



Operational excellence in Telenor Group

Morten Karlsen Sorby, Executive Vice President

Operational excellence is a mindset

- Continuous improvement
- Keep challenging ourselves



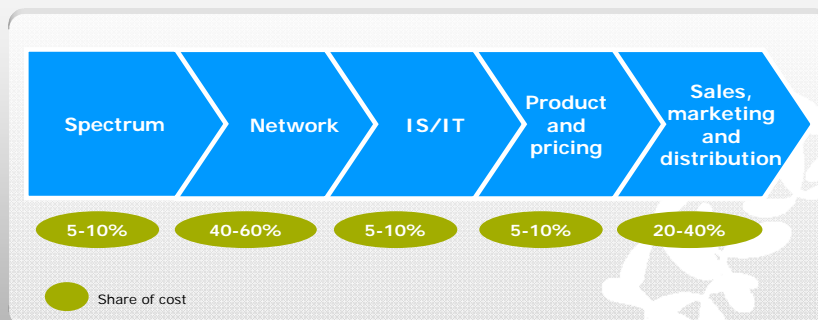
Leveraging on our solid track record in Norway

- Delta4 project (2002-2004)
- NOK 1.5 bn cost cut in Fixed operation (2005-2007)
- Process improvements
- Increased efficiency in market spend
- Holistic approach to customer experience

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Aiming at performance throughout the value chain



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Group wide initiatives

- Exploring “asset smart” opportunities
- Taking sourcing to the next level
- Improving site efficiency
- Managing the mobile data challenge
- Taking a holistic approach to customer experience
- Organisation model and tools

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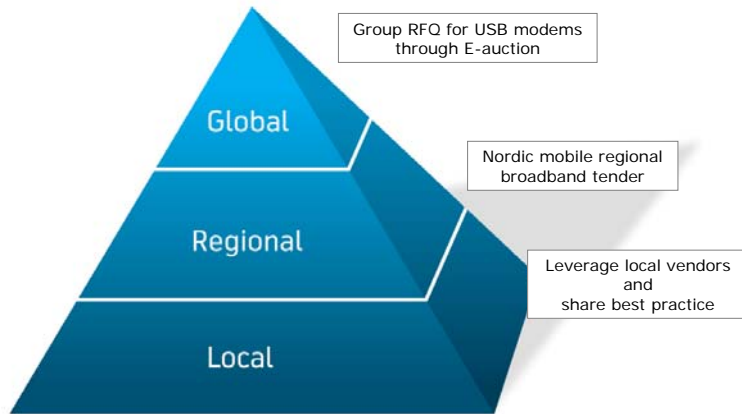
Asset smart: Network sharing being actively pursued

- **Barter** in place in all operations
- India marks a significant step towards **lease** of infrastructure
- Scaling up of **rent out** being explored
- **Consolidation** of network assets being deployed in Sweden

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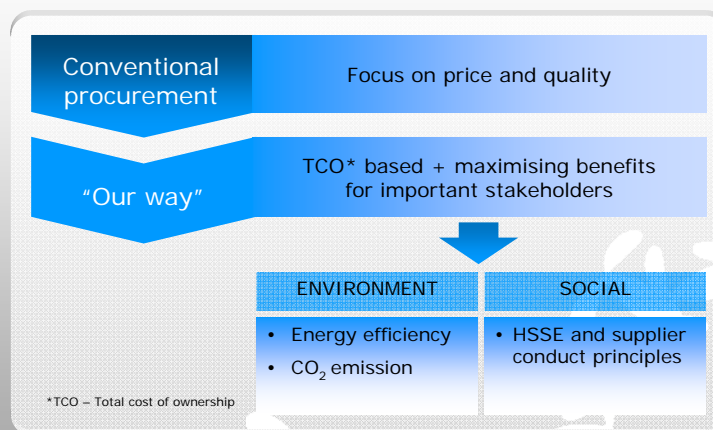
Sourcing initiatives at all levels in the organisation



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Taking sourcing to the next level



*TCO – Total cost of ownership

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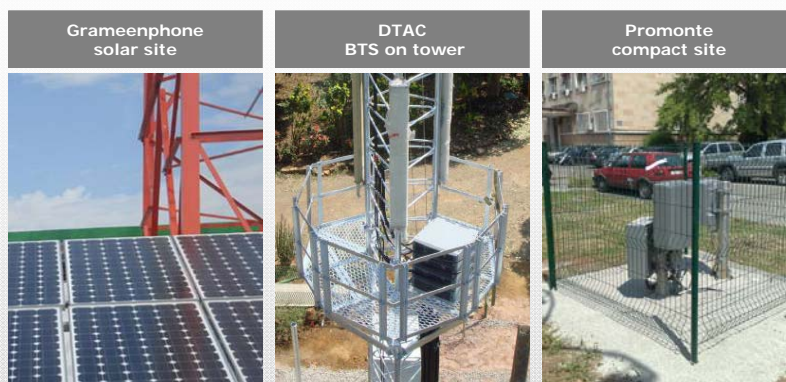


Significant reductions in equipment cost achieved

- Over past 12 months equipment cost reduction of
 - **30% on 3G**
 - **50% on 2G**
- Declining trend in support cost



Taking new approaches to improve site efficiency

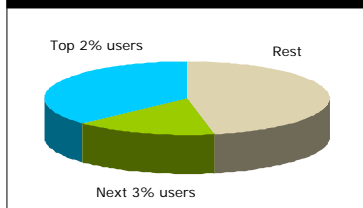


Managing the mobile data challenge

Traffic vs revenue development



Peak hour capacity

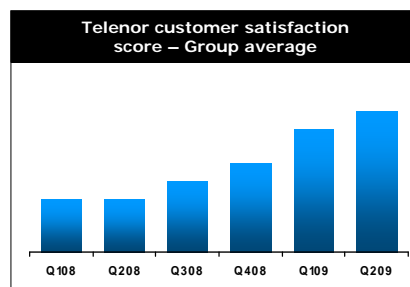


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Holistic approach to customer experience

- Improve customer satisfaction and brand preference
- Strengthen benchmarking, competence and best practice sharing
 - Brand academy
 - Brand tracker
- Implement guidelines, tools and systems support
 - Brand centre
 - Strategic marketing toolbox
 - Sales tracking system

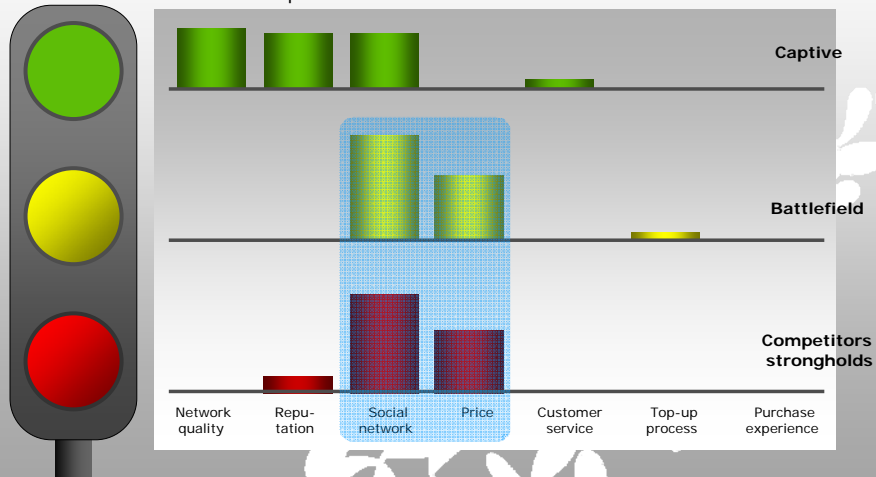


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Marketing spend: Putting money where it belongs

Real life example:



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Organisation and monitoring tools in place



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Summary

- Holistic approach aiming at full value chain performance
- Continuous benchmarking and monitoring
- Smartly leverage on group scale

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