

Nokia Conference Call Fourth Quarter 2009 and Full Year 2009 Financial Results

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NOKIA



Disclaimer

It should be noted that certain statements herein which are not historical facts, including, without limitation, those regarding: A) the timing of product, services and solution deliveries; B) our ability to develop, implement and commercialize new products, services, solutions and technologies; C) our ability to develop and grow our consumer Internet services business; D) expectations regarding market developments and structural changes; E) expectations regarding our mobile device volumes, market share, prices and margins; F) expectations and targets for our results of operations; G) the outcome of pending and threatened litigation; H) expectations regarding the successful completion of contemplated acquisitions on a timely basis and our ability to achieve the set targets upon the completion of such acquisitions; and I) statements preceded by “believe,” “expect,” “anticipate,” “foresee,” “target,” “estimate,” “designed,” “plans,” “will” or similar expressions are forward-looking statements. 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 that could cause these differences include, but are not limited to: 1) the deteriorating global economic conditions and related financial crisis and their impact on us, our customers and end-users of our products, services and solutions, our suppliers and collaborative partners; 2) the development of the mobile and fixed communications industry, as well as the growth and profitability of the new market segments that we target and our ability to successfully develop or acquire and market products, services and solutions in those segments; 3) the intensity of competition in the mobile and fixed communications industry and our ability to maintain or improve our market position or respond successfully to changes in the competitive landscape; 4) competitiveness of our product, services and solutions portfolio; 5) our ability to successfully manage costs; 6) exchange rate fluctuations, including, in particular, fluctuations between the euro, which is our reporting currency, and the US dollar, the Japanese yen, the Chinese yuan and the UK pound sterling, as well as certain other currencies; 7) the success, financial condition and performance of our suppliers, collaboration partners and customers; 8) our ability to source sufficient amounts of fully functional components, sub-assemblies, software and content without interruption and at acceptable prices; 9) the impact of changes in technology and our ability to develop or otherwise acquire and timely and successfully commercialize complex technologies as required by the market; 10) the occurrence of any actual or even alleged defects or other quality, safety or security issues in our products, services and solutions; 11) the impact of changes in government policies, trade policies, laws or regulations or political turmoil in countries where we do business; 12) our success in collaboration arrangements with others relating to development of technologies or new products, services and solutions; 13) our ability to manage efficiently our manufacturing and logistics, as well as to ensure the quality, safety, security and timely delivery of our products, services and solutions; 14) inventory management risks resulting from shifts in market demand; 15) our ability to protect the complex technologies, which we or others develop or that we license, from claims that we have infringed third parties’ intellectual property rights, as well as our unrestricted use on commercially acceptable terms of certain technologies in our products, services and solutions; 16) our ability to protect numerous Nokia, NAVTEQ and Nokia Siemens Networks patented, standardized or proprietary technologies from third-party infringement or actions to invalidate the intellectual property rights of these technologies; 17) any disruption to information technology systems and networks that our operations rely on; 18) developments under large, multi-year contracts or in relation to major customers; 19) the management of our customer financing exposure; 20) our ability to retain, motivate, develop and recruit appropriately skilled employees; 21) whether, as a result of investigations into alleged violations of law by some former employees of Siemens AG (“Siemens”), government authorities or others take further actions against Siemens and/or its employees that may involve and affect the carrier-related assets and employees transferred by Siemens to Nokia Siemens Networks, or there may be undetected additional violations that may have occurred prior to the transfer, or violations that may have occurred after the transfer, of such assets and employees that could result in additional actions by government authorities; 22) any impairment of Nokia Siemens Networks customer relationships resulting from the ongoing government investigations involving the Siemens carrier-related operations transferred to Nokia Siemens Networks; 23) unfavorable outcome of litigations; 24) allegations of possible health risks from electromagnetic fields generated by base stations and mobile devices and lawsuits related to them, regardless of merit; as well as the risk factors specified on pages 11-28 of Nokia’s annual report on Form 20-F for the year ended December 31, 2008 under Item 3D. “Risk Factors.” Other unknown or unpredictable factors or underlying assumptions subsequently proving to be incorrect could cause actual results to differ materially from those in the forward-looking statements. Nokia does not undertake any obligation to publicly update or revise forward-looking statements, whether as a result of new information, future events or otherwise, except to the extent legally required.

The Best Quarter of the Year

- 4Q was the best quarter of the year in terms of Devices & Services net sales, volumes, and margins
- 4Q showed Nokia's ability to ramp up new, more compelling offerings, despite a tough competitive environment
- Nokia Siemens Networks delivered a strong quarter
- Continued focus on execution – both at Nokia and at Nokia Siemens Networks



Estimated Global Device Market

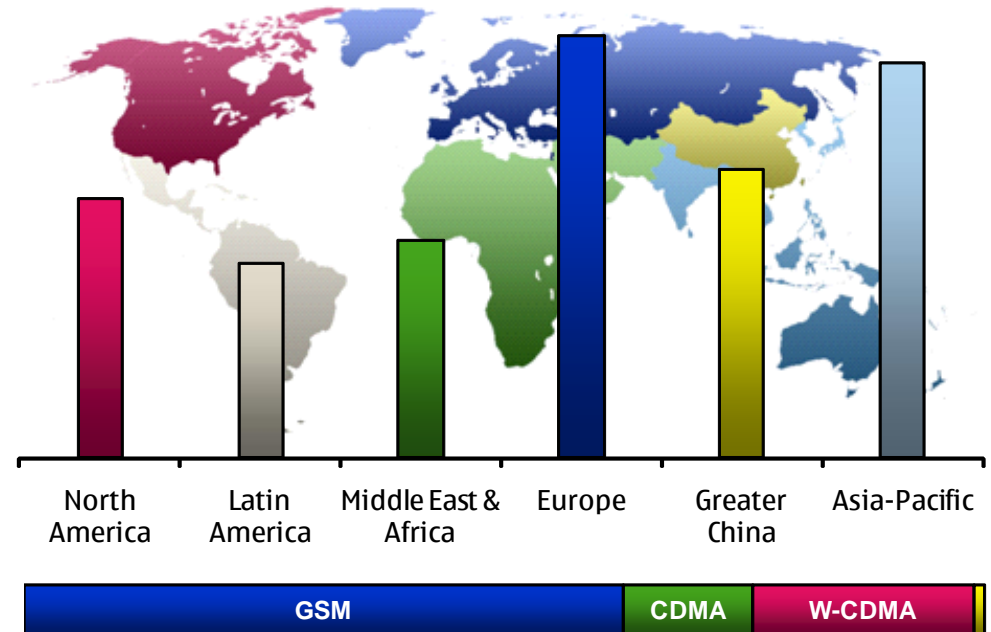
Industry mobile device volumes in 4Q 2009 estimated to be 329 million, up 14% QoQ and up 8% YoY

Industry volume by Region (millions)	4Q09	3Q09	QoQ	4Q08	YoY
North America	48	45	7%	47	2%
Latin America	36	28	29%	38	-5%
Middle East & Africa	40	35	15%	37	9%
Europe	78	63	24%	79	-1%
Greater China	53	47	13%	39	37%
Asia-Pacific	73	70	4%	65	12%
Total	329	288	14%	305	8%

GSM	205	175	17%	198	4%
CDMA	44	42	5%	42	5%
W-CDMA	76	68	12%	63	21%
Other	4	3	33%	2	100%
Total	329	288	14%	305	8%

Industry volume by Technology (millions)	4Q09	3Q09	QoQ	4Q08	YoY
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Volumes by Region and by Technology



Devices & Services in 4Q09: Highlights

- Shipped 126.9 million devices, up 17% QoQ and up 12% YoY
- Shipped 20.8 million converged mobile devices, including:
 - 6.1 million Eseries devices
 - 4.6 million Nseries devices
- **Ovi Store** now seeing over 1 million downloads per day
- **Comes With Music** available in 15 markets and supported by 25 operators
- More than doubled the number of **Ovi Mail** accounts to 5 million
- **Nokia Messaging** deals signed with 69 operators



Nokia Siemens Networks

- Net sales of EUR 3.6 billion, up 31% QoQ and down 16% YoY
- Non-IFRS gross margin of 30.6%, up 180 bps QoQ
- Non-IFRS operating profit of EUR 201 million, compared with a loss of EUR 53 million in 3Q 2009
- Nokia Siemens Networks continued to show strong progress in LTE
- Performance of Nokia Siemens Networks' product businesses was a good reflection of improved product quality and roadmaps
- Professional services business continued to show growth
- Cost control continued to be very solid



Dividend and Overall Taxes

**Nokia Board
recommends
EUR 0.40
dividend per
share**

- The dividend per share is the same as last year, even though distributable per share earnings were down in 2009
- Dividend payout in balance considering our liquidity position, our 2009 operative cash flow, and our expectations for 2010

**Non-IFRS
taxes higher
than 26%**

- Nokia's non-IFRS taxes were negatively impacted by Nokia Siemens Networks' taxes, since no tax benefits are recognized for certain Nokia Siemens Networks deferred tax items
- If Nokia's long-term estimated tax rate of 26% had been applied, non-IFRS EPS would have been 1 Euro cent higher

Nokia Income Statement in 4Q09: Highlights

- Nokia non-IFRS gross margin was 34.3% (up 290 bps QoQ)
- Devices & Services net sales of EUR 8.2 billion (up 18% QoQ)
- Devices & Services gross margin of 34.3% (up 340 bps QoQ)
- Devices & Services non-IFRS operating margin of 15.4% (up 400 bps QoQ)
- Services net sales were EUR 169 million (up 14% QoQ)
- Nokia device ASP was EUR 63 (up from EUR 62 in 3Q09)
- NAVTEQ net sales of EUR 225 million (up 36% QoQ)
- NAVTEQ non-IFRS operating margin of 24% (down from 25.9% in 3Q09)
- Nokia Siemens Networks net sales of EUR 3.6 billion (up 31% QoQ)
- Nokia Siemens Networks non-IFRS gross margin of 30.6% (up 180 bps QoQ)
- Nokia Siemens Networks non-IFRS operating margin of 5.5% (-1.9% in 3Q09)
- Financial Income & Expenses in 4Q09 was an expense of EUR 79 million (expense of EUR 48 million in 3Q09)

Financial Position & Cash Flow Metrics

EUR (million)	4Q 2009	4Q 2008	YoY	3Q 2009	QoQ
Inventories	1 865	2 533	-26%	2 034	-8%
Accounts Receivable	7 981	9 444	-15%	8 263	-3%
Accounts Payable	4 950	5 225	-5%	5 066	-2%
Operating Cash Flow	1 534	-299		720	113%
Capital Expenditure	147	224	-34%	103	43%
Depreciation	451	446	1%	428	5%
Cash and Other liquid assets	8 873	6 850	30%	7 432	19%
Gearing (Net-Debt ratio)	-25%	-14%		-15%	
Distributions	0	0		0	
Dividends	0	0		0	
Buybacks	0	0		0	

Outlook

Devices & Services

- We expect Devices & Services net sales in 1Q10 to be between 6.5 and 7.0 billion Euros
- We expect Devices & Services non-IFRS operating margin in 1Q10 to be at the lower end of the range of 12% to 14% full year target

Nokia Siemens Networks

- We expect Nokia Siemens Networks' net sales in 1Q10 to be between 2.6 and 2.9 billion Euros
- We expect Nokia Siemens Networks' non-IFRS operating margin in 1Q10 to be below the breakeven to 2% full year target

Moving Forward





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Nokia Income Statement

EUR (million)	Devices & Services	NAVTEQ	Nokia Siemens Networks	Reported Nokia 4Q09	Devices & Services	NAVTEQ	Nokia Siemens Networks	Non-IFRS Nokia 4Q09
Net sales	8 179	225	3 625	11 988	8 179	225	3 625	11 988
<i>YoY growth</i>	<i>0%</i>	<i>10%</i>	<i>-16%</i>	<i>-5%</i>	<i>0%</i>	<i>9%</i>	<i>-16%</i>	<i>-5%</i>
Gross profit	2 807	195	1 071	4 073	2 807	196	1 108	4 111
<i>Gross margin, %</i>	<i>34.3%</i>	<i>86.7%</i>	<i>29.5%</i>	<i>34.0%</i>	<i>34.3%</i>	<i>87.1%</i>	<i>30.6%</i>	<i>34.3%</i>
R&D	-793	-175	-597	-1 565	-791	-93	-520	-1 404
<i>% of net sales</i>	<i>9.7%</i>	<i>77.8%</i>	<i>16.5%</i>	<i>13.1%</i>	<i>9.7%</i>	<i>41.3%</i>	<i>14.3%</i>	<i>11.7%</i>
S&M	-640	-58	-350	-1 048	-640	-31	-274	-945
<i>% of net sales</i>	<i>7.8%</i>	<i>25.8%</i>	<i>9.7%</i>	<i>8.7%</i>	<i>7.8%</i>	<i>13.8%</i>	<i>7.6%</i>	<i>7.9%</i>
AG&O	-155	-18	-107	-319	-119	-18	-113	-289
<i>% of net sales</i>	<i>1.9%</i>	<i>8.0%</i>	<i>3.0%</i>	<i>2.7%</i>	<i>1.5%</i>	<i>8.0%</i>	<i>3.1%</i>	<i>2.4%</i>
Operating profit	1 219	-56	17	1 141	1 257	54	201	1 473
<i>Operating margin, %</i>	<i>14.9%</i>	<i>-24.9%</i>	<i>0.5%</i>	<i>9.5%</i>	<i>15.4%</i>	<i>24.0%</i>	<i>5.5%</i>	<i>12.3%</i>
Financial income and expenses				-79				-79
Profit before tax				1 063				1 395
Profit attributable to equity holders of the parent				882				936
EPS, Basic (EUR)				0.26				0.25
EPS, Diluted (EUR)				0.26				0.25

Select Key Products



**Nokia
N97 mini**



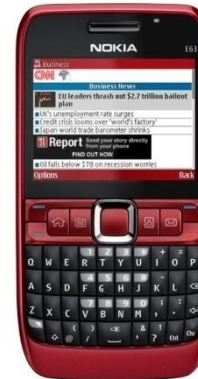
**Nokia
N97**



**Nokia
X6**



**Nokia
E66**



**Nokia
E63**



**Nokia
E71**



**Nokia
E72**



**Nokia
3110 classic**



**Nokia
5130 XpressMusic**



**Nokia
5230**



**Nokia
5530 XpressMusic**



**Nokia
5800 XpressMusic**



**Nokia
6303 classic**



**Nokia
6700 classic**



Currency

- 4Q09 EUR/USD average rate for P&L: 1.480
- 1Q10 EUR/USD Plan rate: 1.490

NOKIA FOURTH QUARTER 2009 NET SALES Reported & Constant Currency ¹		
	Q4/2009 vs. Q4/2008 Change	Q4/2009 vs. Q3/2009 Change
Group net sales – reported	-5%	22%
<i>Group net sales - constant currency¹</i>	-4%	20%
Devices & Services net sales – reported	0.5%	18%
<i>Devices & Services net sales - constant currency¹</i>	2%	16%
Nokia Siemens Networks net sales – reported	-16%	32%
<i>Nokia Siemens Networks net sales - constant currency¹</i>	-17%	29%

Note 1: Change in net sales at constant currency excludes the impact of changes in exchange rates in comparison to the Euro, our reporting currency