

NOKIA CORP  
Form 20-F  
March 08, 2012  
Table of Contents

As filed with the Securities and Exchange Commission on March 8, 2012.

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 20-F**

**ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE**  
**SECURITIES EXCHANGE ACT OF 1934**

**For the fiscal year ended December 31, 2011**

**Commission file number 1-13202**

**Nokia Corporation**

(Exact name of Registrant as specified in its charter)

Edgar Filing: NOKIA CORP - Form 20-F

Republic of Finland

(Jurisdiction of incorporation)

Keilalahdentie 4, P.O. Box 226, FI-00045 NOKIA GROUP, Espoo, Finland

(Address of principal executive offices)

Riikka Tieaho, Director, Corporate Legal, Telephone: +358 (0)7 1800-8000, Facsimile: +358 (0) 7 1803-8503 Keilalahdentie 4, P.O. Box 226, FI-00045 NOKIA GROUP, Espoo, Finland

(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)

Securities registered pursuant to Section 12(b) of the Securities Exchange Act of 1934 (the Exchange Act):

Title of each class	Name of each exchange on which registered
American Depositary Shares	New York Stock Exchange New York Stock Exchange <sup>(1)</sup>

<sup>(1)</sup> Not for trading, but only in connection with the registration of American Depositary Shares representing these shares, pursuant to the requirements of the Securities and Exchange Commission.

Securities registered pursuant to Section 12(g) of the Exchange Act: **None**

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Exchange Act: **5.375% Notes due 2019 and 6.625% Notes due 2039**

Indicate the number of outstanding shares of each of the registrant's classes of capital or common stock as of the close of the period covered by the annual report. Shares: **3 744 956 052**.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes  No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Exchange Act. Yes  No

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer  Accelerated filer   
Non-accelerated filer  (Do not check if a smaller reporting company) Smaller reporting company

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing: U.S. GAAP

International Financial Reporting Standards as issued by the International Accounting Standards Board  Other

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow. Item 17  Item 18

Edgar Filing: NOKIA CORP - Form 20-F

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

**Table of Contents****TABLE OF CONTENTS**

	<b>Page</b>
<u>INTRODUCTION AND USE OF CERTAIN TERMS</u>	4
<u>FORWARD-LOOKING STATEMENTS</u>	5
<u>PART I</u>	8
ITEM 1. <u>IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS</u>	8
ITEM 2. <u>OFFER STATISTICS AND EXPECTED TIMETABLE</u>	8
ITEM 3. <u>KEY INFORMATION</u>	8
3A. <u>Selected Financial Data</u>	8
3B. <u>Capitalization and Indebtedness</u>	12
3C. <u>Reasons for the Offer and Use of Proceeds</u>	12
3D. <u>Risk Factors</u>	13
ITEM 4. <u>INFORMATION ON THE COMPANY</u>	47
4A. <u>History and Development of the Company</u>	47
4B. <u>Business Overview</u>	50
4C. <u>Organizational Structure</u>	85
4D. <u>Property, Plants and Equipment</u>	85
ITEM 4A. <u>UNRESOLVED STAFF COMMENTS</u>	86
ITEM 5. <u>OPERATING AND FINANCIAL REVIEW AND PROSPECTS</u>	87
5A. <u>Operating Results</u>	87
5B. <u>Liquidity and Capital Resources</u>	136
5C. <u>Research and Development, Patents and Licenses</u>	140
5D. <u>Trends Information</u>	141
5E. <u>Off-Balance Sheet Arrangements</u>	141
5F. <u>Tabular Disclosure of Contractual Obligations</u>	141
ITEM 6. <u>DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES</u>	142
6A. <u>Directors and Senior Management</u>	142
6B. <u>Compensation</u>	152
6C. <u>Board Practices</u>	168
6D. <u>Employees</u>	173
6E. <u>Share Ownership</u>	174
ITEM 7. <u>MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS</u>	184
7A. <u>Major Shareholders</u>	184
7B. <u>Related Party Transactions</u>	184
7C. <u>Interests of Experts and Counsel</u>	185
ITEM 8. <u>FINANCIAL INFORMATION</u>	185
8A. <u>Consolidated Statements and Other Financial Information</u>	185
8B. <u>Significant Changes</u>	190
ITEM 9. <u>THE OFFER AND LISTING</u>	190
9A. <u>Offer and Listing Details</u>	190
9B. <u>Plan of Distribution</u>	191
9C. <u>Markets</u>	191
9D. <u>Selling Shareholders</u>	191
9E. <u>Dilution</u>	191
9F. <u>Expenses of the Issue</u>	192

**Table of Contents**

	<b>Page</b>
ITEM 10.	<u>ADDITIONAL INFORMATION</u>
10A.	<u>Share capital</u>
10B.	<u>Memorandum and Articles of Association</u>
10C.	<u>Material Contracts</u>
10D.	<u>Exchange Controls</u>
10E.	<u>Taxation</u>
10F.	<u>Dividends and Paying Agents</u>
10G.	<u>Statement by Experts</u>
10H.	<u>Documents on Display</u>
10I.	<u>Subsidiary Information</u>
ITEM 11.	<u>QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK</u>
ITEM 12.	<u>DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES</u>
12D.	<u>American Depositary Shares</u>
	<u>PART II</u>
ITEM 13.	<u>DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES</u>
ITEM 14.	<u>MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS</u>
ITEM 15.	<u>CONTROLS AND PROCEDURES</u>
ITEM 16A.	<u>AUDIT COMMITTEE FINANCIAL EXPERT</u>
ITEM 16B.	<u>CODE OF ETHICS</u>
ITEM 16C.	<u>PRINCIPAL ACCOUNTANT FEES AND SERVICES</u>
ITEM 16D.	<u>EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES</u>
ITEM 16E.	<u>PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS</u>
ITEM 16F.	<u>CHANGE IN REGISTRANT S CERTIFYING ACCOUNTANT</u>
ITEM 16G.	<u>CORPORATE GOVERNANCE</u>
ITEM 16H.	<u>MINE SAFETY DISCLOSURE</u>
	<u>PART III</u>
ITEM 17.	<u>FINANCIAL STATEMENTS</u>
ITEM 18.	<u>FINANCIAL STATEMENTS</u>
ITEM 19.	<u>EXHIBITS</u>
	<u>GLOSSARY OF TERMS</u>

---

**Table of Contents**

**INTRODUCTION AND USE OF CERTAIN TERMS**

Nokia Corporation is a public limited liability company incorporated under the laws of the Republic of Finland. In this document, any reference to we, us, the Group or Nokia means Nokia Corporation and its subsidiaries on a consolidated basis, except where we make clear that the term means Nokia Corporation or a particular subsidiary or business segment only, and except that references to our shares, matters relating to our shares or matters of corporate governance refer to the shares and corporate governance of Nokia Corporation. Nokia Corporation has published its consolidated financial statements in euro for periods beginning on or after January 1, 1999. In this annual report on Form 20-F, references to EUR, euro or are to the common currency of the European Economic and Monetary Union, or EMU, and references to dollars, US dollars, or \$ are to the currency of the United States. Solely for the convenience of the reader, this annual report contains conversions of selected euro amounts into US dollars at specified rates, or, if not so specified, at the rate of 1.2973 US dollars per euro, which was the noon buying rate in New York City for cable transfers in euro as certified for customs purposes by the Federal Reserve Bank of New York on December 30, 2011. No representation is made that the amounts have been, could have been or could be converted into US dollars at the rates indicated or at any other rates.

Our principal executive office is located at Keilalahdentie 4, P.O. Box 226, FI-00045 Nokia Group, Espoo, Finland and our telephone number is +358 (0) 7 1800-8000.

Nokia Corporation furnishes Citibank, N.A., as Depositary, with consolidated financial statements and a related audit opinion of our independent auditors annually. These financial statements are prepared on the basis of International Financial Reporting Standards as issued by the International Accounting Standards Board and in conformity with International Financial Reporting Standards as adopted by the European Union ( IFRS ). In accordance with the rules and regulations of the US Securities and Exchange Commission, or SEC, we do not provide a reconciliation of net income and shareholders equity in our consolidated financial statements to accounting principles generally accepted in the United States, or US GAAP. We also furnish the Depositary with quarterly reports containing unaudited financial information prepared on the basis of IFRS, as well as all notices of shareholders meetings and other reports and communications that are made available generally to our shareholders. The Depositary makes these notices, reports and communications available for inspection by record holders of American Depositary Receipts, or ADRs, evidencing American Depositary Shares, or ADSs (one ADS represents one share), and distributes to all record holders of ADRs notices of shareholders meetings received by the Depositary.

In addition to the materials delivered to holders of ADRs by the Depositary, holders can access our consolidated financial statements, and other information included in our annual reports and proxy materials, at [www.nokia.com](http://www.nokia.com). This annual report on Form 20-F is also available at [www.nokia.com](http://www.nokia.com) as well as on Citibank s website at <http://citibank.ar.wilink.com> (enter Nokia in the Company Name Search). Holders may also request a hard copy of this annual report by calling the toll-free number 1-877-NOKIA-ADR (1-877-665-4223), or by directing a written request to Citibank, N.A., Shareholder Services, PO Box 43124, Providence, RI 02940-5140, or by calling Nokia Investor Relations at +1 914 282 0145. With each annual distribution of our proxy materials, we offer our record holders of ADRs the option of receiving all of these documents electronically in the future.

**Table of Contents**

**FORWARD-LOOKING STATEMENTS**

It should be noted that certain statements herein that are not historical facts are forward-looking statements, including, without limitation, those regarding:

the expected plans and benefits of our partnership with Microsoft to bring together complementary assets and expertise to form a global mobile ecosystem for smartphones;

the timing and expected benefits of our new strategies, including expected operational and financial benefits and targets as well as changes in leadership and operational structure;

the timing of the deliveries of our products and services;

our ability to innovate, develop, execute and commercialize new technologies, products and services;

expectations regarding market developments and structural changes;

expectations and targets regarding our industry volumes, market share, prices, net sales and margins of our products and services;

expectations and targets regarding our operational priorities and results of operations;

expectations and targets regarding collaboration and partnering arrangements;

the outcome of pending and threatened litigation;

expectations regarding the successful completion of acquisitions or restructurings on a timely basis and our ability to achieve the financial and operational targets set in connection with any such acquisition or restructuring; and

statements preceded by believe, expect, anticipate, foresee, target, estimate, designed, aim, plans, will or similar e  
These statements are based on management's best assumptions and beliefs in light of the information currently available to it. Because they 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. our success in the smartphone market, including our ability to introduce and bring to market quantities of attractive, competitively priced Nokia products with Windows Phone that are positively differentiated from our competitors' products, both outside and within the Windows Phone ecosystem;

## Edgar Filing: NOKIA CORP - Form 20-F

2. our ability to make Nokia products with Windows Phone a competitive choice for consumers, and together with Microsoft, our success in encouraging and supporting a competitive and profitable global ecosystem for Windows Phone smartphones that achieves sufficient scale, value and attractiveness to all market participants;
3. the difficulties we experience in having a competitive offering of Symbian devices and maintaining the economic viability of the Symbian smartphone platform during the transition to Windows Phone as our primary smartphone platform;
4. our ability to realize a return on our investment in next generation devices, platforms and user experiences;
5. our ability to produce attractive and competitive feature phones, including devices with more smartphone-like features, in a timely and cost efficient manner with differentiated hardware, software, localized services and applications;



**Table of Contents**

6. the intensity of competition in the various markets where we do business and our ability to maintain or improve our market position or respond successfully to changes in the competitive environment;
7. our ability to retain, motivate, develop and recruit appropriately skilled employees;
8. our ability to effectively and smoothly implement the new operational structure for our businesses, achieve targeted efficiencies and reductions in operating expenses;
9. the success of our Location & Commerce strategy, including our ability to maintain current sources of revenue, provide support for our Devices & Services business and create new sources of revenue from our location-based services and commerce assets;
10. our success in collaboration and partnering arrangements with third parties, including Microsoft;
11. our ability to increase our speed of innovation, product development and execution to bring new innovative and competitive mobile products and location-based or other services to the market in a timely manner;
12. our dependence on the development of the mobile and communications industry, including location-based and other services industries, in numerous diverse markets, as well as on general economic conditions globally and regionally;
13. our ability to protect numerous patented standardized or proprietary technologies from third-party infringement or actions to invalidate the intellectual property rights of these technologies;
14. our ability to maintain and leverage our traditional strengths in the mobile product market if we are unable to retain the loyalty of our mobile operator and distributor customers and consumers as a result of the implementation of our strategies or other factors;
15. the success, financial condition and performance of our suppliers, collaboration partners and customers;
16. our ability to manage efficiently our manufacturing and logistics, as well as to ensure the quality, safety, security and timely delivery of our products and services;
17. our ability to source sufficient amounts of fully functional quality components, sub-assemblies, software and services on a timely basis without interruption and on favorable terms;
18. our ability to manage our inventory and timely adapt our supply to meet changing demands for our products;
19. any actual or even alleged defects or other quality, safety and security issues in our product;
- 20.

## Edgar Filing: NOKIA CORP - Form 20-F

the impact of a cybersecurity breach or other factors leading to any actual or alleged loss, improper disclosure or leakage of any personal or consumer data collected by us or our partners or subcontractors, made available to us or stored in or through our products;

21. our ability to successfully manage the pricing of our products and costs related to our products and operations;
22. exchange rate fluctuations, including, in particular, fluctuations between the euro, which is our reporting currency, and the US dollar, the Japanese yen and the Chinese yuan, as well as certain other currencies;
23. our ability to protect the technologies, which we or others develop or that we license, from claims that we have infringed third parties intellectual property rights, as well as our unrestricted use on commercially acceptable terms of certain technologies in our products and services;
24. the impact of economic, political, regulatory or other developments on our sales, manufacturing facilities and assets located in emerging market countries;

**Table of Contents**

25. the impact of changes in government policies, trade policies, laws or regulations where our assets are located and where we do business;
26. the potential complex tax issues and obligations we may incur to pay additional taxes in the various jurisdictions in which we do business;
27. any disruption to information technology systems and networks that our operations rely on;
28. unfavorable outcome of litigations;
29. allegations of possible health risks from electromagnetic fields generated by base stations and mobile products and lawsuits related to them, regardless of merit;
30. Nokia Siemens Networks ability to implement its new strategy and restructuring plan effectively and in a timely manner to improve its overall competitiveness and profitability;
31. Nokia Siemens Networks success in the telecommunications infrastructure services market and Nokia Siemens Networks ability to effectively and profitably adapt its business and operations in a timely manner to the increasingly diverse service needs of its customers;
32. Nokia Siemens Networks ability to maintain or improve its market position or respond successfully to changes in the competitive environment;
33. Nokia Siemens Networks liquidity and its ability to meet its working capital requirements;
34. Nokia Siemens Networks ability to timely introduce new competitive products, services, upgrades and technologies;
35. Nokia Siemens Networks ability to execute successfully its strategy for the acquired Motorola Solutions wireless network infrastructure assets;
36. developments under large, multi-year contracts or in relation to major customers in the networks infrastructure and related services business;
37. the management of our customer financing exposure, particularly in the networks infrastructure and related services business;
38. whether ongoing or any additional governmental investigations into alleged violations of law by some former employees of Siemens may involve and affect the carrier-related assets and employees transferred by Siemens to Nokia Siemens Networks; and

## Edgar Filing: NOKIA CORP - Form 20-F

39. any impairment of Nokia Siemens Networks customer relationships resulting from ongoing or any additional governmental investigations involving the Siemens carrier-related operations transferred to Nokia Siemens Networks, as well as the risk factors specified in this annual report under Item 3D. Risk Factors.

Other unknown or unpredictable factors or underlying assumptions subsequently proving to be incorrect could cause actual results to differ materially from those in the forward-looking statements. Nokia does not undertake any obligation to publicly update or revise forward-looking statements, whether as a result of new information, future events or otherwise, except to the extent legally required.

**Table of Contents**

**PART I**

**ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS**

Not applicable.

**ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE**

Not applicable.

**ITEM 3. KEY INFORMATION**

**3A. Selected Financial Data**

The financial data set forth below at December 31, 2010 and 2011 and for each of the years in the three-year period ended December 31, 2011 have been derived from our audited consolidated financial statements included in Item 18 of this annual report. Financial data at December 31, 2007, 2008, and 2009 and for each of the years in the two-year period ended December 31, 2008 have been derived from our previously published audited consolidated financial statements not included in this annual report.

The financial data at December 31, 2010 and 2011 and for each of the years in the three-year period ended December 31, 2011 should be read in conjunction with, and are qualified in their entirety by reference to, our audited consolidated financial statements.

**Table of Contents**

The audited consolidated financial statements from which the selected consolidated financial data set forth below have been derived were prepared in accordance with IFRS.

	Year Ended December 31,					2011 <sup>(1)</sup> (USD)
	2007 <sup>(1)</sup> (EUR)	2008 <sup>(1)</sup> (EUR)	2009 <sup>(1)</sup> (EUR)	2010 <sup>(1)</sup> (EUR)	2011 <sup>(1)</sup> (EUR)	
<b>(in millions, except per share data)</b>						
<b>Profit and Loss Account Data</b>						
Net sales	51 058	50 710	40 984	42 446	38 659	50 152
Operating profit	7 985	4 966	1 197	2 070	(1 073)	(1 392)
Profit before tax	8 268	4 970	962	1 786	(1 198)	(1 554)
Profit attributable to equity holders of the parent	7 205	3 988	891	1 850	(1 164)	(1 510)
Earnings per share (for profit attributable to equity holders of the parent)						
Basic earnings per share	1.85	1.07	0.24	0.50	(0.31)	(0.40)
Diluted earnings per share	1.83	1.05	0.24	0.50	(0.31)	(0.40)
Cash dividends per share	0.53	0.40	0.40	0.40	0.20 <sup>(2)</sup>	0.26 <sup>(2)</sup>
Average number of shares (millions of shares)						
Basic	3 885	3 744	3 705	3 709	3 710	3 710
Diluted	3 932	3 780	3 721	3 713	3 710	3 710
<b>Balance Sheet Data</b>						
Fixed assets and other non-current assets	8 305	15 112	12 125	11 978	10 750	13 946
Cash and other liquid assets <sup>(3)</sup>	11 753	6 820	8 873	12 275	10 902	14 143
Other current assets	17 541	17 650	14 740	14 870	14 553	18 880
Total assets	37 599	39 582	35 738	39 123	36 205	46 969
Capital and reserves attributable to equity holders of the parent	14 773	14 208	13 088	14 384	11 873	15 403
Non-controlling interests	2 565	2 302	1 661	1 847	2 043	2 650
Long-term interest-bearing liabilities	203	861	4 432	4 242	3 969	5 149
Other long-term liabilities	1 082	1 856	1 369	1 110	876	1 137
Borrowings due within one year	887	3 591	771	1 037	1 352	1 754
Other current liabilities	18 089	16 764	14 417	16 503	16 092	20 876
Total shareholders' equity and liabilities	37 599	39 582	35 738	39 123	36 205	46 969
Net interest-bearing debt <sup>(4)</sup>	(10 663)	(2 368)	(3 670)	(6 996)	(5 581)	(7 240)
Share capital	246	246	246	246	246	319

- (1) As from April 1, 2007, our consolidated financial data includes that of Nokia Siemens Networks on a fully consolidated basis. Nokia Siemens Networks, a company jointly owned by Nokia and Siemens AG ( "Siemens" ), is comprised of our former Networks business group and Siemens' carrier-related operations for fixed and mobile networks. Accordingly, our consolidated financial data for the year ended December 31, 2007 is not directly comparable to any subsequent years. Our consolidated financial data for the periods prior to April 1, 2007 included our former Networks business group only.
- (2) The cash dividend for 2011 is what the Board of Directors will propose for shareholders' approval at the Annual General Meeting convening on May 3, 2012.
- (3) For the years ended December 31, 2009, 2010 and 2011, cash and other liquid assets consist of the following captions from our consolidated balance sheets: (1) bank and cash, (2) available-for-sale investments, cash equivalents, (3) available-for-sale investments, liquid assets and (4) investments at fair value through profit and loss, liquid assets. For the previous years, cash and other liquid assets consist of the following captions from our consolidated balance sheets: (1) bank and cash, (2) available-for-sale investments, cash equivalents, and (3) available-for-sale investments, liquid assets.
- (4) Net interest-bearing debt consists of borrowings due within one year and long-term interest-bearing liabilities, less cash and other liquid assets.

**Table of Contents****Distribution of Earnings**

We distribute retained earnings, if any, within the limits set by the Finnish Companies Act. We make and calculate the distribution, if any, either in the form of cash dividends, share buy-backs, or in some other form or a combination of these. There is no specific formula by which the amount of a distribution is determined, although some limits set by law are discussed below. The timing and amount of future distributions of retained earnings, if any, will depend on our future results and financial condition.

Under the Finnish Companies Act, we may distribute retained earnings on our shares only upon a shareholders' resolution and subject to limited exceptions in the amount proposed by our Board of Directors. The amount of any distribution is limited to the amount of distributable earnings of the parent company pursuant to the last accounts approved by our shareholders, taking into account the material changes in the financial situation of the company after the end of the last financial period and a statutory requirement that the distribution of earnings must not result in insolvency of the company. Subject to exceptions relating to the right of minority shareholders to request for a certain minimum distribution, the distribution may not exceed the amount proposed by the Board of Directors.

***Share Buy-backs***

Under the Finnish Companies Act, Nokia Corporation may repurchase its own shares pursuant to either a shareholders' resolution or an authorization to the Board of Directors approved by the company's shareholders. The authorization may amount to a maximum of 10% of all the shares of the company and its maximum duration is 18 months. The Board of Directors has been regularly authorized by our shareholders at the Annual General Meetings to repurchase Nokia's own shares, and during the past three years the authorization covered 360 million shares in 2009, 2010 and 2011. The amount authorized each year has been at or slightly under the maximum limit provided by the Finnish Companies Act. Nokia has not repurchased any of its own shares since September 2008.

On January 26, 2012, we announced that the Board of Directors will propose that the Annual General Meeting convening on May 3, 2012 authorize the Board to resolve to repurchase a maximum of 360 million Nokia shares. The proposed maximum number of shares that may be repurchased is the same as the Board's current share repurchase authorization, and it corresponds to less than 10% of all the shares of the company. The shares may be repurchased in order to develop the capital structure of the company, finance or carry out acquisitions or other arrangements, settle the company's equity-based incentive plans, be transferred for other purposes, or be cancelled. The shares may be repurchased either through a tender offer made to all shareholders on equal terms, or through public trading from the stock market. The authorization would be effective until June 30, 2013 and terminate the current authorization for repurchasing of the company's shares resolved at the Annual General Meeting on May 3, 2011.

The table below sets forth actual share buy-backs by Nokia in respect of each fiscal year indicated.

	Number of shares	EUR millions (in total)
2007	180 590 000	3 884
2008	157 390 000	3 123
2009		
2010		
2011		

***Cash Dividends***

On January 26, 2012, we announced that the Board of Directors will propose for shareholders' approval at the Annual General Meeting convening on May 3, 2012 a dividend of EUR 0.20 per share in respect of 2011.

**Table of Contents**

The table below sets forth the amounts of total cash dividends per share and per ADS paid in respect of each fiscal year indicated. For the purposes of showing the US dollar amounts per ADS for 2007 through 2011, the dividend per share amounts have been translated into US dollars at the noon buying rate in New York City for cable transfers in euro as certified for customs purposes by the Federal Reserve Bank of New York on the respective dividend payment dates.

	EUR per share	USD per ADS	EUR millions (in total)
2007	0.53	0.83	1 992
2008	0.40	0.54	1 481
2009	0.40	0.49	1 483
2010	0.40	0.57	1 484
2011	0.20 <sup>(1)</sup>	<sup>(2)</sup>	749 <sup>(3)</sup>

- (1) The proposal of the Board of Directors for shareholders' approval at the Annual General Meeting convening on May 3, 2012.  
(2) The final US dollar amount will be determined on the basis of the decision of the Annual General Meeting and the dividend payment date.  
(3) Maximum amount to be distributed as dividend based on the number of shares at December 31, 2011. Earlier year figure represents the total actual amount paid.

We make our cash dividend payments in euro. As a result, exchange rate fluctuations will affect the US dollar amount received by holders of ADSs on conversion of these dividends. Moreover, fluctuations in the exchange rates between the euro and the US dollar will affect the dollar equivalent of the euro price of the shares on NASDAQ OMX Helsinki and, as a result, are likely to affect the market price of the ADSs in the United States. See also Item 3D. Risk Factors. Our net sales, costs and results of operations, as well as the US dollar value of our dividends and market price of our ADSs, are affected by exchange rate fluctuations, particularly between the euro, which is our reporting currency, and the US dollar, the Japanese yen and the Chinese yuan, as well as certain other currencies.

**Exchange Rate Data**

The following table sets forth information concerning the noon buying rate for the years 2007 through 2011 and for each of the months in the six-month period ended February 29, 2012, expressed in US dollars per euro. The average rate for a year means the average of the exchange rates on the last day of each month during a year. The average rate for a month means the average of the daily exchange rates during that month.

For the year ended December 31:	Rate at Period end	Exchange rates		
		Average rate (USD per EUR)	Highest rate	Lowest rate
2007	1.4603	1.3797		