

Nokia provides financial targets and forecasts linked to new strategy

London, Feb. 11, 2011 – Nokia today outlined a new strategic direction, including changes in leadership and operational structure to accelerate the company's speed of execution in a dynamic competitive environment. In connection with this new strategic direction, Nokia has set new financial targets and forecasts for Nokia and the mobile device industry and for Nokia Siemens Networks and the mobile and fixed infrastructure and related services market.

Targets and forecasts for Nokia and the mobile device industry

Nokia expects attractive mobile device industry revenue growth in 2011 and over the longer-term, driven by the further adoption of smartphones by consumers globally and the further adoption of mobile devices and services, particularly in emerging markets. Over the longer-term, Nokia expects mobile device industry gross margins to come under pressure due to competitive factors.

Due to the initiation of Nokia's strategic transformation on February 11, 2011, the full-year prospects for its Devices & Services business are subject to significant uncertainties, and therefore Nokia believes it is not appropriate to provide annual targets for 2011 at the present time. However, Nokia expects to continue to provide short-term quarterly forecasts to indicate its progress in the company's interim reports as well as annual targets when circumstances allow it to do so.

Nokia expects 2011 and 2012 to be transition years, as the company invests to build the planned winning ecosystem with Microsoft. After the transition, Nokia targets longer-term:

- Devices & Services net sales to grow faster than the market.
- Devices & Services non-IFRS* operating margin to be 10% or more.

Targets and forecasts for Nokia Siemens Networks and the mobile and fixed infrastructure and related services market

Nokia and Nokia Siemens Networks expect overall industry revenue to grow slightly in 2011, compared to 2010. While growth is expected in certain areas, such as mobile broadband and services, this is expected to be offset to some extent by declines in certain areas and a continued challenging competitive environment.

Due to Nokia Siemens Networks' solid position in industry growth areas, Nokia and Nokia Siemens Networks target:

- Nokia Siemens Networks net sales to grow faster than the market in 2011.
- Nokia Siemens Networks non-IFRS* operating margin to be above breakeven in 2011.

Additionally, 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.

About Nokia

At Nokia, we are committed to connecting people. We combine advanced technology with personalized services that enable people to stay close to what matters to them. Every day, more than 1.3 billion people connect to one another with a Nokia device - from mobile phones to advanced smartphones and high-performance mobile computers. Today, Nokia is integrating its devices with innovative services through Ovi (www.ovi.com), including music, maps, apps, email and more. Nokia's NAVTEQ is a leader in comprehensive digital mapping and navigation services, while Nokia Siemens Networks provides equipment, services and solutions for communications networks globally.

* 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 the formation of Nokia Siemens Networks and from all business acquisitions. 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.

FORWARD-LOOKING STATEMENTS

It should be noted that certain statements herein which are not historical facts are forward-looking statements, including, without limitation, those regarding: A) the intention to form a strategic partnership with Microsoft to combine complementary assets and expertise to form a global mobile ecosystem and to adopt Windows Phone as our primary smartphone platform, including the expected plans and benefits of such partnership; B) the timing and expected benefits of our new strategy, including expected operational and financial benefits and targets as well as changes in leadership and operation structure; C) the timing of the deliveries of our products and services and their combinations; D) our ability to develop, implement and commercialize new technologies, products and services and their combinations; E) expectations regarding market developments and structural changes; F) expectations and targets regarding our industry volumes, market share, prices, net sales and margins of products and services; G) expectations and targets regarding our operational priorities and results of operations; H) the outcome of pending and threatened litigation; I) 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 J) statements preceded by "believe," "expect," "anticipate," "foresee," "target," "estimate," "designed," "plans," "will" or similar expressions. 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) whether definitive agreements can be entered into with Microsoft for the potential partnership in a timely manner, or at all, and on terms beneficial to us; 2) our ability to continue to innovate and maintain the vibrancy of our Symbian-based smartphones during the negotiation of the Microsoft partnership and thereafter; 3) the negotiation and implementation of the Microsoft partnership will require significant time, attention and resources of our senior management and others within the company potentially diverting their attention from other aspects of our business; 4) in choosing to negotiate a partnership with Microsoft and utilize Windows Phone as our primary smartphone platform, we may forego more competitive alternatives achieving greater acceptance and profitability in the smartphone market; 5) the Microsoft Windows Phone smartphone platform may not be preferred by application developers, content providers and other partners impairing our ability to build a sufficiently competitive ecosystem for our smartphones; 6) the Microsoft partnership may not achieve the stated goal of producing smartphones which are differentiated from those of our competitors and preferred by our customers and consumers in the expected timeframe, or at all; 7) our ability to change our business model, way of working and culture sufficiently to work effectively and efficiently with Microsoft in order to realize the stated benefits of the partnership in a timely manner, or at all; 8) our ability to effectively and smoothly implement our new leadership and operational structure and to realize the anticipated benefits in a timely manner; 9) the implementation of the Microsoft partnership and the new operational structure may cause disruption and dissatisfaction among employees potentially reducing focus and productivity in some or all areas of our business; as well as the risk factors specified on pages 11-32 of Nokia's annual report Form 20-F for the year ended December 31, 2009 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.

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