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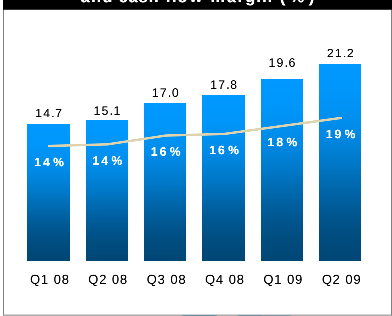
Financial priorities

Trond Westlie, Chief Financial Officer

Delivering on financial priorities for 2009

- Adjust activities to economic slowdown
- Focus on operating cash flow
- Improve cost efficiency and strengthen capex discipline
- Maintain revenue market shares

4 quarter rolling op. cash flow (NOK bn) and cash flow margin (%)



All figures including Kyivstar. Operating cash flow excluding licences and spectrum and defined as EBITDA before other items – capex.

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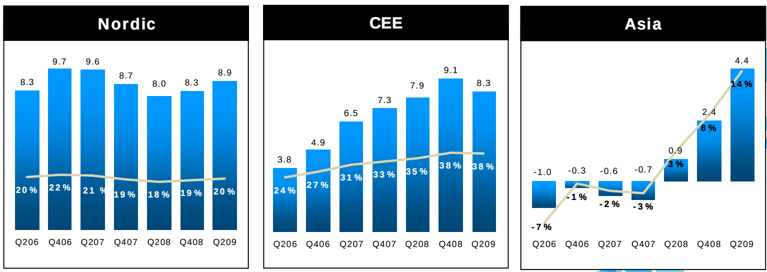
Cash flow margin improvement in all regions

4Q rolling operating cash flow (NOK bn) and cash flow margin:



CEE incl. Kyivstar. Operating cash flow excluding licences and spectrum and defined as EBITDA before other items – capex.

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Revised management model providing increased flexibility

- From annual budgets to quarterly dynamic forecasts
- Better alignment of strategy and day-to-day operation
- Continuous follow-up of performance relative to strategy and financial ambitions
- Improved ability to respond to changes and initiate necessary actions

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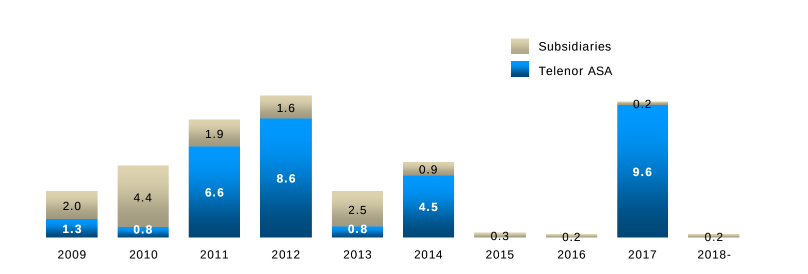
Good funding position

Debt maturity profile (NOK bn) per 31 Aug 2009



- Committed credit lines of NOK 26 bn and uncommitted NOK 56 bn at Telenor ASA level
- Repaid Telenor ASA debt of NOK 4.4 bn in Q309
- Unitech Wireless bridge facility of INR 50 bn (NOK 6.4 bn) to be followed by long term financing in 2010

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Outlook for 2009 maintained

Group*	incl India	excl India
Organic revenues:	In line with 2008	In line with 2008
EBITDA:	32-33%	Around 34%
Capex/sales:	16-19%	13-15%

India	
Organic revenues:	Marginal
EBITDA loss:	NOK 1.5 - 2.0 bn
Capex:	NOK 3.5 - 4.5 bn

*) Outlook on Group figures incl. Kyivstar, assuming Group structure and exchange rates as of 30 June 2009. EBITDA before other items. Capex excl. new licences and spectrum.

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Mid term financial ambitions

Revenue market share	Keep or improve
Cash flow margin	Improve
India	Deliver according to plan

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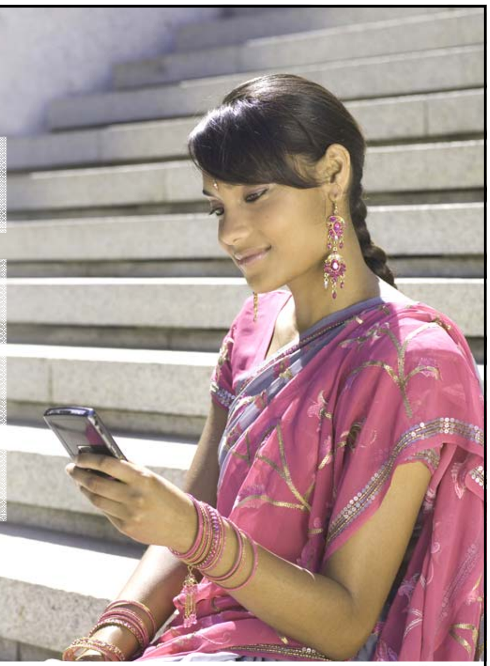
Mid term revenue growth to be driven by Asia

- Market recovery, however differences between markets
- Penetration growth in India, Bangladesh and Pakistan
- Mobile broadband and data services picking up
- Continued top-line pressure from regulation



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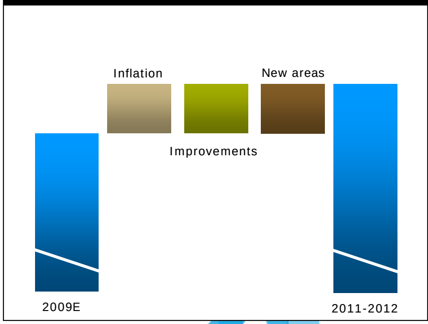
Improving operational efficiency

- Focused sales and marketing
- Improve site and network efficiency
- Actively explore network sharing
- Continuously adjust cost base to revenue development

Opex development excl. India



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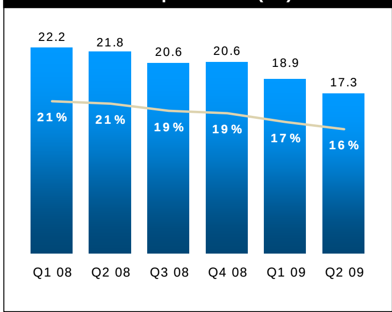
Capex/sales expected to trend down

- Most of 2G coverage capex already taken
- Market driven approach to 3G
- Significant price reductions on both 2G and 3G equipment
- Actively explore network sharing
- Evaluating new spectrum on a case-by-case basis

4 quarters rolling capex (NOK bn) and capex/sales (%)



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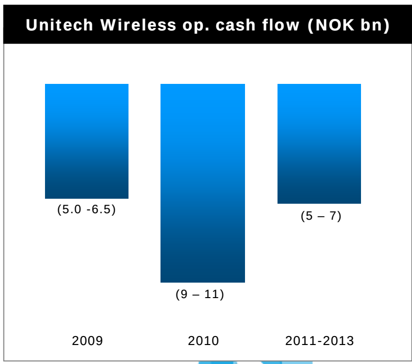
Deliver according to plan in India

- EBITDA breakeven approx. 3 years after launch
- Operating cash flow breakeven approx. 5 years after launch
- Service launch expected late 2009
- Accumulated OCF loss of NOK 22 bn before OCF breakeven



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Priorities for capital allocation

1	Maintain a solid balance sheet
2	Return to an attractive shareholder remuneration
3	Disciplined and selective M&A

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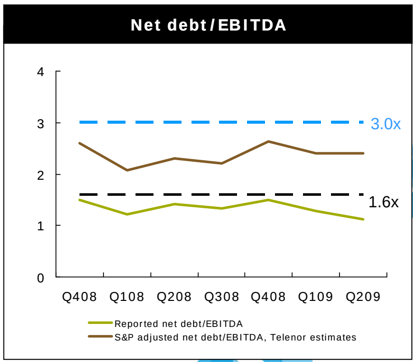
Keeping reported net debt/EBITDA below 1.6x

- Rating agencies such as S&P adjust for emerging markets and pro-rata ownership
- Q209 reported net debt/EBITDA of 1.1x corresponds to fully adjusted net debt/EBITDA of around 2.4x
- S&P has stated that A- will require adjusted net debt/EBITDA ratio below 3.0x



EBITDA before other items. Excl Kyivstar

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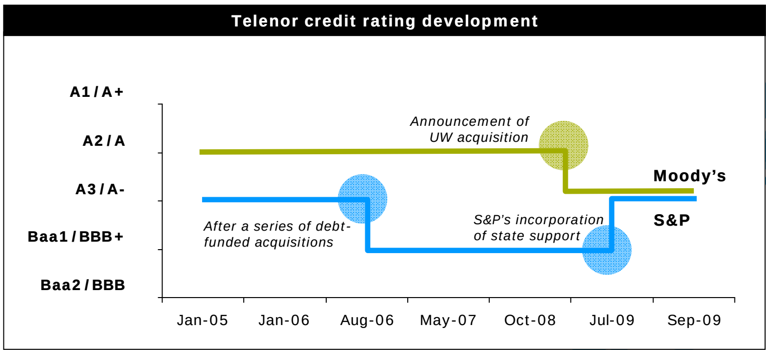
Ensure access to funding through a solid investment grade rating



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Resume dividend payments for FY 2010

- No capacity for dividend payout for FY 2009
- Dividend policy resumed from FY 2010 payable in 2011
  - Distribute 40-60% of normalised net income
  - Aim for a nominal increase in dividend payout
- Little room for share buybacks mid term

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Disciplined and selective M&A

Acquisitions	• No major acquisitions mid term • Cautious and selective approach to smaller deals • Selective in-market opportunities
Disposals	• Selective disposals of non-core assets • Timing will depend on market conditions • Focus on value maximisation
Structural deals	• Selectively consider in-market consolidation through mergers • Selectively consider separation/combination of tower assets

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M&A based on a number of assessment criteria

- Uniqueness and differing risk profiles between markets necessitates a holistic approach
- Long-term cost of capital
- Investment based on inherent risk/reward potential

Summary

- Delivering on financial priorities for 2009
- Mid term ambition to increase cash flow margin
- Keep reported net debt/EBITDA below 1.6x
- Resume dividend payments for FY 2010, payable in 2011