

Nokia Conference Call

Second Quarter 2004 Financial Results

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Senior Vice President and CFO

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July 15, 2004
15.00 Helsinki time / 08.00 New York time

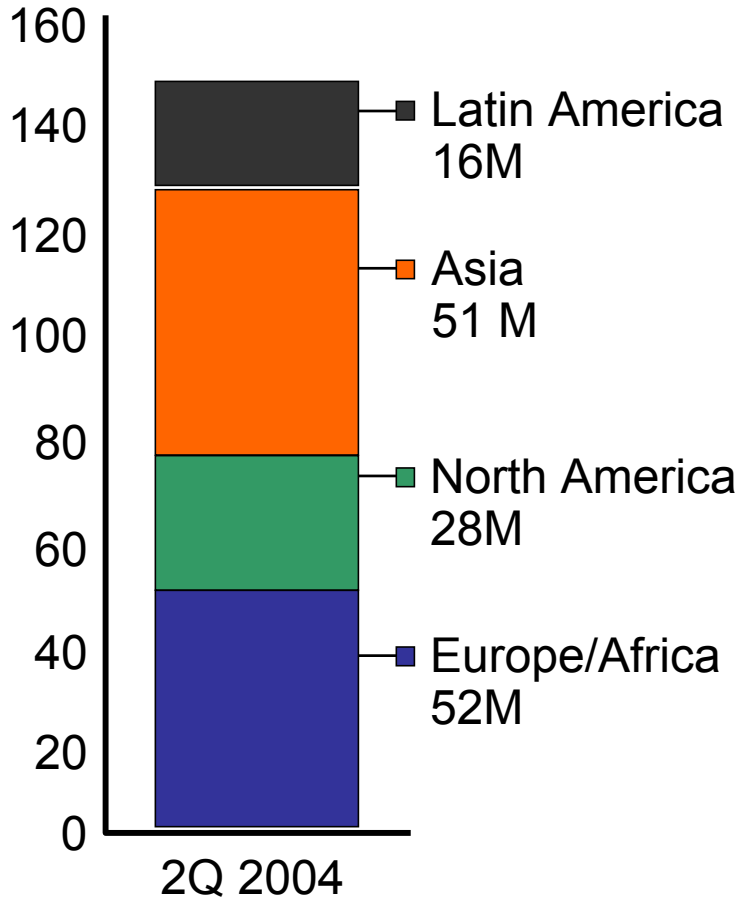
should be noted that certain statements herein which are not historical facts, including, without limitation, those regarding: A) the timing of product and solution launches and deliveries; B) our ability to develop, implement and commercialize new products, solutions and technologies; C) expectations 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" 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) developments in the mobile communications industry and the broader mobility industry, including the development of the mobile software and services market, as well as industry consolidation and other structural changes; 2) timing and success of the introduction and roll out of new products and solutions; 3) demand for and market acceptance of our products and solutions; 4) the impact of changes in technology and the success of our product and solution development; 5) the intensity of competition in the mobility industry and changes in the competitive landscape; 6) our ability to control the variety of factors affecting our ability to reach our targets and give accurate forecasts; 7) pricing pressures; 8) the availability of new products and services by network operators and other market participants; 9) general economic conditions globally and in our most important markets; 10) our success in maintaining efficient manufacturing and logistics as well as the high quality of our products and solutions; 11) inventory management risks resulting from shifts in market demand; 12) our ability to source quality components without interruption and at acceptable prices; 13) our success in collaboration arrangements relating to technologies, software or new products and solutions; 14) the success, financial condition, and performance of our collaboration partners, suppliers and customers; 15) any disruption to information technology systems and networks that our operations rely on; 16) 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; 17) developments under large, multi-year contracts or in relation to major customers; 18) the management of our customer financing exposure; 19) 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; 20) our ability to recruit, retain and develop appropriately skilled employees; 21) our ability to implement our new organizational structure; and 22) the impact of changes in government policies, laws or regulations; as well as 23) the risk factors specified on pages 12 to 21 of the company's Form 20-F for the year ended December 31, 2003 under "Item 3.D Risk Factors."

Highlights of the quarter

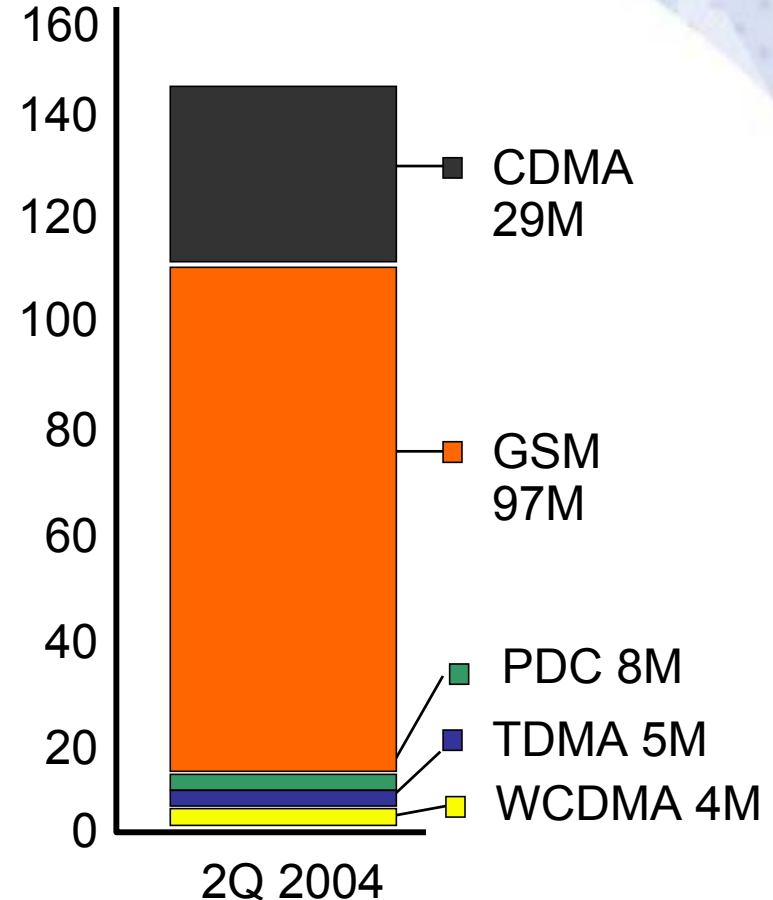
- Industry growth continues
- Nokia market share stabilization on track
 - Selective pricing moves
 - New products, improved position in mid-range
 - June best month in the quarter => positive momentum
- Nokia Networks wins market share
 - GSM/EDGE /Managed Services
 - Major expansion contracts in India (Idea Cellular, Hutchison and Bharti Televentures) and Russia (MegaFon and VimpelCom).
 - 3G
 - Four new customers: Vodafone in Australia and New Zealand, Cellcom in Israel, Polkomtel in Poland,
 - Expansion contract with M1 in Singapore

Device Market in 2Q04

Volumes by Region



Volumes by Technology



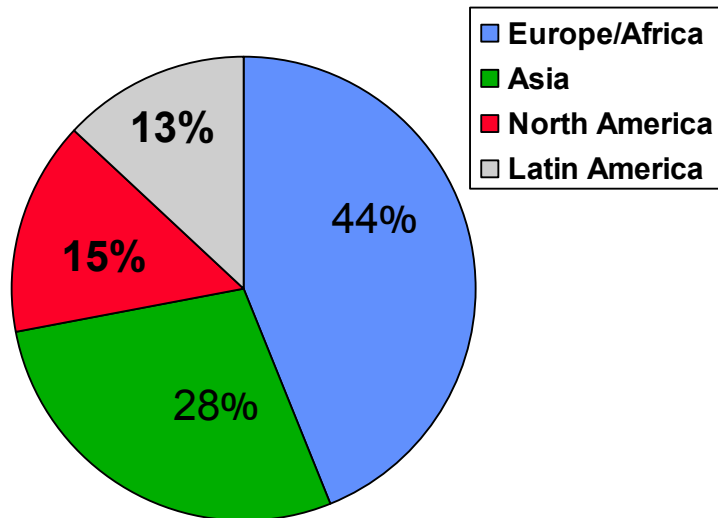
- Mobile device market volume grew sequentially from 141 million to 148 million units
- Number of global subscriptions exceeded 1.5 billion (cellular penetration 24%)
- Nokia volume 45.4 million units (+2% QoQ, +11% YoY)
- Nokia 2Q market share estimated at 31%

Mobile Phones Business Group

P&L Basics

EUR (million)	2Q 2004	2Q 2003	Change
Sales	4,167	4,806	- 13%
Operating margin	19.1%	27.2%	

Geographic Distribution of Sales



Sales Drivers

- Latin America: volumes grew over 100% net sales doubled
- Asia: strong volume growth, sales growth moderate due to price cuts and USD YoY decline of 6%
- North America: sales declined slightly despite volume growth due to targeted price reductions, technology shift from TDMA to GSM and USD depreciation
- Europe: net sales and volumes declined; negative market share trend broken thanks to selective price reductions and new product introductions; product mix improving

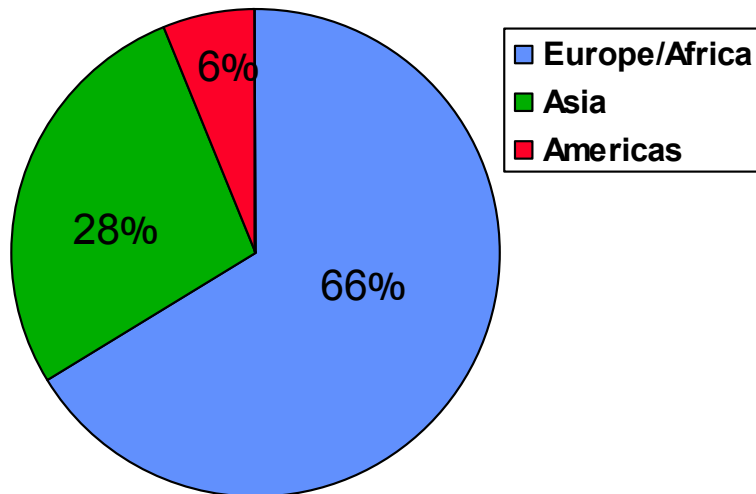


Multimedia Business Group

P&L Basics

EUR (million)	2Q 2004	2Q 2003	Change
Sales	739	596	+24%
Operating margin	-10.0%	-12.6%	

Geographic Distribution of Sales



Key Factors

- Performance driven by Imaging Business Unit and Nokia 6600
- Nokia 7610 reviews positive
- Target to broaden portfolio to smoothen fluctuation
- N-Gage QD shipping in Europe and Asia since May; US version going through operator approvals and estimated to ship in 3Q

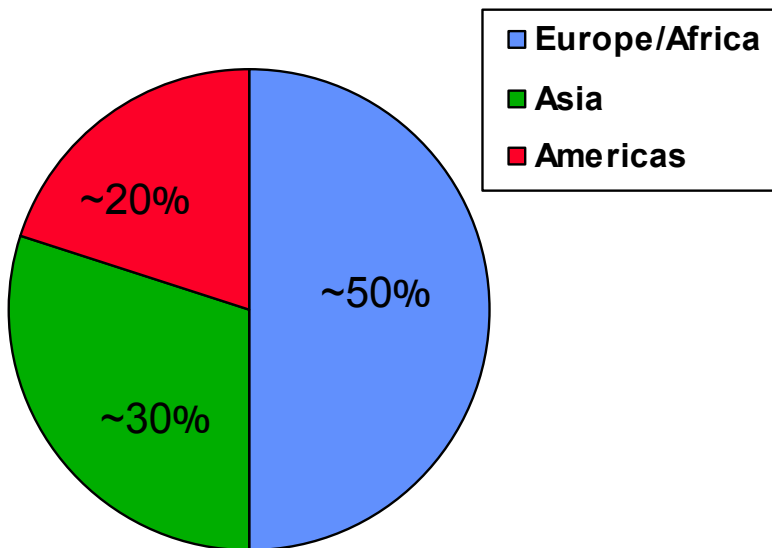


Networks Business Group

P&L Basics

EUR (million)	2Q 2004	2Q 2003	Change
Sales	1, 576	1,480	+6%
Operating margin	16.2%	-23.6%	

Geographic Distribution of Sales



Key Factors

- Excellent profitability
 - Improved maturity of Nokia WCDMA solution
 - Higher volumes
- Strengthened market position – rolling out new geographies and swapping out competitors equipment may put pressure on profitability in short term
- Operators preparing for push-to-talk
 - 15 commercial contracts
 - Well over 30 trials ongoing
 - Nokia 5140 – the world's first Push-to-Talk GSM handset – started shipping in June

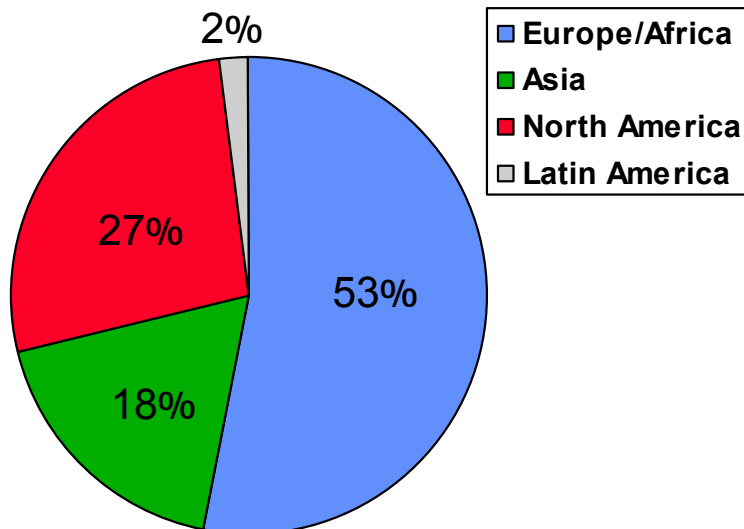
Enterprise Solutions Business Group

P&L Basics

EUR (million)	2Q 2004	2Q 2003	Change
Sales	189	193	-2%
Operating margin	-31.2%	23.3%	



Geographic Distribution of Sales



Profit & Loss Statement

EUR (million)	2Q 2004	2Q 2003	YoY	1Q 2004	QoQ
Net sales	6 640	7 019	-5%	6 625	0%
Constant currency			1%		1%
Gross Margin	2 550	2 987	-15%	2 682	-5%
GM% of Sales	38.4%	42.6%		40.5%	
Research and development expenses	945	1 144	-17%	855	11%
R&D % of sales	14.2%	16.3%		12.9%	
Selling, general and admin. expenses	764	985	-22%	665	15%
SG&A % of sales	11.5%	14.0%		10.0%	
Operating profit	907	818	11%	1 138	-20%
Operating Margin	13.7%	11.7%		17.2%	
Profit before tax and minority interests	1 036	946	10%	1 210	-14%
Net profit	712	624	14%	816	-13%
Diluted EPS (EUR)	0.15	0.13	15%	0.17	-12%

2Q 2004 Special Items

- Insurance premium return EUR 90 million
 - Due to low claims on a multi-year insurance program expiring this year
- Sale of FT Bond EUR 71 million
- Total EUR 161 million
- Impact on EPS (diluted) EUR 0.03

Balance Sheet & Cash Flow Metrics

EUR (million)	2Q 2004	2Q 2003	YoY	1Q 2004	QoQ
Inventories	1 081	1 225	-12%	1 108	-2%
Accounts Receivable	4 197	4 484	-6%	4 725	-11%
Net Operating Cash Flow	1 387	1 345	3%	1 013	37%
Capital Expenditure	90	93	-3%	80	13%
Depreciation	193	240	-20%	191	1%
Cash	11 514	9 941	16%	11 397	1%
Gearing (Net-Debt ratio)	-78%	-65%		-77%	
Distributions	2 157	1 678			
Dividends	1 399	1 377	2%		
Buybacks	758	301	152%	647	17%

Guidance and Market Outlook

- 3Q04 financial guidance
 - Net Sales EUR 6.6 billion - EUR 6.8 billion
 - EPS (diluted) EUR 0.08 – 0.10
- 3Q04 device market volume expected to remain on 2Q04 level
- 2004 market outlook:
 - Device market volume surpass 600M
 - Infrastructure market growth slightly up (EUR)

Conclusions

- We want to win rather than buy market share - importance of strong portfolio
- Mindset change:
 - Honing of the product road maps
 - Increased ambition in technology roadmaps and product specifications
 - Operator differentiation
 - Higher degree of platforms and modularity
- Scrutinizing R&D focus and discretionary spend
- Invest in Nokia brand

The Nokia logo is displayed in a large, bold, blue sans-serif font. The letters are thick and blocky, with a distinctive square-shaped cutout in the center of the 'O'. The logo is centered horizontally on a white background. Above the logo, there is a decorative blue curved band with a subtle pattern of small dots.

NOKIA