Capital Markets Day
13 February - 2004

The Norwegian Market

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telenor

Agenda

1. Overview
2. Fixed and broadband services
3. Mobile services
4. Summary

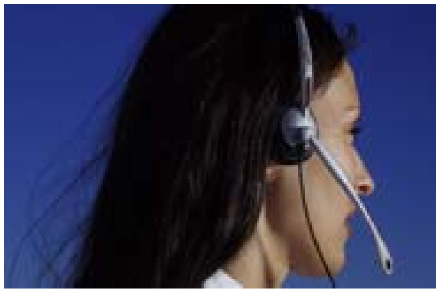
Our challenges at the start of 2003

Customer service levels

Price perception

Brand differentiation

Results achieved during 2003



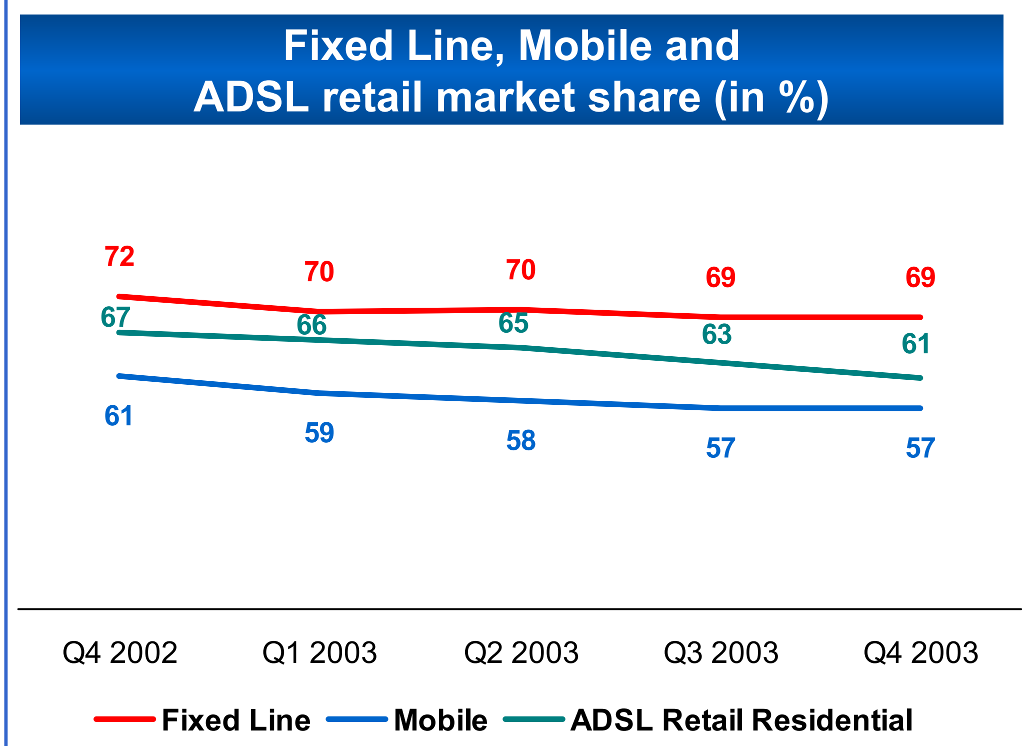
- Service levels improved significantly
- Best customer service award for fixed line and mobile
- Highly automated customer service

- Improved mobile preference and competitiveness
- Improved price perception

- Highly differentiated with service and coverage as mobile key selling points
- The only business service provider with complete product platform
- Strengthened distribution power

Telenor in the Norwegian market

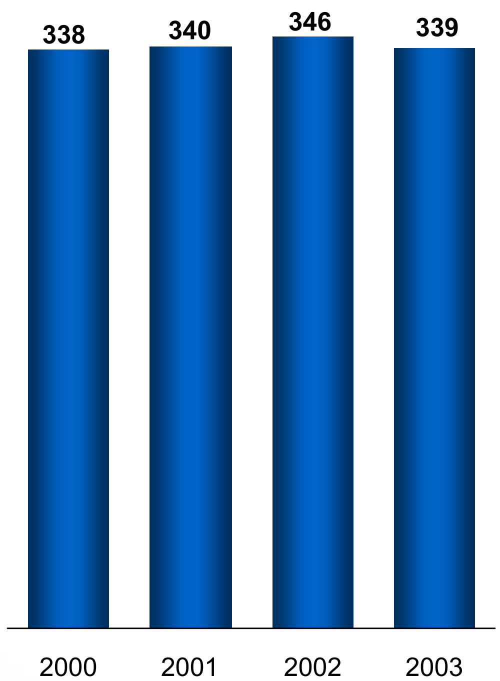
- An increasingly competitive arena
- Pressure on market shares
- Maintaining a strong position



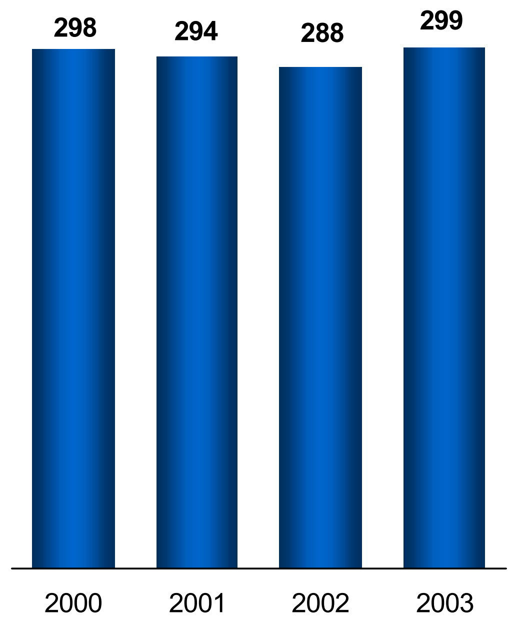
*ADSL Q4 2002 and Q1 2003, recalculated figures

Strong average revenue per user

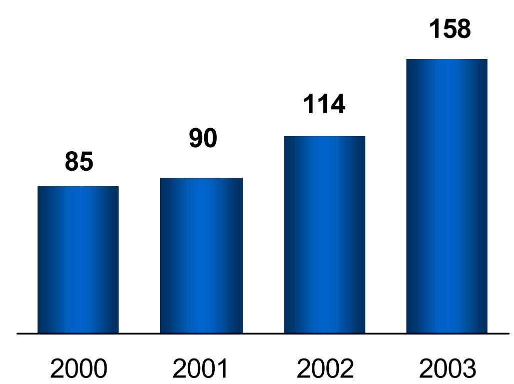
Mobile



Fixed Line residential retail market



Internet residential



Figures in NOK

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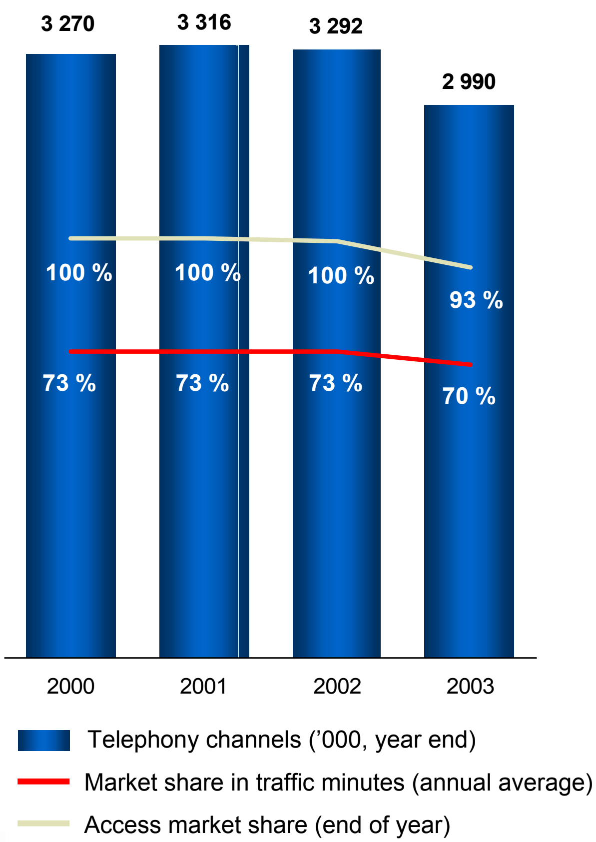
The Norwegian fixed line retail market

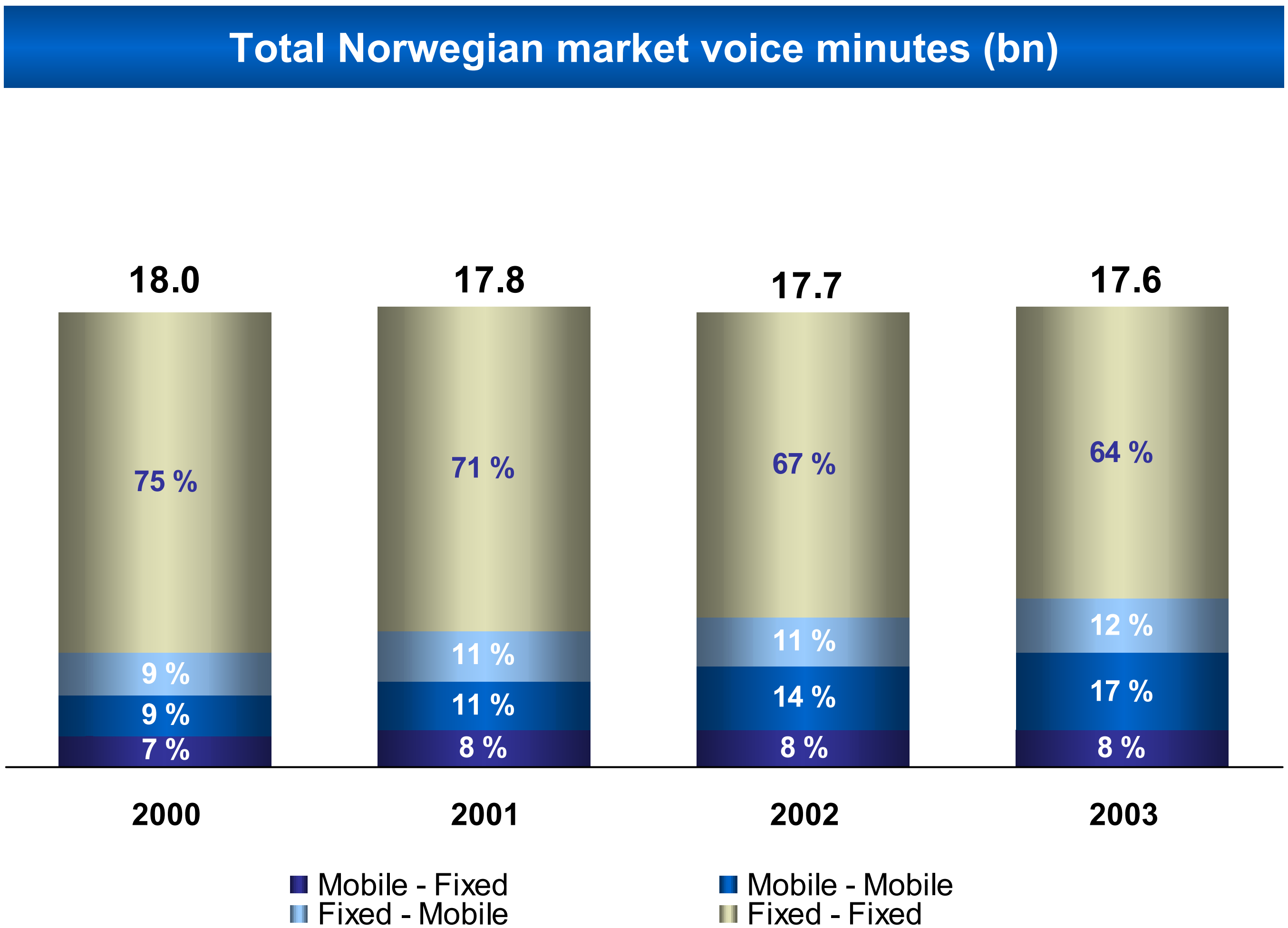
Telenor fixed line retail market share



Norwegian market status and trends

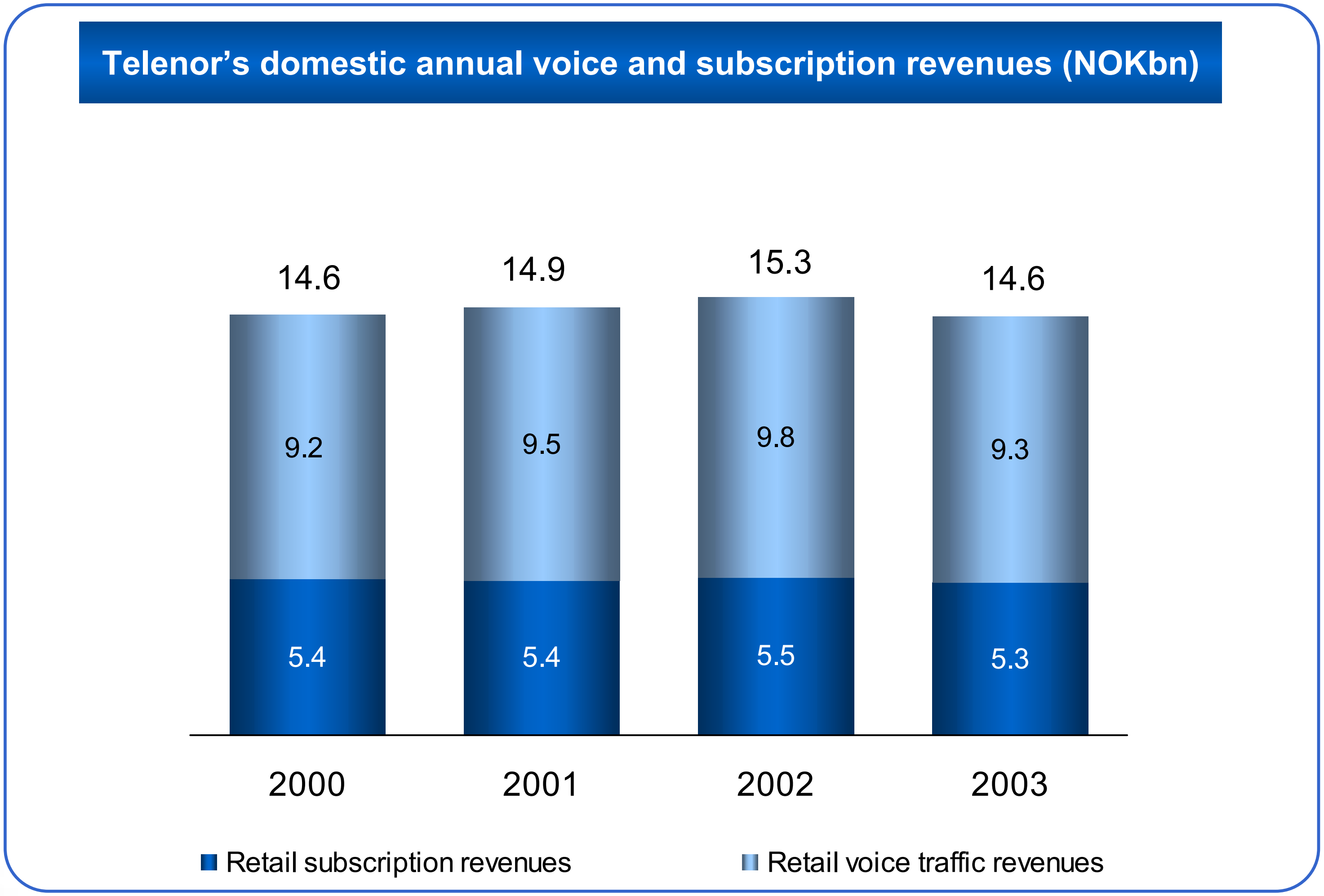
- Limited revenue impact from Wholesale Line Rental (WLR)
- Competitors focus on price
- Data traffic migration to ADSL continues
- Stabilised market share with churn prevention and win-back activities
- Churn prevention through telemarketing
- Fixed to mobile substitution continues

Stable voice market – fixed mobile conversion



Telenor analysis

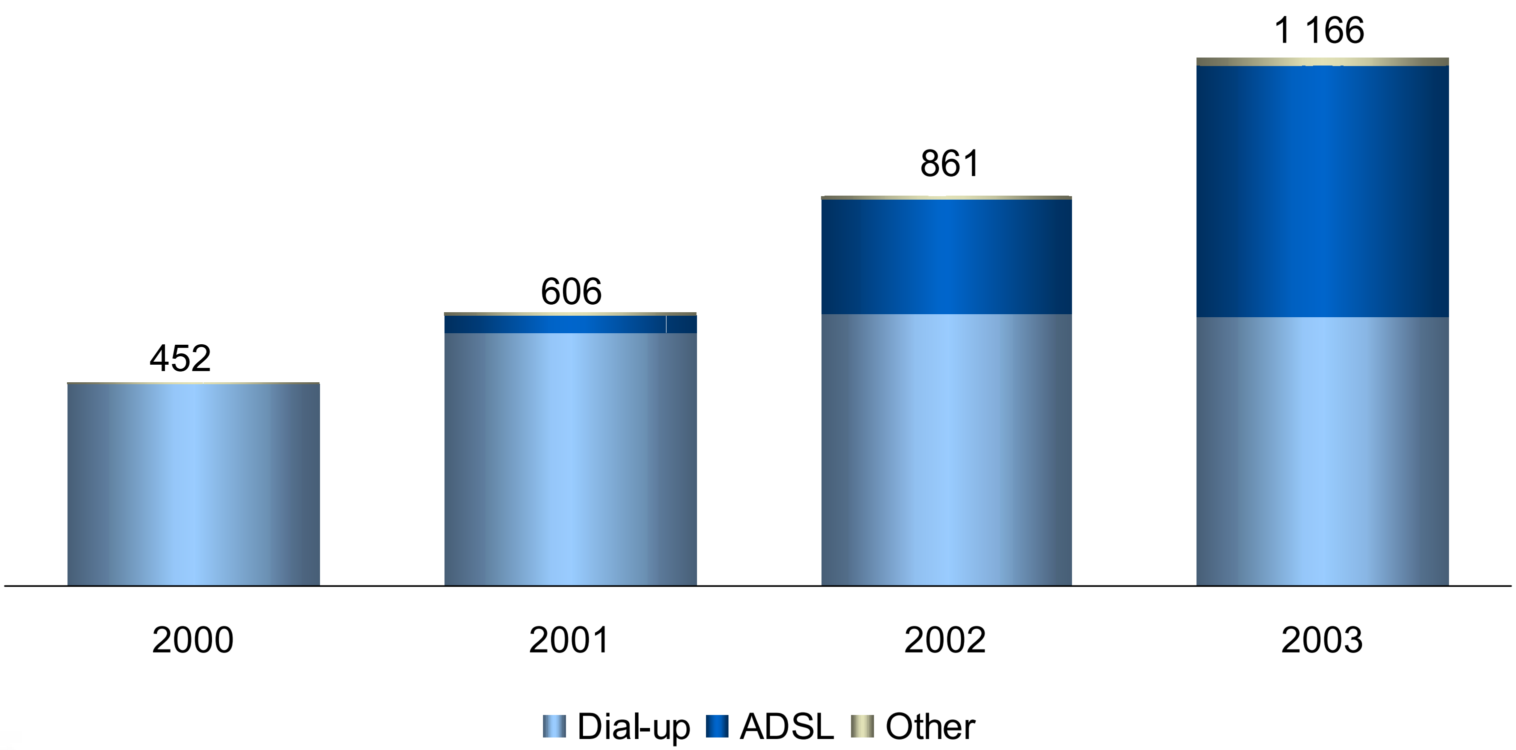
Telenor's retail voice evolvement



Telenor analysis

Migration to ADSL increases Internet revenues

Total revenue Telenor Internet residential (NOKm)

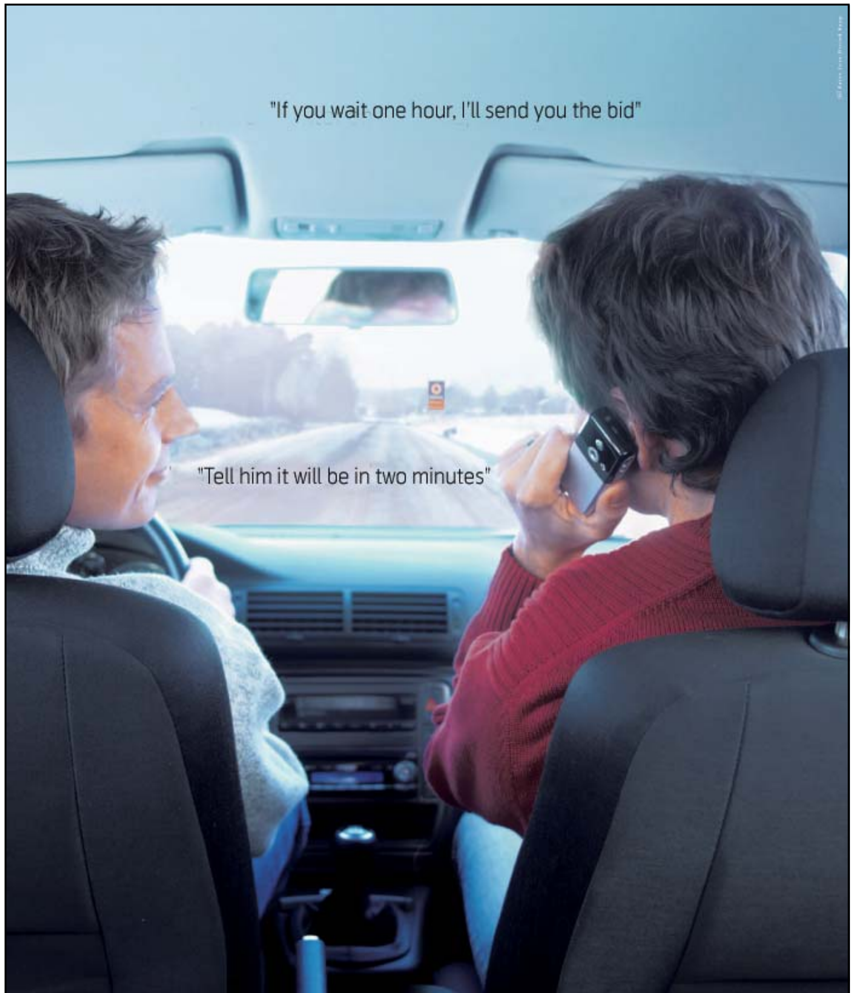


Telenor analysis

Voice over IP (VoIP)

Diversified migration strategy

Business market	Consumer market
• An integrated part of our business market VPN-services • Focusing on VoIP as a value added service – not a “for free” product • Growing interest through IP-VPN – VoIP integration in IP-VPN – Extended IP-PBX portfolio with among others call-centre functionality	• Consumer products still early in product life cycle • One operator with consumer VoIP products, but no major threat • No customer friendly solutions expected to be commercially available in a 12 month perspective • Expects slow pick-up in demand



With Telenor you can work in more than 300 wireless zones in Norway

Enkelte ganger er ikke en mobiltelefon nok til å være mobil. Det merker du fort hvis du er underveis store deler av arbeidsdagen. Derfor gjelder det å ha mobile løsninger som er effektivt og optimalt tilpasset jobbsituasjonen.

Som de eneste i Norge kan vi tilby Trådløs Sone™ på over 300 steder rundt om i landet, bl.a på Statoils bensinstasjoner – og vi setter stadig opp flere. Soner som gjør at alle med en PC med WLAN-kort kan koble seg sikkert opp mot bedriftens interne nettverk, lese e-post eller surfe på Internett.

For mobile bedriftsløsninger er så mye mer enn mobiltelefoner. Det handler om å ha de løsningene som passer optimalt sammen uansett hvor stor eller liten bedriften er. Man kan se på det som en måte å gjøre de ansatte mer fornøyde – og bedriften mer lønnsom.

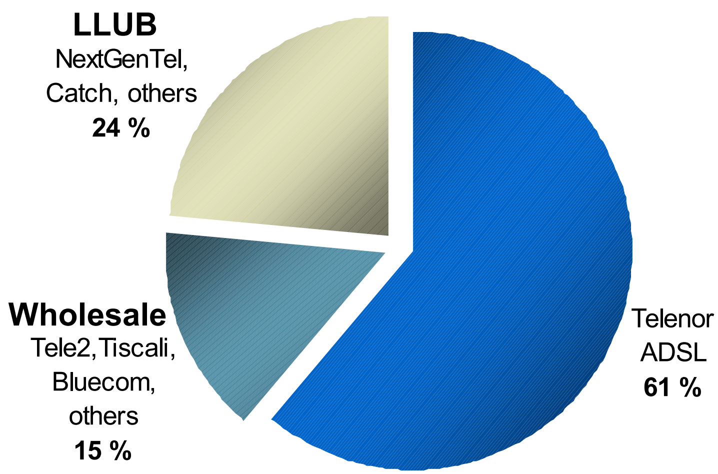
For mer informasjon om mobile bedriftsløsninger, ring **815 48800** eller gå inn på **telenor.no/bedrift**

No one have more mobile business solutions than Telenor Mobile. Some have less.

telenor

The Norwegian residential ADSL market

ADSL residential market shares



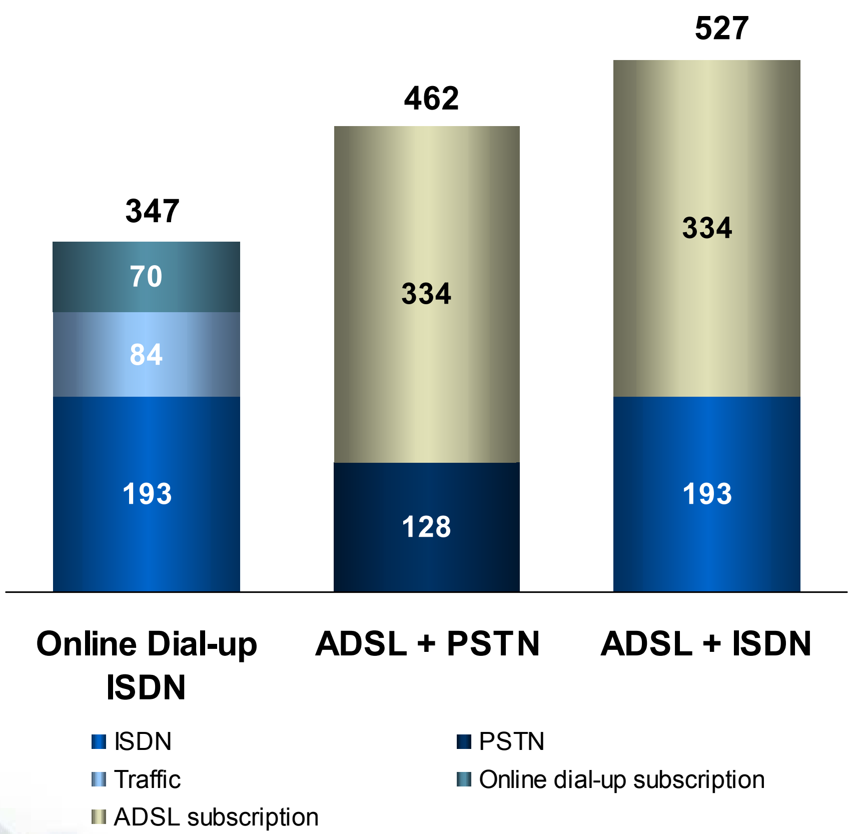
Competition in Norwegian market 2003

- ADSL penetration from 9% to 17% in 2003
- Telenor only provider with volume based pricing strategy
- Wholesale competitors more aggressive throughout the year
- LLUB geographic and bandwidth focussed
- Cable companies introduced low band connections (256 Kbps or 64 Kbps)
- Cable market share drops from 30% to 22% during 2003

Source: Telenor estimates

ADSL increases revenues

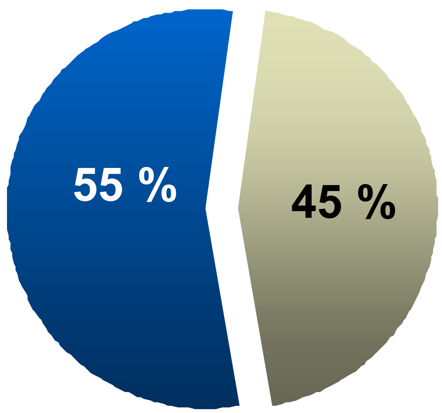
ADSL is driving ARPU (NOK)



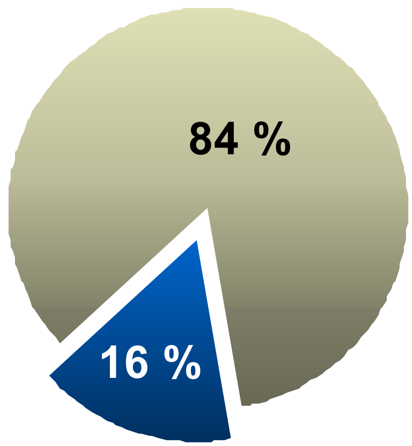
- Average Telenor residential Internet ARPU (dial-up+ADSL) grows
  - 114 NOK/month 2002
  - 158 NOK/month 2003
- 80% ADSL subscription growth in 2003
- Less than 5% ISDN customer convert to PSTN
- 6 % of ADSL customers do not have fixed line voice services

Results from volume-based pricing

Entering 2003
45% of our ADSL customers had a volume cap product



End of 2003
84% of our ADSL customers have a volume cap product



Experiences..

- 160 000 customers bought approximately 50 000 refills
- Increases sales on low end customer base
- Low priced products with volume limitations works well as a penetration product

But..

- Still need to educate customers to increase usage

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3. **Mobile services**
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09 00
Telenor Mobile has 24 hour personal customer support. Every day.
Throughout the year. You might never need us. But why take the risk?
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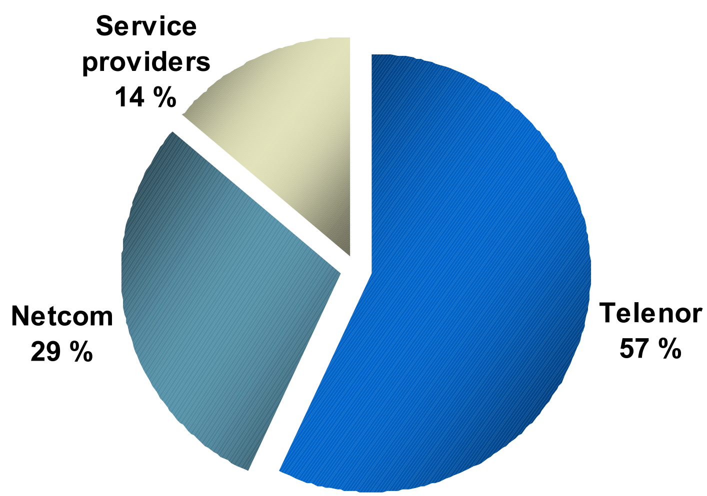
Telenor Mobile. 24 hour personal customer support.

The Norwegian mobile market

Mobile

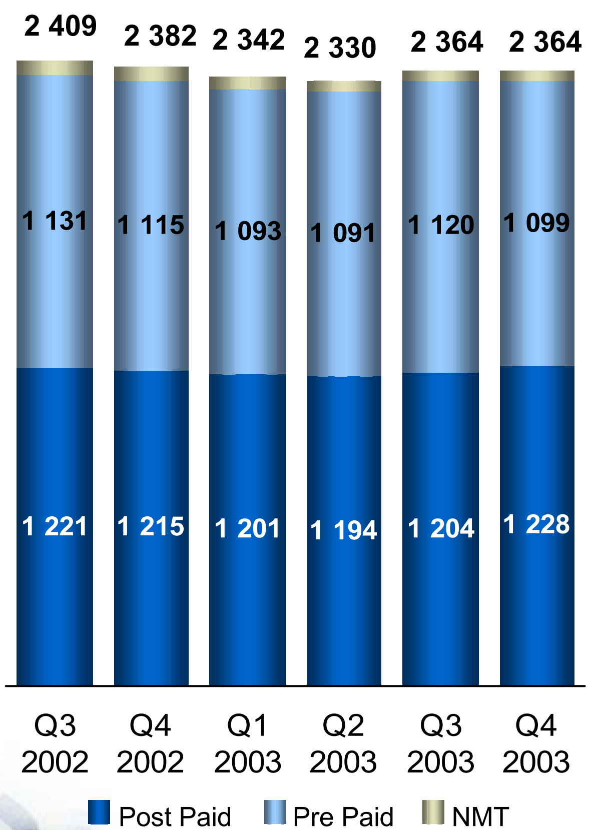


Norwegian Market status and trends

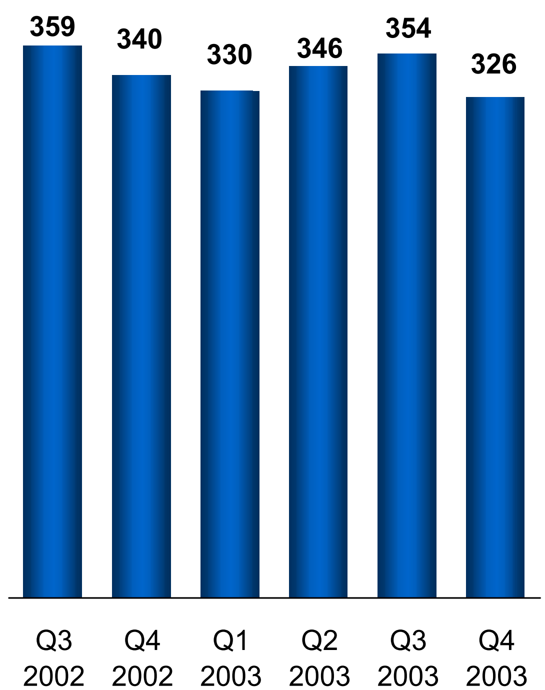
- Continued strong competition
- Substantial price reductions
- Stabilised market share in Q4
- New provisioning and refined market strategy strengthened Telenor's position
- Strong MMS growth during free trial period

Postpaid subscribers and AMPU increasing

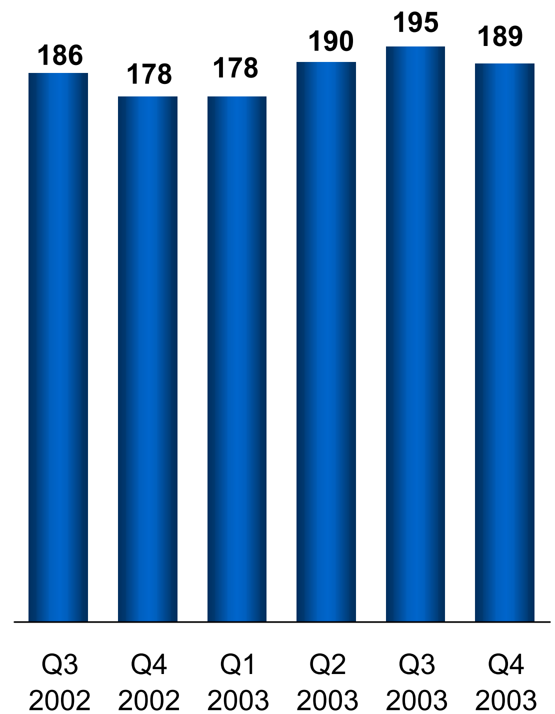
Subscribers ('000)



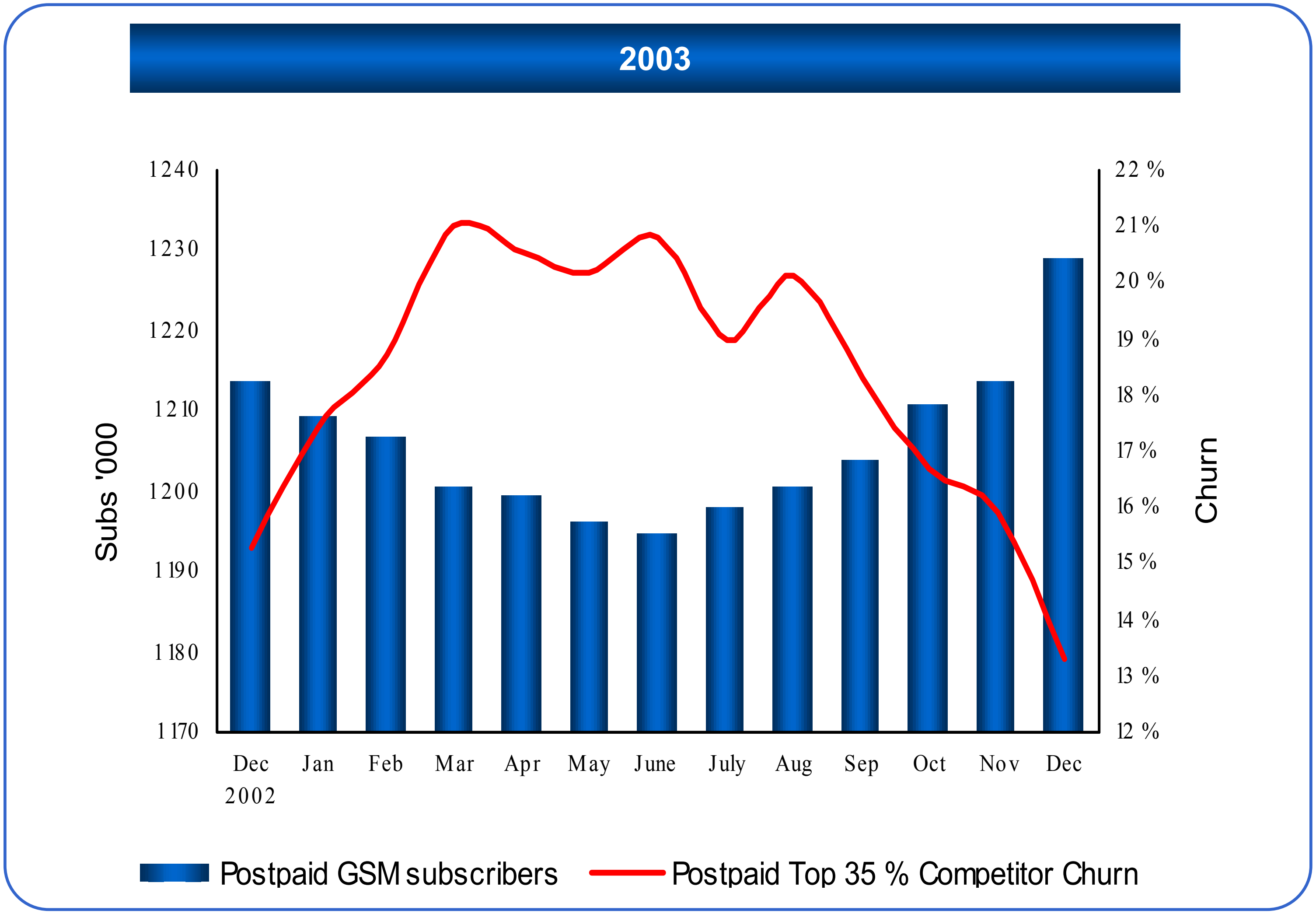
ARPU (NOK)



MoU (AMPU)



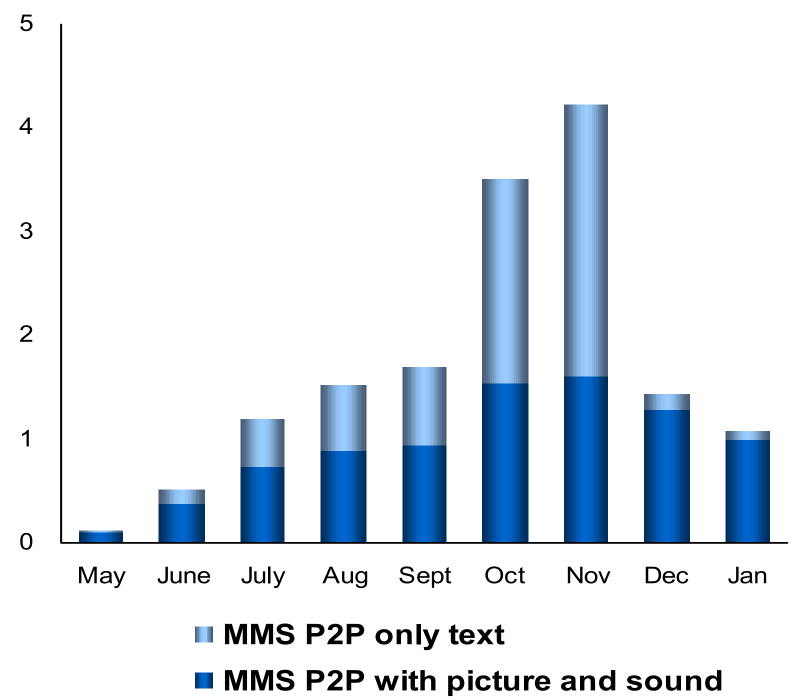
Fighting postpaid churn



200 000 unique users sent on average 7 MMS during December 2003

- Prices introduced in December 2003
- During the free trial period, a large share of total MMS was text messages
- "Real" MMS levels maintained in December
- 1.6 million handsets sold in Norway 2003
  - 56 % MMS enabled
  - 12 % with camera
- 740 000 consumers plan to buy new handset during first half of 2004

MMS in 2003 (millions)



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Summary

Further customer orientation in 2004

Business	Consumer
• Further develop Norway's most competent business service • Strengthen service and delivery • Secure voice and data IP-VPN migration • Continue building value added services • Launch high speed mobile services	• Establish a world class consumer service • Secure and develop service levels • Develop higher customer loyalty • Win a strong position in the mobile and broadband markets • Launch high speed mobile services • Strengthen sales and distribution

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