

NOKIA CORP  
Form 6-K  
October 18, 2007

# SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

## FORM 6-K

**Report of Foreign Private Issuer**

**Pursuant to Rule 13a -16 or 15d -16 of  
the Securities Exchange Act of 1934**

**Report on Form 6-K dated October 18, 2007**

### **Nokia Corporation**

**Nokia House**

**Keilalahdentie 4**

**02150 Espoo**

**Finland**

(Name and address of registrant's principal executive office)

(Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.)

Form 20-F  x

Form 40-F  o

Enclosures:

1. Nokia stock exchange release dated October 18, 2007: Nokia reports Q3 2007 net sales of EUR 12.9 billion and EPS of EUR 0.40
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## PRESS RELEASE

October 18, 2007

**Nokia reports Q3 2007 net sales of EUR 12.9 billion and EPS of EUR 0.40**

Nokia market share grows to an estimated 39%; total device operating margin up sequentially

| EUR million                   | NOKIA IN THE THIRD<br>QUARTER 2007* |               | Change |
|-------------------------------|-------------------------------------|---------------|--------|
|                               | Q3/2007<br>**                       | Q3/2006<br>** |        |
| Net sales                     | 12 898                              | 10 100        | 28%    |
| Mobile Phones                 | 6 131                               | 5 949         | 3%     |
| Multimedia                    | 2 580                               | 2 092         | 23%    |
| Enterprise Solutions          | 526                                 | 257           | 105%   |
| Nokia Siemens Networks        | 3 674                               | 1 804         |        |
| Operating profit              | 1 862                               | 1 100         | 69%    |
| Mobile Phones                 | 1 388                               | 779           | 78%    |
| Multimedia                    | 575                                 | 366           | 57%    |
| Enterprise Solutions          | 88                                  | -65           |        |
| Nokia Siemens Networks***     | -120                                | 131           |        |
| Group Common Functions        | -69                                 | -111          |        |
| Operating margin (%)          | 14.4                                | 10.9          |        |
| Mobile Phones (%)             | 22.6                                | 13.1          |        |
| Multimedia (%)                | 22.3                                | 17.5          |        |
| Enterprise Solutions (%)      | 16.7                                | -25.3         |        |
| Nokia Siemens Networks (%)*** | -3.3                                | 7.3           |        |
| Net profit                    | 1 563                               | 845           | 85%    |
| EPS, EUR                      |                                     |               |        |
| Basic***                      | 0.40                                | 0.21          | 90%    |
| Diluted***                    | 0.40                                | 0.21          | 90%    |

\* As of April 1, 2007, Nokia results include those of Nokia Siemens Networks on a fully consolidated basis. Nokia Siemens Networks, a company jointly owned by Nokia and Siemens, is comprised of the former Nokia Networks and Siemens carrier-related operations for fixed and mobile networks. Accordingly, the results of Nokia Group and Nokia Siemens Networks for the third quarter 2007 are not directly comparable to results for the third quarter 2006. Nokia's third quarter 2006 included the former Nokia Networks business group only.

**\*\* Q3 2007 special items:**

*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*

**\*\* Q3 2006 special items:**

*Mobile Phones operating profit included charges of EUR 128 million primarily related to the restructuring of the CDMA business and associated asset write-downs.*

*Excluding this special item, diluted EPS was EUR 0.23.*

**\*\*\* Important note to Nokia Siemens Networks Q3 2007 operating profit and Nokia EPS:** *In addition to the special items listed above, Nokia Siemens Networks reported operating profit also included EUR 144 million in intangible asset amortization and other Purchase Price Accounting related items.*

**THIRD QUARTER 2007 HIGHLIGHTS**

Nokia diluted EPS of EUR 0.40, excluding special items, growing 74% from Q3 2006.

Nokia operating cash flow of EUR 2.0 billion.

Nokia operating margin of 14.6%, up sequentially from 11.0% in Q2 2007, excluding special items.

Nokia device volumes of 111.7 million units, up 11% sequentially and up 26% year on year.

Estimated industry device volumes of 286 million units, up 9% sequentially and up 17% year on year.

Nokia estimated device market share of 39%, up from 38% in Q2 2007 and up from 36% in Q3 2006.

The proportion of devices Nokia sold in the under EUR 30 category increased significantly, both sequentially and year on year.

Total device operating margin, and Mobile Phones gross margin, increased sequentially, despite Nokia's total device ASP of EUR 82 decreasing from EUR 90 in Q2 2007.

Nokia Siemens Networks operating margin, excluding special items, was -1.0% and was a positive 3.0%, excluding special items and Purchase Price Accounting related items.

**OLLI-PEKKA KALLASVUO, NOKIA CEO:**

Nokia strengthened its leading position in the device industry in the third quarter. In a strong market, we simultaneously gained market share and increased our operating margins. The quality and depth of our device portfolio continues to give us a good competitive edge and we believe our portfolio looks promising for next year.

**INDUSTRY AND NOKIA OUTLOOK**

Nokia expects industry mobile device volumes in the fourth quarter 2007 to be up sequentially.

We expect Nokia's device market share in the fourth quarter 2007 to be approximately at the same level sequentially, leading to an estimated increase of our market share in the full year of 2007.

Nokia expects that the mobile device market volume will be approximately 1.1 billion units in 2007, up from the approximately 978 million units Nokia estimated for 2006.

Nokia continues to expect the device industry to experience value growth in 2007, but expects some decline in industry ASPs, primarily reflecting the increasing impact of the emerging markets and competitive factors in general.

Nokia continues to expect very slight market growth for the mobile and fixed infrastructure and related services market in euro terms in 2007.

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.

### **Q3 2007 FINANCIAL HIGHLIGHTS**

(Comparisons are given to the third quarter 2006 results, unless otherwise indicated.)

*As of April 1, 2007, Nokia results include those of Nokia Siemens Networks on a fully consolidated basis. Nokia Siemens Networks, a company jointly owned by Nokia and Siemens, is comprised of the former Nokia Networks and Siemens' carrier-related operations for fixed and mobile networks. Accordingly, the results of Nokia Group and Nokia Siemens Networks for the third quarter 2007 are*

*not directly comparable to results for the third quarter 2006. Nokia's third quarter 2006 included the former Nokia Networks business group only.*

**Nokia Group**

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Nokia's third quarter 2007 net sales increased 28% to EUR 12.9 billion, compared with EUR 10.1 billion in the third quarter 2006. At constant currency, group net sales would have increased 32%.

Nokia's third quarter 2007 operating profit grew 69% to EUR 1.9 billion (including the EUR 26 million net negative impact of special items), compared with EUR 1.1 billion in the third quarter 2006 (including the negative impact of the EUR 128 million special item). The special items for the third quarter 2007 included a EUR 86 million restructuring charge and other one-time items in Nokia Siemens Networks (impacting Nokia Siemens Networks operating profit); and a EUR 60 million gain on sale of real estate (impacting Group Common Functions). Nokia's third quarter 2007 operating margin was 14.4% (10.9%), including the EUR 26 million net negative impact of the special items. Excluding the special items, Nokia's third quarter 2007 operating margin was 14.6% (12.2%).

Operating cash flow for the third quarter 2007 was EUR 2.0 billion, compared with EUR 1.0 billion for the third quarter 2006, and total combined cash and other liquid assets were EUR 9.2 billion, compared with EUR 8.5 billion at December 31, 2006. As of September 30, 2007, our net debt-equity ratio (gearing) was -51%, compared with -68% at December 31, 2006.

### Mobile devices

In the third quarter 2007, the total mobile device volume achieved by our Mobile Phones, Multimedia and Enterprise Solutions business groups reached 111.7 million units, representing 26% year on year growth and an 11% sequential increase. The overall industry volume for the same period reached an estimated 286 million units, representing 17% year on year growth and a 9% sequential increase.

Converged device industry volumes increased to an estimated 31.7 million units, compared with 19.5 million units in the third quarter 2006. Nokia's own converged device volume rose to 16.0 million units, compared with 10.4 million units in the third quarter 2006. Nokia shipped well over 9 million Nokia Nseries and almost 2 million Nokia Eseries devices during the third quarter 2007.

The following chart sets out Nokia's mobile device volumes for the periods indicated, as well as the year on year and sequential growth rates, by geographic area.

### NOKIA MOBILE DEVICE VOLUME BY GEOGRAPHIC AREA

| (million units)      | Q3 2007      | Q3 2006     | YoY<br>Change<br>(%) | Q2 2007      | QoQ<br>Change<br>(%) |
|----------------------|--------------|-------------|----------------------|--------------|----------------------|
| Europe               | 29.0         | 24.8        | 16.9                 | 27.1         | 7.0                  |
| Middle East & Africa | 19.3         | 13.3        | 45.1                 | 17.1         | 12.9                 |
| China                | 18.9         | 13.8        | 37.0                 | 15.9         | 18.9                 |
| Asia-Pacific         | 29.5         | 20.9        | 41.1                 | 25.6         | 15.2                 |
| North America        | 5.4          | 5.8         | -1.7                 | 4.1          | 39.0                 |
| Latin America        | 9.6          | 9.9         | -3.0                 | 11.0         | -12.7                |
| <b>Total</b>         | <b>111.7</b> | <b>88.5</b> | <b>26.2</b>          | <b>100.8</b> | <b>10.8</b>          |



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Based on our preliminary market estimate, Nokia's market share for the third quarter 2007 was 39%, compared with 36% in the third quarter 2006 and 38% in the second quarter 2007. Nokia's year on year market share increase was driven primarily by strong gains in Europe, Middle East &

Africa, Asia-Pacific and China. Nokia's market share decreased year on year in Latin America and North America. Nokia had strong sequential market share gains in North America and to a lesser degree in China and Asia-Pacific. Nokia's market share decreased sequentially in Europe, Latin America and Middle East & Africa. Nokia's device volumes for the third quarter 2007 were somewhat constrained by component shortages, which continue to some degree in the fourth quarter 2007. In a strongly growing market, these component shortages are linked to the expected high demand for Nokia products and seasonal industry growth in the fourth quarter.

*Nokia's average selling price in the third quarter 2007 was EUR 82, down from EUR 93 in the third quarter 2006 and down from EUR 90 in the second quarter 2007. The lower year on year and sequential ASP in the third quarter 2007 was primarily the result of a significantly higher proportion of entry level device sales, especially in the under EUR 30 category where industry growth has been very strong and where Nokia has the leading market share. Nokia's margins were strong in entry-level devices (including the under EUR 30 category) in the third quarter 2007; driven by Nokia's scale, low cost structure, world class distribution and leading brand.*

### **Business Groups**

#### **Mobile Phones**

*Third quarter 2007 net sales grew 3% to EUR 6.1 billion, compared with EUR 5.9 billion in the third quarter 2006. Strong overall volume growth was partially offset by a significant ASP decline year on year, driven primarily by a higher proportion of entry-level sales. Net sales year on year growth was strongest in Asia-Pacific and Middle East & Africa, followed by China. Net sales were down significantly in North America, and to a lesser degree in Latin America and Europe year on year.*

*Mobile Phones operating profit grew 78% to EUR 1.4 billion, compared with EUR 779 million in the third quarter 2006, with an operating margin of 22.6% (13.1%). Third quarter 2006 reported operating profit included a charge of EUR 128 million primarily related to the restructuring of the CDMA business and associated asset write-downs. The 53% increase in operating profit for the third quarter 2007, excluding these charges, was driven primarily by an improved gross margin, compared to the third quarter 2006. The increase in Mobile Phones gross margin was primarily due to newer and more profitable products across its range.*

#### **Multimedia**

Third quarter 2007 net sales increased 23% to EUR 2.6 billion, compared with EUR 2.1 billion in the third quarter 2006. Multimedia net sales were up in all regions, with growth strongest in Latin America and North America. However, Latin America and North America net sales continue to be relatively small. Multimedia net sales growth was driven by high volumes of Nokia Nseries multimedia computers, especially the Nokia N70, Nokia N73 and Nokia N95.

Multimedia third quarter operating profit grew 57% to EUR 575 million, compared with EUR 366 million in the third quarter 2006, with an operating margin of 22.3% (17.5%). Operating profit growth in the third quarter 2007 was driven by strong net sales growth and improved gross margins from a solid product portfolio, compared to the third quarter 2006.

#### **Enterprise Solutions**

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Third quarter 2007 net sales increased 105% to EUR 526 million, compared with EUR 257 million in the third quarter 2006. Net sales were up significantly year on year in all regions except North America. Net sales were driven primarily by strong volume growth in Enterprise Solutions device business, especially the Nokia E65, compared to the third quarter 2006.

In the third quarter 2007, Enterprise Solutions operating profit was EUR 88 million, compared with an operating loss of EUR 65 million in the third quarter 2006, with an operating margin of 16.7% (-25.3%). The significantly improved operating performance for the third quarter 2007 reflected strong net sales growth and effective cost control, compared to the third quarter 2006.

### Nokia Siemens Networks

Third quarter 2007 net sales were EUR 3.7 billion. The third quarter 2007 results of Nokia Siemens Networks are not directly comparable to the third quarter of 2006 as it included the former Nokia Networks business group only. However, net sales were up 7% compared to the second quarter of 2007, which was the first quarter of operations for Nokia Siemens Networks.

The following chart sets out Nokia Siemens Networks net sales for the periods indicated by geographic area.

### NOKIA SIEMENS NETWORKS NET SALES BY GEOGRAPHIC AREA

| EUR million          | Q3 2007      | Q2 2007      | QoQ<br>Change<br>(%) |
|----------------------|--------------|--------------|----------------------|
| Europe               | 1 500        | 1 186        | 25.9                 |
| Middle East & Africa | 448          | 369          | 21.3                 |
| China                | 372          | 294          | 26.4                 |
| Asia-Pacific         | 849          | 1 183        | -27.8                |
| North America        | 152          | 164          | -7.0                 |
| Latin America        | 353          | 242          | 46.0                 |
| <b>Total</b>         | <b>3 674</b> | <b>3 438</b> | <b>6.9</b>           |

Nokia Siemens Networks third quarter operating profit was negative EUR 120 million, with an operating margin of -3.3%. The reported third quarter 2007 operating profit included a charge of EUR 86 million related to Nokia Siemens Networks restructuring costs and other one time items. The operating profit for the third quarter 2007, excluding these special items, was negative EUR 34 million, with an operating margin of -1.0%, improving from the comparable second quarter 2007 operating margin of -10.5%. The improvement in the operating margin was driven by higher net sales and the absence of the acquisition related inventory value adjustments of EUR 182 million, which only impacted the second quarter of 2007. The operating profit in the third quarter 2007 also included EUR 144 million for intangible asset amortization and other Purchase Price Accounting related items. Third quarter 2007 operating margin was a positive 3.0%, excluding both the special items and the Purchase Price Accounting related items.

### Q3 2007 OPERATING HIGHLIGHTS

**Nokia**

Nokia introduced Ovi, the company's new Internet services brand name. Ovi, meaning "door" in Finnish, will enable consumers to easily access their existing social network, communities and content, and will act as a gateway to Nokia services.

As part of Ovi, Nokia announced the Nokia Music Store and N-Gage, two services that make it easy for people to discover, try and buy music and games from a range of artists and publishers, including exclusive content only available through Nokia.

In July, Nokia acquired Twango, which provides a comprehensive media sharing solution for organizing and sharing photos, videos and other personal media. By acquiring Twango, Nokia will be able to offer people an easy way to share multimedia content through their desktop and mobile devices. This acquisition was followed by the acquisition of Enpocket, a global leader in mobile

advertising, announced in the third quarter 2007 and closed early during the fourth quarter 2007; and the agreement announced early in the fourth quarter 2007 to acquire NAVTEQ, a leading provider of comprehensive digital map information for automotive navigation systems, mobile navigation devices, Internet-based mapping applications, and government and business solutions. The acquisition of NAVTEQ is not yet closed.

#### **Mobile Phones**

The following devices were announced during Q3:

Nokia 5310 XpressMusic and Nokia 5610 XpressMusic, both with dedicated music keys, expanded memory, large screens and extended battery performance.

Nokia 6301, a stainless steel device offering consumers seamless voice and data mobility across GSM cellular and WLAN networks via Unlicensed Mobile Access (UMA) technology.

Nokia 6555, the first phone with a unique smooth-back fold design. In the US, the Nokia 6555 is exclusively available from AT&T.

Nokia's Prism collection, comprising the Nokia 7900 Prism and the Nokia 7500 Prism – the latest range of mobile phones aimed at style-conscious consumers. The Prism collection features a diamond-cut design with sharp angled lines, geometric patterns and graphic light-refracting colors.

#### **Multimedia**

Nokia announced two new Nokia Nseries devices: Nokia N81 8GB, an entertainment focused multimedia computer and Nokia N95 8GB, which follows the success of the original Nokia N95 with a larger display, enhanced usage times and 8 gigabytes of memory capacity.

The Nokia N95 multimedia computer has been voted the European Media Phone of the Year 2007-2008 by the European Imaging and Sound Association (EISA), Europe's leading association for consumer electronics.

#### **Enterprise Solutions**

The Nokia E51 was announced during the third quarter. This stylish dual-mode business smartphone is designed for great cellular performance as well as integration with corporate telephony systems from partners such as Cisco and Alcatel. The device will be featured as part of BT's Corporate Fusion program

Nokia announced Mail for Exchange 2.0 for Nokia Eseries and selected Nokia Nseries devices, providing seamless access to Microsoft Exchange servers from a Nokia device with improved user experience.

Nokia won 10 new Nokia Intellisync wireless email operator accounts worldwide, marking the most contracts signed in any single quarter since the Intellisync acquisition.

Nokia completed a refresh of its security appliance product line with the launch of the Nokia IP2450. This high-performance appliance leverages new Intel technology designed to deliver leading price performance to our enterprise security customers.

**Nokia Siemens Networks**

Nokia Siemens Networks announced it would expand its R&D competence in Chengdu, China and would invest USD 100 million to strengthen operations in India. The company also announced that its Services business unit would be based in India.

Contracts won included a USD 900 million end-to-end network expansion with Bharti Airtel in India; a EUR 180 million GSM/EDGE deal with Henan MCC in China; a multi-vendor IP network maintenance agreement with Deutsche Telekom in Germany; and a EUR 61.5 million 3G network expansion agreement with Taiwan's Chunghwa Telecom.

Nokia Siemens Networks won the first commercial deployment for its I-HSPA solution with TerreStar; made a cooperation deal with Intel in IPTV; and launched a new 3G Femto Home Access solution and then struck Femto cooperation deals with Airvana Inc. and Thomson.

During the quarter Nokia Siemens Networks was the first company to successfully deploy hybrid backhaul in a live network. Hybrid backhaul is aimed at helping operators to reduce costs while boosting capacity.

Nokia Siemens Networks continued to be on track to achieve the earlier announced cost synergy targets, including the planned personnel reductions.

The integration work continues and Nokia Siemens Networks has defined its new values.

*For more information on the operating highlights mentioned above, please refer to related press announcements, which can be accessed at the following link: <http://www.nokia.com/press> and <http://www.nokiasiemensnetworks.com/press>.*

#### **NOKIA IN THE THIRD QUARTER 2007**

(International Financial Reporting Standards (IFRS) comparisons given to the third quarter 2006 results, unless otherwise indicated.)

*As of April 1, 2007, Nokia results include those of Nokia Siemens Networks on a fully consolidated basis. Nokia Siemens Networks, a company jointly owned by Nokia and Siemens, is comprised of the former Nokia Networks and Siemens carrier-related operations for fixed and mobile networks. Accordingly, the results of Nokia Group and Nokia Siemens Networks for the third quarter 2007 are not directly comparable to results for the third quarter 2006. Nokia's third quarter 2006 included the former Nokia Networks business group only.*

Nokia's net sales increased 28% to EUR 12 898 million (EUR 10 100 million). Net sales of Mobile Phones increased 3% to EUR 6 131 million (EUR 5 949 million). Net sales of Multimedia increased 23% to EUR 2 580 million (EUR 2 092 million). Net sales of Enterprise Solutions increased 105% to EUR 526 million (EUR 257 million). Net sales of Nokia Siemens Networks were EUR 3 674 million.

Operating profit increased to EUR 1 862 million (EUR 1 100 million), representing an operating margin of 14.4% (10.9%). Operating profit in Mobile Phones increased 78% to EUR 1 388 million (EUR 779 million), representing an operating margin of 22.6% (13.1%). Operating profit in Multimedia increased 57% to EUR 575 million (EUR 366 million), representing an operating margin of 22.3% (17.5%). Enterprise Solutions reported an operating profit of EUR 88 million (operating loss of EUR 65 million), representing an operating margin of 16.7% (-25.3%). Nokia Siemens Networks reported an operating loss of EUR 120 million representing an operating margin of -3.3%. Group Common Functions operating expenses totaled EUR 69 million (operating expenses EUR 111 million).

Financial income was EUR 67 million (EUR 34 million). Profit before tax and minority interests was EUR 1 924 million (EUR 1 145 million). Taxes included the positive impact of approximately EUR 70 million due to changes in deferred tax assets due to the decrease in the German statutory tax rate. Net profit totaled EUR 1 563 million (EUR 845 million). Earnings per share increased to EUR 0.40 (basic) and to EUR 0.40 (diluted), compared with EUR 0.21 (basic) and EUR 0.21 (diluted) in the third quarter of 2006.



# **NOKIA IN JANUARY - SEPTEMBER 2007**

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(International Financial Reporting Standards (IFRS) comparisons given to the January-September 2006 results, unless otherwise indicated.)

*As of April 1, 2007, Nokia results include those of Nokia Siemens Networks on a fully consolidated basis. Nokia Siemens Networks, a company jointly owned by Nokia and Siemens, is comprised of the former Nokia Networks and Siemens carrier-related operations for fixed and mobile networks. Accordingly, the results of Nokia Group and Nokia Siemens Networks for the third quarter 2007 are not directly comparable to results for the third quarter 2006. Nokia's third quarter 2006 included the former Nokia Networks business group only.*

Nokia's net sales increased 20% to EUR 35 341 million (EUR 29 420 million). Net sales of Mobile Phones decreased to EUR 17 645 million (EUR 17 693 million). Net sales of Multimedia increased 31% to EUR 7 512 million (EUR 5 741 million). Net sales of Enterprise Solutions increased 93% and totaled EUR 1 400 million (EUR 726 million). Net sales of Nokia Siemens Networks were EUR 8 810 million.

Operating profit increased to EUR 5 493 million (EUR 3 969 million), representing an operating margin of 15.5% (13.5%). Operating profit in Mobile Phones increased 26% to EUR 3 576 million (EUR 2 843 million), representing an operating margin of 20.3% (16.1%). Operating profit in Multimedia increased 57% to EUR 1 560 million (EUR 993 million), representing an operating margin of 20.8% (17.3%). Enterprise Solutions reported an operating profit of EUR 149 million (operating loss of EUR 194 million), representing an operating margin of 10.6% (-26.7%). Operating loss in Nokia Siemens Networks was EUR 1 308 million, representing an operating margin of -14.8%. Group Common Functions operating profit totaled EUR 1 516 million, including a gain of EUR 1 883 million.

In the period from January to September 2007, net financial income was EUR 175 million (EUR 163 million). Profit before tax and minority interests was EUR 5 695 million (EUR 4 155 million). Net profit totaled EUR 5 370 million (EUR 3 033 million). Earnings per share increased to EUR 1.37 (basic) and to EUR 1.36 (diluted), compared with EUR 0.74 (basic) and EUR 0.74 (diluted).

## **PERSONNEL**

The average number of employees during January-September was 96 495. At September 30, 2007, Nokia employed a total of 112 913 people (68 483 people at December 31, 2006). The increase in personnel at September 30, 2007 is primarily attributable to Nokia Siemens Networks.

## **SHARES**

The total number of Nokia shares on September 30, 2007 was 3 935 542 025. On September 30, 2007, Nokia and its subsidiary companies owned 101 992 828 Nokia shares, representing approximately 2.6 % of the total number of Nokia shares and the total voting rights.

**Q3 2007 BY BUSINESS GROUP, EUR million**

(unaudited)

|                                     | Mobile<br>Phones | Multimedia  | Enterprise<br>Solutions | Nokia<br>Siemens<br>Networks | Common<br>Group<br>Functions | Eliminations | Group       |
|-------------------------------------|------------------|-------------|-------------------------|------------------------------|------------------------------|--------------|-------------|
| Net sales                           | 6 131            | 2 580       | 526                     | 3 674                        |                              | -13          | 12 898      |
| Gross profit                        | 2 102            | 1 037       | 239                     | 1 038                        | 10                           |              | 4 426       |
| <b>Gross margin, %</b>              | <b>34.3</b>      | <b>40.2</b> | <b>45.4</b>             | <b>28.3</b>                  |                              |              | <b>34.3</b> |
| Research and development expenses   | -304             | -238        | -63                     | -686                         | -95                          |              | -1 386      |
| <i>% of net sales</i>               | <i>5.0</i>       | <i>9.2</i>  | <i>12.0</i>             | <i>18.7</i>                  |                              |              | <i>10.7</i> |
| Selling and marketing expenses      | -400             | -202        | -71                     | -352                         | -7                           |              | -1 032      |
| <i>% of net sales</i>               | <i>6.5</i>       | <i>7.8</i>  | <i>13.5</i>             | <i>9.6</i>                   |                              |              | <i>8.0</i>  |
| Administrative and general expenses | -20              | -13         | -16                     | -146                         | -50                          |              | -245        |
| <i>% of net sales</i>               | <i>0.3</i>       | <i>0.5</i>  | <i>3.0</i>              | <i>4.0</i>                   |                              |              | <i>1.9</i>  |
| Other operating income and expenses | 10               | -9          | -1                      | 26                           | 73                           |              | 99          |
| Operating profit                    | 1 388            | 575         | 88                      | -120                         | -69                          |              | 1 862       |
| <b>Operating margin, %</b>          | <b>22.6</b>      | <b>22.3</b> | <b>16.7</b>             | <b>-3.3</b>                  |                              |              | <b>14.4</b> |

**Q3 2006 BY BUSINESS GROUP, EUR million**

(unaudited)

|                                     | Mobile<br>Phones | Multimedia  | Enterprise<br>Solutions | Networks    | Common<br>Group<br>Functions | Eliminations | Group       |
|-------------------------------------|------------------|-------------|-------------------------|-------------|------------------------------|--------------|-------------|
| Net sales                           | 5 949            | 2 092       | 257                     | 1 804       |                              | -2           | 10 100      |
| Gross profit                        | 1 630            | 784         | 108                     | 594         | 6                            |              | 3 122       |
| <b>Gross margin, %</b>              | <b>27.4</b>      | <b>37.5</b> | <b>42.0</b>             | <b>32.9</b> |                              |              | <b>30.9</b> |
| Research and development expenses   | -296             | -213        | -74                     | -262        | -60                          |              | -905        |
| <i>% of net sales</i>               | <i>5.0</i>       | <i>10.2</i> | <i>28.8</i>             | <i>14.5</i> |                              |              | <i>9.0</i>  |
| Selling and marketing expenses      | -373             | -186        | -75                     | -128        | -6                           |              | -768        |
| <i>% of net sales</i>               | <i>6.3</i>       | <i>8.9</i>  | <i>29.2</i>             | <i>7.1</i>  |                              |              | <i>7.6</i>  |
| Administrative and general expenses | -20              | -11         | -20                     | -54         | -46                          |              | -151        |
| <i>% of net sales</i>               | <i>0.3</i>       | <i>0.5</i>  | <i>7.8</i>              | <i>3.0</i>  |                              |              | <i>1.5</i>  |
| Other operating income and expenses | -162             | -8          | -4                      | -19         | -5                           |              | -198        |
| Operating profit                    | 779              | 366         | -65                     | 131         | -111                         |              | 1 100       |
| <b>Operating margin, %</b>          | <b>13.1</b>      | <b>17.5</b> | <b>-25.3</b>            | <b>7.3</b>  |                              |              | <b>10.9</b> |



**NOKIA NET SALES BY GEOGRAPHIC AREA, EUR million**

(unaudited)

|                      | 7-9/2007 | Y-o-Y<br>change,<br>% | 7-9/2006 | 1-12/2006 |
|----------------------|----------|-----------------------|----------|-----------|
| Europe               | 4 913    | 30                    | 3 771    | 15 587    |
| Middle-East & Africa | 1 867    | 42                    | 1 318    | 5 277     |
| China                | 1 725    | 19                    | 1 444    | 5 361     |
| Asia-Pacific         | 2 812    | 32                    | 2 125    | 8 361     |
| North America        | 611      | -10                   | 679      | 2 970     |
| Latin America        | 970      | 27                    | 763      | 3 565     |
| Total                | 12 898   | 28                    | 10 100   | 41 121    |

**NOKIA PERSONNEL BY GEOGRAPHIC AREA**

|                      | 30.09.07 | Y-o-Y<br>change,<br>% | 30.09.06 | 31.12.06 |
|----------------------|----------|-----------------------|----------|----------|
| Europe               | 60 124   | 54                    | 38 971   | 39 306   |
| Middle-East & Africa | 4 474    | 385                   | 922      | 1 021    |
| China                | 13 129   | 80                    | 7 277    | 7 452    |
| Asia-Pacific         | 17 331   | 84                    | 9 420    | 9 868    |
| North America        | 5 687    | -4                    | 5 918    | 5 574    |
| Latin America        | 12 168   | 135                   | 5 185    | 5 262    |
| Total                | 112 913  | 67                    | 67 693   | 68 483   |

**CONSOLIDATED PROFIT AND LOSS ACCOUNT, IFRS, EUR million**

(unaudited)

|   | 7-9/2007         | 7-9/2006  | 1-9/2007         | 1-9/2006  | 1-12/2006 |
|---|------------------|-----------|------------------|-----------|-----------|
| <b>Net sales</b>  | <b>12 898</b>    | 10 100    | <b>35 341</b>    | 29 420    | 41 121    |
| Cost of sales   | <b>-8 472</b>    | -6 978    | <b>-23 737</b>   | -19 834   | -27 742   |
| <b>Gross profit</b>   | <b>4 426</b>     | 3 122     | <b>11 604</b>    | 9 586     | 13 379    |
| Research and development expenses   | <b>-1 386</b>    | -905      | <b>-4 027</b>    | -2 832    | -3 897    |
| Selling and marketing expenses  | <b>-1 032</b>    | -768      | <b>-3 084</b>    | -2 307    | -3 314    |
| Administrative and general expenses   | <b>-245</b>      | -151      | <b>-824</b>      | -484      | -666      |
| Other income  | <b>132</b>       | 59        | <b>2 173</b>     | 446       | 522       |
| Other expenses  | <b>-33</b>       | -257      | <b>-349</b>      | -440      | -536      |
| <b>Operating profit</b>   | <b>1 862</b>     | 1 100     | <b>5 493</b>     | 3 969     | 5 488     |
| Share of results of associated companies  | <b>-5</b>        | 11        | <b>27</b>        | 23        | 28        |
| Financial income and expenses   | <b>67</b>        | 34        | <b>175</b>       | 163       | 207       |
| <b>Profit before tax</b>  | <b>1 924</b>     | 1 145     | <b>5 695</b>     | 4 155     | 5 723     |
| Tax   | <b>-364</b>      | -289      | <b>-745</b>      | -1 071    | -1 357    |
| <b>Profit before minority interests</b>   | <b>1 560</b>     | 856       | <b>4 950</b>     | 3 084     | 4 366     |
| Minority interests  | <b>3</b>         | -11       | <b>420</b>       | -51       | -60       |
| <b>Profit attributable to equity holders of the parent</b>                                      | <b>1 563</b>     | 845       | <b>5 370</b>     | 3 033     | 4 306     |
| <b>Earnings per share, EUR</b><br>(for profit attributable to the equity holders of the parent) |                  |           |                  |           |           |
| Basic   | <b>0.40</b>      | 0.21      | <b>1.37</b>      | 0.74      | 1.06      |
| Diluted   | <b>0.40</b>      | 0.21      | <b>1.36</b>      | 0.74      | 1.05      |
| <b>Average number of shares (1 000 shares)</b>  |                  |           |                  |           |           |
| Basic   | <b>3 865 207</b> | 4 037 146 | <b>3 906 862</b> | 4 087 308 | 4 062 833 |
| Diluted   | <b>3 919 284</b> | 4 048 306 | <b>3 947 207</b> | 4 099 655 | 4 086 529 |
| Depreciation and amortization, total  | <b>367</b>       | 181       | <b>926</b>       | 533       | 712       |
| Share-based compensation expense, total   | <b>65</b>        | 42        | <b>169</b>       | 100       | 192       |

## CONSOLIDATED BALANCE SHEET, IFRS, EUR million (unaudited)

|  | 30.09.2007       | 30.09.2006       | 31.12.2006       |
|--|------------------|------------------|------------------|
| <b>ASSETS</b>  |                  |                  |                  |
| <b>Non-current assets</b>  |                  |                  |                  |
| Capitalized development costs  | 396              | 236              | 251              |
| Goodwill   | 1 366            | 450              | 532              |
| Other intangible assets  | 2 433            | 254              | 298              |
| Property, plant and equipment  | 1 911            | 1 584            | 1 602            |
| Investments in associated companies                                      | 328              | 211              | 224              |
| Available-for-sale investments   | 335              | 284              | 288              |
| Deferred tax assets  | 1 527            | 661              | 809              |
| Long-term loans receivable   | 132              | 19               | 19               |
| Other non-current assets   | 25               | 7                | 8                |
|  | 8 453            | 3 706            | 4 031            |
| <b>Current assets</b>  |                  |                  |                  |
| Inventories  | 2 890            | 2 275            | 1 554            |
| Accounts receivable  | 9 754            | 5 777            | 5 888            |
| Prepaid expenses and accrued income                                      | 2 999            | 1 910            | 2 496            |
| Other financial assets   | 528              | 58               | 111              |
| Available-for-sale investments, liquid assets                            | 5 779            | 5 501            | 5 012            |
| Available-for-sale investments, cash equivalents                         | 1 617            | 1 310            | 2 046            |
| Bank and cash  | 1 762            | 1 115            | 1 479            |
|  | 25 329           | 17 946           | 18 586           |
| <b>Total assets</b>  | <b>33 782</b>    | <b>21 652</b>    | <b>22 617</b>    |
| <b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>                              |                  |                  |                  |
| <b>Capital and reserves attributable to equity holders of the parent</b> |                  |                  |                  |
| Share capital  | 246              | 246              | 246              |
| Share issue premium  | 575              | 2 593            | 2 707            |
| Treasury shares  | -2 211           | -1 365           | -2 060           |
| Translation differences  | -102             | 7                | -34              |
| Fair value and other reserves  | 19               | -49              | -14              |
| Reserve for invested non-restricted equity                               | 2 460            |                  |                  |
| Retained earnings  | 12 149           | 9 752            | 11 123           |
|  | 13 136           | 11 184           | 11 968           |
| <b>Minority interests</b>  | <b>2 570</b>     | <b>86</b>        | <b>92</b>        |
| <b>Total equity</b>  | <b>15 706</b>    | <b>11 270</b>    | <b>12 060</b>    |
| <b>Non-current liabilities</b>   |                  |                  |                  |
| Long-term interest-bearing liabilities                                   | 242              | 70               | 69               |
| Deferred tax liabilities   | 1 029            | 140              | 205              |
| Other long-term liabilities  | 129              | 119              | 122              |
|  | 1 400            | 329              | 396              |
| <b>Current liabilities</b>   |                  |                  |                  |
| Current portion of long-term loans                                       | 25               |                  |                  |
| Short-term borrowing   | 679              | 266              | 247              |
| Accounts payable   | 6 542            | 4 264            | 3 732            |
| Accrued expenses   | 5 629            | 3 206            | 3 796            |
| Provisions   | 3 801            | 2 317            | 2 386            |
|  | 16 676           | 10 053           | 10 161           |
| <b>Total shareholders' equity and liabilities</b>                        | <b>33 782</b>    | <b>21 652</b>    | <b>22 617</b>    |
| <b>Interest-bearing liabilities</b>                                      | <b>946</b>       | <b>336</b>       | <b>316</b>       |
| <b>Shareholders' equity per share, EUR</b>                               | <b>3.43</b>      | <b>2.79</b>      | <b>3.02</b>      |
| <b>Number of shares (1 000 shares) (1)</b>                               | <b>3 833 549</b> | <b>4 009 905</b> | <b>3 965 730</b> |



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*(1) Shares owned by Group companies are excluded.*

**CONSOLIDATED CASH FLOW STATEMENT, IFRS, EUR million**

(unaudited)

|  | 1-9/2007     | 1-9/2006     | 1-12/2006    |
|--|--------------|--------------|--------------|
| <b>Cash flow from operating activities</b>   |              |              |              |
| Profit attributable to equity holders of the parent  | 5 370        | 3 033        | 4 306        |
| Adjustments, total   | -650         | 1 338        | 1 857        |
| Profit attributable to equity holders of the parent before change in net working capital   | 4 720        | 4 371        | 6 163        |
| Change in net working capital  | 1 037        | -801         | -793         |
| Cash generated from operations   | 5 757        | 3 570        | 5 370        |
| Interest received  | 238          | 175          | 235          |
| Interest paid  | -41          | -7           | -18          |
| Other financial income and expenses, net received  | -23          | 44           | 54           |
| Income taxes paid  | -764         | -963         | -1 163       |
| Net cash from operating activities   | 5 167        | 2 819        | 4 478        |
| <b>Cash flow from investing activities</b>   |              |              |              |
| Acquisition of Group companies, net of acquired cash                                       | 328          | -388         | -517         |
| Purchase of current available-for-sale investments, liquid assets                          | -3 862       | -2 879       | -3 219       |
| Purchase of non-current available-for-sale investments                                     | -66          | -66          | -88          |
| Purchase of shares in associated companies   | -13          | -8           | -15          |
| Additions to capitalized development costs   | -128         | -82          | -127         |
| Long-term loans made to customers  | -73          | -12          | -11          |
| Proceeds from repayment and sale of long-term loans receivable                             | 19           | 56           | 56           |
| Recovery of impaired long-term loans made to customers                                     |              | 276          | 276          |
| Proceeds from (+), payment of (-) other long-term loans receivable                         | -10          | -2           | -3           |
| Proceeds from (+), payment of (-) short-term loans receivable                              | -27          | 235          | 199          |
| Capital expenditures   | -592         | -462         | -650         |
| Proceeds from disposal of shares in associated companies                                   |              | 1            | 1            |
| Proceeds from maturities and sale of current available-for-sale investments, liquid assets | 3 091        | 4 124        | 5 058        |
| Proceeds from sale of non-current available-for-sale investments                           | 28           | 20           | 17           |
| Proceeds from sale of fixed assets   | 108          | 24           | 29           |
| Dividends received   | 13           |              |              |
| Net cash used in/from investing activities   | -1 184       | 837          | 1 006        |
| <b>Cash flow from financing activities</b>   |              |              |              |
| Proceeds from stock option exercises   | 148          | 34           | 46           |
| Purchase of treasury shares  | -2 883       | -2 675       | -3 371       |
| Proceeds from long-term borrowings   | 141          | 57           | 56           |
| Repayment of long-term borrowings  | -30          | -7           | -7           |
| Proceeds from (+), payment of (-) short-term borrowings                                    | 222          | -106         | -137         |
| Dividends paid   | -1 722       | -1 553       | -1 553       |
| Net cash used in financing activities  | -4 124       | -4 250       | -4 966       |
| Foreign exchange adjustment  | -5           | -39          | -51          |
| Net increase (+)/decrease (-) in cash and cash equivalents                                 | -146         | -633         | 467          |
| <b>Cash and cash equivalents at beginning of period</b>                                    | <b>3 525</b> | <b>3 058</b> | <b>3 058</b> |
| <b>Cash and cash equivalents at end of period</b>  | <b>3 379</b> | <b>2 425</b> | <b>3 525</b> |

*NB: The figures in the consolidated cash flow statement cannot be directly traced from the balance sheet without additional information as a result of acquisitions and disposals of subsidiaries and net foreign exchange differences arising on consolidation.*



## CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY, IFRS, EUR million

(unaudited)

|  | Share capital | Share issue premium | Treasury shares | Translation difference | Fair value and other reserves | Reserve for invested non-restricted equity | Retained earnings | Before minority | Minority interest | Total equity  |
|--|---------------|---------------------|-----------------|------------------------|-------------------------------|--|-------------------|-----------------|-------------------|---------------|
| <b>Balance at December 31, 2005</b>                      | <b>266</b>    | <b>2 458</b>        | <b>-3 616</b>   | <b>69</b>              | <b>-176</b>                   |  | <b>13 154</b>     | <b>12 155</b>   | <b>205</b>        | <b>12 360</b> |
| Tax benefit on stock options exercised                   |               | 17                  |                 |                        |                               |  |                   | 17              |                   | 17            |
| Translation differences                                  |               |                     |                 | -115                   |                               |  |                   | -115            | -9                | -124          |
| Net investment hedge gains, net                          |               |                     |                 | 53                     |                               |  |                   | 53              |                   | 53            |
| Cash flow hedges, net of tax                             |               |                     |                 |                        | 127                           |  |                   | 127             |                   | 127           |
| Available-for-sale investments, net of tax               |               |                     |                 |                        | 0                             |  |                   | 0               |                   | 0             |
| Other increase, net                                      |               |                     |                 |                        |                               |  | 4                 | 4               | -1                | 3             |
| Profit   |               |                     |                 |                        |                               |  | 3 033             | 3 033           | 51                | 3 084         |
| <b>Total recognized income and expense</b>               |               | <b>17</b>           |                 | <b>-62</b>             | <b>127</b>                    |  | <b>3 037</b>      | <b>3 119</b>    | <b>42</b>         | <b>3 160</b>  |
| Stock options exercised                                  |               | 34                  |                 |                        |                               |  |                   | 34              |                   | 34            |
| Stock options exercised related to acquisitions          |               | -1                  |                 |                        |                               |  |                   | -1              |                   | -1            |
| Share-based compensation                                 |               | 62                  |                 |                        |                               |  |                   | 62              |                   | 62            |
| Settlement of performance shares                         |               | 3                   | 34              |                        |                               |  |                   | 37              |                   | 37            |
| Acquisition of treasury shares                           |               |                     | -2 713          |                        |                               |  |                   | -2 713          |                   | -2 713        |
| Reissuance of treasury shares                            |               |                     | 3               |                        |                               |  |                   | 3               |                   | 3             |
| Cancellation of treasury shares                          | -20           | 20                  | 4 927           |                        |                               |  | -4 927            |                 |                   |               |
| Dividend   |               |                     |                 |                        |                               |  | -1 512            | -1 512          | -41               | -1 553        |
| Acquisition of minority interests                        |               |                     |                 |                        |                               |  |                   |                 | -119              | -119          |
| <b>Total other equity movements</b>                      | <b>-20</b>    | <b>118</b>          | <b>2 251</b>    |                        |                               |  | <b>-6 439</b>     | <b>-4 090</b>   | <b>-160</b>       | <b>-4 250</b> |
| <b>Balance at September 30, 2006</b>                     | <b>246</b>    | <b>2 593</b>        | <b>-1 365</b>   | <b>7</b>               | <b>-49</b>                    |  | <b>9 752</b>      | <b>11 184</b>   | <b>87</b>         | <b>11 270</b> |
| <b>Balance at December 31, 2006</b>                      | <b>246</b>    | <b>2 707</b>        | <b>-2 060</b>   | <b>-34</b>             | <b>-14</b>                    |  | <b>11 123</b>     | <b>11 968</b>   | <b>92</b>         | <b>12 060</b> |
| Excess tax benefit on share-based compensation           |               | 88                  |                 |                        |                               |  |                   | 88              | 4                 | 92            |
| Translation differences                                  |               |                     |                 | -89                    |                               |  |                   | -89             | 4                 | -85           |
| Net investment hedge gains, net                          |               |                     |                 | 21                     |                               |  |                   | 21              |                   | 21            |
| Cash flow hedges, net of tax                             |               |                     |                 |                        | -18                           |  |                   | -18             |                   | -18           |
| Available-for-sale investments, net of tax               |               |                     |                 |                        | 51                            |  |                   | 51              |                   | 51            |
| Other increase, net                                      |               |                     |                 |                        |                               |  | 74                | 74              |                   | 74            |
| Profit   |               |                     |                 |                        |                               |  | 5 370             | 5 370           | -420              | 4 950         |
| <b>Total recognized income and expense</b>               |               | <b>88</b>           |                 | <b>-68</b>             | <b>33</b>                     |  | <b>5 444</b>      | <b>5 497</b>    | <b>-412</b>       | <b>5 085</b>  |
| Stock options exercised                                  |               | 49                  |                 |                        |                               |  |                   | 99              | 148               | 148           |
| Stock options exercised related to acquisitions          |               | -3                  |                 |                        |                               |  |                   | -3              |                   | -3            |
| Share-based compensation                                 |               | 164                 |                 |                        |                               |  |                   | 164             |                   | 164           |
| Settlement of performance shares                         |               | -69                 | 44              |                        |                               |  |                   | -25             |                   | -25           |
| Acquisition of treasury shares                           |               |                     | -2 934          |                        |                               |  |                   | -2 934          |                   | -2 934        |
| Reissuance of treasury shares                            |               | 0                   | 6               |                        |                               |  |                   | 6               |                   | 6             |
| Cancellation of treasury shares                          |               |                     | 2 733           |                        |                               |  | -2 733            |                 |                   |               |
| Share issue premium reduction and transfer               |               | -2 361              |                 |                        |                               | 2 361                                      |                   |                 |                   |               |
| Dividend   |               |                     |                 |                        |                               |  | -1 685            | -1 685          | -37               | -1 722        |
| Minority interest on formation of Nokia Siemens Networks |               |                     |                 |                        |                               |  |                   |                 | 2 927             | 2 927         |

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|  |            |            |               |             |           |              |               |               |              |               |
|--|------------|------------|---------------|-------------|-----------|--------------|---------------|---------------|--------------|---------------|
| <b>Total of other equity movements</b> |            |            |               |             |           |              |               |               |              |               |
| <b>Balance at September 30, 2007</b>   | <b>246</b> | <b>575</b> | <b>-2 211</b> | <b>-102</b> | <b>19</b> | <b>2 460</b> | <b>-4 418</b> | <b>-4 329</b> | <b>2 890</b> | <b>-1 439</b> |

**COMMITMENTS AND CONTINGENCIES, EUR million**

(unaudited)

|  | 30.09.07   | GROUP<br>30.09.06 | 31.12.06   |
|--|------------|-------------------|------------|
| <b>Collateral for own commitments</b>                      |            |                   |            |
| Property under mortgages                                   | 18         | 18                | 18         |
| Assets pledged   | 28         | 27                | 27         |
| <b>Contingent liabilities on behalf of Group companies</b> |            |                   |            |
| Guarantees for loans                                       | 170        |                   |            |
| Other guarantees   | 2 540      | 407               | 358        |
| <b>Contingent liabilities on behalf of other companies</b> |            |                   |            |
| Guarantees for loans                                       | 3          | 28                | 23         |
| Other guarantees   | 1          | 2                 | 2          |
| <b>Leasing obligations</b>                                 | <b>502</b> | <b>605</b>        | <b>665</b> |
| <b>Financing commitments</b>                               |            |                   |            |
| Customer finance commitments                               | 357        | 214               | 164        |
| Venture fund commitments                                   | 189        | 245               | 208        |

**NOTIONAL AMOUNTS OF DERIVATIVE FINANCIAL INSTRUMENTS, EUR million (1)**

(unaudited)

|  | 30.09.07 | 30.09.06 | 31.12.06 |
|--|----------|----------|----------|
| Foreign exchange forward contracts (2) | 38 251   | 32 843   | 29 859   |
| Currency options bought (2)            | 4 221    | 380      | 404      |
| Currency options sold (2)              | 350      | 189      | 193      |
| Interest rate swaps and futures        | 408      | 3 211    |          |
| Cash settled equity options (3)        | 23       | 133      | 45       |

(1) Includes the gross amount of all notional values for contracts that have not yet been settled or cancelled. The amount of notional value outstanding is not necessarily a measure or indication of market risk, as the exposure of certain contracts may be offset by that of other contracts.

(2) Notional amounts include contracts used to hedge the shareholders' equity of foreign subsidiaries.

(3) Cash settled equity options can be used to hedge risks relating to incentive programs and investment activities.

1 EUR = 1.387 USD

**FORWARD-LOOKING STATEMENTS**

*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, design, plan, 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, Helsinki October 18, 2007

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Nokia plans to report its Q4 and full year 2007 results on January 24, 2008

The Annual General Meeting is scheduled to be held on May 8, 2008

[www.nokia.com](http://www.nokia.com)

SIGNATURE

*Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant, Nokia Corporation, has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.*

Date: October 18, 2007

Nokia Corporation

By:

/s/ Kaarina Ståhlberg  
Name: Kaarina Ståhlberg  
Title: Assistant General Counsel

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