



Nokia Investor Relations – Consistency & Equal Treatment

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Outline

- Nokia on Equity Markets
- Nokia's IR Organisation and Responsibilities
- Communicating with Investors
- Regulation Fair Disclosure
- Recent US Action to Restore Investor Confidence
- Nokia in Bear Markets
- Conclusion



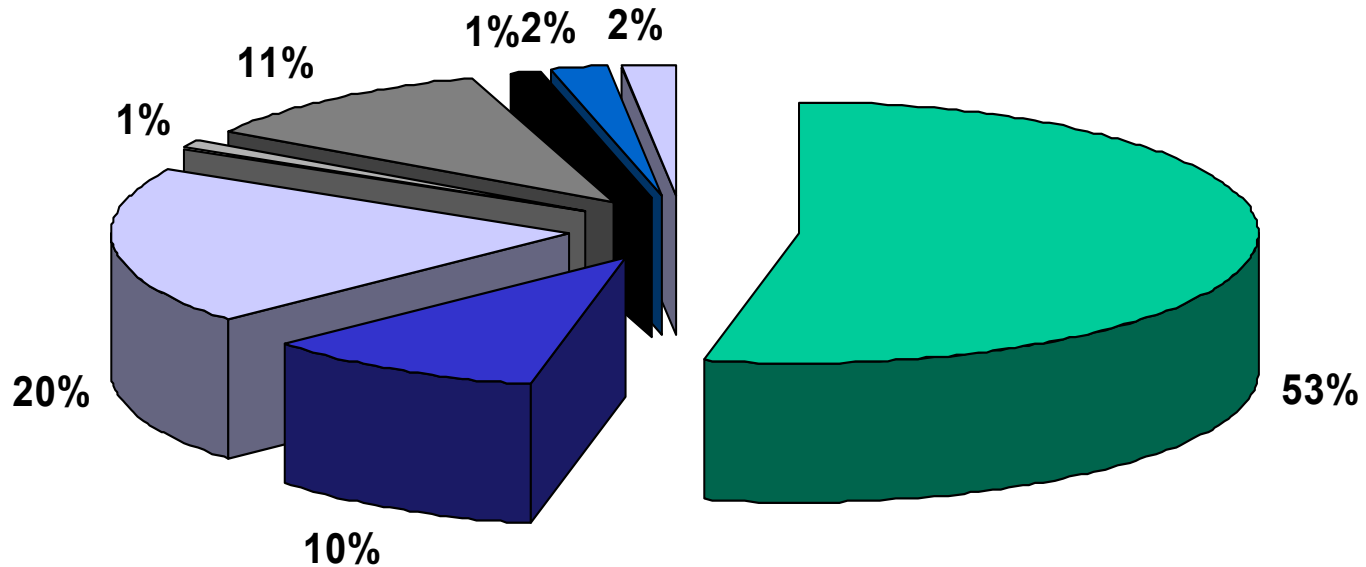
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Nokia on Equity Markets

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World equity markets ~ \$ 20.000 Bn - capitalisation by country



■ USA ■ UK ■ Europe ex. UK ■ Finland ■ Japan ■ Latin America ■ Canada ■ Asia ex. Japan

Nokia on Stock Exchanges 2001

• Helsinki Exchanges	1915	52%
• New York Stock Exchange	1994	31%
• Stockholms Fondbörs	1983	17%
• Frankfurter Wertpapierbörse	1988	0%
• Bourse de Paris	1988	0%
• London Stock Exchange	1987	0%
• Total Share trading volume	11,5 billion	
• Share turnover	242%	

Nokia - shareholding structure

30.6.1994

Finland	60%
US	15%
UK	15%
Other	10%

31.12.2001

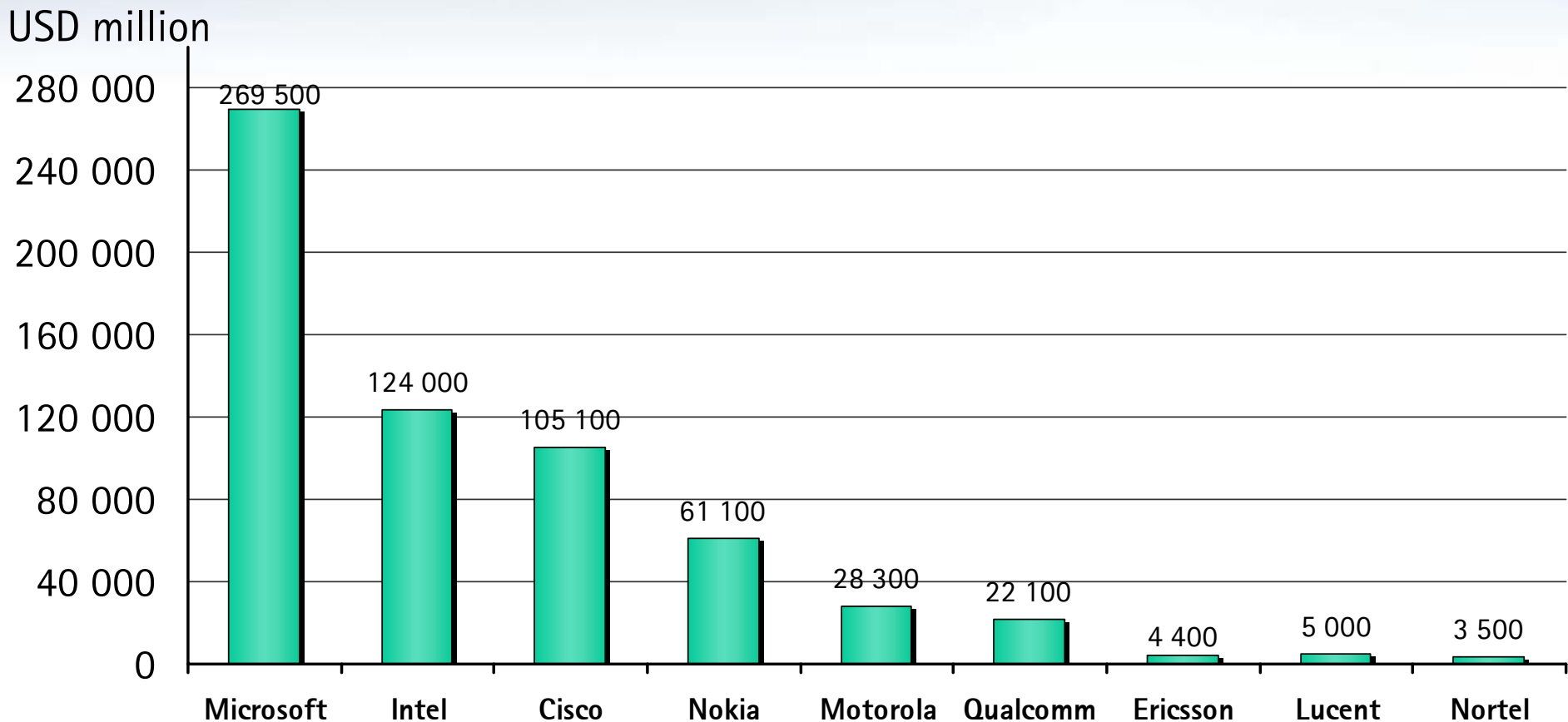
Finland	9%
US	50%
UK	12%
Germany	10%
Switzerland	2%
Other	17%

Nokia Shareholding structure

31.12.2001

- **4,7 billion shares outstanding**
 - Ordinary shares 65%
 - ADRs 35%
- **Number of retail shareholders**
 - USA 1,5 million
 - Germany 250.000
 - Sweden 150.000
 - Finland 110.000
- **Percentage of retail holdings**
 - 25% of ADRs
 - 15% of the total shares

Market Capitalization - as of August 15, 2002



Data: Quicken



Nokia's IR Organisation & Responsibilities

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Nokia's Investor Relations Organization

- Nokia IR has global responsibility of communication to the financial community
- Two IR offices globally
 - 5 people in Finland covering Europe (& APAC)
 - 6 people in Dallas, USA, covering the U.S. (& APAC)
- Nokia's IR is separate from Communications organization who is responsible for the Media and e.g. press releases
- IR (Ulla James, Vice President) reports to the CFO, but IR also has a day-to-day contact with the CEO
- Spokespersons to deal with Investors

Nokia's Investor Relations responsibilities

• Target Counter parties

- Institutional investors (funds, asset managers, etc.)
- Broker analysts
- Private investors

• Means of communication

- Quarterly conference calls & interim reports
- Analyst / investor meetings (group and one-on-one)
- Teleconferences
- Seminars (broker or Nokia sponsored)
- Web
- Annual Accounts & 20F

Nokia IR operations key principals

- Equal treatment to all counter parties
- Provide information as much as possible
- Use business/technical experts as much as possible
- Right balance in top management investor exposure
- Q&A type of meetings preferred over big presentations
- Focus on strategy & competitive drivers rather than on financial figures
- Nokia IR does not comment on Competitors

Extensive use of Webcasting

Nokia has started using web casting extensively in the past 18 months

Quarterly conference calls

Bi-annual Strategy Updates

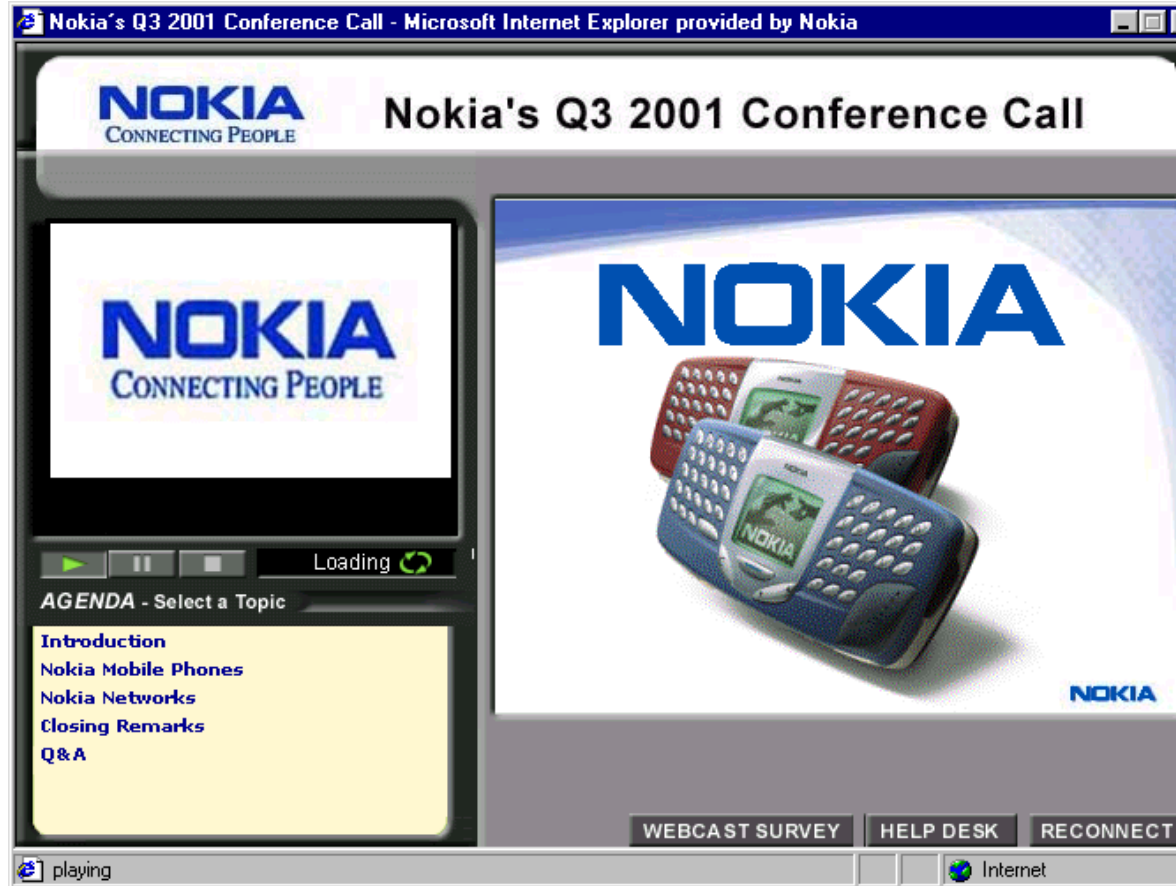
Broker seminars

Other virtual investor meetings



Efficient use of time

Equal treatment of private & institutional investors





Communicating with Investors

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What do investors want to know about?

Strategy, future direction

Credibility and track record

Operating and financial characteristics

Competitive positioning

Opportunities and challenges

What can we influence?

Understanding of the company	YES
Understanding of industry/ sector	YES
Expectations	YES
Fund manager/ analyst views	MAYBE
Investment criteria	NO

Understanding Investors' Time Perspective and Language

- When investors say:
 - "short-term" - they mean 1hrs-5 days
 - "long-term" - they mean the next quarter
 - "strategic" - they mean two quarters (maybe)
 - "significant" - they mean 1%
- When companies say :
 - "significant" - they think 25%
 - "investing in the future" - its understood to mean higher cost, lower profits
 - "outlook is uncertain" - investors run for the door
 - "good", "healthy", "solid" - investors believe that results will beat expectations

Guiding Axiom for IR Activities

Common to large institutional investors, analysts and the financial press is that they aggressively source and disseminate information globally

... therefore there are no local news – and local language provides no protection ...

Perception is reality and increasingly the basis for decisions.

Corporate image is increasingly personified in top management and consistency in message and style becomes paramount



Regulation Fair Disclosure

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Regulation Fair Disclosure (RegFD) in a Nutshell

- SEC's reaction to assumed market practise of selective disclosure particularly in the area of earnings development
- Sets out guidelines on how to disclose information to Market Professionals: Investors and Financial analysts
- Expected to increase conservatism in analyst communications in general. Another possible result is increased openness to the public.
- Any violation may result in enforcement actions from the SEC. No private rights of action (shareholder suits) may follow.
- Effective as of October 23, 2000.
- Not technically applicable to foreign issuers but advisable to follow as if it were.
- Nokia has officially decided to adopt Regulation Fair Disclosure



Recent US Action to Restore Investor Confidence

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Sarbanes-Oxley Act of 2002

- Objectives
 - Heighten the level of corporate accountability to shareholders
 - Increase the transparency of financial statements
 - Reform the oversight of corporate accounting
 - Restore investor confidence
- Scope
 - All public corporations – domestic and foreign – including ADR issuers, which have their securities listed on US exchanges (level II and level III issuers)
 - Does not apply to ADR issuers that trade OTC or in the private markets (Level I issuers)



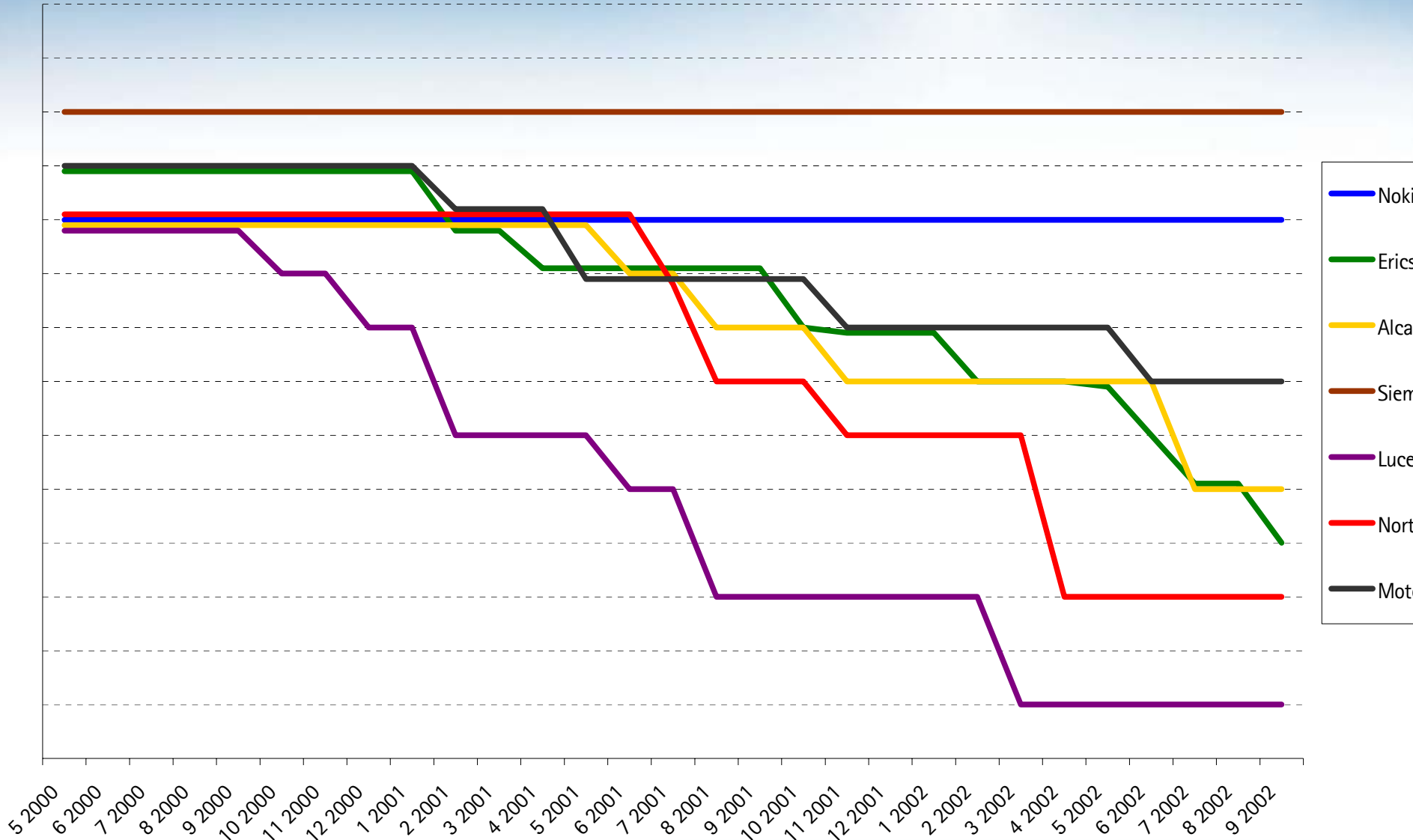
Nokia in Bear Markets

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Bad Times Could be Best for Nokia

- Nokia has the strongest financial position of all vendors
- Bad news hurt others more than Nokia
 - Competition under pressure
 - Balance sheet
 - Margins
 - Credit ratings

Rating vs Peers

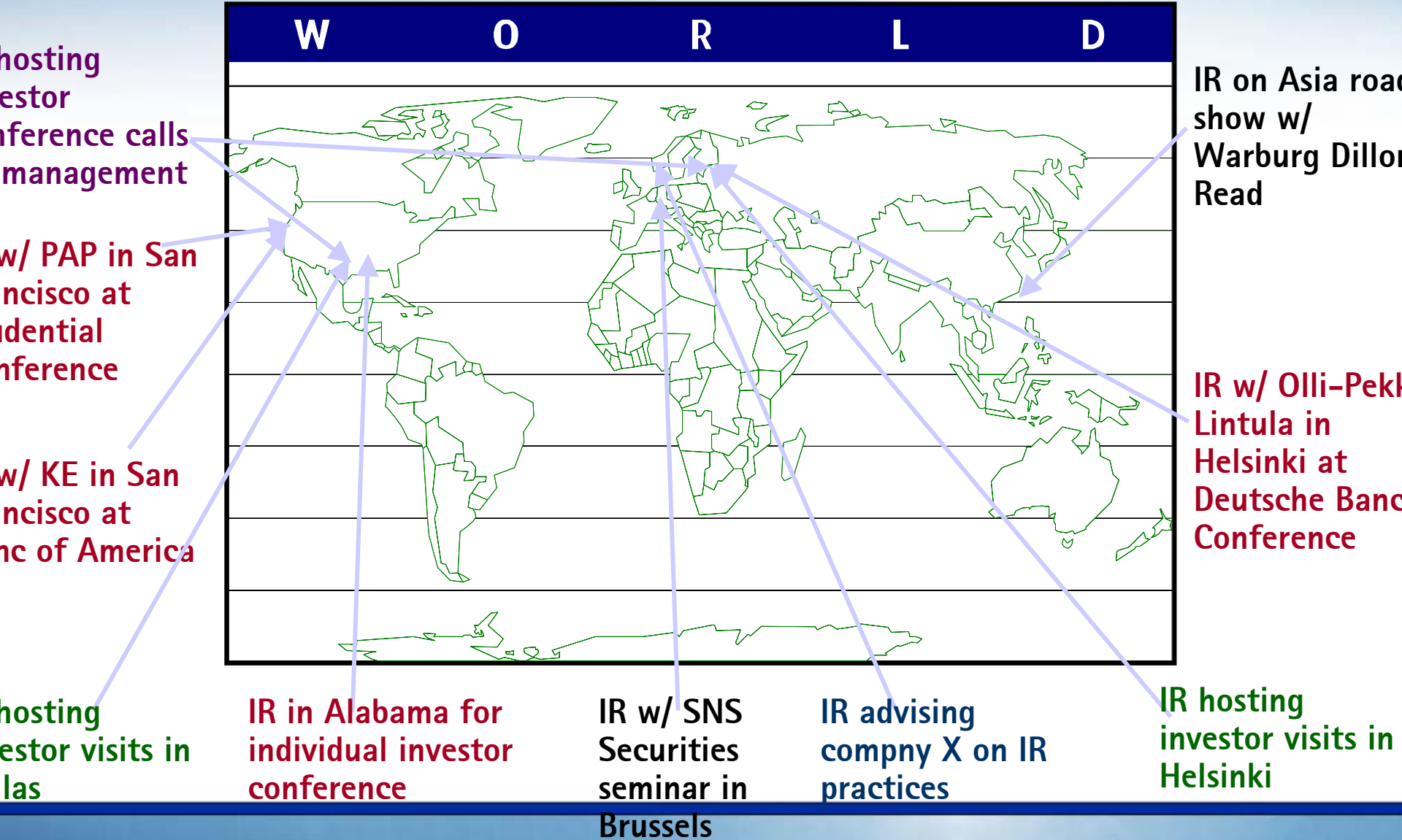


Source: Min of S&P and Moody's

Conclusion

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Nokia IR - A Week in the Life



Nokia's Competitive Edge Continues

- In depth consumer understanding
- Segmented product range
- Continuous product renewal
- Attractive features & design
- Preferred Brand
- Distribution & visibility at POS



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The image features the Nokia logo in a large, bold, blue font, centered horizontally. The background is a scenic landscape with a bright blue sky, a sun in the upper right, a dense green forest, and a calm body of water reflecting the scene. The logo is positioned in the upper half of the frame, above the forest and water.

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