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Connecting People

Nokia and China Huaxin Post & Telecommunication Economy Development Center ("China Huaxin") today signed the definitive agreements of the proposed integration of Alcatel-Lucent Shanghai Bell Co. Ltd. (ASB) and Nokia's China business. The new joint venture will be branded as Nokia Shanghai Bell (NSB).

As a result of today's announcement, the joint venture will become Nokia's exclusive platform in China for the continued development of new technologies in areas like IP routing, optical, fixed and next-generation 5G; and with the support of Nokia, NSB will continue to look for opportunities in select overseas markets.

ASB and Nokia's China business have been effectively operating as one entity since January 2016 when an interim operational agreement was signed.

The closing of today's agreement, targeted to happen in July 2017, is subject to various customary administrative, legal, regulatory and other conditions. Nokia will own 50% plus one share of NSB, with China Huaxin owning the remainder, and the new joint venture will have one board of directors and one management team.

NSB will represent the major part of Nokia's overall Greater China business and fully leverage both shareholders' strengths, including innovation, global scale, efficiency and a deep understanding of the local market; and with the aim of increasing Nokia's market presence in China. It will further Nokia's strategic goals of leading in high-performance networks with communication service providers and expanding to new vertical markets in enterprise, public sector, and cloud/internet companies.

NSB research and development (R&D) will be an integral part of Nokia's global R&D community, with a total of around 16 000 personnel, including 10 000 researchers, working across six R&D sites in China. It will maintain and further enhance Nokia's world-class product and research capabilities in areas that include 5G, IoT and Cloud.

NSB's R&D scope and activities will be carried out according to Nokia's applicable policies, global R&D processes and product roadmaps. NSB will also support strategic initiatives of the Chinese government and engage in long-term research projects aligned with and implementing Nokia Bell Labs' Future X Network.

Rajeev Suri, President and CEO of Nokia Corporation, said: "Today's agreement is historic for Nokia and for China, marking the next step of our decades-long commitment to the country and underscoring China's leading role in developing next-generation communication technologies. Nokia Shanghai Bell will enhance our ability to innovate, helping us strengthen ties with communication service providers and expand to new, fast-growing sectors in need of high-performing networks."

Yuan Xin, General Manager of China Huaxin, said: "We are fully confident in the new joint venture's success during the industry transformation brought by the new technologies like 5G and IoT. The successful combination globally and in China brings together the leading E2E network technologies and most powerful innovation engines from both sides. We're excited to work with Nokia to establish a future-oriented innovative technology company, with a win-win cooperative model for the bigger success in the new era."

About China Huaxin

China Huaxin Post and Telecommunication Economy Development Center is an industrial investment company that seeks long-term commercial growth opportunities in the Information and Communications Technologies (ICT) sector. China Huaxin has extensive global operations and international investment experience. China Huaxin aspires to be a competitive global industry holding group that creates long-term value for its stakeholders and for society as a whole by nurturing and advancing technology innovation in the Information Industry. www.sinohx.com

About Nokia

We create the technology to connect the world. Powered by the research and innovation of Nokia Bell Labs, we serve communications service providers, governments, large enterprises and consumers, with the industry's most complete, end-to-end portfolio of products, services and licensing.

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