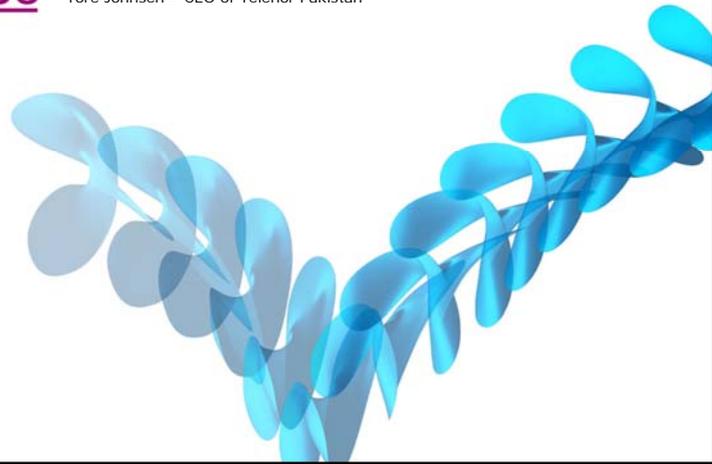


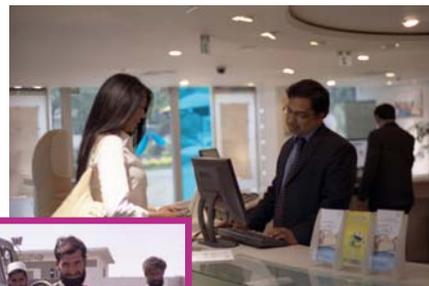
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Telenor Pakistan
Tore Johnsen – CEO of Telenor Pakistan



Pakistan - A brief look at economics and politics

- Population of 165 million
- Per capita income increasing
- High inflation rate
- Prevailing political tension
- Security situation fairly stable



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Five criteria identified before entering Pakistan..

- High growth potential
- Forward looking telecom policy
- Investment friendly climate
- Good regulatory execution
- Acceptable political and economic situation

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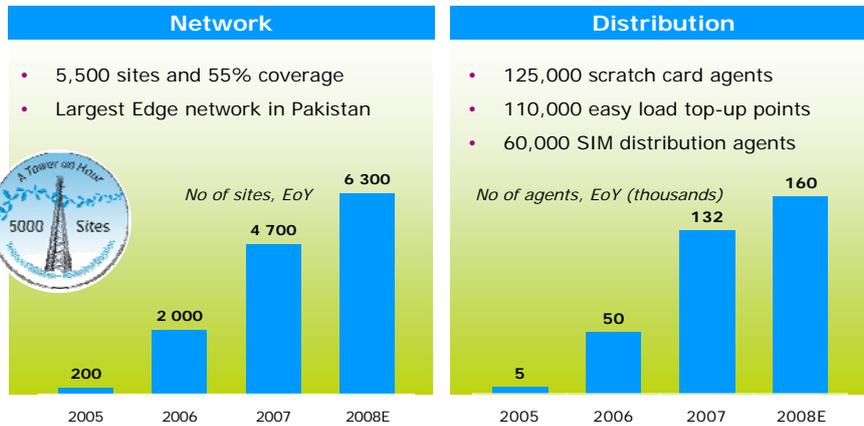
Initial assumptions vs actual development..

	Initial business case 2007	Actual 2007
SIM penetration	11%	48%
Telenor subs (mill)	2.9	14.6
ARPU (PKR)	663	269
Capex (PKR bn)	13	41



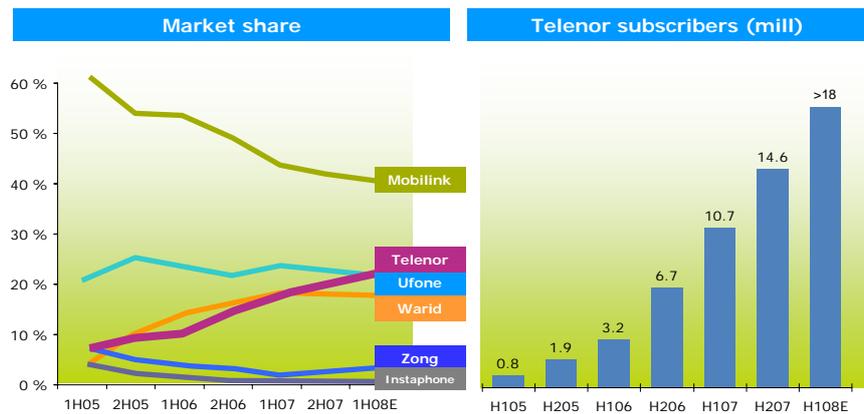
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3 years of building network and distribution



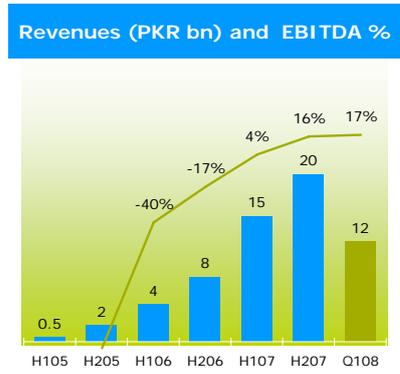
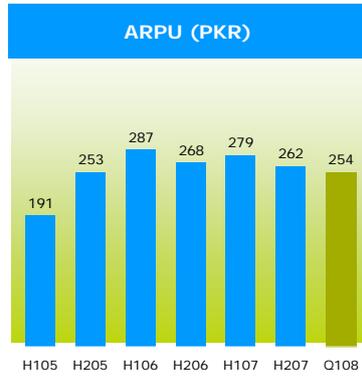
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3 years of tremendous growth



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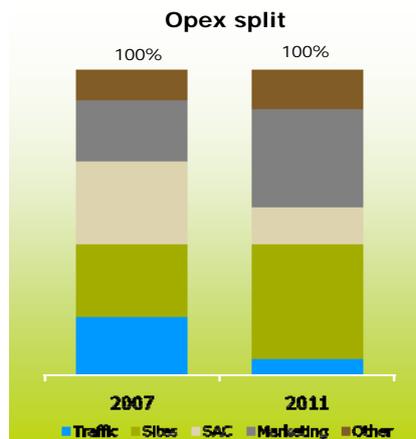
Stable ARPU and improving margins



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Operating expenses driven by site costs

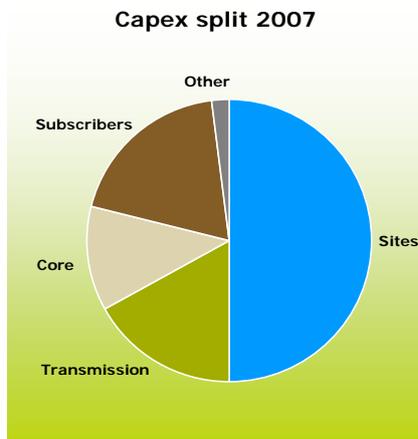
- Fibre backbone to reduce traffic costs
- Site related costs driven by number of sites and increased energy costs
- SAC driven by subscriber growth
- General marketing costs increasing



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Capex driven by increased traffic

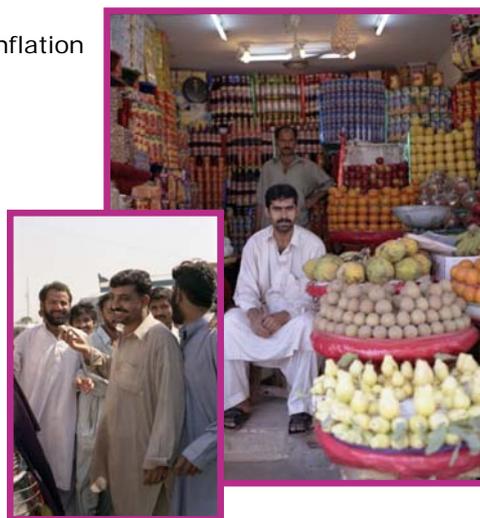
- Around 50% of capex related to sites. Outlook stable
- Scale effects expected in transmission and core network
- Subscriber driven capex will increase slightly



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Surroundings impacting our business

- Increasing food prices and inflation
- Unstable energy supply
- Reignited security tensions
- Field security situation



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3G coming up

- 6 blocks of 5MHz available
- 3 operators to be allocated 3G spectrum
- Uncertainty regarding timeline and conditions



3G

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Maintaining competitive edge

- Maintain innovator position
- Leverage on brand, distribution, and quality network
- Enrich customer experience
- Operational efficiencies to secure long term profitability
- Exploit broadband opportunities



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Telenor Pakistan Outlook 2010-2011



- SIM penetration above 70%
- Market share above 25%
- EBITDA in mid thirties
- Capex/sales below 25%

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Summary

- Still strong growth potential
- Tough competition but solid market position
- High quality network and distribution
- 2G capex peak in 2007
- Manageable surroundings

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