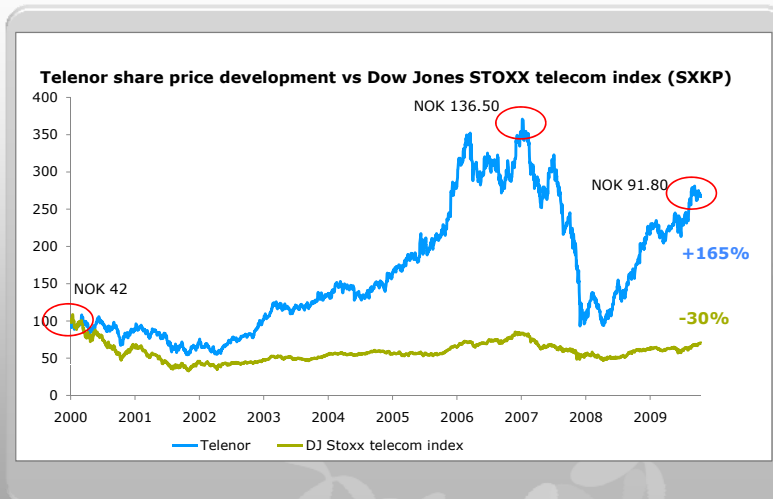


## Financial priorities

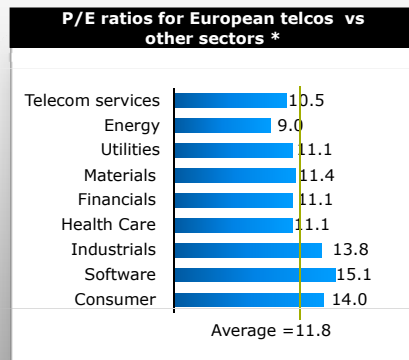
Richard Aa, CFO Telenor Group

## Annual return of 11% since IPO - outperforming sector



\*Total return (including reinvestment of dividend) from Telenor IPO to 16 Sep 2010

## Telcos low priced compared to most sectors



- Telco P/E ratio close to 5-year low
- Telco dividend yields near all-time high and higher than bond yields
- Our view on telecom sector:
  - Revenue growth potential
  - Significant efficiency potential
  - Earnings growth potential

\*) Source: IBES, Factset, broker research

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## CFO approach to value creation in Telenor Group

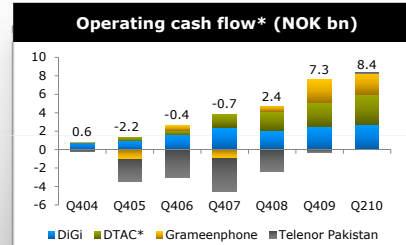
- Monetising on mobile data growth
- Value development of ownership in VimpelCom
- Increase cash flows from Asia
- Manage risk vs reward in India
- Systematic programmes on operational excellence
- Shareholder remuneration

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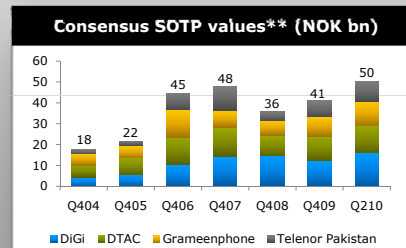


## Asian operations will continue to create value

- Still untapped mobile voice market
- Significant mobile data potential
- Use distribution strength to enter financial services
- Operational excellence
- Optimising capital structure



\*) DTAC consolidated from 1 November 2005



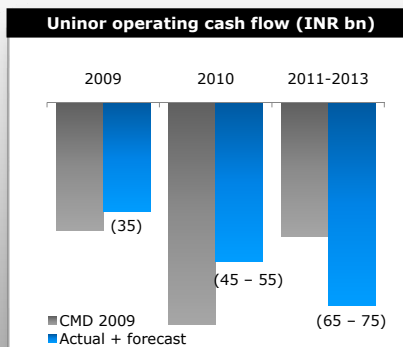
\*) 4 quarters rolling operating cash flow defined as EBITDA - capex, excl spectrum and licences  
 \*\*) Consensus Sum-Of-The-Parts values based on current shareholdings

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## India – financial perspective

- Telenor injected INR 61 bn of equity to reach current 67% ownership
- Financing of peak funding in process
- Targeted peak funding below INR 155 bn\* maintained
- Cash flow in line with plan despite lower revenue pick-up



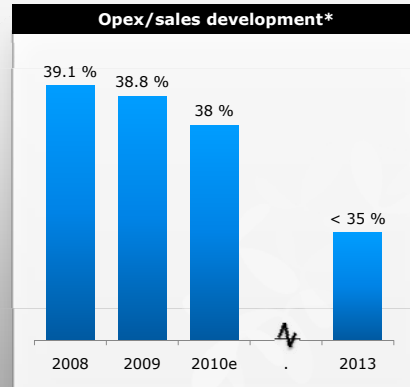
\*) NOK 20.4 bn at exchange rate on 16 Sept 2010 of INR/NOK = 0.1318. Peak funding defined as accumulated operating cash flow (OCF= EBITDA before other items - Capex) up to OCF break-even

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## Major initiatives on operational excellence

- Significant potential identified
- Group wide initiatives on technology and procurement – standardisation is key
- Business units initiatives
  - Benchmarks
  - Stretch targets
  - Detailed mapping
  - Engagement
  - Speed
  - Culture



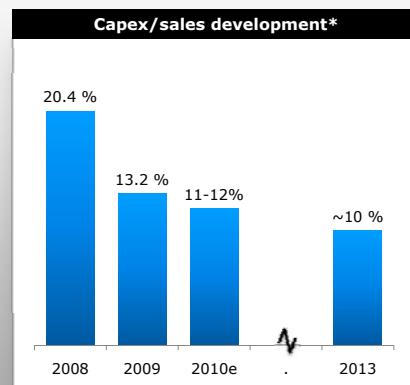
\*) Existing business not including India and EDB Business Partner

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## Operational excellence drive decline in capex/sales

- Network swaps in Nordic and CEE operations
- New vendors
- Asset sharing
- Improved alignment of market development and capex
- Continuous follow-up, financial evaluation and prioritisation



\*) Existing business not including India, EDB Business Partner and spectrum fees

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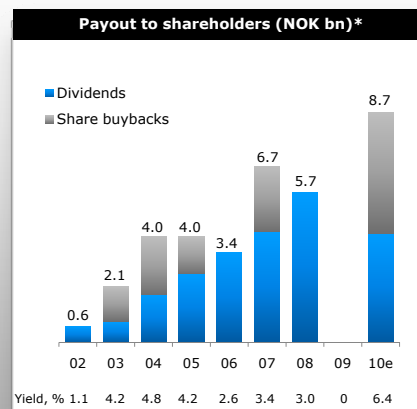


## Priorities for capital allocation

<b>1</b>	<b>Maintain a solid balance sheet by keeping net debt/EBITDA below 1.6x</b>	Net debt/EBITDA at 0.9x end of June 2010
<b>2</b>	<b>Competitive shareholder remuneration</b>	Resumed dividends one year ahead of plan Initiated share buybacks
<b>3</b>	<b>Disciplined and selective M&amp;A</b>	Value driven, within core assets and regions

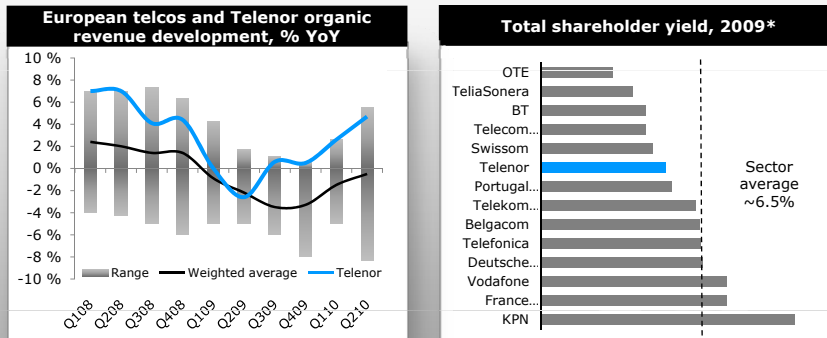
## Share buybacks to supplement dividends

- Dividend of NOK 2.50 per share for FY2009
- Dividend policy to be reinstated from FY2010
  - 40-60% of normalised net income
  - Nominal annual increase in dividend
- Share buybacks initiated in July 2010
  - 3% of shares outstanding within year-end 2010
  - 64% completed by 20 September



\*) 2010 including payment to the Norwegian Ministry of Trade for its pro-rata share, to be paid mid-2011. Dividends based on pay-out year and share buybacks from AGM in pay-out year to next AGM. Share buybacks for 2010 of NOK 4.6bn based on estimated 50m shares at average price NOK 92. Yield (dividend + buybacks) based on share price at AGM date.

## Balance growth profile with competitive return

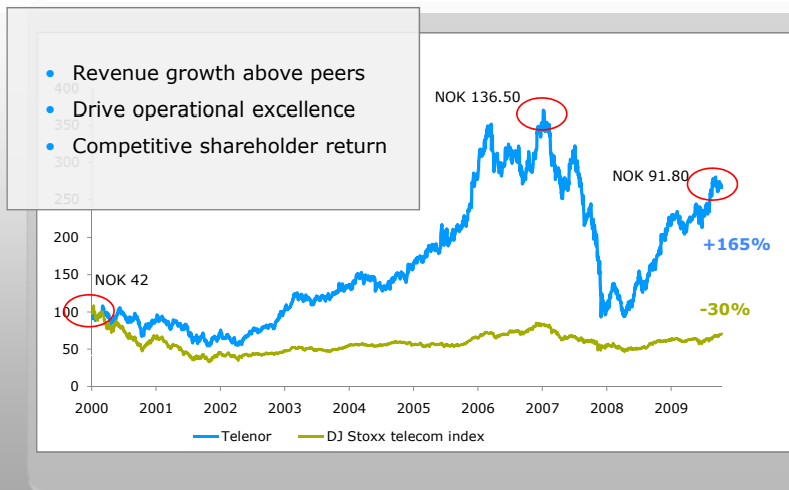


\* Dividend + share buybacks. Source: Broker research, Telenor estimates based on announced share buyback programmes for 2010 and actual announced buybacks YTD.

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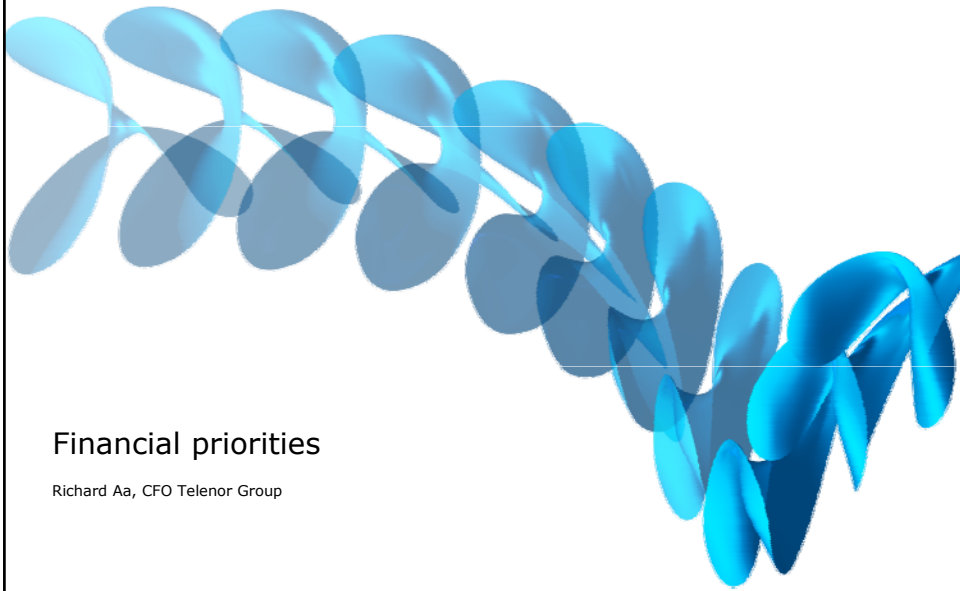


## Well positioned to improve shareholder value



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## Financial priorities

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