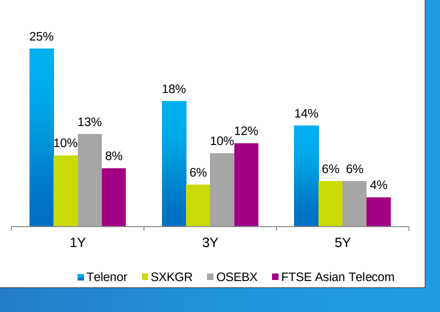
Financial ambitions and priorities

Richard Olav Aa, Group CFO

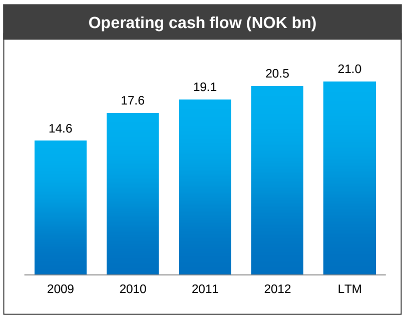
Financial highlights since Capital Markets Day 2012

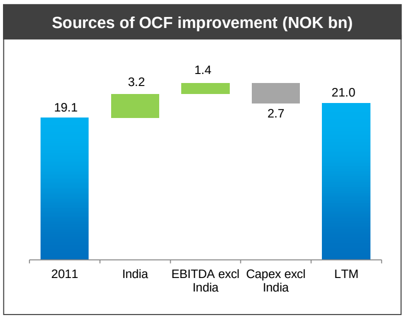
- Continuing to outperform sector on total shareholder return
- Positive spectrum outcome in Thailand, India, Bangladesh and Hungary
- Disciplined M&A transactions in Bulgaria and Myanmar
- Dividends of NOK 6.5 bn received from VimpelCom
- Progressing on NOK 5 bn cost efficiency agenda
- Main challenges: Regulatory costs and data monetisation

Total shareholder return (% p.a., in local currencies)



Increasing cash flow despite significant investments



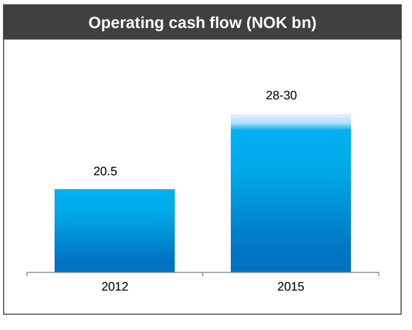


Operating cash flow (OCF) defined as EBITDA before other items, less capex excl spectrum fees

LTM = Last twelve months (Q3 2012 – Q2 2013)

Cash flow target of NOK 28-30 bn in 2015

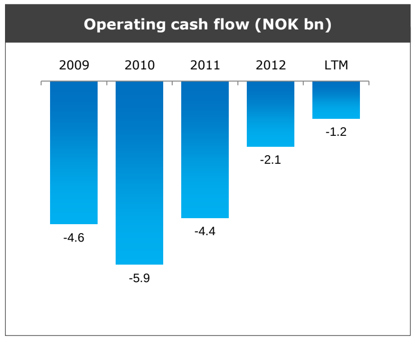
- India reaching cash flow break-even
- Growth in revenues and gross profit
- Gross opex savings of NOK 5 billion
- Capex reduction following significant investments in 2013-2014
- Cash flow target achievable also including Bulgaria and Myanmar



Operating cash flow defined as EBITDA before other items, less capex excl spectrum fees

Approaching cash flow break-even in India

- On track to achieve operating cash flow break-even by end of 2013
- Positioning as “Best on basic services”
  - Cost per minute already below incumbents
  - Price discount vs incumbents gradually to decline
- Competitive environment improving, with early signs of price increases
- Future profitability depending on top line development



Operating cash flow defined as EBITDA before other items, less capex excl spectrum fees
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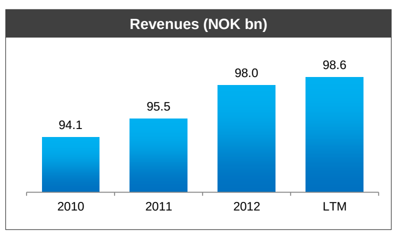
Continued revenue growth and increasing gross profit

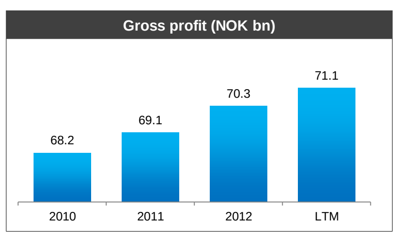
Revenue growth to continue….

- Mobile subscriber growth, driven by Asia
- ARPU upside from monetising on data growth
  - dtac
  - Norway

…with increasing gross profit

- Revenue growth in Asia
- Shift in revenue mix from voice to data



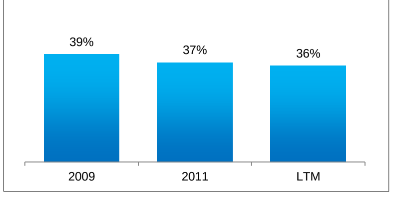


Revenues and gross profit excl India

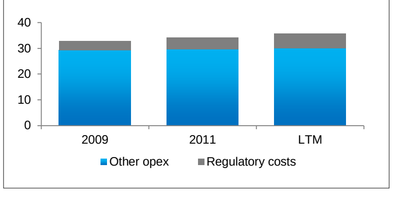
Progressing on our cost efficiency agenda

- Good progress within several areas since 2009
  - Stable operation & maintenance cost despite 25% growth in number of sites
  - Salary increases offset by 9% workforce reduction
  - Flat sales & marketing costs despite 47% growth in customer base
- However, increased regulatory costs in several markets
- 35% opex/sales target* for 2013 feasible, but dependent on top line development in 2H

Opex / sales (%)*



Opex development (NOK bn)*



*) Opex and opex/sales excl India
LTM = Last twelve months (Q312 – Q213)

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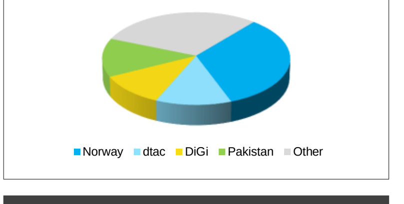
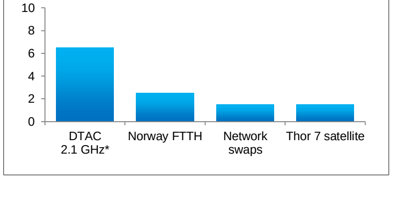
Investments in 2013-2014 to capture growth and enable further opex reductions

- Rollout of 2.1 GHz network in Thailand
- FTTH investments in Norway
- Network swaps in Malaysia, Pakistan and Bulgaria
- Backhaul fibre investments in Malaysia
- Myanmar rollout
- Thor 7 satellite
- Underlying mobile capex/sales around 10%

Capex split 1H 2013



Significant capex items 2013-2014 (NOK bn)



*) Including 2015. Total 2.1 GHz capex of THB 34 bn in 2013-2015

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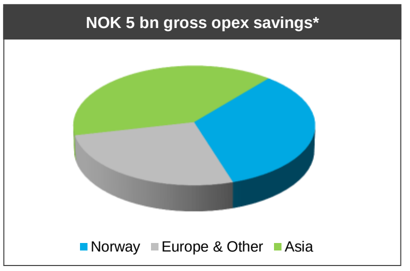
Targeting gross opex savings of NOK 5 billion

- Network strategy and new operating model in Norway
- Lower regulatory costs in Thailand
- Radical simplification in Denmark
- Reduced backbone cost in Malaysia
- Improving the power situation in Pakistan
- Efficiency in sales and marketing



* Gross opex savings excl India, Bulgaria and Myanmar, compared to baseline 2011

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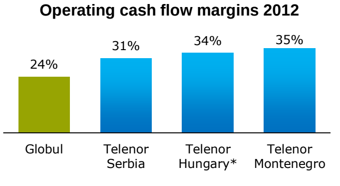
Financial impact from operations in Bulgaria and Myanmar

Bulgaria

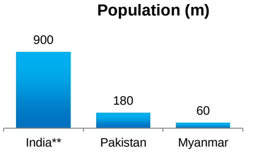
GLOBUL

- Established number 2 operator
  - OCF of EUR 89 million (2012)
- Network swap 2013-2014
- Targeting long term OCF margin >30%



Myanmar

- Greenfield operation with expected launch 8 months after licence award
- Significantly lower peak funding than in Pakistan and India
- Learning from India – efficient network rollout, short time to breakeven



*) Hungary excl telecommunications taxes
**) India initial 13 circles

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Cash flow target of NOK 28-30 bn in 2015

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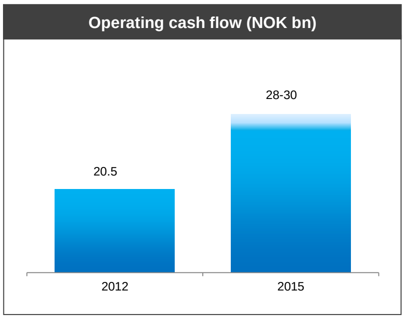


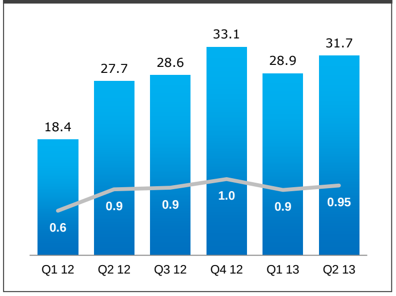
Operating cash flow defined as EBITDA before other items, less capex excl spectrum fees

Priorities for capital allocation remain firm

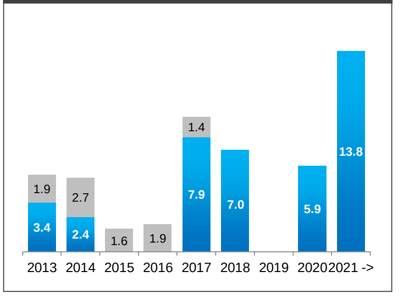
1	**Maintain a solid balance sheet**	*Net debt/EBITDA below 2.0x*
2	**Competitive shareholder remuneration**	*50-80% dividend payout of normalised net income* *Aim for YoY growth in dividends*
3	**Disciplined and selective M&A**	*Value driven, within core assets and regions*

Solid balance sheet with net debt/EBITDA around 1.0x

Net debt (NOK bn) and net debt/EBITDA*



Debt maturity profile (NOK bn)



- Globul acquisition adding 0.15x to net debt/EBITDA
- New bonds (EUR 650m and USD 500m) issued in Q2 2013 at attractive terms

*) 12 months rolling EBITDA. Excl licence commitments

Disciplined and selective approach to M&A

Prioritising in-market opportunities

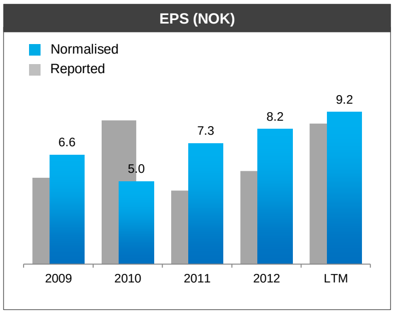
- Spectrum acquisitions
- Consolidation
- Network and spectrum sharing

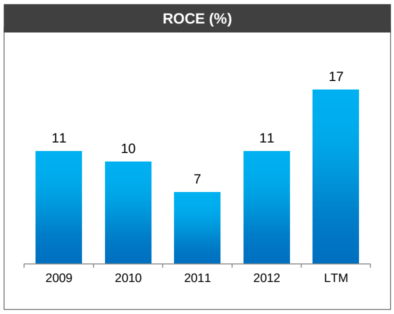
Selective look at new opportunities within core regions

- Bulgaria
- Myanmar

Selected disposal of non-core assets

Earnings per share and return on capital employed expected to improve further





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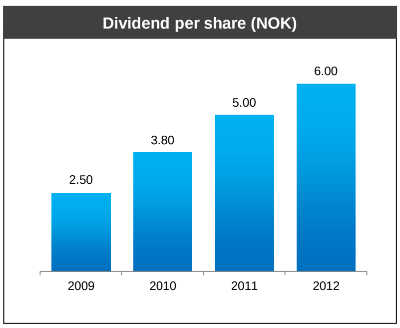
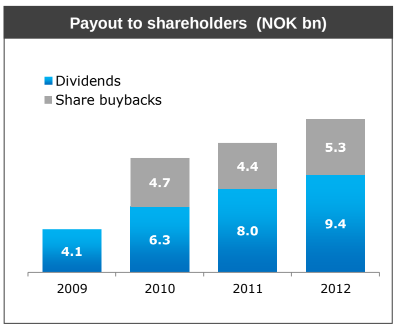
Aiming for a healthy and competitive shareholder remuneration





- Average YoY DPS growth of 34% in 2010-2012
- 1% buyback programme launched in July 2013, 80% completed

Key take-aways

- Targeting operating cash flow of NOK 28-30 bn in 2015
- Competitive shareholder remuneration
- Selective and disciplined approach to M&A
- Internet for all and efficiency programme main priorities

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