

Nokia Siemens Networks

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NOKIA



Consolidate

Leverage

Transform



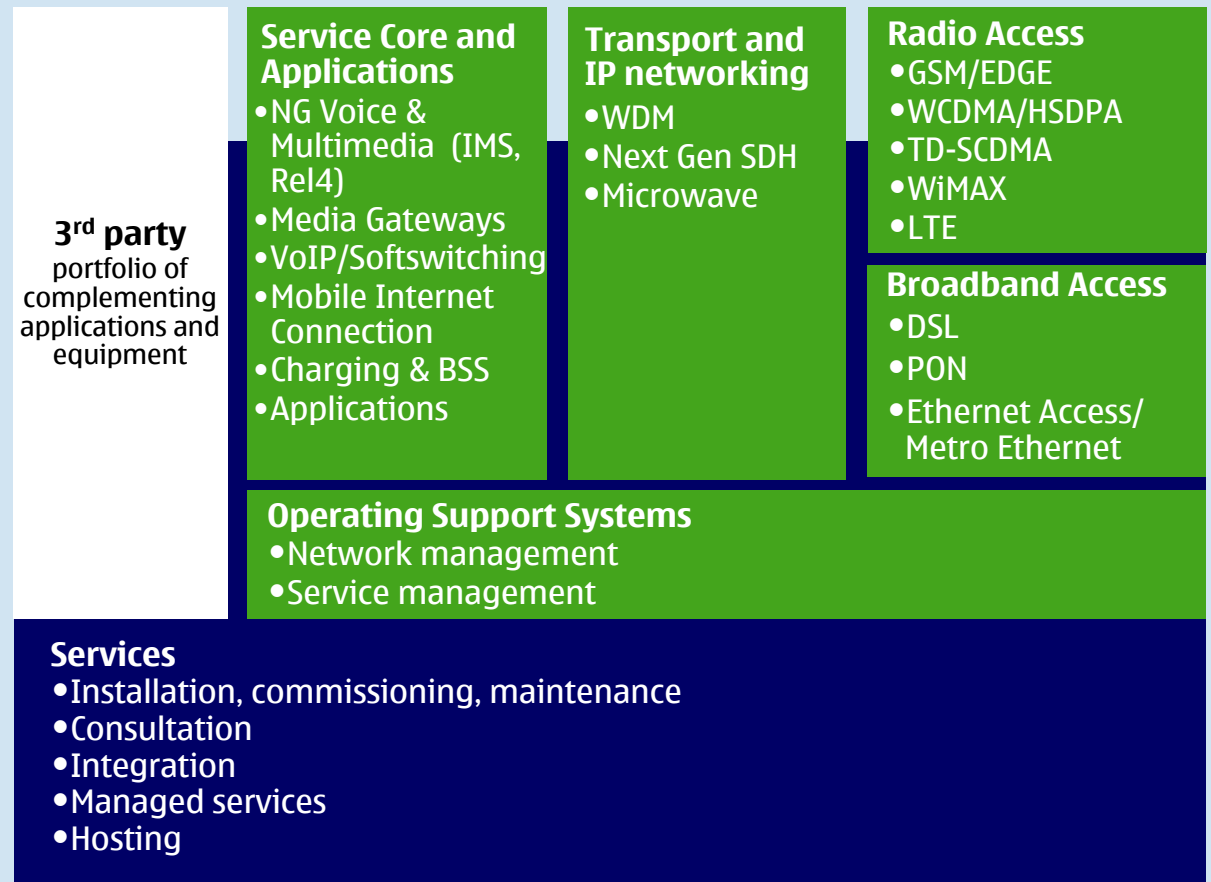
Nokia Siemens Networks – Built to execute

C00 Perspective
Mika

NOKIA

Unique structure and widest coverage to drive convergence of service and networks

- Best of class portfolio
- Strong position to address convergence of services and networks
- Operational and business structure to reflect the converging and horizontalization of networks
- Required scale to invest in new innovation



Operational mode built to execute and drive maximum synergies

- Unified, effective structures in all BU's
- All common functions centralized to gain maximum efficiencies
- Centralized hardware and software platform development to drive maximum leverage of common designs
- One unified and common sourcing, manufacturing and logistics for all products and solutions
- Globally balanced R&D and manufacturing footprint

Industry best for creating end-to-end experiences

- Deep understanding of all network technologies for converging services
- Widest service creation and application portfolio in the industry
- Strong links and cooperation with leading device vendor Nokia - driving together understanding of end-user needs and new services



Nokia Siemens Networks – Built to execute

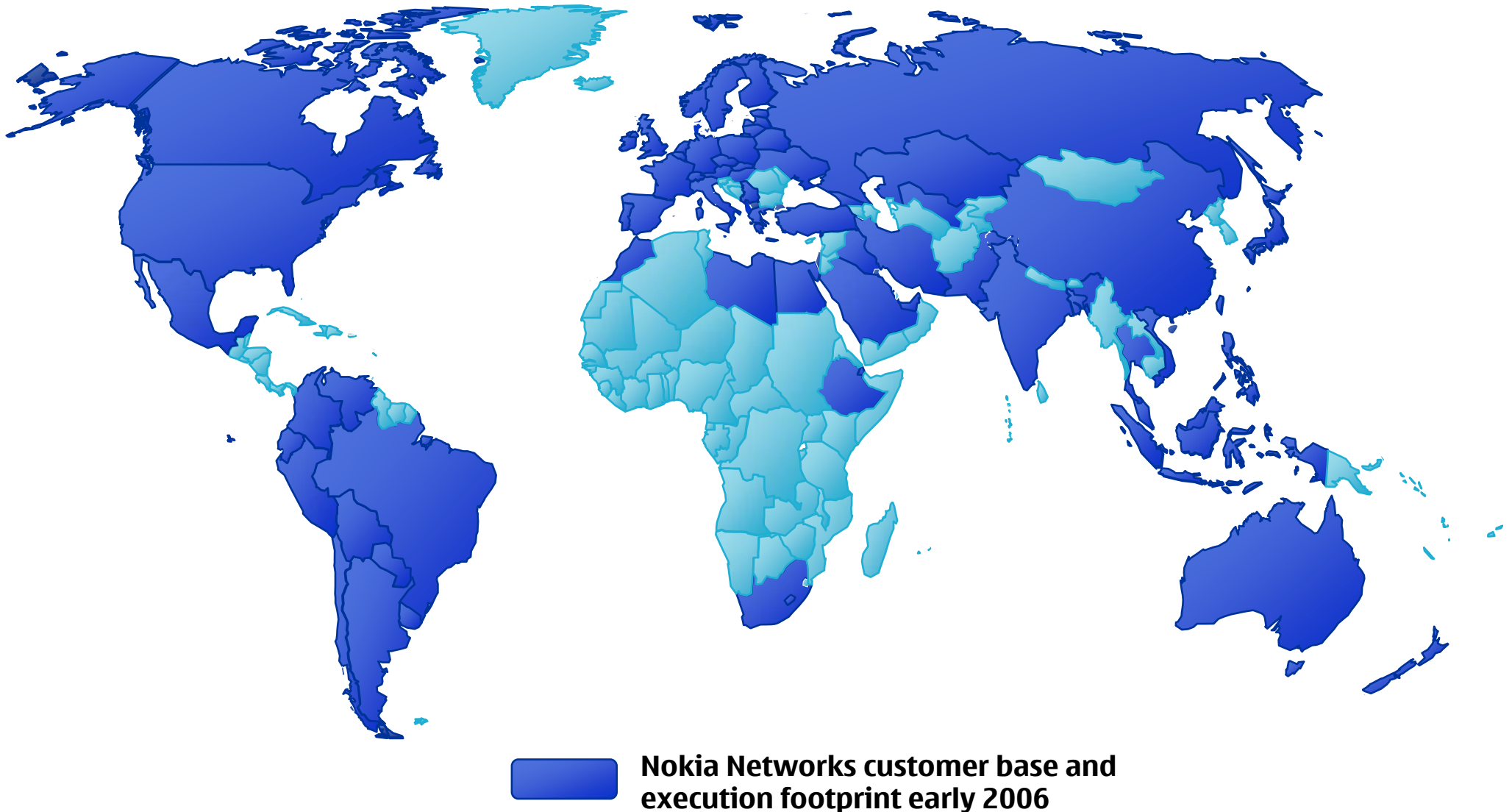
CMO Perspective
Christoph

NOKIA

Agenda

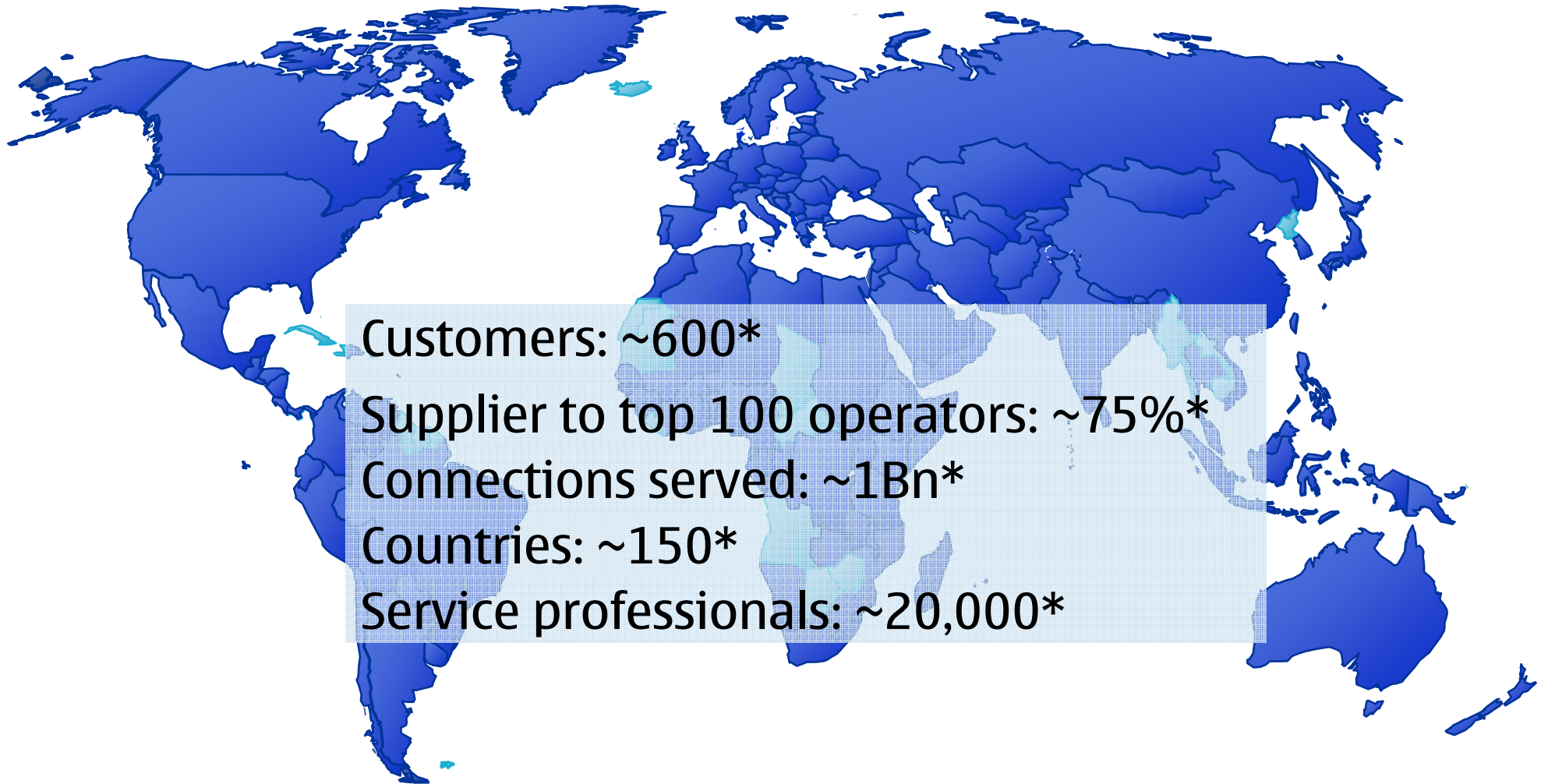
- Customer base and footprint
- Regional set-up and market positions
- Customer driven operational mode

Nokia Networks - customer base footprint early 2006



Nokia Siemens Networks

Strong execution footprint in 150 countries



* Based on the combined customer base and/or operations of Nokia and Siemens

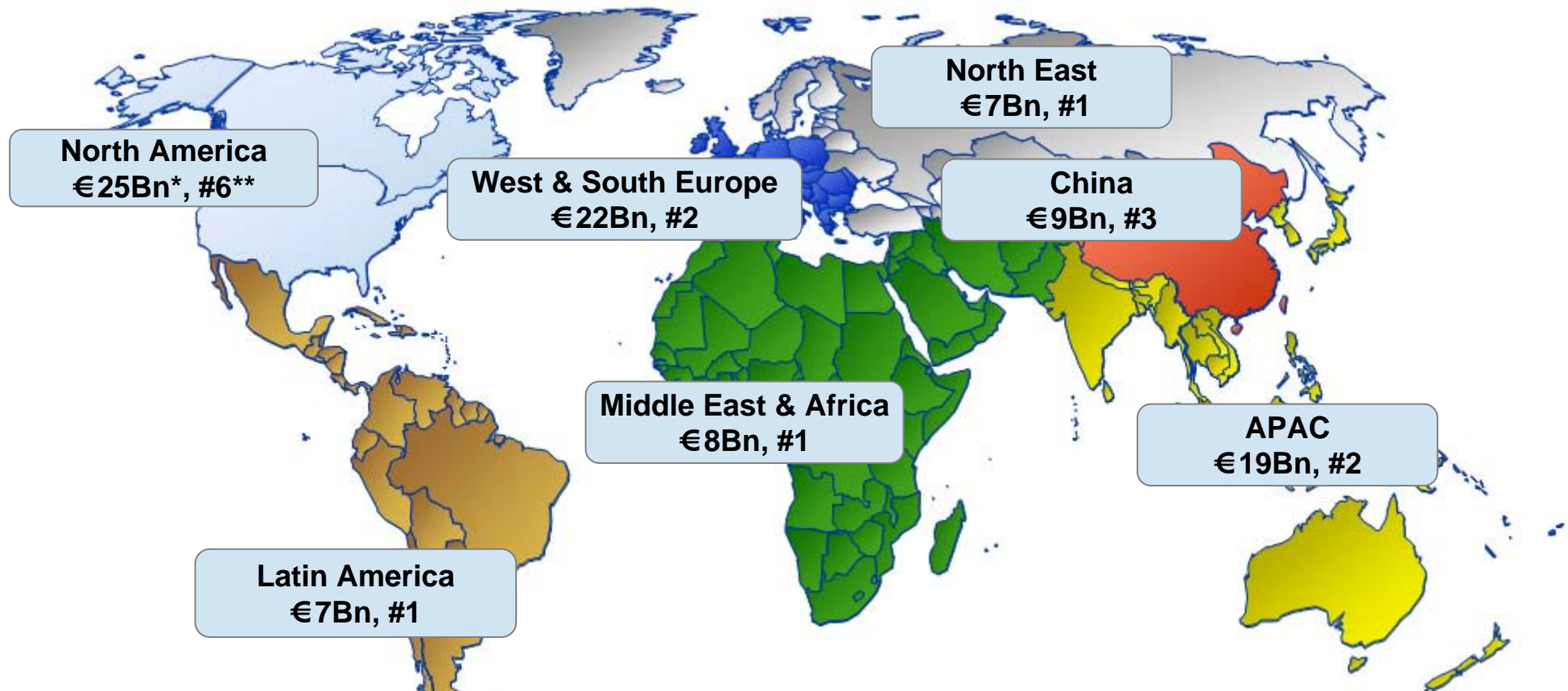
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Nokia Siemens Networks customer base and execution footprint early 2007

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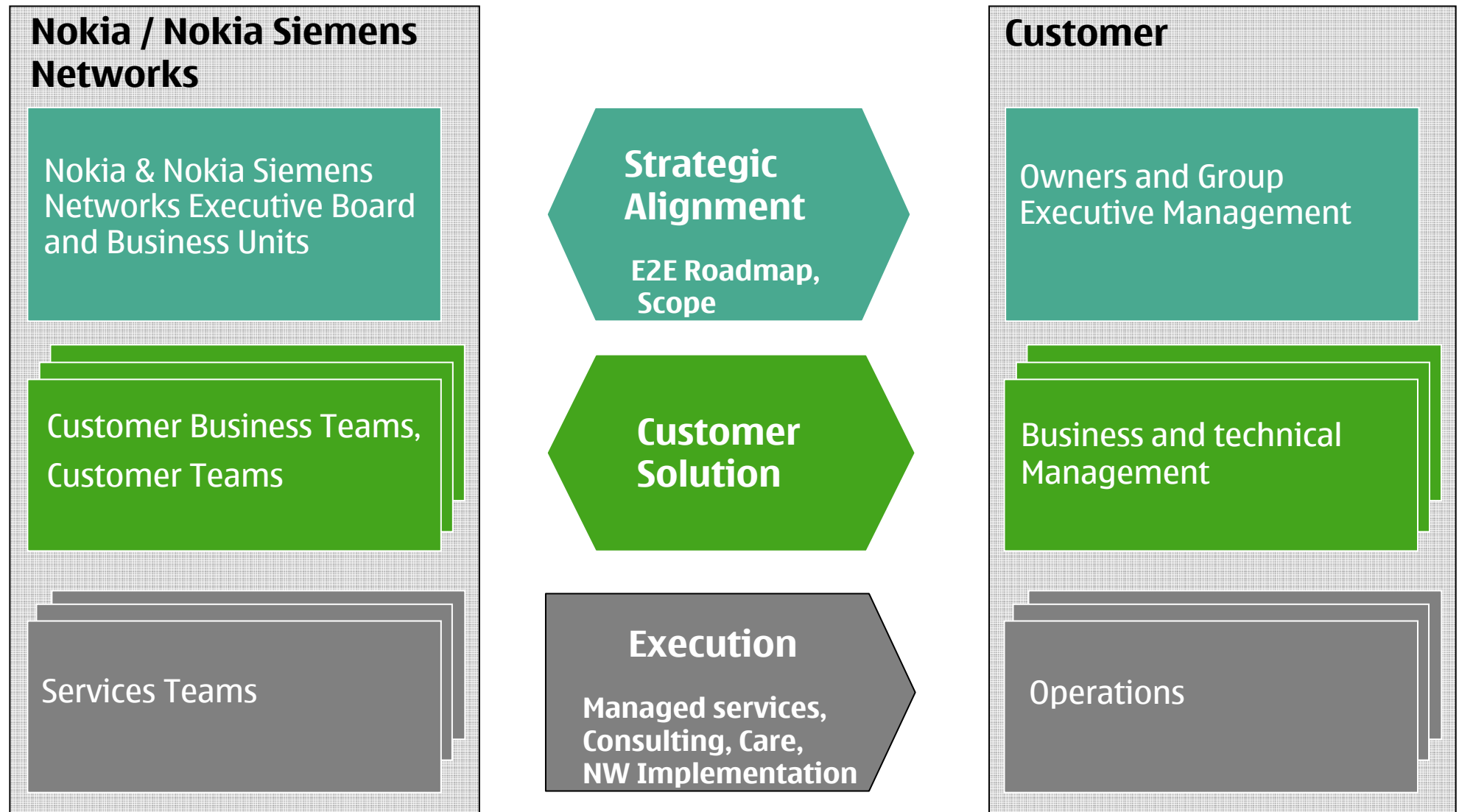
Regional focus



*Communications infra market size 2005 €Bn

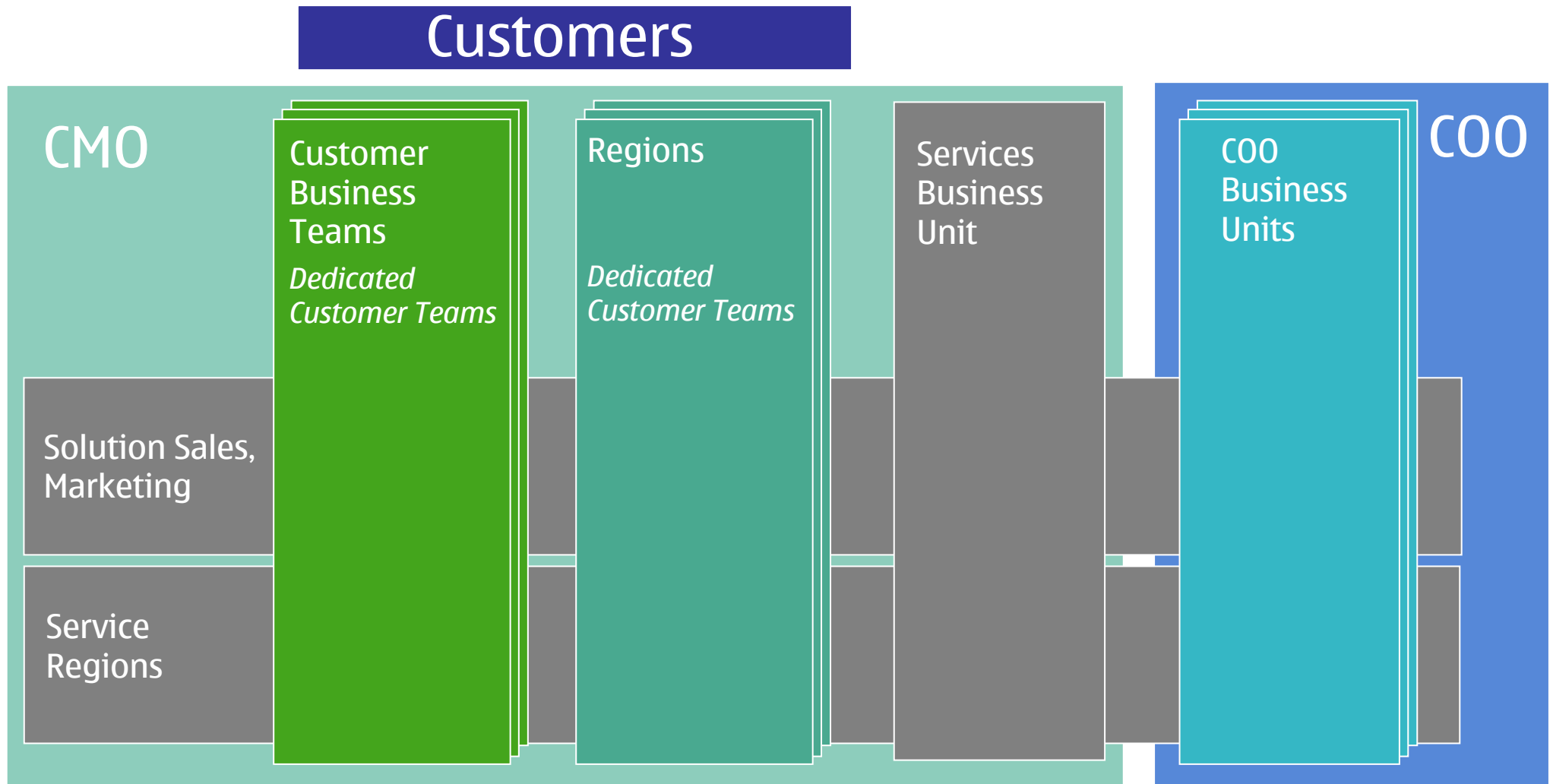
**Nokia Siemens Networks Market position based on 2005 combined market positions of Nokia and Siemens (Nokia estimate)

Customer focus – including Nokia level engagement



Competence deployed in Customer Teams and Regions

Close alignment with COO



Conclusions

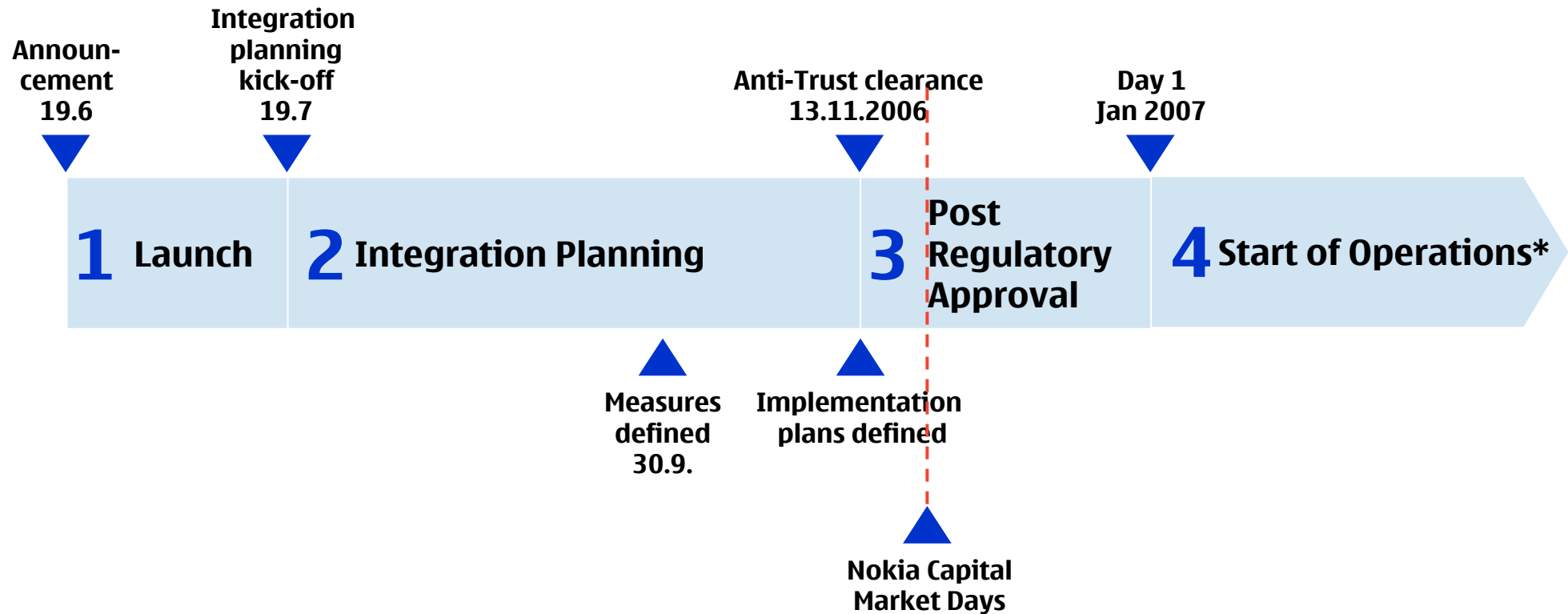
- Industry benchmark customer base and execution footprint
- Regional focus
- Customer driven mode – including Nokia level
- Scale

Nokia Siemens Networks – Integration project progress

Simon

NOKIA

Integration planning progressing



*Transaction is subject to customary closing conditions and the agreement of a number of implementation steps.

Integration planning project

- Integration planning project team worked since late July
 - Some 200 people fulltime involved in planning work
 - Nine functional work-streams coordinated by centralized integration management office
 - CXOs deeply involved throughout integration planning process
 - Parent carve-outs from have increased complexity
 - Weekly steering meetings by executive team
- Results in 4 months
 - Foundation for world-class company established
 - Synergy plans built
 - Day 1 readiness preparation under way

Key focus our integration planning

Build world class company

- ✓ Organization defined; 1st, 2nd and 3rd level nominations
- ✓ Cultural direction underway
- ✓ Global mode of operation mostly decided






Achieve merger synergies

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

Ensure readiness on day one

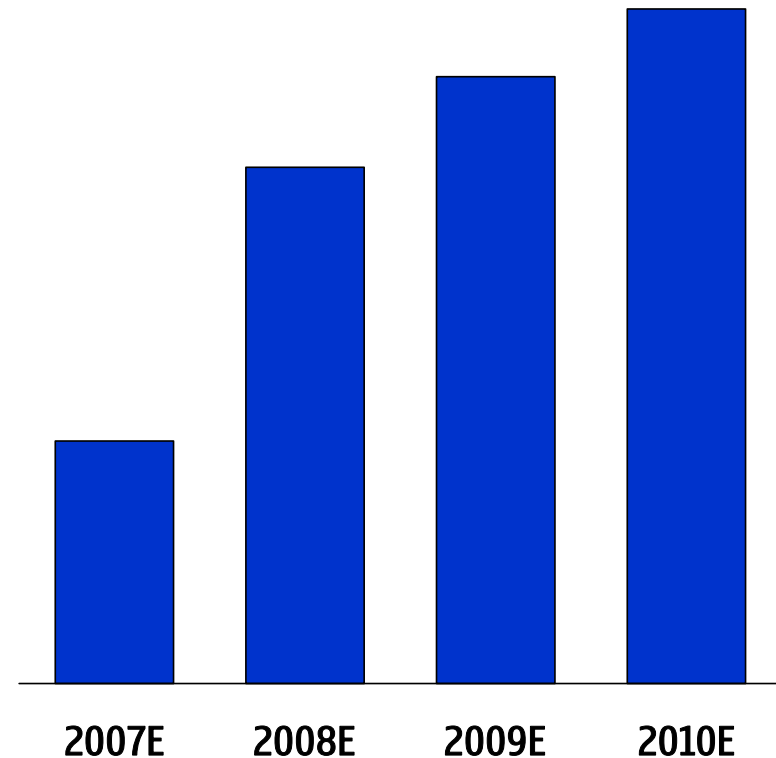
- ✓ Rigorous integration planning project with clear milestone management and achievements
- ✓ Integration planning work done in 9 work streams covering whole organization guided by a centralized team

Our methodology of monitoring progress with synergies

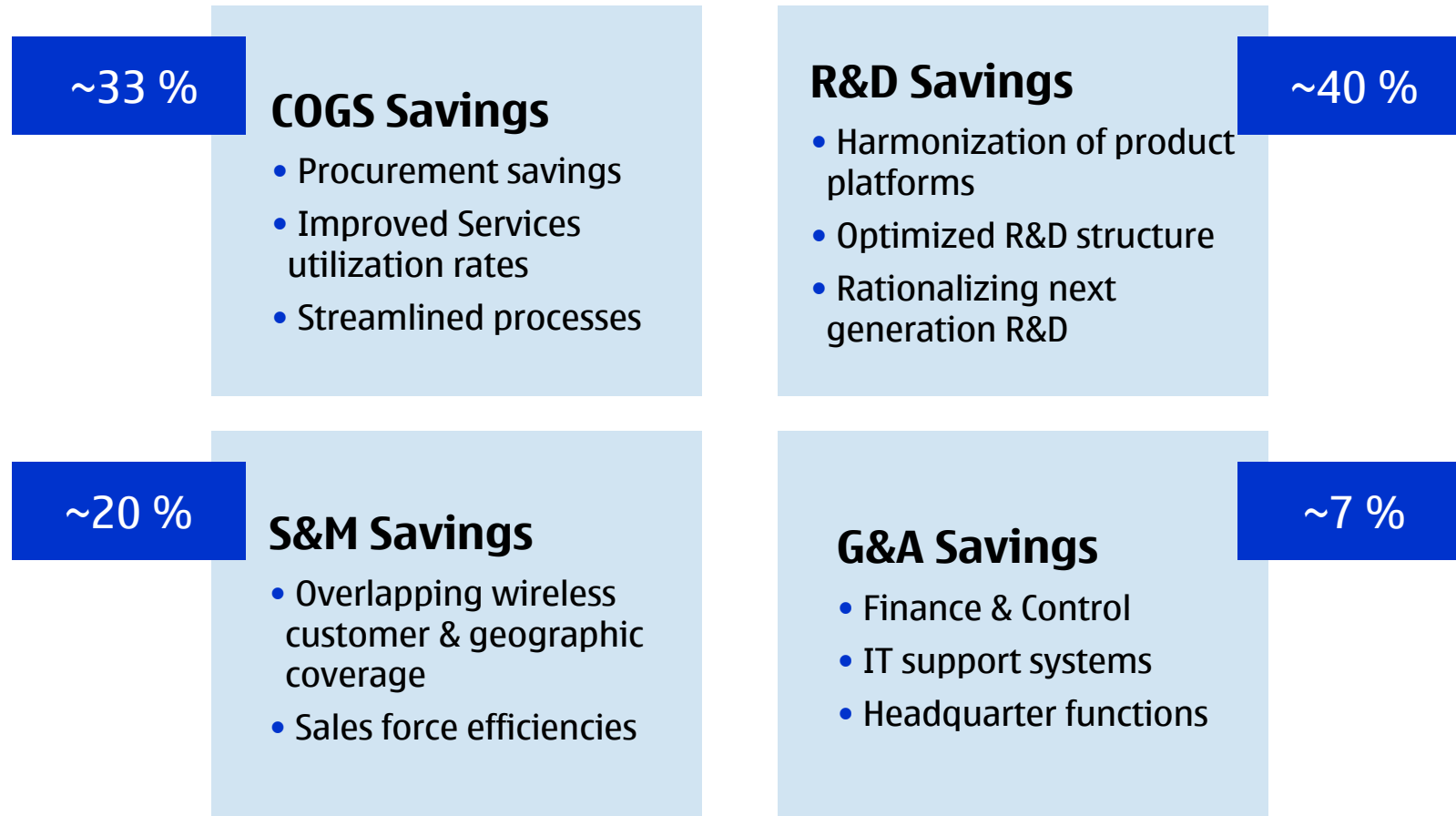
Focus during integration phase			Starting with operation	
DI 1 First idea	DI 2 Potential evaluated	DI 3 Implementation plan in place	DI 4 Measure implemented	DI 5 Financial impact realized
				
<ul style="list-style-type: none"> • Objective defined: <ul style="list-style-type: none"> • Derived from benchmarking • Adopted from business plan • Derived from baseline/targets 	<ul style="list-style-type: none"> • Specific individual examples/idea described in the tool • Potential quantified • Measure submitted for assessment 	<ul style="list-style-type: none"> • Detailed evaluation of the potential • First draft of Implementation plan with milestones and due dates entered 	<ul style="list-style-type: none"> • Consultation with employees representatives • Implementation executed • Level and start of impact on profit revised 	<ul style="list-style-type: none"> • Impact on profit can be traced

Cost Synergies Identified

- Identified estimated cost synergies to reach 1.5 BEUR annually by 2010
- Substantial portion of cost synergies expected within first 2 years
- Double-digit operating margin by end of first year (before restructuring charges)



Synergy target unchanged



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

Q & A

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