Investor and Analyst Day in Yangon

December 1, 2016

“Our customers favorite partner in digital life”
## Agenda

<table>
<thead>
<tr>
<th>Topic</th>
<th>Presenter</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Telenor Myanmar overview</strong></td>
<td>Lars Erik Tellmann - CEO</td>
</tr>
<tr>
<td><strong>Financial Performance</strong></td>
<td>Caroline Yin Yin Htay - CFO</td>
</tr>
<tr>
<td><strong>Market Updates</strong></td>
<td>Joslin E. Myrthong - CMO</td>
</tr>
<tr>
<td><strong>Network Updates</strong></td>
<td>Jai Prakash - CTO</td>
</tr>
<tr>
<td><strong>Regulatory Updates</strong></td>
<td>Gunnar Bertelsen - CCAO</td>
</tr>
<tr>
<td><strong>2017 Plans</strong></td>
<td>Lars Erik Tellmann - CEO</td>
</tr>
</tbody>
</table>
Key messages

**MARKET LEADERSHIP**
- Best Data Network
- Strong Brand
- Growing Cash Flow

**GROWTH PRIORITIES**
- Digital Enabler
- Broadband Opportunity
- Postpaid

**MANAGING COST**
- Fit 4 Fight
- Operating Model
- Digitalizing Core
There are now opportunities for the country to resume its place as one of the most dynamic economies in Asia.

(Source: World Bank, Myanmar Sep ‘16)

<table>
<thead>
<tr>
<th>World Bank</th>
</tr>
</thead>
<tbody>
<tr>
<td>There are now opportunities for the country to resume its place as one of the most dynamic economies in Asia.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Country</th>
</tr>
</thead>
<tbody>
<tr>
<td>Large and young population</td>
</tr>
<tr>
<td>Desirable geo-political position</td>
</tr>
<tr>
<td>Urbanization and modernization</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Economy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fastest growing Economy</td>
</tr>
<tr>
<td>Rising of the middle class</td>
</tr>
<tr>
<td>Increased productivity</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Telecom</th>
</tr>
</thead>
<tbody>
<tr>
<td>3 to 4 player market</td>
</tr>
<tr>
<td>Limited fixed broadband</td>
</tr>
<tr>
<td>Room for growth of smartphone penetration and LTE</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Consumer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Data-centric consumers</td>
</tr>
<tr>
<td>Everybody on social media</td>
</tr>
<tr>
<td>FB dominant behavior with Streaming growing rapidly</td>
</tr>
</tbody>
</table>
“Myanmar is emerging as one of the world’s first smartphone-only mobile markets. And this development is helping the country make other leaps in market development.”

(Source: WPP, Spotlight on Myanmar: The leapfrog nation, 2016)
In record time Telenor Myanmar has come at par with incumbent operator

**Highlights**

- MPT has both GSM and CDMA customers on their network
- On GSM only, TML is closing the gap with MPT on subscribers.
- 92% SIM penetration, with 48 million customers (est.)

**Subscriber Market Share in Myanmar**

- MPT (GSM only)
- OML
- TML

Source: GSMA and internal intelligence
Proving unmatched financial momentum after only two years in operation

<table>
<thead>
<tr>
<th>Business Plan</th>
<th>Current Status</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Peak Funding</strong>&lt;br&gt;USD 1 billion</td>
<td>USD 732 million, Incl. new spectrum</td>
</tr>
<tr>
<td><strong>EBITDA positive</strong>&lt;br&gt;2 years</td>
<td>3 months</td>
</tr>
<tr>
<td><strong>Cash Flow positive</strong>&lt;br&gt;3 years</td>
<td>15 months</td>
</tr>
</tbody>
</table>

**Total investment**
> USD 1.5 billion
*Including reinvestment of profit up to Q3 2016*

**Dividend payout**
- 0 -
*All profit earned has been reinvested in Myanmar*
Telenor Myanmar is pulling ahead on key dimensions

**Subscribers (million)**

<table>
<thead>
<tr>
<th></th>
<th>TML</th>
<th>OML</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q3'15</td>
<td>11.8</td>
<td>4.8</td>
</tr>
<tr>
<td>Q3'16</td>
<td>17.8</td>
<td>8.8</td>
</tr>
</tbody>
</table>

**ARPU (USD)**

<table>
<thead>
<tr>
<th></th>
<th>TML</th>
<th>OML</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q3'15</td>
<td>6.5</td>
<td>5.3</td>
</tr>
<tr>
<td>Q3'16</td>
<td>6.5</td>
<td>4.0</td>
</tr>
</tbody>
</table>

**EBITDA (USD mil)**

<table>
<thead>
<tr>
<th></th>
<th>TML</th>
<th>OML</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q3'15</td>
<td>82</td>
<td>94</td>
</tr>
<tr>
<td>Q3'16</td>
<td>-3</td>
<td>-1</td>
</tr>
</tbody>
</table>

**OCF (USD mil)**

<table>
<thead>
<tr>
<th></th>
<th>TML</th>
<th>OML</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q3'15</td>
<td>-7</td>
<td>20</td>
</tr>
<tr>
<td>Q3'16</td>
<td>-91</td>
<td>-36</td>
</tr>
</tbody>
</table>

**Average Daily Data (TB)**

<table>
<thead>
<tr>
<th></th>
<th>MPT</th>
<th>TML</th>
<th>OML</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q3'15</td>
<td>70</td>
<td>110</td>
<td>250</td>
</tr>
<tr>
<td>Q3'16</td>
<td>45</td>
<td>180</td>
<td>350</td>
</tr>
</tbody>
</table>

- **Versus OML**: TML has surpassed on all dimensions, which includes subscribers and financial performance indicators\(^1\)
- **Versus MPT**: TML carries close to 50% more traffic on daily average and is closing into GSM subscribers market share\(^2\)

---

1. MPT/KDDI is not disclosing any financials of its operations to public. 2. Based on internal network calculations by Telenor Myanmar.
Driven by expanding nationwide network faster than competition

Sites on air

<table>
<thead>
<tr>
<th></th>
<th>Q3'15</th>
<th>Q3'16</th>
</tr>
</thead>
<tbody>
<tr>
<td>TML</td>
<td>2000</td>
<td>4000</td>
</tr>
<tr>
<td>MPT</td>
<td>4000</td>
<td>6000</td>
</tr>
<tr>
<td>OML</td>
<td>6000</td>
<td>8000</td>
</tr>
</tbody>
</table>

Population Coverage

<table>
<thead>
<tr>
<th></th>
<th>Q3'15</th>
<th>Q3'16</th>
</tr>
</thead>
<tbody>
<tr>
<td>TML</td>
<td>60%</td>
<td>85%</td>
</tr>
</tbody>
</table>

- 2100MHz: 7210 sites
- 900MHz: 7210 sites
- 2100MHz: 15 cities
Best position on distribution reach with 87,000 points of sales, and highest service satisfaction rating

- TML has the largest last mile distribution in Myanmar
- Available POS servicing to customers in the last mile is significantly driving NPS score up

**Source:** Myanmar Survey Report, Brand Health Tracker (BHT) Sep 2016
Operators in Myanmar are top of mind and liked

<table>
<thead>
<tr>
<th>Most Innovative Brands</th>
<th>Most Loved Brands</th>
<th>Strongest Proposition</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>telenor</strong> 125</td>
<td><strong>MPT</strong> 124</td>
<td><strong>SAMSUNG</strong> 129</td>
</tr>
<tr>
<td><strong>MPT</strong> 124</td>
<td><strong>SAMSUNG</strong> 120</td>
<td><strong>Apple</strong> 125</td>
</tr>
<tr>
<td><strong>ooredoo</strong> 118</td>
<td><strong>telenor</strong> 118</td>
<td><strong>MPT</strong> 118</td>
</tr>
<tr>
<td><strong>Coca-Cola</strong> 117</td>
<td><strong>HUAWEI</strong> 118</td>
<td><strong>Coca-Cola</strong> 116</td>
</tr>
<tr>
<td><strong>SAMSUNG</strong> 117</td>
<td><strong>Max+</strong> 116</td>
<td></td>
</tr>
</tbody>
</table>

Be innovative, and let consumers know it  
Be lovable  
Make brand proposition clear, and then support it

*Survey Source: WPP, Spotlight on Myanmar: The leapfrog nation, 2016*
Strategic direction

Telenor vision

“Empower society by connecting people to information, content and services that matter to them, helping to improve their lives, and securing a better future for all”

Telenor mission

“Our customers favorite partner in digital life”

Ambition 2017

“No. 1 operator in Myanmar with a leadership position on data network and digital enablement”
Financial Performance

“Strong profitability and growing cash flow”

Presenter
Caroline Yin Yin Htay, CFO
Stronger subscriber base with increased data usage, amidst intensified competition

18 million subscribers (million)

- GSM SIM market share maintained at 39% (est.)
- Intensified competition on gross addition

Active data subscribers with higher data usage

- Active data user penetration maintain at 64%
- Free FB and Viber from Q3’16
- Quicker smartphone adoption

Average Revenue Per User (MMK)

- Higher population penetration into rural villages with smaller wallet spend per customer
- Competition focus on on-net voice from Jul’16
Revenue growth has been driven by data service

- Voice and data revenue Y-o-Y growth at 43% and 1% respectively
- Seasonality and Sate Kyite impacted Q3’16 revenue

- Free Facebook (Sate Kyite) default product since Q3’16
- Data ARPU increased 13% YoY

- Seasonality impact in Q2’16
Cost are well under control

Cost per site on a decline trend from improved site sharing and electrification

Sales and Marketing on a declining trend from continuous optimization of advertising and promotion
Strong and stable profitability, with growing cash flow

- Improved gross profit from improved data monetization and a larger active base
- 45% EBITDA margin
- More than 6,800 sites on-air
- Forex devaluation of 11% YoY
- Positive cash flow from Feb‘16
- CAPEX / Sales = 35%

Above 80% gross profit (MMK billion)

<table>
<thead>
<tr>
<th></th>
<th>Q3 '15</th>
<th>Q4</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3’16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross</td>
<td>169</td>
<td>185</td>
<td>200</td>
<td>215</td>
<td>207</td>
</tr>
<tr>
<td>Profit</td>
<td>78%</td>
<td>80%</td>
<td>83%</td>
<td>82%</td>
<td></td>
</tr>
</tbody>
</table>

Above 42% EBITDA margin (MMK billion)

<table>
<thead>
<tr>
<th></th>
<th>Q3’15</th>
<th>Q4</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3’16</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA</td>
<td>102</td>
<td>99</td>
<td>105</td>
<td>119</td>
<td>113</td>
</tr>
<tr>
<td>Margin</td>
<td>47%</td>
<td>43%</td>
<td>42%</td>
<td>46%</td>
<td>45%</td>
</tr>
</tbody>
</table>

Positive OCF margin (MMK billion)

<table>
<thead>
<tr>
<th></th>
<th>Q3’15</th>
<th>Q4</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3’16</th>
</tr>
</thead>
<tbody>
<tr>
<td>CAPEX</td>
<td>111</td>
<td>118</td>
<td>82</td>
<td>111</td>
<td>89</td>
</tr>
<tr>
<td>OCF%</td>
<td>-4%</td>
<td>-8%</td>
<td>9%</td>
<td>3%</td>
<td>10%</td>
</tr>
</tbody>
</table>
Maintain 2016 outlook

<table>
<thead>
<tr>
<th>Financial</th>
<th>Full Year Guidance</th>
<th>Highlights</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue (MMK billion)</td>
<td>46% - 47%</td>
<td>• Faster market penetration than planned</td>
</tr>
<tr>
<td></td>
<td>Y-o-Y Growth</td>
<td>• Accelerated price pressure towards mobile termination rate (MTR)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Marginal customer on-boarded</td>
</tr>
<tr>
<td>Gross Margin</td>
<td>82% - 83%</td>
<td>• Gross margin Y-o-Y improved &gt; 5pp</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Improved efficiencies</td>
</tr>
<tr>
<td>EBITDA Margin</td>
<td>42% - 44%</td>
<td>• Same level as in 2015</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Absolute Y-o-Y EBITDA growth &gt; 56%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Local currency devaluation 11% Y-o-Y</td>
</tr>
<tr>
<td>Operating Cash Flow Margin</td>
<td>5% - 8%</td>
<td>• Positive OCF since Feb’16</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Positive Q-o-Q for 3 quarters</td>
</tr>
</tbody>
</table>
Market Updates

“Evolving competitive landscape as market matures ...”

Presenter
Joslin E. Myrthong, CMO
Telenor stands on a solid base

18 million customers

64% Data Users

7 Mn Facebook fans

#1 NPS & ‘Brand Tracker’

87,000 POS Largest Distribution Network

46% retail preference
Most Innovative Brands

<table>
<thead>
<tr>
<th>Brand</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Telenor</td>
<td>125</td>
</tr>
<tr>
<td>MPT</td>
<td>124</td>
</tr>
<tr>
<td>ooredoo</td>
<td>118</td>
</tr>
<tr>
<td>Coca-Cola</td>
<td>117</td>
</tr>
<tr>
<td>Samsung</td>
<td>117</td>
</tr>
</tbody>
</table>

Telenor scored the highest on the ‘Most Innovative Brand’ in the BrandZ™ Myanmar study.

Survey Source: WPP, Spotlight on Myanmar: The leapfrog nation, 2016
Accelerated digital adoption for Telenor customers

**Facebook Fan Base** (as of Nov’16)

- TML: 7.5 million
- MPT: 6.0 million
- OML: 3.0 million

**Smartphone & 4G Handsets**

- 9.0 million Smartphone
- 2.4 million 4G Handsets
- 50% penetration
- 14% penetration

**Internet For All**

**Telenor BU AMBPU Comparison** (Sep’16)

- AMBPU: 42% - 36% - 64% - 77% - 65% - 62%
- Data User %: 13.5 - 10.8 - 9.2 - 5.3 - 18.8 - 48.4

**Telenor BU Total Data Traffic Comparison** (Sep’16) - TB ‘000

- Traffic is 1.7x of Norway

- Bangladesh: 13.5
- Pakistan: 10.8
- Myanmar: 9.2
- Norway: 5.3
- Malaysia: 18.8
- Thailand: 48.4
Well positioned to monetize data

<table>
<thead>
<tr>
<th>Hero products</th>
<th>lowering data prices</th>
<th>... increase revenue with stabilizing ARPU</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>Average Price per MB</strong> (MMK per MB)</td>
<td><strong>47% Market Share</strong>*</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Q3 2015</th>
<th>Q4 2015</th>
<th>Q1 2016</th>
<th>Q2 2016</th>
<th>Q3 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>6</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Q3 2015</th>
<th>Q4 2015</th>
<th>Q1 2016</th>
<th>Q2 2016</th>
<th>Q3 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>100</td>
<td>75</td>
<td>50</td>
<td>75</td>
<td>100</td>
</tr>
</tbody>
</table>

**23% Data ARPU Growth Y-o-Y**

* Source: MSR BHT Sep 2016
Remain best and widest in distribution

“Available Everywhere”
Widest distribution reach

- Strong Channel Relationship
  - Direct servicing to all POS
  - Dedicated channel partner for each township

Cluster Model
Last mile reach to POS

<table>
<thead>
<tr>
<th>TML</th>
<th>MPT</th>
<th>OML</th>
</tr>
</thead>
<tbody>
<tr>
<td>200+</td>
<td>18 - 22 each</td>
<td></td>
</tr>
<tr>
<td>88k</td>
<td>60k each</td>
<td></td>
</tr>
</tbody>
</table>

Controlled and systematic distribution

- Digital transactions
  - Online customer registration
  - End to end sales transactions

- KPIs on the go
  - Retailer’s Stock and Sales
  - Sales Force Target and achievement

- Upsell Services (Enabler)
  - Integrating next best offer for customers

Efficient and effective value driven selling by LARGEST distribution of Myanmar
Contextual marketing will be a tactical differentiator for Telenor in Myanmar

Today
- Mass market broadcast
- One size fit all approach
- ‘Law of Average’ approach

From December 2016
- Personalized offerings
- Real-time offers
- Improved experience = NPS

Dec 5, 2:02 pm
- FB usage limit exhausting soon
- Has enough account balance

Dec 5, 2:03 pm
- Starts browsing Facebook
- Heavy FB user

Dec 5, 2:04 pm
- One click purchase and smiles away 😊

Dec 5, 2:03 pm
- Receives a limited offer to buy FB data via App

Subscription
- Free Facebook (Sate Kyite)

Data Usage
- 1,000 MB

FB Usage
- 600 MB

Favorite Purchase Channel
- My Telenor App
A powerful digital enabler for consumer and partners

**Case study: Suzuki Cup free game with ‘Forever Group’**

**Consumer Value**
- Watch anywhere
- For free
- On any device

**Telenor Value**
- Brand exposure
- Media deals
- Connect ID & Telenor App users
- Monetize increased streaming use

**Offer:**
Watch free on mobile, get pack on MyTelenor app

**Value to Forever group**
- Digital exposure and users
- New G2M channel
- Brand rub-off, innovative Telenor
- Customers payment enabled day 1

700,000 activations in one day, 46 times Forever Group’s monthly users
3 ambitions to become customers favorite digital partner in 2017/18

#1 Payment & Credit Scoring

#1 Distribution & Entertainment

#1 Digital ID & analytics

Easy Customer Journey
Network Updates

Presenter

Jai Prakash, CTO

“Going to catch them all!”
Pokémon-GO players in the streets of Yangon in October 2016
Network supporting mass-market strategy

2G
Nationwide coverage with EDGE activated for data

3G
Nationwide 3G with HSPA+

4G
Uniform 4G services in all major cities

Traffic Distribution%
- 2G: 5%
- 3G: 94%
- 4G: 5%

Subscriber Distribution%
- 2G: 41%
- 3G: 58%
- 4G: 5%

- 2G still relevant in rural and coastal areas
- 26% of low income group still prefers 2G
Network rollout strategy

Population-coverage reach over 5 years

2014 - 2015

Urban

2016 - 2017

Sub-Urban

Beyond 2017

Rural Villages

Site Profitability

• Big cities in first phase to ensure a rapid high density coverage
• Aligned with Myanmar regulatory ambition to maximize connectivity
• Implement low cost deployments in rural areas to ensure profitability
• Cluster by cluster completeness
Widest data network in Myanmar

- TML is 1.5x larger vs. second largest network provider
- >1,050 own roof top, a key differentiator in top 33 cities
- Will deliver 7,200 sites by year end 2016

On-air sites Comparison
(Physical sites by YE 2016)

<table>
<thead>
<tr>
<th></th>
<th>TML</th>
<th>MPT</th>
<th>OO</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.5X</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Roof tops is a competitive advantage

- 75%
- 15%
- 8%

Population coverage by year end 2016 (est.)

<table>
<thead>
<tr>
<th>Countries</th>
<th>Population/Pop-Coverage %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Thailand</td>
<td>67.9 million/95%</td>
</tr>
<tr>
<td>Malaysia</td>
<td>31.2 million/91%</td>
</tr>
<tr>
<td>Myanmar</td>
<td>52.3 million/85%</td>
</tr>
</tbody>
</table>

* (Source: Internal intelligence)
** (Source: IMF 2016, Internal intelligence)
Deployment creativity to ensure network advantage

**Tower Type**

- GBT: 75%
- Rooftop: 15%
- Innovative: 10%

**Examples:**
- Roof Top Poles/ Towers
- Cell on Wheels
- Lamppost Site
- Monopole Site
- Low Cost GBT
- In Building Solution
- Easy Macro
- Billboard
- Palm Tree
2016 Coverage Plan
3G coverage expansion, 4G on 2100MHz

900 MHz
7,200 sites

2100 MHz
7,200 sites

2100 MHz
15 cities
2017 Coverage Plan
3G coverage expansion, 4G on 1800MHz

- 900 MHz: > 8,500 sites
- 2100 MHz: > 8,500 sites
- 1800 MHz: All major cities
Growth driver: Faster penetration than planned

- Faster population penetration
- Detailed population information from regulators shared in 2016

Revenue per site will decline from last leg rollout to meet population coverage commitment into rural and low populated villages
Last leg of rollout is challenging in under-developed states with low population

Observation

- Chin and Rakhine: 90% of villages has less than 1,000 population
- Average distance between villages is 4 km apart
- Shan and Kachin severely affected by insurgency
Strong network performance despite delivering fastest growing network in Myanmar

**Network Performance**

<table>
<thead>
<tr>
<th></th>
<th>Q3 ‘15</th>
<th>Q3 ‘16</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Average Speed</strong></td>
<td>1,220</td>
<td>1,800</td>
</tr>
<tr>
<td>(Kbps)</td>
<td>(+ 48%)</td>
<td></td>
</tr>
<tr>
<td><strong>Minute per Drop</strong></td>
<td>400</td>
<td>600</td>
</tr>
<tr>
<td>(minutes)</td>
<td>(+ 50%)</td>
<td></td>
</tr>
</tbody>
</table>

**Myanmar Total Traffic**

- **Yangon**
  - Q3’15: 70
  - Q3’16: 137
- **Other**
  - Q3’15: 192
  - Q3’16: 233

**Highlights**

- >35% of total data traffic carried by Yangon
- 20% of total sites are build in Yangon
- ~ 15% sites are having split sectors
Robust Network with multiple redundancy setup

<table>
<thead>
<tr>
<th>#</th>
<th>Border</th>
<th>Border Country</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Myawaddy</td>
<td>Thailand</td>
<td>In service</td>
</tr>
<tr>
<td>2</td>
<td>Myawaddy</td>
<td>Thailand</td>
<td>In service</td>
</tr>
<tr>
<td>3</td>
<td>Tachileik</td>
<td>Thailand</td>
<td>In service</td>
</tr>
<tr>
<td>4</td>
<td>Muse</td>
<td>China</td>
<td>In service</td>
</tr>
<tr>
<td>5</td>
<td>Tamu</td>
<td>India</td>
<td>Jan 2017</td>
</tr>
</tbody>
</table>

- International traffic has grown by 80% in the past 6 months, thus the need secure bandwidth
- Network is built up with high redundancy – necessary to mitigate natural catastrophe and frequent fiber cuts
**Strong rollout progress and commitment to deliver high quality Network for Myanmar customers**

<table>
<thead>
<tr>
<th>Delivered till Q3 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>✓ Largest and fastest growing data network</td>
</tr>
<tr>
<td>✓ Highest data traffic in Myanmar</td>
</tr>
<tr>
<td>✓ Launch of 4G</td>
</tr>
<tr>
<td>✓ 85% population coverage, expanding to 90% by year end</td>
</tr>
<tr>
<td>✓ GSMA Innovation Award on world first deployment of 9 sector rollout</td>
</tr>
</tbody>
</table>

**Net Promoter Score:**

Promote Data (Rank #1)

- **Q3 '16**
  - TML: 56
  - MPT: 48
  - OML: 44

**Source:** Myanmar Survey Report, Brand Health Tracker (BHT) Sep 2016
Regulatory Updates

Presenter
Gunnar Bertelsen, CCAO

“Securing level of playing field”
Current situation

**Highlights**

- Fourth operator (Viettel) ready for licensing
- 1800 MHz auction in Q1 2017
- Operator and regulators working on moving coverage commitments from ‘Geographical’ to ‘Population’.
- Government supported by World Bank working on Universal Service Fund set up, to be in effect from Feb 2017
- Independent Regulator legislation close to finalization – expect visibility by Q1 2017
## Current spectrum allocation

<table>
<thead>
<tr>
<th>Spectrum MHz</th>
<th>MPT</th>
<th>telenor</th>
<th>ooredoo</th>
<th>VIETTEL</th>
</tr>
</thead>
<tbody>
<tr>
<td>2600</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Unassigned. Potential assignment for Broadband Data Services.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>94MHz (TDD)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2300</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>20MHz (TDD)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2100</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>15MHz (FDD)</td>
<td>15MHz (FDD)</td>
<td>15MHz (FDD)</td>
<td>10MHz (FDD)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>5MHz (option)</td>
<td></td>
</tr>
<tr>
<td>1800</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Unassigned. Potential for assignment in Q1 2017</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>900</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>10MHz (FDD)</td>
<td>-5MHz (4th OP)</td>
<td>5MHz (FDD)</td>
<td>5MHz (FDD)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>+5MHz (FDD)</td>
</tr>
<tr>
<td>850</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>6.25 MHz (FDD)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>700</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Unassigned between Mobile and Broadcast – good potential for future mobile broadband (LTE) deployment especially in sub-urban and rural areas.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- 2600 Spectrum: YTP 94MHz license to be returned for re-assignment
- 2300 Spectrum: Department of Civil Aviation
- 900 Spectrum: 5 MHz to be returned to PTD and to be made available to a 4th operator 2016.
- Exclude 450MHz where MPT has CDMA deployment.
Working positively with Regulator and Government

- Working relationship with past and present Government is constructive and open
- Teelnor engage with both Government and Parliament on major issues
- Ministry has reached out to all operators inquiring bands that could contribute to continued growth
- Industry and Government working on a sustainable expansion of network to deep rural areas – using USF and exploring sharing of spectrum
What's Next in 2017

Presenter
Lars Erik Tellmann, CEO

“Our customers favorite partner in digital life”
What’s next in 2017

Mission
“Our customers favorite partner in digital life”

2017 Goal
“No. 1 operator in Myanmar with a leadership position on data network and digital enablement”

Network Leadership
- Best Coverage and Data Network in top 33 cities
- Open Network
- New spectrum for real 4G service

Fiberization
- 4G fiberization
- Fiber Wholesale
- Fixed Broadband

Digital Enabler
- Digital Enabler
- Analytics
- Postpaid 2.0

Lean Operation
- Fit 4 Fight
- Digitalize Core Business
- Online Sales
“Network Leadership“ as a differentiator

10,000
2G/3G sites nationwide

4G
in all key cities

100%
Urban sites fiberized

50%
Total sites fiberized

20,000 km
National backbone fiber

Network Virtualization

Innovative Capacity Mgmt.
9 & Split Sector

Analytics
Advances Data
Network Probes

1800 MHz
New Spectrum

Video Optimization
A range of in-app categories...

**PROBLEM REPORTING**
Allow subscribers to report a network problem and view reported problems

**GET IN TOUCH**
Communicate with your subscribers

**NETWORK TESTS**
Allow subscribers to test network connection at their current location

**MY NETWORK**
Provide subscribers with easy access to network, handset and location information

**ABOUT**
Give all the information your subscribers need, at their fingertips
Developing open network map for customer to know about our network coverage and quality
“Best Data Network” experience

Providing “Best Data Experience” basis:

• **Best coverage** (indoor and outdoor) to where customers are

• **Shortest** network ping time

• **Fastest load time** on Facebook and top 5 most visited sites

• **Seamless streaming** on video and music
Fiber investments in big cities will strengthen data position and maximize assets and brand.

- **Fragmented** market play with low penetration
- **High Barriers** for customers and no mass-market product
- **Leverage** existing network infrastructure for cost efficient deployment

Growing demand for streaming drives need for more capacity at home
Very low penetration on Fixed Broadband and upside potential on in-home consumption

Connectivity Subscriptions in Myanmar
Sub Count between 2012 – Nov 2016

Time on WiFi
(Source: Open Signal: Global State of Mobile Networks (August 2016))

- Myanmar: 17%
- Bangladesh: 25%
- India: 29%
- Pakistan: 34%
- Malaysia: 37%
- Thailand: 43%
- Singapore: 49%
- Norway: 55%
- Japan: 59%
- China: 63%
- Netherlands: 70%

Source: PTD’s presentation in Myanmar Broadband Forum 2016
Market prices are high and there is a need and position for a mass market offering

Competitive Landscape - Mass Market Comparison
Speed Range: 1-6 Mb/s. Price/month include Annual Fee divided by 12 months.

<table>
<thead>
<tr>
<th>Speed in MB/s (US$)</th>
<th>Price/month (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.0</td>
<td>$0</td>
</tr>
<tr>
<td>1.0</td>
<td>$100</td>
</tr>
<tr>
<td>2.0</td>
<td>$200</td>
</tr>
<tr>
<td>3.0</td>
<td>$300</td>
</tr>
<tr>
<td>4.0</td>
<td>$400</td>
</tr>
<tr>
<td>5.0</td>
<td>$500</td>
</tr>
<tr>
<td>6.0</td>
<td>$600</td>
</tr>
<tr>
<td>7.0</td>
<td>$700</td>
</tr>
</tbody>
</table>

Myanmar Net
Redlink
MPT
Elite
Fortune

Opportunity for Mass Market
Barrier to entry and brand awareness is key

Telenor literally crushes the barrier to entry with free installation fees. And it has more likely one of the highest brand awareness and consideration in Myanmar. On top of that, it offers a free trial for the last customers that could be suspicious regarding its capability to perform on broadband.

Source: Popular tech/telco blogger who also runs a FB page following ITC industry in Myanmar https://www.telenor.com.mm/page/telenor-broadband/337
Digitalizing Core: Digitizing our customer journey is key priority

Aim to digitize our distribution as well as core customer journeys

- 0 calls to call center in 2018
- 50% of top-up on E-load
- 100% of CSE & POS downloaded app
- 15 million Connect ID users
- 16 million customers using self-care*
- 99% packs sold in digital channel

* USSD or My Telenor App
Strong focus on taking successful services to market for partners in an open value chain

<table>
<thead>
<tr>
<th>Role</th>
<th>Ambitions and Opportunities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Digital Telco</td>
<td></td>
</tr>
<tr>
<td>Content Owner/Creator</td>
<td>OTT</td>
</tr>
<tr>
<td>Service Creator</td>
<td>Telenor Classifieds</td>
</tr>
<tr>
<td>Service Platform</td>
<td>Telenor Wow Box</td>
</tr>
<tr>
<td>Digital Enabler</td>
<td>Telenor Capture</td>
</tr>
<tr>
<td>Basic Access</td>
<td></td>
</tr>
</tbody>
</table>

Within Group:
- #1 in mobile payment
- #1 in distribution

Digital Partners:
- #1 local ID / log-in partner
- Top 3 Brand

Digital Services Play
Digital Enabler

Postpaid 2.0 in 2017

TML 2016 ARPU
Prepaid vs. Postpaid ARPU (MMK)

Growing Middle Class

B2B Opportunity

Postpaid 2.0

100%
Digitalize Customer Journey

Target High Prepaid Users

Upsell Opportunities

Secure Share of Wallet

Leverage on Lean Operating Model

Prepaid vs. Postpaid

Postpaid

Prepaid

2016

4x
“Fit 4 Fight” program to drive efficiencies

**Goal**
Secure **lowest production cost** for voice and data and develop a strong change and improvement culture.

**Top down targets**
- Saving target set for 2017
- Zero based budgeting

**Global benchmark**
- Close top-5 cost gaps
- Best practice benchmarks

**Leverage Telenor Group scale**
- Common Delivery Centers
- Global Sourcing Hub
### Lean Operation

#### “Fit 4 Fight” cost drivers

<table>
<thead>
<tr>
<th>1</th>
<th>COGS</th>
<th>2</th>
<th>Customer</th>
<th>3</th>
<th>Technology</th>
<th>4</th>
<th>Support</th>
</tr>
</thead>
</table>
|   | • Lease bandwidth per MB for domestic and international traffic  
|   | • Drive e-load adoption and reduce physical reload printouts by 25% | • POS efficiencies with max of 90k POS  
|   |                   | • Drive POS app adoption and usage  
|   |                   | • Revamp A&P portfolio spending  
|   |                   | • Drive multiple tenants on towers  
|   |                   | • Implement energy efficient solutions  
|   |                   | • Common delivery centers  
|   |                   | • Zero based budgeting |

<table>
<thead>
<tr>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td>$$$</td>
<td>$$$</td>
<td>$$$$</td>
<td>$$</td>
</tr>
</tbody>
</table>

To drive and meet financial targets on EBITDA and Operating Cash Flow
Operating model continues to be centered around working with professional service providers

<table>
<thead>
<tr>
<th>Scope</th>
<th>Outsourced level</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tower Infrastructure</td>
<td>TowerCo’s – except Roof Top sites</td>
</tr>
<tr>
<td>Network Planning</td>
<td>MS Ericsson</td>
</tr>
<tr>
<td>Network Rollout</td>
<td>MS Ericsson</td>
</tr>
<tr>
<td>Network Management</td>
<td>MS Ericsson</td>
</tr>
<tr>
<td>IT Planning</td>
<td>MS Wipro</td>
</tr>
<tr>
<td>IT Development</td>
<td>100% to respective IT suppliers</td>
</tr>
<tr>
<td>IT Management</td>
<td>MS Wipro</td>
</tr>
<tr>
<td>Travel and Accommodation</td>
<td>3rd party supplier</td>
</tr>
<tr>
<td>Transportation</td>
<td>3rd party supplier</td>
</tr>
<tr>
<td>Call Center</td>
<td>3rd party supplier</td>
</tr>
<tr>
<td>Advertising &amp; Promotion</td>
<td>Outsource ATL, BTL and merchandise</td>
</tr>
</tbody>
</table>
Global benchmark presents best in class opportunities

TML Top 10 Gaps Breakdown

72% of total to close
“Zero inbound calls” transforming call centers to profit centers

Goal
Improved customer experience focusing on digital channels whilst saving cost

An OTT experience with an OTT operating model

Why do people call?

Why do people call?

What
• Re-design digital purchase funnel
• Launch simple digital journeys for top 10 call reasons to customer care
• Chat based customer care, incl. bots

Results
• Digital channel users increased > 300%
• Chat Bot Pilot launch in Dec 2016
• Reduced Inbound calls & higher satisfaction

> 90% in calls are related to promotions and VAS

- Promotions
- VAS Related
- Complaints
- Others

Why do people call?

• What

Results

• Digital channel users increased > 300%
• Chat Bot Pilot launch in Dec 2016
• Reduced Inbound calls & higher satisfaction
Virtualization of core infrastructure improves optimization and performance

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Infrastructure Management</strong></td>
<td><img src="image1" alt="Image" /></td>
<td><img src="image2" alt="Image" /></td>
</tr>
<tr>
<td></td>
<td><strong>100%</strong> On IT Cloud</td>
<td><strong>85%</strong> Cost Reduction</td>
</tr>
<tr>
<td><strong>Data Center Efficiency</strong></td>
<td><img src="image3" alt="Image" /></td>
<td><img src="image4" alt="Image" /></td>
</tr>
<tr>
<td></td>
<td><strong>PUE = 1.30</strong></td>
<td><strong>PUE = 1.21</strong></td>
</tr>
<tr>
<td></td>
<td><img src="image5" alt="Image" /></td>
<td><img src="image6" alt="Image" /></td>
</tr>
<tr>
<td></td>
<td><strong>PUE = 1.10</strong></td>
<td></td>
</tr>
</tbody>
</table>

*PUE measures efficiency of datacenters.*
Summary

- **Market share**: #1 position in 2017

- **Strengthening differentiation**: leadership on Network and NPS maintained through network investment and digital servicing

- **Sustained commercial momentum**: carried forward with high data engagement and early digital distribution position

- **Profitable growth**: lean operation with connecting growth opportunities to be explored

- **Return to shareholders**: cash flow positive on core business with uncertain FX impact and spectrum pricing
Next up: Political & Economic brief

December 1, 2016