Nokia Siemens Networks
Integration & restructuring update

Eric A. Simonsen
Chief Financial Officer
Key quarterly figures in 2007

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<tbody>
<tr>
<td><strong>Net Sales</strong></td>
<td>3 674</td>
<td>3 438</td>
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<tr>
<td><strong>Operating profit</strong></td>
<td>110</td>
<td>- 64</td>
</tr>
<tr>
<td><strong>Operating margin</strong> (%)</td>
<td>3.0%</td>
<td>- 1.9%</td>
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*excluding special items and purchase price accounting related items

Geographic distribution of net sales Q3/2007

- Latin America
- North America
- Asia-Pacific
- China
- Middle East & Africa
- Europe

Net Sales: €1500
Operating profit: €448
Operating margin: 3.0%
Operating profit margin: -1.9%
Nokia Siemens Networks way forward

Transform

Leverage
- Channel, e2e, SW, Operative scale
- Robust execution and strong portfolio

Consolidate
- Processes & support systems
- Synergies Captured

High performance culture

end 2007
end 2008
end 2009
Good progress in integration so far, some key challenges lay ahead

<table>
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<tr>
<th>Achievements*</th>
<th>Key challenges ahead</th>
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<tbody>
<tr>
<td>Secure customer satisfaction</td>
<td>• Complete portfolio optimization</td>
</tr>
<tr>
<td>• Integrated sales organization established</td>
<td>• Quickly achieve planned cost base</td>
</tr>
<tr>
<td>• Portfolio well received by customers</td>
<td>• Bring values to life</td>
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<td>Synergies</td>
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<tr>
<td>• Negotiations concluded with top 25 suppliers</td>
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<td>• Personnel reduction of 2300**</td>
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<tr>
<td>• Locations reduced by 196</td>
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<tr>
<td>Integrated operations</td>
<td></td>
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<tr>
<td>• Nokia Siemens Networks operational mode defined &amp; deployed</td>
<td></td>
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<tr>
<td>• Commercially combined business in approx. 115 countries</td>
<td></td>
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<tr>
<td>Culture / code of conduct</td>
<td></td>
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<tr>
<td>• Nokia Siemens Networks values launched</td>
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<tr>
<td>• Ethics and integrity guidelines and training introduced to all employees</td>
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</table>

* As of end of Q3.2007
** Personnel reduction figure excludes impact of managed service deals and acquisitions
Integration accelerated to achieve Nokia Siemens Networks profitability targets

**Accelerated integration: Updated targets***

- To **finalize integration** and achieve original target of €1.5 Bn of annual cost synergies by the end of **2008**
- Further €500 million of annual cost synergies identified, the majority of which targeted to be realized by the end of 2008.

### Annual cost synergies targets

- **Original synergy target**: €1.5 Bn
- **Additional synergy target**: €0.5 Bn
- **Total synergy target**: €2.0 Bn

### Acceleration approach

- **Focus on synergies and 6 critical areas**:
  - Product portfolio optimization
  - Process consolidation and deployment of one common SAP
  - Harmonization of the IT infrastructure
  - Personnel reduction
  - Real estate consolidation
  - Individual enablement

* As announced in Q3 2007 earnings release
Annual cost synergies target of €2.0 Bn backed up with measures

Cost synergies target by function

- **COGS Savings**
  - Procurement savings
  - Design-to-cost
  - Services consolidation
  - Factory strategy
  - ~ €0.9 Bn

- **R&D Savings**
  - Harmonization of product platforms
  - Optimized R&D structure
  - ~ €0.6 Bn

- **S&M Savings**
  - Reduction of overlaps
  - Implementation of new operation mode
  - Marketing
  - ~ €0.2 Bn

- **G&A Savings**
  - Finance & Control
  - IT support systems
  - Headquarter functions
  - ~ €0.3 Bn

Cost synergies targets by key lever

- **Purchasing/Design-to-cost**
  - ~ €0.9 Bn

- **Personnel reduction**
  - ~ €0.6 Bn

- **Other (incl. IT, Real Estate, etc)**
  - ~ €0.5 Bn
Personnel reduction on track, first steps taken in shift from high-cost to low-cost countries

- Restructuring proceeding according to plan
  - Personnel reduction of 2300 by the end of Q3.07
  - Restructuring activities ongoing or completed in about 70 countries
- New personnel from managed service contracts and acquisitions
- Several outsourcing agreements concluded
  - Transfer of personnel to partners in Finland, Germany, Italy, UK and Belgium
- Establishing services hub in India
Nokia Siemens Networks targets

- Faster growth than market in 2008
- Capture synergies
- Operating margin increasing to 10% by end of 2009 (excluding special items and purchase price accounting related items)
- Positive Operating Cash Flow through tight focus on deal quality and Net Working Capital reduction
Thank You!