

Nokia Conference Call

Third Quarter 2004 Financial Results

Jorma Ollila
Chairman and CEO

Rick Simonson
Senior Vice President and CFO

Ulla James
Vice President, Investor Relations

October 14, 2004
15.00 Helsinki time / 08.00 New York time

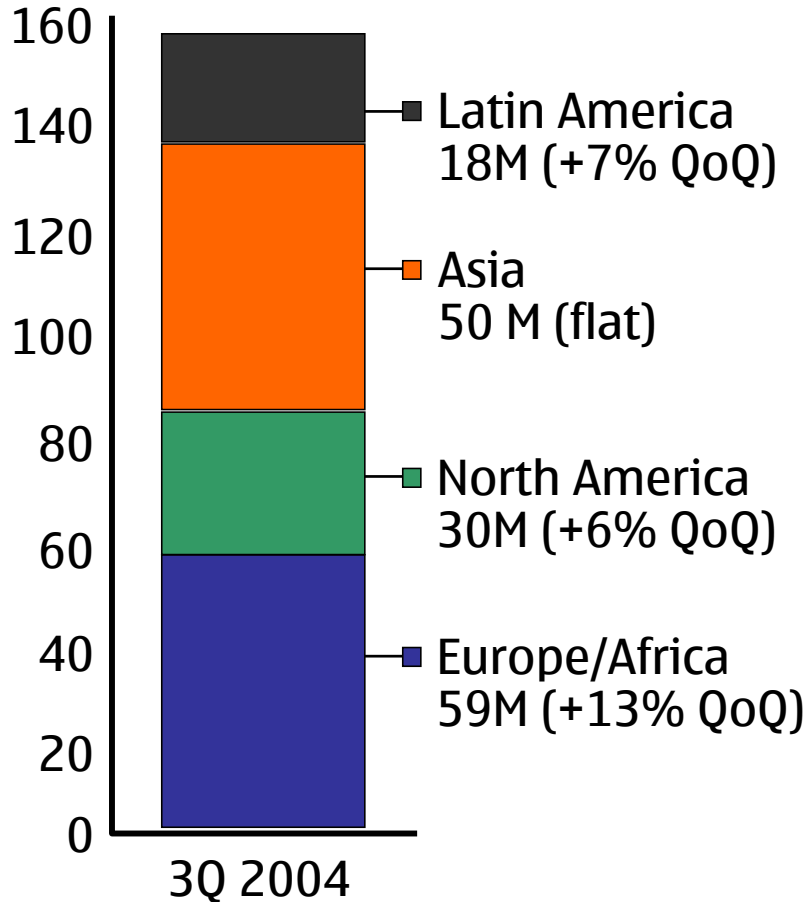
It should be noted that certain statements herein which are not historical facts, including, without limitation, those regarding: A) the timing of product and solution launches and deliveries; B) our ability to develop, implement and commercialize new products, solutions and technologies; C) expectations 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

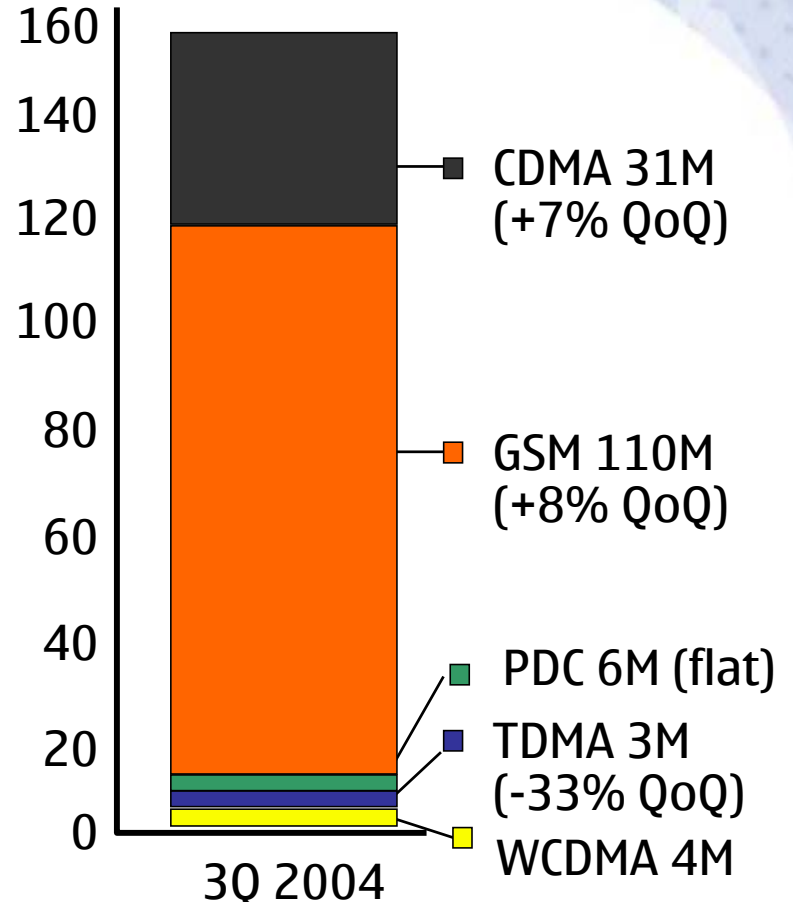
- Industry volumes stronger than initially expected
- 3Q Nokia volume momentum sustained
 - Nokia gains share sequentially
 - Major share gains in Europe/Middle East/Africa
- 3Q Nokia Networks
 - Expansion to new markets continued: Ukraine, Pakistan, Ethiopia
 - GSM/GPRS/EDGE expansions in China and Indonesia
 - Managed services included in deals in Pakistan, Taiwan and Ukraine
- Steady improvement in mobile device product portfolio
 - New products launched: 7260, 7270, 7280, 6651, 6670 and 9300

Device Market in 3Q04

Volumes by Region



Volumes by Technology



- Mobile device market volume grew sequentially from 148 million to 158 million units
- Number of global subscriptions exceeded 1.6 billion (cellular penetration 26%)
- Nokia volume 51.4 million units (+13% both sequentially and year-on-year)

Nokia Market Share in 3Q04

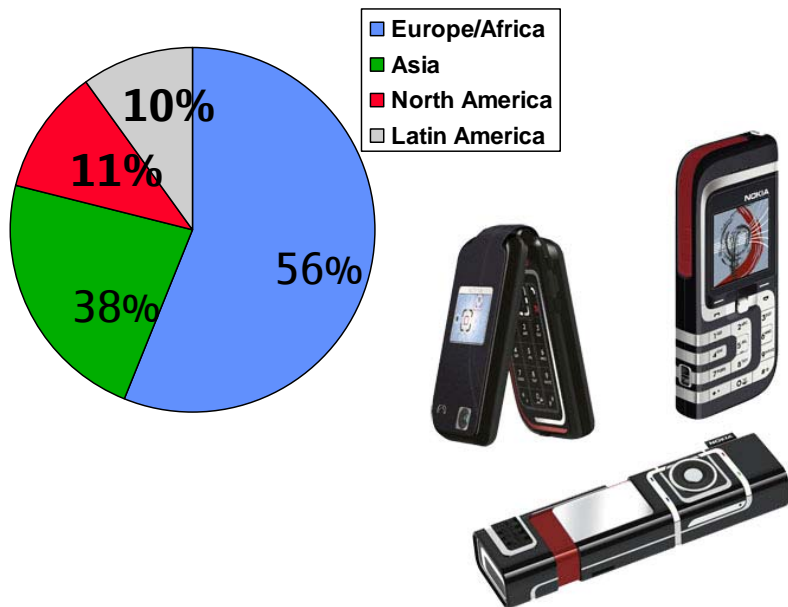
- Nokia mobile device market share up sequentially
- 3Q market share 33% based on our preliminary mobile device market estimate of 158 million units vs. 31% in 2Q
- Substantial strengthening from 2Q in the fast growing Europe/Middle East/Africa market
 - Slight increase in APAC and in China
 - Slight decline in Latin America
 - North America challenging
- Channel inventories decreased by couple of days in all areas, with the exception of China, where the inventory reduction was more substantial.

Mobile Phones Business Group

P&L Basics

| EUR (million) | 3Q 2004 | 3Q 2003 | Change |
|------------------|---------|---------|--------|
| Sales | 4,429 | 5,118 | - 13% |
| Operating margin | 18.5% | 28.8% | |

Geographic Distribution of Sales



N7260, N7270, N7280

Sales Drivers

- Strongest YoY volume growth in Latin America, China and rest of Asia
 - Latin America sales growth moderated by weaker dollar and mix
 - APAC sales excluding China decreased
- Moderate YoY volume growth in EMEA, sales declined due to lower prices carried over from 2Q and country mix towards low penetration markets
- North America volume and sales declined
- Mobile Phones product mix improved
- Despite some component constraints, Nokia 6230 monthly volume ramped up to over one million units – ahead of plans

Multimedia Business Group

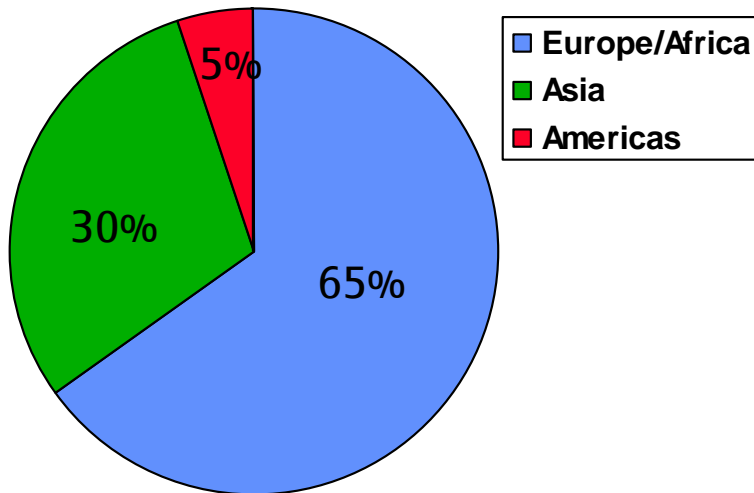
P&L Basics

| EUR (million) | 3Q 2004 | 3Q 2003 | Change |
|------------------|---------|---------|--------|
| Sales | 914 | 471 | +94% |
| Operating margin | 9.5% | -3% | |

Key Factors

- Business Group volume more than doubled from last year
- Fastest volume growth coming from Asia including China
- Imaging Business Unit performed well
- Biggest volume sellers N6600 and one-megapixel N7610 both ahead of earlier plans

Geographic Distribution of Sales



N6670



N6630

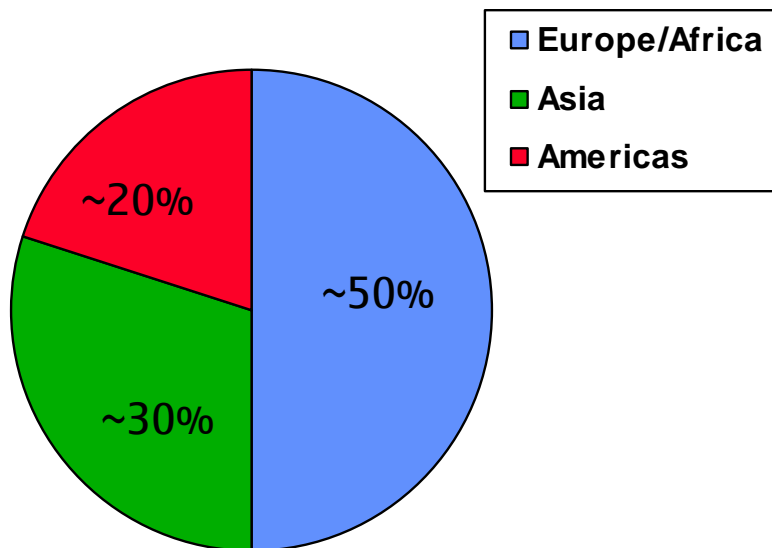
Networks Business Group

P&L Basics

| EUR (million) | 3Q 2004 | 3Q 2003 | Change |
|------------------|---------|---------|--------|
| Sales | 1,470 | 1,217 | +21% |
| Operating margin | 12.3% | 0.3% | |



Geographic Distribution of Sales



Key Factors

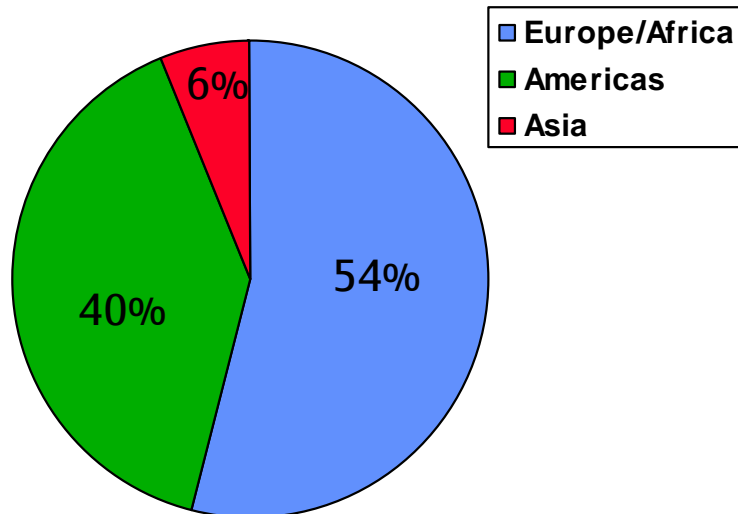
- Profitability remained at an excellent level despite a EUR 38 million R&D impairment charge
- New contracts in the new geographical regions expected to put some pressure on margins as we build presence in these markets

Enterprise Solutions Business Group

P&L Basics

| EUR (million) | 3Q 2004 | 3Q 2003 | Change |
|------------------|---------|---------|--------|
| Sales | 172 | 113 | 52% |
| Operating margin | -38.4% | -30.1% | |

Geographic Distribution of Sales



N9500

N9300

- New products positively received
- Continue to broaden portfolio

Profit & Loss Statement

| EUR (million) | 3Q 2004 | 3Q 2003 | YoY | 2Q 2004 | QoQ |
|---|--------------|--------------|------|--------------|-----|
| Net sales | 6 939 | 6 874 | 1% | 6 640 | 5% |
| Constant currency | | | 8% | | 7% |
| Gross Margin | 2 529 | 2 770 | -9% | 2 550 | -1% |
| GM% of Sales | 36.4% | 40.3% | | 38.4% | |
| Research and development expenses | 880 | 855 | 3% | 945 | -7% |
| R&D % of sales | 12.7% | 12.4% | | 14.2% | |
| Selling, general and admin. expenses | 717 | 723 | -1% | 764 | -6% |
| SG&A % of sales | 10.3% | 10.5% | | 11.5% | |
| Operating profit | 932 | 1 192 | -22% | 907 | 3% |
| Operating Margin | 13.4% | 17.3% | | 13.7% | |
| Profit before tax and minority interests | 1 000 | 1 222 | -18% | 1 036 | -3% |
| Net profit | 660 | 823 | -20% | 712 | -7% |
| Diluted EPS (EUR) | 0.14 | 0.17 | -18% | 0.15 | -7% |

3Q 2004 Special Items

- R&D impairment EUR 38 million (charge)
 - due to discontinuation of base station component horizontalization in Networks
- Insurance premium return EUR 20 million (gain)
 - Due to low claims on a multi-year insurance program expiring in the end of this year
- Impact on EPS (diluted) negligible

Balance Sheet & Cash Flow Metrics

| EUR (million) | 3Q 2004 | 3Q 2003 | YoY | 2Q 2004 | QoQ |
|---------------------------------|---------|---------|------|---------|------|
| Inventories | 1 261 | 1 274 | -1% | 1 081 | 17% |
| Accounts Receivable | 4 111 | 4 672 | -12% | 4 197 | -2% |
| Net Operating Cash Flow | 1 235 | 1 229 | 0% | 1 387 | -11% |
| Capital Expenditure | 151 | 121 | 25% | 90 | 68% |
| Depreciation | 205 | 270 | -24% | 193 | 6% |
| Cash | 11 787 | 10 789 | 9% | 11 514 | 2% |
| Gearing (Net-Debt ratio) | -81% | -70% | | -78% | |
| Distributions | 526 | 450 | | 2 157 | |
| Dividends | | | | 1 399 | |
| Buybacks | 526 | 450 | 17% | 758 | -31% |

Guidance and Market Outlook

- 4Q04 financial guidance
 - Net Sales EUR 8.4 billion - EUR 8.6 billion
 - EPS (diluted) EUR 0.16 – 0.18
- 4Q04 device market volume expected to exceed 180 million units
- 2004 market outlook:
 - Device market volume approximately 630 million
 - Infrastructure market slight to moderately up (EUR)

Work in Progress

- Product competitiveness
 - Mix improving: color, camera, smart phones
- Customer Focus
 - Range of form factors
 - Support for differentiation and customization
 - Modular platforms: speed and cost
- Brand

NOKIA