

Telenor – Third Quarter 2012

Jon Fredrik Baksaas, CEO

Disclaimer

The following presentation is being made only to, and is only directed at, persons to whom such presentation may lawfully be communicated ('relevant persons'). Any person who is not a relevant person should not act or rely on this presentation or any of its contents. Information in the following presentation relating to the price at which relevant investments have been bought or sold in the past or the yield on such investments cannot be relied upon as a guide to the future performance of such investments.

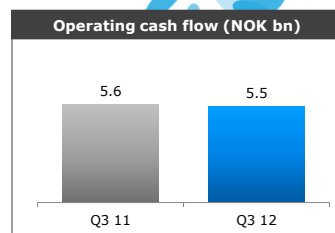
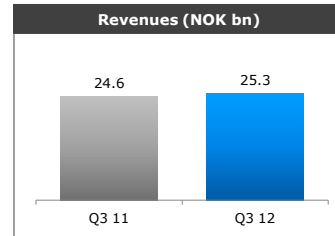
This presentation does not constitute an offering of securities or otherwise constitute an invitation or inducement to any person to underwrite, subscribe for or otherwise acquire securities in any company within the Telenor Group. The release, publication or distribution of this presentation in certain jurisdictions may be restricted by law, and therefore persons in such jurisdictions into which this presentation is released, published or distributed should inform themselves about, and observe, such restrictions.

This presentation contains statements regarding the future in connection with the Telenor Group's growth initiatives, profit figures, outlook, strategies and objectives. In particular, the slides "Outlook for 2012" and "Ambitions for 2015" contain forward-looking statements regarding the Telenor Group's expectations. All statements regarding the future are subject to inherent risks and uncertainties, and many factors can lead to actual profits and developments deviating substantially from what has been expressed or implied in such statements.

Q3 2012

High margins and continued revenue growth

- 3% organic revenue growth
- 22% operating cash flow margin
- Restructuring of operations in India
- Continued tough competition in Denmark and Bangladesh
- Investing in networks for the future



Operating cash flow defined as EBITDA before other items less capex
Capex excluding licence fees

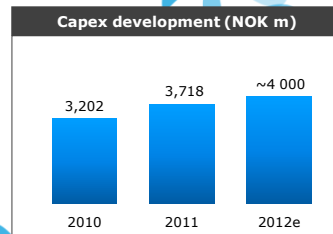
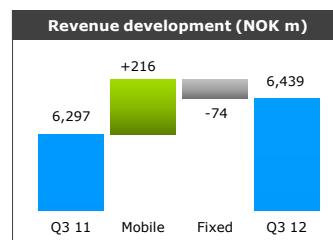
3



Q3 2012 - Norway

Solid performance in Norway

- 7% mobile revenue growth driven by data and migration to bundled tariffs
- 46% EBITDA margin, partly aided by seasonality
- Focus on cost efficiency and new operating models in the fixed business
- High investments in fixed and mobile broadband



4



Q3 2012 - Norway

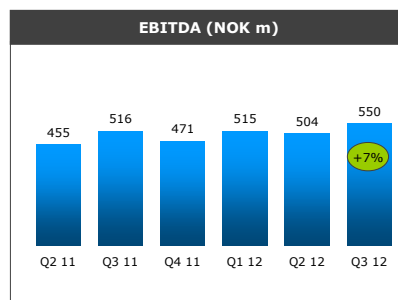
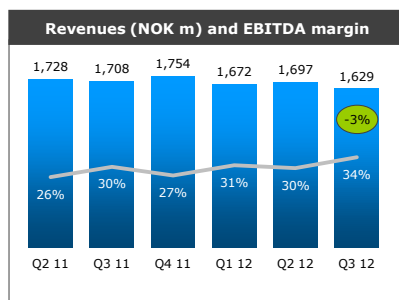
4G launched in Norway in October

- 4G mobile broadband services in 11 cities at launch
- Increased user experience on 3G network
- 4G smartphones expected to be available later this quarter
- Extensive network rollout to reach broad population coverage:
 - 30% by end of 2012
 - Above 90% in 2015




Q3 2012 - Broadcast

All-time high EBITDA margin in Broadcast



- Conax revenue development hit by delayed card orders

- 30% EBITDA growth in Canal Digital

 Organic revenue / EBITDA growth YoY

Organic growth assuming fixed currency, adjusted for acquisitions and disposals.
EBITDA and EBITDA margin before other items

Q3 2012 – Europe

Mixed performance in European operations

- Strong revenue growth in Sweden and Serbia
- Record high EBITDA margin in Sweden
- Continued tough competition and price pressure in Denmark
- Negative margin effect from new telecom taxes in Hungary and Montenegro



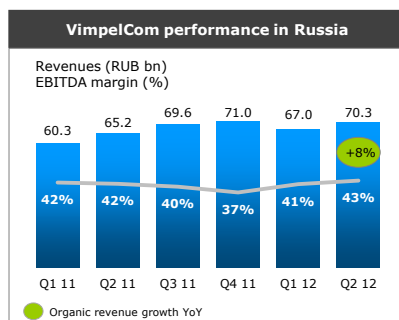
Organic growth assuming fixed currency, adjusted for acquisitions and disposals.
EBITDA and EBITDA margin before other items

7

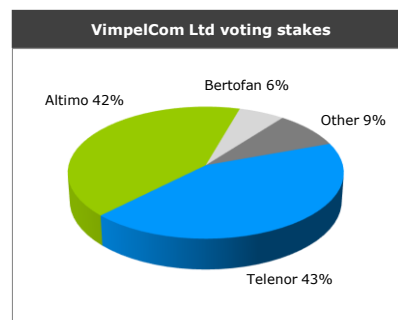


Q3 2012

Value creation perspective on VimpelCom ownership



- Improving performance in Russia
- Exploring industrial cooperation between Telenor and VimpelCom



- Obligation to buy 71m preferred shares from Weather completed

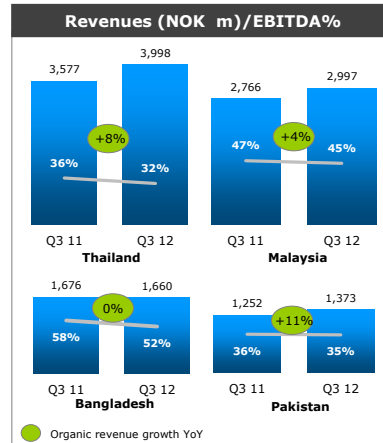
8



Q3 2012 – Asia

Investing for future data growth in Asia

- 6% organic revenue growth excl India
- Solid data growth in DiGi and DTAC, offset by pressure in voice
- High activity on network swaps in Pakistan and Thailand
- Temporary network challenges impacting revenue growth in DiGi
- Continued tough competition in Bangladesh
- DTAC won spectrum in 3G auction on 2.1 GHz in Thailand



Organic growth assuming fixed currency, adjusted for acquisitions and disposals.
EBITDA and EBITDA margin before other items

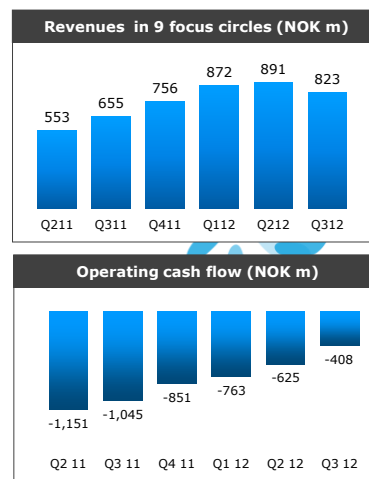
9



Q3 2012 – India

Submitted application for participation in auction

- Downscaling of 4 circles as planned
- Reduced footprint affecting financials in the quarter
- Operating losses continue to decline
- Reached settlement with Unitech Ltd
- Spectrum auction to start on 12 Nov



10



Aiming for NOK 28-30 bn operating cash flow in 2015

Preferred by customers



Monetise on mobile data

Take positions in new services

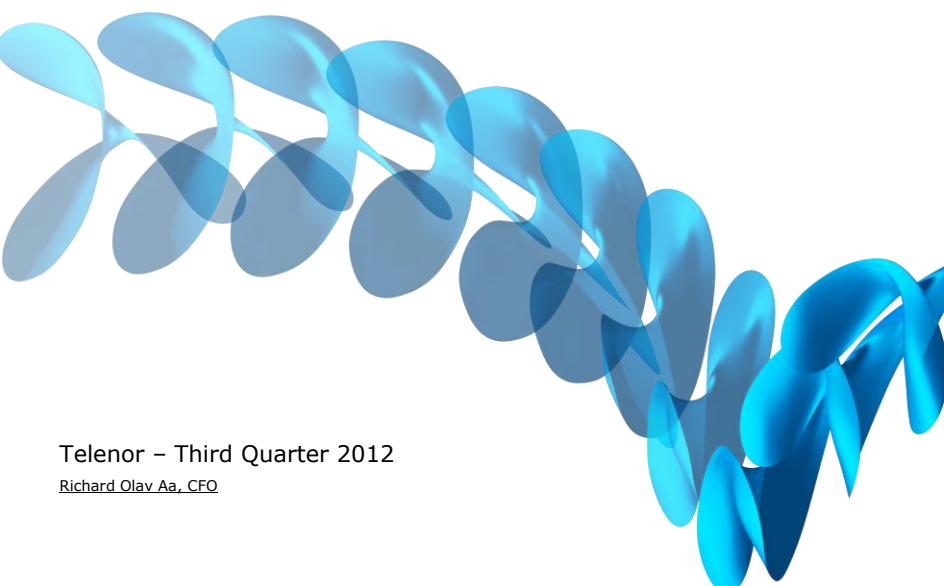
Cost efficient operator




Continuous improvement

New operating models

Ambition assuming Group structure excl. India.
EBITDA before other items. Capex excl. licence fees.

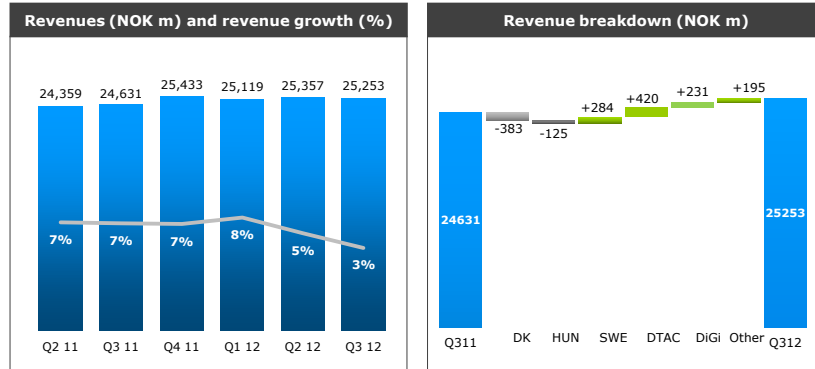


Telenor – Third Quarter 2012
Richard Olav Aa, CFO



Q3 2012

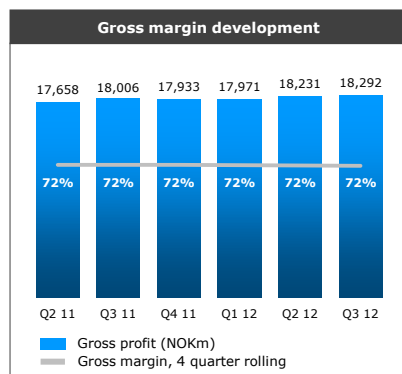
3% organic revenue growth



Organic revenue growth in fixed currency, adjusted for acquisitions and disposals.

Q3 2012

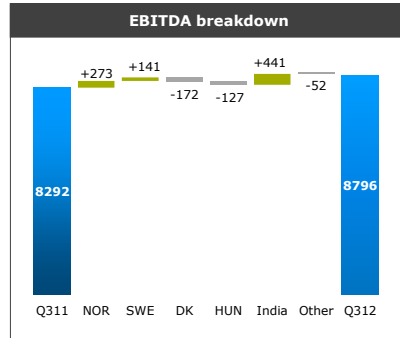
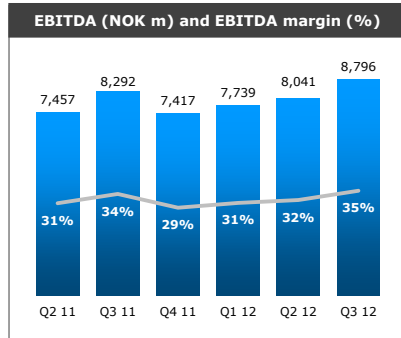
Stable gross margin despite increased handset sale



- Negative effect from handset sale and price erosion
- Positive effect from reduced interconnect rates and shift from voice to data

Q3 2012

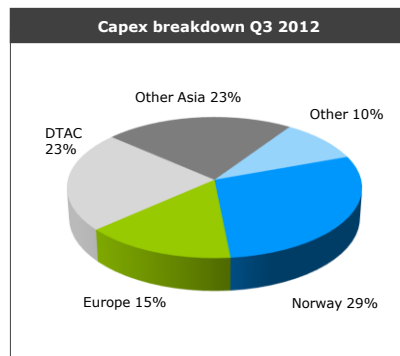
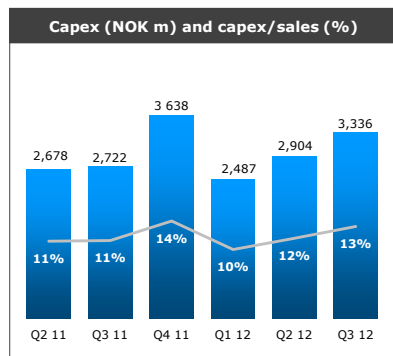
35% EBITDA margin and 6% growth in EBITDA



EBITDA and EBITDA margin before other items

Q3 2012

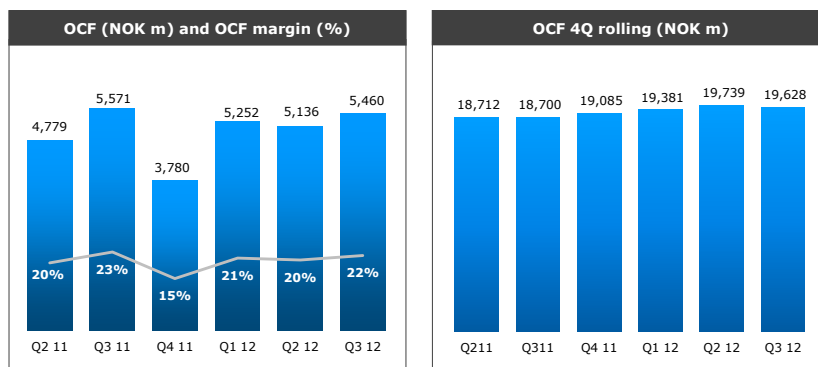
Capex driven by network modernisation



Capex from continuing operations
Capex and capex/sales ratio excluding licence fees.

Q3 2012

Operating cash flow of NOK 5.5 bn



Operating cash flow from continuing operations, excluding licence fees
Operating cash flow defined as EBITDA before other items less capex

17



Q3 2012

Net income to Telenor of NOK 3.6 billion

NOKm	Q3 12	Q3 11
Revenues	25 253	24 631
EBITDA before other items	8 796	8 292
Other items	-270	24
EBITDA	8 526	8 316
Depreciation and amortisation	-3 431	-3 809
EBIT	5 095	4 507
Associated companies	1 099	610
Net financials	-582	-432
Profit before taxes	5 613	4 684
Taxes	-1 563	-1 780
Minorities	-401	-316
Net income to Telenor	3 649	2 589
Earnings per share (NOK)	2.34	1.62

• Workforce reductions in Norway (-45m) and Sweden (-37m)
• Operating losses and exit costs in scaled-down circles in India (-126m)

• VimpelCom net contribution 1 051m

18



Q3 2012

Executing on share buyback programme

Share buyback programme 2011-2012

- 3% buyback launched in July 2011
- **22.2 million** shares purchased in the market in 2H 2011 (NOK 2.1 bn)
 - AGM approval in May 2012
- **26.0 million** shares purchased from the Norwegian State (NOK 2.3 bn)
- **48.2 million** shares cancelled on 25 July 2012

Share buyback programme 2012-2013

- 3% buyback launched in July 2012
- **21.5 million** shares to be purchased in the market
 - 45% completed as of 23 Oct
- **25.3 million** shares to be purchased from the Norwegian State after AGM in 2013

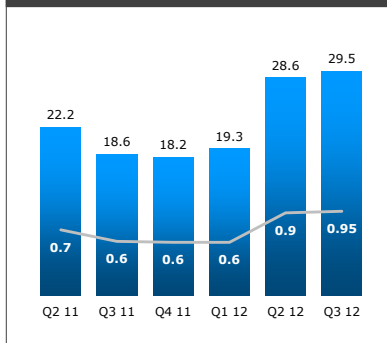
19



Q3 2012

Net debt/EBITDA of 0.95x

Net debt (NOK bn) and net debt/EBITDA*



Change in net debt (NOK bn)

Net debt 30 Jun 2012	28.6
EBITDA	(8.5)
Net interests paid	0.4
Income taxes paid	1.1
Capex paid	3.7
Share buyback	2.9
Dividends to minorities	1.2
Purchase of shares in VIP Ltd	0.7
Revenue share in DTAC	(0.8)
Currency effects	(0.8)
Other	1.0
<i>Net change</i>	<i>0.9</i>
Net debt 30 Sep 2012	29.5

*) 12 months rolling EBITDA

20



Q3 2012

Outlook for 2012

Group excl India	2012	2012 YTD
Organic revenue growth	Around 4%	3.8%
EBITDA margin	35 – 36%	36.0%
Capex / sales	Around 12%	11.8%

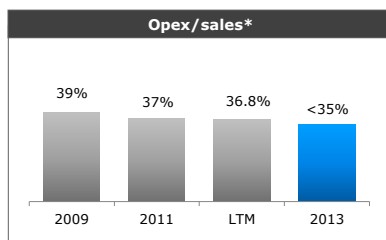
Outlook assuming Group structure excl. India.
EBITDA before other items. Capex excl. licence fees.
Exchange rates as of 30 September 2012.

21

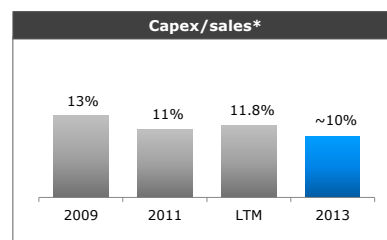


Q3 2012

Focus on operational efficiency



- Revenue share increase in DTAC impacting Group opex/sales by 0.7pp

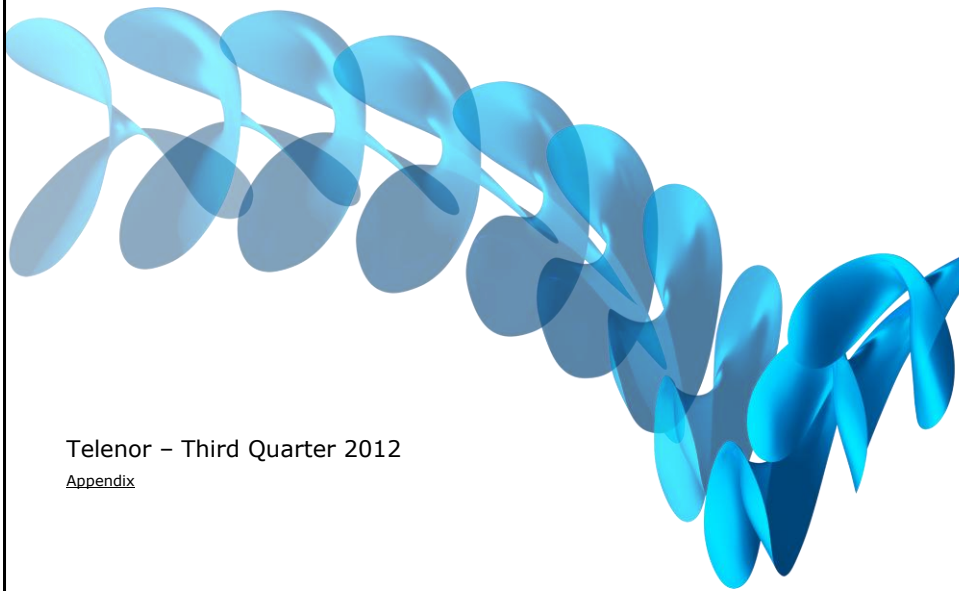


- Significant investments in Norway
- Network modernisations in Asia

Aiming for efficiency gains of NOK 5 bn towards 2015**

*) Existing business, not including Uninor and licence fees. LTM: Last twelve months (Q411-Q312).
**) Gross opex savings vs base line 2011



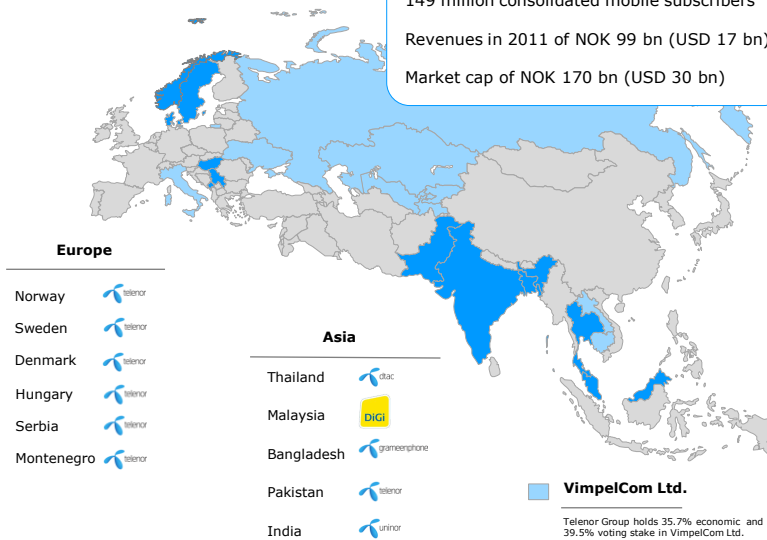


Telenor – Third Quarter 2012

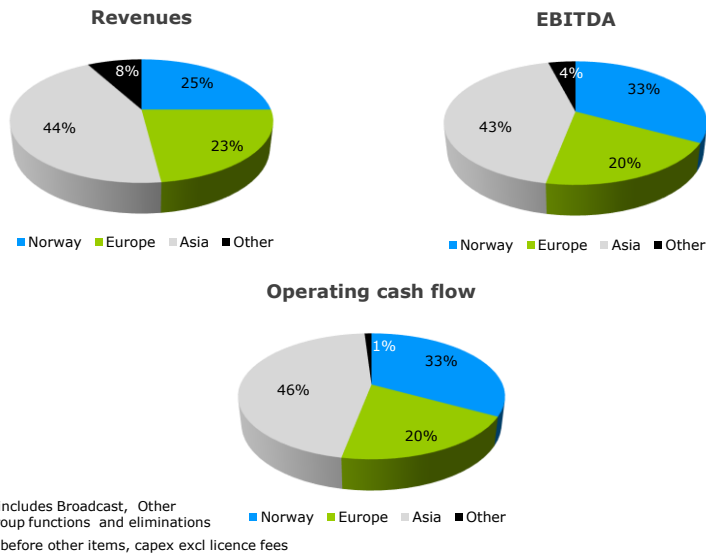
Appendix

Telenor Group

149 million consolidated mobile subscribers
 Revenues in 2011 of NOK 99 bn (USD 17 bn)
 Market cap of NOK 170 bn (USD 30 bn)

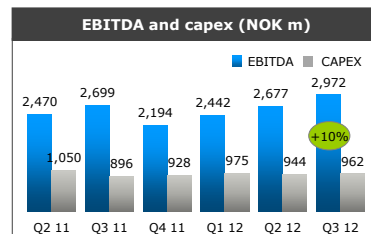
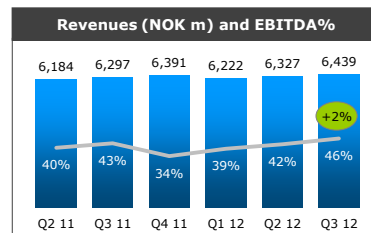


Geographic split of key financials in Jan-Sep 2012



Q3 2012 Norway

- Underlying mobile subscriber growth of 15k
- 7% mobile revenue growth driven by data and migration to bundled tariffs
- Seasonality boosting EBITDA margin
- High investments in fixed and mobile broadband
- 4G launched in 11 cities on 10 October



● Organic revenue / EBITDA growth YoY

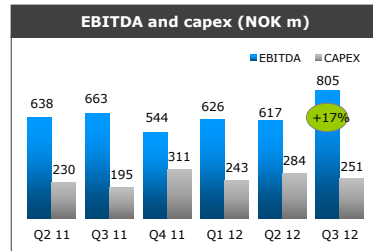
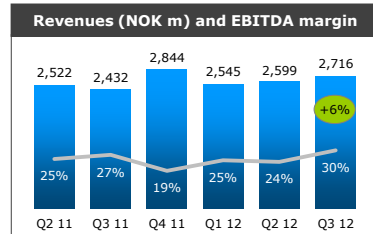
Organic growth assuming fixed currency, adjusted for acquisitions and disposals.
EBITDA and EBITDA margin before other items
Capex excl licence fees

26



Q3 2012 Sweden

- 58k net mobile subscription growth, mainly in consumer segment
- Continued low churn in all segments
- 11% mobile revenue growth, driven by handset sales
- Fixed broadband position strengthened by acquisition of Ownit
- All-time high EBITDA margin



● Organic revenue / EBITDA growth YoY

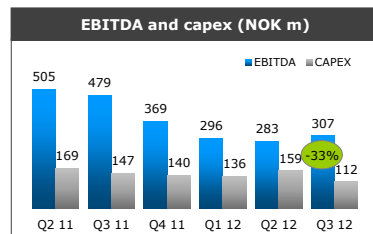
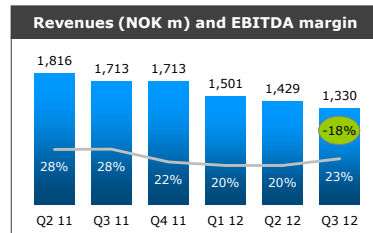
Organic growth assuming fixed currency, adjusted for acquisitions and disposals.
EBITDA and EBITDA margin before other items
Capex excl licence fees

27



Q3 2012 Denmark

- 17k net mobile subscriber growth, driven by prepaid
- Continued price erosion and tough competition
- 8% mobile service revenue excl interconnect
- LTE rollout through infrastructure JV according to plan



● Organic revenue / EBITDA growth YoY

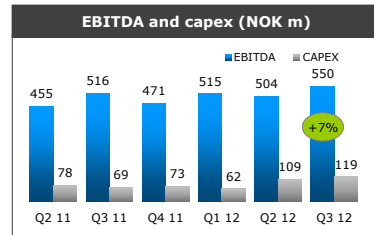
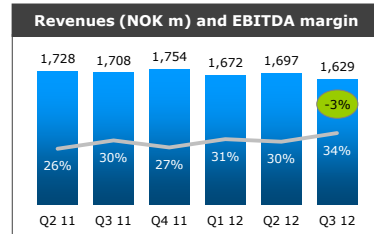
Organic growth assuming fixed currency, adjusted for acquisitions and disposals.
EBITDA and EBITDA margin before other items
Capex excl licence fees

28



Q3 2012 Broadcast

- 4k DTH subscriber loss, offset by ARPU growth
- 4pp EBITDA margin uplift, mainly from Canal Digital
- Canal Digital EBITDA increased by 30% yoy
- Conax revenue development hit by delayed card orders
- Capex mainly related to Norkring DAB contract in Norway



Organic growth assuming fixed currency, adjusted for acquisitions and disposals.
EBITDA and EBITDA margin before other items

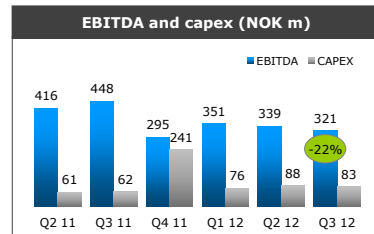
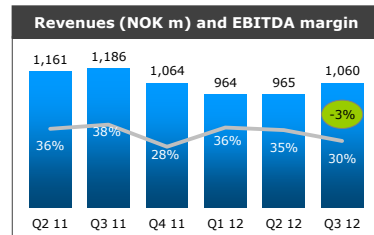
● Organic revenue / EBITDA growth YoY

29



Q3 2012 Hungary

- 2k net subscriber gain
- 3% revenue decline from reduced MTR and lower subscriber base
- New telecom sales tax from July 2012
- 42% EBITDA margin adjusted for the two telecom taxes



Organic growth assuming fixed currency, adjusted for acquisitions and disposals.
EBITDA and EBITDA margin before other items
Capex excl licence fees

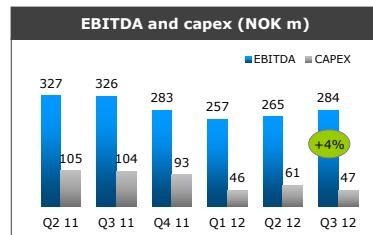
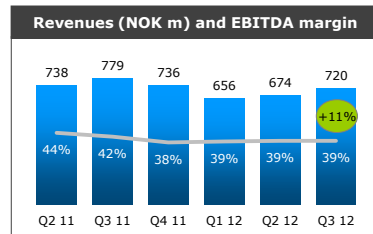
● Organic revenue / EBITDA growth YoY

30



Q3 2012 Serbia

- 115k net subscriber increase following positive effects from campaigns
- 7% ARPU increase from higher subscription fee revenues
- Strong revenue growth mainly from higher ARPU and higher subscriber base
- EBITDA margin impacted by subsidised handset and tablet sales



Organic growth assuming fixed currency, adjusted for acquisitions and disposals.
EBITDA and EBITDA margin before other items
Capex excl licence fees

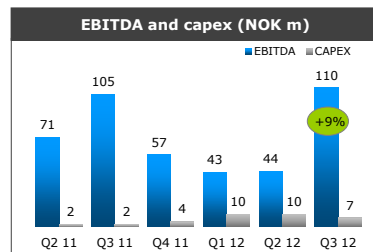
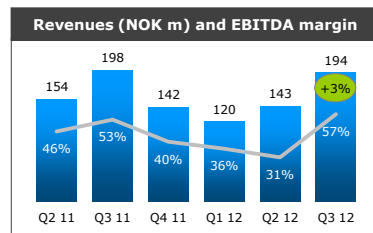
● Organic revenue / EBITDA growth YoY

31



Q3 2012 Montenegro

- 53k net subscriber increase due to summer season
- Challenging macroeconomic environment.
- ARPU in local currency decreased 6%
- 4% organic revenue decline excluding one-off accounting adjustment



Organic growth assuming fixed currency, adjusted for acquisitions and disposals.
EBITDA and EBITDA margin before other items
Capex excl licence fees

● Organic revenue / EBITDA growth YoY

32



Q3 2012 Thailand (DTAC)

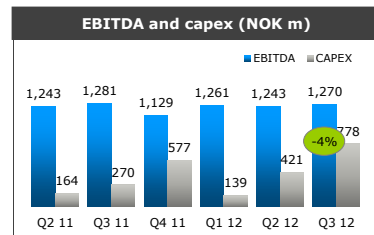
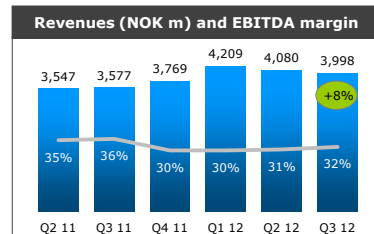
- 257k net subscriber growth
- Strong growth in data usage
- EBITDA margin dilution for high concessionary fees and handset sales
- Network swap and 3G expansion on 850 MHz
- Won licence and spectrum in 3G auction

Outlook for 2012 maintained*:

- Double digit revenue growth
- Capex THB 8-9 bn
- Operating cash flow THB 17-18 bn

*) In local currency

Organic growth assuming fixed currency, adjusted for acquisitions and disposals.
EBITDA and EBITDA margin before other items
Capex excl licence fees



● Organic revenue / EBITDA growth YoY

33



Q3 2012 Malaysia (DiGi)

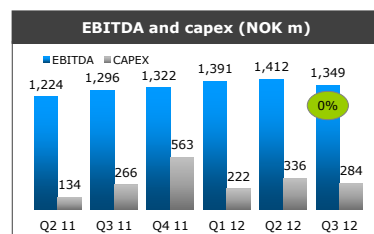
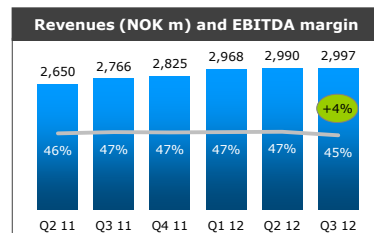
- 74k net subscriber growth
- Low growth due to network incidents and competition on prepaid voice
- Strong growth in mobile data usage
- Solid opex management

Outlook for 2012 maintained*:

- Mid to high single digit revenue growth
- Sustained EBITDA and OCF margins
- Capex of MYR 700-750 million

*) In local currency

Organic growth assuming fixed currency, adjusted for acquisitions and disposals.
EBITDA and EBITDA margin before other items



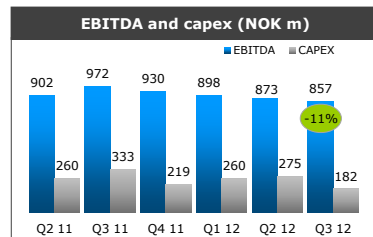
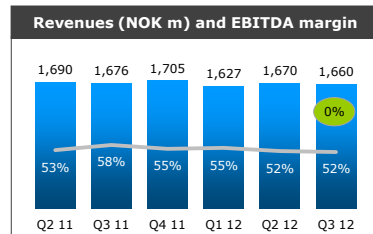
● Organic revenue / EBITDA growth YoY

34



Q3 2012 Bangladesh (Grameenphone)

- 1.7 million net subscriber growth
- Implementation of new tariff regulation in September reducing ARPU
- 2G licence renewed for 15 years (until November 2026)
- 39% operating cash flow margin exclusive 2G renewal



● Organic revenue / EBITDA growth YoY

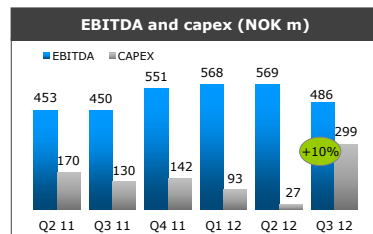
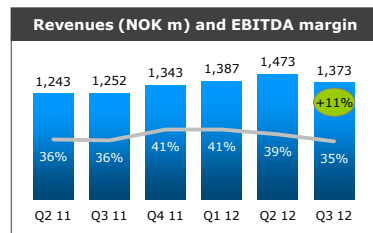
Organic growth assuming fixed currency, adjusted for acquisitions and disposals.
EBITDA and EBITDA margin before other items
Capex excl licence fees

35



Q3 2012 Pakistan

- 199k net subscriber growth
- Financial services contributing with 3.5pp of total revenue growth
- ARPU drops 3% partly due to two government directed network closures
- Continued worsening of energy situation
- Capex driven by network modernisation



● Organic revenue / EBITDA growth YoY

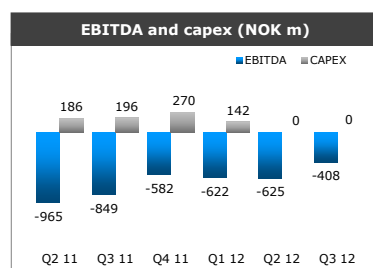
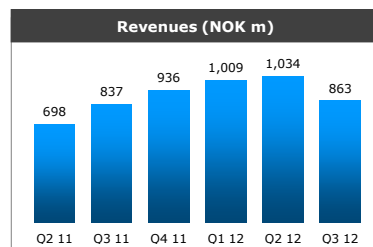
Organic growth assuming fixed currency, adjusted for acquisitions and disposals.
EBITDA and EBITDA margin before other items
Capex excl licence fees

36



Q3 2012 India (Uninor)

- Downscaling of 4 circles as planned
- Reduced footprint affecting financials in the quarter
- Accumulated losses of INR 133 bn as of Q3 2012
- Settlement reached with Unitech Ltd
- Submitted application for participation in spectrum auction



Organic growth assuming fixed currency, adjusted for acquisitions and disposals.
EBITDA and EBITDA margin before other items
Capex excl licence fees

37



Q3 2012 Changes in revenues and EBITDA

	Revenues		EBITDA	
	Reported	Organic	Reported	Organic
Norway	2.3%	2.3%	10.1%	10.1%
Sweden	11.7%	6.5%	21.3%	17.3%
Denmark	-22.4%	-18.4%	-35.9%	-32.7%
Hungary	-10.6%	-2.9%	-28.4%	-22.4%
Serbia	-7.7%	10.7%	-13.1%	4.2%
Montenegro	-2.0%	2.6%	4.1%	8.6%
Thailand	11.7%	8.1%	-0.9%	-4.1%
Malaysia	8.4%	4.1%	4.1%	0.0%
Bangladesh	-0.9%	0.2%	-11.9%	-10.6%
Pakistan	9.6%	11.2%	8.0%	9.9%
India	3.1%	16.7%	52.0%	45.6%
Broadcast	-4.6%	-3.1%	6.5%	6.5%
Telenor Group	2.5%	3.4%	6.1%	5.3%
Group ex. India	2.5%	2.6%	11.3%	0.9%

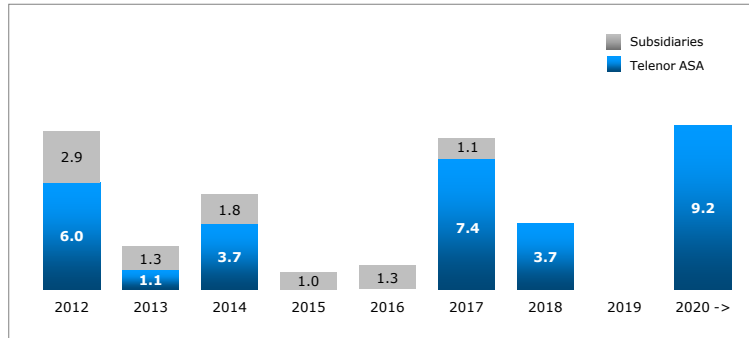
Organic growth YoY in fixed currency and adjusted for acquisitions and disposals. EBITDA before other items.

38



Q3 2012

Debt maturity profile



NOK bn per 30 September 2012

Q3 2012

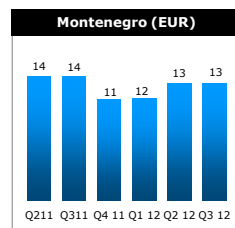
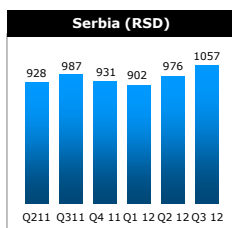
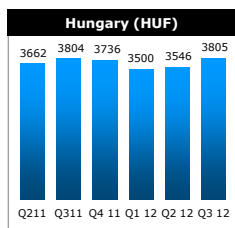
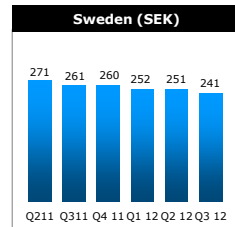
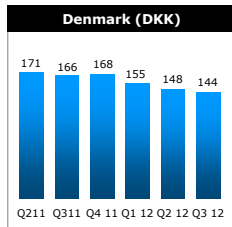
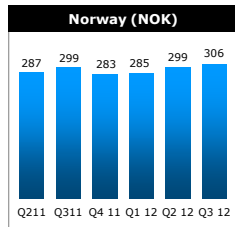
Net debt in partly owned subsidiaries

(NOK m)	Q3 2012	Q2 2012	Q3 2011
DiGi	-662	-794	-477
DTAC	1 001	1 065	-4 264
Grameenphone	1 107	-81	-657
Uninor	-652	9 119	6 384

Net debt based on 100% figures

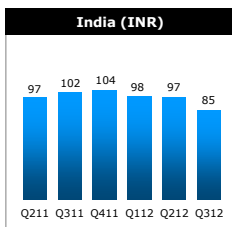
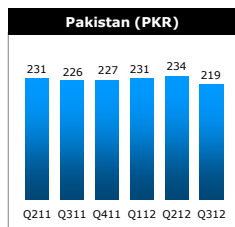
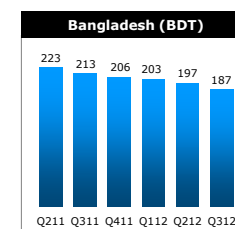
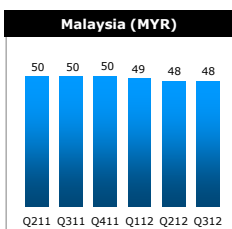
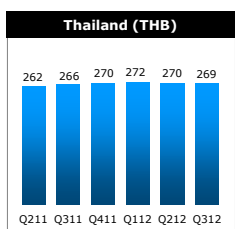
Mobile operations

ARPU development (local currency)



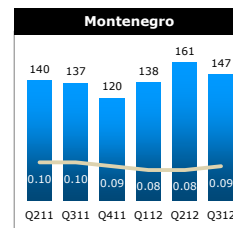
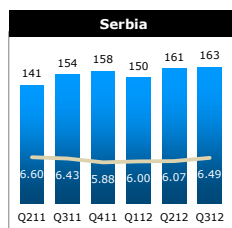
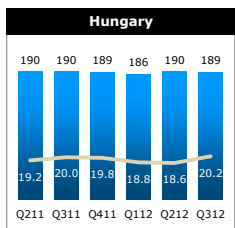
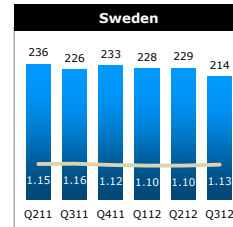
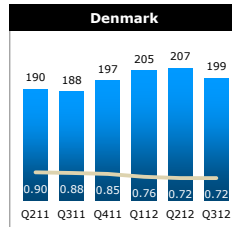
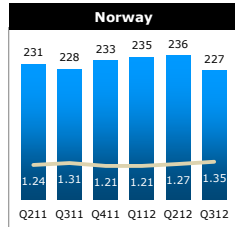
Mobile operations

ARPU development (local currency)



Mobile operations
AMPU and APPM development

AMPU — APPM (local currency)



Mobile operations
AMPU and APPM development

AMPU — APPM (local currency)

