



Conference Call

Fourth Quarter 2003 Financial Results

Jorma Ollila
Chairman and CEO

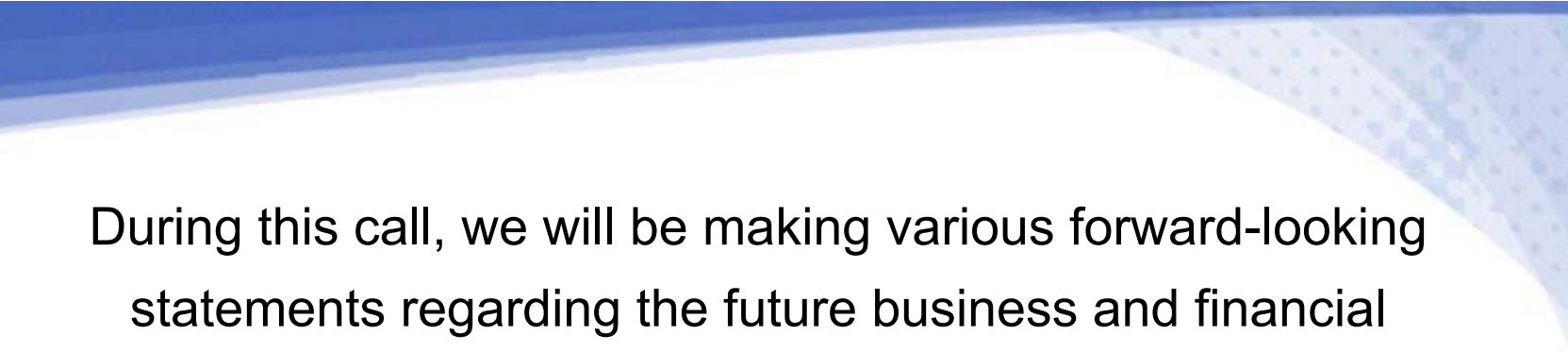
Rick Simonson
Senior Vice President and CFO

Ulla James
Vice President, Investor Relations

January 22, 2004
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 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

2003 RESULTS	PRO FORMA - IAS			REPORTED - IAS		
EUR (million)	2003	2002	% Chg	2003	2002	% Chg
Net sales	29 455	30 016	-2%	29 455	30 016	-2%
Nokia Mobile Phones	23 618	23 211	2%	23 618	23 211	2%
Nokia Networks	5 620	6 539	-14%	5 620	6 539	-14%
Nokia Ventures Organization	366	459	-20%	366	459	-20%
Operating margin (%)	17.3	18.1		17.0	15.9	
Nokia Mobile Phones (%)	23.6	22.8		23.2	22.4	
Nokia Networks (%)	-4.2	6.4		-3.9	-0.7	
Nokia Ventures Organization (%)	-43.4	-12.9		-44.0	-30.7	
Net profit	3 742	3 948	-5%	3 592	3 381	6%
EPS, EUR Diluted	0.79	0.82	-5%	0.75	0.71	6%
Operating Cash Flow				5 239	5 814	-10%

2003 Sales: 57% EMEA, 22% APAC, 21% Americas

At Constant Currency (YoY): Group +7%, Mobile Phones +12%, Networks -9%

Nokia - Key Figures

4Q 2003 RESULTS	PRO FORMA - IAS			REPORTED - IAS		
EUR (million)	4Q 2003	4Q 2002	% Chg	4Q 2003	4Q 2002	% Chg
Net sales	8 789	8 843	-1%	8 789	8 843	-1%
Nokia Mobile Phones	7 009	6 742	4%	7 009	6 742	4%
Nokia Networks	1 706	2 084	-18%	1 706	2 084	-18%
Nokia Ventures Organization	108	107	1%	108	107	1%
Operating margin (%)	21.1	18.7		19.0	16.6	
Nokia Mobile Phones (%)	24.7	24.7		24.4	24.4	
Nokia Networks (%)	12.1	0.9		2.4	-3.9	
Nokia Ventures Organization (%)	-33.3	55.1		-34.3	-5.6	
Net profit	1 357	1 247	9%	1 168	1 046	12%
EPS, EUR Diluted	0.29	0.26	12%	0.25	0.22	14%
Operating Cash Flow				1 280	1 333	-4%

4Q 2003 Sales: 57% EMEA, 19% APAC, 24% Americas

At Constant Currency (YoY): Group +8%, Mobile Phones +15%, Networks -12%

Market Overview

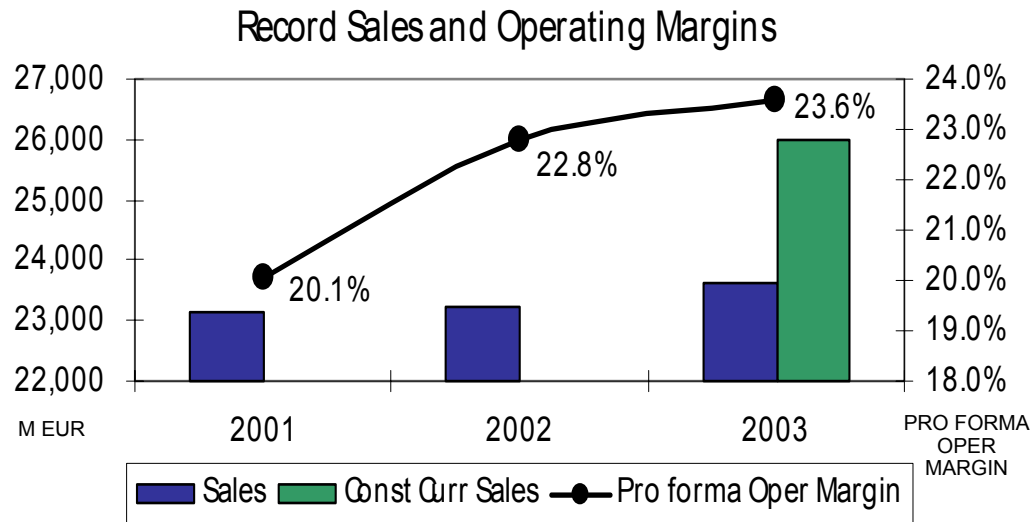
Mobile Phone Market

- 2003 - Record industry volume of 471 million units, 16% growth
- Subscriber base exceeded 1.3 billion at year end
- 4Q 2003 – industry volume of 145 million units, 23% YoY growth
- Healthy industry inventory situation
- 2004 – industry volumes expected to grow somewhat over 10%

Infrastructure Market

- Infrastructure market showed signs of stabilization towards year-end
- 2003 – infrastructure market contracted by just over 15% in EUR terms
 - in USD terms – infrastructure market was flat
- 2004 – infrastructure market expected to be flat or slightly positive in EUR terms

Nokia Mobile Phones 2003



- Mobile Phones delivered:
 - Record volumes
 - Record sales
 - Record profits
- Constant currency sales growth ~12%



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Nokia Mobile Phones and Industry Update

Millions	1Q 2002	2Q 2002	3Q 2002	4Q 2002	2002	1Q 2003	2Q 2003	3Q 2003	4Q 2003	2003
Market										
Units (sell-thru)	89	95	103	117	405	100	105	121	145	471
Subscribers	948	988	1 046	1 103	1 103	1 154	1 199	1 262	1 316	1 316
Nokia										
Unit Shipments	33	36	37	46	152	38	41	45	55	179
Market Share	37%	38%	36%	39%	38%	38%	39%	38%	38%	38%

- Nokia delivered a record number of phones (179.3 million) in 2003
- Nokia's 18% growth in 2003 was slightly faster than the market
- Nokia's market share solid 38%
- In 4Q 2003, global handset market volume (sell-through) grew YoY ~23% to an estimated 145 million units
- In 4Q 2003, market volume grew QoQ ~20% from 121 million units
- Global handset market estimated to have grown 16% during 2003

Mobile Phone Market Update

4Q 2003 By Region (YoY)

- Strong in all regions – global growth of ~23%
- EMEA grew slightly faster than the market at ~26%
- Americas and APAC grew slightly slower than the market at ~22%



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FY 2003 By Region (YoY)

- Global growth of ~16%
- EMEA grew fastest at ~20%
- APAC grew at ~15%
- Americas grew at ~13%

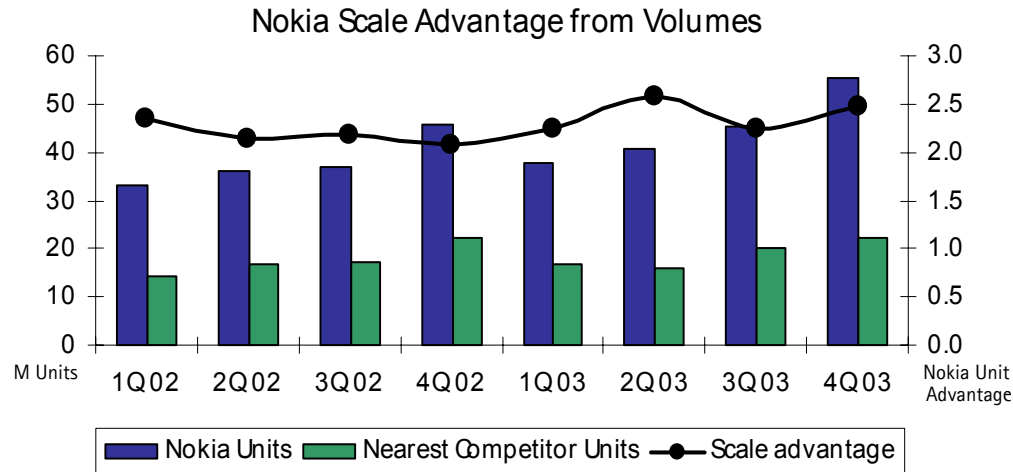
By Technology (2003 YoY)

- GSM grew fastest at ~21%
- CDMA grew at ~17%
- PDC grew by ~15%
- TDMA declined by ~26%

Channel Inventory

- Robust industry demand has resulted in very healthy levels of channel inventories at year-end

Sequential Volume Development



- Mobile phone industry volume estimates are just that – estimates
- Important measures are
 - Long-term market share trends
 - Sequential volume development and the resulting gap between Nokia and its competitors
 - The gap widest since 1998 when Nokia became global #1
 - Nokia's 4Q 2003 volumes were ~2.5 times its nearest competitor

Mobile Phone Growth and Drivers

4Q 2003

- Nokia delivered a record 55.3 million phones
- Sequential volume increase of 10 million units or ~22% growth
- Positive ASP development (+2% sequentially) driven by
 - Shift to color and more feature rich devices
 - Newness of product portfolio
 - Nokia 6100 was #1 product in terms of value
 - Color was half of volume and well over 60% of value

2003

- Drivers of Mobile Phone sales
 - Growing importance of emerging markets
 - Consumer uptake of more feature rich devices (color and camera)
- Achieved three strategic goals
 - #1 in United States
 - #1 in GSM in China
 - Significant share gains in CDMA



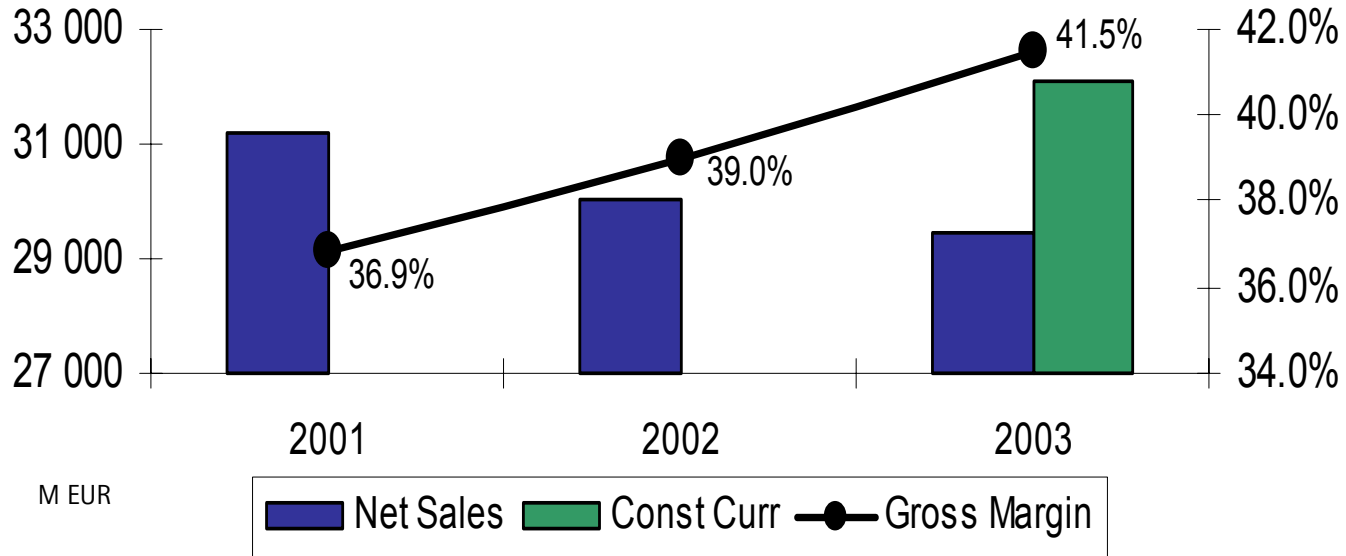
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Weak USD Dampened NMP Revenue Growth

- Profitability continued strong

- Weak USD severely muted otherwise healthy revenue growth of 12% to reported growth of 2%
- 2003 reported ASP decline was 14%
 - On constant currency decline was only 5%
 - At constant currency 2003 ASP decline less than in 2002
- Annual gross margins at the Group level and at Mobile Phones exceeded 40% for 2003
 - Record Pro forma margins of Nokia Mobile Phones despite spending of ~9% on both marketing and R&D

Nokia Group Sales and Gross Margin Development



Nokia Networks Update

- Nokia Networks 4Q 2003 sales of EUR 1.7 billion
 - Down by 18% year-on-year - down by 12% at constant currency
 - Declined in all geographical regions
 - Sales would have been almost flat without EUR 370 million 3G/WCDMA dual mode revenue recognized in 4Q 2002 (related to work carried out over a period of the preceding 12 months)
- Nokia Networks performance in 4Q 2003 clearly exceeded our expectations
 - Sales were higher than estimated in all geographical regions
 - China and the United States in particular
 - Exceptional operating margins of 12.1% were driven by
 - High seasonal sales
 - Favorable product mix – higher software content
 - Improved 3G/WCDMA profitability

Update on Finances

- 2003 CAPEX was EUR 432 million – same as 2002
 - Going forward no dramatic changes to CAPEX from current levels
- Customer financing balances declined during 2003

	<u>2003</u>	<u>2002</u>
Outstanding long-term customer loans	354	1,056
Guarantees on behalf of customers	33	91
Financing commitments	<u>490</u>	<u>857</u>
Total	877	2,004

- Capitalized R&D has been reduced to EUR 537 million from EUR 1.1 billion
- Goodwill has been reduced to EUR 186 million from ~EUR 500 million

Update on Finances

- Net operating cash flow for 2003 was EUR 5.2 billion
- Overall cash position increased to EUR 11.3 billion from EUR 9.4 billion
- Paid EUR 1.4 billion in dividends (28 Euro cents per share)
- Spent EUR 1.4 billion on share buybacks
- Net debt-to-equity ratio – gearing – reached new record level of –71%
- Board proposes a dividend of 30 Euro cents per share for 2004
- Board proposes to continue share buyback program

Guidance for 1Q 2004

- Nokia net sales to grow between 3 to 7%
- Diluted reported EPS is estimated to range between 17 and 19 Euro cents
- Nokia will discontinue the use of “pro forma” earnings and give guidance and commentary only on “reported” earnings
- Clarifications to 1Q 2004 EPS guidance for reconciliation purposes
 - Impact of goodwill one Euro cent
 - 1Q 2003 Reported EPS of 20 Euro cents included gain of 4 Euro cents
 - Sale of Nokia Tyres
 - MobilCom impairment adjustments
- Good underlying profit development with current guidance

Guidance for 1Q 2004

- Preliminary guidance on Nokia's new reporting structure was given at Nokia's Capital Market Days

Business Group	% of Sales	Gross Margins	Operating Margins
Mobile Phones	~65%	Similar to former Mobile Phones	Slightly higher than former Mobile Phones
Multimedia	Slightly above 10%	Similar to former Mobile Phones	Break-even by end of 2004
Networks	Slightly below 20%	Slightly below Group	Slight operating profit
Enterprise Solutions	~5%	Higher than former Mobile Phones	Break-even during 2005

- Momentum of handset industry expected to continue also in 1Q 2004
- Industry volumes estimated to grow somewhat over 20% YoY (11% in 1Q02)
- Nokia to grow faster than the market



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