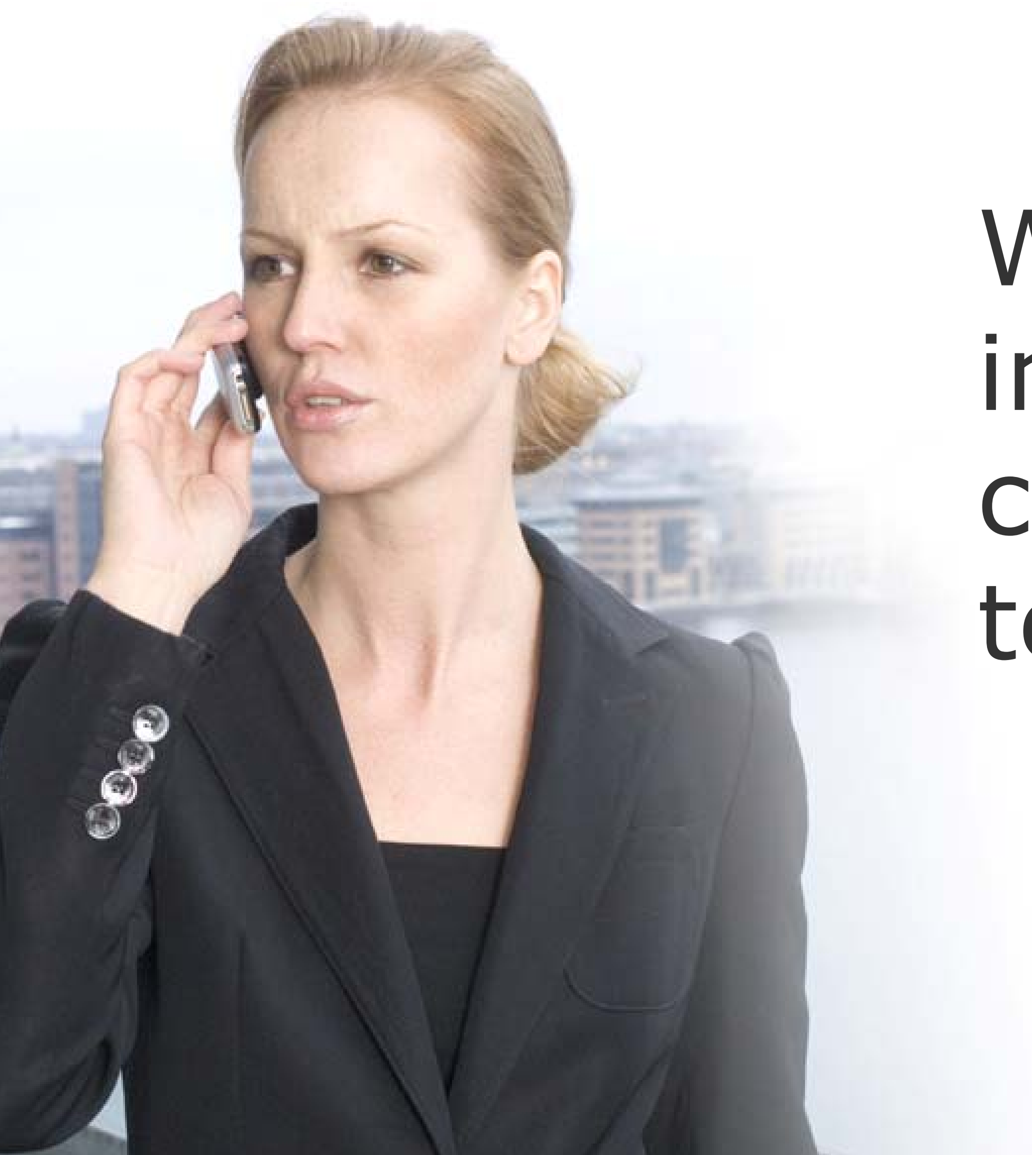
Nordic operations

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

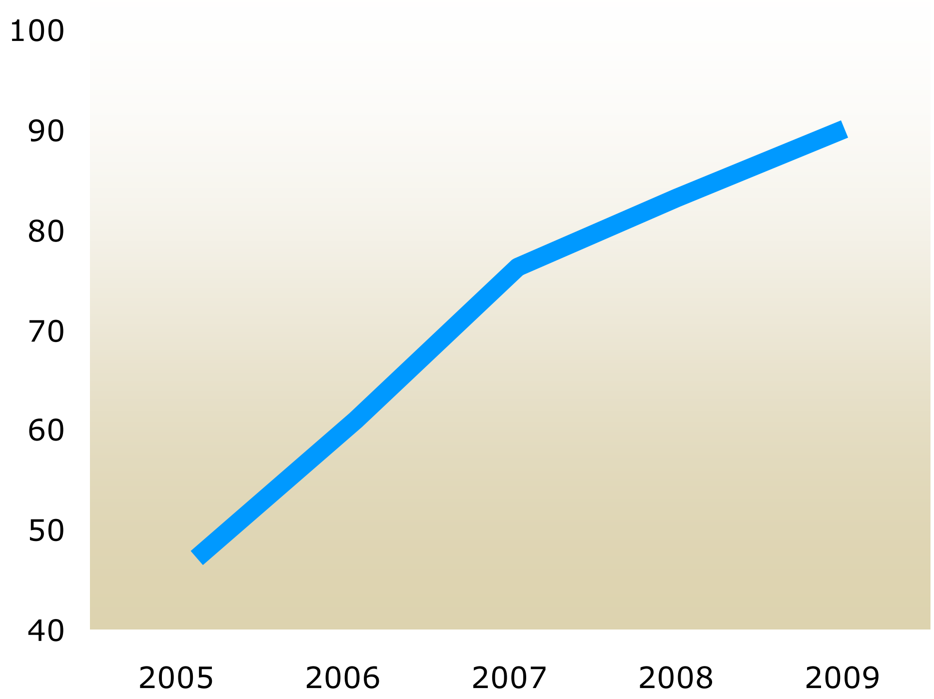
Windows Live
Din online-verden samlet på ett sted
Google
skype

Intense competition

WiFi - The reality

Widespread but often with restricted access

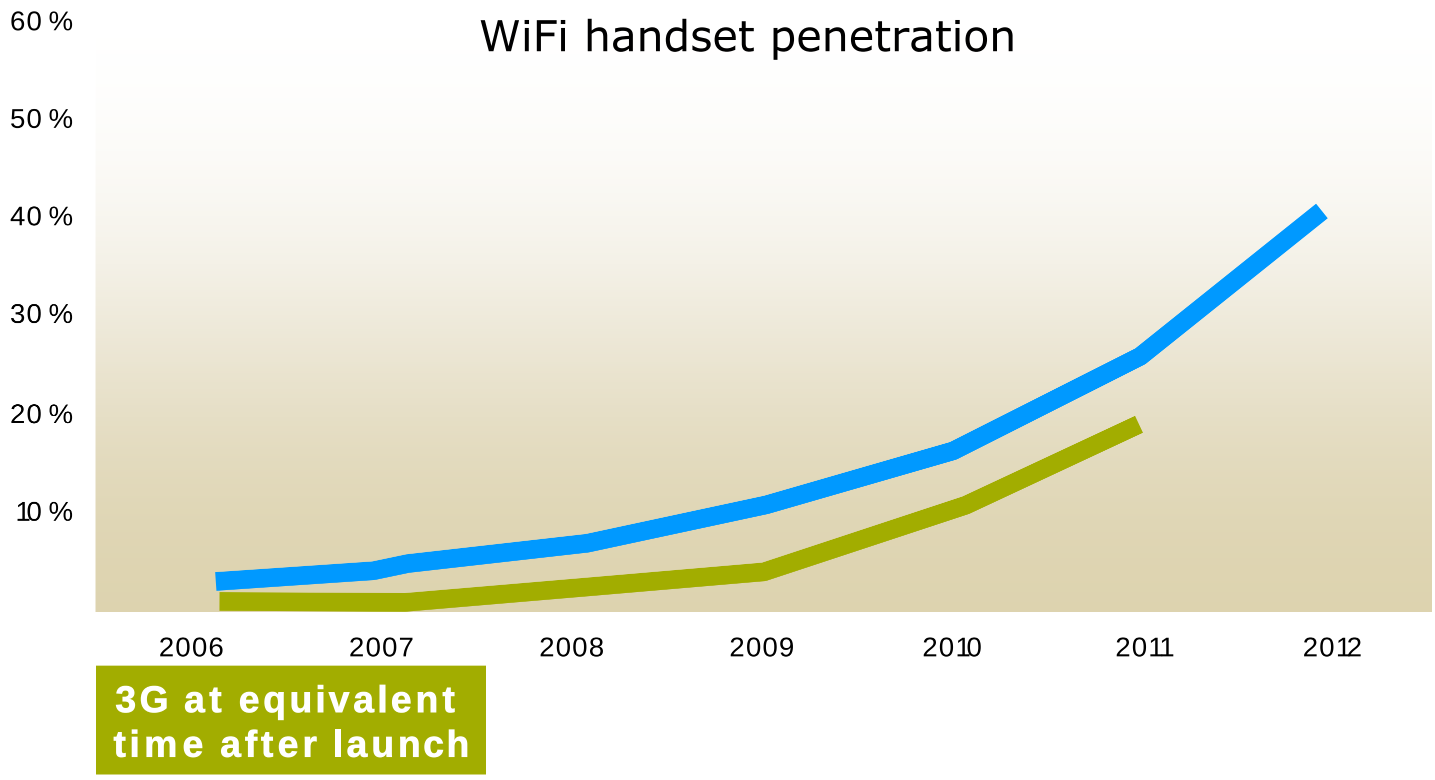
Proportion (%) of networks with secured access



Note: Telenor estimates

Handset - The reality

Long time before most mobile phones have WiFi



Note: Telenor estimates

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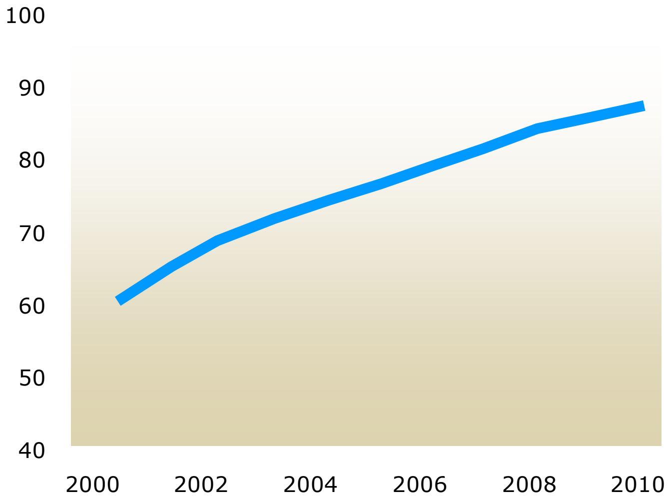
Free calls - The reality

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

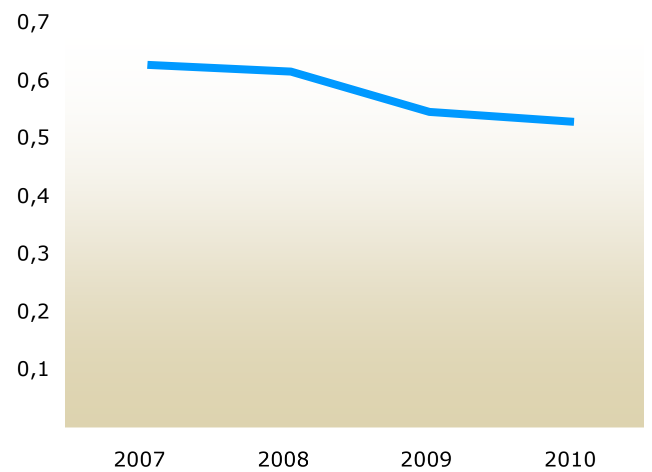
*adjusted for included minutes

Mobile to mobile calls (%)



Telenor estimates

Mobile Norway termination rates (NOK)



Competition reality

Converged operators best positioned

	Service providers	Internet players	Converged operator
		Google skype Windows Live Din online-verden samlet på ett sted	telenor
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

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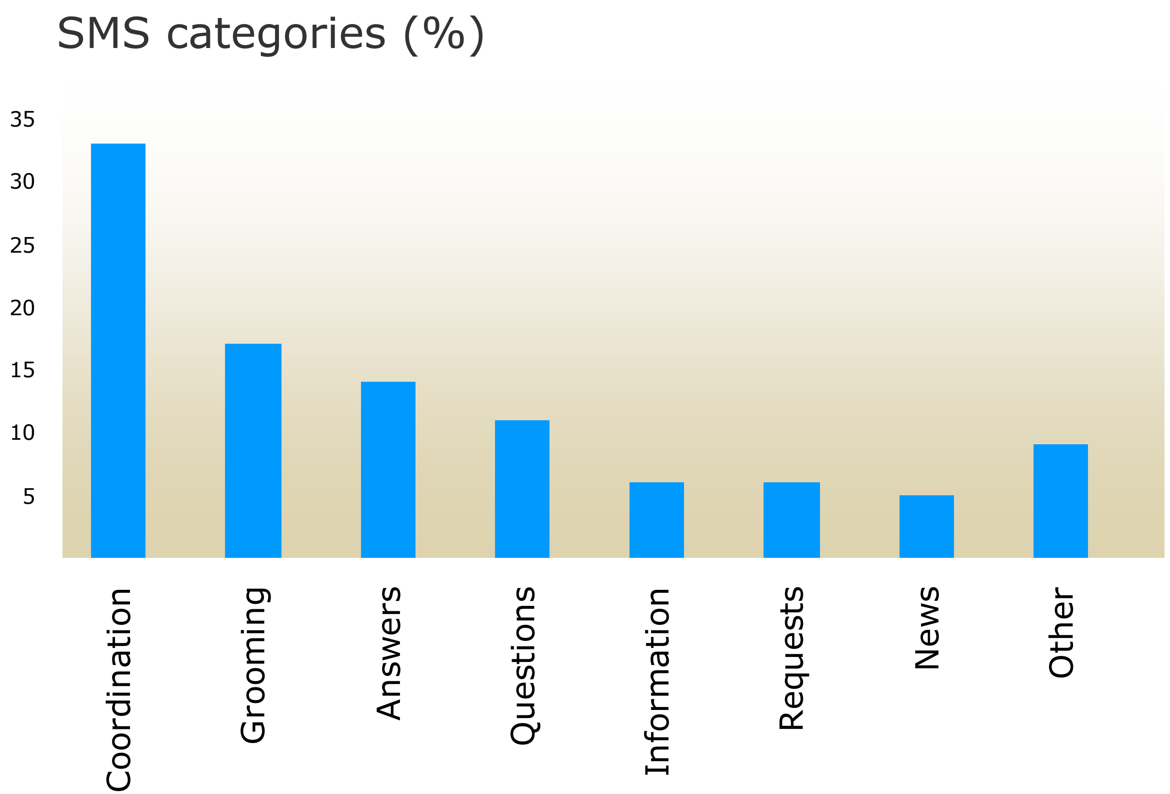
But what about SMS?



Instant Messaging will not kill SMS

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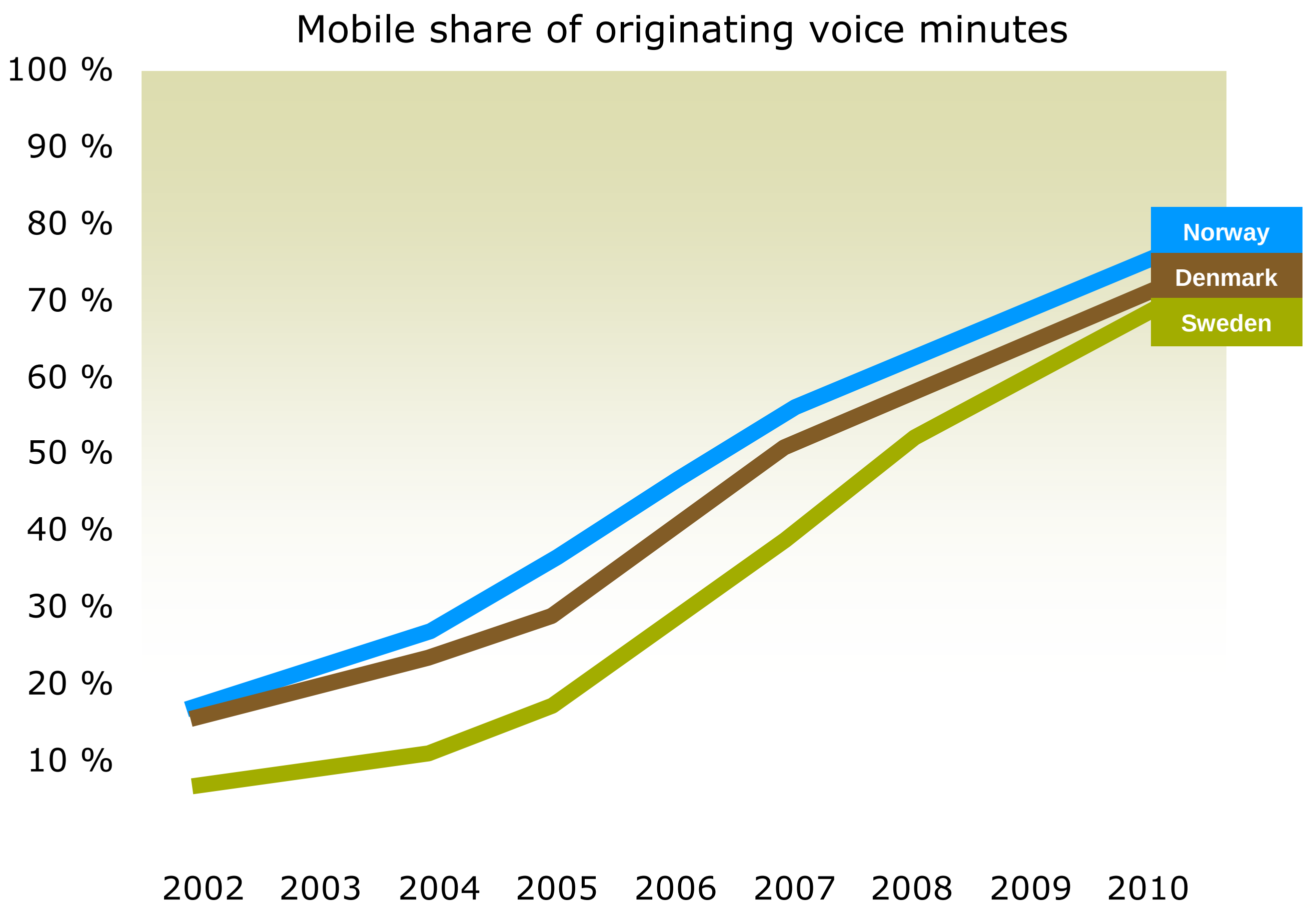
What about the opportunities?

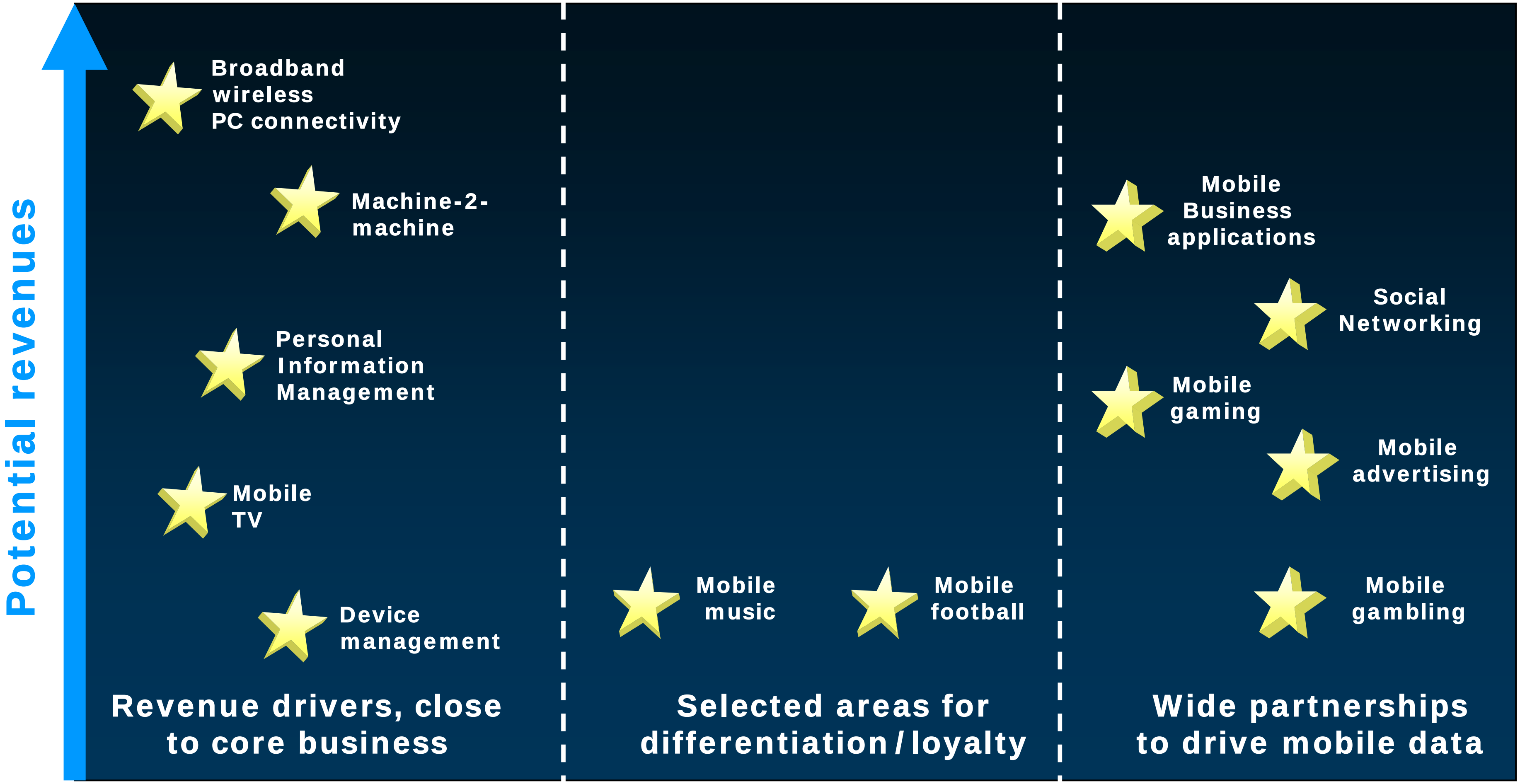
Voice Migration

Substantial volume growth will offset price falls



Note: Telenor estimates

Mobile data opportunities



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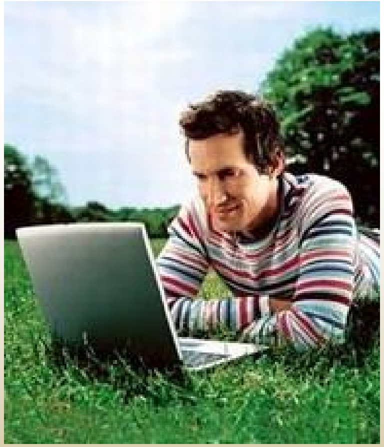
Wireless PC connectivity

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

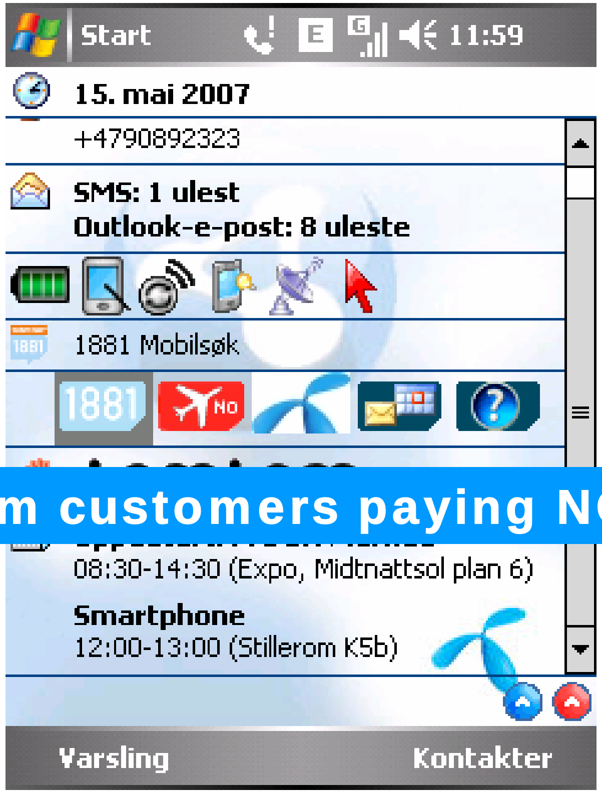
Taking care of private content

Personal Image Bank

Potential – 1m customers paying NOK 30 per month

Device management

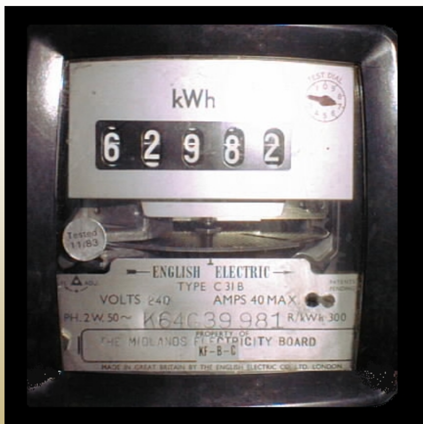
Managing business applications and information



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

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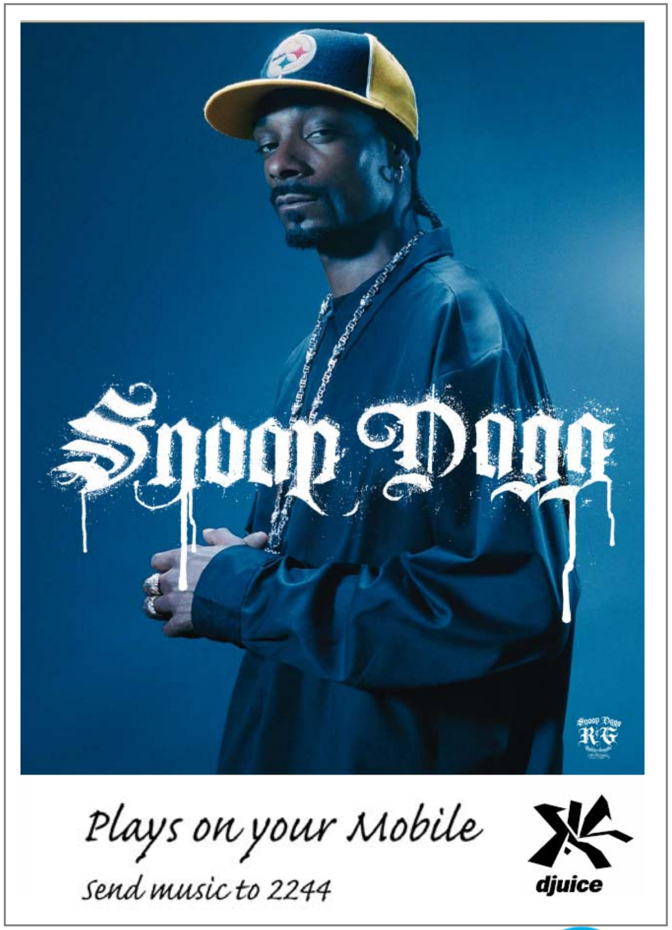
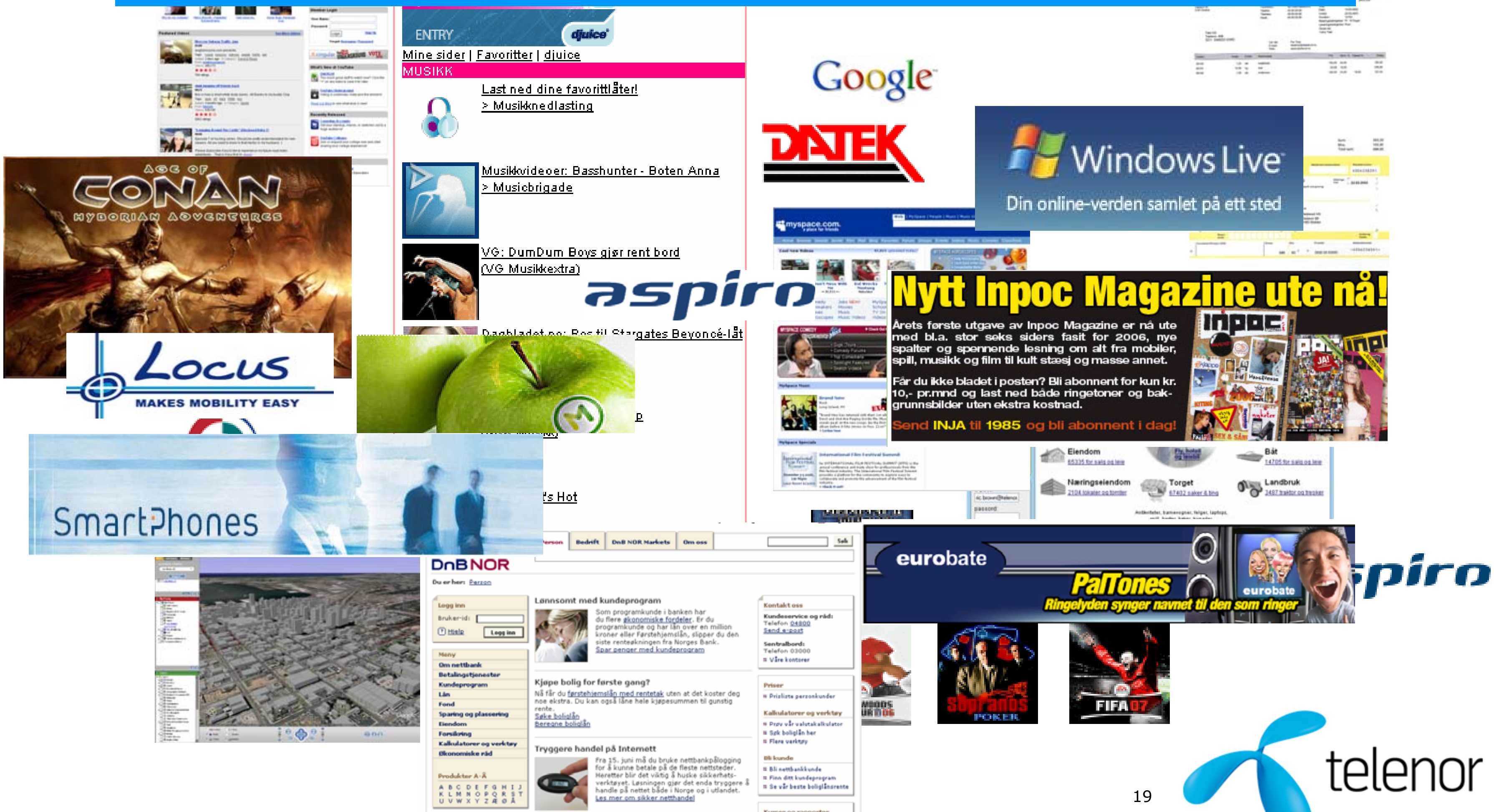
Building loyalty with unique content services



Partnership strategy to drive data revenue

Potential – 2.5m customers paying NOK 50 per month



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Summary

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