

Connecting the next billion....

Shiv



Structure

- Where did it start ?
- Mobile communications trends, Global, Asia Pacific, India
- Nokia progress in last decade
- Connecting the Next Billion
- Summary

It started with one person, one call

- “Watson come here, I want you”



1876: Talk to a box



1896: Listen to a box



1925: Watch a box



1938: Command a box



1980s: Carry a box with you

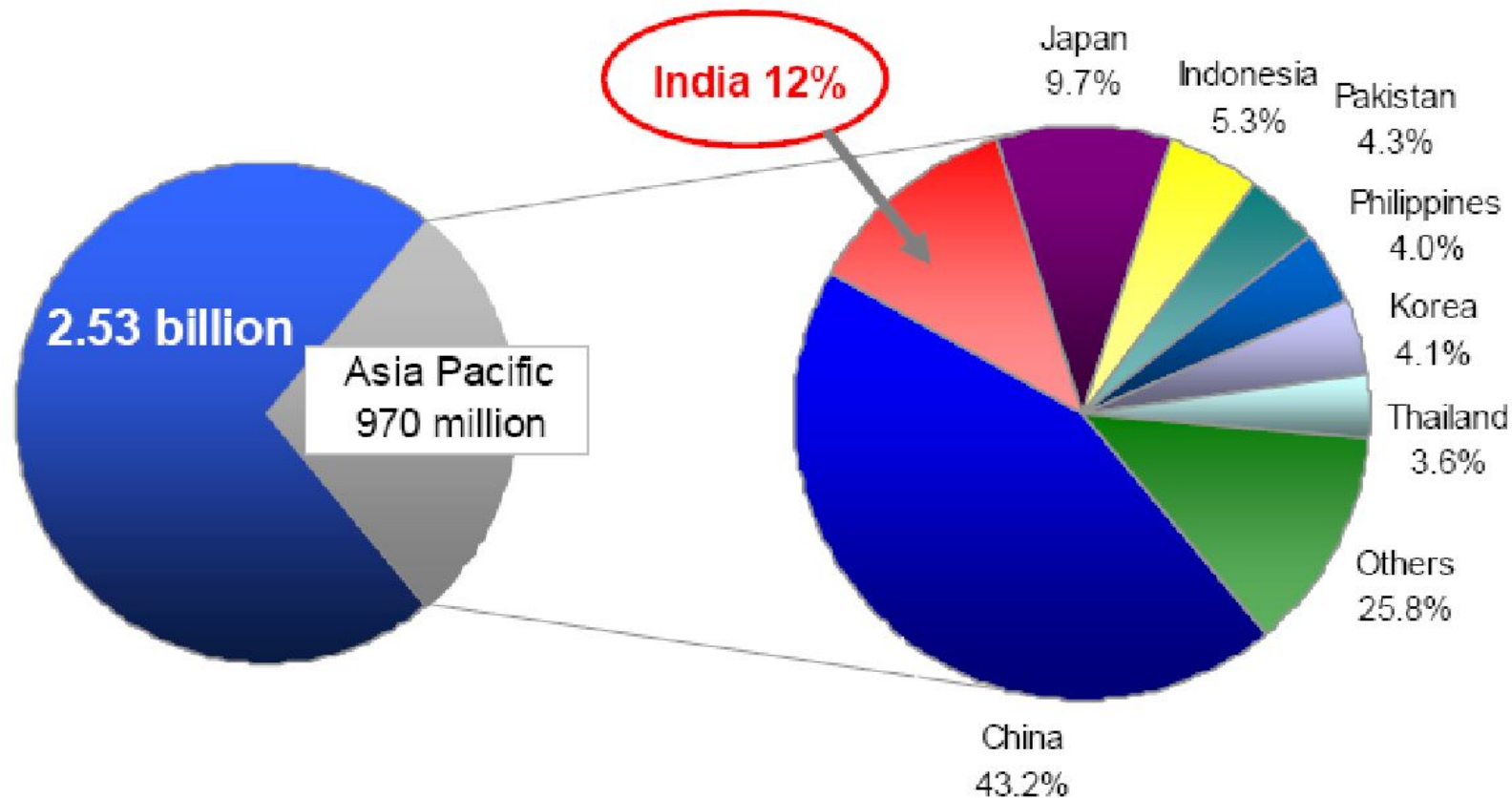


2000s: Experience the world with a box



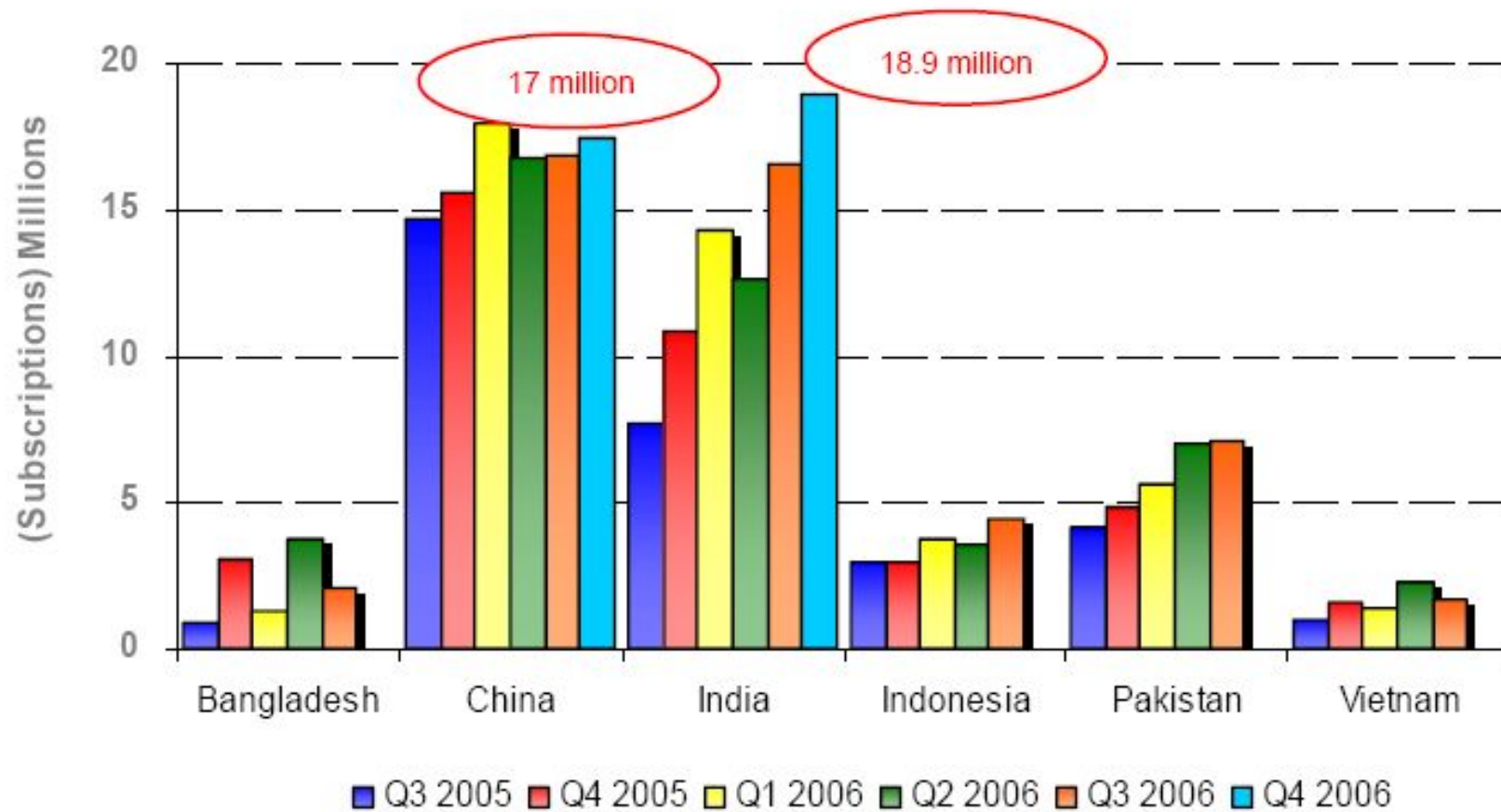
Mobile communications trends

Asia-Pacific % of worldwide subscription base Sep 2006



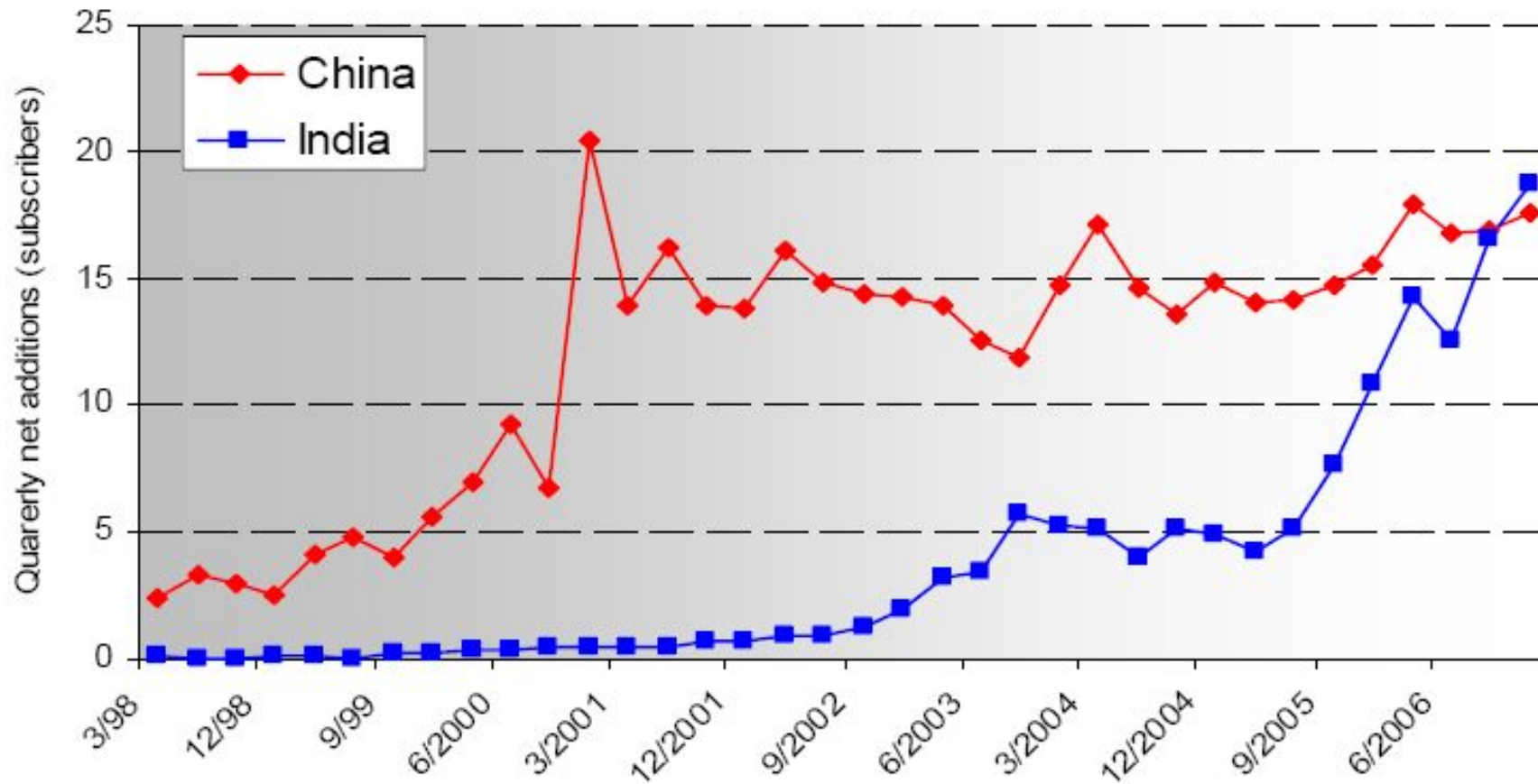
Source: Informa Telecoms & Media's World Cellular Information Service

Asia-Pacific growth markets



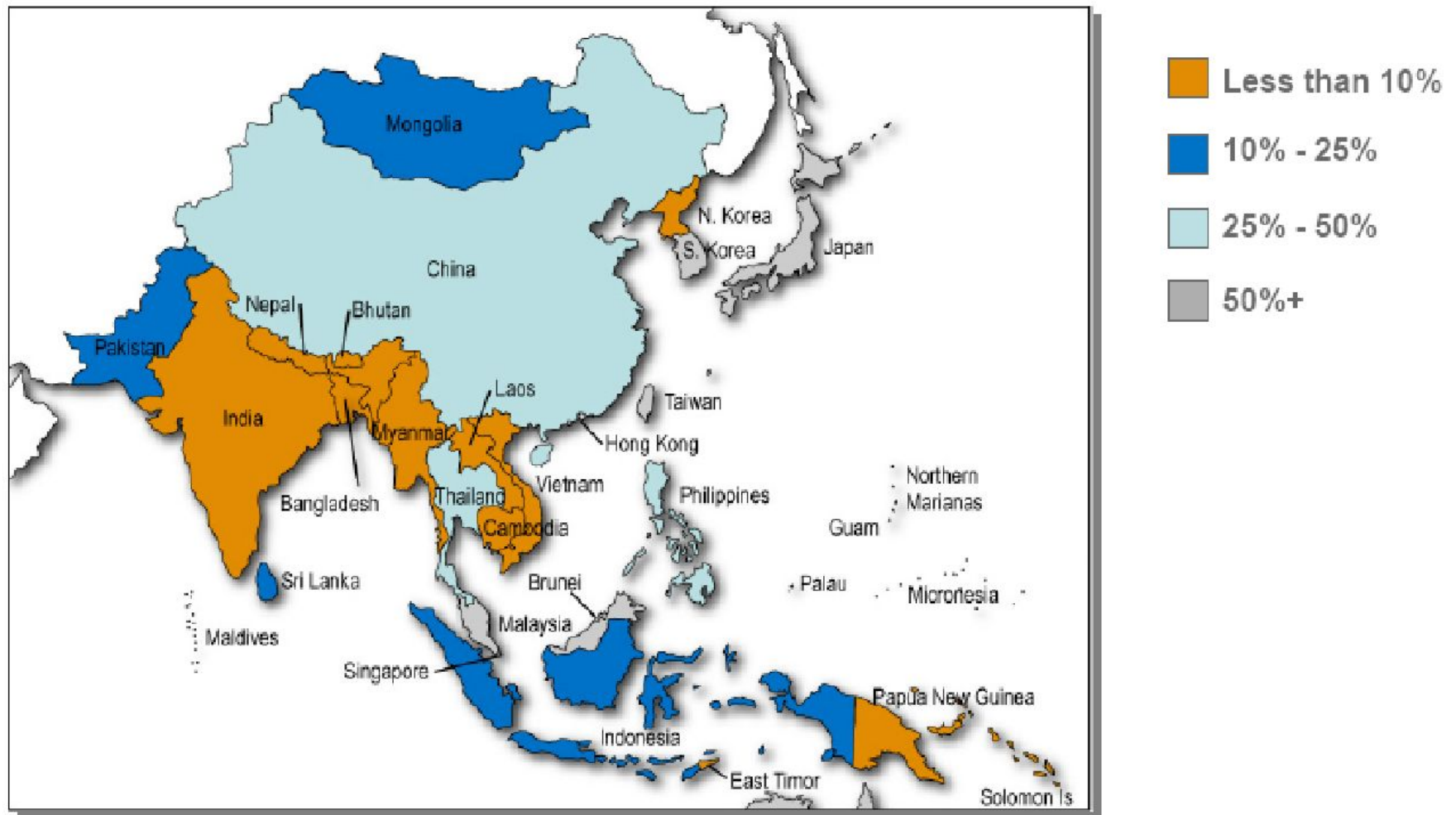
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Who is leading who?



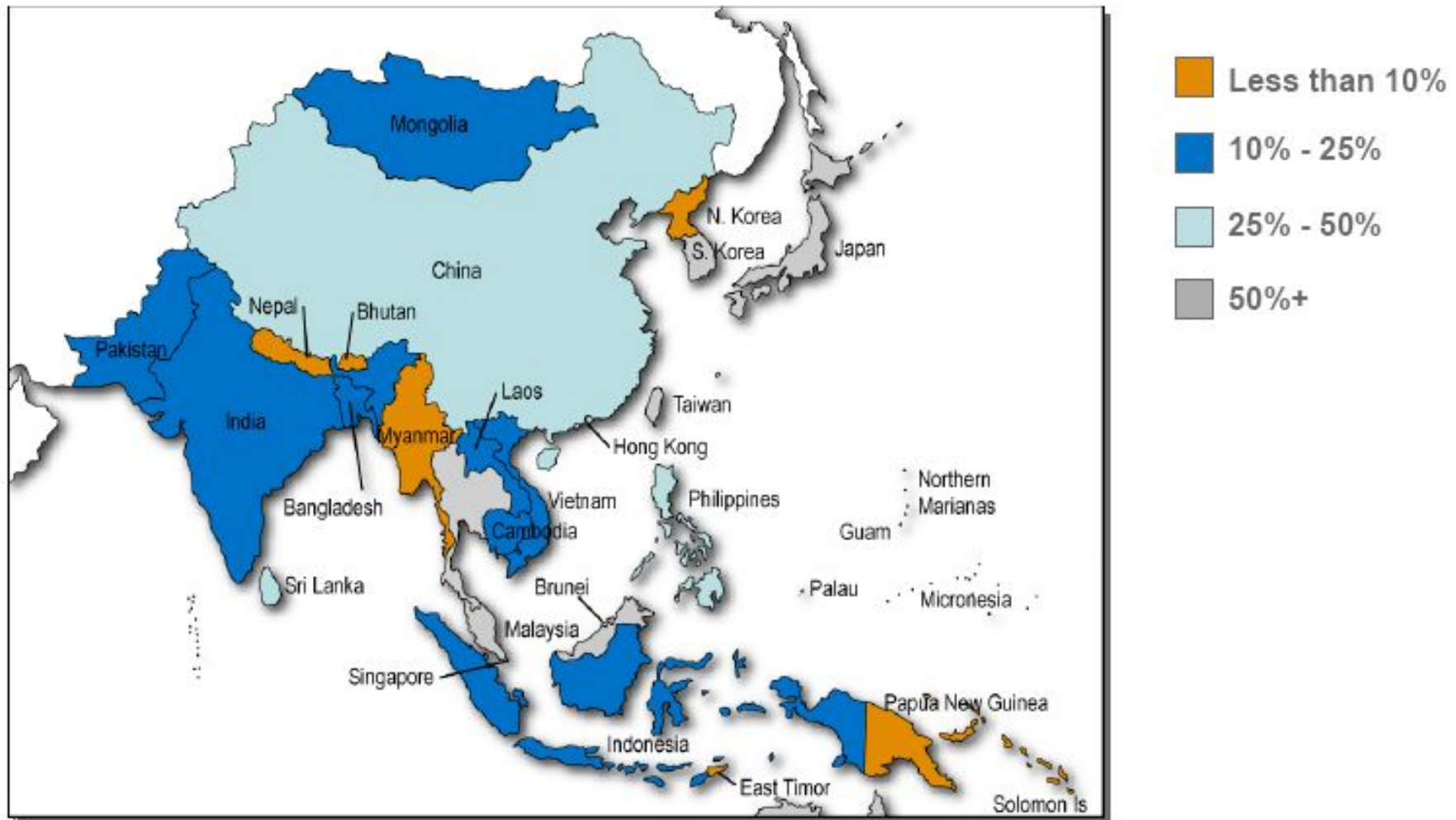
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Asia-Pacific - mobile penetration Dec 2005



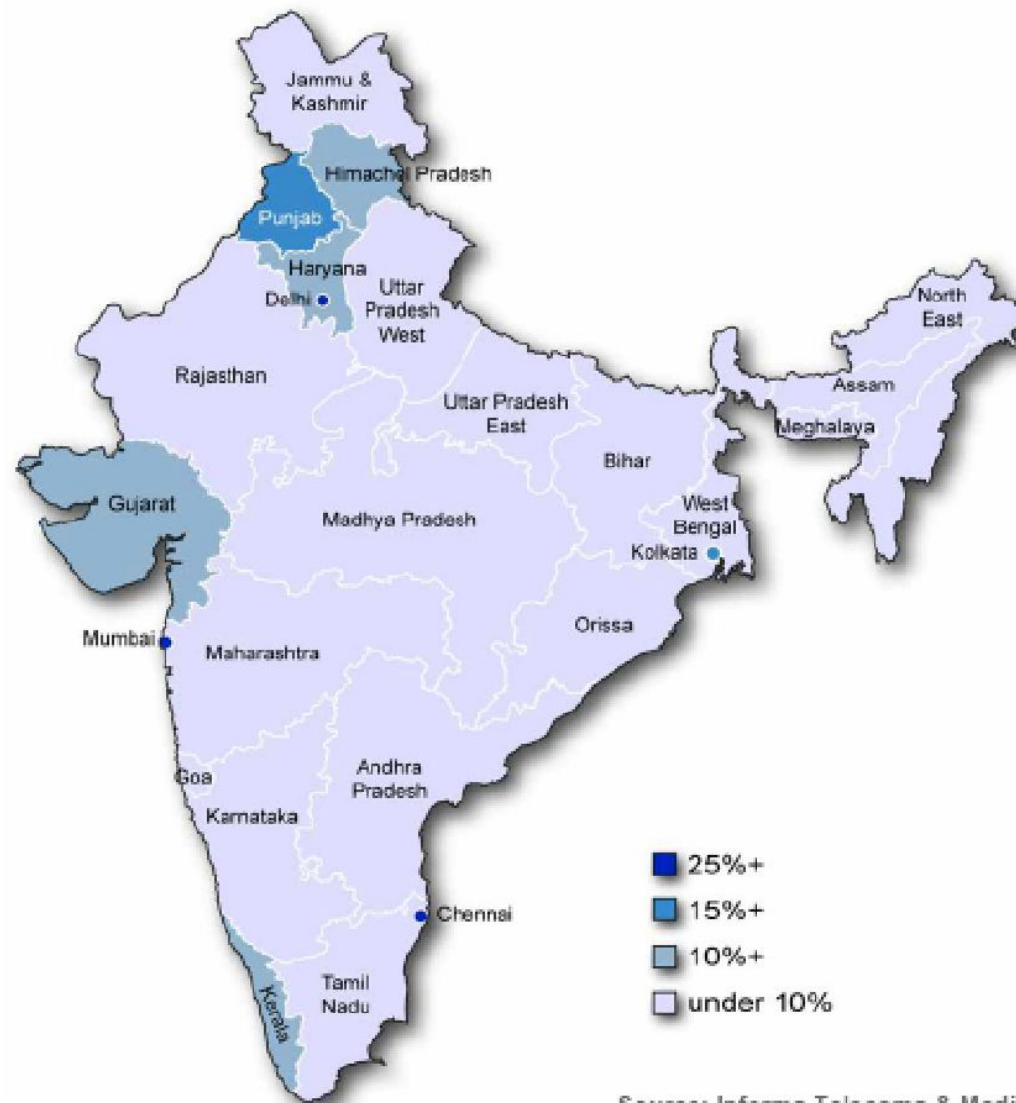
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Asia-Pacific - mobile penetration Dec 2006



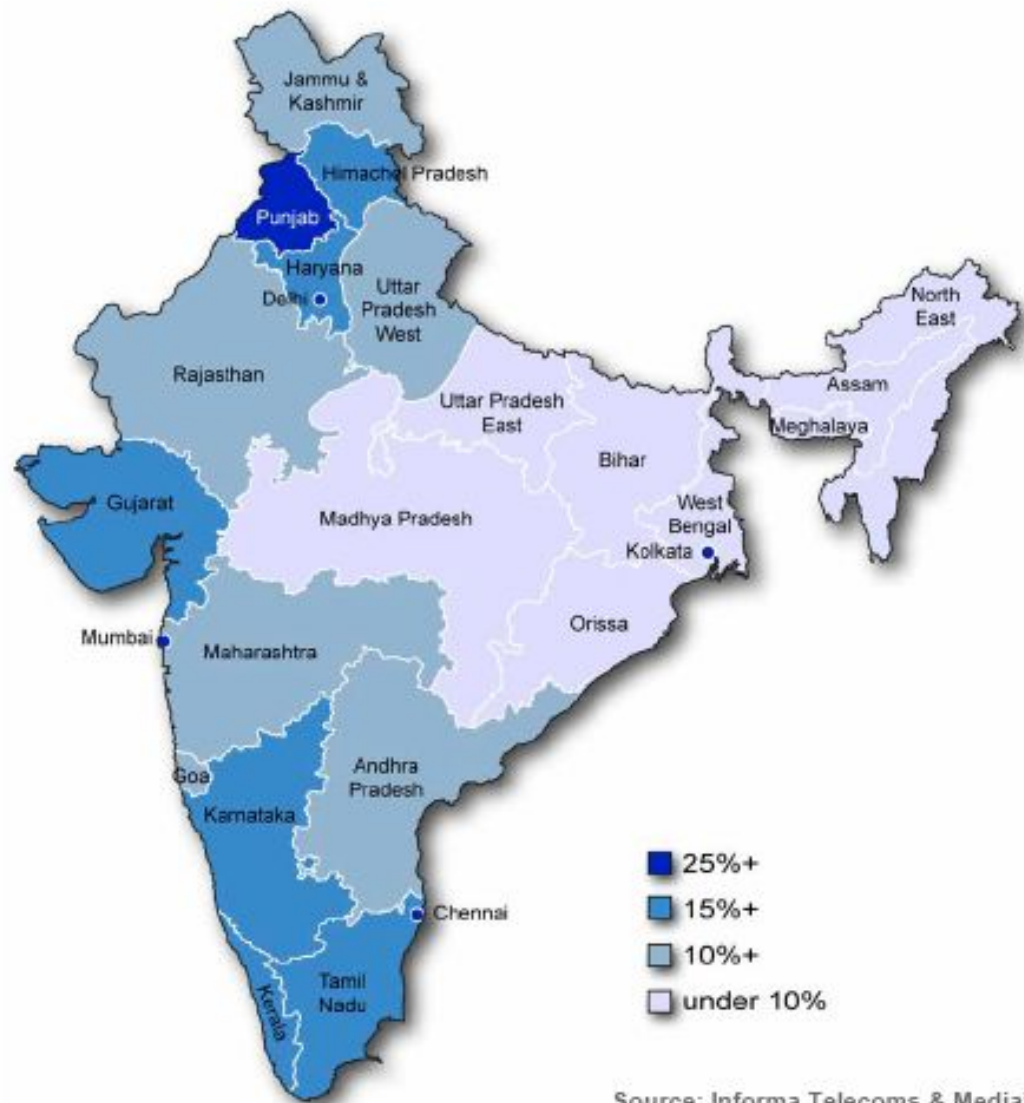
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India - mobile penetration Dec 2005



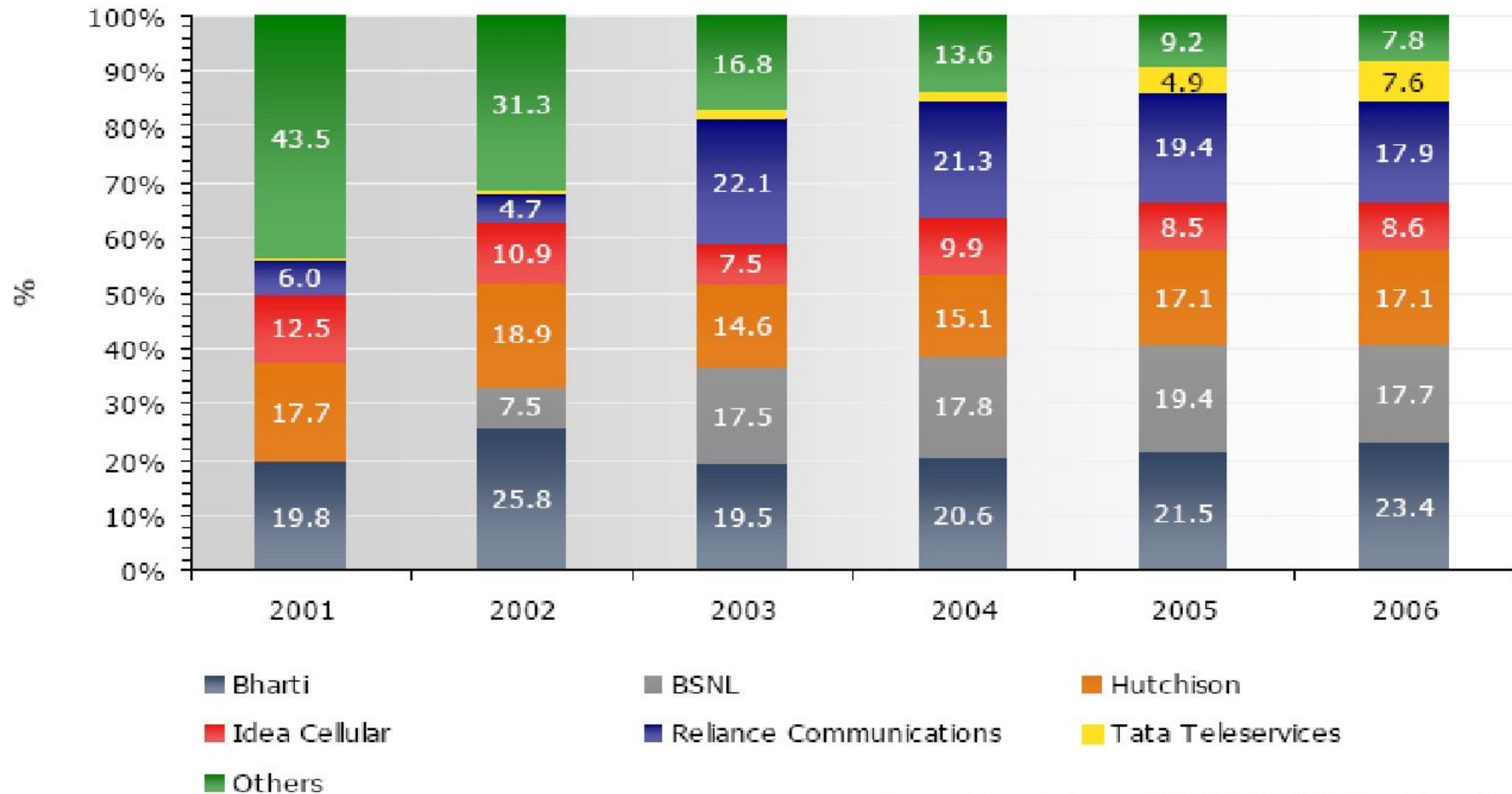
Source: Informa Telecoms & Media's World Cellular Information

India - mobile penetration Dec 2006



Source: Informa Telecoms & Media's World Cellular Information Service

India – operator market shares 2001-2006



Source: Informa Telecoms & Media's World Cellular Information Service

The Nokia Brand

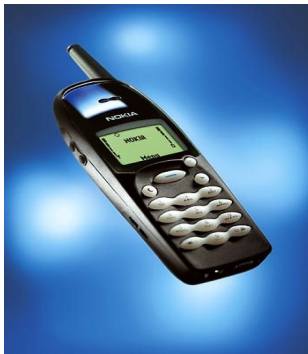
**Nokia is used by 800 mln
consumers globally, 75 mln
of them are in India.**

Nokia India – 1995 vrs 2006

Nokia India 1995

10 employees

**Sales & Marketing
Organisation**



Nokia India 2006

6000+ employees

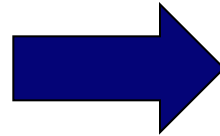
Networks

3 R&D sites

15th Manufacturing plant

**1st Global Network
Solutions Center**

Sales & Marketing



Many 1sts...



1998: Saare Jahaan Se Acchha, first Indian ringtone in a Nokia 5110

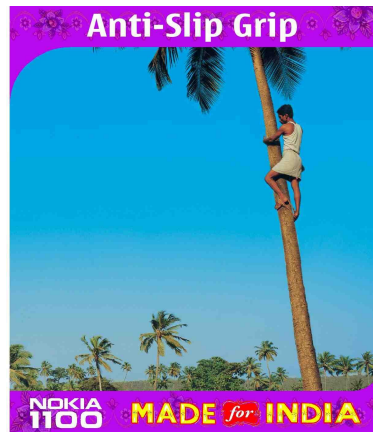
2000: First Hindi UI (menu) in a Nokia 3210

2002: First Hindi text input in a Nokia 3610

2003: First Made for India phone, Nokia 1100

2004: Saral Mobile Sandesh, Hindi SMS on a wide range of Nokia phones

2005: First handset with a talking alarm clock in 5 regional languages, Nokia 1110 & 1600



The next billion

Connecting the next billion will be about ...

- Language
- Availability
- Content
- Affordability

**Done right, Indians will listen to the radio
stations on a Nokia, click pictures on a Nokia,
video shoot special moments on a Nokia, log
onto the net on a Nokia, find their location with
a Nokia !!**

At a rate of 6 Mln subscribers a month, the cell phone will become the No 1 durable in India by 2011, overtaking the bicycle and the radio !!

Summary

- Rapid growth of mobile industry in India
- Mobile phone > bicycles , radios in 2011
- Nokia's strong commitment to India



10 years of change



India, China, Finland scan

Measure/Indicator	Year	China	India	Finland
Competitiveness	2005	No.18	No.27	No.10
R&D expdtr as % of GDP	2003	1.31%	0.84%	3.44%
Foreign Direct Invt in Bln \$\$	2004	60.6	5.3	4.6
Market Capitalisation Bln \$\$	2005	781	553	210
Car ownership per 1000 popl	2003	10	6	434
Education Spending % GDP	2004	NA	4.1%	6.4%
Cost Of Living, (USA = 100)	2005	NA	47	115
Environmental Perf Index	2005	56.2	47.7	87
Corruption Index(10=least)	2005	3.2	2.9	9.6
Advertising spending % GDP	2005	0.52	0.48	0.78
Mobile Phone penetration %	2006	40+	11	96
Televisions per 100 HHolds	2004	46.4	35.1	99.3

Land of snake charmers



IT superpower



Sell outs



Buy out



Commute



Commute with style



Arranged marriage



Arranged love



3 hr Movie



Hang out Zone



Traditional food



Hybrid food



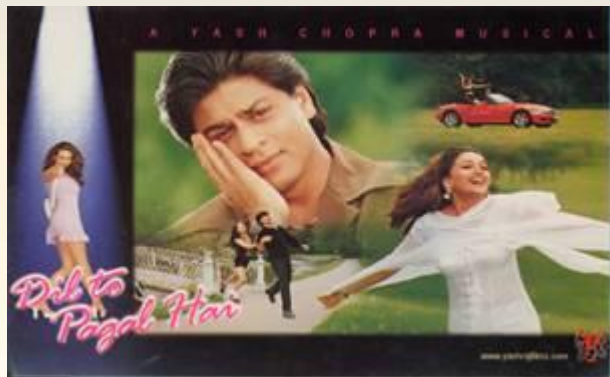
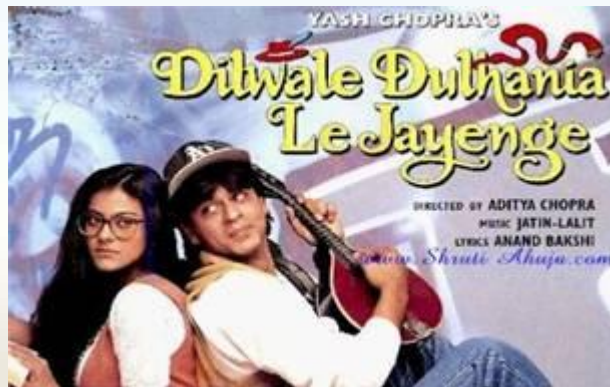
Media explosion



Entertainment journalism



Romantic movies



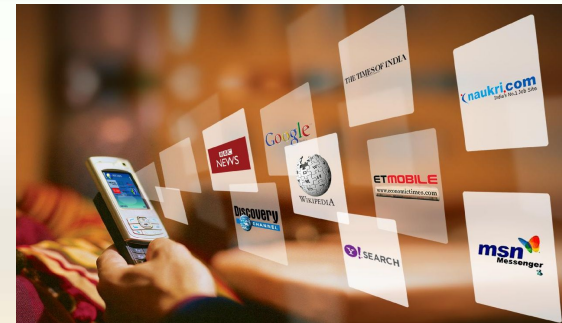
Movies- pushing boundaries of relationship and social awareness



Communication



Convergence



India Mobile Market Outlook -Jan'07

- Subscriber Base
 - Total subscriber base stand at approx 156 million subscribers (116.5 m mobile + 40.87 m fixed)
 - Approx 36 million subscribers added starting Jan '06 till date
 - More than 5 million new subscribers added on an average every month (since Jan '06)
 - 6.81 million subscribers added in Jan 07
- Mobile industry contributes to 1% of India's GDP
- Mobile Density – 15%
- Overall Tele-density
 - More than 10%
- Large disparities in mobile penetration
 - Metros – 40%
 - Rural Areas – 4%
- Future Projections
 - 200 million mobile subscriber by 2007 (* Ministry of IT and TeleCommunications)

“..... In 2008, globally, Nokia forecasts the 3 billion mark to be reached. This means roughly 10 new subscribers per second 24/7 (24 hours a day, 7 days a week).

1 subscriber gets added to the base every second – Hon Minister Dayanidhi Maran, Dec 2006

Language will be a key factor going forward to connect the next billion

What does this mean? The durables logic

Growth of Mobile Phones Vis-à-vis PCs in Emerging markets

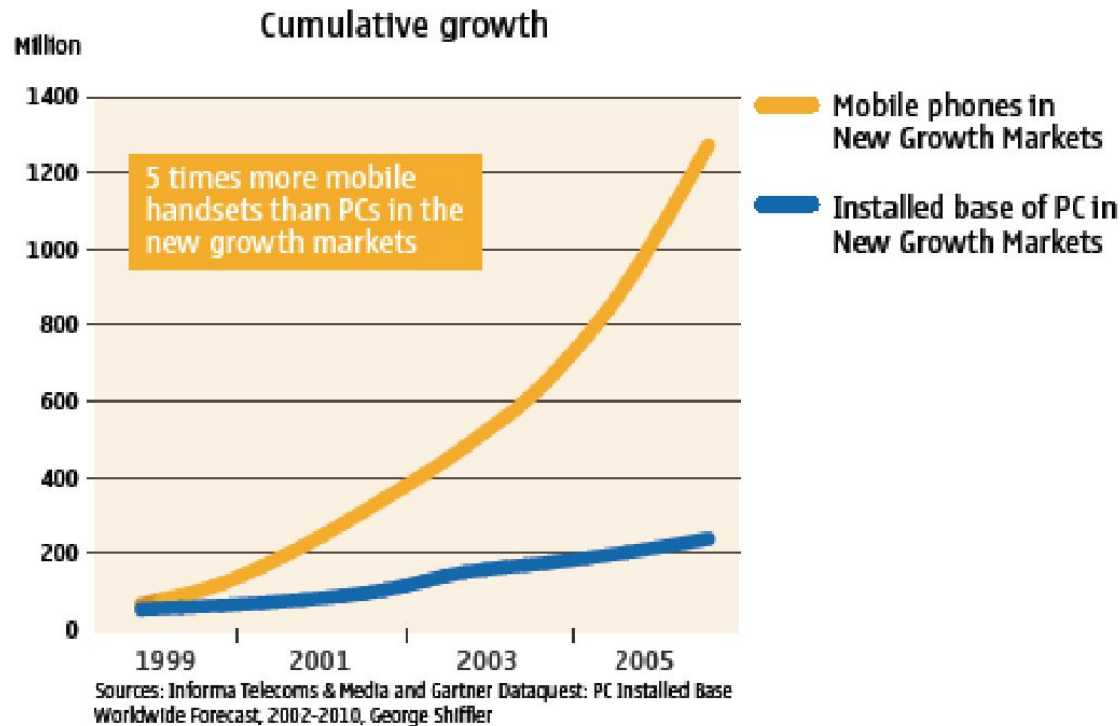


Figure 1: Mobile technology is the best way to bridge the digital divide

India – A Strategic market for Nokia – Priorities

- Make Nokia the most preferred brand for consumers and customers
 - Maintain leading market position with a focus on long term profitable growth
- Work with Operators to drive the benefits of mobility by becoming a partner of choice
- New Opportunity areas

Road Ahead – Winning Moments

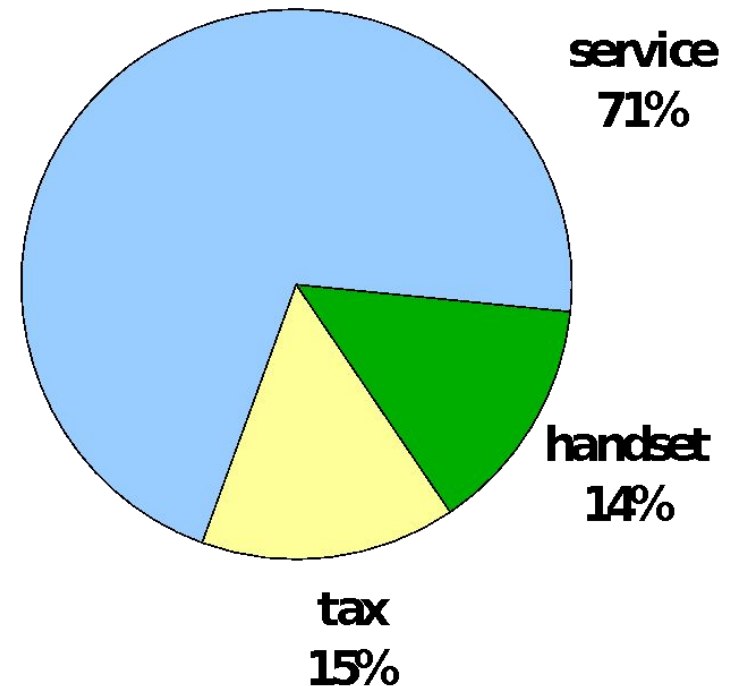
- Winning Marketing
- Winning with the Operators
- Bipolar Market
 - Driving Rural Mobility
 - Driving value - New experiences for the urban market

Hidden Slides

Consumer value proposition

Affordable connectivity

- Total cost of ownership
- Cash barrier

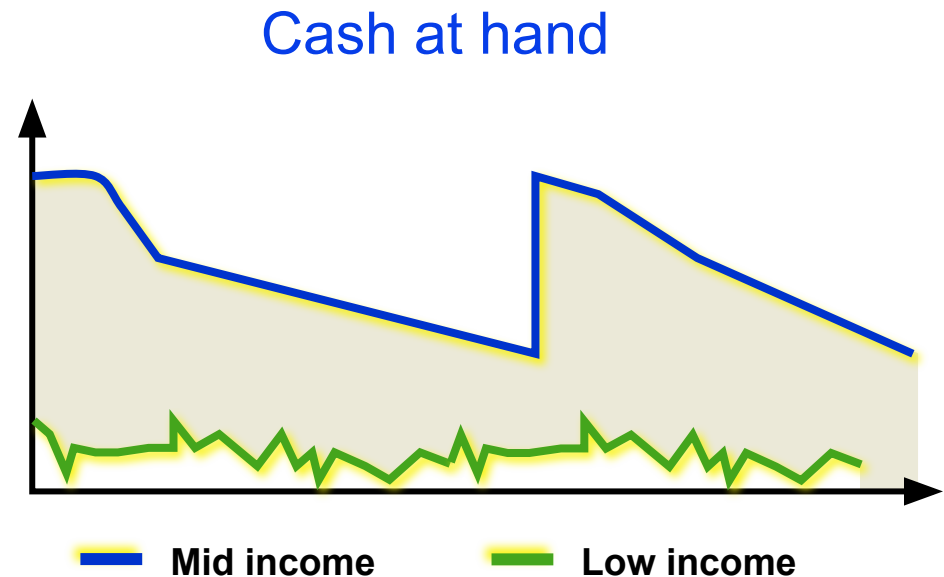


Source: GSMA Report, "Tax and the digital divide", Sep 2005

Consumer value proposition

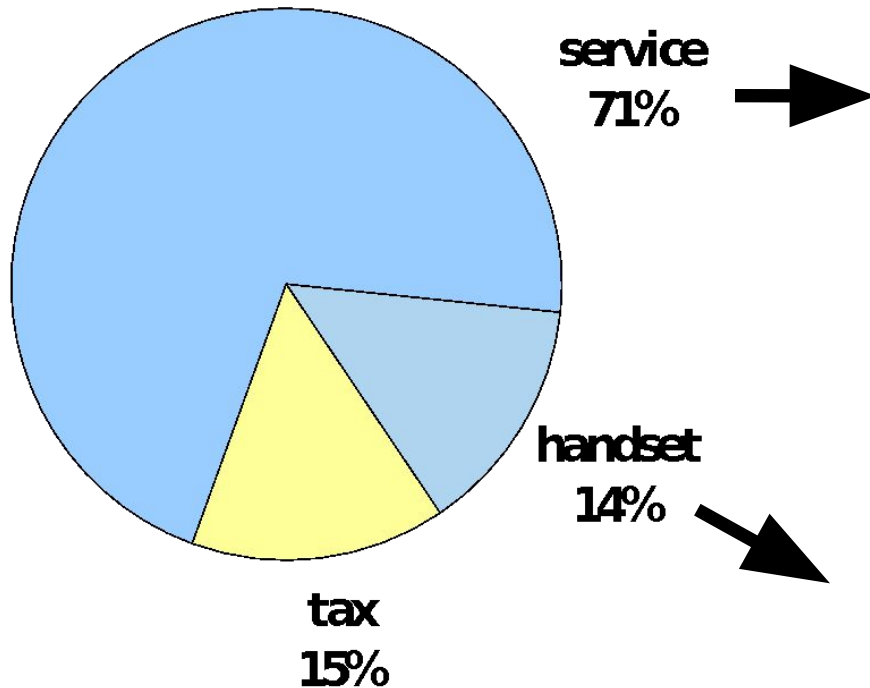
Affordable connectivity

- Total cost of ownership
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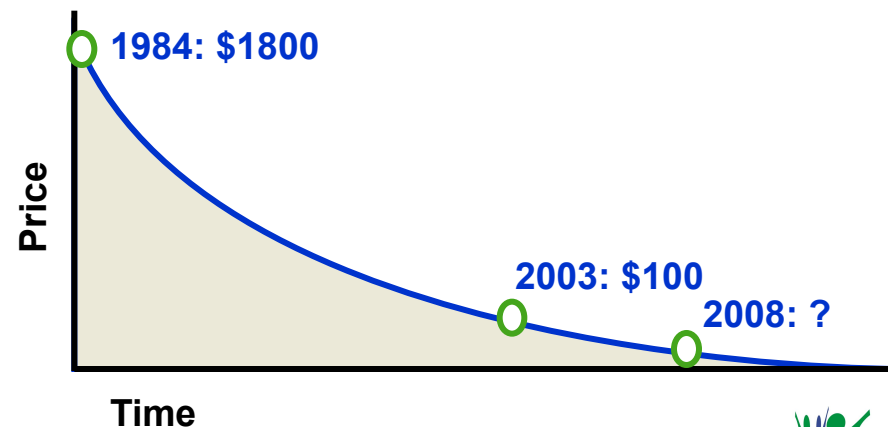
- Handset: microfinance
- Service: micro top-ups, balance transfer

Total cost of ownership



How can the handset help to reduce the cost of service and thus the total cost of ownership?

Cost of lowest priced handset to end-user



Source: GSMA Report, "Tax and the digital divide", Sep 2005

Source: Nokia research

“India, constituted as she is, cannot play a secondary part in the world. She will either count for a great deal or not count at all”

-Jawaharlal Nehru, Indian Prime Minister, 1947-1963