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# Acquisition of Mobtel/Mobi 63 in Serbia

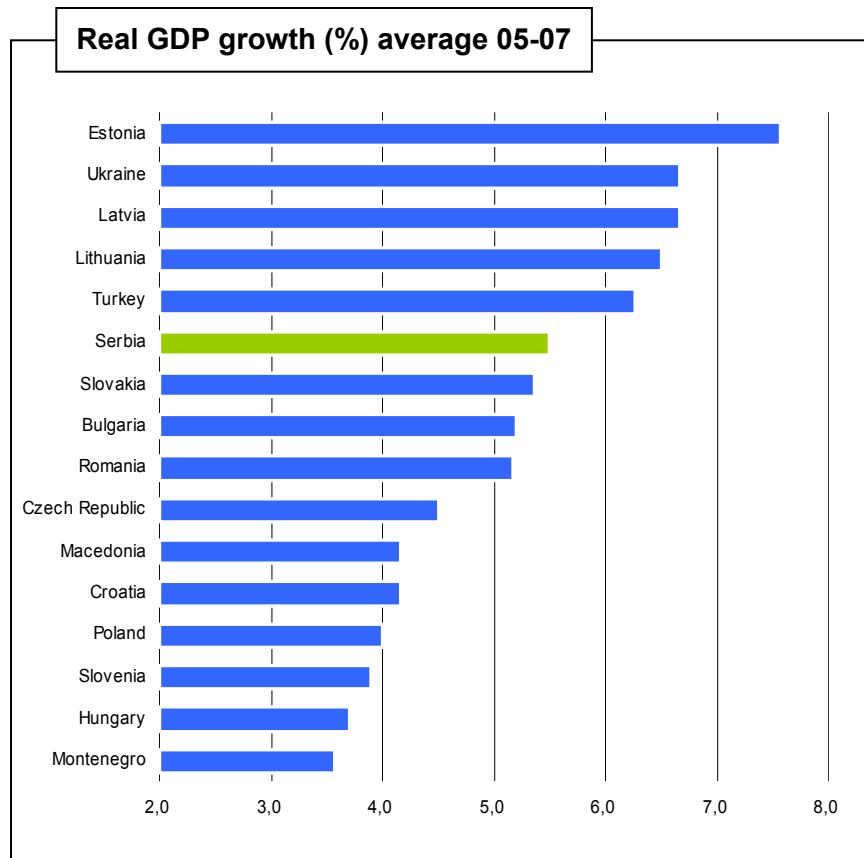
- Purchase price of EUR 1.513 m
- EV/EBITDA 2005\* of 12.1
- Mobtel assets, subscribers and employees are transferred to a new company – Mobi 63
- Mobi 63 will be allocated a 10 year renewable GSM 900/1800 and UMTS license
- Mobi 63 will be debt free
- Expected closing no later than end of September

# Transaction Rationale

- Attractive growth in a two player market
- Already present in Hungary, Ukraine, Montenegro and Austria
- Cost and revenue synergies between the CEE operations
- Significant room for turnaround
- Further expansion opportunities in the region

# Good Macroeconomic Prospects

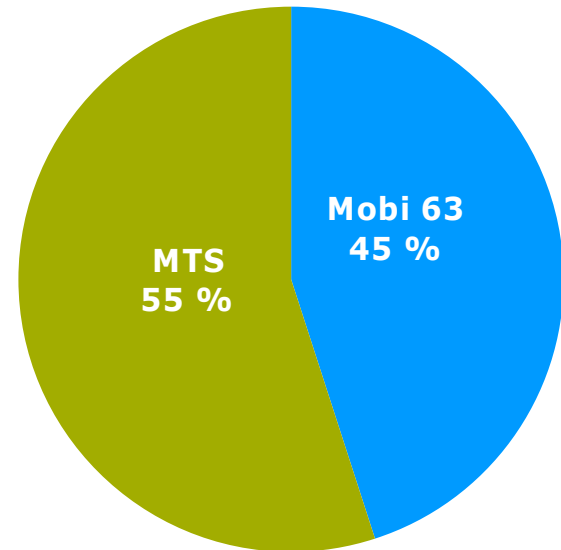
- Continued progress towards EU integration
- Increased political stability and continued economic growth
- Key industries undergoing reforms and privatization
- Investment security and credit rating (S&P: BB-) improving



Source: Standard & Poor's (S&P)

# The Serbian Mobile Market

- Total population of 7.5 million
- Mobile penetration of 65%
- A duopoly with high margins
- Telecommunications Law consistent with WTO and EU standards
- Regulator formally established



# Mobtel – Key Facts



- Founded in 1994
- Network coverage of 95% of population
- Above two million subscribers
- Revenue market share of 55%

# Mobtel – Key Parameters

(EURm)	2005
Revenues	233
EBITDA	125
EBIT	96
CAPEX	44
ARPU (EUR/month)	10.4
Subscribers (000)	2 115



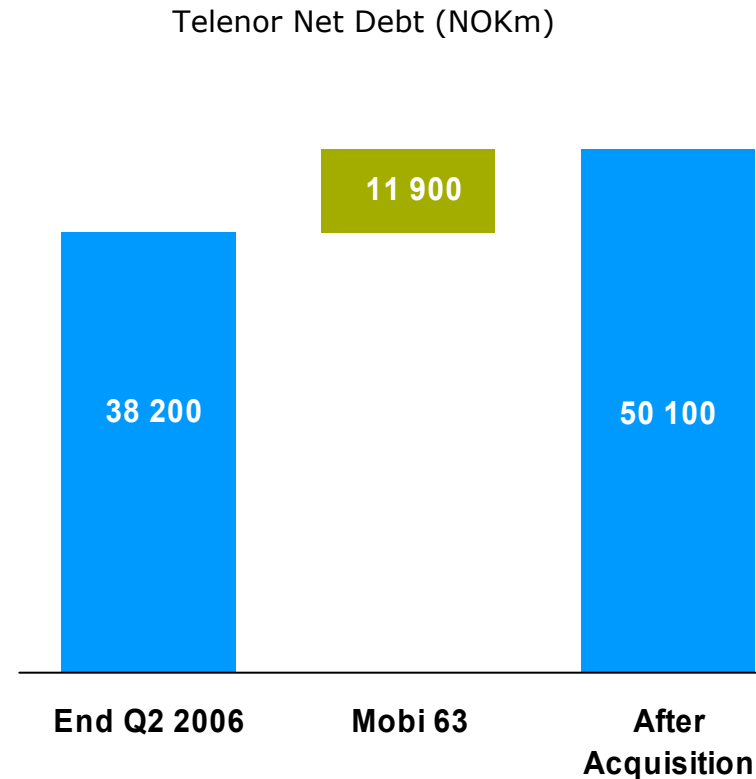
# A Solid Business Case

- Targets 2010
  - 100% mobile penetration
  - Above 50% market share
  - ARPU of around EUR 9
  - EBITDA margin of around 45%
- CAPEX/Sales
  - Above 20% the three first years
  - Mid term ambition of below 12%



# Implications to Telenor's Financials

- Marginally increase the EBITDA margin
- Net Debt/LTM EBITDA of 1.7
- Financial expenses could be impacted if rating downgrade



# Serbia – A Great Opportunity for Telenor

- Attractive growth in a two player market
- Establish an industrial mobile cluster in the Balkan area
- Significant scope for turnaround

