

Nokia in 1998: Excellent fourth quarter closes a record year

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This is a short version of the press release. A longer version and versions in other languages are also available here: <http://www.nokia.com/company/finance/1998/>

Million FIM	1998	1997	Change %	4Q/1998	4Q/1997
Net sales	79 231	52 612	+ 51	25 877	15 857
Nokia Telecommunications	26 103	18 826	+ 39	8 338	6 368
Nokia Mobile Phones	47 984	27 643	+ 74	16 074	7 505
Other Operations	6 029	7 239	- 17	1 581	2 302
Operating profit	14 799	8 454	+ 75	5 057	2 830
Profit before tax and minority interests	14 603	8 371	+ 74	4 971	2 835
Profit from continuing operations	9 992	5 998	+ 66	3 474	2 018
Net profit	10 408	6 259	+ 66	3 474	2 018
Earnings per share from continuing operations, FIM, basic, split adjusted	17.56	10.59	+ 66	6.09	3.56

Nokia today reports stronger results than for any year before. Growth exceeded the company's targets and profits were the highest in the company's history. Nokia continued to enhance its global market position in the growing telecommunications industry, and believes it grew to become the world's largest mobile phone manufacturer. Nokia also continued to be the world's largest GSM 1800 infrastructure supplier and one of the two largest GSM 900 suppliers.

Net sales grew by 51% to FIM 79 231 million and operating profit by 75% to 14 799 million. Europe accounted for 58% of Nokia's 1998 net sales, the Americas for 21% and Asia Pacific for 21%.

Commenting on the results, Nokia President and CEO Jorma Ollila pointed out: "Continued strong growth and excellent profits in the last quarter led to a record year. We strengthened our market position in many areas and have every reason to be pleased with the results and performance in our major businesses. I am proud of the dedication with which all Nokia employees met the challenges of continued strong growth and change."

"Nokia continued to be the preferred choice of many new operators, as well as of existing customers expanding their networks, leading to healthy infrastructure order-inflow growth of 30%. We estimate that the number of mobile phones sold during 1998 was approximately 163 million. Nokia's total phone sales volume for the year was 40.8 million. In early December we manufactured our 100 millionth phone", said Ollila.

Talking about the future, Ollila said: "A number of general economic factors reflected in recent currency movements make forecasting difficult. At the same time, strong growth is expected to continue in those telecommunications segments in which we have chosen to operate. Having said this, we reiterate our previously stated targets of 25 - 35% net sales growth and good profitability for 1999."

Nokia is the world's leading mobile phone supplier and a leading supplier of mobile and fixed telecom networks including related customer services. Nokia also supplies solutions and products for fixed and wireless datacom, as well as multimedia terminals and computer monitors. In 1998, net sales totaled FIM 79.2 billion (USD 15.7 billion, EUR 13.3 billion). Headquartered in Finland, Nokia is listed on five European Stock Exchanges and on the New York Stock Exchange (NOK.A), has sales in over 130 countries and employs more than 44,000 people worldwide.

Currency rate December 31, 1998 1 FIM = 0.198 USD 1 EUR = 5.94573 FIM

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