NOKIA CORP
Form 6-K
January 26, 2012

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 6-K

Report of Foreign Private Issuer

Pursuant to Rule 13a -16 or 15d -16 of

the Securities Exchange Act of 1934

Report on Form 6-K dated January 26, 2012

(Commission File No. 1-13202)

Nokia Corporation

Keilalahdentie 4
02150 Espoo
Finland

(Name and address of registrant s principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F:

Form 20-F: x   Form 40-F: o

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Yes: o **No**: x

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Yes: o **No**: x

Indicate by check mark whether the registrant by furnishing the information contained in this form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes: o **No**: x

Enclosures:

Nokia stock exchange release dated January 26, 2012: Nokia Q4 2011 net sales EUR 10.0 billion, non-IFRS EPS EUR 0.06 (reported EPS EUR -0.29)

Nokia 2011 net sales EUR 38.7 billion, non-IFRS EPS EUR 0.29 (reported EPS EUR -0.31)

INTERIM REPORT

Nokia Corporation

January 26, 2012 at 13:00 (CET +1)

Nokia Q4 2011 net sales EUR 10.0 billion, non-IFRS EPS EUR 0.06 (reported EPS EUR -0.29)

Nokia 2011 net sales EUR 38.7 billion, non-IFRS EPS EUR 0.29 (reported EPS EUR -0.31)

- Accelerating investment in Lumia range of smartphones, having sold well over 1 million Lumia devices to date
- Solid Q4 performance in mobile phones
- Strong balance sheet, with net cash and other liquid assets of EUR 5.6 billion at end of Q4 2011
- Nokia Board of Directors will propose a dividend of EUR 0.20 per share for 2011 (EUR 0.40 per share for 2010)

	Reported and Non-IFRS fourth quarter 2011 results(1)					Reported and Non-IFRS full year 2011 results(1)		
EUR million	**Q4/2011**	**Q4/2010**	**YoY Change**	**Q3/2011**	**QoQ Change**	**2011**	**2010**	**YoY Change**
Nokia								
Net sales	10 005	12 651	-21%	8 980	11%	38 659	42 446	-9%
Operating profit	-954	884		-71		-1 073	2 070	
Operating profit (non-IFRS)	478	1090	-56%	252	90%	1 825	3 204	-43%
EPS, EUR diluted	-0.29	0.20		-0.02		-0.31	0.50	
EPS, EUR diluted (non-IFRS)(2)	0.06	0.22	-73%	0.03	100%	0.29	0.61	-52%
Net cash from operating activities	634	2436	-74%	852	-25%	1 137	4 774	-76%
Net cash and other liquid assets(3)	5 581	6 996	-20%	5 067	10%	5 581	6 996	-20%
Devices & Services(4)								
Net sales	5 997	8 499	-29%	5 392	11%	23 943	29 134	-18%
Smart Devices net sales	2 747	4 396	-38%	2 194	25%	10 820	14 874	-27%
Mobile Phones net sales	3 040	3 948	-23%	2 915	4%	11 930	13 696	-13%
Mobile device volume (mn units)	113.5	123.7	-8%	106.6	6%	417.1	452.9	-8%
Smart Devices volume (mn units)	19.6	28.6	-31%	16.8	17%	77.3	103.6	-25%
Mobile Phones volume (mn units)	93.9	95.0	-1%	89.8	5%	339.8	349.2	-3%
Mobile device ASP(5)	53	69	-23%	51	4%	57	64	-11%
Smart Devices ASP(5)	140	154	-9%	131	7%	140	144	-3%
Mobile Phones ASP(5)	32	42	-24%	32	0%	35	39	-10%
Operating profit	203	1 082	-81%	168	22%	884	3 540	-75%
Operating profit (non-IFRS)	292	1 025	-72%	258	13%	1 683	3 403	-51%
Operating margin %	3.4%	12.7%		3.1%		3.7%	12.2%	
Operating margin % (non-IFRS)	4.9%	12.1%		4.8%		7.0%	11.7%	
Location & Commerce(6)								

Net sales	306	265	15%	282	9%	1 091	869	26%
Operating profit	-1 205	-148		-85		-1 526	-663	
Operating profit (non-IFRS)	29	-29		28	4%	48	-173	
Operating margin %	-393.8%	-55.8%		-30.1%		-139.9%	-76.3%	
Operating margin % (non-IFRS)	9.5%	-10.9%		9.9%		4.4%	-19.9%	
Nokia Siemens Networks(7)								
Net sales	3 815	3 961	-4%	3 413	12%	14 041	12 661	11%
Operating profit	67	1		-114		-300	-686	
Operating profit (non-IFRS)	176	145	21%	6		225	95	137%
Operating margin %	1.8%	0.0%		-3.3%		-2.1%	-5.4%	
Operating margin % (non-IFRS)	4.6%	3.7%		0.2%		1.6%	0.8%	

Note 1 relating to non-IFRS results: *Non-IFRS results exclude special items for all periods. In addition, non-IFRS results exclude intangible asset amortization, other purchase price accounting related items and inventory value adjustments arising from i) the formation of Nokia Siemens Networks and ii) all business acquisitions completed after June 30, 2008. More specific information about the exclusions from the non-IFRS results may be found in our complete interim report with tables for Q4 2011 on pages 4-5, 20-22 and 24, and pages 41-43 and 45 for the full years 2011 and 2010.*

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Nokia believes that these non-IFRS financial measures provide meaningful supplemental information to both management and investors regarding Nokia s performance by excluding the above-described items that may not be indicative of Nokia s business operating results. These non-IFRS financial measures should not be viewed in isolation or as substitutes to the equivalent IFRS measure(s), but should be used in conjunction with the most directly comparable IFRS measure(s) in the reported results. A reconciliation of the non-IFRS results to our reported results for Q4 2011 and Q4 2010 can be found in the tables on pages 18 and 20-24 of our complete interim report with tables. A reconciliation of our Q3 2011 non-IFRS results to our reported results can be found on pages 17 and 20-24 of our complete Q3 2011 interim report with tables which was published on October 20, 2011. A reconciliation of our 2011 and 2010 non-IFRS results to our reported results can be found on pages 40-45.

Note 2 relating to non-IFRS Nokia EPS: *Nokia taxes continued to be unfavorably impacted by Nokia Siemens Networks taxes as no tax benefits are recognized for certain Nokia Siemens Networks deferred tax items. In Q4 2011, the Finnish statutory tax rate change also had a one-quarter negative impact. If Nokia s estimated long-term tax rate of 26% had been applied, non-IFRS Nokia EPS would have been approximately 1.2 Euro cents higher in Q4 2011.*

Note 3 relating to Nokia net cash and other liquid assets: *Calculated as total cash and other liquid assets less interest-bearing liabilities.*

Note 4 relating to Devices & Services reporting structure: *As of April 1, 2011, our Devices & Services business has two operating and reportable segments Smart Devices, which focuses on smartphones, and Mobile Phones, which focuses on mass market mobile devices as well as Devices & Services Other. Prior period results for each quarter and the full year 2010 and Q1 2011 have been regrouped (on an unaudited basis) for comparability purposes according to the new reporting format that became effective on April 1, 2011.*

Devices & Services prior period results for each quarter and the full year 2010 and Q1, Q2 and Q3 2011 have also been recasted (on an unaudited basis) for comparability purposes according to the new reporting format that became effective on October 1, 2011. See Note 6 below relating to Location & Commerce.

Note 5 relating to average selling prices (ASP): *Mobile device ASP represents total Devices & Services net sales (Smart Devices net sales, Mobile Phones net sales, and Devices & Services Other net sales) divided by total Devices & Services volumes. Devices & Services Other net sales includes net sales of Nokia s luxury phone business Vertu and spare parts, as well as intellectual property royalty income. Smart Devices ASP represents Smart Devices net sales divided by Smart Devices volumes. Mobile Phones ASP represents Mobile Phones net sales divided by Mobile Phones volumes.*

Note 6 relating to Location & Commerce: *On June 22, 2011, we announced plans to create a new Location & Commerce business which combines NAVTEQ and Nokia s social location services operations from Devices & Services, which focuses on location based services and local commerce. The Location & Commerce business is an operating and reportable segment beginning October 1, 2011. From the third quarter 2008 until the end of the third quarter 2011, NAVTEQ was a separate reportable segment of Nokia. Prior period results for each quarter and the full year 2010 and Q1, Q2 and Q3 2011 have been recasted (on an unaudited basis) for comparability purposes according to the new reporting format that became effective on October 1, 2011. Recasted reported financial information can be accessed at: http://www.nokia.com/investors.*

Note 7 relating to Nokia Siemens Networks: *Nokia Siemens Networks completed the acquisition of Motorola Solutions networks assets on April 30, 2011. Accordingly, the fourth quarter and full year 2011 results of Nokia Siemens Networks are not directly comparable to their prior-year comparatives.*

STEPHEN ELOP, NOKIA CEO:

The fourth quarter of 2011 marked a significant step in Nokia s transformation. Most notably, in Q4 we introduced new mobile phones and smartphones, which resulted from the strategy shift in our Devices & Services business.

Overall, we are pleased with the performance of our mobile phones business, which benefited in Q4 from sequential double-digit percentage growth in our dual SIM business, with particular strength in India, Middle East and Africa and South East Asia. In October, we introduced the Asha 200, 201, 300 and 303, which brought new mobile phones into 76 markets around the world. We are building on this foundation with R&D investments as we continue our journey to connect the next billion to the Internet.

Also in October, just six months after signing an agreement with Microsoft, we introduced our first two devices based on the Windows Phones platform the Nokia Lumia 800 and the Nokia Lumia 710. We brought the new devices to market ahead of schedule, demonstrating that we are changing the clock speed of Nokia. To date, we have introduced Lumia to consumers in Europe, Hong Kong, India, Russia, Singapore, South Korea and Taiwan.

We have also started our important re-entry into the North American market. Earlier this month, T-Mobile started selling the Nokia Lumia 710 as a lead device. We also announced the new Nokia Lumia 900 with AT&T, and immediately received a number of industry awards. The Nokia Lumia 900 is our third Lumia device, our first LTE device designed specifically for the North American market, and AT&T is positioning the Lumia 900 as a lead LTE device.

In the war of ecosystems, clearly there are some strong contenders already on the field. And with Lumia, we have demonstrated that we belong on the field. Our specific intent has been to establish a beachhead in this war of ecosystems, and country by country that is what we are now accomplishing. To date we have sold well over 1 million Lumia devices. From this beachhead of more than 1 million Lumia devices, you will see us push forward with the sales, marketing and successive product introductions necessary to be successful. We also plan to bring the Lumia series to additional markets including China and Latin America in the first half of 2012.

And, while we progressed in the right direction in 2011, we still have a tremendous amount to accomplish in 2012, and thus, it is my assessment that we are in the heart of our transition.

Specifically, changing market conditions are putting increased pressure on Symbian. In certain markets, there has been an acceleration of the anticipated trend towards lower-priced smartphones with specifications that are different from Symbian s traditional strengths. As a result of the changing market conditions, combined with our increased focus on Lumia, we now believe that we will sell fewer Symbian devices than we previously anticipated.

During Q4, we also formed the Location & Commerce business to drive value from our leading mapping and location-based services platform. We conducted annual impairment testing in Q4 in the context of our new structure and plans for the future, and valued the Location & Commerce business at EUR 4.1 billion, resulting in an impairment of goodwill of EUR 1.1 billion. The Location & Commerce business is an important asset that is bringing differentiating location-based services to Nokia, the Windows Phone ecosystem, and other Microsoft products such as Bing. We believe this is the leading location-based services platform with an opportunity to become tremendously powerful as computing goes more mobile, and location increasingly becomes a critical organizing dimension for a person s experiences.

In summary, with a strong balance sheet, our performance in mobile phones and the new excitement around Lumia, we are confident that we are on the right track to build long-term value.

NOKIA OUTLOOK

- Nokia expects its non-IFRS Devices & Services operating margin in the first quarter 2012 to be around breakeven, ranging either above or below by approximately 2 percentage points. This outlook is based on our expectations regarding a number of factors, including:

- competitive industry dynamics, particularly impacting our Smart Devices business unit;
- a greater-than-normal seasonal decline in Devices & Services net sales;
- timing, ramp-up, and consumer demand related to our new products;
- the macroeconomic environment.

- Nokia continues to target to reduce Devices & Services non-IFRS operating expenses by more than EUR 1 billion for the full year 2013, compared to the recasted full year 2010 Devices & Services non-IFRS operating expenses of EUR 5.35 billion.

- Nokia and Nokia Siemens Networks expect Nokia Siemens Networks non-IFRS operating margin to be negative in the earlier part of 2012. In the first quarter of 2012, Nokia Siemens Networks expects substantial charges related to its previously announced global restructuring program aimed at maintaining long-term competitiveness and improving profitability. Due to the nature of the restructuring program as well as prevailing uncertain macroeconomic conditions, the timing of improvements in profitability is uncertain and therefore Nokia Siemens Networks non-IFRS operating margin in 2012 is expected to be volatile. Thus, Nokia and Nokia Siemens Networks do not believe it is appropriate to give specific full year or quarterly guidance for Nokia Siemens Networks during 2012.

- Nokia Siemens Networks continues to target to reduce its non-IFRS annualized operating expenses and production overheads by EUR 1 billion by the end of 2013, compared to the end of 2011.

LONGER TERM OUTLOOK AND TARGETS

Nokia believes it is currently not appropriate to provide annual targets for 2012 mainly for the following reasons:

- 2012 is expected to continue to be a year of transition, during which our Devices & Services business will be subject to risks and uncertainties. Those risks and uncertainties include, among others, consumer demand for our Symbian devices; the timing, ramp-up, and consumer demand related to new products, including our Lumia devices; and further pressure on margins as competitors endeavor to capitalize on our platform and product transition;

- Nokia Siemens Networks has announced a new strategy which focuses its business on mobile broadband and services, and has launched an extensive global restructuring program.

- Additionally, the macroeconomic environment is making it increasingly difficult to estimate our outlook and provide reliable targets.

Longer-term, Nokia targets:

- Devices & Services net sales to grow faster than the market.
- Devices & Services non-IFRS operating margin to be 10% or more.

Longer-term, Nokia and Nokia Siemens Networks target:

- Nokia Siemens Networks non-IFRS operating margin to be between 5% and 10%.

FOURTH QUARTER 2011 FINANCIAL HIGHLIGHTS

<u>The non-IFRS results exclude:</u>

Q4 2011 EUR 1 432 million (net) consisting of:

- *EUR 1 090 million partial impairment of goodwill in Location & Commerce*
- *EUR 25 million restructuring charge in Location & Commerce*
- *EUR 119 million of intangible asset amortization and other purchase price accounting related items arising from the acquisition of NAVTEQ*
- *EUR 100 million restructuring charge and EUR 36 million associated impairments in Devices & Services*
- *EUR 2 million of intangible assets amortization and other purchase price related items arising from the acquisition of Novarra, MetaCarta and Motally in Devices & Services*
- *EUR 86 million of intangible asset amortization and other purchase price accounting related items arising from the formation of Nokia Siemens Networks and the acquisition of Motorola Solutions networks assets*
- *EUR 23 million restructuring charge and other associated items in Nokia Siemens Networks*

- *EUR 49 million benefit from a cartel claim settlement*

Q4 2010 EUR 206 million (net) consisting of:

- *EUR 28 million restructuring charge and other associated items in Nokia Siemens Networks*
- *EUR 85 million restructuring charges in Devices & Services*
- *EUR 147 million gain on sale of wireless modem business in Devices & Services*
- *EUR 116 million of intangible asset amortization and other purchase price accounting related items arising from the formation of Nokia Siemens Networks*
- *EUR 119 million of intangible asset amortization and other purchase price accounting related items arising from the acquisition of NAVTEQ*
- *EUR 5 million of intangible assets amortization and other purchase price related items arising from the acquisition of OZ Communications, Novarra and Motally in Devices & Services*

Q4 2010 taxes EUR 52 million non-cash tax benefit from reassessment of recoverability deferred tax assets in Nokia Siemens Networks

Q3 2011 EUR 323 million (net) consisting of:

- *EUR 26 million restructuring charge and other associated items in Nokia Siemens Networks*
- *EUR 59 million restructuring charge and EUR 54 million associated impairments in Devices & Services*
- *EUR 24 million positive Accenture deal closing adjustment in Devices & Services*
- *EUR 94 million of intangible asset amortization and other purchase price accounting related items arising from the formation of Nokia Siemens Networks and the acquisition of Motorola Solutions networks assets*
- *EUR 113 million of intangible asset amortization and other purchase price accounting related items arising from the acquisition of NAVTEQ*
- *EUR 1 million of intangible assets amortization and other purchase price related items arising from the acquisition of Novarra, MetaCarta and Motally in Devices & Services*

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

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Nokia Group

Nokia has three businesses that reflect its new operational structure implemented during 2011 Devices & Services, Location & Commerce and Nokia Siemens Networks. As of April 1, 2011, Devices & Services has two operating and reportable segments Smart Devices, which focuses on smartphones, and Mobile Phones, which focuses on mass market mobile devices as well as Devices & Services Other. As of October 1, 2011, a new operating and reportable segment, Location & Commerce, was formed by combining the NAVTEQ business with Nokia s social location services operations, which focuses on location based services and local commerce. From the third quarter of 2008 until the end of the third quarter of 2011, NAVTEQ was a separate reportable segment of Nokia.

Prior period results for each quarter and the full year 2010 and Q1, Q2 and Q3 2011 have been recasted (on an unaudited basis) for comparability purposes according to the new reporting format. Recasted reported financial information can be accessed at: http://www.nokia.com/investors

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

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

	YoY Change	QoQ Change
Group net sales reported	-21%	11%
Group net sales - constant currency(1)	-19%	11%
Devices & Services net sales reported	-29%	11%
Devices & Services net sales - constant currency(1)	-26%	12%
Nokia Siemens Networks net sales reported	-4%	12%
Nokia Siemens Networks net sales - constant currency(1)	-5%	10%

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

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

NOKIA GROUP CASH FLOW AND FINANCIAL POSITION

EUR million	Q4/2011	Q4/2010	YoY Change	Q3/2011	QoQ Change
Net cash from operating activities	634	2 436	-74%	852	-26%
Total cash and other liquid assets	10 902	12 275	-11%	10 809	1%

Net cash and other liquid assets(1)	5 581	6 996	-20%	5 067	10%

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

Year-on-year, net cash and other liquid assets decreased by EUR 1.4 billion primarily due to payment of the dividend, cash outflows related to the acquisition of Motorola Solutions networks assets, and capital expenditures, partially offset by positive overall net cash from operating activities and a EUR 500 million equity investment in Nokia Siemens Networks by Siemens.

Sequentially, net cash and other liquid assets increased by EUR 514 million primarily due to underlying profitability, net working capital improvements in Nokia Siemens Networks, cash inflows related to IPR, positive foreign exchange impact on our cash balances, and the receipt of a platform support payment from Microsoft, partially offset by net cash outflows related to taxes, capital expenditures, and hedging activities.

Our broad strategic agreement with Microsoft includes platform support payments from Microsoft to us as well as software royalty payments from us to Microsoft. In the fourth quarter 2011, we received the first quarterly platform support payment of USD 250 million (EUR 180 million). We have a competitive software royalty structure, which includes minimum software royalty commitments. Over the life of the agreement, both the platform support payments and the minimum software royalty commitments are expected to measure in the billions of US Dollars.

Devices & Services

As of April 1, 2011, our Devices & Services business has two operating and reportable segments Smart Devices, which focuses on smartphones, and Mobile Phones, which focuses on mass market mobile devices as well as Devices & Services Other. Additionally, in 2011 we announced plans to create a new Location & Commerce business which combines NAVTEQ and Nokia s social location services operations from Devices & Services. The Location & Commerce business is an operating and reportable segment beginning October 1, 2011. Prior period results for each quarter and the full year 2010 and Q1, Q2 and Q3 2011 have been recasted (on an unaudited basis) for comparability purposes according to the new reporting format. Recasted reported financial information can be accessed at: http://www.nokia.com/investors

The following chart sets out a summary of the results for our Devices & Services business for the periods indicated, as well as the year-on-year and sequential growth rates.

DEVICES & SERVICES RESULTS SUMMARY

	Q4/2011	**Q4/2010**	**YoY Change**	**Q3/2011**	**QoQ Change**
Net sales (EUR million)**(1)**	5 997	8 499	-29%	5 392	11%
Mobile device volume (million units)	113.5	123.7	-8%	106.6	6%
Mobile device ASP (EUR)	53	69	-23%	51	4%
Non-IFRS gross margin (%)	25.8%	29.0%		25.7%	
Non-IFRS operating expenses (EUR million)	1 262	1 431	-12%	1 126	12%
Non-IFRS operating margin (%)	4.9%	12.1%		4.8%	

Note 1: *Includes IPR royalty income recognized in Devices & Services Other net sales.*

Net Sales

The year-on-year decline and sequential increase in our Devices & Services net sales are discussed below in our operating analysis of our Smart Devices and Mobile Phones business units. No non-recurring IPR royalty income was recognized in the fourth quarter 2011, compared with approximately EUR 70 million recognized in the third quarter 2011 and approximately EUR 30 million recognized in the fourth quarter 2010 in Devices & Services Other which benefited our overall Devices & Services results in those quarters. At constant currency,