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Nokia launches Mobile Entry Solutions to pave the way for the next one billion mobile users

At simultaneous press events in Moscow and New Delhi, Nokia today presents new solutions to help accelerate the growth of the global market for wireless communications. Nokia will introduce new attractive mobile phones, business models and network solutions to make mobile calls more affordable, allowing new consumer groups to enjoy the benefits of mobility. Accessing this largely untapped market will make it possible for the worldwide mobile subscription base to reach two billion in 2008. Currently, there are about 1.2 billion mobile phone users in the world.

"New growth markets will be a key driver of the mobile industry in the coming years," said Jorma Ollila, Nokia Chairman and CEO, speaking at the press conference in Moscow. "There is extraordinary potential in the number of people currently without mobile service. Despite its remarkable success, mobile service still only reaches less than 20% of the world's population. Some four billion people are still without telephone service of any kind," said Ollila.

"However, the greatest potential is the improvement in the daily lives of those hundreds of millions of people who we expect to gain access to mobile telephony in the next few years," Ollila added. "We expect that for an increasing number of these people, a mobile will be their first and only phone, and within a few years there will be a large number of mobile users who have never seen a fixed telephone. Fixed networks are beginning to be complemented and replaced by efficient mobile networks for voice and mobile data service."

These facts point to markets and user segments where tremendous growth can occur in the next five years. Large regions in Russia, India and Latin America are prime examples of markets where the pent-up demand for wireless communication is only now being addressed. In Russia in particular, Nokia sees that the number of mobile users will exceed 60 million by 2008, a 200% increase over the current subscriber base.

Enabling operators to accelerate such growth and reach the full potential of their markets is a very high priority for Nokia, and the company is introducing new mobile phones and network solutions to address this opportunity. The Nokia 1100 and Nokia 2300 phones combine ease of use, great design, and attractive features with affordable prices. With these phones and cost-optimized network solutions, Nokia has the right formula for expanding the footprint of mobile service and enriching the lives of people through communications.

New growth markets, with typically lower average rates of revenue, are challenging for traditional wireless solutions. They require a new mindset for new business models. And, they require highly efficient end-to-end solutions that break the boundaries of traditional cost structures. Nokia is strongly committed to reducing – by as much as half -- the total cost of ownership. This can be achieved with more affordable handsets, providing essential mobile voice services for consumers. Operators can reduce their per-user capital and operating expenditures, allowing them to expand their user base in a profitable way.

Nokia sees that with the right mix of phones, optimized network solutions and low-cost voice and data services, operators can in the near future generate reasonable profit from customers

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even at average revenue per user (ARPU) levels of 5 USD per month and below. The end-to-end Nokia Mobile Entry Solution makes this possible. The solution combines attractive, yet affordable Nokia phones with the Nokia Connect GSM Solution, a network solution specially designed for new growth markets.

As the leading mobile standard globally, GSM has the technology maturity to provide time-tested wireless service. And with a user base already approaching one billion, GSM allows significant cost benefits from economies of scale.

Nokia is the world leader in mobile communications. Backed by its experience, innovation, user-friendliness and secure solutions, the company has become the leading supplier of mobile phones and a leading supplier of mobile, fixed broadband and IP networks. By adding mobility to the Internet Nokia creates new opportunities for companies and further enriches the daily lives of people. Nokia is a broadly held company with listings on six major exchanges.

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