

Nokia Siemens Networks to lay off up to 5,700

3 November 2009, By MATTI HUUHTANEN , Associated Press Writer

(AP) -- Nokia Siemens Networks said Tuesday it will lay off up to 5,700 workers globally as part of a move to cut annual costs by euro500 million (\$740 million).

The mobile network equipment maker - a joint venture between Finland's Nokia Corp. and Siemens AG of Germany - said it will reduce its five business units to three by January, and strengthen its business through partnerships and acquisitions.

The savings program could include cutting 7 to 9 percent of its current global work force of some 64,000 employees, the mobile network equipment maker said.

The company has been hard hit by waning demand in the recession and cited "changes in the [global economy](#) and competitive environment" for the cost cuts. It said it will also reduce overheads, expand its portfolio and consider acquisitions "where assets would add scale to existing product areas or customer relationships."

"As our customers make purchasing decisions, they want a partner who engages in issues well beyond a traditional discussion of technology," said Rajeev Suri, the new chief executive officer of Nokia Siemens Networks.

The company, formed in April 2007 by Nokia, the world's top mobile phone maker, and industrial conglomerate Siemens, saw a 21 percent drop in sales in the third quarter to euro2.8 billion, with an operating loss deepening to euro1.1 billion, from euro1 million a year earlier.

Last month, Nokia upgraded estimates for the global network infrastructure market, predicting a 5 percent fall in euro terms in 2009, but warned that it expects Nokia Siemens' loss in market share to be bigger than its previous forecast of a "moderate decline."

Nokia Siemens' main rivals in the mobile infrastructure industry are global market leader L.M. Ericsson of Sweden and French-American company Alcatel-Lucent.

Nokia's share price fell was almost unchanged at euro8.66 (\$12.79) in afternoon trading in Helsinki. In Frankfurt, Siemens stock was down more than 1 percent at euro60.78 (\$89.78).

In October, Nokia CEO Olli-Pekka Kallasvuo said the company's networks operations should become "a significant part, as it should be, of the profitability of Nokia, and Siemens too," adding that was "room for new thinking here."

[Nokia Siemens Networks](#), based in Espoo just outside Helsinki, is one of the world's biggest makers of wireless networks. It is a 50-50 joint venture of Nokia and Siemens.

On the Net:

[Nokia Siemens:](#)
<http://www.nokiasiemensnetworks.com>

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