

Telenor – Second Quarter 2010

Jon Fredrik Baksaas, President and CEO

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Q2 2010

Mobile data and Asia driving growth

- 13% organic revenue growth in Asia
- Solid mobile revenue growth in Nordic operations
- From launch to operational phase in India
- Added 5.4 million mobile subscriptions
- Initiating share buyback programme

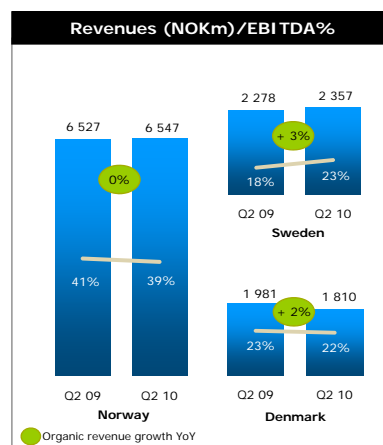
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Q2 2010 – Nordic

Mobile growth surpassing fixed decline

- 100k net mobile subscriber growth
- Smartphones and data usage main sources for mobile revenue growth
- Fixed trends in line with previous quarters
- Mobile network upgrades on track
- 2.6 GHz spectrum acquired in Denmark



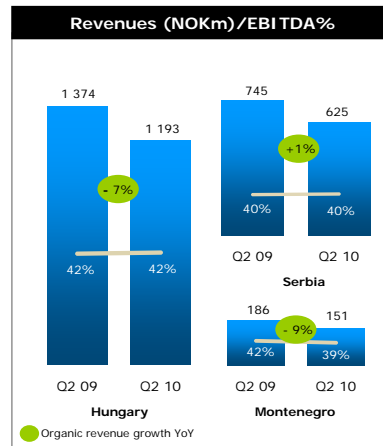
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Q2 2010 - CEE

Stable margins in still challenging environment

- Maintaining margin in Hungary despite continued difficult business climate
- Stable revenues in Serbia and cost measures to have full effect from Q3
- Stable cash flow from region due to restructuring and low capex
- Rebranded to Telenor in Hungary and Montenegro



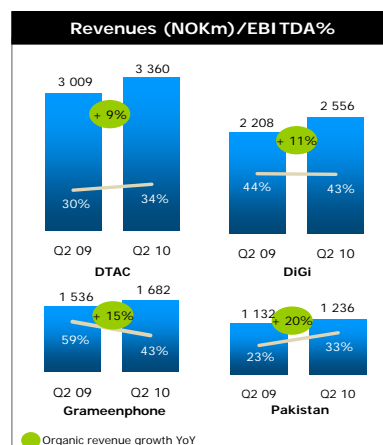
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Q2 2010 – Asia

Double digit organic revenue growth

- Solid performance in Pakistan
- High SIM tax subsidies fuelling the mobile market in Bangladesh
- Increasing smartphone demand in Thailand and Malaysia
- Cautiously balancing network investments to traffic demand
- Received dividends of NOK 1bn from Thailand, Malaysia and Bangladesh



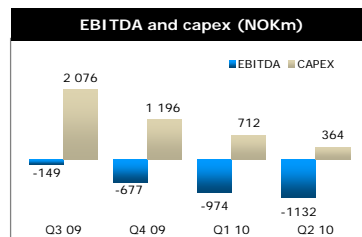
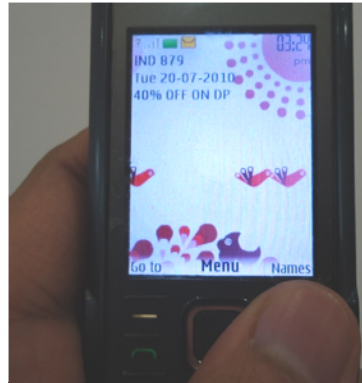
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Q2 2010

From launch to operational phase in India

- Launched 5 more circles in June, now offering services in 13 of 22 circles
- Around 21,500 sites end of Q210
- Focus on cross-circle learning and corrective measures
- More than 60% of customer base on Dynamic Price plan
- Outlook for 2010 maintained

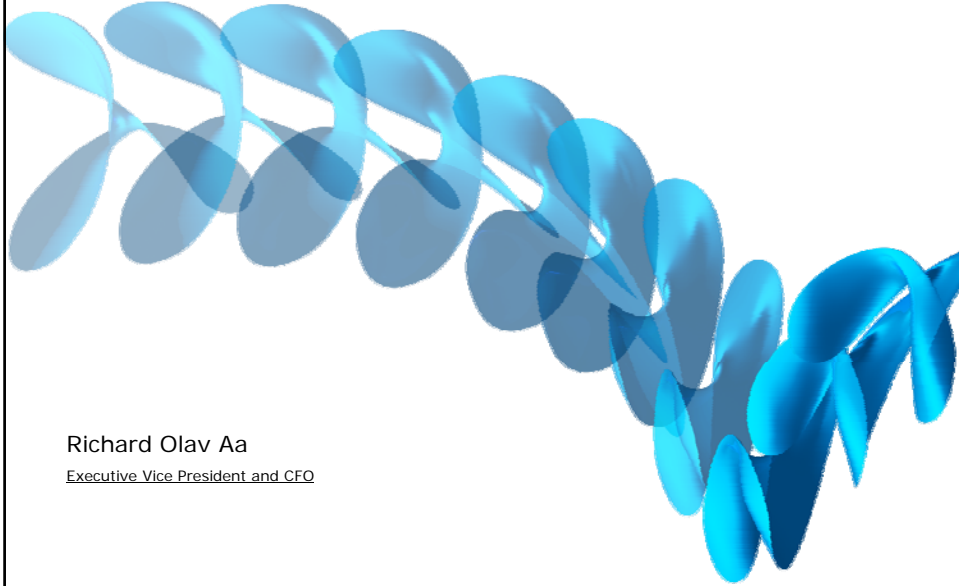


Q2 2010

Operational focus

- Capture growth from mobile data
- Strengthen market position and revenue generation in India
- Continued work on cost efficiency
- Upgrade of mobile networks





Richard Olav Aa
Executive Vice President and CFO

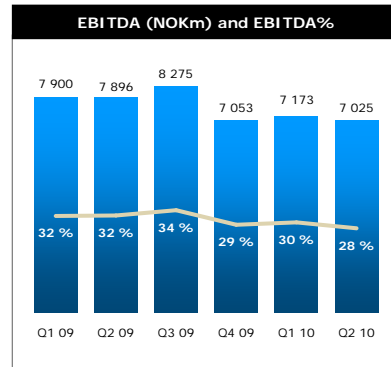
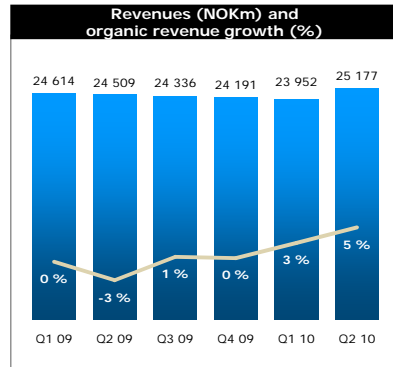


Q2 2010 Financial highlights

- 5% organic revenue growth
- 28% EBITDA margin
- 16% operating cash flow margin
- Equity increased by NOK 10 bn from Q1
- 0.9x net debt/EBITDA
- Improved outlook for 2010
- Initiating share buyback programme

Q2 2010

5% organic revenue growth



Organic revenue growth in fixed currency, adjusted for acquisitions and disposals. EBITDA and EBITDA margin before other items

11



Q2 2010

Changes in revenues and EBITDA

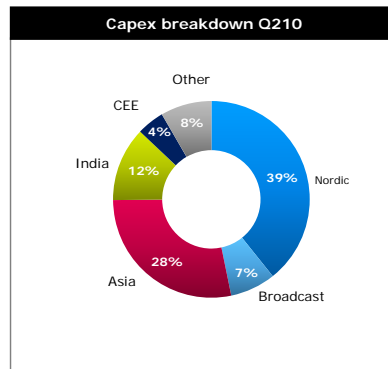
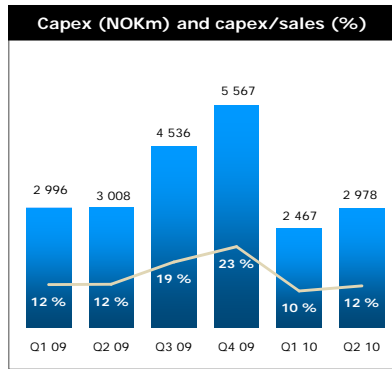
	Revenues		EBITDA	
	Reported	Organic	Reported	Organic
Norway	0.3 %	0.3 %	-2.7 %	-2.7 %
Sweden	3.5 %	3.3 %	33.9 %	33.7 %
Denmark	-8.7 %	2.0 %	-12.5 %	-2.2 %
Hungary	-13.1 %	-6.9 %	-12.2 %	-5.9 %
Serbia	-16.1 %	1.0 %	-15.0 %	2.1 %
Montenegro	-18.8 %	-9.3 %	-25.5 %	-16.8 %
DTAC	11.7 %	8.9 %	28.3 %	25.1 %
DiGi	15.8 %	10.8 %	14.6 %	9.5 %
Pakistan	9.2 %	20.5 %	57.1 %	74.6 %
Grameenphone	9.5 %	15.4 %	-20.9 %	-17.3 %
Broadcast	4.7 %	6.5 %	7.5 %	7.0 %
Telenor Group	2.7 %	4.7 %	-11.0 %	-9.3 %
Group excl. India	2.3%	4.2%	+2.3%	+4.0%

Organic growth YoY in fixed currency and adjusted for acquisitions and disposals. EBITDA before other items.

12

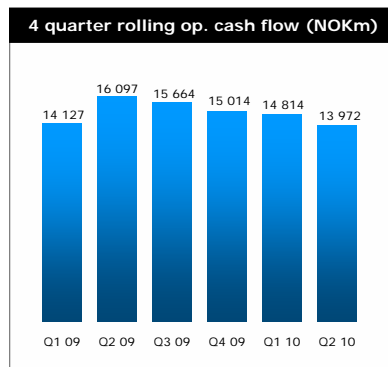
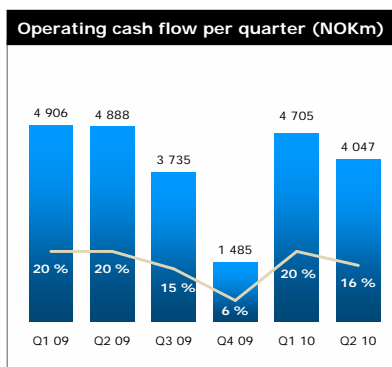


Q2 2010
12% capex/sales ratio



Capex and capex/sales ratio excluding licence fees.

Q2 2010
16% operating cash flow margin

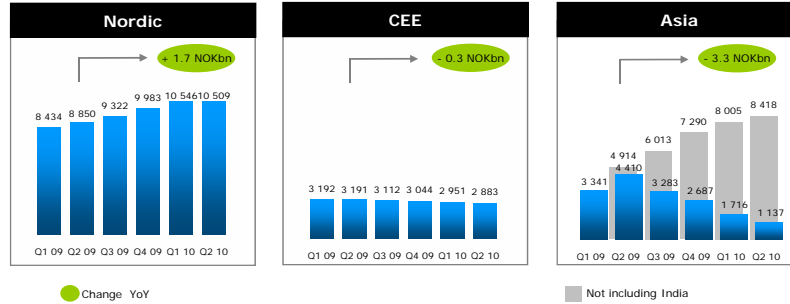


Operating cash flow excluding licences and spectrum
Operating cash flow defined as EBITDA before other items - capex

Q2 2010

Strong cash flow from all established operations

4 quarters rolling operating cash flow (NOKm):



Operating cash flow excluding licences and spectrum
 Operating cash flow defined as EBITDA before other items - capex

15



Q2 2010

Reported income statement

NOKm	Q2 10	Q2 09
Revenues	25 177	24 509
EBITDA before other items	7 025	7 896
Other items	-134	-76
EBITDA	6 891	7 820
Depreciation	-4 137	-3 891
EBIT	2 754	1 957
Associated companies	7 608	1 569
Net financials	-231	-412
Profit before taxes	10 131	3 114
Taxes	-549	-1 308
Profit from continuing operations	9 582	1 806
Net income to Telenor	9 494	1 375
EPS from cont. operations (NOK)	5.73	0.86

- Loss contracts (NOK - 81m), workforce reductions (NOK - 38m), other (NOK - 15m)
- Q110 figures for OJSC VimpelCom of 691m and Kyivstar of NOK 286m
- Kyivstar sales gain of NOK 6,514m
- Serbia impairment loss of NOK 2bn
- Kyivstar contribution of NOK 463m
- OJSC VimpelCom contribution of NOK 1,092m
- Capital gains tax of approx NOK 350m
- Reversal of accrued withholding tax of NOK 1bn

16



Q2 2010

Equity increased by NOK 10 bn

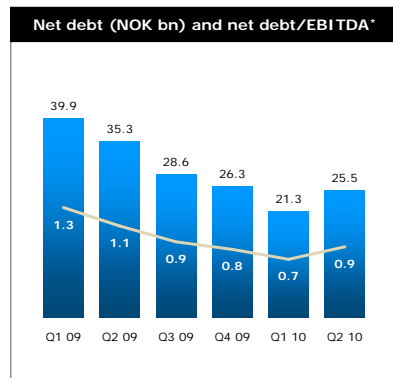
NOKm	Q2 2010	Q1 2010	
Non-current assets	150 541	135 370	<ul style="list-style-type: none"> • Kyivstar step-up to fair value + NOK 10.2bn • Cmore investment + NOK 1.1bn • Net profit associates + NOK 1.1bn • Translation differences + NOK 3.5bn
Current assets	34 680	35 880	
Total assets	185 220	171 250	
Equity	88 577	78 174	<ul style="list-style-type: none"> • Net income (majority) of + NOK 9.5bn • Dividends declared - NOK 4.1bn • Translation effects/Other + 5.0bn
Minority interests	10 422	10 429	
Non-current liabilities	42 060	44 704	
Current liabilities	44 161	37 943	<ul style="list-style-type: none"> • Repaid debt - NOK 2.0bn
Total equity and liabilities	185 220	171 250	<ul style="list-style-type: none"> • New debt + NOK 3.8bn • Non interest-bearing + NOK 1.7bn

17



Q2 2010

Healthy balance sheet



Change in net debt (NOK bn)

Net debt 31 March 2010	21.3
EBITDA	(6.9)
Net interest paid	0.3
Income taxes paid	2.6
Capex paid	3.3
Dividends received	(0.2)
Dividends paid	4.8
Currency	(0.1)
Accruals and other	0.4
<i>Net change</i>	<i>4.2</i>
Net debt 30 June 2010	25.5

*) 12 months rolling EBITDA

18





Q2 2010

Initiating share buyback programme

- Buyback of approx. 3% of shares outstanding
- Expected completion during 2010
- Ambition to deliver a competitive yield (dividend + buybacks) going forward

19



Q2 2010

Outlook for 2010

Based on reported group structure:

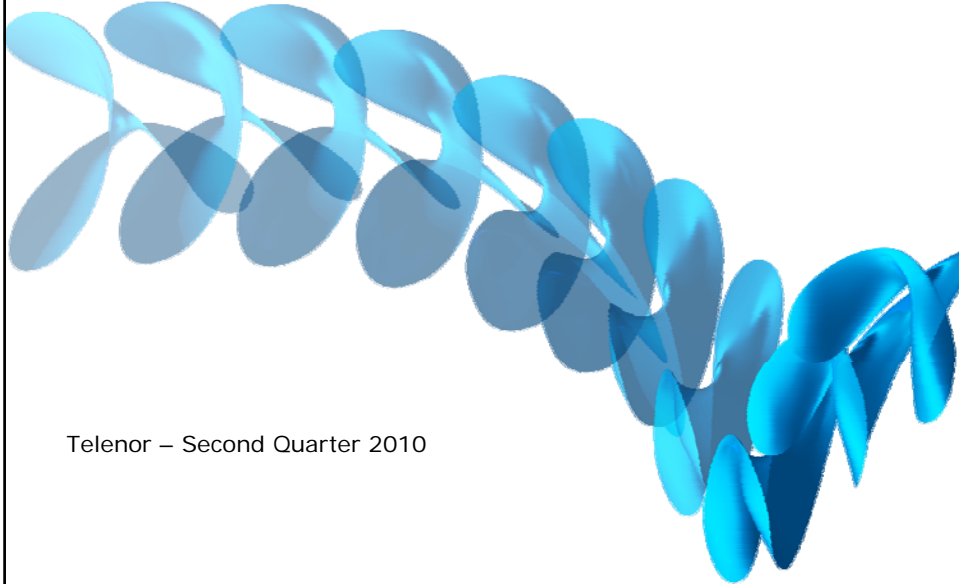
Group*	2010	Previous outlook
Organic revenues:	3-5% growth	Low single digit growth
EBITDA margin:	Around 28%	Around 28%
Capex/sales:	12-13%	13-14%

India	2010	Previous outlook
EBITDA loss:	NOK 4.5 – 5.0 bn	NOK 4.5 – 5.0 bn
Capex:	NOK 2.0 – 2.5 bn	NOK 2.0 – 2.5 bn

*) Outlook assuming Group structure and exchange rates as of 30 June 2010. EBITDA before other items. Capex excl. licences and spectrum.

20

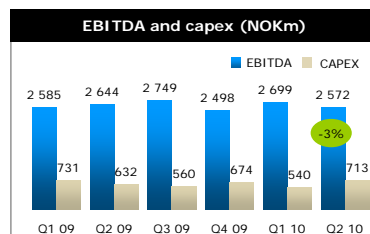
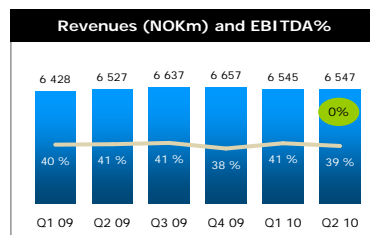




Telenor – Second Quarter 2010

Q2 2010
Norway

- 6k net mobile subscriber growth
- High demand for smartphones and increasing mobile data usage
- 5% mobile revenue growth
- Mobile network upgrade initiated
- 28% operating cash flow margin

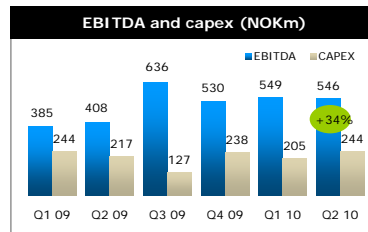
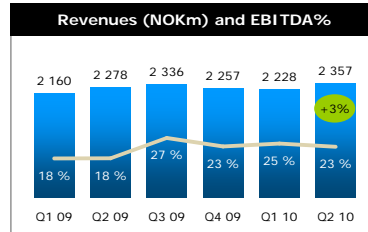


Organic growth assuming fixed currency, adjusted for acquisitions and disposals.
EBITDA and EBITDA margin before other items

Organic revenue / EBITDA growth YoY

Q2 2010
Sweden

- 30k net mobile subscriber growth
- 9% mobile revenue growth in local currency
- Continued decline in fixed operation
- Mobile network replacement on track
- MTR reduction from 1 July



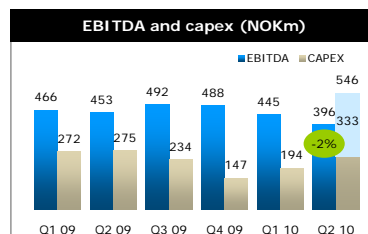
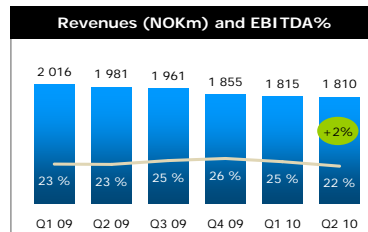
Organic growth assuming fixed currency, adjusted for acquisitions and disposals.
EBITDA and EBITDA margin before other items

● Organic revenue / EBITDA growth YoY



Q2 2010
Denmark

- 39k net mobile subscriber growth
- 6% mobile revenue growth in local currency
- Acquired 4G spectrum in 2.6 GHz auction in May
- MTR reduction from 1 May



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

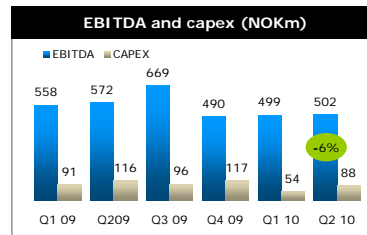
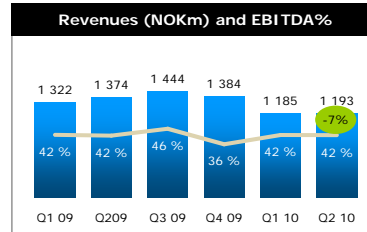
● Organic revenue / EBITDA growth YoY

■ 2.6 GHz spectrum



Q2 2010 Hungary

- 37k net subscriber loss
- 6% ARPU decline due to cost-focused customers
- Stable EBITDA margin driven by cost efficiency measures
- Local currency further weakened
- Rebranded to Telenor in May



● Organic revenue / EBITDA growth YoY

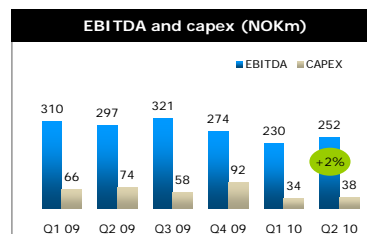
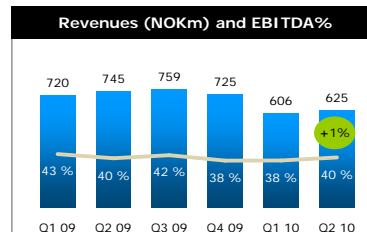
Organic growth assuming fixed currency, adjusted for acquisitions and disposals.
EBITDA and EBITDA margin before other items

25



Q2 2010 Serbia

- 7K net subscriber loss but still good post-paid momentum
- Stable revenue development
- Opex 10% lower due to cost efficiency measures
- Downsized organisation by approx. 10% in Q2
- 34% operational cash flow margin
- Local currency further weakened



● Organic revenue / EBITDA growth YoY

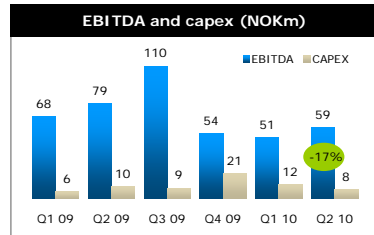
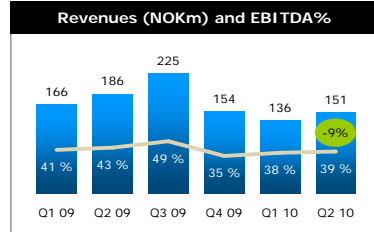
Organic growth assuming fixed currency, adjusted for acquisitions and disposals.
EBITDA and EBITDA margin before other items

26



Q2 2010
Montenegro

- 15k net subscriber growth
- Maintaining good margin and cash-flow despite continued weak macro
- Network replacement successfully completed in April
- Rebranding to Telenor in May



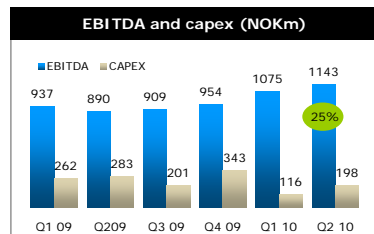
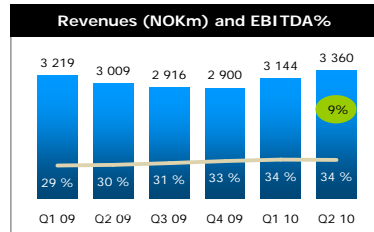
● Organic revenue / EBITDA growth YoY

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



Q2 2010
Thailand (DTAC)

- 352k net subscriber growth
- Smartphones additional driver for revenue growth
- Improved IC balance and cost reductions increasing EBITDA margin
- Cash flow outlook for 2010 increased to THB 17 bn



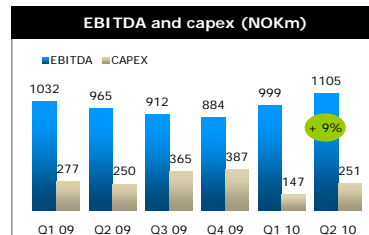
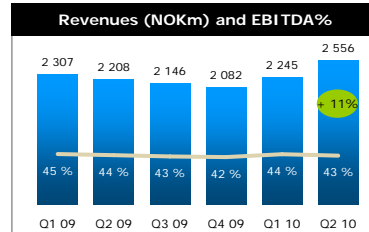
● Organic revenue / EBITDA growth YoY

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



Q2 2010
Malaysia (DiGi)

- 158k net subscriber growth
- Strong organic revenue growth mainly driven by prepaid
- Smartphones additional driver for revenue growth
- Good progress on efficiency measures
- Outlook for 2010 maintained



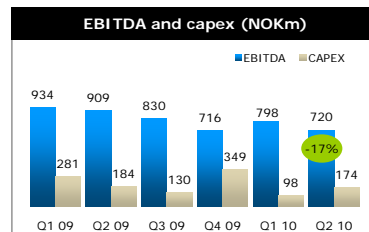
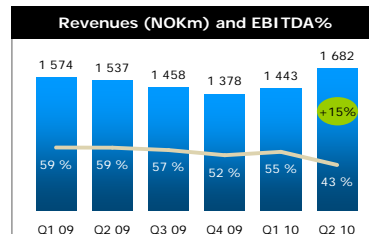
● Organic revenue / EBITDA growth YoY

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



Q2 2010
Bangladesh (Grameenphone)

- 2.6m net subscriber growth
- 12% organic growth in mobile revenues
- 6% ARPU decline following higher share of low-ARPU subscribers
- SAC related to high gross adds and rural handset sales diluting margin
- 2009 dividends of BDT 8.1 billion paid out in Q210



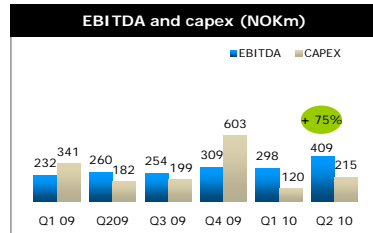
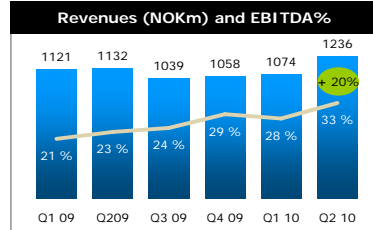
● Organic revenue / EBITDA growth YoY

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



Q2 2010 Pakistan

- 519k net subscriber growth
- Stable ARPU
- 16% organic increase in mobile revenues from subscriber growth
- Financial services starting to contribute to revenue growth
- Margin jump driven by higher revenue, decommissioning of leased lines and reduction in SIM tax Q309



● Organic revenue / EBITDA growth YoY

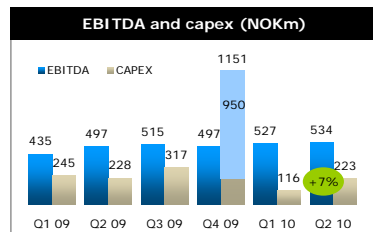
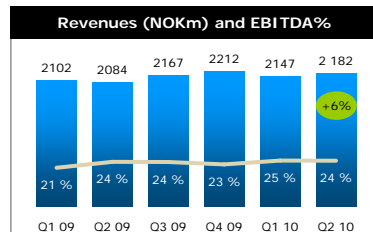
Organic growth assuming fixed currency, adjusted for acquisitions and disposals.
EBITDA and EBITDA margin before other items

31



Q2 2010 Broadcast

- 5k cable Internet net adds in Norway
- 15k DTH net subscriber loss
- 11% revenue growth in Canal Digital Norway
- Acquired 35% stake in premium content provider CMore
- Secured access to Premier League in Norway through agreement with TV2



● Organic revenue / EBITDA growth YoY

■ Thor 6 satellite

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

32



Q2 2010

Net debt in partly owned subsidiaries

(NOKm)		Q2 2010	Q1 2010	Q2 2009
DiGi	49.0%	686	804	296
DTAC	65.5%	-275	662	2 086
Grameenphone	55.8%	-917	-1 146	734
EDB Bus. Partner	51.3%	2 912	2 982	2 917
Uninor	67.3%	-521	-2 104	-361

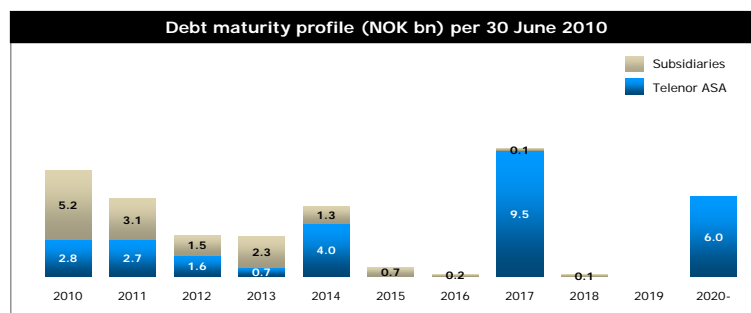
Net debt based on 100% figures

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Q2 2010

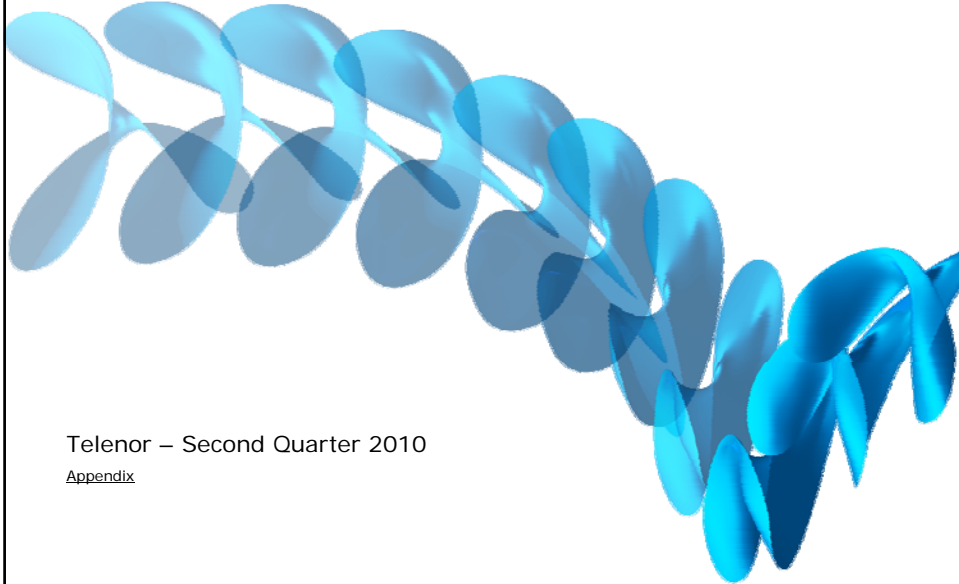
Debt maturity profile



- Average life of debt portfolio 4.2 years vs 4.6 years last quarter
- Committed and undrawn credit lines of EUR 2.5bn

34



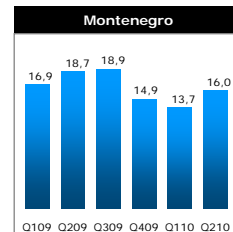
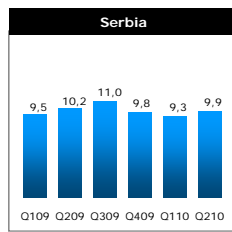
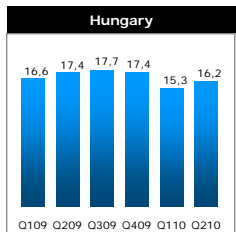
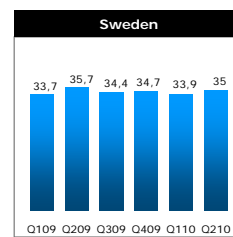
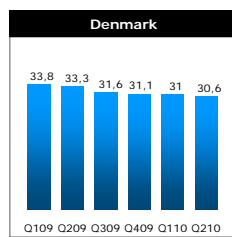
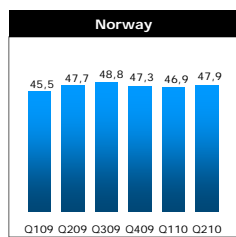


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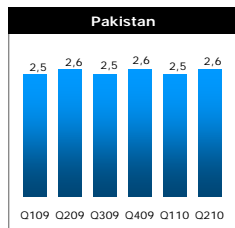
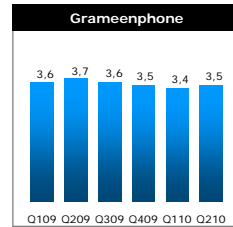
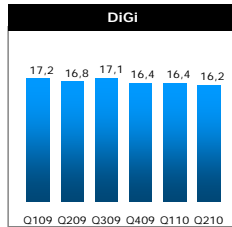
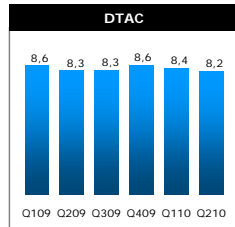
Appendix

Mobile operations

ARPU development (USD)



Mobile operations
ARPU development (USD)



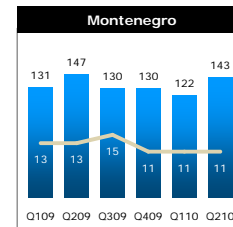
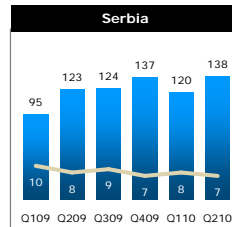
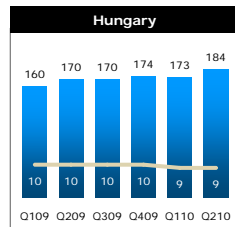
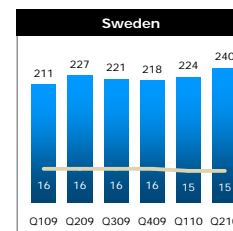
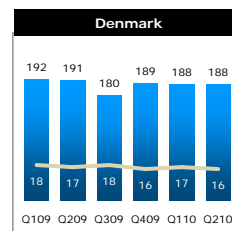
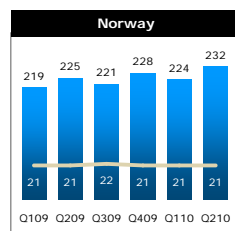
FX as of 30.06.2010

37



Mobile operations
AMPU and APPM development

MoU — APPM (USD cent)



FX as of 30.06.2010

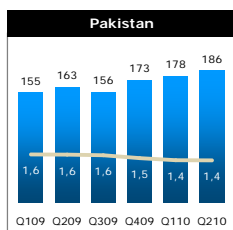
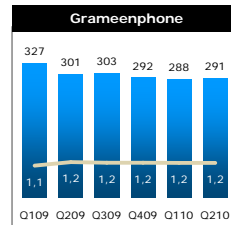
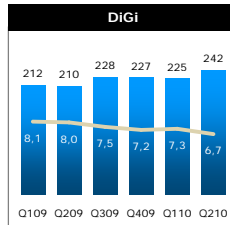
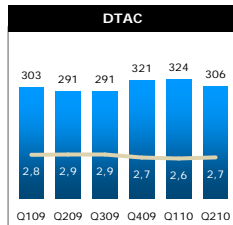
38



Mobile operations

AMPU and APPM development

MoU — APPM (USD cent)

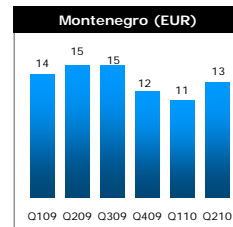
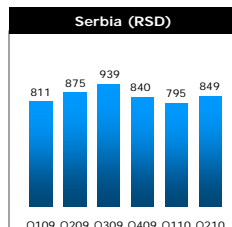
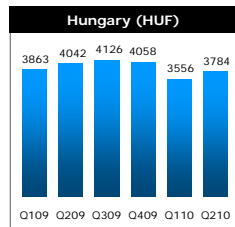
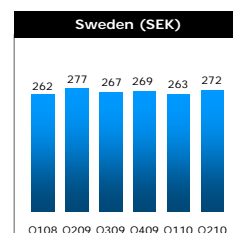
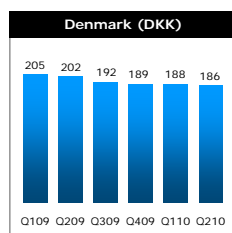
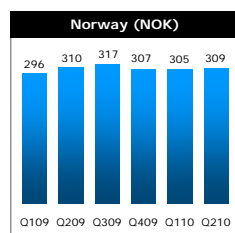


FX as of 30.06.2010



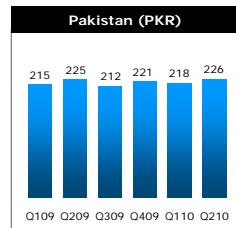
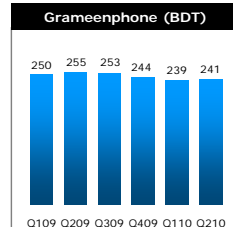
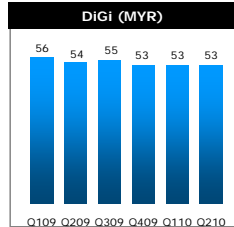
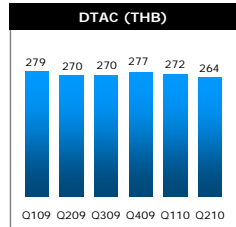
Mobile operations

ARPU development (local currency)



Mobile operations

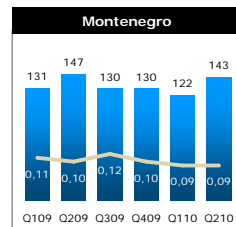
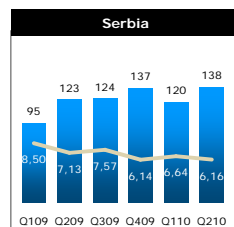
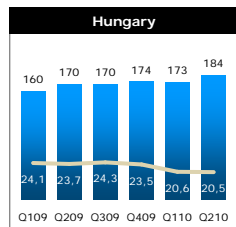
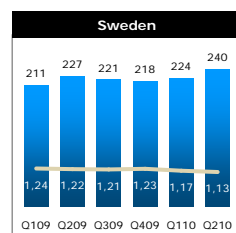
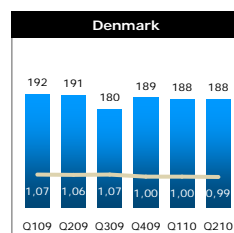
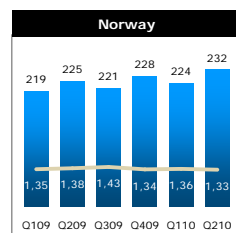
ARPU development (local currency)



Mobile operations

AMPU and APPM development

MoU — APPM (local currency)



Mobile operations

AMPU and APPM development

MoU — APPM (local currency)

