

Telenor – Fourth Quarter 2012

Jon Fredrik Baksaas, CEO

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Q4 2012

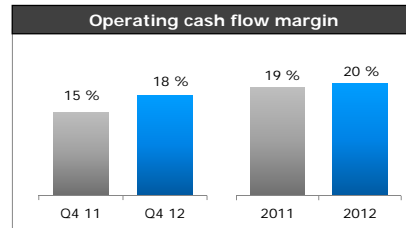
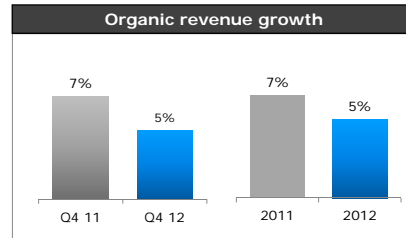
Strong close to an eventful year

Fourth quarter

- 5% organic revenue growth
- 31% EBITDA margin
- 18% operating cash flow margin

Full year 2012

- Revenues of NOK 102 bn
- Operating cash flow of NOK 20.5 bn
- 7 million mobile subscribers added
- Proposed DPS of NOK 6.00



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

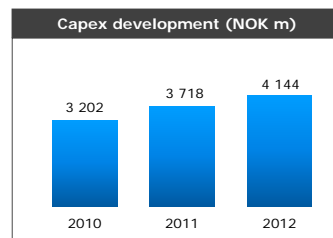
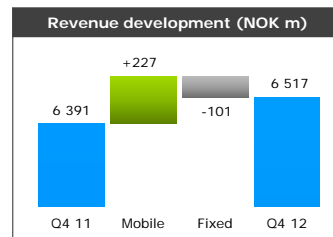
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Q4 2012

Investing in fixed and mobile networks in Norway

- 7% mobile revenue growth
- 62% of postpaid customers on bundles
- 4G services launched in October
- 22k new FTTH connections
- 42% EBITDA margin, supported by opex reductions

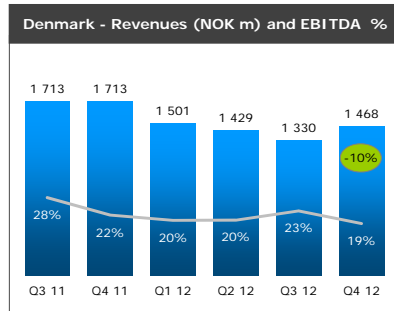
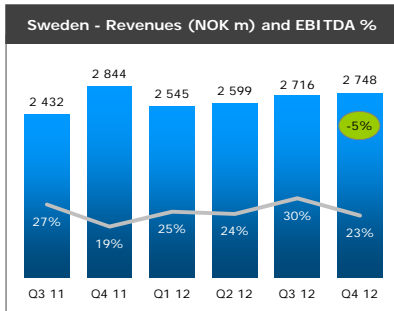


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Q4 2012

Strong handset sales in Sweden and Denmark



- 33k net mobile subscriber growth
- 2% mobile service revenue growth excluding handset discount

- Signs of increased market rationality
- Flat ARPU QoQ

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

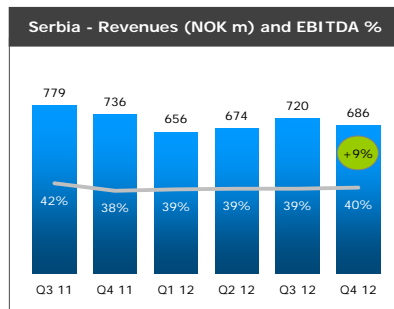
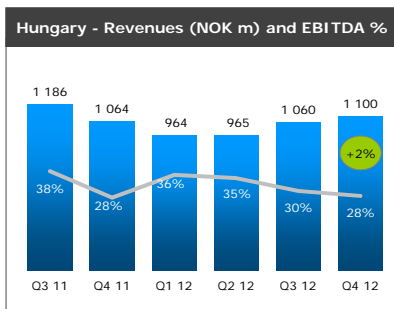
● Organic revenue YoY

5



Q4 2012

Good performance in Serbia and Hungary



- 57k net subscriber growth
- Telecom taxes impacting EBITDA margin with -11.5 pp

- Continued migration to postpaid
- Strong demand for smartphones

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

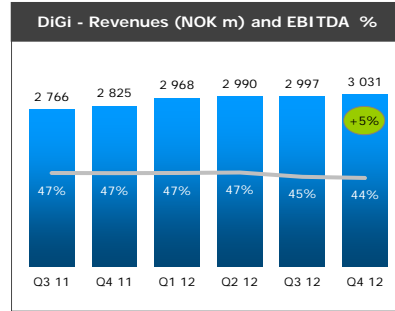
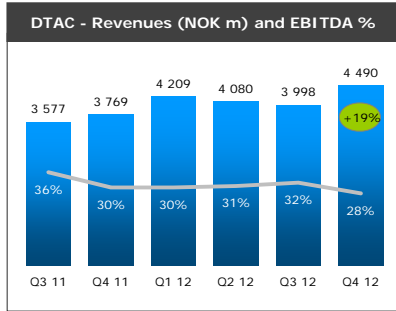
● Organic revenue YoY

6



Q4 2012

Data and smartphone demand in Thailand and Malaysia



- 8% service revenue growth
- Awarded 2.1 GHz licence in December

- Price pressure on ILD traffic
- Q3 network issues mitigated

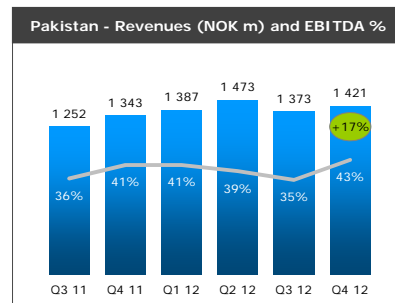
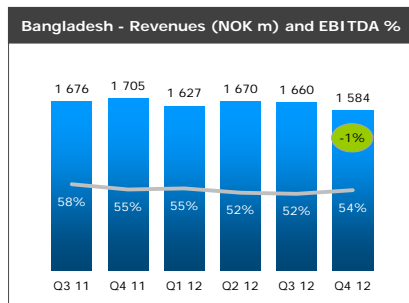
Organic growth assuming fixed currency, adjusted for acquisitions and disposals. EBITDA and EBITDA margin before other items

● Organic revenue YoY



Q4 2012

Good momentum in Pakistan, stabilising trends in Bangladesh



- Revenue market share stabilising
- EBITDA margin supported by lower subscriber acquisition costs

- Government forced network suspensions
- Financial services contributing with 3 pp of revenue growth

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

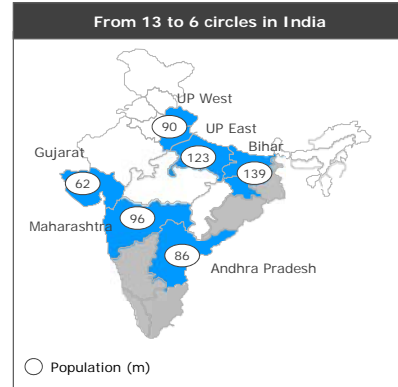
● Organic revenue YoY



Q4 2012

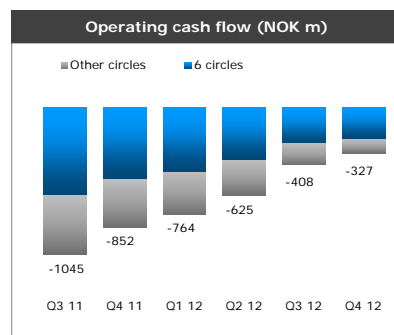
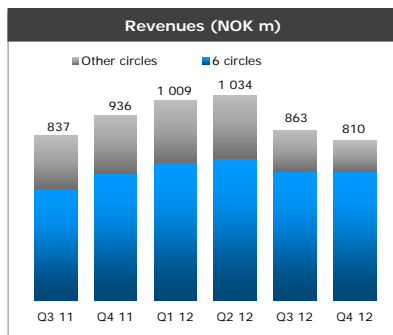
New platform for continued operations in India

- Acquired new 1800 MHz spectrum in 6 best-performing circles
- Preparing for business transfer from Uninor to Telewings
- Refund of 2008 licence fee expected
- Targeting OCF breakeven end of 2013, within INR 155 bn peak funding



Q4 2012

Steady progress towards breakeven in India



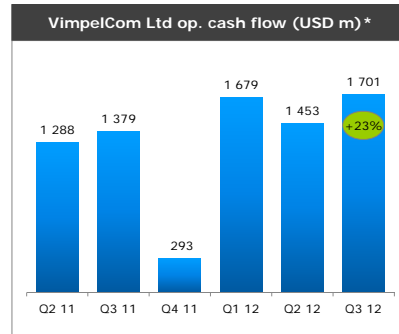
- Revenue development impacted by scale-down to 6 circles
- UP East reached EBITDA breakeven in November, Gujarat in January

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

Q4 2012

Supporting VimpelCom's value agenda

- Ownership structure clarified
- Value agenda in focus at VimpelCom's analyst and investor day:
 - Mid-single digit revenue and EBITDA CAGR 2013-2015
 - Net debt/EBITDA below 2x by end of 2015
 - Capex/sales below 15% in 2015
- Dividends of NOK 2.6 bn received in January



*) EBITDA before other items, minus capex excl. licence fees
Telenor holds a 35.7% economic stake in VimpelCom Ltd.

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Growth and efficiency focus to continue in 2013

Preferred by customers



Monetise on mobile data

Take positions in new services

Cost efficient operator

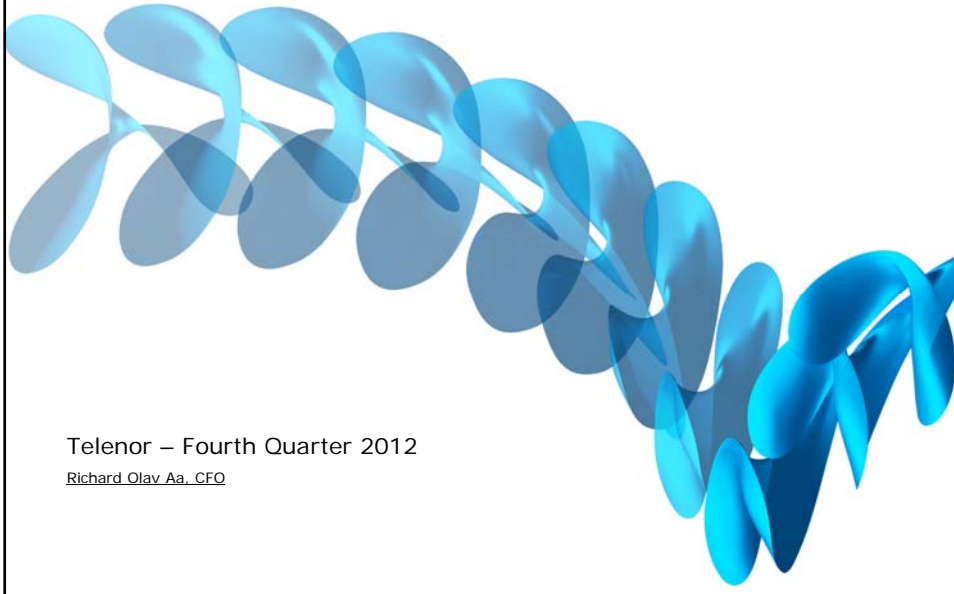


Continuous improvement

New operating models

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Telenor – Fourth Quarter 2012

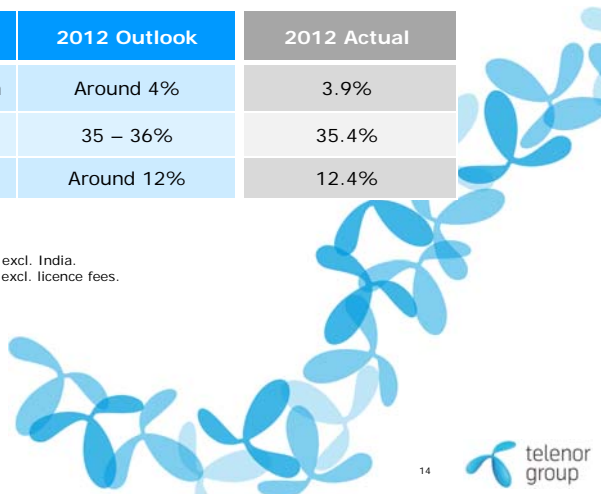
Richard Olav Aa, CFO

Q4 2012

Full-year performance in line with outlook

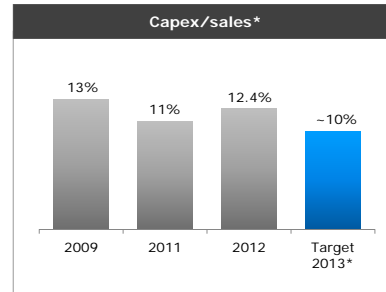
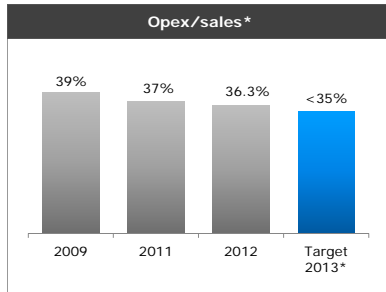
Group excl India	2012 Outlook	2012 Actual
Organic revenue growth	Around 4%	3.9%
EBITDA margin	35 – 36%	35.4%
Capex / sales	Around 12%	12.4%

Outlook assuming Group structure excl. India.
EBITDA before other items. Capex excl. licence fees.



Q4 2012

Continued progress on operational efficiency



- Increased regulatory costs impacting opex/sales by 0.9pp in 2012 vs 2011
- Significant investments in Norway
- Network swaps in Asia
- Underlying capex/sales around 10%

*) Targets introduced at CMD 2010. Existing business, not including Uninor and licence fees.

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Q4 2012

Significant spectrum acquisitions in 2012

Market	Frequency Band	Spectrum	Expiry
Thailand	2 100 MHz	2x15 MHz	2027
India	1 800 MHz	2x5 MHz	2032
Bangladesh	1 800 MHz	2x15 MHz	2026
Malaysia*	2 600 MHz	2x10 MHz	2017
Norway	2 100 MHz	2x20 MHz	2032
Denmark**	800 MHz	2x10 MHz	2034

* Received notification from the regulator on the allocation

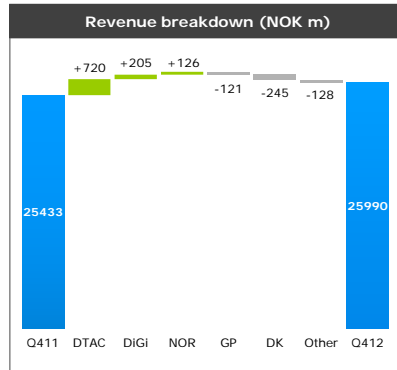
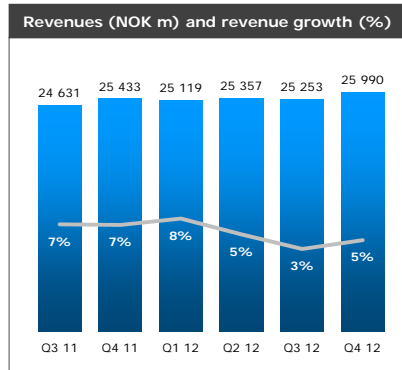
** Acquired through Telenor's and Telia's joint infrastructure company

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Q4 2012

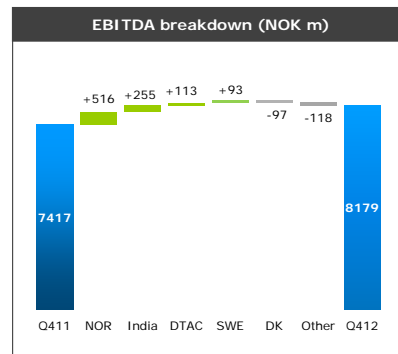
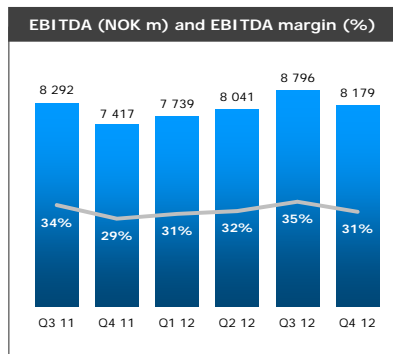
5% organic revenue growth



Organic revenue growth in fixed currency, adjusted for acquisitions and disposals.

Q4 2012

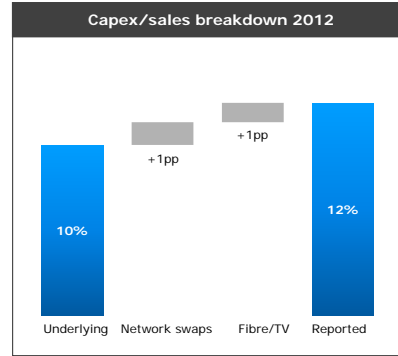
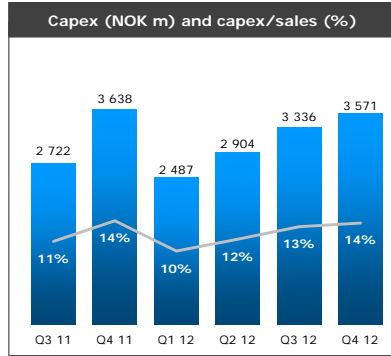
31% EBITDA margin and 10% growth in EBITDA



EBITDA and EBITDA margin before other items

Q4 2012

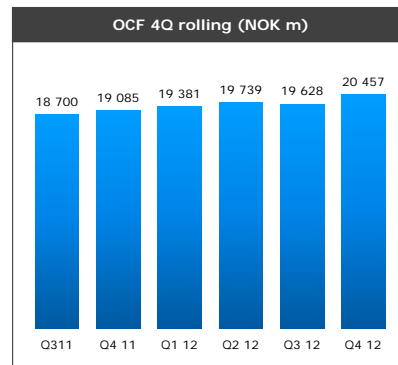
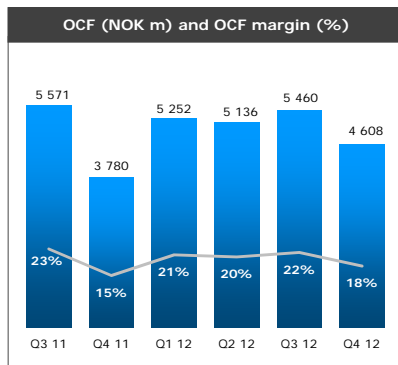
Capex driven by fibre roll-out and network swaps



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

Q4 2012

Operating cash flow of NOK 20.5 bn in 2012



Operating cash flow from continuing operations, excluding licence fees
Operating cash flow defined as EBITDA before other items less capex

Q4 2012

Significant non-recurring items in Q4

Non-recurring items	P&L effect (NOK m)
Denmark – Goodwill impairment	-3 960
Pakistan – Recognition of deferred tax asset	+996
Sweden – Reduced tax expense	+406
Telenor ASA – Recognition of deferred tax asset on Uninor receivables	+2 517

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Q4 2012

Net income to Telenor of NOK 3.2 billion

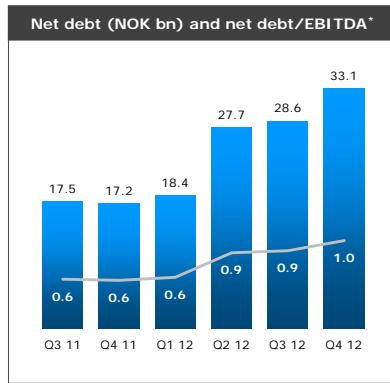
NOKm	Q4 12	Q4 11	
Revenues	25 990	25 433	
EBITDA before other items	8 179	7 417	
Other items	-277	-334	• Norway (-69m), Serbia (-42m), India (-117m)
EBITDA	7 902	7 084	
Depreciation and amortisation	-3 681	-3 885	• Write-down of goodwill in Denmark of NOK 3,960m
Impairments	-3 960	-4 270	• Write-down of licences and goodwill related to India of NOK 4,141m
EBIT	261	-1 071	
Associated companies	1 048	-495	• VimpelCom Q3 contribution of 303m plus Q4 contribution of -778m
Net financials	-344	-985	
Profit before taxes	965	-2 551	• VimpelCom Q3 contribution of 1,139m
Taxes	2 663	-741	
Minorities	-435	583	• Telenor ASA (+2,517m), Sweden (+406m), Pakistan (+996m)
Net income to Telenor	3 193	-2 709	
Earnings per share (NOK)	2.06	-1.70	

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Q4 2012

Net debt/EBITDA of 1.0x



Change in net debt (NOK bn)

Net debt 30 Sep 2012	28.6
EBITDA	(7.9)
Net interests paid	0.4
Income taxes paid	1.0
Capex paid	4.5
Share buyback	1.1
Dividends to minorities	1.1
Licences paid in India and DTAC	2.4
Net revenue share in DTAC	2.4
Currency effects	(0.3)
Other	(0.2)
<i>Net change</i>	<i>4.5</i>
Net debt 31 Dec 2012	33.1

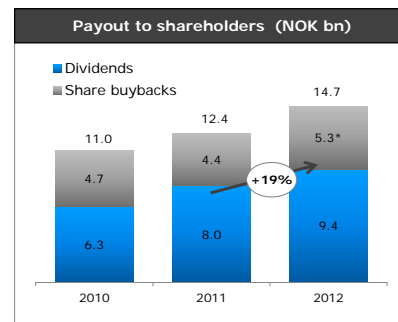
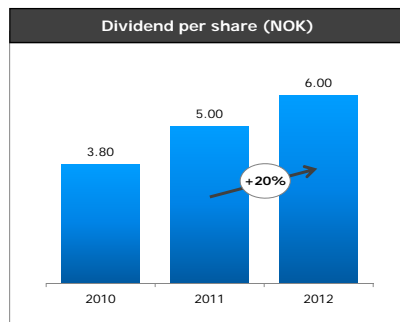
*) 12 months rolling EBITDA
Excl licence commitments

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Q4 2012

Proposed dividend for 2012 of NOK 6.00 per share



- 70% payout ratio
- Payout on 30 May, following AGM approval on 15 May

- 3% buyback programme launched in July 2012 (82% completed)

*) Share buyback programme AGM 2012 – AGM 2013. Estimated payout

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Q4 2012

Outlook for 2013

	2013	2012
Organic revenue growth	3-5%	5.1%
EBITDA margin	Around 34%	32.2%
Capex / sales	12-14%	12.1%

Outlook assuming Group structure incl. India 6 circles.
EBITDA before other items. Capex excl. licence fees.
Exchange rates as of 31 December 2012.

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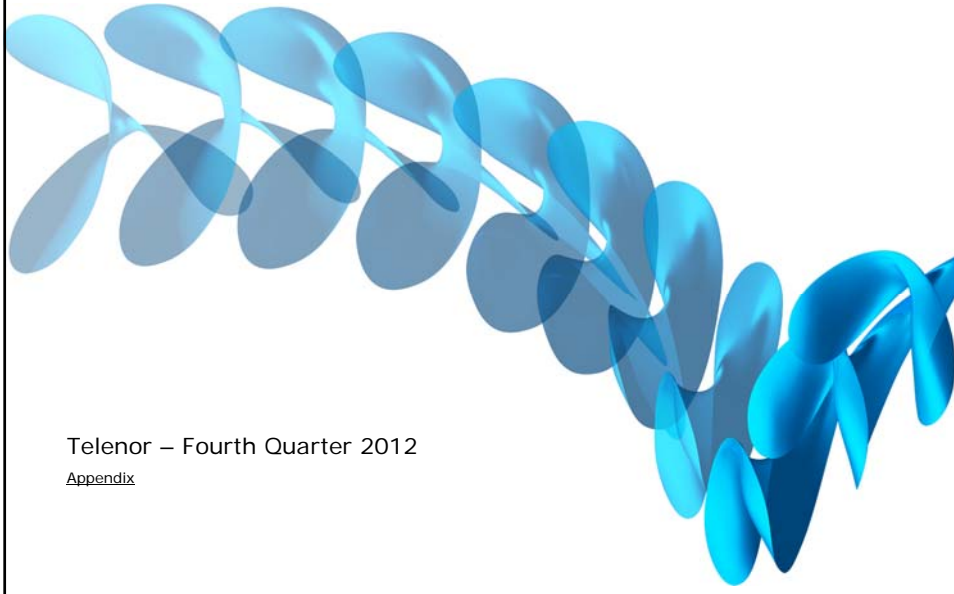
Q4 2012

Financial priorities in 2013

- Enable and deliver on Operational Excellence agenda
 - Opex/sales <35% in 2013
 - Gross opex savings of NOK 5 bn by 2015*
 - Operating cash flow of NOK 28-30 bn in 2015*
- Reach cash flow breakeven in India by year-end, within INR 155 bn peak funding
- Ensure strong profitability on network investments

* Group on existing structure excl India. Opex savings 2015 compared to baseline 2011.
Operating cash flow defined as EBITDA before other items, less capex excl. licence fees

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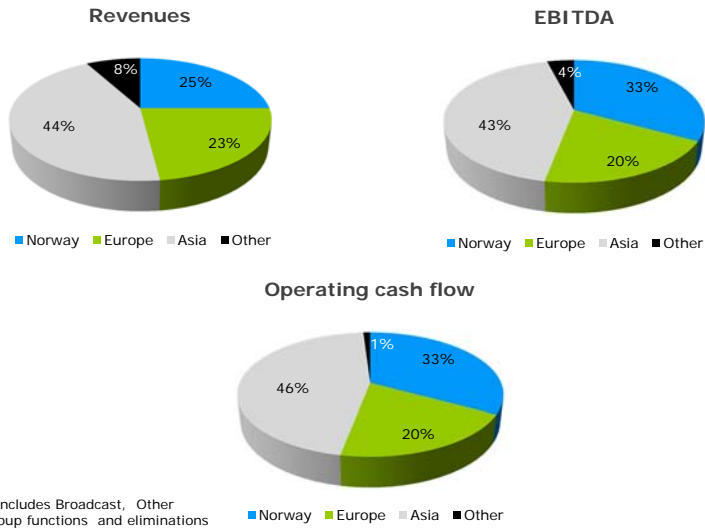
Telenor – Fourth Quarter 2012
Appendix

Telenor Group

148 million consolidated mobile subscribers
 Revenues in 2012 of NOK 102 bn (USD 18 bn)
 Market cap of NOK 190 bn (USD 33 bn)

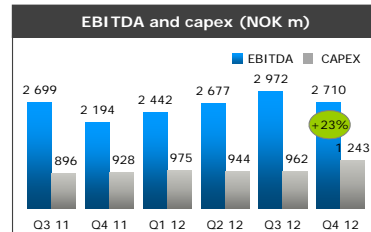
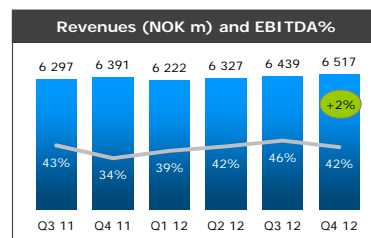


Geographic split of key financials in 2012



Q4 2012 Norway

- 5k net mobile subscriber loss, partly driven by multi-SIM subscriptions
- 62% of postpaid consumer base now on bundled tariffs
- 7% mobile revenue growth driven by bundles and handset sales
- 22k fibre customers added, of which 12k from LOS/Bynett acquisition
- All time high capex, supporting mobile data growth and fibre to the home



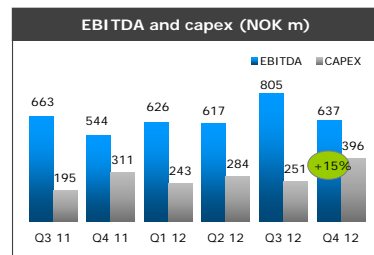
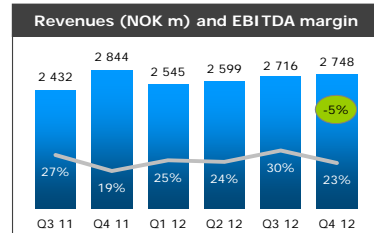
● Organic revenue / EBITDA growth YoY

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



Q4 2012 Sweden

- 33k net mobile subscriber growth
- Revenue decline mainly due to MTR decline and discount
- Seasonal EBITDA margin dilution from strong handset sale
- Capex focused on 4G coverage



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

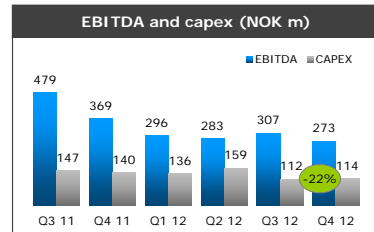
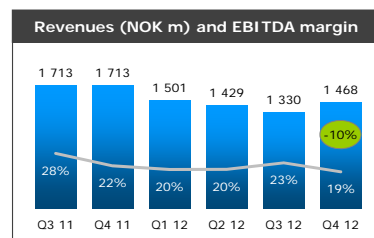
● Organic revenue / EBITDA growth YoY

31



Q4 2012 Denmark

- 22k net mobile subscriber loss
- Mobile market suffering from larger bundles at lower prices
- Strong handset sales diluting gross margin in the quarter
- Opex reduced by 15%
- Capex driven by LTE rollout, with expected launch in March 2013



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

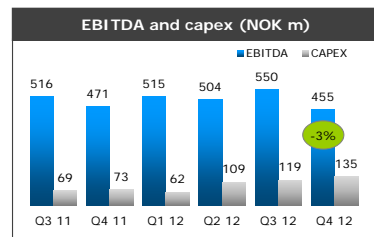
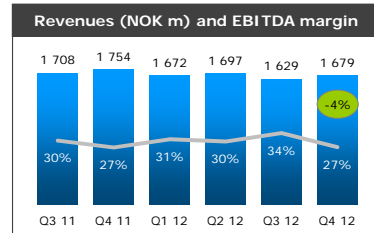
● Organic revenue / EBITDA growth YoY

32



Q4 2012 Broadcast

- 3k DTH subscriber loss offset by ARPU growth
- 8% revenue growth in Conax driven by India
- Capex increase due to DAB rollout in Norkring
- Thor II satellite phased out in January 2013



● Organic revenue / EBITDA growth YoY

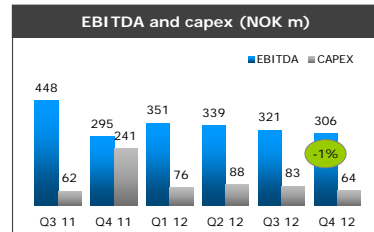
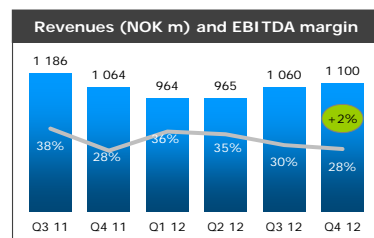
Organic growth assuming fixed currency, adjusted for acquisitions and disposals.
EBITDA and EBITDA margin before other items

33



Q4 2012 Hungary

- 58k net subscriber gain from strong Christmas sales
- 2% ARPU increase despite reduced interconnect rates
- Stable EBITDA margin from lower cost despite of double telecom tax
- Telecom tax introduced in 2010 removed 1 January 2013



● Organic revenue / EBITDA growth YoY

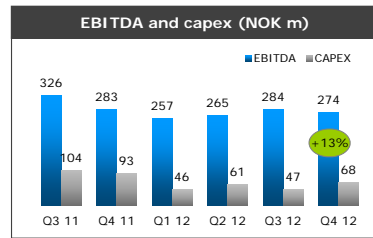
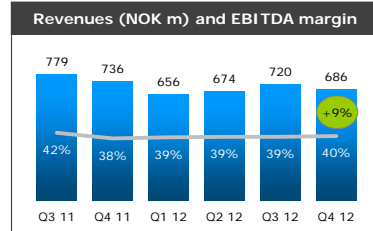
Organic growth assuming fixed currency, adjusted for acquisitions and disposals.
EBITDA and EBITDA margin before other items
Capex excl licence fees

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Q4 2012 Serbia

- 40k net subscriber decline due to prepaid churn after summer season
- Continued migration from prepaid to postpaid
- 5% ARPU increase from higher subscription fee revenues
- EBITDA margin positively impacted by 2.5 pp from reversal of accruals



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

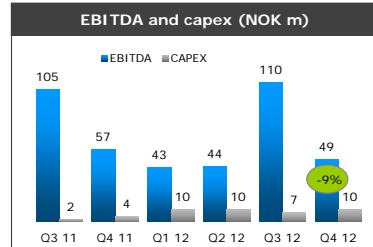
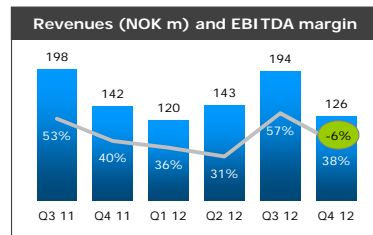
● Organic revenue / EBITDA growth YoY

35



Q4 2012 Montenegro

- 75k net subscriber decline due to prepaid churn after summer season
- ARPU upheld by churn of low-ARPU customers
- Challenging macroeconomic climate
- New crisis tax from early 2013 to decrease net salaries by 4.4%



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

● Organic revenue / EBITDA growth YoY

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Q4 2012 Thailand (DTAC)

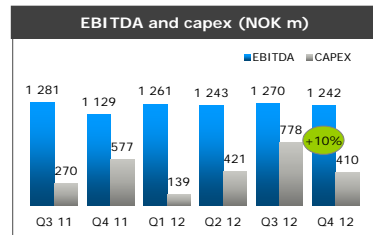
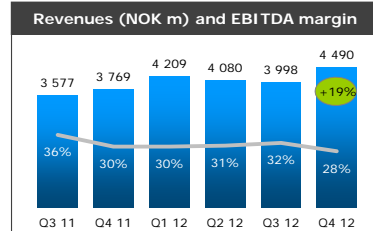
- 1.5 million net subscriber growth
- 8% service revenue growth
- 32% EBITDA margin excl handset sale
- 2.1 GHz licence awarded in December

Outlook for 2013*:

- High single digit revenue growth
- EBITDA margin of 30-31%
- Capex of minimum THB 8 billion

*) In local currency

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



● Organic revenue / EBITDA growth YoY

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Q4 2012 Malaysia (DiGi)

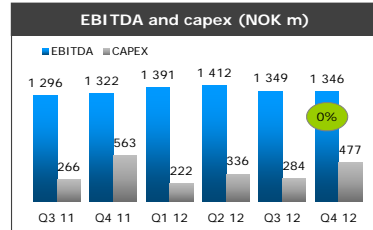
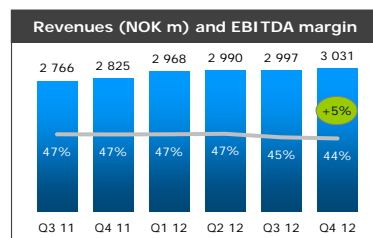
- 190k net subscriber growth
- Continued strong demand for mobile Internet services and devices
- Price pressure on voice in prepaid segments
- Solid opex management
- Increasing network investments

Outlook for 2013*:

- 5-7% revenue growth
- EBITDA and cash flow margins at 2012 level

*) 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

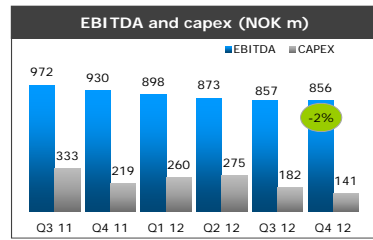
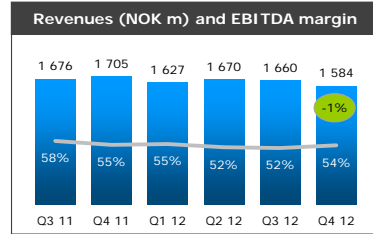
38



Q4 2012

Bangladesh (Grameenphone)

- 0.9 million net subscriber decline
- New directives on SIM sale resulting in market contraction
- Revenues impacted by implementation of 10 second billing directive
- Revenue market share stabilised
- Final round of consultation for 3G auction guideline expected in 1H 2013



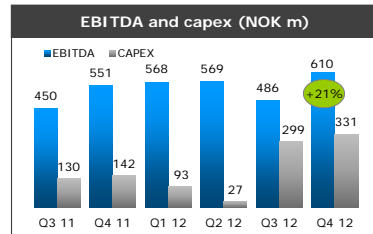
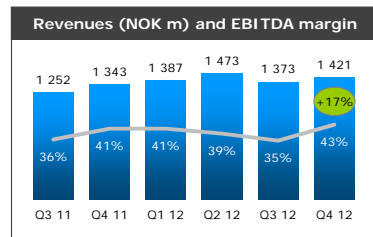
Organic growth assuming fixed currency, adjusted for acquisitions and disposals.
EBITDA and EBITDA margin before other items
Capex excl licence fees



Q4 2012

Pakistan

- 0.4 million net subscriber growth
- International Clearing House (ICH) for incoming traffic established on 1 Oct
- 17% revenue growth
- Financial services contributing to 3.4pp of revenue growth
- Multiple government forced network suspensions
- Capex driven by network modernisation



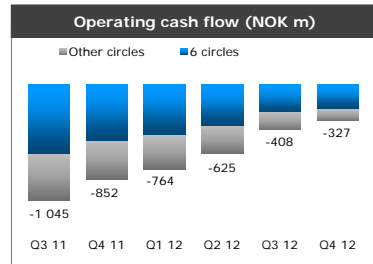
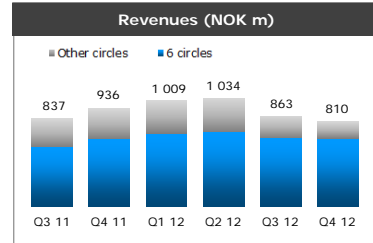
Organic growth assuming fixed currency, adjusted for acquisitions and disposals.
EBITDA and EBITDA margin before other items
Capex excl licence fees



Q4 2012

India

- Acquired new 1800 MHz spectrum in 6 best-performing circles
- UP East reaching EBITDA breakeven in November, Gujarat in January
- Accumulated losses of INR 137 bn excl licence fee
- Preparing for business transfer from Uninor to Telewings
- Targeting OCF breakeven end of 2013



Organic growth assuming fixed currency, adjusted for acquisitions and disposals.
Operating cash flow defined as EBITDA before other items, less capex excl licence fees

41



2012

Full year reported income statement

NOKm	2012	2011
Revenues	101 718	98 516
EBITDA before other items	32 755	30 526
Other items	-868	-485
EBITDA	31 887	30 041
Depreciation and amortisation	-14 402	-15 309
Impairments	-7 823	-4 340
EBIT	9 662	10 393
Associated companies	3 465	3 776
Net financials	- 1 683	-1 593
Profit before taxes	11 445	12 575
Taxes	-1 735	-5 358
Minorities	-219	-52
Net income to Telenor	9 490	7 165
Earnings per share (NOK)	6.06	4.45

• India 3,862m and Denmark 3,960m

• Telenor ASA (+2,517m), Sweden (+406m), Pakistan (+996m)

42



Q4 2012

Changes in revenues and EBITDA

	Revenues		EBITDA	
	Reported	Organic	Reported	Organic
Norway	2.0 %	1.5 %	23.5 %	23.1 %
Sweden	-3.4 %	-5.0 %	17.2 %	14.7 %
Denmark	-14.3 %	-9.5 %	-26.2 %	-22.0 %
Hungary	3.4 %	1.5 %	3.6 %	-1.0 %
Serbia	-6.8 %	8.8 %	-3.0 %	13.1 %
Montenegro	-10.9 %	-6.0 %	-14.3 %	-9.4 %
Thailand	19.1 %	19.3 %	10.0 %	10.5 %
Malaysia	7.3 %	5.4 %	1.8 %	0.1 %
Bangladesh	-7.1 %	-0.8 %	-8.0 %	-1.7 %
Pakistan	5.9 %	16.8 %	10.7 %	21.3 %
India	-13.5 %	18.3 %	43.8 %	39.8 %
Broadcast	-4.3 %	-4.3 %	-3.5 %	-3.5 %
Telenor Group	2.2 %	4.5 %	10.5 %	12.2 %
Group ex. India	2.8 %	4.1 %	6.5 %	8.4 %

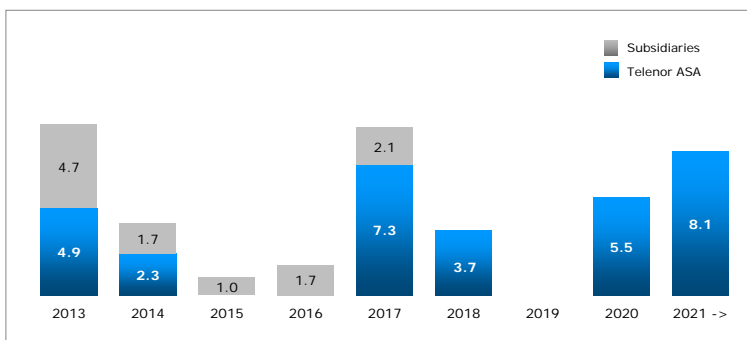
Organic growth YoY in fixed currency and adjusted for acquisitions and disposals. EBITDA before other items. India organic revenue growth based on 9 circles.

43



Q4 2012

Debt maturity profile



NOK bn per 31 December 2012.
Excl licence commitments

44



Q4 2012

Net debt in partly owned subsidiaries

(NOK m)	Q4 2012	Q3 2012	Q4 2011
DiGi	705	-662	-699
DTAC	4 572	1 001	-3 380
Grameenphone	637	1 107	-236
Uninor	1 113	-652	7 215

Net debt based on 100% figures
Excl licence commitments

45



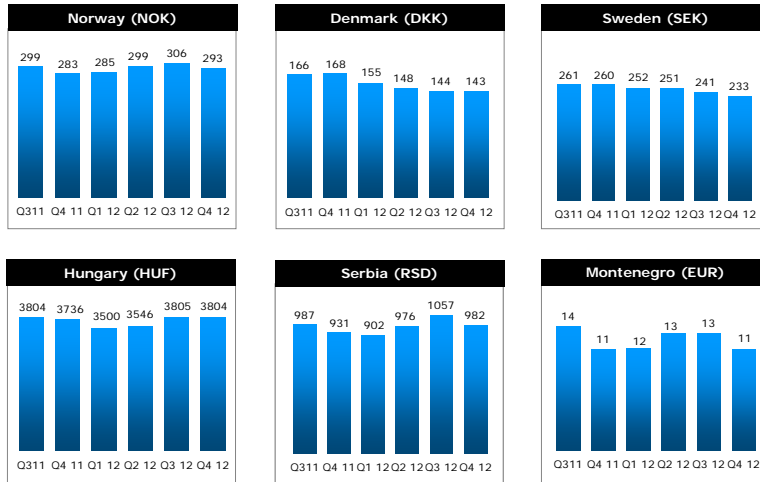
Priorities for capital allocation

1	Maintain a solid balance sheet	<i>Net debt/EBITDA cap 2.0x</i>
2	Competitive shareholder remuneration	<i>50-80% dividend payout of normalised net income Aim for YoY growth in dividends</i>
3	Disciplined and selective M&A	<i>Value driven, within core assets and regions</i>



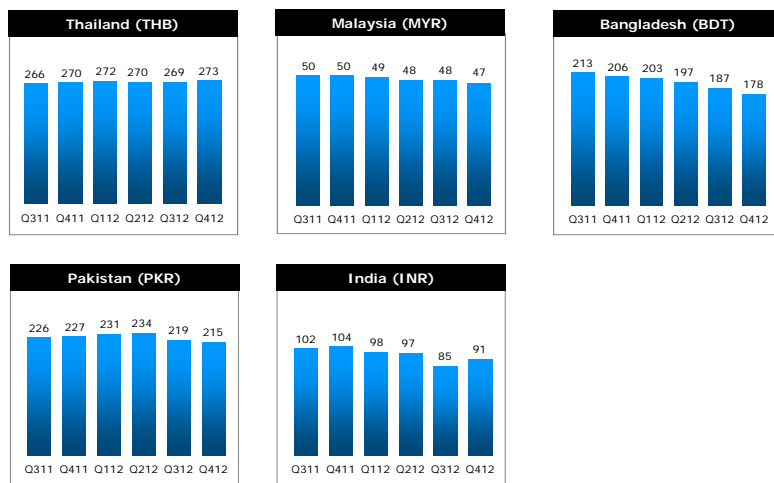
Mobile operations

ARPU development (local currency)



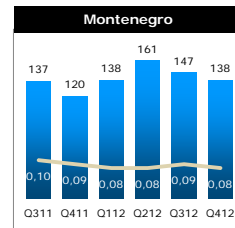
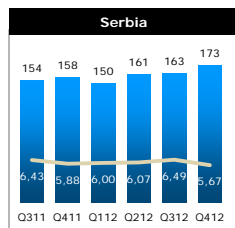
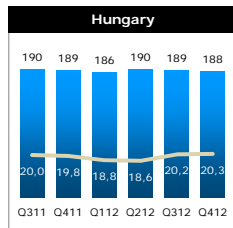
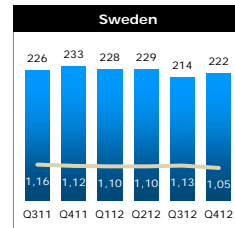
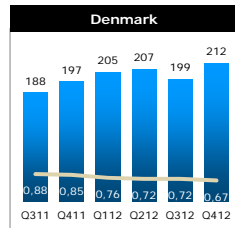
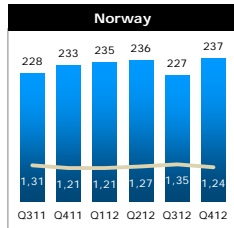
Mobile operations

ARPU development (local currency)



Mobile operations
AMPU and APPM development

AMPU — APPM (local currency)



Mobile operations
AMPU and APPM development

AMPU — APPM (local currency)

