

Nokia World 2007

More Opportunities.



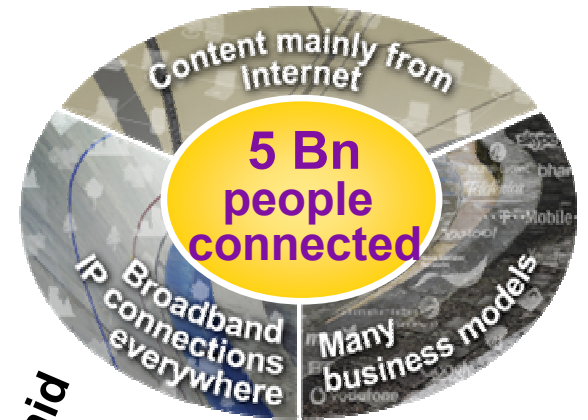
Reshaping the value chain to connect the next billion

Rajeev Suri
Global Head of Services

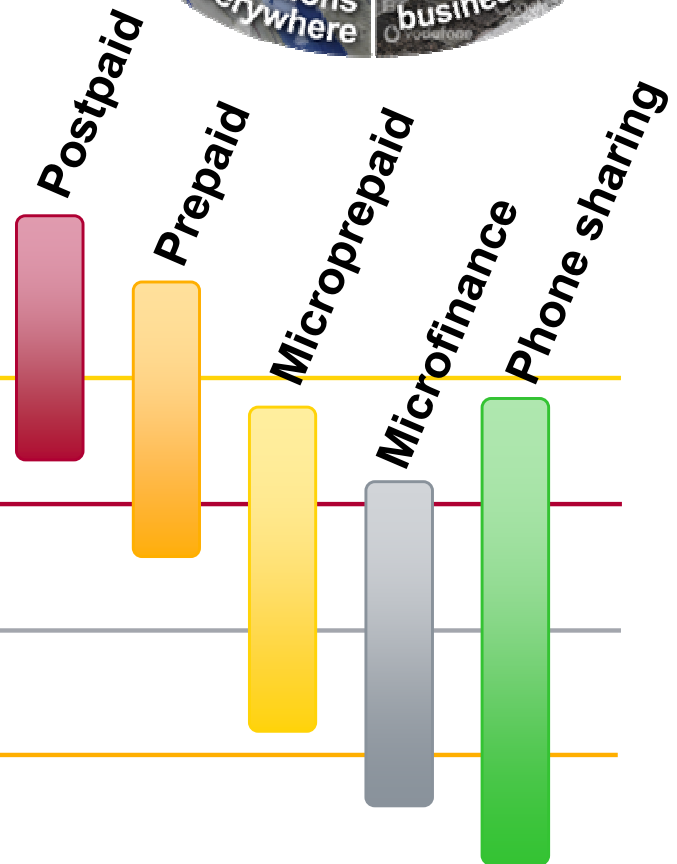
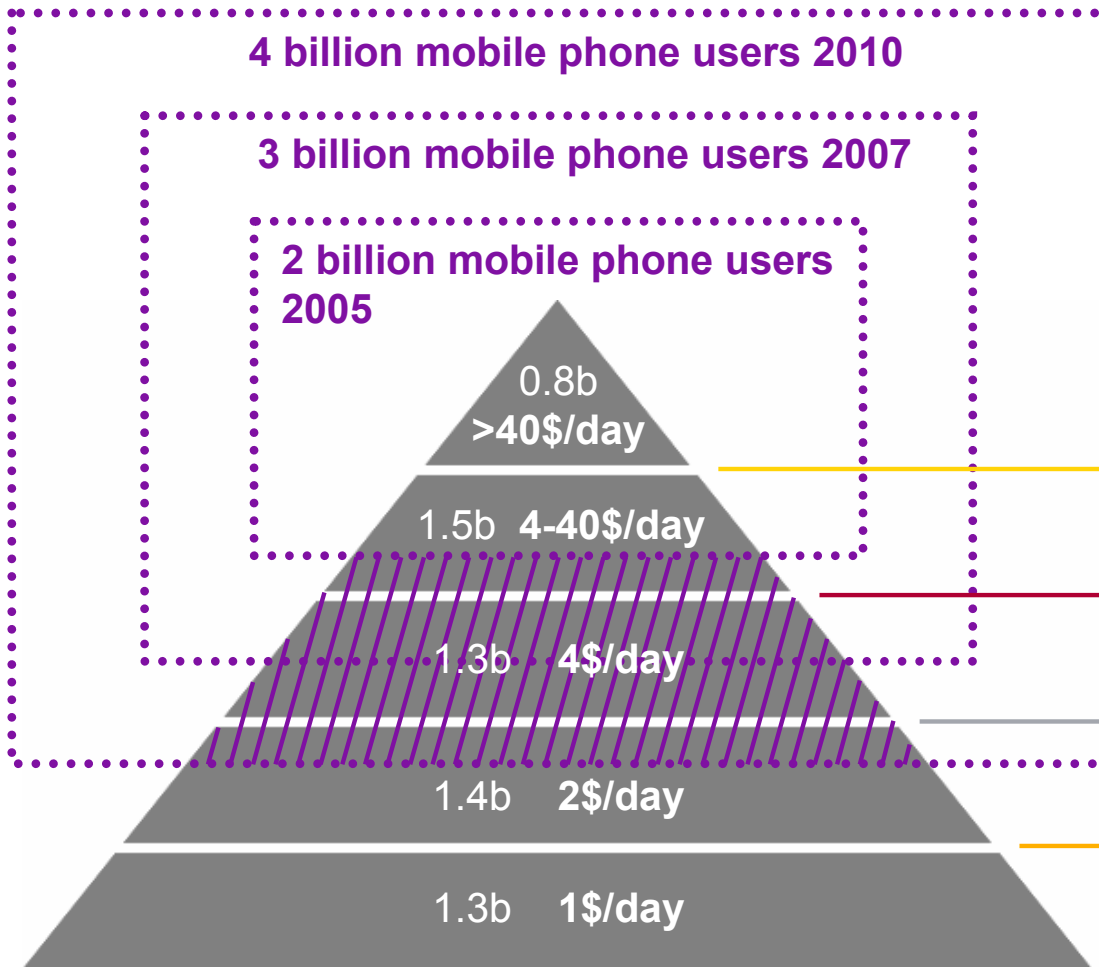
Agenda

- Industry evolution
- Business drivers
- Current innovations
- User experiences

The Telco industry is evolving - business transformation is the key driver



World population split according to income segment (USD per capita per day)



Market trends and operator challenges

Globally 5 billion people will be connected by 2015



➔ How to bring connectivity to rural areas of new growth markets profitably?

Many potential subscribers can spend 3 USD/month on communications



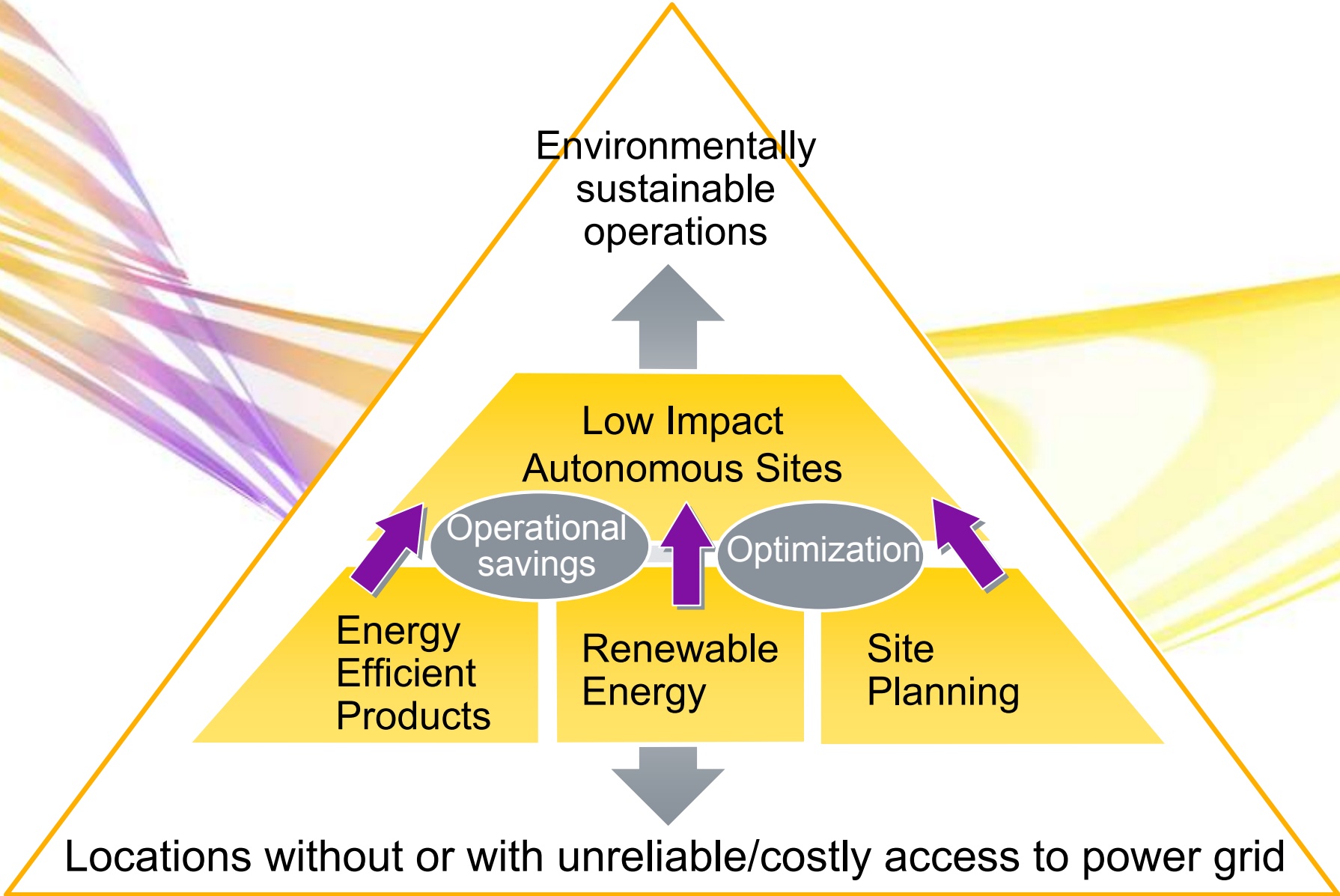
➔ Expanding to rural villages with traditional solutions and business models may be too costly

New coverage is mainly built in rural areas with little existing infrastructure

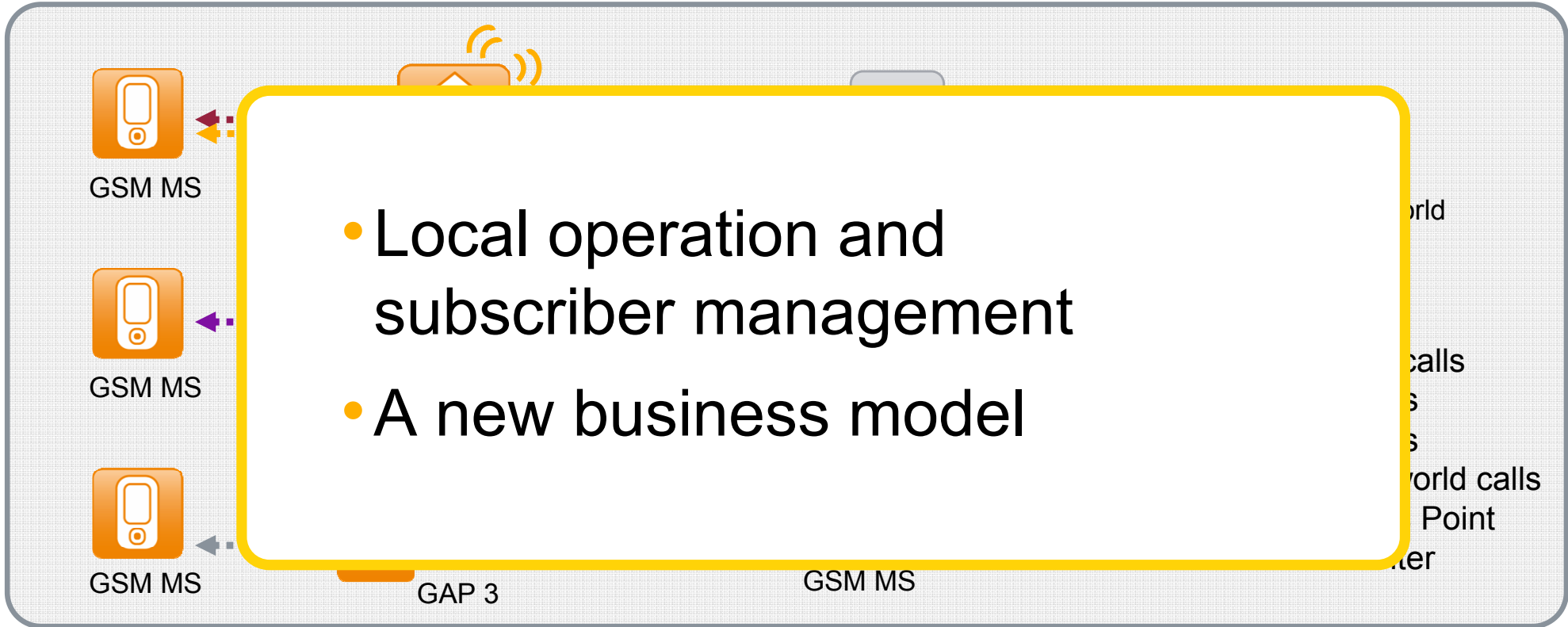


➔ How to ensure cost-effective back-haul?
➔ How to ensure power availability and maintenance in rural areas?

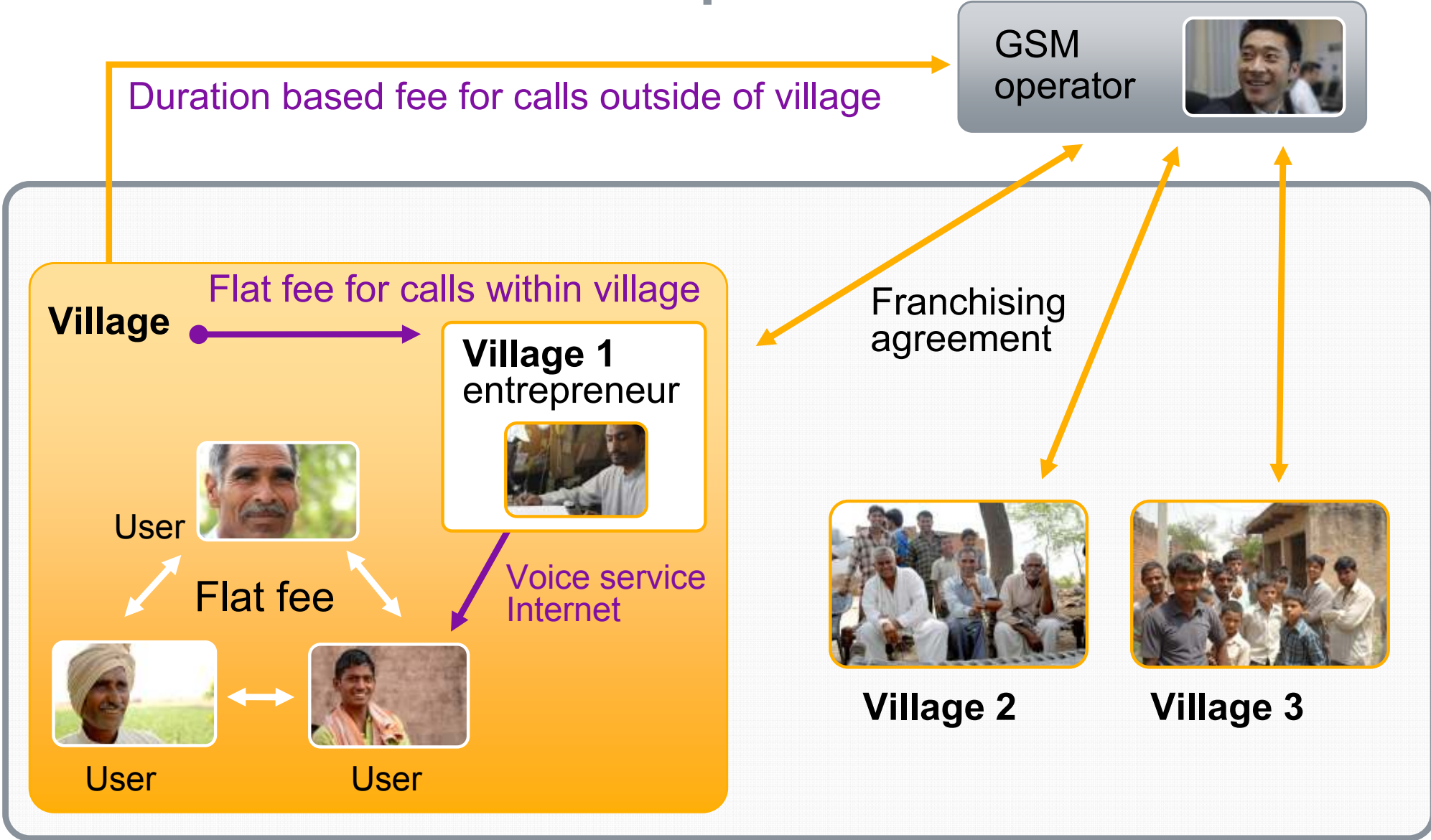
Renewable energy solving the power issue



Innovation: Nokia Siemens Networks Village Connection



Franchise business model makes operating village networks easier for the operator



Everyone benefits



Phone user

- Connected to the outside world
- Privacy to place calls from their home
- Improved efficiency and well-being



Entrepreneur

- Possibility to become a business owner
- Contributor to the village community



Operator

- Capturing the potential
- Profitable business case with savings in CAPEX and OPEX
- Larger subscriber base

The choice of partner and franchise model is decisive for the entire business system



Quasi MVNE* model

Operator allows a couple of partners to build own brands and networks of franchisers

Partnership model

Operator finds one partner to set up joint concept and franchise network

Reseller model

Operator signs up one host in each village and provides them with all tools necessary to sell

MVNE: Mobile Virtual Network Enabler and is an entity helping setting up Mobile Virtual Network Operators (MVNOs)

Thank you.