

Nokia to Sell Cheaper Lumias to Challenge Android

By Adam Ewing - Feb 25, 2013

[Nokia Oyj \(NOK1V\)](#), the Finnish mobile-phone maker attempting a comeback, unveiled two cheaper Lumia smartphones and two basic handsets, broadening its portfolio to challenge [Apple Inc. \(AAPL\)](#)'s iPhone and devices using Android.

The Lumia 520 will cost 139 euros (\$185) before wireless-carrier subsidies, Nokia's cheapest handset using the Windows Phone 8 software from [Microsoft Corp. \(MSFT\)](#). The Lumia 720, which includes wireless charging similar to the flagship 920, will cost 249 euros. Both are set to start shipping this quarter, and will be available from carriers including [China Mobile Ltd. \(941\)](#), Chief Executive Officer Stephen Elop said at the [Mobile World Congress](#) in Barcelona today.

The devices will compete with cheaper Android phones from makers such as Huawei Technologies Co. while trying to lure customers who don't want to spend more on an iPhone. The latest iPhone version starts at \$649 and Nokia's high-end Lumia 920 costs about \$500 or more when bought without a carrier contract.

The new Lumias position Nokia "very well to compete against mid-range Android devices," Francisco Jeronimo, an analyst at research firm IDC, said in an e-mail. The phones are set to appeal to carriers seeking cheaper devices and alternatives to the dominant operating systems of Google Inc.'s Android and Apple's iOS, he said.

Windows Apps

Nokia, which reported a seventh straight drop in quarterly revenue last month, advanced 2.2 percent to 2.91 euros at 3:41 p.m. in Helsinki. The stock [has lost](#) more than 80 percent since the iPhone and the Android software were introduced in 2007.

Marco Argenti, the head of developing at Nokia, said the Windows Phone ecosystem is growing at a faster pace as developers take advantage of the Espoo, Finland-based company's investments in location-based services, imaging and entertainment.

"It's more about the quality of the apps than the quantity," he said in an interview. "The momentum of the Windows Phone ecosystem is growing at a faster pace."

Elop has cut more than 20,000 jobs in a bid to revive Nokia after the former smartphone-market leader fell outside the top five in rankings. Nokia sold 4.4 million Lumias last quarter, a fraction of

the 160 million devices shipped by manufacturers using Android and the 48 million iPhones sold by Apple, according to IDC.

Nokia also unveiled the 105 and the 301 for its basic mobile-phone category. The dust- and splash-proof 105 is Nokia's least-costliest phone ever at 15 euros, and it will be available in [Africa](#), [Asia](#) and [Europe](#). The 65-euro 301 comes with video streaming, Web access and e-mail.

The devices are meant to compete against basic handsets from competitors such as Samsung Electronics Co., which announced its Rex set of feature phones this month.

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