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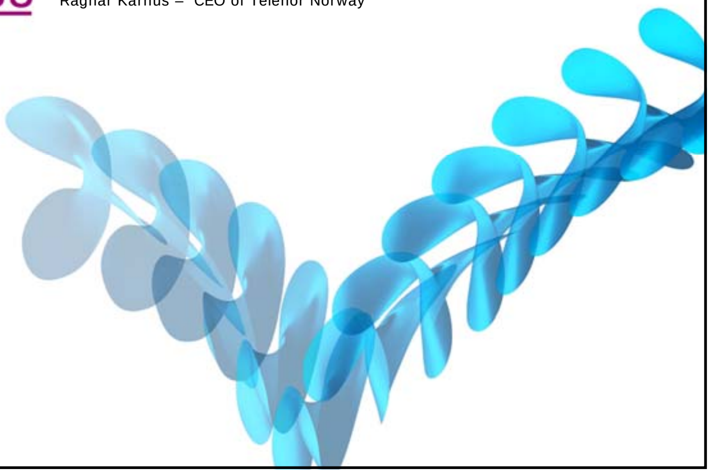
# Telenor Norway

Ragnar Kårhus – CEO of Telenor Norway

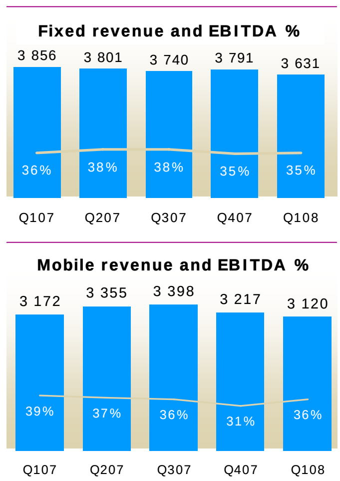


## 150 years of industry leadership

- Customer relationship with 70% of population
- Comprehensive service portfolio
- Strong quality perception
- Superior network coverage and quality
- Commitment to constant renewal

## Maintaining a solid performance

- Stable market shares and ARPU
- Successful implementation of cost reductions in Fixed
- Solid underlying retail revenue growth in Mobile
- Recovery in Mobile EBITDA margin




Revenues in NOK mill.EBITDA margin before other items

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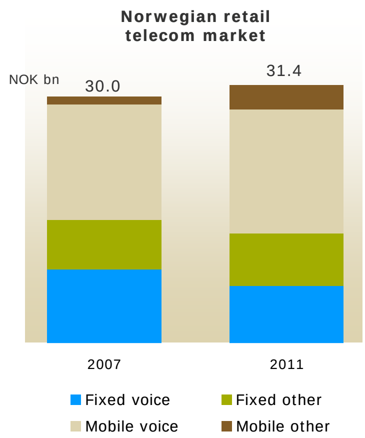
## Strong underlying market dynamics

- Fixed to mobile substitution in voice market
- Substitution from DSL to fibre
- Increasing demand for mobile broadband
- Business customers demanding integrated solutions




Source: NPT/Telenor estimate

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## Competitive environment

- Consolidation of mobile customer bases
- Mobile players focusing on on-net pricing
- Broadband competition driven by fibre and triple play
- Window of opportunity for VoIP players closing in
- Content providers complementing telecom operators

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## Financial ambitions for 2008

**Mobile**

- **Low single digit** revenue decline
- EBITDA margin **mid thirties**

**Fixed**

- **Around 3 %** revenue decline
- Operating cash flow of NOK **3.5 bn**

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## Mid term ambitions

**Telenor Norway**

- Revenue **growth**
- EBITDA margin **above 35%**
- Operating cash flow of NOK **7.5 bn**

**Focus areas**

- Improve cost efficiency
- Manage voice position
- Capture fair share of new revenues

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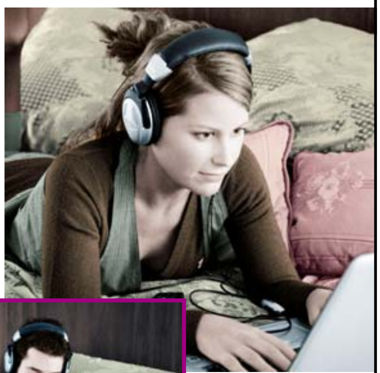
## Cost reductions enabling expansion into new services

- Sales and marketing
- Simplification of processes and systems
- General and administrative costs

**Around 5% gross annual decrease in opex**



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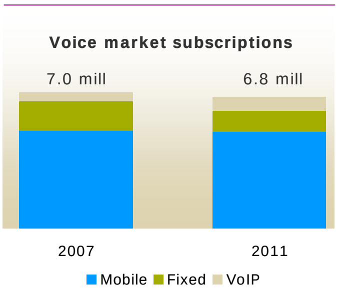
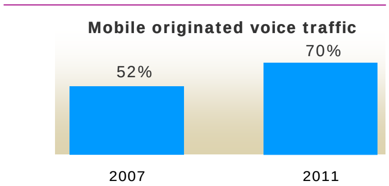
## Managing voice market position

- Competitive pricing of fixed voice
- Community price plans key to mobile churn reduction
- Talkmore addressing price hunters
- Djuice targeting youth segment




Source: NPT/Telenor estimate

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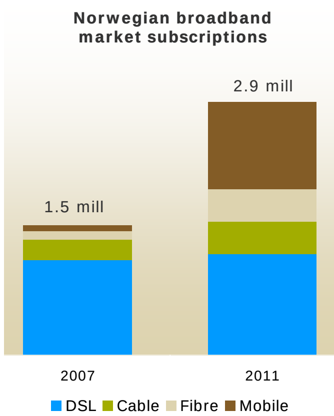
## Continued growth in broadband market

- Fixed broadband household penetration to reach 80% in 2011
- Fibre major growth area within fixed broadband
- Mobile broadband primarily a complement to fixed broadband




Source: NPT/Telenor estimate

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## Fibre roll-out initiated

- Selective roll-out in urban areas
- First customer signed up in May
- Triple play service offering
- Around 120k households connected within four years

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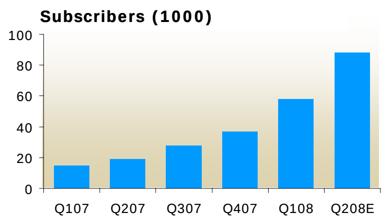
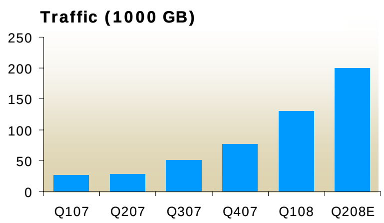
## Rapid uptake of mobile broadband

- Close to 100k subscribers
- ARPU of around NOK 250
- HSPA roll-out accelerated
- 4G licence in place

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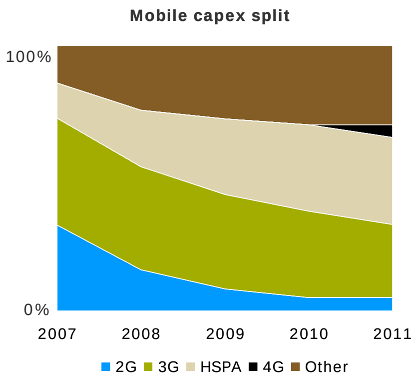
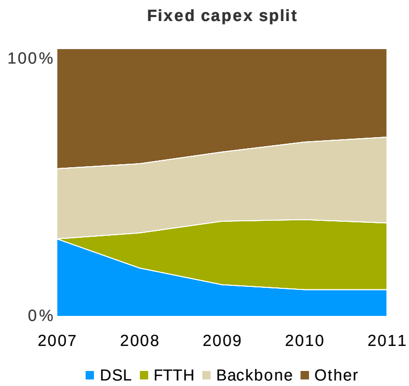
## Capex reallocation to support growth initiatives

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## Summary

- Maintain market leader position
- Continue efficiency improvements
- Capture growth opportunities
- Committed to financial ambitions


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