmetic mean of the rates (being the nearest to the Reference Rate, as determined by the Calculation Agent) quoted by major banks in the Principal Financial Centre of the Specified Currency, selected by the Calculation Agent, at approximately 11.00 a.m. (local time in the Principal Financial Centre of the Specified Currency) on the first day of the relevant Interest Period for loans in the Specified Currency to leading European banks for a period equal to the relevant Interest Period and in an amount that is representative for a single transaction in that market at that time,

and the Rate of Interest for such Interest Period shall be the sum of the Margin and the rate or (as the case may be) the arithmetic mean so determined; *provided, however, that* if the Calculation Agent is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any Interest Period, the Rate of Interest applicable to the Notes during such Interest Period will

be the sum of the Margin and the rate or (as the case may be) the arithmetic mean last determined in relation to the Notes in respect of a preceding Interest Period.

- (d) *ISDA Determination*: If ISDA Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be the sum of the Margin and the relevant ISDA Rate where "ISDA Rate" in relation to any Interest Period means a rate equal to the Floating Rate (as defined in the ISDA Definitions) that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as Calculation Agent for that interest rate swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:
- (i) the Floating Rate Option (as defined in the ISDA Definitions) is as specified in the relevant Final Terms;
 - (ii) the Designated Maturity (as defined in the ISDA Definitions) is a period specified in the relevant Final Terms; and
 - (iii) the relevant Reset Date (as defined in the ISDA Definitions) is either (A) if the relevant Floating Rate Option is based on the London inter-bank offered rate (LIBOR) for a currency, the first day of that Interest Period or (B) in any other case, as specified in the relevant Final Terms.
- (e) *Maximum or Minimum Rate of Interest*: If any Maximum Rate of Interest or Minimum Rate of Interest is specified in the relevant Final Terms, then the Rate of Interest shall in no event be greater than the maximum or be less than the minimum so specified.
- (f) *Calculation of Interest Amount*: The Calculation Agent will, as soon as practicable after the time at which the Rate of Interest is to be determined in relation to each Interest Period, calculate the Interest Amount payable in respect of each Note for such Interest Period. The Interest Amount will be calculated by applying the Rate of Interest for such Interest Period to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of the relevant Note divided by the Calculation Amount. For this purpose a "**sub-unit**" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.
- (g) *Calculation of other amounts*: If the relevant Final Terms specifies that any other amount is to be calculated by the Calculation Agent, the Calculation Agent will, as soon as practicable after the time or times at which any such amount is to be determined, calculate the relevant amount. The relevant amount will be calculated by the Calculation Agent in the manner specified in the relevant Final Terms.
- (h) *Publication*: The Calculation Agent will cause each Rate of Interest and Interest Amount determined by it, together with the relevant Interest Payment Date, and any other amount(s) required to be determined by it together with any relevant payment date(s) to be notified to the Paying Agents and each competent authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation as soon as practicable after such determination but (in the case of each Rate of Interest, Interest Amount and Interest Payment Date) in any event not later than the first day of the relevant Interest Period. Notice thereof shall also promptly be given to the Noteholders. The Calculation Agent will be entitled to recalculate any Interest Amount (on the basis of the foregoing provisions) without notice in the event of an extension or shortening of the relevant Interest Period. If the Calculation Amount is less than the minimum Specified Denomination the Calculation Agent shall publish the Interest Amount in relation to the Calculation Amount and the Interest Amount in respect of a Note having the minimum Specified Denomination.
- (i) *Notifications etc.*: All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 7 by the Calculation Agent will (in the absence of manifest error) be binding on the Issuer, the Paying Agents and, in the case of Registered Notes, the Registrar and the Transfer Agents, the Noteholders and the Couponholders and (subject as aforesaid) no liability to any such Person will attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.

8. **Zero Coupon Note Provisions**

- (a) *Application*: This Condition 8 is applicable to the Notes only if the Zero Coupon Note Provisions are specified in the relevant Final Terms as being applicable.
- (b) *Late payment on Zero Coupon Notes*: If the Redemption Amount payable in respect of any Zero Coupon Note is improperly withheld or refused, the Redemption Amount shall thereafter be an amount equal to the sum of:
 - (i) the Reference Price; and
 - (ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price on the basis of the relevant Day Count Fraction from (and including) the Issue Date to (but excluding) whichever is the earlier of (A) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (B) the day which is five days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such fifth day (except to the extent that there is any subsequent default in payment).

9. **Redemption and Purchase**

- (a) *Scheduled redemption*: Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their Final Redemption Amount on the Maturity Date, subject as provided in Condition 10 (*Payments — Bearer Notes*) or Condition 11 (*Payments — Registered Notes*).
- (b) *Redemption for tax reasons*: The Notes may be redeemed at the option of the Issuer in whole, but not in part:
 - (i) at any time (if the Floating Rate Note Provisions are not specified in the relevant Final Terms as being applicable); or
 - (ii) on any Interest Payment Date (if the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable),

on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at their Early Redemption Amount (Tax), together with interest accrued (if any) to the date fixed for redemption, if:

- (A) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 12 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of the Republic of Finland or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after the date of issue of the first Tranche of the Notes; and
- (B) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

provided, however, that no such notice of redemption shall be given earlier than:

- (1) where the Notes may be redeemed at any time, 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Notes were then due; or
- (2) where the Notes may be redeemed only on an Interest Payment Date, 60 days prior to the Interest Payment Date occurring immediately before the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Notes were then due.

Prior to the publication of any notice of redemption pursuant to this Condition 9(b), the Issuer shall deliver to the Fiscal Agent (A) a certificate signed by two directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer to redeem have occurred and (B) an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment. Upon the expiry of any such notice as is referred to in this Condition 9(b), the Issuer shall be bound to redeem the Notes in accordance with this Condition 9(b).

- (c) *Redemption at the option of the Issuer (Call Option)*: If the Issuer Call is specified in the relevant Final Terms as being applicable, the Notes may be redeemed at the option of the Issuer in whole or, if so specified in the relevant Final Terms, in part on any Optional Redemption Date (Call) at the relevant Optional Redemption Amount (Call) on the Issuer's giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable and shall oblige the Issuer to redeem the Notes or, as the case may be, the Notes specified in such notice on the relevant Optional Redemption Date (Call) at the Optional Redemption Amount (Call) plus accrued interest (if any) to such date).
- (d) *Redemption at the option of the Issuer (Make-Whole)*: If the Issuer Make-Whole is specified in the relevant Final Terms, the Issuer may, having given:
- (i) not less than 15 nor more than 30 days' notice to the Noteholders in accordance with Condition 19 (*Notices*); and
 - (ii) not less than seven days before the giving of notice referred to in (i) above, notice to the Fiscal Agent, the Quotation Agent and such other parties as may be specified in the Final Terms,

(which notices shall be irrevocable and shall specify the date fixed for redemption (each such date, a "**Make-Whole Redemption Date**") redeem, in whole or, if so specified in the relevant Final Terms, in part, the Notes then outstanding at any time prior to their Maturity Date at their Make-Whole Redemption Amount.

For the purposes of this Condition 9(d), the following expressions shall have the following meanings:

"**Calculation Date**" means the third Business Day prior to the Make-Whole Redemption Date.

"**Make-Whole Redemption Amount**" means the sum of:

- (i) the greater of (x) the Final Redemption Amount of the Notes so redeemed and (y) the sum of the then present values of the remaining scheduled payments of principal and interest on such Notes (excluding any interest accruing on the Notes to, but excluding, the relevant Make-Whole Redemption Date) each such remaining scheduled payment of principal and interest being discounted to the relevant Make-Whole Redemption Date on either an annual or a semi-annual basis (as specified in the relevant Final Terms) at the Make-Whole Redemption Rate plus a Make-Whole Redemption Margin; and
- (ii) any interest accrued but not paid on the Notes to, but excluding, the Make-Whole Redemption Date,

as determined by the Quotation Agent and as notified on the Calculation Date by the Quotation Agent to the Issuer, the Fiscal Agent and such other parties as may be specified in the Final Terms.

"**Make-Whole Redemption Margin**" means the margin specified as such in the relevant Final Terms.

"**Make-Whole Redemption Rate**" means the average of the two quotations given by the Reference Dealers of the mid-market yield to maturity of the Reference Security on the third Business Day preceding the Make-Whole Redemption Date at 11:00 a.m. (Central European Time ("**CET**")) ("**Reference Dealer Quotation**").

"**Quotation Agent**" means any Dealer or any other international credit institution or financial services institution appointed by the Issuer for the purpose of determining the Make-Whole Redemption Amount, in each case as such Quotation Agent is identified in the relevant Final Terms.

"**Reference Dealers**" means each of the two banks, as specified in the relevant Final Terms or, if the two reference dealers are not so specified, the two banks as selected by the Quotation Agent, which are primary European government security dealers, and their respective successors, or market makers in pricing corporate bond issues.

"**Reference Screen Rate**" means the screen rate specified as such in the relevant Final Terms.

"**Reference Security**" means the security specified as such in the relevant Final Terms. If a Reference Security is no longer outstanding, a Similar Security will be chosen by the Quotation Agent at 11:00 a.m.

(CET) on the third Business Day preceding the Make-Whole Redemption Date, quoted in writing by the Quotation Agent to the Issuer and published in accordance with Condition 19 (*Notices*).

"**Similar Security**" means a reference bond or reference bonds issued by the same issuer as the Reference Security having actual or interpolated maturity comparable with the remaining term of the Notes that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the Notes.

The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Quotation Agent shall (in the absence of manifest error) be final and binding upon all parties.

- (e) *Partial redemption*: If the Notes are to be redeemed in part only on any date in accordance with Condition 9(c) (*Redemption and Purchase — Redemption at the option of the Issuer (Call Option)*) or Condition 9(d) (*Redemption and Purchase — Redemption at the option of the Issuer (Make-Whole)*), as applicable, the Notes to be redeemed shall be selected by the drawing of lots in such place as the Fiscal Agent approves and in such manner as the Fiscal Agent considers appropriate, subject to compliance with applicable law, the rules of each competent authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation and the notice to Noteholders referred to in Condition 9(c) (*Redemption and Purchase — Redemption at the option of the Issuer (Call Option)*) or Condition 9(d) (*Redemption and Purchase — Redemption at the option of the Issuer (Make-Whole)*), as applicable, shall specify the serial numbers of the Notes so to be redeemed. If any Maximum Redemption Amount or Minimum Redemption Amount is specified in the relevant Final Terms, then the Optional Redemption Amount (Call) or Make-Whole Redemption Amount, as applicable, shall in no event be greater than the maximum or be less than the minimum so specified.
- (f) *Redemption at the option of Noteholders*: If the Investor Put is specified in the relevant Final Terms as being applicable, the Issuer shall, at the option of the holder of any Note redeem such Note on the Optional Redemption Date (Put) specified in the relevant Put Option Notice at the relevant Optional Redemption Amount (Put) together with interest (if any) accrued to such date. Any conditions and/or circumstances that must be satisfied before a Investor Put can be exercised will be set out in the relevant Final Terms. In order to exercise the option contained in this Condition 9(f), the holder of a Note must, not less than 30 nor more than 60 days before the relevant Optional Redemption Date (Put), deposit with any Paying Agent such Note together with all unmatured Coupons relating thereto and a duly completed Put Option Notice in the form obtainable from any Paying Agent. The Paying Agent with which a Note is so deposited shall deliver a duly completed Put Option Receipt to the depositing Noteholder. No Note, once deposited with a duly completed Put Option Notice in accordance with this Condition 9(f), may be withdrawn; *provided, however, that* if, prior to the relevant Optional Redemption Date (Put), any such Note becomes immediately due and payable or, upon due presentation of any such Note on the relevant Optional Redemption Date (Put), payment of the redemption moneys is improperly withheld or refused, the relevant Paying Agent shall mail notification thereof to the depositing Noteholder at such address as may have been given by such Noteholder in the relevant Put Option Notice and shall hold such Note at its Specified Office for collection by the depositing Noteholder against surrender of the relevant Put Option Receipt. For so long as any outstanding Note is held by a Paying Agent in accordance with this Condition 9(f), the depositor of such Note and not such Paying Agent shall be deemed to be the holder of such Note for all purposes.
- (g) *No other redemption*: The Issuer shall not be entitled to redeem the Notes otherwise than as provided in Conditions 9(a) (*Redemption and Purchase — Scheduled redemption*) to 9(f) (*Redemption and Purchase — Redemption at the option of Noteholders*).
- (h) *Early redemption of Zero Coupon Notes*: Unless otherwise specified in the relevant Final Terms, the Redemption Amount payable on redemption of a Zero Coupon Note at any time before the Maturity Date shall be an amount equal to the sum of:
 - (i) the Reference Price; and
 - (ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which the Note becomes due and payable.

Where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year shall be made on the basis of such Day Count Fraction as may be specified in the Final Terms for the purposes of this Condition 9(h) or, if none is so specified, a Day Count Fraction of 30E/360.

- (i) *Purchase*: The Issuer or any of its respective Subsidiaries may at any time purchase Notes in the open market or otherwise and at any price, provided that all unmatured Coupons are purchased therewith. Such Notes may be held, reissued, resold or, at the option of the Issuer, surrendered to any Paying Agent for cancellation.
- (j) *Cancellation*: All Notes must be cancelled if they are redeemed by the Issuer pursuant to Condition 9(c) (*Redemption and Purchase — Redemption at the option of the Issuer (Call Option)*), Condition 9(d) (*Redemption and Purchase — Redemption at the option of the Issuer (Make-Whole)*) or purchased and cancelled pursuant to Condition 9(i) (*Redemption and Purchase — Purchase*) and, in each case, any unmatured Coupons attached to or surrendered with them shall be cancelled and may not be reissued or resold.

10. **Payments — Bearer Notes**

This Condition 10 is only applicable to Bearer Notes.

- (a) *Principal*: Payments of principal shall be made only against presentation and (provided that payment is made in full) surrender of Bearer Notes at the Specified Office of any Paying Agent outside the United States by cheque drawn in the currency in which the payment is due on, or by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency (in the case of a sterling cheque, a town clearing branch of a bank in the City of London).
- (b) *Interest*: Payments of interest shall, subject to Condition 10(h) (*Payments — Bearer Notes — Payments other than in respect of matured Coupons*), be made only against presentation and (provided that payment is made in full) surrender of the appropriate Coupons at the Specified Office of any Paying Agent outside the United States in the manner described in Condition 10(a) (*Payments — Bearer Notes — Principal*).
- (c) *Payments in New York City*: Payments of principal or interest may be made at the Specified Office of a Paying Agent in New York City if (i) the Issuer has appointed Paying Agents outside the United States with the reasonable expectation that such Paying Agents will be able to make payment of the full amount of the interest on the Notes in the currency in which the payment is due when due, (ii) payment of the full amount of such interest at the offices of all such Paying Agents is illegal or effectively precluded by exchange controls or other similar restrictions and (iii) payment is permitted by applicable United States law.
- (d) *Payments subject to fiscal laws*: All payments in respect of the Bearer Notes are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 12 (*Taxation*). No commissions or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.
- (e) *Deductions for unmatured Coupons*: If the relevant Final Terms specifies that the Fixed Rate Note Provisions are applicable and a Bearer Note is presented without all unmatured Coupons relating thereto:
 - (i) if the aggregate amount of the missing Coupons is less than or equal to the amount of principal due for payment, a sum equal to the aggregate amount of the missing Coupons will be deducted from the amount of principal due for payment; *provided, however, that* if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of such missing Coupons which the gross amount actually available for payment bears to the amount of principal due for payment;
 - (ii) if the aggregate amount of the missing Coupons is greater than the amount of principal due for payment:
 - (A) so many of such missing Coupons shall become void (in inverse order of maturity) as will result in the aggregate amount of the remainder of such missing Coupons (the "**Relevant**

Coupons") being equal to the amount of principal due for payment; *provided, however, that* where this Condition 10(e)(ii)(A) would otherwise require a fraction of a missing Coupon to become void, such missing Coupon shall become void in its entirety; and

- (B) a sum equal to the aggregate amount of the Relevant Coupons (or, if less, the amount of principal due for payment) will be deducted from the amount of principal due for payment; *provided, however, that*, if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of the Relevant Coupons (or, as the case may be, the amount of principal due for payment) which the gross amount actually available for payment bears to the amount of principal due for payment.

Each sum of principal so deducted shall be paid in the manner provided in Condition 10(a) (*Payments — Bearer Notes — Principal*) against presentation and (provided that payment is made in full) surrender of the relevant missing Coupons.

- (f) *Unmatured Coupons void*: If the relevant Final Terms specifies that this Condition 10(f) is applicable or that the Floating Rate Note Provisions are applicable, on the due date for final redemption of any Note or early redemption in whole of such Note pursuant to Conditions 9(b) (*Redemption and Purchase — Redemption for tax reasons*), 9(c) (*Redemption and Purchase — Redemption at the option of the Issuer (Call Option)*), 9(d) (*Redemption and Purchase — Redemption at the option of the Issuer (Make-Whole)*), 9(f) (*Redemption and Purchase — Redemption at the option of Noteholders*) or Condition 13 (*Events of Default*), all unmatured Coupons relating thereto (whether or not still attached) shall become void and no payment will be made in respect thereof.
- (g) *Payments on business days*: If the due date for payment of any amount in respect of any Bearer Note or Coupon is not a Payment Business Day in the place of presentation, the Holder shall not be entitled to payment in such place of the amount due until the next succeeding Payment Business Day in such place and shall not be entitled to any further interest or other payment in respect of any such delay.
- (h) *Payments other than in respect of matured Coupons*: Payments of interest other than in respect of matured Coupons shall be made only against presentation of the relevant Bearer Notes at the Specified Office of any Paying Agent outside the United States (or in New York City if permitted by Condition 10(c) (*Payments — Bearer Notes — Payments in New York City*)).
- (i) *Partial payments*: If a Paying Agent makes a partial payment in respect of any Bearer Note or Coupon presented to it for payment, such Paying Agent will endorse thereon a statement indicating the amount and date of such payment.
- (j) *Exchange of Talons*: On or after the maturity date of the final Coupon which is (or was at the time of issue) part of a Coupon Sheet relating to the Bearer Notes, the Talon forming part of such Coupon Sheet may be exchanged at the Specified Office of the Fiscal Agent for a further Coupon Sheet (including, if appropriate, a further Talon but excluding any Coupons in respect of which claims have already become void pursuant to Condition 14 (*Prescription*)). Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Note shall become void and no Coupon will be delivered in respect of such Talon.

11. **Payments — Registered Notes**

This Condition 11 is only applicable to Registered Notes.

- (a) *Principal*: Payments of principal shall be made by cheque drawn in the currency in which the payment is due drawn on, or, upon application by a Holder of a Registered Note to the Specified Office of the Fiscal Agent not later than the fifteenth day before the due date for any such payment, by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency (in the case of a sterling cheque, a town clearing branch of a bank in the City of London) and (in the case of redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Note Certificates at the Specified Office of any Paying Agent.
- (b) *Interest*: Payments of interest shall be made by cheque drawn in the currency in which the payment is due drawn on, or, upon application by a Holder of a Registered Note to the Specified Office of the Fiscal

Agent not later than the fifteenth day before the due date for any such payment, by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency (in the case of a sterling cheque, a town clearing branch of a bank in the City of London) and (in the case of interest payable on redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Note Certificates at the Specified Office of any Paying Agent.

- (c) *Payments subject to fiscal laws:* All payments in respect of the Registered Notes are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 12 (*Taxation*). No commissions or expenses shall be charged to the Noteholders in respect of such payments.
- (d) *Payments on business days:* Where payment is to be made by transfer to an account, payment instructions (for value the due date, or, if the due date is not Payment Business Day, for value the next succeeding Payment Business Day) will be initiated and, where payment is to be made by cheque, the cheque will be mailed (i) (in the case of payments of principal and interest payable on redemption) on the later of the due date for payment and the day on which the relevant Note Certificate is surrendered (or, in the case of part payment only, endorsed) at the Specified Office of a Paying Agent and (ii) (in the case of payments of interest payable other than on redemption) on the due date for payment. A Holder of a Registered Note shall not be entitled to any interest or other payment in respect of any delay in payment resulting from (A) the due date for a payment not being a Payment Business Day or (B) a cheque mailed in accordance with this Condition 11 arriving after the due date for payment or being lost in the mail.
- (e) *Partial payments:* If a Paying Agent makes a partial payment in respect of any Registered Note, the Registrar will annotate the Register with a record of the amount and date of such payment and, in the case of partial payment upon presentation of a Note Certificate, endorse on the relevant Note Certificate a statement indicating the amount and the date of such payment.
- (f) *Record date:* Each payment in respect of a Registered Note will be made to the person shown as the Holder in the Register at the close of business on the Clearing System Business Day before the due date for such payment (the "**Record Date**") where "**Clearing System Business Day**" means a day on which each of Clearstream Banking, Luxembourg and Euroclear Bank S.A./N.V. is open for business. Where payment in respect of a Registered Note is to be made by cheque, the cheque will be mailed to the address shown as the address of the Holder in the Register at the opening of business on the relevant Record Date.

12. **Taxation**

- (a) *Gross up:* All payments of principal and interest in respect of the Notes and the Coupons by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the Republic of Finland or any political subdivision therein or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments, or governmental charges is required by law. In that event, the Issuer shall pay such additional amounts as will result in receipt by the Noteholders and the Couponholders after such withholding or deduction of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Note or Coupon presented for payment:
 - (i) by or on behalf of a holder which is liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of its having some connection with the jurisdiction by which such taxes, duties, assessments or charges have been imposed, levied, collected, withheld or assessed other than the mere holding of the Note or Coupon;
 - (ii) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC on the taxation of savings income or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive;
 - (iii) by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Note or Coupon to another Paying Agent in a Member State of the EU; or

- (iv) more than 30 days after the Relevant Date except to the extent that the holder of such Note or Coupon would have been entitled to such additional amounts on presenting such Note or Coupon for payment on the last day of such period of 30 days assuming that day to have been a Payment Day.
- (b) *Taxing jurisdiction:* If the Issuer becomes subject at any time to any taxing jurisdiction other than the Republic of Finland, references in these Conditions to the Republic of Finland shall be construed as references to the Republic of Finland and/or such other jurisdiction.

13. **Events of Default**

If any of the following events occurs:

- (a) *Non-payment:* the Issuer fails to pay any amount of principal in respect of the Notes within seven days of the due date for payment thereof or fails to pay any amount of interest in respect of the Notes within fourteen days of the due date for payment thereof;
- (b) *Breach of other obligations:* the Issuer defaults in the performance or observance of any of its other obligations under or in respect of the Notes and such default remains unremedied for 30 days after written notice thereof, addressed to the Issuer by any Noteholder, has been delivered to the Issuer or to the Specified Office of the Fiscal Agent;
- (c) *Cross-acceleration:*
 - (i) any Indebtedness of the Issuer or any Principal Subsidiary (other than Non-recourse Securitisation Debt or Intra-Group Debt) is not paid when due (taking into account grace periods and extensions, if any) or any Indebtedness of the Issuer or any Principal Subsidiary (other than Non-recourse Securitisation Debt or Intra-Group Debt) is declared to be or otherwise becomes due and payable prior to its specified maturity by reason of the occurrence of an event of default (howsoever described); and
 - (ii) the aggregate of all Indebtedness referred to in Condition 13(c)(i) exceeds EUR 75,000,000 or its equivalent in other currencies;
- (d) *Security enforced:* a secured party takes possession, or a receiver, manager or other similar officer is appointed, of the whole or a significant part of the undertaking, assets and revenues of the Issuer or any of its Principal Subsidiaries;
- (e) *Insolvency etc.:* (i) the Issuer or any of its Principal Subsidiaries becomes insolvent or is unable to pay its debts as they fall due, (ii) an administrator or liquidator of the Issuer or any of its Principal Subsidiaries or the whole or a significant part of the undertaking, assets and revenues of the Issuer or any of its Principal Subsidiaries is appointed (or application for any such appointment is made), (iii) the Issuer or any of its Principal Subsidiaries takes any action for a readjustment or deferment of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors or declares a moratorium in respect of any of its Indebtedness;
- (f) *Winding up etc.:* an order is made or an effective resolution is passed for the winding up, liquidation or dissolution of the Issuer or any of its Principal Subsidiaries; or
- (g) *Analogous event:* any event occurs which under the laws of the Republic of Finland has an analogous effect to any of the events referred to in Conditions 13(d) (*Events of Default — Security enforced*) to 13(f) (*Events of Default — Winding up etc.*),

then any Note may, by written notice addressed by the holder thereof to the Issuer and delivered to the Issuer or to the Specified Office of the Fiscal Agent, be declared immediately due and payable, whereupon it shall become immediately due and payable at its Early Termination Amount together with accrued interest (if any) without further action or formality.

14. **Prescription**

Claims for principal in respect of Bearer Notes shall become void unless the relevant Bearer Notes are presented for payment within ten years of the appropriate Relevant Date. Claims for interest in respect of Bearer Notes shall become void unless the relevant Coupons are presented for payment within five years of the appropriate

Relevant Date. Claims for principal and interest on redemption in respect of Registered Notes shall become void unless the relevant Note Certificates are surrendered for payment within ten years of the appropriate Relevant Date.

15. **Replacement of Notes and Coupons**

If any Note, Note Certificate or Coupon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Fiscal Agent, in the case of Bearer Notes, or the Registrar, in the case of Registered Notes (and, if the Notes are then admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent or Transfer Agent in any particular place, the Paying Agent or Transfer Agent having its Specified Office in the place required by such competent authority, stock exchange and/or quotation system), subject to all applicable laws and competent authority, stock exchange and/or quotation system requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Notes, Note Certificates or Coupons must be surrendered before replacements will be issued.

16. **Agents**

In acting under the Agency Agreement and in connection with the Notes and the Coupons, the Paying Agents act solely as agents of the Issuer and the Guarantor and do not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders or Couponholders.

The initial Paying Agents and their initial Specified Offices are listed below. The initial Calculation Agent (if any) is specified in the relevant Final Terms. The Issuer reserves the right at any time to vary or terminate the appointment of any Paying Agent and to appoint a successor fiscal agent or registrar or Calculation Agent and additional or successor paying agents; *provided, however, that*:

- (a) the Issuer shall at all times maintain a Fiscal Agent and a registrar;
- (b) the Issuer shall at all times maintain a paying agent in an EU member state that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive;
- (c) if a Calculation Agent is specified in the relevant Final Terms, the Issuer shall at all times maintain a Calculation Agent; and
- (d) if and for so long as the Notes are admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent in any particular place, the Issuer shall maintain a Paying Agent having its Specified Office in the place required by such competent authority, stock exchange and/or quotation system.

Notice of any change in any of the Paying Agents or in their Specified Offices shall promptly be given to the Noteholders.

17. **Meetings of Noteholders; Modification and Waiver**

- (a) *Meetings of Noteholders*: The Agency Agreement contains provisions for convening meetings of Noteholders to consider matters relating to the Notes, including the modification of any provision of these Conditions. Any such modification may be made if sanctioned by an Extraordinary Resolution. Such a meeting may be convened by the Issuer and shall be convened by them upon the request in writing of Noteholders holding not less than one-tenth of the aggregate principal amount of the outstanding Notes. The quorum at any meeting convened to vote on an Extraordinary Resolution will be two or more Persons holding or representing one more than half of the aggregate principal amount of the outstanding Notes or, at any adjourned meeting, two or more Persons being or representing Noteholders whatever the principal amount of the Notes held or represented; *provided, however, that* Reserved Matters may only be sanctioned by an Extraordinary Resolution passed at a meeting of Noteholders at which two or more Persons holding or representing not less than three-quarters or, at any adjourned meeting, one quarter of the aggregate principal amount of the outstanding Notes form a quorum. Any Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders and Couponholders, whether present or not.

- (b) *Modification*: The Notes and these Conditions may be amended without the consent of the Noteholders or the Couponholders to correct a manifest error. In addition, the parties to the Agency Agreement may agree to modify any provision thereof, but the Issuer shall not agree, without the consent of the Noteholders, to any such modification unless it is of a formal, minor or technical nature, it is made to correct a manifest error or it is not materially prejudicial to the interests of the Noteholders.

18. Further Issues

The Issuer may from time to time, without the consent of the Noteholders or the Couponholders, create and issue further notes having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest) so as to form a single series with the Notes.

19. Notices

- (a) *Bearer Notes*: Notices to the Holders of Bearer Notes shall be valid if published in a leading English language daily newspaper published in London (which is expected to be the *Financial Times*), if such publication is not practicable, in a leading English language daily newspaper having general circulation in Europe. Any such notice shall be deemed to have been given on the date of first publication (or if required to be published in more than one newspaper, on the first date on which publication shall have been made in all the required newspapers). Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the Holders of Bearer Notes.
- (b) *Registered Notes*: Notices to the Holders of Registered Notes shall be sent to them by first class mail (or its equivalent) or (if posted to an overseas address) by airmail at their respective addresses on the Register. Any such notice shall be deemed to have been given on the fourth day after the date of mailing.

20. Currency Indemnity

If any sum due from the Issuer in respect of the Notes or the Coupons or any order or judgment given or made in relation thereto has to be converted from the currency (the "**first currency**") in which the same is payable under these Conditions or such order or judgment into another currency (the "**second currency**") for the purpose of (a) making or filing a claim or proof against the Issuer, (b) obtaining an order or judgment in any court or other tribunal or (c) enforcing any order or judgment given or made in relation to the Notes, the Issuer shall indemnify each Noteholder, on the written demand of such Noteholder addressed to the Issuer and delivered to the Issuer or to the Specified Office of the Fiscal Agent, against any loss suffered as a result of any discrepancy between (i) the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency and (ii) the rate or rates of exchange at which such Noteholder may in the ordinary course of business purchase the first currency with the second currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgment, claim or proof.

This indemnity constitutes a separate and independent obligation of the Issuer and shall give rise to a separate and independent cause of action.

21. Rounding

- (a) For the purposes of any calculations referred to in these Conditions (unless otherwise specified in these Conditions or the relevant Final Terms), (i) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded up to 0.00001 per cent.), (ii) all U.S. dollar amounts used in or resulting from such calculations will be rounded to the nearest cent (with one half cent being rounded up), (iii) all Japanese Yen amounts used in or resulting from such calculations will be rounded downwards to the next lower whole Japanese Yen amount, and (iv) all amounts denominated in any other currency used in or resulting from such calculations will be rounded to the nearest two decimal places in such currency, with 0.005 being rounded upwards.

22. Governing Law and Jurisdiction

- (a) *Governing law*: The Notes and all non-contractual obligations arising out of or in connection with the Notes shall be governed by and construed in accordance with English law.
- (b) *English courts*: The courts of England have exclusive jurisdiction to settle any dispute (a "**Dispute**") arising out of or in connection with the Notes (including any non-contractual obligation arising out of or in connection with the Notes).

- (c) *Appropriate forum:* The Issuer agrees that the courts of England are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue to the contrary.
- (d) *Rights of the Noteholders to take proceedings outside England:* Condition 22(b) (*English courts*) is for the benefit of the Noteholders only. As a result, nothing in this Condition 22 prevents any Noteholder from taking proceedings relating to a Dispute ("**Proceedings**") in any other courts with jurisdiction. To the extent allowed by law, Noteholders may take concurrent Proceedings in any number of jurisdictions.
- (e) *Process agent:* Without prejudice to any other mode of service allowed under any relevant law, the Issuer irrevocably agrees that the documents which start any Proceedings and any other documents required to be served in relation to those Proceedings may be served on it by being delivered to Symbian Software Limited as its agent at 7 Albemarle Street, London W1S 4HQ, United Kingdom or, if different, its registered office for the time being or at any address of the Issuer in the United Kingdom at which process may be served on it. The Issuer agrees that failure by an agent for service of process to notify it will not invalidate the proceedings concerned. If such person is not or ceases to be effectively appointed to accept service of process on behalf of the Issuer, the Issuer shall, on the written demand of any Noteholder addressed and delivered to the Issuer or to the Specified Office of the Fiscal Agent appoint a further person in England to accept service of process on its behalf and, failing such appointment within 15 days, any Noteholder shall be entitled to appoint such a person by written notice addressed to the Issuer and delivered to the Issuer or to the Specified Office of the Fiscal Agent. Nothing in this Condition 22(e) shall affect the right of any Noteholder to serve process in any other manner permitted by law. This Condition applies to Proceedings in England and to Proceedings elsewhere.

FORM OF FINAL TERMS

Final Terms dated []

NOKIA CORPORATION
Issue of []
under the EUR 5,000,000,000
Euro Medium Term Note Programme

PART A — CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the base prospectus dated 21 August 2014 [and the supplemental prospectus dated [] which [together] constitute[s]] a base prospectus (the "**Base Prospectus**") for the purposes of Directive 2003/71/EC, as amended by Directive 2010/73/EU (together, the "**Prospectus Directive**"). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive. These Final Terms contain the final terms of the Notes and must be read in conjunction with such Base Prospectus [as so supplemented].

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the base prospectus dated [•] [and the supplemental prospectus dated [•]] which are incorporated by reference in the base prospectus dated 21 August 2014 (the "**Base Prospectus**"). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive. These Final Terms contain the final terms of the Notes and must be read in conjunction with the Base Prospectus [as so supplemented], save in respect of the Conditions which are extracted from the base prospectus dated [•][as so supplemented]].

Full information on the Issuer and the offer of the Notes described herein is only available on the basis of the combination of these Final Terms and the Base Prospectus [as so supplemented]. The Base Prospectus [and the supplemental prospectus] [is] [are] available on [the website of the Irish Stock Exchange <http://www.ise.ie/>] and for viewing during normal business hours at the registered office of the Issuer at Karakaari 7, P.O. Box 226, FI-02610 Nokia Group, Espoo, Finland.

- | | | |
|----|---|---|
| 1. | (i) Issuer: | Nokia Corporation |
| 2. | (i) Series Number: | [] |
| | (ii) Tranche Number: | [] |
| | [(iii) Date on which Notes shall be consolidated and form a single series:] | [Not Applicable/The Notes shall be consolidated, form a single series and be interchangeable for trading purposes with the [] on []/the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph 22 below [which is expected to occur on or about []]] |
| 3. | Specified Currency: | [] |
| 4. | Aggregate Nominal Amount: | [] |
| | [(i) Series:] | [] |
| | [(ii) Tranche:] | [] |
| 5. | Issue Price: | [] per cent. of the Aggregate Nominal Amount [plus accrued interest from []] |
| 6. | (i) Specified Denominations: | [] subject to a minimum denomination of EUR 100,000 or the equivalent amount in any other currency |
| | (ii) Calculation Amount: | [] |
| 7. | (i) Issue Date: | [] |
| | (ii) Interest Commencement Date: | [[]/Issue Date/Not Applicable] |
| 8. | Maturity Date: | [[]/Interest Payment Date falling in or nearest to []] |
| 9. | Interest Basis: | [[] per cent. Fixed Rate]
[[[•]] month
LIBOR/EURIBOR/NIBOR/STIBOR]] |

- +/- [] per cent.
Floating Rate]
[Zero Coupon]
10. Redemption/Payment Basis: [Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at par]
11. Change of Interest or Redemption/Payment Basis: [Applicable/Not Applicable]
12. Put/Call Options: [Issuer Call]
[Issuer Make-Whole]
[Investor Put]
[See paragraph [17/18/19] below]
13. Date [Board] approval for issuance of Notes obtained: []
- Provisions Relating to Interest (if any) Payable**
- 14. Fixed Rate Note Provisions** [Applicable/Not Applicable]
- (i) Rate[(s)] of Interest: [] per cent. per annum [payable [annually/semi-annually/quarterly/monthly] in arrear on each Interest Payment Date]
(ii) Interest Payment Date(s): [] in each year up to and including the Maturity Date [adjusted in accordance with []/not adjusted]
(iii) Fixed Coupon Amount[(s)]: [] per Calculation Amount
(iv) Broken Amount(s): [] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [] [Not Applicable]
(v) Day Count Fraction: [30/360 / Actual/Actual (ICMA) / Actual/365 / Actual/Actual(ISDA) / Actual/365 (Fixed) / Actual/360 / 30E/360 / Eurobond Basis / 30E/360(ISDA)]
- 15. Floating Rate Note Provisions** [Applicable/Not Applicable]
- (i) Specified Period: []
(ii) Specified Interest Payment Dates: []
(iii) First Interest Payment Date: []
(iv) Business Day Convention: [FRN Convention/Floating Rate Convention/Eurodollar Convention /Following Business Day Convention/Modified Following Business Day Convention/Modified Business Day Convention/Preceding Business Day Convention/No Adjustment]
(v) Additional Business Centre(s): []
(vi) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination]
(vii) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Fiscal Agent): [[Name] shall be the Calculation Agent]
(viii) Screen Rate Determination: [LIBOR/EURIBOR/NIBOR/STIBOR]
• Reference Rate: []
• Interest Determination Date(s): []
• Relevant Screen Page: []
• Relevant Time: []
• Relevant Financial Centre: []
(ix) ISDA Determination: [Applicable/Not Applicable]
ISDA 2006 Definitions:
• Floating Rate Option: []
• Designated Maturity: []
• Reset Date: []
(x) Margin(s): [+/-][] per cent. per annum
(xi) Minimum Rate of Interest: [] per cent. per annum
(xii) Maximum Rate of Interest: [] per cent. per annum

(xiii) Day Count Fraction:	[Actual/Actual (ICMA) / Actual/365 / Actual/Actual (ISDA) / Actual/365 (Fixed) / Actual/360 / 30/360 / 30E/360 / Eurobond Basis / 30E/360(ISDA)]
16. Zero Coupon Note Provisions	[Applicable/Not Applicable]
(i) Accrual Yield:	[] per cent. per annum
(ii) Reference Price:	[]
(iii) Day Count Fraction in relation to Early Redemption Amounts	[Actual/Actual (ICMA) / Actual/365 / Actual/Actual (ISDA) / Actual/365 (Fixed) / Actual/360 / 30/360 / 30E/360 / Eurobond Basis/30E/360(ISDA)]

PROVISIONS RELATING TO REDEMPTION

17. Issuer Call	[Applicable/Not Applicable]
(i) Optional Redemption Date(s) (Call):	[]
(ii) Optional Redemption Amount(s) (Call) of each Note:	[] per Calculation Amount
(iii) If redeemable in part:	
(a) Minimum Redemption Amount:	[] per Calculation Amount
(b) Maximum Redemption Amount	[] per Calculation Amount
(iv) Notice period:	[]
18. Issuer Make-Whole	[Applicable/ /Not Applicable]
(i) Parties to be notified by Issuer of Make-Whole Redemption Date and Make-Whole Redemption Amount (if other than set out in Condition 16):	[] [Not Applicable]
(ii) Make-Whole Redemption Margin:	[]
(iii) Discounting basis for purposes of calculating sum of the present values of the remaining scheduled payments of principal and interest on Redeemed Notes in the determination of the Make-Whole Redemption Amount:	[Annual/Semi-Annual]
(iv) Reference Screen Rate:	[] [Not Applicable]
(v) Reference Security:	[] [Not Applicable]
(vi) Reference Dealers:	[] [Not Applicable]
(vii) Quotation Agent:	[] [Not Applicable]
(viii) If redeemable in part:	
(a) Minimum Redemption Amount:	[] per Calculation Amount
(b) Maximum Redemption Amount	[] per Calculation Amount
19. Investor Put	[Applicable/Not Applicable]
(i) Optional Redemption Date(s):	[]
(ii) Optional Redemption Amount(s) (Put) of each Note:	[] per Calculation Amount
(iii) Notice period:	[]
20. Final Redemption Amount of each Note	[] per Calculation Amount
21. Early Redemption Amount	
Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default or other early redemption:	[Not Applicable/[] per Calculation Amount]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

22. Form of Notes:	Bearer Notes: [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes on [] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note] [Temporary Global Note exchangeable for Definitive Notes on [] days' notice] [Permanent Global Note exchangeable for Definitive Notes on [] days' notice/at any time/in the limited circumstances specified in
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the Permanent Global Note]

Registered Notes: [Global Registered Note
[U.S./Euro [●] nominal amount registered in
the name of a nominee for DTC/a common
depository for Euroclear and Clearstream,
Luxembourg / a common safekeeper for
Euroclear and Clearstream, Luxembourg (that
is held under the New Safekeeping Structure
(NSS))]

23. New Global Note: [Yes]/[No]
24. Additional Financial Centre(s): [Not Applicable/[]]
25. Talons for future Coupons to be attached to Definitive
Notes (and dates on which such Talons mature): [Yes]/[No]

THIRD PARTY INFORMATION

[] has been extracted from []. The Issuer confirms that such information
has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information
published by [], no facts have been omitted which would render the reproduced
information inaccurate or misleading.]/[Not applicable.]

Signed on behalf of Nokia Corporation:

By: _____
Duly authorised

PART B — OTHER INFORMATION

1. LISTING

- (i) Admission to trading and listing: [[Application has been made/Application is expected to be made by the Issuer] (or on its behalf) for the Notes to be admitted to trading on the Irish Stock Exchange's regulated market with effect from [].]
[[Application has been made/Application is expected to be made by the Issuer] (or on its behalf) for the Notes to be admitted to listing on the Official List of the Irish Stock Exchange with effect from [].]
[]
- (ii) Estimate of total expenses related to admission to trading: []

2. RATINGS

- Ratings: [[The Notes to be issued [have been/are expected to be] rated]/[The following ratings reflect ratings assigned to Notes of this type issued under the Programme generally]]:
[S&P:[]]
[Moody's: []]

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER

[Save for any fees payable to the [Dealers/Managers], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. The [Dealers/Managers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business.]/[Not applicable.]

4. [REASONS FOR THE OFFER

[]]

5. [YIELD (Fixed Rate Notes only)

- Indication of yield: []
[As set out above, the yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

6. OPERATIONAL INFORMATION

- (i) ISIN: []
- (ii) Common Code: []
- (iii) Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme and the relevant identification number(s): []
- (iv) Names and addresses of additional Paying Agent(s) (if any): []
- (v) Intended to be held in a manner which would allow Eurosystem eligibility: [Yes] [Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper [(and registered in the name of a nominee of one of the ICSDs acting as common safekeeper,)] [include this text for registered notes] and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will

depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.] [Include this text if "yes" selected, in which case bearer Notes must be issued in NGN form]

[No] [Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper [(and registered in the name of a nominee of one of the ICSDs acting as common safekeeper,)] [include this text for registered notes] . Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]

7. DISTRIBUTION
U.S. Selling Restrictions:

[Reg. S Category 2]
(In the case of Bearer Notes)
[TEFRA C/TEFRA D/TEFRA not applicable]
(In the case of Registered Notes)
[Not Applicable]

SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

Clearing System Accountholders

In relation to any Tranche of Notes represented by a Global Note in bearer form, references in the Terms and Conditions of the Notes to "**Noteholder**" are references to the bearer of the relevant Global Note which, for so long as the Global Note is held by a depositary or a common depositary, in the case of a CGN, or a common safekeeper, in the case of a NGN for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, will be that depositary or common depositary or, as the case may be, common safekeeper.

In relation to any Tranche of Notes represented by a Global Registered Note, references in the Terms and Conditions of the Notes to "**Noteholder**" are references to the person in whose name such Global Registered Note is for the time being registered in the Register which, for so long as the Global Registered Note is held by or on behalf of a depositary or a common depositary or a common safekeeper (or its nominee) for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, will be that depositary or common depositary or a common safekeeper (or its nominee) for that depositary or common depositary or common safekeeper (or its nominee).

Each of the persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Global Note or a Global Registered Note (each an "**Accountholder**") must look solely to Euroclear and/or Clearstream, Luxembourg and/or such other relevant clearing system (as the case may be) for such Accountholder's share of each payment made by the Issuer or the Guarantor to the holder of such Global Note or Global Registered Note and in relation to all other rights arising under such Global Note or Global Registered Note. The extent to which, and the manner in which, Accountholders may exercise any rights arising under the Global Note or Global Registered Note will be determined by the respective rules and procedures of Euroclear and Clearstream, Luxembourg and any other relevant clearing system from time to time. For so long as the relevant Notes are represented by a Global Note or Global Registered Note, Accountholders shall have no claim directly against the Issuer or the Guarantor in respect of payments due under the Notes and such obligations of the Issuer and the Guarantor will be discharged by payment to the holder of such Global Note or Global Registered Note.

Exchange of Temporary Global Notes

Whenever any interest in a Temporary Global Note is to be exchanged for an interest in a Permanent Global Note, the Issuer shall procure:

- (a) in the case of first exchange, the prompt delivery (free of charge to the bearer) of such Permanent Global Note, duly authenticated and, in the case of a NGN, effectuated, to the bearer of the Temporary Global Note; or
- (b) in the case of any subsequent exchange, an increase in the principal amount of such Permanent Global Note in accordance with its terms,

in each case in an aggregate principal amount equal to the aggregate of the principal amounts specified in the certificates issued by Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and received by the Fiscal Agent against presentation and (in the case of final exchange) surrender of the Temporary Global Note to or to the order of the Fiscal Agent within seven days of the bearer requesting such exchange.

Whenever a Temporary Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of the Temporary Global Note to the bearer of the Temporary Global Note against the surrender of the Temporary Global Note to or to the order of the Fiscal Agent within 30 days of the bearer requesting such exchange.

If:

- (a) a Permanent Global Note has not been delivered or the principal amount thereof increased by 5.00 p.m. (London time) on the seventh day after the bearer of a Temporary Global Note has requested exchange of an interest in the Temporary Global Note for an interest in a Permanent Global Note; or

- (b) Definitive Notes have not been delivered by 5.00 p.m. (London time) on the thirtieth day after the bearer of a Temporary Global Note has requested exchange of the Temporary Global Note for Definitive Notes; or
- (c) a Temporary Global Note (or any part thereof) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of a Temporary Global Note has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer of the Temporary Global Note in accordance with the terms of the Temporary Global Note on the due date for payment,

then the Temporary Global Note (including the obligation to deliver a Permanent Global Note or increase the principal amount thereof or deliver Definitive Notes, as the case may be) will become void at 5.00 p.m. (London time) on such seventh day (in the case of (a) above) or at 5.00 p.m. (London time) on such thirtieth day (in the case of (b) above) or at 5.00 p.m. (London time) on such due date (in the case of (c) above), and the bearer of the Temporary Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Temporary Global Note or others may have under the Deed of Covenant). Under the Deed of Covenant, persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Temporary Global Note will acquire directly against the Issuer all those rights to which they would have been entitled if, immediately before the Temporary Global Note became void, they had been the holders of Definitive Notes in an aggregate principal amount equal to the principal amount of Notes they were shown as holding in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.

Exchange of Permanent Global Notes

Whenever a Permanent Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note to or to the order of the Fiscal Agent within 30 days of the bearer requesting such exchange.

If:

- (a) Definitive Notes have not been delivered by 5.00 p.m. (London time) on the thirtieth day after the bearer of a Permanent Global Note has duly requested exchange of the Permanent Global Note for Definitive Notes; or
- (b) a Permanent Global Note (or any part of it) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of the Notes has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer of the Permanent Global Note in accordance with the terms of the Permanent Global Note on the due date for payment,

then the Permanent Global Note (including the obligation to deliver Definitive Notes) will become void at 5.00 p.m. (London time) on such thirtieth day (in the case of (a) above) or at 5.00 p.m. (London time) on such due date (in the case of (b) above), and the bearer of the Permanent Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Permanent Global Note or others may have under the Deed of Covenant). Under the Deed of Covenant, persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Permanent Global Note will acquire directly against the Issuer all those rights to which they would have been entitled if, immediately before the Permanent Global Note became void, they had been the holders of Definitive Notes in an aggregate principal amount equal to the principal amount of Notes they were shown as holding in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.

Exchange of Global Registered Notes

Whenever a Global Registered Note is to be exchanged for Individual Note Certificates, the Issuer shall procure that Individual Note Certificates will be issued in an aggregate principal amount equal to the principal amount of the Global Registered Note within five business days of the delivery, by or on behalf of the holder of the Global Registered Note to the Registrar of such information as is required to complete and deliver such Individual Note Certificates (including, without limitation, the names and addresses of the persons in whose names the

Individual Note Certificates are to be registered and the principal amount of each such person's holding) against the surrender of the Global Registered Note at the specified office of the Registrar. Such exchange will be effected in accordance with the provisions of the Agency Agreement and the regulations concerning the transfer and registration of Notes scheduled thereto and, in particular, shall be effected without charge to any holder, but against such indemnity as the Registrar may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such exchange.

If:

- (a) Individual Note Certificates have not been delivered by 5.00 p.m. (London time) on the thirtieth day after they are due to be issued and delivered in accordance with the terms of the Global Registered Note; or
- (b) any of the Notes represented by a Global Registered Note (or any part of it) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of the Notes has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the holder of the Global Registered Note in accordance with the terms of the Global Registered Note on the due date for payment,

then the Global Registered Note (including the obligation to deliver Individual Note Certificates) will become void at 5.00 p.m. (London time) on such thirtieth day (in the case of (a) above) or at 5.00 p.m. (London time) on such due date (in the case of (b) above), and the holder of the Global Registered Note will have no further rights thereunder (but without prejudice to the rights which the holder of the Global Registered Note or others may have under the Deed of Covenant). Under the Deed of Covenant, persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Global Registered Note will acquire directly against the Issuer all those rights to which they would have been entitled if, immediately before the Global Registered Note became void, they had been the holders of Individual Note Certificates in an aggregate principal amount equal to the principal amount of Notes they were shown as holding in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.

Conditions applicable to Global Notes

Each Global Note and Global Registered Note will contain provisions which modify the Terms and Conditions of the Notes as they apply to the Global Note or Global Registered Note. The following is a summary of certain of those provisions:

Payments: All payments in respect of the Global Note or Global Registered Note which, according to the Terms and Conditions of the Notes, require presentation and/or surrender of a Note, Note Certificate or Coupon will be made against presentation and (in the case of payment of principal in full with all interest accrued thereon) surrender of the Global Note or Global Registered Note to or to the order of any Paying Agent and will be effective to satisfy and discharge the corresponding liabilities of the Issuer in respect of the Notes. On each occasion on which a payment of principal or interest is made in respect of the Global Note, the Issuer shall procure that in respect of a CGN the payment is noted in a schedule thereto and in respect of a NGN the payment is entered pro rata in the records of Euroclear and Clearstream, Luxembourg.

Exercise of investor put: In order to exercise the option contained in Condition 9(f) (*Redemption and Purchase — Redemption at the option of Noteholders*) the bearer of the Permanent Global Note or the holder of a Global Registered Note must, within the period specified in the Conditions for the deposit of the relevant Note and put notice, give written notice of such exercise to the Fiscal Agent specifying the principal amount of Notes in respect of which such option is being exercised. Any such notice will be irrevocable and may not be withdrawn.

Partial exercise of Issuer call or Issuer make-whole: In connection with an exercise of the option contained in Condition 9(c) (*Redemption and Purchase — Redemption at the option of the Issuer (Call Option)*) or Condition 9(d) (*Redemption and Purchase — Redemption at the option of the Issuer (Make-Whole)*) in relation to some only of the Notes, the Permanent Global Note or Global Registered Note may be redeemed in part in the principal amount specified by the Issuer in accordance with the Conditions and the Notes to be redeemed will not be selected as provided in the Conditions but in accordance with the rules and procedures of Euroclear and Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in principal amount, at their discretion).

Notices: Notwithstanding Condition 19 (*Notices*), while all the Notes are represented by a Permanent Global Note (or by a Permanent Global Note and/or a Temporary Global Note) or a Global Registered Note and the Permanent Global Note is (or the Permanent Global Note and/or the Temporary Global Note are), or the Global

Registered Note is, deposited with a depository or a common depository for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system or a common safekeeper, notices to Noteholders may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and, in any case, such notices shall be deemed to have been given to the Noteholders in accordance with Condition 19 (*Notices*) on the date of delivery to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.

DESCRIPTION OF NOKIA

Company Overview

Nokia invests in technologies important in a world where billions of devices are connected. We are focused on three businesses: network infrastructure software, hardware and services, which we offer through Networks; location intelligence, which we provide through HERE; and advanced technology development and licensing, which we pursue through Technologies. Each of these businesses is a leader in its respective field.

We maintain listings on two major securities exchanges. The listing venues for our shares are NASDAQ OMX Helsinki, in the form of shares, and the New York Stock Exchange, in the form of American Depositary Shares.

We are a public limited liability company which is incorporated under the laws of Finland with registration number 0112038-9. We were incorporated on 19 December 1896. Our principal executive office is located at Karakaari 7, P.O. Box 226, FI-02610 Nokia Group, Espoo, Finland and our telephone number is +358 (0) 10 44 88 000.

Business Overview

We have three businesses: Networks, HERE, and Technologies, and four operating and reportable segments for financial reporting purposes: Mobile Broadband and Global Services within Networks, HERE, and Technologies. Mobile Broadband provides mobile operators with radio and core network software together with the hardware needed to deliver mobile voice and data services. Global Services provides mobile operators with a broad range of services, including network implementation, care, managed services, network planning and optimisation as well as systems integration. HERE focuses on the development of location intelligence, location-based services and local commerce. Technologies is built on Nokia's Chief Technology Office and intellectual property rights and licensing activities. Networks also contains Networks Other, which includes net sales and related cost of sales and operating expenses of non-core businesses, as well as the Optical Networks business until 6 May 2013, when its divestment was completed. It also includes restructuring and associated charges for Networks business. Additionally, as a result of the Sale of the D&S Business, we report certain separate information for Discontinued Operations (as described below).

Acquisition of Siemens' Stake in NSN

Nokia announced the first of what would be two transformative transactions for the company during 2013 on 1 July when it announced an agreement to acquire Siemens' 50% in the companies' joint venture Nokia Siemens Networks. The purchase price for Siemens' stake was EUR 1.7 billion and the transaction closed on 7 August 2013, at which time NSN became a wholly owned subsidiary of Nokia.

Nokia saw the transaction as an opportunity to create more shareholder value for the group. We had a clear view of NSN's leadership in next generation technologies, such as LTE, as well as its impressive profitability improvement, which was the result of the focused strategy and successful implementation of the company's restructuring program. Furthermore, it was evident to us that NSN was not a core business for Siemens. We saw a good opportunity to purchase Siemens' share at what we believed to be an attractive price.

After the transaction closed, we phased out the Siemens name from Nokia Siemens Networks' company name and branding and adopted Nokia Solutions and Networks, or NSN, as the name and brand. Upon the announcement of our new strategy on 29 April 2014, NSN is now known as Networks and operates under the Nokia brand.

Following the completion of the transaction, Rajeev Suri continued as CEO of NSN. However, the NSN Board of Directors was adjusted to the new ownership structure, with the Siemens-appointed directors resigning. In addition, Jesper Ovesen stepped down from his position as Executive Chairman of the NSN Board upon the closing of the sale of the D&S Business.

Sale of the Devices & Services business to Microsoft

The process leading to the announcement of the proposed sale of substantially all of Nokia's D&S Business to Microsoft on 3 September 2013, and eventually to the closing of the transaction on 25 April 2014, started in early 2013 when Microsoft approached Nokia indicating its interest in purchasing all or part of our D&S Business. After this contact, we carried out an extensive strategic review and considered a wide range of strategic alternatives and scenarios for the company. This review included, among other things, a thorough

assessment of what would be possible within the framework of the partnership with Microsoft, outside of it, as well as the value of Nokia's businesses and assets in different scenarios.

During this process and throughout the negotiations, we consulted with our senior management as well as with outside legal and financial advisors. The negotiations with Microsoft progressed and eventually resulted in an offer from Microsoft to purchase substantially all of Nokia's D&S Business and to license our patents. After a thorough and careful assessment, we determined at a meeting held on 2 September 2013, that the proposed transaction was advisable, fair to, and in the best interests of, Nokia and its shareholders. We decided to enter into the transaction and resolved to submit it to Nokia shareholders for confirmation and approval.

On 3 September 2013, Nokia announced that it had signed an agreement to enter into a transaction whereby Nokia would sell to Microsoft substantially all of its D&S Business, including the Mobile Phones and Smart Devices business units as well as an industry-leading design team, operations including Nokia Devices & Services production facilities, Devices & Services-related sales and marketing activities, and related support functions. Also, in conjunction with the closing of the transaction, Nokia granted Microsoft a 10 year non-exclusive license to its patents and Microsoft granted Nokia reciprocal rights to use Microsoft patents in our HERE services, our mapping and location services business. The total purchase price was EUR 5.44 billion, of which EUR 3.79 billion related to the purchase of substantially all of the D&S Business, and EUR 1.65 billion related to the 10 year mutual patent license agreement and the option to extend this agreement to perpetuity. In addition, Microsoft became a strategic licensee of the HERE platform, and separately pays Nokia for a four-year license.

On 19 November 2013, Nokia's shareholders confirmed and approved the transaction at the Extraordinary General Meeting in Helsinki. We were very pleased for the overwhelmingly strong support our shareholders gave for the transaction, as a total of over 99% of the votes cast were in favour of the approval. Having received the approval of Nokia shareholders and regulatory authorities as well as fulfilling other customary closing conditions, the transaction closed on 25 April 2014.

Of the Devices & Services related assets, Nokia's former CTO (Chief Technology Office) organisation and patent portfolio remained within the Nokia Group, which are currently part of the Technologies business. The operations that were transferred to Microsoft generated EUR 10.7 billion, or approximately 46%, of Nokia's net sales for the full year 2013.

As is customary for transactions of this size, scale and complexity, Nokia and Microsoft made certain adjustments to the scope of the assets originally planned to transfer. These adjustments included Nokia's manufacturing facilities in Chennai in India and Masan in the Republic of Korea not transferring to Microsoft. These adjustments did not impact the material deal terms of the transaction and Nokia will be materially compensated for any retained liabilities.

In India, our manufacturing facility is subject to an asset freeze by the Indian tax authorities as a result of ongoing tax proceedings. Consequently, the facility remains part of Nokia following the closing of the transaction. Nokia and Microsoft have entered into a service agreement whereby Nokia would produce mobile devices for Microsoft.

In the Republic of Korea, Nokia and Microsoft agreed to exclude the Masan facility from the scope of the transaction. As at the date of this Base Prospectus, Nokia was taking steps to close the facility, which employs approximately 200 people.

Altogether, and accounting for these adjustments, approximately 25,000 employees transferred to Microsoft at the closing. Earlier, we had expected approximately 32,000 employees to transfer.

Following the transaction, Nokia continues to own and maintain the Nokia brand. Under the terms of the transaction, Microsoft received a 10 year license arrangement with Nokia to use the Nokia brand on certain Mobile Phones products. Additionally, Nokia is restricted from licensing the Nokia brand for use in connection with mobile device sales for 30 months and from using the Nokia brand on Nokia's own mobile devices until 31 December 2015.

Nokia retains its headquarters in Finland, but as the majority of employees working at the Keilaniemi, Espoo headquarters were focused on Devices & Services activities and support functions it was agreed that the Keilaniemi facility would become a Microsoft site upon the closing of the transaction. Nokia has since relocated its headquarters to the Karaportti campus in Espoo.

New vision, strategy and structure

The completion of the transaction with Microsoft has provided Nokia with a solid basis for future investment. It has also significantly strengthened our financial position, supporting our target of returning to being an investment grade company. On 29 April 2014, and building on this platform of renewed financial strength, Nokia outlined its next steps and future plans in more detail. These included:

- The appointment of Rajeev Suri as President and CEO, effective 1 May 2014.
- A vision to be a leader in technologies important in a connected world.
- A strategy to realise that vision by building on Nokia's three strong businesses in networks, location and technologies.
- Plans for a EUR 5 billion programme to optimise capital structure, focused on recommencing ordinary dividends, distributing deemed excess capital to shareholders, and reducing interest bearing debt. In the second quarter of 2014, as part of this programme and its debt reduction plan, Nokia redeemed approximately EUR 950 million of Nokia Networks' debt, which included EUR 800 million of senior notes issued by Nokia Solutions and Networks Finance B.V., the finance company of its Nokia Networks business formerly known as NSN. On 17 June 2014, the Annual General Meeting: (1) resolved to distribute an ordinary dividend of EUR 0.11 per share for year 2013 and a special dividend of EUR 0.26 per share; and (2) authorised the Board of Directors to resolve to repurchase a maximum of 370 million shares. On 18 June 2014, the Board of Directors resolved to commence repurchases of up to the maximum number of shares authorised by the Annual General Meeting, subject to a cap of EUR 1.25 billion in value.
- A new governance structure and the appointment of a new leadership team, effective 1 May 2014.

Long-term leadership targeted in three key areas

Nokia believes that over the next 10 years billions of connected devices will converge into intelligent and programmable systems that will have the potential to improve lives in a vast number of areas: time and availability, transportation and resource consumption, learning and work, health and wellness, and many more.

This new world of technology will require 1) connectivity capable of handling massive numbers of devices and exponential increases in data traffic; 2) location services that seamlessly bridge between the real and virtual worlds; and 3) innovation, including in sensing, radio and low power technologies. Nokia's vision is to be a leader over the long term in these three areas.

Nokia strategy

Nokia's strategy is to develop its three businesses—Networks, HERE, and Technologies—in order to realise its vision of being a technology leader in a connected world and, in turn, create long-term shareholder value. Our goal is to optimise the company so that each business is best enabled to meet its goals. Where it makes sense to do so, we will pursue shared opportunities between the businesses, but not at the expense of focus and discipline in each.

Nokia will target the creation of long-term shareholder value by focusing on the following three areas:

1. Through its Networks business (formerly NSN), Nokia will invest in the innovative products and services needed by telecoms operators to manage the increase in wireless data traffic which is more than doubling every year. Future investment will focus on further building on our strong position in mobile broadband and related services, and strengthening our leadership position in next-generation network technologies.

Today, the Networks business serves more than 90 of the world's 100 largest operators, is a leader in the large and dynamic mobile broadband market, and is ranked third in estimated global market share in mobile radio and second in telecommunication services. An early leader in virtualisation and cloud technologies, Networks conducted trials and pre-commercial live projects with more than 50 customers in 2013.

2. Through its HERE business, Nokia is will invest to further develop its location cloud to make it the leading source of location intelligence and experiences across many different operating systems, platforms and screens. Given that location is an essential element of a connected world, we will target our investment in three

areas: 1) technology for smart, connected cars; 2) cloud-based services for personal mobility and location intelligence, including for the growing segment of wearables and special purpose devices; and 3) location-based analytics for better business decisions.

Today, HERE is the leading global provider of map content, powering four out of five in-car navigation systems. Its location platform is used by leading internet companies such as Amazon, Microsoft and Yahoo.

3. Through its Technologies business, Nokia will invest in the further development of its industry-leading innovation portfolio. This will include 1) expanding our successful intellectual property licensing program; 2) helping other companies and organisations benefit from our breakthrough innovations through technology licensing; and 3) exploring new technologies for use in potential future products and services.

The Technologies team includes hundreds of world-class scientists and engineers who have driven more than half of Nokia's recent patent filings and many of whom are recognised as leading experts in fields that are essential for enabling the future connected world. These areas include low-power connected smart multi-sensor systems, distributed sensing, and intelligent interplay between various types of radio technologies.

Nokia's continuing businesses invested more than EUR 2.5 billion in research and development in 2013. We believe that the company has a strong financial position and the capacity to continue to make the investments necessary to remain an innovation leader in the three segments in which it competes.

Clear operational governance and structure; strong leadership team

Nokia has adopted a simple and clear operational governance model, designed to facilitate innovation and growth. As of 1 May 2014, all three businesses report to the Nokia President and CEO, who has full accountability for the performance of the company. HERE and Technologies each have a single leader reporting to the President and CEO. To ensure efficiency and simplicity, the Nokia President and CEO have assumed direct control of the Networks business and key Networks leaders will report to him.

The primary operative decision-making body for the company is the Nokia Group Leadership Team, which is responsible for Group level matters, including the company strategy and overall business portfolio. Effective 1 May 2014, the Nokia Group Leadership Team replaced the current Nokia Leadership Team, and the President and CEO chairs the Group Leadership Team, which consists of the following members:

- Rajeev Suri as President and CEO of Nokia.
- Timo Ihamuotila as Executive Vice President and Group Chief Financial Officer.
- Michael Halbherr as CEO of HERE.
- Henry Tirri as Executive Vice President, and acting Head of Technologies.
- Samih Elhage as Executive Vice President and Chief Financial and Operating Officer of Networks.

On 24 July 2014, Nokia announced the appointment of Ramzi Haidamus as Head of Technologies and a member of the Nokia Group Leadership Team effective as of 3 September 2014. Henry Tirri, Executive Vice President and acting Head of Technologies, will step down from these roles and the Nokia Group Leadership Team effective as of 3 September 2014.

On 20 August 2014, Nokia announced the resignation of Michael Halbherr as CEO of HERE and a member of the Nokia Group Leadership Team effective as of 1 September 2014. Cliff Fox, Senior Vice President, Core Map Group at HERE, will be appointed as acting CEO of HERE effective as of 1 September 2014.

On 1 May 2014 the interim governance structure of Nokia ceased to exist. Risto Siilasmaa, who had been serving as an interim CEO since 3 September 2013, is now focussed exclusively on his role as the Chairman of the Nokia Board of Directors. In addition, Timo Ihamuotila stepped down from the interim President position.

Consistent with the planned structural changes we announced on 29 April 2014, Networks (formerly Nokia Solutions and Networks, or NSN) and Technologies now operate under the Nokia brand. HERE has retained its distinct identity within the Nokia family and, where appropriate, will be identified as "A Nokia Company". The NSN name will no longer be used after a short phase-out period.

Organisational Structure and Reportable Segments

We have three businesses: Networks, HERE, and Technologies, and four operating and reportable segments for financial reporting purposes: Mobile Broadband and Global Services within Networks, HERE, and Technologies.

Networks also contains Networks Other, which includes net sales and related cost of sales and operating expenses of non-core businesses, as well as Optical Networks business until 6 May 2013, when its divestment was completed. It also includes restructuring and associated charges for Nokia Solutions and Networks business. Additionally, as a result of the Sale of the D&S Business, we report certain separate information for Discontinued Operations.

On 7 August 2013, Nokia completed the acquisition of Siemens' stake in Nokia Siemens Networks, which was a joint venture between Nokia and Siemens. NSN was consolidated by Nokia prior to this transaction. Beginning in the third quarter of 2013, Nokia has reported financial information for the two operating and reportable segments within NSN; Mobile Broadband and Global Services. As of the fourth quarter of 2013, the D&S Business has been reported as Discontinued Operations. To reflect these changes, historical results information for past periods has been regrouped for historical comparative purposes. As is customary, certain judgments have been made when regrouping historical results information and allocating items in the regrouped results.

Continuing Operations

NETWORKS

Market Overview

The mobile infrastructure and related services market comprises a broad range of different products, from the hardware components of networks used by network operators to software solutions supporting the efficient interaction of them as well as services to plan, implement, run and upgrade mobile operators' networks. The fundamental driver of demand in the mobile infrastructure and related services market is the ever-growing need for greater bandwidth and capacity. Bandwidth requirements are rapidly expanding as markets transition to data-rich websites and video-based and other web applications become more commonly deployed, and as market penetration of data intensive devices such as smartphones and tablets increases.

Segment Overview

Through Networks (formerly NSN), Nokia believes that it is a leading global provider of telecommunications infrastructure that focuses on the mobile broadband market. We believe we are the third largest company worldwide by revenue in our target market. We have a strong position in the newer infrastructure technologies of 3G and 4G (LTE). In 3G, we are the industry leader by customers served, with more than a billion subscribers connected through our 3G networks. In LTE, we had 145 commercial contracts as of 30 June 2014.

Networks is the former NSN business, which began operations on 1 April 2007, combining the networks business of Nokia Corporation and the carrier-related operations of Siemens AG for fixed and mobile networks. Since 7 August 2013, the business has been wholly owned by the Nokia Corporation and is now operating under the Nokia brand.

Networks continues to focus on mobile broadband. The company believes this market will continue to grow as mobile operators face the challenge of increasing demand for greater network capacity and improved user experience. At the same time, mobile operators are continually seeking ways to meet subscriber demands in a cost-effective manner. With a specialist approach to mobile broadband, targeted research and development, and a streamlined structure, Networks has positioned itself to enable operators to address these challenges.

The company has an installed base of around 600 customers worldwide and these operators serve over 4 billion subscribers. Networks' customers include many of the world's largest mobile operators, including Bharti Airtel, China Mobile, Deutsche Telekom, NTT DoCoMo, Softbank, Sprint, Telefónica, Verizon and Vodafone among them.

For the year ended 31 December 2013, Networks had net sales of EUR 11.3 billion and total assets of EUR 8.6 billion.

Strategy

Networks has identified the following key developments in its industry:

- *Industry consolidation.* In a market faced with flat to modest growth, possible operator consolidation and disruption of IT and telecommunications convergence, Networks believes operators' choice of suppliers will lead to only a limited number of network infrastructure and related service vendors to be able to achieve or maintain the necessary scale in the future evolution of radio technology.
- *Entry of new players.* The convergence of IT and telecommunications enables a shift of network intelligence from telecom-specific platforms to generic data centres using IT and IP hardware. While we believe this creates an opportunity for telecommunications vendors to provide cloud technology and network function virtualisation, we believe that this also creates opportunities for both start-ups and established IT companies and may result in new participants entering into our industry.
- *Mobile data traffic growth.* The exponential growth in mobile data traffic continues. Networks currently predicts that worldwide mobile data traffic can be approximately 1,000 times that of 2010 before the year 2020.
- *Mixed radio technology environment.* Mobile networks have four generations of co-existing radio technologies supporting billions of connected devices. The operators need to manage the complexity of multiple radio technologies, and modernise their networks in a flexible and efficient manner to cope with evolving technological requirements while optimising their capital investments. Innovations like self-organising networks and Single RAN will help to manage multiple technologies.
- *Declining operator revenue growth.* Operators' revenues from traditional mobile voice and text messaging continue to decline, as subscribers adopt over-the-top applications for voice and messaging, while the revenue growth from the data traffic appears to not be sufficient to maintain the past growth rates of the operators' overall revenues.
- *Network sharing and operator consolidation.* Network sharing presents opportunities for operators to achieve scale and efficiencies, improve customer experience, and improve their profitability, along with addressing operators' needs for radio frequency spectrum for their telecommunication networks, and may further facilitate possible operator consolidation.
- *Utilisation of spectrum assets and re-farming.* Operators are increasingly allocating data services to more efficient bands of radio frequency spectrum, sharing radio spectrum and re-using free GSM frequencies to support 3G and 4G rollouts.
- *Spectrum availability.* Frequency spectrum is a limited and expensive resource that is essential to an operator's ability to address the fast pace of mobile data traffic growth.
- *Telco cloud and virtualisation.* Cloud technology and virtualisation of core network can be deployed to provide solutions quickly and cost-efficiently as IT and IP hardware commoditise and transform to more software-driven solutions.
- *From data analytics to cognitive networks.* By using cognitive (self-aware) telecommunications networks, operators can ensure their infrastructure is able to automatically adapt to rapidly changing requirements on their networks.

Networks' strategy announced in 2011 is built around focus, quality and innovation. To address the industry developments identified above, we have evolved this strategy around three areas: 1) end-to-end mobile broadband leadership, 2) services growth, and 3) quality and execution. Overlying these areas we have defined three enablers of its strategy: innovation, automation and partnering.

1) *End-to-end Mobile Broadband Leadership*

Networks continues to focus on its current Radio and Core businesses, as well as plans to address new areas within mobile broadband for further growth. In the Radio business, we are focused on strengthening the company's position in SingleRAN technology, which allows the same hardware platform to be used for different generations of radio technology, and using it to develop an improved position in the LTE market. Further, we believe small cells, which are targeted on a smaller geographical area and a fewer number of users, represent an area of significant opportunity for the

future and that we have a competitive advantage with its microcells and picocells which are estimated to be the smallest in the industry and are also uniquely able to provide feature parity with larger macro cells. In the Core business, we estimate it has taken an early lead in the effort of providing a fully virtualised Liquid Core, as well as positioning itself well with respect to the emerging telco cloud through its already existing commercial solutions.

2) *Services Growth*

During the recent transformation of the company, we rebalanced our Global Services business unit by adjusting the services portfolio, exiting from certain unprofitable customer deals and focusing its attention on the business and geographic areas in which we can add the most value for our customers. In its refreshed services strategy, we have placed increased focus on the revenues of Global Services by concentrating on three priority areas:

- Pursuing services-led growth opportunities, particularly in the Network Optimisation and Managed Services businesses. We are developing new services and business models, for instance for telco cloud.
- Capitalising on the volume of the Mobile Broadband business unit to increase the attached Network Implementation and Systems Integration services.
- Improving the operational excellence of Global Services; optimising both end-to-end delivery of services and the day-to-day running of networks through Care services.

3) *Quality and Execution*

We plan to make quality a competitive differentiator for Networks and believe that the importance of end-to-end quality is increasing in the telecommunications industry, while the complexity and cost of delivering it are rising as well. The intolerance of lapses in service from mobile broadband subscribers and operators means that quality improvements have a direct impact on the reputation and success of network suppliers. We aim to meet these quality requirements proactively to ensure that mobile operators can provide their customers with an excellent end-user experience. We are also focusing on continuously improving efficiency in all operations.

Innovation

We employ a strategy of customer-focused innovation, which aims to deliver a better return on investment for its customers than pure technology research, and to direct resources and attention to specific challenges faced by operators.

We have one of the largest research and development commitments in the telecommunications industry with total expenditures of EUR 1.8 billion in 2013. The efforts of our R&D teams result in a stream of continuous improvement, technology breakthroughs and industry awards.

For example, the company's Flexi Multiradio base stations have, since their first shipment in 2008, been shipped to close to 300 customers. New generations of the product are continuously in development and launch, such as the launch of our new Flexi Zone LTE microcell and picocell base stations in November 2013.

We also focus on innovation in the area of customer experience management (CEM) which involves various tools that help operators to better meet their subscribers' demands and monetise their network investments.

With a portfolio of almost 4,000 patent families, Networks is a significant holder of intellectual property rights.

Partnering

We aim to leverage the broader IT and telecommunications ecosystem with an increased focus on partnerships, ranging from largely standardised areas of transport, packet networks and IT hardware, to core virtualisation, network security, Liquid Applications and specialised services.

Automation

We have leveraged automation in areas such as Global Delivery and R&D Centres, making considerable progress in efficiency and profitability. We now plan to extend the automation focus to other areas, aiming to improve efficiency and gain more time for value-added work dedicated to improving our offerings for customers.

Networks Business Overview in 2013

During 2013, Networks made progress in a number of areas relative to its strategy, including the following:

- We won LTE contracts for China Mobile's and China Telecom's nationwide TD-LTE networks; with Chunghwa Telecom in Taiwan; Celcom in Malaysia; Sprint in the United States; US Cellular's second wave of LTE services; with TIM Brasil and Oi Brasil; Movistar and Claro in Chile; MTS in the Moscow and Central Russia regions; SFR in Paris; Tele2 in the Netherland; Vodafone in New Zealand, and Ooredoo in Qatar.
- We continued to stay at the forefront of mobile broadband, further enhancing its Radio Base Station Smart Scheduler and launching a powerful TD-LTE Base Station radio module; and introducing new (FlexiZone) microcell and picocell base stations.
- Networks and China Mobile enabled the world's first live TV broadcast via TD-LTE; Networks and the Singapore-based operator StarHub completed Southeast Asia's first 3GPP standard Voice over LTE call in a live network; Networks and Panasonic Mobile Communications were selected by NTT DOCOMO in Japan to develop LTE-Advanced next-generation mobile broadband network architecture; Networks also helped all three major Korean operators—SK Telecom, LG U+ and Korea Telecom—to become the world's first operators to launch LTE-Advanced services commercially.
- Networks and SK Telecom of South Korea completed the world's first proof-of-concept of Liquid Applications over LTE, and Networks successfully demonstrated its telco cloud capabilities in a joint proof-of-concept for Evolved Packet Core (EPC) virtualisation with SK Telecom.
- The Lebanese telecommunications operator, touch, chose our operations support systems (OSS) portfolio and related integration services; Zain Kuwait deployed our Customer Experience Management (CEM) solution, and our CEM contract with Beijing Mobile was extended.
- We announced research co-operation with China Mobile Research Institute; made a multi-year commitment to 5G research activities together with the NYU WIRELESS research centre; and announced its participation as a founding member in the 5G public-private partnership between the European Union and 5G PPP Association.
- In June 2013, ABI Research ranked us as number one in its macro base station vendor competitive assessment; and industry analyst firm Gartner positioned us in the 'Leaders' quadrant of the Magic Quadrant for LTE Network Infrastructure, for the second consecutive year.

Restructuring

In November 2011, NSN (now Networks) announced its strategy to focus on mobile broadband and services. It also announced an extensive global restructuring program, targeting the reduction of its annualised operating expenses and production overhead, excluding special items and purchase price accounting related items, by EUR 1 billion by the end of 2013, compared to the end of 2011. In January 2013, this target was raised to EUR 1.5 billion, and in July 2013 this target was further raised to "more than EUR 1.5 billion". While these savings were expected to come largely from organisational streamlining, the programme also targeted areas such as real estate, information technology, product and service procurement costs, overall general and administrative expenses, and a significant reduction of suppliers in order to further lower costs and improve quality. By the end of 2013, the business had achieved this target.

Non-core Businesses, Divestments and Portfolio Management

As part of its strategy of focusing on mobile broadband, Networks has divested a number of businesses not in line with company direction. In 2013, Networks completed the divestment of its Optical Network business to

Marlin Equity Partners, and the divestment of the Business Support Systems operations to Redknee. This was in addition to the five transactions closed in the course of 2012, including the divestments of the microwave transport business, former Motorola Solutions' WiMAX business, fixed-line broadband access business, Belgacom-related IPTV assets and NSN's proprietary broadband business, Expedience.

Organisation

Networks has two business units: Mobile Broadband and Global Services. The Mobile Broadband business unit provides flexible and adaptable network solutions for mobile voice and data services through its Radio and Core businesses. The Radio business covers all generations of the technology: GSM, CDMA, WCDMA, and LTE. The Core product portfolio includes a comprehensive mobile switching portfolio and voice and packet core solutions as well as smartphone-friendly "Liquid" software providing a high level of network capacity and performance. Additionally, Mobile Broadband's expertise in customer experience management, virtualisation and software-rich solutions helps operators to deal with the new technology trends such as cloud computing, big data, multimedia content, special events, and security.

The Global Services business unit provides mobile operators with a broad range of services. Network Implementation includes services needed to build, expand or modernise a communications network efficiently. Customer Care includes software and hardware maintenance as well as competence development services. Within the Managed Services business, Networks takes the responsibility for running a range of services for operators, from network operations to service operations, which enables operators to manage service life-cycles efficiently and enhance their customers' experience. The Network Planning and Optimisation business offers network assessment and capacity and configuration planning. Our Systems Integration capabilities ensure that all the elements of a new mobile broadband solution seamlessly bring together new and legacy technologies. We use global and local services experts and centralised tools and architecture at two Global Delivery Centres and five Global Service Delivery hubs around the world. These delivery centres, which deliver a growing proportion of our services, consolidate a range of service solutions into one location to provide greater efficiency for customers.

Sales and Marketing

Our direct sales force or sales support teams are active in approximately 120 countries. They help to ensure that we are close to our customers, both physically and in terms of understanding the local market, and helps us develop stable customer relationships.

In 2013, our country operations were grouped into three main geographical markets: Asia, Middle East and Africa; Europe and Latin America; and North America. These three markets further divide into regions containing our sales and delivery teams, which benefit from a close relationship with mobile operators in their countries. Our operating approach in the various regions and countries is tailored according to the requirements of the countries and their respective operator customers.

Our Asia, Middle East and Africa (AMEA) Market spans an expansive and varied geographical scope—ranging from advanced telecommunications markets, such as Japan and Korea, to developing markets, such as Bangladesh, India, Kenya and Vietnam. We have strong mobile broadband momentum in the AMEA market, including Saudi Arabia, China, Japan, Korea, Indonesia, and Australia and works with the leading operators in this market, such as Vodafone, China Mobile, China Unicom, China Telecom, SoftBank, KDDI, NTT DoCoMo, KT, SKT, Telkomsel, Bharti Airtel, Etisalat, Ooredoo, STC and, and Zain. The AMEA market has one Global Delivery Center in India.

Our Europe and Latin America (ELAT) Market is further divided into the regions of Europe and Latin America. The European region includes our headquarters in Finland and the Global Delivery Center in Portugal. In Europe, we work with all the region's major operators, including Orange, Vodafone Group, Deutsche Telekom, MTS Sistema, MegaFon, TeliaSonera and WIND, serving hundreds of millions of customers. Operators like Telefónica, TIM and Portugal Telecom are present in both Europe and Latin America, on a very large scale. We also have extensive R&D expertise in Europe, including some of its largest technology centres working on future mobile broadband technologies. In Latin America, we work with all major operators, including Oi, TIM, Telefónica, América Móvil, Telecom Personal, Nuevatel and Avantel. We believe that the mobile broadband market in Latin America has high potential, as the majority of mobile devices are not yet 3G capable.

Our North America (NAM) Market comprises operations in the United States and Canada. Teams across the region work with 8 of the top 10 North American mobile operators, as well as local operators, key cable companies, and government entities. With strong demand for advanced services driven by growth in the

smartphone market, 4G LTE has been strongly embraced by all major NAM operators. These operators have invested in an attempt to provide the best in coverage and speed to grow their market share. We believe our major LTE contract with T-Mobile USA, the new TD-LTE contract with Sprint, and the IP multimedia subsystem (IMS) solution with Verizon have positioned our mobile operator customers well to compete in this competitive market. We also have the "Innovation Lab", which is our flagship mobile broadband testing and development facility located in Silicon Valley. We estimate that North America was one of the fastest growing markets in 2013, delivering strong net sales growth for us in 2013 both in terms of products and services.

Networks' Marketing and Corporate Affairs organisation is responsible for developing, executing and measuring corporate strategies, plans and budgets for marketing, communications, government relations, health and safety, and security. The organisation drives product launches and sales enablement, manages corporate reputation, and oversees the health and safety and security of employees and contractors. Following the announcement by Nokia of its new strategy, it is also charged with raising the visibility of the Nokia brand and positioning the company as a leader in the telecommunications industry, as well as, more broadly, a technology leader in a world where everyone and everything is connected.

Production of Infrastructure Equipment and Products

Networks' Operations unit handles the supply chain management of all of the business's hardware, software and original equipment manufacturer products. This includes supply planning, manufacturing, distribution, procurement, logistics, supply network design and delivery capability creation in product programs.

As of 31 December 2013, Networks had seven manufacturing facilities worldwide: four in China (Beijing, Shanghai, Tianjin and Suzhou), one in Finland (Oulu), one in India (Chennai) and one in Russia (Tomsk).

Certain components and sub-assemblies for products, such as company specific integrated circuits and radio frequency components, are sourced and manufactured by third-party suppliers. We then assemble these components and sub-assemblies into final products and solutions. For selected products and solutions, suppliers deliver goods directly to customers. Consistent with industry practice, we manufacture telecommunications systems on a contract-by-contract basis.

Research and Development

Networks has ten Global Technology Centres with specific technology and competence profiles in China, Finland, Germany, Hungary, India, Poland and the United States.

Networks' research and development (R&D) activities and product portfolio are software-driven, and the majority of R&D resources are dedicated to software development. The R&D organisation is designed to have a flat structure to encourage process discipline, and at the same time increased R&D automation is implemented for improved efficiency. We focus on creating a strong partner ecosystem and effective management of portfolio decision-making for its partners and suppliers and their products. The Mobile Broadband business unit conducts R&D internally as well as with external partners when additional capacity or expertise is required.

Through Networks, Nokia is one of the largest investors in R&D in the telecommunications industry, with total expenditures of EUR 1.8 billion in 2013, and with approximately 16,000 R&D personnel, at the end of 2013. These R&D capabilities are designed to give us the ability to keep up with the pace of change in the telecommunications sector, where the products and their development needs to be faster, more intelligent, more efficient, interconnected, context-aware and adaptive, driven by an evolving device landscape and exponential data traffic growth.

We believe that the geographical diversity of its R&D network is an important competitive advantage for Networks. In addition, the ecosystem around each of its R&D sites helps it connect with experts worldwide, complemented by cooperation with universities and other research facilities.

In recent years, we have increased our R&D efficiency and scale by aligning resources with its focus on the mobile broadband and related services market. Since the end of 2008, we have more than doubled its development capacity in terms of research hours in next generation radio and core, such as LTE, small cells, IMS/Voice over LTE, evolved packet core and customer experience management, while reducing capacity by more than 50% on more mature technologies such as GSM and CDMA.

Networks' Technology & Innovation unit complements the R&D organisation by focusing on developing and implementing cutting-edge technologies that are several years more advanced than other technologies currently

in the market. Technology & Innovation also has responsibility for research, standardisation, intellectual property rights and innovation. The unit cooperates with universities, research institutes, leading industry partners and other industry cooperation bodies worldwide.

Patents and Licenses

Intellectual property assets are fundamental to Networks and its business units. We believe Networks is an industry leader in the research and development of wireless, broadband and transport technologies, and has a robust patent portfolio in a broad range of technology areas. Networks seeks to safeguard its investments in technology through appropriate IPR protections and it has generated and maintained an extensive portfolio of patents covering significant innovations arising from its research and development activities since the business's formation, including patents, design patents, trade secrets, trademark registrations, and copyrights. Additionally, where deemed necessary, Networks obtains licenses to use standards-essential and other patents in its hardware and software solutions for both fixed and mobile network infrastructure.

Networks owns a large portfolio of almost 4,000 patent families comprising of approximately 11,000 individual patents and patent applications across an array of technologies, some of which were transferred from Nokia and Siemens upon the formation of the business as NSN in 2007.

Networks' IPR portfolio includes high-quality standard-essential patents (SEPs) and patent applications which have been declared to ETSI and other SDOs as essential to LTE, WCDMA, TD-SCDMA, WIMAX, GSM, CDMA2000 and other standards. In addition, Networks holds copyright registrations relating to certain aspects of its products and services.

Networks receives and pays patent license royalties in the ordinary course of its business based on existing agreements with telecommunications vendors. The company has in place a number of patent license agreements with other major companies and patent holders, both directly and through Nokia, that afford it freedom to operate without risk of infringing standard-essential patents owned by such entities.

Competition

Conditions in the market for mobile network infrastructure and related services continued to be intensely competitive during 2013. With a relatively flat market, competition was intense, most notably around growth areas such as 4G (LTE).

Industry participants have changed significantly in recent years. Substantial industry consolidation occurred in 2006 and 2007 with the emergence of three major European vendors: Alcatel-Lucent, Ericsson, and the then Nokia Siemens Networks. In November 2009, Ericsson acquired Nortel's CDMA and LTE business and, in April 2011, NSN acquired the majority of Motorola Solutions' wireless network assets.

During this period, the market also saw the rise of Huawei and ZTE, both of which have gained market share by leveraging their low-cost advantage in tenders for customer contracts. In recent years, the technological capabilities of these vendors, particularly Huawei, have improved significantly, resulting in competition not only on price but also on quality. In 2013, Huawei continued to grow its market share albeit at a slower pace than in previous years, further challenging European vendors. In 2012 and 2013, competition emerged from Samsung Electronics, which expanded its network infrastructure business out of its domestic Korean market with limited gains in Europe and the United States.

At present, we consider five companies—Ericsson, Alcatel-Lucent, Huawei, ZTE and Samsung Electronics—to be our main competitors as major network infrastructure providers. We also compete with Cisco Systems, Oracle and NEC.

In 2013, the overall telecommunications infrastructure market was flat in terms of capital expenditure, mainly attributable to increased investment by operators in Japan, Asia Pacific and North America being off-set by declines in Europe.

The continued decline of legacy technologies such as 2G (GSM) and CDMA that was experienced in 2012 continued during 2013. After reasonable growth in 2011, the 3G radio market declined in 2012, and the decline has accelerated during 2013. This decline has been off-set by the growth in 4G (LTE), which has emerged as a fast-growing commercial technology in markets outside the early adopting United States, and especially in Asia.

Within the 4G market, leading vendors are competing based on factors such as technology innovation, network topology and simplified network architectures, as well as network quality and network virtualisation.

Competition in legacy radio technologies remains intense as deployments of single Radio Access Network technology are viewed as a critical entry point for networks, particularly by vendors looking to win share in new markets. This was particularly intense in 2011, but has showed some signs of easing during last two years.

In services, which remained a growth area in the industry, our business is increasingly tied directly to the mobile broadband product business, in particular in areas such as Care and Network Implementation. As a result, pricing, efficiency and roll-out capabilities are competitive drivers. The development of its global service delivery capability, which allows us to perform more tasks remotely using standardised tools and processes, is increasingly important. Competition in services is from both traditional network providers such as Ericsson, Alcatel-Lucent and Huawei, as well as non-traditional telecommunications entities and system integrators, such as Accenture and IBM. In addition to these companies, there are also local service companies competing, which have a narrower scope in terms of served regions and business areas. In 2013, Alcatel-Lucent and Networks scaled back their activities in the lower profitability areas of services such as field maintenance and some managed networks operations.

Certain of our competitors may receive governmental support allowing them to offer products and services at substantially lower prices. In some regions, restricted access to capital continues to cause mobile operators to reduce capital expenditure and creates demand for vendor financing. Certain of our competitors may have stronger customer financing options due to internal policies or government support.

HERE

Market Overview

The market for location services has undergone significant change in recent years. Access to location services has broadened from personal navigation devices (PNDs)—such as those in cars—to multiple devices and screens, including smartphones. Location is now a key aspect of the mobile and web experience, whether it is to seek live subway departures, check restaurant ratings, share location-tagged images on social networks, or track pending online deliveries.

The industry is also delivering location experiences in a different way. Until recently, static maps tended to be provided on disc or pre-installed on a device, whereas today users are increasingly being delivered content and services over the Internet in real time thanks to cloud-based technologies. Cloud-based location services hold the potential to transform the lives of many people and industries. Companies in the automotive, enterprise, mobile and broader consumer electronics industries are already making considerable investments in and around location services, and location will be a critical element in, for example, the areas of wearable computing, augmented reality, personal activity tracking, connected cars, and autonomous driving.

Segment Overview

HERE is the leading company in the location intelligence business, delivering highly precise and up-to-date maps, a location platform, and location experiences across multiple screens and operating systems. Built on more than 25 years of experience in cartography and drawing on more than 80,000 sources of data, we offer maps for more than 190 countries, voice guided navigation in 95 countries in more than 50 languages and live traffic information for 34 countries. We believe our map is the best digital representation of the real world in terms of accuracy, coverage, richness and freshness. More than 3,000 geographic analysts around the world maintain and improve the quality of the core map. Altogether, HERE employs approximately 6,500 people, with its major development sites in Berlin in Germany and Chicago, Boston and Sunnyvale in the United States.

HERE's customer base includes many of the world's leading companies from the automotive, commerce, mobile, Internet and consumer electronics industries. Customers can license map content, our location platform, specific location services or all or parts of the HERE offering. The platform is device and operating system-agnostic and includes functionalities such as routing, traffic and positioning, a digital 3D reference model of the world, the development tools with which customers can create their own experiences on top of our map, and the analytical tools to make sense of location-based data. The flexibility in being able to choose all or specific parts of HERE's offering enables us to serve a broad range of customers with different business models and needs.

Nokia launched HERE as a brand in 2012, prior to which it was already an established business operating under the Nokia name. The business has developed organically and through acquisitions, the most significant of which were location software provider Gate5 in 2006, digital mapping provider NAVTEQ in 2008, and data capture company earthmine in 2012.

Since 2006—the year in which Nokia was also the first company to launch a mobile phone with in-built GPS—we have been driving fundamental changes to our map. Chiefly, we have developed our map from a static, two-dimensional form akin to a digital version of a paper map to a dynamic, three-dimensional digital representation of the world rich in real time and contextually-relevant information drawn from both real-world and digital sources.

In recent years, amid advances in wireless connectivity and a growing need for ever-more-relevant data, we have also been driving a fundamental change to the way we build and deliver map and location data. Increasingly, our location experiences are powered by our location cloud, which processes and delivers data to smartphones, tablets, in-car navigation systems and other devices over the cloud in real time, reducing the need for those devices to do any heavy computing themselves.

We already aggregate data related to parking, gas prices, traffic, weather and more, and see further opportunities in a world where billions of devices, including phones, tablets and cars, are connected. Accordingly, we are investing in technologies and analytics capabilities to ensure our location cloud can harness the collective power of the data those devices generate to deliver real-time, predictive and relevant information to every individual user. We believe the next generation map has to be fresh, predictive and very rich.

The automotive market is a clear growth area for us. More and more cars will be connected to the cloud, which will drive an increase of data and services in areas such as traffic, predictive driver behaviour, driver safety and autonomous driving, all of which are areas in which we are investing. In addition to the automotive industry, we invest in and target growth opportunities to offer our services to Internet companies and to companies operating in the consumer electronic industry.

On 5 May 2014, Nokia launched a USD 100 million Connected Car Fund managed by Nokia Growth Partners (NGP), its venture capital arm. The fund will identify and invest in companies whose innovations will be important for a world of connected and intelligent vehicles. The fund, working closely with Nokia's HERE business, will seek to make investments that also support the growth of the ecosystem around HERE's mapping and location products and services.

HERE Business Overview in 2013

In 2013, HERE made significant progress towards our goal of becoming the leading location cloud business with the introduction of new, innovative products as well as updates to its signature experiences, a number of new partnerships that demonstrate that HERE is the preferred partner across industries for maps and location-based technology, and through further extending its reach across a number of operating systems.

- HERE announced a complete Connected Driving offer, including HERE Auto, HERE Auto Cloud and HERE Auto Companion. It is the only end-to-end driving solution on the market today, which will help car makers and in-vehicle technology suppliers connect the car to the cloud.
- HERE radically improved its traffic product, HERE Traffic, by building a new system and engine that processes data even faster and more accurately than before.
- Continental Corporation implemented 3D content from HERE in its new entertainment platform. Automotive manufacturers can expand their location-based applications to include rich 3D landmarks, satellite imagery with split screen and current traffic information. This also will advance the multi-modal transportation concept another step by providing drivers the ability to synch their route profiles across in-dash systems in their vehicles and their smartphone, tablet or PC.
- Garmin continued to put their trust in HERE across the globe by adopting Natural Guidance in North America and Europe, changing the way people provide directions to each other. This includes leveraging local knowledge and market research to incorporate local nuances for choosing and describing reference cues such as the colour of a building or the name of a restaurant.
- HERE teamed up with Mercedes-Benz to jointly develop smart maps for connected cars and ultimately, self-driving cars leveraging cloud technology.
- The embedded navigation systems of more than 10 million new cars sold in 2013 are powered by maps from HERE. This milestone underlines the leadership of HERE in providing navigation and mapping solutions for the automotive industry.

- HERE continued to strengthen its popular and critically acclaimed suite of integrated location experiences on Windows Phone with a number of updates throughout the year and further strengthened the Windows Phone 8 ecosystem by making the suite available for all Windows Phone 8 devices.

Sales and Marketing

HERE's core business has been licensing content and platform technologies and today it has agreements with most of the world's leading automotive brands, as well as many Internet and technology companies including Amazon, Microsoft and Yahoo.

Research & Development

HERE is an R&D-intensive business. The team is focused on building and enriching our core map as well as developing the platform and cloud technologies with which we can ensure the effective delivery of the map and location services to our customers irrespective of the device they use.

HERE collects data in over 200 field offices, across 56 countries. We have hundreds of cars driving the roads every day. Our most advanced vehicles capture 700,000 data points per second with their 360-degree cameras and LiDAR. As a result, our large data factories make 2.7 million changes to the map every single day.

In addition to collecting data with our own fleet of cars, we aggregate data from another 80,000 sources, including but not limited to parking, gas price, traffic, weather and points of interest (POI) data. To maintain the freshest maps, we compile, test and publish them continuously. From usage, we collect billions of data points to train our real-time traffic, routing and search engines.

Our longer-term R&D efforts are focused on the development of software and data analytical capabilities that would support our plan to convert behavioural data into such data which can serve as a basis for location services that are more predictive.

Competition

Historically, the market for mapping data has been structured like many other content-centric service businesses with just a few leading suppliers delivering map data to fragmented end markets. Today, HERE and Google Maps are the largest suppliers, followed by TomTom.

In contrast to HERE, which has a licensing model for its map data and platform, Google uses an advertising-based model allowing consumers and businesses to use its map data and related services free of charge. Google has continued to leverage Google Maps as a differentiator for Android, bringing certain new features and functionalities to the platform.

TomTom licenses map data to Apple, which offers its own mapping service. Apple, which has sought to strengthen its location assets and capabilities through targeted acquisitions and organic growth, offers its maps through iOS, the operating system that powers its range of iPhones and iPads. Apple's map offering has displaced Google Maps, which had been pre-loaded on iOS for many years following the iPhone's launch in 2007, although a native iOS application from Google Maps is available to iPhone users via download. TomTom also licenses its map data to other companies in different industries.

While content remains hugely important, HERE has been increasing its focus on platform technologies which can power up-to-date and predictive maps more tailored to the individual user and we believe that in this regard the only competitive platform to ours is that of Google. Google's focus is on visuals and search, while HERE has historically been focused on the automotive industry. Our platform is seen as the benchmark in the automotive space and the business is making rapid progress in the mobile space with significant investments into visuals, including the earthmine acquisition in 2012.

We believe that economies of scale and scope in the mapping services industry favour players that are able to provide end-to-end hardware-agnostic solutions which include proprietary content, platform technologies and applications. In this sense, we believe the mapping industry will continue to transition away from pure content-based business models towards cloud-based solutions.

TECHNOLOGIES

Market Overview

Technologies aims to be a leader in technology development and licensing, building on several of Nokia's Chief Technology Office (CTO) and intellectual property rights activities. Prior to the sale of substantially all of our Devices & Business to Microsoft, Nokia's CTO focused primarily on developing innovations in the mobile devices market. In particular, much of its work aimed at bringing new technologies and features to our own range of mobile devices to help make them differentiated from competitors' offerings. Today, as part of our newly formed business, Technologies, the research agenda of our engineers, scientists and researchers is shifting to address opportunities in a broader market that both encompasses and goes beyond mobile devices. We see a world where hundreds of billions of devices—large, small and miniscule—will connect to form intelligent systems, and we see significant potential for our own technologies in that world.

Segment Overview

Technologies develops technologies which it believes will be important in the "programmable world". We seek to create value from our investments by helping other companies and organisations benefit from our innovations through our established and successful licensing business. Additionally, we are also exploring the possibility of utilising new technologies in our own future products and services.

We formed Technologies upon the closing of the transaction to sell substantially all of our D&S Business to Microsoft. The business combines a leading team from our Chief Technology Office with our world-class Intellectual Property Rights activities which have developed on the back of Nokia having invested cumulatively more than EUR 50 billion in research and development over the last two decades. Previously working closely with our D&S Business, the personnel which form our Advanced Technologies business solve problems in project-specific teams in addition to working closely with leading universities and technology partners around the world. Our primary technology development centres are in Espoo and Tampere in Finland and California in the United States. The majority of our IPR team is based in Finland.

Innovations from our Technologies business have created and shaped fundamental technologies used in all mobile products and in multiple wireless communications technologies today. We are continuing to build on that heritage to drive further innovations, with a focus on connectivity, sensing and material technologies, as well as imaging, web and cloud technologies.

We manage a portfolio with approximately 10,000 patent families comprising of around 30,000 individual patents and patent applications. In industry terms, our portfolio is relatively young: in ten years from now, two-thirds of our current patents will continue to be in force.

Sales and Marketing

While a new business, Technologies already has significant on-going research and development activities and an established licensing program. We manage our intellectual property as a technology asset and seek a return on investment by making the innovation available to the markets through different licensing activities and transactions. We have more than 60 licensees, mainly for Nokia standard-essential patents.

We see further opportunities in licensing our proprietary technologies, intellectual property and brand assets into telecommunications and adjacent industries. Over the last ten years, we have also systematically licensed certain Nokia proprietary technologies, which we have decided not to reserve solely for our internal use. This has enabled numerous companies and businesses to benefit from Nokia innovation, in areas such as connectivity and imaging.

Research & Development

Technologies has advanced research and development activities, in countries including Finland, the United States, and the United Kingdom. We also collaborate in open innovation with universities and research institutes around the world.

The applied nature of our R&D in Advanced Technologies has resulted in the team making various relevant and valuable inventions both in and around the technologies that we believe will be important in the programmable world as well as emerging consumer experiences. In recent years, the team has contributed more than half of the new patent filings in Nokia, and has been particularly strong in, for example, 3G and 4G patents, codecs and imaging.

We hold several central roles in standardisation bodies and we contribute to the standardisation work by filing technical proposals, which when found relevant are often accepted and embodied in standards. In addition, we develop reference implementations while defining the standards, which result in significant innovations which cover proprietary ways to implement relevant technologies.

Our achievements at Technologies in recent years include:

- Nokia being among the founders of several local connectivity technologies such as Bluetooth, Bluetooth low energy, and NFC.
- Nokia leading the way in introducing multiple sensor technologies into mobile devices, such as audio, imaging, positioning, motion and touch.
- Nokia being among the first to deploy web based applications in mobile devices. Nokia continues to invent ways to build software for the emerging multi-device cloud.
- Nokia's development of 3G and 4G technologies. Nokia's intellectual property in this area is widely recognised as being highly relevant for mobile devices for the foreseeable future.
- In recent years, we have reached several important patent license agreements. For example, we announced in November 2013 that Samsung had extended a patent license agreement between Nokia and Samsung for five years. The agreement would have expired at the end of 2013. According to the agreement, Samsung will pay additional compensation to us for the period commencing from 1 January 2014 onwards, and the amount of such compensation will be finally settled in a binding arbitration, which is expected to be concluded during 2015.
- Nokia's CTO unit, which our Advanced Technologies business is built on, continued advanced research and development of sensing and materials technologies, including Nokia Research Centre's efforts as a founder partner and board member of the European Union's Graphene Flagship, the EU's biggest research initiative ever. During 2013, NRC's Cambridge lab in the UK demonstrated one potential for graphene, creating an ultra-thin, transparent, flexible humidity sensor capable of unprecedented response times. The sensor's fast performance and physical properties make possible a wide range of exciting future applications.

Competition

During 2013, Technologies revenue came from intellectual property income. The majority of the IP income was from licensing our standards essential patents. We believe that we are a leading innovator in key cellular standards, as well as wireless LAN, NFC and various audio, speech and video codecs, and we believe the licensing of essential patents will continue to be a strength for us.

Of our current IP portfolio, approximately one-third is related to radio communications, one-third to software and services, and one-third to product technologies. As we expand our successful licensing programme to cover patents which have not been broadly licensed to date, as well as proprietary technologies and other intellectual property, we could face competition from alternate technologies or solutions. However, it is too early to anticipate which of these may be significant in the future.

DISCONTINUED OPERATIONS

Devices & Services Operations Sold to Microsoft

Market Overview

Since the early 1990s, mobile telecommunications penetration has grown rapidly and today billions of people own a mobile device. Over the same period, what people can do with their mobile device has also undergone fundamental change. With early models enabling voice calls and text messaging, the mobile phone has developed into a powerful computing and Internet device with which we take photographs, listen to music, watch television and movies, play games, navigate, bank, shop and more. Supported by new-generation mobile networks, the mobile phone or smartphone—together with their larger-screened "phablet" and "tablet" offshoots—are today the primary interfaces through which we access and consume web and cloud services.

In recent years, success for participants in the mobile devices market has been influenced by their ability to build, catalyse or be part of a competitive "ecosystem", examples of which include those based around the Google Android, Apple iOS, Microsoft Windows and BlackBerry software platforms. A vibrant ecosystem creates value for consumers, giving them access to a rich and broad range of user experiences through an array of different form factors and screen sizes, such as smartphones, tablets, televisions, desktop computers and games consoles. Each based on software platforms with different technologies, the leading ecosystems have enjoyed differing degrees of success in attracting the resources of developers and other industry participants such as hardware manufacturers, software providers, publishers, entertainment providers, and advertisers. Consequently, they have also enjoyed differing degrees of success in attracting consumers.

Segment Overview

With the closing of the Sale of the D&S Business to Microsoft in April 2014, Nokia has exited the business of selling mobile devices. Prior to the sale, Nokia created products for virtually every demographic and every geography worldwide, with sales in more than 160 countries. Through 2013, the D&S Business comprised of two business units: Mobile Phones, which focused on the area of mass market entry and feature phones as well as affordable smartphones; and Smart Devices, which focused on our most advanced products, including smartphones powered by the Windows Phone operating system.

Mobile Phones

During 2013, our Mobile Phones unit, which was acquired by Microsoft in its entirety, shipped more than 200 million mobile devices. The unit developed ultra-low cost phones, feature phones and affordable smartphones, with most models running the Nokia Asha software platform and the Series 30+ operating system. In early 2014, the unit also introduced its first affordable smartphones based on the Nokia X software platform, which offers access to Android applications. Our major Mobile Phones development sites were in Beijing in China and Oulu in Finland.

The strategy of our Mobile Phones unit focused on leveraging the company's innovation and strength in growth markets to provide people with an affordable Internet experience on their mobile device. Our most affordable products were targeted at consumers for whom durability, good battery life and price are most important. Mobile Phones also produced a range of affordable smartphones whose hardware, software and services are optimised for—and not compromised by—low price points.

As part of Nokia's transaction with Microsoft, Microsoft has licensed for a limited time the Nokia brand for use with certain products from the Mobile Phones unit as well as acquired the Asha brand under which Nokia marketed some of its Mobile Phones products.

Smart Devices

Our Smart Devices unit, which was acquired by Microsoft in its entirety, developed smartphones based on Microsoft's Windows Phone operating system. In October 2013, the unit also introduced its first tablet device. Our major Smart Devices development sites were in Beijing in China, San Diego in the United States and in Salo, Tampere and Greater Helsinki in Finland.

Nokia brought its first Windows Phone products—under the Lumia brand—to market in 2011, several months after entering into a strategic partnership with Microsoft that brought together our respective complementary assets and expertise to build a new global mobile ecosystem for smartphones. We then expanded the depth and breadth of our Lumia range, contributing to Windows Phone becoming the third-largest ecosystem system globally during 2013. As part of Nokia's transaction with Microsoft, Microsoft acquired the Lumia brand.

Sales and Marketing

We derived our net sales of mobile devices primarily from sales to mobile network operators and distributors, and to a lesser extent independent retailers, corporate customers and consumers. Our marketing efforts were aimed at creating consumer loyalty, enhancing the Nokia brand and increasing sales. In the marketing of our mobile devices, we focused on expanding awareness of the key points of differentiation in our products and services, such as the imaging capabilities of our high-end smartphones or the robust quality and long battery life of our most affordable feature phones. During 2013, we also continued to expand our digital marketing efforts, including engaging consumers through our own social media channels, including Nokia Conversations, which is among the most popular company blogs worldwide.

Production of Mobile Devices

In 2013, Nokia operated a total of eight production facilities for the production and customisation of mobile devices. The production facilities were in Manaus, Brazil; Beijing and Dongguan, China; Komárom, Hungary; Chennai, India; Reynosa, Mexico; Masan, Republic of Korea and Hanoi, Vietnam. We opened our Hanoi facility, which focused on producing Nokia's most affordable Asha smartphones and feature phones, in 2013.

Competition

The mobile device industry has undergone radical changes since 2007, with new entrants and operating systems changing the competitive landscape, particularly in the area of smartphones.

In smartphones, our competitors have pursued a wide range of strategies. Apple, for example, deploys its proprietary iOS operating system on its popular iPhone smartphones and iPad tablets, while many other device manufacturers in the industry are utilising Google's Android operating system. Android, which is available to anyone without a software license cost, has made entry into and expansion in the smartphone market easier for a number of hardware manufacturers, especially at the mid-to-low price points of the smartphone market. Samsung has become by far the most successful vendor using Android, offering a broad portfolio of devices including high-end smartphones under the Galaxy series. Vendors such as HTC, LG, Google's own Motorola, and Sony also have an Android-based offering, while Android has become a springboard to market for a number of Chinese vendors too. In particular, many have grown market share by developing affordable Android handsets with low-cost chipsets from MediaTek of China.

When deploying the Android operating system on a smartphone, vendors have an opportunity to join Google's Open Handset Alliance (OHA), which then requires them to deploy Google-developed services on their products. Alternatively, vendors can choose not to join the OHA and instead use only the Android operating system made available through the Android open source project, meaning that they can offer their own services in place of those provided by Google. Xiaomi, which has also employed novel go-to-market strategies including selling phones in bulk online auctions, is among the Chinese vendors which have been most successful in building market share.

Generally, the increased availability of lower cost chips and components has seen fully-fledged smartphones become available at lower price points, with some models offered for sale for under EUR 75. Consequently, the market for traditional feature phones has narrowed in scope, though in practice the distinction between the feature and smartphone markets has also blurred since many feature phone models—including those from Nokia—offer a variety of smartphone functionalities. In Nokia's case, the company offered affordable devices which combined basic smartphone features with important features such as long battery life, durability, and robustness. In this portion of the market, we competed with established vendors such as Samsung but also increasingly with certain vendors with manufacturing facilities primarily centered around certain locations in Asia and other emerging markets which produce inexpensive devices with oftentimes low quality and limited after-sales services.

Seasonality—Networks, HERE and Technologies

Our Networks sales are affected by seasonality in the network operators' planning, budgeting and spending cycles, with generally higher Networks sales in the fourth quarter compared to the first quarter of the following year.

Our HERE sales to the automotive industry are affected by seasonality in the automobile market, navigation device market, and mobile device market, with generally higher HERE sales in the fourth quarter compared to the first quarter of the following year.

Technologies sales are not significantly affected by seasonality. However, the sales can be unevenly distributed across the quarters, based on the timing and frequency of certain payments from certain licensees. In addition, possible retrospective payments that may occur, for instance as a result of entering into an agreement or settlement, may cause even significant variations on quarterly sales.

Sales in US Sanctioned Countries: Networks, HERE, Technologies and Discontinued Operations

General

We are a global company and have sales in most countries of the world. Cuba, Iran, Sudan and Syria are targets of comprehensive United States economic sanctions and the United States government has designated these countries as "state sponsors of terrorism".

We cannot exclude the possibility that third parties acting independently from us have exported our products to countries from other countries in which we sell them. We also distribute certain services through the Internet. In terms of these offerings, we have industry standard systems in place recognising users' IP addresses and, if applicable, block the access to our service offerings if they are not intended for a certain market or country. We cannot exclude the possibility that our services when distributed through the Internet may be accessed in markets or countries which they are not intended for, if the industry standard protective mechanisms, such as IP address blocks, are circumvented.

Continuing Operations

In 2013, we sold through our continuing operations, Networks, HERE and AT, certain services and network equipment to customers in Iran, Sudan and Syria. Our continuing operations did not have any sales in Cuba in 2013, 2012 or 2011. Our aggregate net sales to customers in Iran, Sudan and Syria accounted for approximately 0.01% of Nokia's continuing operations total net sales, or EUR 1 million, in 2013; 0.49% of Nokia's continuing operations total net sales, or EUR 76 million, in 2012; and approximately 1.06%, or EUR 169 million, in 2011.

Discontinued Operations

In 2013, we sold mobile devices and services through our Discontinued Operations to customers in Iran, Sudan and Syria. Our Discontinued Operations did not have any sales in Cuba in 2013, 2012 or 2011. Our aggregate net sales to customers through our Discontinued Operations in Iran, Sudan and Syria accounted for approximately 1.02% of its total net sales, or EUR 110 million, in 2013; 1.24% of Discontinued Operations' total net sales, or EUR 188 million, in 2012; and approximately 1.65% of Discontinued Operations' total net sales, or EUR 382 million, in 2011.

We closed the local Iranian office for our D&S Business, now classified as Discontinued Operations, in 2012. There were no employees based in Iran for our Discontinued Operations for the year ended December 31, 2013. The other activities relating to the termination of the local presence in Iran for Discontinued Operations have been on-going, such as closing of the local branch. In connection with terminating the presence in Iran, we have routine contacts with governmental agencies in Iran as required, such as with respect to activities related to closing the local branch. Our Discontinued Operations sold mobile devices, accessories and certain free of charge items such as digital content and services into Iran through regional distributors based outside of Iran.

After the completion of the Sale of the D&S Business, completed on 25 April 2014, we are no longer managing the business described in this Discontinued Operations section.

Significant subsidiaries

The following is a list of Nokia's significant subsidiaries at 31 December 2013.

<u>Continuing Nokia Group Companies</u>	<u>Country of Incorporation</u>	<u>Nokia Ownership Interest</u>	<u>Nokia Voting Interest</u>
Nokia Solutions and Networks B.V	The Netherlands	100% ⁽¹⁾	100% ⁽¹⁾
Nokia Solutions and Networks Oy	Finland	100%	100%
Nokia Solutions and Networks US LLC	United States	100%	100%
Nokia Solutions and Networks Japan Corp	Japan	100%	100%
Nokia Solutions and Networks India Private Limited.....	India	100%	100%
Nokia Solutions and Networks System	China	100%	100%

Continuing Nokia Group Companies	Country of Incorporation	Nokia Ownership Interest	Nokia Voting Interest
Technology (Beijing) Co., Ltd			
Nokia Solutions and Networks Branch Operations Oy	Finland	100%	100%
Nokia Solutions and Networks Korea Ltd.....	South Korea	100%	100%
Nokia Solutions and Networks do Brasil Telecomunicações Ltda.....	Brazil	100%	100%
Nokia Solutions and Networks Technology Service Co., Ltd	China		
HERE Holding Corporation	United States	100%	100%
HERE Global B.V.	The Netherlands	100%	100%
HERE Europe B.V.	The Netherlands	100%	100%
HERE North America LLC	United States	100%	100%
HERE Deutschland GmbH.....	Germany	100%	100%
Nokia Finance International B.V.....	The Netherlands	100%	100%

Discontinued Nokia Group Companies	Country of Incorporation	Nokia Ownership Interest	Nokia Voting Interest
Nokia Sales International Oy	Finland	100%	100%
Nokia India Sales Pvt. Limited	India	100%	100%
Nokia India Pvt. Ltd.....	India	100%	100%
OOO Nokia.....	Russia	100%	100%
Nokia (China) Investment Co., Ltd.....	China	100%	100%
Nokia Telecommunications Ltd.....	China	83.9%	83.9%
Nokia Inc	United States	100%	100%
Nokia UK Limited	United Kingdom	100%	100%
Nokia do Brasil Tecnologia Ltda.....	Brazil	100%	100%
Nokia TMC Limited	South Korea	100%	100%
Nokia (Thailand) Ltd	Thailand	100%	100%

(1) In 2013, Nokia acquired the remaining 50% of Nokia Siemens Networks B.V., the ultimate parent of the NSN business, now operating as Networks. By that, the parent entity of the NSN business became a fully owned subsidiary of Nokia.

Upon the closing of the Sale of the D&S Business to Microsoft on 25 April 2014, Nokia's companies listed under Discontinued Nokia Group Companies transferred to Microsoft with the exception of Nokia India Pvt. Ltd. and Nokia TMC Limited.

Shareholders

As far as we know, Nokia is not directly or indirectly owned or controlled by any other corporation or any government, and there are no arrangements that may result in a change of control of Nokia.

Directors, Senior Management and Employees

Pursuant to the provisions of the Finnish Limited Liability Companies Act and Nokia's Articles of Association, the control and management of Nokia is divided among the shareholders at a general meeting, the Board of Directors (the "**Board**"), the President and Chief Executive Officer (CEO) and the Nokia Group Leadership Team (previously, until 1 May 2014, Nokia Leadership Team), chaired by the President and CEO.

On 3 September 2013, Nokia announced changes to its leadership as a result of the proposed Sale of the D&S Business. These changes were designed to provide an appropriate corporate governance structure during the interim period following the announcement. As Stephen Elop was agreed to transfer to Microsoft upon closing of the transaction, he left his position as President and CEO effective 3 September 2013 in order to avoid the perception of any potential conflict of interest, and continued to lead the D&S Business as Executive Vice President, Devices & Services. For the same reason, Mr. Elop also resigned from the Nokia Board of Directors on 3 September 2013. On the same day, Risto Siilasmaa assumed the role of interim CEO of Nokia while continuing to serve in his role as Chairman of the Nokia Board of Directors, and Timo Ihamuotila assumed the role of interim President and Chairman of the Nokia Leadership Team while also continuing to serve as Chief Financial Officer.

On 29 April 2014, Nokia announced its new strategy and consequently, changes to its leadership. The Nokia Board appointed, effective as from 1 May 2014 Rajeev Suri the President and Chief Executive Officer of Nokia. His rights and responsibilities include those allotted to the President under Finnish law and he also chairs the Nokia Group Leadership Team.

Board of Directors

The members of the Board of Directors were elected at the Annual General Meeting on 17 June 2014, based on the proposal of the Board's Corporate Governance and Nomination Committee.

On the same date, the Chairman and Vice Chairman, as well as the Chairmen and members of the committees of the Board, were elected from among the Board members and among the independent directors of the Board, respectively.

The members of the Board of Directors are elected on an annual basis for a one-year term ending at the close of the next Annual General Meeting. The election is made by a simple majority of the shareholders' votes cast at the Annual General Meeting.

The current members of the Board of Directors and its committees are set forth below.

Chairman
Risto Siilasmaa, b. 1966

Chairman of the Board of Directors of Nokia Corporation. Interim CEO from 3 September 2013 until 1 May 2014. Board member since 2008. Chairman since 2012.

Master of Science (Eng.) (Helsinki University of Technology).

President and CEO of F-Secure Corporation 1988-2006.

Chairman of the Board of Directors of F-Secure Corporation. Member of the Board of Directors of Mendor Ltd. Vice Chairman of the Board of Directors of The Federation of Finnish Technology Industries. Member of the Board of Directors of The Confederation of Finnish Industries (EK).

Chairman of the Board of Directors of Elisa Corporation 2008-2012. Member of the Board of Directors of Elisa Corporation 2007-2008.

Vice Chairman

CEO of Stora Enso Oyj. Board member since 2011. Vice Chairman since 2013. Chairman of the Audit Committee. Chairman of the

Jouko Karvinen, b. 1957

Corporate Governance and Nomination Committee.

Master of Science (Eng.) (Tampere University of Technology).

CEO of Philips Medical Systems Division 2002-2006. Member of Board of Management of Royal Philips Electronics 2006 and Group Management Committee 2002-2006. Holder of executive and managerial positions at ABB Group Limited from 1987, including Executive Vice President, Head of Automation Technology Products Division and Member of Group Executive Committee 2000-2002, Senior Vice President, Business Area Automation Power Products 1998-2000, Vice President, Business Unit Drives Products & Systems 1993-1998, Vice President, Power Electronics Division of ABB Drives Oy, Global AC Drives Feeder Factory and R&D Centre 1990-1993.

Member of the Board of Directors of Aktiebolaget SKF. Member of the Board of Directors of the Finnish Forest Industries Federation and the Confederation of European Paper Industries (CEPI).

Vivek Badrinath, b. 1969

Deputy Chief Executive Officer, Accor Group. Board member since 2014.

Ecole Polytechnique and ENST.

Deputy Chief Executive Officer of Orange 2013-2014. Head of Business Services of Orange 2010-2013.

Member of Group's Executive Committee, Head of networks and operators division 2009–2010. CTO of mobile activities of Orange 2004-2009.

CEO of Thomson India in 2000-2004.

Various technical positions with the long-distance networks division of Orange Group 1996-2000.

Bruce Brown, b. 1958

Officer on Special Assignment at The Procter & Gamble Company. Board member since 2012. Chairman of the Personnel Committee. Member of the Corporate Governance and Nomination Committee.

M.B.A. (Marketing and Finance) (Xavier University). B.S. (Chemical Engineering) (Polytechnic Institute of New York University).

Chief Technology Officer of The Procter & Gamble Company until 1 February 2014. Various executive and managerial positions in Baby Care, Feminine Care, and Beauty Care units of The Procter & Gamble Company since 1980 in the United States, Germany and Japan.

Member of the Board of Directors of Agency for Science, Technology & Research (A*STAR). Strategy Adviser in US National Innovation. Member of the Board of Trustees of Xavier University. Chairman of the Advisory Board of MDVIP. Member of the Board of the University of Cincinnati Research Institute.

Elizabeth Doherty, b. 1957

Independent director. Board member since 7 May 2013.

Bachelor of Science (University of Manchester). FCMA (Fellow of the Chartered Institute of Management Accountants).

Chief Financial Officer and Executive Director of Reckitt Benckiser Group plc 2011-2013. Chief Financial Officer and Executive Director of Brambles Industries Ltd 2007-2009. Group International Finance Director of Tesco plc 2001-2007. Various executive and managerial positions within Unilever plc 1979-2001 including Senior Vice President Finance, Central and Eastern Europe; Commercial Director, Unilever Thai Holdings Ltd; Commercial Director, Frigo España SA; Supply Chain Manager, Mattessons Walls Ltd; and Internal Audit Manager.

Member of the Board of Directors of Dunelm Group Plc. Member of the Board of Directors of Delhaize SA.

Member of the Audit Committee and Board of Directors of SAB Miller plc 2004-2011.

Mårten Mickos, b. 1962

Chief Executive Officer of Eucalyptus Systems, Inc. Board member since 2012.

Master of Science (Eng.) (Helsinki University of Technology).

Senior Vice President, Database Group, Sun Microsystems 2008-2009. CEO, MySQL AB 2001-2008. Chairman, Vexillum Ab 2000-2001. CEO, MatchON Sports Ltd. 1999-2000. CEO, Intellitel Communications Ltd. 1997-1999.

Elizabeth Nelson, b. 1960

Independent Corporate Advisor. Board member since 2012. Member of the Audit Committee.

M.B.A. (Finance) (The Wharton School, University of Pennsylvania). B.S. (Foreign Service) (Georgetown University).

Executive Vice President and Chief Financial Officer, Macromedia, Inc. 1997-2005. Vice President, Corporate Development, Macromedia, Inc. 1996-1997. Project Manager, Corporate Development and International Finance, Hewlett-Packard Company 1988-1996. Associate, Robert Nathan Associates 1982-1986.

Member of the Board of Directors of Pandora Media. Member of the Board of Directors of Brightcove Inc.

Member of the Boards of Directors of Ancestry.com, Inc. 2009-2012, SuccessFactors, Inc. 2007-2012, Autodesk, Inc. 2007-2010 and CNET Networks, Inc. 2003-2008.

Kari Stadigh, b. 1955

Group CEO and President of Sampo plc. Board member since 2011. Member of the Corporate Governance and Nomination Committee. Member of the Personnel Committee.

Master of Science (Eng.) (Helsinki University of Technology). Bachelor of Business Administration (Swedish School of Economics and Business Administration, Helsinki).

Deputy CEO of Sampo plc 2001-2009. President of Sampo Life Insurance Company Limited 1999-2000. President of Nova Life Insurance Company Ltd 1996-1998. President and COO of Jaakko Pöyry Group 1991-1996.

Member of the Board of Directors of Nordea Bank AB (publ). Chairman of the Board of Directors of If P&C Insurance Holding Ltd (publ), Kaleva Mutual Insurance Company and Mandatum Life

Insurance Company Limited. Vice Chairman of the Board of Directors of the Federation of Finnish Financial Services. Member of the Board of Directors of Central Chamber of Commerce of Finland.

Chairman of the Board of Directors of Alma Media Corporation 2005-2011. Member of the Board of Directors of Aspo Plc. 2009. Chairman of the Board of Directors of Aspo Plc. 2000-2008.

Dennis F. Strigl, b. 1946

Retired CEO, Verizon Wireless, Author and Consultant. Board member since 2014. Member of the Personnel Committee.

Doctorate, Humane Letters (Honorary) Canisius College, Master of Business Administration (MBA)

Farleigh Dickinson University, Bachelor of Science in Business Administration Canisius College.

President & Chief Operating Officer of Verizon Communications Corporation, 2007-2009. President & Chief Executive Officer of Verizon Wireless and Executive Vice President of Verizon Communications, 2000-2007.

President & Chief Executive Officer of Bell Atlantic Mobile, 1991-2000, and Group President and Chief Executive Officer of Bell Atlantic Global Wireless, 1995-2000.

Vice President & Chief Operating Officer New Jersey Bell 1990, Vice President Product Management Bell Atlantic Corporation, 1989.

Various executive and managerial positions in wireless communications industry, including President and Chief Executive Officer Applied Data Research, of Ameritech Communications Corporation 1987-1988 and President Ameritech Mobile, 1984-1986.

Member of the Board of Directors of Anadigics, Inc. and, PNC Financial Services Group and PNC Bank.

Adjunct Professor, Princeton University and Rutgers University.

Trustee, Canisius College, Buffalo, NY, 2001-2009 and 2013-Present, (Chairman 2005-2009).

The business address of the persons mentioned above is Karakaari 7, P.O. Box 226, FI-02610 Nokia Group, Espoo, Finland.

There are no conflicts of interest between any duties to Nokia of the Directors and their private interests or duties.

Nokia Group Leadership Team

According to our Articles of Association, the Nokia Group Leadership Team is responsible for the operative management of the Company. The Chairman and members of the Nokia Group Leadership Team are appointed by the Board of Directors. Only the Chairman of the Nokia Group Leadership Team, the President and CEO, can be a member of both the Board of Directors and the Nokia Group Leadership Team.

During 2013 and subsequently, the following changes took place in the Nokia Leadership Team:

- Stephen Elop stepped aside as President and CEO while continuing as a member of the Nokia Leadership Team as Executive Vice President, Devices & Services, effective as of 3 September 2013. He stepped down from the Nokia Leadership Team effective as of 25 April 2014 due to transferring to Microsoft in connection with the Sale of the D&S Business.

- Timo Ihamuotila served as interim President from 3 September 2013 until 1 May 2014 while also continuing to serve as Chief Financial Officer. During this interim time, Mr. Ihamuotila also chaired the Nokia Leadership Team.
- Marko Ahtisaari, formerly Executive Vice President, Design, stepped down from the Nokia Leadership Team effective as of 1 November 2013 and held this transitional role until 31 May 2014.
- Jo Harlow, formerly Executive Vice President, Smart Devices, stepped down from the Nokia Leadership Team effective as of 25 April 2014 due to transferring to Microsoft in connection with the Sale of the D&S Business.
- Juha Putkiranta, formerly Executive Vice President, Operations, stepped down from the Nokia Leadership Team effective as of 25 April 2014 due to transferring to Microsoft in connection with the Sale of the D&S Business.
- Timo Toikkanen, formerly Executive Vice President, Mobile Phones, stepped down from the Nokia Leadership Team effective as of 25 April 2014 due to transferring to Microsoft in connection with the Sale of the D&S Business.
- Chris Weber, formerly Executive Vice President, Sales and Marketing, stepped down from the Nokia Leadership Team effective as of 25 April 2014 due to transferring to Microsoft in connection with the Sale of the D&S Business.
- Louise Pentland, formerly Executive Vice President, Chief Legal Officer stepped down from the Nokia Leadership Team effective as of 1 May 2014.
- Juha Äkräs, formerly Executive Vice President, Human Resources stepped down from the Nokia Leadership Team effective as of 1 May 2014 and continues to serve Nokia in an advisory role during a transition period.
- Kai Öistämö, formerly Executive Vice President, Corporate Development stepped down from the Nokia Leadership Team effective as of 1 May 2014 and continues to serve Nokia in an advisory role during a transition period.
- Rajeev Suri was appointed the President and CEO of Nokia Corporation and Chairman of Nokia Group Leadership Team as from 1 May 2014.
- Samih Elhagen was appointed Executive Vice President and Chief Financial and Operating Officer of Networks and member of Nokia Group Leadership Team as from 1 May 2014.

The members of the Nokia Group Leadership Team, effective as from 1 May 2014, are set forth below.

Rajeev Suri, b. 1967

President and Chief Executive Officer of Nokia. Nokia Group Leadership Team member and Chairman since 2014. Joined Nokia 1995.

Bachelor of Engineering in Electronics and Telecommunications, Manipal Institute of Technology, Mangalore University, Karnataka, India.

CEO, NSN 2009-2014. Head of Services, NSN, 2007-2009. Head of Asia Pacific, NSN, 2007. Senior Vice President Nokia Networks Asia Pacific, 2005-2007. Vice President, Hutchison Customer Business Team, Nokia Networks, 2004-2005. General Manager, Business Development, Nokia Networks Asia Pacific, 2003. Sales Director—BT, O2 and Hutchison Global Customers, Nokia Networks, 2002. Director, Technology and Applications, BT Global Customer, Nokia Networks, 2000-2001. Head of Global Competitive Intelligence, Nokia Networks, 1999-2000. Head of Product Competence Center, Nokia Networks South Asia, 1997-1999. System Marketing Manager, Cellular Transmission, Nokia Networks India,

1995-1997. Head of Group Procurement, imports and special projects, Churchgate Group, Nigeria, 1993-1995. National Account Manager—Transmission / Manager—Strategic Planning, ICL India (ICIM), 1990-1993. Production Engineer, Calcom Electronics, 1989.

Samih Elhage, b. 1961

Executive Vice President and Chief Financial and Operating Officer of Networks. Nokia Group Leadership Team member since 2014. Joined NSN in 2012.

Bachelor of Electrical Engineering (telecommunications), University of Ottawa, Canada. Bachelor of Economics, University of Ottawa, Canada. Master of Electrical Engineering (telecommunications), École Polytechnique de Montréal, Canada.

Chief Financial Officer, NSN, 2013-2014. Chief Operating Officer, NSN, 2012. Senior Advisor, leading private equity and global management consulting firms, 2011-2012. President, Carrier Voice over IP and Applications Solutions (CVAS) division, Nortel, 2008-2010. Leadership positions in Operations, Business Transformation, Broadband Networks, Optical Networks, and Core Data Networks, Nortel, 1998–2008. Multiple leadership and management roles related to Network Development at Bell Canada, 1990-1998.

Michael Halbherr, b. 1964

CEO of HERE until 1 September 2014. Nokia Group Leadership Team member since 2011. Joined Nokia 2006.

Ph.D. (Electrical Engineering) (ETH, Zurich, Switzerland). Worked at MIT Laboratory for Computer Science (Cambridge, MA, USA).

Vice President, Ovi Product Development, Nokia Services 2010-2011. Vice President, Nokia Maps, Nokia Services 2006-2010. CEO, gate5 AG, Berlin, Germany 2001-2006. Managing Director, Europeatweb, Munich, Germany 2000-2001. Manager, The Boston Consulting Group, in the USA and Switzerland 1994-2000.

Timo Ihamuotila, b. 1966

Executive Vice President and Group Chief Financial Officer. Interim President from 3 September 2013 until 1 May 2014. Nokia Group Leadership Team member since 2007. With Nokia 1993-1996, rejoined 1999.

Master of Science (Economics) (Helsinki School of Economics). Licentiate of Science (Finance) (Helsinki School of Economics).

Executive Vice President, Sales, Markets, Nokia 2008-2009. Executive Vice President, Sales and Portfolio Management, Mobile Phones, Nokia 2007. Senior Vice President, CDMA Business Unit, Mobile Phones, Nokia 2004-2007. Vice President, Finance, Corporate Treasurer, Nokia 2000-2004. Director, Corporate Finance, Nokia 1999-2000. Vice President of Nordic Derivatives Sales, Citibank plc. 1996-1999. Manager, Dealing & Risk Management, Nokia 1993-1996. Analyst, Assets and Liability Management, Kansallis Bank 1990-1993.

Member of the Board of Directors of Uponor Corporation. Member of the Board of Directors of Central Chamber of Commerce of Finland.

Henry Tirri, b. 1956

Executive Vice President and acting Head of Technologies until 3 September 2014. Nokia Group Leadership Team member since 2011. Joined Nokia 2004.

Ph.D. (computer science) (University of Helsinki). Dr. h.c.

(University of Tampere).

Head of Nokia Research Center (NRC), Corporate Development 2008-2011. Head of NRC Systems Research 2007-2008. Nokia Research Center, Research Fellow 2004-2007.

Adjunct Professor in computer science (University of Helsinki). Adjunct Professor in computational engineering (Aalto University, Helsinki). Adjunct Professor in Civil Engineering (University of California, Berkeley). Member of the international Advisory Committee of Tsinghua National Laboratory for Information Science and Technology.

The business address of the persons mentioned above is Karakaari 7, P.O. Box 226, FI-02610 Nokia Group, Espoo, Finland. There are no conflicts of interest between any duties to Nokia of the members of the Leadership Team and their private interests or duties.

Employees

At 30 June 2014, Nokia employed 56,599 continuing operations employees, compared with 57,295 continuing operations employees at 30 June 2013.

USE OF PROCEEDS

The net proceeds from each issue of Notes will be applied by the Issuer for its general corporate purposes. If in respect of any particular issue of Notes there is a particular identified use of proceeds, this will be stated in the relevant Final Terms.

TAXATION

The following is a general description of certain tax considerations relating to the Notes. It does not purport to be a complete analysis of all tax considerations relating to the Notes, whether in those countries or elsewhere. Prospective purchasers of Notes should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes and the consequences of such actions under the tax laws of those countries. This overview is based upon the law as in effect on the date of this Base Prospectus and is subject to any change in law that may take effect after such date.

The Republic of Finland

The comments below are of a general nature based on the Issuer's understanding of current law and practice in Finland. They relate only to the position of persons who are the absolute beneficial owners of the Notes and who are not resident in Finland for tax purposes. They may not apply to certain classes of person such as dealers. Prospective holders of the Notes who are not resident in Finland for tax purposes and are in any doubt as to their personal tax position or who may be subject to tax in any other jurisdiction should consult their professional advisers. It should be noted that the tax laws of Finland may be amended with retrospective application.

Taxation of Payments in respect of the Notes

Under present Finnish domestic tax law, payments in respect of the Notes will be exempt from all taxes, duties, fees and imports of whatever nature, imposed or levied by or within the Republic of Finland or by any municipality or other political subdivision or taxing authority thereof or therein, except in the case of a holder of the Note which is liable to such taxes, duties, fees and imports in respect of such Note or Coupon by reason of such holder being connected with the Republic of Finland other than the mere holding of such Note or the receipt of income therefrom.

Finnish Capital Gains Taxes

Holders of Notes who are not resident in Finland for tax purposes and who do not engage in trade or business through a permanent establishment or a fixed place of business in Finland will not be subject to Finnish taxes or duties on gains realised on the sale or redemption of the Notes.

EU Savings Tax Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income, each Member State is required to provide to the tax authorities of another Member State details of payments of interest or other similar income paid by a person within its jurisdiction to, or collected by such a person for, an individual resident in that other Member State or to certain limited types of entities established in that other Member State; however, for a transitional period, Austria and Luxembourg may instead apply a withholding system in relation to such payments, deducting tax at a rate of 35 per cent., subject to a procedure whereby, on meeting certain conditions, the beneficial owner of the interest or other income may request that no tax be withheld. The transitional period is to terminate at the end of the first full fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments. Luxembourg has announced that it will no longer apply the withholding system as from 1 January 2015 and will provide details of payments of interest or other similar income as from that date.

A number of non-EU countries, and certain dependent or associated territories of certain Member States, have adopted similar measures (either provision of information or transitional withholding) in relation to payments made by a person within its jurisdiction to, or collected by such a person for, an individual resident in a Member State or to certain limited types of entities established in that other Member State. In addition, the Member States have entered into provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a person in a Member State to, or collected by such a person for, an individual resident or certain limited types of entities established in one of those territories.

On 24 March 2014, the Council of the European Union adopted a directive amending Council Directive 2003/48/EC, which, when implemented, will broaden the scope of the requirements described above. Member States have until 1 January 2016 to adopt the national legislation necessary to comply with this amending directive. Investors who are in any doubt as to their position should consult their professional advisers.

SUBSCRIPTION AND SALE

Notes may be sold from time to time by the Issuer to any one or more of Citigroup Global Markets Limited, Deutsche Bank AG, London Branch, Goldman Sachs International and J.P. Morgan Securities plc (the "**Dealers**"). The arrangements under which Notes may from time to time be agreed to be sold by the Issuer to, and purchased by, Dealers are set out in an Amended and Restated Dealer Agreement dated 21 August 2014 (the "**Dealer Agreement**") and made between the Issuer and the Dealers. Any such agreement will, *inter alia*, make provision for the form and terms and conditions of the relevant Notes, the price at which such Notes will be purchased by the Dealers and the commissions or other agreed deductibles (if any) payable or allowable by the Issuer in respect of such purchase. The Dealer Agreement makes provision for the resignation or termination of appointment of existing Dealers and for the appointment of additional or other Dealers either generally in respect of the Programme or in relation to a particular Tranche of Notes.

United States of America

Regulation S Category 2; TEFRA D or TEFRA C as specified in the relevant Final Terms or neither if TEFRA is specified as not applicable in the relevant Final Terms.

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the United States Internal Revenue Code and regulations thereunder.

Each Dealer has agreed that, except as permitted by the Dealer Agreement, it will not offer, sell or deliver Notes, (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of the Notes comprising the relevant Tranche, as certified to the Fiscal Agent or the Issuer by such Dealer (or, in the case of a sale of a Tranche of Notes to or through more than one Dealer, by each of such Dealers as to the Notes of such Tranche purchased by or through it, in which case the Fiscal Agent or the Issuer shall notify each such Dealer when all such Dealers have so certified) within the United States or to, or for the account or benefit of, U.S. persons, and such Dealer will have sent to each dealer to which it sells Notes during the distribution compliance period (as defined in Regulation S) relating thereto a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after the commencement of the offering of Notes comprising any Tranche, any offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms (or are the subject of the offering contemplated by a Drawdown Prospectus) in relation thereto to the public in that Relevant Member State, except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

- (a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (b) at any time to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(c) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an "**offer of Notes to the public**" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Member State, the expression "**Prospectus Directive**" means Directive 2003/71/EC (and the amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in that Relevant Member State) and includes any relevant implementing measure in each Relevant Member State and the expression "**2010 PD Amending Directive**" means Directive 2010/73/EU.

United Kingdom

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that:

- (a) *No deposit-taking*: in relation to any Notes which have a maturity of less than one year:
 - (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and
 - (ii) it has not offered or sold and will not offer or sell any Notes other than to persons:
 - (A) whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses; or
 - (B) who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses, where the issue of the Notes would otherwise constitute a contravention of section 19 of the Financial Services and Markets Act 2000 ("**FSMA**") by the Issuer;
- (b) *Financial promotion*: it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
- (c) *General compliance*: it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Law No. 25 of 1948, as amended; the "**FIEA**"). Each Dealer has represented and agreed that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Control Law (Law No. 228 of 1949, as amended), or to others for reoffering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

General

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has complied and will comply with all applicable laws and regulations in each country or jurisdiction in or from which it purchases, offers, sells or delivers Notes or possesses, distributes or publishes this Base Prospectus, any Drawdown Prospectus or any Final Terms or any related offering material, in all cases at its own expense. Other persons into whose hands this Base Prospectus, any Drawdown Prospectus or any Final Terms comes are required by the Issuer and the Dealers to comply with

all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Notes or possess, distribute or publish this Base Prospectus, any Drawdown Prospectus or any Final Terms or any related offering material, in all cases at their own expense.

The Dealer Agreement provides that the Dealers shall not be bound by any of the restrictions relating to any specific jurisdiction (set out above) to the extent that such restrictions shall, as a result of change(s) or change(s) in official interpretation, after the date hereof, of applicable laws and regulations, no longer be applicable but without prejudice to the obligations of the Dealers described in the paragraph headed "General" above.

Selling restrictions may be supplemented or modified with the agreement of the Issuer. Any such supplement or modification may be set out in the relevant Final Terms (in the case of a supplement or modification relevant only to a particular Tranche of Notes), in the relevant Drawdown Prospectus or in a supplement to this Base Prospectus.

GENERAL INFORMATION

Authorisation

1. The establishment of the Programme was authorised by resolutions of the Board of Directors of the Issuer passed on 25 and 26 October 2007. The updating of the Programme was authorised by resolutions of the Board of Directors of the Issuer passed on 30 April 2014. The Issuer has obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the issue and performance of its obligations under the Notes.

Legal and Arbitration Proceedings

2. There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened, of which the Issuer is aware) which may have, or have had during the 12 months prior to the date of this Base Prospectus, a significant effect on the financial position or profitability of Nokia.

Significant/Material Change

3. There has been no significant change in the financial or trading position of Nokia taken as a whole since 30 June 2014 and there has been no material adverse change in the financial position or prospects of Nokia since 31 December 2013.

Independent Auditors

4. The auditors of Nokia are PricewaterhouseCoopers Oy, members of the Finnish Institute of Authorised Public Accountants, who have audited Nokia's financial statements, without qualification, in accordance with good auditing practice in Finland, for each of the financial years ended on 31 December 2012 and 31 December 2013. The auditors of Nokia have no material interest in Nokia.

Documents on Display

5. Copies of the following documents may be inspected in physical form during normal business hours at the registered offices of the Issuer and from the specified offices of the Fiscal Agent for 12 months from the date of this Base Prospectus:
 - (a) the constitutive documents of the Issuer (with an accurate/direct translation thereof);
 - (b) the audited consolidated financial statements of the Issuer as at 31 December 2012 and 2013 and for the years ending 31 December 2012 and 2013;
 - (c) the unaudited consolidated interim financial statements of the Issuer for the second quarter of 2014 and for the first half of 2014;
 - (d) the Agency Agreement;
 - (e) the Deed of Covenant;
 - (f) the Dealer Agreement;
 - (g) the Programme Manual (which contains the forms of the Notes in global and definitive form);
 - (h) a copy of this Base Prospectus;
 - (i) the Issuer-ICSDs Agreement (which is entered into between the Issuer and Euroclear and/or Clearstream, Luxembourg with respect to the settlement in Euroclear and/or Clearstream, Luxembourg of Notes in New Global Note form); and
 - (j) any future prospectuses, offering circulars, information memoranda and supplements including Final Terms (save that a Final Terms relating to a Note which is neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive will

only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the Issuer and the Paying Agent as to its holding of Notes and identity) to this Base Prospectus and any other documents incorporated herein or therein by reference.

Clearing of the Notes

6. The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The appropriate common code and the International Securities Identification Number in relation to the Notes of each Tranche will be specified in the relevant Final Terms. The relevant Final Terms shall specify any other clearing system as shall have accepted the relevant Notes for clearance together with any further appropriate information.

The address of Euroclear is Euroclear Bank S.A./N.V., 1 Boulevard du Roi Albert II, B-1210 Brussels and the address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg.

Conditions for determining price

7. The price and amount of Notes to be issued under the Programme will be determined by the Issuer and each relevant Dealer at the time of issue in accordance with prevailing market conditions.

Post-issuance information

8. The Issuer does not intend to provide any post-issuance information in relation to any issues of Notes.

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