



**JPMorgan**

**36th Annual Technology Conference**

**May 19, 2008**

**Westin Boston Waterfront**

**Rick Simonson**

**Chief Financial Officer**

**NOKIA**

# Disclaimer

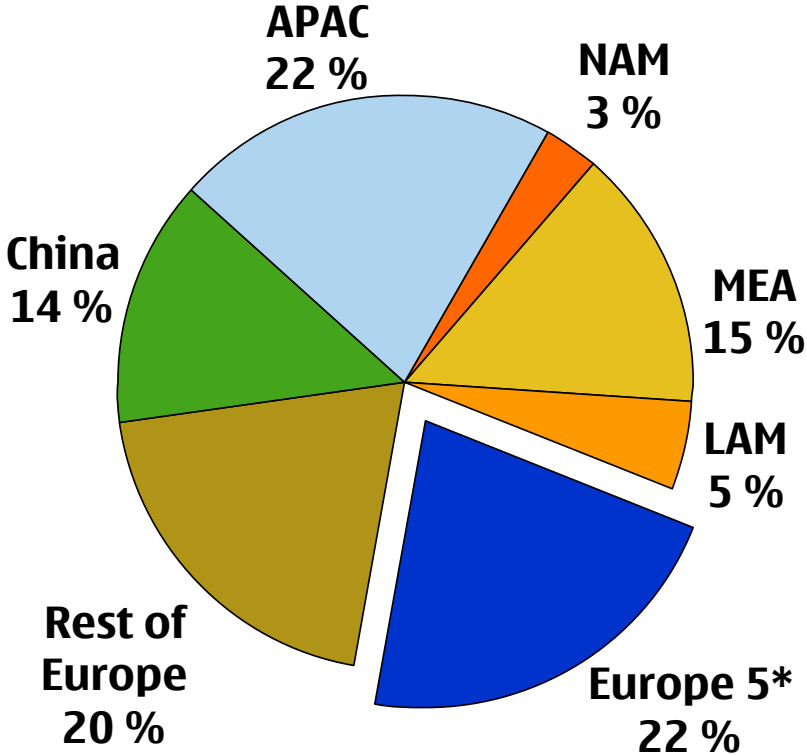
It should be noted that certain statements herein which are not historical facts, including, without limitation, those regarding: A) the timing of product, services and solution deliveries; B) our ability to develop, implement and commercialize new products, services, solutions and technologies; C) expectations 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 the set targets upon the completion of such acquisitions; and H) statements preceded by “believe,” “expect,” “anticipate,” “foresee,” “target,” “estimate,” “designed,” “plans,” “will” or similar expressions are forward-looking statements. These statements are based on management’s best assumptions and beliefs in light of the information currently available to it. Because they involve risks and uncertainties, actual results may differ materially from the results that we currently expect. Factors that could cause these differences include, but are not limited to: 1) competitiveness of our product, service and solutions portfolio; 2) the extent of the growth of the mobile communications industry and general economic conditions globally; 3) the growth and profitability of the new market segments that we target and our ability to successfully develop or acquire and market products, services and solutions in those segments; 4) our ability to successfully manage costs; 5) the intensity of competition in the mobile communications industry and our ability to maintain or improve our market position or respond successfully to changes in the competitive landscape; 6) 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; 7) timely and successful commercialization of complex technologies as new advanced products, services and solutions; 8) 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; 9) our ability to protect numerous Nokia and Nokia Siemens Networks patented, standardized or proprietary technologies from third-party infringement or actions to invalidate the intellectual property rights of these technologies; 10) Nokia Siemens Networks’ ability to achieve the expected benefits and synergies from its formation to the extent and within the time period anticipated and to successfully integrate its operations, personnel and supporting activities; 11) whether, as a result of investigations into alleged violations of law by some current or former employees of Siemens AG (“Siemens”), government authorities or others take further 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 have occurred after the transfer, of such assets and employees that could result in additional actions by government authorities; 12) 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; 13) occurrence of any actual or even alleged defects or other quality issues in our products, services and solutions; 14) 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; 15) inventory management risks resulting from shifts in market demand; 16) our ability to source sufficient amounts of fully functional components and sub-assemblies without interruption and at acceptable prices; 17) any disruption to information technology systems and networks that our operations rely on; 18) developments under large, multi-year contracts or in relation to major customers; 19) 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) 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; 23) the management of our customer financing exposure; 24) allegations of possible health risks from electromagnetic fields generated by base stations and mobile devices and lawsuits related to them, regardless of merit; 25) unfavorable outcome of litigations; 26) our ability to recruit, retain and develop appropriately skilled employees; 27) the impact of changes in government policies, laws or regulations; and 28) our ability to effectively and smoothly implement our new organizational structure; as well as the risk factors specified on pages 10-25 of Nokia’s annual report on Form 20-F for the year ended December 31, 2007 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.

# Agenda

- **Post Q1 feedback**
- **Importance of product portfolio refresh**
- **Business model sustainability**
- **Working capital and cash flow**

# Balanced diversification of **Devices & Services** gross profits

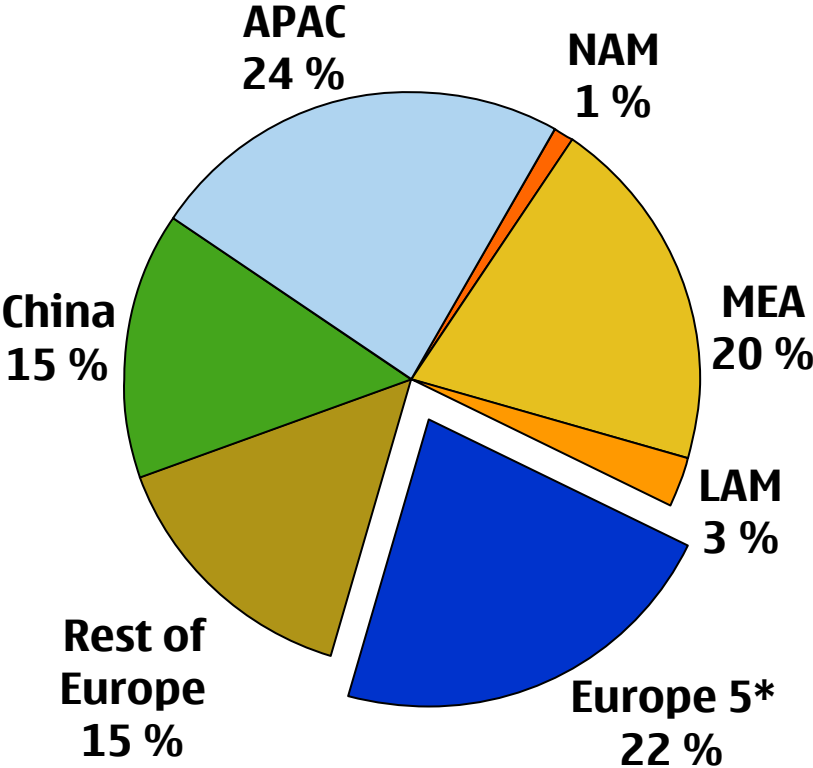
## 2007 Total



\* Europe 5: UK, Germany, France, Spain and Italy

# Balanced diversification of converged device units

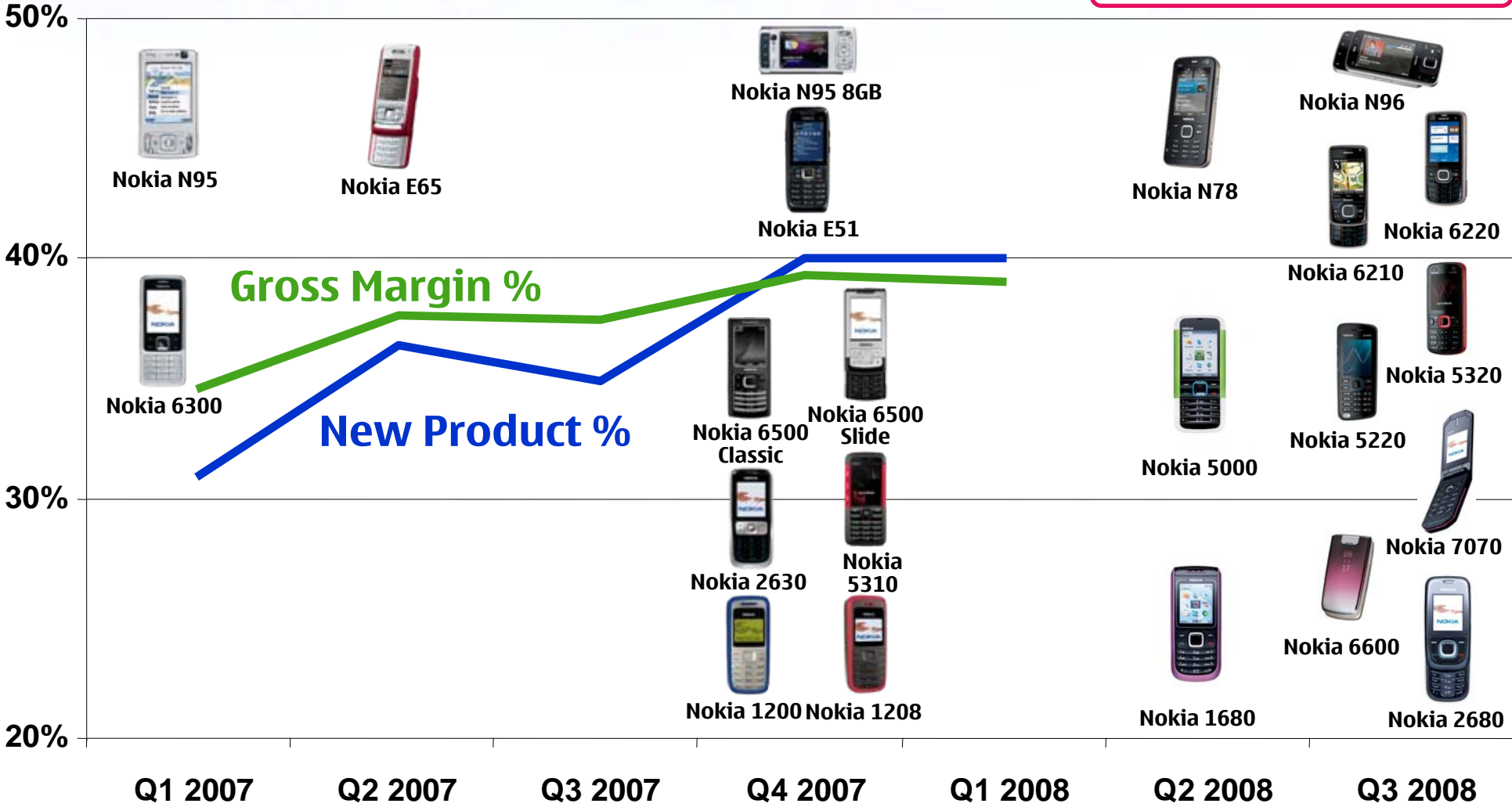
## 2007 Total



\* Europe 5: UK, Germany, France, Spain and Italy

# New product revenue % and gross margin %

+ more to be announced



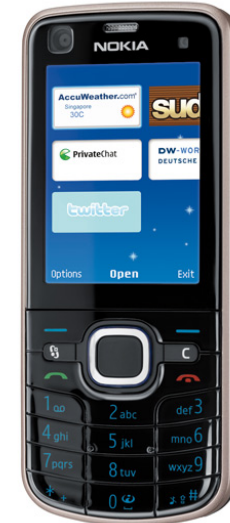
# Converged devices – new in 2H'08



**N78**



**N96**



**6220 Classic**



**6210 Navigator**

**New products ramping in 2H'08, featuring:**

- **Maps 2.0**
- **GPS**
- **HSDPA**
- **3-5 Mpixel camera**

**+ more to be announced**

# Continuous refresh of **entry-level** and **mid-range**

## Entry - Connect



Nokia 1680



Nokia 2680 slide

## Entry - Live



Nokia 5000



Nokia 7070 Prism

+ more to be announced

## Connect



Nokia 6600

## Live



Nokia 5220 XpressMusic



Nokia 5320 XpressMusic

# Sustainable core virtues

**Scale**

**Brand**

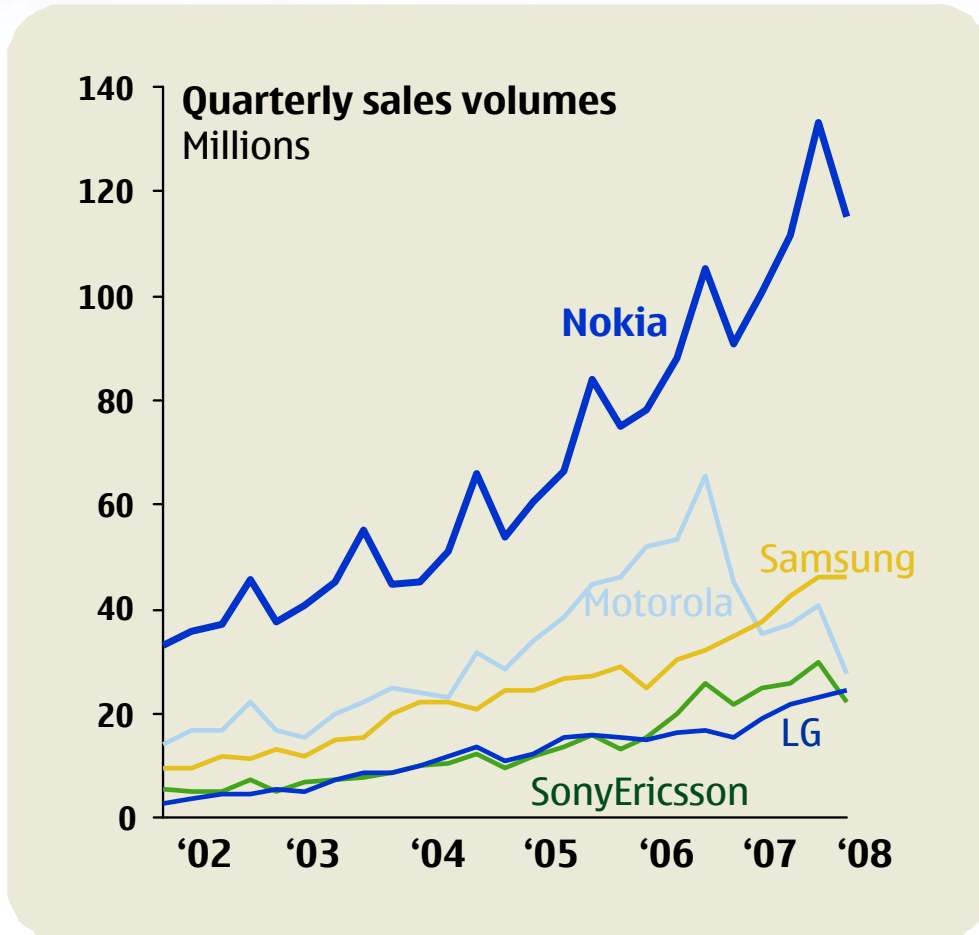
**Quality**

**Manufacturing and logistics**

**Distribution**

**Building now: Services & Software**

# Core virtue – Scale



Source: company reports

**39% Market share** in Q1/08  
almost equals next 4  
competitors together

Our scale

+

geographic diversity

+

broad product portfolio

=

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

# Core virtue – Brand

World's most valuable brands 2007

- 1 
- 2 
- 3 
- 4 
- 5 **NOKIA**
- 6 
- 7 
- 8 
- 9 
- 10 

Source: Interbrand

Asia's Top 1000 brands 2007

- 1 **NOKIA**
- 2 
- 3 
- 4 
- 5 
- 6 
- 7 
- 8 
- 9 
- 10 

Source: synovate, HK

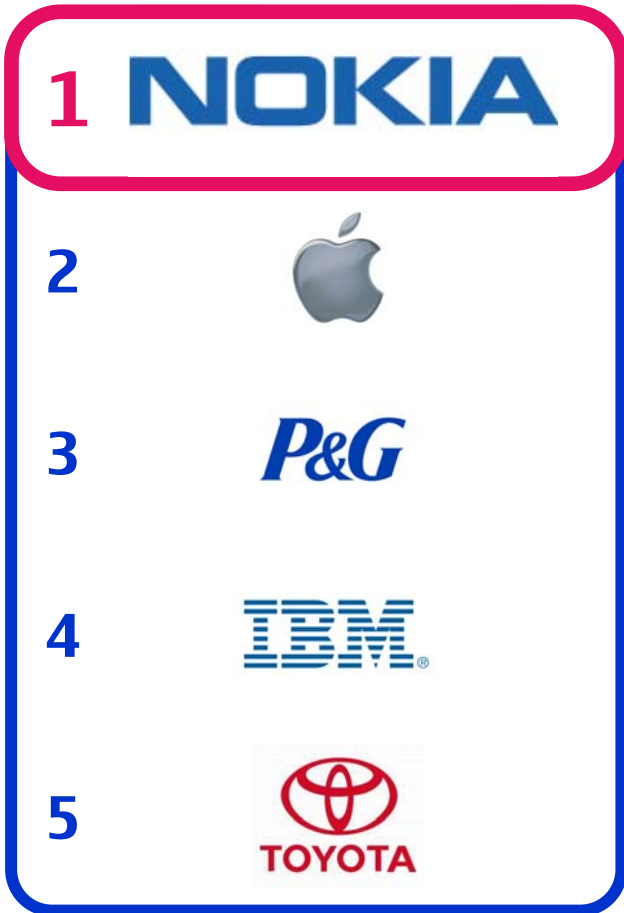
Europe Top 100 most powerful brands 2008

- 1 **NOKIA**
- 2 
- 3 
- 4 
- 5 
- 6 
- 7 
- 8 
- 9 
- 10 

Source: Millward Brown

# Core virtue – Supply Chain

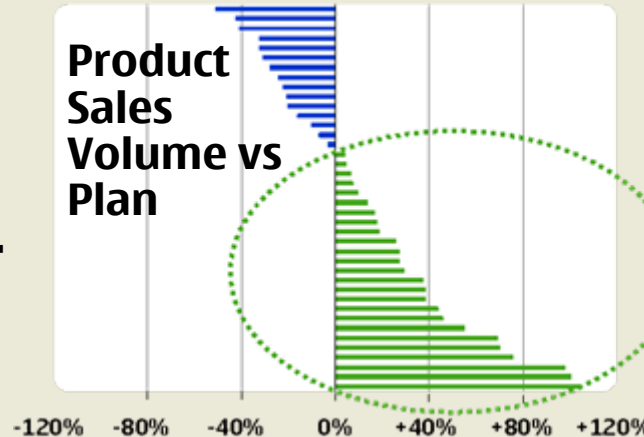
#1 out of Fortune Global 500



Source: AMR Research

Top Line

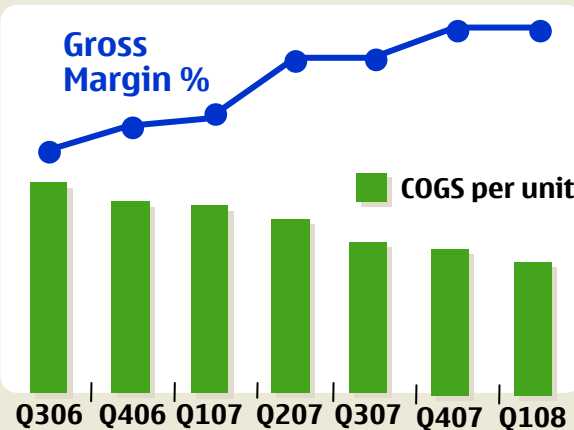
Product Sales Volume vs Plan



Revenue and market share captured through **supply flexibility**

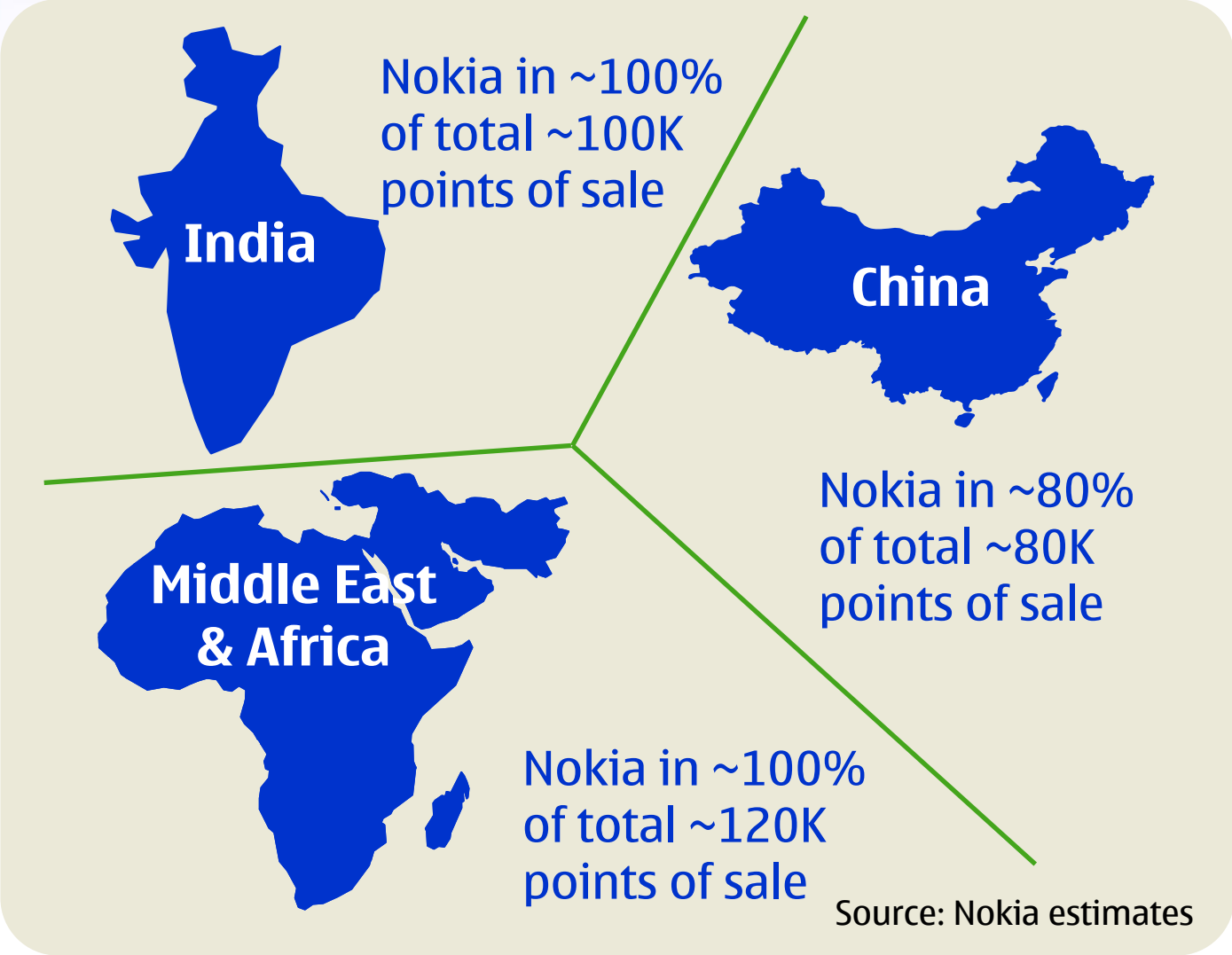
Bottom Line

Gross Margin %

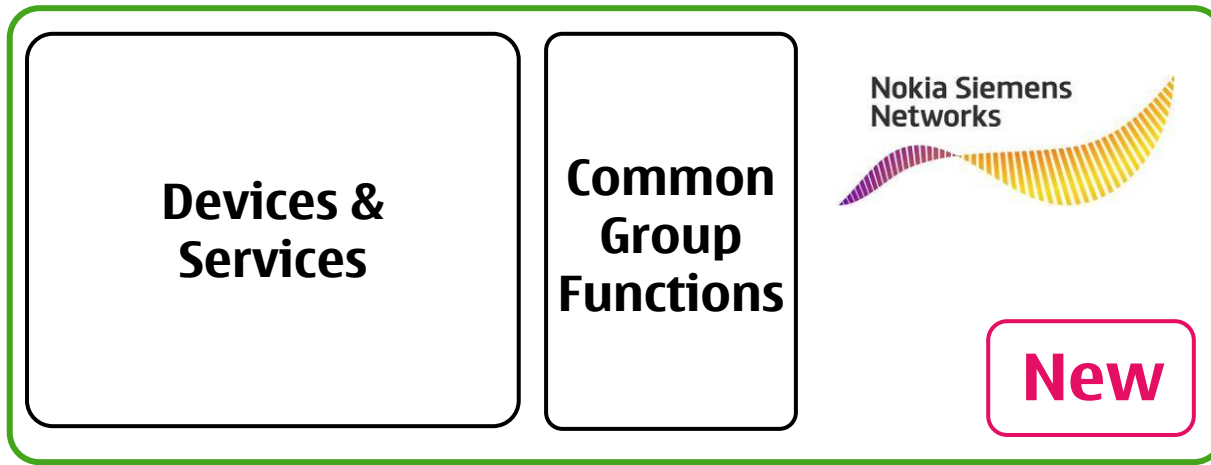
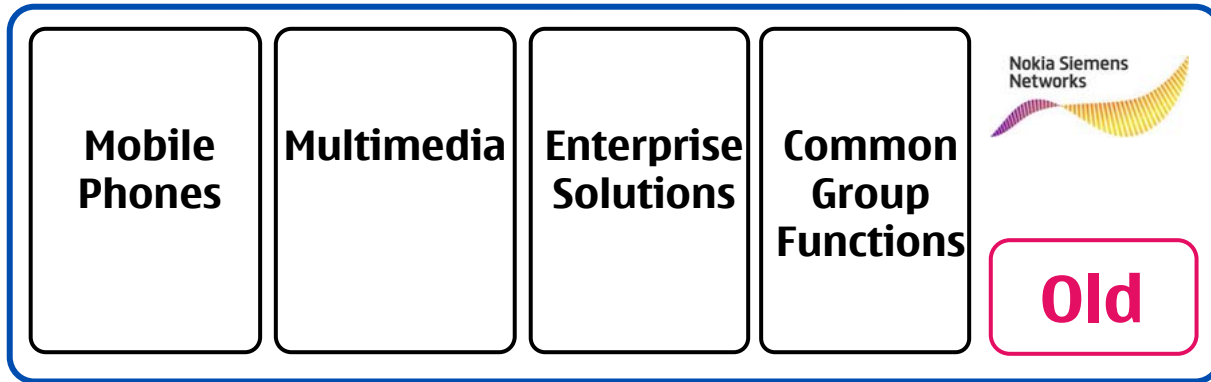


Gross margins captured through **economies of scale** and **product cost management**

# Core virtue – Distribution



# New organizational structure – strategic and financial benefits



## Leverage interdependencies

- Align Device R&D and go-to-market plans to support Services & Software ramp-up

## Opportunities for synergies and savings

- Harmonization of product roadmaps
- Elimination of overlaps in sales and marketing

# Market share gain in 2008?

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

## **#1: Mathematical benefit – Nokia’s ~50% entry-level share in 2007\***

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

## **#2: Mathematical benefit – Nokia’s ~50% converged devices share in 2007\***

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

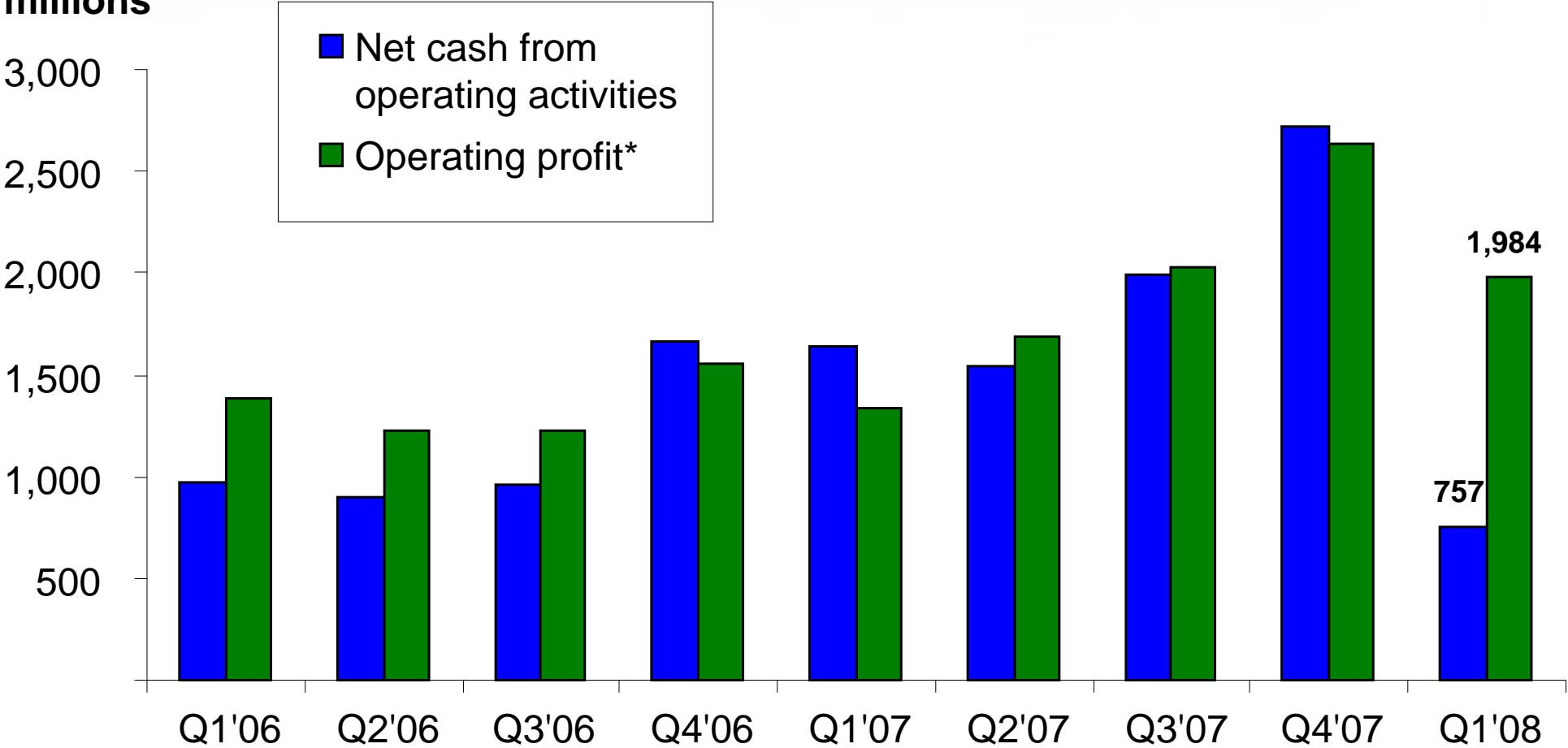
## **#3: Mathematical benefit – Nokia’s ~45% GSM; ~40% WCDMA share in 2007\***

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

\* Nokia estimates

# Quarterly Cash Flow

EUR  
millions



\* Excludes special items and purchase price accounting related items

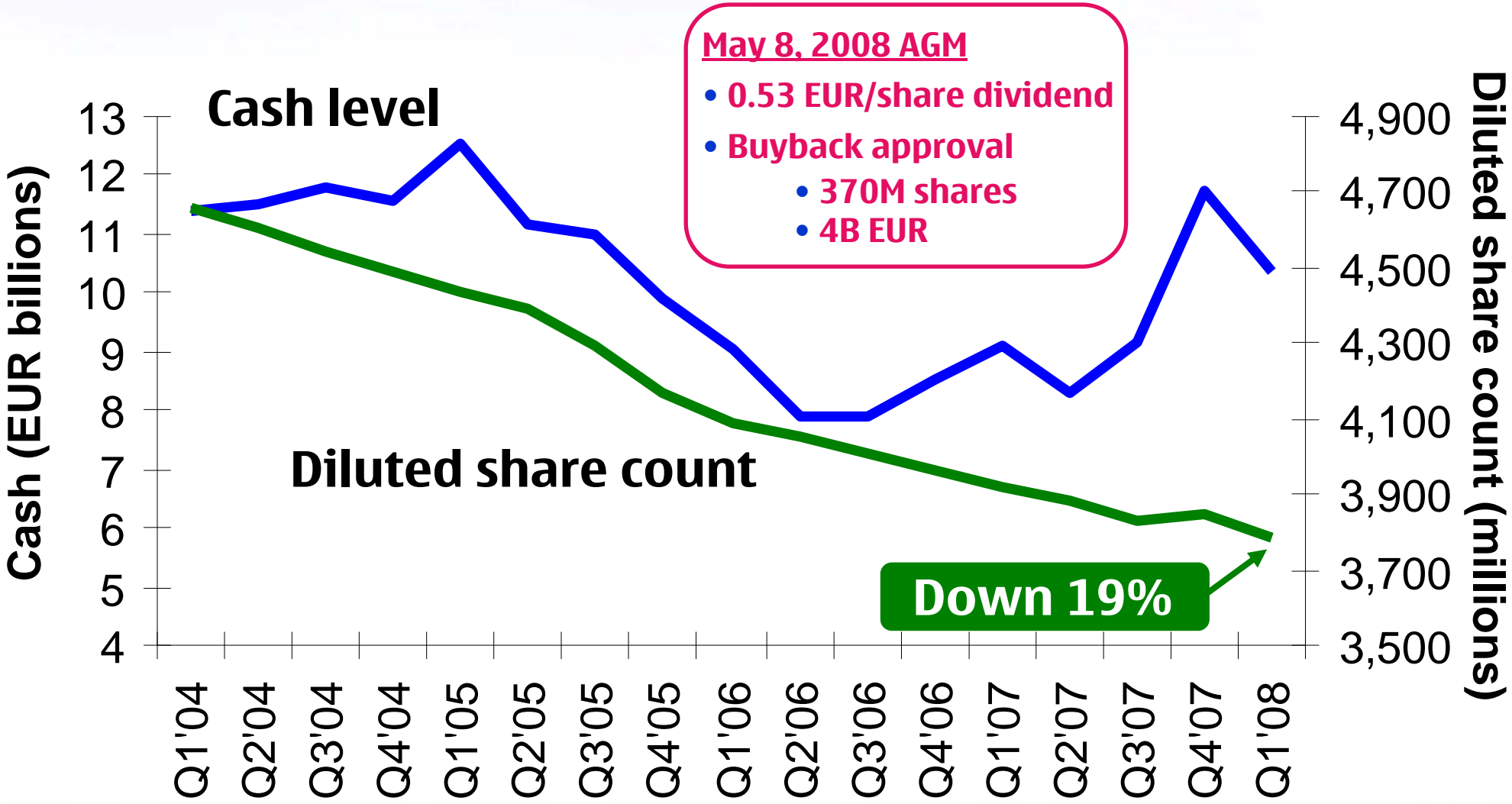
# Working capital management

Formation  
of Nokia  
Siemens  
Networks



	Q1'06	Q2'06	Q3'06	Q4'06	Q1'07	Q2'07	Q3'07	Q4'07	Q1'08
<b>+ Days Sales Outstanding</b>	48	49	52	49	48	69	69	70	66
<b>+ Days Sales in Inventory</b>	24	25	30	19	20	32	31	28	28
<b>- Days Payables Outstanding</b>	50	49	57	45	47	70	71	69	56
<b>= Cash to Cash Cycle</b>	22	25	26	22	20	31	29	29	38

# Distribution of excess cash to shareholders



# Summary

- Balanced diversification
- New products ramping in volume in 2H'08
- Sustainable core virtues
- Nokia is aligned with shareholders' interests



A photograph of two hands, one larger and one smaller, reaching towards each other from opposite sides. The hands are positioned as if about to shake or connect, set against a bright, white background.

# NOKIA