



Capital Market Days

Networks – market & opportunity update

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Outline



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- Expanding in New Growth Markets
- Modernizing GSM networks
- Executing in WCDMA 3G market & technologies
- Enabling convergence with new core networks
- Summary

Success in New Growth Markets

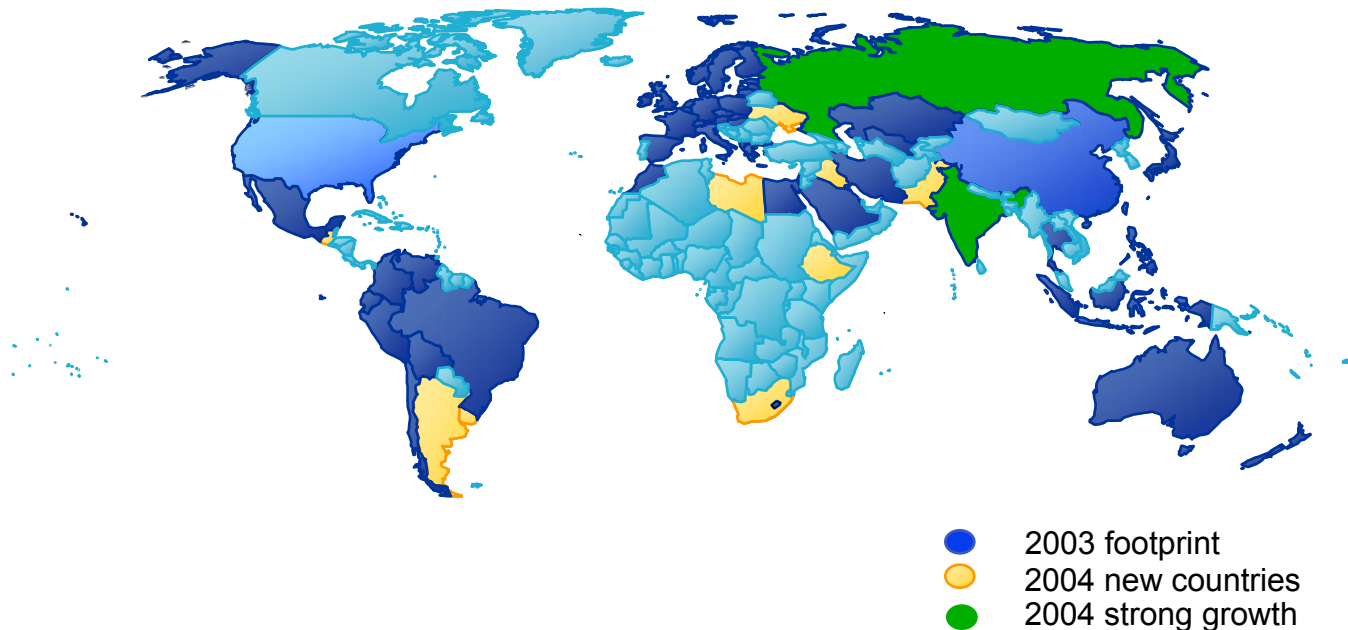


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Flexible customer approach & new business models

Effective process for new market entries

Segmented product roadmaps & service innovations reduce cost of ownership & drive profitability in value chain



Network modernization

– driving GSM investments in developed markets



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New modern equipment drive more traffic,
network capacity & very significant cost reductions

New Radio Equipment

Voice traffic increase

Enhanced data capacity

Savings in operational costs

MSC Server

**Rationalize circuit switched
core network architecture**

Brings 30-70% OPEX savings

Network modernization

- Nokia radio replacement case

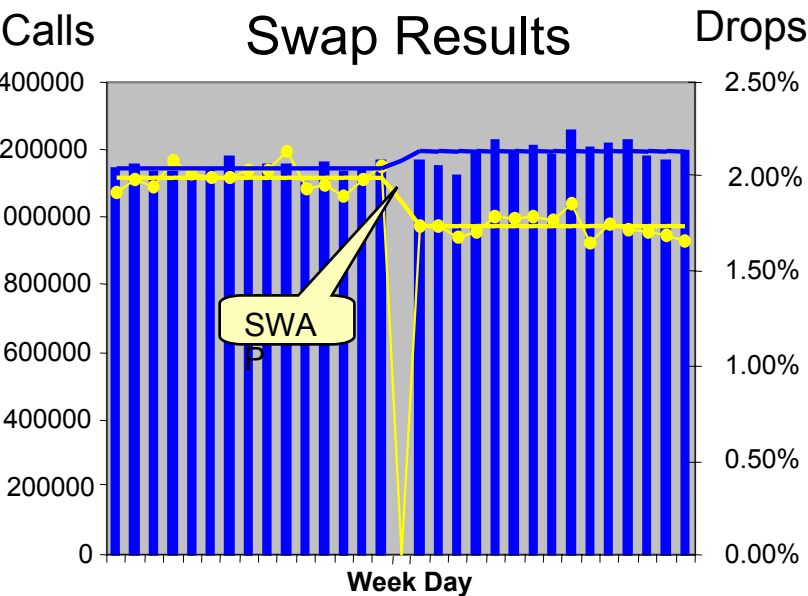


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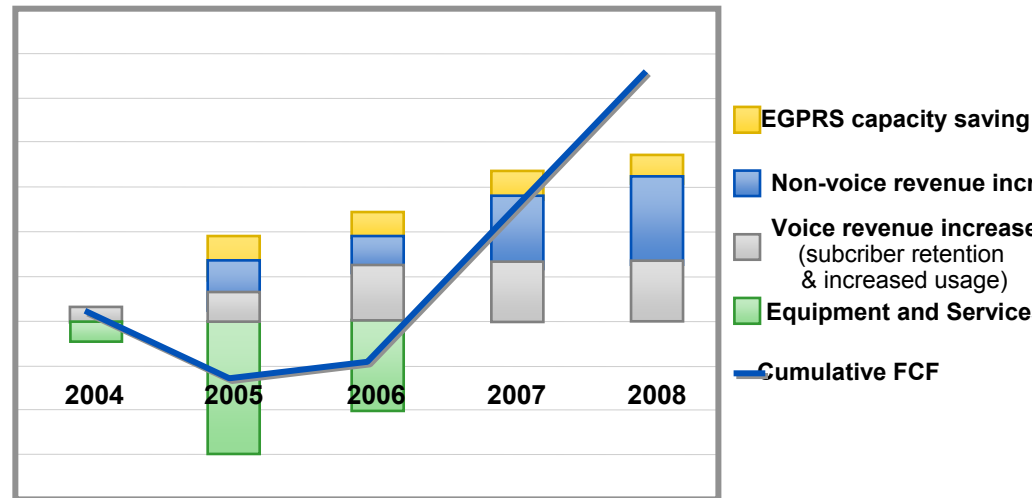
Radio network replacement



Significant traffic increase
Service quality improvements



5 Year View on Cash flow



WCDMA 3G

- market & technology evolves



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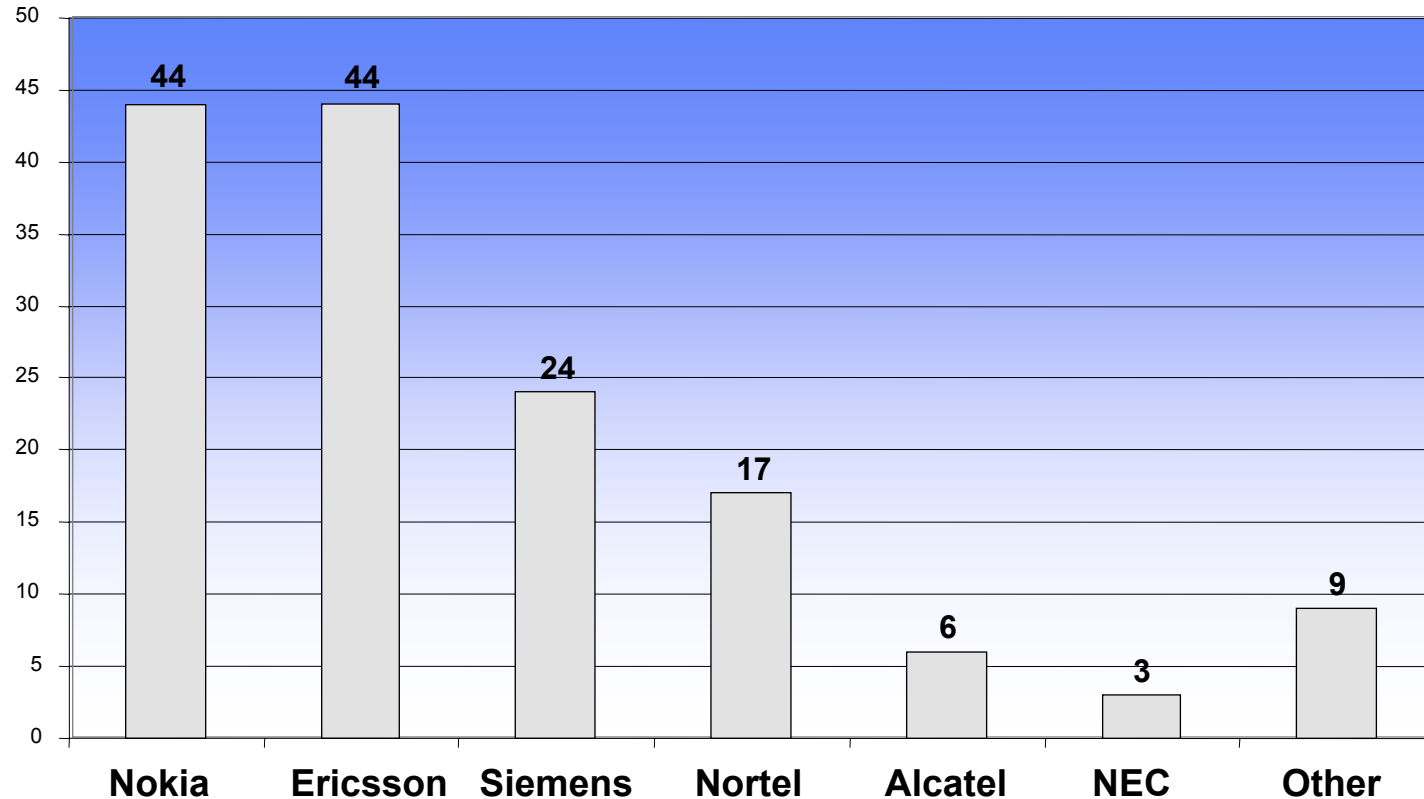
- WCDMA 3G market accelerates in 2005
 - Wide commercialization in Europe & APAC
 - Roll-out starts in US & China in 2005
- Value-adding software business model will emerge
- Higher data speeds - HSDPA in 2005 & HSUPA in 2006
- New frequency bands
- Multi-radio will complement 3G cellular

Networks' market position

- stronger after transition to 3G



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Public WCDMA deals

source: Nokia

Convergence

- Nokia is well positioned



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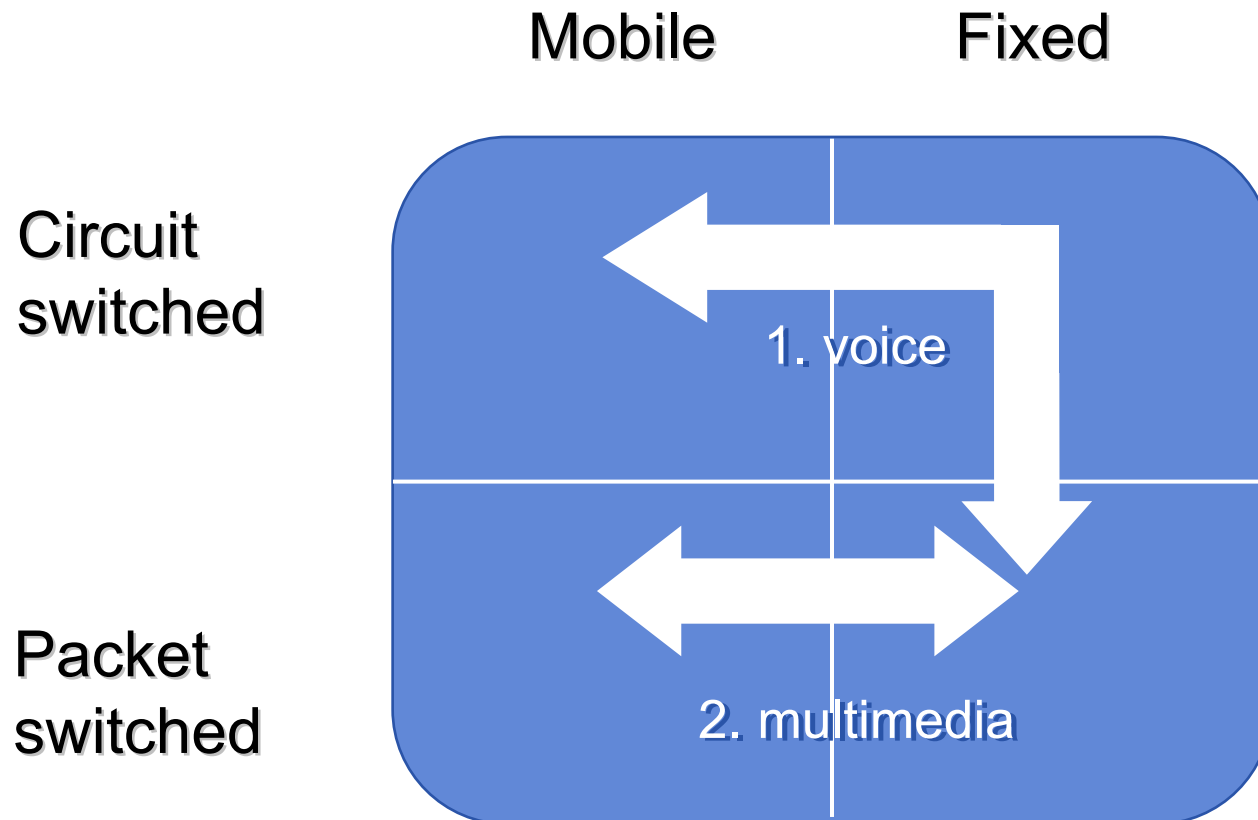
	Mobile	Fixed
Circuit switched	2G / 3G network	PSTN
Packet switched	2.5G / 3G network	Broadband network

Evolution

- initially driven by voice & multi-radio terminals



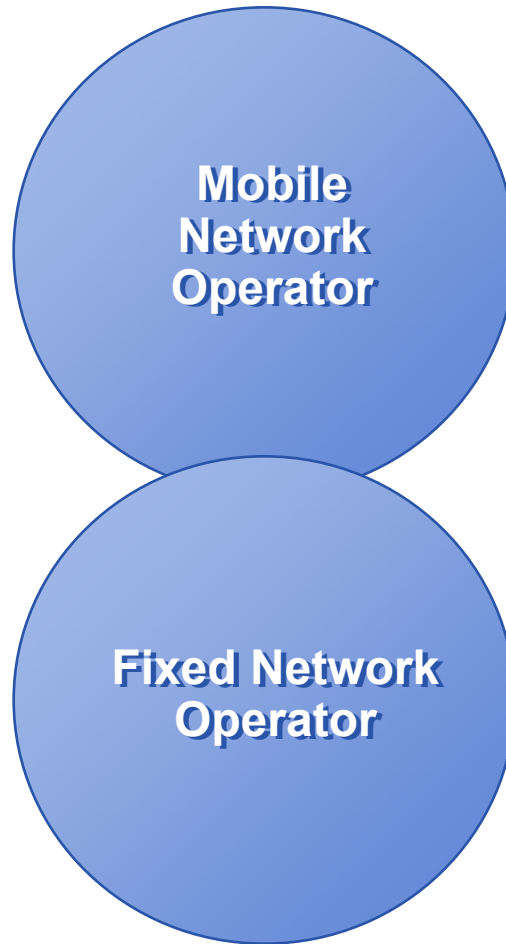
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Roles in Fixed-Mobile Convergence

- mobile view or fixed view – same architecture

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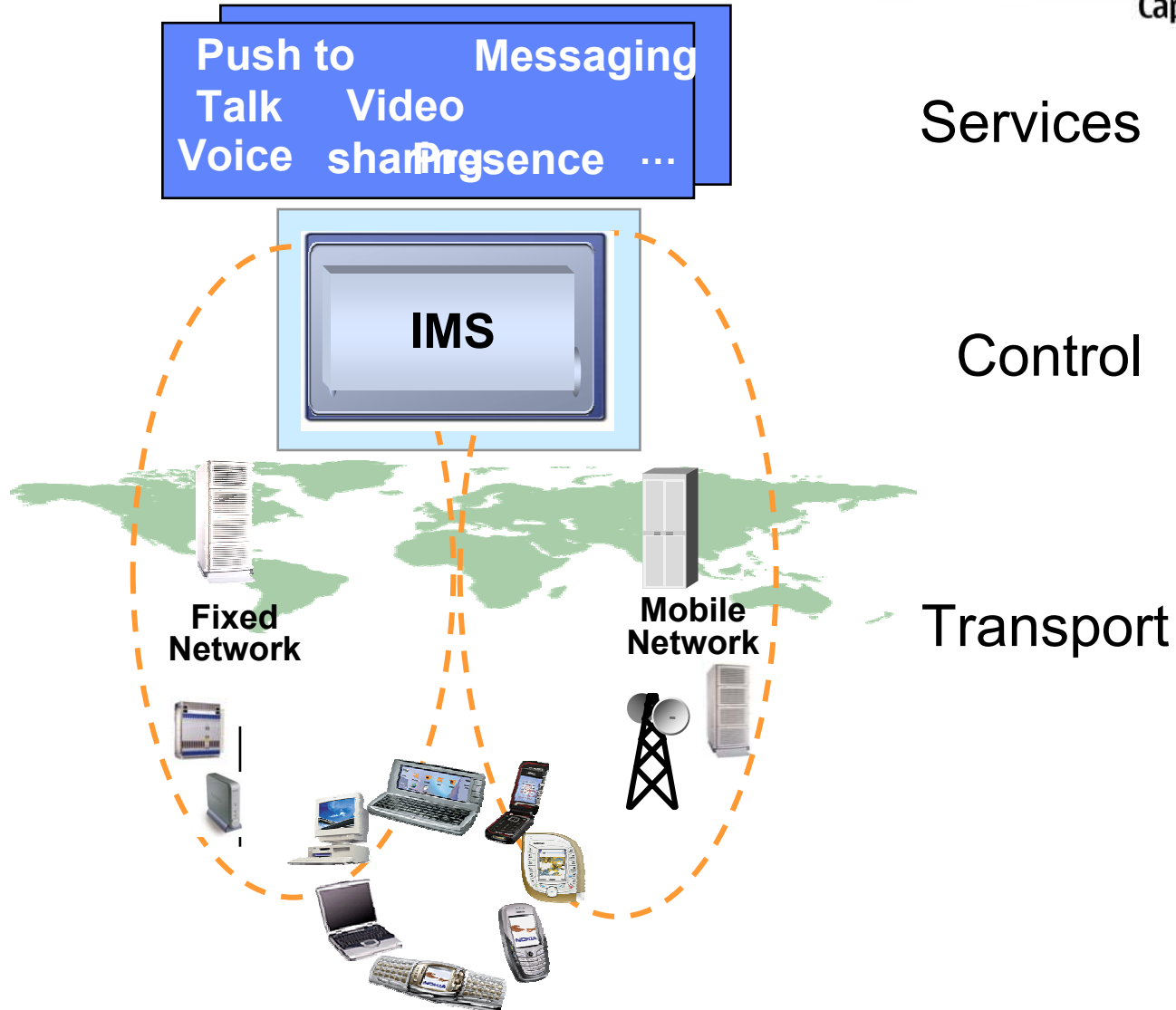


Nokia is strong

- multi-radio terminals & leading IMS



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New Core Networks - execution on track



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Nokia has the broadest experience in New Core Networks

Packet core: 107 references (one-third of all commercial networks)

Intelligent Content Delivery: 30 references

SMS center : 78 references

MMS center: 65 references

Push to talk: 19 references (>30 trials)

Presence: 6 references (>20 trials)

IMS: 4 references (>20 trials)

System Integration: Over 300 references (Nokia and third party elements)

Summary



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- Nokia Networks continues successful expansion in New Growth Markets
- Time to market advantage and strong replacement track record in GSM modernization
- Market share gains as WCDMA 3G market accelerates
- Multi-radio terminals & New Core Networks bring Nokia in favourable position for enabling convergence
- Significant references in Managed Services

Execution on track – capturing growth in new segments



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Thank You!