

## Risk factors

January 23, 2003

Set forth below is a description of factors that may affect our business, results of operations and share price from time to time.

- The new advanced products and solutions that we are and will be developing incorporate complex, evolving technologies, including 3G and subsequent new technologies. This exposes us to certain risks that, if they were to occur, could have a material adverse impact on us and our ability to grow our business.
- Changes in the communications industry are expected to increase competition and change the competitive landscape and may affect our sales and operating profit negatively.
- We may not reach our targets, and may experience greater variability in our sales and operating profit than in the past, particularly depending on the general economic conditions and the pace of development and acceptance of new technologies.
- If we fail to manage the prices and costs of our portfolio of mobile phones, our sales and operating profit may be negatively affected.
- The global networks business relies on a limited number of customers and large multi-year contracts. Unfavorable developments under a major contract or in relation to a major customer may affect our sales, operating profit and cash flow adversely.
- Customer financing to network operators can be a competitive requirement and could affect our net sales, operating profit, balance sheet and cash flow adversely.
- Our sales and operating profit could be adversely affected if we fail to efficiently manage our manufacturing and logistics, or fail to ensure that our products meet our quality standards.
- We depend on our suppliers for the timely delivery of components and for their compliance with our supplier requirements, such as, most notably, our product quality standards. Their failure to do so could adversely affect our ability to deliver our products successfully and on time.
- We are developing a number of our new products and solutions in partnership with other companies. If any of these companies were to fail to perform, we may not be able to bring our products and solutions to market successfully or on a timely basis.
- Our operations rely on complex information technology systems and networks. If any system or network disruption occurs, this reliance could have a material adverse impact on our operations, sales and operating profit.
- If we are unable to recruit, retain and develop appropriately skilled employees, we may not be able to implement our strategies and, consequently, our results of operations may suffer.
- As our products and solutions include complex technology involving patented and other proprietary technologies, we face a risk of claims that we have infringed third parties' intellectual property rights. These may result in costly and time-consuming litigation, the invalidation of intellectual property rights on which we depend or increased licensing costs for us to be able to utilize these rights.
- Allegations of health risks from the electromagnetic fields generated by base stations and mobile handsets, and the lawsuits and publicity relating to them, regardless of merit, could affect our operations negatively by leading consumers to reduce their use of mobile phones or by causing us to allocate monetary and personnel resources to these issues.
- Our net sales and costs are affected by fluctuations in the rate of exchange particularly between the euro, which is our reporting currency, and the US dollar and the Japanese yen as well as certain other currencies.
- Our net sales derived from, and assets located in, emerging market countries may be adversely affected by economic, regulatory and political developments in those countries.
- Changes in various types of regulation in countries around the world could affect our business adversely.
- Our share price has been and may continue to be volatile in response to conditions in the global securities markets generally and in the communications and technology sectors in particular.

We file an annual report on Form 20-F with the US Securities and Exchange Commission, which report also includes a description of risk factors that may affect us. Nokia filed its Form 20-F annual report for the year ended December 31, 2002 on February 7, 2003. For further information you should refer to our Form 20-F annual report.