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CONNECTING PEOPLE

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Nokia - at the Forefront of Mobility



Jorma Ollila
Chairman & CEO
Nokia

**Annual
General
Meeting**

**March 27,
2003**

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A New Era of Mobility



- Our industry is moving rapidly into a new phase of advanced features and services
- There are three key industry drivers taking us there
 - Applications on the move
 - Increasing role of software based on open and compatible solutions
 - Explosion of new innovative products

Applications on the Move



- Successful take off of Multimedia Messaging Service
- Over 110 global operators already offering MMS services
- MMS is a core technology platform upon which to build
- It is the world's single biggest media — ever!

Increasing Role of Software

- This is leading to a richer user experience - and has clear benefits for operators, developers, and handset manufacturers alike
- Through creating services that work across markets, operators and terminals, we can offer consumers both choice and value
- At the heart of this approach is the Open Mobile Alliance



Explosion of New Innovative Products

Entertainment



Nokia N-Gage



Nokia 3300

Imaging



Nokia 3650



Nokia 7650

Enterprise



Nokia 9210



Nokia 6800

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Nokia's Strategy Cornerstones

Products



Operational
Efficiency

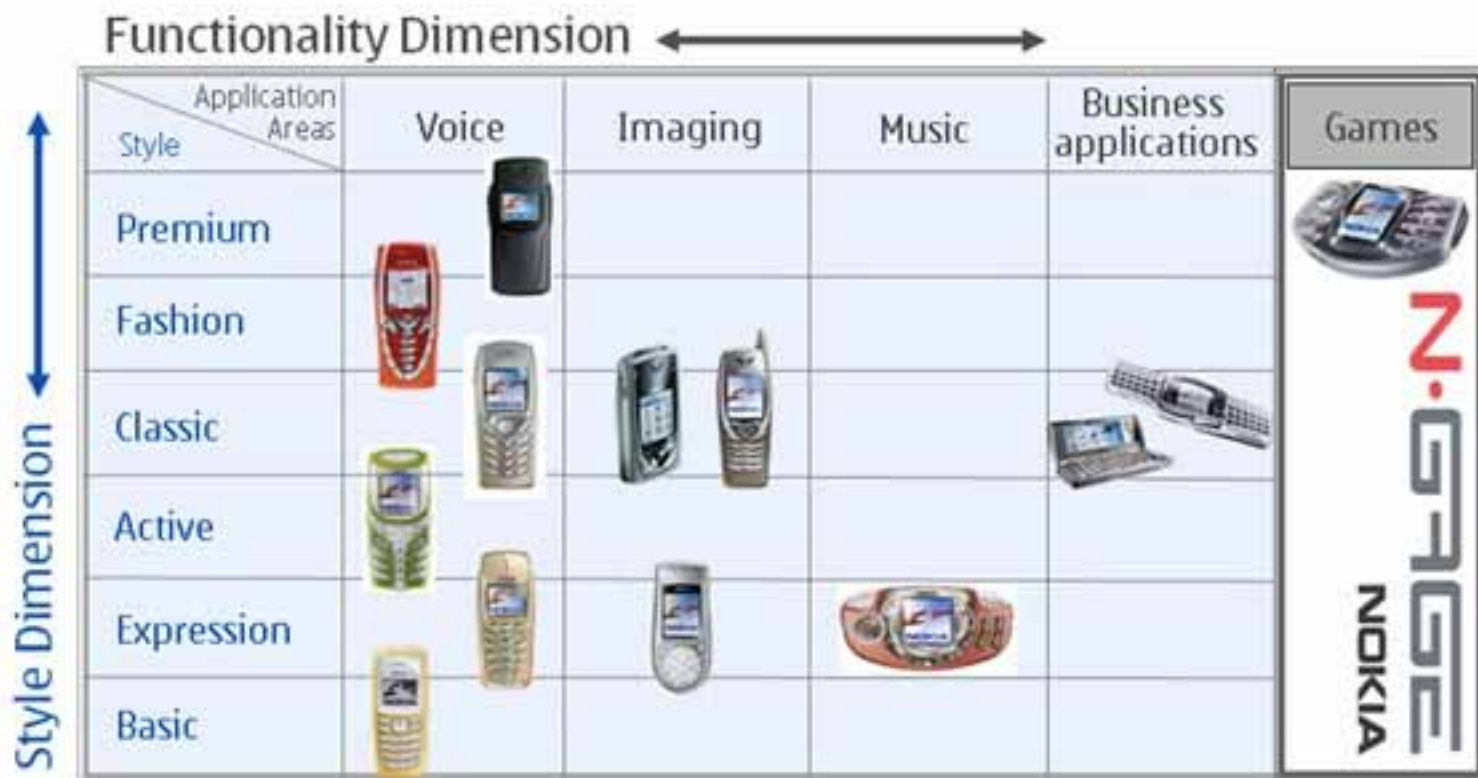


Brand



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Nokia's Product Category Matrix



Nokia's Brand Promise

- During technological discontinuities a strong and trusted brand is a very strong asset
- Adding new intelligence and functionality and getting people to use it is much easier
- Nokia has extremely high customer loyalty with more than 300 million people using our products worldwide



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Corporate Social Responsibility



- By conducting business in a responsible way, Nokia makes a significant contribution to sustainable development and builds a strong foundation for economic growth
- Nokia's 'Make a Connection' global initiative is already thriving in 13 countries and has so far benefited over a million young people and adults
- Nokia's involvement in many international projects include:
 - The United Nation's Global Compact initiative and ICT Task Force,
The International Youth Foundation,
The World Business Council for Sustainable Development and the World Wildlife Fund



Operational Efficiency

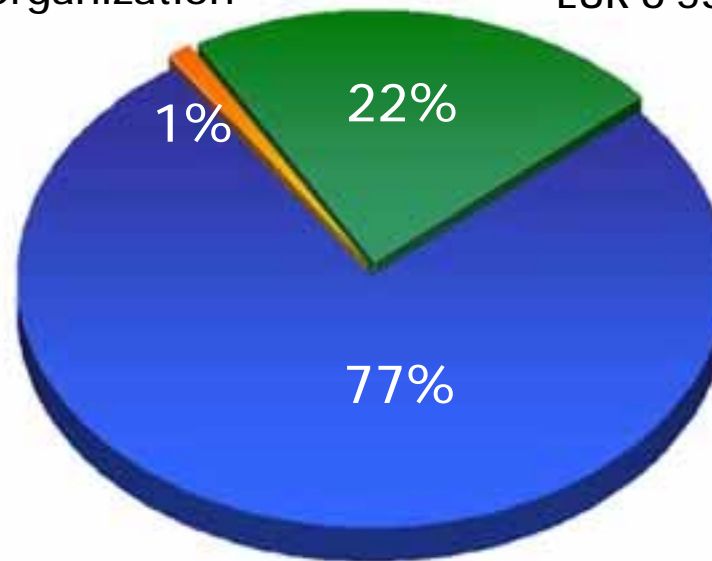
- Successful companies are those who can quickly adjust and improve efficiencies in strong growth markets as well as in more developed markets
- Predicting the exact time when changes in the market will take place is key
- Our concurrent engineering process has brought sustainable competitive advantage to us

Net Sales by Business Group

EUR 30 016 million

Nokia Ventures Organization
EUR 459 million

Nokia Networks
EUR 6 539 million



Nokia Mobile Phones
EUR 23 211 million

Nokia Mobile Phones



- Net sales EUR 23.2 billion, personnel 26 090 in 2002
- Fifth consecutive year market share increase to 38% in 2002
- Industry-leading product line-up
 - a record 33 new products launched last year
 - a record volume level of 152 million units
- To accelerate growth and enhance both agility and scale benefits, Nokia Mobile Phones moved to a new operational structure in 2002

Nokia Networks



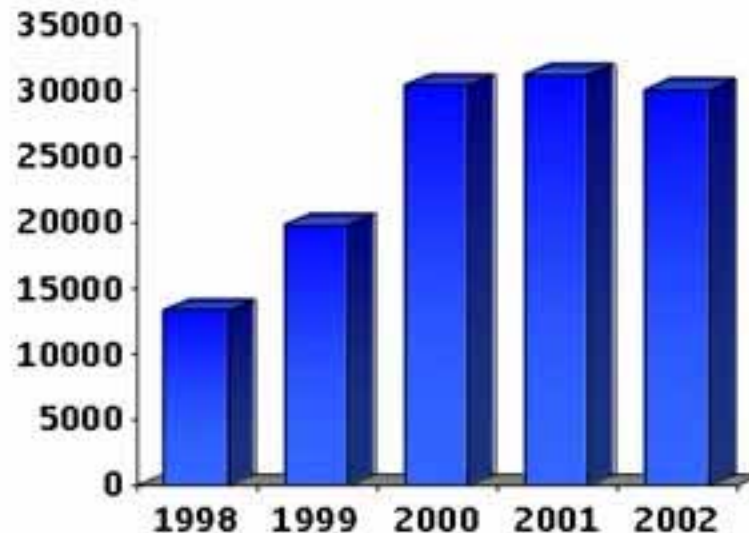
- Net sales EUR 6.5 billion, personnel 17 361 in 2002
- In challenging market conditions, Nokia Networks:
 - Signed 20 GSM network deals in Asia, China, Europe and the US, including three new customers
 - Delivered MMS solutions to well over 40 operators by the end of 2002
 - Moved WCDMA technology implementation to pre-commercial and commercial phase towards the end of 2002

Nokia Ventures Organization

- A record number of new products and solutions introduced in 2002
- Nokia Internet Communications
 - significantly improved its operational efficiency
 - maintained the same level of sales and market share in the enterprise firewall/VPN appliance segment
- Nokia Home Communications
 - sales in 2002 declined as the unit began a migration towards emerging horizontal markets
 - Products, such as the Nokia Mediamaster 230 S, introduced Bluetooth-enabled interoperability to the home environment in the second half of the year

Total Net Sales EUR 30 016 million

(USD 30 766 million)



Net sales by business group:

Nokia Networks 22%

Nokia Mobile Phones 77%

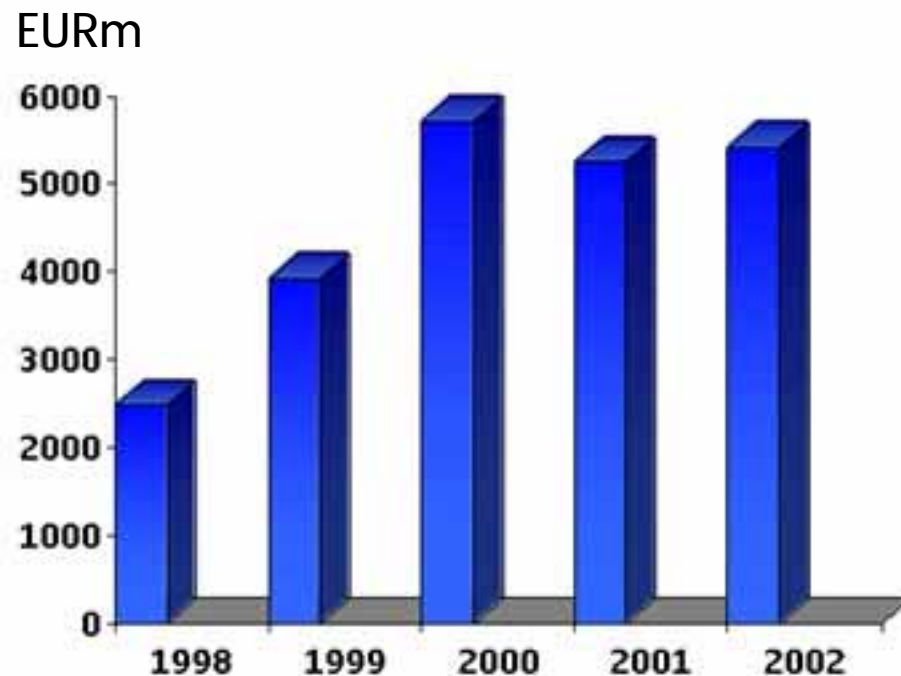
Nokia Ventures Organization 1%

1 EUR = 1.025 USD

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Annual Operating Results

Operating profit EURm 5 420 (pro forma)



1 EUR = 1.025 USD

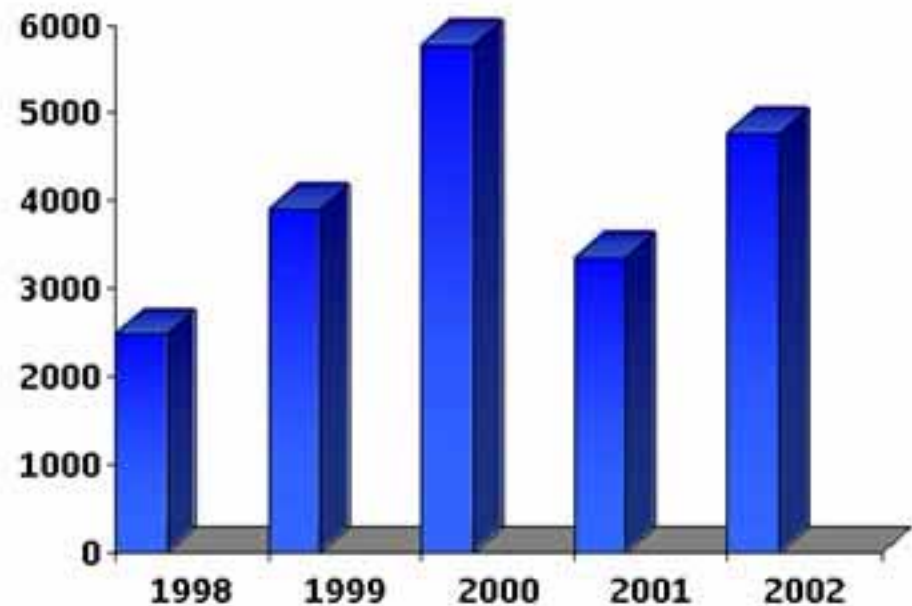
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Operating Profit (Reported)

Operating profit EURm 4780



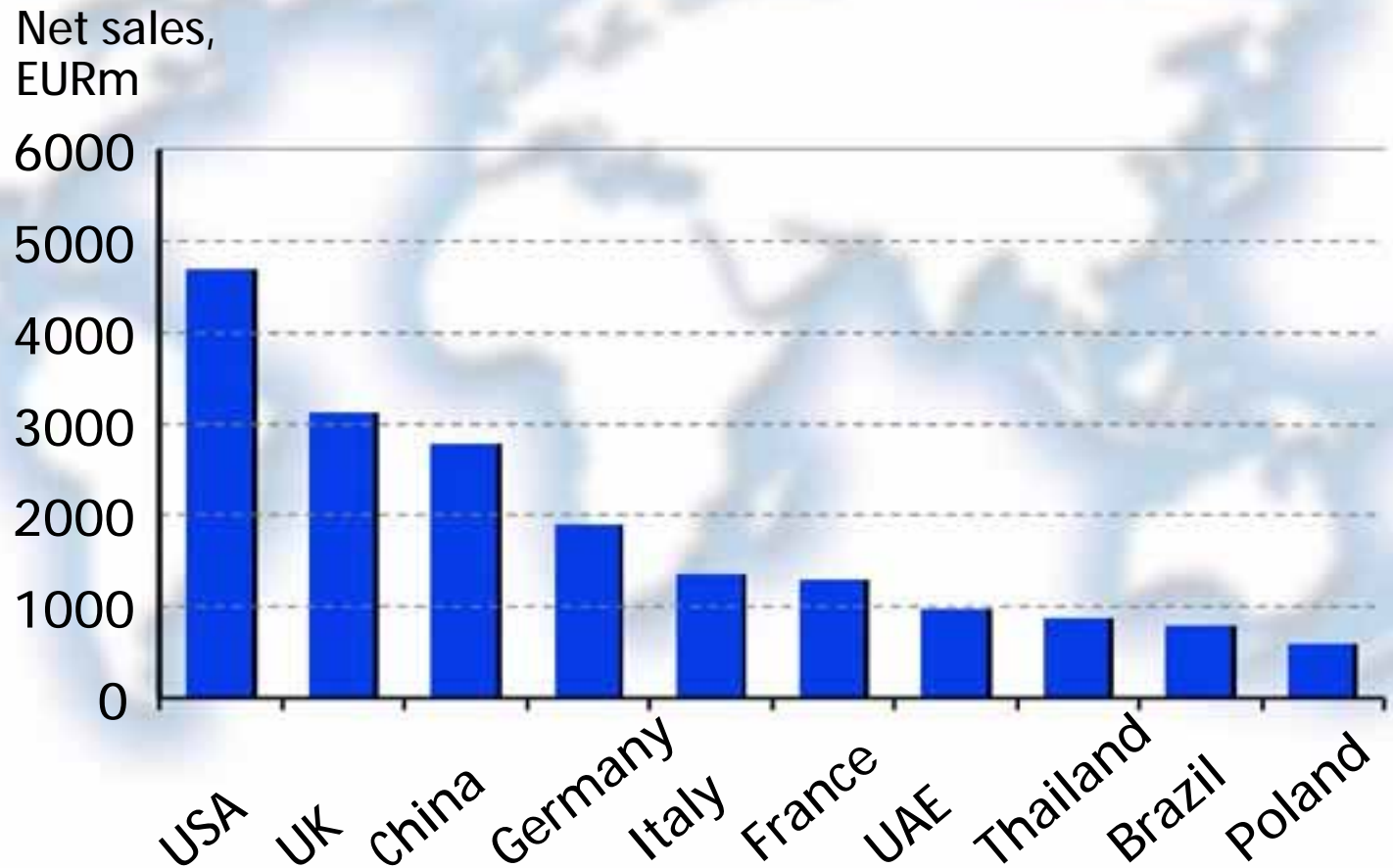
EURm

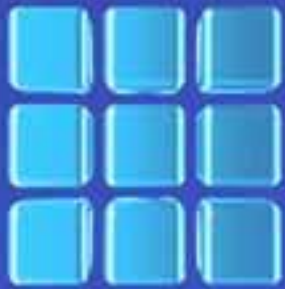


1 EUR = 1.025 USD

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Nokia's Largest Markets 2002



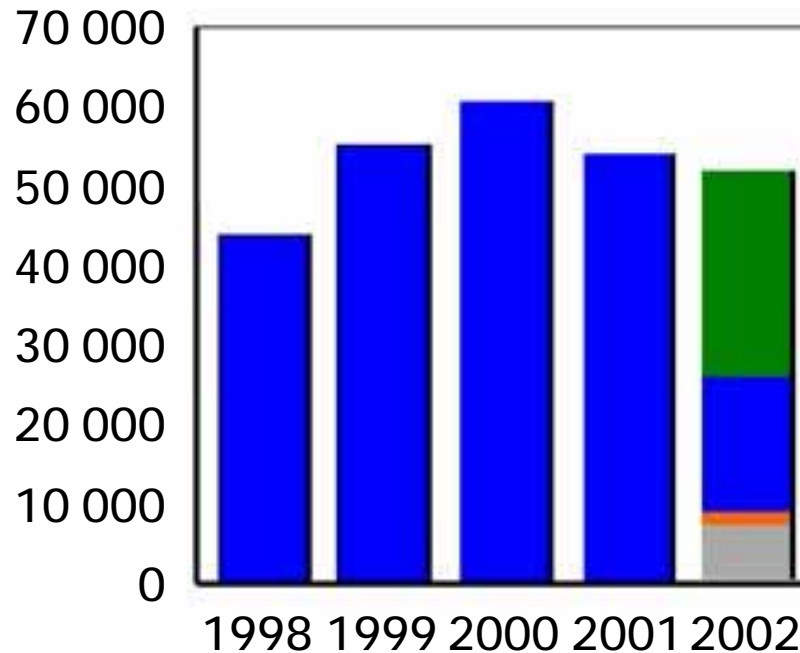



Strong Investments in R&D = Strong Investments in Innovation


- In a knowledge-based economy, research and development is the main source of innovation
- In 2002, Nokia invested 10.2% - over EURO 3 billion - of its net sales into R&D
 - a global network of R&D centers in 14 countries
 - over 19 500 people in R&D at the end of 2002 - 38% of personnel
- This enables both the exploration of new technologies as well as the perfecting of existing technologies


Committed Nokia Team

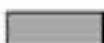
- 51 748 employees at the year-end (53 849 end of 2001)



 Nokia Mobile Phones
26 090

 Nokia Networks
17 361

 Nokia Ventures Organization
1 506

 Common Group Functions
6 791

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Proposals for the AGM

– March 27th, 2003

- Proposal to pay a dividend of EUR 0.28 per share
- Proposal to grant stock options to key personnel
- Renewal of the authorizations of the Board to
 - Repurchase Nokia shares
 - Dispose Nokia shares
 - Resolve to increase the share capital



2003 – A New Era of Mobility



- Mobility is expanding into new areas: Imaging, Games, Entertainment, Media and Enterprise applications
- These will be the elements of the next global mega-trend
- Going into 2003, Nokia will be at the forefront of this mega-trend, building on its industry-leading position

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