

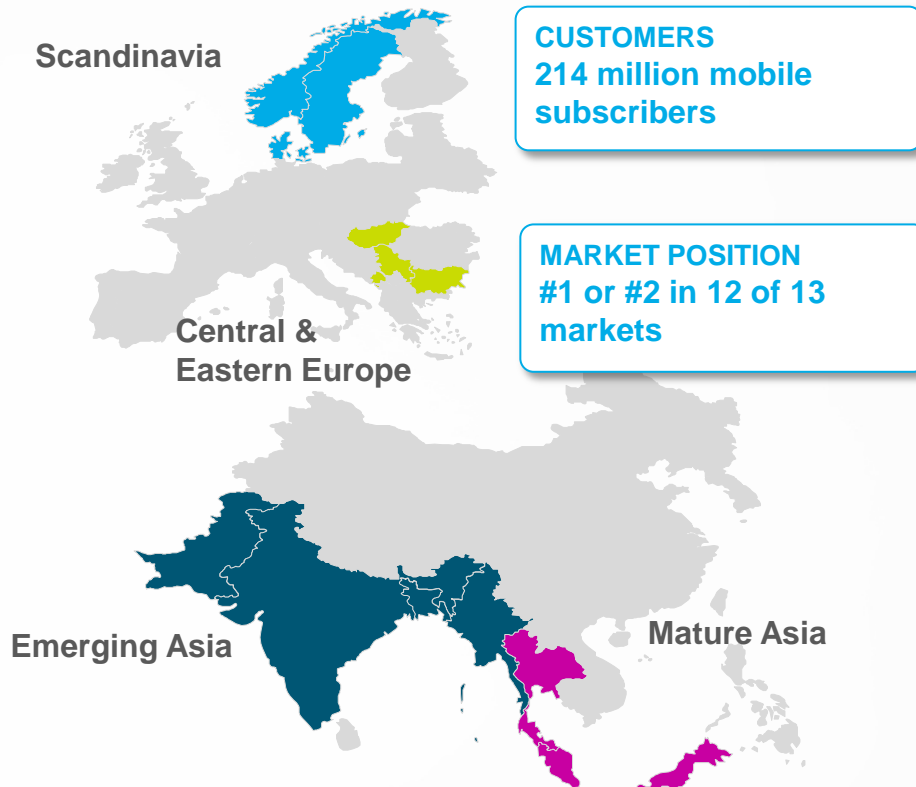
CMD2017

STRATEGIC DIRECTION

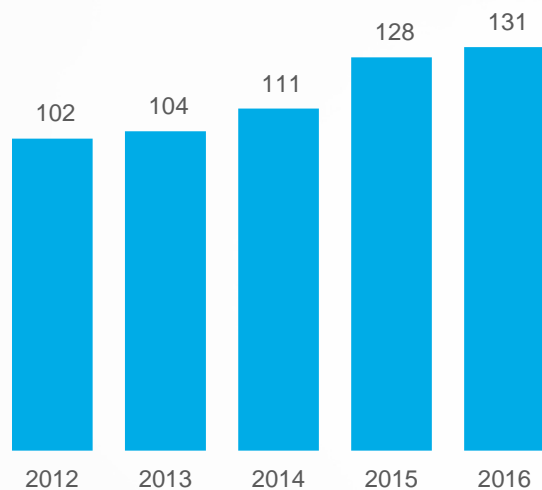
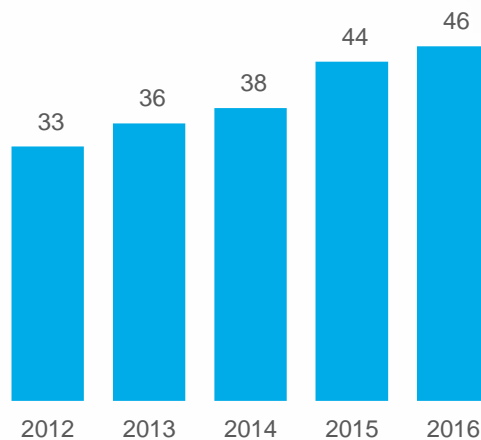
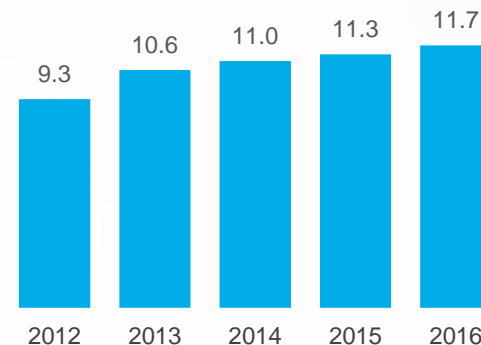
Sigve Brekke, Group CEO

TELENOR IS COMING FROM A STRONG POSITION

- A diversified portfolio with strong market positions in Europe and Asia
- Strong operations based on quality networks and mass-market distribution capabilities
- Majority ownership enabling strong governance and global scale benefits
- Growth above peers, with solid profitability in most markets



WE HAVE DELIVERED GROWING REVENUES AND EBITDA, SUPPORTING A COMPETITIVE DIVIDEND PAYOUT

Revenues (NOK bn)**EBITDA (NOK bn)****Dividend payout (NOK bn)**

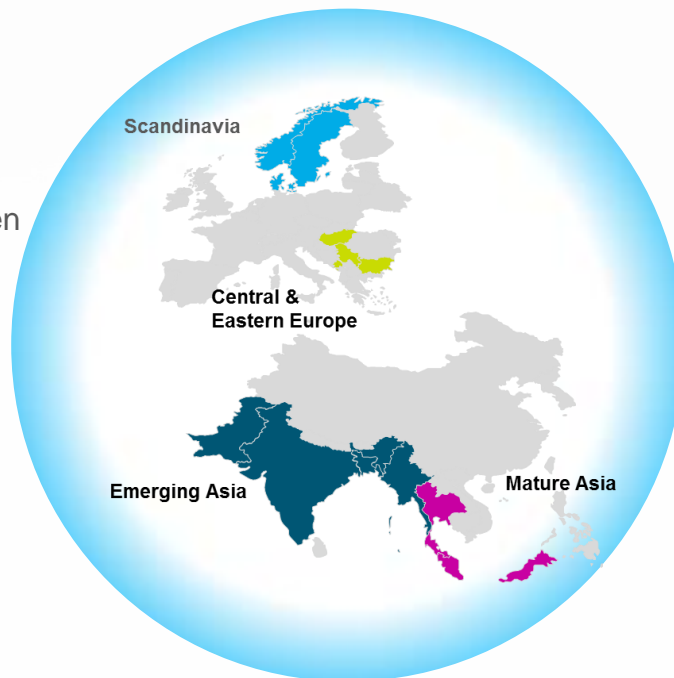
KEY OPERATIONAL TRENDS IN 2016

Scandinavia

- Migration to new mobile tariffs with included EU roaming
- Fibre step-up in Norway and Sweden
- Continued intense competition in Denmark

Emerging Asia

- Solid revenue growth, fueled by increasing data usage
- Substantial network rollout
- Myanmar turning cash flow positive



Central and Eastern Europe

- Focus on value customers, building on 4G network positions
- Competitors going FMC
- Healthy cash flow margins

Mature Asia

- Double-digit revenue growth in postpaid segment
- Intense prepaid competition
- Focus on pre-to-post migration

AN INCREASINGLY GLOBAL AND DIGITAL WORLD REPRESENTS NEW OPPORTUNITIES



MORE SIMILAR



THAN DIFFERENT



DIGITAL BEHAVIOR



CONNECTED WORLD

- Global operating models for products, network and IT
- Digital customer interactions
- Improved customer insight through multiple digital touchpoints
- Software defined networks and cloud-based IT platforms
- Growth opportunities in digital areas adjacent to core telecom business

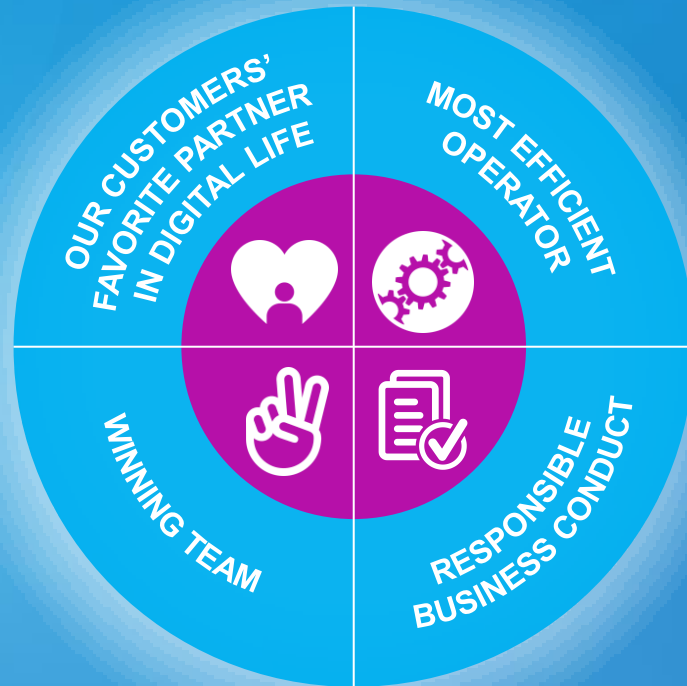
STRATEGIC DIRECTION TOWARDS 2020

Strategic direction

- Capture growth opportunities
- Step up efficiency measures through digitizing core and leveraging scale
- Ensure a responsible business conduct

Value creation for shareholders

- Focus on cash flow generation
- Prioritization to secure healthy returns
- Year-on-year growth in dividend



KEY DRIVERS FOR VALUE CREATION TOWARDS 2020



GROWTH



EFFICIENCY



PRIORITIZATION

KEY DRIVERS FOR VALUE CREATION TOWARDS 2020



GROWTH



EFFICIENCY

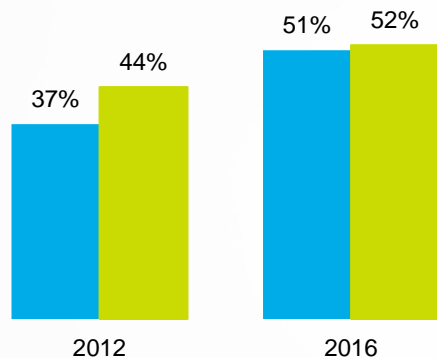


PRIORITIZATION

POTENTIAL FOR CONTINUED MOBILE REVENUE GROWTH

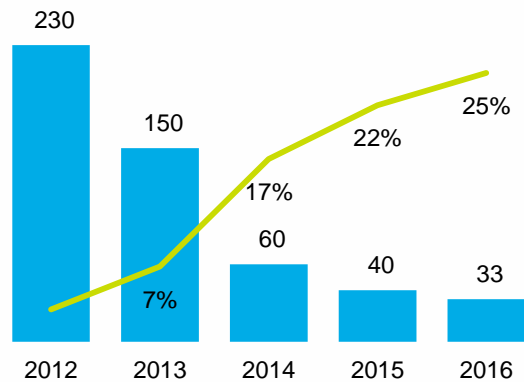
Increasing real mobile penetration

- Bangladesh
- Pakistan



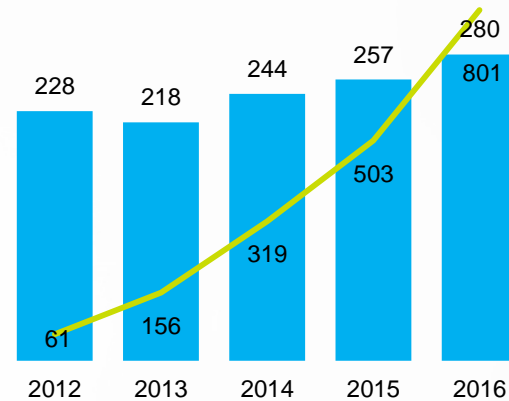
More affordable smartphones

- Bangladesh: Smartphone price (USD)
- Bangladesh: Smartphone penetration (%)



Increasing data usage

- Norway: Domestic ARPU (NOK)
- Norway: Median usage (MB/month)



ENSURE RELEVANT CUSTOMER OFFERINGS THROUGH A COMBINATION OF OWN AND PARTNER PRODUCTS



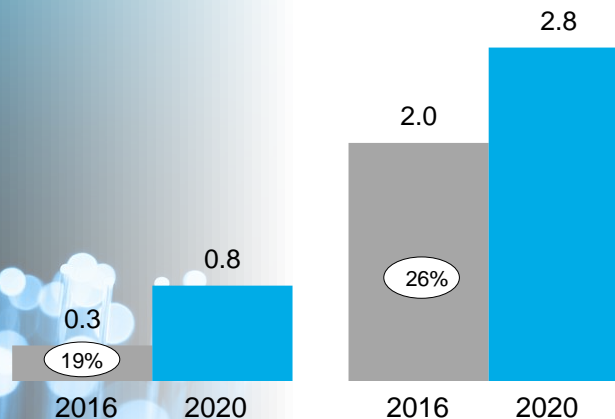
STRENGTHEN FIBRE POSITIONS IN NORWAY AND SWEDEN

- Rapid growth in fibre in both Norway and Sweden towards 2020
- Stepping-up fibre rollout to strengthen market positions
- Solid fibre business cases in both markets, with 5-6 years payback in both markets
- Exploring FMC opportunities

Fibre footprint (m homes) and market share (%)

Telenor Norway

Telenor Sweden



EXPLORE EARLY POSITIONS ON FIBRE IN EMERGING ASIA, UTILIZING EXISTING MOBILE INFRASTRUCTURE

Strong rationale to take early positions:

- Low and fragmented fixed line penetration
- Growing urban middle class
- Leverage on fibre access to buildings for roof-top base stations

Fibre pilots launched in Myanmar:

- Ambition to roll out in 3 major cities in 2017 and 8 cities by 2020
- Estimated total market size of around USD 250 million in 2020



The screenshot shows the Telenor Broadband website. At the top, there is a navigation bar with the Telenor logo, a search bar, and menu items: Home, New Customer, Existing Customer, Care, and About Us. The main banner features a family of four (a man, a woman, and two children) sitting around a table, looking at a laptop. To the right of the image, the text reads "telenor broadband" in a large font, followed by "connect HIGH speed INTERNET WITH THE AFFORDABLE price" in a smaller font. Below the banner, the heading "Telenor BroadBand" is centered. Underneath, there are three circular icons representing key benefits: "Cost Control" (green circle with a calculator icon), "Always Stable Quality" (orange circle with a lightning bolt icon), and "Speed Differentiation" (blue circle with a speedometer icon). Each icon is accompanied by a list of bullet points detailing the service's features.

Telenor BroadBand

- Cost Control**
 - Fixed price per month for chosen service
 - Same price no matter how much you use (i-subject to Fair Usage Policy)
 - No Annual Charges
- Always Stable Quality**
 - Internet will be delivered with stable quality and speed
 - Internet speed will not be affected during peak hours
- Speed Differentiation**
 - Offer in different speeds with different prices
 - For different price plan of service - will have different ability for no. of people that can use service with good experience.

SELECTED ADJACENT DIGITAL AREAS TO DRIVE GROWTH AND SUPPORT CORE TELCO BUSINESS

Mobile financial services



- Stand-alone growth area with churn-prevention effect on core business
- #1 position in Pakistan through Easypaisa and Tameer Bank
- Launched services in Myanmar in 2016, aiming for #1 position

Online classifieds



- Potential digital sales channel for mobile services
- Positions in Asia and LatAm through JVs with Schibsted, Naspers and SPH
- Aiming to strengthen position in South East Asia

Internet of Things



- Closely linked to core enterprise segment in Scandinavia
- Building on strong IoT and enterprise position in Norway
- Telenor Connexion well positioned within fleet management and tracking

KEY DRIVERS FOR VALUE CREATION TOWARDS 2020



GROWTH



EFFICIENCY

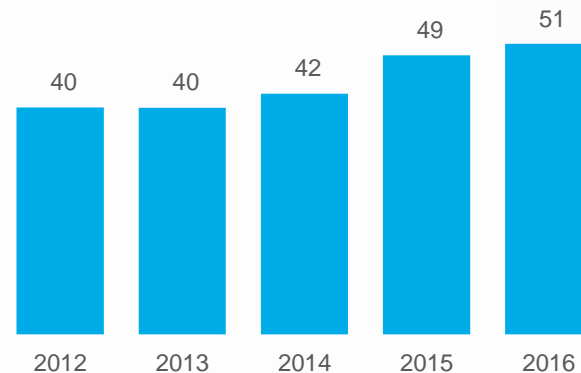


PRIORITIZATION

STRENGTHEN OUR EFFICIENCY AGENDA, AIMING FOR NET OPEX REDUCTIONS TOWARDS 2020

- Move customer care and sales towards digital channels
- Realize scale potential within network and IT through a more global operating model
- Reduce regulatory cost by moving from concession to licence regime in Thailand
- Continuous improvement through prioritization, simplification and right-sizing

Opex development (NOK bn)



Savings potential within all key opex areas

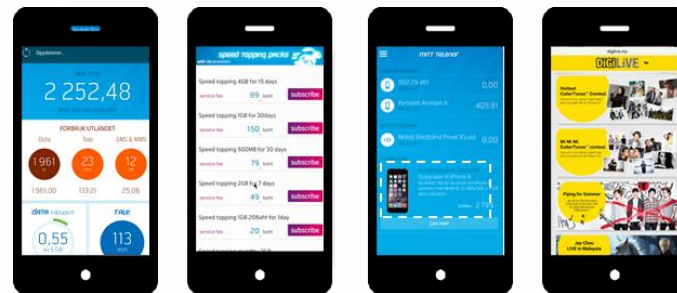
CUSTOMER CARE AND SALES WILL MOVE TO DIGITAL CHANNELS, PROVIDING SIGNIFICANT COST EFFICIENCIES

Digital customer care



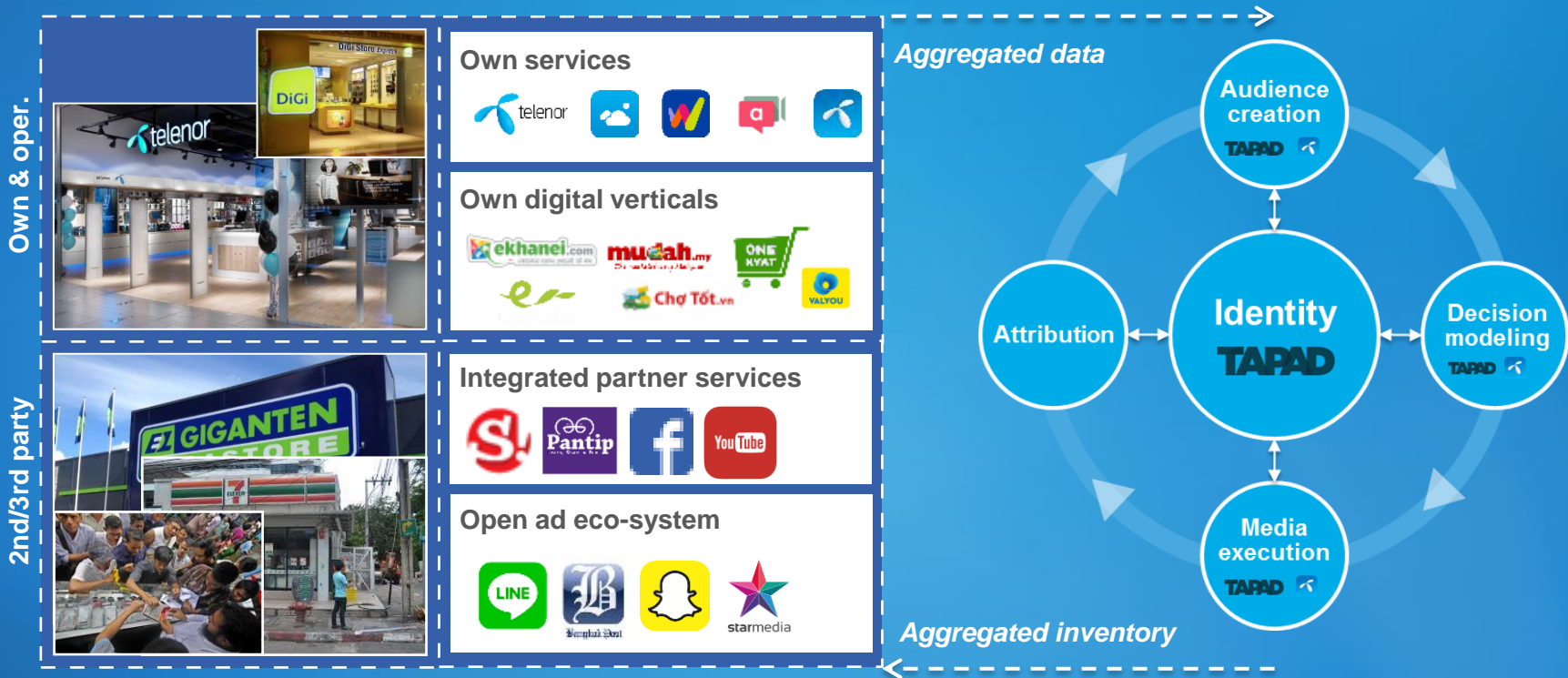
- Shift over 300 million calls to digital self-care, aiming for 80% reduction in calls by 2020
- Establish the MyTelenor app as the primary digital care channel in all business units

Digital sales and marketing



- Reduce commissions by moving transactions from physical point-of-sales to digital channels
- Increase efficiency in remaining physical distribution through digitizing interactions with retailers and customers

ADVANCED ANALYTICS WILL BE KEY CAPABILITY TO REACH GROWTH AND EFFICIENCY AMBITIONS



REALIZE SCALE POTENTIAL WITHIN NETWORK AND IT

Network

- Launch global / regional network operating model
- Software defined networks
- Improved asset efficiency through better asset utilization and adoption of new technologies
- Capex efficiency through standardized, shared/common solutions

IT

- Launch global/regional IT operating model in Asia & Europe
- Standardize and virtualize IT applications
- Establish API gateway in all business units

KEY DRIVERS FOR VALUE CREATION TOWARDS 2020



GROWTH



EFFICIENCY

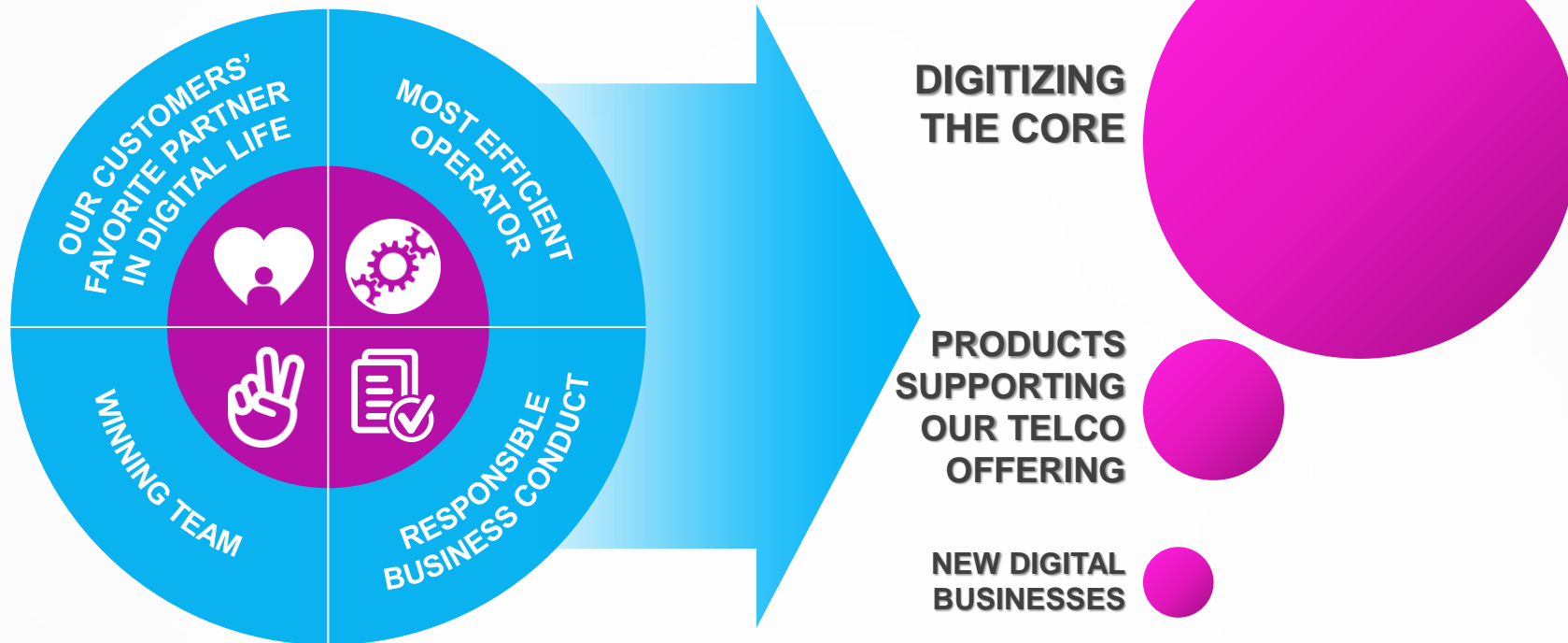


PRIORITIZATION


TAKING STEPS TOWARDS A MORE SIMPLIFIED PORTFOLIO

- VimpelCom exit commenced in 2016
- No further capital to be allocated to India
- Review of less strategic assets
- Selective and disciplined M&A, focused on strengthening core positions and capabilities

STRATEGY AND EXECUTION: FOCUS ON DIGITIZING CORE BUSINESS

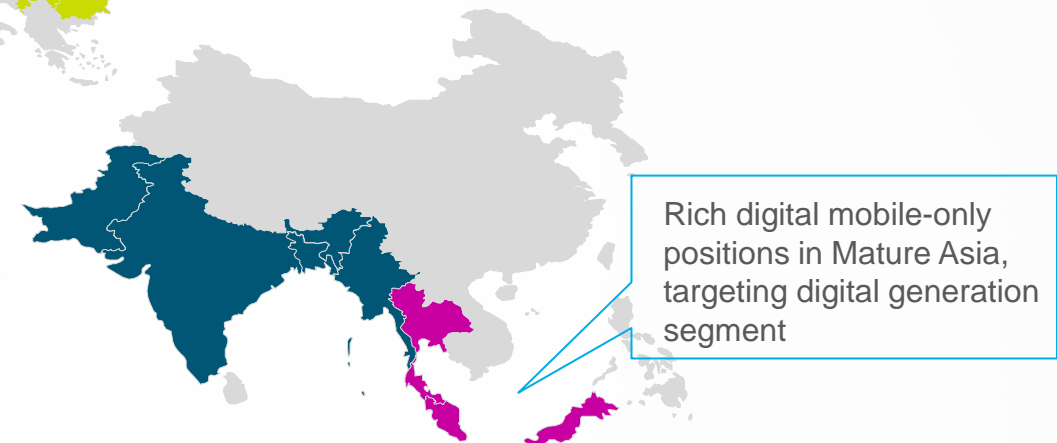


A FOCUSED STRATEGIC APPROACH IN OUR GEOGRAPHIC CLUSTERS



Strong integrated fixed & mobile premium positions in Norway and Sweden

Lean mobile-only positions in Central & Eastern Europe

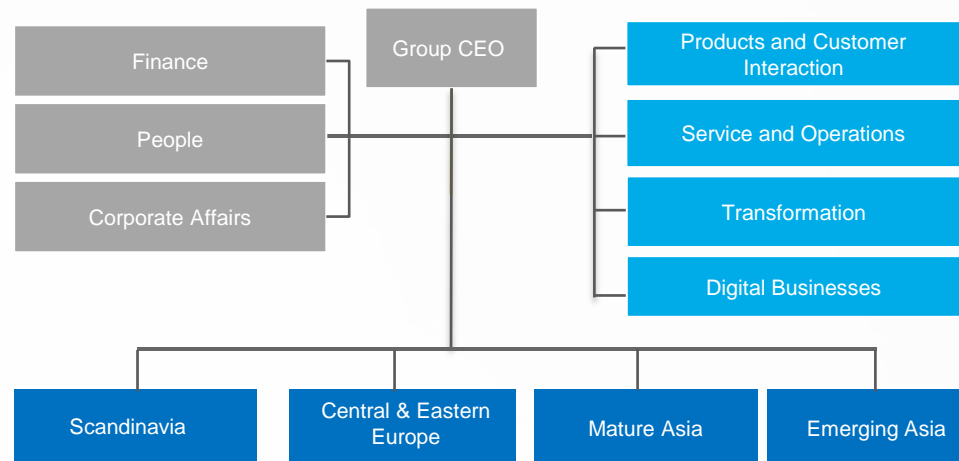


Strong mobile positions in Emerging Asia, with opportunistic approach to selective fixed positions

Rich digital mobile-only positions in Mature Asia, targeting digital generation segment

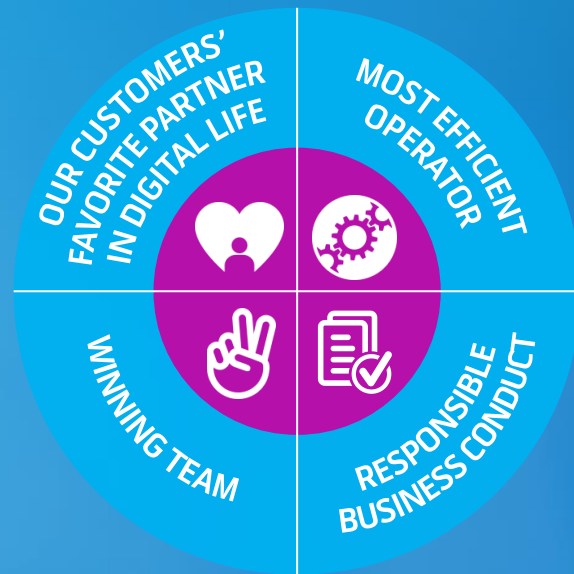
STEPS TAKEN TO SECURE EXECUTION OF STRATEGY

- New organizational model to drive transformation and focus resources
- Global operating model to leverage scale
- Strengthened performance management
- In-house capabilities within advanced analytics



VALUE CREATION TOWARDS 2020

- Continued revenue growth and increased cost efficiency, driven by digitizing core business
- Focus on simplification and prioritization of resources
- Building a solid foundation for continued value creation for our shareholders



CMD2017

STRATEGIC DIRECTION

Sigve Brekke, Group CEO