Mobile Multimedia

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Multimedia
Internet convergence
Nokia is a major force in the converging Internet industry
Web 2.0 – now you can share your story with the world

Social Networking is key driver for Internet today

Mobility to add location and context sensitive services to Internet
Evolution of the computer

1960s Mainframe
1970s Mini
1980s Personal
1990s Laptop
Multimedia Computer – optimized for Web 2.0

All of my connected applications, always with me
Building the new category with retail partners

Retailers see value of the Multimedia Computer category for their own business
Experience led product business
Experience led product business model

Applications
and services

Best devices

Best connectivity

Nokia will offer comprehensive media experience including the ability to purchase content
Experience led product business model

Consumer services will be an important part of the Nokia multimedia experiences

- Services is a means to deliver the full experience to consumers
- Services drive device ASP
- Services enhance the Nokia brand perception
- Services will create incremental revenue to Nokia but main business model continues to be device sales driven
Service example - navigation

• Nokia N95 owners can:
  • Purchase a navigation licence/subscribe to a navigation service
  • Purchase city guides
  • Purchase other location based apps
• Navigation license fee expected to be app. 50-100 euros per annum
  • Operator or Credit card billing

Navigation service will be an integral part of the Nokia Nseries location based experiences
Market opportunity and competition
Competitive landscape

Traditional phone competitors

Non connected single purpose devices
Multimedia devices addressable market

Converged mobile devices
Hundreds of millions units

Portable gaming 35 million
Multimedia players 5 million
Pocketable computer 25 million
Music players 240 million
Portable navigation 15 million
Accessories 50 m
Cameras 100 m

Multimedia device market: Estimated 500 million units in 2006
Multimedia market opportunity

Converged device market (Millions of units)*

* Source: Gartner, Aug 2006
Nokia is the clear #1 in the converged device market

Global converged device market shares Q2 2006

Source: Gartner, Sep 2006
Nokia’s competitive advantage in the converged device market

**Trusted brand**
Nokia is in the pockets of 850 million consumers that trust us

**Volumes**
Nokia expected to sell more music players in ‘06 than lifetime iPod units

**Technology**
Multiradio and S60 platform

**Global reach**
Nokia has local presence in more than 150 markets

**Attractive partner**
Content and service providers are optimizing their offering on Nokia devices
Nokia Nseries product highlights
Nokia N73 – winning awards and tests

“We thought Nokia did itself proud when it first showed off the N70. then came the N80 with its Wi-Fi and 3MP camera.
But now there’s a new clever caller in town with a huge screen, killer camera and ultra-skinny frame. Say hello to the Smartphone that’s going to take over the world…”

Source: Stuff magazine July ‘06
Nokia N93 – winning awards and tests

The Sunday Mail (Aug 2006):
“The new Nokia N93’s got everything you need in one machine.”

EUROPEAN MEDIA PHONE OF THE YEAR 2006-2007 – EISA
Nokia Nseries enables higher ARPU

Nokia ARPU research 2006

• 30,000 respondents, selected randomly across UK, France, Germany, Italy, Spain and Sweden

• Top 3 highest ARPU generating 3G devices were from Nokia:
  • Nokia N80, Nokia N70, Nokia 6680

€63 per month

€59 per month
Nokia 770 Internet Tablet
Best Internet experience
to-go
Open Source efficient way of doing R&D

Speed of Innovation

Commercial Innovation

Problem Solving & quality
Financial Framework
Multimedia Business Group business update
January – September 2006 (YoY Growth)

>10M  Nokia Nseries multimedia computers sold

45%  Revenue growth
- 5.7 billion euros in sales

91%  Profit growth
- 17% operating margin

>250€  Average Selling Price

Figures exclude all special items
Summary
Web 2.0 opens up new possibilities for Nokia
Nokia Nseries multimedia computers capture value from single purposed product categories
Experience led product business

In Web 2.0 services drive ASP and create incremental revenue
Nokia N95 – It’s what computers have become