

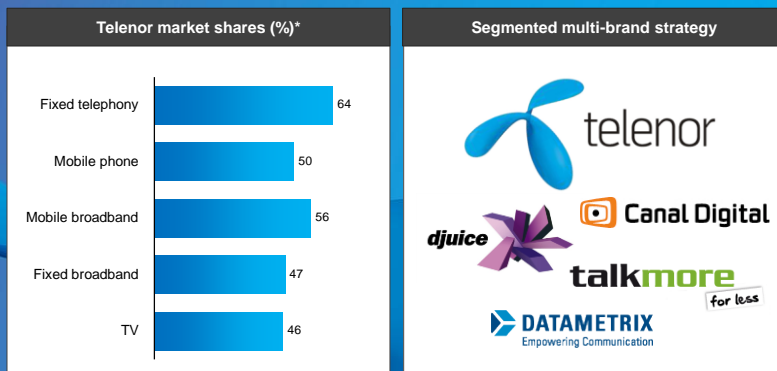


Telenor Norway

Berit Svendsen, CEO



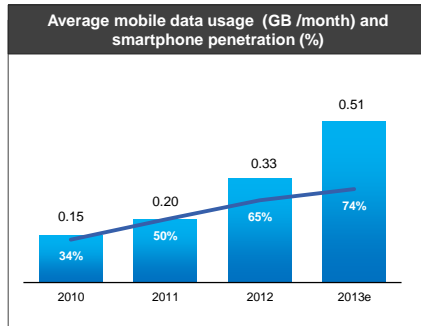
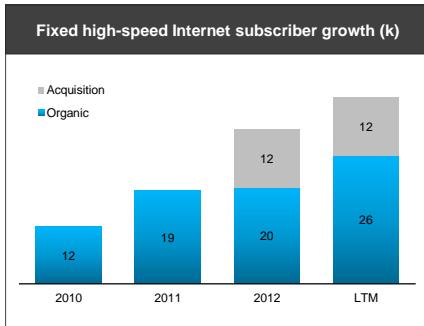
Well positioned across platforms and segments



* Estimated subscriber market shares by end of Q2 2013. TV market share including DTH.



Massive growth in demand for data speed and capacity



High-speed internet defined as fibre and HFC. LTM = Last twelve months (Q312-Q213)

3



Value agenda

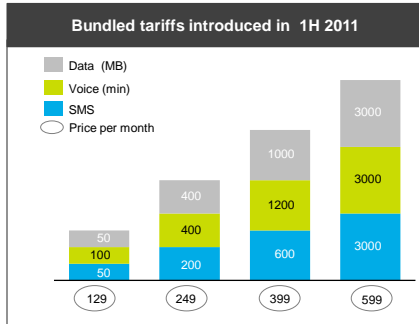
- Revenue agenda mobile
- Revenue agenda fixed
- Efficiency agenda



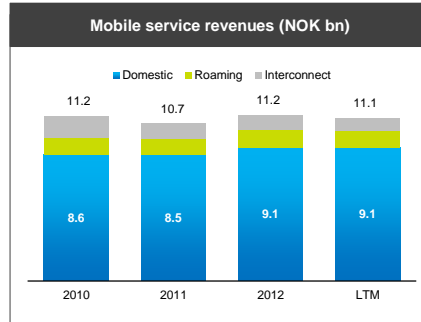
4



Successful introduction of bundled tariffs in 2011



- 62% of postpaid consumer base now on bundled voice & data tariffs



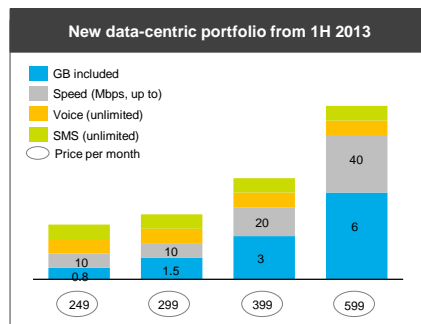
- Positive ARPU development from migration to bundled tariffs

5



Ambition to increase ARPU further

- Customer growth on Telenor brand
- Continue pre- to postpaid migration
- Further increase bundle penetration
- Stimulate data usage by multi-SIM and services
- Improve upselling logic and execution



6



Value agenda

- Revenue agenda mobile
- **Revenue agenda fixed**
- Efficiency agenda

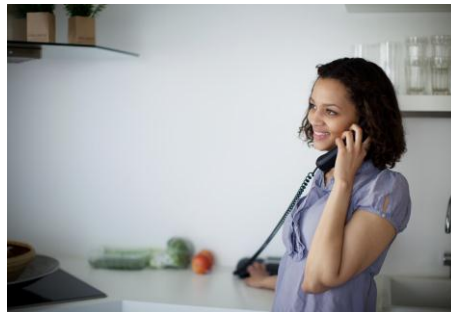
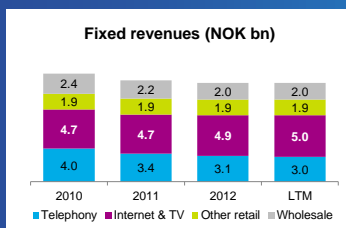


7



Fixed revenue agenda

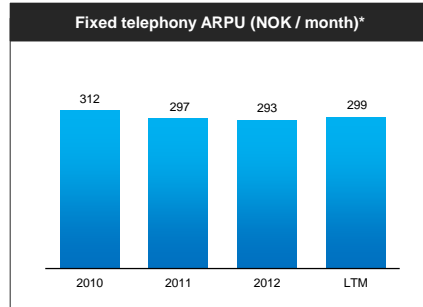
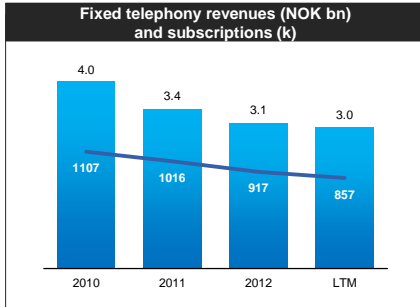
- Fixed telephony: Compensate for declining subscriber base
- High-speed Internet and TV: Capture increasing demand



8



Fixed telephony: ARPU increase needed to compensate for declining customer base



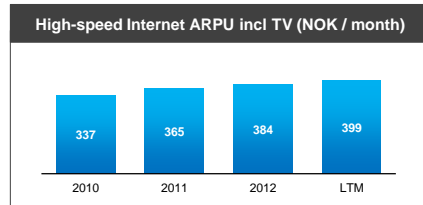
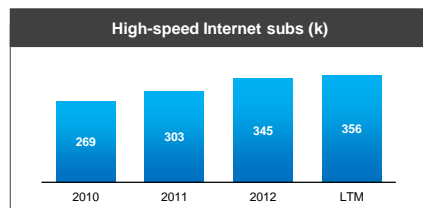
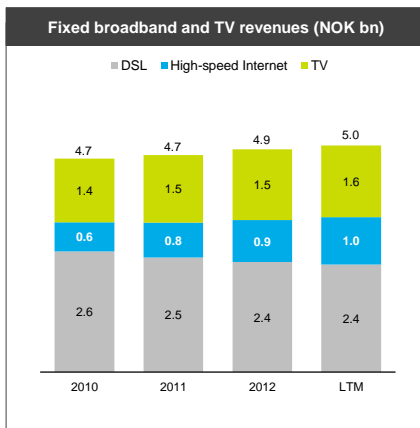
- Subscriber base declining by 80-100k per year
- Price increases in 2H 2012 offsetting decline in traffic volumes

*) Excl VoIP. LTM: Last twelve months (Q312-Q213).

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Increasing revenues from high-speed broadband and TV



- Fibre and TV driving fixed broadband revenue development
- ARPU increase driven by demand for speed and TV

High-speed Internet containing fibre and HFC
LTM = Last twelve months (Q312-Q213).

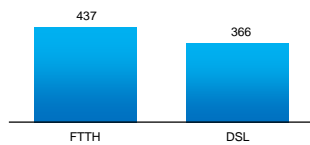
10



Solid business case for fibre roll-out

- Demand-driven, with capex per home connected of NOK ~30k
- Solid ARPU driven by uptake of multi-play services
- Significantly higher gross profit compared to DSL
- Pay-back after 6 years

Gross profit per customer (NOK/month)



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Value agenda

- Revenue agenda mobile
- Revenue agenda fixed
- Efficiency agenda

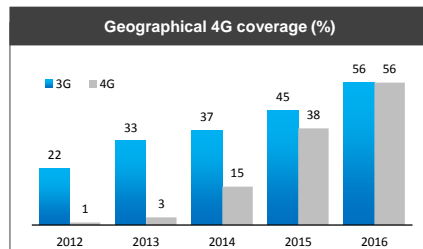
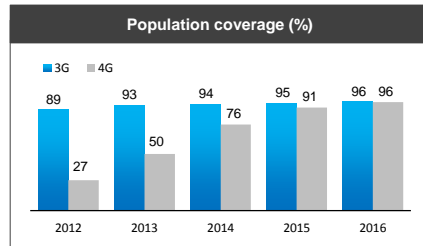


12



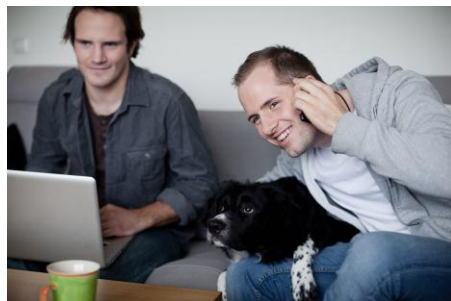
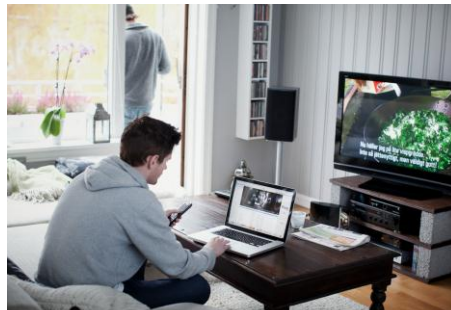
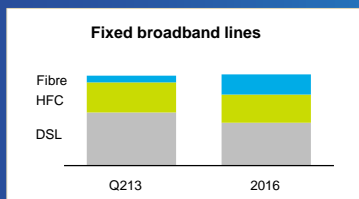
Ambitious 4G network roll-out

- Cost-efficient rollout by optimising use of frequency bands
- Best network coverage:
 - Population
 - Geographical
 - Indoor
- Strongest backhaul capacity - synergies with fixed operation
- Superior customer experience



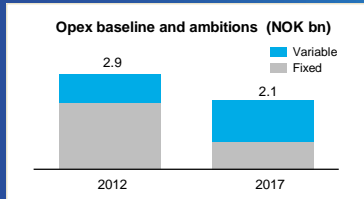
Optimising fixed network technologies

- Targeted fibre roll-out and HFC upgrade
- Transition from DSL to fibre and coax in densely populated areas
- Optimise DSL in rural areas
- Deliver voice services on alternative platforms



Addressing the fixed legacy cost base

- Transform IT to enable cost reductions and process optimisation
- Re-engineer business processes
 - Automatisation
 - Simplification
 - Flexibility
 - End-to-end responsibility
- Simplify product portfolio



New distribution strategy to increase efficiency and customer experience

- Strengthen digital distribution
- Shift customer service volumes to web
- Rebrand Telekiosken to Telenor stores
- Align service capabilities across channels
- Integrate online and physical distribution

2012 2016

8%

10%

Customer service

17%

20%

Digital channels

5%

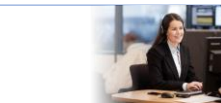
25%

90 Telenor stores

70%

45%

100+ exclusive and 200+ non-exclusive 3rd party stores



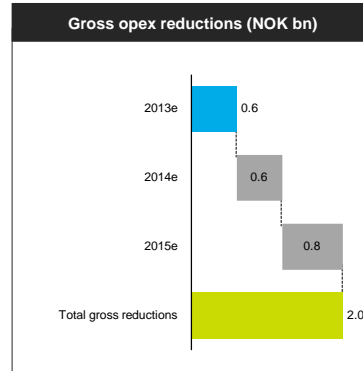
Efficiency agenda already showing promising results

New operating model implemented

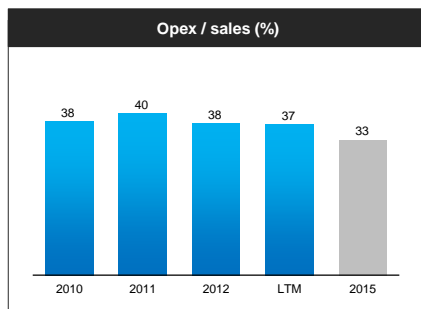
- Established dedicated copper unit
- Consolidated TV and fibre sales and platforms
- Consolidated into one technology organisation

Initiatives going forward

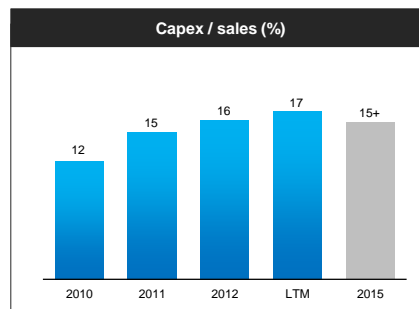
- Fixed legacy business process re-engineering
- Improve roll-out and contractor model
- Optimise remaining copper infrastructure
- Digitalisation of distribution and customer service



Targeting significant efficiency improvements, while continuing to invest for the future



- Ability to drive topline growth vital to achieve 2015 target



- Continued high network investments to capture growth and enable cost efficiency

Positioning Telenor Norway for the future

- Capture the potential for revenue growth
- Investing for superior customer experience and improved efficiency
- Targeting improved operating cash flow



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Thank you

