Nokia Handset Sales, Network Profits Slide in 4Q

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In the final quarter before Microsoft is due to take ownership of its device business, Nokia saw the unit's sales drop 29 percent annuall [1]y while profits continued to sink into the red.

Microsoft is buying Nokia's handset business for approximately $7.4 billion. The transaction is expected to close near the end of the first quarter.

Nokia attributed its handset struggles primarily to lower mobile phone net sales and, to a lesser extent, lower smart device net sales. In addition, Nokia pinned its device unit's struggles on strong competition and its transition away from Symbian operating system to Windows Phone.

Moving on, Nokia placed much emphasis on its network operations. Although NSN sales and profits were down annually, the division saw a 20 percent quarterly increase in sales and a 60 percent quarterly increase in profits.

Nokia attributed NSN boosts to TD-LTE network equipment deals with Sprint and China Mobile.

Still, Nokia's stock sank on NSN projections. Nokia estimated first quarter operating margins for its network division to be in the 1 percent to 9 percent range, which is partially attributed to an expected seasonally weak quarter. Looking at the full year, Nokia saw NSN operating margins trending toward the high end of its 5 percent to 10 percent estimates.

Nokia's stock is down more than eight percent as of 9:17 a.m. CT.

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