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Telenor to take a 60% stake in Unitech Wireless

- Telenor to inject USD 1,070 million of new equity into Unitech Wireless in multiple tranches to reach 60% stake
 - USD 250 million of primary equity upon closing
 - Remaining USD 820 million in three additional tranches by end of September 2009
- Enterprise value of Unitech Wireless of USD 1,100 million
 - Assumption of debt of approx USD 400 million
- Telenor gets management control from day 1, and will occupy 4 of 7 seats on the Board of Directors
- Expected closing by the end of 2008



Unitech Wireless

- Founded in 2007 by Unitech Group, the second largest real estate group in India
- Greenfield mobile operator with a pan-Indian UAS licence and spectrum in 13 circles
 - Spectrum in remaining 9 circles expected to be in place during the next 12 months
- Team of 250 employees in place
- Key executives with significant telecom operating experience



Strategic rationale

- Solid contribution to Telenor's growth and long term industrial development
- Strong fit with communicated expansion strategy
- Unique opportunity to enter one of the world's largest and fastest growing mobile markets
- Leverage on Telenor's proven greenfield expertise
- Attractive business case

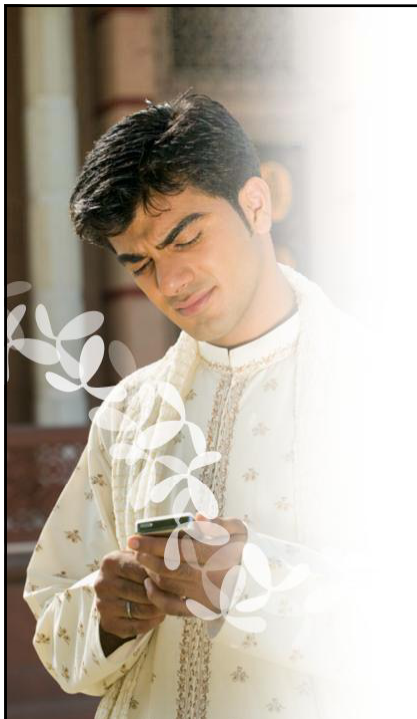
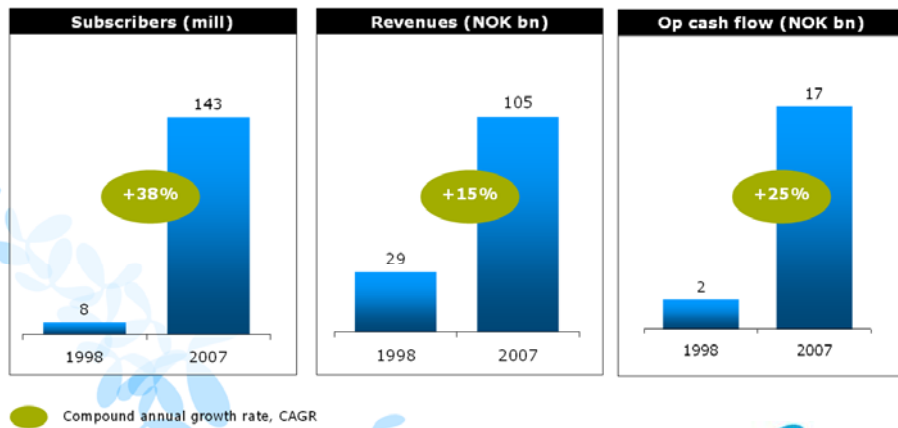


Building a long-term industrial base

	1998	2004	2008
Cash flow generation	Norway	Norway	Ukraine Serbia Norway Hungary Malaysia
Revenue generation		Hungary Ukraine	Thailand Bangladesh
Subscriber growth	Ukraine Hungary Bangladesh	Thailand Malaysia Bangladesh Pakistan	India Pakistan



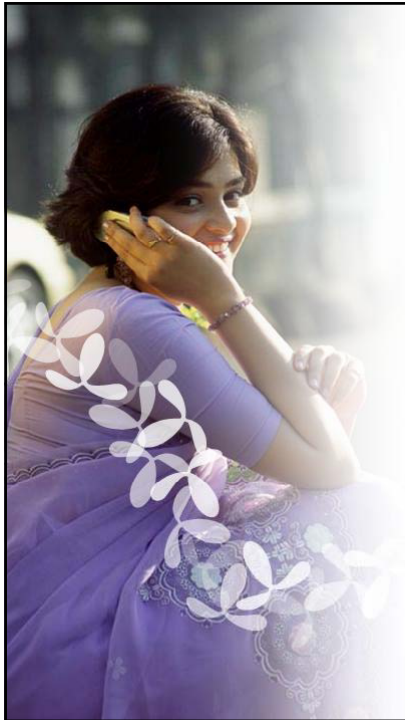
Growth creates value



Strong fit with our expansion criteria

- Large population with low penetration
- Creation of regional clusters
- Predictable regulatory environment
- Cultural fit
- Strong business case



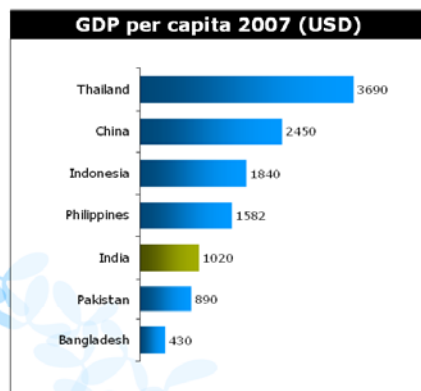


India – Key facts

- Population of 1.2 billion, growing yearly by 1.3%
- 28 states with population spanning from 0.5-166 million
- Hindu main religion (80%) - Hindi largest native language (30%)
- English extensively used in administrative and business communication
- Stable political environment and mature legal institutions



India - A large and fast growing economy

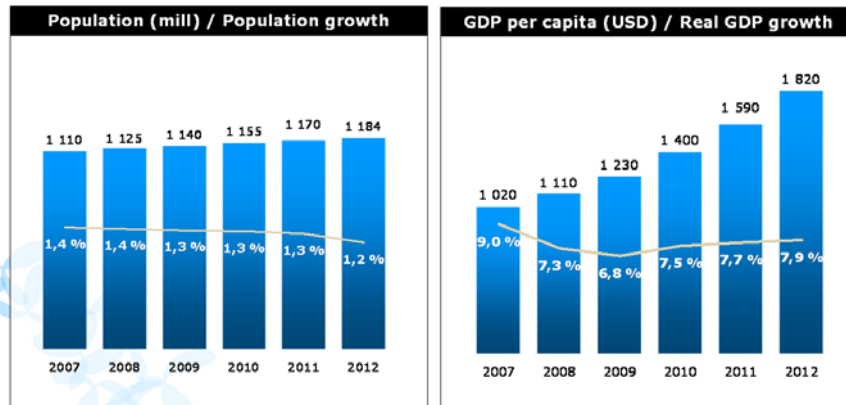


Source: Economist Intelligence Unit, October 2008
PPP: Purchasing power parity

- World's 12th largest economy in GDP, 4th largest in GDP (PPP)
- High single digit real GDP growth
- Favorable climate for foreign investments
- Young and highly educated population
- Sizeable and growing middle class



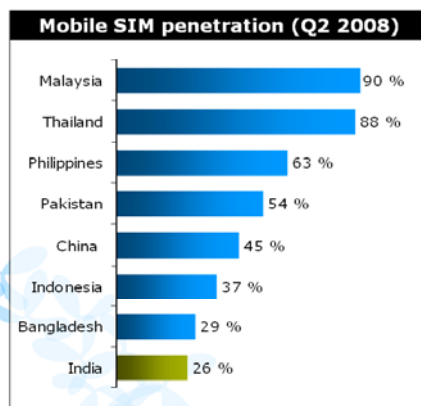
India - Strong growth expected to continue



Source: Economist Intelligence Unit, October 2008



Large untapped mobile potential

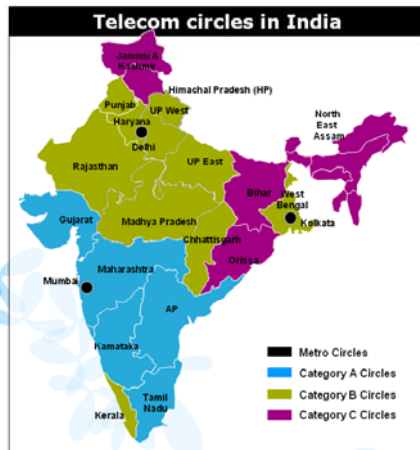


Source: National Telecom Authorities / Telenor estimate

- 300 million subscribers, growing by approx 8 million per month
- Mobile penetration expected to reach 60% in 2013
- ARPU of INR 250-350 (USD 5-7)
- Net industry revenue of USD 12 billion (2007) - annual growth rate of 40%
- 3% fixed line penetration and 1% broadband penetration



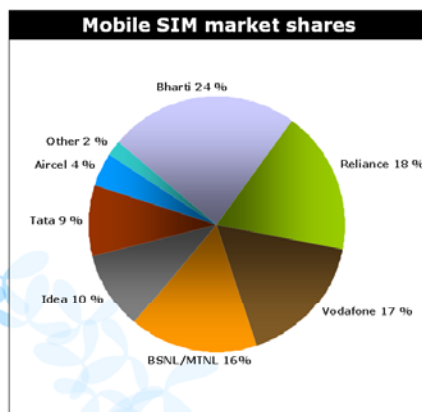
Transparent regulatory framework



- 22 telecom circles subdivided into Metro and Circle A, B and C
 - Future growth mainly from B and C circles
- Spectrum allocation according to customer base
- Regulator encouraging infrastructure sharing
- 3G licence auction expected in 2009



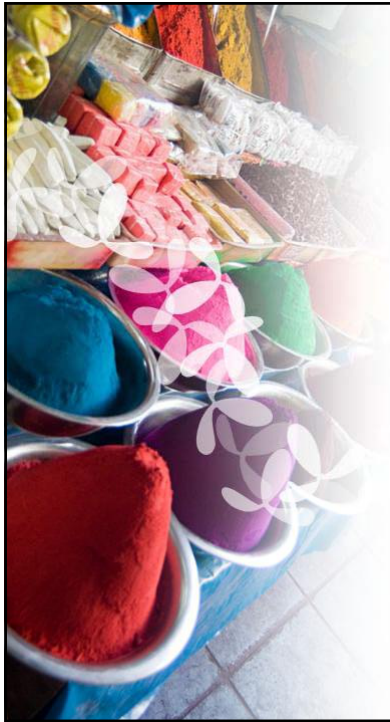
Telenor - Competitive in a fragmented market



Estimated market share and penetration as of July 2008
100% = 300 million SIMs

- 3 operators with established nationwide roll-out
- 2 operators on CDMA, expected to be converted to GSM
- Our value proposition:
 - Differentiation
 - Distribution
 - Network quality





Leveraging on the Telenor business model

- Group leverage – local drive
- Telenor competence and experience
- Replicate management philosophy
- Utilize economies of scale across Group
- Deploy Telenor concepts
- Strong governance and principles

Governance model

- Telenor to appoint 4 of 7 BoD members
- Telenor to nominate Managing Director, CFO and CMO
- Overall management to be appointed by MD with BoD consultation



Attractive business case


- Service launch mid 2009
- Instant access to 30,000 – 50,000 existing sites through tower sharing agreements
- Accumulated capex of USD 2 bn first three years
- EBITDA breakeven in approx three years from launch

Long term ambition

- > 8% market share
- 30% EBITDA margin
- 20% operating cash flow margin

Note: Business case does not include 3G





Funding the transaction

- The initial equity injection in Unitech Wireless will be funded by existing facilities and/or short-term commercial paper
- Telenor intends to secure additional funding by raising approx. NOK 12 billion through a rights issue in Q1 2009
- The Norwegian Government has stated its willingness, under certain conditions, to put forward a parliamentary proposition to participate for its pro rata share of the rights issue



Impact on Telenor's financials in 2009-2010

- Capex/sales ratio in the high twenties in 2009 and low twenties in 2010
- Operating cash flow dilution of approx 90% in 2009 and 40% in 2010
- Dividend policy unchanged

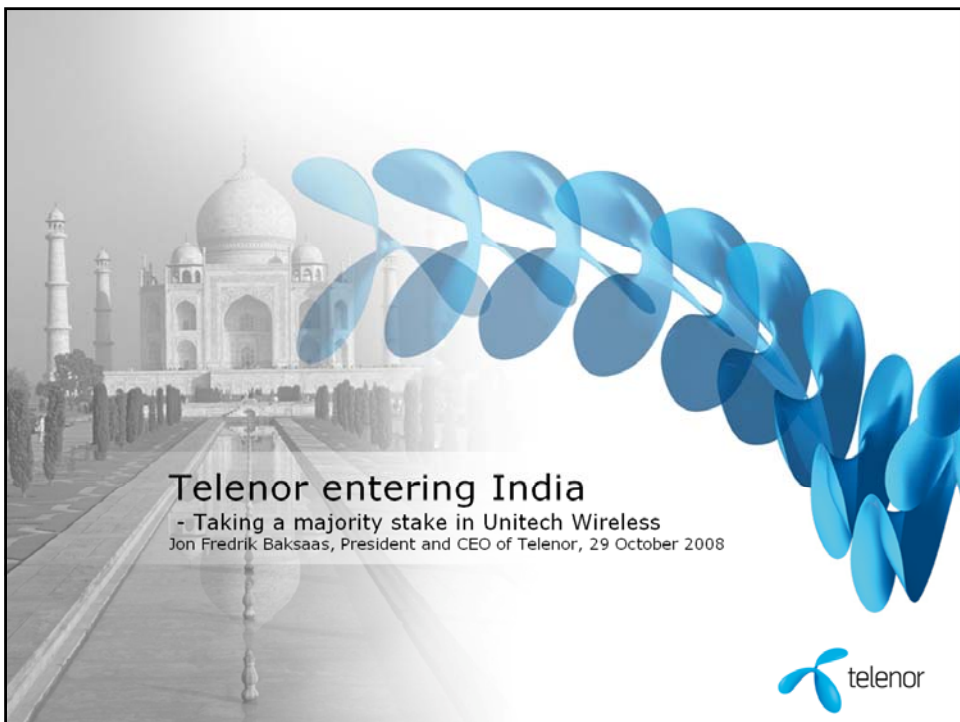
Including Kyivstar





India – A unique opportunity for Telenor

- One of the world's largest and fastest growing markets
- Solid contribution to Telenor's growth and long term industrial development
- Strong fit with our expansion criteria
- Leverage on Telenor's proven greenfield expertise
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Telenor entering India

- Taking a majority stake in Unitech Wireless
Jon Fredrik Baksaas, President and CEO of Telenor, 29 October 2008

