NOKIA CORP
Form 6-K
July 23, 2010

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER

PURSUANT TO RULE 13a-16 or 15d-16 OF

THE SECURITIES EXCHANGE ACT OF 1934

Report on Form 6-K dated July 23, 2010

(Commission File No. 1-13202)

This Report on Form 6-K shall be incorporated by reference in our automatic shelf registration statement on Form F-3, as filed with the Securities and Exchange Commission on March 25, 2008 (File No. 333-149890), to the extent not superseded by documents or reports subsequently filed by us under the Securities Act of 1933 or the Securities Exchange Act of 1934, in each case as amended.

Nokia Corporation

(Name of Registrant)

Keilalahdentie 4

P.O. Box 226, FI-00045 Nokia Group, Espoo

Finland

(Address of Principal Executive Offices)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F:

Form 20-F: x Form 40-F: o

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Yes: o **No**: x

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Yes: o **No**: x

Indicate by check mark whether the registrant by furnishing the information contained in this form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes: o **No**: x

Enclosure: ***Nokia Q2 2010 interim report excluding non-GAAP financial measures***

INTERIM REPORT

For the purposes of incorporation by reference in Nokia Corporation s registration statement on Form F-3, filed with the SEC on March 25, 2008, this Nokia Q2 2010 interim report does not contain references to non-GAAP financial measures relating to operating profit, expenses, margins and earnings per share that exclude special and other items and net sales at constant currency, but otherwise contains the same information as the Q2 2010 interim report released by Nokia on July 22, 2010.

Nokia Corporation July 22, 2010

Nokia Q2 2010 net sales EUR 10.0 billion, EPS EUR 0.06

Nokia operating cash flow of EUR 944 million

Second quarter 2010 results

EUR million	**Q2/2010**	**Q2/2009**	**YoY Change**	**Q1/2010**	**QoQ Change**
Net sales	10 003	9 912	1%	9 522	5%
Devices & Services	6 799	6 586	3%	6 663	2%
NAVTEQ	252	147	71%	189	33%
Nokia Siemens Networks	3 039	3 199	-5%	2 718	12%
Operating profit	295	427	-31%	488	-40%
Devices & Services	643	763	-16%	831	-23%
NAVTEQ	-81	-100		-77	
Nokia Siemens Networks	-179	-188		-226	
Operating margin	2.9%	4.3%		5.1%	
Devices & Services	9.5%	11.6%		12.5%	
NAVTEQ	-32.1%	-68.0%		-40.7%	
Nokia Siemens Networks	-5.9%	-5.9%		-8.3%	
EPS, EUR Diluted	0.06	0.10	-40%	0.09	-33%

Note: *Nokia net sales were EUR 19 525 million and earnings per share (diluted) were EUR 0.16 for the period from January 1 to June 30, 2010.*

SECOND QUARTER 2010 HIGHLIGHTS

- Nokia net sales of EUR 10.0 billion, up 1% year-on-year and 5% sequentially.
- Devices & Services net sales of EUR 6.8 billion, up 3% year-on-year and 2% sequentially.
- Services net sales of EUR 158 million, up 7% sequentially; billings of EUR 295 million, up 29% sequentially.

- Nokia total mobile device volumes of 111.1 million units, up 8% year-on-year and 3% sequentially.

- Nokia converged mobile device (smartphone and mobile computer) volumes of 24.0 million units, up 42% year-on-year and 12% sequentially.

- Nokia mobile device ASP (including services revenue) of EUR 61, down from EUR 62 in Q1 2010.

- Devices & Services gross margin of 30.2%, down from 34.0% in Q2 2009 and 32.4% in Q1 2010.

- Nokia Siemens Networks net sales of EUR 3.0 billion, down 5% year-on-year and up 12% sequentially.

- Nokia operating cash flow of EUR 944 million.

- Total cash and other liquid assets of EUR 9.5 billion at the end of Q2 2010.

- Nokia taxes were unfavorably impacted by Nokia Siemens Networks taxes as no tax benefits are recognized for certain Nokia Siemens Networks deferred tax items.

OLLI-PEKKA KALLASVUO, NOKIA CEO:

Despite facing continuing competitive challenges, we ended the second quarter with several reasons to be optimistic about our future. For one, the global handset market has continued to grow at a healthy pace, led by some of the less mature markets where Nokia is strong. We are also encouraged by the solid second quarter performance of our Mobile Phones business, helped by an improving line-up of affordable models.

In smartphones, we continue to renew our portfolio. We believe that the Nokia N8, the first of our Symbian^3 devices, will have a user experience superior to that of any smartphone Nokia has created. The Nokia N8 will be followed soon thereafter by further Symbian^3 smartphones that we are confident will give the platform broader appeal and reach, and kick-start Nokia s fightback at the higher end of the market.

INDUSTRY AND NOKIA OUTLOOK

- Nokia expects Devices & Services net sales to be between EUR 6.7 billion and EUR 7.2 billion in the third quarter 2010.

- Nokia and Nokia Siemens Networks expect Nokia Siemens Networks net sales to be between EUR 2.7 billion and EUR 3.1 billion in the third quarter 2010.

- Nokia continues to expect industry mobile device volumes to be up approximately 10% in 2010, compared to 2009 (based on its revised definition of the industry mobile device market applicable beginning in 2010).

- Nokia continues to target its mobile device volume market share to be flat in 2010, compared to 2009.

- Nokia continues to expect its mobile device value market share to be slightly lower in 2010, compared to 2009.

- Nokia and Nokia Siemens Networks continue to expect a flat market in Euro terms for the mobile and fixed infrastructure and related services market in 2010, compared to 2009.

- Nokia and Nokia Siemens Networks now target Nokia Siemens Networks to maintain its market share in 2010. This is an update to Nokia and Nokia Siemens Networks earlier target for Nokia Siemens Networks to grow faster than the market in 2010.

SECOND QUARTER 2010 FINANCIAL HIGHLIGHTS

(Comparisons are given to the second quarter 2009 results, unless otherwise indicated.)

Q2 2010 special items EUR 365 million consisting of:

- *EUR 114 million restructuring charge and other associated items in Nokia Siemens Networks*

- *EUR 116 million of intangible asset amortization and other purchase price accounting related items arising from the formation of Nokia Siemens Networks*

- *EUR 131 million of intangible asset amortization and other purchase price accounting related items arising from the acquisition of NAVTEQ*

- *EUR 4 million of intangible assets amortization and other purchase price related items arising from the acquisition of OZ Communications, Novarra and MetaCarta in Devices & Services*

Q1 2010 special items EUR 332 million consisting of:

- *EUR 125 million restructuring charge and other associated items in Nokia Siemens Networks.*

• *EUR 29 million gain on sale of assets and a business in Devices & Services.*

• *EUR 116 million of intangible asset amortization and other purchase price accounting related items arising from the formation of Nokia Siemens Networks.*

• *EUR 118 million of intangible asset amortization and other purchase price accounting related items arising from the acquisition of NAVTEQ.*

• *EUR 2 million of intangible assets amortization and other purchase price related items arising from the acquisition of OZ Communications in Devices & Services.*

Q2 2009 special items EUR 348 million consisting of:

• *EUR 22 million of impairment of intangible assets in Devices & Services*

• *EUR 83 million restructuring charge in Devices & Services*

• *EUR 68 million gain on sale of security appliance business in Devices & Services*

• *EUR 69 million restructuring charge and other associated items in Nokia Siemens Networks*

• *EUR 121 million of intangible assets amortization and other purchase price related items arising from the formation of Nokia Siemens Networks*

• *EUR 119 million of intangible assets amortization and other purchase price related items arising from the acquisition of NAVTEQ*

• *EUR 2 million of intangible assets amortization and other purchase price related items arising from the acquisition of OZ Communications in Devices & Services.*

Nokia Group

Nokia s second quarter 2010 net sales increased 1% to EUR 10.0 billion, compared with EUR 9.9 billion in the second quarter 2009.

Nokia s second quarter 2010 operating profit decreased to EUR 295 million, compared with EUR 427 million in the second quarter 2009. Nokia s second quarter 2010 operating margin was 2.9% (4.3%).

Operating cash flow for the second quarter 2010 was EUR 944 million. The operating cash flow for the second quarter 2009 was EUR 716 million. Total cash and other liquid assets were EUR 9.5 billion at end of the second quarter 2010, compared with EUR 7.0 billion at the end of the second quarter 2009. At the end of the second quarter 2010, Nokia s net debt-equity ratio (gearing) was 27%, compared with -10% at the end of the second quarter 2009.

Devices & Services

As previously disclosed and discussed below, multiple factors negatively impacted Nokia s Devices & Services business during the second quarter 2010, and we expect this to continue during the third quarter 2010.

Net Sales. Second quarter 2010 Devices & Services net sales increased 3% to EUR 6.8 billion, compared with EUR 6.6 billion in the second quarter 2009. The net sales increase resulted primarily from higher volumes in most regions driven by stronger demand, partially offset by an ASP decline, compared to the second quarter 2009. Net sales in the second quarter 2010 were adversely impacted by the competitive environment, particularly in the high end of the market.

The following chart sets out Devices & Services net sales for the periods indicated, as well as the year-on-year and sequential growth rates, by geographic area.

DEVICES & SERVICES NET SALES BY GEOGRAPHIC AREA

(EUR million)	Q2/2010	Q2/2009	YoY Change	Q1/2010	QoQ Change
Europe	2 173	2 158	1%	2 186	-1%
Middle East & Africa	934	1 038	-10%	1 005	-7%
Greater China	1 373	1 136	21%	1 458	-6%
Asia-Pacific	1 543	1 568	-2%	1 363	13%
North America	223	264	-16%	219	2%
Latin America	553	422	31%	432	28%
Total	**6 799**	**6 586**	**3%**	**6 663**	**2%**

Of our total Devices & Services net sales, services contributed EUR 158 million in the second quarter 2010, compared with EUR 148 million in the first quarter 2010. Services billings in the second quarter 2010 were EUR 295 million, compared with EUR 228 million in the first quarter 2010. Due to the divestment of the security appliance business in April 2009, services net sales of EUR 140 million and billings of EUR 207 million in the second quarter 2009 are not directly comparable to services net sales and billings in the second quarter 2010.

The following chart sets out our Devices & Services net sales for the periods indicated, as well as the year-on-year and sequential growth rates, by category.

DEVICES & SERVICES NET SALES BY CATEGORY

(EUR million)	Q2/2010	Q2/2009(3)	YoY Change(3)	Q1/2010	QoQ Change
Mobile phones(1)	3 369	3 514	-4%	3 325	1%
Converged mobile devices(2)	3 429	3 064	12%	3 338	3%
Total	**6 799**	**6 586**	**3%**	**6 663**	**2%**

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

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

Note (3): *Does not include the net sales of the security appliance business that was divested in April 2009.*

Volume and Market Share. In the second quarter 2010, the total mobile device volumes of Devices & Services were 111.1 million units, representing an increase of 8% year-on-year and 3% sequentially. The overall industry mobile device volumes for the same period were 338 million units based on Nokia s preliminary estimate, representing an increase of 14% year-on-year and 5% sequentially. Nokia s preliminary estimated mobile device market share was 33% in the second quarter 2010, down from an estimated 35% in the second quarter 2009 and unchanged from an estimated 33% in the first quarter 2010 (based on Nokia s revised definition of the industry mobile device market share applicable beginning in 2010 and applied retrospectively to 2009 for comparative purposes only).

Of the total industry mobile device volumes, converged mobile device industry volumes in the second quarter 2010 increased to 59.0 million units, based on Nokia s preliminary estimate, compared with an estimated 41.0 million units in the second quarter 2009 and 52.6 million units in the first quarter 2010. Our own converged mobile device volumes, comprising our smartphones and mobile computers, were 24.0 million units in the second quarter 2010, an increase of 42% compared with 16.9 million units in the second quarter 2009 and 12% compared with 21.5 million units in the first quarter 2010. Nokia s preliminary estimated share of the converged mobile device market was 41% in the second quarter 2010, compared with an estimated 41% in the second quarter 2009 and an estimated 41% in the first quarter 2010.

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

DEVICES & SERVICES MOBILE DEVICE VOLUME BY GEOGRAPHIC AREA

(million units)	Q2/2010	Q2/2009	YoY Change	Q1/2010	QoQ Change
Europe	26.1	23.3	12%	23.9	9%
Middle East & Africa	21.0	18.9	11%	22.2	-5%
Greater China	19.3	18.6	4%	21.1	-9%
Asia-Pacific	30.8	30.3	2%	29.2	5%
North America	2.6	3.2	-19%	2.7	-4%
Latin America	11.2	8.9	26%	8.7	29%
Total	**111.1**	**103.2**	**8%**	**107.8**	**3%**

Nokia s 8% year-on-year increase in global mobile device volumes was primarily driven by an improved demand environment as economic conditions had improved in most regions compared with the difficult economic conditions of the second quarter 2009. This improvement was offset to some extent by lower demand for our mobile devices in North America. On a sequential basis, Nokia s 3% increase in global mobile device volumes primarily reflected a seasonal increase in demand in Latin America, Europe and Asia-Pacific offset to some extent by a seasonal decrease in demand in Greater China and by lower demand for our mobile devices in Middle East & Africa and North America.

Average Selling Price. Our mobile device average selling price (ASP) in the second quarter 2010 was EUR 61, down from EUR 64 in the second quarter 2009 and from EUR 62 in the first quarter 2010 (including services revenue applied retrospectively to 2009 for comparative purposes only). The lower year-on-year ASP was primarily due to a higher proportion of lower-priced converged mobile device sales and price pressure, particularly in certain high-end smartphones, offset to some extent by converged mobile devices representing a greater proportion of our overall mobile device volumes in the second quarter 2010. On a sequential basis, our lower ASP was primarily driven by price pressure, particularly in certain high-end smartphones, offset to some extent by the appreciation of certain currencies against the Euro and converged mobile devices representing a greater proportion of our overall mobile device volumes in the second quarter 2010. Our converged mobile device ASP in the second quarter 2010 was EUR 143, down from EUR 155 in the first quarter 2010 and EUR 181 in the second quarter 2009. The year-on-year and sequential declines in our converged mobile devices ASPs were mainly driven by an increase in the proportion of such devices sold at lower price points consistent with our strategy to reach wider groups of consumers, as well as price pressure in certain high-end smartphones in the second quarter 2010.

The following chart sets out our Devices & Services ASP for the periods indicated, as well as the year-on-year and sequential growth rates, by category.

DEVICES & SERVICES AVERAGE SELLING PRICE BY CATEGORY

(EUR)	Q2/2010	Q2/2009	YoY Change	Q1/2010	QoQ Change
Mobile phones(1)	39	41	-5%	39	0%
Converged mobile devices(2)	143	181	-21%	155	-8%
Total	**61**	**64**	**-4%**	**62**	**-1%**

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

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

Profitability. Devices & Services gross profit decreased 8% to EUR 2.1 billion, compared with EUR 2.2 billion in the second quarter 2009, with a gross margin of 30.2% (34.0%). Devices & Services gross margin was 32.4% in the first quarter 2010. The year-on-year and sequential gross margin declines were primarily due to price pressure, particularly in certain high-end smartphones, offset to some extent by converged mobile devices representing a greater proportion of our overall mobile device volumes in the second quarter 2010, compared to the second quarter 2009 and first quarter 2010. Sequentially, the gross margin decline was also due to the depreciation of the Euro against certain currencies, which led to higher cost of goods sold, and our foreign exchange hedging having a smaller positive one-quarter impact on the gross margin, as well as a mix shift towards sales of lower-gross margin converged mobile devices. During the latter part of the second quarter 2010, Devices & Services net sales and cost of goods sold were somewhat negatively impacted by industry-wide shortages of certain components and we see this situation continuing through the third quarter 2010.

Devices & Services operating profit decreased 16% to EUR 643 million, compared with EUR 763 million in the second quarter 2009, with an operating margin of 9.5% (11.6%). The year-on-year decrease in operating profit for the second quarter 2010 was driven primarily by the lower gross margin. Our operating expenses in the second quarter 2010 were also adversely impacted by the depreciation of the Euro against certain currencies, compared to the second quarter 2009.

Nokia will deliver a family of smartphones based on the Symbian^3 software platform that is targeted to offer a clearly improved user experience, a high standard of quality, and competitive value to consumers. We plan to start shipping the Nokia N8, the first Symbian^3 device, towards the end of the third quarter 2010. The Nokia N8 will be followed soon thereafter by further Symbian^3 smartphones that will give the platform broader appeal and reach.

NAVTEQ

Net Sales. Second quarter 2010 NAVTEQ net sales increased 71% year-on-year to EUR 252 million, compared with EUR 147 million in the second quarter 2009, benefiting from improved conditions in the automotive industry and growth in mobile device sales.

Profitability. In the second quarter 2010, NAVTEQ s gross profit increased to EUR 205 million, compared with EUR 125 million in the second quarter 2009, with a gross margin of 81.3% (85.7%). In the second quarter 2010, NAVTEQ s operating loss decreased to EUR 81 million, compared with a EUR 100 million loss in the second quarter 2009. The operating margin was -32.1% (-68.0%).

Nokia Siemens Networks

Net Sales. Second quarter 2010 net sales decreased 5% to EUR 3.0 billion, compared with EUR 3.2 billion in the second quarter 2009. The decrease was primarily due to the ongoing industry-wide issue related to security clearances in India, which is preventing the completion of product sales to customers, and shortages of certain components that are affecting the broader industry; we see both of these situations continuing during the third quarter 2010. Of total Nokia Siemens Networks net sales, services contributed EUR 1.4 billion in the second quarter 2010.

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

NOKIA SIEMENS NETWORKS NET SALES BY GEOGRAPHIC AREA

(EUR million)	Q2/2010	Q2/2009	YoY Change	Q1/2010	QoQ Change
Europe	1 136	1 209	-6%	1 065	7%
Middle East & Africa	400	459	-13%	297	35%
Greater China	357	353	1%	275	30%
Asia-Pacific	594	648	-8%	632	-6%
North America	181	208	-13%	153	18%
Latin America	371	322	15%	296	25%
Total	**3 039**	**3 199**	**-5%**	**2 718**	**12%**

Profitability. Nokia Siemens Networks gross profit increased 1% to EUR 869 million, compared with EUR 860 million in the second quarter 2009, with a gross margin of 28.6% (26.9%). The higher year-on-year gross profit in the second quarter 2010 was primarily due to continued progress on product cost reductions and a favorable regional mix, compared to the second quarter 2009.

Nokia Siemens Networks second quarter 2010 operating loss was EUR 179 million, compared with an operating loss of EUR 188 million in the second quarter 2009, with an operating margin of -5.9% (-5.9%). The year-on-year improvement in Nokia Siemens Networks operating result was primarily due to the improved gross margin.

Q2 2010 OPERATING HIGHLIGHTS

Devices & Services

- Nokia continued to build the various elements of, and attract consumers to, Ovi. Highlights for the quarter included the following:

- To support the expansion of Ovi, Nokia acquired MetaCarta Inc. to obtain its geographic intelligence technology and expertise, and Novarra Inc., whose mobile browser and services platform will be used by Nokia to deliver enhanced Internet experiences on Nokia s Series 40-based mobile phones.

- Nokia continued to expand elements of Ovi into different markets. For example, Nokia brought its unlimited music downloads offering to China and India, as well as expanded the footprint of Ovi Life Tools, its data and entertainment service, to China.

- Ovi continued to gain further traction with consumers. For example, cumulative downloads of Ovi Maps, the free navigation offering, reached more than 17 million by the end of the quarter. Nokia also began including the offering in all its GPS-enabled smartphones out-of-the-box.

- Nokia took a significant step to building greater presence for Ovi on the web, announcing a worldwide strategic alliance with Yahoo! that will see the two companies leverage each others strengths in e-mail, instant messaging and maps and navigation services. As part of the alliance, Nokia will be the exclusive, global provider of Yahoo! s maps and navigation services, integrating Ovi Maps across Yahoo! properties, branded as powered by Ovi , while Yahoo! will become the exclusive, global provider of Nokia s Ovi Mail and Ovi Chat services branded as Ovi Mail / Ovi Chat powered by Yahoo! .

- Nokia and Microsoft launched Microsoft Communicator Mobile, the first application developed together as part of their alliance around mobile productivity. The application is available to owners of selected Nokia Eseries devices through Ovi Store.

- Nokia continued to grow and enhance the usability of Ovi Store for consumers and publishers. The release of Ovi Store 1.7 during the second quarter delivers improvements to browsing and search consumer experience. Nokia s most popular devices each have access to more than 13 000 content items (including apps) in the store. Ovi App Wizard achieved 1 million downloads in just 10 weeks since launch with thousands of partners publishing thousands of apps. The store has been attracting on average more than 1.7 million downloads a day. Additionally, 90% of Nokia consumers who can access Ovi Store can now do so in their local language (where Ovi Store supports at least one of the country s primary languages), while more than 80% of those with local language availability can also purchase from Ovi Store in their local currency.

- Nokia launched the Nokia N8, the first Nokia smartphone based on the next-generation Symbian^3 software that is targeted to offer a clearly improved user experience, a higher standard of quality, and competitive value to consumers. The Nokia N8 also offers industry-leading imaging, video and entertainment capabilities.

- Nokia launched a trio of Nokia C1 phones, one of which features a 2-in-1 double SIM solution. Nokia also launched the Nokia C2, a dual SIM device with dual standby capability.

- Nokia launched the Nokia Bicycle Charger Kit, an alternative charging solution built especially for people with limited access to electricity.

- Nokia started shipments of the Nokia C3, a mobile phone featuring a full QWERTY keyboard and optimized for messaging and social networking.

- Nokia launched the Nokia C6, a messaging-optimized smartphone with a 3.2-inch HD touchscreen display, a slide out four-row QWERTY keyboard and a 5 megapixel camera.

- Nokia launched the Nokia E5, a messaged-optimized smartphone that builds on the success of the Nokia E71 and Nokia E72.

- Nokia strengthened its portfolio of devices based on China s TD-SCDMA standard with the launch of the Nokia X5 and the Nokia C5.

- Nokia launched the Nokia X2, featuring dual speakers, dedicated music keys, an FM stereo radio and support for up to 16GB of storage via a microSD card.

- Nokia started shipments of the Nokia E73 Mode, a QWERTY smartphone exclusively for T-Mobile customers in the United States.

NAVTEQ

- NAVTEQ announced the following:

- The launch of full, navigable map coverage of Bulgaria and Egypt, as well as a completely updated addressing system in the Kingdom of Saudi Arabia.

- The launch of NAVTEQ Traffic Patterns, NAVTEQ Lonely Planet Trips and NAVTEQ LocationPoint Advertising in Australia.

- An expanded visual content offering for its Singapore map, including 3D Landmarks, Enhanced 3D City Models, Junction View image and Sign-As-real images.

- Successful advertiser trials in Europe with McDonald s and Best Western powered by NAVTEQ s LocationPoint Advertising platform.

- Garmin s selection of NAVTEQ Traffic for its first European connected PND service.

- An expanded agreement with the United States National Geospatial Intelligence Agency under the Homeland Security Infrastructure Program for utilization of NAVTEQ map data.

- The addition of the Lonely Planet Travel Guide to the NAVTEQ map of India.

Nokia Siemens Networks

- Nokia Siemens Networks smart device solutions, which allow improved battery life, better coverage and faster download speeds, were deployed in London to improve user experience on the O2 network. Similar contracts were agreed with many operators including Elisa in Finland, Mosaic Telecom in the United States, SFR in France, Indosat in Indonesia, Cable & Wireless Communications in the UK, Cell C in South Africa and Qatar Telecom in Qatar.

- Nokia Siemens Networks signed a full operation and maintenance managed services contract with Mobile TeleSystems in Russia, a seven-year service management and equipment supply agreement with Vodafone Hutchison in Australia and a large services contract with Telefónica O2 to expand network capacity across Germany.

- In April, Nokia Siemens Networks signed a EUR 750 million frame agreement with China Mobile and China Unicom to continue providing GSM, WCDMA and TD-SCDMA mobile network equipment and solutions.

- Nokia Siemens Networks complemented its portfolio with TD-LTE support using its common software definable Flexi Multiradio Base Station including trials in China and Taiwan, interoperability tests with Samsung devices as well as launch of the TD-LTE Open Lab in

China.

- Nokia Siemens Networks continued to prepare for commercial LTE deployments with technological world-first trials, including a 75 kilometer LTE call with Telstra in Australia, the launch of Self Organizing Networks offering for LTE to reduce human error and cost, and started production of LTE-ready Flexi Multiradio Base Station radio frequency modules for 800 MHz spectrum suitable for rural areas.

- Nokia Siemens Networks achieved industry firsts with the unveiling of a migration path to 400-Gigabit-per-second optical transport and a next generation packet optical transport solution to help operators cut their costs. During the quarter Nokia Siemens Networks also delivered a major optical transport network upgrade to Aurora, Australia.

- T-Mobile UK and 3 UK awarded Nokia Siemens Networks a GBP 400 million contract to build Europe s largest shared network (MBNL) and will offer smartphone and dongle customers the biggest 3G coverage in the United Kingdom. The HSDPA 3G network already offers outdoor coverage to more than 90% of Britain s population.

- Vodafone Portugal selected Nokia Siemens Networks Service Broker, which is based on an OpenCloud platform and will enable the seamless convergence of legacy services with new data services, to satisfy growing subscriber demand for personalized services.

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

NOKIA IN THE SECOND QUARTER 2010

(Comparisons are given to the second quarter 2009 results, unless otherwise indicated.)

Nokia s net sales increased 1% to EUR 10 003 million (EUR 9 912 million). Net sales of Devices & Services increased 3% to EUR 6 799 million (EUR 6 586 million). Net sales of NAVTEQ increased 71% to EUR 252 million (EUR 147 million). Net sales of Nokia Siemens Networks decreased 5% to EUR 3 039 million (EUR 3 199 million).

Operating profit decreased 31% to EUR 295 million (EUR 427 million), representing an operating margin of 2.9% (4.3%). Operating profit in Devices & Services decreased 16% to EUR 643 million (EUR 763 million), representing an operating margin of 9.5% (11.6%). Operating loss in NAVTEQ was EUR 81 million (operating loss EUR 100 million), representing an operating margin of -32.1% (-68.0%). Operating loss in Nokia Siemens Networks was EUR 179 million (operating loss EUR 188 million), representing an operating margin of -5.9% (-5.9%). Group Common Functions expense totaled EUR 33 million (EUR 48 million).

In the period from April to June 2010, net financial expense was EUR 68 million (EUR 61 million). Profit before tax was EUR 221 million (EUR 380 million). Profit was EUR 104 million (EUR 287 million), based on a profit of EUR 227 million (EUR 380 million) attributable to equity holders of the parent and a loss of EUR 123 million (loss of EUR 93 million) attributable to non-controlling interests. Earnings per share decreased to EUR 0.06 (basic) and to EUR 0.06 (diluted), compared with EUR 0.10 (basic) and EUR 0.10 (diluted) in the second quarter of 2009.

NOKIA IN JANUARY JUNE 2010

(Comparisons are given to the January-June 2009 results, unless otherwise indicated.)

Nokia s net sales increased 2% to EUR 19 525 million (EUR 19 186 million). Net sales of Devices & Services increased 6% to EUR 13 462 million (EUR 12 759 million). Net sales of NAVTEQ were EUR 441 million (EUR 279 million). Net sales of Nokia Siemens Networks decreased 7% to EUR 5 757 million (EUR 6 189 million).

Operating profit increased 62% to EUR 783 million (EUR 482 million), representing an operating margin of 4.0% (2.5%). Operating profit in Devices & Services increased 13% to EUR 1 474 million (EUR 1 310 million), representing an operating margin of 10.9% (10.3%). Operating loss in NAVTEQ was EUR 158 million (loss of EUR 220 million), representing an operating margin of -35.8% (-78.9%). Operating loss in Nokia Siemens Networks was EUR 405 million (loss of EUR 549 million), representing an operating margin of -7.0% (-8.9%). Corporate Common Functions expense totaled EUR 53 million (EUR 59 million).

In the period from January to June 2010, net financial expense was EUR 141 million (net financial expense EUR 138 million). Profit before tax was EUR 632 million (EUR 368 million). Profit was EUR 279 million (EUR 291 million), based on a profit of EUR 576 million (EUR 502 million) attributable to equity holders of the parent and a loss of EUR 297 million (loss EUR 211 million) attributable to non-controlling interests. Earnings per share increased to EUR 0.16 (basic) and EUR 0.16 (diluted), compared with EUR 0.14 (basic) and EUR 0.13 (diluted) in January-June 2009.

PERSONNEL

The average number of employees during the period from January to June 2010 was 126 876, of which the average number of employees at Nokia Siemens Networks was 64 759. At June 30, 2010, Nokia employed a total of 129 746 people (120 827 people at June 30, 2009), of which 65 251 were employed by Nokia Siemens Networks (60 983 people at June 30, 2009).

SHARES

The total number of Nokia shares at June 30, 2010 was 3 744 956 052. At June 30, 2010, Nokia and its subsidiary companies owned 36 112 670 Nokia shares, representing approximately 1.0 % of the total number of Nokia shares and the total voting rights.

CONSOLIDATED INCOME STATEMENT, EUR million

(unaudited)

	4-6/2010	4-6/2009
Net sales	**10,003**	9,912
Cost of sales	**-6,932**	-6,685
Gross profit	**3,071**	3,227
Research and development expenses	**-1,483**	-1,458
Selling and marketing expenses	**-1,005**	-1,003
Administrative and general expenses	**-286**	-304