

# Nokia Siemens Networks

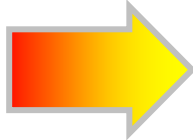
**Simon Beresford-Wylie**  
**Chief Executive Officer**

# Contents

- Progress review
- Industry and market trends
- Our plan
- Targets

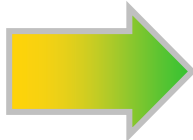
# 2007 – Our report card

## Financials



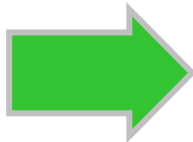
Q3: top-line growth of 7 % sequentially;  
operating profit\* turned to positive  
Cash flow a major focus item

## Customers



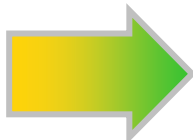
Customer satisfaction remains strong  
Good deal momentum  
Cross-selling ramping up well

## Integration



Targeted €2 Bn annual cost synergies, mostly  
by end of 2008  
IT largely targeted to be integrated by end of  
2008  
Further personnel reduction and transfers to  
trusted partners  
Real estate consolidation

## Organization & culture



Company Values  
Organizational simplification  
Services India hub

Source: Nokia Siemens Networks

\* Excluding special items and purchase price accounting related items

# Annual cost synergies on track for €2.0 Bn

## Cost synergies target by function

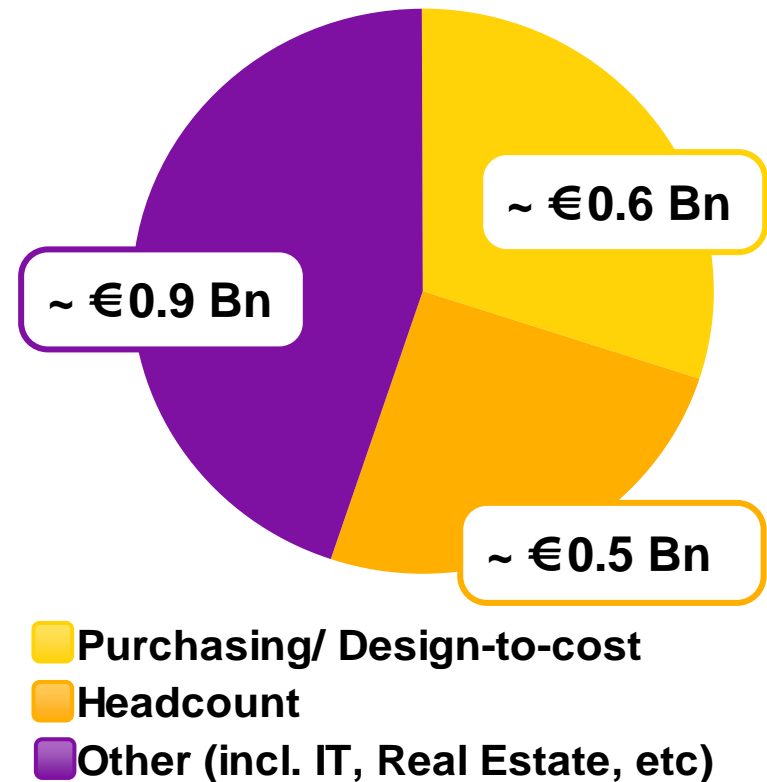
**COGS**  
~ €0.9 Bn

**R&D**  
~ €0.6 Bn

**S&M**  
~ €0.2 Bn

**G&A**  
~ €0.3 Bn

## Cost synergies targets by key lever



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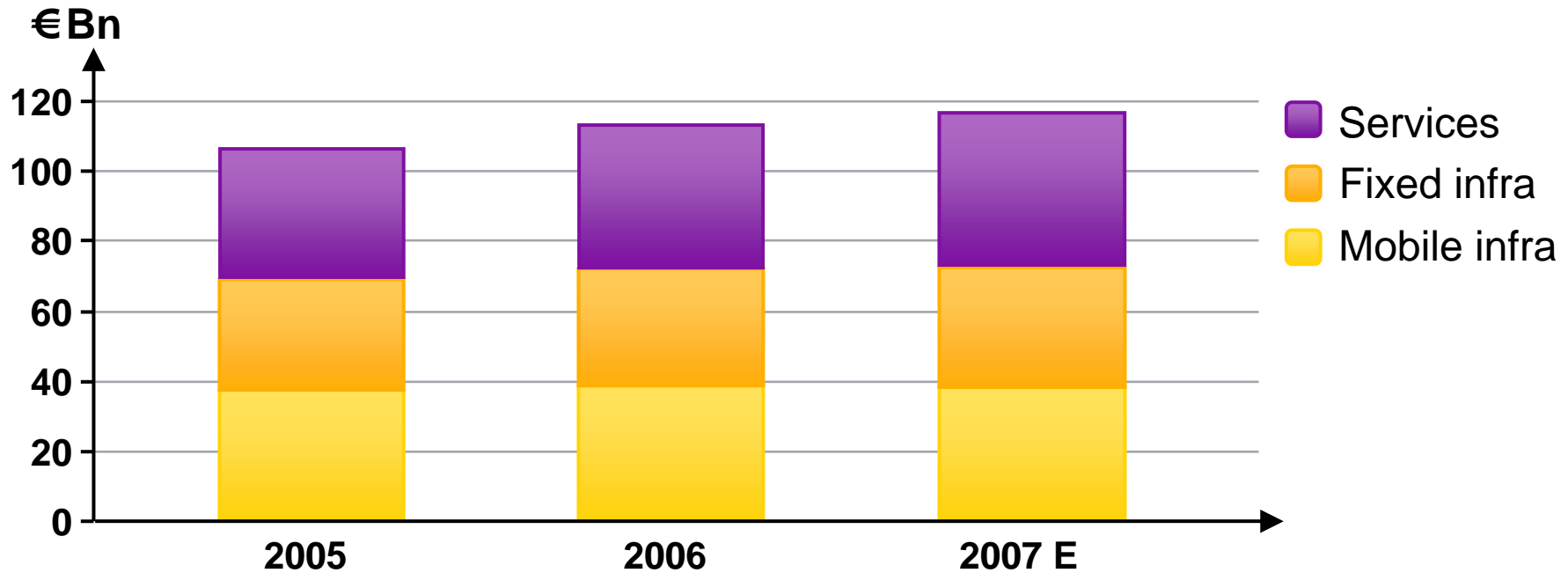
# Market outlook . . .



# Nokia Siemens Networks 2007 market expectation: Very slight growth\*

- Estimating very slight total infrastructure market growth for 2007 in Euro\*
- Services driving the growth

## Total mobile and fixed infrastructure and related services markets

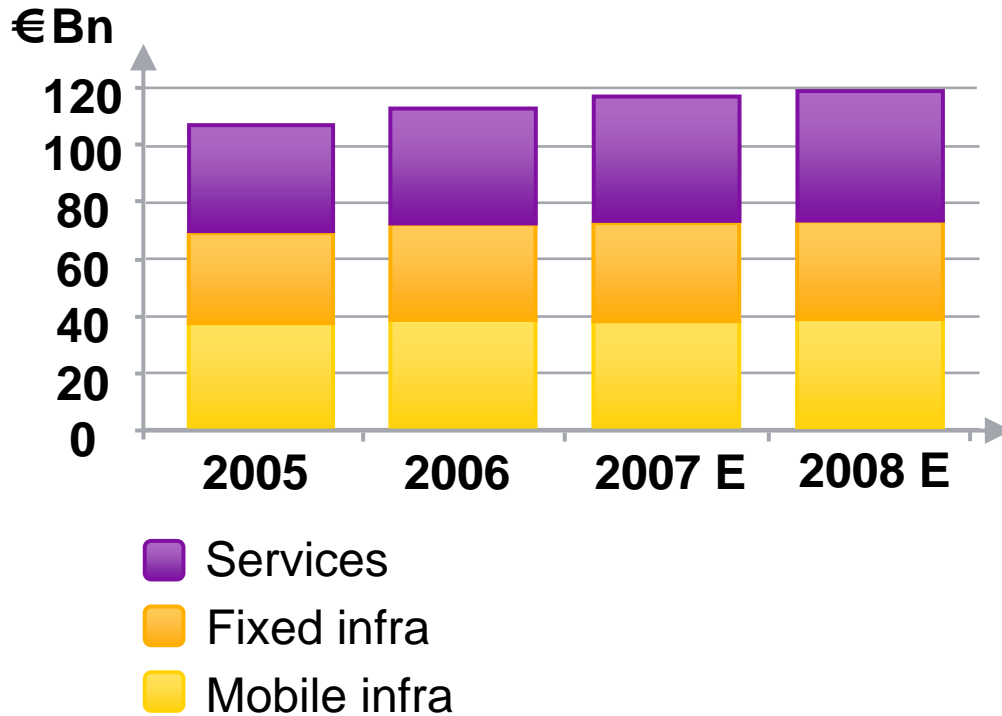


Source: Company reports, Nokia Siemens Networks estimates 2007

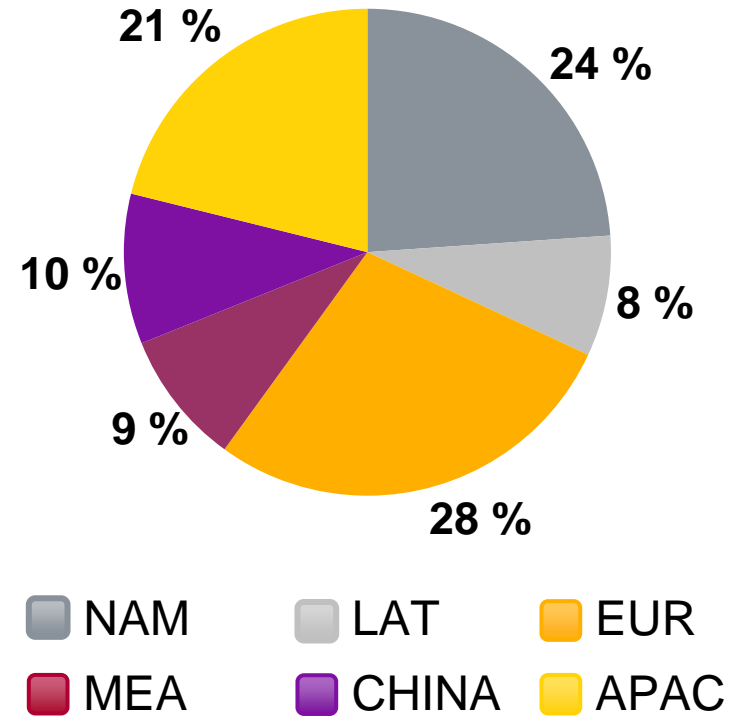
\* As announced in Q3 2007 earnings release

# Nokia Siemens Networks 2008 market expectation: Very slight growth

## Total mobile and fixed infrastructure and related services markets



## Regional market split estimate 2008



Source: Company reports, Nokia Siemens Networks estimate



# Industry trends . . .



# Our market vision of 2015 – the World connected

**Applications predominantly in Internet**

**5 Bn people connected**

**Broadband Everywhere**

**Multitude of business models**

BT  
YAHOO!  
bharti skype  
Google américa móvil  
YouTube  
oi  
Telefonica  
Nokia Siemens networks  
T-Mobile  
Alcatel-Lucent  
vodafone

# Our customers have three levers to monetize market opportunity

## Content and applications

- **Bridge telco and web worlds**
  - Messaging, search, find...
  - Enterprise, communities
- **Personal and interactive channel**
  - Content
  - Advertising, banking...

## Connectivity

- **Broadband everywhere**
- **Simple, scalable architecture**

## Context

- **Any device, single identity**
- **Location and time based**
- **Personalized quality**
- **Security E2E**

# Supplier landscape – major changes underway

**New growth markets**

**Traffic growth**

**Services growth**

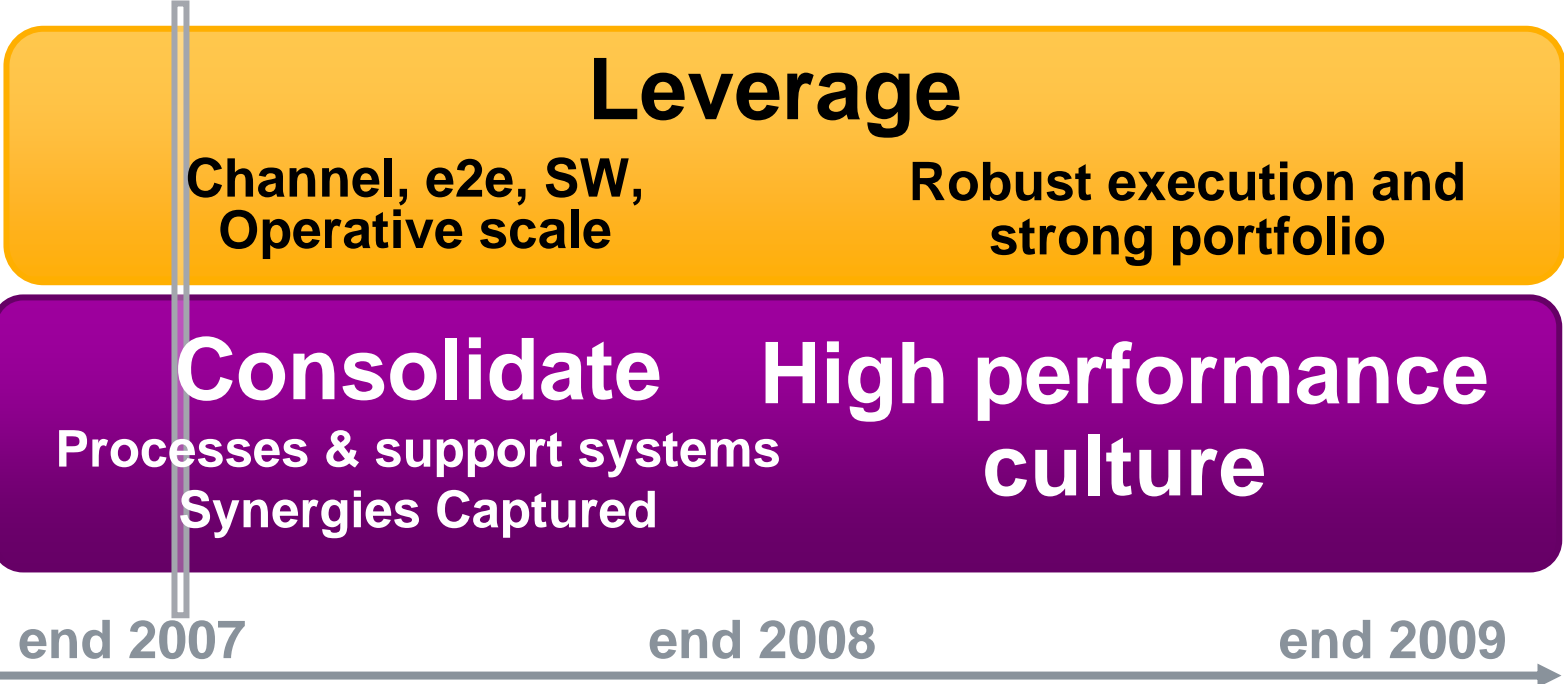
**Business models**



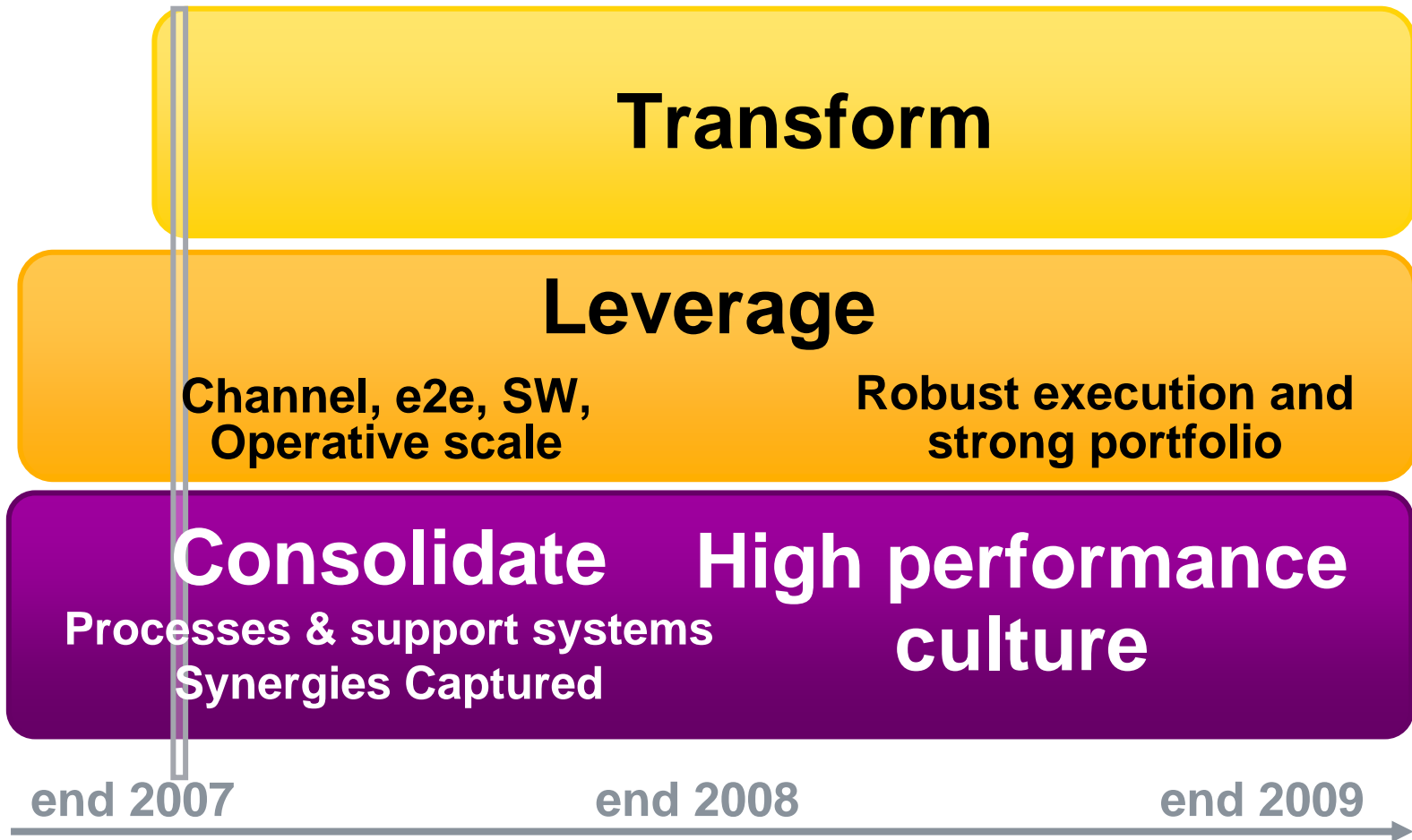
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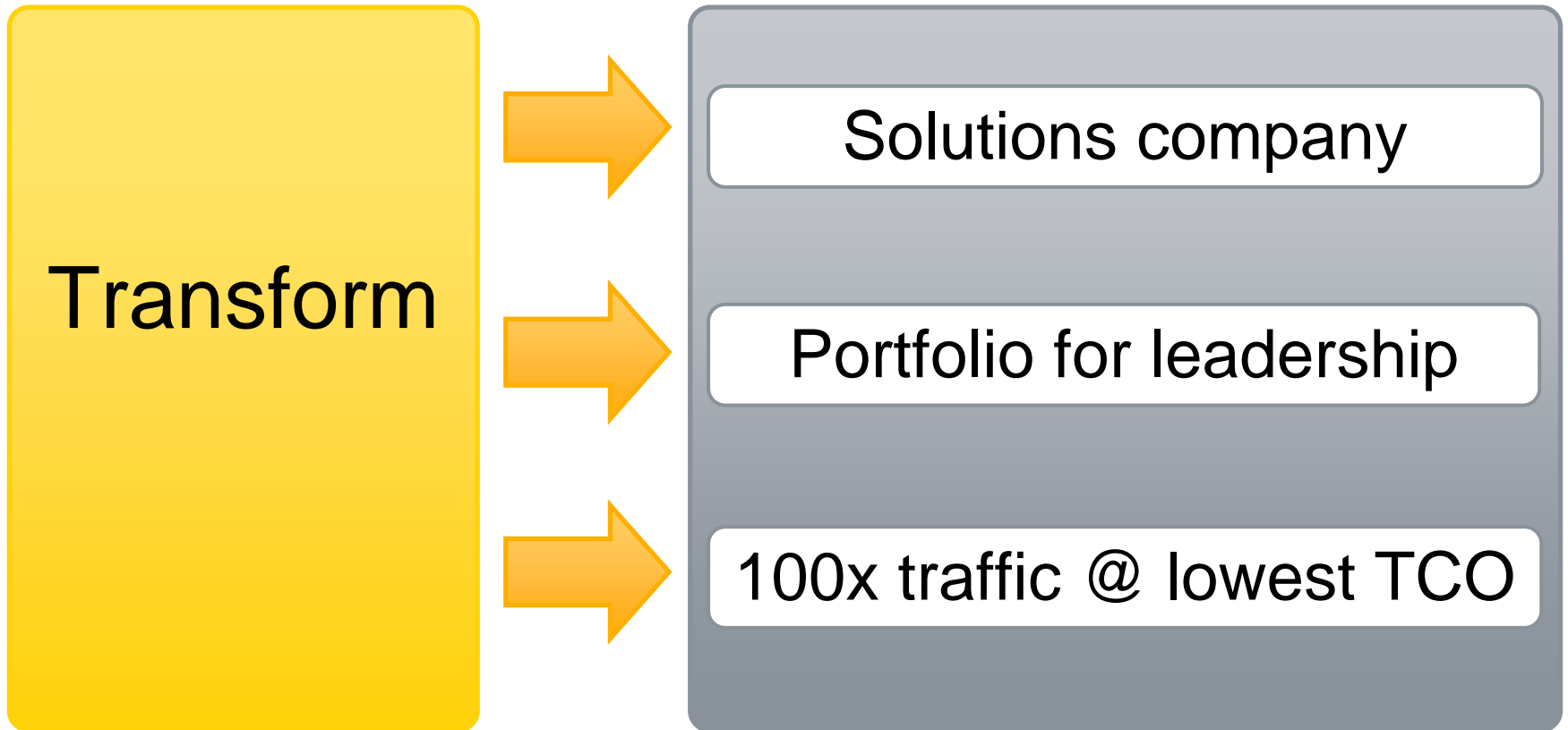
# Nokia Siemens Networks way forward



# Nokia Siemens Networks way forward

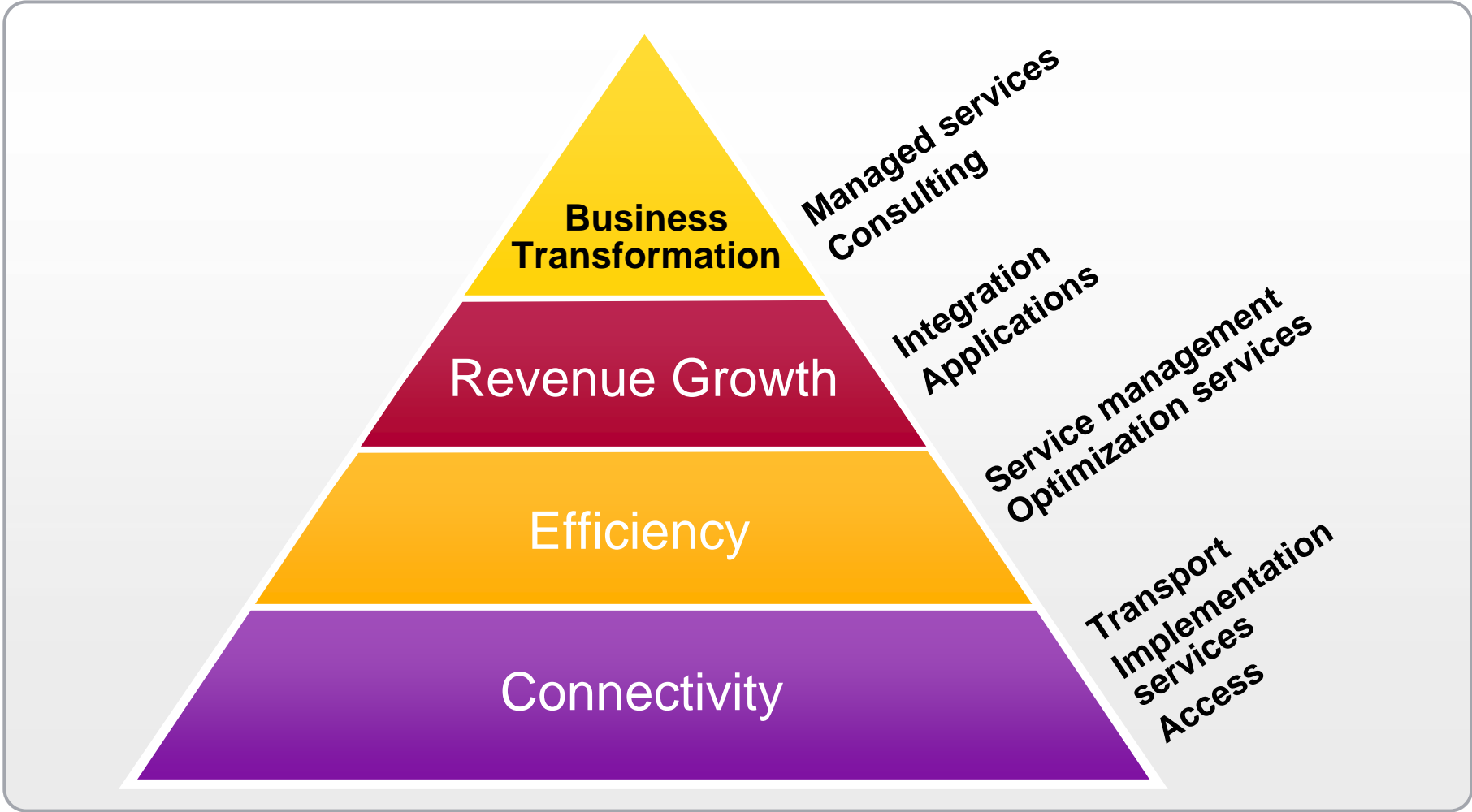


# Transform for growth and value

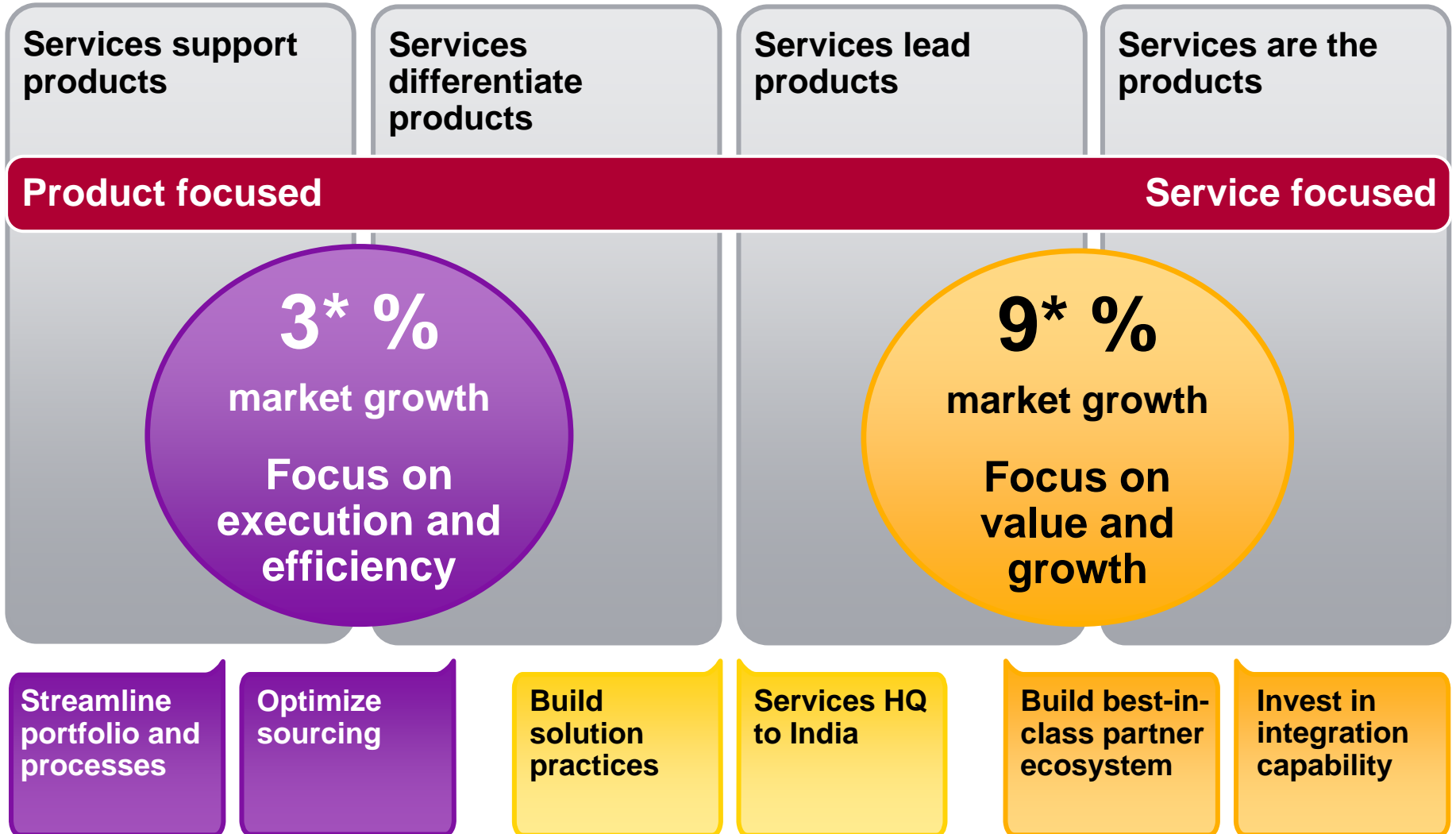




# Customer focused solutions approach



# Focus on services



\* Estimated CAGR 2008 – 2011 for total services market

Source: Nokia Siemens Networks and external analysts' estimates

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# Nokia Siemens Networks targets

- Faster growth than market in 2008
- Capture synergies
- Operating margin increasing to 10% by end of 2009 (excluding special items and purchase price accounting related items)
- Positive Operating Cash Flow through tight focus on deal quality and Net Working Capital reduction

# Thank You!