



Telenor Group – Second Quarter 2015

Jon Fredrik Baksaas, CEO



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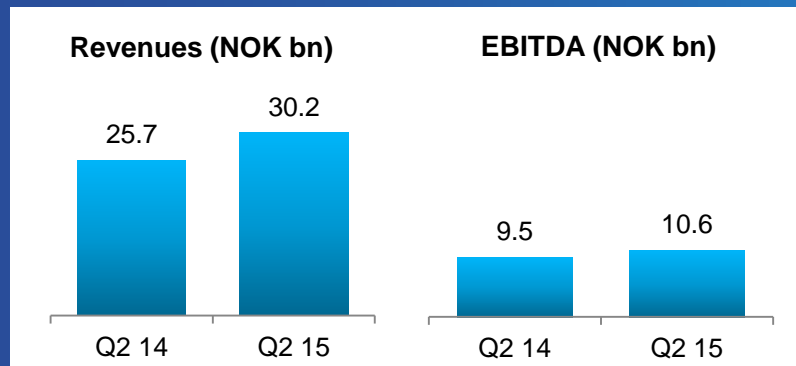
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Q2 2015

Continued growth, outlook maintained

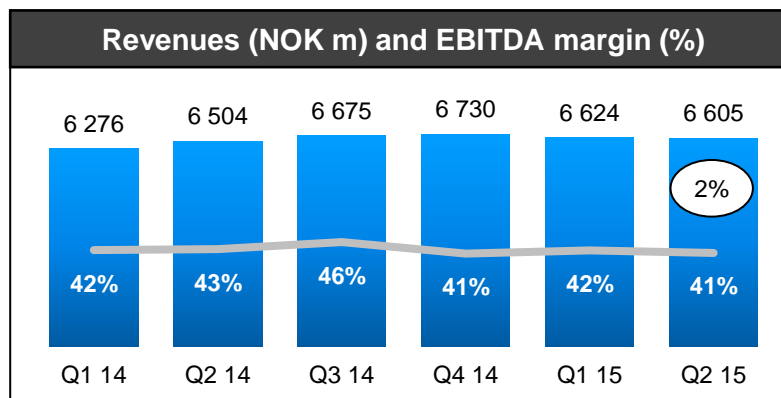
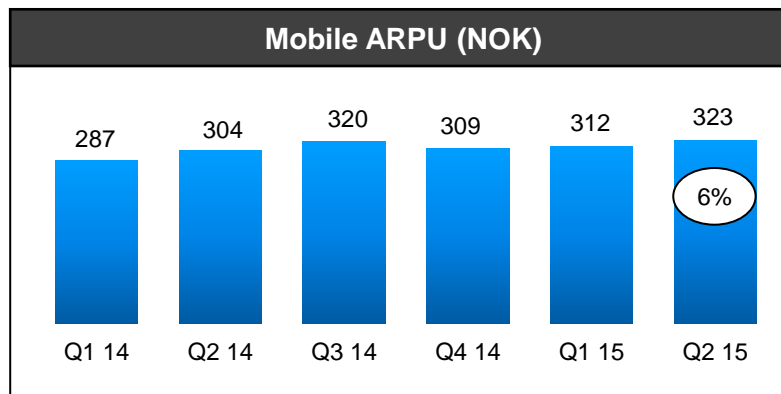
- 6% organic revenue growth
- Continued strong mobile trends in Norway
- Ongoing turnaround process in Thailand
- Strong growth and profitability in Myanmar
- Outlook for 2015 maintained



Continued operations. EBITDA before other items.

Continued strong mobile performance in Norway

- Solid growth from mobile data consumption
 - 6% growth in mobile subscription and traffic revenues
 - 125% growth in median mobile data usage
- Significant investments in 4G network, targeting 95% population coverage by end of 2015
- Aiming for flat EBITDA vs 2014 despite loss of Tele2 roaming revenues

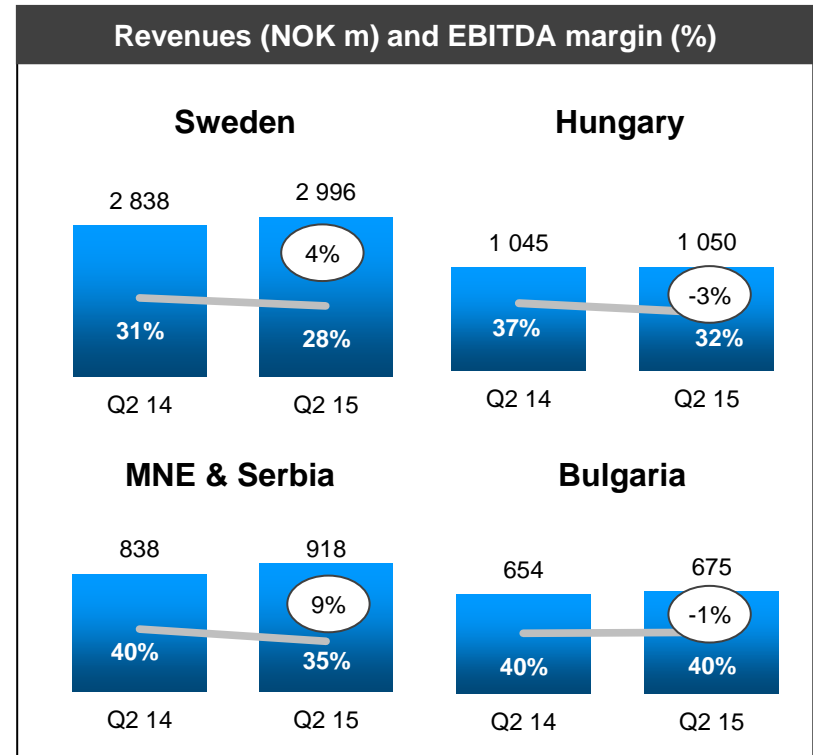


○ Organic revenue growth

Organic growth assuming fixed currency, adjusted for acquisitions and disposals. EBITDA margin before other items.

Good execution in European operations

- Successful subscriber migration and retention activities in Swedish mobile
- Migration of acquired fixed business in Sweden completed
- 3% organic growth in subscription & traffic revenues in Hungary
- Handset instalment plans driving revenues in Serbia
- Cost control amidst intense competition in Bulgaria

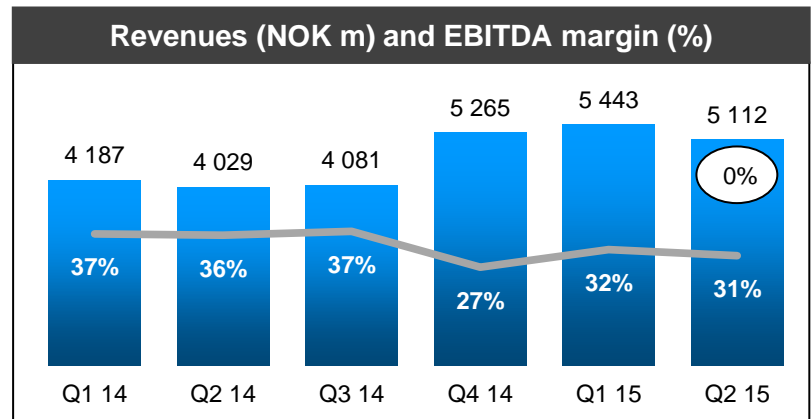
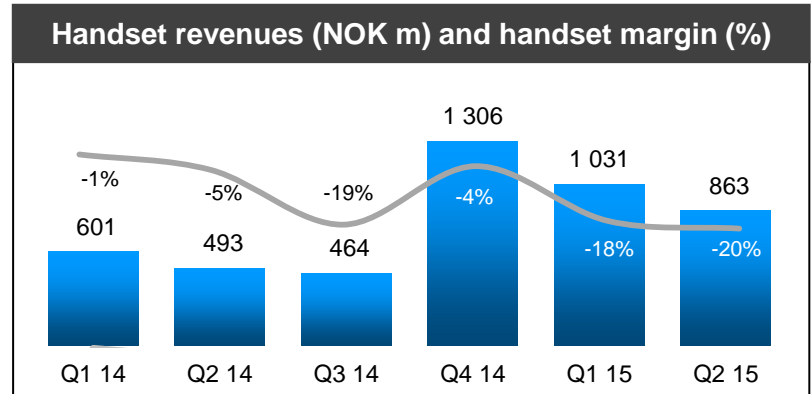


○ Organic revenue growth

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EBITDA margin before other items.

Ongoing turnaround process in Thailand

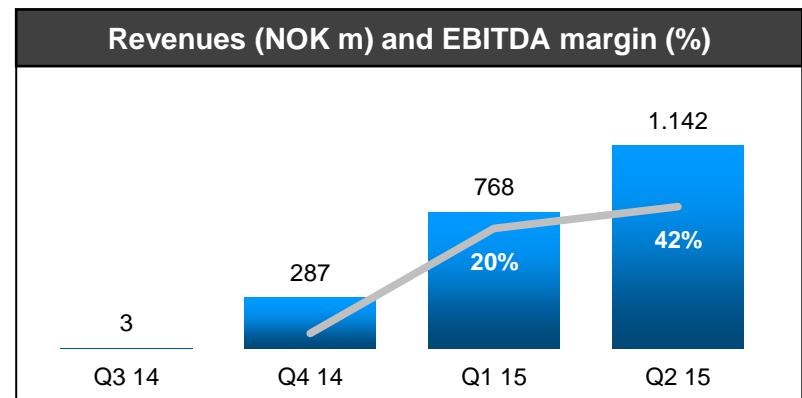
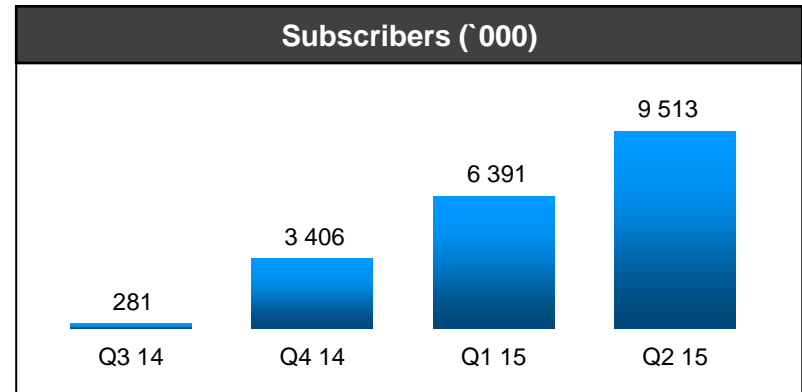
- Continued intense competition, incl. handset subsidies for prepaid subscribers
- Registration of prepaid subscriber base by 31 July
- Loss of 1.5 million subscribers in Q2
- Execution on turnaround plan:
 - Strengthening network position
 - Optimising sales and distribution
 - Subsidies to be taken gradually down
- Ongoing process to ensure access to concessionary assets beyond 2018



○ Organic revenue growth

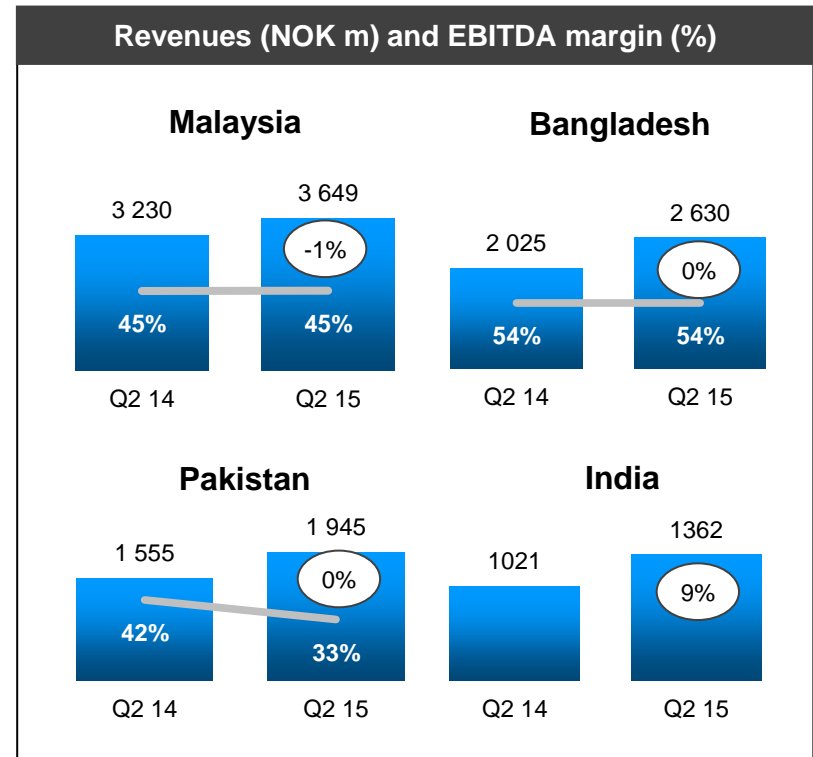
Strong growth and profitability in Myanmar

- 9.5 million subscribers by end of June
- 55% of subscribers are active data users
- Continued network expansion with 2,308 sites on air end of Q2
- Normalised ARPU of USD 5.7 (NOK 44) and normalised EBITDA margin of 36%
- Network rollout and weakening of local currency remain key risks
- Exercise of option to buy additional 5 MHz of 2.1 GHz spectrum for USD 75 million



Stable underlying development in other Asian operations

- 2% subscription and traffic revenue growth in Malaysia
- Gradual performance recovery in Bangladesh
- Biometric verification of customer base in Pakistan completed in May
- 1.3 million net subscriber growth and positive EBITDA in India



○ Organic revenue growth

Organic growth assuming fixed currency, adjusted for acquisitions and disposals.
EBITDA margin before other items.

Q2 2015

Creating value by executing on strategy

Internet for All



Loved by customers



Efficient operations





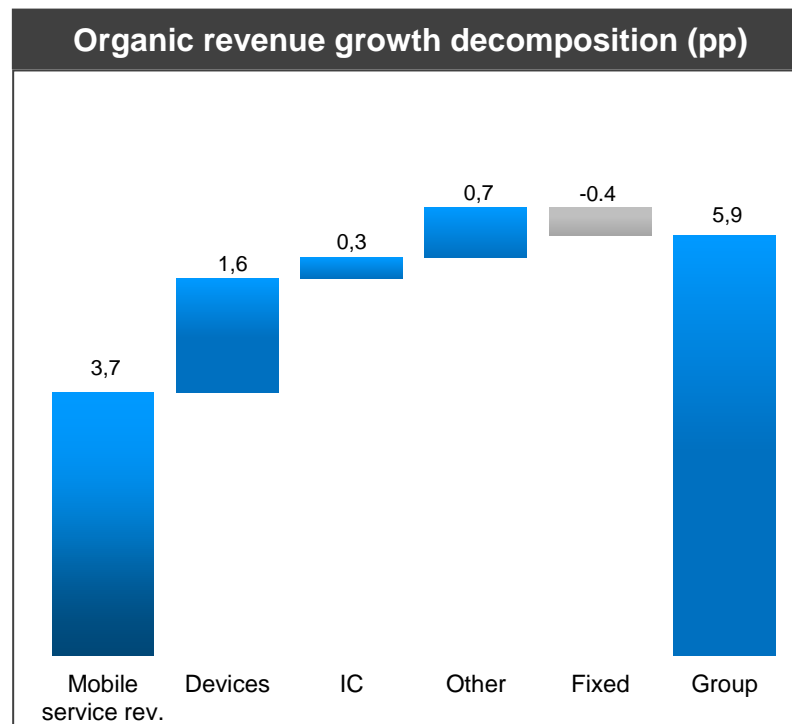
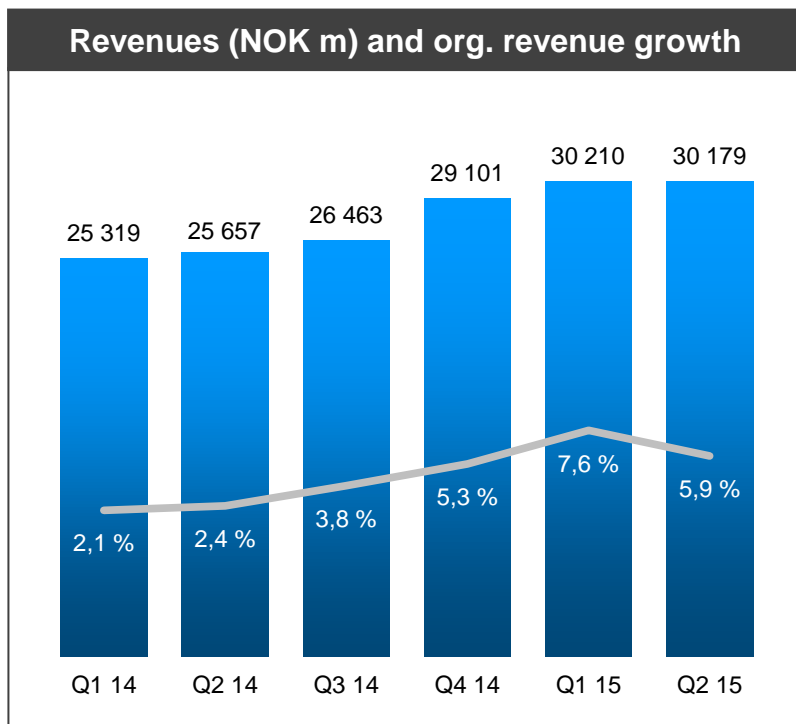
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Richard Olav Aa, CFO



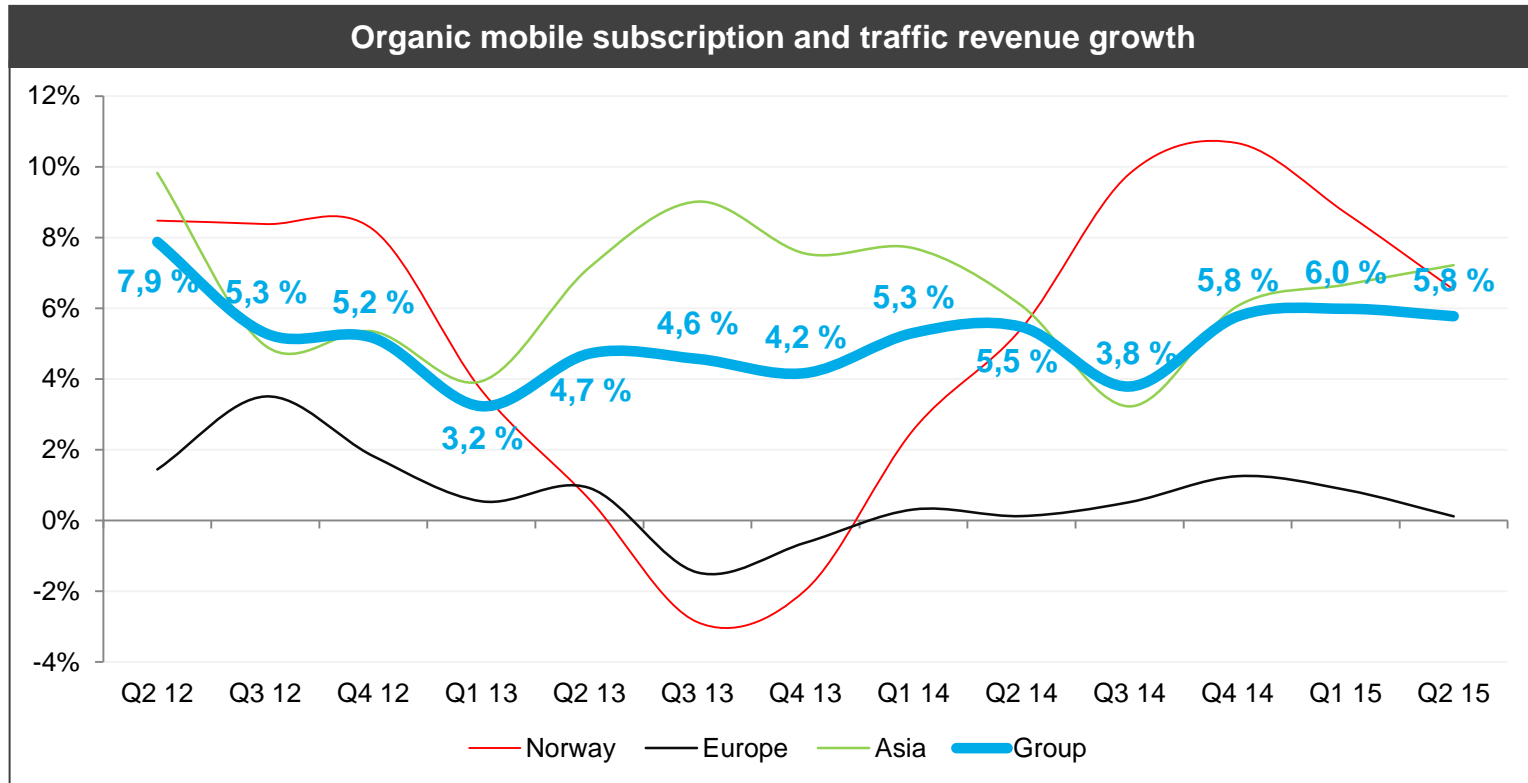
Q2 2015

Strong revenue growth: 18% reported, 6% organic

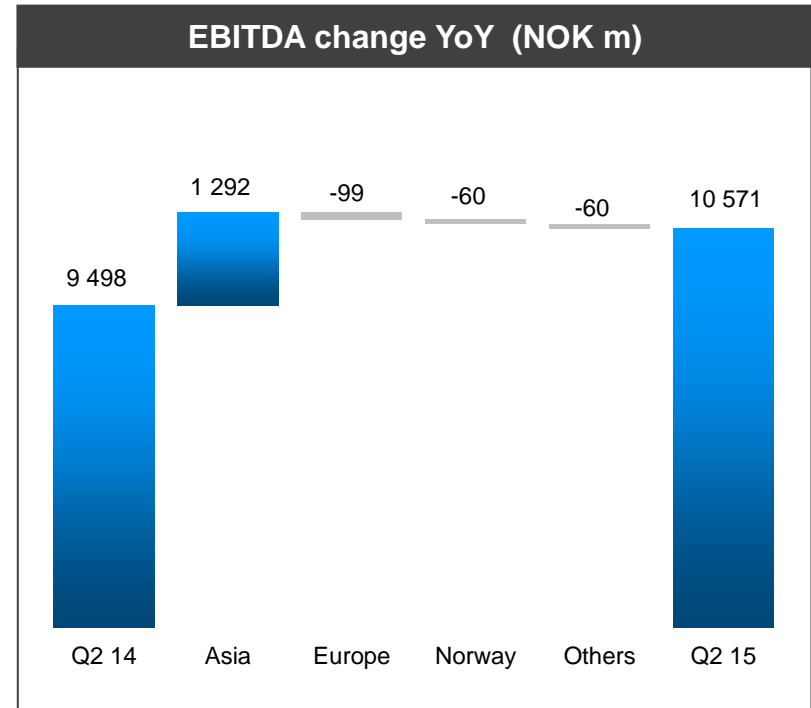
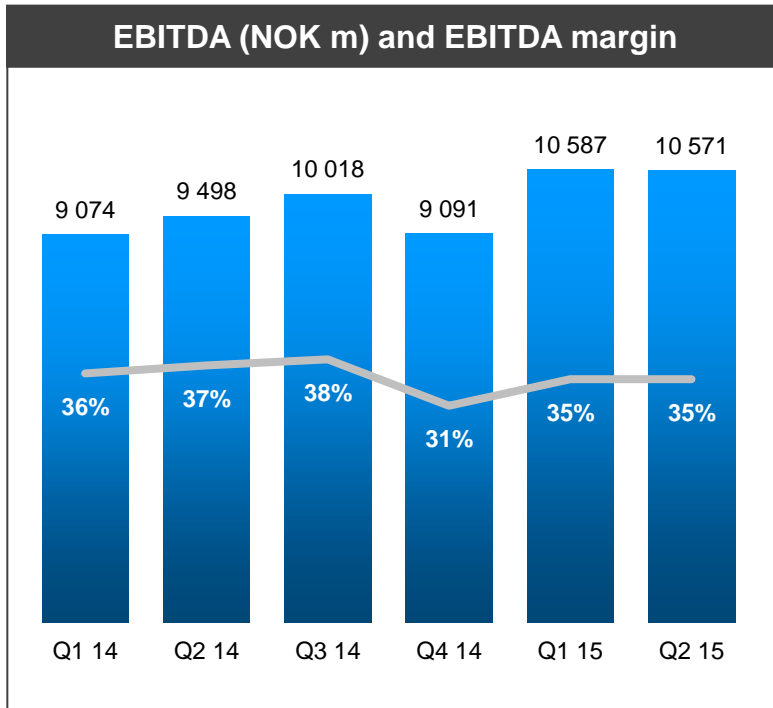


Continued operations. Organic revenue growth in fixed currency, adj. for acquisitions and disposals.

Robust mobile subscription and traffic revenue growth

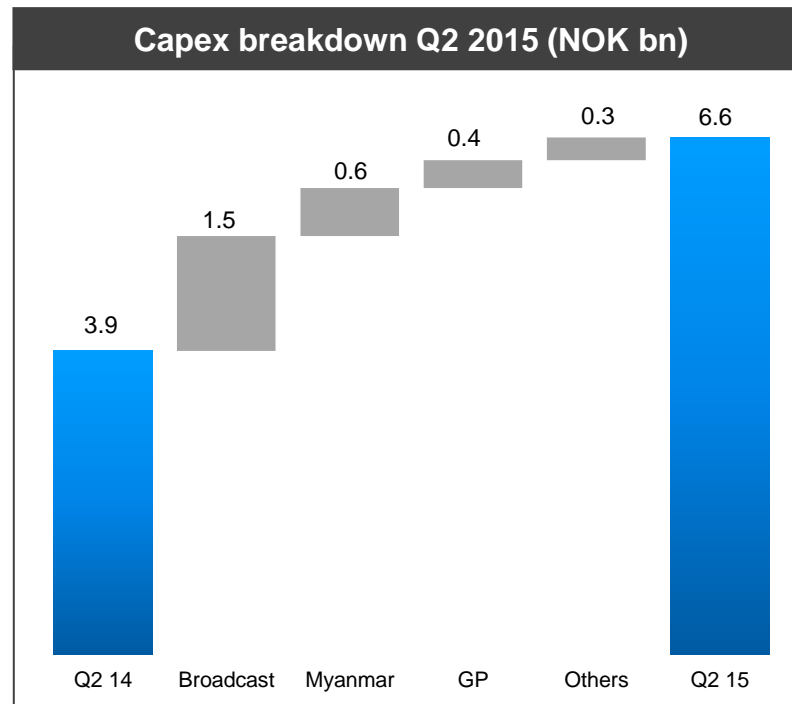
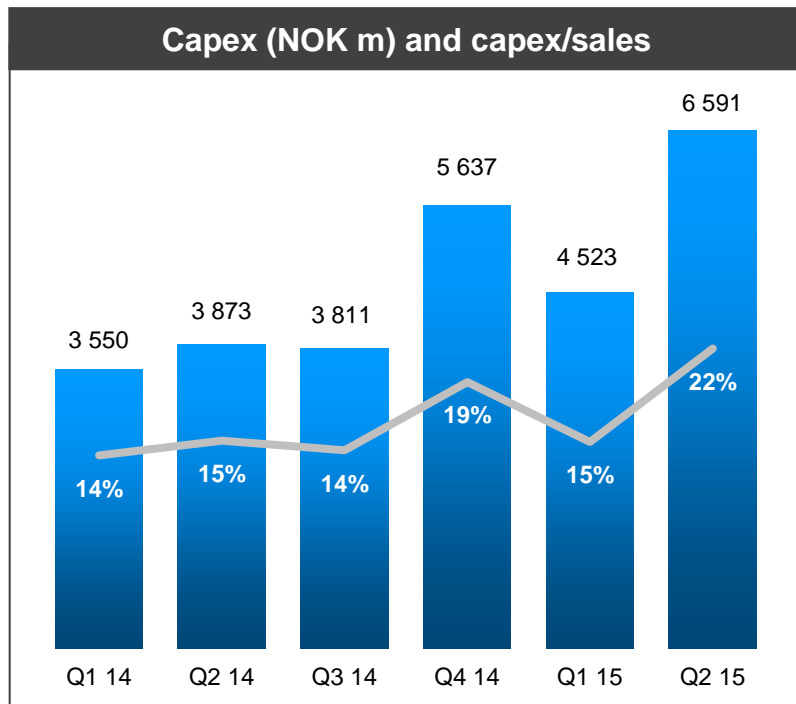


35% EBITDA margin and organically stable EBITDA



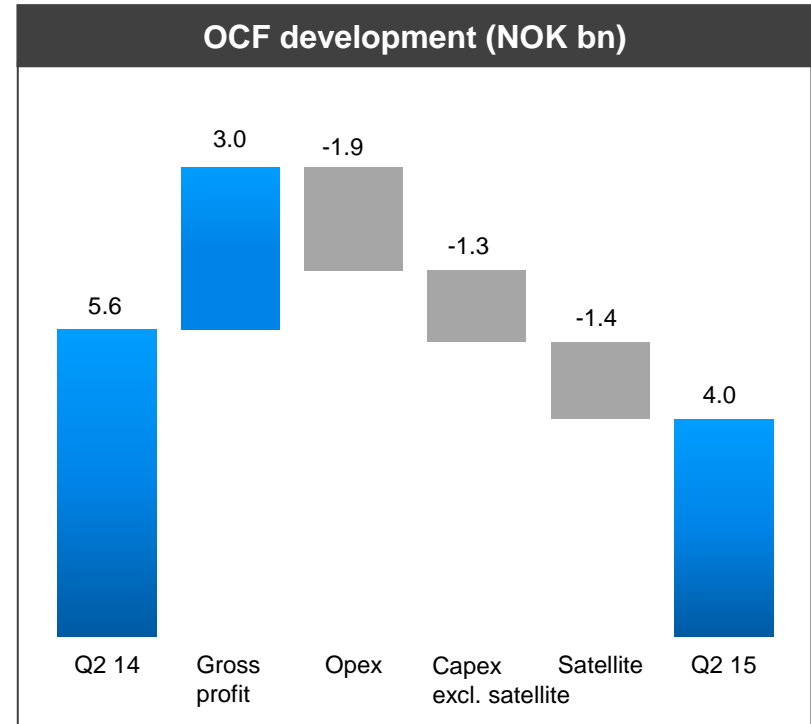
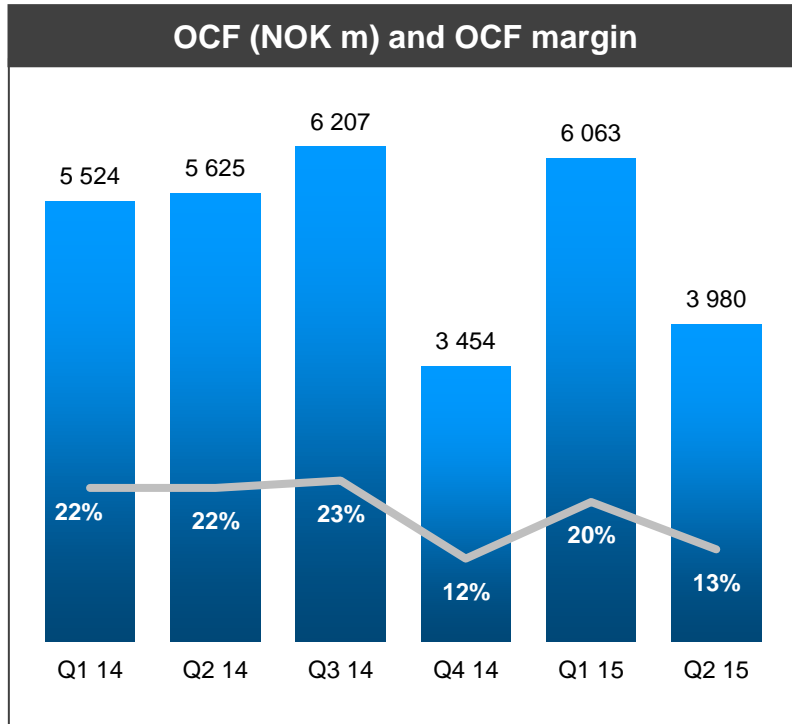
Q2 2015

Capex of NOK 6.6 billion incl. satellite of NOK 1.4 billion



Q2 2015

Operating cash flow of NOK 4.0 billion



Continued operations. Operating cash flow = EBITDA before other items – capex excl. licences

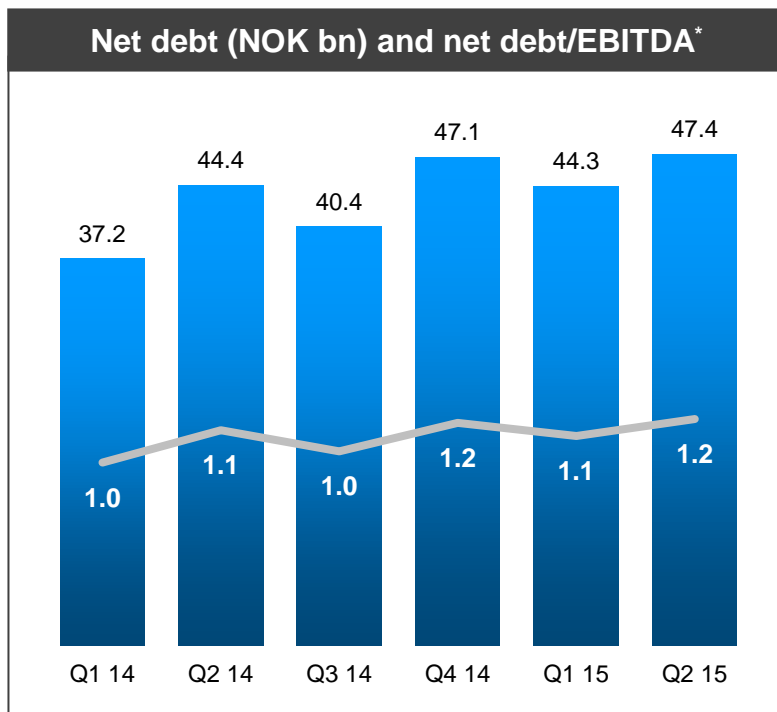
Q2 2015

Net income of NOK 3.6 billion and 57% reported EPS growth

NOK m	Q2 15	Q2 14	
Revenues	30 179	25 657	
EBITDA before other items	10 571	9 498	Norway (-59m), Sweden (-61m), dtac (-22m)
Other items	-147	-182	
EBITDA	10 424	9 317	Norway (-39m), Other units (-113m)
Depreciation and amortisation	-4 164	-3 551	<ul style="list-style-type: none"> VimpelCom (489m) Online classifieds (-64m)
EBIT	6 259	5 765	
Associated companies	452	-563	
Net financials	-588	-282	<ul style="list-style-type: none"> VimpelCom (-321m, effected by Algeria dispute resolution cost) Online classifieds (-220m)
Profit before taxes	6 123	4 921	
Taxes	-1 720	-1 642	
Discontinued operations	104	-85	
Non-controlling interests	870	876	
Net income to Telenor	3 635	2 319	
Earnings per share (NOK)	2.42	1.54	

Q2 2015

Net debt of NOK 47.4 billion and net debt/EBITDA of 1.2x



Change in net debt (NOK bn)

Net debt 31 Mar 2015	44.3
EBITDA	(10.4)
Income taxes paid	1.0
Net interest paid	0.5
Capex paid	4.6
Dividends paid to Telenor shareholders	5.5
Dividends paid to minorities	1.5
Changes in working capital	(0.4)
Currency and others	0.8
<i>Net change during Q2 15</i>	<i>3.1</i>
Net debt 30 Jun 2015	47.4

*) 12 months rolling EBITDA. Net debt excl. licence commitments

Outlook for 2015 maintained

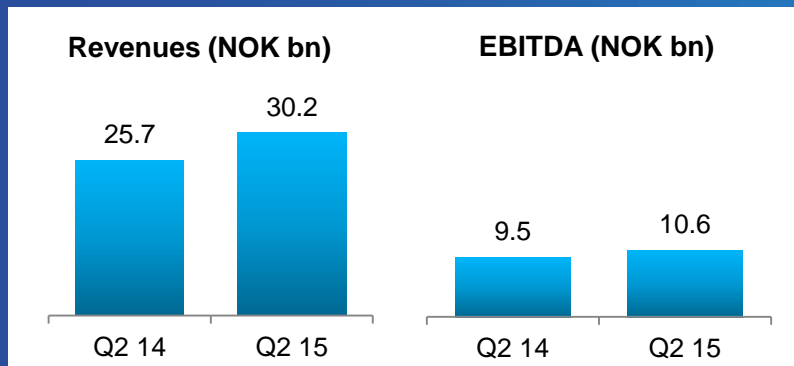
	2015	YTD	2014
Organic revenue growth	5-7%	6.7%	3.4%
EBITDA margin	34-36%	35.0%	35.4%
Capex/sales ratio	17-19% incl. satellite	18.4%	15.8%

Group structure (continued operations) as of 30 June 2015

Organic revenue growth in fixed currency, adj. for acquisitions and disposals.
EBITDA before other items. Capex excl. licence fees.

Q2 2015 Summary

- 6% organic revenue growth
- Continued strong mobile trends in Norway
- Ongoing turnaround process in Thailand
- Strong growth and profitability in Myanmar
- Outlook for 2015 maintained



Continued operations. EBITDA before other items.



Q&A





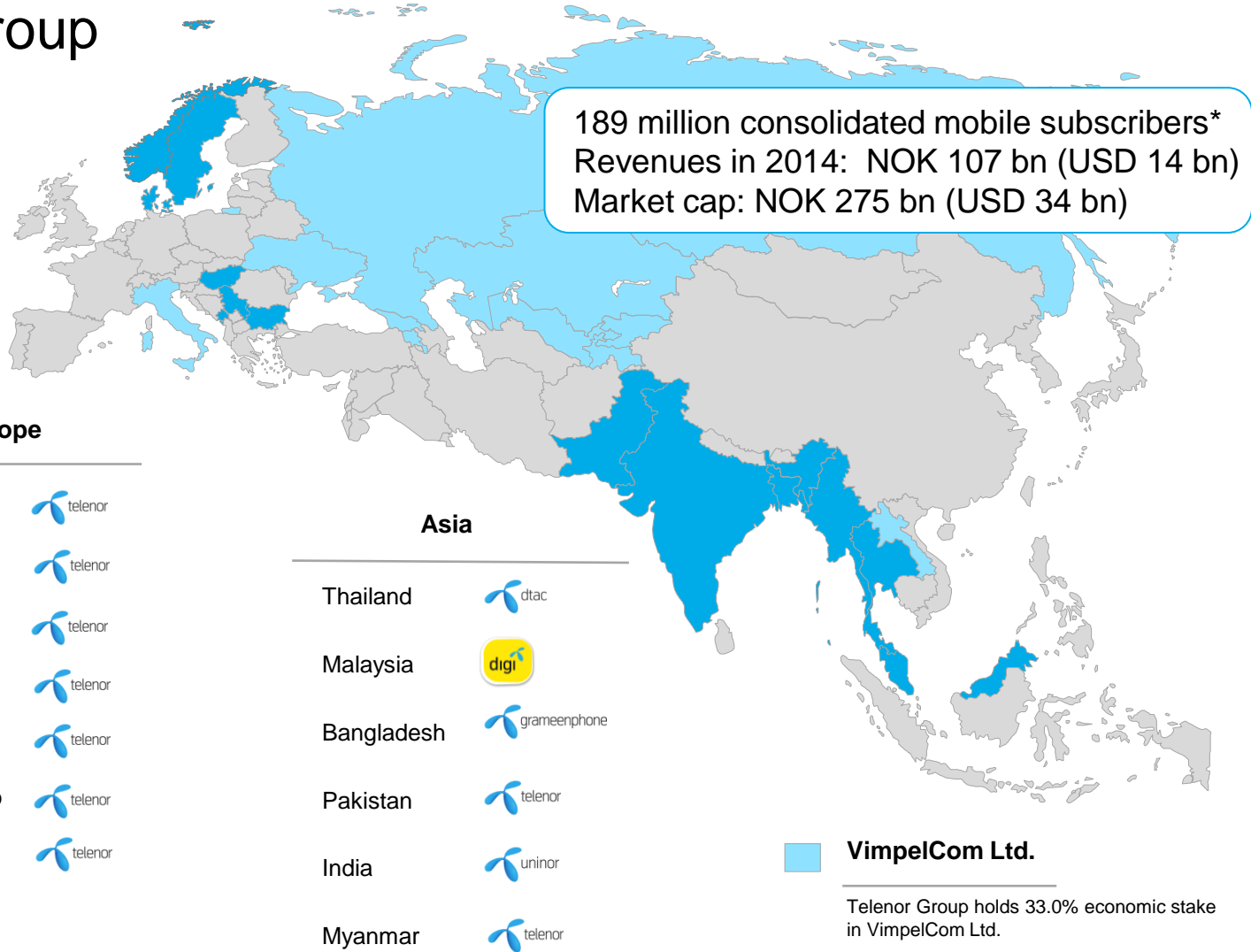
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Appendix



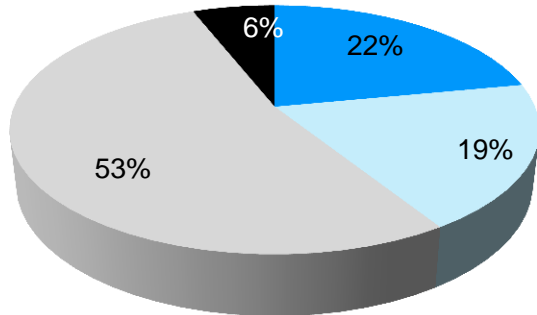
Telenor Group



*Continued operations. Denmark recorded as discontinued operations.

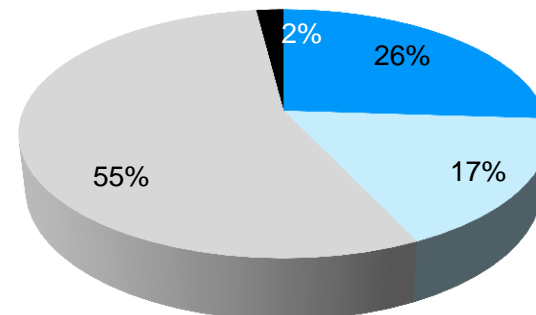
Geographic split of key financials in 1H 2015

Revenues



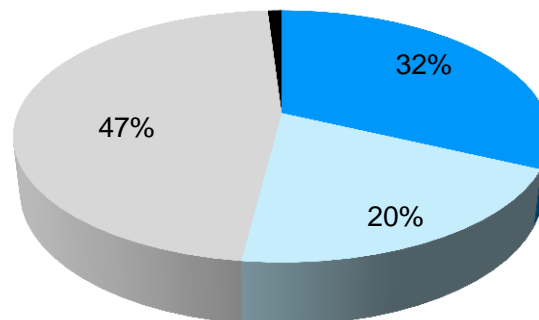
■ Norway ■ Europe ■ Asia ■ Other

EBITDA



■ Norway ■ Europe ■ Asia ■ Other

Operating cash flow

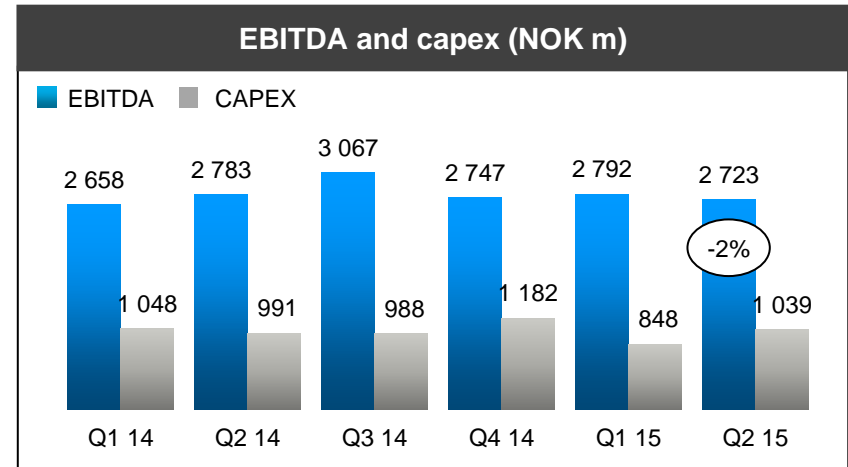
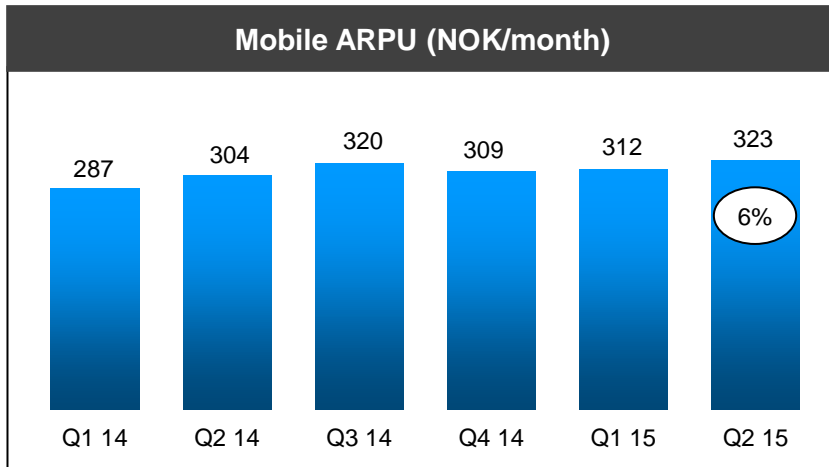
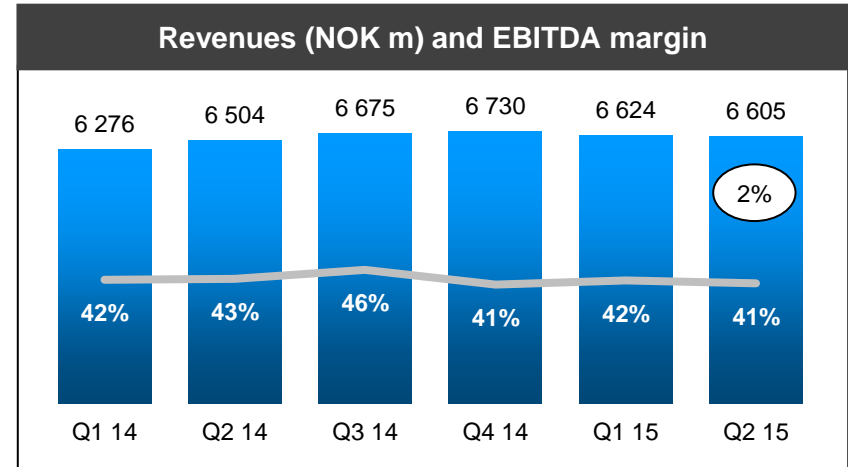
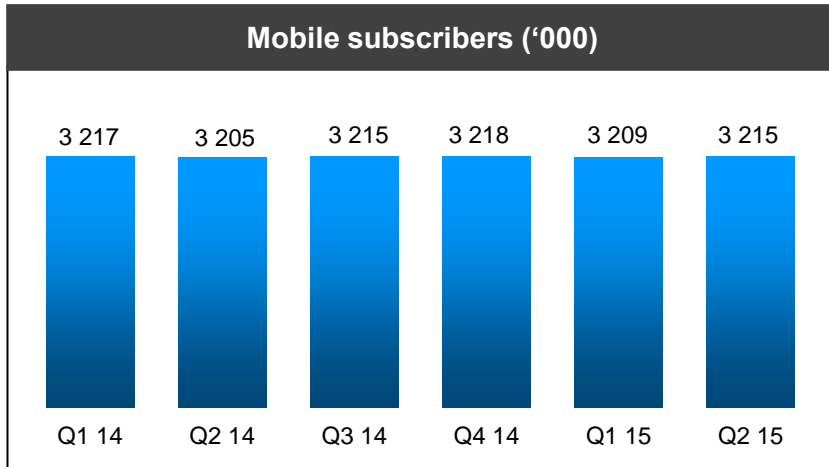


■ Norway ■ Europe ■ Asia ■ Other

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Priorities for capital allocation

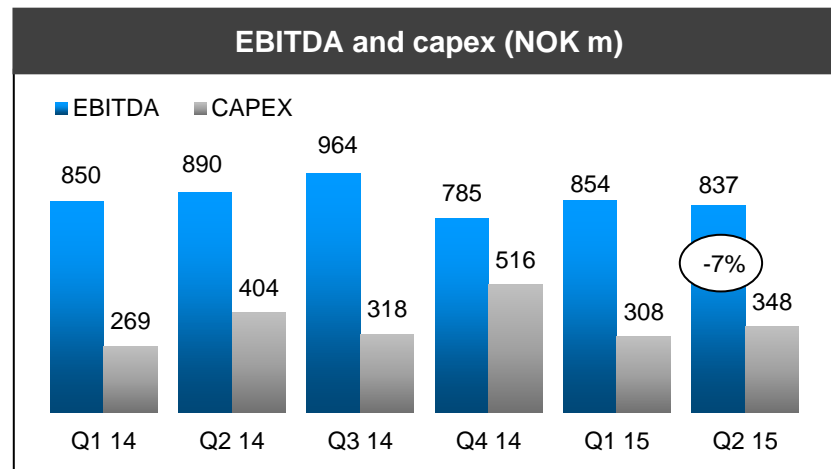
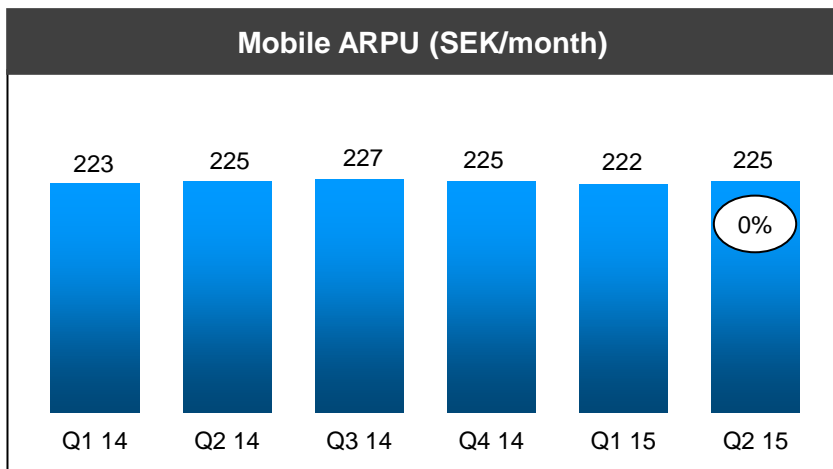
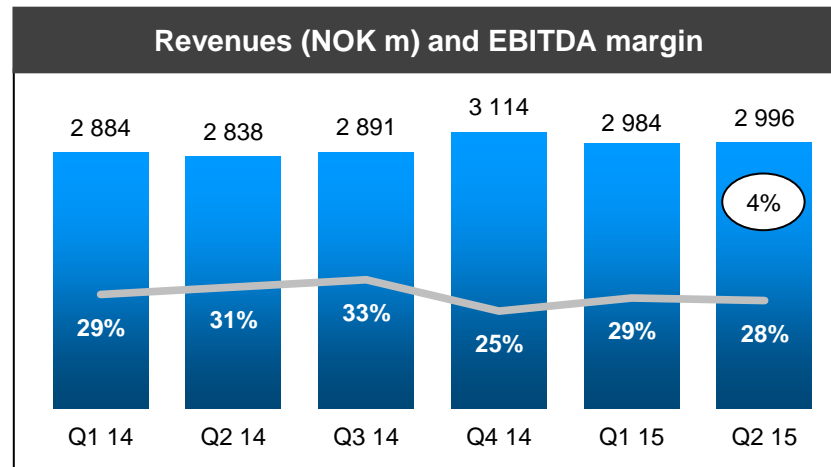
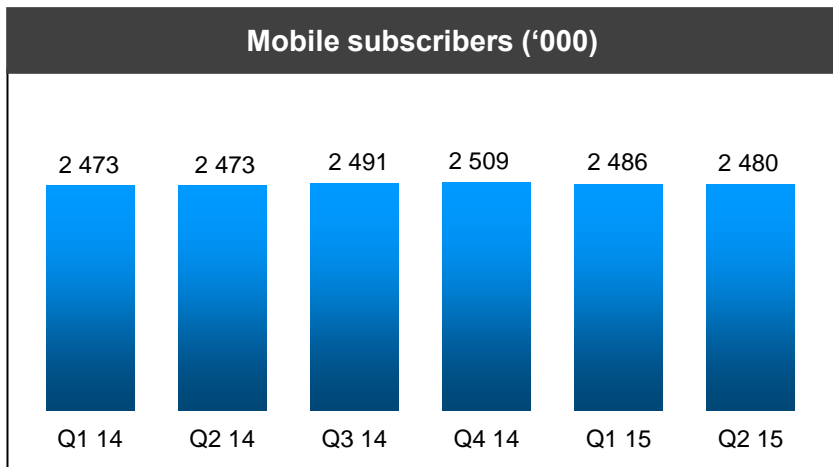
1	Maintain a solid balance sheet	<i>Net debt/EBITDA below 2.0x</i>
2	Competitive shareholder remuneration	<i>50-80% dividend payout of normalised net income Aim for YoY growth in dividends</i>
3	Disciplined and selective M&A	<i>Value driven, within core assets and regions</i>



○ Organic growth

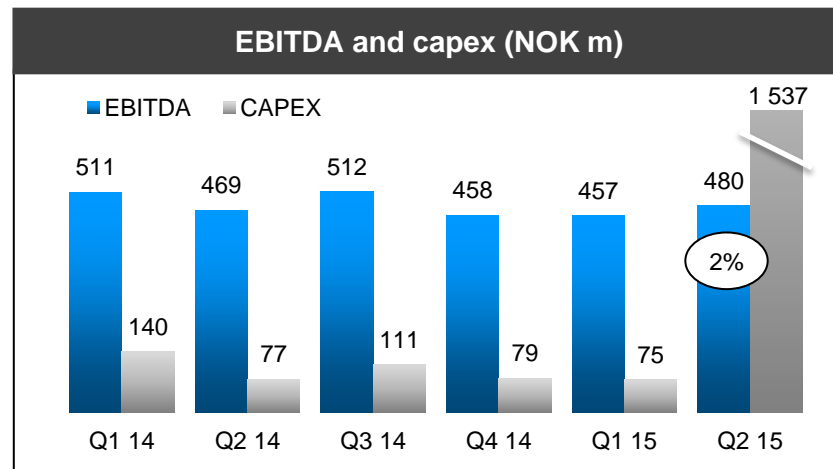
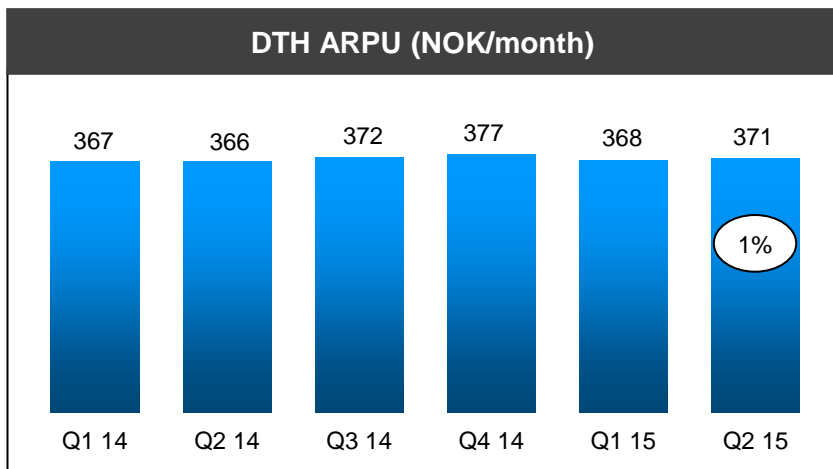
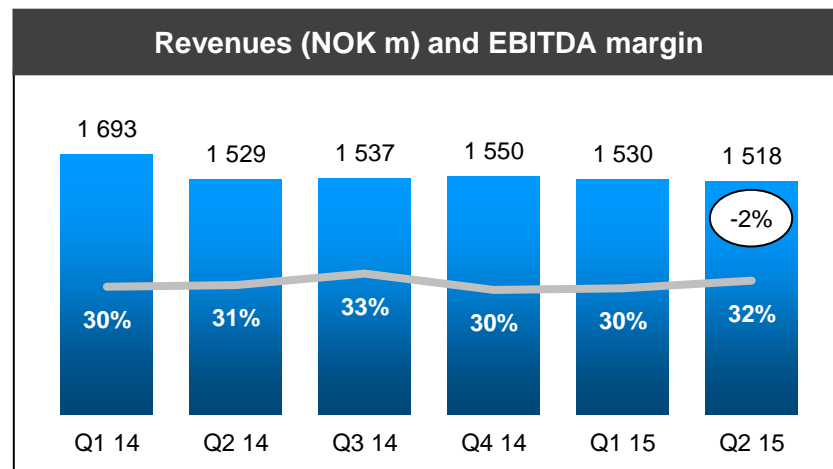
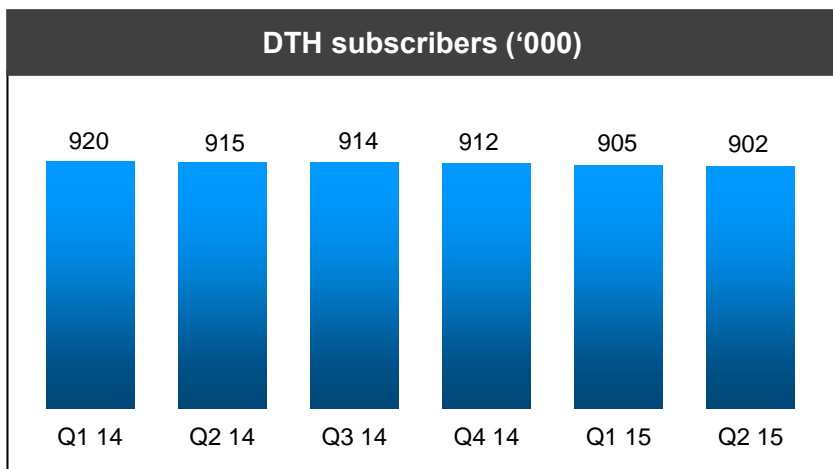
Organic growth assuming fixed currency, adjusted for acquisitions and disposals.
EBITDA and EBITDA margin before other items. Capex excl. licence fees

Q2 2015 Sweden



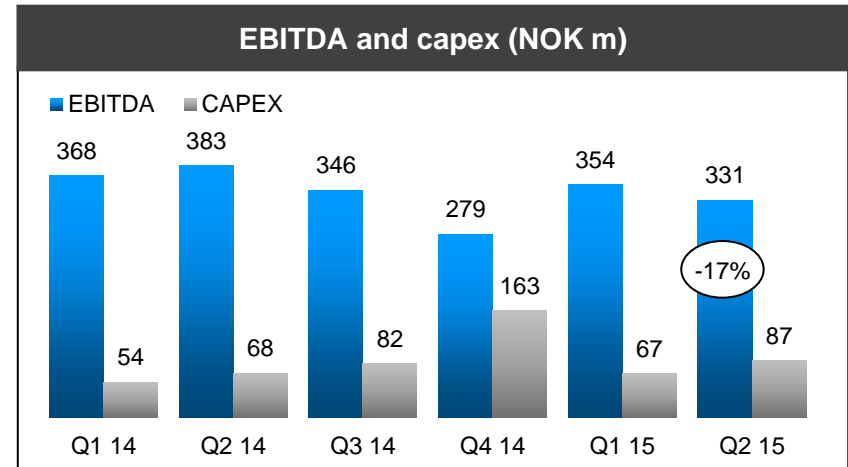
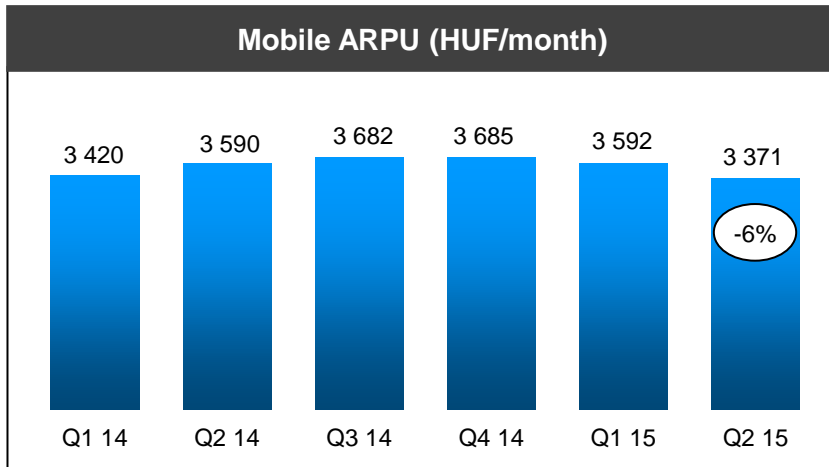
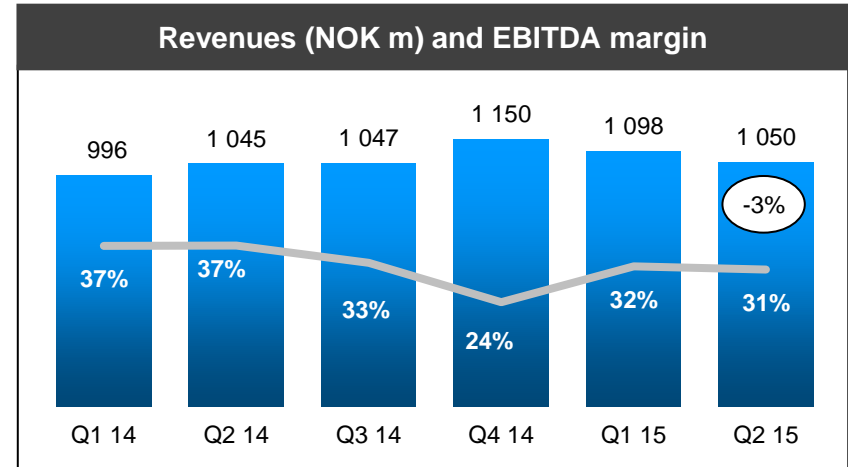
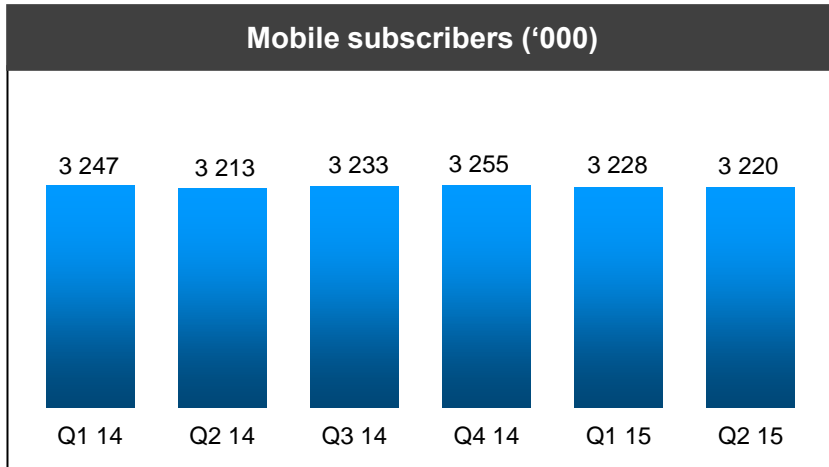
○ Organic growth

Broadcast



○ Organic growth

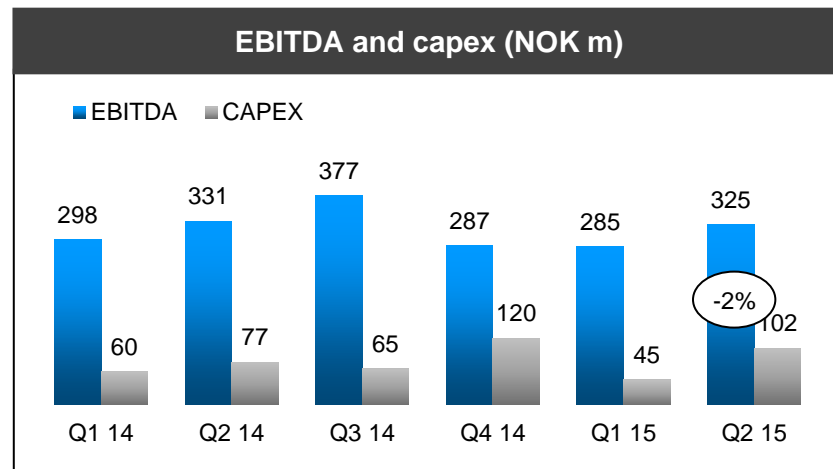
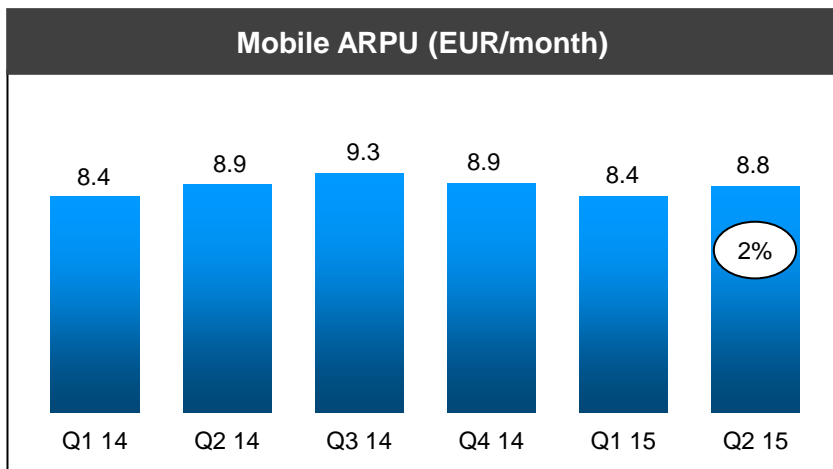
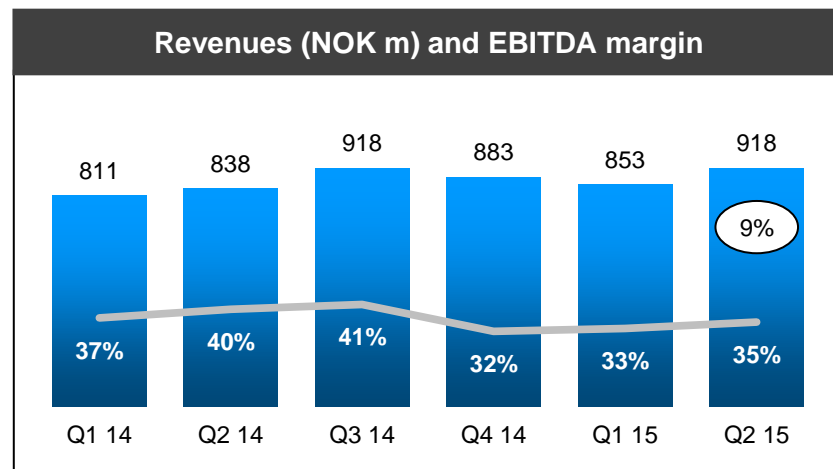
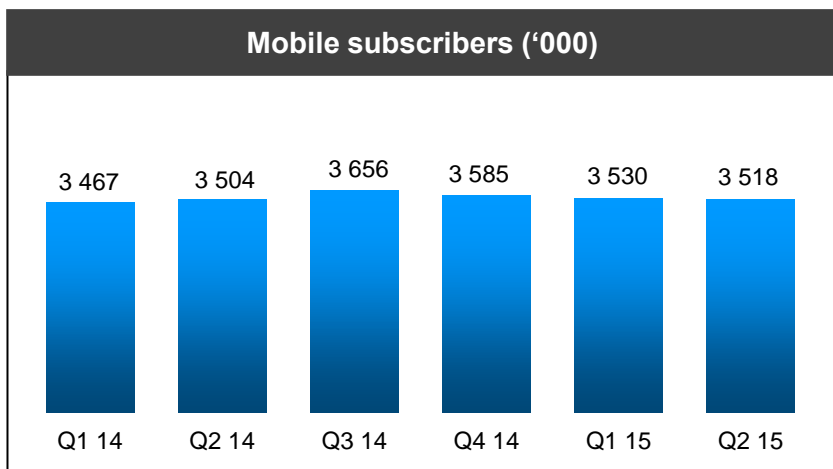
Organic growth assuming fixed currency, adjusted for acquisitions and disposals.
EBITDA and EBITDA margin before other items. Capex excl. licence fees



○ Organic growth

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EBITDA and EBITDA margin before other items. Capex excl. licence fees

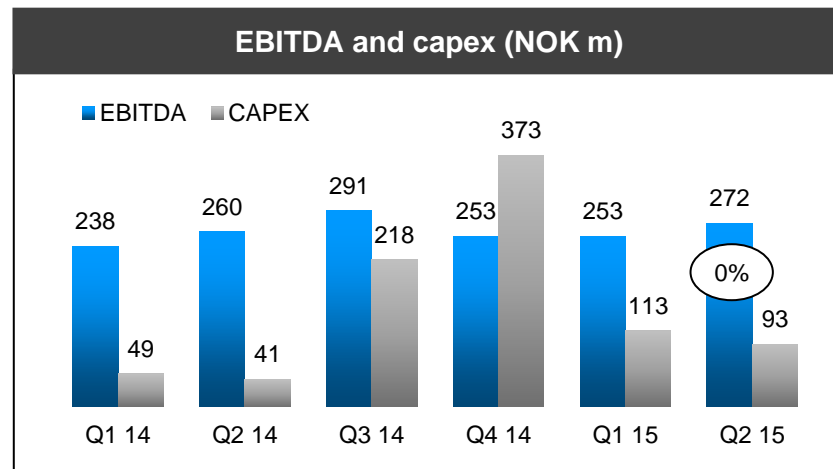
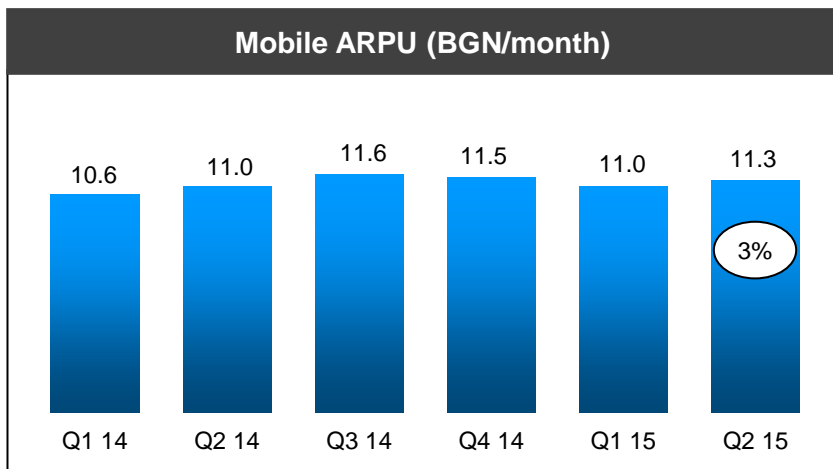
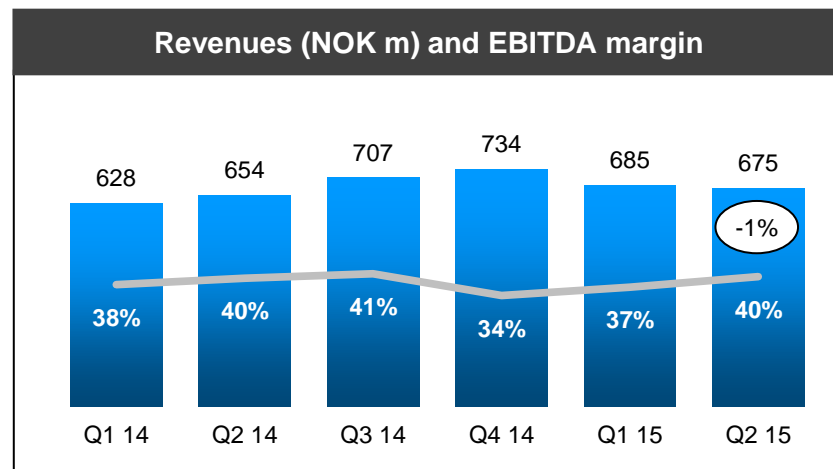
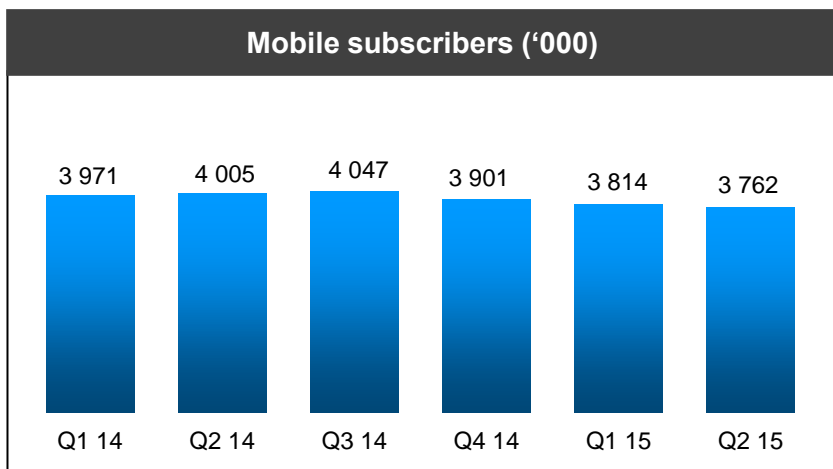
Montenegro and Serbia



○ Organic growth

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EBITDA and EBITDA margin before other items. Capex excl. licence fees

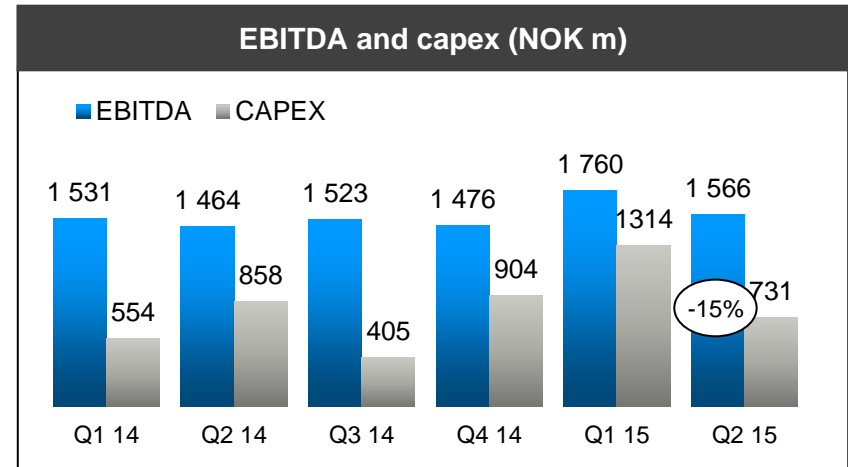
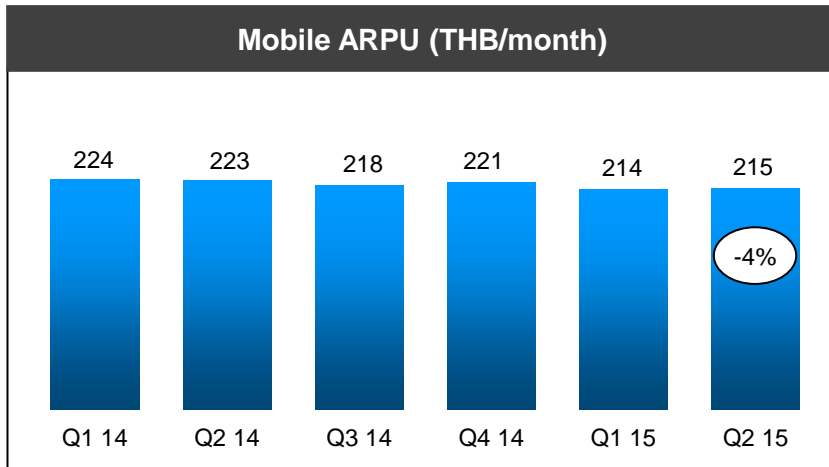
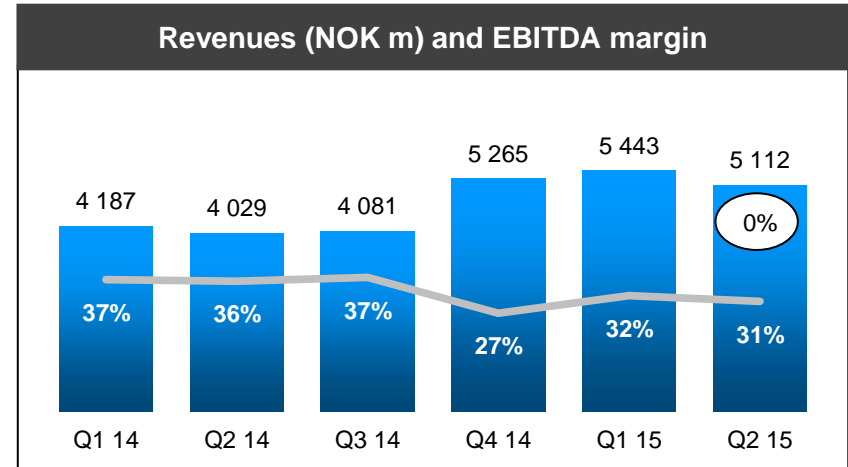
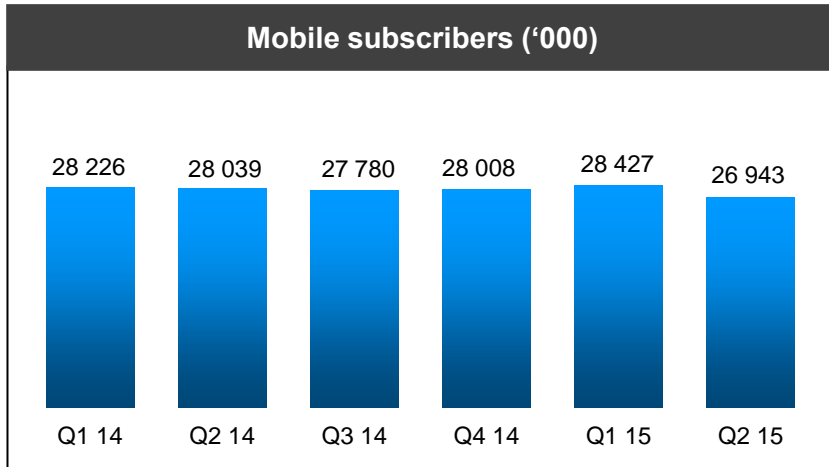
Bulgaria



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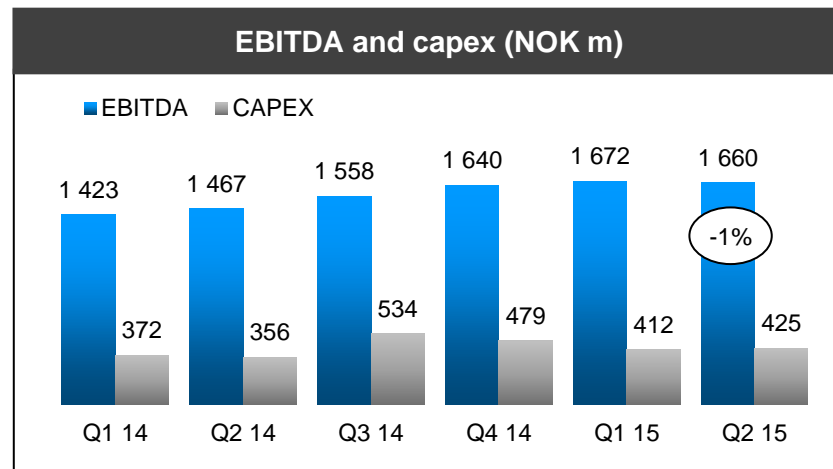
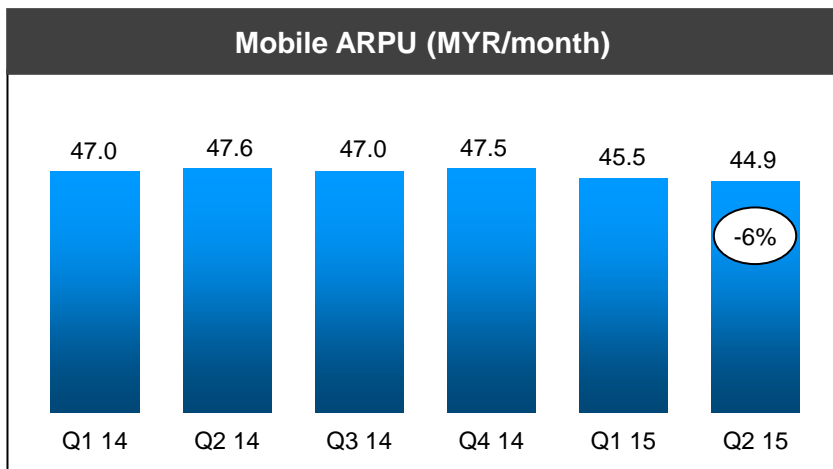
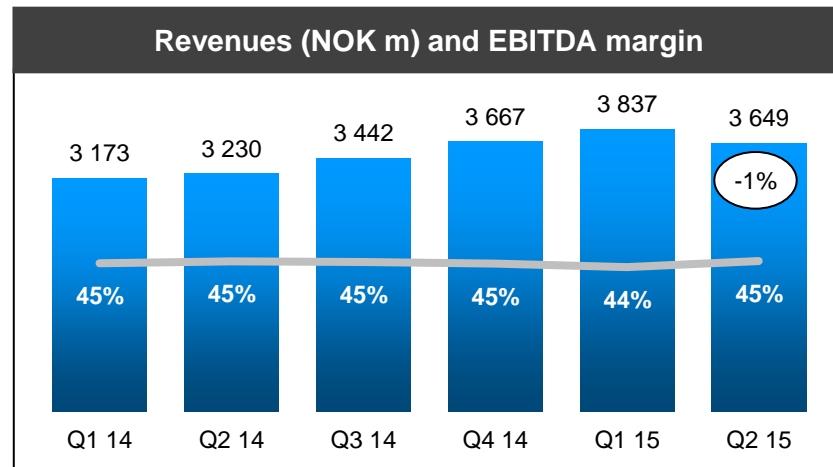
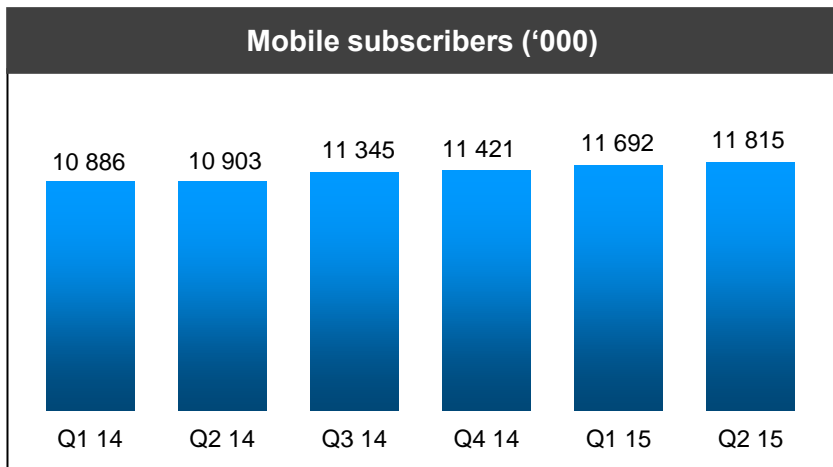
Thailand (dtac)



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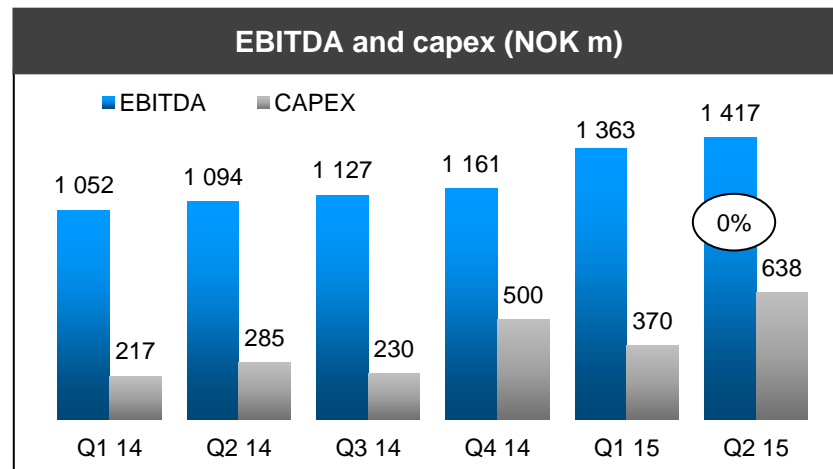
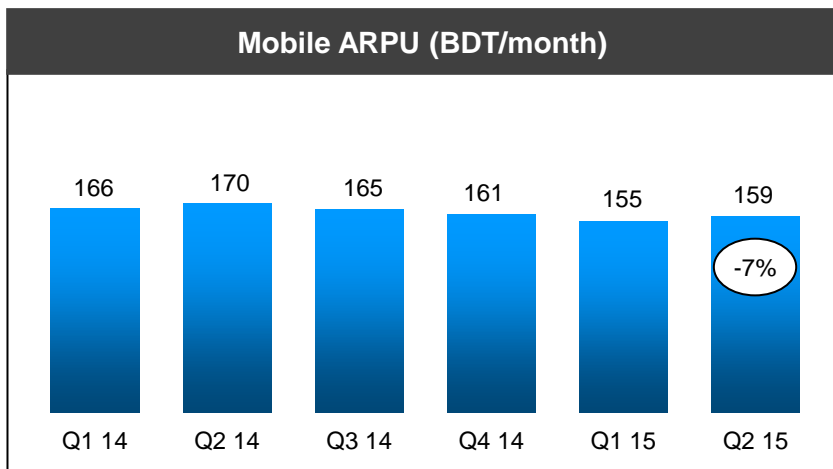
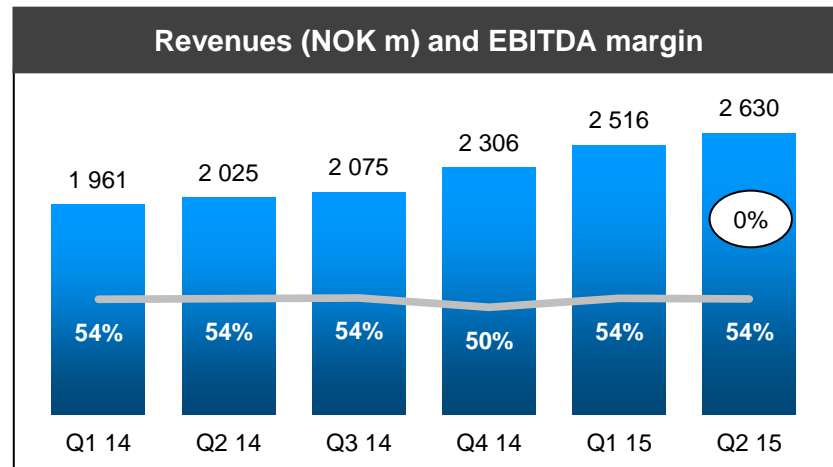
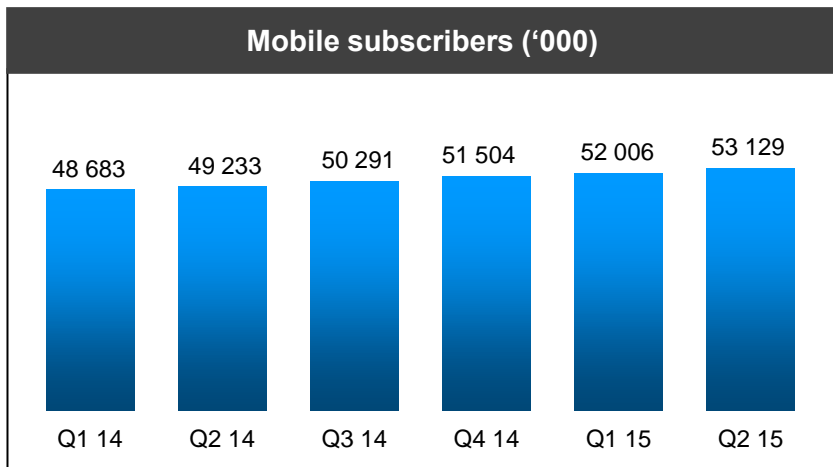
Malaysia (Digi)



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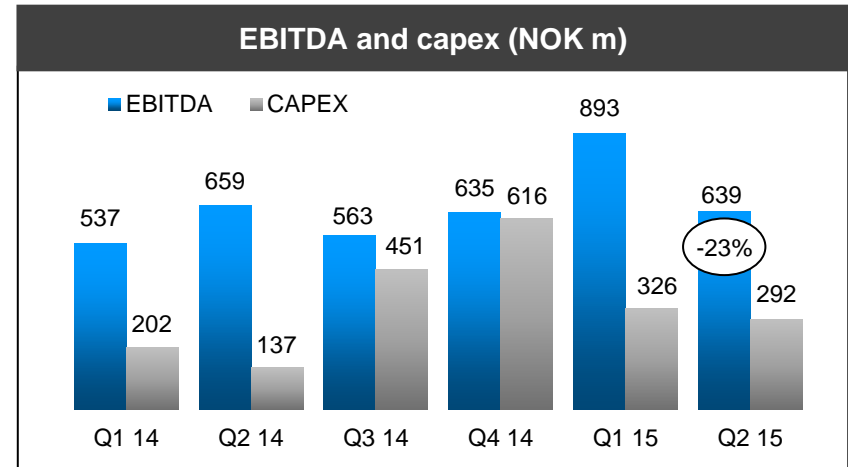
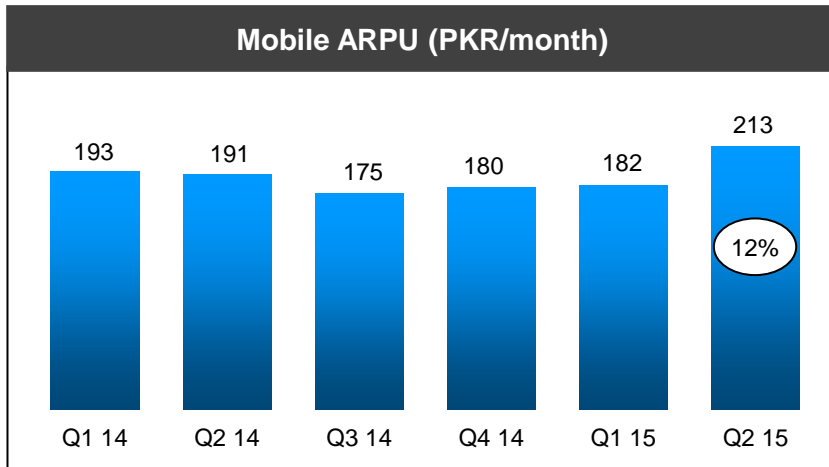
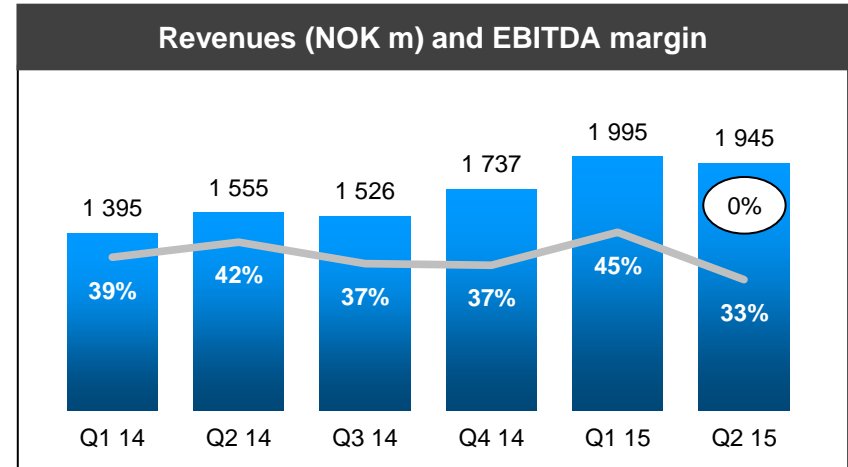
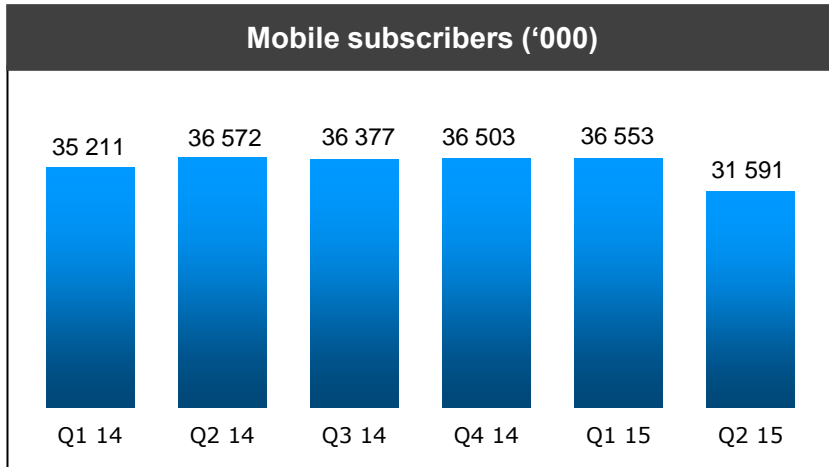
Bangladesh (Grameenphone)



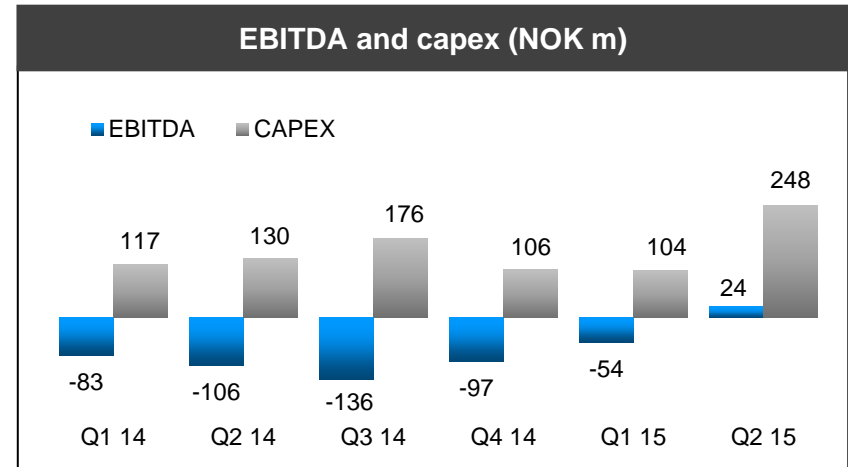
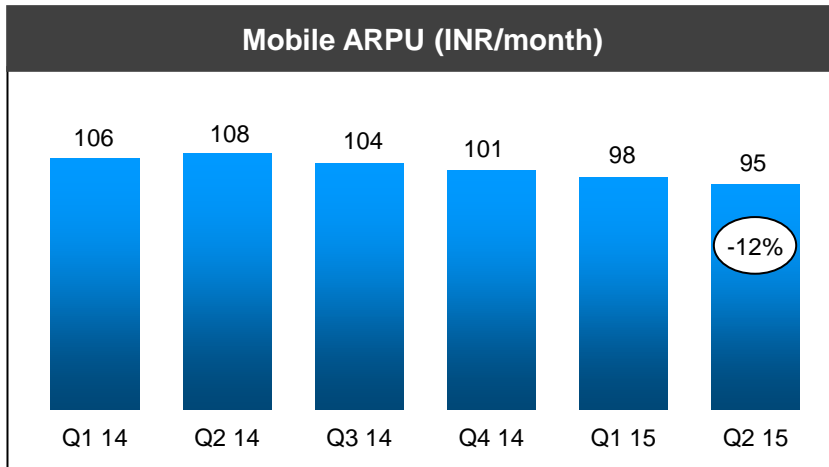
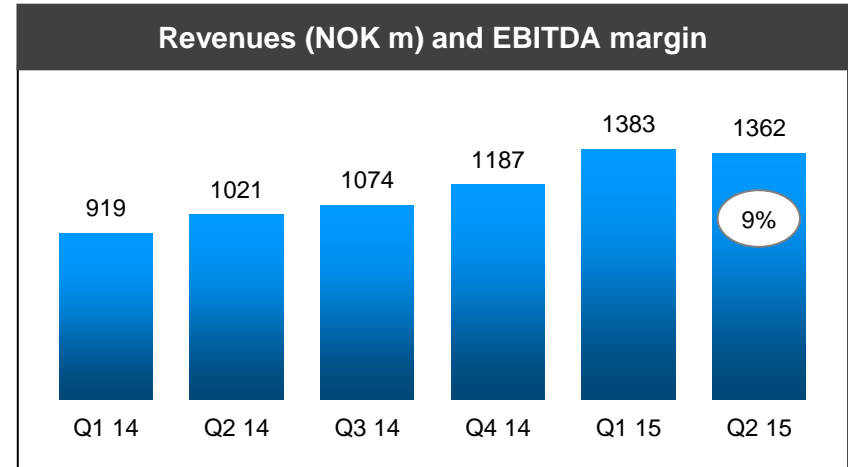
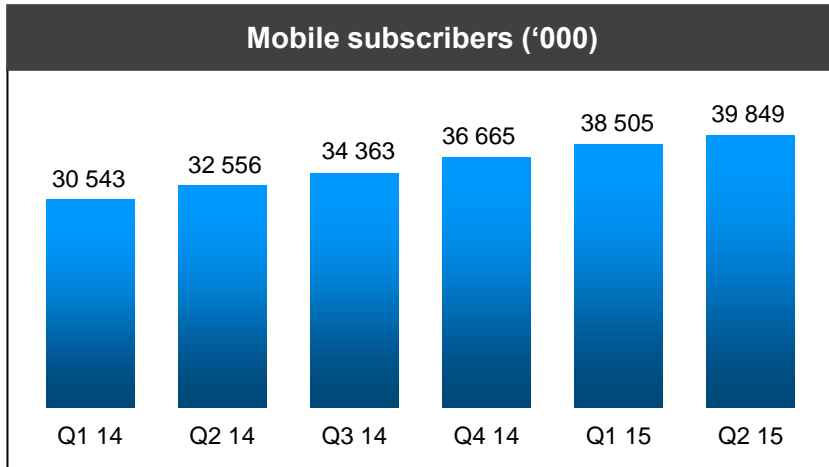
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EBITDA and EBITDA margin before other items. Capex excl. licence fees

Pakistan



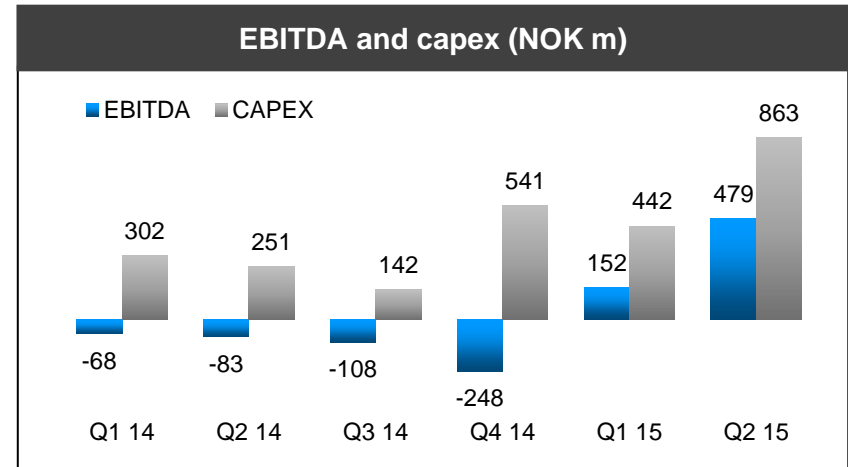
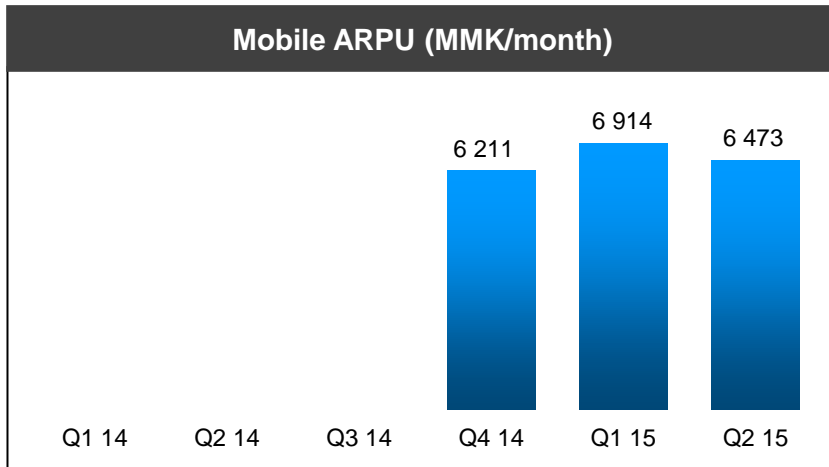
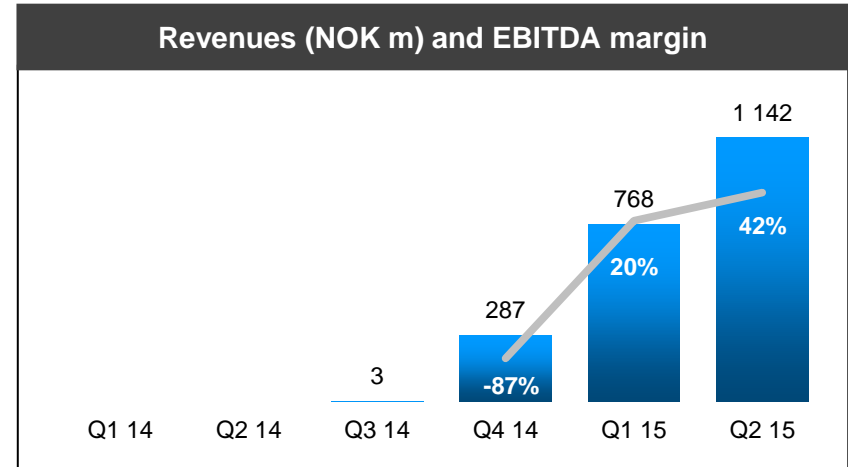
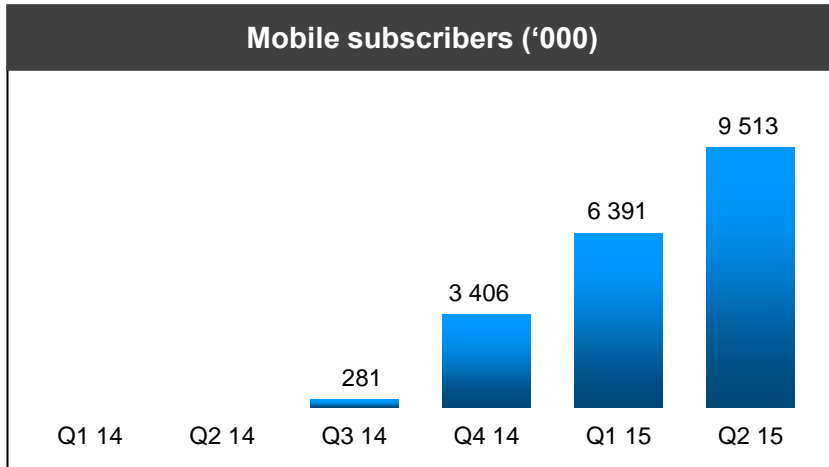
○ Organic growth



○ Organic growth

Organic growth assuming fixed currency, adjusted for acquisitions and disposals.
EBITDA before other items. Capex excl. licence fees

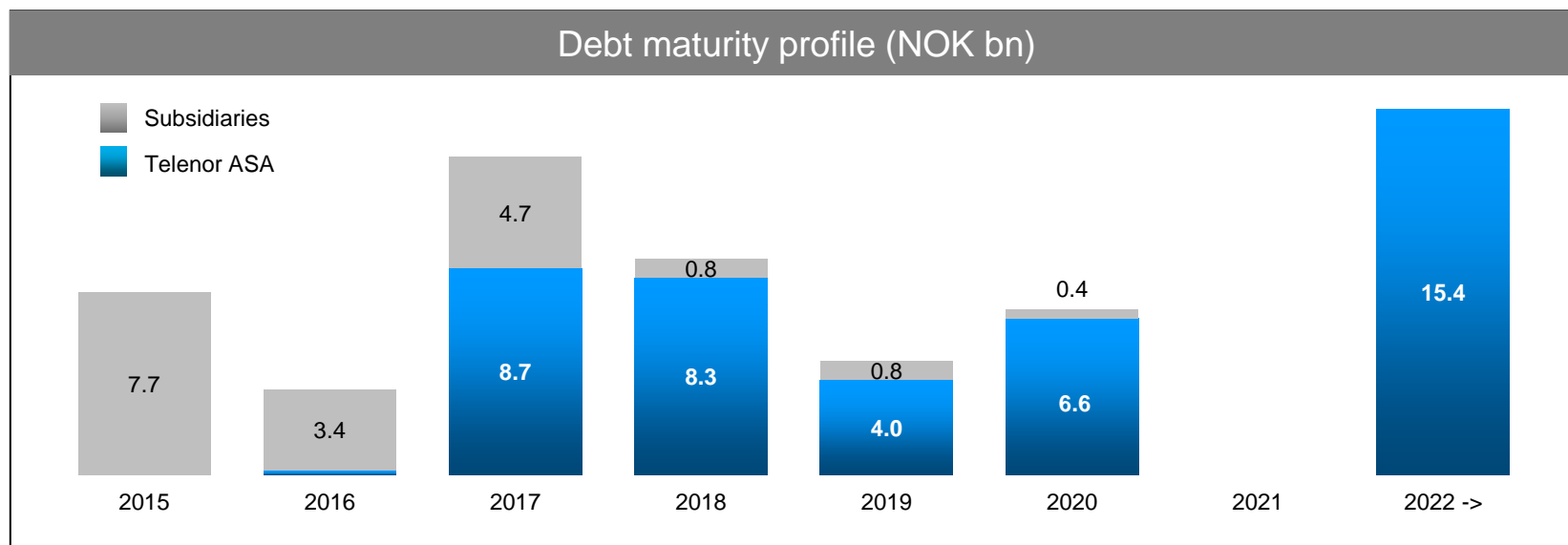
Myanmar



Changes in revenues and EBITDA

	Revenues		EBITDA	
	Reported	Organic	Reported	Organic
Norway	1.6%	1.6%	-2.2%	-2.2%
Sweden	5.6%	4.0%	-6.0%	-7.3%
Hungary	0.5%	-3.1%	-13.6%	-16.7%
Montenegro and Serbia	9.6%	8.8%	-1.6%	-2.3%
Bulgaria	3.3%	-1.0%	4.7%	0.3%
Thailand	26.9%	0.4%	7.0%	-15.3%
Malaysia	13.0%	-1.3%	13.2%	-1.2%
Bangladesh	29.9%	0.5%	29.5%	0.2%
Pakistan	25.0%	-0.3%	-2.9%	-22.7%
India	33.4%	9.1%		
Broadcast	-0.7%	-1.6%	2.4%	2.0%
Telenor Group	17.6%	5.9%	11.3%	-0.1%

Debt maturity and net debt in partly owned subsidiaries



Net debt in partly owned subsidiaries (NOK m)

(NOK m)	Q2 2015	Q1 2015	Q2 2014
Digi	1 994	1 539	852
dtac	6 386	6 231	3 152
Grameenphone	3 008	2 662	2 099