

Future Nokia Siemens Networks takes shape with unveiling of portfolio plan

Nokia and Siemens today unveiled the proposed product portfolio plan of their future 50:50 joint venture Nokia Siemens Networks, strongly underlining their intent to create an industry leader that will meet the needs of customers in the converging telecommunications industry. The planned merger to create Nokia Siemens Networks is expected to close in the first quarter 2007.

Speaking at the 3GSM World Congress, Nokia Siemens Networks COO-designate Mika Vehviläinen said: "Our customers have responded positively to the proposed merger, and with this announcement we aim to justify their faith in us. Our customers have crucial decisions to make about their business going forward, therefore clarity for them about our planned portfolio is a key strategic priority."

He continued: "Nokia Siemens Networks will be ready to serve customers with a best-in-class portfolio that comprehensively covers both the mobile and fixed markets. It will be underpinned by a strong presence in the growing services market, a very powerful global R&D team, and a huge global installed base."

The proposed portfolio plan covers the six future business units for Nokia Siemens Networks: Radio Access, Service Core and Applications, Operation Support Systems, Broadband Access, IP/Transport, and Services. Highlights of the proposed plan include:

- The continued development of GSM/EDGE radio and WCDMA/HSPA Node Bs without change, acknowledging the large installed bases of both Nokia and Siemens, plus the migration to a common Radio Network Controller (RNC) that will support both installed bases. This strong radio portfolio plan will be rounded out with Nokia's mobile WiMAX and Siemens' fixed WiMAX solutions.
- A single, lead solution for: IP Multimedia Subsystem (IMS), mobile and fixed softswitches, Media Gateways (MGW), Push-to-Talk over Cellular (PoC), Intelligent Networks (IN), Packet Core, Mobile TV (DVB-H) and IPTV, and Converged Charging, among other solutions.
- Migration to a common microwave transport solution and a single IP DSLAM solution, while continuing all other IP/Transport and Broadband Access products without change.
- One umbrella solution for managing convergent and multi-vendor networks with a fault, performance and configuration management portfolio based on Nokia NetAct platform.
- A global services capability supporting over 300 fixed & 300 mobile clients in more than 100 countries.

The proposed product portfolio plans are the result of the combined input of experts from Nokia and Siemens, and also incorporate prior customer feedback. The key considerations for the plan include an unwavering focus on the customer and the companies' large installed bases, plus a strong drive to harmonize platforms to ensure cost-efficiency in ever-toughening markets.

Today's announcement marks the start of further dialogue with customers and employee representatives that will culminate in the coming months with a portfolio plan that fully taps the mobile communications strength of Nokia and Siemens with Siemens' fixed networks expertise.

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.

Forward looking Statements

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.

PRESS RELEASE

February 12, 2007

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