

Third quarter 2013: Growing profitability

In the third quarter of 2013, Telenor Group reported revenues of NOK 26.0 billion, representing an organic revenue growth of 1%. EBITDA before other items was NOK 9.6 billion, EBITDA margin was 37%, and operating cash flow was NOK 5.9 billion. Reported net income of NOK 3.9 billion includes currency losses of NOK 502 million, mainly non-cash.

“Telenor Group’s performance this quarter is proof of a sound business with solid earnings and margins. A record high EBITDA of NOK 9.6 billion, as well as an operating cash flow margin of 23 per cent, demonstrates our ability to create value. Our effort to capture growth remains a top priority, while we will continue to drive efficiency improvements,” said Jon Fredrik Baksaas, President and CEO of Telenor Group.

Provide Internet access in Asia

“It is paramount for Telenor to provide Internet access with good connectivity and services for all. Only around one out of four of Telenor’s customers in Asia currently have access to the Internet, representing a vast potential for our future growth. During this quarter, subscription and traffic revenues in Asia increased by 9%, continuing its healthy trend. In Thailand and Malaysia, where the Internet is already the main growth driver, we added 240,000 and 279,000 customers, respectively. Earlier this month Grameenphone launched 3G services to customers in central parts of the city of Dhaka, marking the start of a nationwide network roll-out,” said Baksaas. “In Thailand, the new 2.1 GHz network was launched in July. The migration of customers is progressing according to plan and dtac aims to have a minimum of 10 million customers on the licenced network by the end of the year. In the years to come, we expect significant cost savings and margin improvement from the transition to the licence regime,” said Baksaas.

Mobile data in Nordics

“During the quarter, we saw continued improvement in Sweden on the back of solid execution and implementation of data centric tariffs. The revenue development in Norway is weaker than expected. In order to secure healthy return on our high network investments, we need to further optimise data centric offers to stimulate demand for mobile data and at the same time deliver the required revenue growth. As a consequence of continued challenging market conditions in Denmark, we are now embarking upon an ambitious transformation programme which will run through 2014,” said Baksaas. “Globul in Bulgaria was included in the Telenor Group as of August. In Myanmar, we are expecting to finalise the licence later this year with the aim of launching services in mid-2014,” said Baksaas.

Outlook

“Based on the performance in the first three quarters and the outlook for the rest of the year, we revise the outlook for organic revenue growth to 1-2% and capex to sales to 13-14%. We maintain our guidance of around 34% EBITDA margin,” said Baksaas.

Key figures

The table below contains key figures for the third quarter of 2013, compared to the previous year.

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[1]Adjusted operating profit is defined as Operating profit less other income and expenses and impairment losses. [2]Operating cash flow is defined as EBITDA before other income and expenses - Capex, excluding licences and spectrum [3]Net interest-bearing liabilities is defined as interest-bearing debt excluding net present value of licence liabilities. The figures for 3Q 2013 and 3Q 2012 are accumulated for the first nine months of the year. For more information please refer to the quarterly report at <https://www.telenor.com/investors/reports/2013/telenors-results-for-the-3rd-quarter-2013/> Media Contact: Meera Bhatia, Communications Manager, Tel: +4746844959, E-mail:

meera.bhatia@telenor.com To the editorial offices: Press and analyst conference In connection with the publication of the financial results, a press and analyst conference will be held on Thursday 31 October 2013 at 09:00 hrs Norwegian time/CET. The presentation will be held in Auditorium A, Telenor Expo Visitors' Centre, at the Telenor Headquarters at Fornebu. President and CEO Jon Fredrik Baksaas and CFO Richard Olav Aa will present the results. All presentations will be given in English. Internet and mobile broadcast The press and analyst conference will be broadcast live over the Internet, and a recorded version will be made available on <https://www.telenor.com/investors/reports/2013/telenors-results-for-the-3rd-quarter-2013/> . During the live transmission, written questions may be submitted via the Internet. The conference will also be available live, and in a recorded version, on mobile phones - for access, SMS expo to 2440 or +472440 from abroad. Conference call and Q&A The press and analyst conference will also be available as a conference call. This service also allows participants to ask questions at a concluding Q&A session, which will be held immediately after the presentation and a brief Q&A session in the auditorium. Please register well in advance on +(47) 23162729. Materials English language versions of the full quarterly report and all presentations used during the press and analyst conference will be made available at <https://www.telenor.com/investors/reports/2013/telenors-results-for-the-3rd-quarter-2013/>