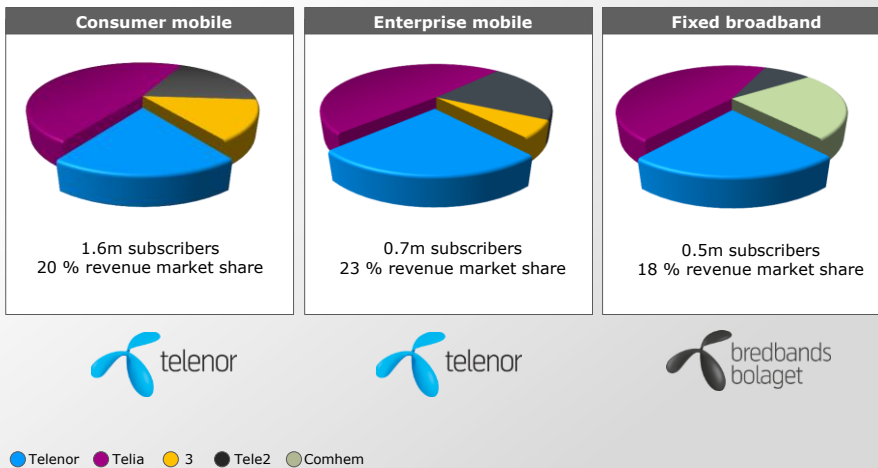


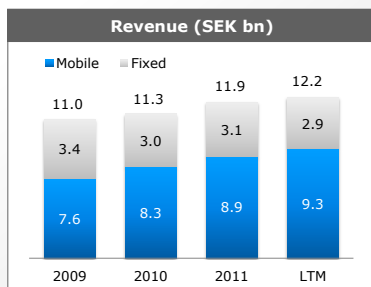
## Solid market positions in both mobile and fixed



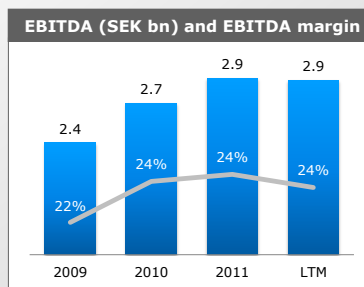
## The transformation of Telenor Sweden has made great improvements in key areas



## Stable financial development despite highly competitive market



- Fixed decline in DSL and voice in line with rest of market
- Mobile revenue growth driven by smartphone penetration

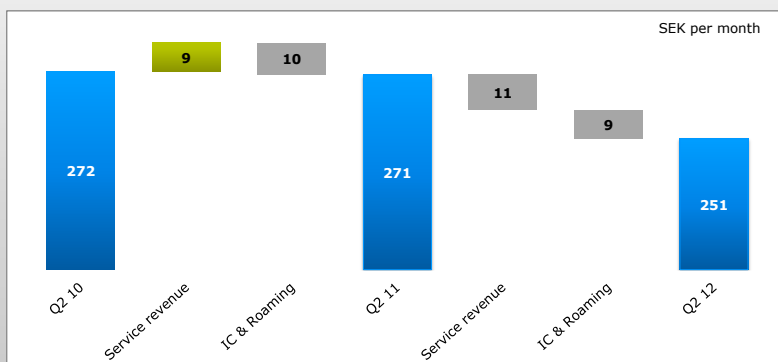


- Cost savings and increased mobile contribution
- Financial development 2012 pressured by competition

LTM = Last twelve months (Q311-Q212)



## Flattening underlying mobile ARPU

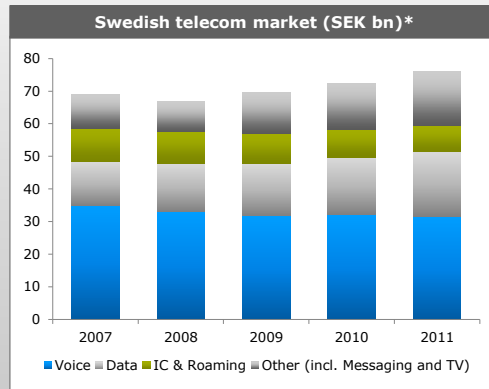


Handset subsidies removed and replaced by discount on subscription from Oct 2011



## The Swedish telecom market

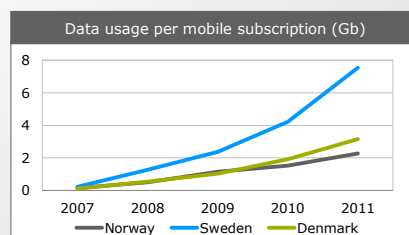
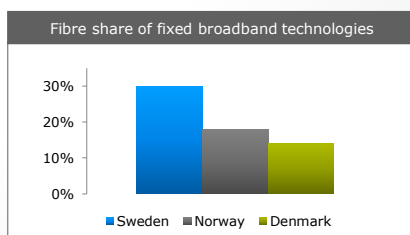
- Significant shift from voice to data
- Regulatory pressure and uncertainty
- Intensified mobile competition in 2012
- Stable total market revenues going forward



\*) Source: Swedish Post and Telecom Authority



## Swedish data consumption diverging from European average



Aggressive start by challenger Bredbandsbolaget

High Internet penetration



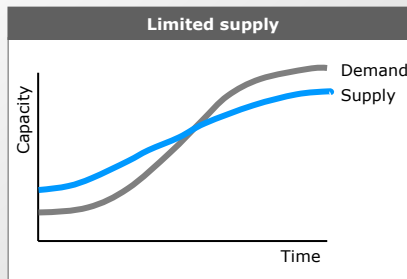
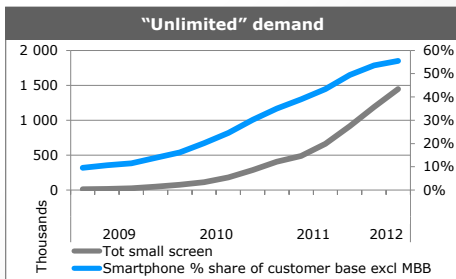
Streaming and HD

Adopting fixed broadband behavior to mobile environment

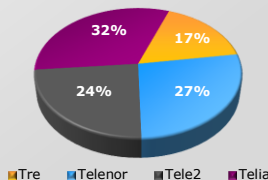
High quality networks and high caps



## The data monetisation opportunity



**Spectrum distribution**



## 4 main principles for monetising on mobile data

### Differentiate product portfolio



- **Differentiate** to create clear up-sell logic
- Differentiate on **speed, volume** and **functionality**

### Pay for data volume



- From "unlimited" unique selling point to fair usage policy to hard capping
- Charge **extra** for **extended** caps

### Pay for functionality



- Tethering offered as **add-on**
- Fixed price per day **data roaming add-on**

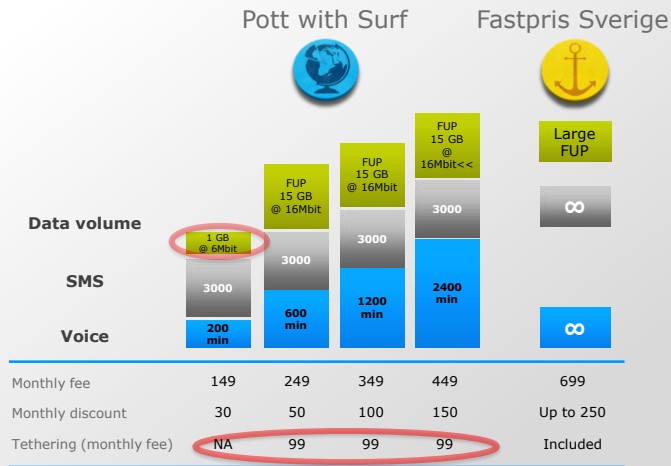
### Small screen bundles



- **Subscriptions bundle** voice, messaging and data
- **All** small screen subscriptions are sold as **bundles**



## Updated consumer postpaid portfolio launched in September 2012

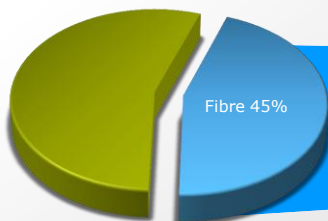


FUP = Fair usage policy



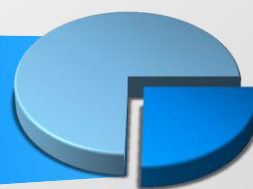
## Strong fibre position in fixed broadband market

**Penetration of fibre connections to Swedish households**



Total fibre market 2.2m connections

**Telenor's share of all fibre connections**



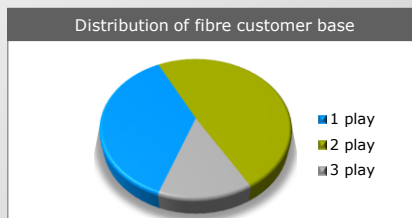
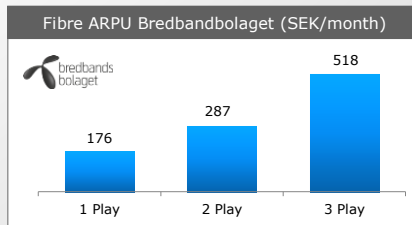
Telenor 26%

Telenor Sweden has ~560k fibre connections

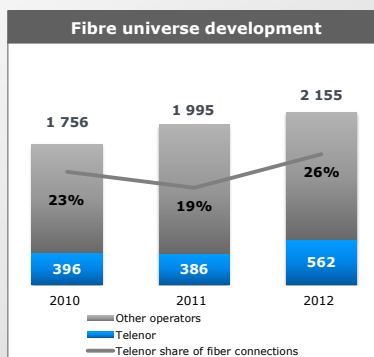
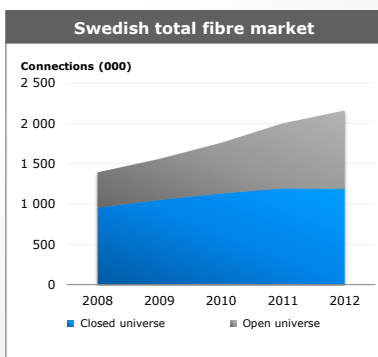


## Ambition to strengthen 3 play position

- Drive 3 play penetration to increase revenues
- Increase number of homes connected
  - Organic growth within existing footprint
  - Selected acquisitions
- Be a key player in the Swedish "open net" model

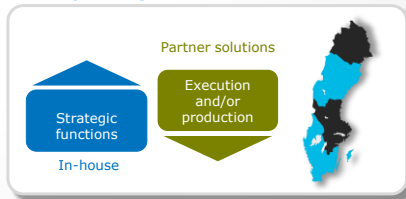


## Strengthen fibre position through consolidation



## The operational excellence agenda of Telenor Sweden

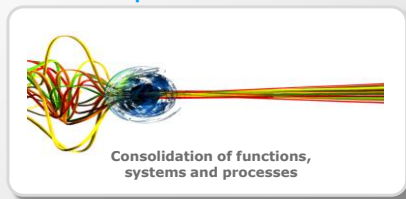
### New operating models



### Product and process improvements



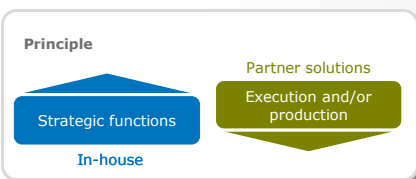
### Structural improvements



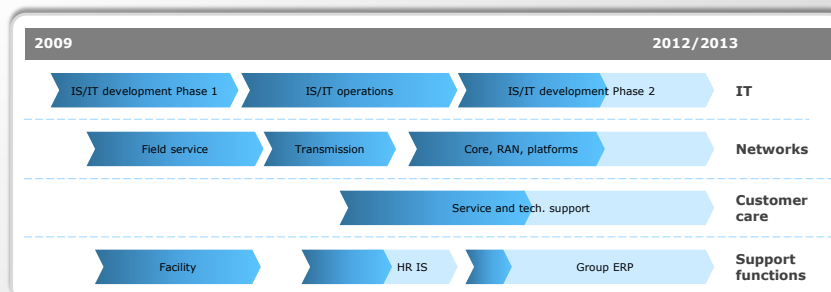
### Sales and marketing efficiency



## Leveraging on partners scale and cost efficiency

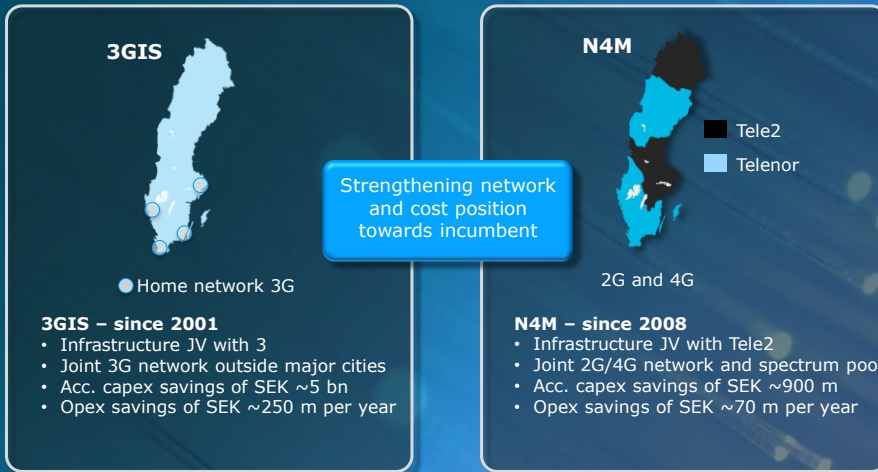


Split in order to ensure focus, flexibility, quality and cost efficiency

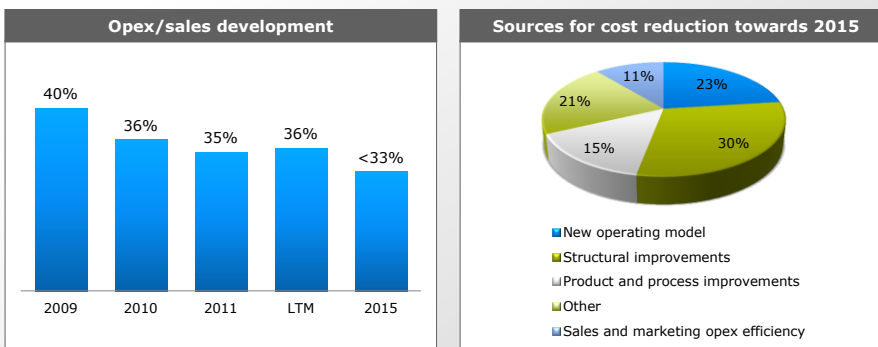




## Network sharing paramount for cost competitiveness



## Strong opex reductions 2009-2011 – further efforts needed to continue trend



LTM = Last twelve months (Q311-Q212)



## Focus and ambitions towards 2015

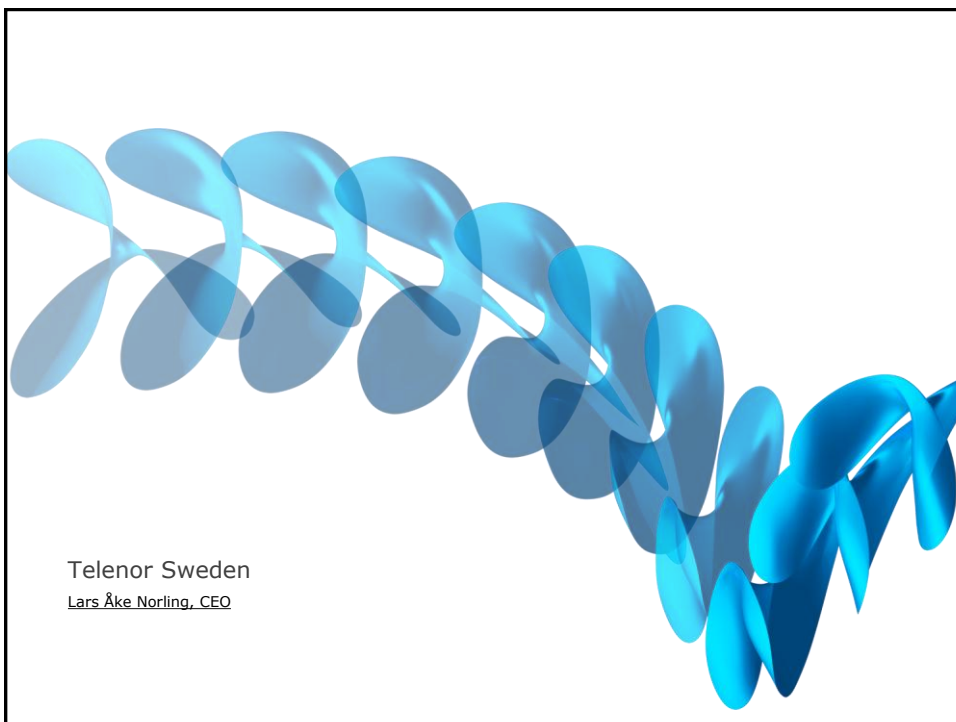
### Key Focus Areas

- Monetise on mobile data
- Strengthen fixed 3-play position
- Continue operational improvement

### Ambitions 2015

- Opex/sales below 33%
- Operating cash flow margin above 20%

Operating cash flow defined as EBITDA before other items and capex excluding licence and spectrum fees



Telenor Sweden  
Lars Åke Norling, CEO