

Press Release
Munich, Germany – November 11, 2008

Key facts about the implications of the global final stage of synergy-related headcount restructuring announcement for Nokia Siemens Networks in Germany

The company's preliminary plans for Germany include:

- **Additional reduction of 500 positions based on further business analysis**
- **Concentration of development and other activities at dedicated sites**
- **Further flexing of manufacturing operations with a management buy out in Durach**
- **Continued maintenance of large employee base covering all key company activities**

Following the global announcement that Nokia Siemens Networks is entering the final stage of synergy-related headcount restructuring, the company is starting today to share preliminary plans for synergy-related headcount restructuring efforts and a further optimized set-up with employees and employee representatives in Germany.

Proposed reduction based on business analysis leaves no alternative but to discontinue activities at Munich Hofmannstrasse site

As communicated in the global release, a further assessment has identified the need for further reductions. The following factors were included in the analysis:

- Business impact of merger-related synergy requirements
- Organizational and portfolio changes
- Continued challenging telecommunications market conditions

Most identified activities are located primarily in the company's Munich Hofmannstrasse site.

As a result, the company has no alternative but to discontinue its activities at the Hofmannstrasse site. The proposed reduction will affect approximately 500 employees and is planned to be completed by the end of October, 2009. The company strives for an implementation of the proposed reductions in a socially acceptable manner. Nokia Siemens Networks information technology (IT) organization located in Tölzer Strasse in Munich will not be impacted as those facilities are subject to a long-planned separation from the Hofmannstrasse site and are planned to become a separate site.

Once this planned action is successfully completed, Nokia Siemens Networks will have achieved the vast majority of the synergy-related headcount reductions needed in Germany.

Concentration of development and other activities: Next generation of mobile networks technology LTE to be mainly developed in Ulm

To remain competitive and achieve non-headcount related synergy targets, Nokia Siemens Networks Germany further proposes to concentrate R&D and other activities of its business units and functions into dedicated sites. As a result, the major impact of this proposal is that the company plans to strengthen its Ulm site to drive innovation as the R&D center for critical

next generation Multiradio and Long Term Evolution wireless network products. The Radio Access business unit therefore plans to combine the GSM and Multiradio activities currently performed in Munich and Ulm into one single site in Ulm, whilst keeping Duesseldorf as a focus site for mobile backhaul/transport. Consequently, it is planned that all employees of the Radio Access business in Munich will move to Ulm.

Management buy out of factory in Durach - Bruchsal to be Nokia Siemens Networks European supplier of complex fixed and mobile core systems

Berlin site to continue to manufacture specialized optical transport equipment

Additionally, the company plans to optimize manufacturing costs, performance and flexibility through a management buy out of the factory in Durach. This would be secured through a manufacturing agreement between Nokia Siemens Networks Germany and SRI Radio Systems, which will continue to be called SRI Radio Systems. In addition to retaining significant business from Nokia Siemens Networks, SRI will also be able to bid for third party orders. With this planned step employees would maintain their employment in the same location with the same successful leadership team. Nokia Siemens Networks continues to have a manufacturing presence in Germany through its factories in Bruchsal, which will continue as a complexity factory for fixed and mobile core systems; and in Berlin which has specialized optical transport equipment production capacity and skills sets. Herbert Merz, head of operations for Nokia Siemens Networks, said, "Germany remains one of our key manufacturing locations, in particular enabling us to serve our European customers with high quality products and short lead times at competitive cost."

Nokia Siemens Networks Germany will continue to cover all key company activities and will remain a major center of employment

"The German operations of Nokia Siemens Networks will continue to cover all key company activities," said Bosco Novak, head of human resources at Nokia Siemens Networks. "The completion of the planned headcount adjustment and employee transfer activities described above confirms that Germany remains a major center of employment and expects to have in the range of 10,000 employees."

The planned changes will prepare Nokia Siemens Networks Germany to remain as a globally focused, flexible and solution oriented organization. Germany will remain an important but focused innovation site with, for example, the lead responsibility for developing the next-generation wireless products that are critical to Nokia Siemens Networks future.

Background

In May 2007, Nokia Siemens Networks confirmed detailed headcount adjustment needs of 9,000 employees globally from an initial base of 60,000. In Germany, which had an initial base of 13,000 employees, Nokia Siemens Networks announced that it was targeting active reductions in the range of 2,800-2,900, and reached agreement with employee representatives on an initial reduction of 2,300, which was completed on May 28, 2008. However, to stay competitive in the face of continuing challenging telecom market conditions, Nokia Siemens Networks must continue - in Germany, as elsewhere - with the decisive steps necessary to ensure the company is strongly positioned in its marketplace. All proposals concerning headcount adjustments are based on careful planning and analysis of the business situation.

About Nokia Siemens Networks

Nokia Siemens Networks is a leading global enabler of communications services. The company provides a complete, well-balanced product portfolio of mobile and fixed network infrastructure solutions and addresses the growing demand for services with 20,000 service professionals worldwide. Nokia Siemens Networks is one of the largest telecommunications infrastructure companies with operations in 150 countries. The company is headquartered in Espoo, Finland.

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