

July 27, 2000**Nokia in April - June****Preparing for third generation
with outstanding results**

Nokia reports record quarterly results with continued strong growth for April - June 2000. Net sales totaled EUR 6 980 million, an increase of 55% compared to the second quarter in 1999. Operating profit increased by 60% to EUR 1 412 million, resulting in an operating margin of 20.2%.

Jorma Ollila, Nokia Chairman and CEO, said: "Strong growth in the global mobile communications market continued during the second quarter. According to preliminary estimates, the number of mobile phone users worldwide rose to over 570 million by the end of June. This is well in line with our projection of over one billion mobile phone subscribers globally before the end of 2002. We estimate that the mobile phone market growth for the full year 2000 will cause the total annual market volume to exceed 400 million units."

"Nokia Networks' sales growth, together with our continuous operational renewal, gives us confidence that we are well positioned to strengthen our established market position in new technologies. Our mobile phones sales grew 67%, while we sustained an exceptional level of profitability. This once again proves the combined strength of Nokia's strong product portfolio, leading brand and superior demand supply chain, all of which we are continuously further developing."

"Overall growth prospects for Nokia in the later part of the year, as well as for the long term, remain unchanged, stimulated by the strong mobile communications market. We expect competition to remain fierce, making it necessary to continuously improve efficiency and master rapid growth without compromising customer satisfaction. We feel we have an excellent opportunity to strengthen our market position and to realize the benefits of meeting emerging customer needs in the Mobile Information Society", said Ollila.

"In the coming months Nokia Mobile Phones plans to commence shipments of several advanced models. We anticipate Nokia's earnings per share in the third quarter to be at least equal to the level achieved in the third quarter of 1999. However, due to the timing of the new product introductions as well as seasonality, they are projected to be lower than in the second quarter of this year. In the fourth quarter, we expect the earnings per share to exceed the level achieved in the second quarter of 2000."

| EUR Million | 2Q/2000 | 2Q/1999 | Change, % | 1H/2000 | 1H/1999 | 1999 |
|--|---------|---------|-----------|---------|---------|--------|
| Net sales | 6 980 | 4 493 | + 55 | 13 517 | 8 363 | 19 772 |
| Nokia Networks | 1 925 | 1 390 | + 38 | 3 427 | 2 498 | 5 673 |
| Nokia Mobile Phones | 4 883 | 2 922 | + 67 | 9 722 | 5 499 | 13 182 |
| Nokia Ventures Organization | 193 | 67 | + 188 | 404 | 131 | 415 |
| Operating profit | 1 412 | 881 | + 60 | 2 728 | 1 649 | 3 908 |
| Nokia Networks | 348 | 274 | + 27 | 621 | 500 | 1 082 |
| Nokia Mobile Phones | 1 221 | 671 | + 82 | 2 382 | 1 287 | 3 099 |
| Nokia Ventures Organization | - 108 | - 31 | | - 178 | - 53 | - 175 |
| Common Group Expenses | - 49 | - 33 | | - 97 | - 85 | - 98 |
| Profit before tax and minority interests | 1 424 | 877 | + 62 | 2 757 | 1 635 | 3 845 |
| Net profit | 951 | 581 | + 64 | 1 842 | 1 086 | 2 577 |
| EPS, EUR | | | | | | |
| Basic | 0.20 | 0.13 | + 54 | 0.39 | 0.24 | 0.56 |
| Diluted | 0.20 | 0.12 | + 67 | 0.39 | 0.22 | 0.54 |

NOKIA IN JANUARY – JUNE 2000

Second quarter 2000 results

(International Accounting Standards, IAS, comparisons given to the second quarter 1999 results)

Nokia's net sales increased by 55% to EUR 6 980 million (EUR 4 493 million). Sales growth was substantial in all geographic regions. Sales of Nokia Networks increased by 38% to EUR 1 925 million (EUR 1 390 million) and sales of Nokia Mobile Phones by 67% to EUR 4 883 million (EUR 2 922 million). Sales of Nokia Ventures Organization increased by 188% and totaled EUR 193 million (EUR 67 million).

Operating profit increased by 60% to EUR 1 412 million (EUR 881 million), representing an operating margin of 20.2% (19.6%). Operating profit in Nokia Networks increased by 27% to EUR 348 million (EUR 274 million), representing an operating margin of 18.1% (19.7%). Operating profit in Nokia Mobile Phones increased by 82% to EUR 1 221 million (EUR 671 million), representing an operating margin of 25.0% (23.0%). Nokia Ventures Organization reported an operating loss of EUR 108 million (operating loss of EUR 31 million). Common Group Expenses, which comprises Nokia Head Office and Nokia Research Center, totaled EUR 49 million (EUR 33 million).

Financial income totaled EUR 13 million (financial expense EUR 2 million). Profit before tax and minority interests was EUR 1 424 million (EUR 877 million). Net profit totaled EUR 951 million (EUR 581 million).

Earnings per share increased to EUR 0.20 (basic) and to EUR 0.20 (diluted) compared to EUR 0.13 (basic) and EUR 0.12 (diluted) a year before.

First half year 2000 results

(International Accounting Standards, IAS, comparisons given to the first half year 1999 results)

Nokia's net sales increased by 62% and totaled EUR 13 517 million (EUR 8 363 million). Sales of Nokia Networks increased by 37% to EUR 3 427 million (EUR 2 498 million) and sales of Nokia Mobile Phones by 77% to EUR 9 722 million (EUR 5 499 million). Sales of Nokia Ventures Organization increased by 208% and totaled EUR 404 million (EUR 131 million). During the first six months, Europe accounted for 51% (56%) of Nokia's net sales, Asia-Pacific for 25% (23%) and the Americas for 24% (21%). Nokia's five largest country markets were the United States, China, the UK, Germany and Italy.

Operating profit increased by 65% to EUR 2 728 million (EUR 1 649 million). Operating profit in Nokia Networks increased by 24% to EUR 621 million (EUR 500 million). Operating profit in Nokia Mobile Phones increased by 85% to EUR 2 382 million (EUR 1 287 million). Nokia Ventures Organization reported an operating loss of EUR 178 million (operating loss of EUR 53 million). Common Group expenses totaled EUR 97 million (EUR 85 million).

Financial income totaled EUR 33 million (financial expense EUR 10 million). Profit before tax and minority interests was EUR 2 757 million (EUR 1 635 million). Net profit totaled EUR 1 842 million (EUR 1 086 million).

Earnings per share increased to EUR 0.39 (basic) and to EUR 0.39 (diluted) compared to EUR 0.24 (basic) and EUR 0.22 (diluted) a year before. At the end of June 2000, the total number of issued shares was 4 680 739 956.

At June 30, 2000, Nokia's net debt-to-equity ratio (gearing) was -30% (-41% at the end of 1999). During the January - June period 2000, capital expenditures amounted to EUR 770 million (EUR 512 million).

The average number of employees during the first half year period was 57 087. At June 30, Nokia employed a total of 60 166 people (51 849 people at June 30, 1999).

On June 30, Nokia group companies owned 3 892 602 Nokia shares. The shares have an aggregate par value of EUR 233 556.12 and represent 0.08% of the total number of shares and total voting rights.

Significant developments in the second quarter 2000

During the second quarter 2000, Nokia continued its joint efforts with other industry leaders to develop solutions and services for the wireless Internet and mobile e-business markets, thus bringing its vision of the Mobile Information Society closer to realization.

Nokia further strengthened its systems integration capabilities both independently and together with cooperation partners especially in mobile Internet and enabling applications. Nokia signed co-operation agreements with several leading companies during the quarter, which included an agreement with Cisco Systems, Inc. to enhance connectivity between mobile and Internet Protocol (IP) backbone networks. Cap Gemini and Nokia will co-operate in the development and delivery of end-to-end Mobile Internet solutions. Nokia and Inktomi announced an agreement to deliver carrier-class infrastructure software for mobile Network operators. In China, Nokia signed an agreement to establish a joint venture to develop and market advanced wireless data solutions and services to leading operators with one of China's largest software suppliers, Shenyang NEU-Alpine Software Co. Ltd.

Together with several other industry players, Nokia announced a joint effort to develop an open and common framework for secure mobile electronic transactions (MeT). The objective of this initiative is to use existing and emerging standards to facilitate the rapid adoption of secure mobile e-business.

Nokia also joined the Mobey Forum, a global forum created by major financial institutions and leading mobile phone manufacturers, to encourage the use of mobile technology in financial services and to foster the adoption of open standards in this field.

Nokia also entered into important cooperation agreements with Lotus, SAP, BEA Systems and Bull to offer WAP technology to corporate customers.

Standardization work for third generation proceeded well. Nokia welcomed the completion of the Release '99 of the 3G WCDMA specification in 3GPP (3rd Generation Partnership Project) during the first half of this year. This new standard is now clearly becoming the preferred global technology for the new ITU third generation frequency band. This open specification will set the scene for a competitive supply of infrastructure and handsets from many competitors, resulting in excellent value for operators and consumers as well as remarkable growth opportunities.

As an original promoter of WCDMA technology, Nokia has been strongly contributing to its specification, and has secured a solid intellectual property rights portfolio in WCDMA as well as in other global third generation technologies. Nokia has made strong R&D investments in third generation technologies resulting in a competitive product offering in both infrastructure and terminals.

Nokia joined the Oxygen Alliance, a group of companies that will work with some 250 MIT researchers in the USD 50 million five-year Oxygen project. The goal of the project is to develop a new breed of pervasive, human-centered communications systems and devices to serve people's needs.

In China, Nokia's cooperation with Chinese research units to develop next generation Internet technologies and applications based on the use of IPv6 protocol proceeded firmly. The first phase of the experimental network technology cooperation program covers all of the 10 regional centers of CERNET (China Education and Research Network).

Nokia Networks

In the second quarter of 2000, Nokia's 3G solutions were well received, as evidenced by major contracts. Nokia signed a contract for the supply of a third generation network solution to VIAG EuroPlatform AG in Liechtenstein. Nokia also agreed with StarHub in Singapore on the provision of a

3G network, including Nokia's advanced WCDMA 3G core and radio access network solutions. This marks the first contract for the delivery of a complete 3G System in Asia. Earlier, Nokia was chosen as a supplier by Japan Telecom and Finnish 2G and 3G for the delivery of third generation solutions. Nokia sees strong demand for its infrastructure solutions that will be available next year. It is Nokia's aim to be among the first companies on the market with products based on open interfaces.

Nokia also continued to introduce new, innovative 3G network solutions. New products launched during the quarter included Nokia's revolutionary concept for IP-based 3G core networks, the Nokia 3G All-IP Core, based on the IPv6 standard, which complements Nokia's IP Radio Access Network concept, launched earlier this year. Nokia also introduced 3G functionality for mobile switches with the Nokia 3G Mobile Switching Center and a package of new 3G solutions for network management and 3G service creation, along with Mobile IP packet data functionalities for TETRA networks.

Nokia and AT&T Wireless Services of the United States agreed to jointly develop and test enhancements to the third generation wireless standard EDGE, which will enable simultaneous delivery of voice and data, as well as advanced multimedia applications. Major milestones in cooperation with Korean operator SK Telecom were achieved, defining extensive planning guidelines for third generation networks.

Nokia reinforced its leading position in GPRS networks. At the end of the quarter, Nokia had already delivered its GPRS core network solution to well over 40 operators worldwide. Demand for Nokia's GPRS core networks has been especially strong during the second quarter, when time schedules for commercial availability were confirmed. Nokia believes that the world's first GPRS services based on the final commercial GPRS standard will be launched in networks provided by Nokia during the third quarter, 2000. GSM operators have also continued to expand their existing networks. Expansion agreements were signed in Poland, the Philippines, Morocco, Taiwan, the UK, Turkey and the United States, and Nokia won two new GSM customers in Israel and Bolivia. Nokia Networks signed its largest ever infrastructure deal to date, a USD 900 million contract with Telsim in Turkey

In the second quarter, the number of Nokia Networks' announced agreements for the WAP module of Nokia Artus Messaging Platform increased to 29, including contracts with ONE in Austria, Jilin Mobile Communication in China, Norweb Telecom in the UK, Ukrainian Mobile Communications in the Ukraine, Zygo Communications in the UK, four branches of China Unicom in China and Finland's third nationwide mobile operator Finnish 2 G.

Nokia continued to achieve success in the global marketplace with its DSL solutions, as the demand for fast access to the Internet continued to grow. Major roll-outs are beginning in Taiwan and Korea as well as in Europe as a result of the unbundling of the local loop. Major contracts were signed with KPN, KPN Qwest and Telia.

Nokia Networks has continued to restructure its organization in order to meet customer demands and market changes. It has also continued outsourcing its non-core manufacturing by selling its units located in Äänekoski, Central Finland to Scanfil, a Finnish contract manufacturer. The level of outsourced manufacturing for Nokia Networks is now over 60%.

Nokia Mobile Phones

Nokia is preparing to commence delivery of several new mobile phones during the second half of the year. Deliveries of the Nokia 8890 premium category world phone for GSM 900/1900 began already in June. Three new WAP-enabled GSM mobile phones were announced earlier this year. The Nokia 6210 classic model is scheduled to become available in the third quarter and the Nokia 6250 tough model in the fourth quarter. The Nokia 9110i Communicator will be shipping in volume in the third quarter. Shipments of the previously announced Nokia 7160 (TDMA) and 7190 (GSM 1900) WAP-enabled phones for the Americas market are also planned to start in the third quarter.

The Nokia 8290, a GSM 1900 phone and the Nokia 8260, a TDMA 800/1900/AMPS dual-band dual-mode phone, both introduced in the second quarter, will become available through a number of wireless network operators in the Americas beginning in the third quarter of 2000. The tri-mode Nokia

5185i for CDMA 800/1900/AMPS will start shipping in the third quarter, and the Nokia 6185i – another tri-mode CDMA model – in the fourth quarter.

A founding member of the SyncML initiative, Nokia recently announced its success in demonstrating the world's first wireless Internet synchronization using SyncML protocol. Nokia and RealNetworks Inc. announced an agreement to develop and distribute Internet media technology for future mobile devices. Nokia also announced its support of Java technology in a wide selection of its future mobile terminal categories.

In order to facilitate Nokia's entry into the Korean CDMA market, Nokia announced in June that it had signed an agreement with Telson Electronics for the joint development, manufacture and supply of CDMA products for Korea and other markets. The agreement strengthens Nokia's focus on the Korean market and complements its portfolio of CDMA products.

During the first half of 2000, Nokia continued to strengthen its focus on CDMA by increasing and establishing CDMA R&D resources in San Diego, Seoul, and Vancouver, demonstrating Nokia's overall commitment to both IS95 CDMA and 1XRTT handset development.

Nokia Ventures Organization

In the second quarter of 2000, Nokia and Internet Security Systems (ISS) announced RealSecure for Nokia, the first enterprise-class intrusion detection appliance. In Asia, Nokia and Cable & Wireless HKT joined forces to provide Virtual Private Network solutions for corporate customers with Nokia's network security products.

Nokia also continued to strengthen its leading end-to-end WAP solutions through developer programs and strategic product extensions. In particular, Nokia announced the availability of Nokia Activ - a new, one-button feature, which introduces the over-the-air provisioning tool available with the Nokia WAP Server 1.1.

During the past quarter, Nokia also introduced the Nokia Mobile Entertainment Service, offering developer tools and a service platform that provides a simpler way for game application developers and on-line content publishers to create "entertainment on the move" for WAP enabled mobile phones. More than 10,000 developers have already registered for the Nokia Mobile Entertainment Service.

The markets for multimedia terminals continued to grow during the second quarter as well, and sales of multimedia terminals increased, particularly in Europe. Nokia Home Communications introduced its first Home Gateway product, intended for North and South America, the Nokia MW 1122. The Nokia Ventures Fund continued to invest in start-up companies in the high growth mobile Internet sector and the size of the fund was increased by USD 50 million to USD 150 million.

Statement by Jorma Ollila, Chairman and CEO:

Once again I have the pleasure to announce record-breaking results, which confirm our leadership in bringing mobile and Internet technologies to consumers and companies around the globe.

Strong growth in the global mobile communications market continued during the second quarter. According to preliminary estimates, the number of mobile phone users worldwide rose to over 570 million by the end of June. This is well in line with our projection of over one billion mobile phone subscribers globally before the end of 2002. We estimate that the mobile phone market growth for the full year 2000 will cause the total annual market volume to exceed 400 million units.

While operators have been expanding their capacity, most have also been actively preparing for the arrival of mobile Internet services and third generation by investing in GPRS and other new network technologies. A large majority of operators are expected to start offering GPRS services in their GSM networks during the next 6-12 months. We have reached volume sales of our GPRS system and have already delivered equipment to well over 40 operators. During the second quarter, we have established ourselves as the leading GPRS core network supplier. Nokia's customers will be the first ones to launch GPRS services, complying fully to the GPRS standards, during the third quarter of 2000. GPRS is an important building block on the road towards third generation, allowing operators an early start with new mobile Internet services.

Nokia Networks' sales growth, together with our continuous operational renewal, gives us confidence that we are well positioned to strengthen our established market position in new technologies.

In mobile phones, our sales grew 67%, while we sustained an exceptional level of profitability. This once again proves the combined strength of Nokia's strong product portfolio, leading brand and superior demand supply chain, all of which we are continuously further developing.

In CDMA, we began an important co-operation with Telson Electronics to gain entry into the Korean CDMA market, and continued our efforts to enhance our capabilities in narrowband CDMA technology and products. We intend to achieve a position within CDMA comparable to our leading position in other corresponding technologies.

In the coming months, Nokia Mobile Phones plans to commence shipments of several advanced models, including various WAP-enabled phones designed for specific customer categories. Until these new products are shipped in volume, Nokia Mobile Phones' profitability is expected to be negatively impacted in the third quarter. We expect that the contribution of the new products will at least substantially offset these margin pressures in the fourth quarter.

Looking at the third quarter as a whole, we anticipate Nokia's earnings per share to be at least equal to the level achieved in the third quarter of 1999. However, due to the timing of the new product introductions in Nokia Mobile Phones as well as seasonality, they are projected to be lower than in the second quarter of this year. In the fourth quarter, we expect the earnings per share to exceed the level achieved in the second quarter of 2000.

Overall growth prospects for Nokia in the later part of the year, as well as for the long term, remain unchanged, stimulated by the strong mobile communications market. We expect competition to remain fierce, making it necessary to continuously improve efficiency and master rapid growth without compromising customer satisfaction. We feel we have an excellent opportunity to strengthen our market position and to realize the benefits of meeting emerging customer needs in the Mobile Information Society.

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

| | 4-6/00 | 4-6/99 | 1-6/00 | 1-6/99 | 1-12/99 |
|---|------------------|------------|------------------|--------------|--------------|
| Net sales | 6 980 | 4 493 | 13 517 | 8 363 | 19 772 |
| Cost of sales | -4 203 | -2 783 | -8 215 | -5 112 | -12 227 |
| Research and development expenses | -677 | -395 | -1 207 | -747 | -1 755 |
| Selling, general and administrative expenses | -655 | -419 | -1 315 | -826 | -1 811 |
| Amortization of goodwill | -33 | -15 | -52 | -29 | -71 |
| Operating profit | 1 412 | 881 | 2 728 | 1 649 | 3 908 |
| Share of results of associated companies | -1 | -2 | -4 | -4 | -5 |
| Financial income and expenses | 13 | -2 | 33 | -10 | -58 |
| Profit before tax and minority interests | 1 424 | 877 | 2 757 | 1 635 | 3 845 |
| Tax | -438 | -280 | -854 | -526 | -1 189 |
| Minority interests | -35 | -16 | -61 | -23 | -79 |
| Net profit | 951 | 581 | 1 842 | 1 086 | 2 577 |
| Earnings per share, EUR | | | | | |
| Basic | 0.20 | 0.13 | 0.39 | 0.24 | 0.56 |
| Diluted | 0.20 | 0.12 | 0.39 | 0.22 | 0.54 |
| Average number of shares (1 000 shares) | | | | | |
| Basic | 4 673 061 | 4 591 940 | 4 663 503 | 4 589 740 | 4 593 761 |
| Diluted | 4 795 234 | 4 834 946 | 4 776 569 | 4 830 164 | 4 743 185 |
| Depreciation | 227 | 140 | 407 | 284 | 665 |

Currency rate June 30, 2000, 1 EUR = 0.947 USD, 1 EUR = 5.94573 FIM

NET SALES BY BUSINESS GROUP, EUR million
(unaudited)

| | 4-6/00 | 4-6/99 | 1-6/00 | 1-6/99 | 1-12/99 |
|-----------------------------------|---------------|--------|---------------|--------|---------|
| Nokia Networks | 1 925 | 1 390 | 3 427 | 2 498 | 5 673 |
| Nokia Mobile Phones | 4 883 | 2 922 | 9 722 | 5 499 | 13 182 |
| Nokia Ventures Organization | 193 | 67 | 404 | 131 | 415 |
| Discontinued Display Products | - | 136 | - | 270 | 580 |
| Inter-business group eliminations | -21 | -22 | -36 | -35 | -78 |
| Nokia Group | 6 980 | 4 493 | 13 517 | 8 363 | 19 772 |

OPERATING PROFIT BY BUSINESS GROUP, EUR million

| | 4-6/00 | 4-6/99 | 1-6/00 | 1-6/99 | 1-12/99 |
|-----------------------------|---------------|--------|---------------|--------|---------|
| Nokia Networks | 348 | 274 | 621 | 500 | 1 082 |
| Nokia Mobile Phones | 1 221 | 671 | 2 382 | 1 287 | 3 099 |
| Nokia Ventures Organization | -108 | -31 | -178 | -53 | -175 |
| Common Group Expenses | -49 | -33 | -97 | -85 | -98 |
| Nokia Group | 1 412 | 881 | 2 728 | 1 649 | 3 908 |

CONDENSED CASH FLOW STATEMENT, IAS, EUR million
(unaudited)

| | 1-6/00 | 1-6/99 | 1-12/99 |
|--|---------------|--------|---------|
| Net cash from operating activities | 1 604 | 1 520 | 3 102 |
| Net cash used in investing activities | -936 | -663 | -1 341 |
| Net cash used in financing activities | -1 242 | -931 | -592 |
| Net increase in cash and cash equivalents | -574 | -74 | 1 169 |
| Cash and cash equivalents at beginning of period | 4 200 | 2 970 | 2 990 |
| Cash and cash equivalents at end of period | 3 626 | 2 896 | 4 159 |

Dividends

In 2000 dividends to Nokia's shareholders (EUR 931 million) were booked as liability at the end of the first quarter. The dividends were paid in April and had an impact on cash flow and gearing in the second quarter. In 1999 net cash used in financing activities includes dividends paid EUR 586 million.

Currency rate June 30, 2000, 1 EUR = 0.947 USD, 1 EUR = 5.94573 FIM

CONSOLIDATED BALANCE SHEET, IAS, EUR million
(unaudited)

| | 30.6.2000 | 30.6.1999 | 31.12.1999 |
|---|------------------|------------------|------------------|
| ASSETS | | | |
| Fixed assets and other non-current assets | | | |
| Intangible assets | 1 260 | 663 | 838 |
| Property, plant and equipment | 2 359 | 1 617 | 2 031 |
| Investments in associated companies | 88 | 82 | 76 |
| Investments in other companies | 161 | 65 | 68 |
| Deferred tax assets | 413 | 259 | 257 |
| Other assets | 768 | 67 | 217 |
| | 5 049 | 2 753 | 3 487 |
| Current assets | | | |
| Inventories | 2 418 | 1 634 | 1 772 |
| Receivables | 5 604 | 4 010 | 4 861 |
| Short-term investments | 2 605 | 2 054 | 3 136 |
| Bank and cash | 1 021 | 843 | 1 023 |
| | 11 648 | 8 541 | 10 792 |
| Total assets | 16 697 | 11 294 | 14 279 |
| SHAREHOLDERS' EQUITY AND LIABILITIES | | | |
| Shareholders' equity | | | |
| Share capital | 281 | 291 | 279 |
| Share issue premium | 1 427 | 887 | 1 079 |
| Treasury shares | -151 | -110 | -24 |
| Translation differences | 270 | 213 | 243 |
| Retained earnings | 6 559 | 4 389 | 5 801 |
| | 8 386 | 5 670 | 7 378 |
| Minority interests | 173 | 89 | 122 |
| Long-term liabilities | | | |
| Long-term interest bearing liabilities | 266 | 290 | 269 |
| Deferred tax liabilities | 83 | 86 | 80 |
| Other long-term liabilities | 72 | 48 | 58 |
| | 421 | 424 | 407 |
| Current liabilities | | | |
| Short-term borrowings and current portion of long-term debt | 820 | 436 | 793 |
| Accounts payable | 2 509 | 1 845 | 2 202 |
| Accrued expenses | 4 388 | 2 830 | 3 377 |
| | 7 717 | 5 111 | 6 372 |
| Total shareholders' equity and liabilities | 16 697 | 11 294 | 14 279 |
| Interest-bearing liabilities | 1 086 | 726 | 1 062 |
| Shareholders' equity per share, EUR | 1.79 | 1.24 | 1.59 |
| Number of shares (1000 shares) * | 4 676 847 | 4 593 200 | 4 652 679 |

Change in Nokia Accounting Principles: In 2000, the Group has adopted the new IAS 37, Provisions, Contingent Liabilities and Contingent Assets, and recognized a provision for social security costs on unexercised stock options granted to employees. In accordance with the transitional rule of IAS 37 the cumulative prior year net of tax effect (206 MEUR) has been recorded as an adjustment to retained earnings.

* Shares owned by Group companies are excluded

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY, EUR million

(unaudited)

| | Share capital | Share issue premium | Treasury shares | Translation differences | Retained earnings | Total |
|-----------------------------------|------------------|---------------------------|--------------------|----------------------------|----------------------|-------|
| Balance at | | | | | | |
| December 31, 1998 | 255 | 909 | -110 | 182 | 3 873 | 5 109 |
| Share issue | | 14 | | | | 14 |
| Bonus issues | 36 | -36 | | | | - |
| Dividend | | | | | -586 | -586 |
| Translation differences | | | | 31 | | 31 |
| Other increase/ decrease, net | | | | | 16 | 16 |
| Net profit | | | | | 1 086 | 1 086 |
| Balance at | | | | | | |
| June 30, 1999 | 291 | 887 | -110 | 213 | 4 389 | 5 670 |
| Balance at | | | | | | |
| December 31, 1999 | 279 | 1 079 | -24 | 243 | 5 801 | 7 378 |
| Share issue | 2 | 348 | | | | 350 |
| Acquisition of treasury shares | | | -127 | | | -127 |
| Dividend | | | | | -931 | -931 |
| Translation differences | | | | 27 | | 27 |
| Change in accounting policy | | | | | -206 | -206 |
| Other increase/ decrease, net | | | | | 53 | 53 |
| Net profit | | | | | 1 842 | 1 842 |
| Balance at | | | | | | |
| June 30, 2000 | 281 | 1 427 | -151 | 270 | 6 559 | 8 386 |

COMMITMENTS AND CONTINGENCIES, EUR million

(unaudited)

| | GROUP | | |
|--|------------------|------------------|-------------------|
| | 30.6.2000 | 30.6.1999 | 31.12.1999 |
| Collateral for own commitments | | | |
| Mortgages | 12 | 6 | 6 |
| Assets pledged | 3 | 7 | 3 |
| Contingent liabilities on behalf of Group companies | | | |
| Other guarantees | 576 | 441 | 427 |
| Contingent liabilities on behalf of other companies | | | |
| Guarantees for loans | 267 | 143 | 234 |
| Other guarantees | 1 | 1 | - |
| Leasing obligations | 840 | 510 | 560 |

NOTIONAL AMOUNTS OF DERIVATIVE FINANCIAL INSTRUMENTS, EUR million 1)

(unaudited)

| | 30.6.2000 | 30.6.1999 | 31.12.1999 |
|--|------------------|-----------|------------|
| Foreign exchange forward contracts 2) 3) | 10 137 | 9 050 | 9 473 |
| Currency options bought | 2 292 | 689 | 1 184 |
| Currency options sold | 1 914 | 698 | 978 |
| Interest rate forward and futures contracts 2) | - | 315 | 598 |
| Interest rate swaps | 250 | 50 | 250 |
| Cash settled equity swaps 4) | 372 | - | - |

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 investment activities.

Currency rate June 30, 2000, 1 EUR = 0.947 USD, 1 EUR = 5.94573 FIM

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) general economic conditions, such as the rate of economic growth in the Company's principal geographic markets or fluctuations in exchange rates; 2) industry conditions, such as the strength of product demand, the intensity of competition, pricing pressures, the acceptability of new product introductions, the introduction of new products by competitors, changes in technology, the ability of the Company to source components from third parties without interruption and at reasonable prices, and the financial condition of the Company's customers; 3) 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; 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

Helsinki, July 27, 2000

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Nokia will report its 3Q 2000 results on October 26, 2000, and its 4Q and whole year 2000 results on January 30, 2001.