



Telio Holding ASA

Q2 07 presentation

Eirik Lunde, CEO

Oslo, August 22nd, 2007



Telio Holding ASA

- Leading European broadband telephony provider
- Committed to improving user experience and reducing cost to subscribers
- Innovative products and services based on scalable, access independent technology platform
- World renowned technology experts
- Headquartered in Oslo, listed on OSE with ticker "telio"

Q2 07 highlights

- Continued Customer Growth
 - Subscribers: 133,800, an increase of 1,700 in Q2
 - Revenues: NOK 90.5 million, 30% increase compared to Q2 06

- Financials
 - 18% EBITDA
 - Operating profits of NOK 3.0 million
 - Gross margin stable, OPEX continues to scale
 - Healthy cash position: NOK 119.6 million

- Customers & distribution
 - SMB launched in Norway
 - Cooperation with Tandberg on VVoIP
 - Level number of customers in Norway due to cancellation of non calling customers
 - Satisfactory net customer increase in July
 - Successful branding campaign initiated in May/June
 - Continuous customer growth in Denmark and Netherlands

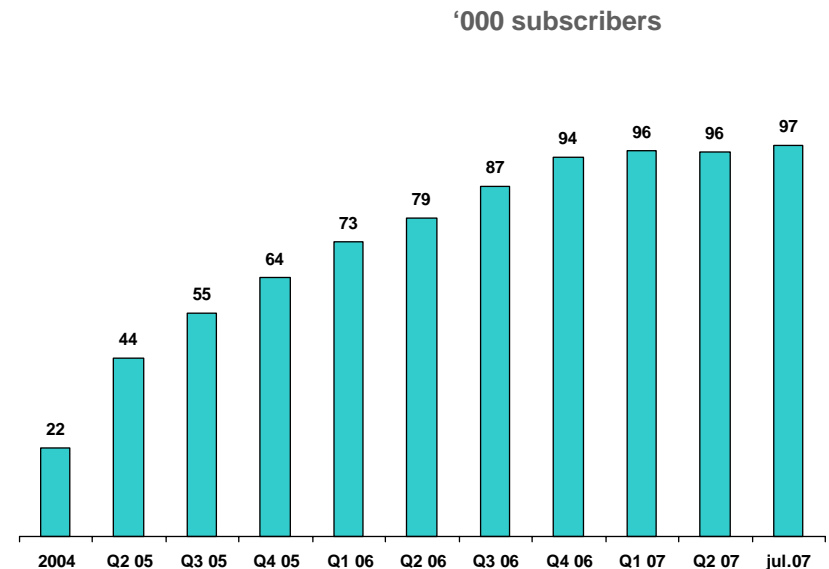
Interim Reporting Summary

(NOK '000)

	Q2 07	Q1 07	Q4 06	Q3 06	Q2 06
Total revenues	90 462	88 378	83 265	76 081	69 619
Revenue growth (year-on-year) (%)	30 %	34 %	60 %	67 %	90 %
Gross margin (%)	58 %	58 %	54 %	56 %	52 %
Operating Profit/(loss)	3 024	4 075	(9 321)	3 545	(4 449)
Operating margin (%)	3 %	5 %	(11%)	5 %	(6%)
Ebitda	16 369	15 469	4 202	12 522	2 922
Ebitda (%)	18 %	18 %	5 %	16 %	4 %
EPS (NOK)	0,05	0,11	(0,35)	0,04	(0,21)
EPS fully diluted (NOK)	0,05	0,11	(0,35)	0,04	(0,21)

Norway; Level in number of active customers in Q2, increase in July

- Level number of customers due to cancellation of non calling customers
 - Satisfactory net customer increase in July, 1,600 new net customers
- Improved "gross to active" and "active to provisioned" rates
- SMB successfully launched
- Successful subscription bundled with cordless telephones
- Extensive branding campaign initiated in May/June



Telio's market share

Markedsandel bredbåndstelefoner privat

	Telenor	Telio	NextGentel	Lyse Tele	Tele2	Get	Øvrige	Totalt
Abonnet 31/12-06	27,6 %	26,1 %	8,0 %	5,0 %	4,4 %	3,5 %	25 %	100 %
Abonnet 30/6-06	28,5 %	26,6 %	8,7 %	5,8 %	3,5 %	3,0 %	24 %	100 %
Minutter 31/12-06	16,7 %	52,1 %	3,9 %	4,3 %	3,9 %	3,1 %	16 %	100 %
Minutter 30/6-06	13,8 %	54,1 %	6,0 %	4,6 %	2,5 %	2,5 %	17 %	100 %



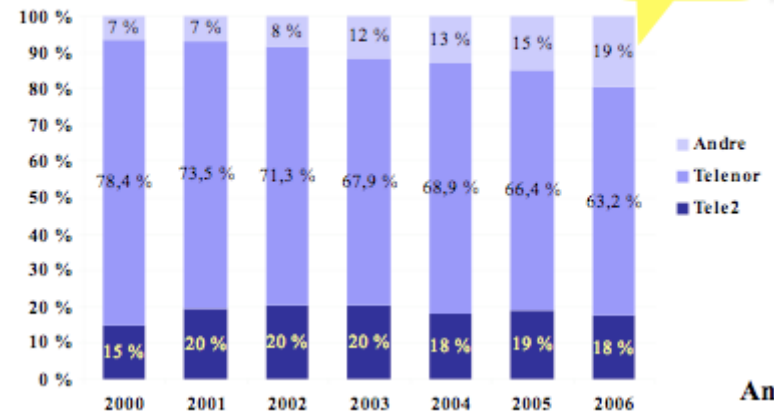
* 2006; Telio had 8% of total residential minutes

* 1H 07 vs 1H 06; +20% originated minutes



POST- OG TELEILSYNET
Norwegian Post and Telecommunications Authority

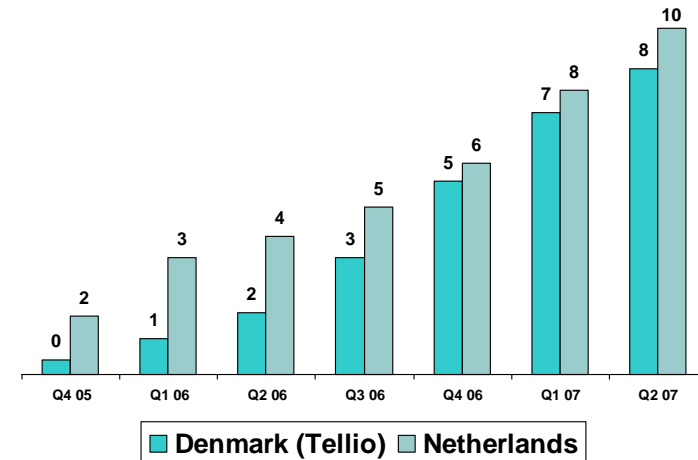
Andel trafikminutter privatmarked



International

- Healthy growth
 - DK 17% compared to Q1 07
 - NL 22 % compared to Q1 07
- Customer Service in Denmark moved from Norway in order to ensure customer experience in a growing customer base.
- SMB expected to be launched in Denmark during fall 2007
- InterNLnet acquired by BBnet is owned by Telecom Italia
 - Great potential for Telio

'000 subscribers



Mobile VOIP

- After successful Limited deployment launch - mVoIP launch scheduled for SMB market in October 2007
- IP enabled mobile with two different subscriptions
 - Stand alone with handset on existing SMB price plan, NOK 159 pr. month
 - Add on service to existing SMB subscription, NOK 59 pr. Month
- Subscribers will enjoy significant cost savings compared to current offerings on the market (especially when roaming).



Legal issues

- VAT
 - No news since Q1 07
 - Telio has not included any VAT effects in Q2 accounts
 - Status on VAT will be re-evaluated each quarter

- Termination fees
 - The Ministry of Transport and Communication has decided that Telio needs to lower its variable interconnect tariffs with approximate 17% from January 1st, 2008 and to Telenor level from July 1st, 2008. At the same time Telio Telecom is allowed to introduce fixed fees which will partially offset the negative effect.

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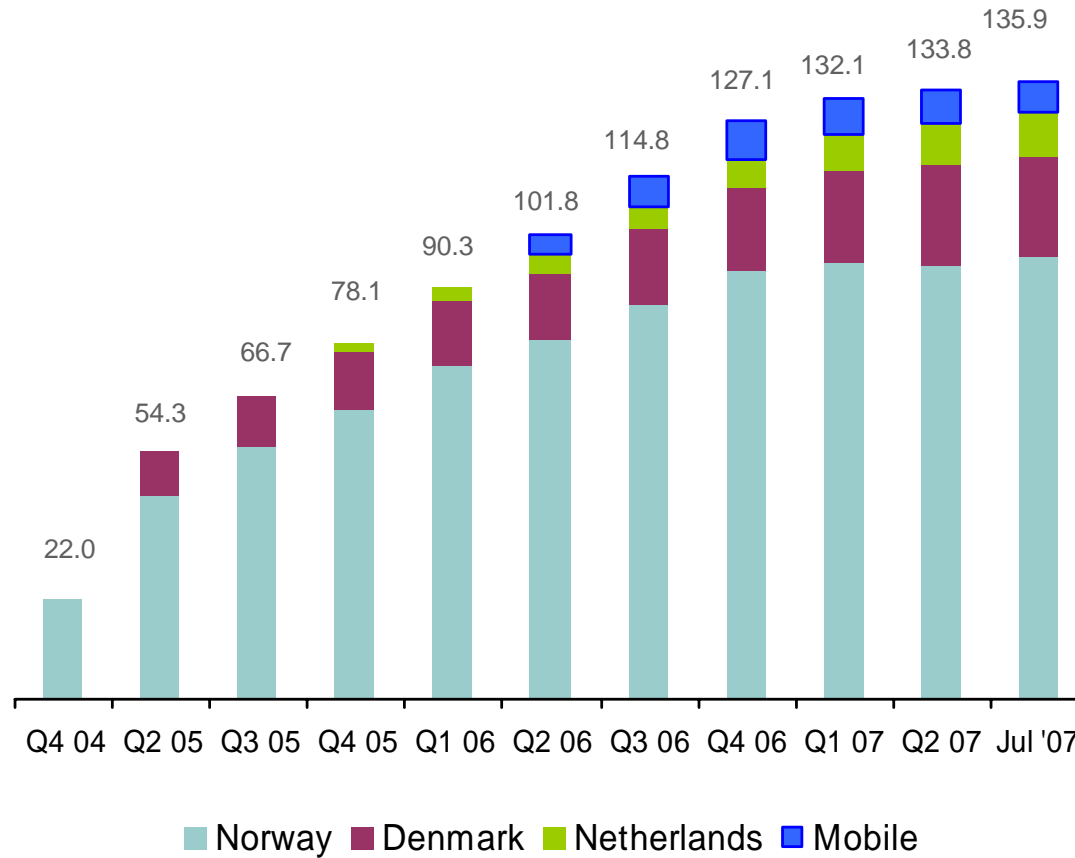
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Enclosures

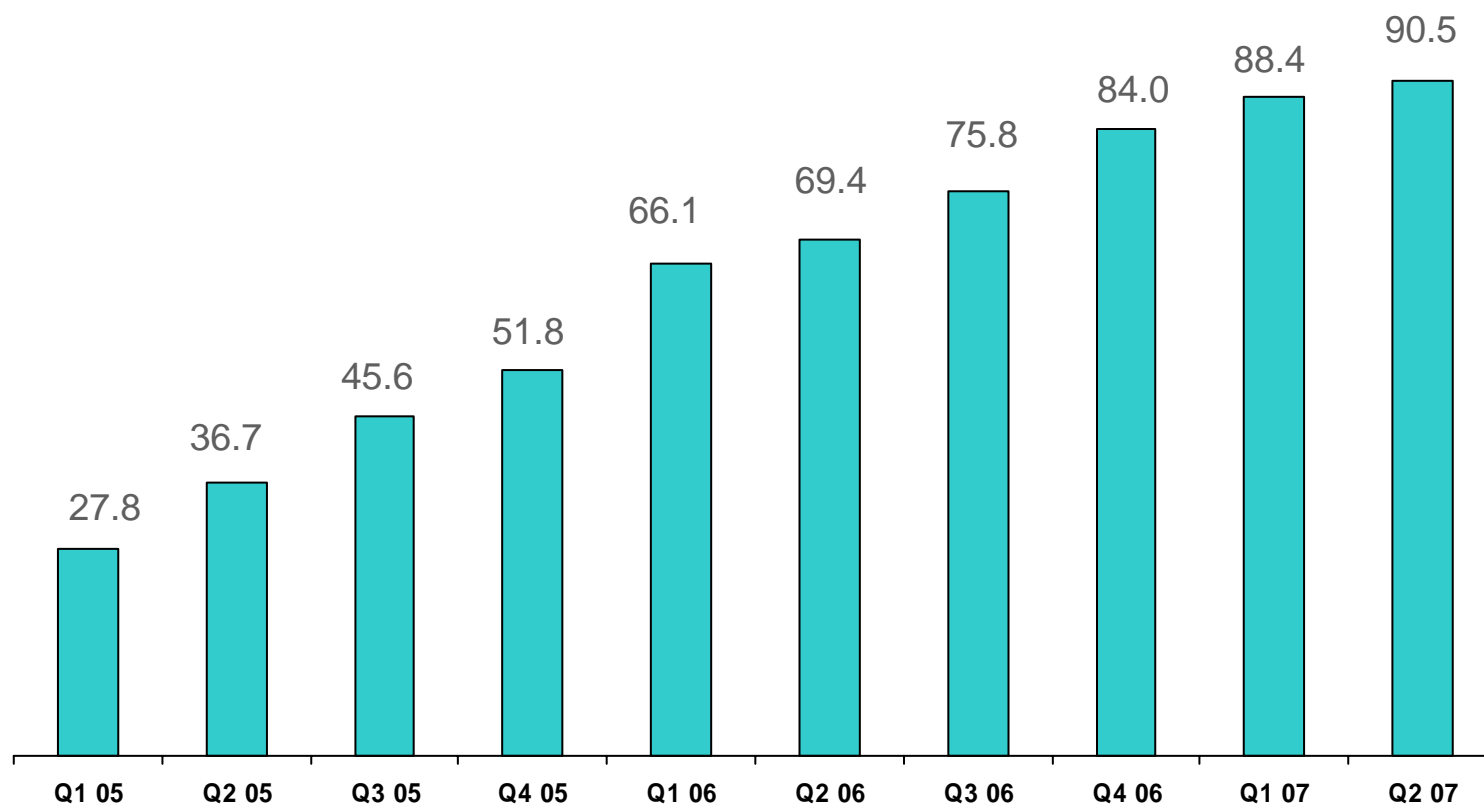
Overall subscriptions per Q2 07

'000 subscribers



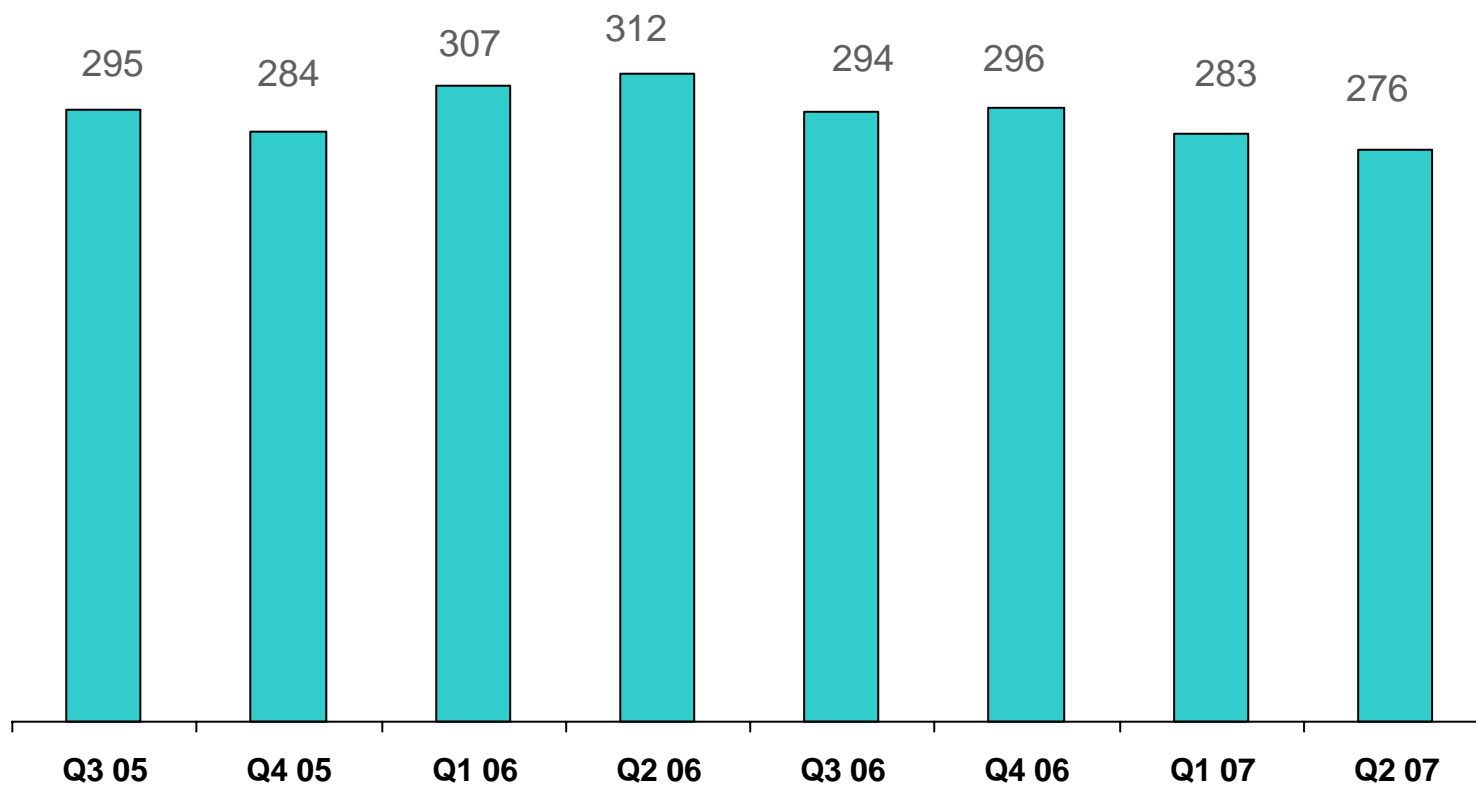
Continued revenue growth, +30% compared to Q2 06

NOK mill.



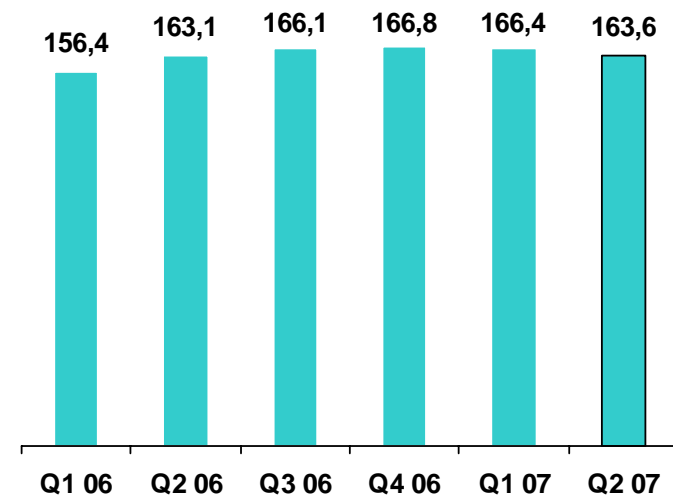
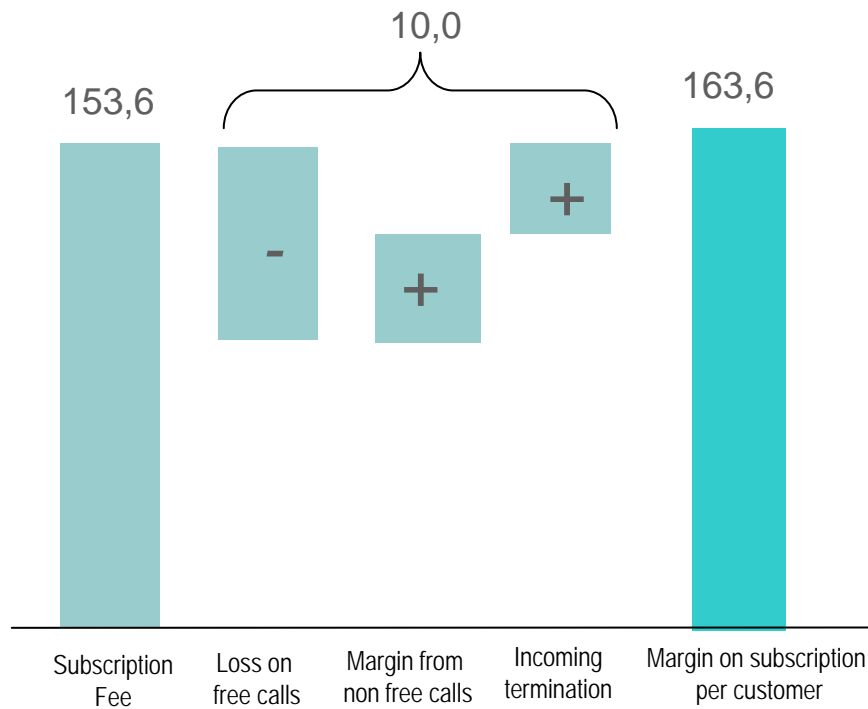
Revenue per subscriber for VoIP Norway

NOK



Average monthly gross margin per subscriber for VoIP Norway

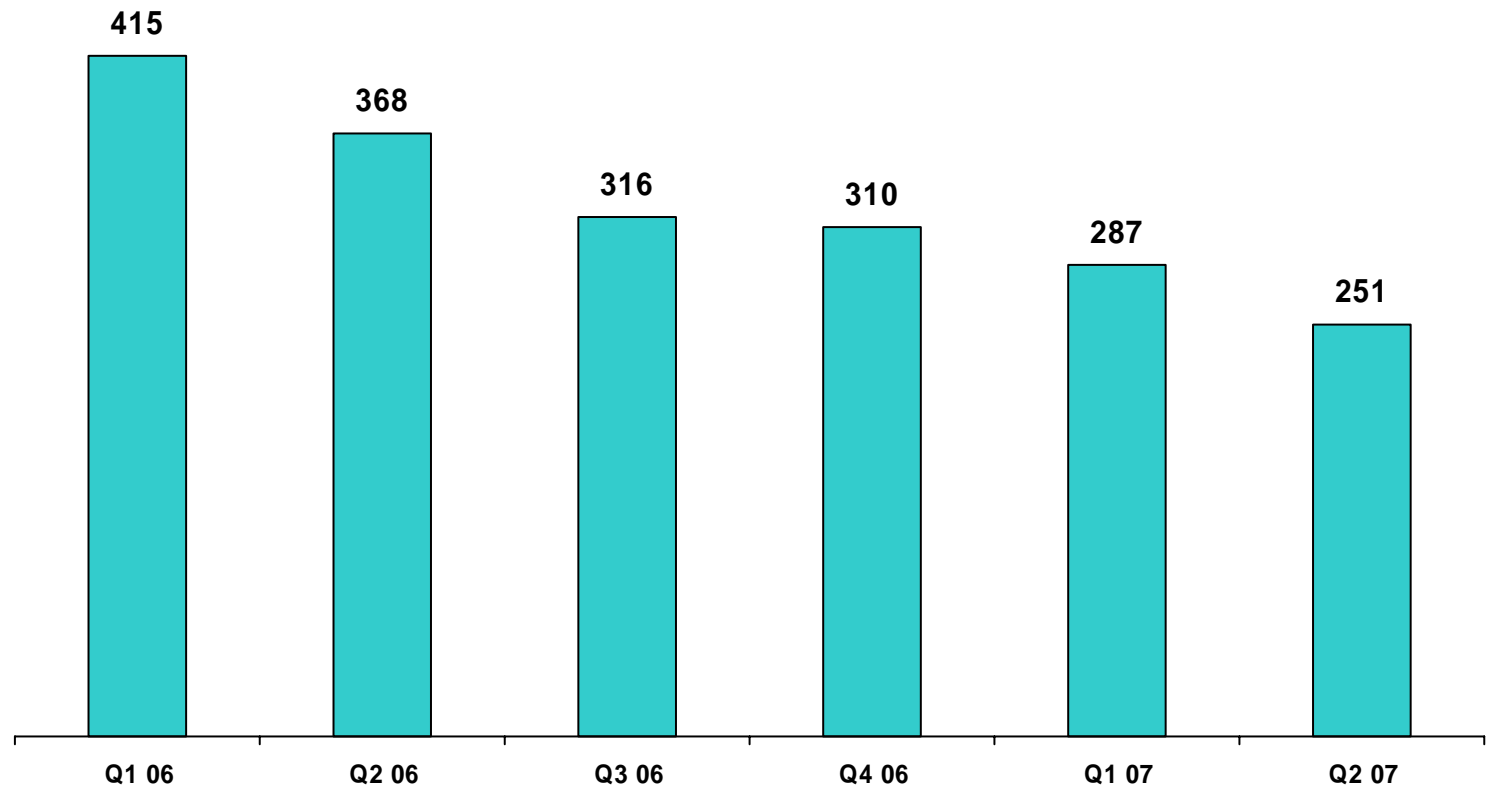
NOK



Scaling continues

– improved quarterly opex* per subscriber** (excl. s&m and share based payment)

NOK



* Opex excludes Sales&marketing, amortization of subscriber acquisition cost and Share based payment

** billable subscriber (Musimi includes number of customers that used the account during the quarter)

Profit & Loss statement

NOK '000

	Q2 07	Q2 06	var	Ytd Q2 07	Ytd Q2 06	var
Sales	89 344	69 484	29 %	176 507	135 605	30 %
Other revenues	1 118	135	728 %	2 333	212	1000 %
Total revenue	90 462	69 619	30 %	178 840	135 817	32 %
Cost of connections and traffic charges	(38 366)	(33 145)	16 %	(75 774)	(63 075)	20 %
Salaries&Personell costs	(8 620)	(8 305)	4 %	(18 774)	(17 308)	8 %
Selling&Marketing costs	(14 994)	(10 677)	40 %	(27 185)	(18 431)	47 %
Other expenses	(12 114)	(14 570)	-17 %	(25 270)	(29 802)	-15 %
Depreciation and amortisation	(13 344)	(7 371)	81 %	(24 738)	(13 811)	79 %
Operating profit (loss)	3 024	(4 449)		7 099	(6 610)	
Finance costs	(809)	(450)	80 %	(1 241)	(1 266)	-2 %
Profit (loss) before tax	2 215	(4 899)		5 858	(7 876)	

Tandberg – Telio samarbeid
VVOiP

Eirik Lunde
adm.dir. Telio Holding ASA



Bakgrunn

- Alt over IP, IP over alt
- Et teknologiskifte innen telefoni
- Telefoni, videotelefoni, mobiltelefoni blir realisert på en IP-basert plattform
- Fra gamle abonnement løsninger med trafikkutgifter til fastpris abonnement
- Fremtiden for videokonferanser er IP-basert kommunikasjon



Samarbeid mellom Tandberg og Telio

- Telio og Tandberg er ledende på verdensbasis innen henholdsvis bredbåndstelefoner og videokonferanser og har i felleskap utviklet denne videokonferanseløsningen med HDTV kvalitet
- Telio lanserer verdens første fullverdige HD videokonferanseabonnement for IP (VVoIP) i samarbeid med Tandberg
- Tandberg og Telios videokonferanseløsning reduserer bedriftens kostnader og vil gi medarbeiderne en fremtidsrettet videokonferanseløsning



Telio Videokonferanse

- Telio Videokonferanse er en tjeneste for toveis eller flerveis lyd- og bildeforbindelse over IP
- Høy kvalitet på tjenesten (HD)
- Tjenesten kan benyttes sammen med alle konferanseterminaler fra Tandberg.
- Telio Videokonferanse:
 - 318,- per måned i fast avgift
 - Etablering 1000,-
 - Gratis trafikk til alle fastnettnummer i Norge, Norden, Vest Europa, Kina, Polen og Nord Amerika



Oppsummering

- Telio Videokonferanse er en fremtidsrettet løsning som benytter kundens eksisterende bredbåndforbindelse.
 - Dette gjør at kunden slipper å betale for ekstra ISDN oppkobling/gateway og ISDN linjer og reduserer dermed sine telekommunikasjonskostnader.
 - Lavere og forutsigbare driftskostnader, gjør det lønnsomt med videokonferanser for flere bedrifter og avdelinger
- Løsningen kan flyttes mellom og til nye lokasjonene
- Telio kan benyttes på alle norske og utenlandske ISPer
- Denne løsningen gjør at det blir enklere å koble opp og bruke videokonferanse, samt reduksjon av telekommunikasjonskostnader

“Vi har benyttet Telio Videokonferanse i hele sommer og vi er svært godt fornøyd,” sier Trond Østrådt som er Security Manager i Skagen Fondene. “Løsningen var enkel både å installere og implementere og har gitt oss en stabil video konferanse kvalitet, verdifull fleksibilitet og betydelig reduserte kostnader.”

