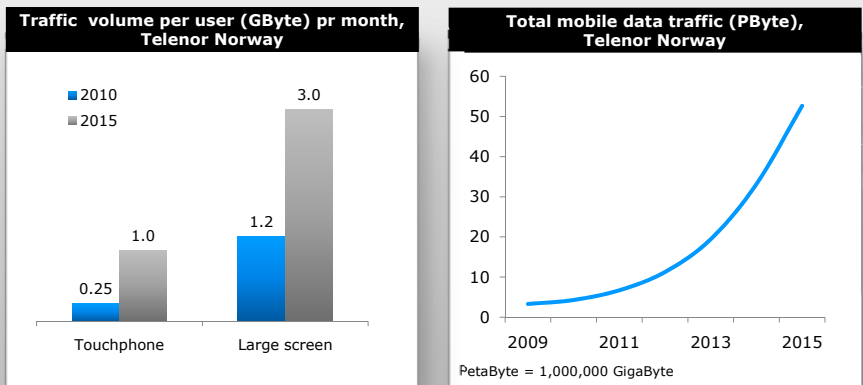
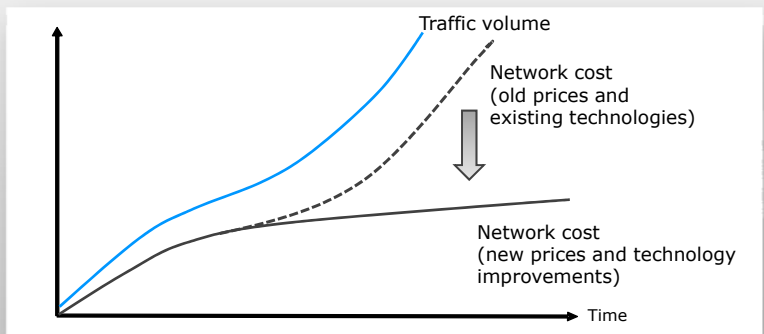


### Heavy increase in data traffic in coming years



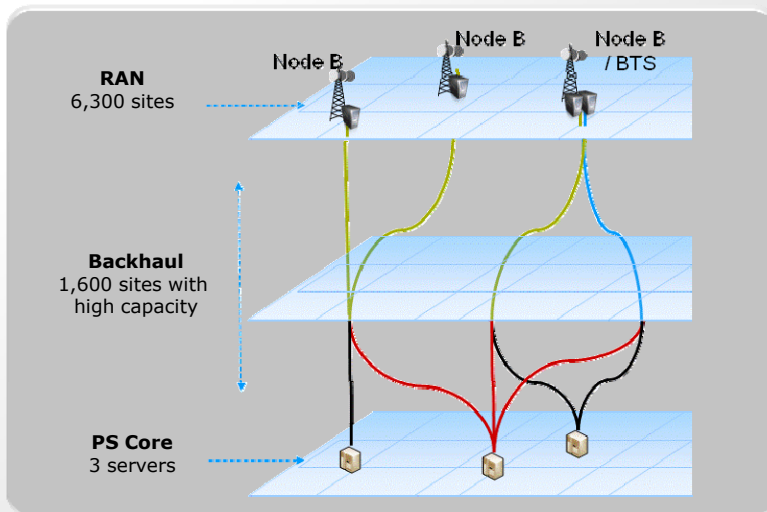
### Data growth represents a challenge to traditional mobile voice networks



Existing platform not adaptable to expected traffic growth and not prepared for LTE



### Simplified overview of existing 2G and 3G network



— Data traffic  
— Voice traffic  
— 3G traffic  
— 2G traffic

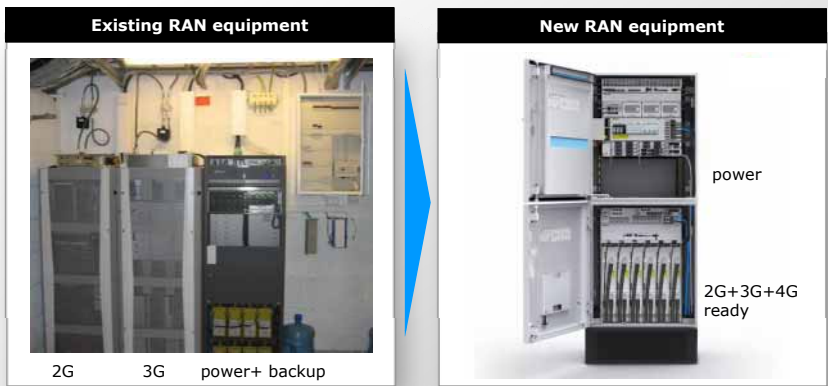


### Radical modernisation of our mobile network

<b>2010-2011</b>	<b>Swap RAN and PS Core networks</b>	<ul style="list-style-type: none"> <li>• Replace all existing 2G/3G RAN and PS Core equipment with new equipment from Huawei / Cisco</li> <li>• Low and predictable total cost of ownership</li> </ul>
<b>2010-2012</b>	<b>Upgrading IS/IT systems</b>	<ul style="list-style-type: none"> <li>• Sophisticated traffic management system</li> <li>• Faster product development</li> </ul>
<b>2010-2015</b>	<b>High speed backhaul &amp; LTE</b>	<ul style="list-style-type: none"> <li>• Backhaul with fiber and radio links</li> <li>• Increased coverage and capacity</li> <li>• Easier execution of network upgrades</li> </ul>



### From "technology specific" to "technology common" equipment

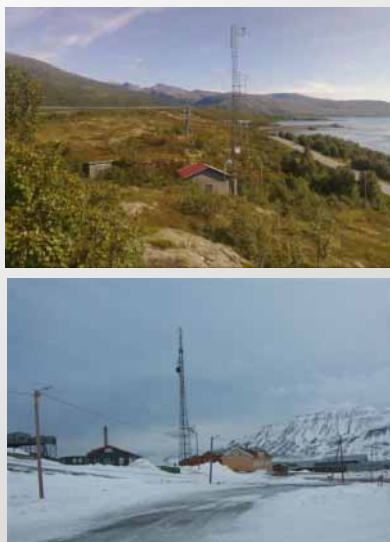


Less space needed, less power consumption and easy to upgrade

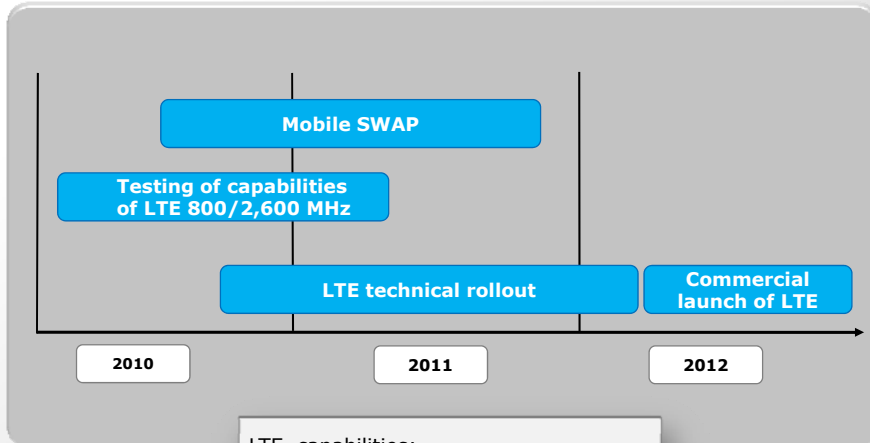


### Network swap progressing according to plan

- Start-up in May 2010
- PS core network already swapped
- RAN in two geographical areas swapped
- 200 sites swapped, 950 sites to be swapped by end of 2010
- All swapped sites ready for high-speed backhaul
- Completion by end of 2011



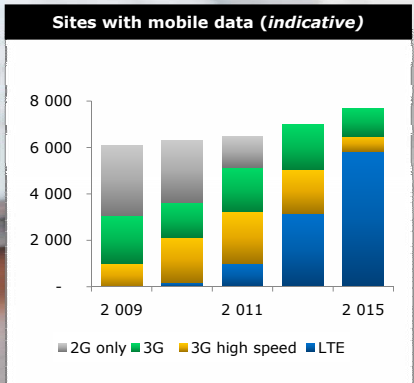
### Launch of LTE early 2012 with broad coverage



- LTE capabilities:
- Low latency adapted to new services
  - Flexible spectrum usage
  - Theoretical max-speed 160 Mbps
  - Practical speeds up to 20-30 Mbps



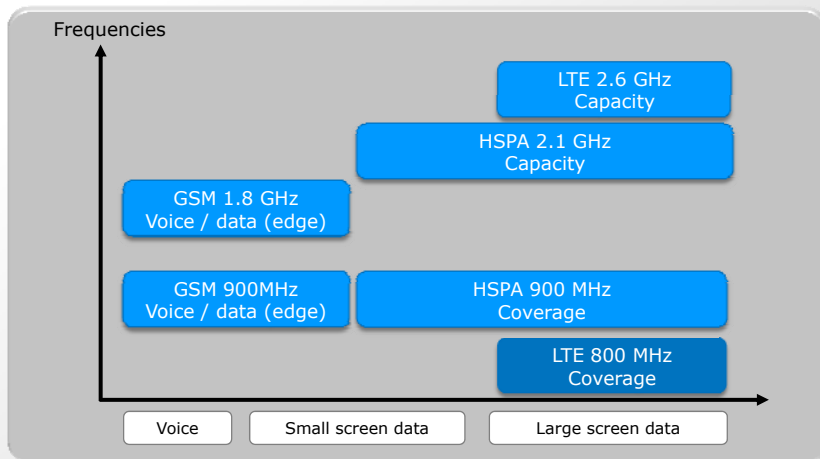
### Further expanding LTE coverage towards 2015



The majority of sites labeled LTE is also 3G and 2G, and most 3G sites are also 2G.

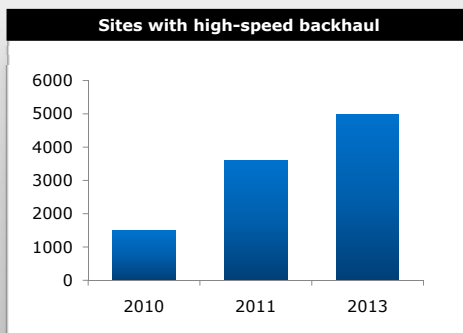


### Cost optimal capacity and coverage rollout by using different frequencies

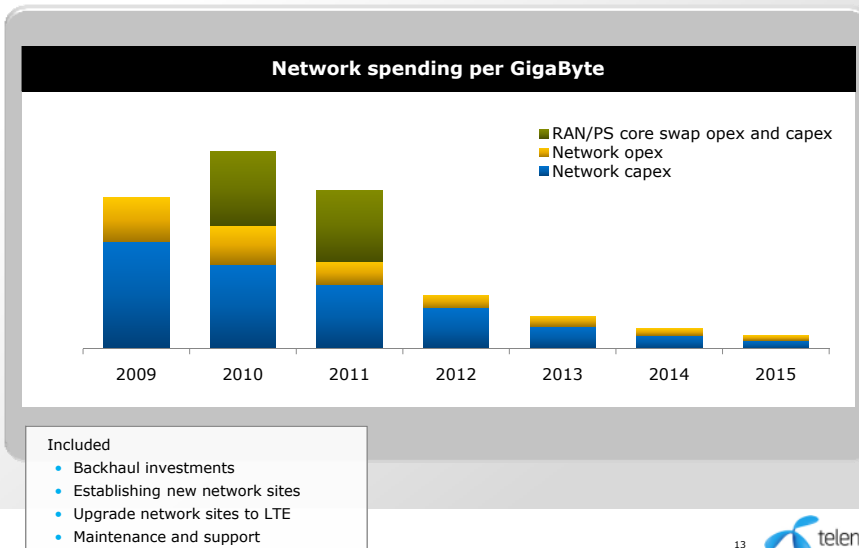


### Upgrading to high-speed backhaul capacity

- Enhance user experience on HSPA and support LTE capacities
- Combination of fibre and high-speed radio link
- Capex per site of NOK 150-200k
- Plan for 3,500 new sites with high-speed backhaul by end of 2013



### Future-proof cost position after completion of network modernisation



### Telenor Norway's approach to mobile data

- Segmented and attractive offerings to drive growth
- Modernisation of network to manage traffic growth and improve cost position

Well prepared to secure mobile data profitability!

