

Telenor – First Quarter 2004

Group Overview

Jon Fredrik Baksaas

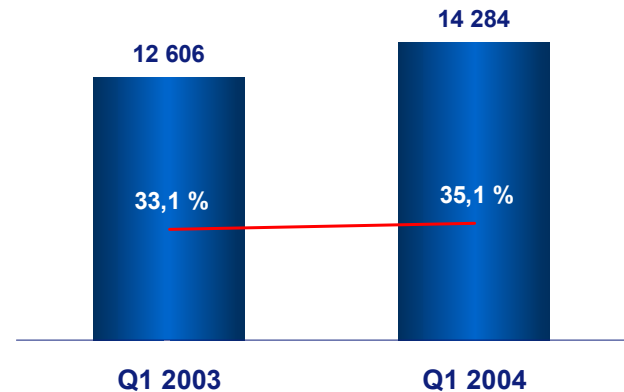
CEO

Q1 2004

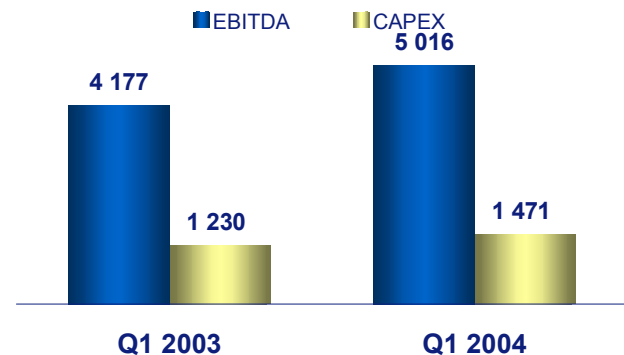
Continued strong growth in revenues and margins

- Revenue growth of 13% to 14.3 NOKbn
- EBITDA 5.0 NOKbn - improved by 0.8 NOKbn
 - Increased operational efficiency
- Mobile revenue growth of 34%
- Domestic:
 - Growth in mobile subs and ARPU
 - Solid Fixed Line
 - ADSL: Net adds 31.000
- Record quarter for Broadcast

Revenues (NOKm) / EBITDA %



EBITDA and Capex (NOKm)



Q1 2004

Simplifying the group structure

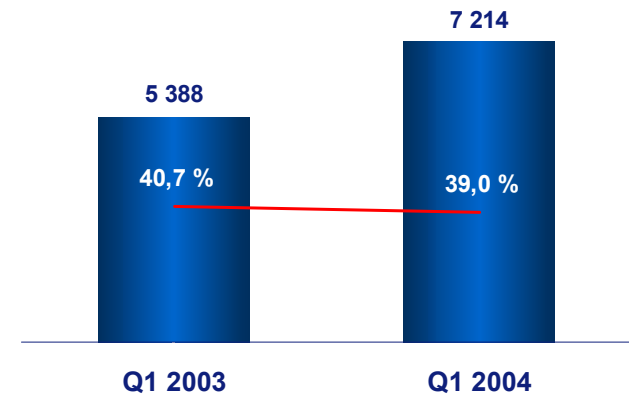
- **Consolidation of Sonofon from 12 Feb**
- **NOK 2.6 bn gain from sale of the remaining shares in Cosmote**
- **IT-Services to EDB and Accenture**



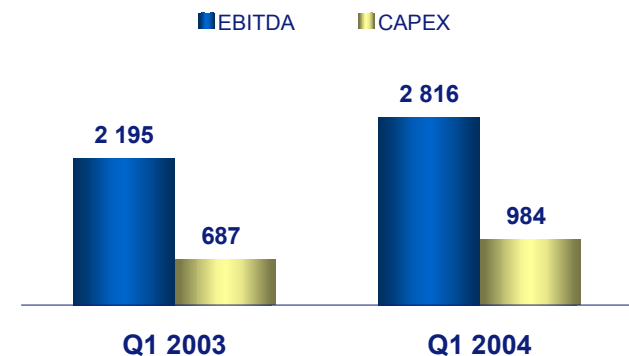
Mobile Highlights

- **Revenue growth of 34%**
- **EBITDA margin down**
 - consolidation of Sonofon
 - priority on stabilising market share in Norway
- **International mobile:**
 - continued strong growth
 - solid operational performance
- **Acquired GSM license in Pakistan**

Revenues (NOKm) / EBITDA %



EBITDA and Capex (NOKm)

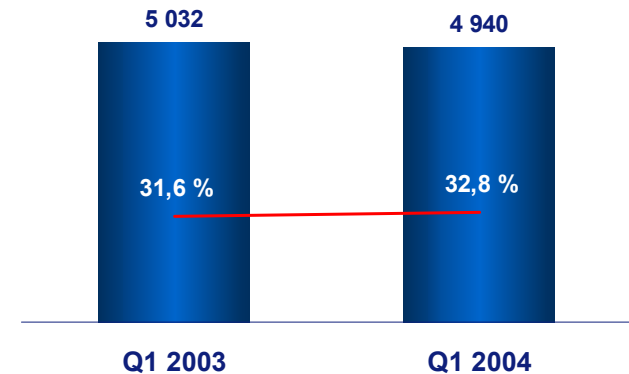


Consolidated figures –
Sonofon from 12.02.04

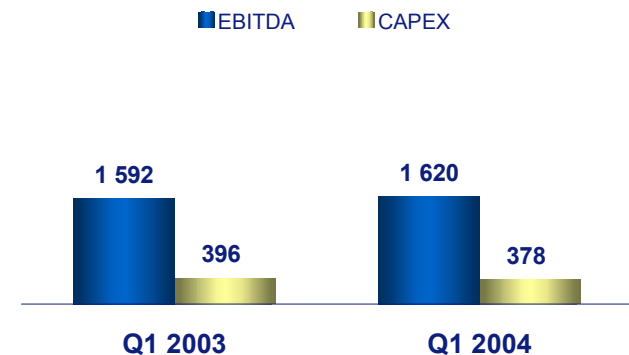
Fixed Highlights

- Revenues down 1.8%
- Domestic
 - revenues down 1.4%
 - EBITDA-margin increased to 36.1% (34.7%)
 - Traffic market share 69%
 - The shift in revenue composition continues...

Revenues (NOKm) / EBITDA %



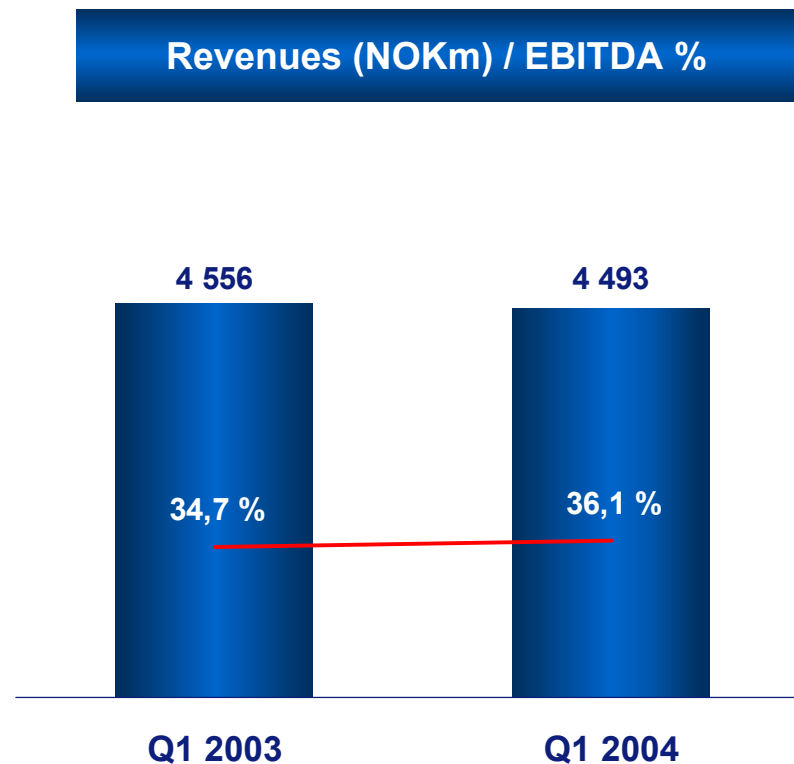
EBITDA and Capex (NOKm)



Domestic Fixed Line

Shift in revenue composition continues

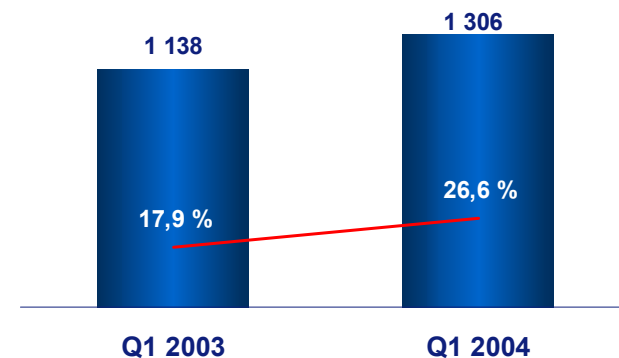
- **Reduced retail subscriber revenues compensated by**
 - increased ADSL revenues
 - wholesale line rental revenues
- **ADSL subscriptions increased by 31.000 vs. Q4 to 208.000**
- **Successful launch of new ADSL products**



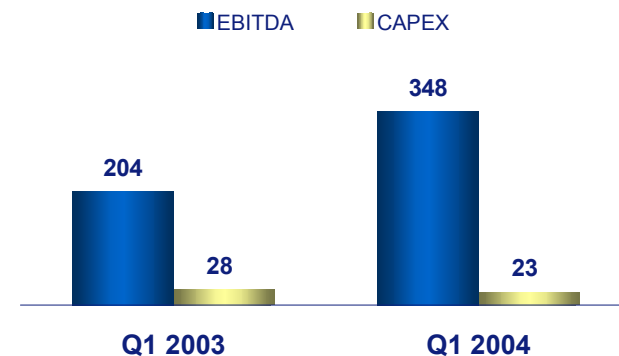
Broadcast Highlights

- Revenue growth of 15%
- Record EBITDA margin of 26.6% in Q1
 - Distribution EBITDA margin 18.1% (9.7%)
 - Transmission EBITDA margin 50.2% (41.9%)
- Increased DTH market share

Revenues (NOKm) / EBITDA %



EBITDA and Capex (NOKm)



Focus and Strategy

- **Maintain a strong home market position**
- **Execute Scandinavian mobile synergies**
- **Create value in international mobile**
- **Increased transparency and simplicity**



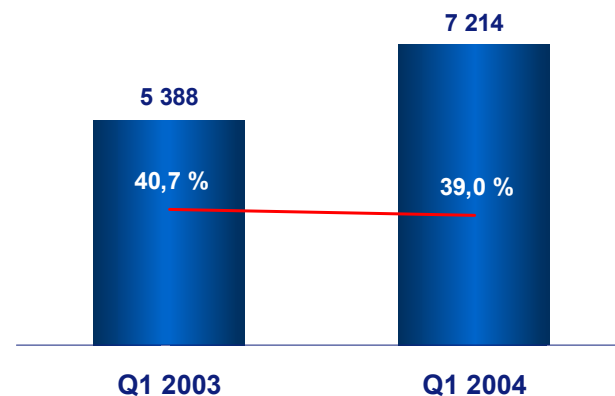
Mobile

First Quarter 2004

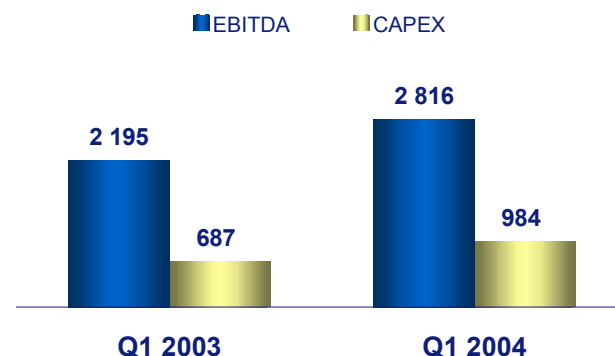
Mobile Highlights

- **Record revenues, EBITDA and Cash Flow**
- **All time highs in ...**
 - ... net adds in DiGi and GrameenPhone
 - ... EBITDA in Pannon and DiGi
 - ... Operational cash flow in Pannon and DiGi
- **Increased post paid ratio for Telenor Mobil and Pannon**
- **Sonofon consolidated from February 12**
- **2.6 BNOK in gain from sale of the remaining shares in Cosmote**
- **Acquired GSM license in Pakistan**

Revenues (NOKm) / EBITDA %



EBITDA and Capex (NOKm)



Consolidated figures –
Sonofon from 12.02.04



Mobile

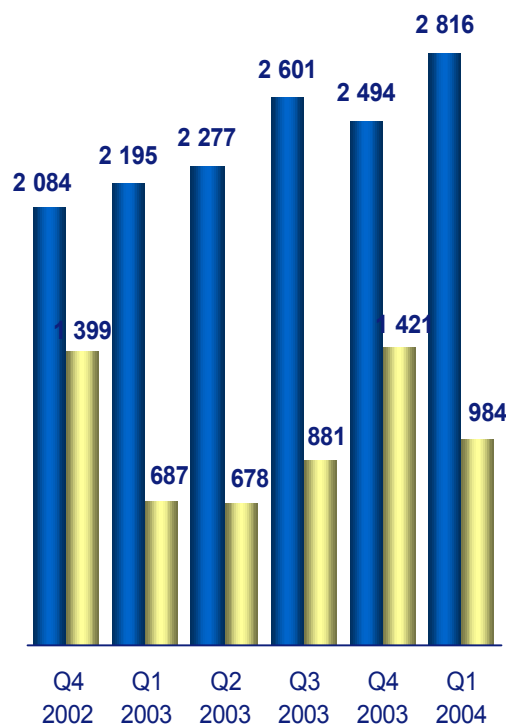
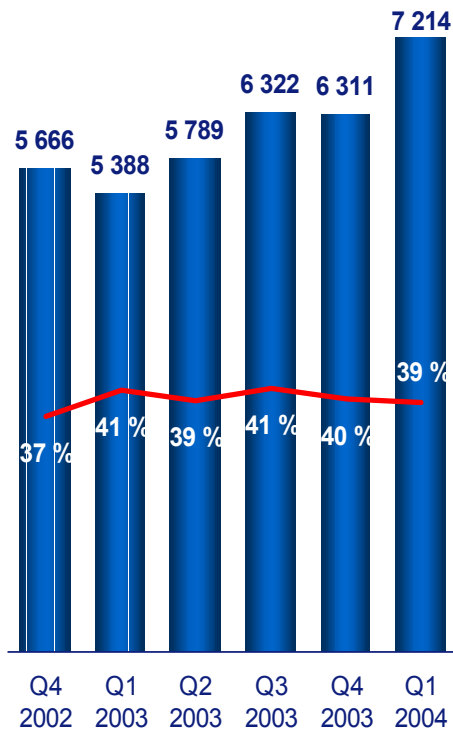
Quarterly financial development

Revenues (NOKm) / EBITDA %

EBITDA and Capex (NOKm)

EBIT (NOKm)

■ EBITDA ■ CAPEX

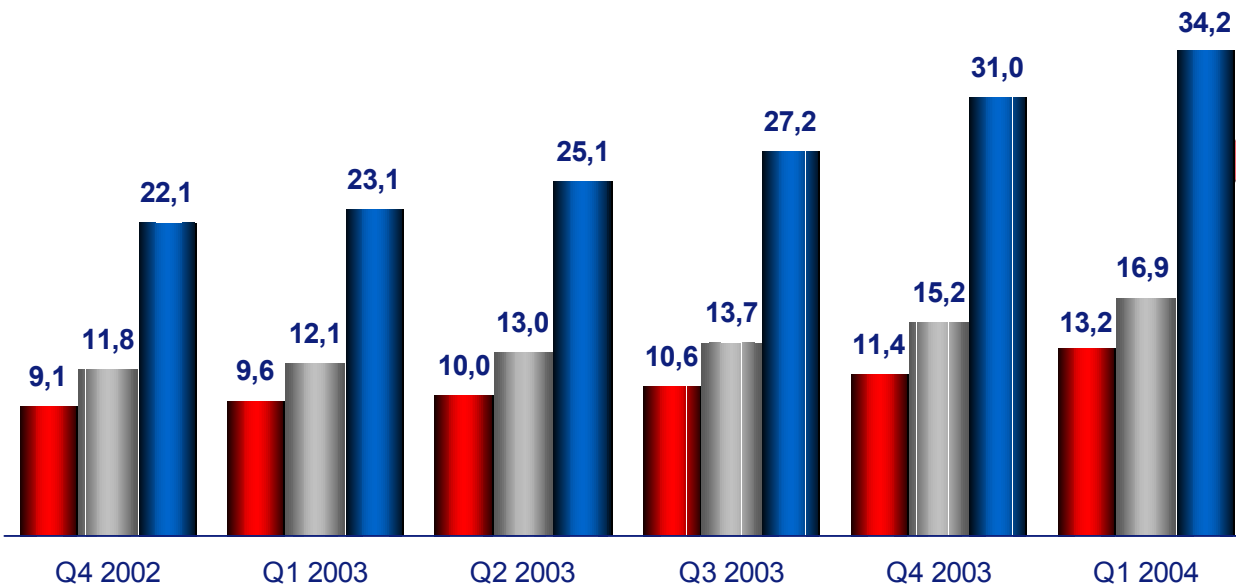
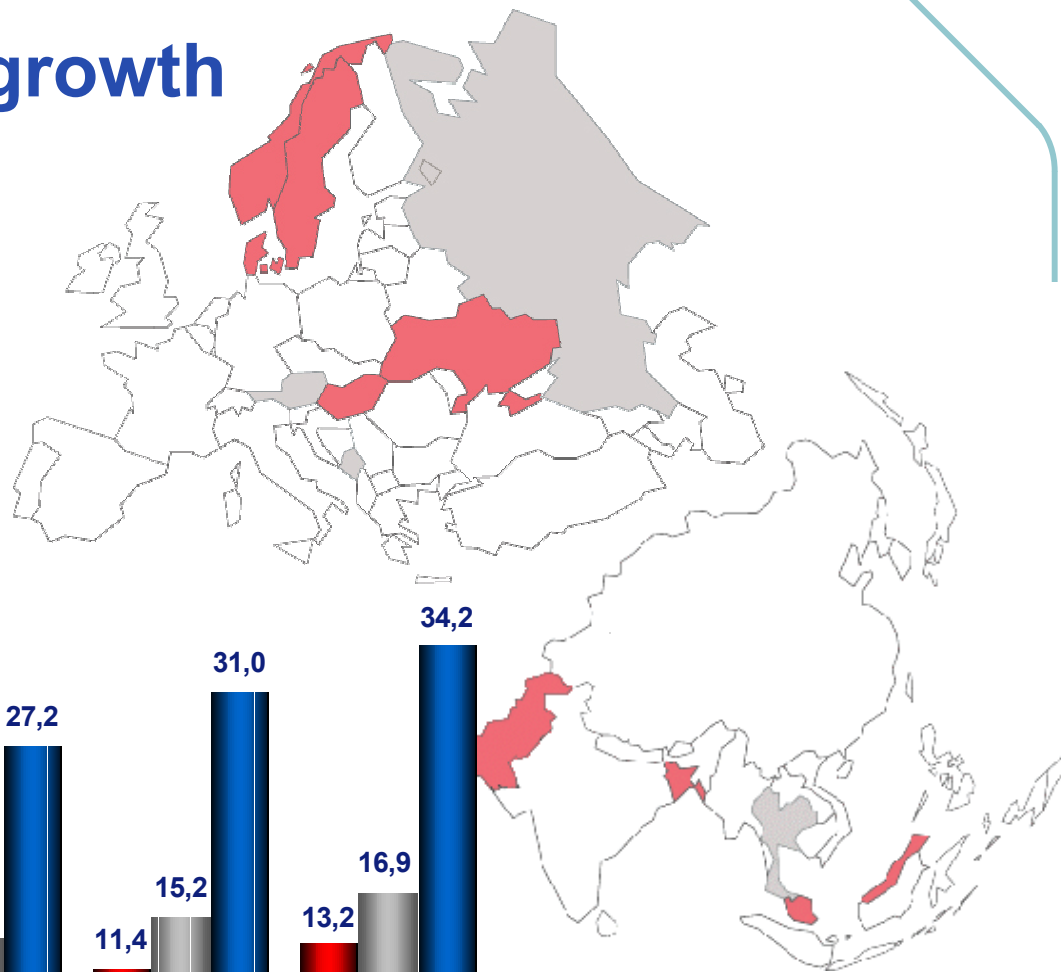


Excludes sales gains / losses

Mobile

Strong subscriber growth

- Total Consolidated
- Total Pro Rata
- 100% figures (all companies)



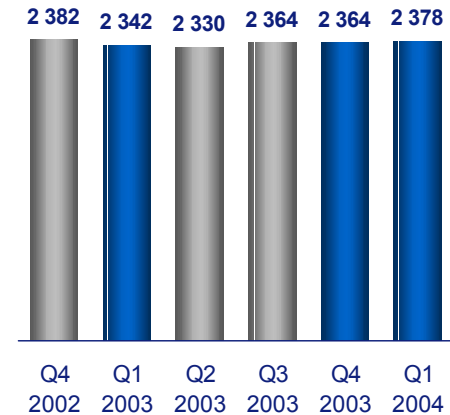
Note: Subscriber figures exclude Cosmote

Telenor Mobil - Norway

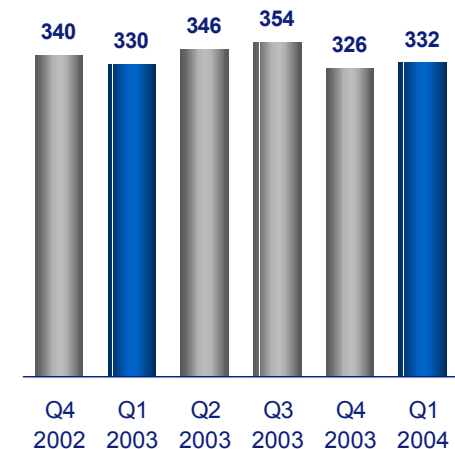
- Market share stabilised
- Revenue growth of 7% from Q1 2003
- Increased postpaid ratio
- Growth in both ARPU and Subscribers
- Continued strong competition



Subscribers ('000)



ARPU (NOK)



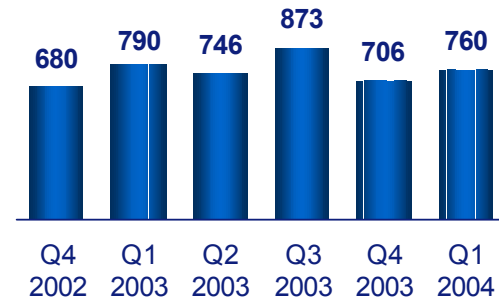
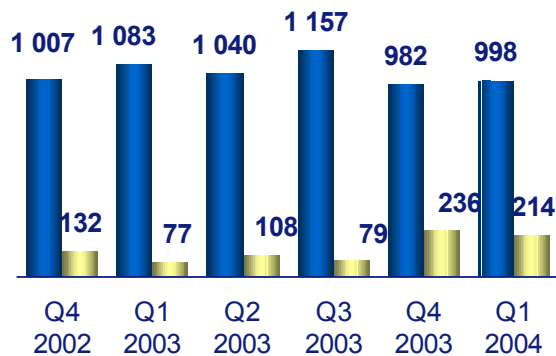
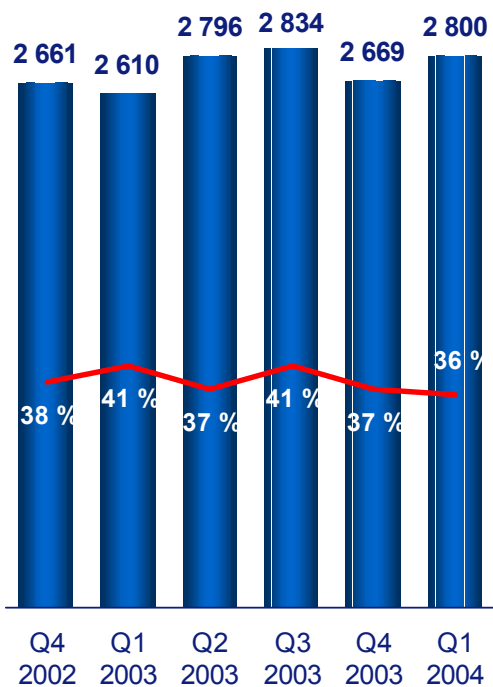
Quarterly financial performance

Revenues (NOKm) / EBITDA %

EBITDA and Capex (NOKm)

EBIT (NOKm)

■ EBITDA ■ CAPEX

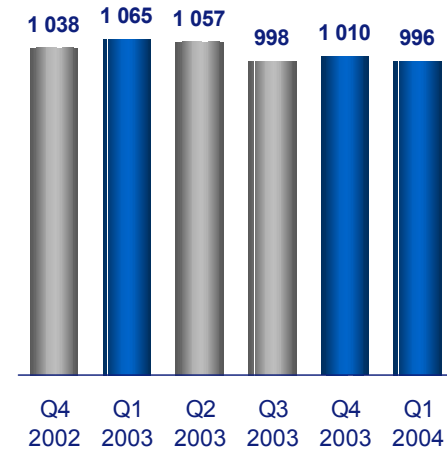


Sonofon - Denmark

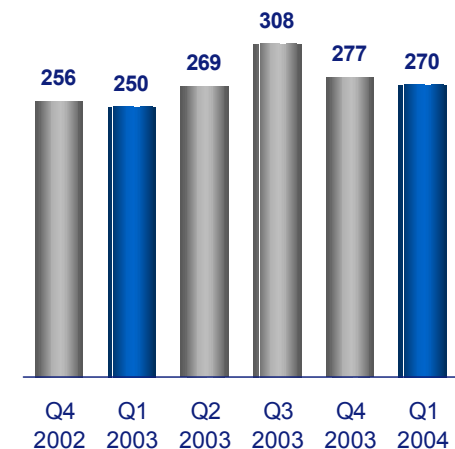
- **Still strong competition with decreasing prices**
- **Market share reduced by 0,5%**
- **Acquired CBB Mobile on April 30th for DKK 130 mill**



Subscribers ('000)



ARPU (NOK)



Note: Subscribers calculated using 3 months churn for prepaid



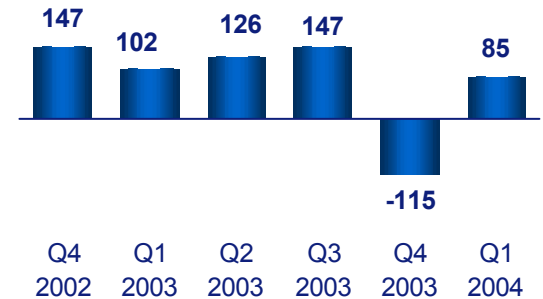
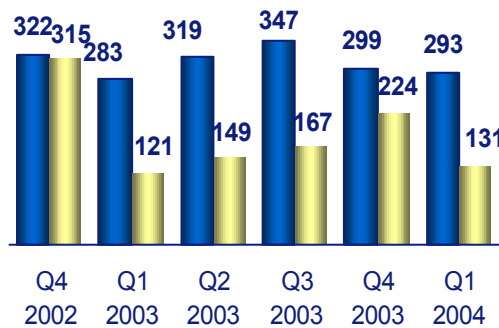
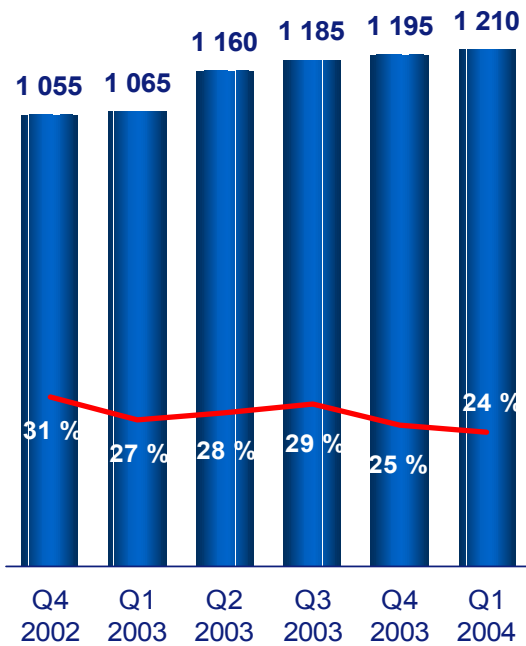
Quarterly financial performance

Revenues (NOKm) / EBITDA %

EBITDA and Capex (NOKm)

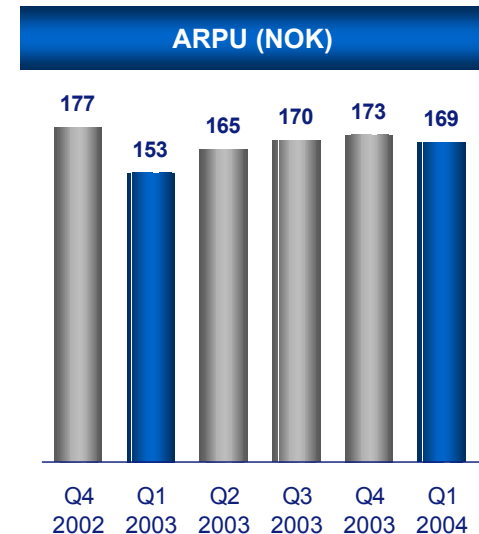
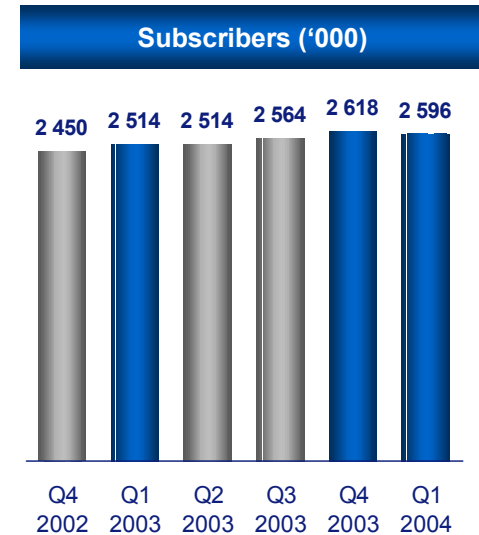
EBIT (NOKm)

■ EBITDA ■ CAPEX



Pannon GSM - Hungary

- All time highs in Q1 in EBITDA and operating cash flow
- Continued strong competition
- A slight reduction in market share to 35%
- Increased postpaid ratio
- New CEO from April 1
- Mobile number portability from May 1



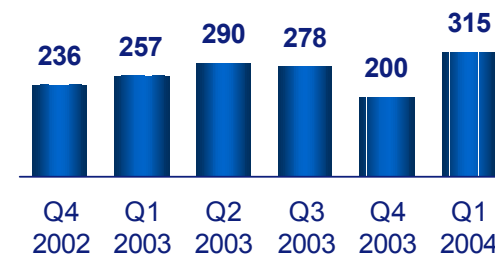
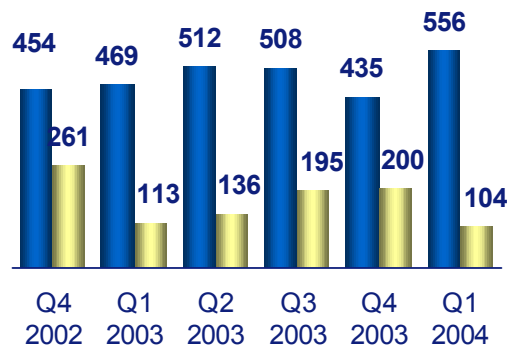
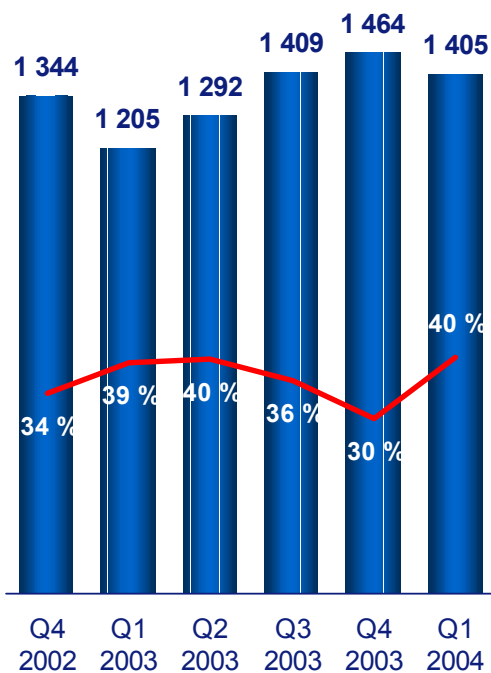
Quarterly financial performance

Revenues (NOKm) / EBITDA %

EBITDA and Capex (NOKm)

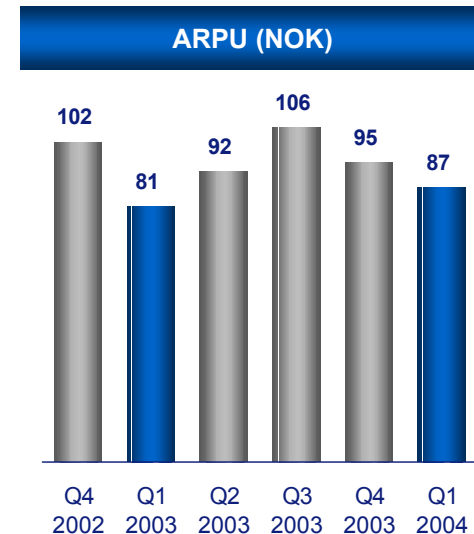
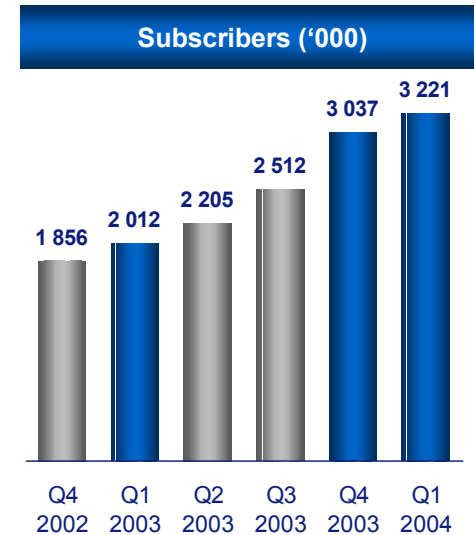
EBIT (NOKm)

■ EBITDA ■ CAPEX



Kyivstar - Ukraine

- Strong Revenue and EBITDA development
- Continued strong subscriber growth
- Activities initiated to gain market share
- Price reductions from April
- Telenor's ownership share increased to 56.5%, April 2



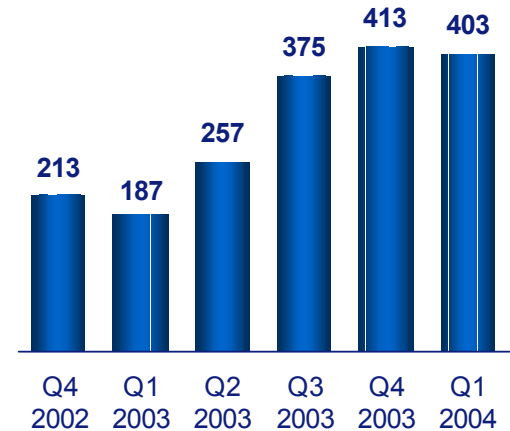
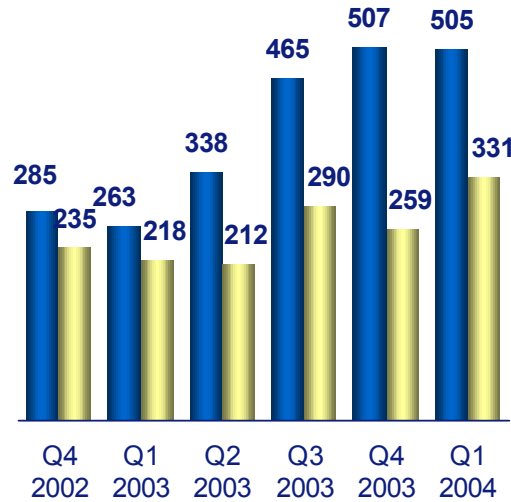
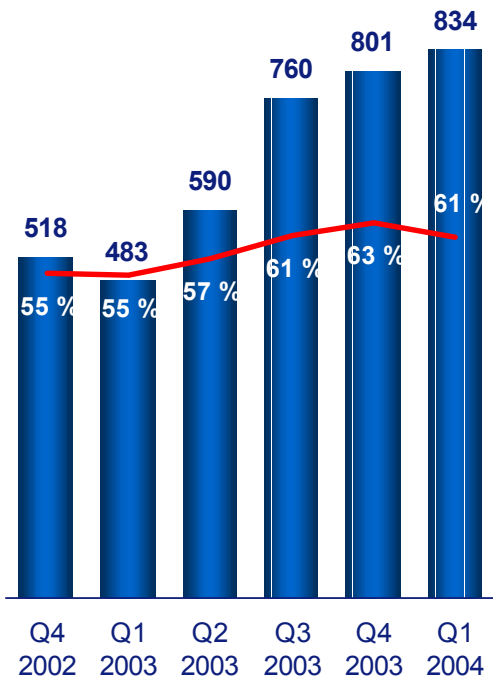
Quarterly financial performance

Revenues (NOKm) / EBITDA %

EBITDA and Capex (NOKm)

EBIT (NOKm)

■ EBITDA ■ CAPEX

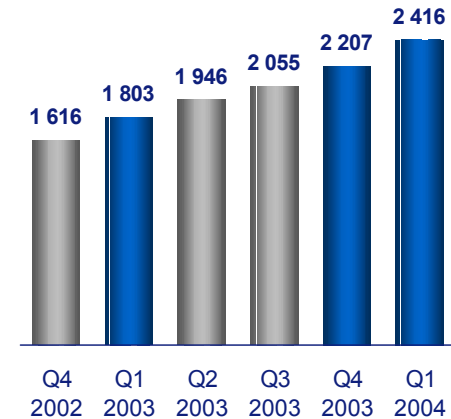


DiGi - Malaysia

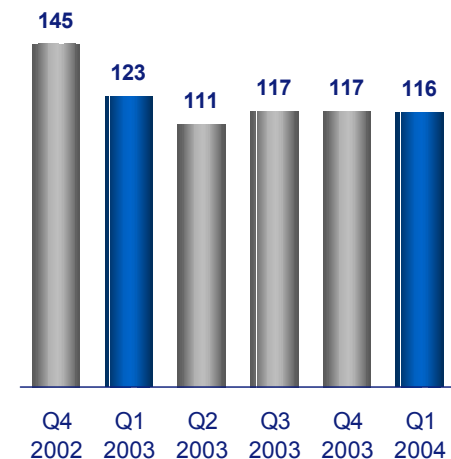
- All time high subscriber growth
- EBITDA of 45%
- Increased market share to 21%
- Increase in SMS volumes and non voice revenues
- ARPU development flat during the last quarters



Subscribers ('000)



ARPU (NOK)





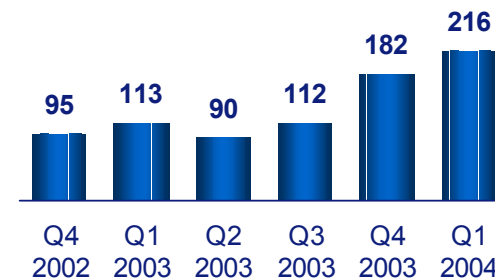
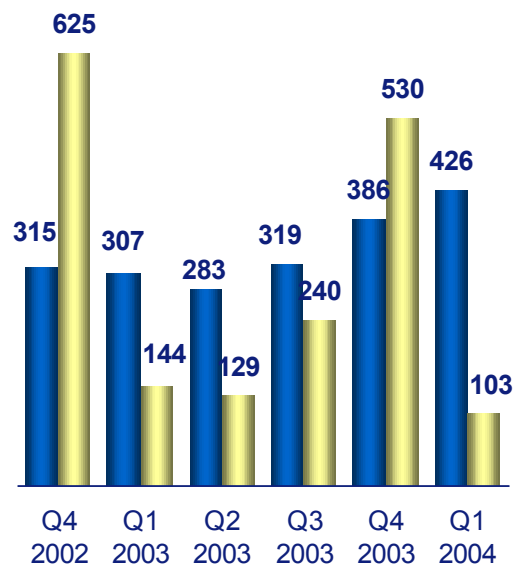
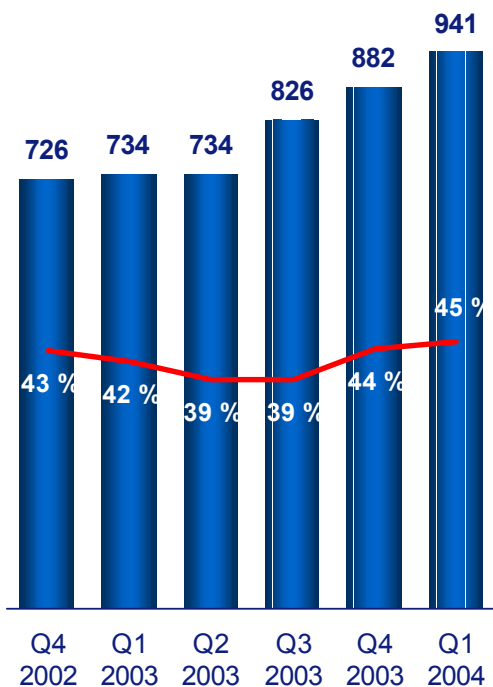
Quarterly financial performance

Revenues (NOKm) / EBITDA %

EBITDA and Capex (NOKm)

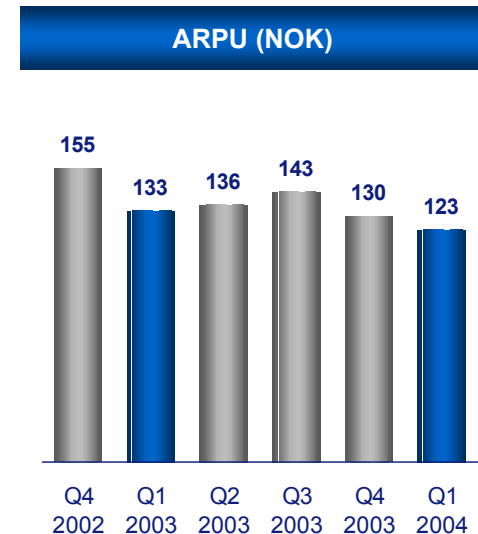
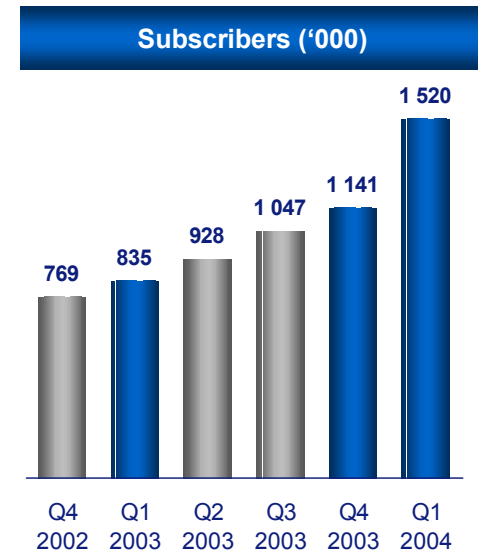
EBIT (NOKm)

■ EBITDA ■ CAPEX



GrameenPhone - Bangladesh

- **All time high subscriber growth**
 - 1.5 million subscriber milestone
- **Increased market share**
 - From 62% to 63%
- **EBITDA of 57%**



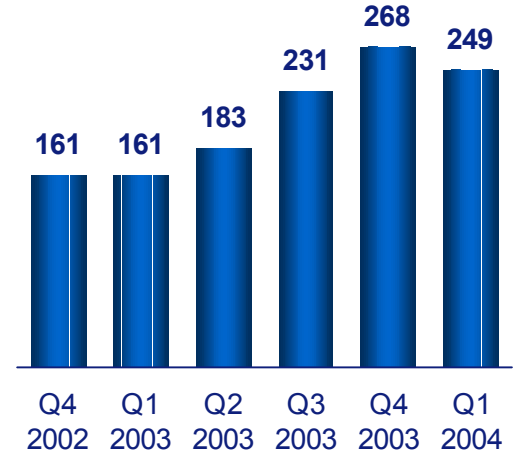
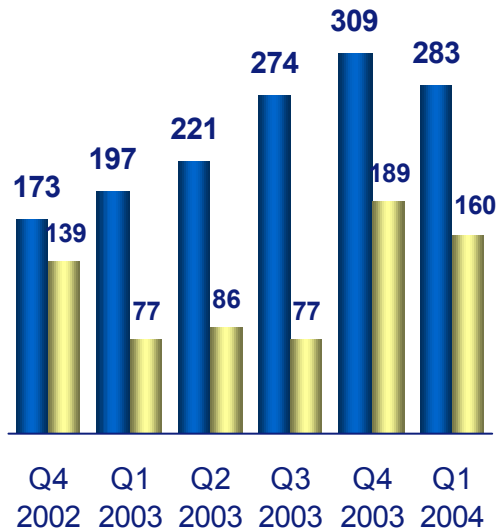
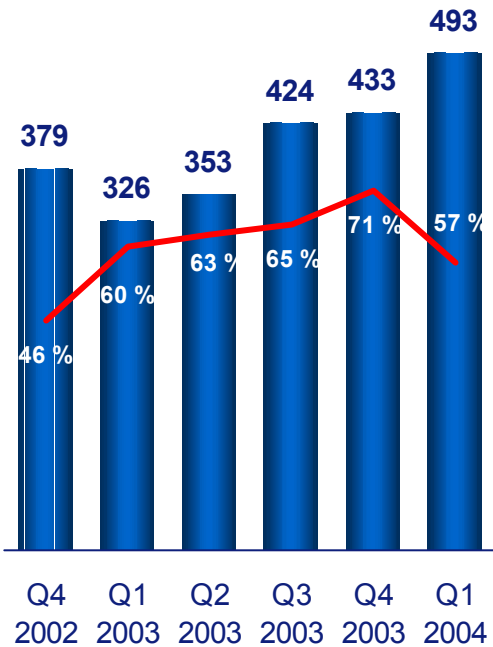
Quarterly financial performance

Revenues (NOKm) / EBITDA %

EBITDA and Capex (NOKm)

EBIT (NOKm)

■ EBITDA ■ CAPEX



Mobile Pakistan

- **Low telecom penetration**
 - Fixed line 2,8%
 - Mobile 2,3%
- **150 million inhabitants**
- **Pakistan represents attractive;**
 - Macroeconomic growth rates
 - Investment terms for foreign investors in telecoms
- **Nationwide licence duration of 15 years**
- **Launch operations April 2005**



Key statistics

	2002a	2003	2004f	2005f
GDP per capita (\$)	415	471	525	548
GDP per capita, PPP adj. (\$)	2,000	2,079	2,185	2,300
GDP-growth (real)	3.8%	5.8%	5.4%	5.2%
Consumer price inflation	3.3%	2.5%	4.5%	5.2%
Interest rate (T-bill yield)	6.75%			
Population below poverty line	35.0%			
Literacy rate	55.0%			

Note: GDP at market exchange rates
Source: EIU, CIA World Fact Book

DTAC and VimpelCom

- **Strong growth in subscribers**
 - VimpelCom 13.2 Million ¹
 - DTAC 7 million ²
- **Telenor' share of Market Value**
 - VimpelCom: 10.5 billion NOK ³
 - Vimpel-R, derived: 3.3 billion NOK ³
 - Market value DTAC and UCOM: 3.2 billion NOK ³

Note 1: Figures as at March 25 2004

Note 2: Subscriber figures published by company

Note 3: Stock exchange rates as at May 4 at CET 17.35 hours (VIP) and May 4 (DTAC and UCOM)

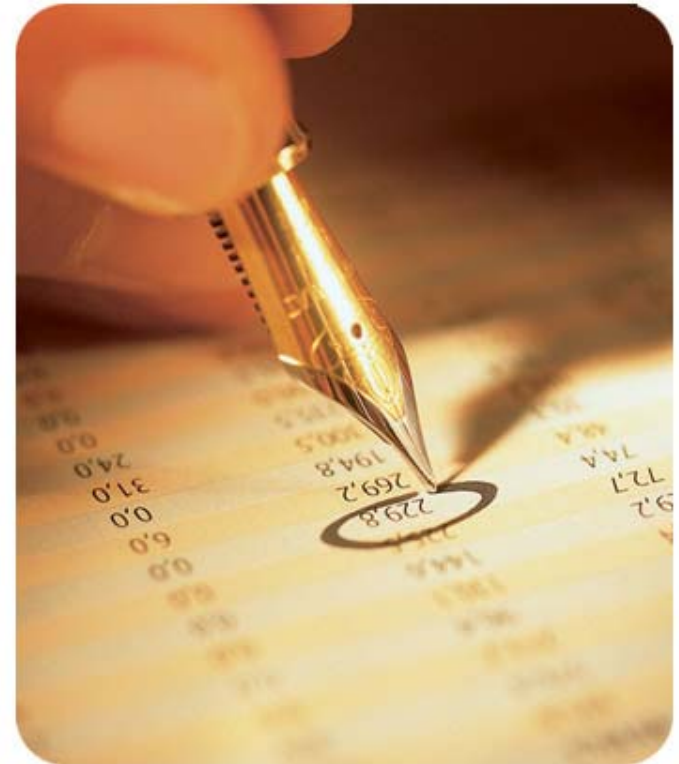
Group Financial Overview

Q1 2004

Torstein Moland
CFO

Key messages Q1 2004

- Revenue growth of 13%
- EBITDA-margin up to 35.1% from 33.1%
- Strong growth in international mobile
- Simplified the group structure further



Reported P&L

	Q1 2004	Q1 2003	2003	2002
Revenue	14 284	12 606	53 121	48 826
EBITDA	5 016	4 177	18 302	13 469
EBIT	2 282	1 475	7 560	(320)
Profit before Tax	4 674	1 047	7 426	(5 136)
Net Income	2 801	597	4 560	(4 298)

NOKm

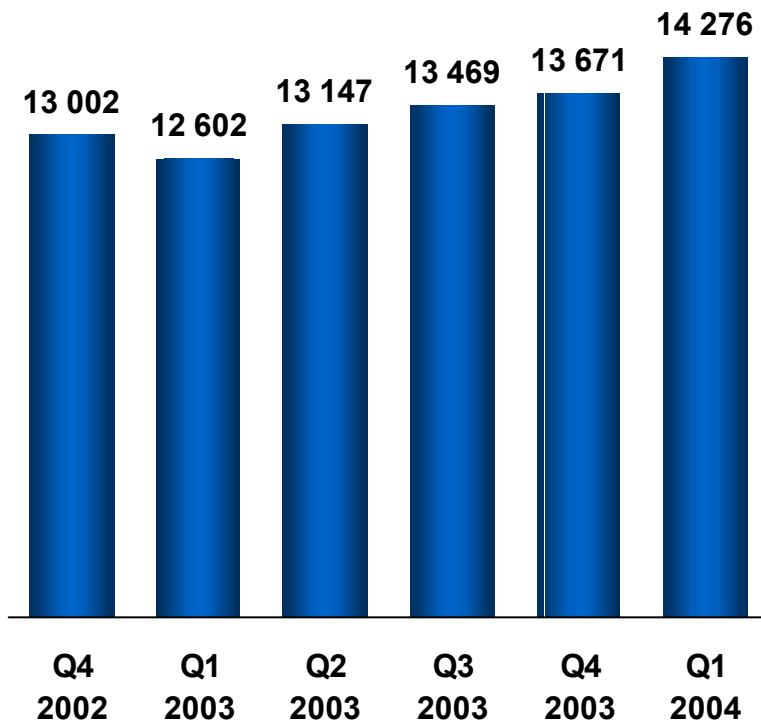
Adjusted P&L

	Q1 2004	Q1 2003	2003	2002
Revenue	14 276	12 602	52 889	48 668
	5 035	4 189	18 586	14 506
	2 304	1 503	7 989	4 270
	133	(100)	(251)	(205)
	2 105	1 095	6 300	2 488

NOKm

Solid quarterly revenue growth

Revenues (NOKm) *



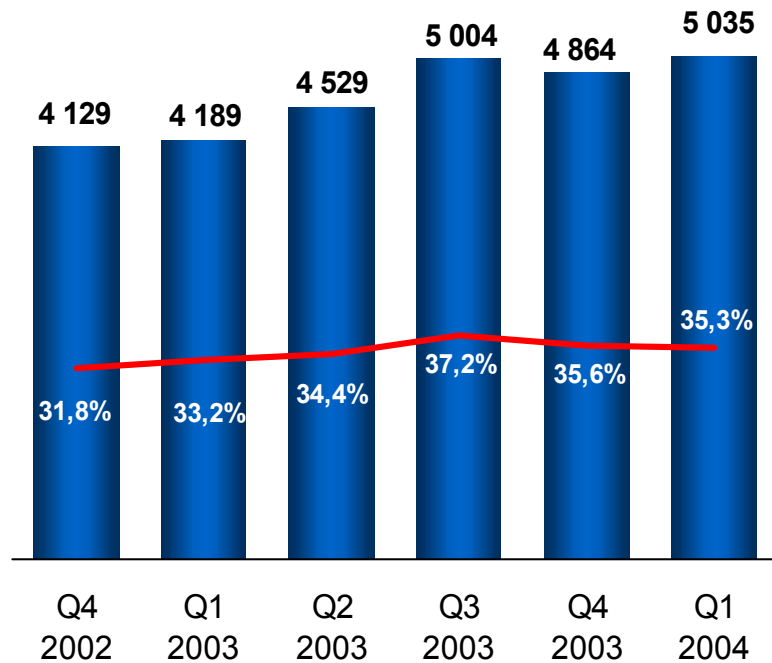
Comments Q1 (YoY)*

- **Revenue growth of 13.3%**
 - underlying growth of 9%
- **Business area growth**
 - Mobile: 33.9%
 - Fixed: (1.8)%
 - Broadcast 14.8%

* Revenues adjusted for sales gains

EBITDA – margin increased by 2%-points

Adjusted EBITDA (NOKm) and Margin



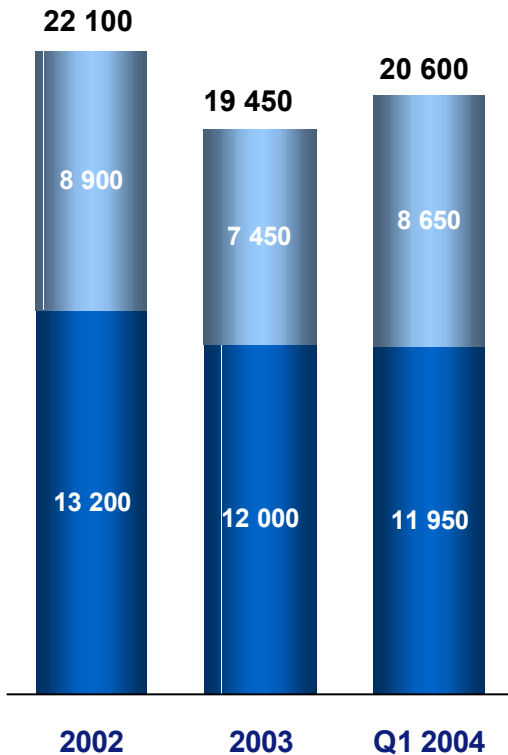
Comments

- Mobile increased share of Group EBITDA
- Consolidation of Sonofon contributes negatively to Group margin
- Increased margin in Fixed, Broadcast and Other

Cost cutting and capital discipline

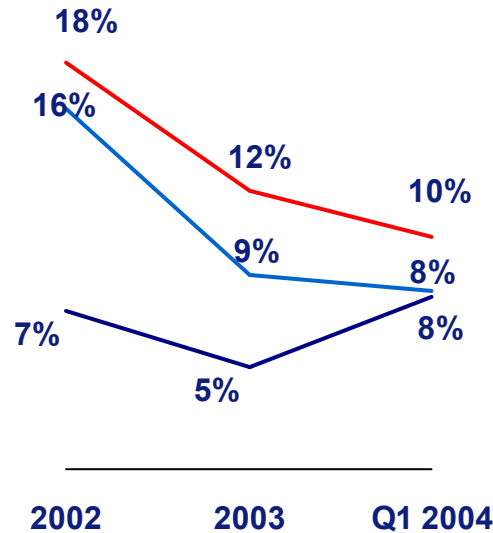
Headcount

- International
- Domestic

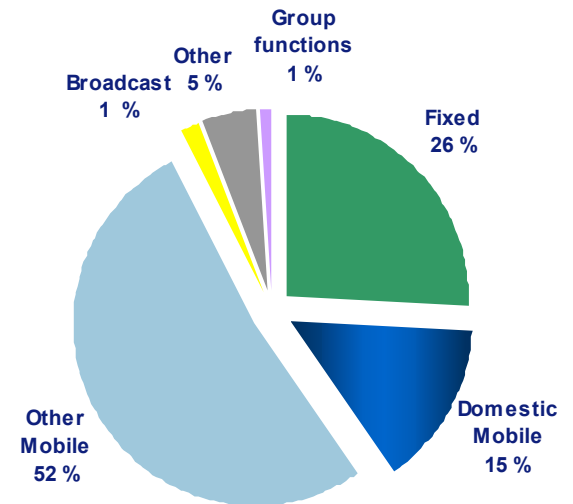


Capex / Sales

- Domestic Fixed
- Domestic Mobile
- Total Capex/Sales

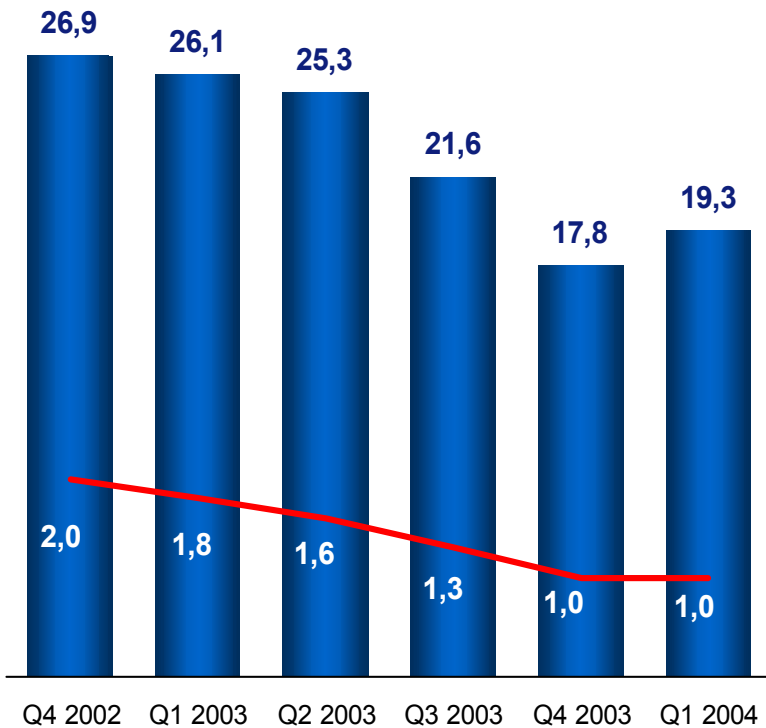


Capex Breakdown (NOKm)



Unchanged Net Debt/EBITDA

Net Debt (NOKbn) to LTM EBITDA (x)

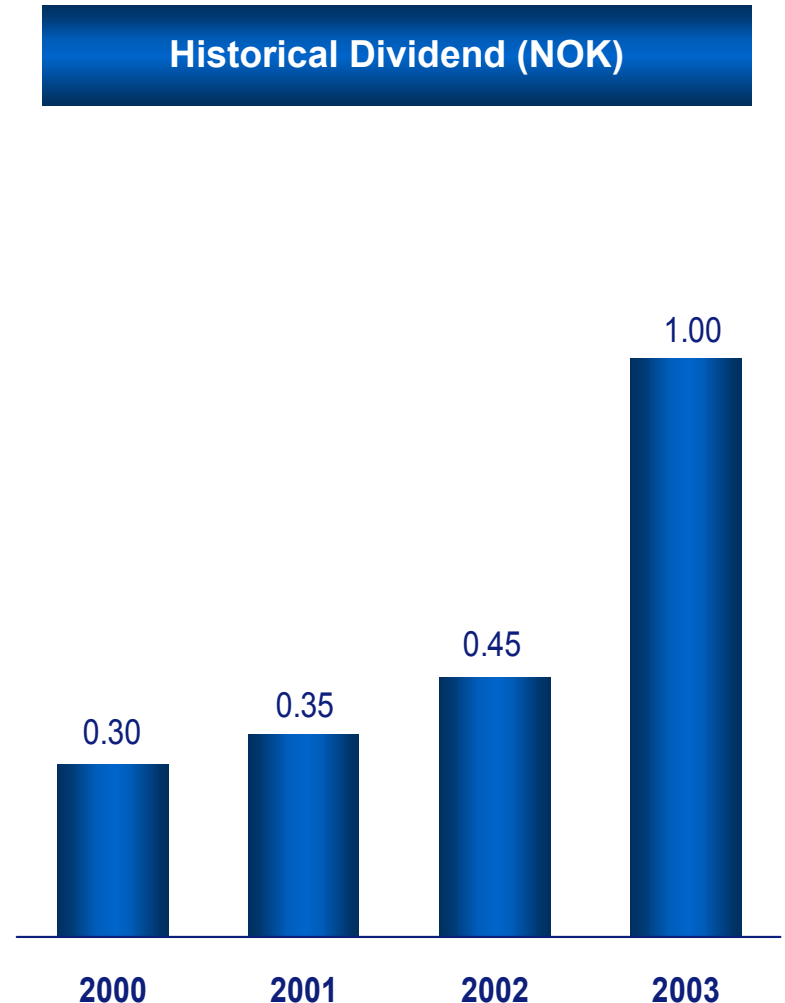


Net Debt Changes (NOKbn)

Net Debt 31 Dec 2003	17.8
EBITDA	- 5.0
Net Interest	+ 0.3
Income tax paid	+ 0.2
Acquisition Sonofon	+ 6.9
Sale of Cosmote	- 3.1
Net other investments	+ 1,4
Share buy back	+ 0.6
Currency adj. net debt	+ 0.2
Net Debt 31 March 2004	19.3

Dividend and share buy back

- **Dividend**
 - 2003 dividend of NOK 1
- **Cancelling of shares at the AGM**
 - 12.8 mill shares acquired in the market
 - 14.5 mill shares from the government
 - 28.1 mill treasury shares from the IPO
 - Total 55.4 mill shares (3.1% of outstanding shares)
 - Outstanding shares after AGM: 1,749 mill
- **Increase share buy back authority from 5% to 10%**



Outlook for 2004

Mobile

- Growth in revenues
- Pressure on international EBITDA margin
- Increased Capex

Domestic Fixed Line

- Revenues: Reduced access and traffic revenues, increased ADSL revenues
- Stable underlying margin

Broadcast

- Continued revenue growth
- EBITDA and EBIT growth
- Increased Capex due to satellite acquisition

Telenor Group

- Continued revenue growth
- Stable EBITDA margin
- Capex above 2003

Appendix

International mobile associates

(100% figures in NOK millions according to local GAAP)

	Subscriptions ('000) ¹⁾			Revenues YTD			EBITDA YTD ²⁾			CAPEX YTD		Net debt ³⁾
	Dec 31 2002	Dec 31 2003	%-change 2002/2003	Dec 31 2002	Dec 31 2003	%-change 2002/2003	Dec 31 2002	Dec 31 2003	%-change 2002/2003	Dec 31 2002	Dec 31 2003	Dec 31 2003
Europe												
One (Austria)	1 348	1 420	5 %	4 631	5 299	14 %	1 172	1 568	34 %	668	735	11 067
Pro Monte	177	241	36 %	419	453	8 %	199	215	8 %	62	62	-54
Russia												
VimpelCom ⁴⁾	5 153	11 437	122 %	6 148	9 407	53 %	2 578	4 319	68 %	4 073	5 127	3 026
Southeast Asia												
DTAC	5 455	6 550	20 %	5 982	5 384	-10 %	1 948	2 057	6 %	2 104	932	7 171
UCOM ⁵⁾	-	-		3 250	3 759	16 %	337	227	-33 %	76	29	808

1) Subscriber figures based on companies own counting methods

2) EBITDA consists of earnings before interest, tax, depreciation and amortization excluding gains/(losses) from sales of fixed assets and operations

3) Net debt consists of long term and short term interest-bearing debt minus cash. Closing exchange rates used

4) VimpelCom CAPEX excludes acquisitions of new entities

5) UCOM classified according to NGAAP. Figures for DTAC are not included