



Telenor in Europe

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Telenor Europe

Hungary

31% revenue market share
No. 2 position in the market
3.2 million customers

Denmark

24% revenue market share
No. 2 position in the market
1.9 million customers

Sweden

21% revenue market share
No. 3 position in the market
2.4 million customers

Serbia

42% revenue market share
No. 1 position in the market
3.2 million customers

Montenegro

44% revenue market share
No. 1 position in the market
0.4 million customers

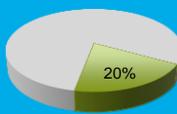
Bulgaria

37% revenue market share
No. 2 position in the market
4.7 million customers

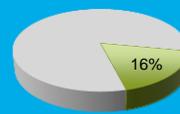
Revenues



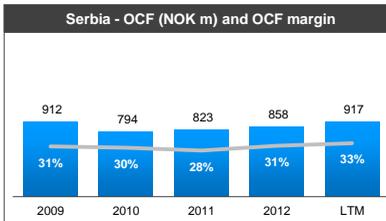
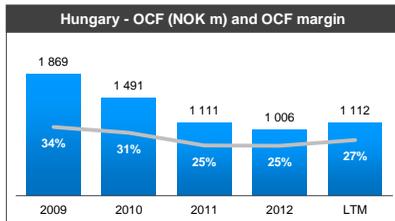
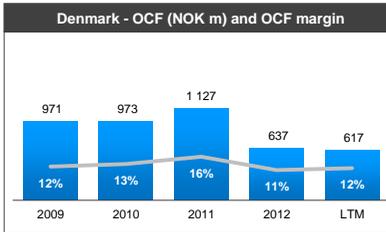
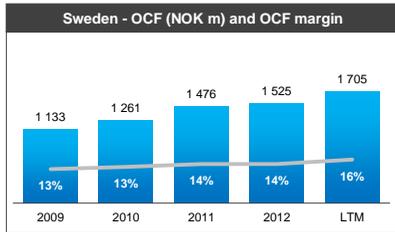
Op. cash flow



SOTP



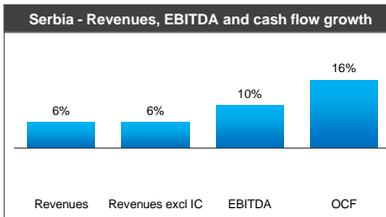
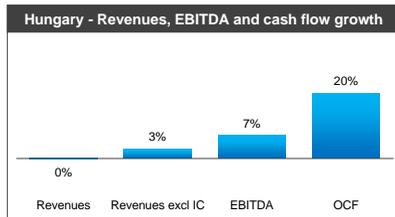
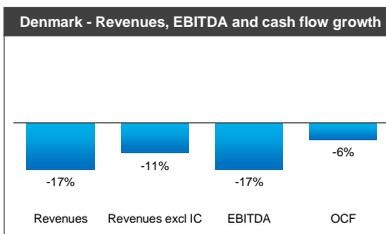
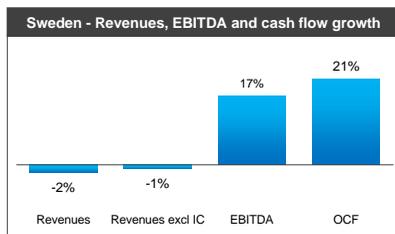
Operating cash flow of NOK 4.5 billion excl Globul



3 Operating cash flow (OCF) defined as EBITDA before other items, less capex, excl spectrum fees
LTM = last twelve months (Q312 – Q213)



...with strong underlying growth in profitability in most markets



4 Growth rates in local currency, 1H13 vs 1H12
Operating cash flow (OCF) defined as EBITDA before other items, less capex excl spectrum fees



Value creation through operational excellence

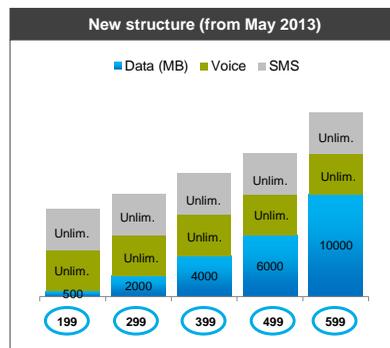
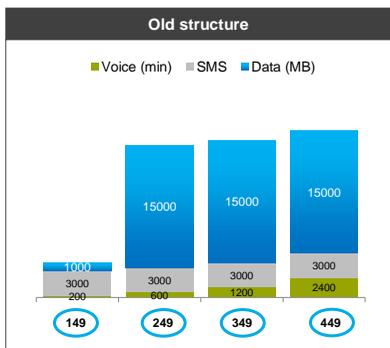
- Great customer experience
- Monetise data growth
- Leverage new operating models
- Utilise competence and scale across markets



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Promising move from voice to data centric pricing in Sweden

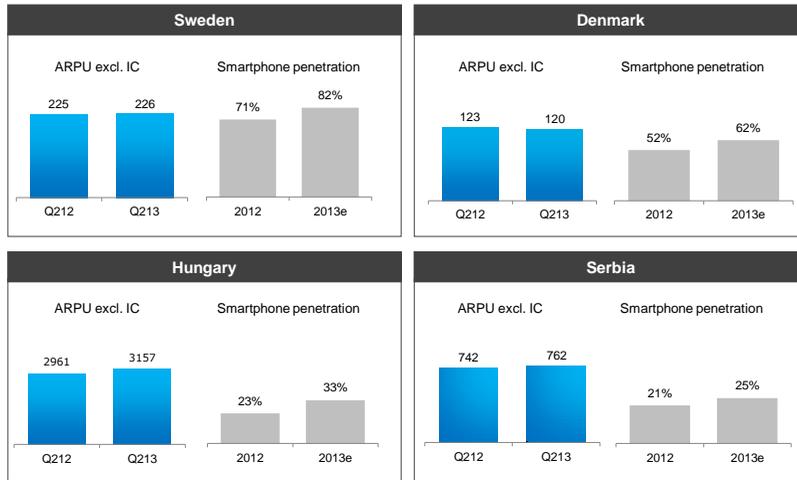


○ Monthly subscription fee (SEK)

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Revenue potential from increased data usage



ARPU excl. IC: in local currency. Sweden also excl. handset related discount

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Sweden: Leveraging on partners' scale and efficiency

Sales transformation



- Transformed all shops
- Improved store concept and locations
- Successful shop-in-shop model

Customer service



- Adding scale through partnership
- Improved customer experience

Network transformation

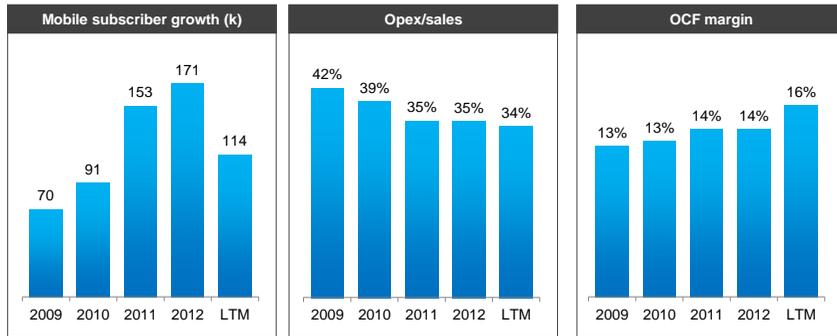


- Network sharing
- Managed services
- From weak network position to best-in-class

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New operating models resulting in subscriber growth and improved profitability in Sweden

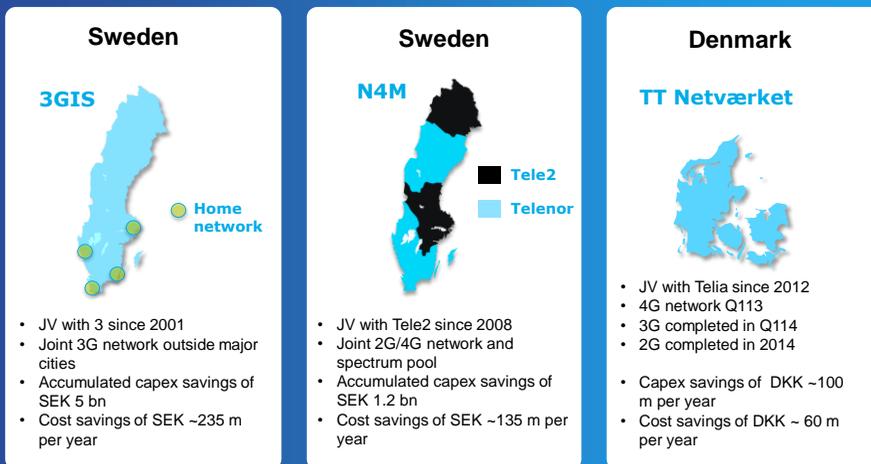


On track towards opex/sales <33% and OCF margin >20% in 2015

9 Operating cash flow (OCF) defined as EBITDA before other items, less capex excl spectrum fees
LTM = last twelve months (Q312 – Q213)



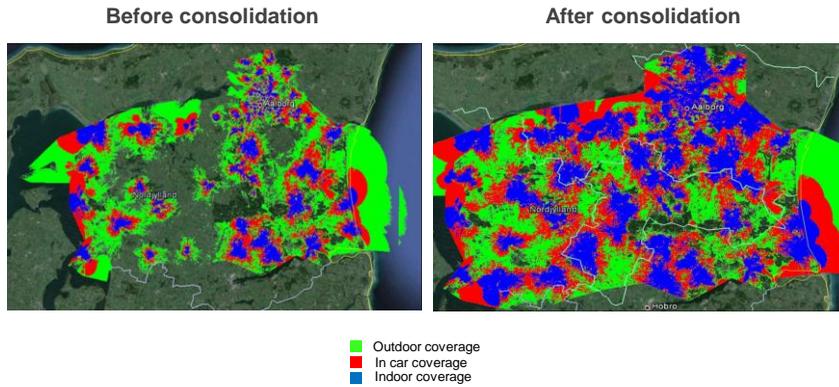
Active network sharing in Sweden and Denmark



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Network sharing in Denmark: Improved 3G coverage in Northern Jutland after consolidation



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Radical simplification required in Denmark



Ambition for 2016: Deliver annual OCF above NOK 800 million

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Operating cash flow (OCF) defined as EBITDA before other items, less capex excl spectrum fees



Utilising competence and scale across the region

- Launched common organisation between Serbia and Montenegro
- Common Operations initiative established in CEE
- Case-by-case collaboration on cross-border projects
- Management with experience from several European business units



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Creating scale and competitiveness through Telenor Common Operations

What

- Common shared service centre for network and IT services in the CEE established in 1H 2013

Scope

- Reduce relevant cost base with up to 20% from 2016
- Vehicle for shared service center and center for network sharing across the European region

Key drivers

- High competence available at affordable cost
- Ability to gain sufficient scale

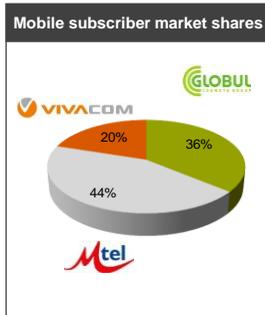
Opportunities

- Support execution in Bulgaria
- Extend scope to include Sweden and Denmark



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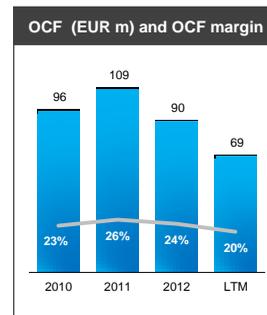
Acquisition of Globul in Bulgaria completed



- Strong number 2 position
- 13% smartphone penetration



- Stable revenues excl interconnect



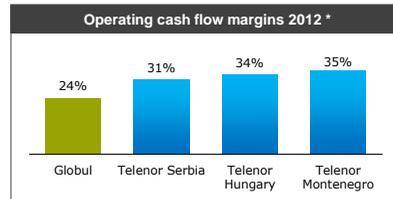
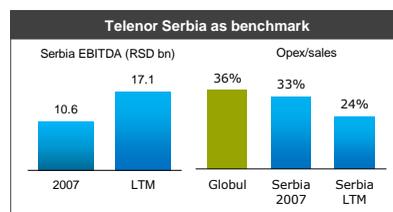
- Margin upside potential

15 Operating cash flow (OCF) defined as EBITDA before other items, less capex excl spectrum fees
LTM = last twelve months (Q312 – Q213)



Strengthen Globul by leveraging on competence and scale in the region

- Strengthen top line development
 - Reuse of concepts and experience from other markets
 - Move towards data centric product portfolio
 - Revamp distribution to improve retail experience
- Network swap during 2013-2014 to strengthen data capabilities
- Leverage Telenor Common Operations scale



Ambition to strengthen topline and deliver OCF margin above 30%

16 * Operating cash flow defined as EBITDA before other items, less capex excl spectrum fees
Hungary excl telecommunications taxes



Value creation agenda

- Capture untapped data potential
- Execute on efficiency improvement
 - New operating models
 - Radical simplification in Denmark
- Execute on Globul value agenda



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Thank you

