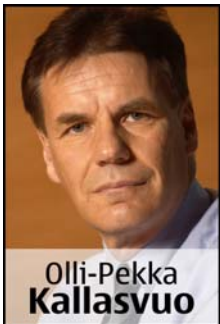


# Nokia Conference Call

## Third Quarter 2007 Financial Results

October 18th, 2007 15.00 Helsinki time 8.00 New York time



Olli-Pekka  
**Kallasvuo**



Rick  
**Simonson**

**Olli-Pekka Kallasvuo** President & CEO

**Rick Simonson** Executive Vice President & CFO

**Bill Seymour** Head of Investor Relations

# Disclaimer

It should be noted that certain statements herein which are not historical facts, including, without limitation, those regarding: A) the timing of product, service and solution deliveries; B) our ability to develop, implement and commercialize new products, services, solutions and technologies; C) expectations regarding market growth, developments and structural changes; D) expectations regarding our mobile device volume growth, market share, prices and margins; E) expectations and targets for our results of operations; F) the outcome of pending and threatened litigation; G) expectations regarding the successful completion of contemplated acquisitions on a timely basis and our ability to achieve set targets upon the completion of such acquisitions; and H) 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) competitiveness of our product portfolio; 2) our ability to identify key market trends and to respond timely and successfully to the needs of our customers; 3) the extent of the growth of the mobile communications industry, as well as the growth and profitability of the new market segments within that industry which we target; 4) the availability of new products and services by network operators and other market participants; 5) our ability to successfully manage costs; 6) the intensity of competition in the mobile communications industry and our ability to maintain or improve our market position and respond successfully to changes in the competitive landscape; 7) the impact of changes in technology and our ability to develop or otherwise acquire complex technologies as required by the market, with full rights needed to use; 8) timely and successful commercialization of complex technologies as new advanced products, services and solutions; 9) 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 solution offerings; 10) our ability to protect numerous Nokia patented, standardized, or proprietary technologies from third party infringement or actions to invalidate the intellectual property rights of these technologies; 11) 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; 12) inventory management risks resulting from shifts in market demand; 13) our ability to source quality components and sub-assemblies without interruption and at acceptable prices; 14) Nokia's and Siemens' ability to successfully integrate the operations, personnel and supporting activities of their respective businesses as a result of the merger of Nokia's networks business and Siemens' carrier-related operations for fixed and mobile networks forming Nokia Siemens Networks; 15) whether, as a result of investigations into alleged violations of law by some current or former employees of Siemens, government authorities or others take 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 ongoing violations that may occur after the transfer, of such assets and employees that could result in additional actions by government authorities; 16) the expense, time, attention and resources of Nokia Siemens Networks and our management to detect, investigate and resolve any situations related to alleged violations of law involving the assets and employees of Siemens carrier-related operations transferred to Nokia Siemens Networks; 17) 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; 18) developments under large, multi-year contracts or in relation to major customers; 19) general economic conditions globally and, in particular, economic or political turmoil in emerging market countries where we do business; 20) our success in collaboration arrangements relating to development of technologies or new products, services and solutions; 21) the success, financial condition and performance of our collaboration partners, suppliers and customers; 22) any disruption to information technology systems and networks that our operations rely on; 23) exchange rate fluctuations, including, in particular, fluctuations between the euro, which is our reporting currency, and the US dollar, the Chinese yuan, the UK pound sterling and the Japanese yen, as well as certain other currencies; 24) the management of our customer financing exposure; 25) allegations of possible health risks from electromagnetic fields generated by base stations and mobile devices and lawsuits related to them, regardless of merit; 26) unfavorable outcome of litigations; 27) our ability to recruit, retain and develop appropriately skilled employees; and 28) the impact of changes in government policies, laws or regulations; as well as the risk factors specified on pages 12-24 of Nokia's annual report on Form 20-F for the year ended December 31, 2006 under "Item 3.D 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 update publicly or revise forward-looking statements, whether as a result of new information, future events or otherwise, except to the extent legally required.

# Nokia 3Q07 Highlights

- Nokia device market share was 39% (\*)
- Nokia shipped 111.7 million mobile devices
- Nokia device operating margin up for 4<sup>th</sup> consecutive quarter
- Nokia cash flow of EUR 2 billion
- Diluted EPS of EUR 0.40 (excluding special items) up 74% year-on-year
- Nokia Siemens Networks' operating margin was a positive 3%, excluding special items and purchase price accounting (PPA)
- Nokia announces Ovi Internet services and a series of acquisitions - Twango, Enpocket and the pending acquisition of NAVTEQ



**Nokia N81 8GB**

*(\*) Based on Nokia's preliminary market estimates*

# Estimated Global Device Market in 3Q07

3Q07 volume 286 M units. YoY growth +17%. QoQ growth +9%.

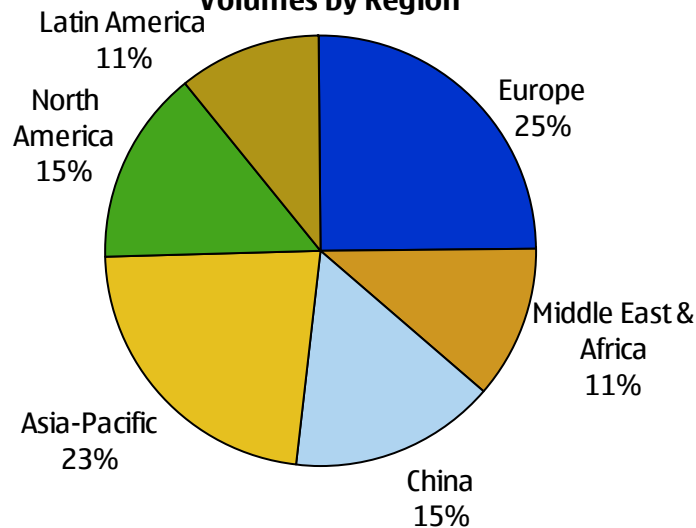
## Volumes by Region

Million units	3Q07	2Q07	QoQ	3Q06	YoY
Europe	72	61	17%	69	4%
Middle East & Africa	32	28	15%	26	24%
China	44	39	14%	35	26%
Asia-Pacific	65	60	8%	47	39%
North America	42	40	5%	40	6%
Latin America	31	34	-10%	27	14%
<b>Total</b>	<b>286</b>	<b>262</b>	<b>9%</b>	<b>243</b>	<b>17%</b>

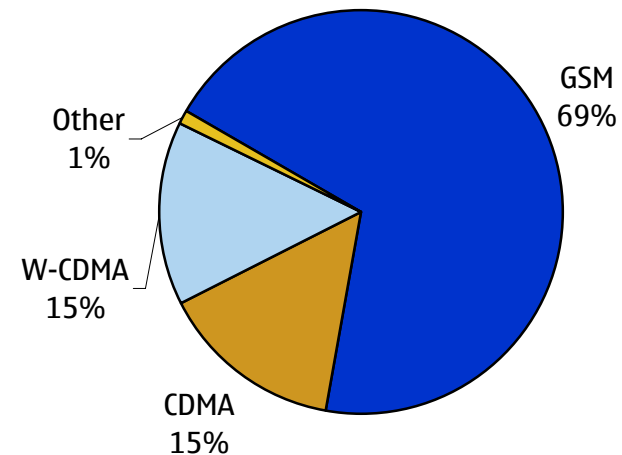
## Volumes by Technology

Million units	3Q07	2Q07	QoQ	3Q06	YoY
GSM	198	181	9%	173	15%
CDMA	42	42	2%	40	6%
W-CDMA	42	35	19%	27	56%
Other	3	4	NA	4	NA
<b>Total</b>	<b>286</b>	<b>262</b>	<b>9%</b>	<b>243</b>	<b>17%</b>

### Volumes by Region



### Volumes by Technology



# Product Highlights for 3Q 2007

**3Q 2007**

Nokia 6120 classic

Nokia 6300

**new** Nokia 6500 slide

**new** Nokia 6500 classic

**new** Nokia 6555

**new** Nokia 7500 Prism

Nokia 8600 Luna

Nokia N70

Nokia N73

Nokia 1110

**new** Nokia 1116

**new** Nokia 1200

**new** Nokia 1208

Nokia 1600

**new** Nokia 2630

Nokia 5200

Nokia E65

Nokia N95

**new** Nokia E90 Communicator

# Significant Products for 4Q 2007

**4Q 2007**

Nokia 6120 classic

Nokia 6300

Nokia 6500 classic

new Nokia 7900 Prism

Nokia N70

Nokia N73

new Nokia N95 8GB

new Nokia E51

Nokia E65

Nokia E90 Communicator

Nokia 1110

Nokia 1200

Nokia 1600

Nokia 1208

Nokia 2630

Nokia 3110 classic

Nokia 5200

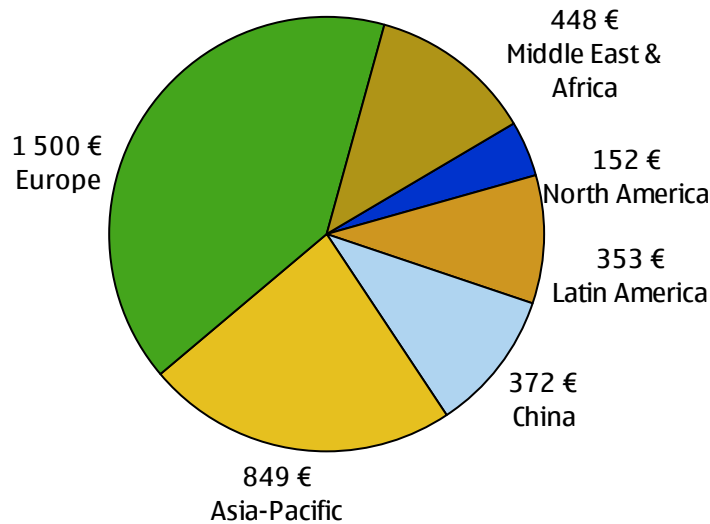
Nokia 5300

new Nokia 5310 XpressMusic

new Nokia 5610 XpressMusic

# Nokia Siemens Networks in 3Q07

## Geographic Distribution of Net Sales 3Q07 Total: EUR 3 674 million



### Significant Recent Announcements

First commercial Internet-HSPA network

First hybrid backhaul live in customer network

First onboard broadband for high speed train across European borders to be provided by NSN

- Sequential improvement in net sales, gross margin, operating profit
- Market environment remained challenging
- Focus on “consolidate, leverage, transform” delivering results
- Accelerating progress in solutions, services, software

# Nokia Profit & Loss Account

EUR (million)	Mobile Phones	Multi-media	Enterprise Solutions	Nokia Siemens Networks	Nokia 3Q07	Nokia 3Q06	Change	Nokia 2007	Change
<b>Net sales</b>	<b>6 131</b>	<b>2 580</b>	<b>526</b>	<b>3 674</b>	<b>12 898</b>	<b>10 100</b>	28%	<b>12 587</b>	2%
<i>YoY growth</i>	3%	23%	105%	104%	28%			28%	
<b>Gross profit</b>	<b>2 102</b>	<b>1 037</b>	<b>239</b>	<b>1 038</b>	<b>4 426</b>	<b>3 122</b>	42%	<b>3 916</b>	13%
<i>Gross margin, %</i>	34.3%	40.2%	45.4%	28.3%	34.3%	30.9%		31.1%	
<b>R&amp;D</b>	<b>-304</b>	<b>-238</b>	<b>-63</b>	<b>-686</b>	<b>-1 386</b>	<b>-905</b>	53%	<b>-1 716</b>	-19%
<i>% of net sales</i>	5.0%	9.2%	12.0%	18.7%	10.7%	9.0%		13.6%	
<b>S&amp;M</b>	<b>-400</b>	<b>-202</b>	<b>-71</b>	<b>-352</b>	<b>-1 032</b>	<b>-768</b>	34%	<b>-1 263</b>	-18%
<i>% of net sales</i>	6.5%	7.8%	13.5%	9.6%	8.0%	7.6%		10.0%	
<b>AG&amp;O</b>	<b>-10</b>	<b>-22</b>	<b>-17</b>	<b>-120</b>	<b>-146</b>	<b>-349</b>	-58%	<b>1 422</b>	
<i>% of net sales</i>	0.2%	0.9%	3.2%	3.3%	1.1%	3.5%		-11.3%	
<b>Operating profit</b>	<b>1 388</b>	<b>575</b>	<b>88</b>	<b>-120</b>	<b>1 862</b>	<b>1 100</b>	69%	<b>2 359</b>	-21%
<i>Operating margin, %</i>	22.6%	22.3%	16.7%	-3.3%	14.4%	10.9%		18.7%	
<b>Financial income and expenses</b>					<b>67</b>	<b>34</b>	97%	<b>60</b>	12%
<b>Profit before tax and minority interests</b>					<b>1 924</b>	<b>1 145</b>	68%	<b>2 446</b>	-21%
<b>Net profit</b>					<b>1 563</b>	<b>845</b>	85%	<b>2 828</b>	-45%
<b>EPS, Basic and Diluted (EUR)</b>					<b>0.40</b>	<b>0.21</b>	90%	<b>0.72</b>	-44%

# Nokia Siemens Networks Integration Progress

- On track to deliver against EUR 2 billion synergy goal
- Headcount restructuring well underway with activities ongoing in 70 countries
- Direct headcount (related to NSN restructuring) reduced by 2,300 since 2Q 2007
- Executing shift to low-cost, high-growth markets
  - Global services hub in India
  - R&D activities in China
- Real estate footprint reduced by approximately 200 buildings to date
- Negotiations with top 25 suppliers completed, accounting for 45% of NSN's direct sourcing volumes
- Culture development progressing

# Nokia Siemens Networks Financial Targets

- Nokia and Nokia Siemens Networks cost synergy target for Nokia Siemens Networks continues to be to achieve approximately EUR 1.5 billion of annual cost synergies by the end of 2008.
- Nokia and Nokia Siemens Networks have identified a further EUR 500 million of annual cost synergies, the majority of which we now estimate will be realized by the end of 2008.
- Nokia is updating its previous estimate of EUR 1.5 billion in charges associated with cost synergies for Nokia Siemens Networks, and such charges are now estimated to be slightly above EUR 2 billion. The total estimated charges reflect the total annual EUR 2 billion cost synergy target and the increased visibility on the additional EUR 500 million of targeted cost synergies, including the potential need to further refine Nokia Siemens Networks' product portfolio in a way not previously identified at the formation of Nokia Siemens Networks on April 1, 2007.
- Nokia estimates that the majority of the remaining estimated charges associated with cost synergies for Nokia Siemens Networks will be recorded in the fourth quarter 2007. The total restructuring charges recorded by the end of the third quarter 2007 are EUR 991 million.

# Special Items: 2005 and 2006

2006	Q1	Q2	Q3	Q4	Total
Restructuring charges and related asset write-downs primarily for the CDMA business (Mobile Phones)	-14		-128		-142
Restructuring charge (Enterprise Solutions)	-8				-8
Telsim settlement (Networks)		276			276
NSN incremental expenses				-39	-39
<b>An impact on operating profit:</b>	<b>-22</b>	<b>276</b>	<b>-128</b>	<b>-39</b>	<b>87</b>
Other special items:					
Tax refunds (included in taxes)				84	84
<b>Total impact on EPS (EUR):</b>		<b>0.05</b>	<b>-0.02</b>	<b>0.02</b>	<b>0.04</b>

2007	Q1	Q2	Q3	Q4	Total
Restructuring charge (Mobile Phones)	-10				-10
Restructuring charge (Multimedia)	-3				-3
Restructuring charge (Enterprise Solutions)	-17				-17
Restructuring charge (Common group functions)	-2				-2
Charge related to restructuring of a group company (Mobile Phones)	-25				-25
NSN incremental expenses	-12				-12
Restructuring charge and one-offs (Nokia Networks Siemens)		-905	-86		-991
NSN related post-acquisition carve-out expenses (Common group functions)		-23			-23
Gain on formation of NSN (Common group functions)		1883			1883
Gain on sale of real estates (Common group functions)		15	60		75
<b>Total impact on operating profit</b>	<b>-69</b>	<b>970</b>	<b>-26</b>		<b>875</b>
<b>Total impact on EPS (EUR):</b>	<b>-0.01</b>	<b>0.40</b>			<b>0.39</b>

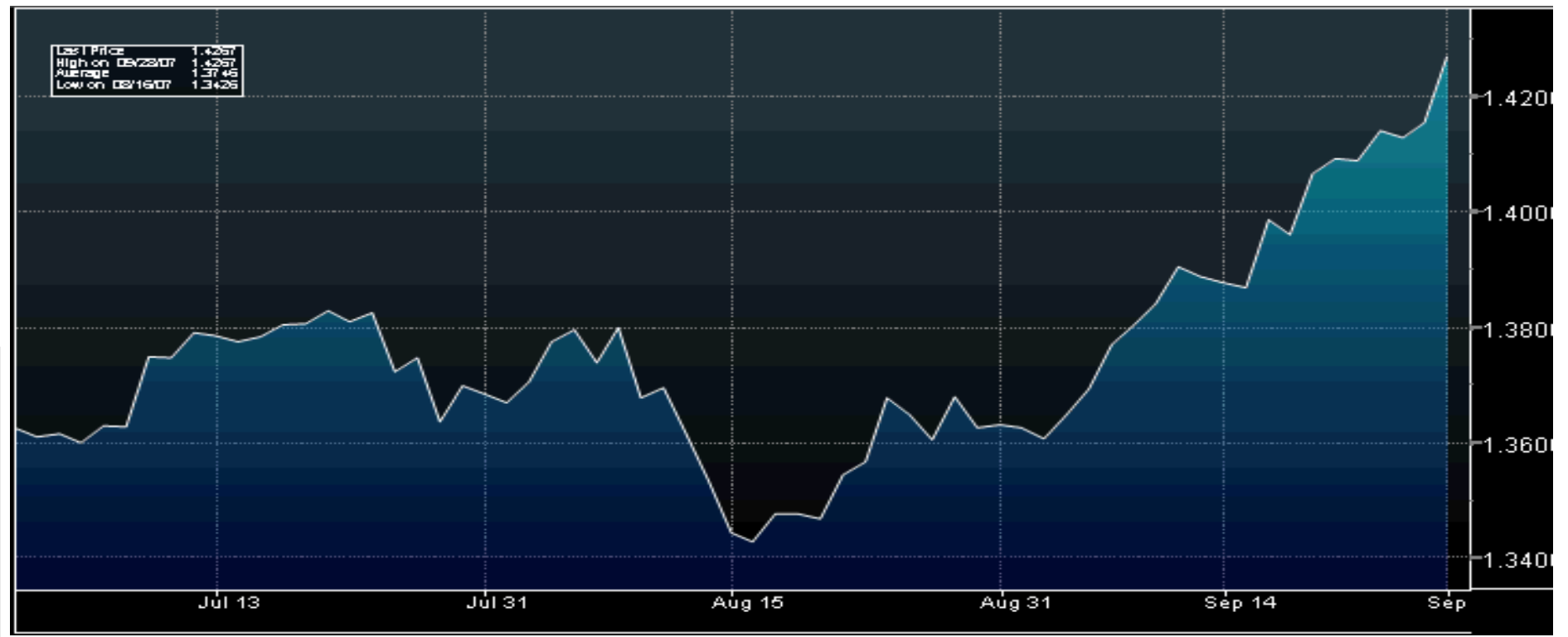
- EUR 86 million restructuring charge and other one-time items in Nokia Siemens Networks (impacting Nokia Siemens Networks operating profit)
- EUR 60 million gain on sale of real estate (impacting Group Common Functions operating profit)
- Excluding special items, diluted EPS was EUR 0.40
- EUR 144 million of intangible asset amortization and other Purchase Price Accounting related items are not included in the above special items

# Balance Sheet & Cash Flow Metrics

EUR (million)	3Q 2007	3Q 2006	YoY	2Q 2007	QoQ
<b>Inventories</b>	2 890	2 275	27%	2 661	9%
<b>Accounts Receivable</b>	9 754	5 777	69%	8 609	13%
<b>Accounts Payable</b>	6 542	4 264	53%	5 777	13%
<b>Operating Cash Flow</b>	1 989	956	108%	1 537	29%
<b>Capital Expenditure</b>	248	150	65%	221	12%
<b>Depreciation</b>	367	181	103%	386	-5%
<b>Cash and Other liquid assets</b>	9 158	7 926	16%	8 307	10%
<b>Gearing (Net-Debt ratio)</b>	-52%	-67%		-51%	
<b>Distributions</b>	1 177	720		2 718	
Dividends				1 722	
Buybacks	1 177	720	63%	996	18%

# Currency

- Nokia 3Q 2007 Reported Sales Growth: 28%
- Nokia 3Q 2007 Constant Currency Sales Growth: 32%
- 3Q07 EUR/USD average rate for P&L: 1.356
- 4Q07 EUR/USD Plan rate: 1.387



Source: Bloomberg

# Estimates for Market and Nokia

## 4Q07 Outlook

- Mobile device market volumes: up sequentially
- Nokia device market share: approx. at same level sequentially

## 2007 Outlook

- Mobile device market volumes: approximately 1.1 billion units (estimated 978 million units in 2006)
- Mobile device market: value growth – but industry ASPs down
- Infrastructure market (mobile, fixed and related services): very slight growth (Euros)
- Nokia device market share: estimate increased market share

## Other Items

- We estimate our future tax rate will be: approximately 26%



**Nokia 6500 classic**

# Ovi – The door to communities, content and Nokia services



ovi



n-GAGE

NAVTEQ

gatais

twango

loudeye.

enpocket

# NOKIA

# Appendix

- **Nokia Mobile Devices in 3Q07**
- **Potential Ongoing Factors Impacting Device Gross Margin and ASP**
- **Nokia Siemens Networks Profit & Loss Account**
- **Nokia Siemens Networks Accounting Mechanics**
- **Nokia Capital Markets Day 2007**

# Nokia Mobile Devices in 3Q07

## Mobile Device Volume by Region

<i>Million units</i>	3Q07	2Q07	QoQ	3Q06	YoY
Europe	29.0	27.1	7.0%	24.8	16.9%
Middle East & Africa	19.3	17.1	12.9%	13.3	45.1%
China	18.9	15.9	18.9%	13.8	37.0%
Asia-Pacific	29.5	25.6	15.2%	20.9	41.1%
North America	5.4	4.1	39.0%	5.8	-1.7%
Latin America	9.6	11.0	-12.7%	9.9	-3.0%
<b>Total</b>	<b>111.7</b>	<b>100.8</b>	<b>10.8%</b>	<b>88.5</b>	<b>26.2%</b>

## Mobile Device ASPs

<i>EUR</i>	3Q07	2Q07	QoQ	3Q06	YoY
<b>Average sale price (ASP)</b>	82	90	-9%	93	-12%

## Nokia Market share (\*):

- Nokia estimated market share of 39% (from 38% in 2Q07 and 36% in 3Q06)
- Nokia converged device volumes of 16 million units (from 13.9 million units in 2Q07 and 10.4 million units 3Q06)
- Nokia #1 in fastest growing markets: #1 in China, #1 in India, #1 in Middle East and Africa, #1 in South East Asia Pacific and #1 in WCDMA

(\* Based on Nokia's preliminary market estimates)

# Potential Ongoing Factors Impacting Device Gross Margin & ASP

- Potential Positive Drivers of Device Gross Margin

- Improving product portfolio in mid and higher end; strong performance in entry-level
- Growth of value add markets (e.g. WCDMA, smart phones, multimedia, enterprise, etc.)
- Continuing cost control

- Potential Negative Drivers of Device Gross Margin

- Competitive factors in general
- Need to have an ever more competitive product portfolio

- Potential Positive Drivers of ASP

- Continuously improving product portfolio
- Growth of value add markets (e.g. WCDMA, smart phones, multimedia, enterprise, etc.)

- Potential Negative Drivers of ASP

- Competitive factors in general
- Shift in market to higher growth emerging markets

# Nokia Siemens Networks 3Q 2007 Profit & Loss Account

EUR (million)	Nokia * Siemens Networks
<b>Net sales</b>	<b>3 674</b>
<i>YoY growth</i>	<i>104%</i>
<b>Gross profit</b>	<b>1 038</b>
<i>Gross margin, %</i>	<i>28.3%</i>
<b>R&amp;D</b>	<b>-686</b>
<i>% of net sales</i>	<i>18.7%</i>
<b>S&amp;M</b>	<b>-352</b>
<i>% of net sales</i>	<i>9.6%</i>
<b>AG&amp;O</b>	<b>-120</b>
<i>% of net sales</i>	<i>3.3%</i>
<b>Operating profit</b>	<b>-120</b>
<i>Operating margin, %</i>	<i>-3.3%</i>

Operating margin was 3.0%, excluding special items and items associated with purchase price accounting (PPA).

Restructuring charges & other one-time costs totaling EUR 86 million

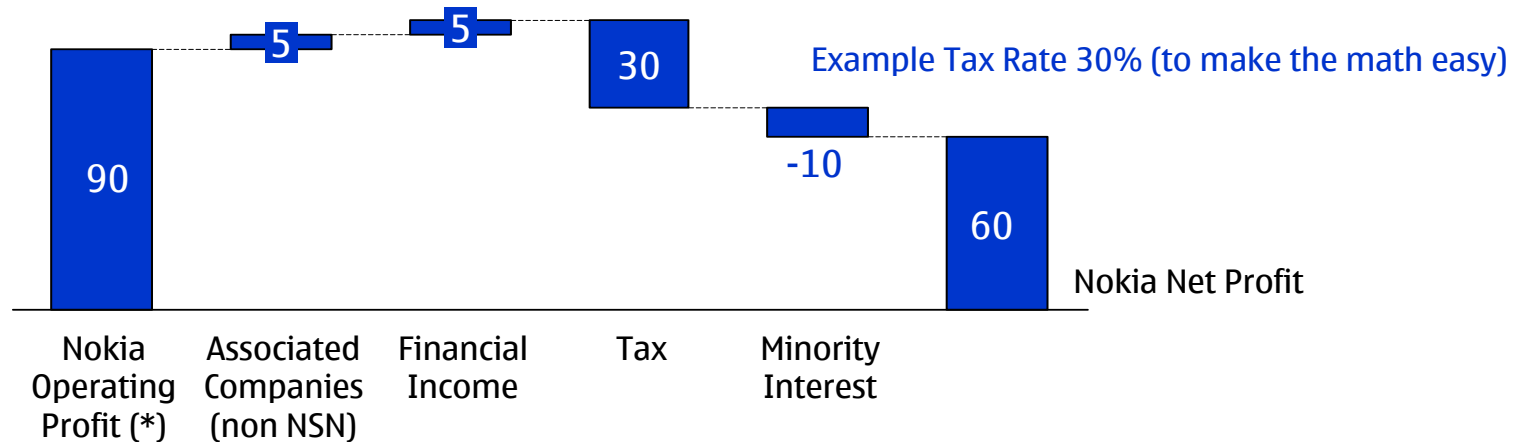
- CoS - EUR 14 million
- R&D - EUR 47 million
- S&M - EUR 11 million
- G&A - EUR 13 million

EUR 144 million of intangible asset amortization and other Purchase Price Accounting related items

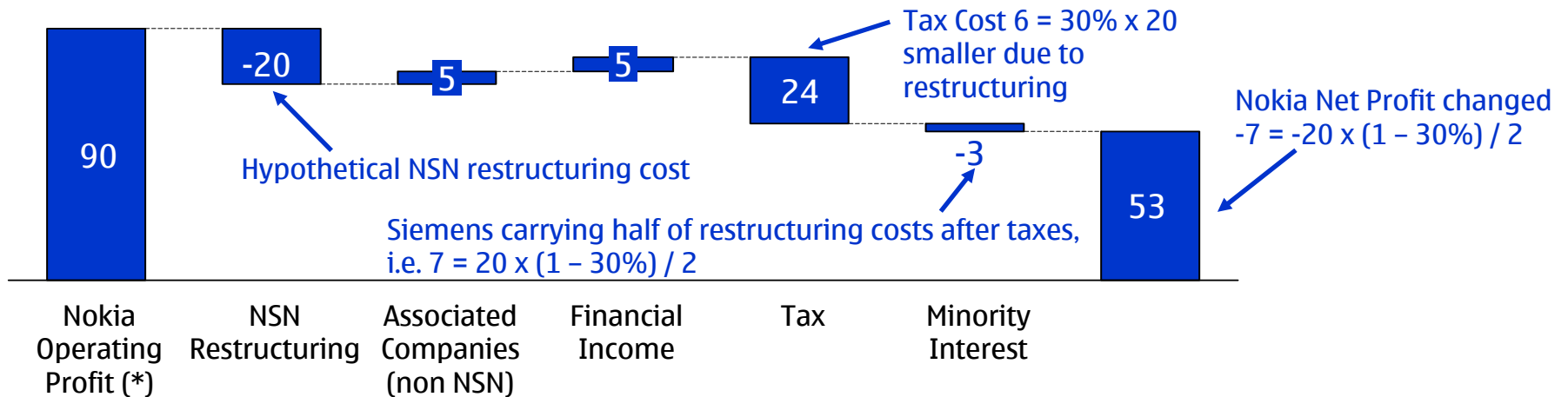
\* Reported figures

# Nokia Siemens Networks Accounting Mechanics

## Theoretical example with Nokia Profit Before Taxes of 100, excluding special items



## Theoretical example, reported including special items



Note (\*): Nokia Group Operating Profit excluding Special Items

# Nokia Capital Markets Day 2007

Nokia Capital Markets Day will be held on December 4th, 2007 at the RAI Conference Center in Amsterdam.

This year CMD will be held in one day, as opposed to two as we have done in the past. We are once again combining this year's CMD with Nokia World. At Nokia World you will be able to visit the extensive exhibition area, featuring demonstrations of our latest products and solutions. You will also have a chance to attend the Nokia World presentations and seminar streams on December 5th. (For more information on Nokia World, please visit: <http://www.nokia.com/nokiaworld>.)

## Nokia Capital Markets Day Agenda

Tuesday, December 4th, 2007

08:00-09:00 - Registration

09:00-11:00 - Nokia World Keynote Presentations

11:30-14:30 - Nokia Senior Management CMD Presentations

15:00-19:00 - CMD Break Out Sessions

20:00-22:00 - CMD Dinner with Executives

To REGISTER for Nokia CMD 2007, please visit our web page at:

<http://www.guestregistration.com/NOKIACMD>

Password (all caps): CMD07

*If you have problems/questions with registration, please contact: [nokiactd@intouch.dk](mailto:nokiactd@intouch.dk)*