



Telenor Group – Third Quarter 2013

Jon Fredrik Baksaas, CEO



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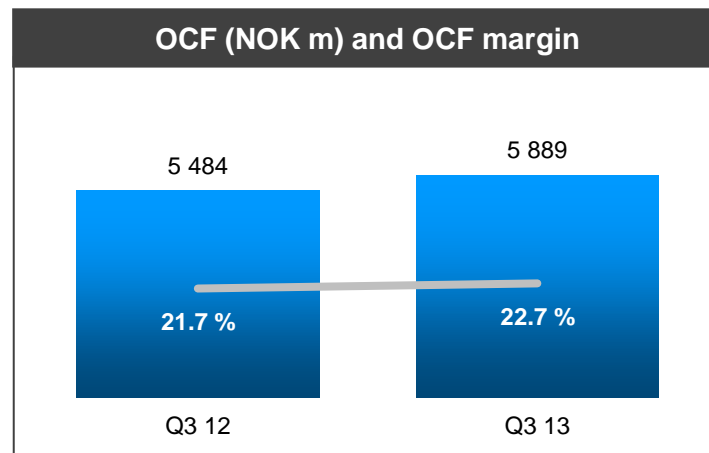
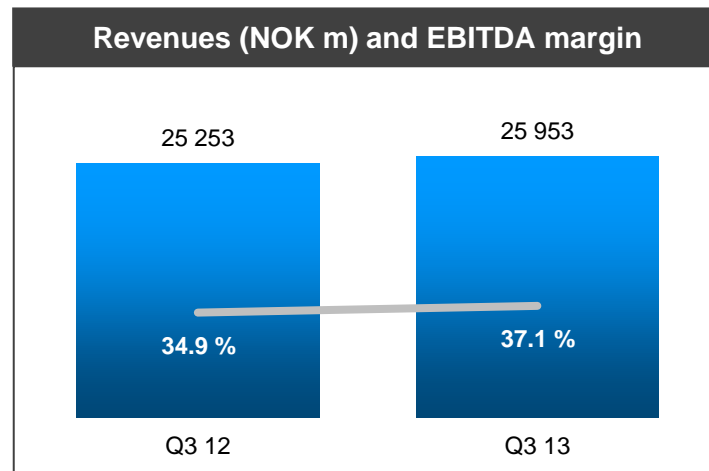
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Q3 2013

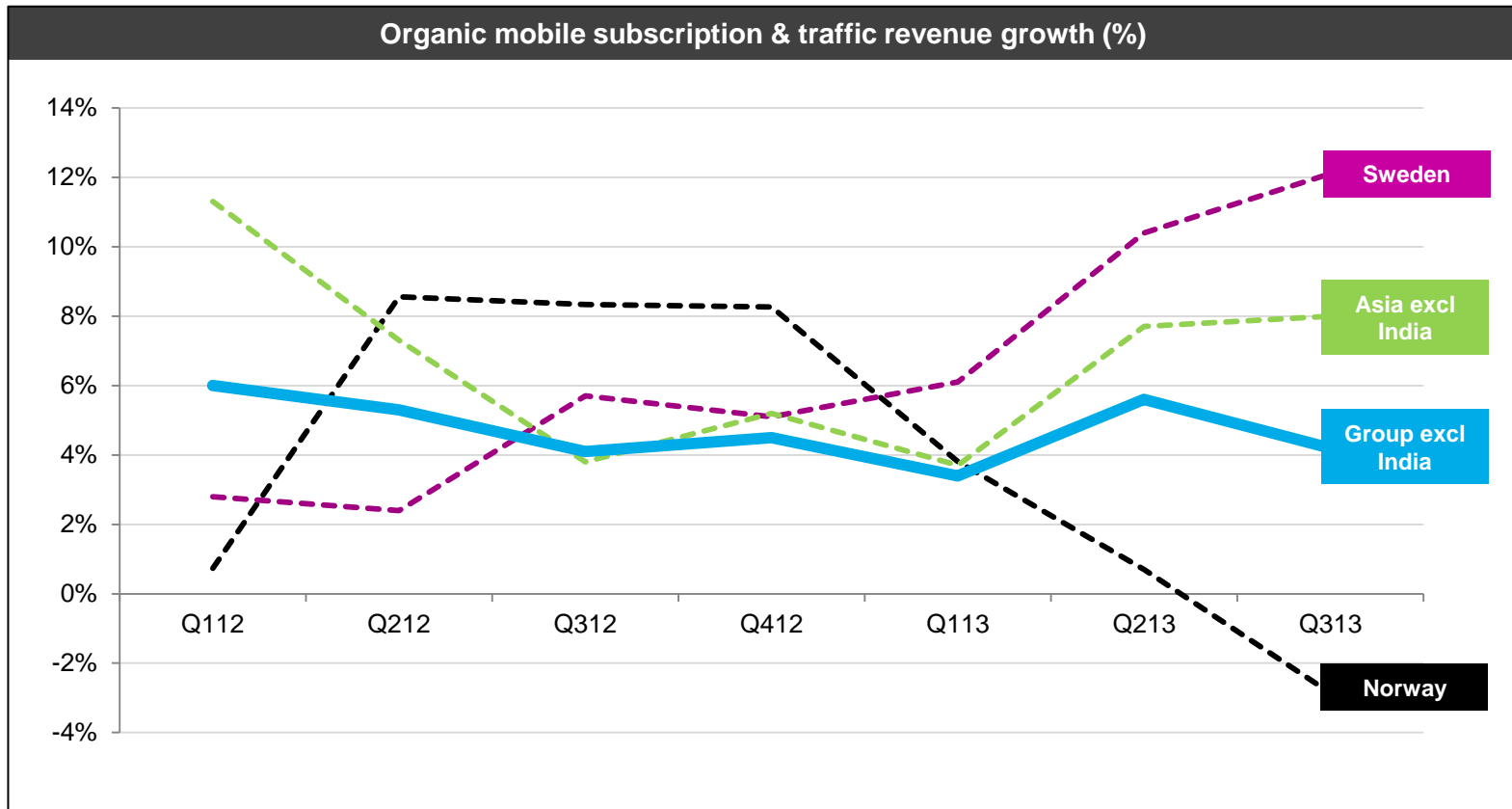
Growing profitability

- Continued organic revenue growth, driven by Asia
- EBITDA margin improvement and all-time high EBITDA
- Added 8.3 m mobile subscribers, of which 3.9 m from Globul in Bulgaria
- Migration to new licence regime on track in Thailand
- Capturing data growth through “Internet for all” strategy



Q3 2013

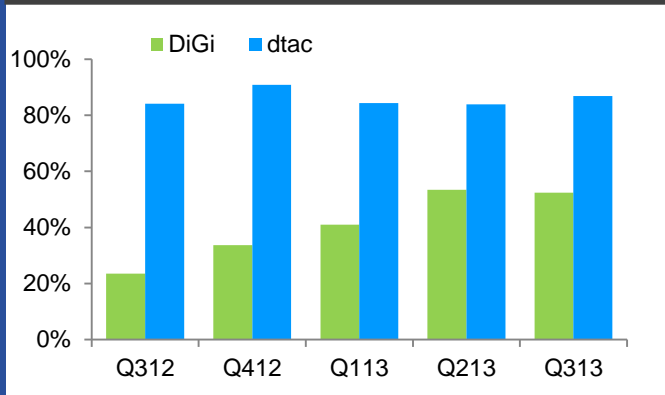
4% growth in mobile subscription and traffic revenues



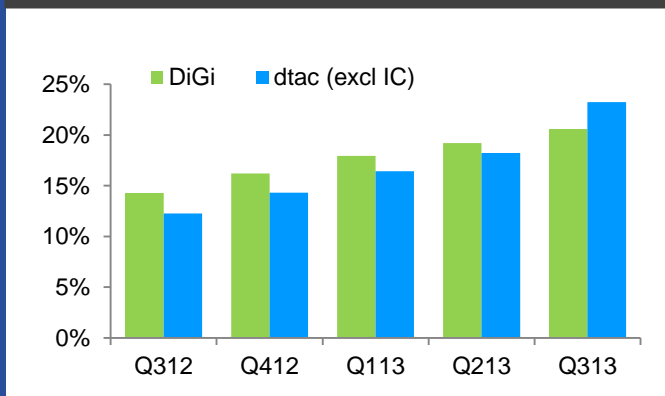
* Sweden adjusted for handset related discounts. Norway adj. for one-off in Q2 2013

Solid mobile data trends in Thailand and Malaysia

Mobile data revenue growth (YoY)

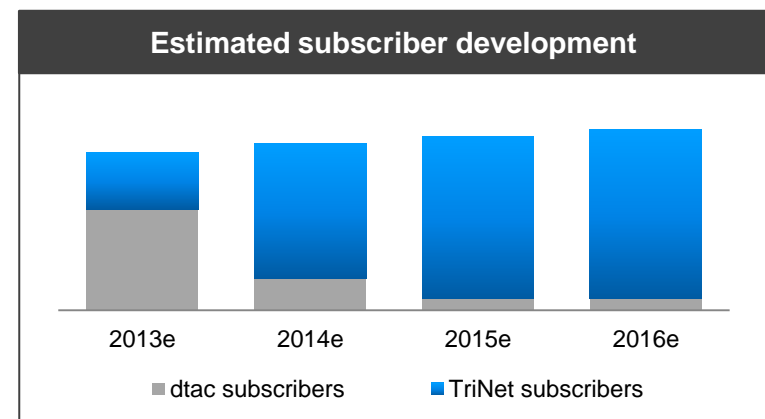
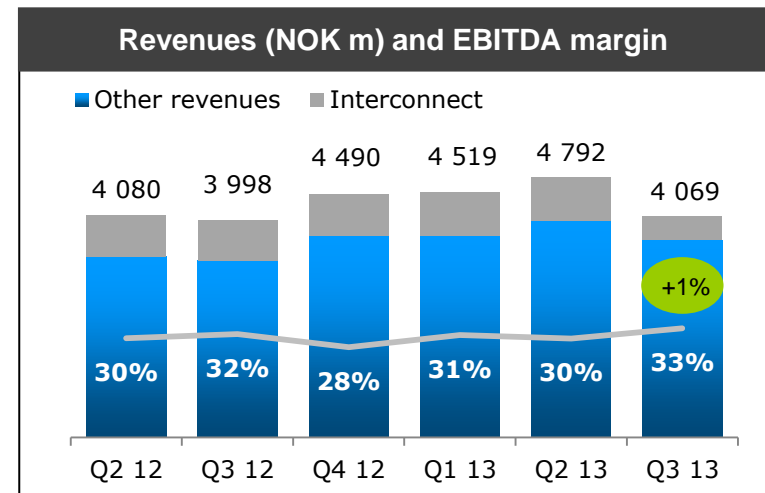


Mobile data as % of service revenues



Transition to new licence regime on track in Thailand

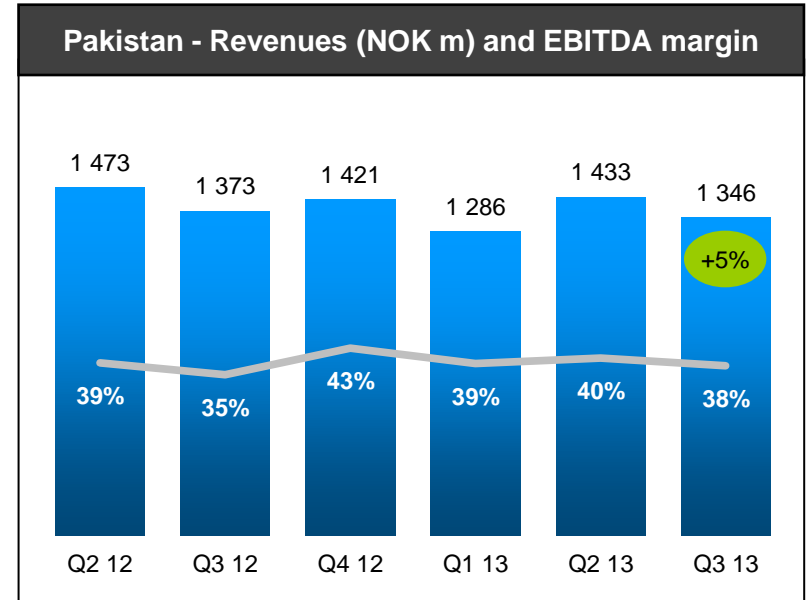
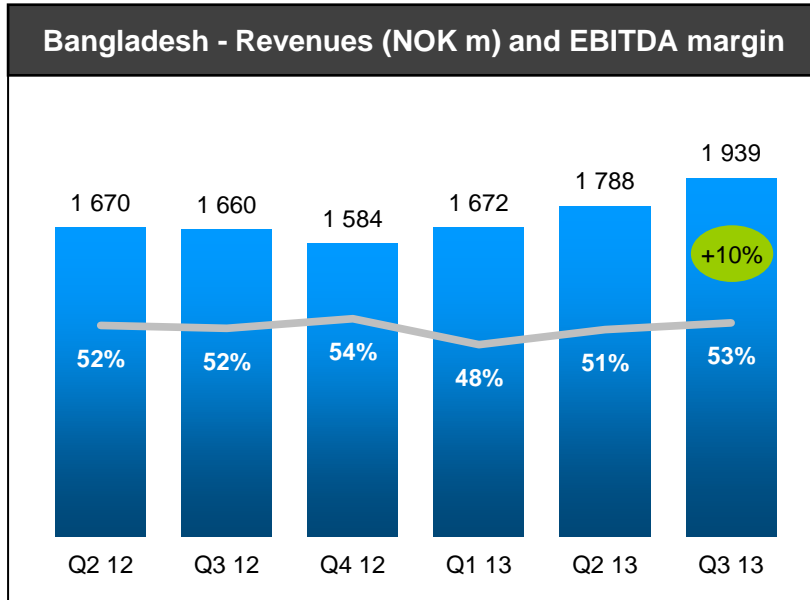
- 10% growth in subscription and traffic revenues
- 55% interconnect reduction from 1 July
- EBITDA margin improving by 2 pp
- Launch of new 3G network on 2.1 GHz in July
- Subscriber migration on track
- Targeting 10 million subscribers on new licence end of 2013



● Organic revenue growth


Organic growth assuming fixed currency, adjusted for acquisitions and disposals. EBITDA and EBITDA margin before other items. Capex excl licence fees

Strong execution on market combat plan in Bangladesh



- 2.1 million net subscriber growth
- 3G service launch in October

- Continued revenue pressure from regulation and weak macro
- Network swap completed in September


 Organic revenue growth

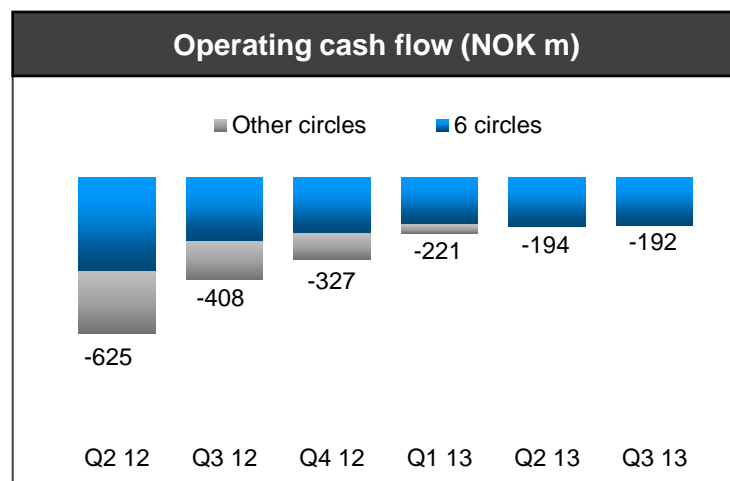
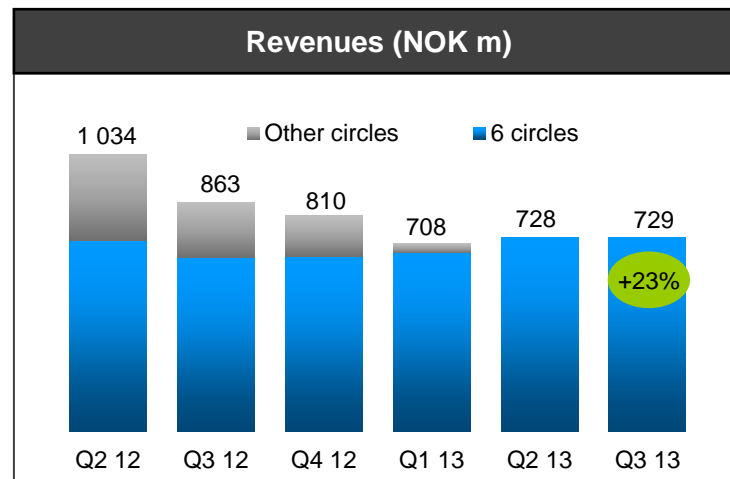
Organic growth assuming fixed currency, adjusted for acquisitions and disposals. EBITDA and EBITDA margin before other items. Capex excl licence fees

Q3 2013

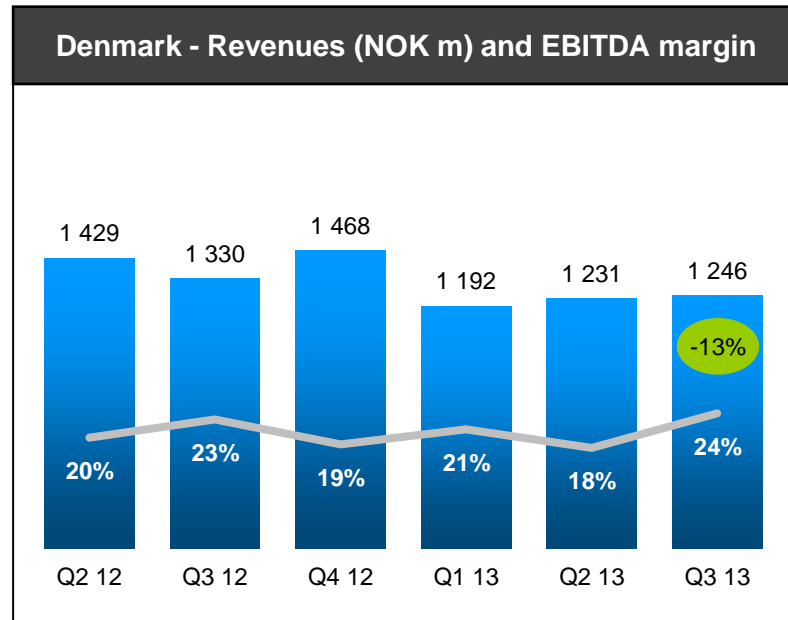
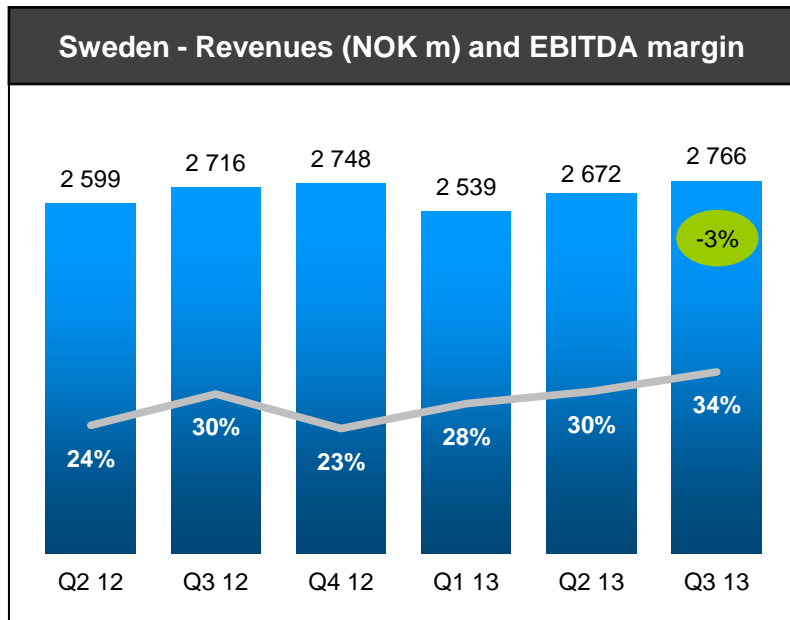
Growth improving in India

- 1.5 million new subscribers
- 23% organic revenue growth in 6 circles
- Competitive environment improving, with signs of price increases
- Opex and capex impacted by launch of 870 new sites
- Targeting cash flow break-even by end of 2013

 Organic revenue growth



Successful implementation of data centric offers in Sweden



- 9% mobile service revenue growth excluding handset-related discount

- Stable mobile ARPU last 3 quarters, but continued subscriber loss
- Transformation programme 2013-2014

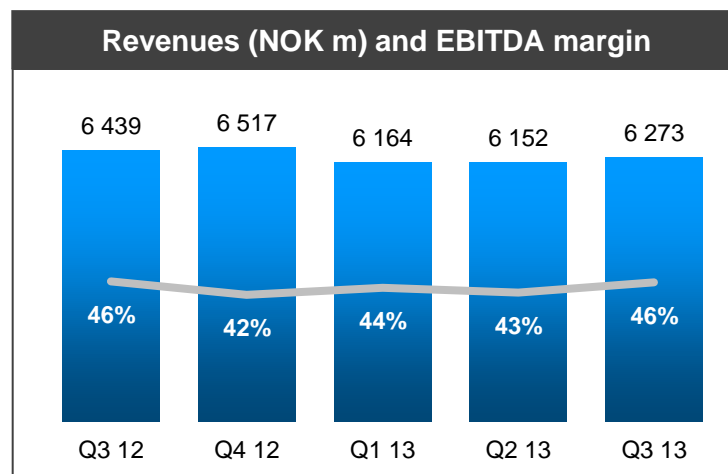
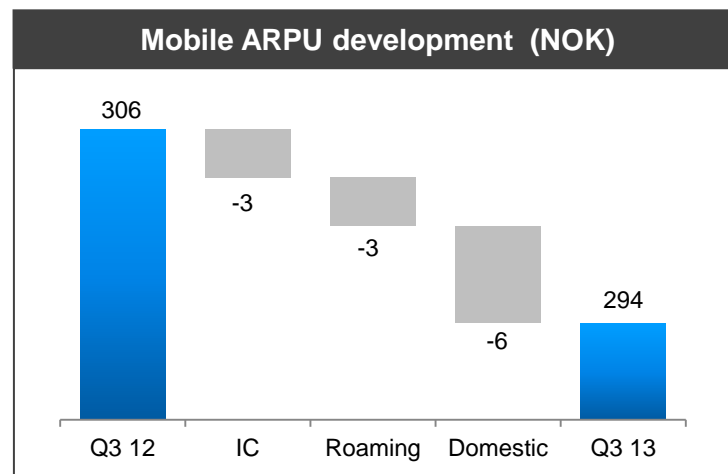
Organic revenue growth

Organic growth assuming fixed currency, adjusted for acquisitions and disposals. EBITDA and EBITDA margin before other items. Capex excl licence fees

Q3 2013

Need to improve data monetisation in Norway

- 21k net mobile subscriber growth following high market activities
- 3% decline in mobile service revenues
- 4% growth in fixed Internet & TV revenues
- Sustained EBITDA margin at 46%
- Continued high investments in fibre and mobile network coverage and capacity



Priorities going forward

Improve efficiency

Monetise data

Internet for all





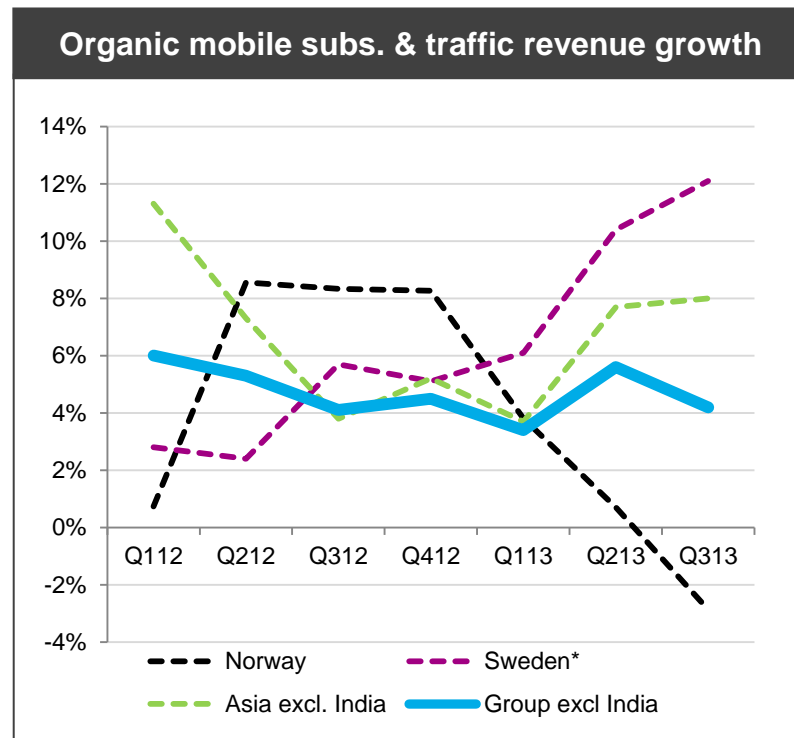
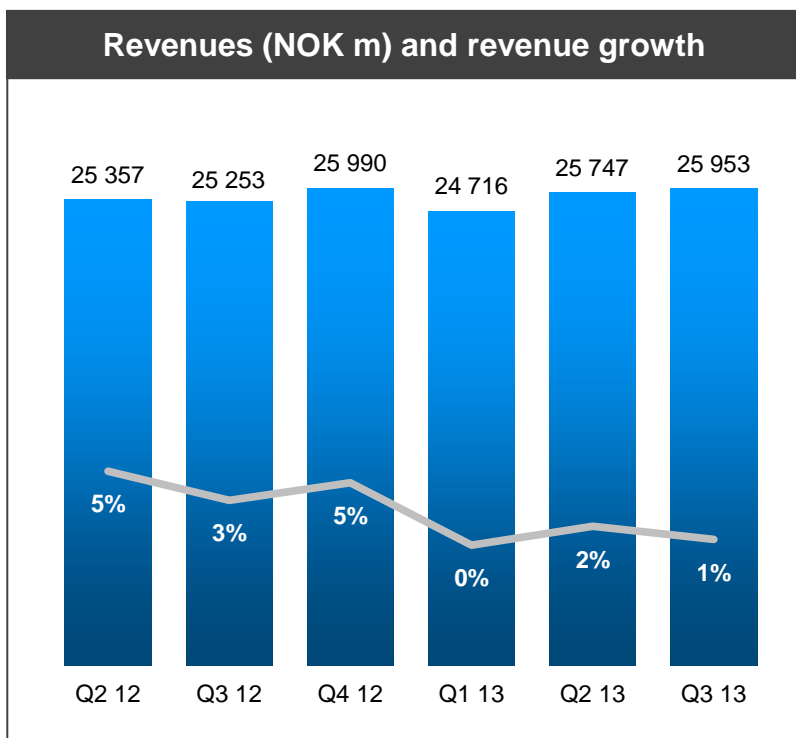
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Richard Olav Aa, CFO



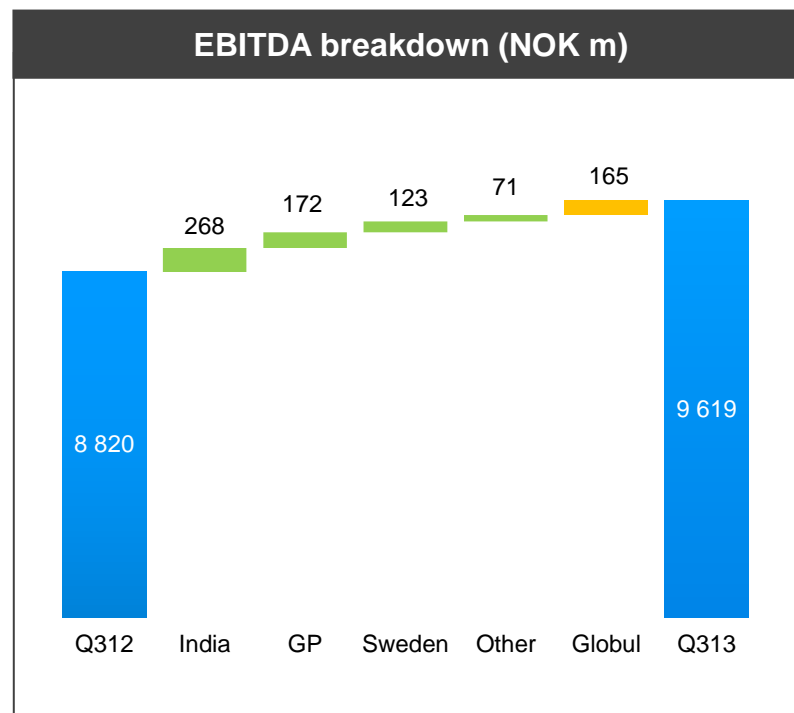
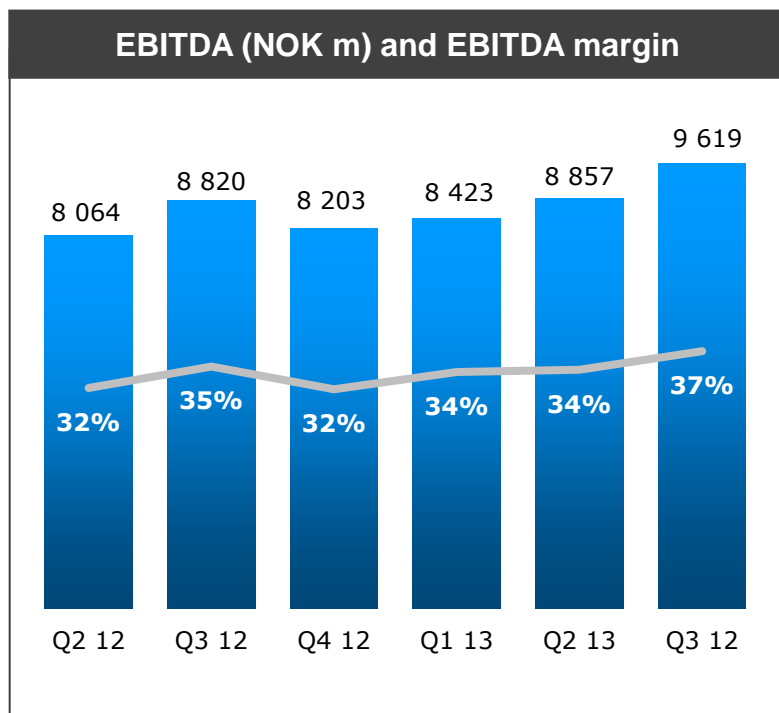
Q3 2013

1% organic revenue growth - stable trend in underlying mobile subscription & traffic revenues

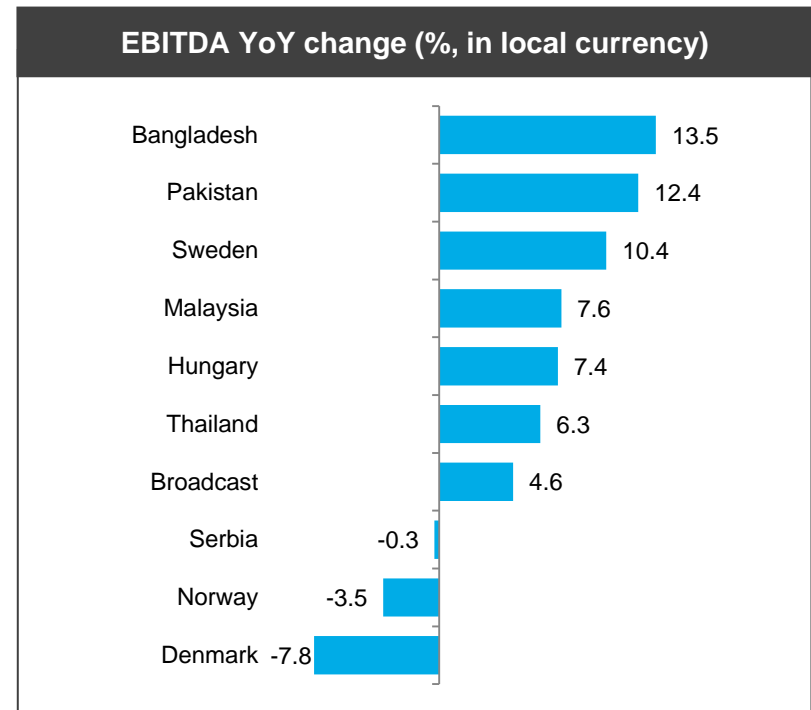
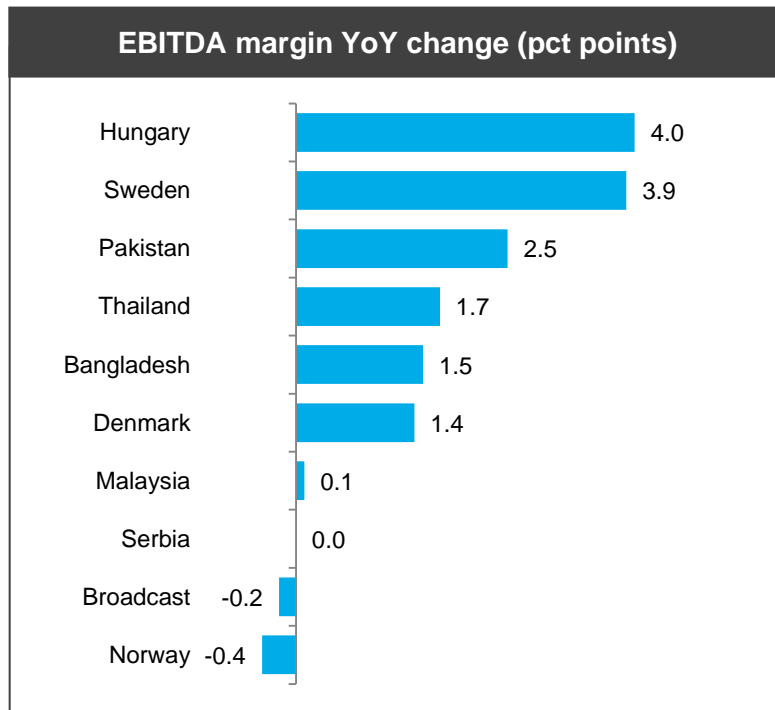


Q3 2013

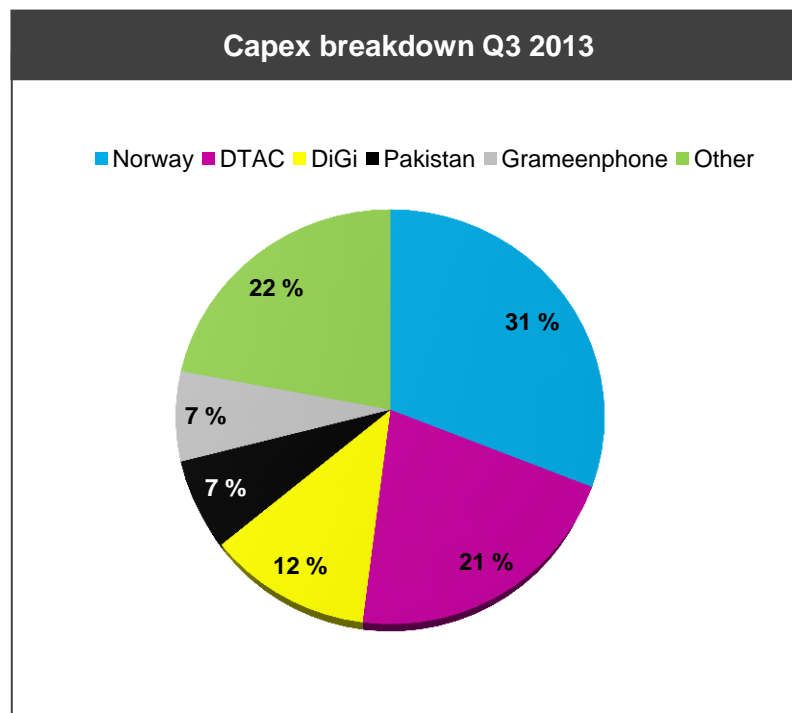
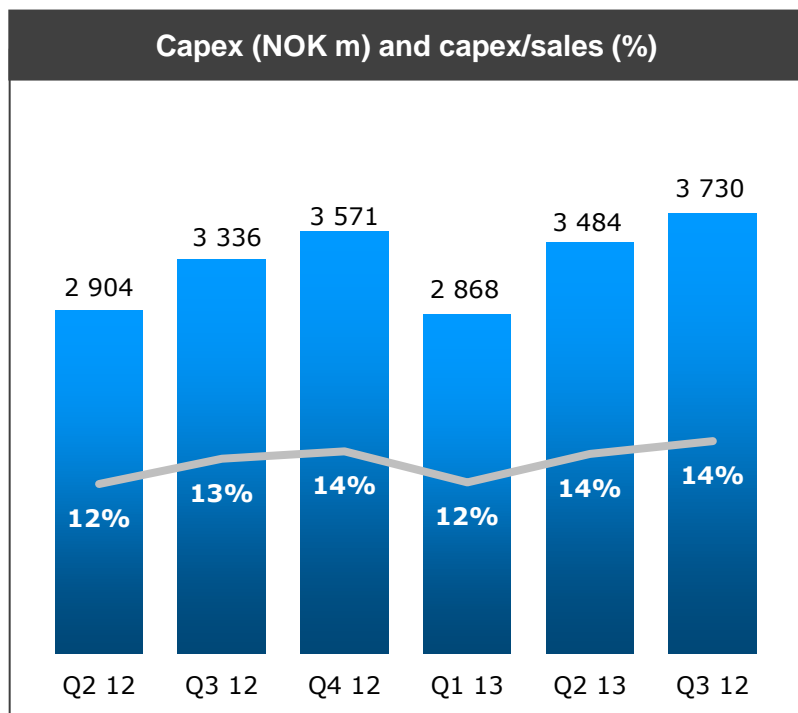
37% EBITDA margin and 6% organic growth in EBITDA



Sustained or improved EBITDA in most operations

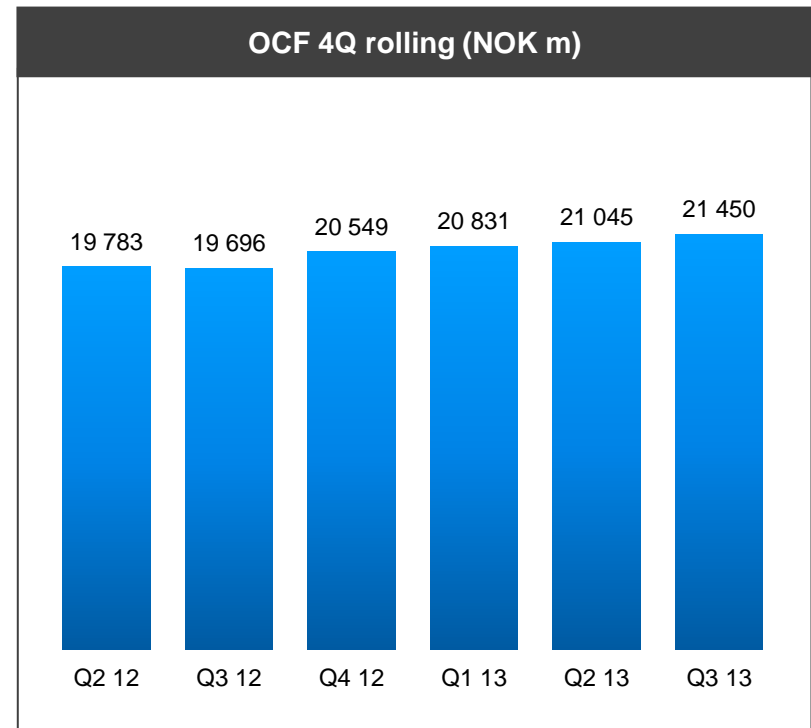
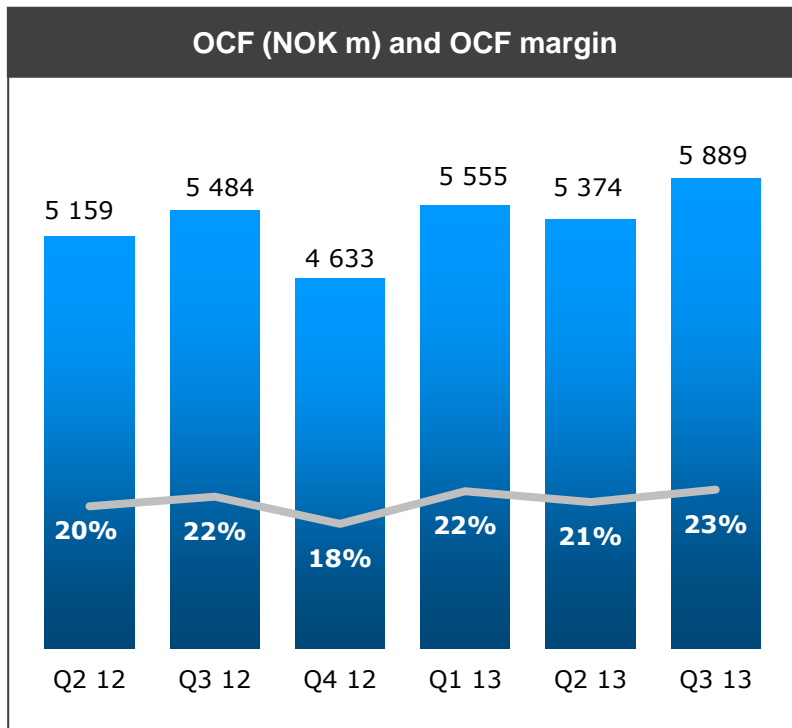


Capex driven by network investments in Norway and Asia



Q3 2013

Operating cash flow of NOK 5.9 billion



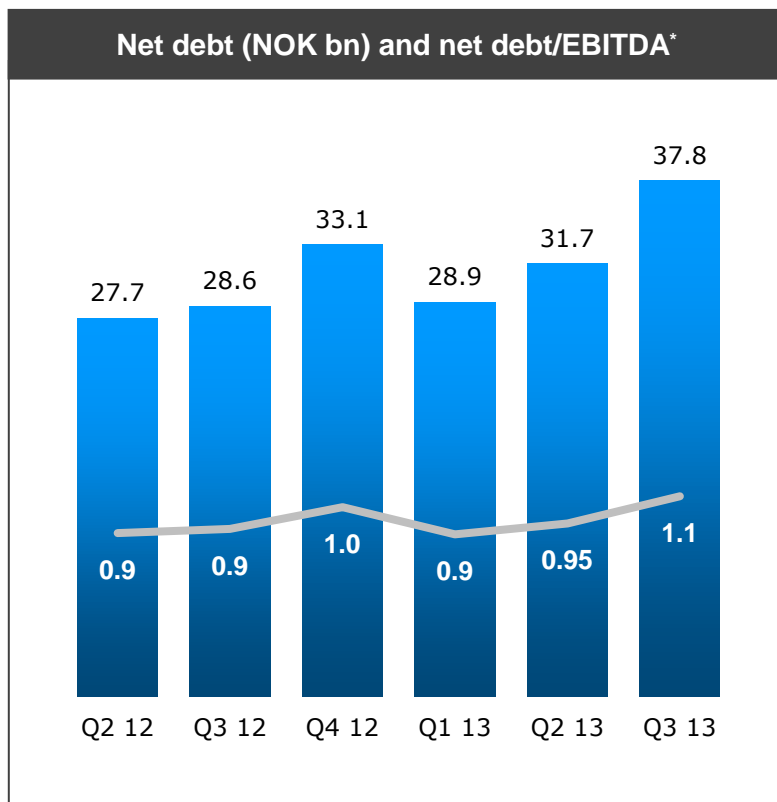
Q3 2013

NOK 3.9 bn net income and 20% growth in normalised EPS

NOKm	Q3 13	Q3 12	
Revenues	25 953	25 253	
EBITDA before other items	9 619	8 820	
Other items	-154	-270	• Norway (-82m), Grameenphone (+54m), Other units (-82m)
EBITDA	9 465	8 549	
Depreciation and amortisation	-3 337	-3 430	
Impairment losses	-122	-1	• Impairment of intangible assets in Telenor Digital
EBIT	6 005	5 119	
Associated companies	1 173	1 099	• Adj. share of VimpelCom net income +1211m (at 33% economic interest)
Net financials	-827	-604	• Incl. currency losses of 502m, mainly non-cash
Profit before taxes	6 351	5 614	
Taxes	-1 677	-1 564	
Minorities	-758	-401	
Net income to Telenor	3 917	3 650	
Earnings per share (NOK)	2.59	2.34	

Q3 2013

Net debt/EBITDA of 1.1x



Change in net debt (NOK bn)

Net debt 30 June 2013	31.7
EBITDA	(9.5)
Income taxes paid	0.4
Net interest paid	0.5
Capex paid	4.3
Share buyback	3.3
Acquisition of Globul	5.7
Dividends to minorities	1.0
Paid WHT on Telenor ASA dividend	0.4
Accrued revenue share in DTAC	(0.9)
Currency effects	1.2
Other changes in working capital	0.3
<i>Net change</i>	<i>6.1</i>
Net debt 30 Sep 2013	37.8

*) 12 months rolling EBITDA. Excl licence commitments

Outlook for 2013

	2013	2013 YTD
Organic revenue growth	1%-2% <i>(previously 2%-4%)</i>	0.9%
EBITDA margin	Around 34%	35.2%
Capex / sales	13%-14% <i>(previously 12%-14%)</i>	13.2%

Organic revenue growth in fixed currency, adj. for acquisitions and disposals.
EBITDA before other items. Capex excl. licence fees.
Exchange rates as of 30 Sep 2013.

Summary and priorities

Stable underlying mobile service revenue growth

Improved profitability and record-high EBITDA

Need to improve data monetisation in Norway

Targeting operating cash flow of NOK 28-30 bn in 2015





Q&A





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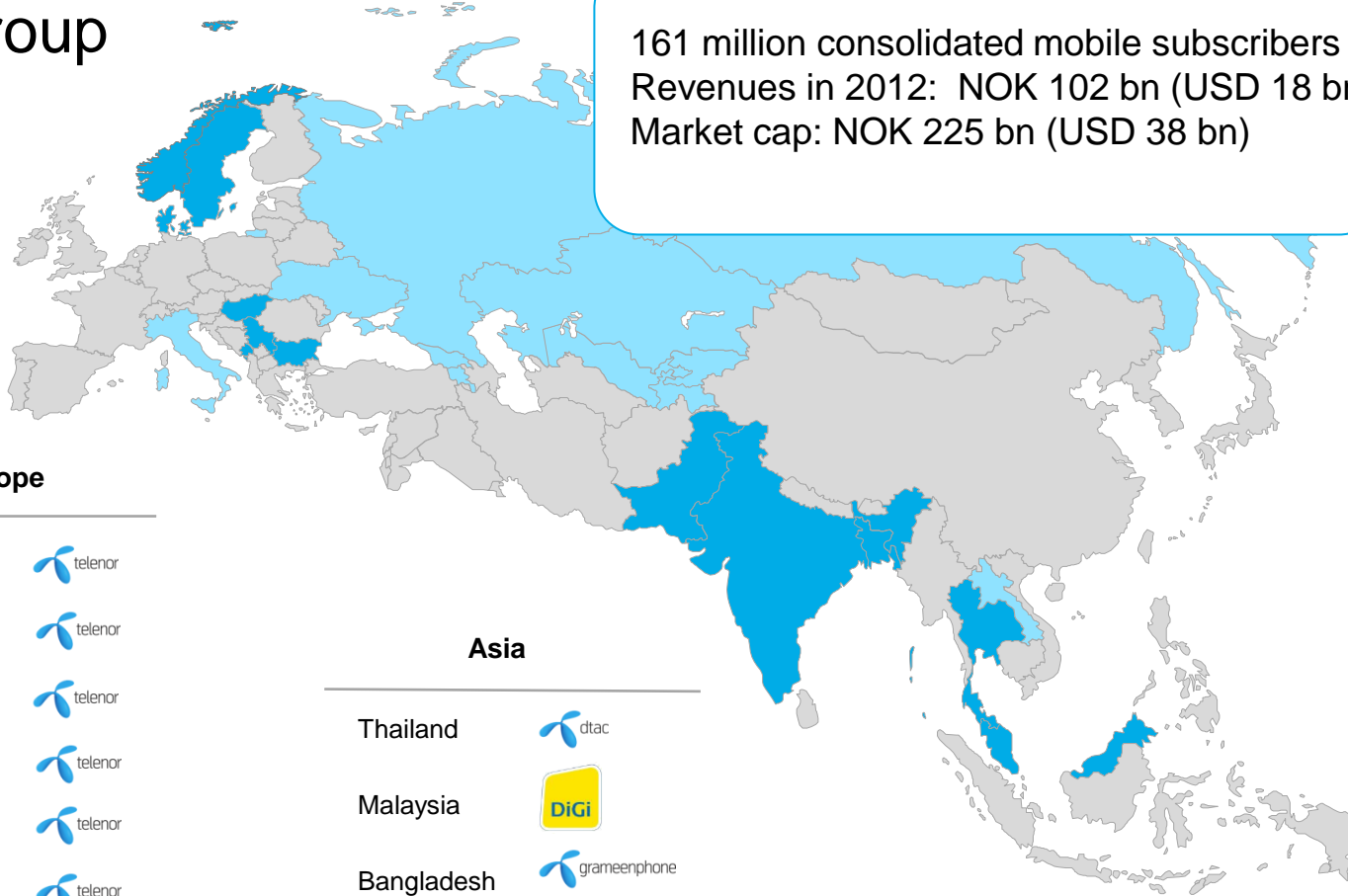


Appendix










Telenor Group

161 million consolidated mobile subscribers
 Revenues in 2012: NOK 102 bn (USD 18 bn)
 Market cap: NOK 225 bn (USD 38 bn)



Europe

- Norway 
- Sweden 
- Denmark 
- Hungary 
- Serbia 
- Montenegro 
- Bulgaria 

Asia

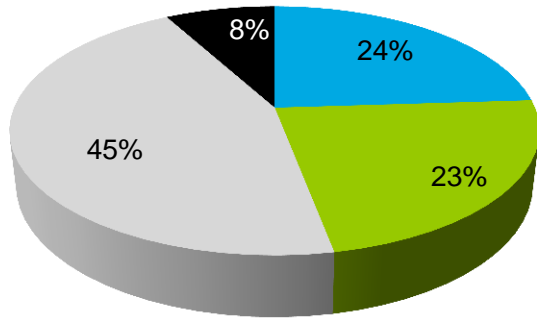
- Thailand 
- Malaysia 
- Bangladesh 
- Pakistan 
- India 

VimpelCom Ltd.

Telenor Group holds 33.0% economic and 43.0% voting stake in VimpelCom Ltd.

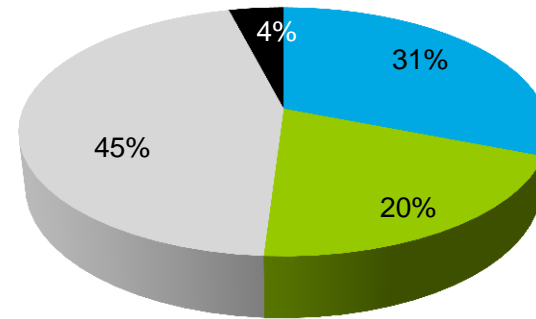
Geographic split of key financials in Jan-Sep 2013

Revenues



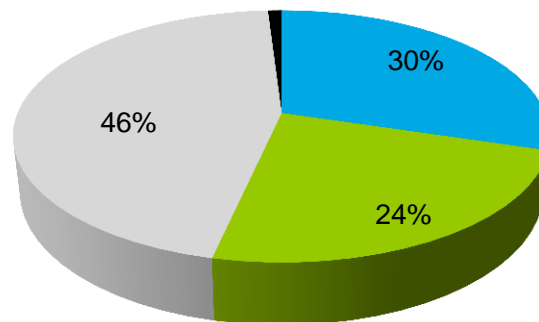
■ Norway ■ Europe ■ Asia ■ Other

EBITDA



■ Norway ■ Europe ■ Asia ■ Other

Operating cash flow



■ Norway ■ Europe ■ Asia ■ Other

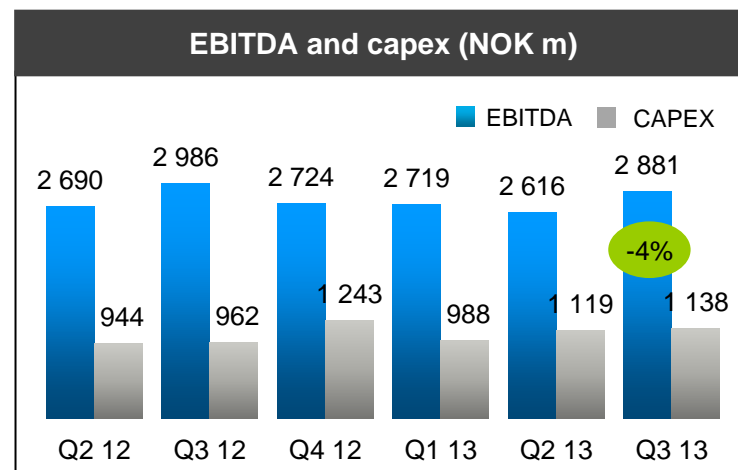
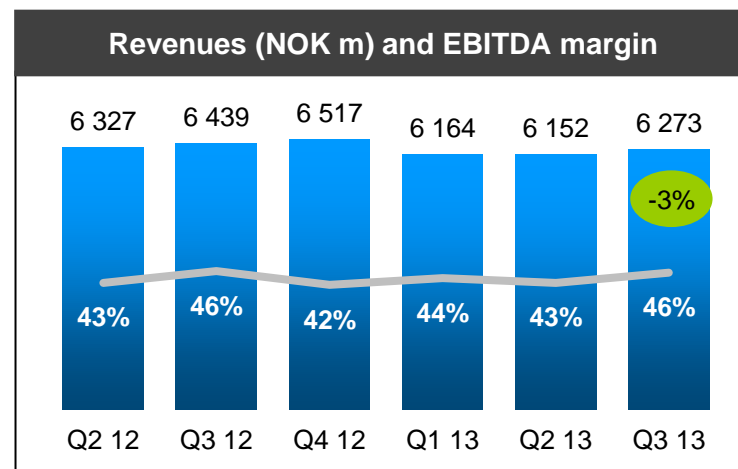
Priorities for capital allocation

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

Q3 2013

Norway

- 21k net mobile subscriber growth, mainly in consumer segment
- 400k active 4G users
- 3% decline in mobile service revenues
- Fibre subscriber base increased by 8k to 73k
- Continued high investments in mobile and fixed network coverage and capacity

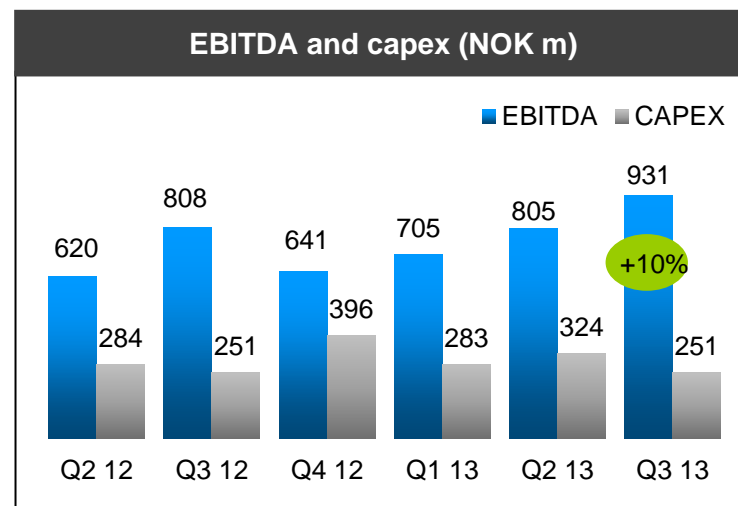
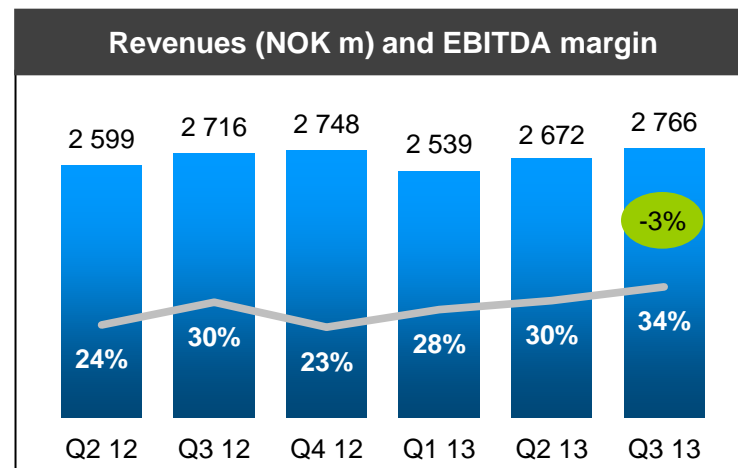


● Organic growth

Q3 2013

Sweden

- 25k net mobile subscriber growth
- 9% mobile service revenue growth excl handset-related discount
- 2% fixed revenue decline
- EBITDA margin increase from improved gross margin and lower opex

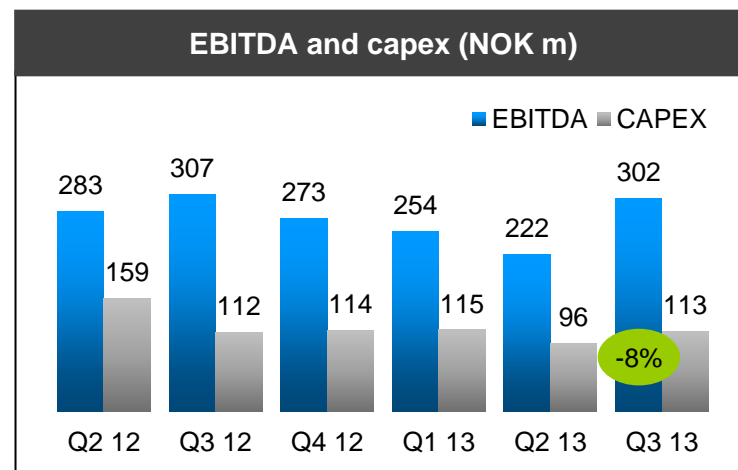
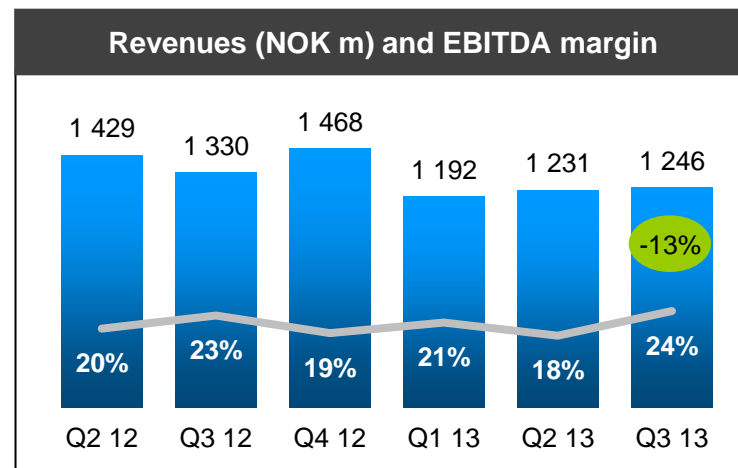


● Organic growth

Q3 2013

Denmark

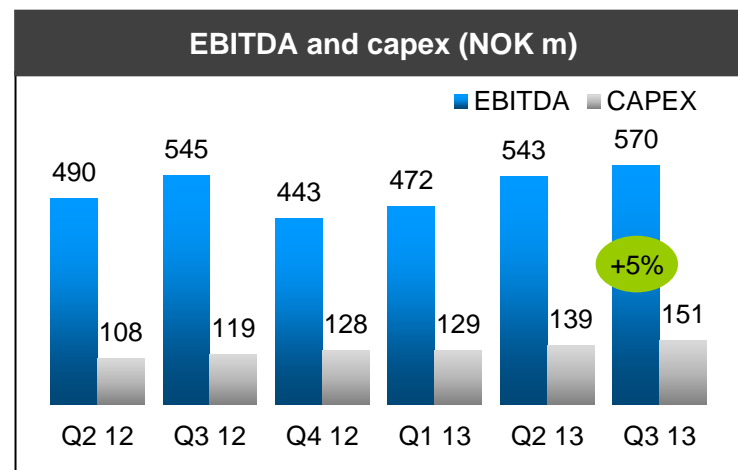
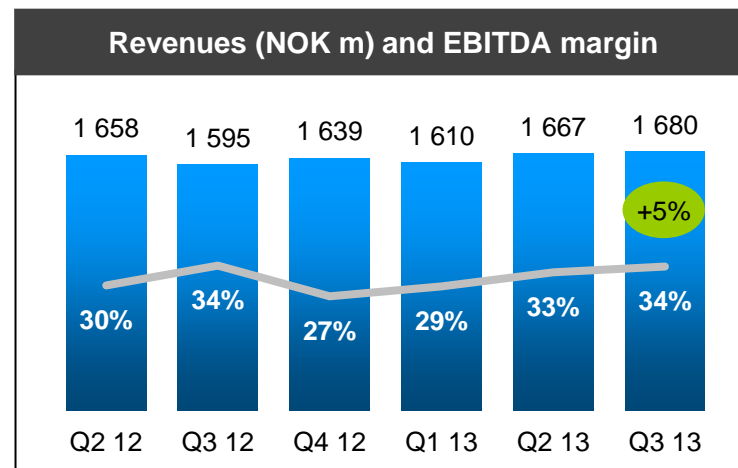
- 40k net mobile subscription loss
- Stable mobile ARPU last three quarters
- 9% decline in subscriber and traffic revenues, due to lower subscriber base
- 6% opex reduction due to fewer FTEs and lower sales and marketing costs



● Organic growth

Broadcast

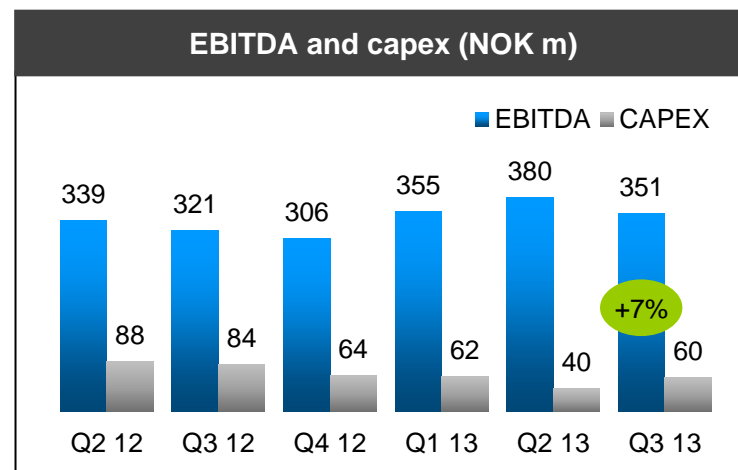
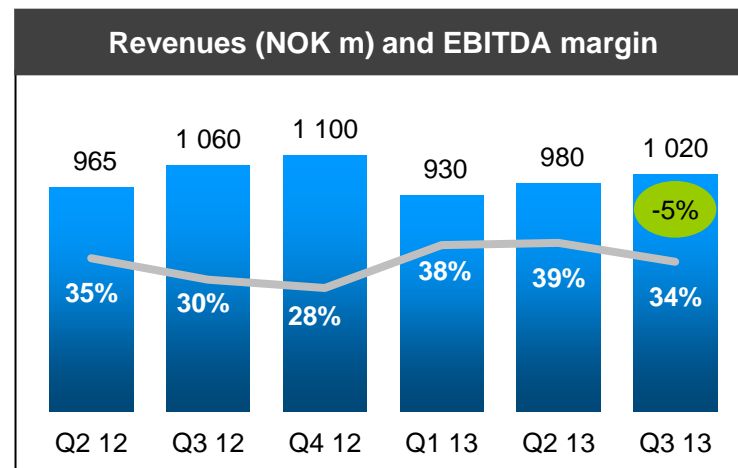
- 3k DTH subscriber loss offset by ARPU growth and currency
- 20% revenue growth in Conax
- 15% revenue growth in Norkring from DAB and installation revenues
- Capex increase mainly due to Thor 7 ground investments and DAB roll-out
- Thor 7 launch expected 2H 2014



● Organic growth

Hungary

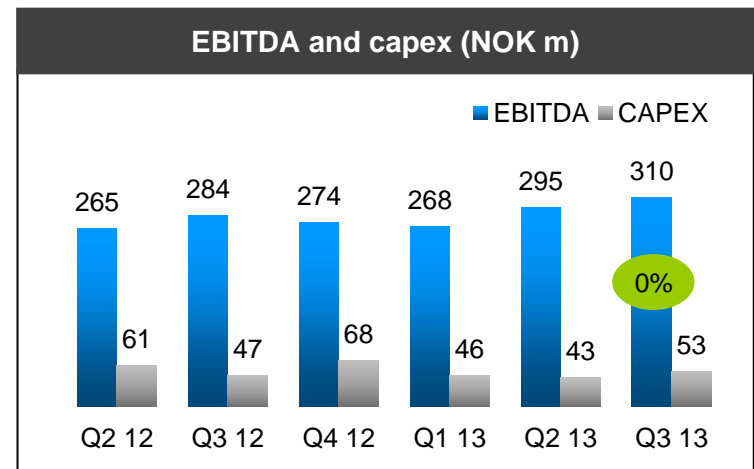
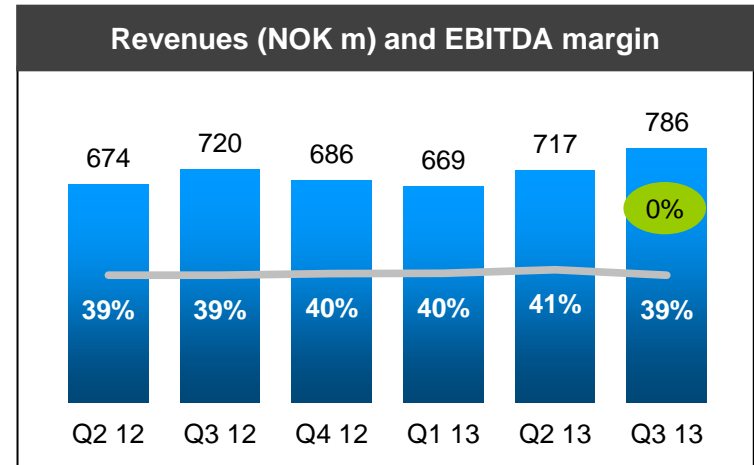
- 21k net subscriber growth
- 6% organic service revenue decline
- Increased telecom tax in corporate segment from 1 August
- Telecom tax impacting EBITDA margin by -9 percentage points
- Successful renewal of 900/1800 MHz spectrum



● Organic growth

Q3 2013 Serbia

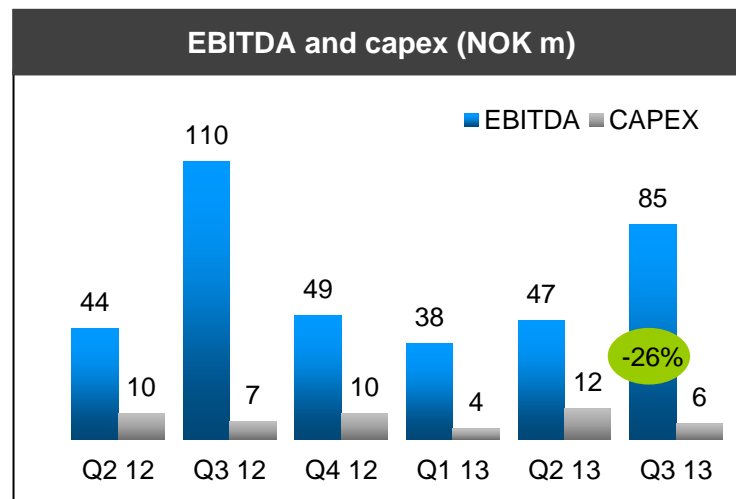
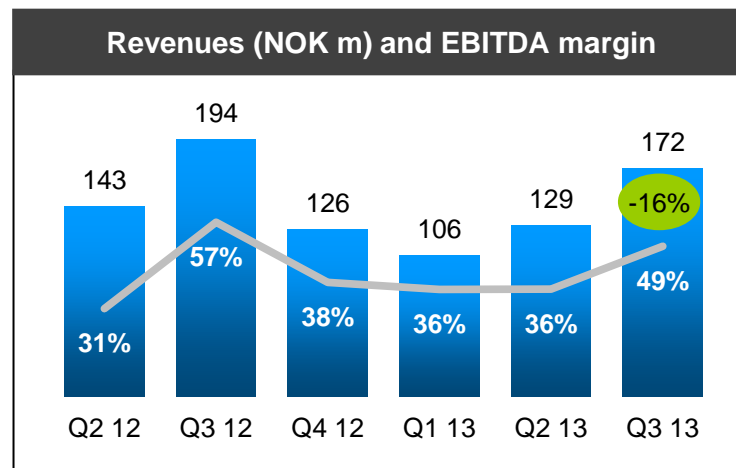
- 71k net subscriber growth
- Stable ARPU despite challenging macroeconomic environment
- 33% operating cash flow margin



● Organic growth

Montenegro

- 50k net subscriber growth
- EBITDA margin decline from lower roaming revenues in tourist season
- Challenging macroeconomic climate continued
- 47% operating cash flow margin

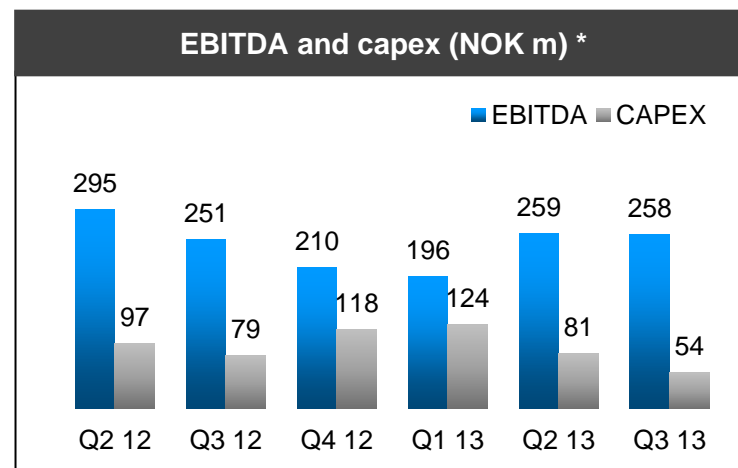
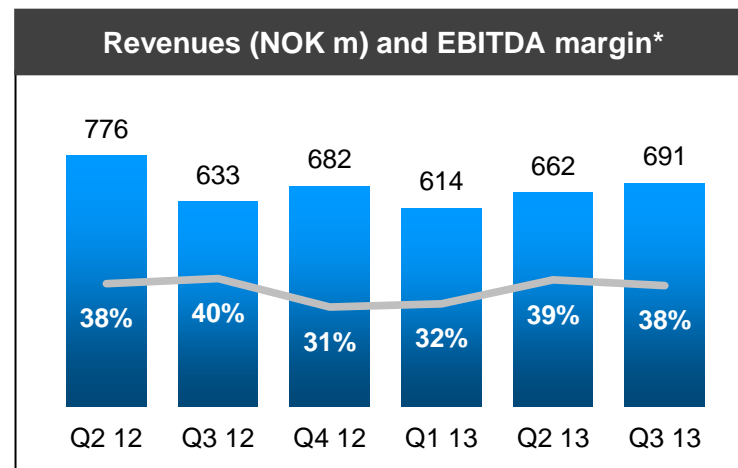


Organic growth

Q3 2013

Bulgaria (Globul)

- Included in Telenor Group from 1 Aug 2013
- 16k net subscriber growth in Q3
- 50% reduction in MTR from 1 July
- Planning for network swap, with expected completion in 2014



Q3 2013

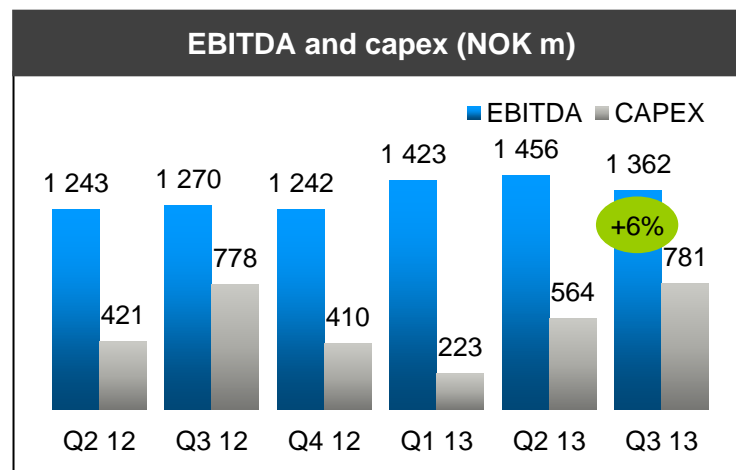
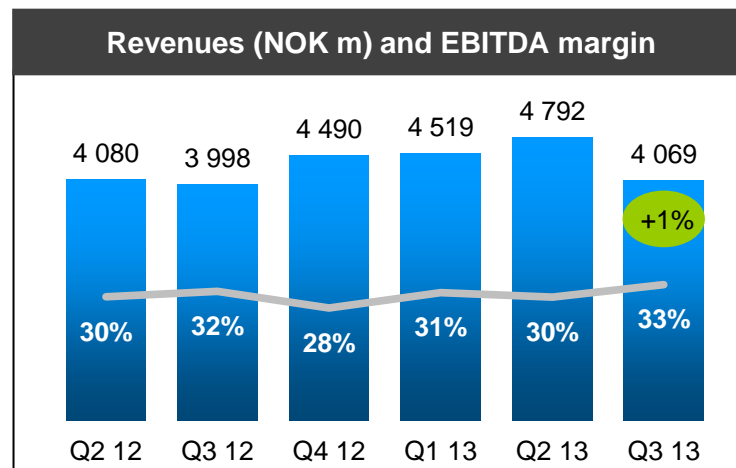
Thailand (dtac)

- 240k net subscriber growth
- 55% reduction in MTR from 1 July
- 10% subscription and traffic revenue growth
- Commercial launch of 2.1 GHz on 23 July
- 4 million customers on new network

Outlook for 2013*:

- 5% - 7% revenue growth
- EBITDA margin of 30%-31%
- Capex of around THB 14.5 billion

*) In local currency



● Organic growth

Q3 2013

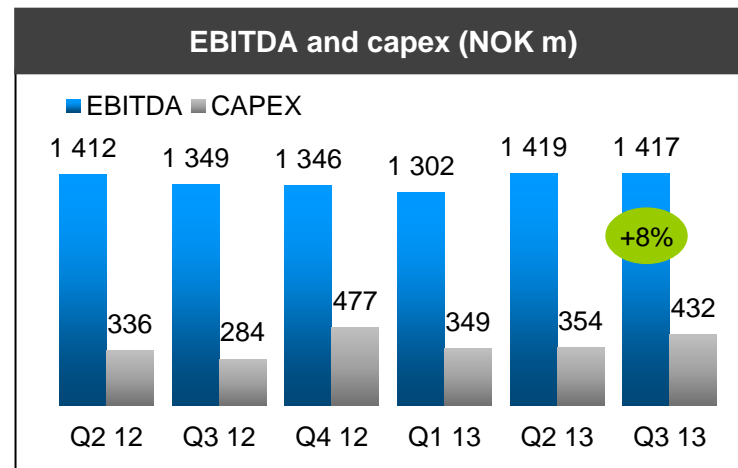
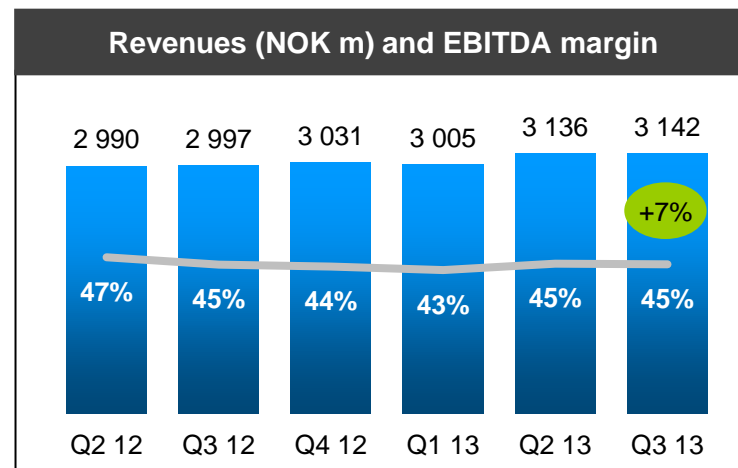
Malaysia (DiGi)

- 279k net subscriber growth
- Stable ARPU as mobile data revenues offset voice and SMS decline
- Network swap completed in Q3
- 4G launched in July on selected locations

Outlook for 2013*:

- 5%-7% revenue growth
- ~1pp dilution on EBITDA & cash-flow margin from 2012 levels

*) In local currency

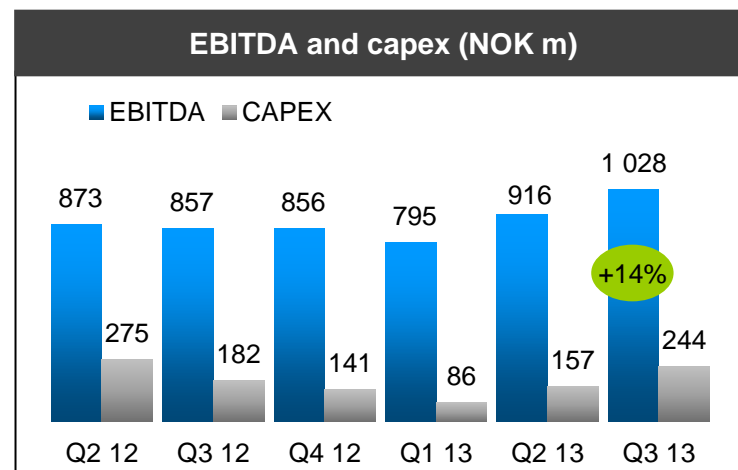
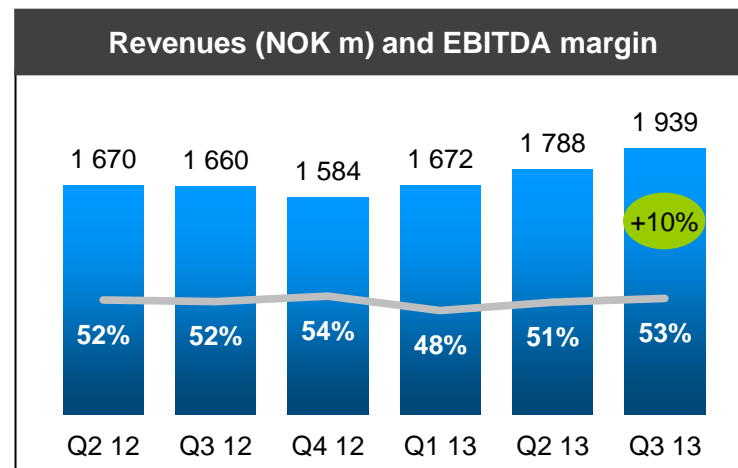


● Organic growth

Q3 2013

Bangladesh (Grameenphone)

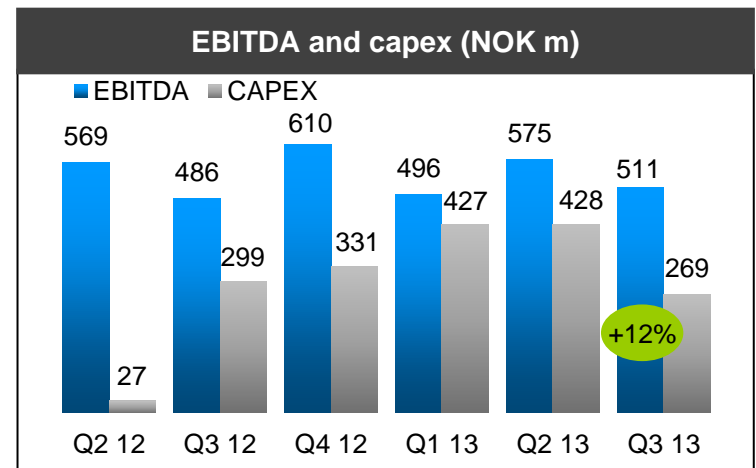
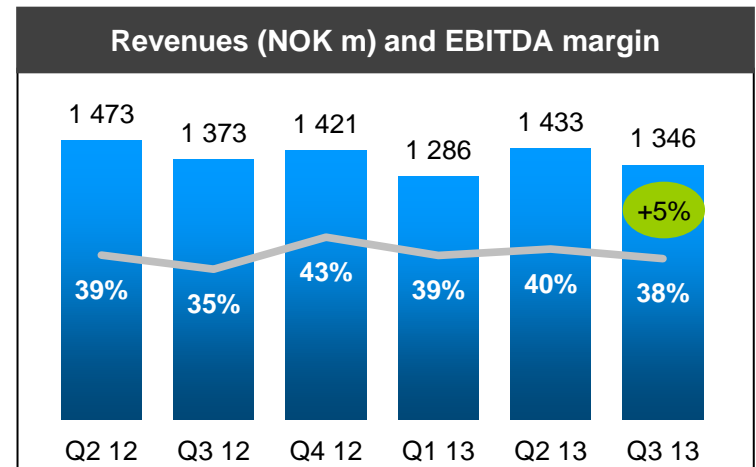
- 2.1 million net subscriber growth
- Market combat plan showing results:
 - 8% service revenue growth
 - Reduced churn
 - Increased revenue market share
- Acquired 3G spectrum in September - service launch in October
- 40% operating cash flow margin excl spectrum acquisition



● Organic growth

Pakistan

- 160k net subscriber growth, incl one-time correction of -542k subscribers
- 7% organic growth in subscription & traffic revenues
- Increased withholding tax on telecom services impacting telecom spend
- Network swap completed in September

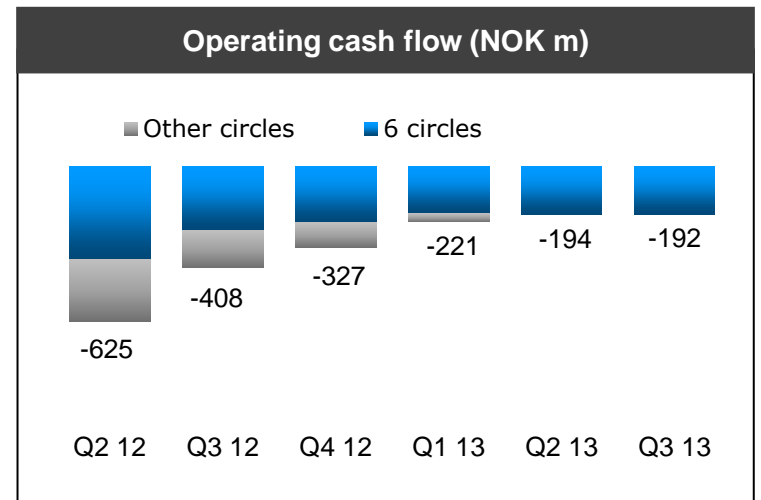
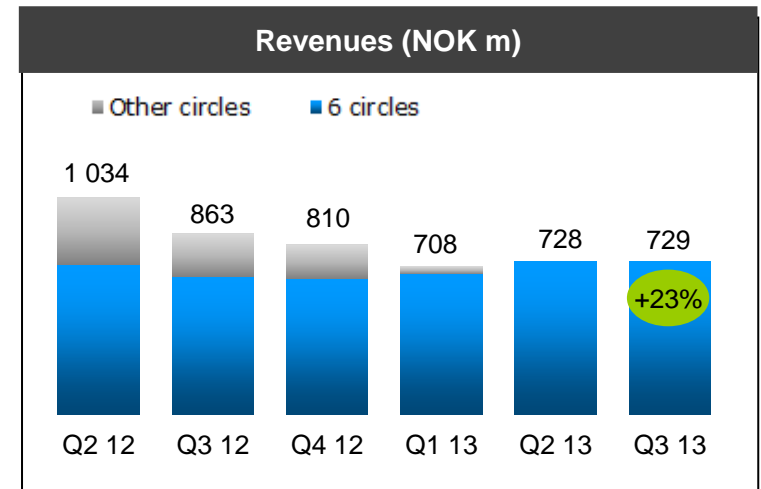


● Organic growth

Q3 2013

India

- 1.5 million net subscriber growth
- 23% organic service revenue growth in 6 circles
- Gross margin improved by 4pp
- Opex and capex increase in Q3 related to launch of 870 new sites
- Accumulated losses of INR 142 bn excl licence fee
- Targeting operating cash flow breakeven by end of 2013



● Organic growth 6 circles

Changes in revenues and EBITDA

	Revenues		EBITDA	
	Reported	Organic	Reported	Organic
Norway	-2.6 %	-2.9 %	-3.5 %	-3.9 %
Sweden	1.9 %	-3.1 %	15.3 %	9.6 %
Denmark	-6.4 %	-13.1 %	-1.7 %	-7.8 %
Hungary	-3.8 %	-5.3 %	9.2 %	7.4 %
Serbia	9.2 %	-0.3 %	9.3 %	-0.3 %
Montenegro	-11.3 %	-16.3 %	-22.7 %	-26.2 %
Thailand	1.8 %	0.9 %	7.3 %	6.3 %
Malaysia	4.8 %	7.4 %	5.0 %	7.6 %
Bangladesh	16.8 %	10.1 %	20.1 %	13.5 %
Pakistan	-2.0 %	5.1 %	5.1 %	12.4 %
India	-15.6 %	22.9 %	65.7 %	
Broadcast	5.3 %	5.3 %	4.6 %	4.6 %
Telenor Group	2.8 %	0.7 %	9.1 %	5.6 %

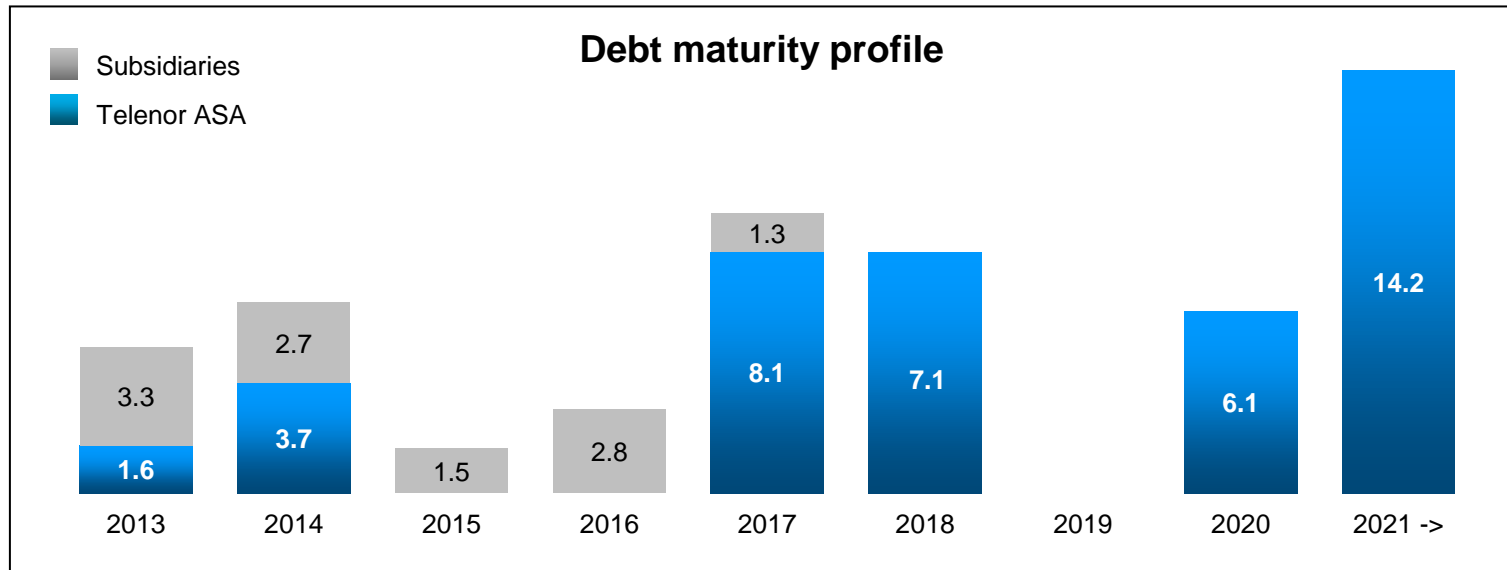
Organic growth YoY in fixed currency and adjusted for acquisitions and disposals.
EBITDA before other items. India organic revenue growth based on 6 circles.

Q3 2013

Net debt in partly owned subsidiaries

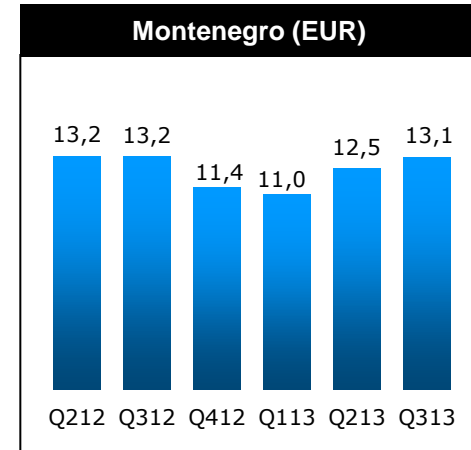
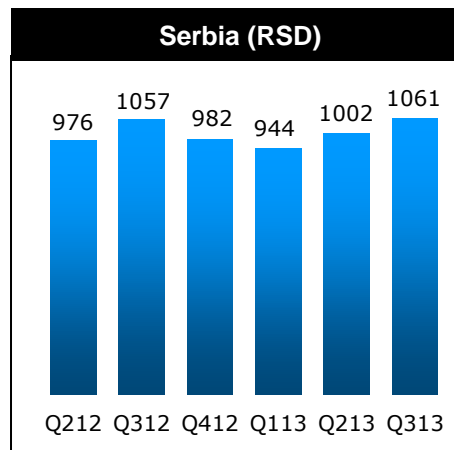
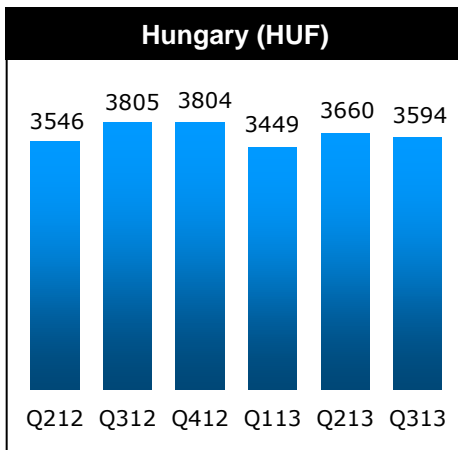
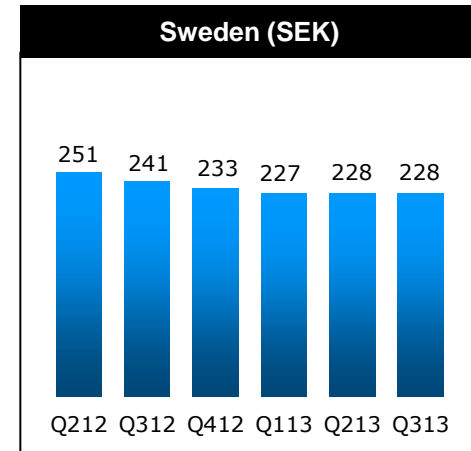
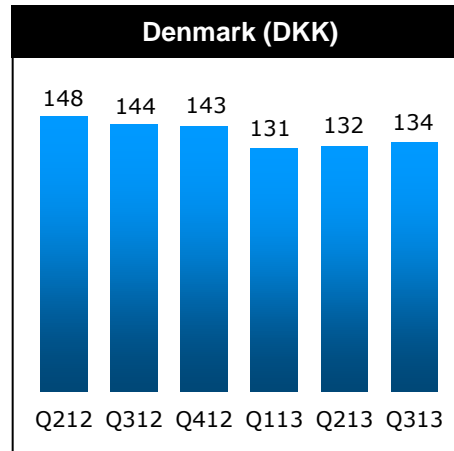
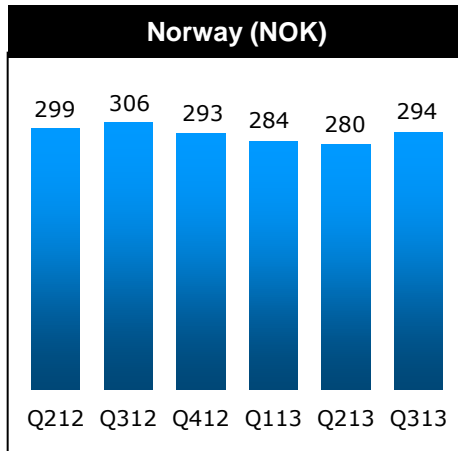
(NOK m)	Q3 2013	Q2 2013	Q3 2012
DiGi	766	344	-662
DTAC	2 054	2 713	1 001
Grameenphone	1 996	360	1 107
India	512	205	-652

Debt maturity profile



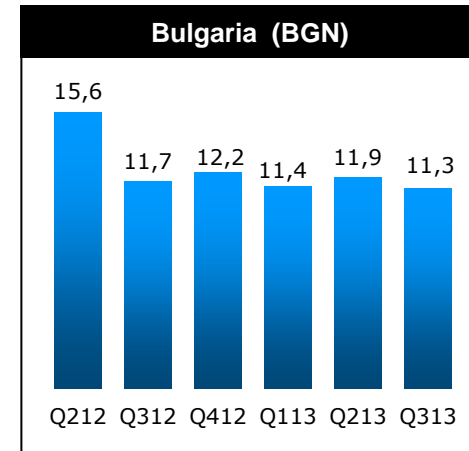
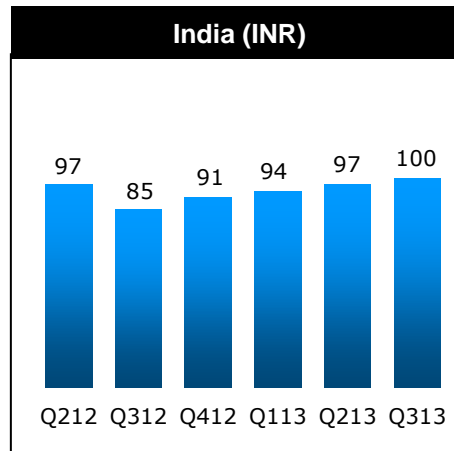
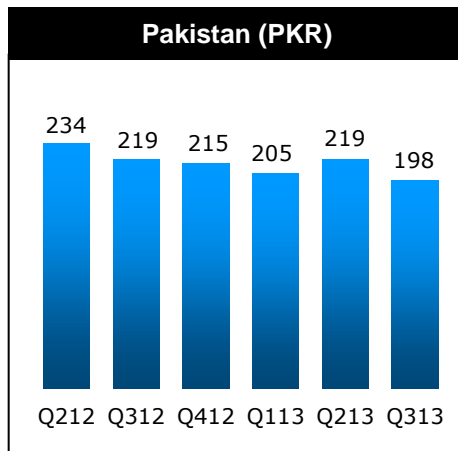
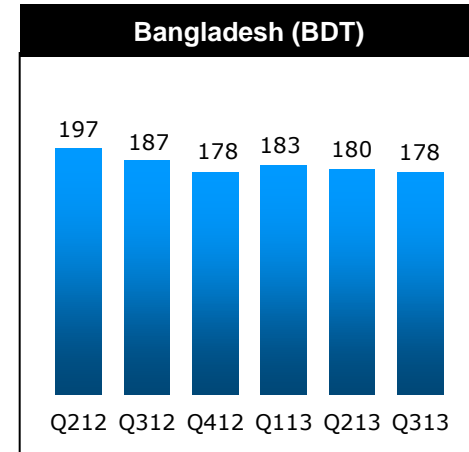
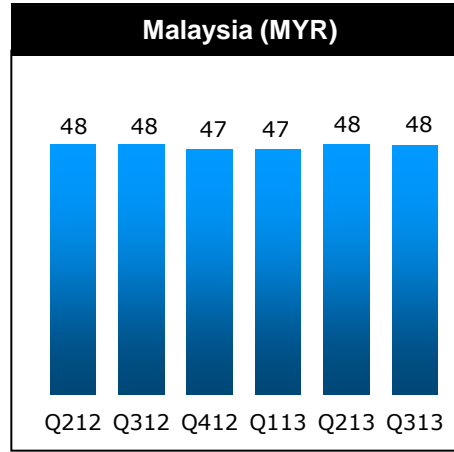
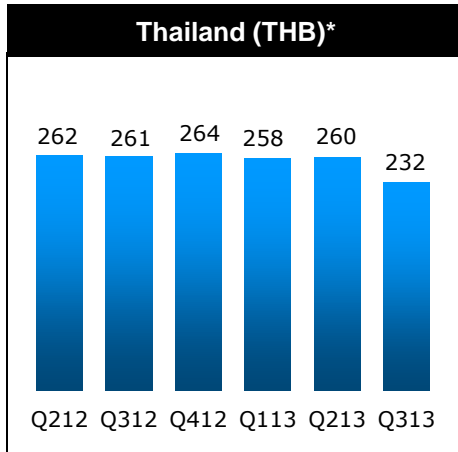
Mobile operations

ARPU development (local currency)



Mobile operations

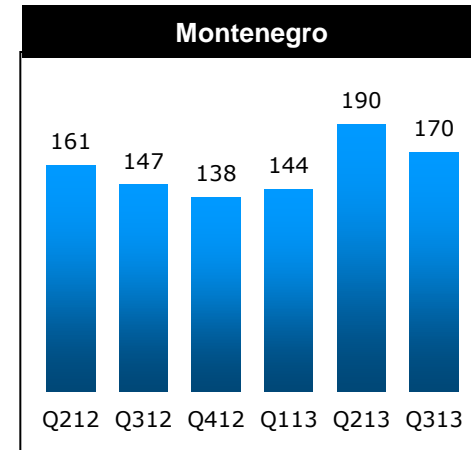
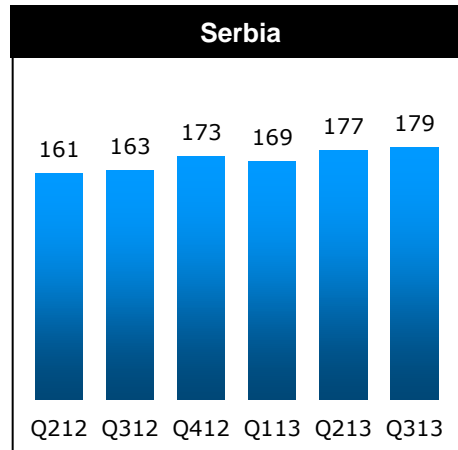
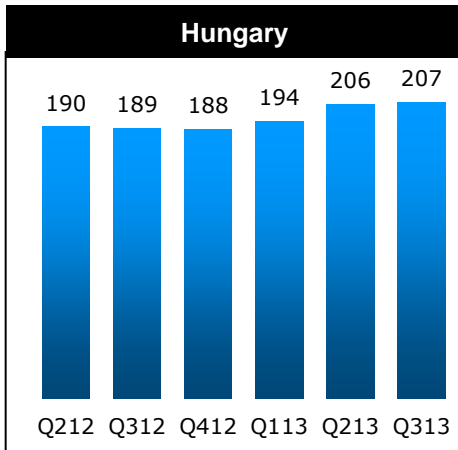
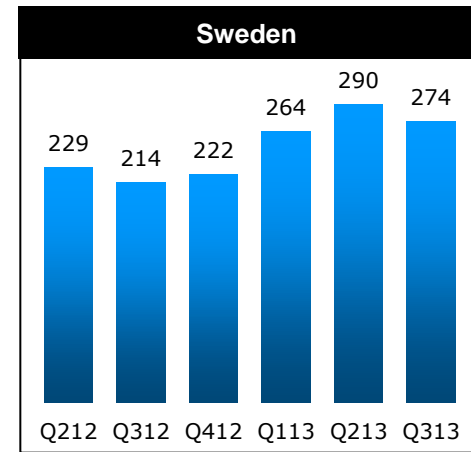
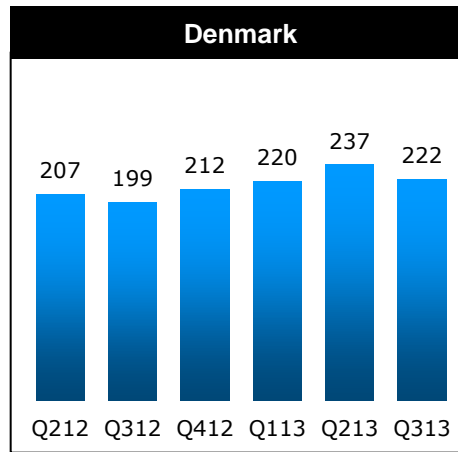
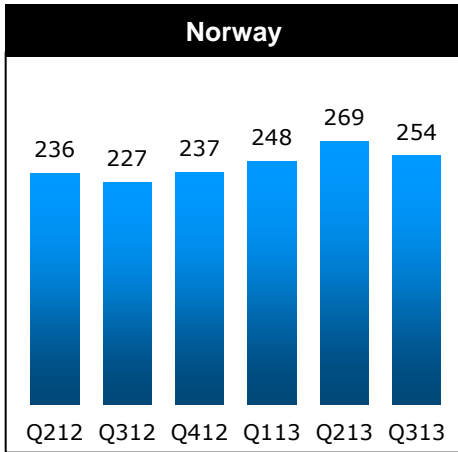
ARPU development (local currency)



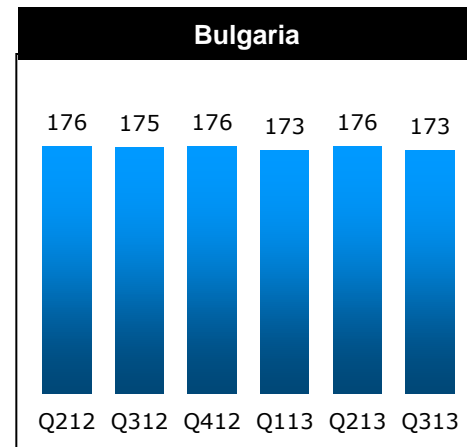
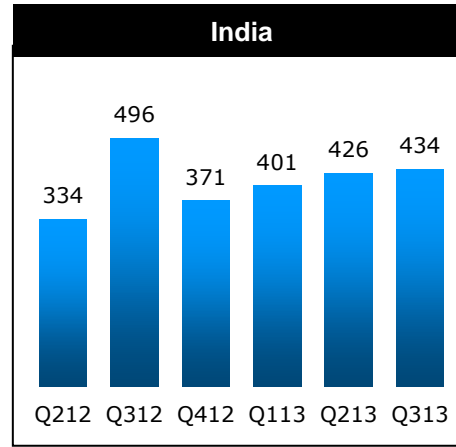
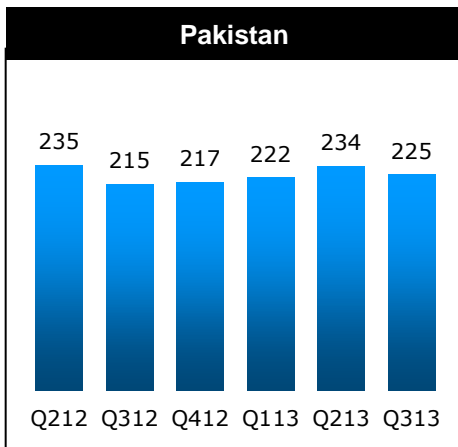
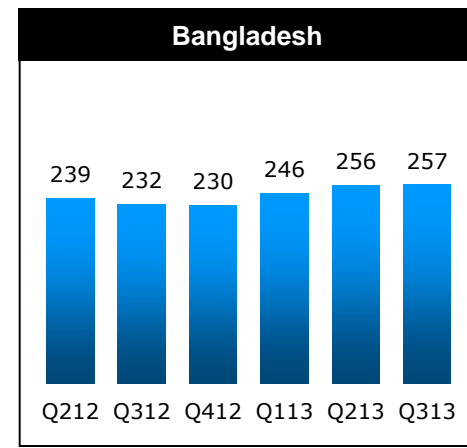
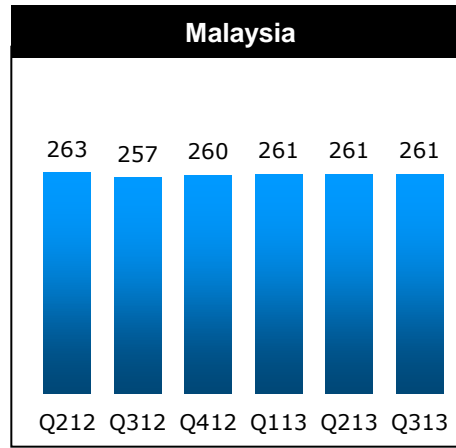
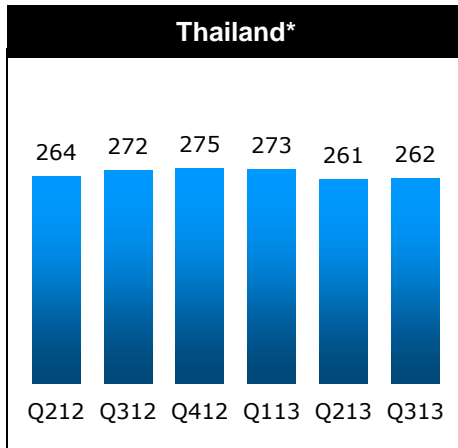
* Restated from Q1 2012

Mobile operations

AMPU development



Mobile operations AMPU development



* Restated from Q1 2012