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## **Nokia and Microsoft announce plans for a broad strategic partnership to build a new global ecosystem**

**Companies plan to combine assets and develop innovative mobile products on an unprecedented scale**

London, Feb. 11, 2011 – Nokia and Microsoft today announced plans to form a broad strategic partnership that would use their complementary strengths and expertise to create a new global mobile ecosystem.

Nokia and Microsoft intend to jointly create market-leading mobile products and services designed to offer consumers, operators and developers unrivalled choice and opportunity. As each company would focus on its core competencies, the partnership would create the opportunity for rapid time to market execution. Additionally, Nokia and Microsoft plan to work together to integrate key assets and create completely new service offerings, while extending established products and services to new markets.

Under the proposed partnership:

- Nokia would adopt Windows Phone as its principal smartphone strategy, innovating on top of the platform in areas such as imaging, where Nokia is a market leader.
- Nokia would help drive the future of Windows Phone. Nokia would contribute its expertise on hardware design, language support, and help bring Windows Phone to a larger range of price points, market segments and geographies.
- Nokia and Microsoft would closely collaborate on joint marketing initiatives and a shared development roadmap to align on the future evolution of mobile products.

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- Bing would power Nokia's search services across Nokia devices and services, giving customers access to Bing's next generation search capabilities. Microsoft adCenter would provide search advertising services on Nokia's line of devices and services.
- Nokia Maps would be a core part of Microsoft's mapping services. For example, Maps would be integrated with Microsoft's Bing search engine and adCenter advertising platform to form a unique local search and advertising experience
- Nokia's extensive operator billing agreements would make it easier for consumers to purchase Nokia Windows Phone services in countries where credit-card use is low.
- Microsoft development tools would be used to create applications to run on Nokia Windows Phones, allowing developers to easily leverage the ecosystem's global reach.
- Nokia's content and application store would be integrated with Microsoft Marketplace for a more compelling consumer experience.

"Today, developers, operators and consumers want compelling mobile products, which include not only the device, but the software, services, applications and customer support that make a great experience," Stephen Elop, Nokia President and CEO, said at a joint news conference in London. "Nokia and Microsoft will combine our strengths to deliver an ecosystem with unrivalled global reach and scale. It's now a three-horse race."

"I am excited about this partnership with Nokia," said Steven A. Ballmer, Microsoft CEO. "Ecosystems thrive when fueled by speed, innovation and scale. The partnership announced today provides incredible scale, vast expertise in hardware and software innovation and a proven ability to execute."

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**About Nokia**

At Nokia, we are committed to connecting people. We combine advanced technology with personalized services that enable people to stay close to what matters to them. Every day, more than 1.3 billion people connect to one another with a Nokia device - from mobile phones to advanced smartphones and high-performance mobile computers. Today, Nokia is integrating its devices with innovative services through Ovi ([www.ovi.com](http://www.ovi.com)), including music, maps, apps, email and more. Nokia's NAVTEQ is a leader in comprehensive digital mapping and navigation services, while Nokia Siemens Networks provides equipment, services and solutions for communications networks globally.

**DISCLAIMER**

*Nokia and Microsoft have entered into a non-binding term sheet. The planned partnership remains subject to negotiations and execution of the definitive agreements by the parties and there can be no assurances that the definitive agreements would be entered into.*

**FORWARD-LOOKING STATEMENTS**

*It should be noted that certain statements herein which are not historical facts are forward-looking statements, including, without limitation, those regarding: A) the intention to form a strategic partnership with Microsoft to combine complementary assets and expertise to form a global mobile ecosystem and to adopt Windows Phone as our primary smartphone platform, including the expected plans and benefits of such partnership; B) the timing and expected benefits of our new strategy, including expected operational and financial benefits and targets as well as changes in leadership and operation structure; C) the timing of the deliveries of our products and services and their combinations; D) our ability to develop, implement and commercialize new technologies, products and services and their combinations; E) expectations regarding market developments and structural changes; F) expectations and targets regarding our industry volumes, market share, prices, net sales and margins of products and services; G) expectations and targets regarding our operational priorities and results of operations; H) the outcome of pending and threatened litigation; I) expectations regarding the successful completion of acquisitions or restructurings on a timely basis and our ability to achieve the financial and operational targets set in connection with any such acquisition or restructuring; and*

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*J) statements preceded by "believe," "expect," "anticipate," "foresee," "target," "estimate," "designed," "plans," "will" or similar expressions. These statements are based on management's best assumptions and beliefs in light of the information currently available to it. Because they involve risks and uncertainties, actual results may differ materially from the results that we currently expect. Factors that could cause these differences include, but are not limited to: 1) whether definitive agreements can be entered into with Microsoft for the potential partnership in a timely manner, or at all, and on terms beneficial to us; 2) our ability to continue to innovate and maintain the vibrancy of our Symbian-based smartphones during the negotiation of the Microsoft partnership and thereafter; 3) the negotiation and implementation of the Microsoft partnership will require significant time, attention and resources of our senior management and others within the company potentially diverting their attention from other aspects of our business; 4) in choosing to negotiate a partnership with Microsoft and utilize Windows Phone as our primary smartphone platform, we may forego more competitive alternatives achieving greater acceptance and profitability in the smartphone market; 5) the Microsoft Windows Phone smartphone platform may not be preferred by application developers, content providers and other partners impairing our ability to build a sufficiently competitive ecosystem for our smartphones; 6) the Microsoft partnership may not achieve the stated goal of producing smartphones which are differentiated from those of our competitors and preferred by our customers and consumers in the expected timeframe, or at all; 7) our ability to change our business model, way of working and culture sufficiently to work effectively and efficiently with Microsoft in order to realize the stated benefits of the partnership in a timely manner, or at all; 8) our ability to effectively and smoothly implement our new leadership and operational structure and to realize the anticipated benefits in a timely manner; 9) the implementation of the Microsoft partnership and the new operational structure may cause disruption and dissatisfaction among employees potentially reducing focus and productivity in some or all areas of our business; as well as the risk factors specified on pages 11-32 of Nokia's annual report Form 20-F for the year ended December 31, 2009 under Item 3D. "Risk Factors." Other unknown or unpredictable factors or underlying assumptions subsequently proving to be incorrect could cause actual results to differ materially from those in the forward-looking statements. Nokia does not undertake any obligation to publicly update or revise forward-looking statements, whether as a result of new information, future events or otherwise, except to the extent legally required.*

**Media Enquiries:**



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