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 1999-2002, the dividend per share amounts have been translated into US dollars at the noon buying rate on the respective dividend payment dates.

	EUR per share	USD per ADS	EUR millions (in total)
1999	0.20	0.19	931
2000	0.28	0.25	1 315
2001	0.27	0.24	1 279
2002	0.28	0.30	1 341
2003	0.30(1)	—(2)	1 439(1)

(1) To be proposed by the Board of Directors for approval at the Annual General Meeting convening on March 25, 2004.

(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.

In 1999, we effected a two-for-one share split, effective in public trading on April 12, 1999, and in 2000, we effected a four-for-one share split, effective in public trading on April 10, 2000. In the table above, the dividend per share and dividend per ADS figures have been adjusted accordingly.

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 the Helsinki Exchanges and, as a result, are likely to affect the market price of the ADSs in the United States. See also "Item 3.D Risk Factors—Our sales, costs and results are affected by exchange rate fluctuations, particularly between the euro, which is our reporting currency, and the US dollar, the UK pound sterling and the Japanese yen as well as certain other currencies."

Exchange Rate Data

The following table sets forth information concerning the noon buying rate in New York City for cable transfers as certified for customs purposes by the Federal Reserve Bank of New York for euro for the years 1999 through 2003 and for each of the months in the six-month period ended January 31, 2004, 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.

	Exchange Rates			
For the year ended December 31:	**Rate at period end**	**Average rate**	**Highest rate**	**Lowest rate**
		(USD per EUR)		
1999	1.0070	1.0588	1.1812	1.0016
2000	0.9388	0.9232	1.0335	0.8270
2001	0.8901	0.8954	0.9535	0.8370
2002	1.0485	0.9495	1.0485	0.8594
2003	1.2597	1.1411	1.2597	1.0361
For the month ended:				
August 31, 2003	1.0986	1.1155	1.1390	1.0871
September 30, 2003	1.1650	1.1267	1.1650	1.0845
October 31, 2003	1.1609	1.1714	1.1833	1.1596
November 30, 2003	1.1995	1.1710	1.1995	1.1417
December 31, 2003	1.2597	1.2298	1.2597	1.1956
January 31, 2004	1.2452	1.2638	1.2853	1.2389

On January 30, 2004, the noon buying rate was USD 1.2452 per EUR 1.00.

3.B Capitalization and Indebtedness

Not applicable.

3.C Reasons for the Offer and Use of Proceeds

Not applicable.

3.D Risk Factors

Set forth below is a description of factors that may affect our business, results of operations and share price from time to time.

Changes in the mobile communications industry require us to develop complex, evolving technologies to use in our various businesses, some of which are new to us. If we fail to develop these technologies or successfully commercialize them as new advanced products and solutions that meet the demands of the market, or fail to do so on a timely basis, or if the evolution of our operating environment is slower than anticipated leading to delays in the deployment and acceptance of new services, it may have a material adverse impact on our business, our ability to meet our targets, and our results of operations.

The mobile communications industry and the technologies that it exploits are undergoing significant changes. First, the mobile communications, information technology and media industries are converging into one broader industry, which we call the mobility industry. This is a result of advances in technologies that enable a variety of products and services from different industries to become connected with each other. We expect this convergence to lead to the creation of new mobile devices, new services and new ways in which mobile devices are used. Second, while participants in the mobile communications industry once provided complete products and solutions, the mobility industry will include increasing numbers of participants who provide specific hardware and software layers for products and solutions. Examples of such layers include operating system and user interface software, chipsets, and application software such as games software. We expect that certain layers in products and solutions will have increasing value from a business perspective, which may also result in shifts of value among different industry participants.

Our challenge is to respond to the industry changes described above as they require a completely new approach. We believe that the development and successful commercializion of new mobile devices is important and necessary. However, we also believe that it will be necessary to develop completely new business systems for distinct value domains, of which mobile devices may be only one part. In order to do this profitably, and benefit from economies of scale and our market size, we must establish common technology platforms, on the top of which the value domain specific solutions are developed. Selected parts of the common technology platforms may also be shared with the industry. In an effort to address the dynamics of the mobility industry, we reorganized our businesses into four business groups: Mobile Phones, Multimedia, Networks and Enterprise Solutions, effective January 1, 2004.

Despite our recent reorganization, we may not be able to commercialize new products and services successfully or profitably, or respond fast enough to the changes in the industry. Factors that may cause this include the rapid development and increasing complexity of the technologies on which we must rely, which may become obsolete more quickly than we had anticipated, and which may lead to performance or other defects because they are new. As well, because we intend to use these technologies in businesses that are new to us, we face the risk that we may not successfully commercialize them into products and solutions that will be accepted in the new markets we are entering.

We aim continuously to introduce mobile devices that have improved designs and technical features, with services and price levels appropriate to the target markets. However, the development and application of the new technologies, applications and technology platforms for our mobile devices involves time, substantial costs and risks both within and outside of our control. This is true, whether we develop those technologies, applications and technology platforms internally, by acquiring or investing in other companies or through collaboration with our collaboration partners. The technologies, functionalities and features on which we choose to

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focus may not achieve as broad customer acceptance as we expect. This may result from numerous factors including the availability of more attractive alternatives or a lack of sufficient compatibility with other existing technologies, products and solutions. Additionally, even if we do select the technologies, functionalities and features that customers ultimately want, we or our collaboration partners may not be able to bring them to the market at the right time.

We believe that the success of the mobility industry and our success depend significantly on the timely development of a global business environment that is conducive to the mass-market acceptance of new services to be delivered over various kinds of networks. In order for such an environment to develop, we believe that existing market fragmentation of various kinds needs to be reduced. Market fragmentation can exist as a result of certain national business, legal and governance structures; for example, certain services, such as payment processing by banks, have traditionally been organized at the national rather than international level, with the result that service offerings are not consistent across borders. As well, the adjustment to network-based delivery of services in many instances requires substantial changes to existing industry value chains and business models, and these changes are either not yet implemented or may develop in ways inconsistent with the aim of a globally coherent mobile business environment. Finally, market fragmentation can result from technological barriers such as a lack of interoperability. Because the value of networked services is directly related to the number of users who become connected to networks and are able to use those services, we believe that the mobility industry will have to reduce the fragmentation described above by coordinating business and service solutions across traditional national and industry borders. As well, from a technological perspective, the avoidance of fragmentation will require the widespread support of interoperability in products and services across all service and consumer platforms—not only mobile devices—through open, global specifications and standards.

Nevertheless, although we invest significantly in the development of global standards and in their promotion worldwide, and implement open standards in our products and solutions, other market participants and end-users may not implement or adapt to them or may be delayed in implementing the often significant business model or value chain adjustments that would be necessary to reduce overall fragmentation in the market. We believe that failure or delays in these business model and value chain adjustments or in the creation and implementation of open, global standards may result in reduced long-term growth of the overall market, scarcity of interoperable products and solutions, increased market fragmentation and fewer innovative entrants to the market. For further information, see "Item 4.B Business Overview."

In our networks business, we are developing a number of network infrastructure solutions incorporating advanced technologies. Currently, our networks business designs and builds networks based primarily on GSM, EDGE and WCDMA technologies. Although these are currently the leading mobile communications technology platforms, they may not always be. Our networks business's sales and operating results may be adversely affected if these technologies or subsequent new technologies on which we focus do not achieve as broad acceptance among customers as we expect, or if we fail to adapt to different technology platforms that emerge over time.

The development of the mobility industry is significantly altering the competitive landscape and increasing competition. We are entering businesses where the competitive landscape is new to us or still in the early stages of development. Our failure to respond successfully to this development may have a material adverse impact on our business, our ability to meet our targets, and our results of operations.

The markets for our products and solutions are intensely competitive. Industry participants compete with each other mainly on the basis of the breadth and depth of their product portfolios,

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price, operational and manufacturing efficiency, technical performance, product features, quality, customer support, and brand recognition. Mobile network operators are increasingly offering mobile devices under their own brand, which may result in increasing competition from non-branded mobile device manufacturers. Finally, a number of factors, including actual or even alleged defaults in our products and solutions, may have a negative effect on our reputation and erode the value of the Nokia brand, which we regard as one of our key competitive advantages.

The industry trends described in the previous risk factor mean that the mobile communications industry's competitive landscape is changing in ways that present us with new risks. First, as the mobile communications, information technology and media industries are converging into one broader industry, each industry participant must now compete against a wider sphere of competitors than before, many of whom may be relatively new to each other and many of whom may have substantial competitive strengths in their core industries. For example, our principal competitors have historically been other mobile communications companies such as Ericsson, Motorola, Nortel, Samsung and Siemens. Now, in addition, we must compete in our multimedia business with consumer electronics manufacturers and in our enterprise solutions business with business device and solution providers. Second, as the mobility industry will include increasing numbers of participants who provide specific hardware and software layers within products and solutions, we must also be competitive at the level of these layers rather than solely at the level of products and solutions. As a result of these developments, we face new competitors such as, but not limited to, Cisco, Dell, HP, Microsoft, Nintendo and Sony, and we must also compete with a great number of smaller competitors and with some of our traditional competitors in new areas.

Finally, the development of new technologies and potential changes in customer behavior may also change the competitive landscape for our products and solutions in ways that we cannot currently predict. Moreover, in the businesses that we are entering that are new to us or are at the early stages of their development, such as those targeted by the Multimedia and Enterprise Solutions business groups, the competitive environment may develop differently from our expectations. As a result, we may not be able to predict and adapt successfully to the future competition facing our various business segments, and we may find that we have not optimally positioned ourselves to compete in the future.

Reaching our targets depends on numerous factors, such as our ability to offer products and solutions that meet the demands of the market and to manage the prices and costs of our products and solutions, our operational efficiency, the pace of development and acceptance of new technologies, our entry into new business areas, and general economic conditions. Depending on those factors, some of which we may influence and others of which are beyond our control, we may fail to reach our targets and we may fail to provide accurate forecasts of our sales and results of operations.

A variety of factors could affect our ability to reach our targets and give accurate forecasts. Although, we can influence some of these factors, some of them depend on external factors that are beyond our control.

In our mobile device businesses, we seek to maintain healthy levels of sales and profitability through offering a competitive portfolio of mobile devices, growing faster than the market, working to improve our operational efficiency, controlling our costs, and targeting timely and successful product introductions and shipments. For us a competitive portfolio means a wide and balanced mix of commercially appealing mobile devices with attractive features, functionality and design, covering all major user segments and price points. The quarterly and annual sales and operating results in our mobile device businesses also depend on a number of other factors that are not within our control. Such factors include the global growth rate in mobile device volumes, which is influenced by regional economic factors in our major markets; competitive pressures;

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seasonality; the timing and success of product and service introductions by various market participants, including network operators; the commercial acceptance of new mobile devices, technologies and services; fluctuations in exchange rates; operators' and distributors' financial situation; and any harm suffered by the Nokia brand due to, for instance, the combination or use of layers or components in our products and solutions which have not been authorized by us and do not meet our and our customers' quality, safety or other corresponding standards.

Our networks business's quarterly and annual net sales and operating results can be affected by a number of factors, some of which we can influence, such as our operational efficiency, the level of our R&D investments and the deployment progress and technical success we achieve under network contracts. Other relevant factors include operator investment behavior, competitive pressures and general economic conditions although these are not within our control.

The new business areas that we have entered may be less profitable than we currently predict, in particular in the short term, or they may generate more variable operating results than we currently foresee. We expect to incur short-term operating losses in these new business areas, given our early stage investments in R&D and marketing, in particular. Also our efforts in managing prices and costs in the long-term, especially balancing prices and volumes with R&D costs, may prove to be inadequate.

Finally, the recent war in Iraq and continuing incidents of terrorist activity in various parts of the world have created uncertainties that may affect the global economy and our results of operations adversely.

Although we may announce forecasts of our results of operations, uncertainties affecting any of these factors, particularly during difficult economic conditions, render our forecasts difficult to make, and may cause us not to reach the targets that we have forecasted, or to revise our estimates.

Our sales and results of operations could be adversely affected if we fail to efficiently manage our manufacturing and logistics, or fail to ensure that our products and solutions meet our and our customers' quality, safety and other corresponding requirements and are delivered in time.

Our manufacturing and logistics are complex, require advanced and costly equipment and include outsourcing to third parties. These operations are continuously modified in an effort to improve manufacturing efficiency and flexibility. We may experience difficulties in adapting our supply to the demand for our products, ramping up or down production at our facilities, adopting new manufacturing processes, finding the most timely way to develop the best technical solutions for new products, or achieving manufacturing efficiency and flexibility, whether we manufacture our products and solutions ourselves or outsource to third parties. Such difficulties may have a material adverse effect on our sales and results of operations and may result from, among other things: delays in adjusting or upgrading production at our facilities, delays in expanding production capacity, failure in our manufacturing and logistics processes, failure in our outsourcing activities, and interruptions in the data communication systems that run our operations. As part of our reorganization effective January 1, 2004, we introduced a common Customer and Market Operations horizontal group across several business groups. If we fail to successfully implement the new organization, it may have a material adverse effect on the efficiency of our manufacturing and logistics. Also, a failure could occur at any stage of our product creation, manufacturing and delivery processes, resulting in our products and solutions not meeting our and our customers' quality, safety and other corresponding requirements, or being delivered late, which could have a material adverse effect on our sales, our results of operations and reputation and the value of the Nokia brand.

We are developing a number of our new products and solutions in collaboration with other companies. If any of these companies were to fail to perform, we may not be able to bring our products and solutions to market successfully or on a timely basis.

More frequently than before, we invite the providers of technology, components or software to work with us to develop technologies or new products and solutions. These arrangements involve the commitment by each company of various resources, including technology, research and development efforts, and personnel. Although we attempt to structure these arrangements to maximize cooperation and loyalty between the parties, our ability to introduce new products and solutions that meet our and our customers' quality, safety and other corresponding standards successfully and on schedule could be hampered if, for example, any of the following risks were to materialize: the arrangements with our collaboration partners do not develop as expected, the technologies provided by our collaboration partners are not sufficiently protected or infringe third parties' intellectual property rights in a way that we cannot foresee or prevent, the technologies, products or solutions supplied by companies working with us do not meet the required quality, safety and other corresponding standards or customer needs, our own quality controls fail, or the financial standing of our collaboration partners deteriorates.

We depend on our suppliers for the timely delivery of components and for their compliance with our supplier requirements, such as, most notably, our and our customers' product quality, safety and other corresponding standards. Their failure to do so could adversely affect our ability to deliver our products and solutions successfully and on time.

Our manufacturing operations depend to a certain extent on obtaining adequate supplies of fully functional components on a timely basis. Our principal requirements are for electronic components, such as semiconductors, microprocessors, micro controllers, memory devices and displays, which have a wide range of applications in our products. In addition, a particular component may be available only from a limited number of suppliers. Suppliers may from time to time extend lead times, limit supplies or increase prices due to capacity constraints or other factors, which could adversely affect our ability to deliver our products and solutions on a timely basis. Moreover, even if we attempt to select our suppliers and manage our supplier relationships with scrutiny, a component supplier may fail to meet our supplier requirements, such as, most notably, our and our customers' product quality, safety and other corresponding standards, and consequently some of our products are unacceptable to us and our customers, or we may fail in our own quality controls. Moreover, a component supplier may experience delays or disruption to its manufacturing, or financial difficulties. Any of these events could delay our successful delivery of products and solutions, which meet our and our customers' quality, safety and other corresponding requirements, or otherwise adversely affect our sales and our results of operations. Also, our reputation and brand value may be affected due to real or merely alleged failures in our products and solutions.

Our operations rely on complex and highly centralized information technology systems and networks. If any system or network disruption occurs, this reliance could have a material adverse impact on our operations, sales and operating results.

Our operations rely to a significant degree on the efficient and uninterrupted operation of complex and highly centralized information technology systems and networks, which are integrated with those of third parties. Any failure of our current or future systems or networks could have a material adverse effect on our operations, sales and operating results. Furthermore, any data leakages resulting from information technology security breaches could also adversely affect us.

All information technology systems are potentially vulnerable to damage or interruption from a variety of sources. We pursue various measures in order to manage our risks related to system and network disruptions, including the use of multiple suppliers and available information

technology security. However, despite precautions taken by us, an outage in a telecommunications network utilized by any of our information technology systems, virus or other event that leads to an unanticipated interruption of our information technology systems or networks could have a material adverse effect on our operations, sales and operating results.

Our products and solutions include increasingly complex technology involving numerous patented and other proprietary technologies. As a consequence, evaluating the protection of the technologies we intend to use is more difficult than before, and we may face claims that we have infringed third parties' intellectual property rights. The use of increasingly complex technology may result in increased licensing costs for us, restrictions on our ability to use such technology and offer our products and solutions, the invalidation of intellectual property rights on which we depend and/or costly and time-consuming litigation.

Our products and solutions include increasingly complex technology involving numerous patented and other proprietary technologies. As the amount of such proprietary technologies needed for our products and solutions increases and the number of protected parties and rights increases and becomes more fragmented within individual products, in addition to which the complexity of the technology and the overlap of product functionalities increase, the possibility of an infringement and related intellectual property claim against us increases. The holders of patents relevant to our product lines may be unknown to us, or may otherwise make it difficult for us to acquire a license on commercially acceptable terms. There may also be patents or other intellectual property rights held by third parties and licensed to and relied on by us that are subject to infringement or other corresponding allegations or claims by others which could damage our ability to rely on such technologies. In addition, although we endeavor to ensure that companies that work with us possess appropriate intellectual property rights, we cannot fully avoid risks of intellectual property rights infringement created by suppliers of components and various layers in our products and solutions or by companies with which we work in cooperative research and development activities. Similarly, we and our customers may face claims of infringement in connection with our customers' use of our products and solutions. Finally, as all technology standards, including those used and relied on by us, include some intellectual property rights, we cannot fully avoid risks of a claim for infringement of such rights due to our reliance on such standards.

Any such restrictions on our ability to sell our products and solutions due to expected or alleged infringements of third party intellectual property rights and any intellectual property right claims, regardless of merit, could result in material losses of profits, costly litigation, the payment of damages and other compensation, the diversion of the attention of our personnel, product shipment delays or the need for us to develop non-infringing technology or to enter into royalty or licensing agreements. If we were unable to develop non-infringing technology, or if royalty or licensing agreements were not available on commercially acceptable terms, we could be precluded from making and selling the affected products and solutions. As new features are added to our products and solutions, we may need to acquire further licenses, including from new and sometimes unidentified owners of intellectual property. The cumulative costs of obtaining any necessary licenses are difficult to predict and may over time have a negative effect on our operating results. Finally, any diminution of the protection that our own intellectual property rights enjoy could cause us to lose some of the benefits of our investments in R&D, which may have a negative effect on our results of operations. See "Item 4.B Business Overview—Patents and Licenses" for a more detailed discussion of our intellectual property activities.

The global networks business relies on a limited number of customers and large multi-year contracts. Unfavorable developments under a major contract or in relation to a major customer may affect our sales, our results of operations and cash flow adversely.

Large multi-year contracts, which are typical in the networks industry, include a risk that the timing of sales and results of operations associated with these contracts will be different than expected. Moreover, they usually require the dedication of substantial amounts of working capital and other resources, which impacts our cash flow negatively. Any non-performance by us under these contracts may have significant adverse consequences for us because network operators have demanded and may continue to demand stringent contract undertakings such as penalties for contract violations.

Customer financing to network operators can be a competitive requirement and could affect our sales, results of operations, balance sheet and cash flow adversely.

Network operators in some markets sometimes require their suppliers, including us, to arrange or provide long-term financing as a condition to obtaining or bidding on infrastructure projects. Moreover, they may require extended payment terms which mean that we must extend short-term trade credits to them. In some cases, the amounts and duration of these financings and trade credits, and the associated impact on our working capital, may be significant.

At December 31, 2003 our outstanding long-term loans to customers totaled EUR 354 million, while financial guarantees given on behalf of third parties totaled EUR 33 million. In addition, we had financing commitments totaling EUR 490 million. Total customer financing (outstanding and committed) was EUR 877 million. In 2003, we reduced our total customer financing (outstanding and committed) by EUR 1 127 million (or 56%) compared to 2002. Our continued intent is to further mitigate our total customer financing exposure, market conditions permitting. We continue to make arrangements with financial institutions and investors to sell credit risk we have incurred from the commitments and outstanding loans we have made as well as from the financial guarantees we have given.

The financial requirements for building our telecommunication networks are substantial. Some operators do not have an established customer base or revenue streams. Defaults by some of these operators have occurred in the past, and could occur again in the future for reasons beyond our control. This could result in the restructuring of customer financing arrangements and/or require us to re-assess the ultimate collectibility of such financings or trade credits. As a result, write-offs of all or a portion of the outstanding loan balances could occur and this may negatively impact our results of operations. In 2001, we recorded an impairment charge of EUR 714 million in our networks business's customer loans related to a defaulted financing to Telsim (EUR 669 million), a GSM operator in Turkey, and to the insolvency of Dolphin in the United Kingdom (EUR 45 million). In 2002, we recorded a net customer financing impairment charge of EUR 279 million. Of this amount, EUR 292 million was an impairment charge to write down the loans receivable to their estimated recoverable amount related to MobilCom, a German operator, and EUR 13 million was a partial recovery received relating to amounts written off in 2001 related to Dolphin. However, the charge relating to MobilCom was substantially reversed in 2003 by EUR 226 million as a result of our receiving repayment of the MobilCom loans receivables in the form of subordinated convertible perpetual bonds of France Telecom.

We see the current industry environment as requiring only non-material increases, if any, in customer financing. Customer financing continues to be requested by some operators in some markets, but to a considerably lesser extent and with considerably lower importance than during the past years. As a strategic market requirement, we plan to continue to extend customer financing and provide extended payment terms to a small number of selected customers. Extended payment terms may continue to result in a material aggregate amount of trade credits, but the

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associated risk is mitigated by the fact that the portfolio relates to a variety of customers. We cannot guarantee that we will be successful in providing needed financing to customers. Also, our ability to manage our total customer finance and trade credit exposure depends on a number of factors, including our capital structure, market conditions affecting our customers, the level of credit available to us and our ability to mitigate exposure on acceptable terms. We cannot guarantee that we will be successful in managing the challenges connected with the total customer financing and trade credit exposure that we may from time to time have. See "Item 4.B Business Overview—Networks," "Item 5.B Liquidity and Capital Resources—Customer Financing," and Notes 7 and 34(b) to our consolidated financial statements included in Item 18 of this Form 20-F for a more detailed discussion of issues relating to customer financing, trade credits and related commercial credit risk.

Our sales, costs and results are affected by exchange rate fluctuations, particularly between the euro, which is our reporting currency, and the US dollar, the UK pound sterling and the Japanese yen as well as certain other currencies.

We operate globally and are therefore exposed to foreign exchange risks in the form of both transaction risks and translation risks. Our policy is to monitor and hedge exchange rate exposure, and we manage our operations to mitigate, but not to eliminate, the impacts of exchange rate fluctuations. Our sales and results may be materially affected by exchange rate fluctuations. Similarly, exchange rate fluctuations may also materially affect the US dollar value of any dividends or other distributions that are paid in euro. For more information, see "Item 5.A Operating Results—Exchange Rates" and "Item 11. Quantitative and Qualitative Disclosures About Market Risk."

If we are unable to recruit, retain and develop appropriately skilled employees, we may not be able to implement our strategies and, consequently, our results of operations may suffer.

We must continue to recruit, retain and through constant competence training develop appropriately skilled employees with a comprehensive understanding of our businesses and technologies. As competition for skilled personnel remains keen, we seek to create a corporate culture that encourages creativity and continuous learning. We are also continuously developing our compensation and benefit policies and taking other measures to attract and motivate skilled personnel. Nevertheless, we have encountered in the past, and may encounter in the future, shortages of appropriately skilled personnel, which may hamper our ability to implement our strategies and harm our results of operations.

If we are unable to effectively and smoothly implement the new organizational structure effective January 1, 2004, we may experience a material adverse impact on our operations, sales and results of operations.

As noted above, we made the decision, effective January 1, 2004, to implement a new organizational structure consisting of four business groups, Mobile Phones; Multimedia; Networks; and Enterprise Solutions, and the three horizontal groups of Customer and Market Operations; Technology Platforms; and Research, Venturing and Business Infrastructure. The new organization is meant to allow us to respond effectively to the development of the mobility industry, and to enhance the effectiveness and customer focus in our operations. Should we fail to implement the new organizational structure effectively and smoothly, the efficiency of our operations and performance may be affected, which may have a material adverse impact on our sales and results of operations during 2004, and possibly also thereafter.

Our sales derived from, and assets located in, emerging market countries may be adversely affected by economic, regulatory and political developments in those countries.

We generate sales from and have invested in various emerging market countries. As sales from these countries represent a significant portion of our total sales, economic or political turmoil in these countries could adversely affect our sales and results of operations. Our investments in emerging market countries also may be subject to risks and uncertainties, including unfavorable taxation treatment, exchange controls, challenges in protecting our intellectual property rights, nationalization, inflation, currency fluctuations, or the absence of, or unexpected changes in, regulation.