NOKIA CORP
Form 6-K
April 21, 2011

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 April 21, 2011

(Commission File No. 1-13202)

Nokia Corporation

Nokia House

Keilalahdentie 4

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Finland

(Name and address of registrant s principal executive office)

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**

Enclosures:

Nokia stock exchange release dated April 21, 2011: Nokia Q1 2011 net sales EUR 10.4 billion, non-IFRS EPS EUR 0.13 (reported EPS EUR 0.09)

INTERIM REPORT

Nokia Corporation April 21, 2011 at 13:00 (CET +1)

Nokia Q1 2011 net sales EUR 10.4 billion, non-IFRS EPS EUR 0.13 (reported EPS EUR 0.09)

- 9.8% Devices & Services non-IFRS operating margin at top end of outlook range
- Microsoft definitive agreement signed
- Shifting from developing strategy to executing strategy

Non-IFRS first quarter 2011 results(1)

EUR million	Q1/2011	Q1/2010	YoY Change	Q4/2010	QoQ Change
Net sales	10 400	9 522	9%	12 653	-18%
Devices & Services	7 088	6 663	6%	8 501	-17%
NAVTEQ	232	189	23%	309	-25%
Nokia Siemens Networks	3 171	2 718	17%	3 961	-20%
Operating profit	704	820	-14%	1090	-35%
Devices & Services	694	804	-14%	961	-28%
NAVTEQ	54	41	32%	100	-46%
Nokia Siemens Networks	3	15	-80%	145	-98%
Operating margin	6.8%	8.6%		8.6%	
Devices & Services	9.8%	12.1%		11.3%	
NAVTEQ	23.3%	21.7%		32.4%	
Nokia Siemens Networks	0.1%	0.6%		3.7%	
EPS, EUR Diluted	0.13	0.14	-7%	0.22	-41%

Reported first quarter 2011 results

EUR million	Q1/2011	Q1/2010	YoY Change	Q4/2010	QoQ Change
Net sales	10 399	9 522	9%	12 651	-18%
Devices & Services	7 087	6 663	6%	8 499	-17%
NAVTEQ	232	189	23%	309	-25%
Nokia Siemens Networks	3 171	2 718	17%	3 961	-20%
Operating profit	439	488	-10%	884	-50%
Devices & Services	690	831	-17%	1 018	-32%
NAVTEQ	-62	-77		-19	
Nokia Siemens Networks	-142	-226		1	
Operating margin	4.2%	5.1%		7.0%	
Devices & Services	9.7%	12.5%		12.0%	
NAVTEQ	-26.7%	-40.7%		-6.1%	
Nokia Siemens Networks	-4.5%	-8.3%		0.0%	

EPS, EUR Diluted	0.09	0.09	0%	0.20	-55%

Note 1 relating to non-IFRS results: *Non-IFRS results exclude special items for all periods. In addition, non-IFRS results exclude intangible asset amortization, other purchase price accounting related items and inventory value adjustments arising from i) the formation of Nokia Siemens Networks and ii) all business acquisitions completed after June 30, 2008. More specific information about the exclusions from the non-IFRS results may be found in our complete interim report with tables for the first quarter 2011 on pages 3-4, 15-17 and 19.*

Nokia believes that these non-IFRS financial measures provide meaningful supplemental information to both management and investors regarding Nokia s performance by excluding the above-described items that may not be indicative of Nokia s business operating results. These non-IFRS financial measures should not be viewed in isolation or as substitutes to the equivalent IFRS measure(s), but should be used in conjunction with the most directly comparable IFRS measure(s) in the reported results. A reconciliation of the non-IFRS results to our reported results for Q1 2011 and Q1 2010 can be found in the tables on pages 13 and 15-19 of our complete interim report with tables. A reconciliation of our Q4 2010 non-IFRS results can be found on pages 11-12 and 14-18 of our complete Q4 2010 interim report with tables which was published on January 27, 2011.

FIRST QUARTER 2011 HIGHLIGHTS

- Nokia net sales of EUR 10.4 billion in Q1 2011, up 9% year-on-year and down 18% sequentially (up 4% and down 18% at constant currency).

- Devices & Services net sales of EUR 7.1 billion in Q1 2011, up 6% year-on-year and down 17% sequentially (up 1% and down 16% at constant currency).

- Services net sales of EUR 211 million in Q1 2011, up 43% year-on-year and 5% sequentially; billings of EUR 338 million, up 48% year-on-year and down 4% sequentially.

- Nokia total mobile device volumes of 108.5 million units in Q1 2011, up 1% year-on-year and down 12% sequentially.

- Nokia converged mobile device (smartphone and mobile computer) volumes of 24.2 million units in Q1 2011, up 13% year-on-year and down 14% sequentially.

- Nokia mobile device ASP (including services revenue) of EUR 65 in Q1 2011, up from EUR 62 in Q1 2010 and down from EUR 69 in Q4 2010.

- Devices & Services gross margin of 29.1% in Q1 2011, down from 32.4% in Q1 2010 and 29.2% in Q4 2010.

- Devices & Services non-IFRS operating margin of 9.8% in Q1 2011, down from 12.1% in Q1 2010 and 11.3% in Q4 2010.

- NAVTEQ net sales of EUR 232 million in Q1 2011, up 23% year-on-year and down 25% sequentially (up 20% and down 26% at constant currency).

- Nokia Siemens Networks net sales of EUR 3.2 billion in Q1 2011, up 17% year-on-year and down 20% sequentially (up 15% and down 21% at constant currency).

- Nokia Siemens Networks non-IFRS operating margin of 0.1% in Q1 2011, down from 0.6% in Q1 2010 and 3.7% in Q4 2010.

- Nokia operating cash flow of negative EUR 173 million and cash generated from operations of EUR 182 million in Q1 2011.

- Total cash and other liquid assets of EUR 11.1 billion and net cash and other liquid assets of EUR 6.4 billion at the end of Q1 2011.

- Nokia taxes continued to be unfavorably impacted by Nokia Siemens Networks taxes as no tax benefits are recognized for certain Nokia Siemens Networks deferred tax items. In Q1, this was partially offset by favorable profit mix both in Devices & Services and in Nokia Siemens Networks taxes. If Nokia s estimated long-term tax rate of 26% had been applied, non-IFRS Nokia EPS would have been approximately 0.4 Euro cents higher in Q1 2011.

STEPHEN ELOP, NOKIA CEO:

In the first quarter, we shifted from defining our strategy to executing our strategy. On this front, I am pleased to report that we signed our definitive agreement with Microsoft and already our product design and engineering work is well under way.

Following a solid first quarter, we expect a more challenging second quarter. However, we are encouraged by our roadmap of mobile phones and Symbian smartphones, which we will ship through the balance of the year. We are fully focused on delivering the needed accountability, speed and results to positively drive our future financial performance.

NOKIA OUTLOOK

- Nokia expects Devices & Services net sales to be between EUR 6.1 billion and EUR 6.6 billion in the second quarter 2011.

- Nokia expects its non-IFRS operating margin in Devices & Services to be between 6% and 9% in the second quarter 2011.

- Nokia targets its net sales in Devices & Services to be at approximately the same level in the third quarter 2011 as in the second quarter 2011, and targets its net sales in Devices & Services to be seasonally higher in the fourth quarter 2011, compared to the third quarter 2011.

- Nokia targets its non-IFRS operating margin in Devices & Services to be between 6% and 9% in 2011.

- Nokia targets to reduce Devices & Services non-IFRS operating expenses by EUR 1 billion for the full year 2013, compared to the full year 2010 Devices & Services non-IFRS operating expenses of EUR 5.65 billion.

- Nokia and Nokia Siemens Networks expect Nokia Siemens Networks net sales to be between EUR 3.2 billion and EUR 3.5 billion in the second quarter 2011.

- Nokia and Nokia Siemens Networks expect the non-IFRS operating margin in Nokia Siemens Networks to be between 1% and 4% in the second quarter 2011.

- Nokia and Nokia Siemens Networks continue to target Nokia Siemens Networks net sales to grow faster than the market in 2011.

- Nokia and Nokia Siemens Networks continue to target Nokia Siemens Networks non-IFRS operating margin to be above breakeven in 2011.

- Nokia and Nokia Siemens Networks continue to target Nokia Siemens Networks to reduce its non-IFRS annualized operating expenses and production overheads by EUR 500 million by the end of 2011, compared to the end of 2009

- All items relating to Nokia Siemens Networks exclude the impacts of the planned acquisition of Motorola Solutions network assets.

The outlook for Devices & Services net sales and non-IFRS operating margin for the second quarter 2011 is based on our expectations regarding a number of factors, including:

- Receipt of approximately EUR 150 million of royalty income related to earlier periods;
- Competitive industry dynamics and our planned tactical pricing actions;
- Greater impact from the tragic events in Japan than we experienced in the first quarter 2011, particularly relating to component supply visibility for certain devices and other logistics disruptions related to suppliers located in Japan. We expect these factors and their negative impact on our mobile devices volumes to continue not only during the second quarter 2011 but also through the third quarter 2011, at least.
- Greater impact from our lack of dual-SIM devices than we experienced in the first quarter 2011; and
- A lower contribution from new products in the second quarter 2011 compared to the first quarter 2011 as we plan to start shipping the majority of our new products in the second half of the year.

FIRST QUARTER 2011 FINANCIAL HIGHLIGHTS

The non-IFRS results exclusions

Q1 2011 EUR 265 million consisting of:

- *EUR 28 million restructuring charge and other associated items in Nokia Siemens Networks*
- *EUR 117 million of intangible asset amortization and other purchase price accounting related items arising from the formation of Nokia Siemens Networks*
- *EUR 116 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 Motally in Devices & Services*

Q1 2010 EUR 332 million (net) consisting of:

- *EUR 125 million restructuring charge and other one-time 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.*

Q4 2010 EUR 206 million (net) consisting of:

- *EUR 28 million restructuring charge and other associated items in Nokia Siemens Networks*

- *EUR 85 million restructuring charges in Devices & Services*

- *EUR 147 million gain on sale of wireless modem 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 119 million of intangible asset amortization and other purchase price accounting related items arising from the acquisition of NAVTEQ*

- *EUR 5 million of intangible assets amortization and other purchase price related items arising from the acquisition of OZ Communications, Novarra and Motally in Devices & Services*

Q4 2010 taxes EUR52 million non-cash tax benefit from reassessment of recoverability deferred tax assets in Nokia Siemens Networks

Non-IFRS results exclude special items for all periods. In addition, non-IFRS results exclude intangible asset amortization, other purchase price accounting related items and inventory value adjustments arising from i) the formation of Nokia Siemens Networks and ii) all business acquisitions completed after June 30, 2008.

Nokia Group

Nokia s first quarter 2011 net sales increased 9% to EUR 10.4 billion, compared with EUR 9.5 billion in the first quarter 2010, and decreased 18% compared with EUR 12.7 billion in the fourth quarter 2010. At constant currency, group net sales would have increased 4% year-on-year and decreased 18% sequentially.

The following chart sets out the year-on-year and sequential growth rates in our net sales on a reported basis and at constant currency for the periods indicated.

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FIRST QUARTER 2011 NET SALES, REPORTED & CONSTANT CURRENCY(1)

	YoY Change	QoQ Change
Group net sales reported	9%	-18%
Group net sales - constant currency(1)	4%	-18%
Devices & Services net sales reported	6%	-17%
Devices & Services net sales - constant currency(1)	1%	-16%
NAVTEQ net sales reported	23%	-25%
NAVTEQ net sales - constant currency(1)	20%	-26%
Nokia Siemens Networks net sales reported	17%	-20%
Nokia Siemens Networks net sales - constant currency(1)	15%	-21%

Note 1: *Change in net sales at constant currency excludes the impact of changes in exchange rates in comparison to the Euro, our reporting currency.*

Nokia s first quarter 2011 reported operating profit was EUR 439 million, compared with an operating profit of EUR 488 million in the first quarter 2010 and an operating profit of EUR 884 million in the fourth quarter 2010. Nokia s first quarter 2011 reported operating margin was 4.2%, compared with 5.1% in the first quarter 2010 and 7.0% in the fourth quarter 2010. Nokia s first quarter 2011 non-IFRS operating profit was EUR 704 million, compared with EUR 820 million in the first quarter 2010 and EUR 1 090 million in the fourth quarter 2010. Nokia s first quarter 2011 non-IFRS operating margin was 6.8%, compared with 8.6% in the first quarter 2010 and 8.6% in the fourth quarter 2010. The year-on-year decrease in Nokia s non-IFRS operating margin resulted from a decline in non-IFRS operating margins in Devices & Services and Nokia Siemens Networks. The sequential decrease in Nokia s non-IFRS operating margin resulted from a decline in non-IFRS operating margins in all reportable segments.

The following chart sets out Nokia Group s cash flow (for the periods indicated) and financial position (at the end of the periods indicated), as well as the year-on-year and sequential growth rates.

NOKIA GROUP CASH FLOW AND FINANCIAL POSITION

EUR million	Q1/2011	Q1/2010	YoY Change	Q4/2010	QoQ Change
Cash generated from operations	182	1 181	-85%	2 492	-93%
Operating cash flow(1)	-173	955		2 436	
Total cash and other liquid assets	11 056	9 701	14%	12 275	-10%
Net cash and other liquid assets(2)	6 372	4 952	29%	6 996	-9%
Net debt-equity ratio (gearing)	-40%	-31%		-43%	

Note 1: *Net cash from operating activities.*

Note 2: *Total cash and other liquid assets minus interest-bearing liabilities.*

Year-on-year, the decrease in operating cash flow in the first quarter 2011 was due to negative net working capital impacts offset to some extent by lower income taxes paid. Sequentially, the decrease in operating cash flow in the first quarter 2011 was due to negative net working capital impacts as well as lower underlying profitability. Additionally, on a sequential basis, operating cash flow was negatively impacted by the timing of certain customer payments and value-added tax refunds, as approximately EUR 600 million of net working capital improvements were received in the fourth quarter 2010. In addition to these factors, in the first quarter 2011 we experienced cash outflows related to foreign exchange hedging activities, both operative as well as balance sheet, and this led to year-on-year and sequential declines in operating cash flow.

Both total as well as net cash and other liquid assets in the first quarter 2011 were higher compared to the first quarter 2010 due to positive overall cash generation. Sequentially, total cash and other liquid assets decreased due to repayments of short-term borrowings as well as negative overall cash generation. On a sequential basis, net cash and other liquid assets decreased due to the depreciation of certain currencies against the Euro as well as negative overall cash generation.

The following discussion of our reportable segments reflects our operational structure through March 31, 2011. As previously reported, starting April 1, 2011 we have a new operational structure, which features two distinct business units in our Devices & Services business - Smart Devices and Mobile Phones and we will present our financial *information and segment discussion in line with the new organizational structure commencing with our Q2 2011 interim report.*

Devices & Services

Net Sales. 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	Q1/2011	Q1/2010	YoY Change	Q4/2010	QoQ Change
Mobile phones(1)	3 532	3 325	6%	4 092	-14%
Converged mobile devices(2)	3 555	3 338	6%	4 407	-19%
Total	**7 087**	**6 663**	**6%**	**8 499**	**-17%**

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.*

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	Q1/2011	Q1/2010	YoY Change	Q4/2010	QoQ Change
Europe	2 082	2 186	-5%	3 088	-33%
Middle East & Africa	1 088	1 005	8%	1 177	-8%
Greater China	1 902	1 458	30%	1 682	13%
Asia-Pacific	1 317	1 363	-3%	1 603	-18%
North America	140	219	-36%	233	-40%
Latin America	558	432	29%	715	-22%
Total	**7 087**	**6 663**	**6%**	**8 499**	**-17%**

Year-on-year, the 6% net sales increase resulted primarily from higher ASPs. Sequentially, the 17% net sales decrease reflected lower ASPs, as well as lower device volumes in most regions. At constant currency, Devices & Services net sales would have increased 1% year-on-year and decreased 16% sequentially.

Of our total Devices & Services net sales, services contributed EUR 211 million in the first quarter 2011, compared with EUR 148 million in the first quarter 2010 and EUR 201 million in the fourth quarter 2010. Services billings in the first quarter 2011 were EUR 338 million, compared with EUR 228 million in the first quarter 2010 and EUR 352 million in the fourth quarter 2010.

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

DEVICES & SERVICES MOBILE DEVICE VOLUMES BY CATEGORY

million units	Q1/2011	Q1/2010	YoY Change	Q4/2010	QoQ Change
Mobile phones(1)	84.3	86.3	-2%	95.4	-12%
Converged mobile devices(2)	24.2	21.5	13%	28.3	-14%
Total	**108.5**	**107.8**	**1%**	**123.7**	**-12%**

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.*

In the first quarter 2011, the overall industry mobile device volumes were 374 million units, based on Nokia s preliminary estimate, representing an increase of 16% year-on-year and a decrease of 7% sequentially. Nokia s preliminary estimated mobile device market share was 29% in the first quarter 2011, down from an estimated 33% in the first quarter 2010 and an estimated 31% in the fourth quarter 2010.

Of the total industry mobile device volumes, converged mobile device industry volumes in the first quarter 2011 increased to 92.3 million units, based on Nokia s preliminary estimate, representing an increase of 68% year-on-year and 2% sequentially. Nokia s preliminary estimated share of the converged mobile device market was 26% in the first quarter 2011, compared with an estimated 41% in the first quarter 2010 and an estimated 31% in the fourth 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 VOLUMES BY GEOGRAPHIC AREA

million units	Q1/2011	Q1/2010	YoY Change	Q4/2010	QoQ Change
Europe	23.4	23.9	-2%	33.5	-30%
Middle East & Africa	22.2	22.2	0%	22.2	0%
Greater China	23.9	21.1	13%	21.9	9%
Asia-Pacific	27.3	29.2	-7%	31.3	-13%
North America	1.2	2.7	-56%	2.6	-54%
Latin America	10.5	8.7	21%	12.2	-14%
Total	**108.5**	**107.8**	**1%**	**123.7**	**-12%**

The 1% year-on-year increase in our global mobile device volumes during the first quarter 2011 was driven primarily by an improvement in overall market conditions, offset by an intense competitive environment and tight component availability for certain products. On a sequential basis, the 12% decrease in our global mobile device volumes was primarily due to lower seasonal demand for our devices and an intense competitive environment, offset to some extent by improved component availability. We expect shortages of certain components to continue to impact our mobile device volumes at least through the second quarter and third quarters of 2011.

Average Selling Price. 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	Q1/2011	Q1/2010	YoY Change	Q4/2010	QoQ Change
Mobile phones(1)	42	39	9%	43	-2%
Converged mobile devices(2)	147	155	-6%	156	-6%
Total	**65**	**62**	**6%**	**69**	**-5%**

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.*

The year-on-year 6% increase in our ASP was primarily due to converged mobile devices representing a greater proportion of our overall mobile device sales and the appreciation of certain currencies against the Euro, offset to some extent by general price erosion. On a sequential basis, the 5% decrease in our ASP was primarily driven by general price erosion, an increased proportion of sales of lower-priced converged mobile devices, converged mobile devices representing a smaller proportion of our overall mobile device sales, and foreign exchange hedging, offset to some extent by the appreciation of certain currencies against the Euro and an increased proportion of sales of higher-priced mobile phones.

The 6% year-on-year and sequential decline in our converged mobile devices ASPs was primarily driven by general price erosion and an increase in the proportion of lower-priced converged mobile devices sales during the first quarter 2011. The 9% year-on-year increase in our mobile phones ASPs was primarily driven by an increased proportion of sales of higher-priced mobile phones, offset to some extent by general price erosion. The 2% sequential decrease in our mobile phones ASPs was primarily driven by general price erosion, offset to some extent by an increased proportion of sales of higher-priced mobile phones.

Profitability. Devices & Services gross profit (reported and non-IFRS) decreased 4% to EUR 2.1 billion, compared with EUR 2.2 billion in the first quarter 2010, and decreased 17% compared to EUR 2.5 billion in the fourth quarter 2010. The gross margin (reported and non-IFRS) was 29.1% in the first quarter 2011, compared with 32.4% in the first quarter 2010 and 29.2% in the fourth quarter 2010. The year-on-year gross margin decline was primarily due to the appreciation of certain currencies against the Euro, as well as the absence of a positive impact from foreign exchange hedging, which improved our gross margin in the first quarter 2010. The impact of these factors was offset to some extent by an increased proportion of sales of higher margin mobile devices in the first quarter 2011, compared with the first quarter 2010. Sequentially, the gross margin decline was primarily due to general price erosion being higher than cost erosion, offset to a large extent by the smaller negative one-quarter impact from foreign exchange hedging as well as an increased proportion of sales of higher margin mobile devices in the first quarter 2011.

Devices & Services reported operating profit decreased 17% to EUR 690 million, compared with EUR 831 million in the first quarter 2010, and decreased 32% compared with EUR 1 018 million in the fourth quarter 2010. The reported operating margin was 9.7% in the first quarter 2011, compared with 12.5% in the first quarter 2010 and 12.0% in the fourth quarter 2010. Devices & Services non-IFRS operating profit decreased 14% to EUR 694 million compared with EUR 804 million in the first quarter 2010, and decreased 28% compared with EUR 961 million in the fourth quarter 2010. The non-IFRS operating margin was 9.8% in the first quarter 2011, compared with 12.1% in the first quarter 2010 and 11.3% in the fourth quarter 2010. The year-on-year decrease in non-IFRS operating profit was driven primarily by the lower gross margin. Sequentially, the decrease in non-IFRS operating profit was primarily due to lower net sales, offset to some extent by lower operating expenses.

We are targeting to reduce our Devices & Services non-IFRS operating expenses by EUR 1 billion for the full year 2013, compared to the full year 2010 Devices & Services non-IFRS operating expenses of EUR 5.65 billion. This reduction is expected to come from a variety of different sources and initiatives, including a reduction in the number of employees and normal personnel attrition, a reduction in the use of outsourced professionals, reductions in facility costs, and various improvements in efficiencies. Due to the transition process, generally all current employees can stay on the payroll through the end of the year 2011, even those possibly impacted by the reductions.

NAVTEQ

Net Sales. First quarter 2011 NAVTEQ reported net sales increased 23% year-on-year to EUR 232 million, compared with EUR 189 million in the first quarter 2010, and decreased 25% compared to EUR 309 million in the fourth quarter 2010. The year-on-year increase in net sales was primarily driven by improved sales of map licenses to mobile device customers as well as improved vehicle sales and higher navigation uptake rates in the automotive industry offset to some extent by lower personal navigation devices (PNDs) sales. Sequentially, the decrease in net sales was primarily driven by lower seasonal sales in all business segments. At constant currency, NAVTEQ net sales would have increased 20% year-on-year and decreased 26% sequentially.

Profitability. In the first quarter 2011, NAVTEQ s gross profit (reported and non-IFRS) increased 22% to EUR 195 million, compared with EUR 160 million in the first quarter 2010, and decreased 28% compared with EUR 271 million in the fourth quarter 2010. NAVTEQ s gross margin (reported and non-IFRS) decreased to 84.1%, compared to (reported and non-IFRS) 84.7% in the first quarter 2010, and a reported and non-IFRS gross margin of 87.7% in the fourth quarter 2010. Sequentially, the non-IFRS gross margin decline was due to a higher proportion of sales to lower-margin automotive and wireless customers in the first quarter 2011.

In the first quarter 2011, NAVTEQ s reported operating loss was EUR 62 million, compared with a EUR 77 million loss in the first quarter 2010 and a EUR 19 million loss in the fourth quarter 2010. The reported operating margin was -26.7% in the first quarter 2011, compared with -40.7% in the first quarter 2010 and -6.1% in the fourth quarter 2010. NAVTEQ s non-IFRS operating profit was EUR 54 million, compared with EUR 41 million in the first quarter 2010 and EUR 100 million in the fourth quarter 2010. The non-IFRS operating margin was 23.3% in the first quarter 2011, compared with 21.7% in the first quarter 2010 and 32.4% in the fourth quarter 2010. The year-on-year increase in NAVTEQ s non-IFRS operating margin was primarily due to higher net sales, offset to some extent by higher operating expenses. Sequentially, the decrease in NAVTEQ s non-IFRS operating margin was primarily driven by lower net sales and gross margin, offset to some extent by lower operating expenses.

Nokia Siemens Networks

Net Sales. 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	Q1/2011	Q1/2010	YoY Change	Q4/2010	QoQ Change
Europe	1 001	1 065	-6%	1 357	-26%
Middle East & Africa	307	297	3%	423	-27%
Greater China	322	275	17%	508	-37%
Asia-Pacific	988	632	56%	978	1%
North America	169	153	10%	226	-25%
Latin America	384	296	30%	469	-18%
Total	**3 171**	**2 718**	**17%**	**3 961**	**-20%**

The year-on-year 17% increase in net sales was primarily driven by growth in both the product and services businesses in most regions. The sequential 20% decrease in net sales was primarily driven by a seasonally weaker infrastructure market in the first quarter 2011. Of total Nokia Siemens Networks net sales, services contributed EUR 1.6 billion in the first quarter 2011, compared to EUR 1.3 billion in the first quarter 2010 and EUR 1.8 billion in the fourth quarter 2010. At constant currency, Nokia Siemens Networks net sales would have increased 15% year-on-year and decreased 21% sequentially.

Profitability. Nokia Siemens Networks reported gross profit increased 8% to EUR 847 million compared with EUR 782 million in the first quarter 2010, and decreased 19% compared with EUR 1 042 million in the fourth quarter 2010. The reported gross margin was 26.7% in the first quarter 2011, compared with 28.8% in the first quarter 2010 and 26.3% in the fourth quarter 2010. Nokia Siemens Networks non-IFRS gross profit in the first quarter 2011 increased to EUR 854 million, marginally higher compared with EUR 853 million in the first quarter 2010, and down 18% compared with EUR 1 045 million in the fourth quarter 2010. The non-IFRS gross margin was 26.9% in the first quarter 2011, compared with 31.4% in the first quarter 2010 and 26.4% in the fourth quarter 2010. The lower year-on-year non-IFRS gross margin in the first quarter 2011 was primarily due to a continued intense pricing environment in the infrastructure market, particularly in relation to network infrastructure modernization projects. The higher sequential non-IFRS gross margin in the first quarter 2011 was primarily due to improved efficiency in project execution and a more favorable regional mix, somewhat offset by seasonally weaker net sales.

Nokia Siemens Networks first quarter 2011 reported operating loss was EUR 142 million, compared with a reported operating loss of EUR 226 million in the first quarter 2010 and a reported operating profit of EUR 1 million in the fourth quarter 2010. The reported operating margin was -4.5% in the first quarter 2011, compared with -8.3% in the first quarter 2010 and 0.0% in the fourth quarter 2010. Nokia Siemens Networks non-IFRS operating profit was EUR 3 million in the first quarter 2011, compared with a non-IFRS operating profit of EUR 15 million in the first quarter 2010 and a non-IFRS operating profit of EUR 145 million in the fourth quarter 2010. The non-IFRS operating margin was 0.1% in the first quarter 2011, compared with 0.6% in the first quarter 2010 and 3.7% in the fourth quarter 2010. The year-on-year decline in Nokia Siemens Networks non-IFRS operating profit was primarily due to the lower gross margin, which was offset to some extent by higher net sales. The sequential decrease in Nokia Siemens Networks non-IFRS operating profit was primarily due to lower net sales, offset to some extent by lower operating expenses in the first quarter 2011.

Q1 2011 OPERATING HIGHLIGHTS

Nokia/Devices & Services

- On February 11, 2011, we announced a new strategy, including changes to our leadership and operational structure designed to accelerate our speed of execution in an intensely competitive mobile products market. The main elements of our new strategy are as follows.

- Smartphones: We are forming a broad strategic partnership with Microsoft to combine our respective complementary assets and expertise with the ambition to build a new global mobile ecosystem for smartphones. Under our strategic agreement with Microsoft, the signing of which was announced on April 21, 2011, we plan to adopt, and license from Microsoft, Windows Phone as our primary smartphone platform. We expect the transition to Windows Phone as our primary smartphone platform to take about two years. During the transition, we will continue to leverage our investment in our Symbian platform for the benefit of Nokia, our customers and consumers, as well as developers.

- Mobile phones: In mobile phones, we are renewing our strategy to focus on capturing volume and value growth by leveraging our innovation and strength in developing growth markets to connect the next billion people to their first Internet and application experience. Nokia recognizes that there is a significant opportunity to bring people everywhere affordable mobile products that enable simple and efficient web browsing, as well as give access to maps and other applications and innovations.

• Next-generation disruptive technologies: Under our new strategy, MeeGo becomes an open-source, mobile operating system project. MeeGo will place increased emphasis on longer-term market exploration of next-generation devices, platforms and user experiences.

• Nokia s new strategy is supported by changes in Nokia s leadership, operational structure and approach focus on speed, accountability and results.

• Effective February 11, 2011, the Nokia Leadership Team replaced the Group Executive Board and consists of the following members: Stephen Elop (Chief Executive Officer), Esko Aho (Corporate Relations and Responsibility), Juha Akras (Human Resources), Jerri DeVard (Chief Marketing Officer), Colin Giles (Sales), Richard Green (Chief Technology Officer), Jo Harlow (Smart Devices), Timo Ihamuotila (Chief Financial Officer), Mary McDowell (Mobile Phones), Kai Oistamo (Chief Development Officer), Tero Ojanpera (Services & Developer Experience, acting), Louise Pentland (Chief Legal Officer) and Niklas Savander (Markets).

• The first quarter 2011 was the last under our old operational structure. As of April 1, 2011, Nokia has a new operational structure, which features two distinct business units in Devices & Services business: Smart Devices and Mobile Phones. They are focusing on Nokia s key business areas: smartphones and mass-market mobile phones. Each unit has profit-and-loss responsibility and end-to-end accountability for the full consumer experience.

• Nokia announced the Nokia X1-00, an affordable Series 30-based, music-centric mobile phone equipped with a memory card slot and offering up to 61 days standby time on a single charge. Shipments started during April 2011.

• Nokia announced the Nokia Astound, a sleek stainless-steel design featuring an 8-megapixel camera with dual-LED flash and 720p HD video capture, a 3.5-inch capacitive touch AMOLED display and free turn-by-turn navigation. The Nokia Astound became available exclusively from T-Mobile USA in early April, 2011.

• Nokia started shipments of the Nokia E7, a business smartphone equipped with a full keyboard and 4 inch touchscreen display featuring Nokia ClearBlack technology for improved outdoor visibility.

• Since the end of the quarter, Nokia has announced the Nokia E6 and the Nokia X7, two new smartphones aimed at business people and entertainment enthusiasts respectively. The two devices are the first Nokia smartphones shipping with Symbian Anna, the latest version of the Symbian software featuring new icons and usability enhancements such as improved text input, a faster browser and refreshed Ovi Maps.

• Nokia continued to develop its Ovi services. Highlights for the quarter included:

• *Store* continued to see increased downloads of applications and content. In early April 2011 the Store reached up to 5 million downloads a day, compared with more than 4 million a day reported in January 2011, boosted by downloads on the latest Symbian devices. Increased demand for apps from the approximate 200-million-strong Symbian consumer base has seen the Ovi Store catalog grow to more than 40 000 apps, with about 1 000 added per week. This momentum has resulted in 158 developers from 41 countries now each surpassing the one million download milestone for their apps. Nokia s new monetization opportunities for developers are tailored for local markets and include integrated operator billing with 112 operators in 36 markets, more than 25 times more operator billing integrations than Nokia s nearest competitor.

- *Maps* continued to scale, driven by the release of a new version of *Maps* during February 2011 and the increasing number of Nokia smartphones in the market enabled for free navigation. In particular, owners of Nokia smartphones with the new Symbian software the Nokia N8, Nokia C6-01, Nokia C7 and Nokia E7 - are spending more time navigating online. Online usage of *Maps* was highest among our consumers in China, India and Russia.

- Nokia announced plans to establish a new manufacturing site near Hanoi in northern Vietnam. Nokia plans an initial investment of approximately EUR 200 million, with further sizeable investments thereafter. The site would further expand Nokia s manufacturing network, which currently consists of ten major facilities in nine countries.

NAVTEQ

- NAVTEQ announced an expansion of the NAVTEQ LocationPoint Advertising network with new publishers worldwide including Appello, Co-Pilot Live, NAVIGON, Ndrive, Poynt, RIM, Samsung and Telmap.

- NAVTEQ launched real-time traffic for United Arab Emirates, bringing the scope of the company s NAVTEQ Traffic offering to 23 countries on 5 continents.

- NAVTEQ announced its selection by Nissan to provide specialized location content, such as electric charging stations, for the company s 100% electric Nissan Leaf.

- NAVTEQ announced that Hyundai chose NAVTEQ s Advanced Driver Assistance System (ADAS) content for its new navigation platform allowing it to provide a green routing option in addition to the traditional shortest and fastest routes.

- NAVTEQ launched NAVTEQ Destination Maps, which enable orientation, routing and guidance in interior spaces.

- NAVTEQ extended its relationship with Panasonic, powering their newest line of LINUX series digital cameras which uses POI data from the NAVTEQ map allowing users to geotag photos and images

- NAVTEQ announced its selection to power the first line-fit navigation system in India with the Tata Aria.

Nokia Siemens Networks

- Nokia Siemens Networks announced that a new purchase price of USD 975 million has been agreed for the sale of Motorola Solutions network assets to Nokia Siemens Networks. All necessary regulatory approvals have been received, including unconditional approval from the Ministry of Commerce in China, and Nokia Siemens Networks aims to close the transaction on April 29, 2011.

- Nokia Siemens Networks launched Liquid Radio at CTIA in US, a unique radio access architecture, involving the deployment of Active Antennae, which enables a more economic use of network resources through sharing and redistributing capacity based on user demand. It is supported by the new Single RAN Advanced, Smart WLAN as well as LTE-Advanced carrier aggregation.

- In mobile broadband, Nokia Siemens Networks announced LTE-technology partnership with Telefónica O2 Germany as well as agreements to provide an LTE radio network and services to SK Telecom in Korea, 7 000 LTE base stations to Telecom Italia and an LTE solution to Mosaic Telecom in US.

- Nokia Siemens Networks was the first to demonstrate easy upgrade to 400G optical transport and one of the first telecommunications equipment vendors to participate in the large-scale TD-LTE trial with China Mobile.

- In services, Nokia Siemens Networks announced the expansion of its Global Network Solutions Center in Chennai, India, increasing the number of subscribers it supports ten-fold. Additionally, Nokia Siemens Networks won a combined network and energy management deal with Vodafone Tanzania and renewed its contract with Protelindo in Indonesia.

- In the customer experience management field, Nokia Siemens Networks won deals with Zain Kuwait for subscriber data management, with Telenor Hungary for automated mobile device setting and with Vodafone Malta for bill shock prevention.

- Nokia Siemens Networks presented several new cloud-based solutions including an application development platform provided to Indosat in Indonesia and a communication platform to Cubio in Finland.

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 FIRST QUARTER 2011

(The following discussion is of Nokia s reported results. Comparisons are given to the first quarter 2010 results, unless otherwise indicated.)

Nokia s net sales increased 9% to EUR 10 399 million (EUR 9 522 million). Net sales of Devices & Services increased 6% to EUR 7 087 million (EUR 6 663 million). Net sales of NAVTEQ increased 23% to EUR 232 million (EUR 189 million). Net sales of Nokia Siemens Networks increased 17% to EUR 3 171 million (EUR 2 718 million).

Nokia s operating profit decreased 10% to EUR 439 million (operating profit of EUR 488 million), representing an operating margin of 4.2% (5.1%). Operating profit in Devices & Services decreased 17% to EUR 690 million (EUR 831 million), representing an operating margin of 9.7% (12.5%). Operating loss in NAVTEQ was EUR 62 million (operating loss of EUR 77 million), representing an operating margin of -26.7% (-40.7%). Operating loss in Nokia Siemens Networks was EUR 142 million (operating loss EUR 226 million), representing an operating margin of -4.5% (-8.3%). Group Common Functions expense totaled EUR 16 million (EUR 20 million).

In the period from January to March 2011, net financial expense was EUR 32 million (EUR 73 million). Profit before tax was EUR 403 million (EUR 411 million). Profit was EUR 231 million (EUR 175 million), based on a profit of EUR 344 million (EUR 349 million) attributable to equity holders of the parent and a loss of EUR 113 million (loss of EUR 174 million) attributable to non-controlling interests. Earnings per share was EUR 0.09 (basic) and EUR 0.09 (diluted), compared with EUR 0.09 (basic) and EUR 0.09 (diluted) in the first quarter of 2010.

PERSONNEL

The average number of employees during the period from January to March 2011 was 131 717, of which the average number of employees at NAVTEQ and Nokia Siemens Networks was 5 603 and 66 281 respectively. At March 31, 2011, Nokia employed a total of 130 951 people (125 859 people at March 31, 2010), of which 5 642 were employed by NAVTEQ (4 692 people at March 31, 2010) and 66 229 were employed by Nokia Siemens Networks (64 319 people at March 31, 2010).

SHARES

The total number of Nokia shares at March 31, 2011 was 3 744 956 052. At March 31, 2011, Nokia and its subsidiary companies owned 34 927 077 Nokia shares, representing approximately 0.9 % of the total number of Nokia shares and the total voting rights.

CONSOLIDATED INCOME STATEMENTS, EUR million

(unaudited)

	Reported 1-3/2011	Reported 1-3/2010	Non-IFRS 1-3/2011	Non-IFRS 1-3/2010
Net sales	**10 399**	9 522	**10 400**	9 522
Cost of sales	**-7 325**	-6 444	**-7 318**	-6 373
Gross profit	**3 074**	3 078	**3 082**	3 149
Research and development expenses	**-1 468**	-1 433	**-1 326**	-1 280
Selling and marketing expenses	**-926**	-934	**-821**	-825
Administrative and general expenses	**-264**	-260	**-254**	-232
Other income	**47**	103	**47**	74
Other expenses	**-24**	-66	**-24**	-66
Operating profit	**439**	488	**704**	820
Share of results of associated companies	**-4**	-4	**-4**	-4
Financial income and expenses	**-32**	-73	**-32**	-73
Profit before tax	**403**	411	**668**	743
Tax	**-172**	-236	**-221**	-287
Profit	**231**	175	**447**	456
Profit attributable to equity holders of the parent	**344**	349	**489**	516
Loss attributable to non-controlling interests	**-113**	-174	**-42**	-60
	231	175	**447**	456
Earnings per share, EUR				
(for profit attributable to the equity holders of the parent)				
Basic	**0.09**	0.09	**0.13**	0.14
Diluted	**0.09**	0.09	**0.13**	0.14
Average number of shares (1 000 shares)				
Basic	**3 709 500**	3 708 477	**3 709 500**	3 708 477
Diluted	**3 713 911**	3 712 425	**3 713 911**	3 712 425
Depreciation and amortization, total	**415**	437	**178**	201
Share-based compensation expense, total	**6**	6	**6**	6

NOKIA NET SALES BY GEOGRAPHIC AREA, EUR million

(unaudited)

Reported	1-3/2011	Y-o-Y change, %	1-3/2010	1-12/2010
Europe	**3 158**	**-5**	3 311	14 652
Middle-East & Africa	**1 401**	**7**	1 307	5 518
Greater China	**2 220**	**28**	1 735	7 620
Asia-Pacific	**2 308**	**15**	2 002	8 946
North America	**367**	**-16**	437	1 953
Latin America	**945**	**29**	730	3 757
Total	**10 399**	**9**	9 522	42 446

NOKIA PERSONNEL BY GEOGRAPHIC AREA

	31.03.11	Y-o-Y change,%	31.03.10	31.12.10
Europe	**53 727**	**-5**	56 844	54 556
Middle-East & Africa	**4 794**	**4**	4 599	4 681
Greater China	**21 054**	**23**	17 134	21 050
Asia-Pacific	**28 819**	**14**	25 323	29 310
North America	**7 825**	**-2**	7 951	8 084
Latin America	**14 732**	**5**	14 008	14 746
Total	**130 951**	**4**	125 859	132 427

DEVICES & SERVICES, EUR million

(unaudited)

	Reported 1-3/2011	Special items & PPA 1-3/2011	Non-IFRS 1-3/2011	Reported 1-3/2010	Special items & PPA 1-3/2010	Non-IFRS 1-3/2010
Net sales (1)	**7 087**	**1**	**7 088**	6 663		6 663
Cost of sales	**-5 024**		**-5 024**	-4 507		-4 507
Gross profit	**2 063**	**1**	**2 064**	2 156		2 156
% of net sales	***29.1***		***29.1***	*32.4*		*32.4*
Research and development expenses (2)	**-749**	**3**	**-746**	-724	2	-722
% of net sales	***10.6***		***10.5***	*10.9*		*10.8*
Selling and marketing expenses	**-538**		**-538**	-547		-547
% of net sales	***7.6***		***7.6***	*8.2*		*8.2*
Administrative and general expenses	**-101**		**-101**	-92		-92
% of net sales	***1.4***		***1.4***	*1.4*		*1.4*
Other income and expenses (3)	**15**		**15**	38	-29	9
Operating profit	**690**	**4**	**694**	831	-27	804
% of net sales	***9.7***		***9.8***	*12.5*		*12.1*

(1) Deferred revenue related to acquisitions of EUR 1 million in Q1/11.

(2) Amortization of acquired intangible assets of EUR 3 million in Q1/11 and EUR 2 million in Q1/10.

(3) Gain on sale of assets and business EUR 29 million in Q1/10.

NAVTEQ, EUR million

(unaudited)

	Reported 1-3/2011	Special items & PPA 1-3/2011	Non-IFRS 1-3/2011	Reported 1-3/2010	Special items & PPA 1-3/2010	Non-IFRS 1-3/2010
Net sales	**232**		**232**	189		189
Cost of sales	**-37**		**-37**	-29		-29
Gross profit	**195**		**195**	160		160
% of net sales	***84.1***		***84.1***	*84.7*		*84.7*
Research and development expenses (1)	**-182**	**87**	**-95**	-165	88	-77
% of net sales	***78.4***		***40.9***	*87.3*		*40.7*
Selling and marketing expenses (2)	**-60**	**29**	**-31**	-57	30	-27
% of net sales	***25.9***		***13.4***	*30.2*		*14.3*
Administrative and general expenses	**-16**		**-16**	-15		-15
% of net sales	***6.9***		***6.9***	*7.9*		*7.9*
Other income and expenses	**1**		**1**			
Operating profit	**-62**	**116**	**54**	-77	118	41
% of net sales	***-26.7***		***23.3***	*-40.7*		*21.7*

(1) Amortization of acquired intangibles of EUR 87 million in Q1/11 and EUR 88 million in Q1/10.

(2) Amortization of acquired intangibles of EUR 29 million in Q1/11 and EUR 30 million in Q1/10.

NOKIA SIEMENS NETWORKS, EUR million

(unaudited)

	Reported 1-3/2011	Special items & PPA 1-3/2011	Non-IFRS 1-3/2011	Reported 1-3/2010	Special items & PPA 1-3/2010	Non-IFRS 1-3/2010
Net sales	**3 171**		**3 171**	2 718		2 718
Cost of sales (1)	**-2 324**	**7**	**-2 317**	-1 936	71	-1 865
Gross profit	**847**	**7**	**854**	782	71	853
% of net sales	***26.7***		***26.9***	*28.8*		*31.4*
Research and development expenses (2)	**-537**	**52**	**-485**	-544	63	-481
% of net sales	***16.9***		***15.3***	*20.0*		*17.7*
Selling and marketing expenses (3)	**-327**	**76**	**-251**	-329	79	-250
% of net sales	***10.3***		***7.9***	*12.1*		*9.2*
Administrative and general expenses (4)	**-126**	**10**	**-116**	-142	28	-114
% of net sales	***4.0***		***3.7***	*5.2*		*4.2*
Other income and expenses	**1**		**1**	7		7
Operating profit	**-142**	**145**	**3**	-226	241	15
% of net sales	***-4.5***		***0.1***	*-8.3*		*0.6*

(1) Restructuring charges of EUR 7 million in Q1/11 and EUR 71 million in Q1/10.

(2) Restructuring charges of EUR 7 million and amortization of acquired intangibles of EUR 45 million in Q1/11. Restructuring charges of EUR 18 million and amortization of acquired intangibles of EUR 45 million in Q1/10.

(3) Restructuring charges of EUR 4 million and amortization of acquired intangibles of EUR 72 million in Q1/11. Restructuring charges of EUR 8 million and amortization of acquired intangibles of EUR 71 million in Q1/10.

(4) Restructuring charges of EUR 10 million in Q1/11 and EUR 28 million in Q1/10.

GROUP COMMON FUNCTIONS, EUR million

(unaudited)

	Reported 1-3/2011	Special items & PPA 1-3/2011	Non-IFRS 1-3/2011	Reported 1-3/2010	Special items & PPA 1-3/2010	Non-IFRS 1-3/2010
Net sales						
Cost of sales						
Gross profit						
Research and development expenses						