



2017

TELENOR GROUP – THIRD QUARTER

Sigve Brekke, CEO

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HIGHLIGHTS THIRD QUARTER 2017

OPERATIONAL HIGHLIGHTS

- 3% growth in mobile subscription and traffic revenues
- Good progress on transformation agenda - delivering on NOK 1 bn cost saving target
- Portfolio simplification continues - VEON sell-down completed

KEY FINANCIALS

- Revenues of NOK 30.7 bn (+1%)
- Opex reductions of NOK 0.7 bn (-4%)
- EBITDA of NOK 13.0 bn (+9%)
- Net income of NOK 5.8 bn
- Free cash flow of NOK 9.4 bn

CONTINUED MOBILE ARPU GROWTH AND 9% INCREASE IN INTERNET & TV REVENUES IN NORWAY

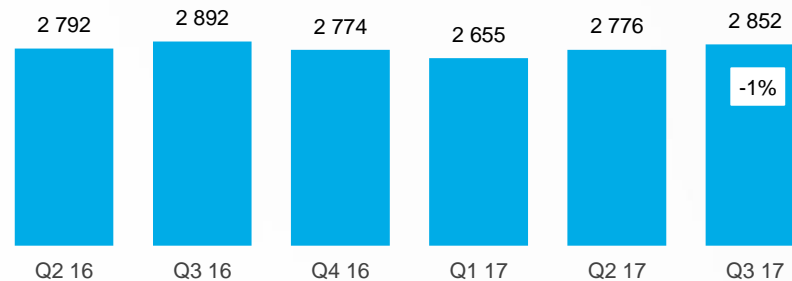
MOBILE

- 1% ARPU growth with domestic ARPU more than offsetting roaming and interconnect decline
- 65% growth in data usage and ~200% growth in roaming
- Stable contract subscriber base, continued decline in prepaid and data cards

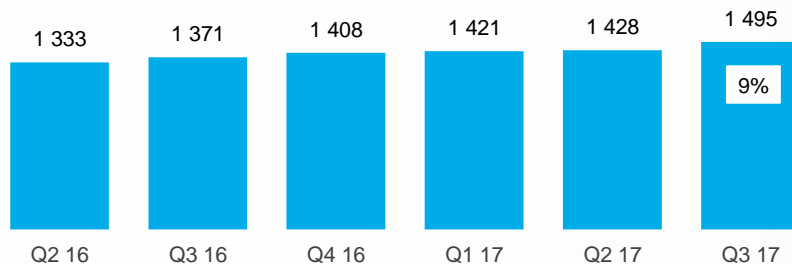
FIXED


- 8k new fibre connections, taking high-speed internet customer base to 625k
- Fixed revenue growth of 1%, as legacy decline is offset by strong growth in internet & TV revenues
- ARPU growth of 4% in internet and 13% in TV

Mobile subscription & traffic revenues (NOK m)



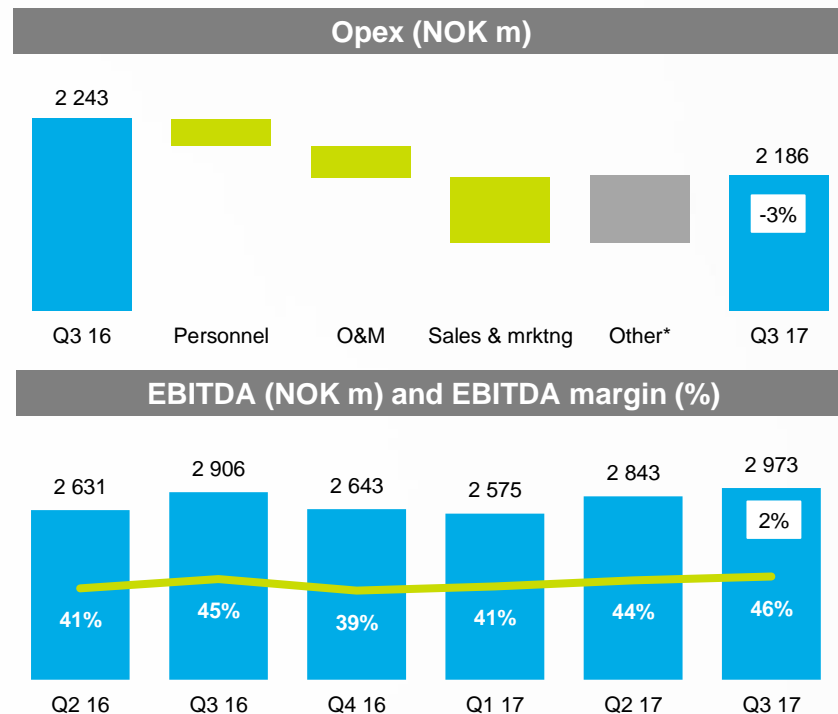
Fixed internet & TV revenues (NOK m)



 Organic revenue growth

FURTHER EFFICIENCY IMPROVEMENTS SUPPORTING MARGIN UPLIFT IN NORWAY

- Opex reductions of 5% adjusted for ESP* provisions of NOK 45m
- Digitalization of sales and improved channel mix
- Lower commissions due to handset installment programme and higher SIM-only sales
- Workforce reductions of ~360 FTEs YoY
- Continued reduction in operations & maintenance



IMPROVED REVENUE GROWTH IN DENMARK AND SWEDEN

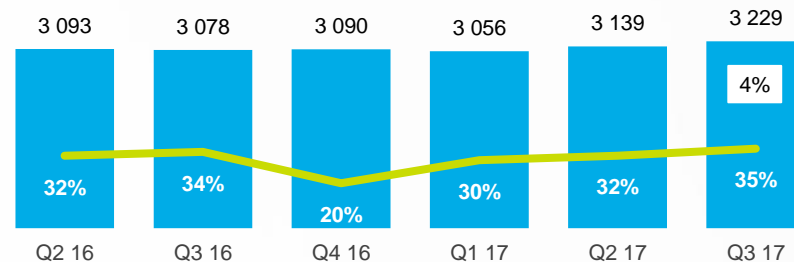
SWEDEN

- 2% organic mobile subscription and traffic revenue growth
- 14k new fibre subscriptions, taking high speed fixed broadband base to 571k
- 7% organic growth in fixed revenues, driven by fibre
- Opex reduced by 3%, primarily from lower personnel costs

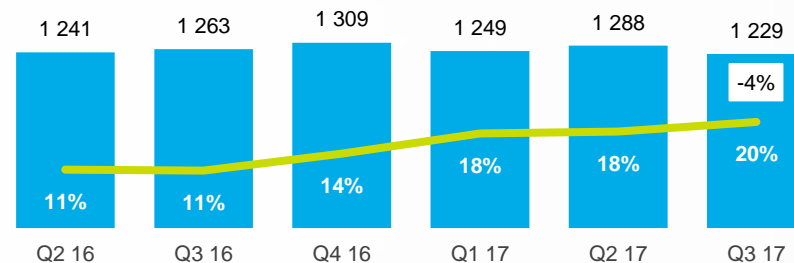
DENMARK


- ARPU stabilization and 3% growth in customer base YoY
- Further opex improvements supporting 83% EBITDA growth
- New family offer launched, including handset installment programme

Sweden - Revenues (NOK m) and EBITDA margin (%)



Denmark - Revenues (NOK m) and EBITDA margin (%)



 Organic revenue growth

CONTINUED OPEX IMPROVEMENTS IN CENTRAL AND EASTERN EUROPE

HUNGARY

- 3% organic growth in subscription and traffic revenues backed by strong trend in consumer postpaid
- 2% opex decline and 5% EBITDA growth

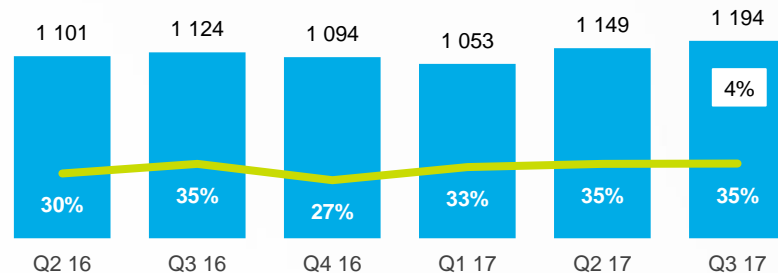
BULGARIA

- EBITDA margin stable at 38% as gross profit decline was more than offset by 6% organic opex improvement

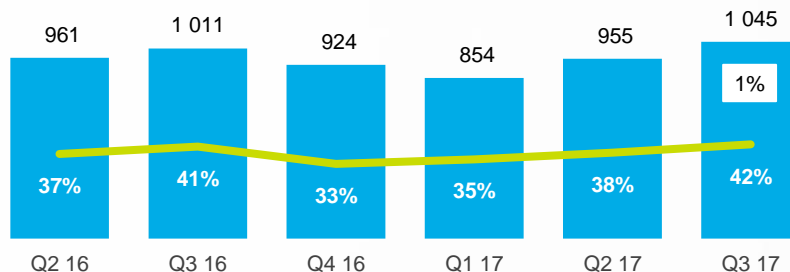
MONTENEGRO AND SERBIA


- Strong cost control reduces opex by 11%

Hungary - Revenues (NOK m) and EBITDA margin (%)



MNE & Serbia - Revenues (NOK m) and EBITDA margin (%)



 Organic revenue growth

POSTPAID GROWTH AND COST MANAGEMENT IN THAILAND AND MALAYSIA

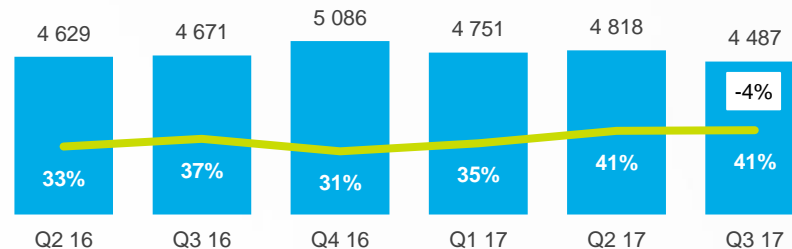
THAILAND (DTAC)

- 16% organic growth in postpaid revenues - postpaid surpassing prepaid revenues
- Strong EBITDA margin driven by lower regulatory costs and improved sales & marketing efficiency
- Network densification continues - number of base stations increased by 21% YoY

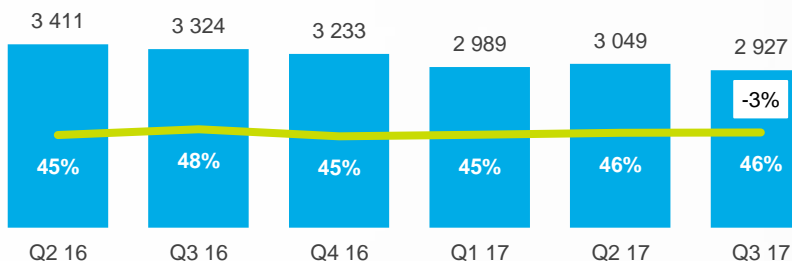
MALAYSIA (DIGI)


- 14% organic growth in postpaid revenues
- Prepaid revenues stabilised QoQ, supported by growth in prepaid internet
- 4G population coverage at 87% and improved indoor coverage following 900 MHz allocation

Thailand - Revenues (NOK m) and EBITDA margin (%)



Malaysia - Revenues (NOK m) and EBITDA margin (%)



 Organic revenue growth

CONTINUED STRONG PERFORMANCE IN EMERGING ASIA

BANGLADESH (GRAMEENPHONE)

- 15% growth in subscription & traffic revenues and 16% organic growth in EBITDA
- 2.3 m net adds and 2.9 m new data users (+31% YoY)

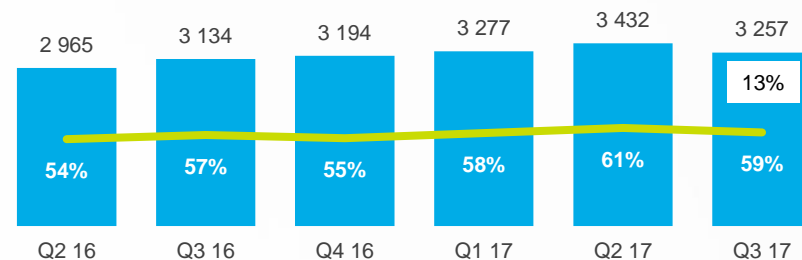
PAKISTAN

- 6.5% revenue growth and 51% EBITDA margin, adjusted for reversal of provisions
- Positive contribution from cost efficiency initiatives

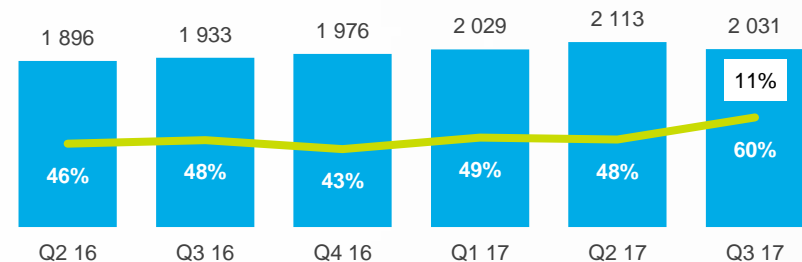
MYANMAR


- 9% subscription and traffic revenue growth
- 43% EBITDA margin, impacted by higher regulatory costs and adverse FX effects
- 8,000 sites on air by end of 2017 – improved 4G coverage

Bangladesh - Revenues (NOK m) and EBITDA margin (%)



Pakistan - Revenues (NOK m) and EBITDA margin (%)



 Organic revenue growth

KEY DRIVERS FOR VALUE CREATION TOWARDS 2020



GROWTH



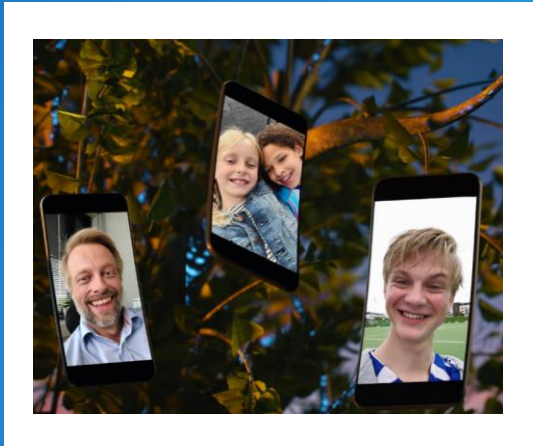
EFFICIENCY



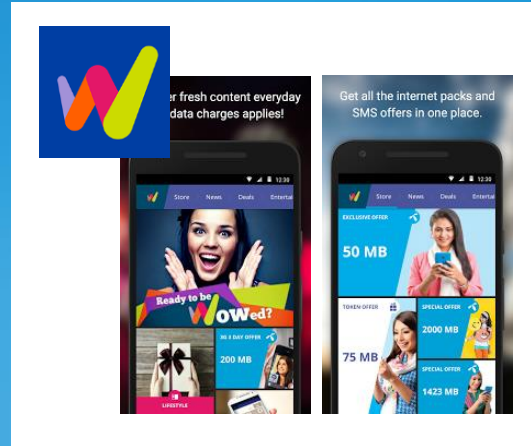
SIMPLIFICATION

SERVICE AND PRODUCT INNOVATION

STRENGTHENING THE DIGITAL CUSTOMER INTERACTION



Launch of family bonus in Norway
Full control of data bonus through MyTelenor app

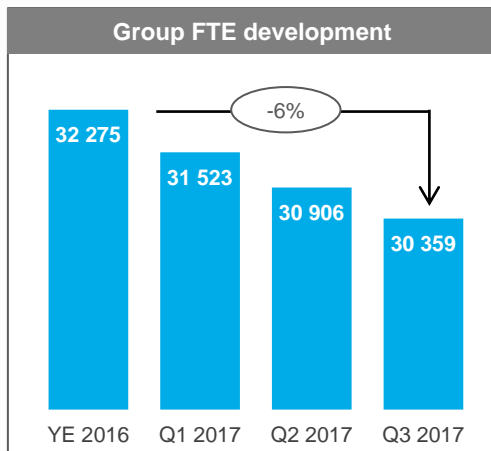


WowBox provides easy access to internet, intuitive interface and a variety of localized content

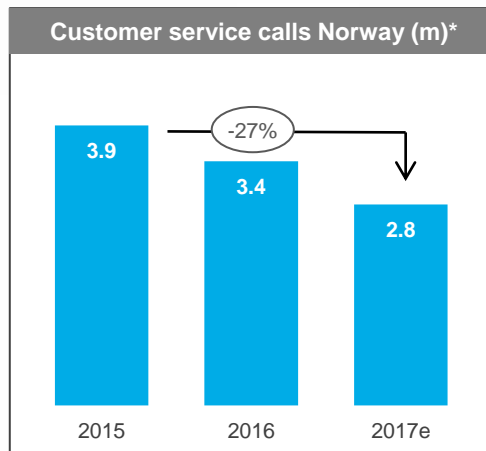


Fully digital mobile service
launched in September in Thailand

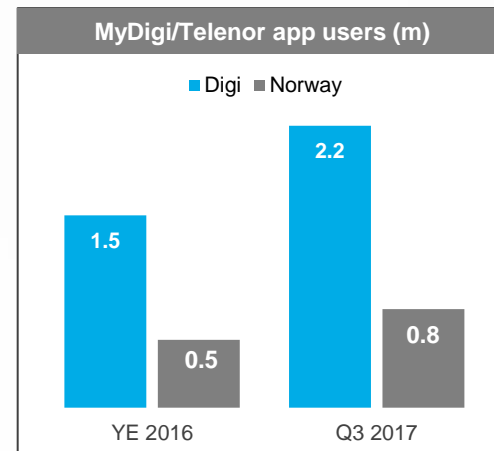
CREATING A LEANER TELENOR: PROGRESSING ON EFFICIENCY AND DIGITALIZATION AGENDA



- Reduction of ~1,900 employees since end of 2016
- Reskilling and new competencies
- Process ongoing involving HQ staff



- Reduced reasons to call
- Shift to digital customer care



- MyTelenor app launched in all markets
- +43% growth Group wide in 2017

CREATING A LEANER TELENOR: THE SIMPLIFICATION CONTINUES

Q1 2017

- Cluster organization established
- India exit announced in February
- Disposal of internet portal Startside

Q2 2017

- Further sell-down in VEON in April
- Monetizing and focusing online classifieds portfolio

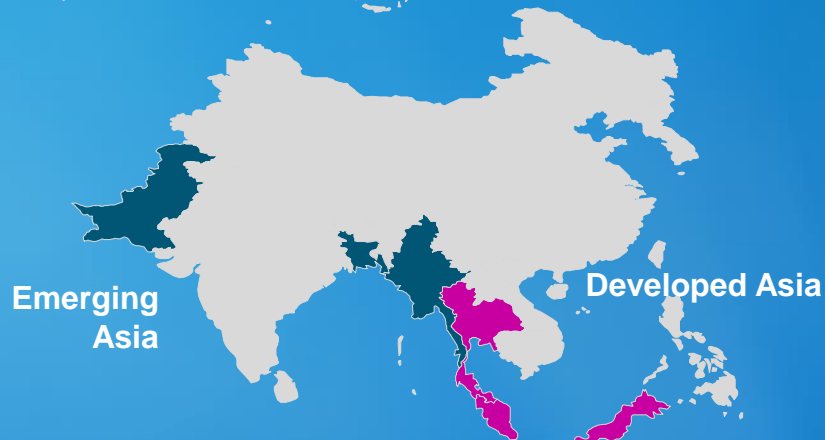
Q3 2017

- Announced disposal of Telenor Banka in Serbia
- Completion of VEON sell-down
- Sale of office property in Oslo

Scandinavia



Central & Eastern Europe



Emerging Asia

Developed Asia



2017

TELENOR GROUP – THIRD QUARTER

Jørgen C. Arentz Rostrup, CFO

HIGHLIGHTS THIRD QUARTER 2017

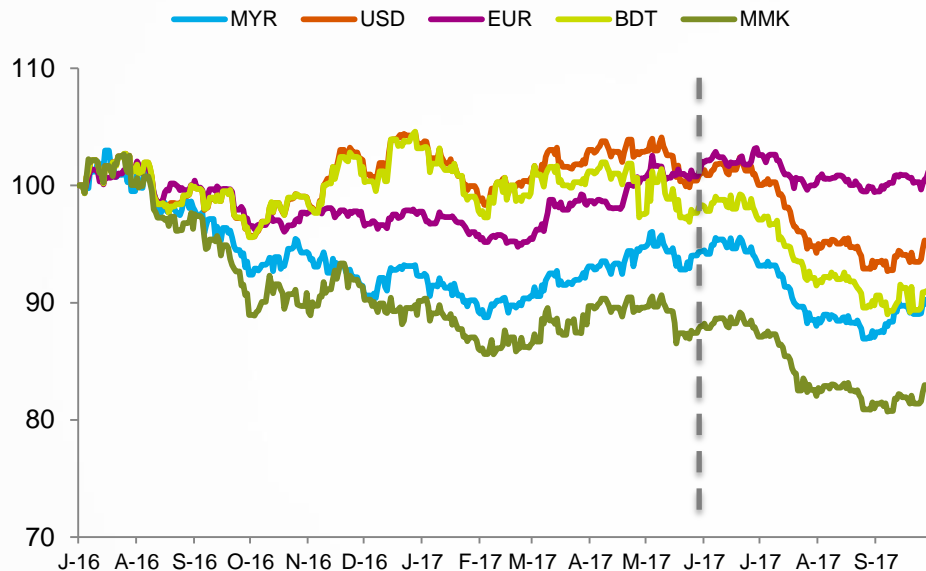
OPERATIONAL HIGHLIGHTS

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CURRENCY EFFECTS FROM STRENGTHENING OF THE NORWEGIAN KRONE

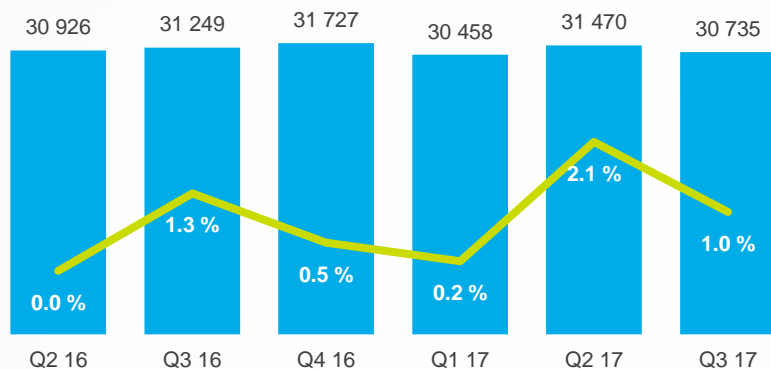


Currency effects in Q317 (NOK)

Revenues: -0.9 bn	EBITDA: -0.4 bn	Net financials: +1.7 bn	Net debt: -1.3 bn
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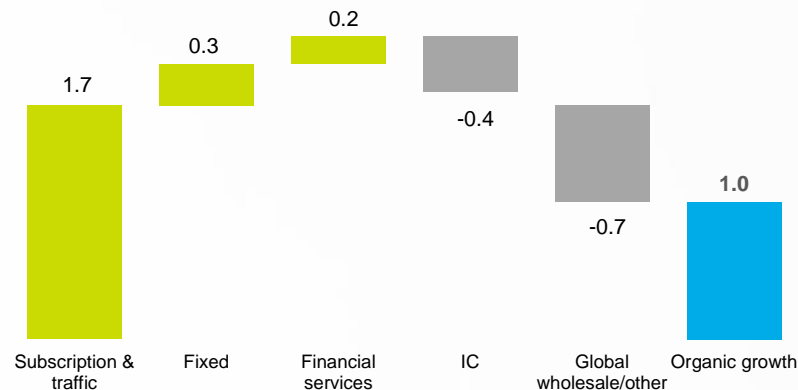
1% ORGANIC REVENUE GROWTH SUPPORTED BY CORE REVENUES UPLIFT

Revenues (NOK m) and organic revenue growth (%)



- 3% organic growth in mobile subscription and traffic revenues
- 9% organic growth in fixed internet and TV revenues in Norway and Sweden
- Negative currency effects of NOK 0.9 bn

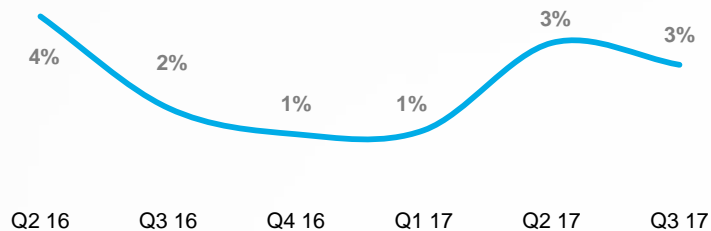
Organic revenue contribution YoY (pp)



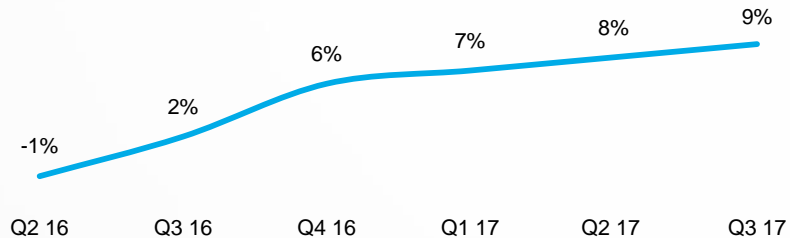
- Revenue decline of NOK 160m in Global Wholesale, at low contribution margin

3% ORGANIC GROWTH IN GROSS PROFIT

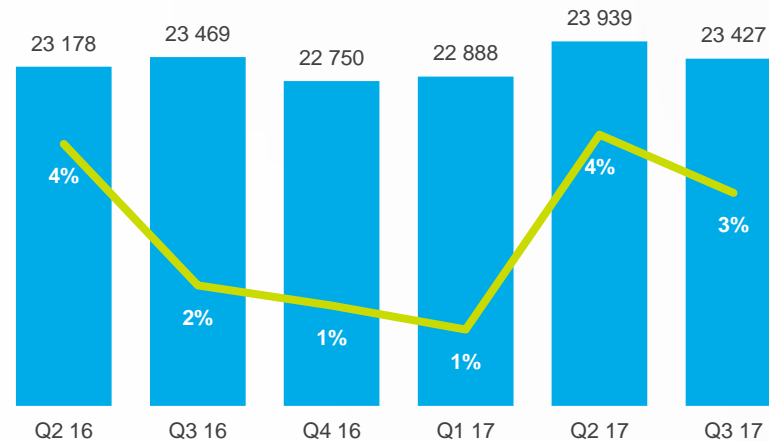
Mobile subscription & traffic revenue growth*



Fixed broadband & TV revenue growth*

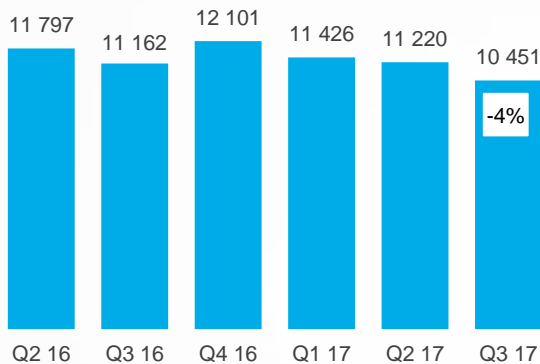


Gross profit (NOK m) and organic growth (%)



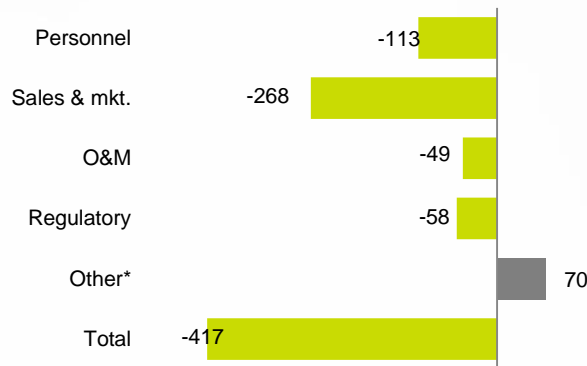
CONTINUED EFFICIENCY IMPROVEMENTS DECREASING OPEX BY 4%

Opex (NOK m)



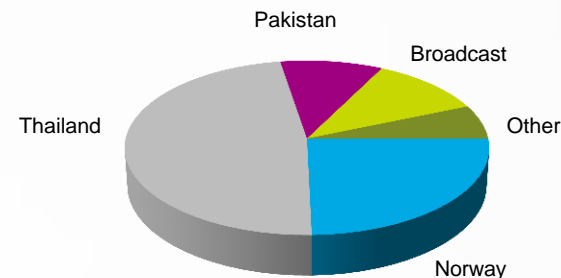
- FX adjusted opex savings of NOK 0.4 bn in Q3 and NOK 1.0 bn YTD
- Reported opex savings of NOK 0.7 bn in Q3 and NOK 1.7 bn YTD

FX adjusted opex development YoY (NOK m)



- FTEs reduced by ~1,900 from Q4 2016
- Lower regulatory cost in Thailand and Malaysia
- Corporate functions opex reduced by NOK 0.1 bn

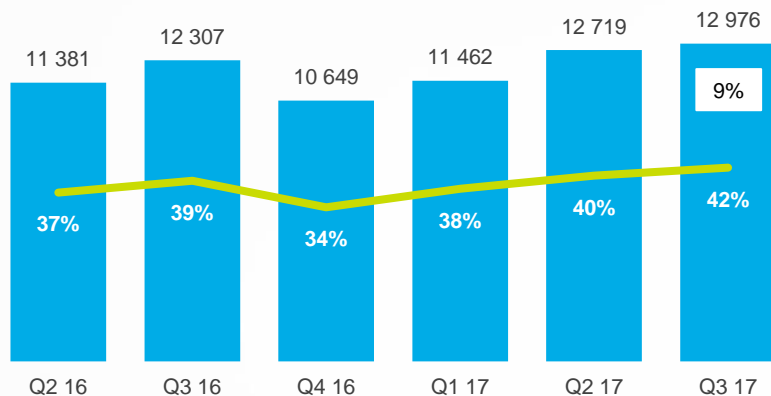
Split of sales & marketing reductions



- SWAP and increased SIM only sales in Norway
- Shift to digital channels and marcom optimization in Thailand

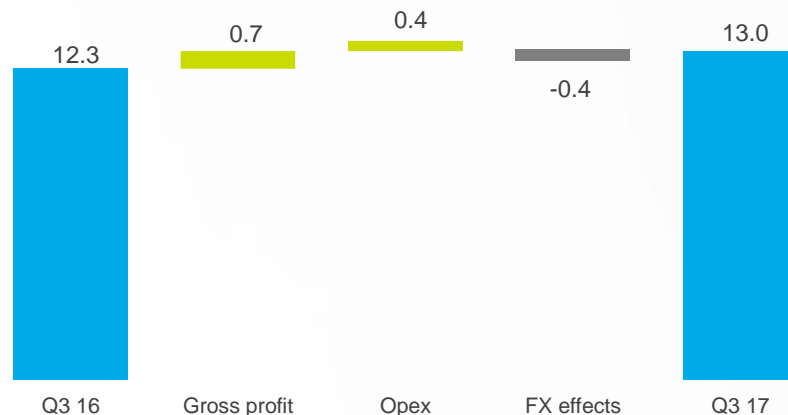
9% ORGANIC EBITDA GROWTH AND ALL-TIME HIGH MARGIN

EBITDA (NOK m) and EBITDA margin (%)



- 3 percentage points margin expansion YoY
- Positive non-recurring items of NOK 0.1 bn

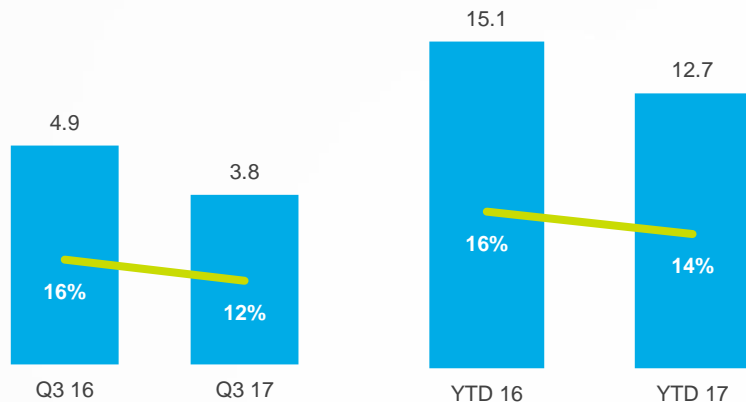
EBITDA (NOK bn) development



- Negative FX effects primarily related to Bangladesh, Malaysia and Myanmar

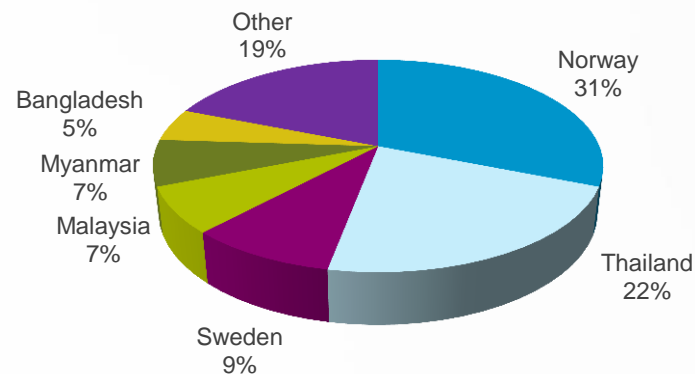
LOWER CAPITAL INTENSITY FOLLOWING HIGH MOBILE NETWORK ROLLOUT IN 2016

Capex (NOK m) and capex/sales (%)



- Lower mobile investments, primarily in Myanmar and Bangladesh
- Increased fibre investments in Norway and Sweden

Capex distribution Q3 17

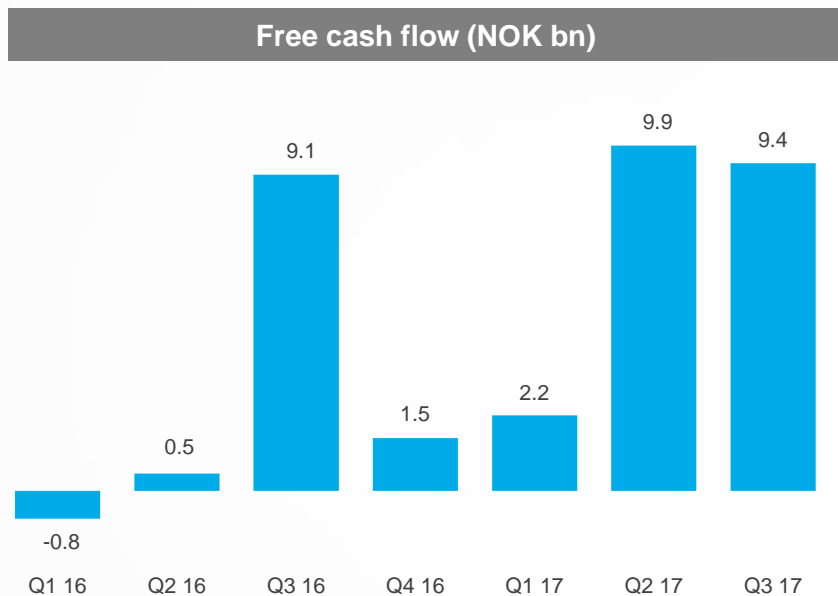


- 4G and fibre investments in Norway
- Ongoing network densification programme in Thailand

NET INCOME OF NOK 5.8 BILLION

NOK m	Q3 2017	Q3 2016	YTD 2017	YTD 2016
Revenues	30 735	31 249	92 663	93 669
EBITDA before other items	12 976	12 307	37 157	35 317
Other items	191	-107	293	-544
EBITDA	13 168	12 200	37 451	34 774
D&A and impairments	5 270	5 010	16 096	14 680
Operating profit	7 898	7 190	21 355	20 093
Associated companies	-4	-5 260	-4 596	-3 235
Net financials	1 152	-220	1 100	-1 519
Taxes	-2 432	-1 643	5 824	5 014
Profit (loss) from discontinued operations	-117	-4 063	-43	-7 432
Minorities	740	825	2 234	2 349
Net income - Telenor equity holders	5 756	-4 821	9 758	546
Earnings per share (NOK)	3.84	-3.21	6.50	0.36

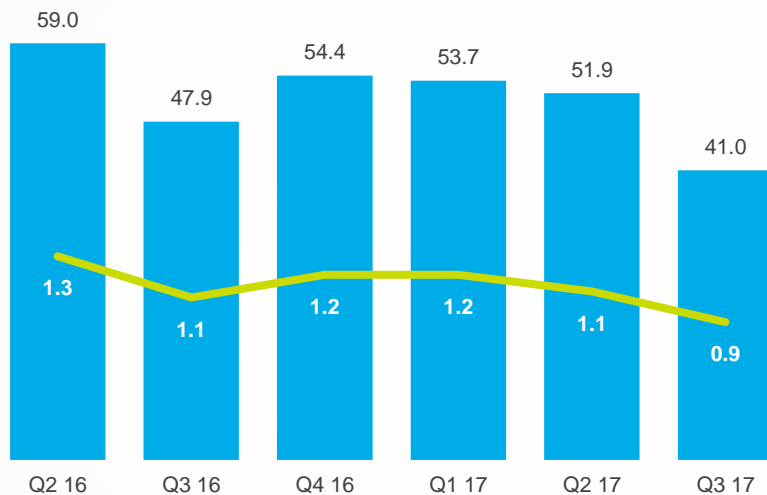
FREE CASH FLOW OF NOK 9.4 BILLION



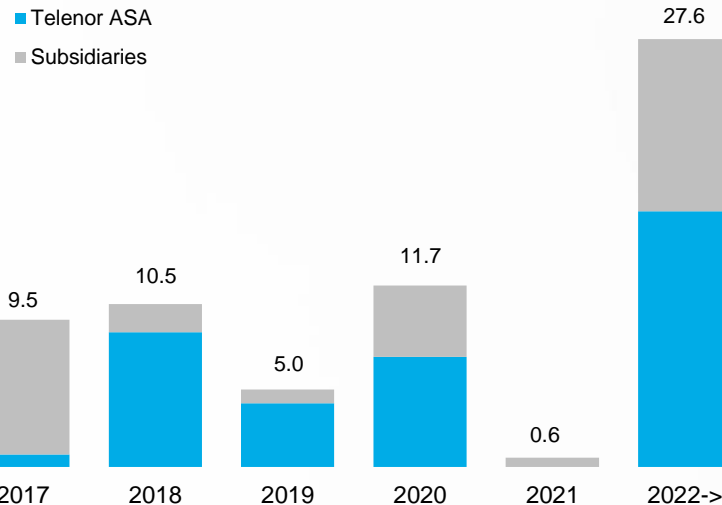
NOK bn	Q3 2017	YTD 2017	YTD 2016
EBITDA	13.0	37.2	35.3
Taxes	-1.5	-3.7	-4.3
Net interest paid	-0.4	-1.6	-1.4
Capex	-3.9	-13.2	-17.0
Spectrum	-0.4	-1.5	-1.3
M&A & disposals	3.5	8.6	2.0
Dividends to minorities	-1.0	-2.2	-2.7
Working cap.& other	0.1	-1.9	-1.8
Free cash flow	9.4	21.5	8.8

NET DEBT REDUCED BY NOK 11 BILLION

Net debt (NOK bn) and net debt/EBITDA*



Debt maturity profile**



*) 12 months rolling EBITDA. Net debt excl. licence commitments of NOK 2.2 bn

**) Excl USD 1 bn exchangeable bond due in Sep 2019, with VEON shares as underlying security

RETURNING CASH TO SHAREHOLDERS

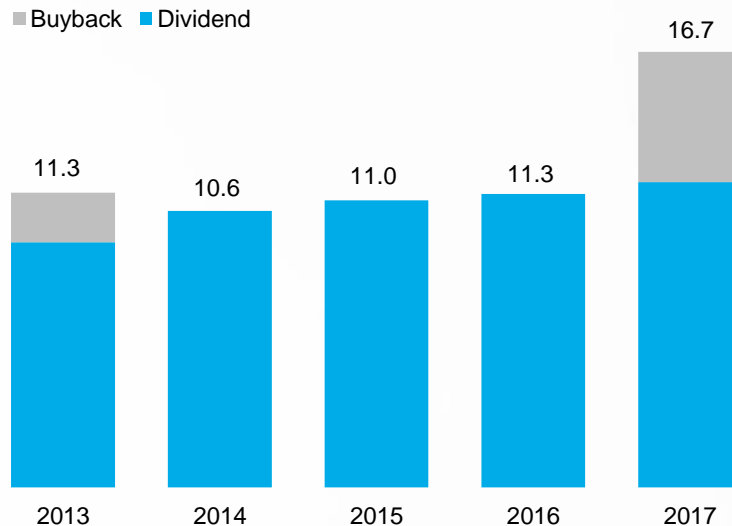
YEAR ON YEAR GROWTH IN ORDINARY DIVIDEND

- Total dividend of NOK 7.80 per share for FY 2016, payout of NOK 11.7 bn (+4% vs 2015)
- First tranche of NOK 4.30 paid out in May
- **Second tranche of NOK 3.50 to be paid out in November (ex-dividend date 27 October)**

2% SHARE BUYBACK PROGRAMME LAUNCHED IN Q3

- Total buyback of approx. 30 million shares, incl. proportional buyback from the Norwegian state
- Total payout of NOK 5.0 bn at current share price
- **35% completion as of 24 October**

Shareholder remuneration (NOK bn)*



2017 OUTLOOK UNCHANGED COST EFFICIENCY SUPPORTING EBITDA MARGIN

	2017	YTD	2016 baseline*
Organic revenue growth	1-2%	1.1%	0.8%
EBITDA margin	38-39%	40.1%	36.7%
Capex/sales ratio	15-16%	13.8%	17.4%

Organic revenue growth in fixed currency, adj. for acquisitions and disposals.
EBITDA before other items. Capex excl. spectrum and licence fees.

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KEY DRIVERS FOR VALUE CREATION TOWARDS 2020



GROWTH



EFFICIENCY



SIMPLIFICATION

2017

TELENOR GROUP – THIRD QUARTER APPENDIX



TELENOR GROUP

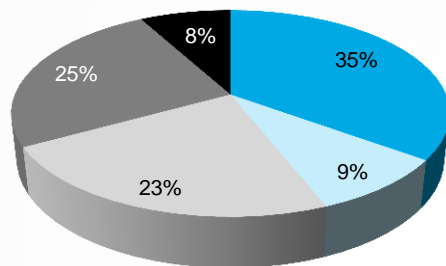
176 million mobile subscribers

Revenues in 2016: NOK 125 bn (USD 16 bn)

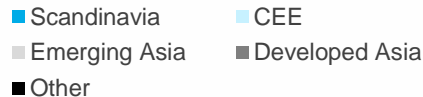
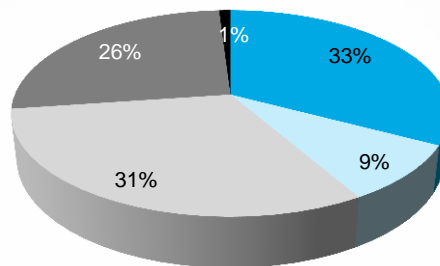
Market cap: NOK 250 bn (USD 32 bn)

GEOGRAPHIC SPLIT OF KEY FINANCIALS – YTD 2017

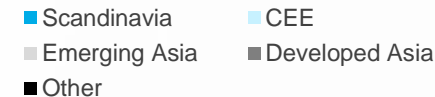
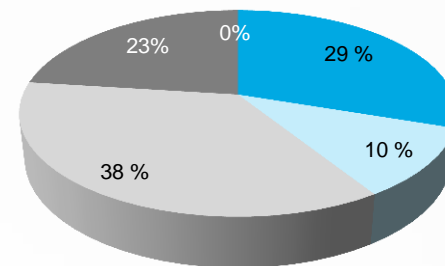
REVENUES



EBITDA

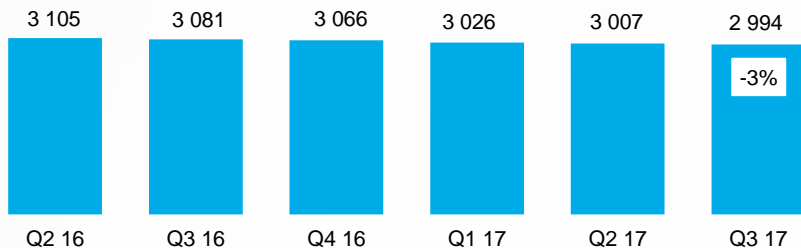


EBITDA LESS CAPEX

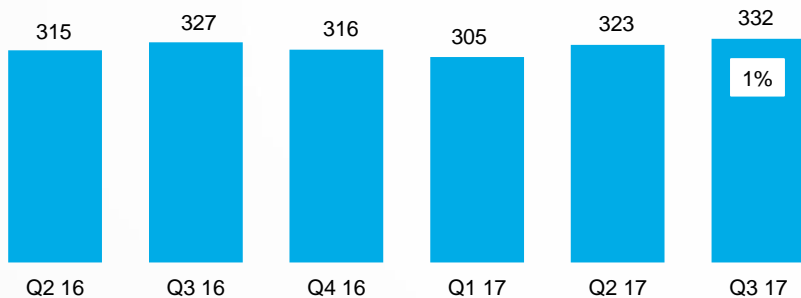


NORWAY

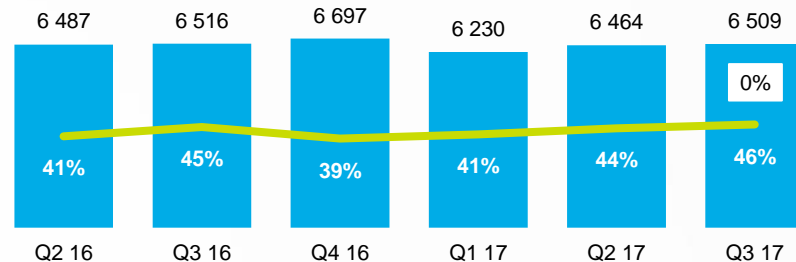
Mobile subscribers ('000)



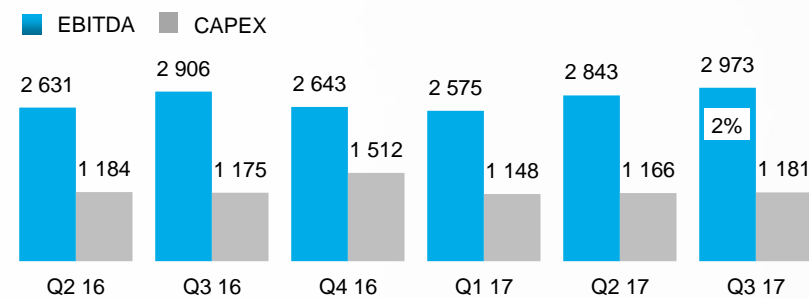
Mobile ARPU (NOK/month)



Revenues (NOK m) and EBITDA margin



EBITDA and capex (NOK m)

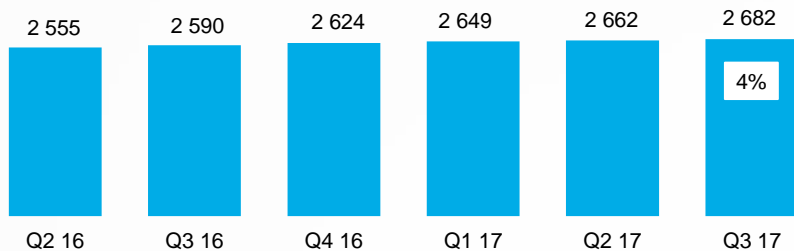


Organic growth assuming fixed currency, adjusted for acquisitions and disposals. EBITDA before other items. Capex excl. licence fees

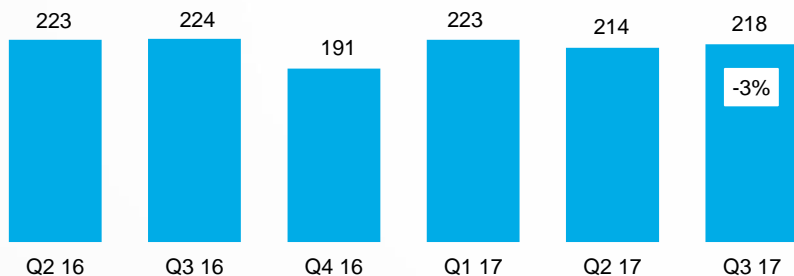
 Organic growth

SWEDEN

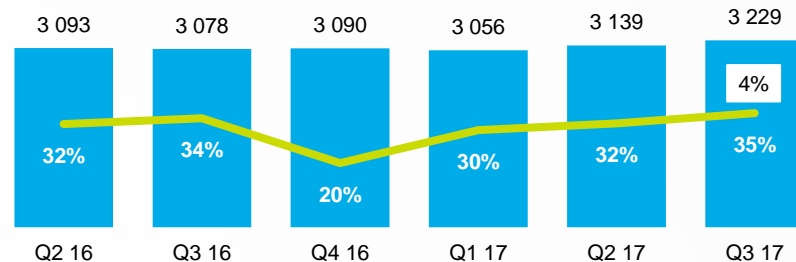
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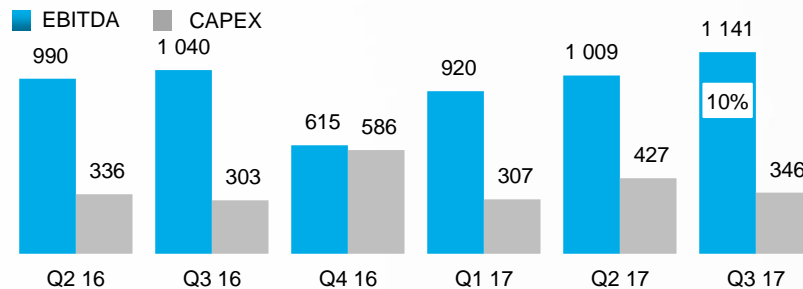
Mobile ARPU (SEK/month)



Revenues (NOK m) and EBITDA margin



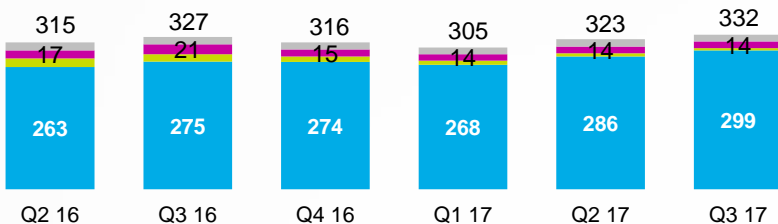
EBITDA and capex (NOK m)



ADDITIONAL INFORMATION – NORWAY AND SWEDEN

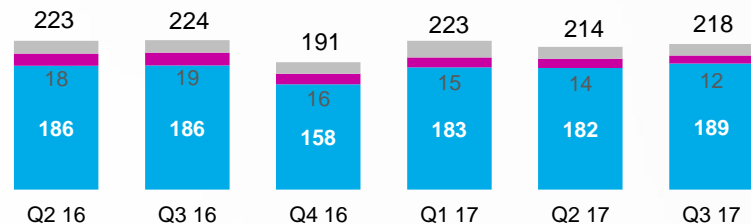
Norway – mobile ARPU (NOK)

■ Interconnect ■ Roaming ■ Handset related ■ Domestic



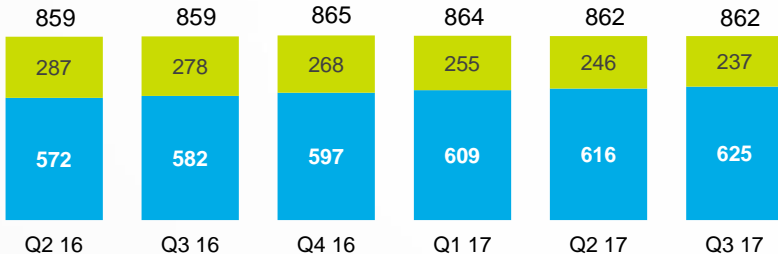
Sweden – mobile ARPU (SEK)

■ Domestic ■ Roaming ■ Interconnect



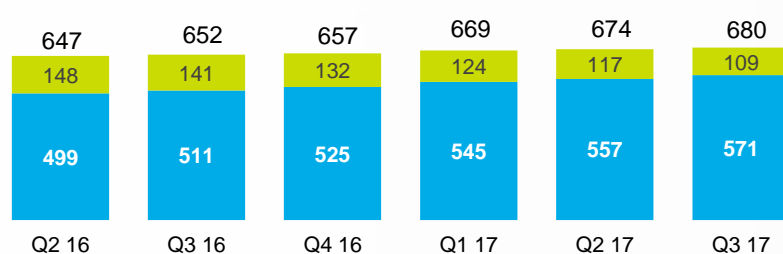
Norway – fixed broadband subscribers ('000)

■ High-speed ■ Low-speed



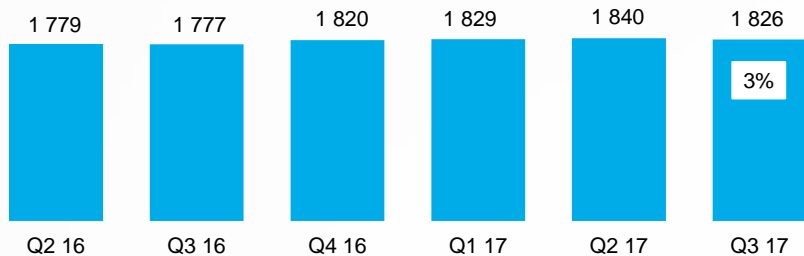
Sweden – fixed broadband subscribers ('000)

■ High-speed ■ Low-speed

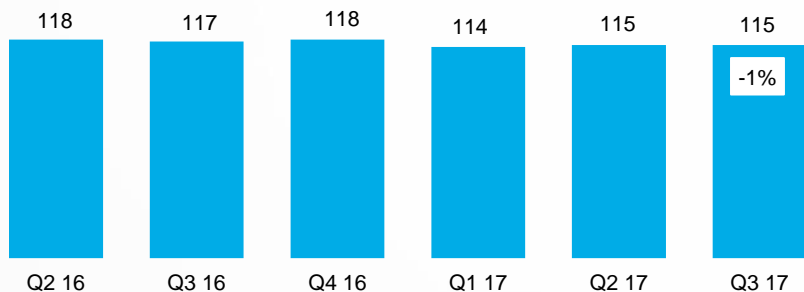


DENMARK

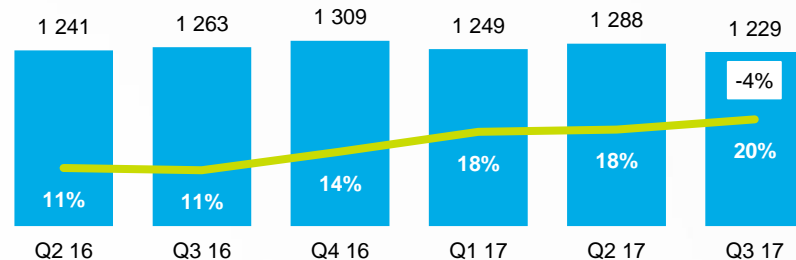
Mobile subscribers ('000)



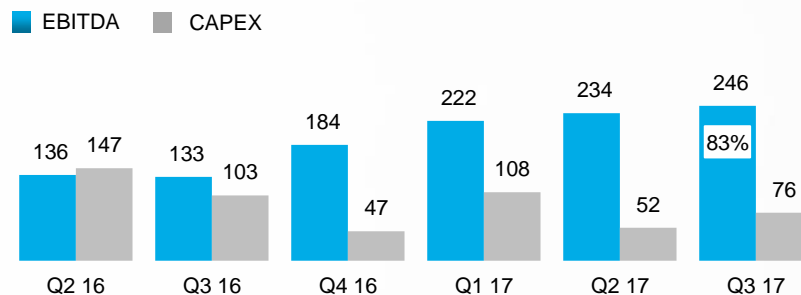
Mobile ARPU (DKK/month)



Revenues (NOK m) and EBITDA margin

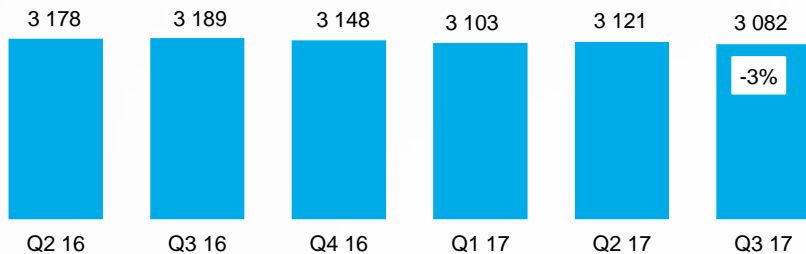


EBITDA and capex (NOK m)

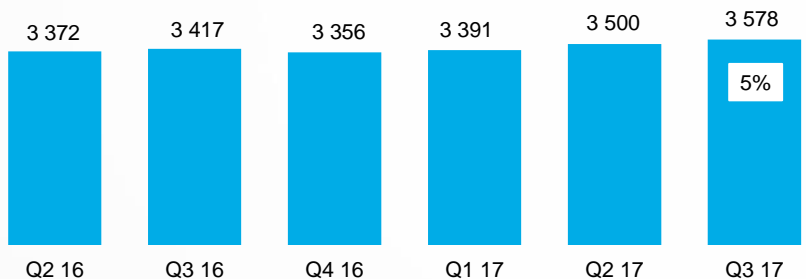


HUNGARY

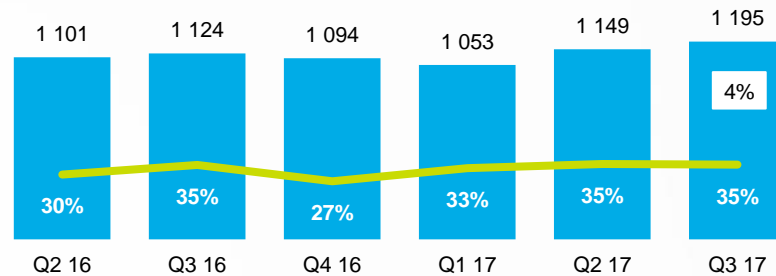
Mobile subscribers ('000)



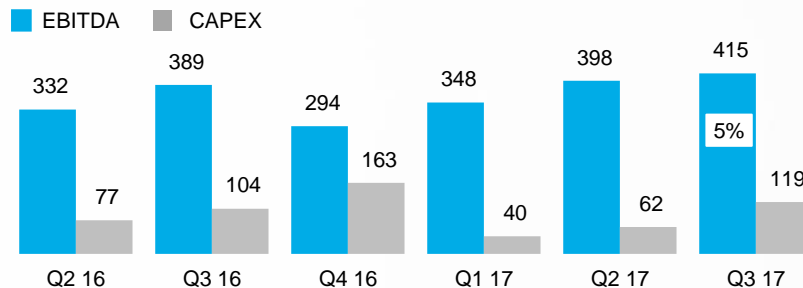
Mobile ARPU (HUF/month)



Revenues (NOK m) and EBITDA margin

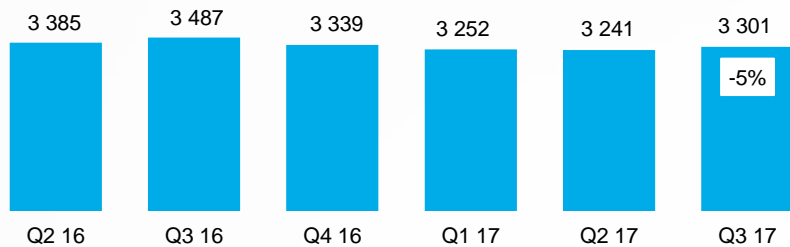


EBITDA and capex (NOK m)

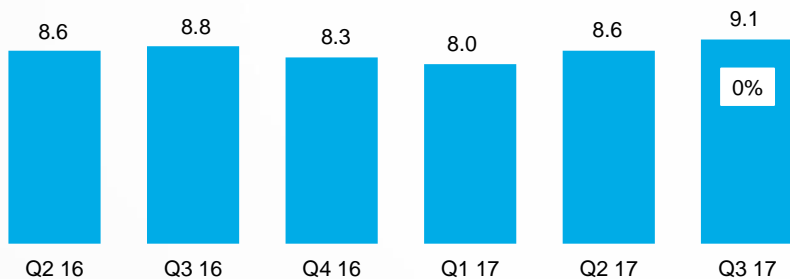


SERBIA AND MONTENEGRO

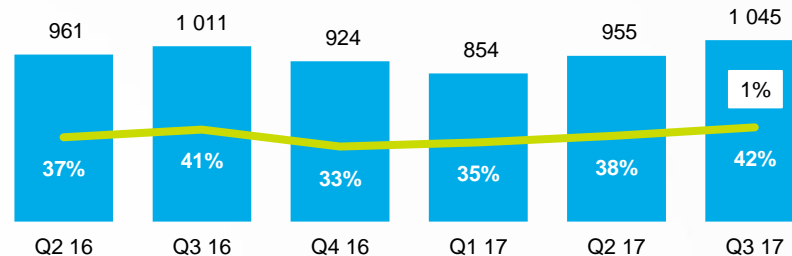
Mobile subscribers ('000)



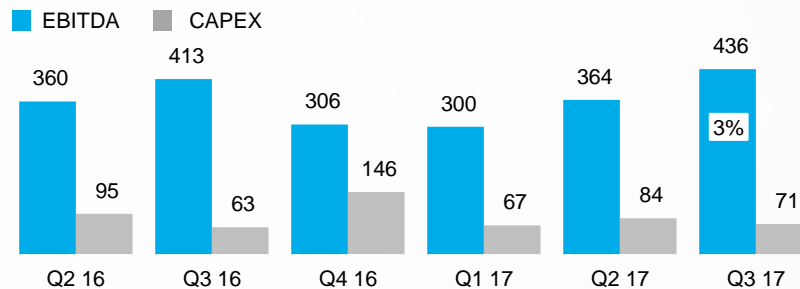
Mobile ARPU (EUR/month)



Revenues (NOK m) and EBITDA margin

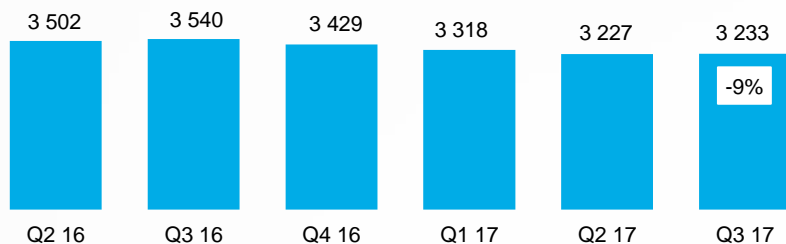


EBITDA and capex (NOK m)

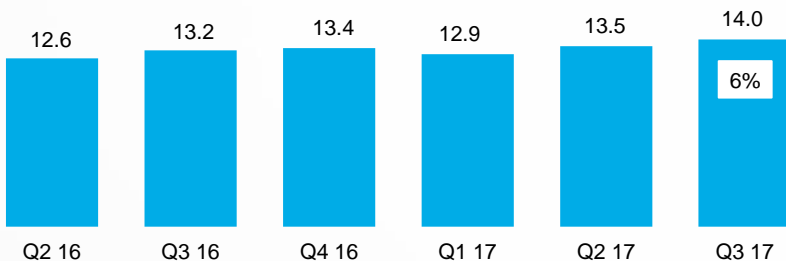


BULGARIA

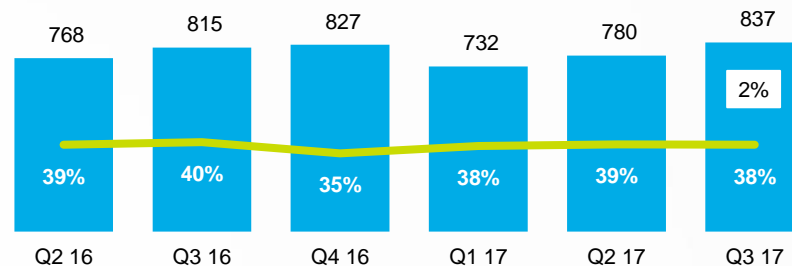
Mobile subscribers ('000)



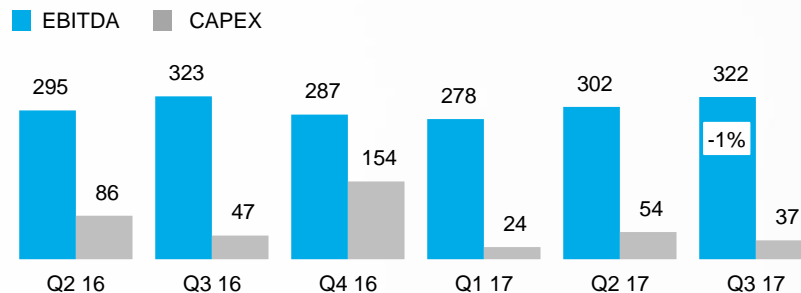
Mobile ARPU (BGN/month)



Revenues (NOK m) and EBITDA margin

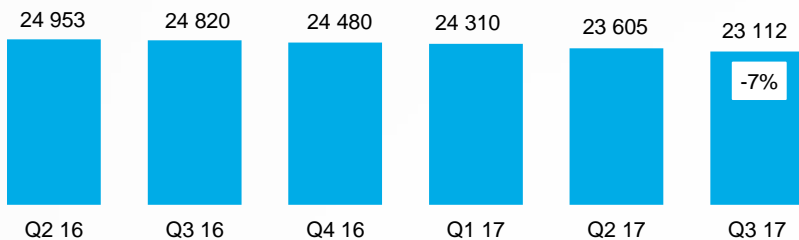


EBITDA and capex (NOK m)

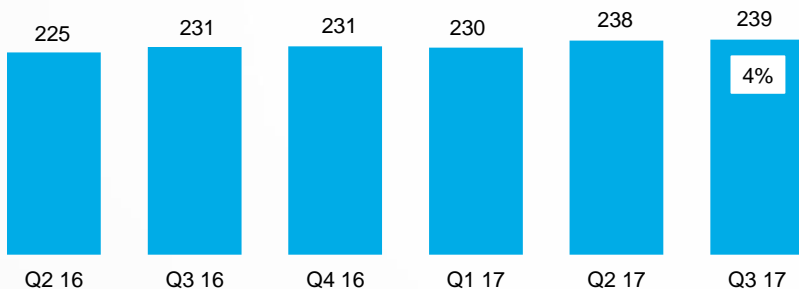


THAILAND (DTAC)

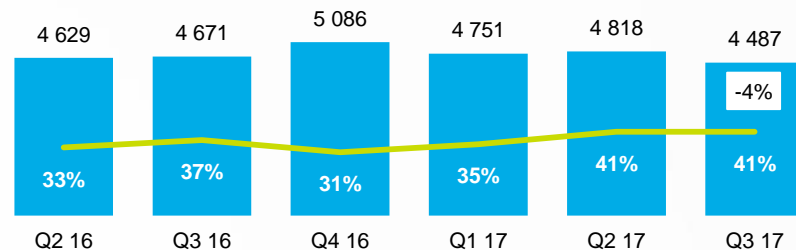
Mobile subscribers ('000)



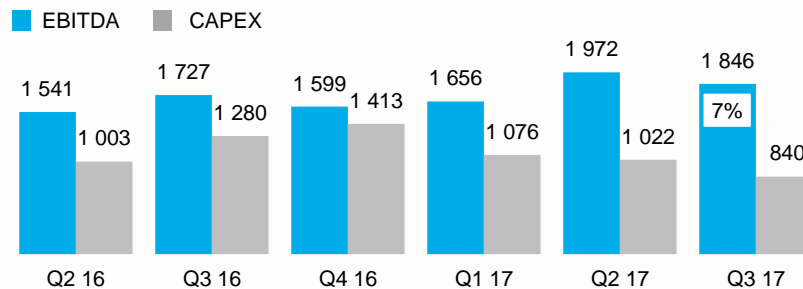
Mobile ARPU (THB/month)



Revenues (NOK m) and EBITDA margin

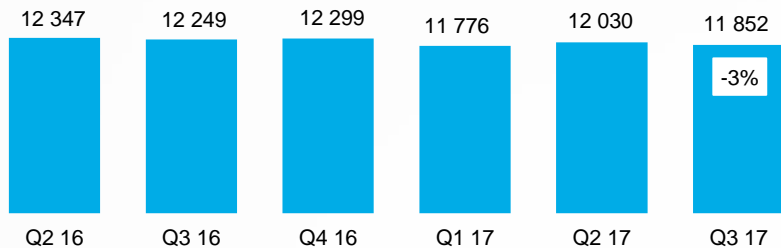


EBITDA and capex (NOK m)

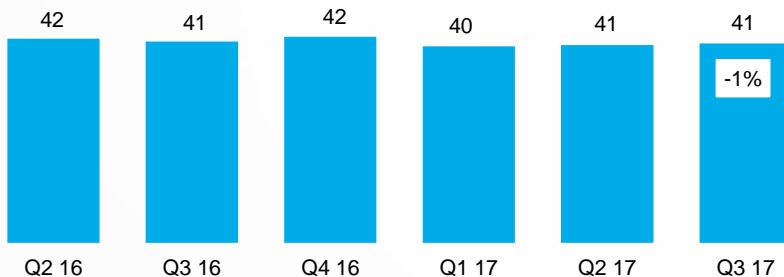


MALAYSIA (DIGI)

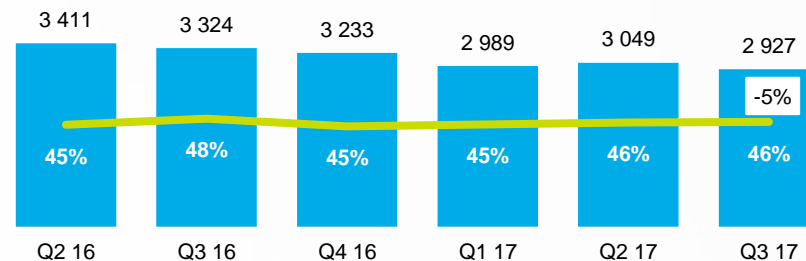
Mobile subscribers ('000)



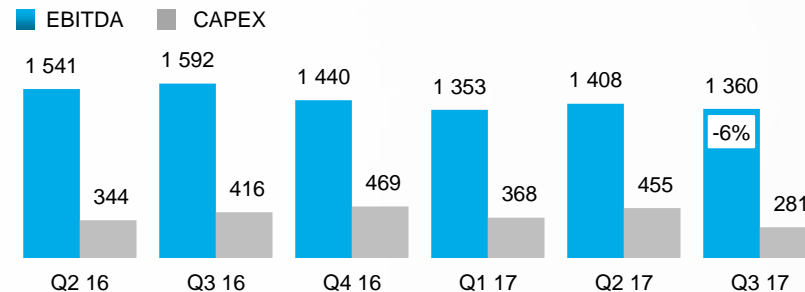
Mobile ARPU (MYR/month)



Revenues (NOK m) and EBITDA margin

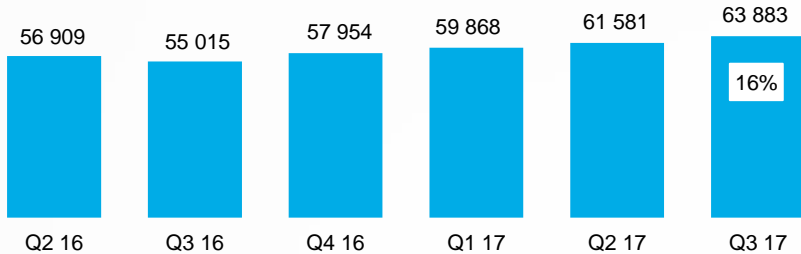


EBITDA and capex (NOK m)

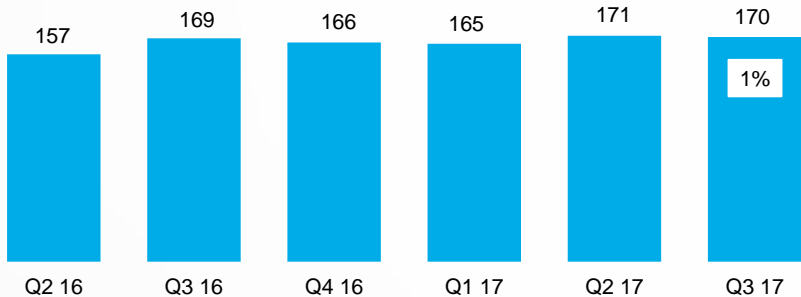


BANGLADESH (GRAMEENPHONE)

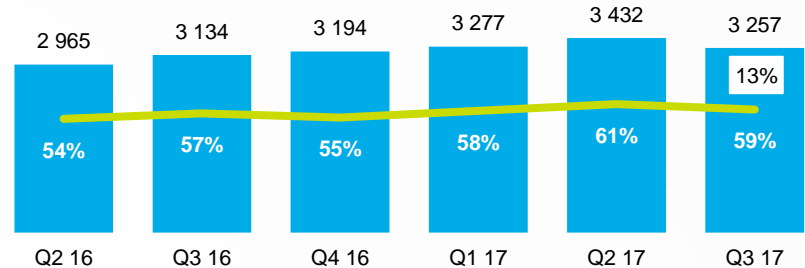
Mobile subscribers ('000)



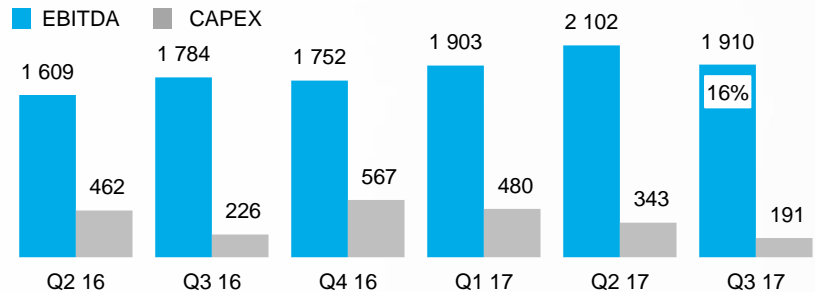
Mobile ARPU (BDT/month)



Revenues (NOK m) and EBITDA margin

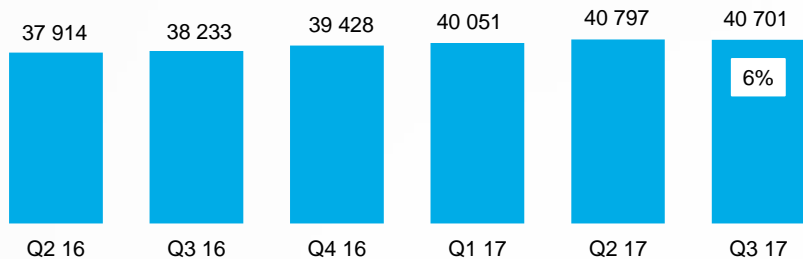


EBITDA and capex (NOK m)

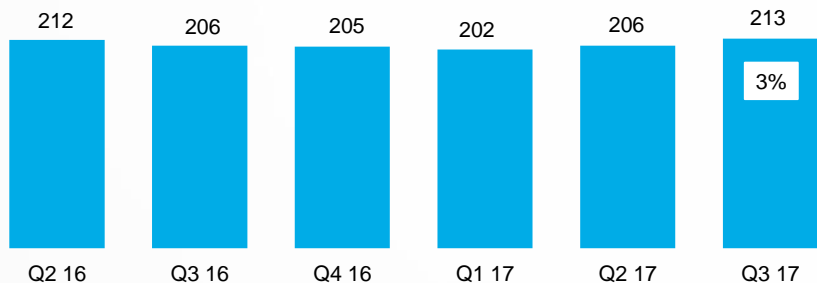


PAKISTAN

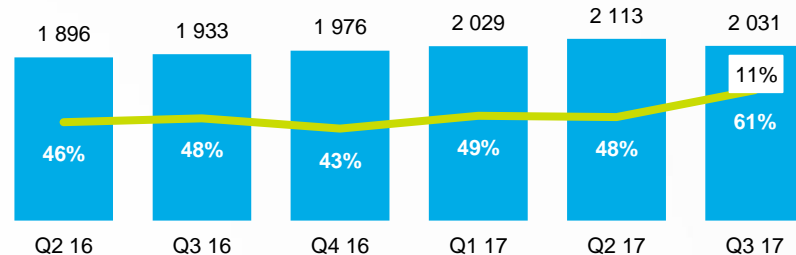
Mobile subscribers ('000)



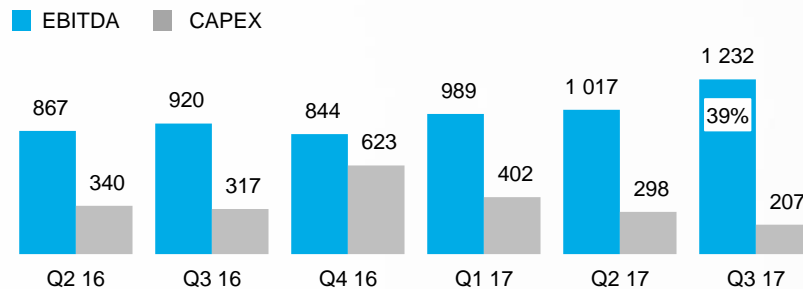
Mobile ARPU (PKR/month)



Revenues (NOK m) and EBITDA margin

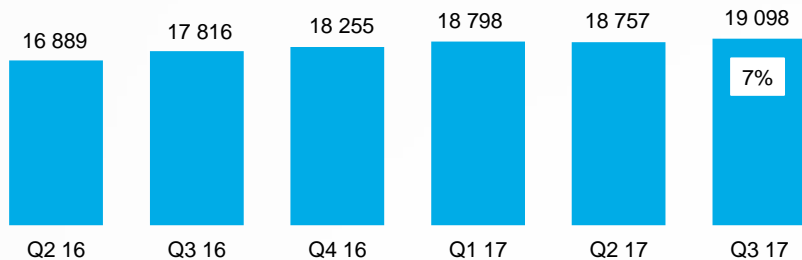


EBITDA and capex (NOK m)

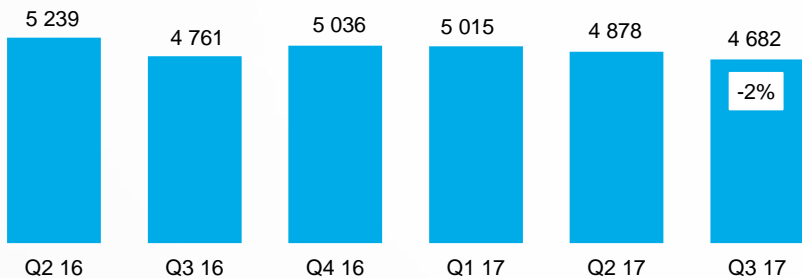


MYANMAR

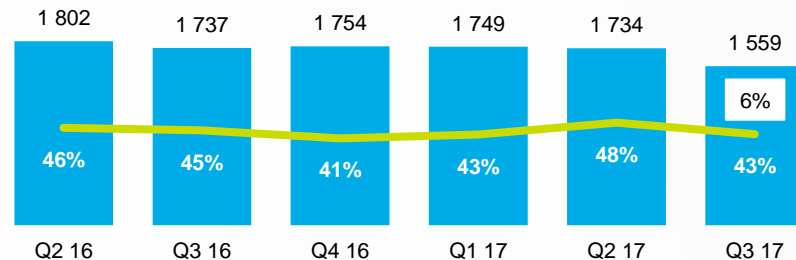
Mobile subscribers ('000)



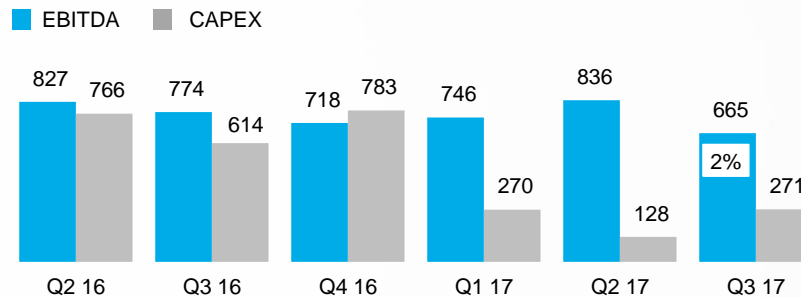
Mobile ARPU (MMK/month)



Revenues (NOK m) and EBITDA margin

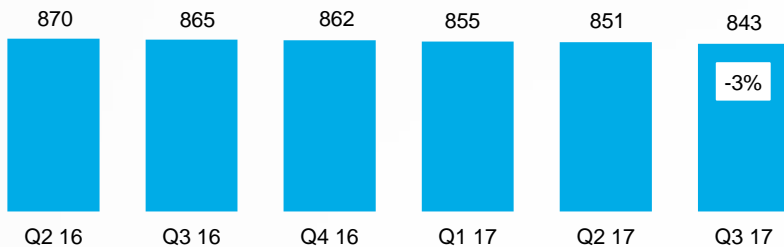


EBITDA and capex (NOK m)

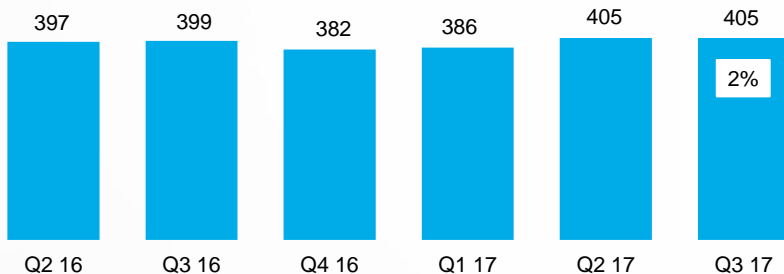


BROADCAST

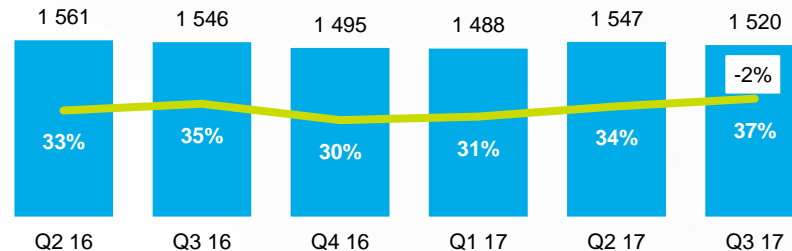
DTH subscribers ('000)



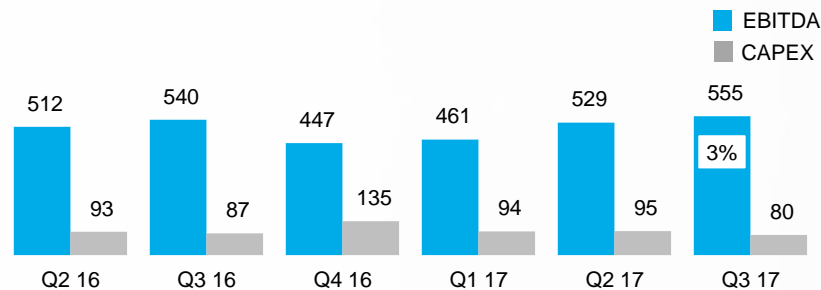
DTH ARPU (NOK/month)



Revenues (NOK m) and EBITDA margin



EBITDA and capex (NOK m)



CHANGES IN REVENUES AND EBITDA

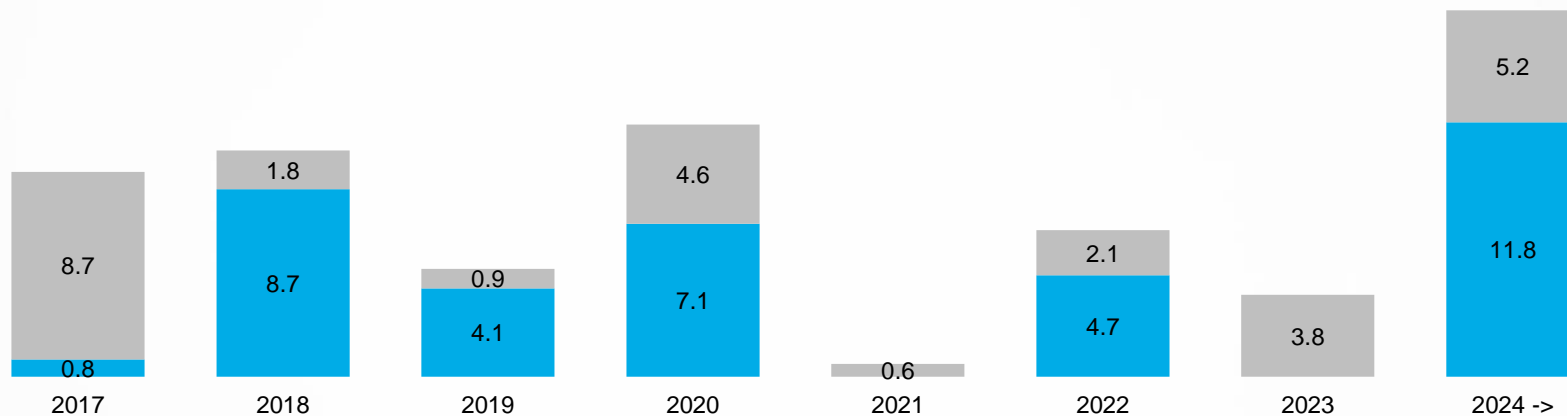
	Revenues		EBITDA	
	Reported	Organic	Reported	Organic
Norway	-0.1 %	-0.6 %	2.3 %	2.3 %
Sweden	4.9 %	3.1 %	9.8 %	9.8 %
Denmark	-2.7 %	-3.5 %	84.8 %	83.3 %
Hungary	6.4 %	4.1 %	6.8 %	4.6 %
Montenegro and Serbia	3.4 %	0.8 %	5.6 %	3.3 %
Bulgaria	2.7 %	2.1 %	-0.1 %	-0.7 %
Thailand	-3.9 %	-3.6 %	6.9 %	7.1 %
Malaysia	-11.9 %	-3.1 %	-14.6 %	-6.0 %
Bangladesh	3.9 %	12.7 %	7.0 %	16.2 %
Pakistan	5.1 %	10.6 %	33.9 %	39.7 %
Myanmar	-10.2 %	6.4 %	-14.1 %	2.1 %
Broadcast	-1.6 %	-1.6 %	2.9 %	2.9 %
Telenor Group	-1.6 %	1.0 %	5.4 %	9.5 %

DEBT MATURITY PROFILE (NOK BN)

Net debt in partly-owned subsidiaries:

NOK bn	Q2 2017	Q2 2017	Q3 2016
Digi	3.9	4.1	2.2
dtac	5.8	6.7	6.9
Grameenphone	1.7	1.3	3.4

■ Subsidiaries
■ Telenor ASA



Per 30 Jun 2017. Net debt in partly-owned subsidiaries shown on 100% basis.

Excl USD 1 bn exchangeable bond due in Sep 2019, with VEON shares as underlying security

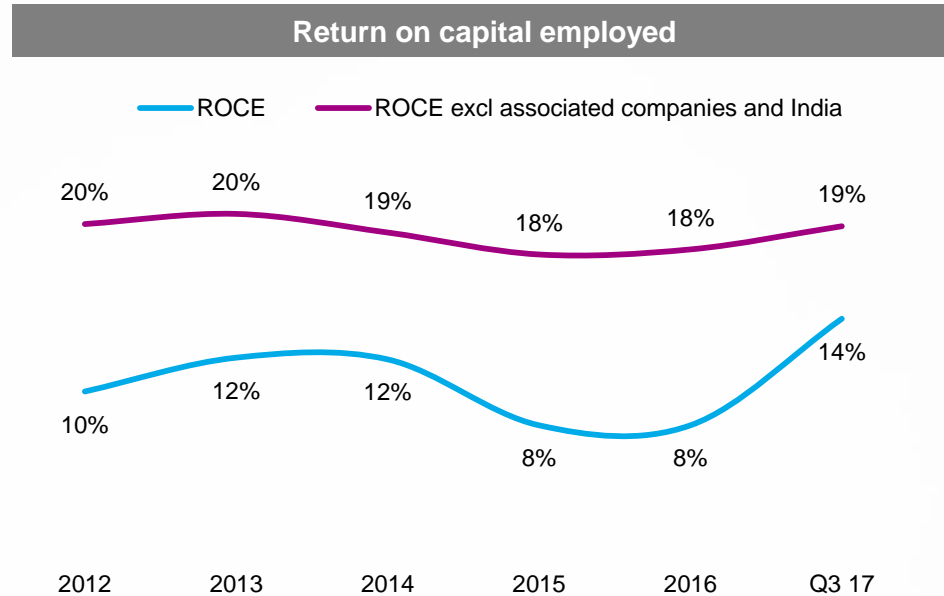
BALANCE SHEET AND KEY RATIOS

	Q3 2017	Q2 2017	Q3 2016
Total assets	202.5	202.3	202.0
Equity attributable to Telenor ASA shareholders	55.6	50.9	53.1
Gross debt*	75.5	78.0	84.3
Net debt	41.0	51.9	47.9
Net debt/EBITDA	0.9	1.1	1.1
Return on capital employed**	14%	5%	4%

*) Gross debt = current interest bearing liabilities + non-current interest bearing liabilities

***) Calculated based on an after tax basis of the last twelve months return on average capital employed

RETURN ON CAPITAL EMPLOYED



NET DEBT RECONCILIATION

NOK bn	Q3 2017	Q2 2017	Q3 2016
Current interest bearing liabilities	25.8	26.6	25.7
Non-current interest bearing liabilities	49.8	51.4	58.5
Licence obligations	(2.2)	(2.8)	(4.8)
Debt excluding licence obligations	73.3	75.2	79.5
Cash and cash equivalents	(29.8)	(20.6)	(27.6)
Investments in bonds and commercial papers	(0.8)	(1.0)	(1.3)
Fair value hedge instruments	(1.8)	(1.7)	(2.7)
Net interest bearing debt excl. licence obligations	41.0	51.9	47.9

FREE CASH FLOW

NOK millions	Q3 2017	Q2 2017	Q3 2016
Net cash flows from operating activities	12 086	11 601	10 492
Net cash flows from investing activities	-360	440	760
Repayments of borrowings - licence obligations	-440	-292	-151
Repayments of borrowings – supply chain financing	-899	-877	-955
Dividends paid to and purchase of share from non-controlling interest	-960	-926	-1 082
Free cash flow	9 426	9 947	9 064