

NOKIA CORP  
Form 6-K  
April 22, 2005

# SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

## FORM 6-K

**Report of Foreign Private Issuer**

**Pursuant to Rule 13a -16 or 15d -16 of  
the Securities Exchange Act of 1934**

**Report on Form 6-K dated April 21, 2005**

### **Nokia Corporation**

**Nokia House  
Keilalahdentie 4  
02150 Espoo  
Finland**

(Name and address of registrant's principal executive office)

(Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.)

Form 20-F  Form 40-F

Enclosures:

1. Nokia Press Release dated April 21, 2005 and titled:

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Nokia reports Q1 2005 net sales of EUR 7.4 billion and EPS EUR 0.19

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*Press Release*

April 21, 2005

**Nokia reports Q1 2005 net sales of EUR 7.4 billion and EPS EUR 0.19**

**Company posts double-digit sales growth of 17%; raises 2005 mobile device market volume estimate to 740 million**

| EUR million                              | NOKIA IN THE FIRST QUARTER 2005 |                      |            |
|--|---------------------------------|----------------------|------------|
|  | Q1/2005*                        | Q1/2004<br>Revised** | Change (%) |
| Net sales                                | 7 396                           | 6 348                | 17         |
| Mobile Phones                            | 4 527                           | 4 080                | 11         |
| Multimedia                               | 1 133                           | 744                  | 52         |
| Enterprise Solutions                     | 307                             | 184                  | 67         |
| Networks                                 | 1 431                           | 1 346                | 6          |
| Operating profit                         | 1 118                           | 1 019                | 10         |
| Mobile Phones                            | 869                             | 1 029                | -16        |
| Multimedia                               | 155                             | -22                  |            |
| Enterprise Solutions                     | -9                              | -35                  |            |
| Networks                                 | 221                             | 154                  | 44         |
| Common Group Expenses                    | -118                            | -107                 |            |
| Operating margin (%)                     | 15.1                            | 16.1                 |            |
| Mobile Phones (%)                        | 19.2                            | 25.2                 |            |
| Multimedia (%)                           | 13.7                            | -3.0                 |            |
| Enterprise Solutions (%)                 | -2.9                            | -19.0                |            |
| Networks (%)                             | 15.4                            | 11.4                 |            |
| Financial income and expenses            | 78                              | 76                   | 3          |
| Profit before tax and minority interests | 1 192                           | 1 091                | 9          |
| Net profit                               | 863                             | 729                  | 18         |
| EPS, EUR                                 |                                 |                      |            |
| Basic                                    | 0.19                            | 0.16                 | 19         |
| Diluted                                  | 0.19                            | 0.16                 | 19         |

**\*Q1 2005 special items**

- Nokia's financial income in Q1 2005 included a positive EUR 40 million item, representing a gain on the sale of a portion of the France Telecom bond.

- The negative impact of restructuring in Multimedia in Q1 2005 was EUR 15 million, which was significantly less than the indicated range of EUR 60 to EUR 80 million, as previously guided.

- The net impact of these special items on Q1 EPS, basic and diluted, was negligible.

**\*\* New IFRS Standards**

International Financial Reporting Standards (IFRS) were subject to changes as of January 1, 2005. Nokia's Q1 and full-year 2004 financial accounts now reflect the retrospective implementation of IFRS 2 and IAS 39R. More information and accompanying tables can be found from

*page 15 of this document.*

**JORMA OLLILA, CHAIRMAN AND CEO:**

I was extremely satisfied with Nokia's overall first-quarter performance, which brought double-digit growth at the top line, including year-on-year sales growth for each of our four business groups. First-quarter operating cash flow was strong at EUR 1.3 billion, backed by good overall profitability.

According to Nokia estimates, year-on-year volume growth for the mobile device market in the first quarter came in ahead of expectations at 20%, with Nokia growing at about the same pace as the market. Despite some weakness in 3G devices at the industry level, this marked a strong start for the year and prompted an upward revision of our 2005 annual market volume estimate to about 740 million units.

In Nokia's own mobile device business, year-on-year volume growth during the quarter was fastest in China, which became our number one single market, followed by Asia Pacific and Europe/Middle East/Africa. However, volume declines in North America and Latin America were disappointing. In Asia, particularly China, we have focused on expanding our distribution and developing a competitive and quality product portfolio. In the Americas, we will continue working hard to strengthen and broaden our product offering.

I was really pleased to see solid average selling prices of 110 euro for the quarter in our mobile device business. This was supported by a greater share of high-end product sales from our multimedia and enterprise businesses.

In mobile infrastructure, we also had a very good quarter, with higher-than-expected profitability boosted by an excellent performance in March. Networks profitability was positively affected by a product mix favoring high-margined products, a less-than-anticipated share of sales from new growth markets and the collection of some previously provisioned customer receivables, all of which pushed margins ahead of expectations.

Nokia's operating margin of 15.1% reflects an excellent all-round performance from all areas of our business and gives us a solid platform to build on as the year unfolds.

## **INDUSTRY DEVELOPMENTS**

Based on volume developments during the first quarter 2005, Nokia now expects the overall mobile device market for 2005 to reach about 740 million units, compared with our previous estimate of approximately 10% annual growth, from an estimated 643 million units in 2004. The overall market is also expected to grow in value, but to a lesser extent. Volume growth is expected to continue to be driven by replacement and upgrade sales in more developed markets, with the availability of new features, services and cameras, and by new subscriber growth in developing mobile markets.

In infrastructure, Nokia continues to expect the overall market in 2005 to be slightly up compared with 2004 in euro terms.

#### **OUTLOOK FOR SECOND QUARTER 2005**

Second-quarter Nokia group net sales are expected to be in the range of EUR 7.9 billion to EUR 8.2 billion, compared with EUR 6.5 billion in the second quarter 2004. EPS (diluted) is expected to be in the range of EUR 0.15 to EUR 0.18, compared with EPS (diluted) EUR 0.15 in the second quarter 2004, which included a positive impact of EUR 0.03 from special items.

**Q1 2005 FINANCIAL HIGHLIGHTS**





**Nokia Group**

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Nokia's first-quarter 2005 net sales increased 17% to EUR 7.4 billion, compared with EUR 6.3 billion in the first quarter of 2004. At constant currency, group net sales would have increased 19%. All business groups contributed to the year-on-year sales growth.

Nokia's first-quarter operating profit grew 10% year on year to EUR 1.1 billion, compared with the first quarter 2004 (EUR 1.0 billion) with an operating margin of 15.1% (16.1%).

Operating cash flow for the quarter ended March 31, 2005 was EUR 1.3 billion, compared with EUR 0.9 billion in Q1 2004, and total combined cash and other liquid assets were EUR 12.6 billion, compared with EUR 11.5 billion at 31 December 31, 2004. As of March 31, 2005, net debt-to-equity ratio (gearing) was 94%, compared with 79% at December 31, 2004.

### Mobile devices

For the first-quarter 2005, the total mobile device sales volume achieved by the Mobile Phones, Multimedia and Enterprise Solutions business groups reached 53.8 million units, representing a year-on-year rise of 20% and a sequential decline, mainly due to normal seasonality, of 19%. Overall market volumes for the same period reached an estimated 170 million units, representing 20% annual growth and a 13% sequential decline. In smartphones, the total industry volume for the first quarter reached an estimated 10 million units, while Nokia's own smartphone volumes grew to 5.4 million units, compared with 1.8 million units in the first quarter 2004.

Global mobile subscription growth also continued, as total global subscriptions rose to an estimated 1.8 billion by the end of the quarter, backed by the ongoing strong momentum in new growth markets such as India, Russia, China and Brazil.

The following chart sets out Nokia's mobile device volume for the periods indicated, as well as the year-on-year growth rates, by geographic area.

**NOKIA MOBILE DEVICE VOLUME BY GEOGRAPHIC AREA**

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| (million units)              | Q1 2005     | Q1 2004     | YoY Change (%) | Q4 2004     |
|------------------------------|-------------|-------------|----------------|-------------|
| Europe, Middle-East & Africa | 27.4        | 21.6        | 27             | 32.8        |
| China                        | 7.1         | 4.2         | 69             | 5.9         |
| Asia-Pacific                 | 10.6        | 7.4         | 44             | 10.4        |
| North America                | 4.3         | 6.5         | -33            | 8.0         |
| Latin America                | 4.4         | 5.0         | -12            | 9.0         |
| <b>Total</b>                 | <b>53.8</b> | <b>44.7</b> | <b>20</b>      | <b>66.1</b> |

Nokia's year-on-year volume growth in China was positively affected by stronger seasonal market growth in the first quarter, and our expanding distribution system, competitive product portfolio, brand strength and quality products. In Europe/Middle East/Africa, market growth in the first quarter 2005, particularly in new growth markets, combined with an improved product portfolio, drove Nokia volumes, compared with the first quarter 2004.

However, in North America, and now in Latin America, Nokia's year-on-year volume decline primarily reflected operator migration from TDMA, which was a strong market for us in the first quarter 2004, to GSM and CDMA, where the company's relative position is not as strong.

Nokia's estimated market share for the first quarter was 32%, flat year on year and down compared with 34% in the fourth quarter 2004. Strong sequential market share gains in China, followed by Europe/Middle East/Africa, were more than offset by substantial market share losses in North America and Latin America. The seasonal strength of the Korean and Japanese markets in the first quarter also adversely impacted our market share, as Nokia does not have a material presence in those markets.

The average selling price for Nokia's mobile device business was EUR 110. This was supported by proportionally higher sales of high-end products from our multimedia and enterprise businesses in the first quarter 2005.

**Mobile Phones:** First-quarter 2005 net sales grew 11% year on year to EUR 4.5 billion, compared with EUR 4.1 billion in the first quarter 2004, driven by good demand. Sales growth was strongest in China, followed by Asia Pacific and Europe/Middle East/Africa, partially offset by sales declines in North America and to a lesser extent in Latin America. Operating profit decreased 16% to EUR 869 million, compared with EUR 1.0 billion in the first-quarter 2004, with an operating margin of 19.2% (25.2%).

**Multimedia:** First-quarter 2005 net sales grew by 52% year on year to EUR 1.1 billion, compared with EUR 744 million in the first quarter 2004. Sales growth was strong in all areas except the Americas, with growth strongest in Europe/Middle East/Africa. Multimedia sales were driven by ongoing good demand for imaging smartphones.

The negative impact of the restructuring in Multimedia in the first quarter 2005 was EUR 15 million, which was significantly less than the previously announced range of EUR 60 to EUR 80 million. Multimedia first-quarter operating profit increased to EUR 155 million, compared with an operating loss of EUR 22 million in the first quarter 2004, with an operating margin of 13.7%, compared with -3.0% in the first quarter 2004, due to a strong performance in imaging smartphones sales.

**Enterprise Solutions:** First-quarter 2005 net sales increased 67% year on year to EUR 307 million, compared with EUR 184 million in the first quarter 2004, driven by healthy sales of enterprise devices. This also reduced our first-quarter 2005 operating loss to EUR 9 million, compared with an operating loss of EUR 35 million in the first quarter 2004. Enterprise Solutions first-quarter operating margin improved to -2.9%, compared with -19.0% in the first quarter 2004.

#### **Networks**

First-quarter 2005 net sales increased 6% year on year to EUR 1.4 billion, compared with EUR 1.3 billion in the first quarter 2004. Sales were supported by capacity investments in more developed markets, particularly during March, with growth highest in Asia Pacific followed by Latin America, and to a lesser extent Europe/Middle East /Africa. Growth in these markets more than countered lower sales in China and North America.

Networks first-quarter 2005 operating profit reached EUR 221 million, compared with EUR 154 million in the first quarter 2004, with an operating margin of 15.4% (11.4%). Profitability was positively affected by a product mix favoring high-margined products, a less-than-anticipated share of sales from new growth markets and the collection of some previously provisioned customer receivables, all of which pushed margins ahead of expectations.

**Q1 2005 OPERATING HIGHLIGHTS**

Nokia further renewed its mobile device offering in the first quarter with the announcement of 17 new models and first shipments of seven models.

### **Mobile Phones**

In addition to an existing range of software customization options, we are providing our GSM operator customers with greater possibilities for mobile phone customization. During the first quarter, the Nokia 6101 folding camera phone became Nokia's first GSM mobile phone available in an exclusive operator design. China Mobile Communications Corporation also became the first to offer an exclusive operator design to the China market in the form of the Nokia 6102.

During the quarter, Nokia strengthened its mid-range portfolio of feature-rich, voice-centric handsets with the launch of three new products: the Nokia 6230i camera phone, which adds a megapixel camera, push-to-talk functionality and a built-in stereo music player to the highly popular Nokia 6230; the Nokia 6021, an affordable business-oriented phone with push-to-talk technology, voice activated dialing, enhanced connectivity and synchronization options with Bluetooth wireless technology; and the Nokia 6030, a dual-band phone with easy messaging functionality and advanced ergonomics. The Nokia 6101, 6230i and 6021 are expected to start shipping in the second quarter and the Nokia 6030 in the third quarter of 2005.

Nokia announced seven new CDMA handsets designed to strengthen and add depth to Nokia's CDMA product portfolio. These devices include the Nokia 2115i, an affordable phone targeting first-time and prepaid wireless users, the Nokia 3152, Nokia 3155 and Nokia 3155i, all mid-tier folding phones, and the Nokia 6152, Nokia 6155 and Nokia 6155i, folding camera phones with advanced features.

The Nokia 2115i is expected to start shipping in the second quarter, the Nokia 3152, Nokia 3155 and Nokia 3155i in the third quarter, and the Nokia 6152, Nokia 6155 and Nokia 6155i in the fourth quarter 2005.

### **Multimedia**

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We further expanded our 3G WCDMA product range with the launch and shipping of the Nokia 6680 megapixel smartphone. Equipped with two integrated cameras and a wide range of smartphone features, the Nokia 6680 is optimized for visual sharing. It also supports the Nokia XpressPrint printing solution for easy printing of images, e-mails and organizer information. Shipments of the Nokia 6680 started in March. Nokia also announced two EDGE-enabled megapixel smartphones, the Nokia 6681, designed for EDGE markets in Asia Pacific and Europe/Middle East/Africa, and the Nokia 6682, designed for the Americas EDGE markets.

In music, we made two important collaboration announcements during the quarter. Together with Loudeye Corporation, Nokia announced a mobile music platform for wireless operators. This platform enables operators to launch branded mobile music services for their customers with minimum effort and resources. Nokia also announced a long-term collaboration with Microsoft on digital media format support for Nokia handsets and Windows Media Players. This means consumers will be able to enjoy music from the mobile music solution offered by Nokia and Loudeye on both Nokia handsets and Microsoft® Windows® XP-based PCs. It will also allow for easy connection and content flow between them.

Nokia continued to work together with broadcasters and mobile operators to enable mobile TV services based on DVB-H. In addition to a pilot in Germany last year and ongoing trials in the US, Europe and Asia, a commercial mobile TV pilot was launched in Finland targeting 500 consumers in the capital area. In games, Nokia continued to launch N-Gage games with N-gage Arena features, such as multi-player gaming, competitions and chat.

### **Enterprise Solutions**

During the first quarter, the Nokia 9500 Communicator and Nokia 9300 enterprise smartphone began shipping in volumes. Both these devices have been optimized to meet corporate IT demands for customized, manageable and secure mobile access to email and other enterprise software. In only a few months, these device sales have already exceeded more than 50% of the lifetime volume of the two preceding Communicator models. Third-party studies indicate that Nokia is establishing a strong share position in this market.

We announced a licensing agreement for Microsoft Corp's ActiveSync to enable a direct over-the-air synchronization link between Nokia enterprise mobile devices and the Microsoft Exchange Server 2003 for email and other personal information management (PIM) data. This supports Nokia's broader strategy of becoming the device of choice for mobile e-mail and



messaging in the enterprise market and will expand our portfolio of email offerings, providing enterprise customers with the widest possible choice of email and PIM solutions on the market today.

Working closely with a number of our enterprise customers, we are piloting mobility solutions around the world to lay the ground for commercial deployments later in 2005. These pilots include innovative and cost effective approaches to different remote access or mobile connectivity solutions (IP Sec or SSL Virtual Private Networks, Mobile VPN) combined with security and applications such as mobile e-mail or Customer Relationship Management.

*For images of the mobile devices mentioned in the above Mobile Phones, Multimedia and Enterprise Solutions sections, please go to:  
<http://www.nokia.com/aboutnokia/financials>*

## Networks

During the first quarter, Nokia won a WCDMA 3G contract with FarEastTone Telecommunications in Taiwan, reinforcing the company's position as the leading WCDMA supplier for the Taiwanese market. Nokia also signed a turnkey contract for EDGE expansion and a 3G core network deal with Pannon in Hungary, as well as a frame agreement for GSM/EDGE and WCDMA expansion with Polkomtel in Poland.

The company won GSM, GSM/GPRS or GSM/EDGE deals with Telecom Personal in Argentina, Jiangxi MCC in China, Ethiopian Telecommunications Corporation in Ethiopia, and with TeliaSonera in Sweden. Telecom Personal is a new GSM customer for Nokia.

Nokia announced a Push to talk over Cellular contract with Turkcell in Turkey. Eurotel in the Czech Republic and Hutchison in Hong Kong launched their commercial push to talk services using the Nokia solution. Nokia is leading the Push to talk over Cellular market, having delivered its solution to 30 operators around the world.

The company is increasing its focus on the growing services market in response to operator demand. In general most new and existing deals include a broad selection of services such as planning, implementation, systems integration, operation solutions, consulting and care services.

Nokia won TETRA network deals in Abu Dhabi, France and Italy. At the beginning of April, the company announced it is in advanced talks with EADS, the European Aeronautic Defense and Space Company, on the sale of Nokia's Professional Mobile Radio business to EADS. The sale is still subject to regulatory approvals.

## Technology

During the first quarter, Nokia introduced the Series 60 Platform 3<sup>rd</sup> Edition, supported by a complete set of developer tools and specifically targeted to support the mid-range expansion of the leading smartphone platform.

During the quarter, Nokia made several technology cooperation agreements with significant business partners. **Two agreements were made with Microsoft concerning the compatibility of music formats in Nokia devices and personal computers, and the use of Microsoft ActiveSync protocol in the synchronization between select Nokia devices and Microsoft Exchange servers.**

During the quarter, Nokia made several technology cooperation agreements with significant business partners. Two



**Nokia also announced with Macromedia that their Flash technology would be integrated into the Series 60 Platform as well as into other Nokia software platforms. Series 60 will also become a reference platform for Macromedia's mobile Flash technology.**



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Together with Real Networks, Nokia announced collaboration on RealAudio, RealVideo and Helix DNA licensing. Texas Instruments (TI) and Nokia announced an agreement whereby Nokia would start to implement TI's Digital RF Processor based single-chip solution into its mobile devices. The cooperation will allow Nokia to offer more cost-effective advanced handsets, especially in high-volume entry markets.

Forum Nokia strengthened its position as the world's largest mobile application developer community. At the end of March 2005, Forum Nokia had more than 1.9 million registered members.

The company launched several products for network technology evolution and convergence, including the Nokia Internet High Speed Packet Access (I-HSPA) solution, designed to bring higher performance and more cost-efficient broadband wireless access for high-volume packet data transfer.

### **PERSONNEL DEVELOPMENTS**

The average number of employees during the first quarter 2005 was 55 557. At March 31, 2005, Nokia employed a total 55 393 people (55 505 people at December 31, 2004).

**CAPITAL STRUCTURE DEVELOPMENT**

Nokia repurchased through its share repurchase plan a total of 54 000 000 shares on the Helsinki Stock Exchanges at an aggregate price of approximately EUR 651 379 000 during the period from January 28, 2005 to February 24, 2005. The price paid was based on the market price at the time of repurchase. The shares were repurchased to be used for the purposes specified in the authorization held by the Board. The aggregate par value of the shares purchased was EUR 3 240 000,



representing approximately 1.16% of the share capital of the company and of the total voting rights. These new holdings did not have any significant effect on the relative holdings of the other shareholders of the company nor on their voting power.

On March 31, 2005, Nokia and its subsidiary companies owned 230 718 012 Nokia shares. The shares had an aggregate par value of EUR 13 843 080.72, representing approximately 4.95% of the share capital of the company and of the total voting rights. The total number of shares on March 31, 2005 was 4 663 761 300 and the share capital was EUR 279 825 678.

The Annual General Meeting on April 7, 2005 resolved to cancel shares repurchased during the past four quarters, a total of 230 million shares. The cancellation will be effected on April 22, 2005, reducing the total number of shares correspondingly.

## Q1 2005 BY BUSINESS GROUP, EUR million (unaudited)

|   | Mobile<br>Phones | Multimedia  | Enterprise<br>Solutions | Networks    | Common<br>Group<br>Functions | Eliminations | Group       |
|---|------------------|-------------|-------------------------|-------------|------------------------------|--------------|-------------|
| Net sales                                     | 4 527            | 1 133       | 307                     | 1 431       |                              | -2           | 7 396       |
| Gross profit                                  | 1 484            | 494         | 140                     | 612         | 9                            |              | 2 739       |
| <b>Gross margin,%</b>                         | <b>32.8</b>      | <b>43.6</b> | <b>45.6</b>             | <b>42.8</b> |                              |              | <b>37.0</b> |
| Research and development<br>expenses          | -289             | -214        | -81                     | -279        | -56                          |              | -919        |
| <i>% of net sales</i>                         | <i>6.4</i>       | <i>18.9</i> | <i>26.4</i>             | <i>19.5</i> |                              |              | <i>12.4</i> |
| Selling and marketing<br>expenses             | -296             | -110        | -50                     | -98         | -3                           |              | -557        |
| <i>% of net sales</i>                         | <i>6.5</i>       | <i>9.7</i>  | <i>16.3</i>             | <i>6.8</i>  |                              |              | <i>7.5</i>  |
| Administrative, general and<br>other expenses | -30              | -15         | -18                     | -14         | -68                          |              | -145        |
| <i>% of net sales</i>                         | <i>0.7</i>       | <i>1.3</i>  | <i>5.9</i>              | <i>1.0</i>  |                              |              | <i>2.0</i>  |
| Operating profit                              | 869              | 155         | -9                      | 221         | -118                         |              | 1 118       |
| <b>Operating margin,%</b>                     | <b>19.2</b>      | <b>13.7</b> | <b>-2.9</b>             | <b>15.4</b> |                              |              | <b>15.1</b> |

REVISED 1Q 2004 BUSINESS GROUP, EUR million\*  
(unaudited)

|   | Mobile<br>Phones | Multimedia  | Enterprise<br>Solutions | Networks    | Common<br>Group<br>Functions | Eliminations | Group       |
|---|------------------|-------------|-------------------------|-------------|------------------------------|--------------|-------------|
| Net sales                                     | 4 080            | 744         | 184                     | 1 346       |                              | -6           | 6 348       |
| Gross profit                                  | 1 617            | 293         | 89                      | 575         | 2                            |              | 2 576       |
| <b>Gross margin,%</b>                         | <b>39.6</b>      | <b>39.4</b> | <b>48.4</b>             | <b>42.7</b> |                              |              | <b>40.6</b> |
| Research and development<br>expenses          | -270             | -217        | -69                     | -263        | -45                          |              | -864        |
| <i>% of net sales</i>                         | <i>6.6</i>       | <i>29.2</i> | <i>37.5</i>             | <i>19.5</i> |                              |              | <i>13.6</i> |
| Selling and marketing<br>expenses             | -262             | -86         | -40                     | -113        | -19                          |              | -520        |
| <i>% of net sales</i>                         | <i>6.4</i>       | <i>11.6</i> | <i>21.7</i>             | <i>8.4</i>  |                              |              | <i>8.2</i>  |
| Administrative, general and<br>other expenses | -37              | -9          | -13                     | -45         | -45                          |              | -149        |
| <i>% of net sales</i>                         | <i>0.9</i>       | <i>1.2</i>  | <i>7.1</i>              | <i>3.3</i>  |                              |              | <i>2.3</i>  |
| Amortization of goodwill                      | -19              | -3          | -2                      |             |                              |              | -24         |
| Operating profit                              | 1 029            | -22         | -35                     | 154         | -107                         |              | 1 019       |
| <b>Operating margin,%</b>                     | <b>25.2</b>      | <b>-3.0</b> | <b>-19.0</b>            | <b>11.4</b> |                              |              | <b>16.1</b> |

\*Q1 and full-year 2004 financial accounts now reflect the retrospective implementation of IFRS 2 and IAS 39R



## NOKIA NET SALES BY GEOGRAPHIC AREA (2004 Revised\*)

| EUR (millions, unaudited) | Q1 05        | YoY change (%) | Q1 04        | 2004          |
|---------------------------|--------------|----------------|--------------|---------------|
| Europe/Middle East/Africa | 4 289        | 23%            | 3 491        | 15 791        |
| China                     | 872          | 26%            | 689          | 2 992         |
| Asia-Pacific              | 1 268        | 36%            | 930          | 4 544         |
| North America             | 498          | -36%           | 773          | 3 540         |
| Latin America             | 469          | 1%             | 465          | 2 504         |
| <b>Total</b>              | <b>7 396</b> | <b>17%</b>     | <b>6 348</b> | <b>29 371</b> |

\*Q1 and full-year 2004 financial accounts now reflect the retrospective implementation of IFRS 2 and IAS 39R

## NOKIA PERSONNEL BY GEOGRAPHIC AREA

| Headcount                 | Q1 05         | YoY change (%) | Q1 04         | QoQ change (%) | 2004          |
|---------------------------|---------------|----------------|---------------|----------------|---------------|
| Europe/Middle East/Africa | 36 075        | 5%             | 34 213        | 0%             | 36 069        |
| China                     | 5 076         | 10%            | 4 622         | 1%             | 5 007         |
| Asia-Pacific              | 3 254         | 22%            | 2 674         | 3%             | 3 163         |
| North America             | 7 173         | -1%            | 7 246         | -1%            | 7 276         |
| Latin America             | 3 815         | 28%            | 2 970         | -4%            | 3 990         |
| <b>Total</b>              | <b>55 393</b> | <b>7%</b>      | <b>51 725</b> | <b>0%</b>      | <b>55 505</b> |

## CONSOLIDATED PROFIT AND LOSS ACCOUNT, IFRS, EUR million (unaudited)

|   | 1-3/2005     | Revised*<br>1-3/2004 | Revised*<br>1-12/2004 |
|---|--------------|----------------------|-----------------------|
| <b>Net sales</b>  | <b>7 396</b> | 6 348                | 29 371                |
| Cost of sales   | -4 657       | -3 772               | -18 179               |
| Research and development expenses                             | -919         | -864                 | -3 776                |
| Selling and marketing expenses                                | -557         | -520                 | -2 564                |
| Administrative, general and other expenses                    | -145         | -149                 | -578                  |
| One-time item   |              |                      | 148                   |
| Amortization of goodwill                                      |              | -24                  | -96                   |
| <b>Operating profit</b>                                       | <b>1 118</b> | 1 019                | 4 326                 |
| Share of results of associated companies                      | -4           | -4                   | -26                   |
| Financial income and expenses                                 | 78           | 76                   | 405                   |
| <b>Profit before tax and minority interests</b>               | <b>1 192</b> | 1 091                | 4 705                 |
| Tax   | -320         | -353                 | -1 446                |
| <b>Profit before minority interests</b>                       | <b>872</b>   | 738                  | 3 259                 |
| Profit attributable to minority interests                     | -9           | -9                   | -67                   |
| <b>Profit attributable to equity holders of the parent</b>    | <b>863</b>   | 729                  | 3 192                 |
| <b>Earnings per share, EUR</b>                                |              |                      |                       |
| (for profit attributable to the equity holders of the parent) |              |                      |                       |
| Basic   | 0.19         | 0.16                 | 0.69                  |
| Diluted   | 0.19         | 0.16                 | 0.69                  |
| <b>Average number of shares (1 000 shares)</b>                |              |                      |                       |
| Basic   | 4 459 302    | 4 679 708            | 4 593 196             |
| Diluted   | 4 467 035    | 4 683 116            | 4 600 337             |
| Depreciation and amortization, total                          | 180          | 215                  | 868                   |
| Share-based compensation expense, total                       | 11           | 13                   | 62                    |

\*Nokia's Q1 and full-year 2004 financial accounts now reflect the retrospective implementation of IFRS 2 and IAS 39R

## CONSOLIDATED BALANCE SHEET, IFRS, EUR million (unaudited)

|  | 31.03.2005       | Revised*<br>31.03.2004 | Revised*<br>31.12.2004 |
|--|------------------|------------------------|------------------------|
| <b>ASSETS</b>  |                  |                        |                        |
| <b>Fixed assets and other non-current assets</b>                         |                  |                        |                        |
| Capitalized development costs  | 259              | 501                    | 278                    |
| Goodwill   | 90               | 162                    | 90                     |
| Other intangible assets  | 210              | 172                    | 209                    |
| Property, plant and equipment  | 1 546            | 1 532                  | 1 534                  |
| Investments in associated companies                                      | 187              | 77                     | 200                    |
| Available-for-sale investments   | 184              | 382                    | 169                    |
| Deferred tax assets  | 659              | 776                    | 623                    |
| Long-term loans receivable   |                  | 365                    |                        |
| Other non-current assets   | 51               | 78                     | 58                     |
|  | <b>3 186</b>     | <b>4 045</b>           | <b>3 161</b>           |
| <b>Current assets</b>  |                  |                        |                        |
| Inventories  | 1 363            | 1 108                  | 1 305                  |
| Accounts receivable  | 3 939            | 4 725                  | 4 382                  |
| Prepaid expenses and accrued income                                      | 1 252            | 1 288                  | 1 429                  |
| Short-term loans receivable  | 260              | 369                    | 595                    |
| Available-for-sale investments   | 75               | 818                    | 255                    |
| Available-for-sale investments, liquid assets                            | 9 067            | 7 864                  | 9 085                  |
| Available-for-sale investments, cash equivalents                         | 2 330            | 2 298                  | 1 367                  |
| Bank and cash  | 1 169            | 1 235                  | 1 090                  |
|  | <b>19 455</b>    | <b>19 705</b>          | <b>19 508</b>          |
| <b>Total assets</b>  | <b>22 641</b>    | <b>23 750</b>          | <b>22 669</b>          |
| <b>SHAREHOLDERS EQUITY AND LIABILITIES</b>                               |                  |                        |                        |
| <b>Capital and reserves attributable to the Company's equity holders</b> |                  |                        |                        |
| Share capital  | 280              | 288                    | 280                    |
| Share issue premium  | 2 374            | 2 323                  | 2 366                  |
| Treasury shares  | -2 672           | -2 016                 | -2 022                 |
| Translation differences  | -125             | -88                    | -126                   |
| Fair value and other reserves  | -45              | 108                    | 13                     |
| Retained earnings 1)   | 13 113           | 13 272                 | 13 720                 |
|  | <b>12 925</b>    | <b>13 887</b>          | <b>14 231</b>          |
| <b>Minority interests</b>  | <b>152</b>       | <b>168</b>             | <b>168</b>             |
| <b>Total equity</b>  | <b>13 077</b>    | <b>14 055</b>          | <b>14 399</b>          |
| <b>Long-term liabilities</b>   |                  |                        |                        |
| Long-term interest-bearing liabilities                                   | 19               | 19                     | 19                     |
| Deferred tax liabilities   | 173              | 212                    | 179                    |
| Other long-term liabilities  | 97               | 68                     | 96                     |
|  | <b>289</b>       | <b>299</b>             | <b>294</b>             |
| <b>Current liabilities</b>   |                  |                        |                        |
| Short-term borrowings  | 308              | 532                    | 215                    |
| Current portion of long-term debt  |                  | 87                     |                        |
| Accounts payable   | 2 889            | 2 579                  | 2 669                  |
| Accrued expenses 1)  | 3 580            | 3 804                  | 2 604                  |
| Provisions   | 2 498            | 2 394                  | 2 488                  |
|  | <b>9 275</b>     | <b>9 396</b>           | <b>7 976</b>           |
| <b>Total shareholders' equity and liabilities</b>                        | <b>22 641</b>    | <b>23 750</b>          | <b>22 669</b>          |
| <b>Interest-bearing liabilities</b>                                      | <b>327</b>       | <b>638</b>             | <b>234</b>             |
| <b>Shareholders' equity per share, EUR</b>                               | <b>2.92</b>      | <b>2.98</b>            | <b>3.17</b>            |
| <b>Number of shares (1 000 shares) (2)</b>                               | <b>4 433 043</b> | <b>4 662 473</b>       | <b>4 486 941</b>       |

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*\*Nokia's financial accounts for the periods ending 31 March, 2004 and 31 December 2004 now reflect the retrospective implementation of IFRS 2 and IAS 39R.*

*1) Dividends to Nokia shareholders, EUR 1 463 million in 2005 (EUR 1 398 million in 2004), were booked as a liability at the end*

*Of the first quarter. The impact on cash flow will be shown in the second quarter. 2) Shares owned by Group companies are excluded*

**CONSOLIDATED CASH FLOW STATEMENT, IFRS, EUR million (unaudited)**



|   | 1-3/2005     | Revised*<br>1-3/2004 | Revised*<br>1-12/2004 |
|---|--------------|----------------------|-----------------------|
| <b>Cash flow from operating activities</b>                                  |              |                      |                       |
| Net profit  | 863          | 729                  | 3 192                 |
| Adjustments, total  | 452          | 591                  | 2 027                 |
| Net profit before change in net working capital                             | 1 315        | 1 320                | 5 219                 |
| Change in net working capital   | 180          | -216                 | 273                   |
| Cash generated from operations  | 1 495        | 1 104                | 5 492                 |
| Interest received   | 86           | 107                  | 204                   |
| Interest paid   | -7           | -6                   | -26                   |
| Other financial income and expenses, net received                           | 33           | 173                  | 41                    |
| Income taxes paid   | -259         | -429                 | -1 368                |
| Net cash from operating activities  | 1 348        | 949                  | 4 343                 |
| <b>Cash flow from investing activities</b>                                  |              |                      |                       |
| Acquisition of Group companies, net of acquired cash                        |              |                      |                       |
| Purchase of current available-for-sale investments                          | -2 565       | -1 591               | -10 318               |
| Purchase of non-current available-for-sale investments                      | -9           | -253                 | -388                  |
| Purchase of shares in associated companies                                  | -11          | -1                   | -109                  |
| Additions in capitalized development costs                                  | -33          | -27                  | -101                  |
| Proceeds from repayments and sale of long-term loans receivable             |              |                      | 368                   |
| Proceeds from (+), payment (-) of other long-term receivables               | -6           | -4                   | 2                     |
| Proceeds from (+), payment (-) short-term loan receivables                  | 264          | -4                   | 66                    |
| Capital expenditures  | -112         | -80                  | -548                  |
| Proceeds from disposal of Group companies, net of disposed cash             | 5            |                      | 1                     |
| Proceeds from sale of current available-for-sale investments, liquid assets | 2 552        | 2 267                | 9 737                 |
| Proceeds from sale of current available-for-sale investments                | 174          |                      | 587                   |
| Proceeds from sale of non-current available-for-sale investments            |              | 2                    | 346                   |
| Proceeds from sale of fixed assets  | 1            | 5                    | 6                     |
| Dividends received  |              | 2                    | 22                    |
| Net cash from/used in investing activities                                  | 260          | 316                  | -329                  |
| <b>Cash flow from financing activities</b>                                  |              |                      |                       |
| Purchase of treasury shares   | -649         | -642                 | -2 648                |
| Proceeds from long-term borrowings  | 1            |                      | 1                     |
| Repayment of long-term borrowings   |              | -1                   | -3                    |
| Proceeds from (+), payment of (-) of short-term borrowings                  | 107          | 128                  | -255                  |
| Dividends paid  | -35          |                      | -1 413                |
| Net cash used in financing activities                                       | -576         | -515                 | -4 318                |
| Foreign exchange adjustment   | 10           | -1                   | -23                   |
| Net increase/decrease in cash and cash equivalents                          | 1 042        | 749                  | -327                  |
| <b>Cash and cash equivalents at beginning of period</b>                     | <b>2 457</b> | <b>2 784</b>         | <b>2 784</b>          |
| <b>Cash and cash equivalents at end of period</b>                           | <b>3 499</b> | <b>3 533</b>         | <b>2 457</b>          |

\*Nokia's Q1 and full-year 2004 financial accounts now reflect the retrospective implementation of IFRS 2 and IAS 39R

NB: The figures in the consolidated cash flow statement cannot be directly traced from the balance sheet

without additional information as a result of acquisitions and disposals of subsidiaries and net foreign

exchange differences arising on consolidation.

## CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY, IFRS, EUR million (unaudited)

|   | Share capital | Share issue premium | Treasury shares | Translation differences | Fair value and other reserves | Retained earnings | Before minority | Minority interests | Total equity |
|---|---------------|---------------------|-----------------|-------------------------|-------------------------------|-------------------|-----------------|--------------------|--------------|
| <b>Balance at December 31, 2003</b>             | 288           | 2 272               | -1 373          | -85                     | 93                            | 13 953            | 15 148          | 164                | 15 312       |
| Impact of implementing IFRS2                    |               | 41                  |                 |                         |                               |                   | -41             |                    |              |
| Impact of implementing IAS 39R                  |               |                     |                 |                         |                               | -13               | 13              |                    |              |
| <b>Revised Balance December 31, 2003</b>        | 288           | 2 313               | -1 373          | -85                     | 80                            | 13 925            | 15 148          | 164                | 15 312       |
| Stock options exercised related to acquisitions |               | -3                  |                 |                         |                               |                   | -3              |                    | -3           |
| Share-based compensation                        |               | 13                  |                 |                         |                               |                   | 13              |                    | 13           |
| Acquisition of treasury shares                  |               |                     | -649            |                         |                               |                   | -649            |                    | -649         |
| Reissuance of treasury shares                   |               |                     | 6               |                         |                               |                   | 6               |                    | 6            |
| Dividend  |               |                     |                 |                         |                               | -1 398            | -1 398          |                    | -1 398       |
| Translation differences                         |               |                     |                 | 9                       |                               |                   | 9               | -1                 | 8            |
| Net investment hedge gains                      |               |                     |                 | -12                     |                               |                   | -12             |                    | -12          |
| Cash flow hedges, net of tax, revised           |               |                     |                 |                         | -19                           |                   | -19             |                    | -19          |
| Available-for-sale investments, net of tax      |               |                     |                 |                         | 47                            |                   | 47              |                    | 47           |
| Other increase, net                             |               |                     |                 |                         |                               | 16                | 16              | -4                 | 12           |
| Net profit, revised                             |               |                     |                 |                         |                               | 729               | 729             | 9                  | 738          |
| <b>Revised balance at March 31, 2004</b>        | 288           | 2 323               | -2 016          | -88                     | 108                           | 13 272            | 13 887          | 168                | 14 055       |
| <b>Balance at December 31, 2004</b>             | 280           | 2 272               | -2 022          | -126                    | 69                            | 13 765            | 14 238          | 168                | 14 406       |
| Impact of implementing IFRS2                    |               | 94                  |                 |                         |                               | -101              | -7              |                    | -7           |
| Impact of implementing IAS 39R                  |               |                     |                 |                         | -56                           | 56                |                 |                    |              |
| <b>Revised balance December 31, 2004</b>        | 280           | 2 366               | -2 022          | -126                    | 13                            | 13 720            | 14 231          | 168                | 14 399       |
| Stock options exercised related to acquisitions |               |                     |                 |                         |                               |                   |                 |                    |              |
| Tax benefit on stock options exercised          |               | -3                  |                 |                         |                               |                   | -3              |                    | -3           |
| Share-based compensation                        |               | 11                  |                 |                         |                               |                   | 11              |                    | 11           |
| Acquisition of treasury shares                  |               |                     | -652            |                         |                               |                   | -652            |                    | -652         |
| Reissuance of treasury shares                   |               |                     | 2               |                         |                               |                   | 2               |                    | 2            |
| Dividend  |               |                     |                 |                         |                               | -1 463            | -1 463          | -35                | -1 498       |
| Translation differences                         |               |                     |                 | 28                      |                               |                   | 28              | 3                  | 31           |
| Net investment hedge losses                     |               |                     |                 | -27                     |                               |                   | -27             |                    | -27          |

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|  |            |              |               |             |            |               |               |            |               |
|--|------------|--------------|---------------|-------------|------------|---------------|---------------|------------|---------------|
| Cash flow hedges,<br>net of tax                  |            |              |               |             | -21        |               | -21           |            | -21           |
| Available-for-sale<br>investments, net of<br>tax |            |              |               |             | -37        |               | -37           |            | -37           |
| Other<br>increase/decrease,<br>net               |            |              |               |             |            | -7            | -7            | 7          |               |
| Net profit                                       |            |              |               |             |            | 863           | 863           | 9          | 872           |
| <b>Balance at<br/>March 31, 2005</b>             | <b>280</b> | <b>2 374</b> | <b>-2 672</b> | <b>-125</b> | <b>-45</b> | <b>13 113</b> | <b>12 925</b> | <b>152</b> | <b>13 077</b> |

*NB: Nokia's Q1 and full-year 2004 financial accounts now reflect the retrospective implementation of IFRS 2 and IAS 39R*

**COMMITMENTS AND CONTINGENCIES, EUR million (unaudited)**

|  | 31.03.05   | GROUP<br>31.03.04 | 31.12.04   |
|--|------------|-------------------|------------|
| <b>Collateral for own commitments</b>                      |            |                   |            |
| Property under mortgages                                   | 18         | 18                | 18         |
| Assets pledged   | 11         | 13                | 11         |
| <b>Collateral given on behalf of other companies</b>       |            |                   |            |
| Securities pledged   |            | 28                |            |
| <b>Contingent liabilities on behalf of Group companies</b> |            |                   |            |
| Other guarantees   | 250        | 214               | 275        |
| <b>Contingent liabilities on behalf of other companies</b> |            |                   |            |
| Guarantees for loans                                       | 3          | 5                 | 3          |
| Other guarantees   | 3          | 3                 | 2          |
| <b>Leasing obligations</b>                                 | <b>600</b> | <b>716</b>        | <b>611</b> |
| <b>Financial commitments</b>                               |            |                   |            |
| Customer financing   | 56         | 394               | 56         |

**NOTIONAL AMOUNTS OF DERIVATIVE FINANCIAL INSTRUMENTS, EUR million (1) (unaudited)**

|  | 31.03.2005 | 31.03.2004 | 31.12.2004 |
|--|------------|------------|------------|
| Foreign exchange forward contracts (2) | 26 987     | 11 034     | 10 744     |
| Currency options bought (2)            | 154        | 3 688      | 715        |
| Currency options sold (2)              | 91         | 3 127      | 499        |
| Interest rate swaps and futures        | 711        | 35         |            |
| Credit default swaps (3)               | 200        |            | 200        |
| Cash settled equity swaps (4)          |            | 233        |            |
| Cash settled equity options (4)        | 147        | 228        | 237        |

1) Includes the gross amount of all notional values for contracts that have not yet been settled or cancelled.

The amount of notional value outstanding is not necessarily a measure or indication of market risk, as the exposure of certain contracts may be offset by that of other contracts.

2) Notional amounts include contracts used to hedge the shareholders' equity of foreign subsidiaries

3) Credit default swaps include contracts used to hedge counterparty credit risks.

4) Cash settled equity and options can be used to hedge risks relating to incentive programs and investment activities.

1 EUR = 1.323 USD



**NEW IFRS STANDARDS AND THEIR IMPACT ON NOKIA 2004 AND FUTURE ACCOUNTS**

*International Financial Reporting Standards (IFRS) were subject to changes as of January 1, 2005. The following covers those rules applicable to Nokia. The total impact of the changes resulting from the retrospective implementation of the new rules to Nokia's 2004 financial accounts were an increase of EUR 104 million on net sales, and a net decrease of EUR 4 million on operating profit. These result from the changes in IFRS 2 and IAS 39 Revised.*

**IFRS 2: Share-based payments**

IFRS 2 requires companies to recognize the cost of share-based awards to employees over the grant date to vesting date. The standard applies to awards granted since November 7, 2002 and not yet vested by January 1, 2005. The cost is assessed on a fair value basis using an option-pricing model.

*For the Nokia 2004 accounts, this applies only to the 2003 stock option, and 2004 stock option, performance share and restricted share plans. The retrospective implementation of this change reduced the year 2004 operating profit by EUR 62 million.*

*The impact of this new rule will be seen in all relevant operating expenses lines.*

**IAS 39 Revised: Hedge accounting**

IAS 39R no longer permits hedge accounting for treasury center foreign exchange netting, the method that Nokia has historically used to hedge foreign exchange risk. This change in the hedge accounting rules is retrospective for Nokia as an existing IFRS user.

The retrospective implementation of this change increased 2004 net sales by EUR 104 million and increased 2004 operating profit by EUR 58 million.

With effect from the beginning of this year, Nokia has revised its method of hedging foreign exchange risks to ensure hedge accounting treatment under the new rules.

**IFRS 3: Business combinations, IAS 36 Revised: Impairment of assets, and IAS 38 Revised: Intangible assets**

IFRS 3 calls for the discontinuation of goodwill amortization. IFRS 3 had no retrospective impact on Nokia's 2004 financial accounts. At December 31, 2004 Nokia had EUR 90 million of goodwill on its balance sheet, which in the future will not be amortized, but will be subject to an annual impairment test in accordance with IAS 36R.

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The impact of the retrospective implementation of IFRS 2 and IAS 39R on Nokia's 2004 financial accounts can be found in the following tables.

**IMPACT OF RETROSPECTIVE IMPLEMENTATION OF IFRS 2 AND IAS 39R****CONSOLIDATED PROFIT AND LOSS ACCOUNT, IFRS, EUR million (unaudited)**

|  | Previously<br>reported<br>1-3/2004 | Impact of<br>IFRS 2 &<br>IAS 39 R | Revised<br>1-3/2004 |
|--|------------------------------------|-----------------------------------|---------------------|
| <b>Net sales</b>   | 6 625                              | -277                              | <b>6 348</b>        |
| Cost of sales  | -3 943                             | 171                               | -3 772              |
| Research and development expenses                          | -855                               | -9                                | <b>-864</b>         |
| Selling and marketing expenses                             | -517                               | -3                                | <b>-520</b>         |
| Administrative, general and other expenses                 | -148                               | -1                                | <b>-149</b>         |
| Amortization of goodwill                                   | -24                                |                                   | <b>-24</b>          |
| <b>Operating profit</b>                                    | 1 138                              | -119                              | <b>1 019</b>        |
| Share of results of associated companies                   | -4                                 |                                   | <b>-4</b>           |
| Financial income and expenses                              | 76                                 |                                   | <b>76</b>           |
| <b>Profit before tax and minority interests</b>            | 1 210                              | -119                              | <b>1 091</b>        |
| Tax  | -385                               | 32                                | <b>-353</b>         |
| <b>Profit before minority interests</b>                    | 825                                | -87                               | <b>738</b>          |
| Profit attributable to minority interests                  | -9                                 |                                   | <b>-9</b>           |
| <b>Profit attributable to equity holders of the parent</b> | 816                                | -87                               | <b>729</b>          |
| <b>Earnings per share, EUR</b>                             |                                    |                                   |                     |
| Basic  | 0.17                               | -0.01                             | <b>0.16</b>         |
| Diluted  | 0.17                               | -0.01                             | <b>0.16</b>         |
| <b>Average number of shares (1 000 shares)</b>             |                                    |                                   |                     |
| Basic  | 4 679 708                          |                                   | <b>4 679 708</b>    |
| Diluted  | 4 683 116                          |                                   | <b>4 683 116</b>    |



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|  | Previously<br>reported<br>4-6/2004 | Impact of<br>IFRS 2 &<br>IAS 39 R | Revised<br>4-6/2004 | Previously<br>reported<br>1-6/2004 | Impact of<br>IFRS 2 &<br>IAS 39 R | Revised<br>1-6/2004 |
|--|------------------------------------|-----------------------------------|---------------------|------------------------------------|-----------------------------------|---------------------|
| <b>Net sales</b>   | 6 640                              | -177                              | <b>6 463</b>        | 13 265                             | -454                              | <b>12 811</b>       |
| Cost of sales  | -4 090                             | 175                               | <b>-3 915</b>       | -8 033                             | 346                               | <b>-7 687</b>       |
| Research and development expenses                              | -945                               | -12                               | <b>-957</b>         | -1 800                             | -21                               | <b>-1 821</b>       |
| Selling and marketing expenses                                 | -673                               | -3                                | <b>-676</b>         | -1 190                             | -6                                | <b>-1 196</b>       |
| Administrative, general and other<br>expenses                  | -91                                | -2                                | <b>-93</b>          | -239                               | -3                                | <b>-242</b>         |
| One-time item  | 90                                 |                                   | <b>90</b>           | 90                                 |                                   | <b>90</b>           |
| Amortization of goodwill                                       | -24                                |                                   | <b>-24</b>          | -48                                |                                   | <b>-48</b>          |
| <b>Operating profit</b>  | 907                                | -19                               | <b>888</b>          | 2 045                              | -138                              | <b>1 907</b>        |
| Share of results of associated<br>companies                    | -6                                 |                                   | <b>-6</b>           | -10                                |                                   | <b>-10</b>          |
| Financial income and expenses                                  | 135                                |                                   | <b>135</b>          | 211                                |                                   | <b>211</b>          |
| <b>Profit before tax and minority<br/>interests</b>            | 1 036                              | -19                               | <b>1 017</b>        | 2 246                              | -138                              | <b>2 108</b>        |
| Tax  | -315                               | 2                                 | <b>-313</b>         | -700                               | 34                                | <b>-666</b>         |
| <b>Profit before minority interests</b>                        | 721                                | -17                               | <b>704</b>          | 1 546                              | -104                              | <b>1 442</b>        |
| Minority interests   | -9                                 |                                   | <b>-9</b>           | -18                                |                                   | <b>-18</b>          |
| <b>Profit attributable to equity holders<br/>of the parent</b> | 712                                | -17                               | <b>695</b>          | 1 528                              | -104                              | <b>1 424</b>        |
| <b>Earnings per share, EUR</b>                                 |                                    |                                   |                     |                                    |                                   |                     |
| Basic  | 0.15                               |                                   | <b>0.15</b>         | 0.33                               | -0.02                             | <b>0.31</b>         |
| Diluted  | 0.15                               |                                   | <b>0.15</b>         | 0.33                               | -0.02                             | <b>0.31</b>         |
| <b>Average number of shares (1 000<br/>shares)</b>             |                                    |                                   |                     |                                    |                                   |                     |
| Basic  | 4 620 853                          |                                   | <b>4 620 853</b>    | 4 650 281                          |                                   | <b>4 650 281</b>    |
| Diluted  | 4 625 693                          |                                   | <b>4 625 693</b>    | 4 655 703                          |                                   | <b>4 655 703</b>    |

|  | Previously<br>reported<br>7-9/2004 | Impact of<br>IFRS 2 &<br>IAS 39 R | Revised<br>7-9/2004 | Previously<br>reported<br>1-9/2004 | Impact of<br>IFRS 2 &<br>IAS 39 R | Revised<br>1-9/2004 |
|--|------------------------------------|-----------------------------------|---------------------|------------------------------------|-----------------------------------|---------------------|
| <b>Net sales</b>   | 6 939                              | 165                               | <b>7 104</b>        | 20 204                             | -289                              | <b>19 915</b>       |
| Cost of sales  | -4 410                             | -108                              | <b>-4 518</b>       | -12 443                            | 238                               | <b>-12 205</b>      |
| Research and development expenses                              | -880                               | -11                               | <b>-891</b>         | -2 680                             | -32                               | <b>-2 712</b>       |
| Selling and marketing expenses                                 | -578                               | -3                                | <b>-581</b>         | -1 768                             | -9                                | <b>-1 777</b>       |
| Administrative, general and other<br>expenses                  | -139                               | -2                                | <b>-141</b>         | -378                               | -5                                | <b>-383</b>         |
| One-time item  | 20                                 |                                   | <b>20</b>           | 110                                |                                   | <b>110</b>          |
| Amortization of goodwill                                       | -24                                |                                   | <b>-24</b>          | -72                                |                                   | <b>-72</b>          |
| <b>Operating profit</b>  | 928                                | 41                                | <b>969</b>          | 2 973                              | -97                               | <b>2 876</b>        |
| Share of results of associated<br>companies                    | -6                                 |                                   | <b>-6</b>           | -16                                |                                   | <b>-16</b>          |
| Financial income and expenses                                  | 78                                 |                                   | <b>78</b>           | 289                                |                                   | <b>289</b>          |
| <b>Profit before tax and minority<br/>interests</b>            | 1 000                              | 41                                | <b>1 041</b>        | 3 246                              | -97                               | <b>3 149</b>        |
| Tax  | -324                               | -16                               | <b>-340</b>         | -1 024                             | 18                                | <b>-1 006</b>       |
| <b>Profit before minority interests</b>                        | 676                                | 25                                | <b>701</b>          | 2 222                              | -79                               | <b>2 143</b>        |
| Minority interests   | -16                                |                                   | <b>-16</b>          | -34                                |                                   | <b>-34</b>          |
| <b>Profit attributable to equity holders<br/>of the parent</b> | 660                                | 25                                | <b>685</b>          | 2 188                              | -79                               | <b>2 109</b>        |
| <b>Earnings per share, EUR</b>                                 |                                    |                                   |                     |                                    |                                   |                     |
| Basic  | 0.14                               | 0.01                              | <b>0.15</b>         | 0.47                               | -0.01                             | <b>0.46</b>         |
| Diluted  | 0.14                               | 0.01                              | <b>0.15</b>         | 0.47                               | -0.01                             | <b>0.46</b>         |
| <b>Average number of shares (1 000<br/>shares)</b>             |                                    |                                   |                     |                                    |                                   |                     |
| Basic  | 4 564 585                          |                                   | <b>4 564 585</b>    | 4 621 507                          |                                   | <b>4 621 507</b>    |
| Diluted  | 4 572 177                          |                                   | <b>4 572 177</b>    | 4 628 256                          |                                   | <b>4 628 256</b>    |

|  | Previously<br>reported<br>10-12/2004 | Impact of<br>IFRS 2 &<br>IAS 39 R | Revised<br>10-12/2004 | Previously<br>reported<br>1-12/2004 | Impact of<br>IFRS 2 &<br>IAS 39 R | Revised<br>1-12/2004 |
|--|--------------------------------------|-----------------------------------|-----------------------|-------------------------------------|-----------------------------------|----------------------|
| <b>Net sales</b>   | 9 063                                | 393                               | <b>9 456</b>          | 29 267                              | 104                               | <b>29 371</b>        |
| Cost of sales  | -5 690                               | -284                              | <b>-5 974</b>         | -18 133                             | -46                               | <b>-18 179</b>       |
| Research and development expenses                              | -1 053                               | -11                               | <b>-1 064</b>         | -3 733                              | -43                               | <b>-3 776</b>        |
| Selling and marketing expenses                                 | -784                                 | -3                                | <b>-787</b>           | -2 552                              | -12                               | <b>-2 564</b>        |
| Administrative, general and other<br>expenses                  | -193                                 | -2                                | <b>-195</b>           | -571                                | -7                                | <b>-578</b>          |
| One-time item  | 38                                   |                                   | <b>38</b>             | 148                                 |                                   | <b>148</b>           |
| Amortization of goodwill                                       | -24                                  |                                   | <b>-24</b>            | -96                                 |                                   | <b>-96</b>           |
| <b>Operating profit</b>  | 1 357                                | 93                                | <b>1 450</b>          | 4 330                               | -4                                | <b>4 326</b>         |
| Share of results of associated<br>companies                    | -10                                  |                                   | <b>-10</b>            | -26                                 |                                   | <b>-26</b>           |
| Financial income and expenses                                  | 116                                  |                                   | <b>116</b>            | 405                                 |                                   | <b>405</b>           |
| <b>Profit before tax and minority<br/>interests</b>            | 1 463                                | 93                                | <b>1 556</b>          | 4 709                               | -4                                | <b>4 705</b>         |
| Tax  | -411                                 | -29                               | <b>-440</b>           | -1 435                              | -11                               | <b>-1 446</b>        |
| <b>Profit before minority interests</b>                        | 1 052                                | 64                                | <b>1 116</b>          | 3 274                               | -15                               | <b>3 259</b>         |
| Minority interests   | -33                                  |                                   | <b>-33</b>            | -67                                 |                                   | <b>-67</b>           |
| <b>Profit attributable to equity holders<br/>of the parent</b> | 1 019                                | 64                                | <b>1 083</b>          | 3 207                               | -15                               | <b>3 192</b>         |
| <b>Earnings per share, EUR</b>                                 |                                      |                                   |                       |                                     |                                   |                      |
| Basic  | 0.23                                 | 0.01                              | <b>0.24</b>           | 0.70                                | -0.01                             | <b>0.69</b>          |
| Diluted  | 0.23                                 | 0.01                              | <b>0.24</b>           | 0.70                                | -0.01                             | <b>0.69</b>          |
| <b>Average number of shares (1 000<br/>shares)</b>             |                                      |                                   |                       |                                     |                                   |                      |
| Basic  | 4 508 880                            |                                   | <b>4 508 880</b>      | 4 593 196                           |                                   | <b>4 593 196</b>     |
| Diluted  | 4 516 591                            |                                   | <b>4 516 591</b>      | 4 600 337                           |                                   | <b>4 600 337</b>     |

**IMPACT OF RETROSPECTIVE IMPLEMENTATION OF IAS 39R****NET SALES BY QUARTER 2004****Previously reported Net Sales**

|                      | 1-3/2004     | 4-6/2004     | 7-9/2004     | 10-12/2004   | 1-12/2004     |
|----------------------|--------------|--------------|--------------|--------------|---------------|
| Mobile Phones        | 4 251        | 4 167        | 4 429        | 5 660        | 18 507        |
| Multimedia           | 776          | 739          | 914          | 1 230        | 3 659         |
| Enterprise Solutions | 189          | 189          | 172          | 280          | 830           |
| Networks             | 1 415        | 1 576        | 1 470        | 1 906        | 6 367         |
| Eliminations         | -6           | -31          | -46          | -13          | -96           |
| <b>Nokia Group</b>   | <b>6 625</b> | <b>6 640</b> | <b>6 939</b> | <b>9 063</b> | <b>29 267</b> |

**Impact of adopting IAS 39R**

|                      | 1-3/2004    | 4-6/2004    | 7-9/2004   | 10-12/2004 | 1-12/2004  |
|----------------------|-------------|-------------|------------|------------|------------|
| Mobile Phones        | -171        | -117        | 91         | 211        | 14         |
| Multimedia           | -32         | -10         | 17         | 42         | 17         |
| Enterprise Solutions | -5          | -4          | 3          | 15         | 9          |
| Networks             | -69         | -46         | 54         | 125        | 64         |
| <b>Nokia Group</b>   | <b>-277</b> | <b>-177</b> | <b>165</b> | <b>393</b> | <b>104</b> |

**Revised Net Sales**

|                      | 1-3/2004     | 4-6/2004     | 7-9/2004     | 10-12/2004   | 1-12/2004     |
|----------------------|--------------|--------------|--------------|--------------|---------------|
| Mobile Phones        | 4 080        | 4 050        | 4 520        | 5 871        | 18 521        |
| Multimedia           | 744          | 729          | 931          | 1 272        | 3 676         |
| Enterprise Solutions | 184          | 185          | 175          | 295          | 839           |
| Networks             | 1 346        | 1 530        | 1 524        | 2 031        | 6 431         |
| Eliminations         | -6           | -31          | -46          | -13          | -96           |
| <b>Nokia Group</b>   | <b>6 348</b> | <b>6 463</b> | <b>7 104</b> | <b>9 456</b> | <b>29 371</b> |

**IMPACT OF RETROSPECTIVE IMPLEMENTATION OF IFRS 2 AND IAS 39R****OPERATING PROFIT BY QUARTER 2004****Previously reported Operating Profit**

|                        | 1-3/2004 | 4-6/2004 | 7-9/2004 | 10-12/2004 | 1-12/2004 |
|------------------------|----------|----------|----------|------------|-----------|
| Mobile Phones          | 1 089    | 797      | 822      | 1 060      | 3 768     |
| Multimedia             | 2        | -74      | 87       | 164        | 179       |
| Enterprise Solutions   | -31      | -59      | -66      | -43        | -199      |
| Networks               | 182      | 255      | 181      | 260        | 878       |
| Common Group Functions | -104     | -12      | -96      | -84        | -296      |
| Nokia Group            | 1 138    | 907      | 928      | 1 357      | 4 330     |

**Impact of adopting IFRS 2**

|                        | 1-3/2004 | 4-6/2004 | 7-9/2004 | 10-12/2004 | 1-12/2004 |
|------------------------|----------|----------|----------|------------|-----------|
| Mobile Phones          | -2       | -2       | -2       | -2         | -8        |
| Multimedia             | -2       | -3       | -2       | -3         | -10       |
| Enterprise Solutions   | -2       | -3       | -2       | -2         | -9        |
| Networks               | -4       | -6       | -6       | -6         | -22       |
| Common Group Functions | -3       | -3       | -4       | -3         | -13       |
| Nokia Group            | -13      | -17      | -16      | -16        | -62       |

**Impact of adopting IAS 39R**

|                        | 1-3/2004 | 4-6/2004 | 7-9/2004 | 10-12/2004 | 1-12/2004 |
|------------------------|----------|----------|----------|------------|-----------|
| Mobile Phones          | -58      | 7        | 28       | 49         | 26        |
| Multimedia             | -22      | 13       | 8        | 7          | 6         |
| Enterprise Solutions   | -2       |          | -1       | 1          | -2        |
| Networks               | -24      | -22      | 22       | 52         | 28        |
| Common Group Functions |          |          |          |            |           |
| Nokia Group            | -106     | -2       | 57       | 109        | 58        |

**Revised Operating Profit**

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|                        | 1-3/2004     | 4-6/2004   | 7-9/2004   | 10-12/2004   | 1-12/2004    |
|------------------------|--------------|------------|------------|--------------|--------------|
| Mobile Phones          | 1 029        | 802        | 848        | 1 107        | 3 786        |
| Multimedia             | -22          | -64        | 93         | 168          | 175          |
| Enterprise Solutions   | -35          | -62        | -69        | -44          | -210         |
| Networks               | 154          | 227        | 197        | 306          | 884          |
| Common Group Functions | -107         | -15        | -100       | -87          | -309         |
| <b>Nokia Group</b>     | <b>1 019</b> | <b>888</b> | <b>969</b> | <b>1 450</b> | <b>4 326</b> |

*It should be noted that certain statements herein which are not historical facts, including, without limitation, those regarding: A) the timing of product and solution deliveries; B) our ability to develop, implement and commercialize new products, solutions and technologies; C) expectations regarding market growth, developments and structural changes; D) expectations and targets for our results of operations; E) the outcome of pending and threatened litigation; and F) statements preceded by believe, expect, anticipate, foresee, target, designed or similar expressions are forward-looking statements. Because these statements involve risks and uncertainties, actual results may differ materially from the results that we currently expect. Factors that could cause these differences include, but are not limited to: 1) the extent of the growth of the mobile communications industry and the new market segments in which we have recently invested; 2) price erosion; 3) timing and success of the introduction and roll-out of new products and solutions; 4) competitiveness of our product portfolio; 5) our failure to identify key market trends and to respond timely and successfully to the needs of our customers; 6) the impact of changes in technology and the success of our product and solution development; 7) the intensity of competition in the mobility industry and changes in the competitive landscape; 8) our ability to control the variety of factors affecting our ability to reach our targets and give accurate forecasts; 9) the availability of new products and services by network operators and other market participants; 10) general economic conditions globally and in our most important markets; 11) our success in maintaining efficient manufacturing and logistics as well as the high quality of our products and solutions; 12) inventory management risks resulting from shifts in market demand; 13) our ability to source quality components without interruption and at acceptable prices; 14) our success in collaboration arrangements relating to technologies, software or new products and solutions; 15) the success, financial condition, and performance of our collaboration partners, suppliers and customers; 16) any disruption to information technology systems and networks that our operations rely on; 17) our ability to have access to the complex technology involving patents and other intellectual property rights included in our products and solutions at commercially acceptable terms and without infringing any protected intellectual property rights; 18) our ability to recruit, retain and develop appropriately skilled employees; 19) developments under large, multi-year contracts or in relation to major customers; 20) exchange rate fluctuations, including, in particular, fluctuations between the euro, which is our reporting currency, and the US dollar, the UK pound sterling and the Japanese yen; 21) the management of our customer financing exposure; and 22) the impact of changes in government policies, laws or regulations; as well as 23) the risk factors specified on pages 12-22 of the company's Form 20-F for the year ended December 31, 2004 under Item 3.D Risk Factors.*

**Nokia, Helsinki April 21, 2005**





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Nokia will report 2Q results on July 21, 2005.

A results announcement for the 3Q 2005 is planned for October 20, 2005.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant, Nokia Corporation, has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: April 21, 2005

Nokia Corporation

By: /s/ Ursula Ranin  
Name: Ursula Ranin  
Title: Vice President, General Counsel