

telenor

Nordic operations
Mobile threats and opportunities
Ric Brown – Senior Vice President



What are the
impacts from
competing
technologies?

Mobile VoIP – The hype



WiFi everywhere



WiFi capable phones



Free calls

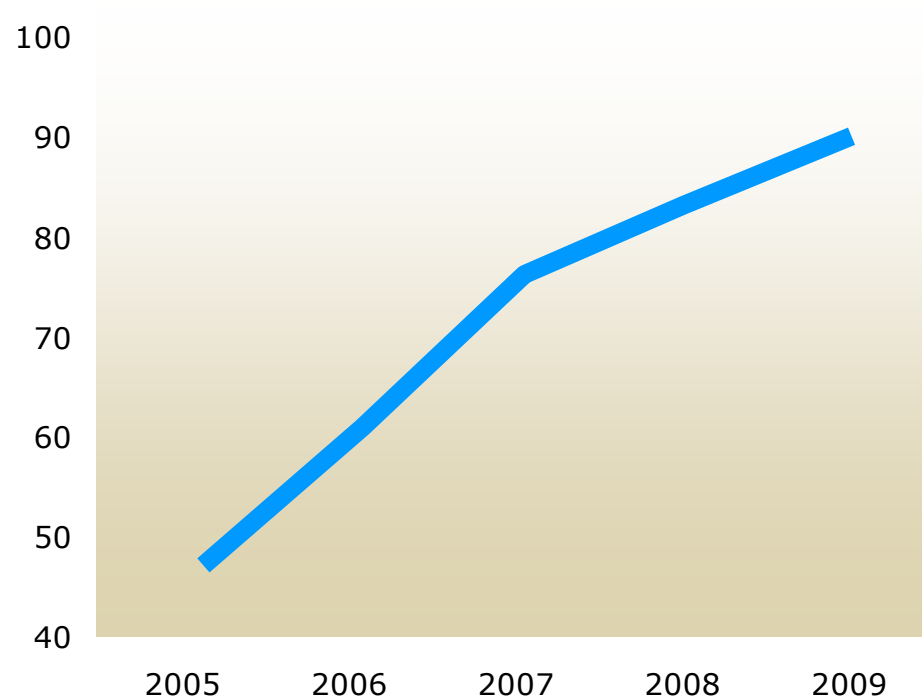


Intense competition

WiFi - The reality

Widespread but often with restricted access

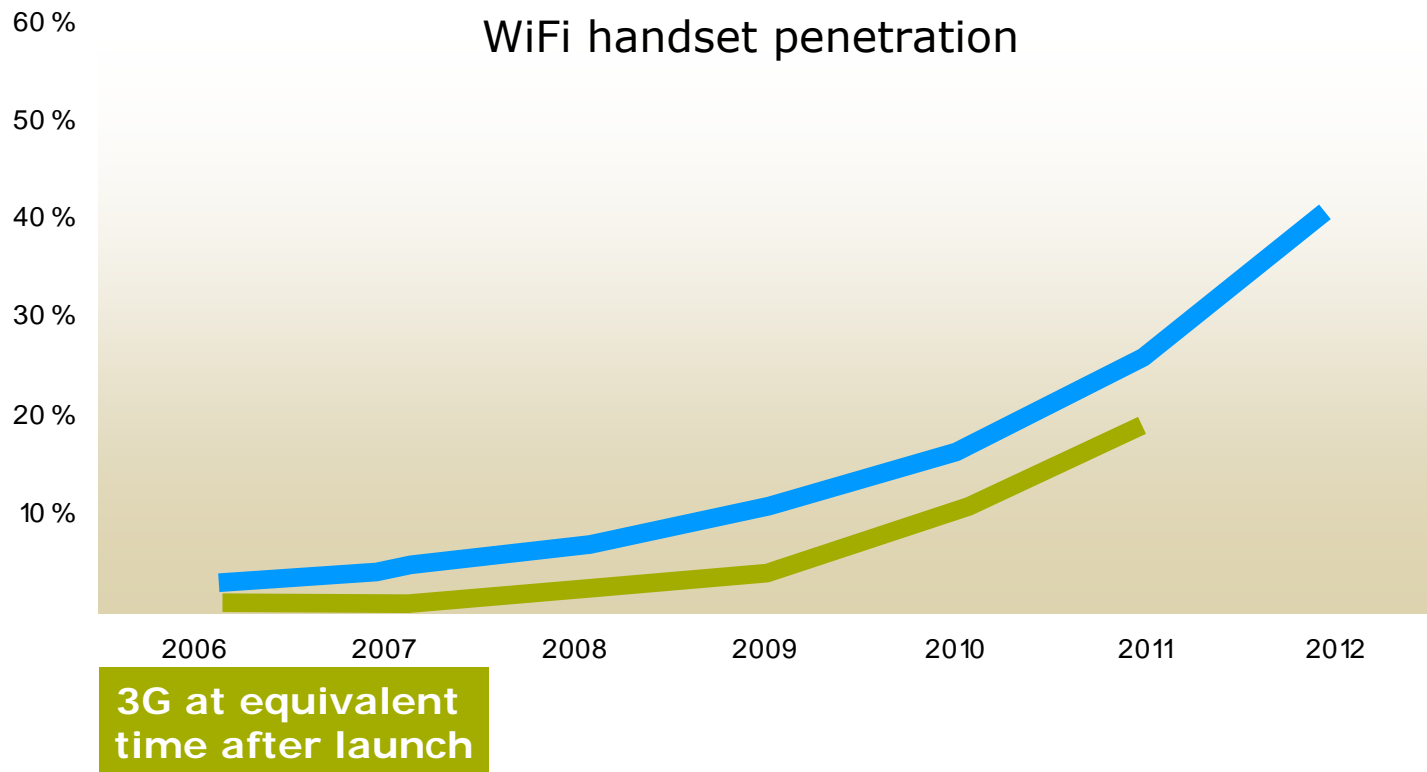
Proportion (%) of networks with secured access



Note: Telenor estimates

Handset - The reality

Long time before most mobile phones have WiFi



Note: Telenor estimates

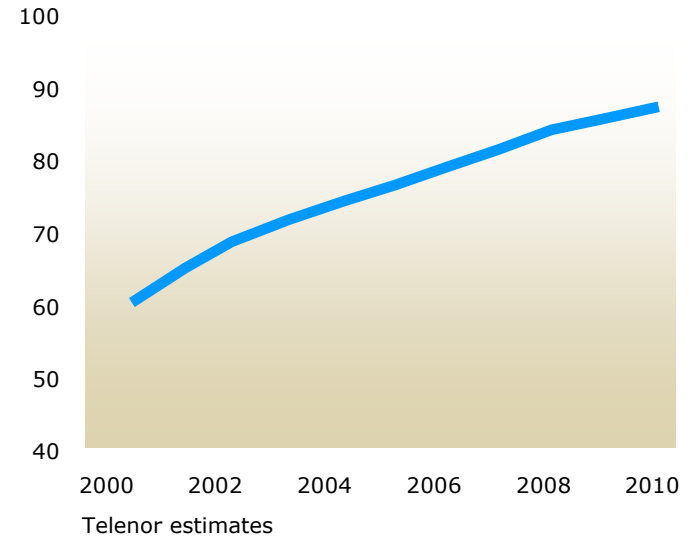
Free calls - The reality

Call prices will not fall dramatically

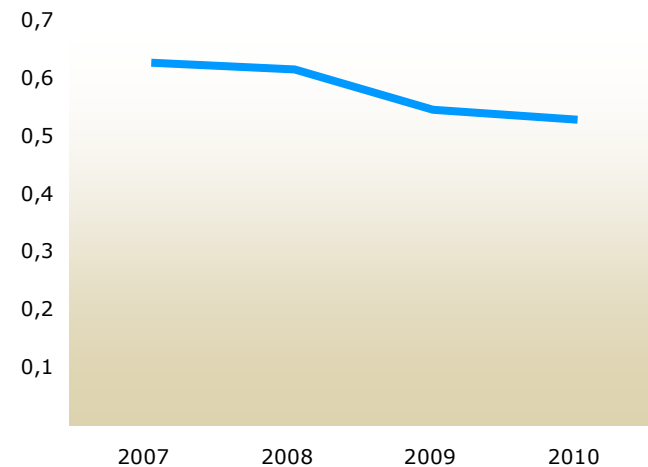
NOK	Telio Mini	Telio Micro	Telenor FriFiks
Monthly	159	59	11*
To Fixed	0	0.30	0.94
To Mobile	0.89	1.19	0.92
To Family Mobile	0.89	1.19	0

*adjusted for included minutes

Mobile to mobile calls (%)





Mobile Norway termination rates (NOK)



Competition reality

Converged operators best positioned

	Service providers	Internet players	Converged operator
			
Brand	-	✓	✓
"Word of mouth" distribution	✓	✓	-
Handset distribution and pre-configuration	-	X	✓
Price level and packaging	-	X	✓
Seamless services	-	X	✓
WiFi access	X	-	✓
Ensure quality and manage complexity	X	-	✓
Switchboard and application integration	X	✓	✓
Customer service and billing	✓	X	✓
Security	X	-	✓



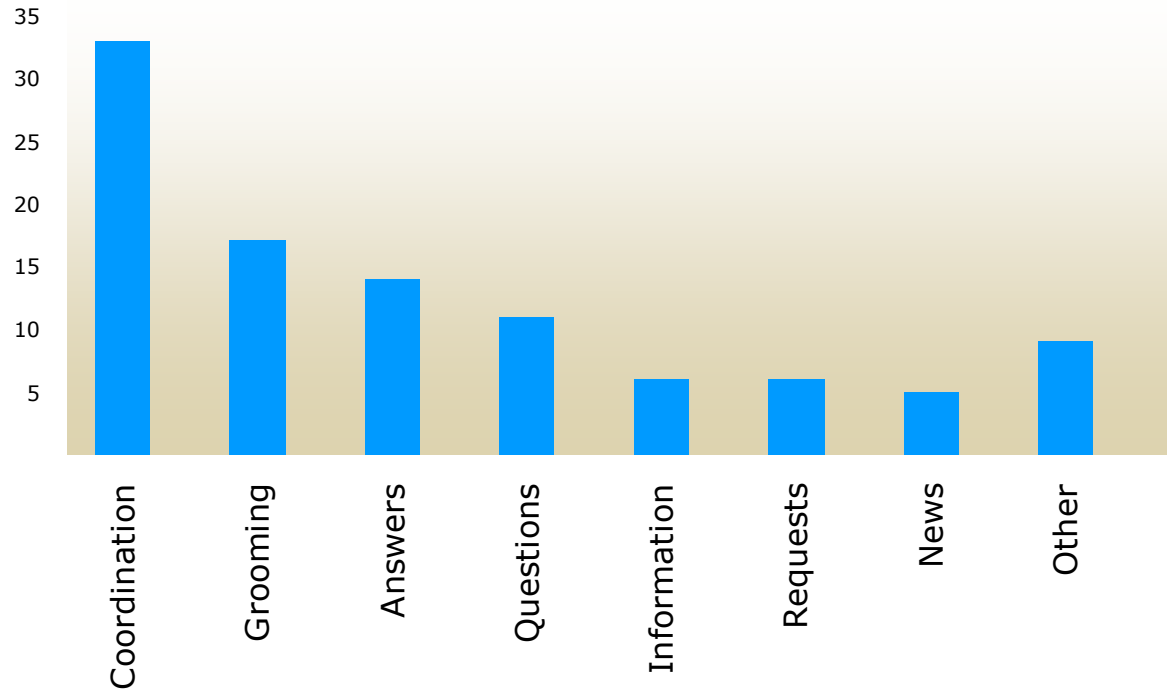
We are well prepared for technology shifts

- Family and group pricing
- Business internal calls
- Bundled minutes
- Security on home WiFi
- Public and Nomadic WiFi roll-out
- Traffic control
- VoIP specific pricing of mobile data traffic

But what about SMS?



SMS categories (%)



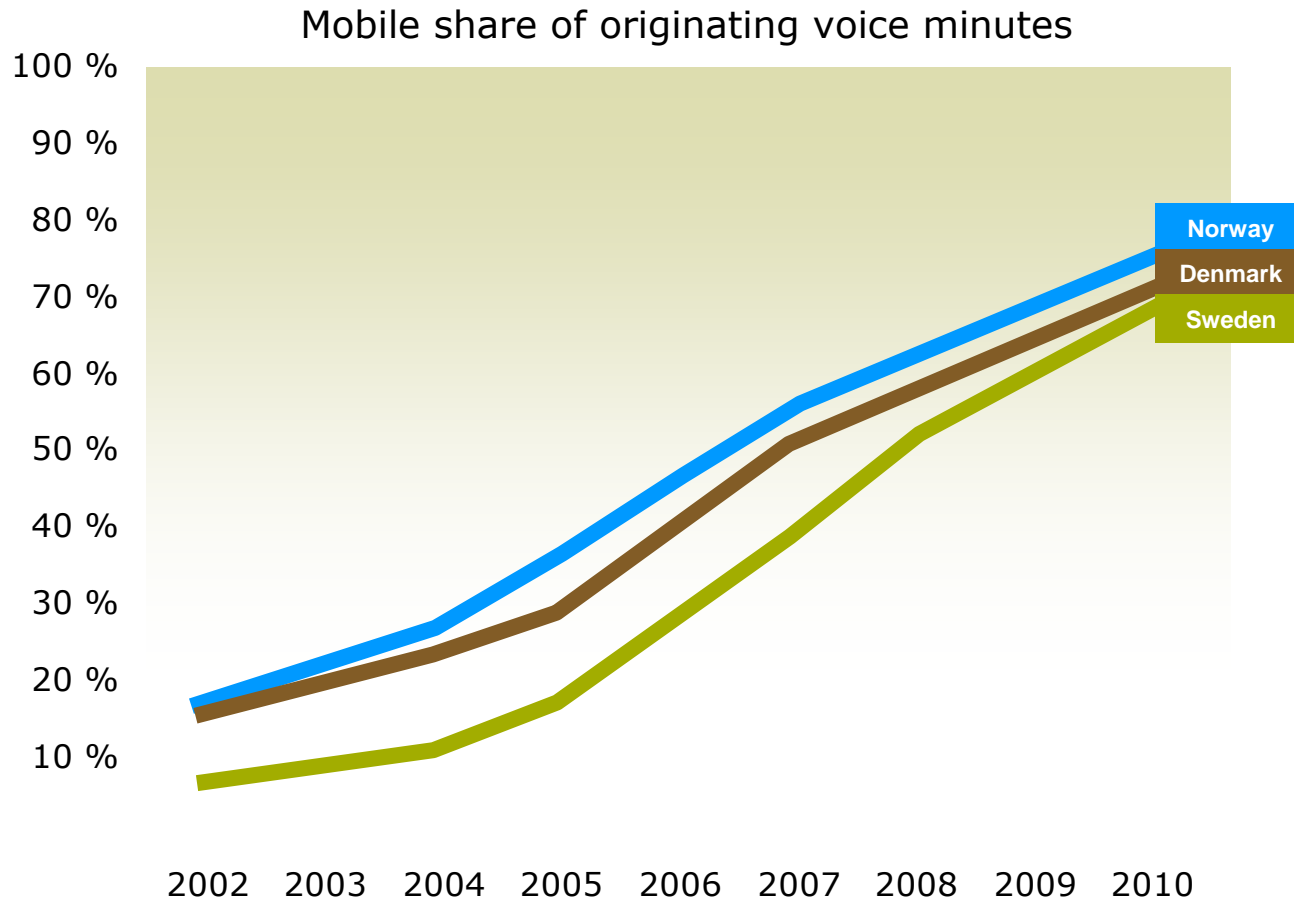
Instant Messaging will not kill SMS



What about the opportunities?

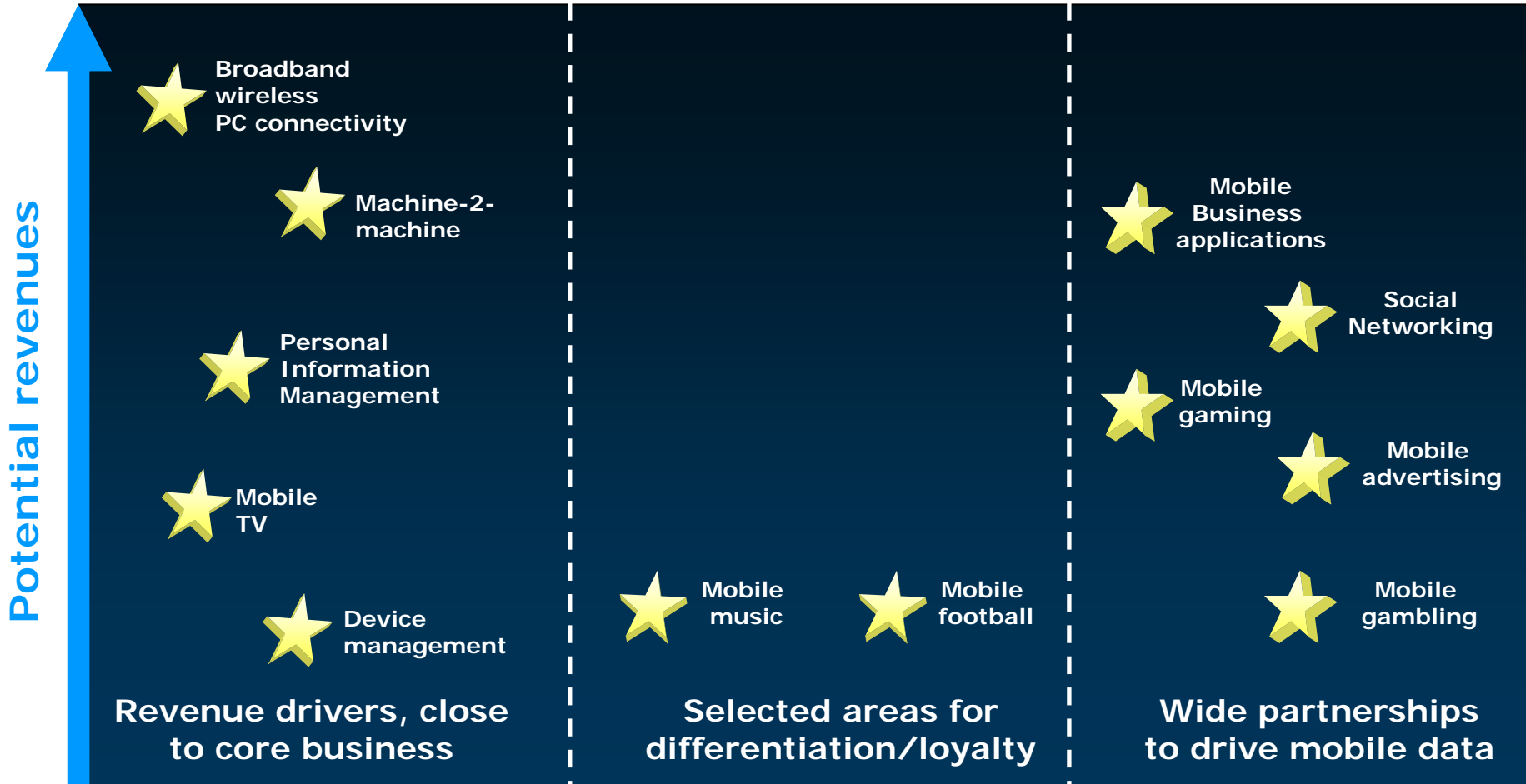
Voice Migration

Substantial volume growth will offset price falls



Note: Telenor estimates

Mobile data opportunities



Wireless PC connectivity

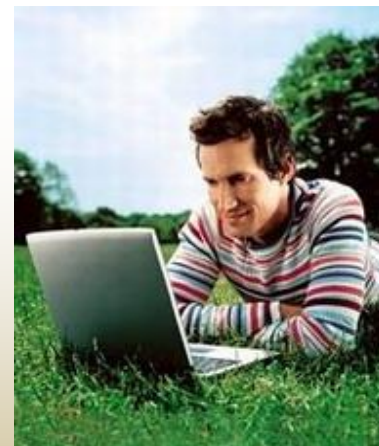
Hassle free internet anytime, anywhere



3G/HSPA



WiFi at home, work
and "hot spots"



Potential – 2m customers paying NOK 100 per month

Mobile TV

Strong results in trials and early launches

Scheduled/ Live TV

Podcast TV

On Demand TV



Potential – 1.5m customers paying NOK 60 per month

Personal information management

Taking care of private content

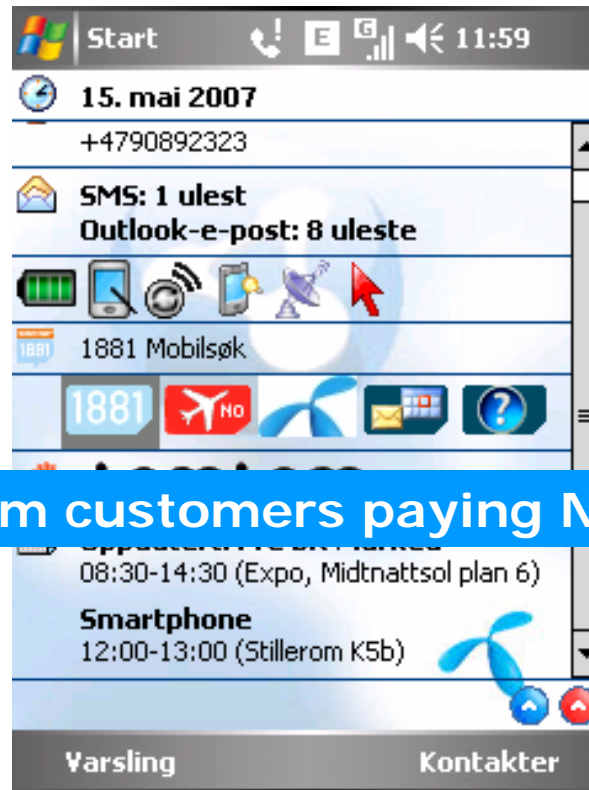
Personal
Image Bank



Potential – 1m customers paying NOK 30 per month

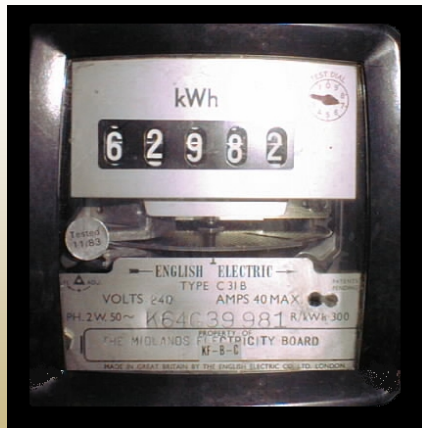
Device management

Managing business applications and information



Potential – 0.8m customers paying NOK 60 per month

Machine-to-machine 150 million "machines" in Scandinavia



Electricity meters



Alarm systems



Fleet management



Automotive security

Potential – NOK 1 bn per year

Building loyalty with unique content services

A promotional poster for Snoop Dogg. He is wearing a blue and yellow baseball cap, a blue jacket, and a gold chain. The text 'Snoop Dogg' is written in a stylized, white, gothic font across his chest. Below the image, the text reads 'Plays on your Mobile' and 'Send music to 2244'. The 'djice' logo is in the bottom right corner of the poster area.

Plays on your Mobile
Send music to 2244



Partnership strategy to drive data revenue

Potential – 2.5m customers paying NOK 50 per month

The collage features several key elements:

- Music Services:** djvice.com interface with text: "Last ned dine favorittlåter! > Musikknedlasting", "Musikvideoer: Basshunter - Boten Anna > Musikkbrigade", "VG: DumDum Boys gjør rent bord (VG Musikkextra)", "Dagbladet.no: Per til Storgates Beyoncé-låt".
- Mobile & Tech:** "SmartPhones" banner, "Locus MAKES MOBILITY EASY" logo, "aspairo" logo, "Windows Live Din online-verden samlet på ett sted", "Google", "DATEK".
- Entertainment & Media:** "CONAN HYBORIAN ADVENTURES" image, "Nytt Inpoc Magazine ute nå!" advertisement, "Send INJA til 1985 og bli abonnent i dag!", "eurolate", "PaTones Ringedyen synger navnet til den som ringer", "aspairo" logo.
- Financial & Services:** "DnBNOR" website snippet with "Lønnsomt med kundeprogram", "Kjøpe bolig for første gang?", "Tryggere handel på Internett".
- Other:** "F's Hot" text, "Smartphones" banner, "Locus" logo, "aspairo" logo, "eurolate" logo, "PaTones" logo, "aspairo" logo, "telenor" logo.

Summary

- Manageable risks to voice and SMS business
- Substantial growth potential remains

