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# Nokia share price soars but Microsoft's drops as markets react to deal

by Dan Worth 03 Sep 2013  
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Nokia's share price rose by 40 percent on the New York Stock Exchange as the market responded positively to its [plans to shed its phone unit to Microsoft for €5.44bn](#). The share price climbed [from around \\$4 to as high as \\$5.58](#), although it has since dropped off slightly.

However, Microsoft's share price on the NASDAQ fell by five percent, [from \\$33 to \\$31.3](#), suggesting Redmond's investors are less convinced of the acquisition's business merits.

As the US markets were opening outgoing Microsoft chief executive Steve Ballmer was telling analysts and media that he believes there are clear benefits in the deal for the firm.

"With the deal we can bring a unified brand to the market so our messaging will get a lot simpler. We can do a lot better for consumers than names like the Nokia [Lumia](#) Windows Phone 1020," he said.

"Innovation will also improve as while we have worked together in the past there are some lines that are hard to be innovative on. The Lumia 1020 is an awesome device for imaging but as one company we could have made it ever greater with software and services."

Finally, Ballmer said that business agility would be improved as the deal would ensure all major decisions around marketing or distribution are made in concert, rather than separately.

Ballmer also said the decision by Microsoft to license the use of Nokia's Here mapping tools was good news for the firms and the wider industry too by ensuring Google did not dominate the market on its own.

"It's important there is more than one digital map of the world and with this transaction Microsoft will get the flexibility to integrate Nokia's Here apps into all our experience and the freedom to innovate," he said.

Ballmer also confirmed that despite the purchase Microsoft would continue to make its Window Phone platform available for other OEMs to license and use in devices, as he claimed more firms would be interested in using the platform as the firm "blazes a trail" in the market.

While the markets may have reacted differently to the news, IDC analyst Francisco [Jeronimo](#) said the firm was "blazing a trail" in the market.

"We will probably see more consolidation in the mobile phone market as the multi-play vendors has ended and the market consolidates."

"Nokia realised it didn't have the resources to compete with Apple and [Samsung](#) in the smartphone segment. Instead, it decided to sell itself to Microsoft."

The deal for Nokia is expected to close in late September. Nokia, now set to head up Microsoft's mobile phone unit, [has made him the out and out frontrunner for the top role](#).

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- IT Manager
- Technical expert
- Other

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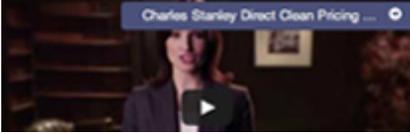




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