

Nokia selloff takes shine off Lumia

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SAN FRANCISCO (MarketWatch) — Nokia Corp. lifted the wraps on its newest Lumia smartphones on Wednesday, though a launch date and price were not specified, leaving investors unclear as to the chances for the new device in a hotly competitive market.



Reuters

Nokia CEO Stephen Elop at an event in New York on Sept. 5 to unveil the new Lumia 920 smartphone.

Nokia's [NOK, -0.48%](#) (NOK1V) shares fell more than 15% to close at \$2.38 on the U.S. market by midday following the event, and closed Helsinki trading off nearly 13%. The stock had previously surged more than 50% over the last six weeks.

One analyst pegged the drop to worries about an unclear launch for the new Lumia devices. Samsung (005930) has already launched its Galaxy SIII for the Android platform, and Apple [AAPL, -0.64%](#) is expected to unveil its latest iPhone next week for a late-September launch.

"A limited Q4 launch will likely be a big disappointment to consensus estimates" for Nokia, said Mike Walkley of Canaccord Genuity.

At a media event in New York City, which was also webcast, Nokia referred to the Lumia 920 as "the flagship" for Windows Phone 8, while the company also unveiled the Lumia 820 designed as a lower-end smartphone. Microsoft [MSFT, -0.37%](#) CEO Steve Ballmer took the stage at the event to tout the platform, but noted that "over the course of a month or two, we'll see the rest of the Windows Phone 8 software." That implies a launch date sometime after mid-October — likely putting the Lumia behind the new iPhone.

The Finland-based mobile-phone maker has placed a large bet on the platform by designing the bulk of its smartphone portfolio for the software, which still has a relatively small market share compared with the iPhone and Google Inc.'s [GOOG, -0.40%](#) Android platforms.

"We are identifying ways to challenge the shortcomings of today's mobile experiences," Nokia Chief Executive Stephen Elop said at the event.

The new 920 device was highly similar in physical design to the previous Lumia 900, with a few tweaks. It features a polycarbonate shell in half a dozen colors, with a curved glass display. It uses Nokia's PureView camera technology as well as Nokia Maps. The device employs a Snapdragon S4 processor from Qualcomm Inc. [QCOM, +0.55%](#)

Ed Snyder of Charter Equity said the new device will likely be considered a disappointment, in that its features are likely not enough to make a strong dent against Apple and Samsung in the smartphone market.

“People were expecting some kind of silver bullet. It was more like a silver bullet to the head,” Snyder said. He added that “even if Nokia made the best possible product they can think of, they face relentless pressure from Apple and Samsung.”

Mark Sue of RBC Capital wrote in an email that the “muted” early reaction to the new Lumia phones, “coupled with competition from market leaders Apple and Samsung may make recovery for Nokia a major undertaking.”

Questions about the new Lumia 920

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Nokia unveiled its new Windows-based Lumia phone at a splashy event in Manhattan on Wednesday, but despite the fanfare, there was plenty of questions left unanswered. Spencer Ante reports on digits.

Microsoft [MSFT, -0.37%](#) shares were up fractionally at \$30.39. The software giant redesigned its mobile platform to a similar code base for its coming Windows 8 upgrade to its flagship operating system, which will launch for PCs and laptops this fall.

Ramon Llamas of IDC wrote in an email that the new phone “will not be a breakthrough change on Nokia’s design.” Rather, the capabilities and software will be key for the company to appeal to consumers.

“The lack of awareness of the OS will continue to be the major problem for Nokia,” Llamas said, adding that “the support of other OEMs is key, and the latest Samsung vs. Apple lawsuit will trigger the investment and speed up the road maps on Windows Phones.”

The new Lumia 920 also features wireless charging capabilities. Nokia will sell several accessories to enable this sort of charging, including a speaker dock built by JBL that will play music and charge the phone without a plug connection.

At another event in New York on Wednesday, Google’s Motorola Mobility unit unveiled three new Droid RAZR smartphones for the fall season, including a smaller-screen RAZR M that will cost \$99. [Read more about Motorola’s new RAZR smartphones.](#)

Apple is hosting its own event on Sept. 12, where it is expected to unveil its next iPhone model.



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