

PROPOSAL BY THE BOARD OF DIRECTORS OF NOKIA CORPORATION TO AUTHORIZE THE BOARD OF DIRECTORS TO REPURCHASE NOKIA SHARES

The Board proposes that the Annual General Meeting authorize the Board to resolve to repurchase Nokia shares by using funds available for distribution of profits. The shares may be repurchased under the proposed authorization in order to carry out the announced projection for a stock repurchase plan. In addition, the shares may be repurchased under the proposed authorization in order to develop the capital structure of the Company, to finance or carry out acquisitions or other arrangements, to settle the Company's equity-based incentive plans, to be transferred for other purposes, or to be cancelled.

In 2004, the Company has repurchased Nokia shares on the basis of the authorization given by the Annual General Meeting on March 25, 2004. Nokia has repurchased a total of 176 000 000 shares equivalent to approximately EUR 2 012 000 000 through a share repurchase program.

The authorization is proposed to amount to a maximum of 443 200 000 Nokia shares each with a par value of 6 cents. The proposed amount of shares corresponds to nearly 10 per cent of the current share capital of the Company and the total voting rights assuming the full completion of the cancellation of 230 million shares proposed by the Board.

The maximum amount of the authorization proposed by the Board is based on the proposed amendment of the Finnish Companies Act announced in January 2005, that the Finnish Government intends to submit to be passed by the Parliament. Assuming the amendment to be passed into law, the maximum amount of Nokia shares to be repurchased by the Company may not result in the group holding of more than 10 per cent of the current share capital of the Company or the total voting rights. Under current law the repurchases may not result in the group holding of more than 5 per cent of the share capital or the total voting rights.

The Board may not use the authorization to repurchase Nokia shares in such a way that the total amount of shares held by the group exceeds the maximum amount permitted by law at any moment of time. Therefore, the authorization shall amount to a maximum of 221 600 000 shares only, in the event that the proposed amendment mentioned above does not enter into force during the one-year validity of the proposed authorization.

In the event that the proposed amendment will be passed into law, but will enter into force later than as of April 7, 2005, the authorization to the Board shall amount to the proposed 443 200 000 shares only from such date, and until then, the amount shall correspond to a maximum of 5 per cent of the Company's share capital or total voting rights as permitted by the current law.

The authorization for repurchases is proposed to be carried out, as resolved by the Board either

- a) through a tender offer made to all the shareholders on equal terms determined by the Board, in relation to the holdings of the shareholders, and for an equal price determined by the Board; or
- b) through public trading and in such exchanges the rules of which entitle companies to trade with their own shares. In this case the shares would be repurchased in another proportion than that of holdings of the current shareholders. The Company may enter into derivative, share lending or other arrangements customary in capital markets practice within the limits set by law and other regulations. The repurchase price must be based on the market price of Nokia share in public trading. The repurchase shall be carried out and settled in compliance with the rules and guidelines of the relevant exchange where the repurchase is carried out.

Repurchases will reduce the Company's distributable retained earnings.

The repurchase under the authorization will have no material impact on the relative holdings of the other shareholders of the Company or on the voting powers among them.

The aggregate amount of shares held by the persons belonging to the category referred to in the Finnish Companies Act, Chapter 1, Section 4, Paragraph 1 corresponds to approximately 0.27 per cent of the share capital of the Company and approximately 0.28 per cent of the total voting rights. The number is based on the currently outstanding share capital of the Company, shareholdings of the said persons, and previously issued stock options assuming the stock options to be fully exercised.

Assuming the holdings of the persons mentioned above to remain unchanged until the authorization expires, and the Company to repurchase the maximum number of shares pursuant to the proposed authorization, as well as the full completion of the proposed cancellation of shares, the corresponding numbers will be approximately 0.28 per cent of the share capital and 0.31 per cent of the total voting rights.

It is proposed that the authorization is effective until April 7, 2006.

Espoo, January 27, 2005

Board of Directors