

Conference Call

Fourth Quarter 2002 Financial Results

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January 23, 2003

15.00 Helsinki time / 08.00 New York time

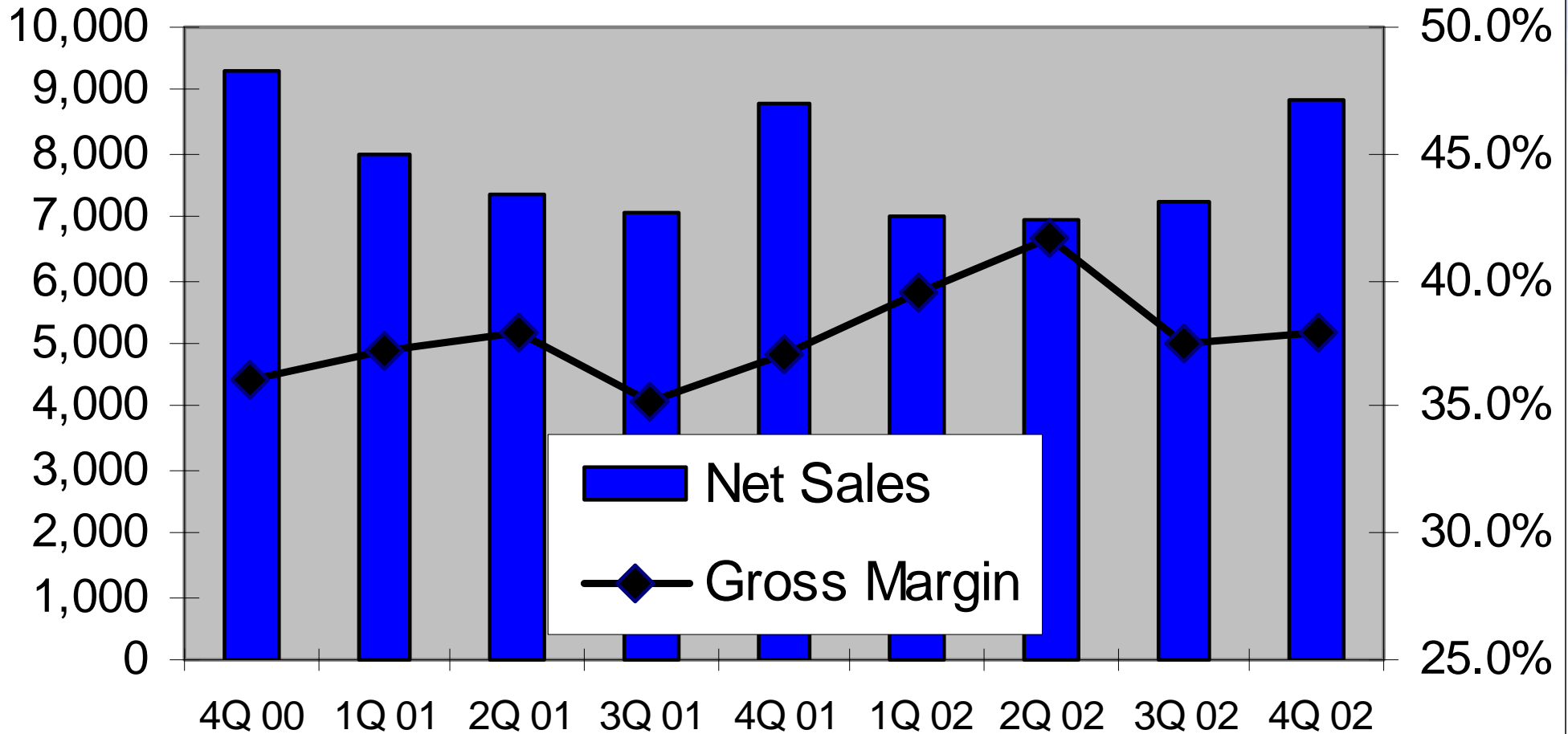
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During this call, we will be making various forward-looking statements regarding the future business and financial performance of Nokia and the mobile communications industry.

These statements are predictions that involve both risks and uncertainties, and actual results may vary materially. We refer you to pages 10 to 17 of Nokia's 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.

Strong Profitability for Nokia

Nokia Sales & Gross Margin Development



(Millions of Euro)

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Nokia - Key Figures

4Q 2002	PRO FORMA - IAS			REPORTED – IAS		
	4Q/2002	4Q/2001	Change (%)	4Q/2002	4Q/2001	Change (%)
EUR (million)						
Net sales	8 843	8 788	1	8 843	8 788	1
Nokia Mobile Phones	6 742	6 710	0	6 742	6 710	0
Nokia Networks	2 084	1 957	6	2 084	1 957	6
Nokia Ventures Organization	107	142	-25	107	142	-25
Operating Margin (%)	18.7	18.1		16.6	9.7	
Nokia Mobile Phones (%)	24.7	22.0		24.4	21.7	
Nokia Networks (%)	0.9	13.0		-3.9	-3.7	
Nokia Ventures Organization (%)	55.1	-42.8		--5.6	-262.6	
Net profit	1 247	1 153	8	1 046	450	132
EPS, EUR Diluted	0.26	0.24	8	0.22	0.09	144
Operating Cash Flow				1 333	2 671	

2002 Sales: 54% from Europe/Africa, 24% from APAC, and 22% Americas

2002 Top 10 Country Sales: US, UK, China, Germany, Italy, France, UAE, Thailand, Brazil and Poland



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Nokia 7650 – First GSM Imaging Device

- Demonstration of our ability to time the market with the most desirable and intriguing products
- Demonstration of the importance of end-to-end capability
- Subsequent introduction of Nokia 3650
 - First Nokia imaging phone available for Europe, APAC and Americas market
- Nokia 7650 feedback extremely positive
- Roughly 2 million units sold in 2H2002 alone



Nokia Mobile Phones Update

	<u>Q4 2002</u>	<u>Q3 2002</u>	<u>Q4 2001</u>	<u>2002</u>	<u>2001</u>
Unit Shipments*	46	37	41	152	140
Market Share	39%	36%	~39%	38%	37%

- In Q4, Nokia's delivery volumes grew by 24% sequentially vs. industry volume growth of 13%
- In Q4, strong volume growth for Nokia in Europe and Asia Pacific leading to substantial market share gains
 - Somewhat weaker development in the US
 - With over 30% market share Nokia continues to be the market leader

* Millions

Mobile Phones Industry Update

	<u>Q4 2002</u>	<u>Q3 2002</u>	<u>Q4 2001</u>	<u>2002</u>	<u>2001</u>
Units (sell-through)*	117	103	106	405	380
Subscribers*	1 125	1 071	930	1 125	930

- In Q4, strongest industry growth in Asia Pacific and Europe at around 15%
 - Only slight growth in Americas
- For the full year 2002, both Europe and Asia Pacific grew by approximately 8% while Americas grew by approximately 4%
- Global channel inventories generally at healthy levels – slight excess at the end of 2002

* Millions

Mobile Phones in 2003

- Global mobile phone market expected to grow by 10% or slightly more
- Nokia to continue to build on its fundamentally strong global position
 - Addressing challenges in CDMA, China and US
- Expect to grow our market share on a full year basis
- Continuous flow of new products from the nine new Nokia Mobile Phones' business units

Wireless Infrastructure Update

- Despite significant developments in terms of the introduction of mobile data services took place during 2002, the overall mobile infrastructure spending continued to wane
 - Restrictions in network capital investments in preference to short term cash flow
- Overall wireless infrastructure market contracted by 20% in 2002
 - Nokia's addressable market declined by approximately 15%
- Slight growth in Nokia global market share in 2002
 - Major market share gains in the Americas

Nokia Networks Update

- Nokia has well over 40 MMS customers
- The first Nokia-delivered WCDMA networks launched in Japan
 - Supported by the first Nokia WCDMA 3G phone (Nokia 6650)
 - Continued commercial launches in 1H2003
- WCDMA revenue recognition
 - Q3 2002: EUR 430 million for single mode
 - Q4 2002: EUR 370 million for dual mode (ongoing single-mode additional)
 - Dual mode WCDMA revenue will be booked on an ongoing basis starting in Q1 2003
- Customer financing end of 2002 was EUR 2.0 billion (down from EUR 4.2 billion in 2001):
 - Outstanding on balance sheet: EUR 1.1 billion
 - Outstanding off balance sheet: EUR 90 million
 - Additional un-drawn commitments: EUR 860 million

Balance Sheet and Cash Flow

- EUR 1 billion released from working capital in 2002
 - Improved rotation of Accounts Receivables
 - Improved rotation of Inventories
- Capital Expenditure in 2002: EUR 432 million (EUR 1 billion in 2001)
 - Expected to remain on the same level in 2003
- EUR 3.1 billion spent on R&D – slightly over 10% of net sales
 - Approximately 8% of net sales in Nokia Mobile Phones
 - Approximately 15% of net sales in Nokia Networks
 - R&D investments went up in absolute terms in 2002
 - Close to 20,000 people – 38% of total personnel - in R&D
- 2002 R&D capitalization net impact: EUR 179 million
- 2002 net operating cash flow: EUR 5.8 billion
- 2002 net cash position: EUR 8.8 billion [gearing: -61%]

Board of Directors Proposals

AGM March 27, 2003

- Proposed 2002 dividend of 28 Euro cents per share
- Share buy back program

Guidance for Q1-2003

- Nokia Mobile Phone sales expected to grow 0-9% year-on-year
- Nokia total company sales expected to grow slightly less than Mobile Phones
- Pro forma EPS is expected to be between .15 to .19 Euro (diluted)

- 'Share of Associated Companies' same level as Q4 2002
- 'Financial Income' same level as Q4 2002
- 'Minority Interests' same level as Q4 2002
- Tax rate on earnings of approx. 30%

Guidance for FY 2003

- Mobile Phone market expected to grow 10% or slightly more
 - Nokia continues to increase market share
- Expect ASP to have bottomed out during Q402 and Q103 a
 - Expected to gradually trend up during the balance of 2003
- Infrastructure business not expected to improve markedly in 2003
 - Nokia accessible market to decrease by 5-10%
- Good profitability together with low capital requirements expected to generate robust positive cash flow

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