



2016

TELENOR GROUP

Morten Karlsen Sørby, CFO (acting)

DISCLAIMER

The following presentation is being made only to, and is only directed at, persons to whom such presentation may lawfully be communicated ('relevant persons'). Any person who is not a relevant person should not act or rely on this presentation or any of its contents. Information in the following presentation relating to the price at which relevant investments have been bought or sold in the past or the yield on such investments cannot be relied upon as a guide to the future performance of such investments.

This presentation does not constitute an offering of securities or otherwise constitute an invitation or inducement to any person to underwrite, subscribe for or otherwise acquire securities in any company within the Telenor Group. The release, publication or distribution of this presentation in certain jurisdictions may be restricted by law, and therefore persons in such jurisdictions into which this presentation is released, published or distributed should inform themselves about, and observe, such restrictions.

This presentation contains statements regarding the future in connection with the Telenor Group's growth initiatives, profit figures, outlook, strategies and objectives. In particular, the slide "Outlook for 2016" contains forward-looking statements regarding the Telenor Group's expectations. All statements regarding the future are subject to inherent risks and uncertainties, and many factors can lead to actual profits and developments deviating substantially from what has been expressed or implied in such statements.

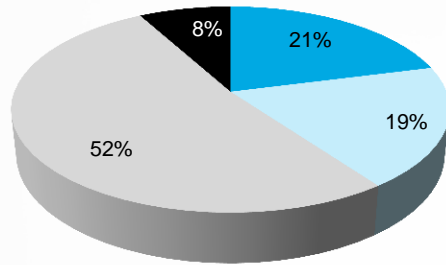
A GLOBAL COMMUNICATIONS PROVIDER



- Geographic focus on Scandinavia, CEE and Asia
- Strong mobile market positions : #1 or #2 in 10 of 13 markets
- Controlling positions in all key assets
- More than 200 million mobile subscribers
- Revenues of NOK 128 bn and EBITDA of NOK 44 bn (2015)

SIGNIFICANT CONTRIBUTION FROM ASIAN OPERATIONS

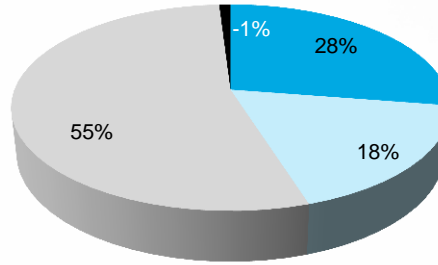
REVENUES



■ Norway ■ Europe ■ Asia ■ Other

Revenues of NOK 128 bn in 2015

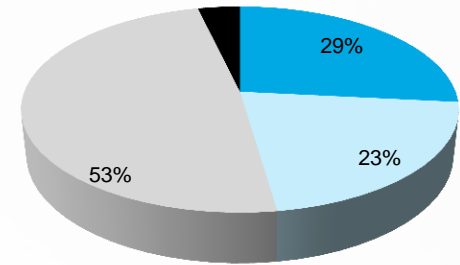
EBITDA



■ Norway ■ Europe ■ Asia ■ Other

EBITDA of NOK 44 bn in 2015

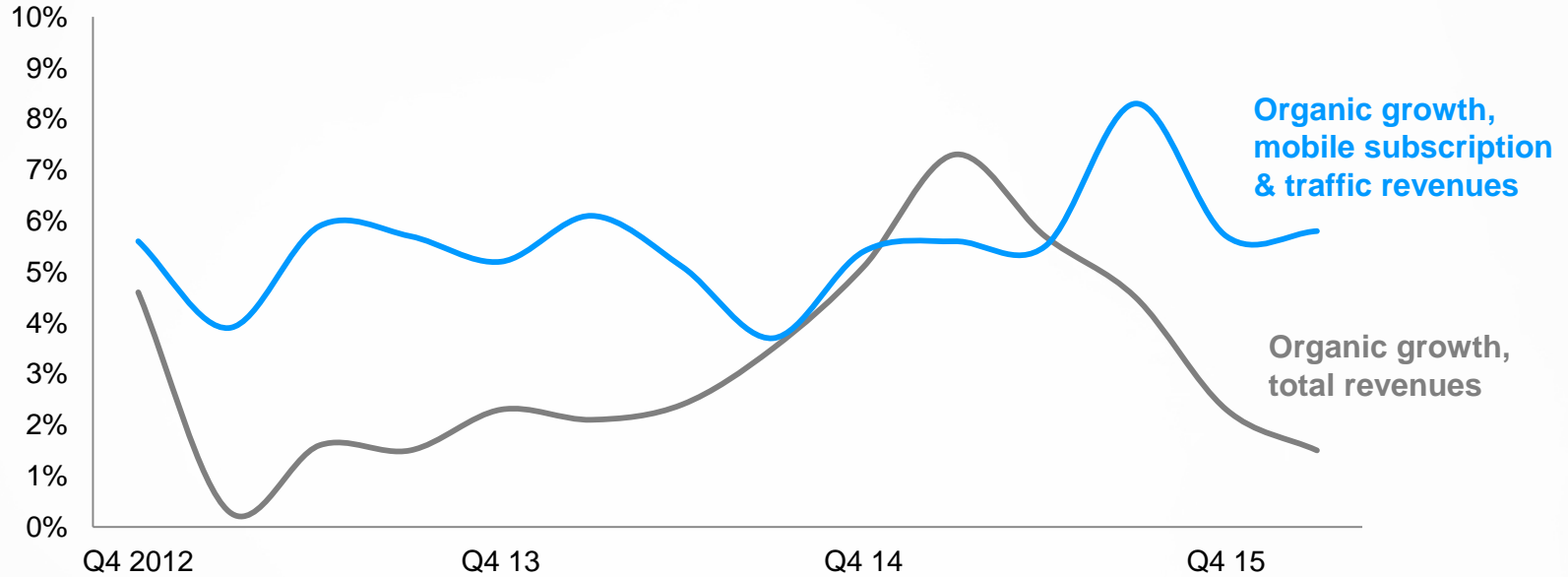
OPERATING CASH FLOW



■ Norway ■ Europe ■ Asia ■ Other

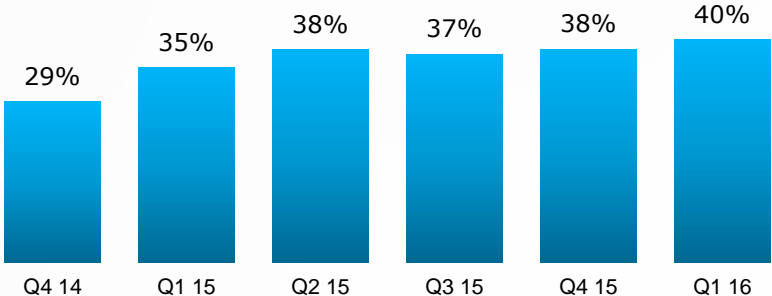
OCF of NOK 21 bn in 2015

ROBUST ORGANIC MOBILE SERVICE REVENUE GROWTH

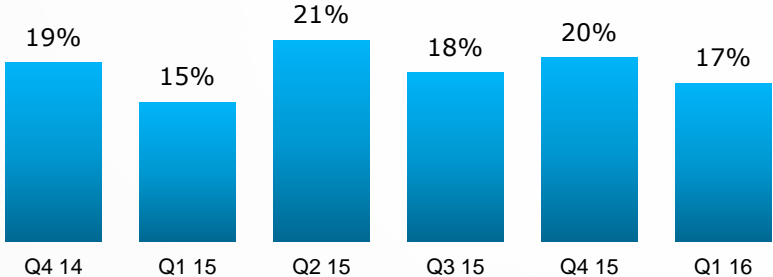


INVESTING WISELY TO SUPPORT DATA GROWTH

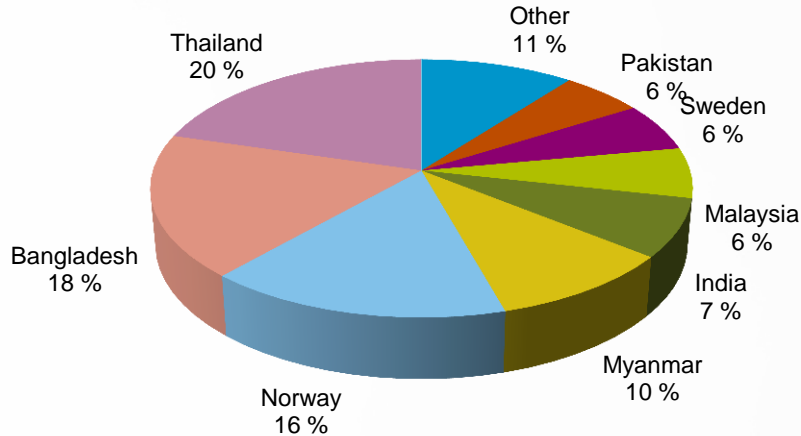
Active data users (% of total subscriber base)



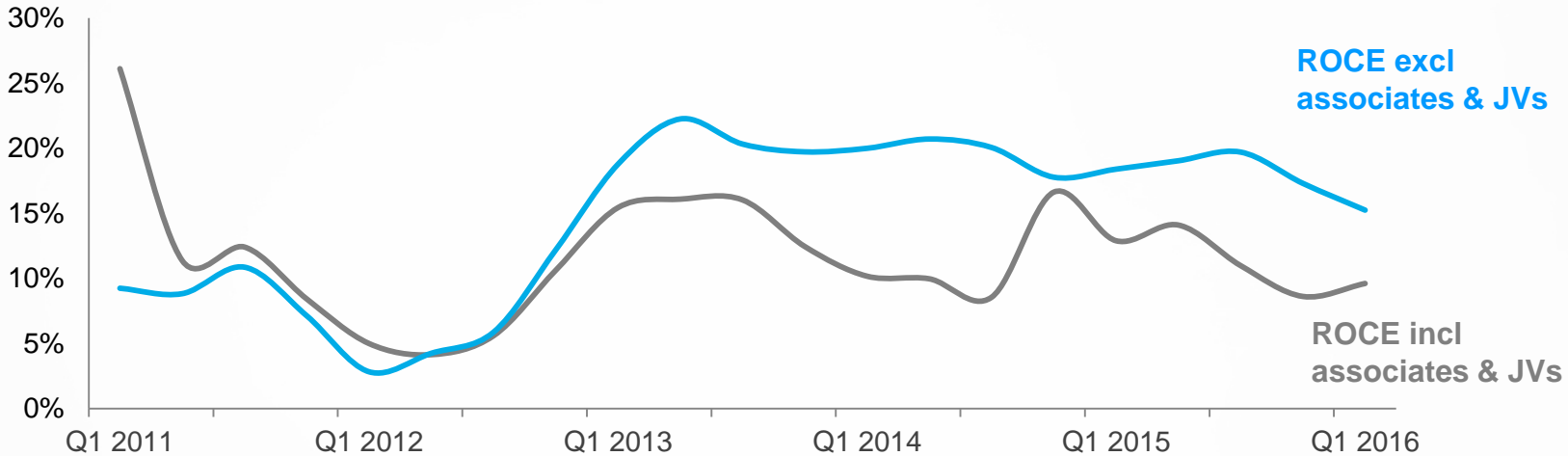
Capex/sales ratio



Capex distribution (Q1 2016)

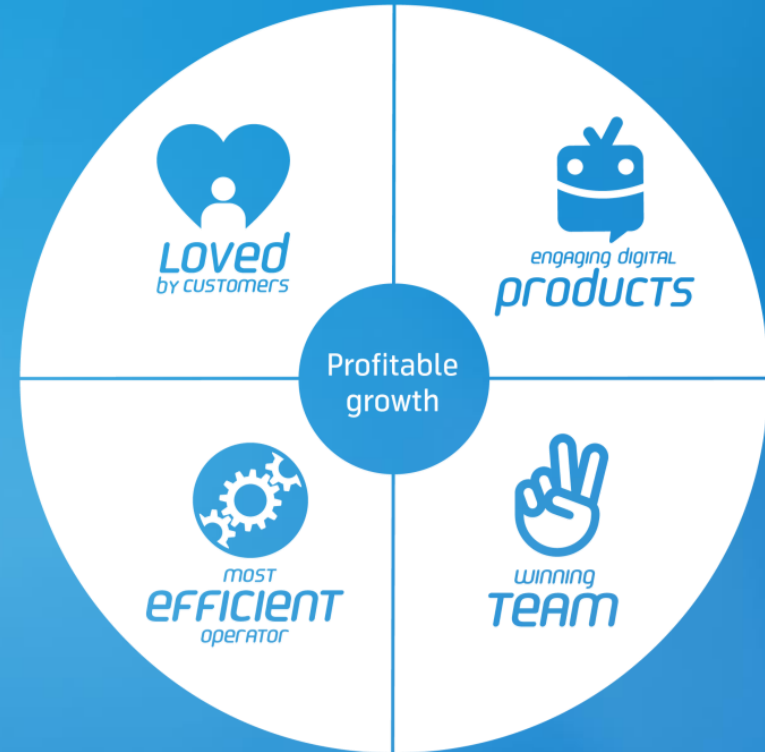


HEALTHY RETURN ON CAPITAL EMPLOYED IN CONSOLIDATED OPERATIONS



OUR STRATEGIC AMBITION: BE THE CUSTOMERS' FAVORITE PARTNER IN DIGITAL LIFE

- Continued topline 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
- Aiming for EBITDA growth to exceed revenue growth

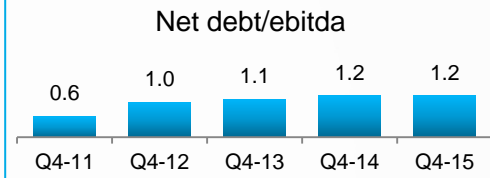


PRIORITIES FOR CAPITAL ALLOCATION

1

**Maintain a solid
balance sheet**

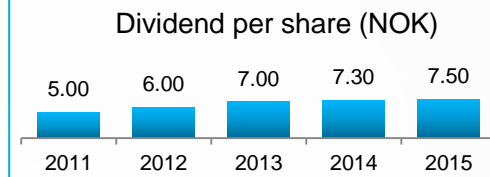
Net debt/EBITDA below 2.0x



2

**Competitive shareholder
remuneration**

*50-80% dividend payout of
normalised net income
Aim for YoY growth in dividends*



3

**Disciplined and
selective M&A**

*Value driven, within core assets
and regions*

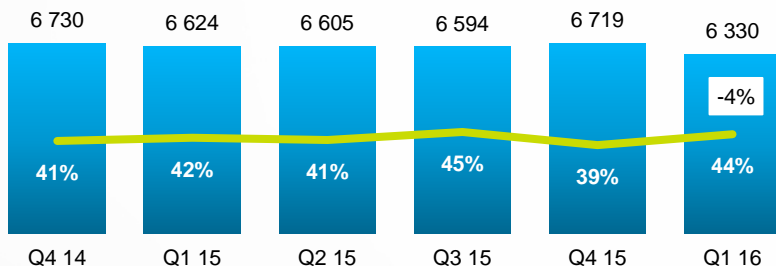
- Globul (Bulgaria) (2013)
- Fixed assets Sweden (2012/14)
- Online classifieds (2013/14)
- Tapad (2016)

AIMING TO STRENGTHEN FIXED PERFORMANCE IN NORWAY AND SWEDEN

NORWAY

- 1% growth in mobile subscription and traffic revenues
- New mobile tariffs launched in April, incl. EU roaming
- Fixed broadband strategy based on optimising across fibre, coax and copper
- Progress on Fixed long-term efficiency initiatives

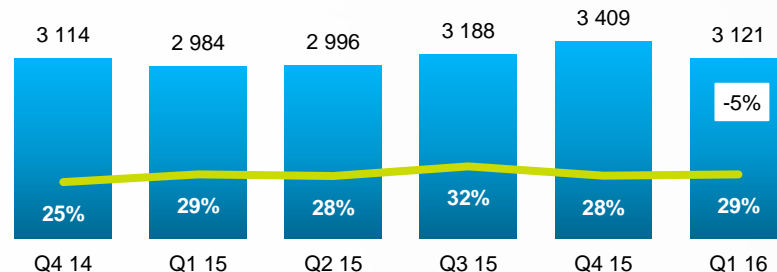
Revenues (NOK m) and EBITDA margin (%)



SWEDEN

- 2% growth in mobile subscription and traffic revenues, driven by consumer segment
- Complementing solid MDU fibre position with entry into SDU segment

Revenues (NOK m) and EBITDA margin (%)

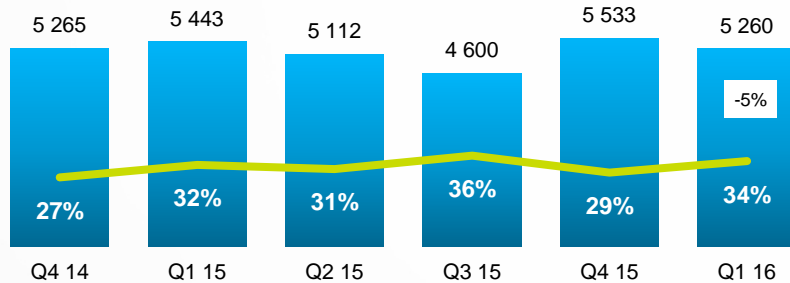


RESPONDING TO COMPETITION IN THAILAND AND MALAYSIA

THAILAND (dtac)

- 2% service revenue growth in postpaid
- Accelerating pre-paid device subsidies
- Market activities focused on 3G/4G networks
- Solid spectrum portfolio until concession expiry in Sep 2018

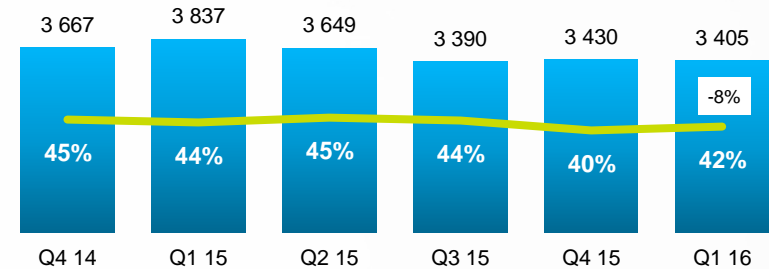
Revenues (NOK m) and EBITDA margin (%)



MALAYSIA (Digi)

- 7% service revenue growth in postpaid
- 73% population coverage on 4G
- Reached #2 position on revenue market share
- Improved spectrum portfolio in the 900 MHz band

Revenues (NOK m) and EBITDA margin (%)



POSITIVE OPERATING CASH FLOW IN MYANMAR, ONLY 1.5 YEARS AFTER LAUNCH

SOLID MARKET POSITION

- 15.5m subscribers
- #2 position with market share around 38%
- 52% active data users

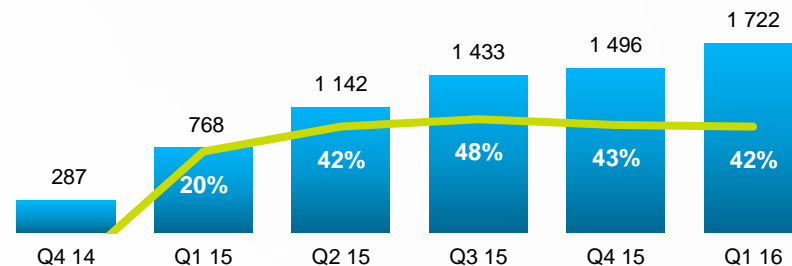
STRONG FINANCIAL PERFORMANCE

- 42% EBITDA margin
- 10% operating cash flow margin

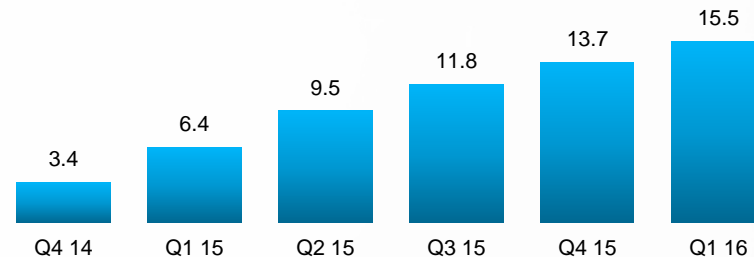
CONTINUED NETWORK ROLLOUT

- 5,000 network sites on air
- 62% population coverage
- Aiming for around 9,000 sites

Revenues (NOK m) and EBITDA margin



Subscribers (m)



FOCUS AND OUTLOOK FOR 2016

- Execution on operational efficiency ambitions
- Strengthen fixed performance in Norway
- Return to growth in Thailand and Malaysia
- Network rollout and spectrum management

	2016	YTD
Organic revenue growth	2-4%	1.5%
EBITDA margin	33-34%	35.4%
Capex/sales ratio	17-19%	16.8%

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

Venue: London

SAVE THE DATE



Q&A