



Capital Markets Day 2007

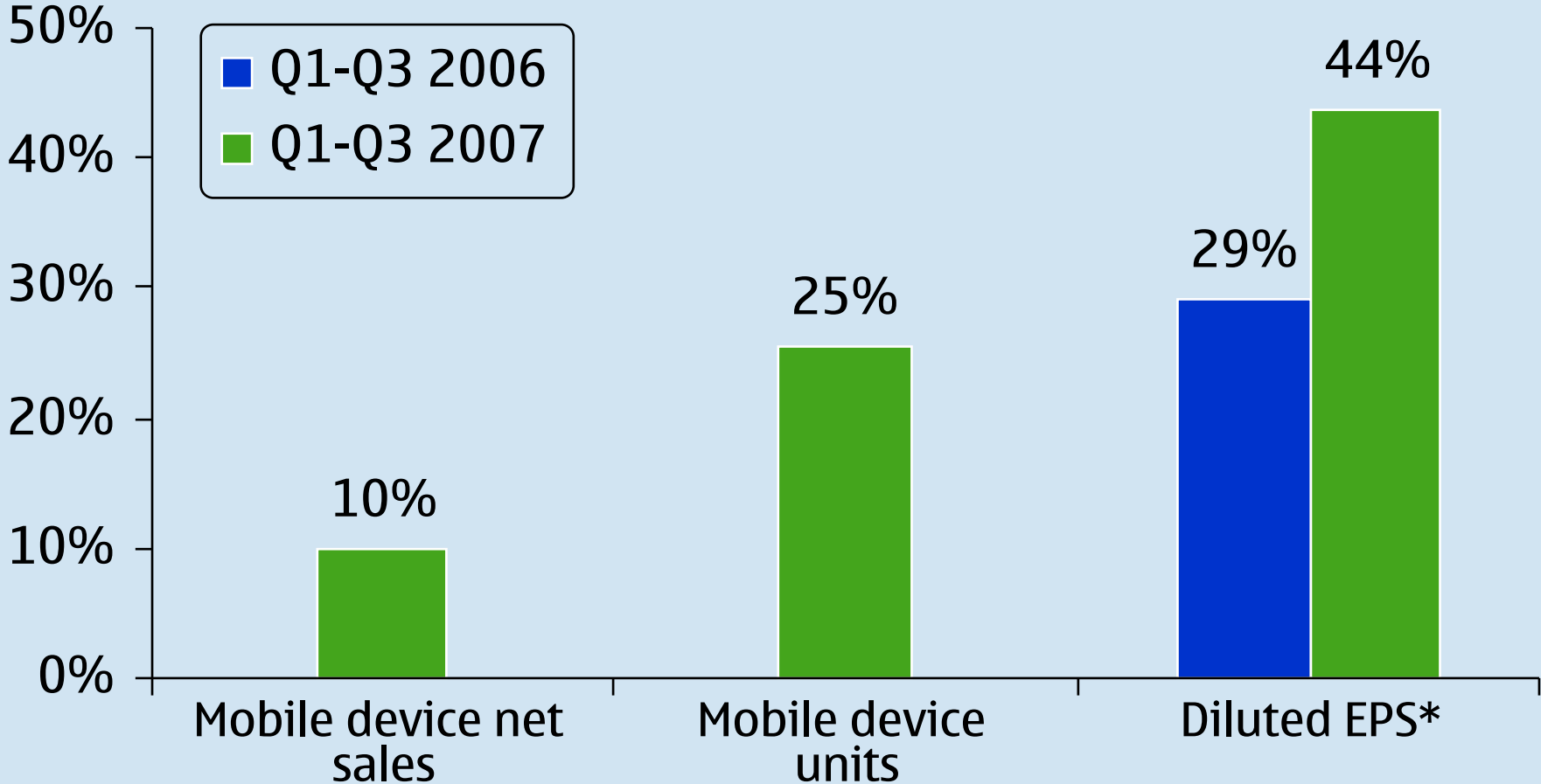
NOKIA

Rick Simonson
Chief Financial Officer

Revenue growth – and strong margins

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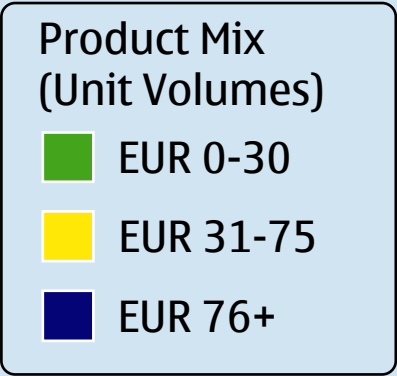
EPS growth outpacing sales and volume growth



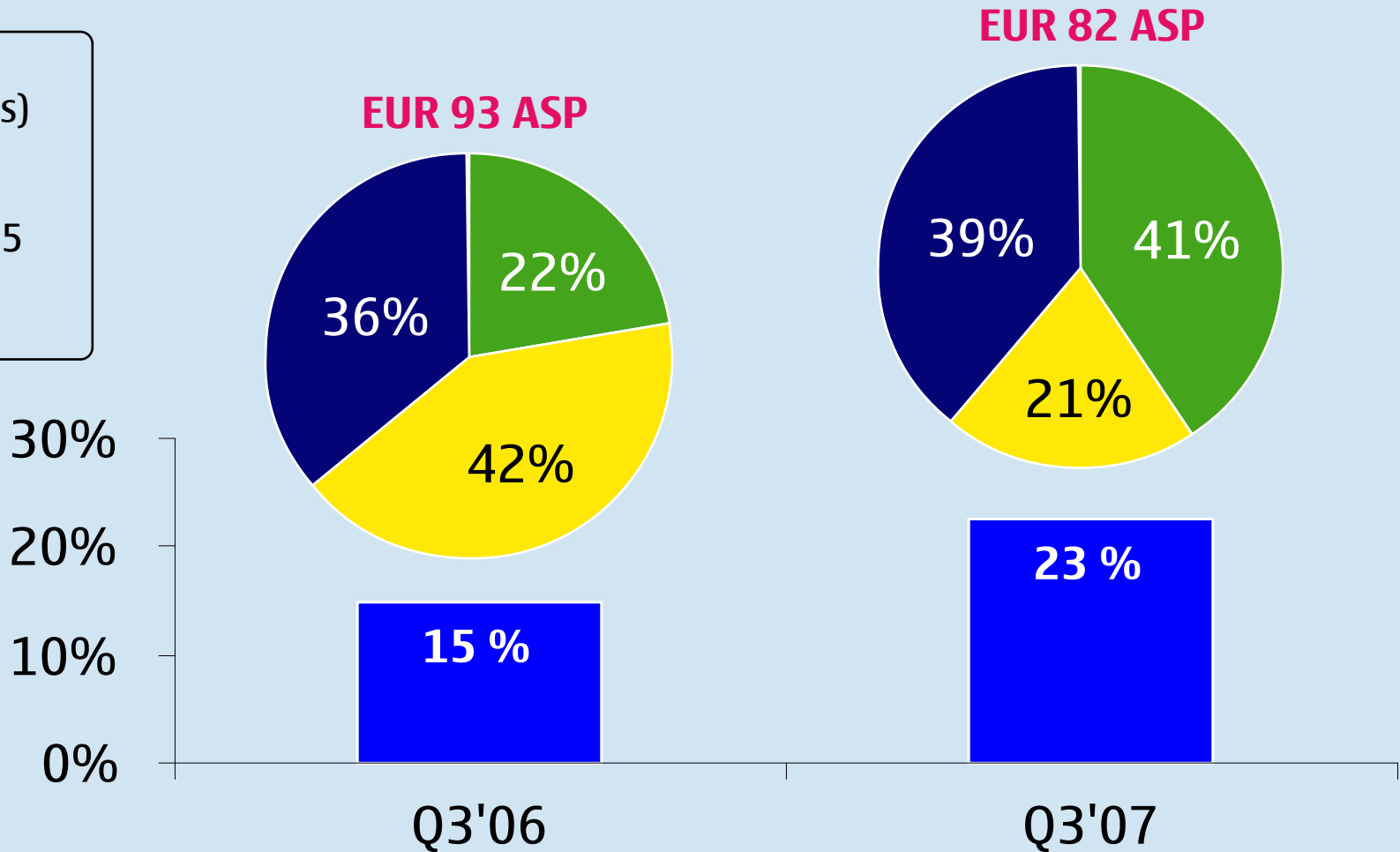
* Excludes special items and purchase price accounting related items



Making money in **all** device segments – In Nokia's case, don't equate **low-end** with poor profitability



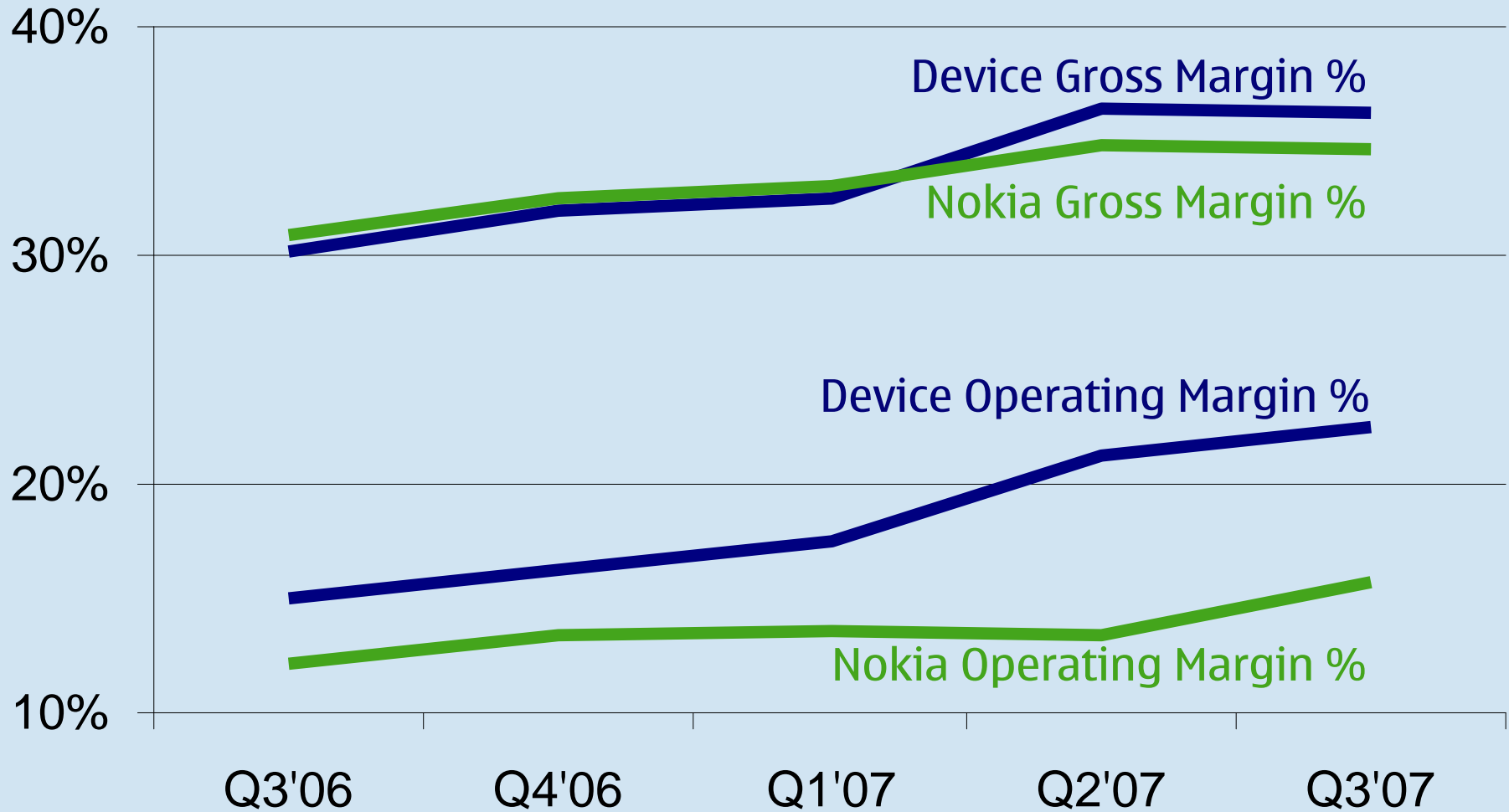
**Total
 Device
 Operating
 Margins***



* Excludes special items



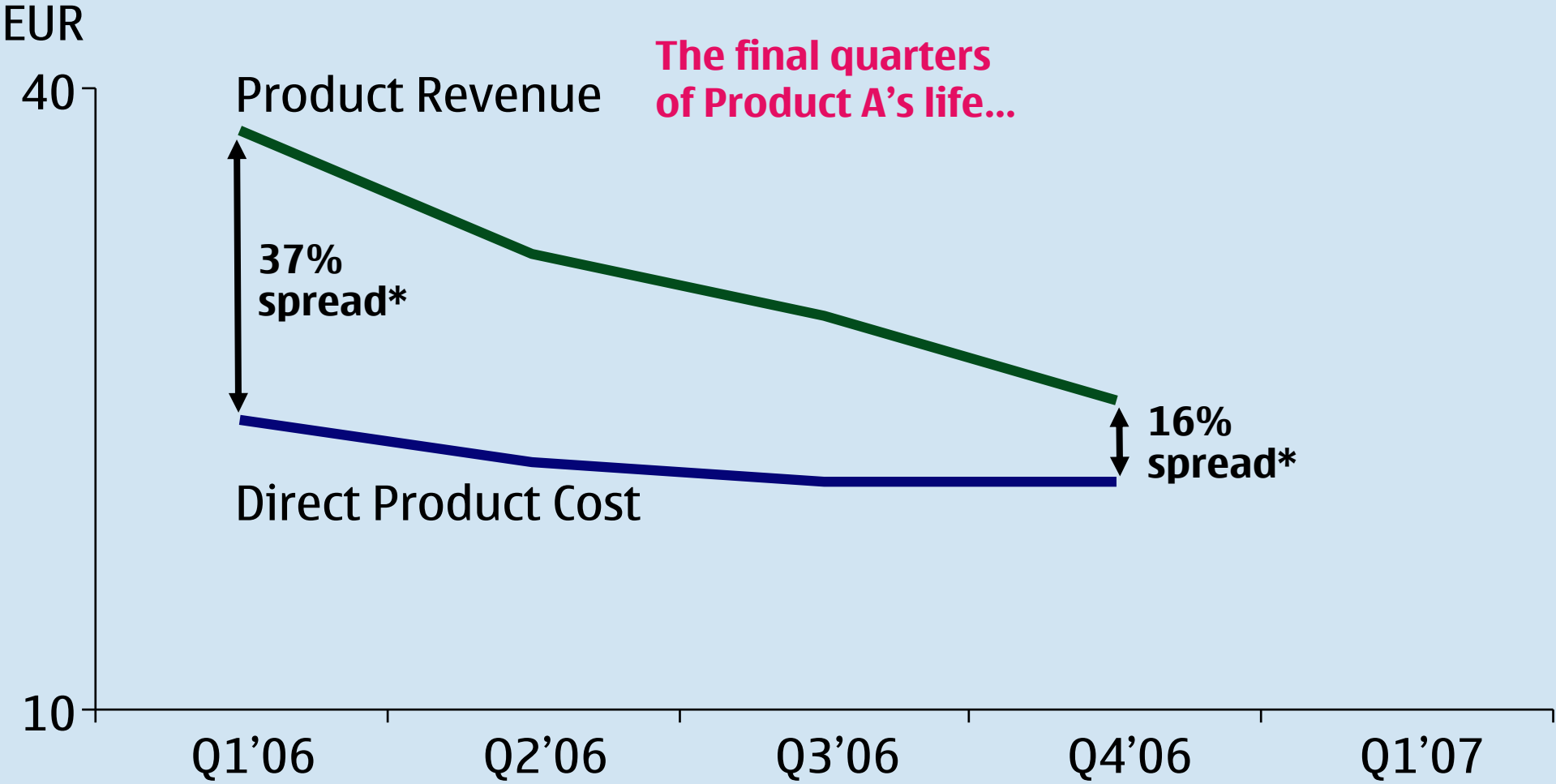
Margin improvement



Excludes special items and purchase price accounting related items

Active portfolio management

Actual product refresh example

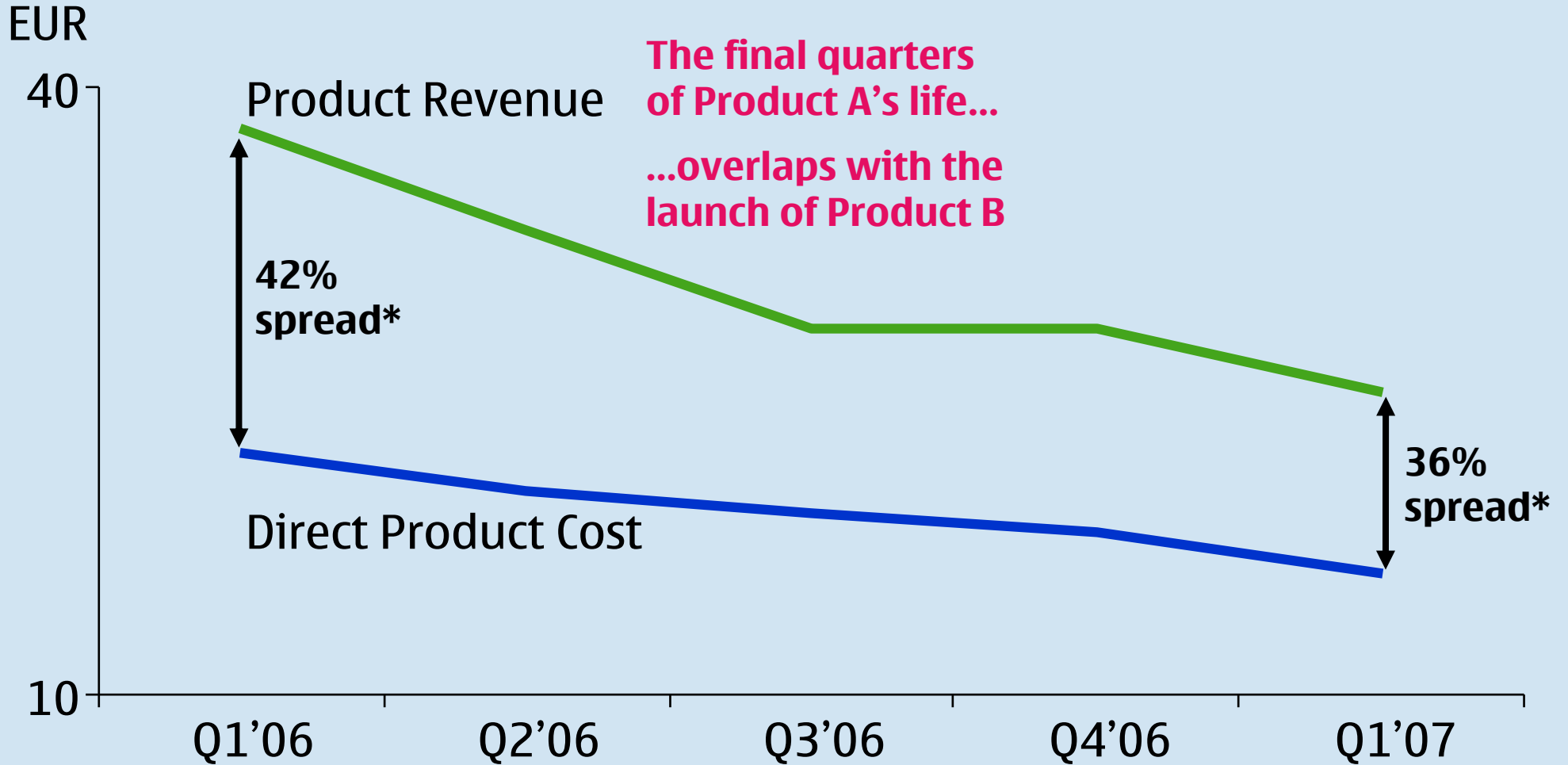


* Not equivalent to gross margins



Active portfolio management

Actual product refresh example



* Not equivalent to gross margins

Mobile Phones gross margins

Gross Margin

35%

30%

25%



Nokia 1100



Nokia 1600



Nokia 5200/5300 XpressMusic



Nokia 6300



Nokia 7373



Nokia 8600 Luna



Nokia 7900



Nokia 6500 Slide



Nokia 6500 Classic



Nokia 2630 Barracuda



Nokia 5310



Nokia 1200



Nokia 1208

Q3'06

Q4'06

Q1'07

Q2'07

Q3'07

4Q'07



Multimedia gross margins

Gross Margin

45%

40%

35%

Q3'06

Q4'06

Q1'07

Q2'07

Q3'07

4Q'07



Nokia N70/N73
Music Editions;
Nokia N91 8GB



Nokia N95



Nokia N95
8GB



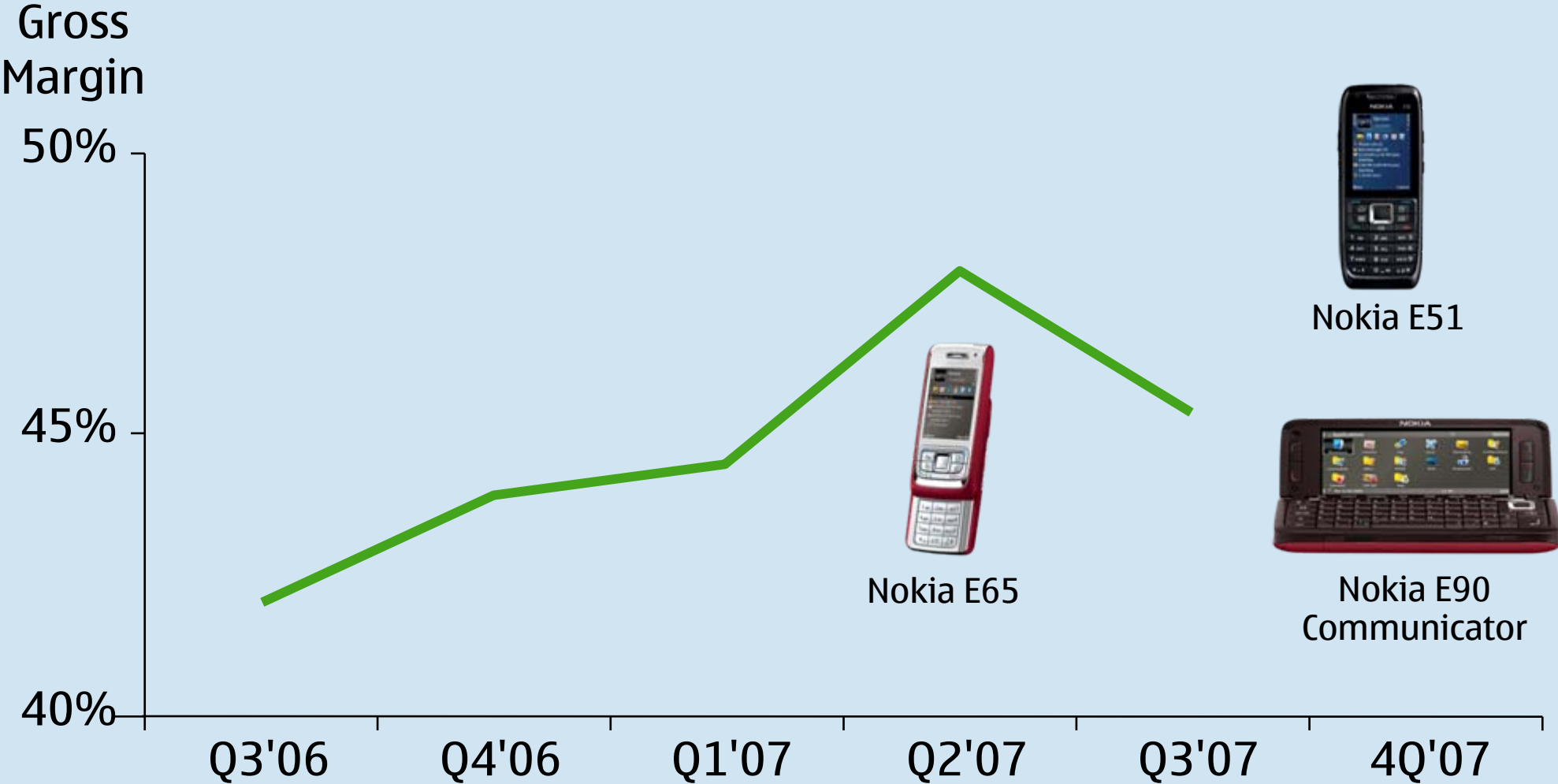
Nokia N81



Nokia N810



Enterprise Solutions gross margins



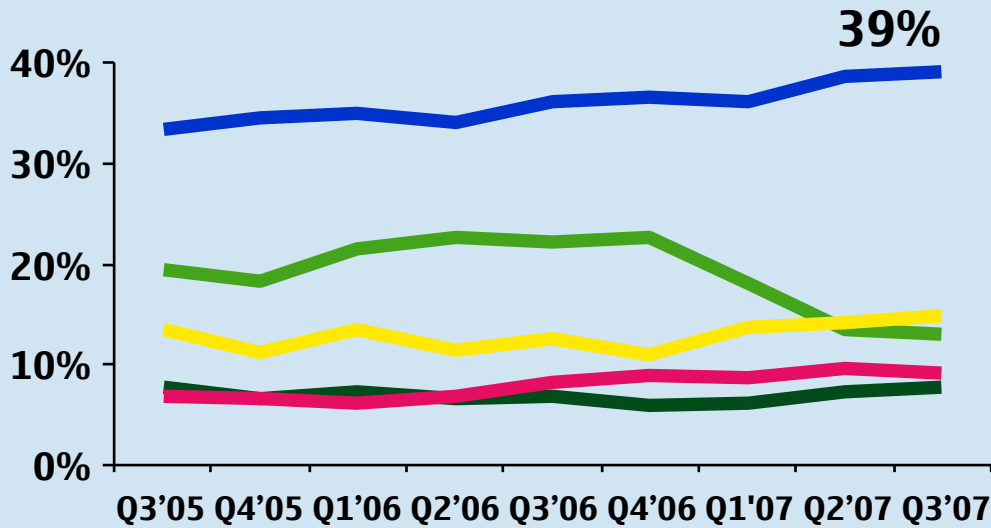
Sustainable core virtues

- **Scale:** 39% market share in Q3'07 vs. #2 at 15%
- **Brand:** #5 worldwide and #1 in Asia
- **Quality:** Low failure rates and warranty costs
- **Manufacturing and logistics:** Leading the Fortune Global 500
- **Distribution:** Substantial lead in China, India, and MEA
- **IPR:** #1 share of WCDMA essential patents

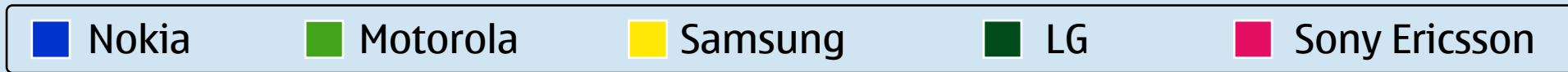
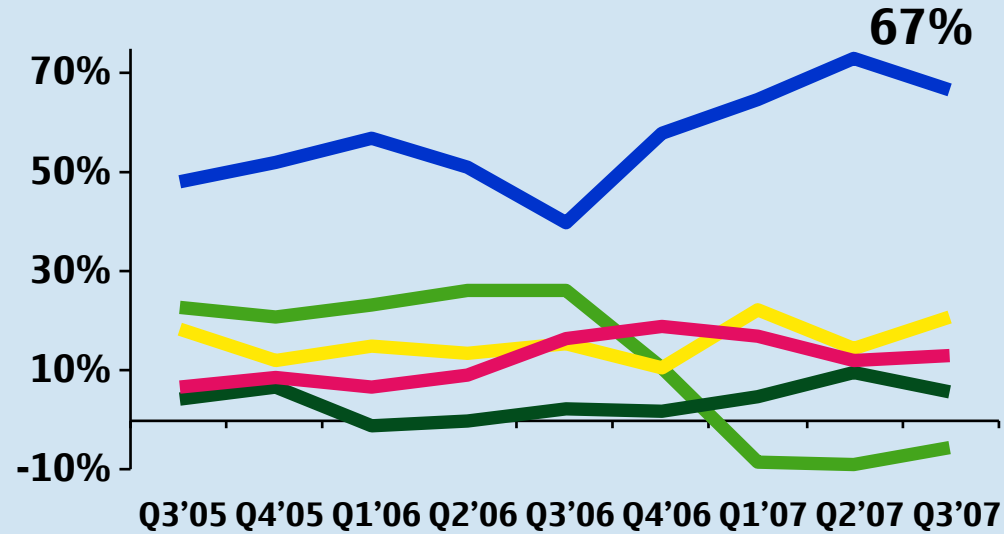
Sources: Nokia estimates; Interbrand; AMR Research; Fairfield Resources International

Core virtue – Scale

Estimated Handset Market Share



Percent of Top 5 Profits



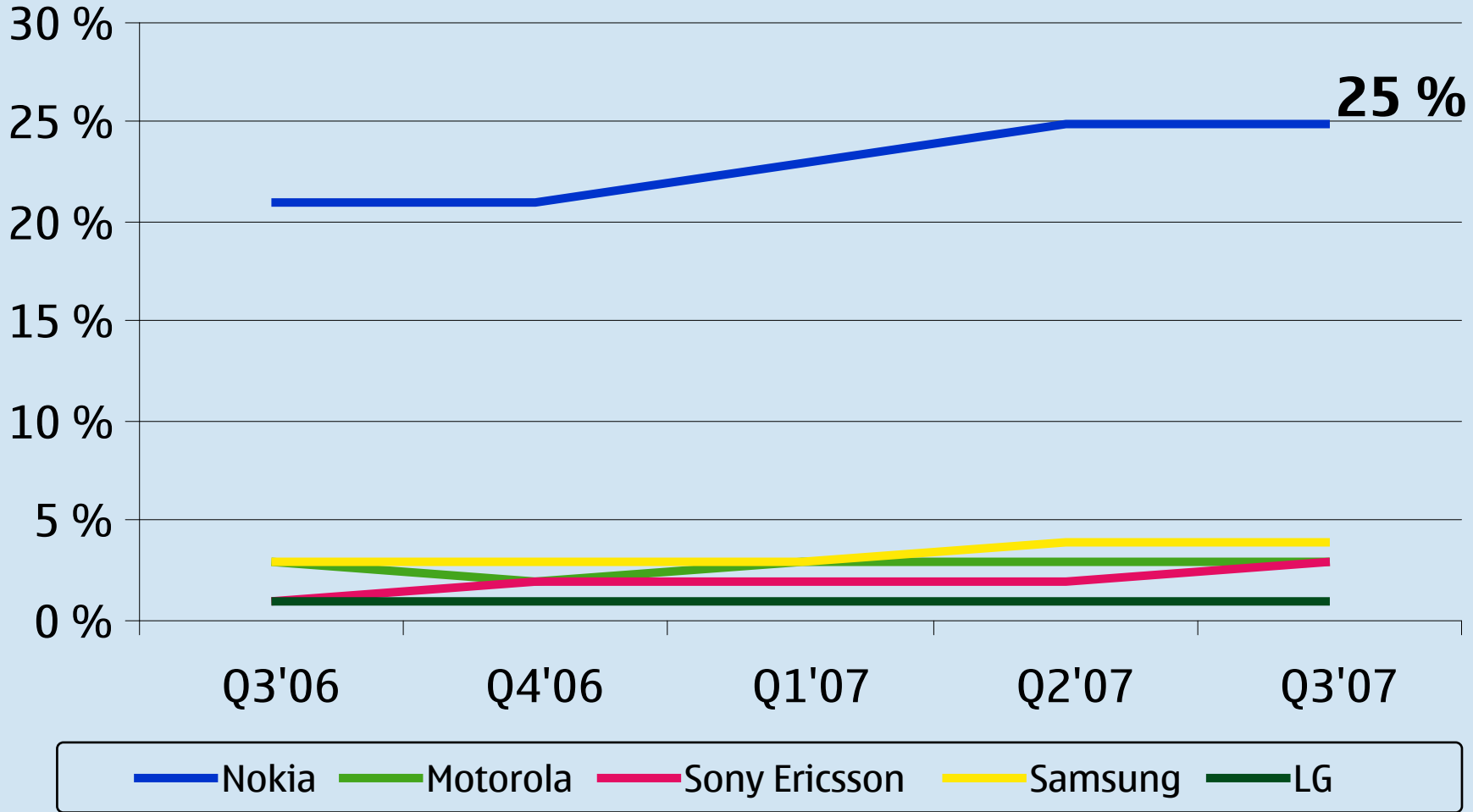
Our scale
 +
 geographic diversity
 +
 broad product portfolio
 =

Tough for others to win by
 just focusing on a particular
 geography or product segment

Source: company reports

Core virtue – Brand

Strength of preference – “will only buy this brand”

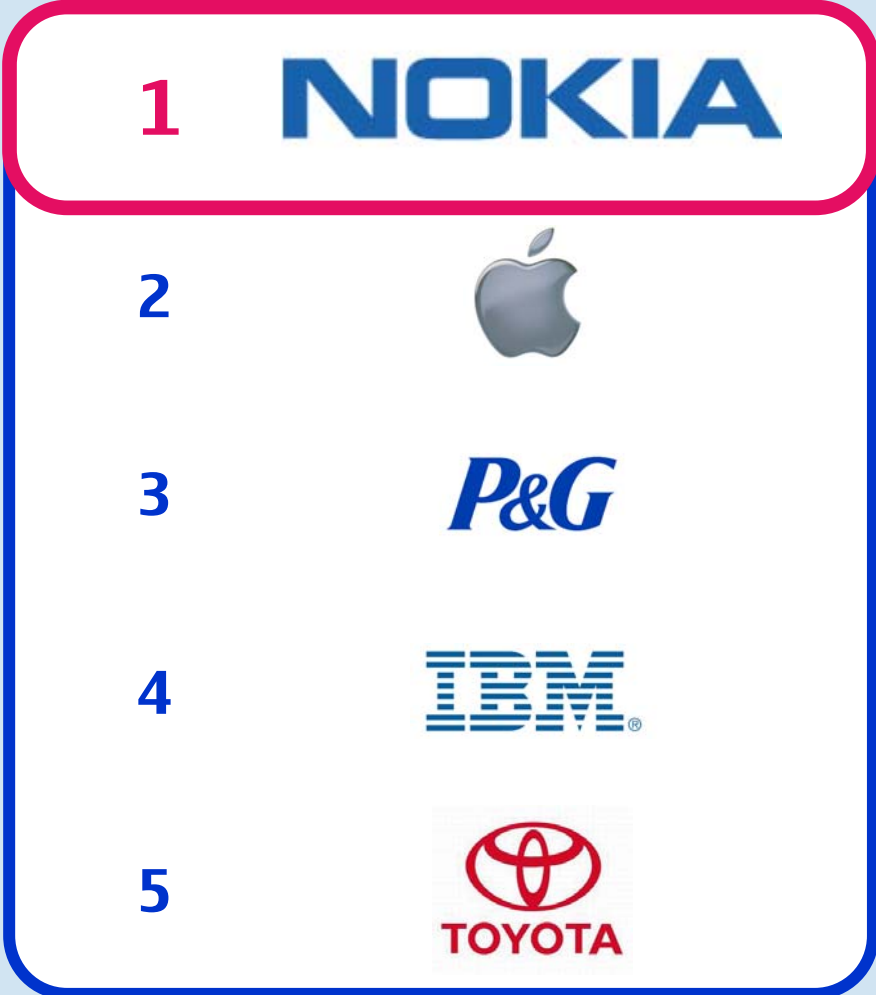


Source: Nokia Brand Study, Q3 2007



Core virtue – Supply Chain

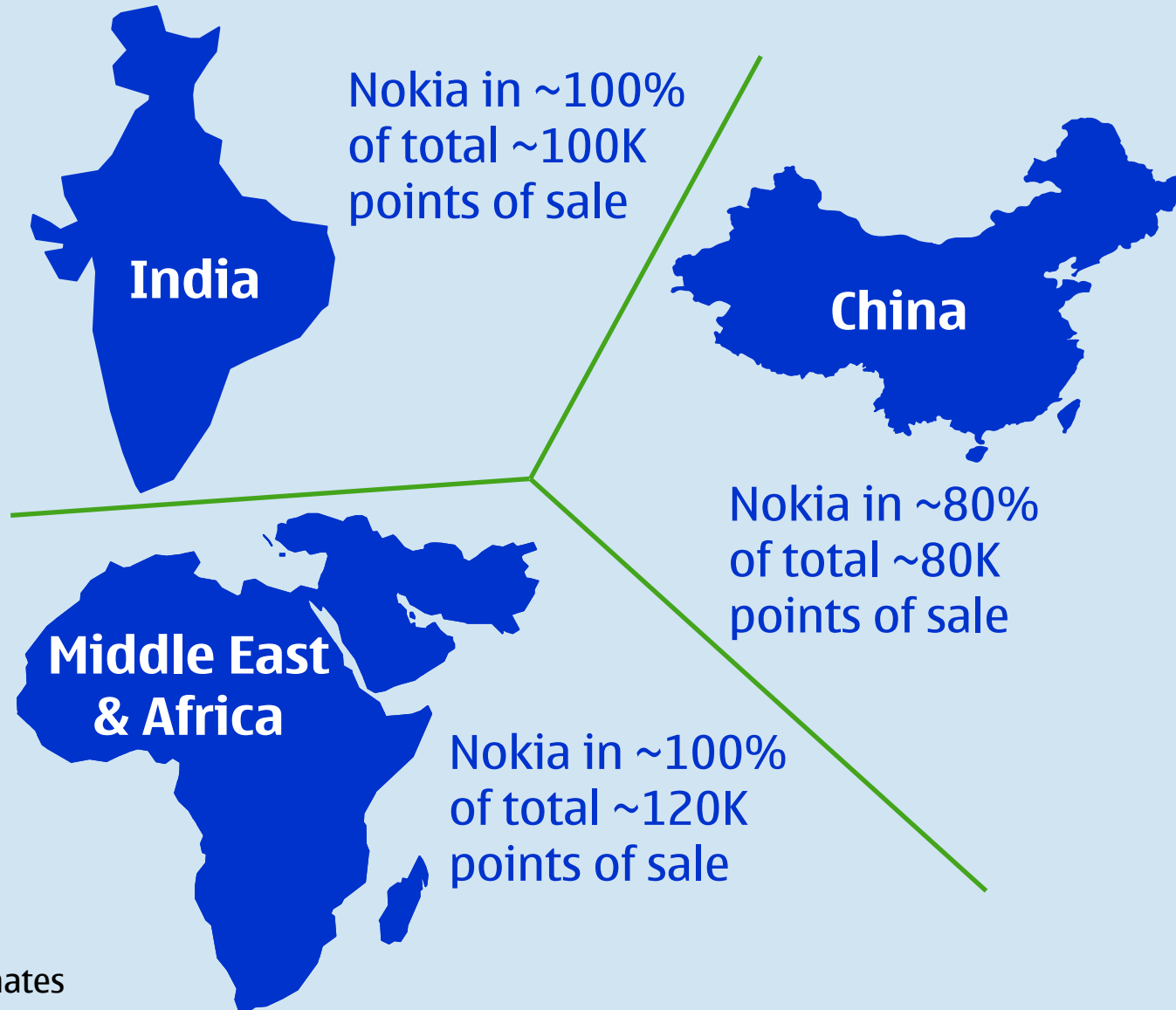
#1 out of Fortune Global 500



Source: AMR Research, 2007



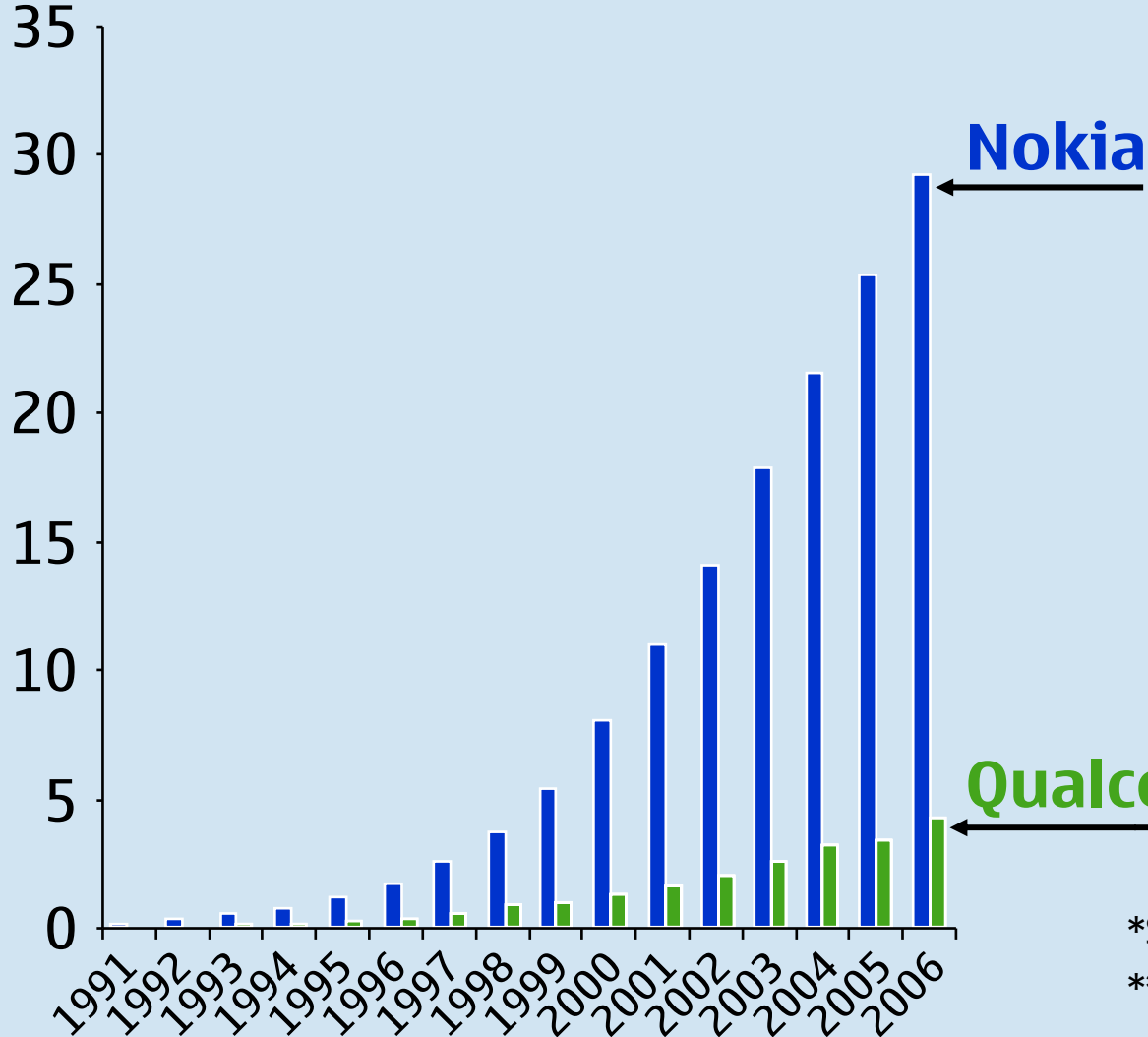
Core virtue – Distribution



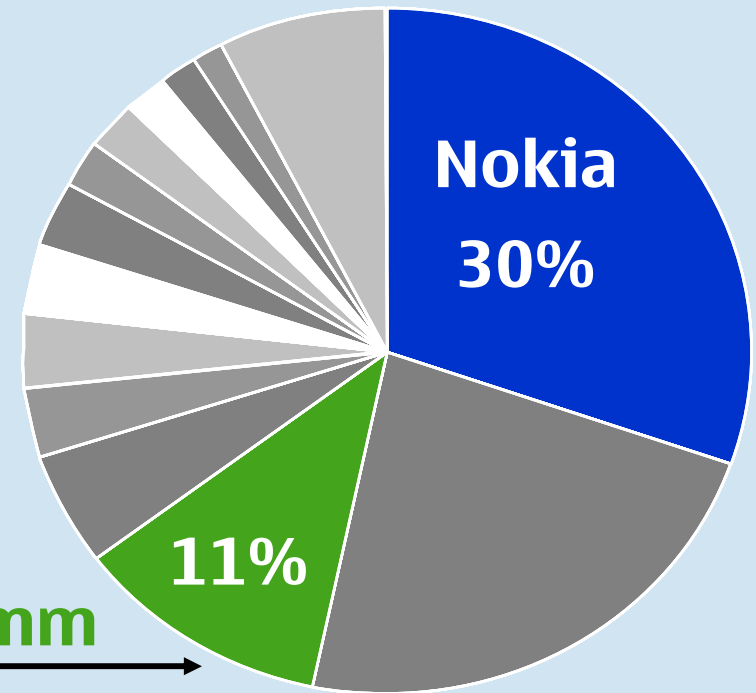
Source: Nokia estimates

Core virtue – IPR

Cumulative R&D* (EUR billions)



WCDMA essential patents**



*Source: company reports

**Source: Fairfield Resources International, 2007

Market share gain in 2008?

Combination of #1 - #3 could yield 1%+ share gain*

#1: Mathematical benefit – Nokia’s > 50% entry-level share in Q3’07*

Assumption: Entry level devices grow approximately 2x faster than the overall market in 2008

#2: Mathematical benefit – Nokia’s ~50% converged devices share in Q3’07*

Assumption: Converged devices grow approximately 3x faster than the overall market in 2008

#3: Mathematical benefit – Nokia’s ~50% GSM, ~35% WCDMA, & ~5% CDMA share in Q3’07*

Assumption: GSM/WCDMA grows significantly faster than CDMA in 2008

* Nokia estimates

Internet services

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Reinvesting in the business for **growth**

Media Sharing

twango)))

Email and Device Management

intellisync™
mobility unlimited.™

Digital Music Platform

loudeye® 

Location Based Services

NAVTEQ™ *

Mobile Advertising

enpocket

Navigation and Mapping

gatena®

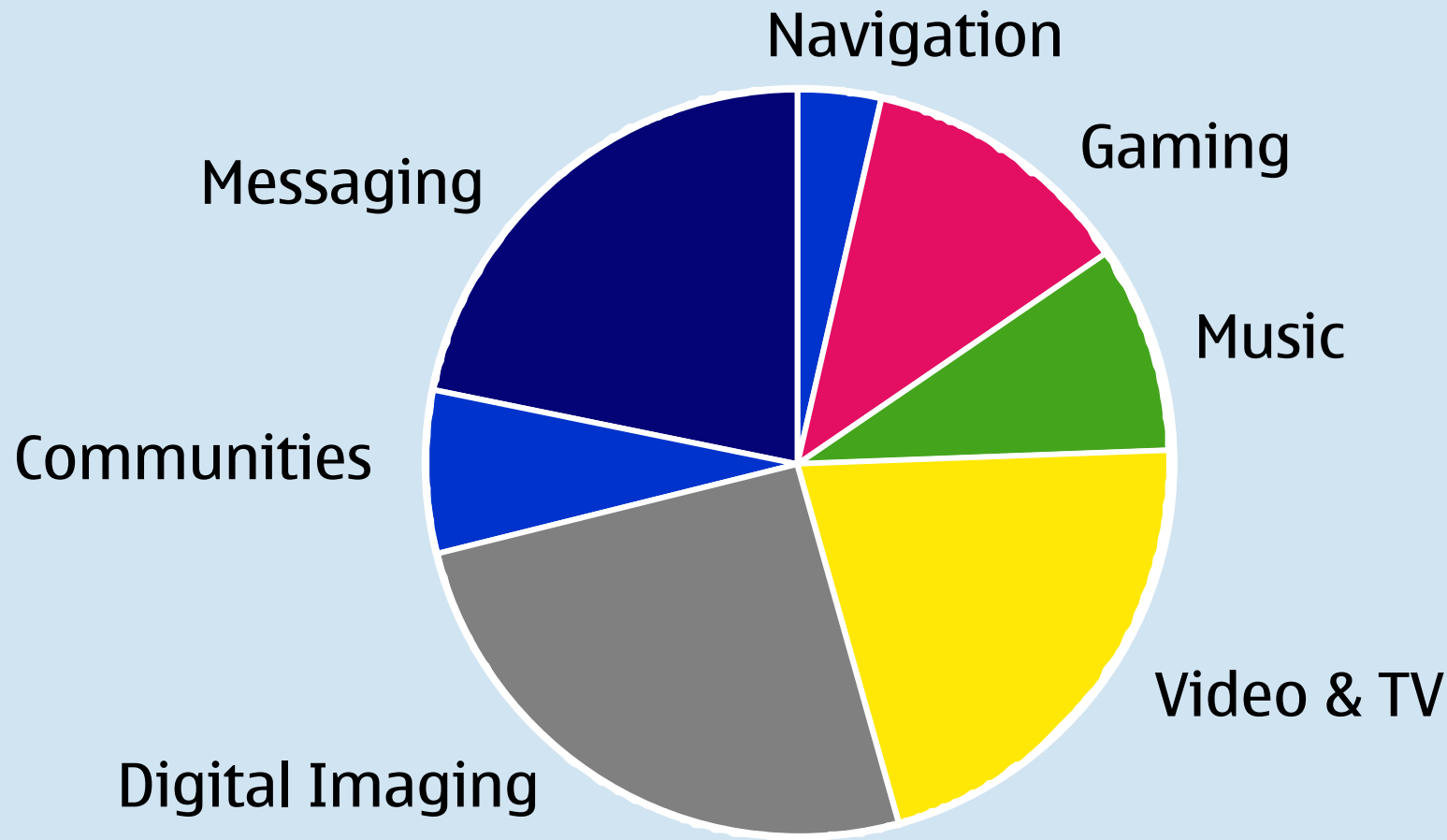
Mobile Gaming

n-GAGE
by Nokia

* NAVTEQ acquisition pending

Internet Services – 2010 Market Opportunity

EUR 100 billion* for core markets that Nokia focuses on



* Nokia and external analysts' estimates

Services and software revenue model – fee based now...ad driven later

	Ad revenues	Recurring subscription and transactional revenues
Target opportunity:	All people	Primarily higher-income people
# of expected customers:	Hundreds of millions	Tens of millions

> 4 billion people expected to use mobile devices in 2010*

Internet capabilities pervasive*

- Java devices: ~60%
- Web browser (XHTML or HTML): ~60%
- High speed connection (3G+): ~30%



Convergence trends continue*

- Camera: ~60%
- Music player: ~50%
- Email: ~50%
- Navigation/GPS: ~20%
- Smartphones: ~20%



*Nokia estimates

Financial targets

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Nokia financial targets

2006 CMD	TARGET*
Operating Margin	15%
Devices (MP & M)	17%
Nokia Siemens Networks	10%+



2007 CMD	TARGET*
Operating Margin**	16-17%
Devices & Services**	20% +/-
Nokia Siemens Networks**	Increasing to 10%

Q1-Q3'07 ACTUAL

14%
19%
1%***

* Next 1 to 2 years; does not include pending acquisition of NAVTEQ

** Excludes special items and purchase price accounting related items

*** Includes Q2'07 and Q3'07 only; Nokia Siemens Networks began operations on April 1, 2007

Other financial targets

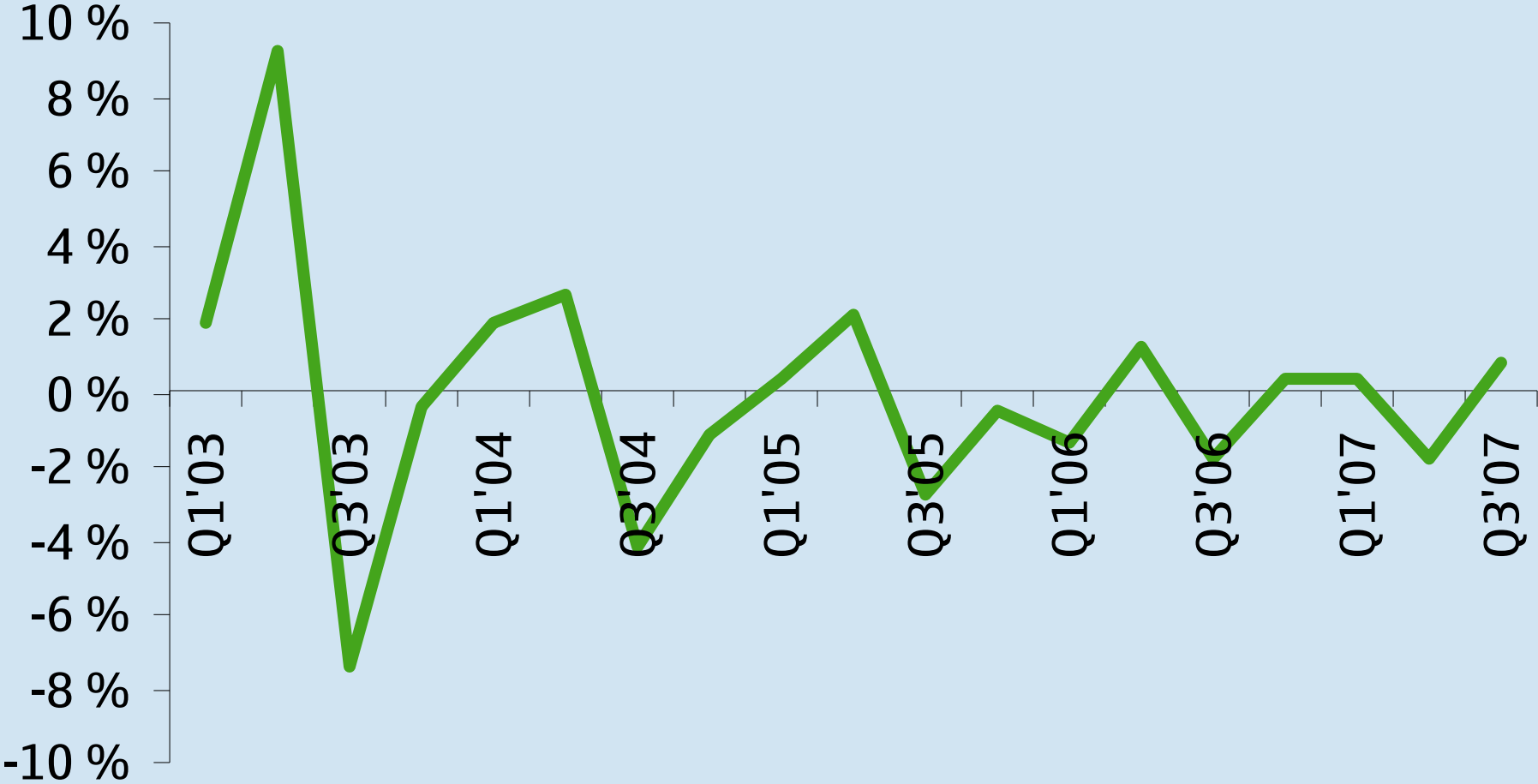
	2008E *
Tax Rate	26%
Capex (m EUR)	~900
Depr. and Amort. (m EUR)	~875
Common Group Functions (m EUR expense)**	~200

* Approximate estimates for full year; does not include pending acquisition of NAVTEQ.

** Excludes special items. Beginning 2008, Devices & Services will include approximately 2/3 of the expenses previously reported under “Common Group Functions”.

Decreasing the volatility of OPEX (as a percent of net sales)

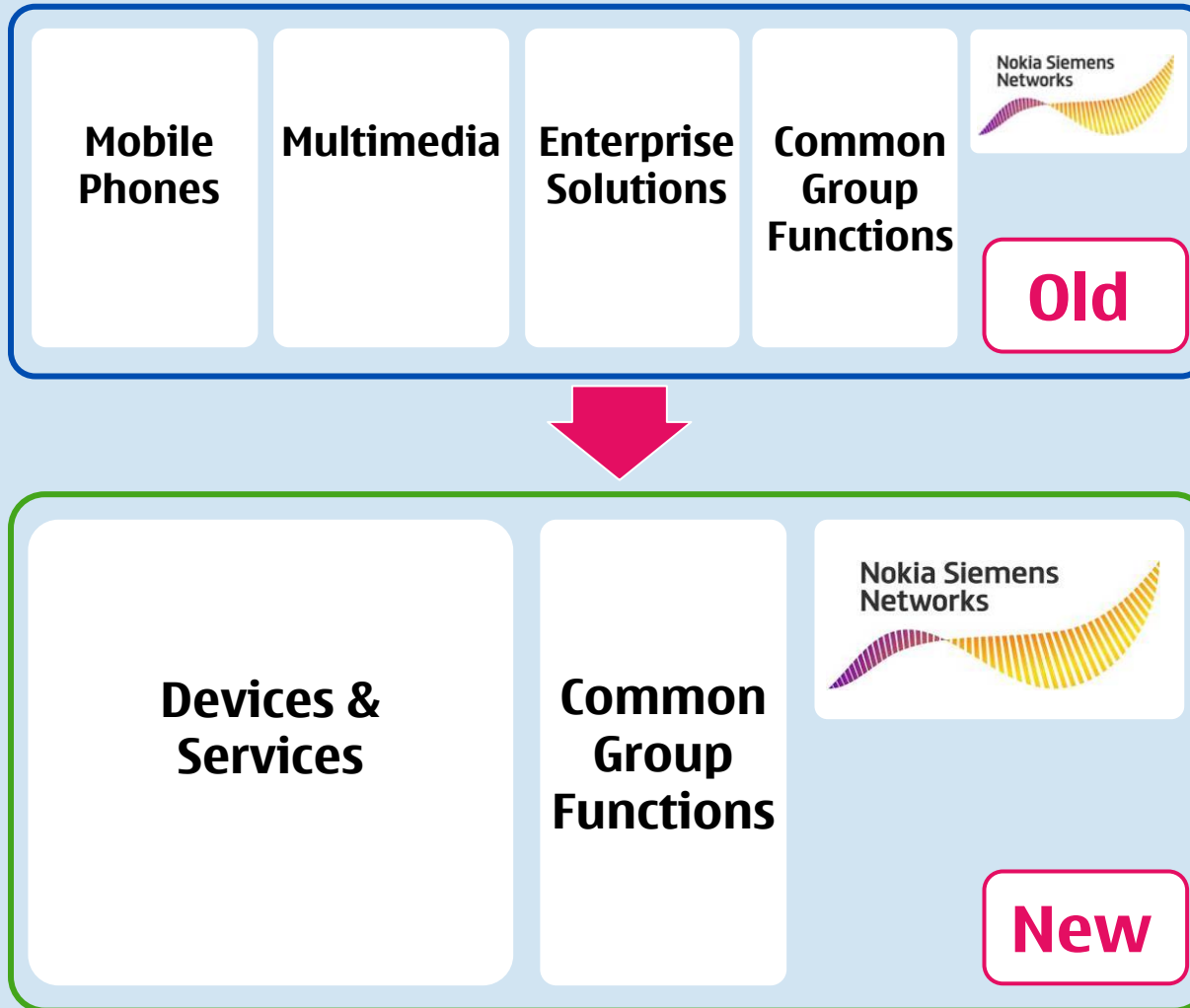
Sequential Percentage Point Change in OPEX*



* Excludes special items and purchase price accounting related items



New organizational structure – strategic and financial benefits



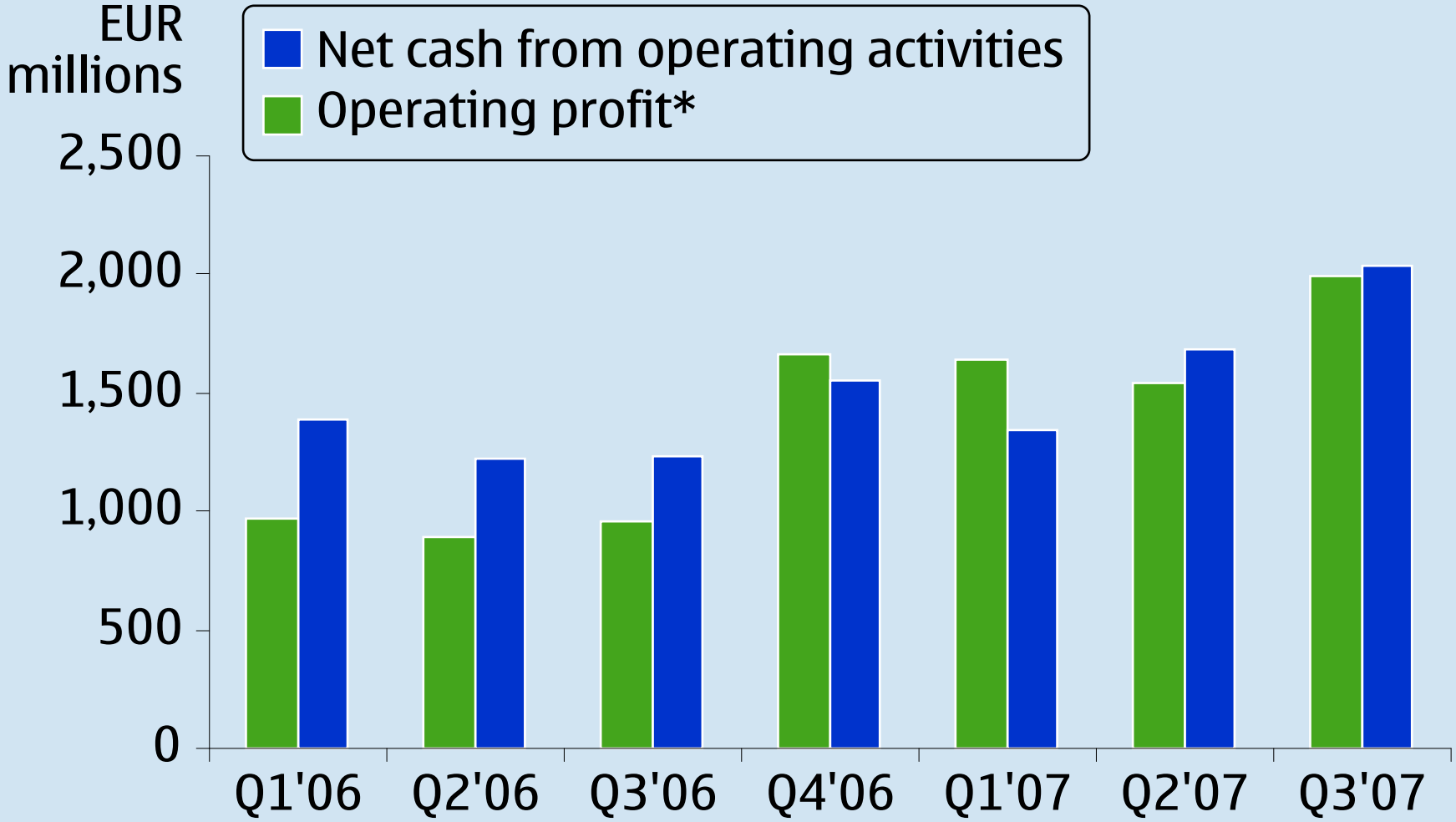
Opportunities for synergies and savings

- Harmonization of product roadmaps
- Elimination of overlaps in R&D
- Elimination of overlaps in sales and marketing

Nokia aligned with shareholders' interests

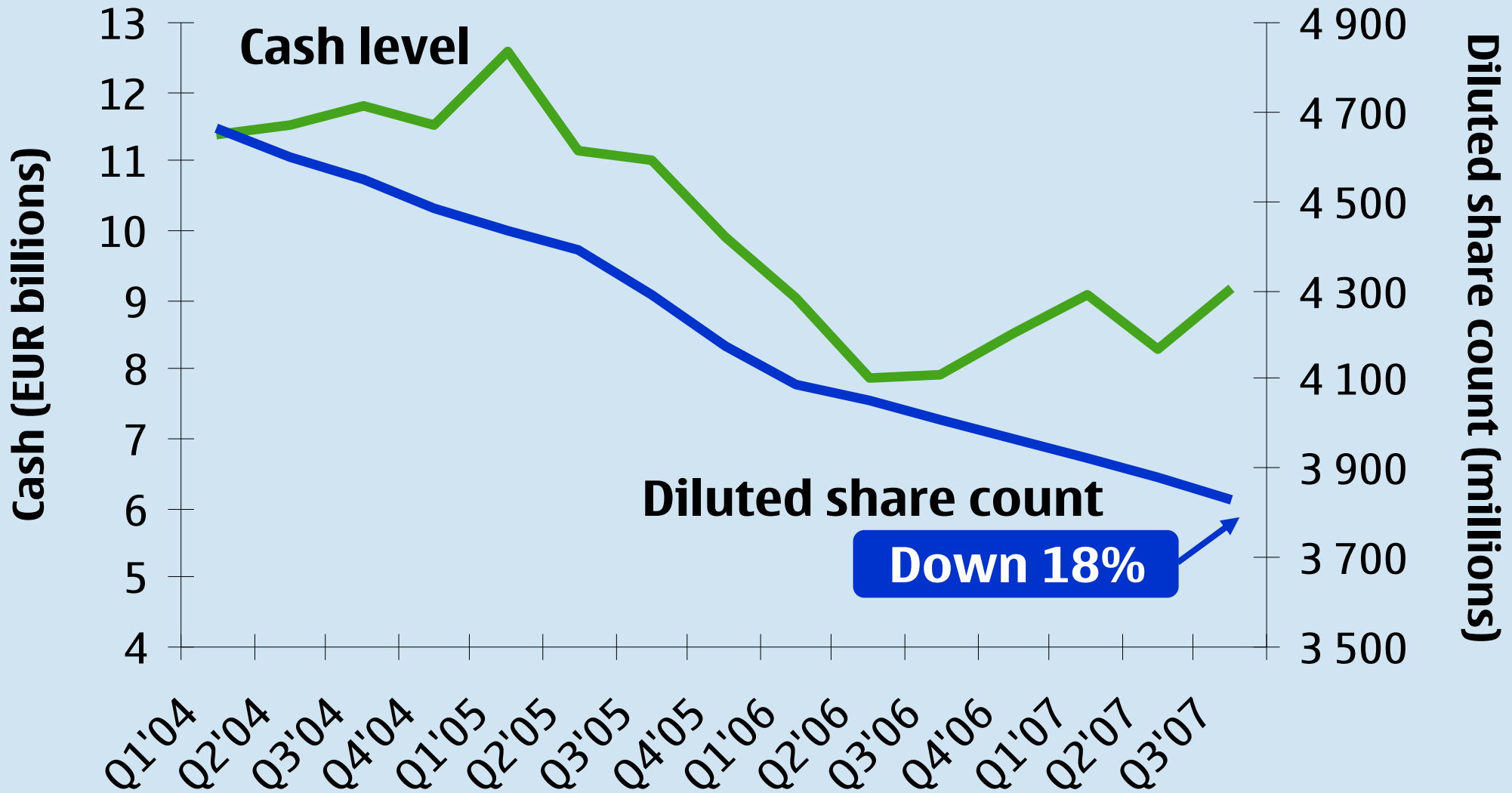
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Quarterly Cash Flow

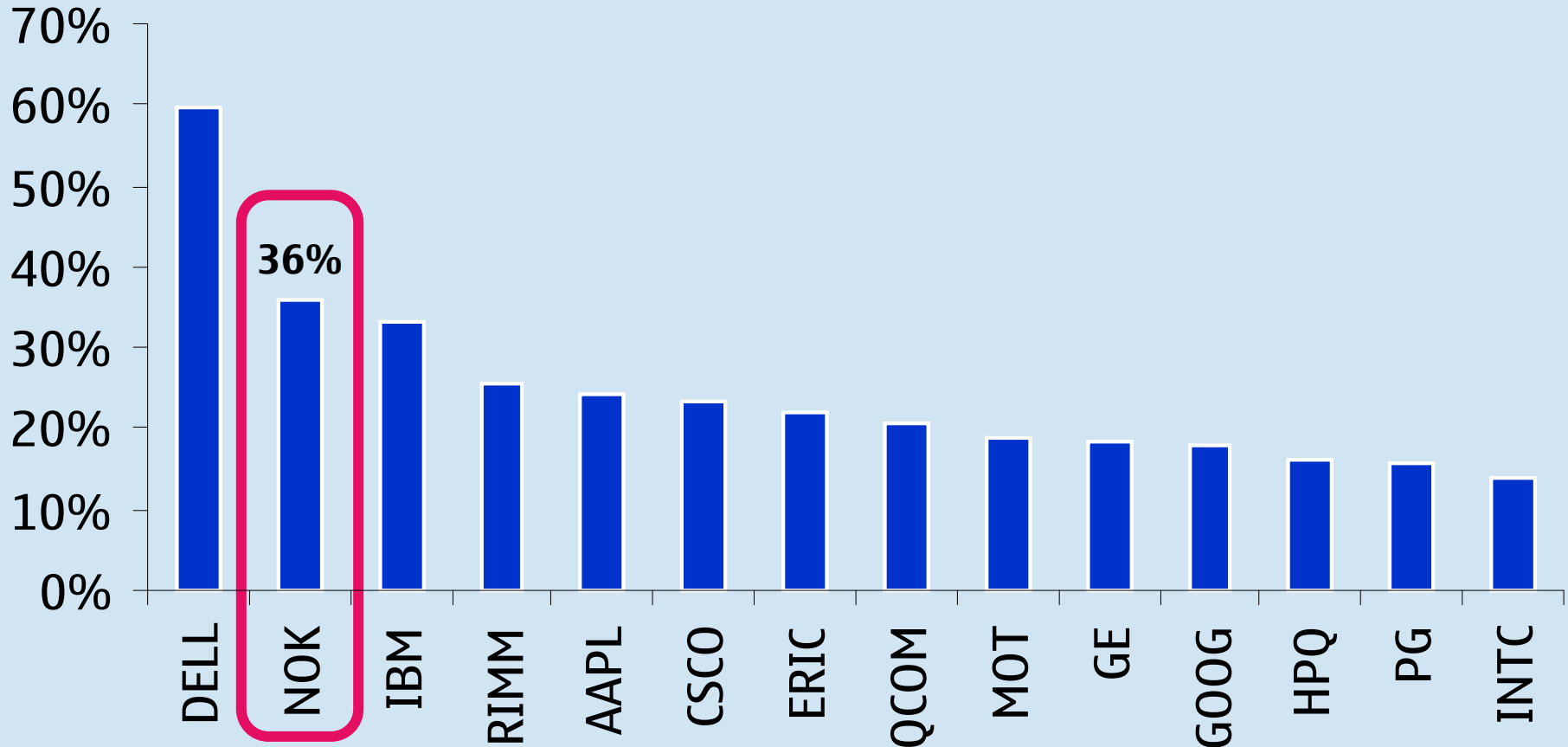


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Distribution of excess cash to shareholders

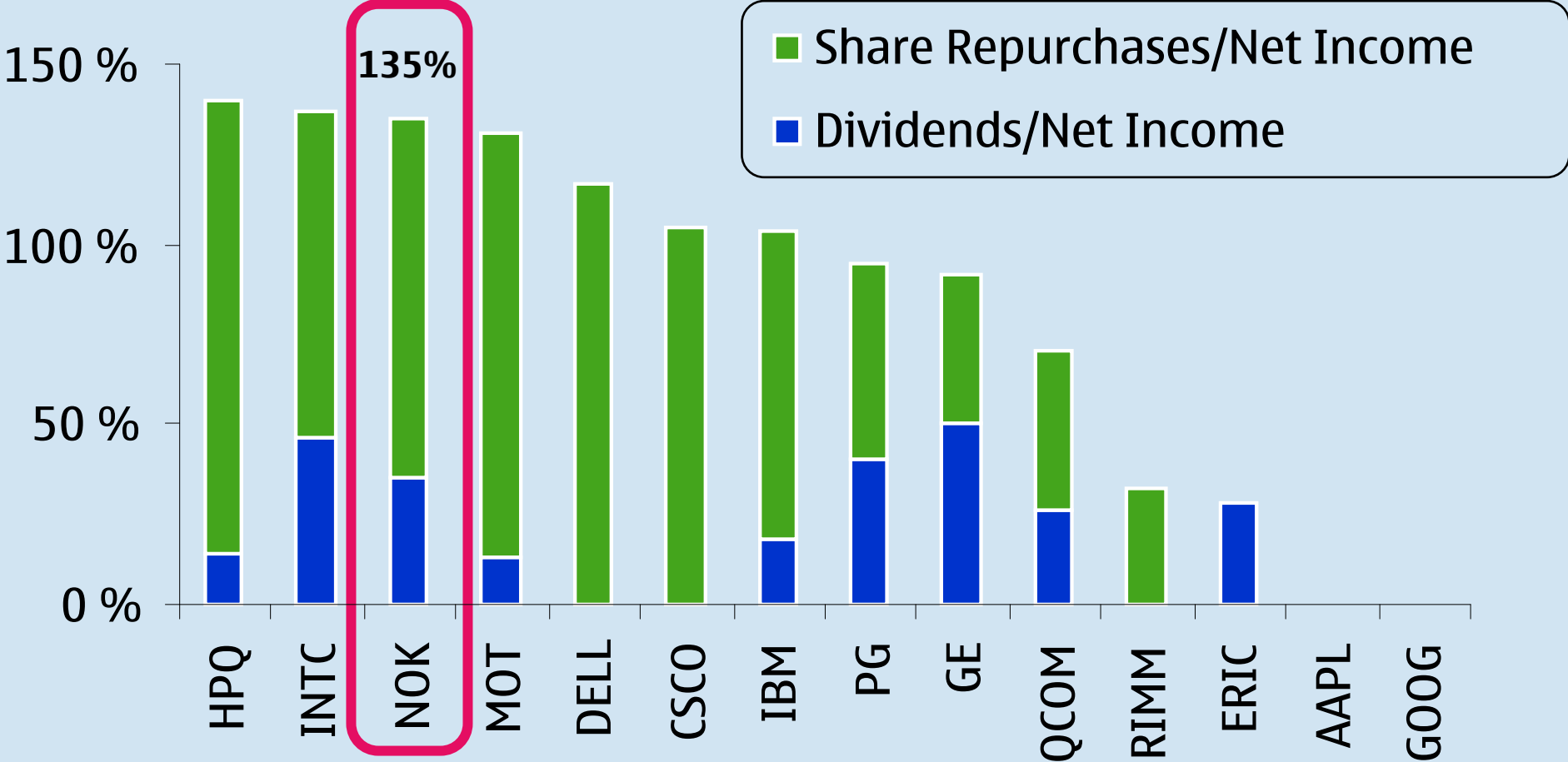


Return on Equity – latest reported fiscal year



Source: Company reports

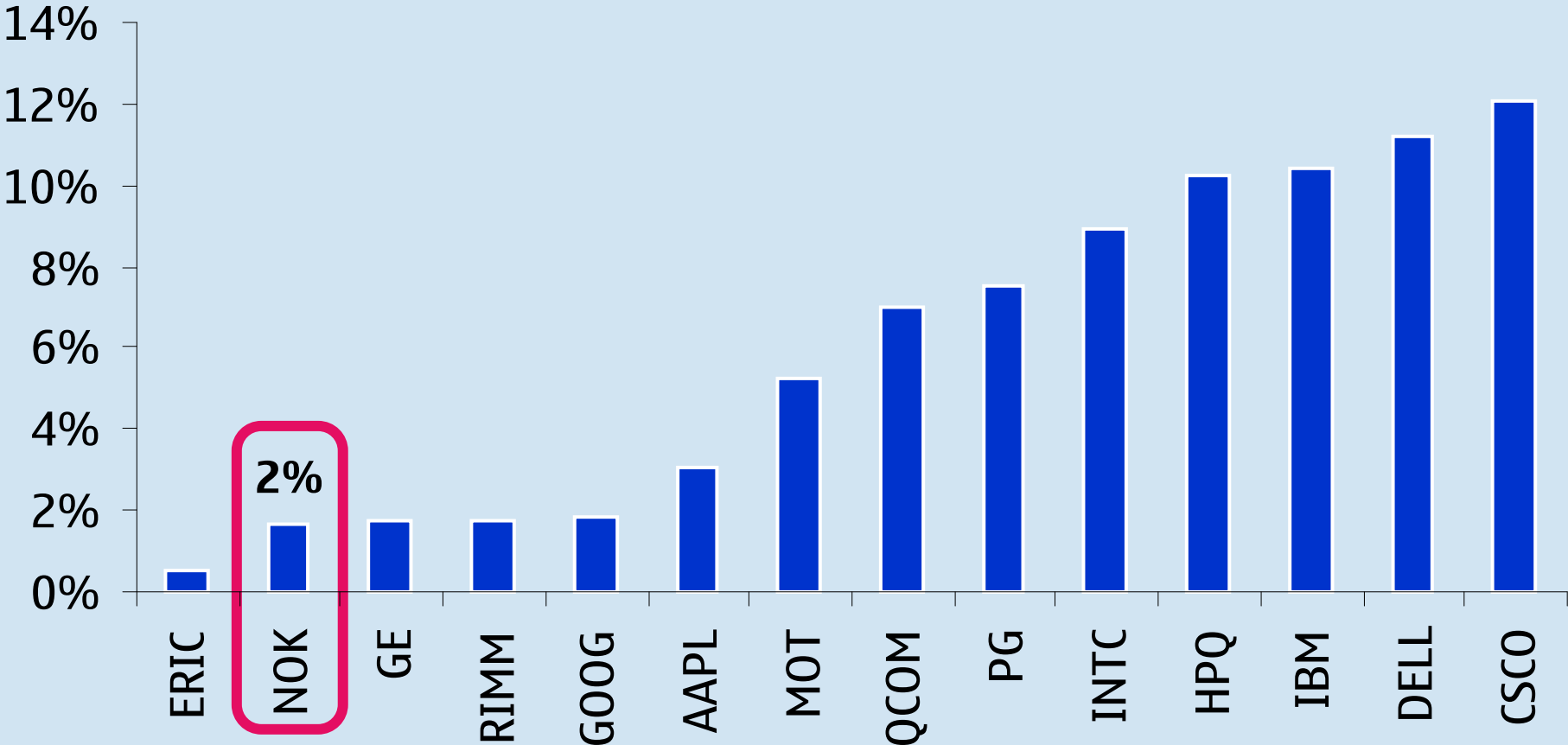
Distributions to Net Income – latest reported fiscal year



Source: Company reports



Stock option dilution – latest reported fiscal year



Source: Company reports

Dilution = exercisable options / (exercisable options + basic shares outstanding)



Quarterly Disclosure – beginning Q1 2008

Press release will include:

- Net sales, gross margins, operating expenses, and operating margins for our reportable segments:
 - Devices & Services
 - Nokia Siemens Networks
 - NAVTEQ's mapping business (post closing of the pending acquisition)
- Nokia device ASPs
- Estimated industry device volumes and Nokia estimated device market share
- Nokia mobile device volume by geographic area
- Nokia converged device volumes
- Nokia Siemens Networks net sales by geographic area
- Special items and Nokia Siemens Networks Purchase Price Accounting related items
- Industry and Nokia Outlook section

Quarterly Disclosure – beginning Q1 2008

Changes in presentation:

- ASPs will exclude services
- Common Group Functions – Devices & Services will include approximately 2/3 of the expenses previously reported under “Common Group Functions”; historical amounts will be provided on an adjusted basis for comparison

In addition, we will provide commentary on:

- Factors that impact our business performance
- Industry device volumes by region
- Industry device volumes by technology (i.e. GSM/CDMA/WCDMA/Other)
- Product highlights
- Nokia Siemens Networks integration
- Share buybacks
- Impact of currency fluctuations

We are always trying to improve and we welcome your feedback

Summary

- Strategic focus on **Internet services**
- Nokia Siemens Networks **integration and synergies on track**
- Nokia is **growing**
- Strong margins and **good product portfolio execution**
- Nokia is **aligned** with shareholders' interests





Thank you.

NOKIA
Connecting People