

The background features a blue gradient with faint, semi-transparent financial data visualizations. On the left, a line graph shows a fluctuating trend with a peak labeled '4.341'. Below it, a 3D bar chart displays several vertical bars of varying heights. On the right, a 3D pie chart is visible with segments labeled '08' and '09'. The year '2016' is prominently displayed in large, white, semi-transparent numerals across the center. Other faint numbers like '05', '06', '07', '08', '09', '10', '2.427', '5.321', '6.991', and '9.031' are scattered throughout the background.

# 2016

## TELENOR GROUP – SECOND QUARTER

Sigve Brekke, CEO

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# HIGHLIGHTS Q2 2016

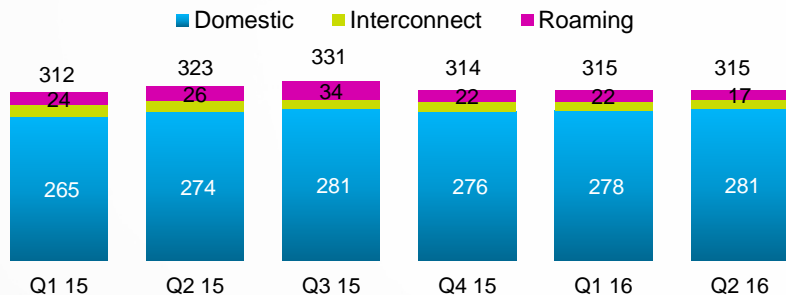
- 4% organic growth in mobile subscription and traffic revenues
- 6% organic growth in EBITDA
- EBITDA less capex of NOK 6.3 billion
- 3.4 million new mobile subscribers

# ENCOURAGING UPTAKE ON NEW MOBILE TARIFFS AND HIGH-SPEED INTERNET IN NORWAY

## MOBILE

- Promising upselling trend on new tariffs, with more than 200k subscribers signed up
- 2% decline in mobile ARPU, driven by lower roaming revenues and interconnect reductions

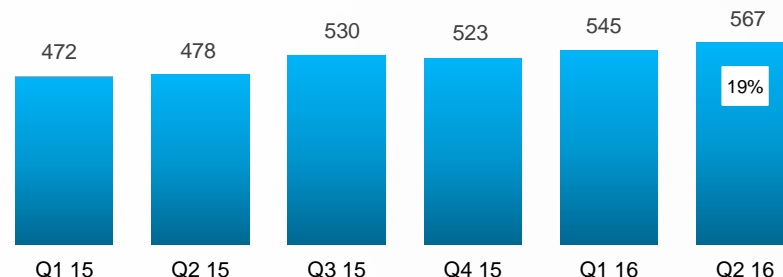
### Mobile ARPU (NOK)



## FIXED

- 16k new high-speed internet subscribers during the quarter, and 19% YoY growth in high-speed revenues
- 2% total fixed revenue decline, driven by continued decline on legacy products

### High-speed internet revenues (NOK m)

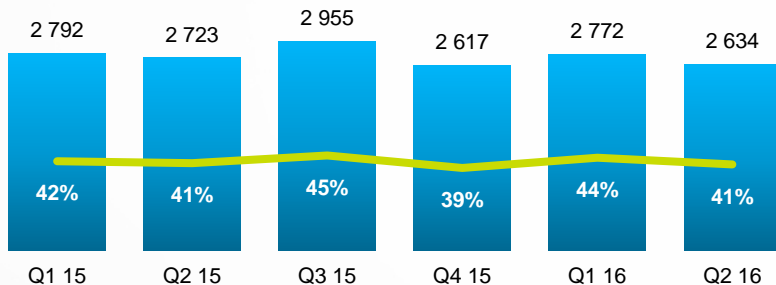


# STABLE EBITDA MARGIN AND CONTINUED HIGH NETWORK INVESTMENTS IN NORWAY

## EBITDA

- Stable EBITDA margin of 41% and 3% decline in EBITDA
- Gross profit under pressure from decline in high-margin revenues
- 4% opex reduction, driven by lower personnel cost and lower commissions

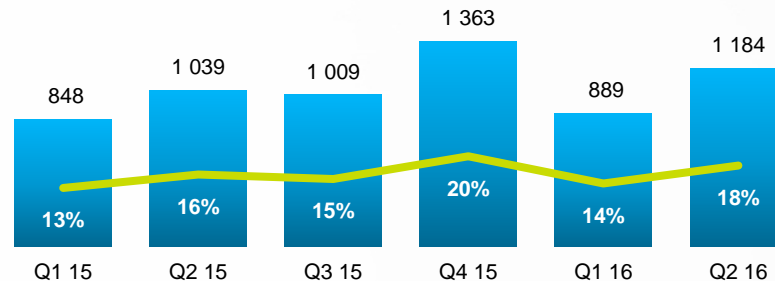
EBITDA (NOK m) and EBITDA margin



## CAPEX

- 4000 of 7700 network sites upgraded to 4G, with 96% population coverage
- Remaining sites to be upgraded to 4G by end of 2017
- Improved runrate on fibre rollout

Capex (NOK m) and capex/sales



# STRENGTHENED PROFITABILITY IN SWEDEN

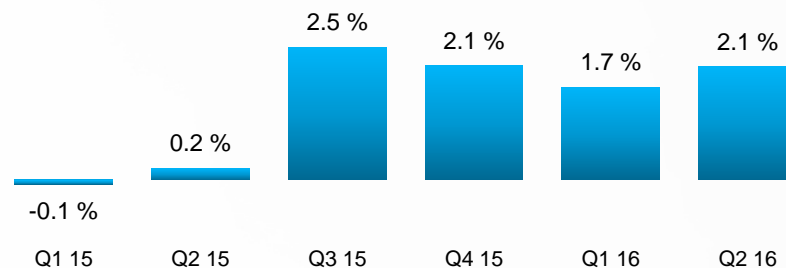
## MOBILE

- 2% organic growth in mobile subscription and traffic revenues driven by consumer postpaid and enterprise
- New tariffs incl EU roaming introduced in June
- Total mobile revenues impacted by change in handset accounting

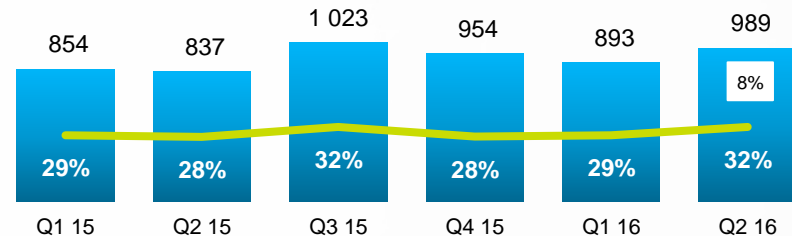
## FIXED

- 13k new high-speed internet subscribers, driven by fibre growth
- Improved fixed revenue development, supported by 10% growth in high-speed subscriptions
- Ramping up fibre SDU initiative, aiming to cover 500k new single dwelling households by 2020

### Mobile organic subscription & traffic revenue growth



### EBITDA (NOK m) and EBITDA margin (%)



 Organic growth

# CONTINUATION OF TRENDS IN OTHER EUROPEAN MARKETS

## DENMARK

- Topline pressure from continued intense competition
- Implementation of new business support system

## HUNGARY

- Revenue decline from lower roaming and handset revenues
- 98% 4G population coverage

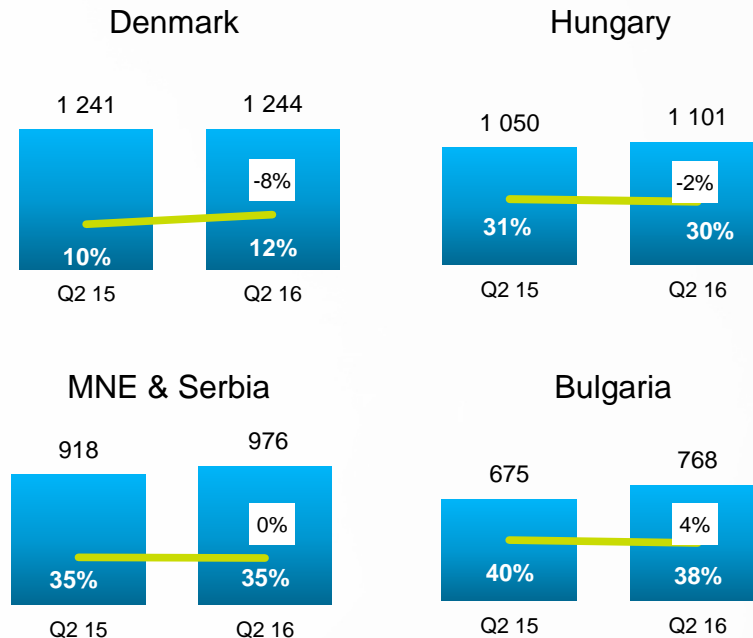
## MONTENEGRO AND SERBIA


- Stable revenues and EBITDA in local currency

## BULGARIA

- 1% organic growth in subscription & traffic revenues
- 76% population coverage on 4G network

### Revenues (NOK m) and EBITDA margin (%)

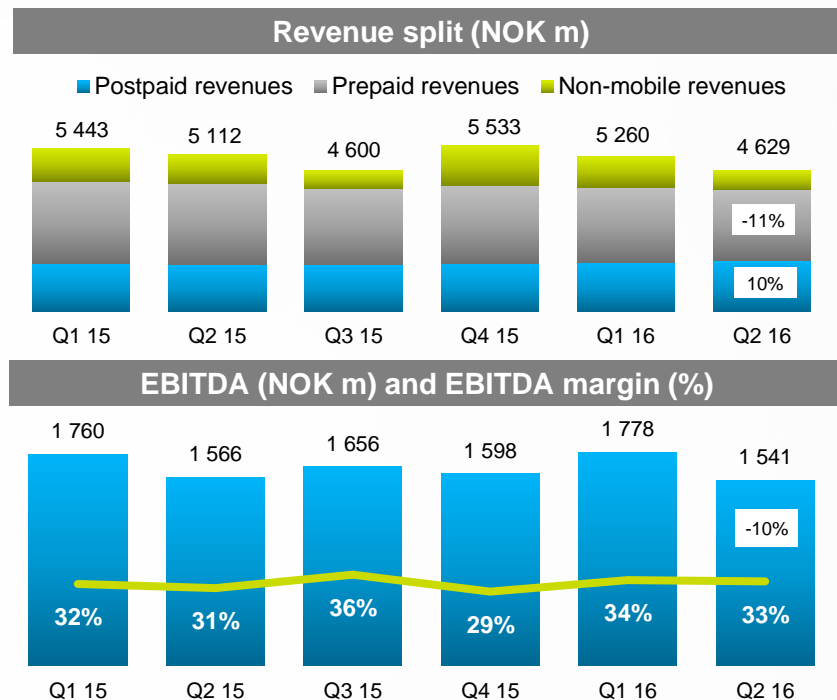


 Organic revenue growth

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

# 10% POSTPAID REVENUE GROWTH IN THAILAND

- Continued intense competition on prepaid, resulting in 524k net subscriber decline
- 2% organic decline in subscription and traffic revenues, prepaid pressure partly offset by 10% growth on postpaid
- Healthy EBITDA margin despite re-launch of prepaid device subsidies
- 6k new 3G/4G base stations added during Q2, with improving network perception
- Solid spectrum portfolio until concession expiry in September 2018

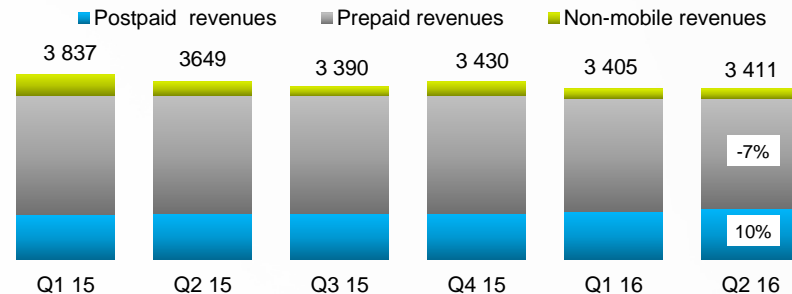




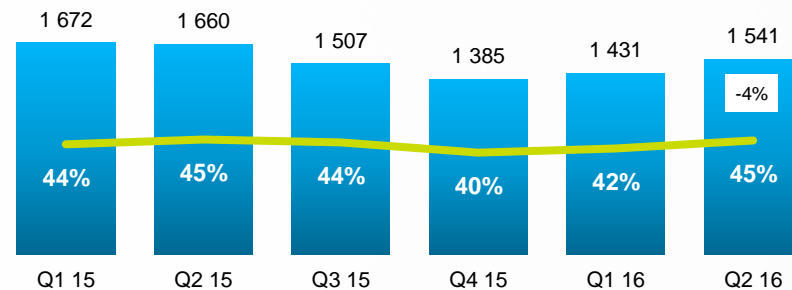
# MARKET INITIATIVES SUPPORTING EBITDA MARGIN IN MALAYSIA

- 11k net subscriber growth and maintained market share in highly competitive market
- 2% organic decline in subscription and traffic revenues
- 10% organic growth in postpaid service revenues and stable postpaid ARPU\*
- 3G/4G population coverage at 91%/76%
- EBITDA margin increase QoQ from improved margin on international traffic

## Revenue split (NOK m)



## EBITDA (NOK m) and EBITDA margin (%)

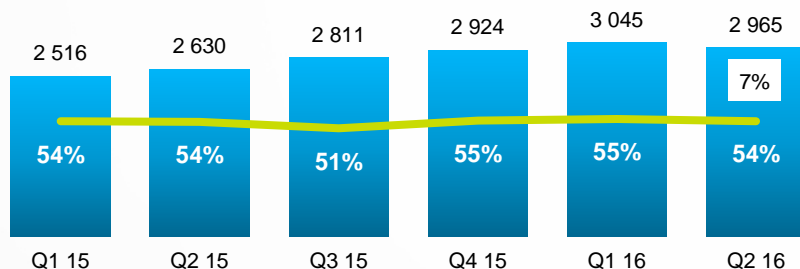


# STRONG DATA GROWTH IN BANGLADESH AND PAKISTAN

## BANGLADESH (GRAMEENPHONE)

- 10% organic subscription and traffic revenue growth
- 1.9 m new active data subscribers
- Completed rollout of 3G to all 10,000 network sites, taking 3G population coverage to close to 90%

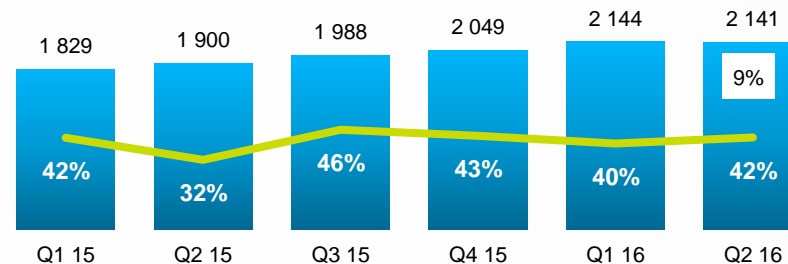
Revenues (NOK m) and EBITDA margin (%)



## PAKISTAN

- 11% organic subscription and traffic revenue growth
- 0.4 m new active data subscribers
- Secured 850 MHz spectrum, to be used for 3G and 4G

Revenues (NOK m) and EBITDA margin (%)



# SOLID PERFORMANCE IN MYANMAR AMIDST INCREASED COMPETITION

## CONTINUED SUBSCRIBER GROWTH

- 1.4 million net subscriber growth
- SIM market share maintained at 38% (est.), despite higher competitive intensity

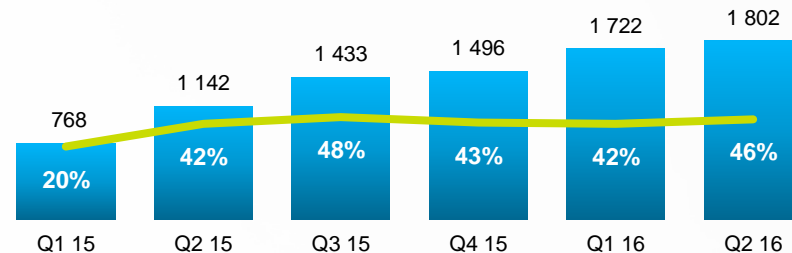
## STRONG FINANCIAL PERFORMANCE

- 46% EBITDA margin
- Positive free cash flow

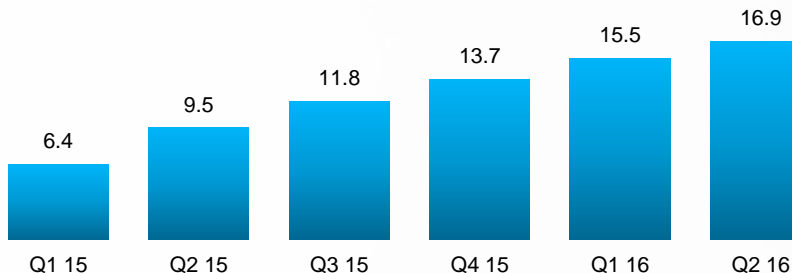
## NETWORK EXPANSION ON TRACK

- More than 5,800 network sites on air (+800 sites in Q2)
- Aiming for 7,000 sites by end of 2016
- 4G services launched in Nay Pyi Taw in July

### Revenues (NOK m) and EBITDA margin

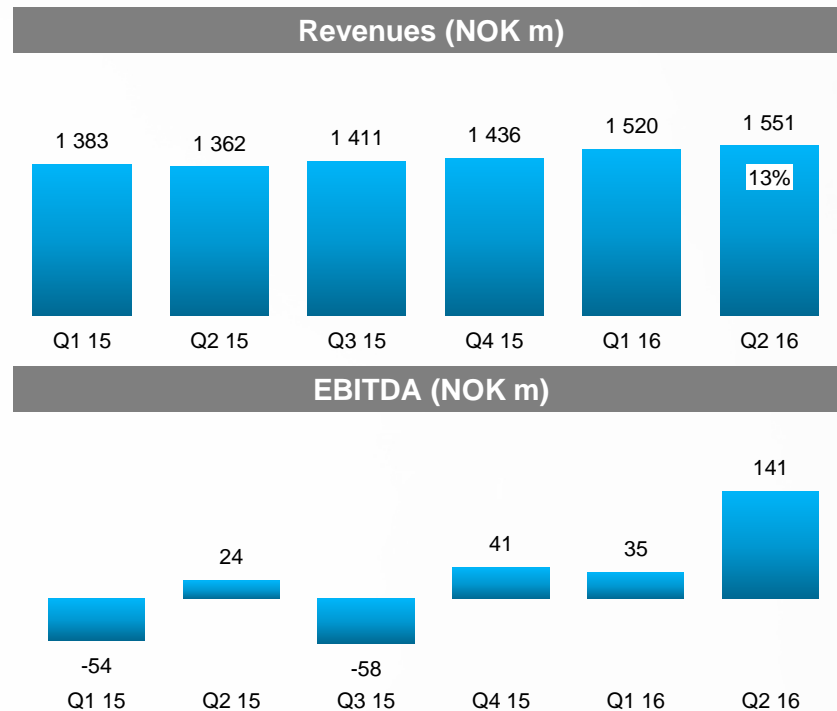



### Subscribers (m)



# CONTINUED SUBSCRIBER AND REVENUE GROWTH IN INDIA

- 0.8 million subscriber growth (+13% YoY)
- Total subscriber base of 44.9 million
- 12% organic growth in subscription and traffic revenues
- EBITDA margin of 9%, supported by higher revenue growth and cost focus
- Decision taken not to participate in upcoming spectrum auction



 Organic revenue growth

# OUR PRIORITIES

- Continue work on improving structural efficiency
- Data pricing and pre- to postpaid migration
- Accelerate technology efficiency

The background features a blue gradient with faint, semi-transparent financial data visualizations. On the left, a line graph shows a fluctuating trend with data points labeled '204' and '4.341'. Below it, a 3D bar chart displays several vertical bars of varying heights. In the center, the year '2016' is written in large, white, semi-transparent digits. To the right, a pie chart is visible with segments labeled '08', '09', and '10'. The bottom of the image has a dark blue horizontal band containing white text.

# 2016

## TELENOR GROUP – SECOND QUARTER

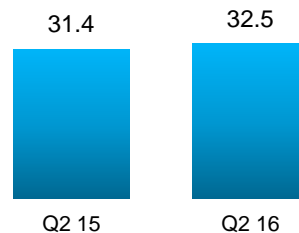
Morten Karlsen Sørby, acting CFO

## FINANCIAL HIGHLIGHTS

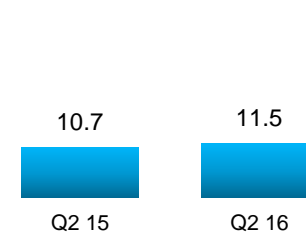
- 4% organic growth in mobile subscription & traffic revenues
- 6% organic growth in EBITDA and 1.5pp improvement in EBITDA margin
- EBITDA less capex of NOK 6.3 billion
- Normalised net income of NOK 4.0 billion
- Solid balance sheet with net debt/EBITDA of 1.3x

	Q2 2016	1H 2016
Organic revenue growth	0.6%	1.0%
EBITDA margin	35.5%	35.5%
Capex / sales	16.2%	16.5%

Revenues (NOK bn)

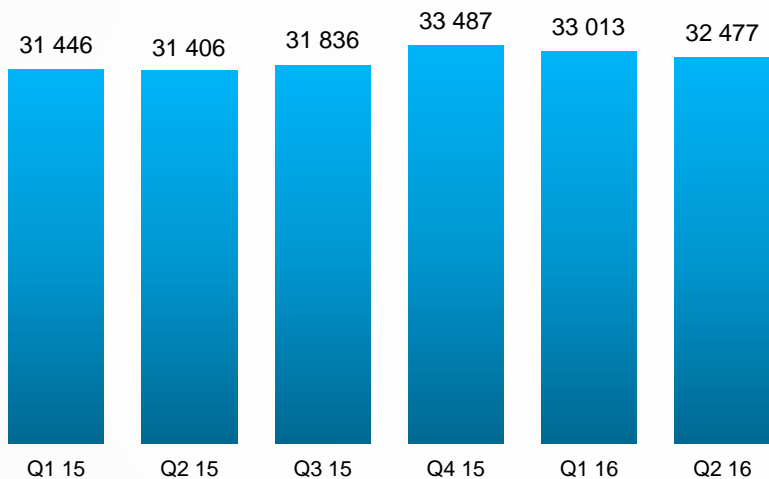


EBITDA (NOK bn)

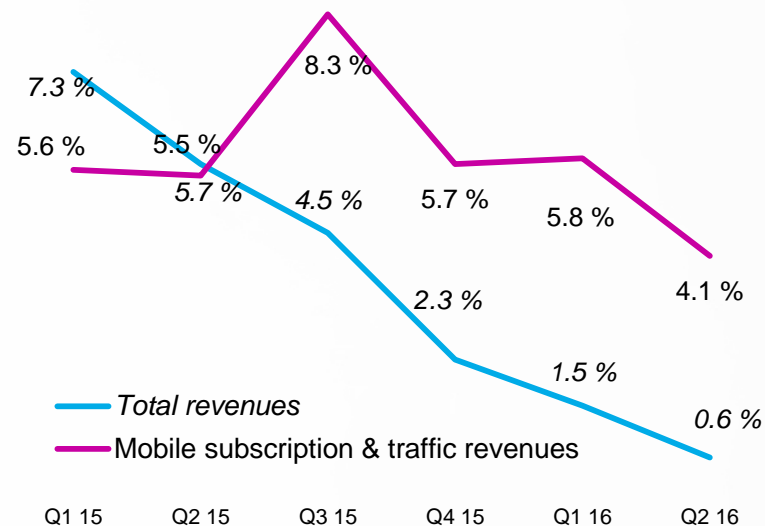


# ORGANIC REVENUE GROWTH SOFTENED BY LOWER HANDSET SALES, ROAMING AND FIXED

Revenues (NOK m)



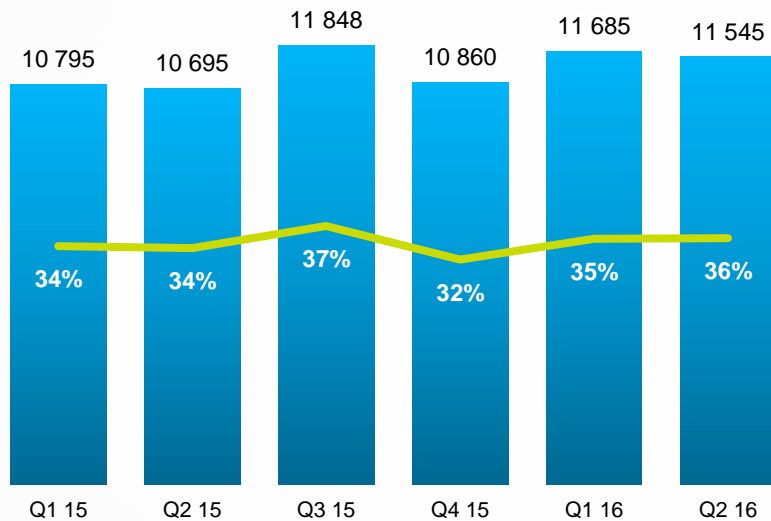
Organic revenue growth (%)



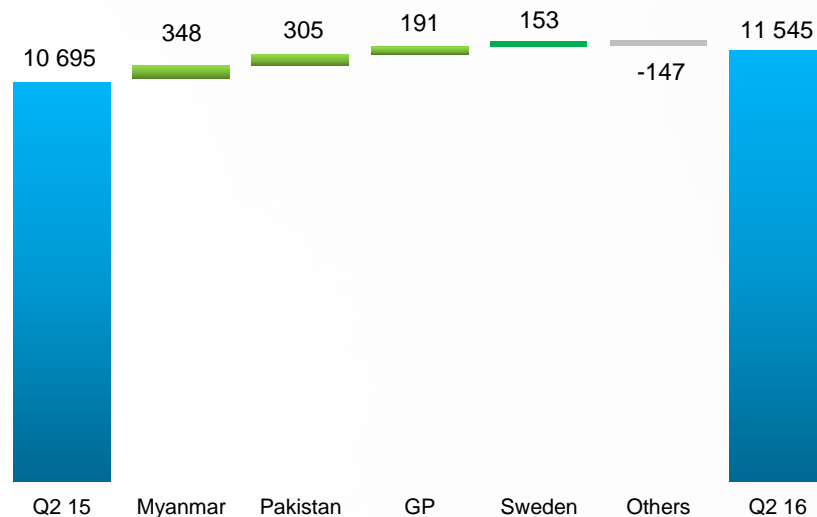


# 36% EBITDA MARGIN AND 6% ORGANIC EBITDA GROWTH

## EBITDA (NOK m) and EBITDA margin

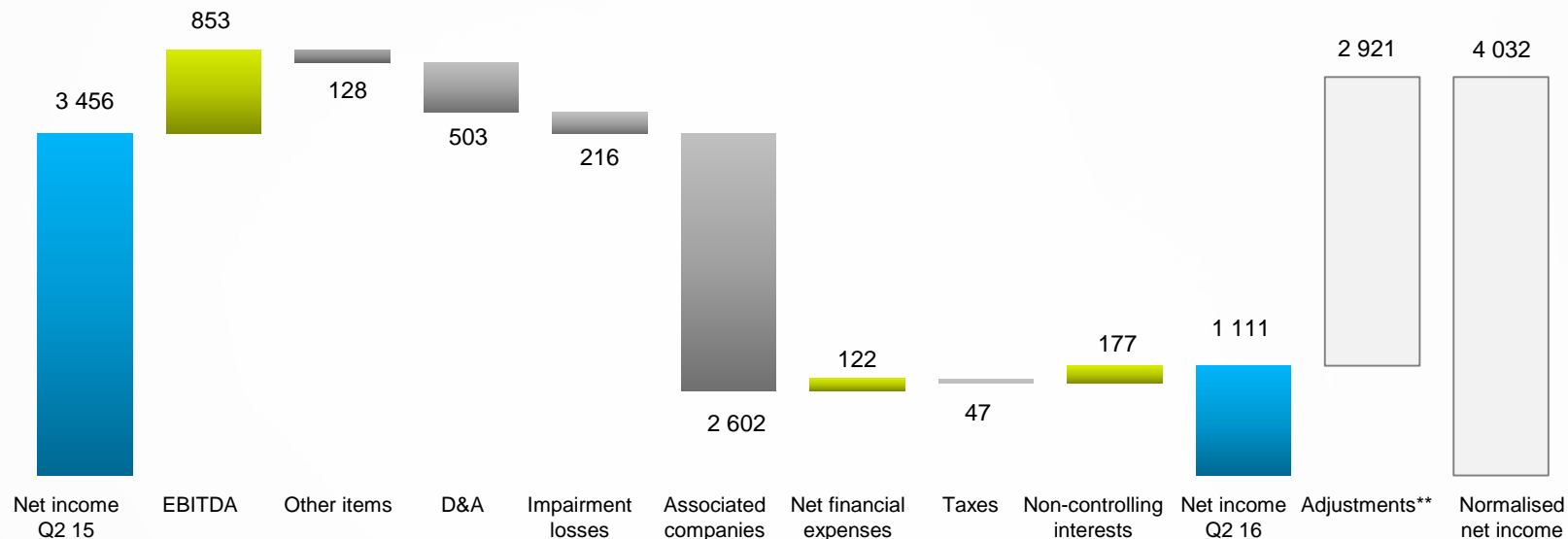


## EBITDA change YoY (NOK m)



# NORMALISED NET INCOME\* OF NOK 4.0 BILLION

NOKm

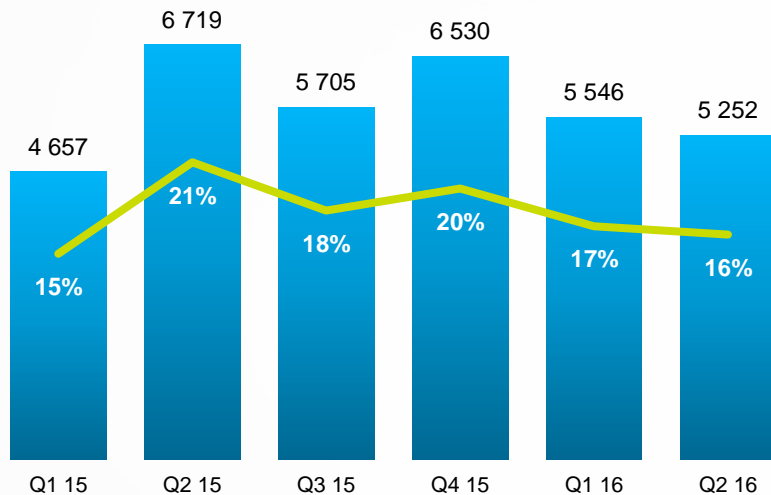


\*) Net income to equity holders of Telenor ASA

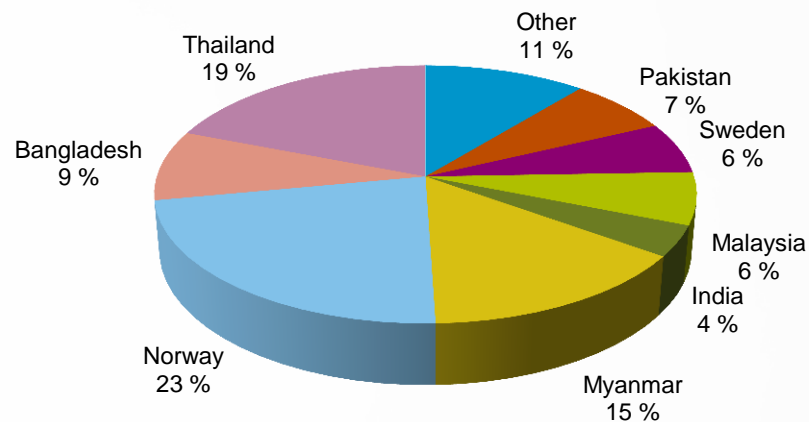
\*\*) Adjustments include impairment losses VimpelCom and India, and Other items

# CAPEX OF NOK 5.3 BILLION

## Capex (NOK m) and capex/sales

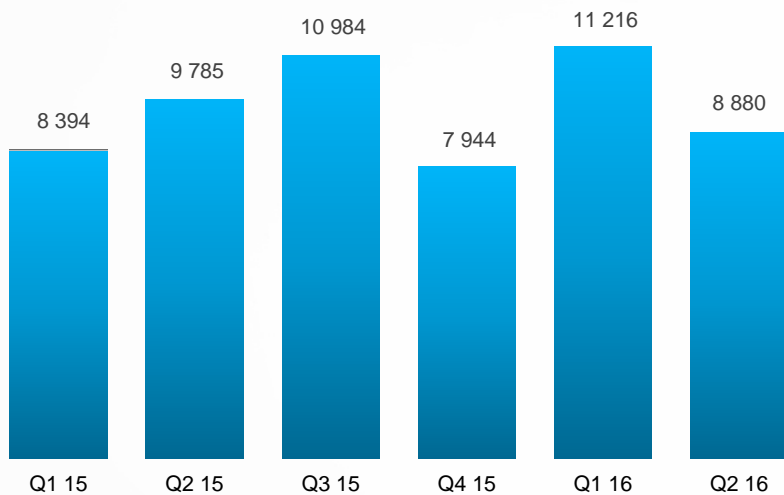


## Capex distribution

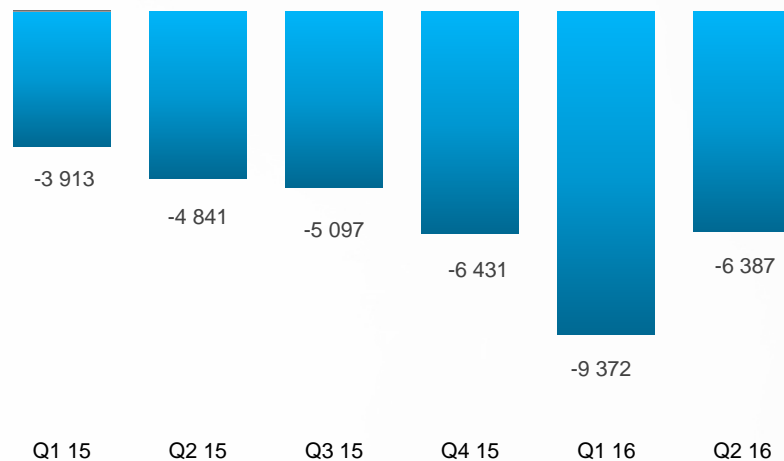


# CASH FLOW DEVELOPMENT

## Net cash flow from operating activities (NOK m)

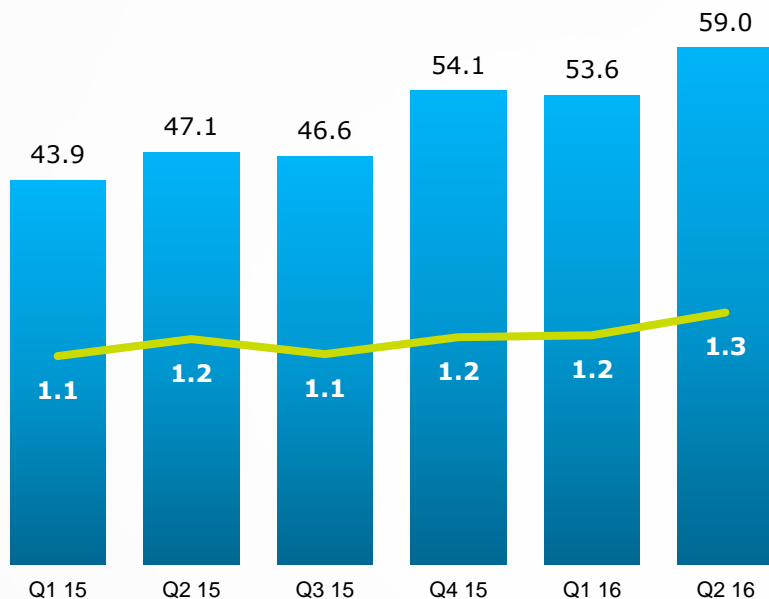


## Net cash flow from investing activities (NOK m)



# NET DEBT OF NOK 59 BN AND NET DEBT/EBITDA OF 1.3x

### Net debt (NOK bn) and net debt/EBITDA\*



### Change in net debt (NOK bn)

<b>Net debt 31 Mar 2016</b>	<b>53.6</b>
EBITDA	(11.3)
Income taxes paid	1.9
Net interest paid	0.6
Capex paid	5.0
Licence payments in Pakistan	1.9
Divi. paid to Telenor ASA shareholders	5.7
Divi. paid to non-controlling interests	0.9
Changes in working capital and other	1.2
Currency effects	(0.5)
<i>Net change during Q2 16</i>	<i>5.4</i>
<b>Net debt 30 Jun 2016</b>	<b>59.0</b>

# OUTLOOK FOR 2016

	2016	YTD
Organic revenue growth	<b>1-2%</b> <i>(previously 2-4%)</i>	1.0%
EBITDA margin	<b>Around 35%</b> <i>(previously 33-34%)</i>	35.5%
Capex/sales ratio	<b>Around 17%</b> <i>(previously 17-19%)</i>	16.5%

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

# CAPITAL MARKETS DAY

Date: 22 September 2016, 11 am – 5 pm  
Venue: The Berkeley hotel, London

SAVE THE DATE

# HIGHLIGHTS Q2 2016

- 4% organic growth in mobile subscription and traffic revenues
- 6% organic growth in EBITDA
- EBITDA less capex of NOK 6.3 billion
- 3.4 million new mobile subscribers



# 2016

## TELENOR GROUP – SECOND QUARTER Q&A



2016

# TELENOR GROUP – SECOND QUARTER APPENDIX

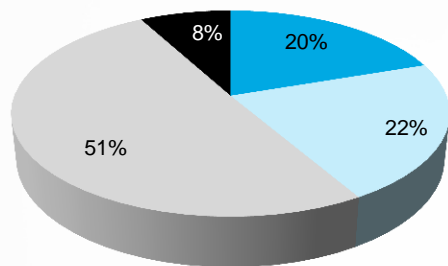


# TELENOR GROUP

211 million consolidated mobile subscribers  
Revenues in 2015: NOK 128 bn (USD 15 bn)  
Market cap: NOK 214 bn (USD 25 bn)

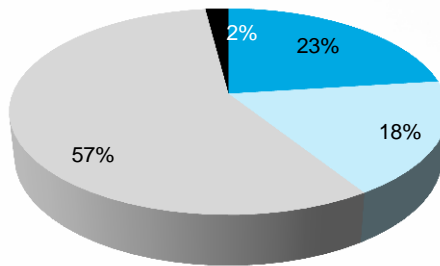
## GEOGRAPHIC SPLIT OF KEY FINANCIALS 1H 2016

REVENUES



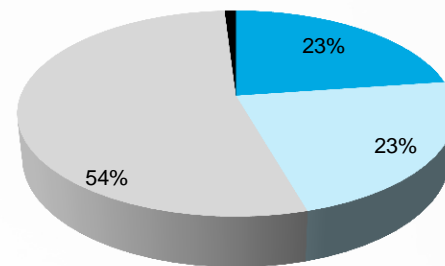
■ Norway ■ Europe ■ Asia ■ Other

EBITDA



■ Norway ■ Europe ■ Asia ■ Other

EBITDA LESS CAPEX



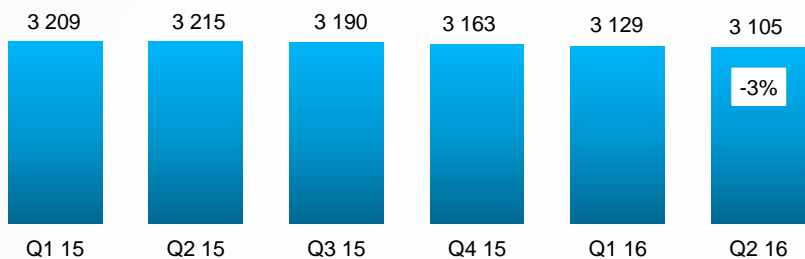
■ Norway ■ Europe ■ Asia ■ Other

# PRIORITIES FOR CAPITAL ALLOCATION

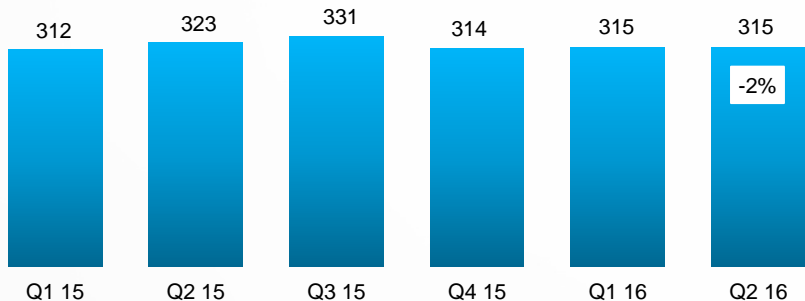
1	Maintain a solid balance sheet	<i>Net debt/EBITDA below 2.0x</i>
2	Competitive shareholder remuneration	<i>50-80% dividend payout of normalised net income Aim for YoY growth in dividends</i>
3	Disciplined and selective M&A	<i>Value driven, within core assets and regions</i>

## NORWAY

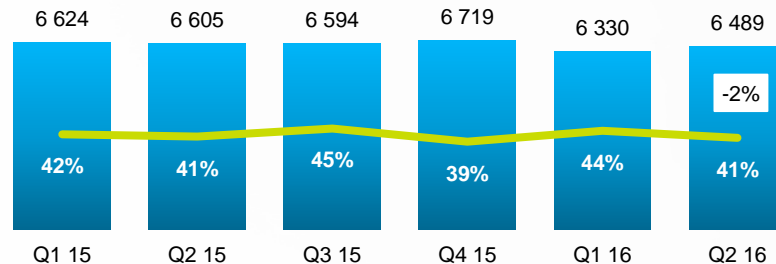
## Mobile subscribers ('000)



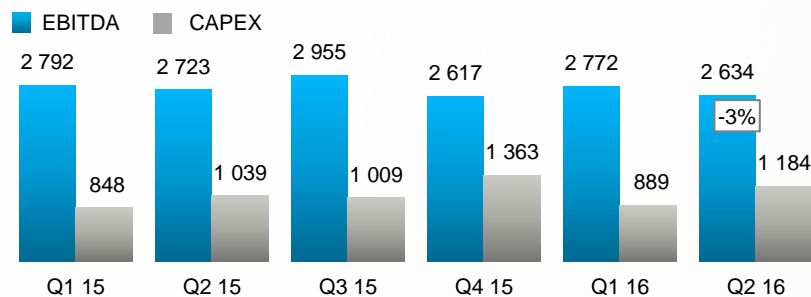
## Mobile ARPU (NOK/month)



## Revenues (NOK m) and EBITDA margin

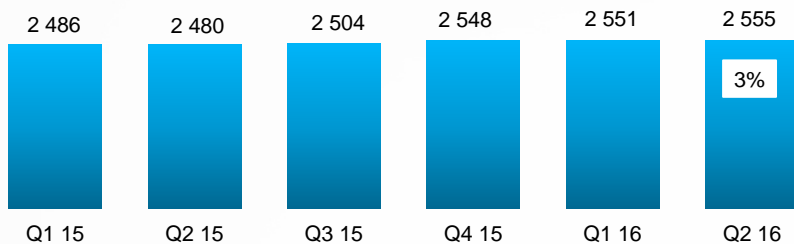


## EBITDA and capex (NOK m)

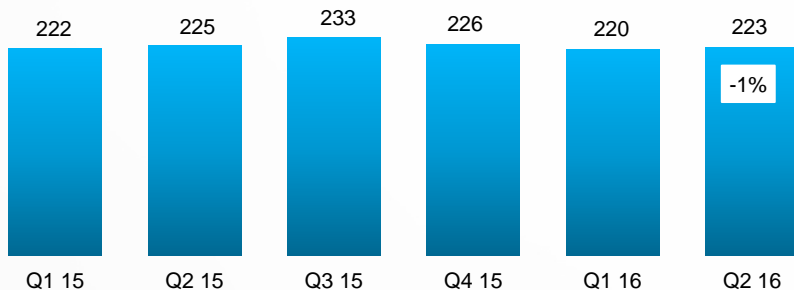

 Organic growth

## SWEDEN

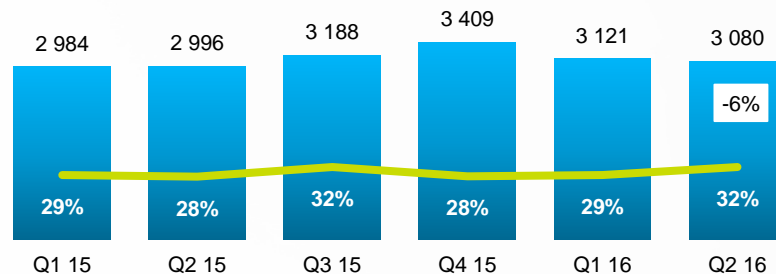
## Mobile subscribers ('000)



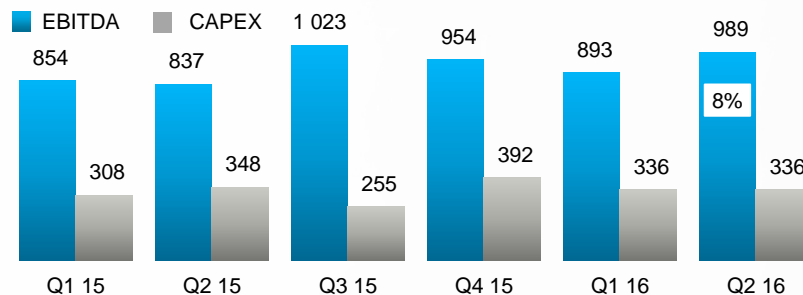
## Mobile ARPU (SEK/month)



## Revenues (NOK m) and EBITDA margin



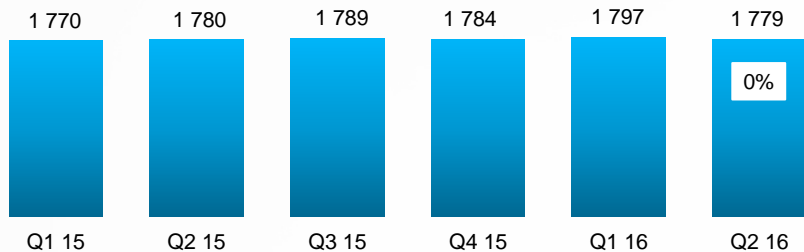
## EBITDA and capex (NOK m)


 Organic growth

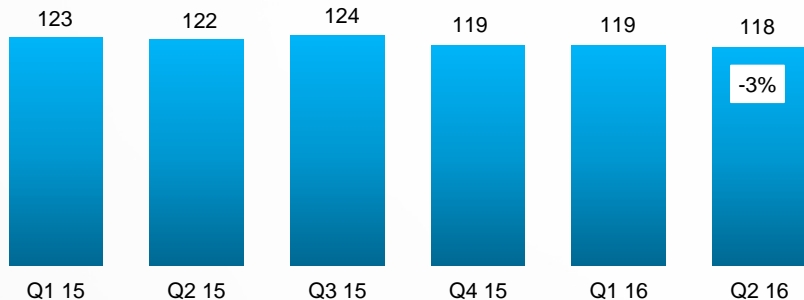
# DENMARK

From 31 March 2016, pay-as-you-go cards will no longer be part of Telenor Denmark's product offering. Subscription and ARPU figures have been updated retrospectively.

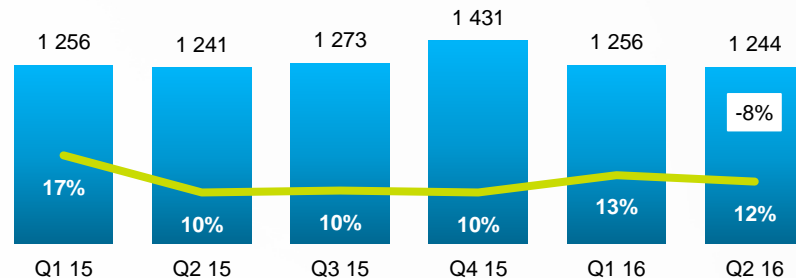
## Mobile subscribers ('000)



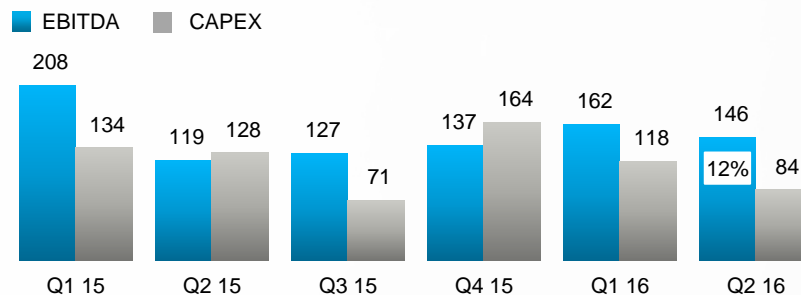
## Mobile ARPU (DKK/month)



## Revenues (NOK m) and EBITDA margin



## EBITDA and capex (NOK m)

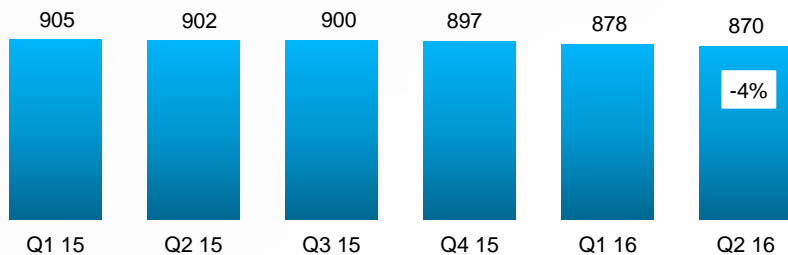


□ Organic growth

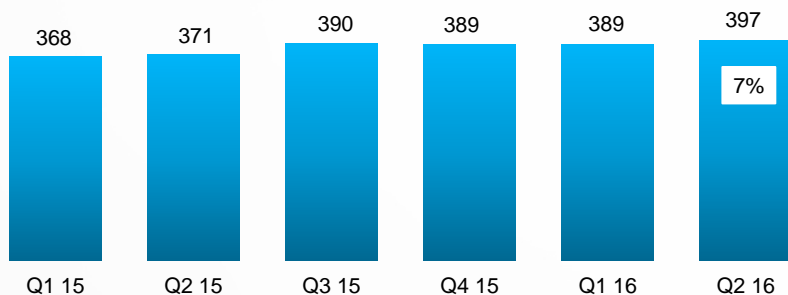


## BROADCAST

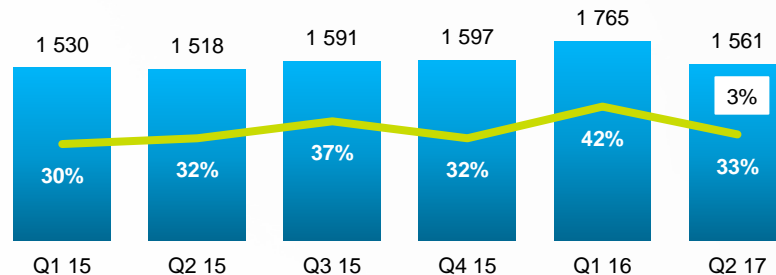
## DTH subscribers ('000)



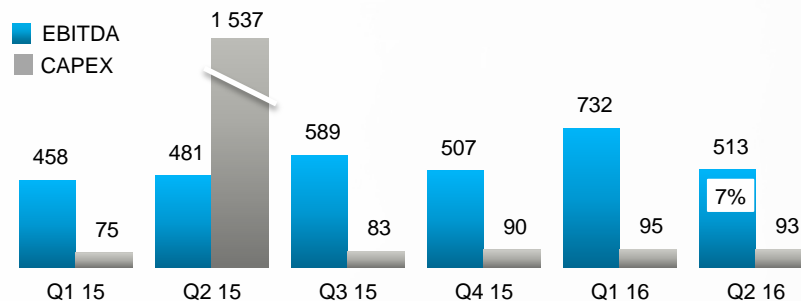
## DTH ARPU (NOK/month)



## Revenues (NOK m) and EBITDA margin

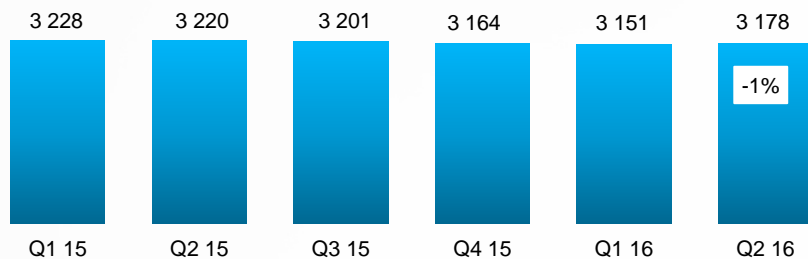


## EBITDA and capex (NOK m)

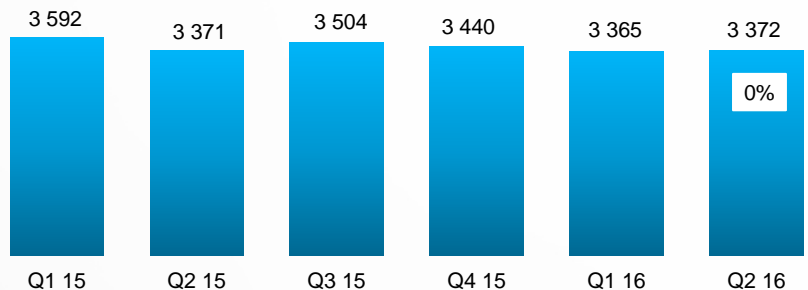

 Organic growth

## HUNGARY

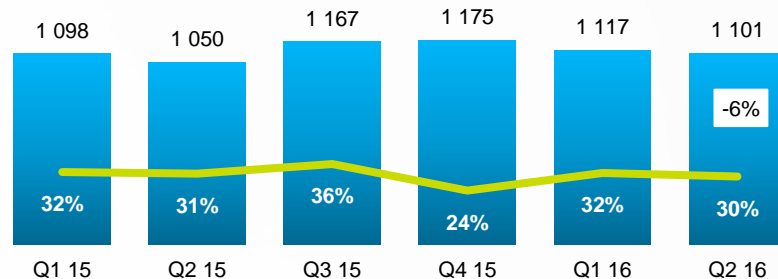
## Mobile subscribers ('000)



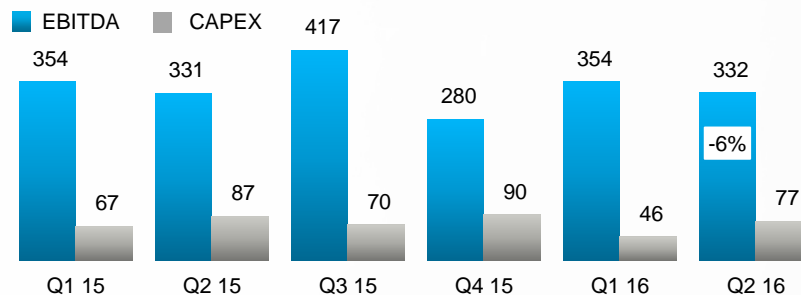
## Mobile ARPU (HUF/month)



## Revenues (NOK m) and EBITDA margin

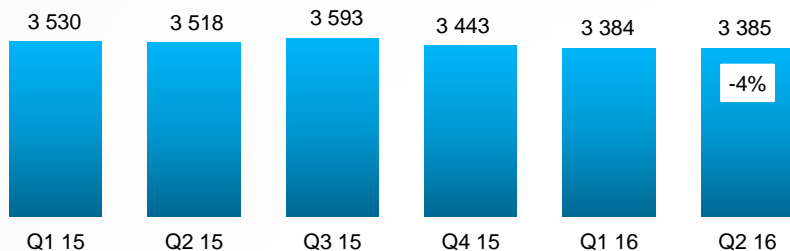


## EBITDA and capex (NOK m)

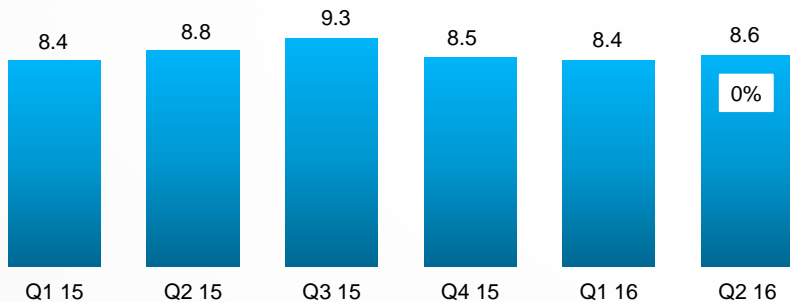

 Organic growth

# MONTENEGRO AND SERBIA

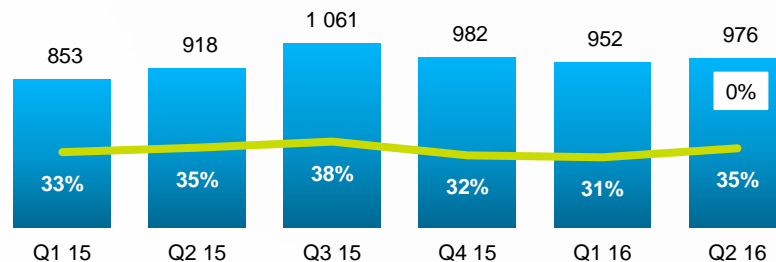
## Mobile subscribers ('000)



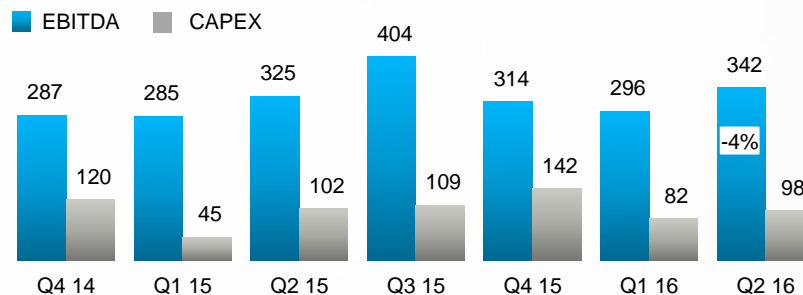
## Mobile ARPU (EUR/month)



## Revenues (NOK m) and EBITDA margin



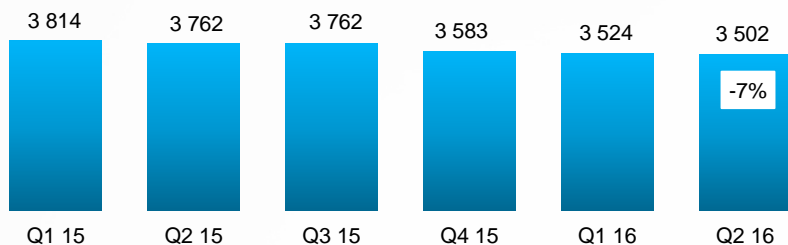
## EBITDA and capex (NOK m)



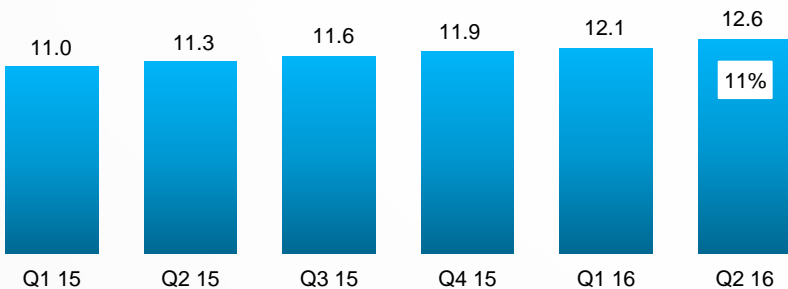
Organic growth

## BULGARIA

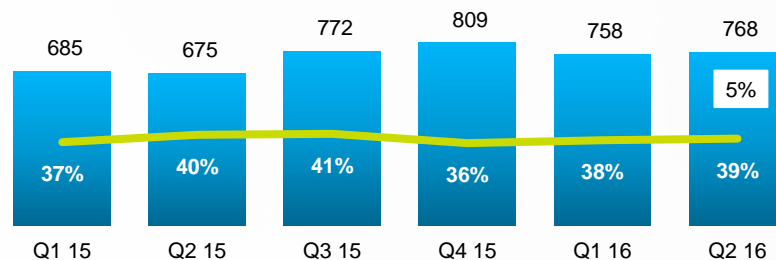
Mobile subscribers ('000)



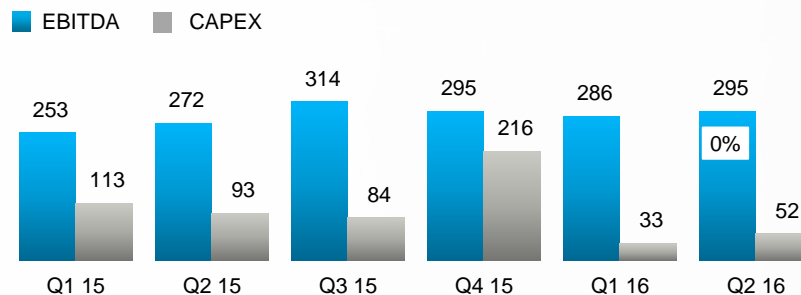
Mobile ARPU (BGN/month)



Revenues (NOK m) and EBITDA margin

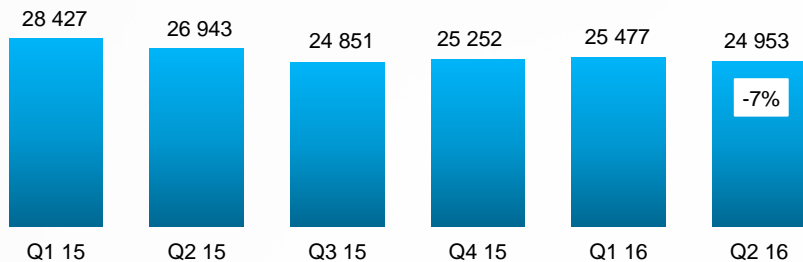


EBITDA and capex (NOK m)

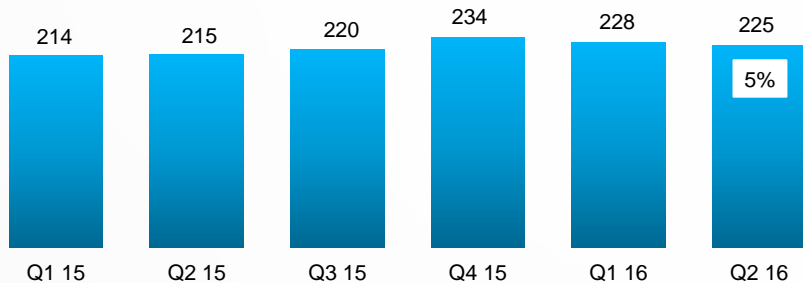

 Organic growth

## THAILAND (DTAC)

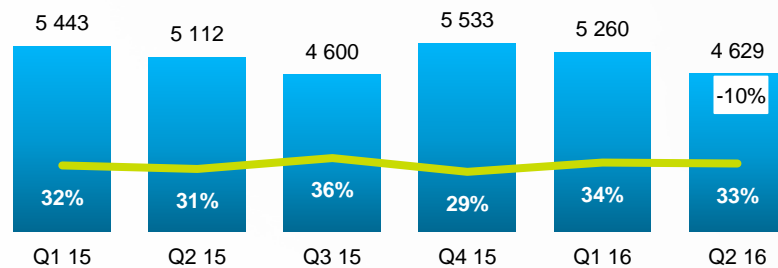
Mobile subscribers ('000)



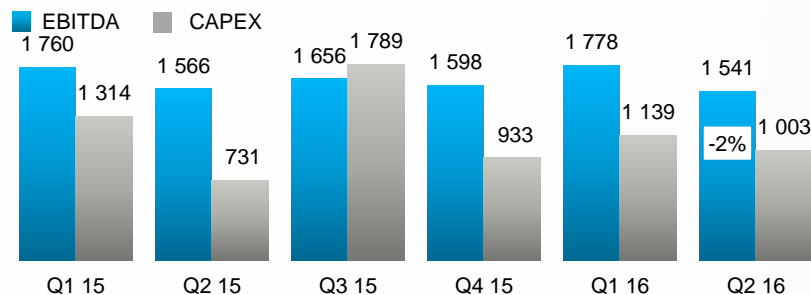
Mobile ARPU (THB/month)



Revenues (NOK m) and EBITDA margin

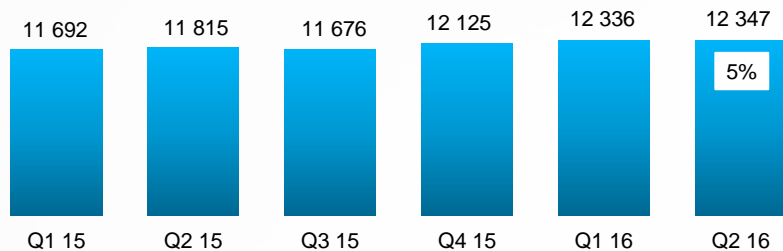


EBITDA and capex (NOK m)

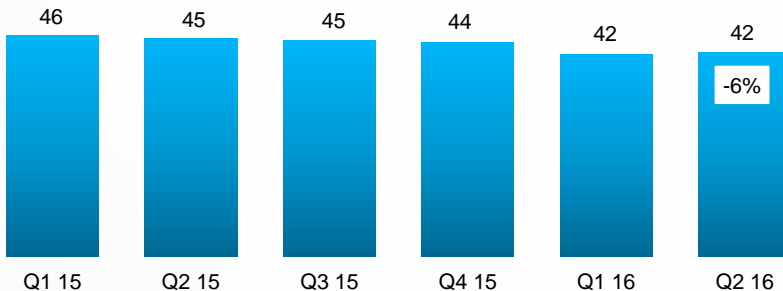

 Organic growth

## MALAYSIA (DIGI)

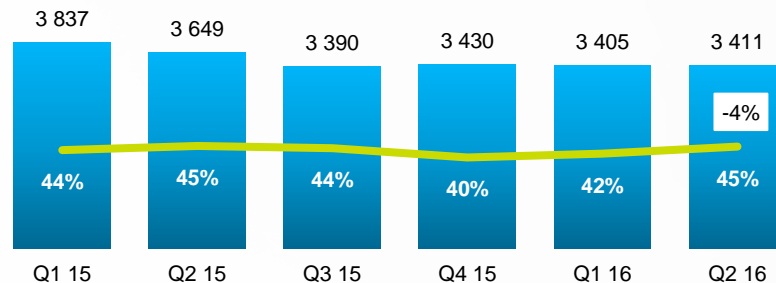
## Mobile subscribers ('000)



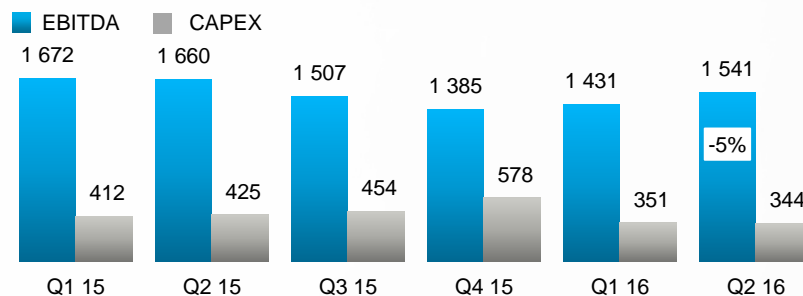
## Mobile ARPU (MYR/month)



## Revenues (NOK m) and EBITDA margin

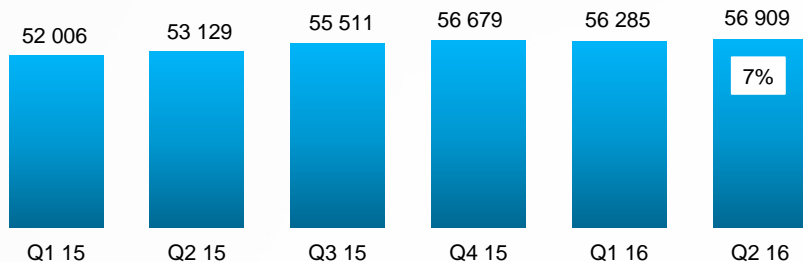


## EBITDA and capex (NOK m)

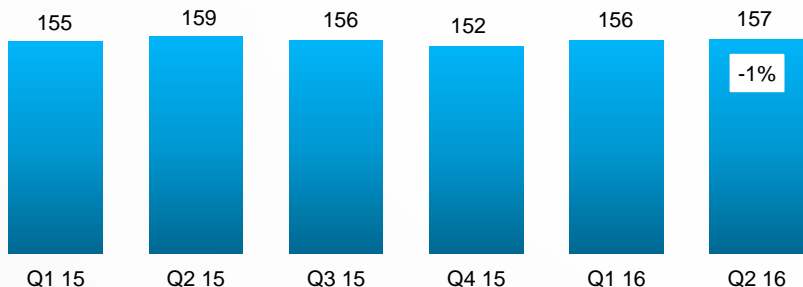

 Organic growth

# BANGLADESH (GRAMEENPHONE)

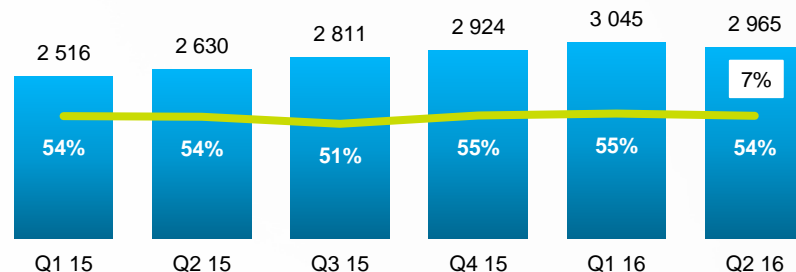
## Mobile subscribers ('000)



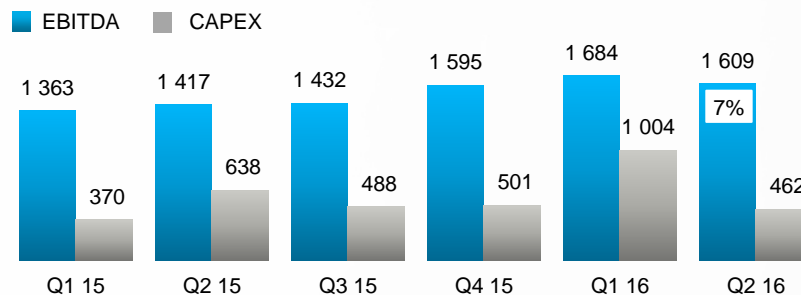
## Mobile ARPU (BDT/month)



## Revenues (NOK m) and EBITDA margin



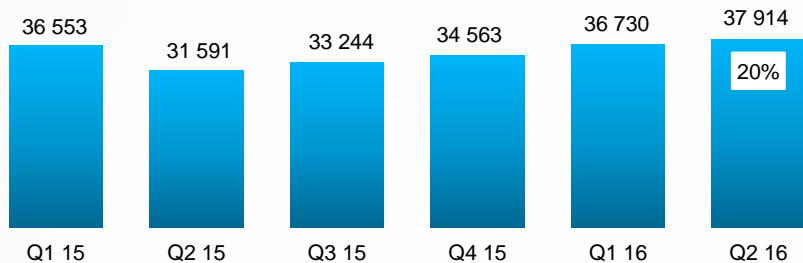
## EBITDA and capex (NOK m)



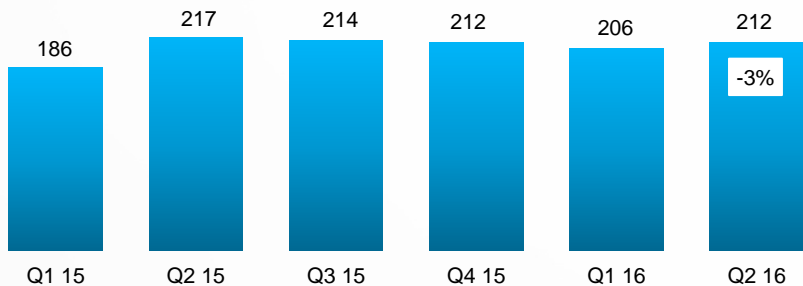
Organic growth

## PAKISTAN

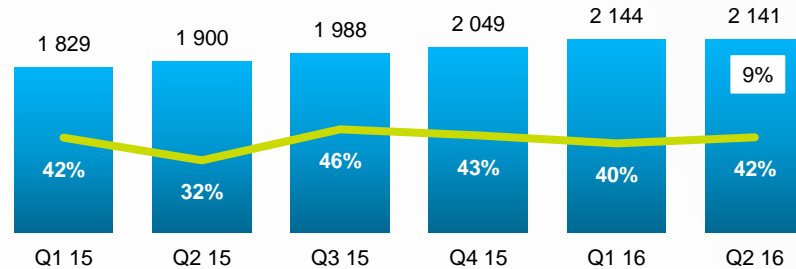
## Mobile subscribers ('000)



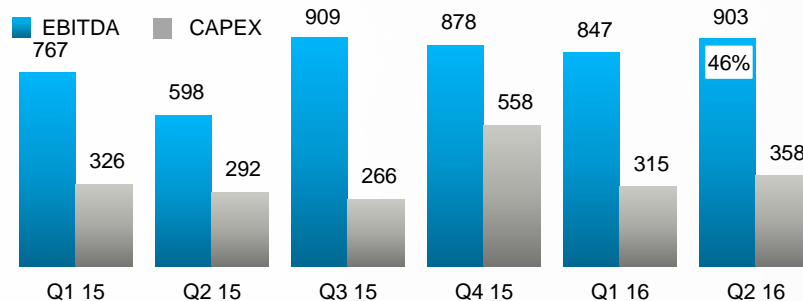
## Mobile ARPU (PKR/month)



## Revenues (NOK m) and EBITDA margin



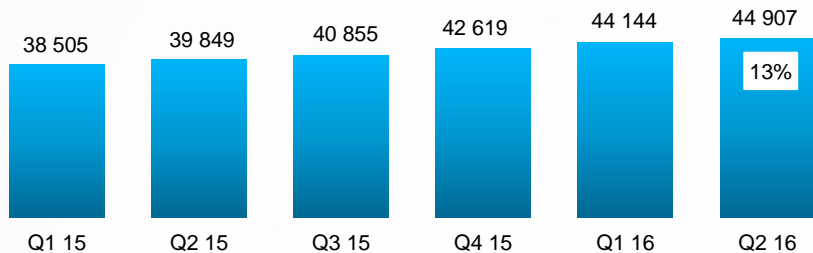
## EBITDA and capex (NOK m)


 Organic growth

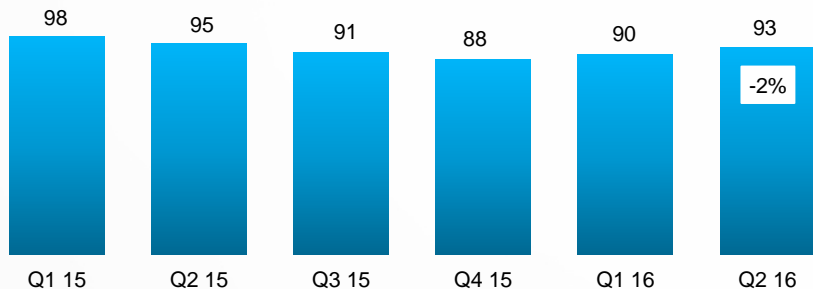


## INDIA

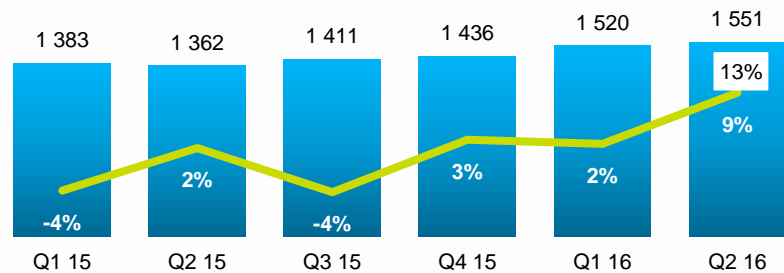
## Mobile subscribers ('000)



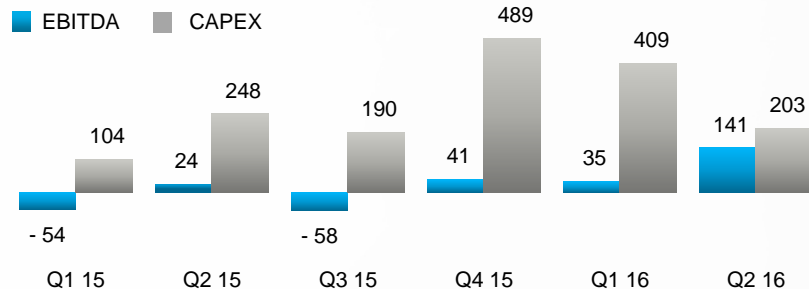
## Mobile ARPU (INR/month)



## Revenues (NOK m) and EBITDA margin



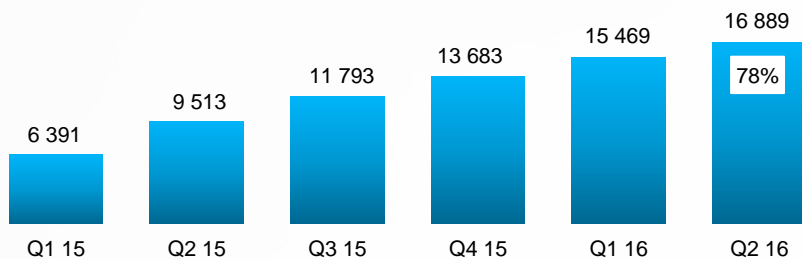
## EBITDA and capex (NOK m)



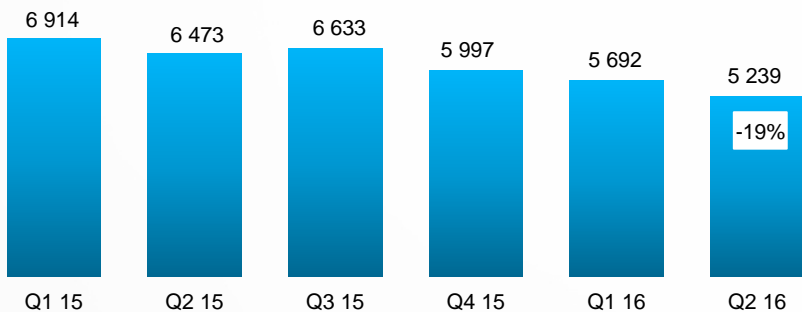
□ Organic growth

## MYANMAR

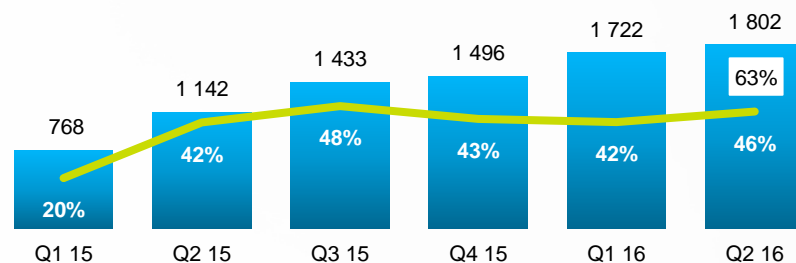
Mobile subscribers ('000)



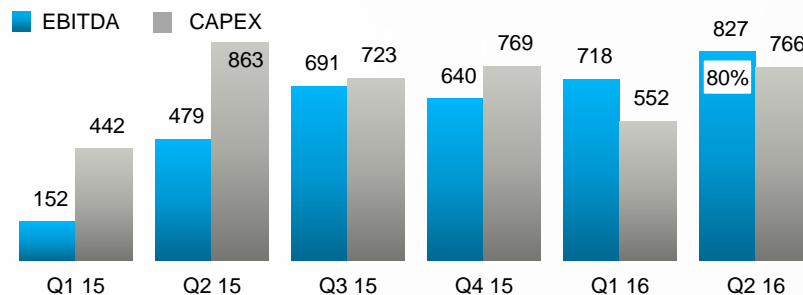
Mobile ARPU (MMK/month)



Revenues (NOK m) and EBITDA margin



EBITDA and capex (NOK m)


 Organic growth

# CONSOLIDATED INCOME STATEMENT

NOK m	Q2 16	Q2 15	
Revenues	32 477	31 406	
EBITDA before other items	11 545	10 695	
Other items	-287	-159	Norway (-38m), dtac (-110m), Grameenphone (-102m)
EBITDA	11 258	10 536	
Depreciation and amortisation	-4 840	-4 336	• India (-224m)
Impairment losses	-223	-7	• VimpelCom (-2 004m)
EBIT	6 196	6 193	• Amedia (-62)
Associated companies	-2 149	452	• Online classifieds (-36m)
Net financials	-473	-595	
Profit before taxes	3 573	6 050	
Taxes	-1 769	-1 722	
Non-controlling interests	693	870	
Net income to Telenor	1 111	3 456	
EPS (NOK)	0.74	2.30	

## CHANGES IN REVENUES AND EBITDA

	Revenues		EBITDA	
	Reported	Organic	Reported	Organic
Norway	-1.8 %	-1.8 %	-3.3 %	-3.3 %
Sweden	2.8 %	-5.7 %	18.2 %	8.4 %
Denmark	0.3 %	-8.0 %	23.1 %	12.2 %
Hungary	4.8 %	-1.7 %	0.5 %	-5.7 %
Montenegro and Serbia	6.2 %	-0.3 %	5.1 %	-4.3 %
Bulgaria	13.6 %	4.5 %	8.7 %	0.0 %
Thailand	-9.4 %	-9.7 %	-1.6 %	-1.9 %
Malaysia	-6.5 %	-3.9 %	-7.1 %	-4.5 %
Bangladesh	12.7 %	6.7 %	13.5 %	7.4 %
Pakistan	12.6 %	9.0 %	51.0 %	45.8 %
India	13.9 %	12.8 %	491.4 %	496.7 %
Myanmar	57.8 %	63.4 %	72.6 %	80.5 %
Broadcast	2.8 %	2.8 %	6.7 %	6.7 %
<b>Telenor Group</b>	<b>3.4 %</b>	<b>0.6 %</b>	<b>7.9 %</b>	<b>6.4 %</b>

## BALANCE SHEET AND KEY RATIOS

	Q2 2016	Q1 2016	Q2 2015
Total assets	204.2	205.0	196.4
Equity attributable to Telenor ASA shareholders	56.9	62.0	67.6
Gross debt*	81.1	75.0	67.6
Net debt	59.0	53.6	47.1
Net debt/EBITDA	1.33	1.23	1.16
Return on capital employed**	6%	8%	13%

\*) Gross debt = current interest bearing liabilities + non-current interest bearing liabilities

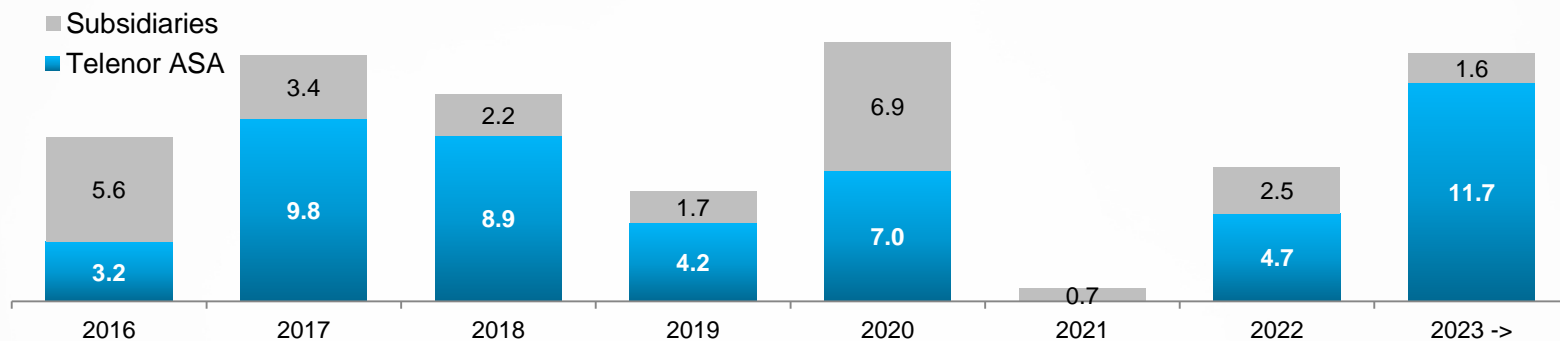
\*\*\*) Calculated based on an after tax basis of the last twelve months return on average capital employed

## NET DEBT RECONCILIATION

NOK bn	Q2 2016	Q1 2016	Q2 2015
Current interest bearing liabilities	24.3	8.6	10.1
Non-current interest bearing liabilities	56.8	66.4	57.6
Less: licence obligations	(5.1)	(3.6)	(5.1)
<b>Debt excluding licence obligations</b>	<b>76.0</b>	<b>71.4</b>	<b>62.5</b>
Cash and cash equivalents	(13.3)	(14.0)	(12.7)
Investments in bonds and commercial papers	(1.1)	(0.9)	(0.9)
Fair value hedge instruments	(2.6)	(2.9)	(1.8)
<b>Net interest bearing debt excl. licence obligations</b>	<b>59.0</b>	<b>53.6</b>	<b>47.1</b>

# DEBT MATURITY AND NET DEBT

## Debt maturity profile (NOK bn)



## Net debt in partly owned subsidiaries (NOK m)

(NOK m)	Q2 2016	Q1 2016	Q2 2015
Digi	2 254	2 441	1 994
dtac	7 622	7 584	6 386
Grameenphone	3 521	2 746	3 008