

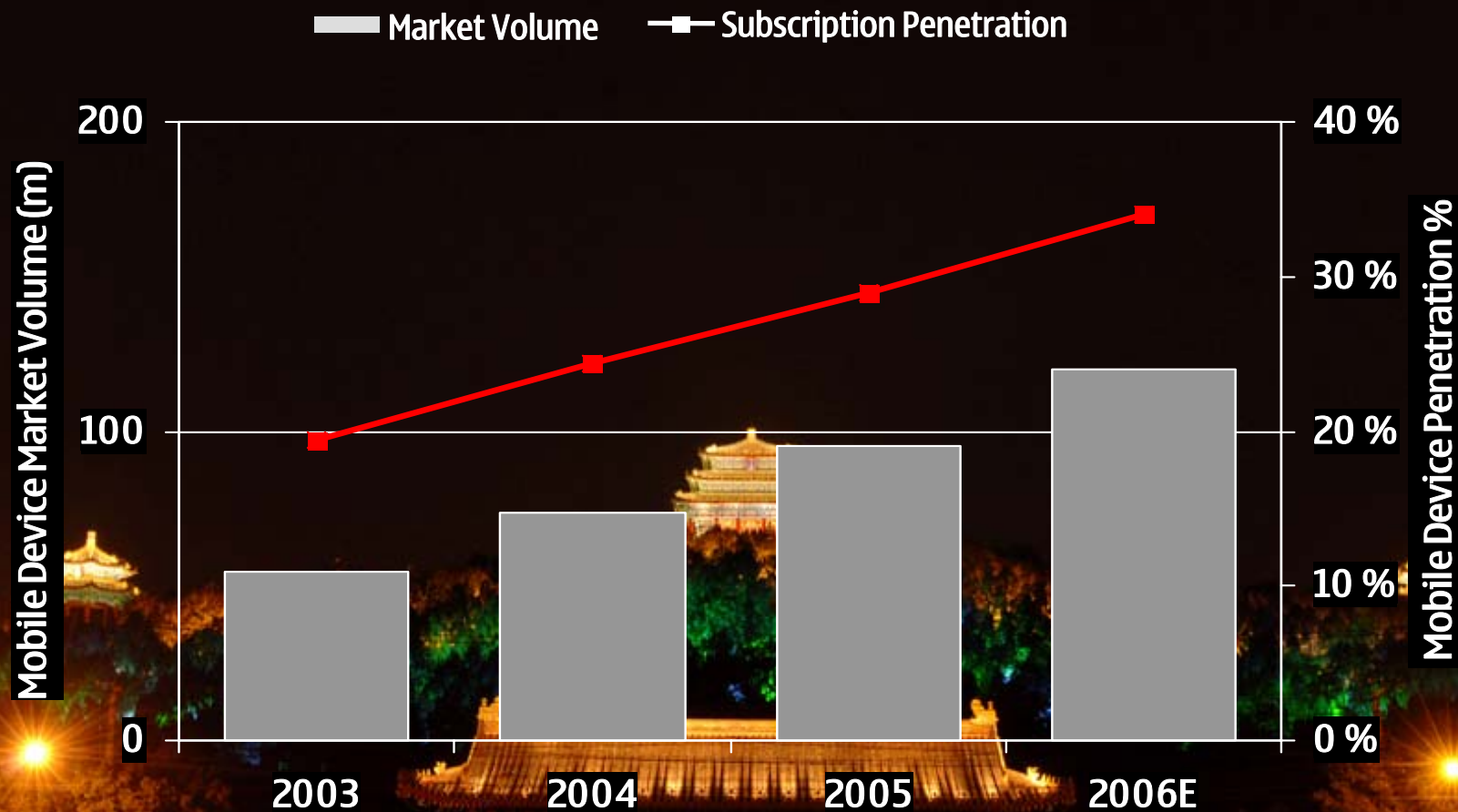
Nokia in China

Capital Market Days

Colin Giles
Senior Vice President
CMO, Nokia China



Strong Growth Continuing in China



Source : Nokia estimates

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Chinese Consumers

- Confident & optimistic
- Strong national pride
- Busy & full life but embrace fun & leisure
- Growing demand for new experiences & stimulation
- Informed consumers
- Emerging middle-class
- Internet & gadget-savvy youth
- Quality first
- Fashion & design key choice criteria
- Rural Chinese demand telecom service

Current Market Trends

- Seasonality consistent
- Market moving to smaller cities; fragmenting retail in these markets
- Large retail chains consolidating in the larger cities
- Operator bundles taking a larger share of the market; China Mobile Super Low End a strong contributor to growth
- Convergence story is beginning

Converging to Mobile



	USERS	Penetration (%)
<i>Internet</i>	123M	9.5%
<i>Email</i>	88M	6.8%
<i>MP3</i>	100M	8%
<i>Digital Cameras</i>	8M	0.6%
<i>Mobile Phones</i>	443M	33.9%

Source: CNNIC, July'06 (Internet); IMI '05-'06 (MP3); IResearch '06 (Email), CMMS '06 (Digital Camera); MII Oct'06 (Mobile Phones)

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Nokia's presence in China

- Established 21 years ago
- Over 7200 employees
 - External Sales force of 6000+
- 6 Research & Development Units
 - Product Creation
 - Networks Technology
 - Nokia Research Center
- 4 Manufacturing Units
 - Mobile Phone Manufacturing in Beijing and Dongguan
 - Networks in Beijing and Suzhou

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Nokia in China

- Sales of 3.95 billion EUR in Q1 – Q3/06
- Year on year sales growth of over 45%
- Nokia exports of over 2.8 BEUR in 2005
- 13 Quarters of consecutive market share growth (Mainland)
- 36.6 million units sold in Q1 – Q3/06



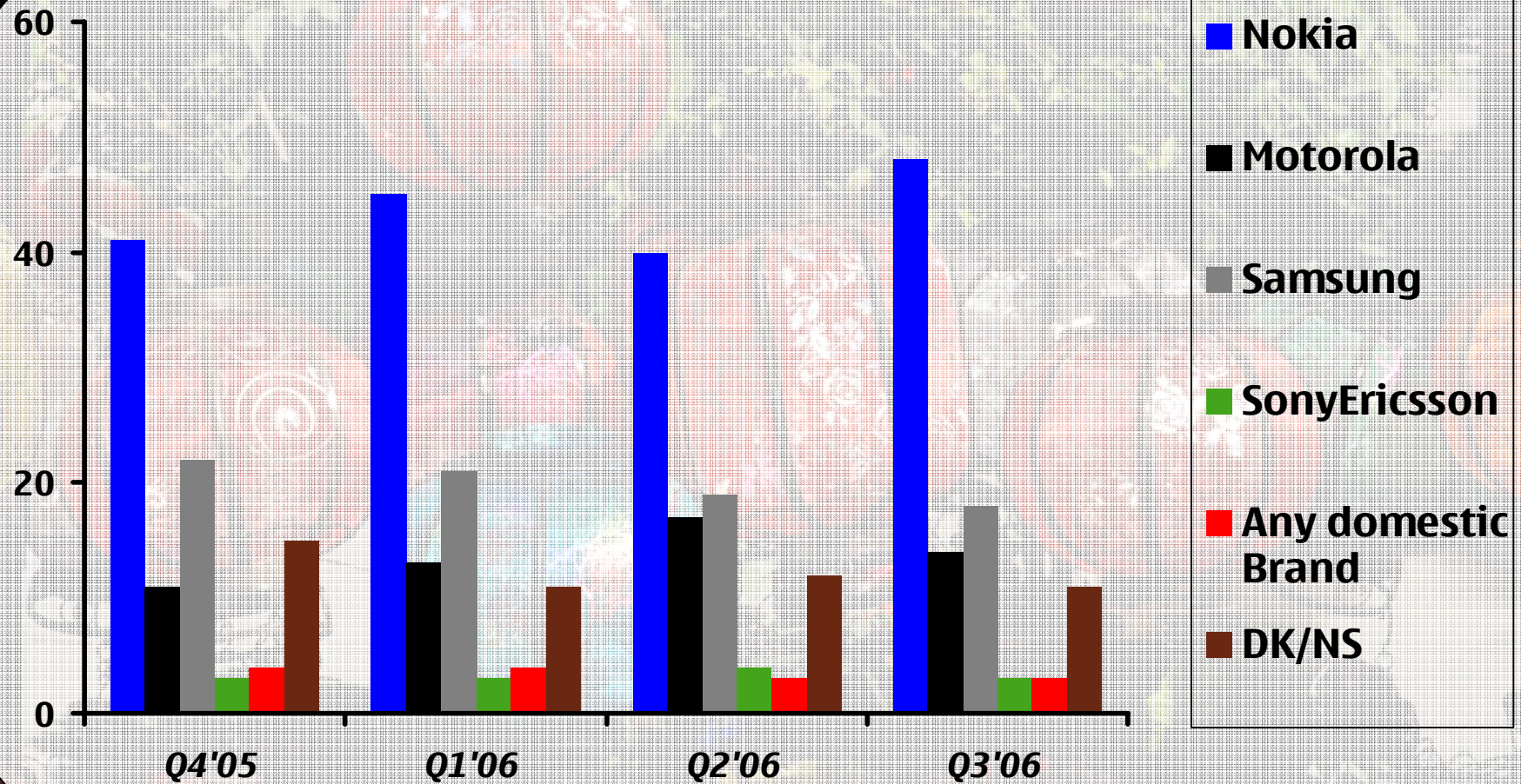
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Nokia Success Story

- Established a strong sales & marketing platform
- Do not under-estimate distribution
- Presence at Retail
- Chinese Vendors couldn't follow through
 - Quality
 - Sustainable Investments
 - R&D
- Strong Brand Presence

Mobile Phone Brand Preference



Source : Nokia estimates

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Nokia Strategy in China

- Maintain our leadership through
 - Scale
 - Quality
 - Distribution/Coverage
 - Brand
 - Execution
- Enhancing our relationships with
 - National & Provincial Distributors
 - National & Provincial Retailers
 - Operators
- Preparing for 3G
- Expanding to new experience-led domains
 - Imaging
 - Music
 - E-mail
 - Mobile Internet

Market Potential

- 3G opens up the market to competition and new services
- Where's the subscriber ceiling?
- Imaging devices are now well accepted
- After SMS – Is music the next driver for value added services growth?
- Can mobile phones bring Internet access to the masses?
- Enterprise potential is huge



Question Time

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