	(Finnish markka per USD)			
1997	5.4530	5.2169	5.6000	4.6130
1998	5.0645	5.3433	5.6280	4.8995
		(USD per EUR)		
1999(1)	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
For the month ended:				
November 30, 2001	0.8958	0.8883	0.9044	0.8770
December 31, 2001	0.8901	0.8912	0.9044	0.8773
January 31, 2002	0.8594	0.8832	0.9031	0.8594
February 28, 2002	0.8658	0.8707	0.8778	0.8613
March 31, 2002	0.8717	0.8766	0.8836	0.8652
April 30, 2002	0.9002	0.8859	0.9028	0.8750

(1) The noon buying rate for the Finnish markka ceased to be available after January 15, 1999.

On May 20, 2002, the noon buying rate was USD 0.9213 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.

The new advanced products and solutions that we are developing incorporate complex, evolving technologies, including third generation technology, or 3G, that require substantial expenditures and resources. However, these new products and solutions may fail to be accepted at the rates or levels we anticipate and we may fail to realize the expected benefits from our investments in these new technologies.

The markets for our products and solutions are characterized by rapidly changing and increasingly complex technologies. At any given time, we are considering and developing a number of products and solutions incorporating advanced technologies from which we will select those that we feel have the best chance for success, based on our expectations of future market demand and evolution. The development and application of new technologies involve time, substantial costs and risks, whether we develop these technologies internally or by acquiring or investing in other companies. The technologies and related products and solutions on which we focus, including 3G systems and handsets, may not be brought to market as quickly as anticipated, may not achieve broad customer acceptance among operators or end-users, or may not prove to be sufficiently compatible with the existing technologies and products of other product and solutions providers.

Demand for new mobile communications or the supply of new mobile services also may not develop as we anticipate. In addition, our new technology, products and solutions may become obsolete more quickly than in the past as communications technology continues to evolve rapidly. Moreover, the revenue growth rates, operating margins and cash flow characteristics of our new businesses developed within Nokia Ventures Organization may be materially different from those of our networks and mobile phones businesses.

Although we strive to be a leader in developing new technologies, products and solutions and emphasize open standards, research and development and successful cooperation with selected companies, the technologies, products and solutions that we choose to pursue may not become as commercially successful as we planned. We also may experience difficulties in realizing the expected benefits from our acquisitions as well as from our other investments in new technologies and businesses, or from our promotion of open standards.

We may not reach the rate of growth that we have set out as our long-term targets.

The year 2001 was, after several years of rapid growth, a technology transition year for the mobile industry, characterized by an increasingly complex operating environment, and compounded by a weakened global economy. There was a decrease in total sales volumes of mobile phones globally and lower capital expenditure by operators compared with prior years resulting in the slight decline of the mobile infrastructure market as well as a significant change in realized versus anticipated growth rates. The future growth of the mobile communications market as well as our growth depends on a number of factors within and outside our control, including network operators' and our ability to commercialize 3G technology, operator investment behavior, the success of existing and new competitors in our markets, the development and acceptance of other new technologies that we may develop, general developments in the communications and technology markets, and the economic growth rates and economic stability of the countries around the world in which we are active.

Delays by operators in installing and launching 3G networks, services and devices also could affect our net sales and operating profits materially and adversely. In addition, mobile phone penetration in a number of countries has reached high levels. As a result, along with increased penetration, we are also continuing to focus on the replacement market to achieve our targeted sales growth. However, the rate of growth of our net sales, operating profit and market share may be lower than our historical growth rates. Any of these factors may affect our ability to reach the growth rates that we have set out as our long-term targets.

We may experience greater variability in our sales and operating results than in the past, particularly depending on the general economic conditions and the pace of development and acceptance of new technologies.

Our quarterly and annual sales and operating results are affected by a wide variety of factors that could affect our net sales and profitability materially and adversely from period to period. The economic slowdown in many markets where we operate, could continue to negatively impact demand for mobile phones, the timing of network capacity build-outs, and the development and acceptance of new technologies including 3G.

Nokia Networks quarterly net sales and operating profit can be affected by general economic conditions and competitive pressures, the progress we make under network contracts, the mix of contracts in process and the evolution from GSM to 3G. Nokia Mobile Phones quarterly net sales and operating margin can be affected by the global growth rate in mobile phone unit sales, which depends in part on regional economic factors in Nokia's major markets, competitive pressures, the timing and success of our new product introductions and shipments, the rate at which network

operators launch new technologies and services for mass consumption, as well as the commercial acceptance of these new technologies and services. Also, recent terrorist activity has created uncertainties that have already adversely affected the global economy. The future effects of terrorist activity on our business and on the global economy remain unknown.

Uncertainties affecting any of these factors, particularly during difficult economic conditions, render estimates of our future sales and operating results even more difficult to make than usual, and therefore may lead us to revise our estimates more frequently than in the past.

The average price of mobile telephones has declined significantly during the last several years. If we are required to reduce our prices in the future, our profit margins may decline unless we are able to offset the impact of these price reductions.

The average mobile phone price has declined significantly during the last several years. We seek to offset the effect of this by, among other actions, increasing sales volumes and reducing manufacturing and logistics costs. We also seek to maintain average price levels by frequently introducing new mobile phones with improved design, technological features and operating efficiencies and by leveraging the strength of our global brand. Although these actions have enabled us to maintain relatively stable average selling prices in recent years, these actions may not continue to be successful and future declines in mobile phone prices may adversely affect our results of operations. See "Item 4.B Business Overview—Industry Opportunity—The Mobile Phone Industry."

Changes in the communications industry are expected to increase competition and change the competitive landscape and may affect our sales and operating results negatively.

The markets for our products and solutions are intensely competitive. Our competitors, including many new market entrants, may implement new technologies before we do, deliver new products and solutions earlier, or provide more attractively priced, enhanced or better quality products and solutions than we provide. Moreover, as the mobile communications industry moves toward 3G technology, which integrates mobile services with Internet applications, new categories of market entrants are competing for our mobile communications business. The development of other new technologies and potential changes in customer behavior also may change the competitive landscape for our products and solutions in ways that we cannot currently predict.

To date, our principal competitors on a global basis have been Motorola, Ericsson, Siemens and Samsung, although we also compete with a variety of other companies. With the development of new technologies, we may encounter increased competition in our handset business from manufacturers of consumer electronics products and devices that are increasing their focus on mobile communications products and in our networks business from communications equipment, Internet systems and software suppliers, as well as service providers.

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

As the communications market consolidates, there is a worldwide trend towards large-scale global communications customers. Reliance on a limited number of large customers or large and complex system contracts may adversely affect our business if an unfavorable development occurs under a major contract or involving one or more of these customers.

Large multi-year contracts, which are typical in our industry, usually require the dedication of substantial amounts of working capital and other resources, which impacts our cash flow negatively. With the advent of very large, multi-year, fixed price contracts for new technologies,

such as 3G, there is also increased difficulty in projecting the timing of net sales and operating profit associated with these contracts. Moreover, any non-performance by Nokia under these contracts, particularly those relating to 3G and other new technologies, may have significant adverse consequences for us because network operators, which already have made significant investments in licenses and other commitments for new technologies, are demanding stringent contract undertakings such as penalties for contract violations.

Customer financing to network operators is a competitive requirement and can affect our net sales, profits, balance sheet and cash flow adversely.

Network operators sometimes require their suppliers, including us, to arrange or provide long-term financing as a condition to obtaining or bidding on infrastructure projects, especially in connection with 3G technology contracts. In some cases, the amounts of these financings, and the associated impact on our working capital, may be significant.

We have extended a significant amount of customer financing to selected customers. The total aggregate value at December 31, 2001 of our committed customer financing was EUR 4,210 million, of which EUR 1,255 million was outstanding at the same date. Out of the outstanding customer financing, EUR 1,128 million was in respect of loans and EUR 127 million was in respect of financial guarantees. Of our committed customer financing at December 31, 2001, 86% was in respect of 3G networks.

The current assessment of our customer market indicates that we do not expect our total committed customer financing to increase significantly. We expect the overall amount of our committed customer financing to increase by a small amount during 2002 as compared to the December 31, 2001 level. As a strategic market requirement, we plan to continue to extend customer financing to a small number of selected customers. However, should customer requirements, market or economic conditions change significantly, we may be required to increase materially the total amount of our committed customer financing. Outstanding customer financing is expected to increase in 2002 as customers draw on available financing.

In 2001, our total committed customer financing increased significantly compared to previous years. See "Item 5.B Liquidity and Capital Resources." Our intent is to mitigate this exposure, market conditions permitting. We are seeking to make arrangements with financial institutions and investors to transfer part of the credit risk we have incurred from the commitments and outstanding loans we have made as well as from the financial guarantees we have given. However, our ability to manage our total committed customer finance 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.

The financial requirements for building out 3G and related networks are substantial. In particular, some operators, including those that may purchase our networks, have incurred significant indebtedness in connection with the acquisition of 3G licenses or are early stage companies without an established customer base or revenue streams. Defaults by these operators could occur for reasons beyond our control, and could result in the restructuring of these financing arrangements or credit losses. In 2001, we wrote off EUR 714 million in customer loans relating 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). We cannot guarantee that we will be successful in providing this type of financing to customers, in analyzing and mitigating exposure to their underlying credit risks and in otherwise managing the challenges raised by our significantly increased customer financing. See "Item 4.B Business Overview—Nokia Networks," "Item 5.B Liquidity and Capital Resources," "Item 8.A.7 Litigation" and note 34b to our consolidated

financial statements included in Item 18 of this Form 20-F for a more detailed discussion of issues relating to vendor financing and related commercial credit risk.

Our growth and profitability could be adversely affected if we fail to maintain optimal production capacity, as well as cost-efficient, effective and flexible manufacturing operations.

Our manufacturing operations 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 expect these characteristics to become even more acute as 3G technology develops and mass production of products based on this technology commences. We may experience difficulties in ramping up or down production at our facilities, adopting new manufacturing processes and finding the most timely way to develop the best technical solutions for new products. Difficulties in achieving optimal levels of manufacturing efficiency for 3G products and solutions may result from, among other things, capacity constraints, construction delays or delays in adjusting production at our facilities, upgrading or expanding existing production capacity or changing process technologies. In addition, during periods of slower growth, we may have excess capacity and may incur various costs relating to existing commitments to suppliers, redundancies, impairment of related assets and structural changes to our operations.

We depend on our suppliers to deliver fully functional components on time and their failure to do so could adversely affect our ability to deliver our products successfully and on time.

Our manufacturing operations also depend 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 and memory devices, which have a wide range of applications in our communications products. In addition, a particular component may be available only from a limited number of suppliers. We also outsource a portion of our product production to third parties. If a supplier of components fails to meet the required quality standards, and some of our products consequently fail to function fully, this could cause us to incur warranty or recall costs, could adversely affect our sales and consumer confidence in our products, and ultimately could harm the Nokia brand. 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 on a timely basis. Moreover, if one of the third parties to which we outsource production fails to perform, or experiences delays or disruption to its production, or financial difficulties, this could adversely affect our business.

We are developing a number of our new products and solutions in partnership 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.

We sometimes invite providers of technology, components or software critical to the production of a number of our products and solutions, including those employing 3G technology, to work with us to develop these technologies. These arrangements involve expenditure by each company of various resources, including technology, research and development as well as personnel. We attempt to structure these arrangements to maximize cooperation and loyalty between the parties. However, if these arrangements do not develop as expected, especially those that involve proprietary components and supplemental technologies, if the products produced by companies working with us do not meet the required quality standards, or the financial standing of our partners deteriorates, our ability to introduce these new products and solutions successfully and on schedule may be hampered.

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

To meet the challenges of sustaining growth and retaining the effectiveness of our operations, changes in technology and an intensely competitive environment, especially as we continue to develop our 3G and other new technologies, we must continue to recruit and retain highly skilled employees with a comprehensive understanding of many different and evolving technologies. Although we seek to create a corporate culture that encourages creativity and continuous learning, competition for skilled personnel in our industry remains keen. We also are continuously developing our compensation and benefit policies and taking other measures to attract and retain skilled personnel. However, we may encounter shortages of sufficient numbers of appropriately skilled personnel in the future.

Third-party claims that we have infringed their intellectual property rights could result in costly and time-consuming litigation or the invalidation of intellectual property rights on which we depend.

Our products include increasingly complex technological solutions that incorporate a variety of patented and proprietary technologies. As the number of entrants in the market grows and the complexity of the technology and the overlap of product functionalities increase, the possibility of an inadvertent infringement and related intellectual property claim against us increases. There may be patents and patent owners relevant to our product lines that are unknown to us. In addition, although we endeavor to ensure that companies that work with us possess appropriate intellectual property rights, we recognize that we cannot fully avoid risks of intellectual property rights infringement created by companies with which we work in cooperative research and development activities. Similarly, we or our customers may face claims of infringement in connection with our customers' use of our products and solutions.

Any such claims, regardless of merit, could result in costly litigation and the payment of damages and other compensation, divert the attention of our personnel, cause product shipment delays or require 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 reasonable terms, we could be precluded from making and selling the affected products. As new features are added to our products, we may need to acquire further licenses, including from new and sometimes unidentified intellectual property owners. We cannot be sure of the cost of obtaining any necessary licenses. See "Item 4.B Business Overview—Patents and Licenses" for a more detailed discussion of our intellectual property activities.

Allegations of health risks from the electromagnetic fields generated by base stations and mobile handsets, and the lawsuits and publicity relating to them, regardless of merit, could affect our operations negatively by leading consumers to reduce their use of mobile phones or by causing us to allocate monetary and personnel resources to these issues.

There has been public speculation about possible health risks to individuals from exposure to electromagnetic fields from base stations and from the use of mobile phones. While a substantial amount of scientific research conducted to date by various independent research bodies has indicated that these radio signals, at levels within the limits prescribed by public health authority safety standards and recommendations, present no adverse effect to human health, we cannot be certain that future studies, irrespective of their scientific basis, will not suggest a link between electromagnetic fields and adverse health effects that would adversely affect our share price. Research into these issues is ongoing by government agencies, international health organizations and other scientific bodies in order to develop a better scientific and public understanding of these

issues. Our contributions to ongoing research efforts are described in "Item 4.B Business Overview—Research and Development."

Currently, Nokia and several other mobile phone manufacturers, distributors and network operators have been named as defendants in a class action litigation. The litigation has been consolidated and filed in a US federal court in Baltimore, Maryland, United States. The suits allege that the use of mobile phones without a headset poses a health risk. In addition, Nokia and other mobile phone manufacturers and network operators have been named as defendants in four lawsuits by individual plaintiffs who allege that the radio emissions from mobile phones caused or contributed to each plaintiff's brain tumor. See "Item 8.A.7—Litigation" for a more detailed discussion of these lawsuits.

Although Nokia products and solutions are designed to meet all relevant safety standards and recommendations globally, no more than a perceived risk of adverse health effects of mobile communications devices could adversely affect us through a reduction in sales of handsets or increased difficulty in obtaining sites for base stations.

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

We operate globally and are therefore exposed to foreign exchange risks. Our policy is to monitor and hedge exchange rate exposure, and we manage our operations to mitigate, but not to eliminate, the positive or negative impact of exchange rate fluctuations. Exchange rate fluctuations may affect our sales growth and operating profit materially in future periods. See "Item 5.A Operating Results—Exchange Rates" and "Item 11. Quantitative and Qualitative Disclosures About Market Risk."

In addition to the effect of exchange rate fluctuations on our results, an investor's return in US dollars from an investment in ADSs or shares may be affected by any depreciation of the euro because the value of dividends and other distributions paid in euro would decline as the value of the euro, expressed in US dollars, declines.

Our net 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 net sales from and have invested in various emerging market countries. As net sales from these countries represent a significant portion of our total net sales, economic turmoil in these countries could adversely affect our net sales. Our investments in emerging market countries also may be subject to risks and uncertainties, including unfavorable taxation treatment, exchange controls, nationalization, inflation, currency fluctuations, or the absence or lack of regulation.

Changes in various types of regulation in countries around the world could affect our business adversely.

Our business is subject to direct and indirect regulation in each of the countries in which we or our customers do business. As a result, changes in various types of regulation could affect our business adversely. For example, it is in our interest that the Federal Communications Commission maintain a regulatory environment that ensures the continued growth of the wireless sector in the United States. In addition, changes in regulation affecting the construction of base stations and other network infrastructure could adversely affect the timing and costs of new network construction or expansion and the commercial launch and ultimate commercial success of these networks. Expensive government license fees can cause operators to incur substantial indebtedness and fundamentally affect operators' businesses, profitability and financial condition,

as well as the demands operators make on equipment suppliers such as Nokia. Moreover, implementation of new technological or legal requirements impacting our products and solutions, manufacturing or distribution processes could affect the timing of product introductions, the cost of our production or products as well as their commercial success. Finally, tariff, environmental and other regulation that adversely affects the pricing of new services could affect the sales of our products. The impact of these changes in regulation could affect our business adversely even though the specific regulations do not directly apply to us or our products. See "Item 4.B Business Overview—Government Regulation."

Our share price has been and may continue to be volatile in response to conditions in the global securities markets generally and in the communications and technology sectors in particular.

Our share price has been subject to significant volatility, in part due to highly volatile securities markets, particularly for communications and technology companies' shares, as well as developments from quarter to quarter in our sales, growth rate and operating margin. Factors other than Nokia's results of operations that may affect our share price include, among other things, market expectations of our performance and projected volume growth in the mobile communications network and handset markets, the level of business activity or perceived growth (or the lack thereof) in the market in general, the performance of other technology companies, announcements by or the results of operations of our competitors, customers and suppliers, potential litigation involving Nokia or our industry, and announcements concerning the relative success or timetables of 3G mobile networks, products and services, as well as general market volatility. See "Item 9.A Offer and Listing Details" for information regarding the trading price history of our shares and ADSs.