

NOKIA CORP
Form 6-K
January 28, 2010

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 January 28, 2010

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 x

Form 40-F o

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Enclosures:

Nokia stock exchange release dated January 28, 2010: Nokia Q4 2009 net sales EUR 12.0 billion, non-IFRS EPS EUR 0.25 (reported EPS EUR 0.26)

INTERIM REPORT

Nokia Corporation

Nokia Q4 2009 net sales EUR 12.0 billion, non-IFRS EPS EUR 0.25 (reported EPS EUR 0.26)**Nokia 2009 net sales EUR 41.0 billion, non-IFRS EPS EUR 0.66 (reported EPS EUR 0.24)**

Nokia Board of Directors will propose a dividend of EUR 0.40 per share for 2009 (EUR 0.40 per share for 2008)

EUR million	Non-IFRS fourth quarter 2009 results(1)				Non-IFRS full year 2009 results(1), (2)			
	Q4/2009	Q4/2008	YoY Change	Q3/2009	QoQ Change	2009	2008	YoY Change
Net sales	11 988	12 665	-5.3%	9 810	22.2%	40 987	50 722	-19.2%
Devices & Services	8 179	8 141	0.5%	6 915	18.3%	27 853	35 099	-20.6%
NAVTEQ	225	206	9.2%	166	35.5%	673	363	
Nokia Siemens Networks	3 625	4 340	-16.5%	2 760	31.3%	12 574	15 319	-17.9%
Operating profit	1 473	1 239	18.9%	741	98.8%	3 503	7 033	-50.2%
Devices & Services	1257	983	27.9%	787	59.7%	3 488	6 373	-45.3%
NAVTEQ	54	53	1.9%	43	25.6%	121	82	
Nokia Siemens Networks	201	225	-10.7%	-53		28	757	-96.3%
Operating margin	12.3%	9.8%		7.6%		8.5%	13.9%	
Devices & Services	15.4%	12.1%		11.4%		12.5%	18.2%	
NAVTEQ	24.0%	25.7%		25.9%		18.0%	22.6%	
Nokia Siemens Networks	5.5%	5.2%		-1.9%		0.2%	4.9%	
EPS, EUR Diluted	0.25	0.26	-3.8%	0.17	47.1%	0.66	1.34	-50.7%

EUR million	Reported fourth quarter 2009 results				Reported full year 2009 results(2)			
	Q4/2009	Q4/2008	YoY Change	Q3/2009	QoQ Change	2009	2008	YoY Change
Net sales	11 988	12 662	-5.3%	9 810	22.2%	40 984	50 710	-19.2%
Devices & Services	8 179	8 141	0.5%	6 915	18.3%	27 853	35 099	-20.6%
NAVTEQ	225	205	9.8%	166	35.5%	670	361	
Nokia Siemens Networks	3 625	4 338	-16.4%	2 760	31.3%	12 574	15 309	-17.9%
Operating profit	1 141	492	131.9%	-426		1 197	4 966	-75.9%
Devices & Services	1 219	766	59.1%	785	55.3%	3 314	5 816	-43.0%
NAVTEQ	-56	-73		-68		-344	-153	
Nokia Siemens Networks	17	-179		-1 107		-1 639	-301	
Operating margin	9.5%	3.9%		-4.3%		2.9%	9.8%	
Devices & Services	14.9%	9.4%		11.4%		11.9%	16.6%	
NAVTEQ	-24.9%	-35.6%		-41.0%		-51.3%	-42.4%	
Nokia Siemens Networks	0.5%	-4.1%		-40.1%		-13.0%	-2.0%	

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EPS, EUR Diluted	0.26	0.15	73.3%	-0.15	0.24	1.05	-77.1%
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Note 1 relating to non-IFRS results: *Non-IFRS results exclude special items for all periods. In addition, non-IFRS results exclude intangible asset amortization, other purchase price accounting related items and inventory value adjustments arising from i) the formation of Nokia Siemens Networks and ii) all business acquisitions completed after June 30, 2008. More specific information about the exclusions from the non-IFRS results may be found in this press release on pages 3-4, 12-14 and 16 for the quarterly periods and pages 25-29 for the full year 2009 and 2008.*

Nokia believes that these non-IFRS financial measures provide meaningful supplemental information to both management and investors regarding Nokia's performance by excluding the above-described items that may not be indicative of Nokia's business operating results. These non-IFRS financial measures should not be viewed in isolation or as substitutes to the equivalent IFRS measure(s), but should be used in conjunction with the most directly comparable IFRS measure(s) in the reported results. A reconciliation of the non-IFRS results to our reported results for Q4 2009 and Q4 2008 as well as for full year 2009 and 2008 can be found in the tables on pages 10, 12-16 and 24-29 of this press release. A reconciliation of our Q3 2009 non-IFRS results can be found on pages 11 and 14-18 of our Q3 2009 Interim Report of October 15, 2009.

Note 2 relating to NAVTEQ: *Nokia completed the acquisition of NAVTEQ Corporation on July 10, 2008. NAVTEQ is a separate reportable segment of Nokia starting from the third quarter 2008. The results of NAVTEQ are not available for the prior periods. Accordingly, the results of Nokia Group and NAVTEQ for the full year 2009 are not directly comparable to the results for the full year 2008.*

FOURTH QUARTER 2009 HIGHLIGHTS

- Nokia net sales of EUR 12.0 billion, down 5% year on year and up 22% sequentially (down 4% and up 20% at constant currency).
- Devices & Services net sales of EUR 8.2 billion, up 0.5% year on year and up 18% sequentially (up 2% and 16% at constant currency).
- Services net sales of EUR 169 million, up 15% sequentially; billings of EUR 226 million, up 31% sequentially.
- Estimated industry mobile device volumes of 329 million units, up 8% year on year and up 14% sequentially.
- Nokia mobile device volumes of 126.9 million units, up 12% year on year and up 17% sequentially.
- Nokia estimated mobile device market share of 39% in Q4 2009, up from an estimated 37% in Q4 2008 and 38% in Q3 2009. The full year 2009 estimated market share was 38%, down from 39% in 2008.
- Nokia grew its converged device market share to an estimated 40%, from an estimated 35% in Q3 2009.
- Nokia improved the ASP of its mobile devices to EUR 63, from EUR 62 in Q3 2009.
- Devices & Services increased its gross margin to 34.3%, from 30.9% in Q3 2009.
- NAVTEQ non-IFRS net sales of EUR 225 million, up 9% year on year and up 36% sequentially, and non-IFRS operating margin of 24.0%, down from 25.9% in Q3 2009.
- Nokia Siemens Networks net sales of EUR 3.6 billion, down 16% year on year and up 31% sequentially (down 17% and up 29% at constant currency).
- Nokia operating cash flow of EUR 1.5 billion, more than double the operating cash flow for Q3 2009.
- Total cash and other liquid assets of EUR 8.9 billion at the end of Q4 2009.
- Nokia taxes were unfavorably impacted by Nokia Siemens Networks taxes as no tax benefits are recognized for certain Nokia Siemens Networks deferred tax items. If Nokia's estimated long-term tax rate of 26% had been applied, non-IFRS Nokia EPS would have been approximately 1 Euro cent higher.

OLLI-PEKKA KALLASVUO, NOKIA CEO:

We grew our market share in smartphones in the fourth quarter, driven by the successful launch of new touch and QWERTY models. Our performance in smartphones, combined with continuing success in the emerging markets, helped us increase sales in our Devices & Services unit, both quarter-on-quarter and year-on-year. Our solid results also owe a good deal to world class supply chain management and impressive sales execution.

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I was also pleased with Nokia Siemens Networks performance in Q4, especially considering the ongoing challenging conditions in the infrastructure market. That performance enabled it to turn in a full year profit on an operative basis.

Our focus remains firmly on execution, especially around user experience. Here I want to highlight our move to shake up the navigation market with free walk and drive navigation on our smartphones, a good example of how we are leveraging our assets to bring real benefits to consumers.

INDUSTRY AND NOKIA OUTLOOK

- Nokia expects Devices & Services net sales to be between EUR 6.5 billion and EUR 7.0 billion in the first quarter 2010.
- Nokia expects its non-IFRS operating margin in Devices & Services in the first quarter 2010 to be negatively impacted by seasonality and to be at the lower end of the range of its full year 2010 target, which continues to be 12% to 14%.
- Nokia and Nokia Siemens Networks expect Nokia Siemens Networks net sales to be between EUR 2.6 billion and EUR 2.9 billion in the first quarter 2010.
- Nokia and Nokia Siemens Networks expect the non-IFRS operating margin in Nokia Siemens Networks in the first quarter 2010 to be negatively impacted by seasonality and to be below the full year 2010 target, which continues to be breakeven to 2%.
- Nokia continues to expect industry mobile device volumes to be up approximately 10% in 2010, compared to 2009.
- Nokia continues to target its mobile device volume market share to be flat in 2010, compared to 2009.
- Nokia continues to target to increase its mobile device value market share slightly in 2010, compared to 2009.

- Nokia continues to target non-IFRS operating expenses in Devices & Services of approximately EUR 5.7 billion in 2010.
- Nokia and Nokia Siemens Networks continue to expect a flat market in euro terms for the mobile and fixed infrastructure and related services market in 2010, compared to 2009.
- Nokia and Nokia Siemens Networks continue to target Nokia Siemens Networks to grow faster than the market in 2010.
- Nokia and Nokia Siemens Networks continue to target Nokia Siemens Networks to reduce its non-IFRS annualized operating expenses and production overheads by EUR 500 million by the end of 2011, compared to the end of 2009.

FOURTH QUARTER 2009 FINANCIAL HIGHLIGHTS

(Comparisons are given to the fourth quarter 2008 results, unless otherwise indicated.)

The non-IFRS results exclusions

Q4 2009 EUR 332 million (net) consisting of:

- *EUR 89 million restructuring charge and other one-time items in Nokia Siemens Networks*
- *EUR 22 million gain on sale of real estate in Nokia Siemens Networks*
- *EUR 36 million restructuring charge in Devices & Services*
- *EUR 117 million of intangible asset amortization and other purchase price accounting related items arising from the formation of Nokia Siemens Networks*
- *EUR 110 million of intangible asset amortization and other purchase price accounting related items arising from the acquisition of NAVTEQ*
- *EUR 2 million of intangible assets amortization and other purchase price related items arising from the acquisition of OZ Communications in Devices & Services*

Q4 2009 taxes EUR 213 million non-cash positive effect from development and outcome of various prior year items impacting Nokia taxes

Q3 2009 EUR 1 167 million consisting of:

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- *EUR 908 million impairment of goodwill in Nokia Siemens Networks*
- *EUR 29 million restructuring charge and other one-time items in Nokia Siemens Networks*
- *EUR 117 million of intangible assets amortization and other purchase price related items arising from the formation of Nokia Siemens Networks*
- *EUR 111 million of intangible assets amortization and other purchase price related items arising from the acquisition of NAVTEQ*
- *EUR 2 million of intangible assets amortization and other purchase price related items arising from the acquisition of OZ Communications in Devices & Services*

Q3 2009 taxes EUR 432 million valuation allowance for Nokia Siemens Networks deferred tax assets impacting Nokia taxes

Q4 2008 EUR 747 million consisting of:

- *EUR 286 million restructuring charge and other one-time items in Nokia Siemens Networks*
- *EUR 52 million restructuring charge in Devices & Services*
- *EUR 165 million representing the contribution of assets to Symbian Foundation*
- *EUR 5 million restructuring charge in NAVTEQ*
- *EUR 118 million of intangible asset amortization and other purchase price accounting related items arising from the formation of Nokia Siemens Networks*
- *EUR 121 million of intangible asset amortization and other purchase price accounting related items arising from the acquisition of NAVTEQ*

Non-IFRS results exclude special items for all periods. In addition, non-IFRS results exclude intangible asset amortization, other purchase price accounting related items and inventory value adjustments arising from i) the formation of Nokia Siemens Networks and ii) all business acquisitions completed after June 30, 2008.

Nokia Group

Nokia's fourth quarter 2009 net sales decreased 5% to EUR 12.0 billion, compared with EUR 12.7 billion in the fourth quarter 2008. At constant currency, group net sales would have decreased 4% year on year.

The following chart sets out the year on year and sequential growth rates in our net sales on a reported basis and at constant currency for the periods indicated.

FOURTH QUARTER 2009 NET SALES, REPORTED & CONSTANT CURRENCY(1)

	Q4/2009 vs. Q4/2008 Change	Q4/2009 vs. Q3/2009 Change
Group net sales – reported	-5%	22%
Group net sales - constant currency(1)	-4%	20%
Devices & Services net sales – reported	0.5%	18%
Devices & Services net sales - constant currency(1)	2%	16%
Nokia Siemens Networks net sales – reported	-16%	31%
Nokia Siemens Networks net sales - constant currency(1)	-17%	28%

Note 1: Change in net sales at constant currency excludes the impact of changes in exchange rates in comparison to the Euro, our reporting currency.

Nokia's fourth quarter 2009 reported operating profit increased 132% to EUR 1.1 billion, compared with EUR 492 million in the fourth quarter 2008. Nokia's fourth quarter 2009 non-IFRS operating profit increased 19% to EUR 1.5 billion, compared with EUR 1.2 billion in the fourth quarter 2008. Nokia's fourth quarter 2009 reported operating margin was 9.5% (3.9%). Nokia's fourth quarter 2009 non-IFRS operating margin was 12.3% (9.8%).

Operating cash flow for the fourth quarter 2009 was EUR 1.5 billion. The operating cash flow for the fourth quarter 2008 was negative EUR 0.3 billion. Operating cash flow in the fourth quarter 2008 included a one-time EUR 1.7 billion lump-sum cash payment made to Qualcomm as part of a license agreement. Total cash and other liquid assets were EUR 8.9 billion at December 31, 2009, compared with EUR 6.8 billion at December 31, 2008. At December 31, 2009, Nokia's net debt-equity ratio (gearing) was -25% compared with -14% at December 31, 2008.

Devices & Services

In the fourth quarter 2009, the total mobile device volumes of Devices & Services were 126.9 million units, representing an increase of 12% year on year and 17% sequentially. The overall industry mobile device volumes for the same period were 329 million units based on Nokia's estimate, representing an increase of 8% year on year and 14% sequentially.

Of the total industry mobile device volumes, converged mobile device industry volumes in the fourth quarter 2009 increased to 52.4 million units, based on Nokia's estimate, compared with an estimated 47.0 million units in the third quarter 2009. Our own converged mobile device volumes, comprising our smartphones and mobile computers, were 20.8 million units in the fourth quarter 2009, compared with 15.1 million units in the fourth quarter 2008 and 16.4 million units in the third quarter 2009. Nokia's share of the converged mobile device market was an estimated 40% in the fourth quarter 2009, up from an estimated 35% in the third quarter 2009. We shipped approximately 4.6 million Nokia Nseries and approximately 6.1 million Nokia Eseries devices during the fourth quarter 2009, up from the combined 8.9 million Nseries and Eseries devices we shipped in the third quarter 2009.

The following chart sets out our mobile device volumes for the periods indicated, as well as the year on year and sequential growth rates, by geographic area.

NOKIA MOBILE DEVICE VOLUME BY GEOGRAPHIC AREA

(million units)	Q4/2009	Q4/2008	YoY Change	Q3/2009	QoQ Change
Europe	34.3	34.7	-1.2%	27.1	26.6%
Middle East & Africa	24.3	18.2	33.5%	19.6	24.0%
Greater China	17.6	12.9	36.4%	18.5	-4.9%
Asia-Pacific	34.5	29.9	15.4%	30.5	13.1%
North America	3.8	4.1	-7.3%	3.1	22.6%
Latin America	12.4	13.3	-6.8%	9.7	27.8%
Total	126.9	113.1	12.2%	108.5	17.0%

Based on our preliminary market estimate, Nokia's mobile device market share for the fourth quarter 2009 was 39%, compared with 37% in the fourth quarter 2008 and 38% in the third quarter 2009. Our year on year market share increase was driven by higher market share in all regions except North America, where our market share was flat. Our sequential market share increase was driven primarily by higher market share in Asia-Pacific, Middle East & Africa, Europe and North America. Our market share was sequentially down in Greater China and Latin America.

Our mobile device average selling price (ASP) in the fourth quarter 2009 was EUR 63, down from EUR 71 in the fourth quarter 2008 and up from EUR 62 in the third quarter 2009. The lower year on year ASP was primarily due to price erosion, a higher proportion of lower-priced entry level device sales and to a lesser extent unfavorable changes in foreign exchange rates. On a sequential basis, our ASP benefited from more favorable foreign exchange hedging results and a positive mix shift towards converged mobile devices. Our mobile device ASP above excludes net sales from services.

Fourth quarter 2009 Devices & Services net sales increased 0.5% to EUR 8.2 billion, compared with EUR 8.1 billion in the fourth quarter 2008. At constant currency, Devices & Services net sales would have increased 2%. Net sales grew year on year in Greater China, Middle East & Africa and Asia-Pacific. Net sales were down year on year in Europe, Latin America and North America. The slight net sales increase resulted primarily from higher volumes in several regions, driven by stronger demand, largely offset, however, by an ASP decline compared to the fourth quarter 2008. Of our total Devices & Services net sales, services contributed EUR 169 million in the fourth quarter 2009 and were up 15% sequentially. Services billings in the fourth quarter 2009 were EUR 226 million, up 31% sequentially.

The following chart sets out our Devices & Services net sales and ASP for the periods indicated by product category.

DEVICES & SERVICES NET SALES AND ASP BY OPERATING MODE

Net sales, EUR billion		ASP, EUR	
Q4/2009	Q3/2009	Q4/2009	Q3/2009

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Mobile phones(1)	4.3	3.8	40	41
Converged mobile devices(2)	3.9	3.1	186	190
Total	8.2	6.9		

***Note 1:** Series 30 and Series 40-powered devices ranging from basic mobile phones focused on voice capability to devices with a number of additional functionalities, such as Internet connectivity, including the services and accessories sold with them.*

***Note 2:** Smartphones and mobile computers, including the services and accessories sold with them.*

Devices & Services reported gross profit and non-IFRS gross profit increased 2% to EUR 2.81 billion, compared with EUR 2.75 billion in the fourth quarter 2008, with a reported gross margin and non-IFRS gross margin of 34.3% (33.8%). The year on year gross margin increase was primarily due to favorable developments in product

material costs and royalty income as well as changes in product mix offset to a large extent by unfavorable changes in foreign exchange rates.

Devices & Services reported operating profit increased 59% to EUR 1.2 billion, compared with EUR 766 million in the fourth quarter 2008, with a reported operating margin of 14.9% (9.4%). Devices & Services non-IFRS operating profit increased 28% to EUR 1.3 billion, compared with EUR 983 million in the fourth quarter 2008, with a non-IFRS operating margin of 15.4% (12.1%). The 28% year on year increase in non-IFRS operating profit for the fourth quarter 2009 was driven primarily by lower operating and other expenses.

NAVTEQ

Fourth quarter 2009 NAVTEQ reported net sales increased 10% year on year to EUR 225 million, compared with EUR 205 million in the fourth quarter 2008, benefiting from growth in mobile devices and improved conditions in the automotive industry. In the fourth quarter 2009, NAVTEQ's reported gross profit increased to EUR 195 million, compared with EUR 180 million in the fourth quarter 2008, with a gross margin of 86.7% (87.8%). Non-IFRS gross profit was EUR 196 million (EUR 181 million), with a non-IFRS gross margin of 87.1% (87.9%). In the fourth quarter 2009, NAVTEQ's reported operating loss decreased to EUR 56 million, compared with a EUR 73 million loss in the fourth quarter 2008. The reported operating margin was -24.9% (-35.6%). NAVTEQ non-IFRS operating profit was EUR 54 million (EUR 53 million), with a non-IFRS operating margin of 24.0% (25.7%).

Nokia Siemens Networks

Fourth quarter 2009 net sales decreased 16% to EUR 3.6 billion, compared with EUR 4.3 billion in the fourth quarter 2008, reflecting challenging competitive factors and market conditions. At constant currency, Nokia Siemens Networks net sales would have decreased 17%. Of total Nokia Siemens Networks net sales, services contributed EUR 1.7 billion in the fourth quarter 2009.

The following chart sets out Nokia Siemens Networks net sales for the periods indicated, as well as the year on year and sequential growth rates, by geographic area.

NOKIA SIEMENS NETWORKS NET SALES BY GEOGRAPHIC AREA

EUR million	Q4/2009	Q4/2008	YoY Change	Q3/2009	QoQ Change
Europe	1 327	1 636	-18.9%	1 062	25.0%
Middle East & Africa	371	615	-39.7%	387	-4.1%
Greater China	425	409	3.9%	335	26.9%
Asia-Pacific	818	967	-15.4%	567	44.3%
North America	244	198	23.2%	127	92.1%
Latin America	440	513	-14.2%	282	56.0%
Total	3 625	4 338	-16.4%	2 760	31.3%

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Nokia Siemens Networks reported gross profit decreased 5% to EUR 1.07 billion, compared with EUR 1.13 billion in the fourth quarter 2008, with a gross margin of 29.5% (26.1%). Nokia Siemens Networks non-IFRS gross profit decreased 16% to EUR 1.1 billion, compared with EUR 1.3 billion in the fourth quarter 2008, with a non-IFRS gross margin of 30.6% (30.4%). The lower year on year non-IFRS gross profit in the fourth quarter 2009 was due primarily to lower year on year net sales.

Nokia Siemens Networks fourth quarter 2009 reported operating profit was EUR 17 million, compared with a reported operating loss of EUR 179 million in the fourth quarter 2008, with a reported operating margin of 0.5% (-4.1%). Nokia Siemens Networks non-IFRS operating profit decreased 11% to EUR 201 million in the fourth quarter 2009, compared with EUR 225 million in the fourth quarter 2008, with a non-IFRS operating margin of 5.5% (5.2%). The year on year decrease in Nokia Siemens Networks non-IFRS operating profit primarily reflected lower net sales offset to a large extent by lower operating expenses.

In November 2009, Nokia Siemens Networks announced a reorganization of its business structure to align it better to customer needs. At the same time, Nokia Siemens Networks announced a plan to improve its financial performance, which include targeted reductions of annualized operating expenses and production overheads of EUR 500 million by the end of 2011, compared to the end of 2009, on a non-IFRS basis. As part of that effort, the company is conducting a global personnel review which may lead to headcount reductions in the range of about 7% to 9% of its approximately 64 000 employees. Nokia Siemens Networks estimated that total charges associated with these reductions will be in the range of EUR 550 million to be recorded mainly over the course of 2010. No charges associated with these reductions were recorded for the fourth quarter 2009. In addition to the operating expense and production overhead savings, Nokia Siemens Networks announced that it will target an annual reduction in product and service procurement costs related to cost of goods sold that is substantially larger than the targeted EUR 500 million in operating expenses and production overhead reductions.

Q4 2009 OPERATING HIGHLIGHTS

Devices & Services

- Nokia introduced the Nokia 1616, Nokia 1800, Nokia 2220 slide and Nokia 2690, all affordable mobile devices that support Nokia Life Tools, a service through which consumers can access timely and relevant agricultural information, as well as education and entertainment services, without requiring the use of GPRS or Internet connectivity. During the fourth quarter, Nokia launched Nokia Life Tools in Indonesia.
- Nokia commenced shipments of the Nokia X6, a powerful touch smartphone with 32 GB of on-board memory that comes in combination with Comes With Music, Nokia's all-you-can-eat music offering.
- Nokia continued to expand Comes With Music, with the offering launching in Netherlands, Finland, Spain and Russia. In Russia, Nokia also launched Ovi Music, representing the first step of its plan to bring Nokia Music Store's our 22-strong chain of digital music stores into the Ovi stable of services.
- Nokia commenced shipments of the Nokia N97 mini, a smaller companion to the Nokia N97, featuring a tilting 3.2" touch display, QWERTY keyboard and fully customizable homescreen.
- Nokia continued to develop Ovi Maps, its mapping and navigation service. In January 2010, Nokia introduced a new version of Ovi Maps for its smartphones that includes high-end walk and drive navigation at no extra cost, available for download at www.nokia.com/maps. The new version of Ovi Maps includes high-end car and pedestrian navigation features, such as turn-by-turn voice guidance for 74 countries, in 46 languages, and traffic information for more than 10 countries, as well as detailed maps for more than 180 countries.
- Ovi Store, Nokia's one-stop shop for applications and content, continued to grow, with the store now attracting more than 1 million downloads a day.
- Nokia commenced shipments of the Nokia E72, a device designed especially for business use and messaging, and featuring a full QWERTY keyboard, a 5 megapixel camera and assisted GPS. The Nokia E72 is one of many Nokia mobile devices supporting Nokia Messaging, Nokia's email service, which continued to gain traction. Nokia Messaging is now available to Nokia users in more than 100 countries and more than 2 million users are now registered.
- Nokia continued to expand Ovi Mail, a free email service designed especially for users in emerging markets with Internet-enabled devices. The service can be set up and accessed without ever needing a PC. More than 5 million accounts have been activated since Ovi Mail was launched in late 2008.
- Nokia commenced shipments of the Nokia N900, a handset that delivers computer-grade performance in a compact QWERTY and touch form factor. The Nokia N900 runs on Maemo, a desktop PC-like software architecture based on open source Linux, and which Nokia is continuing to develop.

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- Nokia commenced shipments of the Nokia Booklet 3G, a new Windows 7-based mini-laptop, built for all-day mobility and connectivity. Encased in an ultra-portable aluminum chassis, the Nokia Booklet 3G runs for up to 12 hours on a single charge and has a broad range of connectivity options.
- As part of its global efforts to align its research and development (R&D) operations with its focused portfolio of future products, Nokia announced plans to reduce its R&D activities in Japan, as well as some of its R&D activities in Finland and Denmark.

- Nokia filed a complaint against Apple with the Federal District Court in Delaware, alleging that Apple's iPhone infringes Nokia patents for GSM, UMTS and wireless LAN (WLAN) standards. Nokia also announced that it filed a complaint with the United States International Trade Commission (ITC) alleging that Apple infringes Nokia patents in virtually all of its mobile phones, portable music players, and computers. In January 2010, the ITC confirmed that it will commence an investigation based on the complaint by Nokia.

NAVTEQ

- NAVTEQ announced the North American availability of Motorway Junction Objects, which enables navigation systems to display full 3D animation of complex junctions, with coverage of over 2 000 locations.
- NAVTEQ launched full coverage maps of both Iceland and Croatia.
- NAVTEQ announced that NAVTEQ LocationPoint, the company's location-based advertising service for mobile applications, has been selected by AAA and Loopt for their respective applications to deliver users with location-relevant promotions and coupons for local merchants.
- NAVTEQ announced a global technology agreement with Microsoft to allow the rapid deployment of innovative collection capabilities, as well as accelerating the collection, creation and storage of 3D map data and visuals.
- NAVTEQ signed a global agreement with ALK to supply map data and content for the company's CoPilot®Live GPS navigation products.

Nokia Siemens Networks

- Nokia Siemens Networks won 10 new 3G contracts including deals with Softbank in Japan for HSPA+ for evolved mobile data services delivery and with Telenor Sweden for a full upgrade of its 3G network as well as a contract with VMS Mobifone in Vietnam for a 3G network roll-out.
- Nokia Siemens Networks was selected by Telenor Denmark for a full upgrade of 2G and 3G radio networks for nationwide EDGE and HSPA/HSPA+ services in a deal that also includes the future provision of LTE.
- Nokia Siemens Networks maintained its momentum in LTE development using standards compliant software and commercial hardware. The company made the world's first LTE handover on fully standards compliant software in October, and announced it will be conducting interoperability tests with four leading device vendors in different regions. In TD-LTE, Nokia Siemens Networks made the first 3GPP standard compliant TD-LTE call.
- Nokia Siemens Networks continued to make progress in Managed Services, signing new deals with Zain in Nigeria and East Africa and Unitech Wireless in India.
- Nokia Siemens Networks announced several business solutions deals including a device management contract with IDEA Cellular in India and a charge@once convergent billing solution with leo in Namibia. In November, Nokia Siemens Networks was awarded an Identity Data Management contract by Telefonica's Argentina mobile operation Movistar, which will enable the operator to offer their nearly 16 million end-users network-enhanced single-sign on and other features that improve online navigation.

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- Nokia Siemens Networks launched a comprehensive range of energy solutions for telecoms operators, designed to reduce network operating costs, by lowering network power consumption and exploiting more efficient technology and renewable energy. Telenor Pakistan adopted the Off-Grid Site solution, using solar energy to power communications for rural customers.
- Nokia Siemens Networks has responded to the increased focus on environmental responsibility, demand for renewable energy, intelligent power grids, and smart meters, by announcing the intent to provide smart grid solutions for the energy sector using its existing charging, mediation, service management and network management solutions. It also provided a software platform for ServusNet, upon which the Irish software group has been able to build a solution for wind farm management.

*For more information on the operating highlights mentioned above, please refer to related press announcements at the following links:
<http://www.nokia.com/press>, <http://www.navteq.com/about/press.html>, <http://www.nokiasiemensnetworks.com/press>*

NOKIA IN THE FOURTH QUARTER 2009

(The following discussion is of Nokia's reported results. Comparisons are given to the fourth quarter 2008 results, unless otherwise indicated.)

Nokia's net sales decreased 5% to EUR 11 988 million (EUR 12 662 million). Net sales of Devices & Services increased 0.5% to EUR 8 179 million (EUR 8 141 million). Net sales of NAVTEQ increased 10% to EUR 225 million (EUR 205 million). Net sales of Nokia Siemens Networks decreased 16% to EUR 3 625 million (EUR 4 338 million).

Operating profit increased 132% to EUR 1 141 million (EUR 492 million), representing an operating margin of 9.5% (3.9%). Operating profit in Devices & Services increased 59% to EUR 1 219 million (EUR 766 million), representing an operating margin of 14.9% (9.4%). Operating loss in NAVTEQ was EUR 56 million (operating loss EUR 73 million), representing an operating margin of -24.9% (-35.6%). Operating profit in Nokia Siemens Networks was EUR 17 million (operating loss EUR 179 million), representing an operating margin of 0.5% (-4.1%). Group Common Functions reported expense totaled EUR 39 million (EUR 22 million).

In the period from October to December 2009, net financial expense was EUR 79 million (EUR 16 million). Profit before tax and minority interests was EUR 1 063 million (EUR 476 million). In Q4 2009, Nokia taxes benefited from the positive effect from the development and outcome of various prior year items impacting Nokia taxes. In Q4 2008, Nokia taxes benefited from Nokia obtaining a favorable high tech qualification assessment in China as well as certain tax benefits from prior years. Profit was EUR 882 million (EUR 551 million), based on a profit of EUR 948 million (EUR 576 million) attributable to equity holders of the parent and a negative EUR 66 million (negative EUR 25 million) attributable to minority interests. Earnings per share increased to EUR 0.26 (basic) and to EUR 0.26 (diluted), compared with EUR 0.16 (basic) and EUR 0.15 (diluted) in the fourth quarter of 2008.

CONSOLIDATED INCOME STATEMENT, EUR million

(unaudited)

	Reported 10-12/2009	Reported 10-12/2008	Non-IFRS 10-12/2009	Non-IFRS 10-12/2008
Net sales	11 988	12 662	11 988	12 665
Cost of sales	-7 915	-8 599	-7 877	-8 415
Gross profit	4 073	4 063	4 111	4 250
Research and development expenses	-1 565	-1 731	-1 404	-1 400
Selling and marketing expenses	-1 048	-1 287	-945	-1 185
Administrative and general expenses	-294	-345	-278	-284
Impairment of goodwill				
Other income	99	154	77	154
Other expenses	-124	-362	-88	-296
Operating profit	1 141	492	1 473	1 239
Share of results of associated companies	1		1	
Financial income and expenses	-79	-16	-79	-16
Profit before tax	1 063	476	1 395	1 223
Tax	-181	75	-459	-142
Profit	882	551	936	1 081
Profit attributable to equity holders of the parent	948	576	912	958
Profit/loss attributable to minority interests	-66	-25	24	123
	882	551	936	1 081
Earnings per share, EUR (for profit attributable to the equity holders of the parent)				
Basic	0.26	0.16	0.25	0.26
Diluted	0.26	0.15	0.25	0.26
Average number of shares (1 000 shares)				
Basic	3 708 113	3 697 553	3 708 113	3 697 553
Diluted	3 713 778	3 724 043	3 713 778	3 724 043
Depreciation and amortization, total	451	446	222	207
Share-based compensation expense, total	14	-60	14	-60

NOKIA NET SALES BY GEOGRAPHIC AREA, EUR million

(10-12/2009, 10-12/2008 and 1-12/2008 unaudited, 1-12/2008 audited)

Reported	10-12/2009	Y-o-Y change, %	10-12/2008	1-12/2009	Y-o-Y change, %	1-12/2008
Europe	4 543	-15	5 347	14 790	-22	18 842
Middle-East & Africa	1 528	-4	1 584	5 605	-23	7 265
Greater China	1 668	21	1 374	6 429		6 420
Asia-Pacific	2 606	7	2 444	8 967	-21	11 344
North America	602	5	571	2 061		2 068
Latin America	1 041	-22	1 342	3 132	-34	4 771
Total	11 988	-5	12 662	40 984	-19	50 710

NOKIA PERSONNEL BY GEOGRAPHIC AREA

	31.12.09	Y-o-Y change, %	31.12.08
Europe	57 490	-7	61 971
Middle-East & Africa	4 172	-19	5 160
Greater China	15 774	6	14 879
Asia-Pacific	24 382	12	21 832
North America	7 911	-11	8 862
Latin America	13 824	5	13 125
Total	123 553	-2	125 829

DEVICES & SERVICES, EUR million

(unaudited)

	Reported 10-12/2009	Special items & PPA 10- 12/2009	Non-IFRS 10-12/2009	Reported 10-12/2008	Special items & PPA 10- 12/2008	Non-IFRS 10-12/2008
Net sales	8 179		8 179	8 141		8 141
Cost of sales	-5 372		-5 372	-5 390		-5 390
Gross profit	2 807		2 807	2 751		2 751
% of net sales	34.3		34.3	33.8		33.8
Research and development expenses (1)	-793	2	-791	-901	153	-748
% of net sales	9.7		9.7	11.1		9.2
Selling and marketing expenses (2)	-640		-640	-837	12	-825
% of net sales	7.8		7.8	10.3		10.1
Administrative and general expenses	-110		-110	-94		-94
% of net sales	1.3		1.3	1.2		1.2
Other income and expenses (3)	-45	36	-9	-153	52	-101
Operating profit	1 219	38	1 257	766	217	983
% of net sales	14.9		15.4	9.4		12.1

(1) Amortization of acquired intangible assets of EUR 2 million in Q4/09. EUR 153 million in Q4/08 representing the contribution of assets to Symbian Foundation.

(2) EUR 12 million in Q4/08 representing the contribution of assets to Symbian Foundation.

(3) Restructuring charges of EUR 36 million in Q4/09 and EUR 52 million in Q4/08

NAVTEQ, EUR million

(unaudited)

	Reported 10- 12/2009	Special items & PPA 10- 12/2009	Non- IFRS 10- 12/2009	Reported 10- 12/2008	Special items & PPA 10- 12/2008	Non- IFRS 10- 12/2008
Net sales (1)	225		225	205	1	206
Cost of sales (2)	-30	1	-29	-25		-25
Gross profit	195	1	196	180	1	181
% of net sales	86.7		87.1	87.8		87.9
Research and development expenses (3)	-175	82	-93	-174	90	-84
% of net sales	77.8		41.3	84.9		40.8
Selling and marketing expenses (4)	-58	27	-31	-59	30	-29
% of net sales	25.8		13.8	28.8		14.1
Administrative and general expenses	-17		-17	-17		-17
% of net sales	7.6		7.6	8.3		8.3
Other income and expenses (5)	-1		-1	-3	5	2
Operating profit/loss	-56	110	54	-73	126	53
% of net sales	-24.9		24.0	-35.6		25.7

(1) Deferred revenue related to acquisitions of EUR 1 million in Q4/08.

(2) Amortization of acquired intangibles of EUR 1 million in Q4/09.

(3) Amortization of acquired intangibles of EUR 82 million in Q4/09 and EUR 90 million in Q4/08.

(4) Amortization of acquired intangibles of EUR 27 million in Q4/09 and EUR 30 million in Q4/08

(5) Amortization of acquired intangibles of EUR 5 million in Q4/08

NOKIA SIEMENS NETWORKS, EUR million

(unaudited)

	Reported 10- 12/2009	Special items & PPA 10- 12/2009	Non- IFRS 10- 12/2009	Reported 10- 12/2008	Special items & PPA 10- 12/2008	Non- IFRS 10- 12/2008
Net sales (1)	3 625		3 625	4 338	2	4 340
Cost of sales (2)	-2 554	37	-2 517	-3 206	184	-3 022
Gross profit	1 071	37	1 108	1 132	186	1 318
% of net sales	29.5		30.6	26.1		30.4
Research and development expenses (3)	-597	77	-520	-654	88	-566
% of net sales	16.5		14.3	15.1		13.0
Selling and marketing expenses (4)	-350	76	-274	-390	60	-330
% of net sales	9.7		7.6	9.0		7.6
Administrative and general expenses (5)	-141	16	-125	-206	61	-145
% of net sales	3.9		3.4	4.7		3.3
Other income and expenses (6)	34	-22	12	-61	9	-52
Operating profit/loss	17	184	201	-179	404	225
% of net sales	0.5		5.5	-4.1		5.2

(1) Deferred revenue related to acquisitions of EUR 2 million in Q4/08.

(2) Restructuring charges of EUR 37 million in Q4/09 and of EUR 184 million in Q4/08.

(3) Restructuring charges of EUR 32 million and amortization of acquired intangibles of EUR 45 million in Q4/09. Restructuring charges of EUR 43 million and amortization of acquired intangibles of EUR 45 million in Q4/08.

(4) Restructuring charges of EUR 4 million and amortization of acquired intangibles of EUR 72 million in Q4/09. Reversal of restructuring charges of EUR 11 million and amortization of acquired intangibles of EUR 71 million in Q4/08.

(5) Restructuring charges of EUR 16 million in Q4/09 and EUR 61 million in Q4/08.

(6) Gain on sale of real estate EUR 22 million in Q4/09. Restructuring charges of EUR 9 million in Q4/08.

GROUP COMMON FUNCTIONS, EUR million

(unaudited)

	Reported 10- 12/2009	Special items & PPA 10- 12/2009	Non- IFRS 10- 12/2009	Reported 10- 12/2008	Special items & PPA 10- 12/2008	Non- IFRS 10- 12/2008
Net sales						
Cost of sales						
Gross profit						
Research and development expenses				-2		-2
Selling and marketing expenses				-1		-1
Administrative and general expenses	-26		-26	-28		-28
Other income and expenses	-13		-13	9		9
Operating profit/loss	-39		-39	-22		-22

CONSOLIDATED INCOME STATEMENT, EUR million

(unaudited)

NOKIA GROUP

	Reported 10-12/2009	Special items & PPA 10-12/2009	Non-IFRS 10-12/2009	Reported 10-12/2008	Special items & PPA 10-12/2008	Non-IFRS 10-12/2008
Net sales (1)	11 988		11 988	12 662	3	12 665
Cost of sales (2)	-7 915	38	-7 877	-8 599	184	-8 415
Gross profit	4 073	38	4 111	4 063	187	4 250
% of net sales	34.0		34.3	32.1		33.6
Research and development expenses (3)	-1 565	161	-1 404	-1 731	331	-1 400
% of net sales	13.1		11.7	13.7		11.1
Selling and marketing expenses (4)	-1 048	103	-945	-1 287	102	-1 185
% of net sales	8.7		7.9	10.2		9.4
Administrative and general expenses (5)	-294	16	-278	-345	61	-284
% of net sales	2.5		2.3	2.7		2.2
Other income and expenses (6)	-25	14	-11	-208	66	-142
Operating profit	1 141	332	1 473	492	747	1 239
% of net sales	9.5		12.3	3.9		9.8
Share of results of associated companies	1		1			
Financial income and expenses	-79		-79	-16		-16
Profit before tax	1 063	332	1 395	476	747	1 223
Tax	-181	-278	-459	75	-217	-142
Profit	882	54	936	551	530	1 081
Profit attributable to equity holders of the parent	948	-36	912	576	382	958