Nokia Siemens Networks
Simon Beresford-Wylie
Chief Executive Officer
Progress update

Overall
- Progressing well – a clear winner in consolidating industry
- Well placed against backdrop of economic uncertainty

Financials
- Maintaining top line
- Improvement in operating and gross margins (non-IFRS)
- Cash collection improved, still some way to go with NWC

Integration
- Substantially all of EUR 2 billion annual synergies captured by 2008
- Restructuring on track
- Resource balancing on track

Strategy
- Profit and cash first – strong deal discipline continues
- Focus on building ‘most competitive’ operations
- Lead in network efficiency & enriched customer experience
Financial performance – the first six quarters

Net sales and gross margin (non-IFRS)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Net sales EUR millions</th>
<th>Gross margin %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q2/07</td>
<td>3438</td>
<td>28.9%</td>
</tr>
<tr>
<td>Q3/07</td>
<td>3703</td>
<td>29.2%</td>
</tr>
<tr>
<td>Q4/07</td>
<td>4604</td>
<td>30.4%</td>
</tr>
<tr>
<td>Q1/08</td>
<td>3404</td>
<td>30.4%</td>
</tr>
<tr>
<td>Q2/08</td>
<td>4071</td>
<td>31.5%</td>
</tr>
<tr>
<td>Q3/08</td>
<td>3504</td>
<td>31.2%</td>
</tr>
</tbody>
</table>

Operating profit and operating margin (non-IFRS)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Operating profit EUR millions</th>
<th>Operating margin %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q2/07</td>
<td>-64</td>
<td>-1.9%</td>
</tr>
<tr>
<td>Q3/07</td>
<td>110</td>
<td>4.3%</td>
</tr>
<tr>
<td>Q4/07</td>
<td>199</td>
<td>7.0%</td>
</tr>
<tr>
<td>Q1/08</td>
<td>81</td>
<td>2.4%</td>
</tr>
<tr>
<td>Q2/08</td>
<td>274</td>
<td>6.7%</td>
</tr>
<tr>
<td>Q3/08</td>
<td>177</td>
<td>5.1%</td>
</tr>
</tbody>
</table>

Source: Nokia Siemens Networks
Industry-leading OPEX efficiency

OPEX* 2008 first three quarters

OPEX as % of net sales 2008, first three quarters

* Non-IFRS figures for Nokia Siemens Networks, excluding special items for Competitor A and B

**Competitor A and B figures are group level

Source: Company reports, Nokia Siemens Networks estimates
Scale and installed base

Content and end-user applications

Service management and charging

Connectivity

Consulting, Integration Implementation Care Managed Services

Source: Company reports, Nokia Siemens Networks estimates
Telecom infrastructure market - last 10 years

EUR billions

Wireline sales incl. related services
Wireless sales incl. related services

Source: Company reports, Nokia Siemens Networks estimates
Telecom infrastructure market outlook 2009: decline of 5% or more

Total vendor sales of infrastructure products and related services

EUR billions

Source: Company reports, Nokia Siemens Networks estimates

Wireless infra  Wireline infra  Services (wireline and wireless)
Downturn brings challenge and opportunity

Content and end-user applications

- Increased partnering with Internet players and content providers
- Operators’ development focus in communication

Service management and charging

- Split of major IT projects into multiple focused ones
- Interest in process simplification and automation solutions

Connectivity

- Largest spend
- Upgrades with clear payback to continue
- Interest in operational efficiency solutions
- Increased interest in outsourcing
Our direction and assets
Continue to work on **basics**

- Effective and efficient operations
- Tight focus on profitability and cash flow
- Leverage global resources
- Culture and values
- Business ethics and social responsibility
Focus on cost reduction

Track record of delivery

Annual cost synergy estimate by function

- ~ € 0.1 Bn
- ~ € 0.2 Bn
- ~ € 0.6 Bn
- ~ € 1.1 Bn

Levers for ongoing cost reduction

- Scale
- Asset reuse
- Design to cost
- Global resource balancing
- Supply chain optimization
- Supplier and subcontractor consolidation
- IT and process development
- Real estate consolidation

Source: Nokia Siemens Networks
Build for leadership in enriched customer experience and network efficiency

- Content and end-user applications
- Service management and charging
- Enriched customer experience
- Connectivity
- Network efficiency
Strong **assets** drive differentiation

Content and end-user applications

Service management and charging

Enriched customer experience

Connectivity

Network efficiency

- Multi-radio and LTE
- DWDM, backhaul

Core

Service Mgmt OSS

Global Service Delivery

SDM

Charging

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Progress update  Industry and market trends  Our direction and assets  Our targets
Nokia Siemens Networks targets

- Maintain share in declining market
- Complete integration
- Continue to expand margins
- Improve operating cash flow
Thank you