NOKIA CORP
Form 6-K
April 29, 2014

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 29, 2014

(Commission File No. 1-13202)

Nokia Corporation

Karakaari 7

FI-02610 Espoo

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 releases dated April 29, 2014:

Nokia appoints Rajeev Suri as President and CEO and announces new strategy, program to optimize capital structure, and leadership team

Nokia Corporation Interim Report for Q1 2014

Nokia Board of Directors convenes Annual General Meeting 2014; Ordinary dividend of EUR 0.11 per share and special dividend of EUR 0.26 proposed for 2013

STOCK EXCHANGE RELEASE

April 29, 2014

Nokia appoints Rajeev Suri as President and CEO and announces new strategy, program to optimize capital structure, and leadership team

Nokia Corporation
Stock exchange release
April 29, 2014 at 06:00 (CET+1)

Espoo, Finland Having completed the sale of substantially all of its Devices & Services business to Microsoft on April 25, 2014, Nokia today announced the following:

- The appointment of Rajeev Suri as President and Chief Executive Officer, effective May 1, 2014;
- A vision to be a leader in technologies important in a connected world;
- A strategy to realize that vision by building on Nokia s three strong businesses in networks, location and technologies;
- Plans for a EUR 5 billion program to optimize its capital structure, including the Nokia Board s proposal to the Annual General Meeting 2014 for the dividend and for an authorization for the Board to repurchase shares; and
- A new governance structure and the appointment of a new leadership team, effective May 1, 2014.

New President and CEO

Nokia Board of Directors has appointed Rajeev Suri as President and CEO of Nokia Corporation, effective May 1, 2014. Suri joined Nokia in 1995 and has held a wide range of leadership positions in the company. Since October of 2009, he has served as CEO of NSN, the former joint venture between Nokia and Siemens that is now fully owned by Nokia. During his tenure as CEO, that business went through a radical transformation to become one of the leaders in the telecommunications infrastructure industry.

As Nokia opens this new chapter, the Nokia Board and I are confident that Rajeev is the right person to lead the company forward, said Risto Siilasmaa, Chairman of the Nokia Board of Directors. He has a proven ability to create strategic clarity, drive innovation and growth, ensure disciplined execution, and deliver results. We believe that his passion for technology will help ensure that Nokia continues to deliver innovations that have a positive impact on people s lives.

Siilasmaa, who has also been serving as an interim CEO, will return to focusing exclusively on his role as Chairman of Nokia s Board of Directors as of May 1, 2014.

I am honored to have been asked to take this role, and excited about the possibilities that lie in our future, said Rajeev Suri. Nokia, with its deep experience in connecting people and its three strong businesses, is well-positioned to tap new opportunities during this time of technological change. I look forward to working with the entire Nokia team as we embark on this exciting journey.

Long-term leadership targeted in three key areas

Nokia believes that over the next 10 years billions of connected devices will converge into intelligent and programmable systems that will have the potential to improve lives in a vast number of areas: time and availability, transportation and resource consumption, learning and work, health and wellness, and many more.

This new world of technology will require 1) connectivity capable of handling massive numbers of devices and exponential increases in data traffic; 2) location services that seamlessly bridge between the real and virtual worlds; and 3) innovation, including in sensing, radio and low power technologies. Nokia s vision is to be a leader over the long term in these three areas.

The world of technology is on the verge of a change that we believe will be as profound as the creation of the internet said Rajeev Suri. With our three strong businesses Networks, HERE and Technologies and position as one of the world s largest software companies, we are well placed to meet our goal to be a leader in the technologies for a world where everybody and everything is connected.

Nokia strategy

Nokia s strategy is to develop its three businesses in order to realize its vision of being a technology leader in a connected world and, in turn, create long-term shareholder value, said Rajeev Suri. Our goal is to optimize the company so that each business is best enabled to meet its goals. Where it makes sense to do so, we will pursue shared opportunities between the businesses, but not at the expense of focus and discipline in each.

Nokia will target the creation of long-term shareholder value by focusing on the following three areas:

1) Through its *Networks* business (formerly Nokia Solutions and Networks, or NSN), Nokia will invest in the innovative products and services needed by telecoms operators to manage the increase in wireless data traffic which is more than doubling every year. Future investment will focus on further

building on our strong position in mobile broadband and related services, and strengthening our leadership position in next-generation network technologies.

Today, the Networks business serves more than 90 of the world s 100 largest operators, is a leader in the large and dynamic mobile broadband market, and is ranked third in estimated global market share in mobile radio and second in telecommunication services. An early leader in virtualization and cloud technologies, Networks conducted trials and pre-commercial live projects with more than 50 customers in 2013.

Customers of our Networks business can have confidence that we will continue to make the investments necessary to deliver the innovation needed to help them build even stronger businesses, said Rajeev Suri.

2) Through its *HERE* business, Nokia will invest to further develop its location cloud to make it the leading source of location intelligence and experiences across many different operating systems, platforms and screens. Given that location is an essential element of a connected world, we will target our investment in three areas: 1) technology for smart, connected cars; 2) cloud-based services for personal mobility and location intelligence, including for the growing segment of wearables and special purpose devices; and 3) location-based analytics for better business decisions.

Today, HERE is the leading global provider of map content, powering four out of five in-car navigation systems. Its location platform is used by leading internet companies such as Amazon, Microsoft and Yahoo. Our view is that only one other company has location services that come close to the depth and breadth of those from HERE and HERE has the advantage of being independent from any operating system or single business model, said Rajeev Suri.

3) Through its *Technologies* business, Nokia will invest in the further development of its industry-leading innovation portfolio. This will include 1) expanding our successful intellectual property licensing program; 2) helping other companies and organizations benefit from our breakthrough innovations through technology licensing; and 3) exploring new technologies for use in potential future products and services.

The Technologies team includes hundreds of world-class scientists and engineers who have driven more than half of Nokia s recent patent filings and many of whom are recognized as leading experts in fields that are essential for enabling the future connected world. These areas include low-power connected smart multi-sensor systems, distributed sensing, and intelligent interplay between various types of radio technologies.

Nokia s industry leading intellectual property has the potential to create significant value for our licensees and our shareholders, said Rajeev Suri. With the strength of our Technologies team and continuing investment in advanced research and development, we can also drive new opportunities for Nokia in both business-to-business and consumer markets.

Nokia s continuing businesses invested more than EUR 2.5 billion in research and development in 2013. We believe that the company has a strong financial position and the capacity to continue to make the investments necessary to remain an innovation leader in the three segments in which it competes.

Planned EUR 5 billion capital structure optimization program

As a result of the closing of the transaction between Nokia and Microsoft, Nokia s financial position and earnings profile have both improved significantly. Furthermore, Nokia s Board of Directors has conducted a thorough analysis of Nokia s potential capital structure requirements. Based on this analysis, the Nokia Board is confident that Nokia has the financial strength and flexibility to sustain the long-term investments necessary to ensure industry leadership in the future.

To improve the efficiency of Nokia s capital structure, the Nokia Board is today announcing plans for a EUR 5 billion capital structure optimization program which focuses on recommencing ordinary dividends, distributing deemed excess capital to shareholders, and reducing interest bearing debt. This comprehensive program consists of the following components:

- Recommencement of ordinary dividend payments, with at least EUR 800 million of ordinary dividends in total planned for 2013 and 2014, as follows:

- An ordinary dividend for 2013 of EUR 0.11 per share (approximately EUR 400 million), subject to shareholder approval in 2014; and

- A planned ordinary dividend for 2014 of at least EUR 0.11 per share (at least approximately EUR 400 million), subject to shareholder approval in 2015;

- A special dividend of EUR 0.26 per share, subject to shareholder approval in 2014 (approximately EUR 1 billion);

- A EUR 1.25 billion share repurchase program, subject to the authorization to the Board by the shareholders in 2014; and
- Debt reduction of approximately EUR 2 billion by the end of the second quarter 2016.

We are committed to effective deployment of capital to drive future value creation, said Timo Ihamuotila, who is currently Nokia s Chief Financial Officer and who has been appointed to serve as the Group Chief Financial Officer as of May 1, 2014. We believe our planned comprehensive EUR 5 billion capital structure optimization program enables Nokia to make quick and orderly progress towards a more efficient capital structure, and is aligned with the long-term interests of our customers and shareholders. Together with our continued focus on solid business execution, these capital structure enhancements support our longer-term target to return to an investment grade credit rating, which would further affirm our long-term competitive strength and support our strategic objectives.

Ordinary Dividends at least EUR 800 million in total for 2013 and 2014

As part of the overall capital structure optimization program, Nokia Board of Directors proposes to the Annual General Meeting, scheduled to take place on June 17, 2014 (Annual General Meeting 2014), the recommencement of ordinary dividend payments to shareholders. The Nokia Board proposes to the Annual General Meeting 2014 that a dividend of EUR 0.11 per share be paid with respect to the year 2013, which equals approximately half of Nokia s non-IFRS earnings from continuing operations in 2013. This ordinary dividend for 2013 is expected to be paid on or about July 3, 2014.

Furthermore, the Nokia Board plans to propose an ordinary dividend of at least EUR 0.11 per share with respect to the year 2014 to the Annual General Meeting convening in spring 2015.

Special Dividend and Share Repurchase Program EUR 2.25 billion in total

The Nokia Board of Directors proposes to the Annual General Meeting 2014 a special dividend of EUR 0.26 per share (approximately EUR 1 billion). The special dividend is expected to be paid on or about July 3, 2014.

The Nokia Board also proposes a share repurchase authorization to facilitate the EUR 1.25 billion of planned share repurchases over two years. The Nokia Board proposes that the Annual General Meeting 2014 authorize the Board to resolve to repurchase a maximum of 370 million Nokia shares, which corresponds to less than 10% of Nokia shares outstanding. The term of the repurchase authorization is for the maximum of 18 months under Finnish regulations, and is expected to be re-proposed by the Nokia Board at the Annual General Meeting 2015. The repurchased shares are expected to be cancelled. The shares may be repurchased in the open market, in privately negotiated transactions, through the use of derivative instruments, or through a tender offer made to all shareholders on equal terms. The share repurchase authorization would be effective until December 17, 2015 and terminate the current authorization granted by the Annual General Meeting on May 7, 2013. The Nokia Board plans to commence the repurchases following the publication of the Company s interim report for the second quarter of 2014.

Debt reduction program EUR 2 billion in total

In addition, Nokia plans to reduce interest bearing debt by approximately EUR 2 billion by the end of the second quarter 2016. Once complete, the debt reduction is expected to result in annual run rate savings of at least EUR 100 million related to recurring interest costs. Furthermore, lowering our gross debt level is aligned with our target to return to being an investment grade company. Nokia intends to reduce interest bearing debt by utilizing applicable maturity dates, call dates, or other terms allowing early redemption or retirement of debt or by making offers to repurchase debt in the open market.

Nokia ended the first quarter 2014 with a strong balance sheet and solid cash position with gross cash of EUR 6.9 billion and net cash of EUR 2.1 billion compared to EUR 9.0 billion and EUR 2.3 billion, respectively, at the end of the fourth quarter 2013. The sequential decline in Nokia s gross cash was primarily due to repayment of certain debt facilities totalling approximately EUR 1.8 billion during the first quarter 2014. If the transaction to sell Microsoft substantially all of our Devices & Services business would have closed before the end of the first quarter 2014, Nokia would have ended the quarter with gross cash of approximately EUR 10.5 billion and net cash of approximately EUR 7.1 billion.

Clear operational governance and structure; strong leadership team

Nokia will adopt a simple and clear operational governance model, designed to facilitate innovation and growth. As of May 1, 2014, all three businesses will report to the Nokia President and CEO, who has full accountability for the performance of the company. HERE and Technologies each will have a single leader reporting to the President and CEO. To ensure efficiency and simplicity, the Nokia President and CEO will assume direct control of the Networks business and key Networks leaders will report to him.

The primary operative decision-making body for the company will be the Nokia Group Leadership Team, which will be responsible for Group level matters, including the company strategy and overall business portfolio. Effective May 1 2014, the Nokia Group Leadership Team will replace the current Nokia Leadership Team, and the President and CEO will chair the Group Leadership Team, which will consist of the following members:

- Rajeev Suri as President and CEO of Nokia.
- Timo Ihamuotila as Executive Vice President and Group Chief Financial Officer.
- Michael Halbherr as CEO of HERE.
- Henry Tirri as Executive Vice President, and acting Head of Technologies.
- Samih Elhage as Executive Vice President and Chief Financial and Operating Officer of Networks.

The current Nokia Leadership Team will be disbanded. On April 25, 2014, Stephen Elop, Jo Harlow, Juha Putkiranta, Timo Toikkanen, and Chris Weber stepped down from the Nokia Leadership Team and transferred to Microsoft. In addition, Louise Pentland, Juha Äkräs and Kai Öistämö will step down from the Nokia Leadership Team effective May 1, 2014 and leave the company to pursue opportunities outside of Nokia. Pentland, Äkräs and Öistämö will continue to serve Nokia in an advisory role during a transition period. Of the current Nokia Leadership Team members, Timo Ihamuotila, Michael Halbherr and Henry Tirri will continue as members of the Group Leadership Team, as mentioned above.

With these leaders leaving the company, Nokia announces the appointment of Hans-Jürgen Bill as Executive Vice President of Human Resources, Barry French as

Executive Vice President of Marketing and Corporate Affairs, and Maria Varsellona as Executive Vice President and Chief Legal Officer, effective May 1, 2014.

Nokia has a strong and proven team of leaders, said Rajeev Suri. We intend to move fast to further refine our execution plan, build the right company culture, and institute the necessary operational governance and performance management systems.

Effective May 1, the interim governance structure of Nokia will cease to exist. Risto Siilasmaa, who has been serving as an interim CEO since September 3, 2013, will focus exclusively on his role as the Chairman of the Nokia Board of Directors. In addition, Timo Ihamuotila will step down from the interim President position.

Consistent with the planned structural changes announced today, Networks (formerly Nokia Solutions and Networks, or NSN) and Technologies will operate under the Nokia brand. HERE will retain its distinct identity within the Nokia family and, where appropriate, will be identified as A Nokia Company . The NSN name will no longer be used after a short phase-out period. For financial reporting purposes, Nokia will have four reportable segments: Mobile Broadband and Global Services within Networks, HERE, and Technologies.

More information on the Nokia Leaders is available at: http://company.nokia.com.

Press conference

Nokia is to hold a press conference today at its Karaportti campus in Espoo, Finland. The event is open to representatives of the media.

Time: 10:30-11:30 (CET+1). Registration opens at 10:00.

Place: Karakaari 7, Espoo 02610. http://her.is/UWyd6

For others wishing to view the press conference, we will be live-streaming the event at the following link: http://sites.media-server.com/mmc-custom-portals/nokia/2014-04-29_press-conference/index.php?p=wnkrw6rc

Analyst conference call

Nokia is to hold a conference call for equity analysts today at 15:00 (CET+1). A webcast of the conference call will be available at http://company.nokia.com/financials. Media representatives wishing to listen in may call +1 706 634 5012, conference ID 30453654.

FORWARD LOOKING STATEMENTS

It should be noted that Nokia and its business are exposed to various risks and uncertainties and certain statements herein that are not historical facts are forward-looking statements, including, without limitation, those regarding: A) expectations, plans or benefits related to Nokia s new strategy; B) expectations, plans or benefits related to future performance of Nokia s continuing businesses Networks, HERE and Technologies; C) expectations, plans or benefits related to changes in leadership and operational structure; D) expectations regarding market developments, general economic conditions and structural changes; E) expectations and targets regarding performance, including those related to market share, prices, net sales and margins; F) the timing of the deliveries of our products and services; G) expectations and targets regarding our financial performance, cost savings and competitiveness as well as results of operations; H) expectations and targets regarding collaboration and partnering arrangements; I) the outcome of pending and threatened litigation, disputes, regulatory proceedings or investigations by authorities; J) expectations regarding restructurings, investments, uses of proceeds from transactions, acquisitions and divestments and our ability to achieve the financial and operational targets set in connection with any such restructurings, investments, divestments and acquisitions, including any expectations, plans or benefits related to or caused by the transaction announced on September 3, 2013 where Nokia sold substantially all of Nokia s Devices & Services business to Microsoft on April 25, 2014 (Sale of the D&S Business); K) statements preceded by or including believe, expect, anticipate, foresee, sees, target, estimate, designed, aim , plans, intends, focus , continue , similar expressions. These statements are based on management s best assumptions and beliefs in light of the information currently available to it. Because they involve risks and uncertainties, actual results may differ materially from the results that we currently expect. Factors, including risks and uncertainties that could cause these differences include, but are not limited to: 1) our ability to execute our new strategy successfully and in a timely manner, and our ability to successfully adjust our operations; 2) our ability to sustain or improve the operational and financial performance of our continuing businesses and correctly identify business opportunities or successfully pursue new business opportunities; 3) our ability to execute Networks strategy and effectively, profitably and timely adapt its business and operations to the increasingly diverse needs of its customers and technological developments; 4) our ability within our Networks business to effectively and profitably invest in and timely introduce new competitive high-quality products, services, upgrades and technologies; 5) our ability to invent new relevant technologies, products and services, to develop and maintain our intellectual property portfolio and to maintain the existing sources of intellectual property related revenue and establish new such sources; 6) our ability to protect numerous patented standardized or proprietary technologies from third-party infringement or actions to invalidate the intellectual property rights of these technologies; 7) our ability within our HERE business to maintain current sources of revenue, historically derived mainly from the automotive industry, create new sources of revenue, establish a successful location-based platform and extend our location-based services across devices and operating systems; 8) effects of impairments or charges to carrying values of assets, including goodwill, or liabilities; 9) our dependence on the development of the mobile and communications industry in numerous diverse markets, as well as on general economic conditions globally and regionally; 10) our Networks business dependence on a limited number of customers and large, multi-year contracts; 11) our ability to retain, motivate, develop and recruit appropriately skilled employees; 12) the potential complex tax issues and obligations we may face, including the obligation to pay additional taxes in various jurisdictions and our actual or anticipated performance, among other factors, could result in allowances related to deferred tax assets; 13) our ability to manage our manufacturing, service creation and delivery, and logistics efficiently and without interruption, especially if the limited number of suppliers we depend on fail to deliver sufficient quantities of fully functional products and components or deliver timely services; 14) potential exposure to contingent liabilities due to the Sale of the D&S Business and possibility that the agreements we have entered into with Microsoft may have terms that prove to be unfavorable to us; 15) any inefficiency, malfunction or disruption of a system or network that our operations rely on or any impact of a possible cybersecurity breach; 16) our ability to reach targeted results or improvements by managing and improving our financial performance, cost savings and competitiveness; 17) management of Networks customer financing exposure; 18) the performance of the parties we partner and collaborate with, and our ability to achieve successful collaboration or partnering arrangements; 19) our ability to protect the technologies, which we develop, license, use or intend to use from claims that we have infringed third parties intellectual property rights, as well as, impact of possible licensing costs, restriction on our usage of certain technologies, and litigation related to intellectual property rights; 20) the impact of regulatory, political or other developments on our operations and sales in those various countries or regions where we do business; 21) exchange rate fluctuations, particularly between the euro, which is our reporting currency, and the US dollar, the Japanese yen and the Chinese yuan, as well as certain other currencies; 22) our ability to successfully implement planned transactions, such as acquisitions, divestments, mergers or joint ventures, manage unexpected liabilities related thereto and achieve the targeted benefits; 23) the impact of unfavorable outcome of litigation, contract related disputes or allegations of health hazards associated with our business, as well as the risk factors specified in the most recent Nokia s annual report on

Form 20-F in under Item 3D. Risk Factors . Other unknown or unpredictable factors or underlying assumptions subsequently proven to be incorrect could cause actual results to differ materially from those in the forward-looking statements. Nokia does not undertake any obligation to publicly update or revise forward-looking statements, whether as a result of new information, future events or otherwise, except to the extent legally required.

About Nokia

Nokia invests in technologies important in a world where billions of devices are connected. We are focused on three businesses: network infrastructure software, hardware and services, which we offer through Networks; location intelligence, which we provide through HERE; and advanced technology development and licensing, which we pursue through Technologies. Each of these businesses is a leader in its respective field. http://company.nokia.com

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INTERIM REPORT

Nokia Corporation

April 29, 2014 at 08.00 (CET +1)

Nokia Corporation Interim Report for Q1 2014

FINANCIAL AND OPERATING HIGHLIGHTS

First quarter 2014 highlights for continuing operations*:

Nokia s non-IFRS diluted EPS in Q1 2014 of EUR 0.04 (0.01 in Q1 2013); reported diluted EPS of EUR 0.03 (-0.03 in Q1 2013)

Nokia s net sales in Q1 2014 were EUR 2.7 billion, down 15% compared to Q1 2013.

- In Q1 2014, underlying operating profitability for Nokia s continuing operations increased to EUR 304 million, or 11.4% of net sales, compared to EUR 254 million, or 8.1% of net sales, in Q1 2013.

- Networks achieved solid underlying operating profitability, with Q1 2014 non-IFRS operating profit of EUR 216 million, or 9.3% of net sales, compared to EUR 196 million, or 7.0%, in Q1 2013. This was primarily due to a higher gross margin which benefitted from a higher proportion of software sales, significant efficiency improvements in Global Services and a higher proportion of Mobile Broadband sales.

- HERE s external net sales were EUR 185 million, an increase of 13% year-on-year, driven by strong sales to vehicle customers.

- Technologies entered in to an agreement with HTC, validating Nokia s implementation patents and enabling Technologies to focus on further licensing opportunities.

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*See note 4 to our Summary Financial Information table below concerning our current operational and reporting structure

Balance sheet highlights:

- Nokia Group ended Q1 2014 with a strong balance sheet and solid cash position with gross cash of EUR 6.9 billion and net cash of EUR 2.1 billion compared to EUR 9.0 billion and EUR 2.3 billion, respectively, at the end of Q4 2013. The sequential decline in Nokia s gross cash was primarily due to repayment of certain debt facilities totalling approximately EUR 1.8 billion during the first quarter 2014.

- If the transaction to sell to Microsoft substantially all of our Devices & Services business would have closed before the end of the first quarter 2014, Nokia would have ended the quarter with gross cash of approximately EUR 10.5 billion and net cash of approximately EUR 7.1 billion.

Risto Siilasmaa, Nokia Chairman, commented on the company s progress:

With the closing of our transaction with Microsoft, Nokia begins a new era. We are confident in our future. Nokia s vision is to be a leader in technologies which will be important in a world of billions of intelligent connected devices. With our strategic direction now set, our highly talented teams can focus fully on realizing our vision by building on Nokia s three strong businesses Networks, HERE, and Technologies. In all three businesses, Nokia has a solid foundation and we continue to see attractive opportunities to invest in growth. Additionally, we will focus on managing our capital effectively, and we have announced a comprehensive EUR 5 billion program to optimize our capital structure.

In the first quarter of 2014, all three of our businesses delivered solid performance. In particular, we were pleased by the continued strength of Networks underlying operating profitability. Under the leadership of Rajeev Suri, Networks has become an innovation leader, with tremendously improved strategic focus and financial results. I believe Rajeev is the right person to lead Nokia forward, and that his passion for technology will help ensure that Nokia continues to deliver technologies that have a positive impact on people s lives.

SUMMARY FINANCIAL INFORMATION

	Reported and Non-IFRS first quarter 2014 results(1-4)				
EUR million	**Q1/14**	**Q1/13**	**YoY Change**	**Q4/13**	**QoQ Change**
Continuing Operations					
Net sales	2 664	3 140	-15%	3 476	-23%
Gross margin % (non-IFRS)	45.7%	39.3%		42.5%	
Operating expenses (non-IFRS)	- 925	-1 004	-8%	-1 018	-9%
Operating profit (non-IFRS)	304	254	20%	409	-26%
Non-IFRS exclusions	62	283		134	
Operating profit	242	- 30		274	-12%
EPS, EUR diluted (non-IFRS)	0.04	0.01	300%	0.08	-50%
EPS, EUR diluted (reported)	0.03	-0.03		0.05	-40%
Net cash from operating activities(6)	198	498	-60%		
Net cash and other liquid assets(5)	2 075	4 479	-54%	2 308	-10%
Networks					
Net sales	2 328	2 804	-17%	3 105	-25%
Mobile Broadband net sales	1 250	1 244	0%	1 563	-20%
Global Services net sales	1 069	1 423	-25%	1 540	-31%
Gross margin % (non-IFRS)	39.6%	34.0%		37.6%	
Operating profit (non-IFRS)	216	196	10%	349	-38%
Operating margin % (non-IFRS)	9.3%	7.0%		11.2%	
HERE					
Net sales	209	216	-3%	255	-18%
Gross margin % (non-IFRS)	77.5%	75.5%		75.6%	
Operating profit (non-IFRS)	10	-5		25	-60%
Operating margin % (non-IFRS)	4.8%	-2.3%		9.8%	
Technologies					
Net sales	131	123	7%	121	8%
Gross margin % (non-IFRS)	98.5%	99.2%		98.4%	
Operating profit (non-IFRS)	86	73	18%	81	6%
Operating margin % (non-IFRS)	65.6%	59.3%		66.9%	
Discontinued Operations					
Net sales	1 929	2 765	-30%	2 633	-27%
Operating profit (non-IFRS)	-306	-73		-191	
Operating profit	-326	-120		-198	
Operating margin % (non-IFRS)	-15.9%	-2.6%		-7.3%	
Operating margin %	-16.9%	-4.3%		-7.5%	
Net cash from operating activities(6)	-336	-292			
Nokia Group (continuing and discontinued operations)					
EPS, EUR diluted (non-IFRS)	-0.04	-0.02		0.03	
EPS, EUR diluted (reported)	-0.06	-0.07		-0.01	
Net cash from operating activities	-138	206		53	
Net cash and other liquid assets(5)	2 075	4 479	-54%	2 308	-10%

Note 1 relating to results information and non-IFRS (also referred to as underlying) results: *The results information in this report is unaudited. Percentages and figures presented herein may include rounding differences and therefore may not add up precisely to the totals* *presented and may vary from previously published financial information. In addition to information on our reported IFRS results, we provide certain information on a non-IFRS, or underlying business performance, basis. Non-IFRS results exclude all material 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 Networks (formerly NSN) and (ii) all business acquisitions completed after June 30, 2008. Nokia believes that our non-IFRS results provide meaningful supplemental information to both management and investors regarding Nokia s underlying business 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. See note 2 below for information about the exclusions from our non-IFRS results. More information, including a reconciliation of our Q1 2014 and Q1 2013 non-IFRS results to our* *reported results, can be found in our complete Q1 2014 report with tables on pages 19-23. A reconciliation of our Q4 2013 non-IFRS results to our reported results can be found in our complete Q4 interim report with tables on pages 21-22 and 35-40 published on January 23, 2014.*

<u>Note 2 relating to non-IFRS exclusions/special items for continuing operations</u>:

Q1 2014 EUR 62 million (net) consisting of:

- *EUR 15 million restructuring charge and other associated items in Networks*
- *EUR 3 million restructuring charge in HERE*
- *EUR 9 million of transaction and other related costs in Corporate Common resulting from the sale of Devices & Services business to Microsoft*
- *EUR 3 million of transaction and other related costs in Technologies resulting from the sale of Devices & Services business to Microsoft*
- *EUR 6 million of transaction and other related costs in HERE resulting from the sale of Devices & Services business to Microsoft*
- *EUR 22 million of intangible asset and other purchase price accounting related items arising from the acquisition of Motorola Solutions networks assets*
- *EUR 3 million of intangible asset and other purchase price accounting related items arising from the acquisition of NAVTEQ*

Q4 2013 EUR 134 million (net) consisting of:

- *EUR 95 million restructuring charge and other associated items in Networks.*
- *EUR 4 million restructuring charge in HERE*
- *EUR 22 million of transaction and other related costs resulting from the sale of Devices & Services business to Microsoft*
- *EUR 11 million of intangible asset amortization and other purchase price accounting related items arising from the acquisition of Motorola Solutions networks assets*
- *EUR 3 million of intangible asset amortization and other purchase price accounting related items arising from the acquisition of NAVTEQ*

Q1 2013 EUR 283 million (net) consisting of:

- *EUR 129 million restructuring charge and other associated items in Networks, including EUR 53 million of net charges related to country and contract exits based on the strategy that focuses on key markets and product segments*

- *EUR 5 million restructuring charge in HERE*

- *EUR 64 million of intangible asset and other purchase price accounting related items arising from the formation of Networks (formerly Nokia Siemens Networks and Nokia Solutions and Networks) and the acquisition of Motorola Solutions networks assets*

- *EUR 87 million of intangible asset and other purchase price accounting related items arising from the acquisition of NAVTEQ*

***Note 3 relating to non-IFRS exclusions for discontinuing operations*:**

Q1 2014 EUR 19 million (net) consisting of:

- *EUR 19 million of transaction and other related costs resulting from the sale of Devices & Services business to Microsoft*

Q4 2013 EUR 7 million (net) consisting of:

- *EUR 7 million of transaction and other related costs resulting from the sale of Devices & Services business to Microsoft*

Q1 2013 EUR 47 million (net) consisting of:

- *EUR 72 million restructuring charge*
- *EUR 27 million gain on a cartel claim settlement*

***Note 4 relating to operational and reporting structure*:** *We have three businesses: Networks, HERE, and Technologies, and four operating and reportable segments for financial reporting purposes: Mobile Broadband and Global Services within Networks, HERE, and Technologies. We also present certain segment data for discontinued operations. Below is a description of our four reportable segments. Mobile Broadband provides mobile operators with radio and core network software together with the hardware needed to deliver mobile voice and data services. Global Services provides mobile operators with a broad range of services, including network implementation, care, managed services, network planning and optimization as well as systems integration. HERE focuses on the development of location intelligence, location-based services and local commerce. Technologies is built on Nokia s Chief Technology Office and intellectual property rights and licensing activities. Networks also contains Networks Other, which includes net sales and related cost of sales and operating expenses of non-core businesses, as well as Optical Networks business until May 6, 2013, when its divestment was completed. It also includes restructuring and associated charges for Networks business. Additionally, as a result of the transaction announced on September 3, 2013 and closed on April 25, 2014 whereby Nokia sold substantially all of Nokia s Devices & Services business to Microsoft (Sale of the D&S Business), we report certain separate information for Discontinued Operations. On August 7, 2013 Nokia completed the acquisition of Siemens stake in Nokia Siemens Networks, which was a* *joint venture between Nokia and Siemens and renamed the company Nokia Solutions and Networks, also referred to as NSN. NSN was consolidated by Nokia prior to this transaction. After the closing of the Sale of the D&S Business, NSN was renamed Networks. Beginning in the third quarter of 2013, Nokia has reported financial information for the two operating and reportable segments within Networks; Mobile Broadband and Global Services. Beginning in the fourth quarter of 2013, the Devices & Services business has been reported as Discontinued Operations. To reflect these changes, historical results information for past periods have been regrouped for historical comparative purposes. As is customary, certain judgments have been made when regrouping historical results information and allocating items in the regrouped results. When presenting financial information as at and related comparative information for previous periods, we generally refer to the names of the businesses and reportable segments as they are named currently. However, the terms Networks and Nokia Solutions and Networks, or NSN , as well as Technologies and Advanced Technologies can be used interchangeably in this report.*

Note 5 relating to Nokia net cash and other liquid assets: *Calculated as total cash and other liquid assets less interest-bearing liabilities. For selected information on Nokia Group interest-bearing liabilities, please see the table on pages 35-36 of the complete Q1 2014 report with tables.*

Note 6 relating to continuing and discontinuing operations net cash from operating activities: *No comparative data available for Q4 2013. For the full year 2013 the net cash from operations was an inflow of EUR 1 133 million for continuing operations and an outflow of EUR 1 062 million for the discontinued operations.*

NOKIA OUTLOOK

Continuing Operations

- Nokia continues to expect Networks non-IFRS operating margin for the full year 2014 to be towards the higher end of Networks targeted long term non-IFRS operating margin range of 5% to 10%. In addition, Nokia now expects Networks net sales to grow on a year-on-year basis in the second half of 2014. This outlook is based on Nokia s expectations regarding a number of factors, including:

- competitive industry dynamics;
- product and regional mix;
- the timing of major new network deployments; and
- expected continued improvement under Networks transformation programs.

- Nokia expects software sales to comprise a lower proportion of Networks second quarter 2014 net sales compared to the first quarter 2014, which is expected to negatively affect Networks second quarter 2014 non-IFRS operating margin.
- During 2014, Nokia continues to expect HERE to invest to capture longer term transformational growth opportunities. This is expected to negatively affect HERE s 2014 non-IFRS operating margin.
- Nokia continues to expect the Technologies annualized net sales run rate to expand to approximately EUR 600 million during 2014, now that Microsoft has become a more significant intellectual property licensee in conjunction with the sale of substantially all of our Devices & Services business.
- Nokia expects cash flow in the second quarter 2014 to be negatively affected by incentive-related cash outflows related to Networks strong business performance in 2013.
- On a non-IFRS basis, until a pattern of tax profitability is re-established in Finland, Nokia continues to expect to record approximately EUR 250 million of annualized tax expense for the continuing operations. This corresponds to the anticipated cash tax obligations for Networks, HERE and Technologies. After a pattern of tax profitability is re-established in Finland, Nokia expects to record tax expenses at a long term effective tax rate of approximately 25%, however Nokia s cash tax obligations are expected to remain at approximately EUR 250 million annually until Nokia s currently unrecognized Finnish deferred tax assets have been fully utilized. At the end of the first quarter Nokia had approximately EUR 2.4 billion of unrecognized Finnish deferred tax assets that would be available against approximately EUR 11.8 billion of taxable profits. Nokia expects to utilize approximately EUR 200 million of these unrecognized Finnish deferred tax assets against the expected gain on sale of our Devices & Services business to Microsoft, and thus have available EUR 2.2 billion of unrecognized Finnish deferred tax assets after the transaction that would be available against EUR 10.8 billion of taxable profits.
- Nokia continues to expect full year 2014 capital expenditures for continuing operations to be approximately EUR 200 million, primarily attributable to Networks.

COMPLETION OF THE SALE OF SUBSTANTIALLY ALL OF THE DEVICES & SERVICES BUSINESS TO MICROSOFT

On April 25, 2014 Nokia completed the sale of substantially all of its Devices & Services business to Microsoft. As earlier communicated, the transaction was subject to potential purchase price adjustments. At closing, the agreed transaction price of EUR 5.44 billion was increased by approximately EUR 170 million as a result of the estimated adjustments made for net working capital and cash earnings. However this adjustment is based on an estimate which will be finalized when the final cash earnings and net working capital numbers are available during the second quarter 2014.

Nokia expects to book a gain on sale of approximately EUR 3.0 billion from the transaction, of which approximately EUR 1.0 billion is expected to be taxable income in Finland. As a result of the gain, Nokia expects to record tax expenses of approximately EUR 180 million and to utilize approximately EUR 200 million of Nokia s unrecognized deferred tax assets in Finland.

Additionally, as is customary for transactions of this size, scale and complexity, Nokia and Microsoft made certain adjustments to the scope of the assets originally planned to transfer. These adjustments have no impact on the material deal terms of the transaction and Nokia will be materially compensated for any retained liabilities.

In India, our manufacturing facility remains part of Nokia following the closing of the transaction. Nokia and Microsoft have entered into a service agreement whereby Nokia would produce mobile devices for Microsoft for a limited time. In Korea, Nokia and Microsoft agreed to exclude the Masan facility from the scope of the transaction and Nokia is taking steps to close the facility, which employs approximately 200 people. Altogether, and accounting for these adjustments, Nokia transferred approximately 25 000 employees to Microsoft at the closing.

The EUR 1.5 billion convertible bonds issued by Nokia to Microsoft following the announcement of the transaction have been redeemed and netted against the deal proceeds by the amount of principal and accrued interest. Related to this redemption, the accounting treatment of the equity component of the convertible bonds negatively impacted Nokia s net cash by approximately EUR 150 million.

If the transaction to sell Microsoft substantially all of our Devices & Services business would have closed before the end of the first quarter 2014, Nokia would have ended the quarter with gross cash of approximately EUR 10.5 billion and net cash of approximately EUR 7.1 billion. In addition to the proceeds from the transaction and other transaction related items, this estimate includes approximately EUR 250 million of payments from Nokia to Microsoft relating to the timing of platform support payments received, as part of the previous agreement between the two companies.

This compares to reported gross cash of EUR 6.9 billion and net cash of EUR 2.1 billion at the end of the first quarter 2014.

ANNOUNCEMENT OF NEW STRATEGY, STRUCTURE AND LEADERSHIP TEAM

The completion of the transaction with Microsoft has provided Nokia with a solid basis for future investment. It has also significantly strengthened our financial position, supporting our target of returning to being an investment grade company. On April 29, 2014, and shortly prior to the publication of this Q1 2014 interim report, Nokia outlined its next steps and future plans. These included:

- The appointment of Rajeev Suri as President and CEO, effective May 1, 2014;
- A vision to be a leader in technologies important in a connected world;
- A strategy to realize that vision by building on Nokia s three strong businesses in Networks, HERE and Technologies;
- Plans for a EUR 5 billion program to optimize capital structure, including the Nokia Board s proposal to the Annual General Meeting 2014 for the dividend and for an authorization for the Board to repurchase shares; and
- A new governance structure and the appointment of a new leadership team, effective May 1, 2014.

More details about our announcement can be found in our stock exchange release issued today entitled: *Nokia appoints Rajeev Suri as President and CEO and announces new strategy, program to optimize capital structure, and leadership team* . The release is available at http://company.nokia.com/press.

NOKIA S ANNUAL GENERAL MEETING 2014

Nokia s Annual General Meeting 2014 is scheduled to be held on June 17, 2014. The Nokia Board of Directors will convene the meeting and publish the notice and related proposals later today.

FIRST QUARTER 2014 FINANCIAL AND OPERATING DISCUSSION

NOKIA S CONTINUING OPERATIONS

See note 4 to our Summary Financial Information table above concerning our current operational and reporting structure. The following discussion includes information on a non-IFRS, or underlying business performance, basis. See notes 1 and 2 to our Summary Financial Information table above for information about our underlying non-IFRS results and the non-IFRS exclusions for the periods discussed below.

Net sales

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

FIRST QUARTER 2014 NET SALES, REPORTED & CONSTANT CURRENCY(1)

	YoY Change	**QoQ Change**
Continuing operations net sales reported	-15%	-23%
Continuing operations net sales constant currency (1)	*-11%*	*-22%*
Networks net sales reported	-17%	-25%
Networks net sales constant currency(1)	*-13%*	*-23%*
HERE net sales reported	-3%	-18%
HERE net sales constant currency(1)	*-2%*	*-18%*

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 continuing operations net sales decreased 15% year-on-year and 23% sequentially. At constant currency Nokia s continuing operations net sales would have decreased 11% year-on-year and 22% sequentially.

The year-on-year decrease in Nokia s continuing operations net sales in the first quarter 2014 was primarily due to lower net sales in Networks and, to a lesser extent, lower net sales in HERE. This was partially offset by a slight increase in net sales in Technologies. The decrease in Networks net sales in the first quarter 2014 was primarily driven by lower net sales in Global Services and the divestments of businesses not consistent with its strategic focus, as well as the exiting of certain customer contracts and countries.

The sequential decrease in Nokia s continuing operations net sales in the first quarter 2014 was primarily due to lower net sales in Networks and, to a lesser extent, lower net sales in HERE. This was partially offset by a slight increase in net sales in Technologies. The sequential decrease in net sales for Networks and HERE in the first quarter 2014 was primarily due to typical industry seasonality.

Gross Margin

Nokia s continuing operations gross margin in the first quarter 2014 improved year-on-year to 45.7% compared to 39.3% in the first quarter 2013. The year-on-year increase in Nokia s continuing operations gross margin in the first quarter 2014 was primarily due to a higher gross margin in Networks and, to a lesser extent, a higher gross margin in HERE. The year-on-year increase in Networks gross margin in the first quarter 2014 was primarily due to a higher proportion of software mainly in Japan, a higher gross margin in Global Services related to significant efficiency improvements as a result of Networks transformation program, and a higher proportion of Mobile Broadband in the overall sales mix.

Nokia s continuing operations gross margin in the first quarter increased sequentially to 45.7%, compared to 42.5% in the fourth quarter 2013. The sequential increase in Nokia s continuing operations gross margin in the first quarter 2014 was primarily due to a higher gross margin in Networks and, to a lesser extent, a higher gross margin in HERE. The sequential increase in Networks gross margin in the first quarter 2014 was primarily due to a higher proportion of software mainly in Japan, a higher gross margin in Global Services related to significant efficiency improvements as a result of Networks transformation program, and a higher proportion of Mobile Broadband in the overall sales mix.

Operating expenses

Nokia s continuing operations research and development expenses decreased year-on-year in the first quarter 2014 primarily due to a decrease in research and development expenses in HERE and Networks, primarily due to lower purchase price accounting related expenses.

Nokia s continuing operations research and development expenses decreased sequentially in the first quarter 2014 primarily due to a decrease in research and development expenses in Networks and Technologies.

Nokia s continuing operations selling, general and administrative expenses decreased year-on-year and sequentially in the first quarter 2014 primarily due to a decrease in selling, general and administrative expenses in Networks and, to a lesser extent, HERE and Technologies.

Non-IFRS Operating profit

Nokia s continuing operations non-IFRS operating profit increased year-on-year in the first quarter 2014 primarily due to increases in non-IFRS operating profit for Networks and, to a lesser extent, HERE and Technologies.

Nokia s continuing operations non-IFRS operating profit decreased sequentially in the first quarter 2014 primarily due to decreases in non-IFRS operating profit for Networks and, to a lesser extent, HERE, partially offset by an increase in Technologies non-IFRS operating profit.

Nokia s non-IFRS other income and expenses was an income of EUR 11 million in the first quarter 2014, compared to an income of EUR 24 million in the first quarter 2013 and an expense of EUR 52 million in the fourth quarter 2013. On a sequential basis, the change in Nokia s non-IFRS other income and expenses was primarily due to the absence of the following factors which resulted in elevated expense levels in the fourth quarter 2013: a non-recurring litigation provision, a write down of a VAT receivable, an increase in doubtful account allowances, and asset retirement charges.

Operating profit

Nokia s continuing operations operating profit increased year-on-year in the first quarter 2014 primarily due to an increase in operating profit for Networks and, to a lesser extent, HERE and Technologies.

Nokia s continuing operations operating profit decreased sequentially in the first quarter 2014 primarily due to decrease in operating profit for Networks and, to a lesser extent, HERE, partially offset by an increase in Technologies operating profit.

Nokia s other income and expenses was an expense of EUR 3 million in the first quarter 2014, compared to an expense of EUR 108 million in the first quarter 2013 and an expense of EUR 155 million in the fourth quarter 2013. On a year-on-year basis Nokia s other income and expenses was a lower expense primarily due to lower restructuring charges. On a sequential basis Nokia s other income and expenses was a lower expense primarily due to the absence of the following factors which resulted in elevated expense levels in the fourth quarter 2013: a non-recurring litigation provision, a write down of a VAT receivable, an increase in doubtful account allowances, and asset retirement charges.

Financial income and expenses

In the first quarter 2014, Nokia s continuing operations financial income and expenses was a net expense of EUR 74 million, compared to a net expense of EUR 111 million in the first quarter 2013 and a net expense of EUR 50 million in the fourth quarter 2013. On a year-on-year basis, the improvement was primarily due to lower net foreign exchange-related losses, partially offset by higher interest expenses. On a sequential basis, the increase in net expense was primarily due to the recognition of income related to one of our investments in the fourth quarter of 2013, partially offset by lower net foreign exchange-related losses.

Taxes

At the end of the first quarter 2014, Nokia s continuing operations in Finland had approximately EUR 2.4 billion (calculated at the Finnish corporate tax rate of 20%) of net deferred tax assets that have not been recognized in the financial statements. A significant portion of Nokia s Finnish deferred tax assets are indefinite in nature and available against future Finnish taxable income. Nokia will continue to closely monitor its ability to utilize these deferred tax assets, including assessing the future financial performance of Nokia s continuing operations in Finland. Should the recent improvements in Nokia s continuing operations financial results be sustained, all or part of the unrecognized deferred tax assets may be recognized in the future.

Cash and cash flow

The following table sets forth Nokia s continuing operations financial position at the end of the periods indicated, as well as the year-on-year and sequential growth rates.

NOKIA S CONTINUING OPERATIONS FINANCIAL POSITION

EUR million	Q1/2014	Q1/2013	YoY Change	Q4/2013	QoQ Change
Total cash and other liquid assets	6 859	10 102	-32%	8 971	-24%

Networks Contribution	2 870	2 753	4%	2 768	4%
Net cash and other liquid assets(1)	2 075	4 479	-54%	2 308	-10%
Networks Contribution	1 868	1 484	26%	1 678	11%

Note 1: *Total cash and other liquid assets minus interest-bearing liabilities.*

In the first quarter 2014, Nokia s total cash and other liquid assets decreased by EUR 2 112 million and Nokia s net cash and other liquid assets decreased by EUR 233 million, compared to the fourth quarter 2013. The sequential decline in Nokia s total cash and other liquid assets was primarily due to repayment of certain debt facilities totaling EUR 1 750 million during the first quarter 2014.

The sequential decline of EUR 233 million in Nokia s net cash and other liquid assets in the first quarter 2014 was primarily due to cash outflows from discontinued operations, which more than offset cash inflows from Nokia s continuing operations. The cash inflows from Nokia s continuing operations were primarily driven by Networks cash inflows.

In the first quarter 2014, Nokia s continuing operations adjusted net profit was EUR 272 million. In the first quarter 2014, Nokia s continuing operations had cash inflows of approximately EUR 50 million related to Networks other receivables and approximately EUR 40 million related to net working capital, which included approximately EUR 110 million of restructuring-related cash outflows. In addition, Nokia s continuing operations had cash outflows of approximately EUR 100 million related to taxes, approximately EUR 60 million negative foreign exchange impact from translation of net cash and approximately EUR 50 million related to capital expenditures. Nokia s discontinued operations cash outflow totaled approximately EUR 380 million in the first quarter 2014.

At the end of the first quarter 2014, Networks contribution to Nokia s total cash and other liquid assets was approximately EUR 2.9 billion and its contribution to Nokia s net cash and other liquid assets was approximately EUR 1.9 billion, a sequential increase of approximately EUR 102 million and EUR 190 million, respectively.

NETWORKS

The following table sets forth a summary of the results for Networks and its reportable segments, Mobile Broadband and Global Services, for the periods indicated, as well as the year-on-year and sequential growth rates.

NETWORKS RESULTS SUMMARY

EUR million	Q1/2014	Q1/2013	YoY Change	Q4/2013	QoQ Change
Net sales	2 328	2 804	-17%	3 105	-25%
Mobile Broadband net sales	1 250	1 244	0%	1 563	-20%
Global Services net sales	1 069	1 423	-25%	1 540	-31%
Non-IFRS gross margin (%)	39.6%	34.0%		37.6%	
Non-IFRS operating expenses	-704	-762	-8%	-770	-9%
Research and development expenses	-421	-463	-9%	-452	-7%
Non-IFRS operating profit	216	196	10%	349	-38%
Mobile Broadband non-IFRS operating profit	103	129	-20%	117	-12%
Global Services non-IFRS operating profit	115	80	44%	234	-51%
Non-IFRS operating margin (%)	9.3%	7.0%		11.2%	
Mobile Broadband non-IFRS operating margin (%)	8.2%	10.4%		7.5%	
Global Services non-IFRS operating margin (%)	10.8%	5.6%		15.2%	

<u>*Net Sales*</u>

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

NETWORKS NET SALES BY GEOGRAPHIC AREA

EUR million	Q1/2014	Q1/2013	YoY Change	Q4/2013	QoQ Change
Europe	630	731	-14%	834	-24%
Middle East & Africa	181	259	-30%	337	-46%
Greater China	278	223	25%	424	-34%
Asia Pacific	766	872	-12%	907	-16%
North America	262	424	-38%	263	0%

Latin America	211	295	-28%	340	-38%
Total	2 328	2 804	-17%	3 105	-25%

The year-on-year decrease of 17% in Networks net sales in the first quarter 2014 was partially due to divestments of businesses not consistent with its strategic focus, as well as the exiting of certain customer contracts and countries. Excluding these two factors, Networks net sales in the first quarter 2014 declined year-on-year by approximately 10% primarily due to lower net sales in Global Services. Mobile Broadband net sales increased slightly year-on-year. Additionally, Networks net sales were negatively affected by foreign currency fluctuations. Excluding the negative effect of foreign currency fluctuations and the divestments of businesses not consistent with its strategic focus, as well as the exiting of certain customer contracts and countries, Networks net sales would have decreased approximately 6% year-on-year.

The year-on-year decrease of 25% in Global Services net sales in the first quarter 2014 was primarily due to a reduction in network implementation and maintenance activity, consistent with lower levels of large scale network deployments, and the exiting of certain customer contracts and countries. In the first quarter 2014, Mobile Broadband net sales benefitted from higher net sales in core networks and LTE offset by lower net sales in other radio technologies, resulting in a slight net sales increase year-on-year. Additionally, Mobile Broadband net sales were adversely affected by shortages of certain components which we expect to continue to impact our business at least through the end of the second quarter 2014.

On a regional basis compared to the first quarter of 2013, net sales in North America declined 38% primarily due to a cyclical slow-down in LTE roll-outs; in Middle East and Africa, net sales declined 30% primarily due to the focus on a specific set of countries, in Latin America net sales declined by 28% primarily due to constrained operator spending and the exit of certain projects in line with Networks strategy; in Europe net sales declined by 14%, primarily due to contract exits in line with Networks strategy and operator spending that, on balance, was constrained; in Asia Pacific, net sales declined 12% primarily due to a decline from the height of the LTE network roll-outs in the first quarter of 2013 in Korea and net sales in Greater China increased 25% primarily due to the new TD-LTE network roll-outs.

The sequential decrease of 25% in Networks net sales in the first quarter 2014 reflects a seasonal decrease in sales in both Global Services and Mobile Broadband. The sequential decrease in Global Services was primarily due to a reduction in network implementation and maintenance activity. The decrease in Mobile Broadband net sales was driven by decline in legacy radio technologies. On a regional basis, Networks net sales decreased sequentially primarily due to Greater China, Middle East & Africa, Asia Pacific and Latin America.

In the first quarter 2014, Global Services represented 46% of Networks net sales, compared to 51% in the first quarter 2013 and 50% in the fourth quarter 2013. In the first quarter 2014, Mobile Broadband represented 54% of Networks net sales, compared to 44% in the first quarter 2013 and 50% in the fourth quarter 2013.

At constant currency, Networks net sales would have decreased 13% year-on-year and decreased 23% sequentially. Excluding the negative effect of foreign currency fluctuations and the divestments of businesses not consistent with its strategic focus, as well as the exiting of certain customer contracts and countries, Networks net sales would have decreased 6% year-on-year and decreased 23% sequentially.

Non-IFRS Gross Margin

On a year-on-year basis, the increase in Networks non-IFRS gross margin in the first quarter 2014 was primarily due to a higher proportion of software sales mainly in Japan, a higher gross margin in Global Services related to significant efficiency improvements as a result of Networks transformation program, and a higher proportion of Mobile Broadband in the overall sales mix.

On a sequential basis, the increase in Networks non-IFRS gross margin in the first quarter 2014 was primarily due to a higher proportion of software sales mainly in Japan, and a higher proportion of Mobile Broadband in the overall sales mix. The improved margin within Mobile Broadband was primarily due to lower costs in connection with the technology shift to TD-LTE in China.

Non-IFRS Operating Expenses

Networks non-IFRS research and development expenses decreased 9% year-on-year in the first quarter 2014. On a year-on-year basis, non-IFRS research and development expenses were lower primarily due to business divestments and reduced investments in business activities that are not consistent with Networks focused strategy, as well as increased research and development efficiency, partially offset by higher investments in areas that are consistent with Networks focused strategy, most notably LTE. On a sequential basis, non-IFRS research and development expenses decreased 7% primarily due to lower accrued incentive expenses which were at an elevated level in the fourth quarter 2013 as well as improved research and development efficiency.

On a year-on-year basis, Networks non-IFRS selling, general and administrative expenses decreased 5% primarily due to structural cost savings from Networks global restructuring program. On a sequential basis, Networks non-IFRS selling, general and administrative expenses decreased by 11% consistent with seasonally lower net sales and lower accrued incentive expenses which were at an elevated level in the fourth quarter 2013.

Non-IFRS Operating Profit

The year-on-year increase in Networks non-IFRS operating profit in the first quarter 2014 was primarily due to the higher non-IFRS operating profit in Global Services partially offset by a lower non-IFRS operating profit in Mobile Broadband. On a year-on-year basis, the increase in Global Services non-IFRS operating profit was primarily due to higher gross profit. On a year-on-year basis, the decrease in Mobile Broadband non-IFRS operating profit was primarily due to lower gross profit.

The sequential decrease in Networks non-IFRS operating profit in the first quarter 2014 was primarily due to the lower non-IFRS operating profit in Global Services and to a lesser degree a lower non-IFRS operating profit in Mobile Broadband. On a sequential basis, the decrease in Global Services non-IFRS operating profit was primarily due to seasonally lower net sales contributing to lower gross profit partially offset by lower operating expenses. On a sequential basis, the decrease in Mobile Broadband non-IFRS operating profit was primarily due to seasonally lower net sales contributing to lower gross profit partially offset by lower operating expenses.

Networks non-IFRS other income and expenses was an expense of EUR 2 million in the first quarter 2014, compared to an income of EUR 7 million in the first quarter 2013 and an expense of EUR 50 million in the fourth quarter 2013. On a sequential basis Networks non-IFRS other income and expenses was a lower expense due to the absence of the following factors which resulted in elevated expense levels in the fourth quarter 2013: a non-recurring litigation provision, a write down of a VAT receivable, an increase in doubtful account allowances, and asset retirement charges.

Global Restructuring Program (announced in November 2011)

During the first quarter 2014, restructuring related charges were approximately EUR 15 million and the related cash outflows were approximately EUR 110 million. At March 31 2014, since the commencement of the global restructuring program, cumulative restructuring charges amounted to approximately EUR 1 850 million, and cumulative related cash outflows amounted to approximately EUR 1 350 million. We continue to estimate cumulative restructuring related charges and related cash outflows to be approximately EUR 1 950 million and EUR 1 700 million, respectively, by the end of 2014. Changes in estimates of timing or amounts of costs to be incurred and associated cash flows may become necessary as the transformation and restructuring program is being completed.

At the end of the first quarter 2014, Networks had approximately 48 500 employees, a reduction of approximately 8 200 employees compared to the end of the first quarter 2013, and a reduction of approximately 100 employees compared to the end of the fourth quarter 2013.

HERE

The following table sets forth a summary of the results for HERE for the periods indicated, as well as the year-on-year and sequential growth rates.

HERE RESULTS SUMMARY

EUR million	**Q1/2014**	**Q1/2013**	**YoY Change**	**Q4/2013**	**QoQ Change**
Net sales	209	216	-3%	255	-18%
External net sales	185	163	13%	225	-18%
Internal net sales	24	52	-54%	30	-20%
Non-IFRS gross margin (%)	77.5%	75.5%		75.6%	
Non-IFRS operating expenses	-154	-168	-8%	-167	-8%
Research and development expenses	-117	-122	-4%	-120	-3%
Non-IFRS operating profit	10	-5		25	-60%
Non-IFRS operating margin (%)	4.8%	-2.3%		9.8%	

HERE internal sales refers to sales that HERE made to our Discontinued Operations (formerly Devices & Services business) that used certain HERE services in its mobile devices. The internal net sales have not been eliminated in the continuing operations consolidated income statements for all periods presented. After the closing of the Sale of the D&S Business, HERE no longer generates such internal sales, however it will continue to recognize deferred revenue related to this business for up to 24 months after the closing of the Sale of the D&S Business. As *part of the Sale of the D&S Business, Microsoft will become a strategic licensee of the HERE platform, and will separately pay HERE for a four-year license that will be recognized ratably as external net sales.*

<u>*Net Sales*</u>

In the first quarter 2014, the year-on-year increase in external HERE net sales was primarily due to higher sales to vehicle customers and a benefit related to the conversion of a contract to a perpetual license. This increase was partially offset by lower sales to personal navigation device (PND) customers consistent with declines in the PND industry.

In the first quarter 2014, the sequential decrease in external HERE net sales was primarily due to lower seasonal sales to PND and vehicle customers, partially offset by a benefit related to the conversion of a contract to a perpetual license.

In the first quarter 2014, HERE had sales of new vehicle licenses of 2.8 million units, compared to 2.2 million units in the first quarter 2013 and 3.2 million units in the fourth quarter 2013. On a year-on-year basis, unit sales to vehicle customers increased primarily due to higher consumer uptake of in-vehicle navigation and higher vehicle sales. On a sequential basis unit sales to vehicle customers decreased primarily due to lower seasonal vehicle sales.

Sales to vehicle customers represented well over 50% of external HERE net sales in the first quarter 2014, as well as in the first quarter 2013 and the fourth quarter 2013.

In the first quarter 2014, the year-on-year and sequential declines in internal HERE net sales were primarily due to lower recognition of deferred revenue related to our smartphone sales.

At constant currency HERE s overall net sales would have decreased 2% year-on-year and 18 % sequentially.

Non-IFRS Gross Margin

On a year-on-year basis, the increase in HERE non-IFRS gross margin in the first quarter 2014 was primarily due to a benefit related to the conversion of a contract to a perpetual license and an overall positive mix shift towards sales to vehicle customers.

On a sequential basis, the increase in HERE non-IFRS gross margin in the first quarter 2014 was primarily due to a benefit related to the conversion of a contract to a perpetual license and the absence of a non-recurring licensing expense that negatively affected the fourth quarter 2013.

Non-IFRS Operating Expenses

HERE non-IFRS research and development expenses decreased 4% year-on-year and 3% sequentially primarily due to cost reduction actions and improvements in R&D efficiency, such as greater use of automation in map creation. These factors were partially offset by higher investments in targeted growth areas.

HERE non-IFRS selling, general, and administrative expenses decreased 20% year-on-year primarily due to cost reduction actions. On a sequential basis, selling, general, and administrative expenses decreased 21% in the first quarter 2014, primarily due to lower seasonal marketing expenses.

Non-IFRS Operating Profit

The year-on-year increase in HERE non-IFRS operating profit in the first quarter 2014 was primarily due to lower operating expenses.

The sequential decrease in HERE non-IFRS operating profit in the first quarter 2014 was primarily due to lower gross profit, partially offset by lower operating expenses.

HERE non-IFRS other income and expenses was income of EUR 1 million in the first quarter 2014, compared to approximately zero the first quarter 2013 and the fourth quarter 2013.

TECHNOLOGIES

The following table sets forth a summary of the results for Technologies, for the periods indicated, as well as the year-on-year and sequential growth rates.

TECHNOLOGIES RESULTS SUMMARY

EUR million	Q1/2014	Q1/2013	YoY Change	Q4/2013	QoQ Change
Net sales	131	123	7%	121	8%
Non-IFRS gross margin (%)	98.5%	99.2%		98.4%	
Non-IFRS operating expenses	-40	-48	-17%	-37	8%
Research and development expenses	-32	-36	-11%	-27	19%
Non-IFRS operating profit	86	73	18%	81	6%
Non-IFRS operating margin (%)	65.6%	59.3%		66.9%	

Net Sales

The year-on-year increase in Technologies net sales in the first quarter 2014 was primarily due to higher intellectual property licensing income from certain licensees primarily related to new agreements. This increase was partially offset by the absence of an intellectual property rights divestment transaction that benefitted net sales in the first quarter 2013 and declines in licensing income from certain licensees that experienced lower levels of business activity.

The sequential increase in Technologies net sales in the first quarter 2014 was primarily due to higher intellectual property licensing income from certain licensees primarily related to new agreements and revenue share related to previously divested intellectual property rights, partially offset by declines in licensing income from certain licensees that experienced lower levels of business activity.

Non-IFRS Gross Margin

On both a year-on-year and sequential basis, Technologies non-IFRS gross margin was stable.

Non-IFRS Operating Expenses

Technologies non-IFRS research and development expenses decreased by 11% year-on-year and increased by 19% sequentially, primarily due to timing of research and development projects.

Technologies non-IFRS selling, general and administrative expenses decreased 38% year-on-year and decreased by 20% sequentially, primarily due to a decline in intellectual property licensing related litigation expenses.

Non-IFRS Operating Profit

The year-on-year increase in Technologies non-IFRS operating profit in the first quarter 2014 was primarily due to higher gross profit and lower operating expenses.

The sequential increase in Technologies non-IFRS operating profit in the first quarter 2014 was primarily due to higher gross profit, partially offset by higher operating expenses.

Technologies non-IFRS other income and expenses was an expense of EUR 2 million in the first quarter 2014, compared to EUR 0 million in the first quarter 2013 and in the fourth quarter 2013.

DISCONTINUED OPERATIONS

The following table sets forth a summary of the results for discontinued operations, for the periods indicated, as well as the year-on-year and sequential growth rates.

DISCONTINUED OPERATIONS RESULTS SUMMARY

EUR million	Q1/2014	Q1/2013	YoY Change	Q4/2013	QoQ Change
Net sales	1 929	2 765	-30%	2 633	-27%
Non-IFRS gross margin (%)	16.2%	21.9%		20.3%	
Non-IFRS operating expenses	-597	-660	-10%	-717	-17%
Non-IFRS operating margin (%)	-15.9%	-2.6%		-7.3%	
Operating margin (%)	-16.9%	-4.3%		-7.5%	

Net Sales

The year-on-year and sequential declines in discontinued operations net sales in the first quarter 2014 were primarily due to lower Mobile Phones net sales and, to a lesser extent, lower Smart Devices net sales.

On both a year-on-year and sequential basis, our Mobile Phones net sales were affected by competitive industry dynamics, including intense smartphone competition at increasingly lower price points and intense competition at the low end of our product portfolio. Our Smart Devices net sales were affected by competitive industry dynamics including the strong momentum of competing smartphone platforms.

On both a year-on-year and sequential basis, discontinued operations unit volumes declined in the first quarter 2014. The year-on-year decline in discontinued operations unit volumes was due to lower Mobile Phones unit volumes, partially offset by higher Smart Devices unit volumes. Sequentially, the decline in discontinued operations unit volumes was primarily due to lower Mobile Phones unit volumes and, to a lesser extent, lower Smart Devices unit volumes.

Discontinued operations Average Selling Price (ASP) declined on both a year-on-year and sequential basis in the first quarter 2014. The year-on-year and sequential declines in discontinued operations ASP were due to lower ASPs for both Smart Devices and Mobile Phones.

Discontinued operations ended the first quarter 2014 within our normal 4 to 6 week channel inventory range.

Non-IFRS Gross Margin

The year-on-year decline in discontinued operations non-IFRS gross margin in the first quarter 2014 was primarily due to lower Smart Devices gross margin and, to a lesser extent, lower Mobile Phones gross margin. Compared to the first quarter 2013, Smart Devices non-IFRS gross margin was negatively impacted by the absence of the reversal of approximately EUR 50 million of previously recognized inventory related allowances for our Windows Phone 7-based Lumia products which benefitted Smart Devices non-IFRS gross margin in the first quarter 2013 as well as approximately EUR 20 million of allowances related to excess components in the first quarter 2014. Compared to the first quarter 2013, Mobile Phones non-IFRS gross margin in the first quarter 2014 benefitted from lower warranty costs, mainly offset by the negative affect of approximately EUR 40 million of allowances related to excess components.

On a sequential basis, the decline in discontinued operations non-IFRS gross margin in the first quarter 2014 was primarily due to lower Mobile Phones gross margin and, to a lesser extent, lower Smart Devices gross margin. On a sequential basis, Smart Devices non-IFRS gross margin in the first quarter 2014 benefitted from the absence of approximately EUR 50 million of net allowances related to excess component inventory, future purchase commitments and an inventory revaluation that negatively impacted Smart Devices non-IFRS gross margin in the fourth quarter 2013, partially offset by approximately EUR 20 million of allowances related to excess components in the first quarter 2014. Compared to the previous quarter, Mobile Phones non-IFRS gross margin in the first quarter 2014 benefitted from lower warranty costs, mainly offset by the negative affect of approximately EUR 40 million of allowances related to excess components.

Non-IFRS Operating Expenses

On both a year-on-year and sequential basis, the decline in discontinued operations non-IFRS operating expenses in the first quarter 2014 was due to lower operating expenses in both Mobile Phones and Smart Devices.

Non-IFRS Operating Profit

The year-on-year decline in discontinued operations non-IFRS operating profit in the first quarter 2014 was primarily due to lower Smart Devices and Mobile Phones non-IFRS operating profit. On a sequential basis, the decline in discontinued operations non-IFRS operating profit in the first quarter 2014 was due to lower Mobile Phones non-IFRS operating profit, partially offset by higher Smart Devices non-IFRS operating profit.

Discontinued operations non-IFRS other income and expenses was an expense of EUR 22 million in the first quarter 2014, compared to an expense of EUR 18 million in the first quarter 2013 and an expense of EUR 9 million in the fourth quarter 2013.

Operating Profit

The year-on-year decline in discontinued operations operating profit in the first quarter 2014 was primarily due to lower Smart Devices and Mobile Phones operating profit. On a sequential basis, the decline in discontinued operations operating profit in the first quarter 2014 was due to lower Mobile Phones operating profit, partially offset by higher Smart Devices operating profit.

Discontinued operations other income and expenses was an expense of EUR 32 million in the first quarter 2014, compared to an expense of EUR 65 million in the first quarter 2013 and an expense of EUR 15 million in the fourth quarter 2013. On a year-on-year basis discontinued operations other income and expenses was a lower expense primarily due to lower restructuring charges.

FIRST QUARTER 2014 OPERATING HIGHLIGHTS

NOKIA Q1 OPERATING HIGHLIGHTS

- During the first quarter, Nokia focused on making progress with respect to obtaining the relevant regulatory approvals needed to ensure it could close the transaction with Microsoft, which was originally announced on September 3, 2013. Since the end of the quarter, the two companies were able to obtain the remaining approvals needed and meet customary closing conditions in order to close the transaction on April 25, 2014.

- During the first quarter, Nokia continued attempts to resolve the future of its manufacturing facility in India whose transfer to Microsoft as part of the transaction between the two companies was prevented owing to an asset freeze relating to Nokia s ongoing tax proceedings in the country. Nokia continues to contest the claims it believes are meritless made by the Indian tax authorities.

NETWORKS Q1 OPERATING HIGHLIGHTS

- Network s strong deal momentum in mobile broadband and related services continued. During the quarter Networks was granted a five-year contract with Vodafone for the SingleRAN and Subscriber Data

Management solutions in the operator s Project Spring network upgrade and was selected by Everything Everywhere in the UK to support the continued expansion of its LTE network. Networks was also selected as the sole supplier of Elisa s LTE network in Finland. Other contracts in the quarter included VimpelCom s LTE radio access networks in the central region of Russia, Siberia, South and most of the Volga and Ural regions; the implementation of an LTE network and modernization of the existing GSM and 3G networks for TELE Greenland; the implementation of Taiwan Mobile s multi-band LTE and LTE-Advanced network; the upgrade of Telkomsel s GSM and 3G HSPA+ network in Indonesia; the modernization and expansion of Mobily s 2G, 3G WCDMA and TD-LTE networks in Saudi Arabia; and LTE infrastructure for Avantel in Colombia. At the end of the first quarter of 2014, Networks had 138 commercial LTE contracts.

- Networks continues to lead in 4G radio technology, demonstrating 2.6 Gbps throughput over a single sector in Sprint s TD-LTE network. In the live network of Optus in Australia, the operator and Networks built the world s first Gigasite attaining an aggregate downlink capacity of 1.7 Gbps.

- Networks announced the world s first TDD-FDD carrier aggregation demonstration together with two South Korean operators, Korea Telecom and SK Telecom; and together with Broadcom Corporation and Elisa in Finland the first ever demonstration of LTE Advanced carrier aggregation on a live commercial network.

- Networks continues to invest in innovation and further evolved the Networks Smart Scheduler that is now able to provide up to 30 percent faster downlink speeds at the cell edge; and announced new Centralized RAN software capable of doubling the uplink capacity of existing LTE networks. Networks also demonstrated its FutureWorks 5G research concept, which enables ultra-dense networks, a mobile network on demand for mega events, and a self-learning network that analyzes big data in real time and responds in an instant.

- Networks extended its Flexi Zone small cell architecture and introduced the Flexi Zone controller, which supports the integration of Networks Liquid Applications to deliver services directly from small cell base station clusters.

- Networks announced the first telco cloud based IP Multimedia Subsystem (IMS); launched the Telco Cloud Management solution for operators; and extended its Services to help operators prepare, implement and run their own telco clouds and migrate existing telco services to cloud-based networks.

- Tele2 Sweden chose Networks Serve atOnce Traffica Customer Experience Management (CEM) solution, and Networks announced CEMfor Loyalty Scores and the CEM Umbrella Solution for a customized overview of customer experience across an operator group s countries or regions.

- Networks renewed the managed services contract with Saudi Telecom Company, covering the operator s GSM, 3G and LTE network. Networks launched Predictive Operations, the world s first managed service for predicting mobile broadband service and network degradations; LTE Service Management that helps ensure the quality of mobile broadband services running over LTE networks; and Services for OTT management, which helps operators improve the delivery of OTT content.

- Telecommunication Development Industry Alliance (TDIA) awarded Networks contribution to time division (TD) technology; Networks Liquid Applications won a Global TD-LTE Initiative (GTI) Award in the Innovative Solutions category; at the GSMA Global Mobile Awards 2014, Networks and O2 (Telefónica UK) won the top prize in the Best Mobile Infrastructure category for the deployment of iSON Automation for Operations.

HERE Q1 OPERATING HIGHLIGHTS

- During the first quarter, HERE continued to expand its reach, delivering the latest maps, platform services and location experiences to more people and businesses across screens and operating systems. New, renewed and expanded partnerships with companies from various industries demonstrate that HERE is a valued and preferred partner for maps and location intelligence.

- HERE introduced the HERE Maps experience with true offline maps and integrated turn-by-turn navigation to more people and new markets on the newly introduced Nokia X family of devices.

- HERE made HERE Maps available to the whole Windows 8.1 ecosystem, including tablets and desktops.

- HERE introduced the HERE Mobile SDK for Business enabling companies and government agencies to quickly and easily develop native location-based applications tailored to their specific needs.

- HERE opened up its community-editing tool Map Creator, available in more than 100 countries, to expert communities in North America and Western Europe, enabling them to add new roads, trails or places and updating road or place information, to keep HERE maps up to date.

- HERE was selected by ARS Traffic & Transport Technology to advance and streamline the UK Highway Agency s logistics for vehicles that exceed standard dimensions. Accurate location content from HERE will allow haulers, police, and road and bridge authorities to plot the most efficient route and assess the suitability of the route for the vehicle.

- HERE and Continental announced that they will intensify their collaboration in bringing the Connected Car to life, focusing on Electronic Horizon, future Automated Driving functionalities and Intelligent Transportation Systems (ITS).

- Garmin reinforced its long term global commitment to HERE Traffic by extending its contract by three years and expanding Automotive OEM map update distribution relationships beyond North America and the European Union. Additionally, Garmin switched its Places mobile search offering to the HERE Location Platform to enhance its consumers search experience.

- Honda unveiled its first signature suite of connected apps called HondaLink Navigation in Thailand and Australia. The applications are powered by cloud-based dynamic content, traffic and Web search provided through the HERE Platform.

- HERE Traffic was selected to provide the Missouri Department of Transportation with real-time traffic data. The data will be used to analyze road conditions, track incidents or events, and distribute travel-time information to the public in real-time.

- HERE launched its real-time Traffic service through Mitsubishi Electric Corporation to Mitsubishi Motors vehicles in North America, Europe, and Russia. HERE map content and updates also have expanded to Australia and New Zealand.

- HERE announced that QNX Software Systems will add support for HERE Auto to the QNX CAR Platform for Infotainment.

- Volvo Cars launched new navigation platforms Sensus Navigation and Sensus Connect that incorporate HERE Automotive Cloud connected services to provide seamless and connected navigation to drivers. These platforms make use of advanced navigation maps, content and services, providing innovative navigation solutions to consumers.

- Yahoo! integrated full venue maps powered by HERE for places like shopping malls, travel interchanges and sports stadiums. HERE venue maps are available for more than 75 000 buildings worldwide.

TECHNOLOGIES Q1 OPERATING HIGHLIGHTS

- Nokia and HTC settled all pending patent litigation between them, and entered into a patent and technology collaboration agreement. HTC is making payments to Nokia and the collaboration involves HTC s LTE patent portfolio, further strengthening Nokia s licensing offering. The companies also announced that they are exploring future technology collaboration opportunities.

DISCONTINUED OPERATIONS Q1 OPERATING HIGHLIGHTS

- Nokia introduced five new affordable handsets, including the Nokia X, a family of smartphones that run Android(TM) apps, Microsoft services and signature Nokia experiences.

PERSONNEL

PERSONNEL END OF QUARTER

	Q1/2014	Q1/2013	YoY Change	Q4/2013	QoQ Change

Networks	48 505	56 670	-14%	48 628	0%
HERE	5 936	6 030	-2%	5 741	3%
Technologies and corporate common	852	920	-7%	875	-3%
Nokia s continuing operations	55 293	63 620	-13%	55 244	0%

The average number of Nokia s continuing operations employees during the period from January to March 2014 was 54 914, of which the average number of employees at HERE and Networks was 5 839 and 48 567 respectively.

SHARES

The total number of Nokia shares on March 31, 2014, was 3 744 994 342. On March 31, 2014, Nokia and its subsidiary companies owned 31 196 362 Nokia shares, representing approximately 0.8% of the total number of Nokia shares and the total voting rights.

CONSOLIDATED INCOME STATEMENTS, EUR millions

(unaudited)

	Reported 1-3/2014	Reported 1-3/2013	Reported 1-12/2013	Non-IFRS 1-3/2014	Non-IFRS 1-3/2013	Non-IFRS 1-12/2013
Net sales	**2 664**	3 140	12 709	**2 664**	3 140	12 710
Cost of sales	**-1 448**	-1 906	-7 364	**-1 446**	-1 906	-7 364
Gross profit	**1 216**	1 234	5 345	**1 218**	1 234	5 346
Research and development expenses	**-589**	-708	-2 619	**-570**	-621	-2 416
Selling, general and administrative expenses	**-382**	-447	-1 671	**-355**	-383	-1 578
Other income	**42**	69	272	**42**	67	267
Other expenses	**-45**	-177	-809	**-31**	-43	-182
Operating profit/loss	**242**	-30	518	**304**	254	1 437
Share of results of associated companies	**0**	-1	4	**0**	-1	4
Financial income and expenses	**-74**	-111	-280	**-74**	-111	-280
Profit/loss before tax	**168**	-142	243	**230**	142	1 161
Tax	**-58**	-26	-202	**-59**	-67	-282
Profit/loss from continuing operations	**110**	-168	41	**171**	74	879
Profit/loss from continuing operations attributable to equity holders of the parent	**108**	-98	186	**169**	48	762
Profit/loss from continuing operations attributable to non-controlling interests	**2**	-70	-145	**2**	27	117
Discontinued operations						
Loss/profit from discontinued operations	**-339**	-171	-780	**-319**	-123	-665
Loss from discontinued operations attributable to equity holders of the parent	**-347**	-174	-801	**-327**	-126	-686
Loss from discontinued operations attributable to non-controlling interests	**8**	3	21	**8**	3	21
Loss/profit	**-229**	-339	-739	**-148**	-49	214
Loss/profit attributable to equity holders of the parent	**-239**	-272	-615	**-158**	-79	76
Loss/profit attributable to non-controlling interests	**10**	-67	-124	**10**	30	138
Loss/profit	**-229**	-339	-739	**-148**	-49	214
Earnings per share from continuing and discontinued operations, EUR (for loss/profit attributable to the equity holders of the parent)						
Basic earnings per share						
From continuing operations	**0.03**	-0.03	0.05	**0.05**	0.01	0.21
From discontinued operations	**-0.09**	-0.05	-0.22	**-0.09**	-0.03	-0.19
From the profit	**-0.06**	-0.07	-0.17	**-0.04**	-0.02	0.02
Diluted earnings per share						
From continuing operations	**0.03**	-0.03	0.05	**0.04**	0.01	0.20
From discontinued operations	**-0.09**	-0.05	-0.22	**-0.09**	-0.03	-0.19
From the profit	**-0.06**	-0.07	-0.17	**-0.04**	-0.02	0.02

Average number of shares (1 000 shares)						
Basic						
From continuing operations	**3 713 051**	3 711 474	3 712 079	**3 713 051**	3 711 474	3 712 079
From discontinued operations	**3 713 051**	3 711 474	3 712 079	**3 713 051**	3 711 474	3 712 079
From the profit	**3 713 051**	3 711 474	3 712 079	**3 713 051**	3 711 474	3 712 079
Diluted						
From continuing operations	**3 741 787**	3 711 474	3 733 364	**4 396 455**	3 722 835	4 121 207
From discontinued operations	**3 713 051**	3 711 474	3 712 079	**3 713 051**	3 711 474	3 712 079
From the profit	**3 713 051**	3 711 474	3 712 079	**3 713 051**	3 711 474	3 733 364
From continuing operations:						
Depreciation and amortization	**-81**	-232	-560	**-56**	-78	-280
Share-based compensation expense	**16**	8	42	**16**	8	42

*The share count used for calculating continuing operations non-IFRS diluted EPS for the full year 2013 was incorrect in the financial report published by Nokia on January 23, 2014. Continuing operations non-IFRS diluted EPS for the full year 2013 has been corrected to EUR 0.20 in the above table (not EUR 0.21 as reported by Nokia on January 23, 2014).

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME, IFRS, EUR million

(unaudited)

	1-3/2014	1-3/2013	1-12/2013
Profit/Loss	**-229**	-339	-739
Other comprehensive income/expense			
Items that will not be reclassified to profit or loss			
Remeasurements on defined benefit pensions	-83	0	83
Items that may be reclassified subsequently to profit or loss			
Translation differences	-79	112	-496
Net investment hedges	23	-30	114
Cash flow hedges	-11	4	3
Available-for-sale investments	-9	13	49
Other increase/decrease, net	-3	4	5
Income tax related to components of other comprehensive income/expense	4	0	-2
Other comprehensive expense/income, net of tax	**-158**	103	-244
Total comprehensive expense/income	**-387**	-236	-983
Total comprehensive expense/income attributable to			
equity holders of the parent	-392	-189	-863
non-controlling interests	5	-47	-120
	-387	-236	-983
Total comprehensive income (expense) attributable to equity holders of the parent arises from:			
Continuing operations	-1	26	34
Discontinued operations	-391	-215	-897
	-392	-189	-863

NETWORKS, EUR million

(unaudited)

	Reported 1-3/2014	Special items & PPA 1-3/2014	Non-IFRS 1-3/2014	Reported 1-3/2013	Special items & PPA 1-3/2013	Non-IFRS 1-3/2013
Net sales	**2 328**		**2 328**	2 804		2 804
Cost of sales	**-1 406**		**-1 406**	-1 852		-1 852
Gross profit	**922**		**922**	952		952
% of net sales	***39.6***		***39.6***	*34.0*		*34.0*
Research and development expenses (1)	**-433**	**12**	**-421**	-466	4	-463
% of net sales	***18.6***		***18.1***	*16.6*		*16.5*
Selling, general and administrative expenses (2)	**-293**	**9**	**-284**	-361	61	-300
% of net sales	**12.6**		**12.2**	12.9		10.7
Other income and expenses (3)	**-17**	**15**	**-2**	-122	129	7
Operating profit/loss	**179**	**37**	**216**	3	193	196
% of net sales	***7.7***		***9.3***	*0.1*		*7.0*
Depreciation and amortization	***-65***	*22*	***-43***	*-126*	*68*	*-57*
EBITDA	***243***	*15*	***259***	*130*	*125*	*255*

(1) Amortization of acquired intangible assets of EUR 12 million in Q1/14 and EUR 4 million in Q1/13.

(2) Amortization of acquired intangible assets of EUR 9 million in Q1/14 and EUR 61 million in Q1/13.

(3) Restructuring charges and associated charges of EUR 15 million in Q1/14 and EUR 129 million in Q1/13, including EUR -2 million and EUR 53 million, respectively, of net charges related to country and contract exits based on the strategy that focuses on key markets and product segments.

HERE, EUR million

(unaudited)

	Reported 1-3/2014	Special items & PPA 1-3/2014	Non-IFRS 1-3/2014	Reported 1-3/2013	Special items & PPA 1-3/2013	Non-IFRS 1-3/2013
Net sales	**209**		**209**	216		216
Cost of sales (1)	**-48**	**2**	**-47**	-53		-53
Gross profit (1)	**160**	**2**	**162**	163		163
% of net sales	***76.6***		***77.5***	*75.5*		*75.5*
Research and development expenses (2)	**-121**	**4**	**-117**	-206	83	-122
% of net sales	***57.9***		***56.0***	*95.4*		*56.5*