

# The mobile broadband specialist

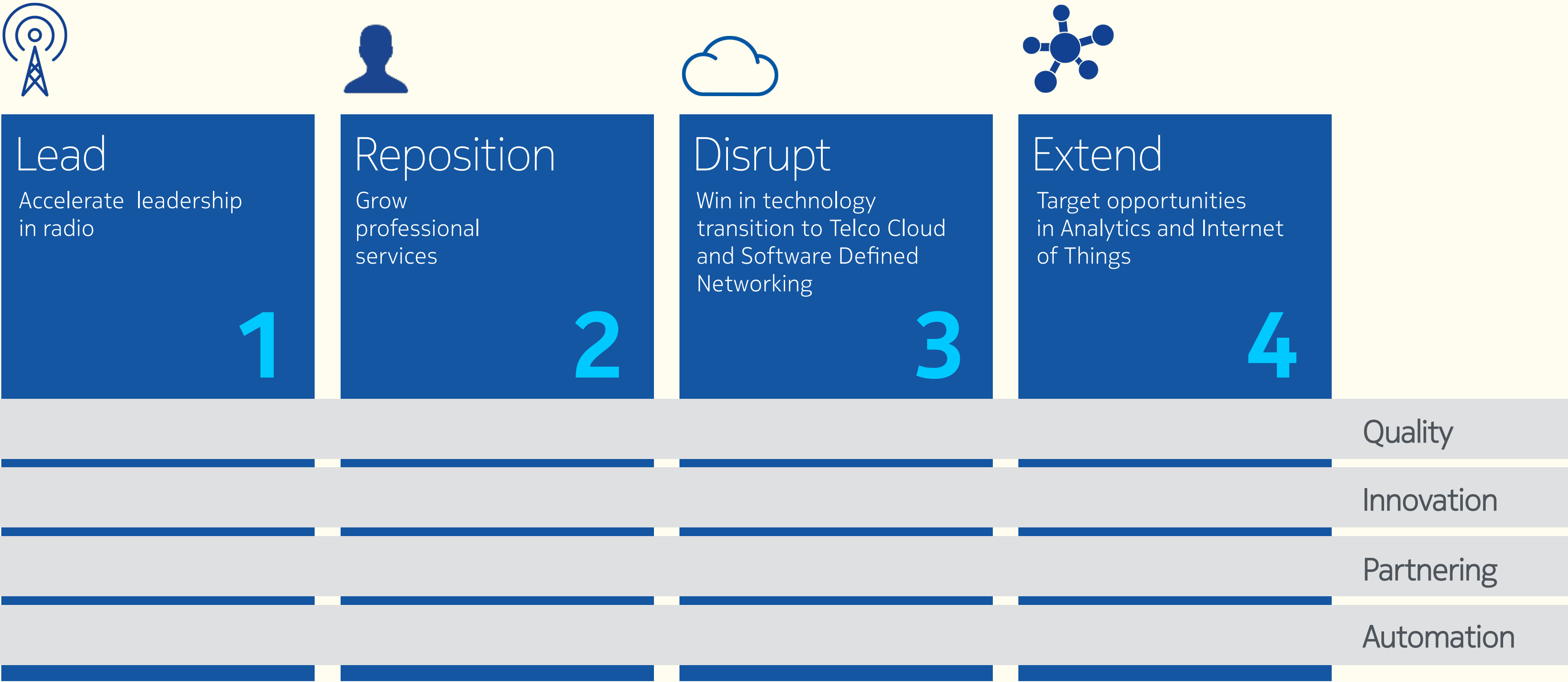
A close-up, low-angle shot of a person's foot stepping into a puddle on a wet asphalt street. The foot is wearing a white and black sneaker. A bicycle wheel is visible in the upper right corner. The water in the puddle is dark and reflects the surrounding environment, creating a moody, blue-toned scene.

Marc Rouanne

Executive Vice President, Mobile Broadband  
Nokia Networks



**Nokia Networks:** Technology partner for the telecom operator of the future

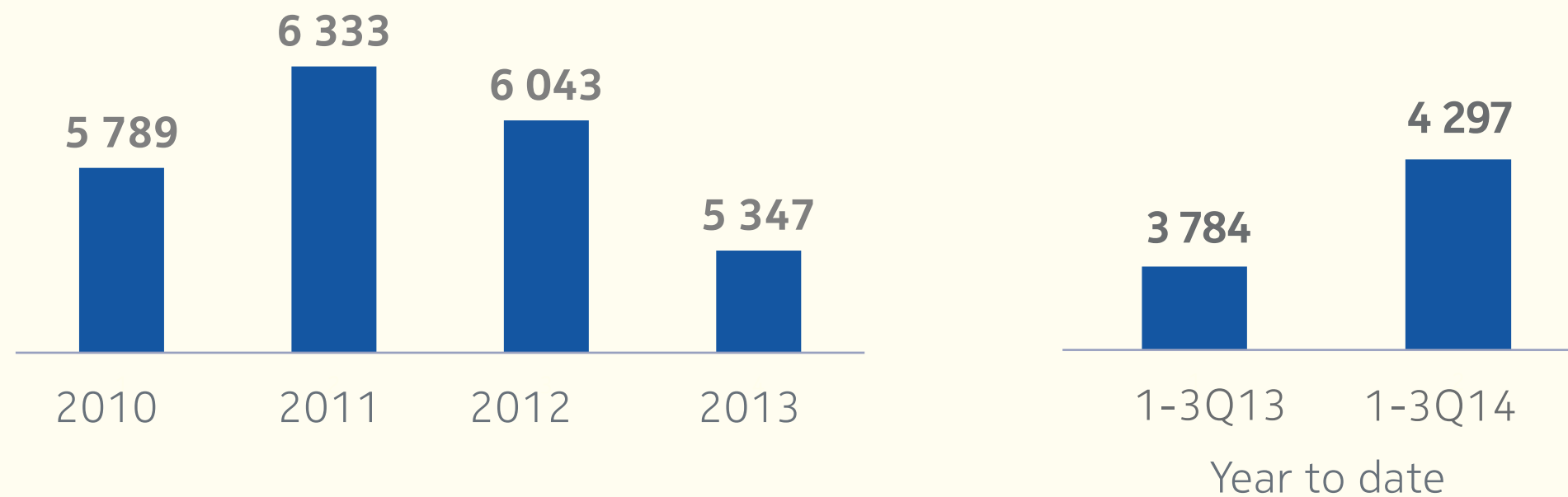


# Agenda

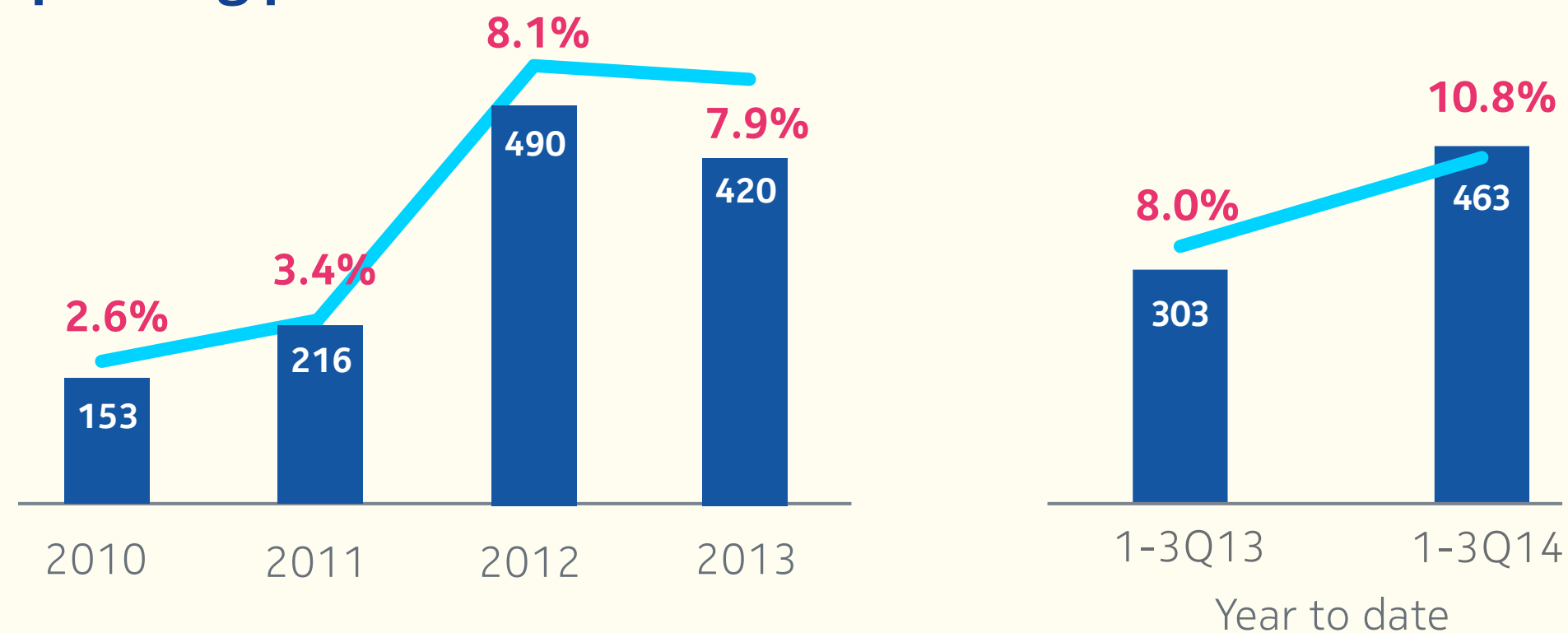
1. Strong where it matters
2. Portfolio and differentiators
3. Transformation

## Financial performance

### Net sales



### Operating profit\*



non-IFRS\*

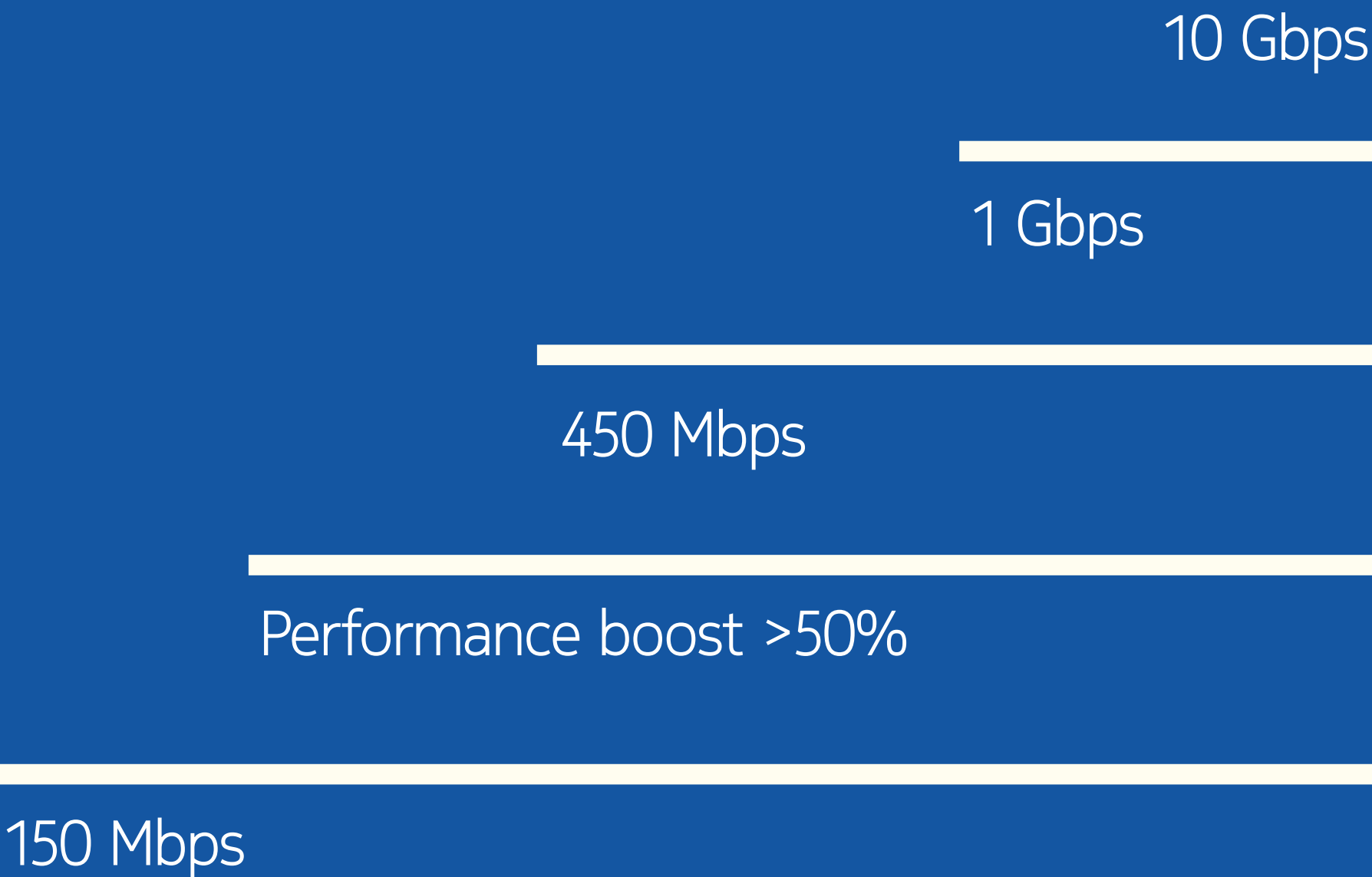
### 2013:

- Improved product gross margin
- Operating expenses reductions

### Year to date 2014:

- Growth and profitability improvement
- Continued growth in LTE radio
- Good growth in Core
- Net sales +13% YTD
- Operating margin+2.8% YTD\*

Expanding the human possibilities of the connected world



Capacity



Devices (Bn)

Programmable world over the air

IoT through Wireless

SDN for Mobile Broadband

Cloud for Mobility

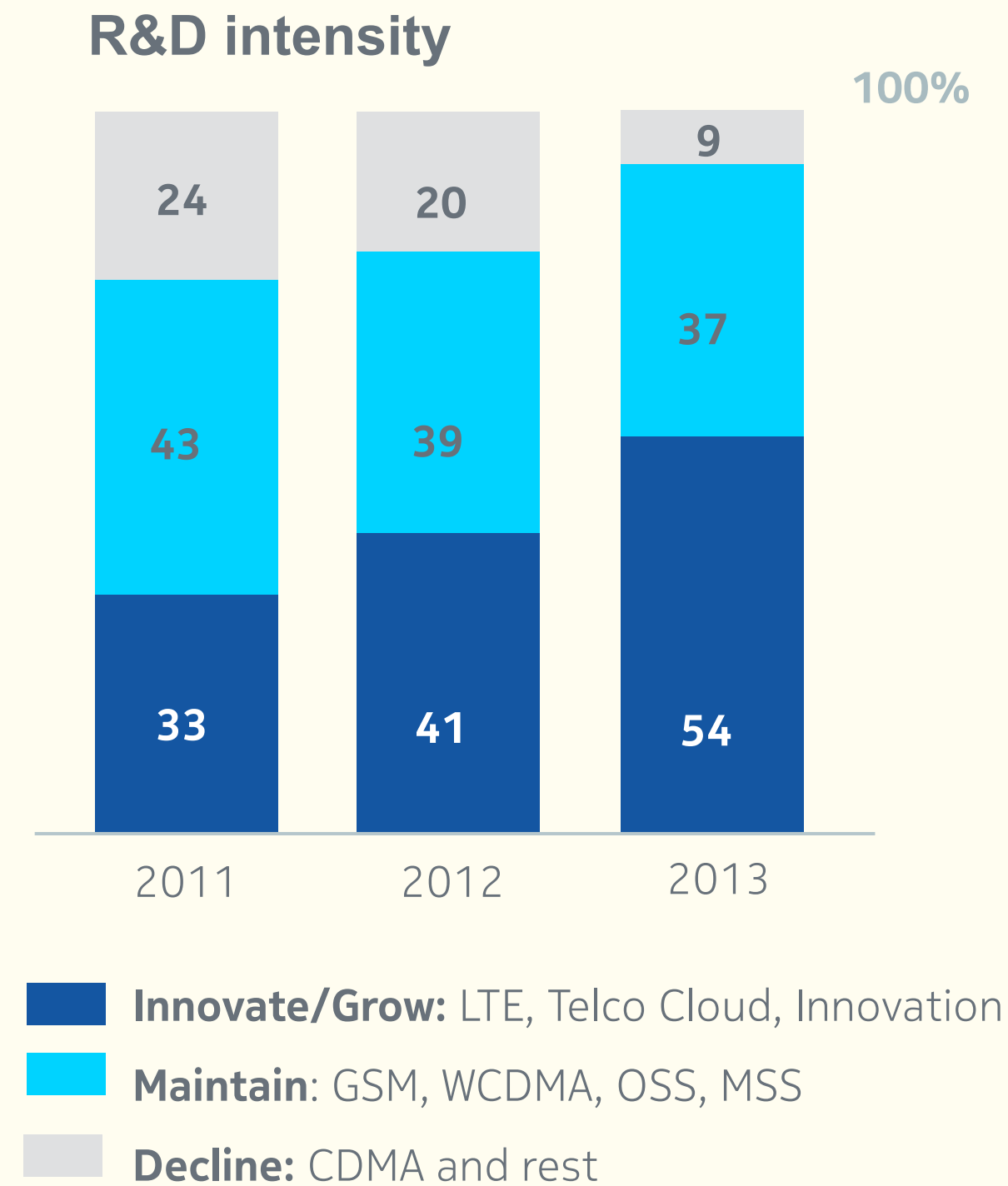
Distributed cloud computing

Networks

## Agenda

1. Strong where it matters
2. Portfolio and differentiators
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# Focus on 4G and Cloud



Annual Mobile Broadband R&D Opex %\*\*

5 years ago:  
Software driven architecture

3 years ago:  
Densification and intelligence  
NFV and virtualization

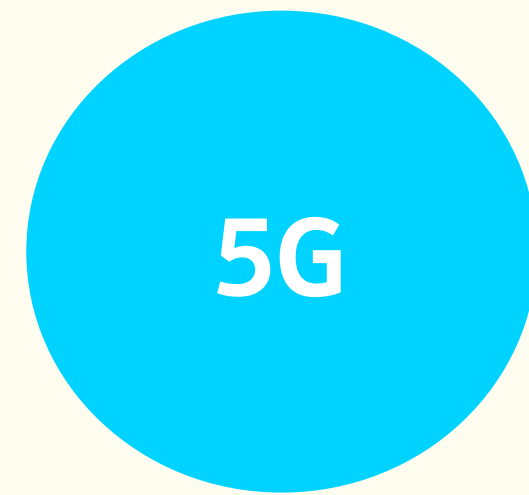
1 year ago:  
Open ecosystem

Flattish market,  
with segments of  
robust growth



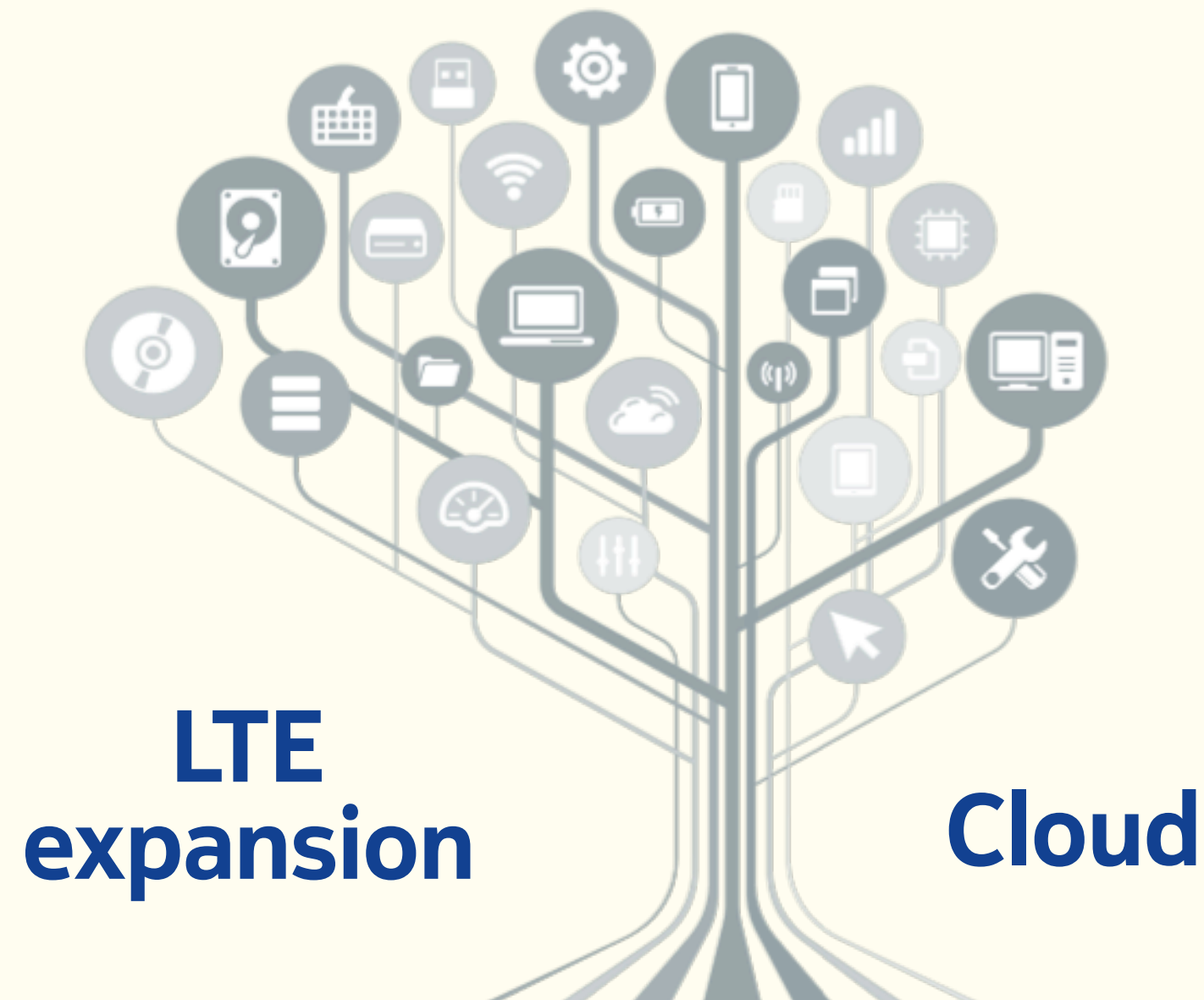


## Expand our market and create disruptive products and services



# Radio Cloud

LTE { M D B



# Cognitive networks

## Data analytics for operators

## Orchestration

## IP routing for the base station

## SDN for the base station

# Radio Core Analytics

## Build on our existing strengths

## Experience: some references

### Reach

- Significant presence in the most advanced markets: Korea, Japan, USA
- These countries cover >80% of all LTE subscribers

### Performance

- Globally and consistently field proven technologies and platforms
- Supplier to operators with over 4 billion subscriptions

### Integration capability

- +45 UE & Chipset variants tested in 2013
- 100+ LTE device interoperability testing projects with Apple, Samsung, Qualcomm, Intel...

### Data powerhouse

- Agility
- Rich data with intelligent sw probes

## Agenda

1. Strong where it matters
2. Portfolio and differentiators
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## R&D efficiency and agility as a differentiator

### Efficiency gain\*

**>20%** in 2012 and 2013

**>80%** of workforce located in 12 Global R&D Centers

**>90%** of R&D staff trained on Six Sigma

- Systematically and successfully transformed
- Outstanding R&D efficiency
- "Virtual Zero" quality
- Continuous delivery
- Fast resource shifts to future technology areas

*\*MBB efficiency metrics*

# Transformation enables our strategy

Efficiency

Quality

Innovation

Program	Description
SW feature throughput increase	Drives agility and efficiency of developing and delivering incremental changes to the customers
Software	Strengthens the culture to increase volume and value of SW reuse.
Cloud verification Network	Centralized end-to-end test network and virtualized network nodes for remote use in I&V testing needs, customer demos and trial requirements
Product Cost Reduction	Secures MBB Product Cost competitiveness
Architecture driven design methodology	Architecture driven design methodology for all products
SW maintenance agility	Reduces R&D spending in bug fixing, warranty and retrofit costs
Portfolio innovation	Holistic view to emerging business opportunities and driving IPR generation
Workflow automation and social networking	Contextualized information flow and MoO discipline

# Key priorities going forward

- Continued profitability
- Portfolio innovations
- Continuous delivery
- Partnering and security



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