



Telenor Group – Fourth Quarter 2015

Sigve Brekke, CEO



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Highlights 2015

Fourth quarter 2015

- 6.6 million new mobile subscribers
- 2% organic revenue growth
- 10% organic EBITDA growth

Full year 2015

- Passed 200 million subscriber milestone
- 5% organic revenue growth
- 34.5% EBITDA margin
- Dividend of NOK 7.50 per share



EBITDA before other items.

Q4 2015

Continued solid mobile consumer growth in Norway and Sweden

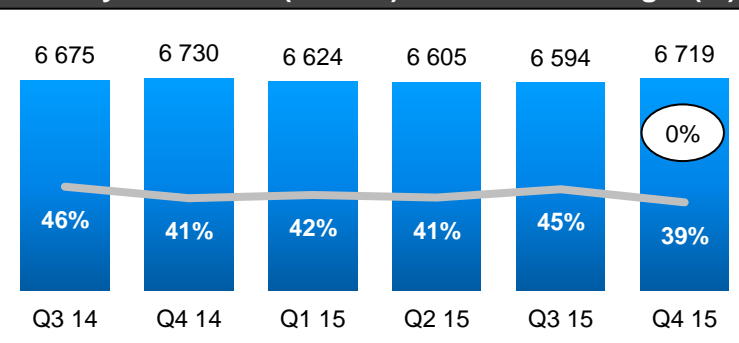
Norway

- 2% organic growth in mobile subscription and traffic revenues
- 12k new high-speed internet subscribers
- Continued 4G and fibre investments

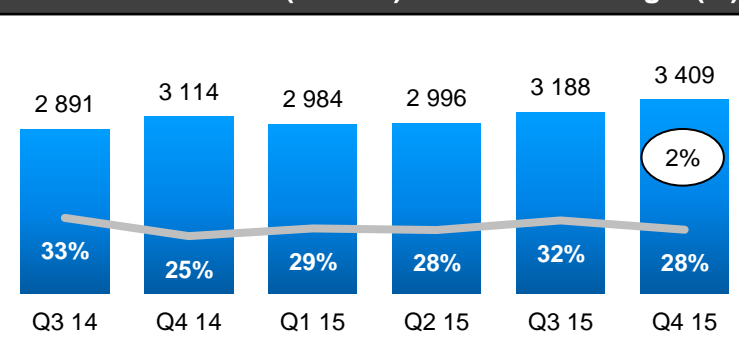
Sweden

- 2% organic growth in mobile subscription and traffic revenues
- 12% organic EBITDA growth
- 13k new high-speed internet subscribers

Norway: Revenues (NOK m) and EBITDA margin (%)



Sweden: Revenues (NOK m) and EBITDA margin (%)



○ Organic revenue growth

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

Q4 2015

Stable trends in CEE, while Denmark remains challenging

Hungary

- Solid trends in postpaid consumer segment, intensified competition in SME

Montenegro and Serbia

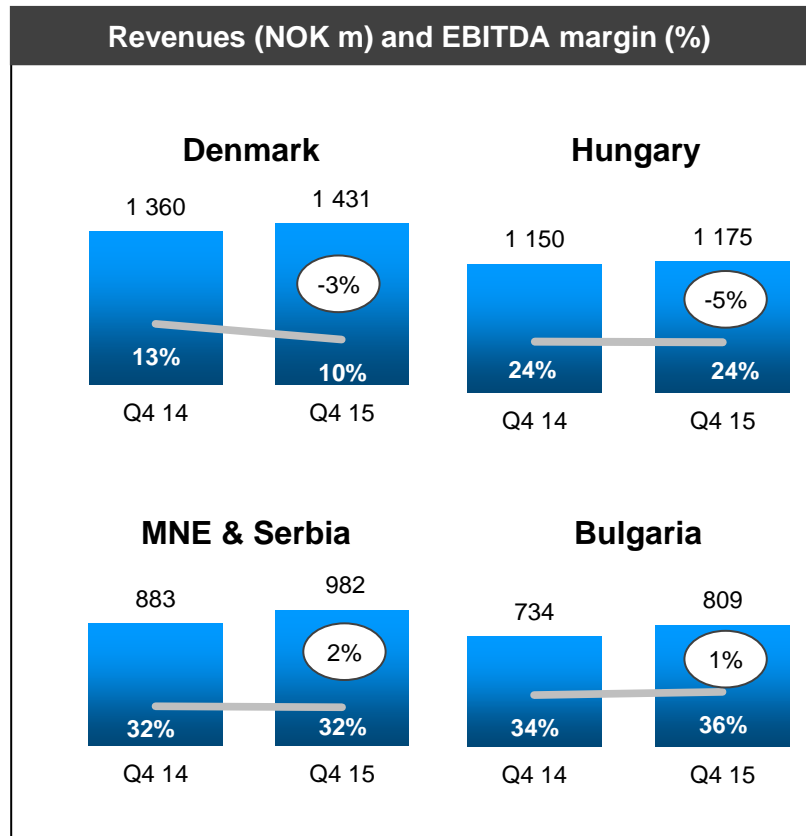
- Revenue growth driven by handset installment plans and SMS interconnect

Bulgaria

- Launched 4G in December

Denmark

- Intense competition impacting revenues and profitability



○ Organic revenue growth

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

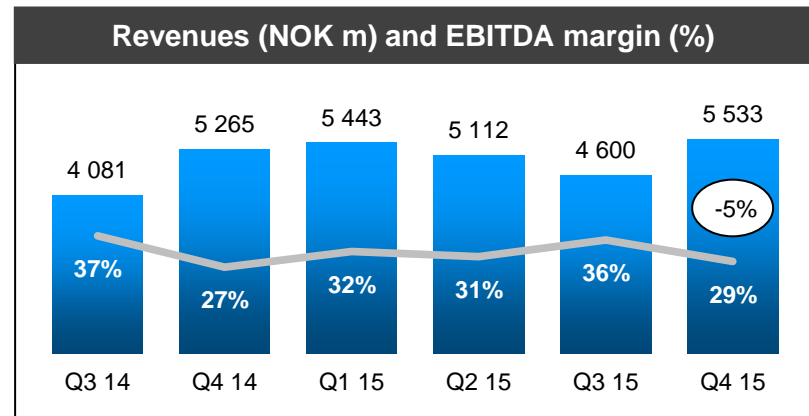
Q4 2015

Subscriber growth amidst intense competition in Thailand

- 400k net subscriber growth
- Good progress on network expansion
 - 94% 3G coverage
 - Launched 4G on 1800 MHz
- Adequate spectrum portfolio until 2018
- Aggressive device competition in the market continues into 2016

	concession ^{1/}		License ^{2/}	TOTAL
	850MHz	1800MHz	2100MHz	
2q		10MHz		10MHz
3q	10MHz		10MHz	20MHz
4q		15MHz	5MHz	20MHz
TOTAL	10MHz	25MHz	15MHz	50MHz

^{1/} concession expires in 2018, excluding 20MHz of unused 1800MHz band.
^{2/} license expires in 2027.



○ Organic revenue growth

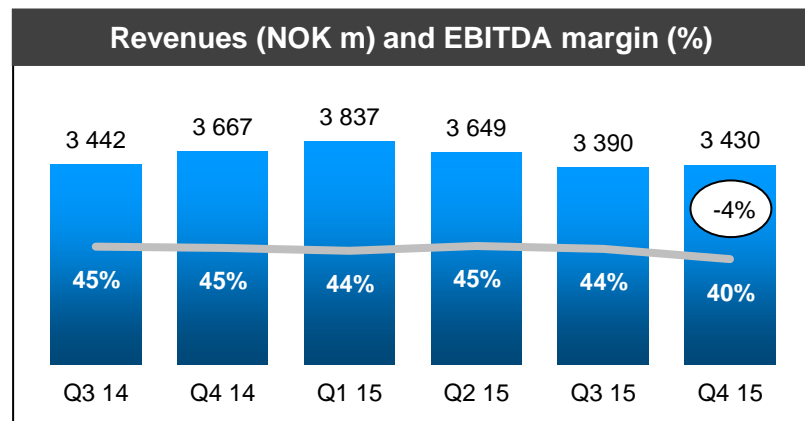
Organic growth assuming fixed currency, adjusted for acquisitions and disposals.
 EBITDA margin before other items.

Q4 2015

Weakening margin on international traffic in Malaysia

- 449k net subscriber uptake, with growth in both contract and prepaid segments
- 45% EBITDA margin adjusted for negative currency effects on international traffic
- 4G network population coverage above 65%
- Reallocation of 900/1800 MHz spectrum bands

	900MHZ	1800MHZ	2100MHZ	TOTAL
<i>digi</i>	2Hz	25Mhz	15MHz	42MHz
<i>celcom</i>	17Mhz	25MHz	15Mhz	57MHz
<i>maxis</i>	16Mhz	25MHz	30MHz	71MHz



○ Organic revenue growth

Organic growth assuming fixed currency, adjusted for acquisitions and disposals.

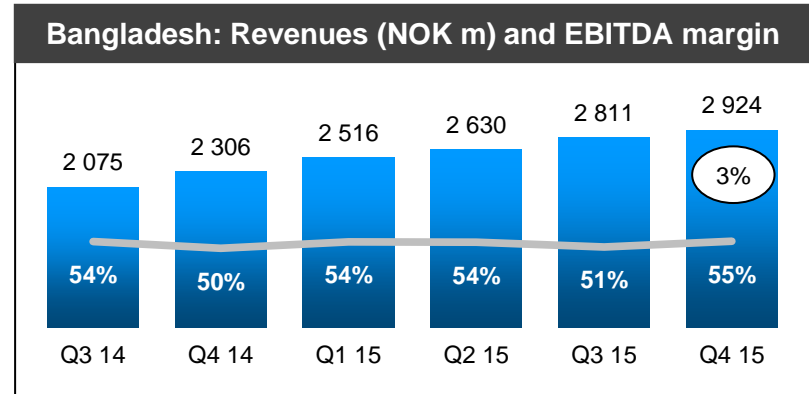
EBITDA margin before other items.

*) Service revenues according to local definition.

Continued improvement in Bangladesh and Pakistan

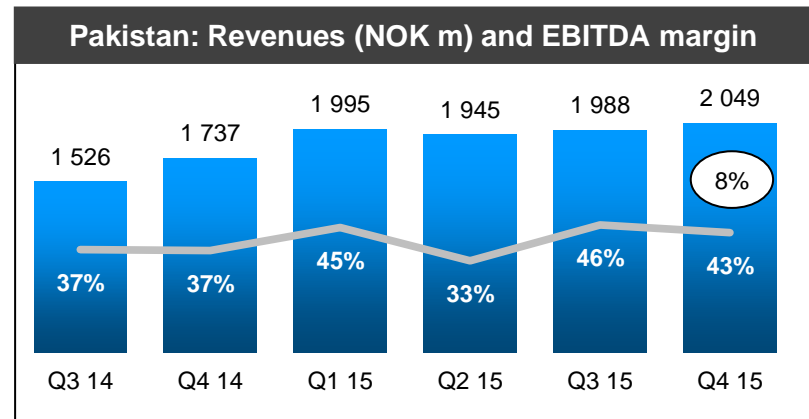
Bangladesh (Grameenphone)

- 1.2 million net subscriber growth
- 5% organic subscription and traffic revenue growth
- SIM re-registration through biometric verification



Pakistan

- 1.3 million net subscriber growth
- 8% organic revenue growth driven by increased international traffic
- 11% of revenues from financial services
- 38% adjusted EBITDA margin



○ Organic revenue growth

Q4 2015

Strong performance in Myanmar

Continued subscriber growth

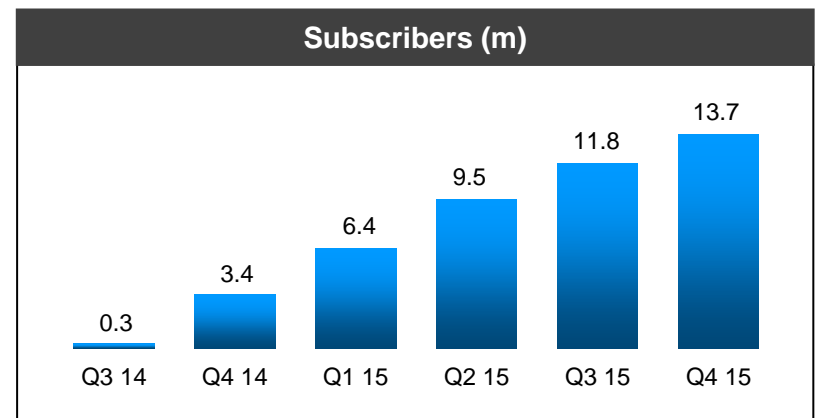
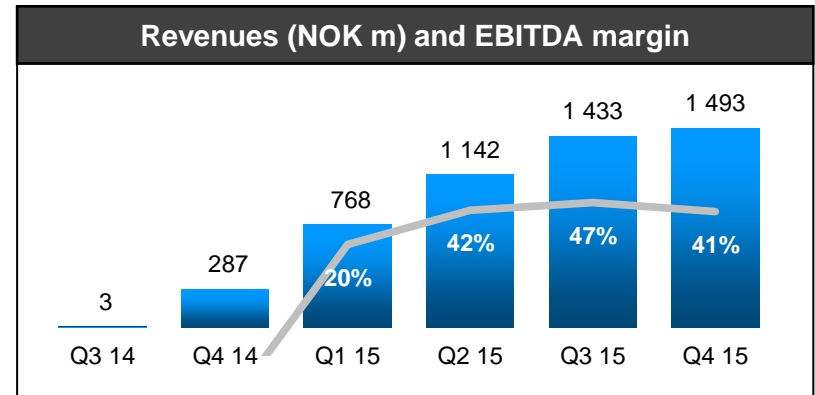
- 1.9 million net subscriber growth in Q4
- 52% active data users
- SIM market share estimated at 37%

Underlying margin improvement

- EBITDA margin up 3 percentage points vs normalised margin in Q3

Network rollout according to plan

- 4,200 network sites on air
- Aiming for around 9,000 sites



Stagnant revenue growth in India

Continued subscriber growth

- 1.8 million subscriber growth (+16% YoY)
- Total subscriber base of 42.6 million

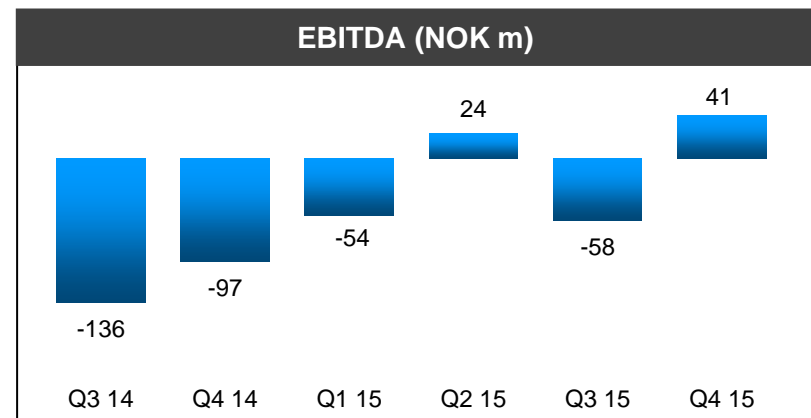
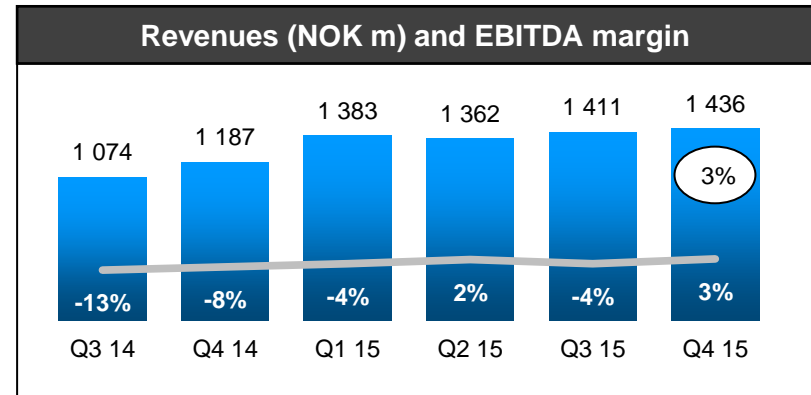
Abating revenue growth

- 13% ARPU decline
- 5% organic growth in subscription and traffic revenues

Network swap ongoing

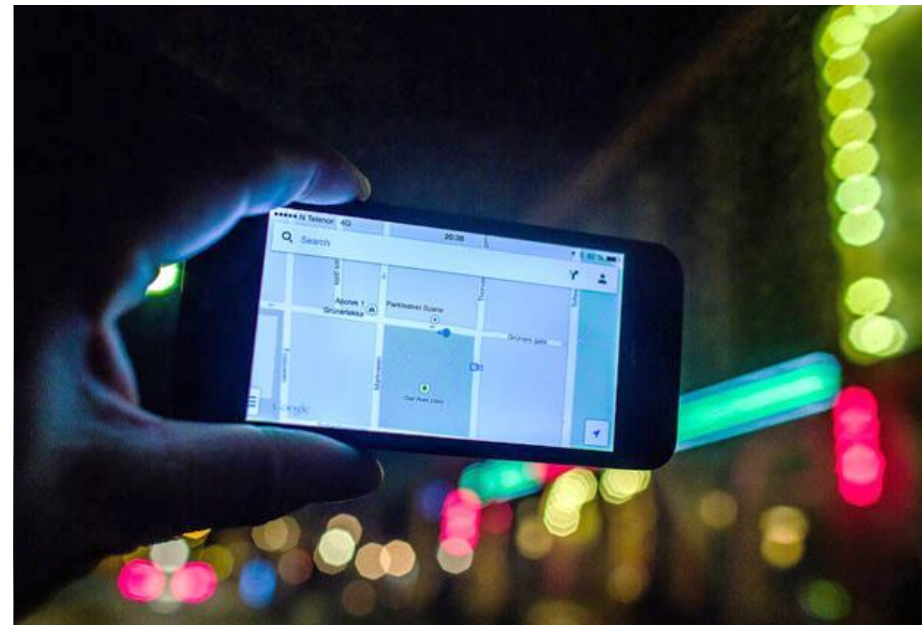
- 5,000 sites already swapped
- Expected completion mid-2017

○ Organic revenue growth



Operational priorities in 2016

- Cost improvement
- Revenue growth in Norway
- Defend revenue market share in Thailand
- Efficient network rollout



Our strategic ambition

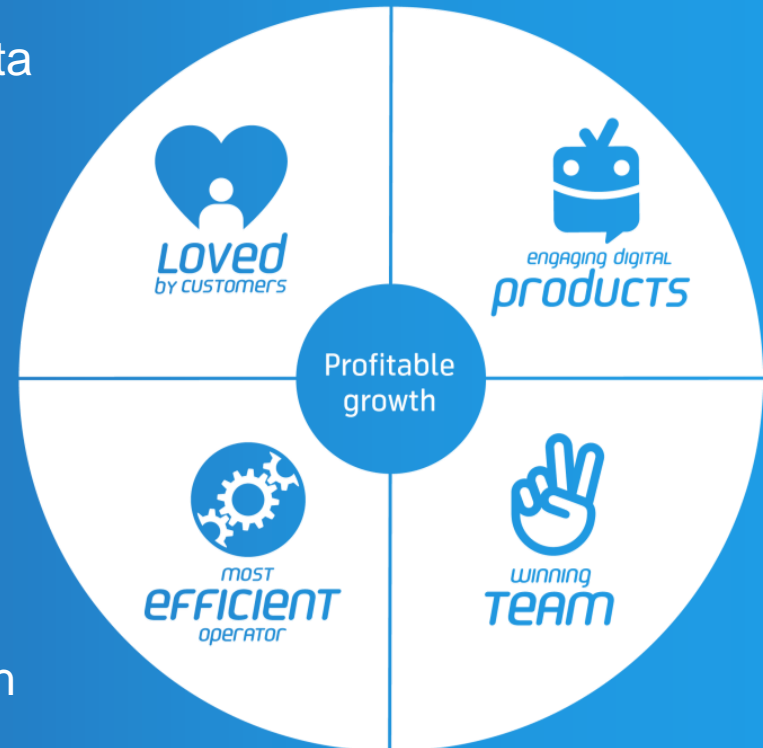
Be the customers' favourite partner in digital life

Profitable growth, driven by increasing data usage

Develop into a digital service provider

- Offer attractive end-user services
- Digitize core telco processes
- Explore selected new digital businesses

EBITDA growth exceeding revenue growth





Telenor Group – Fourth Quarter 2015

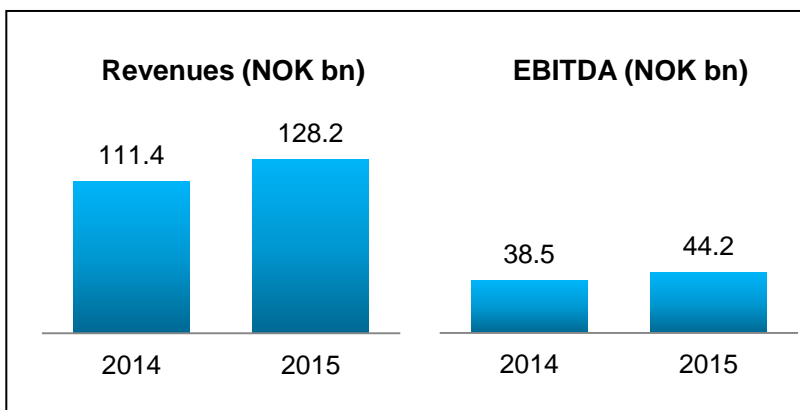
Morten Karlsen Sørby, Acting CFO



Financial highlights 2015

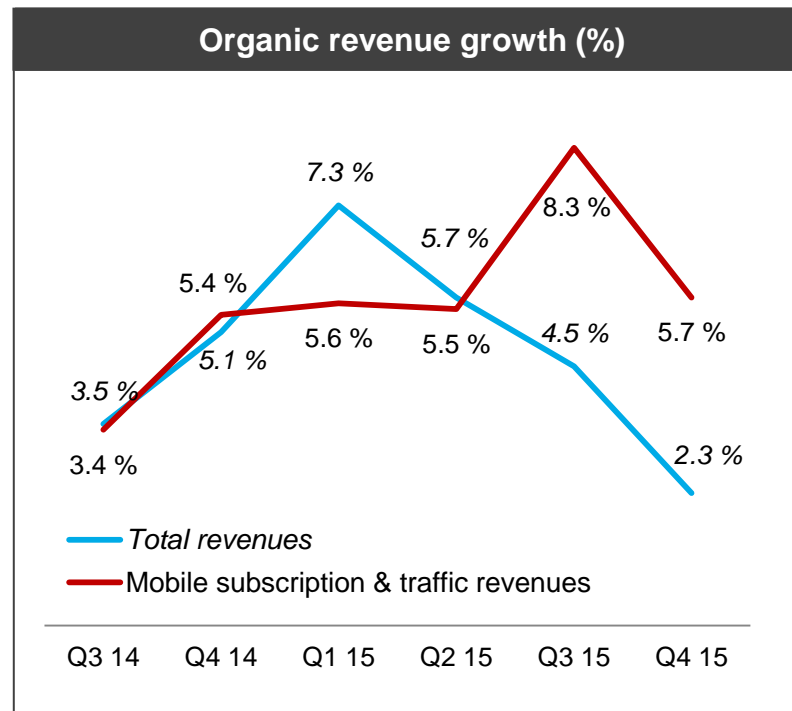
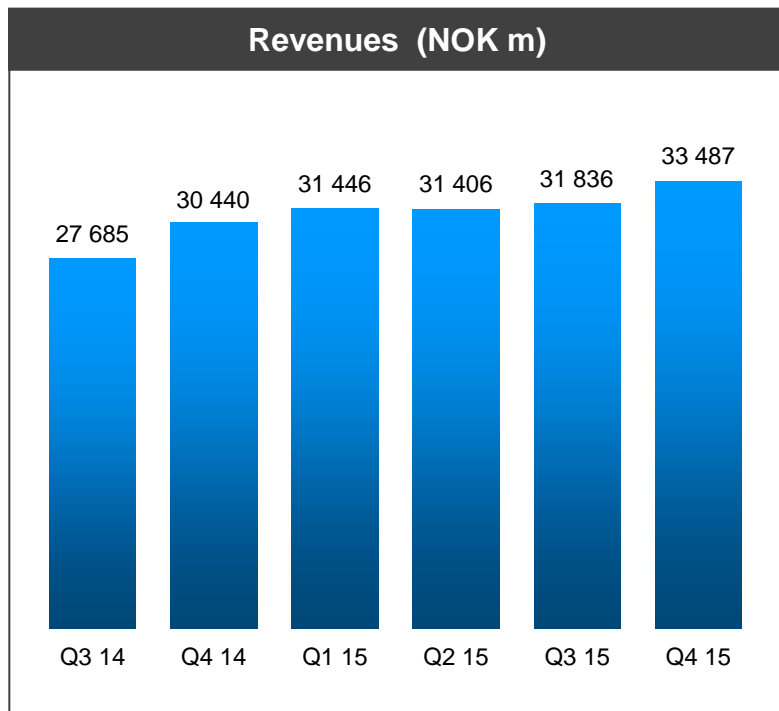
- Delivered on full year guidance, despite headwinds in Thailand and Malaysia
- Strong performance in first year of operation in Myanmar
- Solid data monetisation in Norway and Sweden
- Gross cost savings according to plan
- Investments in spectrum and networks to support data growth

Actual 2015	Outlook 2015
4.7% organic revenue growth	Around 5%
34.5% EBITDA margin	34-35%
18.4% capex / sales	17-19%



Q4 2015

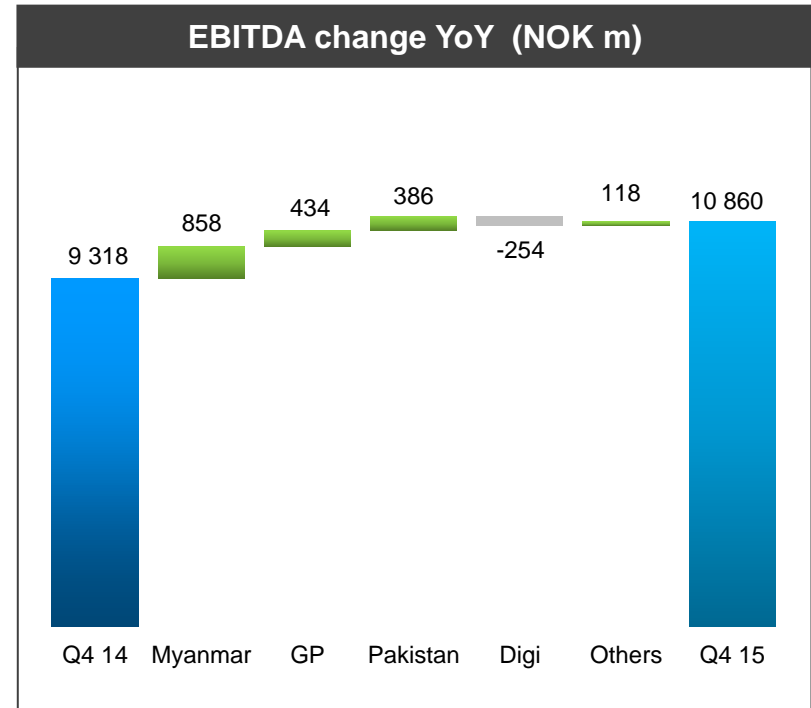
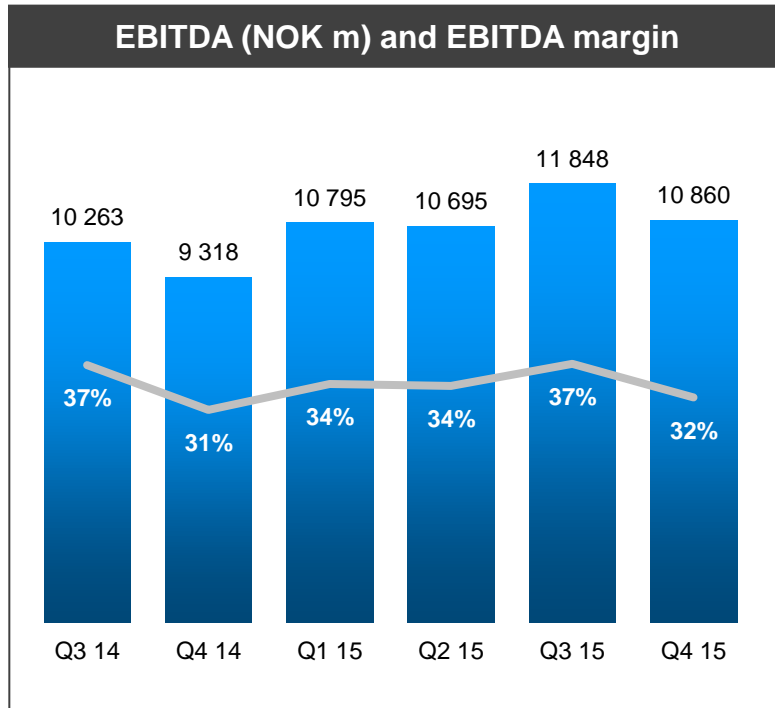
10% reported revenue growth, 2% organic



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

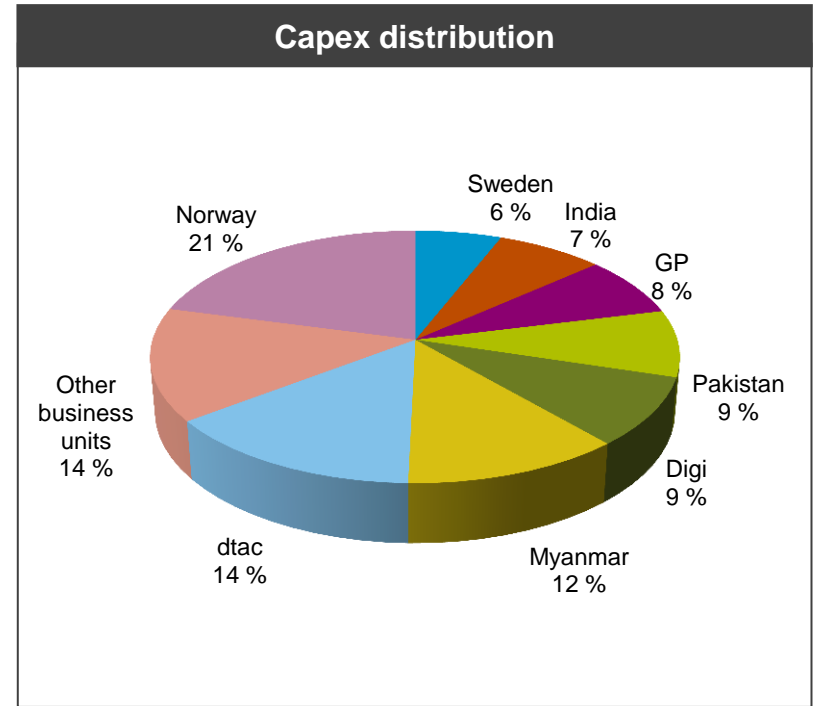
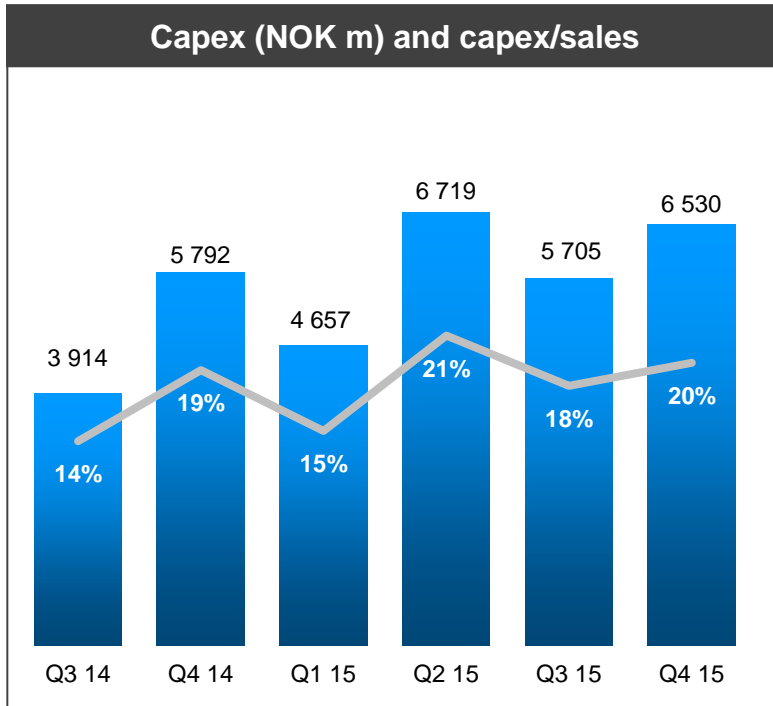
Q4 2015

32% EBITDA margin and 10% organic EBITDA growth



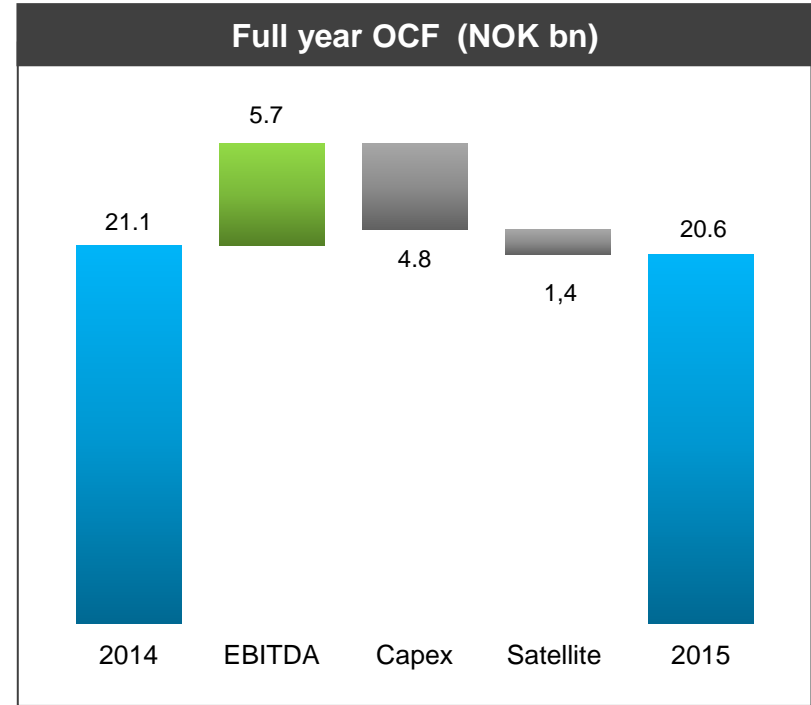
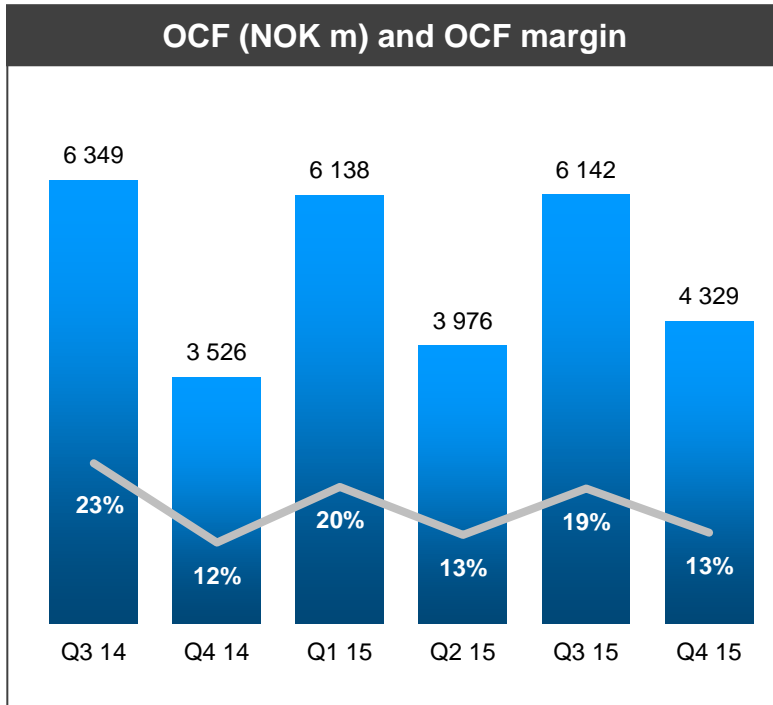
Q4 2015

Capex of NOK 6.5 billion



Q4 2015

Operating cash flow of NOK 4.3 billion



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

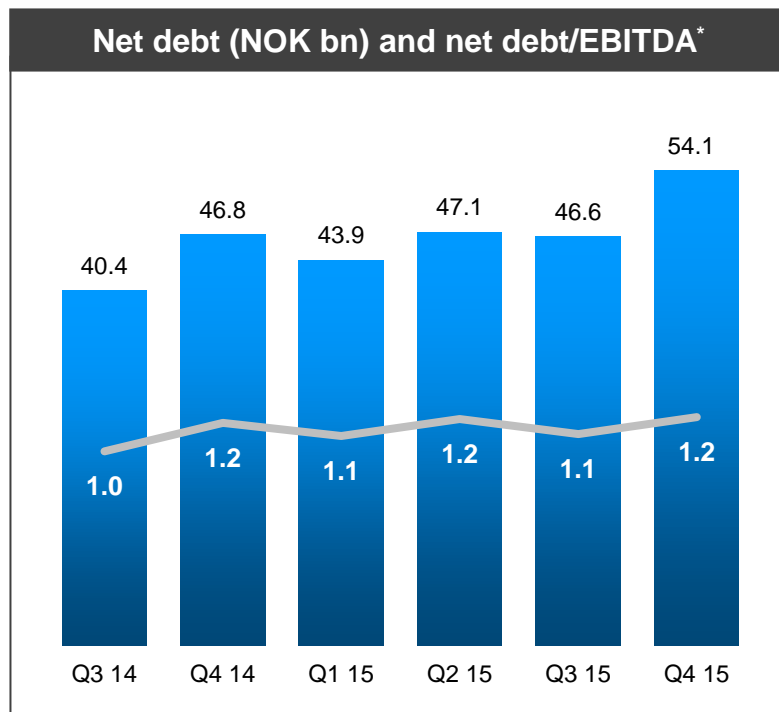
Q4 2015

Normalised net income of NOK 2.2 billion

NOK m	Q4 15	Q4 14	
Revenues	33 487	30 440	Norway (-39m), Denmark (-26m), India (-117m), Myanmar (-24m), Corporate functions (-54m)
EBITDA before other items	10 860	9 318	
Other items	-257	-295	
EBITDA	10 603	9 023	Norway (-47m), Denmark (-87m), Sweden (-63m), India (-100m)
Depreciation and amortisation	-5 083	-4 204	
Impairment losses	-2 103	-9	Impairment of Telenor Denmark 2.1 bn
EBIT	3 417	4 811	
Associated companies	-2 835	-1,170	VimpelCom (-2.8 bn, results impacted by VimpelCom 's provision related to ongoing investigation)
Net financials	-980	-779	Online classifieds (-65m)
Profit before taxes	-398	2,863	
Taxes	-995	-1,456	
Non-controlling interests	732	910	
Net income to Telenor	-2 125	496	
EPS (NOK)	-1.42	0.33	

Q4 2015

Net debt of NOK 54.1 billion and net debt/EBITDA of 1.2x



Change in net debt (NOK bn)

Net debt 30 Sep 2015	46.6
EBITDA	(10.7)
Income taxes paid	1.5
Net interest paid	0.3
Capex paid	6.7
Dividends to Telenor ASA shareholders	5.0
Dividends paid to minorities	0.5
Net revenue share dtac	1.2
Currency effects	1.2
Licence obligations paid in Thailand/India	1.1
Changes in working capital and other	0.7
<i>Net change during Q4 15</i>	<i>7.5</i>
Net debt 31 Dec 2015	54.1

*) 12 months rolling EBITDA. Net debt excl. licence commitments of NOK 4.9 bn

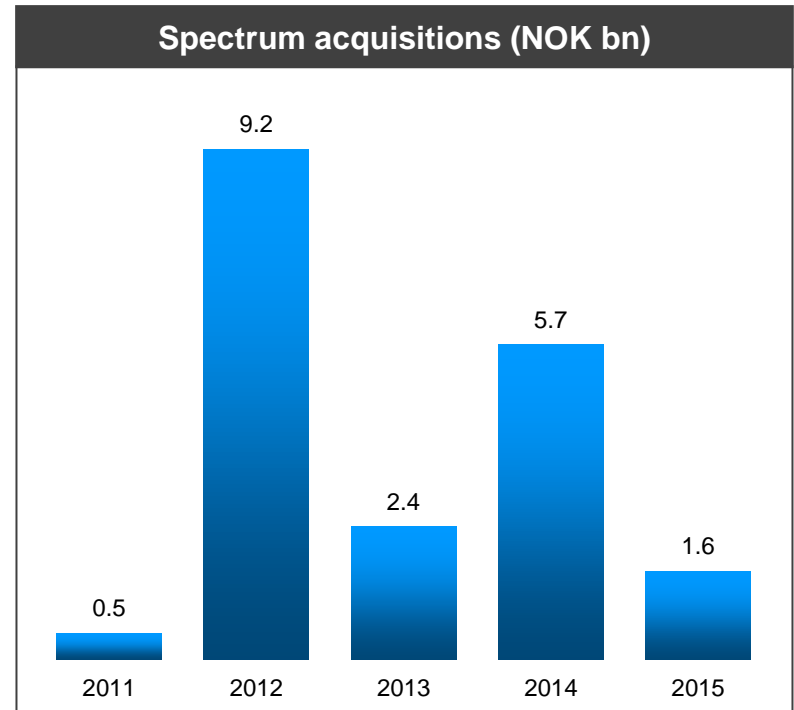
Value-driven approach to spectrum acquisitions

Spectrum acquisitions

- Cost efficiency vs alternatives
- Portfolio considerations
- Risk management

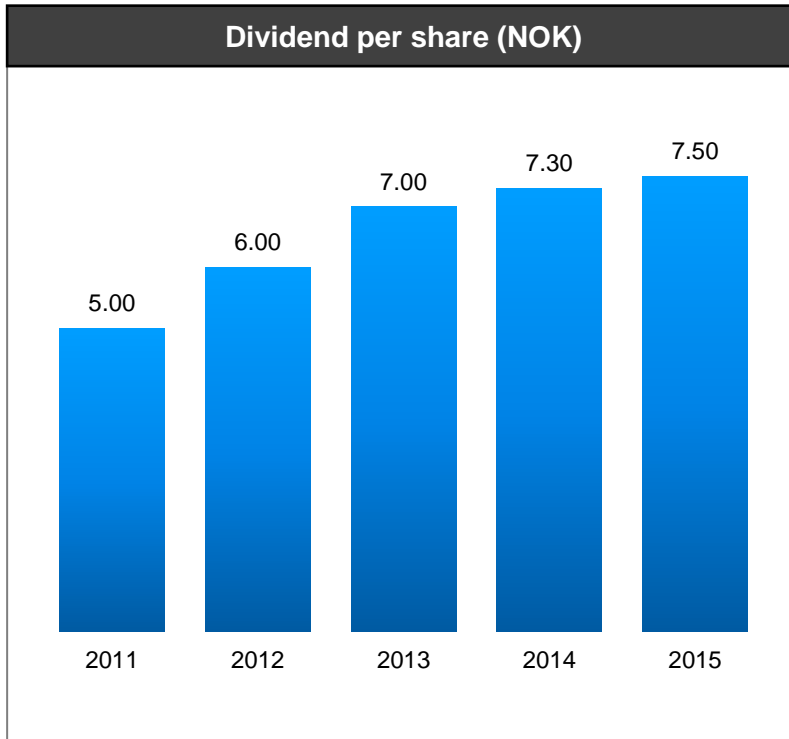
Spectrum efficiency

- Optimise spectrum utilisation
- Refarm and accelerate migration to more efficient technologies
- Deploy new technology and unlicensed frequency bands



Q4 2015

Dividend for 2015 of NOK 7.50 per share



- Dividend in line with ambition to deliver YoY growth in DPS
- Total pay-out of NOK 11.3 billion
- Pay-out in two tranches:
 - NOK 4.00 per share in May
 - NOK 3.50 per share in November
- Pending AGM approval of Board authorisation on 11 May

Q4 2015

Outlook for 2016

	2016	2015
Organic revenue growth	2-4%	4.7%
EBITDA margin	33-34%	34.5%
Capex/sales ratio	17-19%	18.4%

Group structure as of 31 December 2015

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

Highlights

Fourth quarter 2015

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Full year 2015

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- 5% organic revenue growth
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EBITDA before other items.



Q&A





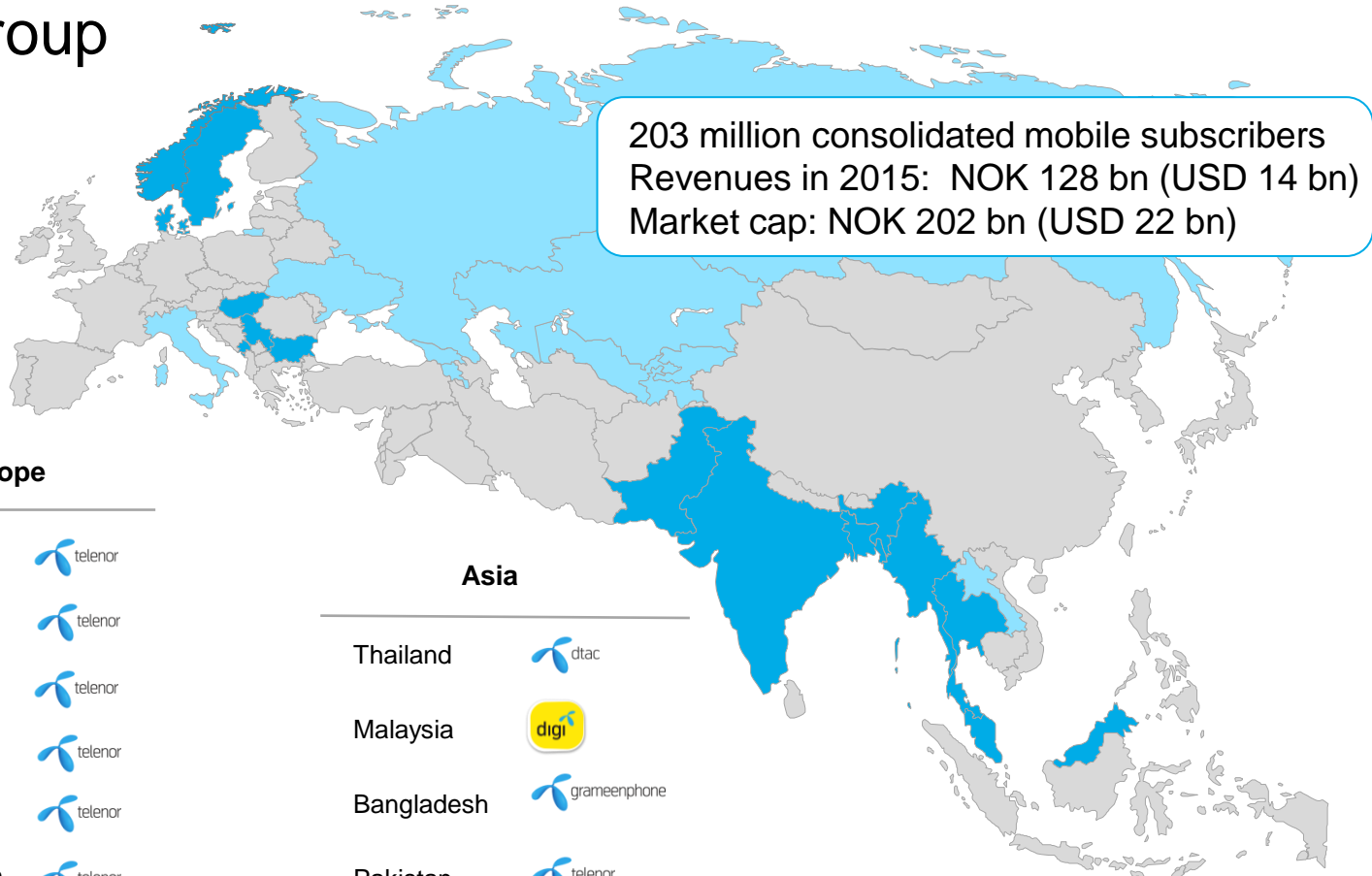
Telenor Group – Fourth Quarter 2015



Appendix



Telenor Group



Europe

- Norway 
- Sweden 
- Denmark 
- Hungary 
- Serbia 
- Montenegro 
- Bulgaria 

Asia

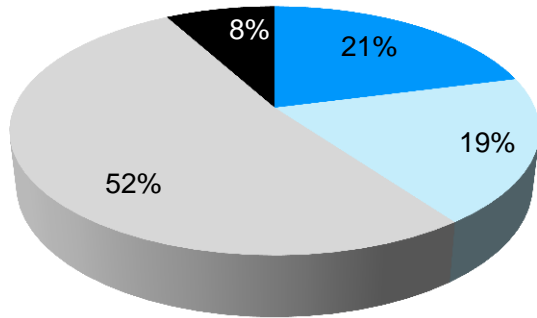
- Thailand 
- Malaysia 
- Bangladesh 
- Pakistan 
- India 
- Myanmar 

 **VimpelCom Ltd.**

Telenor Group holds 33.0% economic stake in VimpelCom Ltd.

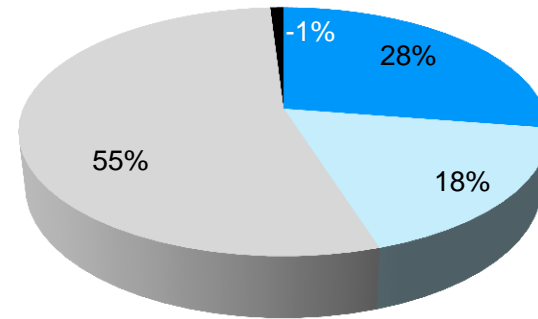
Geographic split of key financials 2015

Revenues



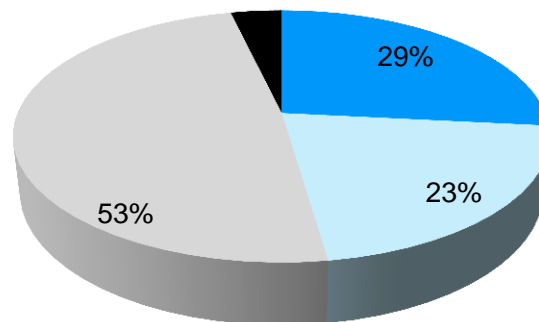
■ Norway ■ Europe ■ Asia ■ Other

EBITDA



■ Norway ■ Europe ■ Asia ■ Other

Operating cash flow



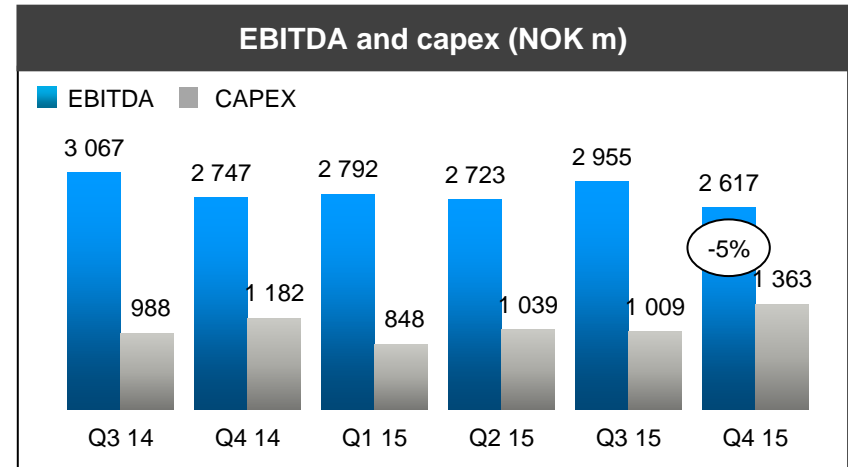
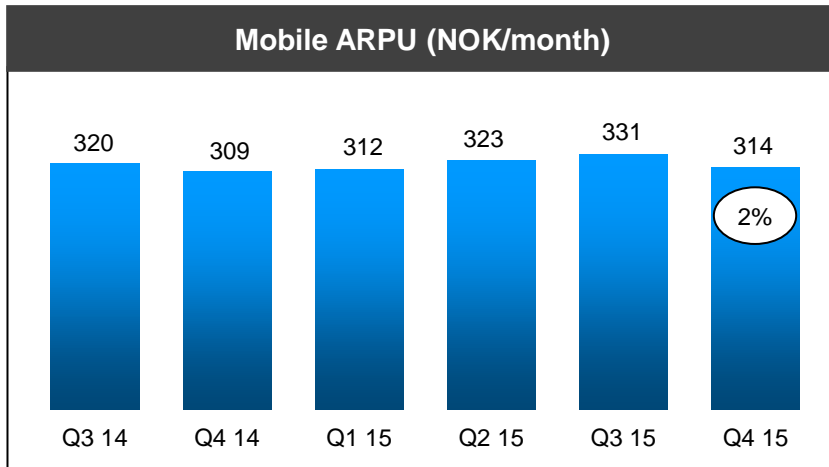
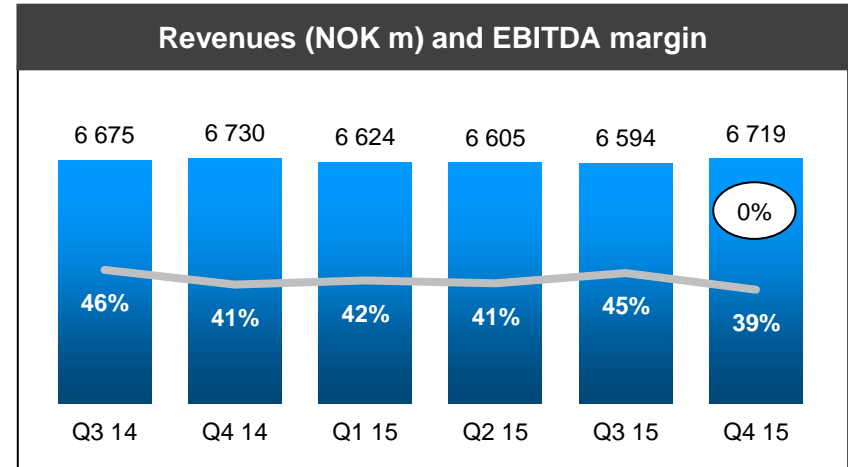
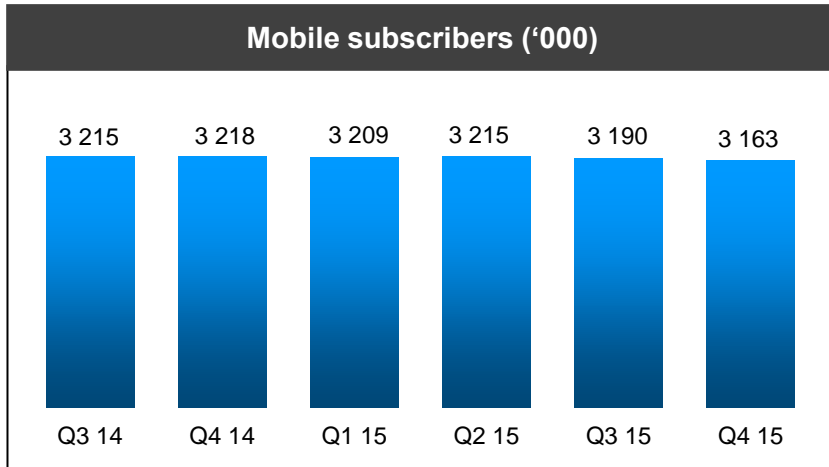
■ Norway ■ Europe ■ Asia ■ Other

a

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>

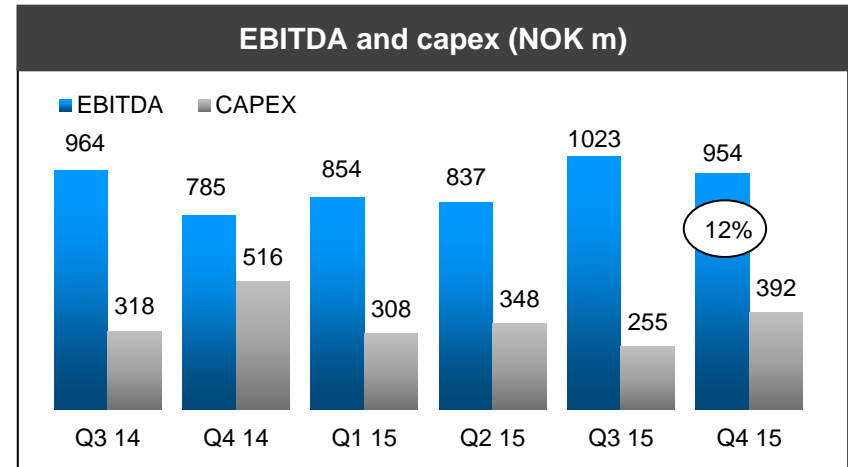
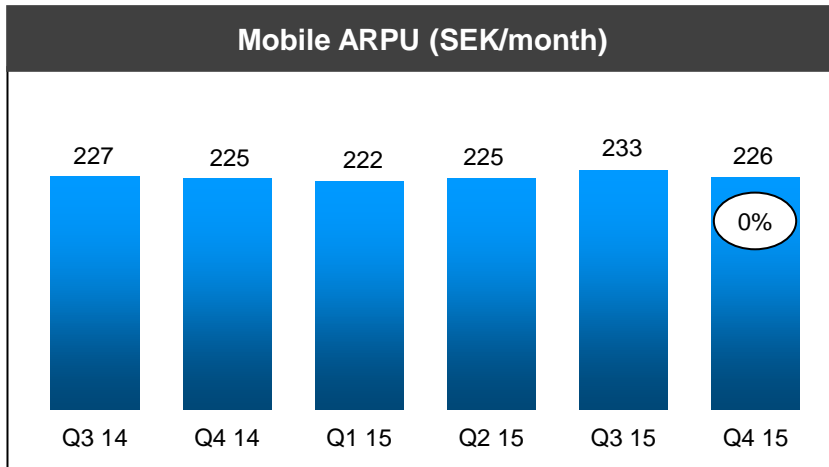
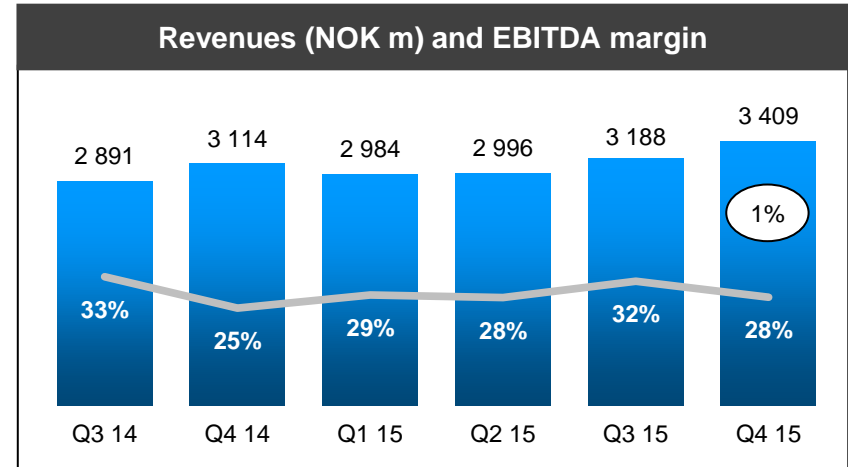
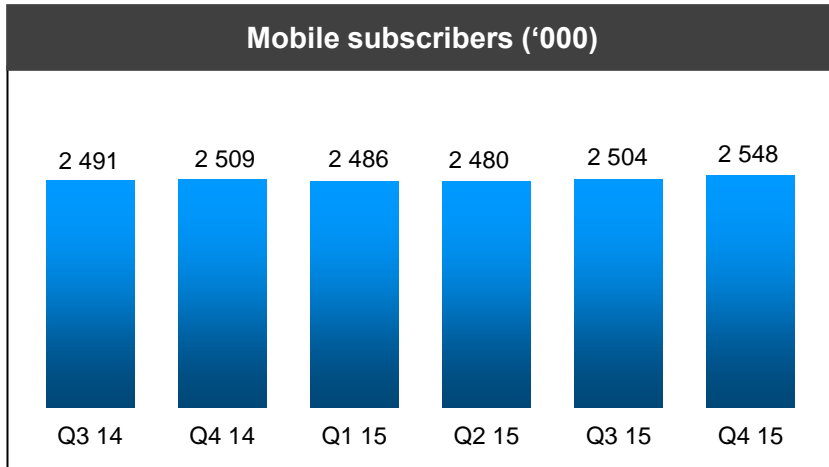
Norway



○ Organic growth

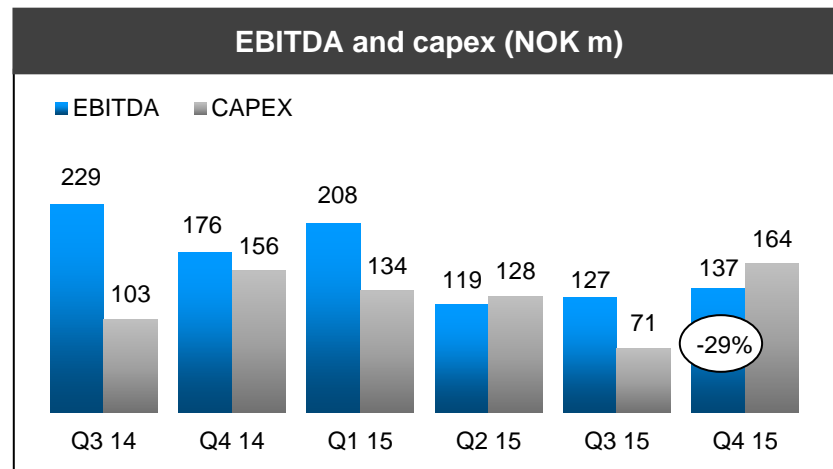
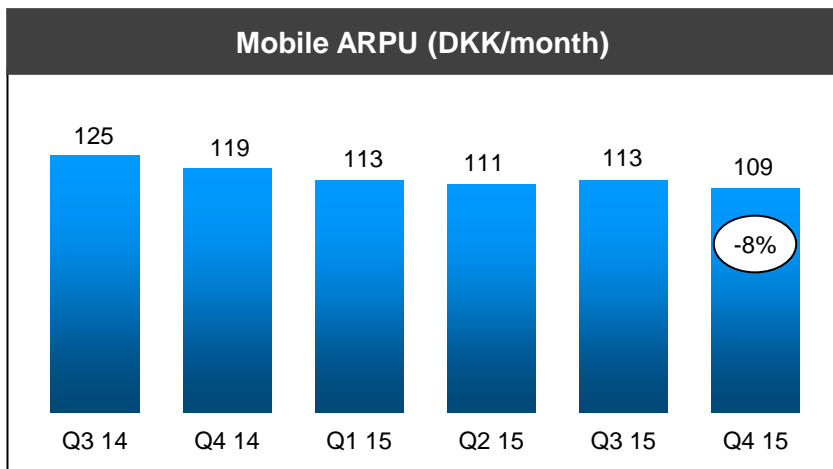
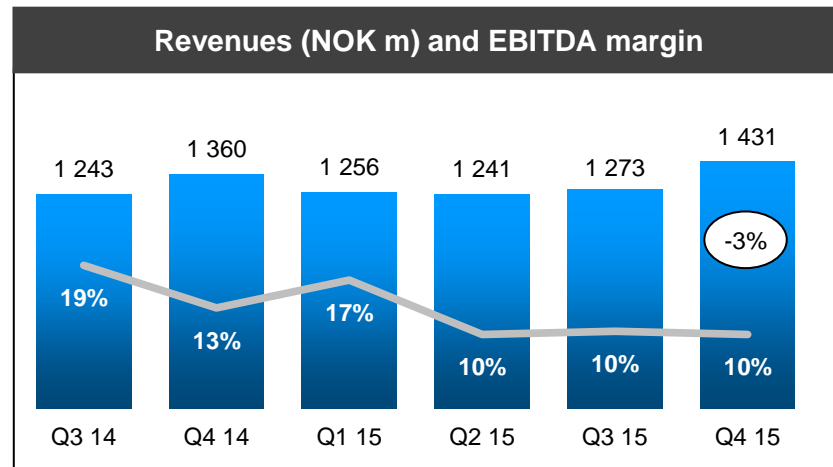
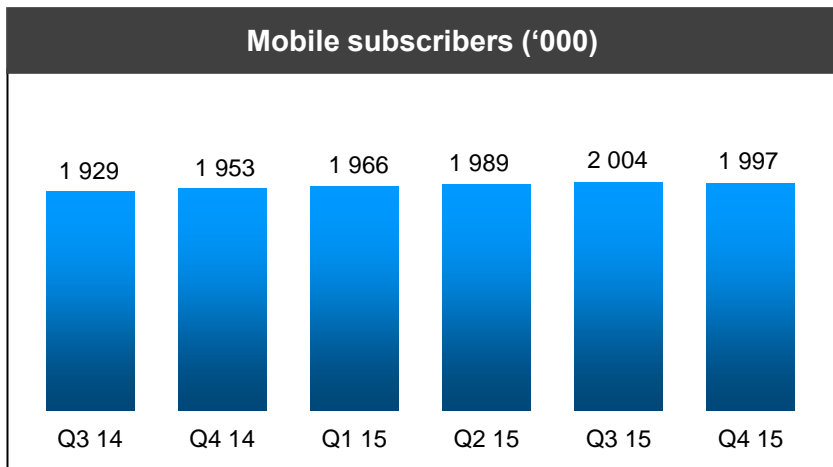
Organic growth assuming fixed currency, adjusted for acquisitions and disposals.
EBITDA and EBITDA margin before other items. Capex excl. licence fees

Q4 2015 Sweden



○ Organic growth

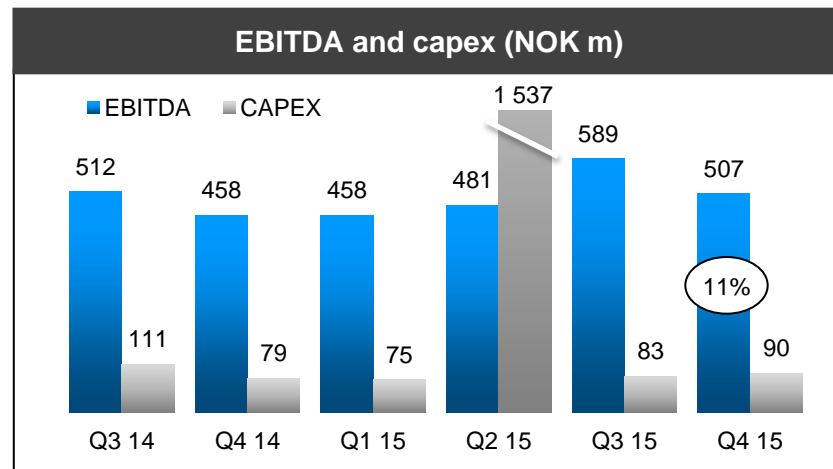
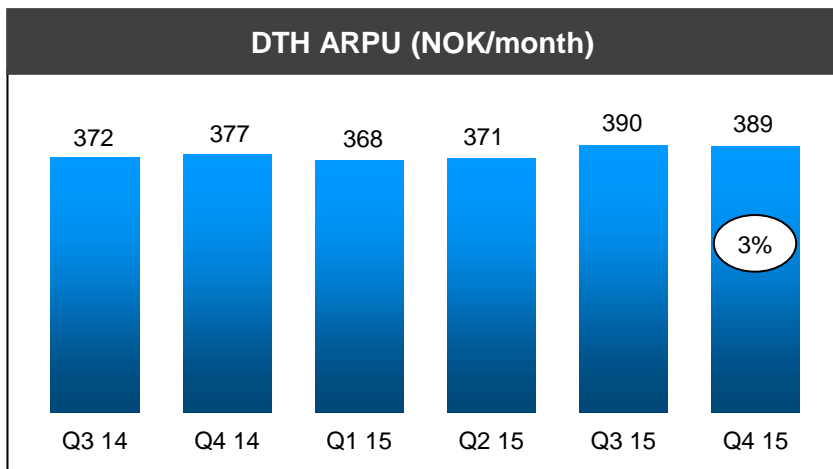
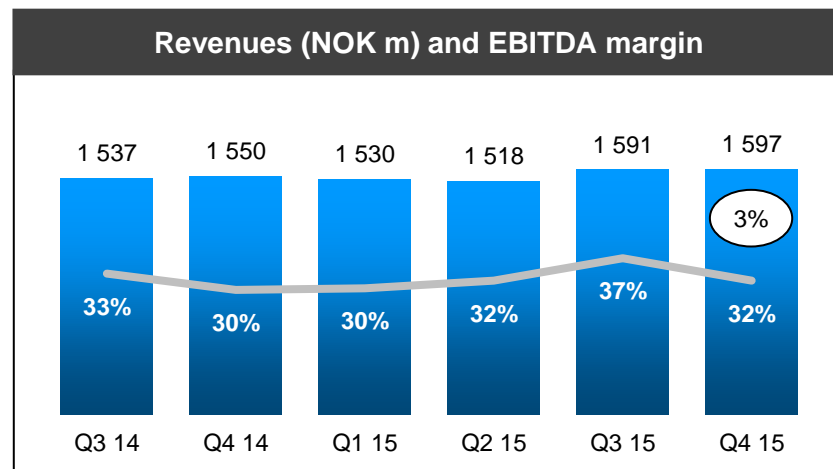
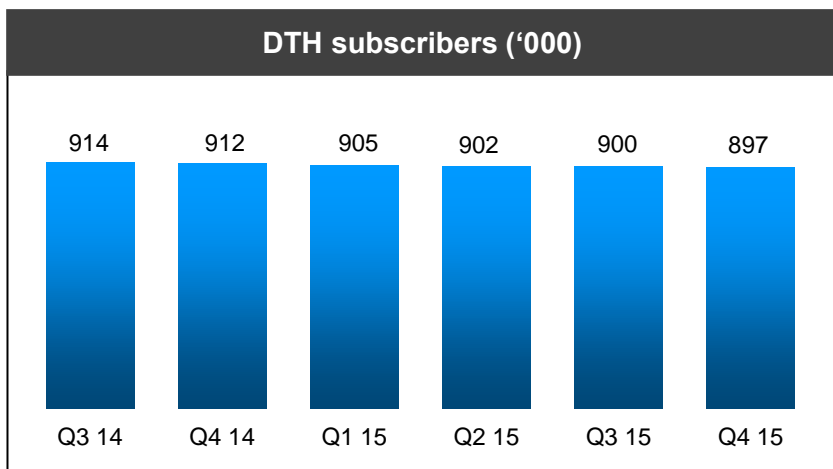
Denmark



○ Organic growth

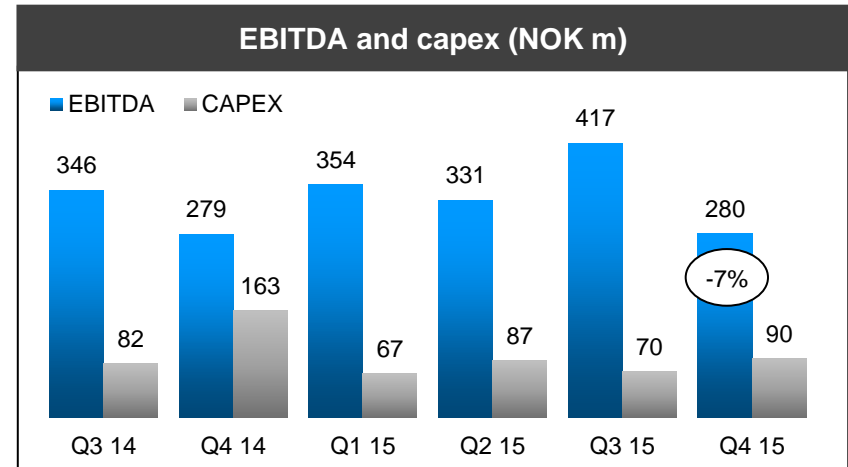
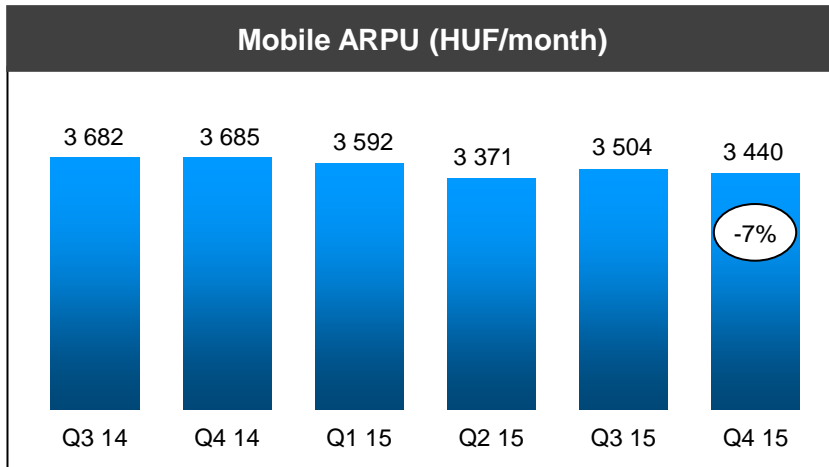
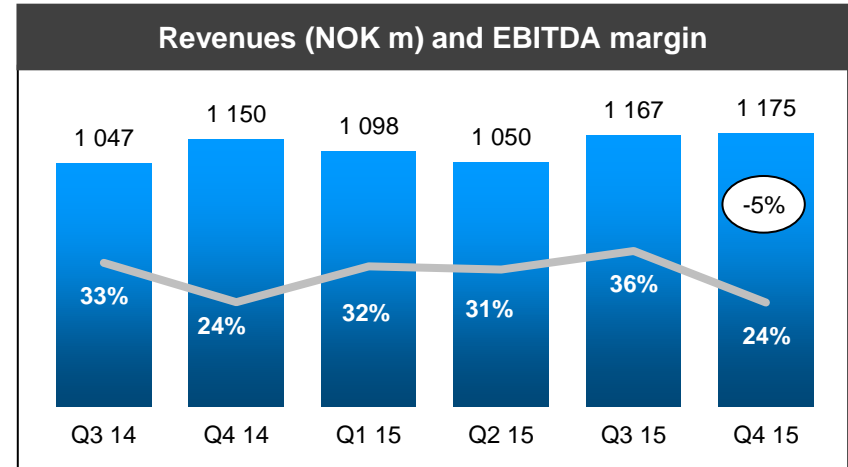
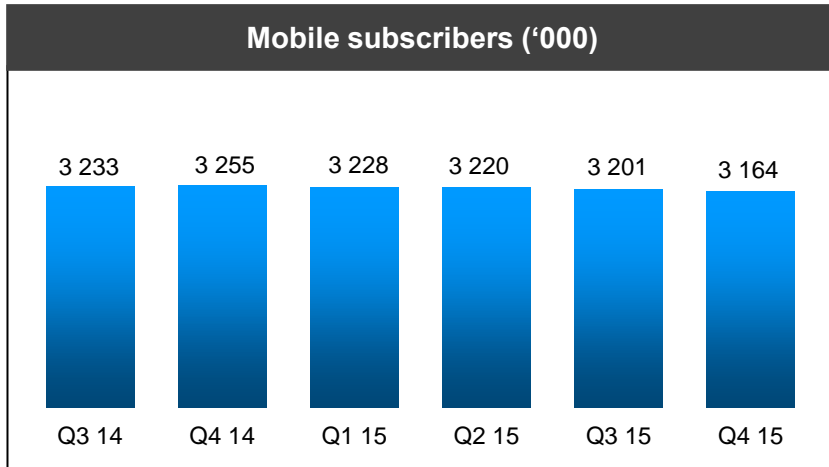
Organic growth assuming fixed currency, adjusted for acquisitions and disposals.
EBITDA and EBITDA margin before other items. Capex excl. licence fees

Broadcast



○ Organic growth

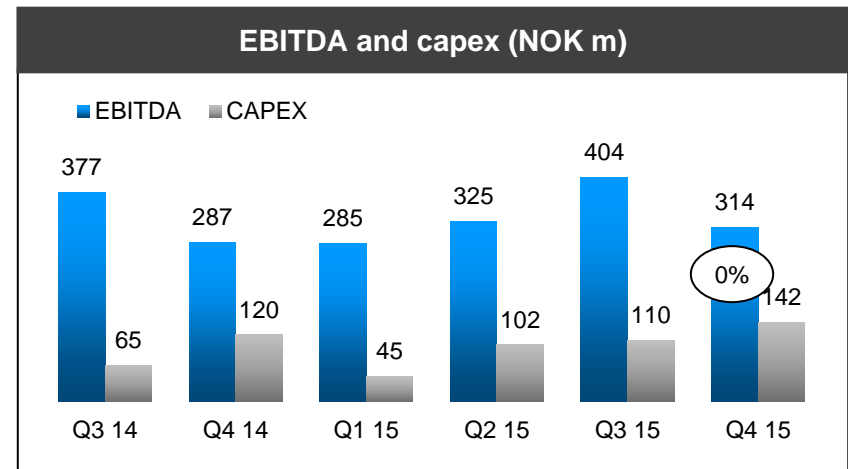
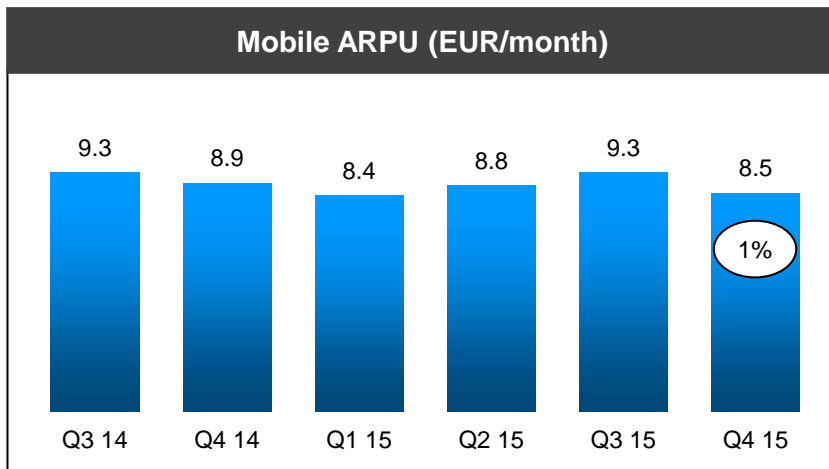
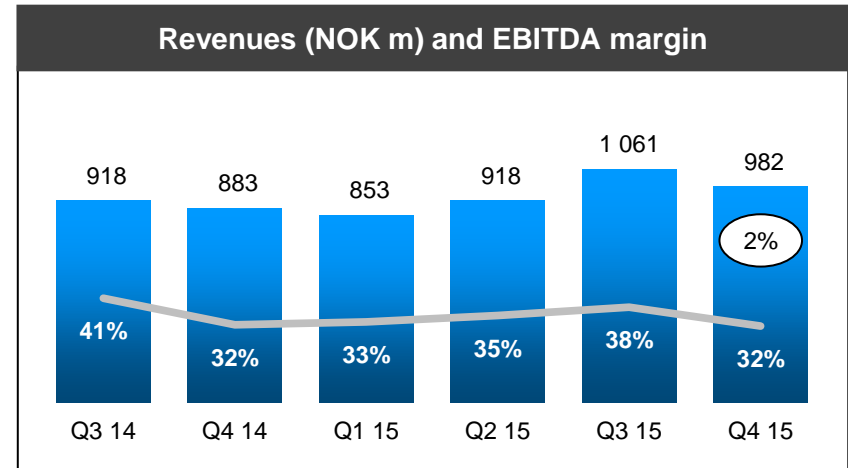
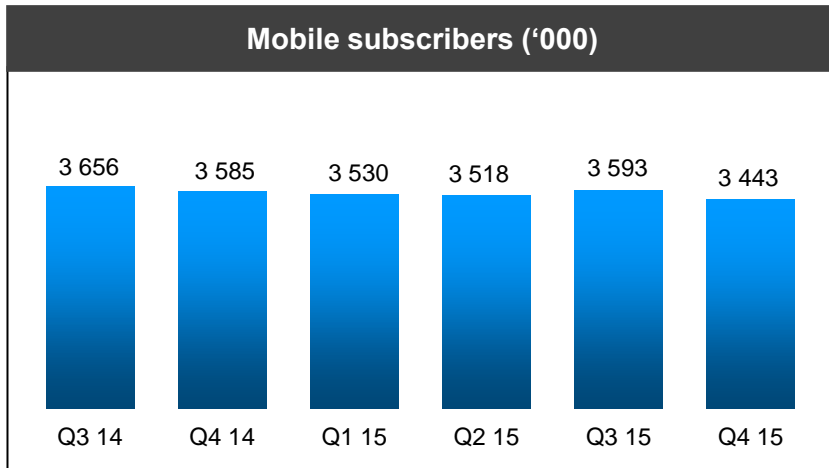
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○ Organic growth

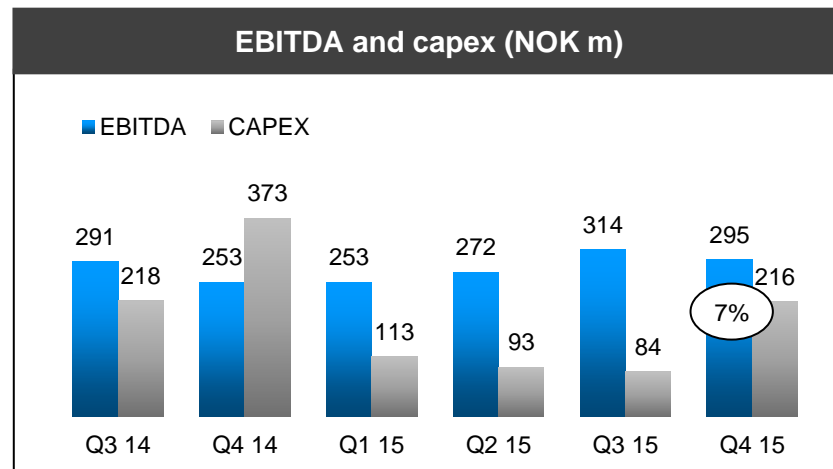
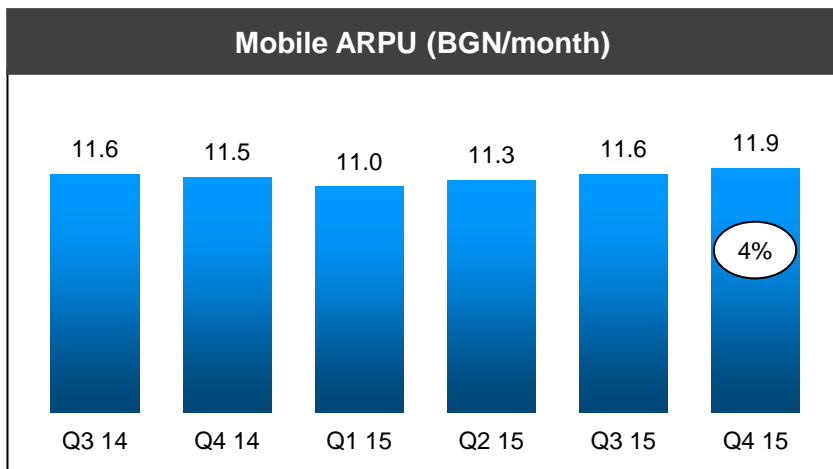
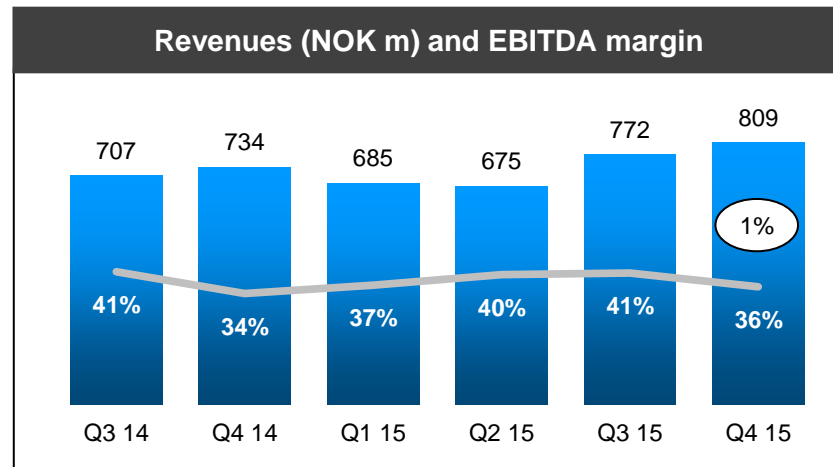
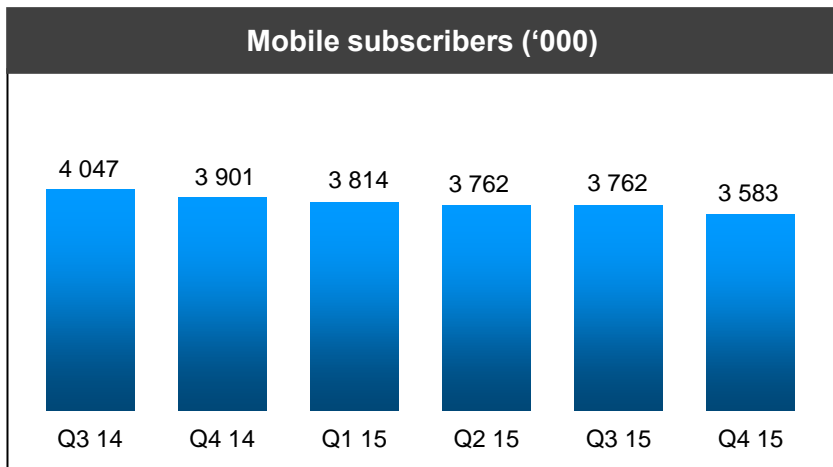
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EBITDA and EBITDA margin before other items. Capex excl. licence fees

Montenegro and Serbia



○ Organic growth

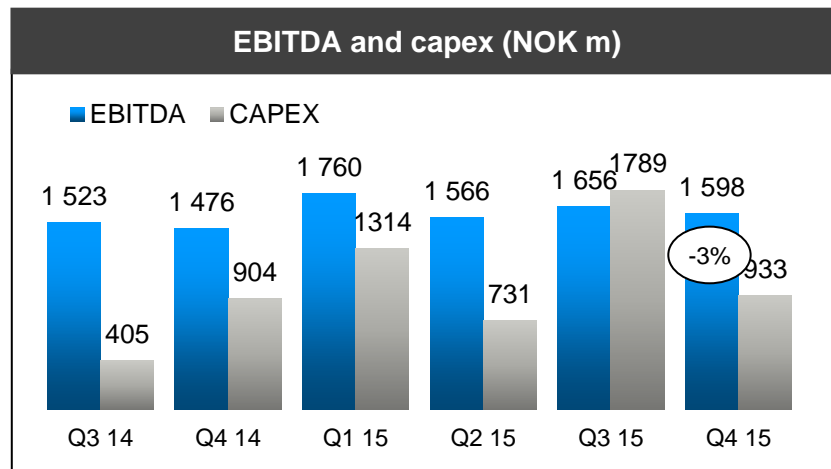
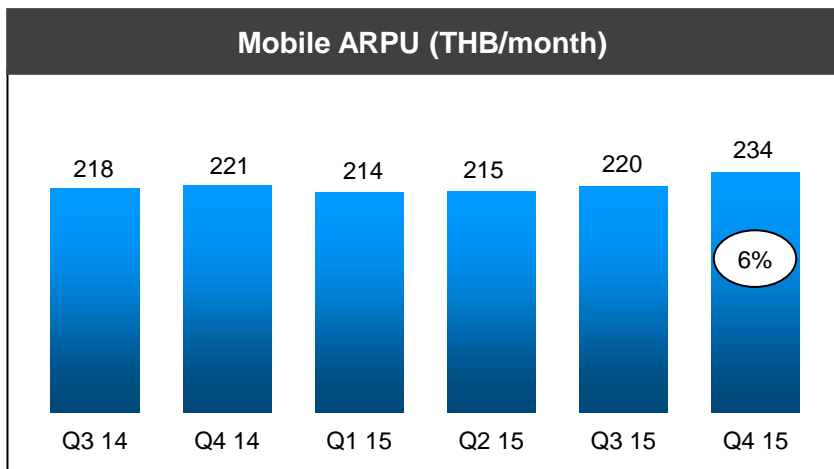
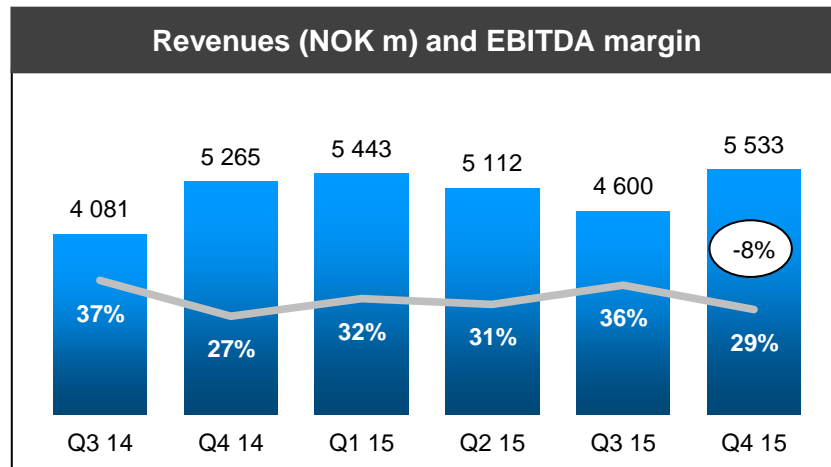
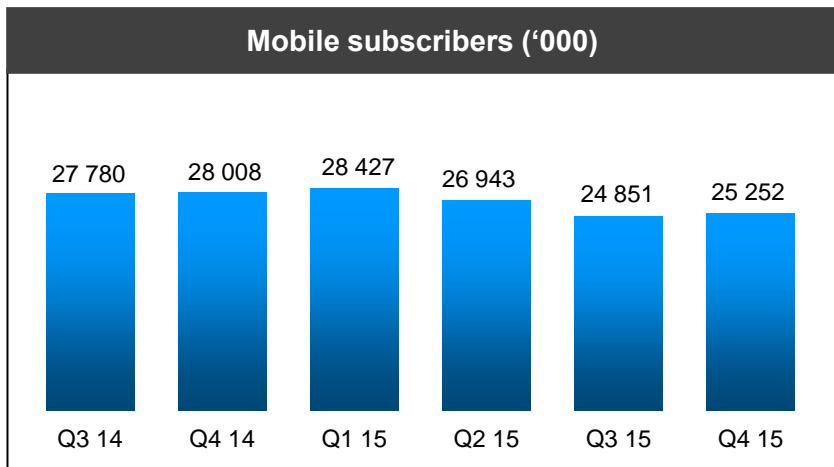
Bulgaria



○ Organic growth

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

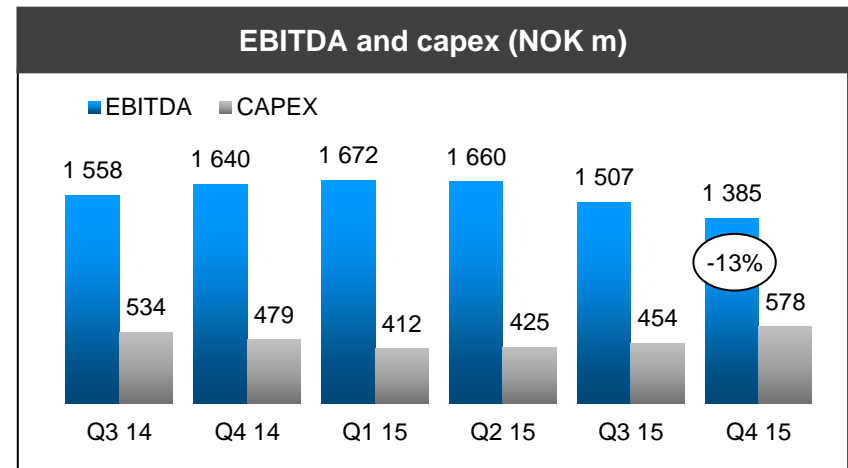
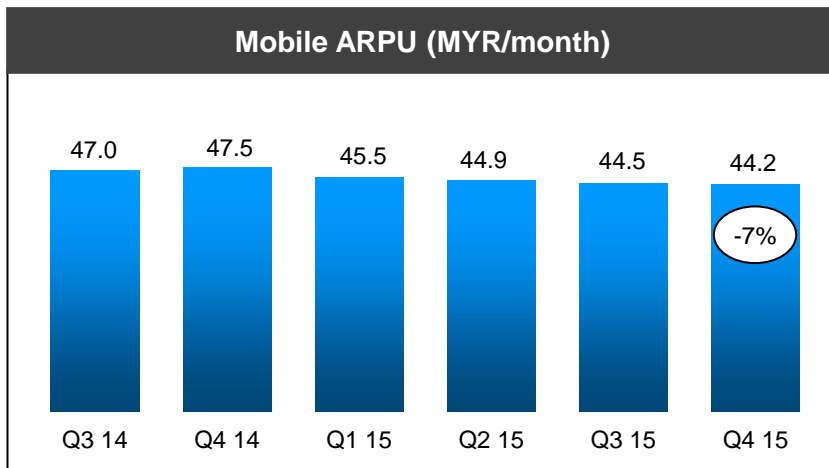
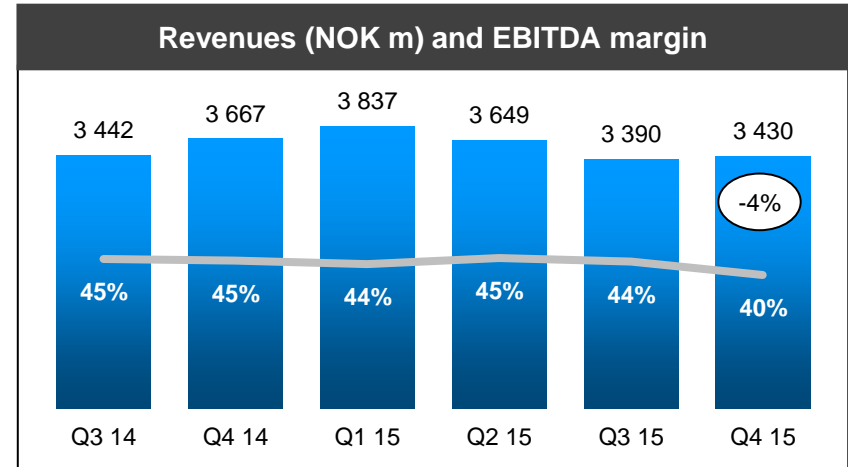
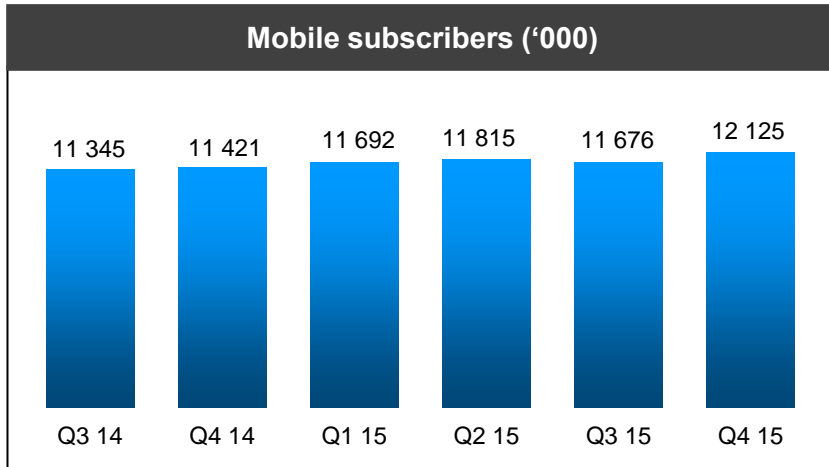
Thailand (dtac)



○ Organic growth

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

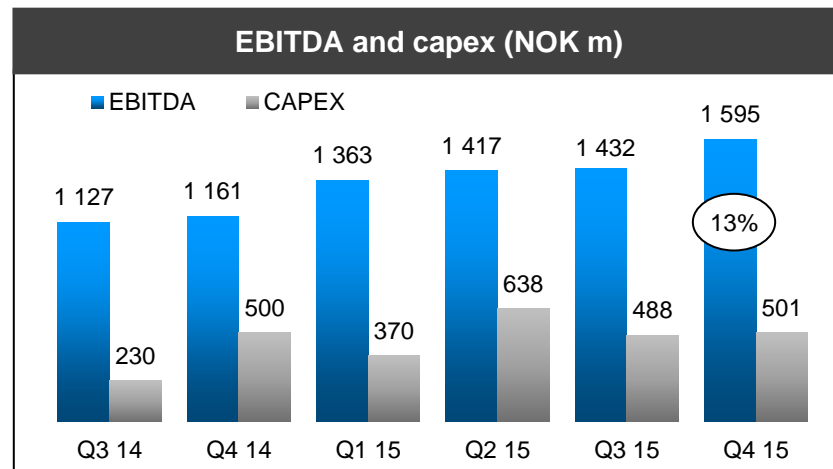
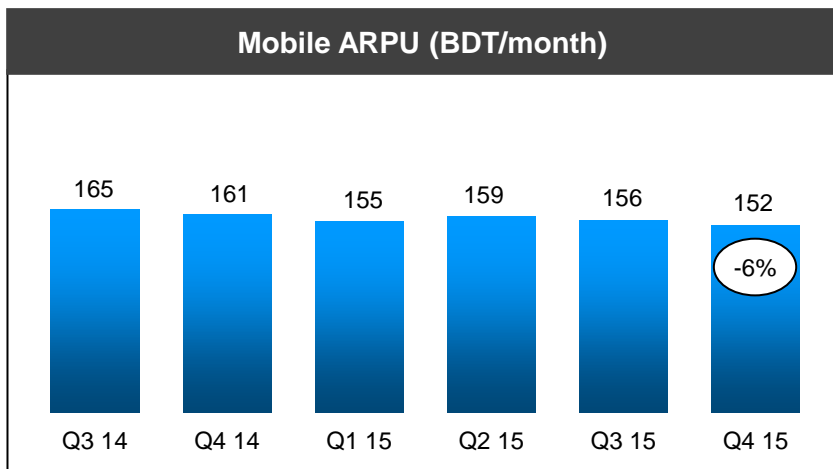
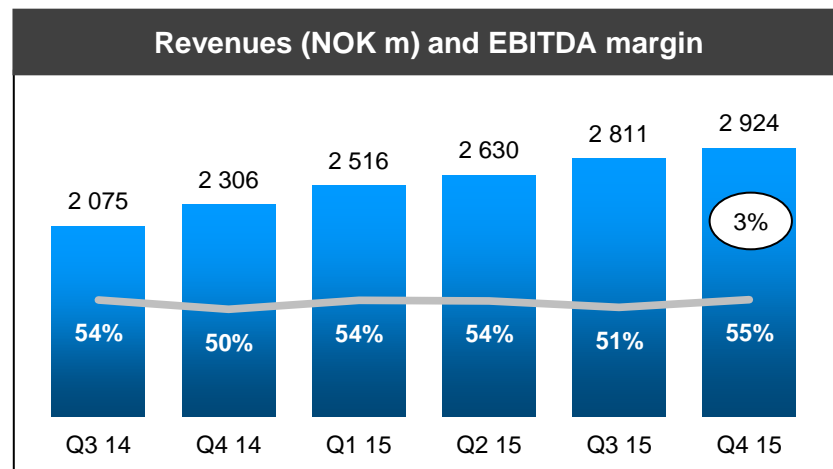
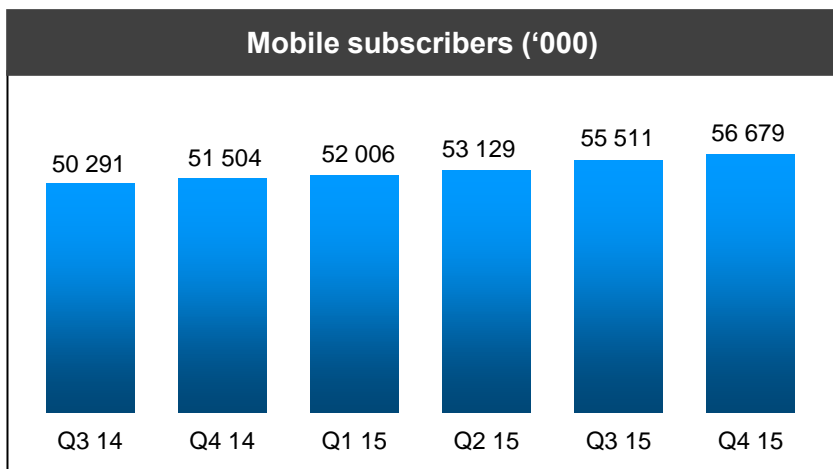
Malaysia (Digi)



○ Organic growth

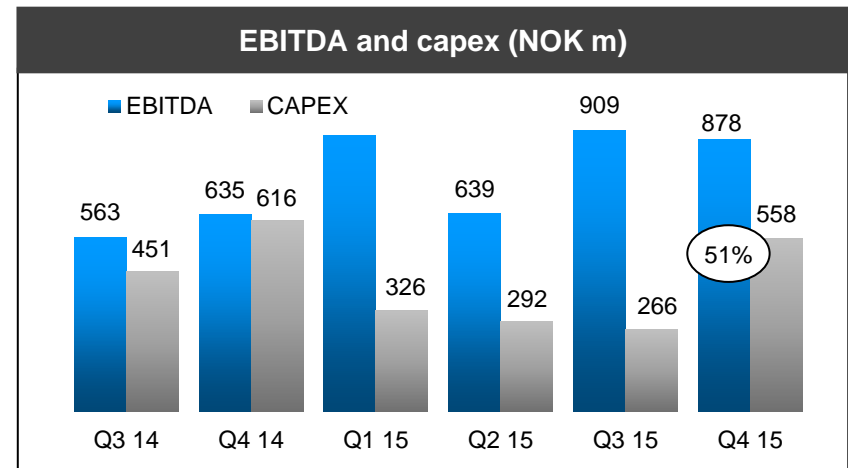
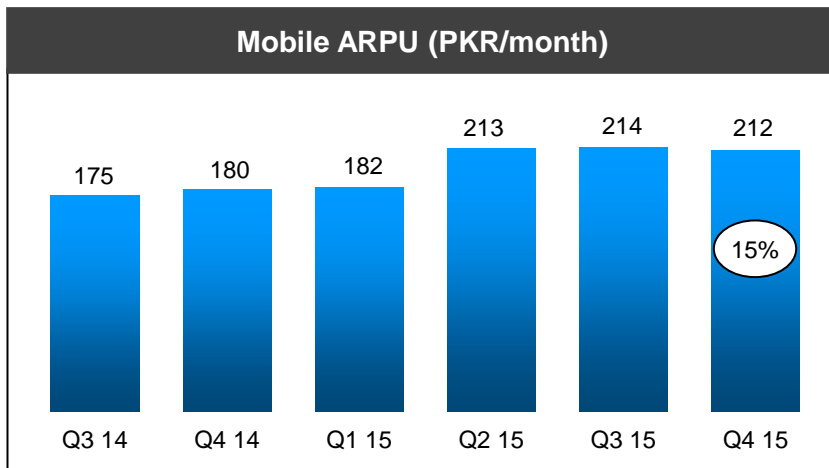
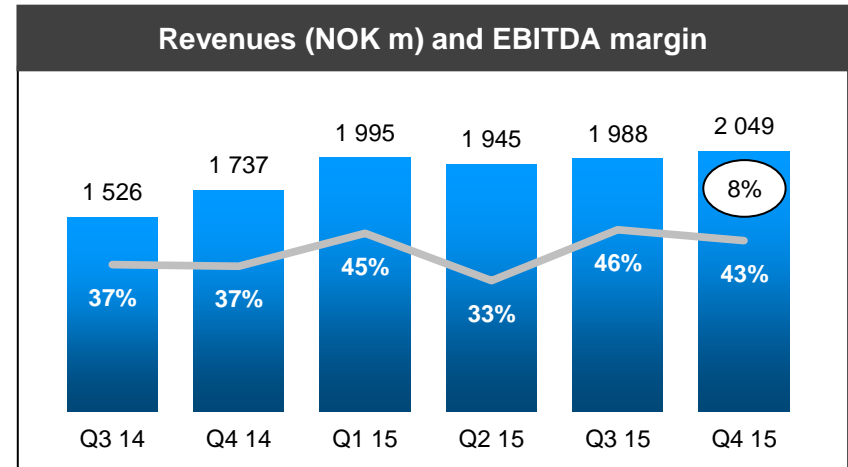
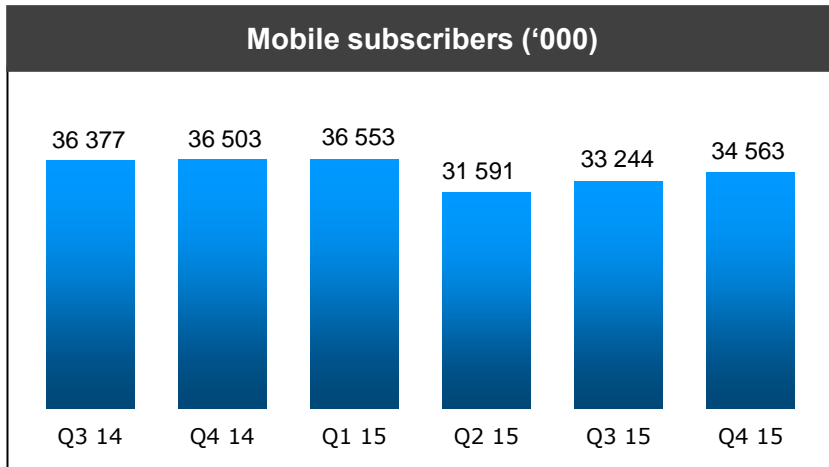
Organic growth assuming fixed currency, adjusted for acquisitions and disposals.
EBITDA and EBITDA margin before other items. Capex excl. licence fees

Bangladesh (Grameenphone)



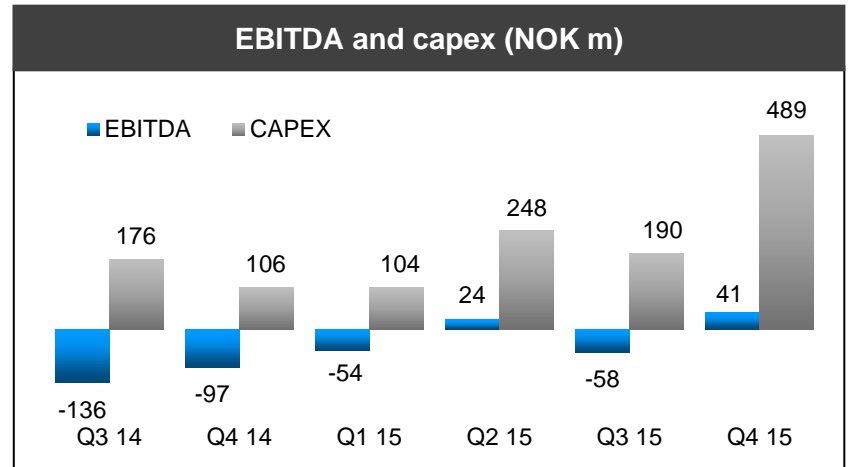
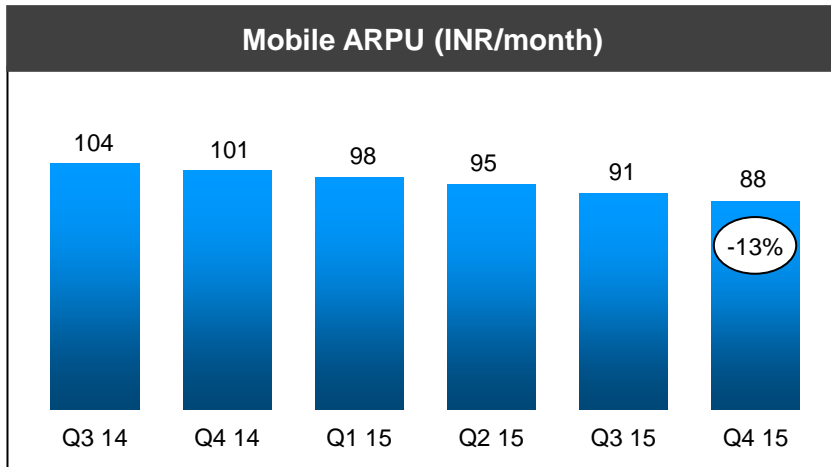
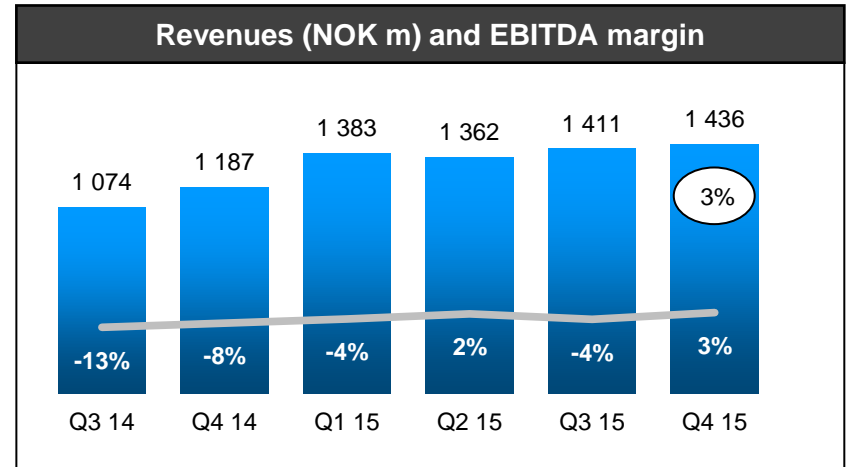
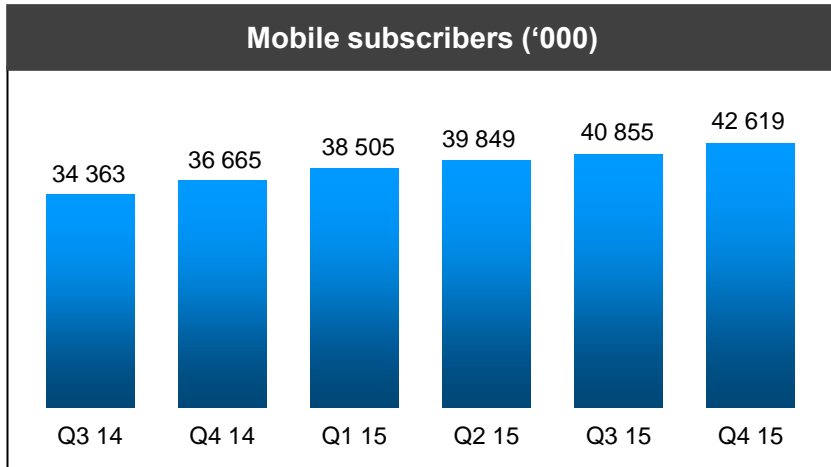
○ Organic growth

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



○ Organic growth

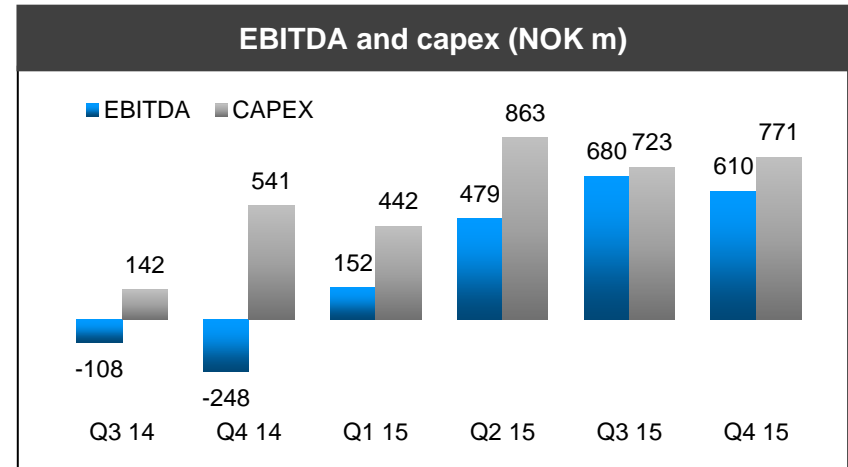
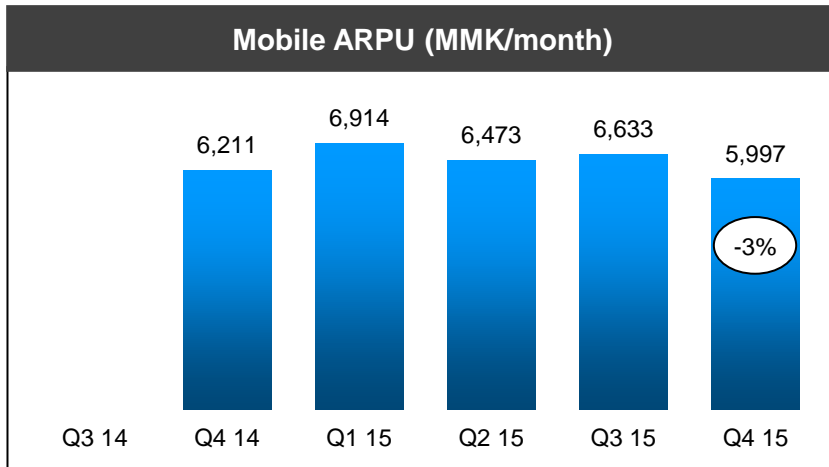
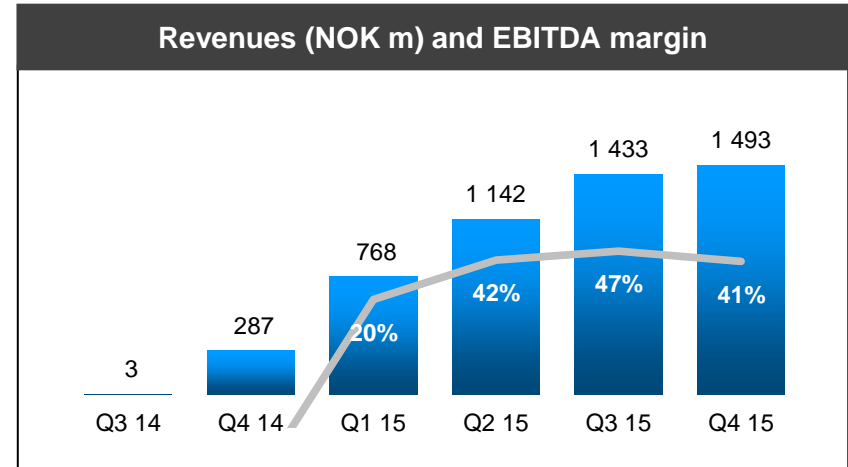
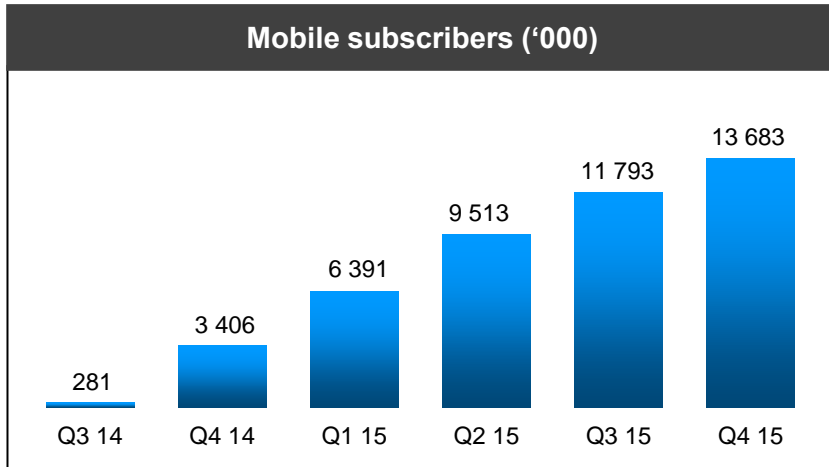
Organic growth assuming fixed currency, adjusted for acquisitions and disposals. EBITDA and EBITDA margin before other items. Capex excl. licence fees



○ Organic growth

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

Myanmar

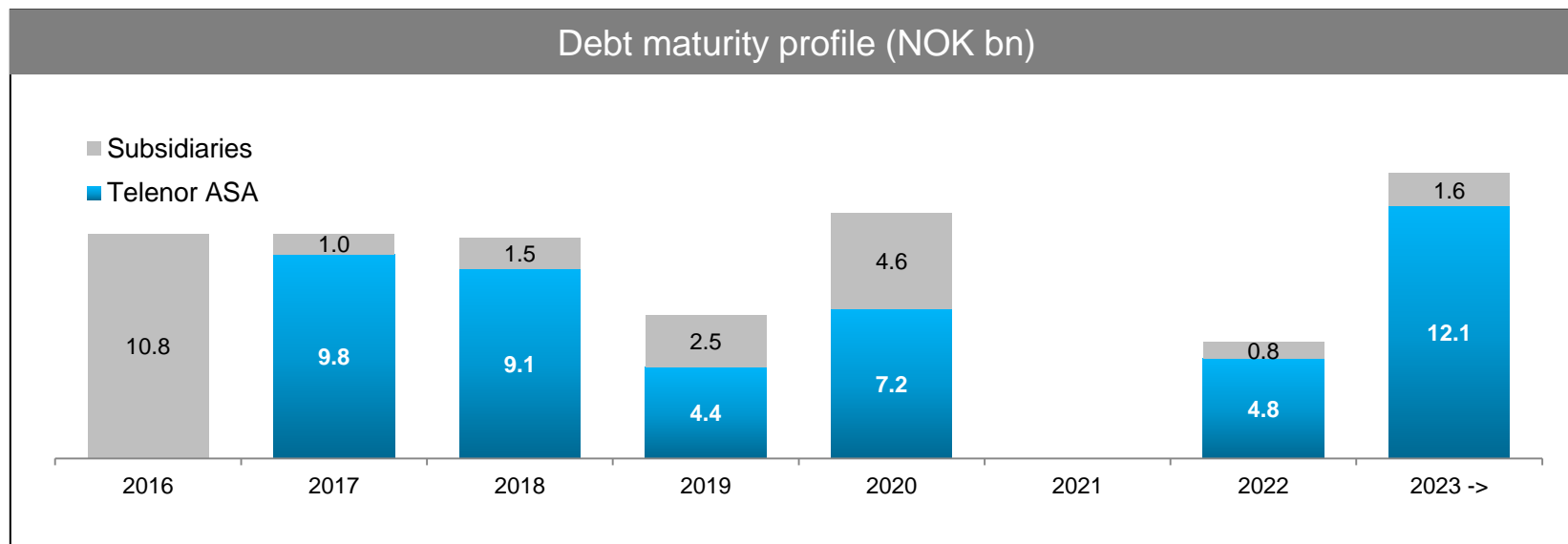


Changes in revenues and EBITDA

	Revenues		EBITDA	
	Reported	Organic	Reported	Organic
Norway	-0.2 %	-0.2 %	-4.7 %	-4.7 %
Sweden	9.5 %	1.0 %	21.5 %	12.0 %
Denmark	5.2 %	-3.1 %	-22.5 %	-29.0 %
Hungary	2.2 %	-5.1 %	0.6 %	-6.8 %
Montenegro and Serbia	11.2 %	1.8 %	9.6 %	-0.3 %
Bulgaria	10.1 %	1.3 %	16.8 %	7.4 %
Thailand	5.1 %	-8.2 %	8.3 %	-3.5 %
Malaysia	-6.5 %	-4.1 %	-15.5 %	-13.0 %
Bangladesh	26.8 %	3.3 %	37.4 %	12.9 %
Pakistan	29.6 %	7.7 %	78.3 %	51.4 %
India	20.9 %	2.7 %		
Broadcast	3.0 %	3.0 %	10.6 %	10.6 %
Telenor Group	10.0 %	2.3 %	16.5 %	9.6 %

Organic growth YoY in fixed currency and adjusted for acquisitions and disposals.
EBITDA before other items.

Debt maturity and net debt in partly owned subsidiaries



Net debt in partly owned subsidiaries (NOK m)

(NOK m)	Q4 2015	Q3 2015	Q4 2014
Digi	2 205	1 942	1 155
dtac	9 193	6 220	6 171
Grameenphone	3 385	3 904	2 737

Per 31 Dec 2015. Excl. licence commitments on NOK 4.9 bn
 Net debt in partly owned subsidiaries is shown on 100% figures