

## 6 years since Telenor's entry into Pakistan

- Strong number 2 market position
- EBITDA breakeven in 2007
- Operating cash flow breakeven in 2009/2010
- Accumulated investments of NOK 13 bn

Motivated organisation  
mindset focused on  
value creation

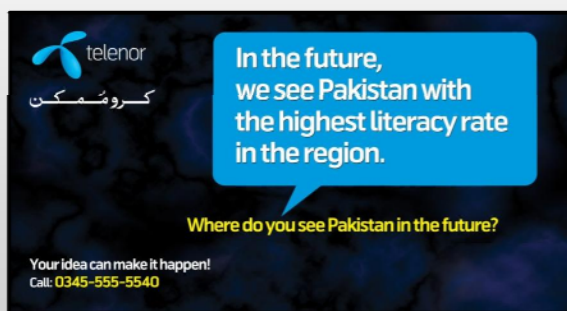


## 2010 floods – A disaster of unprecedented scale

	Earthquake 2005	IDP Crisis 2008	Floods 2010
<b>Death toll</b>	72,000	300	1,800
<b>Area affected</b>	30k sq km	5k sq km	132k sq km
<b>People affected</b>	3 million	1.5 million	20 million
<b>Loss (infrastructure)</b>	PKR 415 bn	PKR 200 bn	PKR 2,000 bn



## Karo Mumkin – Realise possibilities!



**In the future,  
we see Pakistan with  
the highest literacy rate  
in the region.**

**Where do you see Pakistan in the future?**

Your idea can make it happen!  
Call: 0345-555-5540



 telenor internet.more

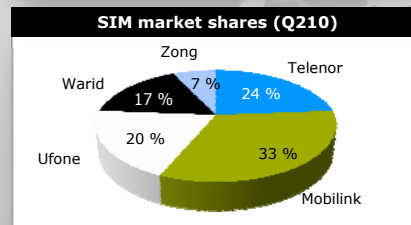
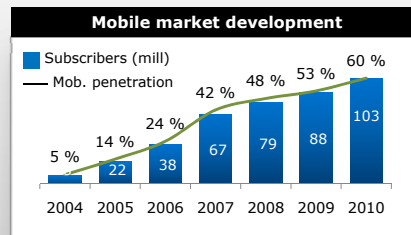
## Cautiously optimistic on country outlook

- Population of 172 million
- Economy (pre-flood)
  - Real GDP growth 2010 – 4.1%
  - Inflation rate stabilizing
  - Energy and power challenges
- Politics
  - Democratic Government holding
  - Judiciary strengthening
  - Increased media freedom
- Security
  - Military operation positive
  - Terrorism events trending down
  - Populace in support of actions

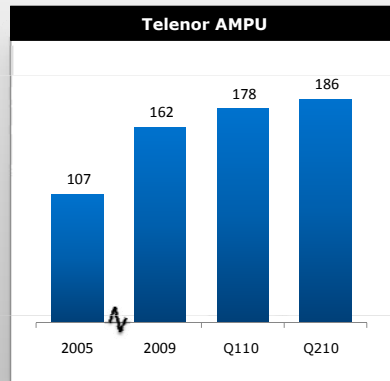
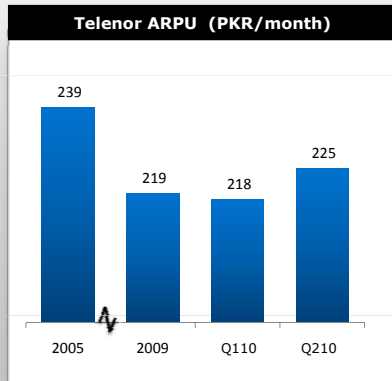


## Mobile market overview

- 70% of population covered
- Profitability improving but a challenge
- Rise in country specific costs
  - Energy and security
- Highly competitive 5 player market
- Large Multi SIM market now reducing
  - Raising real penetration

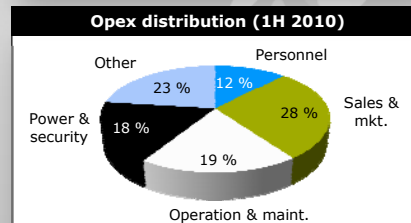
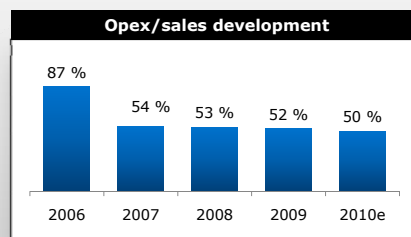


## ARPU and usage stable to improving



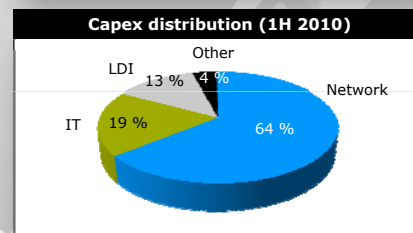
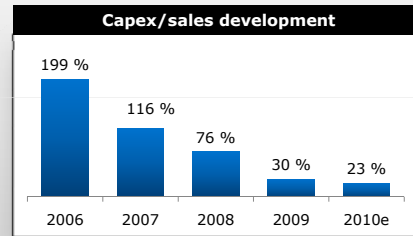
## Ambition to enable flat opex

- Power and security costs variable
- Sales and marketing costs in line with industry
- Personnel cost adjusted with inflation
- Cost programme in place, with total expected savings PKR 8 bn
- Ambition to enable flat opex in period 2009–2013



## Prudent approach to capex spending

- Capex in line with subscriber and traffic growth
- Pay as we grow – Real time allocation
- Reduce cost per minute – balanced traffic
- Network capacity and quality before expansion



## Business development opportunities



## Financial services representing a large upside



### Pakistan banking sector

- 9,000 branches
- 3,000 ATMs
- 12% of population traditionally banked
- 35% using informal channels



### Telenor

- Distribution network
- Marketing and product management

### Tameer Microfinance Bank

- Licence for branchless banking
- Regulated by State Bank of Pakistan

## Telenor well positioned for financial services

### Strong brand image



### Nationwide at low cost



150,000 retailers



12,000 & growing

### Large customer base



23 million subscribers



Making Financial Services available to everyone!

## Now and tomorrow – Innovation

### Launched Oct 2009

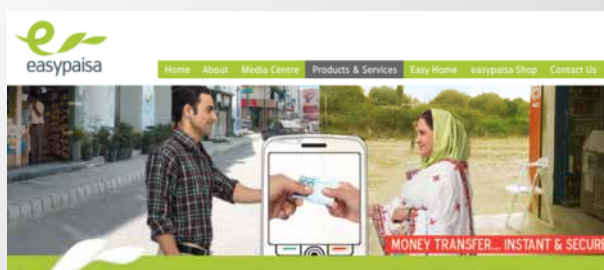
- 5.1 million transactions  
Now 1 million/month
- PKR 4.1 billion in value
- Over the counter
- Mobile account

### Existing Products

- Money transfer DR/IR
- Bill payment
- Mobile top up

### New products

- Insurance
- Salary disbursement
- Corporate payments



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## Financial services ambitions towards 2013

- 7 million active customers
- Retail network >30,000 retailers
- PKR 10 bn revenue
- Domestic remittances and money transfer – main driver of revenue
- Positive impact on churn and acquisition

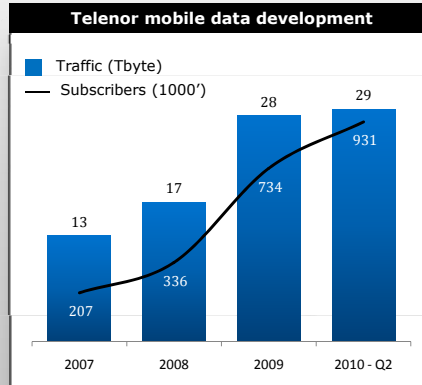


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## Mobile data bringing internet to the masses

- Mobile phone internet access
- 93 million mobiles in Pakistan
- 30 million on GPRS/EDGE
- 7 million PCs and growing
- 700k broadband internet users (non-mobile)
- Very large untapped internet market
- 3G auction expected 1<sup>st</sup> half 2011



## Value creation through infrastructure joint venture

- LOI signed with prospective partner
- Cost reduction – synergies
  - Power / Security / Rental
- Reduce investment requirement
- Decommissioning potential
- New tower restrictions
- Necessary for rural expansion
- Emerging technologies
  - Investment risk
- Potential for more active sharing





## Making organisation a complete advantage

- "Employer of Choice"
- Attract and retain top talents
- Talented resources
  - 91% college degree
  - 41% post graduate
- Global resource sharing
  - Export talents
- History of success
- Mindset beyond "telecom"



## Outlook 2013

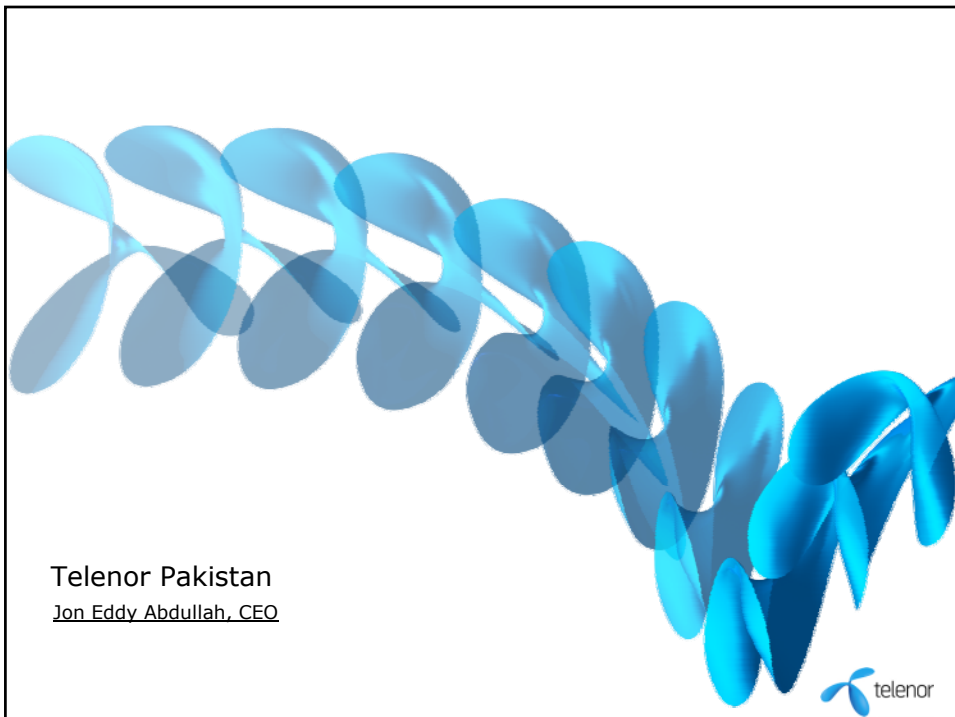
- Strengthen number 2 position
- 10% revenue growth YoY
- Capex to sales ratio <12%
- Operating cash flow margin >25%
- Additional value creation upside from financial services



## Summary



- "Karo Mumkin" our philosophy
- Focusing on operational excellence – Sweating our assets
- Taking leading position in financial services
- Strengthening number 2 position



Telenor Pakistan  
Jon Eddy Abdullah, CEO