



**Asia Pacific
Strategy
& Market Review**

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Agenda

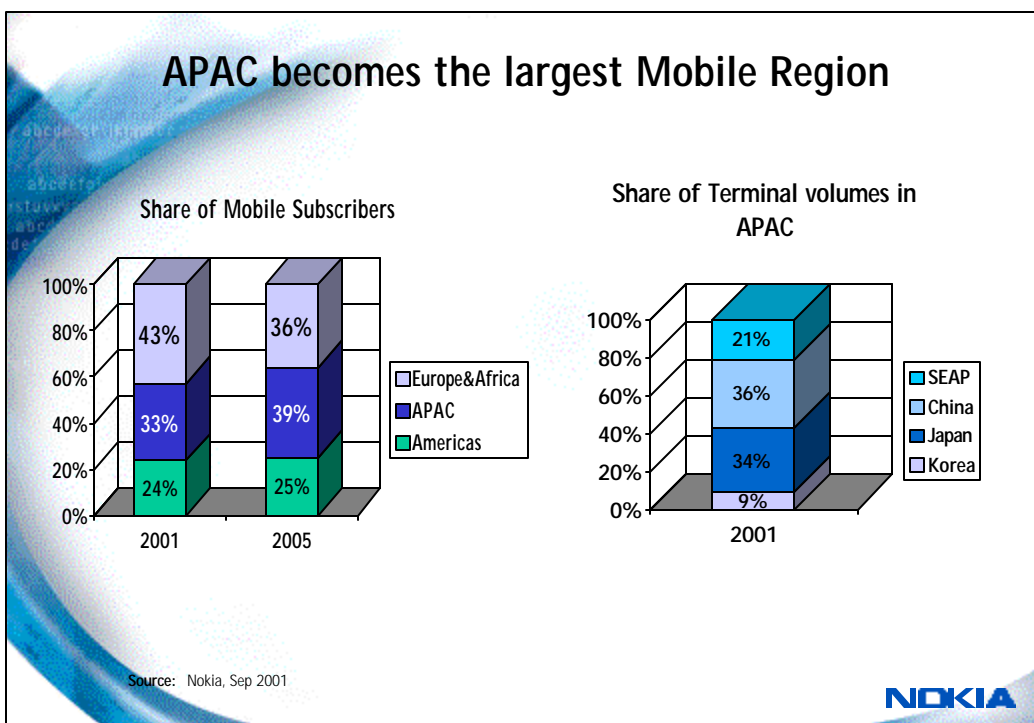
- Regional overview
- Nokia Mobile Phones
- Nokia Networks
- China
- Japan & Korea
- Summary

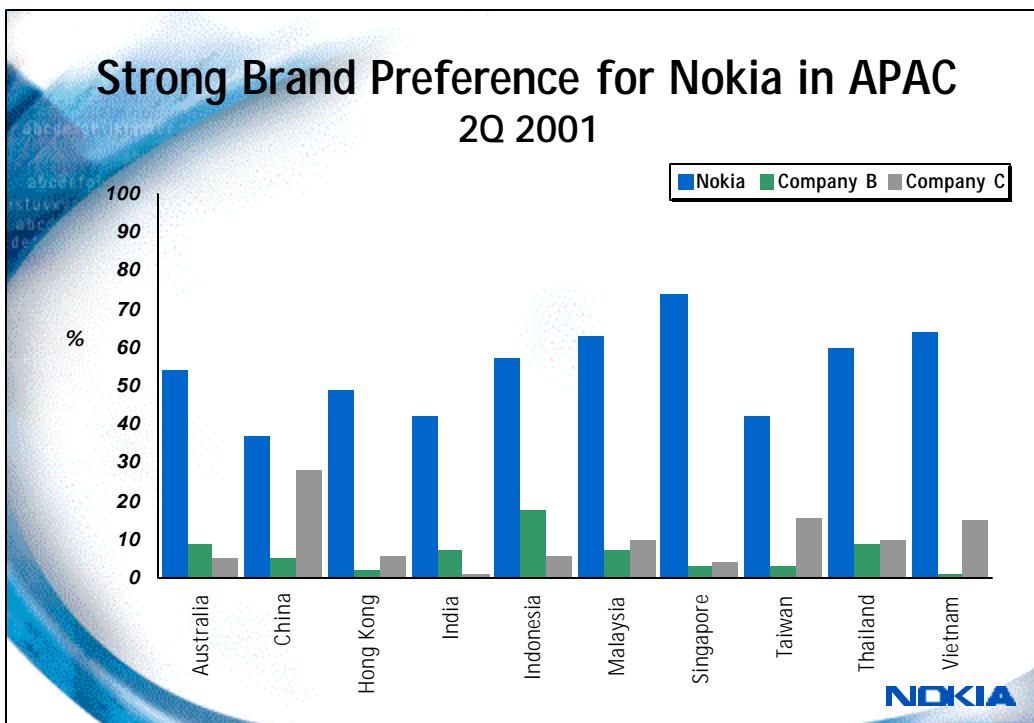
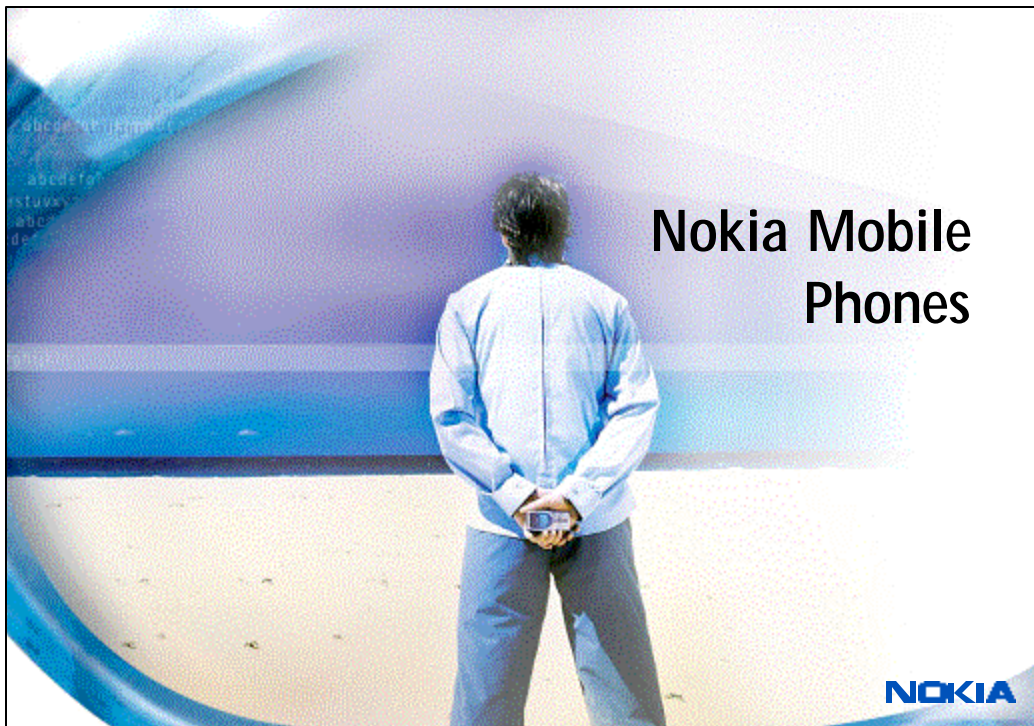
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Asia Pacific Market Review



APAC becomes the largest Mobile Region





Nokia's Strategic Partnerships in APAC



Strong Trade Customer Base

- Strong presence = 14 Nokia Sales Units across Asia
- Segmented portfolio < 50 Trade Partners (70% Distributors – 30% Operators)
- Retail influence is growing = over 10 000 Nokia Assist shops (50% in China)
 - Nokia Professional Centres : 100% Nokia concept store – High investment
 - Nokia Priority Dealer : Nokia shop-in-shop concept – Small to Medium investment
 - Nokia Dealer: Nokia direct merchandising only

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Nokia is emphasizing localization in APAC

Nokia offering in APAC:

- Full global GSM portfolio
- APAC specific high-end fashion products
- Shorter product life cycles
- Chinese characters in user interface
- New input methods for local languages in some phones
- Low cost for emerging markets



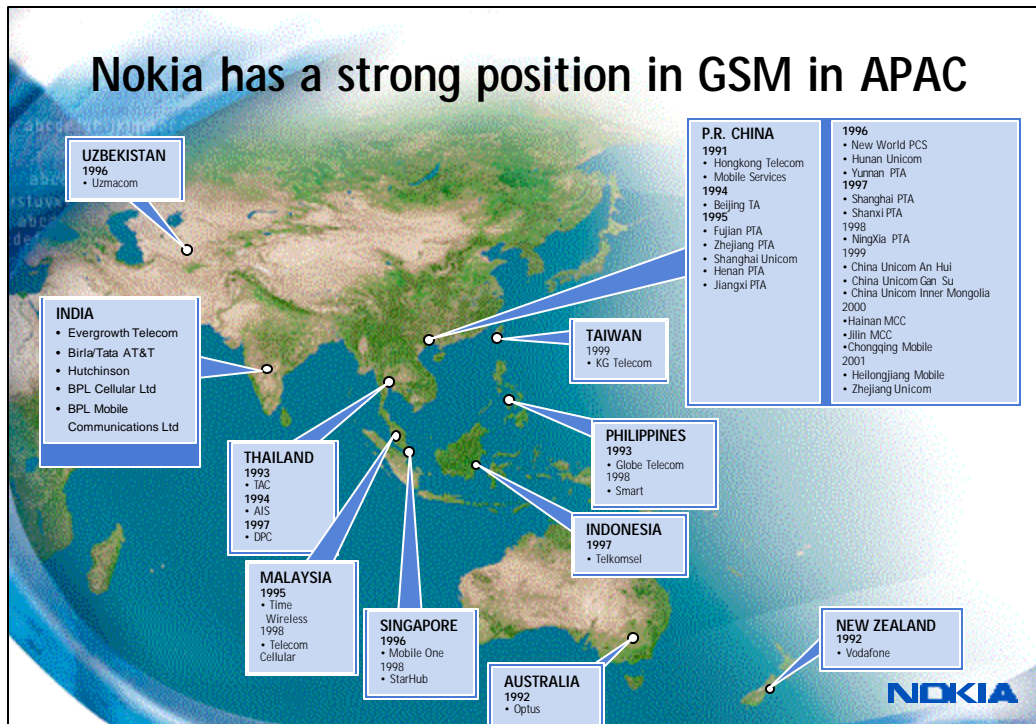
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Nokia Networks



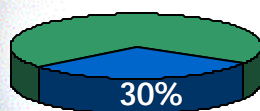
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Nokia has a strong position in GSM in APAC



APAC - challenging but continues to offer great potential

Nokia's GSM infrastructure
Market share in Asia Pacific



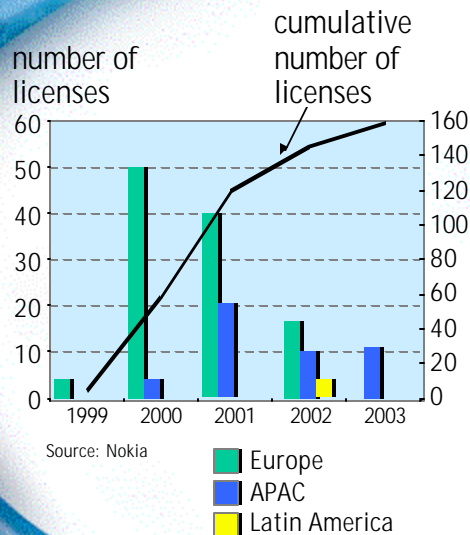
By base stations and
mobile core deliveries

■ Others
■ Nokia~30%

- Nokia has built a strong customer base in the Asian infrastructure market - approx. 30% market share
- The slowdown has affected network investments in certain countries, but China continues to grow
- Nokia is the leader in GPRS network provider in APAC – 22 customer references
- 2G, GPRS and 3G will co-exist in APAC where countries are developing at different pace

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Close to 50 UMTS Licenses in APAC in 2000- 2003



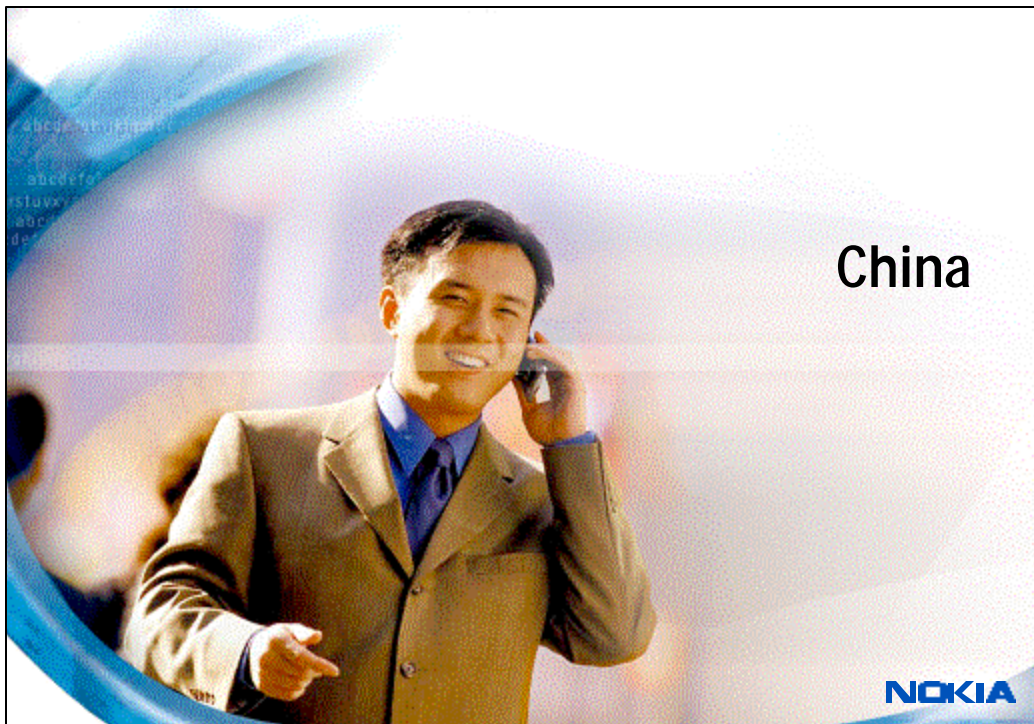
- Japan is the 3G forerunner in APAC
- In most of the Asia-Pacific countries licenses will be granted in 2002 and in 2003
- Most 3G WCDMA launches in APAC are expected to happen in 2003

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Nokia and WCDMA in Asia

- Strong position in 3G
- 3G will take off in most Asian countries 2003 onwards
- Announced deals:
 - Starhub, Singapore May 2000
 - J Phone, Japan, October 2000
 - M1, Singapore, Nov 2000
 - Cable & Wireless Optus, Australia, April 2001
 - CSL, Hongkong, September 2001
- 3G trials and partnerships
 - SK Telecom, Korea
 - RITT, China
 - New World Telecom, HK
 - HK Telecom, Hong Kong
 - Chunghwa Telecom, Taiwan

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China Market Characteristics



- China is not a homogeneous market
- Strong needs for localization and fast product life-cycle
- Product mix: high proportion of fashion & premium product categories
- Significant growth of SMS in 2001
- Local handset players
- 3G technology decision by end of 2002
- Mobile market growth to continue in 2002
- GSM is the main standard in China

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Nokia in China

- Nokia is operating locally in China
 - More than 5 500 people
 - 8 Joint ventures
 - 4 Manufacturing facilities
 - 2 R&D centres, and an additional one to start in Hangzhou in 2002
 - significant exports from China
- Strong market shares both in the infrastructure market as well as mobile phones market
- Nokia Networks actively participates in 3G technology development in China
- Nokia Mobile Phones is targeting a clear leadership position in China
 - Localized products
 - Continuous product introductions



Japan and Korea



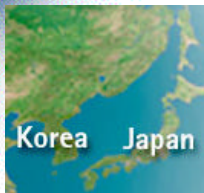
Japan & Korea – Mobile Phones



- The Japanese and Korean Mobile markets are challenging
 - Proprietary standards
 - Developed markets
 - Tough local competition
- Nokia partnerships
 - Co-operation with Sanyo Electric in Japan
 - Co-operation with Telson in Korea
- In WCDMA, we will be leveraging our global platforms to offer attractive terminals at a competitive cost structure
- Co-operation agreement with NTT DoCoMo on Nov 14, 2001

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Japan & Korea – Mobile Networks



- WCDMA will be taken into use both in Japan and in Korea
- J-Phone WCDMA contract a landmark deal for Nokia Networks
 - Significant part of WCDMA radio network
 - packet core network contract in 2001
 - 3G deployment has already commenced
- In Korea, SK Telecom & Korea Telecom have chosen WCDMA as their 3G technology
 - Operators currently use CDMA 1X technology
 - WCDMA rollout expected to start in 2004

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Summary

- Asia Pacific is fast becoming the most important mobile market
- APAC market is not homogeneous– highly developed markets & new emerging markets
- Nokia has a very strong position across Asia Pacific Region
- Nokia aims to :
 - Extend current leading 2G infrastructure position into WCDMA market including Japan & Korea
 - Gain mobile phones market leadership in China
 - Gain market share in mobile phones in Japan and Korea



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