Q1 2019

Conference call
April 25, 2019
15:00 / Helsinki
08:00 / New York

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Nokia presents financial information on reported, non-IFRS and constant currency basis. Non-IFRS measures presented in this document exclude costs related to the acquisition of Alcatel-Lucent and related integration, goodwill impairment charges, intangible asset amortization and other purchase price fair value adjustments, restructuring and associated charges and certain other items that may not be indicative of Nokia's underlying business performance. In order to allow full visibility on determining non-IFRS results, information on non-IFRS exclusions is presented separately for each of the components of profit or loss. Constant currency reporting provides additional information on change in financial measures on a constant currency basis in order to better reflect the underlying business performance. Therefore, change in financial measures at constant currency excludes the impact of changes in exchange rates in comparison to euro, our reporting currency. Non-IFRS or constant currency financial measures should not be considered in isolation from, or as a substitute for, financial information presented in compliance with IFRS, and either of these financial measures as used by Nokia may not be comparable to similarly titled measures used by other companies or persons. Please see our complete financial report for more information on our results and financial performance for the indicated periods as well as our operating and reporting structure.

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Presented by

Rajeev Suri

President and CEO

Kristian Pullola

CFO

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Contents

Particularly weak Q1, consistent with our outlook; Full year 2019 guidance maintained due to expected 5G ramp up

Rajeev Suri, President and CEO, on Q1 2019 results

Q1 was a weak quarter for Nokia. We expected that it would be, and the outcome has not changed our perspective on the full year. We are confident that those issues that drove weakness in our results will ease over the remainder of the year. While overall risks have increased slightly, we continue to see positive developments and are maintaining our guidance for the full year.

As the year progresses, we expect meaningful topline and margin improvements. 5G revenues are expected to grow sharply, particularly in the second half of the year, driven by our 36 commercial wins to date. Global services profitability should improve as we recover in a handful of large rollout projects, IP routing is now firmly back to growth given our product leadership, and optical networks continues its long run of growth. We are also seeing good underlying momentum in our strategic focus areas of software and enterprise, and we are moving steadily forward on our path to build a strong licensing business that is sustainable for the long-term.

In terms of risks, one factor is our slow start to the year. In addition, competitive intensity has slightly increased in certain accounts as some competitors seek to be more commercially aggressive in the early stages of 5G and as some customers reassess their vendors in light of security concerns, creating near-term pressure but longer-term opportunity. We will continue to take a balanced view, and are prepared to invest prudently in cases where there is the right longer-term profitability profile. We are also progressing well with our previously announced EUR 700 million cost savings program.

In short, an expectedly weak Q1, but continued reason for optimism as the year progresses.

New financial reporting structure beginning Q1 2019

Nokia announced organizational changes to accelerate its strategy execution during the fourth quarter of 2018. In line with financial regulations, Nokia revised its financial reporting structure to better reflect its strategy, organizational structure and the way it evaluates operational performance and allocates resources. As of the first quarter 2019, Nokia has three reportable segments: (i) Networks, (ii) Nokia Software and (iii) Nokia Technologies. In addition, Nokia discloses segment-level data for Group Common and Other.

For each reportable segment, Nokia provides detailed financial disclosure, including net sales and operating profit. Additionally, Nokia provides adjusted financial disclosure for its Networks and Nokia Software reportable segments, with amounts related to licensing and Nokia Bell Labs allocated 85% to Networks and 15% to Nokia Software.

In addition, Nokia provides net sales disclosure for the following businesses: (i) Mobile Access, (ii) Fixed Access, (iii) IP Routing and (iv) Optical Networks, which together comprise the new Networks reportable segment. Nokia also provides separate net sales disclosure for its different customer types: (i) Communication Service Providers, (ii) Enterprises and (iii) Licensees. Net sales by region are provided at the Nokia level.

To provide a basis for comparison, Nokia published a recasting of financial results on an unaudited basis for all four quarters of 2018 separately, as well as for the full year 2018, on April 18, 2019.

Licensees

After the end of Q1 2019, Nokia Technologies agreed to financial terms with a new licensee, further validating our global licensing program. The final agreement is expected to be signed during the coming weeks. Including this new licensee, Nokia Technologies' annualized net sales run-rate would be approximately EUR 1.4 billion.

Over more than 20 years, we have cumulatively invested over EUR 125 billion in advanced telecommunications technologies R&D and defined many of the fundamental technologies used in virtually all mobile devices. We have taken a leadership role in standards setting, and we have secured a leading share of essential patents for GSM, 3G, 4G and 5G technologies.

Financial Summary

Q1 2019 reported and non-IFRS results. Refer to note 1, “Basis of Preparation”, note 2, "Non-IFRS to reported reconciliation" and note 13, "Performance measures", in the "Financial statement information" section for details.				
EUR million (except for EPS in EUR)	**Q1'19**	Q1'18	YoY change	*Constant currency YoY change*
Net sales	**5 032**	4 924	2%	*(2)%*
Operating profit/(loss)	**(524)**	(336)	56%	
Operating margin %	**(10.4)%**	(6.8)%	(360)bps	
EPS, diluted	**(0.08)**	(0.06)		
Operating profit/(loss) (non-IFRS)	***(59)***	*239*		
Operating margin % (non-IFRS)	***(1.2)%***	*4.8%*	*(600)bps*	
EPS, diluted (non-IFRS)	***(0.02)***	*0.02*		
Net cash and current financial investments[1]	**1 991**	4 179	(52)%	

[1] Net cash and current financial investments does not include lease liabilities.

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Outlook

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Outlook metrics

Metric	Full Year 2019	Full Year 2020
Non-IFRS diluted earnings per share	EUR 0.25 - 0.29	EUR 0.37 - 0.42
Non-IFRS operating margin	9 - 12%	12 - 16%
Recurring free cash flow[1]	Slightly positive	Clearly positive
Annual distribution to shareholders	Over the long term, Nokia targets to deliver an earnings-based growing dividend by distributing approximately 40% to 70% of non-IFRS diluted EPS, taking into account Nokia's cash position and expected cash flow generation. The annual distribution would be paid as quarterly dividends.	

[1]Free cash flow = net cash from operating activities - capital expenditures + proceeds from sale of property, plant and equipment and intangible assets – purchase of non-current financial investments + proceeds from sale of non-current financial investments.

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Key factors and assumptions influencing our outlook

Net sales and operating margin for Networks and Nokia Software are expected to be influenced by factors including:

- Our expectation that we will outperform our primary addressable market in full year 2019 and over the longer-term, driven by our strategy, which includes competing in 5G more effectively due to our strong end-to-end portfolio, focusing on targeted growth opportunities in attractive adjacent markets and building a strong network agnostic software business. On a constant currency basis, we expect our primary addressable market to be flattish in full year 2019 and to grow in full year 2020;
- The slow start to 2019 and expected weak overall first half puts significant pressure on execution in the second half. Due to the evolving readiness of the 5G ecosystem, in Q1 2019, we were unable to recognize approximately EUR 200 million of net sales related to 5G deliveries mainly in North America, which we expect to recognize in full before the end of 2019. (new commentary);
- The timing of completions and acceptances of certain projects, particularly related to 5G. Based on the evolving readiness of the 5G ecosystem and the staggered nature of 5G rollouts in lead countries, we expect full year 2019 to follow a similar pattern as full year 2018: a soft first half followed by a robust second half, with a particularly weak Q1;
- Competitive intensity could increase in some accounts as some competitors seek to take share in the early phases of 5G (new commentary);
- Some customers are reassessing their vendors in light of security concerns, creating near-term pressure to invest in order to secure long-term benefits (new commentary);
- Our expectation that we will improve our R&D productivity and reduce support function costs through the successful execution of our cost savings program;
- Potential mergers or acquisitions by our customers;
- Our product and regional mix; and
- Macroeconomic, industry and competitive dynamics.

Net sales and operating margin for Nokia Technologies is expected to be influenced by factors including:

- The timing and value of new and existing patent licensing agreements with smartphone vendors, automotive companies and consumer electronics companies;
- Results in brand and technology licensing;
- Costs to protect and enforce our intellectual property rights; and
- The regulatory landscape.

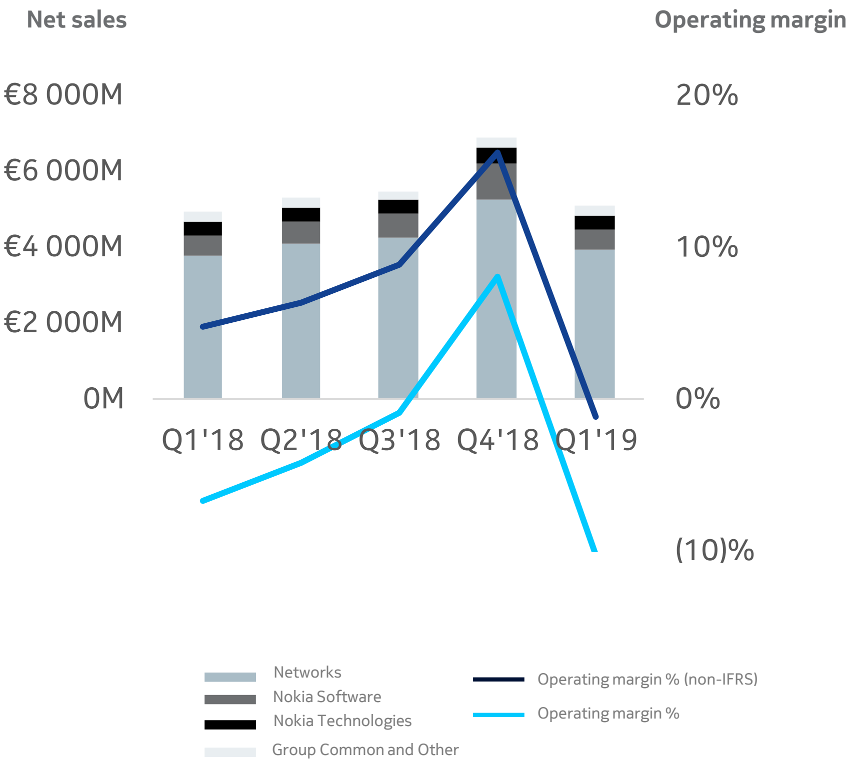
Additionally, our outlook is based on the following assumptions:

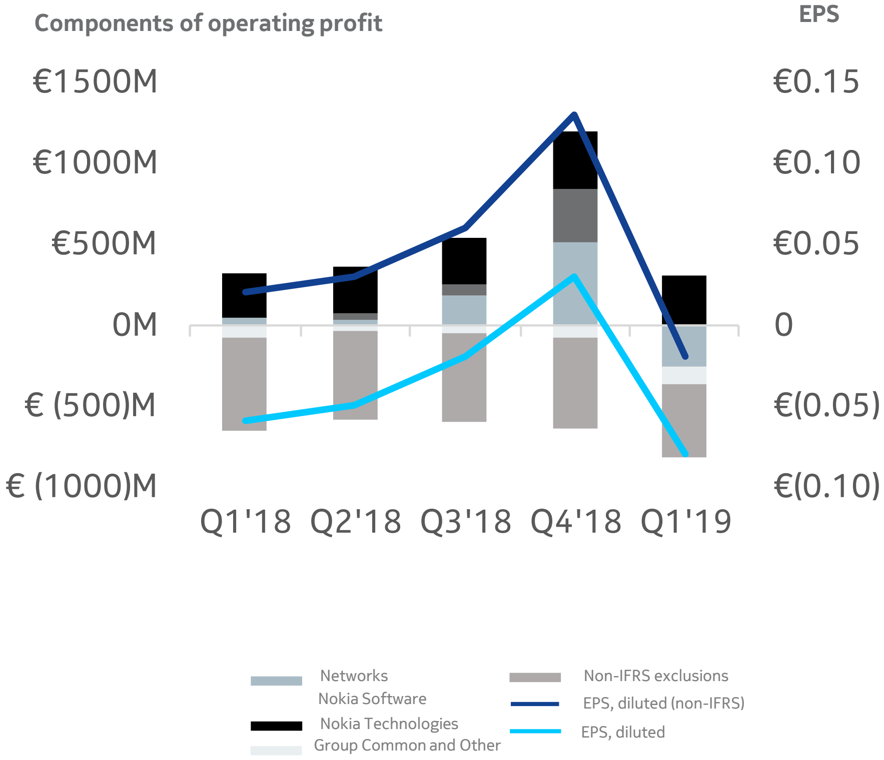
- Nokia's recurring free cash flow is expected to improve over the longer-term due to lower cash outflows related to restructuring and network equipment swaps and improved operational results over time;
- Non-IFRS financial income and expenses to be an expense of approximately EUR 300 million in full year 2019 and over the longer-term;
- Non-IFRS income taxes at a rate of approximately 28% in full year 2019 and approximately 25% over the longer-term, subject to the absolute level of profits, regional profit mix and changes to our operating model;
- Cash outflows related to income taxes of approximately EUR 450 million in full year 2019 and over the longer term until our US or Finnish deferred tax assets are fully utilized; and

Capital expenditures of approximately EUR 700 million in full year 2019 and approximately EUR 600 million over the longer-term.

Nokia in Q1 2019

Nokia financial results





Nokia financial results, Q1 2019 compared to Q1 2018

EUR million (except for EPS in EUR)	**Q1'19**	Q1'18	YoY change	*Constant currency YoY change*
Net sales	**5 032**	4 924	2%	*(2)%*
Networks	**3 944**	3 783	4%	*0%*
Nokia Software	**543**	541	0%	*(4)%*
Nokia Technologies	**370**	365	1%	*0%*
Group Common and Other	**220**	252	(13)%	*(12)%*
Non-IFRS exclusions	**(25)**	(5)	400%	
Gross profit	**1 580**	1 805	(12)%	
Operating profit/(loss)	**(524)**	(336)		
Networks	**(254)**	46		
Nokia Software	**(7)**	1		
Nokia Technologies	**302**	274	10%	
Group Common and Other	**(100)**	(83)		
Non-IFRS exclusions	**(464)**	(575)		
Operating margin %	**(10.4)%**	(6.8)%	(360)bps	
Gross profit (non-IFRS)	***1 641***	*1 941*	*(15)%*	
Operating profit/(loss) (non-IFRS)	***(59)***	*239*		
Operating margin % (non-IFRS)	***(1.2)%***	*4.8%*	*(600)bps*	
Financial income and expenses	**(55)**	(108)	(49)%	
Income taxes	**142**	94	51%	
Profit/(loss) for the period	**(442)**	(354)		
EPS, diluted	**(0.08)**	(0.06)		
Financial income and expenses (non-IFRS)	***(93)***	*(116)*	*(20)%*	
Income taxes (non-IFRS)	***41***	*(36)*		
Profit/(loss) for the period (non-IFRS)	***(116)***	*83*		
EPS, diluted (non-IFRS)	***(0.02)***	*0.02*		

Nokia reported net sales grew approximately 2%. Nokia non-IFRS net sales grew approximately 3%, due to the exclusion of EUR 22 million of restructuring and associated charges. On a constant currency basis, Nokia reported net sales decreased approximately 2% and Nokia non-IFRS net sales decreased approximately 1%.

Nokia non-IFRS and reported net sales, excluding approximately EUR 40 million (EUR 10 million in Q1 2018) of one-time licensing net sales in Q1 2019, both grew by approximately 2%, as our customers added network capacity in preparation for the continued rise in broadband traffic driven by 5G. Our solid topline in Q1 2019 reflected the competitiveness of our end-to-end portfolio, with particular strength in IP routing, as well as an improving industry environment.

Due to the evolving readiness of the 5G ecosystem, in Q1 2019, we were unable to recognize approximately EUR 200 million of net sales related to 5G deliveries mainly in North America, which we expect to recognize in full before the end of 2019.

The decline in Nokia gross profit was primarily attributable to Networks, which was negatively affected by broad-based gross margin erosion in Mobile Access.

Nokia non-IFRS diluted EPS decreased by EUR 0.04, primarily due to lower gross profit, partially offset by income tax benefits compared to income tax expenses in the year-ago quarter.

Nokia reported diluted EPS decreased by EUR 0.02, primarily driven by lower gross profit, partially offset by a net positive fluctuation in financial income and expenses, higher income tax benefits and lower operating expenses.

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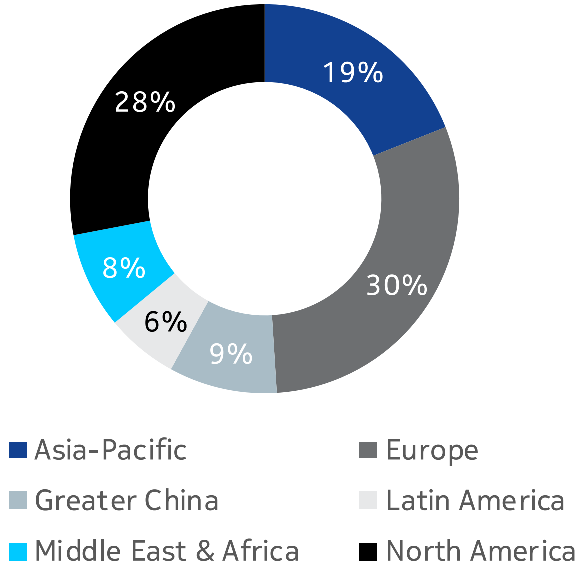
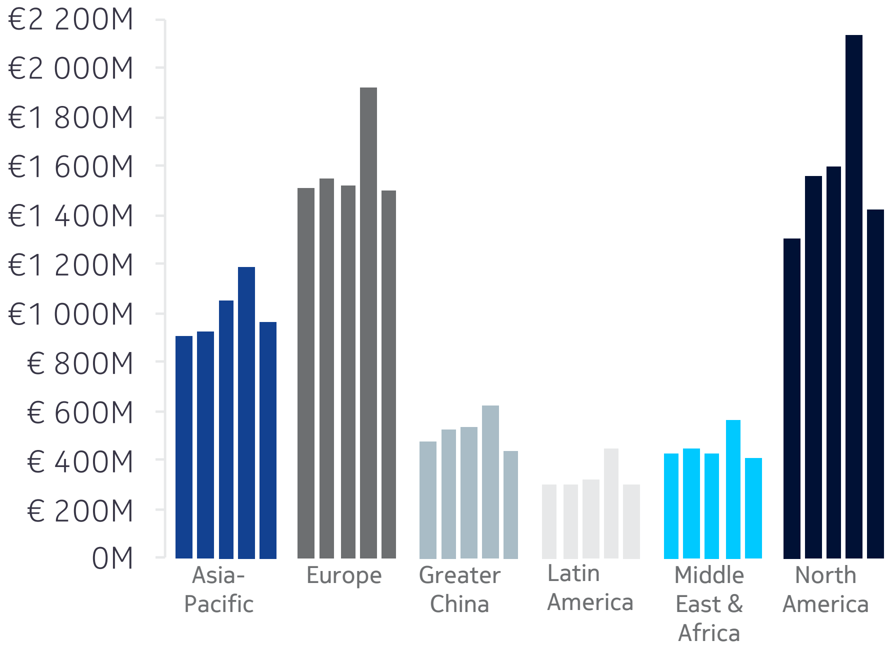
Net sales by region

Q1 2019



EUR million

Q1/2018-Q1/2019



Net sales by customer type

EUR million	**Q1'19**	Q1'18	YoY change	*Constant currency YoY change*
Communication service providers	**4 207**	4 080	3%	*(1)%*
Enterprise	**260**	244	7%	*3%*
Licensees	**370**	349	6%	*5%*
Other[1]	**195**	251	(22)%	*(21)%*
Total	**5 032**	4 924	2%	*(2)%*

[1]Includes net sales of Alcatel Submarine Networks (ASN) and Radio Frequency Systems (RFS), both of which are being managed as separate entities, and certain other items, such as eliminations of inter- segment revenues and certain items related to purchase price allocation. ASN and RFS net sales include also revenue from communications service providers and enterprise customers.

Net sales to enterprise customers, excluding the third party integration business that we are exiting, grew 8% on a reported basis, and 5% on a constant currency basis.

Amounts related to licensing and Nokia Bell Labs allocated 85% to Networks and 15% to Nokia Software

	Q1'19 Before allocations	Allocations Licensing	Allocations Nokia Bell Labs	Q1'19 After allocations	Q1'18 After allocations
Net sales (EUR million)					
Networks	3 944	315	1	**4 259**	4 081
Nokia Software	543	56		**598**	594
Nokia Technologies	370	(370)		**0**	16
Group Common and Other	220		(1)	**219**	251
Eliminations	(20)			**(20)**	(12)
Non-IFRS total	5 057	0	0	**5 057**	4 929
Operating Profit (EUR million)					
Networks	(254)	257	(44)	**(42)**	255
Nokia Software	(7)	45	(8)	**30**	38
Nokia Technologies	302	(302)		**0**	(23)
Group Common and Other	(100)		52	**(48)**	(32)
Non-IFRS total	(59)	0	0	**(59)**	239
Operating Margin %					
Networks	(6.4)%			**(1.0)%**	6.2%
Nokia Software	(1.3)%			**5.0%**	6.4%
Nokia Technologies	81.6%			**0.0%**	(143.8)%
Group Common and Other	(45.5)%			**(21.9)%**	(12.7)%
Non-IFRS total	(1.2)%			**(1.2)%**	4.8%

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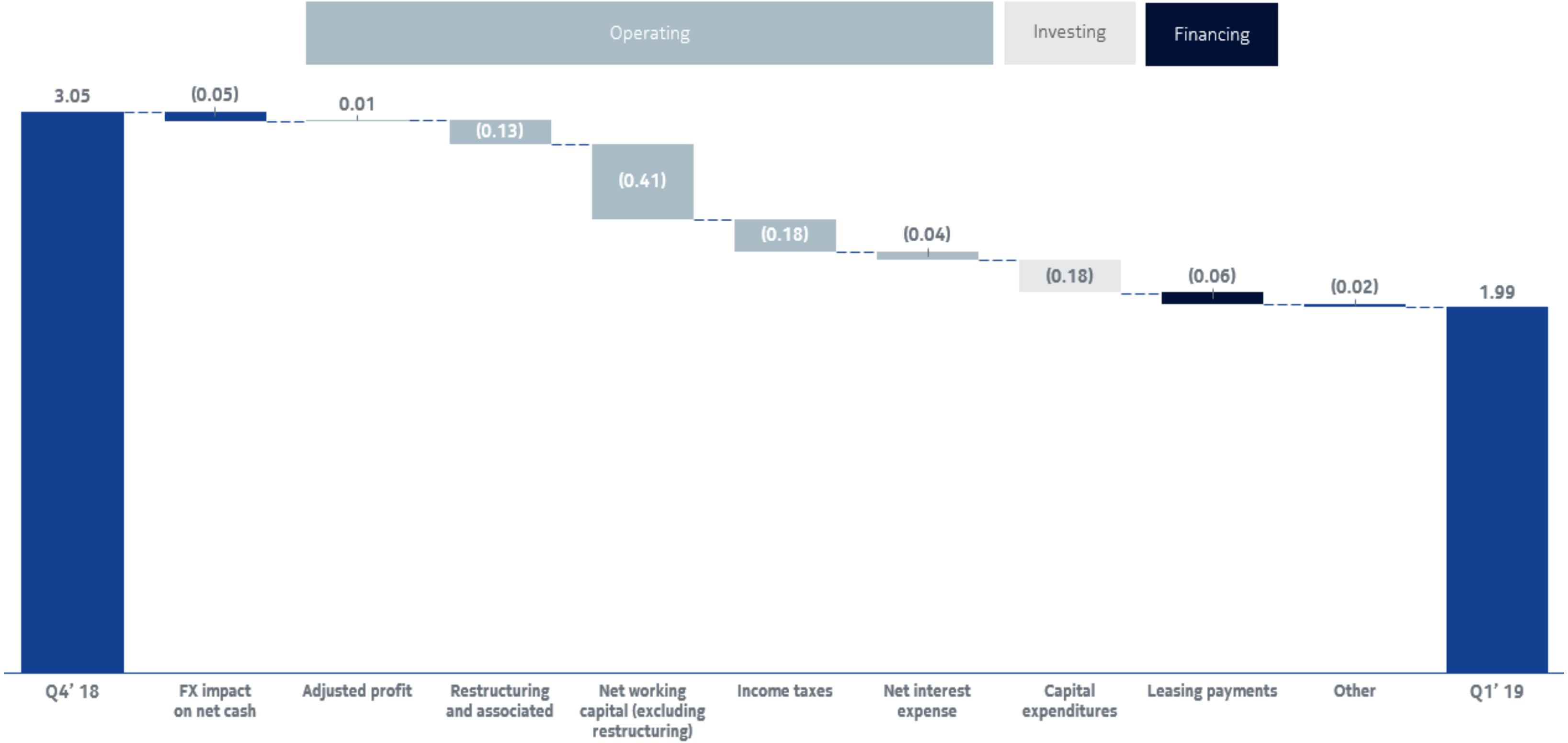
Change in net cash and current financial investments

(EUR billion)



Cost savings program

We expect our most recent cost savings program to result in a net EUR 700 million reduction of non-IFRS operating expenses and production overheads in full year 2020 compared to full year 2018, of which EUR 500 million is expected to come from operating expenses and EUR 200 million is expected to come from cost of sales. The related restructuring charges are expected to total EUR 900 million.

Balances related to previous restructuring and cost savings programs have been included as part of this cost savings program. At the beginning of Q1 2019, the balance of restructuring and associated liabilities related to prior cost savings programs was approximately EUR 630 million. This amount is included in the total expected restructuring and associated cash outflows of EUR 1 550 million, rounded to the nearest EUR 50 million, in addition to the approximately EUR 900 million of expected cash outflows related to our most recent cost savings program.

The following table summarizes the financial information related to our cost savings program as of the end of the first quarter 2019.

In EUR million, approximately	Q1'19
Balance of restructuring and associated liabilities for prior programs	630
+ Charges in the quarter	160
- Cash outflows in the quarter	130
= Ending balance of restructuring and associated liabilities	660
of which restructuring provisions	*470*
of which other associated liabilities	*190*
Total expected restructuring and associated charges	900
- Cumulative recorded	160
= Charges remaining to be recorded	740
Total expected restructuring and associated cash outflows	1 550
- Cumulative recorded	130
= Cash outflows remaining to be recorded	1 420

Cost savings program

The below table includes future expectations related to our most recent cost savings program, as well as the remaining cash outflows related to our previous programs and network equipment swaps.

In EUR million, approximately rounded to the nearest EUR 50 million	Expected amounts for		
	FY 2019	FY 2020 and beyond	Total
Recurring annual cost savings	200	500	700
- operating expenses	*150*	*350*	*500*
- cost of sales	*50*	*150*	*200*
Restructuring and associated charges	550	350	900
Restructuring and associated cash outflows	700	850	1 550
Charges related to network equipment swaps	150	0	150
Cash outflows related to network equipment swaps	150	0	150

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Reportable Segments in Q1 2019

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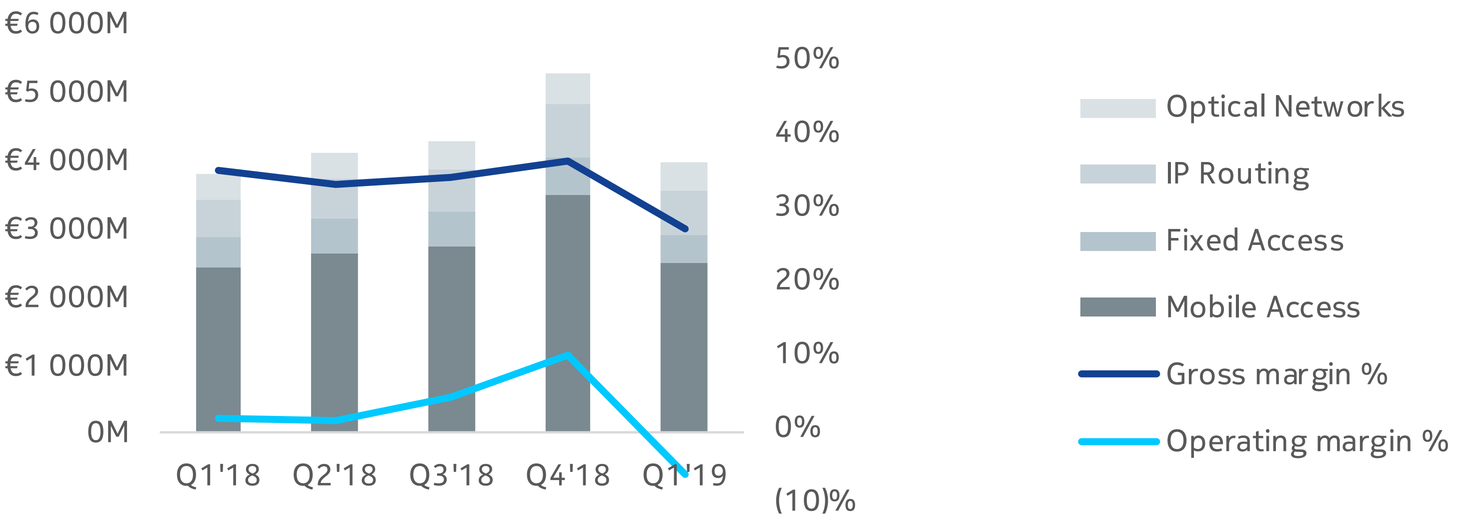
Networks

Net sales and margins



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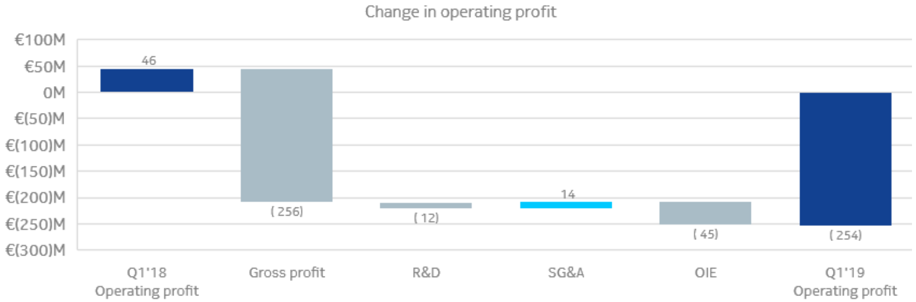
Networks

EUR million	Q1'19	Q1'18	YoY change	*currency YoY*
Net sales	**3 944**	3 783	4%	*0%*
Mobile Access	**2 473**	2 426	2%	*(2)%*
Fixed Access	**426**	445	(4)%	*(8)%*
IP Routing	**645**	550	17%	*12%*
Optical Networks	**400**	363	10%	*7%*
Gross profit	**1 061**	1 317	(19)%	
Gross margin %	***26.9%***	*34.8%*	*(790)bps*	
R&D	**(778)**	(766)	2%	
SG&A	**(518)**	(532)	(3)%	
Other income and expenses	**(18)**	27		
Operating profit/(loss)	**(254)**	46		
Operating margin %	***(6.4)%***	*1.2%*	*(760)bps*	



Networks net sales grew 4%. On a constant currency basis, Networks net sales were flat.

The growth in Networks net sales was due to IP Routing, Mobile Access and Optical Networks, partially offset by a decrease in Fixed Access.

The growth in IP Routing was primarily due to our market-leading portfolio. The growth in Mobile Access was primarily due to network deployment services, partially offset by decreases in legacy radio technologies. The growth in Optical Networks was primarily due to our market-leading portfolio. The decrease in Fixed Access was primarily due to copper access technologies.

Due to the evolving readiness of the 5G ecosystem, in Q1 2019, we were unable to recognize approximately EUR 200 million of net sales related to 5G deliveries mainly in North America, which we expect to recognize in full before the end of 2019.

The decrease in Networks gross profit was primarily due to Mobile Access and Fixed Access, partially offset by IP Routing and Optical Networks. The decrease in Mobile Access and Fixed Access gross profit was primarily due to lower gross margin. The increase in IP Routing and Optical Networks gross profit was primarily due to higher net sales.

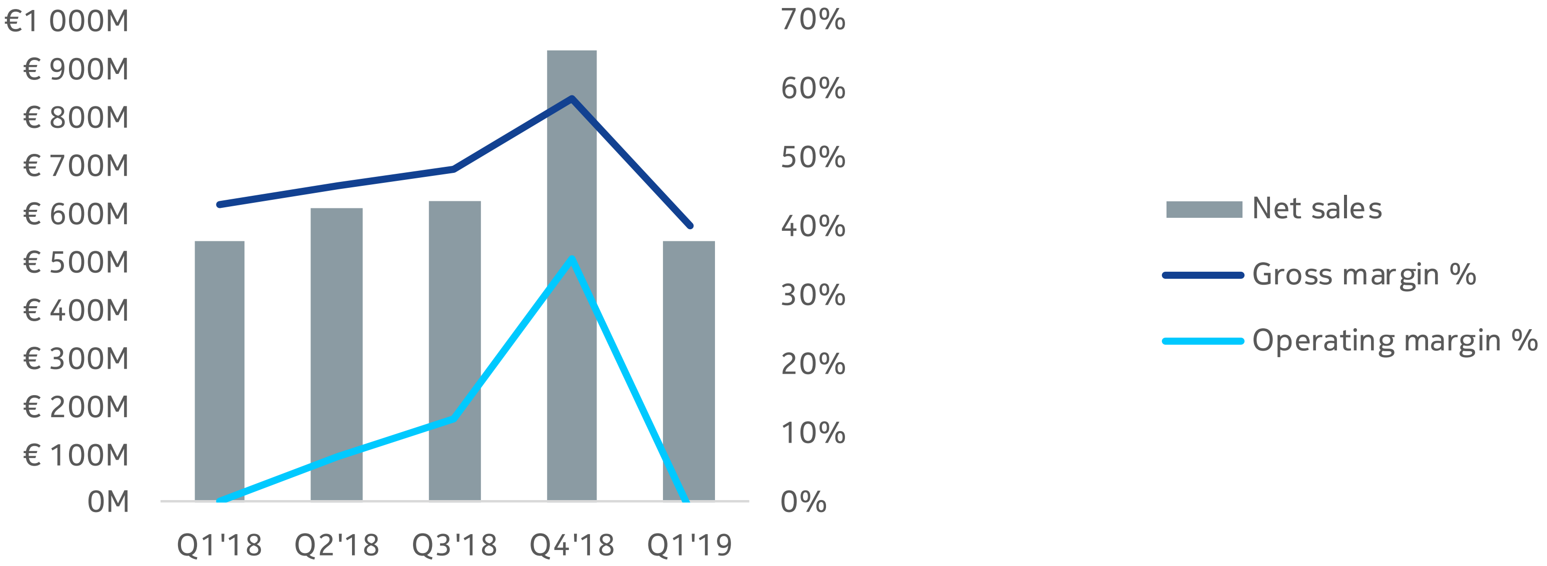
The increase in Networks R&D expenses was primarily due to higher 5G investments in Mobile Access, partially offset by progress related to Nokia's cost savings program.

The decrease in Networks SG&A expenses was primarily due to progress related to Nokia's cost savings program.

The net negative fluctuation in other income and expenses was primarily due to foreign exchange hedging.

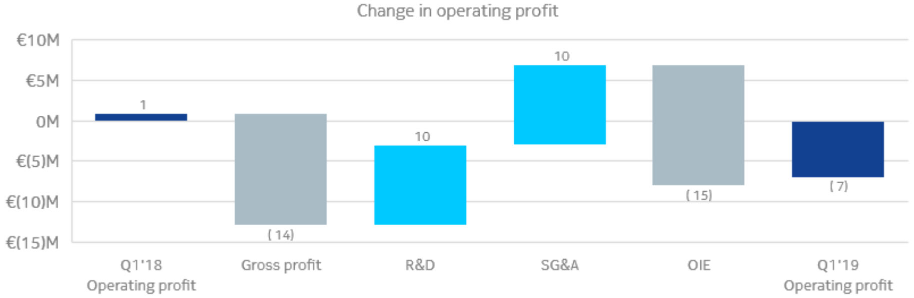
Nokia Software

Net sales and margins



Nokia Software

EUR million	Q1'19	Q1'18	YoY change	*Constant currency YoY change*
Net sales	**543**	541	0%	*(4)%*
Gross profit	**219**	233	(6)%	
Gross margin %	***40.3%***	*43.1%*	*(280)bps*	
R&D	**(118)**	(128)	(8)%	
SG&A	**(101)**	(111)	(9)%	
Other income and expenses	**(7)**	8		
Operating profit/(loss)	**(7)**	1		
Operating margin %	***(1.3)%***	*0.2%*	*(150)bps*	



Nokia Software net sales grew slightly. On a constant currency basis, Nokia Software net sales decreased 4%.

The slight growth in Nokia Software net sales was primarily due to applications and, to a lesser extent, core networks. In applications, growth was particularly driven by sales of our CloudBand and self-organizing network solutions. From a regional perspective, applications and core networks both grew in North America and Middle East & Africa and declined in Asia-Pacific.

The decrease in Nokia Software gross profit was primarily due to lower gross margin in core networks, partially offset by slightly higher gross margin in applications.

The decrease in Nokia Software R&D expenses was primarily due to an increase in R&D productivity achieved through our investments in a Common Software Foundation and the further optimization of resources.

The decrease in Nokia Software SG&A expenses was primarily due to the integration and streamlining of core networks.

Completing the integration of core networks into Nokia Software is a key priority, and we intend to transform our core networks business to support growth and higher returns, similar to how we transformed our applications business over the past 3 years. As we drive this, we expect overall operating expenses for Nokia Software to continue at similar or slightly higher levels as in Q1 2019.

The net negative fluctuation in other income and expenses was primarily due to foreign exchange hedging and higher loss allowances on trade receivables.

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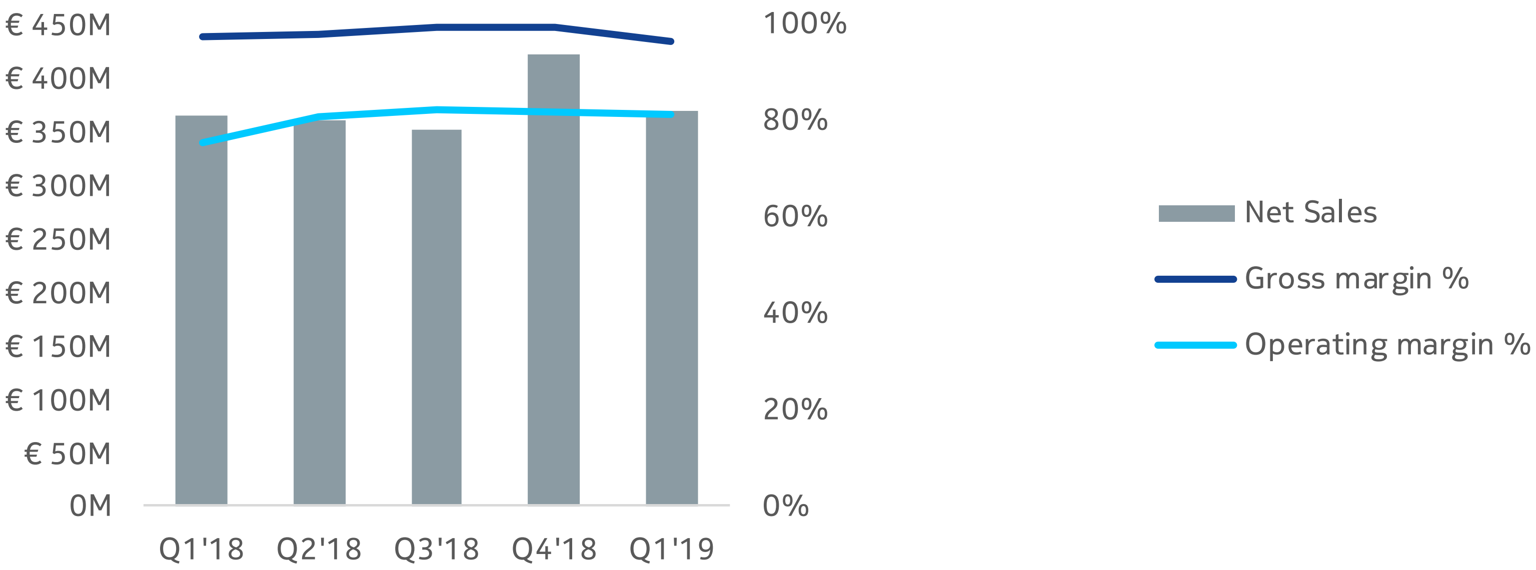
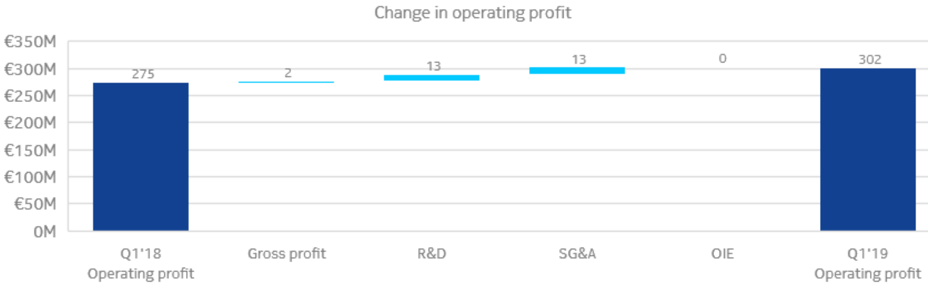
Nokia Technologies

Net sales and margins



Nokia Technologies

EUR million	Q1'19	Q1'18	YoY change	*currency YoY*
Net sales	**370**	365	1%	*0%*
Gross profit	**357**	355	1%	
Gross margin %	***96.5%***	*97.3%*	*(80)bps*	
R&D	**(30)**	(43)	(30)%	
SG&A	**(25)**	(39)	(36)%	
Other income and expenses	**0**	0		
Operating profit/(loss)	**302**	274	10%	
Operating margin %	***81.6%***	*75.1%*	*650bps*	



Nokia Technologies net sales grew 1%. On a constant currency basis, Nokia Technologies net sales were flat.

The EUR 370 million of net sales in the first quarter 2019 related entirely to licensing. Of the EUR 365 million of net sales in the first quarter 2018, EUR 349 million related to licensing and EUR 16 million related to digital health products. We sold our digital health business in May 2018.

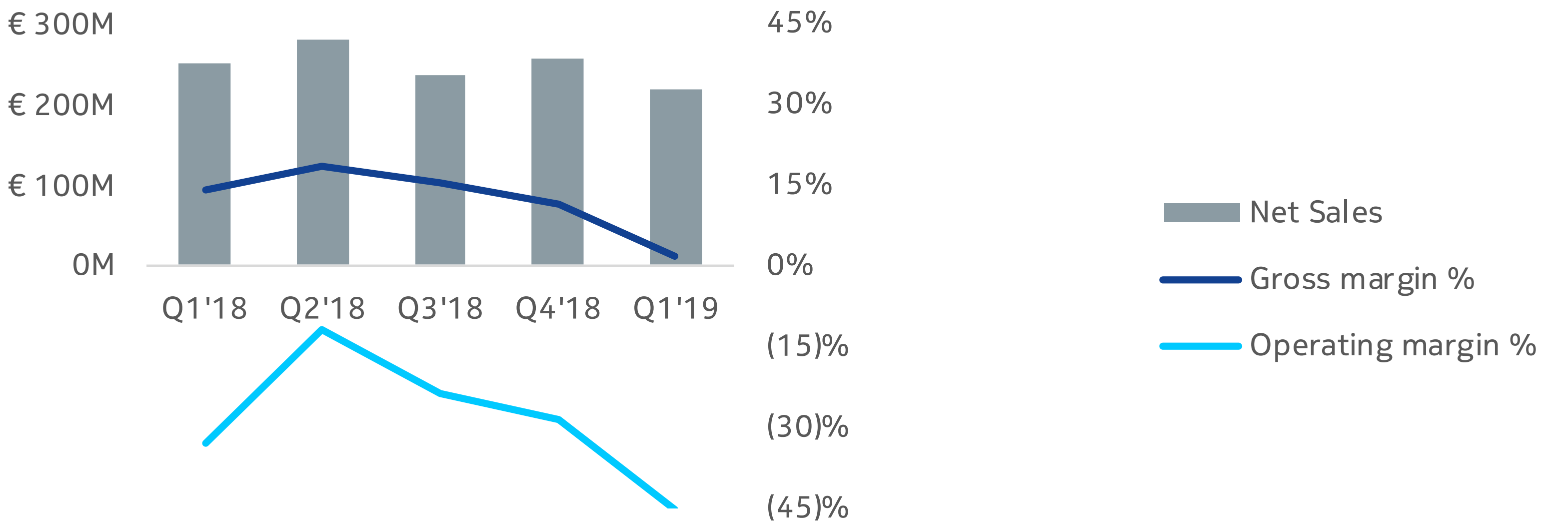
The growth in Nokia Technologies net sales was primarily due to higher one-time catch-up net sales related to a new license agreement and the sale of certain patents, partially offset by lower recurring licensing net sales, as well as the sale of our digital health business in May 2018. One-time net sales amounted to approximately EUR 40 million in the first quarter 2019 and approximately EUR 10 million in the first quarter 2018.

The decrease in Nokia Technologies R&D expenses was primarily due to the absence of costs related to digital health, following the sale of our digital health business.

The decrease in Nokia Technologies SG&A expenses was primarily due to the absence of costs related to digital health, following the sale of our digital health business and lower business support costs.

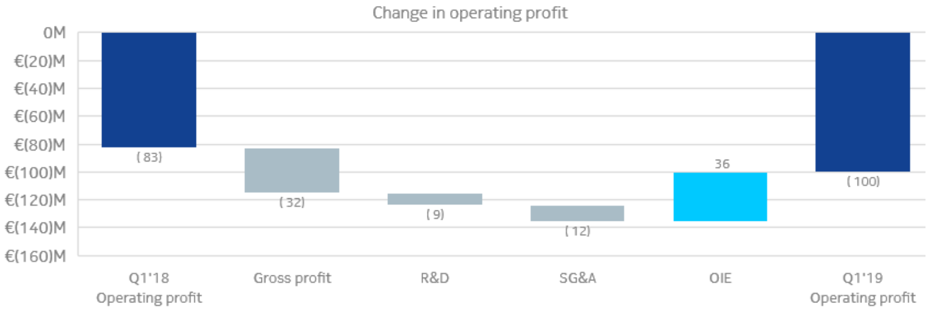
Group Common and Other

Net sales and margins



Group Common and Other

EUR million	Q1'19	Q1'18	YoY change	*Constant currency YoY change*
Net sales	**220**	252	(13)%	*(12)%*
Gross profit	**4**	36	(89)%	
Gross margin %	***1.8%***	*14.3%*	*(1 250)bps*	
R&D	**(83)**	(74)	12%	
SG&A	**(64)**	(52)	23%	
Other income and expenses	**43**	7		
Operating profit/(loss)	**(100)**	(83)		
Operating margin %	***(45.5)%***	*(32.9)%*	*(1 260)bps*	



Group Common and Other net sales decreased 13%. On a constant currency basis, Group Common and Other net sales decreased 12%.

The decrease in Group Common and Other net sales was primarily due to Alcatel Submarine Networks. The decrease in Alcatel Submarine Networks was primarily due to a lower level of ongoing projects.

The decrease in Group Common and Other gross profit was primarily due to lower gross margin in Radio Frequency Systems and Alcatel Submarine Networks and, to a lesser extent, lower net sales.

The increase in Group Common and Other R&D and SG&A expenses was primarily due to longer-term investments to drive digitalization for the future.

The net positive fluctuation in other income and expenses was primarily due to higher gains in Nokia's venture fund investments.

Financial Statements

Consolidated income statement

EUR million	Reported Q1'19	Reported Q1'18	Non-IFRS Q1'19	Non-IFRS Q1'18
Net sales (notes 2, 3, 4)	5 032	4 924	5 057	4 929
Cost of sales	(3 452)	(3 119)	(3 416)	(2 988)
Gross profit (notes 2, 3)	1 580	1 805	1 641	1 941
Research and development expenses	(1 156)	(1 167)	(1 009)	(1 011)
Selling, general and administrative expenses	(824)	(847)	(708)	(732)
Other income and expenses	(124)	(127)	17	41
Operating (loss)/profit (notes 2, 3)	(524)	(336)	(59)	239
Share of results of associated companies and joint ventures	(5)	(4)	(5)	(4)
Financial income and expenses	(55)	(108)	(93)	(116)
(Loss)/profit before tax (note 2)	(583)	(448)	(157)	119
Income tax benefit/(expense)	142	94	41	(36)
(Loss)/profit from continuing operations (note 2)	(442)	(354)	(116)	83
(Loss)/profit attributable to equity holders of the parent	(444)	(351)	(118)	86
Non-controlling interests	2	(3)	2	(3)
(Loss)/profit from discontinued operations	(3)	163	0	0
(Loss)/profit attributable to equity holders of the parent	(3)	163	0	0
Non-controlling interests	0	0	0	0
(Loss)/profit for the period	(444)	(191)	(116)	83
(Loss)/profit attributable to equity holders of the parent	(446)	(188)	(118)	86
Non-controlling interests	2	(3)	2	(3)
Earnings per share, EUR (for profit/(loss) attributable to equity holders of the parent)				
Basic earnings per share				
Continuing operations	(0.08)	(0.06)	(0.02)	0.02
Discontinued operations	0.00	0.03	0.00	0.00
(Loss)/profit for the period	(0.08)	(0.03)	(0.02)	0.02
Diluted earnings per share				
Continuing operations	(0.08)	(0.06)	(0.02)	0.02
Discontinued operations	0.00	0.03	0.00	0.00
(Loss)/profit for the period	(0.08)	(0.03)	(0.02)	0.02
Average number of shares ('000 shares)				
Basic				
Continuing operations	5 596 127	5 583 621	5 596 127	5 583 621
Discontinued operations	5 596 127	5 583 621	5 596 127	5 583 621
(Loss)/profit for the period	5 596 127	5 583 621	5 596 127	5 583 621
Diluted				
Continuing operations	5 596 127	5 583 621	5 596 127	5 601 031
Discontinued operations	5 596 127	5 601 031	5 596 127	5 601 031
(Loss)/profit for the period	5 596 127	5 583 621	5 596 127	5 601 031

Consolidated statement of financial position

EUR million	March 31, 2019	March 31, 2018	December 31, 2018
ASSETS			
Goodwill	5 527	5 164	5 452
Other intangible assets	3 139	3 752	3 353
Property, plant and equipment	1 777	1 789	1 790
Right-of-use assets (note 12)	954	0	0
Investments in associated companies and joint ventures	152	121	145
Non-current financial investments[1] (note 8)	714	658	690
Deferred tax assets (note 6)	5 214	4 636	4 911
Other non-current financial assets (note 8)	429	336	373
Defined benefit pension assets (note 5)	4 336	4 020	4 224
Other non-current assets	305	364	308
Non-current assets	22 546	20 840	21 246
Inventories	3 528	2 777	3 168
Trade receivables (note 8)	4 930	4 624	4 856
Contract assets	1 510	1 692	1 875
Prepaid expenses and accrued income	1 039	1 026	1 024
Social security, VAT and other indirect taxes	553	562	514
Divestment related receivables	47	78	67
Other	439	386	443
Current income tax assets	296	489	227
Other current financial assets (note 8)	327	229	243
Current financial investments[1] (note 8)	532	1 342	612
Cash and cash equivalents (note 8)	5 862	6 555	6 261
Current assets	18 025	18 734	18 266
Assets held for sale	8	22	5
Total assets	40 579	39 596	39 517

	March 31, 2019	March 31, 2018	December 31, 2018
SHAREHOLDERS' EQUITY AND LIABILITIES			
Share capital	246	246	246
Share issue premium	407	395	436
Treasury shares	(368)	(418)	(408)
Translation differences	(334)	(1 141)	(592)
Fair value and other reserves	895	970	1 063
Reserve for invested unrestricted equity	15 596	15 589	15 606
(Accumulated deficit)/retained earnings	(1 509)	153	(1 062)
Total capital and reserves attributable to equity holders of the	14 932	15 795	15 289
Non-controlling interests	86	79	82
Total equity	15 018	15 874	15 371
Long-term interest-bearing liabilities (notes 8, 10)	3 650	3 169	2 826
Long-term lease liabilities (notes 8, 12)	813	3	2
Deferred tax liabilities (note 6)	332	409	350
Defined benefit pension and post-retirement liabilities (note 5)	4 623	4 268	4 327
Contract liabilities	1 036	1 244	1 113
Deferred revenue and other long-term liabilities	824	1 687	852
Deferred revenue	738	891	764
Other (note 8)	86	796	88
Provisions (note 9)	538	721	572
Non-current liabilities	11 816	11 501	10 042
Short-term interest-bearing liabilities (notes 8, 10)	753	548	994
Short-term lease liabilities (notes 8, 12)	254	0	0
Other financial liabilities (note 8)	883	241	891
Current income tax liabilities	217	233	268
Trade payables (note 8)	4 181	3 584	4 773
Contract liabilities	2 694	2 473	2 383
Accrued expenses, deferred revenue and other liabilities	3 922	4 104	3 940
Deferred revenue	155	155	155
Salaries, wages and social charges	1 641	1 735	1 426
Other	2 127	2 214	2 359
Provisions (note 9)	840	1 038	855
Current liabilities	13 745	12 221	14 104
Total shareholders' equity and liabilities	40 579	39 596	39 517
Interest-bearing liabilities, EUR million	4 403	3 717	3 820
Shareholders' equity per share, EUR	2.67	2.83	2.73
Number of shares (1 000 shares, excluding treasury shares)	5 598 710	5 587 547	5 593 162

Consolidated statement of cash flows

EUR million	Q1'19	Q1'18
Cash flow from operating activities		
Loss for the period	(444)	(191)
Adjustments		
Depreciation and amortization	408	372
Restructuring charges	126	131
Financial income and expenses	54	14
Income tax benefit	(141)	(165)
Other	4	9
Change in net working capital		
Decrease in receivables[1]	381	551
Increase in inventories	(279)	(168)
Decrease in non-interest-bearing liabilities[1]	(635)	(410)
Cash (used in)/from operations	(526)	143
Interest received	16	24
Interest paid	(60)	(89)
Income taxes paid, net	(177)	(188)
Net cash used in operating activities	(747)	(110)
Cash flow from investing activities		
Purchase of property, plant and equipment and intangible assets	(175)	(260)
Proceeds from sale of property, plant and equipment and intangible	0	12
Acquisition of businesses, net of cash acquired	0	(12)
Proceeds from disposal of businesses, net of disposed cash	9	0
Purchase of current financial investments	(305)	(836)
Proceeds from maturities and sale of current financial investments	392	420
Purchase of non-current financial investments	(20)	(19)
Proceeds from sale of non-current financial investments	29	29
Other	0	2
Net cash used in investing activities	(70)	(664)
Cash flow from financing activities		
Purchase of equity instruments of subsidiaries	(1)	0
Proceeds from long-term borrowings	749	30
Repayment of long-term borrowings	(231)	(12)
Repayment of short-term borrowings	(19)	(1)
Payment of lease liabilities	(64)	0
Dividends paid	(1)	(15)
Net cash from financing activities	433	2
Translation differences	(15)	(42)
Net decrease in cash and cash equivalents	(399)	(814)
Cash and cash equivalents at beginning of period	6 261	7 369
Cash and cash equivalents at end of period	5 862	6 555

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