

Conference Call
Third Quarter 2003 Financial Results

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October 16, 2003

15.00 Helsinki time / 08.00 New York time

During this call, we will be making various forward-looking statements regarding the future business and financial performance of Nokia and the mobile communications industry. These statements are predictions that involve both risks and uncertainties, and actual results may vary materially. We refer you to pages 11 to 18 of Nokia's 2002 Form 20-F, to our previous announcements and to Nokia's press release issued today regarding some important risk factors you should consider in evaluating this information.

Nokia - Key Figures

| 3Q 2003 RESULTS | PRO FORMA - IAS | | | REPORTED - IAS | | | |
|---------------------------------|-----------------|---------|---------|----------------|---------|---------|-------|
| | EUR (million) | 3Q 2003 | 3Q 2002 | % Chg | 3Q 2003 | 3Q 2002 | % Chg |
| Net sales | | 6 874 | 7 224 | -5% | 6 874 | 7 224 | -5% |
| Nokia Mobile Phones | | 5 620 | 5 633 | 0% | 5 620 | 5 633 | 0% |
| Nokia Networks | | 1 217 | 1 545 | -21% | 1 217 | 1 545 | -21% |
| Nokia Ventures Organization | | 82 | 89 | -8% | 82 | 89 | -8% |
| Operating margin (%) | | 17.3 | 16.9 | | 16.8 | 11.9 | |
| Nokia Mobile Phones (%) | | 22.4 | 22.2 | | 22.0 | 21.8 | |
| Nokia Networks (%) | | 1.6 | 5.2 | | 0.3 | -16.2 | |
| Nokia Ventures Organization (%) | | -67.1 | -28.1 | | -68.3 | -34.8 | |
| Net profit | | 861 | 881 | -2% | 823 | 610 | 35% |
| EPS, EUR Diluted | | 0.18 | 0.18 | 0% | 0.17 | 0.13 | 31% |
| Operating Cash Flow | | | | | 1 229 | 2 163 | -43% |

3Q 2003 Sales: 54% EMEA, 23% APAC, 23% Americas

Change in Revenue at Constant Currency (YoY): Mobile Phones +9%, Networks -13%

Market Overview

Mobile Phone Market

- 3Q represented the sixth consecutive quarter of healthy mobile phone industry volume growth
 - Up 15% year-on-year
 - Up 12% sequentially
- Nokia's market share grew year-on-year to 39% from 36%

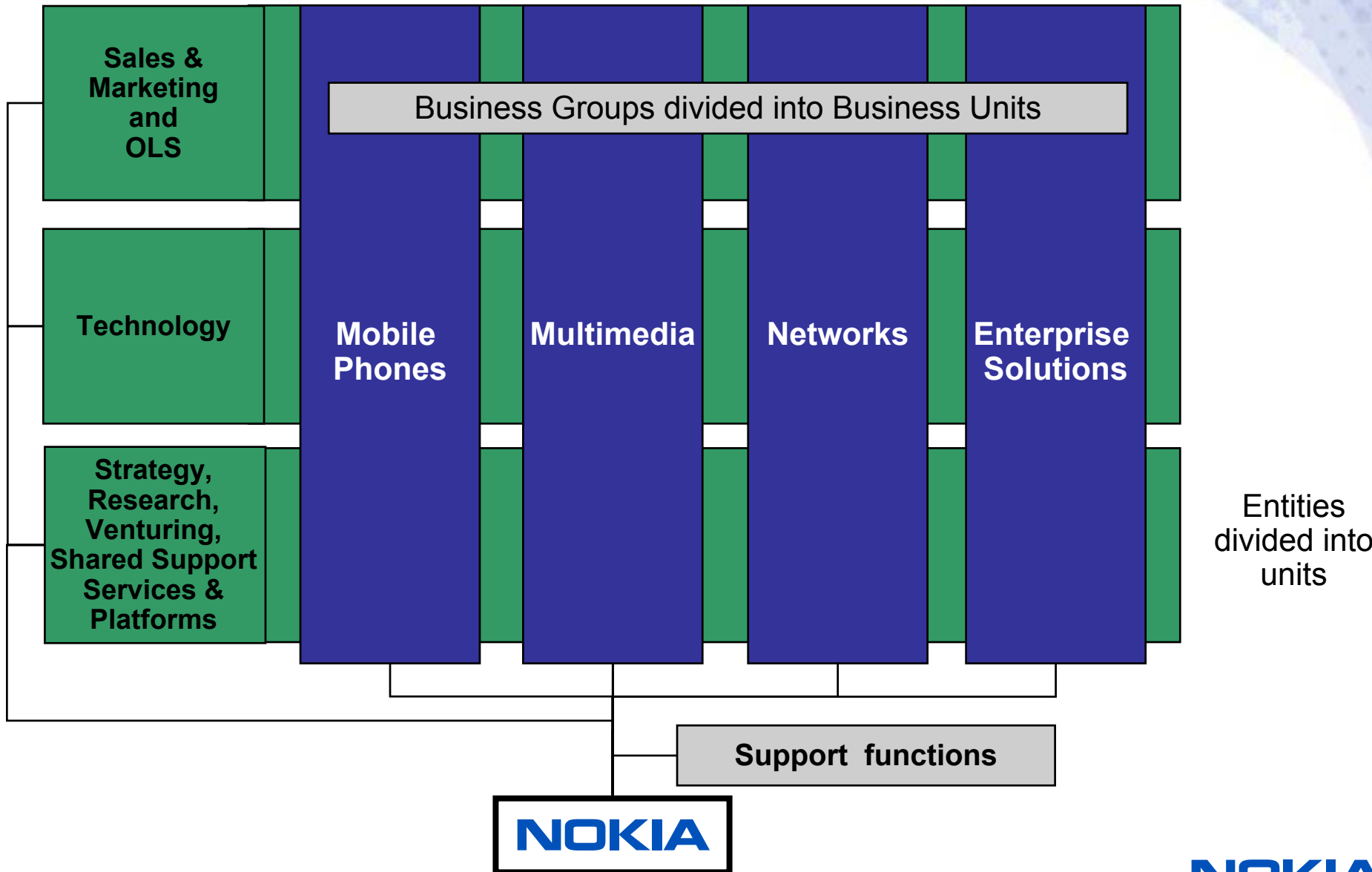


Infrastructure Market

- Early signs of infrastructure market stabilization
 - 2003 – market expected to contract by 15% or more
- Nokia 3G case has been proven, operator rollout schedules being reconfirmed



New Nokia Structure



Nokia Mobile Phones Update

| Millions | 1Q 2002 | 2Q 2002 | 3Q 2002 | 4Q 2002 | 2002 | 1Q 2003 | 2Q 2003 | 3Q 2003 |
|-------------------|---------|---------|---------|---------|-------|---------|---------|---------|
| Market | | | | | | | | |
| Units (sell-thru) | 89 | 95 | 103 | 117 | 405 | 100 | 105 | 118 |
| Subscriptions | 979 | 1,026 | 1,077 | 1,137 | 1,137 | 1,185 | 1,231 | 1,283 |
| Nokia | | | | | | | | |
| Unit Shipments | 33 | 36 | 37 | 46 | 152 | 38 | 41 | 45 |
| Market Share | 37% | 38% | 36% | 39% | 38% | 38% | 39% | 39% |

3Q sell-through market volume estimated to be 118 million units representing 15% year-on-year growth

Nokia Mobile Phones continued to grow faster than the market at 23% year-on-year

Nokia Mobile Phones increased market share to 39% in 3Q 2003 from 36% in 3Q 2002

Scale enabled Nokia to capitalize on better than anticipated demand

Mobile Phone Market Update

By Region (year-on-year)

- EMEA – stronger than total market growth
- Americas and APAC – grew slightly less than the total market
- Growth drivers:
 - Europe and North America – color and operator promotions
 - U.S. – operator preparation for WLNP
 - Brazil and India – new entrants have pressured incumbent operators
 - China – continued recovery from SARS

By Technology (year-on-year)

- GSM, CDMA and PDC grew in-line with year-on-year market growth
- TDMA volumes continued to decline



Nokia Mobile Phones Update

Americas

- Stronger market position in the Americas across all technologies
- Share gains in Latin America where share exceeds global 39%
- Clear #1 in the USA - well positioned for additional share gains during holiday campaigns

CDMA

- Global share doubled from year ago – now at mid-teens
- 4Q 2003 opportunity for major volume increases in India, China and the U.S.



China

- #1 in GSM
- Excellent distribution strategy
- Brand is stronger than ever
- Competitive product offering
- CDMA shipments to China Unicom will strengthen position

Nokia Mobile Phones Update

- 3Q sales and operating margins remained at last year's excellent level
 - Net sales EUR 5.6 billion – at constant currencies growth of 9%
 - Operating margin 22.4%
- Year-on-year ASPs were down 19%
 - Currency movements made up one-half of the decline
 - Mix shift towards more entry level phones made up the majority of the other half
- Sequentially ASPs were down 9%
 - Currency movements made up one-half of the decline
 - The remainder was driven by the mix shift
- Nokia is the leader in lowering total cost of ownership in emerging markets (both handsets and networks)
 - Great features, high quality and leading brand at an affordable price
 - Provides an opportunity to capture incremental sales
 - Cost structure and brand provide excellent profits



Mobile Phone Market 2003 and 4Q Outlook

- Industry developing well
- Industry channel inventories improved in all regions incl. China
- Nokia channel inventories healthy also in China

Global Mobile Phone Market

- 4Q 2003 expect growth in the mid-teens
- FY 2003 expect industry volume to reach 460 million

Nokia Mobile Phone Volumes

- 4Q 2003 expect growth to exceed the overall market
- Strengthened by new products



Infrastructure Market Update

- **Do not anticipate rapid recovery in overall infrastructure market but there are encouraging signs**
- **Operator financials and balance sheets are improved**
- **New networks becoming more resilient and stable**
- **More terminals available supporting higher data rates**
- **Industry becoming more consumer driven**
- **More content is available**
- **3G rollout schedules are being confirmed and in some cases brought forward**

Nokia Networks Update

- **Nokia Networks 3Q sales EUR 1.2 billion**
 - Down by 21% year-on-year
 - Down by 13% at constant currencies
- **3G revenue recognition started in 3Q 2002**
 - EUR 430 million recognized in 3Q02
 - EUR 370 million recognized in 4Q02



=> relates to work carried out over a period of preceding 12 months

- **Successful restructuring measures during 1H03**
 - Nokia Networks was able to deliver a slight operating profit in 3Q

Nokia Networks Update

- **Operators have confidence in Nokia WCDMA solution**
 - Orange renewed its contracts
 - Sole supplier to Starhub in Singapore
- **Nokia WCDMA end-to-end system mature for large-scale network launches**
 - Most complete WCDMA functionality in the market
- **Four out of the eight commercially launched WCDMA networks supplied by Nokia**
- **Nokia is market leader in WCDMA Radio Access Networks having supplied 27,000 base stations**
- **More than 20 Nokia customers in 13 countries rolling out commercial networks currently**
- **Expect more than 50 WCDMA networks in commercial use by end of 2004**



Update on Finances

- **CAPEX in 3Q was EUR 122 million – slightly higher than recent quarters due to increased production capacity and renewed lines**
 - **No fundamental changes in CAPEX expected**
- **Net operating cash flow 3Q: EUR 1.2 billion**
- **Net Cash position end September: EUR 10.8 billion**
- **Net debt-to-equity ratio (Gearing): - 70%**
- **Total shares purchased in buyback: 54 million cumulative**
- **Total amount used for share buybacks: EUR 751 million cumulative**

Nokia Guidance for 4Q 2003

Sales

- Nokia Mobile Phones expected to be flat to slightly up year-on-year
- Nokia Networks expected to be approximately EUR 1.4 billion

Pro forma operating margins

- Nokia Mobile Phones expected to remain at an excellent level
- Nokia Networks expected to reach break-even

EPS

- Expected diluted pro forma EPS between 21 and 23 Euro cents

Also expect

- Share of results of associated companies and minority interest to remain on 3Q levels
- Financial income at 3Q level
- Tax rate on reported earnings to be slightly over 30%

Currency Translation & Hedging Basics

Foreign currency translation

- In the consolidated accounts all items in the profit and loss accounts of foreign subsidiaries are translated into Nokia's reporting currency (Euro) on a monthly basis using rates determined during the second to last week of the previous month

Hedging horizon

- According to Nokia's foreign exchange policy guidelines all material transaction foreign exchange exposures are hedged on a rolling 6 to 12 month basis

Material sales currency

- The most significant non-euro sales currency has been the US dollar (approximately 50% of sales)

For more information on Nokia's currency policies please see the Nokia 2002 Form 20-F

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