

Telenor – Third Quarter 2010

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Q3 2010

Strengthened growth, margins and outlook

- 6% organic revenue growth
- 7 million mobile subscribers added
- 16% revenue growth in Asia
- Operating cash flow of NOK 5.6 bn
- Improved outlook for 2010

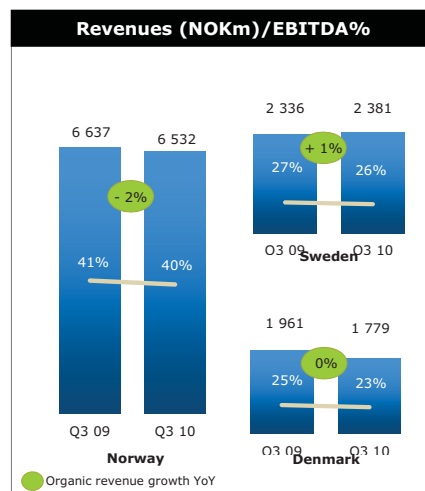
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Q3 2010 – Nordic

Continued growth in mobile data

- 45% growth in mobile data revenues
- Strong demand for smartphones
- Increased competitive pressure in Norway
- Workforce reductions in Denmark
- Mobile network modernisation on track
- Operating cash flow of NOK 10.1 bn last 12 months



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

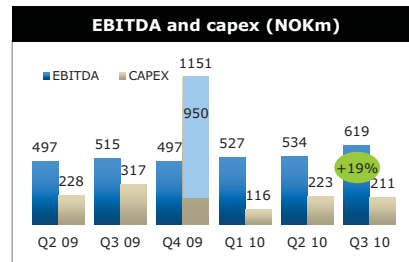
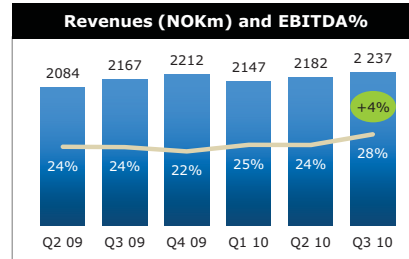
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Q3 2010

Solid performance in Broadcast

- 4% organic revenue growth and 28% EBITDA margin
- 13% revenue growth in Norwegian cable business
- Continued DTH subscriber loss offset by ARPU growth
- 9% revenue growth in Transmission & Encryption



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

● Organic revenue / EBITDA growth YoY
■ Thor 6 satellite

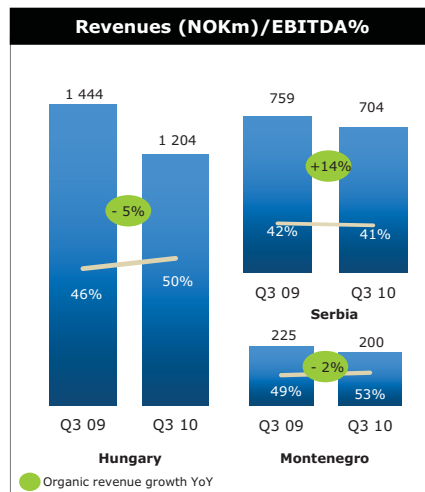
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Q3 2010 – CEE

Good execution on operational excellence

- Improving trends in Serbia with 4% service revenue growth
- 44% EBITDA margin in Hungary excl reversal of provision for bad debt
- Network modernisation agreements signed in Hungary and Serbia
- Operating cash flow of NOK 2.9 bn last 12 months
- Telecom tax announced in Hungary for 2010-2012



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

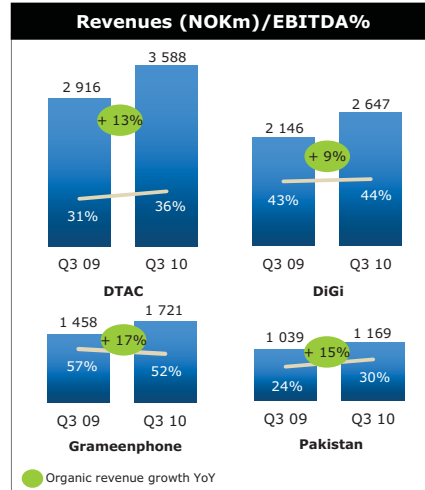
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Q3 2010 – Asia

13% revenue growth from established operations

- Strong smartphone demand and improved domestic revenues in Thailand and Malaysia
- Solid growth in Bangladesh, margin impacted by SIM tax subsidies
- Better performance than we expected in Pakistan post flooding
- Operating cash flow of NOK 9.3 bn last 12 months



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

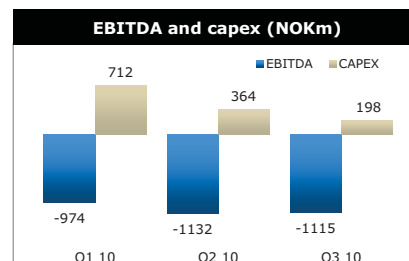
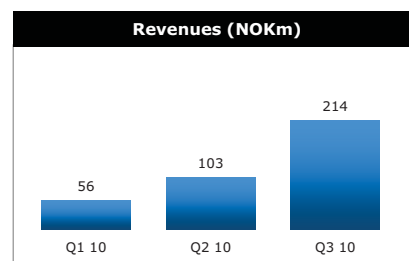
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Q3 2010

Promising revenue pick-up in India

- Simplified offerings and improved day-to-day execution in distribution
- 4 million net subscriber growth
- Revenues and usage picking up
- Cash flow outlook for 2010 revised
- Going forward ensure:
 - Excellence in distribution
 - Low cost in all business processes



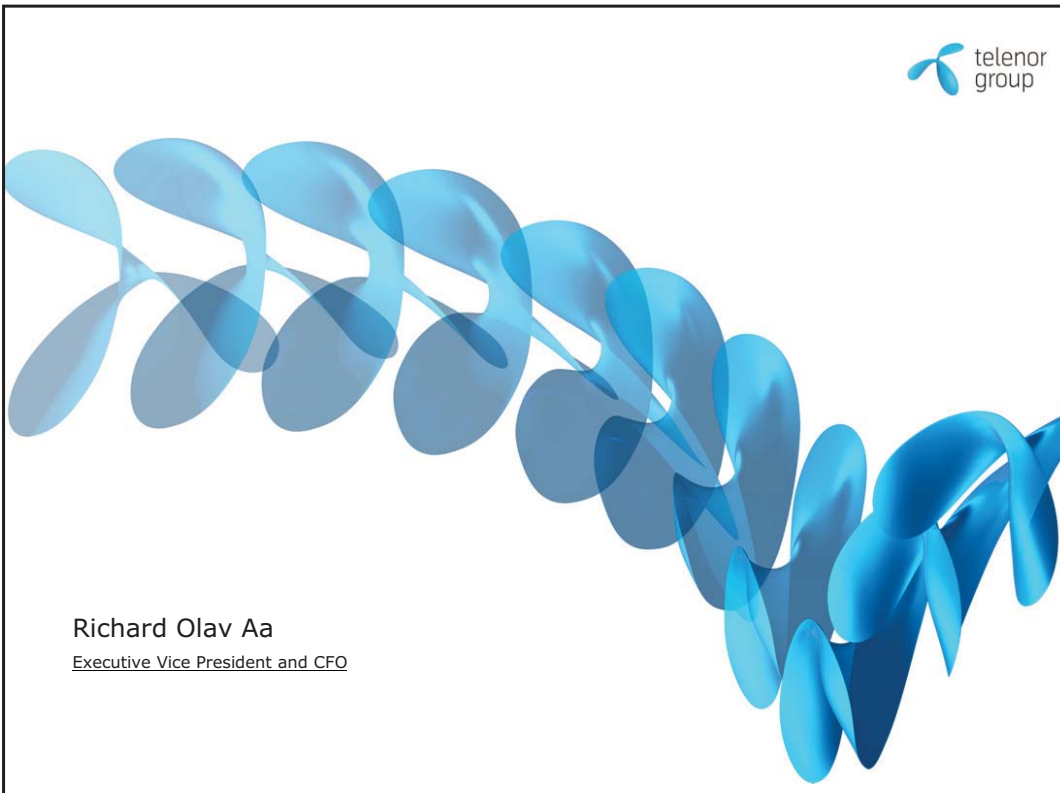


Q3 2010

Operational focus

- Deliver on operational excellence ambitions
- Modernisation of mobile networks
- Increase revenues and improve business processes in India
- Capture growth from Asia and mobile data

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Richard Olav Aa

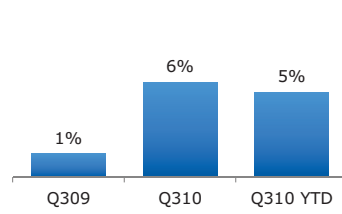
Executive Vice President and CFO

Q3 2010

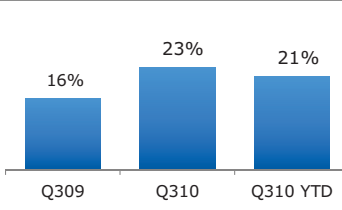
Financial highlights

- 6% organic revenue growth
- 33% EBITDA margin
- 23% operating cash flow margin
- 0.7x net debt/EBITDA
- 64% of buyback programme completed
- Improved outlook for 2010

Organic revenue growth

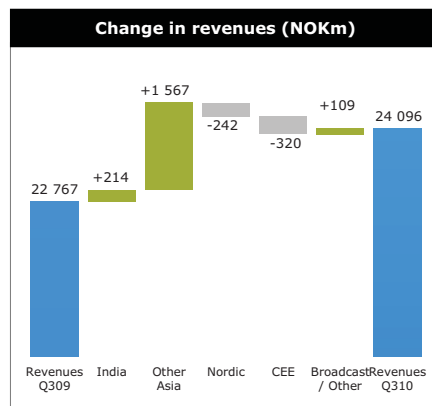
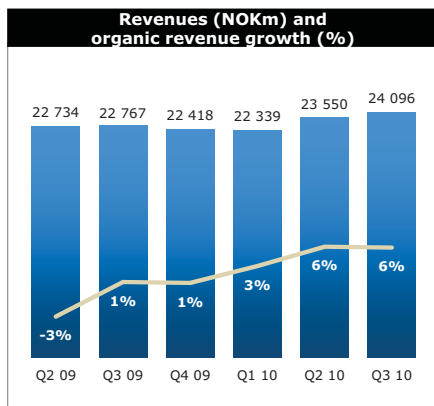


Operating cash flow margin



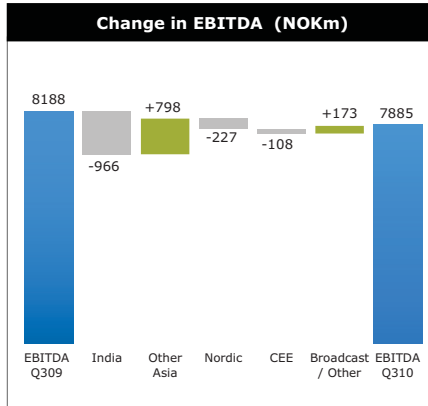
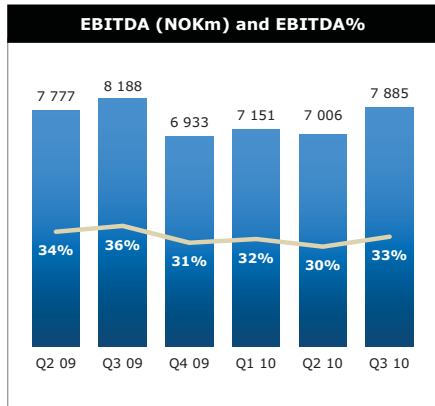
Q3 2010

6% organic revenue growth



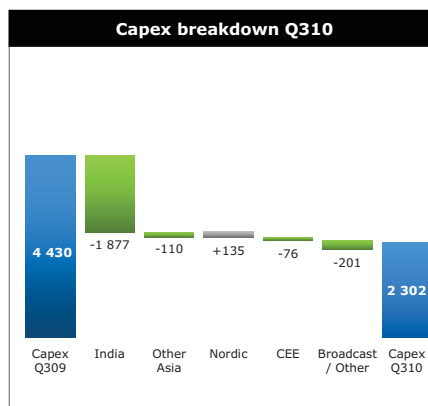
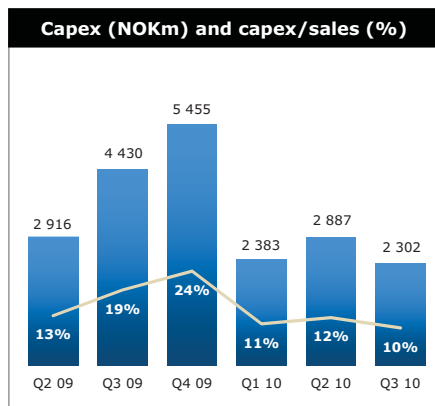
Organic revenue growth in fixed currency, adjusted for acquisitions and disposals. EBITDA and EBITDA margin before other items

Q3 2010
33% EBITDA margin



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

Q3 2010
10% capex/sales ratio

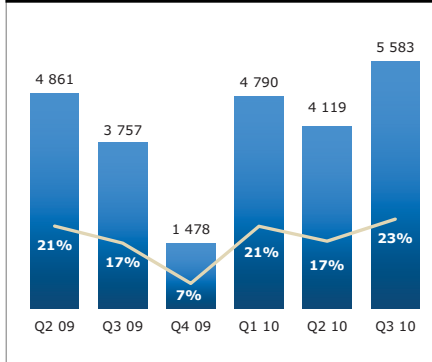


Capex from continuing operations
 Capex and capex/sales ratio excluding licence fees.

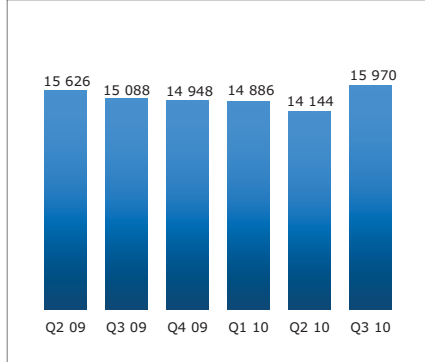
Q3 2010

23% operating cash flow margin

Operating cash flow per quarter (NOKm)



4 quarter rolling op. cash flow (NOKm)



Operating cash flow from continuing operations, excluding licences and spectrum
 Operating cash flow defined as EBITDA before other items - capex

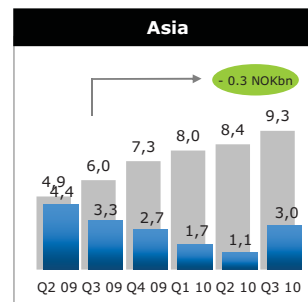
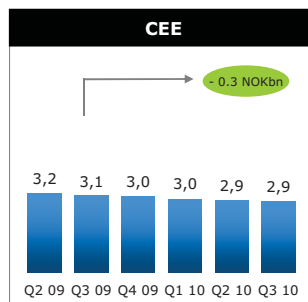
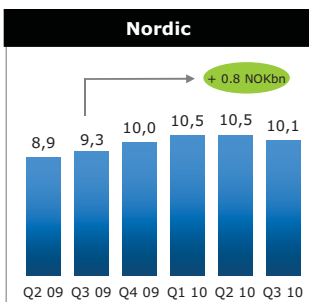
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Q3 2010

Strong cash flow from established operations

4 quarters rolling operating cash flow (NOKbn):



● Change YoY

■ Not including India greenfield

Operating cash flow from continuing operations, excluding licences and spectrum
 Operating cash flow defined as EBITDA before other items - capex

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Q3 2010

Reported income statement

NOKm	Q3 10	Q3 09
Revenues	24 096	22 767
EBITDA before other items	7 885	8 188
Other items	(139)	(146)
EBITDA	7 746	8 042
Depreciation	(3 994)	(3 586)
EBIT	3 751	4 465
Associated companies	1 049	1 864
Net financials	(451)	(643)
Profit before taxes	4 349	5 686
Taxes	(2 300)	(1 438)
Profit from continuing operations	2 050	4 248
Net income to Telenor	1 698	3 489
EPS from cont. operations (NOK)	1.20	2.39

• Workforce reductions (NOK -101m), one-time effect from change in pension scheme (NOK -46m), other (NOK +8m)

• Contribution from Q210 figures for Kyivstar/VimpelCom of NOK 923m

• Kyivstar/VimpelCom contribution of NOK 1.8bn

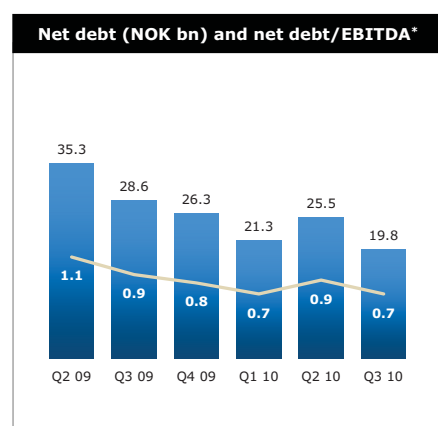
• Tax accrual of NOK -814m related to VimpelCom TRS agreement

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Q3 2010

Net debt of NOK 19.8 bn



Change in net debt (NOK bn)

Net debt 30 June 2010	25.5
EBITDA	(7.7)
Net interest paid	0.5
Income taxes paid	0.8
Capex paid	2.9
Dividends paid	0.4
EDB deconsolidation	(2.9)
Repurchase of own shares	1.4
Accrued revenue share in DTAC	(0.7)
Other	(0.4)
<i>Net change</i>	<i>(5.7)</i>
Net debt 30 Sep 2010	19.8

*) 12 months rolling EBITDA

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Q3 2010

Targeted peak funding in India maintained

- Operating cash flow outlook for 2010 slightly revised
- Targeted peak funding below INR 155 bn* maintained
- Financing of remaining funding requirement in process

India	2010	Previous outlook
EBITDA loss	Around NOK 4.5 bn	NOK 4.5 – 5.0 bn
Capex	NOK 1.5 - 2.0 bn	NOK 2.0 – 2.5 bn

*) NOK 20.2 bn at exchange rate on 30 Sep 2010 of INR/NOK = 0.1301
Peak funding defined as accumulated operating cash flow (OCF) up to OCF break-even

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Q3 2010

Improved outlook for 2010

Group	2010 (excl. EDB)	Previous outlook (incl. EDB)	Previous outlook (of which EDB)
Organic revenue growth	Around 5%	3-5%	- 0.5pp
EBITDA margin	30 - 31%	Around 28%	- 1.7pp
Capex / sales	Around 12%	12-13%	- 0.6pp

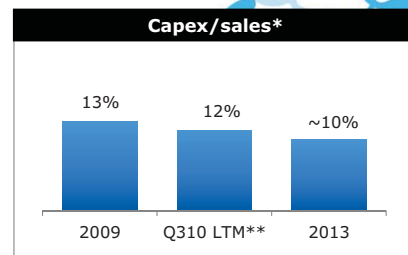
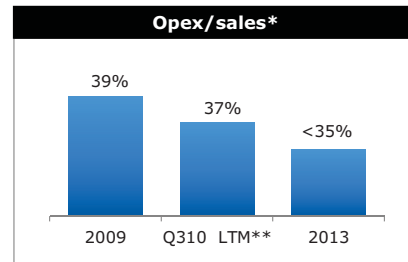
*) Outlook assuming Group structure (excl EDB) and exchange rates as of 30 Sep 2010.
EBITDA before other items. Capex excl. licences and spectrum.

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Q3 2010

Financial priorities

- Competitive shareholder remuneration – dividends in combination with share buybacks
- Maintain a solid balance sheet by keeping net debt/ebitda below 1.6x
- Disciplined and selective M&A
- Deliver on operational excellence ambitions



*) Existing business not incl. India, EDB Business Partner and spectrum fees
**) Last twelve months

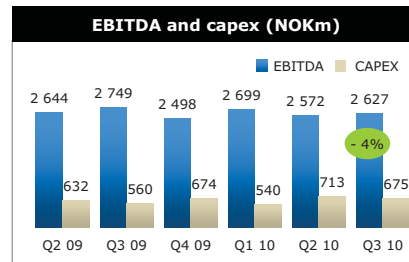
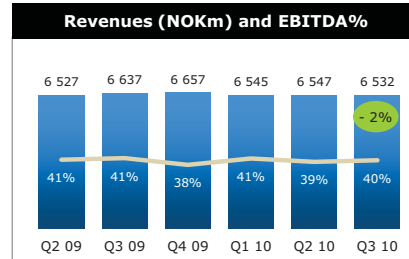
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Telenor – Third Quarter 2010

Q3 2010 Norway

- 38k net mobile subscriber growth
- Continued growth in mobile data and smartphones
- Competitive pressure in business segment
- Mobile network replacement on track
- 30% operating cash flow margin



● Organic revenue / EBITDA growth YoY

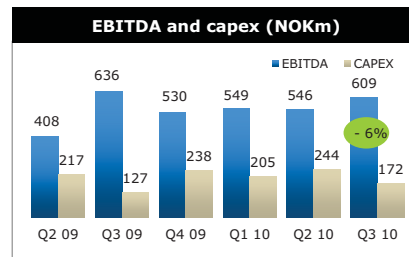
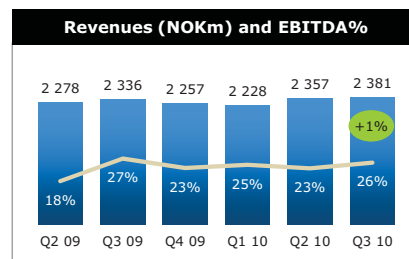
Organic growth assuming fixed currency, adjusted for acquisitions and disposals.
EBITDA and EBITDA margin before other items

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Q3 2010 Sweden

- 44k net mobile subscriber growth
- 6% mobile revenue growth in local currency
- Continued decline in fixed operation
- Increased market related costs offset by reduced personnel costs
- Mobile network upgrades on track



● Organic revenue / EBITDA growth YoY

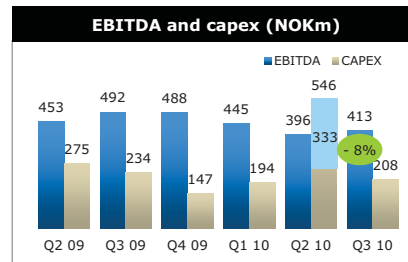
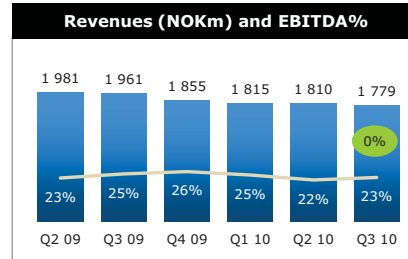
Organic growth assuming fixed currency, adjusted for acquisitions and disposals.
EBITDA and EBITDA margin before other items

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Q3 2010 Denmark

- 39k net mobile subscriber loss
- 3% mobile revenue growth in local currency
- Continued decline in fixed operation
- Provision for write-down of bad debt
- Workforce reduced by 10% after reorganisation in September



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

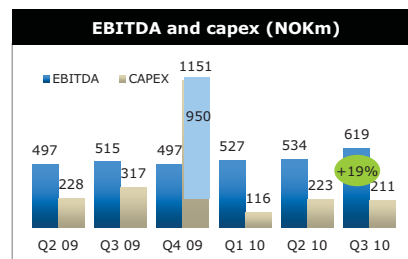
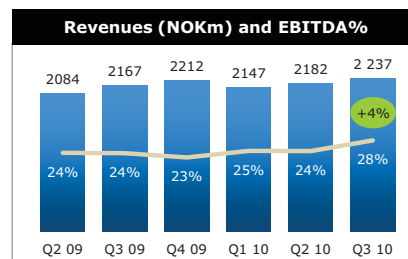
● Organic revenue / EBITDA growth YoY
■ 2.6 GHz spectrum

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Q3 2010 Broadcast

- 4% organic revenue growth and 28% EBITDA margin
- 8k cable Internet net adds in Norway
- 13% revenue growth in Norwegian cable business
- 14k DTH net subscriber loss, but ARPU growth in all markets
- 9% revenue growth in Transmission & Encryption



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

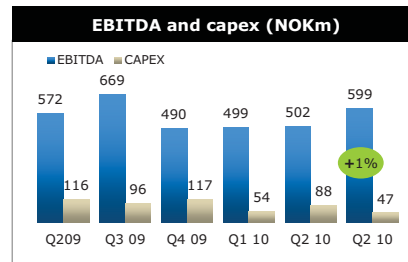
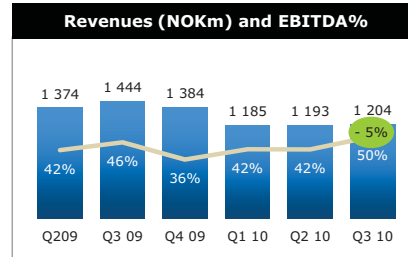
● Organic revenue / EBITDA growth YoY
■ Thor 6 satellite

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Q3 2010 Hungary

- 15k net subscriber loss
- Still challenging macro
- EBITDA margin of 44% excl reversal of provision
- Network swap agreement with ZTE
- 6.5% revenue based telecom tax announced for 2010-2012



● Organic revenue / EBITDA growth YoY

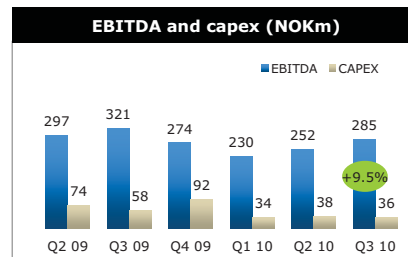
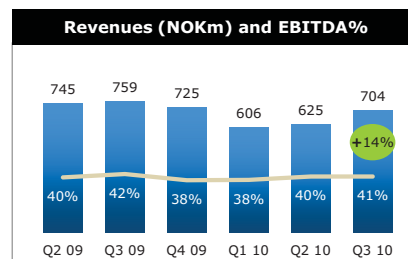
Organic growth assuming fixed currency, adjusted for acquisitions and disposals.
EBITDA and EBITDA margin before other items

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Q3 2010 Serbia

- 102k net subscriber growth
- Postpaid ratio increased by 3pp to 34%
- 4% growth in service revenues
- 35% operating cash flow margin
- Network swap agreement with Huawei
- 10% telecom stamp duty expected to be abolished from 2011



● Organic revenue / EBITDA growth YoY

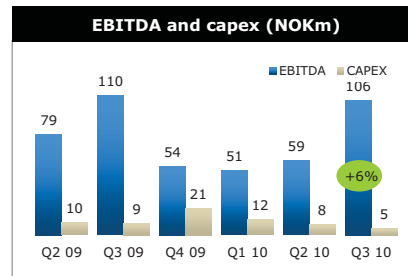
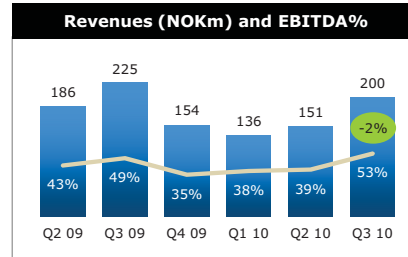
Organic growth assuming fixed currency, adjusted for acquisitions and disposals.
EBITDA and EBITDA margin before other items

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Q3 2010 Montenegro

- 72k net subscriber growth
- Strong quarter from tourist season
- Increased EBITDA due to lower opex levels
- 50% operating cash flow margin
- Low capex/sales following the successful network swap by ZTE



Organic revenue / EBITDA growth YoY

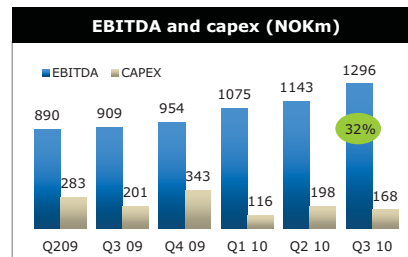
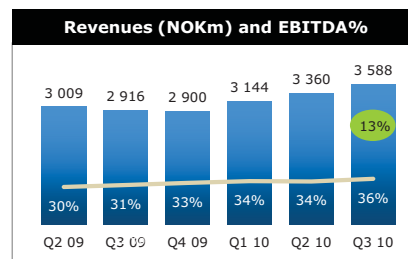
Organic growth assuming fixed currency, adjusted for acquisitions and disposals.
EBITDA and EBITDA margin before other items

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Q3 2010 Thailand (DTAC)

- 296k net subscriber growth
- 8% revenue growth excluding one-time IC effect
- Continued improvement in cost base
- 34% EBITDA margin excluding one-time IC effect
- Cash flow outlook for 2010 further improved
- Interim dividend to be paid in Q4



Organic revenue / EBITDA growth YoY

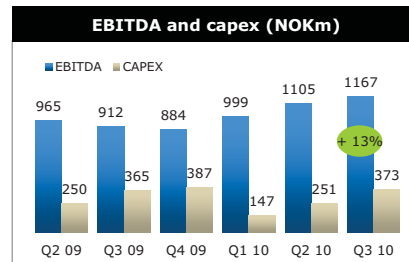
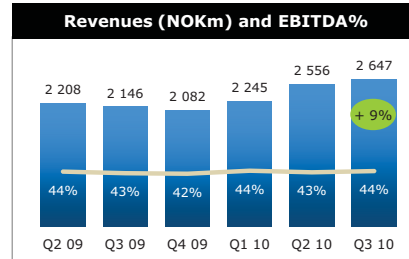
Organic growth assuming fixed currency, adjusted for acquisitions and disposals.
EBITDA and EBITDA margin before other items

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Q3 2010 Malaysia (DiGi)

- 142k net subscriber growth
- 12% organic revenue growth adjusted for 50% MTR cut from 15 July
- Good momentum and take-up of handset bundles and data usage
- Increased EBITDA margin following lower handset subsidies and MTR cut
- Slightly improved outlook for 2010



● Organic revenue / EBITDA growth YoY

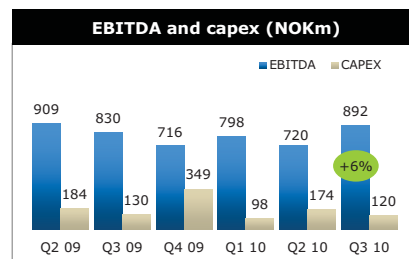
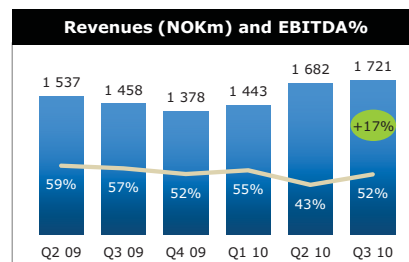
Organic growth assuming fixed currency, adjusted for acquisitions and disposals.
EBITDA and EBITDA margin before other items

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Q3 2010 Bangladesh (Grameenphone)

- 2.2m net subscriber growth
- 10% lower ARPU as share of low income customers increased
- High SIM tax subsidies impacting EBITDA margin
- EBITDA margin in Q310 excluding one-off adjustment of international IC costs was 49.4%
- Interim dividend for H110 declared



● Organic revenue / EBITDA growth YoY

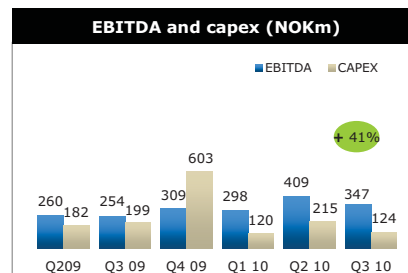
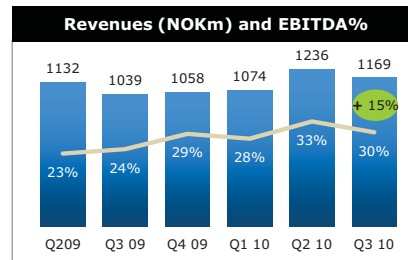
Organic growth assuming fixed currency, adjusted for acquisitions and disposals.
EBITDA and EBITDA margin before other items

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Q3 2010 Pakistan

- Q3 impacted by flooding effects, but performance better than we expected
- 38k net subscriber growth
- Slight increase in ARPU
- Good revenue growth mainly from 2.2m subscriber growth YoY
- Post-flooding uncertainty on inflation and GDP development still remains



● Organic revenue / EBITDA growth YoY

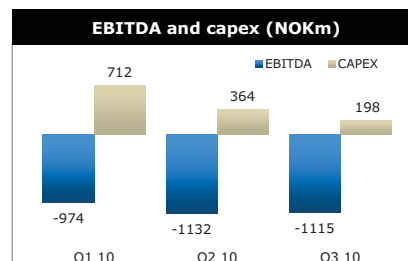
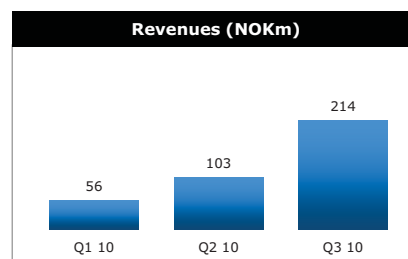
Organic growth assuming fixed currency, adjusted for acquisitions and disposals.
EBITDA and EBITDA margin before other items

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Q3 2010 India (Uninor)

- Simplified offerings and improved day-to-day execution in distribution
- 4 million net subscriber growth
- 8% growth in ARPU vs Q210
- Revenues more than doubled vs Q210
- Cash flow outlook for 2010 revised
- Going forward ensure:
 - Excellence in distribution
 - Low cost in all business processes



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

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Q3 2010

Changes in revenues and EBITDA

	Revenues		EBITDA	
	Reported	Organic	Reported	Organic
Norway	-1.6%	-1.6%	-4.4%	-4.4%
Sweden	1.9%	0.7%	-4.3%	-5.8%
Denmark	-9.3%	-0.3%	-15.9%	-7.5%
Hungary	-16.6%	-5.4%	-10.4%	1.0%
Serbia	-7.2%	14.2%	-10.9%	9.5%
Montenegro	-10.9%	-2.0%	-3.5%	6.2%
Thailand	23.1%	13.2%	42.6%	31.8%
Malaysia	23.4%	9.1%	28.0%	13.0%
Grameenphone	18.0%	17.1%	7.6%	6.5%
Pakistan	12.6%	15.5%	36.5%	41.3%
Broadcast	3.3%	4.5%	20.3%	19.1%
Telenor Group	5.8%	5.7%	-3.7%	-4.2%
Group ex. India	4.9%	4.8%	8.0%	7.4%

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

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Q3 2010

Net debt in partly owned subsidiaries

(NOKm)		Q3 2010	Q2 2010	Q3 2009
DiGi	49.0%	254	686	407
DTAC	65.5%	-1 619	-275	984
Grameenphone	55.8%	-1 283	-917	46
Uninor	67.3%	1 165	-521	-5

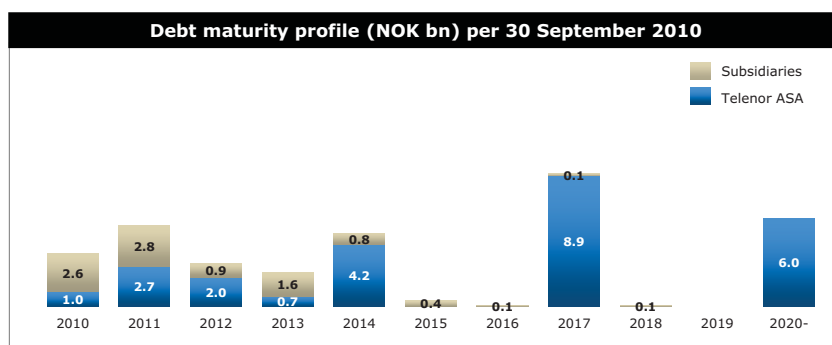
Net debt based on 100% figures

36



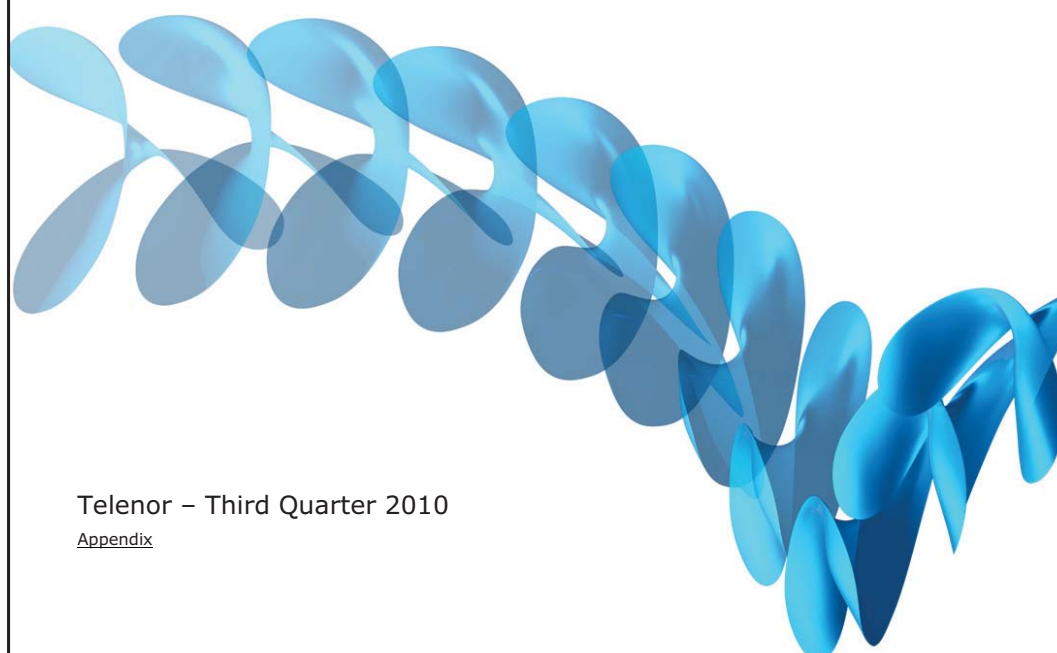
Q3 2010

Debt maturity profile



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

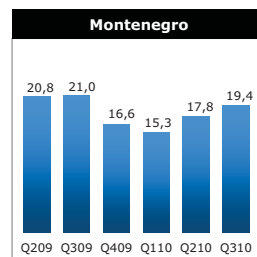
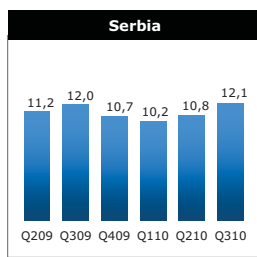
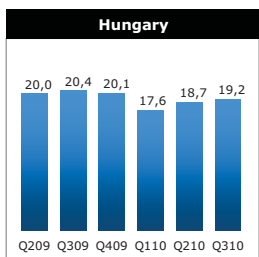
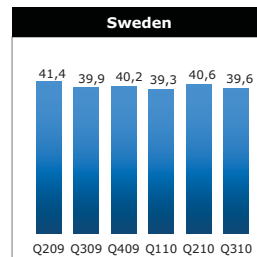
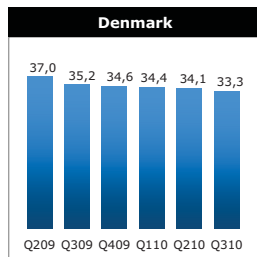
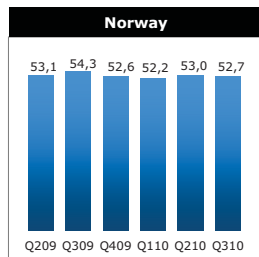
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Telenor – Third Quarter 2010

Appendix

Mobile operations
ARPU development (USD)

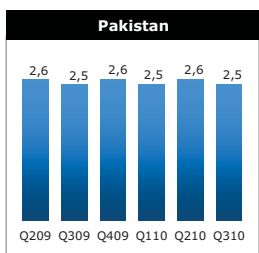
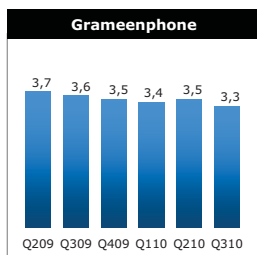
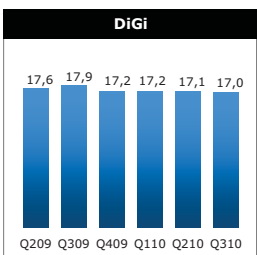
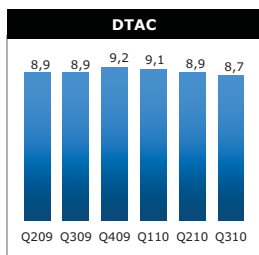


FX as of 30.09.2010

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Mobile operations
ARPU development (USD)



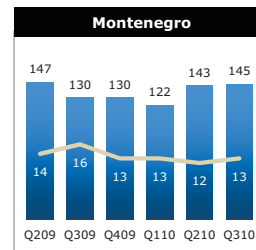
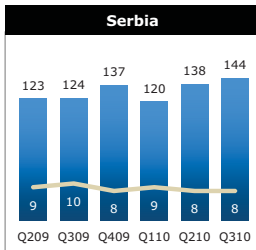
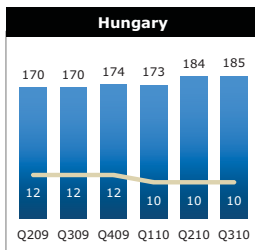
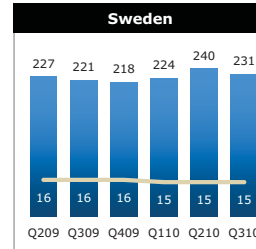
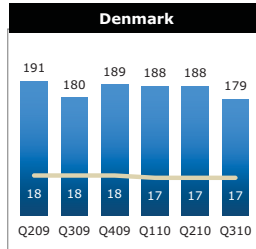
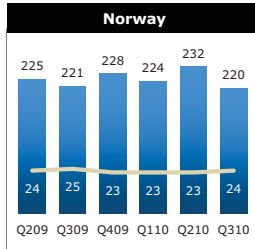
FX as of 30.09.2010

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Mobile operations AMPU and APPM development

AMPU — APPM (USD cent)



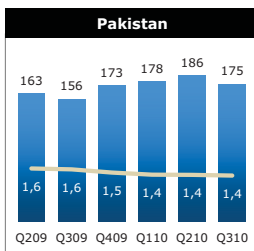
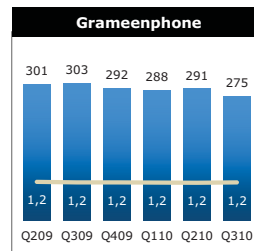
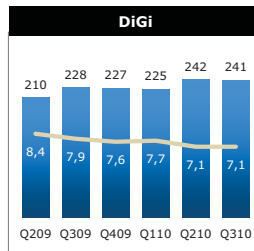
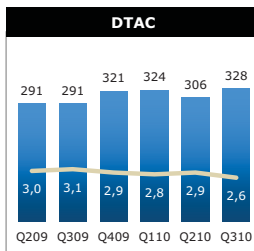
FX as of 30.09.2010

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Mobile operations AMPU and APPM development

AMPU — APPM (USD cent)



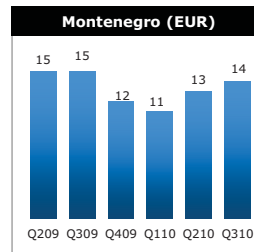
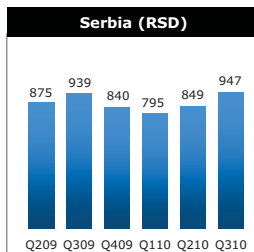
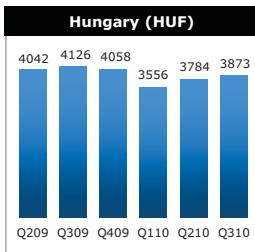
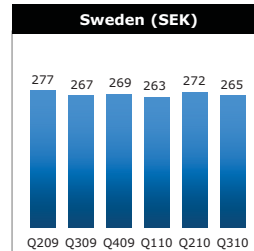
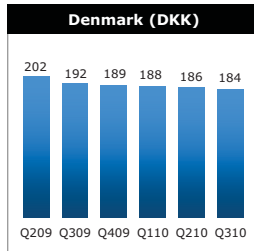
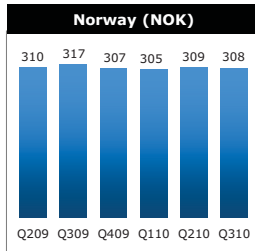
FX as of 30.09.2010

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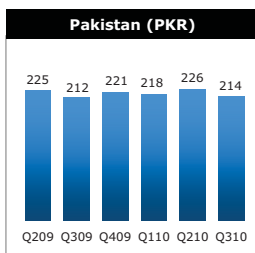
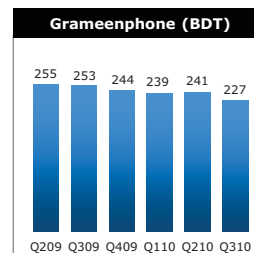
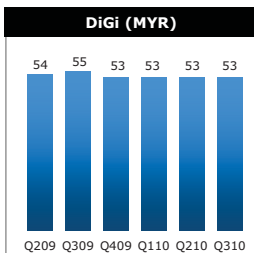
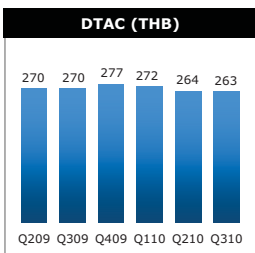
Mobile operations

ARPU development (local currency)



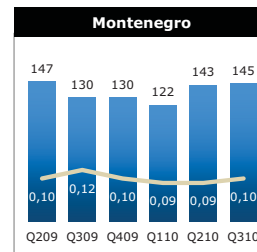
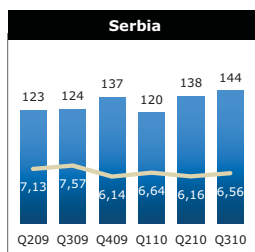
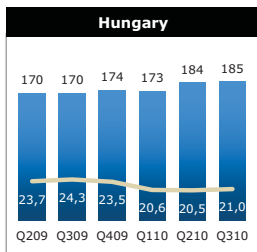
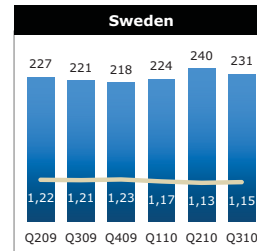
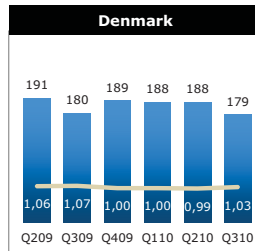
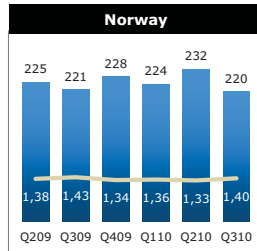
Mobile operations

ARPU development (local currency)



Mobile operations AMPU and APPM development

AMPU — APPM (local currency)

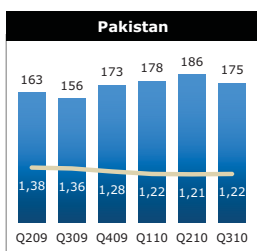
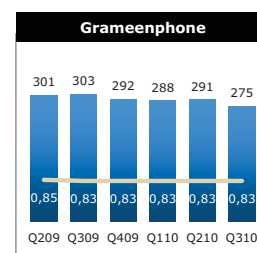
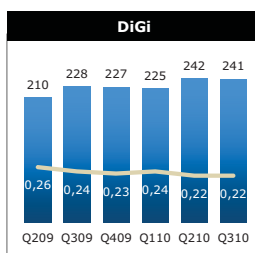
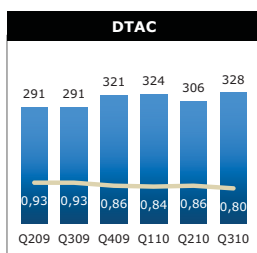


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Mobile operations AMPU and APPM development

AMPU — APPM (local currency)



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