

## **Renesas Electronics to acquire Nokia's wireless modem business; companies to form strategic business alliance for modem technology development**

Espoo, Finland and Tokyo, Japan - Renesas Electronics Corporation, a premier supplier of advanced semiconductor solutions, and Nokia Corporation, the world leader in mobile communications, today announced that they are deepening their collaboration by forming a strategic business alliance to develop modem technologies for HSPA+/LTE (Evolved High-Speed Packet Access / Long-Term Evolution) and its evolution.

As part of this alliance, the companies have entered into an agreement whereby Renesas Electronics is to acquire Nokia's wireless modem business for approximately USD 200 million. The alliance is planned to be enhanced by long-term joint research cooperation on future radio technologies.

The planned transfer of Nokia's wireless modem business enables Renesas Electronics to maximize the value of Nokia's technology assets and engineering expertise in delivering advanced mobile platform solutions to the market by combining them with Renesas Electronics' market-proven multimedia processing and RF technologies. Together with Renesas Electronics' robust line-up of application processors, RF transceiver ICs, high power amplifiers, and power management devices, the wireless modem technologies enable Renesas Electronics to deliver a complete mobile platform solution to the market.

The wireless modem business to be transferred to Renesas Electronics includes Nokia's wireless modem technologies for LTE, HSPA and GSM standards, which have been used for billions of handsets in the global market over the years. Further, Nokia transfers Renesas Electronics certain patents related to the transferred technology asset. The planned transfer would also include approximately 1,100 Nokia R&D professionals, the vast majority of whom are located in Finland, India, the UK and Denmark.

The planned transfer is expected to further strengthen Renesas Electronics' position as one of the leading chipset vendors in the 3G and LTE market that is capable of providing one-stop mobile platform solutions, supporting an extensive range of modem protocols from GSM to LTE, and integrating advanced multimedia and computer processing capabilities.

"The agreement with Nokia demonstrates our long-standing commitment to shape the future of advanced mobile platforms and will serve as an important step for us to become a leading mobile platform vendor in the global market. Our collaboration with Nokia will enable consumers to enjoy true mobile cloud computing experiences through our advanced high-speed mobile devices," said Yasushi Akao, President of Renesas Electronics Corporation. "In line with our ongoing efforts to strengthen our business structure, the transferring wireless modem technology and the innovation power and expertise of Nokia's employees will perfectly complement our core competences and serve as the key driving forces in growing our mobile business in the global market."

"Wireless modems are an integral part of today's chipset solutions, and we believe that Renesas Electronics, as one of the key chipset vendors in the market, is in an ideal position to further develop this offering. The alliance enables us to continue to focus on our own core businesses, connecting people to what matters to them with our mobile products and solutions," says Kai Oistamo, Executive Vice President, Nokia.

Renesas Electronics has licensed the Nokia modem since 2009 and the two companies have been working together to develop an industry-leading HSPA+/LTE platform. "I believe that the integration of the world class Nokia wireless modem into Renesas Electronics' strong multimedia processing and RF capabilities, places Renesas Electronics in a strong position in HSPA+/LTE chipsets," says Oistamo.

In order to implement the planned business transfer, Nokia will start the appropriate personnel consultation process with its personnel representatives according to each applicable jurisdiction's labor law requirements. The transfer is subject to regulatory approvals and other customary closing conditions, and is estimated to take place during the fourth quarter 2010.

### **About Renesas Electronics Corporation**

Renesas Electronics Corporation (TSE: 6723), the world's number one supplier of microcontrollers, is a premiere supplier of advanced semiconductor solutions including microcontrollers, SoC solutions and a broad-range of analog and power devices. Business operations began as Renesas Electronics in April 2010 through the integration of NEC Electronics Corporation (TSE:6723) and Renesas Technology Corp., with operations spanning research, development, design and manufacturing for a wide range of applications. Headquartered in Japan, Renesas Electronics has subsidiaries in 20 countries worldwide. More information can be found at [www.renesas.com](http://www.renesas.com).

### **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 1.2 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.

### **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 timing of the deliveries of our products and services and their combinations; B) our ability to develop, implement and commercialize new technologies, products and services and their combinations; C) expectations regarding market developments and structural changes; D) expectations and targets regarding our industry volumes, market share, prices, net sales and margins of products and services and their combinations; E) expectations and targets regarding our operational priorities and results of operations; F) the outcome of pending and threatened litigation; G) 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 H) 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) the competitiveness and quality of our portfolio of products and services and their combinations; 2) our ability to timely and successfully develop or otherwise acquire the appropriate technologies and commercialize them as new advanced products and services*

*and their combinations, including our ability to attract application developers and content providers to develop applications and provide content for use in our devices; 3) our ability to effectively, timely and profitably adapt our business and operations to the requirements of the converged mobile device market and the services market; 4) the intensity of competition in the various markets where we do business and our ability to maintain or improve our market position or respond successfully to changes in the competitive environment; 5) the occurrence of any actual or even alleged defects or other quality, safety or security issues in our products and services and their combinations; 6) the development of the mobile and fixed communications industry and general economic conditions globally and regionally; 7) our ability to successfully manage costs; 8) exchange rate fluctuations, including, in particular, fluctuations between the euro, which is our reporting currency, and the US dollar, the Japanese yen and the Chinese yuan, as well as certain other currencies; 9) the success, financial condition and performance of our suppliers, collaboration partners and customers; 10) our ability to source sufficient amounts of fully functional components, sub-assemblies, software, applications and content without interruption and at acceptable prices and quality; 11) our success in collaboration arrangements with third parties relating to the development of new technologies, products and services, including applications and content; 12) our ability to manage efficiently our manufacturing and logistics, as well as to ensure the quality, safety, security and timely delivery of our products and services and their combinations; 13) our ability to manage our inventory and timely adapt our supply to meet changing demands for our products; 14) our ability to protect the complex technologies, which we or others develop or that we license, from claims that we have infringed third parties' intellectual property rights, as well as our unrestricted use on commercially acceptable terms of certain technologies in our products and services and their combinations; 15) our ability to protect numerous Nokia, NAVTEQ and Nokia Siemens Networks patented, standardized or proprietary technologies from third-party infringement or actions to invalidate the intellectual property rights of these technologies; 16) the impact of changes in government policies, trade policies, laws or regulations and economic or political turmoil in countries where our assets are located and we do business; 17) any disruption to information technology systems and networks that our operations rely on; 18) our ability to retain, motivate, develop and recruit appropriately skilled employees; 19) unfavorable outcome of litigations; 20) allegations of possible health risks from electromagnetic fields generated by base stations and mobile devices and lawsuits related to them, regardless of merit; 21) our ability to achieve targeted costs reductions and increase profitability in Nokia Siemens Networks and to effectively and timely execute related restructuring measures; 22) developments under large, multi-year contracts or in relation to major customers in the networks infrastructure and related services business; 23) the management of our customer financing exposure, particularly in the networks infrastructure and related services business; 24) whether ongoing or any additional governmental investigations into alleged violations of law by some former employees of Siemens AG ("Siemens") may involve and affect the carrier-related assets and employees transferred by Siemens to Nokia Siemens Networks; 25) any impairment of Nokia Siemens Networks customer relationships resulting from ongoing or any additional governmental investigations involving the Siemens carrier-related operations transferred to Nokia Siemens Networks; 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.*

