Nokia Siemens Networks Winning product portfolio for converged networks

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Key messages

- Our new converged portfolio is well received by customers – Strong market positions both in fixed and wireless
- Portfolio alignment and R&D efficiency gains as planned
- Focus shifting into enhancing portfolio in growth segments
- Leveraging increasingly software to produce value
- Increasing value with solutions
- ‘100x traffic @ lowest TCO’ requires a fundamental change in networks

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After six months in operation – our new converged portfolio is a success

- Strong deal momentum
- Efficiencies from new scale
- Some "firsts" achievements
  - Commercial IMS launch
  - Internet-HSPA
  - Live Hybrid backhaul solution
- Technology leadership
  - Optical & Ethernet transport
  - VDSL2 & PON*
  - Softswitching & charging

* PON: Passive Optical access Network

Vendor Table - Mobility, Q307

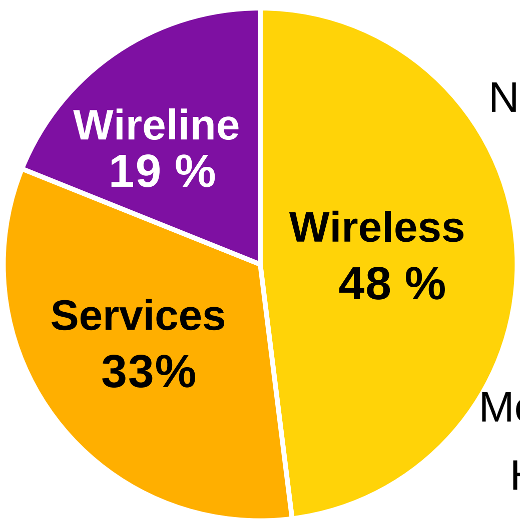
Rank	Vendor	Market share (%) Q3	Change**
1	Ericsson	41	**-6**
2	**Nokia Siemens Networks**	35	**+10**
3	Alcatel-Lucent	9	**-1**
4	Huawei	5	**0**
5	Nortel	4	**-1**
6	Motorola	3	**-1**

** change from Q2.07

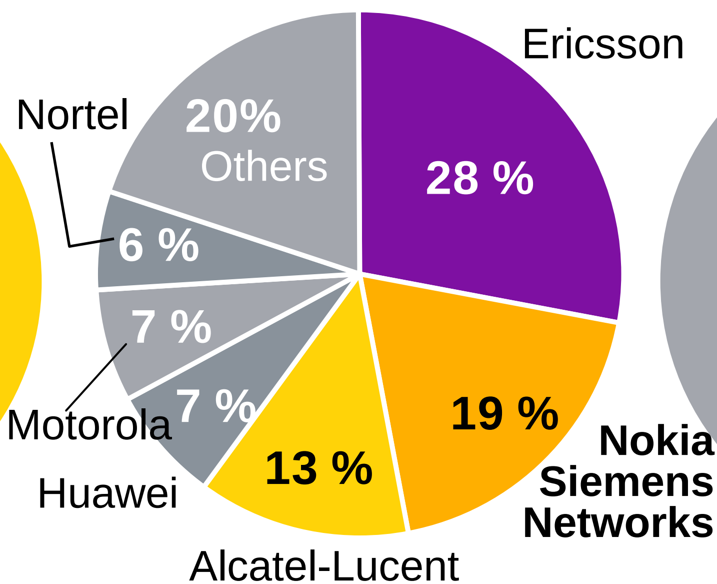
Source: Dell'Oro Group, November 2007, Regions GSM & WCDMA, Worldwide MFG revenue share (%)

Strong market positions both in fixed and wireless

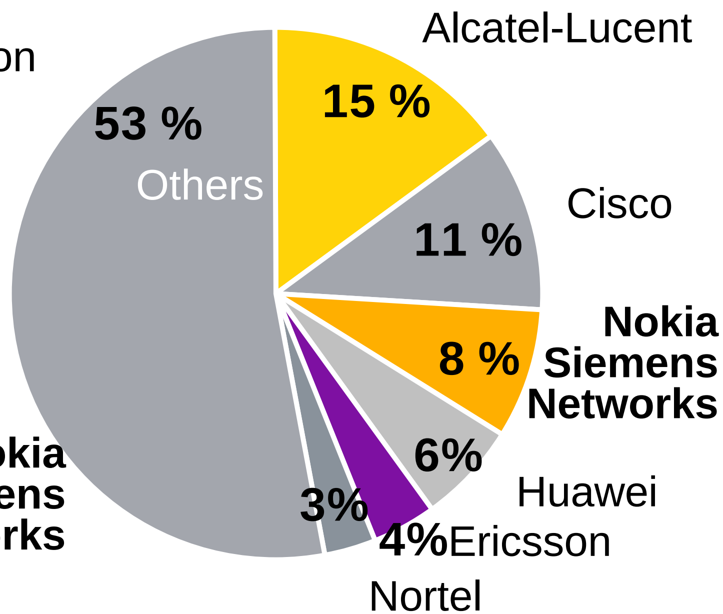
Q3 2007
Net sales*: € 3.7 Bn



Wireless Market Share
incl. Services (Q3.07)



Wireline Market Share
incl. Services (Q3.07)



* Services include both wireless and wireline

Source: Nokia Siemens Networks & company reports

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Portfolio alignment and R&D efficiency gains proceeding as planned

- Portfolio unification and alignment is well on track
  - ~ 70% of planned portfolio consolidation already completed
  - First migrations done and many agreed with key customers
- R&D site and resource consolidation as planned
- Operations: savings & productivity improvement well on track, too

Annual cost synergies target by function	
R&D	**COGS**
~ € 0.6 Bn	~ € 0.9 Bn

Note: Total savings target of €2.0 Bn

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Our vision: a simple, converged architecture

From separate vertical networks…

Voice

Data

TV

to a converged layered network

Converged Core and Applications

Transport

Access
fixed – wireless – cellular

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A winning product portfolio for converged networks addressing growth markets

- Embrace-Internet applications
- Softswitching (VoIP) and converged voice (IMS)
- Common Internet access

Converged core and Applications

- Convergent charging
- End-to-end service & network management

Operation and Business Support System

- All optical (DWDM)
- Ethernet everywhere

Transport

- Flat access architectures
- Next generation broad-band & multi-service

Fixed (DSL, PON)

Wireless (WiMAX)

Cellular (HSPA, LTE)

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Focus shifting already into enhancing portfolio in growth segments

- Leadership in Ethernet, optical and fixed broadband
  - Acquisition of Atrica (pending), Growth program for DSLAM & PON
- Strengthening portfolio in software solutions
  - E.g. open OSS middleware, IMS, Mobile Packet Core, Softswitching
- Tailored products & solutions for emerging markets
  - E.g. Village Connection, FlexiBTS site concept (multi-radio, modular)

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Increasing value with solutions designed to address operators’ top priorities

- Packaging products and services into solutions to address operators’ priorities
  - E.g. World’s largest multivendor umbrella performance management system
- Launch of four new solutions
  - Integrated Provisioning – Revenue
  - Mobile Backhaul – Connectivity
  - Frequency Refarming – Efficiency
  - Fixed Mobile Convergence – Business Transformation

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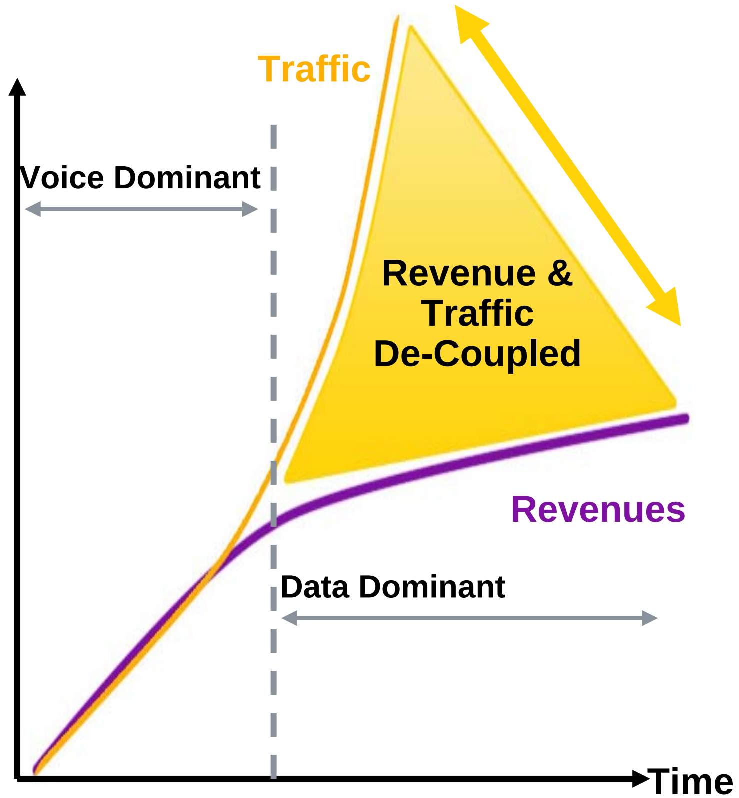
‘100x traffic @ lowest TCO’ requires a fundamental change in networks

- Decoupling cost and capacity by simplifying and flattening network architectures
  - Internet-HSPA, WiMAX, LTE
  - PON, VDSL2
  - Ethernet, optical
- Reduce radically operators’ operational expenditures
  - Decreasing number of sites
  - Lowering energy consumption
  - Simplifying operations and management



Source: Unstrung Insider, Mobile Backhaul and Cell Site Aggregation, Feb 2007

Way forward – leader in the industry change

Transform

Focus portfolio in growth segments

Strong push to drive TCO radically down

Leverage

Strong portfolio and market position

Value driven with software and solutions

Consolidate

Continue portfolio alignment and R&D efficiency

Grow value

Portfolio management

Live our values

end 2007 | end 2008 | end 2009

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Thank You!

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