Telenor in Asia

Sigve Brekke, Head of Asia Region, Telenor Group

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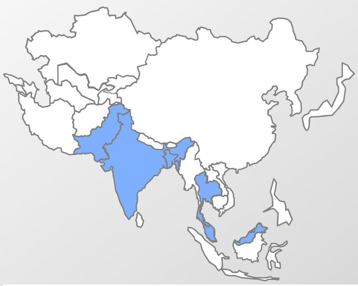
More than 10 years of Asian experience



- 4-8% annual GDP growth
- Young demographics - 25 years median age
- Growing middle class and urbanisation
- Commodity prices and inflation
- Data services picking up
- Regulatory challenges

Country	Year of investment	Market position (SIM)	Subscribers (millions)	Revenues H1 2010 (NOK m)	OCF margin H1 2010 (%)
Bangladesh	1997	1	27	3,125	40%
Malaysia	1999	3	8	4,801	36%
Thailand	2000	2	21	6,504	29%
Pakistan	2005	2	24	2,310	16%
India	2009	8	4	156	n.a.

Market position and subscribers at the end of Q210.
Operating cash flow (OCF) defined as EBITDA before other items – capex excluding licences and spectrum.
* Source: The World Factbook-CIA 2010

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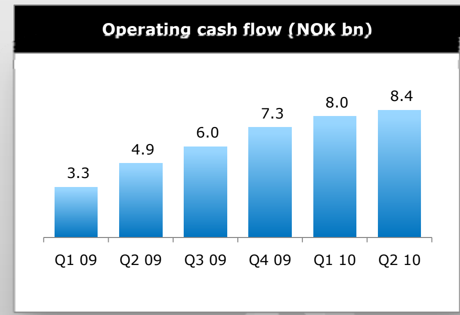
Increasing cash flow from established operations

- Strong revenue growth
- General cost focus
- Reduced equipment prices
- Improved network utilisation
- Going forward:
  - Operational excellence
  - Asset light



Operating cash flow defined as EBITDA before other items – capex excluding licences and spectrum. 4 quarters rolling. Not including India

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Telenor knows how to operate in emerging markets

- Cash economies
- Small sachets and daily top-ups
- High churn (30-90%)
- No handset subsidies
- Multi-SIM share (20-30%)
- Wide distribution reach and big volumes

	APPM Q210 (USD cent)	EBITDA margin H1 2010	Points of sale*
DiGi	6.7	44%	8k
DTAC	2.7	34%	16k
Telenor Pakistan	1.4	31%	150k
Grameenphone	1.2	49%	120k
Uninor	0.9	-	250k

* Points of sale for SIM and handsets only

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Our key capabilities

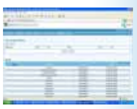
- Distribution
- Business intelligence
- People

A distinct distribution model across Asian markets

Field Sales Force

- Sales tracking
- Retail Service Management
- Feedback loop

Web-app for Distributor



- Inventory management
- Channel profiles
- Route mgmt
- National registration

Integrated systems platform

- Integrated processes and workflows

Measurement & Incentives

- Performance management across sales value chain

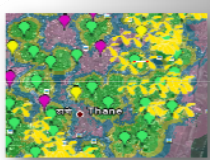
Retail relationship

- Personal (tracked)
- Service norms
- Payment

Market communication

- Tracking trade material

Next step



Geographical view

Integrating data:

- Distributor
- Retail
- Network load
- Product usage
- Market potential
- Business Intelligence

Making business intelligence a key capability

Source
- Distribution/retail
- Network performance
- Customer usage
- Call center
- Customer interactions
- Top-up/payments

Data warehousing & Business intelligence

Usage
- Micro-segmentation
- Product bundling, cross-selling, up-selling
- Better customer experiences and reduced churn
- Making better and faster decisions
- On the street activities




Supported by hands-on management

- Developing local talents
- Encouraging mobility
- Leveraging Telenor Way
- Sharing across Asia
- Performance-driven culture
  - Clear strategy and targets
  - Empowerment
  - Measurement and incentives

Our new initiatives

- Mobile internet
- Financial services
- Asset light

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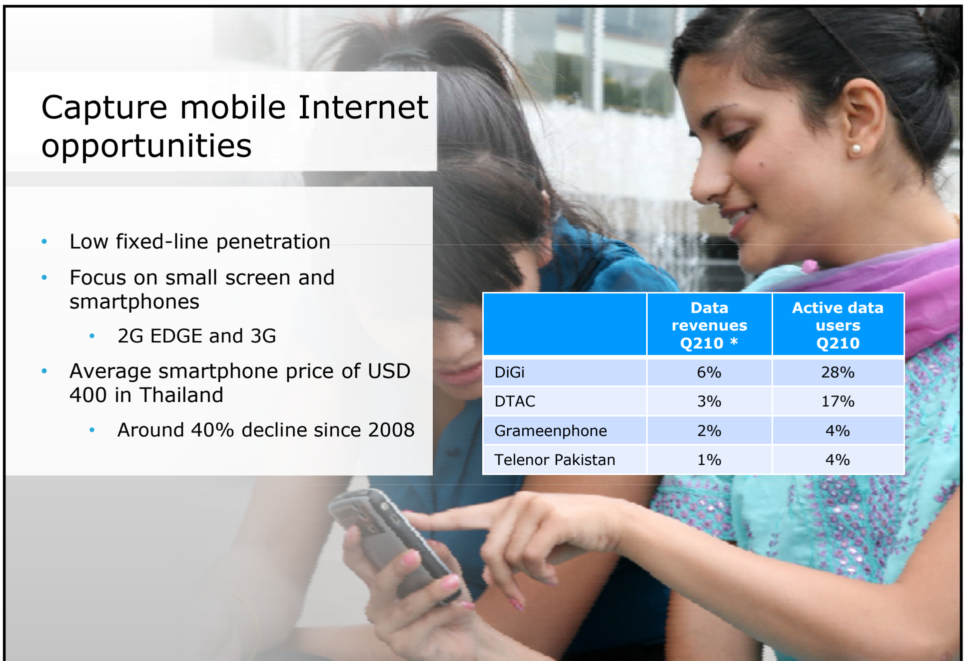

Capture mobile Internet opportunities

- Low fixed-line penetration
- Focus on small screen and smartphones
  - 2G EDGE and 3G
- Average smartphone price of USD 400 in Thailand
  - Around 40% decline since 2008

	Data revenues Q210 *	Active data users Q210
DiGi	6%	28%
DTAC	3%	17%
Grameenphone	2%	4%
Telenor Pakistan	1%	4%

*Share of mobile revenues from own subscribers. Not including SMS.

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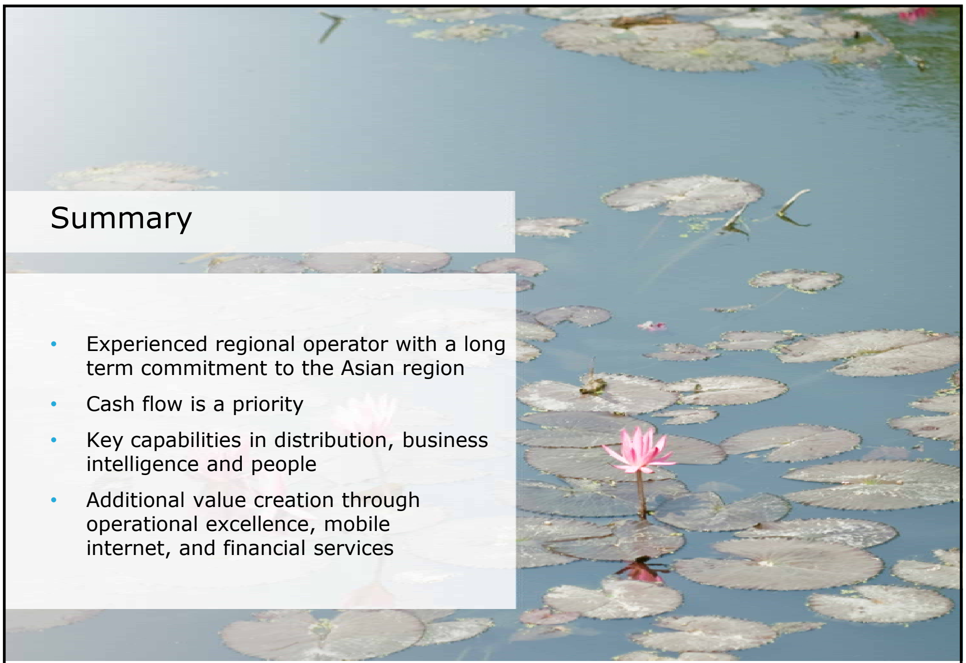
Using our distribution strength to offer mobile financial services

- Large unbanked population in South Asia (over 60%)
- Our offerings
  - Bill payment
  - Mobile wallet
  - Domestic and international remittances
  - Insurance
  - ATM SIM
- Opportunistic approach – low investment and one step at a time
- Regulatory differences

Asset light as the way forward

- Potential 30% opex and capex savings from infrastructure sharing
- Exploring several initiatives
  - Tower sharing
  - Active infrastructure sharing
  - IT outsourcing
  - Operation and maintenance
- Low upfront cost and faster rollout
- Reduced network opex



Summary

- Experienced regional operator with a long term commitment to the Asian region
- Cash flow is a priority
- Key capabilities in distribution, business intelligence and people
- Additional value creation through operational excellence, mobile internet, and financial services

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