

# Regional Mobile Device Update

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**NOKIA**

# experience

A close-up photograph of a man with dark hair and a light beard, looking out of a car window. The window has some condensation or rain droplets on it. The background is blurred, showing what appears to be a city street.

# India

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# Nokia is the **largest Multinational in India**



- Investing in and growing the market
- Taking mobility to the masses
- Providing Universal Access
- Generating employment
- Manufacturing – Nokia SEZ (Special Economic Zone)
- Infrastructure – Nokia Siemens Networks
- R&D
- Branded retail – Nokia priority dealers
- Mobile devices, enhancements & services

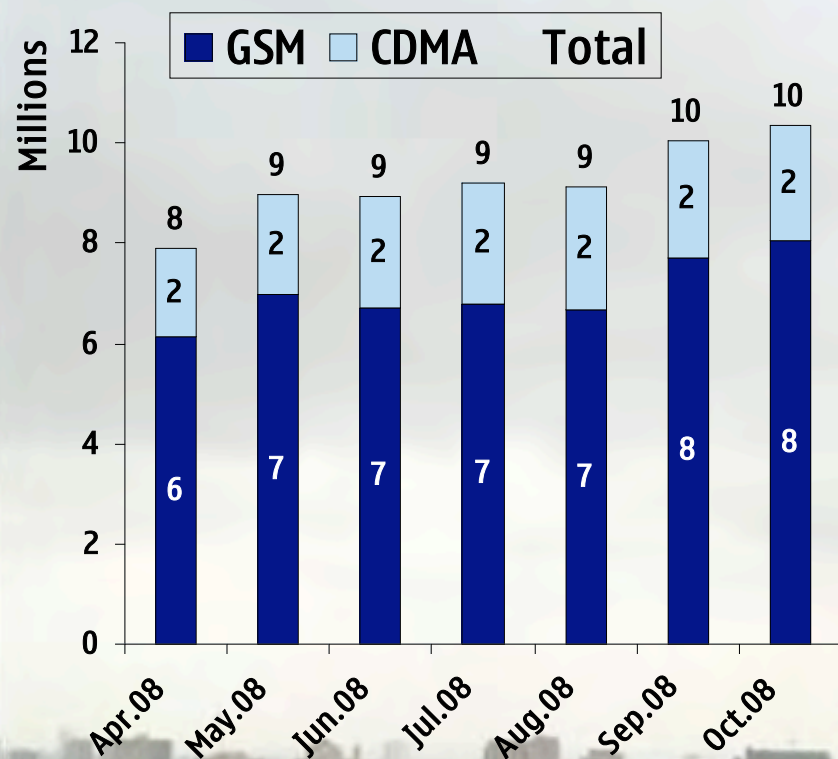
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# Indian Telecom Market

6 national operators (4 in GSM and 2 in CDMA)

## Monthly Subscriber Additions



\* Based on National Council of Applied Economic Research (NCAER), Govt of India definition of middle class etc. Numbers refer to household incomes per month

Income Level	Income per month*	Subscriber base
Lower income	Up to USD 350	138 mn
Middle income	USD 350 – 1735	141 mn
Upper income	Above USD 1735	21 mn
Total		300 mn

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# Trends in Telecom Industry

- Rural is likely to account for over 50% of new subscribers
- Services still nascent but picking up
- 3G Roll-out
- Increasing competition in the operator space
- Declining Device ASPs



***Estimated 500  
million mobile  
subscribers in India  
by 2010***

Source: Nokia

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# Nokia India: Strong position

- Nokia is India's most trusted brand
- Nokia's brand preference continues to be strong at 77%
- Largest distribution network amongst device vendors – 162 000 retailers nation wide
- Pioneering India specific services business models

Sources: Economic Times, Nokia

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# Africa

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# Region with many faces



Developed  
markets



Nokia has  
Unrivalled  
distribution



New African consumers

Emerging markets

## Dimensions

- More than 900 million people
- One quarter of the world's nations
- One fifth of the planet's land mass

## Linguistic diversity

- More than 1 000 languages

## Economic Diversity

- GDP per capita (purchasing power parity) varies between USD 470 and USD 12 000

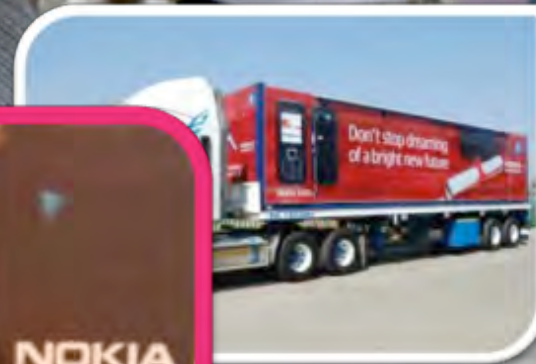
## Ethnic diversity

- More than 1 000 ethnic groups





# "My First Nokia" roadshow reaching the masses



The consumer is hungry for information as demonstrated by the amazing response that took all of us by surprise yesterday.

Just how magical can it get?

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# Significant **growth expected**

- Mobile often the only choice of telephony
- Mobile likely to be first internet experience
- Penetration relatively low (~18%)
- Replacement market emerging
- Socio-economic benefits of mobile technology
- Mobile to become the banking platform for the 'unbanked'

Source: Nokia

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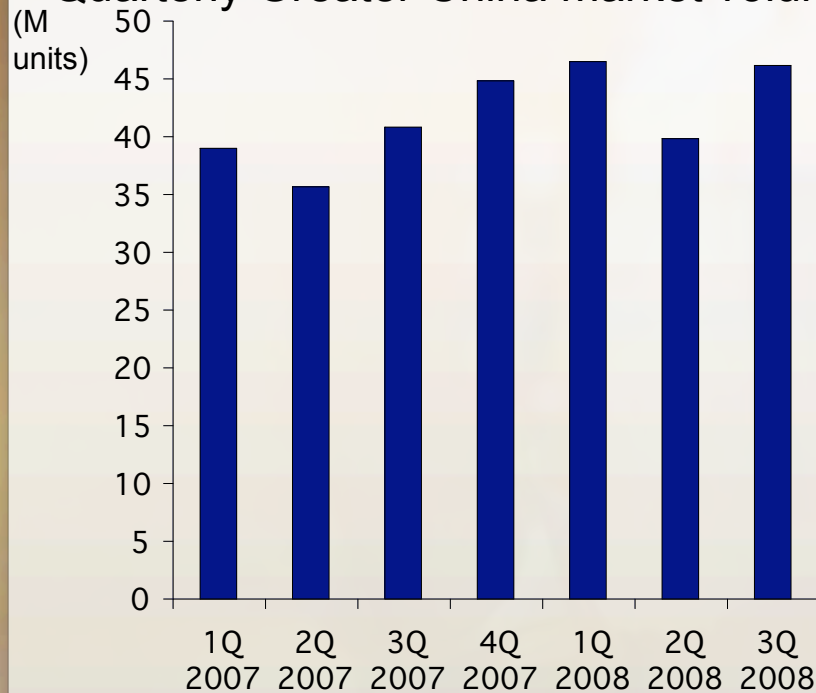




# Mobile device market growth in 1Q-3Q 2008

## strong in China

Quarterly Greater China market volume



1H07 – 1H08

+16%

3Q07 – 3Q08

+13%

- Most populous nation in the world 1.36 billion inhabitants (2008)
- Mobile penetration 48% (Q3 2008)
- World's largest mobile phone market 172 million devices (2007)
- Most internet users in the world 253 million users in June 2008
- Largest multimedia market in the world – largest market for Nokia N-Series devices

Source: Nokia

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# A Strong Footprint in China

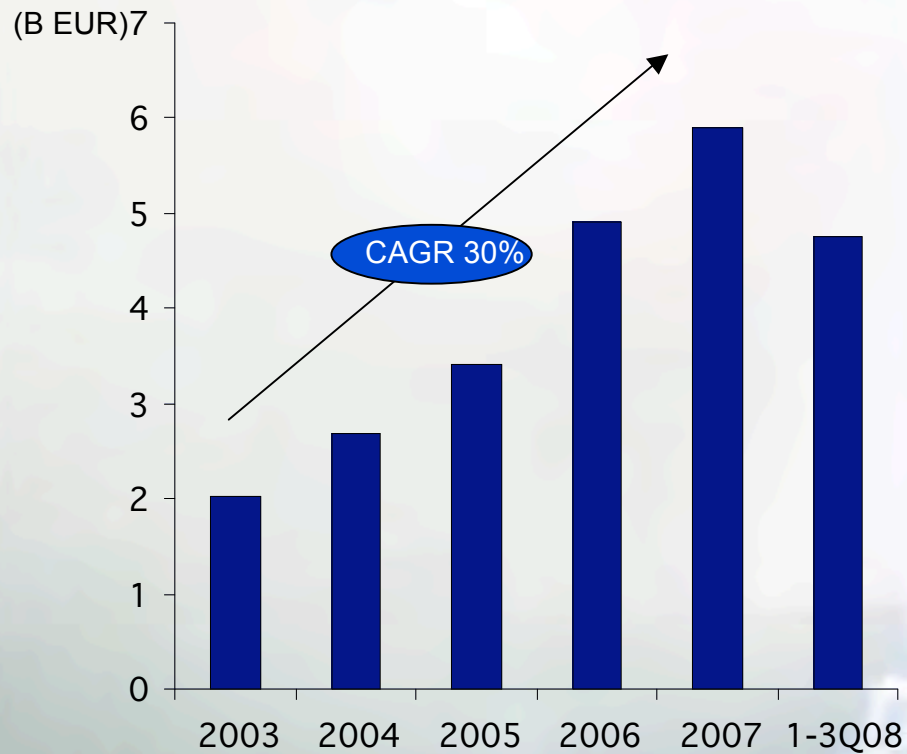
- 2 Manufacturing Sites
  - 10 R&D Sites
  - 12 000 Employees
  - Nokia's largest market with 13% of Global Sales Volume
- One of the biggest Foreign Invested Companies in China
  - Leader in Corporate Responsibility and Environmental initiatives



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# Nokia with strong sales growth in China

Nokia sales in China 2003 – 3Q08



Source: Nokia

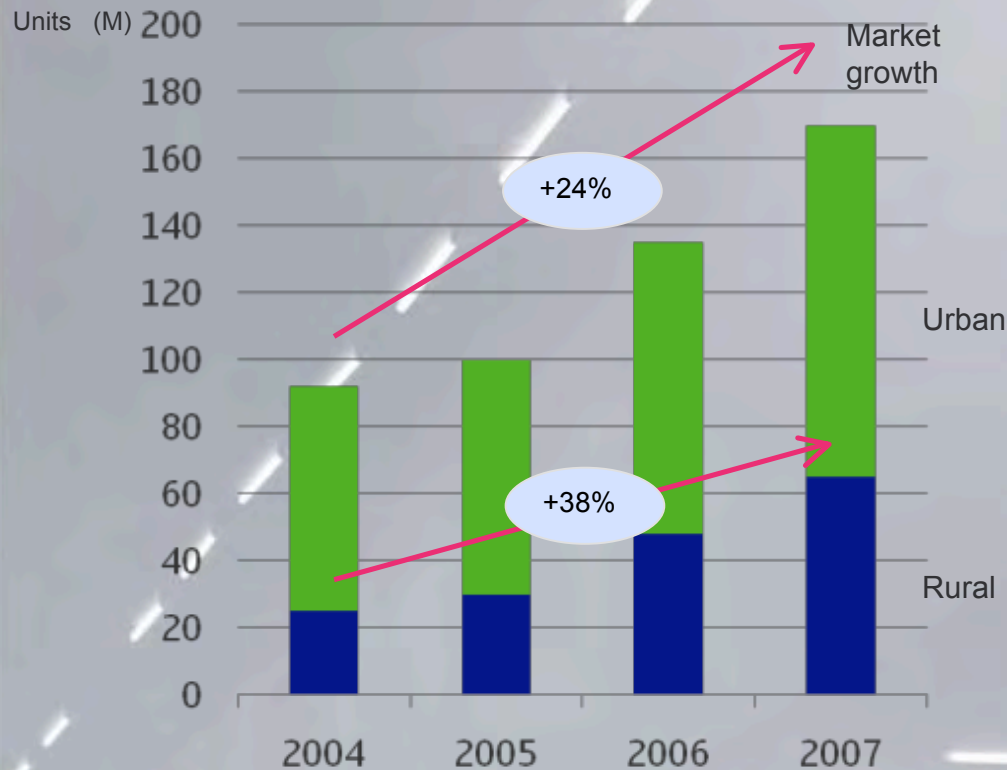
- Nokia had 16% volume growth YoY 1Q-3Q08
- Growth driven by strong market growth and maintained leading market share
- Nokia has built undisputed lead in Chinese market with strong coverage across all price bands

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# Nokia remains committed to capturing rural growth in China

Rural vs. Urban market volume (CAGR)



- Rural market growing significantly faster than total market
- Rural market penetration in 2007 22% vs. 62% in urban – still significant potential remains
- Nokia committed to driving sustainable sales in rural areas

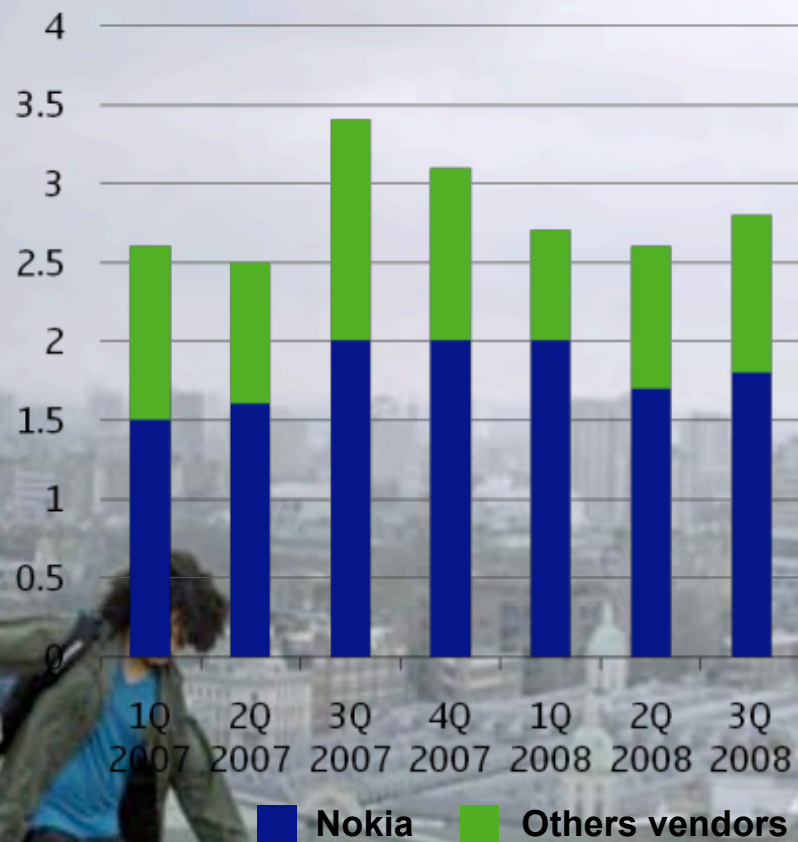
Source: Sino-MR, CCID, BDA survey and interviews

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# Nokia the leader in smartphone sales in China

Estimated Quarterly Smartphone sales and Nokia share

(M units)



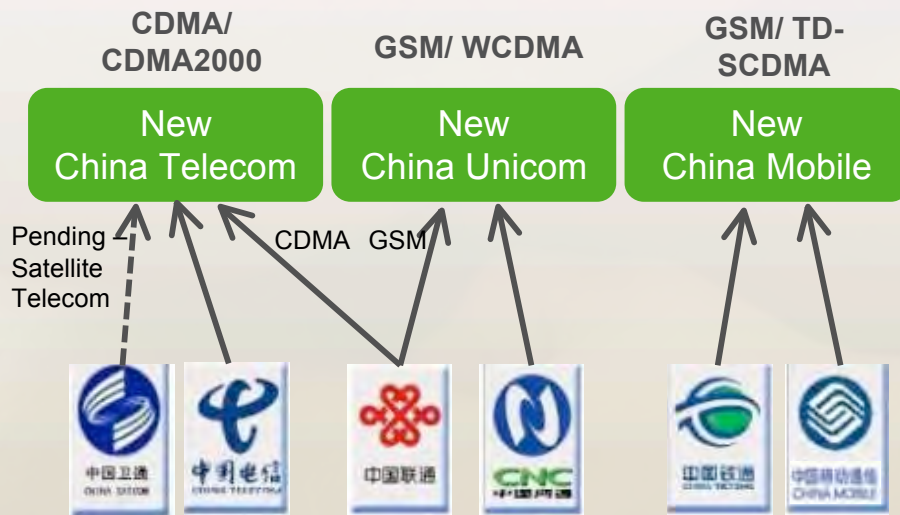
Source: Canalys

- Nokia the leader in smartphone segment in China
  - Nokia's average market share over last 7 quarters was 65%
  - Currently China is the largest market for Nokia N-Series devices in the world
- Nokia is poised to take advantage of service opportunity through large base of advanced devices



# Operator restructuring will have **positive effects** for **Chinese consumers** and the mobile industry

Three strong mobile operators emerging in China

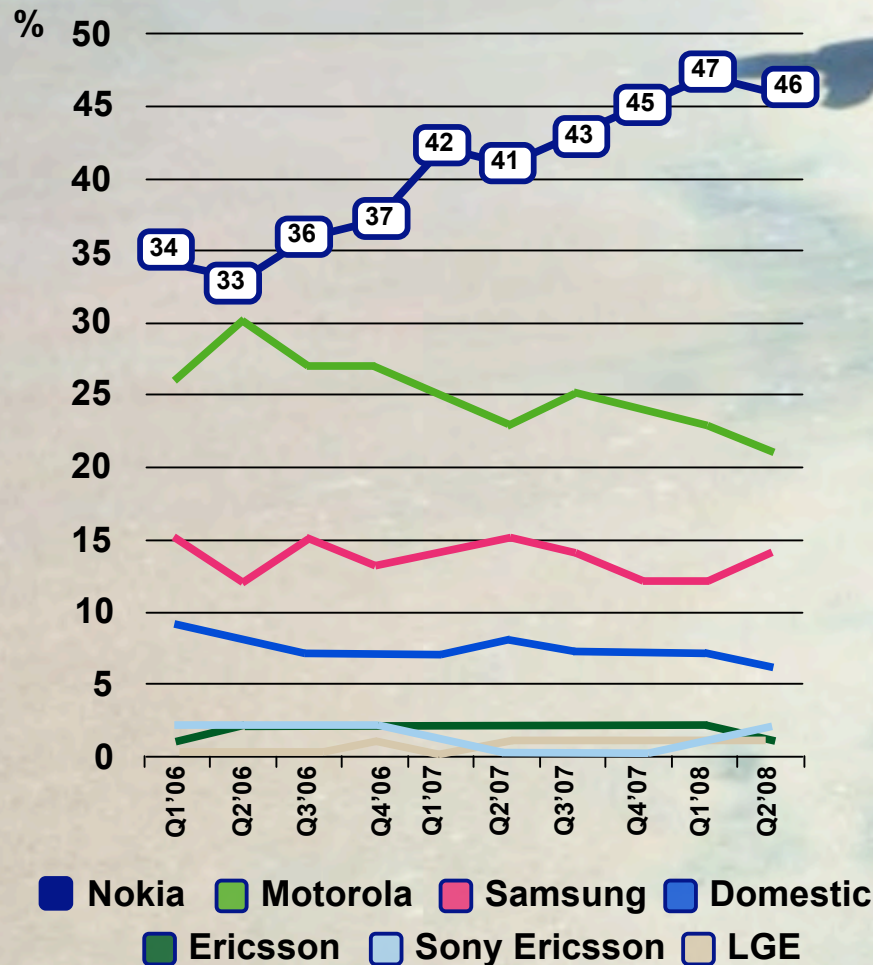


- Increased competition and value to Chinese consumers
- Effective roll out of 3G
- Drive opportunities to jointly develop service opportunities in the marketplace with operators
- Nokia will continue to develop our strategic relationships with all Chinese operators in the future

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# Nokia's leadership in Distribution and Brand

Nokia brand preference among Chinese consumers



- Nokia leading in brand and distribution
  - Nokia brand preference (46%) over double that of competitors
  - Leading vendor retail network of 130 Nokia branded retail stores and 2 flagship stores
  - Leading resources of sales reps and promoters
    - Over 1 300 permanent sales reps
    - Over 4 000 permanent promoters ramping up to 20 000 in peak seasons

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# Conclusions

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# Opportunity for Growth Still Continues

	Population, millions	Urbanization	Mobile Penetration
Africa	758	35%	31%
India	1110	28%	22%
China	1361	45%	48%

- Connecting the next Billion...
- Distribution Development builds barriers
- Nokia Life-Tools adds extra value
- Constantly rejuvenating the portfolio with more features and lower prices points

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# Thank You.

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ideas invent  
explore possibilities  
experience

opinions  
futu  
ange