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

CUSTOMERS
214 million mobile subscribers

MARKET POSITION
#1 or #2 in 12 of 13 markets
WE HAVE DELIVERED GROWING REVENUES AND EBITDA, SUPPORTING A COMPETITIVE DIVIDEND PAYOUT

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenues (NOK bn)</th>
<th>EBITDA (NOK bn)</th>
<th>Dividend payout (NOK bn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>102</td>
<td>33</td>
<td>9.3</td>
</tr>
<tr>
<td>2013</td>
<td>104</td>
<td>36</td>
<td>10.6</td>
</tr>
<tr>
<td>2014</td>
<td>111</td>
<td>38</td>
<td>11.0</td>
</tr>
<tr>
<td>2015</td>
<td>128</td>
<td>44</td>
<td>11.3</td>
</tr>
<tr>
<td>2016</td>
<td>131</td>
<td>46</td>
<td>11.7</td>
</tr>
</tbody>
</table>
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

- 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

Telenor products within 3 core categories

1. CONNECTIVITY
   - wowbox

2. COMMUNICATION
   - appear.in

3. STORAGE
   - capture
   - My Contacts

Telenor Global Backend
(ConnectID, Connect Payment, Direct Operator Billing, Offer API)

Preferred partner for third parties’ digital products, provided through open APIs
- Office 365
- Deezer
- Spotify

Main integration layer between business units and owned 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 (%)

<table>
<thead>
<tr>
<th></th>
<th>Telenor Norway</th>
<th>Telenor Sweden</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>0.3</td>
<td>2.0</td>
</tr>
<tr>
<td>2020</td>
<td>0.8</td>
<td>2.8</td>
</tr>
<tr>
<td>Market Share</td>
<td>19%</td>
<td>26%</td>
</tr>
</tbody>
</table>
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
**SELECTED ADJACENT DIGITAL AREAS TO DRIVE GROWTH AND SUPPORT CORE TELCO BUSINESS**

<table>
<thead>
<tr>
<th>Mobile financial services</th>
<th>Online classifieds</th>
<th>Internet of Things</th>
</tr>
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<tbody>
<tr>
<td><img src="image1.png" alt="Easypaisa" /></td>
<td><img src="image2.png" alt="mudah.my" /></td>
<td><img src="image3.png" alt="IoT" /></td>
</tr>
<tr>
<td>Stand-alone growth area with churn-prevention effect on core business</td>
<td>Potential digital sales channel for mobile services</td>
<td>Closely linked to core enterprise segment in Scandinavia</td>
</tr>
<tr>
<td>#1 position in Pakistan through Easypaisa and Tameer Bank</td>
<td>Positions in Asia and LatAm through JVs with Schibsted, Naspers and SPH</td>
<td>Building on strong IoT and enterprise position in Norway</td>
</tr>
<tr>
<td>Launched services in Myanmar in 2016, aiming for #1 position</td>
<td>Aiming to strengthen position in South East Asia</td>
<td>Telenor Connexion well positioned within fleet management and tracking</td>
</tr>
</tbody>
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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

Savings potential within all key opex areas
CUSTOMER CARE AND SALES WILL MOVE TO DIGITAL CHANNELS, PROVIDING SIGNIFICANT COST EFFICIENCIES

- 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

- 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

- Our Customers’ Favorite Partner in Digital Life
- Winning Team
- Most Efficient Operator
- Responsible Business Conduct

Digitizing The Core
- Products Supporting Our Telco Offering
- New Digital Businesses
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
• 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
STRATEGIC DIRECTION
Sigve Brekke, Group CEO