

August 27, 2003

Philippines' SMART addresses new growth opportunities with the Nokia Connect GSM Solution

SMART and Nokia aim to bridge the country's communications needs in rural areas with GSM mobile telephony.

Leading Philippine mobile operator SMART Communications, Inc. (SMART) has announced that it has begun deploying the Nokia Connect GSM Solution to help extend its network coverage to people in rural areas with inadequate telecommunications coverage.

The solution includes the supply of ConnectSite 10 base stations, a battery back-up power system, Flexihopper microwave radio and antenna systems.

Through the Nokia Connect GSM Solution, operators like SMART are able to lower network-related CAPEX and OPEX in building rural coverage, compared to traditional GSM network solutions. This is made possible by new, preconfigured base station solutions and a cost-optimized network-planning concept that maximizes the number of subscribers per site and minimizes the number of sites required in a given area.

In the case of SMART, up to 40% savings are achieved through use of ConnectSite 10 base stations, which utilizes a "shelter-less installation" concept. "Shelter-less" means that the base stations are located close to the antenna masts, avoiding costly on-ground installations.

These savings strengthen the strategy in markets with low average revenue per user (ARPU) levels by reducing the business risk of building new sites. This allows operators to focus on offering handsets and services tailored precisely for entry-level mobile phone customers.

"This new network solution will make digital communications much more accessible to more people. Through Nokia ConnectSites, SMART will be able to install cell sites in more areas at a more rapid pace. This is in line with SMART's efforts to reach out to the rural and underserved municipalities in the country," said Napoleon L. Nazareno, SMART president and CEO.

Markku Nieminen, Account Director for SMART, Nokia Networks said, "Nokia is happy to provide the Nokia Connect GSM Solution to address SMART's rollout for the rural market. Voice and especially the SMS business will continue to grow in Philippines, and Nokia will continue to work with SMART to identify and develop total solutions that bring new value to our relationship."

About SMART

SMART is the Philippines' leading wireless services provider with over 10 million subscribers as of June 2003. SMART has been continuously innovating on wireless technology, having introduced world-first services, in the fields of mobile commerce and mobile value-added services. SMART is a wholly owned subsidiary of the largest Philippine telecommunications carrier, the Philippine Long Distance Company (PLDT).

About Nokia

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

August 27, 2003

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.

Further information:

Communications Department, Nokia Networks
Tel. (Int.) + 358 (0) 7180 38198
E-mail: networks.communications@nokia.com
www.nokia.com

APAC Communications, Nokia Networks
Tel: +65 6723 1824/ +65 6723 1999
Email: communications.apac@nokia.com
www.nokia-asia.com

Smart Communications, Inc. (SMART)
Mon R. Isberto
Head, Public Affairs
Tel: +632 511 3101 or +632 511 3106
Fax: +632 511 3100
Email: rrisberto@smart.com.ph; publicaffairs@smart.com.ph
www.smart.com.ph

Notes to Editor

Nokia Connect GSM Solution is an integrated solution that combines optimized network infrastructure, network management systems and operator services. Combined with Nokia entry-level terminals, the Nokia Connect GSM Solution allows operators to realize savings in CAPEX and OPEX and offer handsets and services tailored precisely for entry-level mobile phone customers.

The solution consists of reliable and robust network elements:

- Complete site solutions based on "shelter-less" Nokia ConnectSite 10 and Nokia ConnectSite 100 base stations, including auxiliaries, transmission and site services. Shelter-less means that the base stations are located close to the antenna masts, avoiding costly on-ground installations.
- Nokia Connect Base Station Controller for expandable capacities and enhanced functionality.
- The scalable Nokia GSM core network, including MSC, HLR and the INAP-based Nokia Connect Prepaid service.
- A centralized Nokia Connect Network Management System for reduced need for site visits.