

Networks

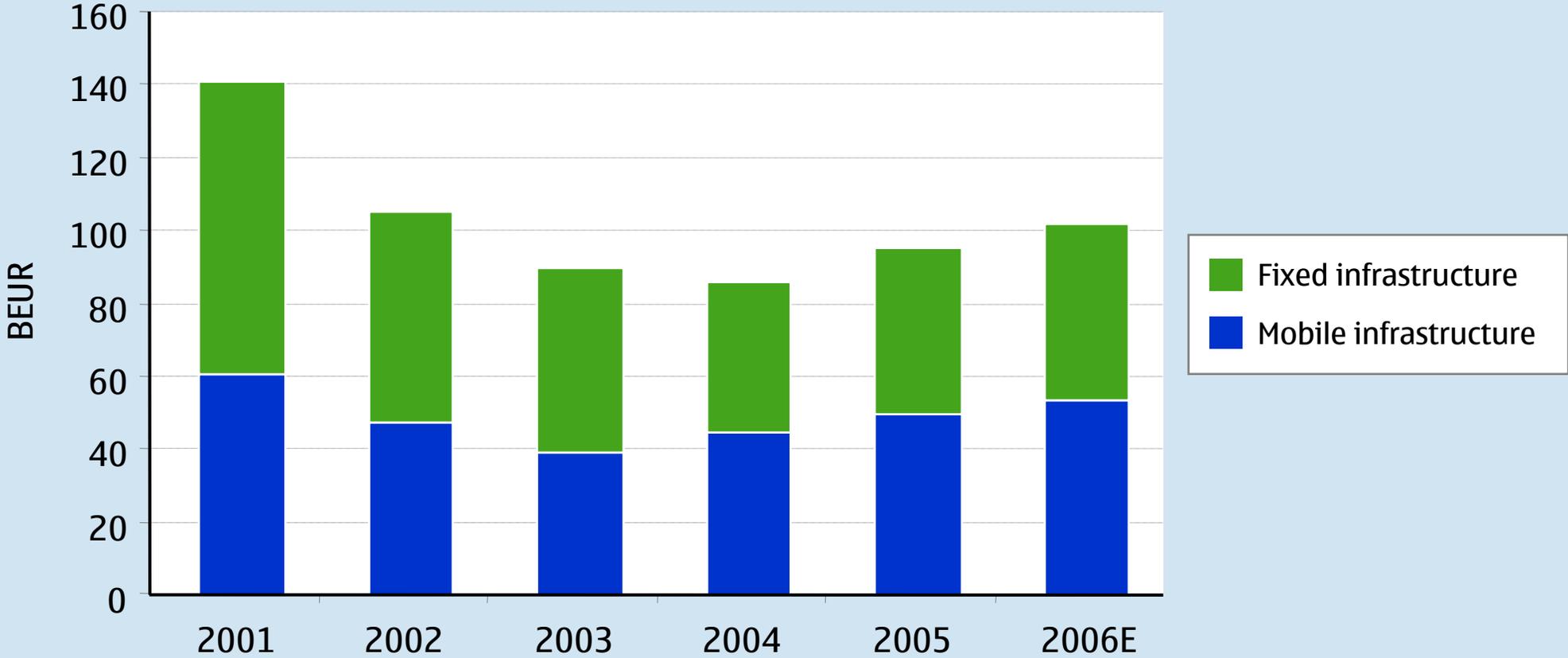
Simon Beresford-Wylie
Executive Vice President and General Manager
Networks

NOKIA



Communications infrastructure market: 2006 – a year of moderate growth

Total vendor sales on infrastructure products and related services



Source: Company reports, Nokia estimates

Industry transformation continues

OPERATORS



NEW COMPETITION

TELCO VENDORS



NEW COMPETITION

2006 – Our report card

- Excluding extraordinary items
- 2006 based on Q1-Q3 reported numbers

Top line & share



Focus to footprint expansion paying off. Fastest growth in MEA, APAC and Central Eastern Europe.

Profitability (OP)



Business mix challenges (NGMs, new customer deals & services share). R&D scale.

Customer Satisfaction



Improvement continued in 2006, now at industry benchmark level.

Long term industry position

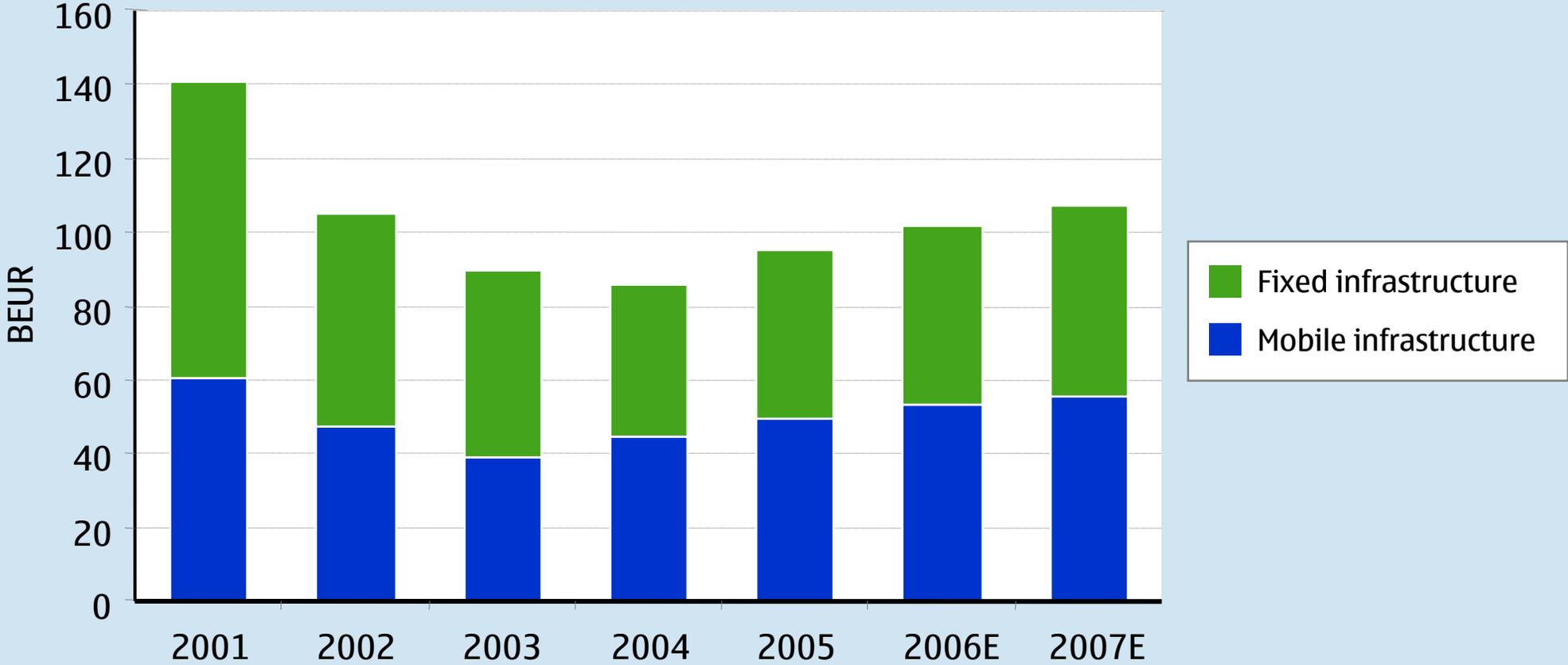


Nokia Siemens Networks

Source: Nokia

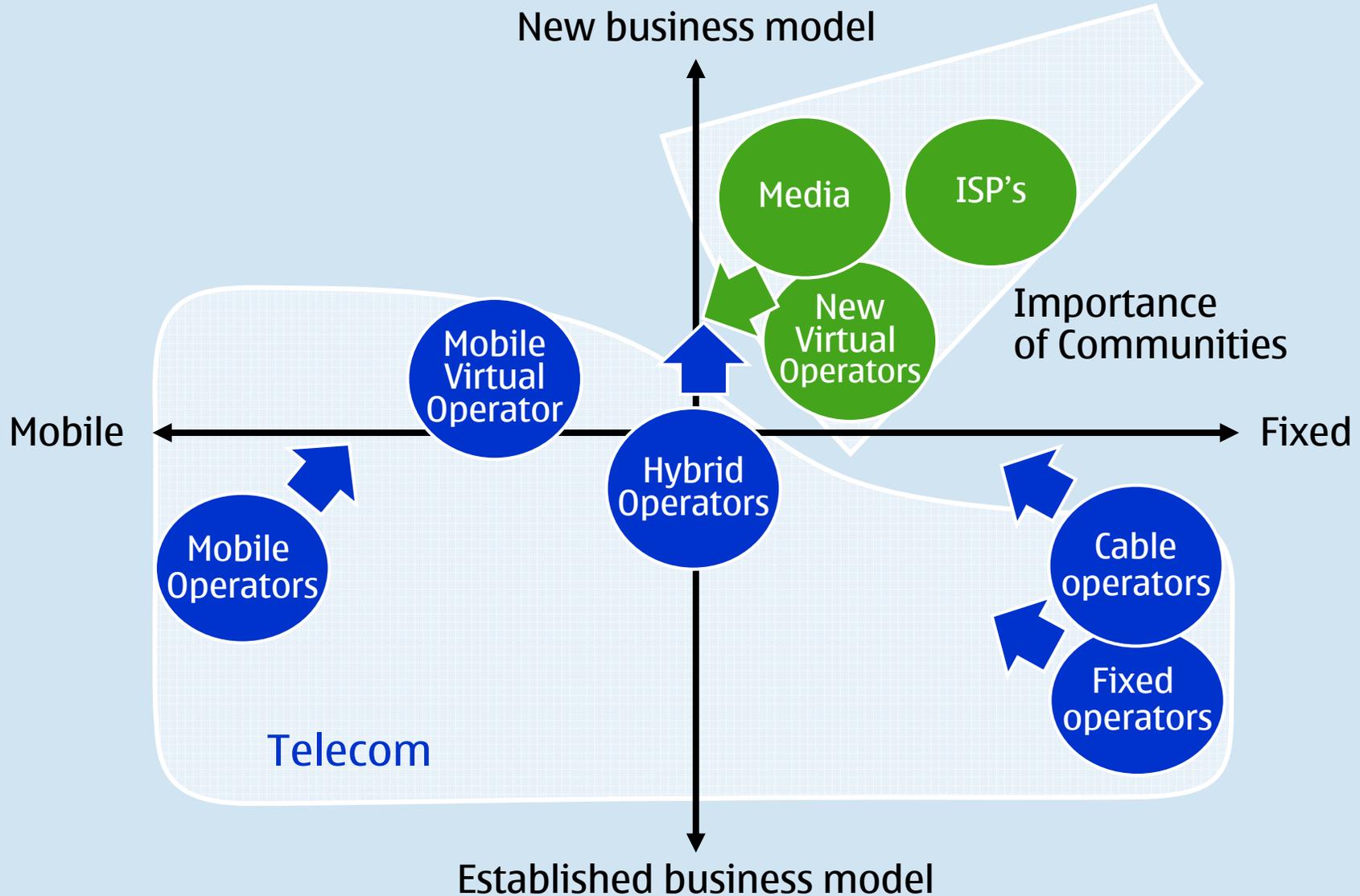
Short-term market outlook shows slight growth for 2007

Total vendor sales of infrastructure products and related services

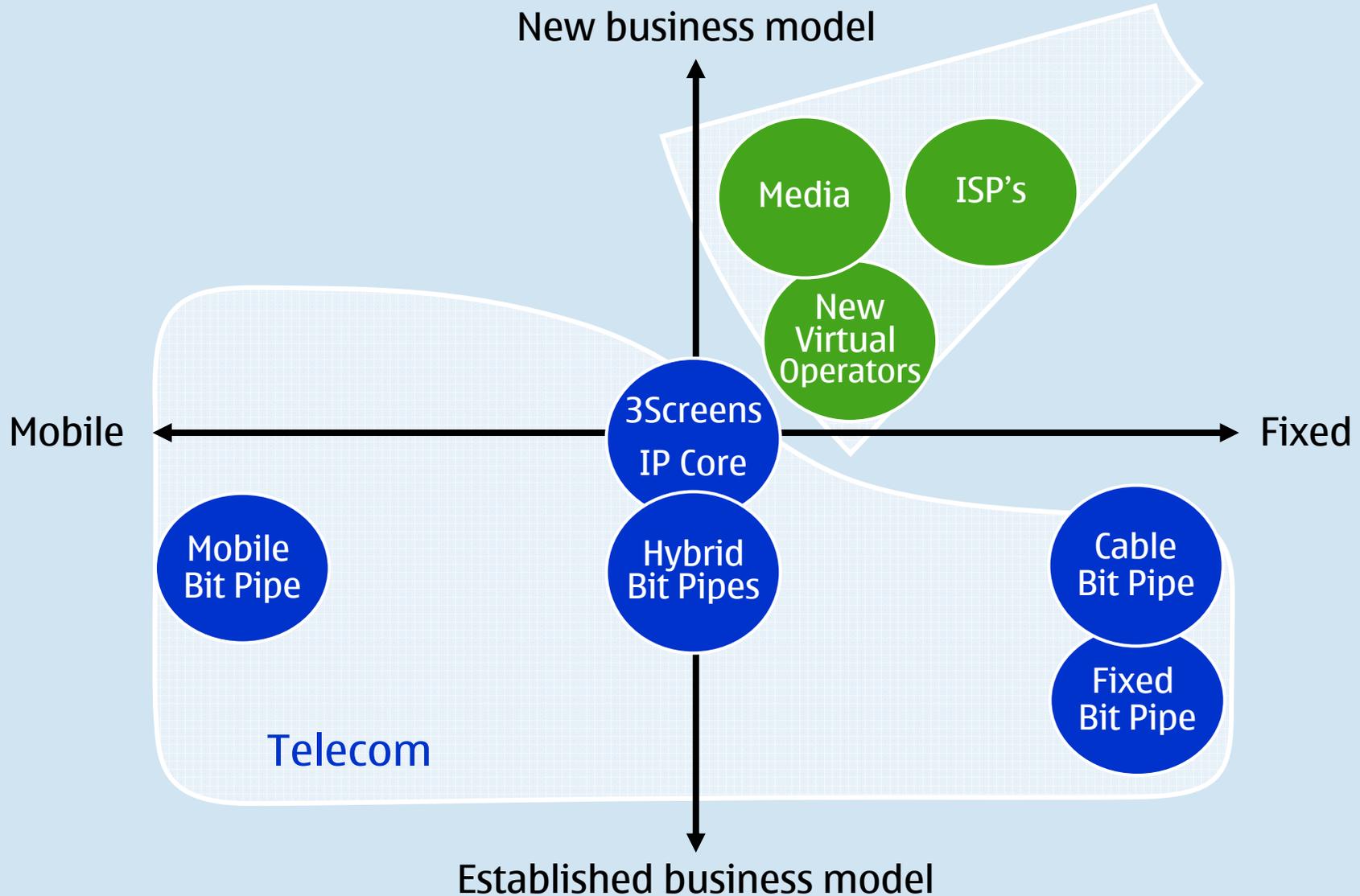


Source: Company reports, Nokia estimates

... with long term market changes on horizon



... with long term market changes on horizon



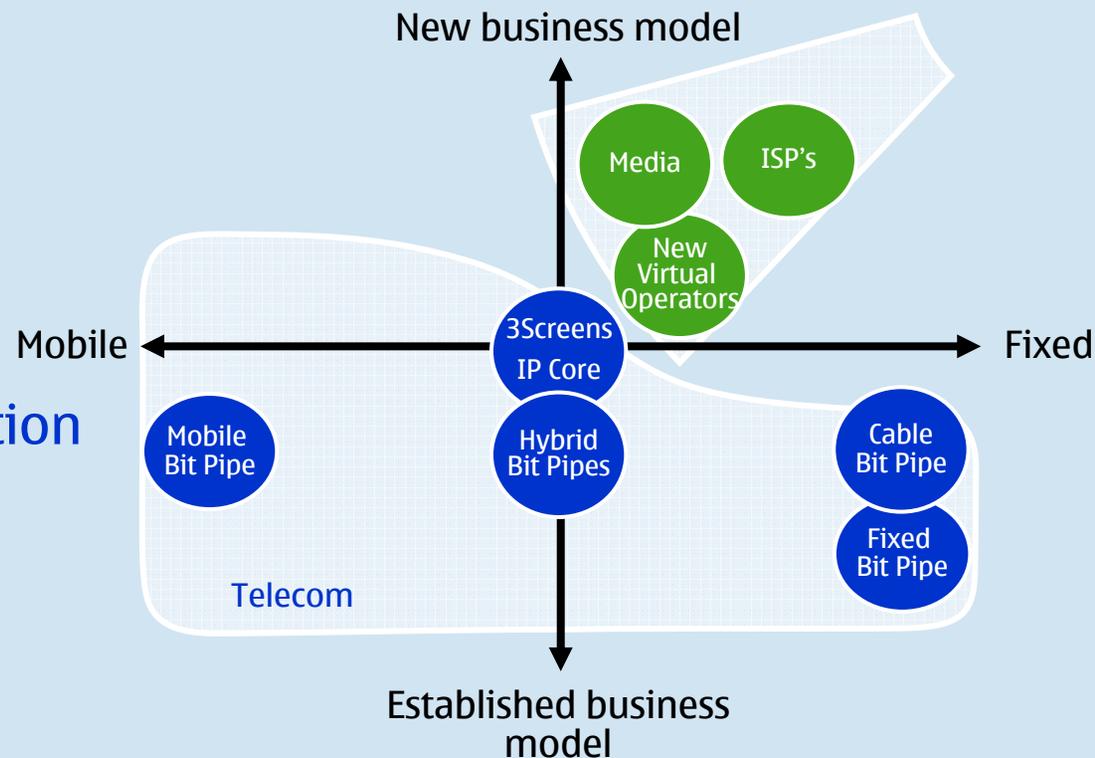
Operator key success factors

Service & content

- Speed of renewal
- Partnerships
- Engaging Communities
- Ease of use

Network operation

- Scale
- Efficiency
- Multiple Access
- Broadband/
IP everywhere
- Mobility



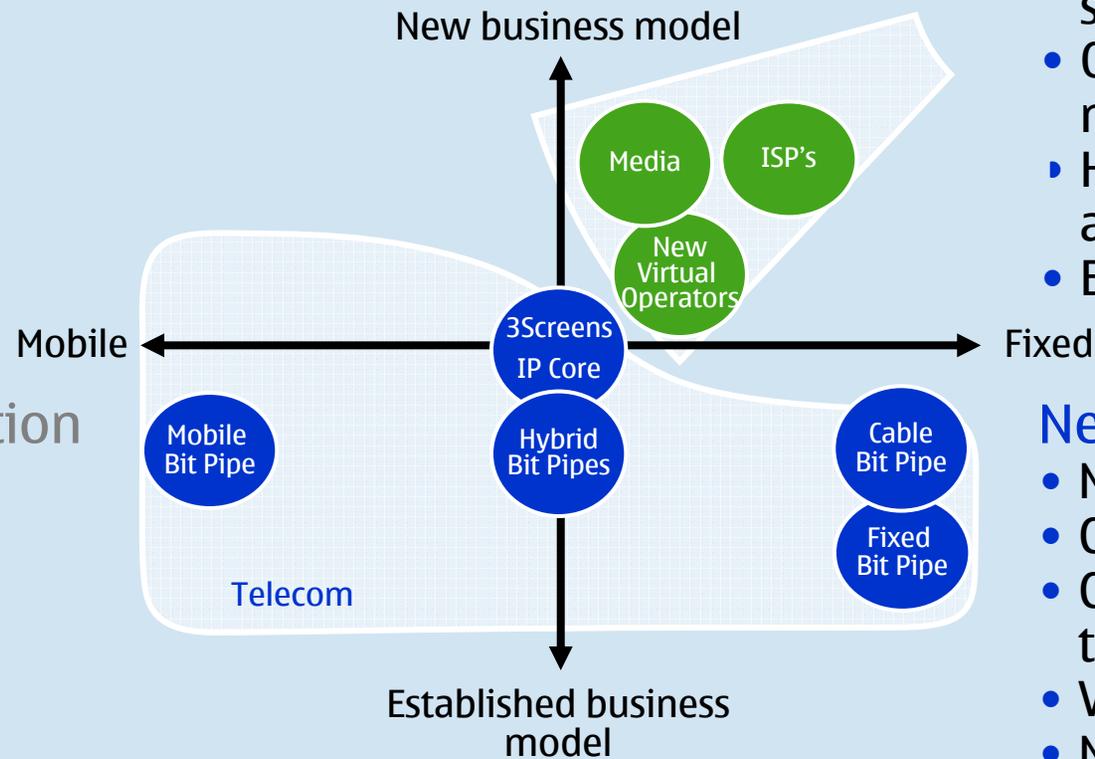
Key opportunities for Nokia Siemens Networks

Service & content

- Speed of renewal
- Partnerships
- Engaging Communities
- Ease of use

Network operation

- Scale
- Efficiency
- Multiple Access
- Broadband/ IP everywhere
- Mobility



Service & content

- Operator own service support
- Operator Internet migration
- Hosted service applications
- End-to-end

Network operation

- Managed Services
- Convergence solutions
- Capacity in access & transport
- Value point solutions
- New access operator support

How to survive **and thrive?**



Nokia Siemens Networks

Compelling logic

Beautiful fit

Great opportunity

Winning combination

Broad portfolio to address future opportunities

Broadband

Mobile & Fixed
DSL, PON, HSPA,
i-HSPA, WiMAX, LTE



Unified Core & charging solutions

VoIP, Messaging, IMS,



Devices

optimized for mobile TV,
enabling multimedia



**Lowest TCO and
End-to-end communications
solutions for a converged world**

Operation

Real-Time
Visibility,
E2E & Process
Mgmt



Internet & Multimedia

IPTV, mobileTV,
video share,
streaming



Services

Managed Services,
Hosting E2E care



Efficiency solutions

IP transport, Optimization,
Modernization



Integration planning - Proceeding

Build world class company

- Governance structure defined
- Global mode of operation defined
- Organization defined, 1st and 2nd level nominations finalized

Achieve merger synergies

- 1.5 BEUR estimated annual cost synergies by 2010 identified
- Fast ramp-up of cost savings

Ensure readiness on day one

- Rigorous integration planning project with clear milestone management and achievements
- US and EU antitrust approvals received

Cost synergy target remain unchanged

~33 %

COGS Savings

- Procurement savings
- Improved Services utilization rates
- Streamlined processes

R&D Savings

- Harmonization of product platforms
- Optimized R&D structure
- Rationalizing next generation R&D

~40 %

~20 %

S&M Savings

- Overlapping wireless customer & geographic coverage
- Sales force efficiencies

G&A Savings

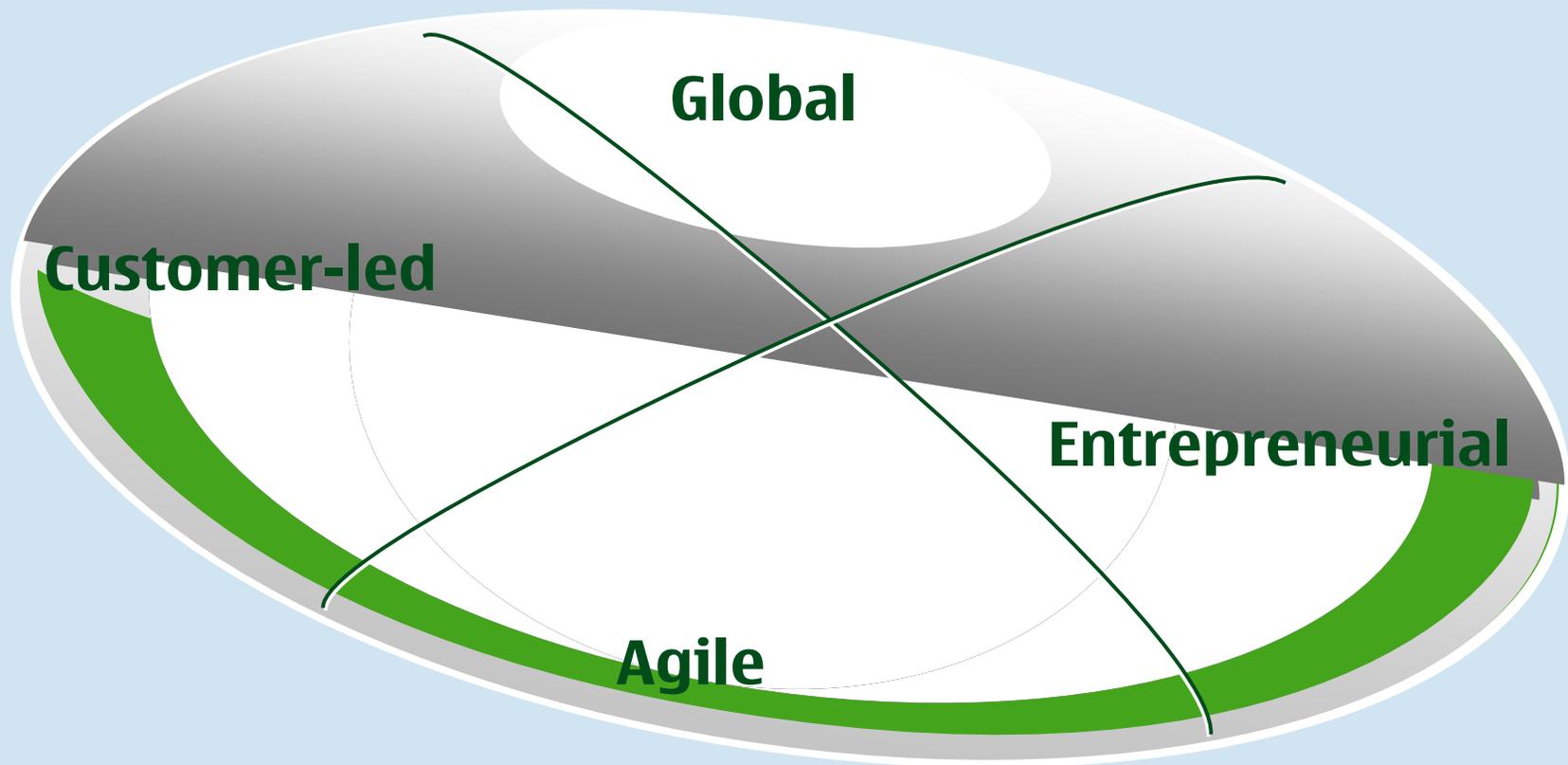
- Finance & Control
- IT support systems
- Headquarter functions

~7 %

Category split between estimated annual cost synergies of €1.5 Bn by 2010

We are optimizing our organizational structure

Organizational design and leadership team already in place



Nokia Siemens Networks' targets

Double-digit operating margin achieved by year end 2007 (before restructuring charges)

Industry-leading profitability target in medium term

Faster growth than market

Strong cash flow generation

A photograph of three people sitting on a concrete bench by the ocean. On the left, a man in a red hoodie sits on a separate bench, looking towards the other two. In the middle, a woman in a white tank top and pink shorts sits on a bench with a man in a black t-shirt and black shorts. They are all wearing roller skates and holding water bottles, suggesting a roller skating activity. The background is a clear blue sky and a calm blue sea.

NOKIA
Connecting People