

Nokia and Siemens demonstrate how to bring networks to life at 3GSM

3GSM World Congress 2007 Barcelona, Spain/Espoo, Finland/Munich, Germany – At the 3GSM World Congress in Barcelona, Nokia and Siemens are joining forces under the banner of the future Nokia Siemens Networks to present numerous innovative live demonstrations that show how operators and other service providers can bring fixed, mobile or converged networks to life for both consumers and businesses. Nokia Siemens Networks is a planned new company into which Nokia and Siemens intend to merge the Networks Business Group of Nokia and the carrier related operations of Siemens. The planned merger to create Nokia Siemens Networks is expected to close in the first quarter 2007.

The convergence of fixed and mobile communications is spawning new services that are transforming the way people live, work and play. Nokia Siemens Networks will be one of the companies at the forefront of this transformation, working to enable exciting services for everyone, anywhere, anytime.

At 3GSM, representatives of the future Nokia Siemens Networks will give hands-on demonstrations of today's most compelling solutions for increasing personal enjoyment and productivity. Visitors to the Nokia Siemens Networks stand can experience for themselves a wide variety of music and video **Personal Infotainment** services, including:

- **Mobile TV**, using both broadcast (DVB-H) and unicast media-on-demand technologies to deliver TV programming to mobile devices.
- **IPTV**, which makes it easy for consumers to enjoy IP-based real-time home entertainment and communication services, including integrated video telephony and video sharing based on the IP Multimedia Subsystem (IMS) and Service Delivery Framework (SDF).
- **Multimedia Broadcast Multicast Service (MBMS)**, showing a more efficient future for services such as podcasting and TV streaming using cellular access and mobile devices.
- **Music solution** providing a piracy-proof online boutique for music downloading, streaming and ring-back tones, available regardless of access method used.

Visitors to the stand can also learn how **Rich Communication** can generate true value for communities through personalized services. End-to-end Rich Communication services combine sophisticated multimedia communication with "presence" and "availability" info to boost revenue growth and customer loyalty for service providers. The two companies are also illustrating the role of developer programs in stimulating the growth of this market.

Because the business community forms a high ARPU (average revenue per user) customer segment, operators can boost their bottom line by offering hosted services targeted at corporate power users. At 3GSM, Nokia and Siemens will be showing **Enterprise Communications** solutions – including operator-hosted solutions -- that are made to order for cost-conscious enterprises looking to use mobile communications to optimize their business processes. Among the solutions on display are:

- Converged enterprise services, including **voice call continuity** over IMS.
- **Valued added services** for fieldworkers, including intelligent SMS text messaging (iSMS) and Push to talk over Cellular (PoC).
- An **operator hosted** business communication solution for access-agnostic PBX services.

Representatives of the future Nokia Siemens Networks will also be showing the key technology building blocks behind these revenue-generating services. Visitors can see demos of best-of-breed broadband solutions that

meet the growing demand for data on the move, as well as network & resource control and transport solutions that significantly drive down operational costs. Among the **“technology champions”** on display are:

- High capacity multi-radio base stations, optimizing and reducing the number of required sites.
- HSUPA, making true mobile broadband a reality.
- Long Term Evolution (LTE), spotlighting the migration of networks beyond 3G.
- Indoor radio coverage, bringing mobile broadband indoors.
- End-to-end mobile WiMAX, a viable option for building cost-efficient data overlay networks for operators without a WCDMA 3G license or those who want to migrate their CDMA network.
- “Flat architecture” HSPA, the latest evolutionary step towards LTE employing a simplified network design to deliver high data rates at lower costs.
- Intelligent peer-to-peer traffic control, essential for making the most of Web 2.0 opportunities while maintaining quality of service for delay-sensitive services such as VoIP and Mobile TV.
- Service Delivery Framework to streamline the pre-integration of best-of-breed solutions in networks, reducing time-to-market and increasing time-in-market.
- Operation Support Systems (OSS), which can help manage the complexity of fixed, mobile or converged networks, but also generate new revenue streams, for example, by applying network usage data to create a service for providing real-time highway traffic information.
- Next Gen Metro and Carrier Ethernet platforms to increase the mobile backhaul capacity that is crucial for network performance and the future needs of high-bandwidth mobile applications.

Representatives of the future Nokia Siemens Networks will also be showcasing opportunities for evolving both mobile and fixed networks towards a converged network offering. Visitors can see how operators can modernize their networks to meet consumers’ and enterprises’ needs by using a customer centric approach to billing, charging and care services, and by deploying evolved access technologies -- such as a system to translate ATM, TDM and IP protocols to Carrier Ethernet, as well as a broadband solutions that use VDSL2 to stream HDTV to TVs or to cost-effectively provide alternative access to the core network over Carrier Ethernet.

All this and more can be experienced at the Nokia Siemens Networks stand in Hall 8 at 3GSM.

The planned merger to create Nokia Siemens Networks is expected to close in the first quarter of 2007, subject to previously announced closing conditions.

About Nokia

Nokia is a world leader in mobile communications, driving the growth and sustainability of the broader mobility industry. Nokia connects people to each other and the information that matters to them with easy-to-use and innovative products like mobile phones, devices and solutions for imaging, games, media and businesses. Nokia provides equipment, solutions and services for network operators and corporations.

About Siemens

Siemens (Berlin and Munich) is a global powerhouse in electrical engineering and electronics. The company has around 475,000 employees (incl. discontinued operations) working to develop and manufacture products, design and install complex systems and projects, and tailor a wide range of services for individual requirements. Siemens provides innovative technologies and comprehensive know-how to benefit customers in over 190 countries. Founded more than 155 years ago, the company focuses on the areas of Information and Communications, Automation and Control, Power, Transportation, Medical, and Lighting. In fiscal year 2006 (ended September 30), Siemens had sales of €87.3 billion and net income of €3.033 billion, according to U.S. GAAP.

It should be noted that certain statements herein which are not historical facts, including, without limitation, those regarding: A) the timing of product and solution deliveries; B) our ability to develop, implement and commercialize new products, solutions and technologies; C) expectations regarding market growth, developments and structural changes; D) expectations regarding our mobile device volume growth, market share, prices and margins; E) expectations and targets for our results of operations; F) the outcome of pending and threatened litigation; G) expected timing, scope and effects of the merger of Nokia's and Siemens' communications service provider businesses; and H) statements preceded by "believe," "expect," "anticipate," "foresee," "target," "estimate," "designed," "plans," "will" or similar expressions are forward-looking statements. Because these statements involve risks and uncertainties, actual results may differ materially from the results that we currently expect. Factors that could cause these differences include, but are not limited to: 1) the extent of the growth of the mobile communications industry, as well as the growth and profitability of the new market segments within that industry which we target; 2) the availability of new products and services by network operators and other market participants; 3) our ability to identify key market trends and to respond timely and successfully to the needs of our customers; 4) the impact of changes in technology and our ability to develop or otherwise acquire complex technologies as required by the market, with full rights needed to use; 5) competitiveness of our product portfolio; 6) timely and successful commercialization of new advanced products and solutions; 7) price erosion and cost management; 8) the intensity of competition in the mobile communications industry and our ability to maintain or improve our market position and respond to changes in the competitive landscape; 9) our ability to manage efficiently our manufacturing and logistics, as well as to ensure the quality, safety, security and timely delivery of our products and solutions; 10) inventory management risks resulting from shifts in market demand; 11) our ability to source quality components without interruption and at acceptable prices; 12) our success in collaboration arrangements relating to development of technologies or new products and solutions; 13) the success, financial condition and performance of our collaboration partners, suppliers and customers; 14) any disruption to information technology systems and networks that our operations rely on; 15) our ability to protect the complex technologies that we or others develop or that we license from claims that we have infringed third parties' intellectual property rights, as well as our unrestricted use on commercially acceptable terms of certain technologies in our products and solution offerings; 16) general economic conditions globally and, in particular, economic or political turmoil in emerging market countries where we do business; 17) developments under large, multi-year contracts or in relation to major customers; 18) exchange rate fluctuations, including, in particular, fluctuations between the euro, which is our reporting currency, and the US dollar, the Chinese yuan, the UK pound sterling and the Japanese yen; 19) the management of our customer financing exposure; 20) our ability to recruit, retain and develop appropriately skilled employees; 21) the impact of changes in government policies, laws or regulations; and 22) satisfaction of the conditions to the merger of Nokia's and Siemens' communications service provider businesses, including achievement of agreement between Nokia and Siemens on the results and consequences of a Siemens compliance review, and closing of transaction, and Nokia's and Siemens' ability to successfully integrate the operations and employees of their respective businesses; as well as 23) the risk factors specified on pages 12 - 22 of the company's annual report on Form 20-F for the year ended December 31, 2005 under "Item 3.D Risk Factors." Other unknown or unpredictable factors or underlying assumptions subsequently proving to be incorrect could cause actual results to differ materially from those in the forward-looking statements. Nokia does not undertake any obligation to update publicly or revise forward-looking statements, whether as a result of new information, future events or otherwise, except to the extent legally required.

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