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Nokia achieves third-quarter profitability targets with pro forma operating margin of 15.2% and EPS of EUR 0.16

Company continues strong market leadership posting pro forma pre-tax profit of nearly EUR 1.1 billion and net operating cash flow of EUR 1.4 billion

- Third-quarter net sales were EUR 7 050 million, showing a decrease of 7% compared with the previous year. In Nokia Networks, net sales declined 14% and in Nokia Mobile Phones net sales decreased 3%.
- Pro forma pre-tax profit was EUR 1 068 million.
- Pro forma operating margin for Nokia was 15.2%, Nokia Networks 9.3% and Nokia Mobile Phones 19.0%.
- Pro forma earnings per share (diluted) were EUR 0.16 compared with EUR 0.19 a year ago.
- Non-cash pro forma adjustments for this quarter totaled EUR 787 million including a one-time charge of EUR 714 million to increase reserves for Telsim and Dolphin, resulting in reported net profit of EUR 186 million and reported EPS (diluted) of EUR 0.04 in the third quarter.

EUR (million)	PRO FORMA (excludes goodwill amortization and non-recurring items)					
	3Q/2001	3Q/2000	Change (%)	1-3Q 2001	1-3Q 2000	FY 2000
Net sales	7 050	7 575	-7	22 403	21 092	30 376
Nokia Networks	1 659	1 926	-14	5 577	5 353	7 714
Nokia Mobile Phones	5 269	5 456	-3	16 448	15 178	21 887
Nokia Ventures Organization	140	209	-33	443	613	854
Operating profit	1 071	1 353	-21	3 648	4 133	5 861
Nokia Networks	155	357	-57	819	993	1 400
Nokia Mobile Phones	1 002	1 069	-6	3 169	3 453	4 897
Nokia Ventures Organization	-72	-60	-20	-267	-203	-307
Common Group Expenses	-14	-13	-8	-73	-110	-129
Profit before tax and minority interests	1 068	1 366	-22	3 719	4 175	5 947
Net profit	760	923	-18	2 636	2 817	4 027
EPS, EUR						
Basic	0.16	0.20	-20	0.56	0.60	0.86
Diluted	0.16	0.19	-16	0.55	0.59	0.84
Closing rate, 1 EUR = 0.926 USD						

Jorma Ollila, Nokia Chairman and CEO, said: "Nokia, as a flexible, lean and focused organization has done more than just weather the storm of the past several months. We succeeded in sustaining solid profitability and high cumulative operating cash flow of EUR 3.9 billion for the first nine months in an intensely competitive and volatile environment.

"While the market environment has had an inevitable impact on Nokia's topline growth, we have continued to translate our core strengths of strong brand, excellence in execution and winning products into profitable results. In addition, we have not compromised on investments essential to our future business success. Nokia intends to remain at the forefront in providing useful and exciting ways for people to enrich their lives as well as new business opportunities for the wireless industry as a whole."

NOKIA

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- Nokia will report 4Q 2001 results on January 24, 2002 and plans a mid-quarter update on December 11, 2001.
- Results announcements for 1Q, 2Q and 3Q, 2002 are planned for April 18, July 18 and October 17, respectively.
- The Annual General Meeting is expected to be held on March 21, 2002.

(A full-length version of this release has been published on the Nokia website at www.nokia.com)