

## Telenor – Fourth Quarter 2010

Jon Fredrik Baksaas, President and CEO

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## Q4 2010

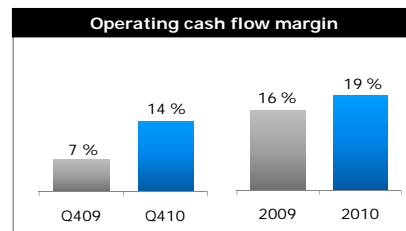
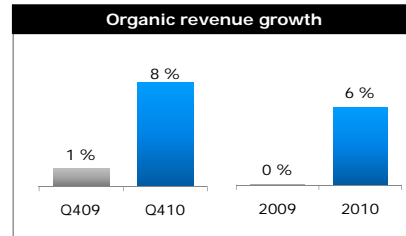
### Strong momentum confirmed in fourth quarter

#### Fourth quarter

- 8% organic revenue growth
- 7.6 million mobile subscribers added
- 29% EBITDA margin

#### Full year 2010

- 6% organic revenue growth
- 19% operating cash flow margin
- Operational excellence progressing towards targets
- Proposed dividend of NOK 3.80 per share



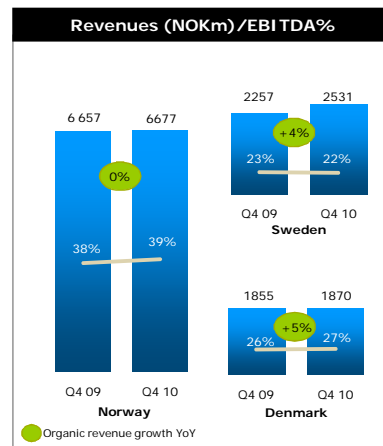
Operating cash flow from continuing operations, excluding licences and spectrum  
 Operating cash flow defined as EBITDA before other items - capex



## Q4 2010 – Nordic

### NOK 10 bn cash flow in 2010 despite network swaps

- Continued growth in mobile data and smartphone usage
- Increased competition in Norway and Denmark
- Mobile network swaps on track
- 4G services launched in Sweden
- Focus on cost efficiency measures



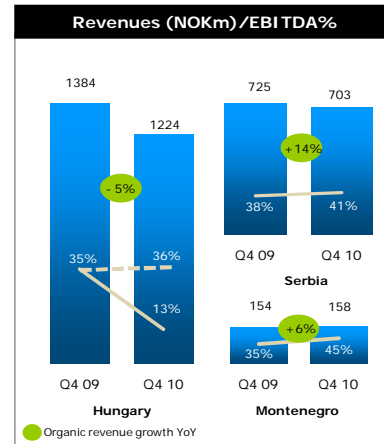
Organic growth assuming fixed currency, adjusted for acquisitions and disposals.  
 EBITDA and EBITDA margin before other items



## Q4 2010 – CEE

### Rebound in Serbia, while Hungary still challenging

- 14% revenue growth in Serbia
- Market conditions in Hungary still challenging
- Hungarian crisis telecom tax for 2010 booked in Q4
- Good execution on operational excellence
- Network modernisation projects initiated in Hungary and Serbia



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

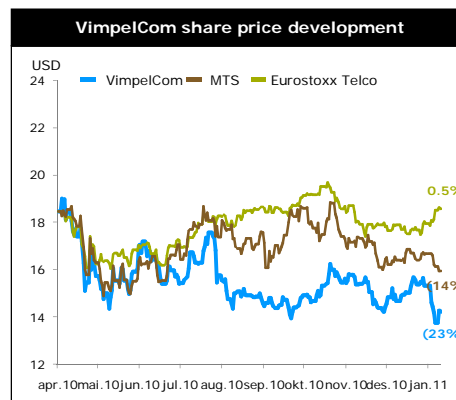
5



## Q4 2010

### Improved operational performance required in VimpelCom

- Interim dividend of NOK 1.4 bn received in Q4
- Underperformance in Russia
- Acquisition of Wind Telecom approved by VimpelCom Supervisory Board
- Telenor has taken legal action to protect shareholder rights



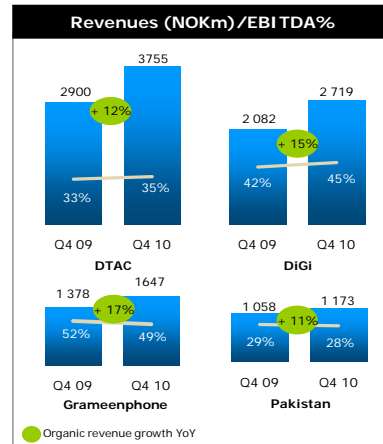
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## Q4 2010 – Asia

### 13% revenue growth from established operations

- 3.4 million net subscriber growth
- Data and smartphones fuelling revenues in Malaysia and Thailand
- Pick-up in Pakistan after the severe floods in Q3
- Continued high SIM tax subsidies in Bangladesh
- New CEOs appointed in DTAC, Grameenphone and Pakistan



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

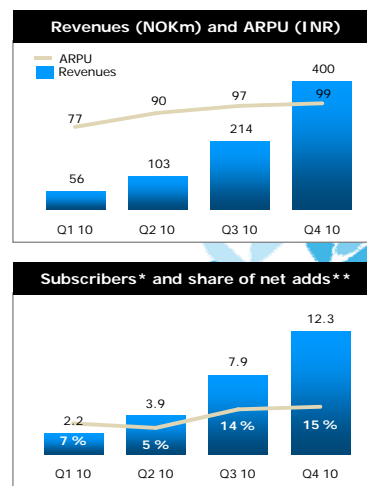
7



## Q4 2010

### Gaining momentum in India

- 4.3 million net subscriber growth
- Go-to-market model gradually improving
- Prevailing multi-SIM behaviour
- Positioning Uninor as a low-cost operator
- More clarity on regulatory framework expected in 1H

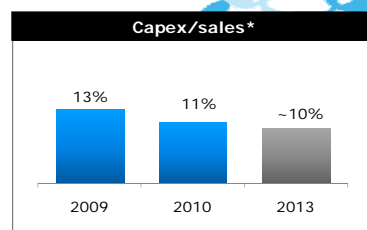
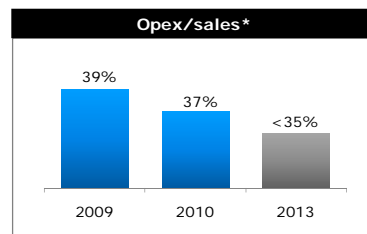


\*) Million subscribers, based on 30 days definition of active subscribers  
\*\*) Based on GSM subscriber numbers reported by COAI. Please note that this definition of active subs is not consistent with Telenor's 30 days definition



## Operational priorities in 2011

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



\*) Existing business not incl. India and spectrum fees



Richard Olav Aa

Executive Vice President and CFO

**Q4 2010**

**Delivering on guidance for 2010**

Group	Outlook	Actual
Organic revenue growth	Around 5%	5.7% ✓
EBITDA margin	30 - 31%	30.8% ✓
Capex / sales	Around 12%	12.0% ✓

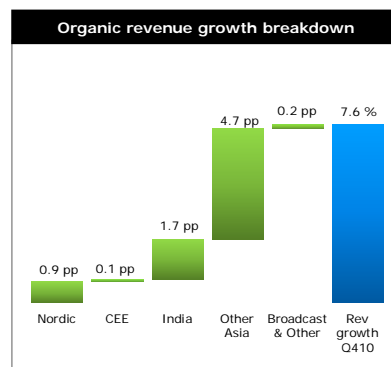
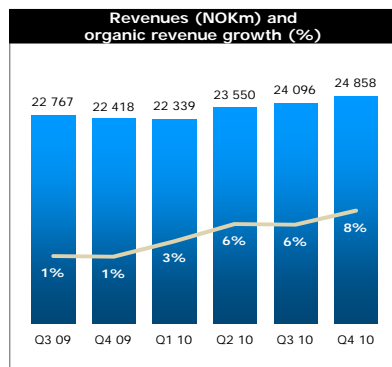
India	Outlook	Actual
EBITDA loss	Around NOK 4.5 bn	NOK 4.2 bn ✓
Capex	NOK 1.5 - 2.0 bn	NOK 1.6 bn ✓

\*) EBITDA before other items. Capex excl. licences and spectrum.



**Q4 2010**

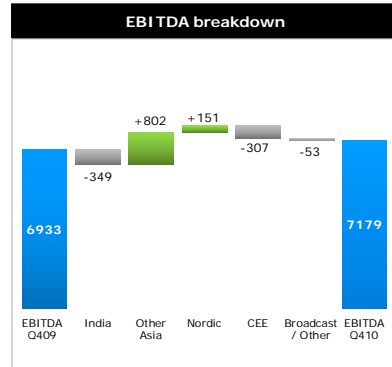
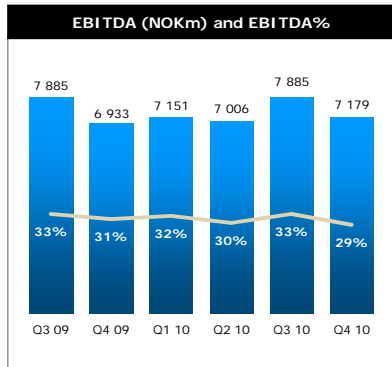
**8% organic revenue growth**



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

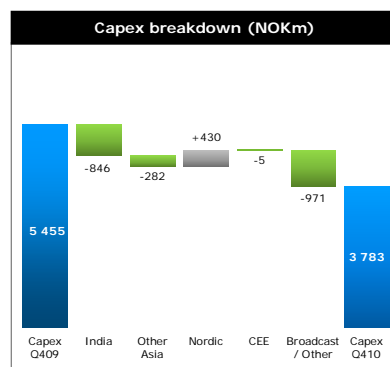
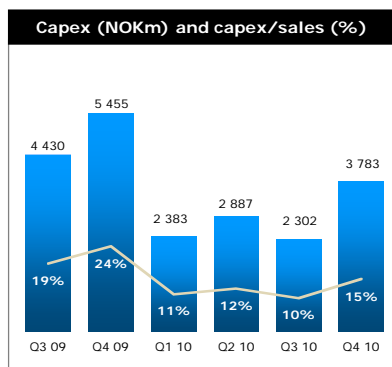


**Q4 2010**  
**29% EBITDA margin**



EBITDA and EBITDA margin before other items

**Q4 2010**  
**Capex driven by network modernisation projects**

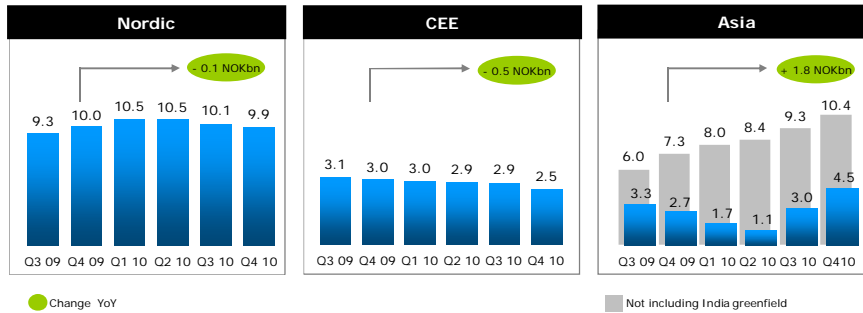


Capex from continuing operations  
 Capex and capex/sales ratio excluding licence fees.

## Q4 2010

### Strong cash flows from established operations

4 quarters rolling operating cash flow (NOKbn):



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

15



## Q4 2010

### Reported income statement

NOKm	Q4 10	Q4 09
Revenues	24 858	22 418
EBITDA before other items	7 179	6 934
Other items	-217	-360
EBITDA	6 962	6 575
Depreciation	-4 145	-3 787
EBIT	2 803	2 816
Associated companies	1 130	432
Net financials	-492	-394
Profit before taxes	3 442	2 855
Taxes	-1 237	-365
Profit from continuing operations	2 205	2 490
Net income to Telenor	2 104	2 167
EPS from cont. operations (NOK)	1.22	1.33

• Workforce reductions (NOK -66m), loss contract (NOK -52), loss/gains on disposal of assets (NOK -98m)

• Net contribution from Q310 figures for VimpelCom of NOK 1,238m

• Kyivstar/VimpelCom net contribution of NOK 492m

• Full year effect of reduced corporate tax rate in Grameenphone booked in Q4

16





## 2010

### Reported income statement

NOKm	2010	2009
Revenues	94 843	90 748
EBITDA before other items	29 220	30 670
Other items	-572	-595
EBITDA	28 648	30 075
Depreciation	-16 134	-14 905
Impairments	-14	-1 938
EBIT	12 500	13 232
Associated companies	9 694	3 667
Net financials	-1 989	-2 022
Profit before taxes	20 205	14 877
Taxes	-4 982	-4 122
Profit from continuing operations	15 223	10 755
Net income to Telenor	14 334	8 652
EPS from cont. operations (NOK)	8.93	5.62

- Accelerated depreciation related to network swaps of NOK 1.2bn
- India NOK 0.7bn

- Impairment of goodwill in Serbia

- Net accounting gain of NOK 6.5bn related to Kyivstar/VimpelCom transaction
- Only 3 quarters contribution from VimpelCom due to one quarter lag from Q110

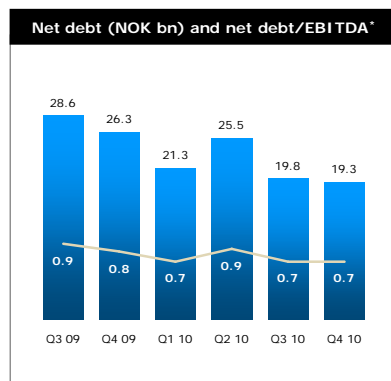
- Tax accrual of NOK -814m related to VimpelCom TRS agreement

17



## Q4 2010

### Stable net debt/EBITDA



Change in net debt (NOK bn)

<b>Net debt 30 Sep 2010</b>	<b>19.8</b>
EBITDA	(7.0)
Income taxes paid	1.5
Capex paid	3.4
Dividends paid to minorities	0.6
Interim dividend VimpelCom	(1.4)
Repurchase of own shares	0.8
Revenue share in DTAC	1.9
Currency/Other	(0.3)
<b>Net change</b>	<b>(0.5)</b>
<b>Net debt 31 Dec 2010</b>	<b>19.3</b>

\*) 12 months rolling EBITDA

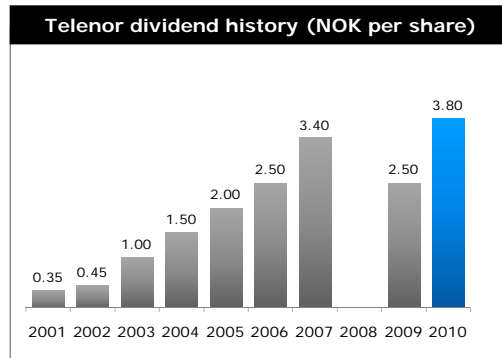
18



**Q4 2010**

**Proposed dividend of NOK 3.80 per share**

- NOK 6.3 billion payout
- Payout ratio in high end of 40-60% interval\*
- Targeting competitive total remuneration also in 2011
- Share buybacks to be evaluated

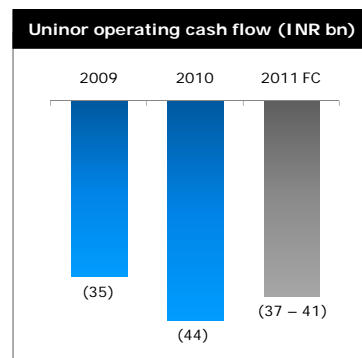


\*) Dividend policy of 40-60% of normalised net income, and aim for a nominal annual increase in dividend per share

**Q4 2010**

**Peak funding in India of INR 155 bn\* maintained**

- Accumulated OCF loss of INR 79 bn as of Q410
- Estimated accumulated OCF loss of INR 116-120 bn end of 2011
- Project financing currently not feasible due to the 2G turmoil
- Short term facility of INR 25 bn refinanced in Q4
- Remaining funding expected to be covered by a mix of equity and debt

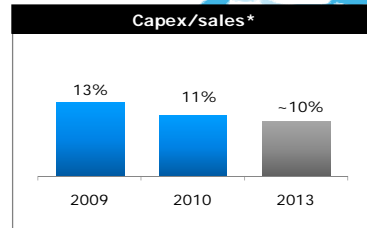
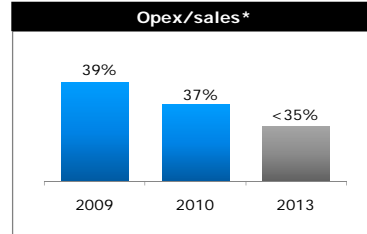


\*) NOK 20.3 bn at exchange rate on 31 Dec. 2010 of INR/NOK = 0.1307  
 Peak funding defined as accumulated operating cash flow (OCF) up to OCF break-even  
 OCF defined as EBITDA before other items - capex

## Q4 2010

### Operational excellence progressing towards targets

- Stretch target setting and follow-up
- Significant workforce reductions during 2010
- Centralised sourcing
- Modernisation of networks
- Optimisation of customer service, distribution and indirect sales channels
- General improvement of business processes



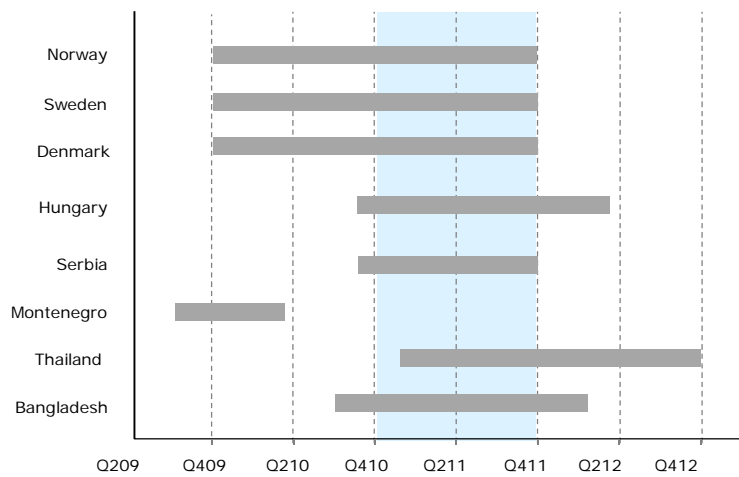
\*) Existing business not incl. India and spectrum fees

21



## Q4 2010

### Network swaps inflating capex short term



Estimated timelines.



Q4 2010

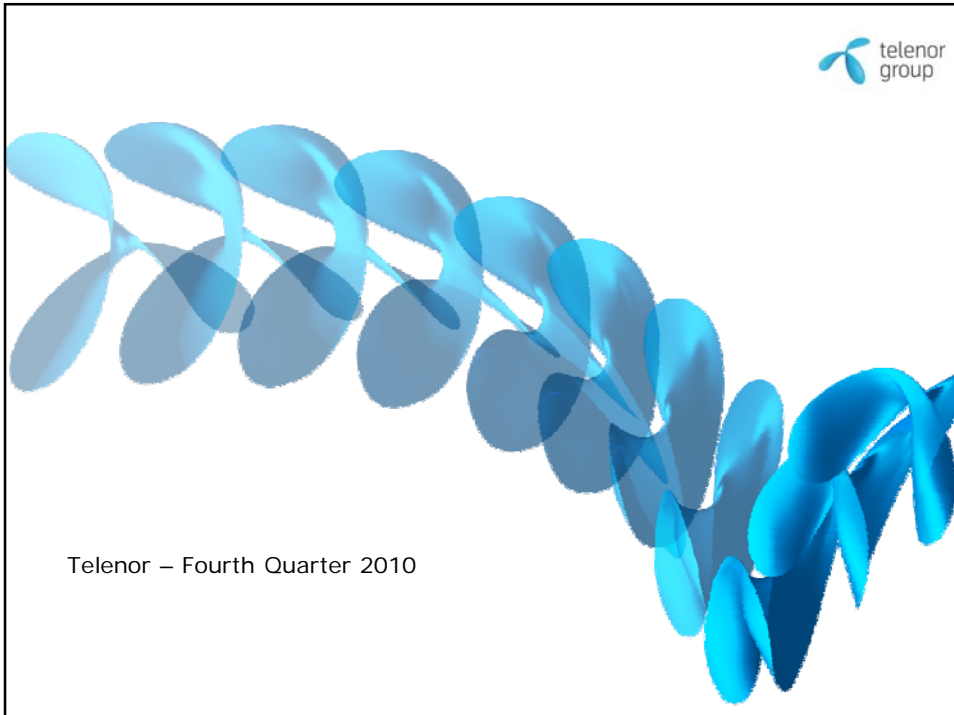
## Outlook for 2011

Group	2011	2010
Organic revenue growth	Above 5%	5.7%
EBITDA margin	Around 31%	30.8%
Capex / sales	12 - 13%	12.3%

India	2011	2010
EBITDA loss	Around NOK 4 bn	NOK 4.2 bn
Capex	NOK 1.0 - 1.5 bn	NOK 1.6 bn

\*) Outlook assuming Group structure and exchange rates as of 31 Dec 2010. EBITDA before other items. Capex excl. licences and spectrum.

23

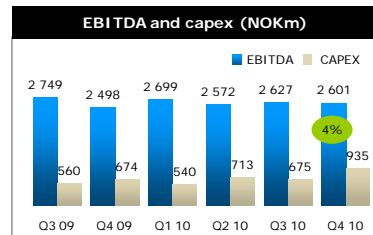
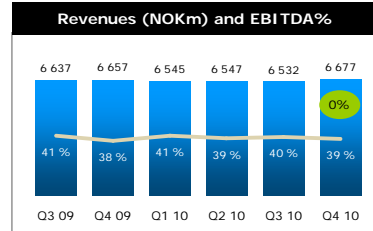


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## Q4 2010

### Norway

- 7k net mobile subscriber loss
- Continued growth in mobile data and smartphones
- Mobile network replacement on track
- 25% 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

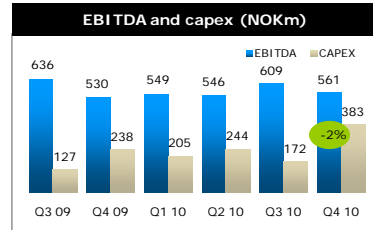
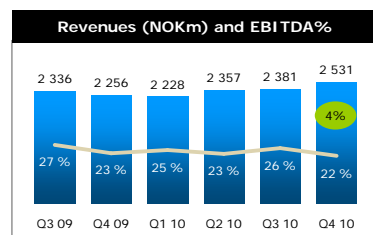
25



## Q4 2010

### Sweden

- 8k net mobile subscriber growth despite negative adjustment of 20k
- 9% mobile revenue growth in local currency
- Continued decline in fixed operation
- Launch of LTE (4G) services



● Organic revenue / EBITDA growth YoY

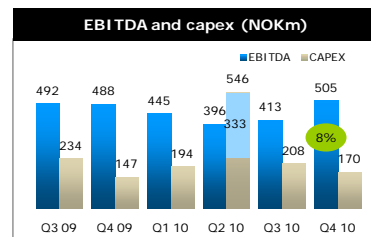
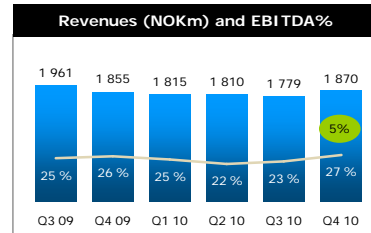
Organic growth assuming fixed currency, adjusted for acquisitions and disposals.  
EBITDA and EBITDA margin before other items

26



## Q4 2010 Denmark

- Intensified competition in mobile prepaid segment
- 61k net mobile subscriber loss
- 10% mobile revenue growth in local currency
- Continued decline in fixed operation
- Investments related to network modernisation



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

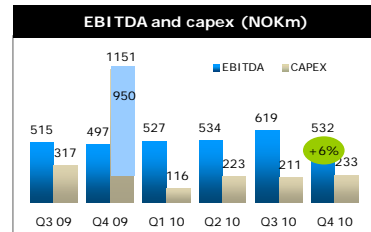
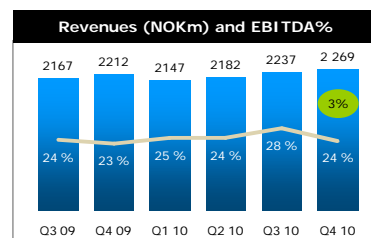
● Organic revenue / EBITDA growth YoY  
■ 2.6 GHz spectrum

27



## Q4 2010 Broadcast

- 10k Internet net adds in Norway
- 9% revenue growth in Norwegian cable
- Continued DTH subscriber loss offset by ARPU growth
- Norkring Belgium driving revenue growth in Transmission & Encryption
- Disposal of cable business in Denmark in January



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

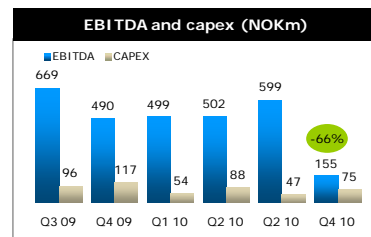
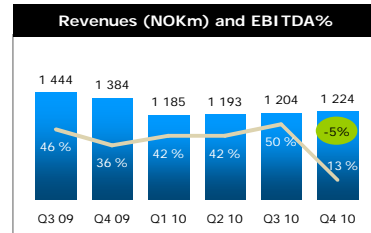
● Organic revenue / EBITDA growth YoY  
■ Thor 6 satellite

28



## Q4 2010 Hungary

- 20k net subscriber growth due to Christmas campaigns
- Market conditions continue to be challenging
- Crisis telecom tax for 2010 of NOK 288 million booked in Q4
- EBITDA -3% and EBITDA margin of 36% excl telecom tax
- Low capex due to upcoming network swap



● Organic revenue / EBITDA growth YoY

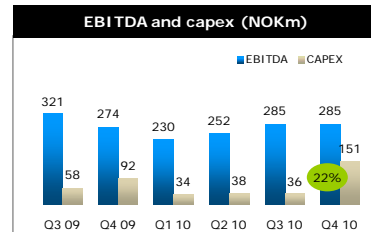
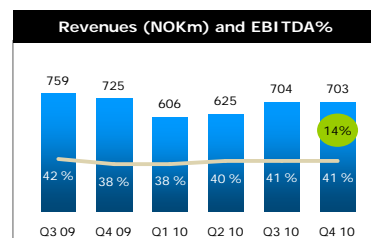
Organic growth assuming fixed currency, adjusted for acquisitions and disposals.  
EBITDA and EBITDA margin before other items

29



## Q4 2010 Serbia

- 23k net subscriber growth
- 14% revenue growth in local currency
- 5% ARPU growth driven by continued increase in postpaid ratio
- Increased capex in Q4 due to start of network replacement
- 10% telecom sales tax removed from January 2011



● Organic revenue / EBITDA growth YoY

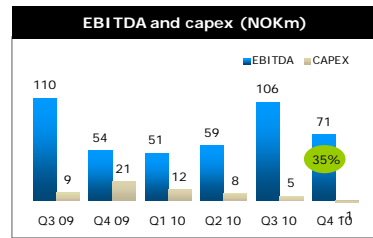
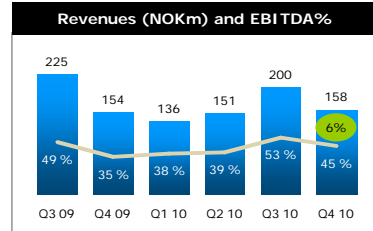
Organic growth assuming fixed currency, adjusted for acquisitions and disposals.  
EBITDA and EBITDA margin before other items

30



**Q4 2010**  
Montenegro

- 51k net subscriber decline due to churn from tourist season
- ARPU increased by 4% on higher usage
- Increased EBITDA due to lower opex levels



● Organic revenue / EBITDA growth YoY

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

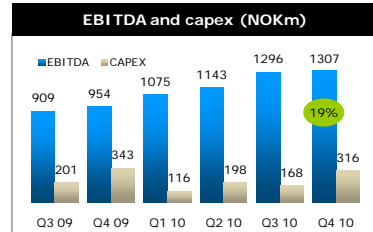
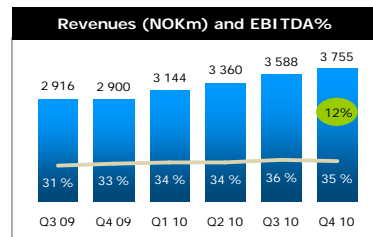


**Q4 2010**  
Thailand (DTAC)

- 684k net subscriber growth
- 12% revenue growth in local currency
- Continued high demand for data and smartphones
- Capex driven by network coverage and support for MNP

**Outlook for 2011\*:**

- Mid single digit revenue growth
- Capex of THB 6-7 million
- Operating cash flow approx THB 17 bn



● Organic revenue / EBITDA growth YoY

\*) In local currency

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





## Q4 2010 Malaysia (DiGi)

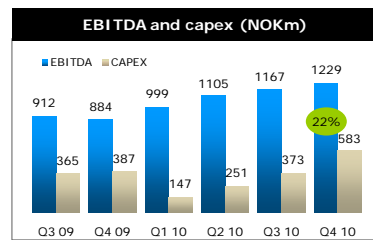
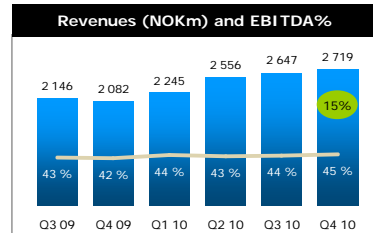
- 518k net subscriber growth, driven by prepaid campaign
- 15% revenue growth in local currency
- Increased data usage and higher take-up of smart phone bundles

### Outlook for 2011\*:

- High single digit revenue growth
- Drive margin improvement
- Capex similar to 2010 level
- Targeting higher operating cash flow

\*) In local currency

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



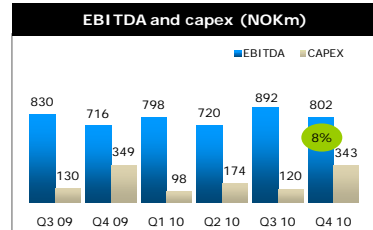
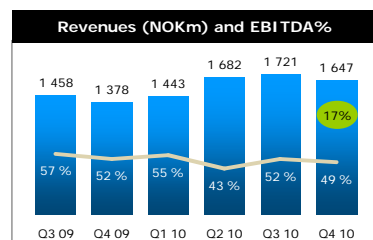
● Organic revenue / EBITDA growth YoY

33



## Q4 2010 Bangladesh (Grameenphone)

- 1.3 million net subscriber growth
- 17% revenue growth in local currency
- ARPU decline as a result of growth in low income segments
- 53% EBITDA margin excl provisions
- Increased capex due to network capacity enhancements



● Organic revenue / EBITDA growth YoY

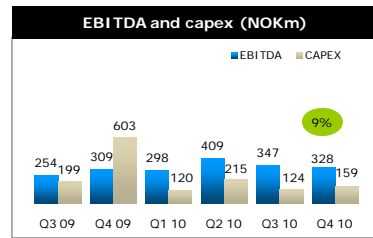
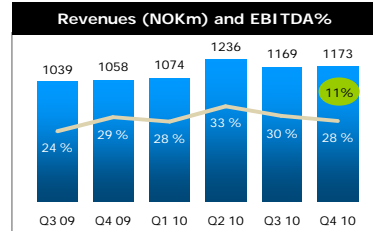
Organic growth assuming fixed currency, adjusted for acquisitions and disposals.  
EBITDA and EBITDA margin before other items

34



**Q4 2010**  
Pakistan

- 856 net subscriber growth
- Stable ARPU and 11% revenue growth in local currency
- 31% EBITDA margin excl one-off items
- 15% operating cash flow margin
- Post-flooding uncertainty on inflation and GDP development still remains



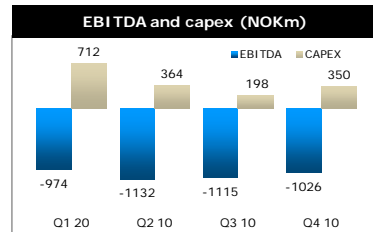
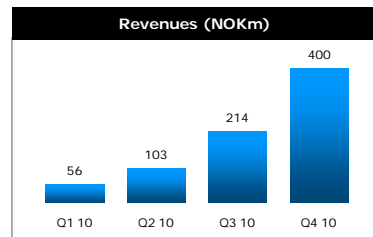
● Organic revenue / EBITDA growth YoY

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



**Q4 2010**  
India (Uninor)

- 4.3 million net subscriber growth
- Go-to-market model gradually improving
- Slight increase in ARPU, however multi-SIM behaviour prevails
- EBITDA positively impacted by reversal of provision for energy expenses



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



## Q4 2010

### Changes in revenues and EBITDA

	Revenues		EBITDA	
	Reported	Organic	Reported	Organic
Norway	0.3 %	0.3 %	4.1 %	4.1 %
Sweden	12.2 %	4.1 %	5.9 %	-2.0 %
Denmark	0.8 %	5.1 %	1.2 %	8.3 %
Hungary	-11.5 %	-5.2 %	-68.4 %	-66.1 %
Serbia	-3.0 %	14.1 %	4.1 %	21.7 %
Montenegro	2.4 %	5.8 %	32.5 %	35.3 %
Thailand	29.5 %	11.8 %	37.1 %	19.1 %
Malaysia	30.5 %	14.6 %	38.8 %	21.7 %
Grameenphone	19.5 %	17.1 %	11.9 %	8.4 %
Pakistan	11.0 %	10.8 %	6.3 %	9.1 %
Broadcast	2.6 %	2.9 %	7.2 %	5.8 %
<b>Telenor Group</b>	<b>10.9 %</b>	<b>7.6 %</b>	<b>3.5 %</b>	<b>0.4 %</b>
Group ex. India	9.1%	6.0%	7.7%	4.6%

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

37



## Q4 2010

### Net debt in partly owned subsidiaries

(NOKm)		Q4 2010	Q3 2010	Q4 2009
DiGi	49.0%	430	254	828
DTAC	65.5%	-913	-1 619	1 937
Grameenphone	55.8%	-1 386	-1 283	-637
Uninor	67.3%	3 130	1 165	893

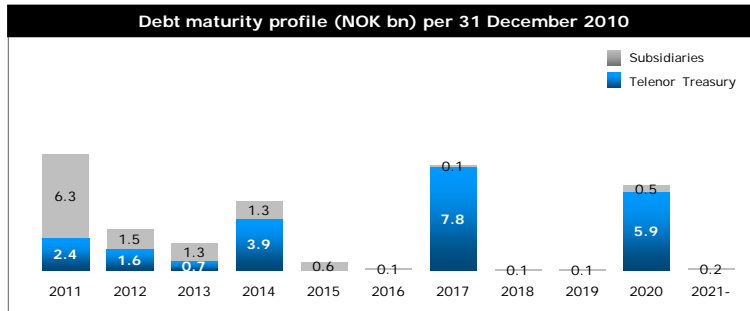
Net debt based on 100% figures

38



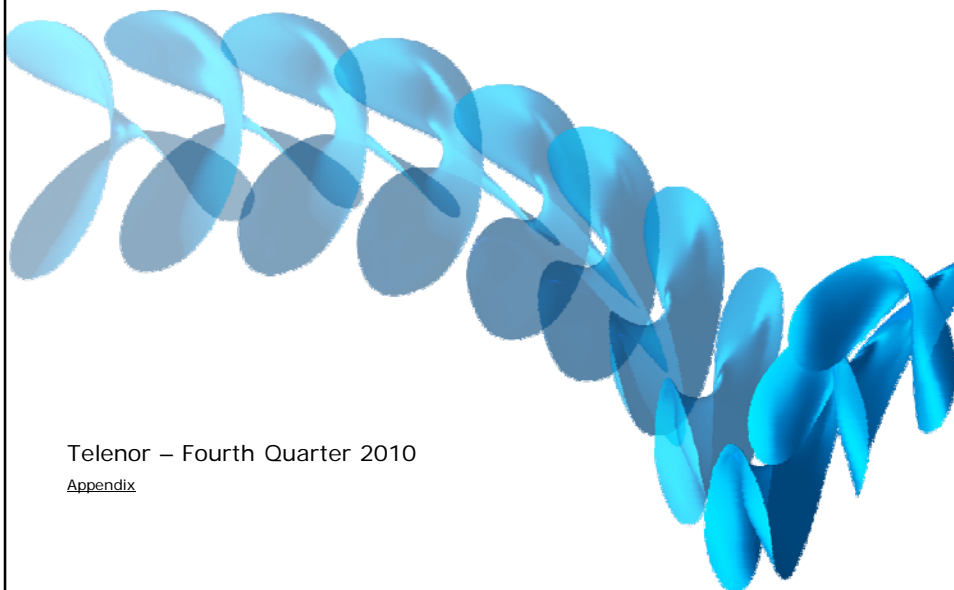
Q4 2010

## Debt maturity profile



- Average life of debt portfolio 4.4 years vs 4.6 years last quarter
- Telenor ASA has committed and undrawn credit lines of EUR 2.5bn

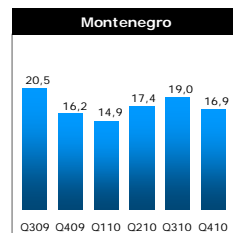
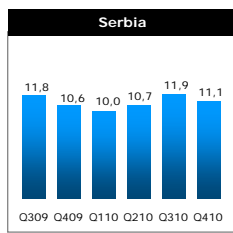
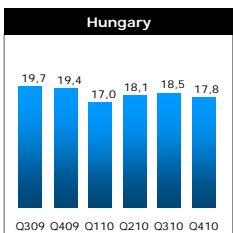
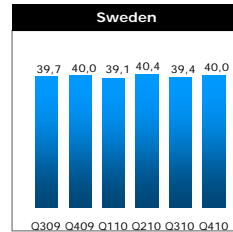
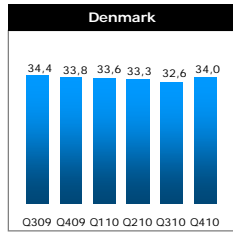
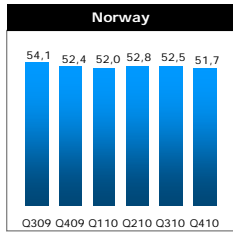
39



Telenor – Fourth Quarter 2010

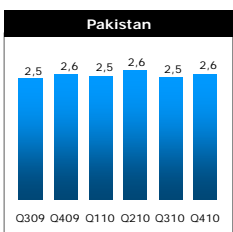
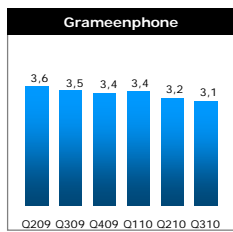
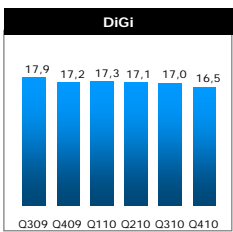
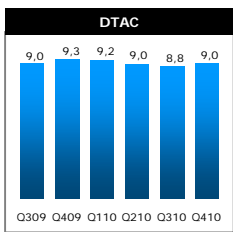
Appendix

**Mobile operations**  
ARPU development (USD)



FX as of 31.12.2010

**Mobile operations**  
ARPU development (USD)

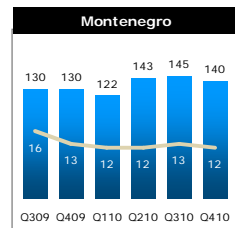
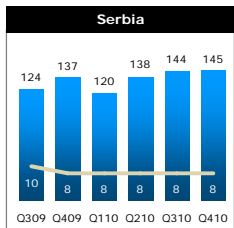
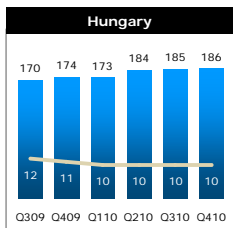
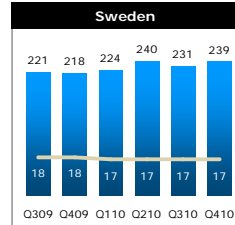
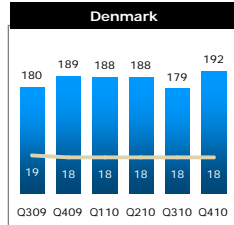
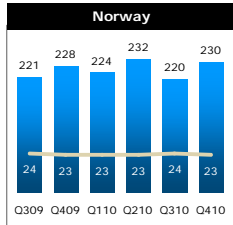


FX as of 31.12.2010

Mobile operations

AMPU and APPM development

AMPU APPM (USD cent)



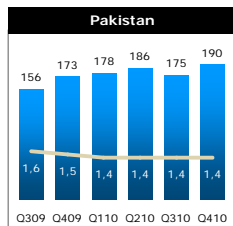
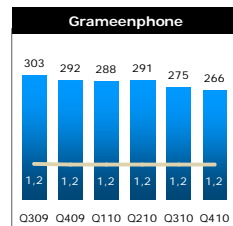
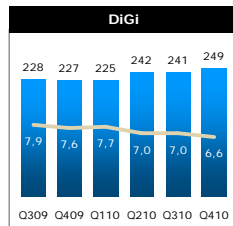
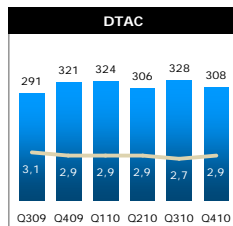
FX as of 31.12.2010



Mobile operations

AMPU and APPM development

AMPU APPM (USD cent)

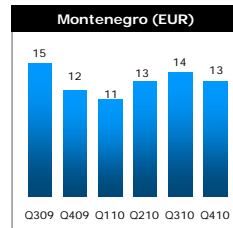
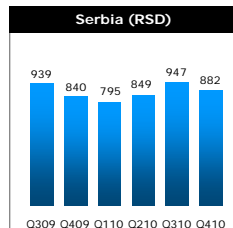
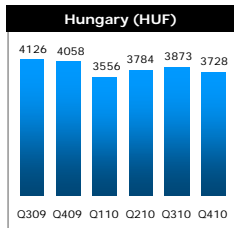
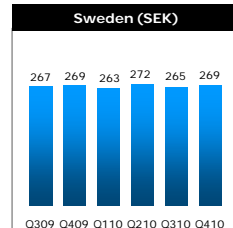
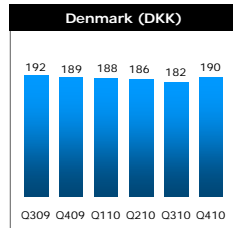
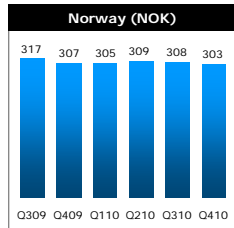


FX as of 31.12.2010



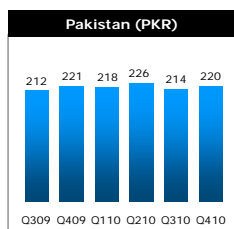
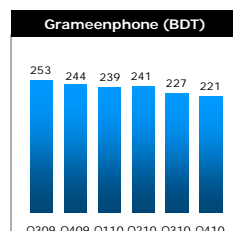
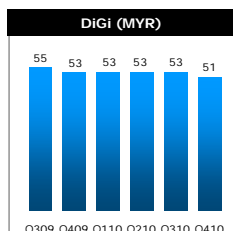
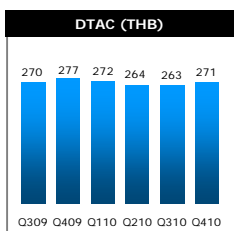
Mobile operations

ARPU development (local currency)



Mobile operations

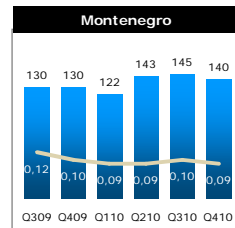
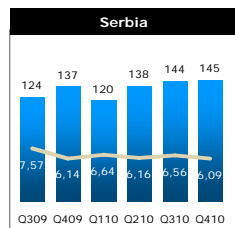
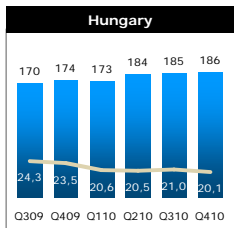
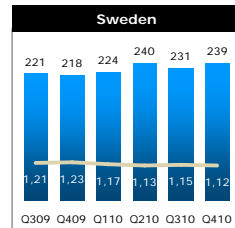
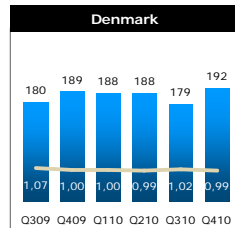
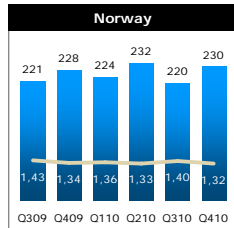
ARPU development (local currency)



Mobile operations

AMPU and APPM development

AMPU APPM (local currency)



Mobile operations

AMPU and APPM development

AMPU APPM (local currency)

