



Telenor Group – Second Quarter 2013

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.

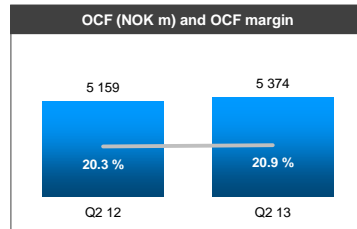
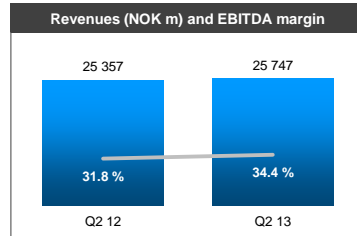
This presentation does not constitute an offering of securities or otherwise constitute an invitation or inducement to any person to underwrite, subscribe for or otherwise acquire securities in any company within the Telenor Group. The release, publication or distribution of this presentation in certain 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 slide "Outlook for 2013" contains 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.

Q2 2013

Improved growth and profitability

- 2% organic revenue growth and increased margins
- 5.2 million mobile subscribers added
- Move to data-centric pricing in Scandinavia
- Approval of Globul acquisition in Bulgaria
- Successful applicant for licence in Myanmar



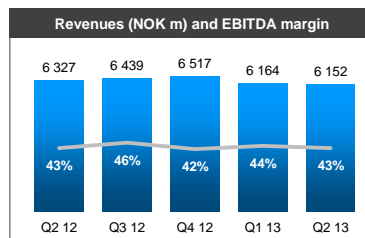
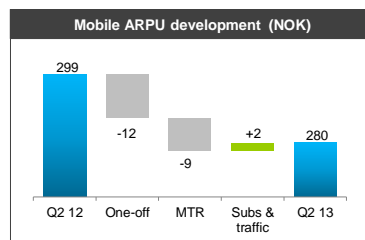
3 Organic growth assuming fixed currency, adjusted for acquisitions and disposals. EBITDA and EBITDA margin before other items. Capex excl licence fees



Q2 2013

Revamped mobile offerings in Norway

- High market activities related to new mobile offerings
- 20k net mobile subscriber growth in consumer segment
- Stable mobile revenues and 44% EBITDA margin excl one-time effect
- High investments in fibre and mobile networks

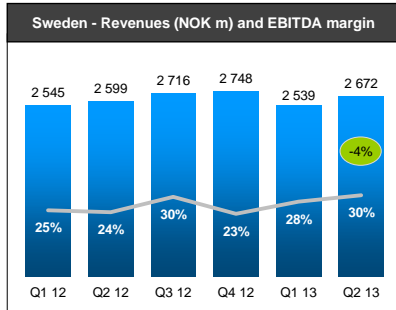


4 EBITDA margin before other items

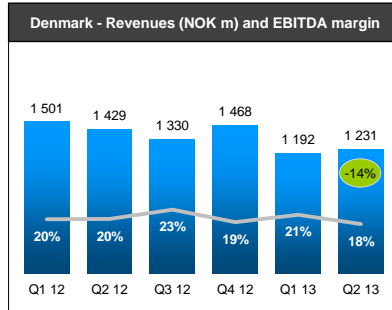


Q2 2013

Strong performance in Sweden, Denmark still challenging



- 5% mobile service revenue growth excluding handset-related discount



- Stable mobile ARPU from previous quarter

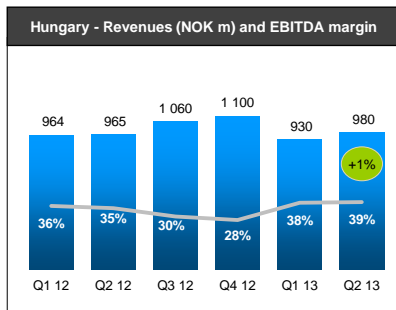
● Organic revenue growth

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

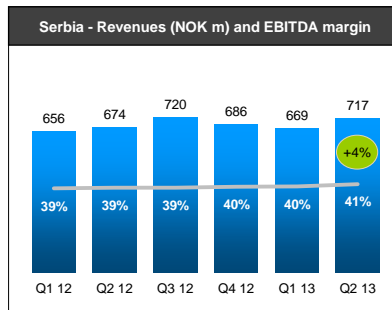


Q2 2013

Revenue growth and improved margins in Serbia and Hungary



- 2% service revenue growth in local currency



- Service revenue growth driven by migration to postpaid

● Organic revenue growth

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



Ready to move forward in Bulgaria

- Acquisition of Globul announced on 26 April
 - #2 mobile operator in Bulgaria
 - Acquisition price of EUR 717m
- EU regulatory approval received on 4 July
- Leverage on Telenor's scale and expertise in the CEE region

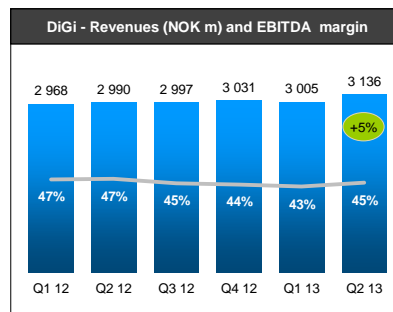
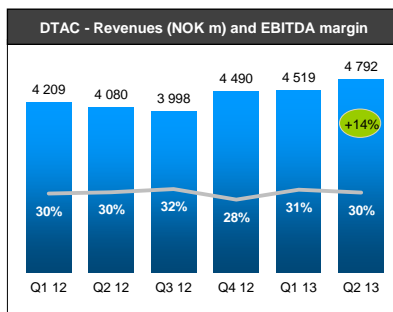


7



Q2 2013

Mobile data driving growth in Thailand and Malaysia



- 11% organic service revenue growth
- Launch of new 3G network on 2.1GHz

- 4% organic service revenue growth
- Network swap completion in Q3

● Organic revenue growth

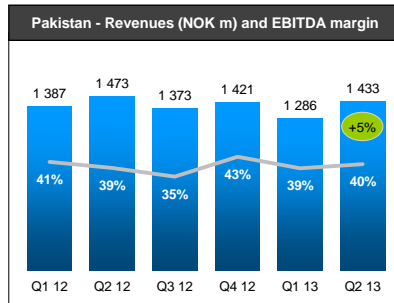
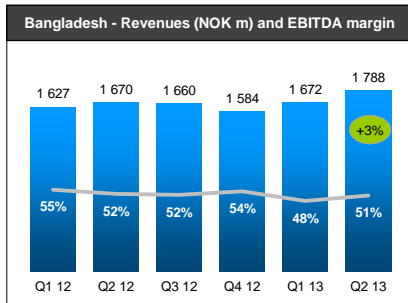
Organic growth assuming fixed currency, adjusted for acquisitions and disposals.
EBITDA and EBITDA margin before other items. Capex excl licence fees

8



Q2 2013

Growth picking up in Bangladesh and Pakistan



- Good momentum on market combat plan
- Improving growth in a highly competitive market

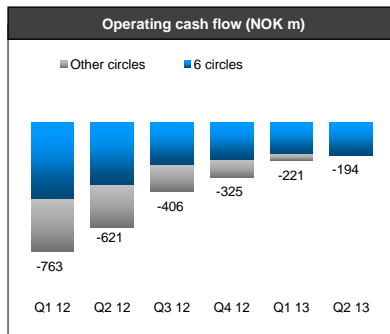
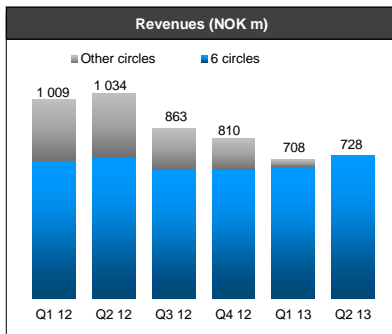
● Organic revenue growth

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



Q2 2013

Growth and declining losses in India



- 7% organic revenue growth in 6 circles
- Targeting cashflow break-even by end of 2013

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



Successful applicant for licence in Myanmar

- Offered nationwide telecommunication licence
- 900 MHz and 2100 MHz spectrum
 - 15 years licence duration
 - Technology neutral spectrum
- Population of 60 million with less than 10% mobile penetration
- Awaiting telecom law and final licence conditions



11



Telenor Group – Second Quarter 2013

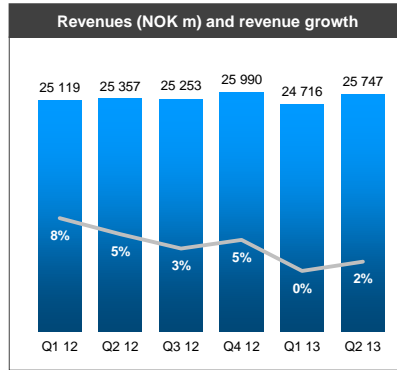
Richard Olav Aa, CFO



Q2 2013

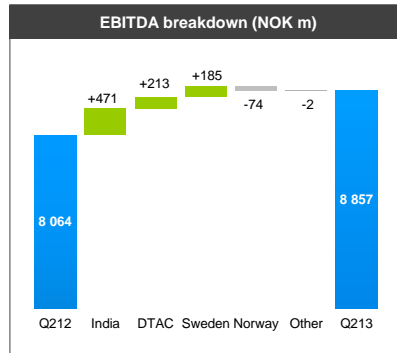
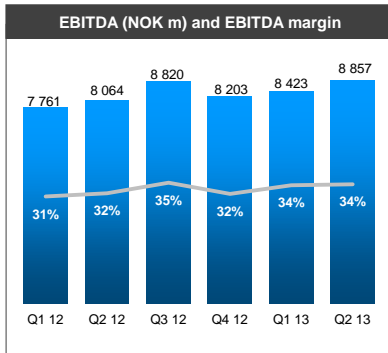
2% organic revenue growth

- Improved growth trends from previous quarter
- Solid data revenue growth in Thailand and Malaysia
- Improving trends in Bangladesh and Pakistan
- Stable mobile revenues in Norway excl one-time correction



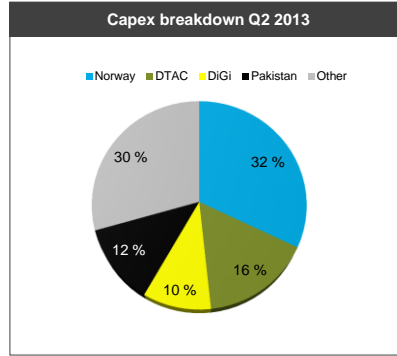
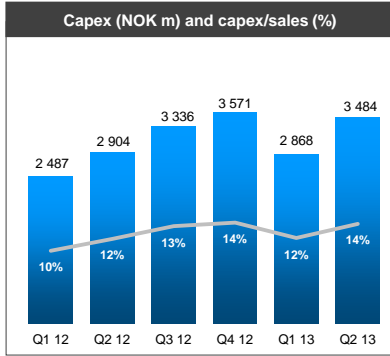
Q2 2013

34% EBITDA margin and 10% growth in EBITDA



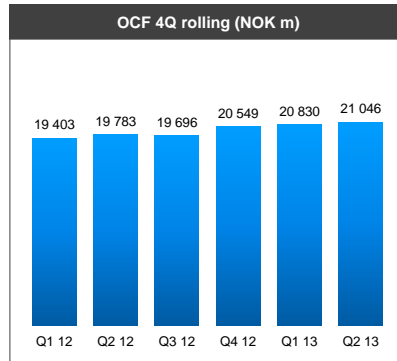
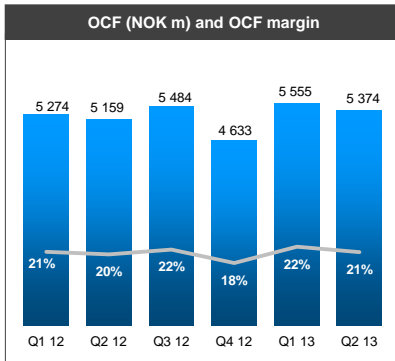
Q2 2013

Capex driven by network investments in Norway and Asia



Q2 2013

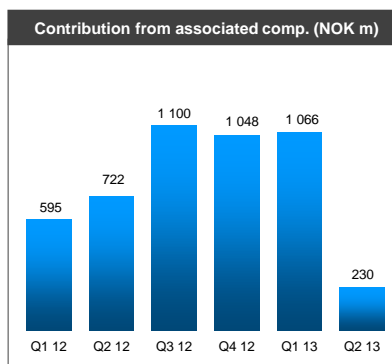
Operating cash flow of NOK 5.4 billion



Q2 2013

Contribution from associated companies impacted by one-time items

- Telenor's adj. share of VimpelCom Q1 2013 net income: NOK 940m
- One-time items in Q2:
 - Deemed disposal related to dilution of economic stake in VimpelCom NOK -385m
 - Impairment of C More NOK -311m
- NOK 926m contribution from associates excl one-time effects



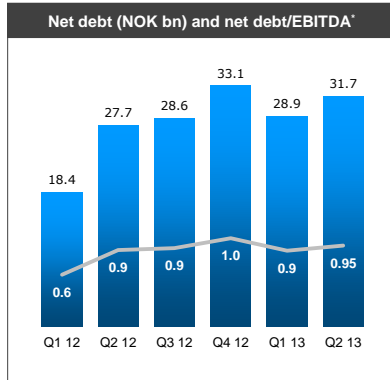
Q2 2013

Net income to Telenor of NOK 3.2 billion

NOKm	Q2 13	Q2 12	
Revenues	25 747	25 357	
EBITDA before other items	8 857	8 064	
Other items	-94	-199	• Norway (-61m), Sweden (-31m), DTAC (+34m), India (+47m), Other units (-56m)
EBITDA	8 763	7 864	
Depreciation and amortisation	-3 391	-3 555	• Adj. share of VimpelCom net income +940m
EBIT	5 372	4 309	• VimpelCom deemed disposal -385m
Associated companies	230	722	• C More impairment -311m
Net financials	-321	-1 108	• Net currency losses -180m
Profit before taxes	5 281	3 924	• Net change in fair value of financial instruments -285m
Taxes	-1 458	-1 501	
Minorities	-574	-356	• TRS reassessment 2006: +501m
Net income to Telenor	3 249	2 067	• Grameenphone increased tax rate from 1 Jan 2012: -303m
Earnings per share (NOK)	2.13	1.31	

Q2 2013

Net debt/EBITDA of 0.95x



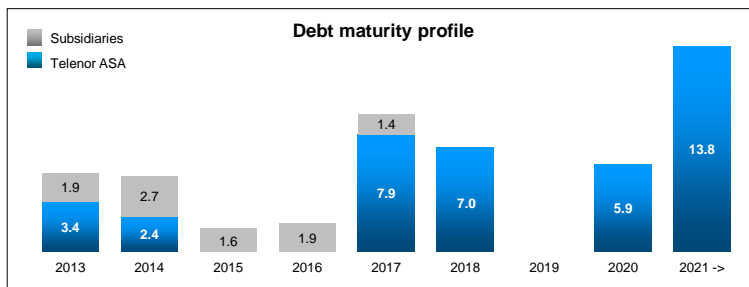
Change in net debt (NOK bn)

Net debt 31 Mar 2013	28.9
EBITDA	(8.8)
Income taxes paid	2.2
Capex paid	3.0
VimpelCom dividends	(3.9)
Dividends to Telenor shareholders	8.8
Dividends to minorities	0.9
Accrued revenue share in DTAC	(0.9)
Currency effects	1.5
Other changes in working capital	(0.1)
<i>Net change</i>	<u>2.8</u>
Net debt 30 Jun 2013	31.7

Q2 2013

New bonds issued at attractive terms

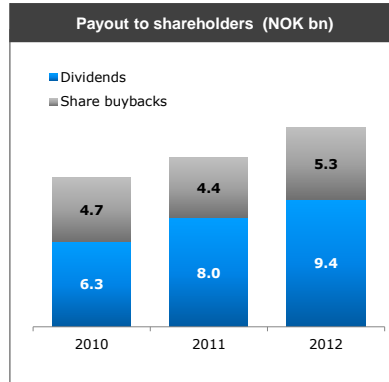
- New Telenor ASA bonds:
 - EUR 650 million, coupon 2.50%, final maturity 22 May 2025
 - USD 500 million, coupon 1.75%, final maturity 22 May 2018



Q2 2013

Initiating 1% share buyback programme

- Buyback of approx. 1% of shares outstanding (around 15m shares)
- Aiming for completion of buyback in the market before AGM 2014 (around 7m shares)
- Purchase of shares from the Norwegian State after AGM in 2014 (around 8m shares)
- Cancellation of repurchased shares in Q3 2014



Priorities for capital allocation remain firm

1	Maintain a solid balance sheet	Net debt/EBITDA cap 2.0x
2	Competitive shareholder remuneration	50-80% dividend payout of normalised net income Aim for YoY growth in dividends
3	Disciplined and selective M&A	Value driven, within core assets and regions

Q2 2013

Outlook for 2013 maintained

	2013	2013 YTD
Organic revenue growth	2%-4%	1.0%
EBITDA margin	Around 34%	34.2%
Capex / sales	12%-14%	12.6%

Outlook assuming Group structure incl. India 6 circles.
EBITDA before other items. Capex excl. licence fees.
Exchange rates as of 30 June 2013.

Capital Markets Day

17 September 2013

Telenor Group's head office at Fornebu



Q&A



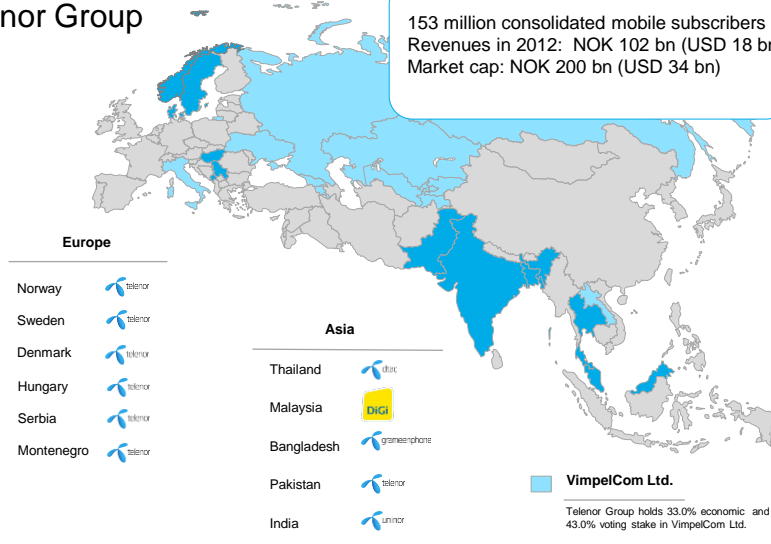
Telenor Group – Second Quarter 2013



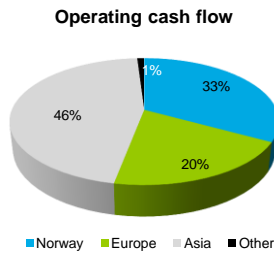
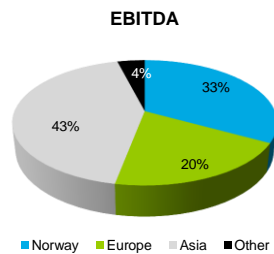
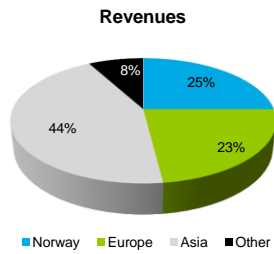
Appendix

Telenor Group

153 million consolidated mobile subscribers
 Revenues in 2012: NOK 102 bn (USD 18 bn)
 Market cap: NOK 200 bn (USD 34 bn)



Geographic split of key financials in 2012

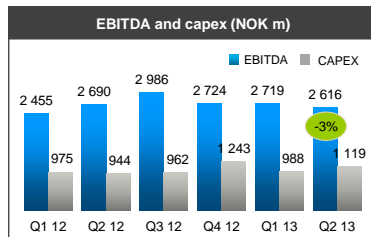
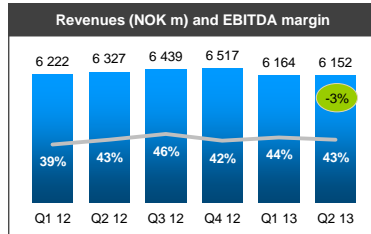


*Other includes Broadcast, Other Units/Group functions and eliminations



Q2 2013
Norway

- 10k net mobile subscriber growth
- High market activities through the quarter
- Unlimited voice and SMS introduced in bundled subscriptions
- One-time revenue and EBITDA correction of NOK -114 million
- 44% underlying EBITDA margin
- 5k FTTH subscribers added



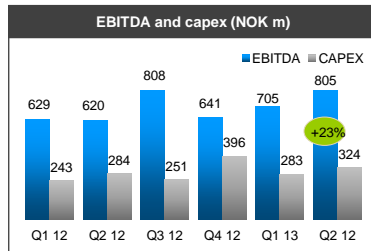
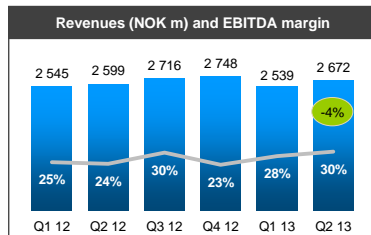
● Organic growth

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



Q2 2013
Sweden

- 24k net mobile subscriber growth, mainly in consumer segment
- Reduced churn in consumer postpaid
- 5% mobile service revenue growth excl handset-related discount
- 6% fixed revenue growth supported by acquisitions in 2012
- EBITDA margin increase from improved gross margin and lower opex



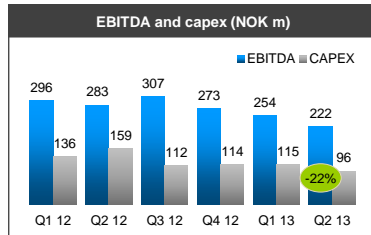
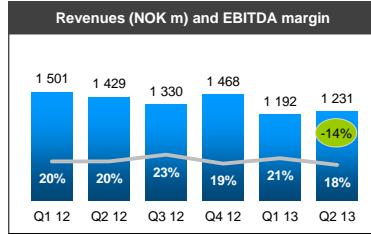
● Organic growth

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



Q2 2013
Denmark

- 31k net mobile subscription loss
- 6% decline in mobile subscription & traffic revenues
- Stable mobile ARPU compared to previous quarter
- EBITDA margin impacted by iPhone 4 campaign

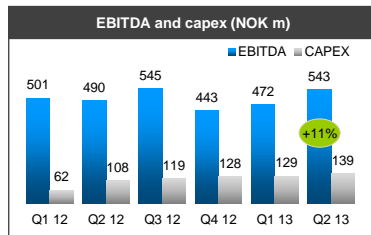
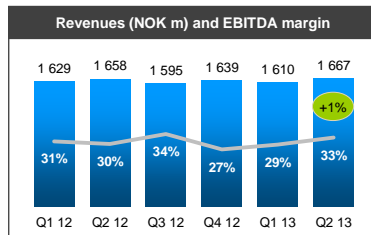


● Organic growth



Q2 2013
Broadcast

- 3k DTH subscriber loss offset by ARPU growth and currency
- Canal Digital EBITDA growth of 28% from strong cost focus
- 14% revenue growth in Conax
- 14% revenue growth in Norkring from DAB and installation revenues
- Capex increase due to DAB rollout in Norkring

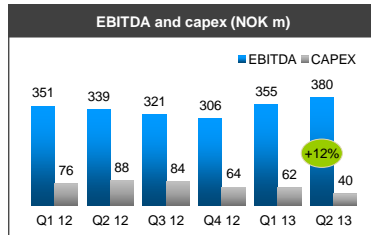
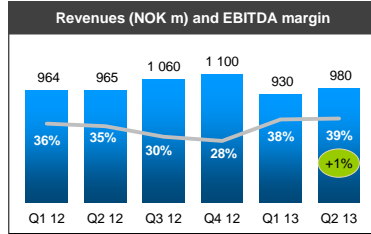


● Organic growth



Q2 2013
Hungary

- 4k net subscriber loss
- 2% organic service revenue growth
- EBITDA margin uplift from lower operating expenses
- Telecom tax impacting EBITDA margin by -8pp
- Increased telecom tax in corporate segment from 1 August



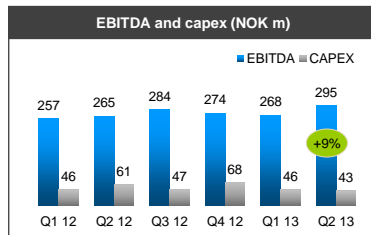
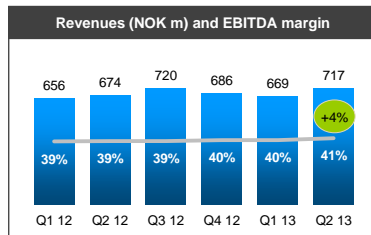
● Organic growth

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



Q2 2013
Serbia

- 47k net subscriber loss
- Continued migration from prepaid to postpaid
- 9% organic growth in EBITDA
- 35% operating cash flow margin



● Organic growth

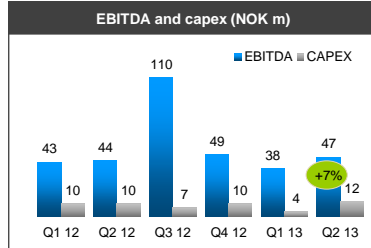
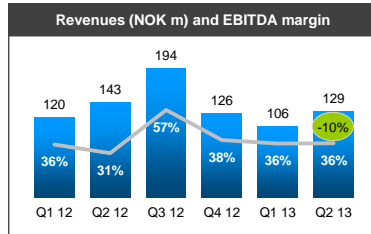
34 Organic growth assuming fixed currency, adjusted for acquisitions and disposals. EBITDA and EBITDA margin before other items. Capex excl licence fees



Q2 2013

Montenegro

- 21k net subscriber growth
- 5% ARPU decline in local currency, primarily from reduced MTR
- Challenging macroeconomic climate continued
- 27% operating cash flow margin



● Organic growth

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



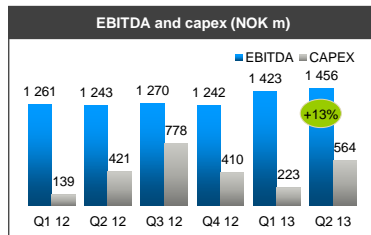
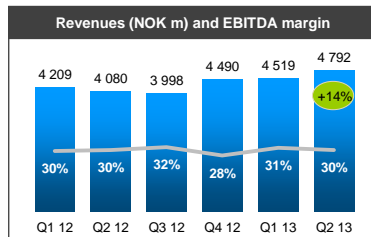
Q2 2013

Thailand (dtac)

- 622k net subscriber growth
- 11% service revenue growth driven by data usage
- Commercial launch of 2.1 GHz on 23 July
- Migrate from concession to licence

Outlook for 2013*:

- High single digit revenue growth
- EBITDA margin of 30-31%
- Capex of around THB 14.5 billion



● Organic growth

*) In local currency

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



Q2 2013

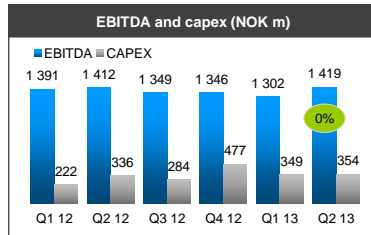
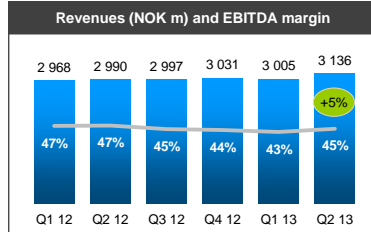
Malaysia (DiGi)

- 175k net subscriber growth
- 4% service revenue growth
- Stable ARPU as mobile data revenues offset voice decline
- Network swap completion in Q3 2013
- 4G launch in July on selected high traffic locations

Outlook for 2013*:

- 5-7% revenue growth
- EBITDA and cash flow margins at 2012 level

*) In local currency



● Organic growth

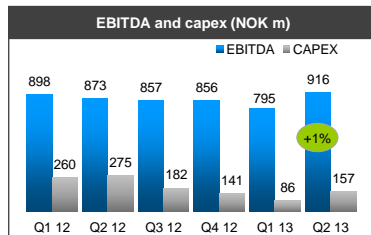
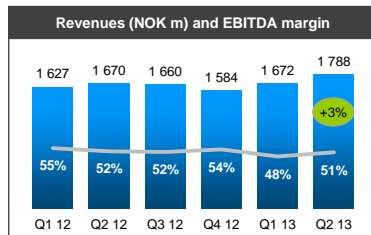
37 Organic growth assuming fixed currency, adjusted for acquisitions and disposals. EBITDA and EBITDA margin before other items. Capex excl licence fees



Q2 2013

Bangladesh (Grameenphone)

- 2.2 million net subscriber growth
- Revenue growth and ARPU impacted by price reductions and regulation
- Recharge and churn-back campaigns improved service revenues
- SIM tax reduced from BDT 605 to BDT300 from 16 May
- 3G auction set for 2 September 2013



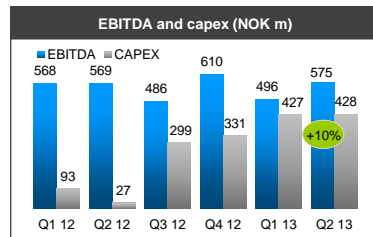
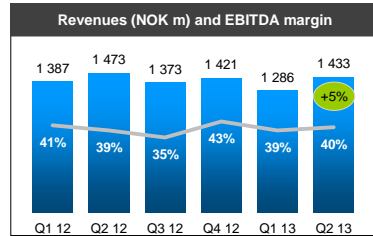
● Organic growth

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



Q2 2013
Pakistan

- 1.3 million net subscriber growth
- Increased market competition
- Grey traffic cannibalising incoming international traffic
- Network swap on track for completion by year-end
- Increased withholding tax on telecom services by 5 pp from 1 July 2013



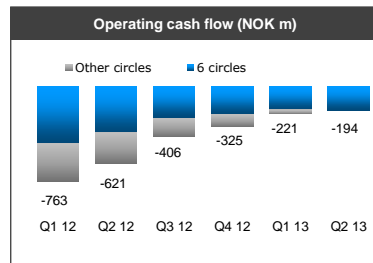
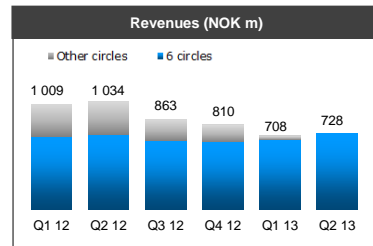
● Organic growth

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



Q2 2013
India

- 0.9 million net subscriber growth
- 7% organic service revenue growth (6 circles)
- Accumulated losses of INR 140 bn excl licence fee
- Targeting OCF breakeven by end of 2013, within INR 155 bn peak funding



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



Q2 2013

Changes in revenues and EBITDA

	Revenues		EBITDA	
	Reported	Organic	Reported	Organic
Norway	-2.8 %	-3.2 %	-2.8 %	-3.2 %
Sweden	2.8 %	-3.8 %	29.8 %	22.6 %
Denmark	-13.9 %	-14.2 %	-21.6 %	-22.1 %
Hungary	1.6 %	1.2 %	11.9 %	11.5 %
Serbia	6.4 %	4.4 %	11.2 %	9.0 %
Montenegro	-9.8 %	-10.2 %	7.4 %	6.8 %
Thailand	17.4 %	13.7 %	17.1 %	13.3 %
Malaysia	4.9 %	4.6 %	0.5 %	0.4 %
Bangladesh	7.1 %	3.2 %	4.9 %	1.4 %
Pakistan	-2.7 %	5.5 %	1.0 %	9.5 %
India	-29.6 %	6.7 %	75.5 %	
Broadcast	0.6 %	0.6 %	10.9 %	10.9 %
Telenor Group	1.5 %	1.6 %	9.8 %	8.3 %

41 Organic growth YoY in fixed currency and adjusted for acquisitions and disposals.
EBITDA before other items. India organic revenue growth based on 6 circles.



Q2 2013

Net debt in partly owned subsidiaries

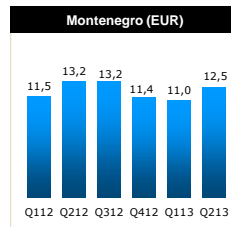
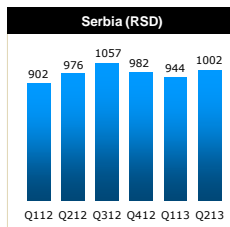
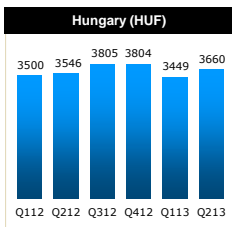
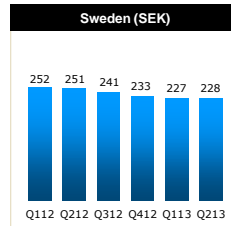
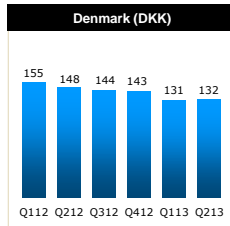
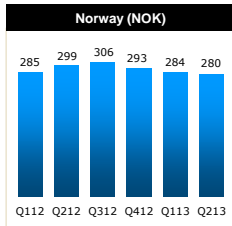
(NOK m)	Q2 2013	Q1 2013	Q2 2012
DiGi	344	688	-794
DTAC	2 713	3 262	1 065
Grameenphone	360	187	-81
India	205	6	9 119

42 Net debt based on 100% figures. Excl licence commitments



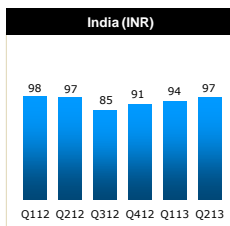
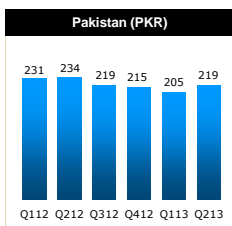
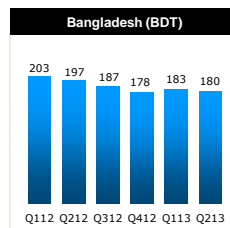
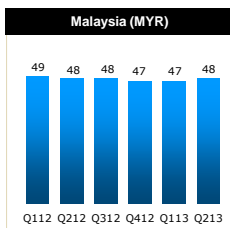
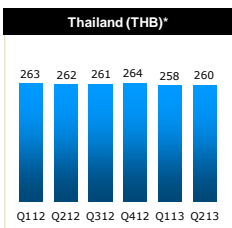
Mobile operations

ARPU development (local currency)

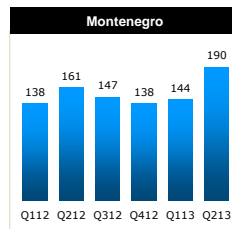
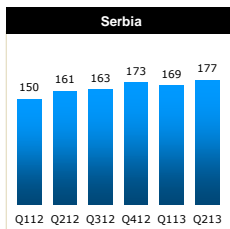
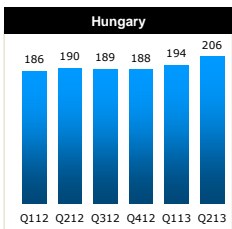
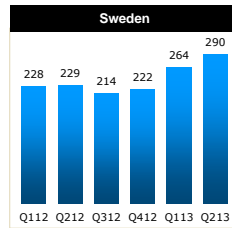
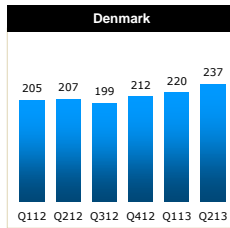
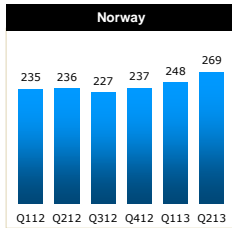


Mobile operations

ARPU development (local currency)



Mobile operations
AMPU development



Mobile operations
AMPU development

