



Telenor Group – First Quarter 2015

Jon Fredrik Baksaas, CEO



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Promising start to the year

- 6 million new mobile subscribers
- 8% organic revenue growth and 5% organic EBITDA growth
- Continued solid performance in Norway
- Executing on turnaround plan in Thailand
- Strong growth and positive EBITDA in Myanmar

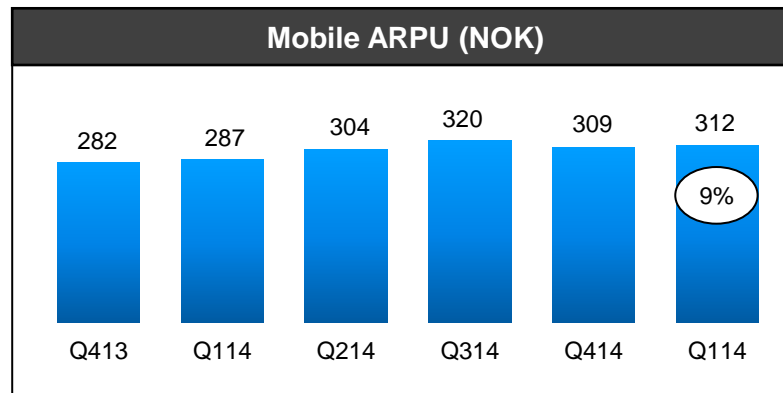


Continued operations. EBITDA before other items.

Increased demand for data driving growth in Norway

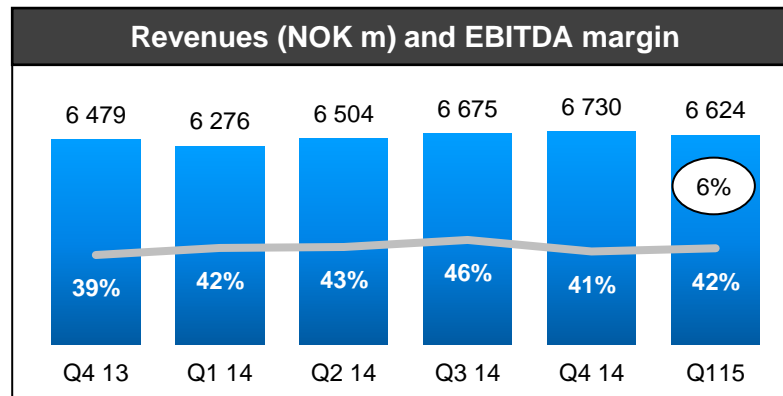
Mobile

- 9% growth in mobile subscription and traffic revenues
- Upselling on 116% growth in median data usage and migration to data centric plans
- 86% 4G population coverage



Fixed

- 2% growth in Internet and TV revenues despite ADSL decline
- 17k new high-speed connections in Q1
- 3% fixed internet ARPU growth from upselling and new product portfolios

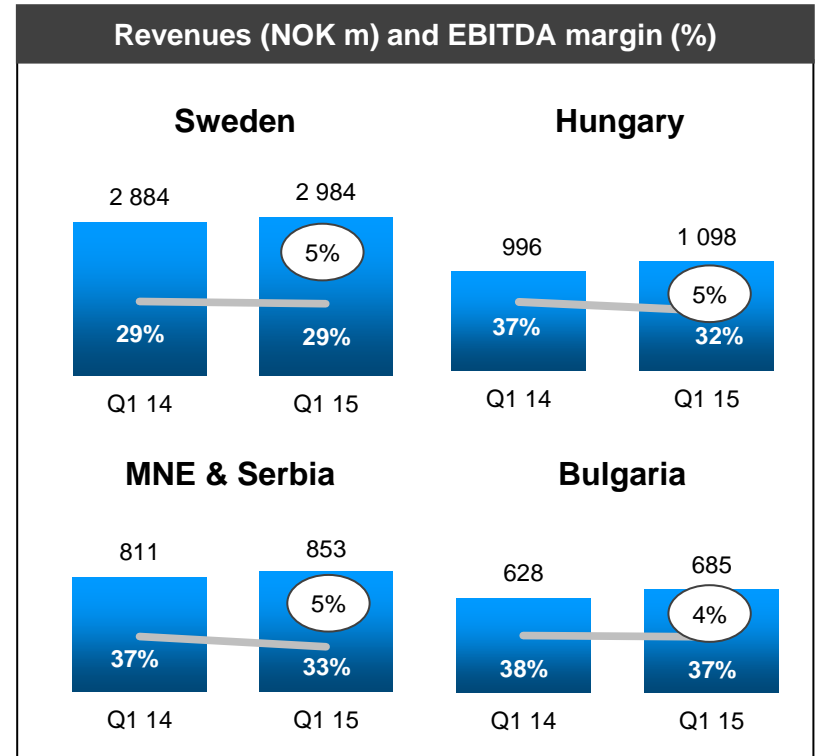


○ Organic revenue growth

Organic growth assuming fixed currency, adjusted for acquisitions and disposals. EBITDA margin before other items.

Device bundles driving growth in European operations

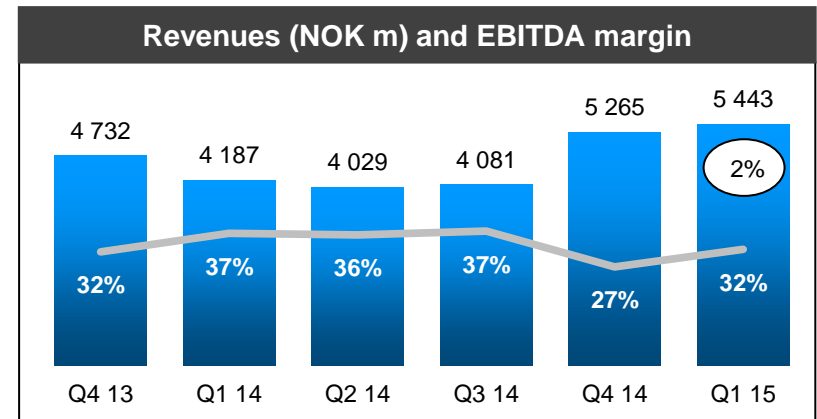
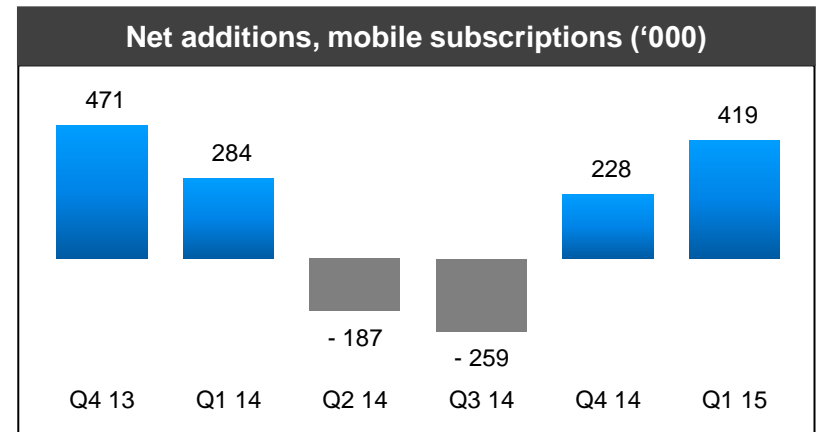
- Intensified competition on mobile data offerings in Sweden
- 4G network sharing with Magyar Telekom in Hungary
- Promising start for financial services in Serbia
- Network swap in Bulgaria completed
- Regulatory approval process of JV in Denmark continues as expected



○ Organic revenue growth

Executing on turnaround plan in Thailand

- Intense competition continues, incl. handset subsidies in prepaid segment
- Tariff adjustments with early signs of market improvement
- Strengthening distribution through cluster based operating model
- Accelerating 3G and 4G investments to capture data position
- Ongoing process to ensure access to concessionary assets beyond 2018

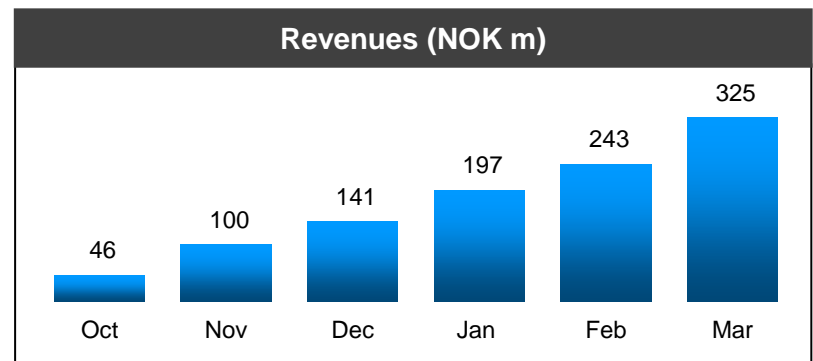
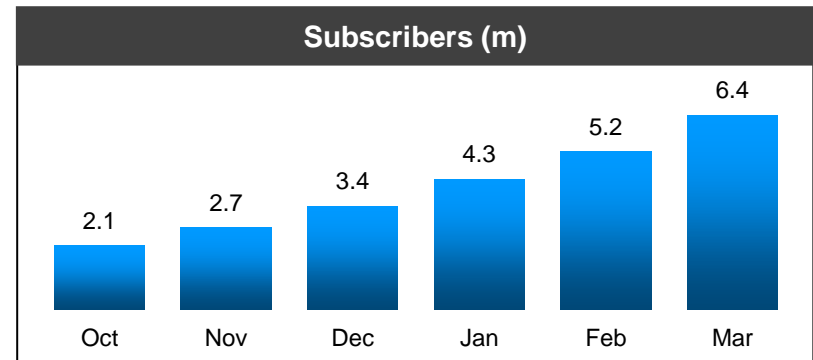


○ Organic revenue growth

Q1 2015

Strong growth and positive EBITDA in Myanmar

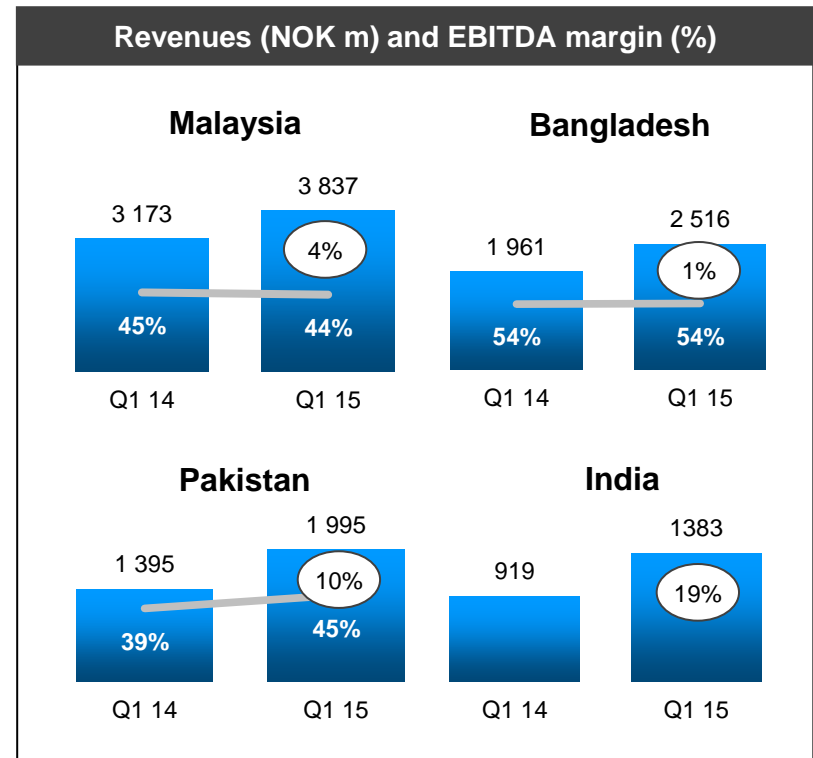
- 6.4 million subscribers by end of March
- ARPU of USD 6.7 and EBITDA margin of 19%
- Expansion into 8 new geographic areas, ending Q1 with 1,772 network sites on air
- Ramping up network investments to cater for the strong demand
- Maintaining peak funding of USD 1 billion incl licence fee



Q1 2015

Positive EBITDA in India and strong margins in other Asian operations

- 1.8 million net subscriber growth in India, and EBITDA turning positive in March
- Solid margin despite strong handset sale in Malaysia
- Political turmoil and intense competition impacting growth in Bangladesh
- Biometric verification of customer base in Pakistan



○ Organic revenue growth

Organic growth assuming fixed currency, adjusted for acquisitions and disposals.
EBITDA margin before other items.

Key development trends and priorities for 2015

Monetise data growth

- Upsell on increasing data usage
- Internet for All strategy

Efficient operations

- Deliver on NOK 5 bn gross cost saving programme
- Implement cluster based operating model across our operations

Return to growth in Thailand

- Recapture Internet position through increased investments in 3G and 4G
- Prioritise investments on low-frequency spectrum bands

Capture position in Myanmar

- Demand exceeding earlier expectations
- Increase network investments to cater for strong demand trends
- Maintain peak funding of USD 1 billion

Learn more about Telenor Group's work on sustainability



Sustainability seminar, Andaz Hotel, London, 12 May 2015



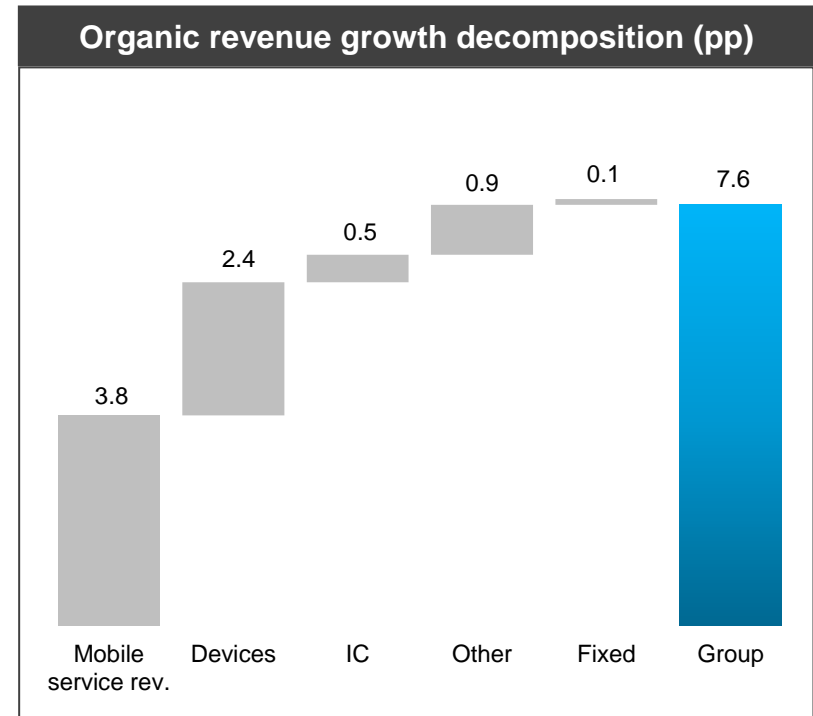
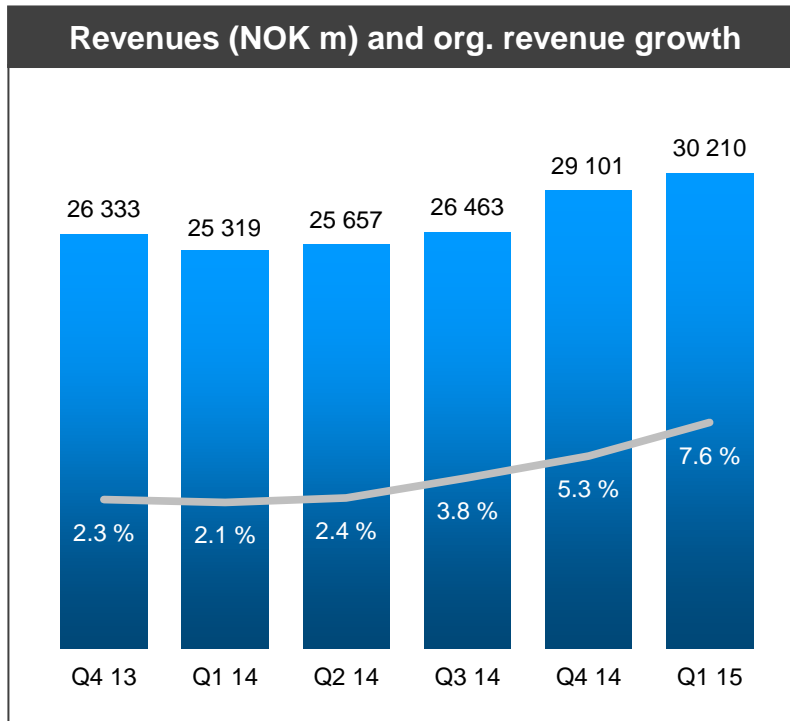
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Richard Olav Aa, CFO



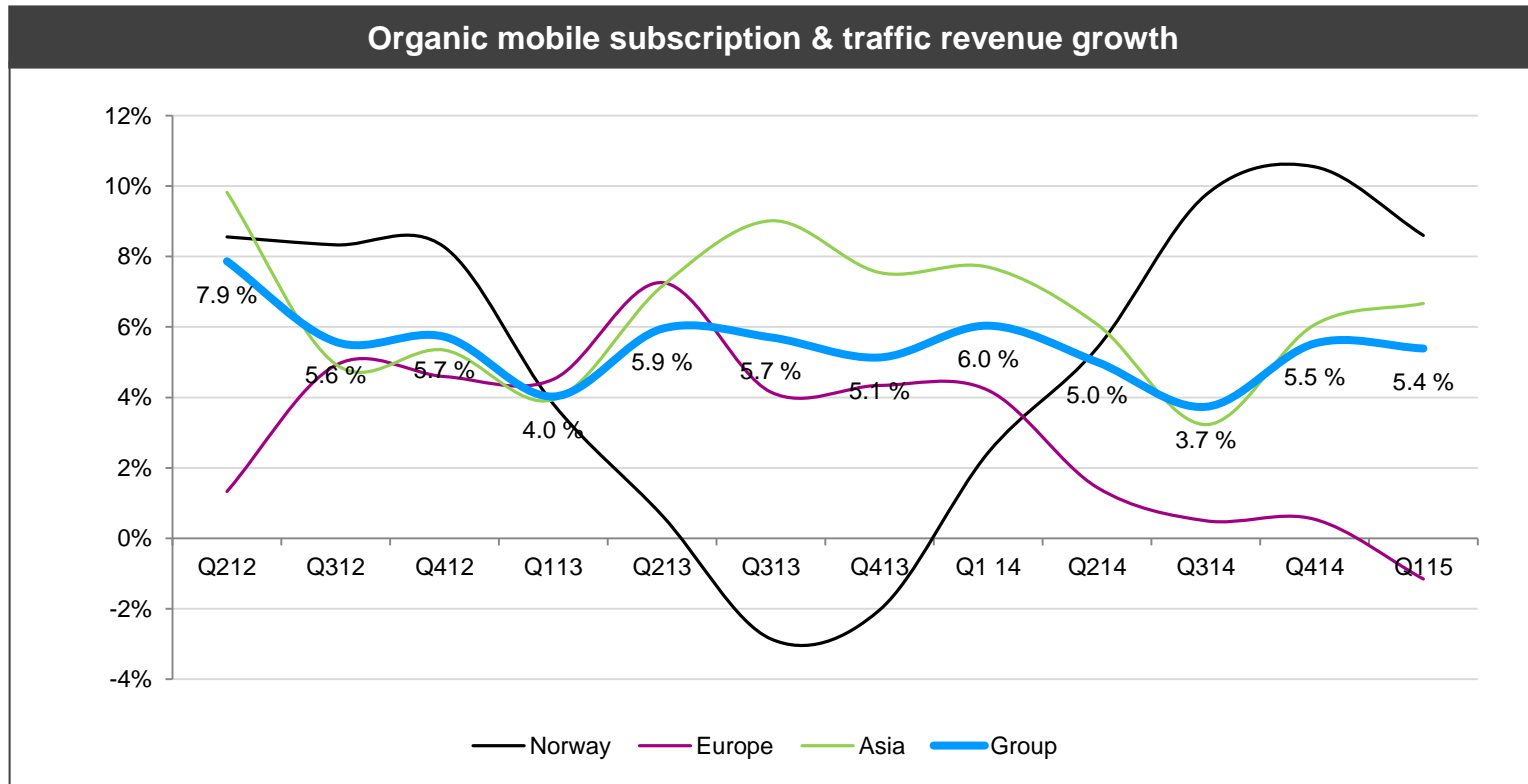
Q1 2015

Strong revenue growth: 19% reported, 8% organic

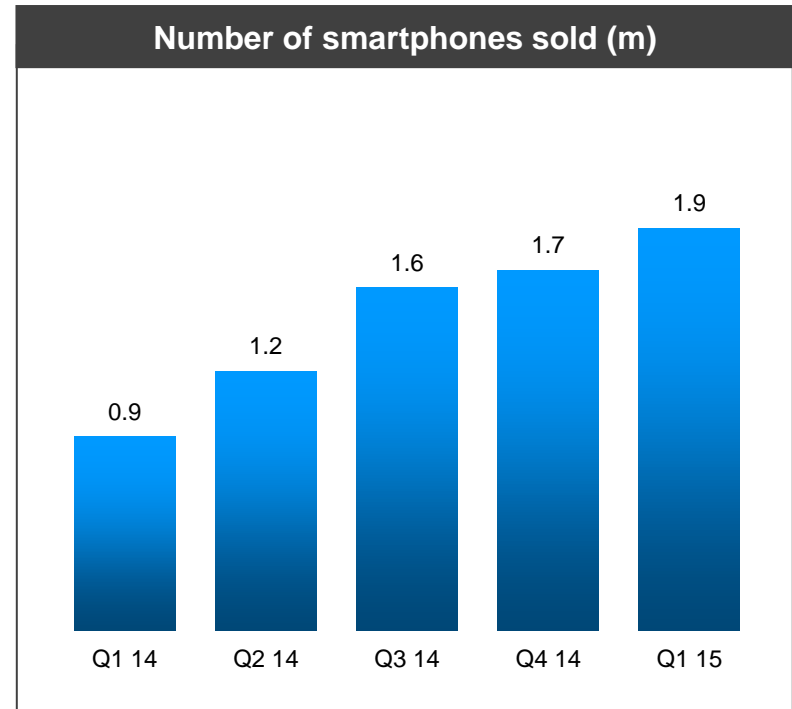
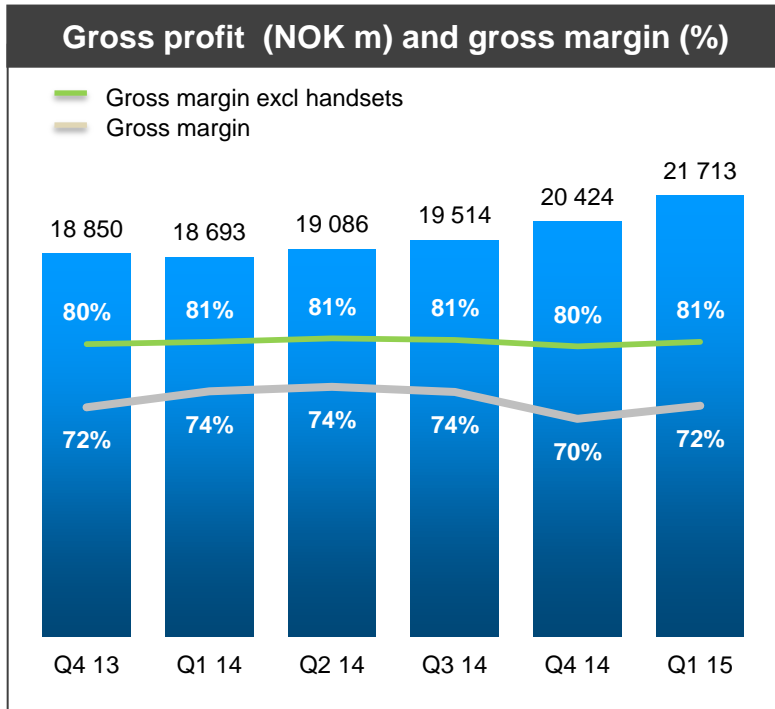


Continued operations. Organic revenue growth in fixed currency, adj. for acquisitions and disposals.

Robust mobile subscription and traffic revenue growth

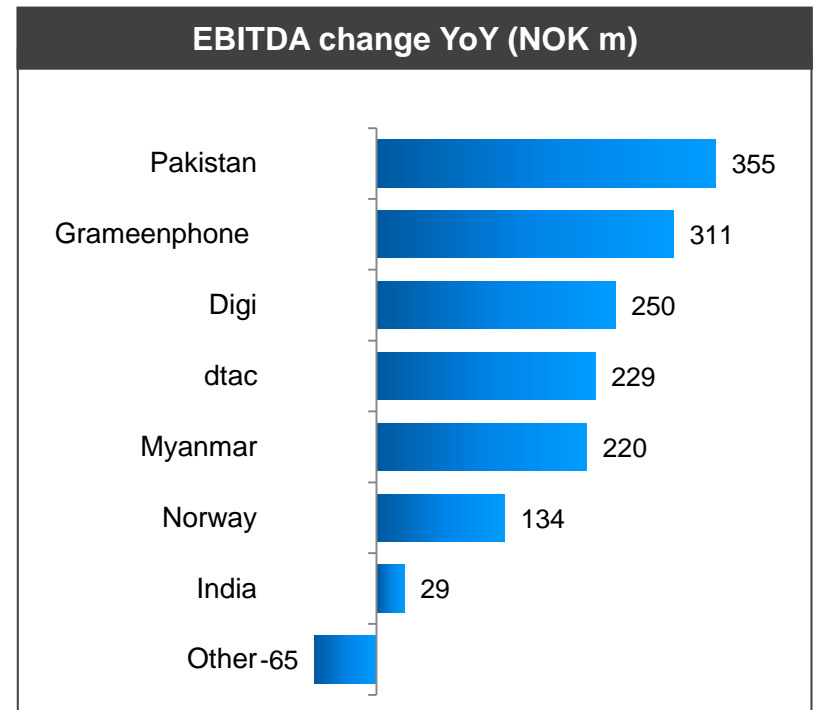
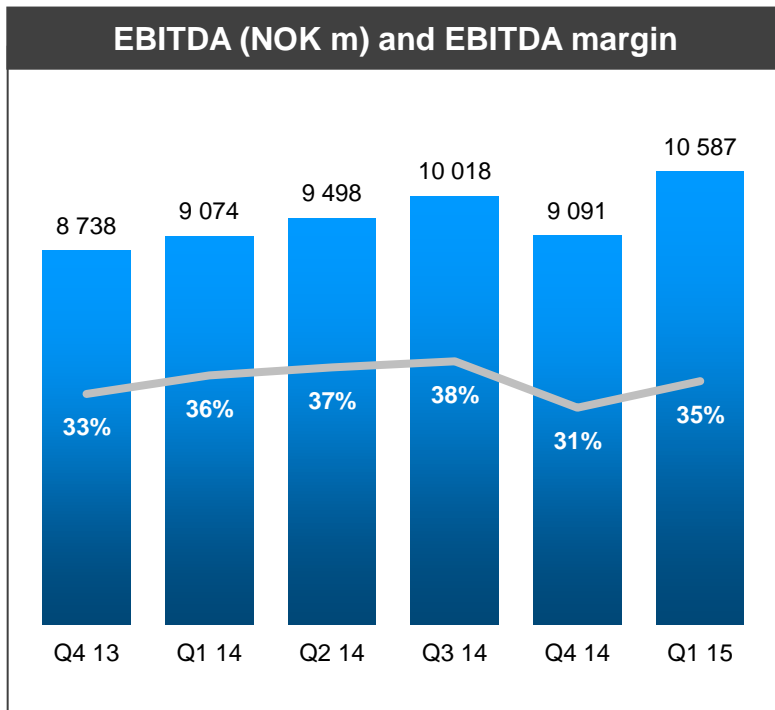


Stable gross margin excl. handset sales



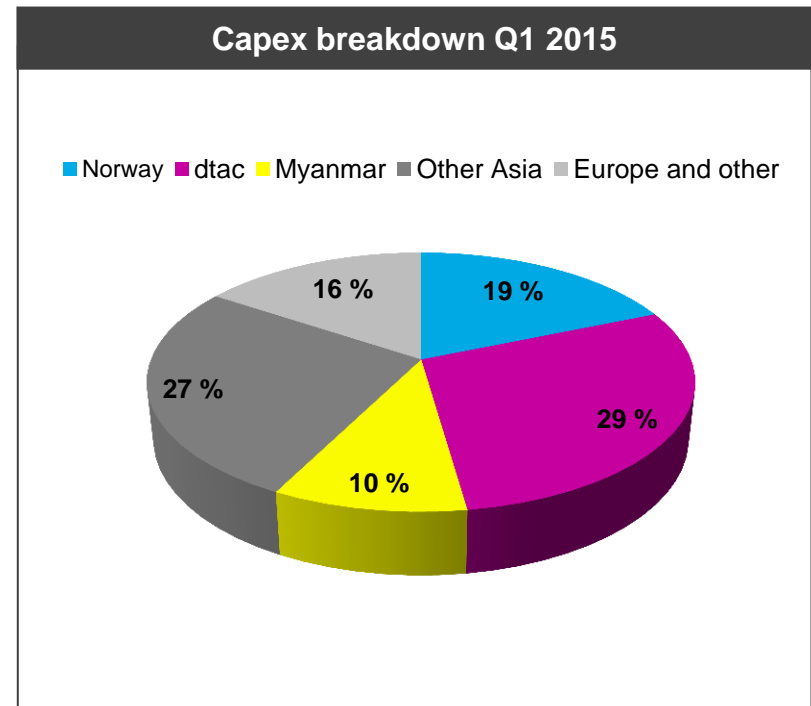
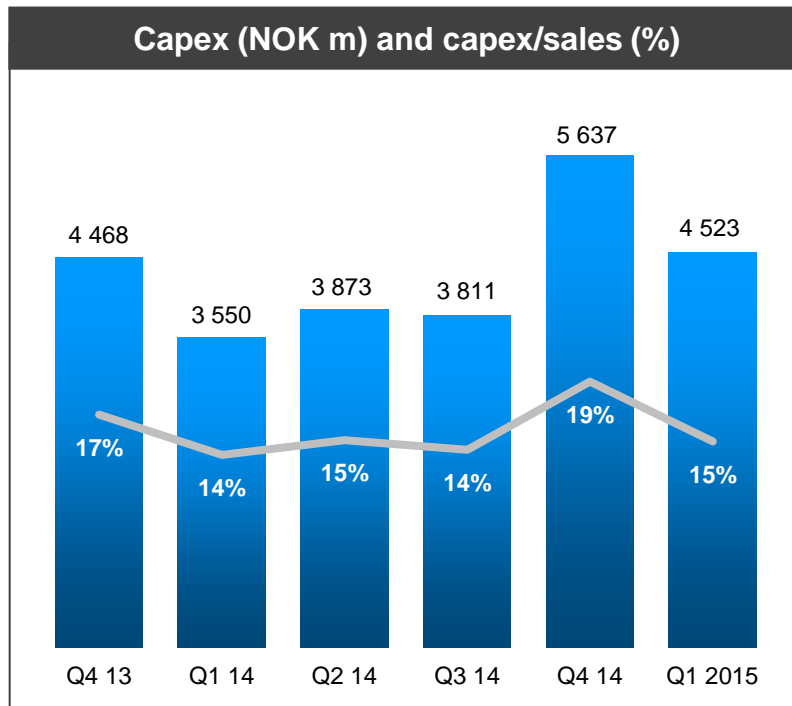
Q1 2015

35% EBITDA margin and 5% organic growth in EBITDA



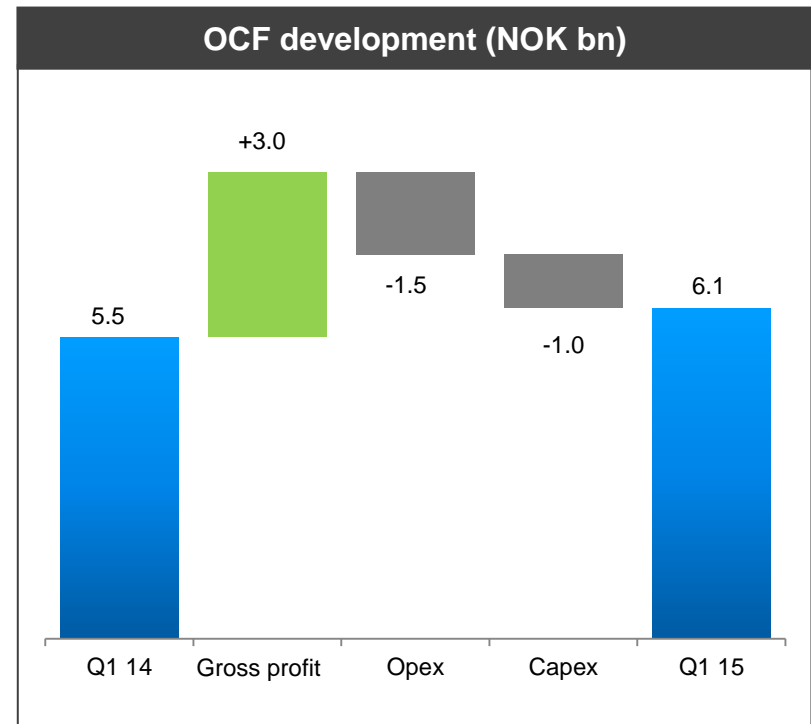
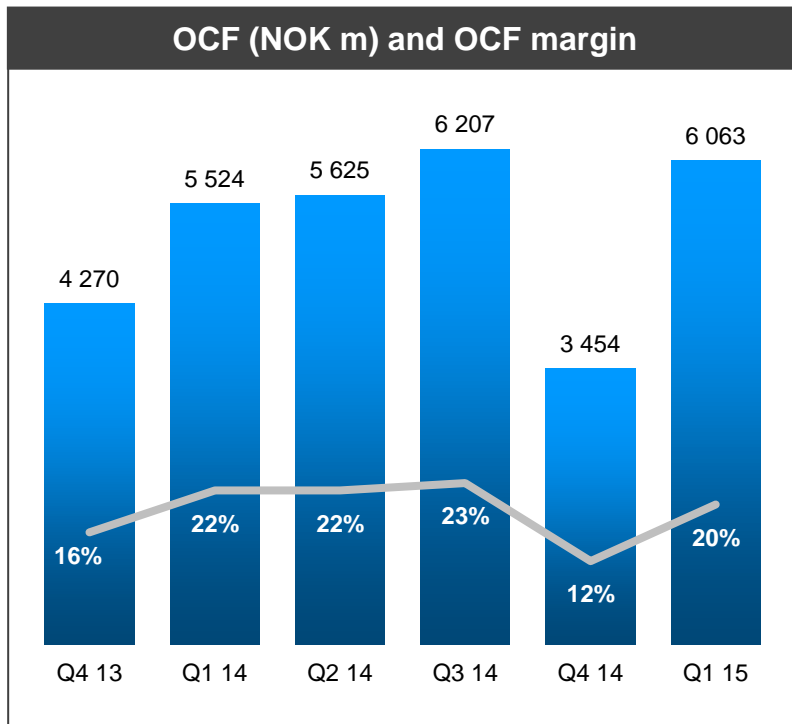
Q1 2015

Capex of NOK 4.5 billion and capex/sales of 15%



Q1 2015

Operating cash flow of NOK 6.1 billion



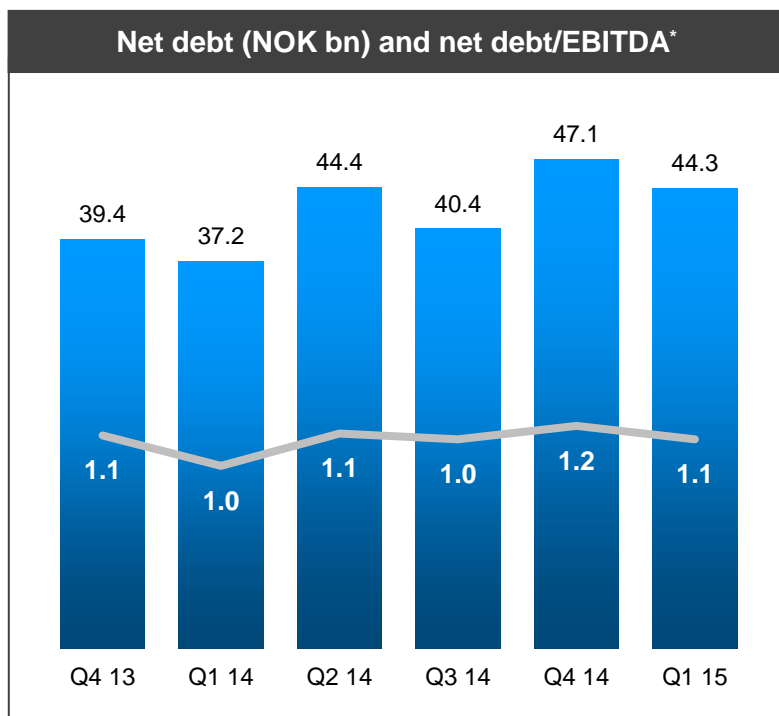
Continued operations. Operating cash flow = EBITDA before other items - capex excl. licences

Q1 2015

Net income to Telenor shareholders of NOK 4.1 billion

NOK m	Q1 15	Q1 14	
Revenues	30 210	25 319	
EBITDA before other items	10 587	9 074	• Norway (-32m)
Other items	-33	2 603	• Sales gain Conax (1.2bn) and licence offset in India (1.66 bn)
EBITDA	10 554	11 677	
Depreciation and amortisation	-3 979	-3 504	• VimpelCom (195m)
EBIT	6 562	8 164	• Gain on disposal of Evry (224m)
Associated companies	653	-1 836	• Online classifieds (-40m) plus non-cash gain (275 m)
Net financials	-528	-73	• VimpelCom charge related to Algeria resolution (-2.0 bn)
Profit before taxes	6 687	6 256	
Taxes	-1 855	-1 638	
Discontinued operations	187	-19	
Non-controlling interests	967	923	
Net income to Telenor	4 053	3 676	
Earnings per share (NOK)	2.70	2.43	

Net debt of NOK 44.3 bn and net debt/EBITDA of 1.15x



Change in net debt (NOK bn)

Net debt 31 Dec 2014	47.1
EBITDA	(10.6)
Income taxes paid	1.5
Net interest paid	0.3
Capex paid	4.8
Licence payment Myanmar	0.9
Dividends paid to NCI	0.6
Divestment of Evry stake	(1.3)
Currency effects	(0.3)
Changes in working capital and Other	1.3
<i>Net change</i>	<i>(2.8)</i>
Net debt 31 Mar 2015	44.3

*) 12 months rolling EBITDA. Net debt excl licence commitments

Key development trends and priorities for 2015

Monetise data growth

- Upsell on increasing data usage
- Internet for All strategy

Efficient operations

- Deliver on NOK 5 bn gross cost saving programme
- Implement cluster based operating model across our operations

Return to growth in Thailand

- Recapture Internet position through increased investments in 3G and 4G
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Capture position in Myanmar

- Demand exceeding earlier expectations
- Increase network investments to cater for strong demand trends
- Maintain peak funding of USD 1 billion

Q1 2015

Outlook for 2015

	2015	YTD	2014
Organic revenue growth	5-7% <i>(Prev. Mid single digit)</i>	7.6%	3.4%
EBITDA margin	34-36% <i>(Prev. 33-35%)</i>	35.0%	35.4%
Capex/sales ratio	17-19% incl satellite <i>(Prev. In line with 2014 excl satellite)</i>	15.0%	15.8%

Group structure (continued operations) as of 31 March 2015

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

Summary

- 6 million new mobile subscribers
- 8% organic revenue growth and 5% organic EBITDA growth
- Continued solid performance in Norway
- Executing on turnaround plan in Thailand
- Strong growth and positive EBITDA in Myanmar



Continued operations. EBITDA before other items.



Q&A





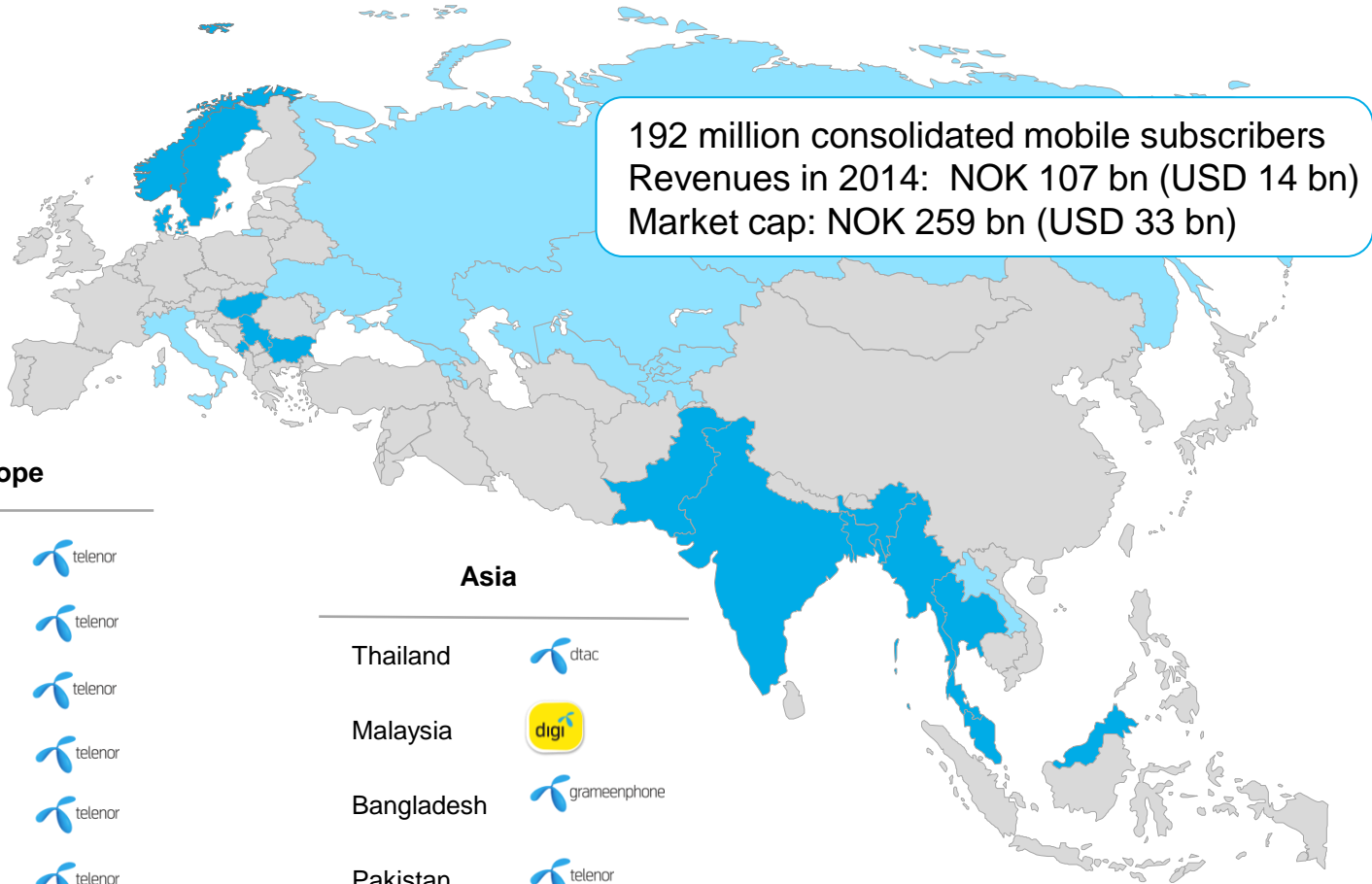
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Appendix



Telenor Group



Europe

- Norway 
- Sweden 
- Denmark 
- Hungary 
- Serbia 
- Montenegro 
- Bulgaria 

Asia

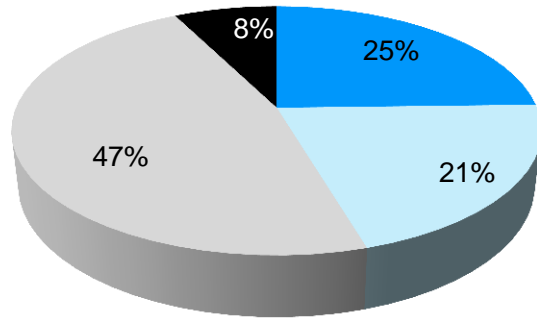
- Thailand 
- Malaysia 
- Bangladesh 
- Pakistan 
- India 
- Myanmar 

VimpelCom Ltd.

Telenor Group holds 33.0% economic stake in VimpelCom Ltd.

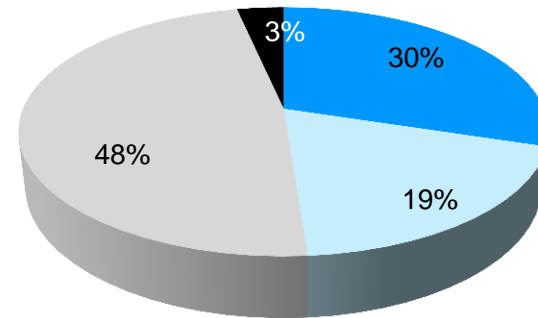
Geographic split of key financials in 2014

Revenues



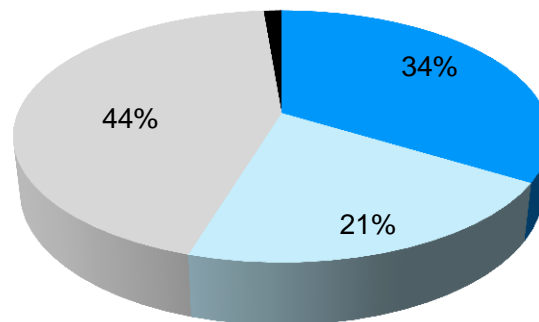
■ Norway ■ Europe ■ Asia ■ Other

EBITDA



■ Norway ■ Europe ■ Asia ■ Other

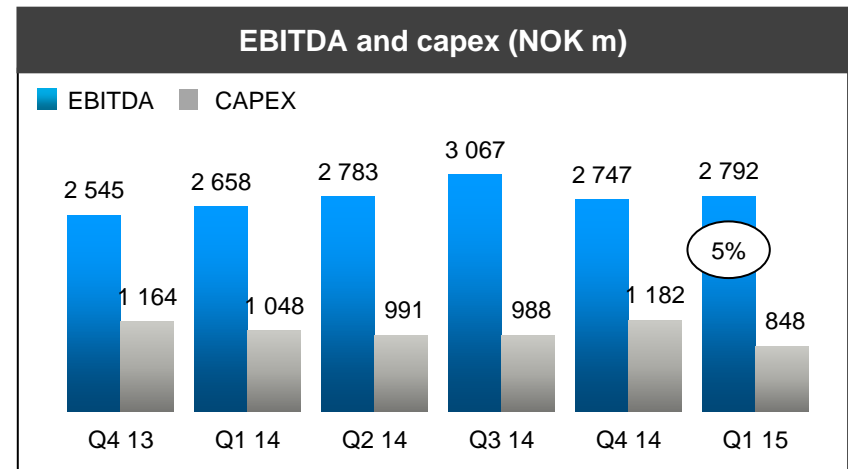
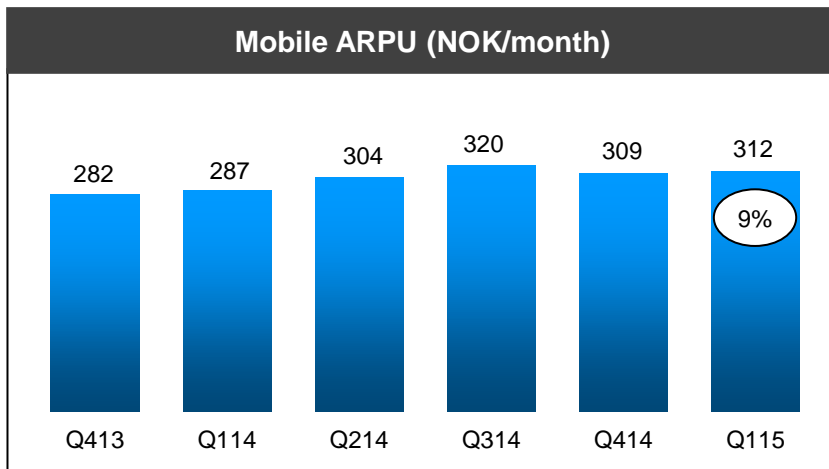
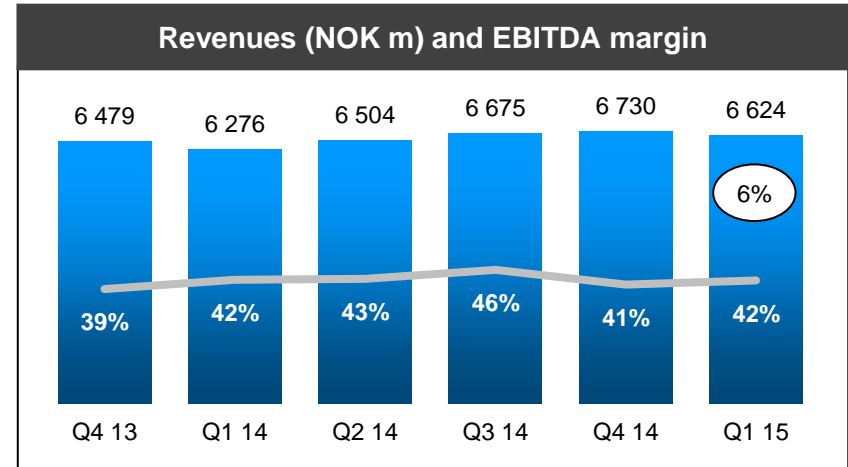
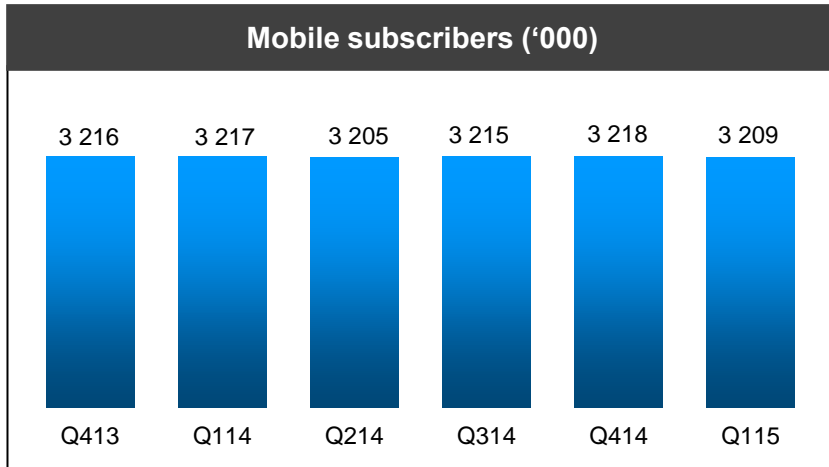
Operating cash flow



■ Norway ■ Europe ■ Asia ■ Other

Priorities for capital allocation

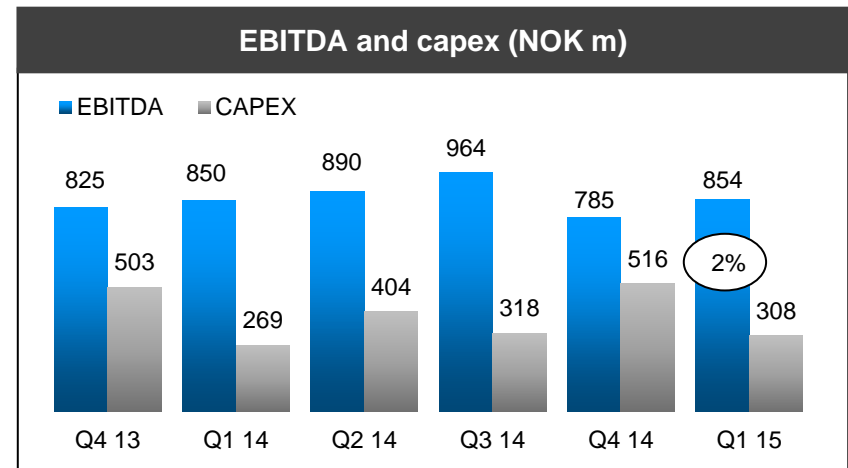
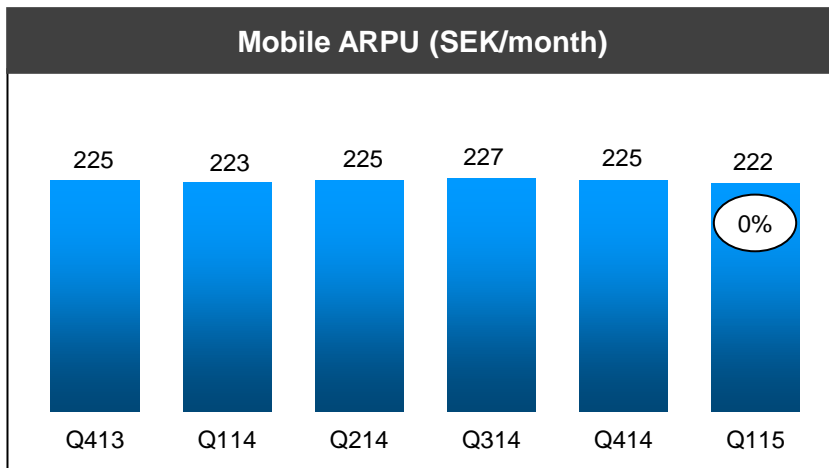
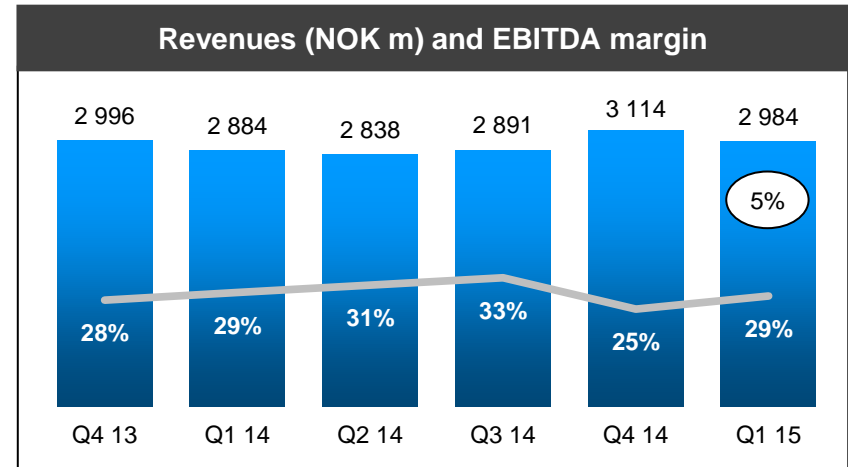
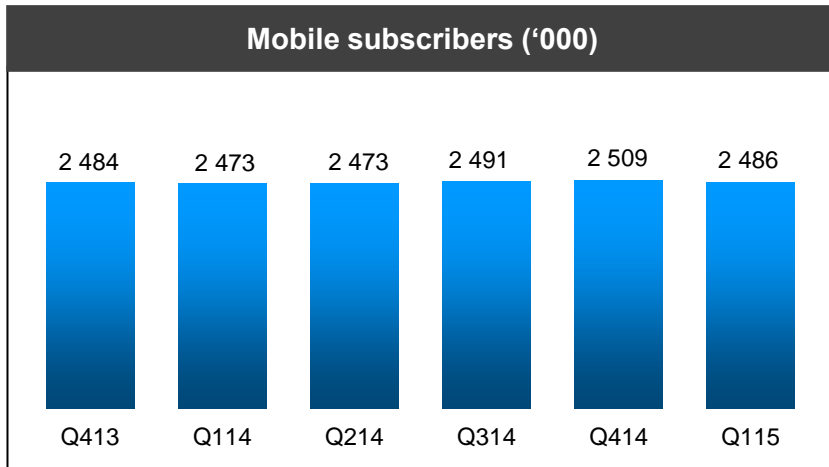
1	Maintain a solid balance sheet	<i>Net debt/EBITDA below 2.0x</i>
2	Competitive shareholder remuneration	<i>50-80% dividend payout of normalised net income Aim for YoY growth in dividends</i>
3	Disciplined and selective M&A	<i>Value driven, within core assets and regions</i>



○ Organic growth

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

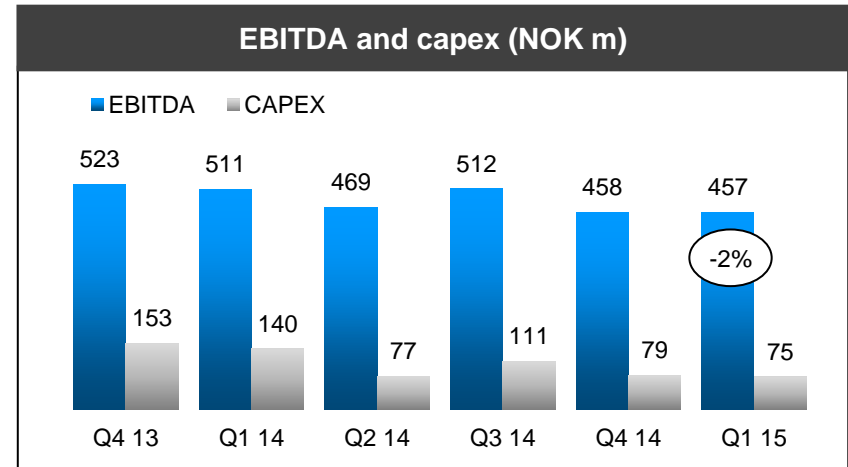
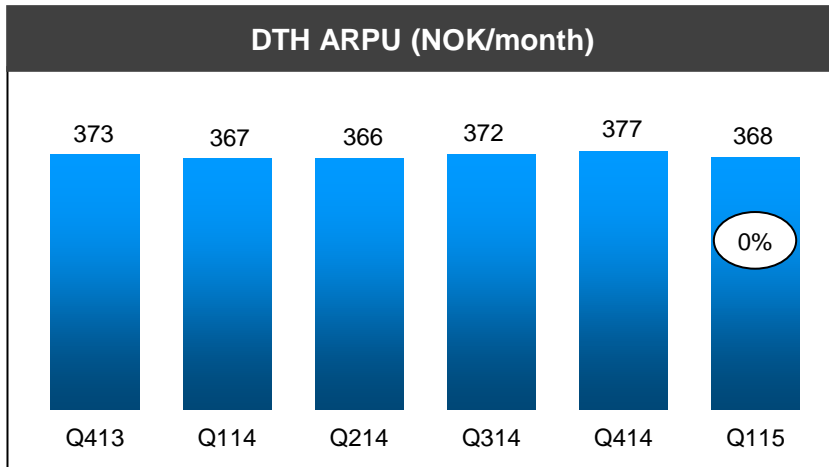
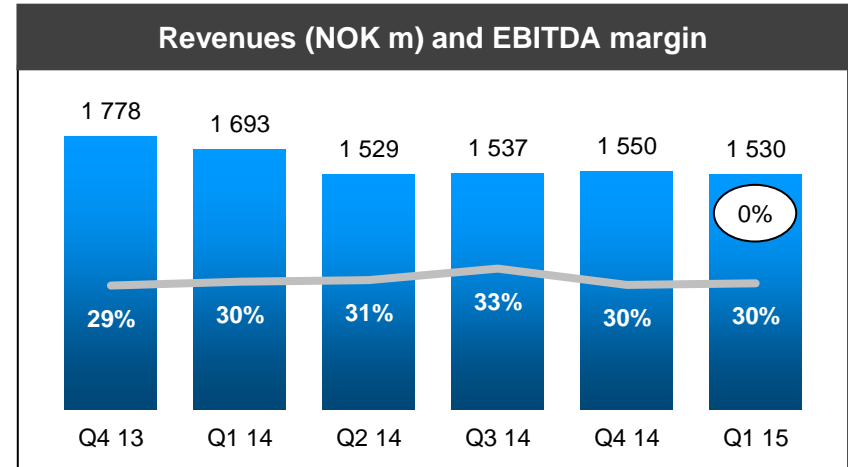
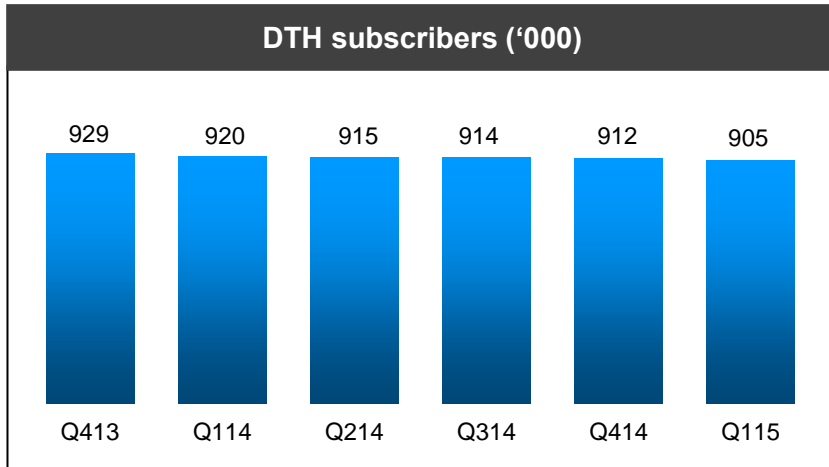
Q1 2015 Sweden



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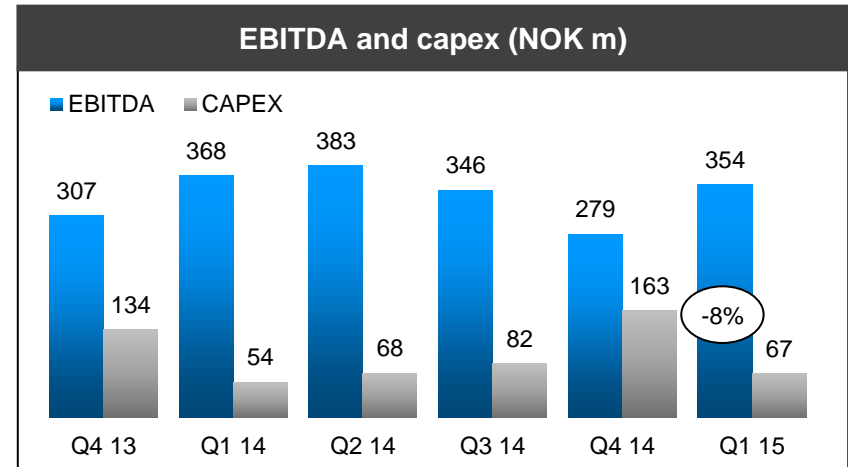
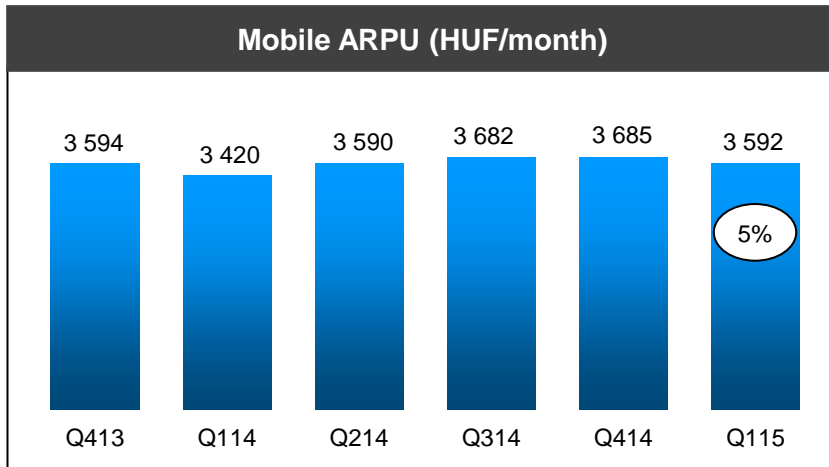
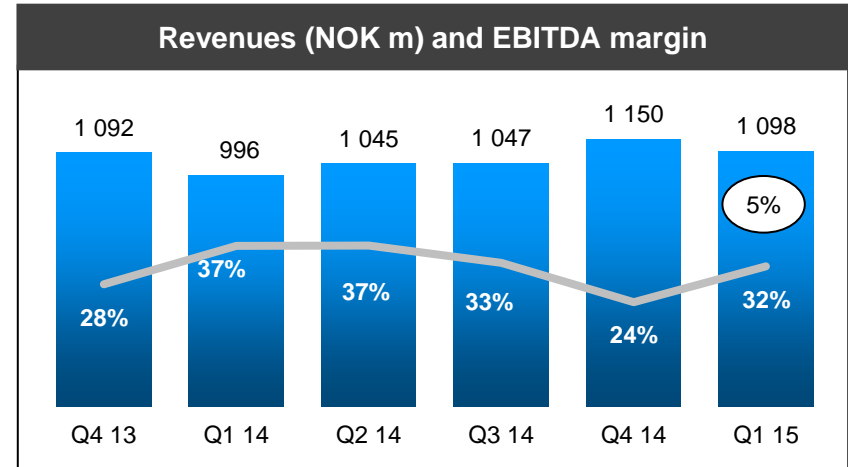
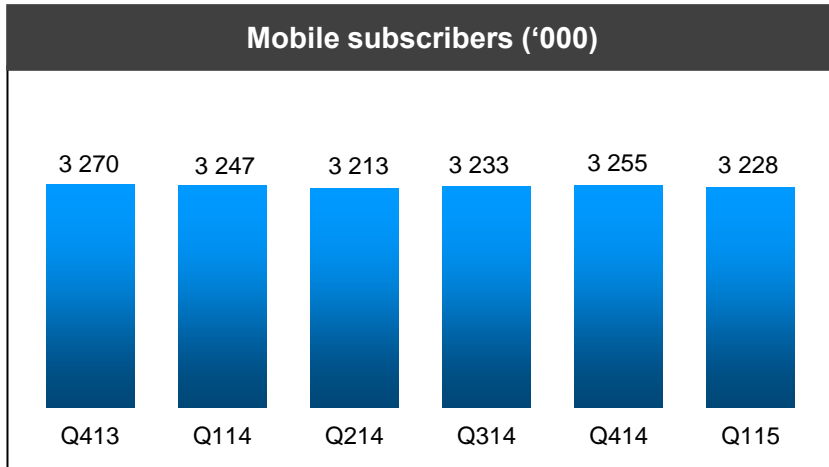
Broadcast



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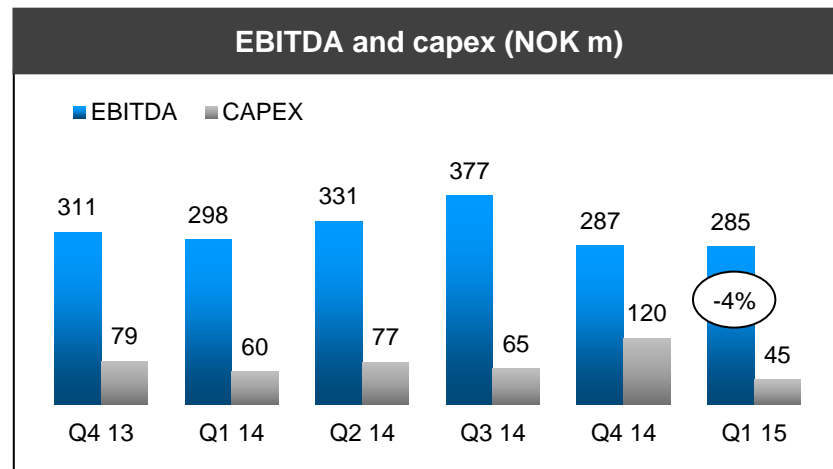
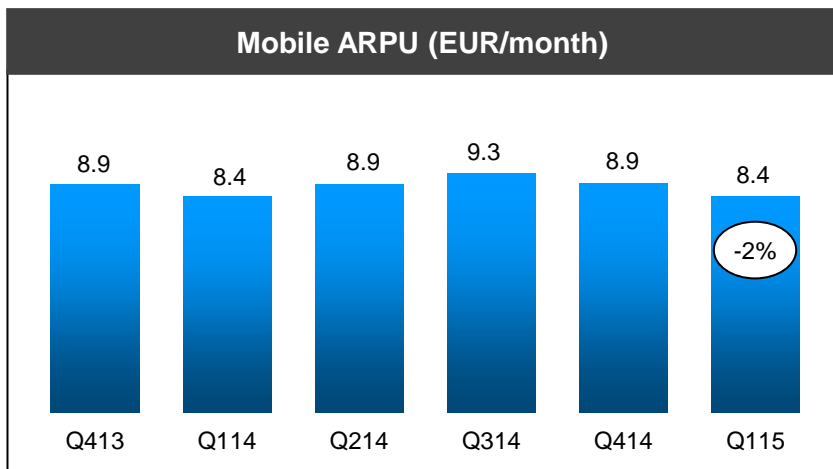
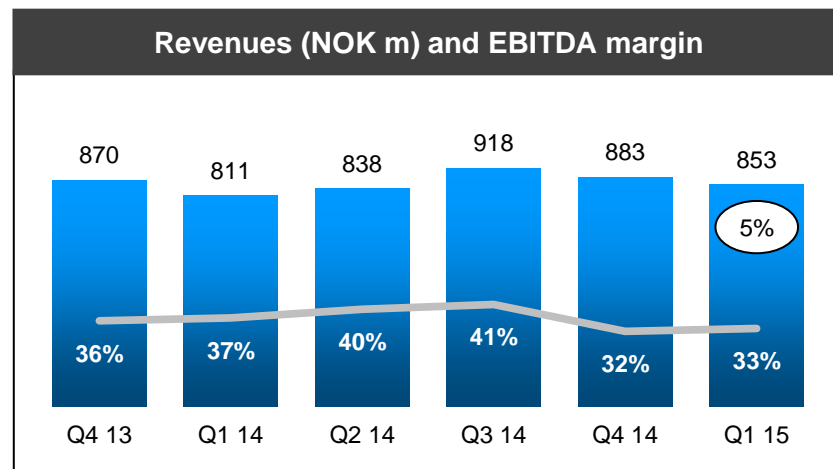
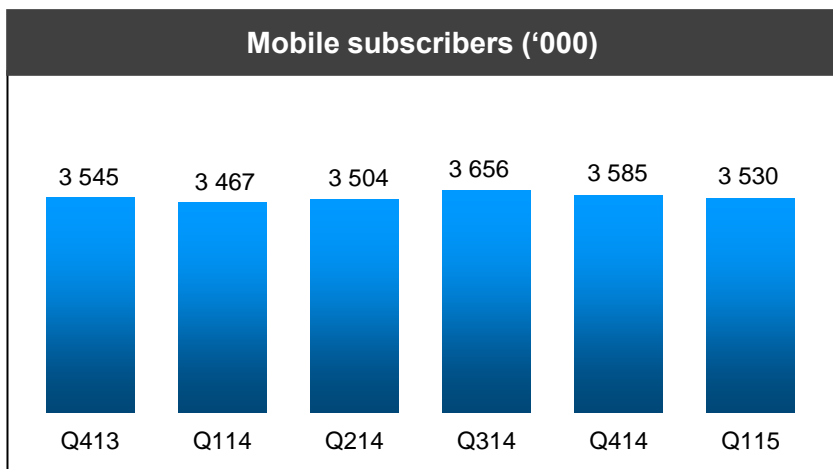
Hungary



○ Organic growth

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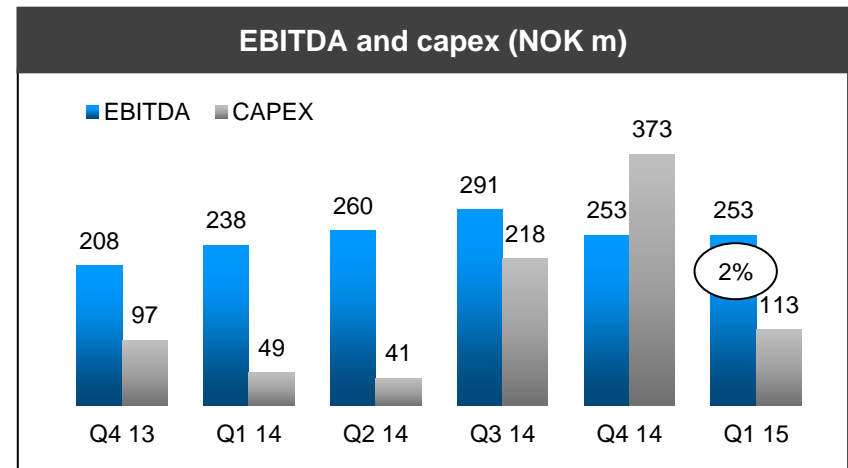
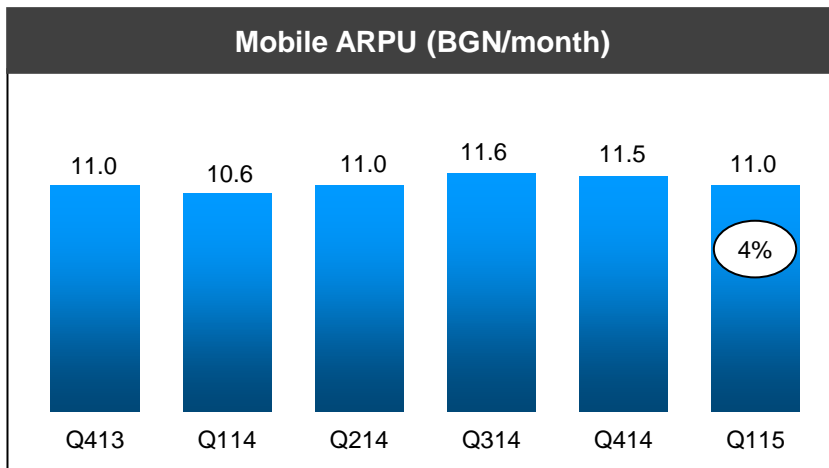
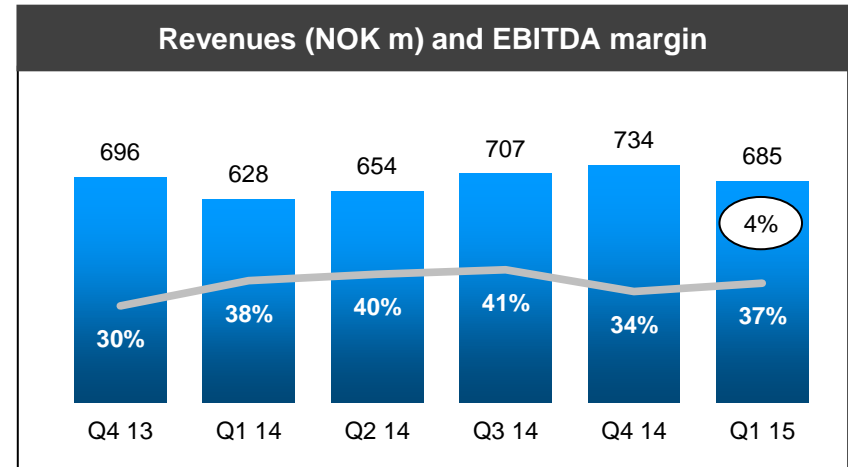
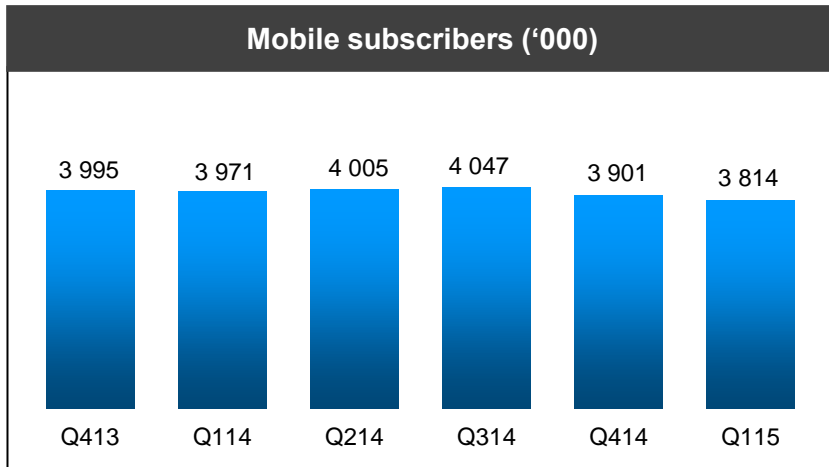
Montenegro and Serbia



○ Organic growth

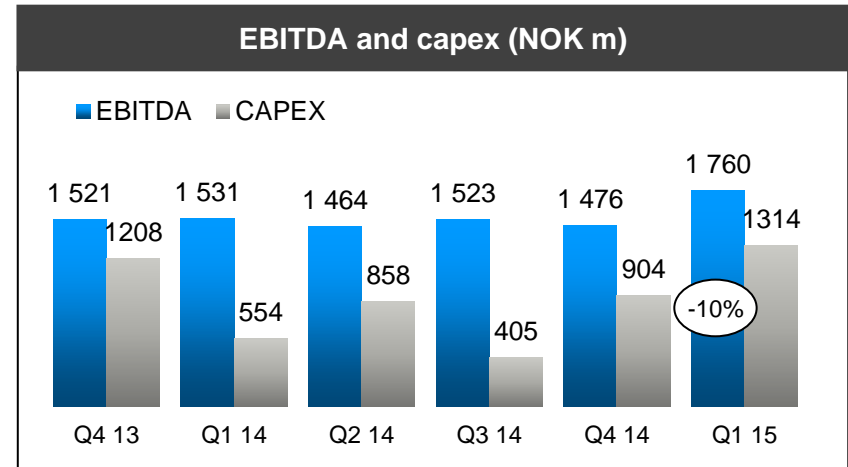
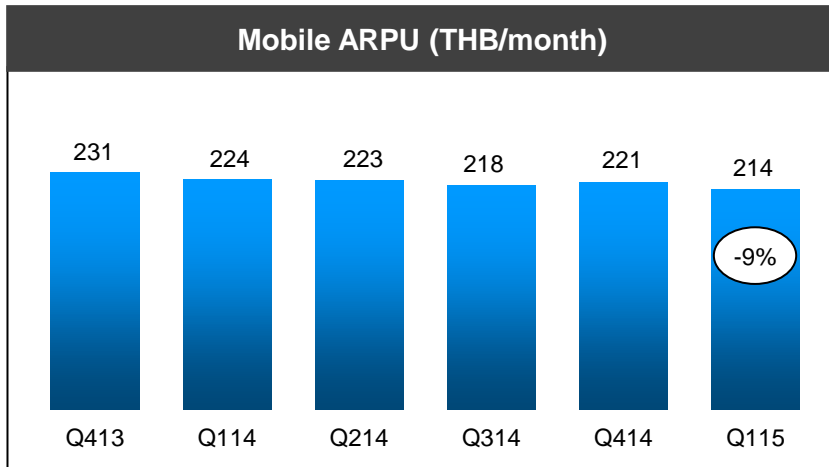
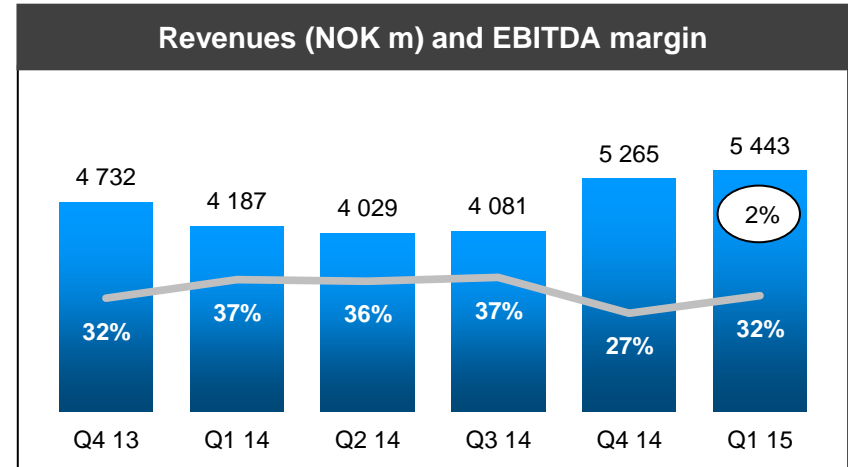
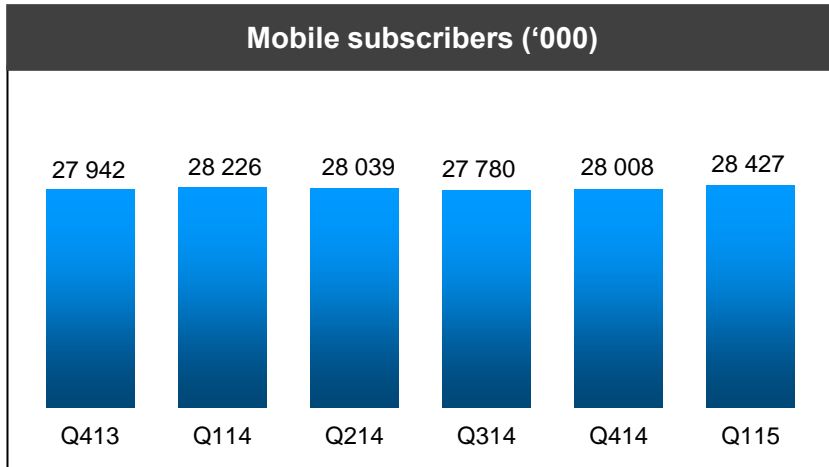
Organic growth assuming fixed currency, adjusted for acquisitions and disposals.
EBITDA and EBITDA margin before other items. Capex excl licence fees

Bulgaria



○ Organic growth

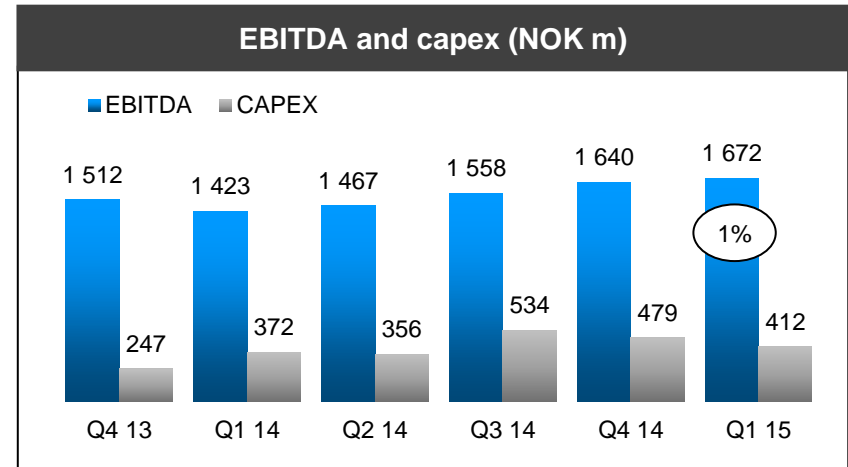
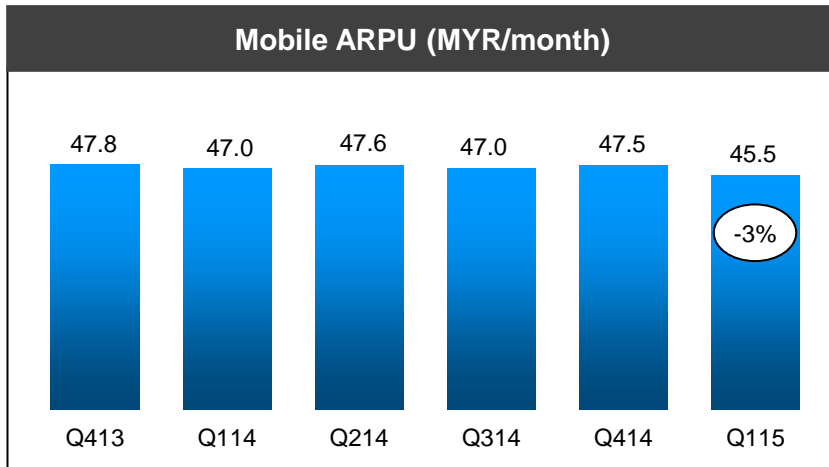
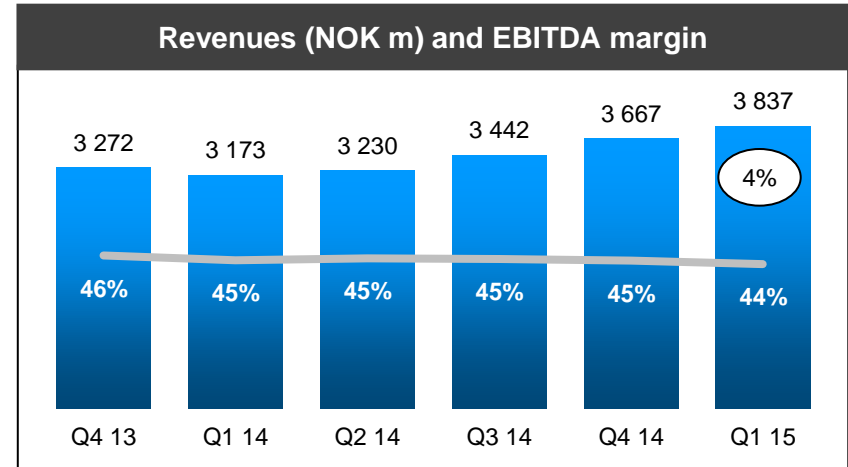
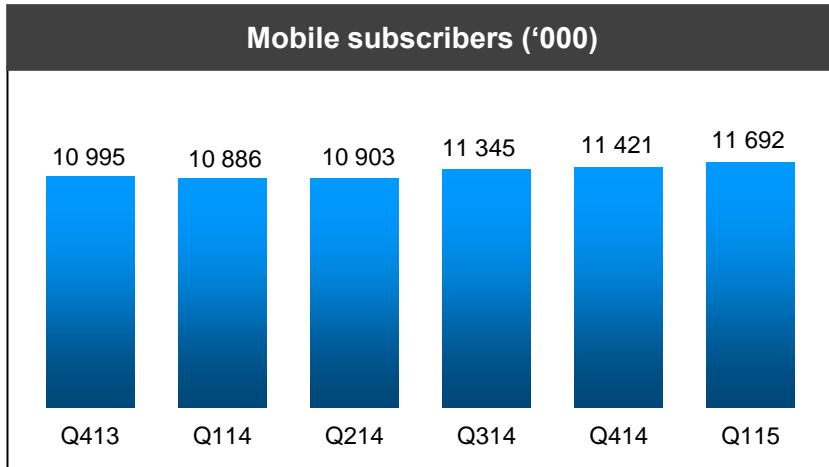
Thailand (dtac)



○ Organic growth

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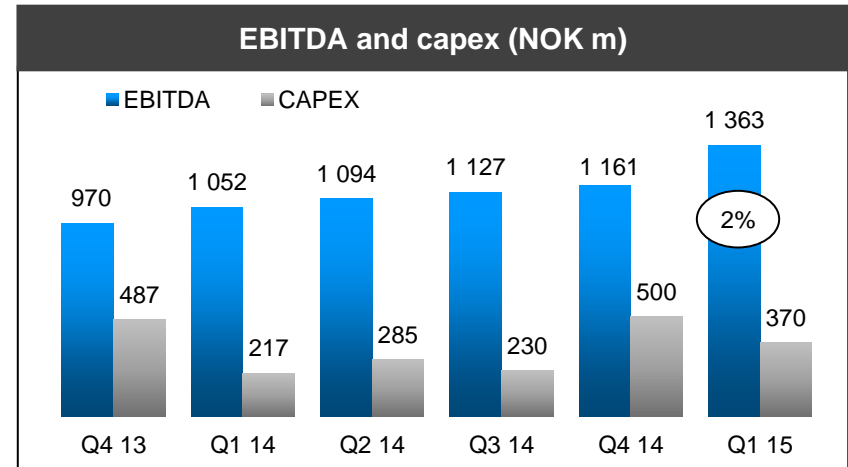
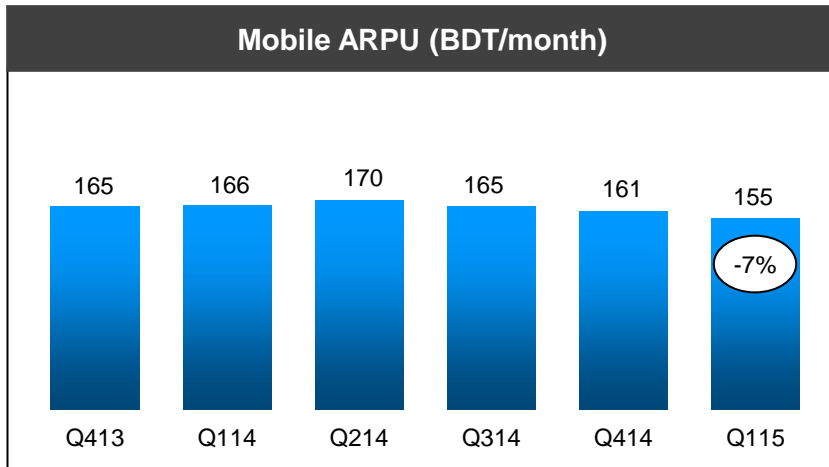
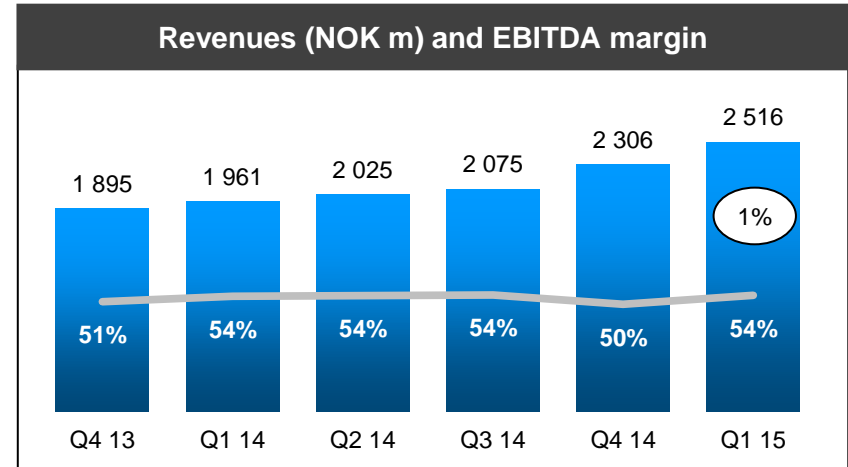
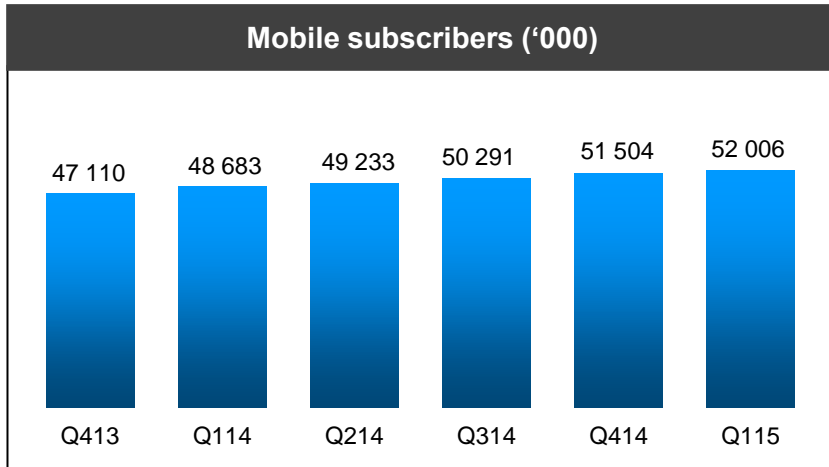
Malaysia (Digi)



○ Organic growth

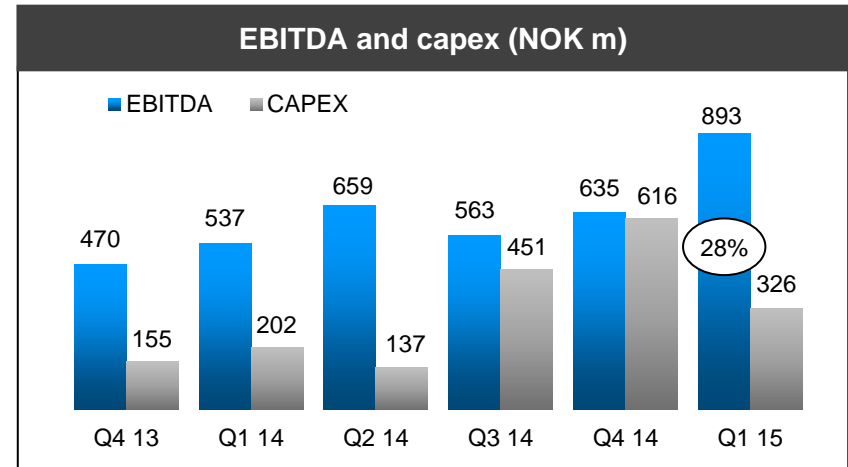
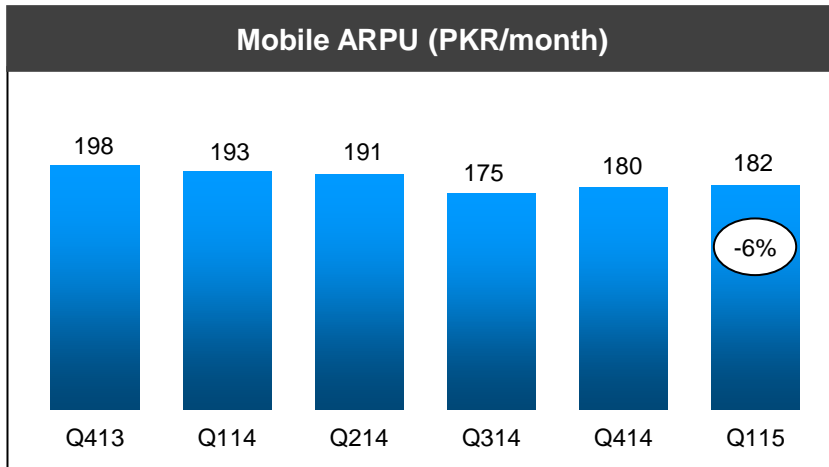
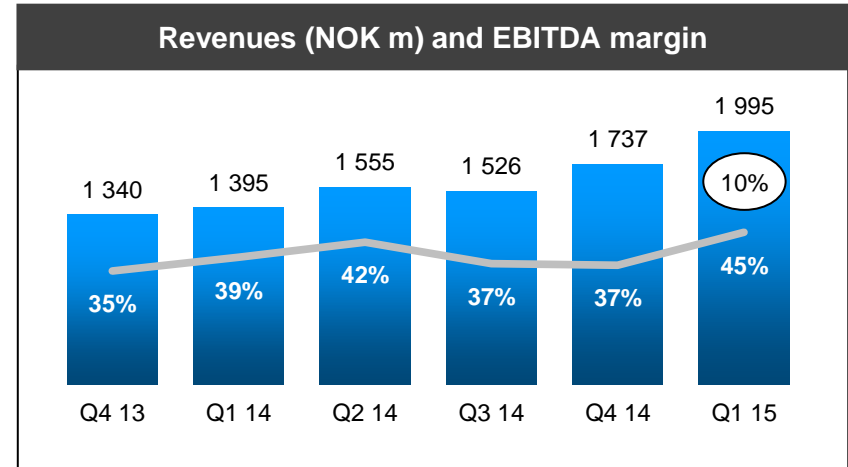
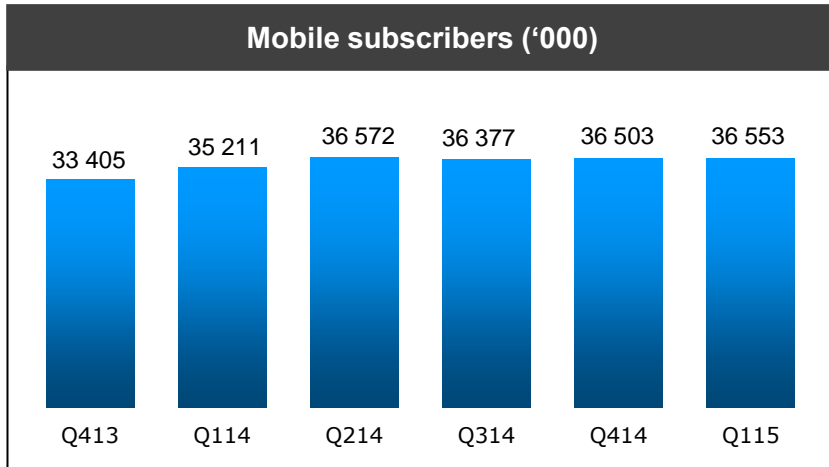
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Bangladesh (Grameenphone)



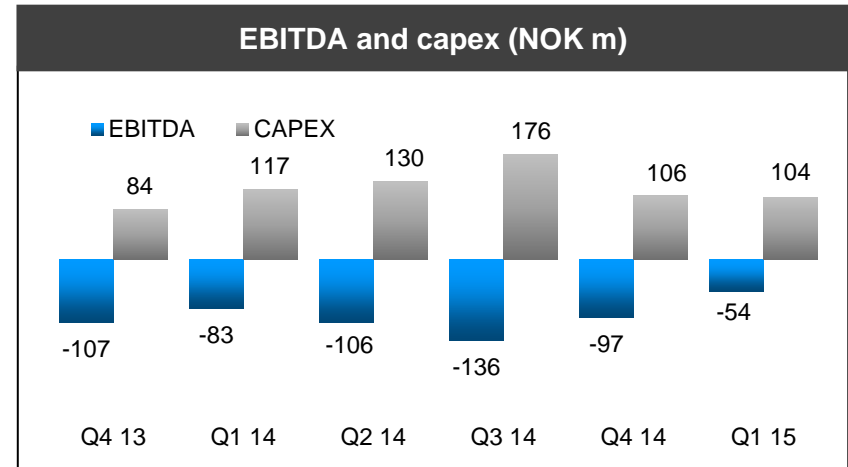
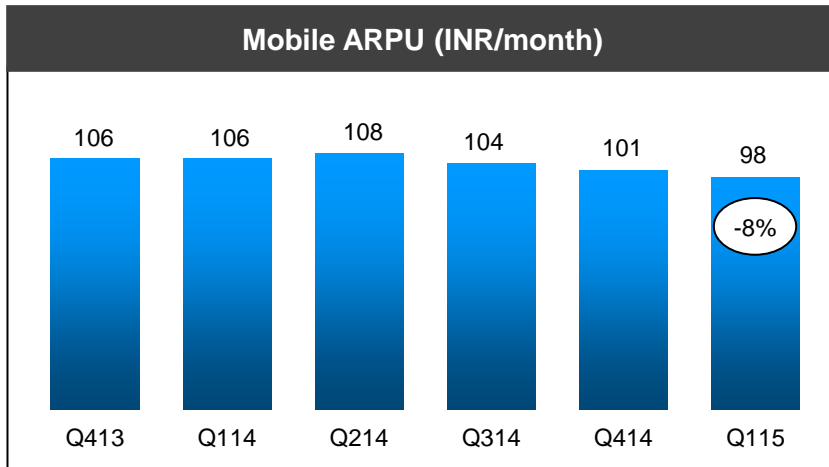
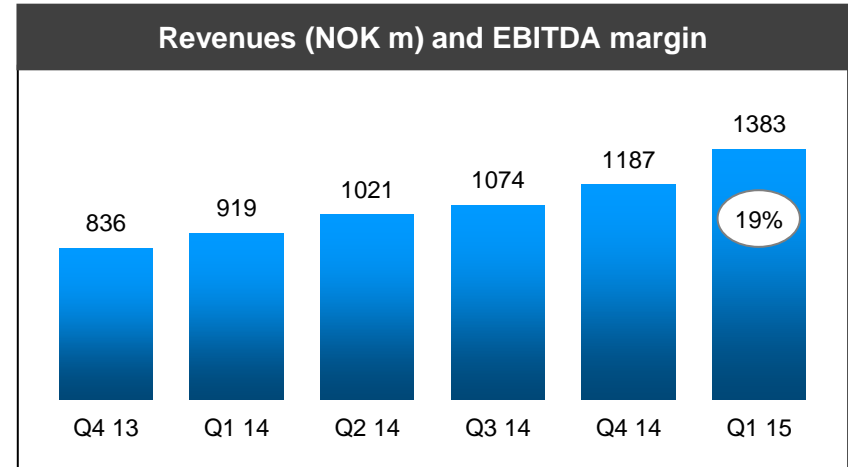
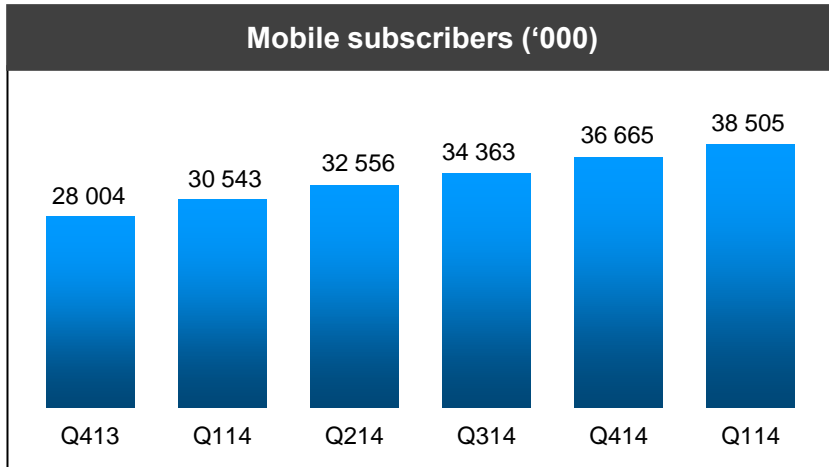
○ Organic growth

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



○ Organic growth

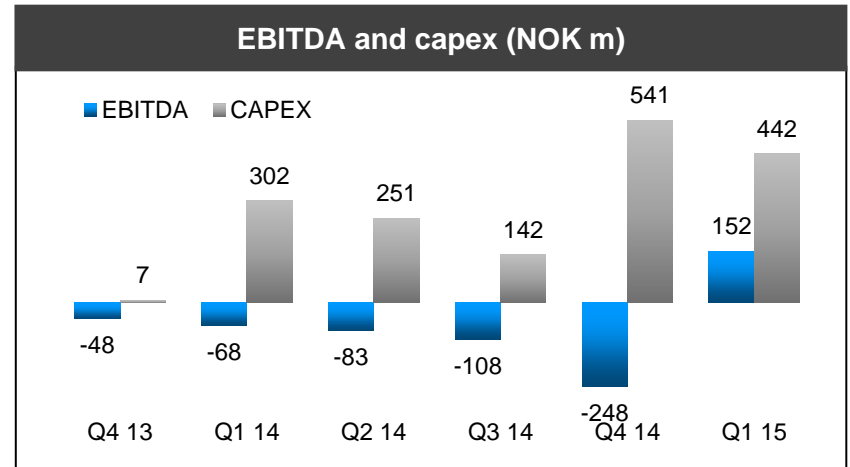
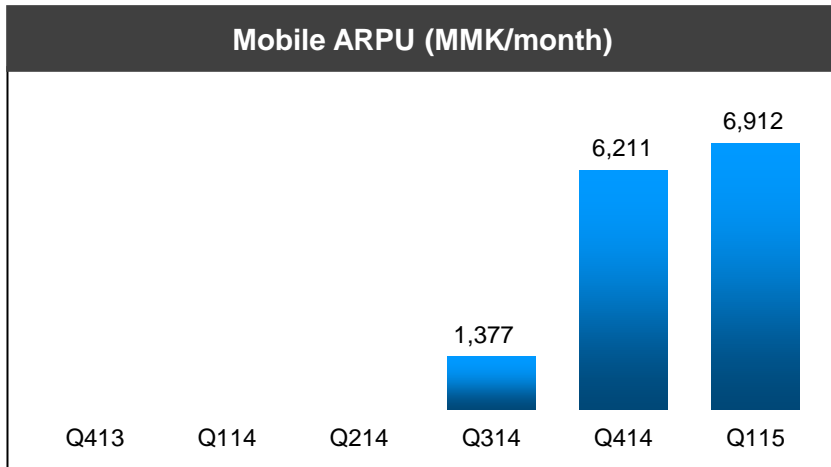
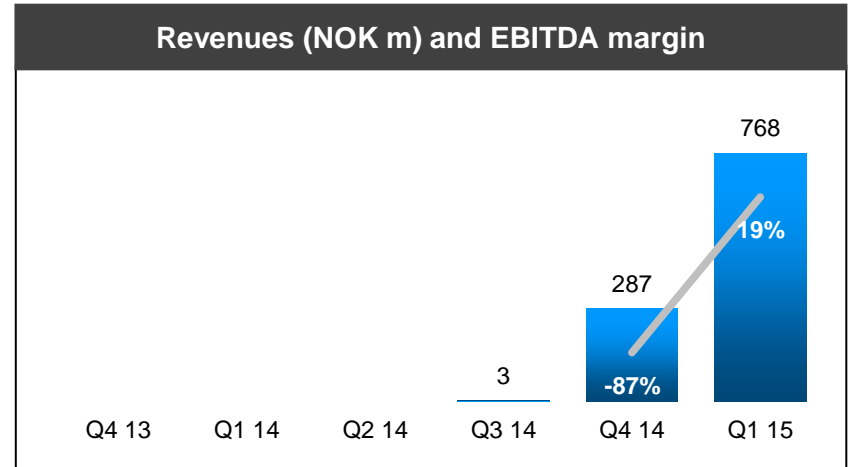
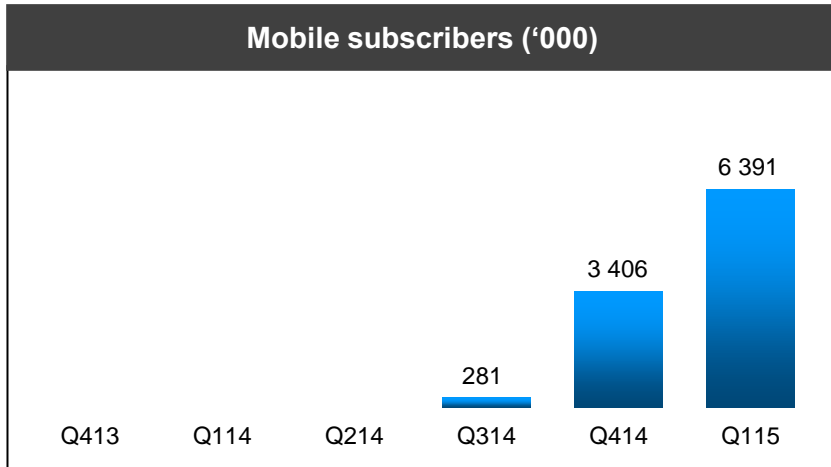
Organic growth assuming fixed currency, adjusted for acquisitions and disposals.
EBITDA and EBITDA margin before other items. Capex excl licence fees



○ Organic growth

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

Myanmar



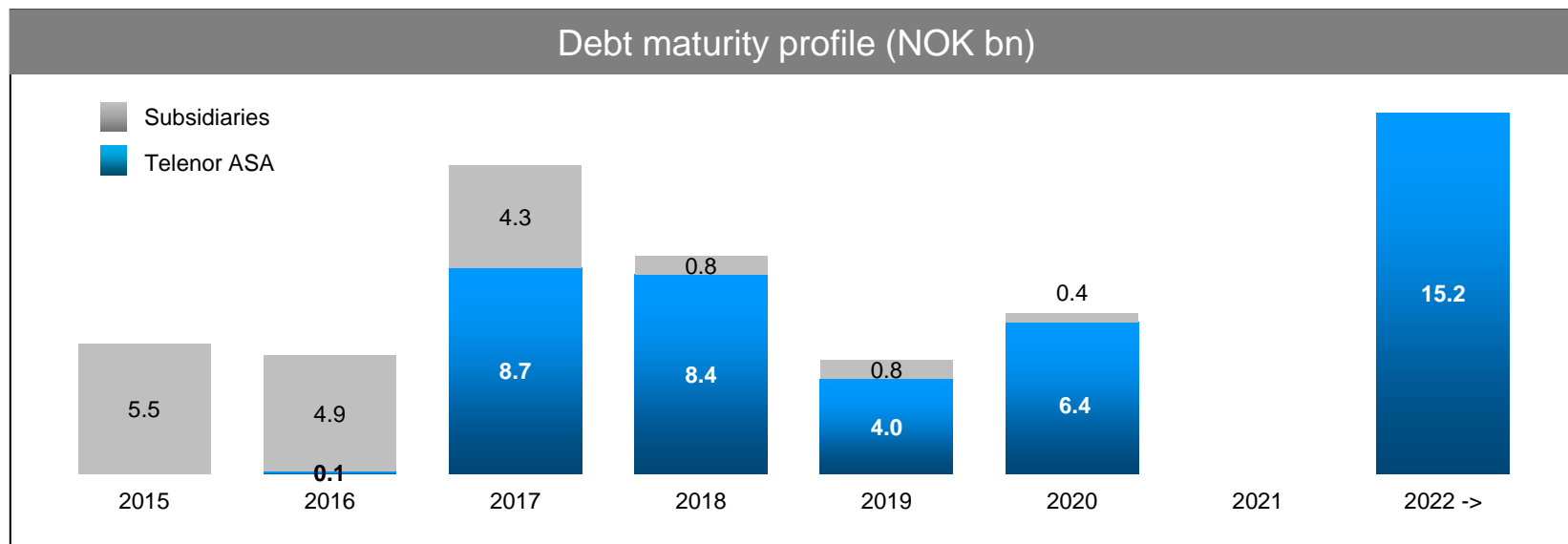
Q1 2015

Changes in revenues and EBITDA

	Revenues		EBITDA	
	Reported	Organic	Reported	Organic
Norway	5.5 %	5.5 %	5.1 %	5.1 %
Sweden	3.4 %	4.7 %	0.5 %	1.7 %
Hungary	10.2 %	5.5 %	-3.8 %	-7.9 %
Montenegro and Serbia	5.3 %	5.0 %	-4.2 %	-4.4 %
Bulgaria	9.0 %	4.2 %	6.5 %	1.8 %
Thailand	30.0 %	2.0 %	14.9 %	-9.8 %
Malaysia	20.9 %	4.3 %	17.6 %	1.4 %
Bangladesh	28.3 %	1.0 %	29.5 %	2.0 %
Pakistan	43.0 %	10.1 %	66.1 %	27.9 %
India	50.6 %	19.2 %		
Broadcast	-9.6 %	-0.2 %	-10.7 %	-1.7 %
Telenor Group	19.3 %	7.6 %	16.7 %	4.9 %

Organic growth YoY in fixed currency and adjusted for acquisitions and disposals.
EBITDA before other items.

Debt maturity and net debt in partly owned subsidiaries



Net debt in partly owned subsidiaries (NOK m)

(NOK m)	Q1 2015	Q4 2014	Q1 2014
Digi	1 539	1 155	910
dtac	6 231	6 171	3 658
Grameenphone	2 662	2 737	1 152

Per 31 Mar 2015. Excl licence commitments

Net debt in partly owned subsidiaries is shown on 100% figures