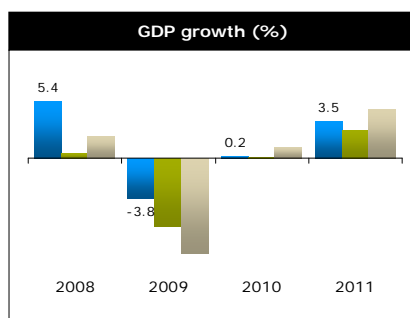
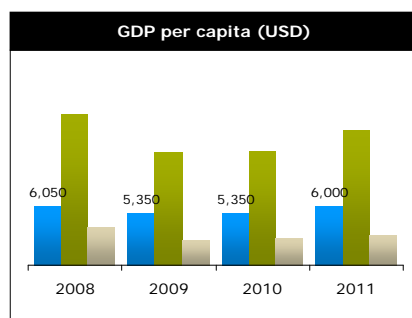


Telenor Serbia

Kjell-Morten Johnsen, CEO

Financial crises will continue to hit Serbia in 2009-2010

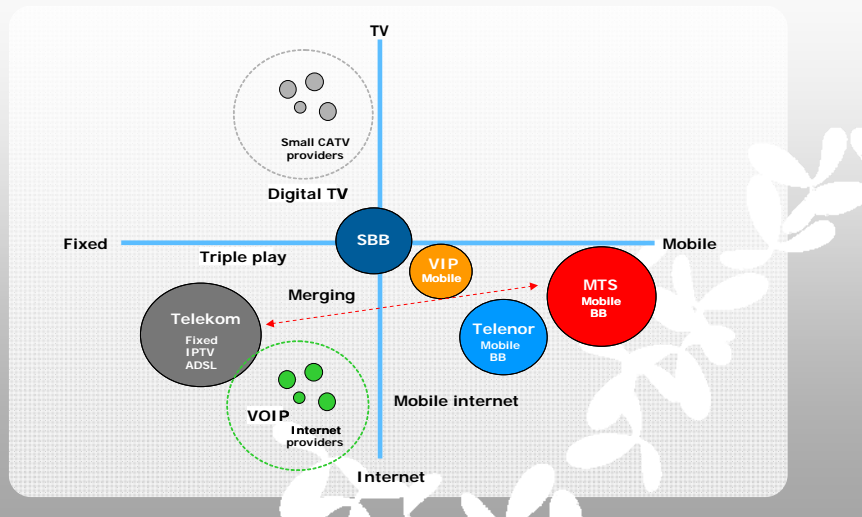


■ Serbia
■ Hungary
■ Ukraine

Source: Business Monitor International, IMF

2

Competition in an evolving market



3



Active approach in development of regulatory and business environment in Serbia

- Ministry of Telecommunications and Information Society
- RATEL*
- Corporate social responsibility
- Internet parks

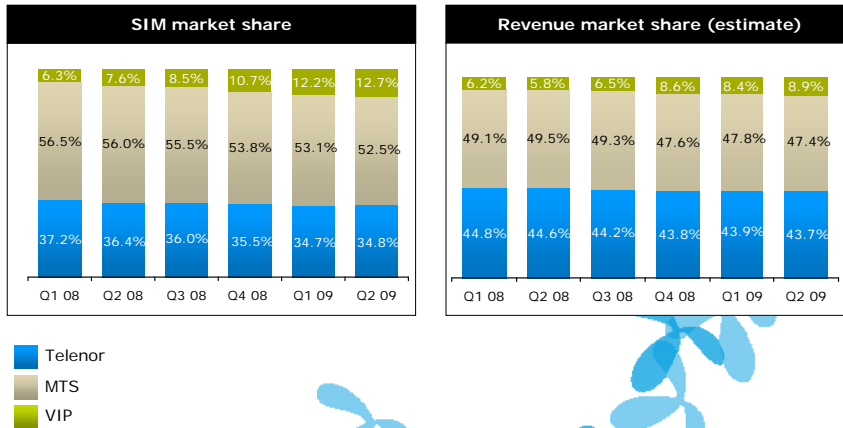


* The Republic Telecommunication Agency of Serbia

4



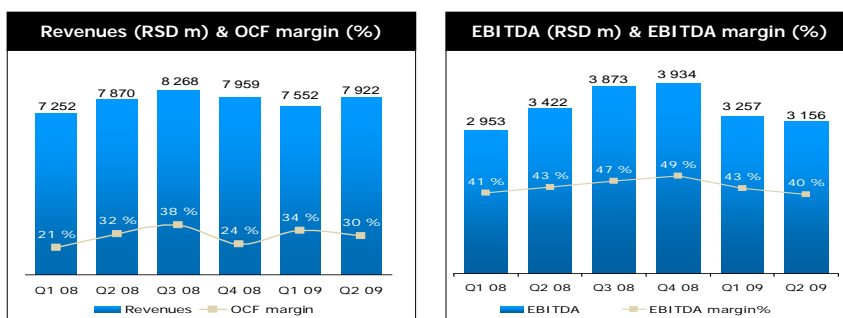
Sustaining revenue market share in a changed competitive environment



5



Revenues and EBITDA development



Operation cash flow defined as EBITDA before other items - capex

6



A new approach to distribution

- Maintaining the largest footprint
- A change in strategy (push/pull)
- Increasing efficiency

Direct

- 42** own shops
- 25** mobile consumer sales teams
- 75** B2B sales consultants

Indirect

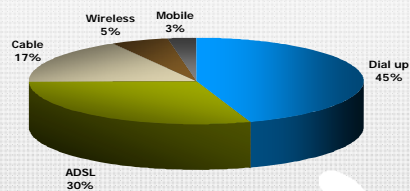
- 18,000** Telenor Direct
- 100+** POS dealer network

7



Taking a strong position in a developing broadband market

- We are aiming at:
 - Shared number 1 in mobile broadband
 - Strong position in the overall broadband market




Source: RATEL telecommunication report for 2008



- Fair usage policy
- Free internet parks

8





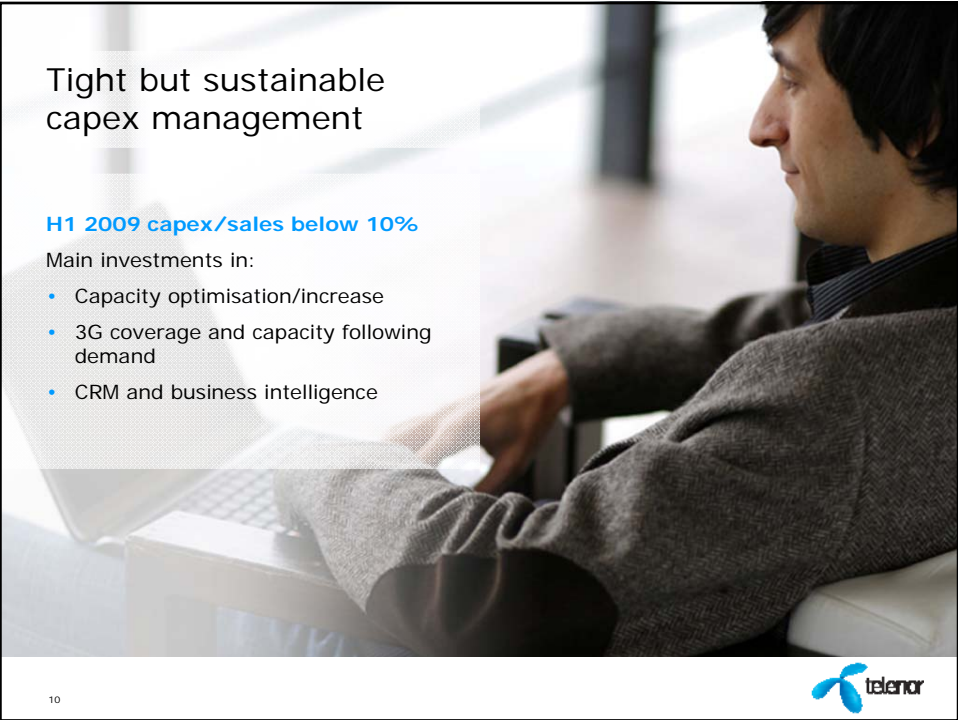
Hard look into operational expenses

Managing operational expenses to pre-empt challenges in a zero growth environment

Some ongoing initiatives:

- Network, operation and maintenance costs
- Renegotiations with vendors
- Optimisation of distribution

9



Tight but sustainable capex management

H1 2009 capex/sales below 10%

Main investments in:

- Capacity optimisation/increase
- 3G coverage and capacity following demand
- CRM and business intelligence

10



Financial outlook and ambitions 2012

Revenue market leadership	Shared number one
EBITDA margin	Above 40%
Operating cash flow margin	Above 30%

11



Summary

- A new approach to distribution
- Taking a strong position in broadband
- Hard look into operational expenses
- Tight but sustainable capex management

WHILE

Sustaining revenue market share
in a changed competitive environment

12

