ALCATEL LUCENT
Form 425
October 26, 2015
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FILED BY NOKIA CORPORATION

PURSUANT TO RULE 425 UNDER THE SECURITIES ACT OF 1933

SUBJECT COMPANY: ALCATEL-LUCENT

FILE NO. 001-11130

LISTING PROSPECTUS **October 23, 2015**

Listing of a Maximum of 2 100 000 000 Shares

This listing prospectus (the Listing Prospectus) has been prepared for the purpose of listing a maximum of 2 100 000 000 new shares (the Offered Shares) in Nokia Oyj (Nokia , Nokia Corporation or the Company), a public limited liability company organized under the laws of Finland, on NASDAQ OMX Helsinki Ltd (Nasdaq Helsinki). In addition, this Listing Prospectus will be used for admission to trading and official listing on Euronext Paris of all the Offered Shares and all of the existing issued and outstanding shares in Nokia, and in connection with a public exchange offer in France (the French Offer , as described in more detail below), for which purposes this Listing Prospectus will be notified to the French stock market authority (*Autorité des marchés financiers*, or AMF).

Nokia has agreed to make an offer to acquire Alcatel Lucent (Alcatel Lucent), a French société anonyme incorporated under the laws of France, (the Acquisition) pursuant to the terms of a Memorandum of Understanding entered into on April 15, 2015 (as amended, the Memorandum of Understanding). Pursuant to the Memorandum of Understanding, the Acquisition will be carried out through a public exchange offer by Nokia comprised of two offers, a French public exchange offer and a U.S. public exchange offer (the U.S. Offer and, together with the French Offer, the Exchange Offer). The Company offers to acquire all of the issued and outstanding Alcatel Lucent ordinary shares (each an Alcatel Lucent Share), Alcatel Lucent American Depositary Shares, each representing one Alcatel Lucent Share (each an Alcatel Lucent ADS), Alcatel Lucent bonds convertible into new Alcatel Lucent Shares or exchangeable for existing Alcatel Lucent Shares due on July 1, 2018 (each a 2018 OCEANE), Alcatel Lucent bonds convertible into new Alcatel Lucent Shares or exchangeable for existing Alcatel Lucent Shares due on January 30, 2019 (each a 2019 OCEANE) and Alcatel Lucent bonds convertible into new Alcatel Lucent Shares or exchangeable for existing Alcatel Lucent Shares due on January 30, 2020 (each a 2020 OCEANE and all 2020 OCEANEs together with all 2018 OCEANEs and all 2019 OCEANEs, the OCEANEs , and the OCEANEs together with the Alcatel Lucent Shares and the Alcatel Lucent ADSs, the Alcatel Lucent Securities). The Company has filed on August 14, 2015 a draft registration statement on Form F-4 (the Form F-4) with the U.S. Securities and Exchange Commission (the SEC), as the same may be amended from time to time, concerning the U.S. Offer, and will file a draft offer document with the AMF (the French Offer Document) concerning the French Offer. For more information about the Exchange Offer, refer to sections *The Alcatel Lucent Transaction* , *The Memorandum of Understanding* and *The Exchange Offer* of this Listing Prospectus.

The Alcatel Lucent Shares are listed on Euronext Paris, Alcatel Lucent ADSs are quoted on the New York Stock Exchange (NYSE) and OCEANEs are traded on Euronext Paris. In the French Offer, the Company is offering 0.55

shares of Nokia (each a Nokia Share) per Alcatel Lucent Share, and such number of Nokia Shares per one OCEANE that is based on the exchange ratio of 0.55 Nokia Shares per each Alcatel Lucent Share which would be issuable upon conversion or exchangeable upon exchange of the OCEANE at the conversion/exchange ratio which will apply on the date of commencement of the Exchange Offer. In the U.S. Offer, the Company is offering 0.55 Nokia Shares per Alcatel Lucent Share; 0.55 Nokia American Depositary Shares (each a Nokia ADS), each representing one Nokia Share, per Alcatel Lucent ADS; and such number of Nokia Shares per one OCEANE that is based on the exchange ratio of 0.55 Nokia Shares per each Alcatel Lucent Share which would be issuable upon conversion or exchangeable upon exchange of the OCEANE at the conversion/exchange ratio which will apply on the date of commencement of the Exchange Offer (with the consideration of the French Offer, the Share Consideration). The Share Consideration consists of up to 2 100 000 000 Offered Shares, which represent approximately 36 percent of the Company s outstanding shares and votes conferred by the Company s shares after the Completion of the Exchange Offer (as defined in the section *Certain Information*), assuming that the Exchange Offer is fully accepted.

Nokia Shares are listed on the official list of Nasdaq Helsinki. Nokia ADSs are quoted on the NYSE. Nokia has applied for the Nokia Shares (including the Offered Shares) to be listed on Euronext Paris (the Admission) in conjunction with the Exchange Offer. Nokia expects to request that the Admission be approved to take effect prior to the completion of the Exchange Offer. In addition, Nokia will apply for listing of the Offered Shares and the Nokia ADSs to be issued in connection with the U.S. Offer on Nasdaq Helsinki and NYSE, respectively. If the Conditions (as defined in the section *The Exchange Offer Terms of the Exchange Offer Conditions to the Exchange Offer*) to accept, and to exchange, any Alcatel Lucent Securities validly tendered into the Exchange Offer have been satisfied or, if applicable, waived, the Offered Shares and Nokia ADSs, which will be delivered to those holders of Alcatel Lucent Securities that have tendered their Alcatel Lucent Securities into the Exchange Offer, will be delivered approximately five French trading days following the announcement of the results of the French Offer by the AMF, in accordance with the applicable Finnish, French and U.S. rules and regulations.

Certain risks related to Nokia, Alcatel Lucent and the Exchange Offer are described in the section Risk Factors below beginning on page 90.

The purpose of this Listing Prospectus is to have the Offered Shares listed on Nasdaq Helsinki and to have all the Nokia Shares (including the Offered Shares) admitted to trading and official listing on Euronext Paris. No issue or offering of Offered Shares is made by Nokia solely in connection with the publication of this Listing Prospectus. The Offered Shares will comprise Nokia Shares to be issued in connection with the Exchange Offer and in any potential subsequent offers, squeeze-outs or share issues required to complete the Acquisition. No sale or offering of Nokia Shares or other securities in Nokia is made by the Company pursuant to or in connection with the publication of this Listing Prospectus. This Listing Prospectus does not concern the listing of the Nokia ADSs, and matters relating to the Nokia ADSs, including possible risks relating to the ADSs, are not exhaustively described in this Listing Prospectus.

This Listing Prospectus may not be distributed or otherwise made available, and the Offered Shares may not be offered or sold, directly or indirectly, in any jurisdiction outside Finland, unless such distribution, offer, sale or exercise would be permitted under applicable law in the relevant jurisdiction. The Offered Shares will be registered under the U.S. Securities Act of 1933, pursuant to the Form F-4.

LISTING AGENT

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CERTAIN INFORMATION

This Listing Prospectus has been prepared in accordance with the Finnish Securities Market Act (746/2012, as amended), Commission Regulation (EC) No 809/2004 implementing Directive 2003/71/EC of the European Parliament and of the Council concerning information contained in Prospectuses as well as the format, incorporation by reference and publication of such Prospectuses and dissemination of advertisements, Commission Delegated Regulation (EU) No 486/2012 (as amended) of 30 March 2012 amending Regulation (EC) No 809/2004 as regards the format and the content of the Prospectuses (Commission Regulation), the base Prospectuses, the summary and the final terms and as regards disclosure requirements (annexes I, II, III and XXII), Decree 1019/2012 of the Ministry of Finance on the Prospectus Referred to in Chapter 3-5 of the Securities Market Act, and the regulations and guidelines issued by the Finnish Financial Supervisory Authority (the FIN-FSA).

This Listing Prospectus also contains the summary referred to in Chapter 4 Section 6 Paragraph 4 of the Finnish Securities Market Act in the format required by the Commission Regulation. The summary is translated into Finnish and French languages. The FIN-FSA has approved this Listing Prospectus but is not liable for the correctness of the information presented herein. The journal number of the FIN-FSA s decision of approval is FIVA 85/02.05.04/2015. A certificate of approval of the Listing Prospectus, with a copy of the Listing Prospectus and the French language translation of its summary will be, in accordance with the Prospectus Directive, notified to the AMF to be used for admission to trading and official listing on Euronext Paris of all of the Offered Shares and all of the existing Nokia Shares, and in connection with the French Offer. The Company has also filed the Form F-4 with the U.S. Securities and Exchange Commission concerning the offering of the Offered Shares in the United States and will file the French Offer Document with the AMF concerning the French Offer. The information contained in the Form F-4 as of the date of this Listing Prospectus is preliminary and incomplete and the Form F-4 is subject to future amendments and changes before becoming effective.

In this Listing Prospectus, any reference to the Company , Nokia , Nokia Corporation or Nokia Group means Nokia Oyj and its subsidiaries on a consolidated basis, except where it is clear from the context that the term means Nokia Oyj or a particular subsidiary or business unit only, and except that references and matters relating to the shares and share capital of Nokia or matters of corporate governance shall refer to the shares, share capital and corporate governance of Nokia Oyj.

In this Listing Prospectus, any reference to Alcatel Lucent , or Alcatel Lucent Group means Alcatel Lucent and its subsidiaries on a consolidated basis, except where it is clear from the context that the term means Alcatel Lucent or a particular subsidiary or business unit only, and except that references and matters relating to the shares and share capital of Alcatel Lucent or matters of corporate governance shall refer to the shares, share capital and corporate governance of Alcatel Lucent.

In this Listing Prospectus, Nokia together with Alcatel Lucent referred to as the Combined Company assumes that the Exchange Offer is successfully completed as contemplated in this Listing Prospectus.

In this Listing Prospectus, Completion of the Exchange Offer , Completion of the U.S. Offer , Completion of the French Offer or Completion of the subsequent offering period refer to settlement and delivery of the Nokia Shares to the holders of Alcatel Lucent Securities in accordance with the terms of the Exchange Offer and Conditions after the announcement of the successful results of the French Offer by the AMF (taking into account the results of the U.S. Offer) or the results of the subsequent offering period, as applicable.

In this Listing Prospectus, Nokia Annual Report refers to Nokia s annual report on Form 20-F for the fiscal year ended December 31, 2014 and Nokia Interim Report refers to Nokia s report on Form 6-K for the period ended June 30,

2015. In this Listing Prospectus, Alcatel Lucent Annual Report refers to Alcatel Lucent s annual report on Form 20-F for the year ended December 31, 2014 filed with the SEC on March 24, 2015 together with the additional information presented in Alcatel Lucent s reference document (*document de reference*) for the year ended December 31, 2014 filed with the AMF on March 20, 2015 under No. D. 15-0179, and Alcatel Lucent Interim Report refers to Alcatel Lucent s report on Form 6-K for the period ended June 30, 2015, furnished with the SEC on August 5, 2015.

The historical financial information of Nokia and Alcatel Lucent do not take into account the effects of the Acquisition. The pro forma financial information illustrating the effect of the Acquisition has been presented in the section *Unaudited Pro Forma Condensed Combined Financial Information* .

Shareholders and prospective investors should rely solely on the information contained in the Listing Prospectus or incorporated by reference herein as well as on the Form F-4, the French Offer Document and the stock exchange releases published by Nokia. Nobody has been authorized to provide any information or give any statements other than those provided in this Listing Prospectus, the Form F-4 and the French Offer Document. Delivery of the Listing Prospectus shall not, under any circumstances, indicate that the information presented in the Listing Prospectus is correct on any day other than the date of the Listing Prospectus, or that there would not be any changes in the business of Nokia or Alcatel Lucent after the date of the Listing Prospectus. However, if new information or a fault or omission in this Listing Prospectus is discovered before the Admission of the Offered Shares for listing on Nasdaq Helsinki and such fault or omission or new information may be of material importance to investors, the Listing Prospectus shall be supplemented in accordance with the Finnish Securities Market Act. Information given in the Listing Prospectus is not a guarantee or grant for future events by Nokia, Alcatel Lucent or the Combined Company and shall not be considered as such.

Neither the Listing Prospectus nor any announcement or any offering material may be distributed or published in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. In a number of countries, in particular in Australia, Canada, Hong Kong, Japan, South Africa and, subject to certain exceptions, the United States, the distribution of the Listing Prospectus is subject to restrictions imposed by law (such as registration, admission, qualification and other regulations). Nokia does not accept any legal responsibility for persons who have obtained the Listing Prospectus in violation of these restrictions. The Listing Prospectus does not constitute an offer to sell the Offered Shares to any person in any jurisdiction in which it is unlawful to make such offer to such person, or a solicitation of an offer to buy the Offered Shares from a person in a jurisdiction in which it is unlawful to make such solicitation.

Shareholders or prospective investors must not construe the contents of this Listing Prospectus as legal, investment or tax advice. Each shareholder or prospective investor should consult their own counsel, accountant or business advisor as to legal, investment and tax advice and related matters pertaining to any investment in Nokia s securities, if they deem it necessary.

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SUMMARY

Summaries are made up of disclosure requirements known as Elements . These Elements are numbered in Sections A E (A.1 E.7). This summary contains all the Elements required to be included in a summary for this type of securities and issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements. Even though an Element may be required to be inserted in the summary because of the type of securities and issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention not applicable .

All statements in this section regarding the competitive position of Nokia or the Combined Company are based on the view of Nokia s management unless otherwise explicitly stated.

Shareholders and potential investors should note that all of the information concerning Alcatel Lucent presented in this Listing Prospectus and in particular in Annex A is solely based on publicly available information of Alcatel Lucent included in Alcatel Lucent Annual Report and Alcatel Lucent Interim Report Alcatel Lucent has filed with the SEC. Nokia confirms that this information has been accurately reproduced and that as far as Nokia is aware and is able to ascertain from information published by Alcatel Lucent, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Section A Introduction and warnings

A.1	**Warning**	This summary should be read as an introduction to the Listing Prospectus. Any decision to invest in the securities should be based on consideration of the Listing Prospectus as a whole by the investor.
		Where a claim relating to the information contained in the Listing Prospectus is brought before a court, the plaintiff investor might, under applicable law, have to bear the costs of translating the Listing Prospectus before legal proceedings are initiated. Nokia assumes civil liability in respect of this summary only if it is misleading, inaccurate or inconsistent when read together with the other parts of the Listing Prospectus, or if it does not provide, when read together with the other parts of the Listing Prospectus, key information in order to aid investors when considering whether to invest in the securities issued by Nokia.
A.2	**Information to be provided regarding consent by the issuer or person responsible for drawing up the Listing Prospectus for the use of intermediary financial organizations**	Not applicable.

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Section B Issuer

B.1	**Legal and commercial name**	**Nokia** The legal and commercial name of the Company is Nokia Oyj. Parallel legal and commercial names of the Company are, in English, Nokia Corporation, and, in Swedish, Nokia Abp. **Alcatel Lucent** The legal name of Alcatel Lucent is Alcatel Lucent. The commercial name of Alcatel Lucent is Alcatel-Lucent.
B.2	**Domicile/ Legal form/ Legislation/ Country of incorporation**	**Nokia** The domicile of Nokia is Helsinki, Finland. Nokia is a public limited liability company incorporated in Finland and operating under Finnish law. **Alcatel Lucent** Alcatel Lucent is a French société anonyme, established in 1898, originally as a listed company named Compagnie Générale d Électricité. Alcatel Lucent is registered at the Nanterre Trade and Companies Registry under number 542 019 096. Alcatel Lucent is subject to all laws governing business corporations in France, specifically the provisions of the commercial code and the financial and monetary code. Alcatel Lucent s principal office is located at 148/152 Route de la Reine 92100 Boulogne-Billancourt, France.
B.3	**Current operations and principal activities**	**Nokia** Nokia is currently focused on three business areas: network infrastructure software, hardware and services, which is offered through Nokia Networks; mapping and location intelligence, which is provided through HERE; and advanced technology development and licensing, which is pursued through Nokia Technologies. Through its three businesses, Nokia has a global presence with operations and research and

development facilities in Europe, North America and Asia, sales in approximately 140 countries, and employs approximately 64 000 people. Nokia is also a major investor in research and development (R&D), with expenditure through its three businesses exceeding EUR 2.5 billion in 2014.

Nokia Networks is a leading vendor in the mobile infrastructure market, providing a broad range of different products, from the hardware components of networks used by network operators to software solutions supporting the efficient operation of networks, as well as services to plan, optimize, implement, run and upgrade mobile operators networks.

HERE is a leading provider of maps and location experiences across multiple screens and operating systems and is focused on producing the most accurate and fresh map content, available across multiple devices and operating systems.

Nokia Technologies develops and licenses cutting-edge innovations that are powering the next revolution in computing and mobility. Nokia Technologies is a leading innovator of the core technologies enabling the Programmable World[1], where everything and everyone will be connected. Nokia Technologies is expanding Nokia s successful patent licensing program and licensing proprietary technologies to enable its customers to build better products.

[1] Nokia s vision of the future; a world where connectivity will expand massively, linking people as well as hundreds of billions of physical objects from cars, home appliances and smartphones, to wearables, industrial equipment and health monitors. What distinguishes the Programmable World from the Internet of Things is the intelligence that is added to data to allow people to interpret and use it, rather than just capture it.

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On August 3, 2015, Nokia announced an agreement to sell its HERE digital mapping and location services business to a consortium of leading automotive companies, comprising AUDI AG, BMW Group and Daimler AG (the HERE transaction). The transaction is expected to close in the first quarter of 2016, subject to customary closing conditions and regulatory approvals. Upon closing of the HERE transaction, which does not affect the exchange ratio of the Exchange Offer, and assuming that the Exchange Offer has not yet been completed, Nokia will consist of two businesses: Nokia Networks and Nokia Technologies.

It is currently expected that after the Exchange Offer, Nokia Networks business would be conducted through four business groups: Mobile Networks, Fixed Networks, Applications & Analytics and IP/Optical Networks. These business groups would provide an end-to-end portfolio of products, software and services to enable the Combined Company to deliver the next generation of leading networks solutions and services to customers. Alongside these, Nokia Technologies would continue to operate as a separate business group. Each business group would have strategic, operational and financial responsibility for its portfolio and would be fully accountable for meeting its targets. The four Networks business groups would have a common Integration and Transformation Office to drive synergies and to lead integration activities. The business group leaders would report directly to Nokia s President and Chief Executive Officer:

Mobile Networks (MN) would include Nokia s and Alcatel Lucent s comprehensive Radio portfolios and most of their converged Core network portfolios including IMS/VoLTE and Subscriber Data Management, as well as the associated mobile networks-related Global Services business. This unit would also include Alcatel Lucent s Microwave business and all of the Combined Company s end-to-end Managed Services business. Through the combination of these assets, Mobile Networks would provide leading end-to-end mobile networks solutions for existing and new platforms, as well as a full suite of professional services and product-attached services;

Fixed Networks (FN) would comprise the current Alcatel Lucent Fixed Networks business, whose cutting-edge innovation and market position would be further supported through strong collaboration with the other business groups. This business group would provide copper and fiber access products and services to offer customers ultra-broadband end-to-end solutions to transform their networks, deploying fiber to the most economical point;

Applications & Analytics (A&A) would combine the Software and Data Analytics related operations of both companies. This comprehensive applications portfolio would include Customer Experience Management, OSS as distinct from network management such as service fulfilment and assurance, Policy and Charging, services, Cloud Stacks, management and orchestration, communication and collaboration, Security Solutions, network intelligence and analytics, device management and Internet of Things connectivity management platforms. CloudBand would also be housed in this business group, which would drive innovation to meet the needs of a convergent, Cloud-centric future;

IP/Optical Networks (ION) would combine the current Alcatel Lucent IP Routing, Optical Transport and IP video businesses, as well as the software defined networking (SDN) start-up, Nuage, plus Nokia s IP partner and Packet Core portfolio. This business group would continue to drive Alcatel Lucent s technology leadership, building large scale IP/Optical infrastructures for both service providers and, increasingly, web-scale and tech centric enterprise customers;

Nokia Technologies (TECH) would remain as a separate entity with a clear focus on licensing and the incubation of new technologies. Nokia Technologies would continue to have its own innovation, product development and go-to-market operations.

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Nokia expects to align its financial reporting under two key areas: Nokia Technologies and the Networks business. The Networks business would comprise the business groups of Mobile Networks, Fixed Networks, Applications & Analytics and IP/Optical Networks. Nokia also expects to provide selective financial data separately for each of the four Networks business groups to ensure transparency for investors over the performance of each of them.

Alcatel Lucent

Alcatel Lucent currently has two operating segments: Core Networking and Access. Until March 2014, Alcatel Lucent had a third operating segment: Other. The Core Networking segment includes three business divisions: IP Routing, IP Transport and IP Platforms. The IP Routing division is focused on delivering IP routing infrastructure and the main product families within the IP routing portfolio are: Internet Protocol/Multiprotocol Label Switching (or IP/MPLS) core and edge routers, Carrier Ethernet access and aggregation switch/routers, Service Aggregation Routers, Service Aware Management, Content Delivery Networks (CDN) and Software Defined Networking (SDN). The IP Transport division s products include terrestrial optical products, undersea telecommunications cable networks and microwave radio products. The IP Platforms portfolio provides systems hardware, software platforms and applications that help communications service providers, extra large enterprises and webscale companies deliver advanced IP communications, optimize their networks and operations, improve the customer experience and monetize new services. The Access segment includes four business divisions: Wireless, Fixed Access, Licensing and Managed Services. The primary activities of the Wireless division focus on delivering 4G/LTE overlay solutions, 3G/4G and multi-standard small cell solutions along with related professional services. Alcatel Lucent s wireless access portfolio also includes 2G/3G wireless products and related professional services as well as Alcatel Lucent s Radio Frequency Systems (RFS) portfolio. Alcatel Lucent s Fixed Access division designs and develops fixed access products that allow service providers to offer Ultra-Broadband connectivity over digital subscriber lines (DSL) and fiber connections. The Licensing division actively pursues a strategy of licensing patents to generate revenues. Alcatel Lucent s Managed Services division delivers innovative solutions for both the carrier and strategic industries markets. Until 2014, the Other segment included the government business, which built and delivered complete turnkey solutions in support of U.S. federal government agencies in the U.S. On March 31, 2014, Alcatel Lucent completed the disposal of LGS Innovations LLC, which was the entity providing said solutions.

Alcatel Lucent has one of the broadest portfolios of product and services offerings in the telecommunications equipment and related services market, both for the carrier

		and non-carrier markets. Alcatel Lucent operates in a large number of countries and sells substantially all of its products and services to the world s largest telecommunications service providers.
B.4a	**Most significant recent trends**	**Overall Telecoms Equipment Market**
		In recent years, the most important trends affecting the telecoms equipment market have been the increase in the use of data services and the resulting exponential increase in traffic, which has led to an increased need for high performance, quality and reliability in networks. The continuing data traffic increase has forced operators

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into a transformation of their business model from a voice centric to a data centric business model. As a result, operators have experienced flatter revenue as well as margin pressure and there is an increased need for operators to adapt to new technologies and increase efficiency amongst both operators and network infrastructure and services vendors. In addition to the attempts to reduce their costs, the operators want to increase their agility through the adoption of the emerging Telco Cloud[2] and network virtualization technologies. Operators need to find their place in the new ecosystem has triggered a consolidation wave driven by the need to gain scale and provide a wider spectrum of services, especially fixed mobile convergence services.

Nokia s and Alcatel Lucent s sales are affected by seasonality in the network operators spending cycles, with generally higher sales in the fourth quarter, as compared to the first quarter of the following year. In addition to normal industry seasonality, there are normal peaks and troughs in the deployment of large infrastructure projects.

HERE

In general, there is a trend of more connected things which provides opportunities for location-based intelligence to serve as a key dimension in this development. Additionally, as the automotive industry is a significant contributor to HERE s sales, the broader economy and its influence on new car sales are an important factor in HERE s future success. The adoption rate of in-car navigation products and services is important as well.

Technologies / Licensing

In general, there has been increased focus on intellectual property rights (IPR) protection and licensing, and this trend is expected to continue. As such, new agreements are generally a product of lengthy negotiations and potential litigation or arbitration, and therefore the timing and outcome may be difficult to forecast. Due to the structure of the patent license agreements, the payments may be very infrequent, at times retrospective in part and the lengths of license agreements can vary. Additionally, there are clear regional differences in the ease of protecting and licensing patented innovations.

B.5 Group **Nokia**

Nokia is the parent company of the Nokia Group. Nokia s significant subsidiaries at June 30, 2015 were:

Company name	Country of incorporation and place of business	Group ownership interest %
Nokia Solutions and Networks B.V.	The Hague, Netherlands	100.0
Nokia Solutions and Networks Oy	Helsinki, Finland	100.0
Nokia Solutions and Networks US LLC	Delaware, USA	100.0
Nokia Solutions and Networks Japan Corp.	Tokyo, Japan	100.0
Nokia Solutions and Networks India Private Limited	New Delhi, India	100.0
Nokia Solutions and Networks System Technology (Beijing) Co., Ltd.	Beijing, China	100.0
Nokia Solutions and Networks Branch Operations Oy	Helsinki, Finland	100.0
Nokia Solutions and Networks Korea Ltd.	Seoul, South Korea	100.0
Nokia Solutions and Networks Taiwan Co. Ltd	Taipei, Taiwan	100.0
Nokia Solutions and Networks Technology Service Co., Ltd.	Beijing, China	100.0
HERE Holding Corporation	Delaware, USA	100.0
HERE Global B.V.	Veldhoven, Netherlands	100.0
HERE Europe B.V.	Veldhoven, Netherlands	100.0
HERE North America LLC	Delaware, USA	100.0
HERE Deutschland GmbH	Berlin, Germany	100.0
Nokia Finance International B.V.	Haarlem, Netherlands	100.0
Nokia Technologies Oy	Helsinki, Finland	100.0

[2] Applying cloud computing, SDN (Software Defined Networking) and NFV (Network Functions Virtualization) principles in telecommunications environment, e.g. separating application software from underlying hardware with automated, programmable interfaces while still retaining telecommunications requirements such as high availability and low latency.

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Alcatel Lucent

Alcatel Lucent is the parent company of the Alcatel Lucent Group. Alcatel Lucent s significant subsidiaries at June 30, 2015 were:

Company name	Country of incorporation and place of business	Group ownership interest %
Alcatel-Lucent Australia Limited	Australia	100.0
Alcatel-Lucent Austria AG	Austria	100.0
Alcatel-Lucent Bell NV	Belgium	100.0
Alcatel-Lucent Brasil S/A	Brazil	100.0
Alcatel-Lucent Canada Inc.	Canada	100.0
Alcatel-Lucent Deutschland AG	Germany	100.0
Alcatel-Lucent España S.A.	Spain	100.0
Alcatel-Lucent India Limited	India	100.0
Alcatel-Lucent International	France	100.0
Alcatel-Lucent Italia S.p.A.	Italy	100.0
Alcatel-Lucent Mexico S.A. de C.V.	Mexico	100.0
Alcatel-Lucent Nederland B.V.	The Netherlands	100.0
Alcatel-Lucent Polska Sp Z.o.o.	Poland	100.0
Alcatel-Lucent Portugal, S.A.	Portugal	100.0
Alcatel-Lucent Schweiz AG	Switzerland	100.0
Alcatel-Lucent Shanghai Bell Co., Ltd[1]	China	50.0
Alcatel-Lucent Submarine Networks	France	100.0
Alcatel-Lucent Telecom Limited	U.K.	100.0
Alcatel-Lucent USA Inc.	U.S.A,	100.0
Alcatel-Lucent Holdings Inc.	U.S.A.	100.0
Alcatel-Lucent Participations	France	100.0
Alda Marine	France	100.0
Coralec	France	100.0
Florelec	France	100.0
Electro Banque	France	100.0
Electro Ré	Luxembourg	100.0

[1] Entity fully controlled by the Alcatel Lucent Group holding 50% plus one share.

B.6 Major shareholders Nokia

The following table presents the 10 largest shareholders of Nokia that are registered in Finland and appear on Nokia s shareholder register maintained by Euroclear Finland

Ltd. and their share of voting rights as at October 20, 2015.

Shareholder	Number of shares	% of the total number of shares	% of voting rights[1]
1. Varma Mutual Pension Insurance Company	80 722 106	2.19	2.23
2. Ilmarinen Mutual Pension Insurance Company	28 893 982	0.79	0.80
3. The State Pension Fund	25 600 000	0.70	0.71
4. Schweizerische Nationalbank	24 132 730	0.66	0.67
5. Elo Mutual Pension Insurance Company	15 200 000	0.41	0.42
6. Svenska Litteratursällskapet i Finland rf	14 312 880	0.39	0.39
7. Nordea Bank Finland Plc	11 536 309	0.31	0.31
8. Folketrygdfondet	11 352 542	0.31	0.31
9. Nordea Suomi Fund	10 854 000	0.30	0.30
10. Keva (Local Government Pensions Institution)	10 004 071	0.27	0.28
Treasury shares	53 232 002	1.45	0.00
Others	3 392 801 269	92.23	93.58
Total	**3 678 641 891**	**100**	**100**

[1] Treasury shares are not included in calculating voting rights.

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Pursuant to the notification of Nokia under Chapter 9, Section 10 of the Finnish Securities Market Act on October 24, 2014, the holdings of BlackRock, Inc. in Nokia, through its controlled undertakings, comprising of both shares and convertible bonds issued by Nokia, amounted to a total of 187 784 314 shares, which at that time corresponded to approximately 5.01% of the total number of shares and voting rights of Nokia. To Nokia s knowledge, no other shareholder holds more than 5% of the share capital or voting rights of Nokia.

Nokia is not aware of any shareholder having a controlling interest, as referred to in Chapter 2, Section 4 of the Finnish Securities Market Act, in the Company. Each share entitles the holder to one vote at a General Meeting of Shareholders of Nokia.

Alcatel Lucent

Breakdown of capital and voting rights in Alcatel Lucent as at June 30, 2015 is represented in the following table.

	Capital on the basis of outstanding shares at June 30, 2015			THEORETICAL voting rights on the basis of outstanding shares at June 30, 2015[2]		Voting rights EXERCISABLE AT GENERAL MEETING OF SHAREHOLDERS on the basis of outstanding shares at June 30, 2015[3]	
Shareholders	**Number of shares**	**% of capital**	**Double voting rights**	**Total number of votes**	**% of votes**	**Total number of votes**	**% of votes**
The Capital Group Companies, Inc.	281,970,300	9.95%		281,970,300	9.81%	281,970,300	9.95%
Odey Asset Management, LLP	139,392,500	4.92%		139,392,500	4.85%	139,392,500	4.92%
BlackRock Inc.	114,609,500	4.04%		114,609,500	3.99%	114,609,500	4.04%
Caisse des Dépôts et Consignations[1]	101,498,600	3.58%	8,243,622	109,742,222	3.82%	109,742,222	3.87%

DNCA	85,074,900	3.00%		85,074,900	2.96%	85,074,900	3.00%
Aviva Plc	56,354,800	1.99%		56,354,800	1.96%	56,354,800	1.99%
Amundi	42,737,400	1.51%		42,737,400	1.49%	42,737,400	1.51%
FCP 2AL	32,778,404	1.16%	32,708,499	65,486,903	2.28%	65,486,903	2.31%
Other institutional investors in France[4]	1,129,716,700	39.86%		1,129,716,700	39.29%	1,129,716,700	39.84%
Treasury stock held by Alcatel Lucent[5]	27,110,113	0.96%		27,110,113	0.94%		
Treasury stock held by subsidiaries[5]	13,006,408	0.46%		13,006,408	0.45%		
Public	810,210,667	28.58%		810,210,667	28.18%	810,210,667	28.58%
Total	2,834,460,292	100%	40,952,121	2,875,412,413	100%	2,835,295,892	100%

1 Including the shares held by BPI Participations France.

2 The theoretical voting rights include the shares held by Alcatel Lucent and its subsidiaries which do not have voting rights.

3 The voting rights exercisable at General Meeting of Shareholders do not include shares which have no voting rights.

4 Other institutional investors in France holding, individually, more than 0.50% of the share capital.

5 These shares do not have voting rights pursuant to French applicable law, while held as treasury stock.

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Pursuant to the notification of Alcatel Lucent and the AMF under Article L. 233-7 of the French Commercial Code:

Odey Asset Management LLP, acting on behalf of funds it manages, declared that it crossed downward, on July 2, 2015, the 5% thresholds of the share capital and voting rights of Alcatel Lucent, and that it held, at that date, 139,392,474 Alcatel Lucent Shares representing 4.92% of the share capital and 4.84% of the voting rights of Alcatel Lucent;

The Capital Group Companies, Inc. declared that it crossed downward, on July 8, 2015, the 10% threshold of the voting rights of Alcatel Lucent, and that it held, at that date, 285,687,380 Alcatel Lucent Shares representing 10.08% of the share capital and 9.92% of the voting rights of Alcatel Lucent;

The Capital Group Companies, Inc. declared that it crossed downward, on July 9, 2015, the 10% threshold of the share capital of Alcatel Lucent, and that it held, at that date, 281,970,368 Alcatel Lucent Shares representing 9.95% of the share capital and 9.79% of the voting rights of Alcatel Lucent.

B.7 Selected historical key financial information **Nokia**

The following tables set forth selected consolidated financial information for Nokia. This information is qualified by reference to, and should be read in conjunction with, Nokia s consolidated financial statements and the notes thereto for the years ended December 31, 2014, 2013 and 2012 and the unaudited interim report for the six months ended on June 30, 2015, all of which are incorporated by reference into this Listing Prospectus. The selected consolidated historical income statement and statement of cash flow data for the years ended December 31, 2014, 2013 and 2012 and the consolidated statement of financial position data as of December 31, 2014, 2013 and 2012 have been derived from Nokia s audited consolidated financial statements for the respective years, prepared in accordance with the International Financial Reporting Standards (IFRS). The selected consolidated historical income statement and statement of cash flow data for the six month periods ended June 30, 2015 and 2014 and the consolidated statement of financial position as of June 30, 2015 have been derived from Nokia s unaudited interim report for the six months ended on June 30, 2015 prepared in accordance with IFRS.

In September 2013, Nokia announced the sale of substantially all of its Devices & Services Business to Microsoft. Subsequent to the approval for the sale received in the Extraordinary General Meeting in November 2013, Nokia Group has presented Devices & Services Business as discontinued operations. The sale was completed on April 25, 2014. In the consolidated income statement for the year 2013 the financial results of the Devices & Services Business were reported as discontinued operations separately from the continuing operations. The income statement information for the year 2012 were restated accordingly. As of January 1, 2013 Nokia adopted new revised IAS 19 Employee Benefits standard. As a result, the net pension liabilities and other comprehensive income were impacted mainly by the retrospectively applied elimination of the corridor approach and financial information for the year 2012 were adjusted accordingly. Thus, the restated information for the year 2012 presented in the following tables is unaudited.

On August 3, 2015, Nokia announced an agreement to sell its HERE digital mapping and location services business to a consortium of leading automotive companies, comprising AUDI AG, BMW Group and Daimler AG. HERE has been reported as part of Nokia s continuing operations in the consolidated financial information for the financial years ended December 31, 2014, 2013 and 2012 and for the six months ended June 30, 2015.

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CONSOLIDATED INCOME STATEMENT	Year ended December 31, 2014 (audited)	2013 (audited)	2012 (unaudited)	Six months ended June 30, 2015 (unaudited)	2014 (unaudited)
	(in EUR million, except for shares outstanding and earnings per share)			*(in EUR million, except for shares outstanding and earnings per share)*	
Net Sales	**12 732**	**12 709**	**15 400**	**6 405**	**5 606**
Cost of Sales	(7 094)	(7 364)	(9 841)	(3 512)	(3 099)
Gross profit	**5 638**	**5 345**	**5 559**	**2 892**	**2 506**
Research and development expenses	(2 493)	(2 619)	(3 081)	(1 354)	(1 169)
Selling, general and administrative expenses	(1 634)	(1 671)	(2 062)	(875)	(766)
Impairment of goodwill	(1 209)			0	0
Other income and expenses	(131)[1]	(536)[2]	(1 237)[3]	81	(45)
Operating profit/(loss)	**170**	**519**	**(821)**	**745**	**526**
Share of results of associated companies	(12)	4	(1)	14	(6)
Financial income and expenses	(395)	(280)	(357)	(49)	(335)
Profit/(loss) before tax	**(237)**	**243**	**(1 179)**	**710**	**185**
Income tax (expense)/benefit	1 408	(202)	(304)	(177)	(102)
Profit/(loss) from continuing operations	**1 171**	**41**	**(1 483)**	**533**	**84**
Attributable to:					
Equity holders of the parent	1 163	186	(771)	531	80
Non-controlling interests	8	(145)	(712)	2	4
(Loss)/profit from discontinued operations	**2 305**	**(780)**	**(2 303)**	**(7)**	**2 198**
Attributable to:					
Equity holders of the parent	2 299	(801)	(2 334)	(7)	2 192
Non-controlling interests	6	21	31	0	6
Profit/(loss)	**3 476**	**(739)**	**(3 786)**	**526**	**2 282**
Attributable to:					
Equity holders of the parent	3 462	(615)	(3 105)	524	2 272
Non-controlling interests	14	(124)	(681)	2	10
Earnings per share					
Basic earnings per share (in EUR)					
Continuing operations	0.31	0.05	(0.21)	0.15	0.02
Discontinued operations	0.62	(0.22)	(0.63)	0.00	0.59
Profit/(loss)	0.94	(0.17)	(0.84)	0.14	0.61
Diluted earnings per share (in EUR)					

Continuing operations	0.30	0.05	(0.21)	0.14	0.02
Discontinued operations	0.56	(0.22)	(0.63)	0.00	0.52
Profit/(loss)	0.85	(0.17)	(0.84)	0.14	0.54
Average number of shares (000 shares) Basic					
Continuing operations	3 698 723	3 712 079	3 710 845	3 631 929	3 713 523
Discontinued operations	3 698 723	3 712 079	3 710 845	3 631 929	3 713 523
Profit/(loss)	3 698 723	3 712 079	3 710 845	3 631 929	3 713 523
Diluted					
Continuing operations	4 131 602	3 733 364	3 710 845	3 952 185	3 732 608
Discontinued operations	4 131 602	3 712 079	3 710 845	3 952 185	4 254 600
Profit/(loss)	4 131 602	3 712 079	3 710 845	3 952 185	4 254 600

[1] Consist of Other income of EUR 136 million and Other expenses of EUR (268) million.
[2] Consist of Other income of EUR 272 million and Other expenses of EUR (808) million.
[3] Consist of Other income of EUR 276 million and Other expenses of EUR (1 513) million.

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	Year ended December 31, 2014 (audited)	2013 (audited)	2012 (unaudited)	Six months ended June 30, 2015 (unaudited)	2014
		(in EUR million)		*(in EUR million)*	
Profit/(loss)	**3 476**	**(739)**	**(3 786)**	**526**	**2 282**
Other comprehensive income/(expense)					
Items that will not be reclassified to profit or loss:					
Remeasurements on defined benefit plans	(275)	83	(228)	104	(130)
Income tax related to items that will not be reclassified to profit or loss	96	(3)	22	(29)	(14)
Items that may be reclassified subsequently to profit or loss:					
Translation differences	820	(496)	41	427	178
Net investment hedges	(167)	114	(58)	(161)	(3)
Cash flow hedges	(30)	3	(41)	3	(41)
Available-for-sale investments	106	49	35	71	4
Other increase, net	40	5	10	2	40
Income tax related to items that may be reclassified subsequently to profit or loss	16	1	12	31	(37)
Other comprehensive income/(expense), net of tax	**606**	**(244)**	**(207)**	**448**	**(3)**
Total comprehensive income	**4 082**	**(983)**	**(3 993)**	**974**	**2 279**
Attributable to:					
Equity holders of the parent	4 061	(863)	(3 281)	968	2 273
Non-controlling interests	21	(120)	(712)	6	6
	4 082	**(983)**	**(3 993)**	**974**	**2 279**
Attributable to equity holders of the parent:					
Continuing operations	1 563	34	(831)	975	(120)
Discontinued operations	2 498	(897)	(2 450)	(7)	2 393
	4 061	(863)	(3 281)	968	2 273
Attributable to non-controlling interests:					
Continuing operations	16	(139)	(740)	6	3
Discontinued operations	5	19	28	0	3
	21	**(120)**	**(712)**	**6**	**6**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION	As of December 31, 2014 (audited)	2013 (audited)	2012 (unaudited)	As of June 30, 2015 (unaudited)
		(in EUR million)		*(in EUR million)*
ASSETS				

Goodwill	2 563	3 295	4 876	2 783
Other intangible assets	350	296	647	341
Property, plant and equipment	716	566	1 431	786
Investments in associated companies	51	65	58	69
Available-for-sale investments	828	741	689	1 018
Deferred tax assets	2 720	890	1 279	2 721
Long-term loans receivable	34	96	125	48
Prepaid pension costs[1]	30	38	152	29
Other non-current assets[1]	47	61	66	43
Non-current assets	**7 339**	**6 048**	**9 323**	**7 837**
Inventories	1 275	804	1 538	1 368
Accounts receivable, net of allowances for doubtful accounts	3 430	2 901	5 551	3 602
Prepaid expenses and accrued income	913	660	2 682	944
Current income tax assets	124	146	495	200
Current portion of long-term loans receivable	1	29	35	2
Other financial assets	266	285	451	121
Investments at fair value through profit and loss, liquid assets	418	382	415	570
Available-for-sale investments, liquid assets	2 127	956	542	2 065
Cash and cash equivalents[2]	5 170	7 633	8 952	3 983
Current assets	**13 724**	**13 796**	**20 661**	**12 855**
Assets held for sale		89		0
Assets of disposal groups classified as held for sale		5 258		
Total assets	**21 063**	**25 191**	**29 984**	**20 693**

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SHAREHOLDERS EQUITY AND LIABILITIES				
Capital and reserves attributable to equity holders of the parent				
Share capital	246	246	246	246
Share issue premium	439	615	446	401
Treasury shares at cost	(988)	(603)	(629)	(731)
Translation differences	1 099	434	746	1 395
Fair value and other reserves	22	80	(5)	168
Reserve for invested non-restricted equity	3 083	3 115	3 136	3 081
Retained earnings	4 710	2 581	3 997	4 359
Capital and reserves attributable to equity holders of the parent	8 611	6 468	7 937	8 919
Non-controlling interests	58	192	1 302	59
Total equity	**8 669**	**6 660**	**9 239**	8 979
Long-term interest-bearing liabilities	2 576	3 286	5 087	2 685
Deferred tax liabilities	32	195	701	75
Deferred revenue and other long-term liabilities	2 197	630	997	2 001
Provisions	301	242	304	259
Non-current liabilities	5 106	4 353	7 089	5 019
Current portion of long-term interest-bearing liabilities	1	3 192	201	1
Short-term borrowings	115	184	261	102
Other financial liabilities	174	35	90	122
Current income tax liabilities	481	484	499	484
Accounts payable	2 313	1 842	4 394	1 919
Accrued expenses, deferred revenue and other liabilities	3 632	3 033	6 223	3 560
Provisions	572	680	1 988	507
Current liabilities	7 288	9 450	13 656	6 695
Liabilities of disposal groups classified as held for sale	0	4 728		0
Total shareholders equity and liabilities	**21 063**	**25 191**	**29 984**	**20 693**

[1] Prepaid pension costs previously reported under Other non-current assets are reported separately starting from June 30, 2015. The information for prior periods presented has been adjusted accordingly.

[2] As of June 30, 2015, Bank and cash and Available for sale investments, cash equivalents are reported as a single line item Cash and cash equivalents . The information for prior periods presented has been adjusted accordingly.

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CONSOLIDATED STATEMENT OF CASH FLOWS	Year ended December 31, 2014	2013 (audited) (in EUR million)	2012	Six months ended June 30, 2015 (unaudited) (in EUR million)	2014
Net cash from/(used in) operating activities	1 275	72	(354)	(457)	652
Net cash from/(used in) investing activities	886	(691)	562	(244)	1 171
Net cash used in financing activities	(4 576)	(477)	(465)	(522)	(2 786)
Foreign exchange adjustment	(48)	(223)	(27)	36	(59)
Net increase/decrease in cash and equivalents	(2 463)	(1 319)	(284)	(1 187)	(1 022)
Cash and cash equivalents at beginning of period	7 633	8 952	9 236	5 170	7 633
Cash and cash equivalents at end of period	5 170	7 633	8 952	3 983	6 611

Key Ratios

	Year ended December 31, 2014	2013 (unaudited)	2012	Six months ended June 30, 2015 (unaudited)	2014
Key ratios at December 31, Continuing operations					
Earnings per share for profit attributable to equity holders of parent					
Earnings per share, basic, EUR	0.31[1]	0.05[1]	(0.21)	0.15	0.02
Earnings per share, diluted, EUR	0.30[1]	0.05[1]	(0.21)	0.14	0.02
P/E ratio, basic	21.16	116.00	neg.	40.60	276.50
Dividend per share, EUR	0.14	0.37	0	N/A	N/A
Total dividends paid, EURm	511	1 374	0	N/A	N/A
Payout ratio, basic	0.45	7.40	0	N/A	N/A
Dividend yield, %	2.13	6.36	0	N/A	N/A
Shareholders equity per share, EURm	2.36	1.74	2.14	2.46	1.96
Market capitalization, EURm	23 932	21 606	10 873	22 070	20 539

[1] Earnings per share (basic and diluted) for the years ended December 31, 2014 and 2013 are audited.

In November 2011, Nokia Networks announced its strategy to focus on mobile broadband and services. It also announced an extensive global restructuring program that ultimately resulted in the reduction of its annualized operating expenses and production overhead by over EUR 1.5 billion when the program was completed at the end of 2013. As part of its strategy of focusing on mobile broadband, Nokia Networks also divested a number of non-core businesses.

Beginning in 2013, Nokia undertook a series of transactions to transform its business portfolio. On July 1, 2013, Nokia announced the agreement to acquire Siemens 50% stake in the companies joint venture Nokia Siemens Networks. The purchase price was EUR 1.7 billion and the transaction closed on August 7, 2013. On September 3, 2013, Nokia announced that it had signed an agreement to sell its Devices & Services Business to Microsoft for a total purchase price of EUR 5.44 billion, of which EUR 3.79 billion related to the Sale of the Devices & Services Business and EUR 1.65 billion related to a mutual patent license agreement. In conjunction with the transaction, Nokia established the Nokia Technologies business to focus on technology development and intellectual property rights activities. The transaction significantly strengthened the Company s financial position and subsequent to the transaction, in 2014, Nokia started the optimization of its capital structure and recommenced dividend payments, distributed excess capital to shareholders and reduced its interest-bearing debt.

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On April 15, 2015, Nokia continued its transformation with the announcement that it had signed an agreement to acquire Alcatel Lucent through the Exchange Offer on the basis of 0.55 Nokia Shares for each Alcatel Lucent Share. In conjunction with this announcement, Nokia announced that it has suspended its capital structure optimization program effective immediately. On August 3, 2015, Nokia announced an agreement to sell HERE to an automotive industry consortium and estimates that it will receive net proceeds of slightly above EUR 2.5 billion.

Alcatel Lucent

The following tables set out selected consolidated financial information for Alcatel Lucent. This information is qualified by reference to, and should be read in conjunction with, Alcatel Lucent s consolidated financial statements and the notes thereto for the years ended December 31, 2014 and the unaudited interim report for the six months ended on June 30, 2015, which are included in Annex A, and Alcatel Lucent s consolidated financial statements and the notes thereto for the years ended December 31, 2013 and 2012, which are incorporated by reference into this Listing Prospectus. The selected consolidated historical income statement and statement of cash flow data for the years ended December 31, 2014, 2013 and 2012 and the consolidated statement of financial position data as of December 31, 2014, 2013 and 2012 have been derived from Alcatel Lucent s audited consolidated financial statements for the respective years, prepared in accordance with IFRS. The selected consolidated historical income statement and statement of cash flow data for the six month periods ended June 30, 2015 and 2014 and the consolidated statement of financial position as of June 30, 2015 have been derived from Alcatel Lucent s unaudited interim report for the six months ended on June 30, 2015 prepared in accordance with IFRS.

On September 30, 2014, Alcatel Lucent completed the disposal of 85% of its Enterprise business to China Huaxin, for cash proceeds of EUR 205 million, following the binding offer Alcatel Lucent received early February 2014. As a result of this transaction, the results pertaining to the Enterprise business for the year ended December 31, 2014 were treated as discontinued operations and years ended December 31, 2013 and 2012 were re-presented accordingly.

For the year ended as of December 31			For the six months ended June 30	
2014	2013[1]	2012	2015	2014
	(audited)		(unaudited)	
(in EUR million, except per share data)			*(in EUR million, except per share data)*	

CONSOLIDATED INCOME STATEMENTS

Revenues	**13 178**	**13 813**	**13 764**	**6 685**	**6 242**
Cost of sales	(8 770)	(9 491)	(9 753)	(4 364)	(4 218)
Gross profit	**4 408**	**4 322**	**4 011**	**2 321**	**2 024**
Administrative and selling expenses	(1 621)	(1 862)	(2 161)	(864)	(792)
Research and development costs	(2 215)	(2 268)	(2 330)	(1 213)	(1 090)
Income (loss) from operating activities before restructuring costs, litigations, gain/(loss) on disposal of consolidated entities, impairment of assets and post-retirement benefit plan amendments	**572**	**192**	**(480)**	**244**	**142**
Restructuring costs	(574)	(518)	(479)	(191)	(342)
Litigations	7	(2)	2	(19)	4
Gain/(loss) on disposal of consolidated entities	20	2	11	(8)	(19)
Impairment of assets		(548)	(894)		
Post-retirement benefit plan amendments	112	135	204	(1)	
Income (loss) from operating activities	**137**	**(739)**	**(1 636)**	**25**	**(215)**
Finance cost	(291)	(392)	(279)	(135)	(154)
Other financial income (loss)	(211)	(318)	(394)	(7)	(118)
Share in net income (losses) of associates & joint ventures	15	7	5	1	7
Income (loss) before income tax and discontinued operations	**(350)**	**(1 442)**	**(2 304)**	**(116)**	**(480)**
Income tax (expense) benefit	316	173	(423)	(6)	92
Income (loss) from continuing operations	**(34)**	**(1 269)**	**(2 727)**	**(122)**	**(388)**
Income (loss) from discontinued operations	(49)	(25)	639	(14)	19

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NET INCOME (LOSS)	**(83)**	**(1 294)**	**(2 088)**	**(136)**	**(369)**
Attributable to:					
Equity owners of the parent	**(118)**	**(1 304)**	**(2 011)**	**(126)**	**(371)**
Non-controlling interests	35	10	(77)	(10)	2
Earnings (loss) per share (in euros)[2]					
Basic earnings (loss) per share:					
From continuing operations	(0.02)	(0.53)	(1.11)	(0.04)	(0.14)
From discontinued operations	(0.02)	(0.01)	0.27	(0.01)	0.01
Attributable to the equity owners of the parent	(0.04)	(0.54)	(0.84)	(0.05)	(0.13)
Diluted earnings (loss) per share:					
From continuing operations	(0.02)	(0.53)	(1.11)	(0.04)	(0.14)
From discontinued operations	(0.02)	(0.01)	0.22	(0.01)	0.01
Attributable to the equity owners of the parent	(0.04)	(0.54)	(0.84)	(0.05)	(0.13)

1 2013 and 2012 amounts are re-presented to reflect the impacts of discontinued operations.

2 As a result of the 2013 capital increase made by Alcatel Lucent through an offering of preferential subscription rights to existing shareholders, the calculation of basic and diluted earnings per share has been adjusted retrospectively. Number of outstanding ordinary shares has been adjusted to reflect the proportionate change in the number of shares.

	For the year ended as of December 31			**For the six months ended June 30**	
	2014	**2013**	**2012**	**2015**	**2014**
		(audited)		**(unaudited)**	
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME		*(in EUR million)*		*(in EUR million,)*	
Net income (loss) for the year / period	**(83)**	**(1 294)**	**(2 088)**	**(136)**	**(369)**
Items to be subsequently reclassified to Income Statement	**510**	**(221)**	**(4)**	**340**	**44**
Financial assets available for sale	8	11	16		3
Cumulative translation adjustments	503	(232)	(34)	339	39
Cash flow hedging	(1)		14	1	2
Tax on items recognized directly in equity					
Items that will not be subsequently reclassified to Income Statement	**(1 568)**	**1 411**	**71**	**404**	**(94)**
Actuarial gains (losses) and adjustments arising from asset ceiling limitation and IFRIC 14	(1 822)	1 667	172	426	33
Tax on items recognized directly in equity	254	(256)	(101)	(22)	(127)
Other comprehensive income (loss) for the year	**(1 058)**	**1 190**	**67**	**744**	**(50)**
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR	**(1 141)**	**(104)**	**(2 021)**	**608**	**(419)**
Attributable to:					
Equity owners of the parent	**(1 256)**	**(99)**	**(1 933)**	**550**	**(413)**
Non-controlling interests	115	(5)	(88)	58	(6)

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CONSOLIDATED STATEMENTS OF FINANCIAL POSITION	As of December 31 2014	2013 (audited) (in EUR million)	2012	As of June 30 2015 (unaudited) (in EUR million)
ASSETS				
Non-current assets:				
Goodwill	3 181	3 156	3 820	3 360
Intangible assets, net	1 011	1 001	1 175	1 419
Goodwill and intangible assets, net	**4 192**	**4 157**	**4 995**	**4 779**
Property, plant and equipment, net	1 132	1 075	1 133	1 378
Investments in associates & joint ventures	51	35	29	27
Other non-current financial assets, net	406	322	341	362
Deferred tax assets	1 516	1 000	985	1 648
Prepaid pension costs	2 636	3 150	2 797	2 831
Other non-current assets	429	413	428	476
Total non-current assets	**10 362**	**10 152**	**10 708**	**11 501**
Current assets:				
Inventories and work in progress, net	1 971	1 935	1 940	2 099
Trade receivables and other receivables, net	2 528	2 482	2 860	2 523
Advances and progress payments	43	46	53	45
Other current assets	877	751	726	887
Current income taxes	64	33	118	67
Marketable securities, net	1 672	2 259	1 528	1 770
Cash and cash equivalents	3 878	4 096	3 401	4 007
Current assets before assets held for sale	**11 033**	**11 602**	**10 626**	**11 398**
Assets held for sale and assets included in disposal groups held for sale	65	142	20	43
Total current assets	**11 098**	**11 744**	**10 646**	**11 441**
TOTAL ASSETS	**21 460**	**21 896**	**21 354**	**22 942**
EQUITY AND LIABILITIES				
Equity:				
Capital stock	141	140	4 653	142
Additional paid-in capital	20 869	20 855	16 593	20 891
Less treasury stock at cost	(1 084)	(1 428)	(1 567)	(1 084)
Accumulated deficit, fair value and other reserves	(17 633)	(14 588)	(15 159)	(17 338)
Other items recognized directly in equity	52	45		53
Cumulative translation adjustments	(366)	(787)	(571)	(95)
Net income (loss) - attributable to the equity owners of the parent	(118)	(1 304)	(2 011)	(126)
Equity attributable to equity owners of the parent	**1 861**	**2 933**	**1 938**	**2 443**

Non-controlling interests	833	730	745	879
Total equity	**2 694**	**3 663**	**2 683**	**3 322**
Non-current liabilities:				
Pensions, retirement indemnities and other post-retirement benefits	5 163	3 854	5 338	5 197
Convertible bonds and other bonds, long-term	4 696	4 711	3 727	4 798
Other long-term debt	179	211	227	253
Deferred tax liabilities	872	990	889	912
Other non-current liabilities	175	188	177	520
Total non-current liabilities	**11 085**	**9 954**	**10 358**	**11 680**
Current liabilities:				
Provisions	1 364	1 416	1 649	1 239
Current portion of long-term debt and short-term debt	402	1 240	851	575
Customers deposits and advances	810	681	718	958
Trade payables and other payables	3 571	3 518	3 726	3 599
Current income tax liabilities	73	93	145	74
Other current liabilities	1 429	1 237	1 204	1 462
Current liabilities before liabilities related to disposal groups held for sale	**7 649**	**8 185**	**8 293**	**7 907**
Liabilities related to disposal groups held for sale	32	94	20	33
Total current liabilities	**7 681**	**8 279**	**8 313**	**7 940**
TOTAL EQUITY AND LIABILITIES	**21 460**	**21 896**	**21 354**	**22 942**

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CONSOLIDATED STATEMENTS OF CASH FLOWS	For the year ended December 31 2014	2013[1]	2012	For the six months ended June 30 2015	2014
		(audited)		(unaudited)	
		(in EUR million)		*(in EUR million)*	
Cash flows from operating activities					
Net income (loss) attributable to the equity owners of the parent	(118)	(1 304)	(2 011)	(126)	(371)
Non-controlling interests	35	10	(77)	(10)	2
Adjustments	692	1 479	2 028	484	448
Net cash provided (used) by operating activities before changes in working capital, interest and taxes	**609**	**185**	**(60)**	**348**	**79**
Net change in current assets and liabilities (excluding financing):					
Inventories and work in progress	(72)	(216)	(126)	(116)	(192)
Trade receivables and other receivables	18	138	534	94	101
Advances and progress payments	4	5	10	5	(2)
Trade payables and other payables	(167)	25	(186)	(172)	(40)
Customers deposits and advances	88	(19)	93	96	1
Other current assets and liabilities	(35)	34	(153)	(139)	(153)
Cash provided (used) by operating activities before interest and taxes	**445**	**152**	**112**	**116**	**(206)**
Interest received	65	66	72	41	34
Interest paid	(290)	(362)	(274)	(133)	(151)
Taxes (paid)/received	(93)	(77)	(54)	(47)	(56)
Net cash provided (used) by operating activities	**127**	**(221)**	**(144)**	**(23)**	**(379)**
Cash flows from investing activities:					
Proceeds from disposal of tangible and intangible assets	92	36	13	46	71
Capital expenditures	(556)	(463)	(524)	(259)	(232)
Decrease (increase) in loans and other non-current financial assets	19	19	21	22	22
Cash expenditures for obtaining control of consolidated companies or equity affiliates	(14)		4	(102)	
Cash proceeds/(outgoings) from losing control of consolidated companies	84		(5)	(1)	47
Cash proceeds from sale of previously consolidated and non-consolidated companies	(7)	3	26		(2)
Cash proceeds from sale (cash expenditure for acquisition) of marketable securities	617	(723)	(574)	(81)	544
Net cash provided (used) by investing activities	**235**	**(1 128)**	**(1 039)**	**(375)**	**450**

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Cash flows from financing activities:					
Issuance/(repayment) of short-term debt	117	(643)	(60)	(51)	142
Issuance of long-term debt	1 143	4 087	18	85	1 136
Repayment/repurchase of long-term debt	(2 575)	(2 062)	(127)		(1 002)
Cash proceeds (expenditures) related to changes in ownership interests in consolidated companies without loss of control			84		
Net effect of exchange rate changes on inter-unit borrowings	(86)	9	(12)	11	(20)
Capital increase[2]	30	965	122	22	10
Dividends paid	(12)	(6)	(37)	(12)	(11)
Net cash provided (used) by financing activities	**(1 383)**	**2 350**	**(12)**	**55**	**255**
Cash provided (used) by operating activities of discontinued operations	34	65	(71)	5	56
Cash provided (used) by investing activities of discontinued operations	71	(64)	1 066	30	(31)
Cash provided (used) by financing activities of discontinued operations	65	(15)	36		(25)
Net effect of exchange rate changes	633	(292)	23	439	62
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**(218)**	**695**	**(141)**	**131**	**388**
Cash and cash equivalents at beginning of period / year	**4 096**	**3 401**	**3 533**	**3 878**	**4 096**
Cash and cash equivalents at beginning of period / year classified as assets held for sale			**9**		
Cash and cash equivalents at end of period / year [3]	**3 878**	**4 096**	**3 400**	**4 007**	**4 483**
Cash and cash equivalents at end of period / year classified as assets held for sale			**1**	**2**	**1**
Cash and cash equivalents including cash and cash equivalents classified as held for sale at the end of period	**3 878**	**4 096**	**3 401**	**4 009**	**4 484**

1 2013 and 2012 amounts are re-presented to reflect the impacts of discontinued operations.

2 Of which EUR 15 million, EUR 16 million and EUR 0 million related to Alcatel Lucent stock options exercised during 2014, 2013 and 2012, respectively.

3 Includes EUR 1 019 million of cash and cash equivalents held in countries subject to exchange control restrictions as of December 31, 2014 (EUR 756 million as of December 31, 2013 and EUR 949 million as of December 31, 2012) and EUR 1 056 million of cash and cash equivalents held in countries subject to exchange control restrictions as of June 30, 2015 (EUR 714 million as of June 30, 2014). Such restrictions can limit the use of such cash and cash equivalents by other Alcatel Lucent Group subsidiaries and Alcatel Lucent.

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On June 19, 2013, Alcatel Lucent announced the Shift Plan, a detailed three-year plan to transform itself into a specialist provider of IP and Cloud Networking and Ultra-Broadband Access. As part of this process, effective from July 1, 2013, Alcatel Lucent implemented a new organization composed of three reportable segments: Core Networking, Access and Other.

The Shift Plan has targeted investments in Core Networking businesses (including IP Routing, IP Transport, IP Platforms and associates services), increasing segment operating cash flow from the Access segment, and technological partnerships. The Shift Plan has also focused on market diversification and rightsizing Alcatel Lucent s cost structure. In particular, the Shift Plan aims to reduce Alcatel Lucent s fixed-cost base by EUR 950 million in 2015 compared to its 2012 cost base. Alcatel Lucent has stated that it expects that the cumulative amount of restructuring cash outlays pursuant to the Shift Plan should be approximately EUR 1.8 billion, of which approximately EUR 1.4 billion will be incurred between 2013 and 2015, with the remainder in 2016.

In addition, Alcatel Lucent has completed multiple dispositions as part of the Shift Plan and re-profiled and reduced the financial debt of the company.

B.8 Selected key pro forma financial information

The Acquisition of Alcatel Lucent will be accounted for as a business combination using the acquisition method of accounting under the provisions of IFRS 3, Business Combinations (IFRS 3) with Nokia considered as the acquirer of Alcatel Lucent. The IFRS 3 acquisition method of accounting applies the fair value concepts defined in IFRS 13, Fair Value Measurement (IFRS 13) and requires, among other things, that the identifiable assets acquired and liabilities assumed in a business combination are recognized at their fair values as of the acquisition date, with any excess of the purchase consideration over the fair value of identifiable net assets acquired recognized as goodwill. The purchase price calculation and purchase price allocation presented herein were made solely for the purpose of preparing this unaudited pro forma condensed combined financial information (the Unaudited Pro Forma Financial Information).

The Unaudited Pro Forma Financial Information is derived from (a) the audited consolidated financial statements of Nokia for the year ended December 31, 2014, which are incorporated by reference into this Listing Prospectus, (b) the unaudited condensed consolidated financial statements of Nokia for the six months ended June 30, 2015, which are incorporated by reference into this Listing Prospectus, (c) the audited consolidated financial statements of Alcatel Lucent Annual Report, which are included in Annex A and (d) the unaudited condensed consolidated financial statements of Alcatel Lucent Interim Report, which are included in Annex A.

The unaudited pro forma condensed combined statement of financial position as of June 30, 2015 gives effect to the Exchange Offer as if it had occurred on that date. The unaudited pro forma condensed combined income statements for the six months ended June 30, 2015 and for the year ended December 31, 2014 give effect to the Exchange Offer as if it had occurred on January 1, 2014.

The unaudited pro forma condensed combined statement of financial position as of June 30, 2015 also gives effect to the sale of Nokia s HERE business as if it had occurred on that date. The unaudited pro forma condensed combined income statements for the six months ended June 30, 2015 and years ended December 31, 2014, 2013 and 2012 also give effect to the sale of Nokia s HERE business by presenting HERE as discontinued operations in accordance with IFRS 5 to give pro forma effect to the proposed sale of HERE.

The Unaudited Pro Forma Financial Information reflects adjustments to historical financial information to give pro forma effect to events that are directly attributable to the Exchange Offer, have an ongoing effect on Nokia s income statements and are factually supportable. The unaudited pro forma condensed combined income statement information does not reflect any non-recurring items directly related to the

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Exchange Offer or sale of HERE that the Combined Company may incur following the Completion of the Exchange Offer and sale of HERE, rather such non-recurring items are presented in the notes to the Unaudited Pro Forma Condensed Combined Financial Information. Nokia s Unaudited Pro Forma Financial Information and explanatory notes present how Nokia s financial statements may have appeared had the businesses actually been combined and had Nokia s capital structure reflected the Exchange Offer as of the dates noted above.

Nokia has performed a preliminary review of Alcatel Lucent s IFRS accounting policies, based primarily on publicly available information, to determine whether any adjustments were necessary to ensure comparability in the Unaudited Pro Forma Financial Information. At this time, Nokia is not aware of any differences that would have a material effect on the Unaudited Pro Forma Financial Information. Upon closing of the Acquisition of Alcatel Lucent, Nokia will conduct a detailed analysis of Alcatel Lucent s accounting policies. Certain reclassifications were made to amounts in Alcatel Lucent s financial statements to align with Nokia s presentation.

The Unaudited Pro Forma Financial Information assumes that all Alcatel Lucent Securities will be tendered into the Exchange Offer or the subsequent offering period, if any.

The Unaudited Pro Forma Financial Information reflects the application of pro forma adjustments that are preliminary and are based upon available information and certain assumptions that management believes are reasonable under the circumstances. Actual results may differ materially from the assumptions within the accompanying Unaudited Pro Forma Financial Information. The Unaudited Pro Forma Financial Information has been prepared by management for illustrative purposes only and is not necessarily indicative of the financial position or results of Nokia s operations that would have been realized had the Acquisition of Alcatel Lucent or the HERE transaction contemplated above occurred as of the dates indicated, nor is it meant to be indicative of any anticipated financial position or future results of operations that Nokia will experience going forward. In addition, the accompanying unaudited pro forma condensed combined income statements does not reflect any expected cost savings, synergies, restructuring actions, non-recurring items or one-time transaction related costs that Nokia expects to generate or incur.

All amounts presented are in millions of euros unless otherwise noted.

Unaudited Pro Forma Condensed Combined Statement of Financial Position As of June 30, 2015

EURm	**Nokia historical**	**Sale of HERE**	**Nokia continuing operations**	**Alcatel Lucent reclassified**	**Pro forma adjustments**	**Pro forma combined**
ASSETS						
Non-current assets						
Goodwill	2 783	(2 555)	228	3 360	4 804	8 392
Other intangible assets	341	(37)	304	1 419	5 700	7 423
Property, plant and equipment	786	(112)	674	1 378		2 052
Investments in associated companies	69		69	27		96
Available-for-sale investments	1 018		1 018	337		1 355
Deferred tax assets	2 721	(51)	2 670	1 648		4 318
Long-term loans receivable	48		48	9		57
Prepaid pension costs	29		29	2 831		2 860
Other non-current assets	43		43	376		419
	7 837	**(2 756)**	**5 081**	**11 385**	**10 504**	**26 970**

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Current assets						
Inventories	1 368	(12)	1 356	2 099	108	3 563
Accounts receivable, net of allowances for doubtful accounts	3 602	(159)	3 443	2 005	(8)	5 440
Prepaid expenses and accrued income	944	(73)	871	1 323		2 194
Current income tax assets	200	(7)	193	67		260
Current portion of long-term loans receivable	2		2	16		18
Other financial assets	121		121	202		323
Investments at fair value through profit and loss, liquid assets	570		570			570
Available-for-sale investments, liquid assets	2 065	(1)	2 064	1 770		3 834
Cash and cash equivalents	3 983	2 515	6 498	4 032		10 530
	12 855	**2 263**	**15 118**	**11 514**	**100**	**26 732**
Assets of disposal groups classified as held for sale				43		43
Total assets	**20 693**	**(493)**	**20 200**	**22 942**	**10 604**	**53 746**

EURm	Nokia historical	Sale of HERE	Nokia continuing operations	Alcatel Lucent reclassified	Pro forma adjustments	Pro forma combined
SHAREHOLDERS EQUITY AND LIABILITIES						
Capital and reserves attributable to equity holders of the parent	8 919	26	8 945	2 443	10 354	21 742
Non-controlling interests	59		59	879		938
Total equity	**8 979**	**26**	**9 005**	**3 322**	**10 354**	**22 681**
Non-current liabilities						
Long-term interest-bearing liabilities	2 685		2 685	5 051	(3 430)	4 306
Deferred tax liabilities	75		75	912	1 764	2 751
Deferred revenue and other long-term liabilities	1 575	(164)	1 411	571		1 982
Defined benefit pensions and other post-retirement benefits	426	(7)	419	5 197		5 616
Provisions	259		259	324		583
	5 019	**(171)**	**4 848**	**12 055**	**(1 666)**	**15 237**
Current liabilities						
Current portion of long-term interest-bearing liabilities	1		1	195	1 901	2 097
Short-term borrowings	102		102	357		459
Other financial liabilities	122		122	145		267
Current income tax liabilities	484	(58)	426	74		500
Accounts payable	1 919	(49)	1 870	1 916	(8)	3 778
	3 560	(238)	3 322	3 930	23	7 275

Accrued expenses, deferred revenue and other liabilities						
Provisions	507	(3)	504	915		1 419
	6 695	**(348)**	**6 347**	**7 532**	**1 916**	**15 795**
Liabilities of disposal groups classified as held for sale				33		33
Total liabilities	**11 714**	**(519)**	**11 195**	**19 620**	**250**	**31 065**
Total shareholders equity and liabilities	**20 693**	**(493)**	**20 200**	**22 942**	**10 604**	**53 746**

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Unaudited Pro Forma Condensed Combined Income Statement for the Six Month Period Ended June 30, 2015

EURm	Nokia historical	Sale of HERE	Nokia continuing operations	Alcatel Lucent reclassified	Pro forma adjustments	Pro forma combined
Net sales	6 405	(551)	5 854	6 601	(14)	12 441
Cost of sales	(3 512)	142	(3 370)	(4 367)	14	(7 723)
Gross profit	2 892	(409)	2 483	2 234		4 717
Research and development expenses	(1 354)	269	(1 085)	(1 168)	(171)	(2 424)
Selling, general and administrative expenses	(875)	99	(776)	(870)	(168)	(1 814)
Impairment of goodwill						
Other income	159		159	48		207
Other expenses	(78)	13	(65)	(219)	22	(262)
Operating profit/(loss)	**745**	**(28)**	**717**	**25**	**(317)**	**425**
Share of results of associated companies	14		14	1		15
Financial income and expenses	(49)	(4)	(53)	(142)	28	(167)
Profit/(loss) before tax	**710**	**(32)**	**678**	**(116)**	**(289)**	**273**
Income tax benefit/ (expense)	(177)	7	(170)	(6)	87	(89)
Profit/(loss) from continuing operations	533	(25)	508	(122)	(202)	184
Attributable to:						
Equity holders of the parent	531	(25)	506	(112)	(202)	192
Non-controlling interests	2		2	(10)		(8)
	533	(25)	508	(122)	(202)	184

er share from continuing operations (attributable to equity holders of				
	EUR	**EUR**	**EUR**	**EUR**
	0.15	(0.01)	0.14	(0.04)
	0.14	(0.00)	0.14	(0.04)
average number of shares	**000s shares**	**000s shares**	**000s shares**	**000s shares**
	3 631 929	3 631 929	3 631 929	2 787 471
	3 952 185	3 642 883	3 642 883	2 787 471

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Unaudited Pro Forma Condensed Combined Income Statement for the Year Ended December 31, 2014

EURm	Nokia historical	Sale of HERE	Nokia continuing operations	Alcatel Lucent reclassified	Pro forma adjustments	Pro forma combined
Net sales	12 732	(969)	11 763	13 010	(29)	24 744
Cost of sales	(7 094)	238	(6 856)	(8 788)	29	(15 615)
Gross profit	**5 638**	**(731)**	**4 907**	**4 222**		**9 129**
Research and development expenses	(2 493)	545	(1 948)	(2 139)	(223)	(4 310)
Selling, general and administrative expenses	(1 634)	181	(1 453)	(1 661)	(439)	(3 553)
Impairment of goodwill	(1 209)	1 209				
Other income	136	(2)	134	308		442
Other expenses	(268)	39	(229)	(593)		(822)
Operating profit/(loss)	**170**	**1 241**	**1 411**	**137**	**(662)**	**886**
Share of results of associated companies	(12)		(12)	15		3
Financial income and expenses	(395)	(5)	(400)	(502)	38	(864)
(Loss)/profit before tax	**(237)**	**1 236**	**999**	**(350)**	**(624)**	**25**
Income tax benefit/ (expense)	1 408	310	1 718	316	187	2 221
Profit/(loss) from continuing operations	1 171	1 546	2 717	(34)	(437)	2 246
Attributable to:						
Equity holders of the parent	1 163	1 546	2 709	(69)	(437)	2 203
Non-controlling interests	8		8	35		43
	1 171	**1 546**	**2 717**	**(34)**	**(437)**	**2 246**

per share from continuing operations (attributable to equity holders of				
	EUR	**EUR**	**EUR**	**EUR**
	0.31	0.42	0.73	(0.02)
	0.30	0.39	0.67	(0.02)
average number of shares	**000s shares**	**000s shares**	**000s shares**	**000s shares**
	3 698 723	3 698 723	3 698 723	2 767 026
	4 131 602	4 131 602	4 131 602	2 767 026

B.9	**Profit forecasts and estimates**	**Nokia**

This Element, *Profit forecasts and estimates* , includes forward-looking statements. Forward-looking statements are no guarantees of future developments, and Nokia s actual results could differ materially from the results described in or implied by forward-looking statements contained herein due to various factors. Nokia cautions investors not to place undue reliance on these forward-looking statements, which speak only as at the date of this Listing Prospectus.

The following table sets forth Nokia s outlook as disclosed in conjunction with Nokia s Interim Report on July 30, 2015.

	Metric[1]	Guidance	Commentary
Nokia Networks	Full year 2015 Net sales	Increase year-on-year	
	Full year 2015 Non-IFRS operating margin	Around the midpoint of the long-term range of 8% - 11% for the full year	Based on factors including competitive industry dynamics, product and regional mix, expected industry seasonality in the second half of 2015, the timing of major network deployments, and expected continued operational improvement.
HERE	Full year 2015 Net sales	Increase year-on-year	
	Full year 2015 Non-IFRS operating margin	9% - 12%	Based on factors including leading market position, positive industry trends and improved focus on cost efficiency.
Nokia Technologies	Full year 2015 Net sales	Increase year-on-year	Excludes potential amounts related to the expected resolution of Nokia s arbitration with Samsung.
	Full year 2015 Non-IFRS operating expense	Approximately in line with Q2 2015 level (update)	Based on factors including higher investment in licensing activities, licensable technologies and business enablers, including go-to-market capabilities, which target new and significant long-term growth opportunities. <u>This is an update</u> to the earlier FY15 non-IFRS operating expense outlook to be approximately in line with the Q4 2014 level.
Nokia	Full year 2015 capital expenditure	Approximately EUR 250 million	Primarily attributable to Nokia Networks.
	Full year 2015 financial income and expense	Expense of approximately EUR 160 million	Subject to changes in FX rates and interest-bearing

		liabilities.
Full year 2015 Group Common Functions non-IFRS operating expense	Approximately EUR 120 million	
Estimated long-term effective tax rate	Approximately 25%	
Annual cash tax obligation	Approximately EUR 250 million per annum until deferred tax assets fully utilized	May vary due to profit levels in different jurisdictions and amount of license income subject to withholding tax.

[1] Non-IFRS measures exclude certain non-recurring items (special items). In addition, non-IFRS results exclude intangible asset amortization and other purchase price accounting-related items arising from business acquisitions.

B.10	**Qualifications in the audit reports**	Not applicable; neither the respective published audit reports of Nokia nor Alcatel Lucent include any qualifications.
B.11	**Sufficiency of working capital**	In the opinion of Nokia s management, the working capital available to Nokia is sufficient to cover its present needs for the next 12 months following the date of this Listing Prospectus.

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In order to evaluate Nokia s working capital needs after the Acquisition, Nokia has prepared financial projections assuming the combination of Nokia and Alcatel Lucent and excluding the HERE business. Based on these financial projections, Nokia anticipates that the combination of Nokia and Alcatel Lucent will not adversely impact the sufficiency of working capital for the Combined Company.

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Section C Securities

C.1	**Type and class of securities**	**Nokia** Nokia has a single series of shares, and each share entitles its holder to one vote in the General Meeting of Shareholders of the Company. There are no voting restrictions related to the shares. All Nokia Shares carry equal rights to dividends and other distributions by Nokia (including distributions of assets in the event of the liquidation of the Company). Nokia Shares have been issued according to Finnish legislation and are incorporated in the book-entry system of securities maintained by Euroclear Finland Ltd. Nokia Shares are subject to public trading on the Official List of Nasdaq Helsinki under the trading symbol NOKIA and the ISIN code of Nokia Share is FI0009000681. Nokia Shares are quoted in Euro in Nasdaq Helsinki. Nokia ADSs are quoted on the New York Stock Exchange under trading code NOK . **Alcatel Lucent** The Alcatel Lucent Shares are traded on Euronext Paris under the symbol ALU and Alcatel Lucent ADSs are traded on the NYSE under the symbol ALU . Alcatel Lucent bonds convertible into new Alcatel Lucent Shares or exchangeable for existing Alcatel Lucent Shares due on July 1, 2018 (i.e. 2018 OCEANEs), Alcatel Lucent bonds convertible into new Alcatel Lucent Shares or exchangeable for existing Alcatel Lucent Shares due on January 30, 2019 (i.e. 2019 OCEANEs) and Alcatel Lucent bonds convertible into new Alcatel Lucent Shares or exchangeable for existing Alcatel Lucent Shares due on January 30, 2020 (i.e. 2020 OCEANEs) are traded on Euronext Paris, under the symbol YALU for the 2018 OCEANEs, YALU1 for the 2019 OCEANEs and YALU2 for the 2020 OCEANEs. The ISIN code of the Alcatel Lucent Shares is FR0000130007. A shareholder has the right to as many votes as the number of shares that he owns or represents. However, fully paid registered shares, registered in the name of the same holder for at least three years, have double voting rights.
C.2	**Currency of the securities issue**	The currency is euro.
C.3	**Share information**	**Nokia** At the date of this Listing Prospectus, Nokia has 3 678 641 891 fully paid shares. Nokia Shares have no nominal value.

On October 26, 2012 Nokia Group issued a EUR 750 million convertible bond (Convertible Bond) based on an authorization granted by the Annual General Meeting on May 6, 2010. The bonds have a five-year maturity and a 5.0% per annum coupon payable semi-annually. The current conversion price is EUR 2.39. On the date of this Listing Prospectus, EUR 0.2 million of the bond was converted into shares. The terms of the Convertible Bond allow Nokia to redeem such bonds at any time after November 25, 2015 for cash at their principle amount, together with accrued but unpaid interest until the redemption date. The redemption is conditional on the volume weighted average price of the Nokia Shares during a specified period immediately prior to the date of the notice of redemption being equal to or exceeding 150% of the conversion price for the Convertible Bond. On October 8, 2015, Nokia announced that it had decided to exercise its option to redeem the Convertible Bond on November 26, 2015.

If the Convertible Bond is converted into Nokia Shares in its entirety, which would occur by November 17, 2015, at the current conversion price of EUR 2.39 per Nokia Share, approximately 313 723 849 Nokia Shares (assuming full conversion) would be issued. These Nokia Shares would represent approximately 5.2% of the issued and outstanding Nokia Shares after Completion of the Exchange Offer (assuming that all Alcatel Lucent Securities are tendered into the Exchange Offer or the subsequent offering period, if any).

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Alcatel Lucent

As of September 30, 2015, 2 838 984 750 Alcatel Lucent Shares were outstanding, including 40 115 200 Alcatel Lucent Shares held in treasury by Alcatel Lucent and including the Alcatel Lucent Shares represented by Alcatel Lucent ADSs. As of June 30, 2015, 499 863 626 Alcatel Lucent Shares were represented by Alcatel Lucent ADSs. The Alcatel Lucent Shares have a nominal value of EUR 0.05.

As of September 30, 2015, the number of 2018 OCEANEs outstanding was 349 413 680, the number of 2019 OCEANEs outstanding was 167 500 000 and the number of 2020 OCEANEs outstanding was 114 499 995.

C.4 Rights attached to the securities

Nokia

Rights attached to the Offered Shares (and Nokia Shares in general) include, amongst others, pre-emptive rights to subscribe for new shares in Nokia, rights to participate and exercise voting power at the General Meeting of Shareholders, rights to dividend and distribution of other unrestricted equity, and rights to demand redemption of shares at a fair price from a shareholder that holds shares representing more than 90% of all the shares and votes in Nokia, as well as other rights generally available under the Finnish Limited Liability Companies Act (624/2006, as amended).

The Offered Shares will entitle their holders to full shareholder rights in Nokia after the Offered Shares have been registered in the Finnish Trade Register and in Nokia s shareholder register and will entitle their holders also to full dividend and other distribution of funds declared by Nokia, if any, in a similar manner as the existing Nokia Shares.

Alcatel Lucent

Each share gives right to a portion of Alcatel Lucent s profits, in the proportion prescribed by the Articles of Association. Dividends and other income from shares issued by Alcatel Lucent are paid under the conditions authorized or provided for under the regulations in effect and in such a manner as the General Meeting of Shareholders, or, alternatively, the Board of Directors may decide.

		A double voting right is granted to fully paid shares which have been held in registered form by the same person for at least three years. Rights and obligations remain attached to a share regardless of who holds the share. Ownership of a share entails automatic acceptance of Alcatel Lucent s Articles of Association and resolutions of the General Meeting of Shareholders.
		Shares are indivisible vis-à-vis Alcatel Lucent, which means that joint owners of shares must be represented by a single person. Shares subject to usufruct must be identified as such in the share registration.
C.5	**Restrictions on the free transferability of the shares**	Nokia Shares are freely transferable.
		Alcatel Lucent Shares are freely transferable.
C.6	**Admission to trading**	Nokia Shares are subject to public trading on the Official List of Nasdaq Helsinki under the trading symbol NOKIA . Nokia ADSs are quoted on the New York Stock Exchange under trading code NOK .
		In conjunction with the Exchange Offer, Nokia has applied for the Nokia Shares (including the Nokia Shares to be issued in connection with the Exchange Offer) to be listed on Euronext Paris. Nokia expects to request that Admission be approved to

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		take effect prior to the Completion of the Exchange Offer. Nokia will also apply for a listing of the Nokia Shares and Nokia ADSs to be issued in connection with the Exchange Offer on Nasdaq Helsinki and the NYSE, respectively.
C.7	**Dividend policy**	**Nokia** Nokia does not have a quantitative distribution policy but it does generally view annual dividends as an important mechanism to return value to its shareholders. The dividend distribution of Nokia will continue to be determined by Nokia s Board of Directors as regards the Company s distribution capabilities, financial situation and the needs for the Company. Under the Finnish Companies Act (624/2006, as amended), the General Meeting of Shareholders decides on the distribution of dividends based on a proposal by a company s Board of Directors. For the financial year ended December 31, 2014, Nokia paid dividends in the amount of EUR 0.14 per share (EUR 0.11 per share and an additional special dividend of EUR 0.26 per share for 2013, no dividend for 2012). **Alcatel Lucent** No dividends have been distributed in the six previous fiscal years. Dividends not claimed within five years are turned over to the French Treasury. The dividend policy is defined by Alcatel Lucent s Board of Directors following an analysis, in particular, of Alcatel Lucent Group s financial position and earnings and taking into account its capital requirements and performance, current and future returns, and market practices in relation to distribution of dividends, especially in the sector of activity within which Alcatel Lucent operates. In the light of Alcatel Lucent s financial results, investment needs and requirements in terms of debt management, Alcatel Lucent may decide to adjust a dividend distribution, or to not distribute a dividend.

At its meeting of February 5, 2015 Alcatel Lucent s Board of Directors recommended to pay no dividend for fiscal year 2014.

Section D Risks

D.1 Risks specific to the issuer or its industry

Nokia

The risks relating to the operating environment, business and financing of Nokia include the following factors:

Nokia s strategy is subject to various risks and uncertainties, including that Nokia may not be able to successfully implement its strategy, sustain or improve the operational and financial performance of its businesses, or that Nokia may not be able to correctly identify or successfully pursue business opportunities.

Nokia may be adversely affected by general economic and market conditions.

Nokia is a company with global operations, exposing it to political and other developments.

Nokia s business is subject to direct and indirect regulation. As a result, changes in various types of regulations, their application, as well as economic and trade policies applicable to current or new technologies or products may adversely affect Nokia s business and results of operations.

Nokia has a significant presence in emerging market countries, which may have a higher degree of regulatory or political risk, including unfavorable or unpredictable treatment in relation to tax matters, exchange controls, and other restrictions.

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Nokia is subject to various legislative frameworks and jurisdictions that regulate fraud as well as economic and trade sanctions and policies and as such, the extent and outcome of possible proceedings is difficult to estimate with any certainty.

Nokia is subject to the regulatory requirements concerning publicly listed companies. Failure to meet these regulatory requirements could result, for instance, in loss of confidence in Nokia or in the accuracy and completeness of Nokia s financial reports, or otherwise in the imposition of fines or other regulatory censures.

Nokia s products, services and business models depend on IPR technologies that Nokia has developed as well as technologies that are licensed to Nokia by certain third parties. As a result, evaluating the rights related to the technologies Nokia uses or intends to use is increasingly challenging, and Nokia expects to continue to face claims that it could have allegedly infringed third parties IPR. The use of these technologies may also result in increased licensing costs for Nokia, restrictions on Nokia s ability to use certain technologies in its products and/or costly and time consuming litigation.

Nokia has operations in a number of countries and, as a result, faces complex tax issues and tax disputes and could be obligated to pay additional taxes in various jurisdictions.

Nokia s actual or anticipated performance, among other factors, could reduce the Company s ability to utilize its deferred tax assets.

Nokia may be unable to retain, motivate, develop and recruit appropriately skilled employees.

Nokia may face disruptions relating to the use of its employees or relationships with employee representatives.

Performance failures of Nokia s partners as well as failures to achieve the required partnering arrangements could adversely affect the Company.

Nokia s net sales, costs and results of operations, as well as the U.S. dollar value of Nokia s dividends and market price of Nokia ADSs, are affected by exchange rate fluctuations.

An unfavorable outcome of litigation, contract-related disputes or allegations of health hazards associated with Nokia s businesses could have a material adverse effect on the Company.

Inefficiencies, breaches, malfunctions or disruptions of information technology systems could have a material adverse effect on Nokia s businesses and results of operations.

Cybersecurity breaches and other potential security risks may adversely affect Nokia s business.

Nokia may not be able to achieve targeted benefits from or successfully implement planned transactions.

The Sale of the Devices & Services Business may expose Nokia to contingent liabilities and the agreements Nokia have entered into with Microsoft may have terms that prove to be unfavorable to the Company.

Nokia s efforts aimed at managing and improving financial or operational performance, cost savings and competitiveness may not lead to targeted results or improvements.

Nokia may not be able to optimize the Company s capital structure as planned and re-establish its investment grade credit rating.

Should the current uncertain market conditions continue or deteriorate, Nokia or the Combined Company may not be able to receive sufficient financing.

Nokia s or the Combined Company s credit ratings may not reflect all risks and may not improve in the future.

Nokia Networks is dependent on the development of the mobile broadband infrastructure industry.

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Nokia Networks focuses on mobile broadband and accordingly its sales and profitability depend on its success in the mobile broadband infrastructure and related services market.

Nokia Networks faces intense competition and may fail to effectively and profitably invest in new competitive high quality products, services, upgrades and technologies and to bring them to market in a timely manner.

Defects in Nokia Networks products could adversely affect the Company s results of operations.

Nokia Networks is dependent on a limited number of customers and large multi-year agreements and accordingly a loss of a single customer, further operator consolidation or issues related to a single agreement, may have a significant impact on Nokia Networks.

Nokia Networks may face problems or disruptions in the Company s manufacturing, service creation, delivery, logistics or supply chain.

Nokia Networks business models rely on solutions for distribution of services and software or data storage, which entail inherent risks relating to security or applicable regulatory regimes.

Nokia Networks production sites or the production sites of the Company s suppliers are geographically concentrated.

Nokia Networks may be adversely affected by developments with respect to the customer financing or extended payment terms it provides to customers.

HERE business strategy is subject to risks and uncertainties, including intense competition faced by HERE, and may fail to effectively and profitably invest in new competitive high-quality services and data and bring these to market in a timely manner or adjust its operations efficiently.

The carrying amount of HERE goodwill may not be recoverable.

HERE business sales are dependent on the overall automotive market developments and customer business conditions.

HERE business sales, especially with respect sales to the automotive industry are derived from a limited number of customers and large multi-year agreements.

Nokia Technologies patent licensing income may be adversely affected by general economic conditions or adverse market developments as well as regulatory or other developments.

Nokia Technologies patent licensing income and other intellectual property related revenue are subject to risks and uncertainties and will be adversely affected if Nokia is not able to maintain the existing sources of intellectual property related revenue or establish new sources.

Nokia Technologies patent licensing income is dependent on a limited number of key licensees, including Samsung, that contribute proportionally significant patent licensing income.

- Licensing Nokia Technologies patents or other IPR portfolio and otherwise monetizing Nokia s intellectual property assets rely on adequate regulatory and judicial protection for patented or other proprietary technologies.
- The Nokia Technologies business aims to generate net sales and profitability through business areas such as technology licensing, licensing the Nokia brand and other business ventures including technology innovation and incubation, which may not materialize as planned or at all.

The risks relating to the proposed sale of Nokia s HERE business include the following factors:

- The proposed sale of Nokia s HERE business may not be completed in a timely manner, or at all.
- The proposed sale of Nokia s HERE business may be time-consuming and divert management attention.

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Alcatel Lucent

The risks relating to Alcatel Lucent s business and legal situation include the following factors:

Alcatel Lucent s current restructuring program (the Shift Plan) may not yield intended results, and Alcatel Lucent may not be able to transform itself successfully into a cash generative business.

The telecommunications industry fluctuates and is affected by many factors, including the economic environment, decisions by service providers and other customers that buy Alcatel Lucent s products and services regarding their deployment of technology and their timing of purchases and roll-out, as well as demand and spending for communications services by businesses and consumers.

Alcatel Lucent s business requires a significant amount of cash, and Alcatel Lucent may require additional sources of funds if its sources of liquidity are unavailable or insufficient to fund its operations.

Credit and commercial risks and exposures could increase if the financial condition of Alcatel Lucent s customers declines.

Alcatel Lucent s financial condition and results of operations may be harmed if Alcatel Lucent does not successfully reduce market risks, including through the use of derivative financial instruments.

An impairment of other intangible assets or goodwill would adversely affect Alcatel Lucent s financial condition or results of operations.

Alcatel Lucent operates in a highly competitive industry with many participants. Alcatel Lucent s failure to compete effectively would harm its business.

Technology drives Alcatel Lucent s products and services. If Alcatel Lucent fails to keep pace with technological advances in the industry, or if Alcatel Lucent pursues technologies that do not become commercially accepted, customers may not buy Alcatel Lucent s products or use its services.

Alcatel Lucent depends on a limited number of internal and external manufacturing organizations, distribution centers and suppliers. Their failure to deliver or to perform according to Alcatel Lucent s requirements may adversely affect Alcatel Lucent s ability to deliver its products, services and solutions on time and in sufficient volume, while meeting Alcatel Lucent s quality, safety or security standards.

Alcatel Lucent is in the process of outsourcing a significant portion of its finance and human resources processes and services, increasing Alcatel Lucent s dependence on the reliability of external providers. Interruptions in the availability of these processes and services could have a material adverse impact on the responsiveness and quality of these processes and services that are crucial to Alcatel Lucent s business operations, and on Alcatel Lucent s future ability to adapt to changing business needs.

Information system risks, data protection breaches, cyberattacks and industrial espionage may result in unauthorized access to or modification, misappropriation or loss of, the intellectual property and confidential information that Alcatel Lucent owns or that has been entrusted to Alcatel Lucent by third parties as well as interruptions to the availability of Alcatel Lucent s systems or the systems that Alcatel Lucent manages for third parties.

Many of Alcatel Lucent s current and planned products are highly complex and may contain defects or errors that are detected only after deployment in telecommunications networks. If that occurs, Alcatel Lucent s reputation may be harmed.

Rapid changes to existing regulations or technical standards or the implementation of new regulations or technical standards for products and services not previously regulated could be disruptive, time-consuming and costly to Alcatel Lucent.

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Alcatel Lucent s ten largest customers accounted for 54% of its revenues in the first half of 2015 (among which Verizon, AT&T and Sprint represented 17%, 13% and 6% of Alcatel Lucent s revenues, respectively), and most of its revenues come from telecommunications service providers. The loss of one or more key customers or reduced spending by these service providers, or inability to expand and diversify Alcatel Lucent s customer base to non-service providers could significantly reduce its revenues, profitability and cash flow.

Alcatel Lucent has long-term sales agreements with a number of its customers. Some of these agreements may prove unprofitable as Alcatel Lucent s costs and product mix shift over the lives of the agreements.

Alcatel Lucent has significant international operations and a significant amount of Alcatel Lucent s revenues is earned in emerging markets and regions.

Alcatel Lucent Group s U.S. pension and post-retirement benefit plans are large and have funding requirements that fluctuate based on how their assets are invested, the performance of financial markets worldwide, interest rates, assumptions regarding the life-expectancy of covered employees and retirees, medical price increases, and changes in legal requirements. Even if these plans are currently fully funded, they are costly, and Alcatel Lucent s efforts to satisfy further funding requirements or control these costs may be ineffective.

Volatility in discount rates and asset values will affect the funded status of Alcatel Lucent s pension plans.

Pension and post-retirement health plan participants may live longer than has been assumed, which would result in an increase in Alcatel Lucent s benefit obligation.

Alcatel Lucent may not be able to fund the healthcare and group life insurance costs of its formerly represented retirees with excess pension assets in accordance with Section 420 of the U.S. Internal Revenue Code.

Healthcare cost increases and an increase in the use of services may significantly increase Alcatel Lucent s retiree healthcare costs.

The activities of Alcatel Lucent s Optics division include the installation and maintenance of undersea telecommunications cable networks, and in the course of this activity Alcatel Lucent may cause damage to existing undersea infrastructure, for which Alcatel Lucent may ultimately be held responsible.

Alcatel Lucent is involved in lawsuits which, if determined against Alcatel Lucent, could require Alcatel Lucent to pay substantial damages.

Alcatel Lucent has been, and continues to be, involved in investigations concerning alleged violations of anticorruption laws, and has been, and could again be, subject to material fines, penalties and other sanctions as a result of such investigations.

If Alcatel Lucent fails to protect its intellectual property rights, its business and prospects may be harmed.

		Alcatel Lucent is subject to intellectual property litigation and infringement claims, which could cause Alcatel Lucent to incur significant expenses or prevent it from selling certain products. Alcatel Lucent is involved in significant joint ventures and is exposed to problems inherent to companies under joint management. Alcatel Lucent is subject to environmental, health and safety laws that restrict its operations.
D.3	**Risks specific to the securities**	The risks relating to Nokia Shares, the Exchange Offer and the squeeze-out include the following factors: Failure to obtain the Nokia Shareholder Approval and certain other circumstances may trigger significant termination fees for Nokia, and the failure

to obtain the Nokia Shareholder Approval and other unfulfilled Conditions may cause the Exchange Offer not to be completed, which could have a material adverse effect on Nokia s business, financial condition, results of operations and the market price of Nokia Shares.

The exchange ratio of the Exchange Offer is fixed and will not be adjusted in case of any changes in the price of the relevant securities. Because the market price of Nokia Shares and Nokia ADSs fluctuates, holders of Alcatel Lucent Securities cannot be certain of the market value of the Nokia Shares or Nokia ADSs that will be issued in connection with the Exchange Offer.

The value of the Nokia Shares and the Nokia ADSs may decrease.

The issuance of Nokia Shares pursuant to the Exchange Offer could lead to the share price of Nokia Shares and Nokia ADSs being adversely affected.

Following the Exchange Offer, Nokia may be unable to successfully implement its business plans or successfully integrate Alcatel Lucent s business or achieve the targeted synergies and other efficiencies.

Nokia s anticipated benefits from acquiring Alcatel Lucent are based on estimates that are dependent on external factors, and may not be achieved within the envisioned timeframe or at all.

The Completion of the Exchange Offer would constitute a change of control of Alcatel Lucent which would give rise to an obligation to redeem some of Alcatel Lucent s existing indebtedness.

The completion of the transactions contemplated by the Exchange Offer would constitute a change of control of Alcatel Lucent which would give rise to an obligation to redeem all of the OCEANEs.

The Exchange Offer will trigger certain provisions contained in certain Alcatel Lucent agreements that may require Alcatel Lucent to make change of control payments or permit a counterparty to an agreement with Alcatel Lucent to terminate that agreement.

Nokia has not verified the reliability of the Alcatel Lucent information included in, or incorporated by reference into, this Listing Prospectus and, as a result, Nokia s estimates of the impact of Completion of the Exchange Offer on the pro forma financial information in this Listing Prospectus may be incorrect.

The unaudited pro forma condensed combined financial information in this Listing Prospectus is presented for illustrative purposes only and may differ materially from the operating results and financial condition of the Combined Company following completion of the pro forma events.

The Exchange Offer will affect the trading markets for any Alcatel Lucent Securities not acquired by Nokia and, as a result, their liquidity and market value could be adversely affected.

Alcatel Lucent shareholders will have a reduced ownership and voting interest in the Combined Company.

The issuance of additional Nokia Shares may dilute all other shareholdings.

Listing of Nokia Shares on Euronext Paris may not succeed as expected or the listing may not take place at all.

Some of Alcatel Lucent s directors and executive officers may have financial interests in the Exchange Offer that are different from or are in addition to those of holders of Alcatel Lucent Securities.

Holders of Nokia ADSs may not be able to exercise voting rights or receive distributions as readily as holders of Nokia Shares.

Upon a shareholder s receipt of Nokia Shares in the Exchange Offer, the shareholder of Alcatel Lucent will become a shareholder in Nokia, a Finnish corporation, which may change certain shareholder rights and privileges the shareholder holds as a shareholder of Alcatel Lucent, a French corporation.

Holders of Alcatel Lucent Securities may be forced to transfer their Alcatel Lucent Securities to Nokia if Nokia conducts a squeeze-out under French law or takes other steps to consolidate its ownership of Alcatel Lucent.

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Any failure by Nokia to promptly complete the squeeze-out of the remaining outstanding Alcatel Lucent Securities could adversely affect the market value of the Nokia Shares and the Nokia ADSs, and Nokia may be unable to fully realize the anticipated benefits of the Exchange Offer.

Consummation of the Exchange Offer may result in adverse tax consequences to Nokia resulting from a change of ownership of Alcatel Lucent.

Certain shareholders may be unable to exercise their pre-emptive rights.

Future sales of Nokia Shares may depress the price of the Nokia Shares.

The amount of dividend and equity return distributed to shareholders for each financial period is uncertain.

Section E Offer

E.1	**Total proceeds and expenses**	Nokia will not receive any cash proceeds from the Exchange Offer. The total fees and expenses incurred by Nokia and its affiliates in connection with the Exchange Offer and listing of the Nokia Shares on Euronext Paris and listing of the newly issued Nokia Shares and Nokia ADSs on Nasdaq Helsinki and the NYSE, respectively, including fees and other costs related to external financial and legal advisors and of any other experts and consultants, as well as communication costs, are estimated to be in excess of EUR 110 million (excluding tax).
E.2a	**Reasons for the Exchange Offer, use of proceeds and estimated net amount of proceeds**	On April 15, 2015, Nokia and Alcatel Lucent entered into the Memorandum of Understanding pursuant to which and subject to its terms and conditions, Nokia is offering to acquire all of the Alcatel Lucent Securities through the Exchange Offer. The Exchange Offer will be conducted in order to combine the businesses of Nokia and Alcatel Lucent.

The strategic rationale for combining the two companies includes:

creation of end-to-end portfolio scope and scale player with leading global positions across products, software and services to meet changing industry paradigms;

complementary offerings, customers and geographic footprint;

enhanced research and development capabilities creating an innovation powerhouse with significant combined R&D resources;

the recent execution track-record on both sides and common vision for the future;

the opportunity to realize significant cost savings and other synergies; and

the development of a robust capital structure and strong balance sheet.

The Combined Company would target approximately EUR 900 million of operating cost synergies to be achieved on a full year basis in 2019, assuming Completion of the Exchange Offer no later than the end of the first half of 2016. The Combined Company would also target approximately EUR 200 million of reductions in interest expenses to be achieved on a full-year basis in 2017.

Based on Nokia s and Alcatel Lucent s revenues for the year ended December 31, 2014, the share of revenues of the Combined Company generated in North America would have amounted to 30% (Nokia: 15%; Alcatel Lucent: 44%), in Europe 27% (Nokia: 31%; Alcatel Lucent: 23%), in Asia-Pacific/Japan/India 18% (Nokia: 26%; Alcatel Lucent: 10%), in Greater China 11% (Nokia: 11%; Alcatel Lucent: 10%), Middle East & Africa 8% (Nokia: 9%; Alcatel Lucent: 8%) and Latin America 7% (Nokia: 8%; Alcatel Lucent: 5%). The revenues of the Combined Company have been calculated by adding the respective Nokia and Alcatel Lucent country revenue amounts together. These combined revenue amounts should not be substituted for pro forma information presented elsewhere in this Listing Prospectus as this information has not been prepared on the same basis.

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E.3	**Terms and conditions of the Exchange Offer**	Nokia is offering, subject to the terms and conditions of the Exchange Offer, to acquire all of the Alcatel Lucent Securities through the Exchange Offer whereby Alcatel Lucent Securities will be exchanged for Nokia Shares or Nokia ADSs. The Exchange Offer is comprised of the U.S. Offer and the French Offer.
		The U.S. Offer is being made pursuant to the Schedule TO (Schedule TO) to all U.S. holders of outstanding Alcatel Lucent Shares, all holders of outstanding Alcatel Lucent ADSs, wherever located, and all U.S. holders of outstanding OCEANEs. For every Alcatel Lucent Share validly tendered into, and not withdrawn from, the U.S. Offer, holders of Alcatel Lucent Shares will receive 0.55 Nokia Shares. For every Alcatel Lucent ADS validly tendered into, and not withdrawn from, the U.S. Offer, holders of Alcatel Lucent ADSs will receive 0.55 Nokia ADSs. For every OCEANE validly tendered into, and not withdrawn from, the U.S. Offer, holders of Alcatel Lucent OCEANEs will receive such number of Nokia Shares per one OCEANE that is based on the exchange ratio of 0.55 Nokia Shares per each Alcatel Lucent Share which would be issuable upon conversion or exchangeable upon exchange of the OCEANE at the conversion/exchange ratio which will apply on the date of commencement of the Exchange Offer. Holders of Alcatel Lucent ADSs located outside of the United States may participate in the U.S. Offer only to the extent the local laws and regulations applicable to those holders permit them to participate in the U.S. Offer.
		The French Offer to exchange 0.55 Nokia Shares for every Alcatel Lucent Share, and such number of Nokia Shares per one OCEANE that is based on the exchange ratio of 0.55 Nokia Shares per each Alcatel Lucent Share which would be issuable upon conversion or exchangeable upon exchange of the OCEANE at the conversion/exchange ratio which will apply on the date of commencement of the Exchange Offer, will be made pursuant to the French Offer Document available to holders of Alcatel Lucent Shares and OCEANEs who are located in France. Holders of Alcatel Lucent Shares and OCEANEs who are located outside of France may not participate in the French Offer except if, pursuant to the local laws and regulations applicable to those holders, they are permitted to participate in the French Offer.
		The U.S. Offer is expected to commence on or about the same date as the French Offer following Nokia s filing of the Schedule TO with the SEC. The U.S. Offer and withdrawal rights for tenders of Alcatel Lucent Shares and OCEANEs into the U.S. Offer will expire at the Expiration Date[3].
		The French Offer is expected to commence after the AMF approval of the French Offer, which is expected to be received prior to the Extraordinary General Meeting of

Nokia Shareholders on December 2, 2015, and will remain open for a period of 25 French trading days, unless the French Offer is extended or terminated earlier in accordance with the AMF General Regulation.

To the extent permitted by applicable rules and regulations of the AMF and the SEC and subject to the Memorandum of Understanding, Nokia expressly reserves the right to, at any time and from time to time:

terminate or amend the U.S. Offer (and not accept at expiration of the offer period any Alcatel Lucent Securities) upon the failure of any of the Conditions (as defined below);

[3] The U.S. Offer and withdrawal rights for tenders of Alcatel Lucent Shares and OCEANEs into the U.S. Offer will expire at the expiration date of the U.S. Offer (the Expiration Date), which date may be at the earliest 25 French trading days after the commencement of the French Offer, unless the U.S. Offer is extended.

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prior to the expiration of the offer period of the French Offer, revoke the French Offer in accordance with the AMF General Regulation with the prior approval of the AMF if (i) the Exchange Offer becomes without purpose, or (ii) (A) Alcatel Lucent adopted measures which modify its substance during the offer period or in case the Exchange Offer is successful, or (B) the measures taken by Alcatel Lucent render the continuation of the Exchange Offer particularly onerous. The French Offer may be revoked until the expiration of the French Offer. The AMF General Regulation does not define under which circumstances an offer becomes without purpose or is substantially modified or is particularly onerous. The assessment is made by the AMF on a case-by-case basis. Revocation of the French Offer would likely have a material adverse effect on the U.S. Offer, including the likely failure of the Minimum Tender Condition; and

waive any Condition (as defined below) or otherwise amend the Exchange Offer in any respect, provided that, under the AMF General Regulation, Nokia may not amend the terms of the French Offer in a manner adverse to the shareholders and any amendment must be made no later than five French trading days prior to the expiration of the French Offer period and requires the prior approval of the AMF. A waiver of a material condition or any other material change to the U.S. Offer, if that waiver or change occurs ten or five U.S. business days, as applicable, prior to the date the U.S. Offer is scheduled to expire, may also require the extension of the U.S. Offer. Under the AMF General Regulation, if the Minimum Tender Condition[4] is waived by Nokia, the Exchange Offer will lapse if Nokia fails to cross the Mandatory Minimum Acceptance Threshold[5]. In addition, pursuant to the Memorandum of Understanding, Nokia cannot, without the prior written consent of Alcatel Lucent, amend, modify, supplement or waive any term of the Exchange Offer or Condition (as defined below), other than the Minimum Tender Condition, in a manner materially adverse to Alcatel Lucent or the holders of Alcatel Lucent Securities.

[4] Minimum Tender Condition refers to the number of Alcatel Lucent Securities validly tendered in accordance with the terms of the Exchange Offer representing, on the date of announcement by the AMF of the results of the French Offer taking into account the results of the U.S. Offer, more than 50% of the Alcatel Lucent Shares on a fully diluted basis. For purposes of the Minimum Tender Condition, the fully diluted Alcatel Lucent Shares will be calculated as follows:

the numerator being the sum of (i) all Alcatel Lucent Shares (including Alcatel Lucent Shares represented by ADSs) validly tendered into the Exchange Offer as of the expiration date of the Exchange Offer period and (ii) all Alcatel Lucent Shares issuable upon conversion of the OCEANEs validly tendered into the Exchange Offer as of the expiration date of the Exchange Offer period taking into account the relevant OCEANEs conversion ratio applicable on the date of expiration date of the Exchange Offer period; and

the denominator being the sum of (i) all Alcatel Lucent Shares issued and outstanding (including Alcatel Lucent Shares represented by ADSs) as of the expiration date of of the Exchange Offer period and (ii) all Alcatel Lucent Shares issuable at any time prior to, on or after the expiration date of the Exchange Offer period upon the exercise of any outstanding options, warrants, convertible securities or rights to purchase, subscribe or be allocated, newly issued Alcatel Lucent Shares, including upon conversion of the OCEANEs (taking into account the relevant OCEANEs conversion ratio applicable on the expiration date of the Exchange Offer), exercise of Alcatel Lucent Stock Options or acquisition of Alcatel Lucent Performance Shares.

[5] Mandatory Minimum Acceptance Threshold refers to a number of Alcatel Lucent Shares representing more than 50% of the Alcatel Lucent share capital or voting rights, taking into account, if necessary, the Alcatel Lucent Shares resulting from the conversion of the OCEANEs validly tendered into the Exchange Offer. Mandatory Minimum Acceptance Threshold would be calculated as follows:

the numerator being the sum of (i) all Alcatel Lucent Shares validly tendered into the Exchange Offer (including Alcatel Lucent Shares represented by Alcatel Lucent ADSs) as of the expiration date of the Exchange Offer period and (ii) all Alcatel Lucent Shares issuable upon conversion of the OCEANEs validly tendered into the Exchange Offer as of the expiration date of the Exchange Offer period, taking into account the relevant OCEANE s conversion ratio applicable on the expiration date of such Exchange Offer, and (iii) all treasury shares held by Alcatel Lucent as well as the Alcatel Lucent Shares held by its subsidiaries; and

the denominator being the sum of (i) all Alcatel Lucent Shares issued and outstanding (including Alcatel Lucent Shares represented by Alcatel Lucent ADSs) as of the expiration date of the Exchange Offer period and (ii) all Alcatel Lucent Shares issuable upon conversion of the OCEANEs validly tendered into the Exchange Offer as of the expiration date of the Exchange Offer period, taking into account the relevant OCEANE s conversion ratio applicable on the expiration date of the Exchange Offer.

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A subsequent offering period is an additional period of time after Nokia has acquired Alcatel Lucent Securities in the Exchange Offer during which holders may tender, but not withdraw, Alcatel Lucent Securities and receive the Exchange Offer consideration. Pursuant to the Memorandum of Understanding, and according to Article 232-4 of the AMF General Regulation, if more than 50% but less than 95% of the share capital and voting rights of Alcatel Lucent have been tendered in and not withdrawn from the Exchange Offer, there will be a subsequent offering period for the French Offer. Under the AMF General Regulation, the subsequent offering period for the French Offer will begin no later than ten French trading days following the publication by the AMF of the results of the French Offer (taking into account the results of the U.S. Offer) and must last at least ten French trading days. Pursuant to the Memorandum of Understanding, Nokia has agreed to ensure that, subject to applicable law, the period during which the U.S. Offer is open corresponds to the period during which the French Offer is open (including subsequent offering periods in relation to the French Offer). If a subsequent offering period is provided, Nokia will publicly announce the results of the Exchange Offer, including the approximate number and percentage of Alcatel Lucent Securities tendered to date, no later than nine French trading days after the expiration of the Exchange Offer period and will thereafter begin the subsequent offering period in accordance with AMF General Regulation. Nokia expressly reserves the right in its sole discretion to conduct a subsequent offering period for the U.S. Offer either to match the subsequent offering period of the French Offer or otherwise. Nokia also expressly reserves the right, in is sole discretion, to extend the subsequent offering period for the U.S. Offer by giving oral or written notice to the U.S. exchange agent.

Alcatel Lucent ADSs tendered into the U.S. Offer can be withdrawn at any time prior to the ADS Tender Deadline[6]. Alcatel Lucent Shares or OCEANEs tendered for exchange may be withdrawn at any time prior to the Expiration Date. However, these withdrawal rights will not be available following the expiration of the U.S. Offer and prior to the commencement of the subsequent offering period, if any. In addition, subject to satisfaction of all Conditions other than the Minimum Tender Condition, these withdrawal rights will not be available during the period that the securities tendered into the Exchange Offer are being counted.

Nokia s obligation to accept, and to exchange, any Alcatel Lucent Securities validly tendered into the Exchange Offer will be subject only to:

- the satisfaction of the Minimum Tender Condition or, if waived by Nokia in its sole discretion, the crossing of the Mandatory Minimum Acceptance Threshold; and
- the receipt of the Nokia Shareholder Approval[7];

collectively referred to as the Conditions and each a Condition .

Nokia will determine questions as to the validity, form, eligibility, including time of receipt, and acceptance for exchange of any tender of Alcatel Lucent Securities, in Nokia s sole discretion, and Nokia s determination shall be final and binding. Nokia

[6] The ADS tender deadline for validly tendering and withdrawing Alcatel Lucent ADSs in the U.S. Offer will expire on the U.S. business day immediately preceding the Expiration Date, unless the U.S. Offer is extended (the ADS Tender Deadline).

[7] Nokia Shareholder Approval refers to Nokia shareholders having approved the authorization for the Nokia Board of Directors to issue such number of new Nokia Shares as may be necessary for delivering the Nokia Shares offered in consideration for the Alcatel Lucent Securities tendered into the Exchange Offer and for the Completion of the Exchange Offer.

reserves the absolute right to reject any and all tenders of Alcatel Lucent Securities that Nokia determines are not in proper form or the acceptance of or exchange for which may be unlawful. Nokia also reserves the absolute right to waive any defect or irregularity in the tender of any Alcatel Lucent Securities of any particular holder, whether or not similar defects or irregularities are waived in the case of other holders. No tender of Alcatel Lucent Securities will be deemed to have been validly made until all defects and irregularities in tenders of Alcatel Lucent Securities will have been cured or waived. None of Nokia, the U.S. exchange agent nor any other person will be under any duty to give notification of any defects or irregularities in the tender of any Alcatel Lucent Securities, and none of them will incur any liability for failure to give any such notification. Nokia s interpretation of the terms of the Exchange Offer and Conditions, including the letter of transmittal and instructions thereto, will be final and binding.

The AMF will announce the results of the French Offer, taking into account the results of the U.S. Offer, no later than nine French trading days following the expiration of the French Offer period and, if applicable, the expiration of the subsequent offering period. In addition, Nokia will also announce the results of the Exchange Offer and, if applicable, the subsequent offering period by means of a public announcement to be issued on the date of announcement of the results by the AMF. In addition, notice will be posted on Nokia s website at www.nokia.com. The information on Nokia s website is not a part of this Listing Prospectus and is not incorporated by reference herein.

If the Conditions to accept, and to exchange, any Alcatel Lucent Securities validly tendered into the Exchange Offer have been satisfied or, if applicable, waived, the Offered Shares and Nokia ADSs, which will be delivered to those holders of Alcatel Lucent Securities that have tendered their Alcatel Lucent Securities into the Exchange Offer, will be delivered approximately five French trading days following the announcement of the results of the French Offer by the AMF, in accordance with the applicable Finnish, French and U.S. rules and regulations. No fractional Nokia Shares or Nokia ADSs will be issued by Nokia in the context of the Exchange Offer, including during the subsequent offering period. Holders of Alcatel Lucent Securities who tender in the Exchange Offer, including during the subsequent offering period, a number of Alcatel Lucent Securities which does not entitle them to a whole number of new Nokia Shares or Nokia ADSs, will be considered as having expressly agreed to participate in the mechanism to resell new fractional Nokia Shares or ADSs.

The Nokia Shares (including the Nokia Shares represented by Nokia ADSs) to be issued in the U.S. Offer and the French Offer will be created by means of an issuance of new ordinary Nokia Shares. In order to settle the Exchange Offer, it is contemplated that the General Meeting of Shareholders of Nokia will resolve to authorize the Nokia Board of Directors to issue new Nokia Shares in deviation from the shareholders pre-emptive rights as consideration to the holders of Alcatel Lucent Securities who have tendered their Alcatel Lucent Securities into the Exchange Offer, and that the Nokia Board of Directors will make a resolution to issue new Nokia Shares based on the authorization by the General Meeting of Shareholders (and register such issuance of new shares with the Finnish Trade Register on settlement).

After a successful Completion of the Exchange Offer, Nokia is expected to own between 50% and 100% of Alcatel Lucent. As a result, Nokia will be in a position to exert influence over the strategic, operating and financial policies of Alcatel Lucent. If the squeeze-out is implemented, Nokia s ownership of Alcatel Lucent would increase to 100% and Nokia would be entitled to all benefits resulting from that ownership, including all income generated by Alcatel Lucent s operations and any future increase in Alcatel Lucent s value and the right to elect all members of the

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		Alcatel Lucent Board of Directors. Similarly, Nokia would also bear the risk of losses generated by Alcatel Lucent s operations and any decrease in the value of Alcatel Lucent after such an acquisition.
E.4	**Material interests**	Nokia retained Société Générale as presenting bank (banque présentatrice) for the French Offer and Nokia s financial advisor in connection with the Exchange Offer, and certain of its affiliates have in the past provided, and may in the future provide, financial advisory or financing services to Nokia and its affiliates and have received, and may receive in the future, fees for rendering these services. Nokia will pay the presenting bank reasonable and customary compensation for its services in addition to reimbursing the presenting bank for its reasonable out-of-pocket expenses. The address of the presenting bank is Société Générale, Corporate Finance, 75886 Paris Cedex 18, France.
		Nokia retained Citibank, N.A. to act as the U.S. exchange agent to receive and hold Alcatel Lucent ADSs validly tendered into, and not withdrawn from, the U.S. Offer, for the benefit of Nokia. Nokia will pay the U.S. exchange agent reasonable and customary compensation for its services in connection with the U.S. Offer, will reimburse the U.S. exchange agent for its reasonable out-of-pocket expenses and will indemnify the U.S. exchange agent against certain liabilities and expenses. Citibank, N.A. depositary offices are located at 388 Greenwich Street, 14th Floor, New York, NY 10013, United States.
		Nokia retained Georgeson as information agent in the United States in connection with the Exchange Offer. The information agent may contact holders of Alcatel Lucent Securities by mail, telephone or other means and may request that brokers, dealers, commercial banks, trust companies and other nominees who hold Alcatel Lucent Securities on behalf of beneficial owners of these Alcatel Lucent Securities, forward material relating to the Exchange Offer to such beneficial owners. Nokia will pay the information agent reasonable and customary compensation for these services in addition to reimbursing the information agent for its reasonable out-of-pocket expenses. Nokia has agreed to indemnify the information agent against certain liabilities and expenses in connection with the Exchange Offer, including certain liabilities under the U.S. federal securities laws.
		Nokia retained Nordea Bank as Finnish issuer agent for issuing Nokia Shares in the Finnish book-entry system. Nokia will pay the issuer agent reasonable and customary compensation for its services in addition to reimbursing the issuer agent for its reasonable out-of-pocket expenses. Nordea Bank s head office is located at Aleksanterinkatu 36, FI-00100 Helsinki, Finland.

Nokia retained JP Morgan as its financial advisor. JP Morgan delivered a fairness opinion to the Board of Directors of Nokia in connection with the Exchange Offer and may perform advisory and consulting services for Nokia. For its role as Nokia s financial advisor, Nokia will pay JP Morgan reasonable and customary compensation in addition to reimbursing JP Morgan s reasonable out-of-pocket expenses.

Nokia retained Brunswick as an advisor for the announcement and execution of the transaction, receiving assistance in the creation and distribution of communications materials to institutional and individual shareholders, and external audiences including the media and public sector. Nokia will pay Brunswick reasonable and customary compensation for these services in addition to reimbursing Brunswick for its reasonable out-of-pocket expenses.

Nokia has agreed that a part of the remuneration of some of the above-mentioned banks and advisors is success-based. The total amount of such success fees amounts to approximately EUR 12.5 million.

E.5	**Names of persons offering to sell / Lock-up agreements**	Not applicable.

E.6	**Dilution**	After closing of the Exchange Offer and assuming that all Alcatel Lucent Securities are tendered into the Exchange Offer or the subsequent offering period, if any, former holders of Alcatel Lucent Securities are expected to own approximately 33.5% of the issued and outstanding Nokia Shares on a fully diluted basis.
E.7	**Estimated expenses charged to the investor**	Not applicable; no expenses will be directly charged to investors by Nokia in respect of the Exchange Offer.
		Nokia has agreed with Citibank, N.A., Nokia s ADS depositary, that, if the Exchange Offer is successful, the ADS depositary will not charge any ADS issuance fees for the issuance of new Nokia ADSs upon deposit of Nokia Shares for a period of thirty calendar days beginning on the U.S. business day following the settlement of the subsequent offering period or, if there is no subsequent offering period, the settlement of the Exchange Offer. Pursuant to this arrangement, existing and new holders of Nokia Shares would, subject to compliance with the terms of the Nokia ADS deposit agreement, be able to convert their Nokia Shares into Nokia ADSs during such period without any ADS issuance fees.

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RISK FACTORS

Shareholders and potential investors should carefully review the following risk factors, in addition to other information contained in this Listing Prospectus. Nokia s, Alcatel Lucent s or the Combined Company s respective businesses, financial conditions and results of operations could be materially affected by each of these risks presented as applicable. Also other risks and uncertainties not described herein could affect Nokia s, Alcatel Lucent s or the Combined Company s respective businesses. Additional risks and uncertainties not presently known to Nokia or Alcatel Lucent, or that Nokia or Alcatel Lucent currently believe are immaterial, could impair Nokia s, Alcatel Lucent s or the Combined Company s businesses or the value of an investment made in them. Certain other matters regarding Nokia s or Alcatel Lucent s operations that should be considered before accepting the Exchange Offer are set out, among other things, in the sections Business Nokia and Business Alcatel Lucent , respectively. The order of presentation of the risk factors in this Listing Prospectus is not intended to be an indication of the probability of their occurrence or of their potential effect on Nokia s, Alcatel Lucent s or the Combined Company s respective businesses.

All statements in this section regarding the competitive position of Nokia or the Combined Company are based on the view of Nokia s management unless otherwise explicitly stated.

Shareholders and potential investors should note that all of the information concerning Alcatel Lucent presented in this Listing Prospectus and in particular in Annex A is solely based on publicly available information of Alcatel Lucent included in Alcatel Lucent Annual Report and Alcatel Lucent Interim Report Alcatel Lucent has filed with the SEC. Nokia confirms that this information has been accurately reproduced and that as far as Nokia is aware and is able to ascertain from information published by Alcatel Lucent, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Risk Factors Relating to Nokia Shares, the Exchange Offer and the Squeeze-out

Failure to obtain the Nokia Shareholder Approval and certain other circumstances may trigger significant termination fees for Nokia, and the failure to obtain the Nokia Shareholder Approval and other unfulfilled Conditions may cause the Exchange Offer not to be completed, which could have a material adverse effect on Nokia s business, financial condition, results of operations and the market price of Nokia Shares.

Nokia s obligation to accept, and to exchange, any Alcatel Lucent Securities validly tendered into the Exchange Offer is subject to the satisfaction of the Minimum Tender Condition or, if waived by Nokia, the crossing of the Mandatory Minimum Acceptance Threshold (as defined in the section *The Exchange Offer Terms of the Exchange Offer Conditions to the Exchange Offer*) as well as the receipt of the Nokia Shareholder Approval (as defined in the section *The Alcatel Lucent Transaction Nokia Shareholder Meeting*) to issue the number of new Nokia Shares necessary for the Completion of the Exchange Offer. If these Conditions (as defined in the section *The Exchange Offer Terms of the Exchange Offer Conditions to the Exchange Offer*) are not fulfilled, Nokia may not be able to complete the Exchange Offer.

In the Memorandum of Understanding, Nokia has agreed to pay to Alcatel Lucent significant termination fees should the Memorandum of Understanding be terminated in certain circumstances. If the Extraordinary General Meeting of Nokia Shareholders does not approve the authorization for the Nokia Board of Directors to issue the number of new Nokia Shares necessary for the Completion of the Exchange Offer and the Nokia Shareholder Approval condition is thus not fulfilled, Nokia may be obligated to pay to Alcatel Lucent a significant termination fee. In addition, if the Nokia Board of Directors makes a Change in Nokia Board Recommendation (as defined in the section *The Memorandum of Understanding Nokia Board Recommendation*), a significant termination fee may become payable by Nokia. Further, a significant termination fee becomes payable by Nokia, if the Memorandum of Understanding is terminated due to a relevant authority of competent jurisdiction having enacted or otherwise issued an injunction or a restricting law with respect to the Exchange Offer (refer to the section *The Memorandum of Understanding Termination Fees* for more information on the termination fees).

There can be no assurances that the Nokia Shareholder Approval will be obtained, that the Nokia Board of Directors will not make a Change in Nokia Board Recommendation in accordance with the terms and conditions of the Memorandum of Understanding or that there would not be any injunction or restricting law by any competent authority that could trigger significant termination fees payable by Nokia.

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Furthermore, there can be no assurances that the other Conditions of the Exchange Offer than the Nokia Shareholder Approval will be fulfilled and that the Exchange Offer will be completed. Nokia has incurred, and will continue to incur, substantial transaction costs and expenses in connection with the Exchange Offer. If the Exchange Offer is not completed, Nokia will have incurred significant costs and used significant management efforts for which it will have received little or no benefit, and such management time related to the Exchange Offer could otherwise have been devoted to pursuing other beneficial opportunities.

Additionally, any failure to complete the Exchange Offer in a timely manner, or at all, might diminish the confidence of Nokia s existing, future or potential stakeholders in the ability of Nokia to execute strategic goals, find strategic alternatives or develop new sources of revenue. Should the Completion of Exchange Offer be delayed or not take place at all, Nokia might also face a loss of key customers or a deterioration of the Nokia brand as a result.

The triggering of any termination fees payable by Nokia under the Memorandum of Understanding and the failure to complete the Exchange Offer could have a material adverse effect on Nokia s business, financial conditions and/or results of operations and the market price of Nokia Shares.

The exchange ratio of the Exchange Offer is fixed and will not be adjusted in case of any changes in the price of the relevant securities. Because the market price of Nokia Shares and Nokia ADSs fluctuates, holders of Alcatel Lucent Securities cannot be certain of the market value of the Nokia Shares or Nokia ADSs that will be issued in connection with the Exchange Offer.

Following the Completion of the Exchange Offer, holders of Alcatel Lucent Securities will receive (i) 0.55 Nokia Shares for every Alcatel Lucent Share they validly tender into the Exchange Offer, (ii) 0.55 Nokia ADSs for every Alcatel Lucent ADS they validly tender into the Exchange Offer and (iii) such number of Nokia Shares per one OCEANE they validly tender into the Exchange Offer that is based on the exchange ratio of 0.55 Nokia Shares per each Alcatel Lucent Share which would be issuable upon conversion or exchangeable upon exchange of the OCEANE at the conversion/exchange ratio which will apply on the date of commencement of the Exchange Offer. These exchange ratios are fixed and will not be adjusted in case of any changes in the price of Nokia Shares, Nokia ADSs or Alcatel Lucent Securities. If the price of Nokia Shares or Nokia ADSs decreases, which may occur as the result of a number of reasons (many of which are out of Nokia s or Alcatel Lucent s control), including as a result of the risks described herein, holders of Alcatel Lucent Securities will receive less value for their Alcatel Lucent Securities than the value calculated pursuant to the exchange ratio on the date the Exchange Offer was announced. Because the Exchange Offer may not be completed until the Conditions have been satisfied or waived (refer to the section of this Listing Prospectus *The Exchange Offer Terms of the Exchange Offer Conditions to the Exchange Offer*), a significant period of time may pass between the commencement of the Exchange Offer and the time that Nokia accepts Alcatel Lucent Securities for exchange. Therefore, at the time holders of Alcatel Lucent Securities tender their Alcatel Lucent Securities pursuant to the U.S. Offer, they will not know the exact market value of the Nokia Shares or Nokia ADSs that will be issued if Nokia accepts the Alcatel Lucent Securities for exchange. However, tendered Alcatel Lucent Securities may be withdrawn at any time prior to the time they are accepted for exchange pursuant to the Exchange Offer (except during any subsequent offering period or any period during which the tendered Alcatel Lucent Securities are being counted).

Holders of Alcatel Lucent Securities are urged to obtain current market quotations for Nokia Shares, Nokia ADSs and the relevant Alcatel Lucent Securities when they consider whether to tender their Alcatel Lucent Securities pursuant to the Exchange Offer.

The value of the Nokia Shares and the Nokia ADSs may decrease.

It is likely that the price of the Nokia Shares and the Nokia ADSs will fluctuate, even significantly from time to time, and may not always accurately reflect the value of Nokia and its subsidiaries. The value of the Nokia Shares and the Nokia ADSs may decrease. The prices that investors may realize for their holdings of Nokia Shares and Nokia ADSs, when they are able to do so, may be influenced by a large number of factors, including factors beyond Nokia s control. In addition, stock markets have in the recent past experienced extreme price and volume fluctuations, which, as well as general economic and political conditions, could have a material adverse effect on the market price of the Nokia Shares or the Nokia ADSs.

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The issuance of Nokia Shares pursuant to the Exchange Offer could lead to the share price of Nokia Shares and Nokia ADSs being adversely affected.

In connection with the Completion of the Exchange Offer, Nokia expects to issue approximately 2 065 577 610 Nokia Shares. The issuance of these new Nokia Shares could depress the market price of the existing Nokia Shares and Nokia ADSs.

Following the Exchange Offer, Nokia may be unable to successfully implement its business plans or successfully integrate Alcatel Lucent s business or achieve the targeted synergies and other efficiencies.

Nokia and Alcatel Lucent currently operate as independent public companies. After the Exchange Offer, Nokia will be required to allocate significant resources, including management attention, to integrating Alcatel Lucent s business and implementing its post-acquisition business plans. Achieving the anticipated benefits of the Alcatel Lucent acquisition will depend largely on the timely and efficient integration of the business operations of Nokia and Alcatel Lucent and their ability to successfully implement their post-acquisition business plans. The process of integrating Alcatel Lucent into Nokia s existing business involves certain risks and uncertainties, and there can be no assurances that Nokia will be able to integrate the two businesses in the manner or within the timeframe currently anticipated. Potential challenges that Nokia may encounter during the integration process include the following:

- the complexities associated with integrating Alcatel Lucent, while simultaneously continuing to provide Nokia s high quality products and services on a consistent basis;

- the complexities of integrating Alcatel Lucent, which is a company with different products, services, markets and customers as well as conducting the business that includes areas that are new to Nokia;

- the challenges relating to the consolidation of corporate, financial, control and administrative functions, including cash management, foreign exchange/hedging operations, internal and other financing, insurance, financial control and reporting, information technology, communications, compliance and other administrative functions;

- the challenges relating to the coordination of research and development, marketing and other support functions;

- the inability to retain or motivate key employees of the Combined Company and recruit needed resources;

- disruptions caused for instance by company reorganizations triggered by the Acquisition that may result in inefficiency in the organization , for instance there can be no assurance that Nokia will be able to successfully, smoothly or timely implement the planned structure announced on October 7, 2015 (for more information on the planned structure and its implementation, refer to the section *The Alcatel Lucent Transaction Intentions of Nokia over the Next Twelve Months Integration and Reorganization*) or that the planned structure will result in the intended benefits;

the inability to achieve the targeted organizational changes, efficiencies or synergies in the targeted time or extent or the costs associated with implementing such changes;

possible contractual issues with customers, vendors, licensees or other contractual parties, including, for instance, claims regarding ceasing or renegotiation of existing contracts;

the inability to rationalize as required product lines or retire legacy products and related after-sales services as a result of pre-existing customer commitments;

loss of, or lower volume of business from, key customers, or the inability to renew agreements with existing customers or achieve new customer relationships, including limitations linked to customer policies as regards aggregate vendor share or supplier diversity policy;

integration and implementation costs resulting from the Acquisition;

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conditions and regulatory burden imposed by laws, regulators or industry standards on Nokia s or Alcatel Lucent s businesses or adverse regulatory or industry developments or litigation affecting the Combined Company, as a result of the Exchange Offer or otherwise;

higher than anticipated costs associated with the transaction, including transaction costs;

potential unknown or larger than estimated liabilities of Alcatel Lucent or other circumstances related to Alcatel Lucent which Nokia cannot have foreseen due to not having had full access to Alcatel Lucent s internal records, including, but not limited to, those related to compliance issues and pension liabilities and unforeseen increased expenses, delays or regulatory conditions associated with the integration, and Nokia s ability to mitigate anticipated and contingent liabilities;

potential deterioration of Nokia s and Alcatel Lucent s brands; and

performance shortfalls as a result of the diversion of management s attention caused by completing the Exchange Offer and integrating Alcatel Lucent.

For these reasons, among others, holders of Alcatel Lucent Securities as well as holders of Nokia Shares should be aware that it is possible that the integration process following the Exchange Offer could result in the distraction of Nokia s management, the disruption of Nokia s ongoing business or inconsistencies in its services, standards, controls, procedures and policies, any of which could adversely affect the ability of Nokia to maintain relationships with customers, vendors and employees or could otherwise have a material adverse effect on the business, financial conditions and/or results of operations of Nokia.

Nokia s anticipated benefits from acquiring Alcatel Lucent are based on estimates that are dependent on external factors, and may not be achieved within the envisioned timeframe or at all.

There can be no assurance that Nokia will achieve any of the anticipated benefits of acquiring Alcatel Lucent, including business growth opportunities, cost synergy benefits, increased profitability and other synergy benefits described elsewhere in this Listing Prospectus within the timeframe currently estimated by Nokia, or that any such benefits can be achieved at all. The anticipated benefits of acquiring Alcatel Lucent depend, in part, on the efficiency improvement measures that both Nokia and Alcatel Lucent have individually taken in recent years, and are expected to continue to undertake in the near future. While some of these measures have already generated cost savings and operational efficiencies, the full intended benefits of these measures, or any additional initiatives that Nokia or the Combined Company may take in the future, may not be realized (refer to the sections *Business Nokia* and *Business Alcatel Lucent* for more information about the efficiency improvement measures). Furthermore, there can be no assurance that adverse developments in general economic conditions will not limit, eliminate or delay Nokia s or the Combined Company s ability to realize anticipated benefits, which could have a material adverse effect on the business, financial condition and/or results of operations of Nokia or Alcatel Lucent.

In addition, the anticipated cost reductions and other benefits expected to arise from acquiring Alcatel Lucent and the integration of Alcatel Lucent into Nokia s existing business as well as related costs to implement such measures are derived from the estimates of Nokia and such estimates are inherently uncertain. The estimates included in this Listing Prospectus are based on a number of assumptions made in reliance on the information available to Nokia and management s judgments based on such information, including, without limitation, information relating to the business operations, financial condition and results of operations of Alcatel Lucent. While Nokia believes these estimated synergy benefits and related costs are reasonable, the underlying assumptions are inherently uncertain and are subject to a wide variety of significant business, economic, and competitive factors, risks and uncertainties that could cause the actual results to differ materially from those contained in the synergy benefit and related cost estimates.

The Completion of the Exchange Offer would constitute a change of control of Alcatel Lucent which would give rise to an obligation to redeem some of Alcatel Lucent s existing indebtedness.

Alcatel Lucent had approximately EUR 3.6 billion aggregate principal amount of outstanding senior notes as of June 30, 2015, of which EUR 2.1 billion contain a change of control provision. Completion of the Exchange Offer would constitute a change of control under the terms of some of Alcatel Lucent s senior notes. Within 30 days following

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the change of control, Alcatel Lucent must give notice to each holder of such senior notes and offer to repurchase the relevant notes in cash equal to 101% of the aggregate principal amount of the notes repurchased plus accrued and unpaid interest on a date specified in the notice, which must be no earlier than 30 days and no later than 60 days following the day such notice is distributed. Alcatel Lucent may also make a change of control offer in advance of the change of control conditioned on the consummation of the change of control on the basis that a definitive agreement for the change of control is in place. Alcatel Lucent may not be able to obtain sufficient capital to repurchase or refinance Alcatel Lucent s outstanding notes in these circumstances. Failure to repurchase the notes as required would result in an event of default under the terms of the notes, which could put Alcatel Lucent in default under agreements governing its other indebtedness, including the acceleration of the payment of any borrowings thereunder, and may have an adverse effect on the value of Alcatel Lucent Securities and, indirectly, on the value of the Nokia Shares.

The completion of the transactions contemplated by the Exchange Offer would constitute a change of control of Alcatel Lucent which would give rise to an obligation to redeem all of the OCEANEs.

If the Exchange Offer is successful (resulting in a change of control of Alcatel Lucent under the terms of the OCEANEs), each holder of the OCEANEs who did not tender their OCEANEs into the Exchange Offer may request that Alcatel Lucent redeem their OCEANEs for cash at par plus, as applicable, accrued interest from the last interest payment date for each series of the OCEANEs until the early redemption date. Assuming that 100% of the OCEANEs holders do not tender their OCEANEs into the Exchange Offer but request instead an early redemption of their OCEANEs following the change of control of Alcatel Lucent, Alcatel Lucent would have to pay, based on an early repayment date on March 1, 2016 a total amount of EUR 1 781 million.

Alcatel Lucent may not be able to obtain sufficient capital to repurchase or refinance the OCEANEs in these circumstances. Failure to repurchase the OCEANEs as required may result in an event of default under the terms of such series of the OCEANEs, which could put Alcatel Lucent in default under agreements governing its other indebtedness, including the acceleration of the payment of any borrowings thereunder, and may have an adverse effect on the value of Alcatel Lucent Securities and, indirectly, on the value of the Nokia Shares.

The Exchange Offer will trigger certain provisions contained in certain Alcatel Lucent agreements that may require Alcatel Lucent to make change of control payments or permit a counterparty to an agreement with Alcatel Lucent to terminate that agreement.

Alcatel Lucent is a party to various agreements with third parties, including joint venture agreements, certain financing facilities, pension funds agreements, contracts for the performance of engineering and related work/services, IT contracts, technology and intellectual property rights licenses as well as employment agreements that contain change of control provisions that will be triggered upon the Completion of the Exchange Offer. Agreements with change of control provisions typically provide for or permit the termination of the agreement upon the occurrence of a change of control of one of the parties, which can be waived by the relevant counterparties. If Nokia and Alcatel Lucent determine that one or more of such waivers are necessary, Alcatel Lucent will make reasonable efforts to seek and obtain these waivers. Although Nokia and Alcatel Lucent believe the likelihood of a material consent being withheld is low, there can be no assurance that such consents will be obtained at all or on favorable terms. The inability to obtain waivers from more than one relevant counterparty could have a material adverse effect on the business, financial condition and/or results of operations at Nokia and Alcatel Lucent.

Nokia has not verified the reliability of the Alcatel Lucent information included in, or incorporated by reference into, this Listing Prospectus and, as a result, Nokia s estimates of the impact of Completion of the Exchange Offer on the pro forma financial information in this Listing Prospectus may be incorrect.

In respect of information relating to Alcatel Lucent presented in, or incorporated by reference into, this Listing Prospectus, including all Alcatel Lucent financial information, Nokia has relied exclusively upon publicly available information, including information publicly filed by Alcatel Lucent with securities regulatory authorities. Although Nokia has no knowledge that would indicate that any statements contained in this Listing Prospectus based upon such reports and documents are inaccurate, incomplete or untrue, Nokia was not involved in the preparation of such information and statements and, therefore, cannot verify the accuracy, completeness or truth of such information or any failure by Alcatel Lucent to disclose events that may have occurred, but that are unknown to Nokia, that may affect the significance or accuracy of any such information. Alcatel Lucent has not provided representatives of Nokia with access to Alcatel Lucent s accounting records, and, therefore, Nokia has not independently verified certain adjustments and assumptions with respect to Alcatel Lucent s financial information in preparing the pro forma financial information presented in this Listing Prospectus. Any financial information regarding Alcatel Lucent that may be detrimental to the Combined Company and that has not been publicly disclosed by Alcatel Lucent, or errors in Nokia s estimates, may have an adverse effect on the benefits Nokia expects to achieve through the Exchange Offer and may result in material inaccuracies in the pro forma financial information included in this Listing Prospectus.

The unaudited pro forma condensed combined financial information in this Listing Prospectus is presented for illustrative purposes only and may differ materially from the operating results and financial condition of the Combined Company following completion of the pro forma events.

The unaudited pro forma condensed combined financial information in this Listing Prospectus is presented for illustrative purposes only and is not necessarily indicative of what the Combined Company s actual financial position or results of operations would have been had the pro forma events been completed on the dates indicated. In addition, the unaudited pro forma condensed combined financial information does not purport to project the future financial position or operating results of the Combined Company. The preparation of the pro forma condensed combined financial information is based upon available information and certain assumptions and estimates that Nokia and Alcatel Lucent currently believe are reasonable. The unaudited pro forma condensed combined financial information reflects adjustments, which are based upon preliminary estimates, to allocate the purchase price to Alcatel Lucent s net assets. The purchase price allocation reflected in this Listing Prospectus is preliminary, and the final allocation of the purchase price will be based upon the actual purchase price and the fair value of the assets and liabilities of Alcatel Lucent as of Completion of the Exchange Offer. In addition, subsequent to the Completion of the Exchange Offer, there may be further refinements of the purchase price allocation as additional information becomes available. Accordingly, the final purchase accounting adjustments may differ materially from the pro forma adjustments reflected in this Listing Prospectus. Refer to the section *Unaudited Pro Forma Condensed Combined Financial Information* .

The Exchange Offer will affect the trading markets for any Alcatel Lucent Securities not acquired by Nokia and, as a result, their liquidity and market value could be adversely affected.

The Completion of the Exchange Offer is conditioned, among others, upon the satisfaction of the Minimum Tender Condition (as defined in the section *The Memorandum of Understanding Termination Fees* and described in more detail in the section *The Exchange Offer Terms of the Exchange Offer Offer Period*) or, if waived by Nokia in its sole discretion, the crossing of the Mandatory Minimum Acceptance Threshold (as defined in the section *The Exchange Offer Terms of the Exchange Offer Conditions to the Exchange Offer*). Nokia s acquisition of Alcatel Lucent Securities below the squeeze-out threshold would decrease both the number of Alcatel Lucent Securities that might otherwise trade publicly and the number of holders of Alcatel Lucent Securities, which could, in turn, also adversely affect the liquidity and market value of the Alcatel Lucent Securities not acquired in the Exchange Offer. In addition, as promptly as practicable following Completion of the Exchange Offer and subject to applicable law and Euronext Paris rules, Nokia intends to request Euronext Paris to delist the Alcatel Lucent Shares and OCEANEs from the regulated market of Euronext Paris. Nokia also intends, subject to applicable law, to cause Alcatel Lucent to terminate the Alcatel Lucent deposit agreement and intends to seek to delist the Alcatel Lucent ADSs from the NYSE and, when possible, to deregister the Alcatel Lucent Shares and Alcatel Lucent ADSs under the U.S. Securities Exchange Act of 1934. This could, in turn, also adversely affect the liquidity and market value of the Alcatel Lucent Securities not acquired in the Exchange Offer.

On opening of the first U.S. business day following the ADS Tender Deadline (as defined in the section *The Exchange Offer Terms of the Exchange Offer Offer Period*), the NYSE may suspend trading in the Alcatel Lucent ADSs pending public announcement of the results of the Exchange Offer. Because the results of the Exchange Offer are not expected to be announced up to nine French trading days after the Expiration Date (as defined in the section *The Exchange Offer Terms of the Exchange Offer Offer Period*), although Nokia expects the announcement to be made approximately four to five French trading days after the Expiration Date, holders of Alcatel Lucent ADSs who do not tender their Alcatel Lucent ADSs in the Exchange Offer may be unable to trade Alcatel Lucent ADSs on the NYSE during this period. Further, if fewer than 600 000 Alcatel Lucent ADSs would remain outstanding following Completion of the Exchange Offer, the NYSE may not resume trading in the Alcatel Lucent ADSs even after the announcement of the results of the Exchange Offer. Holders of Alcatel Lucent ADSs who do not tender their Alcatel Lucent ADSs in the U.S. Offer may therefore be unable to trade their Alcatel Lucent ADSs on the NYSE at any point following expiration of the Exchange Offer.

Alcatel Lucent shareholders will have a reduced ownership and voting interest in the Combined Company.

Alcatel Lucent shareholders currently have the right to vote in the election of directors of Alcatel Lucent and on certain other matters affecting Alcatel Lucent. Following the Exchange Offer, each Alcatel Lucent shareholder who tendered his or her Alcatel Lucent Shares or Alcatel Lucent ADSs into the Exchange Offer will become a shareholder of Nokia with a percentage ownership of the Combined Company that is much smaller than the shareholder s percentage ownership of Alcatel Lucent. After Completion of the Exchange Offer and assuming that all Alcatel Lucent Securities are tendered into the Exchange Offer or the subsequent offering period, if any, former holders of Alcatel Lucent Securities are expected to own approximately 33.5% of the issued and outstanding Nokia Shares on a fully diluted basis. Because of this, Alcatel Lucent s shareholders, as a group, will have substantially less influence on the management and policies of Nokia than they currently have, as a group, with respect to the management and policies of Alcatel Lucent.

The issuance of additional Nokia Shares may dilute all other shareholdings.

Future issuances of Nokia Shares or other securities may dilute the holdings of shareholders and could materially and adversely affect the price of the Nokia Shares, including the Nokia Shares offered in the Exchange Offer. Nokia may issue additional Nokia Shares or securities convertible into Nokia Shares through directed offerings without pre-emptive rights for existing holders in connection with future acquisitions, any share incentive or share option plan or otherwise. Any such additional offering could reduce the proportionate ownership and voting interests of holders of Nokia Shares, as well as the earnings per share and the net asset value per share.

Listing of Nokia Shares on Euronext Paris may not succeed as expected or the listing may not take place at all.

In conjunction with the Exchange Offer, Nokia has applied for the Nokia Shares (including the Nokia Shares to be issued in connection with the Exchange Offer) to be listed on Euronext Paris. Nokia expects to request that Admission be approved to take effect prior to the Completion of the Exchange Offer. However, the Admission may be delayed from the expected or may not be approved in all respects or at all. Failure to list the Nokia Shares on Euronext Paris in the manner expected by Nokia s management, including a delay in such listing, may have a material adverse effect on the completion of the transactions contemplated by the Exchange Offer and on Nokia s and Alcatel Lucent s respective businesses, financial conditions and results of operations. In addition, as a consequence of the listing of the Nokia Shares on Euronext Paris, Nokia will be expected to comply with the requirements applicable to issuers whose shares are listed on Euronext Paris. Compliance with said requirements may give rise to increased administrative work and costs, which may have an adverse effect on the financial position and results of operations of Nokia. Moreover, Nokia cannot predict the extent to which liquidity will develop on Euronext Paris, especially given the existing listing of the Nokia Shares on Nasdaq Helsinki and Nokia ADSs on the NYSE. This could reduce the value of a holder s Nokia Shares and impair a holder s ability to sell their Nokia Shares at the time or price at which a holder wishes to sell them. A lack of liquidity on Euronext Paris may also impair Nokia s ability to raise capital by selling Nokia Shares and may impair Nokia s ability to acquire or invest in other companies, products or technologies by using Nokia Shares as consideration.

Some of Alcatel Lucent s directors and executive officers may have financial interests in the Exchange Offer that are different from or are in addition to those of holders of Alcatel Lucent Securities.

Certain members of the Board of Directors and management of Alcatel Lucent participated in determining the terms of the Exchange Offer. These individuals may have certain interests in the Exchange Offer that are different from, or in addition to, the interests of holders of Alcatel Lucent Securities generally and that may have caused them to view the proposed transaction more favorably and/or differently than the reader of this Listing Prospectus might.

Information on the interests of executive officers and directors of Alcatel Lucent in the Exchange Offer will be described in Alcatel Lucent s Solicitation/Recommendation Statement on Schedule 14D-9, which will be filed by

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Alcatel Lucent with the SEC following the commencement of the Exchange Offer and will be made available on Nokia s website at http://company.nokia.com/en/investors/financial-reports/filings-related-to-the-Alcatel-Lucent-transaction.

Holders of Nokia ADSs may not be able to exercise voting rights or receive distributions as readily as holders of Nokia Shares.

Holders of Nokia Shares and Nokia ADSs may have to provide certain beneficial ownership information in order to be able to exercise voting rights in respect of their Nokia Shares and to exercise the voting rights of the Nokia Shares underlying their Nokia ADSs. In addition, holders of Nokia ADSs who would like to vote with their underlying Nokia Shares at General Meetings of Nokia s Shareholders must instruct the Nokia depositary on how to vote these underlying Nokia Shares. Neither Nokia nor the Nokia depositary can guarantee that holders of Nokia ADSs will receive the notice for any General Meeting or any voting materials provided by the Nokia depositary in time to ensure that they are able to instruct the Nokia depositary to vote the Nokia Shares represented by their Nokia ADSs. Furthermore, the Nokia depositary and its agents are not responsible for failure to carry out voting instructions or for the manner of carrying out voting instructions. Therefore, there is a risk that a holder s vote may not be carried out in the manner intended and, in such instance, there would be no recourse available to the holder. Holders of Nokia ADSs also may not receive the distributions that Nokia makes on the Nokia Shares or any value for them if it is illegal or impracticable for the Nokia depositary to make them available to the holders.

Upon a shareholder s receipt of Nokia Shares in the Exchange Offer, the shareholder of Alcatel Lucent will become a shareholder in Nokia, a Finnish corporation, which may change certain shareholder rights and privileges the shareholder holds as a shareholder of Alcatel Lucent, a French corporation.

Nokia is a Finnish corporation and is governed by the laws of the Republic of Finland, its Articles of Association and the rules and regulations applicable to it as a result of the listing of the Nokia Shares on relevant markets from time to time, such as the rules of Nasdaq Helsinki and the NYSE. Finnish law extends to shareholders certain rights and privileges that may not exist under French law and, conversely, may not extend certain rights and privileges that a shareholder currently has as a shareholder of Alcatel Lucent, which is governed by the laws of the French Republic and Alcatel Lucent s Articles of Association. For a detailed comparison of the rights of Nokia shareholders with the rights of Alcatel Lucent shareholders, refer to the section *Shares and Share Capital Nokia Comparison of Rights of Holders of Nokia Shares and Alcatel Lucent Shares* .

Holders of Alcatel Lucent Securities may be forced to transfer their Alcatel Lucent Securities to Nokia if Nokia conducts a squeeze-out under French law or takes other steps to consolidate its ownership of Alcatel Lucent.

If, at the Completion of the Exchange Offer or the subsequent offering period, if any, Nokia owns 95% or more of the share capital and voting rights of Alcatel Lucent (Alcatel Lucent Shares held in treasury being considered as held by Nokia for the purpose of the calculation), Nokia intends to request from the AMF, within three months of the expiration of the French Offer period or the subsequent offering period, if any, the implementation of a squeeze-out for the remaining outstanding Alcatel Lucent Shares. In addition, if, at the Completion of the Exchange Offer or the subsequent offering period, if any, Nokia owns 95% or more of the sum of the outstanding Alcatel Lucent Shares and the Alcatel Lucent Shares issuable upon conversion of all of the OCEANEs then outstanding (Alcatel Lucent Shares held in treasury being considered as held by Nokia for the purpose of the calculation), Nokia intends to request from the AMF, within three months of the expiration of the French Offer period or the subsequent offering period, if any, the implementation of a squeeze-out for the remaining OCEANEs.

If Nokia owns less than 95% of the share capital and voting rights of Alcatel Lucent immediately after the Completion of the subsequent offering period, then Nokia reserves the right, subject to applicable law, to (i) commence a buy-out offer for the Alcatel Lucent Securities it does not own on the relevant date pursuant to Article 236-3 of the AMF General Regulation if at any time after the Completion of the Exchange Offer it owns 95% or more of the voting rights of Alcatel Lucent; (ii) commence at any time a simplified offer for the Alcatel Lucent Securities it does not own on the relevant date pursuant to Article 233-1 et seq. of the AMF General Regulation; (iii) cause Alcatel Lucent to be merged into Nokia or an affiliate thereof, contribute assets to, merge certain of its subsidiaries with, or undertake other reorganizations of, Alcatel Lucent; or (iv) take any other steps to consolidate its ownership of Alcatel Lucent. Nokia does not currently intend to structure any of the foregoing steps so that it would result in the OCEANEs becoming convertible bonds of Nokia Corporation, becoming debt obligations of Nokia Corporation or otherwise convertible into Nokia Shares or Nokia ADSs.

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In addition, Nokia reserves the right, at any time after the Completion of the Exchange Offer or the subsequent offering period, as applicable, and subject to applicable law, to cause Alcatel Lucent to redeem at par value plus accrued interest from the date the interest was last paid, to the date set for the early redemption all of the outstanding 2018 OCEANEs, 2019 OCEANEs or 2020 OCEANEs, if less than 15% of the issued OCEANEs of any such series remain outstanding.

As a result of some of the foregoing steps, holders of Alcatel Lucent Securities may be forced to transfer their Alcatel Lucent Securities to Nokia by operation of law or otherwise.

Any failure by Nokia to promptly complete the squeeze-out of the remaining outstanding Alcatel Lucent Securities could adversely affect the market value of the Nokia Shares and the Nokia ADSs, and Nokia may be unable to fully realize the anticipated benefits of the Exchange Offer.

The Completion of the Exchange Offer is conditioned upon the satisfaction of the Minimum Tender Condition (as defined in the section *The Memorandum of Understanding Termination Fees*) or, if waived by Nokia in its sole discretion, the crossing of the Mandatory Minimum Acceptance Threshold (as defined in the section *The Exchange Offer Terms of the Exchange Offer Conditions to the Exchange Offer*). Thus, at the Completion of the Exchange Offer, Nokia may own more than 50% but less than 95% of the share capital and voting rights of Alcatel Lucent Shares. Pursuant to the AMF General Regulation, Nokia must own 95% or more of the share capital and voting rights of Alcatel Lucent to implement a squeeze-out of the remaining outstanding Alcatel Lucent Shares, and 95% or more of the sum of the outstanding Alcatel Lucent Shares and the Alcatel Lucent Shares issuable upon conversion of all of the OCEANEs to implement a squeeze-out of the remaining outstanding OCEANEs (Alcatel Lucent Shares held in treasury being considered as held by Nokia for the purpose of the calculation). In addition, under French law, a squeeze-out must be implemented within three months after the expiration of a public offer period or the subsequent offering period, if any, for Alcatel Lucent Securities, such as the Exchange Offer.

Any temporary or permanent delay in acquiring all Alcatel Lucent Securities could adversely affect Nokia s ability to integrate Alcatel Lucent s business, including achieving targeted business benefits and synergies, as well as the market value of the Nokia Shares and Nokia ADSs and Nokia s access to capital and other sources of funding on acceptable terms.

If the Alcatel Lucent Shares remain listed on Euronext Paris for a significant period of time following Completion of the Exchange Offer, AMF may not allow a squeeze-out of the remaining outstanding Alcatel Lucent Securities or Euronext Paris may refuse to delist Alcatel Lucent Shares, which would adversely affect Nokia s ability to integrate Alcatel Lucent s business into the Nokia Group. In addition, Nokia may be unable to delist Alcatel Lucent ADSs from the NYSE or deregister Alcatel Lucent Shares and Alcatel Lucent ADSs under the U.S. Securities Exchange Act of 1934, which would result in more onerous regulatory compliance obligations for the Combined Company and affect Nokia s ability to fully integrate Alcatel Lucent s business into Nokia Group.

Consummation of the Exchange Offer may result in adverse tax consequences to Nokia resulting from a change of ownership of Alcatel Lucent.

Nokia has not had access to certain information concerning Alcatel Lucent s tax situation. It is possible that the Completion of the Exchange Offer may result in adverse tax consequences arising from a change of ownership of Alcatel Lucent. The tax consequences of a change of ownership of a corporation can lead to an inability to carry-over certain tax attributes, including, but not limited to, tax losses, tax credits and/or tax basis of assets. In addition, the change of ownership may result in other tax costs not normally associated with the ordinary course of business. Such other tax costs include, but are not limited to, stamp duties, land transfer taxes, franchise taxes and other levies. The fact that Nokia is unaware of information relevant to a determination of the potential tax consequences and related costs represents an additional transaction risk.

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Certain shareholders may be unable to exercise their pre-emptive rights.

Certain holders of Nokia Shares or Nokia ADSs resident in, or with a registered address in, certain jurisdictions other than Finland, France, or the United States, may not be able to exercise their pre-emptive rights in respect of the Nokia Shares, including the Nokia Shares offered in the Exchange Offer, in any future offerings unless a registration statement, or the equivalent thereof under the applicable laws of their respective jurisdictions, is effective with respect to such Nokia Shares or an exemption from any registration or similar requirements under the applicable laws of their respective jurisdictions is available. In such cases, holders of Nokia Shares or Nokia ADSs who cannot exercise their pre-emptive rights may experience dilution in their holdings in Nokia. Further, if the number of holders of Nokia Shares or Nokia ADSs who cannot exercise their pre-emptive rights is large and the subscription rights of holders of Nokia Shares or Nokia ADSs are sold on the market, this could have an adverse effect on the price of the subscription rights.

Future sales of Nokia Shares may depress the price of the Nokia Shares.

The market price of the Nokia Shares, including the Nokia Shares offered through the Exchange Offer, could decline as a result of sales of a large number of Nokia Shares in the market after the Exchange Offer or the perception that these sales could occur. These sales, or the possibility that these sales may occur, could also make it more difficult for Nokia to sell equity securities in the future at a time and price that it deems appropriate.

The amount of dividend and equity return distributed to shareholders for each financial period is uncertain.

Nokia cannot assure that it will pay dividends or equity return on the shares issued by it, nor is there any assurance as to the amount of any dividend or return of equity it might pay. The payment and the amount of any dividend or return of equity will be subject to the discretion of Nokia s Board of Directors and, ultimately, the General Meeting of Nokia s Shareholders and will depend on available cash balances, retained earnings, anticipated cash needs, the results of Nokia s operations, its financial condition and any loan agreement restrictions binding Nokia as well as other relevant factors. Refer to sections *Dividends and Dividend Policy Nokia* and *Shares and Share Capital Nokia Shareholder Rights Dividend and Distribution of Other Unrestricted Equity* .

Risk Factors Relating to the Proposed Sale of Nokia s HERE Business

The proposed sale of Nokia s HERE business may not be completed in a timely manner, or at all.

The outcome, transaction timeline and closing of the proposed sale of Nokia s HERE business may not materialize as expected, or at all. The conditions precedent for the sale of the HERE business, including regulatory conditions, may fail to be satisfied, and thus the transaction may fail to close. In addition, in connection with the sale of Nokia s HERE business, the intellectual property portfolio of HERE is transferred to the buyers of the business and Nokia would no longer benefit from its use.

Furthermore, in connection with the sale of Nokia s HERE business, Nokia has committed to indemnify the buyers with respect to certain losses that may be suffered by the buyers. Significant indemnification claims by the buyers with respect to the sale of the HERE business could have a material adverse effect on Nokia s financial condition.

Also, if Nokia fails to sell its HERE business following the public announcement of the proposed sale, it may have an adverse effect on HERE s brand, customer and supplier relationships and its reputation. This is particularly the case given that Nokia proposes to sell HERE to a consortium comprising some of HERE s top key automotive customers.

If the proposed sale of the HERE business fails to complete, it could have a material adverse effect on the business, financial condition and/or results of operations of Nokia, or on the combined results of operation of Nokia and Alcatel Lucent following Completion of the Exchange Offer.

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The proposed sale of Nokia s HERE business may be time-consuming and divert management attention.

The proposed sale of Nokia s HERE business may be time-consuming and divert the efforts and focus of Nokia s management and other key employees from their day-to-day business responsibilities.

Risk Factors Relating to the Operating Environment, Business and Financing of Nokia

Nokia s strategy is subject to various risks and uncertainties, including that Nokia may not be able to successfully implement its strategy, sustain or improve the operational and financial performance of its businesses, or that Nokia may not be able to correctly identify or successfully pursue business opportunities.

Nokia announced its strategy in April 2014, which is to become a technology leader in the Programmable World and has since then endeavored to implement its strategy, as described in more detail under the section *Business Nokia Business Strategy* . This strategy, including continued investments into Nokia s businesses or new business opportunities that Nokia may pursue, may not yield a return on investment as planned or at all. Nokia s ability to achieve its strategic goals and targets is subject to uncertainties and contingencies, some of which are beyond its control, and there can be no assurance that Nokia will be able to achieve the goals or targets that Nokia sets. Nokia also continues to target further improvement in its operations going forward, with a focus on efficiencies through automation and disciplined processes. There can be no assurances that Nokia s efforts will generate the expected results or improvements to its operations or that it will achieve any other of its financial objectives.

Nokia operates in fast-paced and innovative industries and the opportunities Nokia targets may require significant investments in innovation in order to grow Nokia s businesses profitably or to achieve other targeted benefits. Such investments may include research and development, licensing arrangements, acquiring businesses and technologies, recruiting specialized expertise and partnering with third parties. These investments, however, may not result in technologies, products or services that achieve or retain broad or timely market acceptance or are preferred by Nokia s customers and consumers or that Nokia may otherwise utilize for value creation. As such, the investments may not be profitable or achieve the targeted rates of return. There can also be no assurance that Nokia will be able to identify and understand the key market trends and user segments that enable it to address customers and consumers expanding needs in order to bring new innovative and competitive products and services to market in a timely manner. If Nokia is unable to anticipate and respond to these key market trends in a timely manner, or to actively drive future trends, through its product and services development processes, Nokia may not achieve the intended goals of its strategies, which may materially and adversely affect Nokia s business, financial condition and results of operations.

Nokia may invest in certain new technologies, including investments in market exploration of connectivity solutions capable of handling very large numbers of devices and exponential increases in data traffic, innovation in the Internet of Things, location services that seamlessly bridge between the real and virtual worlds and innovation, including in sensing, radio and low power technologies. Additionally, Nokia continuously seeks new business models. Certain of Nokia s competitors have significant resources to invest in market exploration and may seek new monetization models or drive industry development and capture value in areas where Nokia is not equally competitive. Those areas can be, for instance, monetization models linked to the use of advertising, large amounts of consumer data, large connected communities, solutions for the automotive market, home or other entertainment services and alternative payment mechanisms. Additionally, Nokia intends to use its innovation and intellectual property assets through, for instance, the expansion of Nokia s patent licensing, technology licensing and licensing of the Nokia brand. Nokia may not have sufficient resources to compete in these areas, which may prove to be a competitive disadvantage for Nokia in the future. If Nokia fails in these aspects of its strategy, Nokia may not be able to realize an expected return on its investments or may incur operating losses and impair its competitiveness for the longer term. Nokia has also in the past made, and may in the future make, such investments through acquisitions. Nokia may, however, fail to successfully complete planned acquisitions or integrate the acquired businesses or assets in order to obtain intended benefits, or retain and motivate acquired key employees, or the acquired businesses may have various liabilities that Nokia assumes knowingly or unknowingly, which may have a material adverse effect on Nokia s businesses.

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In addition to the risks set out above, Nokia may not realize the intended benefits of its strategies due to a number of reasons, including but not limited to:

- the execution of Nokia s strategy fails or is slower than anticipated, for example, due to a lack of strategic clarity;

- Nokia has based its strategic choices on expectations or developments that do not materialize as expected or at all, such as those related to market or technological developments, or regulatory matters, such as those related to technical standards that hinder Nokia s ability to complete its planned strategies;

- Nokia fails to effectively invest in the right areas of its businesses or invests in areas that do not deliver intended results or its evaluation of the prospects with respect to its businesses do not materialize as planned;

- Nokia s strategy or its implementation causes a disruption in its business operations or results in reduced performance of the businesses;

- failures in cloud or remote delivery-based business models and operations that have certain inherent risks, including those stemming from the potential security breaches and applicable regulatory regimes, may cause limitations to the implementation of cloud or remote delivery-based models or expose Nokia to regulatory or contractual actions or limit its ability to conduct intended business;

- Nokia loses key employees or is unable to recruit, retain or motivate key executives or employees needed to effectively manage or run its businesses, for example, as a result of dissatisfaction with its strategic direction, uncertainty about Nokia s businesses or prospects, or failures in implementing successful compensation arrangements;

- Nokia s product, service and business portfolio results in an over-reliance on certain industries, which materially exposes Nokia s business and results of operations to certain industry-related market trends that are beyond its control, such as the availability of competing services at lower cost or free of charge;

- the deterioration of Nokia s brand or reputation due to Nokia s reduced position in the consumer electronics industry, or for instance through actions of other parties licensing the Nokia brand or issues with Nokia s partners including Nokia s supply chain. Any such deterioration to the Nokia brand or reputation may have a materially adverse effect on Nokia s businesses and its ability to utilize the Nokia brand going forward;

- the focus of Nokia s management or other key employees is diverted from their day-to-day business responsibilities due to changes in Nokia s organizational structure and business model or Nokia experiences gaps in required competences, especially with respect to new business areas that Nokia may target. In addition, Nokia s management or other key employees may focus excessively on certain areas of Nokia s businesses, which in turn results in suboptimal performance of its other businesses;

Nokia is unable to implement and maintain an efficient corporate and operational structure for Nokia going forward or Nokia s evaluation of the prospects with respect to the shared opportunities between Nokia s continuing operations do not materialize as expected;

Nokia is unable to implement certain required new capabilities, such as data analytics skills required for certain business areas that involve processing large amounts of data;

Nokia or Nokia s business partners may fail in successfully marketing Nokia s products and services, especially with respect to new product and service areas;

adverse effects on Nokia or its customer relationships due to speculation about Nokia strategy or the future prospects of its businesses; and

by completing the Sale of the Devices & Services Business, which refers to the sale of substantially all of the Devices & Services Business to Microsoft that closed on April 25, 2014, Nokia s engagement in the manufacturing and sale of mobile phones and smartphones has ceased in accordance with the Devices & Services Purchase Agreement (as defined in the section *Business Nokia Material Agreements Outside the Ordinary Course of Business Sale of the Devices & Services Business to Microsoft*) and as such Nokia has a less diversified product and services offering and may lose relevance to customers and consumers that have associated Nokia with the Devices & Services Business. Additionally, the Sale of the Devices & Services Business may have resulted in inefficiencies in Nokia s corporate or operational structure or gaps in resourcing or capabilities due to the transfer of significant amounts of employees, assets, contracts and legal entities to Microsoft.

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Nokia may be adversely affected by general economic and market conditions.

As Nokia is a company with global operations and sales in many countries around the world, its sales and profitability are dependent on general economic conditions both globally and regionally, as well as industry and market developments in numerous diverse markets. Adverse developments in, or the general weakness of, the economy, particularly through increasing levels of unemployment in the markets in which Nokia s customers operate, may have a direct adverse impact on the spending patterns of end-users. This in turn may affect both the services they subscribe to and usage levels of such services, which may lead to mobile operators and service providers investing in related infrastructure and services less than anticipated.

Refer to risk factor *Nokia Networks is dependent on the development of the mobile broadband infrastructure industry* for more information about general economic and market conditions as regards Nokia Networks.

Refer to risk factor *HERE business sales are dependent on the overall automotive market developments and customer business conditions* for more information about general economic and market conditions as regards HERE.

Refer to risk factor *Nokia Technologies patent licensing income may be adversely affected by general economic conditions or adverse market developments as well as regulatory or other developments* for more information about general economic and market conditions as regards Nokia Technologies.

In addition, Nokia has significant presence in emerging markets and the economic conditions in these countries may be more volatile than in developed countries, and the purchasing power of Nokia s customers and consumers in developing markets depends to a greater extent on the price development of basic commodities and currency fluctuations, which may render Nokia s products or services unaffordable.

Continued difficulties, uncertainty or deterioration in the global or regional economic conditions could have a material adverse effect on the businesses, financial condition and results of operations as well as future prospects of Nokia. Moreover, adverse developments in the global financial markets could have a material adverse effect on Nokia s ability to access affordable financing on satisfactory terms. Refer to the sections *Operating and Financial Review and Prospects Nokia Liquidity and Capital Resources* and *Operating and Financial Review and Prospects Nokia Qualitative and Quantitative Disclosure of Financial Risk Management* for more information about Nokia s financing and financial risk management.

Specifically, the above-described factors could, *inter alia*:

- limit the availability of credit or raise related interest rates, which may have an adverse effect on the financial condition, and in particular the purchasing ability, of certain of Nokia s customers and may also result in requests for extended payment terms, credit losses or insolvencies;

- result in financial difficulties for Nokia s suppliers and partners, which in turn may result in their failure to perform as planned and, consequently, in delays in the delivery of Nokia s products;

- impair Nokia s ability to address customer requests for extended payment terms through sales of its customer receivables;

result in lowered credit ratings of Nokia s short-and long-term debt or a lowered outlook from credit rating agencies or limit Nokia s ability to improve its credit ratings and, consequently, impairing its ability to raise new financing or refinance its current borrowings and increasing its interest payments associated with any new debt instruments;

result in failures of derivatives counterparties or other financial institutions, which could have a material adverse impact on Nokia s treasury operations;

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increase the volatility of exchange rates, which in turn may increase the costs of Nokia s products which Nokia may not be able to pass on to Nokia s customers and result in significant competitive benefit to competitors who incur part of their costs in other currencies; hamper Nokia s pricing; and increase Nokia s hedging costs and limit Nokia s ability to hedge its exchange rate exposure;

result in inefficiencies due to Nokia s deteriorated ability to appropriately forecast developments in its industry and plan and organize its operations accordingly, delayed or insufficient investments in new market segments and failure to adjust its costs appropriately;

cause reductions in the future valuations of Nokia s investments and assets and result in impairment charges related to goodwill or other assets due to any significant underperformance relative to historical or projected future results by Nokia or any part of Nokia s business or any significant changes in the manner of Nokia s use of acquired assets or the strategy for its overall business; or

result in tax-related disputes or increased and/or more volatile taxes that could adversely impact Nokia s effective tax rate, including possible new tax regulation, stricter interpretations of such regulation or increased efforts by government bodies seeking to more aggressively collect taxes as well as costly or disruptive tax-related disputes.

Nokia is a company with global operations, exposing it to political and other developments.

Nokia generates sales from and has manufacturing and other facilities and suppliers located in various countries around the world. Accordingly, regulatory developments, economic developments, or political turmoil, military actions, labor unrest, civil unrest, public health including disease outbreaks and environmental issues or natural and man-made disasters in such countries could have a material adverse effect on the supply of Nokia s products and services, including network infrastructure equipment manufactured in those countries, Nokia s sales and results of operations. In recent years, Nokia has witnessed political unrest in various markets in which it conduct business or has operations in, which have adversely affected Nokia s sales in these markets or operations even outside these countries or regions, and any reoccurrence or escalation of such unrest could have a further material adverse effect on Nokia s sales or results of operations in the future. For instance, the events and instability in Ukraine and the international reaction to these may adversely affect Nokia s business or operations in Ukraine, Russia and/or related markets, including, as a result of current or increased economic and trade sanctions, economic uncertainty or a slowdown or downturn resulting from these events. As Nokia is a company with global operations and employees in a number of jurisdictions, as well as complex supply chains multiple business partners, Nokia is inherently subject to various issues including potential health and safety issues related to its operations, as well as the operations of its suppliers, and it is exposed to certain risks in relations to claims, disputes or adverse public perceptions caused by such issues.

Nokia s business is subject to direct and indirect regulation. As a result, changes in various types of regulations, their application, as well as economic and trade policies applicable to current or new technologies or products may adversely affect Nokia s business and results of operations.

Nokia s business is subject to direct and indirect regulation in each of the countries where Nokia, the companies with which it collaborates, and its customers, do business. Nokia develops many of its products based on existing regulations and technical standards, its interpretation of unfinished technical standards or in some cases in the absence of applicable regulations and standards. As a result, changes in various types of regulations, their application, as well as economic and trade policies applicable to current or new technologies or products may adversely affect Nokia s business and results of operations. For example, changes in regulation affecting the construction of base stations and other network infrastructure could adversely affect the timing and costs of new network construction or the expansion and commercial launch and ultimate commercial success of such networks. Also, changes in applicable privacy related regulatory frameworks may adversely affect Nokia s business, including possible changes that increase costs, limit or restrict possibilities to offer products or services, or reduce or could be seen to reduce the privacy aspects of Nokia s offerings, including if further governmental interception capabilities or regulations aimed at allowing other governmental access to data are required for the products and services that Nokia offers. For instance, the possibility that countries could further require governmental interception capabilities or regulations aimed at allowing other governmental access to data could adversely affect Nokia, for instance by reducing Nokia s sales to such markets or limiting Nokia s ability to use components or software that Nokia has developed or sourced from other companies.

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Nokia s ability to protect the intellectual property in its products and generate intellectual property related net sales is dependent on regulatory developments in various jurisdictions, as well as the application of the regulations, for instance through administrative bodies. Export control, tariffs or other fees or levies imposed on Nokia s products and environmental, health, product safety and data protection, security, consumer protection, money laundering and other regulations that adversely affect the export, import, technical design, pricing or costs of Nokia s products could also adversely affect its sales and results of operations. In addition, changes in various types of regulations or their application with respect to taxation or other fees collected by governments or governmental agencies may result in unexpected payment obligations, and in response to prevailing difficult global economic conditions there may be an increased aggressiveness in collecting such fees. The economic and trade sanctions environment can also be difficult to navigate for companies with global operations. Nokia may be subject to new, existing or tightened export control regulations, sanctions, embargoes or other forms of economic and trade restrictions imposed on certain countries. Such actions may trigger additional investigations, including tax audits by authorities or claims by contracting parties. The result and costs of such investigations or claims may be difficult to predict and could lead to lengthy disputes, fines or fees, indemnities or a costly settlement.

Nokia s provision of services and adaptation of cloud-based solutions has resulted in a variety of new regulatory issues and makes Nokia subject to increased regulatory scrutiny. Nokia s current business models in the Nokia Networks and HERE s businesses rely on certain centralized data processing solutions and cloud or remote delivery based services for distribution of services and software or data storage. The cloud or remote delivery based business models and operations have certain inherent risks, including those stemming from the potential security breaches, and applicable regulatory regimes may cause limitations in implementing such business models or expose Nokia to regulatory or contractual actions. Moreover, Nokia s competitors have employed and will likely continue to employ significant resources to shape the legal and regulatory regimes in countries where Nokia has significant operations. Legislators and regulators may make legal and regulatory changes or interpret and apply existing laws in ways that make Nokia s products and services less appealing to the end users, require Nokia to incur substantial costs, change its business practices or prevent it from offering its products and services.

Nokia has a significant presence in emerging market countries, which may have a higher degree of regulatory or political risk, including unfavorable or unpredictable treatment in relation to tax matters, exchange controls, and other restrictions.

Nokia has significant presence in emerging market countries, which may have a higher degree of regulatory or political risk. These markets represent a significant portion of Nokia s total sales, and a significant portion of any expected industry growth. Most of Nokia s suppliers are located in and its products are manufactured and assembled in emerging markets, particularly in Asia. Nokia s businesses and investments in emerging markets may also be subject to risks and uncertainties, including unfavorable or unpredictable treatment in relation to tax matters, exchange controls, and other restrictions affecting Nokia s ability to make cross-border transfers of funds, regulatory proceedings, unsound or unethical business practices, challenges in protecting its intellectual property rights (IPR), nationalization, inflation, currency fluctuations, or the absence of, or unexpected changes in, regulation as well as other unforeseeable operational risks. Refer to the sections *Business Nokia Overview* and *Operating and Financial Review and Prospects Nokia Liquidity and Capital Resources* for more detailed information on geographic location of net sales to external customers, segment assets and capital expenditures.

In line with changes in strategy, as well as in some cases a difficult political or business environment and an increasingly complicated trade sanctions environment, Nokia and its Nokia Networks business have exited or reduced operations in certain areas or countries, with some of these exits or reductions in operations still-ongoing. Nokia continuously monitors international developments and assesses the appropriateness of Nokia s presence and businesses in various markets. For instance, as a result of ongoing international developments, Nokia Networks has continued to re-assess its position on performing business in Iran, and increasing activities with its existing customers in compliance with applicable trade sanctions and regulations. In 2014, Nokia Networks reached agreements with its existing customers that enable Nokia Networks to settle its historical contractual obligations and to explore resuming other business with the customers subject to compliance with applicable trade sanctions and regulations. The actions described in this paragraph may have adverse effects on Nokia for instance through

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triggering additional investigations, including tax audits by authorities or claims by contracting parties or reputational damage resulting for instance in adverse effects to business relationships. The result and costs of investigations or claims may be difficult to predict and could lead to lengthy disputes, fines or fees, indemnities or a settlement.

Nokia is subject to various legislative frameworks and jurisdictions that regulate fraud as well as economic and trade sanctions and policies and as such, the extent and outcome of possible proceedings is difficult to estimate with any certainty.

As a global company, Nokia is subject to various legislative frameworks and jurisdictions that regulate fraud committed in the course of business operations, as well as economic and trade sanctions and, as such, the extent and outcome of possible proceedings is difficult to estimate with any certainty. Further, Nokia s businesses and results of operations may be adversely affected by regulation as well as economic and trade policies favoring the local industry participants as well as other measures with potentially protectionist objectives that host governments in different countries may take, particularly in response to challenging global economic conditions. The impact of changes in or uncertainties related to regulation and trade policies could affect Nokia s businesses and results of operations adversely even in cases, where the specific regulations do not directly apply to it or its products and services. In many parts of the world where Nokia currently operates or seeks to expand its businesses, local practices and customs may be in contradiction to Nokia s Code of Conduct and could violate anticorruption laws, including the U.S. Foreign Corrupt Practices Act and the UK Bribery Act 2010, or EU, as well as other applicable economic and trade sanctions and embargoes. Nokia s employees, or other parties acting on Nokia s behalf, could violate policies and procedures intended to promote compliance with anticorruption laws or economic and trade sanctions. Violations of these laws by Nokia s employees or other parties acting on its behalf, regardless of whether Nokia had participated in such acts or had knowledge of such acts at certain levels within its organization, could result in Nokia or Nokia s employees becoming subject to criminal or civil enforcement actions, including fines or penalties, disgorgement of profits and suspension or disqualification of sales. Additionally, violations of law or allegations of violations may result in the loss of reputation and business and adversely affect the Nokia brand. Detecting, investigating and resolving such situations may also result in significant costs, including the need to engage external advisers, and consume significant time, attention and resources from Nokia s management and other key employees. The result and costs of such investigations or claims may be difficult to predict and could lead to lengthy disputes, fines or fees, indemnities or a costly settlement.

Nokia is subject to the regulatory requirements concerning publicly listed companies. Failure to meet these regulatory requirements could result, for instance, in loss of confidence in Nokia or in the accuracy and completeness of Nokia s financial reports, or otherwise in the imposition of fines or other regulatory censures.

Nokia is a publicly listed company. As such, Nokia is subject to various securities and accounting rules and regulations. While Nokia has determined that its internal control over financial reporting was effective as of December 31, 2014 it must continue to monitor and assess its internal control over financial reporting and its compliance with the applicable securities regulation and accounting rules. If Nokia was to fail to maintain effective internal control over financial reporting, the accuracy and timeliness of its financial reporting could be adversely affected, which could result, for instance, in loss of confidence in Nokia or in the accuracy and completeness of Nokia s financial reports, or otherwise in the imposition of fines or other regulatory censures, which could have a material adverse effect on Nokia.

Nokia s products, services and business models depend on IPR technologies that Nokia has developed as well as technologies that are licensed to Nokia by certain third parties. As a result, evaluating the rights related to the technologies Nokia uses or intends to use is increasingly challenging, and Nokia expects to continue to face claims that it could have allegedly infringed third parties IPR. The use of these technologies may also result in increased

licensing costs for Nokia, restrictions on Nokia s ability to use certain technologies in its products and/or costly and time consuming litigation.

Nokia s products and services include, and its business models depend on, utilization of numerous patented standardized or proprietary technologies. Nokia invests significantly in research and development (R&D) through its businesses to develop new relevant technologies, products and services. Nokia s R&D activities have resulted in Nokia having one of the industry s strongest intellectual property portfolios in Nokia Technologies and a strong

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portfolio in Nokia Networks, which its products and services depend on and it licenses to other companies. Nokia believes its innovations that are protected by IPR are a strong competitive advantage for its businesses. The continued strength of Nokia s portfolios depends on Nokia s ability to create new relevant technologies, products and services through its R&D activities.

Nokia s products and services include increasingly complex technologies that Nokia has developed or that have been licensed to it by certain third parties. The amount of such proprietary technologies and the number of parties claiming IPR continue to increase, even within individual products, as the range of Nokia s products become more diversified and as the complexity of the technology increases. Additionally, Nokia may enter into new business areas involving complex technologies. As such Nokia continues to face the possibility of alleged infringement and related intellectual property claims against it going forward. The holders of patents and other IPR potentially relevant to Nokia s products may be unknown to it, may have different business models, may refuse to grant licenses to their proprietary rights, or may otherwise make it difficult for Nokia to acquire a license on commercially acceptable terms. There may also be technologies licensed to and relied on by Nokia that are subject to alleged infringement or other corresponding allegations or claims by others which could impair Nokia s ability to rely on such technologies. In addition, although Nokia endeavors to ensure that companies collaborating with it possess appropriate IPR or licenses, Nokia cannot fully avoid the risks of IPR infringement created by suppliers of components and various layers in its products, or by companies with which Nokia collaborates in R&D activities. Similarly, Nokia and its customers may face claims of infringement in connection with their use of Nokia s products.

It is common that Nokia needs to indemnify its customers for certain intellectual property related infringement claims related to products or services purchased from it. Such claims are generally made directly to a Nokia customer and Nokia may have limited possibilities to control the processes or evaluate the outcomes of such in advance. As such, indemnifications can result in significant payments obligations for Nokia that may be difficult to forecast in advance.

The business models for mobile services are from many aspects not established currently. The lack of availability of licenses for copyrighted content, delayed negotiations, or restrictive licensing terms may have a material adverse effect on the cost or timing of content-related services offered by Nokia, mobile network operators or third-party service providers.

Since all technology standards, including those Nokia uses and relies on, include certain IPR, Nokia cannot fully avoid risks of a claim for infringement of such rights due to its reliance on such standards. Nokia believes the number of third parties declaring their intellectual property to be potentially relevant to these standards, for example, the standards related to so called 3G and LTE mobile communication technologies, as well as other advanced mobile communications standards, is increasing, which may increase the likelihood that Nokia will be subject to such claims in the future. As the number of market entrants and the complexity of technology increases, it remains likely that Nokia will need to obtain licenses with respect to existing and new standards from other licensors. While Nokia believes, most such IPR declared or actually found to be essential to a given standard carry with them an obligation to be licensed on fair, reasonable and non-discriminatory terms, not all intellectual property owners agree with this and thus, Nokia has experienced costly and time-consuming litigation over such issues and it may continue to experience such litigation in the future.

From time to time, some existing patent licenses may expire or otherwise become subject to renegotiation. The inability to renew or finalize such arrangements or renew licenses with acceptable commercial terms may result in costly and time-consuming litigation, and any adverse result in any such litigation may lead to restrictions on Nokia s ability to sell certain products and could result in payments that could potentially have a material adverse effect on Nokia s operating results and financial condition. These legal proceedings may continue to be expensive and time-consuming and divert the efforts of Nokia s management and technical expert employees from its businesses, and, if decided against Nokia, could result in restrictions on Nokia s ability to sell its products, require it to pay increased licensing fees, unfavorable judgments, costly settlements, fines or other penalties and incur expenses.

Nokia s patent license agreements may not cover all the future businesses that it may enter, Nokia s existing businesses may not necessarily be covered by its patent license agreements if there are changes in Nokia s corporate structure or its subsidiaries, or its newly-acquired businesses may already have patent license agreements with terms

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that differ from similar terms in Nokia s patent license agreements. This may result in increased costs, restrictions in the use of certain technologies or time-consuming and costly disputes whenever there are changes in Nokia s corporate structure or its subsidiaries, or whenever Nokia enters new businesses or acquires new businesses.

Nokia makes accruals and provisions to cover its estimated total direct IPR costs for its products. The total direct IPR costs consist of actual payments to licensors, accrued expenses under existing agreements and provisions for potential liabilities. Nokia believes its accruals and provisions are appropriate for all technologies owned by third parties. The ultimate outcome, however, may differ from the provided level, which could have a positive or adverse impact on Nokia s results of operations and financial condition.

Any restrictions on Nokia s ability to sell its products due to expected or alleged infringements of third-party IPR and any IPR claims, regardless of merit, could result in a material loss of profits, costly litigation, the obligation to pay damages and other compensation, the diversion of the attention of Nokia s key employees, product shipment delays or the need for Nokia to develop non-infringing technology or to enter into a licensing agreement on unfavorable commercial terms. If licensing agreements were not available or are not available on commercially acceptable terms, Nokia could be precluded from making and selling the affected products, or could face increased licensing costs. As new features are added to Nokia s products, it may need to acquire further licenses, including from new and sometimes unidentified owners of intellectual property. The cumulative costs of obtaining any necessary licenses are difficult to predict and may over time have a material adverse effect on Nokia s operating results. Refer to the section *Business Nokia Intellectual Property* for more information on Nokia s intellectual property activities.

Nokia has operations in a number of countries and, as a result, faces complex tax issues and tax disputes and could be obligated to pay additional taxes in various jurisdictions.

Nokia operates its businesses in a number of jurisdictions which involve different tax regimes and application of rules related to taxation. Applicable taxes such as income taxes as well as indirect taxes and social taxes, for which Nokia makes provisions, could increase significantly as a result of changes in applicable tax laws in the countries where Nokia operates, the interpretation of such laws by local tax authorities could drastically change or tax audits may be performed by local tax authorities. The impact of these factors is dependent on the types of revenue and mix of profit Nokia generates in various countries, for instance, profits from sales of products or services may have different tax treatments.

Nokia is subject to income taxes in multiple jurisdictions. Nokia s businesses and investments globally and especially in emerging markets are subject to uncertainties, including unfavorable or unpredictable changes in tax laws (possibly with retroactive effect in certain cases), taxation treatment and regulatory proceedings including tax audits. For instance, during early 2013 Nokia became subject to a tax investigation in India, focusing on Indian tax consequences of payments made within Nokia for the supply of operating software from its parent company in Finland. Such proceedings can be lengthy, involve actions that can hinder local operations, affect unrelated parts of Nokia s business and the outcome of such proceedings is difficult to predict. Refer to the section *Operating and Financial Review and Prospects Nokia Results of Operations Overall* for more information on Nokia s taxes.

Adverse developments or outcomes of such proceedings could have a material adverse effect on Nokia s cash flows, income statement and financial position. Nokia is required to indemnify Microsoft for certain tax liabilities, including tax liabilities for the Nokia entities acquired by Microsoft in connection with the closing of the Sale of the Devices & Services Business or the assets acquired by Microsoft attributable to tax periods ending on or prior to the closing date of the closing of the Sale of the Devices & Services Business or a certain pre-closing portion of any taxable period that includes the closing date of the Sale of the Devices & Services Business or taxes imposed with respect to any asset not acquired by Microsoft in connection with the Sale of the Devices & Services Business.

There may also be unforeseen tax expenses that may turn out to have an unfavorable impact on Nokia. As a result and given the inherent unpredictable nature of taxation, there can be no assurance that the estimated long-term tax rate of Nokia will remain at current level or that cash flows regarding taxes will be stable.

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Nokia s actual or anticipated performance, among other factors, could reduce the Company s ability to utilize its deferred tax assets.

Deferred tax assets recognized on tax losses, unused tax credits and tax deductible temporary differences are dependent on Nokia s ability to offset such items against future taxable income within the relevant tax jurisdiction. Such deferred tax assets are also based on Nokia s assumptions on future taxable earnings and these may not be realized as expected, which may cause the deferred tax assets to be materially reduced. There can be no assurances that an unexpected reduction in deferred tax assets will not occur. Any such reduction could have a material adverse effect on Nokia. Additionally, Nokia s earnings have in the past been and may in the future continue to be unfavorably impacted in the event that no tax benefits are recognized for certain deferred tax items.

Nokia may be unable to retain, motivate, develop and recruit appropriately skilled employees.

Nokia s success is dependent on its ability to retain, motivate, develop (through constant competence training) and recruit appropriately skilled employees with a comprehensive understanding of its current and planned businesses, technologies, software, products and services. The market for skilled employees and leaders in Nokia s businesses is extremely competitive.

Nokia aims to create a corporate culture that is motivational and encourages creativity and continuous learning as the competition for skilled employees remains intense. Nokia has over recent years significantly reduced its workforce and introduced changes in its strategy. Changes and uncertainty may cause disruption and dissatisfaction among employees, as well as fatigue due to the cumulative effect of several other reorganizations in past years. As a result, employee motivation, energy, focus, morale and productivity may be reduced, causing inefficiencies and other problems across the organization and leading to the loss of key employees and the increased costs in resolving and addressing such matters. Reorganizations and strategic changes may also result in key employees leaving Nokia or resource gaps, some of which may only be noticed after a certain period of time. If the strategic direction of Nokia or any of its businesses is perceived adversely by Nokia s employees, this may result in a heightened risk of being able to retain or recruit needed resources. Moreover, Nokia s employees may be targeted aggressively by its competitors, for instance, due to recent changes in Nokia s strategy, and some employees may be more receptive to such offers, leading to the loss of key employees. Accordingly, Nokia may need to adjust its compensation and benefits policies and take other measures to attract, retain and motivate skilled employees to align with the changes to Nokia s mode of working and culture in order to implement its new strategies successfully. Additionally, succession planning especially with respect to key employees and leaders is crucial to avoid business disruptions and to ensure the appropriate transfer of knowledge. From time to time, Nokia may acquire businesses or complete other transactions where retaining key employees may be crucial to obtain intended benefits of such transactions and as such, it must ensure that key employees of such acquired businesses are retained and appropriately motivated. However, there can be no assurances that Nokia will be able to implement measures successfully to retain or hire the needed employees. Nokia believes this will require significant time, attention and resources from its senior management and other key employees within Nokia s organization and may result in increased costs. Nokia has encountered, and may in the future encounter, shortages of appropriately skilled employees or lose key employees or senior management, which may hamper Nokia s ability to implement its strategies and have a material adverse effect on its business and results of operations.

Nokia may face disruptions relating to the use of its employees or relationships with employee representatives.

Relationships with employee representatives are generally managed at site level and most collective bargaining agreements have been in place for several years. Nokia s inability to negotiate successfully with employee representatives or failures in its relationships with such representatives could result in strikes by the employees, increased operating costs as a result of higher wages or benefits paid to employees as the result of such strike or other industrial action and/or inability to implement changes to Nokia s organization and operational structure in the planned timeframe or expense level, or at all. If Nokia s employees were to engage in a strike or other work stoppage, Nokia could experience a significant disruption in its day-to-day operations and/or higher ongoing labor costs, which could have a material adverse effect on Nokia s business and results of operations.

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Performance failures of Nokia s partners as well as failures to achieve the required partnering arrangements could adversely affect the Company.

If any of the companies Nokia partners and collaborates with were to fail to perform as expected or if Nokia fails to achieve the collaboration or partnering arrangements needed to succeed, Nokia may not be able to bring its products, services or technologies to market successfully or in a timely manner or its operations could be affected adversely. Nokia is increasingly collaborating and partnering with third parties to develop technologies, products and services, as well as seeks new revenue through partnering arrangements. Also, Nokia depends on third-party partners in its efforts to monetize the Nokia brand and technologies, for instance through arrangements where the Nokia brand is licensed to third-party products and the product development and distribution are handled partly or fully by third parties. Additionally, Nokia has outsourced various functions to third parties and is relying on them to provide certain services to it. These arrangements involve the commitment by each party of certain resources, including technology, R&D, services and employees. Although the objective of the collaborative and partnering arrangements is a mutually beneficial outcome for each party, Nokia s ability to introduce products and services that are commercially viable and meet Nokia s and its customers and consumers quality, safety, security and other standards in a timely manner could be hampered if, for example, any of the following risks were to materialize:

- Nokia fails to engage the right partners or on terms that are beneficial to it;
- Nokia is unable to collaborate and partner effectively with individual partners and simultaneously with multiple partners to execute and reach the targets set for the collaboration;
- the arrangements with the parties Nokia collaborates with do not develop as expected, including their performance, delivery and timing, or include terms which prove unfavorable to Nokia;
- the technologies provided by the parties Nokia works with are insufficiently protected or infringe third parties IPR in a way that Nokia cannot foresee or prevent, or confidential information shared with partners is leaked;
- the technologies or products or services supplied by the parties Nokia works with do not meet the required quality, safety, security and other standards or customer needs;
- the partners cause damage to the Nokia brand, for instance, if the brand licensed products are of poor quality or messaging or advertisements failures;
- Nokia s own quality controls fail;
- adverse public perception of Nokia s partner is reflected on it or Nokia is exposed to claims against it, for instance, due to labor, safety, compliance or environmental issues of its partners, including supply chain; or

the financial condition of Nokia s collaborative partners deteriorates, which may result in underperformance by the collaborative partners, insolvency, bankruptcy or closure of the business of such partners.

Nokia s net sales, costs and results of operations, as well as the U.S. dollar value of Nokia s dividends and market price of Nokia ADSs, are affected by exchange rate fluctuations.

Nokia is a company with global operations and is therefore exposed to foreign exchange risks in the form of both transaction risks and translation risks. Nokia s policy is to monitor and hedge exchange rate exposure, and Nokia manages its operations to mitigate, but not to eliminate, the impacts of exchange rate fluctuations. There can be no assurance, however, that Nokia s hedging activities will prove successful in mitigating the impact of exchange rate fluctuations. In addition, significant volatility in the exchange rates may increase Nokia s hedging costs, as well as limit its ability to hedge its exchange rate exposure in particular against unfavorable movements in the exchange rates of certain emerging market currencies, could have an adverse effect on Nokia s results of operations, particularly its profitability. Further, exchange rate fluctuations may have an adverse effect on Nokia s net sales, costs and results of operations, as well as its competitive position through their impact on its competitors and customers. Further, exchange rate fluctuations may also materially affect the U.S. dollar value of any dividends or other distributions that are paid in euro as well as the market price of Nokia ADSs. For more information on how Nokia manages its exchange rate risks, refer to the section *Operating and Financial Review and Prospects Nokia Qualitative and Quantitative Disclosure of Financial Risk Management* .

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An unfavourable outcome of litigation, contract-related disputes or allegations of health hazards associated with Nokia s businesses could have a material adverse effect on the Company.

Nokia is a party to lawsuits and contract-related disputes in the normal course of its business. Litigation or contract-related disputes for instance through arbitration can be expensive, lengthy and disruptive to normal business operations and divert the efforts of Nokia s management. Moreover, the outcomes of complex legal proceedings or contract-related disputes are difficult to predict. An unfavorable resolution of a particular lawsuit or contract-related dispute could have a material adverse effect on Nokia s business, results of operations, financial condition and reputation.

Nokia records provisions for pending litigation when it determines that an unfavorable outcome is likely and the loss can reasonably be estimated. Due to the inherent uncertain nature of litigation, the ultimate outcome or actual cost of settlement may materially differ from estimates. Nokia believes its provisions for pending litigation are appropriate. The ultimate outcome, however, may differ from the provided estimate, which could either have a positive or an adverse impact on Nokia s results of operations and financial condition.

Although Nokia products are designed to meet all relevant safety standards and recommendations globally, Nokia cannot guarantee it will not become subject to product liability claims or be held liable for such claims or be required to comply with future regulatory changes in this area, and these could have a material adverse effect on Nokia s business. Nokia has been involved in several lawsuits alleging adverse health effects associated with its products, including those caused by electromagnetic fields and the outcome of such procedures is difficult to predict, including the potentially significant fines or settlements. Even a perceived risk of adverse health effects of mobile devices or base stations could have a material adverse effect on Nokia through a reduction in the demand for mobile devices having an adverse effect, for instance through a decreased demand for mobile networks or increased difficulty in obtaining sites for base stations.

Inefficiencies, breaches, malfunctions or disruptions of information technology systems could have a material adverse effect on Nokia s businesses and results of operations.

Nokia s operations rely on the efficient and uninterrupted operation of complex and centralized information technology systems and networks, which are integrated with those of third parties. Additionally, certain personal and consumer data is stored by Nokia or its customers as part of Nokia s business operations. All information technology systems are potentially vulnerable to damage, malfunction or interruption from a variety of sources. Nokia is to a significant extent relying on third parties for the provision of information technology systems and networks. Nokia may experience disruptions if its partners do not deliver as expected or if Nokia is unable to successfully manage systems together with its business partners. The ongoing trend to cloud-based architectures and network function virtualization is introducing further complexity and associated risk.

Nokia is constantly looking into ways of improving its information technology systems. Nokia is building new capabilities, and for instance in its Nokia Networks business it is introducing new significant information technology solutions during 2015. Nokia will often need to use new service providers and may, due to technical developments or choices regarding technology, increase its reliance on certain new technologies, such as cloud or remote delivery-based services and certain other services that are used over the internet rather than using the traditional licensing model. Switching to new service providers and introducing new technologies is inherently risky and may expose Nokia to an increased risk of disruptions in its operations, for instance due to network inefficiency, a cybersecurity breach, malfunctions or other disruptions resulting from information technology systems.

Nokia pursues various measures in order to manage its risks related to system and network malfunctions and disruptions, including the use of multiple suppliers and information technology security. However, despite precautions taken by Nokia, any malfunction or disruption of Nokia s current or future systems, or networks such as an outage in a telecommunications network used by any of Nokia s information technology systems, or a breach of its cybersecurity, such as an attack, malware or other event that leads to an unanticipated interruption or malfunction of its information technology systems or networks or data leakages, could have a material adverse effect on Nokia s business, results of operations and brand value. In addition, if Nokia fails to successfully use its information technology systems and networks, its operational efficiency or competitiveness could be impaired, which could have a material adverse effect on Nokia s business and results of operations. A disruption, for instance, in Nokia s location-based services, could cause significant discontent among users of Nokia s products resulting in claims or deterioration of its brand value.

Cybersecurity breaches and other potential security risks may adversely affect Nokia s business.

Although Nokia endeavors to develop products and services that meet with the appropriate security standards, including effective data protection, Nokia or its products and online services, marketing and developer sites may be subject to cybersecurity breaches, including hacking, viruses, worms and other malicious software, unauthorized modifications or illegal activities, that may cause potential security risks and other harm to Nokia, its customers or consumers and other end-users of Nokia s products and services. Events or mere allegations of cybersecurity breaches may have a material adverse effect on Nokia s business. Additionally, Nokia contracts with multiple third parties in various jurisdictions who collect and use certain data on its behalf. Although Nokia has processes in place designed to ensure appropriate collection, handling and use of such data, third parties may use the data inappropriately, breach laws and contracts in collecting, handling or using or leaking such data. This could lead to lengthy legal proceedings or fines imposed on Nokia as well as adverse effects to Nokia s reputation and brand value.

In connection with providing products and services to Nokia s customers and consumers, certain customer feedback, information on consumer usage patterns and other personal and consumer data is collected and stored through Nokia, either by it or its business partners or subcontractors. Loss, improper disclosure or leakage of any personal or consumer data collected by Nokia or which is available to Nokia s partners or subcontractors, made available to Nokia or stored in or through Nokia s products could have a material adverse effect on it and harm its reputation and brand. In addition, governmental authorities may use Nokia s networks products to access the personal data of individuals without Nokia s involvement, for example, through so-called lawful intercept capability of network infrastructure. Even perceptions that Nokia s products do not adequately protect personal or consumer data collected by Nokia, made available to it or stored in or through its products or that they are being used by third parties to access personal or consumer data could impair Nokia s sales, results of operations, reputation and brand value.

Nokia may not be able to achieve targeted benefits from or successfully implement planned transactions.

From time to time, Nokia may consider possible transactions that could complement Nokia s existing operations and enable Nokia to grow its business or divest its existing businesses or operations. Nokia has made a number of acquisitions and divestments in addition to the Sale of the Devices & Services Business, the proposed Acquisition, and the proposed sale of Nokia s HERE business, it has for instance as part of Nokia Networks strategy to focus on mobile broadband, divested certain businesses and may make further transactions, such as acquisitions, divestments, mergers or joint ventures in the future.

Nokia cannot provide assurance that any transactions, such as acquisitions, divestments, mergers or joint ventures, it consummates will ultimately provide the benefits Nokia originally anticipated and the return on the acquisition may be below targets or negative. After reaching an agreement for a transaction, Nokia may need to satisfy pre-closing conditions on acceptable terms, which may prevent it from completing the transaction or make changes to the scope of the transaction. Furthermore, Nokia may not succeed in integrating acquired operations with its existing businesses.

Transactions, including acquisitions, divestments, mergers or joint ventures involve inherent risks, including:

- the assumption and exposure to unknown or contingent liabilities of acquired businesses; such as those related to contractual obligations, taxes, pensions, environmental liabilities, disputes and compliance matters;

the ability to integrate acquired businesses and/or to achieve identified and anticipated operating and financial synergies;

unanticipated delays or inability to proceed with transactions as planned, for instance, due to issues in obtaining regulatory or shareholder approvals. For instance, in certain cases regulatory bodies could impose conditions on the acquirer of a business to divest certain assets or impose other obligations due to competition laws;

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unanticipated costs or changes in scope, for instance, due to issues with regulators or courts imposing terms on a transaction or obstacles that result in changes required in the scope of the transaction;

the diversion of management attention from the existing business;

the potential loss of key employees and customers;

unanticipated changes in business, industry or general economic conditions that affect the assumptions underlying the acquisition;

potential disputes with sellers, purchasers or other counterparties;

impairments related to goodwill and other intangible assets, for instance, due to business performance after an acquisition or differences in evaluating the goodwill with respect to the acquired businesses;

there may be limitations in Nokia s ability to control any potential joint ventures and accordingly such transactions may result in increased exposure to operational, compliance, legal or financial risks;

unexpected costs associated with the separation of the business which is to be divested;

additional payment obligations and higher costs resulting from non-performance by divested businesses;

exposure to contingent liabilities in connection with any indemnity Nokia provides to the purchaser in connection with such divestment;

potential post-closing claims for indemnification and disputes with purchaser;

Nokia s dependency on some of the divested businesses as its suppliers in the future; and

high transaction costs.

Significant transactions may also result in claims between the parties, which can consume time and management attention and the outcome of disputes related to significant transactions may be difficult to predict.

The Sale of the Devices & Services Business may expose Nokia to contingent liabilities and the agreements Nokia have entered into with Microsoft may have terms that prove to be unfavorable to the Company.

The Sale of the Devices & Services Business may expose Nokia to contingent liabilities and the agreements it has entered into with Microsoft may have terms that prove to be unfavorable to Nokia. The Devices & Services Purchase Agreement (as defined in the section *Business Nokia Material Agreements Outside the Ordinary Course of Business Sale of the Devices & Services Business to Microsoft*) may expose Nokia to liabilities or have terms that prove unfavorable to it. Under the Devices & Services Purchase Agreement, Nokia is required to indemnify Microsoft for the breach or violation of certain representations and warranties and covenants made by Nokia in the Devices & Services Purchase Agreement, subject to certain limitations and, in some cases, subject to a cap of EUR 284 250 000 and for losses arising from assets not acquired by Microsoft, liabilities retained by Nokia and liabilities that are not primarily related to the Devices & Services Business, subject to certain limitations and, in some cases, subject to a cap of EUR 284 250 000. Significant indemnification claims by Microsoft with respect to the Devices & Services Purchase Agreement and the Sale of the Devices & Services Business could have a material adverse effect on Nokia s financial condition. In addition, Nokia is required to indemnify Microsoft for certain tax liabilities, including tax liabilities of the Nokia entities acquired by Microsoft, the Devices & Services Business or the assets to be acquired by Microsoft attributable to tax periods ending on or prior to the closing date of the transaction or a certain pre-closing portion of any taxable period that includes the closing date of the transaction or taxes imposed with respect to any asset not being acquired by Microsoft.

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Nokia s efforts aimed at managing and improving financial or operational performance, cost savings and competitiveness may not lead to targeted results or improvements.

Nokia needs to manage its operating expenses and other internal costs to maintain cost efficiency and competitive pricing of its products and services. Failure by Nokia to determine the appropriate prioritization of operating expenses and other costs, to identify and implement the appropriate measures to adjust its operating expenses on a timely basis and other costs accordingly, or to maintain achieved reduction levels, could have a material adverse effect on Nokia s business, results of operations and financial condition.

Nokia operates in highly competitive industries and it is continuously aiming to increase the efficiency of its operations. Nokia may in the ordinary course of business institute new plans for restructuring measures. The restructuring programs are costly, potentially disruptive to operations and may not lead to sustainable improvements in overall competitiveness and profitability, and may have an adverse effect, for instance, as a result of the loss of scale benefits.

Nokia may not be able to optimize the Company s capital structure as planned and re-establish its investment grade credit rating.

On April 29, 2014, Nokia announced a planned capital structure optimization program, focusing on a recommencement of dividends, distribution of excess capital to shareholders, and reduction of interest bearing debt. Nokia has also targeted to re-establish its investment grade credit rating. On April 15, 2015, Nokia announced that it will suspend its capital structure optimization program, including the execution of the share repurchase program, effective as of April 15, 2015 and until the closing of the Exchange Offer. The suspension did not affect Nokia s long term target to return to an investment grade credit rating and Nokia intends to manage the combined capital structure accordingly by retaining significant gross and net cash positions and by proactively reducing indebtedness. In conjunction with the Exchange Offer, Nokia intends to evaluate the resumption of a capital structure optimization program for the Combined Company and communicate its plans to move towards a more optimal capital structure for the Combined Company.

There can be no assurance that any possible capital structure optimization program can be implemented or would result in the targeted benefits. Moreover, there can be no assurance of Nokia being able to re-establish its investment grade credit rating. Additionally, provided that the program is resumed or a new updated program is announced, returning capital to shareholders reduces Nokia s capital, which could expose Nokia to financial difficulties or Nokia needing to incur additional indebtedness under certain circumstances, for instance, if Nokia has not accurately estimated its need of capital going forward or its business performance.

Should the current uncertain market conditions continue or deteriorate, Nokia or the Combined Company may not be able to receive sufficient financing.

General uncertainty as well as adverse developments in the financial market and general economic conditions, in particular, effects of the continued uncertainty or worsening of the current economic and financial situation, for instance, in China, Greece and Puerto Rico, could have a material adverse effect on Nokia s ability to obtain sufficient financing needed by Nokia to carry out its business after Completion of the Exchange Offer. The uncertain market conditions may mean that the price of the financing needed by Nokia will increase and that it will be less readily available. Nokia could, at any given point in time, encounter difficulties in raising funds and, as a result, lack the access to liquidity it needs, which in turn may have a material adverse effect on the business, financial condition, and/or results of Nokia and Alcatel Lucent.

Nokia s or the Combined Company s ability to make scheduled payments on its debt is subject to general economic, financial, competitive, market, regulatory and other factors that may be beyond its control. There can be no assurance that Nokia s or the Combined Company s operations will continue to generate sufficient cash flow to allow it to service its debt, to fund its working capital, pension programs, capital expenditure and research and development requirement and to engage in future acquisitions. Failure to do so could have a material adverse effect on the business, financial condition and/or results of operations of Nokia and Alcatel Lucent. For more information on Nokia s liquidity and financial risk management, refer to the sections *Operating and Financial Review and Prospects Nokia Liquidity and Capital Resources* and *Operating and Financial Review and Prospects Nokia Qualitative and Quantitative Disclosure of Financial Risk Management* .

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Nokia s or the Combined Company s credit ratings may not reflect all risks and may not improve in the future.

Moody s and Standard & Poor s have assigned credit ratings to Nokia. These ratings may not reflect the potential impact of all risks relating to Nokia s business or the potential impact of the combination with Alcatel Lucent. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time. Should Nokia s credit rating be downgraded, this could increase the financial costs of Nokia and thereby have a material adverse effect on the business, financial condition and/or results of operations of Nokia and Alcatel Lucent.

Nokia has set a goal of re-establishing its investment grade credit rating. There can be no assurances that Nokia or the Combined Company may in the future achieve an investment grade credit rating at the targeted time or at all. Failure to obtain an investment grade credit rating may have a material adverse effect on the business, financial condition and/or results of operations of Nokia and Alcatel Lucent.

Nokia Networks is dependent on the development of the mobile broadband infrastructure industry.

Nokia Networks sales and profitability are dependent on the development of the mobile broadband infrastructure industry in numerous diverse markets, particularly the investments made by mobile operators and services providers in network infrastructure and related services. The pace of such investments is in turn dependent on the ability of network providers and mobile operators to increase subscriber numbers, reduce churn, compete with business models eroding the revenue from the traditional voice, messaging and data transport services, stimulate increased use of voice, data and value-adding services with higher margins, as well as the financial condition of the network providers and mobile. Additionally, market developments favoring new technological solutions such as Software Defined Networking, may reduce spending by Nokia Networks customers or favor Nokia Networks competitors who have a stronger position in such technologies. Difficulties, uncertainty or any deterioration in global economic conditions or the occurrence or escalation of political unrest may result in mobile network operators postponing or reducing their investments in their network infrastructure and related services. Adverse developments in the markets to which Nokia Networks is more significantly exposed to may have a profound adverse effect on Nokia Networks.

Nokia Networks focuses on mobile broadband and accordingly its sales and profitability depend on its success in the mobile broadband infrastructure and related services market.

In line with its strategy, Nokia Networks focuses on mobile broadband and related services. Nokia Networks is focusing on end-to-end mobile broadband leadership, services growth, and quality and execution. Accordingly, if Nokia Networks is not successful in implementing its strategy and achieving the desired outcomes in a timely manner or if the mobile broadband infrastructure and related services market fails to develop in the manner currently anticipated by Nokia, or if there are unfavorable variations in Nokia Networks product and service mix towards lower margin products or services, the Nokia Networks business, results of operations, particularly profitability, and financial condition could be materially adversely effected. Nokia Networks success with its focus on mobile broadband infrastructure and related services is subject to risks and uncertainties, including:

- the intensity of the competition;

- further consolidation of Nokia Networks customers or competitors;

Nokia Networks inability to develop mobile broadband products and services in a timely manner, or at all, that meet future technological or quality requirements and challenges;

Nokia Networks inability to correctly estimate technological developments or adapt to such;

the development of the mobile broadband and related services market in directions that leave Nokia Networks deficient in certain technologies and industry areas that impact its overall competitiveness;

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certain customers who currently buy products and services from Nokia Networks, which are not regarded as core customers, may choose to turn to alternative vendors to maintain end-to-end services from such vendors;

delays in executing relevant initiatives related to the further implementation of Nokia Networks strategy;

Nokia Networks inability to successfully develop market recognition as a leading provider of software and services in the mobile broadband infrastructure and related services market;

Nokia Networks inability to sustain or grow its net sales in the businesses and areas of its strategic focus, which could result in the loss of scale benefits and reduced competitiveness;

Nokia Networks inability to identify opportunities and entering agreements which meet its requirements and profitability estimates, and capture the expected opportunities for additional sales related to deals with lower initial profitability;

Nokia Networks inability to continue utilizing current customer relations related to its mobile broadband infrastructure products for advancing its sales of related services, and Nokia Networks may not be able to pursue new services-led growth opportunities;

Nokia Networks global presence and business that involves large projects expose Nokia Networks to various business and operational risks including those related to market developments, political unrest, economic and trade sanctions and compliance and anticorruption related risks, especially with respect to emerging markets;

Nokia Networks inability to maintain efficient and low-cost operations; and

Nokia Networks may be adversely effected by economic or political instability or the existence or introduction of further economic and trade sanctions, for instance the events in Ukraine and the international reaction to these may adversely affect Nokia Networks business or operations in Ukraine, Russia and/or related markets.

Nokia Networks faces intense competition and may fail to effectively and profitably invest in new competitive high quality products, services, upgrades and technologies and to bring them to market in a timely manner.

The mobile broadband infrastructure and related services market is characterized by rapidly changing technologies, frequent new solutions requirements and product feature introductions and evolving industry standards. Nokia Networks business performance depends to a significant extent on the timely and successful introduction of new products, services and upgrades of current products to meet the evolving requirements of its customers, comply with emerging industry standards and address competing technological and product developments carried out by competitors. The R&D of new and innovative, technologically advanced products, including the introduction of new radio frequency technologies, as well as upgrades to current products and new generations of technologies, is a complex and uncertain process requiring high levels of innovation and investment, as well as accurate anticipation of technology and market trends. Nokia Networks may focus its resources on products and technologies that do not become widely accepted or ultimately prove unviable. Nokia Networks results of operations will depend to a significant extent on its ability to succeed in following areas:

- maintaining and developing a product portfolio and service capability that is attractive to its customers;
- continuing to introduce new products and product upgrades successfully and on a timely basis;
- development of new or enhance existing tools for its services offerings;
- optimizing the amount of customer or market specific technology, product and feature variants in the product portfolio;
- continuing to enhance the quality of its products and services;
- appropriate pricing of the products and services, which is crucial in the networks infrastructure business due to the typical long-term nature and complexity of the agreements; and
- leveraging its technological strengths.

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The participants in the mobile broadband infrastructure and related services market compete on the basis of product offerings, technical capabilities, quality, service and price. The competitive environment in this market continues to be intense and is characterized by maturing industry technology, equipment price erosion and challenging price competition. Moreover, mobile operators cost reductions, network sharing and industry consolidation among the operators are reducing the amount of available business, resulting in further increasing competition and pressure on pricing and profitability. Consolidation of operators may result in them concentrating their business in selected service providers, increasing the possibility that agreements with Nokia Networks are terminated or not renewed.

Nokia Networks competes with companies that have larger scale, affording such companies more flexibility on pricing, likewise Nokia Networks competes with companies that may have stronger customer financing possibilities due to internal policies or governmental support, such as in the form of trade guarantees, allowing them to offer products and services at very low prices or with attractive financing terms. Nokia Networks key competitors have large scale, and industry consolidation could result in even larger scale entities, impairing Nokia Networks competitive position. Nokia Networks also continues to face intense competition from competitors, including from China, which endeavor to gain further market share and broaden their presence in new areas of the network infrastructure and related services business. Competition for new customers, as well as for new infrastructure deployment is particularly intense and focused on price and contract terms in favor of customers. In addition, new competitors may enter the industry as a result of acquisitions or shifts in technology. For example, the virtualization of core and radio networks and the convergence of information technology and telecommunications may lower the barriers to entry for IT companies entering the traditional telecommunications industry. Further, these developments may enable more generic IT and intellectual property hardware to be used in telecommunications networks leading to further price pressure. If Nokia Networks cannot respond successfully to the competitive challenges in the mobile broadband infrastructure and related services market, Nokia s business and results of operations, particularly profitability, and financial condition may be materially adversely affected.

Nokia Networks failure to effectively and profitably invest in new competitive products, services, upgrades and technologies and bring them to market in a timely manner could result in a loss of net sales and market share and have a material adverse effect on Nokia s results of operations, particularly profitability, and financial condition. Nokia Networks needs to introduce products and services in a cost-efficient and a timely manner and to manage proactively the costs and cost development related to its portfolio of products and services, including component sourcing, manufacturing, logistics and other operations. Currency fluctuations may also have an adverse impact on Nokia Networks ability to manage its costs. If Nokia Networks fails to maintain or improve its market position and scale compared to its competitors across the range of its products and services, as well as leverage Nokia s scale to the fullest extent, or if it is unable to develop or otherwise acquire software, keep prices at competitive levels, or if its costs increase relative to those of Nokia s competitors due to currency fluctuations, this could materially adversely affect Nokia s competitive position, business and results of operations, particularly its profitability.

Defects in Nokia Networks products could adversely affect the Company s results of operations.

Nokia Networks products are highly complex, and defects in their design, manufacture and associated hardware, software and content have occurred and may occur in the future. Defects and other quality issues may result from, among other things, failures in Nokia s own product manufacturing and service creation and delivery as well as failures of its suppliers to comply with Nokia s supplier requirements, or failures in products and services created jointly with business partners or other third parties where the development and manufacturing process is not fully within Nokia s control. Quality issues may cause, for instance, delays in deliveries, liabilities for network outages, and additional repair, product replacement or warranty costs to Nokia, and harm its reputation and its ability to sustain or obtain business with its current and potential customers. With respect to Nokia s services, quality issues may relate to the challenges of having the services fully operational at the time they are made available to Nokia s customers and maintaining them on an ongoing basis. Nokia makes provisions to cover its estimated warranty costs for its products. Nokia believes its provisions are appropriate, although the ultimate outcome may differ from the provisions that are provided for, which could have a material adverse effect on Nokia s results of operations, particularly profitability and financial condition.

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Nokia Networks is dependent on a limited number of customers and large multi-year agreements and accordingly a loss of a single customer, further operator consolidation or issues related to a single agreement, may have a significant impact on Nokia Networks.

A large proportion of net sales that Nokia Networks generates have historically been derived from a limited number of customers (for more information on Nokia Networks largest customers, refer to section *Business Nokia Nokia s Business Operations Nokia Networks Customers, Sales and Marketing*). As consolidation among existing customers continues, it is possible that an even greater portion of Nokia Networks net sales will be attributable to a smaller number of large service providers operating in multiple markets. As part of Nokia Networks focus on certain markets, the proportion of the sales to certain key customers in such markets has also grown. These developments will also increase the impact of the outcome of certain individual agreement tenders on Nokia Networks net sales. In addition, mobile operators are increasingly entering into network sharing arrangements, as well as joint procurement agreements, which may reduce their investments and the number of networks available for Nokia Networks to service. Further, the procurement organizations of certain large mobile operators sell consulting services to enhance the negotiation position of smaller operators towards their vendors. As a result of these trends and the intense competition in the industry, Nokia Networks may be required to provide agreement terms increasingly favorable to customers to remain competitive. Any unfavorable developments in relation to, or any change in the agreement terms applicable to a major customer, may have a material adverse effect on Nokia s business, results of operations and financial condition.

Large multi-year agreements, which are typical in the mobile broadband infrastructure and related services business, include a risk that the timing of sales and results of operations associated with such agreements will differ from expectations. Moreover, such agreements often require dedication of substantial amounts of working capital and other resources, which may adversely affect Nokia s cash flow, particularly in the early stages of the term of an agreement, or may require Nokia Networks to continue to sell certain products and services, or to certain markets, that would otherwise be discontinued, thereby diverting resources from developing more profitable or strategically important products and services, or focusing more profitable or strategically important markets. Any suspension, termination or non-performance by Nokia under the agreement terms may have a material adverse effect on Nokia Networks because mobile operators have demanded and may continue to demand stringent agreement undertakings, such as penalties for agreement violations.

Nokia Networks may face problems or disruptions in the Company s manufacturing, service creation, delivery, logistics or supply chain.

Nokia s product manufacturing, service creation and delivery as well as its logistics are complex, require advanced and costly equipment and include outsourcing to third parties. These operations are continuously modified in an effort to improve efficiency and flexibility of Nokia s manufacturing, service creation and delivery as well as its logistics and to produce, create and distribute continuously changing volumes. Nokia may experience difficulties in adapting its supply to meet the changing demand for Nokia s products and services, both ramping up and down production at its facilities and network implementation capabilities as needed on a timely basis, maintaining an optimal inventory level, adopting new manufacturing processes, finding the most timely way to develop the best technical solutions for new products, managing the increasingly complex manufacturing process and service creation and delivery process or achieving required efficiency and flexibility, whether Nokia manufactures its products and creates and delivers its services itself or outsources to third parties.

Nokia s manufacturing operations depend on obtaining sufficient quantities of fully functional products, components, sub-assemblies, software and services on a timely basis. Nokia s principal supply requirements for its products are for electronic components, mechanical components and software, which all have a wide range of applications in Nokia s products.

In some cases, a particular component or service may be available only from a limited number of suppliers or from a single supplier. In addition, Nokia s dependence on third-party suppliers has increased as a result of its strategic decisions to outsource certain activities. Suppliers may from time to time extend lead times, limit supplies, change their partner preferences, increase prices, provide poor quality supplies or be unable to adapt to changes in demand due to capacity constraints or other factors, which could adversely affect Nokia s ability to deliver its products and services on a timely basis. For example, Nokia Networks efforts to meet its customer needs during major network

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roll-outs in certain markets may require sourcing large volumes of components and services from suppliers and vendors at short notice and simultaneously with its competitors. If Nokia fails to anticipate customer demand properly, an over-supply or under-supply of components and production or services delivery capacity could occur. In many cases, some of Nokia s competitors utilize the same contract manufacturers, component suppliers and service vendors. If they have purchased capacity or components ahead of Nokia, this could prevent Nokia from acquiring the required components or services, which could limit Nokia s ability to supply its customers or increase its costs.

Nokia also commits to certain capacity levels or component quantities which, if unused, will result in charges for unused capacity or scrapping costs. The cost-efficiencies implemented in Nokia s supply chain designed to enable Nokia to meet its target of reducing Nokia Networks production overheads may result in lapses in the availability of certain components, especially in times of tight supply or demand peaks.

Nokia may not be able to secure components at attractive terms from its suppliers or, a supplier may fail to meet Nokia s supplier requirements, such as, most notably, Nokia s and its customers product quality, safety, security and other standards. Consequently, some of Nokia s products may be unacceptable to Nokia and its customers, or may fail to meet Nokia s quality controls. In case of issues affecting a product s safety or regulatory compliance, Nokia may be subject to damages due to product liability, or defective products, components or services may need to be replaced. Also, some suppliers may not comply with local laws, including, among others, local labor laws. In addition, a component supplier may experience delays or disruptions to its manufacturing processes or financial difficulties or even insolvency, bankruptcy or closure of its business, in particular due to difficult economic conditions. Any of these events could delay Nokia s successful and timely delivery of products that meet Nokia s and its customers quality, safety, security and other requirements, or otherwise materially adversely affect Nokia s sales and results of operations or its reputation and brand value.

Nokia Networks business models rely on solutions for distribution of services and software or data storage, which entail inherent risks relating to security or applicable regulatory regimes.

Nokia s current business models rely on certain centralized data processing solution and cloud or remote delivery-based services for distribution of services and software or data storage. The cloud or remote delivery-based business models and operations have certain inherent risks, including those stemming from the potential security breaches and applicable regulatory regimes, which may cause limitations in implementing cloud or remote delivery-based models or expose Nokia to regulatory or contractual actions.

Nokia may also experience challenges caused by third parties or other external difficulties in connection with Nokia s efforts to modify its operations to improve the efficiency and flexibility of Nokia s manufacturing, service creation and delivery as well as Nokia s logistics, including, but not limited to, strikes, purchasing boycotts, public harm to Nokia s brands and claims for compensation resulting from its decisions on where to place and how to utilize its manufacturing facilities. Such difficulties may result from, among other things, delays in adjusting production at Nokia s facilities, delays in expanding production capacity, failures in Nokia s manufacturing, service creation and delivery as well as logistics processes, failures in the activities Nokia has outsourced, and interruptions in the data communication systems that run its operations. Such failures or interruptions could result in Nokia s products not meeting Nokia s and its customers quality, safety, security and other requirements, or being delivered late or in insufficient or excess volumes compared to Nokia s own estimates or customer requirements, which could have a material adverse effect on Nokia s sales, results of operations, reputation and the value of its brands.

Nokia Networks production sites or the production sites of the Company s suppliers are geographically concentrated.

Many of Nokia s production sites or the production sites of its suppliers are geographically concentrated, with a majority of its suppliers based in Asia. In the event that any of these geographic areas are affected by any adverse conditions, such as natural disasters, geopolitical disruptions or civil unrest that disrupt production and/or deliveries from Nokia s suppliers, Nokia s ability to deliver its products on a timely basis could be adversely affected, which may materially adversely affect Nokia s business and results of operations. Refer to *Business Nokia List of Nokia s Material Properties* for additional information concerning Nokia s production sites.

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Nokia Networks may be adversely affected by developments with respect to the customer financing or extended payment terms it provides to customers.

Mobile operators in certain markets may require their suppliers, including Nokia Networks, to arrange, facilitate or provide financing in order to obtain sales or business. They may also require extended payment terms. In some cases, the amounts and duration of these financings and trade credits, and the associated impact on Nokia s working capital, may be significant. Requests for customer financing and extended payment terms are typical for Nokia s industry.

Uncertainty in the financial markets may result in increased customer financing requests. As a strategic market requirement, Nokia Networks arranges and facilitates financing or provides extended payment terms to a number of customers, typically supported by export credit or guarantee agencies or through the sale of the related receivables. In the event that export credit agencies face future constraints on their ability or willingness to provide financing to Nokia Networks customers or there is insufficient demand to purchase their receivables, these could have a material adverse effect on Nokia s business and financial condition. Nokia Networks has agreed to extended payment terms for a number of customers, and may continue to do so. Extended payment terms may continue to result in a material aggregate amount of trade credits. Even when the associated risk is mitigated by a diversified customer portfolio, defaults in the aggregate could have a material adverse effect on Nokia.

Nokia Networks cannot guarantee that it will be successful in arranging, facilitating or providing required financing, including extended payment terms to customers, particularly in difficult financial conditions on the market. In addition, certain of Nokia Networks competitors may have greater access to credit financing, which could adversely affect Nokia s ability to compete successfully for business opportunities in the mobile broadband infrastructure and, indirectly, in the related services sectors. Nokia Networks ability to manage its total customer financing and trade credit exposure depends on a number of factors, including capital structure, market conditions affecting its customers, the levels and terms of credit available to it and to its customers, the cooperation of export credit or guarantee agencies and Nokia s ability to mitigate exposure on acceptable terms. Nokia Networks may not be successful in managing the challenges associated with the customer financing and trade credit exposure that it may face from time to time. While defaults under financings, guarantees and trade credits to Nokia s customers resulting in impairment charges and credit losses have not been a significant factor for Nokia Networks in the past, these may increase in the future, and commercial banks may not continue to be able or willing to provide sufficient long-term financing, even if backed by export credit agency guarantees, due to their own liquidity constraints.

Nokia Networks has used sale of receivables to banks or other financial institutions to improve its liquidity, and any significant change in Nokia Networks ability to continue this practice could impair Nokia s liquidity. For more information on measures taken in relation to Nokia s liquidity, refer to the section *Operating and Financial Review and Prospects Nokia Liquidity and Capital Resources* .

HERE business strategy is subject to risks and uncertainties, including intense competition faced by HERE, and may fail to effectively and profitably invest in new competitive high-quality services and data and bring these to market in a timely manner or adjust its operations efficiently.

Nokia s HERE business strategy is subject to various risks and uncertainties. HERE net sales are mainly derived from sales to the automotive industry, making it dependent on overall developments in that industry and HERE s ability to remain successful in that industry, for instance through its ability to be a competitive provider of its products and services for the automotive industry. Nokia s HERE business faces intense competition from global companies with different business models as well as certain local companies, and new competitors may enter the location based services market through licensing of map data from other companies or by building their own offering of location data. For example, Google uses an advertising-based model that allows consumers and companies to use parts of its map data and related services in their products free of charge. Google is increasingly competing with Nokia s HERE business in the provision of local search and services in the automotive industry. Recently Google has made further advances in the automotive industry, for instance by entering into agreements with various automotive manufacturers and technology companies through the Google driven Open Automotive Alliance. The success of Google s Android platform and search services can result in a competitive advantage for Google when providing local search and other services to the automotive industry. Additionally, certain companies are bringing novel solutions, for instance offering entertainment and information capabilities into vehicles, which can include location intelligence provided by HE