

Standard & Poor's considers downgrading Nokia credit rating

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The Nokia logo seen in 2008. Rating agency Standard & Poor's said Tuesday it will be scrutinising the world's leading mobile phone maker Nokia over the next three months to decide whether to downgrade its short and long-term corporate credit ratings.

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The agency said Nokia was placed on its "CreditWatch" list because the Finnish company's share of the converged mobile device market had slipped from 40 percent in the fourth quarter of 2009 to 31 percent in the fourth quarter of 2010.

"We expect to resolve the CreditWatch in the next three months, after

discussing with Nokia's management the group's new strategy and timeline to improve its competitive position for converged and traditional mobile devices, near-term trading prospects, and medium-term business outlook," said Standard & Poor's credit analyst Matthias Raab.

Nokia's 2010 fourth quarter beat expectations, but the Finnish company's net profit of 745 million euros (\$1.02 billion) was down steeply from 948 million euros a year earlier, on sales up six percent at 12.65 billion euros.

In addition, the company announced weaker-than-expected guidance for its first-quarter margins, said Standard & Poor's.

[Nokia](#) is expected to reveal more guidance for the medium and long-term in its capital markets day being held in London on February 11.

Last Friday, rating agency Moody's said it was also considering downgrading Nokia's long and short-term debt ratings.

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