

Nokia Conference Call

Second Quarter 2005 Financial Results

Jorma Ollila
Chairman and CEO

Rick Simonson
Executive Vice President and CFO

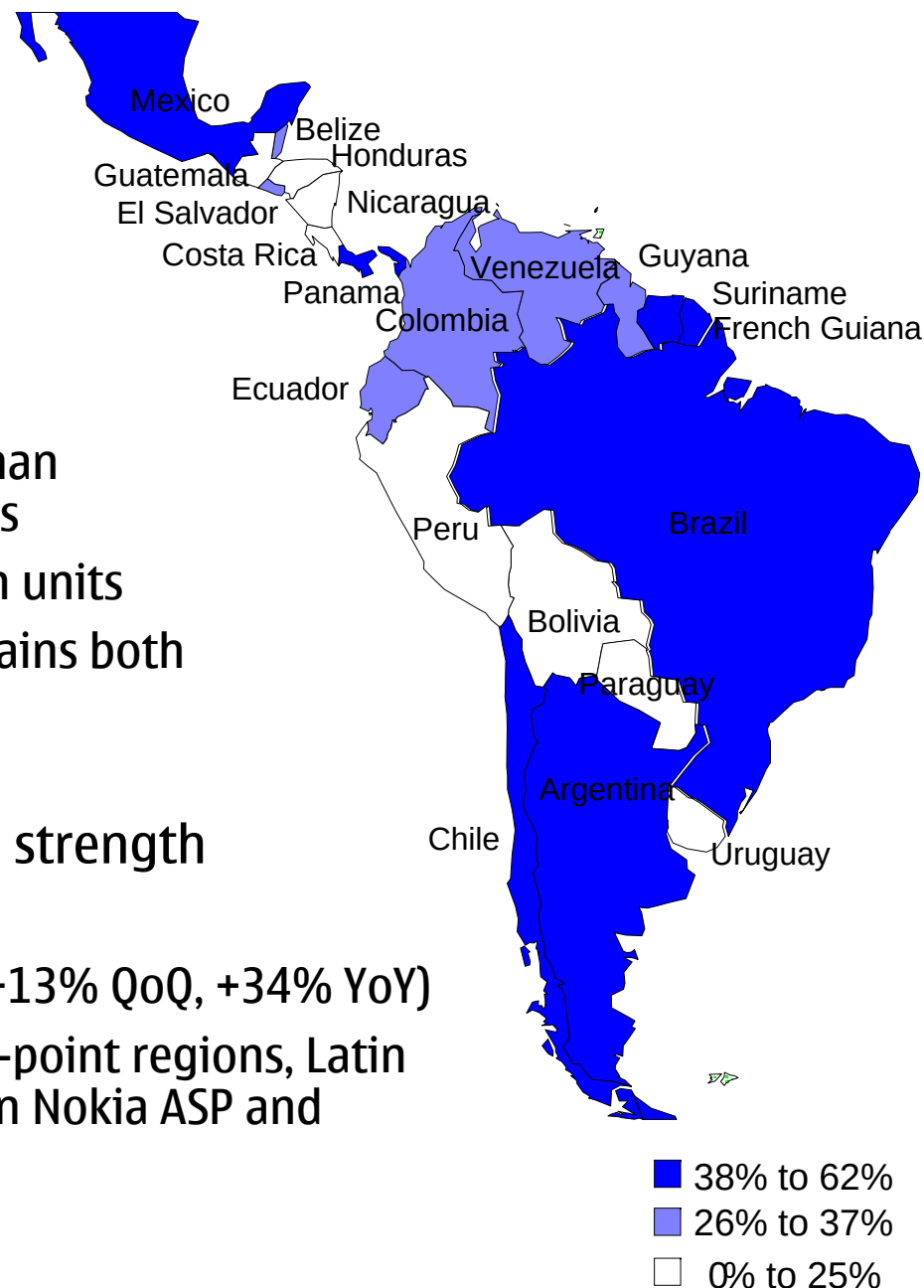
Ulla James
Vice President, Investor Relations

July 21, 2005
14.30 Helsinki time / 07.30 New York time

It should be noted that certain statements herein which are not historical facts, including, without limitation, those regarding: A) the timing of product and solution deliveries; B) our ability to develop, implement and commercialize new products, solutions and technologies; C) expectations regarding market growth, developments and structural changes; D) expectations and targets for our results of operations; E) the outcome of pending and threatened litigation; and F) statements preceded by "believe," "expect," "anticipate," "foresee," "target," "designed" or similar expressions are forward-looking statements. Because these statements involve risks and uncertainties, actual results may differ materially from the results that we currently expect. Factors that could cause these differences include, but are not limited to: 1) the extent of the growth of the mobile communications industry and the new market segments in which we have recently invested; 2) price erosion; 3) timing and success of the introduction and roll-out of new products and solutions; 4) competitiveness of our product portfolio; 5) our failure to identify key market trends and to respond timely and successfully to the needs of our customers; 6) the impact of changes in technology and the success of our product and solution development; 7) the intensity of competition in the mobility industry and changes in the competitive landscape; 8) our ability to control the variety of factors affecting our ability to reach our targets and give accurate forecasts; 9) the availability of new products and services by network operators and other market participants; 10) general economic conditions globally and in our most important markets; 11) our success in maintaining efficient manufacturing and logistics as well as the high quality of our products and solutions; 12) inventory management risks resulting from shifts in market demand; 13) our ability to source quality components without interruption and at acceptable prices; 14) our success in collaboration arrangements relating to technologies, software or new products and solutions; 15) the success, financial condition, and performance of our collaboration partners, suppliers and customers; 16) any disruption to information technology systems and networks that our operations rely on; 17) our ability to have access to the complex technology involving patents and other intellectual property rights included in our products and solutions at commercially acceptable terms and without infringing any protected intellectual property rights; 18) our ability to recruit, retain and develop appropriately skilled employees; 19) developments under large, multi-year contracts or in relation to major customers; 20) exchange rate fluctuations, including, in particular, fluctuations between the euro, which is our reporting currency, and the US dollar, the UK pound sterling and the Japanese yen; 21) the management of our customer financing exposure; and 22) the impact of changes in government policies, laws or regulations; as well as 23) the risk factors specified on pages 12–22 of the company's Form 20-F for the year ended December 31, 2004 under "Item 3.D Risk Factors."

2Q05 Highlights

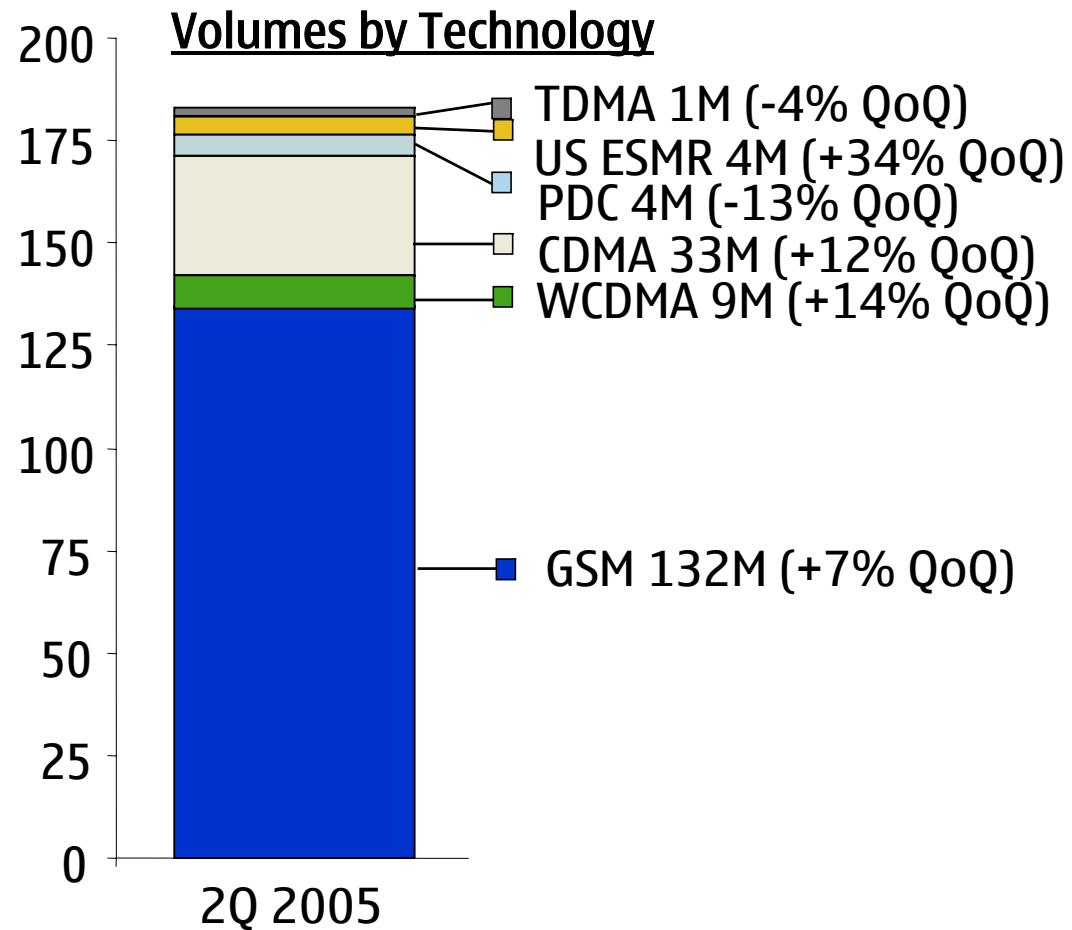
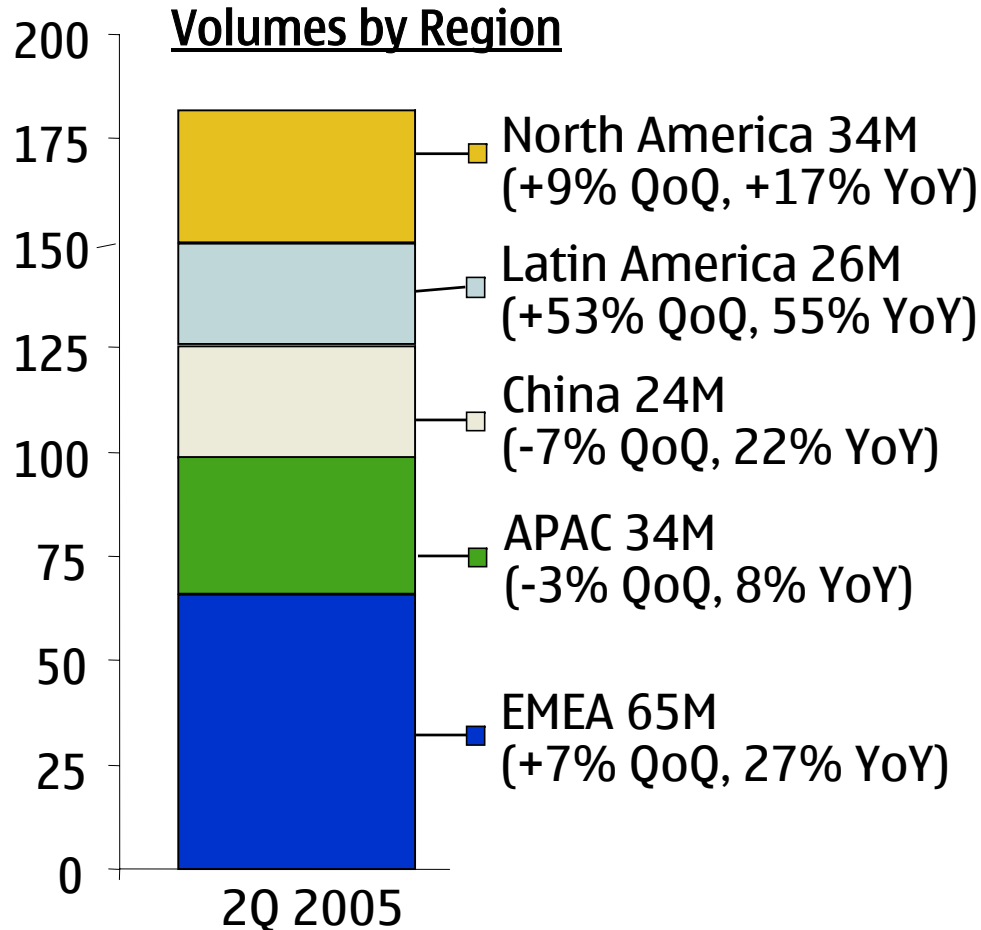
- Strong mobile device market growth
 - Industry volume growth slightly higher than expected particularly in emerging markets
 - 2005 market size upgraded to 760 million units
 - Nokia demonstrates solid market share gains both sequentially and year-on-year
- Nokia Demand-Supply-Network proves its strength
 - Net Sales EUR 8.1 billion (+25% YoY)
 - Nokia ships 60.8 million mobile devices (+13% QoQ, +34% YoY)
 - Strong volume momentum in lower price-point regions, Latin and North America, resulted in a decline in Nokia ASP and profitability



Mobile Penetration by Country, March 05 (Source EMC)

NOKIA
Connecting People

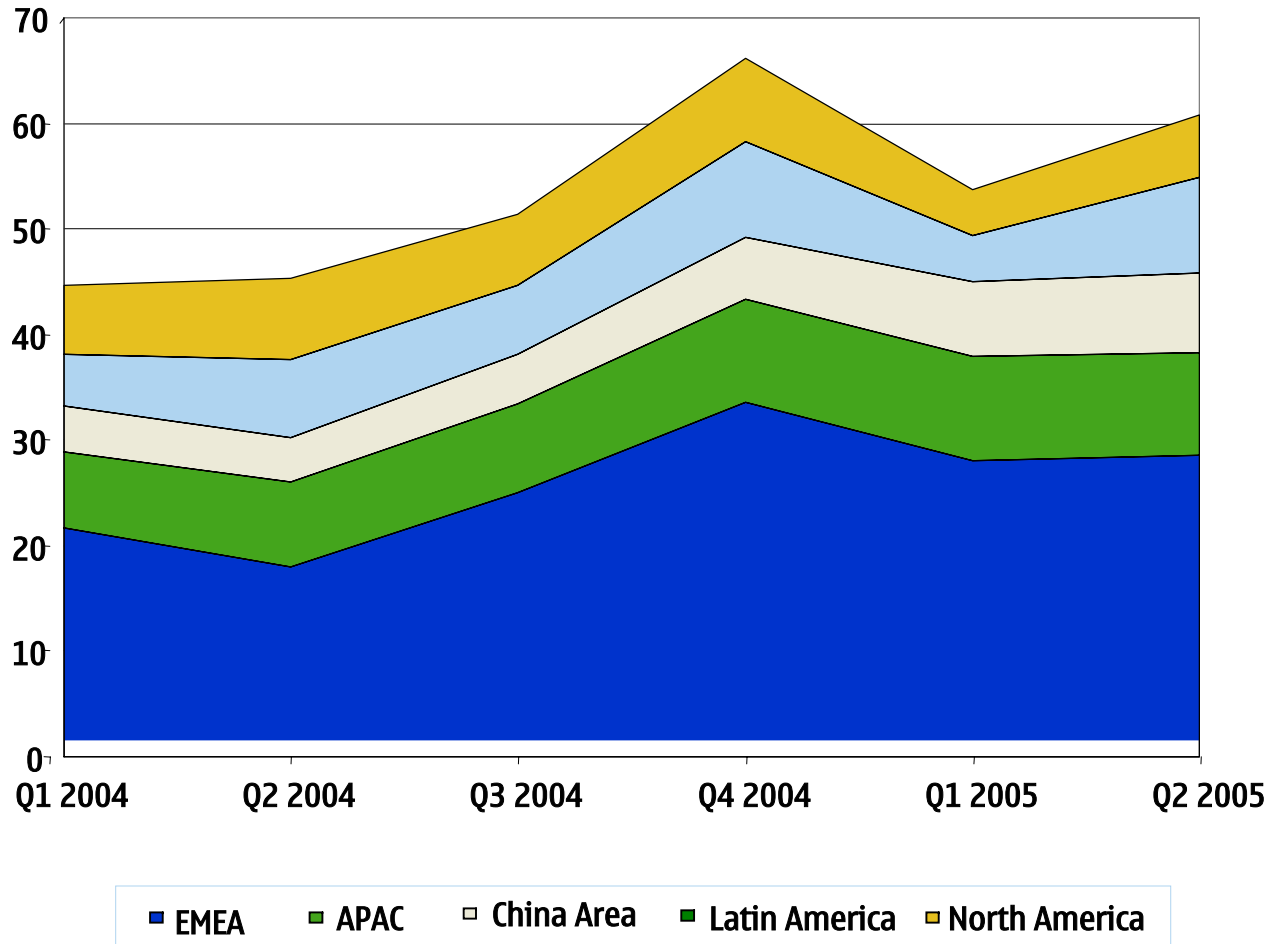
Global Device Market in 2005



- Mobile device market volume grew by +24% YoY from 148M units in 2Q04 and by +8% QoQ from 170M in 1Q05 to 183M units
- Number of global subscriptions reached 1.9 billion (cellular penetration 29%)

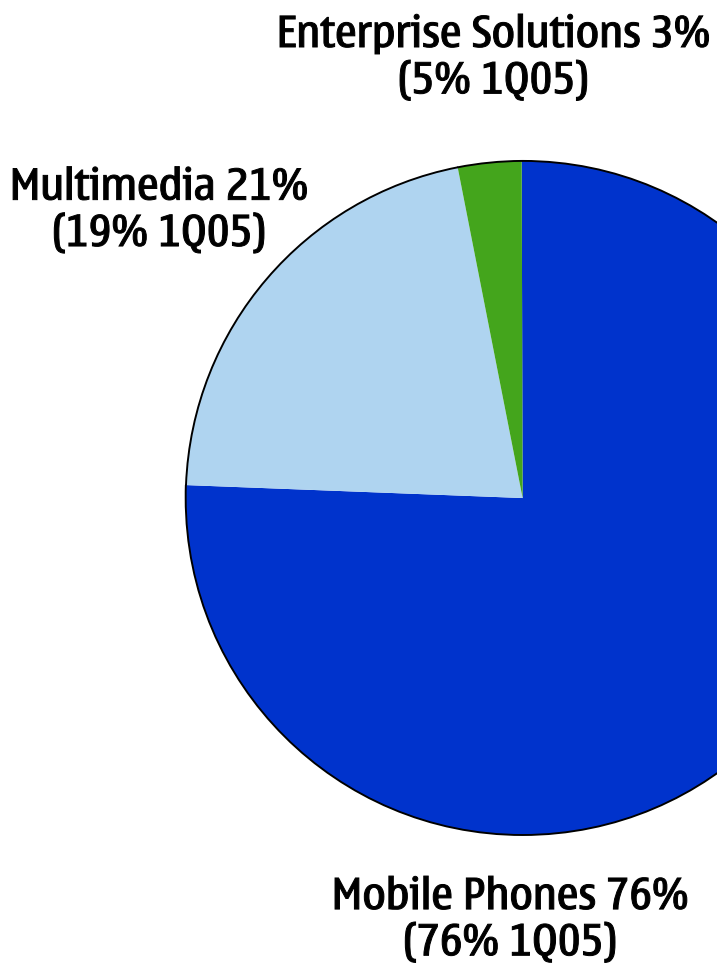
Nokia Mobile Devices in 2005

million units



- 2Q05 Nokia volume 60.8M (+13% QoQ and +34% YoY)
- 2Q05 Nokia estimated mobile device market share over 33%, up 160 bps QoQ, 260 bps YoY
- Strong QoQ market share development in Latin and North America, down YoY
- Continued QoQ progress in China, strongly up YoY
- Stable QoQ market share in EMEA and APAC, strongly up YoY
- Nokia channel inventories within normal range

Nokia Mobile Device revenue mix in 2Q05



Nokia 6230i



Nokia 6680



Nokia 2600



Nokia 6610i



Nokia 1100

TOP 5 revenue
generators

Mobile Device Revenue mix

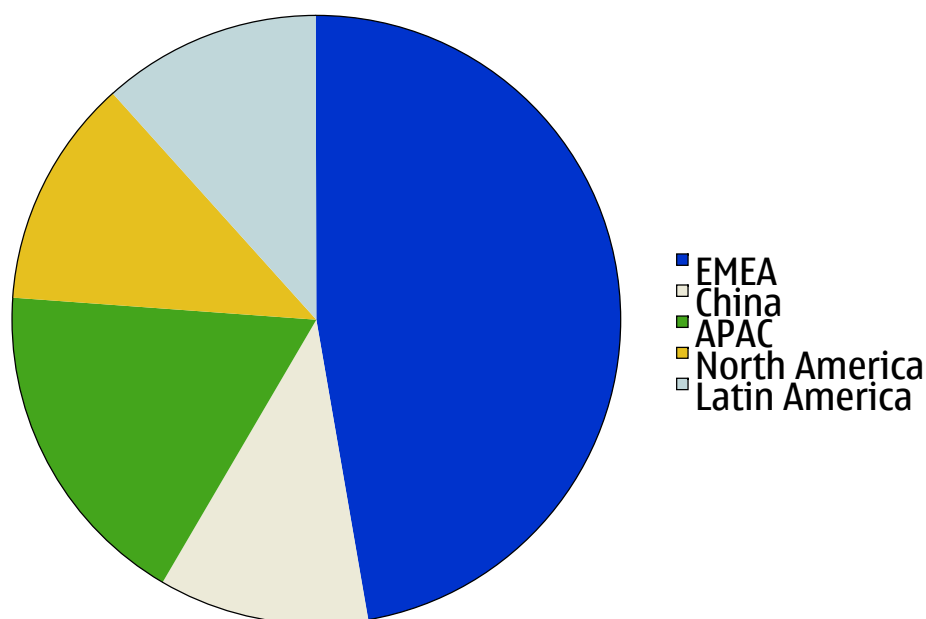
	2Q05	1Q05	2Q04
MP	76%	76%	82%
M	21%	19%	15%
ES	3%	5%	4%
	100%	100%	100%

	2Q05	2Q04	YoY	1Q05	QoQ
ASP (EUR)	105	108	-3%	110	-5%

Nokia Networks in 2005

	2Q05	2Q04	YoY	1Q05	QoQ
Sales (MEUR)	1 620	1 530	6%	1 431	13%
OM%	12.9%	14.8%		15.4%	

Geographic Distribution of Sales



- Sales driven by continuing subscriber momentum in Latin America and APAC
- Strong development in Latin America, where sales doubled YoY
- Sales in APAC propelled by growth in India
- EMEA stable, while sales in China and North America were down
- Networks profitability impacted by increasing share of new growth market business

Nokia Profit & Loss Statement

EUR (million)	Mobile Phones	Multi- media	Enterprise Solutions	Networks	Nokia 2005	Nokia 2004 (*)	YoY Change	Nokia 1Q05	QoQ Change
Net sales	4 864	1 377	198	1 620	8 059	6463	25%	7396	9%
<i>YoY growth</i>	20%	89%	7%	6%	25%			17%	
Gross profit	1 538	612	91	641	2 887	2548	13%	2739	5%
<i>Gross margin, %</i>	31.6%	44.4%	46.0%	39.6%	35.8%	39.4%		37.0%	
R&D	-332	-215	-83	-290	-971	-957	1%	-919	6%
<i>% of net sales</i>	6.8%	15.6%	41.9%	17.9%	12.0%	14.8%		12.4%	
Marketing	-419	-220	-63	-118	-825	-676	22%	-557	48%
<i>% of net sales</i>	8.6%	16.0%	31.8%	7.3%	10.2%	10.5%		7.5%	
AG&Other	2	-51	-21	-24	-87	-27	222%	-145	-40%
<i>% of net sales</i>	0.0%	3.7%	10.6%	1.5%	1.1%	0.4%		2.0%	
Operating profit	789	126	-76	209	1 004	888	13%	1118	-10%
<i>Operating margin, %</i>	16.2%	9.2%	-38.4%	12.9%	12.5%	13.7%		15.1%	
Financial income and expenses					103	135	-24%	78	32%
Profit before tax and minority interests					1 108	1 017	9%	1 192	-7%
Net profit					799	695	15%	863	-7%
EPS, Basic and Diluted (EUR)					0.18	0.15	20%	0.19	-5%

*) NOTE: 2004 Financial Statements retrospectively adjusted for IFRS2 and IAS39R

Special Items

Special items – 2Q05

- Real estate sales in Group Common: + EUR 37 million (Other Income)
- France Telecom Bond: + EUR 17 million (Financial Income)
- 2Q 2005 impact from special items: + EUR 0.01

Special items – 2Q04

- Insurance premium in Group Common: + EUR 90 million (Other Income)
- France Telecom Bond: + EUR 71 million (Financial Income)
- 2Q 2004 impact from special items: + EUR 0.03

Currency

- Nokia 2Q 2005 Reported Sales Growth: 25%
- Nokia 2Q 2005 Constant Currency Sales Growth: 27%
- 2Q04 EUR/USD average rate for P&L: 1.2934
- 2Q05 EUR/USD Plan rate: 1.3226
- 3Q05 EUR/USD Plan rate: 1.2160



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How and what are we hedging?

1. Transaction exposure

- Nokia hedges estimated sales and cost of goods sold on a rolling 9 to 12 month basis

2. Translation exposure

- Balance sheet items Accounts Payable and Accounts Receivable are hedged fully
- P&L translation exposure not hedged and therefore some effects of currency moves show up in consolidated Nokia P&L with approximately one month delay

Nokia 770



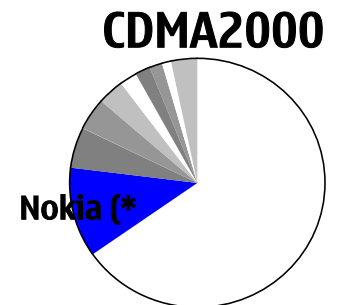
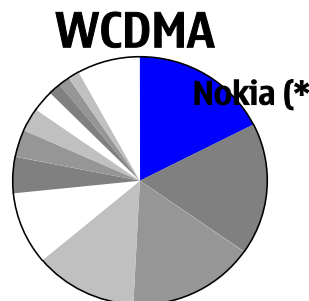
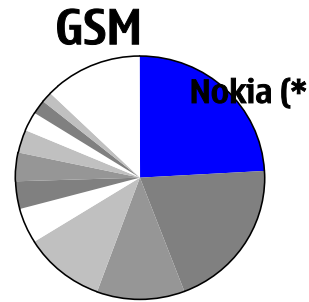
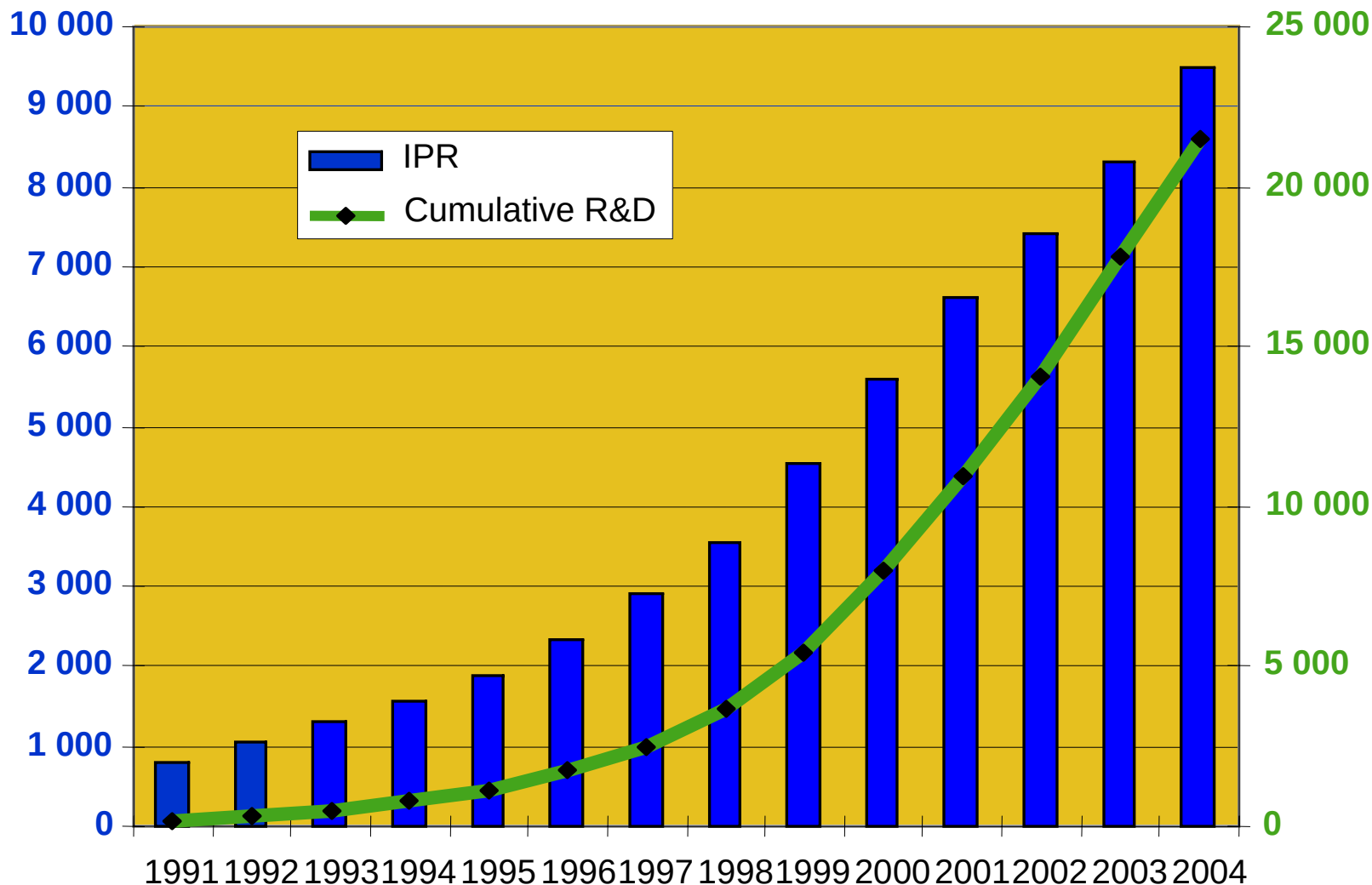
Balance Sheet & Cash Flow Metrics

EUR (million)	2Q 2005	2Q 2004	YoY	1Q 2005	QoQ
Inventories	1 404	1 081	30%	1 363	3%
Accounts Receivable	4 824	4 197	15%	3 939	22%
Accounts Payable	3 061	2 567	19%	2 889	6%
Operating Cash Flow	510	1 425	-64%	1 348	-62%
Capital Expenditure	156	90	73%	112	39%
Depreciation	171	217	-21%	180	-5%
Cash and Other liquid assets	11 172	11 514	-3%	12 566	-11%
Gearing (Net-Debt ratio)	-80%	-78%		-94%	
Distributions	2 047	2 157		651	
Dividends	1 498	1 399	7%		
Buybacks	549	758	-28%	651	-16%

Nokia R&D investment and development of IPR portfolio

IPR Portfolio

Cumulative R&D investment since 1991 (MEUR)



*) Based on number of declared patents in standard bodies

Market and Nokia Outlook

- 3Q05 financial guidance
 - Net Sales EUR 7.9 billion - EUR 8.2 billion
 - EPS (diluted) EUR 0.14 – EUR 0.17
- 3Q05 volume guidance:
 - Mobile device market: expected to grow slightly from 183 million in 2Q
 - Nokia volumes: broadly in line with the market growth
- 2005 market outlook:
 - Mobile Device market: about 760 million units (+18%), value growth less
 - Infrastructure market: slight growth in Euro terms

Industry in Transition

- The mobile device market volume continues to exceed the expectations while the current upside coming from emerging markets
- The market place becoming more complex and geographically diverse
- Signs of industry consolidation - smaller players are becoming marginalized
- Nokia is in a unique position to leverage its
 - Product portfolio
 - Operational efficiency
 - Global distribution
 - Logistics and cost control
 - Brand and
 - Customer knowledge
- We are taking further actions to strengthen our leadership in order to maximize our long-term profitability and cash flow and continue to deliver value to our shareholders



N90 started to ship in July

NOKIA