

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

CITY OF ROSEVILLE EMPLOYEES’	:	Civil Action No.
RETIREMENT SYSTEM, Individually and On	:	
Behalf of All Others Similarly Situated,	:	COMPLAINT FOR VIOLATION OF THE
	:	FEDERAL SECURITIES LAWS
Plaintiff,	:	
	:	
vs.	:	
	:	
NOKIA CORPORATION, OLLI-PEKKA-	:	<u>DEMAND FOR JURY TRIAL</u>
KALLASVUO, RICHARD A. SIMONSON,	:	
KAI OISTAMO,	:	
	:	
Defendants	:	

Plaintiff has alleged the following based upon the investigation of Plaintiff's counsel, which included a review of United States Securities and Exchange Commission ("SEC") filings by Nokia Corporation ("Nokia" or the "Company"), as well as securities analysts' reports and advisories about the Company, press releases and other public statements issued by the Company, and media reports about the Company. Plaintiff believes that substantial additional evidentiary support will exist for the allegations set forth herein after a reasonable opportunity for discovery.

NATURE OF THE CASE

1. This is a federal securities class action on behalf of purchasers of the American Depository Shares ("ADS") of Nokia between January 24, 2008 and September 5, 2008, inclusive (the "Class Period"), against Nokia and certain of its officers for violations of the Securities Exchange Act of 1934 ("Exchange Act").

2. Over its 142 year history, Nokia has evolved from its origins in the paper industry to become a world leader in mobile communications. Today, approximately a billion people around the world use Nokia mobile devices.

3. In early 2008, Defendants became aware that Nokia was likely to experience production related delays associated with its mid-price range cellular phones, including certain of its smart phones.¹ Defendants hid this fact from investors and instead highlighted the Company's expected launch of several new phones.

4. Facing increasing competition, especially from manufactures in the Asian-Pacific region, Nokia began to slash prices in an attempt to maintain its industry leading market share.

¹ While there is no industry standard definition of a smart phone, a smart phone is a mobile phone offering advanced capabilities, often with PC-like functionality.

5. As the Class Period progressed, the product supply and other manufacturing problems Nokia experienced with the production of its mid-priced cellular phones caused it to push back the launch of one, high end mid-priced phone. This delay, coupled with Nokia's aggressive price cutting strategy caused the average selling price ("ASP") of its cellular phones to decline significantly, from EUR 79 in Q1 of 2008 to EUR 74 in Q2 of 2008 to EUR 72 in Q3 of 2008, as Nokia was forced to sell a greater percentage of lower priced phones.

6. The decline in Nokia ASP adversely impacted the operating margins of the Company's highly profitable Devices and Services segment, which, excluding special items, also declined during the Class Period, from 21.2% in Q1 of 2008 to 20.1% in Q2 of 2008 to 18.6% in Q3 of 2008.

7. By the end of the Class Period, the price of Nokia's ADS had fallen from a Class Period high of \$38.25 to \$20.62.

JURISDICTION AND VENUE

8. Jurisdiction is conferred by §27 of the Exchange Act. The claims asserted herein arise under §§10(b) and 20(a) of the Exchange Act and Rule 10b-5 promulgated thereunder.

9. Venue is proper in this District pursuant to Section 27 of the Exchange Act. The Company's ADS traded on the New York Stock Exchange ("NYSE"), which is based in this District.

PARTIES

10. Plaintiff City of Roseville Employees' Retirement System, as set forth in the accompanying certification, purchased the ADS of Nokia during the Class Period and has been damaged thereby.

11. Defendant Nokia is a public limited liability company incorporated under the laws of the Republic of Finland. The Company's ADS are evidenced by American Depositary Receipts, or

ADR, issued by Citibank, N.A., as Depositary, and are traded on the NYSE under the symbol “NOK.”

12. Defendant Olli-Pekka Kallasvuo (“Kallasvuo”) was, during the Class Period, Nokia’s President and Chief Executive Officer and Chairman of Nokia Group’s Executive Board.²

13. Defendant Richard A. Simonson (“Simonson”) was, during the Class Period, Nokia’s Executive Vice President and Chief Financial Officer and a Nokia Group Executive Board member.

14. Defendant Kai Oistamo (“Oistamo”) was, during the Class Period, Nokia’s Executive Vice President of Nokia’s Devices segment and a Nokia Group Executive Board member.

15. Defendants Kallasvuo, Simonson, and Oistamo are collectively referred to herein as the “Individual Defendants.”

16. Nokia’s top officers, including the Individual Defendants, are liable for making false statements, including those by Nokia’s executive officers. Defendants’ fraudulent scheme and course of business operated as a fraud or deceit on purchasers of Nokia’s ADS in that: (i) it temporarily deceived the investing public regarding Nokia’s prospects and business; (ii) it artificially inflated the prices of Nokia’s publicly traded ADS; and (iii) it caused plaintiff and other members of the Class to purchase Nokia publicly traded securities at inflated prices.

FALSE AND MISLEADING STATEMENTS ISSUED DURING THE CLASS PERIOD

17. During the Class Period, Nokia conducted its operations via three reportable segments: Devices & Services; NAVTEQ; and Nokia Siemens Networks. The Company’s Devices & Services segment designs, develops, and manages its mobile device portfolio, including the

² According to Nokia’s articles of association, Nokia has a Group Executive Board that is responsible for the operative management of Nokia Group. Members of the Group Executive Board are appointed by the Company’s Board of Directors.

sourcing of components. It also offers consumer Internet services in music, maps, media, messaging, and games and working areas. Nokia's NAVTEQ segment provides digital map information and related location based content and services for automotive navigation systems, mobile navigation devices, Internet-based mapping applications, and government and business solutions. The Company's Nokia Siemens Networks segment provides wireless and fixed network infrastructure, communications, and networks service platforms, as well as professional services to operators and service providers.

18. As noted in the chart below, Nokia's Devices and Services segment generated all of the Company's profit during the Class Period:

Reported vs. non-IFRS: 3Q08

EUR (million)	Devices & Services	NAVTEQ	Nokia Siemens Networks	Reported Nokia 3Q08	Non-IFRS Devices & Services	Non-IFRS NAVTEQ	Non-IFRS Nokia Siemens Networks	Non-IFRS Nokia 3Q08
Net sales	8 605	156	3 503	12 237	8 605	157	3 504	12 239
<i>YoY growth</i>	-7%		-5%	-5%	-7%		-5%	-5%
Gross profit	3 141	138	1 080	4 359	3 141	139	1 092	4 372
<i>Gross margin, %</i>	36.5%	88.5%	30.8%	35.6%	36.5%	88.5%	31.2%	35.7%
R&D	-719	-158	-586	-1 466	-719	-77	-538	-1 337
<i>% of net sales</i>	8.4%	101.3%	16.7%	12.0%	8.4%	49.0%	15.4%	10.9%
S&M	-684	-50	-334	-1 068	-684	-23	-260	-967
<i>% of net sales</i>	7.9%	32.1%	9.5%	8.7%	7.9%	14.6%	7.4%	7.9%
AG&O	-136	-10	-161	-356	-136	-10	-117	-312
<i>% of net sales</i>	1.6%	6.4%	4.6%	2.9%	1.6%	6.4%	3.3%	2.5%
Operating profit	1 602	-80	-1	1 469	1 602	29	177	1 756
<i>Operating margin, %</i>	18.6%	-51.3%	0.0%	12.0%	18.6%	18.5%	5.1%	14.3%
Financial income and expenses				-57				-57
Profit before tax and minority interests				1 410				1 697
Net profit				1 087				1 219
EPS, Basic (EUR)				0.29				0.33
EPS, Diluted (EUR)				0.29				0.33

Q3 2008 — Non-IFRS exclusions of EUR 287 million consisting of:
- EUR 59 million restructuring charge and other one-time items in Nokia Siemens Networks.
- EUR 119 million of intangible asset amortization and other purchase price accounting related items arising from the formation of Nokia Siemens Networks.
- EUR 109 million of intangible asset amortization and other purchase price accounting related items arising from the acquisition of NAVTEQ.

18 © 2008 Nokia Third Quarter 2008 Financial Results

NOKIA
Connecting People

19. The Class Period begins on January 24, 2008. On that date, Nokia issued a press release announcing its financial results for its 2007 fourth quarter and year end, the period ended December 31, 2008, which stated, in part:

INDUSTRY AND NOKIA OUTLOOK FOR THE FIRST QUARTER AND FULL YEAR 2008

* * *

- We expect Nokia's device market share in the first quarter 2008 to be approximately at the same level sequentially.
- Nokia continues to expect industry mobile device volumes in 2008 to grow approximately 10% from the approximately 1.14 billion units Nokia estimates for 2007.
- Nokia continues to expect the device industry to experience value growth in 2008, but expects some decline in industry ASPs, primarily reflecting the increasing impact of the emerging markets and competitive factors in general.
- Nokia continues to target an increase in its market share in mobile devices in 2008.

* * *

FOURTH QUARTER 2007 FINANCIAL HIGHLIGHTS

* * *

Mobile Devices

The combined mobile device volume of our Mobile Phones, Multimedia and Enterprise Solutions business groups for the fourth quarter 2007 was a record 133.5 million units, up 20% sequentially and 27% year on year. Overall industry volumes for the fourth quarter 2007 reached an estimated 336 million units, up 17% sequentially and 16% year on year.

In converged devices, according to Nokia estimates, the total industry volume reached approximately 40.1 million units for the fourth quarter 2007, compared to an estimated 22.1 million units in the fourth quarter 2006. Nokia's own converged device volumes for the fourth quarter 2007 grew to 18.8 million units, compared to 11.1 million units in the fourth quarter 2006. Nokia shipped well over 11 million Nokia N-series devices and over 2 million Nokia E-series devices during the fourth quarter 2007.

The following chart sets out, by geographic area, Nokia's mobile device volumes for the periods indicated, and provides year on year and sequential growth rates.

NOKIA MOBILE DEVICE VOLUME BY GEOGRAPHIC AREA					
(million units)	Q4 2007	Q4 2006	YoY Change (%)	Q3 2007	QoQ Change (%)
Europe	37.2	33.3	11.7	29.0	28.3
Middle East & Africa	23.6	15.5	52.3	19.3	22.3
China	20.2	14.6	38.4	18.9	6.9
Asia-Pacific	34.0	23.7	43.5	29.5	15.3
North America	5.1	5.9	-13.6	5.4	-5.6
Latin America	13.4	12.5	7.2	9.6	39.6
Total	133.5	105.5	26.5	111.7	19.5

Based on our preliminary market estimate, Nokia's market share for the fourth quarter 2007 was 40%, compared with 39% in the third quarter 2007 and 36% in the fourth quarter 2006. On a year on year basis, Nokia gained market share in every region except North America and Latin America, where market share declined. On a sequential basis, Nokia's market share increased substantially in Middle East & Africa, with modest gains in Europe, Asia-Pacific and Latin America. This was partially offset by a market share decline in North America, as well as a slight decline in China. *Nokia's device volumes for the fourth quarter 2007 continued to be somewhat constrained by component shortages, linked to the high demand for Nokia products and seasonal industry growth in the fourth quarter. These component constraints have started to ease in the first quarter 2008, as we work with our suppliers to get the necessary supply to match the demand for our products.*³

Nokia's average selling price (ASP) in the fourth quarter 2007 was EUR 83, down from EUR 89 in the fourth quarter 2006 and up from EUR 82 in the third quarter 2007. *The lower year on year ASP in the fourth quarter 2007 was primarily the result of the negative effect of a significantly higher proportion of entry level device sales and the weaker US dollar on Nokia net sales. The slight sequential increase in ASP in the fourth quarter 2007 reflected a greater percentage of sales of recently launched mid and high end devices, which offset continued robust sales from the entry-level segment.*

Mobile Phones

Fourth quarter 2007 net sales grew 5% to EUR 7.4 billion, compared with EUR 7.1 billion in the fourth quarter 2006. Strong overall volume growth was partially offset by a significant ASP decline year on year, driven primarily by a higher proportion of entry-level sales. Net sales year on year growth was strongest in Middle East &

³ All emphasis is added unless otherwise noted.

Africa and Asia-Pacific, followed by China. Net sales year on year were down significantly in North America and Latin America and to a lesser degree in Europe.

Mobile Phones operating profit grew 48% to EUR 1.9 billion, compared with EUR 1.3 billion in the fourth quarter 2006, with an operating margin of 25.0% (17.8%). The increase in operating profit for the fourth quarter 2007 was driven primarily by an improved gross margin, compared to the fourth quarter 2006. The increase in Mobile Phones gross margin was primarily due to newer and more profitable devices shipping in volumes, especially in the mid-range.

Defendant Kallasvou commented on the results, stating:

Nokia's excellent fourth quarter contributed to a year of high growth and increased profitability for the company, while our industry leading product portfolio drove our device business to an estimated 40% market share in the fourth quarter. At the same time we again increased our quarterly device margins, allowing Nokia to continue to invest for innovation and growth. It was a year of important strategic initiatives by Nokia, with Nokia Siemens Networks starting operations, our internet services effort taking shape around Ovi, and the announcement of the pending acquisition of NAVTEQ.

Facing a market that remains intensely competitive, we are continuing to improve our leading device portfolio as well as execution at Nokia Siemens Networks. With this we believe Nokia is well positioned for growth in 2008.

20. That same day, Nokia held a conference call with investors and securities analysts, during which defendants stated:

Defendant Kallasvuo:

It's good to be on this call after such an impressive fourth quarter at Nokia. But our performance seems at odds with the volatility we all are witnessing in the equity markets and the financial sector. ***We closely monitor development in our markets, and the reality as we see it today is that the handset market is strong.*** We believe channel inventories for the industry and for Nokia are at normal levels. We are expecting a normal seasonal decline in the device market in Q1, and the demand for our products is good.

I feel quite good about Nokia's fundamentals across the globe. The emerging markets continue to see growth. India and China have each been adding 7 million subscribers a month, and Africa is only just starting to take off. The spread of wireless telephony in these regions has delivered great economic benefit, and our position in these markets remains strong. In Europe, we are benefiting from strong demand for our new products. In Latin America, we have strong share and have steadily delivered a more diversified portfolio, from the entry-level to high-end multimedia computers. And in the U.S., while our position continues to be weak, we

are delivering on our commitment to supply customers' products to the major U.S. carriers.

* * *

Let's look at the fourth quarter. *Our device business continued its excellent performance, with market share and margins up nicely, as many of our new products clearly started to have a positive impact. We reached an estimated 40% market share in the fourth quarter, and our combined device operating margin was up 2 percentage points sequentially, and 8 points year-on-year, showing again that we can simultaneously increase market share and margin.*

* * *

On to the product highlights for the fourth quarter. *As you know, in the fourth quarter we faced our biggest ramp up of new products ever, even while we had component shortages as we ended the quarter, so we certainly had our work cut out for us. I'm pleased to say our teams and suppliers really delivered.* In the entry level, the new Nokia 1200 and 1208, based on our single chip platform, ramped well. These two products combined shipped over 20 million units in the quarter, a big increase from just over 3 million units in Q3, so a really impressive accomplishment.

The Nokia 1110 and 1600 families still had big volumes during the Q, combining to over 30 million units. The Nokia 2630 Barracuda started shipping in volumes in the quarter, and was already in our top 10 volumes. In the mid-range, the Nokia 6300 continued its good momentum, shipping over 7 million units in the fourth quarter. During the quarter, we also started volume shipments of the Nokia 6500 family, and the Nokia 5310 and 5610 XpressMusic devices. The demand was good for all of these devices. In fact, the 6500 family was already in the top 5 for revenue and profit, and sold approximately 1.5 million units in Europe alone. The new 5310 and 5610 were also strong contributors of both revenue and profit in Q4. Nokia N-Series multimedia computers had volumes of well over 11 million units during Q4, and the Nokia N73 and N95 were again the biggest products in revenue for multimedia during the quarter. The N95 continued to see excellent demand and was the number one profit contributor for Nokia. During the fourth quarter, the new N95 8-gig came out of the gate very strong, especially in Europe, performing better than we expected. The combined N95 volumes were up 30% sequentially, and we also sold almost 6 million units since the device started selling. For enterprise solutions, the Nokia E65 was again the best selling product. And the newest products, the Nokia E90 Communicator and E51 also performed very well in the Q. During the quarter we shipped almost 19 million convert devices in total. In 2007, we clearly improved our product portfolio, with products like the 6300 and N95 leading the way. But I am pleased to see that the new products we started shipping in volumes in the fourth quarter are helping to diversify our portfolio further. New products that started shipping in volume in Q4 made up about 30% of our device revenue and profit in the Q [quarter].

Now the important products for the first quarter. In the entry level, we expect the Nokia 1200 and 1208 will ship in very high volumes, while we expect the 1110 and 1600 families will start their ramp down. We are also expecting the Nokia 2630 Barracuda to continue its good momentum. We plan to start shipping the recently-announced Nokia 2600 classic, the [pin] entry product with changeable covers. In the mid-range, we expect that the Nokia 6300, the 6500 family, and the Nokia 5310 and 5610 XpressMusic devices will be big sellers. For the N-Series, the significant products are expected to again be the Nokia N95 and N73 multimedia computers. The Nokia N82, which we started to ship in Q4, will see significant promotional activity during the quarter. For the E-Series, we expect the key products will be the Nokia E65, E90 Communicator and the Nokia E51. On the Nokia/Siemens Networks, we again delivered improved results, with a sequential increase in net sales and margins in the fourth quarter.

Defendant Simonson:

As we said in our press release today, our overall volumes for the fourth quarter continued to be somewhat constrained by component shortages. In the first quarter, it looks like these have eased, and we are working well with our vendors to get the necessary supply to match the good demand for our products. Nokia's fourth quarter device average selling price, or ASP, was EUR 83, up slightly sequentially from EUR 82 in Q3, and down 7% year-on-year from EUR 89 in Q4 of 2006. The slight sequential increase in ASP in the fourth quarter reflected a greater percentage of sales from recently launched mid- and high-end devices, which offset continued robust sales from the entry-level segment. The lower year-on-year ASP in the fourth quarter 2007 was primarily the result of the significantly higher portion of entry-level device sales, and some negative effect of the weaker U.S. dollar on Nokia's reported sales.

* * *

Mike Walkley – Piper Jaffray – Analyst:

Great, thank you. I was wondering if I could dig in a little bit more to the lower end of your portfolio. *There have been several competitors indicating they want to go more into the low end. I was wondering if you could update us if you're seeing any of your large OEM competitors in the sub-50 [euro price point] or even the sub-30 euro [price point] segment, and how you see that segment in terms of competitive threat from maybe Asia or other players, longer term?*

Defendant Kallasvuo:

Okay, so I think there's been quite a lot of talk here in the past when it comes to entering the lower end, and that talk that we need to take very seriously has been ongoing here, and now as well. And it's - *it's very clear, make no mistake about that, that some of our competitors have ambitions when it comes to the lower end of the market. We are taking that very seriously. We are watching them* and

hence, we really need to look - look at our competitive position and the way we work, really, in a way that we don't rest and become complacent in that respect. ***I think especially Samsung's ambitions need to be taken seriously. They will make an effort, but how low can they come here?*** I think that's a big question. So really looking at the sub-30 euro market, it's extremely tough. ***You need extremely big volumes in order to get there, and be competitive and make money, and so far we have been able to - to defend, in a pretty proactive way, that market.***

Andrew Griffin – Merrill Lynch – Analyst:

Hi there, guys. I just wondered what happened, ***just following on the low end question, is what happened in China, where if I ex-out your NSN group revenues, it looks like handset revenues actually fell sequentially. Your units were up, implying quite a big fall in average selling prices.***

Defendant Kallasvuo:

Yes, again there, this might sound a bit - a bit superficial when I say in China ***I think the situation is business as usual. We didn't see any - any change in the market dynamics that would indicate that we would be somehow - somehow losing our position, or losing markets in that market.*** There's always some volatility between the quarters, that's a natural part of this business, has always been, will always be, but ***a change in the competitive dynamics in China, we have not seen.***

Defendant Simonson:

Let me add there, if I may. I mean China, we have to understand, has been growing at 6 million, 7 million new subscribers per month, and that's after having many years of explosive growth. It's interesting, China's always been a higher ASP market than people would have kind of thought. You need to look deeper in there. That's reflective of them purchasing across all the spectrum. But the real acceleration has been in this sub-30 euro end, and we've seen over the year, and also sequentially quarter-on-quarter, a real push there, and that's reflected in our numbers, it's reflected by the push by CMCC [China Mobile Communications Corporation]. So that is a factor in the overall market, and not to be mistaken for Nokia's market position in the dynamics, as Olli-Pekka mentioned.

Tim Long – Banc of America Securities – Analyst:

Could you just talk to us a little about the moving parts, when we think about how sustainable the gross margin performance could be? ***Maybe if you could talk about the component side, if there was an impact one way or the other on the tight components, you know the impact maybe on having some of your products on allocation, and what new products, new products in the mix, which I guess were about 30%, [meant] to that gross margin line and how we think about it going forward.***

And Olli-Pekka, if you could just clarify, I think you said the channel inventories were lower than they were a year ago. I'm just curious, if your volumes were 25% or so higher entering this year, does that just mean that inventories were too high a year ago? How is that not a positive, as you look into next quarter? How does that not translate into lower channel inventories than normal? Thank you.

Defendant Simonson:

Okay, Tim, we'll take them in the order you asked in terms of looking at gross margin. Now here - you asked a number of questions here, let me try to step through them in a clear way.

One thing that's important about the gross margin development we had and the sustainability of that, and one of the things that we think can give us some comfort going forward is, think about the gross margins in the low end and the ultra-low end. ***We brought those up through the execution of our refresh of the product portfolio there, continuing fresh, coupled with the distribution system, and we brought it up into the, you know, kind of mid-20s level last year. We worked that higher this year.*** I said previously we've gotten those margins up, they are not too different than what we did (inaudible) the overall mobile phone margins. And, you know, that's very important, that if you can maintain the margin profile in the entry-level and the ultra low end level, and that's where the volume's coming from, and the growth's coming from, that's real important. It gives you that kind of base to work from. And, as you mentioned, in terms of component price, I think there was some concern by many, as people asked about well, with commodity prices rising and that, aren't you going to be unable to get your normal pricing erosion? In fact we didn't see that. And while we're not immune to commodity prices, it, it really hadn't impacted us, and we were able to do better in some other areas, again taking advantage of our scale, and taking advantage of ***working closer with our suppliers*** so they can minimize their costs along the chain. So we did do very well there in terms of the component cost.

And in terms of allocation, if the question was implying that because we had some component constraint and therefore we're short a little of capacity on some devices and that caused us to be able to price those higher, I don't look at it that way. Allocation to me is when you have such demand for a product that you can't get it out there, and then you are able to do the price. We didn't get any benefit in the gross margin from the fact we were short on a few components, if that was the angle of the question there. . . .

21. As a result of these positive statements, the price of Nokia ADS increased, rising \$4.05, or more than 12%, on January 24, 2008 to \$36.48.

22. On April 2, 2008, Nokia issued a press release announcing four new devices designed to "accelerate the Company's leadership in emerging markets" and a local email solution exclusively

for people in South Africa. The Company announced that “the new mobile devices are expected to begin shipping by the third quarter, with an expected price range from EUR 50 to EUR 90, before applicable taxes or subsidies.

23. The press release stated, in part:

In recent years, the majority of first-time buyers have come from the emerging markets. However, a significant shift is underway - while the first-time buyer market continues to grow, the number of replacement buyers- consumers seeking to replace their current mobile phone with a newer, more advanced model - has also grown substantially in emerging markets. In 2008, Nokia anticipates that for the first time, the number of replacement purchases in emerging markets will exceed those of first-time buyers.

* * *

Nokia 5000 - a powerful package at an accessible price

Boasting a 1.3 megapixel camera, a high resolution QVGA display, FM radio with recording functionality, MP3 ringtones and more, the Nokia 5000 will set a new standard for functionality and affordability. For mobile entrepreneurs as well as people on the move, the Nokia 5000 supports email and other essential benefits including Nokia Xpress Audio Messaging, Bluetooth and GPRS connectivity. *The Nokia 5000 is expected to begin shipping in the second quarter of 2008 with an estimated retail price of EUR 90, before subsidies and taxes.*

Nokia 2680 slide - entertainment and Internet access in a sliding design

Nokia’s first slide device for entry markets, the Nokia 2680 slide is a slim camera phone that offers a balance of ease of use and entertainment functionality, including an FM radio with recording capability and MP3 ringtones, and core mobile phone features such as an expanded phone book. Its integrated digital camera ensures spontaneous moments are captured and shared. *The Nokia 2680 slide is expected to begin shipping in the third quarter of 2008 with estimated retail price of EUR 75 before subsidies and taxes.*

Nokia 7070 Prism - stylish, fold design sets it apart

Featuring a distinctive folding design with geometric patterns and external light effects, the stylish Nokia 7070 Prism is targeted at people who express their personality through their mobile phone. The Nokia 7070 Prism offers personalized content, including themes and wallpapers, and MP3-grade ringtones. Every aspect of this new phone, including its voice recorder and integrated hands-free speaker, is designed for people who want to stand out from the crowd. *The Nokia 7070 Prism*

is expected to begin shipping in the third quarter of 2008 with estimated retail price of EUR 50 before subsidies and taxes.

Nokia 1680 classic - first phone, first camera

Nokia's most affordable camera phone to date, the Nokia 1680 classic offers essential mobile phone functionality with the added benefits of a basic digital camera. The phone with VGA camera and video recording features one-touch access for photos and videos. For families or small businesses, the Nokia 1680 classic also offers phone sharing functionality and easy access to email. *The Nokia 1680 classic is expected to begin shipping in the second quarter of 2008 with an estimated retail price of EUR 50 before subsidies and taxes.*

24. On April 17, 2008, Nokia issued a press release announcing its financial results for its 2008 first quarter, the period ended December 31, 2008, which stated, in part:

FIRST QUARTER 2008 HIGHLIGHTS

* * *

- Nokia Devices & Services operating margin of 21.2%, up year on year from 16.0%, down sequentially from 22.8% in Q4 2007, excluding special items.

* * *

- Nokia estimated device market share of 39%, up from 36% in Q1 2007 and down from 40% in Q4 2007.

- Nokia device ASP of EUR 79, down from EUR 83 in Q4 2007. (Device ASP excludes net sales from Services & Software)

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INDUSTRY AND NOKIA OUTLOOK

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- We expect Nokia's mobile device market share in the second quarter 2008 to increase sequentially.

- Nokia continues to expect industry mobile device volumes in 2008 to grow approximately 10% from the approximately 1.14 billion units Nokia estimates for 2007.

- Nokia expects the mobile device market to decline in value in Euro terms in 2008, compared to 2007. The change from our previous estimate of value growth for this market primarily reflects the negative impact of the recently weakened US

dollar, the general economic slowdown in the US, and possibly going forward some economic slowdown in Europe.

- Nokia continues to expect some decline in industry ASPs in 2008, primarily reflecting the increasing impact of the emerging markets and competitive factors in general.
- Nokia continues to target an increase in its market share in mobile devices in 2008.

* * *

Q1 2008 FINANCIAL HIGHLIGHTS

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Devices & Services

In the first quarter 2008, the total mobile device volume of our Devices & Services group reached 115.5 million units, representing 27% year on year growth and a 13% sequential decrease. The overall industry volume for the same period reached an estimated 295 million units, representing 17% year on year growth and a 12% sequential decrease. Converged device industry volumes increased to an estimated 33.3 million units, compared with an estimated 23.5 million units in the first quarter 2007. Our own converged device volumes rose to 14.6 million units, compared with 11.8 million units in the first quarter 2007. We shipped close to 10 million Nokia N-series and almost 2 million Nokia E-series devices during the first quarter 2008.

The following chart sets out our mobile device volumes for the periods indicated, as

NOKIA MOBILE DEVICE VOLUME BY GEOGRAPHIC AREA					
(million units)	Q1 2008	Q1 2007	YoY Change (%)	Q4 2007	QoQ Change (%)
Europe	25.7	23.9	7.5	37.2	-30.9
Middle East & Africa	20.2	15.7	28.7	23.6	-14.4
China	21.0	15.7	33.8	20.2	4.0
Asia-Pacific	34.1	23.7	43.9	34.0	0.3
North America	2.6	4.8	-45.8	5.1	-49.0
Latin America	11.9	7.3	63.0	13.4	-11.2
Total	115.5	91.1	26.8	133.5	-13.5

well as the year on year and sequential growth rates, by geographic area.

Based on our preliminary market estimate, Nokia's market share for the first quarter 2008 was 39%, compared with 36% in the first quarter 2007 and 40% in the fourth quarter 2007. ***Our year on year market share increase was driven primarily by our strong position in the fastest growing markets globally and by strong share gains in***

Latin America, Asia-Pacific, China and to a lesser extent in Europe. Our market share decreased significantly year on year in North America. Our market share in Middle East & Africa was approximately at the same level year on year. We had strong sequential market share gains in Latin America. Our market share decreased significantly sequentially in Middle East & Africa and North America and to a lesser extent in Europe and Asia-Pacific. Our market share in China was approximately at the same level sequentially.

Our device average selling price (ASP) in the first quarter 2008 was EUR 79, down from EUR 89 in the first quarter 2007 and down from EUR 83 in the fourth quarter 2007. The lower year on year ASP was primarily due to a higher proportion of lower priced products and to a lesser extent the negative impact of the weaker US dollar. The sequential ASP decrease was primarily due to a higher proportion of lower priced products, a mix shift to lower ASP regions and to a lesser extent the negative impact of the weaker US dollar.

Defendant Kallasvou commented on the results, stating:

Nokia had strong profitability in the first quarter, with both operating profit and EPS up significantly year on year. The overall device market developed as expected, with the greatest demand in emerging markets, where our position is very strong. The competitiveness of our product portfolio is reflected in our market share and we target market share gains in the second quarter. The portfolio is renewed on a continuous basis. While we will not have major new products shipping in the second quarter, we expect a number of new products to be shipping, and to have a positive impact on our results, in the second half of 2008.

25. That same day, Nokia held a conference call with investors and securities analysts,

during which Defendants stated, in part:

Defendant Kallasvuo:

So let me start by saying I am satisfied that we were able to follow up the excellent performance of Q4 with a solid performance in Q1 and let's look at the first quarter more in detail. So, we have strong profitability even given the seasonal drop in net sales, with Nokia operating margin down a bit over 1 point sequentially, excluding special items.

* * *

Let's take a closer look now at the overall device market and our device business. (inaudible) first quarter the mobile device market totaled 295 million units, growing 17% year on year and down 12% sequentially. We have maintained our estimate for the device market in 2008, which we estimate will grow by approximately 10%. However, now we expect the device market to decline in value in 2008 in Euro terms. The change from the previous estimate of value (inaudible) for this market

primarily reflects the negative impact of the recently weakened U.S. dollar. In fact, according to our estimates, the market is expected to clearly grow in value terms on a constant currency basis.

The market this year looks similar in many ways to last year where industry growth will be driven by emerging markets, with strong growth in markets like India, China, Brazil and Africa.

* * *

According to our estimates our overall global market share was up 3 points year on year and down a bit less than 1% sequentially. Our share was up sequentially in the emerging markets. Our sell-in share in Middle East and Africa was down sequentially; however, the sell-out data shows a more positive development. Our share in Latin America was up significantly in Q1 on a sequential basis and was estimated to be over 40%, something I feel is very noteworthy. We have been successful in selling a full product range in Latin America, with good sales, for example, of our music products like the Nokia 5310. And in China our sale was flat sequentially despite not participating in the low-end black and white part of the recent China mobile bundle. As we said in our guidance, ***we intend to take share in Q2 as we continue the benefits from our strong position in the fastest growing part of the market and we also see potential for positive market sale momentum in most of our key regions.***

On to the product highlights for the first quarter. In Entry, the new Nokia 1200 and 1208 were the biggest volume products, together shipping over 30 million units during the quarter. The Nokia 2630 Barracuda and the Nokia 1650 also had good volumes, each shipping over 5 million units in the quarter. The Nokia 1110 and 1600 families have continued their ramp down and are getting close to end of life. In Connect, the Nokia 6300 continued to be very strong, shipping over 6 million units in the first quarter. During the quarter, the Nokia 6500 Classic and 6500 Slide, combined, did over 3 million in units. Both of these products, they are very good value and profit contributors for Nokia.

In Live category, the Nokia 5310 and 5610 Express Music devices shipped over 4 million units combined and like the 6500 family, they are very good value and profit contributors. In Explore, Nokia N-series multimedia computers had volumes of close to 10 million units during the Q1. The N95 devices continued to do well, especially the new N95, 8 gig, and together shipped over 3 million units to be again the number one profit contributor for Nokia.

In Achieve, meaning the Achieve category, Nokia E-series had volumes of almost 2 million units during Q1. The Nokia E65 and E51 continued to be the best selling products. During the quarter, we shipped 16 -- 14.6 million convert devices in total.

Now to important products going forward. In Entry, in Q2 we expect that the Nokia 1200 and 1208 will continue to be the biggest in volumes. We are also expecting the

Nokia 2630, again Barracuda, to continue to ship in high volumes. As we move into Q3 we expect the new Nokia 2680, our first Slide device for entry markets, and the new Nokia 1680, our lowest price device with both GPRS and camera, this will be good additions to the portfolio. In Connect we expect that the Nokia 6300 and the Nokia 6500 family will be the big sellers in Q2. As we move into Q3, we are very excited by the new Nokia 6210 Navigator, which has HSDPA, GPS, and Nokia Maps 2.0, with internal compass, and the new Nokia 6220, which has HSDPA, GPS, and a 5 megapixel camera through the mid range.

In Live, in Q2 we expect that the Nokia 5310 and 5610 Express Music devices will continue to be the big sellers. The Nokia 5000 will ramp up in Q3, providing a megapixel camera, QVGA display and a music player. In Explore, for the N-series the significant products in Q2 are expected to again be the Nokia N95 and N73 multimedia computers. We should start to see a refresh of the Explore portfolio starting with the N78 by the end of Q2 and then the N96 in Q3. In Achieve, in these areas we expect the key products in Q2 will be the Nokia E51 and the Nokia E65.

We do not have a lot of new products that we'll start shipping in Q2. However, our portfolio will go through a significant renewal starting at the end of this quarter and into Q3. You have seen some of these products already, but we plan for a lot more to come in the second half that you have not seen and that we are really excited about. Products like the ones we call [Laile] and Gadget, which will bring a new degree of desirability for our portfolio for high-end future devices, especially when combined with some of the consumer-focused services we plan to have later this year.

Mike Walkley – Piper Jaffray – Analyst:

Great, thank you. I just wanted to get a little bit more color on the ASPs. I understand how the declining dollar impacts ASPs, but in terms of your outlook, are there any pockets of inventory on the high end or is there an increased mix shift to the low end? And then in constant currency terms as you look into new products launching in the back half of the year, how would you think about your ASP trends?

Defendant Simonson:

Yes, Mike, thanks. The ASP thing it's important to back up a little bit and look at what we said coming into the year – actually what we said coming into the previous year. ***We said that on the industry overall average selling prices are expected to decline and we also said that's a good thing for Nokia.*** It may not be good for others, but ***it's good for Nokia because we're able to deliver sales growth there. That's where we're best positioned. We can deliver margin*** and we can deliver incremental cash flow. ***All of that remains true, we reiterated that today, and so, I really don't see a change there.***

The fact that the dollar has declined quite dramatically and the fact that we're a Euro-reporting company, just exacerbates that, but that's just math. It doesn't change the

basic setup of how we see the market this year and how we see it continuing. 50% approximately of our sales are dollar or dollar linked. You have to understand that -- as you know, of course, that it's not just the U.S., so that's why you get a little bit of exacerbation of that.

Otherwise I would say it developed pretty much as we would expect. We saw strong growth in the emerging markets. That's where we're best positioned, so that mix shift, as I mentioned, is important. In the fourth quarter -- obviously in the fourth quarter you expect to have a higher percentage of some of the very high volume -- or high-value products because it's a seasonal phenomenon. *And again we should see good ability to get value growth in the high end with positioning of the right products and the right combined services and as Olli-Pekka pointed out, we're setting up pretty well with that, as he explained, as we exit Q2 and going into the second half.*

Stewart Jeffrey – Lehman Brothers – Analyst:

Hi, there, thank you. I had a question on the product portfolio. *As we started the year you were all very optimistic about the pipeline of new products and things seem to be a little bit quieter than perhaps you might have anticipated, with you now talking about many of these launches being in early Q3, so I was just trying to understand has there been anything that has caused any delay, any technical difficulties, what gives you the confidence that the products will roll out in volume in early Q3?*

And then perhaps take us through, *is there implicit in that comment a little bit of a warning to margins in Q2 that if you don't have too many new products you're going to have use price and margin to gain that market share?* Thank you.

Defendant Kallasvuo:

Yes, there is always some volatility -- or cyclicalness when you are introducing new products and it's not out of the ordinary here in any way. And in fact, *when we are making the references to the second half of the year, so we're not talking about only products that will be introduced in Q3. We're talking about products that will be in the marketplace initially towards the end of Q2, as well, and I think we have a pretty good handle. We have a very good handle on the schedules here and of course it's very, very soon in fact so we really know what's going to come out here and also the combination to services here will be extremely important. I think we are in a situation in Q2 where we have a solid portfolio of products tested in the marketplace and that have been ramped up and in that way we have a lot of flexibility when it comes to our supply.* We can adjust our situation in the marketplace in a very flexible way because the ramping up has happened and I see that flexibility -- *and I emphasize that flexibility to give us a really good possibility to take market share also in Q2.*

Defendant Simonson:

Can I add, sir, to that, just a couple of points. We've talked about over the last few quarters, our new product revenue in Q4 '07, as we talked before, was over 40% and in Q1 it was slightly over 40%, as well, and we talked about at the time that those are very high numbers and you obviously have variability in that because I don't think the market and consumer can consume and take a -- continually a new product so that has to moderate a bit and so you have a little bit of up and down there. So we've come off of two very strong quarters of new product revenue. We'll have a little less of that in quarter two and then we do strong refresh in the back of the half of the year. Overall, though, it really puts us on a good continuous level, we believe, for 2008 and that's what you look to manage and have that flexibility that Olli-Pekka mentioned.

26. As a result of these statements, Nokia's ADS lost 15% of their value, as some of the artificial inflation of the stock price dissipated. Defendants, however, continued to mislead the market.

27. Also on April 18, 2008, Cowen issued a research report stating, in part:

- 2H08 Handset Portfolio Refresh on Track. Nokia's 1Q08 high-end WCDMA N and E-Series device shipments were actually up >30% y/y, ahead of pace of overall NOK mobile device y/y unit shipment growth (27%). During 2H08 we see the planned portfolio refresh as most impactful in three areas: 1) the high-end, featuring the previously announced N78 and N96 but also including several additional unannounced N and E-Series devices (e.g. E66, E71, 'Tube', etc.); 2) more emerging market upgrade options (e.g. 2680) that expand upon the value proposition of Barracuda 3) a North America recovery strategy - Nokia has fallen to 6th in the U.S. 1Q08.

28. On July 17, 2008, Nokia issued a press release announcing its financial results for its 2008 first quarter, the period ended December 31, 2008, which stated, in part:

SECOND QUARTER 2008 HIGHLIGHTS

* * *

- Nokia mobile device volumes of 122 million units, up 21% year on year and up 6% sequentially.
- Nokia estimated mobile device market share of 40%, up from 38% in Q2 2007 and up from 39% sequentially.

- Nokia mobile device ASP of EUR 74, down sequentially from EUR 79 (approximately 40% of the decline was caused by the impact of exchange rate movements).

* * *

INDUSTRY AND NOKIA OUTLOOK

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- Nokia expects its mobile device market share in the third quarter 2008 to be approximately at the same level sequentially.

* * *

- Nokia continues to target an increase in its market share in mobile devices in 2008.

* * *

Q2 2008 FINANCIAL HIGHLIGHTS

* * *

Devices & Services

In the second quarter 2008, the total mobile device volume of our Devices & Services group reached 122 million units, representing 21% year on year growth and a 6% sequential increase. The overall industry mobile device volume for the same period reached 303 million units based on Nokia's estimate, representing 15% year on year growth and a 3% sequential increase.

Of the total industry mobile device volumes, converged mobile device industry volumes in the second quarter 2008 increased to 37.1 million units, based on Nokia's estimate, compared with an estimated 27.0 million units in the second quarter 2007. Our own converged mobile device volumes rose to 15.3 million units in the second quarter 2008, compared with 13.9 million units in the second quarter 2007. We shipped over 10 million Nokia N-series and almost 2 million Nokia E-series devices during the second quarter 2008.

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

NOKIA MOBILE DEVICE VOLUME BY GEOGRAPHIC AREA					
(million units)	Q2/2008	Q2/2007	YoY Change	Q1/2008	QoQ Change
Europe	27.1	27.1	0.0%	25.7	5.4%
Middle East & Africa	21.1	17.1	23.4%	20.2	4.5%
Greater China	17.6	15.9	10.7%	21.0	-16.2%
Asia-Pacific	36.4	25.6	42.2%	34.1	6.7%
North America	4.5	4.1	9.8%	2.6	73.1%
Latin America	15.3	11.0	39.1%	11.9	28.6%
Total	122.0	100.8	21.0%	115.5	5.6%

Based on our preliminary market estimate, Nokia's market share for the second quarter 2008 was 40%, compared with 38% in the second quarter 2007 and 39% in the first quarter 2008. ***Our year on year market share increase was driven primarily by our strong position in the fastest growing markets globally and by strong share gains in Latin America, Asia-Pacific and a slight increase in North America.*** Our market share decreased year on year in Middle East & Africa, Greater China and Europe. We had sequential market share gains in North America, Europe, Middle East & Africa and Asia Pacific. Our market share decreased sequentially in Greater China and to a lesser extent in Latin America.

Our mobile device average selling price (ASP) in the second quarter 2008 was EUR 74, down from EUR 90 in the second quarter 2007 and down from EUR 79 in the first quarter 2008. The lower year on year and sequential ASP was primarily due to a higher proportion of lower priced products and the negative impact of the weaker US dollar. Approximately 30% of the year on year decline and approximately 40% of the sequential decline in ASP was caused by the impact of changes in exchange rates. Starting from the first quarter 2008, our mobile device ASP excludes net sales from our services and software business. Prior periods have been reclassified for comparison purposes.

Defendant Kalladvuo commented on the results, stating:

Nokia delivered increased device market share and strong underlying profitability in the quarter. ***Looking at the rest of the year, we are optimistic and have had good feedback about the broad range of new products we expect to sell in our device business. . . .***

29. That same day, Nokia held a conference call with investors and securities analysts, during which Defendants stated, in part:

Defendant Kallasvuo:

According to our estimates, the mobile device market was 303 million units in the quarter, up 15% up year on year and up 3% sequentially, which was in line with normal seasonality. Today we're updating our forecast for the 2008 device market. We now forecasted the market will grow by 10% or more in volume in 2008. We

feel comfortable with this estimate even that we are already more than half-way through the year and based on how we see the state of the market today. According to our estimates our overall global device market sale was 40% in Q2, up 2% year on year and up 1% sequentially. ***Sequentially our share was up in all regions except China and Latin America. Sequentially our market sale was down slightly in Latin America, but it was up eight points year on year. Our sale was up nicely sequentially in Europe and we have good share gains in many markets such as Spain, Italy and the UK.***

Our device volume was up almost 80% sequentially in the US, giving us a good share gain for the quarter. While I'm happy about making progress in the US, we have a lot more work to do until I'll be satisfied with our position there. ***We estimate we lost a bit of share in SMART phones in the second quarter, but not a big surprise to us given our lack of new SMART phones selling in volume in the second quarter. However, our portfolio will improve. So far this year we have already publicly announced 10 new SMART phones that will sell in the second half. Additionally, we expect to announce several more, some of which will hit the market before the end of the year.*** But bear in mind that the SMART phone market does not represent the entire higher end of the market. The 3G/WCDMA is a representation of the higher end of the market and we estimate our 3G/WCDMA market sale was up 3% sequentially in the second quarter. Now, I will hand over to Kai to cover devices.

* * *

In summary, and this will be a very short summary, in fact. I am pleased with the final performance of our device business and Nokia Siemens Networks. We were able to deliver good margins in large part to the very good operational discipline. As we look to the rest of this year, we have a lot of new products coming in all product segments, which we are really excited about.

Defendant Oistamo:

Thanks, Olli-Pekka. Let's take a look at product highlights for the second quarter. As Olli-Pekka said, portfolio was pretty similar to the first quarter. [In Entry] the Nokia 1200 and 1208 were the biggest volume products again together shipping almost 14 million units during the quarter. In Connect, Nokia 6300 was the best-selling product the second quarter. During the quarter the combined volumes of Nokia 6500 classic and 6500 slide were up sequentially. [In Live], Nokia 6310 and 5610 expressed music devices were again the leading sellers in the category. In Explore, Nokia N series volumes were up sequentially to cover over 10 million units during second quarter. The Nokia N95 products continued to do well with volumes up to over 20% sequentially in second quarter. In Achieve, Nokia E series had volumes in almost two million units during second quarter. The Nokia C65 and E51 were the best selling products there.

As Olli-Pekka said we expect to have a good line of products for the rest of this year. ***In fact, we announced 21 new products in the second quarter alone, covering low-end mid-range and the high-end, and they are more announcements to come. There are a lot of new products with great potential, but let me highlight a few. Let's start with Nokia E71 which started to sell at the end of June.*** We are really excited about this device and the feedback and demand from our customers has been very good. It is beautifully engineered phone with great looks, slim build and fantastic ergonomics. It has wonderful battery life, a superb screen, effective GPS and mobile [laser]. Better than all that it is reasonably priced. These are not my words. They are actually from review last week from a popular online publication, Trusted Reviews, but I do agree with every word that they said.

As you can see from the slide, we have compared it to [bold] and Nokia E71 stacks up more than well. It is the world's thinnest device with -- which is impressive given the specs. It has very impressive operating times, it has 850PA, 3.2 mega pixel camera, GPS, Wi-Fi, a music player, stainless steel casing and the list goes on and on. Perhaps more importantly, the E71 supports a simple two-step setup for e-mail accounts from more than 1,000 ISPs around the world, including Gmail, Yahoo! mail and Hotmail and it also supports the corporate e-mail solutions, including Microsoft exchange and Nokia Intellisync wireless e-mail solution.

And we are not done improving the e-mail experience on our devices. There is more to come here soon. You can get an early peek at the new beta consumer push e-mail service at Email.Nokia.com.

I'd like to briefly touch on the next product in our highly successful N95 franchise, the Nokia N96 which we expect to start selling in this quarter. We believe that N96 will help extend the success of the N95 devices. There are plenty of reasons to upgrade to the N96. The N96 is truly optimized for media consumption including video and mobile TV. It is thinner than N95, features more memory, 16 gigs, a larger and brighter display and offers up to five hours video playback, 14 hours of music playback and up to four hours of TV playback. We expect this product will do well and will be ranged globally. In our mid-range, our Connect business, we've recently announced a bunch of new products that we are excited about, including the ones listed on this slide.

The Nokia 6210 Navigator and HSDPA series 60 device with built-in compass for pedestrian navigation. The Nokia 6220, HSDPA series 60 device that brings a lot of specs and a 5-megapixel camera to the mid-range, and the very sleek Nokia 6000 which comes in clam shell or a slide version. All are recent and very good additions to our mid-range offering. ***The Nokia 6210 and 6220 have already started shipping and the Nokia 6600 devices are expected to ship during this quarter.***

I want to emphasize the importance of mid-range as if significance can sometimes be lost between the mass volumes of the entry and the innovation on the high end. The mid-range is actually the largest part of the overall device market, making up over 50% of the total value of the market according to our estimates. So it is very

important to Nokia that we have a strong offering here. We surely have not taken off -- our eye off the ball in the entry level. We believe that we have the best product range, leading brand, lowest cost, most efficient supply chain, widest distribution and the highest quality in the industry.

Our recent addition -- announcements clearly demonstrate that we can offer the most diversified range in the entry level. For example, the Nokia 6280, the first slide device for the entry level, the Nokia 1680, the lowest-priced device with both GPRS and camera ,and the Nokia 5000, our first megapixel device for under EUR100. There is definitely a lot of opportunity to innovate in the entry level and we intend to continue to be the leader in this market.

Defendant Simonson:

Nokia's device average selling price in the second quarter was EUR74, down from EUR79 in the first quarter. The lower ASP was due to a higher mix of lower priced products and was significantly impacted by the weaker US dollar. In fact, approximately 40% of the sequential decline in ASP was caused by currency moves. The devices and services gross margin was 36.1%, down approximately 240 basis points from Q1. ***The impact to gross margins was expected, given a shift to lower-end products, a considerable drop in our revenue from new products, and a shift to lower margin regions. We expect to deliver improved product portfolio execution in the second half of the year with exciting new products in the low end, mid range and importantly the high end as well. As Kai said, customer reaction to many new devices has been very positive.*** In Q2 on a sequential basis, device and services OpEx excluding special items was down in absolute terms and down 130 basis points as a percentage of sales. Our solid operating expense performance mitigated the decline in gross margin resulting in only one point sequential decline in devices and services operating margin to 20.1% for Q1 -- Q2, from 21.2% in quarter one.

Stewart Jeffrey – Lehman Brothers – Analyst:

Quick question on your margin structure. I think Rick mentioned in your slide show presentation that gross margins you expect to do better during the course of this year. That's the way it sounded anyway. You got a lot of new products coming through, so your product portfolio refreshes as we go into Q3 and Q4. So that all I guess points towards a margin improvement as we continue through Q3 and into Q4. Could you just talk around anything that might stop that from happening, especially the ASP coming through, you're no longer talking about competition driving ASP declines as the competitive environment has eased slightly.

Defendant Kallasvou:

Okay. Thanks for the question. You're almost like putting words in my mouth, and -- but I'll give my own answer here. So in that way -- I mean, this gross margin question, of course, comes up quite often and I very often repeated the answer in the same way. We don't try to maximize gross margins every month or even quarter.

We manage our business in order to maximize the bottom line, and we manage our business in order to take market share in a way that is sustainable, and of course we have given operating profit indications. We have said -- as we started the year we said 20% plus or minus and that is what we delivered in the second quarter. I'm referring of course to the devices business only. And that thinking I think will continue here, and we will manage our business in bearing in mind those targets I was referring to. And in that way I think that strategy and that way of managing the business will ultimately benefit the shareholders in the best possible manner.

Mike Walkley – Piper Jaffray – Analyst:

Just a little different twist to that question. In the past you indicated you would shoot for a revenue mix in your device business of around 35% of revenue in a given quarter. Can you help us - what Q2 was and how we should think about that mix in the second half of 2008? And also while low and still growing, how should we still think of the high end products as it relates to ASPs and maybe constant currency for the back half of the year?

Defendant Simonson:

Yes, Mike, this is Rick. I think you were referring to new product revenue. As we talked a lot, if you could dial this in constantly every single quarter, you would probably wish to run that somewhere in the -- in the 30%, low to mid-30%, and this quarter we were closer to 20%. So we were pretty low in what's defined as new product revenue. But remember as I talked before, we had just come off two quarters where we were at 40% or above. So that doesn't mean that you were a portfolio that was stale or old. Quite the opposite. It was well refreshed. And that's why you can do what Olli-Pekka said, as we went into the quarter we can take sustain market share and deliver 21% operating margin off the devices and services. So, that's going to come up, obviously. We expect that the new product revenue to come up in quarter three and quarter four compared to quarter two, for the reasons that Kai articulated with a number of new products that are shipping. But we will continue to see the low end grow, as we did in Q1 and Q2, all things else equal that obviously has ASP pressures down. As we said before, that is a good thing with Nokia because we can make profits there. So that is the dynamic that is going on around new product revenue.

Richard Kramer – Arete Research – Analyst:

Thanks very much. Olli-Pekka, a couple of quarter says ago you mentioned, specifically RIM and Apple as new competitors. *And this quarter you mentioned there was share loss on SMART Phones. Can you talk through competitive dynamics as new product portfolios roll out? What are the targets and the drivers in terms of taking back market share?* If it's going to be music, maybe you could touch on some of the costs related there. If it is e-mail, maybe you can fill news as to when you will have a full enterprise offering, versus RIM. *And can you really talk*

through how it is that SMART Phone share might rise and when we might see that to start to happen? Thanks.

Defendant Kallasvuo:

-- very good question but since we have Kai available here this time, so I'll let him to take.

Defendant Oistamo:

Yes. So, first of all, on the competitive dynamics, of course, we acknowledge there are new competitors in the marketplace. We look at our range going to the second half. *As I said in my part, we feel very good about the new products that we have coming, that we have launched, new 10 SMART phones that we'll be selling in the second half and there will be more to come and which will be -- we will be selling also before the end of the year.* So I think that will help our competitiveness. On one particular situation where we had in a second quarter pretty much the same portfolio as we had in the first -- third quarter. And then I want to really emphasize the solution part which Olli-Pekka talked about in terms of a music, in terms of a e-mail, in terms of a navigation. Starting with products like I talked about the Nokia 6210 navigator. As the name says, it is about navigation. It is about the consumer promise with the product and the navigation service seamlessly integrated to the consumer. I think we have a -- clearly an opportunity to drive the market into the direction. Again, it is the results that we have seen now in the bundling as Olli-Pekka said, during the second quarter, I think got quite promising having GPS-enabled devices shipped in the second quarter bundled with navigation service as an example.

Richard Kramer – Arete Research – Analyst:

And when you think about your core market, which is Europe, where the high-end SMART phones are so important to profitability, we've seen now in a couple of quarters where the market has been flat. Has something structurally changed or should we look for this rebound or improvement in market share in SMART phones?

Defendant Oistamo:

There is no big structural change in Europe. There is some decline in terms of SMART phone growth, but it is the fact that growing part of the market on an ongoing basis.

Defendant Simonson:

Yes, let me add here. This is Rick. The SMART phone market, it isn't Europe only our stronghold. As I pointed out after quarter one at a conference only about 20% of our volumes are western Europe. We are globally important in SMART Phones, not just western Europe.

Defendant Oistamo:

Yes, and maybe I just add one more point there. We have done quite extensive segmentation work during the first half of the year, looking at how the consumer segment base really is developing, and what do consumers going forward, what they will sort of prefer, and what type sort of solutions they will be asking. And this segment has been extremely extensive, possibly one of the biggest segmentation works ever done by a company on the consumer space. And it is clearly illustrating or demonstrating that the market is moving up in terms of the engagement of the consumers. In that way we are really seeing a -- quite a rapid progress in the engagement, technology engagement, solutions engagement, in all markets, by the way, including the US, quite interestingly, which was low in this respect earlier. This is extremely encouraging when it comes to the implementation of our strategy, meaning combining devices to services and in that way delivering solutions. There will be increasing consumer demand for this, and it clearly supports our thinking, and I think this is very, very noteworthy.

30. In response to these positive statements, the price of Nokia ADS increased, rising approximately 9%, from \$25.13 to \$27.31, on heavy trading volume.

31. Defendants' statements set forth above were materially false and misleading at the time they were made because, as Defendants knew or recklessly disregarded, (i) that Defendants' positive statements about Nokia's new product launches, especially those in July 2008, including, "we are optimistic and have had good feedback about the broad range of new products we expect to sell in our device business" and "we feel very good about the new products that we have coming, that we have launched, new 10 SMART phones that we'll be selling in the second half and there will be more to come and which will be -- we will be selling also before the end of the year - - So I think that will help our competitiveness" were without reasonable basis given the component supply shortages and manufacturing problems Nokia was then encountering; (ii) that the Company was losing market share due to intense price cuts by competitors; and (iii) that while Defendants stated they expected the overall industry ASPs to decline in 2008, they failed to disclose Nokia dramatically slashed its ASPs to maintain its market share due to severe price competition.

32. On September 5, 2008, Nokia issued a press release announcing its outlook of its mobile device market share for the third quarter of 2008. The Company cited in a conference call later that day, a production glitch with a mid-range device and aggressive price cuts by some of its rivals, particularly at the low end of the market:

Espoo, Finland Nokia today updated its mobile device market share outlook for the third quarter 2008. ***Nokia now expects its mobile device market share in the third quarter 2008 to be lower than in the second quarter 2008. This compares to Nokia's earlier estimation provided in the second quarter results announcement on July 17, 2008, when the company said it expected its mobile device market share in the third quarter 2008 to be approximately at the same level sequentially.***

Nokia continues to target an increase in its market share in mobile devices for the full year 2008.

Nokia expects the overall mobile device market in 2008 to be impacted by the weaker consumer confidence in multiple markets. However, Nokia continues to expect industry mobile device volumes in 2008 to grow 10% or more from the approximately 1.14 billion units Nokia estimated for 2007. Nokia also continues to expect industry mobile device volumes in the third quarter 2008 to be up sequentially.

Nokia's current estimate that its mobile device market share in the third quarter 2008 will be lower than previously expected is due to multiple factors. These factors include Nokia's tactical decision to not meet certain ***aggressive pricing of some competitors, the overall market competition, including the entry markets, and the temporary impact of a slower ramp-up of a mid-range Nokia device.*** Nokia's strategy is to take market share only when the company believes it to be sustainably profitable in the longer term. Nokia has not broadly participated in the recent aggressive pricing activity - as it believes that the negative impact to profitability would outweigh any short term incremental benefits to device unit sales.

We expect the product launches and start of shipments to be on track during the remainder of the third quarter and the fourth quarter 2008. Driven by its new products and services, Nokia continues to believe its product portfolio will be very attractive for the rest of the year.

Nokia will report its third quarter 2008 results on October 16, 2008.

33. Thereafter, the Company held a conference call for investors with securities analysts to discuss Nokia's September 5, 2008, press release:

Jeff Kvaal - Lehman Brothers – Analyst:

Okay. So is the market -- is it manifesting itself for you in terms of unit volumes or ASPs or margin pressure?

Defendant Simonson:

Well, okay, so you have got a few questions there. In terms of units, obviously, what we stated here today is we expect *our market share* to be somewhat down instead of sequentially flat. So that *relates to units*. And that -- a lot has to do also with, particularly, we have said that in certain markets and in certain areas, including in some of the low end, *we are not meeting certain aggressive pricing that we believe may not be sustainable*. And *so it really is not margins. What we're talking about is units* here.

So if I can step through, you asked about ASPs. On average selling price, there is a number of puts and takes. As I've said *we have not broadly participated in aggressive price cutting. That hurts units and aggregate sales, right? But since some of that aggressive pricing by some of our competitors is going on, particularly in the low end, and we are not participating in all of that, that actually is a positive for ASPs* in our case.

The fact that we had a slower ramp-up in this mid-range product, a mid-range product, is negative for our ASPs, all else held equal, right? Because it is a mid-range product in the higher end of the mid-range.

And in the high end, it is important here to note there's really nothing to report on the high end has to ASPs. Because one definition of high end at Nokia would be the combination of the E Series and the N Series, right, which are all smartphones. And E Series has developed very well.

The E71, great reception in the marketplace. You know that is our newest QWERTY smartphone. E66, solid reception, really looks good in the market. And with the N Series, we're beginning to flesh those out and with more to come in Q4. So from this aspect on the high end it is kind of a wash on ASPs.

And then the final factor on ASPs that I'd point out is foreign exchange. You know, it is too early to say how that impacts overall the quarter, because there's a lot of volatility in the FX market. But so far this quarter, it has a little bit of benefit on ASP.

* * *

Andrew Griffin - Merrill Lynch – Analyst:

I just wondered if you could give me an indication of which was the bigger impact on your unit numbers, the retreat from the price aggressive competition or the mid-range product?

Defendant Simonson:

Yes, as I said, there was a number of factors. I can't handicap what those were in terms of percentages. But again *the pricing impact, as we said, it includes actions that are in the emerging markets. And so their unit numbers can change in pretty large amounts.*

That, of course, has an impact on your units and your market share. As I said, all else equal, that actually helps a little bit your ASPs, but of course it lowers your total gross profits. But it is actually not so bad for your gross margin percentage when you're talking about the low end.

In the mid-range, that one product that, as we were ramping up, we had some quality issues to get over because we're not going to ship product with quality problems. We've got that largely resolved and we will go forward now.

You know *that one, yes, it has an impact also on the units that are material and measurable. But probably more it has that impact on your total sales a little bit more.* And on the gross margins of course that is a bit of a minus for you on the total gross profits there as well, on the mid-range. So those are kind of the factors that have played in here.

* * *

Tim Long - Banc of America Securities – Analyst:

I just wanted to go a little further into the product delay, or the delay in ramp or quality issues. Obviously, *we had some delayed product issues in Q2 as well. Do you think there is something systemic going on here with getting products out and ramping?* Is there any -- *is there a change in supply* base or a change in the model in any way that is causing [selling] of your products to be late or late to ramp? And related to that, why do we have confidence that now the rest of the Q3 and the Q4 phones are going to be on time? How do we gain comfort with that? Thank you.

Defendant Simonson:

Yes, Tim, first, absolutely not anything systemic. Absolutely not -- not related, no process change, none of that. As we've said before we're doing a lot of ramps. We're better at that than anybody in the business. Every time we ramp up products in any categories, it usually sets a new world record for that category as to how fast, how many are being ramped.

And *in Q2*, we fully delivered the goods even though *we had a little bit of issue there*, right? In this case, *this one was a product that we were not able to get it out and launched as strong as we wanted here and it had a little bit more material impact.* But we're looking very good in terms of the ramps; we're shipping now the 6210; we're shipping the 6220; we're shipping the 6600; the E66; the E71; the N96 now, that was just introduced as shipping; and very soon, we're shipping the N79 and

N85. And they are not related issues, Tim, in terms of your question. I can absolutely give you full assurance on that. So I feel good about that.

And I think, again, if you look at Nokia's history, we've got a good track record of getting the launches out, getting them timely and doing it with quality. *Occasionally, you have one that hits a little bit. When it is combined with these other factors, that is why we're talking here today. If it was just that, we would not have anything to report.*

Tim Long - Banc of America Securities – Analyst:

And just to understand, if you could, there is obviously a lot of changes in technology in the phones and you're also going through some changes in your supplier base. Is it anything, something new that came up or that caused this delay, or --?

Defendant Simonson:

No, rather more mundane, I'm afraid, which is a good thing too. So it is not systemic. There is not -- you should not have concern in that regard.

* * *

Rod Hall - JPMorgan – Analyst:

Rick, I just wanted to go back to the gross margin comments you made. Is it right -- you sounded kind of negative about gross margin in Q3. Is it right to be thinking then that gross margin goes down off of Q2 in devices and services? So I think in Q2 you were at about a 36.1% level. And then I also am wondering where you think gross margin goes back to in Q4. Is it between 37% and 38% or do you get a bounce-back as a result of these new devices?

* * *

Defendant Simonson:

In terms of the gross margin for Q3, like ASPs, there is some pluses and minuses based on what we have incrementally said here today, right?

What we said in the press release is we have not participated broadly in these aggressive price cuts and that means we have not sacrificed gross margin percentage unduly. We're not going to play that game in a way that we think is not healthy and sustainable.

The low-end units that we lost by not chasing these aggressive deals, all else equal, is positive for gross margins. But you lose some total gross profits, right?

Then, with regard to the upper midrange product that has had this slower ramp that we just discussed, that is negative for both gross margins and gross profits. So then you have got to look at -- but we have not unduly sacrificed gross margins by playing this aggressive price game. That is very important to understand. Obvious, the delay in one product that is a good mid-range product is not a positive for neither gross margins or gross profits. But that is just one small item. So the gross margin percentage is not being unduly sacrificed. But, overall, we have to deal with having some less gross profit from these two elements. . . .

* * *

Richard Kramer - Arete Research – Analyst:

Two very simple questions. One, you had spoken in the past about the disproportionate impact of profitability on loss of smartphone share and you mentioned loss of smartphone share in second quarter. Can you talk us through, since you mentioned that N Series and E Series were doing well, do you expect you'll hold your smartphone share in third quarter? Or is that an area where you think you'll be affected?

And then maybe just to understand the magnitude, you said your own units would be down or slightly flat or slightly down sequentially; you expect the market to grow. It seems like what we're talking about the difference here and your shortfall of being something on the order of a mid single-digit number of millions of units. Is that about right for what you fell short of in terms of your plan and what you expect it to do?

Defendant Simonson:

Yes, Richard, thanks, and two part. Let me take the smart-phone question. And, again, the reason we're talking here today is not about smart-phones. It is for the factors that we said. And while we are predictably seeing more competition in certain segments, where we're going through transitions. We talked a lot about that. We're increasing and introducing in quarter three but accelerating in quarter four and going into next year, our smart-phone portfolio.

And it is clearly -- the transition of what we're doing there in the introduction is clearly on track as expected on the high end when you look at our E Series and our N Series. So as I said before, there is nothing to report on there. This mid-range phone that we're talking about where we had some delay in the ramp-up is a smartphone, just because it has the Series 60 operating system, so that hurts us. But it's not -- it is not the problem that you hypothesized on there, no. So, again, just to reiterate, if you look at the combination of our E Series and N Series, which are all smartphones, E Series developing very well. As I said with the E71, E66 and the N Series, we're starting to flesh that out. But we have got more work to do there with the models that have been announced that have not started shipping and some additional ones in the fourth quarter to come.

And then on the number of units, on the owned units, I really don't -- I will just leave your statement. I don't have anything to elaborate on there.

34. In response to these statements, the price of Nokia ADS dropped approximately 8% on heavy volume.

35. On October 16, 2008, Nokia issued a press release announcing its financial results for its 2008 third quarter, the period ended September 30, 2008, which stated, in part:

THIRD QUARTER 2008 HIGHLIGHTS

- Nokia net sales of EUR 12.2 billion, down 5% year on year and down 7% sequentially (up 1% and down 7% at constant currency).
- Devices & Services net sales of EUR 8.6 billion, down 7% year on year and down 5% sequentially (down 1% and 5% at constant currency).
- Services and software net sales of EUR 115 million (billings of EUR 140 million).
- Estimated industry mobile device volumes of 310 million units, up 8% year on year and up 2% sequentially.
- Nokia mobile device volumes of 117.8 million units, up 5% year on year and down 3% sequentially.
- Nokia estimated mobile device market share of 38%, down from 39% in Q3 2007 and down from 40% in Q2 2008.
- Nokia mobile device ASP of EUR 72, down from EUR 74 in Q2 2008.
- Devices & Services gross margin of 36.5% up sequentially from 36.1% in Q2 2008.

* * *

Defendant Kallasvou commented on the results, stating:

As a result of our strong operational management and market position, Nokia was able to achieve solid margins and operating cash flow of 1.3 billion euros for the third quarter of 2008. With our scale, brand, improving product portfolio and low cost structure, we believe Nokia is well positioned for the current times.

36. That same day, Nokia held a conference call with investors and securities analysts, during which Defendants stated, in part:

Defendant Kallasvou:

In the third quarter *there were challenges that were specific to Nokia*. And there has been a great deal of turmoil in the financial markets and it is unclear how this will impact different markets.

However, given the challenges, market performance was solid in both Devices and Services and in NSN. Cash flow was EUR1.3b. Our Services and Software business continued to progress. *We started to ship great new products in Q3 that will be key to our improved Device portfolio in Q4 and beyond*. And during the third quarter we completed the acquisition of NAVTEQ.

* * *

Now let's take a look at the overall Device market and our market share in the third quarter. According to our estimates the Mobile Device market was 310m units in Q3, up 3% sequentially; a bit lower than what we have seen in recent years. We forecast that the market will be approximately 1.26b units in 2008; over 10% growth. But, as we have said in our update last month, the weaker consumer confidence in multiple markets has had an impact on the market. We expect a seasonal uptick in the fourth quarter in the Device market but, as our guidance implies, slightly muted.

According to our estimates, *our Device market share was 38% in Q3, down, as we indicated it would be, in our update last month. Clearly, some competitors have been more price aggressive recently in an effort to either clear stock or try to gain badly needed scale. We have not broadly participated in what we will believe to be unsustainable price moves by certain competitors*. However, we don't intend to give the competition a free ride and economic gravity will apply to them.

Our Smart Phone volumes were up sequentially in the third quarter, but we estimate we lost share. Our [sales] would have been closer to flat if it wasn't for the ramp-up problem in the previously-mentioned mid-range Smart Phone. However, with products like the Nokia 5800, E71, E66, N79, N85 and N96, our Smart Phone portfolio is improved and is gaining momentum this quarter.

Let's take a quick look at a number of products and services highlights for the third and the fourth quarter. The Nokia E71 had a great first quarter of sales in Q3, shipping almost 1m units. The response to the E71 has been overwhelmingly positive. This is the first true mass market QWERTY Device we have had and it is the most fully featured QWERTY Device on the market.

We have seen really positive momentum in email activations with this product, both for consumers and for the enterprise. The E71 will continue to be a very competitive and popular product in Q4 and beyond. The Nokia N96 started shipping in September and did well in its first month. So far, the N96 has been a good addition to our N95 flagship products. The combined volumes of the N95 and N96 products were up sequentially from Q2 to Q3.

Two weeks ago we announced our first mass market touch-screen Device, the Nokia 5800. It has some great features; high resolution screen, [touch] feedback, an innovative contacts bar and media bar, a browser incorporating flash, handwriting recognition and Comes With Music, for half the price of the i-Phone. There is a growing market for touch-face devices globally at the right price for the current times. This product has been very positively received by our trade customers. As you can see on the slide we have a good offering of new products in our Q4 line-up. We feel good about our improved portfolio and our ability to deliver in a seasonally up fourth quarter.

* * *

Defendant Simonson:

Our gross margins improved even as we shipped fewer Devices than we expected during the third quarter. We were able to deliver solid margins because of our market position, cost advantage in a world-class supply chain.

* * *

Nokia Device average selling price in the third quarter was EUR72, down from EUR74 in the second quarter. The lower ASP was primarily due to a higher proportion of lower priced products. The weaker year-on-year dollar caused over 50% of the year-on-year average selling price decline.

Devices and Services gross margin in Q3 was 36.5%, up 40 basis points from Q2. This was good performance, particularly considering the challenges we faced in Q3. We plan to deliver improved product portfolio execution in Q4.

* * *

James Dawson - Morgan Stanley – Analyst:

Hi there, yes, I just had a question on your Smart Phone volume. I guess it was -- we expected it to come down. Just in terms of the N-series, we have some new Devices there. Do you think that what we have in the pipeline for Q4 is enough to see you gain back some market share as quickly as Q4? And also, just in terms of the pipeline of products in the N-series, do we expect significant refresh through the first half of next year?

Defendant Kallasvuo:

Yes, I think it's very important to remember that when we are talking about Smart Phones, we are talking about [natively] programmable operating systems and, in our case, that means Series 60. So it's not N-series only, it's not E-series only, but it's really series -- Symbian Series 60 overall. And in that way it's more than N-series and E-series that you need to look at here. And N-series and E-series, it's a

marketing positioning question as opposed to a technology difference here, and that's very important to understand.

And I made a reference in my opening also to the renewed portfolio of Smart Phones in the fourth quarter. And I -- if I look at the N96, I look at the E71, I look at the N79, N85, and I also look at the 5800, the touch-screen phone, that is a Smart Phone. So I'm quite confident that our position there is stronger than it has been during the last couple of quarters.

And of course, here, we will continue to renew the portfolio here also, going forward, in the first half of the year. And in that way we need to maintain this new product revenue -- share of new product revenue in the total revenue. And it's quite clear that we had a -- too low a number here in -- when it comes to new product revenue in Q2 and, in fact, in the early part of Q3. And, here, I think the situation is different right now.

James Dawson - Morgan Stanley – Analyst:

Just on that, the new product revenue, was it 20% in Q2, I think you said? Do you have a number for Q3 and how it developed through the quarter? Can you give us anything there?

Defendant Simonson:

James, as we said, it was low or below what we'd like in Q2. ***With the delay in the Smart Phone ramp in Q3, it actually fell a bit further.*** And now we're seeing, and expect, quite a bit of improvement to the levels that we'd like and need, based on the products that Olli-Pekka has lined out. So that's how it's developed Q2, Q3, and how we see it going Q4.

* * *

Sherief Bakr - Citi Investment Research – Analyst:

Thank you very much. My question relates to your market share outlook for Q4. Given that you've lost over 200 basis points of share in Q3, and you talk about the positive momentum of the portfolio in Q4, ***particularly in Smart Phones, given the issues that you had in Q3, why should -- looking at your outlook of share to be only flat to slightly up, it doesn't necessarily all add up.***

I'm just trying to understand why you are only looking for relatively small, if any, share gains in Q4. Is it because the price aggression that you saw in Q3 is -- you think will be sustained into Q4, or is it because competition in the high end you feel is going to be more intense than maybe otherwise? Thanks.

Defendant Kallasvuo:

I kind of have to refer to what I have -- It's an excellent question, thank you. I kind of have to refer to what I said earlier, so we will also -- in the fourth quarter we will try and maximize the bottom line, and manage the market share situation here tactically. And in that way there is tough competition out there. I believe the gravity -- economic gravity will prevail, at the end of the day, and we need to see where we can get to.

But of course from the [market] share point of view, it's quite clear that we continue to believe in the market share and we continue to believe in the benefit -- benefits a higher market share would give. That thinking definitely has not changed. But (inaudible) very much will continue to be in the center of our thinking, but at the same time we just need to manage this quarter in the best possible way when it comes to the bottom line. And, hence, that is the estimate that we are giving at this point of time.

37. In response to these statements, the price of Nokia's ADSs declined to \$16.57.

LOSS CAUSATION/ECONOMIC LOSS

38. During the Class Period, as detailed herein, Defendants made false and misleading statements and engaged in a scheme to deceive the market and a course of conduct that artificially inflated Nokia's ADS and operated as a fraud or deceit on Class Period purchasers of Nokia stock by misrepresenting the Company's business. Later, when Defendants' prior misrepresentations and fraudulent conduct became apparent to the market, the price of Nokia's ADS fell precipitously, as the prior artificial inflation came out of the stock price over time. As a result of their purchases of Nokia's ADS during the Class Period, Plaintiff and other members of the Class suffered economic loss, *i.e.*, damages, under the federal securities laws.

NO SAFE HARBOR

39. Nokia's "Safe Harbor" warnings accompanying its forward-looking statements ("FLS"), issued during the Class Period, were ineffective to shield those statements from liability.

40. The Defendants are also liable for any false FLS pleaded because, at the time each FLS was made, the speaker knew the FLS was false and/or misleading and the FLS was authorized

and/or approved by Nokia executive officer(s) who knew that the FLS was false and/or misleading. None of the historic or present tense statements made by Defendants were assumptions underlying or relating to any plan, projection or statement of future economic performance, as they were not stated to be such assumptions underlying or relating to any projection or statement of future economic performance when made, nor were any of the projections or forecasts made by Defendants expressly related to or stated to be dependent on those historic or present tense statements when made.

**APPLICABILITY OF PRESUMPTION OF
RELIANCE: FRAUD ON THE MARKET**

41. Plaintiff will rely upon the presumption of reliance established by the fraud-on-the-market doctrine in that, among other things:

- (a) defendants made public misrepresentations or failed to disclose material facts during the Class Period;
- (b) the omissions and misrepresentations were material;
- (c) the Company's ADS traded in efficient markets;
- (d) the misrepresentations alleged would tend to induce a reasonable investor to misjudge the value of the Company's ADS; and
- (e) Plaintiff and other members of the Class purchased Nokia's ADS between the time Defendants misrepresented or failed to disclose material facts and the time the true facts were disclosed, without knowledge of the misrepresented or omitted facts.

42. At all relevant times, the markets for Nokia's ADS were efficient for the following reasons, among others:

- (a) as a regulated issuer, Nokia filed periodic public reports with the SEC;
- (b) Nokia regularly communicated with public investors via established market communication mechanisms, including through regular disseminations of press releases on the major

news wire services and through other wide-ranging public disclosures, such as communications with the financial press, securities analysts and other similar reporting services; and

(c) Nokia's ADS were actively traded in an efficient market, namely the NYSE, under the symbol NOK.

COUNT I

For Violation of §10(b) of the Exchange Act and Rule 10b-5 Promulgated Thereunder Against All Defendants

43. Plaintiff repeats and realleges each and every allegation contained above as if fully set forth herein.

44. During the Class Period, Defendants disseminated or approved the false statements specified above, which they knew or recklessly disregarded were misleading in that they contained misrepresentations and failed to disclose material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.

45. Defendants violated §10(b) of the Exchange Act and Rule 10b-5 in that they:

(a) employed devices, schemes, and artifices to defraud;

(b) made untrue statements of material facts or omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; or

(c) engaged in acts, practices, and a course of business that operated as a fraud or deceit upon Plaintiff and others similarly situated in connection with their purchases of Nokia's ADS during the Class Period.

46. Plaintiff and the Class have suffered damages in that, in reliance on the integrity of the market, they paid artificially inflated prices for Nokia's ADS. Plaintiff and the Class would not

have purchased Nokia's ADS at the prices they paid, or at all, if they had been aware that the market prices had been artificially and falsely inflated by Defendants' misleading statements.

47. As a direct and proximate result of the Defendants' wrongful conduct, Plaintiff and the other members of the Class suffered damages in connection with their purchases of Nokia publicly traded securities during the Class Period.

COUNT II

For Violation of §20(a) of the Exchange Act Against All Defendants

48. Plaintiff repeats and realleges each and every allegation contained above as if fully set forth herein.

49. The Individual Defendants acted as controlling persons of Nokia within the meaning of §20 of the Exchange Act. By virtue of their positions and their power to control public statements about Nokia, the Individual Defendants had the power and ability to control the actions of Nokia and its employees. Nokia controlled the Individual Defendants and its other officers and employees. By reason of such conduct, Defendants are liable pursuant to §20(a) of the Exchange Act.

CLASS ACTION ALLEGATIONS

50. Plaintiff brings this action as a class action pursuant to Rule 23 of the Federal Rules of Civil Procedure on behalf of all persons who purchased Nokia publicly traded securities during the Class Period (the "Class"). Excluded from the Class are Defendants, directors and officers of Nokia and their families and affiliates.

51. The members of the Class are so numerous that joinder of all members is impracticable. The disposition of their claims in a class action will provide substantial benefits to the parties and the Court. Nokia had approximately 1 billion ADS outstanding, owned by tens of thousands of persons.

52. There is a well-defined community of interest in the questions of law and fact involved in this case. Questions of law and fact common to the members of the Class, which predominate over questions which may affect individual Class members include:

- (a) whether the Exchange Act was violated by Defendants;
- (b) whether Defendants omitted and/or misrepresented material facts;
- (c) whether Defendants' statements omitted material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading;
- (d) whether Defendants knew or recklessly disregarded that their statements were false and misleading;
- (e) whether the prices of Nokia's ADS were artificially inflated; and
- (f) the extent of damage sustained by Class members and the appropriate measure of damages.

53. Plaintiff's claims are typical of those of the Class because Plaintiff and the Class sustained damages from Defendants' wrongful conduct.

54. Plaintiff will adequately protect the interests of the Class and has retained counsel who are experienced in class action securities litigation. Plaintiff has no interests which conflict with those of the Class.

55. A class action is superior to other available methods for the fair and efficient adjudication of this controversy.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff prays for judgment, as follows:

A. Declaring this action to be a proper class action pursuant to Rule 23 of the Federal Rules of Civil Procedure;

- B. Awarding Plaintiff and the members of the Class damages and interest;
- C. Awarding Plaintiff's reasonable costs, including attorneys' fees; and
- D. Awarding such equitable/injunctive or other relief as the Court may deem just and proper.

JURY TRIAL DEMANDED

Plaintiff hereby demands a trial by jury.

DATED: February 5, 2010

COUGHLIN STOIA GELLER RUDMAN &
ROBBINS LLP
SAMUEL H. RUDMAN
DAVID A. ROSENFELD

SAMUEL H. RUDMAN

58 South Service Road, Suite 200
Melville, NY 11747
Telephone: 631/367-7100
631/367-1173 (fax)

VANOVERBEKE MICHAUD &
TIMMONY, P.C.
THOMAS C. MICHAUD
79 Alfred Street
Detroit, MI 48201
Telephone: 313/578-1200
313/578-1201 (fax)