

Creating a Communications Industry Powerhouse

Nokia Siemens Networks

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Key Highlights

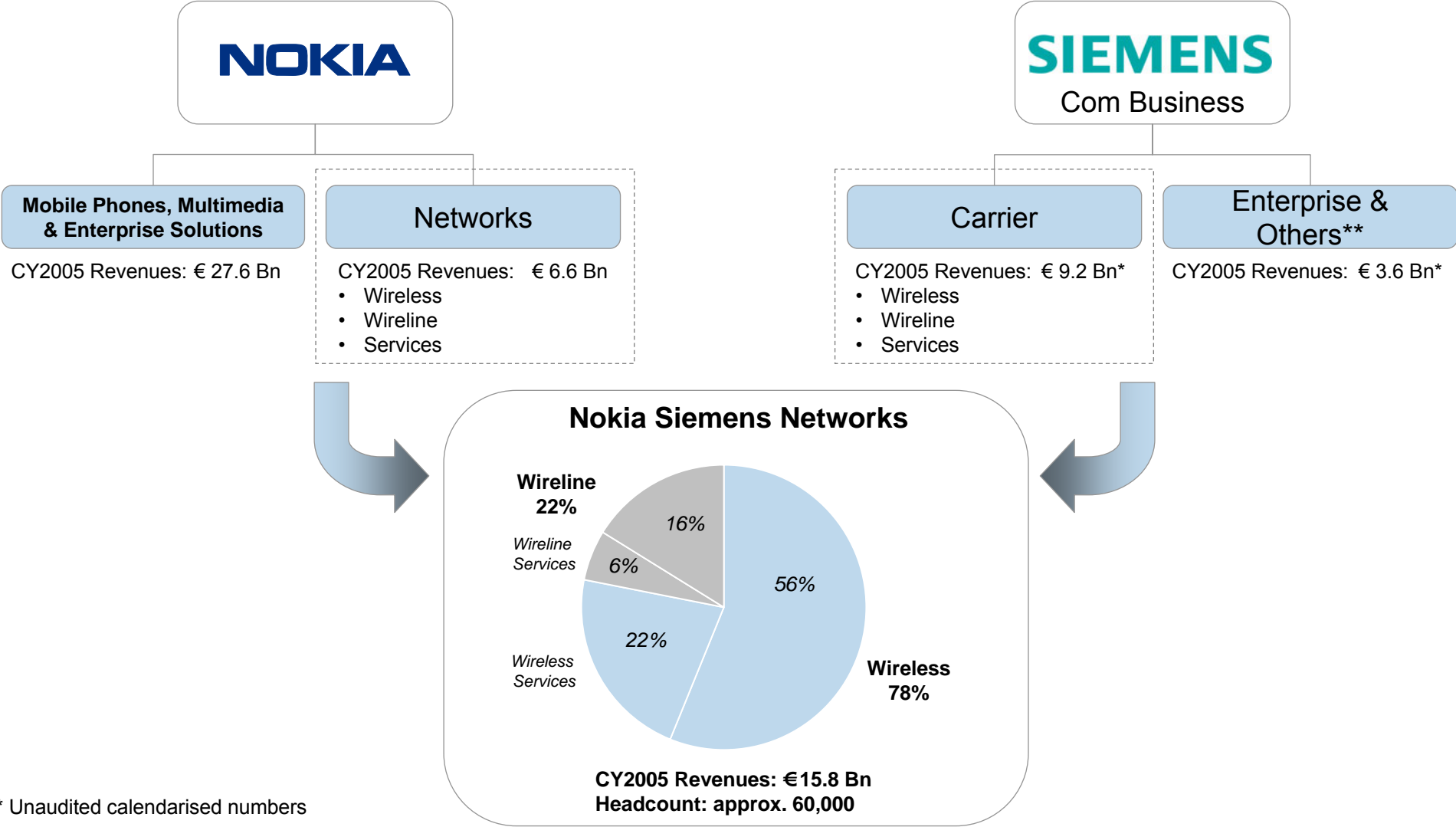
- **A long-term partnership of industry leaders** in the telecommunications infrastructure industry – JV structured to **create value**
- **A new leader** with the **scale to win** in the consolidating telecommunications industry
- **Uniquely positioned** within industry to win against Ericsson / Marconi and Alcatel / Lucent
- **Innovation leader** with superior R&D skills and resources to invest in the future growth segments
- Industry leading **customer insight** with **true end-to-end capabilities**
- Uniquely positioned to deliver **compelling customer benefits** with the **most comprehensive portfolio of products and solutions** for the converging communications market

Significant Shareholder Value Creation

- Both Nokia and Siemens expect the impact of the partnership on their respective EPS*, on a pro forma basis excluding the restructuring charges, to be accretive by the end of 2007 assuming a closing by January 1, 2007
- Extensive annual cost synergies of approximately €1.5 Bn by 2010
- Nokia Siemens Networks' targets:
 - Double-digit operating margin in first year before restructuring charges
 - Industry-leading profitability target in medium term
 - Faster growth than market
 - Strong cash flow generation

* Earnings Per Share

Creating a Communications Industry Powerhouse



* Unaudited calendarised numbers

** Including consolidation eliminations

Opportunity is Large

End-user market trends

More Connections

More Applications

More Usage

- ✓ Converging wireless/wireline market
- ✓ High-performing & cost-efficient infrastructure
- ✓ Opportunities in operator services

Operator needs

Capex and Opex Efficiency

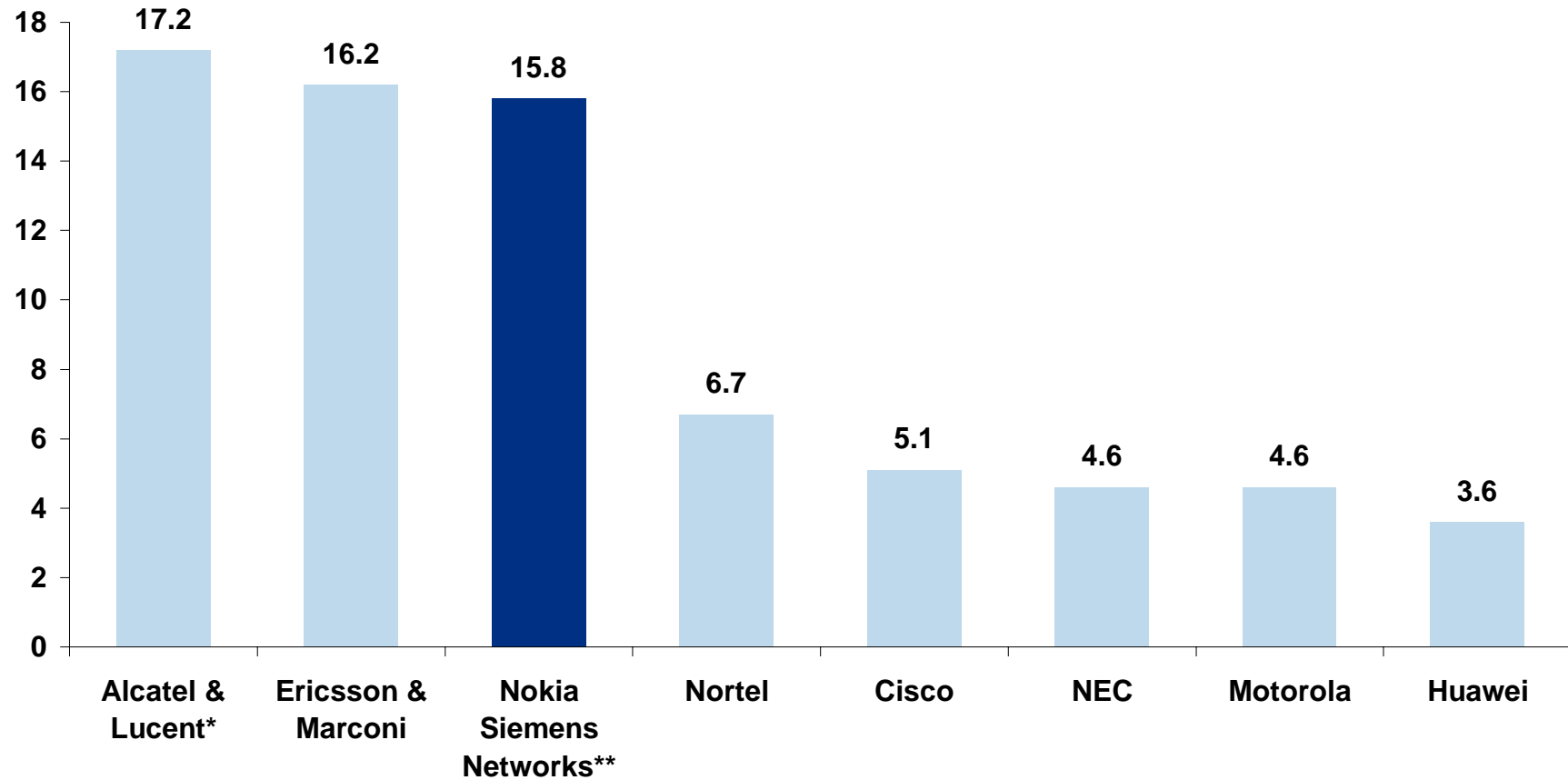
Comprehensive Solutions

Strong Partners

€130+ Bn Communications Infrastructure & Services market (in 5 Years)

A New Leader With Scale to Win

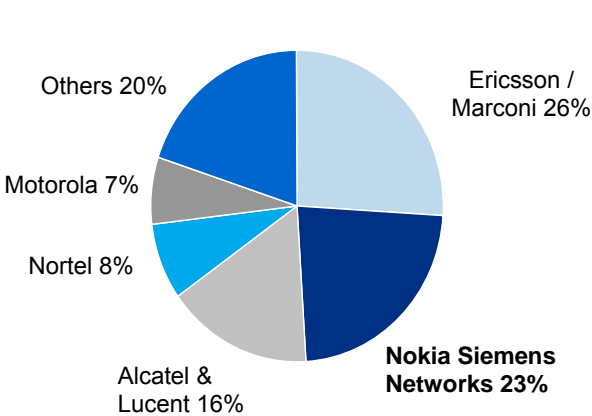
Carrier Business, 2005 Revenues (€Bn)



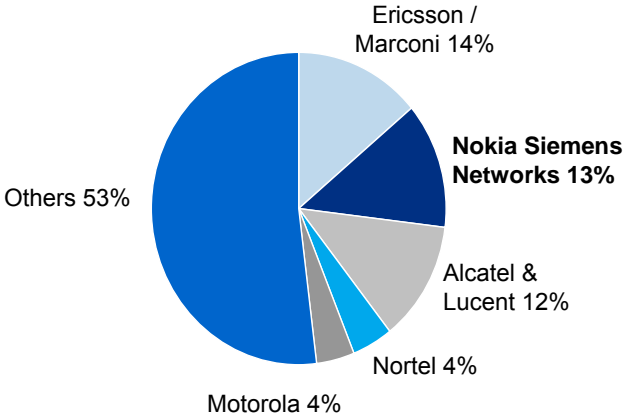
* Excludes Thales and enterprise business ** Unaudited calendarised numbers

Top 3 Positioning in Key Carrier Markets*

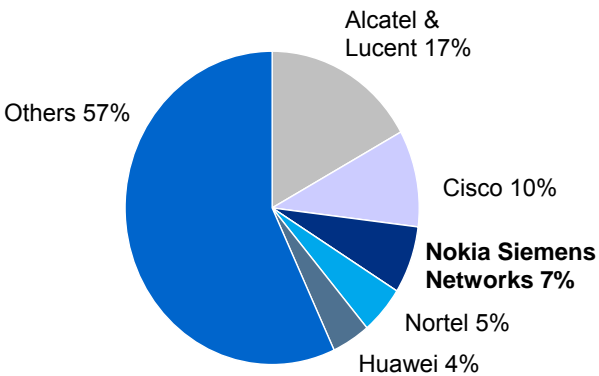
Wireless Networks incl. Services



Carrier Services**



Wireline Networks incl. Services



Total market size (€bn): 52
CAGR (2005-2011) % : ~5

Total market size (€bn): 30
CAGR (2005-2011) % : ~9

Total market size (€bn): 49
CAGR (2005-2011) % : ~5

* Based on current combined businesses

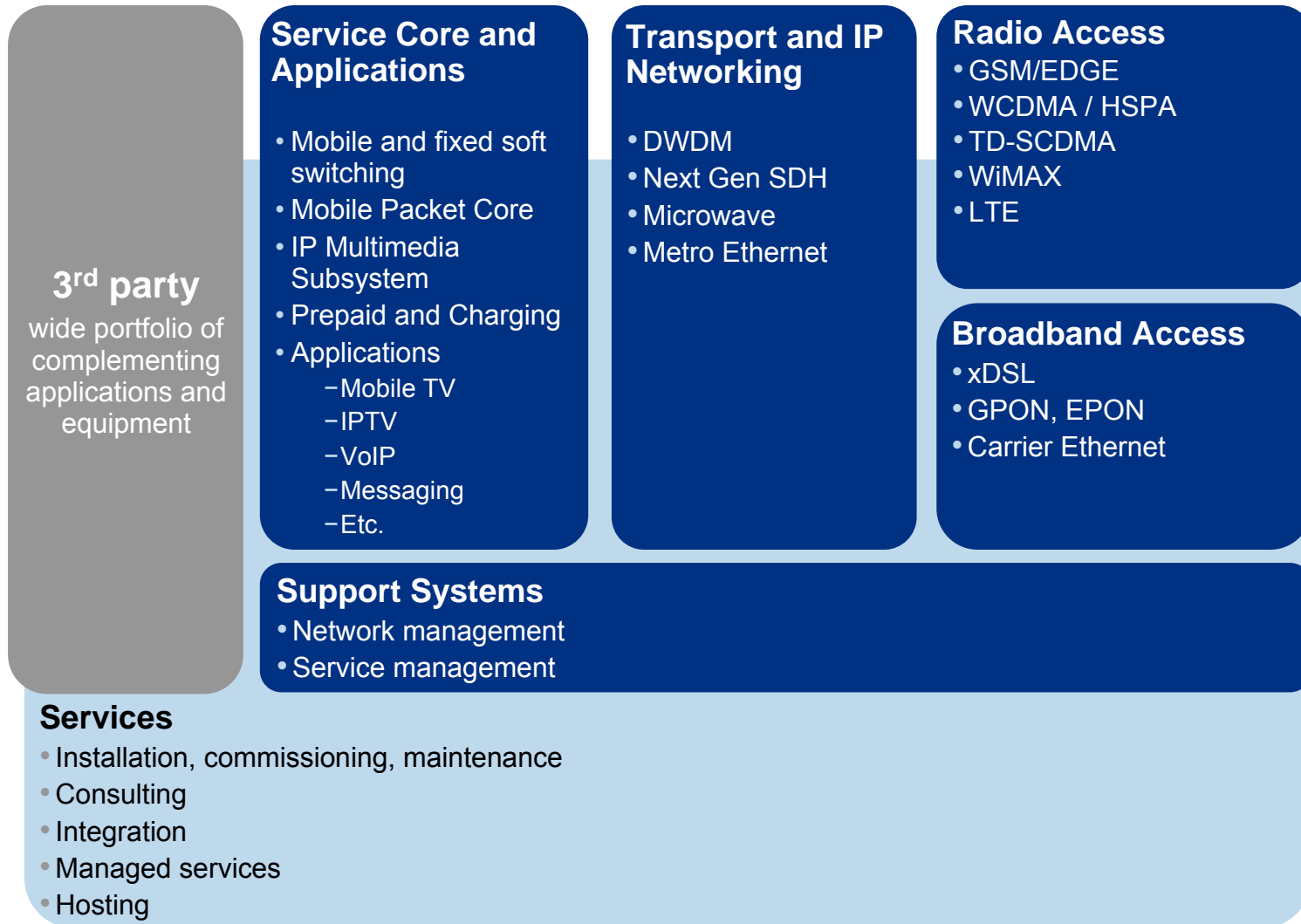
** Carrier Services show total Services included in Wireless and Wireline Networks

Source: Industry analyst research and company estimates

Deep Customer Relationships



Broad Portfolio . . . Innovation Strength



Leading Market Positions in Growth Segments

Segment	Market CAGR 2005-2011
WCDMA	~ 25%
Services	~ 9%
Emerging Markets	~ 8%
WiMax / LTE IMS / VoIP IPTV / Mobile TV / Carrier Ethernet	Fast growth off small base

Note: Market CAGRs based on average of several external sources and Nokia and Siemens internal estimates

Significant Value Creation Through Cost Synergies

Annual cost synergies of €1.5 Bn by 2010

90%+ to be achieved in first 3 years

COGS Savings

- Procurement savings
- Improved Services utilization rates
- Streamlined processes

R&D Savings

- Harmonization of product platforms
- Optimised R&D structure
- Rationalising next generation R&D

S&M Savings

- Overlapping wireless customer & geographic coverage
- Sales force efficiencies

G&A Savings

- Finance & Control
- IT support systems
- Headquarters functions

Winning Combination

- Partnership of leaders
- Great heritage – aligned values – eye on the future
- Immediate strength – scale and scope
- Global presence – deep customer relationships
- Superior R&D – innovation leader – strong portfolio
- Compelling customer benefits – end-to-end solutions
- Extensive synergies – ability to create value
- Well positioned for growth

Connecting People with a Global Network of Innovation

NOKIA

Connecting People

with a

SIEMENS

Global Network of Innovation

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