

Telenor acquires Vodafone Sweden

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Transaction overview

- Telenor acquires 100% of Vodafone Sweden
- Purchase price equivalent to EUR 1,035 million
- The transaction will be concluded by the turn of the year 2005/06, provided approval from EU competition authorities



Transaction rationale

- A strong position for Telenor in the Nordic region
 - Acquisition in line with Telenor's strategy
 - Enables competitive pan-Nordic service offering
 - Increases Telenor's Nordic mobile scale with 1.5 million subs
- Growth potential in a mature market
 - Growth potential in Swedish fixed to mobile migration
 - Utilising Vodafone Sweden's world class 3G network
- Vodafone Sweden has a strong market position
 - Number 2 in the Swedish business market
 - 30% market share among corporate customers
 - High blended ARPU

A strong position for Telenor in the Nordics

- Strong mobile and broadband presence
- Second largest mobile operator with 5.6 million subscribers
- Second largest broadband provider with 950 thousand subscribers*
- Largest TV distributor with 2.7 million subscribers

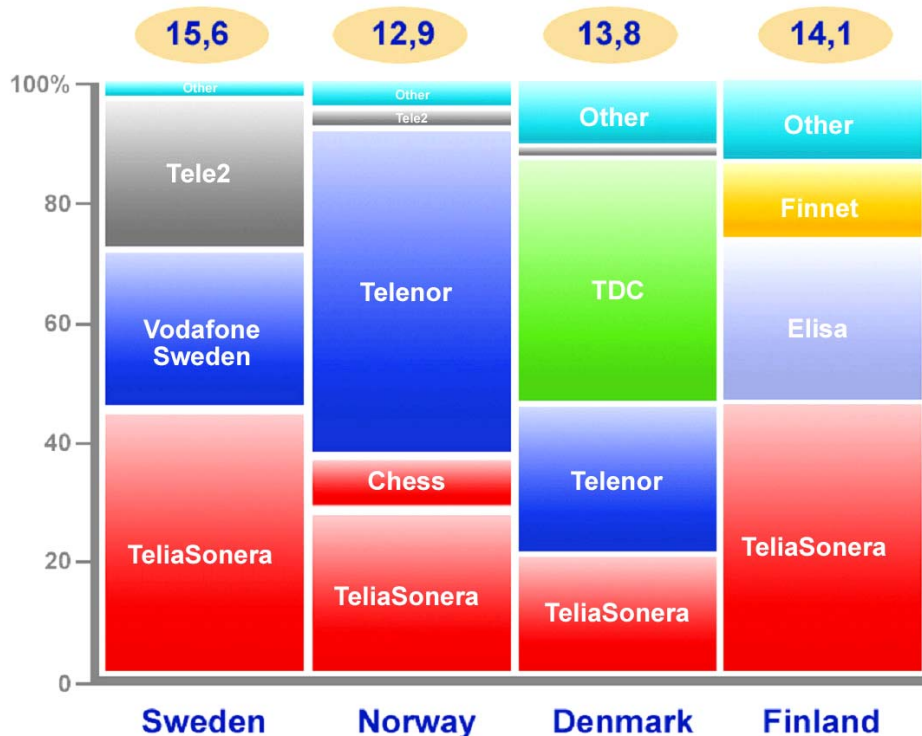


*Including cable TV Internet access



Increasing our Nordic mobile scale

Revenue 2004 (NOK Bn)



Notes:

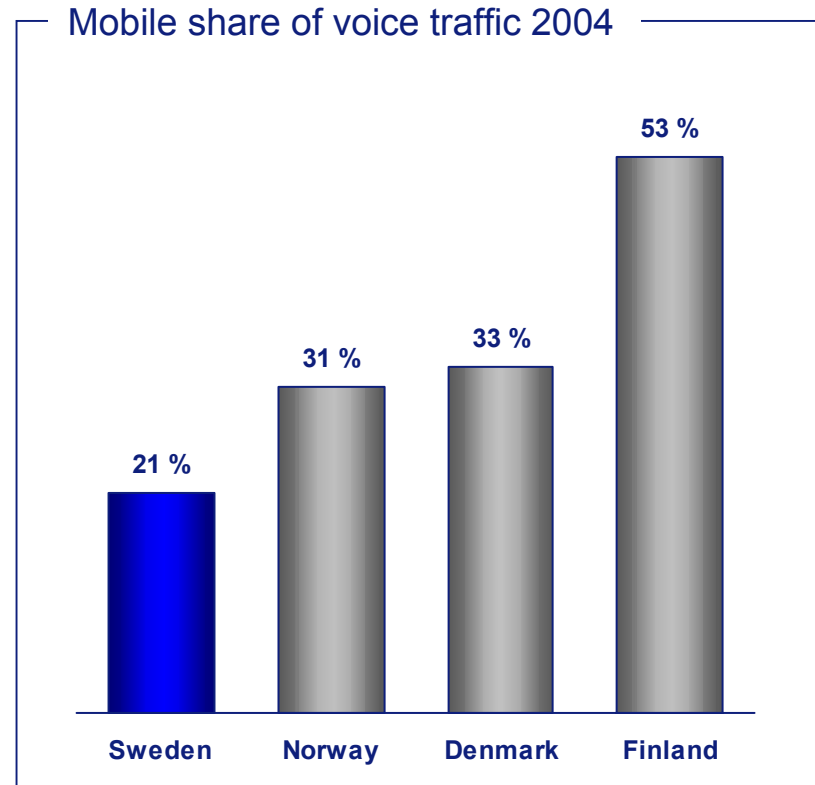
Retail revenue only; wholesale and termination revenues not included

Source: National Regulatory authorities

- Nordic mobile scale increases with 1.5 mill. subscribers to 5.6 mill. subscribers
- Telenor established as a provider of pan-Nordic services for corporations and travellers
- Successful partnership with Elisa in Finland
- Scale and footprint makes Telenor an attractive partner in the Nordic region

Growth potential in Swedish mobile

- Large potential to replace fixed telephony traffic in the Swedish market
- The Nordic fixed-mobile migration patterns are likely to align over time
- Main driver:
 - Reduced price difference mobile/fixed



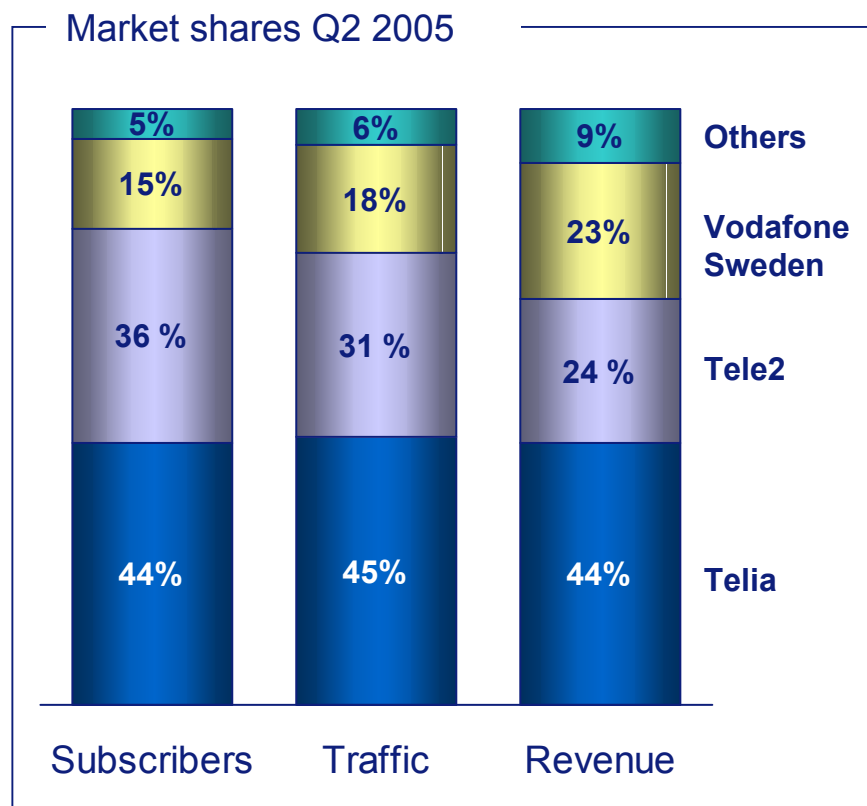
Vodafone Sweden has a world class 3G network

- 85 % population 3G-coverage
- More than 5,000 sites in operation
- SEK 3.5 Bn invested
- Building a shared network with Hi3G outside main cities

**Vodafone Sweden's
current 3G coverage**



Vodafone Sweden has a strong market position



- Number 2 in the corporate segment with 30 % market share
- Large proportion of high value customers
 - High blended ARPU
 - SEK 288*
- 63 % contract customers*

*ARPU and customers are Q2 figures

Going forward

- Strengthen market position and operational efficiency
- Realise selective synergies within Scandinavian operations
- Telenor and Vodafone partnership in Sweden
- Develop new Nordic offerings
- Migrate customers from existing MVNO agreement with Tele2

Key financials

	Key Financials (NOK Mn) ¹			
	FY 03 ³	FY 04 ³	1H 2004 ⁴	1H 2005 ⁴
Revenues ²	6,003	6,151	3,067	2,692
<i>Growth (%)</i>	8,8	2,5		
EBITDA	1,817	1,219	600	396
<i>Margin (%)</i>	30.3	19.8	19,6	14,7
EBIT	1,096	222	81	(393)
Net Income	823	168		
Capex	1,902	1,788	1,048	697
Subs ('000)	1,438	1,541	1,479	1,524

(1) SEK-NOK average exchange rates: FY 04 (0.8731), FY 05 (0.91838), 1H 2004 (0.91838), 1H 2005 (0.87441)

(2) Includes revenues from sale of handsets

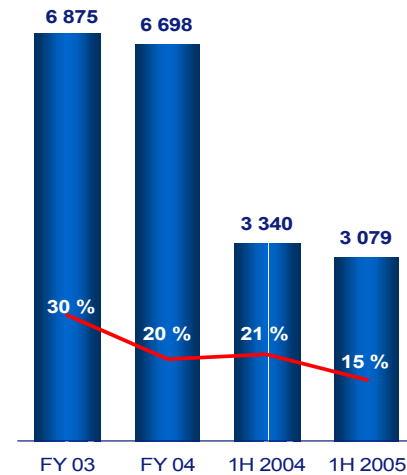
(3) FY 03 is from 01.04.2003 to 31.03.2004 and FY04 is from 01.04.2004 to 31.03.2005

(4) 1H is from 01.01 to 30.06

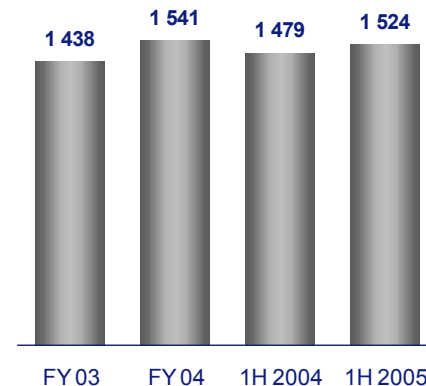
Financial development

- Pressure on prices reduce income
- Aggressive market initiatives
- Increased costs from 3G roll-out
 - Operating two networks
 - Handset subsidies

Revenues (SEK Mn) / EBITDA %



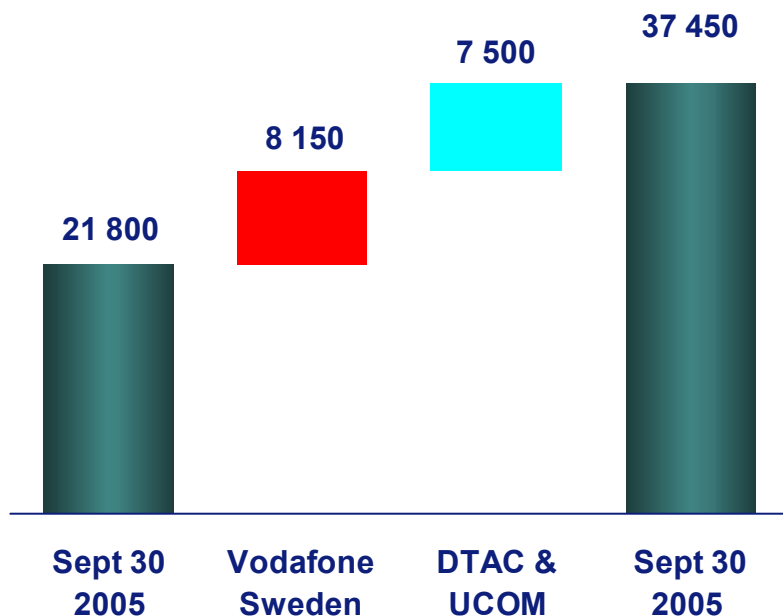
Subscriptions ('000)



(1) FY 03 is from 01.04.2003 to 31.03.2004 and FY04 is from 01.04.2004 to 31.03.2005
(2) 1H is from 01.01 to 30.06

Impact to Telenor's Consolidated Financials

Pro Forma Net Debt (NOK m) September 30th 2005



After Consolidation of Vodafone Sweden
Telenor's last twelve months pro forma:

- Revenue is increased by 8%
 - EBITDA is increased by 4%
- The transaction is EPS delusive on a historical pro forma basis

(1) LTM proforma figures includes 56.9 % ownership in TAC

Summary

- A strong position for Telenor in the Nordics
- Growth potential in a mature market
- Vodafone Sweden has a strong market position

