

The background features a blue gradient with faint, semi-transparent financial charts. On the left, a line graph shows an upward trend with data points like 2.04 and 4.341. In the center, a 3D bar chart shows varying bar heights. On the right, a pie chart is visible with segments labeled 08 and 09. The year '2016' is prominently displayed in large, white, semi-transparent digits across the middle of the image.

# 2016

## TELENOR GROUP – THIRD QUARTER

Sigve Brekke, CEO

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# HIGHLIGHTS Q3 2016

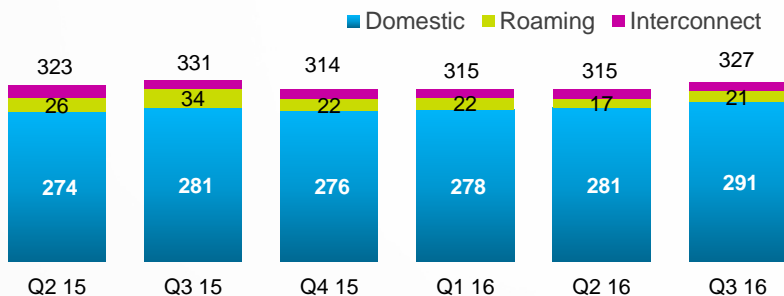
- 2% organic revenue growth
- All-time high EBITDA of NOK 12.5 bn
- Strengthening efficiency agenda across the Group
- Executing on VimpelCom divestment

# PROMISING UPTAKE OF NEW MOBILE TARIFFS AND IMPROVED FIBRE GROWTH IN NORWAY

## MOBILE

- More than 500k subscribers on new mobile tariffs with EU roaming included
- ARPU impact from lower roaming revenues partly offset by migration to new tariffs
- New device installment programme gaining traction

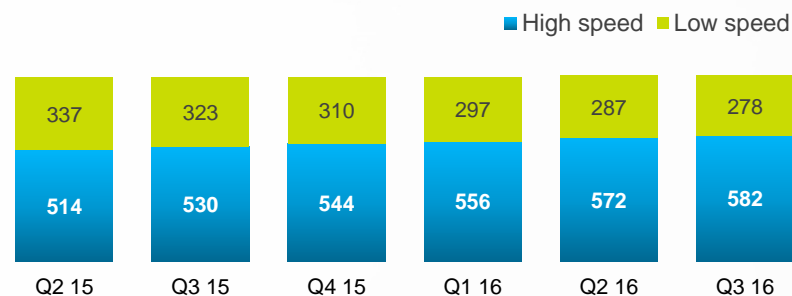
### Mobile ARPU (NOK)



## FIXED

- 10k high-speed subscriber growth, primarily on fibre
- 13% growth in high-speed internet revenues
- Improved uptake of IPTV on fibre
- Fixed telephony and other legacy products declining in line with trend

### Internet subscriptions ('000)

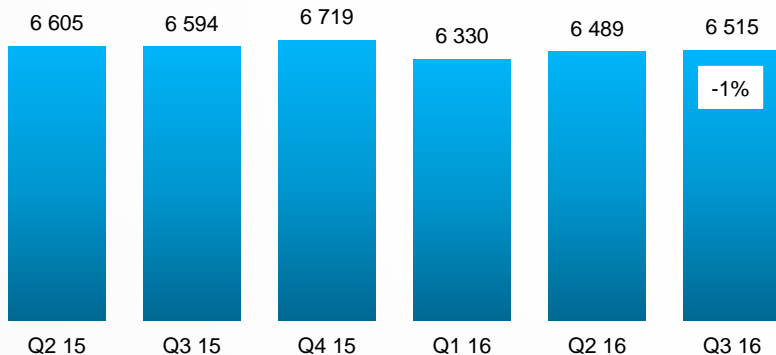


# SOLID COST CONTROL OFFSETTING LOSS OF ROAMING REVENUES IN NORWAY

## REVENUES

- 4% decline in mobile subscription & traffic revenues, due to NOK 133 million lower roaming revenues
- Growth in device revenues from new handset programme
- 12% increase in fixed high-speed broadband revenues

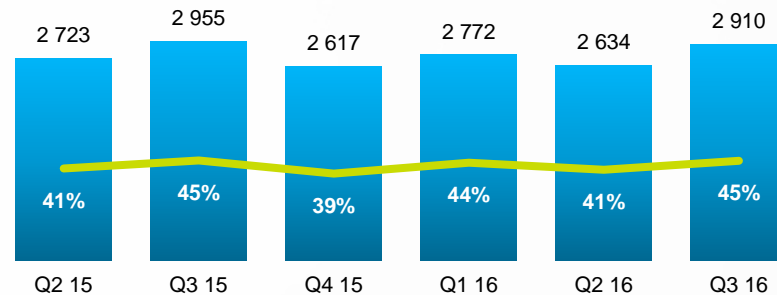
Revenues (NOK m)



## EBITDA

- Stable EBITDA margin despite loss of high-margin roaming and fixed legacy revenues
- Opex improvement from lower sales & marketing costs
- Working on structural efficiency measures

EBITDA (NOK m) and EBITDA margin (%)



# STRONG MOBILE CUSTOMER GROWTH AND FIXED REVENUE IMPROVEMENT IN SWEDEN

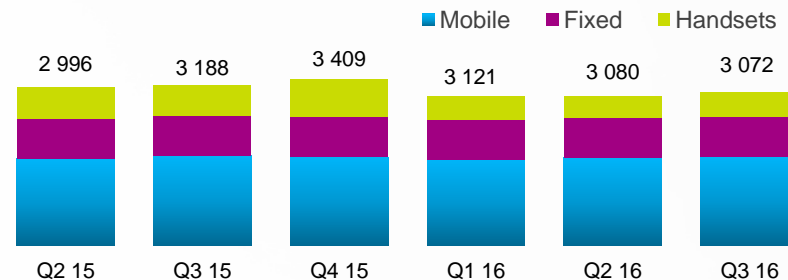
## MOBILE

- 35k new subscriptions, with growth in both consumer and business
- 1% organic decline in mobile subscription and traffic revenues
- Total mobile revenues impacted by change in handset accounting from Q1 2016

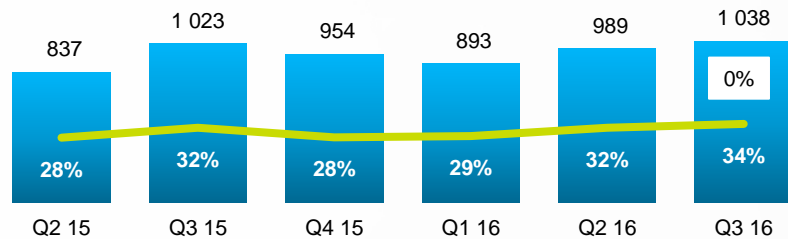
## FIXED

- 1% fixed revenue growth driven by fibre and TV
- 13k new high-speed internet subscribers
- SDU fibre ramp-up progressing according to plan

### Revenues (NOK m)



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



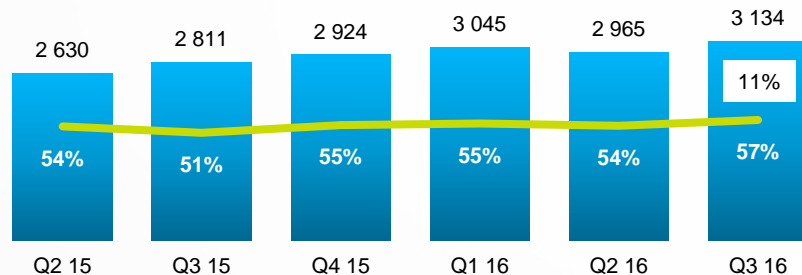
 Organic growth

# DOUBLE-DIGIT REVENUE GROWTH AND SOLID MARGINS IN BANGLADESH AND PAKISTAN

## BANGLADESH (GRAMEENPHONE)

- 14% organic subscription and traffic revenue growth
- 1.1 million new data subscribers during Q3
- Revenue growth driven by growth in voice and data usage
- Data position supported by superior 3G network

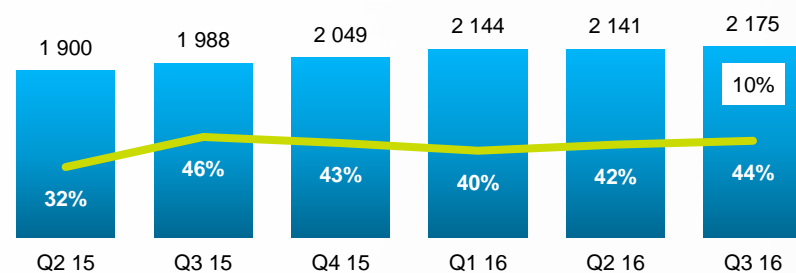
Revenues (NOK m) and EBITDA margin (%)



## PAKISTAN

- 11% organic subscription and traffic revenue growth
- 0.6 million new data subscribers during Q3
- Revenue growth fueled by several monetisation initiatives
- Launch of 4G services in seven districts during Q3

Revenues (NOK m) and EBITDA margin (%)

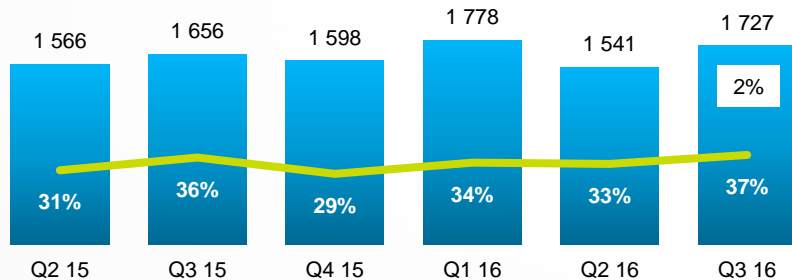


# EBITDA GROWTH AND STRONG POSTPAID PERFORMANCE IN THAILAND AND MALAYSIA

## THAILAND (DTAC)

- 2% organic EBITDA growth amidst 1% revenue decline
- 14% growth in postpaid revenues
- Lower regulatory cost offsetting prepaid device subsidies
- 3,600 new 4G sites rolled out during the quarter

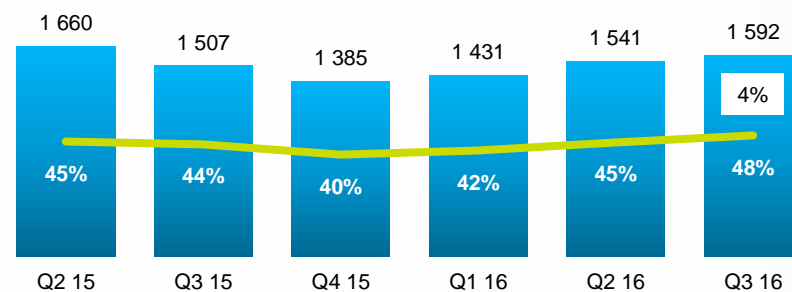
EBITDA (NOK m) and EBITDA margin (%)



## MALAYSIA (DIGI)

- 4% organic EBITDA growth amidst 3% revenue decline
- 10% growth in postpaid revenues
- Improved margin on international traffic
- 4G network reaching 78% population coverage

EBITDA (NOK m) and EBITDA margin (%)





# SOLID PERFORMANCE IN MYANMAR AMIDST INTENSIFIED COMPETITION AND SEASONAL EFFECTS

## INTENSIFIED COMPETITION

- 0.9 million net subscriber growth
- Competition focused on on-net voice
- SIM market share maintained at 38% (est.)

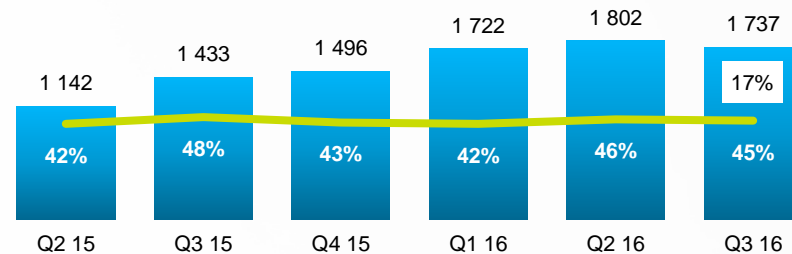
## SOLID FINANCIALS

- 45% EBITDA margin
- 40% organic EBITDA growth adj. for one-off in Q3 2015
- Positive free cash flow

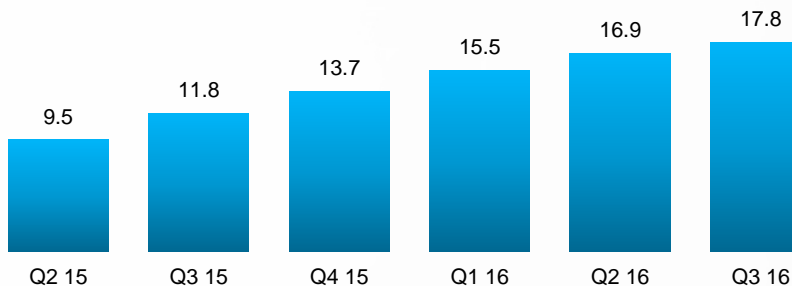
## NETWORK EXPANSION

- More than 6,500 network sites on air (+700 sites in Q3)
- Population coverage increased from 78% to 82%
- 4G services launched in July

### Revenues (NOK m) and EBITDA margin



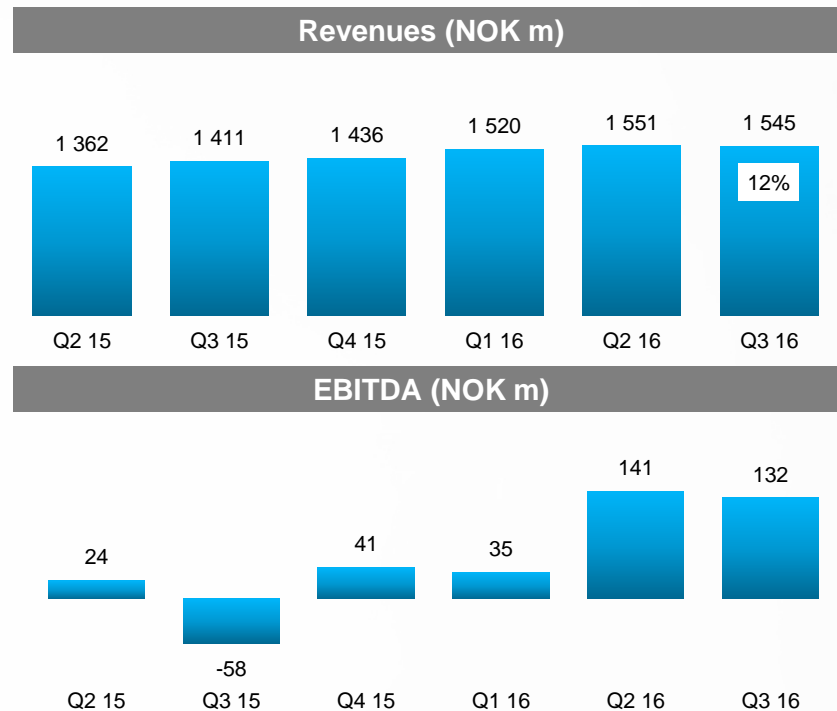
### Subscribers (m)



 Organic growth

## CONTINUING TO EVALUATE OPTIONS IN INDIA

- Subscriber base stable at 45 million (+9% YoY)
- 10% 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 spectrum auction in October
- Assessment of fair value triggered NOK 4.0 bn impairment



# EXECUTING ON DECISION TO EXIT VIMPELCOM

- Strategic decision to exit VimpelCom announced in October 2015
- Sell-down in September 2016 through two transactions:
  - Sale of 164 million VimpelCom ADSs through placing in the market, with net proceeds of NOK 4.6 billion
  - Issuance of 3-year bond of USD 1 billion, exchangeable into 204 million VimpelCom ADSs
- Ownership stake reduced from 33.0% to 23.7% (excluding conversion of shares underlying bond)



## OUR PRIORITIES



MONETISE DATA  
DEMAND



STRENGTHEN  
EFFICIENCY



DIGITISE CUSTOMER  
JOURNEYS



RELEVANT DIGITAL  
SERVICES



# CAPITAL MARKETS DAY

Date: 2 February 2017, 11 am – 5 pm  
Venue: Telenor Expo, Fornebu

SAVE THE DATE

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. On the right, a 3D pie chart is visible with segments labeled '08', '09', and '10'. The year '2016' is prominently displayed in large, white, semi-transparent numerals across the center. At the bottom, there is a dark blue horizontal band containing white text. The overall aesthetic is professional and data-oriented.

# 2016

## TELENOR GROUP – THIRD QUARTER

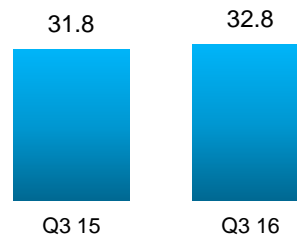
Morten Karlsen Sørby, acting CFO

## FINANCIAL HIGHLIGHTS

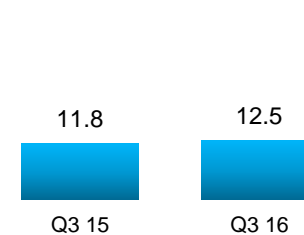
- 2% organic revenue growth and 5% organic EBITDA growth
- Record-high EBITDA of NOK 12.5 billion
- Adjusted net income of NOK 4.7 billion
- Free cash flow to equity of NOK 9.1 billion

	Q3 2016	YTD 2016
Organic revenue growth	1.8%	1.3%
EBITDA margin	38.0%	36.3%
Capex / sales	15.3%	16.1%

Revenues (NOK bn)

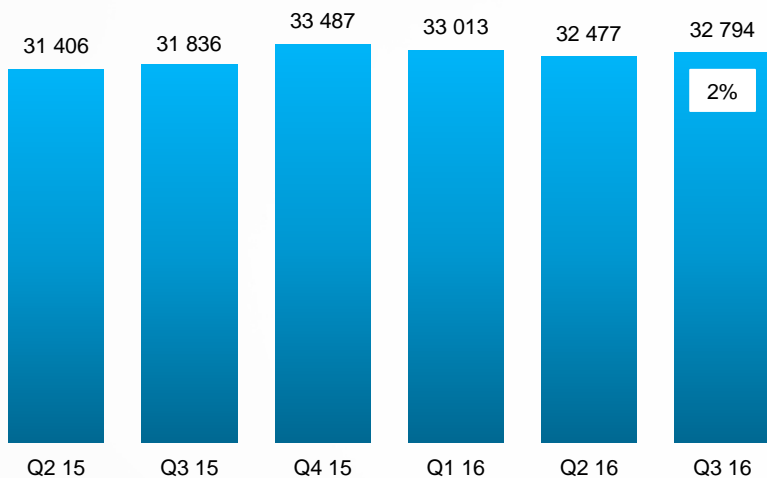


EBITDA (NOK bn)

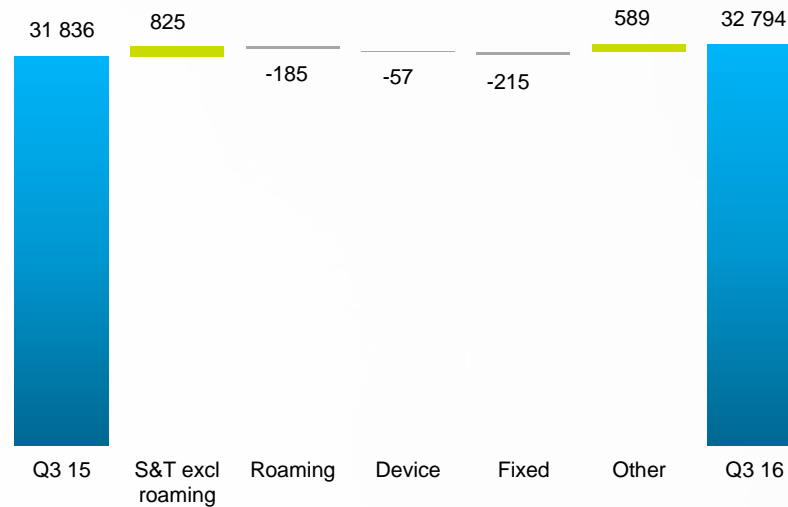


# ORGANIC REVENUE GROWTH SOFTENED BY ROAMING AND FIXED

Revenues (NOK m)



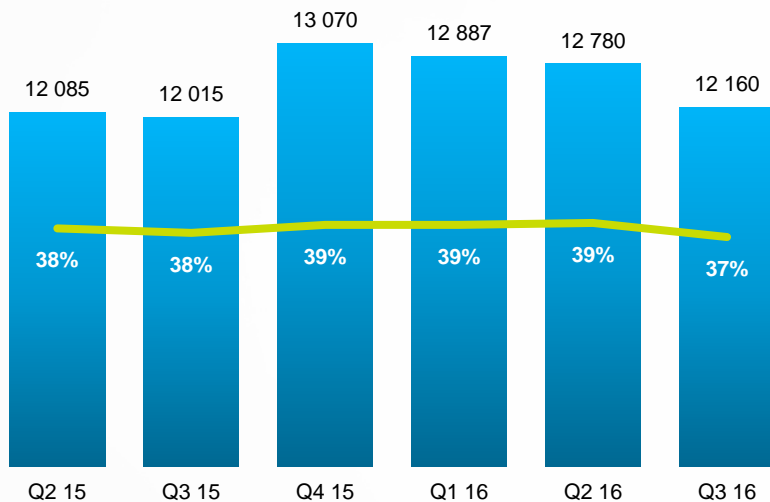
Revenue development YoY



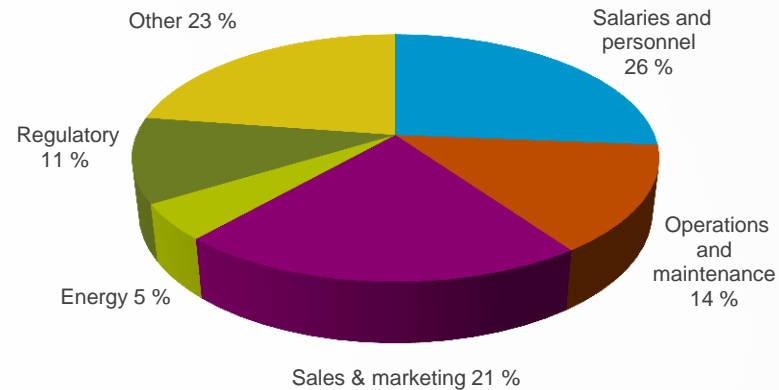


# STABLE OPEX FROM GOOD COST CONTROL

## OPEX (NOK m) and OPEX/sales

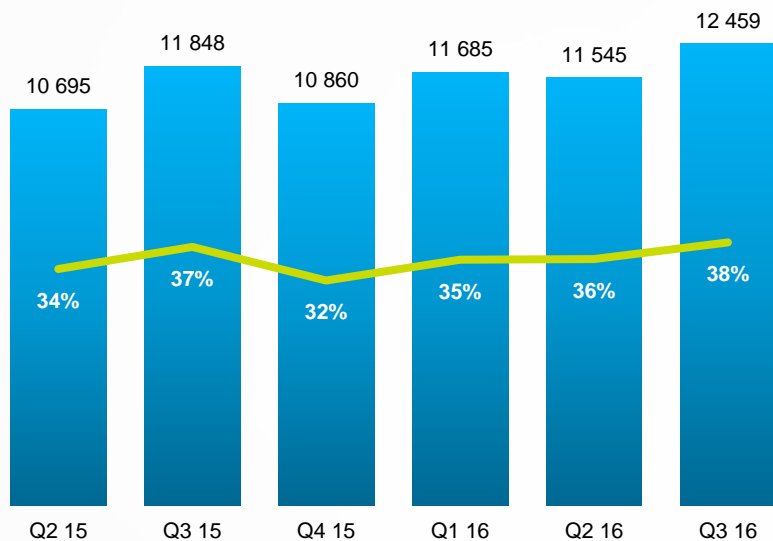


## OPEX distribution

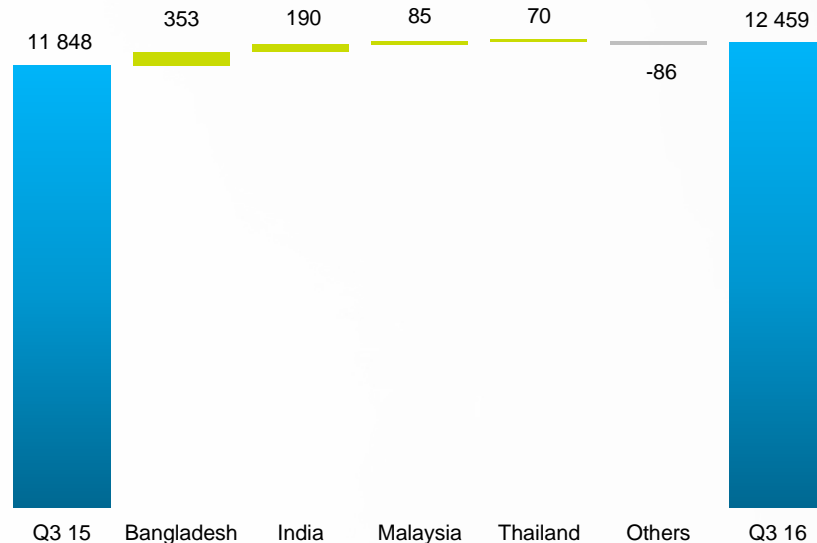


## 38% EBITDA MARGIN AND 5% ORGANIC EBITDA GROWTH

### EBITDA (NOK m) and EBITDA margin



### EBITDA change YoY (NOK m)



# SIGNIFICANT ONE-TIME EFFECTS RELATED TO VIMPELCOM AND INDIA

## VIMPELCOM

- Disposal of 164 million VimpelCom ADSs in September, at USD 3.50 per ADS
- Proportionate reclassification of currency effects from OCI to P&L
- Impairment loss on 417 million remaining ADSs following share price decline during Q3
- Fair value loss on derivative of NOK 0.5 bn related to exchangeable bond

## INDIA

- Impairment loss of NOK 4.1 billion following assessment of fair value, and impairment of Q3 capex

NOK bn	P&L line	Q3 2016	Q3 2015
India impairment	Operating profit	-4.1	
VimpelCom reclassification of OCI loss and impairment	Associated companies	-5.3	-5.1
VimpelCom reclassification of hedging instruments	Tax	+0.4	
VimpelCom loss on derivative	Net financial items	-0.5	
<b>Net P&amp;L impact</b>		<b>-9.5</b>	<b>-5.1</b>

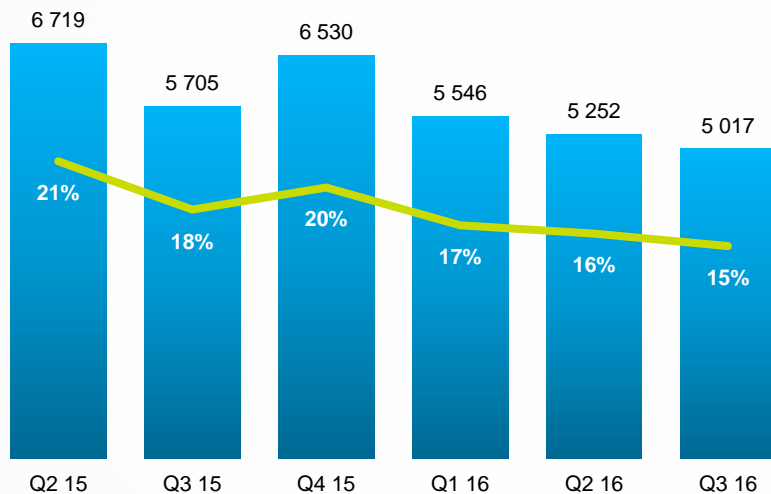
## ADJUSTED\* NET INCOME OF NOK 4.7 BILLION

NOK m	Q3 16	Q3 15	
EBITDA before other items	12 459	11 848	• Norway (-159m), Denmark (-177m)
Other items	-76	-418	
EBITDA	12 383	11 430	• Norway (-35m), Denmark (-34m), India (+31m)
Depreciation and amortisation	-5 073	-4 785	
Impairment losses	-4 143	-58	
Operating profit	3 167	6 587	
Associated companies	-5 260	-5 089	
Net financials	-260	-797	
Taxes	-1 643	-1 751	
Non-controlling interests	825	721	
Net income to Telenor equity holders	-4 821	-1 770	
Adjustments*	9 552	5 359	
Adjusted* net income	4 731	3 589	

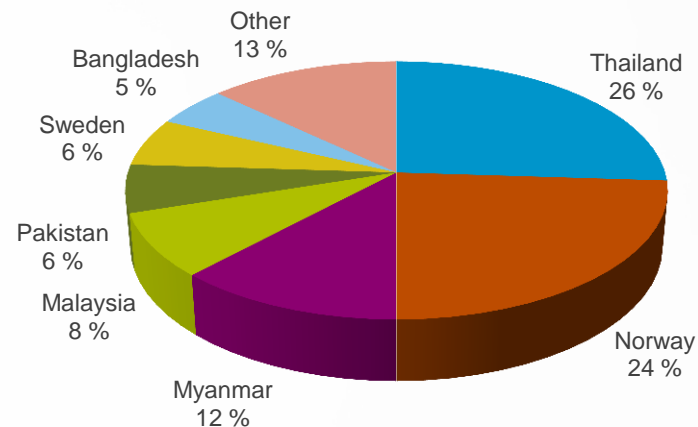
\*Adjusted for Other items and one-time effects related to VimpelCom and India

# CAPEX OF NOK 5.0 BILLION

## Capex (NOK m) and capex/sales

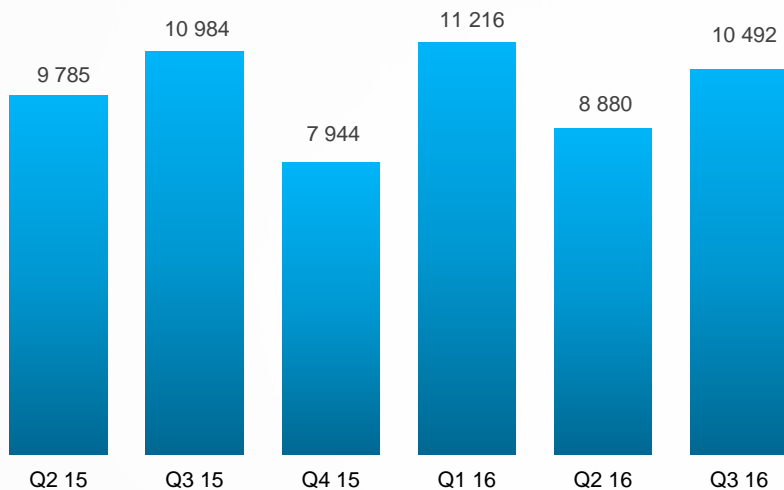


## Capex distribution

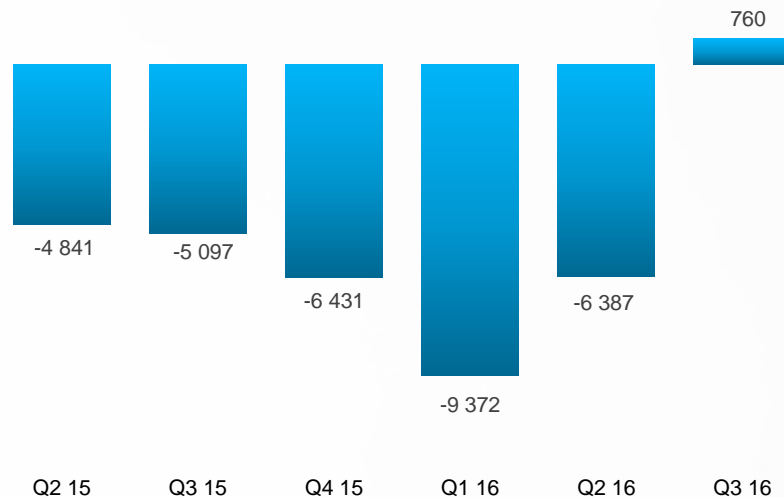


## FREE CASH FLOW TO EQUITY OF NOK 9.1 BILLION

Net cash flow from operating activities (NOK m)

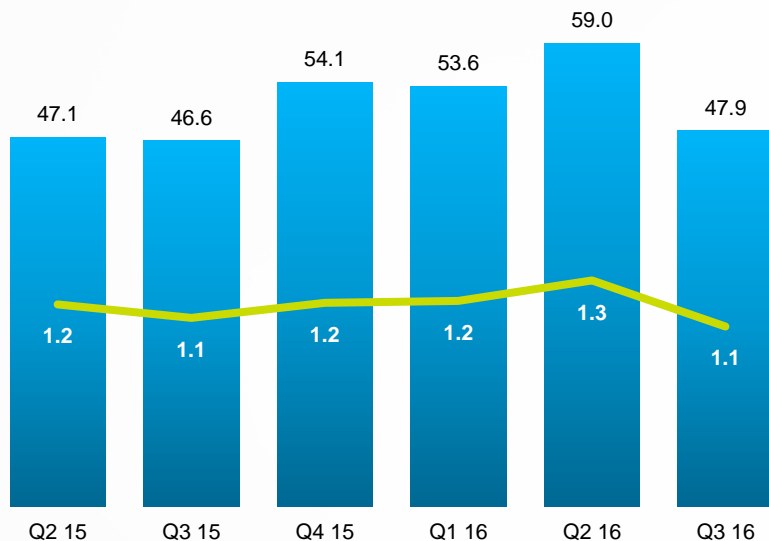


Net cash flow from investing activities (NOK m)



# NET DEBT OF NOK 48 BN AND NET DEBT/EBITDA OF 1.1x

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

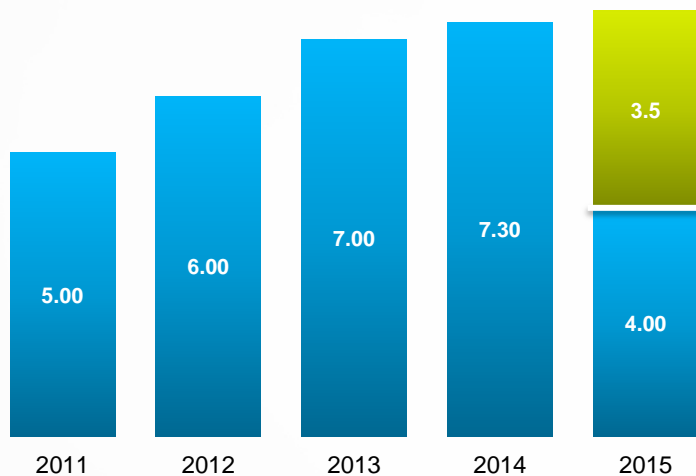


### Change in net debt (NOK bn)

<b>Net debt 30 Jun 2016</b>	<b>59.0</b>
EBITDA	(12.4)
Income taxes paid	1.1
Net interest paid	0.3
Capex paid	4.1
Proceeds from sale of VIP shares	(4.6)
Dividends paid to non-controlling interests	1.1
Changes in working capital and other	1.4
Currency effects	(2.1)
<i>Net change during Q3 16</i>	<i>(11.1)</i>
<b>Net debt 30 Sep 2016</b>	<b>47.9</b>

# FINAL 2015 DIVIDEND OF NOK 3.50 PER SHARE DECLARED

Dividend per share (NOK)



- Total dividend for 2015 of NOK 7.50, in line with intention communicated in February 2016
  - NOK 4.00 per share paid in May
  - NOK 3.50 per share to be paid in November
- Total pay-out of NOK 11.2 billion, implying a pay-out in the upper end of the 50-80% normalised net income range
- Year over year growth in dividend, in line with dividend policy
- 5.4% dividend yield
- Ex-dividend 28 October, record date 31 October, pay-out date 10 November



## OUTLOOK FOR 2016 MAINTAINED

	2016	YTD
<b>Organic revenue growth</b>	1-2%	1.3%
<b>EBITDA margin</b>	Around 35%	36.3%
<b>Capex/sales ratio</b>	Around 17%	16.1%

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

# HIGHLIGHTS Q3 2016

- 2% organic revenue growth
- All-time high EBITDA of NOK 12.5 bn
- Strengthening efficiency agenda across the Group
- Executing on VimpelCom divestment



2016

# TELENOR GROUP – THIRD QUARTER Q&A



2016

# TELENOR GROUP – THIRD QUARTER APPENDIX



# TELENOR GROUP

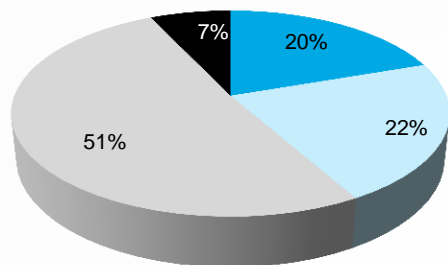
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211 million consolidated mobile subscribers  
Revenues in 2015: NOK 128 bn (USD 15 bn)  
Market cap: NOK 200 bn (USD 25 bn)

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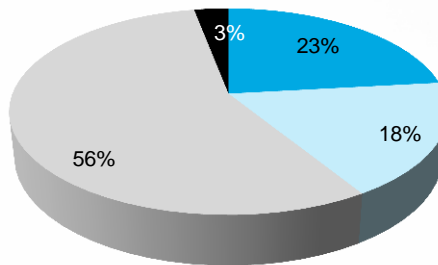
## GEOGRAPHIC SPLIT OF KEY FINANCIALS Q1-Q3 2016

REVENUES



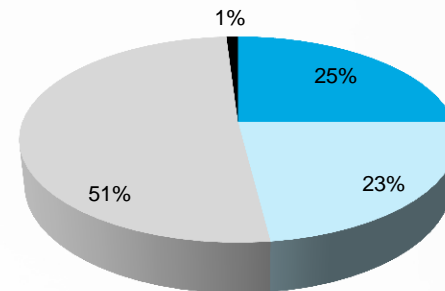
■ Norway ■ Europe ■ Asia ■ Other

EBITDA



■ Norway ■ Europe ■ Asia ■ Other

EBITDA LESS CAPEX



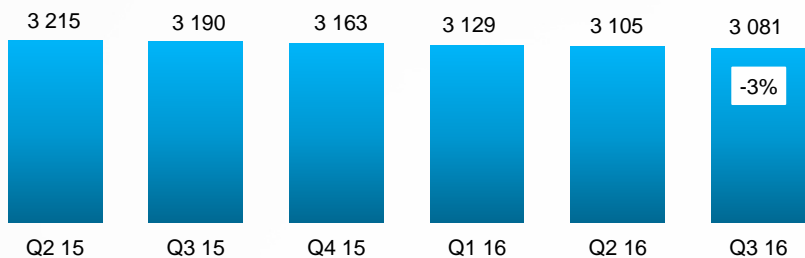
■ Norway ■ Europe ■ Asia ■ Other

# PRIORITIES FOR CAPITAL ALLOCATION

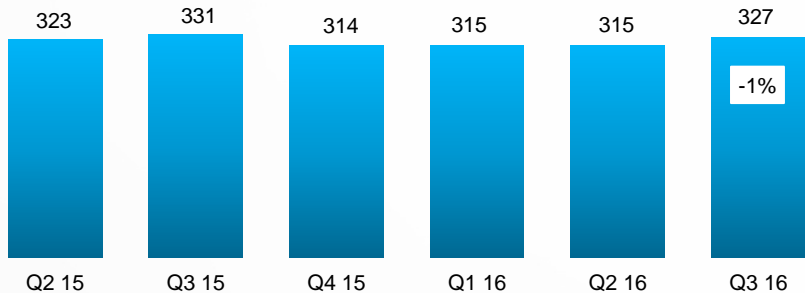
1	Maintain a solid balance sheet	<i>Net debt/EBITDA below 2.0x</i>
2	Competitive shareholder remuneration	<i>50-80% dividend payout of normalised net income Aim for YoY growth in dividends</i>
3	Disciplined and selective M&A	<i>Value driven, within core assets and regions</i>

## NORWAY

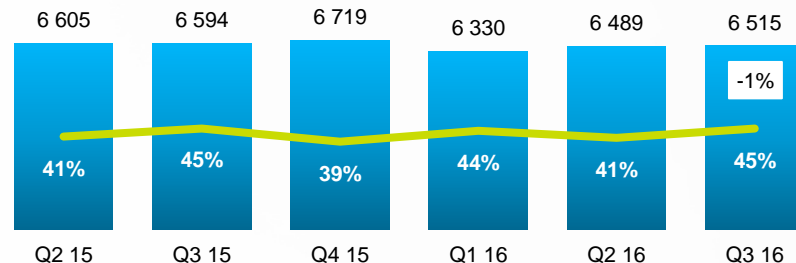
## Mobile subscribers ('000)



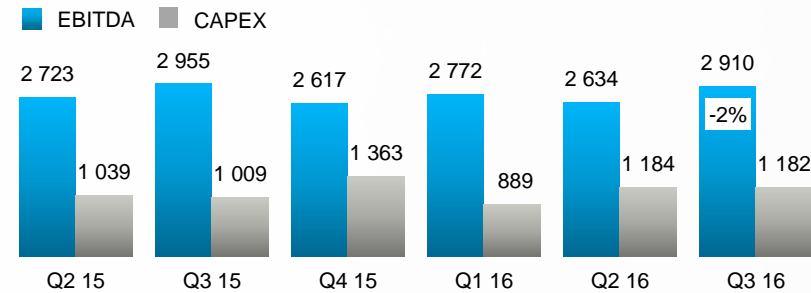
## Mobile ARPU (NOK/month)



## Revenues (NOK m) and EBITDA margin



## EBITDA and capex (NOK m)

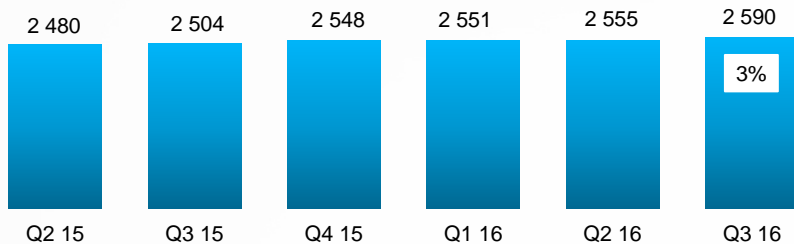


Organic growth

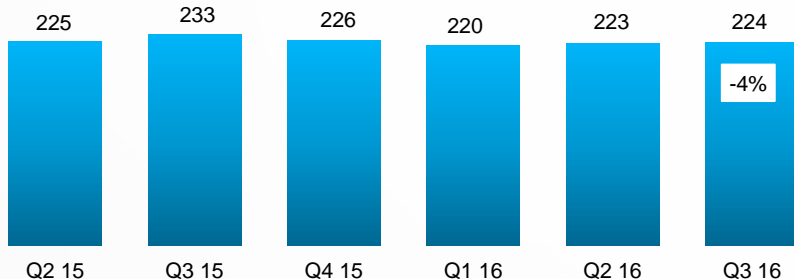


## SWEDEN

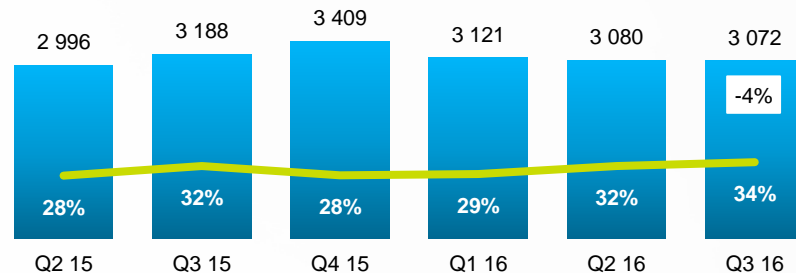
## Mobile subscribers ('000)



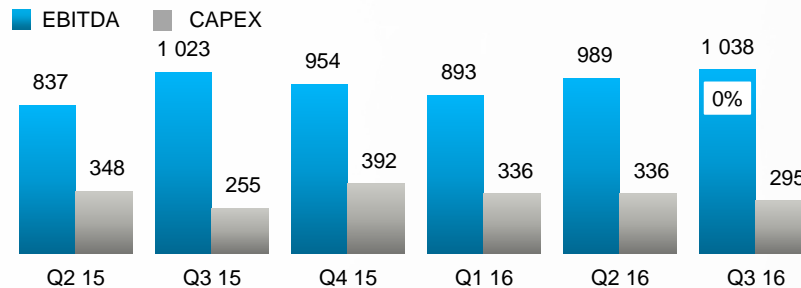
## Mobile ARPU (SEK/month)



## Revenues (NOK m) and EBITDA margin

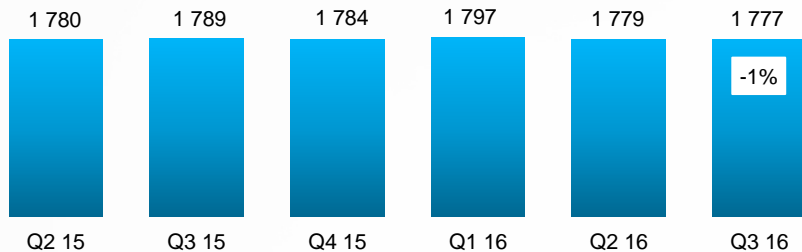


## EBITDA and capex (NOK m)

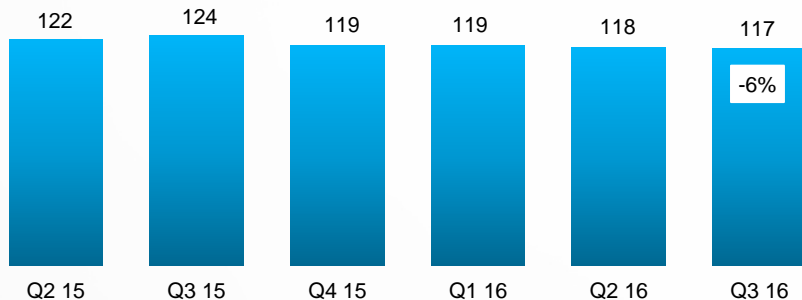

 Organic growth

## DENMARK

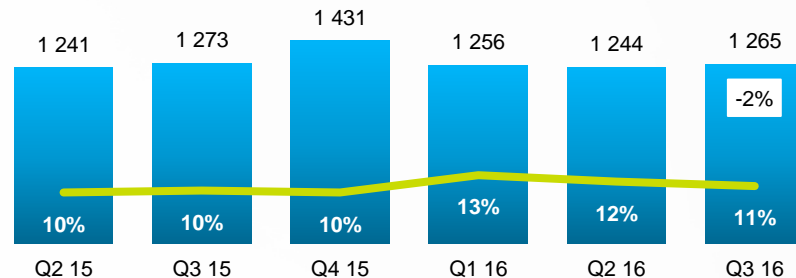
## Mobile subscribers ('000)



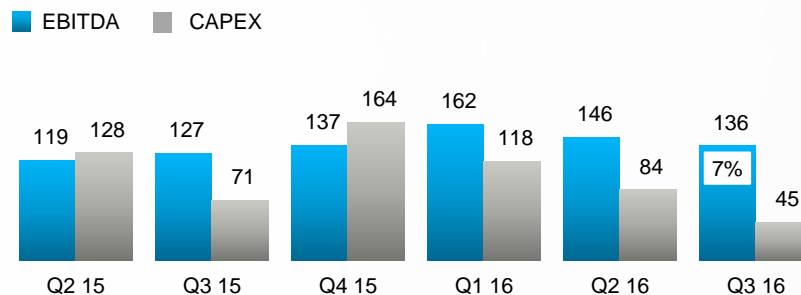
## Mobile ARPU (DKK/month)



## Revenues (NOK m) and EBITDA margin



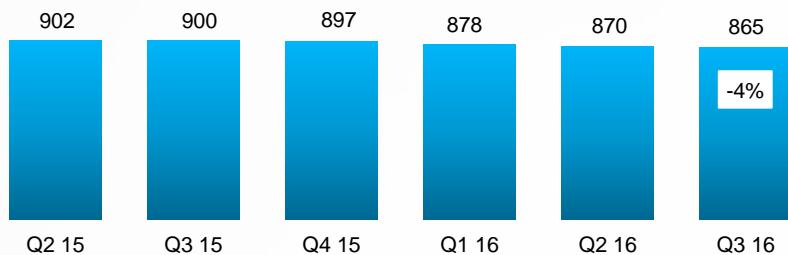
## EBITDA and capex (NOK m)



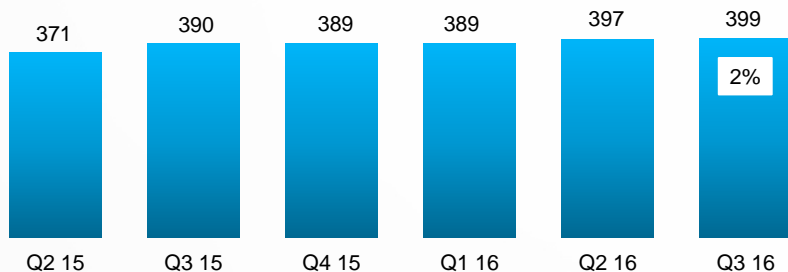
Organic growth

## BROADCAST

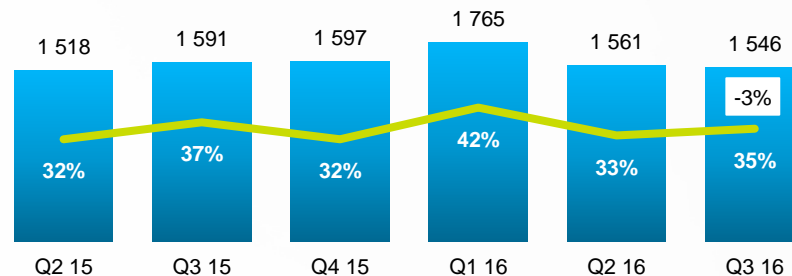
DTH subscribers ('000)



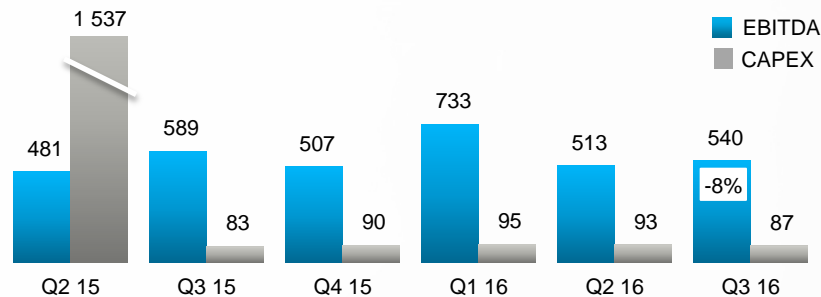
DTH ARPU (NOK/month)



Revenues (NOK m) and EBITDA margin

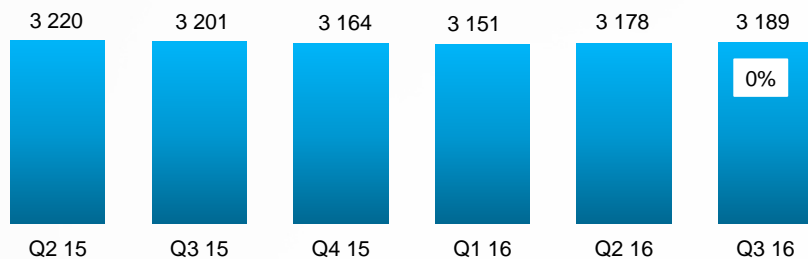


EBITDA and capex (NOK m)

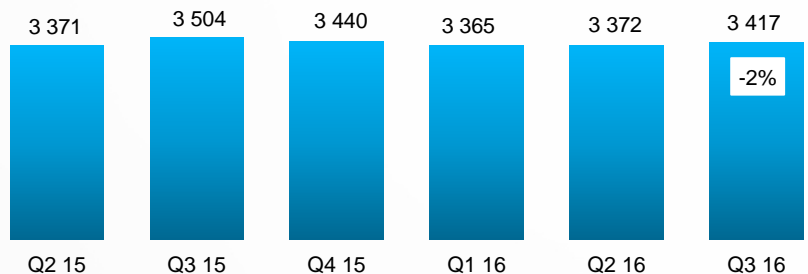


## HUNGARY

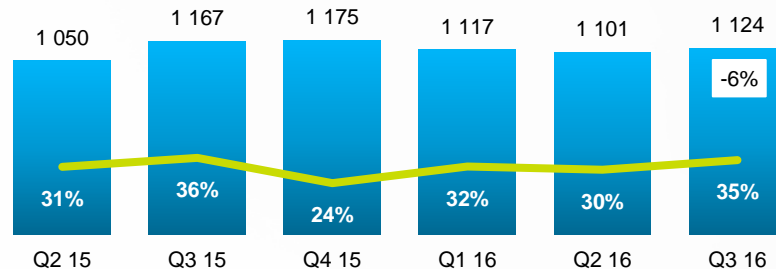
## Mobile subscribers ('000)



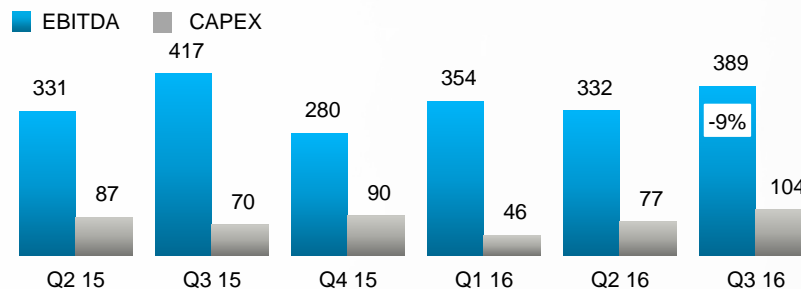
## Mobile ARPU (HUF/month)



## Revenues (NOK m) and EBITDA margin

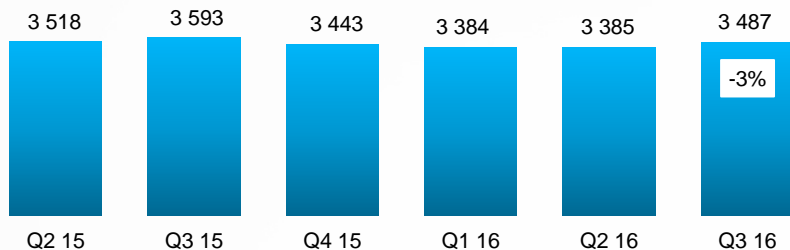


## EBITDA and capex (NOK m)

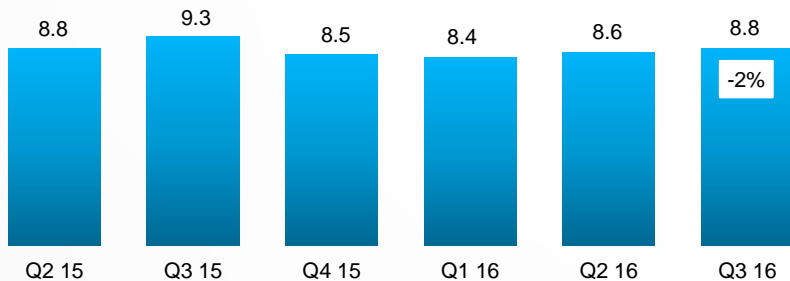



# MONTENEGRO AND SERBIA

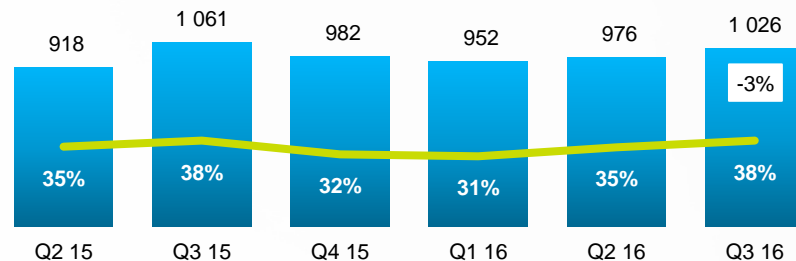
## Mobile subscribers ('000)



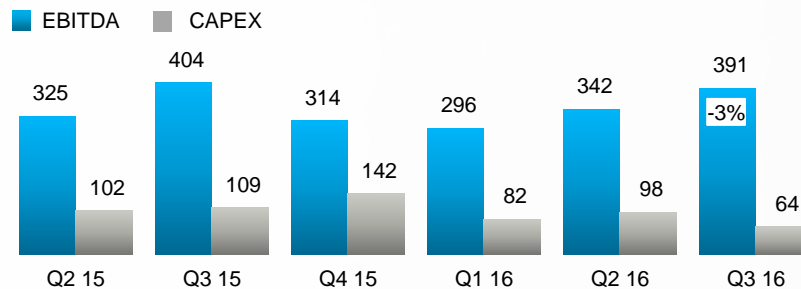
## Mobile ARPU (EUR/month)



## Revenues (NOK m) and EBITDA margin



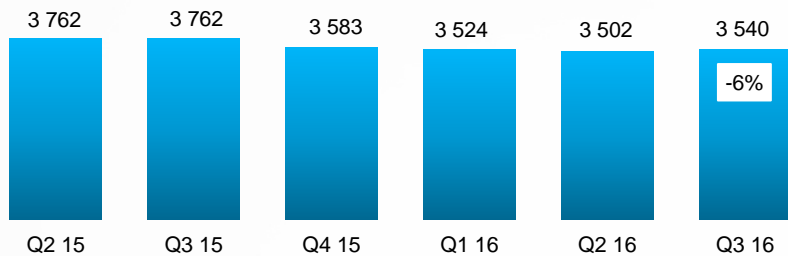
## EBITDA and capex (NOK m)



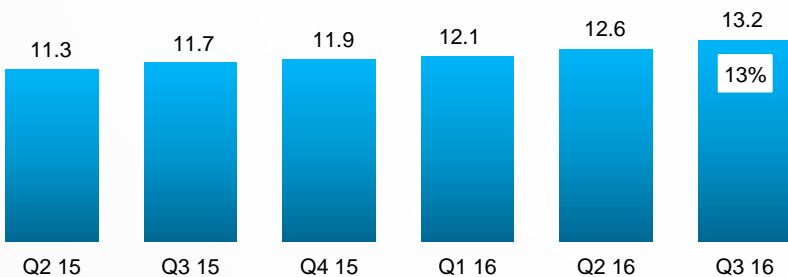
Organic growth

## BULGARIA

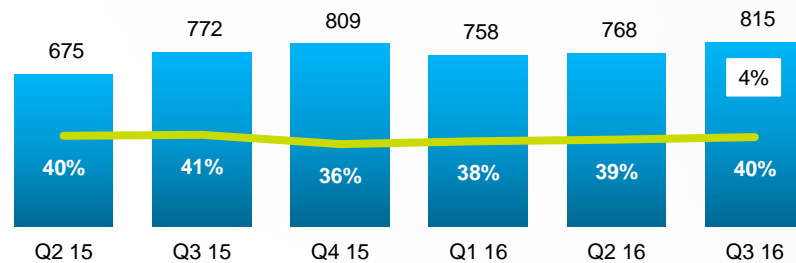
Mobile subscribers ('000)



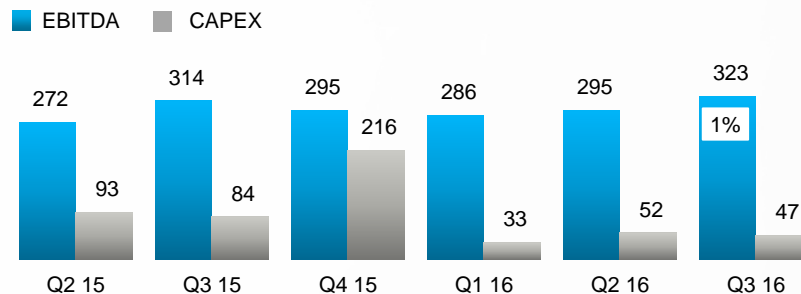
Mobile ARPU (BGN/month)



Revenues (NOK m) and EBITDA margin

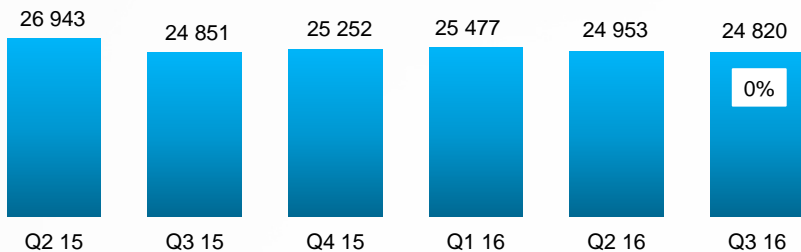


EBITDA and capex (NOK m)

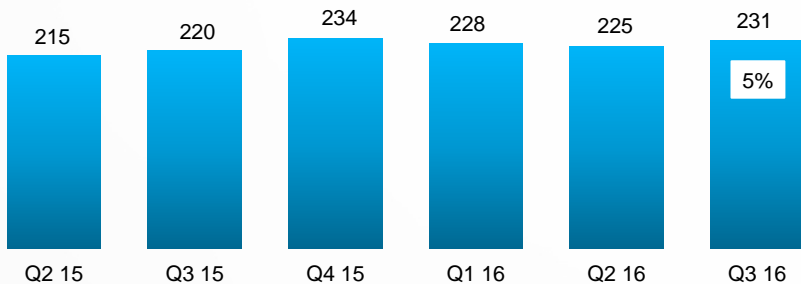

 Organic growth

## THAILAND (DTAC)

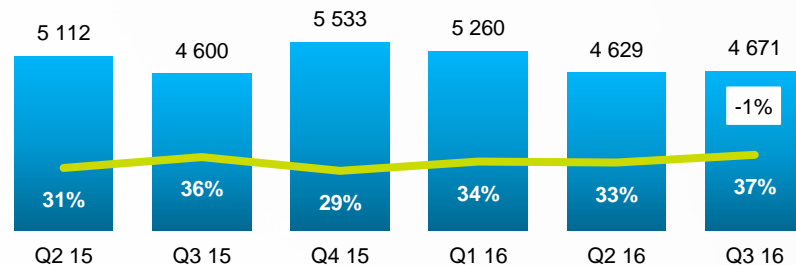
Mobile subscribers ('000)



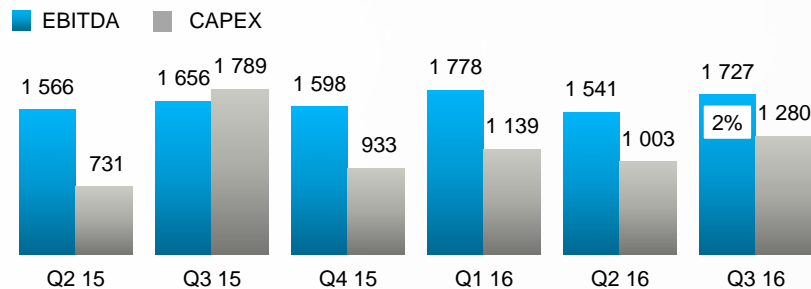
Mobile ARPU (THB/month)



Revenues (NOK m) and EBITDA margin

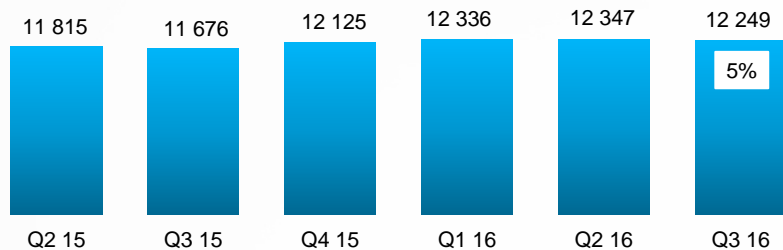


EBITDA and capex (NOK m)

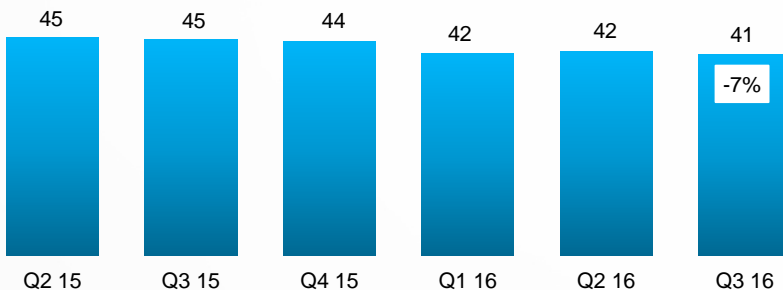

 Organic growth

## MALAYSIA (DIGI)

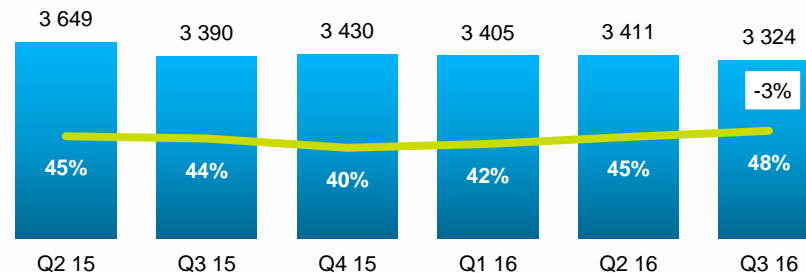
## Mobile subscribers ('000)



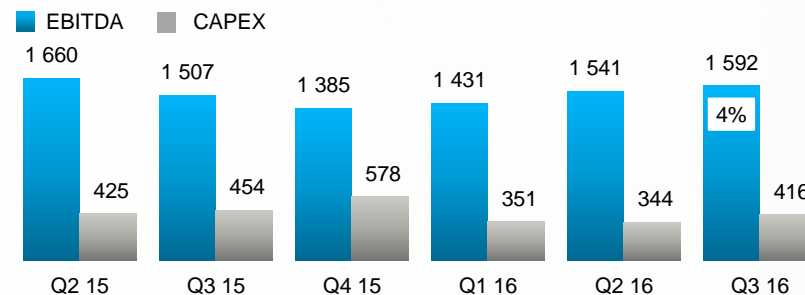
## Mobile ARPU (MYR/month)



## Revenues (NOK m) and EBITDA margin



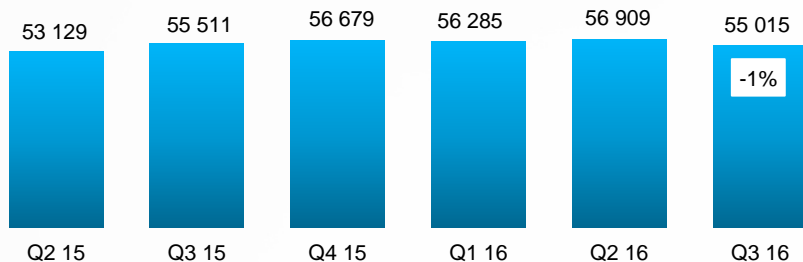
## EBITDA and capex (NOK m)


 Organic growth

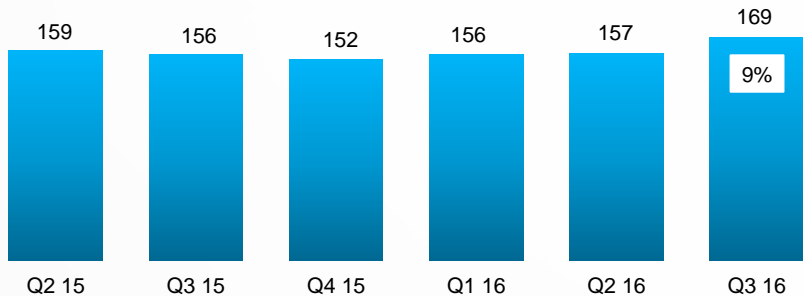


# BANGLADESH (GRAMEENPHONE)

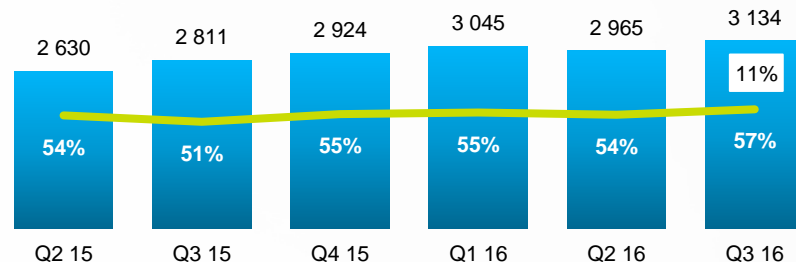
### Mobile subscribers ('000)



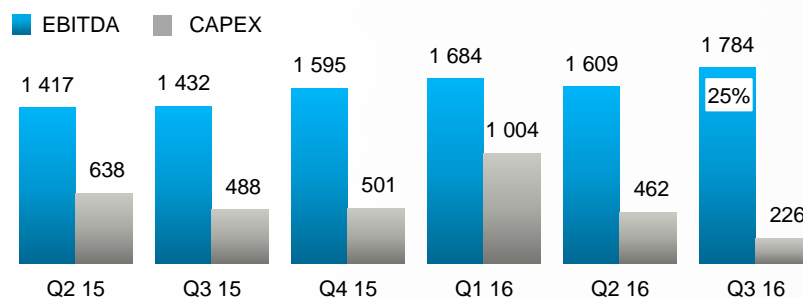
### Mobile ARPU (BDT/month)



### Revenues (NOK m) and EBITDA margin



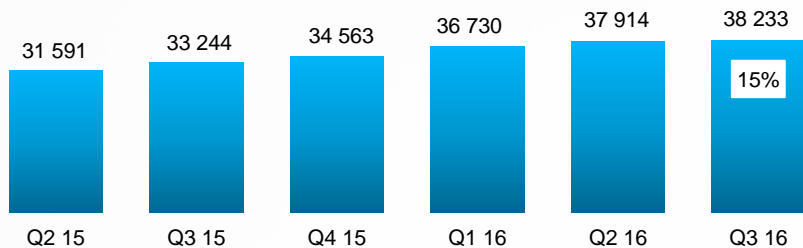
### EBITDA and capex (NOK m)



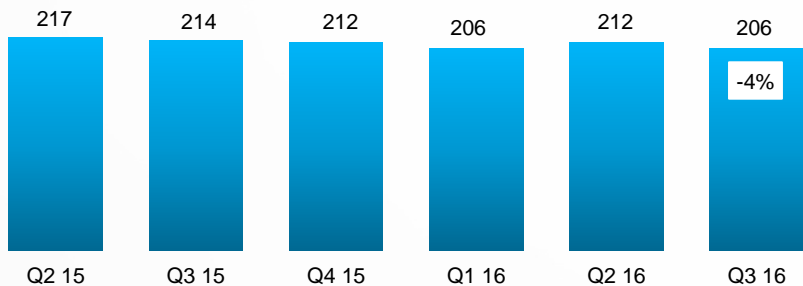
Organic growth

## PAKISTAN

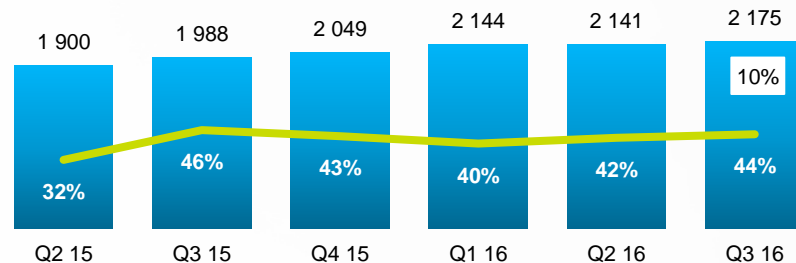
## Mobile subscribers ('000)



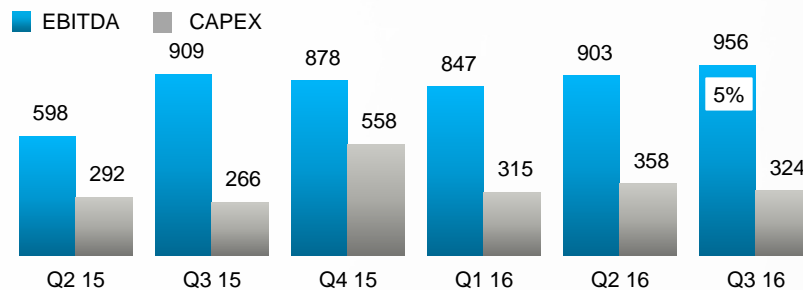
## Mobile ARPU (PKR/month)



## Revenues (NOK m) and EBITDA margin



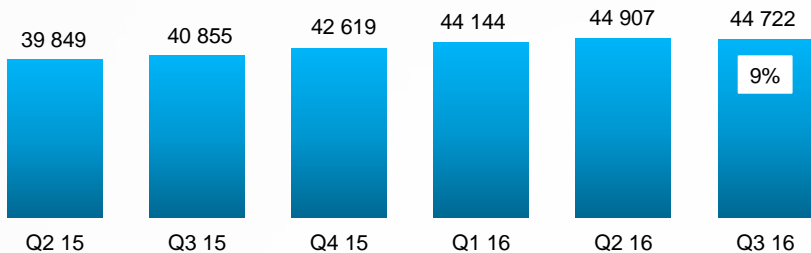
## EBITDA and capex (NOK m)



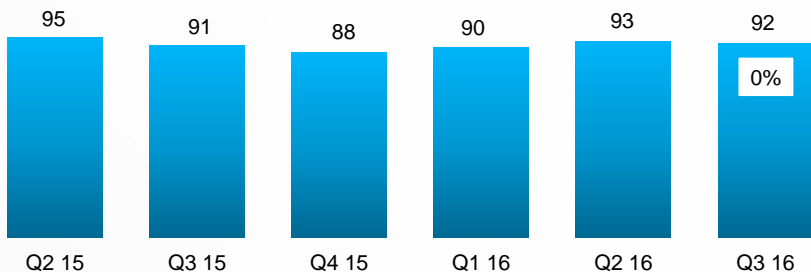
Organic growth

# INDIA

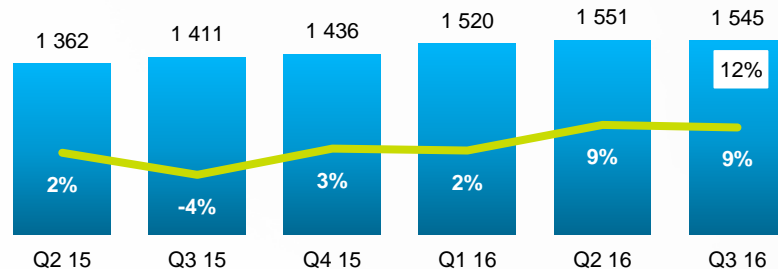
Mobile subscribers ('000)



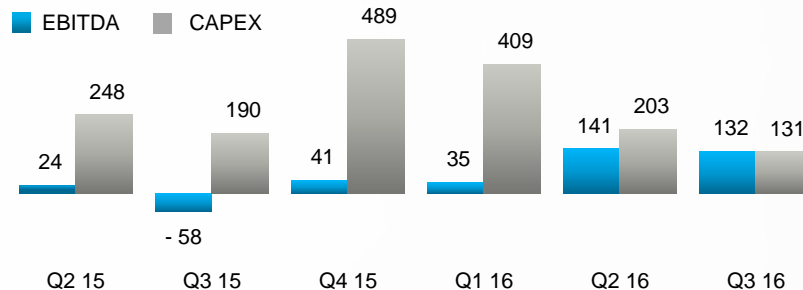
Mobile ARPU (INR/month)



Revenues (NOK m) and EBITDA margin



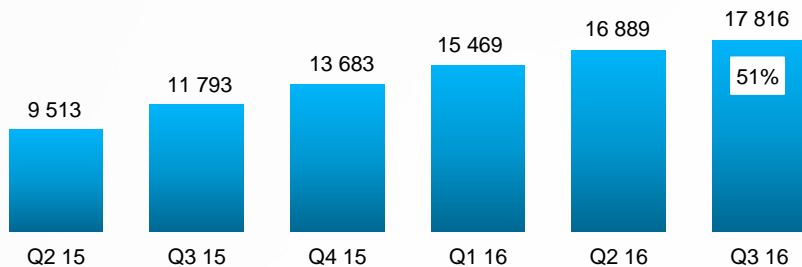
EBITDA and capex (NOK m)



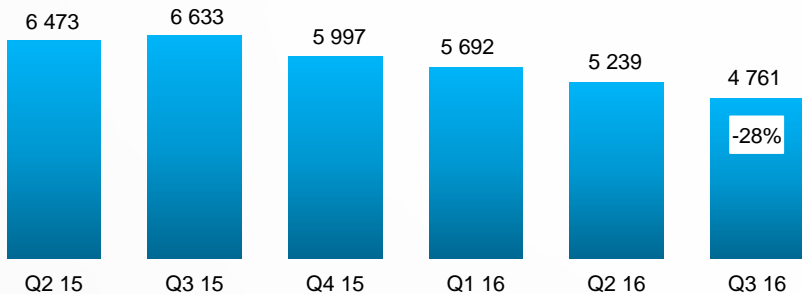
Organic growth

## MYANMAR

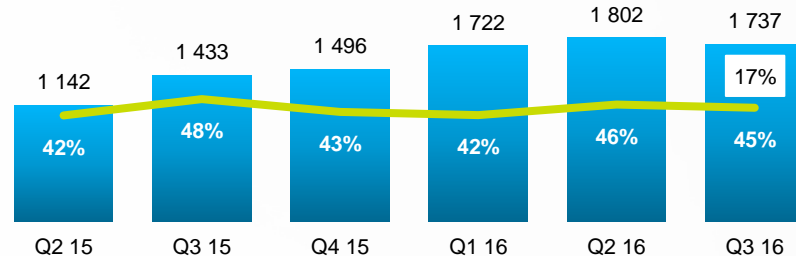
Mobile subscribers ('000)



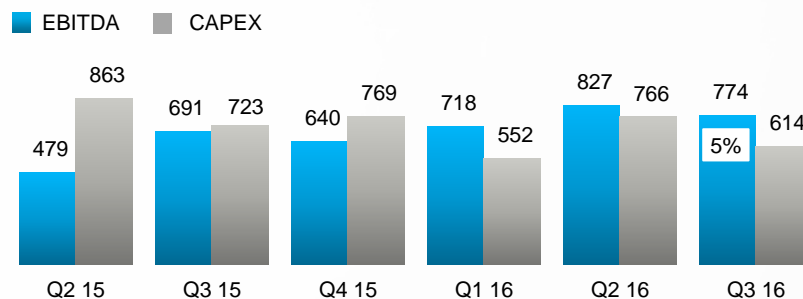
Mobile ARPU (MMK/month)



Revenues (NOK m) and EBITDA margin



EBITDA and capex (NOK m)



Organic growth

## CHANGES IN REVENUES AND EBITDA

	Revenues		EBITDA	
	Reported	Organic	Reported	Organic
Norway	-1.2 %	-1.2 %	-1.5 %	-1.5 %
Sweden	-3.6 %	-4.1 %	1.5 %	0.4 %
Denmark	-0.6 %	-2.1 %	7.2 %	7.2 %
Hungary	-3.7 %	-5.6 %	-6.7 %	-8.8 %
Montenegro and Serbia	-3.3 %	-3.0 %	-3.1 %	-3.2 %
Bulgaria	5.6 %	3.9 %	2.8 %	1.0 %
Thailand	1.5 %	-0.9 %	4.3 %	1.8 %
Malaysia	-1.9 %	-3.3 %	5.6 %	4.1 %
Bangladesh	11.5 %	11.2 %	24.6 %	24.6 %
Pakistan	9.4 %	10.1 %	5.0 %	5.0 %
India	9.5 %	11.5 %	nm	nm
Myanmar	21.3 %	17.2 %	12.1 %	10.2 %
Broadcast	-2.8 %	-2.8 %	-8.2 %	-8.2 %
<b>Telenor Group</b>	<b>3.0 %</b>	<b>1.8 %</b>	<b>5.2 %</b>	<b>5.1 %</b>

## BALANCE SHEET AND KEY RATIOS

	Q3 2016	Q2 2016	Q3 2015
Total assets	202.0	204.2	208.5
Equity attributable to Telenor ASA shareholders	53.1	56.9	66.0
Gross debt*	84.2	81.1	75.9
Net debt	47.9	59.0	46.6
Net debt/EBITDA	1.06	1.33	1.12
Return on capital employed**	4%	6%	10%

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

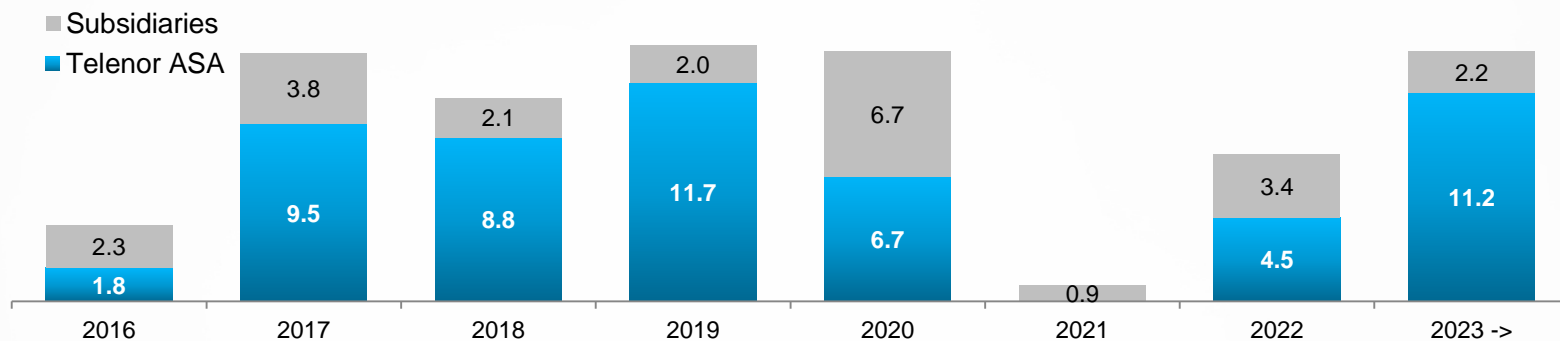
\*\*\*) Calculated based on an after tax basis of the last twelve months return on average capital employed

## NET DEBT RECONCILIATION

NOK bn	Q3 2016	Q2 2016	Q3 2015
Current interest bearing liabilities	25.7	23.2	11.9
Non-current interest bearing liabilities	58.5	57.9	64.0
Less: licence obligations	(4.8)	(5.1)	(5.7)
<b>Debt excluding licence obligations</b>	<b>79.5</b>	<b>76.0</b>	<b>70.2</b>
Cash and cash equivalents	(27.6)	(13.3)	(20.0)
Investments in bonds and commercial papers	(1.3)	(1.1)	(1.1)
Fair value hedge instruments	(2.7)	(2.6)	(2.4)
<b>Net interest bearing debt excl. licence obligations</b>	<b>47.9</b>	<b>59.0</b>	<b>46.6</b>

# DEBT MATURITY AND NET DEBT

## Debt maturity profile (NOK bn)



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

(NOK m)	Q3 2016	Q2 2016	Q3 2015
Digi	2 229	2 254	1 942
dtac	6 885	7 622	6 220
Grameenphone	3 416	3 521	3 904