

ABOUT NOKIA



NOKIA

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Key data

www.nokia.com/aboutnokia/financials

Nokia	EURm, 2002	EURm, 2001	Change, %
Net sales	30 016	31 191	-4
Operating profit	4 780	3 362	42
Profit before taxes	4 917	3 475	41
Net profit	3 381	2 200	54
Research and development	3 052	2 985	2

Personnel, Dec. 31	2002	2001	Change,%
Nokia Mobile Phones	26 090	26 453	-1
Nokia Networks	17 361	19 392	-10
Nokia Ventures Organization	1 506	1 886	-20
Common Group Functions	6 791	6 118	11
Nokia Group	51 748	53 849	-4

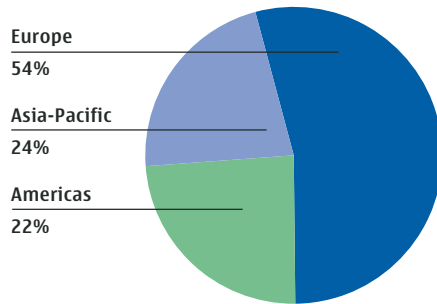
10 major markets, net sales	EURm, 2002	EURm, 2001
USA	4 665	5 614
UK	3 111	2 808
China	2 802	3 418
Germany	1 849	2 003
Italy	1 342	1 168
France	1 273	1 260
United Arab Emirates	925	619
Thailand	827	908
Brazil	773	892
Poland	582	590

10 major countries, personnel, Dec. 31	2002	2001
Finland	22 535	22 246
USA	6 661	7 298
China	4 778	5 202
Germany	3 620	3 892
UK	2 139	2 286
Hungary	1 975	1 937
Brazil	1 466	1 413
Denmark	1 176	1 166
Mexico	1 158	1 198
South Korea	821	864

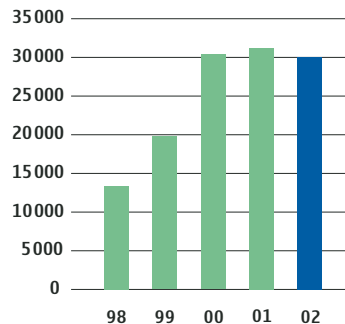
Nokia in brief

www.nokia.com/aboutnokia/compinfo

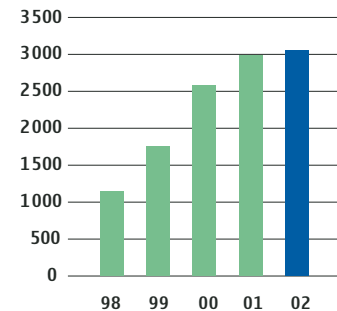
Net sales by market area 2002



Net sales 1998–2002, EURm



R&D 1998–2002, EURm



NOKIA is a world leader in mobile communications. We believe that our experience and innovation, combined with the user-friendliness, reliability and quality of our products and solutions have made Nokia the world's leading supplier of mobile phones and a leading provider of mobile and IP networks.

We attribute much of our success to our unique corporate culture, which emphasizes and values product innovation, customer satisfaction and employees motivated by high levels of trust, independence and opportunities for personal and professional enrichment.

Nokia comprises two business groups: Nokia Mobile Phones and Nokia Networks. In addition, the company includes a separate Nokia Ventures Organization and the corporate research unit, Nokia Research Center.

Nokia Mobile Phones is the world's largest mobile phone producer. With our comprehensive product portfolio covering all consumer segments and cellular protocols, Nokia is in a strong position to lead industry development, based on our vision of a world where an increasing share of all personal communication occurs over personal wireless terminals such as mobile phones. As the functionality of mobile phones moves from voice-centric to include media, imaging, entertainment and business applications, whole new markets are being created and the growth opportunities are enormous.

Nokia Networks is a leading provider of mobile and IP network infrastructure and related services. We aim to be a leader in IP mobility core, radio and broadband access for network operators and service providers. Nokia Networks also seeks to enable mobile multimedia and Internet applications, to achieve sustainable high value-added



business with network operators and service providers and to become a preferred partner for major operators.

Nokia Ventures Organization exists to identify and develop new business ideas outside Nokia's current focus and to contribute to the growth and renewal of our existing core businesses. The division includes two established businesses: Nokia Internet Communications, which provides world-class IP security and virtual private network (VPN), solutions for corporate enterprise and managed service provider networks, and Nokia Home Communications, which designs and manufactures digital communications solutions for the home environment.

Nokia Research Center drives Nokia's technological competitiveness and renewal in technology areas vital for the company's future success. Interacting closely with all Nokia business units, the research center supports Nokia's evolving core businesses by developing new concepts, technologies and applications. Focusing beyond current product development, the research center aggressively develops disruptive technologies and also acts as an incubator for new technology-oriented ventures with clear business insight.

Our vision

www.nokia.com/aboutnokia

“As the market moves further into a new phase of advanced features and services, we see Nokia at the forefront in terms of brand, product offering and operational excellence.”

Jorma Ollila, Chairman and CEO

A diverse history

During our 138-year history, Nokia evolved from a paper-making company to a conglomerate manufacturing diverse products such as rubber boots, consumer electronics and cable machinery, before becoming the world's leading mobile communications company.

Our decision in the early 1990s to concentrate on mobile telecommunications was followed by the divestment of all our basic industry and non-telecommunications operations. We subsequently gained a leading presence in every major



market, achieving the leading overall market share in mobile phones in 1998. Now, more than one in three mobile phones sold globally is a Nokia phone.

Over the last decade, mobile communications has gained rapidly in

popularity and the number of subscribers has grown dramatically to more than one billion, representing 100-fold growth. Now, as the functionality of mobile devices extends from voice to imaging, games, entertainment and business

applications, we are again entering a new growth period.

Opening up the way

In this new era of opportunity, industry players have been taking significant steps towards greater cooperation and standardization. Leading mobile network operators, device and network suppliers, IT companies and content providers are all working together to deliver open standards for the mobile industry. This is helping create interoperable services, which work across countries, operators and mobile devices.

The open standards approach is the only way to ensure high-quality affordable products and services while bringing personal freedom of choice.

Strategy and strengths

Nokia's overall business objective is to strengthen our global position by responding to new opportunities in mobile communications in a profitable way. This means building on our strong brand, expanding our customer base and securing quality – all elements for growing our future business potential.

In mobile phones, we will continue to launch products with new features and functionality while working to develop entirely new categories of devices. Applications such as multimedia messaging, content access and downloading, and mobile browsing are also being introduced across the range of our products. In our networks business, we intend to develop and commercialize the high-speed, high-capacity systems required to deliver emerging mobile applications and services.



The core business strengths that differentiate Nokia from our competition are:

Brand as an asset: Our leading brand brings customer loyalty, greater market access and economies of scale. It also allows us to attract and retain the best suppliers and employees, contributing to productivity, quality and innovation.

Strong product offering: Our product portfolio includes new functional categories of mobile devices, such as enhanced communicators and entertainment, media and imaging devices.

Advanced technology: Nokia is a frontrunner in developing leading technologies, with more than one third of our workforce employed in the area of research and development and about 10% of net sales invested annually into research and development.

Excellence in execution: Our experience and skill in managing

our demand-supply chain means delivering new ideas and technologies in product form at the right time, and in the right volumes to meet demand.

Culture and values: We see our strong values-based culture as a core competence, fundamental to our continuing success in a rapidly evolving industry.



Impact on society

www.nokia.com/aboutnokia/compinfo

“We are making corporate responsibility an integral part of decision-making in all parts of our business.”

Veli Sundback, Executive Vice President

Our responsibilities go beyond meeting customer demand for safe and quality products. More widespread access to communications helps stimulate economies and build social welfare; our products can be used to reduce the burden on the environment and better share information; good working conditions within our own company and in our supply chain contribute to human rights. As market leader with global operations, Nokia has a major impact on society and we take our responsibilities seriously. Our best contribution to sustainable development is to carry out our business in a responsible way.

Stakeholder relations

Around the world, stakeholders from employees and suppliers to customers, investors and the media are paying more attention to corporate responsibility. It is in our interest to listen to and translate their expectations into business practice, as well as to report on progress.

With employees, for example, we run ethical focus groups, on-line discussion channels where participants can remain anonymous, as well as an annual opinion survey; with consumers we conduct brand surveys and customer satisfaction studies. We practice close cooperation with suppliers, investors and a wide range of industry, governmental and non-governmental organizations, such as the United Nations, World Wide Fund for Nature, International Youth

Foundation, the Red Cross, UNICEF and the World Business Council for Sustainable Development.

We concentrate our financial, environmental and social reporting to our corporate web site. As a mark of accountability, leading socially responsible investment indexes and research bodies, such as Dow Jones, FTSE4Good and S&P (Social Investment Research Institute), continue to report on us favourably.

Business value

Sound company ethics makes business sense by helping to minimize risks, ensuring legal compliance, enhancing company efficiency and building reputation amongst stakeholders. With our leading brand and global operations, it is essential we show good practice in sourcing and product design, manufacturing, recycling, employee welfare, community involvement and corporate transparency. Only in this way, can we create a sustainable product life cycle, sustainable employment, a sustainable corporate reputation, and ultimately sustainable economic growth. Our strategic direction includes building a trusted brand, increasing mobility, introducing multimedia products and services, and securing quality. All this necessitates legal compliance, diverse and innovative teams of



Combining many features in one product can save raw materials and energy.



people, market expansion, wider cooperation and reliable business partners.

Meeting our responsibilities

We are making corporate responsibility an integral part of decision-making in all parts of our business. A diverse range of issues, stakeholders and markets demands involvement from the whole organization – every employee.

Our approach is to focus on those environmental and social issues over which we have most influence and which create the most value. The roll-out of these programs into everyday business makes use of our global platforms and business group networks, supported by extensive induction, training and internal communications. Shaped by company values,



Mobile communications builds relationships between friends and family, in business circles, among communities that have previously been without any communications. It even saves lives in emergency situations.

Nokia strategy and recognized international laws and practices, our code of conduct explains the basic ethical expectations placed on employees. Created in 1997, the code is reviewed annually by the Executive Board and has been translated into many languages to help communication and understanding.

By conducting business in a responsible way, Nokia can make a significant contribution to sustainable development, at the same time building a strong foundation for economic growth.

“Make a Connection puts youth at the forefront, is locally driven and focuses on results.”

Martin Sandelin, Senior VP Corporate Marketing

Youth at the forefront

Nokia develops products and services that encourage communication and learning among people and societies. We believe in investing in our shared future, using our strengths – connecting and communicating – to make a difference. Working with youth and education issues around the world complements our vision and is based on stakeholder expectations.

Our goal is to be a good corporate community member wherever we operate. We take part in long-term projects aimed at helping young people find their place in the world.

Make a Connection – to yourself, your peers, and your community (www.makeaconnection.org)

Nokia’s global initiative, in cooperation with the International Youth Foundation, aims at improving the prospects of young people around the world by equipping them with life skills such as self-confidence, creativity, teamworking, leadership, conflict resolution and intercultural understanding.

By December 2002, Make a Connection was active in 12 countries: Brazil, Canada, China, the Czech Republic, Germany, Hungary, the Republic of Korea, Mexico, the Philippines, Poland, South Africa and the UK, with plans to expand into even more countries throughout 2003. Focusing on youth participation, the programs are responsive to local needs, and are results oriented.

YouthActionNet – connecting youth to create change (www.youthactionnet.org)

A global component of the Make a Connection program is YouthActionNet, a website by and for youth leaders that promotes the role of young people as active social change agents in their communities. Biannually, hundreds of outstanding young leaders apply for the YouthActionNet Awards, which help fund the social entrepreneurial projects of 24 winners per year.

How do we make a difference?

By December 2002, Make a Connection had made a tangible difference in the lives of more than 50 000 young people, trained more than 1 000 adults in reaching out to young people, and indirectly benefited more than 1.2 million young people and adults.

Children in the UK learn life skills at school.



Little Masters journalism project in Shanghai.

Other Community Programs

Nokia's country organizations also support other local community causes. In the US, for example, our company is a big supporter of the United Way – an organization bringing diverse people and resources together to address community issues. We are also involved with ClassLink, a project that uses wireless technology to connect students, teachers and parents.

In the UK, Nokia supports Mencap, a leading charity working with children and adults with learning disabilities. In Brazil, the Nokia Educational Foundation offers free training in electronics and informatics to hundreds of students. In Germany, Nokia supports a local children's help center and in Austria we cooperate with the Youth Red Cross. In Australia, we contribute to the Salvation Army and in Mexico we are committed to a project for street children.

Youth in Mexico make documentaries about life in their communities.



Disaster Relief

In cooperation with the International Red Cross, we have contributed to humanitarian assistance in the Kosovo crisis, relief efforts after the Venezuelan floods, reconstruction after the earthquake in Gujarat, India and relief after the volcano eruption in the Congo and Rwanda.

Following the events of September 11, 2001, Nokia provided an initial grant of USD 1 million to establish the Nokia Education Fund that contributes to the college education needs of children of different nationalities who lost one or both parents.

In 2002, we specifically contributed to relief and reconstruction efforts following the European floods and to clean-up activities after the oil spill off the coast of Spain.

Digital Bridging

With the advent of digital communications, the gap between those who have access to knowledge provided through information technology and those who don't has become more prominent. This divide needs to be bridged through universal access. Here the mobile communications industry has a vital role to play.

Digital Bridging is part of Nokia's everyday business – connecting people. Nokia believes in providing innovative wireless solutions to make information available. Digital Bridging plays an important role in delivering educational content to children and youth in our community involvement activities.



Nokia volunteers clean up nature in New Zealand.

Employee Volunteerism – Nokia Helping Hands

Volunteering our time for the community is an important part of our company culture. Through the global Nokia Helping Hands initiative, thousands of Nokia employees in 25 countries are assisting the community in projects ranging from nature clean-ups in Australia and Finland to reforestation in China and fund-raising in the UK. Nokia employees are also involving themselves in youth mentoring in Canada, Germany and the Republic of Korea as part of our Make a Connection program.

Nokia as an employer

www.nokia.com/aboutnokia/social

“Success for us means motivating, engaging and maintaining employee satisfaction and well-being.”

Hallstein Moerk, Senior Vice President Human Resources

Nokia works determinedly in the field of people processes to achieve positive employer status. The Nokia Employee Value Proposition, which presents a range of benefits for each employee, comprises four fundamental elements to motivate, engage and maintain employee satisfaction, commitment and well-being at work. These four elements are the Nokia Way and Values, Performance-based Rewarding, Professional and Personal Growth and Work-Life Balance.

The Nokia Way and Values

The Nokia Way

A flat, networked organization as well as speed and flexibility in decision-making characterize the Nokia Way of working. Equal opportunities and openness towards people and new ideas are also key elements. We provide individuals with a platform for personal growth in a challenging environment, as well as a clear vision, goals and shared management principles. The Nokia Way brings together talented individuals who share these principles.

The Nokia Values

- Customer satisfaction
- Respect for individual
- Achievement
- Continuous learning

The Nokia Values

Our values are key components of the Nokia Way. These values unite Nokia colleagues, wherever they are in the world. Living them every day is our common bond and shared philosophy.



Management and Leadership

Nokia has a distinctive management and leadership approach at all levels based on the Nokia values. This aims at creating commitment, passion and inspiration and ensures focus and efficiency by setting targets and reviewing results. Employees are encouraged to be responsible for their own professional growth and to take advantage of the development opportunities available.

Employee Engagement

Nokia encourages open discussion and debate. The ‘Listening to You’ employee opinion survey is a powerful way of

getting feedback from our employees on a range of important issues. In addition to this annual survey, we have issue-specific surveys and focus group discussions.

Performance-based Rewarding

Nokia provides employees with market competitive compensation based on a global structure that addresses diverse and changing business and employment environments, as well as specific individual preferences. Our total compensation package is tailored for each country and typically consists of an annual base salary, incentives, bonuses, consideration for stock options, flexible work-life balance solutions, and other local benefits.



Personnel by market area 2002 (2001)

Finland

43% (41%)

Other European countries

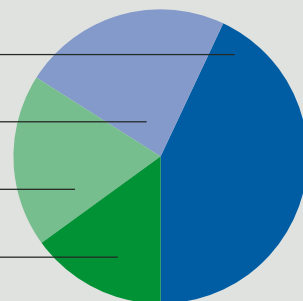
23% (24%)

Americas

19% (19%)

Asia-Pacific

15% (16%)



We reward employees on individual skill and performance as well as overall company success. Giving opportunities for employees to optimize their potential and be rewarded fairly creates a positive and encouraging environment.

Professional and Personal Growth

One of our Nokia values is Continuous Learning. This does not just consist of studying and training, but also means development through daily interaction with colleagues, customers and partners. With coaching and collaboration, employees can benefit from the experience and knowledge of their colleagues.

In this dynamic industry, they also have daily opportunities to learn and grow: from change and challenges to setbacks and successes. Employees are encouraged to share experiences, take risks and learn together. Through the Internal

Job Market Intranet, all our employees are also invited to consider job opportunities available inside Nokia.

Nokia has implemented a successful performance management system across the company called “Investing In People” (IIP). This process is closely aligned to the company strategy and planning processes and involves biannual structured discussions between employees and their managers.

Work-Life Balance

The well-being of our employees is important and also fundamental to the Nokia Way. We recognize the importance of achieving the balance between work content and personal interests or needs, as well as the impact of that balance on employee performance.

Nokia is offering guidelines and services to support work-life balance according to employees’ changing needs and life situations. Examples include teleworking, mobile working, flexible working hours, sabbaticals, study leaves, health-care services as well as recreational activities and social clubs.

Diversity at Nokia

Benefiting from differences is an important aspect of our business; increasing creativity, reflecting diverse marketplace needs and attracting and retaining skilled people.

Diversity is one of the key drivers for our business success and central to the Nokia Way. By encouraging a culture of respect, openness and trust, we are building lasting relationships and connecting employees, customers, suppliers and communities.



Building team skills through shared experience.

Environment

www.nokia.com/aboutnokia/environment

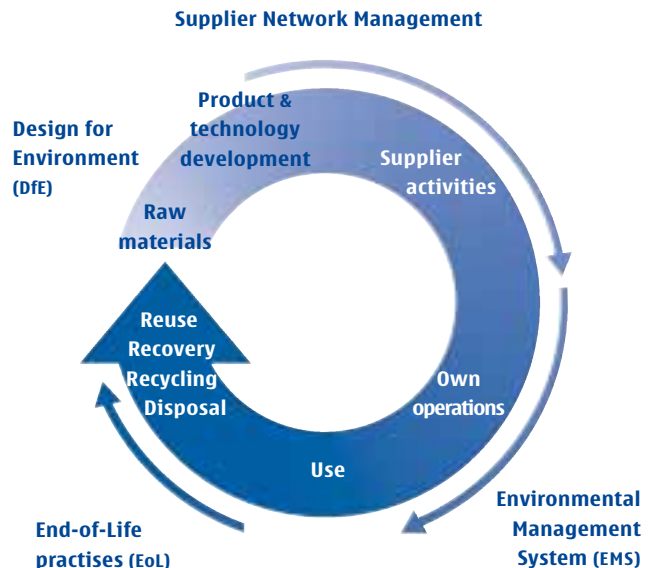
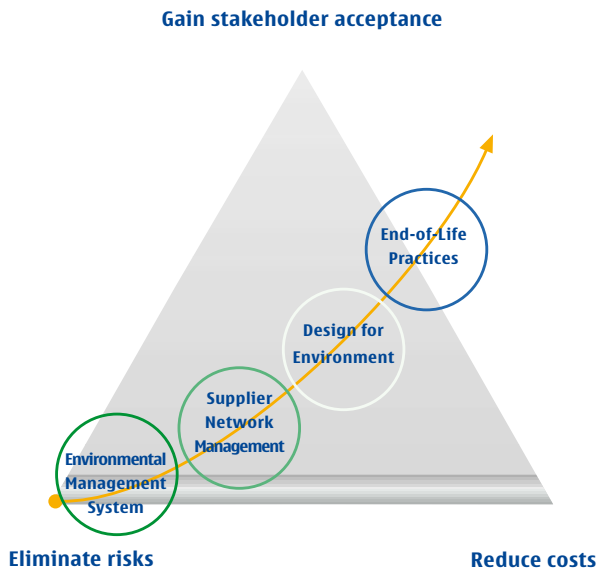
“Sound environmental principles make business sense by helping minimize risk, ensuring legal compliance, reducing costs and building reputation amongst stakeholders.”

Tapio Takalo, Director, Head of Environmental Affairs

Nokia is taking care of environmental affairs in order to ensure and enhance its long-term profitability, and to reduce adverse environmental impacts. We believe in life-cycle thinking, eco-efficiency and sustainable growth. Respecting the natural world is part of company life, and cooperation with all our stakeholders is at the heart of Nokia's drive for strong environmental performance.

By carrying out environmental work, our overarching aim is to reduce our use of natural resources and energy through improved product and process design. We also look to provide opportunities for maximum recyclability and reuse of the material content of our products.

Nokia-wide environmental programs have been built to cover our entire value chain. Environmental work starts from technology and product development (Design for Environment) and proceeds from sourcing and the environmental management of our own operations to after-sales services.



- Design for Environment (DfE) is based on understanding product life cycles from the extraction of materials all the way to product disposal. The overall aim of DfE is to make our products more environmentally efficient. Through DfE, we minimize the use of materials and energy and maximize recyclability.
- A large part of the environmental impact of Nokia products arises from the activities of its suppliers. Cooperation with responsible suppliers ensures that raw materials come from ethically managed sources. Cooperation also helps maintain a preferred partner status with suppliers and minimizes the risk of discontinued business.
- Environmentally sound operations are expected to bring significant savings in material, energy and waste handling costs. Nokia uses certified Environmental Management Systems (EMS) as a management method for controlling and improving the stages of the product life cycle covered by its own operations. The ISO 14001 certification of all production site EMS was completed at the end of 2000. We are also extending our EMS approach to cover large offices and other non-production facilities.
- At the end of the product life, Nokia aims to put materials and energy back into circulation. Closing the loops saves energy and virgin raw material resources and thus helps in sustaining the world's resources. End-of-life Practices (EoL) aim at the collection of equipment at the end of their service life with a view to recovering their material and energy content and ensuring the safe treatment of substances that may cause harm.



Many activities currently using large amounts of energy and raw materials could be moved into the digital space to greatly reduce their environmental impact. Solutions based on mobile technology can replace, for example, traditional mobility solutions based on production and the use of physical means of transport. Mobile technology can make various transactions easier, enabling greater economic and social activity in society. These kinds of new opportunities come with responsibility.

Environment is everybody's responsibility, and an integral part of our daily business.

Investor information

www.nokia.com/investor

Stock exchanges

The shares of Nokia Corporation are quoted on the following stock exchanges:

	Symbol	Trading currency
HEX, Helsinki (quoted since 1915)	NOK1V	EUR
Stockholmsbörsen (1983)	NOKI	SEK
London Stock Exchange (1987)	NOKA	EUR
Frankfurter Wertpapierbörse (1988)	NOA3	EUR
Bourse de Paris (1988)	NOK	EUR
New York Stock Exchange (1994)	NOK	USD

List of indices

NOK1V	NOKI	NOK
HEX HEX General Index	OMX Stockholm	NYA NYSE Composite
HEXTELE HEX Telecommunications	GENX Swedish General	NNA NYSE Utilities Index
HEX 20 HEX 20 Index	GENX04 Swedish Engineer	NN NYSE Utilities
BE500 Bloomberg Europe	GENX16 Swedish SX 16	CTN GSFO Technology
BETECH BBG Europe Technology	Index	MLO Merrill Lynch 10
SX5E DJ Euro STOCXX 50		
SX5P DJ Europe STOXX		
SX_ Various other Dj Indices		
E300 FTSE Eurotop 300		

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