Nokia revamp will hurt most of 2012 results: Chairman

Tarmo Virki, Reuters

A major revamp at Nokia that includes a deal to use Microsoft Corp software in its smartphones will impact the earnings of the Finnish handset maker throughout most of this year, Chairman Jorma Ollila said on Wednesday.

"For a significant part of the year the transition will be seen in the results," Ollila told Finnish national broadcaster YLE.

Last week, when Nokia reported a 73 percent fall in fourth-quarter earnings, it said it was not able to give forecasts beyond the first quarter.

A year ago, the world's largest cellphone maker by volume unveiled a major strategy shift to Microsoft software for its smartphones in an attempt to challenge the Apple Inc iPhone and Google Inc's Android.

The sales of its new Windows Phones have so far failed to dent the dominance of Apple and Google, but Ollila said the situation would change and, as the Windows Phone is a completely new platform, the take-off will take time.

"Nokia will make it into the three, its completely obvious and the first signs are already there," he said. "None of the operating systems have taken off quickly. It will take time, as we have seen, and as was expected."

Nokia said last week it sold more than one million Windows Phones in over two months, with developers showing increasing interest. Apple sold 37 million iPhones last quarter.

"When looking at the bigger picture, it shows that three operating systems will dominate in the near future and each of them will have one strong manufacturer, with Nokia having a very good chance to be one of the three," Ollila said.

Long-time chief executive and chairman Ollila is scheduled to be replaced by Risto Siilasmaa at the annual shareholders meeting in May.

(Reporting By Tarmo Virki; editing by Andre Grenon)

Posted by Jason Lomberg, Technical Editor

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