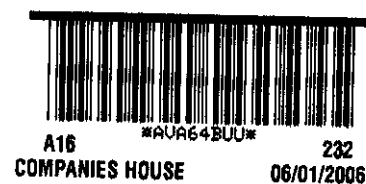


Nokia UK Holdings Limited
Annual report
for the year ended 31 December 2004

Registered Number 1500669



Nokia UK Holdings Limited
Annual report
for the year ended 31 December 2004
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Nokia UK Holdings Limited

Directors and advisers for the year ended 31 December 2004

Directors

H Mustonen
P B Heffernan
E Kaunistola
M Torkko

Secretary and registered office

D Gaskin
Headland House
Chord Business Park
London Road
Godmanchester
Cambridgeshire
PE29 2NX

Registered auditors

PricewaterhouseCoopers LLP
Abacus House
Castle Park
Cambridge
CB3 0AN

Solicitors

Orchard
Snow Hill
London
EC1A 2AY

Bankers

National Westminster Bank plc
Wembley Park Branch
15 Bridge Road
Wembley Park
Middlesex
HA9 9AE

Nokia UK Holdings Limited

Directors' report

The directors present their report and the audited financial statements for the year ended 31 December 2004.

Principal activities, review of business and future developments

The principal activity of the company is to hold investments and act as a holding company. The directors consider that the activities of the company will continue at a similar level in the future.

The profit and loss account is set out on page 6.

Dividends

The directors do not recommend the payment of a dividend (2003: £nil).

Directors

The directors of the company at 31 December 2004, all of whom have been directors for the whole of the year, are listed below:

H Mustonen
P B Heffernan
M Torkko
E Kaunistola

Directors' interests

According to the register required to be kept under Section 325 of the Companies Act, no director in office at 31 December 2004 had any interest in the shares of the company or any other group company during the year which is required to be notified to the company. For this purpose the directors are exempt from notifying the company of interests in shares in a body corporate incorporated outside Great Britain.

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. The directors are required to prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the company will continue in business.

The directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 December 2004 and that applicable accounting standards have been followed.

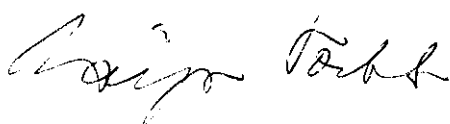
The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

PricewaterhouseCoopers LLP have indicated their willingness to continue as auditors. A resolution concerning their reappointment will be proposed at the annual general meeting.

By order of the board

Director On 22 December 2005



Esa Kaunistola
Director

Nokia UK Holdings Limited

Independent auditors' report to the members of Nokia UK Holdings Limited

We have audited the financial statements which comprise the profit and loss account, the balance sheet and the related notes.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

Basis of audit opinion

We conducted our audit in accordance with auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 December 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Cambridge

4th January 2006.

Nokia UK Holdings Limited

Profit and loss account for the year ended 31 December 2004

	Notes	2004 £'000	2003 £'000
Net operating expenses	2	(30)	(40)
Operating loss		(30)	(40)
Income from shares in group undertakings		-	1,577
Interest receivable and similar income	5	514	-
Interest payable and similar charges	6	(57)	-
Credit on dissolution of subsidiary		-	2,750
Profit on ordinary activities before taxation	7	427	4,287
Tax on profit on ordinary activities	8	(108)	(12)
Retained profit for the financial year	13	319	4,275

All results relate to continuing operations.

The company has no recognised gains and losses other than the results above and therefore no separate statement of total recognised gains and losses has been presented.

Nokia UK Holdings Limited

Balance sheet as at 31 December 2004

	Notes	2004 £'000	2003 £'000
Fixed assets			
Investments	9	49,800	49,200
Current assets			
Debtors	10	9,904	8,290
Cash at bank and in hand		3,162	4,948
		13,066	13,238
Creditors: amounts falling due within one year	11	(133)	(24)
Net current assets		12,933	13,214
Total assets less current liabilities		62,733	62,414
Net assets		62,733	62,414
Capital and reserves			
Called up share capital	12	32,654	32,654
Profit and loss account	13	30,079	29,760
Equity shareholders' funds	14	62,733	62,414

The financial statements on pages 6 to 13 were approved by the board of directors on and were signed on its behalf by:

Director *On 22 December 2005*

Paavo Toivola

Esa Kaunistola
Esa Kaunistola
Director

Nokia UK Holdings Limited

Notes to the financial statements for the year ended 31 December 2004

1 Principal accounting policies

The financial statements have been prepared in accordance with applicable accounting standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, and which have been reviewed by the Board in accordance with Financial Reporting Standard ('FRS') 18 'Accounting Policies', is set out below.

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention.

Fixed asset investments

Fixed asset investments are stated at cost less any permanent diminution in value.

Deferred taxation

Provision is made for deferred taxation in accordance with FRS 19 'Deferred taxation' using the incremental liability method. Deferred tax assets are recognised to the extent that they are regarded as recoverable. Deferred tax assets and liabilities are not discounted.

Operating and finance leases

Costs in respect of operating leases are charged on a straight line basis over the lease term. In the opinion of the directors there are no assets held under finance leases.

Foreign exchange

Transactions denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences arising in the ordinary course of business are included in trading profit.

Assets and liabilities denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the balance sheet date.

Group financial statements

The company is exempt by virtue of Section 228 of the Companies Act 1985 from the requirement to prepare group accounts on the grounds that it is a wholly owned subsidiary undertaking of Nokia Corporation, a company incorporated in Finland, and its subsidiary undertakings are included by full consolidation in the consolidated accounts of that undertaking. Nokia Corporation prepares its financial statements, in all material respects, in accordance with the EC 7th Directive.

These financial statements represent information about the company as an individual undertaking and not about its group.

The consolidated financial statements of Nokia Corporation, in which the results of Nokia UK Holdings Limited and its subsidiaries are included, are available from the address given in note 17.

Cash flow statement

The company is a wholly-owned subsidiary of Nokia Corporation, a company incorporated in Finland, and the cash flows of the company are included in the consolidated cash flow statement of Nokia Corporation. Consequently the company has taken advantage of the exemption available under FRS 1 'Cash Flow Statements' from publishing a cash flow statement.

Related party transactions

The company has taken advantage of the exemption within FRS 8 'Related party transactions' not to disclose transactions with other group companies.

Nokia UK Holdings Limited

2 Operating expenses

	2004 £'000	2003 £'000
Administration expenses	30	40
Net operating expenses	30	40

3 Directors' emoluments

There were no emoluments paid or payable to any of the directors during the year in respect of qualifying services to the company (2003: £Nil).

4 Employee information

There were no employees during the year (2003: None).

5 Interest receivable and similar charges

	2004 £'000	2003 £'000
On loans to group undertakings	514	-

6 Interest payable and similar charges

	2004 £'000	2003 £'000
Interest payable on loan notes	57	-

7 Profit on ordinary activities before taxation

	2004 £'000	2003 £'000
Profit on ordinary activities before taxation is stated after charging:		
Operating lease charges - other	14	15

The audit fee for the year has been borne by the ultimate parent company, Nokia Corporation.

Nokia UK Holdings Limited

8 Taxation

a) Analysis of charge for the year

	2004 £'000	2003 £'000
United Kingdom taxation based on profits for the year:		
Current tax:		
Current corporation tax on profit for the year	129	12
Adjustment in respect of previous years	(21)	-
Tax charge on profit on ordinary activities	108	12

b) Factors affecting tax charge for the year

The tax assessed for the year differs from the standard rate in the UK (30%). The differences are explained below:

	2004 £'000	2003 £'000
Profit on ordinary activities before tax	427	4,287
Profit on ordinary activities multiplied by the standard rate of Corporation Tax in the UK of 30% (2003: 30%)	128	1,286
Effects of:		
Expenses not deductible for tax purposes and similar tax adjustments	1	24
Income not chargeable to tax	-	(1,298)
Adjustments to tax charge in respect of previous years	(21)	-
Current tax charge for the year	108	12

9 Fixed asset investments

	£'000
Cost	
At 1 January 2004	54,054
Additions in the year	600
At 31 December 2004	54,654
Provision against carrying value	
At 1 January 1 2004 and 31 December 2004	4,854
Net book value	
At 31 December 2003	49,200
At 31 December 2004	49,800

Nokia UK Holdings Limited

9 Fixed asset investments (continued)

The additions in the year relate to incentivised consideration paid to Aircom International Limited, which were in accordance with the original Share Acquisition Agreement.

Interests in group undertakings

Name and activity of undertaking	Country of incorporation or registration	Description of shares held	Proportion of voting rights and nominal value of issued shares held %
Subsidiary undertakings			
Nokia UK Limited (Telecommunications systems and equipment)	England and Wales	£1 ordinary shares	100
Nokia R&D (UK) Limited (Intermediate holding company)	England and Wales	£1 ordinary shares	100
Fixed asset investments			
Aircom International Limited (Telecommunications software and consultancy)	England and Wales	£0.50 'A' shares	<9.9
		£0.50 'B' shares	100
		£0.01 'C' shares	100

The shareholdings in Aircom International Limited entitle the company to aggregate voting rights of 40%.

The financial statements of Aircom International Limited for the year ended 30 June 2004 show the following information:

	2004
	£'000
Profit for the financial year	3,086
Aggregate capital and reserves at 30 June 2004	10,667

10 Debtors

	2004	2003
	£'000	£'000
Amounts falling due within one year:		
Amounts owed by group undertakings	9,882	8,217
Group relief receivable	19	-
Other debtors	3	73
	9,904	8,290

Nokia UK Holdings Limited

11 Creditors: amounts falling due within one year

	2004 £'000	2003 £'000
Corporation tax	129	12
Accruals and deferred income	4	12
	133	24

12 Called up share capital

	2004 £'000	2003 £'000
Authorised		
50,000,000 (2003: 50,000,000) ordinary shares of £1 each	50,000	50,000
Allotted, called up and fully paid		
32,653,500 (2003: 32,653,500) ordinary shares of £1 each	32,654	32,654

13 Reserves

	Profit and loss account £'000
At 1 January 2004	29,760
Profit for the financial year	319
At 31 December 2004	30,079

14 Reconciliation of movements in equity shareholders' funds

	2004 £'000	2003 £'000
Profit for the financial year	319	4,275
Opening shareholders' funds	62,414	58,139
Closing shareholders' funds	62,733	62,414

Nokia UK Holdings Limited

15 Financial commitments

At 31 December 2004 the company had annual commitments under non-cancellable operating leases as follows:

	2004		2003	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
Operating leases expiring:				
Within two and five years	14	-	15	-
	14	-	15	-

16 Related party transactions

The directors do not consider that the company or its subsidiaries entered into any transactions during the period with related parties which require disclosure under FRS 8. The company has taken advantage of the exemption available under FRS 8 not to disclose transactions with other group companies.

17 Ultimate parent company

The immediate and ultimate parent company and ultimate controlling party is Nokia Corporation, a company incorporated in Finland.

Copies of the financial statements of Nokia Corporation can be obtained from PO Box 226, FIN-00045 NOKIA GROUP, Helsinki, Finland.