

Telenor and Axiata enter discussions to merge Asian operations

(Oslo, Norway – 6 May 2019) Telenor Group and Axiata Group Berhad are in discussions regarding a potential non-cash combination of their telecom and infrastructure assets in Asia (MergeCo), in which Telenor would take a majority stake. It is anticipated that Telenor, based on equity value, will own 56.5% in MergeCo and Axiata will own 43.5%, both parties acknowledging that this is preliminary subject to adjustments and due diligence.

There is no certainty that these discussions will result in any transaction agreement between the parties. The parties aim to create a leading, well diversified Pan-Asian telco with operations in nine countries with a total population of close to one billion people. The MergeCo will have close to 300 million customers and become one of Asia's largest mobile infrastructure companies operating approximately 60,000 towers across Asia. The MergeCo will have its operational headquarters in Kuala Lumpur with the majority of functions and is planned to be listed at an international stock exchange as well as on Bursa Malaysia. In Malaysia, the intention is to merge Celcom and Digi, with MergeCo as the majority owner in the combined business. By uniting two strong organisations with complementary footprints and a merger of equals spirit, there will be attractive opportunities to capture substantial synergies preliminary estimated at around USD 5 billion (around NOK 43 billion) in total; support future investments and create shareholder value. The MergeCo will take an active role in accelerating technology transformation and digitalisation in Malaysia and across Asia, and plans to establish the Malaysian Research and Innovation Centre for state-of-the-art technologies such as 5G, Internet of Things and Artificial Intelligence. "Today we announce that Telenor and Axiata are in discussions on joining forces in Asia, one of the most dynamic and innovative regions in the world. Together, we aim to create a leading and well-diversified pan-Asian telecom and infrastructure company with substantial synergy potential and strong regional operations. It is Telenor's strategy to develop and create value from our core telco assets in the Nordic and Asian region. This potential merger is in line with that strategy, set by the Board and Management," said Gunn Wærsted, Chair of Telenor Group. "By creating one of Asia's leading telecom players; with strong regional operations in nine countries and close to 300 million customers, we will combine scale and competence, thereby unlocking considerable synergies. I am confident this will create significant value for shareholders and will be beneficial to our customers," said Sigve Brekke, President and Chief Executive Officer of Telenor Group. Telenor and Axiata will work towards finalising agreements in relation to the proposed transaction within the third quarter of 2019 following due diligence. The transaction will be subject to approval by shareholders, receipt of regulatory approvals and other customary terms and conditions. Telenor's Asian footprint includes Thailand, Malaysia, Bangladesh, Pakistan and Myanmar. Axiata has operating companies in Malaysia, Bangladesh, Cambodia, Nepal, Sri Lanka and Indonesia, and the tower business edotco. Pro-forma revenue and pre-synergy EBITDA of the combined entity is approximately USD 13 billion (around NOK 113 billion) and USD 5.5 billion (around NOK 48 billion). Axiata's mobile operations in Bangladesh, Robi, will continue to be separately and independently managed by Axiata. Citi is acting as financial advisor to Telenor Group on the proposed transaction. Investor Relations Contacts Marianne Moe, mobile: (+47) 916 17 631, marianne.moe@telenor.com Håkon Hatlevik, mobile (+47) 901 46 070, hakon.hatlevik@telenor.com Media Contacts Meera Bhatia, mobile: (+47) 468 44 959, meera.bhatia@telenor.com Hanne Knudsen, mobile: (+47) 908 04 015 hanne.knudsen@telenor.com