NOKIA

PRESS RELEASE
April 20, 2001

Nokia exceeds first quarter earnings targets – extends leadership in a challenging environment

Nokia today announced strong first quarter 2001 results exceeding earlier estimates, again achieving good profitability and faster-than-market growth in both networks and mobile phones.

- Nokia's net sales grew by 22% to EUR 8 007 million. In Nokia Networks, net sales growth was 35% and in Nokia Mobile Phones 20%
- Pro forma operating profit increased by 8% to EUR 1 440 million
- Pro forma operating margin for Nokia was 18.0%, Nokia Networks 18.0% and Nokia Mobile Phones 20.7%
- Pro forma earnings per share (diluted) were EUR 0.22 (0.19), on a reported basis EPS (diluted) were 0.20 (0.19)

As communicated earlier, Nokia has decided to disclose pro forma as well as reported figures starting with this quarter to increase transparency and provide more meaningful information to investors. Pro forma adjustments for this quarter reflect the exclusion of amortization of goodwill in the amount of EUR 71 million (EUR 19 million in the first quarter 2000) associated with acquisitions. In the future, pro forma adjustments could also reflect other possible changes in the company's structure as a result of acquisitions or divestments, changes in accounting standards, as well as other non-recurring items. All reported figures can be found on pages 5 and 6 and in the tables at the end of this report.

	PRO FORMA (excludes goodwill amortization)			
EUR Million	**1Q/2001**	**1Q/2000**	**Change (%)**	**Full Year 2000**
Net sales	8 007	6 537	+22	30 376
Nokia Networks	2 022	1 502	+35	7 714
Nokia Mobile Phones	5 830	4 839	+20	21 887
Nokia Ventures Organization	169	211	-20	854
Operating profit	1 440	1 335	+8	5 916
Nokia Networks	364	280	+30	1 400
Nokia Mobile Phones	1 207	1 162	+4	4 897
Nokia Ventures Organization	-102	-59	-73	-307
Common Group Expenses	-29	-48		-74
Profit before tax and minority interests	1 484	1 352	+10	6 002
Net profit	1 045	910	+15	4 078
EPS, EUR				
Basic	0.22	0.20	+10	0.87
Diluted	0.22	0.19	+11	0.85

Commenting on the results, Jorma Ollila, Nokia's Chairman and CEO expressed confidence in the company's ability to perform well in demanding conditions.

"I am more than pleased with our first-quarter numbers. We were able to extend our leadership while managing the day-to-day challenges of a demanding economic environment. During the quarter, we continued to increase our market share in both handsets and networks and we again sustained profitable growth and strong positive operating cashflow," said Ollila.

NOKIA IN JANUARY–MARCH 2001 (PRO FORMA)

(International Accounting Standards, IAS, pro forma, comparisons given to the first quarter 2000 results)

Pro forma adjustments for this quarter reflect the exclusion of amortization of goodwill in the amount of EUR 71 million (EUR 19 million in the first quarter 2000) associated with acquisitions.

Nokia´s net sales increased by 22% to EUR 8 007 million (EUR 6 537 million). Sales growth was strong in all geographic regions. Sales of Nokia Networks increased by 35% to EUR 2 022 million (EUR 1 502 million), with growth especially strong in Asia Pacific and the Americas. Sales of Nokia Mobile Phones grew by 20% to EUR 5 830 million (EUR 4 839 million), with growth strongest in Europe and Asia Pacific. Sales of Nokia Ventures Organization decreased by 20% and totaled EUR 169 million (EUR 211 million). Pro forma adjustments did not affect net sales.

Pro forma operating profit increased by 8% to EUR 1 440 million (EUR 1 335 million), representing a pro forma operating margin of 18.0% (20.4%). Pro forma operating profit in Nokia Networks increased by 30% to EUR 364 million (EUR 280 million), representing a pro forma operating margin of 18.0% (18.6%). Pro forma operating profit in Nokia Mobile Phones increased by 4% to EUR 1 207 million (EUR 1 162 million), representing a pro forma operating margin of 20.7% (24.0%). Nokia Ventures Organization reported a pro forma operating loss of EUR 102 million (pro forma operating loss of EUR 59 million). Common Group Expenses, which comprises Nokia Head Office and Nokia Research Center, totaled EUR 29 million (EUR 48 million).

Pro forma earnings per share increased to EUR 0.22 (basic) and to EUR 0.22 (diluted) compared with EUR 0.20 (basic) and EUR 0.19 (diluted).

BUSINESS ENVIRONMENT AND FORECASTS

Nokia believes it has the opportunity not only to extend its leadership in mobile handsets but also to gain the leading position in the 3G mobile network infrastructure market. The global mobile communications market will make the transition from second to third generation technologies, with network investments in third generation commencing in late 2001, and many operators preparing for commercial launches in the second half of 2002. During this period, Nokia believes the mobile phone market will continue to grow significantly. The company therefore reiterates its global market volume outlook of 450-500 million units for 2001. The impact of third generation investments will become more apparent in Nokia Networks in 2002, and in Nokia Mobile Phones commencing in the second half of 2002.

Current economic uncertainties and the transition to packet-based services continue to limit our visibility for the remainder of 2001. However, capacity expansions in GSM networks are continuing and new GSM operators are also entering the market. In mobile phones, our own inventories and those of Nokia-manufactured phones in the sales channels have continued at somewhat lower levels than at the end of 2000, allowing us a healthy flow of deliveries.

Nokia expects to achieve revenue growth of about 20% for the second quarter and for the full year 2001, reflecting more difficult market conditions. In the second quarter 2001, Nokia expects pro forma EPS of about EUR 0.20 (diluted).

For the full year 2001, Nokia is confident that the pro forma operating margin for the Nokia Group, Nokia Networks and Nokia Mobile Phones will remain in the high teens. As investments into third generation technologies accelerate, the company also expects to see growth of 25-35% for 2002.

STATEMENT BY JORMA OLLILA, CHAIRMAN AND CEO

I am more than pleased with our first-quarter numbers. We were able to extend our leadership while managing the day-to-day challenges of a demanding economic environment. During the quarter, we continued to increase our market share in both handsets and networks and we again sustained profitable growth and strong positive operating cashflow of EUR 1.7 billion.

In the networks business, backed by our recent successes, we are well on track for our targeted leadership in 3G infrastructure. In the overall 3G mobile network infrastructure market we believe Nokia has the extraordinary opportunity to achieve twice the market share reached in the second generation. Our WCDMA pilot deliveries are scheduled for June of this year, with commercial volume deliveries timed to commence in October 2001.

We have recently signed a number of important deals with 3G operators, including some where Nokia provided vendor financing. We will continue to maintain a prudent approach to financing, by providing financing only in certain transactions with long-term strategic significance and to operators with a solid business case. We consider that the bulk of our vendor financing has now been announced for the initial phase of the third generation network rollout.

In mobile phones, Nokia's volume growth continued to outpace the market. We estimate that our first-quarter sales volume increased at more than twice the rate of the overall market, compared to the first quarter 2000. With 11 product announcements already on the board this year, we see ourselves as well positioned to move towards our stated 40% global market share target.

Nokia continues to drive and develop technical architecture for the mobile Internet designed to provide a user-friendly mobile Internet experience for anyone on any network with any type of access. Secure and reliable network solutions for corporations is also a growth area for us. Through Nokia Ventures Organization we will focus on these and other growth opportunities outside our networks and mobile phones businesses.

Our position in this industry has never been stronger. We will continue to target high profitability, focusing on determined actions to further improve operational efficiency, increase the competitiveness of our products and build on the Nokia brand. This is our fundamental formula for profitable growth, which we implemented long before the current economic difficulties. Our results attest to the soundness of this approach.

We believe strongly in the long-term opportunities of the growing mobile communications industry and see ourselves very well positioned for the transition towards the third generation technologies.

Nokia Networks

During the first quarter, Nokia Networks grew 35% compared to the first quarter 2000, with growth fastest in Asia. GSM operators continued to invest in network capacity; in addition to winning three new GSM customers, Nokia signed a number of significant network expansion agreements in China, Poland, Thailand and Venezuela.

In third generation networks, Nokia was chosen as a supplier by Cegetel in France, Telenor Mobile in Norway, Telia in Norway and in Finland, ONE in Austria, Cable & Wireless Optus in Australia, Hutchison 3G in the United Kingdom, Orange, France Telecom Group in France, the United Kingdom and Germany and Wind in Italy. Nokia also entered into a 3G trial with Chungwa Telecom in Taiwan. These announcements brought Nokia closer to its targeted 35% market share in 3G networks, as well as placing the company on par in market share terms with its nearest competitor in 3G.

In addition, Nokia signed several mobile data related deals and agreed on GPRS deliveries with three new customers.

Nokia launched several new products and solutions for mobile data and 3G networks, including Nokia Artuse MMS center, the industry-first multimedia messaging solution, and the Nokia Payment solution for mobile e-commerce. Nokia also introduced GSM 800 technology, enabling both TDMA and TDMA/GSM operators to launch GSM services on 800 MHz frequencies, with an evolution path towards future 3G services with EDGE and WCDMA.

In broadband DSL, Nokia signed agreements in China, Europe and the US. Expansion of the TETRA standard for professional cellular networks continued and Nokia signed two TETRA network deals in China.

The company made the decision to outsource manufacturing in Camberley (UK) and Haukipudas (Finland) to SCI Systems Inc. The move is intended to step up the degree of flexibility in production in these two key locations.

In response to the intensifying competition in the DSL markets, Nokia streamlined its operations and sharpened its business focus in Broadband Systems. The shift in focus, combined with the positive benefits from the use of common Nokia technology platforms, is designed to enhance the competitiveness of the Broadband Systems division.

Nokia Mobile Phones

During the first quarter, Nokia made sweeping new model launches across several protocols and geographic regions, notably the company's first GPRS phones for GSM markets in Europe and Asia Pacific. With 11 product announcements already made by early April, Nokia is well positioned to move towards its targeted 40% share of the global handset market.

In March, Nokia took important steps to strengthen its position in CDMA by unveiling two premium category WAP-enabled models, the Nokia 8887 (CDMA 800) and the Nokia 8877 (CDMA 1700) for Korea, the only major cellular market in the world where Nokia has not sold its digital phones until now. For the Americas markets Nokia introduced two stylish CDMA models with mobile Internet browsers: the tri-mode Nokia 3285 and the dual-mode Nokia 3280. All four models are scheduled to ship in the second quarter.

Nokia introduced three models in its basic category — the first of its entry-level phones to feature WAP. These were the Nokia 3330 for GSM markets in Europe and Asia Pacific, and the tri-mode Nokia 3360 and the dual-mode 3320 for TDMA markets in the Americas. Deliveries of the Nokia 3330 have just started, while availability of the Nokia 3360 and the Nokia 3320 are scheduled for the third quarter.

Nokia's first GPRS model, the Nokia 8310 is a fashion category phone with both GPRS and HSCSD and comes with WAP 1.2.1 and an integrated FM Radio. Deliveries are planned to start in the third quarter. The Nokia 6310, a classic category model targeted for mobile professionals, also comes with GPRS, HSCSD and WAP 1.2.1, as well as integrated Bluetooth and SyncML support. The Nokia 6310 is scheduled to be available in the fourth quarter.

For the lifestyle conscious consumer segments in the Asia Pacific GSM markets, Nokia introduced the Gold Edition of its premium category model 8850. Deliveries are scheduled to start in the second quarter.

In early April, Nokia, together with J-Phone, introduced the J-NMO1, a new PDC phone for the Japanese market. This model is also expected to be available in the second quarter. While focusing on WCDMA technology, Nokia views this partnership as an effective strategy to ensure the company maintains a presence in the PDC market.

In the area of value-added services specifically for Nokia terminals, Nokia is focusing on music, images and games. The first full-color game for the Nokia 9210, the Virtually Board Snowboarding game, will become available through Club Nokia during the second quarter. Club Nokia will also be offering new mobile game packs over WAP for the Nokia 3330 to Club Nokia members.

In March, the company announced its entry into music devices by introducing the Nokia Music Player, planned to become available during the third quarter. It enables users to listen to downloadable audio/music (AAC/MP3) files or to an integrated FM stereo radio; it can also be used as a handsfree kit for the Nokia 3310, 3330, 8210 and 8850 phones.

During the first quarter, Nokia continued to drive forward various industry initiatives for enriching the mobile user experience and creating a global services market for mobile handsets.

In March, Nokia demonstrated the first WAP/XHTML browser implementation on a standard mobile phone. XHTML (Extensible Hyper Text Markup Language) is the format for the future evolution of mobile services and the basis for the WAP Next Generation developed by the WAP Forum. XHTML bridges the gap between the mobile and fixed Internet and creates a truly open, global market for service creation. Nokia plans to introduce its first WAP/XHTML enabled handsets during this year.

Nokia Ventures Organization

Nokia Internet Communications strengthened its network security portfolio with new solutions for small office networks. The Nokia IP51 and the Nokia IP55 appliances have been designed to deliver high performance security to small offices in distributed enterprises and service providers offering managed security services to small businesses.

Nokia's VPN product line was extended by the new Nokia CC5205 Gigabit Ethernet VPN appliance, powered by Nokia’s patented IP clustering technology. The company also introduced its Windows 2000-compliant Nokia VPN policy manager, in addition to the Nokia IP530 Network Security Platform, a high performance security appliance for medium to large enterprise networks.

Nokia Home Communications presented its first consumer retail product to the United States. The Media Terminal, a home infotainment center that seamlessly combines the Internet and digital TV broadcast, brings a unique product category to the market where consumers can use one central device for organizing and storing today's popular media and Internet applications.

Backed by its global investment scope, Nokia Venture Partners continued to add new leading edge companies to its portfolio. With USD 650 million under management, Nokia Venture Partners is the largest venture capital firm to invest exclusively in mobile Internet related start-up businesses and technologies.

NOKIA IN JANUARY–MARCH 2001 REPORTED

(International Accounting Standards, IAS, comparisons given to the first quarter 2000 results)

Nokia´s net sales increased by 22% to EUR 8 007 million (EUR 6 537 million). Sales growth was strong in all geographic regions. Sales of Nokia Networks increased by 35% to EUR 2 022 million (EUR 1 502 million), with growth especially strong in Asia Pacific and the Americas. Sales of Nokia Mobile Phones grew by 20% to EUR 5 830 million (EUR 4 839 million), with growth strongest in Europe and Asia Pacific. Sales of Nokia Ventures Organization decreased by 20% and totaled EUR 169 million (EUR 211 million).

Operating profit increased by 4% to EUR 1 369 million (EUR 1 316 million), representing an operating margin of 17.1% (20.1%). Operating profit in Nokia Networks increased by 26% to EUR 345 million (EUR 273 million), representing an operating margin of 17.1% (18.2%). Operating profit in Nokia Mobile Phones increased by 2% to EUR 1 183 million (EUR 1 162 million), representing an operating margin of 20.3% (24.0%). Nokia Ventures Organization reported an operating loss of EUR 130 million (operating loss of EUR 70 million). Common Group Expenses, which comprises Nokia Head Office and Nokia Research Center, totaled EUR 29 million (EUR 48 million).

Financial income totaled EUR 47 million (financial income EUR 20 million). Profit before tax and minority interests was EUR 1 414 million (EUR 1 333 million). Net profit totaled EUR 975 million (EUR 891 million). Earnings per share increased to EUR 0.21 (basic) and to EUR 0.20 (diluted) compared with EUR 0.19 (basic) and EUR 0.19 (diluted).

At March 31, 2001, net debt-to-equity ratio (gearing) was -36% (-26% at the end of 2000). During the January to March period 2001, capital expenditures amounted to EUR 305 million (EUR 311 million).

The average number of employees during the quarter was 60 173. At March 31, Nokia employed a total of 60 289 people (56 539 people at March 31, 2000).

Effective March 2, a total of 7 914 Nokia shares were returned to Nokia pursuant to agreements made in connection with business acquisitions effected before the reporting period. The aggregate par value of these shares, which were received without consideration, was EUR 474.84 and they represented less than 0.001% of the share capital of the company and the total voting rights. These new holdings did not have any significant effect on the relative holdings of the other shareholders of the company or on the voting powers among them. Nokia shareholders resolved at the General Meeting on March 21 to cancel a total of 68 950 shares held by the company, including the aforementioned 7 914 shares. The cancellation will become effective during the second quarter 2001.

On March 31, the Group companies owned 4 009 901 Nokia shares. The shares had an aggregate par value of EUR 240 594.06 representing 0.085% of the share capital of the company and the total voting rights.

The number of issued shares on March 31 was 4 698 219 267 and the share capital was EUR 281 893 156.02.

CONSOLIDATED PROFIT AND LOSS ACCOUNT, IAS, EUR million
(unaudited)

	Proforma 1-3/01	Proforma 1-3/00	**Reported 1-3/01**	Reported 1-3/00
Net sales	**8 007**	6 537	**8 007**	6 537
Cost of sales	**-5 028**	-4 012	**-5 028**	-4 012
Research and development expenses	**-766**	-530	**-766**	-530
Selling, general and administrative expenses	**-773**	-660	**-773**	-660
Amortization of goodwill	**-**	-	**-71**	-19
Operating profit	**1 440**	1 335	**1 369**	1 316
Share of results of associated companies	**-2**	-3	**-2**	-3
Financial income and expenses	**47**	20	**47**	20
Profit before tax and minority interests	**1 485**	1 352	**1 414**	1 333
Tax	**-418**	-416	**-418**	-416
Minority interests	**-21**	-26	**-21**	-26
Net profit	**1 046**	910	**975**	891
Earnings per share, EUR				
Net profit				
Basic	**0.22**	0.20	**0.21**	0.19
Diluted	**0.22**	0.19	**0.20**	0.19
Average number of shares				
(1 000 shares)				
Basic	**4 693 211**	4 653 944	**4 693 211**	4 653 944
Diluted	**4 788 743**	4 788 256	**4 788 743**	4 788 256
Depreciation and amortization, total			**313**	180

CONSOLIDATED PROFIT AND LOSS ACCOUNT, IAS, EUR million
(unaudited)

	Proforma 1-12/00	Reported 1-12/00
Net sales	30 376	30 376
Cost of sales	-19 072	-19 072
Research and development expenses	-2 584	-2 584
Selling, general and administrative expenses	-2 804	-2 804
Amortization of goodwill	-	-140
Operating profit	5 916	5 776
Share of results of associated companies	-16	-16
Financial income and expenses	102	102
Profit before tax and minority interests	6 002	5 862
Tax	-1 784	-1 784
Minority interests	-140	-140
Net profit	4 078	3 938
Earnings per share, EUR		
Net profit		
Basic	0.87	0.84
Diluted	0.85	0.82
Average number of shares		
(1 000 shares)		
Basic	4 673 162	4 673 162
Diluted	4 792 980	4 792 980
Depreciation and amortization, total		1 009

NET SALES BY BUSINESS GROUP, EUR million
(unaudited)

	1-3/2001	1-3/2000	Change %	1-12/2000
Nokia Networks	**2 022**	1 502	35	7 714
Nokia Mobile Phones	**5 830**	4 839	20	21 887
Nokia Ventures Organization	**169**	211	-20	854
Inter-business group eliminations	**-14**	-15		-79
Nokia Group	**8 007**	6 537	22	30 376

OPERATING PROFIT BY BUSINESS GROUP, EUR million
(unaudited)

Proforma	**1-3/2001**	1-3/2000	1-12/2000
Nokia Networks	**364**	280	1 400
Nokia Mobile Phones	**1 207**	1 162	4 897
Nokia Ventures Organization	**-102**	-59	-307
Common Group Expenses	**-29**	-48	-74
Nokia Group	**1 440**	1 335	5 916

Goodwill amortization	**1-3/2001**	1-3/2000	1-12/2000
Nokia Networks	**19**	7	42
Nokia Mobile Phones	**24**	1	18
Nokia Ventures Organization	**28**	11	80
Common Group Expenses	**-**	-	-
Nokia Group	**71**	19	140

Reported	**1-3/2001**	1-3/2000	1-12/2000
Nokia Networks	**345**	273	1 358
Nokia Mobile Phones	**1 183**	1 161	4 879
Nokia Ventures Organization	**-130**	-70	-387
Common Group Expenses	**-29**	-48	-74
Nokia Group	**1 369**	1 316	5 776

CONSOLIDATED BALANCE SHEET, IAS, EUR million
(unaudited)

	31.3.2001	31.3.2000	31.12.2000
ASSETS			
Fixed assets and other non-current assets			
Intangible assets	**2 123**	1 206	1 994
Property, plant and equipment	**2 707**	2 159	2 732
Investments in associated companies	**60**	91	61
Investments in other companies	**95**	155	150
Deferred tax assets	**449**	366	401
Long-term loan receivables	**850**	208	808
Other assets	**294**	135	242
	6 578	4 320	6 388
Current assets			
Inventories	**2 213**	1 993	2 263
Receivables	**6 710**	5 548	7 056
Short-term investments	**3 715**	3 312	2 774
Bank and cash	**1 559**	884	1 409
	14 197	11 737	13 502
Total assets	**20 775**	16 057	19 890
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital	**282**	280	282
Share issue premium	**1 700**	1 411	1 695
Treasury shares	**-154**	-151	-157
Equity adjustments	**159**	282	347
Retained earnings	**8 292**	5 805	8 641
	10 279	7 627	10 808
Minority interests	**196**	137	177
Long-term liabilities			
Long-term interest bearing liabilities	**126**	274	173
Deferred tax liabilities	**59**	78	69
Other long-term liabilities	**74**	62	69
	259	414	311
Current liabilities			
Short-term borrowings	**1 351**	685	1 069
Current portion of long-term debt	**47**	1	47
Accounts payable	**2 491**	2 141	2 814
Accrued expenses	**4 137**	3 586	2 860
Provisions	**2 015**	1 466	1 804
	10 041	7 879	8 594
Total shareholders' equity and liabilities	**20 775**	16 057	19 890
Interest-bearing liabilities	**1 524**	960	1 289
Shareholders' equity per share, EUR	**2.19**	1.63	2.30
Number of shares (1000 shares) *	**4 694 209**	4 669 169	4 692 133

* Shares owned by Group companies are excluded

CONSOLIDATED CASH FLOW STATEMENT, IAS, MEUR

	1-3/2001	1-3/2000	1-12/2000
Cash flow from operating activities			
Net profit	**975**	891	3 938
Adjustments, total	**706**	573	2 805
Net profit before change in net working capital	**1 681**	1 464	6 743
Change in net working capital	**239**	-557	-1 377
Cash generated from operations	**1 920**	907	5 366
Interest received	**74**	67	255
Interest paid	**- 29**	-31	- 115
Other financial income and expenses	**87**	-107	- 454
Income taxes paid	**- 329**	-228	-1 543
Net cash from operating activities	**1 723**	608	3 509
Cash flow from investing activities			
Acquisition of Group companies, net of acquired cash	**- 143**	-	- 400
Investments in other shares	**- 8**	-103	- 111
Additions in capitalized development costs	**- 89**	-114	- 393
Long-term loans receivable from customers	**- 73**	-	- 776
Capital expenditures	**- 306**	-311	-1 580
Proceeds from disposal of Group companies, net of disposed cash	**-**	6	4
Proceeds from sale of other shares	**10**	32	75
Proceeds from sale of fixed assets	**64**	93	221
Dividends received	**-**	1	51
Net cash used in investing activities	**- 545**	- 396	-2 909
Cash flow from financing activities			
Proceeds from issuance of share capital	**4**	27	72
Treasury shares acquired	**-**	-	- 160
Capital investment by minority shareholders	**-**	-	7
Long-term liabilities, proceeds from/payment of	**- 25**	15	- 82
Short-term borrowings, proceeds from/payment of	**6**	-143	133
Long-term receivables, proceeds from/payment of	**- 25**	-125	-
Short-term receivables, proceeds from/payment of	**- 10**	41	378
Dividends paid	**-**	-25	-1 004
Net cash used in financing activities	**- 50**	- 210	- 656
Foreign exchange impact on cash	**- 37**	35	80
Net increase in cash and cash equivalents	**1 091**	37	24
Cash and cash equivalents at beginning of period	**4 183**	4 159	4 159
Cash and cash equivalents at end of period	**5 274**	4 196	4 183

Dividends

Dividends to Nokia's shareholders, EUR 1 314 million (EUR 931 in 2000), were booked as liability at the end of the first quarter both in 2001 and 2000. Cash flow impact will be shown the second quarter.

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY, EUR million

(unaudited)

	Share capital	Share issue premium	Treasury shares	Translation differences	Fair value and other reserves	Retained earnings	Total
Balance at December 31, 1999	279	1 079	-24	243		5 801	7 378
Share issue	1	332					333
Acquisition of treasury shares			-127				-127
Dividend						-931	-931
Translation differences				39			39
Other increase/decrease, net						44	44
Net profit						891	891
Balance at March 31, 2000	280	1 411	-151	282		5 805	7 627
Balance at December 31, 2000	282	1 695	-157	347	-	8 641	10 808
Share issue		4					4
Disposal of treasury shares			3				3
Stock options issued on acquisitions		4					4
Stock options exercised related to acquisitions		-3					-3
Dividend						-1314	-1314
Translation differences				-56			-56
Effect of change in accounting principle (IAS 39)					-56		-56
Cash flow hedges and fair value adjustments					-76		-76
Other increase/decrease, net						-10	-10
Net profit						975	975
Balance at March 31, 2001	282	1 700	-154	291	-132	8 292	10 279

COMMITMENTS AND CONTINGENCIES, EUR million

(unaudited)

	GROUP		
	31.3.2001	31.3.2000	31.12.2000
Collateral for own commitments			
Mortgages	**12**	12	12
Assets pledged	**4**	3	4
Collateral given on behalf of other companies			
Assets pledged	**23**	-	23
Contingent liabilities on behalf of Group companies			
Other guarantees	**692**	492	656
Contingent liabilities on behalf of other companies			
Guarantees for loans	**249**	276	298
Leasing obligations	**1142**	639	895

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

	31.3.2001	31.3.2000	31.12.2000
Foreign exchange forward contracts 2) 3)	**10 350**	10 372	10 497
Currency options bought	**2 011**	2 588	2 165
Currency options sold	**1 837**	2 397	2 029
Interest rate forward and futures contracts 2)	**-**	-	-
Interest rate swaps	**51**	250	250
Cash settled equity swaps 4)	**313**	-	336

1) The notional amounts of derivatives summarized here do not represent amounts exchanged by the parties and, thus are not a measure of the exposure of Nokia caused by its use of derivatives.
2) Notional amounts outstanding include positions, which have been closed off.
3) Notional amount includes contracts used to hedge the net investments in foreign subsidiaries.
4) Cash settled equity swaps are used to hedge risks relating to incentive programs and investments activities.

Closing rate, 1 EUR = 0.897 USD

Change in Accounting Principles
The Group has adopted, beginning January 1, 2001, IAS39, Financial instruments: recognition and measurement. The impact of the changes in policy on opening shareholders' equity is quantified as follows:

Total shareholders' equity at 31 December 2000 as previously reported	10 808
IAS 39 transition adjustments:	
Fair value adjustments to available-for-sale debt and equity investments 1)	58
Transfer of gains and losses on qualifying cash flow hedging derivatives 2)	-114
Total shareholders' equity at 1 January 2001	10 752

1) Available-for-sale investments in debt and equity securities and investments in unlisted equity shares are measured at fair value unless investments are held for trading or originated loans or unlisted equities cannot be measured reliably.
2) Gains and losses on foreign exchange forward contracts that are properly designated and are highly effective as cash flow hedges of highly probable forecast foreign currency cash flows are deferred in a hedging reserve within equity. Previously, such gains and losses were reported as deferred income or expenses.

It should be noted that certain statements herein which are not historical facts, including, without limitation those regarding 1) the timing of product deliveries; 2) the Company´s ability to develop new products and technologies; 3) expectations regarding market growth and developments; 4) expectations for growth and profitability; and 5) statements preceded by "believes", "expects", "anticipates", "foresees", or similar expressions, are forward-looking statements. Because such statements involve risks and uncertainties, actual results may differ materially from the results currently expected by the Company. Factors that could cause such differences include, but are not limited to 1) industry conditions, such as the strength of product demand, the intensity of competition, pricing pressures, the acceptability of new product introductions such as Internet-ready phones, the introduction of new products by competitors, the impact of changes in technology, including the Company's success in the emerging 3G market, the ability of the Company to source components from third parties without interruption and at reasonable prices, demand for vendor financing and the Company's ability and willingness to provide such financing, and the success and financial condition of the Company´s strategic partners and customers; 2) operating factors, such as continued success of manufacturing activities and the achievement of efficiencies therein, continued success of product development or inventory risks due to shifts in market demand; 3) general economic conditions, such as the rate of economic growth in the Company's principal geographic markets or fluctuations in exchange rates, including impact of the exchange rate between the euro and the US dollar; as well as 4) the risk factors specified on pages 21 to 23 of the Company's Form 20-F for the year ended December 31, 1999.

NOKIA
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Nokia will report its 2Q and 3Q 2001 results on 19 July and 19 October.